

BoomBit

New opening in hypercasual games

BoomBit is a developer and publisher of mobile games distributed in the Free-To-Play (F2P) model, which consists in making games available for free on digital distribution platforms and monetising players through in-game advertisements and voluntary micropayments.

When it was floated in May 2019, the Company planned to focus its business on the Game-as-a-Service (GaaS) segment, monetised through microtransactions. After failing to succeed in this genre, however, it changed its business model at the turn of the year, which now seems to bear fruit. Seeing great potential in hypercasual games, which it specialised in even before its listing, the Company decided to revise its strategy and significantly step-up its involvement in the production and marketing campaigns of these games.

Hypercasual games are easy-to-play, low-cost development productions with minimalist interface and fast payback period per acquired user, which are monetised mainly by means of advertising. The strategic shift towards the hypercasual segment has proved to be the right business decision, while the update of the strategy together with the favourable market momentum (COVID-19 pandemic) considerably have boosted the Company's revenues in 2020.

We believe that the increasingly strong BBT's presence in the hypercasual segment is its chance to enter the upward result trajectory with a lower investment risk, that is a faster return on investment from UA campaigns than in the GaaS model. After the success of *Ramp Car Jumping* or *Slingshot Stunt Driver*, the Company is currently testing several more titles. Given the effectiveness of UA campaigns in this segment, the option to hit the Chinese market and the multitude of interesting IPs of the largest shareholder (ATM Grupa S.A.), which could form the basis for further titles, the future of the Company seems promising.

Moreover, mobile games are the fastest growing subsegment of the games market, which is why we believe that an exposure to shares of the Company, which has the potential to scale up its business, is worth accepting a higher investment risk. Given the above, we start issuing recommendations for BoomBit with a 12-month target price of PLN 25.6 (+21% upside) and a "BUY" investment recommendation.

Financial forecasts. We forecast EBITDA at 28.6m (EV/EBITDA 8.9x), PLN 15.2m adjusted net profit in 2020 (P/E 18.5x) and average annual adjusted net profit of PLN 17.3m in 2020-22 (P/E 16.4x). At our Target Price, the Company's P/E for 2020 is 22.5x.

Valuation. The valuation is 100% based on the DCF method, which returns the BBT share price of PLN 25.6 PLN apiece (BUY, +21% upside). The market multiples valuation returns PLN 24.0 per share (+14% upside).

Risk factors. Risk factors are described on pages 5 - 6 of the report.

PLN m	2017	2018	2019	2020E	2021E	2022E
Sales	20,5	37,5	49,7	139,9	160,9	179,5
EBITDA	15,4	14,9	-4,3	28,6	33,1	37,6
EBIT	10,5	10,5	-11,0	16,7	20,3	24,8
Net profit	8,5	8,4	-9,9	15,2	16,5	20,1
EPS (PLN)	1,06	0,70	-0,74	1,14	1,23	1,50
P/E adj. (x)	19,9	30,2	-	18,5	17,1	14,1
EV/EBITDA (x)	10,8	16,8	-	9,3	7,4	6,0
EV/Sales (x)	8,2	6,7	5,6	1,9	1,5	1,3
DY (%)	0,6%	1,1%	0,0%	0,0%	0,0%	0,0%

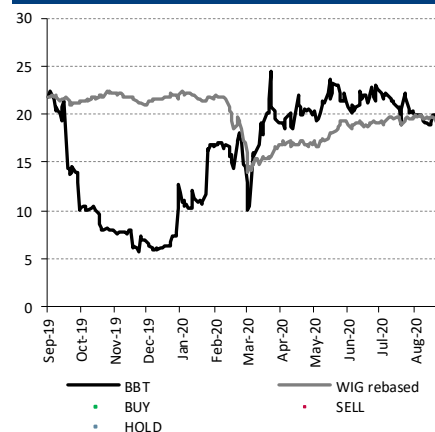
Source: company data, Trigon DM

BUY

(Initiation)

TP: PLN 25,6
Upside: +21%
FACT SHEET

Ticker	BBT		
Sector	Gaming		
Price (PLN)	21,1		
52wk Range (PLN)	5,22 / 24,9		
Number of share (m)	13,4		
Market Cap (mPLN)	272		
Free-float	15%		
Avg Vol 3M (mPLN)	0,51		
Price performance	1M	3M	1Y
	3,2%	-1,6%	-1,5%

RELATIVE SHARE PRICE PERFORMANCE

Recommendation history

Recommendation history	Date	Price

Shareholders

Shareholders	Share %
ATM Grupa SA	29,8%
Hannibal Soares (We Are One Ltd)	27,8%
Marcin Olejarz	13,9%
Karolina Szablewska-Olejarz	13,7%
Others	14,8%

Important dates

Semi-annual report	25.09.2020
Quartely report 3Q'20	20.11.2020

Analyst

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BoomBit

Bloomberg ticker

BBT PW

Recommendation
Target Price (PLN)

Buy
25,6

Current Price (PLN)
Upside

21,1
21%

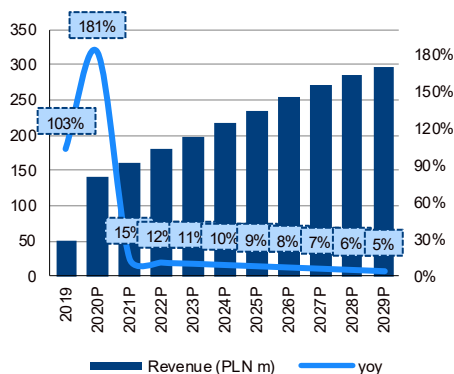
Previous Recommendation
Previous Target Price (PLN)

Number of shares (dilluted) (m)
Market Cap (mPLN)
EV (m PLN)

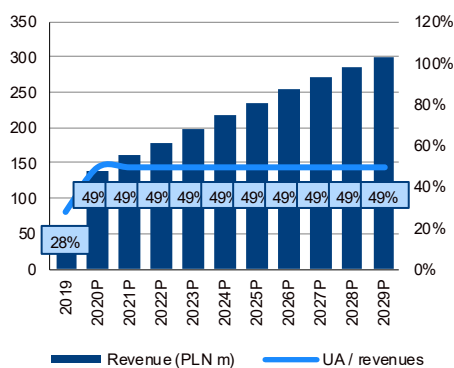
13,5
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281

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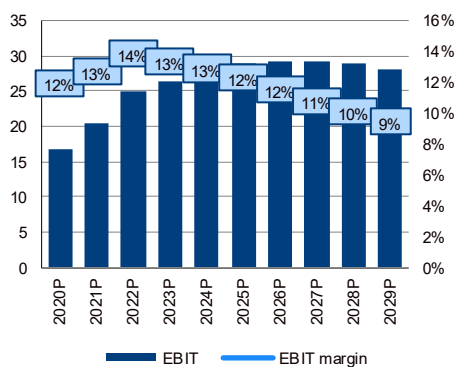
Revenues (PLN m) and yoy dynamics (%)



Revenues (PLN m) vs. UA/revenues multiple



EBIT & EBIT margin



MARKET RATIOS	2018	2019	2020E	2021E	2022E
P/E (x)	33,7	-	13,1	17,1	14,1
P/E adj. (x)	33,7	-	18,5	17,1	14,1
P/BV (x)	8,1	5,5	3,9	3,2	2,6
EV/EBITDA (x)	18,8	-	9,3	7,4	6,0
EV/EBITDA adj. (x)	18,8	169,8	9,3	7,4	6,0
EV/Sales (x)	7,5	5,6	1,9	1,5	1,3
FCF Yield (%)	-2,5%	-6,0%	5,6%	7,3%	8,9%
DY (%)	1,0%	0,0%	0,0%	0,0%	0,0%

RATIOS	2018	2019	2020E	2021E	2022E
EPS (PLN)	0,6	-0,7	1,6	1,2	1,5
EPS adj. (PLN)	0,6	-0,7	1,1	1,2	1,5
DPS (PLN)	0,2	0,0	0,0	0,0	0,0
BVPS (PLN)	2,6	3,8	5,4	6,6	8,1
Number of shares (m)	13,4	13,4	13,4	13,4	13,4
Market Cap (mPLN)	282	282	282	282	282
EV (mPLN)	280	281	265	246	225

P&L (mPLN)	2018	2019	2020E	2021E	2022E
Sales	37,5	49,7	139,9	160,9	179,5
Cash sales	-19,8	-45,1	-114,4	-130,2	-143,9
Gross profit from sales	17,8	4,6	25,5	30,7	35,6
EBITDA	14,9	-4,3	28,6	33,1	37,6
EBITDA adj.	14,9	1,7	28,6	33,1	37,6
D&A	4,3	6,6	11,9	12,8	12,8
EBIT	10,5	-11,0	16,7	20,3	24,8
Gross profit	10,4	-11,2	25,1	20,3	24,8
Minority interest	0,0	0,0	0,0	0,0	0,0
Net profit	8,4	-9,9	21,5	16,5	20,1
Net profit adj.	8,4	-9,9	15,2	16,5	20,1

CASH FLOW STATEMENT (mPLN)	2018	2019	2020E	2021E	2022E
Cash flow from operations	9,8	3,0	26,7	29,6	33,2
Cash flow from investing	-7,2	-23,6	-10,9	-10,8	-12,3
CAPEX	-16,7	-19,7	-11,7	-11,7	-13,1
Cash flow from financing	-1,3	21,4	0,0	0,0	0,0
Dividend	-2,8	0,0	0,0	0,0	0,0
FCF	-6,9	-16,7	14,9	17,9	20,1
Net cash flow	1,4	0,8	15,8	18,7	20,9

BALANCE SHEET (mPLN)	2018	2019	2020E	2021E	2022E
ASSETS	49,8	66,7	95,2	114,2	136,5
PPE	1,5	1,6	1,6	1,6	1,6
Goodwill	13,8	14,4	14,4	14,4	14,4
Intangible assets	22,5	29,6	29,4	28,3	28,6
Cash and equivalents	2,6	3,5	19,3	38,1	59,0

EQUITY AND LIABILITIES	2018	2019	2020E	2021E	2022E
Equity	34,8	51,0	72,5	89,0	109,1
Minority shareholders capital	0,0	0,0	0,0	0,0	0,0
Interest-bearing liabilities	0,0	0,0	0,0	0,0	0,0
Net debt	-2,6	-1,6	-17,4	-36,2	-57,1
Change in working capital	-4,2	0,9	-0,5	0,3	0,3

OPERATING INDICATORS	2018	2019	2020E	2021E	2022E
Sales growth (%)	83%	33%	181%	15%	12%
EPS adj. growth (%)	-1%	-	-	8%	22%
Gross profit margin (%)	47,4%	9,3%	18,2%	19,1%	19,8%
EBITDA adj. margin (%)	39,6%	3,3%	20,5%	20,6%	21,0%
Operating profit margin (%)	28,1%	-22,1%	12,0%	12,6%	13,8%
Net profit adj. margin (%)	22,3%	-19,9%	10,9%	10,2%	11,2%
ROE (%)	33,4%	-	24,7%	20,4%	20,3%
ROA (%)	23,7%	-	18,8%	15,7%	16,0%
CAPEX/Sales (%)	44,4%	39,6%	8,4%	7,3%	7,3%
CAPEX/D&A (x)	3,9	3,0	1,0	0,9	1,0
Net debt/Equity	-0,1	0,0	-0,2	-0,4	-0,5
Net debt/EBITDA (x)	-0,2	-1,0	-0,6	-1,1	-1,5
Cash conversion cycle (days)	7	-20	-13	-14	-15
Inventory turnover (days)	0	0	0	0	0
Receivables turnover (days)	61	39	28	36	36
Liabilities turnover (days)	54	59	41	50	51

Source: Company, Trigon DM

Valuation

Income-based valuation. Our target price for BoomBit shares is 100% based on the income-based valuation, which returns the BBT share price of **PLN 25.6** apiece (**BUY, +21% upside**).

Assumptions:

- RFR 2.0%;
- Market premium 6.0% (TDM methodology 6.0% for sWIG80 companies)
- Beta-coefficient 1.2x;
- Residual growth rate 3%;
- Number of shares adjusted for the dilution due to the acquisition of 120k shares under the Incentive Scheme (13.54m shares in total);
- Net debt calculation: Other liabilities due to failure to perform a contract at PLN 1.9m (p. 19) minus cash PLN 3.5m;
- Other financial assets: PLN +6.3m (20.4% BBT's share in SuperScale; PLN 0.46 per BBT's share);
- CIT=19% (assumed no IP BOX relief – the Company has not yet reported receiving the relief from the National Revenue Information Service (KIS)).

BBT: income-based valuation

DCF PLN m	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
EBIT	16,7	20,3	24,8	26,4	28,0	29,0	29,2	29,1	28,8	28,1
Tax Rate	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
NOPLAT	13,5	16,5	20,1	21,4	22,7	23,5	23,7	23,6	23,3	22,8
Amortization	11,9	12,8	12,8	13,8	14,8	15,8	16,8	17,8	18,8	19,7
CAPEX	-11,7	-11,7	-13,1	-14,4	-15,9	-17,1	-18,2	-19,0	-19,7	-19,7
Working Capital, net	-0,5	0,3	0,3	0,3	0,3	0,3	0,2	0,2	0,2	0,2
FCF	13,2	17,9	20,1	21,0	21,9	22,4	22,5	22,6	22,6	23,0
D/(D+E) (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk free rate (%)	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%
Market premium (%)	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
Beta	1,2	1,2	1,2	1,2	1,2	1,2	1,2	1,2	1,2	1,2
Cost of debt after tax (%)	4,1%	4,1%	4,1%	4,1%	4,1%	4,1%	4,1%	4,1%	4,1%	4,1%
Cost of equity (%)	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%
WACC (%)	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%	9,2%
Present value of FCF	12,9	15,9	16,4	15,7	15,0	14,0	12,9	11,9	10,9	10,1
Total DCFC	136									
g	3,0%									
TV	154									
Net Debt (2020.01.01)	-1,6									
Other financial assets (SuperScale)	6,3									
Enterprise value	298									
Number of shares*	13,5									
Implied value per share as of 2020-01-01	22,0									
Implied value per share as of (today)	23,4									
12M Target Price	25,6									
Current market price	21,1									
Upside / downside	21%									

		8,2%	8,7%	WACC	9,2%	9,7%	10,2%
	2,0%	25,6	24,5	23,6	22,8	22,2	
	2,5%	26,8	25,6	24,5	23,6	22,8	
g	3,0%	28,2	26,8	25,6	24,5	23,6	
	3,5%	30,0	28,2	26,8	25,6	24,5	
	4,0%	32,2	30,0	28,2	26,8	25,6	

Source: Trigon DM

Market multiples valuation. For the purposes of the market multiples valuation, we use foreign game developers specialising in mobile games. We base our market multiples valuation on P/E and EV/EBIT multiples. For the market multiples valuation we assume the diluted number of shares – 13.54m pieces. The market multiples **valuation returns PLN 24.0 PLN per BBT share (+14% upside)**. We do not take the market multiples valuation into account in setting the target price for the BBT shares due to the fact that: (1) the peer group does not include entities strictly from the hypercasual games segment (e.g. Voodoo); (2) the companies in the peer group are at a much further stage of development, which makes a direct comparison between their businesses and that of BBT impossible.

BBT: market multiples valuation

Mobile	Market Cap (USD m)	P/E			EV/EBIT		
		2020E	2021E	2022E	2020E	2021E	2022E
Tencent Holdings	586 685	35,1	28,3	23,3	31,3	26,0	21,0
NetEase	59 014	23,4	20,8	18,5	21,6	18,7	15,8
NCsoft	15 531	23,1	16,0	14,3	16,2	10,9	10,0
Zynga	9 628	26,7	23,7	17,3	16,9	13,7	11,9
Stillfront Group	2 767	27,2	22,9	20,7	25,8	20,8	18,3
Pearl Abyss	2 081	16,2	16,0	11,9	12,3	11,1	8,5
SciPlay	1 721	11,5	11,4	12,3	8,4	8,2	7,1
Glu Mobile	1 596	20,5	16,4	11,4	55,4	20,6	13,7
Rovio	458	15,4	17,3	18,0	9,6	11,4	11,8
median		23,1	17,3	17,3	16,9	13,7	11,9
Boom Bit		18,5	17,1	14,1	15,9	12,1	9,1
<i>premium / discount</i>		-20%	-1%	-19%	-6%	-11%	-23%
Valuation per share (PLN)		26,0	21,1	25,7	22,2	23,2	26,0
					24,0		

Source: Bloomberg, Trigon DM estimates

Risk factors

- **Risk of failure of new releases in the hypercasual segment.** Due to their simplified game design, wide target group and short life cycle, hypercasual games are highly unpredictable in terms of revenue potential or KPIs achieved. In our opinion, there is a significant risk of failure to achieve the growth rates we have assumed in this segment, which may depend on many external factors such as players' rating of a game, platform *featuring* (i.e. positioning in the ranking of games) or the market moment of release (COVID-19 pandemic). Weaker-than-expected sales results may also be caused by technical errors, poor player engagement parameters or poor user retention.
- **Low visibility of the release schedule in the hypercasual segment.** Given their short development cycle, usually lasting 4–6 weeks, the precise release date of hypercasual games is difficult to predict, which may lead to our results forecast not being met. These titles are often based on novelties and dynamically changing market trends, which may imply that we have not included key games in our release schedule that could account for a significant portion of revenue this year and in subsequent periods. Moreover, low budgets for the development of hypercasual games imply that capitalised outlays in the case of unsatisfactory parameters can be quickly tested for impairment, which may lead to write-offs.
- **Risk of write-offs on development work expenditure.** Analysis of the Company's balance sheet asset section points to one disturbing element – the high share of development work expenditure in the balance sheet total (about 34%). We believe that if specific titles fail to achieve satisfactory monetisation parameters, there is a significant risk of write-offs, which, in addition to the retrospective waste of cash, may also mean uncertainty as to the currently commercialised productions.
- **Lack of successes/track record in GaaS games.** The Game-as-a-Service segment is a relatively new area of BoomBit's business which despite promising titles has failed to meet market expectations to date. The key investment risk associated with this game model is the uncertainty as to the monetisation of the titles. In our opinion, it is not certain whether the Company will manage to run profitable UA campaigns in this segment, due to the fact that so far it has not succeeded in significantly scaling up games from this segment.
- **Introduction of iOS 14.0.** Apple's new privacy policy, which is expected to come into effect "in early 2021", may bring about significant changes in user acquisition on iOS. The next update of the iPhone operating system, iOS 14, will require the application to obtain user's consent via a pop-up window to collect data to track and target ads. A change in the privacy policy may trigger significant market turbulence in user acquisition, and the implementation period of the system may deteriorate the Company's performance. It seems that publishers of games based on microtransactions are more exposed to this risk factor.

- **Risk of user acquisition parameters getting worse.** In the hypercasual games and Game-as-a-Service segment the investment risk in terms of business profitability is the potential deterioration of user acquisition parameters (higher CPI / weaker retention and conversion of acquired users).
- **Risk of losing key employees.** The BoomBit Group is exposed to the risk of departure of key employees and/or entire development teams. The key competitive advantage in the gaming industry is human capital, thus the departure of the different specialists may translate into a poorer production pipeline and weaker financial results. BoomBit addresses the risk of employees leaving through e.g. the rev share model, which is a success fee for the best production developers.
- **Risk of delay in releases.** The game production process is complex and multi-stage, and the start of the next stage of production depends on the completion of the previous work. In the case of downtime in the different stages of the game development process, the Group is exposed to the risk of delay in the production process of a given game/games, which may have a negative impact on the achieved financial results.
- **Risk of foreign exchange volatility.** The Group operates globally, selling its games through the most important distribution platforms: Google Play and App Store. As a consequence, a significant part of the Group's revenues is generated in foreign currencies (USD, EUR), which means that the appreciation of PLN against these currencies may have an unfavourable impact on the Group's financial results. We estimate that a change in the USD/PLN rate of 0.05 triggers a change in the valuation of 1.5–2%.

Income statement (PLN m)

	2017	2018	2019	2020E	2021E	2022E
Sales	20,5	37,5	49,7	139,9	160,9	179,5
COGS	-7,3	-19,8	-45,1	-114,4	-130,2	-143,9
Gross profit from sales	13,2	17,8	4,6	25,5	30,7	35,6
Cost of sales	0,0	0,0	0,0	0,0	0,0	1,0
General administrative expenses	-2,1	-7,3	-9,6	-9,4	-10,3	-10,7
Profit from sales	11,1	10,5	-5,0	16,1	20,4	25,9
Result on other operating activities, net	-0,5	0,1	-6,0	0,6	0,0	0,0
EBITDA	15,4	14,9	-4,3	28,6	33,1	37,6
EBITDA adj.	15,4	14,9	1,7	28,6	33,1	37,6
D&A	4,9	4,3	6,6	11,9	12,8	12,8
EBIT	10,5	10,5	-11,0	16,7	20,3	24,8
Results on financial operations, net	0,0	-0,1	-0,2	8,4	0,0	0,0
Profit before tax	10,5	10,4	-11,2	25,1	20,3	24,8
Income tax	-2,0	-2,0	1,3	3,6	3,9	4,7
Minority interest	0,0	0,0	0,0	0,0	0,0	0,0
Net profit	8,5	8,4	-9,9	21,5	16,5	20,1
Net profit adj.	8,5	8,4	-9,9	15,2	16,5	20,1

Gross profit from sales margin	64,4%	47,4%	9,3%	18,2%	19,1%	19,8%
EBITDA margin (%)	75,4%	39,6%	-	20,5%	20,6%	21,0%
EBITDA adj. margin (%)	75,4%	39,6%	3,3%	20,5%	20,6%	21,0%
Operating profit margin (%)	51,4%	28,1%	-	12,0%	12,6%	13,8%
Net profit adj. margin (%)	41,4%	22,3%	-	10,9%	10,2%	11,2%

change in sales y/y	46%	83%	33%	181%	15%	12%
change in gross profit from sales y/y	48%	35%	-74%	451%	20%	16%
change in EBITDA adj. y/y	36%	-4%	-89%	1630%	16%	14%
change in EBIT y/y	41%	0%	-	-	22%	22%
change in net profit adj y/y	43%	-1%	-	-	8%	22%

Source: Company,, Trigon DM

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20E
Sales	8,2	14,0	14,8	12,7	37,8	32,9
COGS	-6,9	-11,4	-14,1	-12,7	-28,4	-28,0
Gross profit from sales	1,3	2,6	0,7	0,0	9,4	4,9
Cost of sales	-	-	-	-	-	-
General administrative expenses	-2,2	-3,0	-2,3	-2,1	-2,2	-2,3
Profit from sales	0,0	0,0	0,0	0,0	0,0	0,0
Result on other operating activities, net	0,2	-0,3	0,0	-5,9	0,6	0,0
EBITDA	0,2	0,7	0,3	-5,5	10,4	5,7
EBITDA adj.	0,2	0,7	0,3	-0,4	10,4	5,7
D&A	0,8	1,4	1,9	2,5	2,6	3,1
EBIT	-0,7	-0,7	-1,6	-8,0	7,8	2,6
Results on financial operations, net	0,1	0,0	-0,2	0,0	0,0	0,0
Profit before tax	-0,6	-0,7	-1,9	-8,0	7,8	2,6
Income tax	0,1	-0,1	0,2	1,1	1,5	0,5
Minority interest	0,1	0,0	-0,1	0,0	0,0	0,0
Net profit	-0,5	-0,9	-1,5	-6,9	6,4	2,1
Net profit adj.	-0,5	-0,9	-1,5	-6,9	6,4	2,1

Gross profit from sales margin	15,8%	18,7%	4,6%	0,2%	24,8%	14,8%
EBITDA adj. margin (%)	1,9%	5,3%	2,0%	-	27,5%	17,3%
Operating profit margin (%)	-	-	-	-	20,7%	7,8%
Net profit adj. margin (%)	-	-	-	-	16,9%	6,4%

change in sales y/y	-49,5%	197,8%	144,7%	20,9%	360,5%	134,6%
change in gross profit from sales y/y	-	-	-	-	622,8%	85,8%
change in EBITDA adj. y/y	-	-	-	-	6703,3%	663,2%
change in EBIT y/y	-	-	-	-	-	-
change in net profit adj y/y	-	-	-	-	-	-

Source: Company,, Trigon DM

Balance Sheet (PLN m)

	2017	2018	2019	2020E	2021E	2022E
Fixed assets	9,9	40,1	48,0	54,1	53,0	53,3
Tangible fixed assets	1,6	1,5	1,6	1,6	1,6	1,6
Intangible assets	8,3	22,5	29,6	29,4	28,3	28,6
Goodwill	0,0	13,8	14,4	14,4	14,4	14,4
Long-term investments	-	-	-	-	-	-
Other	0,0	0,0	0,0	6,3	6,3	6,3
Current assets	0,1	2,2	2,4	2,4	2,4	2,4
Inventory	10,9	9,7	18,7	41,2	61,2	83,2
Inventories	0,0	0,0	0,0	0,0	0,0	0,0
Trade receivables	9,0	3,5	7,1	14,6	16,7	18,7
Other	0,7	3,6	8,1	7,3	6,4	5,6
Cash	1,3	2,6	3,5	19,3	38,1	59,0
Assets	20,9	49,8	66,7	95,2	114,2	136,5
Equity	15,4	34,8	51,0	72,5	89,0	109,1
Share capital	4,0	6,0	6,7	6,7	6,7	6,7
Other	2,9	20,4	54,2	44,3	65,8	82,3
Net profit (loss)	8,5	8,4	-9,9	21,5	16,5	20,1
Minority capital	0,0	0,0	0,0	0,0	0,0	0,0
Long-term liabilities	1,6	3,3	2,5	2,5	2,5	2,5
Interest-bearing liabilities	0,0	0,0	0,0	0,0	0,0	0,0
Other	1,6	3,3	2,5	2,5	2,5	2,5
Short-term liabilities	3,9	11,7	13,2	20,2	22,7	24,9
Interest-bearing liabilities	0,0	0,0	0,0	0,0	0,0	0,0
Trade liabilities	0,7	5,1	9,4	16,5	19,0	21,1
Other	3,2	6,5	3,8	3,8	3,8	3,8
Liabilities	20,9	49,8	66,7	95,2	114,2	136,5
Net working capital	8	-2	-2	-2	-2	-2
Net debt	-1	-3	-4	-19	-38	-59
Net debt adj.	-1	-3	-2	-17	-36	-57
Net debt /EBITDA adj. (x)	-0,1	-0,2	0,8	-0,7	-1,1	-1,6
Net debt /equity (x)	-0,1	-0,1	-0,1	-0,3	-0,4	-0,5
ROE (%)	67%	33%	-	25%	20%	20%
ROA (%)	52%	24%	-	19%	16%	16%
Cash conversion cycle (days)	80	7	-20	-13	-14	-15
Inventory turnover (days)	0	0	0	0	0	0
Receivables turnover ratio (days)	103	61	39	28	36	36
Accounts payable turnover ratio (days)	23	54	59	41	50	51

Cash flows (PLN m)

	2017	2018	2019	2020E	2021E	2022E
Cash flows from operating activities	8,3	9,8	3,0	26,7	29,6	33,2
Net profit (loss)	8,5	8,4	-9,9	21,5	16,5	20,1
Amortization	4,9	4,3	6,6	11,9	12,8	12,8
Changes in working capital	-6,1	-4,2	0,9	-0,5	0,3	0,3
Inventory changes	0,0	0,0	0,0	0,0	0,0	0,0
Trade receivables change	-6,8	11,7	-3,9	-7,5	-2,2	-1,9
Trade liabilities change	0,7	-15,9	4,8	7,0	2,5	2,2
Other	1,0	1,3	5,3	-6,3	0,0	0,0
Cash flows from investment activities	-9,2	-7,2	-23,6	-10,9	-10,8	-12,3
CAPEX	-9,2	-16,7	-19,7	-11,7	-11,7	-13,1
Other	0,0	9,5	-3,9	0,8	0,9	0,9
Cash flows from financial activities	-1,0	-1,3	21,4	0,0	0,0	0,0
Interest-bearing liabilities change	0,0	0,0	0,0	0,0	0,0	0,0
Revenues from shares emission	0,0	0,0	24,7	0,0	0,0	0,0
Dividend	-1,0	-2,8	0,0	0,0	0,0	0,0
Other	0,0	1,6	-3,3	0,0	0,0	0,0
Net cash flows	-1,8	1,4	0,8	15,8	18,7	20,9
Cash opening balance	3,1	1,3	2,6	3,5	19,3	38,1
Closing balance of cash	1,3	2,6	3,5	19,3	38,1	59,0

Source: Company, Trigon DM

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Definitions

capitalisation – market price multiplied by the number of a company's shares

free float (%) – a percentage of a company's shares held by shareholders with less than 5% shareholding reduced by treasury shares held by the company

min/max 52 wks – minimum/maximum share price within the last 52 weeks

average turnover – average volume of share trading within the last month

EBIT – operating profit

EBITDA – operating profit increased by depreciation and amortisation

adjusted profit – net profit adjusted for one-off items

CF – cash flow

capex – sum of investment expenditures on fixed assets

ROA – rate of return on assets

ROE – rate of return on equity

gross profit margin – a ratio of gross profit to net revenue
 EBITDA margin – a ratio of sum of operating profit and depreciation/amortisation to net revenue
 EBIT margin – a ratio of operating profit to net revenue
 net margin – a ratio of net profit to net revenue

EPS – earnings per share
 DPS – dividends per share
 P/E – a ratio of market price to earnings per share
 P/BV – a ratio of market price to book value per share
 EV/EBITDA – a company's EV to EBITDA ratio
 EV – sum of a company's current capitalisation and net debt
 DY – dividend yield, dividend paid to share price ratio
 ISSUER – BoomBit S.A.

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 Recommendation prepared by: Kacper Kupron

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Date of preparation: 11 September 2020
 Date of first distribution: 11 September 2020 08:25