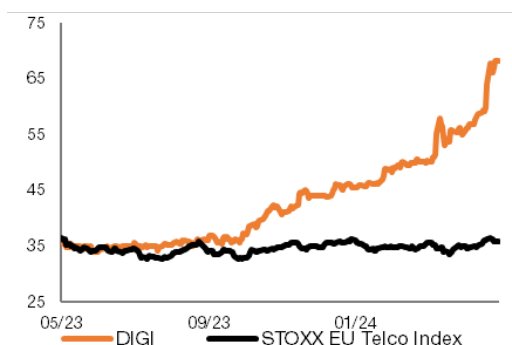


DIGI Communication

Recommendation: BUY

Target price (12m ex-div): RON 84 (prev: RON 47)

EUR mn	2023	2024F	2025F
Revenues	1707	1876	2054
EBITDA	591	663	734
EBIT	173	202	228
Net Profit	92	85	118
Net debt	1623	1745	1722
EBITDA margin	34.6%	35.3%	35.7%
Net debt to EBITDA	2.75	2.63	2.35
EPS [EUR]	0.97	0.90	1.23
DPS [EUR]	0.25	0.28	0.31
Dividend Yield	2.7%	2.1%	2.3%



Share price close as of 31/05/2024	RON 67	Bloomberg	DIGI RO
Number of shares [mn]	100.0	Reuters	DIGI.BX
Market cap. [RON bn/EUR bn]	6.7/1.3	Free float	35.1%
Daily turnover 12M [EUR million]	0.3	52-week range	RON 34 - 68

The growth continues

Due to the transfer of coverage and the recent developments, we revisited our estimates for DIGI. We reiterate our Buy recommendation with a 12-m ex-div TP of RON 84, implying a 26% upside potential. DIGI trades at P/E of 15.0x and EV/EBITDA of 4.8x, based on our estimates, implying that the stock is valued at a premium compared to its peers.

DIGI aims to provide superior communication services to a large customer base at the most affordable prices, offering 'Pay TV', 'Fixed Telephony', 'Mobile Telephony', 'Fixed and mobile internet', 'Data communications' and 'Media content' among its services. DIGI's core markets are Romania, Spain, while the company is also present in Italy, Portugal and Belgium with further growth opportunities. DIGI covers close to 18m homes with its fiber network in core markets and it has more than 24mn users across its network.

Key factors influencing DIGI's share price in the coming years:

- Strong growth was maintained in Romania and Spain that could signal another year of anticipated growth for the company.
- Announced sale of Spanish FTTH network will enhance Digi Spain's liquidity and enable further investment in network expansion.
- The announced acquisition of Telekom Romania will have a positive impact on the mobile segment, however the reorganization of the newly acquired company can post some challenges and additional costs to DIGI.
- DIGI hasn't shared too many details about the Belgian and Portuguese operations, but we would rather expect positive surprise in the future considering the impressive plans.
- We have still limited visibility on the payback time of the huge CAPEX.
- Even though, DIGI has guided lower CAPEX for this year that can be seen in the first quarter results, showing 9.3% YoY decrease in its CAPEX/Sales, in the conference call they guided EUR 650-700mn CAPEX for this year.
- While the RGU growth is undebatable, there are still no plans for subscription fee increase, ARPU have even decreased in all geographical segments in the first quarter of 2024 (RO: -2.2% YoY, ES: -5.4% YoY, IT: -4.8% YoY).

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Preparing for launch

DIGI has reported its Q1 2024 earnings on 15th of May, beating market consensus estimate. Key markets, Romania and Spain maintained a strong performance, revenues increased by 13.1% YoY on a group level, Spanish segment showed 23.8% higher revenues YoY, while revenues arrived 6.2% higher in Romania YoY. EBITDA grew by 21.9% YoY. EBIT increased 51.5% YoY and Net profit came 137% higher YoY, to EUR 25.6mn.

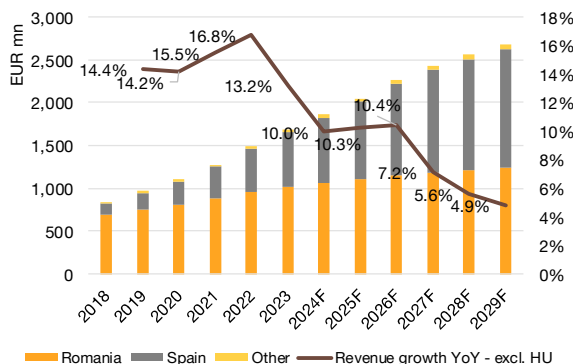
Revenue growth in Romania shows a slowing trend mainly attributed to the decrease in ARPU. DIGI continues to add more customers especially in the mobile segment, however the TV and fixed internet services are growing more slowly given the high market share DIGI has on these markets. Fixed-line telephony has been decreasing YoY and we believe this trend will continue in the future. By 2023, the number of mobile customers exceeded the TV customers which was the largest customer base in the Romanian operation, and we expect the gap will increase even more driven by the increasing demand for data amongst customers. The announced acquisition of Telekom Romania will have a positive impact on the mobile segment, however the reorganization of the newly acquired company can post some challenges and additional costs to DIGI. To boost the RGU growth, DIGI keeps prices low, therefore ARPU shows a small single digit decline since 2020, we expect ARPU will slowly further decline in the upcoming years as DIGI targets rural areas where it offers more favourable packages. However this trend should come to an end in Romania, and we forecast flat ARPU from 2028. Compared to MTelekom's effective 2022 ARPU (before inflation-based fee adjustment was applied), the mobile effective ARPU was 57% lower for DIGI (EUR 4.6 vs. 10.7) while the fixed effective ARPU was 71% lower (EUR 3.9 vs. 13.8) compared to its Hungarian peer's 2022 figures. Moreover, the growth in RGU is becoming more limited and we believe DIGI should consider applying higher fees to maintain a stable revenue growth on this market.

Spanish operation continues to be very strong with further possibilities to grow. All three segment shows double digit growth in terms of customer addition, and we expect this high-pace growth to be continued in the upcoming years, however the pace should decrease given the higher customer base and the increasing consolidation of the Spanish telecommunication sector. ARPU also decreased in the Spanish operation but they are almost twice as high as in Romania. The focus for DIGI remains on the customer base addition with a low-price strategy, therefore we forecast slight decline in ARPU in our forecast periods. DIGI's market share is still very low in this market, however the 5G launch in February and the announced strategic acquisition of spectrum licenses and the option for the national roaming agreement with Orange will support DIGI's further expansion on the Spanish mobile market. Additionally, the sale of its FTTH network can provide additional liquidity for further network constructions.

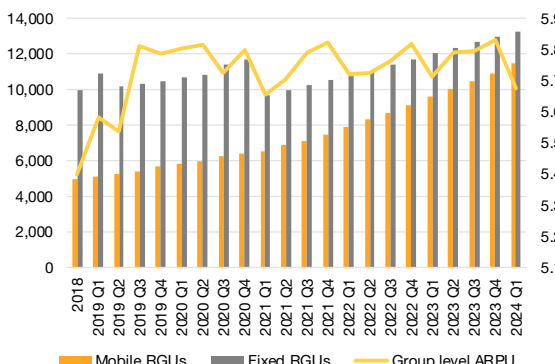
At the end of 2023, the Romanian operation accounted for 60% of the revenues, while the Spanish segment had a 38% contribution to the group revenues. Given the mature and consolidated market in Romania, we see limited growth potential there, assuming a CAGR of 3% between 2024 and 2029 for Romanian revenues, mainly driven by the mobile operation. In our view, the Spanish segment can become the main revenue generating unit within the group by the end of our forecast periods, based on a CAGR of 13% between 2024 and 2029.

Italian Mobile market showed low double-digit growth, reaching 435k customers by the end of Q1 2024. DIGI has the potential to reach additional customers as they are already testing fixed internet services as well in Italy. ARPU shows a similar trend like in Spain, with aggressive pricing, DIGI tries to attract more customers to gain market share. The planned launch in Portugal and Belgium in H2 2024 can further boost the customer base therefore we assume increasing RGU growth for the other segment, forecasting a CAGR of 16% between 2024 and 2029. DIGI's plan in Belgium seem to be quite impressive. The joint venture of DIGI and Citymesh aims for a 30% in-house coverage by 2025 and they plan to reach full coverage by end of 2030, until then they will use Proximus' network. This growth plan can be seen unrealistic, however DIGI promised "prices never seen before in Belgium". Given its track record, we can assume this low-price strategy can be successful in terms of growth. Unfortunately, DIGI did not share too many details about the Belgian and Portugal operations so far, therefore they can cause a positive surprise compared to our estimates.

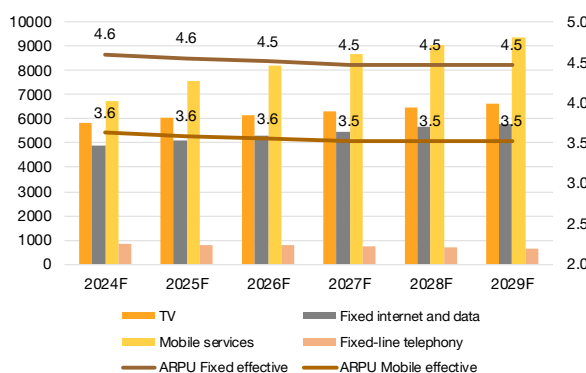
Revenue breakdown excl. HU operation



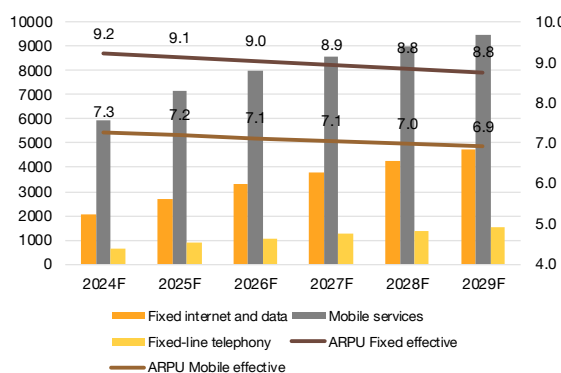
Quarterly RGU (ths) and ARPU (EUR) dynamics



Estimated RGU and ARPU dynamics in Romania



Estimated RGU and ARPU dynamics in Spain



Source: DIGI, Concorde Research

CAPEX remains in focus

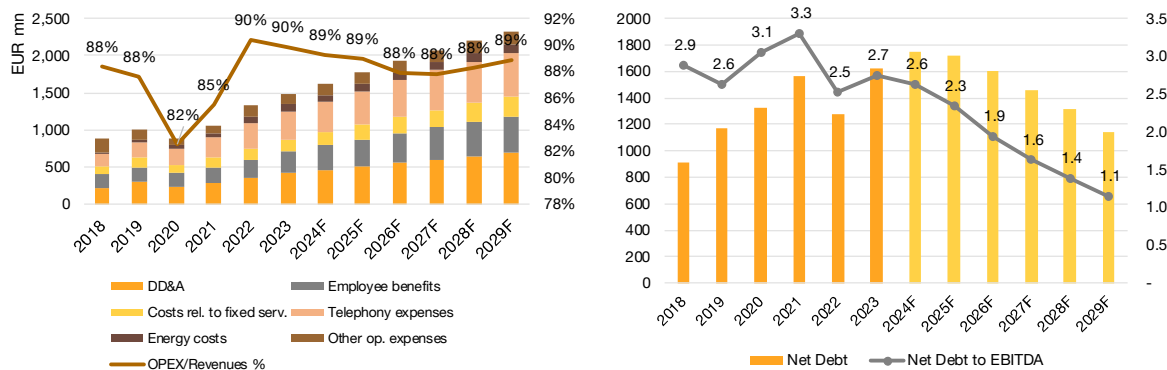
Growth goes in tandem with large capital expenditure. In the past three years the Capex to Sales ratio was over 40% on average and even though the management signalled lower CAPEX for 2024, in the last conference call they increased their expectation to around EUR 650-700m for this year, which implies around 38-41% Capex to Sales ratio. For the future period, the CAPEX need will be strong due to the Spanish and Portugal network construction, however the elevated expenditures in Romania should come to an end, therefore we assume decreasing Capex to Sales ratio, in line with DIGI's intent.

The higher capital expenditure also results in high depreciation and amortization costs, accounting for about 25% of the revenues. Energy costs are seen to decrease in 2024 due to the lower energy prices, however continuous growth and network construction will increase the energy need and related expenses.

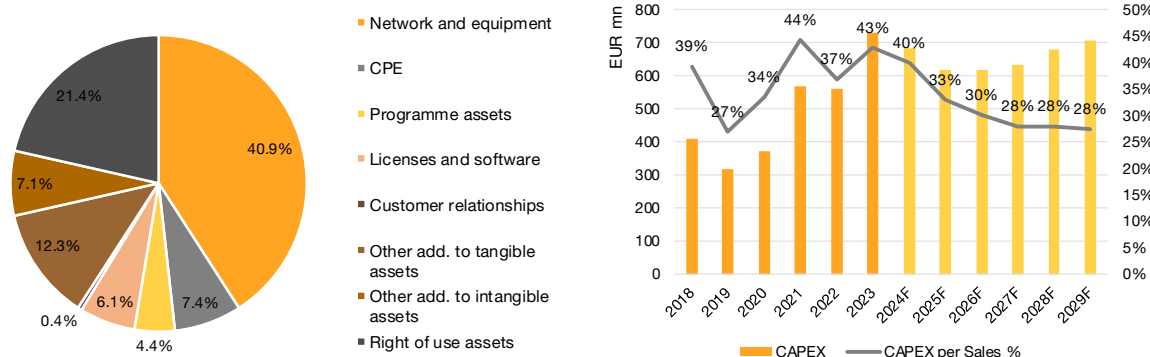
DIGI has a maturing bond with a notional of EUR 450mn in 2025 that they intend to refinance at the end of 2024. It also signed export facility agreements in an amount of EUR 167m in the recent months. At the end of 2023, DIGI sat on EUR 220mn cash, and they plan to use this cash balance and additional credit facilities to refinance their maturing bond in 2024. However, to support the increased CAPEX, we estimate that additional credit facilities will be drawn. For the upcoming years, we also assume that the other outstanding bond with a face value of EUR 400mn maturing in 2028 will be refinanced from new bond issuance, and only EUR 50mn additional credit facility will be required to support the liquidity needs of DIGI.

We see Net Debt will be higher in the next two years driven by the financing need of higher capital expenditures, though once capex needs will slow down, net debt will also decrease. Net Debt to EBITDA peaked in 2021 at 3.3x, thanks to the growing cash balance. Even though the leverage has been reduced since then, ND/EBITDA is expected to reach 2.6x at the end of 2024 and we expect to reach the targeted level of 2.5x only by 2025.

OPEX (left) and Net Debt level (right)



CAPEX composition in 2023 (left) and dynamics (right)

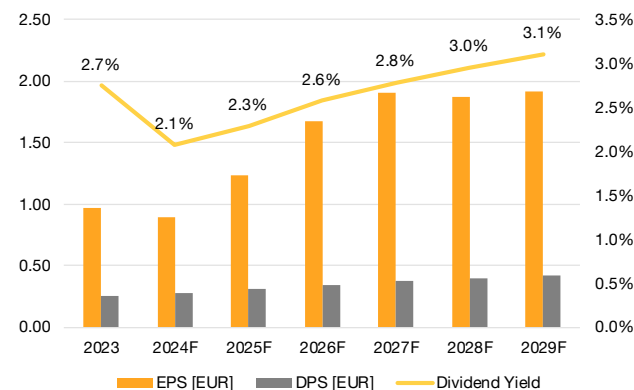


Source: DIGI, Concorde Research

Dividend Policy

DIGI intends to retain and reinvest its profit into further growing possibilities and network construction. In previous years, DIGI distributed 3-4% of their OCF before working capital changes. For our forecast period we assumed DIGI will continue this strategy and pay out 4% of the OCF before WC changes. This means by end of 2029, DPS will be only around RON 2.1, resulting in a dividend yield of 3.1% at the current share price. Starting from 2025, the cash position will be growing, FCF also shows an EUR 200-300mn surplus, therefore we argue that DIGI would have the ability to pay even higher dividends. In case DIGI would distribute 10% of OCF before WC changes, DPS could reach RON 3.8 (Divy of 5.7%) in 2025 that could even increase to RON 5.2 (Divy of 7.8%) by 2029.

EPS and DPS dynamics



Source: DIGI, Concorde Research

Valuation

We set our target price based on DCF valuation, resulting in a TP of RON 84 per share – implying a 15.0x / 10.9x / 8.0x P/E ratios and 4.8x / 4.3x / 3.7x EV/EBITDA multiples for '24/'25/'26.

We see EBITDA margins to come around 37% in our forecast period, however given the high depreciation, EBIT margin is expected to stabilize at 11%.

DIGI is still far away to reach a mature stage due to the immense growth the company is pursuing. CAPEX level is expected to decrease, although we see it will be above that level what the maintenance only would require. In our FCFF model we use 2% terminal growth to reflect the above-average growth that DIGI shows compared to its peers, although this is still conservative, in our view.

As earlier, we apply 10% discount to the enterprise value to account for the lower liquidity and the lower voting rights of the Class B shares.

EUR thousands	2024F	2025F	2026F	2027F	2028F	2029F
Revenues	1,859,467	2,050,734	2,264,419	2,426,702	2,562,895	2,687,403
<i>YoY growth %</i>	10.0%	10.3%	10.4%	7.2%	5.6%	4.9%
EBITDA	662,792	733,633	825,426	892,629	947,256	996,392
<i>EBITDA margin %</i>	35.6%	35.8%	36.5%	36.8%	37.0%	37.1%
EBIT	201,944	227,879	274,958	296,161	301,492	299,495
<i>EBIT margin %</i>	10.9%	11.1%	12.1%	12.2%	11.8%	11.1%
<i>Effective Tax rate %</i>	19.8%	20.1%	20.4%	20.6%	20.7%	20.8%
NOPLAT	161,908	182,015	218,803	235,096	238,981	237,097
(+) Depreciation	460,848	505,754	550,468	596,468	645,764	696,897
<i>Working capital/Sales</i>	2.2%	2.3%	2.5%	1.8%	1.4%	1.2%
(+/-) Working capital	40,937	47,507	55,811	43,127	36,194	33,088
<i>CAPEX/Sales</i>	36.7%	30.2%	27.2%	26.1%	26.5%	26.2%
<i>CAPEX / DD&A</i>	148.1%	122.4%	112.0%	106.3%	105.2%	101.1%
(-) CAPEX including lease payments	682,622	618,963	616,323	634,037	679,477	704,796
FCFF	-18,929	116,312	208,759	240,653	241,462	262,286
Discount factor	0.92	0.85	0.78	0.72	0.67	0.62
DCF	-17,408	98,525	163,242	174,080	161,949	2,903,116
Enterprise value - boy 2024	3,483,503					
Terminal growth rate	2.0%					
DLOL & DLOC	-348,350					
Net debt + leases [2023 eoy]	-1,623,338					
Minority	-124,048					
Dividend	-24,000					
Equity value - boy 2024	1,363,767					
Number of shares wo. Treasury shares (ths)	95,215					
Time value adjusted cost of equity	18.3%					
12M Target price	84					
EURRON	4.9764					
Current price	67					
Upside/Downside	25.8%					

	2024F	2025F	2026F	2027F	2028F	2029F
Risk free rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Equity risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Beta	1.2	1.2	1.0	0.9	0.9	0.8
Cost of Equity	12.4%	11.8%	11.2%	10.6%	10.4%	9.9%
After-tax cost of debt	6.0%	6.0%	6.0%	6.0%	5.9%	5.9%
Debt weight	57.0%	55.9%	54.7%	54.0%	56.7%	55.2%
WACC	8.7%	8.6%	8.3%	8.1%	7.9%	7.7%

Source: Concorde Research

SENSITIVITY ANALYSIS FOR TV GROWTH, EBIT MARGIN AND RISK-FREE RATE FOR THE FCFF MODEL

		TV growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
Risk free rate in TV	4.5%	81	96	115	138	168
	5.0%	69	83	98	118	141
	5.5%	59	71	84	101	120
	6.0%	50	60	72	86	103
	6.5%	42	51	62	74	88

		EBITmargin in TV				
		9.1%	10.1%	11.1%	12.1%	13.1%
Risk free rate in TV	4.5%	84	100	115	131	146
	5.0%	70	84	98	113	127
	5.5%	58	71	84	97	110
	6.0%	48	60	72	84	96
	6.5%	39	50	62	73	84

Source: Concorde Research

Peer valuation

Based on a peer group comparison, DIGI is fairly valued and should trade at a 4.6x median EV/EBITDA multiple that would imply a share price of RON 66, while on a P/E basis the company seems to be overvalued and its share price should trade around RON 44, implying 40% premium currently. Looking at the equity-based multiples, the selected companies have a median 1.1x P/BV multiple, while DIGI trades at 1.8, implying 56% premium per share.

That said, the above multiple based valuation is based only on CEE companies multiples where DIGI's main revenue source comes from. DIGI's operation is expanding to Western European countries and the main source of revenues is moving towards to Spain therefore it would be arguable to use Western European countries as well in our peer group. In our view, these telco companies are way larger in terms of market capitalization, hence it would not be appropriate to include them in our selection. Nonetheless, WE telco companies trade at higher multiples which implies a significant premium to DIGI's current share price.

Name	Country	Currency	Price	Cap (EUR)	P/E			EV/EBITDA			P/BV			Dividend Yield %		
					2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
DIGI Communication	Romania	RON	67.0	1,367	9.5	15.0	10.9	4.4	4.8	4.3	1.3	1.8	1.6	2.7	2.1	2.3
CEE companies																
Hrvatski Telekom	Croatia	EUR	30.2	2,356	19.1	17.0	15.8	4.9	4.7	4.6	1.4	1.4	1.4	4.0	5.1	5.5
Telekom Austria	Austria	EUR	8.6	5,681	9.0	8.9	8.1	3.9	4.0	3.8	1.4	1.1	1.1	4.1	4.7	5.3
Orange Polska	Poland	PLN	8.1	2,471	12.2	10.7	10.2	4.6	5.2	4.7	0.8	0.8	0.8	4.3	6.2	7.4
Cyfrow y Polsat	Poland	PLN	12.8	1,913	40.1	29.9	24.4	4.7	6.8	6.5	0.5	0.5	0.5	0.0	N.A.	0.0
Turk Telekom	Turkey	TRY	45.1	4,516	23.1	26.4	19.4	3.9	4.3	3.0	4.9	N.A.	N.A.	2.1	3.6	3.0
Magyar Telekom	Hungary	HUF	986.0	2,467	12.6	7.4	5.6	4.2	4.2	3.7	1.3	1.2	1.0	4.3	6.7	11.4
Hellenic Telecommunication	Greece	EUR	13.7	5,739	10.8	10.5	9.7	4.5	4.6	4.5	2.9	2.7	2.5	4.8	5.5	5.7
Median				2,471	12.6	10.7	10.2	4.5	4.6	4.5	1.4	1.1	1.0	4.1	5.3	5.5
Premium / discount to Median					-25%	40%	7%	-1%	4%	-4%	-3%	56%	53%	-33%	-61%	-58%
Developed EU companies																
Vodafone Group	UK	GBp	74.5	23,604	11.1	10.5	8.8	4.9	5.8	5.8	0.4	0.4	0.4	9.9	6.7	6.1
BT Group	UK	GBp	128.1	14,979	6.7	6.9	6.8	4.2	4.1	4.1	0.8	0.9	0.9	6.0	6.2	6.2
Deutsche Telekom	Germany	EUR	21.9	109,104	13.2	12.1	10.9	6.1	6.2	5.9	2.0	1.9	1.8	3.5	3.9	4.4
Telefonica	Spain	EUR	4.2	23,979	12.5	13.2	12.3	5.8	5.0	5.0	1.0	1.1	1.1	7.1	7.1	7.2
Orange	France	EUR	10.6	28,303	9.7	9.6	8.7	4.9	5.5	5.3	0.9	0.9	0.8	6.7	7.0	7.2
Telenor	Norway	NOK	123.3	15,124	25.0	12.7	14.7	7.2	7.3	7.1	2.5	2.5	2.5	7.7	7.8	7.8
Telia	Sweden	SEK	26.9	9,188	21.9	18.2	14.9	8.2	6.6	6.3	1.8	2.1	2.1	7.4	7.4	7.5
Koninklijke	Netherlands	EUR	25.3	23,864	19.3	18.4	15.5	21.7	9.7	8.9	1.9	2.0	1.9	3.2	2.8	3.4
Telecom Italia	Italy	EUR	0.2	4,980	N.A.	N.A.	N.A.	6.0	5.8	5.6	0.3	0.3	0.3	0.4	0.4	0.9
Elisa	Finland	EUR	41.8	6,991	17.8	17.4	16.7	10.5	10.6	10.2	5.2	5.1	5.0	5.4	5.6	5.8
Swisscom	Switzerland	CHF	488.2	25,798	14.6	15.0	15.5	7.9	7.1	6.8	2.1	2.1	2.0	4.6	4.6	4.7
Median				23,604	13.9	13.0	13.5	6.1	6.2	5.9	1.8	1.9	1.8	6.0	6.2	6.1
Premium / discount to Median					-32%	16%	-19%	-28%	-24%	-27%	-25%	-5%	-9%	-54%	-66%	-62%

Source: Bloomberg, Concorde Research

Overall, we believe DIGI has proven that its growth strategy pays out very well and it is able to expand its operation further in the targeted Western European countries. Heavy investments in infrastructure and muted price levels contributed to a strong growth in customer base over the past years. Although, the question can be raised that how long the company is planning to focus on the growth and invest heavily in network construction. Once DIGI would start to increase the prices and lower the capital investments, the incremental revenue from the price increases could boost its profitability and an increase in shareholder remuneration would have a positive impact on the share price, in our view.

Risks

Upside risks

- Higher than expected RGU growth in Spain and in the targeted new markets
- Once Digi would start to increase the subscription fees, profitability would show a significant increase that could have a positive impact for the share price

Downside risks

- Increasing consolidation of Spanish telco market could potentially result in slowing RGU growth and the need for additional fee decrease to reach new customers
- CAPEX levels are still high which results in an elevated financing needs and financial expenses
- Currency and translation risk as ca. 60% of the sales is in RON while its reporting currency is EUR

APPENDIX

MARGINS AND PROFITABILITY

	2023	2024F	2025F	2026F	2027F	2028F	2029F
EBITDA margin	34.6%	35.3%	35.7%	36.5%	36.8%	37.0%	37.1%
EBIT margin	10.1%	10.8%	11.1%	12.1%	12.2%	11.8%	11.1%
EBT margin	5.5%	5.7%	7.2%	8.8%	9.4%	8.8%	8.6%
Net Income margin	5.4%	4.6%	5.7%	7.0%	7.5%	7.0%	6.8%
ROE	14.0%	12.0%	14.7%	17.3%	17.1%	14.9%	13.7%
ROA	2.7%	2.5%	3.3%	4.4%	4.9%	4.6%	4.6%
ROCE	7.1%	8.2%	9.1%	10.8%	11.5%	11.1%	11.0%

GROWTH

	2023	2024F	2025F	2026F	2027F	2028F	2029F
Sales growth	12.5%	9.9%	9.5%	10.2%	7.2%	5.6%	4.9%
EBITDA growth	17.0%	12.2%	10.7%	12.5%	8.1%	6.1%	5.2%
EBIT growth	19.0%	16.6%	12.8%	20.7%	7.7%	1.8%	-0.7%
EBT growth	15.3%	13.7%	38.1%	36.2%	13.8%	-1.5%	2.3%
Profit growth	23.3%	-7.4%	37.6%	35.7%	13.5%	-1.6%	2.2%

MULTIPLES

	2023	2024F	2025F	2026F	2027F	2028F	2029F
P/E	9.5x	15.0x	10.9x	8.0x	7.1x	7.2x	7.0x
P/CF	1.9x	2.2x	1.9x	1.7x	1.6x	1.5x	1.4x
P/BV	1.3x	1.8x	1.6x	1.4x	1.2x	1.1x	1.0x
EV/Sales	1.6x	1.7x	1.5x	1.3x	1.2x	1.1x	1.0x
EV/EBITDA	4.4x	4.8x	4.3x	3.7x	3.2x	2.9x	2.6x
Net Debt/EBITDA	2.7x	2.6x	2.3x	1.9x	1.6x	1.4x	1.1x

PROFIT AND LOSS [EUR THOUSAND]

	2023	2024F	2025F	2026F	2027F	2028F	2029F
Revenues	1,706,556	1,875,647	2,054,410	2,264,419	2,426,702	2,562,895	2,687,403
Romania	1,019,381	1,065,556	1,106,539	1,147,292	1,176,381	1,209,138	1,237,137
Spain	642,004	761,361	909,380	1,078,614	1,206,318	1,302,360	1,390,233
Other	28,991	32,549	34,814	38,513	44,003	51,396	60,033
EBITDA	590,662	662,792	733,633	825,426	892,629	947,256	996,392
EBIT	173,166	201,944	227,879	274,958	296,161	301,492	299,495
Net financial cost	-72,987	-95,406	-80,764	-74,563	-68,094	-76,754	-69,519
EBT	93,672	106,538	147,115	200,395	228,067	224,738	229,976
Income tax	-1,428	-21,121	-29,610	-40,927	-47,025	-46,597	-47,914
Net profit	92,244	85,416	117,505	159,469	181,042	178,141	182,061

RGU EVOLUTION - ROMANIA [THOUSAND]

	2023	2024F	2025F	2026F	2027F	2028F	2029F
Pay TV	5,682	5,845	6,020	6,171	6,325	6,483	6,613
Fixed internet and data	4,571	4,882	5,126	5,331	5,491	5,656	5,797
Mobile telecomm. services	5,820	6,710	7,582	8,189	8,680	9,028	9,343
Fixed-line telephony	890	853	810	770	731	695	660
TOTAL	16,963	18,290	19,539	20,461	21,228	21,861	22,413

RGU EVOLUTION - SPAIN [THOUSAND]

	2023	2024F	2025F	2026F	2027F	2028F	2029F
Fixed internet and data	1,373	2,030	2,700	3,294	3,788	4,242	4,751
Mobile telecomm. services	4,663	5,962	7,155	8,013	8,574	9,003	9,453
Fixed-line telephony	445	660	878	1,071	1,253	1,379	1,517
TOTAL	6,481	8,652	10,732	12,378	13,615	14,624	15,721

Source: Bloomberg, Concorde Research

BALANCE SHEET [EUR THOUSAND]

	2023	2024F	2025F	2026F	2027F	2028F	2029F
ASSETS							
Property, plant and equipment	1,969,936	2,189,190	2,343,939	2,471,261	2,582,747	2,693,291	2,789,641
Right of use assets	395,674	441,097	464,020	477,566	485,846	494,156	497,820
Intangible assets and goodwill	362,679	337,534	301,562	261,440	219,276	177,812	134,693
Total non-current assets	2,893,963	3,115,737	3,228,947	3,294,801	3,332,371	3,366,084	3,373,983
Inventories	12,918	15,416	16,886	18,612	19,945	21,065	22,088
Programme assets	19,148	19,148	19,148	19,148	19,148	19,148	19,148
Trade and other receivables	92,752	87,359	95,685	105,466	113,024	119,368	125,167
Cash and cash equivalents	221,342	55,658	34,474	51,951	102,733	244,622	278,769
Total current assets	475,873	307,294	295,905	324,889	384,564	533,916	574,885
Total assets	3,369,836	3,423,031	3,524,852	3,619,691	3,716,935	3,900,000	3,948,868
EQUITY AND LIABILITIES							
Share capital	6,810	6,810	6,810	6,810	6,810	6,810	6,810
Share premium	3,406	3,406	3,406	3,406	3,406	3,406	3,406
Treasury shares	-14,135	-14,135	-14,135	-14,135	-14,135	-14,135	-14,135
Reserves	-3,014	-3,014	-3,014	-3,014	-3,014	-3,014	-3,014
Retained earnings	667,179	720,892	804,183	926,603	1,066,925	1,201,658	1,338,126
Equity attributable to owners of the Company	660,246	713,959	797,250	919,670	1,059,992	1,194,725	1,331,193
Non-controlling interest	124,048	129,716	135,171	140,385	145,289	149,964	154,454
Total equity	784,294	843,675	932,421	1,060,056	1,205,281	1,344,689	1,485,647
LIABILITIES							
Loans and borrowings	1,183,650	1,139,422	1,095,195	995,081	895,081	895,081	763,081
Lease liabilities	312,537	312,537	312,537	312,537	312,537	312,537	312,537
Deferred tax liabilities	82,209	82,209	82,209	82,209	82,209	82,209	82,209
Total non-current liabilities	1,664,766	1,620,538	1,576,311	1,476,197	1,376,197	1,376,197	1,244,197
Trade and other payables	563,193	601,235	658,537	725,855	777,874	821,531	861,441
Loans and borrowings	199,814	199,814	199,814	199,814	199,814	199,814	199,814
Lease liabilities	77,039	77,039	77,039	77,039	77,039	77,039	77,039
Total current liabilities	920,776	958,818	1,016,120	1,083,438	1,135,457	1,179,114	1,219,024
Total liabilities	2,585,542	2,579,356	2,592,431	2,559,635	2,511,654	2,555,311	2,463,221
Total equity and liabilities	3,369,836	3,423,031	3,524,852	3,619,691	3,716,935	3,900,000	3,948,868

Source: Bloomberg, Concorde Research

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Accumulate	Total return is expected to be in the range of 10-20%
Neutral	Total return is expected to be in the range of 10%-(-10%)
Reduce	Total return is expected to be in the range of -10-(-20%)
Sell	Total return is expected to be lower than -20%
Under Revision	The stock is put Under Revision if the covering analyst considers new information may change the valuation materially and if this may take more time.
Coverage in transition	Coverage in transition rating is assigned to a stock if there is a change in analyst.

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Prices are taken as of the previous day's close on the home market unless otherwise stated.

Valuations and risks:

Analysis of specific risks to set stock target prices highlighted in our investment case(s) are outlined throughout the report. For details of methodologies used to determine our price targets and risks related to the achievement of the targets referred to in the main body of the report or at [Rating Methodology](#) on our website, visit (https://www.con.hu/wp-content/uploads/2016/04/Methodology_concorde_research.pdf?tstamp=201710021038)

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