

Valuation & Research Specialists (VRS)

Equity Research Team
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Share Price (23/07/2013) € 5.70

of Shares (,000) 36,300
Market Cap (in € mn) 206.91
A.D. Volume (p) 10,377
Beta Co-efficient 0.69

Statistical Data

Max 52 week 6.75 €
Min 52 week 3.33 €
1-M Rtn 1.06%
6-M Rtn -5.00%
12-M Rtn 54.05%

Shareholders' Structure

As of June 3, 2013.

HRADF * 74.02%
Suez Environment Company 5.01%
Other Investors & Free Float 20.97%

(*) Hellenic Republic Asset Development Fund.

Source: VRS Calculations, Athens Exchange.

EYATH (THESSALONICA WATER AND SEWERAGE COMPANY S.A.)

[Bloomberg Ticker: EYAPS:GA, Reuters Ticker: TWSr.AT]

Business Sector: Utilities

Business Profile – Growth Drivers – Investment & Valuation Considerations

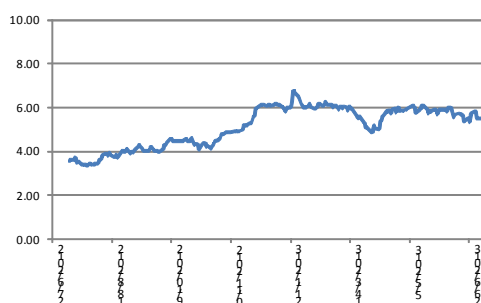
- EYATH (Thessalonica Water and Sewerage Company S.A., henceforth called as the Company or the Group) deals with the management of water resources and the collection and treatment of urban and industrial sewages in the broader area of Thessalonica, which is the second capital of Greece. The Company is listed on the Athens Exchange, Greece, since 2001. EYATH signed an exclusive 30-year contract in July 2001 with the state-owned "EYATH Pagion" (owned by the Greek State), for the utilization of existing water and sewerage networks, which belong to the latter. The Company completed an investment plan totaling EUR 87.9 million in the period 2008 – 2012, while it has embarked into a new one for the period 2012 – 2016.
- Greek State has transferred its ~74% stake in EYATH to Hellenic Republic Asset Development Fund (HRADF) which has in turn commenced the Company's privatization. On May 30, 2013, HRADF's Board of Directors approved two investment entities who qualified for phase B of the tender process for EYATH: 1. SUEZ Environment SAS – AKTOR CONCESSIONS S.A. and 2. MEKOROT Development and Enterprise Ltd - G. APOSTOLOPOULOS S.A. Holdings - MIYA Water Projects Netherlands BV - TEPNA ENERGY S.A..
- On consolidated basis, EYATH has a healthy capital structure with zero bank debt, strong cash position, satisfactory operating cash flows, and relatively low "liabilities/equity" ratio. Total personnel were substantially reduced over the past 15 years on aggregate basis. On consolidated basis, during the period 2010 – 2012, net profit margin improved whereas working capital cycle weakened.
- EYATH stock is characterized by thin trading volumes however it is in search of new price catalysts with the privatization progress arising as one of the factors that will affect valuation in the near future. Trailing P/E and P/S ratios stand at 11.5x and 2.8x respectively.
- Veolia Environment VE SA (market cap \$ 7.1 billion as of July 26, 2013, Reuters: VE.N), Severn Trent Plc (market cap GBP 4.2 billion, Reuters: SVT.L), and Pennon Group Plc (market cap GBP 2.5 billion, Reuters: PEGRF.PK) are among EYATH's comparable companies (peer group).

First Quarter 2013 Financial Results

(€ million)	Q1 2013	%	Q1 2012
Revenues	18.3	-5%	19.3
Gross Profit	8.0	-10%	8.8
EBT	7.7	-2%	7.9
EAT	6.5	4%	6.3

Source: IFRS Consolidated Financial Statements.

Stock Price Performance (1 year, in €)



Important Note:

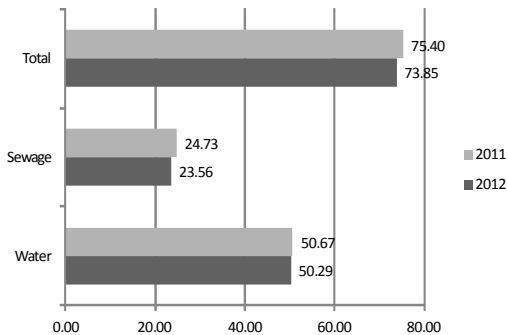
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Company Report

FLASH NOTE
July 23, 2013

Consolidated Revenue Breakdown

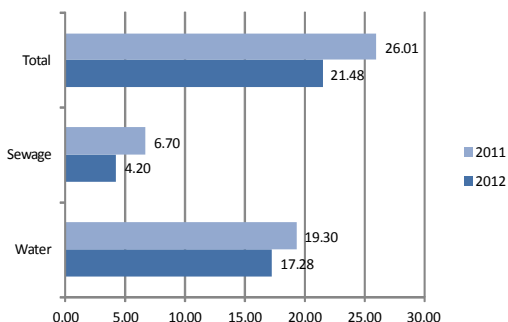
(2011 - 2012, in EUR million)



Source: The Company.

Consolidated Earnings before Taxes Breakdown

(2011 - 2012, in EUR million)



Source: The Company.

Stock Versus General Index (Last 5 Years)



EYATH (THESSALONICA WATER AND SEWERAGE COMPANY S.A.)

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Business Sector: Utilities

BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2009	77.4	26.1	22.1	14.4	14.4	2.1	7.4	0.0	14%
2010	71.2	24.8	20.9	12.4	16.7	1.9	7.8	0.0	11%
2011	75.4	28.8	26.0	20.6	10.0	1.7	6.4	0.0	17%
2012	73.9	24.4	21.5	17.8	11.6	1.5	7.1	0.0	13%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. n/c stands for non calculable.

Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations.

Working Capital Ratios

in EUR million	2009	2010	2011	2012
Sales	€ mn 77.38	71.18	75.40	73.85
Cost of Sales (net of depreciation)	€ mn 41.59	39.35	37.21	37.92
Net Income / Profit	€ mn 14.39	12.40	20.60	17.78
Net Profit Margin	18.6%	17.4%	27.3%	24.1%
Cash & Cash Equivalents	€ mn 15.17	14.36	23.16	32.98

Stock Days

Days	16	21	18	15
Stock Inventory	€ mn 1.87	2.25	1.79	1.54

Debtors Days

Days	236	301	310	323
Debtors - Receivables	€ mn 49.94	58.62	64.09	65.30

Creditors Days

Days	186	228	240	237
Creditors - Suppliers	€ mn 21.23	24.53	24.51	24.64

Operating Cycle (Days)

Days	252	321	328	338
Cash Cycle (Days)	Days 66	94	87	100

Source: Official Consolidated Financial Statements, VRS Calculations.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
EYATH S.A.	EYAPS:GA	TWSr.AT	€ 5.70	July 23, 2013	--

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