



Share Price:		3,65
Closing Price as 18/03/16		
Price High 52week		5,60
Price Low 52week		2,90
Market Capitalisation		1.115.568.425
Current num. of shares		305.635.185
Long Term Debt		1.597.954.000

Key Financials	12/15	12/16E	12/17E
Sales	7.302.939.000	7.590.044.994	7.589.487.844
EBITDA	444.144.000	213.000.000	457.801.906
EBITDA margin	6%	3%	6%
Total Debt/Equity	1,92	1,92	1,92
P/E	28,85	7,31	36,69
EPS	0,15	0,62	0,12
Dividend/Share	0,20	0,20	0,20

Enterprise Value	2.603.430.331
Shareholders value	1.005.476.331

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:

We reiterate ELPE's Fair Estimated Price to 4,50 Euros/Share. FY15 proved a strong year for ELPE in terms of operating performance and profitability. In HY15 results we evidenced this important improvement in terms of gross profit margin due to the favorable Oil prices, positive currency effect leading to better overall refining margins. These factors boosted the Group's Operating profit and lead to c. 444mn Euros in terms of EBITDA and 45mn Euros in terms of Net Income much higher than our projections that called for 400mn Euros and -5mn Euros respectively .

Considering these, we apply an improved estimated gross profit margin for FY16 and FY17 respectively as we expect the present circumstances to hold. For the period of 2018 and on, we utilize more conservative operating and profit margins in order to reflect a normalised level of profitability for the long run.

The above mentioned profitability upgrade paired with the expected premium of the DESFA sale, which we project at 212mn. Euros and we factor in FY16, make us retain ELPE's Fair Estimated Price at 4.50 Euros/Share. Last but not least, we point that the sale proceeds add about 0,50 Euros/Share to our FV model making it extreme sensitive to further delays or probable impediment of the transaction.

Strengths:

Elefsina refinery 's recent upgrade results 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:

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.

DATE

21/3/2016

FAIR ESTIMATED PRICE	4,50
Δ% from Current Price	23%
Investment Thesis	UV

ELPE Summary tables

Income Statement	2015	2016E	2017E	2018E	2019E
Sales	7.302.939.000,00	7.590.044.994,00	7.589.487.843,84	7.637.767.930,06	7.762.500.357,46
CGS	6.608.357.000,00	6.906.940.944,54	6.906.433.937,89	7.026.746.495,66	7.219.125.332,44
Gross Profit	694.582.000,00	683.104.049,46	683.053.905,95	611.021.434,40	543.375.025,02
Other Income	9.427.000,00	1000000	1.000.000,00	1.000.000,00	1.000.000,00
Sales Costs	339.901.000,00	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	536.000,00	1.000.000,00	1.000.000,00	1.000.000,00	1.000.000,00
Rest Cost/Income	9.427.000,00	213.000.000,00	1.000.000,00	1.000.000,00	1.000.000,00
EBITDA	444.144.000,00	664.852.049,46	457.801.905,95	390.769.434,40	323.123.025,02
D&A	198.900.000,00	210.000.000,00	215.000.000,00	220.000.000,00	220.000.000,00
EBIT	245.244.000,00	454.852.049,46	242.801.905,95	170.769.434,40	103.123.025,02
Interest Expense	201.045.000,00	200.000.000,00	200.000.000,00	200.000.000,00	200.000.000,00
FX Gains/Losses	26.753.000,00	5.000.000,00	5.000.000,00	5.000.000,00	5.000.000,00
Acq. Gains/Losses	21.518.000,00	5.000.000,00	5.000.000,00	5.000.000,00	5.000.000,00
EBT	38.964.000,00	264.852.049,46	52.801.905,95	-19.230.565,60	-86.876.974,98
Taxation	6.063.000,00	76.807.094,34	15.312.552,72	5.576.864,02	25.194.322,74
Net Income	45.027.000,00	188.044.955,12	37.489.353,22	-13.653.701,57	-61.682.652,23

Cash flow estimations (E)	2016E	2017E	2018E
EBIT	454.852.049,46	242.801.905,95	170.769.434,40
Taxation	71%	71%	71%
NOPAT	322.944.955,12	172.389.353,22	176.346.298,43
Depreciation	198.900.000,00	210.000.000,00	215.000.000,00
Capital Exp.	120.000.000,00	120.000.000,00	120.000.000,00
IWC	12.242.786,01	-23.758,02	0,00
NCF	389.602.169,10	262.413.111,24	271.346.298,43

Growth/Margins/Metrics(E)	12/15	12/16E	12/17E
Sales Growth	-77%	4%	0%
EBITDA growth Y-Y	529%	50%	-31%
Net Profit/Loss growth	112,00%	318%	-80%
RATIOS	12/15	12/16E	12/17E
Debt/Equity	1,92	1,92	1,92
Capex/EBITDA	37%	18%	26%
ROE	3%	20%	4%
WACC	8%	8%	8%
VALUATION	12/15	12/16E	12/17E
Book Value	5,51	5,51	5,60
P/BV	0,76	0,82	0,80
P/E	29	7	37

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
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
UVI	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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