

Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ
ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΠΑΡΟΧΗΣ ΕΠΙΧΕΙΡΗΜΑΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ



N. CHRYSOCHOIDIS STOCK BROKERAGE
INVESTMENT SERVICES S.A.

Μέλος του Χρηματιστηρίου Αξιών Αθηνών
Μέλος του Χρηματιστηρίου Παραγώγων Αθηνών
Μέλος του Δικτύου ΧΝΕΤ

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Share Price:		4,5
Closing Price as 27/02/15		
Price High 52week		7,76
Price Low 52week		3,5
Market Capitalisation		1.375.338.333
Current num. of shares		305.635.185
Long Term Debt		1.811.995.000

Key Financials	12/13	12/14	12/15E
Sales	9.674.324.000	9.478.444.000	9.121.747.817
EBITDA	26.633.000	10.770.000	36.400.435
EBITDA margin	0%	0%	0%
Total Debt/Equity	1,12	1,84	1,77
P/E	16,55	3,73	-3,64
EPS	0,89	1,21	0,88
Dividend/Share	N/A	N/A	N/A

Enterprise Value	3.085.920.714
Shareholders value	1.273.925.714

HELLENIC PETROLEUM S.A

Sector: Oil/Petroleum

Activity: Oil refinery and distributor of petroleum and petrochemical products. Also oil exploration and other hydrocarbons-related activities.

Outlook: Hellenic Petroleum's (ELPE) FY14 results proved another FY of poor operational business performance for the Group. The extreme fluctuations in Oil prices, as well as geo-political tensions tend to suppress the Group's Operating profits to record lows despite our previous estimates for Gross Profit margin improvement. The slow paced expected improvement in Operating margins and ongoing ambiguity regarding the DESFA sale made us to downgrade ELPE's Fair Estimated Price to 4.50 Euros/Share from 5.70 Euros/Share previously.

Strengths:

Elefsina refinery 's recent upgrade could result in improved Refining Margins.

ELPE Group has a stable Capital Structure (Net Debt/Equity Ratio=1) due to the offsetting of Short Term Debt by it's Cash position .

Weaknesses:

Oil Sector's various operating challenges and fluctuations in Oil demand are highly affecting Group's overall performance.

Opportunities:

Signals of recovery in domestic demand.

Threats:

Further continuation of FY13 and FY14 Cash Flow poor performance could negatively impact Group's Capital Structure.

The delay of DESFA sale could possibly change the terms of the negotiated price for ELPE'S 33% holding and result in a lower inflow for the Group.

Following the announcement of ELPE FY14 results, we downgrade the Group's Fair Estimated Price from 5,7 Euros/Share to 4,5 Euros/Share indicating the Share as Fair Priced.

In our previous analysis (11/2014) we had pointed out that in terms of Cash Flows, the Group's Market Price appeared undervalued (ELPE 11/14 Market Cap. 1.3 Bn Euros versus Estimated DCF Shareholders' Value of 1.13 Bn Euros).

However, ELPE's Gross Profit Margin for FY14 faired to a historic low (1.5%) disproving our previous estimates for FY14 Gross Profit Margin improvement.

This low Gross and Operating Margin trend is expected to continue at least for FY15 and FY16 postponing the return to more normalized and stable Gross Margins from FY18 and on.

As a result, we have reduced our NCF expectations for the period FY15 to FY19 to 920mn Euros overall and have taken into account a positive effect from deferred taxation. We have also incorporated the DESFA sale agreement and its inflow in FY16.

DATE

2/3/2015

FAIR ESTIMATED PRICE	4,50
Δ% from Current Price	0%
Investment Thesis	FV

ELPE Summary tables

Income Statement	2013	2014	2015E	2016E	2017E
Sales	9.674.324.000,00	9.478.444.000,00	9.121.747.816,70	9.319.681.171,54	9.326.886.934,89
CGS	-9.369.172.000,00	9.333.608.000,00	8.848.095.382,20	8.946.893.924,67	8.860.542.588,15
Gross Profit	305.152.000,00	144.836.000,00	273.652.434,50	372.787.246,86	466.344.346,74
Other Income	-9.789.000,00		1.000.000,00	1.000.000,00	1.000.000,00
Sales Costs	-324.007.000,00	-323.305.000,00	-323.305.000,00	-323.305.000,00	-323.305.000,00
Admin. Costs	-123.596.000,00	-116.947.000,00	-116.947.000,00	-116.947.000,00	-116.947.000,00
R&D Costs	-4.266.000,00	-3.000.000,00	-3.000.000,00	-3.000.000,00	
Rest Cost/Income	-40.080.000,00	10.770.000,00		212.000.000,00	0,00
EBITDA	26.633.000,00	- 83.982.000,00	36.400.434,50	352.535.246,86	239.092.346,74
D&A	221.945.000,00	204.930.000,00	205.000.000,00	210.000.000,00	215.000.000,00
EBIT	-195.312.000,00	- 288.912.000,00	- 168.599.565,50	142.535.246,86	24.092.346,74
Interest Expense	-209.287.000,00	215.030.000,00	200.000.000,00	200.000.000,00	200.000.000,00
FX Gains/Losses	9.082.000,00	-9.198.000,00	5.000.000,00	5.000.000,00	5.000.000,00
Acq. Gains/Losses	57.391.000,00	28.245.000,00	0,00	0,00	0,00
EBT	-338.126.000,00	- 484.895.000,00	- 363.599.565,50	-52.464.753,14	-170.907.653,26
Taxation	65.661.000,00	116.305.000,00	94.535.887,03	-13.640.835,82	-44.435.989,85
Net Income	-272.465.000,00	-368.590.000,00	-269.063.678,47	-38.823.917,32	-126.471.663,41

Cash flow estimations (E)

	2013	2014	2015E
EBIT	-195.312.000,00	-288.912.000,00	-168.599.565,50
Taxation	-20%	11630500000%	9453588703%
NOPAT	39.062.400,00	- 172.607.000,00	- 74.063.678,47
Depreciation	221.945.000,00	221.945.000,00	204.930.000,00
Capital Exp.	106.000.000,00	120.000.000,00	120.000.000,00
IWC	-443.872.000,00	-8.352.723,29	-15.210.253,83
NCF	598.879.400,00	-62.309.276,71	26.076.575,36

Growth/Margins/Metrics(E)

	12/13	12/14	12/15E
Sales Growth	-8%	-2%	-4%
EBITDA growth Y-Y	-91%	-415%	-143,34%
Net Profit/Loss growth	-429,93%	35,28%	-27%
RATIOS	12/13	12/14	12/15E
Debt/Equity	1,12	1,84	1,77
Capex/EBITDA	158%	-143%	330%
ROE	0,05	0,22	0,16
WACC	10,00%	10,00%	10,00%
VALUATION	12/13	12/14	12/15E
Book Value	7,84	5,29	5,63
P/BV	0,81	0,85	0,80
P/E	16,55	-	3,73
			-3,64

Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price
MCAP:	Κεφαλαιοποίηση	Capitalization
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερίσματος	Dividend Yield
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity
EV:	Τιμή Συστήης Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Stock Price ≤ 20% of Fair
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Risk
OV1	Σωστή Αποτίμηση/ Κίνδυνος	Stock Price ≤ 10% of Fair
OV	Υπερτιμημένη Μετοχή	Fairly Priced/ Small Risk
		10% ≤ Stock Price ≤ 10%
		Fairly Priced/ Risk
		Stock Price ≥ 10% of Fair
		Overvalued
		Stock Price ≥ 20% of Fair

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