

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



N. CHRYSOCHOIDIS 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

| | | |
|---------------------------|--|-------------|
| Share Price: | | 2,28 |
| Closing Price as 22/12/14 | | |
| | | |
| Price High 52week | | 4,68 |
| Price Low 52week | | 2,07 |
| Market capitalisation | | 249.236.832 |
| Current num. of shares | | 109.314.400 |
| Long Term Debt | | 313.001.000 |

| Key Financials | 12/12 | 12/13 | 12/14E |
|-------------------|------------|-------------|----------------|
| Sales | 79.604.000 | 139.595.000 | 159.454.000,00 |
| EBITDA | 53.951.000 | 71.636.000 | 79.592.400,00 |
| EBITDA margin | 68% | 51% | 50% |
| Total Debt/Equity | 1,09 | 1,01 | 1,12 |
| P/E | 23,90 | 56,18 | 65 |
| EPS | 0,13 | 0,04 | 0,04 |
| Dividend/Share | N/A | N/A | N/A |

| | |
|---------------------------|-------------|
| Enterprise Value | 773.173.446 |
| Shareholders value | 460.172.446 |

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 downgrade Terna Energy's fair price to EUR 4.20 per share from EUR 7.00 per share.

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 9M14 the Company seems to utilize its Renewables assets in a more normalized pace which reduces our Cash Flow estimations . Moreover, we have incorporated a lower Load Factor from our previous analysis based on 9M14 weak weather conditions and Terna's operating performance. In closing remarks, we have changed our Risk perception due to the increasing political risk and uncertainty which in a degree lowering Terna's Valuation.

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:

DATE

23/12/2014

| | |
|------------------------------|-------------|
| FAIR ESTIMATED PRICE | 4,20 |
| Δ% from Current Price | 84% |
| Investment Thesis | UV |

TERNA ENERGY Summary Tables

| Income Statement | 2012 | 2013 | 2014E | 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

| | |
|-------|-----------------------------------|
| F: | Τρέχουσα Τιμή |
| MCAP: | Κεφαλαιοποίηση |
| EPS: | Καθαρά Κέρδη Ανά Μετοχή |
| P/E: | Λόγος Τιμής προς Κέρδη |
| P/S: | Λόγος Τιμής προς Πωλήσεις |
| D/A: | Συνολικός Δανεισμός προς Παθητικό |
| DY: | Απόδοση Μερίσματος |
| ROE: | Απόδοση Ιδίων Κεφαλαίων |
| FV: | Τιμή Σωστής Αποτίμησης |

| | |
|--------------------|-------------------------|
| Market Price | Capitalization |
| Earnings per Share | Price/Earnings Ratio |
| Price/Sales Ratio | Total Debt/Assets Ratio |
| Dividend Yield | Return on Equity |
| Fair Value Price | |

Οδηγός Συστάσεων/Ratings

| | |
|------------|------------------------------------|
| UV | Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος |
| UVI | Χαμηλή Αποτίμηση/ Κίνδυνος |
| FV | Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος |
| OVI | Σωστή 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 |

Cash flow estimations (€)

| | 2013 | 2014E | 2015E |
|--------------|---------------|---------------|---------------|
| EBIT | 31.970.223,76 | 51.440.514,00 | 62.165.750,00 |
| Taxation | 30% | 20% | 20% |
| NOPAT | 25.576.179,01 | 41.152.411,20 | 49.732.600,00 |
| Depreciation | 42.634.550,00 | 45.134.550,00 | 47.634.550,00 |
| Capital Exp. | 6.072.433,93 | 14.745.816,62 | 9.018.507,60 |
| IWC | 40.914.000,00 | 50.000.000,00 | 50.000.000,00 |
| NCF | 21.224.295,07 | 21.541.144,58 | 38.348.642,40 |

Growth/Margins/Metrics(€)

| | 12/12 | 12/13 | 12/14E |
|------------------------|--------------|--------------|---------------|
| Sales Growth | 62% | 13% | 8% |
| EBITDA growth Y-Y | 63% | 33% | 4,10% |
| Net Profit/Loss growth | -5% | -70% | -0,04% |
| RATIOS | 12/12 | 12/13 | 12/14E |
| Debt/Equity | 1,09 | 1,01 | 1,12 |
| Capex/EBITDA | 4,08 | 0,65 | 0,54 |
| ROE | 0,04 | 0,01 | 0,13 |
| WACC | 10,07% | 10,07% | 10,07% |
| VALUATION | 12/12 | 12/13 | 12/14E |
| Book Value | 3,27 | 3,21 | 3,09 |
| P/BV | 0,9 | 1 | 1 |
| P/E | 23,90 | 56,00 | 65,00 |

Ρήτρα Περιορισμού Ευθύνης:

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