

**PBG**

Construction

Analyst: Andrzej Szymanski

**Target price: PLN 260.0 (+29.2%)****CP: PLN 201.3****Recommendation**  
Portfolio weighting**BUY**  
Overweight**PBG: Financial summary**

PLN in millions, unless otherwise stated

	2006	2007	2008E	2009E	2010E
Sales	675	1,377	2,050	2,890	3,510
EBITDA	91	112	251	361	455
EBIT	74	109	207	316	405
Net profit	54	117	147	210	249
EPS (PLN)	4.4	7.7	11.0	15.6	18.5
P/E (x)	46.4	26.5	18.3	12.9	10.9
EV/EBITDA (x)	44.5	21.9	12.2	9.0	7.1
DPS	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	14.3	14.8	17.3	18.8	18.2
ROA (%)	5.2	5.1	5.8	6.7	7.0
Gross margin (%)	17.7	13.4	16.0	16.6	16.8
EBITDA margin (%)	13.4	8.1	12.2	12.5	13.0
Net margin (%)	8.0	8.5	7.2	7.3	7.1

Source: Company data, DM BZ WBK estimates

**Company description**

- PBG provides engineering and construction services in the area of oil and gas production and transmission as well as hydro-construction.

Shs: 13.4m MC: PLN 2.7bn FF: PLN 1.8bn

	1M	3M	YTD
Price performance (%)	-5.3	-0.3	2.7

	WIG	WIG20	MSCI
Share in index (%)	1.9	3.0	2.4

**Latest events**

- On 24 December PBG sold for PLN 5.95m a 100% stake in Bathinex, owner of quarries. The new owner will start exploration of quarries, but PBG will be granted access to aggregate used in road construction.
- In 2009 investments financed from EU funds are to reach PLN 16.8bn.
- PBG's Subsidiaries HBP and Hydrobudowa 9 completed their merger.

**Stock calendar**

Reuters:	PBGG.WA	Bloomberg	PBG PW		
Recommendation	Date	Price On issue date	Target	Performance Absolute	Relative (p.p.)
Buy	25/11/2008	182	260.0	10.4%	7.9

Main shareholders	% capital
Jerzy Wisniewski	33.5
Free float, of which:	66.5
ING NNP pension fund	6.8
BZ WBK AIB TFI	6.7

