

**Company: Mytilineos S.A.****Investment Thesis**

As our main thesis, we are factoring that both the Energy production and Energy distribution units are not expected to be hit by the lockdown. Additionally, the significant fall in oil and LNG prices is offering significant cost savings of c. 99 million euro over the year, and energy demand is only temporarily decreasing by small single-digit numbers.

On the other hand, although the Metallurgy unit is expected to record lower revenues, the management is confident that bottom line will come up strong, as they continue their cutting cost/improving efficiency initiatives that place Mytilineos at the 1st Quartile of the global smelter cash cost curve and global refinery cash cost curve.

The EPC unit is also expected to record lower revenues during 2020. Yet, we should note that €383 million worth of projects (equal to 57% of 2019 revenues) were standing at the unit's pipeline at the start of the year.

All in all, Mytilineos's outlook is not bleak: The increased fiscal spending across Europe will ramp up construction activity in the coming months and the company is well positioned to take advantage of this development as it has widened its scope to include solid waste and liquid waste management projects, off-grid & hybrid projects as well as energy efficiency projects.

Timing has also been advantageous: The Company was lucky enough to finalise its €500million bond offering with 2.5% coupon on November 2019. No material maturities that would need refinancing are included in 2020 or 2021.

Valuation

Mytilineos is valued at €10.66 per share through a FCF exercise with an applied rate of 15.01%.

Date	29/4/2020
Fair Estimated Price (€)	10.66 €
Investment Thesis	FV
Bloomberg Ticker	MYTIL: GA
Reuters Ticker	MYTr.AT
Closing Price (28/4/20)	7.04
Low/High price 52w	5.01/11.27
Market Cap (€mn)	1,006
EPS (2019A)	1.05
DPS	0.36
Dividend Yield %	4.88%

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Key Financials					
(€mn)	FY2017a	FY2018a	FY2019a	FY2020f	FY2021f
Total Net Revenues	1,527	1,527	2,256	1,915	2,208
EBITDA	306	284	313	208	298
Net Income	142	144	150	45	124
Total Assets	3,217	3,341	4,158	3,639	3,794
Cash at Hand	278	664	305	260	343
Total Equity	1,431	1,561	1,660	1,705	1,829
Operating Cash Flow	249	198	226	489	129
Free Cash Flow	147	157	114	384	24
EPS	0.99	1.01	1.05	0.32	0.87
Cash DPS	0.04	0.32	0.36	0.00	0.00
ROE	10%	9%	9%	3%	7%
EV/EBITDA (x)	6.1	5.0	5.5	13.9	9.7

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 Ποθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερισμάτων	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