



Share Price:		3.07
Closing Price as 26/06/15		
Price High 52week		3.98
Price Low 52week		1.76
Market capitalisation		335,595,208
Current num. of shares		109,314,400
Long Term Debt		324,947,000

Key Financials	12/12	12/13	12/14E
Sales	79,604,000	139,595,000	161,141,000.00
EBITDA	53,951,000	71,636,000	90,498,600.00
EBITDA margin	68%	51%	56%
Total Debt/Equity	1.09	1.01	1.12
P/E	23.90	56.18	75.96
EPS	0.13	0.04	0.04
Dividend/Share	N/A	N/A	N/A

Enterprise Value	773,173,446
Shareholders value	448,226,446

Risk Free	FV
6.50%	4.20
7.50%	4.00
8.50%	3.80
9.50%	2.35
10.50%	2.10

TERNA ENERGY S.A

Sector: Utilities-Alternative Electricity

Activity: The company's business comprises two principal segments: Electricity generation using Renewable Sources (RES) and construction services relating to RES projects as well as other public and private sector , holding a 6th class construction certificate.

Outlook:

We have reiterated Terna Energy's fair estimated price at a range of 2.10 to 4.20 Euros/Share in order to reflect the current stressed circumstances for the the Hellenic Economy (see sensitivity table below).

In our previous analysis we had estimated the generation of higher cash flows for the up coming years coming from the utilization of the majority of MW of Terna Wind Farms portfolio. Based on Q1'15 the Company seems to utilize its Renewables assets in a more normalized pace which reduces our Cash Flow estimates.

Moreover, we have incorporated a more normalised Load Factor from our previous analysis based on Q1'15 weather conditions and Terna's operating performance.

Strengths: Terna Energy is the dominant domestic RES energy producer.

Terna Energy has already incurred capital expenditure of c. EUR 1billion by 2013 in order to expand its Mwh capacity, leaving c.EUR 300 million in CAPEX for the upcoming years.

Weaknesses:

Changes in fixed price/kWh with the Power Companies could have a negative impact in the company's revenues.

Potential delays in the licencing of wind parks could have a negative impact in the projected capacity of Terna Energy and its revenues.

Revenues and Operating performance are highly affected by the weather conditions and especially from the wind power.

Opportunities:

Terna Energy also operates as producer of electricity from Hydroelectric and Solar Power sources and plans to expand its capacity from these sources from 2016 and on. We have not incorporated any effects from this sector in our model.

Threats:

The complicated legal context for RES in Greece could delay the operation of already installed wind parks and impair its capacity and operation.

DATE 20/07/2015

FAIR ESTIMATED PRICE	2.10
Δ% from Current Price	-32%
Investment Thesis	0V

TERNA ENERGY Summary Tables

Income Statement	2012	2013	2014	2015E	2016E
Total Sales	124,020,000.00	139,595,000.00	151,141,289.60	198,708,440.00	227,800,400.00
CGS	-56,076,000.00	-54,838,000.00	-60,456,515.84	-79,483,376.00	-91,120,160.00
Gross Profit	67,944,000.00	84,757,000.00	90,684,773.76	119,225,064.00	136,680,240.00
Sales & Adm Costs	-13,741,000.00	-12,831,000.00	-16,000,000.00	-21,500,000.00	-25,345,400.00
R & D Costs	-2,459,000.00	-2,489,000.00	-2,080,000.00	-2,150,000.00	-2,534,540.00
Rest Income/Costs	2,207,000.00	2,199,000.00	2,000,000.00	1,000,000.00	1,000,000.00
EBITDA	53,951,000.00	71,636,000.00	74,604,773.76	96,575,064.00	109,800,300.00
D&A	19,077,000.00	36,337,000.00	42,634,550.00	45,134,550.00	47,634,550.00
EBIT	34,874,000.00	35,299,000.00	31,970,223.76	51,440,514.00	62,165,750.00
Interest	-15,484,000.00	-25,404,000.00	-26,000,000.00	-26,000,000.00	-26,000,000.00
EBT	19,390,000.00	9,895,000.00	5,970,223.76	25,440,514.00	36,165,750.00
Taxation	-4,963,000.00	-5,540,000.00	-1,552,258.18	-5,088,102.80	-7,233,150.00
Net Income/Loss	14,427,000.00	4,355,000.00	4,417,965.58	20,352,411.20	28,932,600.00

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 Ίδιων Κεφαλαίων	Return on Equity
FV:	Τιμή Συστήσεως Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος
FV	Συστή Αποτίμηση/ Χαμηλός Κίνδυνος
OV1	Συστή 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

Ρήτρα Περιορισμού Ευθύνης:

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Cash flow estimations (€)

	2014	2015E	2016E
EBIT	51,161,600.00	51,440,514.00	62,165,750.00
Taxation (1-Tax Rate)	7.4%	20%	20%
NOPAT	40,079,584.00	41,152,411.20	49,732,600.00
Depreciation	40,856,800.00	45,134,550.00	47,634,550.00
Capital Exp.	-4,200,000.00	14,745,816.62	9,018,507.60
IWC	46,000,000.00	50,000,000.00	50,000,000.00
NCF	30,736,384.00	21,541,144.58	38,348,642.40

Growth/Margins/Metrics(E)

	12/14	12/15E	12/16E
Sales Growth	8%	31%	15%
EBITDA growth Y-Y	4%	29%	14%
Net Profit/Loss growth	1%	361%	42%
RATIOS	12/14	12/14E	12/15E
Debt/Equity	1.01	1.01	1.12
Capex/EBITDA	0.65	0.65	0.54
ROE	1%	6%	9%
WACC	9.49%	9.49%	9.49%
VALUATION	12/14	12/15E	12/16E
Book Value	3.07	3.21	3.09
P/BV	1.00	0.65	0.68
P/E	75.96	11.28	7.93