



**Winter is.....  
ending!**

**Macro & Equity Market Strategy Update  
March, 2021**

## Macro & Equity Market Strategy, March 2021

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## Some macro considerations

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The Covid-19 pandemic interrupted the post-adjustment recovery, at a time when growth was accelerating, and the economy was taking a new direction on the back of market-friendly reforms introduced since mid-2019.

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Greece has fared much better in Covid-19, with fewer cases and casualties, on a relative basis. However, the impact on GDP was higher than average, given Greece's higher exposure in services and especially tourism.

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Greece is entering a virtuous circle supported from:

- 1) The structural reforms of the past, which still continue, improving competitiveness, attracting investments
- 2) The unprecedented fiscal accommodation | EUR 80bn support coming from EU funds plus the > EUR 30bn support from local resources on the back of the 'general escape clause' on fiscal policies
- 3) Ample liquidity (on relaxed monetary conditions globally)
- 4) Historic low borrowing costs (for both the government and the private sector)
- 5) Pent-up demand across the board, and adequacy of resources (due to low economic activity / capacity utilisation rates).

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For these reasons, Greek GDP growth is seen outperforming EU average rates from 2022 onwards. 2021 will be a transitional year, with Covid-19 still affecting 1H21 economic activity largely.

## Our thoughts on Greek equities

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Greek corporate profitability is seen being restored to its pre Covid-19 levels by next year.

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Still, 2022 profits will lag their pre-crisis peak in most case, illustrating the good upside potential.

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Greek equities offer a compelling risk-reward proposition. The market is attractively valued under a number of matrices.

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Greek equities trade 7.1x 12m fwd EV/EBITDA, vs. 9.9x and 9.6x for EU and EM peers. This is a c. 30% discount!

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On a relative basis, Greece is trading at similar discount levels to peers last seen in 2012, when GDP outlook was much worse and GGB yields much higher.

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Banks are also attractively valued, trading on >50% discount to peers. The sector will re-rate once visibility improves and further de-risking is implemented.

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Compared to the early 2014 valuation highs, most stocks trade on an elevated discount, with Jumbo, Fourlis, OPAP, EYDAP and refineries being very good examples.

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Equities are also more attractive to bonds, offering a 3.7% DIY vs. GGB yields of c. 1%.

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Our top picks include: PPC (Covid-19 immune, restructuring play), OTE (Covid-19 immune, strong FCF generation and DIY), Jumbo (robust balance sheet, good growth potential post Covid restrictions). From banks, we prefer Eurobank and NBG which seem more advanced in their clean-up process.

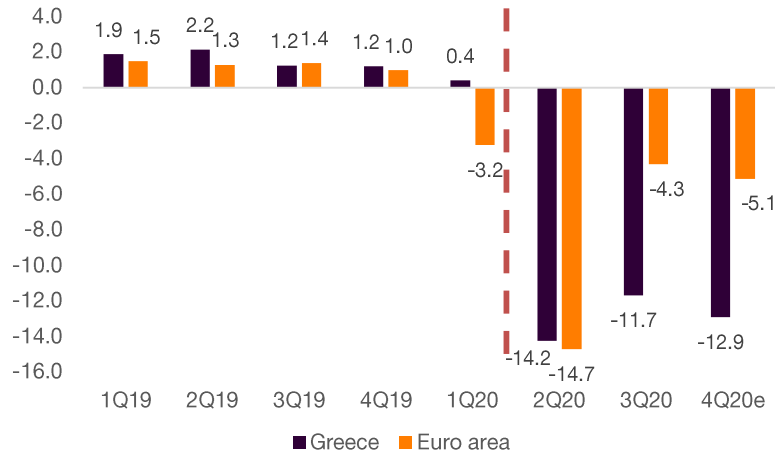


**Greece – Macro and Equity Strategy**

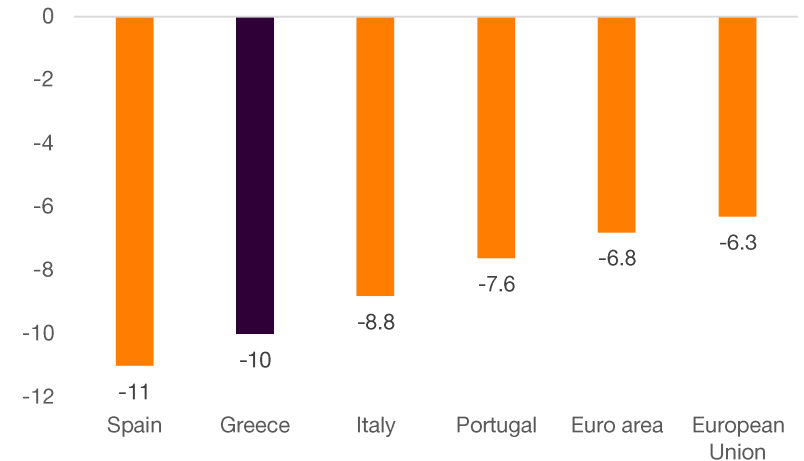
Greece – Sectors and Companies

## GDP was badly hit from the pandemic but the outlook is promising, with growth set to outperform EU average rates...

GDP evolution per quarter (% YoY)



2020 GDP evolution (% YoY)



2021-2023 GDP forecasts (% YoY)



Pandemic takes it toll

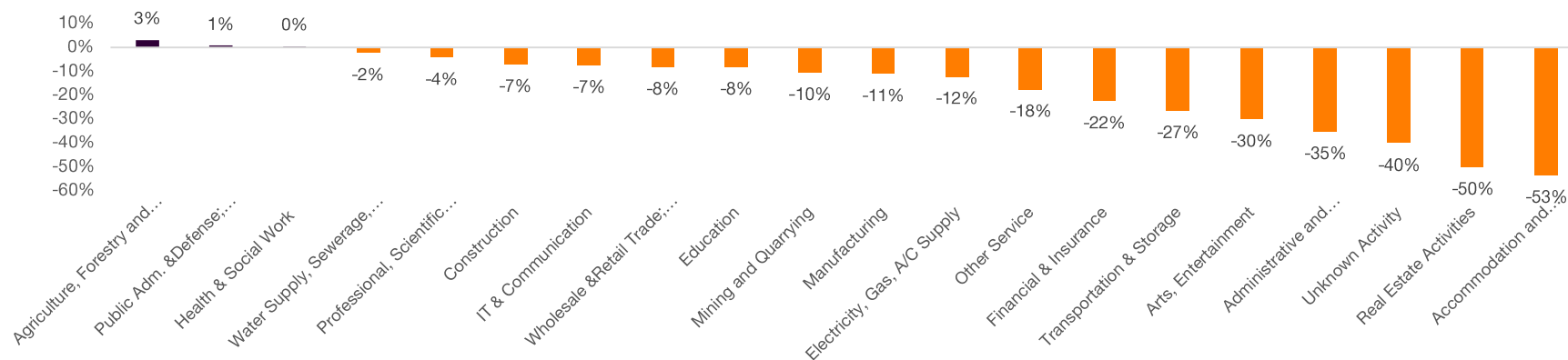
- Greece's GDP growth was accelerating already since 2019, after the expiration of the adjustment programmes, capitalising on the fiscal adjustment and reforms of the past
- The economy was outperforming the Euro area average up until 1Q20 but the pandemic had a big hit
- Despite the poor 2020 outcome, the economy is seen outperforming Euro area average rates for both 2022 and 2023 by a wide margin, with growth in 2021 still being affected from weak tourism revenues and lockdowns

**Nearly all sectors suffered high losses with only 3 sectors (Agriculture, Public Administration & health), reporting growth in their top line**

### Annual Turnover of Greek Economy Sectors

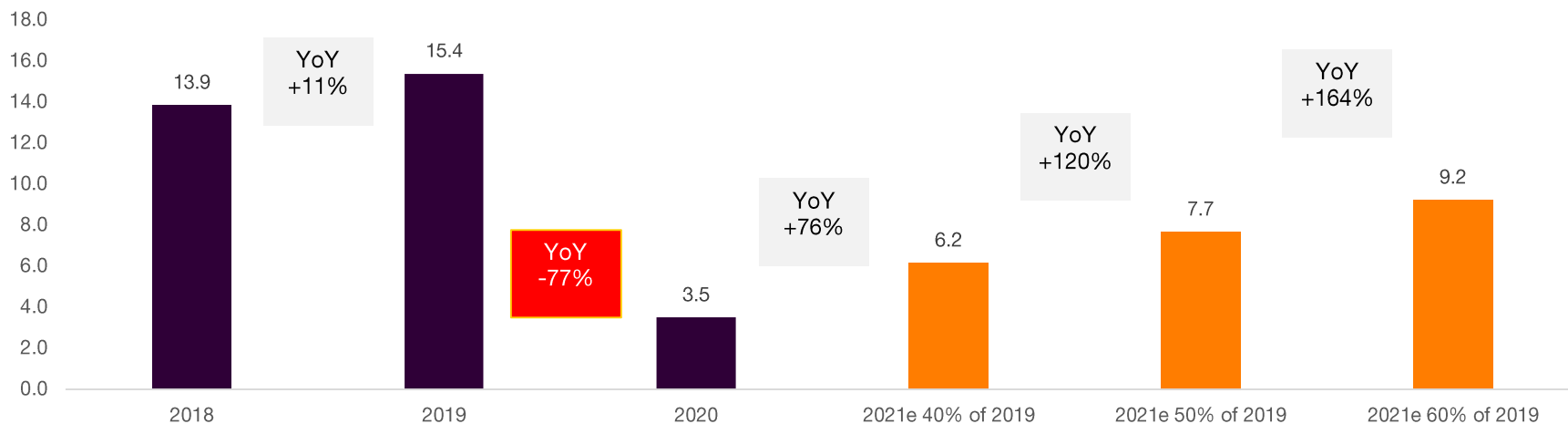
Economic Activity (EUR bn)	2019	2020	% YoY	EUR bn Change	2020%
Wholesale & Retail Trade; Repair Vehicles	122.6	112.5	-8%	-10.1	42%
Manufacturing	64.0	56.9	-11%	-7.1	21%
Electricity, Gas, A/C Supply	17.2	15.1	-12%	-2.1	6%
Transportation & Storage	16.8	12.3	-27%	-4.5	5%
IT & Communication	11.9	11.1	-7%	-0.9	4%
Financial & Insurance	13.0	10.1	-22%	-2.9	4%
Professional, Scientific and Technical Activities	9.7	9.3	-4%	-0.4	3%
Construction	9.8	9.1	-7%	-0.7	3%
Agriculture, Forestry and Fishing	6.7	6.9	3%	0.2	3%
Accommodation and Food Services	13.1	6.1	-53%	-7.0	2%
Administrative and Support Service Activities	7.1	4.6	-35%	-2.5	2%
Arts, Entertainment	5.4	3.8	-30%	-1.6	1%
Health & Social Work	2.0	2.1	0%	0.0	1%
Water Supply, Sewerage, Waste Mgt	1.9	1.9	-2%	0.0	1%
Real Estate Activities	3.2	1.6	-50%	-1.6	1%
Other Service	1.3	1.1	-18%	-0.2	0%
Mining and Quarrying	0.9	0.8	-10%	-0.1	0%
Education	0.5	0.5	-8%	0.0	0%
Public Adm. & Defense; Social Security	0.4	0.4	1%	0.0	0%
Unknown Activity	0.1	0.1	-40%	-0.1	0%
<b>Total</b>	<b>307.7</b>	<b>266.1</b>	<b>-14%</b>	<b>-41.6</b>	<b>100%</b>

### Turnover Change in Greek Economy Sectors (% YoY)

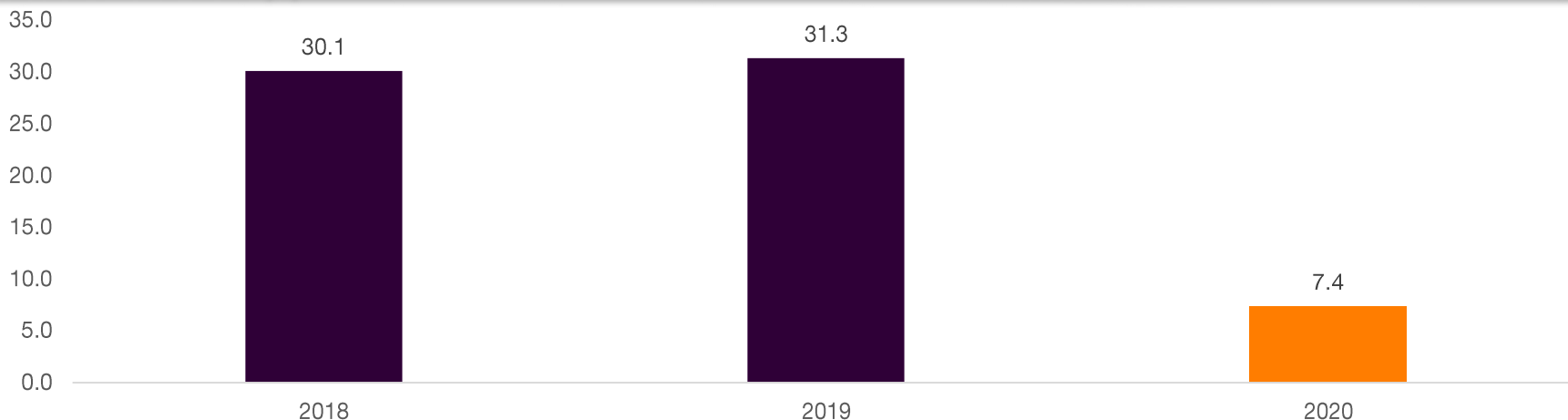


## Tourism which suffered an c. 80% slump, should support the recovery...

Balance of travel services (EUR bn & YoY change)



Inbound traveller flows\* (m)



## ...while government's response to the crisis was swift and commendable...

### Government Fiscal Stimulus

Covid-19 Measures (EUR bn)	2020	2021
Budget Revenues	4.9	1.8
Budget Expenditure	10.7	2.5
Loan guarantees*	2.5	0.0
2021 unolocated provision	0.0	3.0
<b>Total</b>	<b>18.2</b>	<b>7.3</b>
<b>% of 2020 GDP</b>	<b>11.2%</b>	<b>4.5%</b>

source: 2021 Draft Budget, \* gov. part only

### Greece's GDP forecasts | All call for a strong rebound

YoY Change	2020	2021	2022
MoF (2021 budget)	-10.5%	4.8%	n.a.
IMF	-9.5%	5.7%*	5.6%*
EC	-10.0%	3.5%*	5.0%*
BoG	-10.0%	4.2%	4.8%

source: 2021 Budget, AMECO, IMF, BoG, \* excluding impact from EU Recovery Fund

### Greece's Key Macro Scenario

Key Macro Figures	2019	2020f	2021f
GDP growth	1.9%	-10.5%	4.8%
Nominal GDP	183.4	162.8	171.9
Primary Balance	8.3	-11.1	-6.6
% of GDP	3.6%	-7.2%	-3.8%
Total Balance	2.8	-16.1	-11.5
% of GDP	1.5%	-9.9%	-6.7%
Total Debt	331.1	340.0	343.2
% of GDP	180.5%	208.9%	199.6%
Curr. Acc. Balance	-2.7	-9.8	-10.7
% of GDP	-1.5%	-6.0%	-6.2%
Unemployment	17.3%	18.9%	17.9%
CPI	0.5%	-1.1%	0.6%

source: 2021 Budget, AMECO database

...and more is set to come from the EU | EUR 80bn or c.50% of 2020 GDP, by 2027!

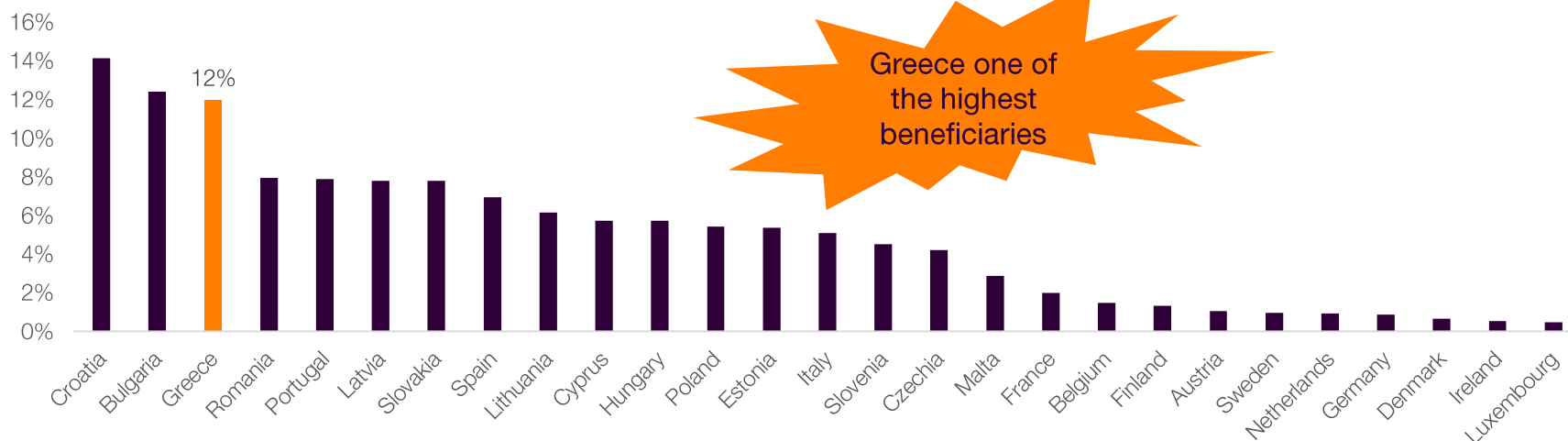
### EU measures to tackle the pandemic

European Level Stimulus (EUR bn)	EU Total	Greece's Share
Unemployment (Sure)	100	2
EIB loans for SMEs	200	2
ESM pandemic support	240	4
<b>Total</b>	<b>540</b>	<b>8</b>
<b>Next Generation EU</b>		
Loans	360	12.7
Grants	390	<b>19.3</b>
<b>Total</b>	<b>750</b>	<b>32</b>
<b>2021-27 Financial Framework</b>	<b>1,100</b>	<b>40</b>
<b>Grand Total</b>	<b>2,390</b>	<b>80</b>

source: IMF, EC, Eurobank

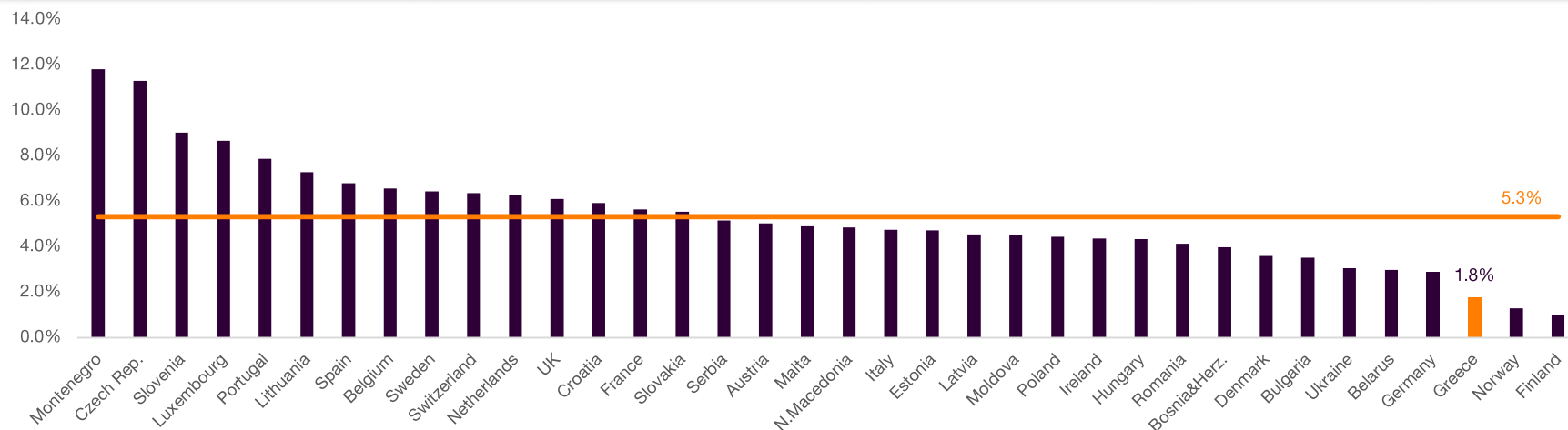


### Next Generation EU Grants % of 2020e GDP per country

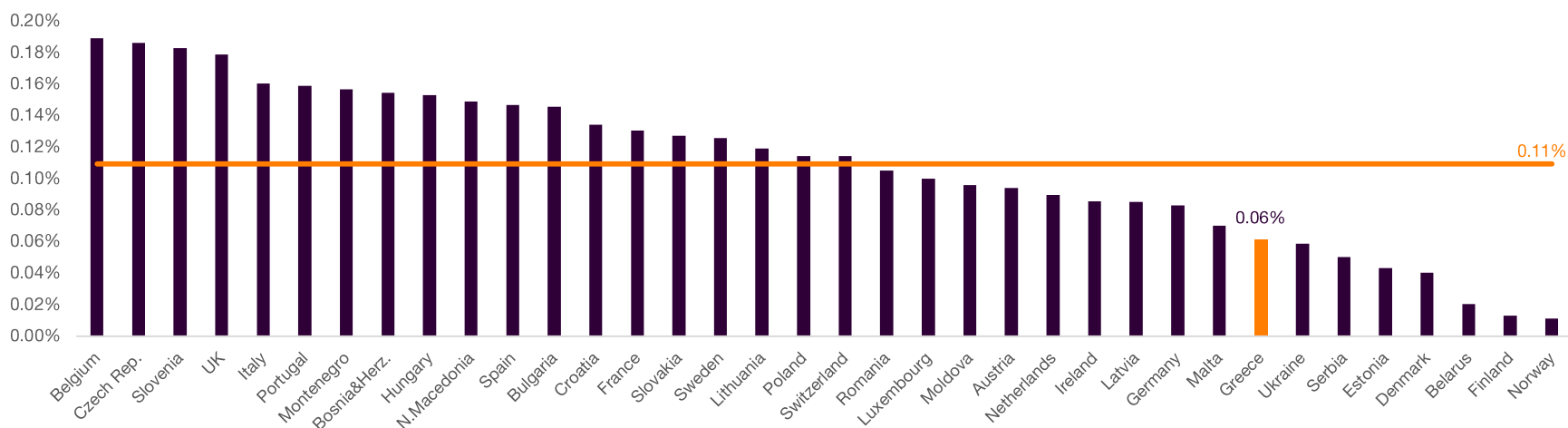


## Greece has fared better in Covid-19, with fewer cases and deaths

Reported Covid-19 infections\* (% of population)



Reported Covid-19 deaths\* (% of population)

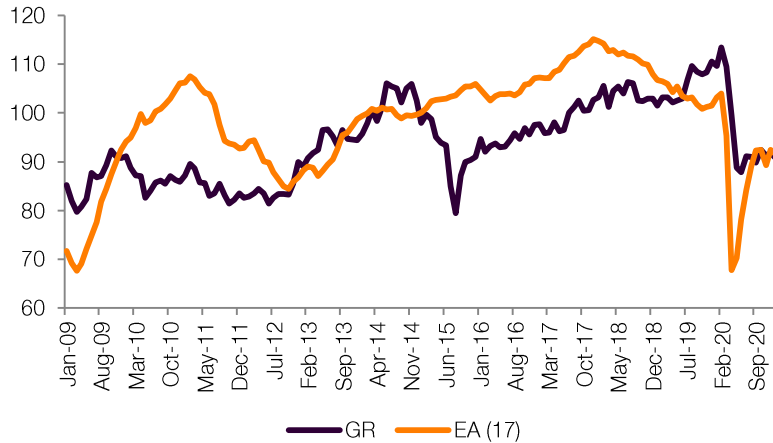


\*Source: <https://www.worldometers.info>, as of Feb. 25

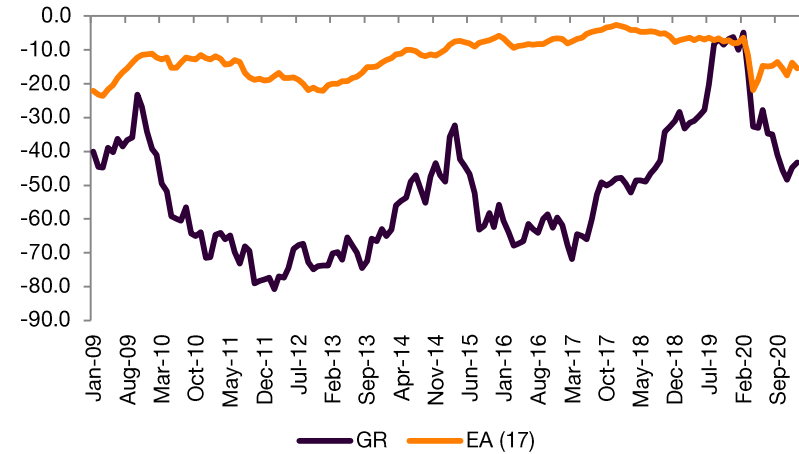


...which was evident in the Economic Sentiment Index. Still consumer confidence was badly hit but the vaccination process and the lifting of Covid-19 measures should allow for a turn

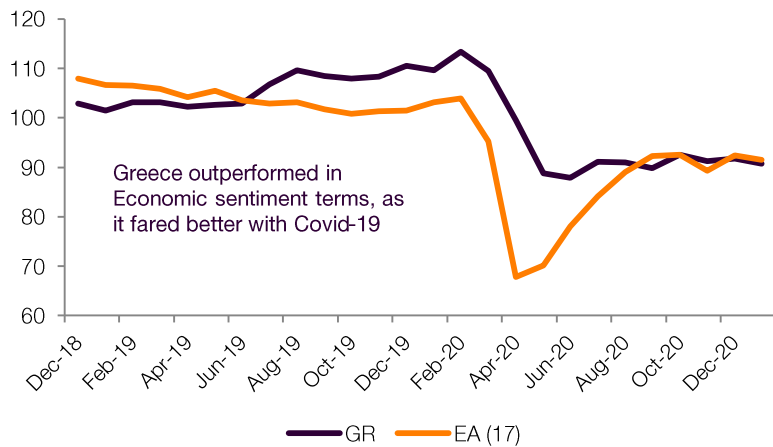
**Economic Sentiment (2009-Jan.21)**



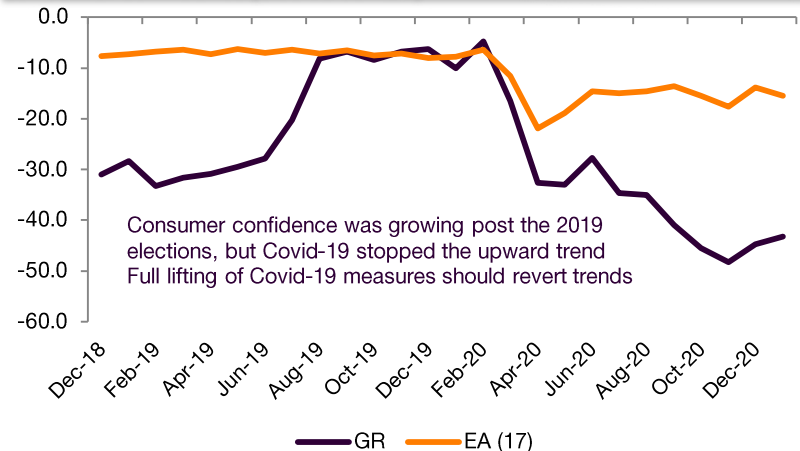
**Consumer Confidence (2009-Jan.21)**



**Economic Sentiment (Dec.18-Jan.21)**

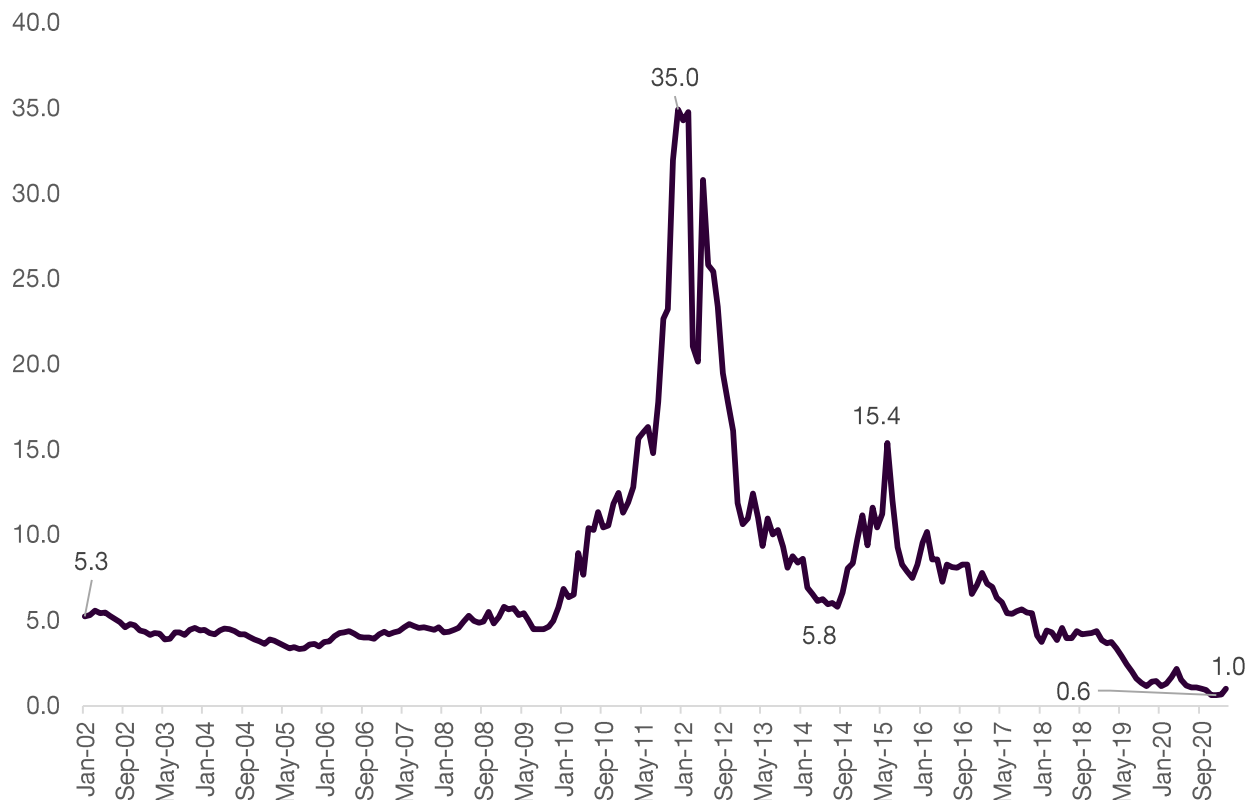


**Consumer Confidence (Dec.18-Jan.21)**



## Recovery is already evident in GGBs....

### 10-year GGB | Greece borrows at historically low levels



GGB spread compression continues unabated despite the short-term hike in bond yields.. Current spread vs Bunds at 130bps vs 120bps a few weeks ago and >4% in Dec. 2018

### Greece's Credit Ratings

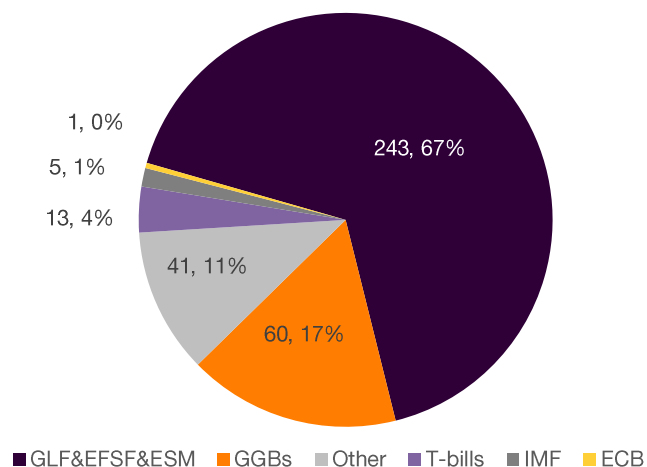
S&P	Moody's	Fitch	
AAA	Aaa	AAA	
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	Former peak
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	Inv. Grade
BB+	Ba1	BB+	
BB	Ba2	BB	Current Ratings
BB-	Ba3	BB-	
B+	B1	B+	
B	B2	B	
B-	B3	B-	
CCC+	Caa1	CCC+	
CCC	Caa2	CCC	
CCC-	Caa3	CCC-	
CC	Ca	CC	
C	C	C	

### Scheduled Rating Reviews

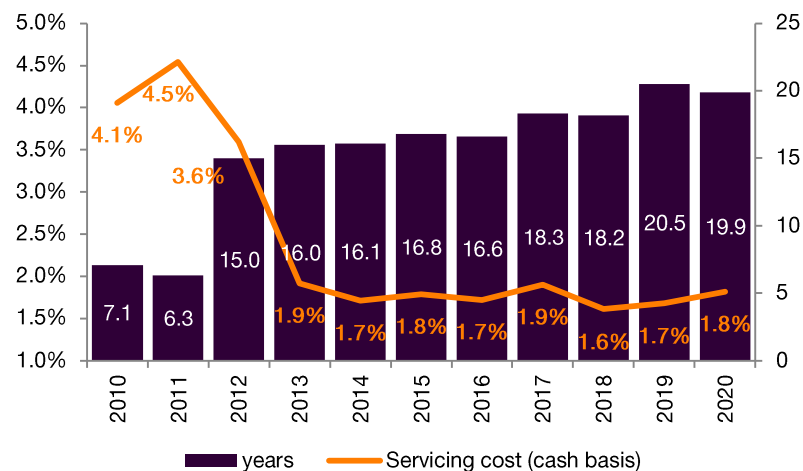
S&P	19-Mar-21
	17-Sep-21
Moody's	21-May-21
	19-Nov-21
Fitch	22-Jan-21

**As the market sees no issues with Greece's debt despite its elevated levels, on the back of long maturities and very low servicing costs**

**Holders of Greek Debt | EUR bn & % (Dec.2020adj)**



**Evolution of weighted average cost / maturity of annual funding**

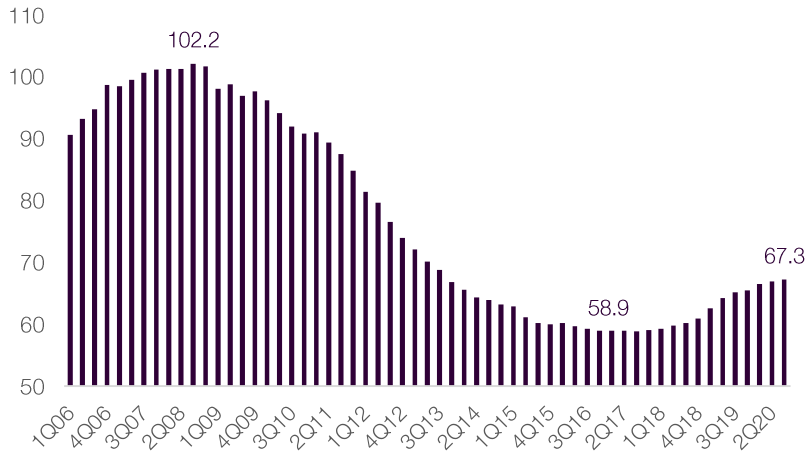


**Greek Debt Amortization Schedule x T-bills**

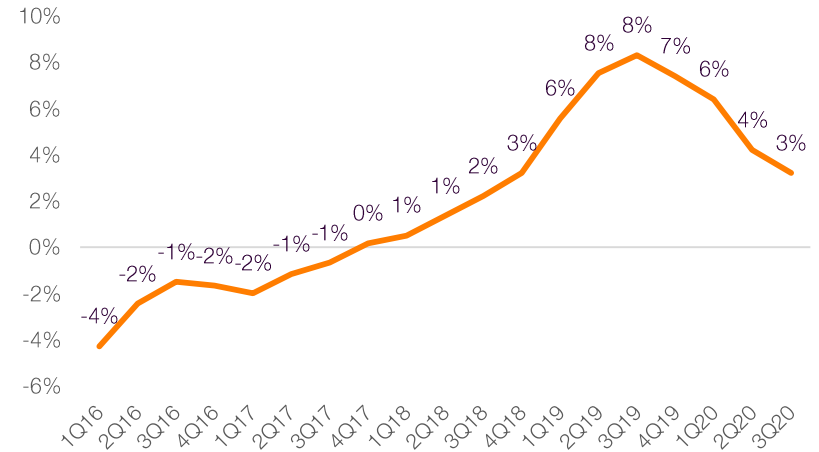
Year	ECB Bonds	Other Bonds	IMF Loans	GLF loan	EFSF&ESM	Other loans	TOTAL
2021	0	504	1,869	2,074	0	7,064	11,511
2022	768	3,005	1,857	2,645	0	1,404	9,679
2023	0	4,906	1,297	2,645	1,738	892	11,478
2024	215	2,945	285	2,645	1,738	1,604	9,432
2025	62	3,424	0	2,645	1,738	422	8,291
2026	240	2,712	0	2,645	1,738	1,278	8,613
2027	0	2,161	0	2,645	1,738	1,387	7,931
2028	0	6,346	0	2,645	1,832	733	11,556
2029	0	4,165	0	2,645	1,832	189	8,831
2030	90	5,665	0	2,645	1,832	752	10,984
2031 to 70	116	24,565	0	26,577	176,596	25,702	253,556
<b>Total</b>	<b>1,491</b>	<b>60,398</b>	<b>5,308</b>	<b>52,456</b>	<b>190,782</b>	<b>41,427</b>	<b>351,862</b>

## And real estate prices continue to grow... but at a slower pace supporting however economic growth and bank collaterals

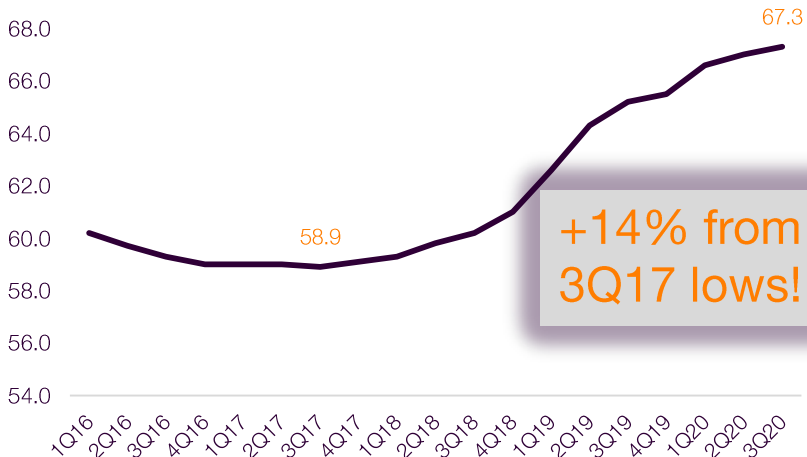
Apartment Prices Index (2007=100)



Apartment Prices YoY change



Apartment Price Index (1Q16-3Q20)

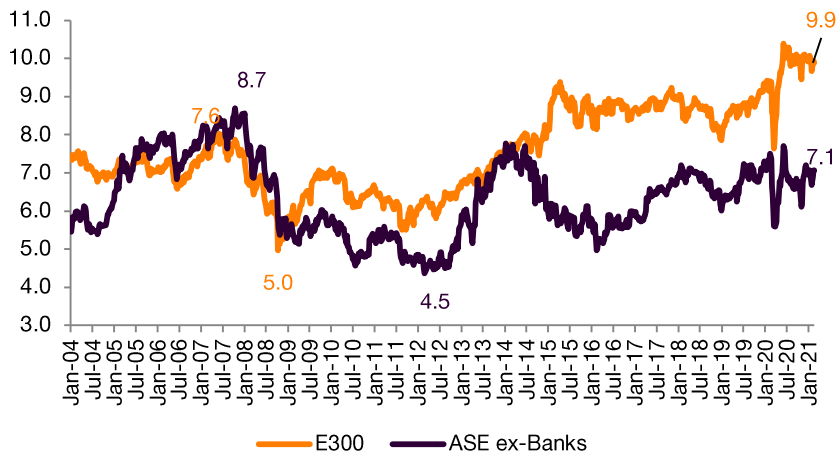


Real estate prices continue to grow

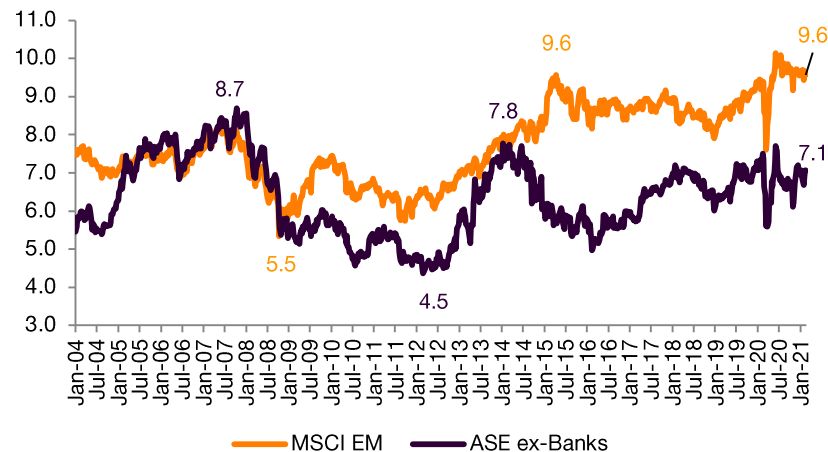
- After years of drop, real estate prices stabilized in 2017 and started growing in 2018
- Already, prices are up 14% from their trough
- Price increases have accelerated in 2019 but the outbreak of the pandemic has only slowed the rising trend
- Overall, apartment price are back to their 2013 levels (ie before the latest crisis) and at levels last seen in the early 00s (2002-3), as is real GDP

## Greek Market relative valuations similar to 2012 despite better outlook

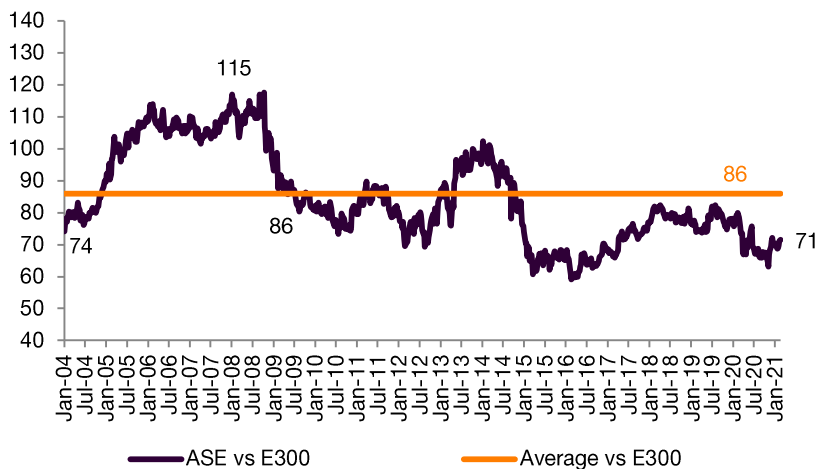
Greece vs. E300: Prosp EV/EBITDA



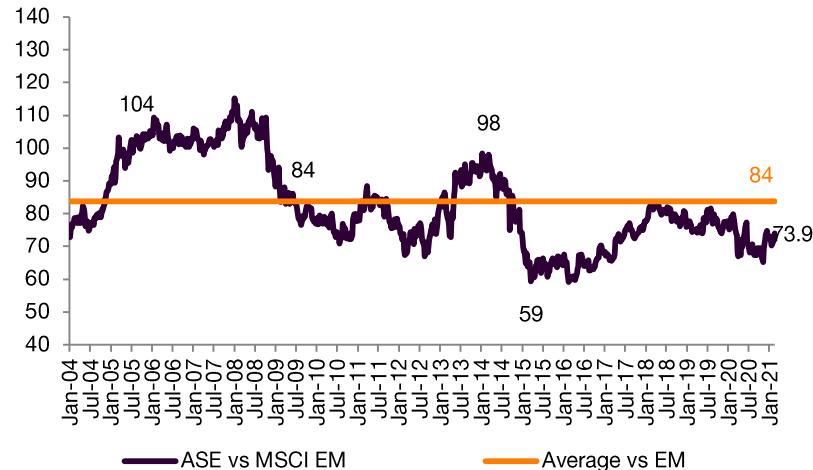
Greece vs. Emerging Markets: Prosp EV/EBITDA



Greece vs. E300: Relative EV/EBITDA

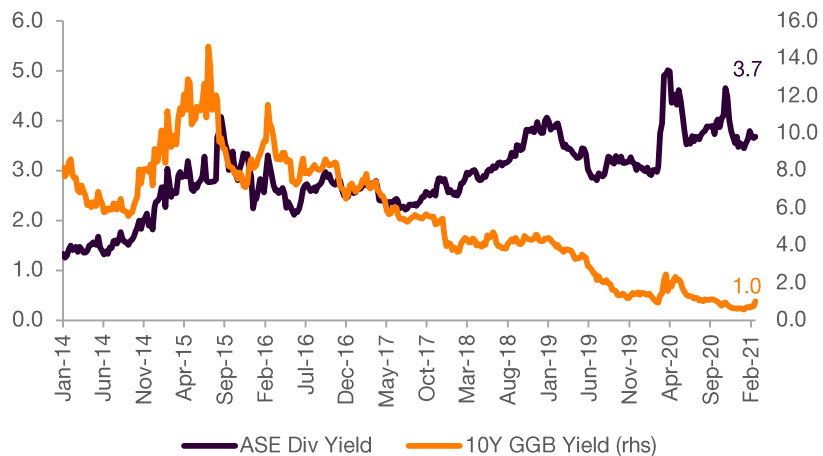


Greece vs. Emerging Markets : Relative EV/EBITDA

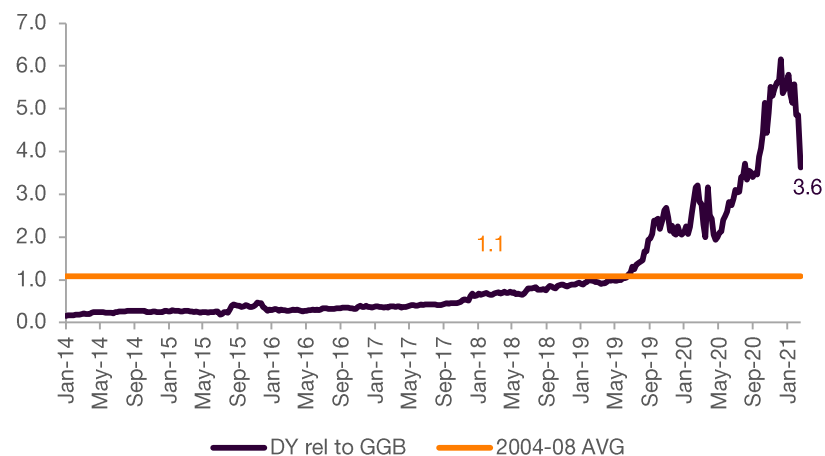


## ... Greek equities also more attractive compared to GGBs

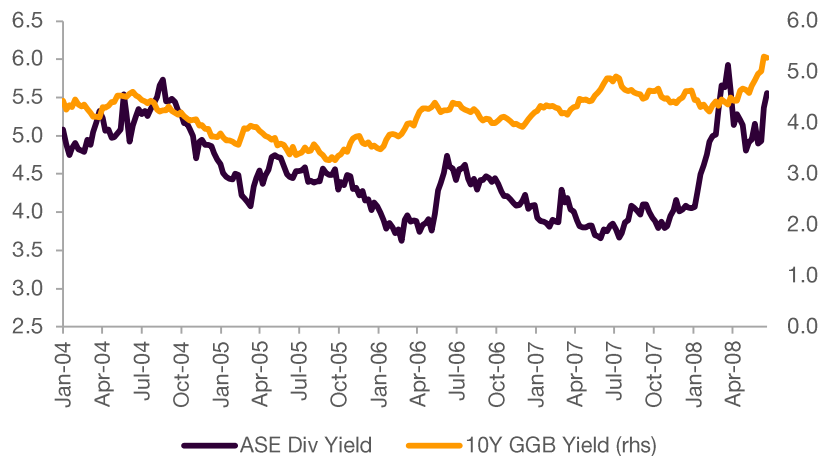
ASE Dividend vs GGB Yields (2014-now)



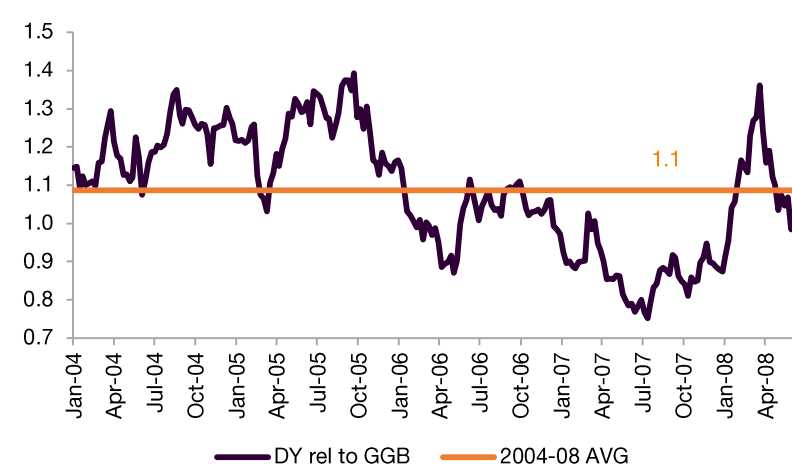
ASE vs. GGBs: Relative Yield (2014-now)



ASE Dividend vs GGB Yields (2004-2008)

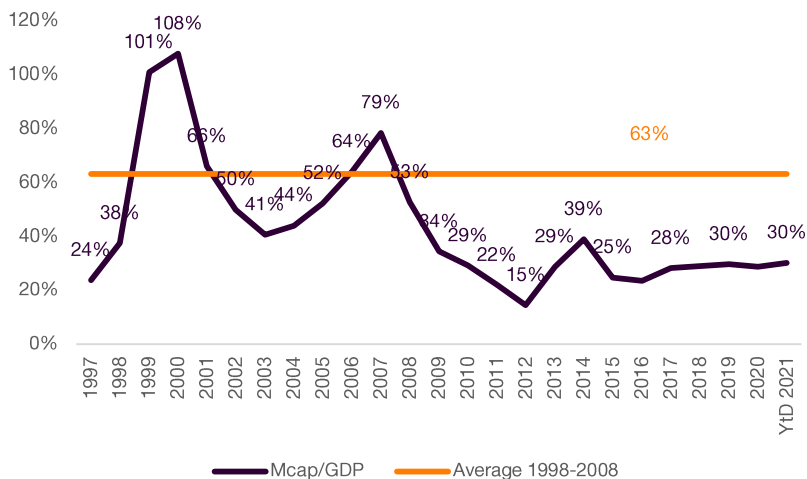


ASE vs. GGBs: Relative Yield (2004-2008)

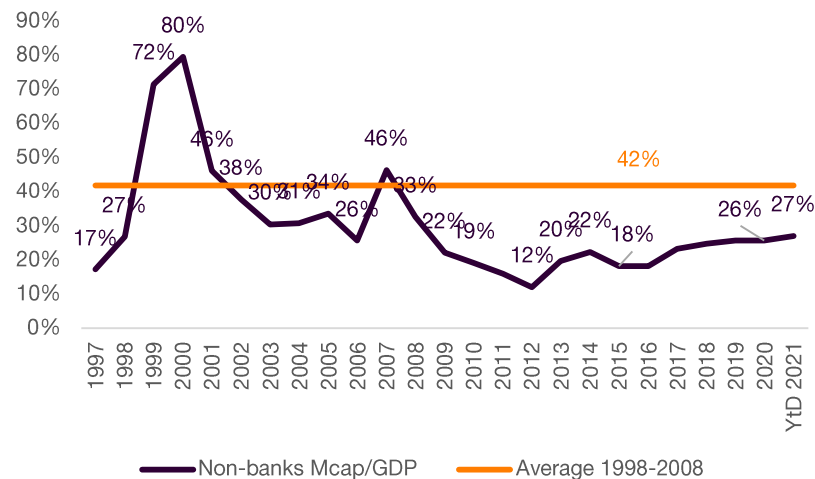


**Mcap / GDP ratios at 30% currently vs 39% in 2014 and vs 63% '98-'08avg; Non-Banks Mcap at 27% vs 42% '98-08avg and Banks Mcap/GDP at 3.4% vs 17% in 2014 and vs 21% '98-'08avg**

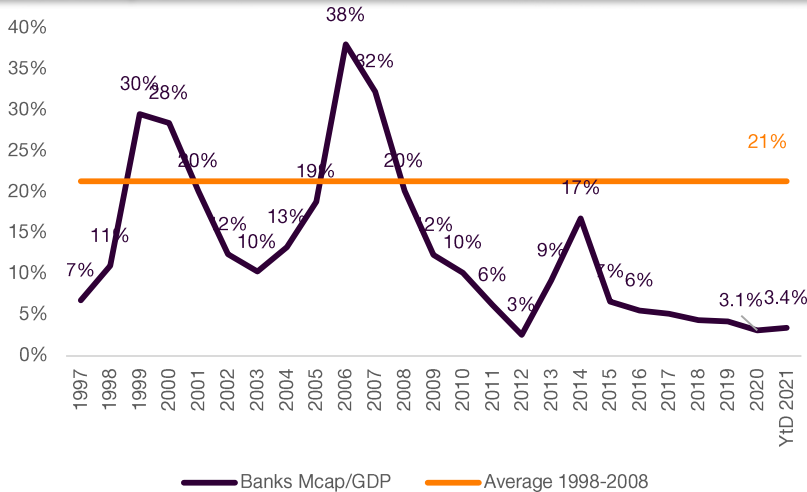
**Total ATHEX Mcap/GDP including 100% of banks**



**Non-Banks Mcap/GDP**



**Banks Mcap/GDP**



**Foreign Institutional Investors net flows into ATHEX (ex Bank recaps)**





## 12M Fwd EV/EBITDA multiples vs. March 2014 when GGB yields at 6.5%

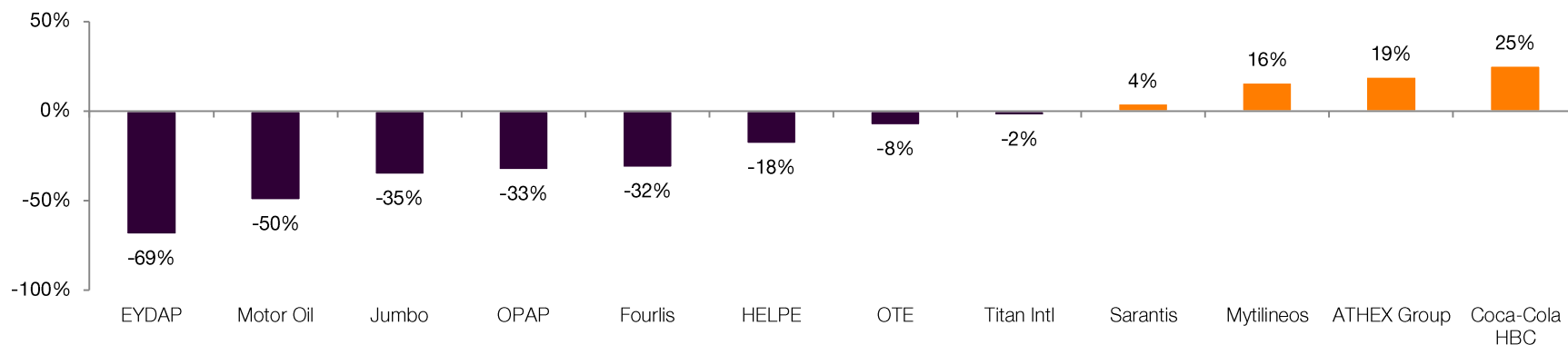
### Current 12M Fwd EV/EBITDA vs. Mar-14

12M Fwd EV/EBITDA*	Mar-14	current	% vs. Mar-14
Jumbo	10.8	5.2	-52%
EYDAP	5.7	2.9	-49%
Fourlis	15.2	8.1	-47%
OPAP	11.6	6.4	-45%
Titan Intl	10.4	6.4	-39%
Motor Oil	6.5	4.8	-26%
HELPE	7.3	6.3	-14%
Sarantis	9.9	9.0	-10%
OTE	4.9	4.6	-6%
ATHEX Group	11.7	11.0	-6%
Coca-Cola HBC	9.2	9.9	8%
Mytilineos	5.1	6.6	30%

\* Source: Factset

## 12M Fwd EV/EBITDA multiples vs. past avg

12M Fwd EV/EBITDA vs. avg 04-07\*

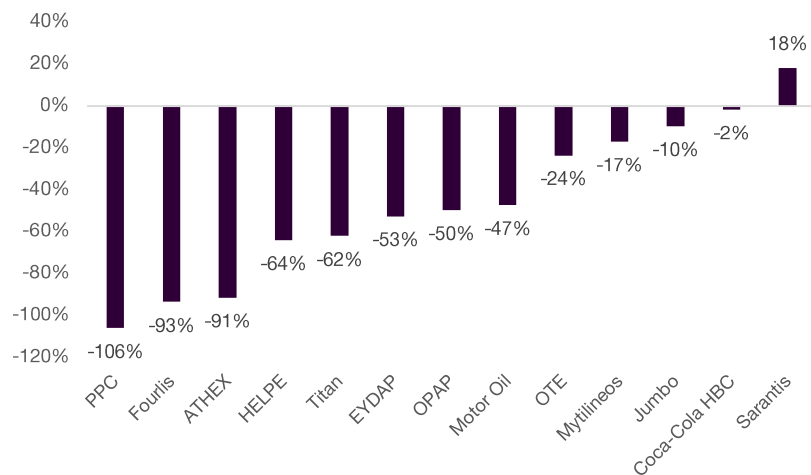


	12M Fwd EV/EBITDA	12M Fwd EV/EBITDA vs 10yr avg	12M Fwd EV/EBITDA vs 04-07 avg	10yr avg	04-07 avg	max	min
EYDAP	2.9	-39%	-69%	4.8	9.3	14.1	1.7
Motor Oil	4.8	-3%	-50%	4.9	9.6	11.3	3.3
Jumbo	5.2	-19%	-35%	6.5	8.1	13.0	2.2
OPAP	6.4	-6%	-33%	6.8	9.5	12.2	2.0
Furlis	8.1	-2%	-32%	8.3	11.9	17.5	4.7
HELPE	6.3	3%	-18%	6.2	7.7	10.0	3.9
OTE	4.6	18%	-8%	3.9	5.0	6.7	2.2
Titan Intl	6.4	-14%	-2%	7.4	6.5	10.4	5.1
Sarantis	9.0	15%	4%	7.8	8.6	13.0	2.9
Mytilineos	6.6	42%	16%	4.6	5.7	10.7	2.6
ATHEX Group	11.0	16%	19%	9.5	9.3	25.8	0.6
Coca-Cola HBC	9.9	9%	25%	9.1	7.9	11.9	4.7

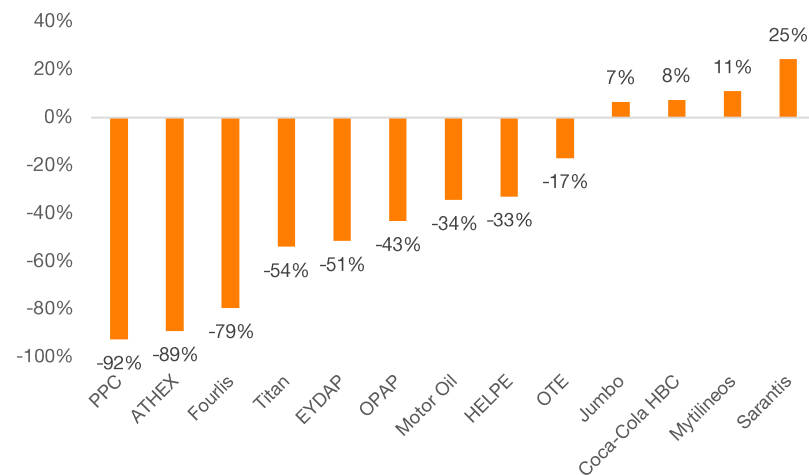
\* Source: Factset

## Corporate profits in 2021-22e vs their pre-crisis peak

2021e Adj. Net Profits vs. 2007-19 peak



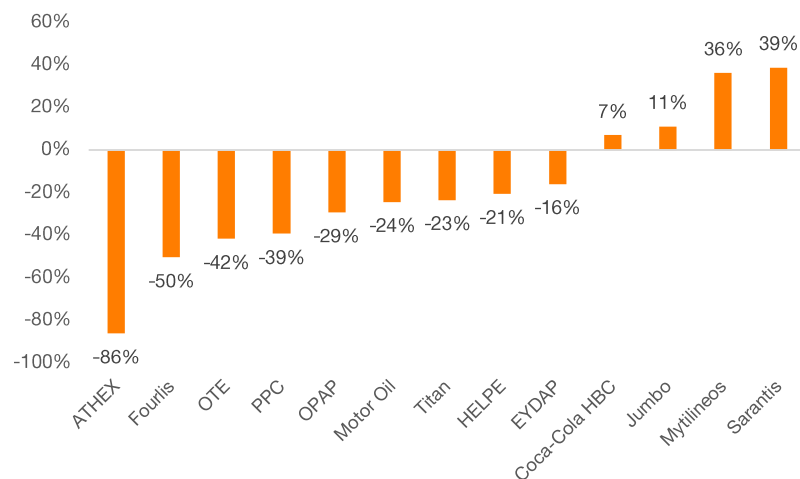
2022e Adj. Net Profits vs. 2007-19 peak



2021e Adj. EBITDA vs. 2007-19 peak



2022e Adj. EBITDA vs. 2007-19 peak



## 2021-22e EBITDA margin vs. pre-crisis peak

### EBITDA Margin Evolution\*

Clean EBITDA mgn	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Peak '12-19	2021 vs. peak	2022 vs. peak	12M fwd EV/EBITDA*
ATHEX Group	34%	75%	55%	43%	32%	31%	28%	40%	33%	40%	43%	75%	-3530bps	-3166bps	11.0
OPAP	52%	19%	26%	27%	22%	21%	23%	26%	26%	37%	37%	52%	-1463bps	-1460bps	6.4
EYDAP*	32%	25%	26%	28%	27%	26%	26%	27%	25%	25%	26%	32%	-733bps	-653bps	0.9
Mytilineos*	12%	16%	21%	17%	18%	20%	19%	14%	17%	15%	15%	21%	-524bps	-512bps	6.6
Motor Oil*	3%	2%	3%	9%	9%	8%	6%	5%	6%	6%	6%	9%	-300bps	-237bps	4.8
HELPE	4%	2%	4%	10%	11%	10%	7%	6%	6%	8%	10%	11%	-267bps	-142bps	6.3
Fourlis	5%	6%	7%	8%	9%	10%	10%	10%	7%	8%	9%	10%	-148bps	-47bps	8.1
Jumbo	27%	27%	27%	27%	29%	29%	29%	29%	27%	29%	29%	29%	-84bps	8bps	5.2
PPC	14%	17%	17%	14%	19%	11%	9%	16%	19%	18%	22%	19%	-42bps	370bps	5.8
Coca-Cola HBC	11%	11%	11%	12%	14%	14%	15%	16%	17%	17%	17%	16%	71bps	105bps	9.9
Titan	17%	17%	16%	15%	18%	18%	17%	17%	19%	19%	20%	18%	76bps	106bps	6.4
Sarantis	10%	11%	12%	12%	12%	13%	14%	15%	17%	17%	17%	15%	244bps	231bps	9.0
OTE	35%	36%	36%	34%	34%	34%	35%	35%	38%	39%	40%	36%	299bps	351bps	4.6

\* Source: Factset, Optima Bank Research all others

## 2021-22e EBITDA vs. pre-crisis peak

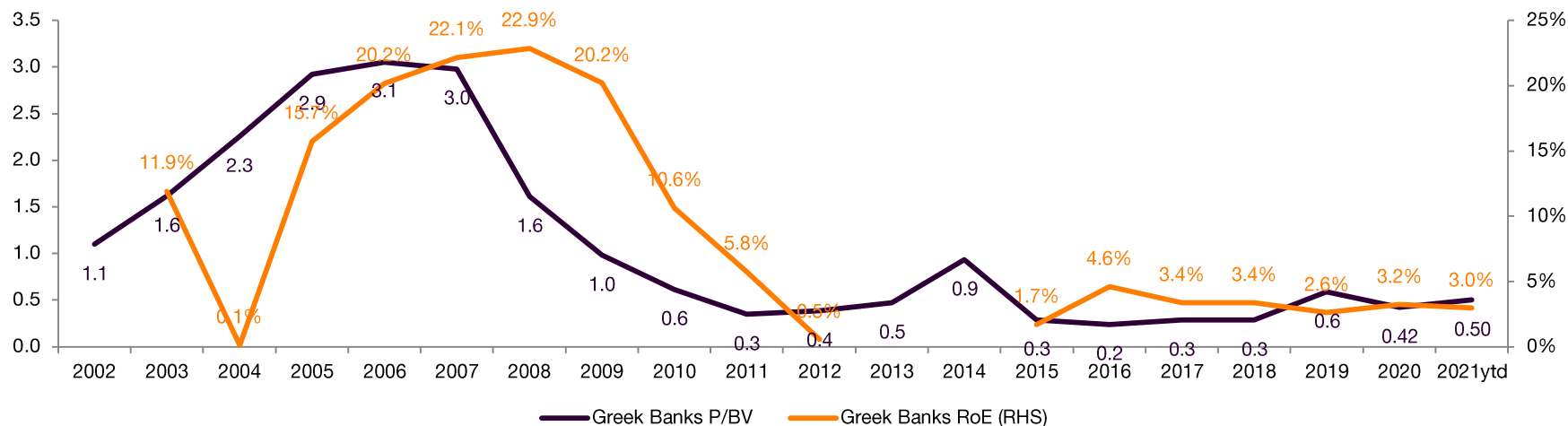
### EBITDA Evolution \*

EBITDA Adj.	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Peak '12-19	2021 vs. peak	2022 vs. peak	CAGR '20-22	12M fwd EV/EBITDA*
ATHEX Group	11	61	26	15	9	9	7	13	10	14	17	61	-77%	-72%	30%	11.0
HELPE	444	178	417	758	731	834	730	572	333	517	661	834	-38%	-21%	41%	6.3
Motor Oil*	305	223	303	612	543	629	602	453	356	397	475	629	-37%	-24%	14%	4.8
Fourlis	20	25	28	33	38	42	44	46	27	36	43	46	-23%	-7%	27%	8.1
EYDAP*	114	84	86	91	87	85	87	91	87	91	96	114	-20%	-16%	5%	0.9
OTE	1,516	1,456	1,422	1,343	1,321	1,304	1,317	1,353	1,229	1,300	1,355	1,516	-14%	-11%	5%	4.6
PPC	811	987	978	828	951	527	404	799	890	864	1,017	987	-13%	3%	7%	5.8
Jumbo	134	134	147	159	184	195	221	238	190	228	264	238	-4%	11%	18%	5.2
Coca-Cola HBC	758	756	742	766	846	928	969	1,111	1,059	1,100	1,188	1,111	-1%	7%	6%	9.9
OPAP	674	234	354	377	307	306	354	419	289	679	745	674	1%	11%	61%	6.4
Titan	196	186	182	216	279	273	260	267	293	309	328	279	11%	18%	6%	6.4
Mytilineos*	171	225	254	234	222	302	290	313	315	364	427	313	16%	36%	16%	6.6
Sarantis	21	23	26	30	36	40	47	55	68	72	76	55	32%	39%	6%	9.0

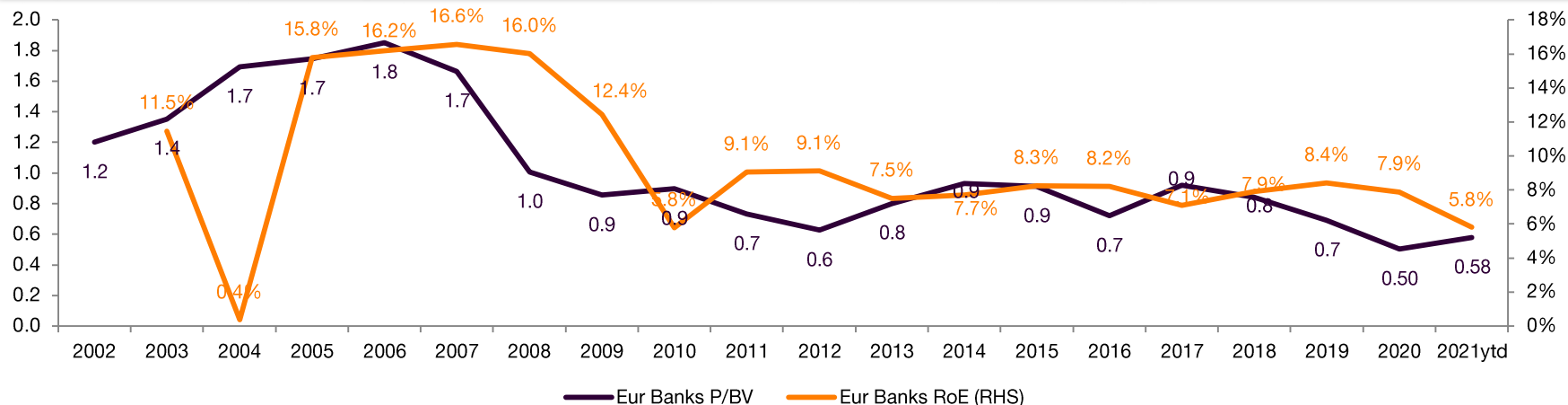
\* Source: Factset, Optima Bank Research all others

## Greek Banks vs. peers

Greek banks P/BV vs Prosp ROE

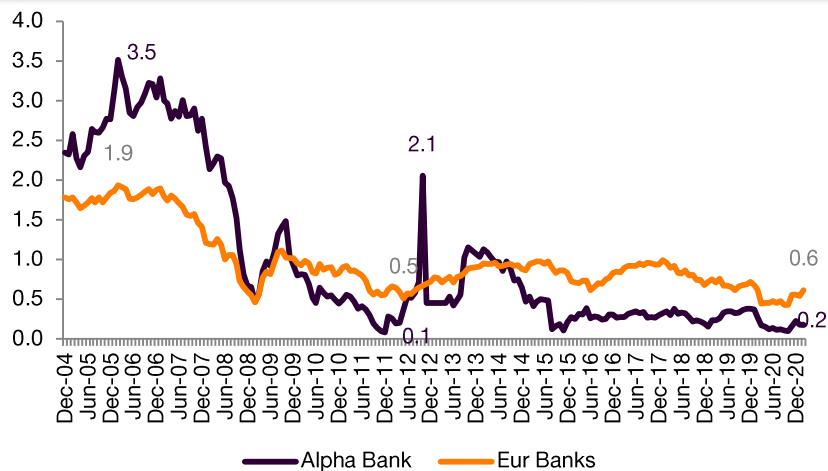


European banks P/BV vs Prosp. ROE

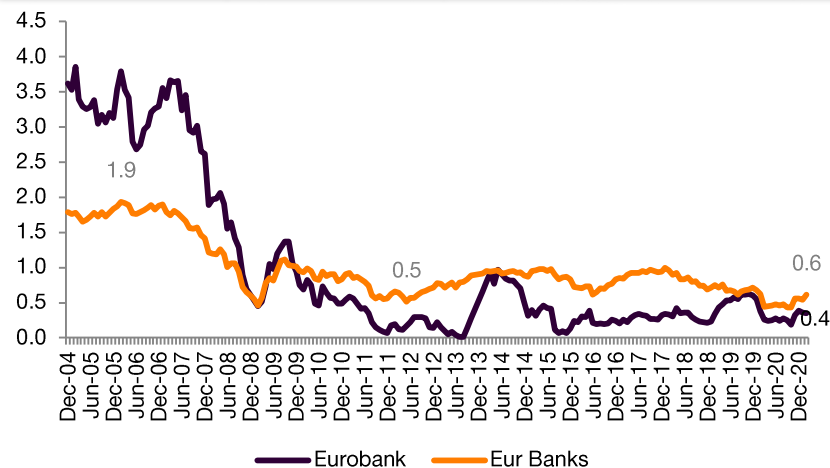


## Financials valuation history P/BV

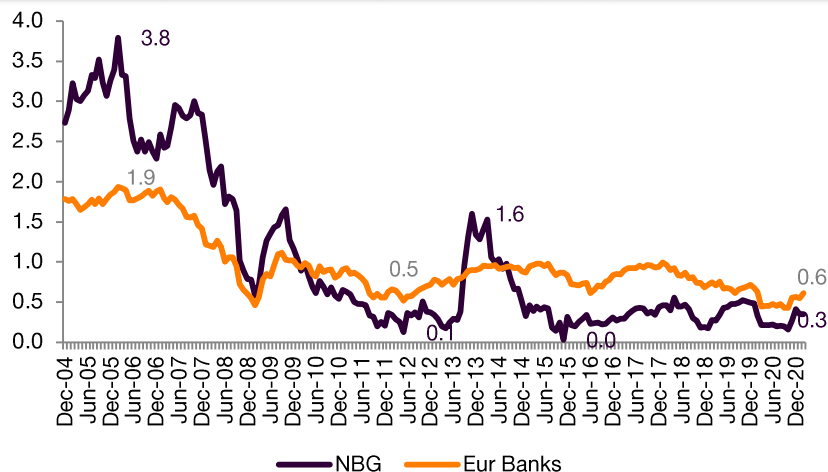
Alpha Bank vs. European Banks: Prospective P/BV



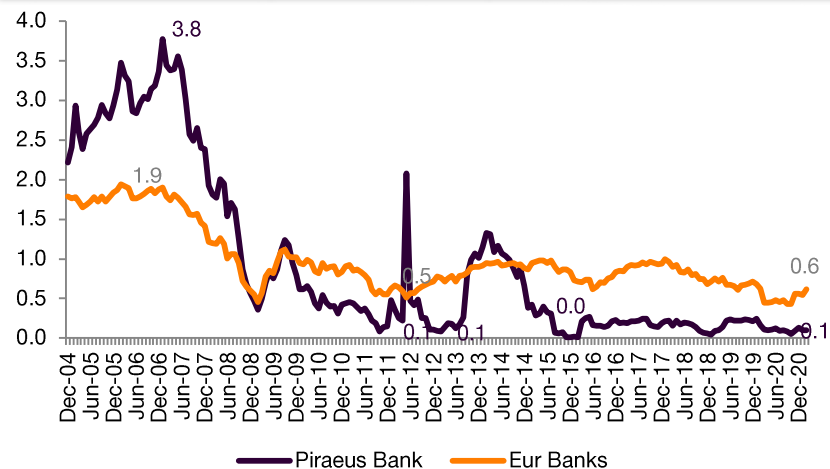
Eurobank vs. European Banks: Prospective P/BV



NBG vs. European Banks: Prospective P/BV



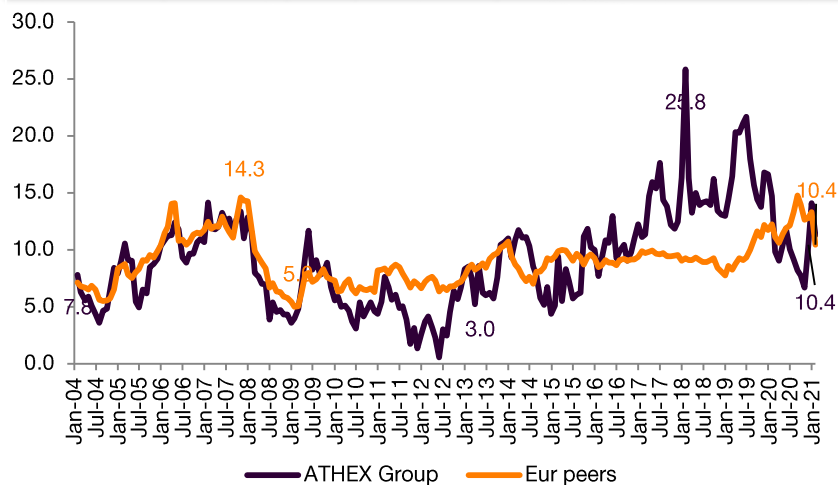
Piraeus Bank vs. European Banks: Prospective P/BV



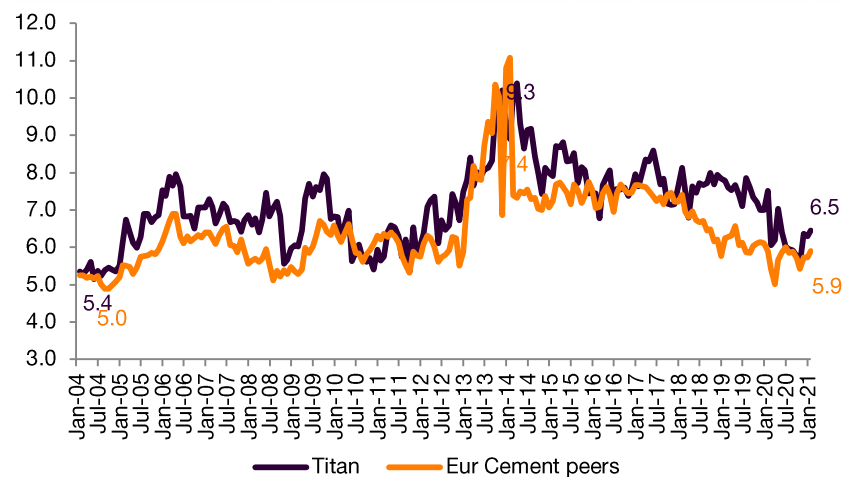


## Valuation history EV/EBITDA

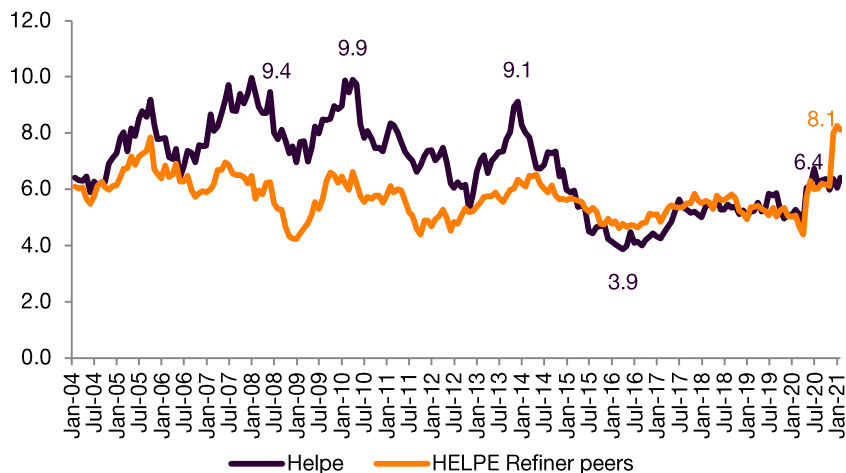
**ATHEX Group vs. European peers: Prospective EV/EBITDA**



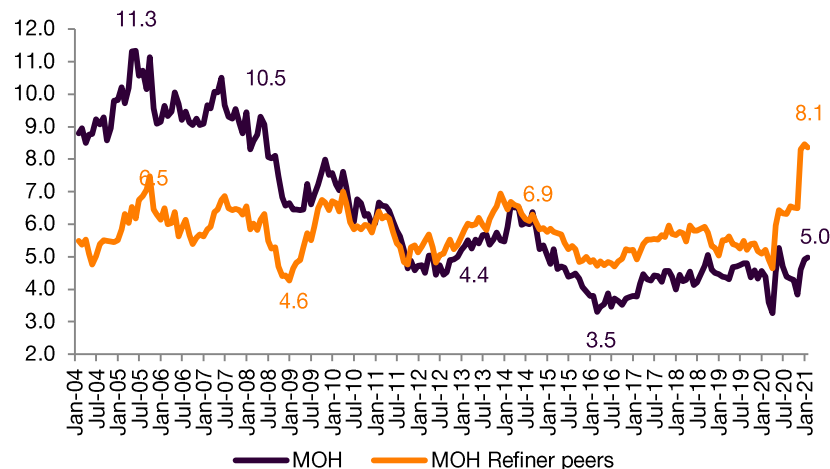
**Titan vs. European Cement peers: Prospective EV/EBITDA**



**Hellenic Petroleum vs. Refiner peers: Prospective EV/EBITDA**

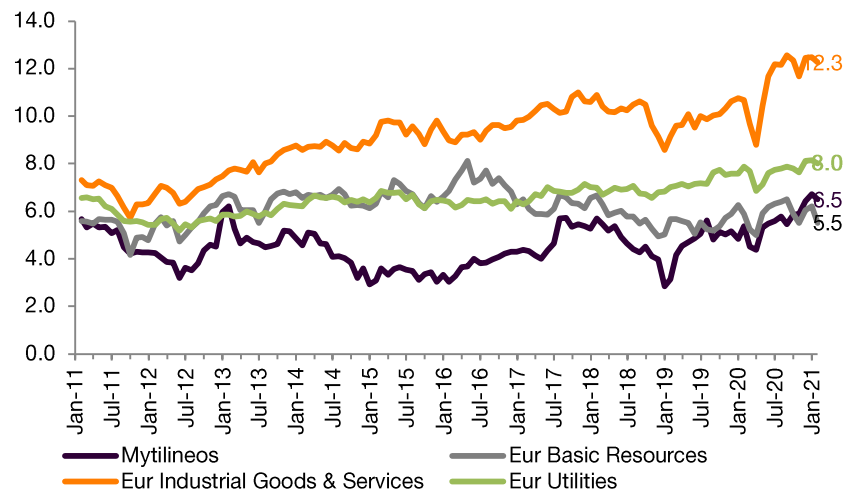


**Motor Oil vs. Refiner peers: Prospective EV/EBITDA**

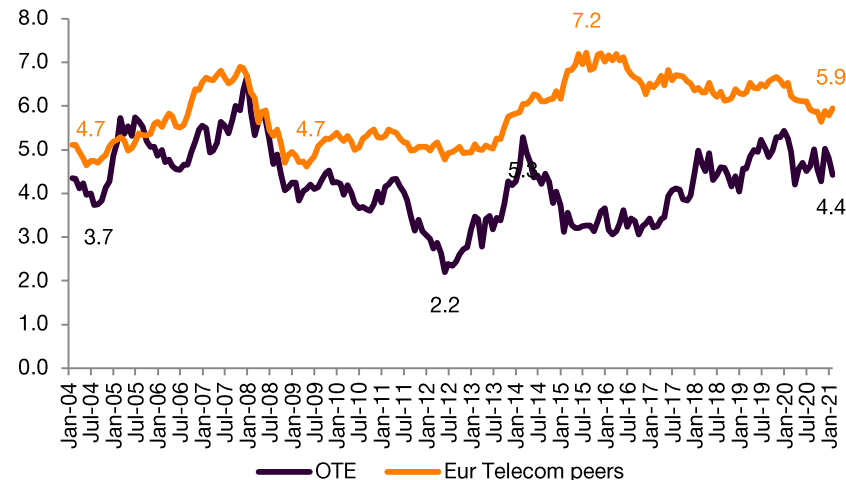


## Valuation history EV/EBITDA

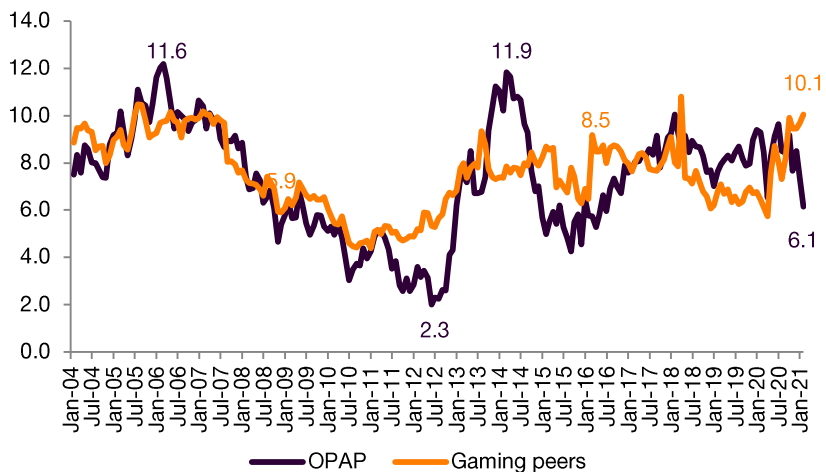
**Mytilineos vs. Euro STOXX Indices: Prospective EV/EBITDA**



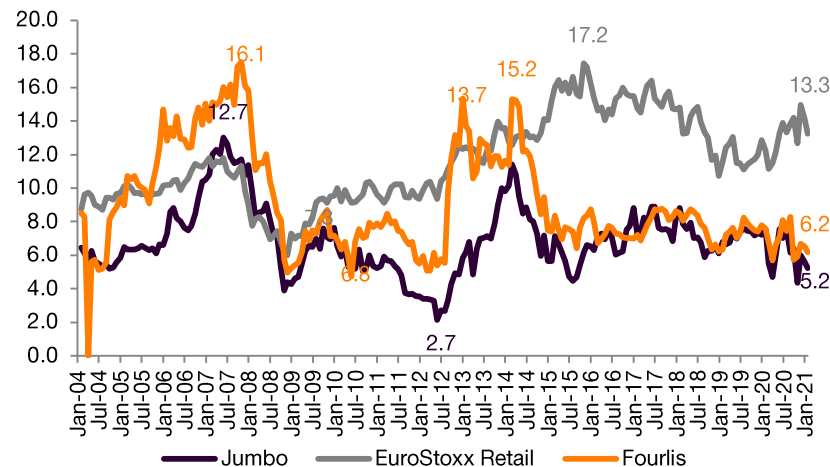
**OTE vs. European Telecom peers: Prospective EV/EBITDA**



**OPAP vs. Gaming peers: Prospective EV/EBITDA**

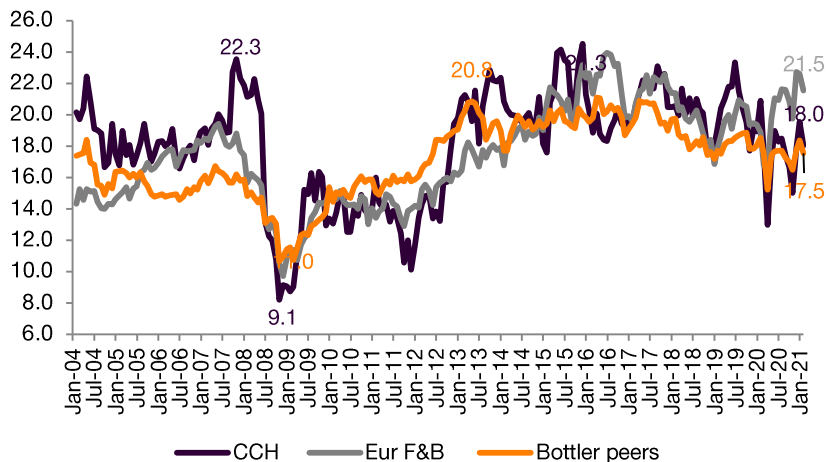


**Jumbo & Fourlis vs. EuroSTOXX retail sector: Prospective EV/EBITDA**

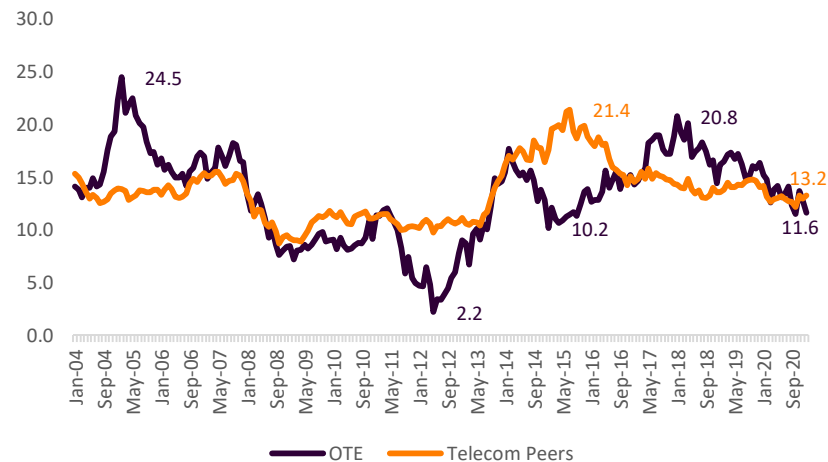


## Valuation history P/E

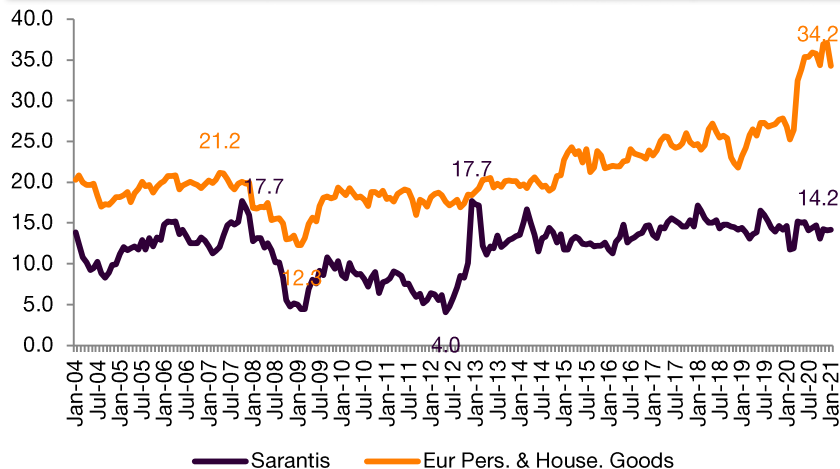
**CCH vs. Bottlers & EuroSTOXX F&B sector: Prospective P/E**



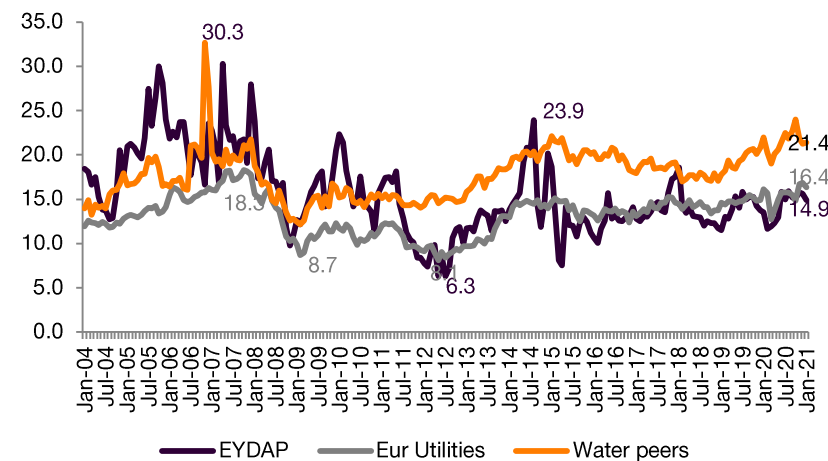
**OTE vs. European Telecom peers: Prospective P/E**



**Sarantis vs. EuroSTOXX Household Goods sector: Prosp. P/E**



**EYDAP vs. EuroSTOXX Utilities & Water peers: Prospective P/E**



## Greece P/E '21e screen

Valuation sorted by P/E 21 Optima

Company	PE 21e	PE 22e	EPS 21e	EPS 22e	EV/EBITDA 21e	EV/EBITDA 22e	Performance Y-t-d	Net Debt/EBITDA 21e	Net Debt/EBITDA 22e	Price
Eurobank Holdings	5.7	5.2	0.10	0.11	N/A	N/A	-0.1%	N/A	N/A	0.58
National Bank of Greece	7.4	5.8	0.28	0.36	N/A	N/A	-9.2%	N/A	N/A	2.05
OPAP	9.8	8.7	1.07	1.21	6.2	5.5	-3.8%	0.9	0.6	10.53
OTE	10.8	9.6	1.12	1.26	4.8	4.6	-8.2%	0.7	0.7	12.10
Titan Cement International	11.9	9.	1.18	1.44	6.2	5.8	2.3%	2.3	2.1	14.06
Jumbo	11.9	10.1	1.08	1.28	6.0	5.0	-9.2%	-1.7	-1.6	12.90
Hellenic Petroleum	12.4	6.6	0.44	0.82	5.1	4.2	0.4%	2.6	1.9	5.42
Sarantis	13.7	13.0	0.64	0.68	8.5	7.8	-5.6%	-0.1	-0.3	8.830
Coca-Cola HBC AG	19.0	17.3	1.39	1.52	10.3	9.4	-0.5%	1.5	1.2	26.28
ATHEX Group	27.8	21.5	0.13	0.17	10.5	8.7	-7.6%	-4.7	-3.9	3.60
Fourlis Group	80.7	25.6	0.05	0.15	8.5	7.4	-2.8%	4.8	4.2	3.89
Alpha Bank	N/A	N/A	-1.17	-0.35	N/A	N/A	-19.1%	N/A	N/A	0.77
Piraeus Financial Holdings	N/A	N/A	-1.12	-1.48	N/A	N/A	-41.7%	N/A	N/A	0.76
PPC	N/A	38.4	-0.17	0.22	6.2	5.5	15.5%	3.9	3.5	8.59

\* Net debt excludes leasing liabilities

Prices as of February 24, 2021

## Greece EV/EBITDA '21e screen

Valuation sorted by EV/EBITDA 21 Optima

Company	EV/EBITDA 21e	EV/EBITDA 22e	PE 21e	PE 22e	DY20e	FCFF/EV 21e	FCFF/EV 22e	Net Debt/EBITDA 21e	Net Debt/EBITDA 22e	Price
OTE	4.8	4.6	10.8	9.6	9%	10%	8%	0.7	0.7	12.10
Hellenic Petroleum	5.1	4.2	12.4	6.6	N/A	13%	20%	2.6	1.9	5.42
Jumbo	6.0	5.0	11.9	10.1	5%	9%	10%	-1.7	-1.6	12.90
OPAP	6.2	5.5	9.8	8.7	12%	12%	14%	0.9	0.6	10.53
Titan Cement International	6.2	5.8	11.9	9.8	2%	7%	6%	2.3	2.1	14.06
PPC	6.2	5.5	N/A	38.4	N/A	4%	0%	3.9	3.5	8.59
Sarantis	8.5	7.8	13.7	13.0	2%	6%	6%	-0.1	-0.3	8.83
Fourlis Group	8.5	7.4	80.7	25.6	N/A	-2%	4%	4.8	4.2	3.89
Coca-Cola HBC AG	10.3	9.4	19.0	17.3	2%	3%	4%	1.5	1.2	26.28
ATHEX Group	10.5	8.7	27.8	21.5	4%	6%	8%	-4.7	-3.9	3.60
Alpha Bank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.77
Eurobank Holdings	N/A	N/A	5.7	5.2	N/A	N/A	N/A	N/A	N/A	0.58
National Bank of Greece	N/A	N/A	7.4	5.8	N/A	N/A	N/A	N/A	N/A	2.05
Piraeus Financial Holdings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.76

\* Net debt excludes leasing liabilities

Prices as of February 24, 2021

## Greece FCF Yield '21e screen

Valuation sorted by FCF Yield 21 Optima

Company	FCF Yield 21e	FCF Yield 22e	DY20e	DY21e	PE 21e	PE 22e	EV/EBITDA 21e	EV/EBITDA 22e	Performance Y-t-d	Price
Hellenic Petroleum	21%	33%	N/A	12%	12.4	6.6	5.1	4.2	0%	5.42
OPAP	13%	14%	12%	10%	9.8	8.7	6.2	5.5	-4%	10.53
OTE	11%	8%	9%	6%	10.8	9.6	4.8	4.6	-8%	12.10
Titan Cement International	8%	7%	2%	2%	11.9	9.8	6.2	5.8	2%	14.06
Jumbo	7%	8%	5%	5%	11.9	10.1	6.0	5.0	-9%	12.90
Sarantis	5%	6%	2%	3%	13.7	13.0	8.5	7.8	-6%	8.83
ATHEX Group	4%	5%	4%	4%	27.8	21.5	10.5	8.7	-8%	3.60
Coca-Cola HBC AG	3%	4%	2%	3%	19.0	17.3	10.3	9.4	-1%	26.28
PPC	3%	-8%	N/A	N/A	N/A	38.4	6.2	5.5	16%	8.59
Fourlis Group	-11%	2%	N/A	N/A	80.7	25.6	8.5	7.4	-3%	3.89
Alpha Bank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-19%	0.77
Eurobank Holdings	N/A	N/A	N/A	N/A	5.7	5.2	N/A	N/A	0%	0.58
National Bank of Greece	N/A	N/A	N/A	N/A	7.4	5.8	N/A	N/A	-9%	2.05
Piraeus Financial Holdings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-42%	0.76

\* Net debt excludes leasing liabilities

Prices as of February 24, 2021

## Greece DY '20e screen

Valuation sorted by Dividend Yield '20e Optima

Company	DY20e	DY21e	PE 21e	PE 22e	EPS CAGR (2020-22e)	EV/EBITDA 21e	EV/EBITDA 22e	Performance FY:20	Performance Y-t-d	Price
OPAP	12.3%	10.0%	9.8	8.7	93%	6.2	5.5	-6%	-4%	10.53
OTE	9.1%	6.1%	10.8	9.6	9%	4.8	4.6	-8%	-8%	12.10
Jumbo	4.8%	5.0%	11.9	10.1	18%	6.0	5.0	-23%	-9%	12.90
ATHEX Group	4.4%	4.4%	27.8	21.5	49%	10.5	8.7	-16%	-8%	3.60
Coca-Cola HBC AG	2.4%	2.6%	19.0	17.3	13%	10.3	9.4	-12%	-1%	26.28
Sarantis	2.2%	2.5%	13.7	13.0	7%	8.5	7.8	10%	-6%	8.83
Titan Cement International	1.8%	2.1%	11.9	9.8	24%	6.2	5.8	-28%	2%	14.06
Alpha Bank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-50%	-19%	0.77
Eurobank Holdings	N/A	N/A	5.7	5.2	N/A	N/A	N/A	-37%	0%	0.58
Fourlis Group	N/A	N/A	80.7	25.6	N/A	8.5	7.4	-31%	-3%	3.89
Hellenic Petroleum	N/A	11.8%	12.4	6.6	202%	5.1	4.2	-38%	0%	5.42
National Bank of Greece	N/A	N/A	7.4	5.8	125%	N/A	N/A	-25%	-9%	2.05
Piraeus Financial Holdings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-57%	-42%	0.76
PPC	N/A	N/A	N/A	38.4	N/A	6.2	5.5	80%	16%	8.59

\* Net debt excludes leasing liabilities

Prices as of February 24, 2021



## Greece performance (YtD)

Valuation sorted by price performance YtD 2021

Company	Performance Y-t-d	Performance FY:20	PE 21e	PE 22e	EPS CAGR (2020-22e)	EV/EBITDA 21e	EV/EBITDA 22e	Net Debt/EBITDA 21e	Net Debt/EBITDA 22e	Price
PPC	15.5%	79.9%	N/A	38.4	N/A	6.2	5.5	3.9	3.5	8.59
Titan Cement International	2.3%	-27.5%	11.9	9.8	24%	6.2	5.8	2.3	2.1	14.06
Hellenic Petroleum	0.4%	-38.4%	12.4	6.6	202%	5.1	4.2	2.6	1.9	5.42
Eurobank Holdings	-0.1%	-37.1%	5.7	5.2	N/A	N/A	N/A	N/A	N/A	0.58
Coca-Cola HBC AG	-0.5%	-12.4%	19.0	17.3	13%	10.3	9.4	1.5	1.2	26.28
Fourlis Group	-2.8%	-30.9%	80.7	25.6	N/A	8.5	7.4	4.8	4.2	3.89
OPAP	-3.8%	-5.5%	9.8	8.7	93%	6.2	5.5	0.9	0.6	10.53
Sarantis	-5.6%	9.7%	13.7	13.0	7%	8.5	7.8	-0.1	-0.3	8.83
ATHEX Group	-7.6%	-16.0%	27.8	21.5	49%	10.5	8.7	-4.7	-3.9	3.60
OTE	-8.2%	-7.6%	10.8	9.6	9%	4.8	4.6	0.7	0.7	12.10
National Bank of Greece	-9.2%	-25.1%	7.4	5.8	125%	N/A	N/A	N/A	N/A	2.05
Jumbo	-9.2%	-23.4%	11.9	10.1	18%	6.0	5.0	-1.7	-1.6	12.90
Alpha Bank	-19.1%	-50.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.77
Piraeus Financial Holdings	-41.7%	-56.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.76

\* Net debt excludes leasing liabilities

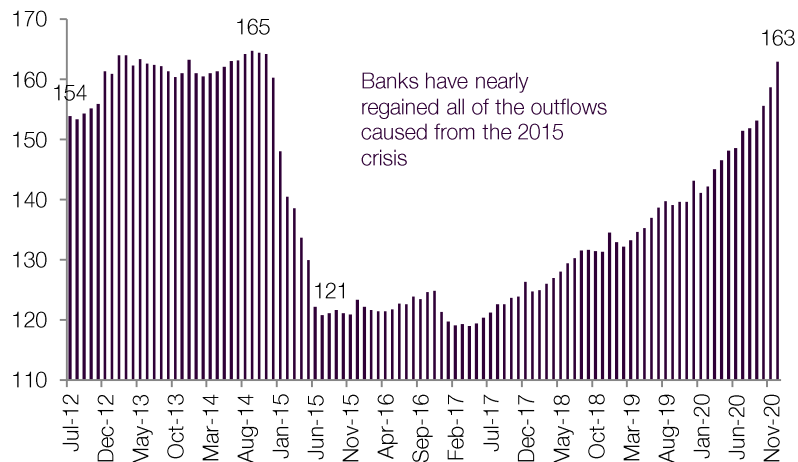
Prices as of February 24, 2021

Greece – Macro and Equity Strategy

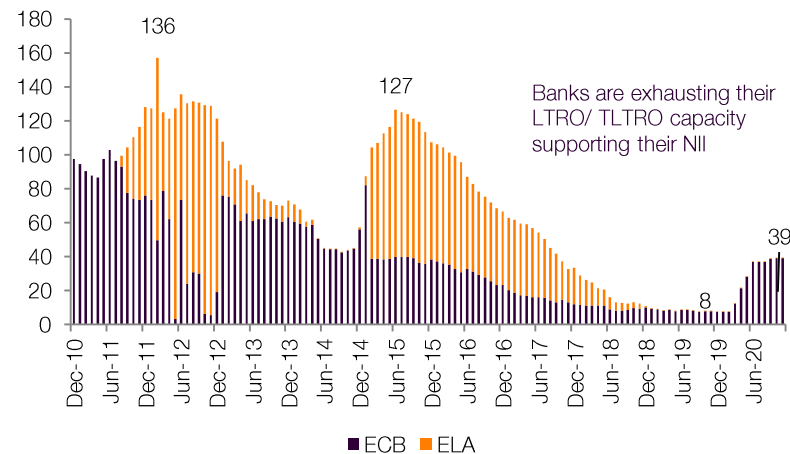
**Greece – Sectors and Companies**

## Liquidity has been restored - deposits have returned to their pre-capital control levels

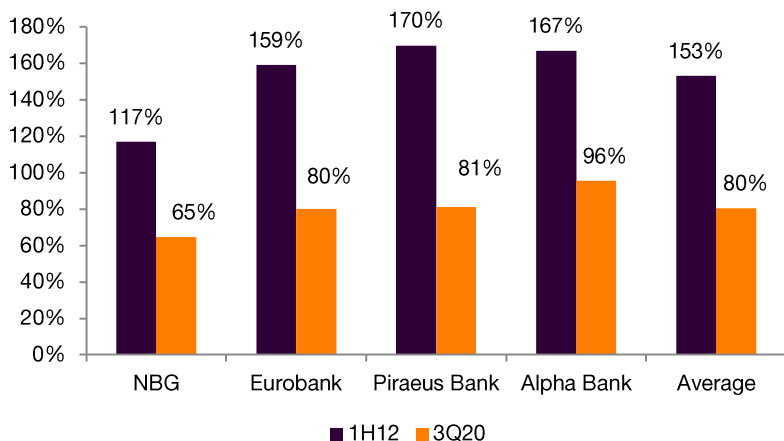
### The system is experiencing inflows since mid-2017



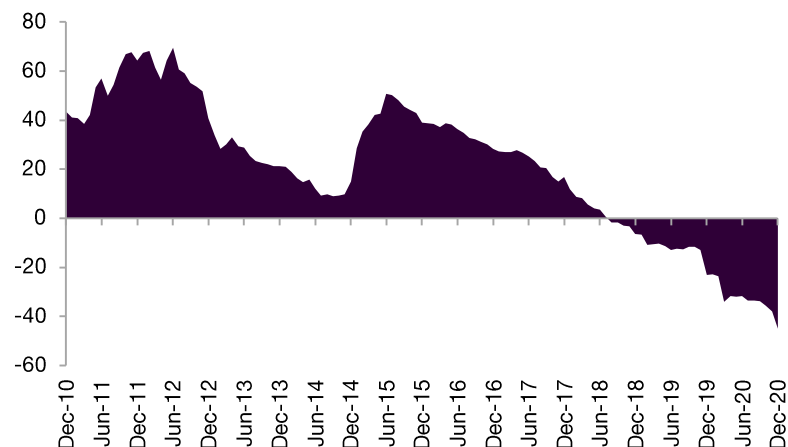
### Eurosystem funding back to normality



### Group (Net) Loan-to-Deposit Ratios improve

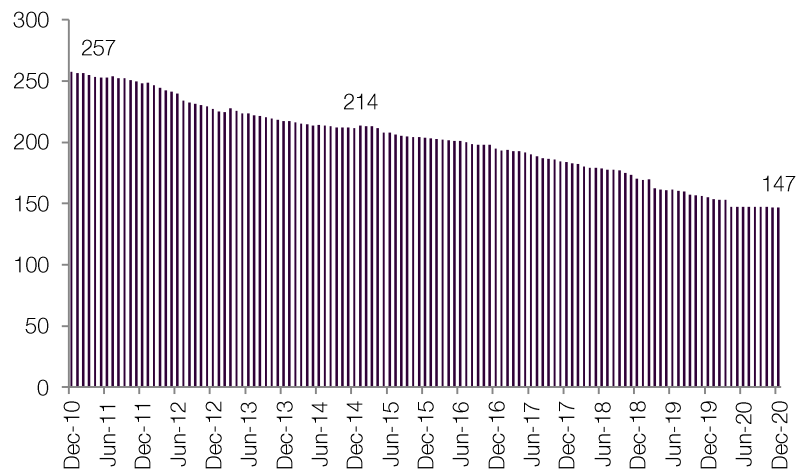


### Greek Net Loans minus Deposits (EUR bn)

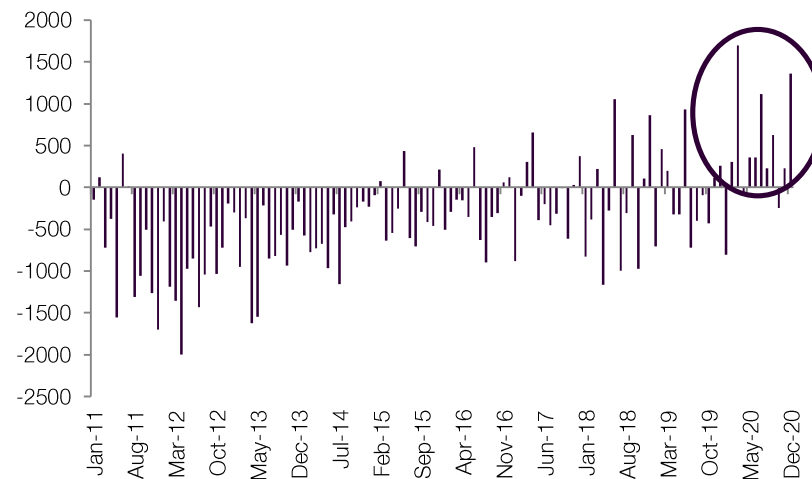


...while deleveraging has stopped with positive net disbursements in business loans. Balances drop due to sales and write-offs however

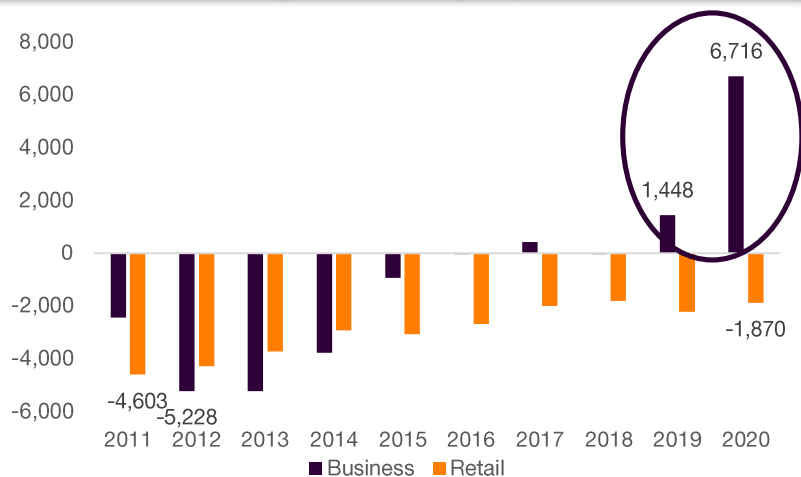
Loans to the private sector (Businesses & Households)



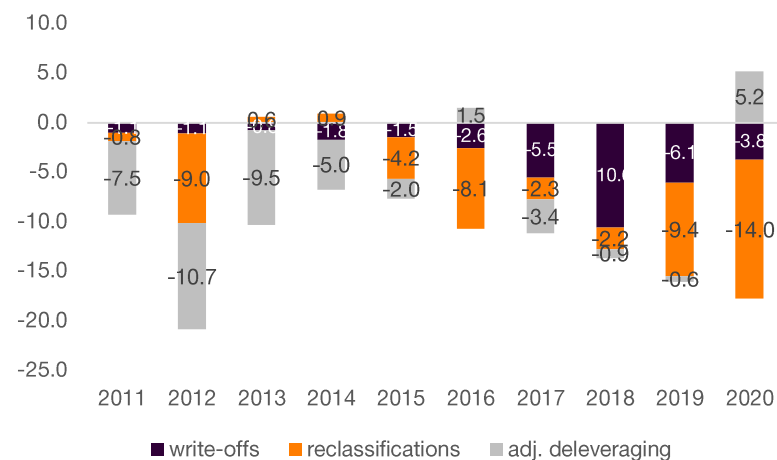
Loans to the private sector increase in 2020 after years of decline



Net Credit flows to the private sector ( Business & Retail – EUR m)

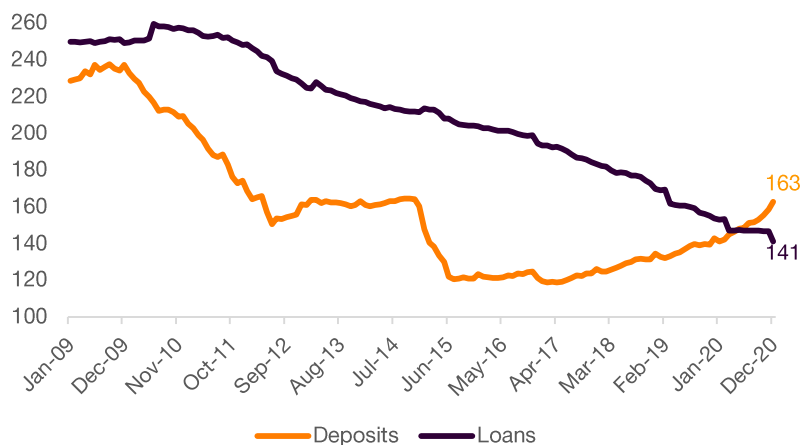


Write-offs & Reclassifications weigh on balances

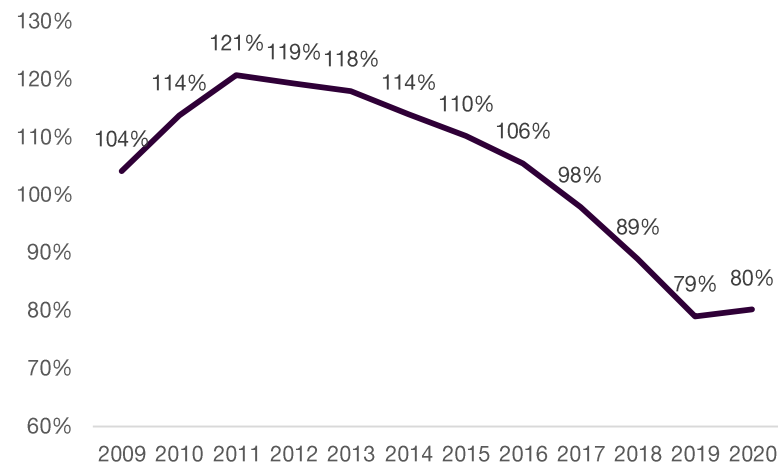


...and there is plenty of room to grow!

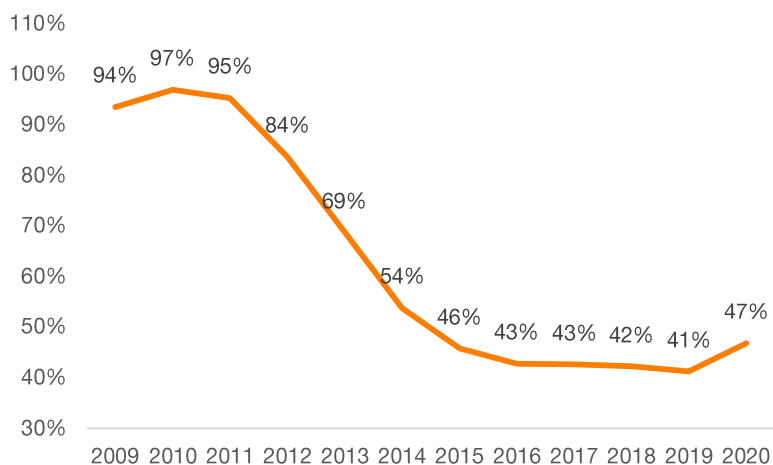
## Greek Private Sector Loans & Deposit Evolution



## Private Sector Loans to GDP



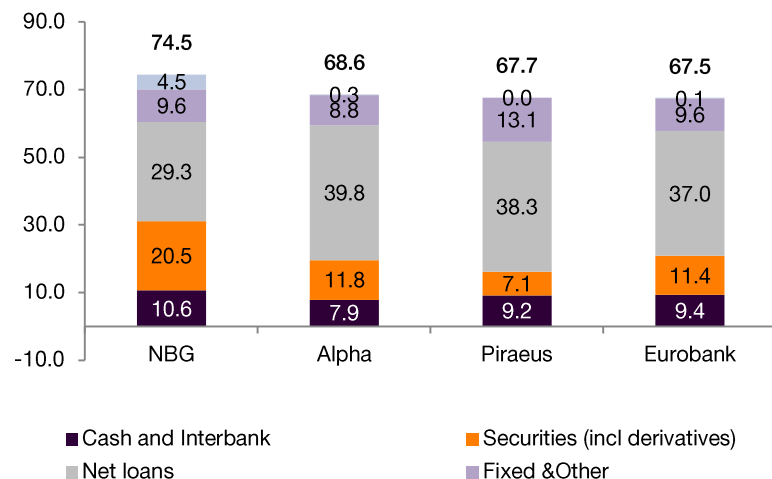
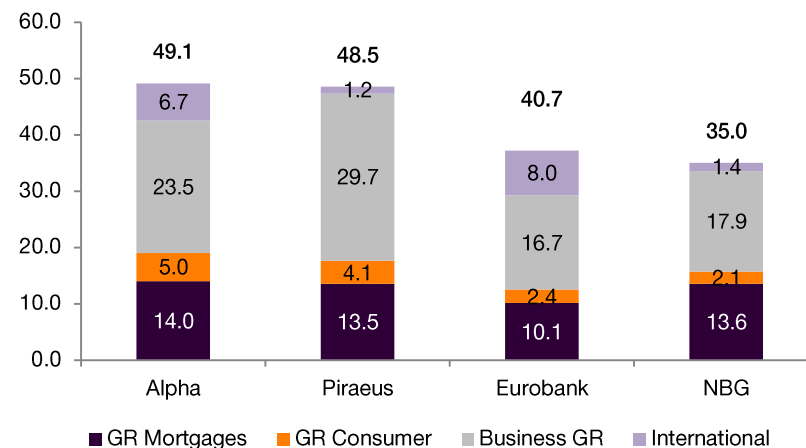
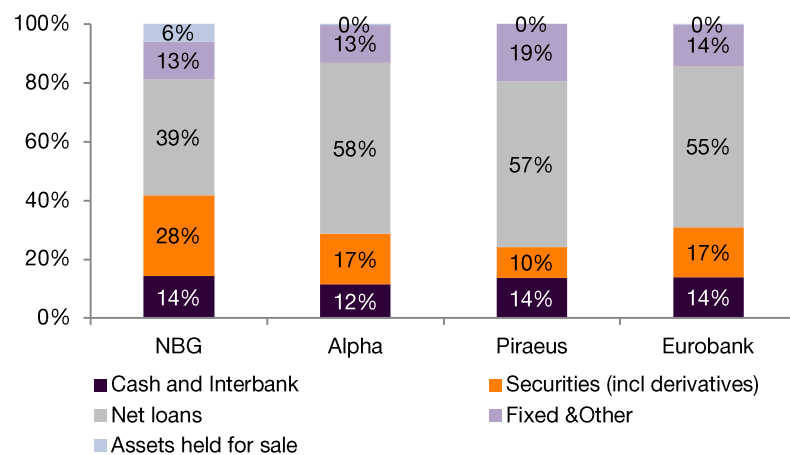
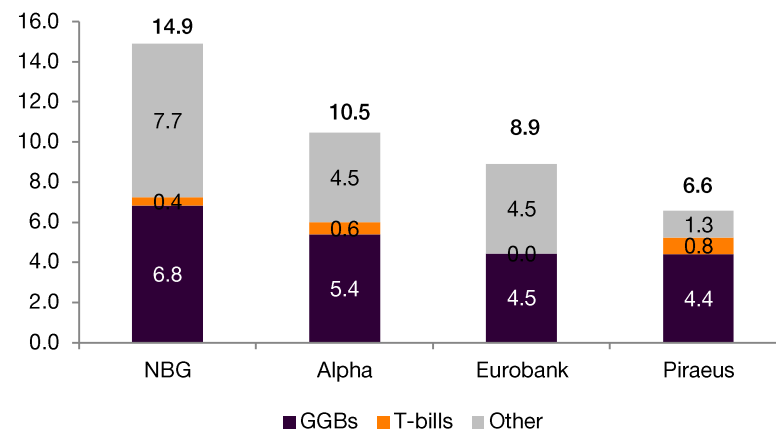
## Private Sector Performing Loans to GDP



## Plenty of room to grow!

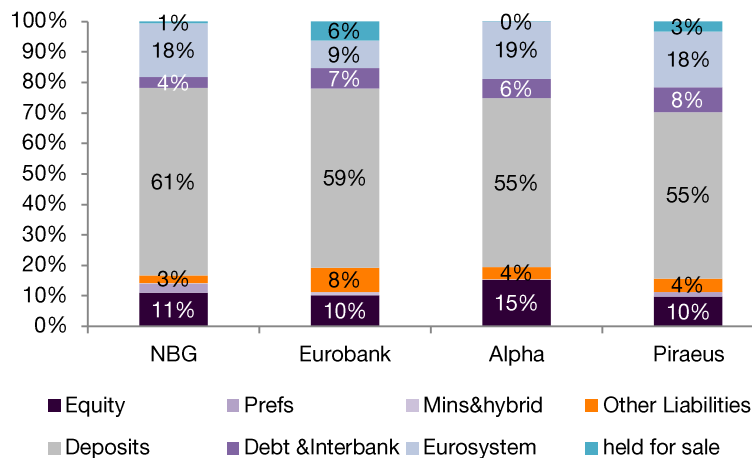
- Deposit repatriation, ECB's cheap liquidity provisions and the low leverage levels of the private sector, allow for optimism
- Since May 2020, private sector deposits have matched private sector loans, after many years while on a net loan basis, deposits are exceeding (net) loans since the summer of 2018
- Private sector loans are just 80% of GDP while performing loans just 47%!

## Asset side details

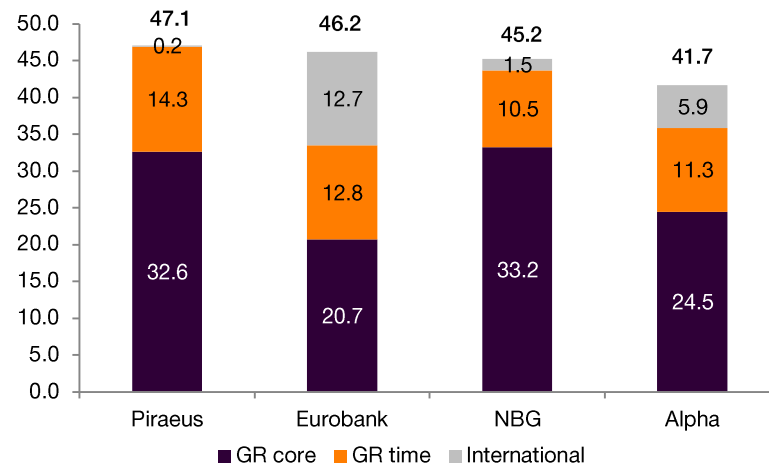
**Asset breakdown by type 3Q20 (EUR bn)**

**Gross Loan Breakdown 3Q20 (EUR bn)**

**Asset breakdown by type 3Q20 (% of assets)**

**Securities breakdown 3Q20 (EUR bn)**


## Liabilities side - Funding structure & Deposit Breakdown

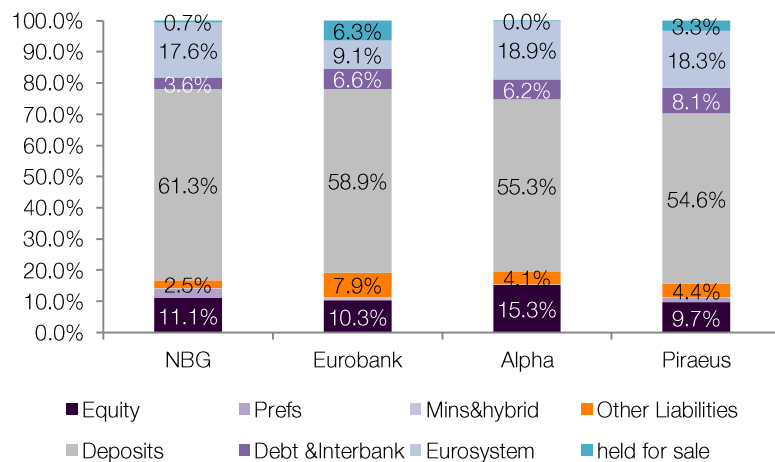
3Q20 Breakdown of Liabilities



3Q20 Breakdown of Deposits



4Q 2007 Breakdown of Liabilities



Liability side improvements are evident

- After eliminating ELA, all banks have tapped into ECB's cheap liquidity programmes (LTROs / TLTROs), supporting their NII
- Overall, liability structure has been repaired to its pre-crisis levels
- Deposits have increased their share in total funding contribution
- Debt Capital Market conditions have improved allowing for more liquidity gains
- Deposit gains to continue
- Due to stricter regulations, capital is higher across the board

## Greek Loan Books & NPE breakdowns (3Q20)

Alpha Bank	Gross Loans	NPE ratio	NPE Level	Accumulated Provisions	Coverage	Book Value of Collateral	Coverage from collateral	Total Coverage
Mortgages	13,955	49.4%	6,895	1,850	26.8%	5,310	77.0%	103.8%
Consumer loans	5,010	57.2%	2,866	1,735	60.5%	634	22.1%	82.7%
SBL	4,920	68.4%	3,365	1,565	46.5%	1,599	47.5%	94.0%
Business	18,600	27.8%	5,167	2,800	54.2%	3,093	59.9%	114.1%
<b>Total loans</b>	<b>42,485</b>	<b>43.1%</b>	<b>18,293</b>	<b>7,950</b>	<b>43.5%</b>	<b>10,636</b>	<b>58.1%</b>	<b>101.6%</b>

Eurobank	Gross Loans	NPE ratio	NPE Level	Accumulated Provisions	Coverage	Book Value of Collateral	Coverage from collateral	Total Coverage
Mortgages	10,107	16.6%	1,680	815	48.5%	1,336	79.5%	128.0%
Cosnumner	2,384	33.0%	786	795	101.2%	124	15.8%	117.0%
SBL	3,782	27.5%	1,040	630	60.6%	670	64.4%	125.0%
Business	12,955	15.6%	2,016	1,268	62.9%	1,030	51.1%	114.0%
Senior & Mezzanine notes	3,506	0.0%	0					
<b>Total</b>	<b>32,734</b>	<b>16.9%</b>	<b>5,522</b>	<b>3,509</b>	<b>63.5%</b>	<b>3,160</b>	<b>57.2%</b>	<b>120.8%</b>

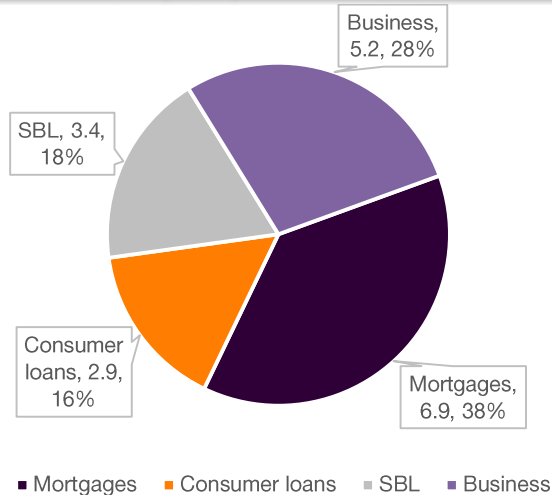
NBG	Gross Loans	NPE ratio	NPE Level	Accumulated Provisions	Coverage	Book Value of Collateral	Coverage from collateral	Total Coverage
Mortgages	13,587	43.1%	5,851	2,397	41.0%	4,564	78.0%	119.0%
Consumer	2,071	30.9%	641	579	90.4%	141	22.0%	112.4%
SBLs	1,890	50.7%	958	839	87.6%	670	70.0%	157.6%
Business	16,022	16.6%	2,667	1,805	67.7%	1,653	62.0%	129.7%
<b>Total Loans</b>	<b>33,571</b>	<b>30.1%</b>	<b>10,117</b>	<b>5,620</b>	<b>55.6%</b>	<b>7,029</b>	<b>69.5%</b>	<b>125.0%</b>

Piraeus (Group )	Gross Loans	NPE ratio	NPE Level	Accumulated Provisions	Coverage	Book Value of Collateral	Coverage from collateral	Total Coverage
Mortgages	13,551	41.7%	5,647	1,742	30.9%	3,981	70.5%	101.4%
Consumer	4,154	51.0%	2,119	1,577	74.4%	487	23.0%	97.4%
SBLs	17,603	60.7%	10,690	4,857	45.4%	4,864	45.5%	90.9%
Business	13,180	32.0%	4,219	2,032	48.2%	2,034	48.2%	96.4%
<b>Total Loans</b>	<b>48,488</b>	<b>46.8%</b>	<b>22,675</b>	<b>10,208</b>	<b>45.0%</b>	<b>11,366</b>	<b>50.1%</b>	<b>95.1%</b>

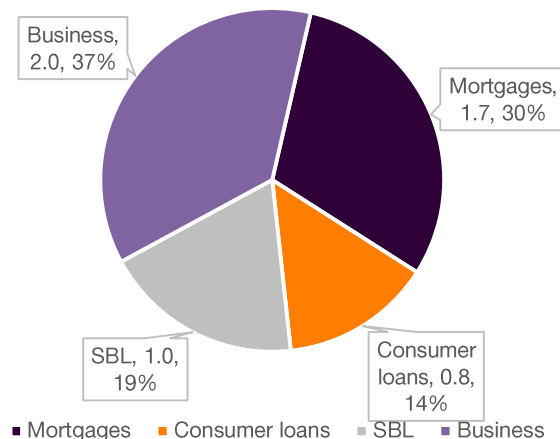


## Greek NPE breakdowns per bank

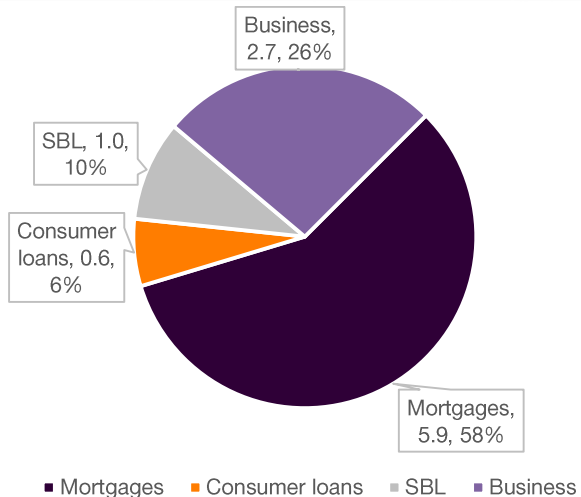
Alpha Bank Greek NPEs (3Q20)



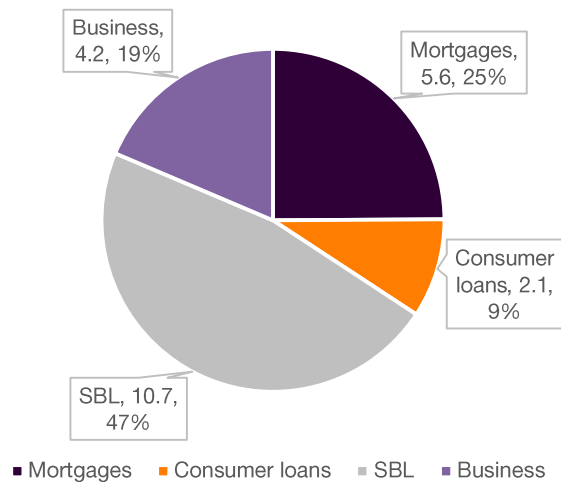
Eurobank Greek NPEs (3Q20)



NBG Greek NPEs (3Q20)

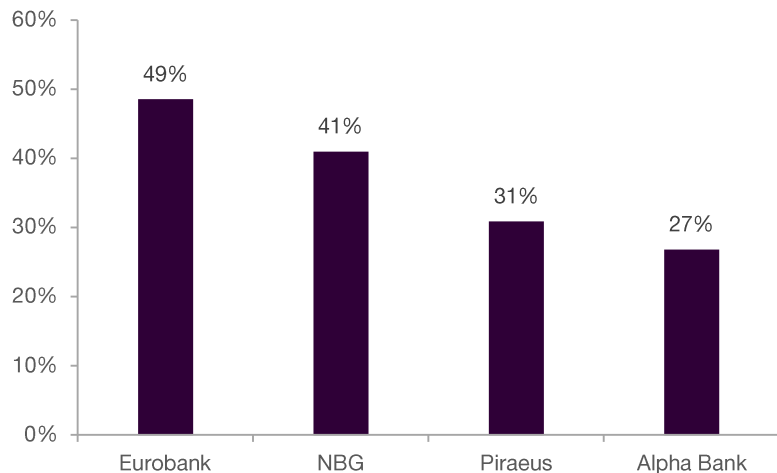


Piraeus Bank Group NPEs (3Q20)

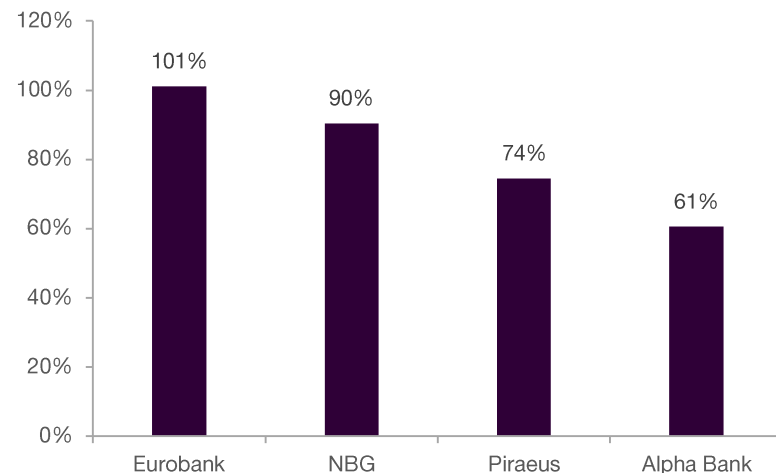


## Greek NPE cash coverage per loan category (3Q20)

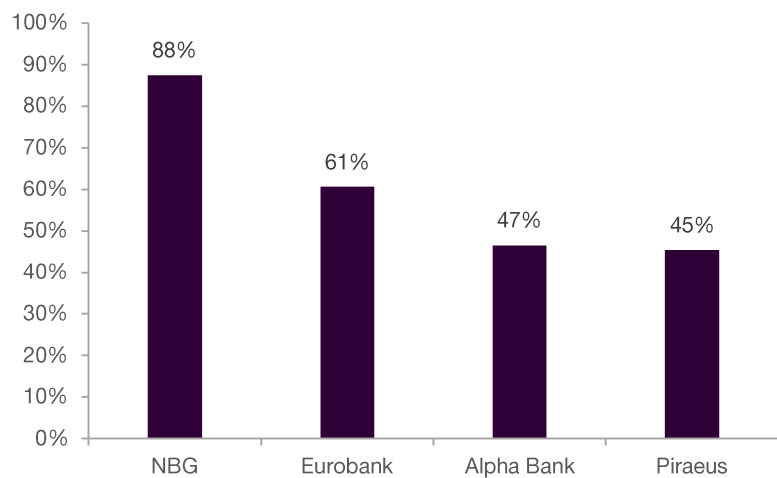
**Mortgages NPE Coverage**



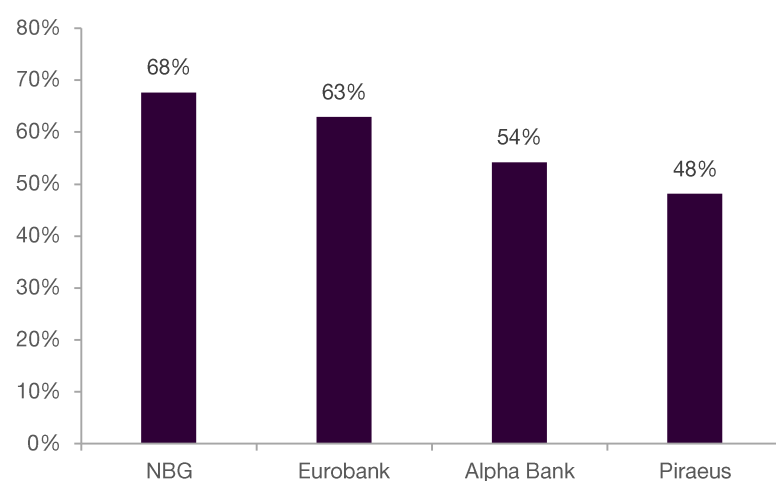
**Consumer Loans NPE Coverage**



**SBLs NPE coverage**

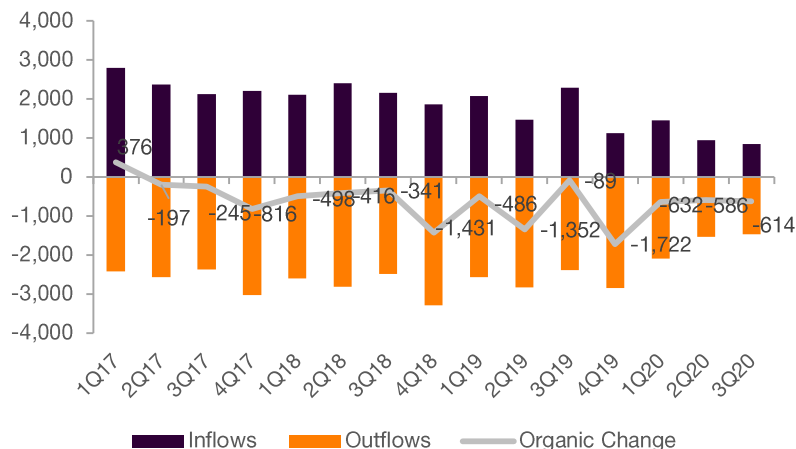


**Business Loans NPE Coverage**

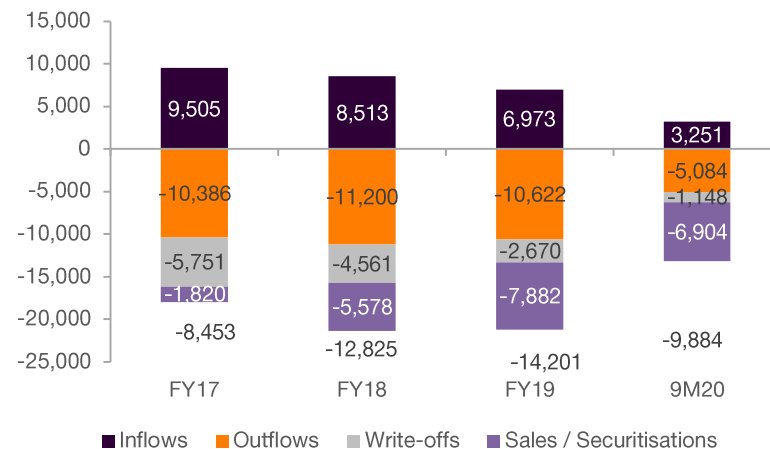


## Greek NPE quarterly flows

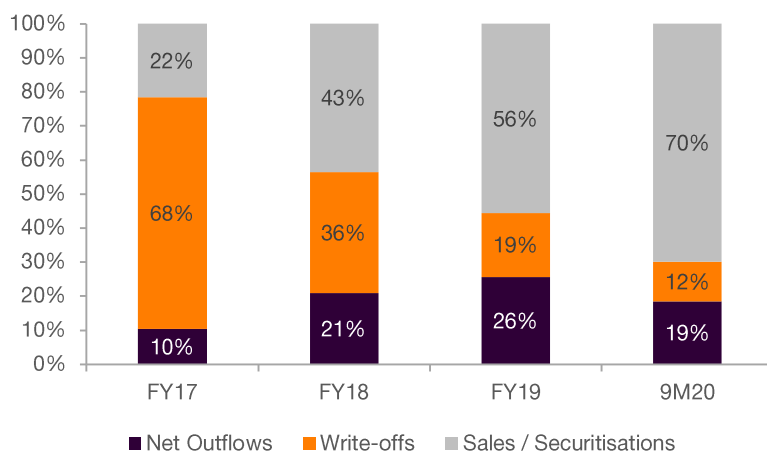
Quarterly NPE inflows & Outflows (Cumulative 4 banks)



Drivers of Annual NPE change (EUR m)



Drivers of Annual NPE change (level % contribution)

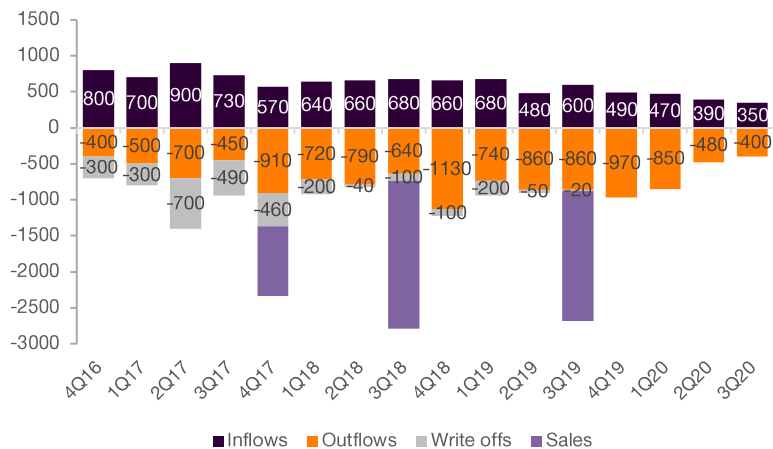


Tangible improvements on flows

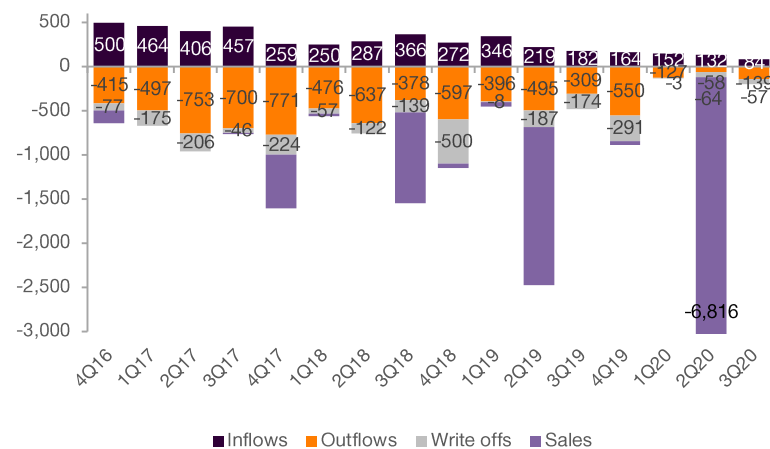
- All banks were reporting improving asset quality dynamics, with decelerating inflows and accelerating outflows
- However the outbreak of the pandemic and the implementation of moratoria measures on a number of loans has sowed the process
- Still, banks have already slashed some EUR 45bn of NPEs from 2017
- Sales / Securitisations represented the bulk of the drop (EUR 22.2bn), followed by write-offs (EUR 14.1bn), with organic actions (cures, collections, liquidations) being limited to EUR 9.0bn

## Greek NPE quarterly flows per bank | Covid-19 measures lead flows lower...

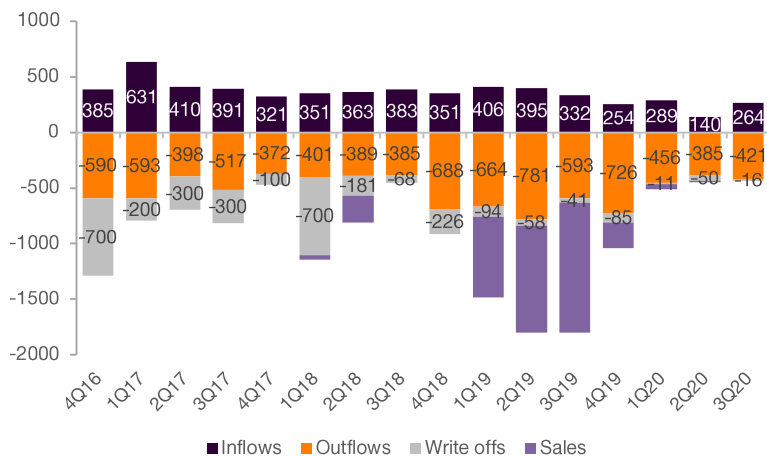
### Alpha Bank



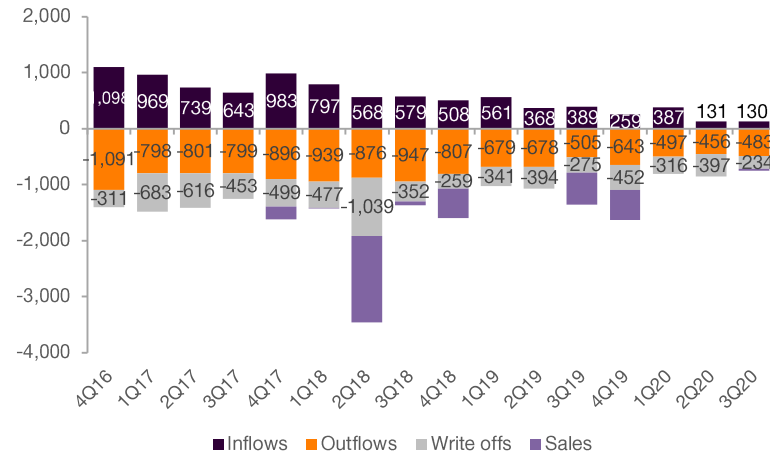
### Eurobank



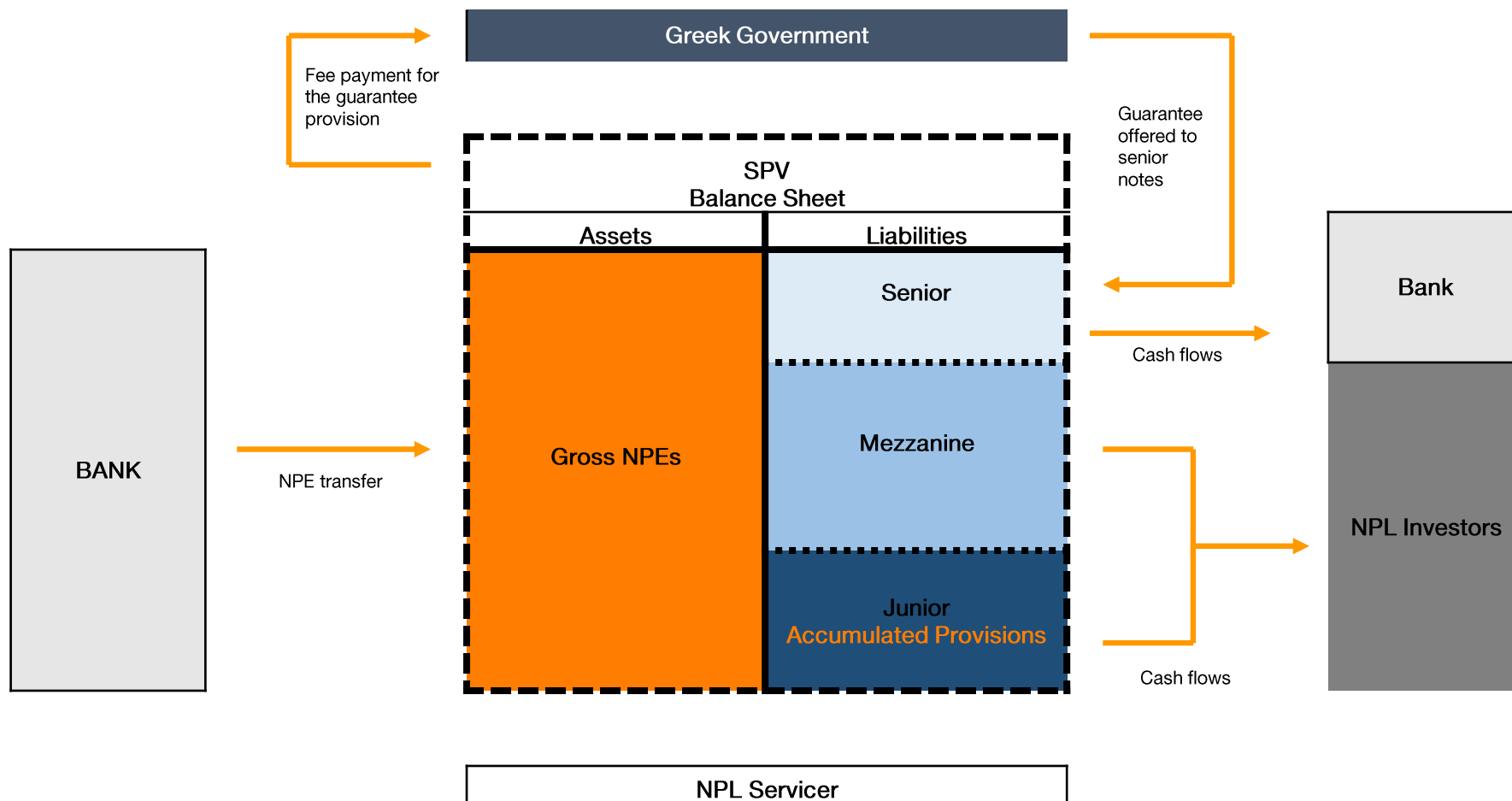
### NBG



### Piraeus Bank



## Greek Asset Protection Scheme – How does ‘Hercules’ work



## NPE securitisations under Hercules || a EUR 31bn reduction on c. EUR 6bn cost

Bank	Project	Size	Status	Loan Type	Securitisation Tranches		
					Senior	Mezzanine	Junior
Eurobank	Pillar*	1,999	Completed	Mortgages	1,044	310	645
Eurobank	Cairo	7,500	Completed	Mixed	2,400	1,500	3,600
Piraeus Bank	Phoenix	1,920	Pending	Mortgages	950	394	576
Piraeus Bank	Vega	5,000	Pending	Mixed	1,400	1,400	2,200
Alpha Bank	Galaxy	10,800	Pending	Mixed	3,760	750	6,350
NBG	Frontier	6,100	Pending	Mortgages**	3,310	640	2,150
<b>Total*</b>		<b>31,320*</b>			<b>11,820*</b>	<b>4,684*</b>	<b>14,816*</b>

\* Total ex Pillar (not included in Hercules), \*\* Frontier composition: Mortgages 77%, SBL 18%, Consumer 5%

Bank	Project	Senior % of total Securit.	Mez. % of total Securitisation	Junior % of total Securitisation	Mezzanine Value	Transaction Loss	Total valuation
Eurobank	Pillar**	52%	16%	32%	70	240	56%
Eurobank	Cairo	32%	20%	48%	100	1,400	33%
Piraeus Bank	Phoenix	49%	21%	30%	11	383	50%
Piraeus Bank	Vega	28%	28%	44%	168	1,232	31%
Alpha Bank	Galaxy	34%	7%	59%	40	710    2,250***	35%
NBG	Frontier	54%	10%	35%	95	545	56%
<b>Total</b>		<b>38%</b>	<b>15%</b>	<b>47%</b>	<b>414</b>	<b>4,270    5,810***</b>	<b>39%    34%</b>

\*\*\* includes extra losses to increase coverage on remaining NPEs

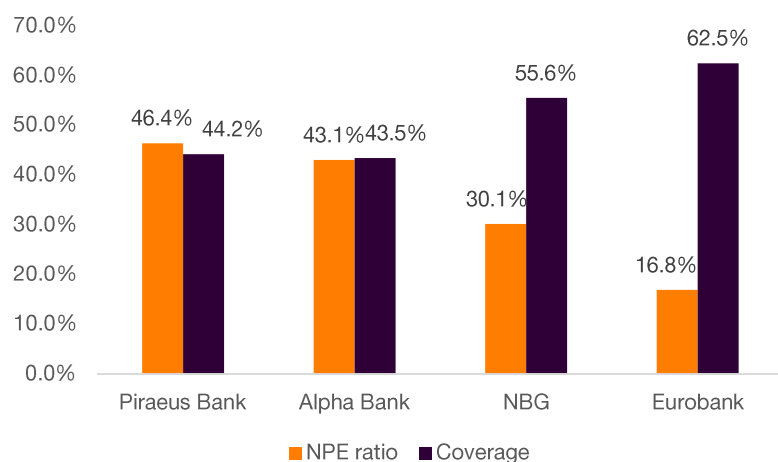
**Post Hercules the system will be left with EUR 33bn NPEs while all four banks have same levels of performing loans (c. EUR 27bn) in Greece**

#### Greek NPEs in 3Q20 & 3Q20 NPEs pro-forma for planned securitisations

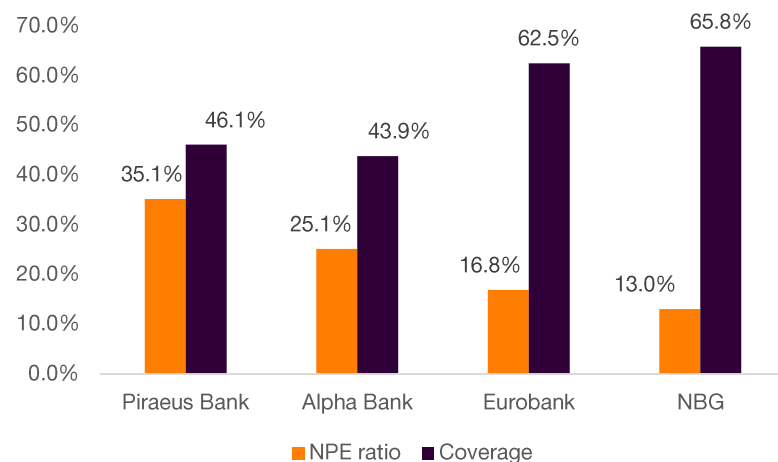
Bank	Gross Loans	NPEs	LLRs	NPE ratio	Coverage
Alpha Bank	42,485	18,293	7,950	43.1%	43.5%
Eurobank	32,756	5,516	3,446	16.8%	62.5%
NBG	33,571	10,117	5,620	30.1%	55.6%
Piraeus Bank	47,327	21,938	9,694	46.4%	44.2%
<b>Total</b>	<b>156,140</b>	<b>55,863</b>	<b>26,710</b>	<b>35.8%</b>	<b>47.8%</b>

3Q20 Pro-forma figures for Planned Securitisations					
Bank	Gross Loans	NPEs	LLRs	NPE ratio	Coverage
Alpha Bank	35,385	8,893	3,900	25%	44%
Eurobank	32,756	5,516	3,446	17%	62%
NBG	30,781	4,017	3,470	13%	86%
Piraeus Bank	42,757	15,018	6,918	35%	46%
<b>Total</b>	<b>141,680</b>	<b>33,443</b>	<b>17,734</b>	<b>24%</b>	<b>53%</b>

#### 3Q20 Greek NPEs & Coverage



#### 3Q20 Greek NPEs & Coverage Pro-forma for planned securitisations

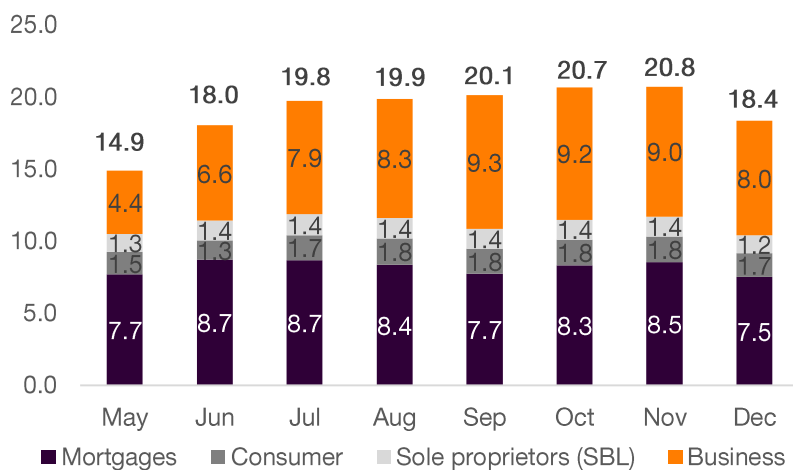


## Moratoria & other State sponsored schemes contain NPEs

Greek Banks Loans under Moratoria || Gefyra and other state sponsored schemes can alleviate pressures

EUR m (3Q20)	Moratoria Granted	Greek Loans	Moratoria % of Greek Loans	Greek NPEs	Performing Exposures (PEs)	Moratoria % of PEs	New NPEs assuming 25% default rate	'Gefyra' eligible loans
Alpha Bank	5,400	42,485	13%	18,293	24,192	22%	1,350	1,100
Eurobank*	4,900	32,756	15%	5,516	27,240	18%	1,225	1,300
NBG*	3,600	33,571	11%	10,117	23,455	15%	900	1,700
Piraeus Bank	5,300	47,327	11%	21,938	25,390	21%	1,325	1,200
<b>Total</b>	<b>19,200</b>	<b>156,140</b>	<b>12%</b>	<b>55,863</b>	<b>100,276</b>	<b>19%</b>	<b>4,800</b>	<b>5,300</b>

### Evolution of Loans under moratoria since launch



### Not as bad as it looks!

- Loans under moratoria were c. EUR 20bn as of 3Q20 with some programmes expiring since then
- Default rates were limited to 10-15% of programmes expiring, as of Nov. 20
- Most programmes were set to expire by year-end 2020, with some few by March 2021
- Aiming to contain new flows, the state has launched Gefyra which is a state subsidy programme for retail loans while Gefyra II will follow for SMEs
- Banks have also launched their own 'step-up' programmes while regulatory forbearance will also help



## ...and regulators are relaxing capital rules...

### Minimum Capital Requirements

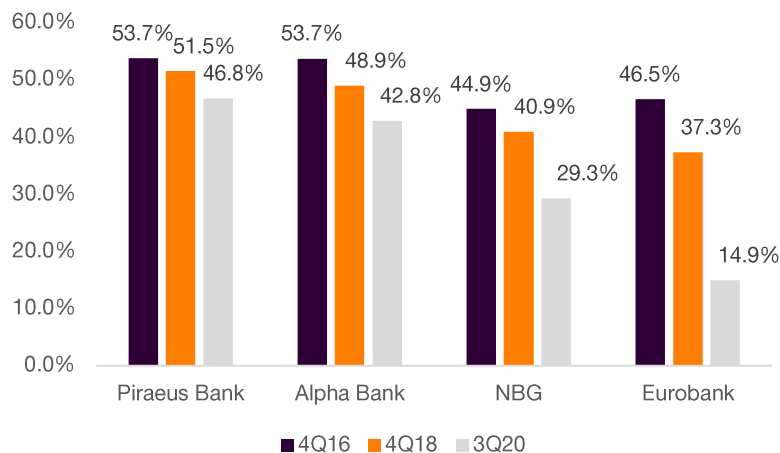
% of RWA	Alpha Bank, Eurobank, NBG		Piraeus Bank	
	old	new	old	new
Pillar 1 CET1	4.5%	4.5%	4.5%	4.5%
Pillar 2 Requirement	3.0%	1.69%	3.25%	1.83%
Capital Conservation Buffer (CCB)	2.5%	0.0%	2.5%	0.0%
Other system. Imp. Instit. Buffer (O-SII)	0.5%	0.0%	0.5%	0.0%
<b>Total CET 1 requirement</b>	<b>10.5%</b>	<b>6.2%</b>	<b>10.75%</b>	<b>6.33%</b>
AT1	1.5%	2.06%	1.5%	2.11%
T2	2.0%	2.75%	2.0%	2.81%
<b>Minimum OCT - Total Capital</b>	<b>14.00%</b>	<b>11.00%</b>	<b>14.25%</b>	<b>11.25%</b>

### Regulatory measures on Capital | Measures from the ECB

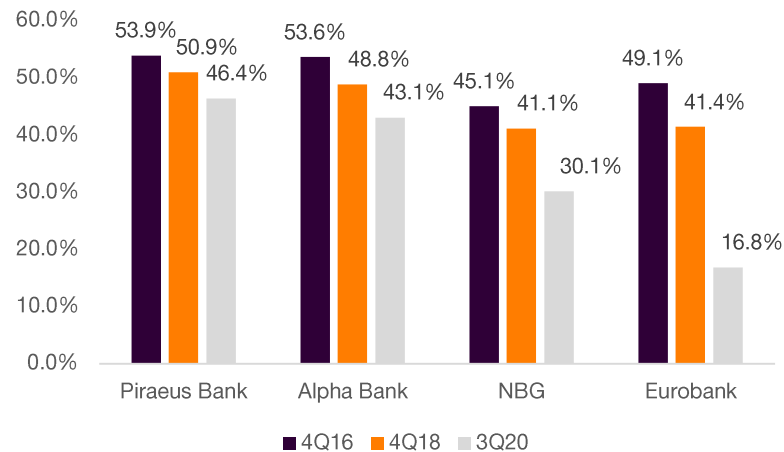
- Aiming to support European banks, the ECB has allowed banks to operate temporarily below the level of capital defined by:
  - 1) The Pillar 2 Guidance (P2G)
  - 2) The capital conservation buffer (CCB)
  - 3) While banks will also be allowed to partially use capital instruments that do not qualify as CET1 capital, (like AT1 or Tier 2) in meeting the Pillar 2 Requirements (P2R)
- Measures will remain at least until 2022 inclusive
- Effectively, the CET 1 requirement was lower by 430bps for Greek banks (440bps for Piraeus) and the Total capital requirement by 300bps, releasing this way some EUR 5bn of capital for the four banks in total

## Group and Greek NPEs are dropping, cash coverage remains at c. 52%

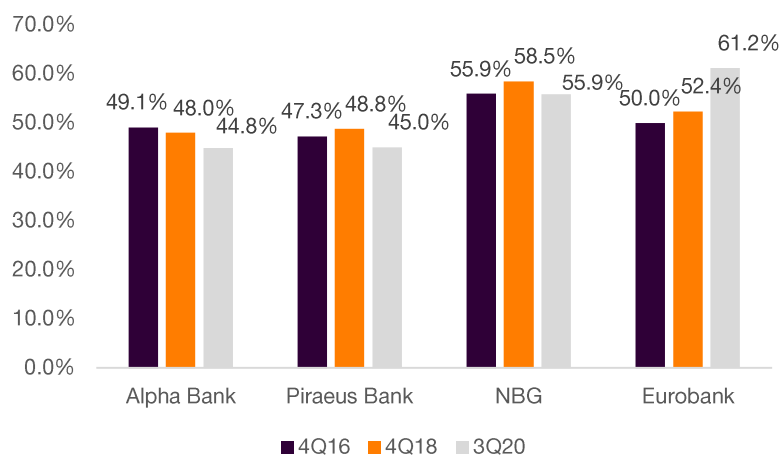
Group NPE ratio Evolution



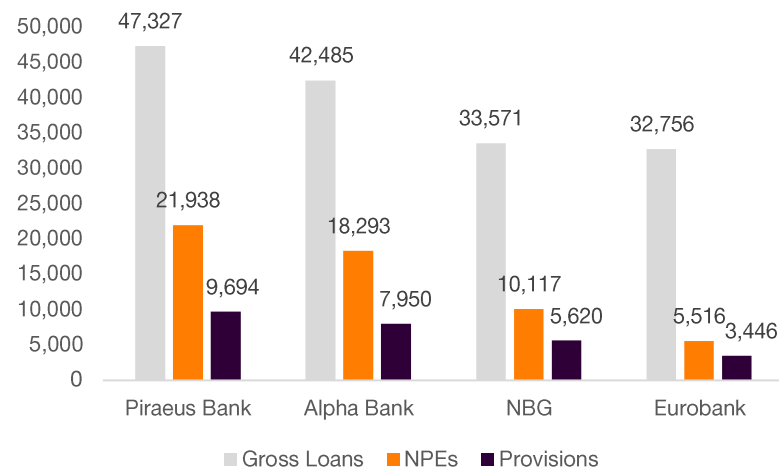
Greek NPE ratio Evolution



Group NPE Coverage Evolution

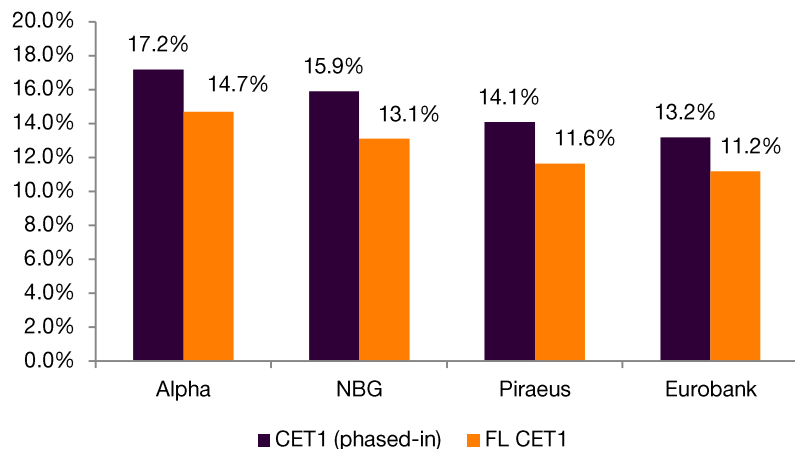


Greek loans, NPEs & Acc. Provisions (3Q20)

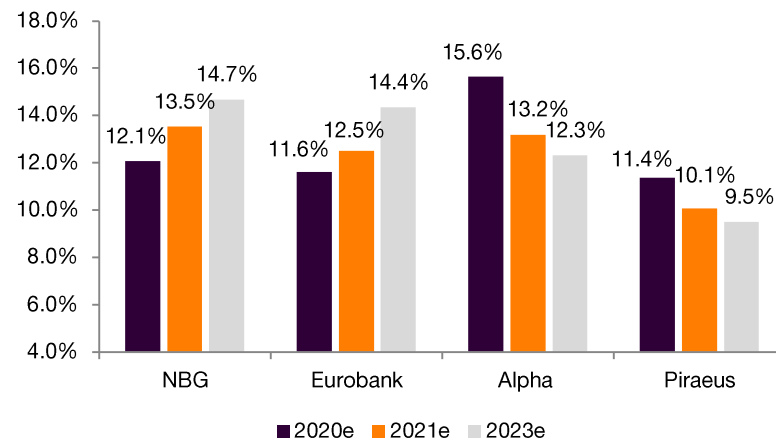


## Capital ratios not equal among Greek banks...

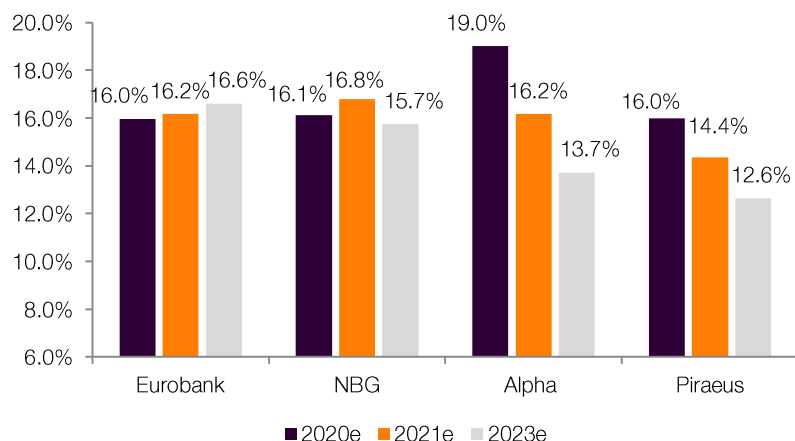
3Q20 CET1 Phased-in vs. CET1 FL



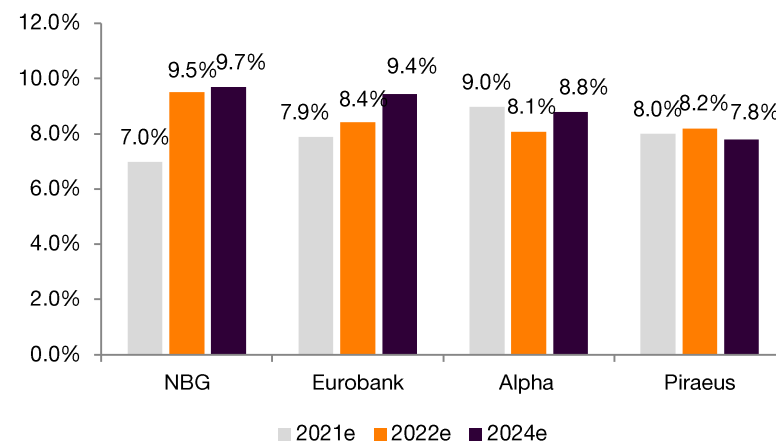
Phased-in CET1 FY20-24e



Total CAD FY20-24e

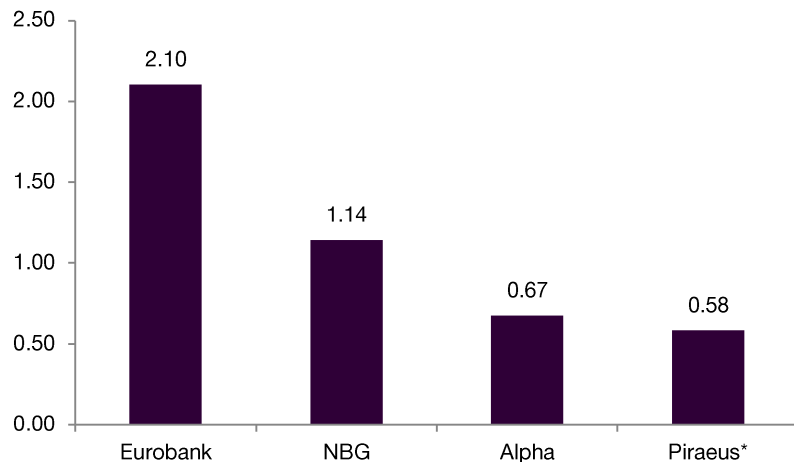


Leverage Ratios (TBV / Assets) FY19-21e

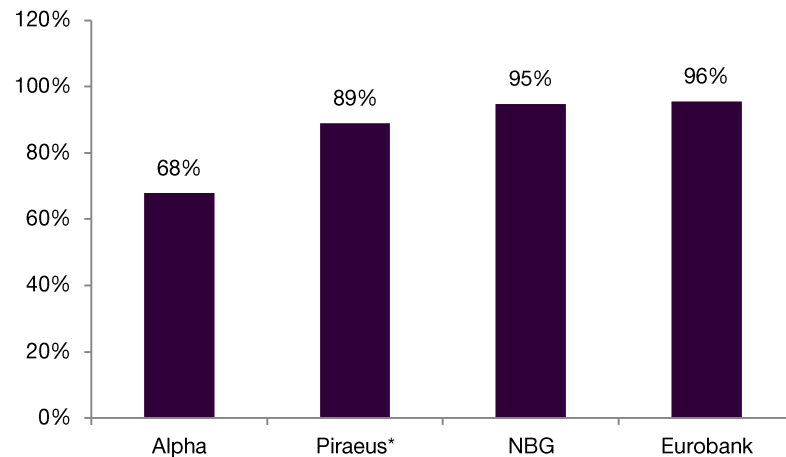


## ...while quality of capital has room for improvement...

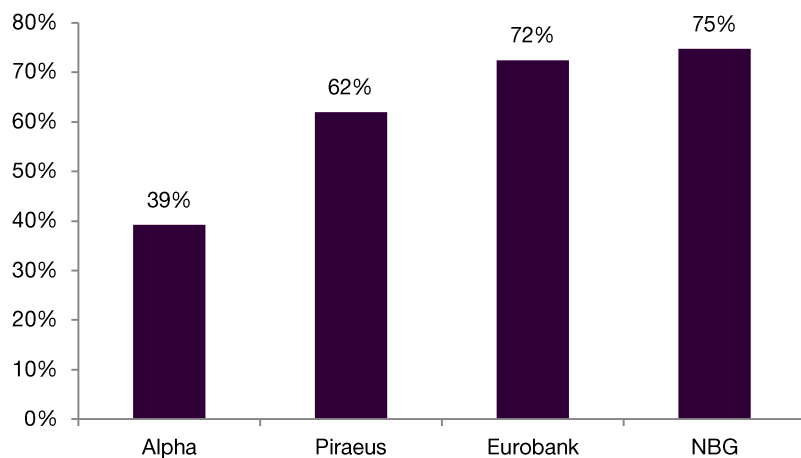
3Q20 TBV / Net NPEs (Group)



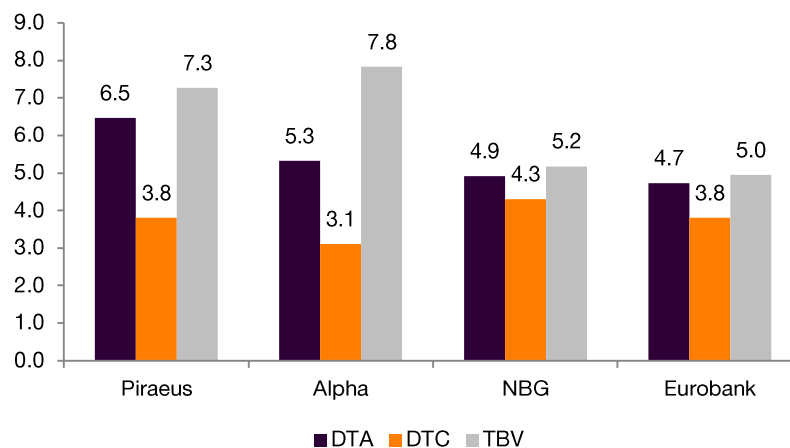
3Q20 DTA % of TBV



3Q20 DTC % of CET1



3Q20 TBV vs. DTA vs DTC



## Greek banks comps

### Valuation vs RoEs

TBV/share	2021	2022	2023	P/TBV	2021	2022	2023
Alpha Bank	3.90	3.54	3.81	Alpha Bank	0.20	0.22	0.20
Eurobank	1.48	1.58	1.74	Eurobank	0.39	0.37	0.33
NBG	5.49	5.84	6.23	NBG	0.37	0.35	0.33
Piraeus Bank	7.12	5.63	5.93	Piraeus Bank	0.11	0.13	0.13

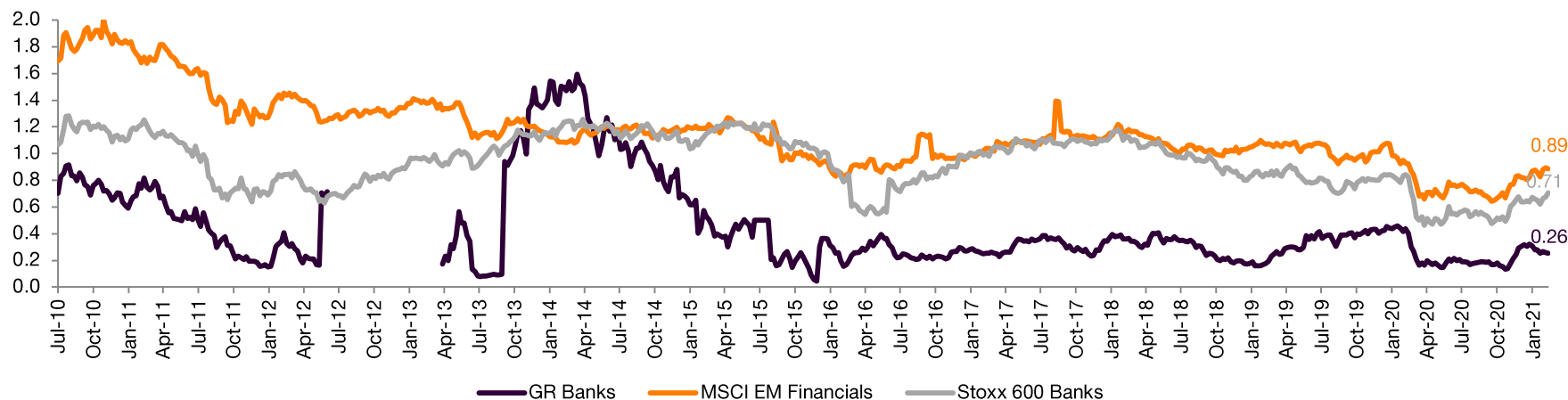
RoTE	Stated			CoR		RoTE on 50bps CoR	
	2021	2022	2023	2022	2023	2022	2023
Alpha Bank	-26.2%	-9.5%	7.4%	1.39%	0.89%	-5.5%	8.8%
Eurobank	7.2%	7.3%	9.5%	1.32%	0.83%	11.1%	10.6%
NBG	5.2%	6.3%	6.6%	0.84%	0.77%	7.6%	7.6%
Piraeus Bank	-17.4%	-23.2%	5.0%	1.60%	1.30%	-14.3%	9.1%

### Asset Quality and Capital

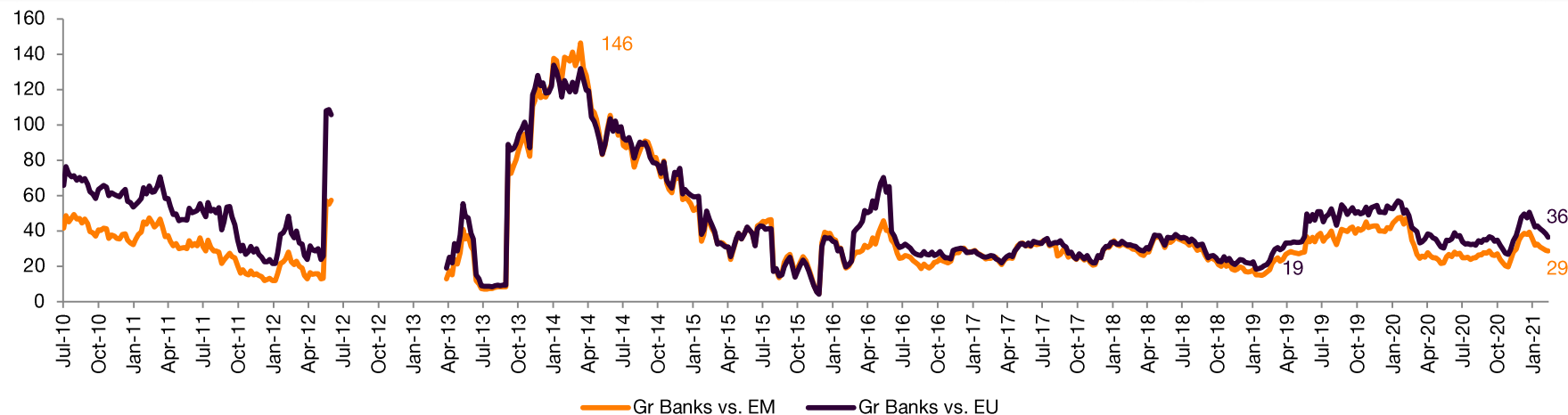
3Q20	Alpha Bank	Eurobank	NBG	Piraeus Bank
Greek NPE ratio	43.1%	16.8%	30.1%	46.4%
Greek NPE Coverage	43.5%	62.5%	55.6%	44.2%
Greek NPEs	18,293	5,516	10,117	21,938
Greek Performing Loans	24,192	27,240	23,455	25,390
TBV	7,834	4,953	5,175	7,266
Net NPEs (group)	11,608	2,354	4,523	12,467
Texas ratio (NPE/TBV+provisions)	1.22	0.70	0.94	1.30
CET1 ratio	17.2%	13.2%	15.9%	14.1%
CET1 FL	14.7%	11.2%	13.1%	11.6%
DTA	5,321	4,732	4,909	6,464
DTA % of TBV	68%	96%	95%	89%
DTC	3,100	3,800	4,300	3,800
DTC % of CET1	39%	72%	75%	62%

## Greek banks vs. peers: Re-rating potential once visibility over Covid-19 improves

Prospective P/TBV Greek Banks vs. EM vs. Europe



Relative P/TBV Greek Banks vs peers



## Alpha Bank <ACBr.AT / Alpha GA>

### The company

After several failed merger attempts Alpha ended up teaming with CASA's Greek subsidiary Emporiki. Alpha became the 2nd largest bank in Greece in terms of loans keeping its no. 3 post in deposits. Alpha is also present in 3 SEE countries (Romania, Cyprus, Albania and but only the first 2 are core). Domestic operations represent c. 85% of assets vs. 82% in the past. In late 2019, the banks released a new strategic plan which foresees a sharp NPE reduction. We underrated that the effort will accelerate in 2021-22 with aggressive NPE reduction targets.

### Earning drivers

Lower provisions on lower NPEs

OEPX optimisation on new VSS and branch closures

### Valuation

Inclusive of the Galaxy securitisation losses, Alpha trades 0.20xTBV21e, which is c. 50% discount to Eurobank and NBG.

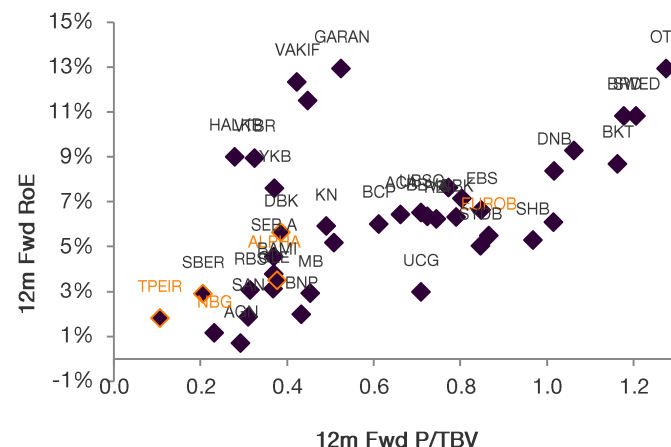
### Triggers

Execution of NPE acceleration plan

EUR m	2018	2019	2020E	2021E	2022E	2023E	CAGR 19-23e
NII	1,756	1,547	1,534	1,402	1,354	1,366	-3%
Total Revenues	2,601	2,323	2,361	1,928	1,871	1,900	-5%
Op. Expenses	1,158	1,175	1,141	1,006	977	962	-5%
Pre Provision Profit (PPP)	1,443	1,148	1,220	922	894	937	-5%
Provisions	1,723	995	992	620	516	337	-24%
EAT	53	97	126	-1,812	-543	421	n.m.
RoTE (Avg.)	1%	1%	2%	-26%	-9%	7%	
Cost / Income	45%	51%	48%	52%	52%	51%	
CoR on net loans (%)	4.12%	2.50%	2.54%	1.63%	1.39%	0.89%	
NIM (on total assets)	2.9%	2.5%	2.3%	2.1%	2.0%	2.0%	
PPP margin	2.65%	2.27%	2.51%	2.02%	2.17%	2.34%	
P/E (x)	22.5	12.3	9.4	(0.7)	(2.2)	2.8	
P/TBV (x)	0.16	0.15	0.15	0.20	0.22	0.20	
EPS	0.03	0.06	0.08	-1.17	-0.35	0.27	
TBV/share	4.97	5.14	5.08	3.90	3.54	3.81	
CET1 (FL)	14.0%	15.2%	15.6%	13.2%	12.0%	12.3%	

Share Price (EUR)	0.772
Target Price (EUR)	1.60
Rating	Buy
Market Cap (in EUR m)	1,193
Free Float	89%

**Banks Scatter: RoE vs. P/TBV**



## Eurobank <EURBr.AT / EUROB GA>

### The company

After being nationalized for nearly a year, Eurobank was privatized again in May 2014, with HFSFs stake being twice at the 2014 and 2015 capital increases. In 2013, Eurobank acquired 'good' Hellenic Postbank (TT) and Protonbank, enhancing its market share. At that time, both acquisitions represented 15% of the 'new' Eurobank combined assets. Eurobank now ranks 4th in the domestic banking space with c.20% mkt share. It is the first bank that accelerated its NPE reduction plan and already runs with a mid-teens NPE ratio.

### Earning drivers

Lower provisions, funding cost improvements , opex cuts

NPL recoveries in the future

### Valuation

Eurobank trades 0.39x TBV21e, on a > 30% discount to S European peers

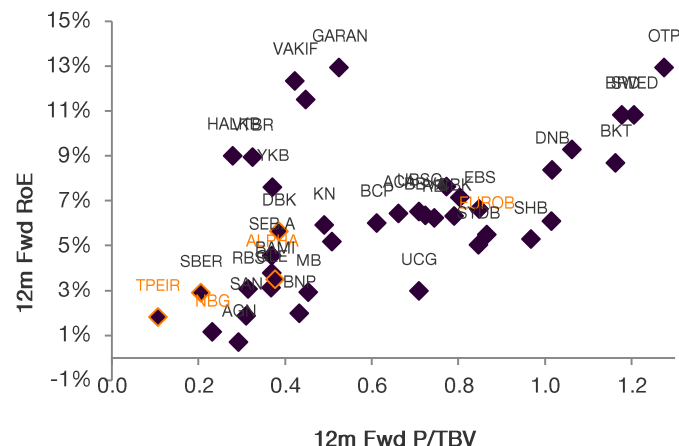
### Triggers

Further balance sheet de-risking

EUR m	2018	2019E	2020E	2021E	2022E	2023E	CAGR 19-23e
NII	1,416	1,377	1,354	1,333	1,343	1,377	0%
Total Revenues	1,832	1,844	2,395	1,826	1,851	1,898	1%
Op. Expenses	874	901	869	805	821	829	-2%
Pre Provision Profit (PPP)	958	943	1,527	1,020	1,029	1,069	3%
Provisions	680	624	2,103	520	506	328	-15%
EAT	93	127	-924	379	412	582	46%
RoTE (Avg.)	2%	2%	-16%	7%	7%	9%	
Cost / Income	48%	49%	36%	44%	44%	44%	
CoR on net loans (%)	1.85%	1.70%	5.65%	1.39%	1.32%	0.83%	
NIM (on total assets)	2.4%	2.2%	2.0%	1.9%	1.9%	1.9%	
PPP margin	2.08%	2.11%	3.60%	2.50%	2.51%	2.59%	
P/E (x)	13.6	14.0	(2.3)	5.7	5.2	3.7	
P/TBV (x)	0.26	0.34	0.42	0.39	0.37	0.33	
EPS	0.04	0.04	-0.25	0.10	0.11	0.16	
TBV/share	2.20	1.69	1.38	1.48	1.58	1.74	
CET1 (FL)	11.3%	14.6%	11.6%	12.5%	13.4%	14.4%	

Share Price (EUR)	0.578
Target Price (EUR)	1.00
Rating	Buy
Market Cap (in EUR m)	2,145
Free Float	98%

**Banks Scatter: RoE vs. P/TBV**





## National Bank of Greece <NBGr.AT / ETE GA>

### The company

NBG was the biggest bank group in Greece in terms of assets but due to the 2013-15 M&A activity it now ranks 2nd in deposits and 3rd in loans as it was the least active in the M&A arena, absorbing only 2 small-sized banks (FBB and Probank). After all asset disbursements agreed with DGCom, NBG will have no material presence outside Greece

### Earning drivers

Lower provisions, opex cuts

Credit expansion on good liquidity

NPL recoveries

### Valuation

NBG trades 0.37x TBV21e, which is an > 30% discount to regional EU peers

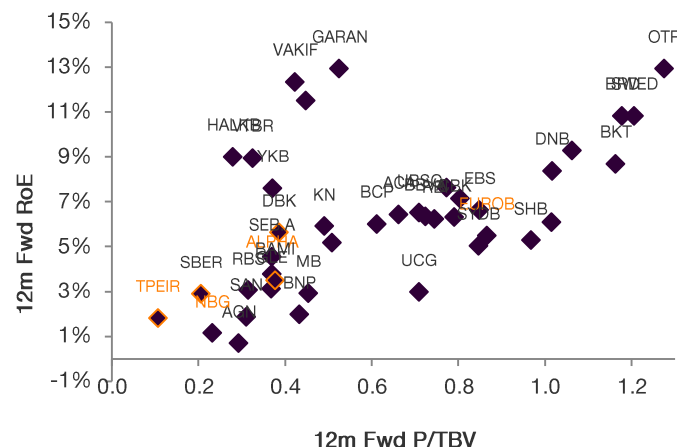
### Triggers

Conclusion of restructuring plan, further NPE reduction

EUR m	2018	2019	2020E	2021E	2022E	2023E	CAGR 19-23e
Nil	1,113	1,186	1,161	1,134	1,135	1,159	-1%
Total Revenues	1,283	1,681	2,325	1,478	1,491	1,526	-2%
Op. Expenses	882	951	844	786	769	760	-5%
Pre Provision Profit (PPP)	401	730	1,480	692	721	766	1%
Provisions	301	365	1,280	334	261	249	-9%
EAT	-84	-255	64	254	326	367	n.m.
RoTE (Avg.)	-1%	-5%	1%	5%	6%	7%	
Cost / Income	69%	57%	36%	53%	52%	50%	
CoR on net loans (%)	0.97%	1.23%	4.36%	1.11%	0.84%	0.77%	
NIM (on total assets)	1.7%	1.8%	1.7%	1.5%	1.6%	1.6%	
PPP margin	0.98%	1.96%	4.21%	2.02%	2.16%	2.26%	
P/E (x)	(22.4)	(7.4)	29.3	7.4	5.8	5.1	
P/TBV (x)	0.39	0.37	0.39	0.37	0.35	0.33	
EPS	-0.09	-0.28	0.07	0.28	0.36	0.40	
TBV/share	5.26	5.53	5.22	5.49	5.84	6.23	
CET1 (FL)	12.7%	12.8%	12.1%	13.5%	14.1%	14.7%	

Share Price (EUR)	2.05
Target Price (EUR)	3.10
Rating	Buy
Market Cap (in EUR m)	1,879
Free Float	59.6%

Banks Scatter: RoE vs. P/TBV



## Piraeus Bank <BOPr.AT / TPEIR GA>

### The company

Being very active in the domestic M&A arena (6 acquisitions), Piraeus has become the biggest bank in Greece, controlling c. 30% of the market, from 4th and a 12% market share in the past. Management has been active in absorbing acquired entities and de-risk the balance sheet.

### Earning drivers

Lower Provisions on improved asset quality

Further cost cutting

Capitalise on higher mkt share

### Valuation

Piraeus trades 0.11x TBV21e, which is a c. at a c.50% discount to Alpha

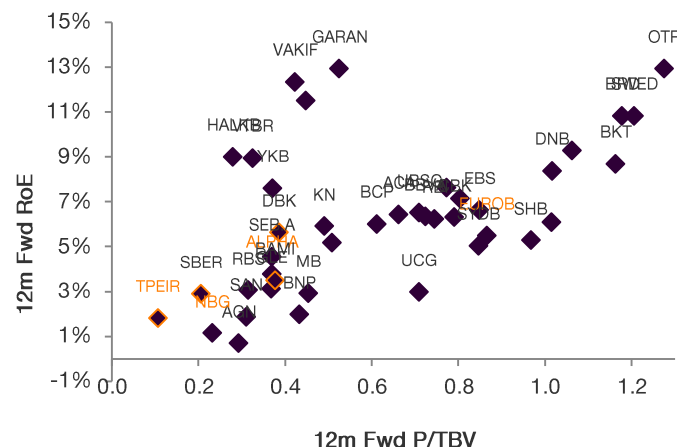
### Triggers

Acceleration of NPE plan

EUR m	2018	2019	2020E	2021E	2022E	2023E	CAGR 19-23e
Nil	1,410	1,435	1,492	1,404	1,333	1,288	-3%
Total Revenues	1,882	2,174	1,934	2,449	1,790	1,760	-5%
Op. Expenses	1,161	1,013	1,083	915	939	869	-4%
Pre Provision Profit (PPP)	721	1,161	852	1,534	852	891	-6%
Provisions	532	710	1,031	716	632	523	-7%
EAT	-158	279	-563	-933	-1,232	242	n.m.
RoTE (Avg.)	-3%	2%	-11%	-17%	-23%	5%	
Cost / Income	62%	47%	56%	37%	52%	49%	
CoR on net loans (%)	1.26%	1.80%	2.53%	1.76%	1.60%	1.30%	
NIM (on total assets)	2.2%	2.3%	2.3%	2.0%	1.9%	1.8%	
PPP margin	1.27%	2.25%	1.69%	3.17%	1.90%	2.04%	
P/E (x)	(2.1)	1.2	(1.1)	(0.7)	(0.5)	2.6	
P/TBV (x)	0.07	0.06	0.13	0.11	0.13	0.13	
EPS	-0.36	0.64	-0.68	-1.12	-1.48	0.29	
TBV/share	11.58	12.21	5.78	7.12	5.63	5.93	
CET1 (FL)	10.7%	11.3%	11.4%	10.1%	8.8%	9.5%	

Share Price (EUR)	0.757
Target Price (EUR)	1.40
Rating	Neutral
Market Cap (in EUR m)	629.4
Free Float	38.6%

**Banks Scatter: RoE vs. P/TBV**



## ATHEX Group (EXAE) <EXCr.AT / EXAE GA>

### The company

ATHEX Group (EXAE) is the operator of the Greek capital market (cash, derivatives, bonds).

### Earning drivers

High operational leverage (>75% of operating costs are fixed)

Stock trading accounts for 58% of total revenues; Banks account for >35% of ADT

Increase in turnover velocity (32% vs. 57% for European peers in 2020)

Increase in market cap (23% of GDP vs. 86% for European peers in 2020)

### Valuation

Trades at 21x PE21E (ex-cash) assuming ADT of E85m vs. 33x for European bourses;  
Net cash FY21e at E67m; DIY>4%

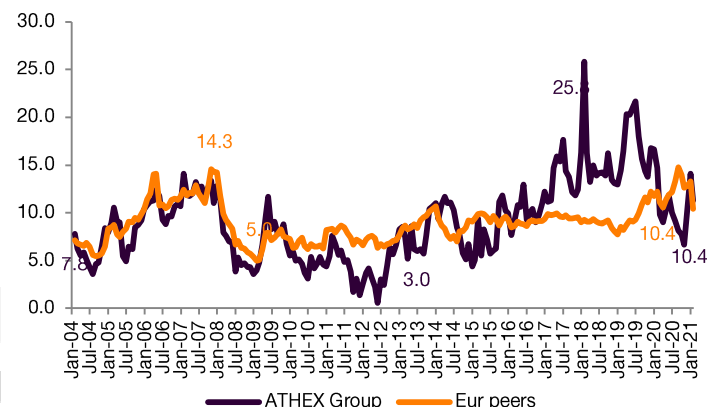
### Triggers

Increased participation of foreign investors; Rationalization of banks' NPE exposure;  
New listings and capital raisings

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	26.6	33.4	30.9	36.1	39.8	44.5	7%
EBITDA Adj.	7.4	13.2	10.2	14.3	17.3	21.1	12%
EBITDA margin	27.8%	39.7%	33.1%	39.7%	43.4%	47.3%	
EBIT Adj.	3.9	9.2	5.9	10.0	13.0	16.9	17%
EBIT margin	14.6%	27.4%	19.2%	27.7%	32.5%	37.9%	
Net earnings adj.	3.3	6.1	4.5	7.8	10.1	13.1	21%
EPS adj.	0.05	0.10	0.08	0.13	0.17	0.22	21%
DPS	0.20	0.16	0.16	0.16	0.19	0.20	6%
Net Debt	-75	-73	-68	-67	-67	-70	
Net Debt / EBITDA (x)	-10.1x	-5.5x	-6.6x	-4.7x	-3.9x	-3.3x	
ROCE adj. (%)	2.6%	5.6%	4.3%	7.7%	10.0%	13.1%	
FCF Yield (%)	0.4%	3.0%	1.8%	4.0%	5.4%	6.7%	
Div. Yield (%)	5.4%	3.5%	4.1%	4.4%	5.3%	5.6%	
Interest Cover (x)	na	na	na	na	na	na	
P/E adj. (x)	68.0x	46.1x	51.8x	27.8x	21.5x	16.6x	
EV/EBITDA (x)	20.3x	15.6x	16.3x	10.5x	8.7x	7.0x	

Share Price (EUR)	3.60
Target Price (EUR)	4.60
Rating	Buy
Market Cap (in EUR m)	217.3
Free Float	100%

### ATHEX Group vs. European peers: Prosp. EV/EBITDA

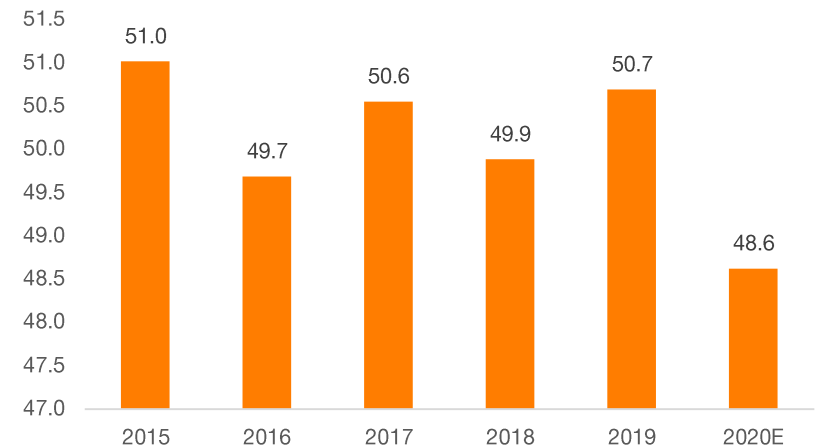


## Electricity market I

### Demand

- Domestic electricity demand in 2020 declined by c.4%, recovering fast after a c.10% drop in 2Q20 due to the strict lockdown.
- The decline in Greece is in line with the drop witnessed in most European power markets.

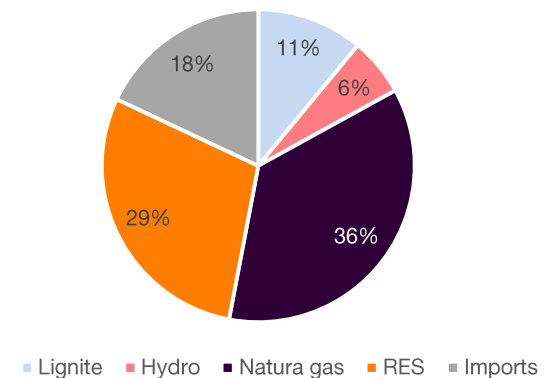
### Domestic sales volume (TWh) (source: PPC, Optima)



### Supply

- Demand in 2020 was covered 36% by natural gas and 29% by RES, representing 2/3 of total supply. In the previous year, RES accounted for c.20% of total supply.
- Lignite generation retreated by 45% YoY to only 5.7 MWh, accounting for 11% of total supply, hit by high CO2 emission prices and start of lignite phase-out process by PPC.
- PPC's market share in the interconnected system was c.40% vs. c.47% in 2019.

### Supply mix in the interconnected system FY20 (source: DAPEEP)



## Electricity market II

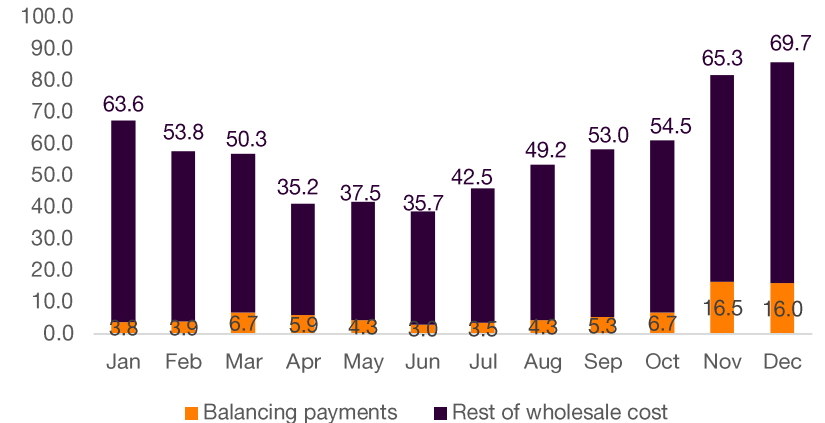
### Target Model

- After many delays, the Target Model was launched on November 1<sup>st</sup>. The Target Model is comprised from four markets (the first 3 markets are practically in operation currently): Day Ahead Market, Intra-Day Market, Balancing Market, Forward Market.
- The first evidence of the Target Model shows higher balancing costs which benefit vertically integrated players (e.g. PPC, Mytilineos, ELPEDISON, GEK TERNA), suggesting a higher risk for independent retailers that are not vertically integrated).
- RAE has intervened to reduce excessive prices in the balancing market for a limited period, but it is clear that the market has become more complex and will require risk management skills for all participants.

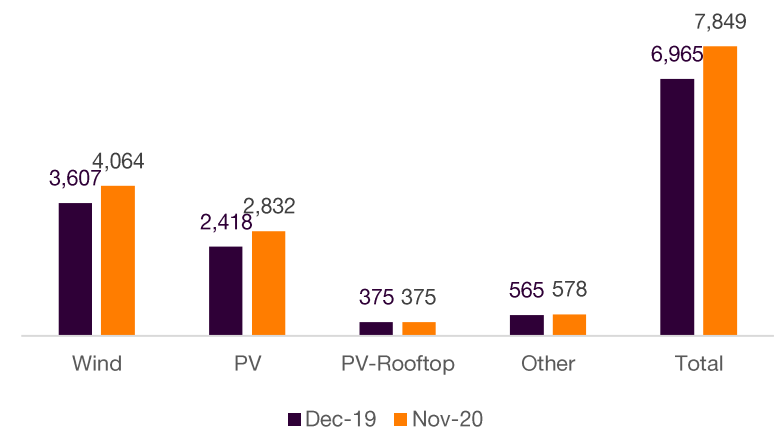
### RES market

- RES installed capacity in November 2020 reached 8 GW driven by wind farms as well as PV utility installations after years of stagnation.
- RES generation exceeded 15 MWh in 2020 accounting for almost 30% of total electricity supply.
- The rising deficit in RES special account triggered by reduced demand due to pandemic and lower fee (ETMEAR) led Energy Ministry to announce new measures that included a one-off 6% charge on RES revenues recorded during 2020.
- The latest report issued from the Renewables Energy Sources operator (DAPEEP) for the special RES account indicates a deficit of EUR 293m at the end of 2020, turning to a surplus of EUR 26m at the end of 2021. RAE has requested a comprehensive study for long-term estimates.

### Evolution of wholesale costs (EUR/MWh) (source: ADMIE)



### RES installed capacity (MW) (source: DAPEEP)

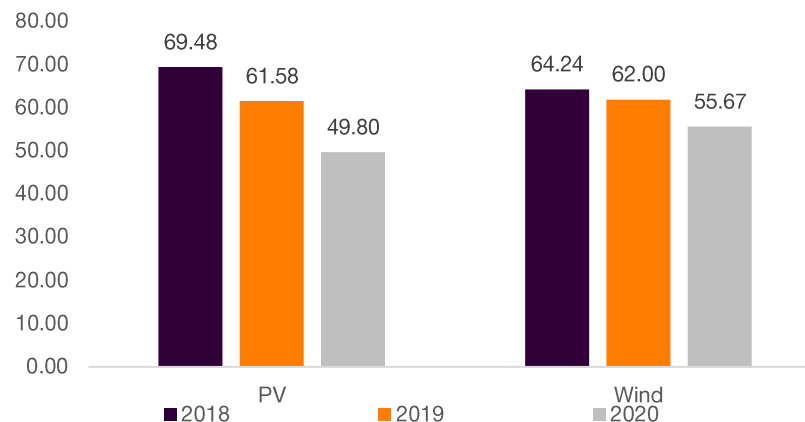


## Electricity market III

### RES market

- In the period 2018-2020, the awarded new capacity through auctions conducted by the Greek Energy regulator (RAE) stood at 2.7 GW (1.4 GW wind, 1.3 GW PV).
- In line with foreign trends, the weighted average tariff declined by 28% in PV and 13% in wind since 2018 auctions.
- RAE plans new auctions by 2024 the latest (the plan is to conduct 6 more auctions for the award of total capacity of 2.1 GW), but with new rules in order to increase competition and lower auction prices.
- New license applications submitted to RAE in last 3 months totaled 54 GW.

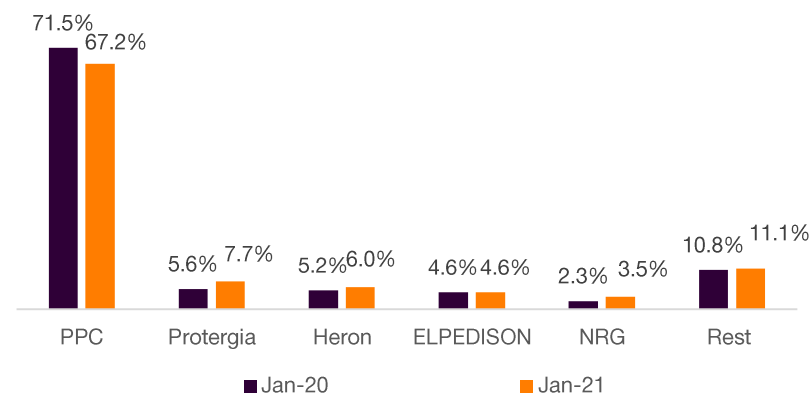
### Average tariff (EUR/MWh) in 2018-2020 auctions (source: RAE)



### Retail market

- PPC continued to lose market share during 2020 which shaped at 67% at the end of January 2021 from 71.5% one year ago in the interconnected system. In the last 3 months PPC has reversed the negative trend, gaining 4% (in October PPC's market share stood at 63.2%) .
- The four largest independent retailers are owned by the leading domestic energy companies, namely Protergia to Mytilineos, Heron to GEK TERNA, Elpedison to the JV of ELPE/EDISON and NRG to MOH,
- The operation of Target Model could lead to sector consolidation as non-vertically integrated companies may not be able to compete in the new operating environment.

### Retail market share in interconnected system (source: EnEx)



## PPC <DEHr.AT / PPC GA>

### The company

PPC is the incumbent electric utility in Greece with a c.40% market share in generation and c.68% market share in retail. PPC operates also the distribution network (sale of 49% stake in progress). PPC is in the process of a major transformation accelerating the lignite phase out by 2023 and targeting at least 1.5 GW RES by end-2023.

### Earning drivers

PPC targets recurring EBITDA of more than EUR 1.1bn in 2023 from c.EUR 0.9bn in 2020 (7% CAGR) which we believe is achievable due to increasing contribution from distribution and RES.

Retail EBITDA appears resilient in medium-term due to tariff restructuring and sales mix.

### Valuation

SOTP valuation (see next page) returns EV of EUR 6.9bn with distribution accounting for 60% (EUR 4.3bn or c. 1.5x 2020e RAB) and retail for 30%.

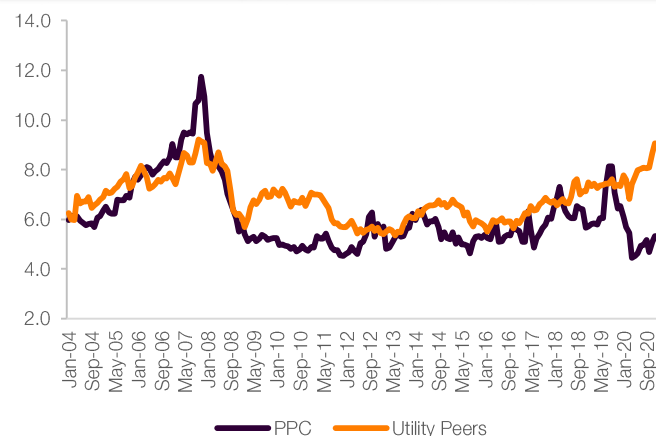
### Triggers

Sale of 49% of distribution, RES expansion, return to capital markets.

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	CAGR 18-23E
Revenues	4,741.9	4,931.6	4,732.9	4,765.3	4,571.4	4,314.0	-2%
EBITDA Adj.	403.8	798.9	890.0	863.7	1,016.8	1,092.7	22%
EBITDA margin	8.5%	16.2%	18.8%	18.1%	22.2%	25.3%	
EBIT Adj.	-270.1	137.2	163.7	124.3	236.2	295.7	
EBIT margin	-5.7%	2.8%	3.5%	2.6%	5.2%	6.9%	
Net earnings adj.	-904.0	-1,685.5	-9.3	-40.4	51.9	113.9	
EPS adj.	-3.90	-7.27	-0.04	-0.17	0.22	0.49	
DPS	0.00	0.00	0.00	0.00	0.00	0.15	
Net Debt	3,619	3,660	3,431	3,386	3,551	3,866	
Net Debt / EBITDA (x)	9.0x	4.6x	3.9x	3.9x	3.5x	3.5x	
ROCE adj. (%)	-3.0%	0.9%	1.0%	0.7%	1.4%	1.6%	
FCF Yield (%)	51.7%	-6.7%	16.4%	2.5%	-8.3%	-16.0%	
Div. Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	
Interest Cover (x)	5.1x	8.2x	6.9x	6.4x	8.1x	11.8x	
P/E adj. (x)	nm	nm	nm	nm	38.4x	17.5x	
EV/EBITDA (x)	9.7x	5.8x	5.8x	6.2x	5.4x	5.3x	

Share Price (EUR)	8.59
Target Price (EUR)	13.60
Rating	Buy
Market Cap (in EUR m)	1,993
Free Float	45%

### PPC vs. Utility peers: Prospective EV/EBITDA



## PPC – SOTP valuation

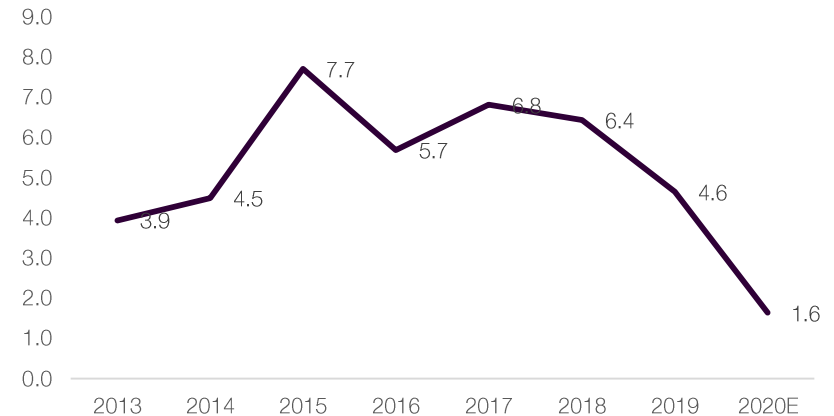
Division	EUR m	EUR /share	Methodology
Retail	1,975	8.5	3-stage DCF, cost of capital 7.1%, EUR 0.8bn OWC reduction by 2025
Distribution	4,338	18.7	2-stage DCF, 2021-2024 regulatory WACC at 6.7%, long-term 6.2%
Conventional generation	597	2.6	DCF to 2050, cost of capital 7.5%, EUR 400m (PV) environmental liability
RES	254	1.1	DCF for 1.5 GW installed capacity by end-2023
VRS, unallocated capex and other liabilities	-304	-1.3	VRS cost for c.3.5k employees, EUR 10m p.a. unallocated capex
EV	6,859	29.6	
Net debt and leasing liabilities	-3,705	-16.0	Year end 2020, excludes operational cash
Equity value	3,154.2	13.6	



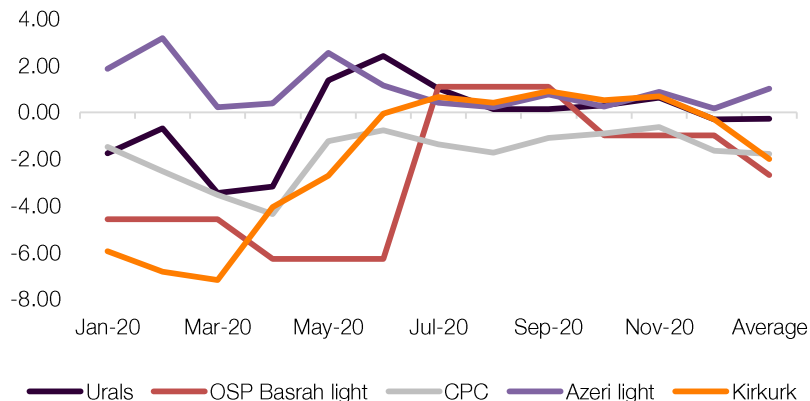
## Refining industry landscape

- Global oil demand in 2020 ended with a c.9% decline (or 8.8 mb/d) due to the pandemic. IEA forecasts for this year c.60% recovery of the volume lost in 2020. Jet fuel main laggard, could fully recover in 2023.
- Oil supply cuts reached 6.6 mb/d in 2020, driven by OPEC+ decisions to rebalance the market. OPEC+ is expected to proceed to a gradual easing after March, outlook also improving outside OPEC.
- Refining margins in 2020 collapsed amid weak demand and tightening heavy crude differentials (the latter is very important for ELPE and MOH). Negative jet fuel cracks highlight the magnitude of the problem.
- The short-term outlook for refining margins is uncertain due to extended lockdowns and slower than anticipated vaccine roll-out.
- Refinery closures have accelerated, but more are needed given significant capacity additions in Middle East and Asia in the next period.
- Structural changes in the sector and environmental issues in spotlight.

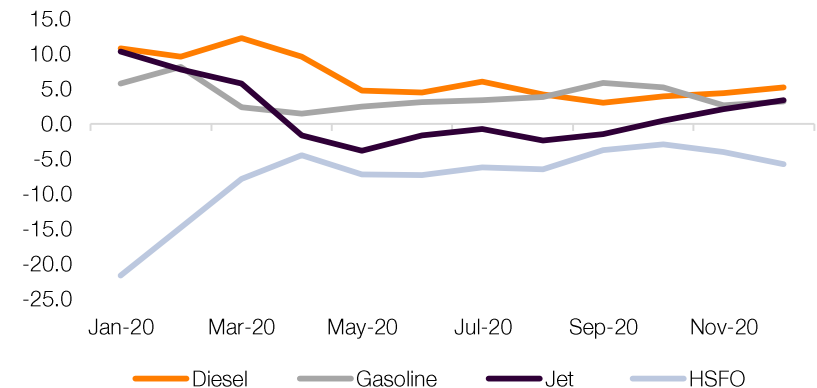
Med Urals benchmark margin (USD/bbl) (source: IEA)



Crude differentials to Brent (USD/b bbl) (source: Optima estimates)



Product cracks vs. Brent (USD/bbl) (source: Optima estimates)



## Hellenic Petroleum <HEPr.AT / ELPE GA>

### The company

ELPE is the largest oil refiner in Greece, owning three refineries with a total capacity of 15m tons. In addition, the company is the retail market leader in Greece with significant presence in SE Europe too. Other activities include production of petrochemicals, electricity generation and retail and natural gas wholesale and retail. Finally, ELPE currently develops a 204 MW solar plant aiming at 600 MW RES capacity by 2025.

### Earning drivers

2020 reported earnings hit by hefty inventory losses due to steep oil price decline in 2Q20, weak fuel demand (domestic auto-fuel and jet fuel demand down 13% and 67% respectively), weaker USD and lower realized “clean” margin by c.USD 2/bbl.

Our current 2021 “clean” EBITDA estimate assumes a USD 1.7/bbl margin recovery.

### Valuation

Our valuation factors in an average blended refining margin of USD 9/bbl in 2021-2025 vs. USD 10/bbl recorded in 2015-2019 period.

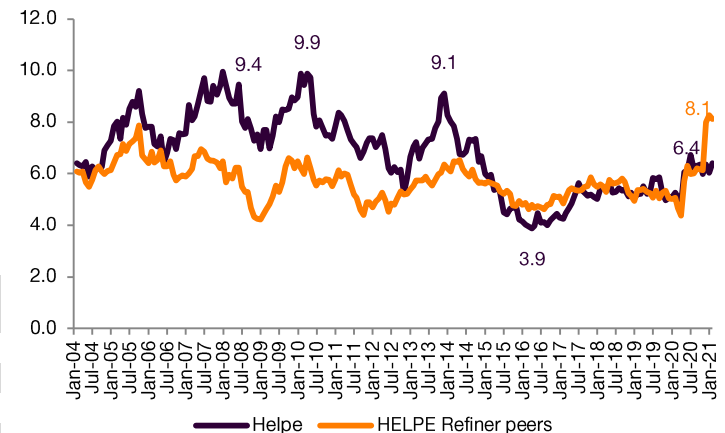
### Triggers

End of lockdowns, recovery of refining margins, DEPA divestment, expansion in RES.

EUR m	2018A	2019A	2020A	2021E	2022E	2023E	CAGR 18-23E
Revenues	9,769.2	8,857.0	5,782.0	6,170.7	6,861.8	7,471.2	-3%
EBITDA Adj.	730.0	572.0	333.0	517.2	661.2	791.9	7%
EBITDA margin	7.5%	6.5%	5.8%	8.4%	9.6%	10.6%	
EBIT Adj.	533.2	338.9	115.0	268.1	413.6	547.1	10%
EBIT margin	5.5%	3.8%	2.0%	4.3%	6.0%	7.3%	
Net earnings adj.	292.9	182.2	5.0	133.7	249.8	350.7	14%
EPS adj.	0.96	0.60	0.02	0.44	0.82	1.15	14%
DPS	0.75	0.50	0.10	0.64	0.40	0.40	-4%
Net Debt	1,461	1,744	1,874	1,768	1,399	1,101	
Net Debt / EBITDA (x)	2.0x	2.7x	5.6x	3.1x	1.9x	1.2x	
ROCE adj. (%)	11.9%	4.2%	2.4%	10.5%	11.8%	11.2%	
FCF Yield (%)	24.8%	4.8%	4.4%	21.1%	32.1%	28.1%	
Div. Yield (%)	10.2%	6.1%	1.8%	11.7%	7.3%	7.3%	
Interest Cover (x)	2.0x	2.7x	3.3x	3.1x	1.9x	1.2x	
P/E adj. (x)	7.7x	13.7x	nm	12.6x	6.7x	4.8x	
EV/EBITDA (x)	4.6x	6.4x	9.4x	6.6x	4.6x	3.5x	

Share Price (EUR)	5.41
Target Price (EUR)	7.0
Rating	Buy
Market Cap (in EUR m)	1,653
Free Float	19%

### Hellenic Petroleum vs. Refiner peers: Prospective EV/EBITDA



## MOH <MORr.AT / MOH GA>

### The company

MOH is the second largest refiner in Greece with a strong export activity, operating also an extensive domestic retail network and gradually expanding in the region through the Shell brand name. Recent entry to natural gas and electricity retail aims to capitalize on group synergies. Finally, the company acquired recently a 47 MW solar PV and develops wind farms with capacity of 55 MW, planning further expansion in the future.

### Earning drivers

2020 reported earnings impacted by high inventory losses due to steep oil price decline in 2Q20, weak fuel demand (domestic auto-fuel and jet fuel demand down 13% and 67% respectively) and weaker USD. MOH's "clean" refining margin seen almost unchanged at c.USD 6.7/bbl, reflecting the high flexibility of the refinery.

Resilient performance from marketing activities, mitigating the refining impact.

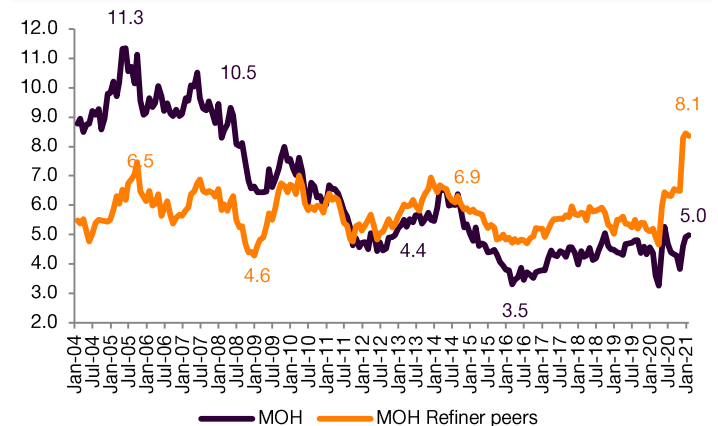
### Triggers

End of lockdowns, recovery of refining margins, significant refinery expansion to be completed by end-2022, expansion plans in renewables/natural gas.

EUR m	2015A	2016A	2017A	2018A	2019A	2020E	CAGR 15-20E
Revenues	7,060.2	6,356.9	7,843.5	9,519.0	9,372.5	5,954.9	-3%
EBITDA Adj.	612.1	542.5	628.5	602.1	453.0	355.7	-10%
EBITDA margin	8.7%	8.5%	8.0%	6.3%	4.8%	6.0%	
EBIT Adj.	511.8	444.0	523.5	499.1	318.3	212.2	-16%
EBIT margin	7.2%	7.0%	6.7%	5.2%	3.4%	3.6%	
Net earnings adj.	290.2	254.9	333.1	320.9	212.0	113.6	-17%
EPS adj.	2.62	2.30	3.01	2.90	1.91	1.03	-17%
DPS	0.65	0.90	1.30	1.35	1.15	0.40	-9%
Net Debt	681	384	280	256	354	730	
Net Debt / EBITDA (x)	1.1x	0.7x	0.4x	0.4x	0.8x	2.1x	
ROCE adj. (%)	26.1%	19.8%	23.0%	19.3%	13.9%	12.0%	
FCF Yield (%)	22.0%	26.1%	9.4%	8.0%	9.8%	-28.3%	
Div. Yield (%)	6.5%	6.9%	6.9%	6.4%	5.6%	3.4%	
Interest Cover (x)	7.1x	6.9x	8.6x	14.4x	11.7x	5.3x	
P/E adj. (x)	3.8x	5.7x	6.2x	7.3x	10.8x	11.5x	
EV/EBITDA (x)	2.8x	3.3x	3.7x	4.2x	5.3x	5.1x	

Share Price (EUR)	11.75
Target Price (EUR)	-
Rating	Under review
Market Cap (in EUR m)	1,302
Free Float	54%

Motor Oil vs. Refiner peers: Prospective EV/EBITDA



## Mytilineos <MYTr.AT / MYTIL GA>

### The company

Mytilineos is a diversified industrial group, active in metallurgy & mining (owning one of the largest vertically integrated aluminium companies in Europe), electricity generation (operating 2 CCGTs and developing a third by end-2021) and retail (c.8% market share), natural gas trading, and EPC (specializing in thermal power plants and PVs on a global scale). The company implements a major RES expansion plan in Greece (2 GW by end-2023) and abroad (400 MW solar PVs under construction with more in the pipeline).

### Earning drivers

Resilient performance in 2020, supported by strong Power & Gas and solid Metallurgy helped by low natural gas prices and cost control.

2021 outlook positive due to higher contribution from EPC and PV own projects counterbalancing lower margins in Power & Gas due to higher natural gas prices.

2022 profitability to be enhanced by operation of new CCGT and PV acceleration.

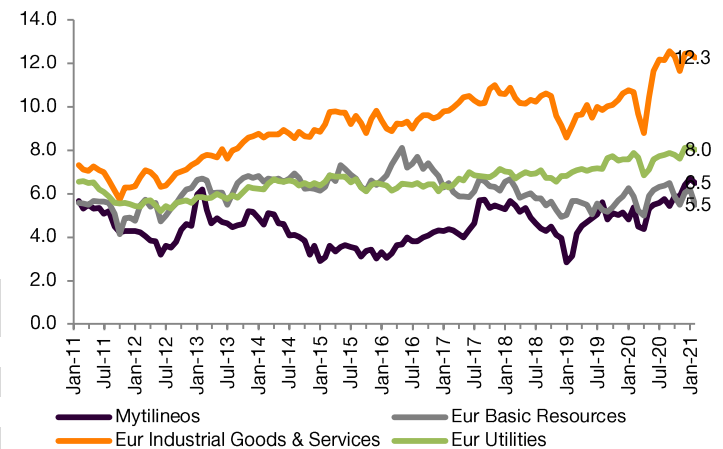
### Triggers

Aluminium/alumina prices relative to energy costs, 826 MW CCGT in 4Q21, PV global expansion.

EUR m	2015A	2016A	2017A	2018A	2019A	2020A	CAGR 15-20
Revenues	1,383	1,246	1,527	1,527	2,256	1,899	6.5%
EBITDA Adj.	234.4	222.4	306.0	283.6	313.2	315.0	6.1%
EBITDA margin	17.0%	17.8%	20.0%	18.6%	13.9%	16.6%	
EBIT Adj.	174.2	148.2	232.1	204.2	219.3	224.0	5.2%
EBIT margin	12.6%	11.9%	15.2%	13.4%	9.7%	11.8%	
Net earnings adj.	47.5	34.1	154.5	141.2	145.0	129.0	22.1%
EPS adj.	0.41	0.29	1.08	0.99	1.01	0.91	17.5%
DPS	0.00	0.00	0.32	0.36	0.36	0.36	
Net Debt	527	618	568	390	421	538	
Net Debt / EBITDA (x)	2.2x	2.8x	1.9x	1.4x	1.3x	1.7x	
ROCE adj. (%)	9.3%	7.4%	8.0%	8.7%	9.1%	10.3%	
FCF Yield (%)	-8.7%	4.8%	7.6%	25.0%	7.1%	2.4%	
Div. Yield (%)	0.0%	0.0%	3.5%	4.9%	3.7%	3.0%	
Interest Cover (x)	3.8x	3.9x	7.1x	7.5x	11.5x	9.0x	
P/E adj. (x)	9.0x	21.1x	8.5x	7.4x	9.6x	13.1x	
EV/EBITDA (x)	5.2x	7.3x	6.3x	5.2x	4.1x	7.1x	

Share Price (EUR)	12.39
Target Price (EUR)	-
Rating	Under review
Market Cap (in EUR m)	1,770
Free Float	73%

### Mytilineos vs. Euro STOXX Indices: Prospective EV/EBITDA



## Titan Cement International <TITCr.AT / TITC GA>

### The company

Titan Cement International (TCI) is an international, vertically integrated cement and building materials producer. TCI operates in five geographic regions (Greece & Western Europe, USA, Southeastern Europe, Eastern Mediterranean, Brazil), owning 14 cement plants with c.27 MT capacity. TCI shares are listed in Euronext and ATHEX.

### Earning drivers

Quick recovery of cement demand post 2Q20, lower energy costs and hard stop on non-essential expenses, expanded margins last year which led to earnings growth.

Medium-term outlook supported by healthy US residential demand and launch of major infrastructure projects in Greece. Solid price increases should offset rising energy costs.

Oversupply conditions should continue to weigh on Egypt in foreseeable future.

### Valuation

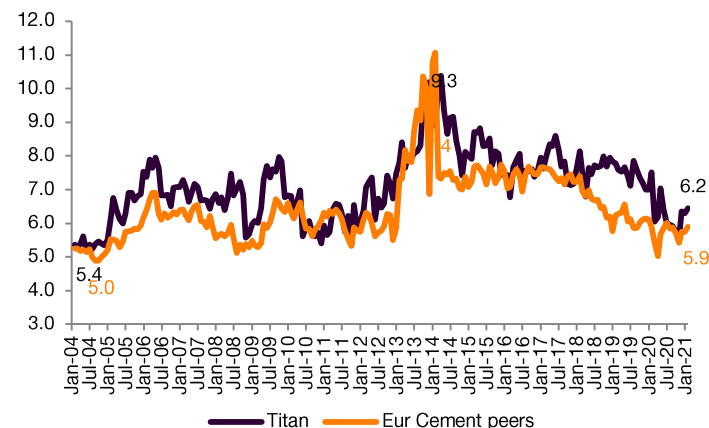
At c.6.0x 2021E EV/EBITDA the stock trades in line with European peers vs. historical premium.

### Triggers

US demand (Beiden stimulus and interest rates key drivers), Greek public projects.

Share Price (EUR)	14.02
Target Price (EUR)	15.80
Rating	Buy
Market Cap (in EUR m)	1,159
Free Float	49%

### Titan vs. European Cement peers: Prospective EV/EBITDA



EUR m	2018A	2019A	2020E	2021E	2022E	2023E	CAGR 18-23E
Revenues	1,490.1	1,609.8	1,584.2	1,606.1	1,677.8	1,752.8	3%
EBITDA Adj.	259.7	267.2	293.2	308.6	327.5	349.8	6%
EBITDA margin	17.4%	16.6%	18.5%	19.2%	19.5%	20.0%	
EBIT Adj.	143.9	127.3	154.4	168.7	183.4	201.0	7%
EBIT margin	9.7%	7.9%	9.7%	10.5%	10.9%	11.5%	
Net earnings adj.	53.8	51.0	71.9	91.1	110.8	125.1	18%
EPS adj.	0.67	0.64	0.93	1.18	1.44	1.63	19%
DPS	0.15	0.20	0.25	0.30	0.40	0.45	25%
Net Debt	772	836	779	723	698	628	
Net Debt / EBITDA (x)	3.0x	3.1x	2.7x	2.3x	2.1x	1.8x	
ROCE adj. (%)	4.4%	4.5%	6.0%	6.4%	7.3%	7.9%	
FCF Yield (%)	3.6%	5.5%	8.3%	8.0%	7.0%	12.4%	
Div. Yield (%)	0.8%	1.1%	1.8%	2.1%	2.8%	3.2%	
Interest Cover (x)	3.7x	4.8x	5.8x	7.2x	9.6x	10.4x	
P/E adj. (x)	28.9x	29.4x	14.8x	11.9x	9.8x	8.6x	
EV/EBITDA (x)	8.8x	8.6x	6.3x	5.9x	5.4x	4.9x	

## OTE <OTEr.AT / HTO GA>

### The company

OTE is the dominant telecom carrier in Greece also present in Romania. The company has agreed to sell its 54% stake in Telekom Romania to Orange.

### Earning drivers

Monetization of the investments in fiber optic networks

Rationalization of the cost base (E50m cost saving from headcount reduction in 2021)

Increased demand for ICT projects (10%-15% margin)

### Valuation

Trades at 5.2x FY21e EV/EBITDA vs. 5.4x for European telcos; DIY: 6%; Steady adj. FCF (> EUR 450m from 2021 onwards)

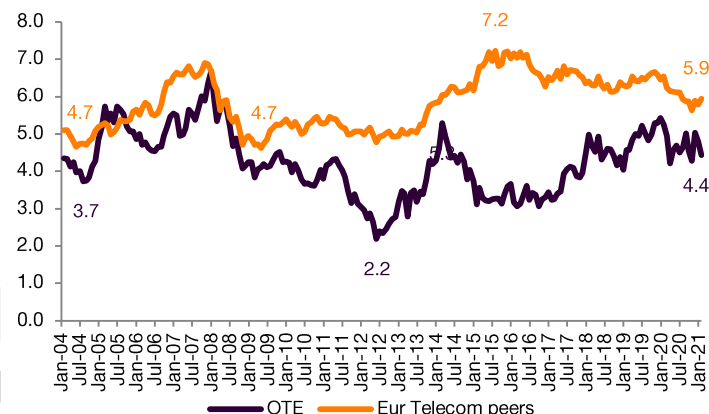
### Triggers

Relaxation of restrictions on mobility to enhance mobile usage and roaming; Customers' switch to faster broadband connections; New services (food delivery, online gaming)

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	3,798.7	3,907.6	3,236.1	3,310.2	3,404.6	3,500.3	-3%
EBITDA Adj.	1,316.8	1,353.2	1,229.4	1,299.9	1,354.6	1,410.5	1%
EBITDA margin	34.7%	34.6%	38.0%	39.3%	39.8%	40.3%	
EBIT Adj.	495.2	180.1	363.1	743.9	807.6	872.6	48%
EBIT margin	13.0%	4.6%	11.2%	22.5%	23.7%	24.9%	
Net earnings adj.	281.0	410.0	496.5	518.2	563.7	611.2	10%
EPS adj.	0.57	0.85	1.06	1.13	1.26	1.41	13%
DPS	0.52	0.55	1.10	0.74	0.82	0.90	13%
Net Debt	744	1,052	1,117	995	959	812	
Net Debt / EBITDA (x)	0.6x	0.8x	0.9x	0.8x	0.7x	0.6x	
ROCE adj. (%)	4.1%	4.9%	11.1%	14.6%	15.1%	15.7%	
FCF Yield (%)	6.1%	7.6%	5.9%	12.8%	10.0%	10.7%	
Div. Yield (%)	5.7%	3.9%	8.4%	5.9%	6.5%	7.2%	
Interest Cover (x)	15.7x	14.7x	18.4x	27.0x	32.3x	34.2x	
P/E adj. (x)	15.9x	16.7x	12.5x	11.1x	10.2x	9.4x	
EV/EBITDA (x)	4.0x	5.8x	5.9x	5.2x	4.9x	4.6x	

Share Price (EUR)	12.10
Target Price (EUR)	16.10
Rating	Buy
Market Cap (in EUR m)	5,569
Free Float	46.8%

### OTE vs. Eur telecom peers: Prosp. EV/EBITDA



## OPAP <OPAPr.AT / OPAP GA>

### The company

OPAP provides a wide range of games of chance (lottery, sports betting, scratch tickets, VLTs) in Greece through long-term exclusive licenses. The company has also a small presence in Cyprus (6% of total revenues).

### Earning drivers

Full consolidation of Stoiximan

Reduction of GGR contribution on legacy games

Increased penetration in online gaming

### Valuation

OPAP trades at 6x FY21E EV/EBITDA (vs. usually trading @ 8-12x); Div. yield >10%

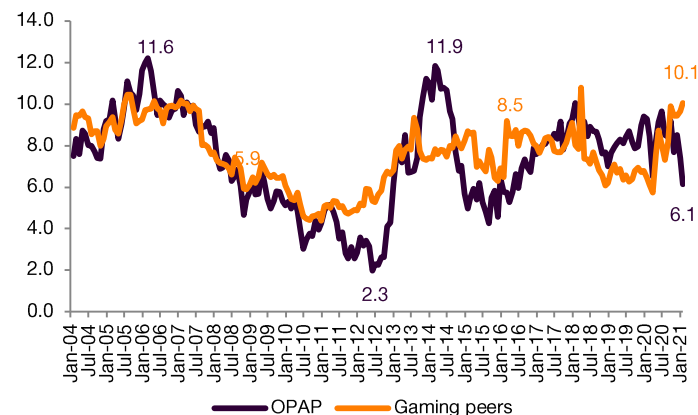
### Triggers

Macro recovery in Greece; Lift of the restrictions against Covid-19; Online products; Stoiximan & VLTs performance; Rationalization of poorly-performing segments (Hellenic Lotteries, horse betting)

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	1,547.0	1,619.9	1,109.6	1,830.1	2,005.6	2,042.3	6%
EBITDA Adj.	353.6	418.8	289.2	679.3	745.1	754.9	16%
EBITDA margin	22.9%	25.9%	26.1%	37.1%	37.1%	37.0%	
EBIT Adj.	239.4	296.2	174.7	534.8	600.6	610.5	20%
EBIT margin	15.5%	18.3%	15.7%	29.2%	29.9%	29.9%	
Net earnings adj.	160.8	205.6	108.0	365.6	413.9	420.8	20%
EPS adj.	0.50	0.64	0.32	1.07	1.21	1.23	18%
DPS	0.40	0.60	1.30	0.50	1.09	1.21	19%
Net Debt	468	483	876	606	475	343	
Net Debt / EBITDA (x)	1.3x	1.2x	3.0x	0.9x	0.6x	0.5x	
ROCE adj. (%)	10.3%	12.5%	5.9%	19.6%	20.9%	20.9%	
FCF Yield (%)	6.9%	6.7%	0.8%	12.8%	14.5%	15.8%	
Div. Yield (%)	6.1%	5.6%	11.9%	4.8%	10.5%	11.7%	
Interest Cover (x)	15.1x	15.2x	7.8x	16.6x	18.3x	18.7x	
P/E adj. (x)	13.0x	16.6x	34.6x	9.7x	8.5x	8.4x	
EV/EBITDA (x)	7.2x	9.3x	16.0x	6.1x	5.4x	5.1x	

Share Price (EUR)	10.53
Target Price (EUR)	14.60
Rating	Buy
Market Cap (in EUR m)	3,595
Free Float	57.2%

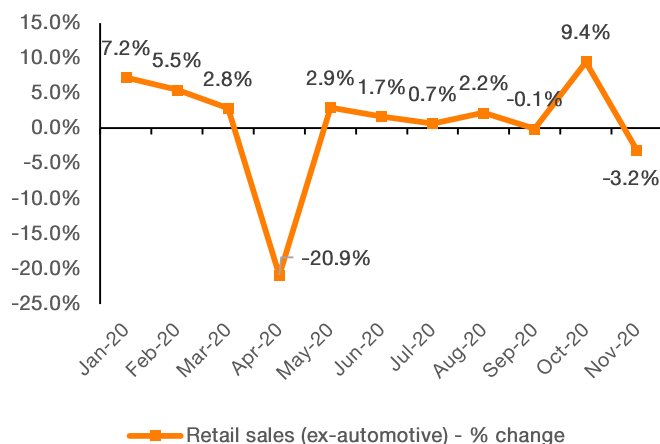
### OPAP vs. Gaming peers: Prosp. EV/EBITDA



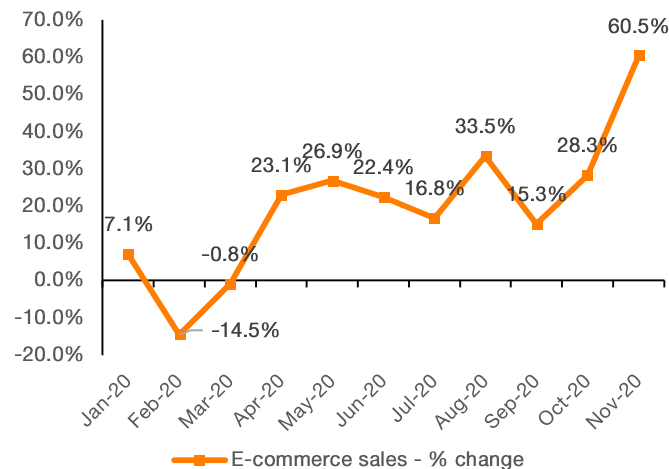
## Retail Market

- The retail sector in Greece has been severely affected by the Covid-19 pandemic that forced state authorities to impose strict measures (i.e. mandatory suspension of the operation of retail stores) or to allow the operation of retail shops with the 'click away' and 'click inside' methods from December. According to ELSTAT, the total turnover of Greek retailers amounted to EUR 47.3bn in 2020, recording a 8.6% y-o-y decrease.
- Retail sales via internet or mail order houses grew by 18% y-o-y in 2020, due to the customers' switch to e-commerce during the lockdown periods, while the turnover of electronics (computers & peripherals) increased by 13% y-o-y. On the flip side, the turnover of clothing & footwear retailers declined by 40% y-o-y, as consumers' turned to online stores.
- Department stores have also been heavily impacted by the lockdowns and the reduced inbound tourism in 2020, experiencing a 8% y-o-y turnover decline. On the positive side, supermarket chains enjoyed increased turnover during the lockdown period.

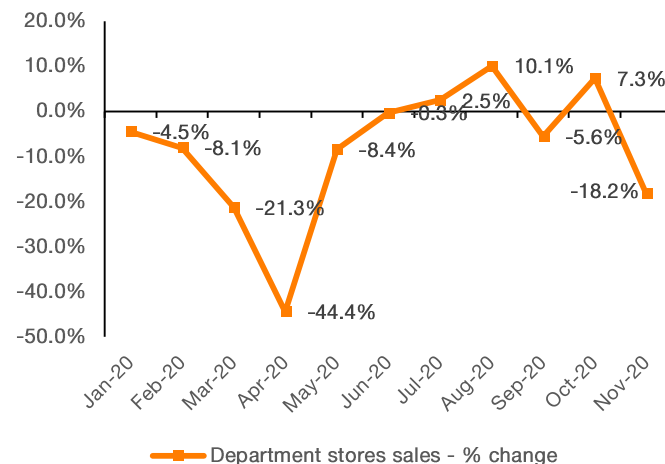
**Retail sales (ex-automotive fuel) Jan-Nov-20**



**E-commerce sales Jan-Nov-20**



**Department stores sales Jan-Nov-20**





## Jumbo <BABr.AT / BELA GA>

### The company

Jumbo is the largest general non-food retailer in the Greek market, also with direct presence in Cyprus, Bulgaria, Romania and the Western Balkans (franchise model).

### Earning drivers

Market share gains and further penetration in Romania

Gross margin evolution

Improvement of e-commerce capabilities

### Valuation

Trades at 12x FWD PE vs. 18x for European retailers; Net cash @17% of MCAP; Distribute 1/3 of net profits to shareholders; DIY: 5%

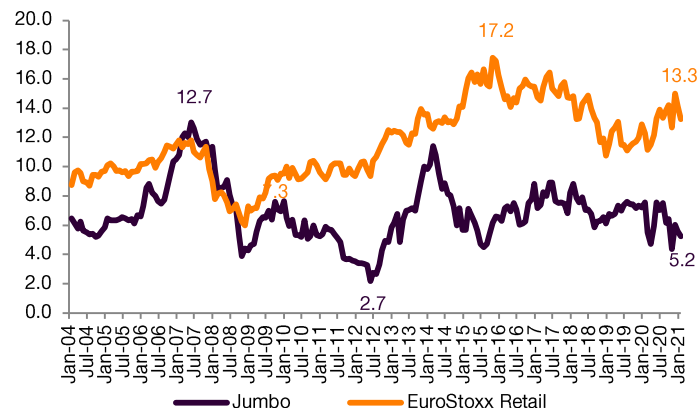
### Triggers

Macro recovery in Greece (60% of sales) and the Balkans; Lift of the restrictions against Covid-19; Store roll-out plans in Romania (2-3 new stores each year); EUR/USD evolution; Transportation costs (20% of COGS)

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	787.1	847.9	693.6	800.0	897.8	964.2	3%
EBITDA Adj.	234.7	259.2	189.6	228.2	264.4	282.9	2%
EBITDA margin	29.8%	30.6%	27.3%	28.5%	29.5%	29.3%	
EBIT	209.4	227.8	152.9	190.5	224.4	241.4	1%
EBIT margin	26.6%	26.9%	22.1%	23.8%	25.0%	25.0%	
Net earnings adj.	159.4	177.6	125.0	147.1	173.8	187.2	1%
EPS adj.	1.17	1.31	0.92	1.08	1.28	1.38	1%
DPS	0.39	0.75	0.62	0.65	0.77	0.83	2%
Net Debt	-392	-331	-312	-383	-421	-461	
Net Debt / EBITDA (x)	-1.7x	-1.3x	-1.6x	-1.7x	-1.6x	-1.6x	
ROCE adj. (%)	12.3%	12.6%	8.2%	9.4%	10.5%	10.8%	
FCF Yield (%)	6.5%	4.7%	5.4%	6.4%	7.4%	8.2%	
Div. Yield (%)	3.1%	4.0%	4.3%	4.9%	5.8%	6.2%	
Interest Cover (x)	87.9x	592.8x	45.8x	53.8x	60.9x	63.7x	
P/E adj. (x)	10.9x	14.2x	15.5x	12.3x	10.4x	9.7x	
EV/EBITDA (x)	5.7x	8.5x	8.6x	6.3x	5.3x	4.8x	

Share Price (EUR)	12.90
Target Price (EUR)	18.40
Rating	Buy
Market Cap (in EUR m)	1,755
Free Float	58.5%

Jumbo vs. EuroStoxx retail: Prosp. P/E



## Fourlis Holdings <FRLr.AT / FOURK GA>

### The company

Fourlis operates retail franchise stores of IKEA (7 stores + 8 pick-up points), Intersport (118 stores) and 14 The Athlete's Foot stores in Greece, Cyprus and the Balkans.

### Earning drivers

Restoration of sales trajectory

E-commerce contribution

Rationalization of poorly-performing activities

Balance sheet deleveraging

### Valuation

Trades at 9x FY21E EV/EBITDA vs. 11x for European retailers

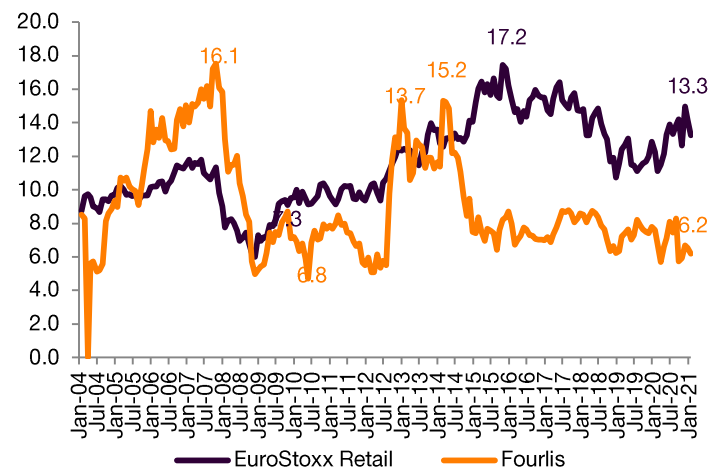
### Triggers

Macro recovery in Greece (60% of total sales) and the Balkans; Benefits from the new IKEA store format (medium and small size); Lift of the restrictions against Covid-19; Expansion of the presence of existing brands in new geographies, REIC listing

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	448.5	466.3	375.0	424.2	456.4	484.4	1%
EBITDA Adj.	44.3	46.3	26.6	35.8	43.1	50.9	2%
EBITDA margin	9.9%	9.9%	7.1%	8.4%	9.5%	10.5%	
EBIT	30.2	35.8	15.0	22.0	28.7	36.0	0%
EBIT margin	6.7%	7.7%	4.0%	5.2%	6.3%	7.4%	
Net earnings adj.	14.3	11.9	-3.9	2.5	7.9	13.7	4%
EPS adj.	0.28	0.23	-0.08	0.05	0.15	0.26	3%
DPS	0.10	0.00	0.00	0.00	0.05	0.09	
Net Debt	95	106	105	128	125	117	
Net Debt / EBITDA (x)	2.1x	2.3x	4.0x	3.6x	2.9x	2.3x	
ROCE adj. (%)	4.6%	3.2%	-0.8%	0.5%	1.5%	2.5%	
FCF Yield (%)	7.9%	4.4%	-5.3%	-11.2%	1.7%	5.0%	
Div. Yield (%)	2.5%	0.0%	0.0%	0.0%	1.4%	2.4%	
Interest Cover (x)	3.8x	10.5x	6.0x	7.4x	8.0x	8.7x	
P/E adj. (x)	14.6x	25.2x	>100x	80.7x	25.6x	14.8x	
EV/EBITDA (x)	6.9x	8.8x	11.8x	9.2x	7.6x	6.3x	

Share Price (EUR)	3.89
Target Price (EUR)	4.50
Rating	Buy
Market Cap (in EUR m)	202.6
Free Float	82.6%

Fourlis vs. EuroStoxx retail: Prosp. P/E



## Sarantis <SRSr.AT / SAR GA>

### The company

Sarantis is one of the leading producers and distributors of mass-market cosmetics and household products in Greece and several Eastern European markets. Group strategy is focused mainly in organic growth and small add-on acquisitions, with targeted activities homogeneous to its core business.

### Earning drivers

New agreements/acquisitions & products development

Homogeneous core operations and cost control initiatives

Market share gains and further penetration in the new markets

### Valuation

Sarantis trades at 14x FY21E P/E (vs. usually trading @ 13x-17x); DIY>2%

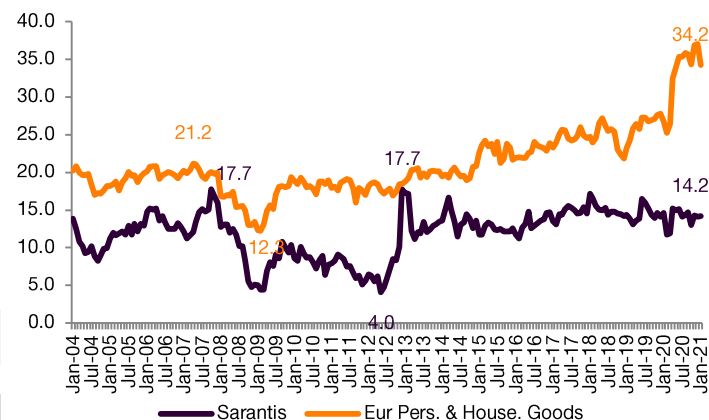
### Triggers

Acquisitions, accelerating organic growth & exports growth, consolidation of new acquisitions, product development

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	344.0	370.1	395.2	418.9	444.1	466.3	6%
EBITDA Adj.	47.0	54.7	67.7	72.2	75.9	80.8	10%
EBITDA margin	13.7%	14.8%	17.1%	17.2%	17.1%	17.3%	
EBIT Adj.	40.6	43.8	55.0	58.5	61.4	65.3	10%
EBIT margin	11.8%	11.8%	13.9%	14.0%	13.8%	14.0%	
Net earnings adj.	32.5	38.0	41.7	44.9	47.3	51.5	8%
EPS adj.	0.47	0.54	0.60	0.64	0.68	0.74	8%
DPS	0.14	0.16	0.20	0.22	0.24	0.25	12%
Net Debt	12	21	14	-6	-25	-50	
Net Debt / EBITDA (x)	0.2x	0.4x	0.2x	-0.1x	-0.3x	-0.6x	
ROCE adj. (%)	13.0%	12.7%	12.0%	11.7%	11.4%	11.5%	
FCF Yield (%)	-1.6%	2.7%	3.4%	5.4%	5.8%	6.7%	
Div. Yield (%)	2.0%	1.9%	2.1%	2.5%	2.7%	2.9%	
Interest Cover (x)	20.1x	33.2x	27.7x	29.6x	31.1x	33.1x	
P/E adj. (x)	14.7x	15.7x	15.7x	13.7x	13.0x	12.0x	
EV/EBITDA (x)	10.4x	11.3x	9.9x	8.5x	7.8x	7.0x	

Share Price (EUR)	8.83
Target Price (EUR)	9.30
Rating	Neutral
Market Cap (in EUR m)	617.0
Free Float	45%

### Sarantis vs. EuroStoxx Pers. & Household Goods: Prosp. P/E



## Coca Cola HBC <EEEr.AT / EEE GA>

### The company

Coca Cola Hellenic is one of the world's largest Coca Cola bottlers with presence in 28 countries. It also distributes water, juices, energy drinks, coffee and other products.

### Earning drivers

Performance of emerging markets (especially Nigeria and Russia)

Input costs & currency fluctuations

Volume growth, pricing actions and cost efficiency to bring EBIT margin above 11%

2025 targets: FX-neutral revenues: +5% to +6% annually, Comp EBIT margin: 20-40bps improvement annually

### Valuation

Compared to other Coke system bottlers (excluding TCCO), CCH trades at a 4% discount to P/E and an 8% discount to EV/EBITDA for 2021.

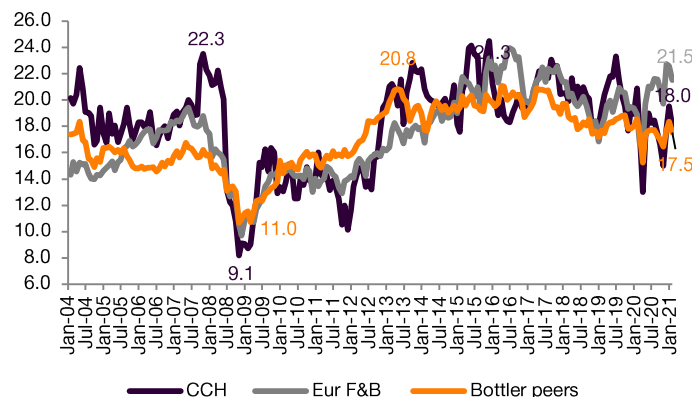
### Triggers

Macro recovery; Value-accretive acquisitions; Better price and package mix; Recovery of out-of-home channel

EUR m	2018A	2019A	2020E	2021E	2022E	2023E	GAGR 19-23e
Revenues	6,657.1	7,026.0	6,131.8	6,661.7	7,044.4	7,453.4	1%
EBITDA Adj.	968.7	1,110.7	1,059.2	1,100.3	1,187.9	1,267.4	3%
EBITDA margin	14.6%	15.8%	17.3%	16.5%	16.9%	17.0%	
Comp EBIT	680.7	758.7	672.3	750.4	815.5	871.2	4%
Comp EBIT margin	10.2%	10.8%	11.0%	11.3%	11.6%	11.7%	
Net earnings adj.	480.4	522.2	431.4	513.2	561.7	603.2	4%
EPS adj.	1.29	1.41	1.16	1.39	1.52	1.63	4%
DPS	2.57	0.62	0.64	0.69	0.76	0.81	7%
Net Debt	892	2,502	1,892	1,798	1,599	1,367	
Net Debt / EBITDA (x)	0.9x	2.3x	1.8x	1.6x	1.3x	1.1x	
ROCE adj. (%)	9.6%	9.1%	7.1%	8.3%	8.8%	9.1%	
FCF Yield (%)	2.3%	-1.7%	11.6%	3.4%	4.7%	5.3%	
Div. Yield (%)	9.5%	2.1%	2.4%	2.6%	2.9%	3.1%	
Interest Cover (x)	24.0x	17.1x	15.3x	18.4x	19.8x	21.1x	
P/E adj. (x)	21.0x	21.4x	22.7x	19.0x	17.3x	16.1x	
EV/EBITDA (x)	11.0x	11.9x	10.7x	10.0x	9.2x	8.4x	

Share Price (EUR)	26.28
Target Price (EUR)	30.00
Rating	Neutral
Market Cap (in EUR m)	9,737
Free Float	53%

CCH vs. Bottlers & EuroStoxx F&B: Prosp. P/E



## Important Disclosures

### Disclosure Appendix

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Recommendation System is **Absolute**: Each stock is rated on the basis of a total return, measured by the upside over a 12month time horizon

	Buy	Neutral	Sell	Under Review	Restricted
	> 10%	-5% to +10%	< -5%	Suspended	
Total Coverage	62%	10%	0%	24%	4%
% of companies that are IB clients	0%	0%	0%	0%	0%

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