PIRAEUS SECURITIES

Greek Companies Update

February 2023

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Greek Companies Update

Greek market outlook is positive, supported by a favorable macroeconomic environment…

Introductory comment

In a very challenging year for global markets, ATHEX proved resilient in 2022, supported by strong GDP performance and good corporate earnings growth. Specifically, the General Index in 2022 recorded gains of 4% vs. -13% for STOXX Europe 600. Except for Alpha Bank (-7%), banks had a good year (NBG +28%, Eurobank +18.5%, Piraeus Bank +11.5%). Beyond banks and adjusting for dividends, MOH (+66%) outperformed in our stock universe driven by the robust refining environment, closely followed by "green" play Terna Energy (+53%), which was also helped by potential corporate developments. Stocks with strong earnings and healthy dividends, such as Jumbo (+36%), Mytilineos (+36%), and OPAP (+19%) were also among the main winners. On the flip side, the energy crisis took its toll on PPC (-30%), followed by CCH (-22%) due to the serious disruption of operations in Russia. Average trading volumes ended at €73mn, only 3% above the 2021 level despite a strong first half (€90mn average).

Heading into 2023, the global outlook is fraught with macro and geopolitical uncertainties, while upcoming national elections in Greece present an additional factor for investors to consider. Against this background, we remain optimistic, expecting ATHEX to retain a positive sign on the back of a positive GDP growth rate, expected achievement of investment grade, and healthy underlying EPS growth. At the start of the year, we continue to favor banks due to improving core profitability, attractive valuations, and HFSF's divestment plan. Among non-financials in the current environment, we reiterate our preference for stocks combining solid business models, healthy FCF generation, good dividend yield, and low valuation multiples, such as OTE, OPAP, Mytilineos, MOH, and Jumbo. In our investment picks, we would also include GEK TERNA on sum-of-the-parts valuation grounds partly driven by the potential sale of the Terna Energy stake at an attractive multiple. Finally, after a negative year, we would gradually increase our position in PPC, and Titan Cement as recovery plays in favorable scenarios regarding energy prices and interest rate evolution.

Market drivers

Macro Outlook - Greece should outperform the eurozone in terms of GDP growth both in 2022 and 2023

Piraeus Bank economists estimate GDP growth of 3.6% in 2023, 3.7% in 2024, and 3.6% in 2025. Greece can outperform Europe in 2023, as it did in 2022, due to structural factors that can support economic growth, namely new NGEU-funded projects, older projects that started in 2022, such as the extension of underground/Metro in Athens, and the €8.0bn development in Ellinikon and tourism which seems to have entered a new era in Greece, after an exceptionally strong 2022, with expected revenues of €17.5-18.0bn, almost matching the 2019 top year. Q4 '22 GDP will be released on March 7, 2023. Q3 '22 GDP surprised us negatively, posting a drop of 0.5% q/q, partly impacted by the external sector. We would expect a positive q/q change in Q4 '22. Key drivers will be a) consumption which could be supported by the govt's social measures against the inflationary pressures, and b) the pick-up in investments after a virtually unchanged (q/q) Q3 '22. Based on the govt's latest 2022 GDP growth estimate of 5.6%, Q4 '22 GDP must increase by >2.0% q/q. A q/q rise in GDP will create a positive carry-over effect for 2023, making it feasible for GDP to record a growth rate of at least 2.0% in 2023, clearly outperforming the eurozone and supporting the investment case for Greece.

…achievement of the investment grade status and earnings growth at attractive multiples

Investment grade status. The Greek economy will achieve an investment grade in 2023, attracting flows in both bonds and equities. Under an aggressive scenario, the upgrade to investment status may take place as early as in June, after the national elections. A more conservative scenario calls for the upgrade to investment status to come by the end-2023. On January 27, Fitch raised Greece's rating by one notch to BB+/Stable, coming within a notch of reaching the investment grade rating. The next rating reviews are detailed below:

January 27 – Fitch upgraded Greece to BB+/Stable from BB/Positive

March 10 – DBRS (BB-high/Stable)

March 17 – Moody's (Ba3/Stable)

April 21 – S&P (BB+/Stable)

Politics – we may see increased pre- and post-national election volatility at the Athens Stock Exchange

A possible election date is during April, before or after Easter. According to recent polls, the governing party of New Democracy (ND) maintains a 6.0%-9.0% clear lead over SYRIZA. The focus will be on the second/ repeat elections and whether ND will form a majority govt without a coalition party. We should note that under the electoral law in effect for the first time in the upcoming election, the first elections will be based on simple proportional representations as opposed to the 50-seat majority bonus, which has been in place since 1990. There will certainly be a second round after six weeks, where the winning party may receive up to 50 extra seats, depending on the percentage of the vote received. There should be weekly polls in the run-up to the elections. The Turkish elections on May 14 could also be an element in the market, as Erdogan may do anything he can to win the elections.

Quarterly MSCI rebalancing

The announcement is on February 9, and the effective date is on March 1. MOH and Piraeus Bank could be two candidates for inclusion either at this review or the next one on May 11 (announcement date). The index currently includes 9 Greek companies: Alpha Bank, Eurobank, NBG, OTE, OPAP, Jumbo, Mytilineos, Terna Energy, and PPC.

Corporate earnings growth at attractive multiples

We forecast EPS growth for our universe companies (which represent c80% of the total market cap) of 92.5% in 2022 on the back of the exceptional performance of Motor-Oil. At a normalized level, excluding outliers, namely Motor Oil (due to the exceptionally strong refining margins) and PPC (due to one-off losses), we still calculate strong **EPS growth of c37% in 2022.** The earnings growth is driven by the robust performance of both financial and non-financial companies thanks to improved underlying profitability and favorable comps as the pandemic had impacted business activity in 2021. After a strong 2022, we still expect **EPS growth of close to 7.0% in 2023,** with a bias on the upside, as we are currently somewhat conservative with our forecasts given uncertainties regarding inflation and interest rate evolution. Our universe trades at an avg **P/E of 12.5x 2022e EPS and 12.0x 2023e EPS**. The **dividend yield** is seen remaining healthy, at **3.6% in 2022 and 4.1% in 2023**. For the non-financial stocks in our university, we calculate **EV/EBITDA multiple of 7.2x in 2022 and 7.3x in 2023.**

Brief macroeconomic outlook

Greece will outperform Europe in terms of GDP growth both in 2022 and 2023…

Economic Outlook	2020	2021	2022E	2023E	2024E	2025E
Real GDP (% change)	-9.0%	8.4%	5.8%	3.6%	3.7%	3.6%
Inflation (CPI, % change)	-1.2%	1.2%	9.6%	2.5%	1.8%	1.9%
Unemployment rate (% of labour force)	16.3%	14.7%	13.2%	12.4%	11.8%	11.4%
Non-residential real estate prices (% change)	1.2%	1.6%	3.4%	2.8%	3.4%	4.0%
Residential real estate prices (% changes)	4.3%	7.6%	7.9%	6.7%	6.3%	6.0%

Sources: ELSTAT, Piraeus Bank Economic research, Piraeus Securities research

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Piraeus Bank economists estimate GDP growth of 3.6% in 2023, 3.7% in 2024 and 3.6% in 2025. Greece will continue outperforming in 2023, as it did in 2022, due to structural factors that can support economic growth, namely new NGEU-funded projects, older projects that started in 2022, such as the extension of underground/Metro in Athens, and the €8.0bn development in Ellinikon and tourism which seems to have entered a new era in Greece, after an exceptionally strong 2022, with expected revenues of €17.5-18.0bn, almost matching the 2019 top year.

…supported by investments and tourism

Structural factors include the **€87bn of EU funds** until 2027. In addition, projects that were supposed to have started a few years ago, will finally start this year, namely the extension of underground/Metro in Athens and the €8.0bn development in Ellinikon.

Overall, over €30bn infrastructure projects will be tendered over the next years in Greece. Projects expected to start this year are detailed below:

- Attica Metro expansion: New Line #4 in Athens Metro with 15 new stations at a total budget of €1.5bn to start early this year
- Ellinikon development: Integrated Resort Casino (IRC) in Ellinikon area with around €1bn budget to start in coming months
- Kasteli airport: New International Airport in Heraklion, Crete. The construction with a budget of more than €0.5bn was launched last year and is in accelerating phase
- Egnatia Odos: Construction works equivalent to €0.6bn to start after the signing of concession in early 2023
- E-65 motorway: Expansion of motorway for €0.6bn budget in progress
- Motorway projects: Various motorway projects with total budget over €1bn expected to be launched within this year (mainly in second half of the year).

The outlook for this year's tourism remains positive. Tourism revenues are expected to reach €17.5-18.0bn in 2022, almost matching the €18.2bn revenues of the 2019 top year. Based on the 2023 Greek budget, tourism revenues may reach 95% of the 2022 revenues, however, there are market estimates that call for higher revenues. Greek tourism authorities and businesses are expressing reserved optimism regarding the sector's course in 2023. This optimism is based both on the first indications from bookings for this season and the number of seats to Greece planned by the airline companies. The baseline scenario for travel receipts in the current fiscal year, which is reportedly being embraced by both the government and the industry's private sector representatives, sees them staying at the same level as in 2022. Europe's major tour operator, TUI, estimates that 2023 will be a stable and good year, despite external factors causing some uncertainty. According to Future Market Insights (FMI), tourism grew by 5.0% p.a. over the period 2017-2021, while it is expected to grow by 7.5% p.a. in 2022-2032.

Piraeus Bank also projects continuous growth in real estate prices, a quite important variable for Greek banks due to the significant amount of real estate loan collaterals, as well as own investment property. Specifically, real estate collaterals account for almost half of the total system NPE stock of €100bn as of 2018, i.e. before the sales/securitizations. Currently, most of these collaterals are managed by the servicers, while Greek banks hold c€7.0bn of loan collaterals. In addition, Greek banks have investment property of c€6.0bn. The GDP growth, tourism and foreign investments are supportive to real estate prices in Greece. The govt also launched €1.8bn subsidized housing programs in 2022, aimed at counterbalancing the impact of the rising interest rates on housing demand and real estate prices. The specific measures include housing allowances to students, a loan programme for young people (25-39 years old) for the purchase of a first home and the 'Save and Renovate' programme. We need to note that despite their c30% recovery from trough, residential real estate prices are still c20% off-peak.

Total EU funding of €87bn over the period 2021-2027, of which €31.2bn from RRF…

NGEU - Greece 2.0 Plan: Total investment resources (€ bn)

Pillars	RRF Budget	Mobilized Investment Resources
1. Green transition	6.2	11.6
2. Digital transformation	2.2	2.4
3. Employment skills and social cohesion	5.2	5.3
4. Private investment and transformation of the economy	4.9	8.8
Grants	18.4	28.0
Loans	12.7	31.8
Total Investment Resources	**31.2**	59.8

Source: Piraeus Bank research

NATIONAL STRATEGIC REFERENCE FRAMEWORK, 2021-2027 (€ bn)	
European Regional Development Fund	10.8
European Social Fund	5.6
Just Transition Fund	1.4
Cohesion Fund	3.0
European Maritime, Fisheries and Aquaculture Fund	0.4
Total from European Funds	**21.2**
plus National contribution	5.5
TOTAL	**26.7**

Greece has already disbursed €7.52bn from RRF, of which pre-financing of €3.96bn and the first payment of €3.56bn (€1.72bn in grants and €1.84bn in loans). Adding the second payment request that was submitted in September 2022, amounting to €3.56bn (€1.72bn for grants and €1.84bn for loans), the total resources flowing from RRF amount to €11.08bn.

…and €56bn in structural funds

Common Agricultural Policy, 2021-2027 (€ bn) - resource allocation estimate	
Direct payments	14.5
Rural development	4.4
Market measures	0.4
TOTAL	**19.3**

NATIONAL DEVELOPMENT PROGRAMME, 2021-2025 (€ bn)	
Sectoral Programmes (68.35%)	6.8
Regional Programmes (22.5%)	2.3
Continuation of specific programmes	0.2
Reserve	0.8
TOTAL	**10.1**

TOTAL EU FUNDS, 2021-2027 (€ bn)	87.3
GDP 2021 (€ bn)	181.7

Source: Piraeus Bank Research

Universe companies – Top Pick List

Non-financial universe companies included in the update | Top Pick List

Company Name	Ticker	Rating	Target Price (New - €)	Target price (Old - €)
ADMIE Holding	ADMr.AT	Outperform	3.30	3.30
Athens Exchange Group	EXCr.AT	Outperform	4.50	5.20
Fourlis	FRL.AT	Outperform	5.80	6.10
GEK Terna	HRMr.AT	Outperform	17.00	17.00
Hellenic Telecoms	OTEr.AT	Outperform	17.20	17.20
Jumbo	BABr.AT	Outperform	21.50	19.50
Motor Oil	MORr.AT	Outperform	25.70	25.70
Mytilineos	MYTr.AT	Outperform	26.30	26.30
OPAP	OPAr.AT	Outperform	16.80	16.80
PPC	DEHr.AT	Outperform	15.00	15.00
Sarantis	SRSr.AT	Outperform	9.00	9.00
Terna Energy	TENr.AT	Under review	-	17.50
Titan Cement International	TITC.PA	Outperform	19.00	17.30

Top Picks Company Name	Ticker	Closing Price (27/01/2023)	Market Cap	EV/EBITDA 2023e	Dividend Yield 2023e	Total Expected Return
Jumbo	BABr.AT	16.77	2,282	5.1x	6.9%	35%
MOH	MOHr.AT	22.54	2,497	2.2x	6.8%	14%
Mytilineos	MYTr.AT	22.80	3,401	5.0x	5.8%	10%
OPAP	OPAr.AT	13.60	4,941	6.8x	11.4%	35%
PPC	DEHr.AT	7.27	2,777	6.5x	1.8%	106%
Titan Cement International	TITC.PA	14.44	1,064	5.3x	3.9%	35%

I. Investment points | Non-financial companies – TOP PICKS

- **We keep Jumbo (BELA GA) in our top picks' list, while we raise our target price to €21.50 per share (from €19.50 per share previously) with a total expected return of 35.06%.** We raise our target price to incorporate a lower than initially anticipated gross profit margin contraction in 2022 and 2023, since the Group managed to cope well with the increased raw material prices and freight rates. In addition, Jumbo enjoys a high Net Cash position (c. 24% of Group's market cap), while it is placed at the low end of pricing, which allows the Group to gain market share in an inflationary environment.

- **We keep MOH (MOH GA) in our top picks' list (it was the best performing stock in our stock universe in 2022 with 66% total return).** Based on current target price of €25.70/share, the total expected return is c.15%, however higher refining margins for an extended period implied by the strong start to the year and €4bn transition plan which is only partially included in our numbers, suggest a material upside to our valuation. In particular, we believe MOH is well positioned to capitalize on possible extension of a period with strong middle distillate cracks due to resilient demand and tight supply conditions which may deteriorate in the near term due to the looming EU embargo on Russian fuel on February 5th. MOH unveiled recently a €4bn energy transition investment programme by 2030 with over €2.5bn planned in the areas of RES, petchem, natural gas, biofuels, hydrogen and decarbonization. Despite the elevated growth capex, MOH is committed to a healthy dividend policy with at least 5% yield supported by the solid FCF generation.

- **We keep Mytilineos (MYTIL GA) in our top picks' list (it was one of the best performing stocks in 2022 with 36% total return despite volatility during the year as a result of unjustified concerns for natural gas availability).** Our current target price stands at €26.30/share, implying 10% upside after a new rally since the beginning of the year. Following recent developments and the stellar operating performance in 4Q'22, we will proceed to an upwards revision of our target price by at least 10%. The new catalyst for the stock going forward should be market's conviction that the diversified business model supports a higher level of sustainable earnings combining solid earnings growth with solid balance sheet and healthy dividend yield of at least 5%.

- **We keep OPAP (OPAP GA) in our top picks' list, while we retain our target price to €16.80/share with a total expected return of 34.8%.** We point out the i) rich double-digit dividend yields, ii) the online launch of OPAP's numerical games during 1Q'23 that should result in an online penetration of 4% for the year, as per our estimates, iii) favorable comps during the 1H'23 period due to the implementation of a rather strict healthcare protocol related to Covid-19 during the 1H'22 period, and iv) the launch of Euro Jack pot at the end of 2023 – beginning of 2024 that should result in and annual GGR of €50mn at full maturity (after a three years period).

- **We add PPC (PPC GA) in our top picks' list due to the large valuation discount following a 30% drop in the stock price during 2022 amid an unprecedented energy crisis that had a negative impact on European electric utilities due to enhanced liquidity needs**. We believe a satisfactory improvement of the operating environment restoring cash flow generation (the de-escalation of natural gas prices is the key driving factor) along with progress in the implementation of the business plan including a c.5 GW RES roll-out plan and regional expansion (PPC is currently in exclusive negotiations to acquire ENEL Romania) will lead in our view to a significant stock re-rating. At current levels, PPC trades below 4x 2023E EV/EBITDA which implies a large discount to European peers.

I. Investment points | Non-financial companies – TOP PICKS

- **We add Titan Cement International (TITC GA) in our top picks' list, while we raise our target price to €19.00 per share (from €17.30 per share previously) with a total expected return of 35.20%.** We raise our target price to incorporate the successful implementation of price increases in 2022 that mitigated the impact of the increased energy, labor and transportation costs, the gradual de-escalation of the energy costs, a potential stabilization of the interest rates in 2023 that should lead to a rebound of the residential market and the commencement of new infrastructure projects in the US, as of 2H'23.

I. Investment points | Non-financial companies

- **We retain an Outperform rating on ADMIE Holding (ADMIE GA) with a Target Price of €3.30 per share, implying a 70% upside**. At 2023e EV/EBITDA of 8x, the stock trades at c.30% discount to European peers, despite a higher RAB growth potential. Furthermore, the stock trades at c.20% discount to its 2023e RAB. We believe a possible upwards revision by RAE over 2022 - 2025 WACC and a successful tender result for the sale of a 20% stake in Attica – Crete interconnection are the main short-term catalysts, with further upside from expected improvement in next year's results.

- **We retain an Outperform rating on Athens Exchange Group (EXAE GA), while we reduce our target price to €4.50 per share (from €5.20/share before) with a total expected return of 22.9%.** We reduce our target price to incorporate a lower-than-expected base in 2022's trading volumes that led us to trim our estimated volumes going forward. We point out that a potential upgrade of the Greek economy to an investment grade status in 2023 will increase inflows in the Greek market, since it will be investable to a new pool of long-term investors. In addition, the divestment of HFSF from the Greek Banks, the clearing of Greek Banks' B/S from NPLs and the reinstatement of their dividend policy should lead to increased inflows in the sector. Emblematic IPOs like the Athens International Airport should provide investors with a proxy to invest in the tourism sector, which is the ''heavy industry'' of the Greek economy.

- **We retain an Outperform rating on Fourlis (FOYRK GA), while we trim our target price to €5.80 per share (from €6.10/share before) with a total expected return of 59.6%.** We point out that Group's current market cap is marginally below Trade Estates' current NAV, which practically implies no value for the home furnishing and the sporting goods division of the Group. The recent divestment from Intersport in Turkey and the Athlete's Foot stores should allow the Group to focus on the key markets of Greece, Bulgaria, Romania and Cyprus in the sporting goods division, which along with the gradual expansion of the new medium-sized IKEA stores should add value to the Group.

- **We have recently raised our target price on GEK TERNA (GEKTERNA GA) to €17.0/share, implying a 40% upside**. GEK TERNA's long-term growth strategy in the domestic infrastructure sector has led to an attractive asset portfolio which we believe is not reflected in current stock price. Furthermore, GEK TERNA has proven that it is able to maximize NPVs through careful selection of projects, cooperation with strong partners and active use of re-leverage. We believe a conclusion in discussions for the sale of its 37% stake in Terna Energy at an attractive multiple will accelerate the crystallization of GEK TERNA's value.

- **We retain an Outperform rating on OTE (OTE GA), with a target price of €17.2 (unchanged) and a total expected return (including dividend and buyback) of 26.0%.** OTE will announce Q4 '22 results on February 23. Management will also provide 2023 guidance, including shareholder remuneration. We expect better performance in Q4 '22 compared to Q3 '22**.** We expect the y/y growth in Q4 '22 Greek EBITDA to exceed the 1.0% y/y increase recorded in Q3 '22 due to lower costs and good roaming, which should more than offset the fixed-line weakness. We forecast shareholder remuneration of c€500mn in 2023, similar to 2022, evenly split between a share buyback and a cash dividend (we forecast DPS of c€0.60 vs. €0.558 paid in 2022, benefited by the decline in shares outstanding following the buyback and share cancellation). We believe OTE should be a core holding in an investment portfolio due to a) the strong balance sheet; b) the captive market position in fixed-line (retail broadband customers of 2.3mn, 62% of which are fiber service), mobile (7.4mn subscribers), TV (644k subscribers) and ICT projects; and c) quite secured annual shareholder remuneration of €0.5bn, supported by the company's FCF generation, yielding >7.0% p.a.

I. Investment points | Non-financial companies

- **We retain an Outperform rating on Sarantis (SAR GA) and our target price to €9.00/share with a total expected return of 23.1%**. Increased synergies from Stella Pack's acquisition should allow the Group to safeguard its Operating profitability in 2023. The completion of the acquisition is expected in April 2023. In addition, the Group is well positioned to retain its market share in an inflationary environment, since 88% of its sales are generated via super/hyper markets and groceries. The distribution of Group's products via mass market shops ensures availability, proximity and competitive pricing vs. the luxury cosmetics channel.

- **Terna Energy (TENERGY GA)** is the leading RES company in Greece aiming at c.6.5 GW capacity by 2029 from c.1.25 GW currently. The stock currently trades at c14x 2023e EV/EBITDA which is 15-20% above recent deals in the renewables sector in Greece. TE's predictable cash flow generation and well-established growth platform appears to have attracted significant interest from potential investors. According to press reports, main shareholders led by GEK TERNA (37.3% stake) are in advanced negotiations for the sale of their stakes. **In light of this potential corporate development we have placed the stock Under Review.**

Company Pages | non-financials

ADMIE Holding (ADMr.AT) | A highly undervalued European grid operator

Investment summary: 1) ADMIE Holding has a 51% stake in Independent Power Transmission Operator (IPTO/ADMIE), the operator of Greece's electricity transmission system, distributing to shareholders the bulk of dividends received from ADMIE which has a policy for minimum 50% payout ratio. 2) ADMIE is implementing a major 10-year investment programme (2023 – 2032) with a total capex of €5bn, mainly driven by islands interconnection. 3) Based on ADMIE's intermediate target, RAB is set to grow from €2bn currently to €3.2bn in 2024-2025, suggesting a significant growth in EBITDA from €191mn in 2021 to around €300mn. This forecast has upside as AMDIE has submitted a request to RAE for a revision of the Return on the RAB of the Regulatory Period 2022-2025 to 8.51% from 6.1% (plus 1% for strategic investments) decided by RAE. ADMIE's request is expected to be discussed by RAE soon. 4) ADMIE is set to receive binding offers in an ongoing tender for the acquisition of 20% stake in "Ariadne Interconnection" which is responsible for the implementation of the Attica - Crete interconnection by 2024 with an over €1bn budget. Four strong candidates in first round (Macquarie, Terna SpA, GEK TERNA and China's State Grid). 5) ADMIE is well positioned to take advantage of interconnections in the Med region. Specifically, ADMIE has announced intention to participate with 25% stake in Euroasia Interconnector linking Crete to Cyprus and Israel, while it has signed an MoU for the construction of electricity interconnection between Greece and Egypt.

Estimates: 9M'22 performance was mainly affected by regulatory delays due to under-recovery in revenues as a result of RAE's delayed decision for Regulated Revenue (to be captured from September 2022 onwards) and slower capex in 1H'22 ahead of RAE's approval for updated 10-year budget in view of rising costs (it was approved). In this context, we expect the dividend distributed in 2023 to be modestly lower compared to 2022, resuming its growth from next year. Specifically, in 2023 AMDIE's results should show a material recovery with revenues climbing by 20% to €355mn, EBITDA rising by 30% to €240mn, and net income increasing by 47% to €76mn. We note that our estimates are based on RAE's regulated WACC of 6.1% which could be revised upwards.

Valuation: According to our DDM model, we assign a Target Price of €3.30 per share, implying a 70% upside. At 2023e EV/EBITDA of 8x, the stock trades at c.30% discount to European peers, despite a higher RAB growth potential. Furthermore, the stock trades at c.20% discount to its 2023e RAB. We believe a favourable decision by RAE over 2022 - 2025 WACC and a successful tender result for the sale of a 20% stake in "Ariadne Interconnection" are the main short-term catalysts, with further upside from expected improvement in next year's results.

Company data	
Market cap. (€ mn)	452.4
Closing price – Jan 27 (€)	1.95
# of shares (mn)	232
Free float (%)	49%
Target price	3.30
Dividend yield (%)	3.1%
Total return (%)	71%
Rating	Outperform

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ADMIE Holding / ADMIE* Fundamentals ((€m)	2020	2021	2022f	2023f	2024f
Revenues*	287.4	286.0	296.7	355.3	411.5
EBITDA adjusted*	202.9	191.1	185.2	239.9	293.9
Net Income reported*	84.9	69.4	52.1	76.5	102.6
DPS	0.12	0.103	0.068	0.060	0.089
Valuation ratios	**2020**	**2021**	**2022f**	**2023f**	**2024f**
P/E	14.2x	15.8x	14.8x	11.6x	8.6x
EV/EBITDA*	8.7x	9.4x	9.1x	7.9x	7.7x
Dividend yield	4.5%	4.3%	4.0%	3.1%	4.6%
Net Debt/ EBITDA adjusted*	2.4x	3.5x	4.7x	4.0x	4.6x

Athens Exchange Group (EXCr.AT) | Investment Grade, HFSF's divestment from Greek Banks and IPOs to drive growth in 2023

Divestment of HFSF's stakes in the Greek Banks should lead to improved volumes going forward HFSF released its updated divestment strategy which details the general process for the sale of its stakes in Greek systemic banks which should be concluded before 31-Dec-2025 (without setting any specific timeline). Key points: i) it will be an open process, ii) HFSF will not implement any bilaterally negotiated transactions without a competitive process, and iii) HFSF does not commit to a particular timing or sequencing of transactions. There are two broad categories regarding the structure of the transactions: a) Capital Market Sales, where the shares are sold directly in the open equity market and b) Private Sale, where a large block (5% of more) is sold via private placement or public takeover to strategic investors. We remind that HFSF currently holds a 9% stake in Alpha Bank, 1.40% in Eurobank, 40.39% in NBG, 27% in Piraeus Bank and 62.93% in Attica Bank. Assuming that the divestment will take place at some point in 2023 (before or after the elections) this will have a positive impact going forward due to the increase of Bank's free float. We point out that in 2022 Banks accounted for 18.1% of the capitalization of the market and for 36.1% of average trading volumes (value based).

Clearing of Greek Bank's B/S and return to profitability and dividends will make them investable for long term investors, thus raising inflows in the sector

Taking into account the course of the Greek economy and the decrease of the debt/GDP ratio, market expects that Greece will get an investment credit rating in 2023. Such a development should lead to increased inflows in the Greek market, since it will be investable to a new pool of investors that invest in markets with investment grade status. We remind that based on current credit ratings Moody's lies three notches below investment grade, Fitch stands two notches below investment grade, while S&P and DBRS are just one notch below investment grade

Greece Plans IPO for a 30% Stake in Athens International Airport; Equity value of total 30% stake seen at as much as €1bn and should possibly take place during 2H'23. AIA's listing in ASE will provide exposure to Greece's tourist industry that account for c. 20% of country's GDP

Y-t-d trading volumes currently stand at €89.9mn, below our current estimate for FY 2023 trading volumes of €85.5mn

At current levels, the Group trades at a 2023E EV/EBITDA multiple of 9.4x with an implied discount of 14.5% vs. Group's 10-years historical average. We retain an Outperform rating on the stock, while we reduce our target price at €4.50 vs. €5.20/share, before due to the lower-than-expected volumes in 2022 and slight reduction going forward.

Company data	
Market cap. (€ mn)	230.5
Closing price – Jan 27 (€)	3.82
# of shares (mn)	60.35
Free float (%)	100.0%
Target Price (EUR)	4.50
Dividend Yield (%)	4.8%
Total Return (%)	22.9%
Rating	Outperform

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Fundamentals (EUR mn)	2021	2022f	2023e	2024e
Revenues	36.1	37.8	40.6	42.9
EBITDA	13.1	13.0	15.0	17.0
Net profit (adj.)	8.1	7.4	8.6	10.1
EPS underlying. (EUR)*	0.13	0.12	0.14	0.17
DPS (EUR)	0.15	0.16	0.18	0.21
Valuation ratios	**2021**	**2022f**	**2023e**	**2024e**
P/E (x) adj.for cash (underlying)*	18.1	14.7	17.9	15.2
EV/EBITDA (x)	10.4	7.1	9.4	8.3
Dividend Yield	4.0%	5.1%	4.8%	5.5%
ROE	7.6%	6.7%	7.8%	9.5%

Source: Company, Piraeus Securities

Fourlis (FRL.AT) | Expansion of IKEA medium sized stores and Trade Estates' IPO add value to the Group

Trade Estates IPO to take place in 2H'23 Fourlis reported that as of 30-Sept-2022, Trade Estates' value of Real Estate Assets (GAV) stood at €286.1mn, with the NAV shaping at €202.3mn. Taking into account that Group's current market cap stands at €193mn, this leaves room for significant upside potential for the stock. Trade Estates also plans to raise equity, while ultimate target remains for Trade Estates to be deconsolidated from Fourlis' figures, before year end 2023 since it will hold less than 50% stake.

IKEA's new strategy in progress IKEA continues to implement its new strategy with the establishment of new concept (medium-small size) stores of up to 10,000 square meters vs. the traditional ones that cover an area of 25,000 square meters. IKEA proceeded with the opening of two (2) new concept IKEA stores in Bulgaria and two (2) in Greece, one (1) in Cyprus while it completed the transformation of Big boxes stores at Ioannina & Larissa to the new concept downsizing the selling space by half . The Group plans to proceed with the opening of three (3) more new concept IKEA stores in Patras, Heraklion by 2024 and Ellinikon by 2025.

Intersport Fourlis completed the establishment of its new e-commerce platform for Intersport in its foreign markets, namely Romania, Bulgaria and Cyprus. In addition, the Group sold Intersport's activity in the difficult market of Turkey, while it also divested from Athlete's Foot. Both were non-core activities that should allow the Group to focus on the markets of Greece, Cyprus, Romania and Bulgaria.

Holland and Barrett commenced operations in Greece in 2023 Holland & Barrett commenced operations in the Greek market with the opening of two new stores at Kifisia and Glyfada, while one more will open its doors until end-January at the Mall Athens. Fourlis will open 100-120 stores in Romania, Bulgaria and Greece with selling space of 100-150 square meters per store; Fourlis targets sales of €0.5mn/store, with an 8% EBIT margin; CAPEX per store to stand at EUR 120 to 140k plus inventory, while additional costs will derive for the establishment of the head office, infrastructure, marketing costs etc.

Valuation In our SOTP exercise for Fourlis, we assign an EV/EBITDA(al) multiple of 8.0x for Group's retail arm and a 10% discount on Trade Estates' current NAV. All in all, we take a slightly more conservative stance going forward; our valuation exercise leads us to trim our target price on Fourlis at €5.80/share (vs. €6.10, before) with a total expected return of 59.6% from current levels; we retain an Outperform rating on the stock.

Company data	
Market cap. (€ mn)	192.89
Closing price – Jan 27 (€)	3.70
# of shares (mn)	52.13
Free float (%)	82.66%
Target Price (€)	5.80
Dividend Yield (%)	2.5%
Total Return (%)	59.6%
Rating	Outperform

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Fundamentals (€ m)	2021	2022 f	2023 e	2024 e
Sales	439.77	499.05	539.13	578.04
EBITDA (rep)	56.19	58.52	63.42	70.57
Net profit	11.53	13.42	16.03	22.23
EPS (€)	0.22	0.26	0.31	0.43
DPS (€)	0.11	0.09	0.09	0.13
Valuation ratios	**2021**	**2022 f**	**2023 e**	**2024 e**
P/E (x)	17.39	12.63	12.04	8.68
Dividend yield (%)	3.0%	2.4%	2.5%	3.5%
Net Debt/EBITDA	5.13	3.54	3.09	2.54
EV/EBITDA (x)	5.98	5.09	4.89	4.16

Source: The Company, Piraeus Securities

GEK TERNA (HRMr.AT) |Strong track record in value creation

Investment summary: GEK TERNA is the domestic leader in concessions, energy and construction. a) Concessions: Long-term growth strategy in the infrastructure sector has led to an attractive asset portfolio mainly comprised of toll-road investments in four motorways with total length of c.2,000km, airport development and operation via 37.5% stake in second busiest airport in Greece (Heraklion, Crete), and a unique for continental Europe Integrated Resort Casino (IRC) project to be developed with Hard Rock International in the south coastline of Athens. GEK TERNA has been able to maximize NPVs through careful selection of projects, cooperation with strong partners and active use of re-leverage. IRR yields in projects under development or ready to start are estimated at high double digits. b) Energy: Strong positioning in energy market through majority stake (37%) in Terna Energy, leading RES company in Greece, 2 CCGT plants (new highly efficient 877 MW CCGT developed through JV with MOH operational in 2024) and c7% market share in electricity retail. c) Construction: Positive outlook on current backlog of €5bn and over €20bn projects to be tendered over the next years.

Estimates (parent cash flow): Based on company's business model centered around concessions, we believe investors should focus on parent cash flow generation. According to our forecasts, in the high growth 2023-2027 period, parent company will receive c€0.8bn in dividends and capital returns from subsidiaries which combined with c€0.6bn in parent cash is more than adequate to cover announced equity investments of c€0.5bn and debt payments (protection in place from interest rate hikes through financial hedging and CPI-linked tariffs). **The conclusion of our cash flow analysis is that the company has solid and predictable cash flow stream to match medium term investment needs and liabilities, leaving enough room for selective investments and improved dividend policy.**

Valuation: Our SOTP valuation method yields target price of €17.00. We value concession portfolio at c€760mn (or €7.3 per share) applying detailed DDM models for toll-road investments and Kasteli airport and EV/EBITDA multiple (10x 2027 EBITDA) for IRC. We value energy portfolio (excluding RES) at c€450mn (or €4.3 per share) applying DCF models. We value construction activity at c€179mn (or €1.7 per share) on DCF model. Finally, we assign market value for listed Terna Energy (TE). A potential sale of TE at high multiple and the achievement of investment grade by the country (given company's high exposure to macro conditions) are key catalysts for the stock.

Company data	
Market cap. (€ mn)	1,268
Closing price – Jan 27 (€)	12.26
# of shares (mn)	103.4
Free float (%)	57.6%
Target price (€)	17.00
Dividend yield (%)	2.2%
Total return (%)	39%
Rating	Outperform

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Fundamentals ((€m)	2020	2021	2022f	2023f	2024f
Revenues	892	1,144	3,909	3,535	3,239
EBITDA adjusted	242.0	323.5	494.1	529.0	604.7
Net Income adjusted	5.9	85.1	94.0	111.7	178.8
DPS (incl. capital return)	0.0	0.12	0.18	0.27	0.43

Valuation ratios	2020	2021	2022f	2023f	2024f
P/E	-	11.6x	12.0x	11.3x	7.1x
EV/EBITDA	8.1x	6.4x	5.2x	7.7x	6.3x
Dividend yield	0%	1.3%	1.7%	2.2%	3.5%
Net Debt/ EBITDA	5.5x	3.9x	3.7x	6.2x	5.1x

Hellenic Telecoms (OTEr.AT) | Q3 '22 results showed robust mobile and a slow-down in fixed-line…

OTE reported a good set of Q3 '22 results, broadly in line with expectations, with a robust mobile and a slow-down in fixed-line due to some promotional moves and one-off costs, which impacted margins. KPIs remained robust with quarterly adds in all key market segments in Greece, namely broadband/fiber, TV, and mobile. Specifically, OTE reported revenues of €904.8mn (+5.9% y/y) in Q3 '22 and €2.57bn (+4.4% y/y) in 9m '22; and adjusted EBITDA (AL) of €358.1mn (+1.6% y/y) in Q3 '22 and €1.016bn (+5.4% y/y) in 9m '22. Adjusted FCF came in at €113.9mn (-1.6% y/y) in Q3 '22 and €501.4mn (+13.6% y/y) in 9m '22. Net debt to adjusted EBITDA (AL) stood at 0.6x. OTE reiterated 2022 guidance for FCF of c€600mn, while it slightly raised capex to €640mn from €620mn due to increased spending in the FTTH roll-out. OTE trades at 5.1x 2023e EBITDA adjusted (AL) with an expected dividend yield of 4.1% (2022e DPS of €0.60) and total shareholder return (including buyback) of c8.0%.

OTE Group highlights (Q3 '22): OTE reported **net revenues** of €904.8mn, up 5.9% y/y, benefited by the strong performance in the mobile and ICT projects. **Adjusted EBITDA (AL)** rose by 1.6% y/y to €358.1mn, resulting in a margin of 39.6%, down 1.7pp y/y due to the revenue mix and one-off costs. **Adjusted FCF** reached €113.9mn (-1.6% y/y), while reported FCF stood at €80mn due to VES payments. As of end-Sept '22, net debt (including leases) was €769.1mn, broadly flat y/y, and €237mn higher q/q. The q/q changes include the following cash movements: a) as cash outflows, the payment of FY 2021 DPS €0.558, buyback costs, and the repayment of maturing debt of €375mn, which had a coupon of 2.375%, and b) as cash inflow, a new €150mn Bank loan with 8-year maturity at a blended fixed interest rate of 1.561%, of which RRF finances €93.75mn and the remaining €56.25mn are financed by the EBRD. The Adjusted Net Debt to Adjusted EBITDA (AL) ratio was 0.6x.

Company data	
Market cap. (€ mn)	6,331.50
Closing Price -Jan 26 (€)	14.60
# of shares (mn)	433.66
Free float	40.8%
Target Price (€)	17.2
Target Price - old (€)	*17.2*
Dividend yield	4.2%
Buyback estimated return	3.8%
Total Return (share price appreciation, dividend and buyback) as of end-2023	**26.2%**
Year-to-date Performance	0.1%
Relative to GI	-7.3%
Rating	Outperform

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...still, the key KPIs remain robust.

Greece P&L highlights: In Q3 ’22, OTE posted **revenues** of €830.0mn, increased by 6.1% y/y, benefiting from strong performances in Mobile and ICT projects, which more than offset the decline in the retail fixed service revenues. Specifically, retail fixed service revenues dropped by 4.6% y/y impacted by the company’s initiative to upgrade broadband speeds, aiming at increased customer loyalty. Mobile service revenues increased by 5.2% y/y, supported by increased roaming revenues (+33% y/y). In the 9m period, roaming revenues exceeded the 2019 levels of €45mn. Excluding roaming, service revenues were up by more than 2.0%, reflecting the successful execution of the more-for-more strategy, principally in the contract segment and a higher number of subscribers. Wholesale revenues were up 4.1% y/y, due to increasing revenues from fiber upselling and higher international transit traffic. Other revenues were up 28.7% y/y, driven by ICT revenues (+43% y/y) and higher handset sales related to a govt subsidy programme. Recent ICT projects include the digitalization of the National Health System of Cyprus and the implementation of a digital card for the Ministry of Labor. **Adjusted EBITDA rose 1.0% y/y** to €345.5mn, yielding a margin of 41.6%, contracted by 2.1pp y/y. The margin decline reflected the change in revenue mix towards increased lower-margin items such as ICT projects and handset sales as well as one-off costs.

Key KPIs in Greece (Q3’22): OTE reported new **retail broadband** subscribers of 11k in Q3 ’22, to a total of 2.3mn (+3.4% y/y), and **Fiber service** new subscribers of 15k, to a total of 1.43mn (+30% y/y). The sharp increase in fiber customers is due to OTE’s initiative to double broadband speeds for c750k eligible subscribers in 2022 and ongoing investments in fiber infrastructure. As a result, 62.2% of all fixed broadband subscribers have upgraded to fiber. Of the 1.43mn fiber subscribers, 44% use broadband speeds of 100Mbps or higher, up from 23% in Q3 ‘21, supporting ARPU. Regarding the **FTTH expansion**, OTE had reached 733k homes at the end of September 2022. OTE plans to reach c1.0mn homes by year-end. The FTTH subscriber base increased by 18k in Q3 ’22 to 110k. **Cosmote TV** reported 644k subscribers, with 2.2k net additions in the quarter. In Q2 ’22, OTE had announced the agreement for the broadcasting rights of the leading football team of the Greek league, Olympiakos, for three years. In Q3 ’22, it renewed the Greek Football Cup broadcasting rights. Cosmote’s mobile subscriber base reached 7.4mn, a 5.3% y/y increase due to the ongoing growth in the post-paid (+4.8% y/y) and a 5.6% y/y increase in the prepaid subscribers. Regarding 5G expansion, OTE is on track to achieve 80% coverage by end-2022.

Telekom Romania Mobile (TRM). In Q3 ’22, TRM reported a decline in **revenues** by 5.0% y/y to €76.8mn, primarily reflecting a one-off ICT project recorded in Q3 ’21 and the impact of mobile termination rate (MTR) reductions. Mobile service revenues reached €51.2mn, down 8.7% y/y, due to the 28% MTR cuts implemented on July 1, 2021 and at the start of 2022. The subscriber base continued to grow, up 13.3% y/y to 4.1mn on the back of certain marketing campaigns. TRM added 141k subscribers in Q3 ’22. **Adjusted EBITDA (AL)** reached €12.6mn compared to €10.5mn in Q3 ’21 due to the reduction in operating costs.

OTE will announce Q4 ‘22 results and 2023 guidance on February 23

OTE will announce Q4 ‘22 results on February 23. Management will also provide 2023 guidance, including shareholder remuneration.

We expect better performance in Q4 ‘22 compared to Q3 ‘22. We expect the y/y growth in Q4 ‘22 Greek EBITDA to exceed the 1.0% y/y increase recorded in Q3 ‘22 due to lower costs and good roaming, which should more than offset the fixed-line weakness. Specifically, the fixed-line performance will continue to be impacted by the company’s initiative to upgrade broadband speeds at no extra cost, aiming to strengthen customer loyalty. We remind that retail revenues dropped by 4.6% y/y in Q3 ‘22. A trend reversal is expected in 2023, starting in Q1 ‘23.

We forecast shareholder remuneration of c€500mn in 2023, similar to 2022, evenly split between a share buyback and a cash dividend (we forecast DPS of c€0.60 vs. €0.558 paid in 2022, benefited by the decline in shares outstanding following the buyback and share cancellation). Given the size of the annual capex, at €600-650mn, OTE could cover any profitability shortfall in a given year, by moving capex forward. In addition, in 2022, OTE should end up with undistributed FCF of c€100mn, as it expensed €0.5bn for the shareholder remuneration, out of the €0.6bn FCF that was generated.

Company description OTE has fixed-voice market share of 55% with 2.702mn retail access lines, broadband market share of 52% with 2.298mn broadband retail subscribers (of which 1.430mn have adopted the high-speed Fiber Broadband service) and 644k TV subscribers. It has mobile operations in Greece (c47% of mobile service revenues and 7.4mn subscribers, of which 4.5mn pre-paid) and in Romania (Telecom Romania Mobile has market share of c20% and 4.08mn subscribers). On 26/1/23, MSCI ESG Ratings upgraded OTE to A from BBB rating based on Group’s performance on ESG issues. The shareholders structure (as of 31/12/2022) has as follows: DT (50.9%), the Greek state/e-EFKA (7.2%), own shares (1.1%) and free float (40.8%). Excluding treasury shares, DT’s stake stands at 51.4%. According to existing regulation, DT is not required to launch a mandatory public offer for the remaining OTE shares.

Valuation ratios (Jan 26)	**2020**	**2021**	**2022E**	**2023E**	**2024E**
P/E (x) reported	26.06	13.69	12.27	11.77	11.17
P/E (x) adjusted	16.70	13.54	11.75	11.28	10.72
EV/EBITDA (x) adjusted (AL)	6.46	5.75	5.20	5.12	5.00
FCFE Yield (%) adjusted	9.6%	7.8%	10.0%	9.5%	10.3%
FCFE Yield (%) reported	6.0%	7.2%	9.0%	8.5%	9.2%
Div Yield (%)	4.7%	3.8%	4.1%	4.2%	4.5%
Earnings yield (%)	6.0%	7.4%	8.5%	8.9%	9.3%
# of shares (mn)	*470.17*	*456.74*	*433.66*	*417.85*	*402.16*
Fundamentals	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Assets (€ mn)	5,868	5,217	5,100	4,937	4,927
Revenues (€ mn)	3,259	3,368	3,478	3,547	3,612
EBITDA adjusted AL (€ mn)	1,224	1,296	1,353	1,372	1,397
EBITDA margin	*37.5%*	*38.5%*	*38.9%*	*38.7%*	*38.7%*
CAPEX (€ mn)	(668)	(586)	(650)	(650)	(650)
FCF adjusted (€ mn)	658	520	630	577	602
FCF reported (€ mn)	414	483	570	517	542
Dividend - cash outflow (€ mn)	258	426	242	249	249
DPS (€)	0.68	0.558	0.595	0.620	0.653
EPS reported (€)	0.56	1.07	1.19	1.24	1.31
EPS adjusted (€)	0.87	1.08	1.24	1.29	1.36
% chg yoy	*2.3%*	*23.3%*	*15.2%*	*4.2%*	*5.3%*
Net Debt/Equity (x)	0.34	0.26	0.24	0.23	0.22
Net Debt /EBITDA adjusted (AL) (x)	0.85	0.60	0.52	0.50	0.47
ROE (%)	20.3%	24.8%	27.9%	29.0%	30.1%

Notes: adjusted figures exclude VES, one-off gains, impairments and non-recurring taxes

Telekom Romania Fixed has been deconsolidated since 2020

Sources: company data & Piraeus Securities estimates

We value OTE share at €17.2 as of end-2023, implying a total return (incl dividend and buyback) of 26%

Sum of the parts (OTE)

(€ mn)	Method	OTE % stake		Enterprise Value (EV)	EV/ EBITDA 2023e (implied)	OTE EV	Value Per share (€)	Value Per share adj for treasury shares (€)	Shares Outstanding (mn)	Shares Outstanding adj for treasury shares (mn) -2023e
Greece	DCF	100%	Wacc 7.4%, LTG +1.0%	7,753.8	5.7	7,753.8	17.9	18.6	433.7	417.9
Telecom Romania - mobile	DCF	100%	Wacc 8.6%, LTG +0.5%	113.1	3.5	113.1	0.3	0.3		
Romania	DCF			113.1	3.5	113.1	0.3	0.3		
Real estate	Market value less PV of rental costs	100%		32.5		32.5	0.1	0.1		
TOTAL				**7,899**	**5.8**	**7,899**	**18.2**	**18.9**		
less Net Debt						693	1.6	1.7		
Total Value						**7,207**	**16.6**	**17.2**		

Source: Piraeus Securities estimates

Valuation: We value OTE through a DCF-based SoTPs methodology which provides a share value of €17.2 as of end-2023, resulting in a targeted EV/EBITDA multiple of c6.0x. We believe OTE should be a core holding in an investment portfolio due to a) the strong balance sheet; b) the captive market position in fixed-line (retail broadband customers of 2.3mn, 62% of which are fiber service), mobile (7.4mn subscribers), TV (644k subscribers) and ICT projects; and c) quite secured annual shareholder remuneration of €0.5bn, supported by the company's FCF generation, yielding >7.0% p.a.

Risks to our estimates and valuation include a) a deterioration of the **competitive environment** in Greece; b) regulatory risk; and c) continuation of the energy crisis in conjunction with rising costs could raise the company's operating expenses and capex, which could affect shareholder remuneration. On the competitive front, following the conclusion of the merger of Nova with Wind (Nova), the new company announced on 11/1/2023 a new, quite aggressive pricing policy in mobile with the aim to broaden its customer base through the mobile services. Nova launched a number of products that are very attractive and, at the same time, simple in structure. Specifically, the base mobile plan **Unlimited + 2GB** (mobile data) costs €15/month (Cosmote's similar offer is €24/month); the **Unlimited+ 6GB** (mobile data), which should be the most popular package, costs €21/month (vs. Cosmote's €29/month); and the **Unlimited All** (with unlimited mobile data) costs €33/month (vs Cosmote's €48/month). Nova's new pricing policy will be probably loss-making, at least initially, until the company increases its subscribers and raises volumes. We believe OTE will respond to Nova's offers. It has the cash flow and the balance sheet capacity (it is highly underleveraged with a net debt/EBITDA of 0.5x vs >2.0x of its international peers) to match Nova's offers without risking shareholder remuneration.

Hellenic Telecoms (OTEr.AT) | Income Statement: 2020-2024E

Income statement (€ mn)	2020	2021	2022E	2023E	2024E
Revenues:					
Greece - Fixed line	1,798.4	1,839.9	1,887.7	1,925.5	1,964.0
% chg	*2.1%*	*2.3%*	*2.6%*	*2.0%*	*2.0%*
Greece - Mobile	1,078.4	1,169.0	1,239.1	1,276.3	1,301.8
% chg	*-3.3%*	*8.4%*	*6.0%*	*3.0%*	*2.0%*
Romania - Mobile	347.0	312.7	303.3	294.2	294.2
% chg	*-18.9%*	*-9.9%*	*-3.0%*	*-3.0%*	*0.0%*
Greece - Other revenues	62.9	69.2	72.7	78.5	82.4
% chg	*-6.5%*	*10.0%*	*5.0%*	*8.0%*	*5.0%*
Romania - Other revenues	3.4	2.8	2.8	2.8	2.8
% chg	*-95%*	*-18%*	*0%*	*0%*	*0%*
Group operating revenues	3,290.1	3,393.6	3,505.7	3,577.3	3,645.3
intersegment adjustments	*31.2*	*25.3*	*27.8*	*30.6*	*33.7*
Group operating revenues (net)	3,258.9	3,368.3	3,477.8	3,546.7	3,611.6
% chg	*-16.6%*	*3.4%*	*3.3%*	*2.0%*	*1.8%*
Revenue breakdown					
Greece	2,939.7	3,078.1	3,199.5	3,280.3	3,348.2
Romania	350.4	315.5	306.1	297.0	297.0

EBITDA	1,164.6	1,479.9	1,408.5	1,427.9	1,453.0
% chg	*-16.1%*	*27.1%*	*-4.8%*	*1.4%*	*1.8%*
EBITDA margin	*35.7%*	*43.9%*	*40.5%*	*40.3%*	*40.2%*
Greece	1,126.4	1,432.5	1,353.4	1,374.4	1,399.6
margin	*38.3%*	*46.5%*	*42.3%*	*41.9%*	*41.8%*
Romania	38.4	47.5	55.1	53.5	53.5
margin	*11.0%*	*15.1%*	*18.0%*	*18.0%*	*18.0%*
EBITDA (AL)	1,077.5	1,394.1	1,322.8	1,342.2	1,367.3
margin	*33.1%*	*41.4%*	*38.0%*	*37.8%*	*37.9%*
Greece	1,057.1	1,367.8	1,288.7	1,309.7	1,334.9
margin	*36.0%*	*44.4%*	*40.3%*	*39.9%*	*39.9%*
Romania	20.4	26.3	33.9	32.3	32.3
margin	*5.8%*	*8.3%*	*11.1%*	*10.9%*	*10.9%*
VRS provisions & restructuring costs	*(146.1)*	*98.2*	*(30.0)*	*(30.0)*	*(30.0)*
EBITDA adjusted (AL)	1,223.6	1,295.9	1,352.8	1,372.2	1,397.3
margin	*37.5%*	*38.5%*	*38.9%*	*38.7%*	*38.7%*
Greece	1,199.1	1,265.4	1,318.7	1,339.7	1,364.9
margin	*40.8%*	*41.1%*	*41.2%*	*40.8%*	*40.8%*
Romania	24.5	30.5	33.9	32.3	32.3
margin	*7.0%*	*9.7%*	*11.1%*	*10.9%*	*10.9%*
Depreciation & amortization	(833.2)	(667.6)	(670.0)	(690.1)	(710.8)
EBIT reported	331.4	812.3	738.5	737.8	742.2
Net financial expense	(48.3)	(92.9)	(40.3)	(36.9)	(31.6)
EBT reported	283.1	719.4	698.2	700.9	710.6
Income taxes	(45.9)	(233.6)	(182.1)	(182.7)	(185.1)
Net Profit adjusted	411.0	492.4	538.7	540.7	547.9
Net Profit reported	263.4	487.0	516.2	518.2	525.4

Sources: OTE & Piraeus Securities estimates

Hellenic Telecoms (OTEr.AT)|Balance Sheet & Cash Flow: 2020-2024E

Balance Sheet (€ mn)	2020	2021	2022E	2023E	2024E
Net Fixed Assets	2,061	2,080	2,130	2,160	2,169
Right-of-use assets	362	265	215	165	115
Net Intangible (telecommunication licenses)	361	349	329	309	289
Goodwill from consolidated subsidiaries	377	377	377	377	377
Other Long -Term assets	945	755	730	745	758
Inventories	27	38	29	29	30
Accounts receivables	433	504	476	486	495
Other current assets	178	217	209	195	181
Cash & cash equivalents	519	632	605	472	514
Assets of disposal group classified as held for sale	607	-	-	-	-
Total assets	**5,868**	**5,217**	**5,100**	**4,937**	**4,927**
Equity	**2,140**	**1,972**	**1,894**	**1,844**	**1,798**
Long-term loans	975	754	904	904	904
Other long-term liabilities	398	364	383	390	397
Lease liabilities	291	189	189	189	189
Short-term loans (incl short-term portion of long-term debt)	229	397	150	-	-
Accounts payable	720	819	848	865	881
Other current liabilities	565	650	661	674	686
Lease liabilities	61	72	72	72	72
net from discontinued	311	-	-	-	-
Liabilities & shareholders funds	**5,868**	**5,217**	**5,100**	**4,937**	**4,927**

Sources: OTE & Piraeus Securities estimates

Cash flow (€ mn)	2020	2021	2022E	2023E	2024E
Net Income	**360**	**558**	**516**	**518**	**525**
Depreciation & Amortization	833	668	670	690	711
Change in Working Capital	(32)	16	67	7	6
Operating Cash Flow	**1,123**	**1,251**	**1,220**	**1,167**	**1,192**
Capex (net)	**(668)**	**(586)**	**(650)**	**(650)**	**(650)**
Free Cash Flow (adjusted)	**658**	**520**	**630**	**577**	**602**
Free Cash Flow	**414**	**483**	**570**	**517**	**542**
Change in debt: increase/(decrease)	(570)	(53)	(97)	(150)	-
Dividends	258	426	242	249	249
Share buyback	142	190	258	251	251
Financing Cash Flow	**(686)**	**(669)**	**(597)**	**(650)**	**(500)**
Change in cash	**(542)**	**114**	**(27)**	**(133)**	**42**
Cash Balance	**519**	**632**	**605**	**472**	**514**

Sources: OTE & Piraeus Securities estimates

Jumbo (BABr.AT): Resilient business model well positioned to record market share gains

Strong 2022 performance creates a higher base for 2023 On 11-Jan-2023, Jumbo announced In December the Group reported increased sales by 22% y-o-y (vs. increased sales of 24% y-o-y, in November), while for the FY 2022 period, Jumbo reported increased sales by 14%, y-o-y (+12% vs. 2019), beating Group's guidance that called for increased sales by 13%, y-o-y. During the FY 2022 period, the parent Company reported increased sales by 14%, y-o-y, Cyprus posted increased sales by 22%, y-o-y, while Bulgaria and Romania reported increased sales by 17% and 10%, y-o-y, respectively.

Opening of new stores in Romania and Cyprus to drive growth in 2023 Jumbo plans the opening of two more hyper-stores in Romania and one hyper-store in Cyprus, along with the opening of the online store in Romania for 2023.

Strong Start for 2023 creates optimism going forward Management commented that Group's performance for January 2023 is outstanding. We raise our top line estimates by c. 7.5% in 2023 to incorporate the opening of the new stores. In addition, we are modelling a milder gross profit margin contraction by 116bps for FY 2023, which drives our Operating Profitability estimates higher by 14%. EBITDA margin should gradually drop in the area of 31-32% vs. 34% in 2022, as per our estimates, which should be more than offset by increased operating leverage. In terms of the bottom line, Jumbo should benefit by increased Operating Profitability and increased financial income due to the rise of interest rates (Jumbo held cash reserves of €825mn at the end of 2021). Going forward we are looking for dividend yields in the area of 7-8%.

Valuation Jumbo currently trades at a 2023E EV/EBITDA ratio of 5.0x posting a 36.7% discount vs. Group's 10-years historical average of 8.0x. We also point out Group's healthy B/S with a Net Cash position of EUR 550mn at the end of 2021 accounting for c. 24.1% of Group's market cap, as well as the good dividend yields going forward. We retain an Outperform rating on the stock, while considering the strong performance of 2022 outstanding sales performance in January 2023, we raise our target price at €21.50/share vs. €19.50/share, before. Our new target price along with the expected dividend yield for 2023 generates a total return of 35.06%. **We retain Jumbo in out top pick list.**

Company data	
Market cap. (€ mn)	2,282
Closing price – Jan 27 (€)	16.77
# of shares (mn)	136.06
Free float (%)	80.00%
Target Price (€)	21.50
Dividend Yield (%)	6.9%
Total Return (%)	35.06%
Rating	Outperform

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Fundamentals (€ m)	2021	2022 f	2023 e	2024 e
Sales	831.9	948.4	1,036.1	1,084.4
Gross Profit	463.0	520.8	557.0	574.5
EBITDA	305.0	322.0	334.8	340.7
Net Profit	216.6	234.3	243.8	248.2
EPS (€)	1.59	1.72	1.79	1.82
DPS (€)	0.77	1.16	1.16	1.21
Valuation ratios	**2021**	**2022 f**	**2023 e**	**2024 e**
P/E (x)	10.53	9.28	9.36	9.19
Div yield (%)	4.6%	7.2%	6.9%	7.2%
EV/EBITDA (x)	7.53	5.04	5.06	4.82
FCF yield (%)	11.2%	4.3%	8.1%	8.8%

Source: The Company, Piraeus Securities

Motor Oil (MORr.AT) |Material upside from strong refining margin environment and €4bn investment plan

Investment summary: Despite the strong performance of the stock driven by soaring refining margins, MOH remains an attractive investment case both for short-term and long-term oriented investors for the following reasons: 1) Refining margins at the start of the year remain above historical levels supported by resilient demand and tight supply conditions. 2) The normalization in middle distillate cracks (diesel and jet fuel cracks) from last year's record levels is likely to be more gradual than expected due to the looming EU embargo on Russian fuel from February 5th, which means that 600-650 kbd of diesel imports from Russia will have to be replaced. Note that c.50% of MOH refinery output is in middle distillates. 3) The new Naphtha treatment complex (€300mn investment converting 1mn tons of naphtha to high quality gasoline and jet) that began operating at the end of 2022 is making strong start due to wide naphtha - gasoline spreads. The refinery continues its expansion after careful market analysis with a new investment for 100kt petrochemicals planned by 2026 (c.€180mn budget). 5) With current 850 MW installed capacity RES will contribute stable EBITDA of c.€150mn p.a.. The company aims at over 2 GW RES capacity and at least €250mn EBITDA by 2030. 6) The company has unveiled €4.0bn energy transition investment programme by 2030; Capex is divided into 2 areas: a) >€1.5bn in the refining complex for maintenance (c.€25-30mn p.a.) and project improvements, b) >€2.5bn for growth & energy transition in the areas of RES, petchem, natural gas, biofuels, hydrogen, decarbonization (it includes the recently completed Anemos acquisition for €0.75bn). 6) Sustainable healthy dividend yield of at least 5%.

Estimates: Our current refining margin forecast in 2023 assumes a normalization from record $20/bbl expected in 2022 to around $13/bbl, forecasting that diesel cracks will retreat by $15/bbl at $22/bbl (currently above $30/bbl). In this cautious scenario, "clean" refining EBITDA is expected to decline from c€1.5bn in 2022 at c€800mn in 2023 and "clean" group EBITDA from c€1.75bn to c€1.1bn. Based on recent trends, we believe there is upside risk to our estimates. If we change the refining margin by $1.0/bbl, 2023 group "adjusted" EBITDA changes by approximately 10% (or by c.€100mn). Following last year's heavy capex (including Anemos acquisition for €0.75bn), FCF generation is projected to turn positive in 2023 to €0.4bn on normalized capex.

Valuation: Our target price of €25.70/share is derived from a SOTP model, valuing the refining business at €3bn on the base case assumption that peak oil demand will be reached by the end of this decade, leading to significantly lower mid-cycle margins. Given the upside risk of this conservative scenario, for each $0.5/bbl change to the mid-cycle margin, the valuation of the refining activity changes by c.13%. We also value RES activity at €718mn (€6.8 per share) including only the operational parks and excluding over 2 GW pipeline. Overall, higher refining margins for an extended period and €4bn transition plan which is only partially included in our numbers, suggest a material upside to our valuation.

Company data	
Market cap. (€ mn)	2,497
Closing price – Jan 27 (€)	22.54
# of shares (mn)	110.8
Free float (%)	53.7%
Target price (€)	25.70
Dividend yield (%)	6.8%
Total return (%)	14%
Rating	Outperform

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Fundamentals (€m)	2020	2021	2022f	2023f	2024f
Clean EBITDA	330	379	1,749	1,102	810
IFRS EBITDA	85	490	1,857	1,012	720
Clean Net Profit	74	115	878	622	406
Clean EPS	0.67	1.04	8.01	5.70	3.72
DPS	0.00	0.90	1.60	1.50	1.40

Valuation ratios	2020	2021	2022f	2023f	2024f
P/E (Clean)	17.6x	13.2x	2.7x	4.0x	6.1x
EV/EBITDA (Clean)	6.5x	7.6x	2.2x	3.5x	4.3x
Dividend yield	0.0%	6.5%	7.1%	6.8%	6.3%
FCF yield	-34%	-25%	-13.6%	12.6%	24.1%
Net Debt/ Clean EBITDA	2.8x	3.8x	1.1x	1.6x	1.7x

Mytilineos (MYTr.AT) |Sustainable strong profitability on diversified business model and high growth potential

Investment summary: Despite the recent rally of the stock, we believe there is more upside on diversified business model and significant growth opportunities: 1) Power & Gas division benefits from the high efficiency of its thermal power plants, competitive gas procurement and vertically integrated model (Mytilineos is also the leading independent electricity retailer). The new highly efficient 826 MW CCGT plant will start its operation in a favourable environment implying strong front-loaded cash flow generation; Gas trading (€ 121mn EBITDA in 2022) is expected to boost results in medium-term, at least. Regulatory interventions have had limited impact on profitability. 2) Metallurgy division should retain healthy margins on positive demand outlook for aluminium as one of the key metals in energy transition, efficient hedging policy to address risks from price volatility and first quartile cost position both for alumina and aluminium. Smelter energy needs to be increasingly covered by renewables. 3) Strong RES roll-out plan in Greece and abroad with 3.5 GW projected to be installed in 2023-2024 on the back of c.9 GW pipeline. 5) Over 3bn backlog (signed and pending) in Engineering division with healthy project and geographical diversification. 6) Mytilineos announced recently company transformation aiming at unlocking value and fostering growth over the next years. Mytilineos's new corporate structure is split into Energy and Metallurgy Sectors with important synergies between them. To exploit major opportunities in Greek infrastructure market (at least €20bn to be tendered in a few years) as well as international growth, Mytilineos will establish two new subsidiaries in construction and concessions through a double spin-off; The two companies will have a strong initial liquidity of €1bn (€300mn share capital and €700mn in all kinds of guarantees). 7) Strong sustainable earnings leads to significant step up in dividend distribution (c6% dividend yield). 8) Fairfax became recently second largest shareholder attracted by company's long-term growth potential. 9) During 2022 the stock was included in MSCI Greece Standard Index.

Estimates: Mytilineos announced a strong set of 2022 results, exceeding estimates by a high margin. Furthermore, in 4Q'22 the company achieved significant deleveraging due to strong FCF generation, resulting in low 0.9x net debt/EBITDA ratio, despite 0.7bn capex. Management will propose FY'22 DPS to increase from €0.43 to €1.20. The record performance in 4Q'22 supported by all divisions reinforces our view for higher sustainable earnings in the next years, with enough room for upgrade.

Valuation: Our current target price stands at €26.30/share derived from a SOTP model, implying 10% upside after recent rally. Following recent developments and particularly the stellar operating performance in 4Q'22, we will proceed to an upwards revision of our target price by at least 10%.

Company data	
Market cap. (€ mn)	3,401
Closing price – Jan 27 (€)	23.80
# of shares (mn)	142.9
Free float (%)	73.50%
Target price (€)	26.30
Dividend yield (%)	5.8%
Total return (%)	10.5%
Rating	Outperform

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Fundamentals (€m)	2020	2021	2022	2023f	2024f
Revenues	1,899	2,664	6,306	6,247	5,821
EBITDA	315	358	823	869	867
Net Income	129	162	466	541	532
EPS	0.91	1.19	3.41	3.96	3.87
DPS	0.36	0.43	1.20	1.38	1.35

Valuation ratios	2020	2021	2022	2023f	2024f
P/E	13.0x	12.7x	5.9x	6.0x	6.2x
EV/EBITDA	7.0x	8.2x	5.0x	4.9x	4.8x
Dividend yield	3.0%	2.8%	5.1%	5.8%	5.7%
FCF yield	-0.7%	-9.4%	6.9%	11.9%	7.6%
Net Debt/ EBITDA	1.7x	2.2x	0.9x	1.0x	1.0x

OPAP (OPAr.AT) | Launch of i-Lottery in 2023 and Euro jackpot in 2024 should add value to OPAP

OPAP to launch its numerical games online during 1Q'2023: OPAP plans to procced with the online launch of its numerical games during the 1Q'23. We remind that Joker was launched online three years ago achieving online penetration of 14%. We estimate online penetration of c. 4% in 2023, which should result in additional GGR of c. €30mn; this could rise to 6% in 2025.

Favorable Comps to support growth y-o-y in 1H'23: The implementation of a rather strict healthcare protocol related to Covid-19 resulted in decreased footprint in OPAP's agencies and PLAY Stores during the 1H'22 period; These restrictions were lifted in the post-Covid era during the 2H'22, which leads to favorable comps for the 1H'23 period y-o-y.

OPAP to proceed with Euro jackpot launch in 2024: FinMin has recently awarded to OPAP a 10-years license for the organization of the Eurojackpot, a European lottery with the participation of 19 European nations. The 10-years period of the license will begin after the initiation of the game that should be expected towards the end of 2023-beginning of 2024. We are looking for an annual GGR of €50mn at full maturity. License fee stands at €1mn.

Capital gains from Betano's sale leads to higher EBITDA for 2022: The sale of a 36.75% minority interest in the business activities of Kaizen Gaming Limited outside Greece and Cyprus (the "Betano Business") to Allwyn Investments Cyprus Limited at a higher amount than the one booked in OPAP's B/S should result in capital gains of €63.76mn, as per estimates thus leading to 2022 EBITDA of €781.55mn

Underleveraged B/S leaves room for generous shareholders' rewards: OPAP enjoys a healthy B/S with low Net Debt position, a Net Debt/LTM EBITDA of 0.04x and annual FCF generation north of €500mn. These leaves room for generous shareholders rewards leading to double digit dividend yields.

We retain an OUTPERFORM rating and our target price of €16.80 per share: At current levels, OPAP trades at a 2023E EV/EBITDA multiple of 6.8x, pointing to 17% discount vs. Group's 10-years historical average of 8.0x. We retain an Outperform rating on OPAP and our target price of €16.80/share, with a total expected return of 34.8% (incl. div. yield). **We retain OPAP in our top pick list.**

Company data	
Market cap. (€ mn)	4,941
Closing price – Jan 27 (€)	13.60
# of shares (mn)	363.34
Free float (%)	51.06%
Target Price (€)	16.80
Dividend Yield (%)	11.3%
Total Return (%)	34.8%
Rating	Outperform

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OPAP: Fundamentals (€ m)	2021	2022 f	2023 e	2024 e
GGR	1,538.84	2,109.32	2,222.47	2,266.17
NGR	1,043.86	1,451.92	1,530.46	1,560.21
EBITDA	550.30	781.55	754.61	767.99
Net profit	259.43	467.44	446.69	457.11
EPS (€)	0.74	1.29	1.23	1.26
DPS (€)	1.50	1.50	1.54	1.62
Valuation ratios	**2021**	**2022 f**	**2023 e**	**2024 e**
Dividend yield	12.03%	11.31%	11.35%	11.93%
P/E (x)	16.96	10.28	11.06	10.81
FCF yield	10.21%	10.06%	10.83%	10.97%
EV/EBITDA (x)	8.43	6.47	6.85	6.71

Source: The Company, Piraeus Securities

PPC (DEHr.AT) |Re-rating ahead on improving operating environment and business plan implementation

Investment summary: Following an unprecedented energy crisis during 2022 which hit the European utility sector and subsequently PPC (the stock was down 30% in 2022), we believe the gradual de-escalation of natural gas costs already witnessed from the beginning of the year and declining operational and regulatory risks along with PPC's investment initiatives will lead to a significant stock re-rating. Key catalysts are: 1) Significant improvement in 2023 recurring EBITDA, in line with management's current medium-term target, 2) FCF turning positive and net debt/EBITDA declining towards 2.0x with cash and credit lines standing over 3.0bn (also no major debt repayments until 2025) securing the financing of company's investment programme, 3) Rising EBITDA contribution from RES on the back of over 1 GW installations expected in 2023-24 from a c.5 GW pipeline of which over 4 GW is practically secured. PPC and RWE launched the first 210 MW solar PV project through the JV (RWE 51%, PPC 49%) established to develop c.2.0 GW in PPC's ex-lignite mines. 4) Implementation of foreign expansion plan in management's effort to transform PPC to a leading regional utility. To this end PPC is currently in exclusive negotiations to acquire Enel Romania in a deal that could exceed €1bn. Enel Romania's assets include: a) RES (498 wind farms and 36 MW solar PVs in operation and another 170 MW under development), b) Majority stakes in 3 distribution companies and in 2 retail companies. The investment decision is expected after the end of due diligence in February. 5) Significant infrastructure opportunities (e.g. e-mobility and telecommunications) capitalizing on loyal customer base (63% retail market share despite strong competition). 6) New strategy update in 1Q'23.

Estimates: According to our current estimates (they do not include potential acquisitions), PPC will manage to grow its recurring EBITDA from a range of €0.85-0.9bn in 2020-2022 to €1.16bn in 2023 and €1.4bn in 2024, which is in line with medium-term target set by management in previous strategic plan. RES contribution will start becoming meaningful with €55mn forecasted in 2023 and €74mn in 2024. The return to profitability in 2023 should allow management to re-launch dividend (to paid in 2024) after many years. FCF generation will gradually be restored starting from 4Q'22 as large cash outflow witnessed in 9M'22 driven by soaring power prices and hedging margin requirements will reverse, bringing group net debt at the end of 2022 to c€2bn (c2.3x net debt to EBITDA).

Valuation: We base our 12-month target price of €15.00 per share on a sum-of-the-parts (SOTP) valuation model valuing the Distribution, RES, Generation and Retail activities. At current market levels, PPC trades at less than 4x 2023E EV/EBITDA (recurring), implying a large discount to European utilities.

Company data	
Market cap. (€ mn)	2,777
Closing price – Jan 27 (€)	7.27
# of shares (mn)	382
Free float (%)	66%
Target Price (€)	15.00
Dividend Yield (%)	1.8%
Total Return (%)	106%
Rating	Outperform

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Fundamentals (m)	2020	2021	2022f	2023f	2024f
Revenues	4,649	5,706	11,450	8,045	6,315
Recurring EBITDA	865	872	889	1,157	1,399
IFRS Net Income	19.5	-18.4	-152.0*	143.8	307.8
DPS	0.0	0.0	0.0	0.13	0.28

Valuation ratios	2020	2021	2022f	2023f	2024f
P/E	88.7x	-	19.3x	9.0x	6.5x
EV/EBITDA (recurring)	4.4x	6.8x	6.5x	3.6x	2.9x
Dividend yield	0%	0%	0%	1.8%	3.9%
FCF yield	30.2%	13.2%	-27.5%	30.6%	15.0%
Net Debt/ EBITDA recurring	3.7x	2.1x	2.3x	1.3x	1.0x

**including windfall tax in generation*

Sarantis (SRSr.AT) | Organic Growth & synergies from Stella Pack's acquisition to drive growth in 2023

Completion of Stella Pack's acquisition adds value going forward On 2-Mar-2022, Sarantis Group announced that it has entered into an agreement to acquire Stella Pack S.A., a Polish consumer household products company. Stella Pack is a leading player in the production and distribution of household products, boasting 25 years of successful presence in the categories of Garbage Bags, Food Packaging and Cleaning items for the Household. Stella Pack's estimated sales amount to €75mn, with an EBITDA of €8.5mn; total value of the acquisition should come in at €55mn (based on the Group's track record), with the implied pre-synergies EV/EBITDA ratio shaping at 6.5x. We remind that post synergies, Sarantis targets acquisitions at an EV/EBITDA ratio of 5.0x; with estimated synergies of €3.5mn, post synergies EV/EBITDA ratio should come in at 4.6x.

Sale of participation in Estee Lauder resulted in capital gain of €20.31mn for FY 2022 In mid-June, Sarantis announced the sale of 49% participation in the JV with The Estée Lauder Companies for an aggregate price of 55.2mn. The sale of its participation in Estee Lauder resulted in a capital gain of €20.31mn that boosted 2022's reported figures.

Reopening of Ergopack's plant in the Ukraine/Withdrawal from Russia On 24-Feb-2022, Sarantis proceeded with the temporary suspension of operations of Ergopack's production facility located at Kaniv, Ukraine. The plant resumed operations in May 2022, but Sarantis decided to suspend its operations in Russia due to the ongoing war. Sarantis operates in the Ukrainian and Russian markets through its 100% subsidiaries ERGOPACK LLC and HOZTORG LLC, respectively. Sales of Ergopack LLC in 2021 represent 6.7% of the Group's total sales, while sales of Hoztorg LLC in 2021 represented 0.5% of the Group's total sales. Ergopack's EBIT represented 0.6% of Group's EBIT in 2021, while Hoztorg generated marginal EBIT losses of €0.05mn. Purchases from Ukraine relate to activities in this country and constitute less than 5% of the Group's total purchases. The assets of Ergopack LLC constitute 7.6% of the Group's total assets.

Investment Case / Valuation Sarantis successfully coped with increased raw material costs through increased pricing partially safeguarding its gross profit margin. The Group is well positioned in the market to cope with the decrease of disposable income due to inflationary pressures, since 88% of its sales are generated via super/hyper markets and groceries. Mass market distribution channel included Cosmetics & Toiletries, as well as Household products. The distribution of Group's products via mass market shops ensured availability, proximity and competitive pricing vs. the luxury cosmetics channel. Increased synergies from Stella Pack's acquisition should allow the Group to safeguard its Operating profitability in 2023 (expected completion of the acquisition in April 2023). We reiterate our target price of €9.00/share, with an implied upside potential of 20.8% from current levels and we retain an Outperform rating on the stock.

Company data	
Market cap. (€ mn)	520.6
Closing price – Jan 27 (€)	7.45
# of shares (mn)	69.88
Free float (%)	45.9%
Target Price (€)	9.00
Dividend Yield (%)	2.3%
Total Return (%)	23.1%
Rating	Outperform

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Fundamentals (EUR mn)	2021	2022 f	2023 e	2024 e
Revenues	408.20	442.15	512.56	534.54
EBITDA	59.7	70.2	58.8	66.7
EBIT	46.8	57.0	45.3	53.0
Net Profit	40.3	48.7	39.1	45.4
EPS	0.58	0.70	0.56	0.65
DPS	0.14	0.14	0.17	0.23
Valuation ratios	**2021**	**2022 f**	**2023 e**	**2024 e**
P/E (x)	15.4	9.3	13.3	11.5
EV/EBITDA (x)	10.6	6.0	8.9	7.6
Dividend Yield	1.6%	2.1%	2.3%	3.1%

Source: Piraeus Securities

Terna Energy (TENr.AT) |A leading regional renewables play with high growth potential

Investment summary: 1) Terna Energy (TE) plans a large increase in RES capacity by 2029 targeting c.6.5 GW from c.1.25 GW currently including 330 MW wind farm to be installed early 2023. Upon completion of this plan, EBITDA generation is projected over €700mn from €235mn estimated in 2023. 2) 3.5 GW intermediate target by 2025 including Amfilochia 680 MW Hydro Pumped Storage which is ready for construction and for which €250mn grant from RRF has been approved (€100mn already received). Capex funding secured through stable cash flow generation, grants, project financing and existing cash. 3) Well positioned to exploit opportunities in promising off-shore wind in Greece (TE has signed an MoU with Ocean Winds which is a JV between EDP Renewables and ENGIE) as the country plans 2.5-3.0 GW by 2030 and 17 GW by 2050. 4) Growth opportunities from international expansion (recently acquired licenses in Poland for 90 MW wind farms) and expansion in energy storage and waste management. **5) TE's predictable cash flow generation and well-established growth platform appears to have attracted significant interest from potential investors. According to press reports, main shareholders led by GEK TERNA (37.3% stake) are in advanced negotiations for the sale of their stakes.**

Estimates: 2021-2022 was a transition period for the company's financial results due to the divestment of US operations and the construction of 330 MW wind farm in Greece which is expected to add about €70mn to annual EBITDA from 2023 onwards. Note 2022 numbers (especially turnover) were boosted by exceptional trading activity which we assume will normalize in 2023. Overall, in 2023 we project EBITDA will grow from €173mn (€ 160mn from RES) in 2022 to €234mn (€225mn from RES) in 2023. Regarding company's investment plan, for the time being we have incorporated the 2 key projects that are in advanced phase, including Amfilochia 680 MW Hydro Pumped Storage and 180 MW solar PV projects.

Valuation: TE currently trades at c14x 2023e EV/EBITDA which is 15-20% above recent deals in Greece, including an acquisition premium due to rumored sale at a very attractive multiple. In light of this potential corporate development we have set the stock Under Review.

Company data	
Market cap. (€ mn)	2,350
Closing price – Jan 27 (€)	20.28
# of shares (mn)	115.9
Free float (%)	45.7%
Target price	-
Dividend yiled (%)	2.2%
Total return (%)	-
Rating	Under Review

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Fundamentals ((€m)	2020	2021	2022f	2023f	2024f
Revenues	248.7	405.4	550.7	447.0	459.4
EBITDA adjusted	133.6	157.9	173.2	233.6	242.8
Net Income adjusted	58.4	69.0	72.9	86.0	90.7
DPS (incl. capital return)	0.34	0.34	0.34	0.45	0.50

Valuation ratios	2020	2021	2022f	2023f	2024f
P/E	25.4x	22.8x	32.3x	27.3x	25.9x
EV/EBITDA	16.0x	13.4x	17.4x	13.6x	13.3x
Dividend yield	2.6%	2.5%	1.7%	2.2%	2.5%
Net Debt/ EBITDA	4.7x	3.4x	3.7x	3.6x	3.6x

Titan (TITC.PA) | Infrastructure Projects in Greece and US to drive growth going forward

Infrastructure Projects to drive growth in the US going forward: PCA's projections calls for decreased cement demand in the US in the area of 3.5% for 2023 that should reverse in 2024 to growth of 4.3%. However, the market should remain strong in Florida, North and South Carolina due to continuous economic growth, internal migration, corporate relocation, and low housing stock (absolute figure), along with new infrastructure projects, as of 2H'23. In addition, the Mid-Atlantic should also benefit by new infrastructure projects and Titan's focus on multi-family houses.

Infrastructure & Touristic Activity to support growth in Greece in 2023 (election year): Since 2023 will be an election year for Greece, cement demand will be mainly supported by tourist infrastructure upgrade like Ellinikon in which Titan has already installed a ready-mix concrete unit. Important projects that should also drive demand in 2023 are Casino at Ellinikon, Kastelli airport at Heraklion, Line 4 of Metro, the new dock at Thessaloniki Port, upgrade of various marinas across the country, as well as the upgrade of various regional airports and rising demand for refurbishments.

Valuation: Considering the stronger than expected trading update for FY 2022 and the faster than expected de-escalation of energy costs, we raise our estimates by c. 7% for 2023. Titan traditionally trades at premium vs. its wider peer Group in terms of EV/EBITDA multiples. Based on our estimates, the stock currently trades at 2023E EV/EBITDA multiple of 5.3x pointing to a 4.0% discount vs. its wider peer Group, while the Group traditionally enjoys a premium of c. 20%. As a result, we retain an Outperform rating on the stock, while we raise our target price at €19.00/share (vs. €17.30/share, before), 31.3% higher than current levels. **We include Titan in our top pick list.**

ESG Performance Assessment/De-carbonization: Titan Cement International commits to improving its sustainability performance and aligning its targets with the expectations of the Company's stakeholders. Titan regularly reviews its approach to the issues that are most material to them, while the Company seeks and values feedback from independent Environmental, Social and Governance (ESG) rating agencies. The Group is also prioritizing the reduction of its carbon footprint in its sustainability agenda while participating in the construction value chain's decarbonization. Titan's ESG targets are aligned with the vision of the European Green Deal to achieve climate neutrality by 2050 and with the UN SDGs 2030. In continuation of Group's commitment to "Business Ambitions for 1.5° C" for the alignment of the climate mitigation targets with the most ambitious aim of the Paris Agreement and with what science dictates is necessary to reach net-zero global emissions by 2050, Group's Scope 1, 2 and 3 CO_2 emissions targets have been validated by the Science Based Targets Initiative (SBTi) as consistent with reductions required to keep warming to 1.5° C. Titan reduced its CO_2 emissions by 16% in 2020, while it targets to reduce them by c. 35% in 2030.

Company data	
Market cap. (€ mn)	1,064
Closing price – Jan 27 (€)	14.44
# of shares (mn)	78.32
Free float (%)	48.2%
Target Price (€)	19.00
Dividend Yield (%)	3.9%
Total Return (%)	35.2%
Rating	Outperform

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ESG Ratings on Titan	
MSCI	AA
CDP	A climate / A- water security
Systainalytics	score of 27.9

Source: The Company, Piraeus Securities

Titan EUR mn	2021	2022 f	2023 e	2024 e
Sales	1,714.6	2,265.2	2,342.9	2,381.7
EBITDA	275.2	330.8	346.7	359.8
EBIT	138.7	185.3	192.1	200.5
Net Profit	91.9	123.1	126.8	131.0
EPS	1.14	1.57	1.62	1.67
DPS/Capital Return	0.50	0.55	0.57	0.59
Valuation Ratios	**2021**	**2022 f**	**2023 e**	**2024 e**
P/E (x)	11.7	7.7	8.9	8.6
EV/EBITDA (x)	6.0	4.9	5.3	4.9
Dividend Yield	3.7%	4.6%	3.9%	4.1%
Net Debt/EBITDA	2.6	2.4	2.4	2.1

Source: The Company, Piraeus Securities

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Neutral:	18.6%	9.1%	Total return (*) expected to be between -10%/+10% compared to the market's return (**) over a 12-month period
Underperform:	0.0%	0.0%	Total return (*) expected to be below -10% compared to the market's return (**)over a 12-month period
Restricted:	2.7%	4.5%	In certain circumstances that Piraeus Securities S.A. policy or applicable law / regulations preclude certain types of communication and investment recommendations
Under Review:	0.9%	4.5%	Rating/TP may be subject to future revision

(*) Total return = Price appreciation + Dividend
(**) Market return = Risk free rate + 5% (an approximation of equity risk premium)
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