



TERNA ENERGY SA

Greece | Energy

Company Update

9M-2019 Financial Results

In the first nine months of 2019, Terna Energy (TE) published a satisfactory set of financial results. Consolidated revenues grew by 1% to €210.7mn, while EBITDA stood at €132.7mn for the corresponding period of 2019. Group's net profit increased by 55,6% y-o-y to €40.6mn. Net debt (including other financial obligations) stood at €1,131mn at the end of the period. Group's total installed capacity reached the 1,390MW at the end of 3Q-2019 and has under construction 2 projects with a total installed capacity of 122.4MW that are expected to commence operations in 2020.

Projects under Construction

Project	Capacity (MW)	CAPEX (€mn)
Evoia SPA (A+B phase)	120	150
Peloponnese Waste Management	2,4	122

Source: Terna Energy

In the recent 3Q earnings call the management team said that the total cash distribution for the FY2020e will be €0.35-0.40 per share, which implies a yield of 4.5-5.2% based on the current share price levels.

We continue to like TE as the firm has strong cash position, predictable cash flow stream and a large pipeline of RES projects under development. Furthermore, TE is currently the largest producer of electricity from wind farms in Greece with approximately 20% market share. Greece has established a very supportive regulatory framework for wind farm operators and also is a market with strong growth potential for the next years. Finally the firm's revenue stream is well diversified between Greece, US and Eastern Europe after the completion of recent investments during 2019.

Date	23/12/2019
Fair Estimated Price (€)	9.00
Investment Thesis	UV1
Stock Ticker	TENERGY:GA / TENr.AT
Price	7.68
Low / High Price	5.21 / 7.94
Market Cap (€mn)	875

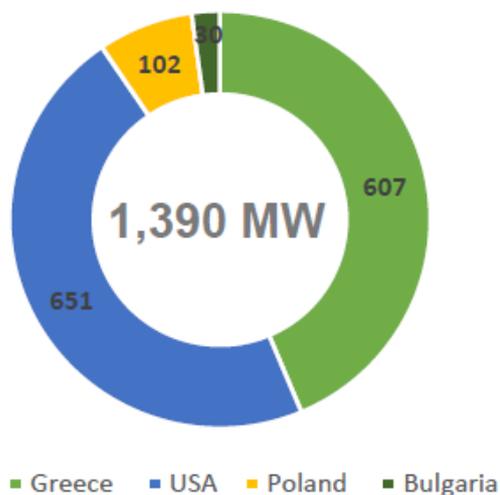
Terna Energy is a vertically organized RES company that undertakes the development and operation of renewable energy projects. The company has strong presence in US, Greece and Eastern Europe and its long term target is to reach the 2,000MW of RES installed capacity in the next years.

Equity Research Department

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Installed capacity split by country (Sep '19)



MW	Installed capacity	Under construction
	607	122
	651	-
	102	-
	30	-
Total	1,390	122

Source: Terna Energy

Valuation

Our indicative DCF exercise returns a fair estimated price of €9.00 per share, which is 17.1% higher than the current share price of the stock. We have fine-tuned our estimates incorporating the new wind parks in US and Greece, using a lower risk free rate in order to reflect the improved macroeconomic outlook of Greece.

Key Financials				
(€mn)	FY2017	FY2018	FY2019e	FY2020e
Total Net Revenues	276	292	303	373
EBITDA	148	168	189	231
Net Income	37	47	52	71
Total Assets	1.603	1.646	1.897	2.017
Cash at Hand	201	166	203	160
Total Equity	379	391	408	438
Operating Cash Flow	151	140	189	229
EPS	0,35	0,42	0,46	0,63
Cash Distribution	0,15	0,27	0,31	0,37
ROE	9,8%	12,0%	12,7%	16,3%
EV/EBITDA	8,0	8,6	10,1	8,5

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. δεν ευθύνεται για την εγκυρότητα, ορθότητα ή αξιοπιστία τους και διατηρεί το δικαίωμα αλλαγής τους χωρίς πρότερη ειδοποίηση. Τόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι διευθύνοντες και υπάλληλοι της δεν φέρουν ουδεμία ευθύνη για οποιαδήποτε συνέπεια των πληροφοριών αυτών. **Το παρόν δεν αποτελεί προσφορά, προτροπή ή επενδυτική πρόταση για αγορά ή πώληση μετοχών ή άλλων κινητών αξιών. Οι επενδύσεις που αναφέρονται ενδέχεται να μην είναι οι ενδεδειγμένες για ορισμένους επενδυτές.**

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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 Stock Price < 20% of Fair
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Underpriced/ Risk Stock Price < 10% of Fair
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Fairly Priced/ Small Risk 10% < Stock Price < 10%
OV1	Σωστή Αποτίμηση/ Κίνδυνος	Fairly Priced/ Risk Stock Price > 10% of Fair
OV	Υπερτιμημένη Μετοχή	Overvalued Stock Price > 20% of Fair
N/R	Μη Αποτιμημένη Μετοχή	Not Rated