



MYTILINEOS SA

3Q-2019 Financial Results

In the first nine months of 2019, Mytilineos published a satisfactory set of financial results, despite the weak commodity pricing environment. Consolidated revenues grew by 43% to €1,55bn, while EBITDA stood at €248mn compared to €218,2mn for the corresponding period of 2018. Group net profit increased by 2.5% y-o-y to €120.6mn. Finally, net debt stood at €449mn at the end of the period.

In our view, Mytilineos is expected to deliver strong growth in the coming years driven by the higher production capacity of its aluminum unit, the execution of its international EPC backlog and the commercial launch of the new electricity power plant (which is expected to contribute €60mn to the group's EBITDA from 2022 and onwards). In addition the group's growth prospects are supported by its healthy balance sheet and the strong cash flow generation.

Valuation

Our DCF exercise returns a Fair Estimated Price of €14.00 per share, which is 41.6% higher than the current share price of the stock. In our valuation model we have cut slightly our FY2019-2020e EBITDA estimates in order to adjust the weak Alumina /Aluminum pricing environment, while in the WACC calculation we have incorporated a lower risk free rate in order to reflect the improved macroeconomic outlook of Greece.

At current levels, Mytilineos trades at 6.0x EV/EBITDA FY2019E and 5,9x FY2020 respectively. Aluminium/Alumina prices, the cost of natural gas and the fluctuations in the USD/EUR rate are the main risks in our valuation.

Date	14/11/2019
Fair Estimated Price (€)	14.00
Investment Thesis	UV
Stock Ticker	MYTr.AT / MYTIL GA
Price (14/11/2019)	9.89
Low / High Price 52w	6.59/11.43
Market Cap (€mn)	1413
EPS (2019E)	1.03
EV/EBITDA (2019E)	6,0

Mytilineos SA is a Greece based industrial group, which operates in the sectors of Metallurgy, Energy and EPC. Mytilineos, through Aluminum of Greece is one of the largest aluminum producers in Europe. METKA is the leading EPC contractor in Greece and specializes in the execution of large-scale industrial and energy projects. The group is listed on the Athens Stock Exchange since 1995 and its workforce consists of 2700 employees.

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Key Financials				
(€mn)	FY2017a	FY2018a	FY2019e	FY2020f
Total Net Revenues	1.527	1.527	2.051	2.121
EBITDA	306	284	328	333
Net Income	158	144	147	150
Total Assets	3.217	3.341	3.480	3.629
Cash at Hand	161	208	242	222
Total Equity	1.431	1.561	1.656	1.747
Operating Cash Flow	249	198	231	236
Free Cash Flow	147	157	136	91
EPS	1,11	1,01	1,03	1,05
Cash DPS	0,04	0,32	0,36	0,42
ROE	11%	9%	9%	9%
EV/EBITDA (x)	6,5	5,7	6,0	5,9

Ρήτρα Περιορισμού Ευθύνης:

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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