



## CENERGY HOLDINGS

### Outlook:

We retain CENERGY's Fair estimated Price to **0.80Euros/Share** on the back of HY'17 results.

### HY'17 Results at a glance:

- Cenergy's consolidated Revenues reached 334.98mn. Euros 6.50% down from the first semester of 2016.
- Operating earnings (EBITDA) came up at 24.19mn. Euros from 34.24 in the first half of 2016.
- Net losses for the HY17 stood at - 2.02mn. Euros from 5.21mn Net gains in the respective 2016 period.

Date: 12/10/17

FAIR ESTIMATED PRICE: **0.80Euros/Share**

Investment Thesis: **OV1**

### Key Statistics:

Valuation	12/10/2017
Share Price	1,01
Price High 52 week	1,31
Price Low 52 week	0,59
Current num. of shares	190.162.681
Trailing P/E	N/A
Market Cap.	192.064.308
EPS (Trailing)	-0,01
DPS(Proposed)	N/A
<i>*Closing Price as 11/10/2017</i>	

Analyst: Dimitrios Villiotis  
Tel: +30 210 3213913  
mail: [dvilliotis@chrysochoidis.gr](mailto:dvilliotis@chrysochoidis.gr)  
web: [www.chrysochoidis.gr](http://www.chrysochoidis.gr)

# CENERGY HOLDINGS-HY'17 UPDATE

---

CENERGY's(CENER.AT) first semester results did not confirm our estimates regarding the Group's HY'17 fundamentals: We evidenced a significant reduction in operating gains (EBITDA) compared to the respective HY'16 period mainly driven by the lower consolidated revenues and changes in delivery schedules in certain energy projects that lead to Net losses compared to HY'16 Net gains.

Specifically, the Steel Pipes sector Revenues came up at 129,9mn.Euros below our estimates that called for 145.00mn.Euros. The Sector's operating earnings also declined by 15% from the previous period due to delays evidenced in major energy projects schedule. In the same manner, the Cables sector revenues came up to 205mn.Euros slightly below our expectations for 212mn.Euros. Additionally, Cables operating results were also affected by similar delays as well as the lower utilization of the Thisvi facility.

As a reminder, our expectations regarding EBITDA gains and EBITDA margin were 30mn.Euros and 9% respectively. Although Cenergy's actual EBITDA for the HY'17 did not confirm our expectations as it came up at 24.50mn.EUROS marking a 7.02% margin, we believe that the optimal margin level for the Group is still feasible and equally plausible considering the two absorbed components' historical total and operating cost profiles. Finally, the Group's FCFF for the first semester marked an outflow of 4.86mn.Euros, significantly (and alarmingly) bellow our estimates that called for 11,00mn.Euros in positive FCFF.

Despite the slight discrepancy evidenced in Revenue and Operating earnings estimates for the current semester, we still consider our financial model as properly adjusted in order to track the Group's performance in various scenarios as we have already stated at the initiation of CENERGY's equity coverage it is difficult to precisely estimate the Group's revenue generation due to the project-based nature of business and the lack of visibility regarding the execution of the existing projects. We maintain our projections regarding revenue growth, operating earnings and FCFF generation are accurately reflecting the evidenced volatility in the Group's operations. Moreover we are in track with the Group's guidance regarding the CAPEX needs alongside with our estimates for the capital structure and financial costs.

Following HY'17 results we decided to slightly modify our key components as we believe that there are no other potential catalysts that could reverse the negative trend in revenues and operating earnings respectively. Specifically, our estimates for the Group's FY'17 main fundamental values are: Revenues at 676mn.Euros from 716mn.Euros, EBITDA at 46.20mn.Euros from 62.20mn.Euros and Net Income of 407k.Euros from 9.00mn.Euros previously. In terms of FCFF we revise downward our projections to 19mn.Euros from 22mn.Euros respectively. That downward adjustment lead to changes in our expectations regarding the Group's cumulative values for the 2017-2021 periods: In terms of **cumulative** Revenues our projections call for 3.613bn.Euros from 3.653bn.Euros previously, EBITDA at 309.50mn. from 325.04mn. Net gains at 60.37mn from 69,05 and finally FCFF at 119.50mn. from 122mn. Euros.

In summary, even after the significant revisions in the FY17 financial model, our basic assumptions as set in our initiation coverage report remain intact as they reflect both the "favorable business conditions scenario" as well as any periods characterized by more stable or stressed business conditions (normalized revenues, zero impact of raw material prices). Accordingly, we retain our investment thesis as OV1 and our Fair Estimated price to 0.80Euros/Share having in mind that any possible award of new energy projects would present a key driver for the group's growth and valuation.

### Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΙΔΗΣ 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. ΧΡΥΣΟΧΟΙΔΗΣ 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.**

### Disclaimer:

This report has been issued by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A., a member of the Athens Stock Exchange, and may not be reproduced in any manner or provided to any other persons. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. The information contained herein has been obtained from sources believed to be reliable but has not been verified by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. The opinions expressed herein may not necessarily coincide with those of any member of N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility of liability whatsoever or howsoever arising is accepted in relation to the contents hereof by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. or any of its directors, officers or employees. **This report is not an offer to buy or sell or a solicitation of an offer to buy or sell securities mentioned herein.** N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. may effect transactions in or perform or seek to perform brokerage services for companies covered. The investments discussed in this report may be unsuitable for investors, depending on their specific investment objectives and financial position.

### 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

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