

Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ
ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ

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



N. CHRYSOCHOIDIS STOCK BROKERAGE
INVESTMENT SERVICES S.A.

Member of the Athens Stock Exchange
Member of the Athens Derivatives Exchange
Member of the ΧΝΕΤ Network

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Share Price:		4,03
Closing Price as 11/11/14		
Price High 52week		9,6
Price Low 52week		4,03
Market Capitalisation		1.231.709.796
Current num. of shares		305.635.185
Long Term Debt		1.826.024.000

Key Financials	12/13	12/14E	12/15E
Sales	9.674.324.000	9.540.774.443	9.193.606.192
EBITDA	26.633.000	134.183.978	444.022.310
EBITDA margin	0%	1%	5%
Total Debt/Equity	1,12	1,56	1,77
P/E	16,55	5,33	77
EPS	- 0,89	- 0,76	0,07
Dividend/Share	N/A	N/A	N/A

Enterprise Value	2.950.512.437
Shareholders value	1.124.488.437

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) 9 month results are confirming another FY of poor operational business performance for the Group. The fluctuations in Oil prices, weak domestic demand as well as geo-political tensions tend to suppress the Group's Operating profits and Income performance. However, there are signs of a reversal from the low Margin levels of FY13 and Q114 that could possibly lead to more stable Cash Flows and a higher Valuation.

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:

Improvement of Gross Profit Margin for Q314 vs. Q313 indicating potential reversal of negative Margin trend.
Slow recovery in domestic demand.

Threats:

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

After the announcement of ELPE 9MONTH results, we decided to reiterate the Group's Fair Estimated Price from 6,7 Euros/Share to 5,7 Euros/Share indicating the Share as Undervalued.

In our previous analysis (10/2013) we had pointed out that in terms of Cash Flows, the Group's Market Price appeared overvalued (ELPE 10/13 Market Cap. 2,7 Bn Euros versus Estimated DCF Shareholders' Value of 2 Bn Euros).

Following the latest Market downtrend, ELPE Share Price came in line with our estimations and leads us to re-consider the impacts of the second year of poor performance on the Group's Cash Flows and Valuation.

At this point, we also consider the Group's 9 Month Operating improvement as a sign of reversal of overall operating performance from the lowest margin levels (FY13 Gross Profit Margin 2,5%) to a more normalized Gross Profit margin from FY15 and on which could produce stable Cash Flows and result in the recovery of Operating Profit and Net Income.

DATE

12/11/2014

FAIR ESTIMATED PRICE	5,70
Δ% from Current Price	41%
Investment Thesis	UV

ELPE Summary tables

Income Statement	2013	2014E	2015E	2016E	2017E	Cash flow estimations (E)	2013	2014E	2015E
Sales	9.674.324.000,00	9.540.774.443,00	9.193.606.192,21	9.393.320.897,79	9.400.504.599,56				
CGS	-9.369.172.000,00	9.159.143.465,28	8.733.925.882,60	8.829.721.643,92	8.742.469.277,59	EBIT	-195.312.000,00	-87.761.022,28	222.077.309,61
Gross Profit	305.152.000,00	381.630.977,72	459.680.309,61	563.599.253,87	658.035.321,97	Taxation	-20%	20%	26%
Other Income	-324.007.000,00	-324.007.000,00	-324.007.000,00	-324.007.000,00	-324.007.000,00	NOPAT	39.062.400,00	70.208.817,82	164.337.209,11
Sales Costs	-123.596.000,00	-123.596.000,00	-123.596.000,00	-123.596.000,00	-123.596.000,00	Depreciation	221.945.000,00	221.945.000,00	221.945.000,00
Admin. Costs	-2.992.000,00	-3.000.000,00	-3.000.000,00	-3.000.000,00	-3.000.000,00	Capital Exp.	106.000.000,00	120.000.000,00	100.000.000,00
R&D Costs	-9.789.000,00	-9.789.000,00	1.000.000,00	1.000.000,00	1.000.000,00	IWC	-443.872.000,00	-5.694.825,89	-14.803.963,32
Rest Cost/Income	-40.080.000,00	9.000.000,00	212.000.000,00	0,00	0,00	NCF	598.879.400,00	37.431.008,07	301.086.172,43
EBITDA	26.633.000,00	134.183.977,72	444.022.309,61	335.941.253,87	430.377.321,97				
D&A	221.945.000,00	221.945.000,00	221.945.000,00	221.945.000,00	221.945.000,00				
EBIT	-195.312.000,00	-87.761.022,28	222.077.309,61	113.996.253,87	208.432.321,97	Growth/Margins/Metrics(E)	12/13	12/14E	12/15E
Interest Expense	-209.287.000,00	220.000.000,00	200.000.000,00	200.000.000,00	200.000.000,00	Sales Growth	-8%	-1%	-4%
FX Gains/Losses	9.082.000,00	-10.000.000,00	5.000.000,00	5.000.000,00	5.000.000,00	EBITDA growth Y-Y	-91%	404%	230,91%
Acq. Gains/Losses	57.391.000,00	22.613.000,00	0,00	0,00	0,00	Net Profit/Loss growth	-429,93%	-14,42%	-109%
EBT	-338.126.000,00	-295.148.022,28	27.077.309,61	-81.003.746,13	13.432.321,97	RATIOS	12/13	12/14E	12/15E
Taxation	65.661.000,00	61.981.084,68	-7.040.100,50	-21.060.973,99	3.492.403,71	Debt/Equity	1,12	1,56	1,77
Net Income	-272.465.000,00	-233.166.937,60	20.037.209,11	-59.942.772,14	9.939.918,26	Capex/EBITDA	158%	89%	23%
						ROE	0,05	0,11	0,01
						WACC	10,00%	10,00%	10,00%
						VALUATION	12/13	12/14E	12/15E
						Book Value	7,84	6,04	5,63
						P/BV	0,81	0,67	1,01
						P/E	16,55	5,33	7,7

Σημειώσεις/Notes

P: Τρέχουσα Τιμή
MCAP: Κεφαλαιοποίηση
EPS: Καθαρά Κέρδη Ανά Μετοχή

P/E: Λόγος Τιμής προς Κέρδη

P/S: Λόγος Τιμής προς Πωλήσεις

D/A: Συνολικός Δανεισμός προς Παθητικό

DY: Απόδοση Μερισματος
ROE: Απόδοση Ιδίων Κεφαλαίων
FV: Τιμή Σοστής Αποτίμησης

Market Price
Capitalization
Earnings per Share

Price/Earnings Ratio

Price/Sales Ratio

Total Debt/Assets Ratio

Dividend Yield
Return on Equity
Fair Value Price

Οδηγός Συστάσεων/Ratings

UV Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος

UV1 Χαμηλή Αποτίμηση/ Κίνδυνος

FV Σοστή Αποτίμηση/ Χαμηλός Κίνδυνος

OV1 Σοστή Αποτίμηση/ Κίνδυνος

OV Υπερτιμημένη Μετοχή

Underpriced/ Small Risk
Stock Price < 20% of Fair
Underpriced/ Risk
Stock Price < 10% of Fair
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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