



Company : Autohellas SA Reason: Initiation

Investment Thesis

We are initiating coverage of Autohellas SA with a target price of €18.00 i.e. a 22% upside potential.

Autohellas is in the fleet management business with 20% of revenues deriving from the short term car rentals under the brand of Hertz, 56% of revenues coming from the distribution of Ford, Opel, Seat, Cupra, Volvo, SAAB, Alfa Romeo, Jeep, Fiat, Abarth, Lancia, Hyundai, KIA, BMW and Mini, 14% stemming from long term car leases and 10% from the selling of used cars.

All 4 revenue streams are healthy and growing :

The **short term car rentals** are correlated with the arrivals in the countries the firm is operating. Greece is continuing the convincing growth of arrivals of 2022, while Croatia and Portugal have some more additional room to reach their pre-pandemic numbers.

The **distribution of new cars** that peaked in 2022 is expected to keep beating the €400M annual revenue threshold, as Greek GDP is growing. In all corporate presentations, management is pointing that new car registrations in Greece have balanced to a very low level compared to the 2008, pre-crisis peak (i.e. -60%). In our baseline scenario we maintain the same revenue level as 2022 moving forward, which is a rather low and conservative estimate.

The **long term rentals** is a line of business that could grow with middle single digit growth moving forward. 2023 could be somewhat difficult as companies should either increase their budgets or use smaller cars, but the trend is consistent and upward.

Autohellas does not fully depreciate cars before selling them second hand. As the average age of Autohellas fleet returns to the historic average of 2.5 years, one could expect elevated sales from this line of business. Nevertheless, our baseline scenario assumes the same level of revenue from **selling used cars** in the foreseeable future.

Valuation

Under all the above assumptions, Autohellas is valued at €18.00 per share through a FCF exercise with a WACC of 8.73% and Risk free rate $R_f=4,5\%$. The WACC balances two opposing underlying themes: On the one hand, the path towards Greece regaining investment grade status (the needle of the yields is pushed lower) and on the other hand, the elevated interest rates that persist for longer than expected (the needle is pushed higher).

Date	31/05/2023
Fair Estimated Price (€)	18,00 €
Investment Thesis	UV
Bloomberg Ticker	OTOEL:GA
Reuters Ticker	AUTr.AT
Closing Price (29/05/23)	14,34
Low/High price 52w	7.45/14.76
Market Cap (€mn)	697
EPS (2023E)	1,231
DPS (2023 E)	0,620
Dividend Yield %	4,32%



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For important disclosure information, please refer to the disclaimer page of this report.

All N. Chrysochoidis Stock Brokerage I.S.S.A. research is available on the company website and FactSet.



Summary Financials					
(€mn)	2021	#REF!	2023F	2024F	2025F
Profit & Loss Items					
Total Net Revenues	641,6	765,6	812,3	821,5	837,1
EBITDA	178,1	227,0	207,9	209,0	211,0
EBIT	83,9	120,7	101,6	102,7	104,7
Net Income	52,4	82,6	59,8	60,8	62,4
Balance Sheet Items					
Cash at Hand	115,0	93,8			
Total Debt	209,8	84,7			
Total Equity	232,4	345,0			
Debt/(Debt+Equity)	47,4%	19,7%			
Cash Flow Items					
Free Cash Flow (FCFF)	191,6	147,8	116,4	157,5	159,1
CAPEX	10,3	39,5	39,5	39,5	39,5
Key Financial Ratios					
Revenue Growth	30,7%	19,3%	6,1%	1,1%	1,9%
EBITDA Margin	27,7%	29,7%	25,6%	25,4%	25,2%
EPS	1,008	1,595	1,231	1,250	1,284
DPS	0,230	1,510	0,620		
Total Debt / EBITDA (x)	1,2	0,4			

Πήτρα 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