



ELTECH-ANEMOS S.A

Outlook:

We retain Anemos's Fair Estimated Price to 1.10Euros/Share on the back of HY'2017 results.

ANEMOS HY'17 results at a glance.

ELTECH ANEMOS's core revenues reached 22.43mn.Euros, slightly below our estimates that called for 23.62mn.Euros.

However, Anemos's softer than expected revenues did not affect the Group's operating results which came at 15.50mn.Euros, in-line with our estimates that called for 15.00mn.Euros for HY'17. Furthermore, Group bottom line earnings overcame our projections (3.90mn.Euros) and ended up at 3.30mn Euros.

The catalyst for the softer revenues was the Group's average load factor for the first semester that came up at 23,10%, significantly lower than 26.80% in HY'16, a fact that is attributed to the adverse weather conditions. Additionally, overall capacity remained unchanged to 247MW, still lower than our expectations for the full fiscal year of 2017 total capacity of 282.30MW.

As a result, the Group generated negative cash flows of 43.40mn. Euros, substantially below our estimates for positive cash flows (4.00mn.Euros) attributed to the acceleration of the capacity expansion program as stated by the management.

Following the above, we pinpoint our major concern with regards to the Group's FCF: the fact that the Group is expected to generate negative FCF for the FY17 due to the intensive investing program underlined above, might hurt the Group's ability to retain its balanced capital structure.

At present, we decide to stick to the basic and conservative assumptions of our valuation model which are summarized as: a) The utilization of a normalized load factor of 26,00% for the FY 2017 b) the implementation of 282,30MW for the same period as additional RES capacity is about to contribute to the Group's overall commissioned capacity during the third quarter of the year.

In closing remarks, we retain ANEMOS's Fair estimated price to 1,10Euros/Share, as we remain confident regarding the Group's ability to gradually implement its expansion program in conjunction with a positive operating performance.

Moreover, we believe that the company could exploit additional profits especially after the scheduled additions in its RES capacity in order to generate value for its shareholders.

Date: 18/09/17

FAIR ESTIMATED PRICE: **1.10 Euros/Share**

Investment Thesis: **FV**

Key Statistics:

Valuation	18/9/2017
Share Price	1,29
Price High 52 week	1,60
Price Low 52 week	0,73
Current num. of shares	82.667.000
Trailing P/E	32
Market Cap.	106.640.430
EPS (Trailing)	0,04
DPS(Proposed)	N/A
<i>*Closing Price as 15/09/2017</i>	

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Σημειώσεις/Notes		Οδηγός Συστάσεων/Ratings			
P:	Τρέχουσα Τιμή	Market Price	UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
MCAP:	Κεφαλαιοποίηση	Capitalization	UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Stock Price < 20% of Fair
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share	FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Risk
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio	OV1	Σωστή Αποτίμηση/ Κίνδυνος	Stock Price < 10% of Fair
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio	OV	Υπερτιμημένη Μετοχή	Fairly Priced/ Small Risk
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio			10% < Stock Price < 10%
DY:	Απόδοση Μερισμάτων	Dividend Yield			Fairly Priced/ Risk
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity			Stock Price > 10% of Fair
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price			Overvalued
					Stock Price > 20% of Fair

Ρήτρα Περιορισμού Ευθύνης:

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