Mytilineos

Greece/ Basic Resources

Company update

Investment Research | *Reason: Estimates Revision* | *16 February 2017*

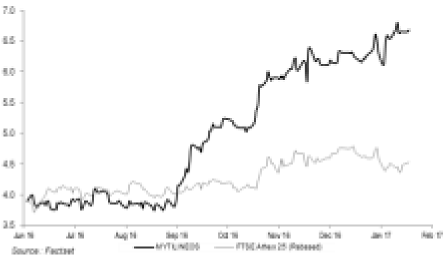
Buy

Recommendation unchanged

Share price: EUR	**6.62**
closing price as of 15/02/2017	
Target price: EUR	**9.50**
from Target Price: EUR	**7.20**
Reuters/Bloomberg	MYTr.AT/MYTIL GA
Daily avg. no. trad. sh. 12 mth	151
Daily avg. trad. vol. 12 mth (m)	742.37
Price high 12 mth (EUR)	6.80
Price low 12 mth (EUR)	2.88
Abs. perf. 1 mth	6.3%
Abs. perf. 3 mth	23.3%
Abs. perf. 12 mth	112.2%

Market capitalisation (EURm)	774
Current N° of shares (m)	117
Free float	67%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	1,383	1,212	1,434
EBITDA (m)	234	200	297
EBITDA margin	*17.0%*	*16.5%*	*20.7%*
EBIT (m)	174	134	229
EBIT margin	*12.6%*	*11.0%*	*16.0%*
Net Profit (adj.)(m)	52	40	152
ROCE	6.4%	4.8%	8.6%
Net debt/(cash) (m)	527	550	313
Net Debt Equity	*0.4*	*0.4*	*0.2*
Net Debt/EBITDA	2.2	2.7	1.1
Int. cover(EBITDA/Fin.int)	3.8	3.4	5.8
EV/Sales	0.8	1.2	0.9
EV/EBITDA	4.9	7.4	4.3
EV/EBITDA (adj.)	5.2	7.8	4.3
EV/EBIT	6.6	11.1	5.6
P/E (adj.)	8.3	18.2	6.2
P/BV	0.4	0.7	0.7
OpFCF yield	*-31.8%*	*-0.6%*	*25.6%*
Dividend yield	*1.5%*	*0.0%*	*6.1%*
EPS (adj.)	0.44	0.34	1.06
BVPS	8.25	8.73	9.84
DPS	0.10	0.00	0.40



Shareholders: Founding families 33%;

For company description please see summary table footnote

Adapting corporate structure model to new environment

The announced corporate transformation by Mytilineos is a milestone event in group's history as the new entity, backed by strong balance sheet and FCF generation, will be able to exploit significant opportunities that are expected to arise in energy and metals markets in Greece and compete in a more challenging global EPC market by integrating sophisticated project financing solutions. Our revised DCF valuation yields for the new entity a target price of EUR 9.50 (corresponding to 143m total shares resulting from 26m new shares issued by Mytilineos upon completion of the merger with Metka). We reiterate our Buy recommendation for the stock.

- ✓ Corporate restructuring: Mytilineos Holding has announced its intention to proceed to the merger by absorption of Metka (according to existing proposal Metka shareholders are set to receive 1 share in Mytilineos for every one share they hold in Metka), Aluminium of Greece and Protergia (energy arm). The procedure (subject to approval by AGMs) is expected to be completed by no later than end of August, though management believes it could actually be implemented earlier.

- ✓ Group FCF, net debt & dividend policy (post merger): Factoring in our numbers part of the estimated synergies from the merger as well as recent developments in main activities, the new company is expected to generate total FCF of EUR 650m in the period 2017-2019 (we include maintenance capex of c.EUR 40m annually and growth capex of EUR 80m for the planned addition of 65 MW in new wind farms and EUR 10m for an acquisition announced by Metka). The strong FCF generation should allow the company to adopt a high dividend policy (we assume FY17 DPS of EUR 0.40 implying dividend yield of c.6%). Although deleveraging is management's main short-term priority (group net debt is estimated to decline by more than EUR 200m this year), in the medium term the simpler corporate structure and healthy credit profile should make it easier for the company to finance new acquisitions or investments.

- ✓ Metka: Amid a challenging global environment for EPC energy projects, Metka continues its efforts to enter new activities, while it counts on merger with Mytilineos to pursue large scale energy projects in the broad region providing also project financing. In the near term, Metka's declining backlog indicates a modest profit outlook, maintaining however satisfactory cash flow due to receipts from the BOOT project in Ghana.

- ✓ AoG: The recent recovery of aluminium prices which is likely to continue on favourable industry fundamentals combined with strong USD and company's low cost position that was reinforced by the signing of a competitive electricity contract until 2020, indicate a strong profit outlook. According to our new estimates, AoG contributes about 50% of group EBITDA in 2017-2019.

- ✓ Electricity: Following a volatile performance in previous years, the improved operation of the two CCGT power plants along with growth of retail business and further expansion of renewables should provide a relatively stable source of income to the group. Most importantly Mytilineos is expected to be at the forefront of the inevitable restructuring of the electricity market, triggered by ambitious targets set by Greece's creditors for enhancing competition in wholesale and retail market.

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New valuation approach – Target price for new entity set at EUR 9.50

On the assumption that Mytilineos Holding's current proposal for the merger will be approved by the AGMs (we see small chances for this not to happen as a simple majority is required in repeat AGMs if required), we have switched from SOTP valuation to a DCF model for the new entity which we believe is more representative of the rationale behind the merger. Our revised DCF valuation approach results in a target price of **EUR 9.50** (corresponding to 143m total shares resulting from 26m new shares issued by Mytilineos upon completion of the merger with Metka) from EUR 7.20 previously, reiterating our **Buy** recommendation.

Table 1: Mytilineos DCF model

EUR million	2018e	2019e	2020e	2021e	2022e
NOPLAT	193.5	166.9	170.1	147.9	137.7
Depreciation	69.0	71.0	72.3	72.4	72.4
Gross cash flow	**262.4**	**237.9**	**242.4**	**220.3**	**210.2**
Capex	65.4	86.9	36.9	36.9	36.9
Decrease (increase) in OWC	15.1	20.2	-28.5	20.3	-17.2
FCFF	**212.1**	**171.2**	**177.0**	**203.6**	**156.1**
Discounted FCFF	194.8	144.5	137.2	145.0	102.1
Sum of PV (2018e-2022e)	723.7				
Terminal value	1223				
Net debt	480.4				
Minorities and other liabilities	128.5				
Other assets	23.3				
Shareholders' value	1360.9				
DCF value per share	**9.50**				

Source: IBG

Our DCF exercise is based on a long-term WACC of 8.9% using a market risk premium of 6%, a risk-free rate of 3.5%, a long-term borrowing cost (after tax) of 3.2% and a levered beta of 1.40 assuming a long-term target debt/capital ratio of 0.35.The terminal value is determined by the average NOPLAT of the period 2017-2022, which adjusted for working capital stands at approximately EUR 150m, growing at 1.50%. Note that in our valuation exercise, we assume that about 50% of total cash estimated at the end of 2017 will be excess and the rest 50% (about EUR 160m) will be utilized for various EPC projects, in line with company's new strategy.

It is important to note that our current valuation conservatively incorporates only part of management's preliminary estimates for merger synergies, waiting for more details as the transformation proceeds. More specifically, management has estimated preliminary synergies of EUR 20m, of which EUR 12m are derived from operational savings and EUR 8m from reduction of financial expenses. Furthermore, the new entity is expected to have significant tax benefits in terms of effective tax rate (under current holding structure gains in some subsidiaries are not offset by losses in other subsidiaries) and acceleration of VAT payments that will improve working capital. In our new estimates we have incorporated about half of the estimated synergies.

Apart from synergies, the simpler corporate structure and healthy credit profile (according to our estimates net debt/EBITDA ratio will fall below 1x next year) should make it easier for Mytilineos to finance new acquisitions or investments in the broad region, implying a significant upside to our valuation.

Group revised forecasts

Reorganizing group financial statements for the planned merger and taking into consideration developments in main activities, we have proceeded to a significant revision of our estimates from 2017 onwards. More specifically, for 2017 we currently expect turnover of EUR 1,435m, group EBITDA of EUR 297m and net income of EUR 152m. Note than one of the benefits of the merger is related to the reduction of the group effective tax rate derived from the utilization of losses from certain subsidiaries. In this framework, we have assumed an effective tax rate of 12% in 2017 and 15% in 2018, normalizing afterwards at 23%. Note that our estimates stand below management's guidance for turnover of EUR 1.5-1.7bn, EBITDA of EUR 300-330m and net income of c.EUR 200m. The upside to our numbers primarily stems from improved performance of AoG and Metka as well as higher financial and tax benefits after the merger. On the flip side, we believe that the risk for electricity division lies on the downside due to regulatory issues. Finally, although the group is mainly dependent on exports, a delay in the completion of country's review would likely have a negative effect on performance.

Below we show our headline forecast changes for Mytilineos group followed by turnover and EBITDA breakdown:

Table 2: Mytilineos turnover and EBITDA forecasts for the period 2016-2020

EUR million	2016e	2017e	2018e	2019e	2020e
Sales New	**1212.4**	**1433.8**	**1562.3**	**1704.2**	**1884.4**
Sales Old	1241.5	1295.5	1364	1469.8	1595.4
Change	-2.3%	10.7%	14.5%	15.9%	18.1%
EBITDA New	**200.2**	**297.1**	**296.6**	**287.8**	**293.2**
EBITDA Old	202.1	200.3	202.5	208.0	225.0
Change	-0.9%	48.3%	46.5%	38.3%	30.3%
Net Income New	**37.6**	**152.0**	**153.3**	**136.0**	**143.1**
Net Income Old	45.0	46.2	51.4	58.3	72.6
Change	-16.5%	228.9%	198.2%	133.3%	97.2%

Source: IBG estimates

Table 3: Mytilineos turnover breakdown

EUR million	2016e	2017e	2018e	2019e	2020e
1.Metka	451.1	480.8	465.1	462.0	497.1
% YoY Change	-32.5%	6.6%	-3.3%	-0.7%	7.6%
2. M&M	463.0	547.0	551.7	541.3	529.9
% YoY Change	-28.8%	15.0%	1.0%	-2.1%	-2.4%
3. Electricity	298.4	406.0	545.6	700.8	857.4
% YoY Change	58.0%	36.1%	34.4%	28.5%	22.3%

Source: IBG estimates

Table 4: Mytilineos EBITDA breakdown

EUR million	2016e	2017e	2018e	2019e	2020e
1. Metka	54.1	47.0	47.2	50.1	54.5
% YoY Change	-53.5%	-13.2%	0.4%	6.2%	8.7%
EBITDA Margin	12.0%	9.8%	10.1%	10.8%	11.0%
2. M&M	90.6	161.0	150.2	135.5	119.6
% YoY Change	1.6%	78.2%	-6.7%	-9.9%	-11.8%
EBITDA Margin	19.6%	29.4%	27.2%	25.0%	22.6%
3. Electricity	68.5	95.1	98.2	101.2	118.2
% YoY Change	169.6%	38.8%	3.2%	3.1%	16.8%
EBITDA Margin	23.0%	23.4%	18.0%	14.4%	13.8%
4. Overheads	13.0	13.0	13.0	13.0	13.0
5. Operational savings from merger	0.0	3.0	6.0	6.0	6.0

Source: IBG estimates

METKA

Merger with Mytilineos supports transition to new business model

Amid a challenging global environment for EPC energy projects, Metka continues its efforts to enter new activities, while it counts on merger with Mytilineos to pursue large scale energy projects in Middle East and Africa providing also the project financing. Given that financing has become a key issue for major energy projects, especially in Middle East and Africa, we believe the merger with Mytilineos will allow Metka to utilize sophisticated financing solutions (e.g. BOOT model, equity participation, etc.) to win new projects and at the same time to get a higher margin from the total project.

In the near term, Metka's declining backlog (currently estimated at c.EUR 0.65bn excluding the stalled project in Syria and the new contract signed in Libya) indicates a modest profit outlook, maintaining howeve satisfactory cash flow due to receipts from the BOOT project in Ghana. Regarding its traditional activity as EPC contractor for thermal power plants, in recent months Metka was awarded a new project in Ghana which we have included in our new estimates and made progress for tentative projects which however are not certain yet and therefore are not included in our estimates. Specifically, in January Metka announced that the financing for a project in Ghana that had been signed with Amandi Energy (developer and investor in energy projects in sub-Saharan Africa) on March 2016, had finally been secured, therefore it had received the green light to proceed to the construction. The project, implemented in cooperation with GE, relates to the development of a 200 MW gas-fired power plant with a contract value of USD 174m and a construction time of 28 months. Although no details have been provided, we assume in our estimates that the EBITDA margin of the project will be around the usual 17-18% for similar projects in the past and will have a material contribution from this year (EUR 80m) due to equipment deliveries. We remind that this is the second power plant project won by Metka in Ghana, with the difference being that the first one (signed in 2015 and completed in 2016) was financed by Metka under the BOOT method for which, according to contract signed with Ghana's government, Metka should receive about USD 70m per year for a 5-year period, starting in the second half of 2016. Our understanding is that Metka has not witnessed any payment delays so far. Besides the new project in Ghana, Metka is in negotiations for several EPC power plants contracts in Balkans, Middle East and Africa. Specifically, Metka announced recently an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out an EPC contract for a 500 MW gas-fired power plant in Tobruk, with a contract value of USD 380m. The contract is subject to final approval from the responsible state authorities in Libya, and will only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. According to press, Metka was also the preferred bidder for a tender conducted by NIS (56% owned by Gazprom Neft) for the construction of a 140 MW Combined Heat and Power Plant in Serbia with the contract valued at EUR 140m. Finally, management disclosed a few months ago that they were in advanced talks with an Iranian company for a joint development of a 900 MW CCGT power plant in Iran, provided that financing, which remains a key obstacle in the country, will be resolved.

From the new activities, METKA EGN, a JV with EGNATIA Group (Metka will hold 50.01%) established in 2015, appears to be on the right track to become an established player in the rapidly growing EPC solar power market. Following the implementation of seven solar photovoltaic projects in Puerto Rico and UK with a total capacity exceeding 116 MW and contract value of approximately of EUR 112m in 2016, METKA EGN, announced recently that it signed new contracts in the UK to provide EPC for solar photovoltaic projects with a total capacity of 75 MW and contract value exceeding EUR 60m. Furthermore, Metka announced that it has entered into a strategic partnership with International Power Supply (IPS), manufacturer of the award-winning Exeron off-grid power system. Specifically, Metka will become a strategic investor in IPS with a 10% stake through a EUR 10m capital increase. Although the above deal is not expected to have a material impact on Metka's numbers in the near term, it is in line with company's strategy to enter sectors with high growth potential.

Below we show our turnover forecasts for signed contracts:

Table 5: Turnover breakdown for signed contracts

EUR million	2016e	2017e	2018e	2019e	2020e
Greece	102.9	95.2	70.4		
Algeria	31.8	43.0			
Syria	85.0				
Iraq	38.2				
Ghana project 1	21.8	26.4	26.4	26.4	26.4
Ghana project 2		80.0	70.0	20.7	0.0
Defence contracts	54.4	53.7	39.4		
PV EPC	117.0	60.0			
Total revenues	**451.1**	**358.2**	**206.1**	**47.1**	**26.4**

Source: IBG estimates

Below we show our changes in headline estimates for the period 2016 – 2020:

Table 6: Turnover and EBITDA forecasts for the period 2016-2020

EUR million	2016e	2017e	2018e	2019e	2020e
Sales New	**451.1**	**480.8**	**465.1**	**462.0**	**497.1**
Sales Old	471.8	440.6	407.9	428.4	478.8
Change	-4.4%	9.1%	14.0%	7.9%	3.8%
EBITDA New	**54.1**	**47.0**	**47.2**	**50.1**	**54.5**
EBITDA Old	46.0	39.0	38.3	36.7	45.1
Change	17.6%	20.4%	23.1%	36.5%	20.7%

Source: IBG estimates

As mentioned above, the merger with Mytilineos will give Metka the ability to integrate EPC with project financing, implying a material upside to our estimates.

Aluminium of Greece (AoG)

Strong outlook driven by price recovery and low cost position

The recovery of aluminium prices since 4Q16 which is likely to continue on favourable industry fundamentals combined with strong USD and low cost position that was reinforced by the signing of a competitive electricity contract until 2020, imply a strong medium-term profit outlook.

Below we show our new forecasts and main assumptions for the period 2016 -2020:

Table 7: AoG key assumptions

	2016e	2017e	2018e	2019e	2020e
Key assumptions					
Oil price (USD/bbl)	44.0	57.0	65.0	70.0	75.0
EUR/USD exchange rate	1.11	1.05	1.10	1.15	1.20
LME spot aluminium price (USD/ton)	1605	1770	1800	1830	1860
Billet duty premium (USD/ton)	317	310	310	310	310
Pipeline gas price (EUR/MMBTU)	6.0	6.8	7.0	7.0	7.1
Electricity tariff (EUR/MWh)	41.3	38.9	40.5	41.4	42.2
Bauxite cost (EUR/ton), CIF	33.2	35.5	35.8	35.9	36.1
Soda price (USD/ton), CIF	330	396	404	412	420
Alumina					
Third party sales volume (000 tons)	467	466	467	467	467
Average realized price (USD/ton)	279	332	346	367	378
Average cash cost (USD/ton)	164	169	187	197	206
Average cash margin (USD/ton)	115	163	159	171	172
Aluminium					
Sales volume (000 tons)	181	179	181	181	181
Average realized price (USD/ton)	1878	2007	2111	2126	2156
Average cash cost (USD/ton)	1522	1389	1503	1595	1688
Average cash margin (USD/ton)	356	618	608	531	468

Source: IBG estimates

Starting with the alumina segment, during January prices stood at around USD 340/ton, USD 70/ton above the 2016 average, driven by rising input costs (bauxite, soda and transportation costs) and balanced alumina market (ex China the market is in deficit). On the other hand, AoG's average cash cost is calculated at c.USD 170/ton which positions the Greek refinery at the first quartile of the global industry cost curve, reflecting vertical integration advantages (own bauxite reserves and 330 MW cogeneration power plant). Overall, assuming a realized alumina price of USD 332/ton (we take into consideration pricing terms of Glencore contract for quantity of c.340kt), the average refinery cash margin for 2017 is estimated at USD 163/ton, translating to a historically high gross profit of approximately EUR 72.5m.

Regarding the aluminium division, prospects that China will cut smelter capacity has boosted LME prices by c.10% from the beginning of the year to c.USD 1,870/ton. Our understanding is that AoG has hedged most of 2017 production at around USD 1,750/ton, hence the company might take the opportunity to lock in prices for the remaining quantity at higher prices as well as start hedging next year's prices. Assuming that premiums will show little change, average "all-in" aluminium price in 2017 is calculated at around USD 2,000/ton, a c.USD 130/ton increase from last year. On the cost front, the most important development was the supply contract signed with PPC last November for the period 1/7/16 and 31/12/2020 at approximately EUR 37.5/MWh (including all charges), provided that LME aluminium prices will not exceed USD 1,800/ton (above this level, a surcharge of EUR 1.25/MWh per USD 100/ton will apply). In return, AoG paid in November an amount of EUR 100m for consumption between 1/7/16 and 30/6/17, temporarily penalizing working capital.

The achievement of competitive electricity tariffs along with modest natural gas prices, despite factoring in a c.15% increase as a result of rising oil prices and higher LNG use by DEPA in winter, and implementation of third cost cutting program running over 2017-2018, position AoG's smelter close to the first quartile of the industry curve with an estimated average cost of USD 1,400/ton. Note that management opts to bring cash cost down further to USD 1,200/ton by cutting costs across the value chain. Even with our more conservative estimates, aluminium cash margin in 2017 comes above USD 600/ton, resulting in gross profit of EUR 105m.

Against the above background, we have proceeded to a significant upwards revisions of our estimates, forecasting for 2017 EBITDA of EUR 160m, representing a c.EUR 70m increase from last year. Given the cyclicality of the sector, we assume that cash margins will gradually narrow, still remaining above our previous estimates due to management's proven ability to keep costs well below the sector average.

Below we show our new sales and EBITDA forecasts for the period 2016-2020:

Table 8: Turnover and EBITDA forecasts for the period 2016-2020

EUR million	2016e	2017e	2018e	2019e	2020e
Sales New	**428.0**	**492.0**	**496.7**	**486.3**	**474.9**
Sales Old	402.4	469.6	474.1	478.4	482.6
Change	6.4%	4.8%	4.8%	1.7%	-1.6%
EBITDA New	**90.1**	**160.5**	**149.7**	**135.0**	**119.1**
EBITDA Old	88.3	80.2	75.9	75.6	77.4
Change	2.0%	100.1%	97.3%	78.5%	53.8%

Source: IBG estimates

Electricity division

Well positioned to exploit opportunities from expected market restructuring

Following the decline of pipeline natural gas prices during 2016, modern CCGT power plants took advantage of the improved position in the merit order to gain market share from PPC’s lignite-fired power plants whose generation declined by c.25% YoY. More specifically, Protergia’s (Mytilineos group’s electricity arm) two 440 MW CCGT power plants increased their load factor to approximately 40% from 16% in the previous year, generating more than 3m MWh, with an estimated clean spark spread of more than EUR 6.0/MWh. The two power plants also made a strong start to the year as cold weather and capacity/import constraints boosted wholesale prices above EUR 100/MWh for several hours. Going forward, although the rebound of oil prices should gradually drive natural gas prices higher, our base case supply/demand model which assumes annual electricity demand growth of 2% (demand in 2017 is likely to be higher due to cold winter) and withdrawal of almost 2,000 MW thermal capacity from PPC until 2020 indicates that the load factor of CCGT power plants will remain at quite satisfactory levels. On the regulatory front, the temporary capacity payments scheme has secured for Mytilineos an amount of EUR 30m for the period from May 2016 to April 2017. In our estimates we assume that the scheduled auction process that will replace the temporary scheme will drive the value of capacity payment certificates down by one third and will become effective in September instead of May, which means that Protergia will not receive capacity payments for four months (sensitivity for each month of capacity payments is about EUR 1.5m). Overall, wholesale EBITDA is estimated to increase in 2017 by c.50% to EUR 76m.

Taking advantage of vertical integration and high retail margins in 2016, Mytilineos has stepped up its efforts in the retail business, achieving at the end of December a leading market share of 2.7% (in volume terms) compared to combined 10% share for independent retailers. In the framework of the MoU signed between Greece and its official creditors which foresees that PPC’s market share should decline below 75% by 2018 and below 50% by 2020, Mytilineos has set a target of achieving a market share of 10% in 2020, which we believe is achievable even if MoU targets are not realized, mainly due to its ability to weather volatility in wholesale prices by naturally hedging a large proportion of its residential customer base requirements by owning its own plants (the part that is not covered by NOME auctions). On top of energy cost volatility, since the start of 2017 retailers face a new variable charge imposed by the Energy Ministry with the purpose of tackling the renewables account deficit, increasing risk for all retailers (in January the relevant formula produced an exceptionally high charge, forcing authorities to reconsider the methodology which will probably apply retrospectively). Expecting retailers to try to absorb the charge in order not to lose market share in a fast growing market (PPC which controls almost 90% has communicated that it does not intend to pass the charge to customers), retail margins in 2017 are projected to fall by more than 50%, resulting in retail EBITDA of about EUR 3m. Going forward, we believe EBITDA growth will be driven by volume as margins should stabilize around 3-4% of the total tariff.

The third leg of Mytilineos’ strategy in electricity is the further expansion of renewables and particularly wind farms which continue to have a satisfactory IRR under the new legislation. More specifically, Mytilineos currently operates wind farms with a capacity of approximately 90 MW and schedules to add 64 MW in 2019. All in all, we forecast RES contribution to EBITDA in 2017 to shape at EUR 16m, rising to EUR 26m in 2020.

Below we show our key assumptions and EBITDA for each division:

Table 9: Energy division key assumptions and EBITDA per division

	2016e	2017e	2018e	2019e	2020e
Wholesale activity					
Realized clean spark spread (EUR/MWh)	6.3	15.2	10.5	8.8	8.9
Load factor	39.5%	35.9%	46.0%	46.3%	55.0%
Capacity payments (EUR m)	12.5	17.5	20.5	20.9	21.3
Wholesale EBITDA	**51.4**	**75.8**	**76.7**	**71.0**	**77.1**
Retail activity					
Sales volume (000 MWh)	1.1	2.0	3.2	4.9	6.0
Market share	2.2%	3.8%	5.9%	9.0%	10.7%
Retail margin (EUR/MWh)	11.4	5.5	4.5	4.5	4.3
Retail EBITDA	**6.4**	**3.1**	**5.3**	**11.6**	**14.7**
RES activity					
Installed capacity (MW)	111.5	111.5	111.5	175.5	175.5
Average tariff (EUR/MWh)	105.8	100.9	100.8	99.3	96.6
RES EBITDA	**10.8**	**16.2**	**16.2**	**18.6**	**26.4**

Source: IBG estimates

Overall, for 2017 we forecast electricity EBITDA to grow by c.40% YoY to EUR 92m driven by the wholesale activity, more than offsetting weaker retail performance as a result of reduced margins.

Below we show our changes in headline estimates for the period 2016 – 2020:

Table 10: Turnover and EBITDA forecasts

EUR million	2016e	2017e	2018e	2019e	2020e
Sales New	**298.4**	**406.0**	**545.6**	**700.8**	**857.4**
Sales Old	302.3	390.3	487.0	568.0	639.0
Change	-1.3%	4.0%	12.0%	23.4%	34.2%
EBITDA New	**68.5**	**95.1**	**98.2**	**101.2**	**118.2**
EBITDA Old	71.8	85.1	92.4	99.7	106.4
Change	-4.5%	11.8%	6.3%	1.5%	11.1%

Source: IBG estimates

Most importantly Mytilineos is expected to be at the forefront of the inevitable restructuring of the electricity market, triggered by ambitious targets set by Greece's creditors for enhancing competition in wholesale and retail markets, an opportunity that is not reflected in our current estimates. Our understanding is that one of the key aims of the merger announced by Mytilineos is to position the company for these developments.

Mytilineos: Summary tables

PROFIT & LOSS (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Sales	**1,403**	**1,233**	**1,383**	**1,212**	**1,434**	**1,562**
Cost of Sales & Operating Costs	-1,202	-1000	-1,159	-1,022	-1,137	-1,266
Non Recurrent Expenses/Income	24.0	21.1	11.0	9.7	0.0	0.0
EBITDA	**225**	**254**	**234**	**200**	**297**	**297**
EBITDA (adj.)*	**201**	**233**	**223**	**190**	**297**	**297**
Depreciation	-67.1	-57.1	-60.1	-66.4	-68.2	-69.0
EBITA	**158**	**197**	**174**	**134**	**229**	**228**
EBITA (adj)*	**134**	**176**	**163**	**124**	**229**	**228**
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**158**	**197**	**174**	**134**	**229**	**228**
EBIT (adj.)*	**134**	**176**	**163**	**124**	**229**	**228**
Net Financial Interest	-69.8	-61.9	-61.6	-58.4	-51.3	-42.1
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	-14.9	-0.2	0.2	0.2	0.0	0.0
Other Non Recurrent Items	-1.6	0.8	-4.0	-2.0	0.0	0.0
Earnings Before Tax (EBT)	**71.9**	**135**	**109**	**73.6**	**178**	**185**
Tax	-13.0	-22.6	-28.4	-16.2	-21.3	-27.8
Tax rate	*18.1%*	*16.7%*	*26.0%*	*22.0%*	*12.0%*	*15.0%*
Discontinued Operations	0.0	-0.3	-4.7	-1.2	0.0	0.0
Minorities	-44.6	-48.5	-28.2	-18.6	-4.3	-4.4
Net Profit (reported)	**14.3**	**64.1**	**47.8**	**37.6**	**152**	**153**
Net Profit (adj.)	**15.9**	**63.3**	**51.8**	**39.6**	**152**	**153**

CASH FLOW (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Cash Flow from Operations before change in NWC	116	149	135	144	246	211
Change in Net Working Capital	39.0	14.3	-227	-62.0	41.7	15.1
Cash Flow from Operations	**155**	**164**	**-91.8**	**81.8**	**288**	**226**
Capex	-58.0	-54.5	-44.9	-85.8	-45.4	-65.4
Net Financial Investments	48.6	7.5	0.0	0.0	0.0	0.0
Free Cash Flow	**146**	**117**	**-137**	**-4.0**	**243**	**160**
Dividends	-6.0	-7.7	-13.0	0.0	0.0	-57.7
Other (incl. Capital Increase & share buy backs)	75.6	27.1	-3.6	-19.7	-4.7	54.4
Change in Net Debt	**215**	**136**	**-153**	**-23.8**	**238**	**157**
NOPLAT	134	130	116	88.1	163	162

BALANCE SHEET & OTHER ITEMS (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Net Tangible Assets	1,082	1,063	1,070	1,094	1,076	1,077
Net Intangible Assets (incl.Goodwill)	454	450	449	444	440	435
Net Financial Assets & Other	99.1	100	98.9	98.9	68.9	43.9
Total Fixed Assets	**1,635**	**1,614**	**1,618**	**1,638**	**1,585**	**1,556**
Inventories	128	152	239	148	168	173
Trade receivables	672	518	620	663	705	737
Other current assets	1.4	3.7	1.0	91.1	35.1	35.1
Cash (-)	-182	-313	-201	-238	-336	-272
Total Current Assets	**983**	**988**	**1,061**	**1,140**	**1,245**	**1,218**
Total Assets	**2,618**	**2,602**	**2,679**	**2,778**	**2,829**	**2,774**
Shareholders Equity	857	910	964	1,020	1,406	1,506
Minority	233	252	266	284	54.0	58.4
Total Equity	1,090	1,161	1,230	1,304	1,460	1,565
Long term interest bearing debt	435	524	404	450	280	180
Provisions	36.5	34.1	34.2	34.0	34.5	35.0
Other long term liabilities	281	165	40.5	73.6	98.4	139
Total Long Term Liabilities	**753**	**723**	**479**	**558**	**413**	**355**
Short term interest bearing debt	256	163	323	338	368	248
Trade payables	469	485	567	515	509	510
Other current liabilities	49.8	69.4	79.4	62.3	78.9	97.1
Total Current Liabilities	**775**	**717**	**970**	**916**	**956**	**855**
Total Liabilities and Shareholders' Equity	**2,618**	**2,602**	**2,679**	**2,778**	**2,829**	**2,774**
Net Capital Employed	**1,917**	**1,734**	**1,832**	**1,962**	**1,906**	**1,895**
Net Working Capital	**331**	**186**	**292**	**296**	**365**	**401**

GROWTH & MARGINS	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Sales growth	*-3.5%*	*-12.1%*	*12.2%*	*-12.3%*	*18.3%*	*9.0%*
EBITDA (adj.)* growth	***34.2%***	***15.6%***	***-4.0%***	***-14.8%***	***56.0%***	***-0.2%***
EBITA (adj.) growth*	*54.7%*	*30.9%*	*-7.0%*	*-24.0%*	*84.4%*	*-0.6%*
*EBIT (adj)*growth*	*54.7%*	*30.9%*	*-7.0%*	*-24.0%*	*84.4%*	*-0.6%*

Mytilineos: Summary tables

GROWTH & MARGINS	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Net Profit growth	*-22.8%*	*298.1%*	*-18.2%*	*-23.5%*	*284.0%*	*0.9%*
EPS adj. growth	*-27.1%*	*284.7%*	*-18.2%*	*-23.5%*	*214.2%*	*0.9%*
DPS adj. growth			*n.m.*	*n.m.*	*n.m.*	*0.0%*
EBITDA (adj) margin*	*14.3%*	*18.9%*	*16.2%*	*15.7%*	*20.7%*	*19.0%*
EBITA (adj) margin*	*9.6%*	*14.3%*	*11.8%*	*10.2%*	*16.0%*	*14.6%*
EBIT (adj) margin*	*9.6%*	*14.3%*	*11.8%*	*10.2%*	*16.0%*	*14.6%*

RATIOS	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Net Debt/Equity	0.5	0.3	0.4	0.4	0.2	0.1
Net Debt/EBITDA	2.3	1.5	2.2	2.7	1.1	0.5
Interest cover (EBITDA/Fin.interest)	3.2	4.1	3.8	3.4	5.8	7.0
Capex/D&A	86.4%	95.4%	74.7%	129.3%	66.6%	94.8%
Capex/Sales	4.1%	4.4%	3.2%	7.1%	3.2%	4.2%
NWC/Sales	23.6%	15.1%	21.1%	24.4%	25.5%	25.6%
ROE (average)	1.9%	7.2%	5.5%	4.0%	12.5%	10.5%
ROCE (adj.)	7.2%	7.7%	6.4%	4.8%	8.6%	8.4%
WACC	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
ROCE (adj.)/WACC	0.8	0.9	0.7	0.5	1.0	1.0

PER SHARE DATA (EUR)***	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Average diluted number of shares	113.0	116.9	116.9	116.9	142.9	142.9
EPS (reported)	0.14	0.55	0.41	0.32	1.06	1.07
EPS (adj.)	0.14	0.54	0.44	0.34	1.06	1.07
BVPS	7.59	7.78	8.25	8.73	9.84	10.54
DPS	0.00	0.00	0.10	0.00	0.40	0.40

VALUATION	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
EV/Sales	0.9	0.9	0.8	1.2	0.9	0.7
EV/EBITDA	5.9	4.3	4.9	7.4	4.3	3.9
EV/EBITDA (adj.)*	**6.6**	**4.7**	**5.2**	**7.8**	**4.3**	**3.9**
EV/EBITA	8.4	5.5	6.6	11.1	5.6	5.1
EV/EBITA (adj.)*	**9.9**	**6.2**	**7.1**	**12.0**	**5.6**	**5.1**
EV/EBIT	8.4	5.5	6.6	11.1	5.6	5.1
EV/EBIT (adj.)*	**9.9**	**6.2**	**7.1**	**12.0**	**5.6**	**5.1**
P/E (adj.)	**40.4**	**8.4**	**8.3**	**18.2**	**6.2**	**6.2**
P/BV	0.7	0.6	0.4	0.7	0.7	0.6
Total Yield Ratio	-2.7%	2.4%	0.0%	0.0%	6.1%	6.1%
EV/CE	0.7	0.6	0.6	0.8	0.7	0.6
OpFCF yield	15.1%	20.5%	-31.8%	-0.6%	25.6%	16.9%
OpFCF/EV	7.3%	10.0%	-11.8%	-0.3%	19.0%	13.9%
Payout ratio	0.0%	0.0%	24.5%	0.0%	38.0%	37.7%
Dividend yield (gross)	0.0%	0.0%	1.5%	0.0%	6.1%	6.1%

EV AND MKT CAP (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Price** (EUR)	5.68	4.56	3.67	6.15	6.62	6.62
Outstanding number of shares for main stock	113.0	116.9	116.9	116.9	142.9	142.9
Total Market Cap	**642**	**533**	**429**	**719**	**946**	**946**
Net Debt	**509**	**373**	**527**	**550**	**313**	**156**
o/w Cash & Marketable Securities (-)	*-182*	*-313*	*-201*	*-238*	*-336*	*-272*
o/w Gross Debt (+)	*691*	*687*	*728*	*788*	*648*	*428*
Other EV components	**171**	**185**	**201**	**219**	**20**	**49**
Enterprise Value (EV adj.)	**1,322**	**1,092**	**1,157**	**1,488**	**1,278**	**1,151**

Source: Company, Investment Bank of Greece estimates.

Notes

** Where EBITDA (adj.) or EBITA (adj)= EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj)= EBIT-/+ Non Recurrent Expenses/Income - PPA amortisation*

***Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years*

Sector: Basic Resources/Industrial Metals

Company Description: Mytilineos is a diversified industrial group, active in mining metal trading, EPC and electricity generation. In the mining business it is active mainly through Aluminium of Greece, the largest vertically integrated aluminium company in SE Europe. Metka is emerging as an important regional engineering company with a focus on turn-key thermal power plants. Mytilineos is also one of the most important players in the domestic electricity market operating three thermal power plants with total capacity of 1,200 MW.

European Coverage of the Members of ESN

Aerospace & Defense	**Mem(*)**	Bpi	CBI	Legrand	CIC	Heineken	NIBC
Airbus Group	CIC	Caixabank	GVC	Neways Electronics	NIBC	Hkscan	OPG
Dassault Aviation	CIC	Commerzbank	EQB	Nexans	CIC	La Doria	BAK
Latecoere	CIC	Credem	BAK	Pkc Group	OPG	Lanson-Bcc	CIC
Leonardo	BAK	Credit Agricole Sa	CIC	Rexel	CIC	Laurent Perrier	CIC
Lisi	CIC	Creval	BAK	Schneider Electric Se	CIC	Ldc	CIC
Ohb Se	EQB	Deutsche Bank	EQB	Vaisala	OPG	Naturex	CIC
Safran	CIC	Deutsche Pfandbriefbank	EQB	Viscom	EQB	Olvi	OPG
Thales	CIC	Eurobank	IBG	**Financial Services Banks**	**Mem(*)**	Parmalat	BAK
Zodiac Aerospace	CIC	Intesa Sanpaolo	BAK	Anima	BAK	Pernod Ricard	CIC
Alternative Energy	**Mem(*)**	Mediobanca	BAK	Azimut	BAK	Raisio	OPG
Daldrup & Soehne	EQB	Merkur Bank	EQB	Banca Generali	BAK	Refresco Group	NIBC
Gamesa	GVC	National Bank Of Greece	IBG	Banca Ifis	BAK	Remy Cointreau	CIC
Automobiles & Parts	**Mem(*)**	Natixis	CIC	Banca Sistema	BAK	Suedzucker	EQB
Bittium Corporation	OPG	Nordea	OPG	Comdirect	EQB	Vidrala	GVC
Bmw	EQB	Piraeus Bank	IBG	Deutsche Forfait	EQB	Vilmorin	CIC
Brembo	BAK	Poste Italiane	BAK	Ferratum	EQB	Viscofan	GVC
Continental	EQB	Rothschild & Co	CIC	Finecobank	BAK	Vranken Pommery Monopole	CIC
Daimler Ag	EQB	Societe Generale	CIC	Grenke	EQB	Wessanen	NIBC
Elringklinger	EQB	Ubi Banca	BAK	**Financial Services Holdings**	**Mem(*)**	**Food & Drug Retailers**	**Mem(*)**
Faurecia	CIC	Unicredit	BAK	Bb Biotech	EQB	Aholddelhaize	NIBC
Ferrari	BAK	**Basic Resources**	**Mem(*)**	Christian Dior	CIC	Carrefour	CIC
Fiat Chrysler Automobiles	BAK	Acerinox	GVC	Cir	BAK	Casino Guichard-Perrachon	CIC
Groupe Psa	CIC	Altri	CBI	Corp. Financiera Alba	GVC	Dia	GVC
Landi Renzo	BAK	Arcelormittal	GVC	Rallye	CIC	Jeronimo Martins	CBI
Leoni	EQB	Corticeira Amorim	CBI	Tip Tamburi Investment Partners	BAK	Kesko	OPG
Michelin	CIC	Ence	GVC	Unipol Gruppo Finanziario	BAK	Marr	BAK
Nokian Tyres	OPG	Europac	GVC	**Financial Services Industrials**	**Mem(*)**	Metro	EQB
Norma Group	EQB	Metka	IBG	Athex Group	IBG	Sligro	NIBC
Piaggio	BAK	Metsä Board	OPG	Bolsas Y Mercados Espanoles Sa	GVC	Sonae	CBI
Plastic Omnium	CIC	Mytilineos	IBG	Capman	OPG	**General Industrials**	**Mem(*)**
Sogefi	BAK	Outokumpu	OPG	Deutsche Boerse	EQB	2G Energy	EQB
Stern Groep	NIBC	Semapa	CBI	Eq	OPG	Aalberts	NIBC
Valeo	CIC	Ssab	OPG	Euronext	CIC	Accell Group	NIBC
Volkswagen	EQB	Stora Enso	OPG	Hypoport Ag	EQB	Ahlstrom	OPG
Banks	**Mem(*)**	Surteco	EQB	Mlp	EQB	Arcadis	NIBC
Aareal Bank	EQB	The Navigator Company	CBI	Ovb Holding Ag	EQB	Aspo	OPG
Aktia	OPG	Tubacex	GVC	Patrizia	EQB	Huhtamäki	OPG
Alpha Bank	IBG	Upm-Kymmene	OPG	**Food & Beverage**	**Mem(*)**	Kendrion	NIBC
Banca Carige	BAK	**Chemicals**	**Mem(*)**	Acomo	NIBC	Nedap	NIBC
Banca Mps	BAK	Air Liquide	CIC	Atria	OPG	Pöyry	OPG
Banco Popular	GVC	Holland Colours	NIBC	Bonduelle	CIC	Prelios	BAK
Banco Sabadell	GVC	Kemira	OPG	Campari	BAK	Saf-Holland	EQB
Banco Santander	GVC	Kws Saat	EQB	Coca Cola Hbc Ag	IBG	Serge Ferrari Group	CIC
Bankia	GVC	Linde	EQB	Corbion	NIBC	Tkh Group	NIBC
Bankinter	GVC	Siegfried Holding Ag	EQB	Danone	CIC	Wendel	CIC
Bbva	GVC	Tikkurila	OPG	Ebro Foods	GVC		
Bcp	CBI	**Electronic & Electrical Equipment**	**Mem(*)**	Enervit	BAK		
Bnp Paribas	CIC	Areva	CIC	Fleury Michon	CIC		
Bper	BAK	Euromicron Ag	EQB	Forfarmers	NIBC		

General Retailers	Mem(*)
Beter Bed Holding	NIBC
Elumeo Se	EQB
Fielmann	EQB
Folli Follie Group	IBG
Fourlis Holdings	IBG
Groupe Fnac Sa	CIC
Inditex	GVC
Jumbo	IBG
Macintosh	NIBC
Rapala	OPG
Stockmann	OPG
Yoox Net-A-Porter	BAK

Healthcare	Mem(*)
4Sc	EQB
Amplifon	BAK
Bayer	EQB
Biotest	EQB
Cytotools Ag	EQB
Diasorin	BAK
Epigenomics Ag	EQB
Fresenius	EQB
Fresenius Medical Care	EQB
Genfit	CIC
Gerresheimer Ag	EQB
Korian	CIC
Merck	EQB
Oriola-Kd	OPG
Orion	OPG
Orpea	CIC
Pihlajalinna	OPG
Recordati	BAK
Rhoen-Klinikum	EQB
Wilex	EQB

Household Goods	Mem(*)
Bic	CIC
De Longhi	BAK
Fila	BAK
Osram Licht Ag	EQB
Philips Lighting	NIBC
Seb Sa	CIC
Zumtobel Group Ag	EQB

Industrial Engineering	Mem(*)
Accsys Technologies	NIBC
Aixtron	EQB
Alstom	CIC
Ansaldo Sts	BAK
Biesse	BAK
Cargotec Corp	OPG
Cnh Industrial	BAK
Danieli	BAK
Datalogic	BAK
Deutz Ag	EQB
Duro Felguera	GVC
Emak	BAK
Exel Composites	OPG
Gesco	EQB
Ima	BAK
Interpump	BAK
Kone	OPG
Konecranes	OPG
Manz Ag	EQB
Max Automation Ag	EQB
Metso Corporation	OPG
Outotec	OPG
Pfeiffer Vacuum	EQB
Ponsse	OPG
Prima Industrie	BAK
Prysmian	BAK
Smt Scharf Ag	EQB
Technotrans	EQB
Valmet	OPG
Wärtsilä	OPG
Zardoya Otis	GVC

Industrial Transportation	Mem(*)
Bollore	CIC
Caf	GVC
Ctt	CBI
Logwin	EQB

Insurance	Mem(*)
Allianz	EQB
Axa	CIC
Banca Mediolanum	BAK
Cattolica Assicurazioni	BAK
Generali	BAK
Hannover Re	EQB
Mapfre Sa	GVC
Munich Re	EQB
Sampo	OPG
Talanx Group	EQB
Unipolsai	BAK

Materials, Construction & Infrastructure	Mem(*)
Abertis	GVC
Acs	GVC
Aena	GVC
Aeroports De Paris	CIC
Astaldi	BAK
Atlantia	BAK
Boskalis Westminster	NIBC
Buzzi Unicem	BAK
Caverion	OPG
Cramo	OPG
Eiffage	CIC
Ellaktor	IBG
Eltel	OPG
Ezentis	GVC
Fcc	GVC
Ferrovial	GVC
Heidelberg Cement Ag	CIC
Heijmans	NIBC
Imerys	CIC
Lafargeholcim	CIC
Lehto	OPG
Lemminkäinen	OPG
Maire Tecnimont	BAK
Mota Engil	CBI
Obrascon Huarte Lain	GVC
Ramirent	OPG
Royal Bam Group	NIBC
Sacyr	GVC
Saint Gobain	CIC
Salini Impregilo	BAK
Sias	BAK
Sonae Industria	CBI
Srv	OPG
Tarkett	CIC
Thermador Groupe	CIC
Titan Cement	IBG
Trevi	BAK
Uponor	OPG
Vicat	CIC
Vinci	CIC
Yit	OPG

Media	Mem(*)
Ad Pepper	EQB
Alma Media	OPG
Atresmedia	GVC
Axel Springer	EQB
Axelero	BAK
Brill	NIBC
Cofina	CBI
Cts Eventim	EQB
Editoriale L'Espresso	BAK
Gl Events	CIC
Havas	CIC
Impresa	CBI
Iol	BAK
Ipsos	CIC
Jcdecaux	CIC
Lagardere	CIC
M6-Metropole Television	CIC
Mediaset	BAK
Mediaset Espana	GVC
Notorious Pictures	BAK
Nrj Group	CIC
Publicis	CIC
Rcs Mediagroup	BAK
Relx	NIBC
Rtl Group	EQB
Sanoma	OPG
Solocal Group	CIC
Spir Communication	CIC
Syzygy Ag	EQB
Telegraaf Media Groep	NIBC
Tf1	CIC
Ubisoft	CIC
Vivendi	CIC
Wolters Kluwer	NIBC

Oil & Gas Producers	Mem(*)
Eni	BAK
Galp Energia	CBI
Gas Plus	BAK
Hellenic Petroleum	IBG
Maurel Et Prom	CIC
Motor Oil	IBG
Neste Corporation	OPG
Petrobras	CBI
Qgep	CBI
Repsol	GVC
Total	CIC

Oil Services	Mem(*)
Bourbon	CIC
Cgg	CIC
Fugro	NIBC
Rubis	CIC
Saipem	BAK
Sbm Offshore	NIBC
Technip	CIC
Tecnicas Reunidas	GVC
Tenaris	BAK
Vallourec	CIC
Vopak	NIBC

Personal Goods	Mem(*)
Adidas	EQB
Adler Modemaerkte	EQB
Amer Sports	OPG
Basic Net	BAK
Cie Fin. Richemont	CIC
Geox	BAK
Gerry Weber	EQB
Hermes Intl.	CIC
Hugo Boss	EQB
Interparfums	CIC
Kering	CIC
L'Oreal	CIC
Luxottica	BAK
Lvmh	CIC
Marimekko	OPG
Moncler	BAK
Puma	EQB
Safilo	BAK
Salvatore Ferragamo	BAK
Sarantis	IBG
Technogym	BAK
Tod'S	BAK

Real Estate	Mem(*)
Adler Real Estate	EQB
Beni Stabili	BAK
Citycon	OPG
Demire	EQB
Deutsche Euroshop	EQB
Grand City Properties	EQB
Hispania Activos Inmobiliarios	GVC
Igd	BAK
Lar España	GVC
Merlin Properties	GVC
Realia	GVC
Sponda	OPG
Technopolis	OPG
Vib Vermoegen	EQB
Wcm Ag	EQB

Software & Computer Services	Mem(*)
Affecto	OPG
Akka Technologies	CIC
Alten	CIC
Altran	CIC
Assystem	CIC
Atos	CIC
Basware	OPG
Cenit	EQB
Comptel	OPG
Ctac	NIBC
Digia	OPG
Docdata	NIBC
Econocom	CIC
Ekinops	CIC
Esi Group	CIC
Exprivia	BAK
F-Secure	OPG
Gemalto	CIC
Gft Technologies	EQB
Ict Group	NIBC
Indra Sistemas	GVC
Nemetschek Se	EQB
Neurones	CIC
Nexus Ag	EQB
Novabase	CBI
Ordina	NIBC
Psi	EQB
Reply	BAK
Rib Software	EQB
Seven Principles Ag	EQB
Software Ag	EQB
Sopra Steria Group	CIC
Tie Kinetix	NIBC
Tieto	OPG
Tomtom	NIBC
United Internet	EQB
Visiativ	CIC
Wincor Nixdorf	EQB

Support Services	Mem(*)
Amadeus	GVC
Asiakastieto Group	OPG
Batenburg	NIBC
Bureau Veritas S.A.	CIC
Cellnex Telecom	GVC
Dpa	NIBC
Edenred	CIC
Ei Towers	BAK
Enav	BAK
Fiera Milano	BAK
Lassila & Tikanoja	OPG
Openjobmetis	BAK
Teleperformance	CIC

Technology Hardware & Equipment	Mem(*)
Asm International	NIBC
Asml	NIBC
Besi	NIBC
Elmos Semiconductor	EQB
Ericsson	OPG
Gigaset	EQB
Ingenico	CIC
Kontron	EQB
Nokia	OPG
Roodmicrotec	NIBC
Slm Solutions	EQB
Stmicroelectronics	BAK
Suess Microtec	EQB
Teleste	OPG
Va-Q-Tec	EQB

Telecommunications	Mem(*)
Acotel	BAK
Deutsche Telekom	EQB
Dna	OPG
Drillisch	EQB
Elisa	OPG
Euskaltel	GVC
Freenet	EQB
Kpn Telecom	NIBC
Masmovil	GVC
Nos	CBI
Oi	CBI
Orange	CIC
Ote	IBG
Tele Columbus	EQB
Telecom Italia	BAK
Telefonica	GVC
Telia	OPG
Tiscali	BAK
Vodafone	BAK

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Air France Klm	CIC
Autogrill	BAK
Beneteau	CIC
Elior	CIC
Europcar	CIC
Finnair	OPG
I Grandi Viaggi	BAK
Ibersol	CBI
Int. Airlines Group	GVC
Intralot	IBG
Kotipizza	OPG
Melia Hotels International	GVC
Nh Hotel Group	GVC
Opap	IBG
Snowworld	NIBC
Sodexo	CIC
Sonae Capital	CBI
Trigano	CIC

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Acciona	GVC
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Albioma	CIC
Direct Energie	CIC
Edp	CBI
Edp Renováveis	CBI
Enagas	GVC
Endesa	GVC
Enel	BAK
Erg	BAK
Eydap	IBG
Falck Renewables	BAK
Fortum	OPG
Gas Natural Fenosa	GVC
Hera	BAK
Iberdrola	GVC
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Red Electrica De Espana	GVC
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Terna	BAK

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SELL	REDUCE	NEUTRAL	ACCUMULATE	BUY
-15%	-5%	5%	15%	

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Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

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- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral**: the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
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Data current as of 10/02/2017

	Buy	Accumulate	Neutral	Reduce	Sell	Rating Suspended
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% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%
Basic materials	100%	0%	0%	0%	0%	0%
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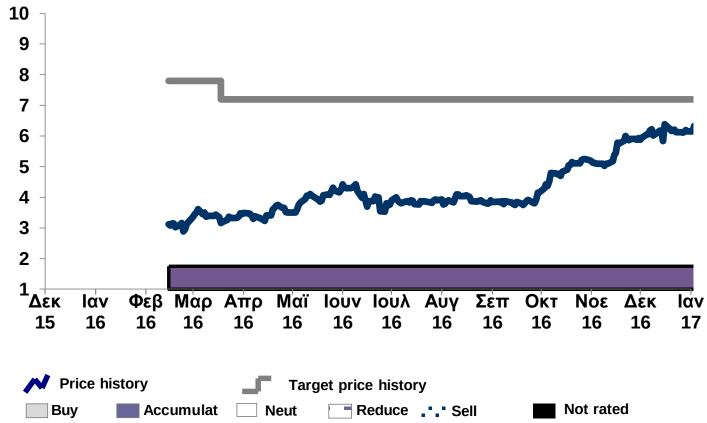
Recommendation history for MYTILINEOS

Date	Recommendation	Target price	Price at change date
15-Φεβ-17	Buy	9.50	6.62
18-Μαρ-16	Buy	7.20	3.16
25-Νοε-15	Buy	7.80	4.18
4-Αυγ-15	Rating Suspended		5.22
27-Ιαν-15	Buy	7.80	5.65
10-Ιουν-14	Buy	7.50	6.94



Source: Factset & ESN, price data adjusted for stock splits.This chart shows Investment Bank of Greece continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Risks to our forecasts and valuation

- Aluminium of Greece has high exposure to metal prices, the EUR/USD exchange rate and the electricity cost.
- Regulatory changes in the operation of electricity market could significantly affect performance of the electricity division.
- Metka's sales could be affected by potential delays in the execution of awarded projects or in the delay of new tenders for the construction of power units.
- Our current valuation is based on the assumption that the proposed merger announced by Mytilineos Holding (including listed Metka) will be approved by AGMs.

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