



RESEARCH | ANALYSIS | IDEAS

Hellenic Exchanges (OI): Remains OI

Apr 12

Target price: E5.6; Share price: E4.2; Market Cap: E256m, Rating: OI

Valuation multiples (2023E): 14.6x EPS (10.3x x-cash); 6.8x EBITDA; 3.4% dividend yield

Attached: Company model (Forecasts & Valuation)

What's new? FY 2022 EBITDA came in E1.5m/-11% lower compared to our estimate for E14m, on E1.0m less revenue (post trading) and E0.5m higher opex (personnel). Weirdly enough, lower depreciation (E0.9m) and higher income from associates plus tax returns (total E0.6m) made sure pre-tax income came in line with our estimate for E10.5m. Helex announced DPS unchanged yoy at E0.15 or 3.4% yield at current prices.

Conclusion. We did not like higher payroll costs reflecting additional NoE (+8 yoy) and a +4% rise in the avg salary/emp. The carryover effect caused us to lower our 2023-2025 EBITDA by 5%, and our 2023-2025 net income estimates by 2.0%-2.5%, supported by lower depreciation charges. We reiterate our OI with our price target at E5.6 (from E5.9).

Bigger concerns. The recent banking crisis (primarily) and national elections called for May 21 weakened ADV to E113m in March (and even lower in April) from E135m in February, which was the time we made our previous assessment, upgrading Helex to OI (re-attached).

Q1 2023 ADV of E113m, and April so far being below E100m, make our FY 2023 estimate for E125m look bad. We are not making any revisions, yet. Mitsotakis administration renewing its mandate and banks NIM peaking in H1 2023 should lift trading spirits.

Valuation. DCF @ 9.5% hurdle rate (= 4.5% + 5.0%); FCFF of E18m-E22m; ADV of E125m-E147m based on Greek market cap at E75bn-E80bn (Q1 2023 at E72bn), mkt cap/GDP at 35% (Q1 2023 annualized at 34%), velocity rate at 40%-45% (Q1 2023 annualized at 39%).

Best regards,

ResearchGreece

Independent Research & Consulting Services

(+30) 697 63 40 617

128 Thessalias Street, 13231, Athens-Greece

contact@researchgreece.com

DISCLAIMER

This email has been prepared solely for informational purposes. It is not an offer or solicitation to buy or sell. Assumptions, estimates, and opinions expressed constitute the author's judgment as of the date of this communication and are subject to change without notice. Past performance is not necessarily indicative of future results. This communication is based upon information that RESEARCHGREECE P.C. ("ResearchGreece") considers reliable as of the date hereof, but ResearchGreece does not represent that it is accurate and complete. ResearchGreece does not render legal, or tax advice and the information contained in this communication should not be regarded as such.

The information in this electronic mail message is private, confidential, and only intended for the addressee. Neither the information, nor the recommendation or opinions expressed herein constitute an offer to buy or sell any securities, future, options, or investment products of any kind whatsoever. Although ResearchGreece sweeps e-mail messages and attachments for viruses, ResearchGreece does not guarantee that they are either virus-free or accurate and accepts no responsibility for any loss or damage sustained because of viruses. Any unauthorized copying, disclosure, or distribution of the material in this e-mail is strictly prohibited.

This email may contain links and attachments relating to ResearchGreece own research. In this case, please refer to the research disclaimers attached to the relevant research note and the additional information on the company's website at www.researchgreece.com. All research published by ResearchGreece, whether online or in hard copy, is subject to the research disclaimers.

ResearchGreece does not take any responsibility for the timeliness, accuracy or completeness of the information provided or for any changes to this e-mail, howsoever made, after it was sent. ResearchGreece and/or connected persons do not represent that any returns will be achieved and do not accept any liability whatsoever for any direct, indirect, or consequential loss arising from any use or reliance on this data. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

If you are not the intended recipient (or have received this e-mail in error) please notify the sender immediately and delete this e-mail. Any unauthorized copying, disclosure, or distribution of the material in this e-mail is strictly forbidden.

For additional ResearchGreece research, visit our website www.researchgreece.com

If you do not wish to receive any more emails from ResearchGreece please reply to this email or email contact@researchgreece.com