Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ
ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ
Μέλος του Χρηματιστηρίου Αξιών Αθηνών
Μέλος του Χρηματιστηρίου Παραγώγων Αθηνών
Μέλος του Δικτύου XNet

N. CHRYSSOCHOIDIS STOCK BROKERAGE
INVESTMENT SERVICES S.A.
Member of the Athens Stock Exchange
Member of the Athens Derivatives Exchange
Member of the XNet Network

Τμήμα Μελετών και Αναλύσεων

Equity Research Department

TITAN S.A

Sector: Construction&Materials-Building Materials& Fixtures

DATE	**06/03/15**

FAIR ESTIMATED PRICE	**18,60**
Δ% from Current Price	**-17%**
Investment Thesis	**OV1**

Share Price:		**22,30**
Closing Price as 05/03/15		
Price High 52week		26,68
Price Low 52week		16,80
Market Capitalisation		1.718.517.566
Current num. of shares		77.063.568
Long Term Debt		634.195.000

Key Financials	**12/13**	**12/14**	**12/15E**
Sales	1.175.937.000	1.158.414.000,00	1.286.545.177,80
EBITDA	196.007.000	181.591.000,00	217.608.746,23
EBITDA margin	17%	16%	17%
Total Debt/Equity	0,49	0,45	0,45
P/E	- 57,14	40,13	38,27
EPS	- 0,38	0,46	0,46
Dividend/Share	N/A	0,30	N/A

Enterprise Value	2.074.567.334
Shareholders value	1.440.372.334

Risk Free	FV
6,50%	18,60
7,50%	18,03
8,50%	13,27
9,50%	11,08
10,50%	8,27

Activity: Production and trade in cement and related products

Outlook:

Following FY14 results, we confirmed the positive operating performance of Titan, as well as the uptrend in the US Market and the better than expected performance in Greece.

Points of concern remain the slowdown in the Egyptian subsidiary and the potential softening in demand in S.E.E Europe.

Overall, we upgrade Titan's Fair Value to 18.6 Euros/Share on the back of stronger Cash Flow projections and further Debt reduction. We would like to point out that the continuing management efficiency of the Group offers conviction to our estimates and makes Titan one of the few value plays in the Domestic Market.

Strengths:

Healthy Capital structure (Debt/Equity 0,45)

Export oriented company (75% of total sales in foreign countries)

Weaknesses:

Great exposure to commodities and energy costs.

Further decrease in East Meditteranean- Egypt sales.

Opportunities:

Further growth in cement consumption in USA.

Stabilization of Sales in Greece and S.E.E Europe.

Threats:

Continuous political tension in Egypt and Middle East Sector affecting Group's performance.

TITAN's Summary tables

Income Statement	2014	2015E	2016E	2017E	2018E
Sales	1.158.414.000,00	1.286.545.177,80	1.364.617.761,42	1.449.040.497,15	1.523.458.707,03
CGS	863.906.000,00	952.043.431,57	1.009.817.143,45	1.072.289.967,89	1.127.359.443,20
Gross Profit	294.508.000,00	334.501.746,23	354.800.617,97	376.750.529,26	396.099.263,83
Other Income	15.237.000,00	16.834.000,00	21.500.000,00	20.000.000,00	20.000.000,00
Income from relative Comp.	0,00	0,00	0,00	0,00	0,00
Admin. Costs	100.927.000,00	100.927.000,00	100.000.000,00	100.000.000,00	100.000.000,00
Sales Costs	18.466.000,00	20.000.000,00	19.600.000,00	19.300.000,00	19.300.000,00
Rest Cost/Income	8.761.000,00	12.800.000,00	14.000.000,00	11.000.000,00	11.000.000,00
EBITDA	181.591.000,00	217.608.746,23	242.700.617,97	266.450.529,26	285.799.263,83
CGS D&A	98.681.000,00	100.000.000,00	100.000.000,00	100.000.000,00	100.000.000,00
Impairment Losses	-414.000,00	0,00	0,00	0,00	0,00
Admin. Costs Depreciation	6.768.000,00	5.000.000,00	5.500.000,00	5.500.000,00	5.500.000,00
EBIT	76.556.000,00	112.608.746,23	137.200.617,97	160.950.529,26	180.299.263,83
Income from Sec.	0,00	0,00	0,00	0,00	0,00
Cost from Sec.	1.609.000,00	1.500.000,00	1.500.000,00	1.500.000,00	1.500.000,00
Interest Income	2.148.000,00	3.000.000,00	3.000.000,00	3.000.000,00	3.000.000,00
Interest Expense	66.275.000,00	65.000.000,00	65.000.000,00	71.000.000,00	71.000.000,00
Penalty Fees		0,00	0,00	0,00	0,00
Losses from Relative Comp.	4.945.000,00	0,00	0,00	0,00	0,00
FX Income/Loss	31.056.000,00	0,00	0,00	0,00	0,00
EBT	46.821.000,00	50.608.746,23	75.200.617,97	92.950.529,26	112.299.263,83
Taxation	11.104.000,00	13.158.274,02	19.552.160,67	24.167.137,61	29.197.808,60
Net Income	35.717.000,00	37.450.472,21	55.648.457,30	68.783.391,65	83.101.455,23

Cash flow estimations (E)

	2014	2015E	2016E
EBIT	76.556.000,00	112.608.746,23	137.200.617,97
Taxation	23%	26%	26%
NOPAT	58.948.120,00	83.330.472,21	101.528.457,30
Depreciation	105.035.000,00	105.000.000,00	105.500.000,00
Capital Exp.	82.102.000,00	90.000.000,00	30.000.000,00
IWC	27.000.000,00	25.604.024,01	15.600.982,84
NCF	54.881.120,00	72.726.448,20	161.427.474,46

Growth/Margins/Metrics(E)

	12/14	12/15E	12/16E
Sales Growth	-1%	11%	6%
EBITDA growth Y-Y	-7%	20%	12%
Net Profit/Loss growth	200%	5%	49%
RATIOS	**12/13**	**12/14**	**12/15E**
Debt/Equity	0,49	0,45	0,45
Capex/EBITDA	45%	41%	12%
ROE	0,02	0,02	0,02
WACC	11,53%	10,75%	10,75%
VALUATION	**12/13**	**12/14**	**12/15E**
Book Value	18,38	19,57	19,57
P/BV	1,08	0,88	1,05
P/E	- 57,14	40,13	38,27

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