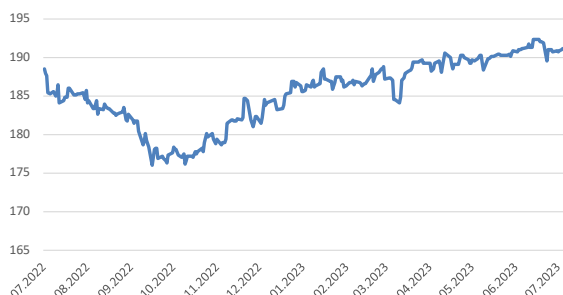


BG Indexes 12-month performance
SOFIX

BGREIT


Index	Close	Weekly Chg.%	YTD
SOFIX	682.70	1.60	13.50
BGBX 40	147.71	1.03	6.05
BGREIT	191.13	0.25	4.35

Index	P/E	EV/S	P/BV
SOFIX	6.24	0.10	1.28
BGBX 40	7.85	0.28	1.88
BGREIT	8.87	n/a	1.37

BSE Weekly Gainers & Losers

Top Gainers		Price	Chng %
BDT	Biodit AD	1.61	11.03
ZHZA	Zaharni zavodi AD	5.50	10.44
A4L	Shelly Group AD	29.70	7.22
KBG	Korado Bulgaria AD	4.88	6.09
GR6	Gradus AD	1.57	6.08

Top Losers		Price	Chng %
BRP	Bulgarian River Shipping AD	0.51	-42.29
FZLS	Fazerles AD	14.70	-20.11
PFB	Flot – Burgas AD	6.00	-7.69
ETR	Etropal AD	5.40	-6.90
OPBI	Opportunity Bulgaria Investment	1.65	-5.71

Market Overview (17th July – 21st June)

The main Bulgarian index **SOFIX** increased this week by 1.60% to 682.70 points. The broad index **BGBX40** increased this week with 1.03% to 147.71 points and **BGREIT** increased this week to 191.13 points, up by 0.25%.

Corporate News

Advance Terrafund REIT (ATER) purchased 889 daa new land in June'23 at an average price of BGN 1 914/daa (+10.3% MoM). The fund sold directly only 2 daa of land at BGN 4 000/daa, flat MoM. As a result, the land portfolio increased to 173 666 daa (+0.5% MoM). The expected revenue for the 2022-2023 agricultural year is BGN 8 014.4k (+31.7% YoY) with 32.8% of it already collected. Currently, the fund has rented out 142 705 daa, or 86.0% of its rentable portfolio at an average price of BGN 56.16/daa (+34.9% YoY).

EMKA (EMKA) reported Q2 2023 revenue of BGN 32.2m, down by 28.1% YoY. This could be attributed to the weak market conditions where the manufacturing PMI in Europe saw a significant deterioration during the second quarter. Operating expenses amounted to BGN 30m (-25.7% YoY), where materials & energy expenses (BGN 27m) decreased by 27.2% YoY. As a result, quarterly EBITDA fell to BGN 2.2m (-49.3% YoY), where margin contracted by 2.9 p.p. YoY to 7.0%. This drove Q2 net profit down by 54.4% YoY to BGN 1.8m, which put net margin at 5.5%, down by 3.1 p.p. compared to a year-ago quarter. H1 2023 total revenue came to BGN 72.8m, -15.2% YoY. EBITDA for the period amounted to BGN 7.1m, representing a 16.9% decline YoY. As a result, net profit for the first half of the year was BGN 6.1m (-17.5% YoY). However, the profitability remained resilient with EBITDA margin of 9.7% and net margin of 8.3%, where both decreased slightly by 0.2 p.p. YoY.

M+S Hydraulic (MSH) reported Jun'23 sales of BGN 21.8m (+6.7% YoY), or 4.6% below management's expectations. It should be noted that it was the first single-digit revenue growth number in the monthly results since October 2020. However, pre-tax earnings for the month remained robust and surged 21.3% YoY to BGN 4.8m, where monthly EBT margin increased by 2.7 p.p. YoY to 22%. H1 2023 sales were BGN 126.3m, up 22% YoY, while pre-tax earnings for the period grew by 42% YoY and reached BGN 23.5m on a margin of 18.6% (+2.6 p.p. YoY). Management forecasts Jul'23 revenue of BGN 22.2m (+10.6% YoY), which would result in 20.2% YoY growth of the YTD sales to BGN 148.5m.

Sopharma (SFA) reported 9% YoY growth in Jun'23 unconsolidated sales, including 29% YoY expansion in domestic sales, and flat YoY exports. 6-mo sales were up by 13% YoY due to 24% YoY growth of exports and 1% drop of domestic sales.

Hydraulic elements and systems (HES) reported Jun'23 sales of BGN 8.0m, which leads to an increase in sales revenue for the first six months of 2023 of 3.29% compared to the same period of 2022. The non-final financial result for Jun'23 is a gross profit of BGN 0.4m and BGN 3.8m accumulated since the beginning of the year. HES forecasts Jul'23 revenue of BGN 7.7m, which would result in 0.07% YoY growth.

Economic News

✓ Bulgaria's current account surplus narrowed to EUR 313.1m in May 2023 from EUR 568.9m in the corresponding month of the previous year. The services surplus widened to EUR 497m from EUR 421.4m in May 2022 and the secondary income surplus edged up to EUR 52.1m from EUR 50.9m. On the other hand, the goods deficit rose to EUR 297.3m from EUR 47.1m and the primary income surplus shrank to EUR 61.3m from EUR 143.7m.

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