



Share Price:		12,97
Closing Price as 11/03/14		
Price High 52week		12,97
Price Low 52week		4,35
Market capitalisation		6.357.250.545
Current num. of shares		490.150.389
Long Term Debt		2.566.100.000

Key Financials	12/11	12/12	12/13
Sales	5.038.300.000	4.680.300.000	4.096.400.000
EBITDA	1.652.400.000	1.520.200.000	1.177.900.000
EBITDA margin	33%	32%	29%
Total Debt/Equity	2,99	1,62	1,40
P/E	15,33	5,12	21,63
EPS	0,19	1,00	0,60
Dividend/Share	N/A	N/A	N/A

Enterprise Value	8.537.303.854
Shareholders value	5.970.803.854

**HELLENIC TELECOMMUNICATIONS ORGANIZATION-
OTE S.A**

SECTOR: Telecommunications

Activity: Diversified telecommunications services

Outlook:

Following FY 2013 results, we upgrade OTE fair estimated price at 12 euros (previous price:11 euros) based on the fourth quarter recovery in mobile sales and the ongoing operational cost reduction, two factors that affirm our previous investment hypothesis.

Our base scenario incorporates stagnant sales for the perceivable future in the two main sectors (Fixed line and Mobile) that could be somehow offset by the foreseen expansion in Internet services (which appears to be the company's strategy).

Strengths:

Ongoing liquidity ratio improvement (Total Debt/Equity) to 1,40 from 1,62 and 2,99 in 2011 and 2012 respectively. We expect the trend to continue.

Expected cash flow generation maintenance above 700 million euros in the following years.

Operational cost reduction due to the restructuring actions in line with company's expectations.

Weaknesses:

We expect lower sales in the Fixed Line sector, compatible with the historical annual trend and a stabilization in Mobile sales in the following years.

Opportunities:

Additional income generated from Internet Services (ADSL, VDSL, ethernet) set to offset the losses in the two primary sectors of the company.

Threats:

The ongoing pricing war in the domestic market hurts profit margins in certain segments and requires increased operational flexibility.

Date 12/3/2014

FAIR ESTIMATED PRICE	12
Δ% from Current Price	-6%
Investment Thesis	FV

OTE S.A Summary tables

Income Statement	2011	2012	2013	2014E	2015E
Fixed lines Greece/International	1.159.800.000,00	1.004.900.000,00	2.177.500.000,00	2.112.175.000,00	2.133.296.750,00
Total mobile sales	162.500.000,00	141.900.000,00	1.758.800.000,00	1.688.448.000,00	1.688.448.000,00
Other Income	2.076.900.000,00	1.939.000.000,00	117.800.000,00	116.622.000,00	117.788.220,00
Rest Income	0,00	0,00	42.300.000,00	25.000.000,00	25.000.000,00
Total Sales	5.038.300.000,00	4.680.300.000,00	4.096.400.000,00	3.942.245.000,00	3.964.532.970,00
Total costs	3.385.900.000,00	3.160.100.000,00	2.918.500.000,00	2.759.571.500,00	2.576.946.430,50
EBITDA	1.652.400.000,00	1.520.200.000,00	1.177.900.000,00	1.182.673.500,00	1.387.586.539,50
Depreciation	1.363.000.000,00	0,32	842.500.000,00	840.000.000,00	800.000.000,00
EBIT	1.310.200.000,00	918.700.000,00	335.400.000,00	342.673.500,00	587.586.539,50
Interest	237.500.000,00	5.900.000,00	20.600.000,00	200.000.000,00	200.000.000,00
EBT	115.100.000,00	595.600.000,00	314.800.000,00	102.573.500,00	387.586.539,50
Taxation	23.020.000,00	107.700.000,00	20.900.000,00	26.669.110,00	135.655.288,33
Net Income	23.020.000,00	107.700.000,00	293.900.000,00	75.904.390,00	251.931.250,68

Cash flow estimations (E)

	2013	2014E	2015E
EBIT	335.400.000,00	342.673.500,00	587.586.539,50
Taxation	26%	26%	26%
NOPAT	315.276.000,00	253.578.390,00	434.814.039,23
Depreciation	842.500.000,00	840.000.000,00	800.000.000,00
Capital Exp.	604.700.000,00	400.000.000,00	400.000.000,00
IWC	-114.800.000,00	-6.376.601,50	921.938,98
NCF	667.876.000,00	699.954.991,50	833.892.100,25

Growth/Margins/Metrics(E)	12/11	12/12	12/13
Sales Growth	-8%	-7%	-12%
EBITDA growth Y-Y	-3%	-8%	-23%
Net Profit/Loss growth	92,62%	429,87%	-39,76%
RATIOS	12/11	12/12	Δεκ-13
Debt/Equity	2,99	1,62	1,40
Capex/EBITDA	24%	26%	51%
ROE	0,07	0,30	0,14
WACC	9,69%	9,69%	9,69%
VALUATION	12/11	12/12	12/13E
Book Value	2,82	3,31	4,30
P/BV	1,02	1,54	1,98
P/E	15,33	5,12	21,63

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 Μερισμάτων	Dividend Yield
ROE:	Απόδοση Ίσιον Κοιτώντων	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 Underpriced/ Risk
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Stock Price < 10% of Fair Fairly Priced/ Small Risk
OV	Σωστή Αποτίμηση/ Κίνδυνος	10% < Stock Price < 10% Fairly Priced/ Risk
OV	Υπερτιμημένη Μετοχή	Stock Price > 10% of Fair Overvalued
		Stock Price > 20% of Fair

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