



EV/EBITDA	2.29	P/E	1.67
RoA	5.39%	P/S	0.10
RoE	7.30%	P/B	0.12

**Stock Price of Synergon Holding**



- The consolidated report of Synergon Holding showed huge net profit but from the one-time sale of assets. The company managed to sell land for BGN 24.132 million during the last quarter. The earnings per share are BGN 1.32 for the last 12 reported months, whereas the stock closed on Friday at the price of BGN 2.20. Although the net profit is from extraordinary items, it is indicative for the huge gap between the current market capitalization of Synergon Holding and its assets or the price of other assets like land and real estates.

- Revenues increased by 18.5% and the largest share of the sales are still contributed by the subsidiary Toplivo that is wholesale trader of construction and heating materials. The costs are also rising which is subduing the consolidated profit margins of the holding to insignificant levels. The company is not disclosing the information for sales and profits of its subsidiaries by quarters. However, the sales of finished goods are falling that could be result of the sale of one subsidiary last year but also a sign of weakness for the revenues of the manufacturing companies of Synergon Holding. Revenues from tourism and trade are rising in the revenue structure of Synergon Holding.

- The balance sheet remains healthy as the equity is several times higher than the bank loans. Nevertheless the level of the debts is a concern as the interest payments of the company jumped to BGN 4.14 million for the period or by 30%. The cash from the sales of land was used for the purchase of other assets.

- The price of shares is in free fall mode and the constant supply on the market subdued every possible rebound last week despite the 8% increase of SOFIX. The valuation of Synergon looks pretty cheap when comparing the P/B ratio. The low P/E is not relevant without the adjustments for one-time profits.

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<b>Outperform</b>	More than 5% higher as compared to SOFIX and BG40 performance
<b>Market Perform</b>	Market performance, +/-5% as compared to SOFIX and BG40
<b>Underperform</b>	More than 5% lower as compared to SOFIX and BG40 performance

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