EQUITY NOTE: RÁBA Automotive Holding

Recommendation: HOLD (unchanged)

Target price (12M): HUF 1,353 (revised)

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Highlights

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We revised up our 12M target price on Rába Automotive Holding (RABA HB; RABA.BU) to 1,353 HUF/share from the previous HUF 1,280. At the same time, we maintain the previous HOLD recommendation due to the strong rally in Rába's stocks on 20 May, the day after its Q1 earnings report was released, which pushed the share price 6.5% higher. The new target price is 2.3% lower than the HUF 1,385 closing price on 20 May 2021. Total return is estimated to remain at -2.3% on a 12-month forecast period, as no dividend payment is expected for Y2020.

Rába recently reported HUF 11.4bn net sales revenue, lower than our expectation, while HUF 2.3bn gross profit and HUF 0.4bn EBIT were in line with our previous forecast. In our earlier report, we revised up our forecasts to reflect the expectations in terms of improving economic landscape as vaccination progressed, although uncertainty regarding the rebound of the European automotive market has not evaporated. However, we assumed modest profitability as raw material prices were surging.

At this time, we maintain our previous sales and profit forecasts, but the recent property sale justifies the increase of enterprise value. In accordance with the resolution of the AGM held on April 8, 2021, the GM authorized the Management to sell one of the Company's properties, the conference centre and hotel in the downtown of Győr. On May 14, 2021 Rába announced that the auction had been successfully closed with a purchase price of HUF 1.455bn. Once the bidder fulfils its payment obligation, which we think is very probable, it adds 83 HUF/share net profit to the enterprise value. Obviously, once a part of the property portfolio is purchased, the future sale of the remaining portfolio (also part of our valuation) represents smaller value. Calculating with these changes, the net effect of the transaction is 66 HUF/share.

Higher yields and expected return on equity also explain the modifications made in our valuation model, resulting in new target price of 1,353 HUF/share.

Despite Rába stocks' rally on 20 May, the share price of Rába Automotive has dropped 7.7% YTD, while the BUX has gained 9.9% this year.

Summary

- Due to the covid-19 pandemic, Rába suffered sharp revenue decline in its key markets in 2020 and yearly net profit sank into negative territory. Supported by the strong QoQ recovery in the EU and the domestic market in Q3 and Q4 2020, plus the company's persistent effort to manage the cost side, finally the whole-year operating profitability swung into positive territory.
- The positive developments in terms of demand recovery persisted in January-March 2021 in the EU and the USA, what concerns the registration figures of medium- and heavy-duty trucks. The bus market failed to show signs of recovery, the segment of special off-highway vehicles weakened, while the passenger car market stagnated.
- Rába Automotive Holding's net sales revenues fell 4% YoY in Q1 2021, to HUF 11.4bn, after 7% YoY decrease in Q4, and 17% plunge in Q3. Export revenues declined 12% YoY in HUF terms, with EU sales dropping 9% YoY in EUR terms (Q4: -2%; Q3: -16%; Q2: -52% and Q1: -15% YoY) and US sales shrinking 69% YoY w/o FX effect (Q4: -22%; Q3: -35%; Q2: -36% YoY).
- Hope of long-standing, above-average profitability at Rába became short-lived; raw material prices set off starting from mid-2020, and spilled over into the supply chain.
- As expected, the steep hike in raw material prices challenged Rába's cost-cutting efforts lately. In Q1, gross profit rate fell to 20% from 26% in Q4 2020, operating profit rate dropped to 3.5% from 10.0% in the previous quarter, while the EBITDA-rate deteriorated to 8.9% from 15.5% one quarter before.
- Although we maintain our previous forecast for now, the pandemic still makes forecasting challenging, as the latest wave hit economies in Q1. On top of skyrocketing raw material prices, companies in the automotive industry currently face chip or other component shortages, delays, supply chain disruptions – all of this adds more uncertainties to the forecast.
- On the other hand, Rába's largest peers, Scania and Volvo Group reported dynamic Q1 expansion of order intakes in Europe, Rába's main export market. This improves the medium-term outlook for Rába as well.
- Vaccination is expected to support the swift economic recovery from the second or third quarter of 2021 at the latest.
- The current enterprise value reflects the expectations in terms of improving landscape as vaccination progresses, although uncertainty regarding the rebound of the European automotive market has not evaporated. The personnel changes in the Board of Directors of Rába Holding and in the positions of top management may add a new risk factor to the company's undisturbed operation, while fast-growing raw material prices will endanger the strict cost control the company lately followed.
- We revised our 12M-target price as the company had announced the successful sale of one of its properties, which generates not only considerable new cash inflow but also has strong profit effect.

Financial highlights of Q1 2021 earnings report

January-March (HUFm)	2021 Q1	2020 Q1	YoY Change
Domestic sales	3 599	3 025	19%
Export sales	7 778	8 831	-12%
Net sales income	**11 377**	**11 856**	**-4%**
Direct cost of sales	9 126	9 390	-3%
Gross profit	**2 250**	**2 467**	**-9%**
Cost of sales and marketing	122	143	-15%
General managing costs	1 688	2 094	-19%
Other operating expenses	185	462	-60%
Total operating expenditures	**1 995**	**2 699**	**-26%**
Other incomes	143	113	27%
EBIT	**399**	**-120**	**n.a**
Pre-tax profit	**476**	**-748**	**n.a**
Tax	113	105	8%
After-tax profit	**364**	**-853**	**n.a**

January-March	2021 Q1	2020 Q1	YoY Change
EPS (HUF)	**27**	**-63**	**n.a**
4Q-rolling EPS (HUF)	**6**	**-76**	**n.a**
EBITDA (HUFm)	**1 013**	**450**	**125%**
Gross profit rate	**19.8%**	**20.8%**	**-1.0 pp**
EBIT rate	**3.5%**	**-1.0%**	**-4.5 pp**
EBITDA rate	**8.9%**	**3.8%**	**5.1 pp**
ROE	**1.8%**	**-4.0%**	**5.8 pp**
4Q-rolling ROE	**0.4%**	**7.4%**	**-7.0 pp**
ROA	**0.8%**	**-2.0%**	**2.8 pp**
4Q-rolling ROA	**0.2%**	**3.7%**	**-3.5 pp**

Source: Rába Automotive

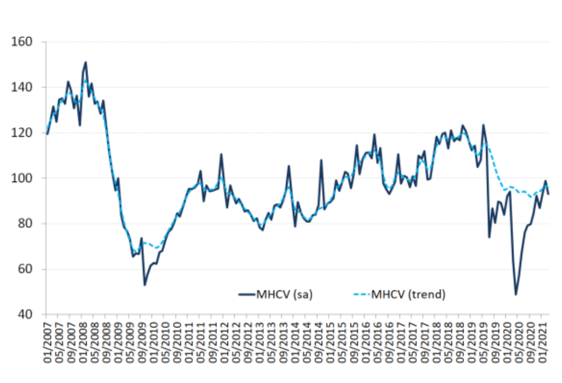
Despite the positive developments in the international markets of heavy trucks and farm machinery, export revenues decreased.

Rába Automotive reported HUF 11.4bn net sales revenue in Q1 2021, 5% less than in our forecast. On quarterly basis, net sales increase remarkably slowed lately (QoQ 4%) after the 29% jump reported in October-December last year and 16% QoQ growth in Q3 2020. YoY revenue drop tamed to 4% after double-digit declines in the previous quarters with domestic revenues increasing 19% YoY and HUF-denominated export revenues falling 12%.

Export revenues in Q1 2021 still lagged behind that of the base period one year earlier in both FX and HUF terms. Despite the positive developments in the main export market of Rába, revenues in the EU dropped 9% YoY w/o FX-effect and remained unchanged in a quarterly comparison. At the same time, demand in the EU market of medium and heavy-duty trucks returned to the ascending trend before the pandemic, reflecting the strong demand for transportation equipment.

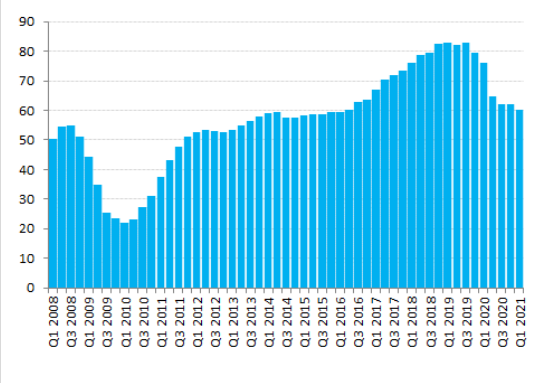
US sales shrank further in Q1 2021, plunged nearly 70% YoY and the quarterly decline widened to 24% despite the recovery in the heavy-duty trucks and strong demand in the US farm machinery market. Rába's revenues in the CIS market collapsed, nose-diving more than 80% YoY and over 90% QoQ in EUR terms. The segment of other markets seems to be a bright spot in the latest quarter, with FX revenues doubling in 12 months.

New medium & heavy truck registrations in the EU (SA, 2015 average = 100)



Sources: ACEA, OTP Research

12M-trailing EU export sales revenue of Rába Automotive (EURm)



Source: Rába Automotive, OTP Research

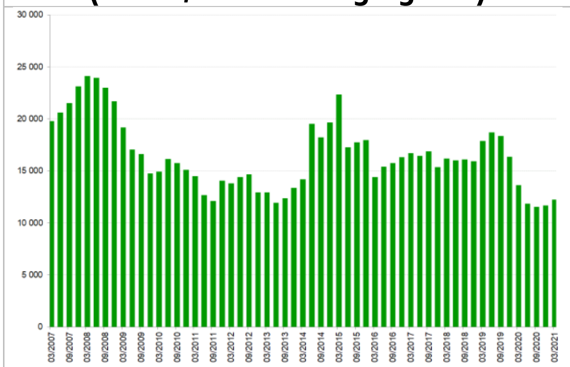
The HUF's depreciation against the EUR supported Rába's performance in Q1: the EUR/HUF increased about 7% when comparing quarterly averages. The dollar's weakening during the quarter failed to lessen the fall in USD-denominated revenues as the USD/HUF decreased by nearly 3% in one year when comparing quarterly averages.

Domestic revenues rose to the pre-pandemic level in the past two quarters.

Q1 2021 brought strong recovery in the domestic market, with near 20% YoY growth, although on a quarterly basis it remained unchanged after two quarters of double-digit growth rate (15% and 36% in Q3 and Q4 2020, respectively). All of Rába's businesses gained in the domestic market, both YoY and QoQ, however the strong growth figures of domestic segment sales owe a lot to intercompany revenue flows. In nominal terms, consolidated domestic revenues returned to the pre-pandemic level in Q4 2020 and remained there in the past quarter.

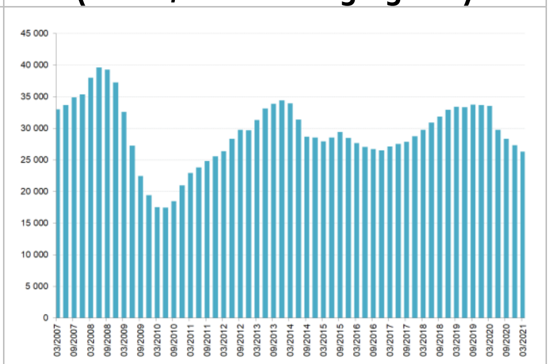
With strong recovery in domestic revenues, export's share in total sales revenue was 68% in January-March this year, slightly above long-term average after registering 67% share in Q4 2020, and 75% one year earlier.

Domestic sales revenue (HUFm, 12M-trailing figures)



Sources: Rába Automotive, OTP Research

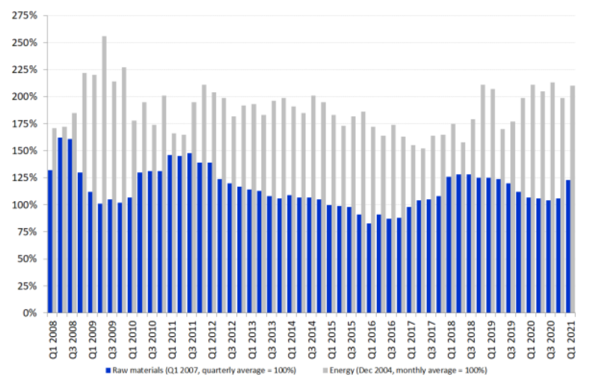
Export revenues (HUFm, 12M-trailing figures)



Sources: Rába Automotive, OTP Research

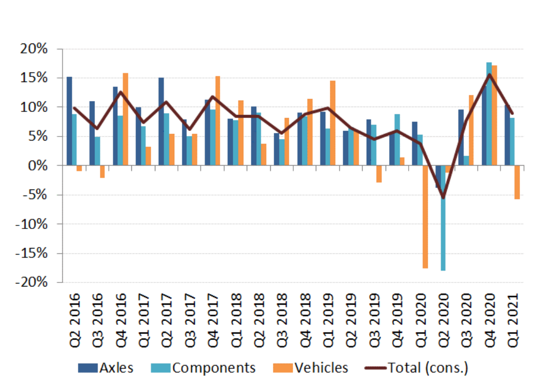
As expected, skyrocketing commodity prices hit Rába's profitability, delivering deteriorating profit rates in January-March.

Steeply rising raw material prices, witnessed from the start of the second half of 2020, also affected Rába's operation by Q1 2021. Although energy prices stabilized at very elevated level and wage pressure persisted, Rába managed to raise profitability above the long-term average by the end of last year, due to the cost control measures implemented during the covid crisis. Unfortunately, raw material prices galloped further up this year, with commodity market steel prices hiking over 50% in Q1 this year compared to the average of Q4 2020, and YTD price increase (middle of May vs. year-end 2020) is also nearing 50%.
As a result, gross profit rate fell to 20% from 26%, in line with our forecast. EBIT rate declined to 3.5% in Q1 2021 (we expected 3.4%) from 10% in Q4 2020 and -1.0% in Q1 2020.

Steel market prices skyrocketed in the past few months as recovery hopes strengthened (hot-rolled coil, USD/metric tonnes)	**Input cost indices of Rába Automotive (quarterly averages)**
	
Source: Bloomberg	*Source: Rába Automotive Holding*

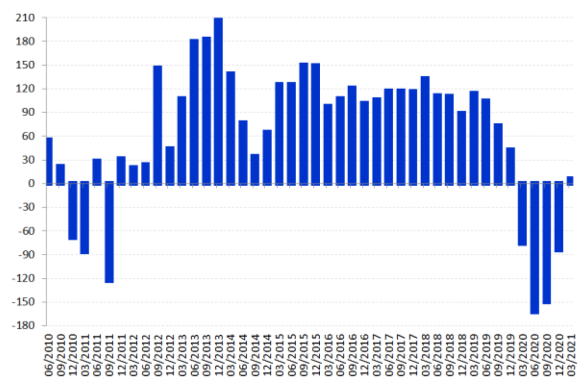
Although profitability deteriorated in QoQ comparison, profit rates returned to the long-term averages of the pre-pandemic era. Rába reported HUF 2.25bn gross profit and HUF 399m operating profit in the January-March period of Y2021. Gross profit decreased both QoQ and YoY due to the facts detailed above, while EBIT improved considerably compared to the HUF 120m loss in Q1 2020, and nearly HUF 1.0bn operating loss in Q2 2020. EBITDA rate was 8.9% in the latest quarter after 15.5% rate in Q4 2020, but well above the 3.9% rate registered one year earlier. After-tax profit amounted to HUF 364m in Q1 2021 after HUF 853m loss one year ago. Quarterly EPS fell to HUF 27 after HUF 77 reported in the last quarter of 2020, but it represents considerable year-over-year improvement. 12M-trailing EPS turned positive (HUF 6) after negative values in every quarter of 2020.

EBITDA margin at Rába's business units



Sources: Rába Automotive, OTP Research

12M-trailing EPS (HUF)

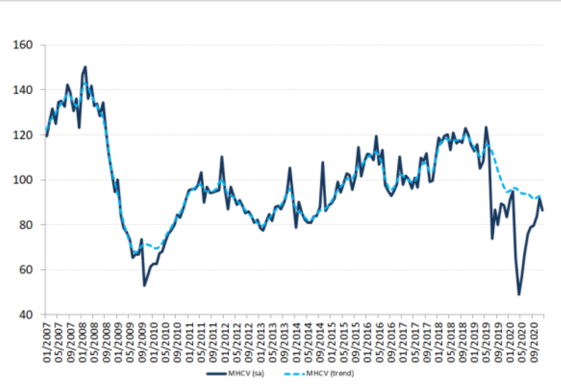


Sources: Rába Automotive, OTP Research

Comments

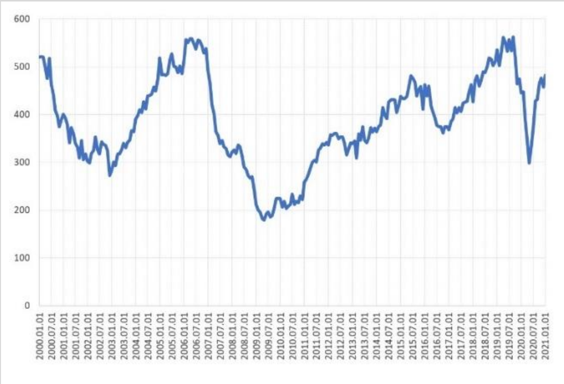
- **The registration figures of medium and heavy-duty trucks in the EU** have reflected the revival of demand since Q3 2020 and this year's figures also show that registrations are returning to the original trend that the covid crisis broke last year. At the same time, demand for medium and heavy buses & coaches is yet to recover and can partly explain Rába's modest performance in the EU market last quarter.

New medium & heavy truck registrations in the EU (SA, 2015 average = 100)



Sources: ACEA, OTP Research

Heavy weight truck retail sales in the US (thousand units, SA)



Source: US Bureau of Economic Analysis

- **With most countries in Europe leaving behind the latest wave of the covid pandemic, economic growth is expected the gain momentum.** After recently reported Q1 GDP figures, the EU and the euro area are expected to witness positive real GDP growth in the current and the coming quarters, according to the EC's Spring forecast.
- **Manufacturing PMIs in the eurozone (and its most important economies) exceeded the crucial 50 mark by the middle of 2020** and stabilized there, reflecting the improving economic environment.
- However, **a new risk factor emerged: the global chip shortage is directly affecting the automotive industry, and is spilling over into the whole supply chain.**
- **Rába's two European peers, Scania and Volvo recently released their Q1 2021 earnings reports, with impressing order intakes.** Orders for Scania heavy trucks doubled YoY in

Europe and jumped near 70% QoQ. Volvo reported Q1 order net intake for heavy- and medium-duty trucks in Europe to have increased by 126% YoY and 24% QoQ. Deliveries at both companies declined on a quarterly basis.

Valuation

- In our latest report in February we revised up our top-line and bottom-line forecast calculating with modest growth, what it concerns Rába's sale performance in the coming quarters.
- In our latest report in February we revised up our top-line and bottom-line forecast, assuming modest growth, concerning Rába's sale performance in the coming quarters.
- Risk factors (covid-related issues, chip shortages, raw material shortages, supply-chain disruptions, delays) however, point to the downside compared to our sales forecast; in the worst case, they may prevent deliveries, despite the strong order volumes. But we must note that a considerable amount of uncertainty surrounds these factors. The growth outlook remains uncertain, particularly in the short run.
- Q1 profitability ratios are very different from those reported in Q4, although they fell in line with our quarterly and yearly expectations. Considering this, we maintain our profit estimates: HUF 1.1bn EBIT and HUF 3.2bn EBITDA in Y2021, while for Y2022 we expect EBIT to rise to HUF 1.4bn and EBITDA to near HUF 3.5bn.
- After 12M EPS of HUF -85 last year, our forecast expects 12M EPS to climb to HUF 46 in Y2021 and to HUF 59 in Y2022. However, we are aware of the downside and upside risks to our forecast. It is a question how Rába manages the costs of skyrocketing raw material prices or raw material shortages, while slowing vaccine rollout in many countries, coupled with new covid variants, may harm swift economic recovery, and delay the withdrawal of restriction measures.
- The new management and the Board also add somewhat to the uncertainties surrounding Rába's operation in this already challenging period. On May 6, 2021 Rába Automotive Holding announced Mr. István Pintér's position as CEO of RÁBA Plc. and his position as Managing Director of Rába Axle Ltd. terminated on May 7, 2021. As of May 8, 2021, his successor as CEO is Mr. Béla Hetzmann, the Chairman of the Board of Directors of RÁBA Plc. since December 3, 2020.
- In accordance with the resolution of the AGM held on April 8, 2021, the GM authorized the Management to sell the Company's property, a conference centre and hotel in downtown of Győr at a price of at least net HUF 1,146,000,000, through an auction conducted via the Electronic Auction System, operated by MNV Zrt.
- On May 14, 2021 Rába announced that the auction had been successfully closed with a purchase price of HUF 1.455bn. Once the bidder fulfils its payment obligation, which we think is very probable, it adds 83 HUF/share to the company's value. Obviously, once a part of the property portfolio is purchased, the future sale of the remaining parts represents smaller value. Taking into account these changes, the net effect of the transaction is 66 HUF/share.

- Consequently, we revised up our 12M target price to 1,353 HUF/share from the previous HUF 1,280 and the new target price also reflects the changes of discount factors due to higher yields. Our valuation model focuses on the forecast horizon between 2021 and 2025.
- The new 12M target price is 2.3% lower than the HUF 1,385 closing price on 20 May, the day after the Q1 2021 earnings report was released. The new target price offers the same -2.3% TR as Rába is not expected to pay dividend from Y2020 results.
- Rába also expects to sell another piece of its real estate portfolio, as we wrote earlier. Although the company announced in December 2019 that a possible buyer had made an offer and the BoD acting on behalf of the shareholders' AGM had entitled the management to sell the property in question, the transaction is still not concluded, at least no information has been issued to indicate otherwise.
- However, if the transaction finally concludes with the previously announced purchase price, it may add further to the enterprise value.

Deduction of 12M target price

Rába's valuation (HUFm)	2019	2020	2021	2022	2023	2024	2025	FCFF in the explicit period
FCFF	-278	-1 185	298	824	1 161	1 379	196	
Discount factor	0,95	0,96	0,95	0,89	0,83	0,77	0,72	
DCF	-263	-1 134	269	662	775	711	76	2 494
Terminal value (HUFm)								30 291
Net present value (HUFm) of TV								22 287
Enterprise Value (incl. possible future property sale) HUFm								27 630
Net debt								10 941
Equity value - Dec 31 2021, HUFm								16 689
Number of shares								13 352 765
Expected return on equity								8,3%
12M Target price								**1 353**
Current price								1 385
Upside/Downside								-2,3%
TR Upside/Downside								-2,3%

Source: OTP Research

CONSOLIDATED INCOME STATEMENT	HUFm					
	2018	2019	2020	2021E	2022E	2023E
Domestic sales	15 827	16 257	11 560	12 740	13 904	13 643
Export sales	32 805	33 525	27 194	29 749	33 849	35 916
Total sales revenue	48 632	49 782	38 754	42 489	47 753	49 559
Direct cost of sales	-38 262	-40 463	-30 722	-33 991	-38 680	-40 143
Gross profit	10 370	9 319	8 032	8 498	9 073	9 416
Indirect costs of sales	-8 564	-7 979	-7 964	-7 351	-7 641	-7 830
EBIT	1 807	1 340	68	1 147	1 433	1 586
EBITDA	3 846	3 455	2 409	3 220	3 485	3 618
Net financial profit/loss	-109	-411	-909	-300	-300	-300
Profit before tax	1 698	1 004	-785	847	1 133	1 286
Tax	-501	-433	-345	-237	-351	-296
After-tax profit	1 197	572	-1 130	610	781	990
Dividend	238	267	0	122	156	198
EPS	90	43	-83	46	59	74
DPS	18	20	0	9	12	15

**Unconfirmed, estimated on the basis of official consolidated total sales and preliminary export sales figures.*

CONSOLIDATED BALANCE SHEET	HUFm					
	2018	2019	2020	2021E	2022E	2023E
Property, plant, equipment	19 145	25 394	25 987	24 637	23 880	23 123
Intangible assets	198	148	89	58	48	44
Non-current assets	20 021	26 563	27 015	25 143	24 457	24 009
Inventories	9 072	7 651	5 808	8 239	7 612	7 794
Receivables and other current assets	12 266	6 488	5 944	7 258	9 546	10 644
Cash and cash equivalents	684	805	3 303	1 725	2 221	1 742
Current assets	22 057	15 006	15 170	17 354	19 379	20 180
TOTAL ASSETS	42 078	41 569	42 185	42 498	43 836	44 189
Share capital	13 473	13 473	13 473	13 473	13 473	13 473
Own shares	-109	-109	-109	-109	-109	-109
Capital reserve	0	0	0	0	0	0
Stock option reserve	0	0	0	0	0	0
Retained earnings	7 500	7 833	6 532	6 527	7 152	7 944
Total Equity	20 865	21 197	19 897	19 892	20 517	21 309
Long-term loans and other liabilities	5 916	3 567	6 546	4 563	3 803	3 169
Provisions	245	237	197	237	237	263
Non-current liabilities	6 265	3 917	7 006	4 911	4 150	3 542
Loans and credits	2 186	5 354	3 167	8 300	9 060	8 426
Payables and other short-term liabilities	12 517	10 929	11 820	9 043	9 721	10 493
Current Liabilities	14 948	16 455	15 282	17 695	19 169	19 339
TOTAL EQUITY AND LIABILITIES	42 078	41 569	42 185	42 498	43 836	44 189

CONSOLIDATED CASH FLOW	HUFm					
	2018	2019	2020	2021E	2022E	2023E
EBITDA	3 790	3 455	2 409	3 220	3 485	3 618
Cash flow from operation	1 243	8 379	1 584	522	2 189	2 745
Cash flow from investment	-5 189	-8 658	-2 769	-225	-1 365	-1 584
FCFF	-3 946	-278	-1 185	298	824	1 161
FCFE	-1 878	111	1 644	82	617	-338

Sources: Rába Automotive, OTP Research

Risks surrounding Rába's economic activity

Liquidity risk: In the current covid crisis, liquidity and debt issues came to the fore as companies must maintain liquidity and solvency at a time when revenues decline in a better case, or simply vanish for a period in the worst case. In industry comparison, Rába operates with relatively low liquidity, which further decreases in times of economic distress (e.g. the financial crisis of 2008/2009). Earlier data prove that Rába's liquidity position already weakened by end-2019 and remained at the same low level in Q1 2020. In Q2, liquidity ratios deteriorated, but by end-Q4 2020 current ratio, quick ratio and cash ratio also improved compared to end-2019. When assessing Rába's indebtedness, it stands out that it is lower now than in 2008/2009. However, by end-2020 leverage increased and net debt/EBITDA climbed to 3.0x from 2.4x at end-2019. Debt/EBITDA ratio grew from 2.7x at the end-2019 to 5.7 by the end of 2020.

FX risk: As export sales have a dominant share in Rába's sales performance, the company is exposed to exchange rate fluctuations. About 60–70% of the total sales revenue is FX-dominated, which climbed from 65% in 2017 to 67% in 2018 and in 2019, and to 70% in 2020. Exports' weight in sales revenues is expected to remain above 70% in the coming years. In the present circumstances, with revenues declining due to the covid-19 pandemic, a weaker HUF (in yearly comparison) partly offset sales' drop in FX terms.

With the Hungarian economy returning to the path of recovery, and inflation coming to fore, the MNB recently flagged the possibility of June base rate hike. That will definitely affect the HUF's weakening trend that has characterized the market. The tightening of monetary conditions may cause gradual HUF strengthening or sideways moves in the HUF, after one single step of appreciation. As a consequence, the weakening HUF stops supporting Rába's HUF-denominated export performance.

Raw material & energy prices: Steel prices on the global commodity market started to decline in mid-2018. Since the second half of 2018, benchmark steel prices have been dropping, and by the middle of 2019, prices fell more than 20%, when comparing quarterly averages. Steel benchmark kept on falling throughout the second half of Y2019 and the first half of 2020 and bottomed out in Q3 2020. Since then hot-rolled coil benchmark price has skyrocketed: the average price in Q1 2021 was 57% above the quarterly average registered in Q4, while the price in the middle of May was 50% higher than at the end of 2020.
At the same time, energy prices seem to be stabilizing at a relatively high level, putting Rába's profitability under pressure. Q1 2021 energy price reported by Rába is 6% higher than in Q4 2020.
Economic environment: The economic landscape radically changed in Q1 2020 due to the coronavirus pandemic, and economies went off from their previously expected growth paths. There is still a lot of uncertainty considering the possible recovery and normalization, which also adds downside risk to our forecast. And while Hungary's monetary and exchange rate policies are also changing, in case of an external shock, like the current one, we can see that the monetary policy will be able to accommodate itself to that situation through exchange rates.

With the imminent and fast recovery of the Hungarian economy, the unemployment accumulated due to the pandemic may get absorbed very quickly, and result in tight labour market. This will further strengthen wage dynamics, which did not really lose steam even in the period hit by the pandemic. Further increasing payroll expenses may dent Rába's profitability again.

Risks surrounding Rába's property for sale: According to Rába's earlier announcement on the resolutions of the BoD on behalf of the shareholders' AGM in 2020, the management was authorized the sell part of the company's property portfolio. It is expected to be fulfilled in one year's time. When it happens, the sales revenue as a one-off item will add some 83 HUF/share to Rába's enterprise value, calculated based on the disclosed data. However, in the current environment, companies may postpone their investment plans, while administrative and regulatory hurdles may also hinder the transaction.

Labour supply: Labour market developments, particularly the labour shortage that prevailed earlier could have arrived at a point when it may harm the companies' growth potential, and result in higher labour costs, or extra capex need to substitute labour force with robotization, or may lead to chronic capacity shortage. Rába is located in Western Hungary, where unemployment practically vanished, and the local labour market is very supply-driven. However, covid may change the landscape in this sense as well, but its effect is hardly palpable at this point, as wage dynamics in the manufacturing industry remained at an elevated level this year, latest statistics show.

Ownership: Apparently, the state-owned MNV's 75% ownership in Rába so far made no palpable changes to the company's operation or strategy. A significant part of MNV's asset portfolio consists of companies linked to public services – from this point of view Rába, an industrial manufacturer that operates under market conditions, does not seem to fit the owner's portfolio. MNV has not published a comprehensive strategy or a clear view on its goals with Rába, except the declaration at the time of the buyout on strengthening the state's presence in strategic sectors like the automotive industry. Lately, Rába could not benefit from the proximity of this strategic owner, and the framework contract of 2018 bore no visible fruit for the company.
A further risk is that the directives centrally declared on the operation of state-owned companies do not differentiate between companies, and do not take into consideration the sector's characteristics. Although we consider the dominant state ownership a real risk, this research does not factor it in.

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 Rába Automotive Holding in the past twelve months:

Period	Recommendations	Percent of Recommendations
Q2 2020	BUY	0%
	HOLD	**100%**
	SELL	0%
Q3 2020	BUY	0%
	HOLD	**100%**
	SELL	0%
Q4 2020	**BUY**	**100%**
	HOLD	0%
	SELL	0%
Q1 2021	BUY	0%
	HOLD	**100%**
	SELL	0%

Date	Recommendation	Target Price	Publication
19/05/2020	**HOLD**	**HUF 891**	**Quarterly Earnings Update**
13/08/2020	**HOLD**	**HUF 891**	**Quarterly Earnings Update**
03/12/2020	**BUY**	**HUF 1197**	**Quarterly Earnings Update**
18/02/2021	**HOLD**	**HUF 1280**	**Quarterly Earnings Update**
21/05/2021	**HOLD**	**HUF 1353**	**Quarterly Earnings Update**

The list of all recommendations made in the past 12 months is available here.

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