

EQUITY NOTE: ZWACK UNICUM

Recommendation: HOLD (unchanged)

Target price (12M): HUF 16,056 (unchanged)

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Addendum

On 22 May 2019, Zwack Unicum also announced the agenda of the AGM to be held on 26 June 2019. From investors' point of view, the most important item on the agenda is the dividend proposal of 1,300 HUF/share, submitted by the Board of Directors with regard to the business year starting on 1 April, 2018 and ending 31 March 2019.

The dividend proposal is higher than our forecast of 1,200 HUF/share, and it represents 100.9% dividend payout ratio, so Zwack is expected to trim retained earnings as well, if the AGM approves the proposal.

Although the dividend payout regarding the past business year is higher than our previous expectation, it affects none of our valuation models. Therefore we maintain our 12-month target price of HUF 16,056 and the HOLD recommendation issued in our [latest quarterly earnings update](#).

The 1,300 HUF/share dividend, if approved in the AGM, equals 7.4% dividend yield when calculating with the closing price of HUF 17,650 on 29 May 2019.

Notes:

[The initiation report, which contains the assumptions of the models used, is available here.](#)

[The valuation methodology used in this present equity research note to determine our price targets and recommendations is available here. \(Also available in Hungarian\)](#)

This investment recommendation has not used proprietary models.

The risk warning, which includes the adequate explanations of the length of time of the investment to which the recommendation relates as well as a sensitivity analysis of the assumptions, is indicated in the part of this recommendation where the length of time and the risks of the investment are presented.

Any information relating to the date and time for the price mentioned in this recommendation is revealed in the part of the recommendation where the given price is indicated.

OTP Bank Plc's recommendations and price targets history for Zwack Unicum in the past twelve months:

Date	Recommendation	Target Price	Publication
15/12/2017	BUY	HUF 17,668	Initiation Coverage
06/02/2018	HOLD	HUF 17,781	Quarterly Earnings Update
24/05/2018	HOLD	HUF 17,891	Quarterly Earnings Update
28/06/2018	HOLD	HUF 17,046	Earnings Update
20/07/2018	HOLD	HUF 17,046	News Comment
03/08/2018	HOLD	HUF 17,046	Earnings Update
13/09/2018	HOLD	HUF 17,046	News Comment
07/11/2018	HOLD	HUF 16,806	Quarterly Earnings Update
06/02/2019	HOLD	HUF 16,271	Quarterly Earnings Update
23/05/2019	HOLD	HUF 16,056	Quarterly Earnings Update
30/05/2019	HOLD	HUF 16,056	Comment

Period	Recommendation	% of recommendations
Q2 2018	BUY	0
	HOLD	100
	SELL	0
Q3 2018	BUY	0
	HOLD	100
	SELL	0
Q4 2018	BUY	0
	HOLD	100
	SELL	0
Q1 2019	BUY	0
	HOLD	100
	SELL	0

[The list of all recommendations made in the past 12 months is available here.](#)

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