

Voicetel Communications S.A.

Price target: PLN 243.90

Update

Rating: BUY

In H1/18, Voicetel Communications (VOI) increased sales, EBIT and net income by >140% y-o-y. In Jan-Jun, the company submitted offers for four tenders in Western Europe and Africa and started internal tests of a new bot called TESSA, which is supposed to provide information on events and confirm participation in them. However, the share price has so far not developed satisfactorily as in our opinion investors do not understand that VOI uses Polish Accounting Standards (as a NewConnect-listed company, it is not allowed to use IFRS) and thus shows all software development expenses as other long-term assets and not as intangibles as long as the software is not completed. Our new estimates assume higher depreciation and amortization expenses in full-year 2018E and beyond as we expect that VOI will report all software development costs as intangible assets by 2019E (also due to the likely change to the Main Market of the WSE, where IFRS is obligatory). Moreover, after recent discussions with management we now expect higher gross CAPEX in 2018E-2020E than before. Assuming a capital raise of PLN 10.5m until 2019E, we rate the stock a BUY with a 12-months DCF-based PT of PLN 243.90 (prev.: PLN 245.40). Our PT implies a P/E '18E = 8.2x & PEG = 0.1x.

Results in H1/18 were strong. Revenues improved by 151.8% y-o-y to PLN 11.9m as the demand for VOI's solutions was positively affected by the market introduction of the bots LYDIA, MAYA and POLA and the EU regulation GDPR, which became effective on May 25th. As D&A expenses were higher than we had expected due to the booking of PLN 3.6m of software development costs as intangible assets, EBIT margin declined from 94.7% in H1/17 to 91.2%. In H1/18, operating cash flow reached PLN 11m and Free Cash Flow PLN -1.7m.

We have adjusted our estimates from 2018E based on the H1/18 report and information, which was provided by management during a recent roadshow in Germany. While for 2018E we now forecast sales of PLN 23.6m (PLN 23.6m) and net income of PLN 16.4m (PLN 16.9m), next year we expect PLN 33.5m (PLN 33.5m) and PLN 20m (PLN 22.8m) respectively. With a volume of USD 5.4bn worldwide by 2025E and a CAGR of 50.5%, VOI's potential market for Natural Language Processing software remains highly promising.

in PLNm	2016	2017	2018E	2019E	2020E	2021E
Net sales	5.35	12.57	23.64	33.45	43.74	57.51
EBITDA	4.94	11.70	21.55	29.32	36.48	44.52
EBIT	4.94	11.68	20.45	24.92	31.64	39.19
Net income	3.96	9.35	16.36	19.96	25.39	31.52
EPS	3.53	8.35	14.58	17.12	21.65	26.88
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	68.19%	74.63%	58.39%	38.81%	33.09%	29.97%
Net gearing	21.11%	2.79%	15.14%	4.07%	-11.24%	-22.88%
EV/Sales	25.42x	10.82x	5.75x	4.06x	3.11x	2.36x

Company profile

Voicetel Communications S.A. offers voice-based virtual assistants, which it targets at contact center departments in companies from various sectors. It plans to expand with its software to SME and also foreign markets soon.

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Website	www.voicetel.pl
Sector	IT
Country	Poland
ISIN	PLVCTCM00019
Reuters	VOIP.WA
Bloomberg	VOI PW

Share information

Last price	120.00
No of shares (m)	1.12
Market cap. (PLNm)	134.40
Market cap. (EURm)	31.19
52-week range	PLN 189 / PLN 100
Average volume	54

Performance

4-weeks	0.84%
13-weeks	-4.76%
26-weeks	-14.89%
52-weeks	-29.41%
YTD	-20.00%

Shareholder structure

Voicetel Investments Sp. z o.o.*	81.30%
Bogusław Marczak	5.00%
Free float	13.70%

* each member of the Board owns 50% of the shares/votes

Financial calendar

9M/18 report	November 14, 2018
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Analysts

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Recent results

Revenues and Profitability

In H1/18, Voicetel Communications generated total revenues of PLN 11.9m, which corresponded to a y-o-y increase of 151.8%. Since H2/17, the company has experienced much higher interest for its solutions, mainly due to lack of call center staff in Poland, the introduction of the EU regulation GDPR in May 2018 and a general trend towards automation in the area of communication with clients.

in PLNm	H1/18	H1/17	change y-o-y
Net sales	11.90	4.73	151.8%
EBITDA	11.26	4.47	151.8%
<i>EBITDA margin</i>	<i>94.7%</i>	<i>94.7%</i>	
EBIT	10.85	4.47	142.6%
<i>EBIT margin</i>	<i>91.2%</i>	<i>94.7%</i>	
Net income	8.70	3.60	141.5%
<i>Net margin</i>	<i>73.1%</i>	<i>76.3%</i>	

Source: Company information, East Value Research GmbH

In H1/18, EBIT increased by 142.6% to PLN 10.9m. As operating costs went up from PLN 253k in H1/17 to PLN 1m mainly due to higher D&A expenses following PLN 3.6m higher intangible assets (out of in total PLN 12.7m, which were spent on CAPEX), the operating margin declined from 94.7% to 91.2%. The net margin was affected by a higher net financial result of PLN -127k (PLN -57k) and slightly higher effective tax rate (18.8% vs. 18.4% in H1/17).

Balance sheet and Cash flow

At the end of June 2018, Voicetel had equity of PLN 25.9m, which corresponded to a ratio of 62.7%. Apart from equity, the largest balance sheet positions were other long term assets of PLN 29.2m and intangible assets of PLN 3.6m, which both sum up the company's software development expenses, as well as deferred tax liabilities of PLN 6.2m. As of 30 June 2018, Voicetel had liquid funds (cash + securities) of PLN 1.3m, while its interest-bearing debt equaled PLN 2.9m.

Between January and June 2018, Voicetel generated an operating cash flow of PLN 11m compared to PLN 3.4m in H1/17. The reason was a significantly higher net profit y-o-y and a much lower cash outflow from working capital (PLN -473k vs. PLN -1.2m). Due to investments in the product offering cash flow from investing equaled PLN -12.7m (PLN -4.7m). Cash flow from financing amounted to PLN 2.1m (PLN 1.3m) and was impacted by a shareholder loan worth PLN 2.5m. In total, the cash position increased by PLN 406k in H1/18.

As a company that is listed in the alternative NewConnect segment of the Warsaw Stock Exchange, Voicetel is forced to use the Polish Accounting Standards instead of IFRS. Because of this and tax reasons, the company has been booking development expenses relating to software that is not yet completed as other long-term assets. All these expenses will be shown under "intangible assets" and amortised after (1) the development work on software has been completed or (2) Voicetel has decided to change to the Main Market of the WSE (in our view, in 2019E), where IFRS is obligatory.

Financial forecasts

Revenues and Profitability

Based on the H1/18 report and information that was provided by management during a company roadshow in Germany, we have opted to be more conservative on EBIT and net income for 2018E and beyond. Our forecasts now account for higher depreciation and amortization expenses due to (1) completion of an increasing share of software development work and (2) change to the IFRS accounting standards. For 2018E, we now estimate sales at PLN 23.6m (previously: PLN 23.6m), EBIT at PLN 20.5m (PLN 21m) and net income at PLN 16.4m (PLN 16.9m). In 2019E, we expect revenues of PLN 33.5m (PLN 33.5m), EBIT of PLN 24.9m (PLN 28.2m) and net income of PLN 20m (PLN 22.8m).

In addition to BRILLIANCE (Voicetel's core technology), ESENSE (technological platform based on BRILLIANCE) and the tools DIALLA, LYDIA, ZOYA, POLA, MAYA, SARA and ALISA, our revenue model now also includes the new bot TESSA (provision of information on events and confirming participation in them), which is currently in the test phase. We continue to see significant growth potential for Voicetel due to the following reasons: (1) its speech-based bots are effective, available 24/7, work with all languages due to BRILLIANCE' unique system of intention recognition and offer small, medium-sized and large companies a significant cost savings potential of c. 75%, and (2) the new GDPR (General Data Protection Regulation) regulation, which became law on 25 May 2018, affects all companies and institutions in the EU that collect and use personal data of individuals. Regarding the planned foreign expansion, Voicetel is currently participating in four tenders for speech-based solutions in Western Europe and Africa.

BRILLIANCE: This segment sums up sales relating to customized integrations of Voicetel's core technology BRILLIANCE, which are conducted through integration partners. We have based our forecasts for this segment on a fee per month of PLN 800, and a number of licenses, which in our opinion reached 785 in 2017. While the fee per month should remain stable, we expect that the number of licenses will grow to 1,257 in 2018E and by 2026E at a CAGR of 27%. Consequently, sales should increase from PLN 7.5m in 2017 to PLN 64.7m in 2026E. In case of this segment, we believe that gross margins will reach 70% in the long run after 95% in 2017 due to growing competition.

ESENSE: We believe that for ESENSE Voicetel receives a monthly fee of PLN 445 and in 2017 sold 941 licenses for this product at a gross margin of 95%. As ESENSE is not in the focus of Voicetel's management, we continue to expect an average growth of the number of licenses of 1% per year, which consequently should result in a sales increase from PLN 5m in 2017 to PLN 5.5m in 2026E. In terms of gross margin, we believe that it will decline to 70% in the long run.

LYDIA/MAYA/POLA/SARA/ZOYA/TESSA: This position sums up all tools, which offer automation of outbound calls in order to schedule meetings, collect customer data, collect receivables, validate customer interest in particular products or conduct other types of campaigns. While we believe that LYDIA, MAYA and POLA already started generating revenues in H1/18, we expect a market introduction of SARA, ZOYA and TESSA in 2019E. For full-year 2018E, we still forecast that sales will reach PLN 6.5m based on 25m conducted calls at a fee of PLN 0.26 per call. The reason is the new General Data Protection Regulation, due to which all companies that collect and process personal data face significant penalties in case of data privacy breaches. By 2026E, we expect that revenues of these products will grow to PLN 52.5m (CAGR of 29.8%), among others due to foreign expansion.

Regarding gross margin, we expect that it will decline from 92% in 2018E to 70% in 2026E due to increasing competition.

ALISA: ALISA is a tool that allows the analysis of all conversations with call center staff. We expect that it will start generating revenues in 2019E. We believe that from 2019E to 2026E sales will increase from PLN 120k to PLN 8.7m, with the number of licenses sold growing from 13 to 906. Regarding gross margin, we expect that it will decline from 89% in 2019E to 70% in 2026E due to increasing competition.

DIALLA: DIALLA is a class of ready-to-go COTS (= customer off the shelf) solutions for 18 market segments incl. hairdressers, hotels, service stations. We believe that from 2019E to 2026E sales will increase from PLN 120k to PLN 8.7m, with the number of licenses sold growing from 13 to 906. Regarding gross margin, we expect that it will decline from 89% in 2019E to 70% in 2026E.

in PLNm	2018E	2019E	2020E	2021E
BRILLIANCE	12.06	16.89	21.96	28.54
<i>Share in total sales</i>	51.0%	50.5%	50.2%	49.6%
Gross margin	92.0%	89.0%	86.0%	83.0%
Number of licenses sold	1,257	1,759	2,287	2,973
Monthly fee per license (in PLN)	800	800	800	800
ESENSE	5.08	5.13	5.18	5.23
<i>Share in total sales</i>	21.5%	15.3%	11.8%	9.1%
Gross margin	92.0%	89.0%	86.0%	83.0%
Number of licenses sold	951	960	970	980
Monthly fee per license (in PLN)	445	445	445	445
LYDIA/MAYA/POLA/SARA/ZOYA/TESSA	6.50	11.19	15.88	21.58
<i>Share in total sales</i>	27.5%	33.5%	36.3%	37.5%
Gross margin	92.0%	89.0%	86.0%	83.0%
Number of calls	25,000,000	43,038,462	61,076,923	82,992,308
Revenue per call (PLN)	0.26	0.26	0.26	0.26
ALISA	0.00	0.12	0.36	1.08
<i>Share in total sales</i>	0.0%	0.4%	0.8%	1.9%
Gross margin	92.0%	89.0%	86.0%	83.0%
Number of licenses sold	0	13	38	113
Monthly fee per license (in PLN)	0	800	800	800
DIALLA	0.00	0.12	0.36	1.08
<i>Share in total sales</i>	0.0%	0.4%	0.8%	1.9%
Gross margin	92.0%	89.0%	86.0%	83.0%
Number of licenses sold	0	13	38	113
Monthly fee per license (in PLN)	0	800	800	800
Total sales	23.64	33.45	43.74	57.51
change y-o-y	88.1%	41.5%	30.8%	31.5%

Source: East Value Research GmbH

in PLNm	2018E		2019E		2020E		2021E	
	new	old	new	old	new	old	new	old
Net sales	23.64	23.64	33.45	33.45	43.74	43.74	57.51	57.51
EBITDA	21.55	21.04	29.32	28.28	36.48	34.42	44.52	40.68
<i>EBITDA margin</i>	91.2%	89.0%	87.6%	84.5%	83.4%	78.7%	77.4%	70.7%
EBIT	20.45	21.01	24.92	28.22	31.64	34.32	39.19	40.53
<i>EBIT margin</i>	86.5%	88.9%	74.5%	84.4%	72.3%	78.5%	68.1%	70.5%
Net income	16.36	16.90	19.96	22.75	25.39	27.71	31.52	32.76
<i>Net margin</i>	69.2%	71.5%	59.7%	68.0%	58.0%	63.4%	54.8%	57.0%

Source: East Value Research GmbH

in PLNm	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017	Q1/18	Q2/18
Net sales	1.00	0.91	1.58	1.86	5.35	1.87	2.85	3.37	4.47	12.57	4.89	7.01
<i>y-o-y change</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	87.6%	212.0%	114.0%	140.4%	135.0%	161.1%	145.7%
EBITDA	0.87	0.76	1.53	1.78	4.94	1.74	2.73	3.95	3.28	11.70	4.54	6.72
<i>EBITDA margin</i>	87.5%	83.3%	96.9%	95.7%	92.4%	92.7%	95.7%	117.1%	73.5%	93.1%	92.8%	96.0%
EBIT	0.87	0.76	1.53	1.78	4.94	1.74	2.73	3.25	3.97	11.68	4.33	6.52
<i>EBIT margin</i>	87.5%	83.3%	96.9%	95.7%	92.4%	92.7%	95.7%	96.3%	88.8%	93.0%	88.5%	93.0%
Net income	0.70	0.60	1.22	1.44	3.96	1.40	2.21	2.60	3.15	9.35	3.47	5.23
<i>Net margin</i>	69.7%	65.5%	77.4%	77.6%	74.0%	74.4%	77.4%	77.0%	70.6%	74.4%	70.9%	74.7%

Source: Company information, East Value Research GmbH

CAPEX and Working Capital

In our view, Voicetel will concentrate its R&D activities on (1) extension of existing software tools in order to introduce them on international markets and (2) the development of new standardized bots, which allow the application of the company's core BRILLIANCE technology in certain areas.

After recent discussions with management, we now expect that gross CAPEX in 2018E-2020E will reach PLN 14.8m-PLN 23.7m each year (previously: c. PLN 10m) and in the long run 4.3% (1%) of yearly sales. In terms of working capital, we continue to believe that its share in total sales will increase from 5.8% in 2017 to >30% in the future (cash conversion cycle from -221 days to 60 days).

Peer Group Analysis

We have compared Voicetel to 9 local and international companies, which provide online voice/chatbot systems. Our list does not include large diversified technology companies such as Apple, Microsoft and Google, which offer speech-based virtual assistants "Siri", "Cortana", "Google Assistant" etc., however in most cases not as advanced as Voicetel's BRILLIANCE.

Listed peers:

- (1) *eGain Corporation Ltd.*: eGain Corporation, which is based in Sunnyvale/US, provides cloud-based customer engagement software solutions worldwide. The company offers eGain Mobile for businesses to offer engagement options to mobile users. It also provides Web applications comprising eGain Offers that helps businesses engage visitors on the Website and Facebook fan pages; eGain Virtual Assistant that enables conversational automation to engage customers across digital touch points; eGain Cobrowse that enables phone and chat representatives to show customers around the Website, help locate information, and hand-hold them during complex tasks; eGain Super Chat for Website visitors to conduct chats with agents; eGain ClickToCall provides Website visitors the ability to request a callback; and eGain SelfService to support customer self-service options. In addition, the company offers desktop applications such as eGain Advisor Desktop, a digital desktop for customer service advisors; eGain CallTrack call logging system; eGain Mail+Social, an application for processing inbound customer emails and providing email customer response; and eGain KnowledgeAgent, which empowers contact center agents with AI-powered knowledge management. Furthermore, the eGain suite includes eGain Operational Analytics for businesses to monitor, measure, and manage their omnichannel contact center operation; eGain Secure Messaging that enables secure messaging for business with their customers; and eGain Notify, an application to deliver automatic reminders, alerts, and updates at various stages of the customer journey. eGain Corporation generated revenues of USD 58.2m (PLN 211.9m) in 2017 (CAGR 15-17 of -12.4%).
- (2) *LivePerson Inc.*: LivePerson, which is based in New York/US, is a provider of mobile and online business messaging technologies. Its Business segment facilitates real-time online interactions, such as chat, voice, and content delivery for corporations of various sizes. The Consumer segment facilitates online transactions between independent service providers and individual consumers seeking information and knowledge via mobile and online messaging. LivePerson's main product is LiveEngage, a cloud-based platform, which enables businesses and consumers to connect through conversational interfaces. In 2017, the company generated sales of USD 218.9m (PLN 796.8m; CAGR 15-17 of -4.3%).

- (3) *Livechat Software S.A.*: LiveChat Software S.A, which is based in Wroclaw/Poland, offers LiveChat, a tool for direct text communication between site visitors and its owners. It supports companies worldwide in the area of sales and customer services. In 2017/18, LiveChat generated sales of PLN 89.4m (CAGR 15-17 of 51.9%).
- (4) *Zendesk Inc.*: Zendesk Inc., which was founded in 2007 and is based in San Francisco/US, offers SaaS-based products. Its flagship product is Zendesk Support, a system for tracking, prioritizing, and solving customer support tickets across various channels. The company also offers Zendesk Chat, a live chat software to connect with customers on websites, in applications, and on mobile devices; Zendesk Talk, a cloud-based call center software; Zendesk Guide, a knowledge base for customer self-service and support agent productivity; Zendesk Message, a customer messaging software; and Zendesk Explore that makes customer data accessible across an organization. In 2017, Zendesk had sales of USD 430.5m (PLN 1.6bn; CAGR 15-17 of 43.6%).
- (5) *Nuance Communications Inc.*: Nuance Communications Inc., which is headquartered in Burlington/US, provides voice and language solutions for businesses and consumers around the world. The company's products are based on a proprietary voice and language platform. It operates in two segments: The Healthcare segment provides transcription solutions and services that automate the input and management of medical information. The Mobile segment offers an integrated suite of voice control and text-to-speech solutions, dictation applications, predictive text technologies and mobile messaging services. In 2016/17, Nuance Communications generated revenues of USD 1.9bn (PLN 7.1bn; CAGR 15-17 of 0.2%).

Company	EV/Sales			EV/EBITDA			P/E			P/BVPS	EBITDA margin	Net gearing
	2017	2018E	2019E	2017	2018E	2019E	2017	2018E	2019E	Latest	2017	Latest
eGain Corporation (USD)	3.31x	3.07x	2.72x	119.22x	58.41x	35.19x	n.a	370.00x	56.92x	neg	2.77%	n.a
LivePerson Inc. (USD)	7.01x	6.22x	5.56x	161.47x	68.15x	52.82x	n.a	233.64x	142.78x	10.03x	4.34%	-43.59%
LiveChat Software S.A. (PLN)	6.67x	5.66x	5.02x	9.67x	7.95x	7.32x	13.19x	10.25x	9.47x	10.76x	69.01%	-72.87%
Zendesk Inc. (USD)	16.02x	11.78x	9.03x	n.a	173.85x	96.00x	n.a	480.79x	197.97x	17.62x	-21.00%	-58.83%
Nuance Communications Inc. (USD)	3.44x	3.24x	3.13x	19.31x	11.32x	10.77x	n.a	14.89x	13.80x	2.75x	17.80%	104.57%
Median	6.67x	5.66x	5.02x	69.27x	58.41x	35.19x	13.19x	233.64x	56.92x	10.39x	4.34%	-51.21%
Voicetel S.A. (PLN)	10.82x	5.75x	4.06x	11.62x	6.31x	4.64x	14.37x	8.23x	7.01x	5.19x	93.09%	5.91%
Premium/Discount	62.2%	1.6%	-19.0%	-83.2%	-89.2%	-86.8%	8.9%	-96.5%	-87.7%			

Source: CapitalIQ, East Value Research GmbH

Privately-owned peers:

- (6) *Creative Virtual Ltd.*: Creative Virtual, which is based in London/UK, provides knowledge management, natural language processing, and virtual assistants to businesses from various industries. Its products include V-Person, a multi-lingual and multi-channel customer experience management solution; V-Person Call Centre, a customer access platform; V-Person Mobile, a profitability application; and V-Person Social Media, a tool that integrates and scales support of concurrent users.

- (7) *Inbenta Technologies Inc.*: Inbenta Technologies, which is based in San Mateo/US, provides natural language processing and semantic search services. The company offers support services such as dynamic FAQs, knowledge management, virtual assistance, business website searches, E-commerce conversions, and customer self-service. Apart from the US, it is also present in Spain, France, Brazil, Mexico, Singapore, Chile, and the Netherlands.
- (8) *24/7 Inc.*: 24/7, which is based in Campbell/US, provides cloud-based customer engagement solutions worldwide. It offers 24/7 Predictive Experience Platform, for predictive analytics and real-time decisions; 24/7 Assist that delivers agent assistance through web, mobile, social, and voice interactions; and 24/7 Social, a suite of applications that leverages prediction, real-time decisioning, and intuitive design frameworks. Its other products include 24/7 Vivid Speech, a mobile solution for IVR that enables speech, touch, and visual display in IVR interactions; 24/7 Speech, a self-service speech product that is integrated with online and mobile channels; 24/7 Mobile, a set of applications and tools that enable companies to enhance their mobile solution with predictive and omnichannel experiences; and 24/7 AIVA, an AI-powered virtual agent that empowers enterprises to build once and deploy across various self-service channels.
- (9) *CX Company*: CX Company, which is based in Rotterdam/Netherlands, provides digital customer engagement solutions. Its platform DigitalCX, develops intelligent virtual assistants, chatbots, and notifications through any digital device or channel for customer engagement.

Profit and loss statement

in PLNm	2016	2017	2018E	2019E	2020E	2021E
Revenues	5.35	12.57	23.64	33.45	43.74	57.51
Cost of goods sold	-0.41	-0.80	-1.89	-3.68	-6.12	-9.78
Gross profit	4.94	11.77	21.75	29.77	37.62	47.73
Other operating income	0.00	0.00	0.00	0.00	0.00	0.00
Personnel costs	0.00	-0.01	-0.10	-0.31	-0.93	-2.79
Other operating expenses	0.00	-0.06	-0.09	-0.14	-0.21	-0.43
EBITDA	4.94	11.70	21.55	29.32	36.48	44.52
Depreciation & amortisation	0.00	-0.02	-1.10	-4.40	-4.84	-5.32
EBIT	4.94	11.68	20.45	24.92	31.64	39.19
Net financial result	-0.03	-0.17	-0.26	-0.28	-0.30	-0.28
EBT	4.91	11.51	20.20	24.64	31.34	38.92
Income taxes	-0.95	-2.16	-3.84	-4.68	-5.95	-7.39
Minorities	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	3.96	9.35	16.36	19.96	25.39	31.52
EPS	3.53	8.35	14.58	17.12	21.65	26.88
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Share in total sales						
Revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-7.58 %	-6.35 %	-8.00 %	-11.00 %	-14.00 %	-17.00 %
Gross profit	92.42 %	93.65 %	92.00 %	89.00 %	86.00 %	83.00 %
Other operating income	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Personnel costs	0.00 %	-0.06 %	-0.44 %	-0.93 %	-2.13 %	-4.86 %
Other operating expenses	-0.04 %	-0.50 %	-0.40 %	-0.43 %	-0.49 %	-0.74 %
EBITDA	92.38 %	93.09 %	91.16 %	87.65 %	83.38 %	77.40 %
Depreciation & amortisation	0.00 %	-0.13 %	-4.65 %	-13.16 %	-11.06 %	-9.26 %
EBIT	92.38 %	92.96 %	86.51 %	74.49 %	72.32 %	68.14 %
Net financial result	-0.58 %	-1.36 %	-1.08 %	-0.82 %	-0.67 %	-0.48 %
EBT	91.80 %	91.60 %	85.43 %	73.67 %	71.65 %	67.67 %
Income taxes	-17.79 %	-17.17 %	-16.23 %	-14.00 %	-13.61 %	-12.86 %
Minorities	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income / loss	74.01 %	74.43 %	69.20 %	59.67 %	58.03 %	54.81 %

Balance Sheet

in PLNm	2016	2017	2018E	2019E	2020E	2021E
Assets						
Cash and equivalents	0.11	0.22	1.48	3.70	15.72	32.77
Short-term financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivables	2.36	3.07	5.78	8.19	10.72	14.11
Other current assets	0.79	2.06	3.55	5.02	6.56	8.63
Current assets, total	3.27	5.36	10.80	16.90	33.00	55.50
Property, plant and equipment	0.00	0.03	0.03	0.03	0.03	0.04
Other intangible assets	0.00	0.01	5.00	60.00	70.00	80.00
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term assets	9.14	20.69	35.69	0.00	0.00	0.00
Deferred tax assets	0.00	0.16	0.00	0.00	0.00	0.00
Non-current assets, total	9.14	20.89	40.73	60.03	70.03	80.04
Total assets	12.41	26.25	51.53	76.93	103.03	135.54
Liabilities						
Trade payables	0.66	0.68	1.45	2.50	3.64	4.98
Other short-term liabilities	0.51	3.72	3.91	4.10	4.31	4.52
Short-term financial debt	1.63	0.70	0.35	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00	0.00	0.00
Current liabilities, total	2.80	5.10	5.71	6.61	7.95	9.50
Long-term financial debt	0.14	0.00	7.00	6.30	5.67	5.10
Other long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	1.62	3.93	0.00	0.00	0.00	0.00
Long-term liabilities, total	1.76	3.93	7.00	6.30	5.67	5.10
Total liabilities	4.56	9.04	12.71	12.91	13.62	14.60
Shareholders equity, total	7.86	17.21	38.82	64.03	89.41	120.94
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total equity and liabilities	12.41	26.25	51.53	76.93	103.03	135.54

Cash Flow Statement

in PLNm	2016	2017	2018E	2019E	2020E	2021E
Net income / loss	3.96	9.35	16.36	19.96	25.39	31.52
Depreciation	0.00	0.02	1.10	4.40	4.84	5.32
Change of working capital	-2.22	2.44	-3.24	-2.63	-2.73	-3.90
Others	1.08	2.56	3.77	0.00	0.00	0.00
Net operating cash flow	2.82	14.37	17.99	21.73	27.49	32.94
Cash flow from investing	-5.01	-12.45	-21.09	-23.71	-14.84	-15.33
Free cash flow	-2.18	1.92	-3.10	-1.98	12.65	17.62
Cash flow from financing	2.21	-1.80	4.35	4.20	-0.63	-0.57
Change of cash	0.03	0.11	1.25	2.22	12.02	17.05
Cash at the beginning of the period	0.09	0.11	0.22	1.48	3.70	15.72
Cash at the end of the period	0.11	0.22	1.48	3.70	15.72	32.77

Financial ratios

Fiscal year	2016	2017	2018E	2019E	2020E	2021E
Profitability and balance sheet quality						
Gross margin	92.42%	93.65%	92.00%	89.00%	86.00%	83.00%
EBITDA margin	92.38%	93.09%	91.16%	87.65%	83.38%	77.40%
EBIT margin	92.38%	92.96%	86.51%	74.49%	72.32%	68.14%
Net margin	74.01%	74.43%	69.20%	59.67%	58.03%	54.81%
Return on equity (ROE)	68.19%	74.63%	58.39%	38.81%	33.09%	29.97%
Return on assets (ROA)	32.14%	36.29%	32.24%	26.30%	24.93%	23.46%
Return on capital employed (ROCE)	41.44%	44.90%	36.15%	28.70%	26.95%	25.19%
Economic Value Added (in PLNm)	2.72	6.71	10.54	10.94	13.13	15.18
Net debt (in PLNm)	1.66	0.48	5.88	2.60	-10.05	-27.66
Net gearing	21.11%	2.79%	15.14%	4.07%	-11.24%	-22.88%
Equity ratio	63.30%	65.57%	75.34%	83.22%	86.78%	89.23%
Current ratio	1.17	1.05	1.89	2.56	4.15	5.84
Quick ratio	0.88	0.64	1.27	1.80	3.33	4.93
Net interest cover	158.58	68.33	80.20	90.60	107.24	142.51
Net debt/EBITDA	0.34	0.04	0.27	0.09	-0.28	-0.62
Tangible BVPS	7.01	15.37	34.59	54.91	76.26	103.14
CAPEX/Sales	-93.07%	-92.22%	-89.22%	-70.88%	-33.93%	-26.65%
Working capital/Sales	37.16%	5.83%	16.80%	19.73%	21.33%	23.01%
Cash Conversion Cycle (in days)	-437	-221	-190	-159	-127	-96
Trading multiples						
EV/Sales	25.42	10.82	5.75	4.06	3.11	2.36
EV/EBITDA	27.51	11.62	6.31	4.64	3.73	3.05
EV/EBIT	27.51	11.64	6.65	5.46	4.30	3.47
P/Tangible BVPS	17.11	7.81	3.47	2.19	1.57	1.16
P/E	33.95	14.37	8.23	7.01	5.54	4.46
P/FCF	-61.55	70.11	-43.39	-67.97	10.62	7.63

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