

**Valuation & Research Specialists (VRS)**  
Equity Research Team  
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Share Price (15/11/2013) € 13.15

# of Shares (,000) 51,951  
Market Cap (in € mn ) 683.15  
A.D. Volume (p) 58,144  
Beta Co-efficient 0.73

#### Statistical Data

Max 52 week 14.00 €  
Min 52 week 7.32 €  
1-M Rtn 3.87%  
6-M Rtn 17.10%  
12-M Rtn 73.94%

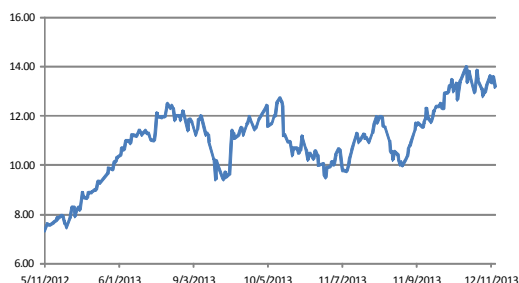
#### Shareholders' Structure

As of October 25, 2013.

Mytilineos Group 53.63%  
KAS Depository Trust Co. 5.03%  
Other Investors & Free Float 41.34%

Source: VRS Calculations, Athens Exchange.

### Stock Price Performance (1 year, in €)



Note: Share price performance based on share price closes on Athens Exchange.

## METKA S.A.

[Bloomberg Ticker: METTK:GA, Reuters Ticker: MTKr.AT]

**Business Sector: EPC Contractors / Industrial Manufacturers**

### Business Profile – Growth Drivers – Investment & Valuation Highlights

- Metka SA (the Company or the Group) is a Greece based industrial manufacturer and contractor engaging in energy, infrastructure and defense projects. It was established in 1962 and has been member of Mytilineos Group (listed on Athens Exchange, ticker symbols: MYTIL:GA, MYTr.AT) since 1999. Metka Group employed 475 persons as of June 30, 2013.
- The Group focuses mainly in the energy sector where it carries out fully integrated turn-key projects with complete engineering, procurement and construction (EPC) scope. Apart from Greece, Metka has constructed projects in several emerging and developing energy markets such as Romania, Turkey, Algeria, Syria, Iraq, Jordan and Pakistan.
- The Group has adopted clearly extrovert and relatively high risk strategy in expanding its activities geographically. In view of this challenging approach, Metka has achieved good track record in executing complex and demanding (in terms of quality and time deadline) projects in newly entered markets and has demonstrated its ability to sustain high levels of backlog over the past years.
- Currently, the Group continues to pursue business opportunities in the regions of Middle East and North Africa. In these markets, Metka's prospects benefit from the growth in electricity consumption and the strong need for replacement of ageing installed capacity.
- Based on the management's latest disclosure, Metka anticipates uninterrupted execution of current projects in Algeria, Jordan and Iraq, whereas it remains alert and takes precaution actions for its operations and works in Syria.
- On July 1<sup>st</sup>, 2013, Metka announced a new contract of USD 1.05 billion regarding an energy project signed with the Ministry of Electricity of Iraq. The project will be executed in partnership with the Chinese construction and engineering company SEPCO III.
- The Group's capital structure is debt-free and is characterized by strong cash generation. The high receivables are attributable to the type of business projects undertaken by the Group and the accompanied payment practices. Metka stock is valued in the market at lower than average multiples.

### First Half 2013 Financial Results

(€ million)	H1 2013	%	H1 2012
Revenues	289.9	-3%	298.7
Gross Profit *	50.7	-16%	60.7
EBT	39.0	-15%	46.0
EAT	46.4	15%	40.2

Source: IFRS Consolidated Financial Statements.

\* Note: Gross profit is calculated by deducting cost of sales (including depreciation) from revenues.

#### Important Note:

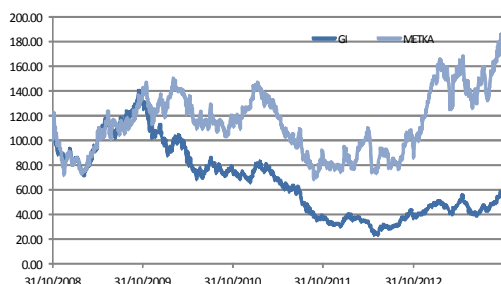
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**Business Sector: Metal Constructions**

**Stock Versus General Index (Last 5 Years)**



### BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2009	339.4	60.6	54.6	35.2	19.4	4.4	10.9	0.1	22%
2010	613.7	133.7	125.4	87.0	7.8	2.9	4.6	0.0	37%
2011	1,003.7	161.5	148.8	115.0	5.9	2.1	3.3	0.0	36%
2012	547.5	92.7	84.4	70.1	9.8	1.9	6.8	0.1	20%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. (3) Financial year 2010 includes non-recurring income from the sale of a holding, of EUR 32.4 million. Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations. n/c stands for non calculable.

### Working Capital Ratios

in EUR million

		2009	2010	2011	2012
Sales	€ mn	339.39	613.70	1,003.70	547.55
Cost of Sales (net of depreciation)	€ mn	257.20	449.94	813.39	430.03
Gross Profit Margin	%	24.22%	26.68%	18.96%	21.46%
Net Income / Profit	€ mn	35.24	87.04	115.04	70.05
Net Profit Margin	%	10.4%	14.2%	11.5%	12.8%
Cash & Cash Equivalents	€ mn	31.29	68.27	167.95	100.05

### Stock Days

Days	18	9	20	32	
Stock Inventory	€ mn	12.76	11.25	45.54	37.36

### Debtors Days

Days	358	359	166	301	
Debtors - Receivables	€ mn	333.07	604.36	456.59	452.00

### Creditors Days

Days	352	339	149	176	
Creditors - Suppliers	€ mn	247.94	418.14	330.95	207.71

### Operating Cycle (Days)

Days	376	369	186	333	
Cash Cycle (Days)	Days	24	29	38	157

Source: Official Consolidated Financial Statements, VRS Calculations. Gross profit is calculated by deducting cost of sales (net of depreciation) from revenues.

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**Business Sector: Metal Constructions**

### Geographical Breakdown - Metka Group

<i>in EUR million</i>	2011	2012	1H 2012	1H 2013
<b>Greece</b>				
Total Sales	204.1	129.9	49.8	41.9
Gross Profit	29.0	17.9	2.3	6.0
Profit After Tax	15.9	11.2	1.5	6.3
<b>Algeria</b>				
Total Sales	0.0	0.0	0.0	92.8
Gross Profit	0.0	0.0	0.0	27.8
Profit After Tax	0.0	0.0	0.0	25.3
<b>Turkey</b>				
Total Sales	434.5	183.2	97.6	31.2
Gross Profit	91.5	39.1	21.6	-9.2
Profit After Tax	58.4	24.4	14.4	-8.3
<b>Syrian A.R.</b>				
Total Sales	363.2	157.0	128.2	36.1
Gross Profit	68.0	29.3	23.9	13.4
Profit After Tax	43.4	18.3	15.9	12.2
<b>Other Countries</b>				
Total Sales	0.0	32.0	22.3	0.0
Gross Profit	0.0	9.8	7.5	-0.1
Profit After Tax	0.0	6.1	5.0	-0.1
<b>EE Countries</b>				
Total Sales	59.6	15.5	11.0	0.0
Gross Profit	-2.1	6.6	5.4	0.0
Profit After Tax	-1.4	4.1	3.6	0.0
<b>Iraq</b>				
Total Sales	0.0	0.0	0.0	57.8
Gross Profit	0.0	0.0	0.0	5.9
Profit After Tax	0.0	0.0	0.0	4.5
<b>Jordan</b>				
Total Sales	0.0	43.2	0.0	30.0
Gross Profit	0.0	10.6	0.0	7.0
Profit After Tax	0.0	6.6	0.0	6.4
<b>Total</b>				
Total Sales	1,061.5	560.8	308.8	289.9
Gross Profit	186.4	113.3	60.7	50.7
Profit After Tax	116.3	70.9	40.3	46.2

Notes: (1) Total Sales include intra-group transactions. (2) On aggregate basis from January 1, 2011 to June 30, 2013, 80.34% of total sales derived from projects outside Greece. Source: Company.

#### Important Note:

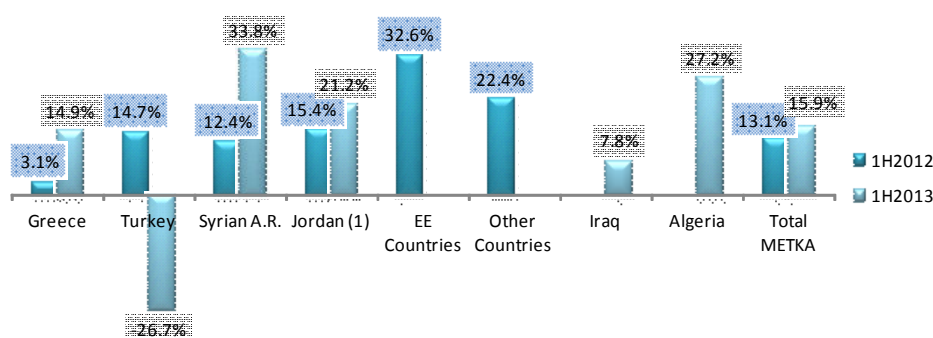
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**Business Sector: Metal Constructions**

**Net Profit Margin per Geographic Market**  
(H1 2013 versus H1 2012)



### Income from Any External Customer Exceeding the 10% Threshold of Metka Group's Total Income

Sector	2011		2012		1H2012		1H2013	
	Customers	Revenue	Customers	Revenue	Customers	Revenue	Customers	Revenue
Turkey	2	296,881	2	116,781	2	53,438	1	28,368
Syrian	1	343,788	1	146,861	1	118,576	1	36,139
Iraq	-	-	-	-	-	-	1	57,827
Algeria	-	-	-	-	-	-	1	92,821
Jordan	-	-	-	-	-	-	1	30,022
<b>Total</b>	<b>3</b>	<b>778,286</b>	<b>3</b>	<b>329,43</b>	<b>3</b>	<b>215,836</b>	<b>5</b>	<b>245,177</b>

Source: Company.

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**Business Sector: Metal Constructions**

### Breakdown per Business Sector - Metka Group

<i>in EUR million</i>	2011	2012	1H2012	1H2013
<b>ENERGY</b>				
Turnover	939	482	269	266
EBITDA	149	90	48	43
EATam	108	70	39	46
<b>DEFENSE</b>				
Turnover	19	13	8	9
EBITDA	6	1	1	2
EATam	4	-1	0	0
<b>INFRASTRUCTURE</b>				
Turnover	46	52	21	15
EBITDA	6	2	1	0
EATam	4	2	0	0
<b>TOTAL EPC</b>				
Turnover	1,004	548	299	290
EBITDA	161	93	51	45
EATam	115	70	40	46

Source: Company.

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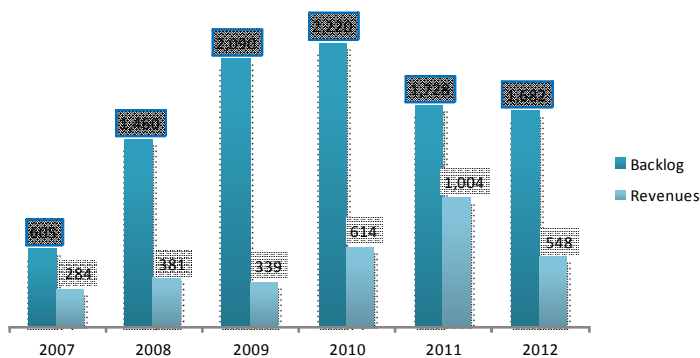
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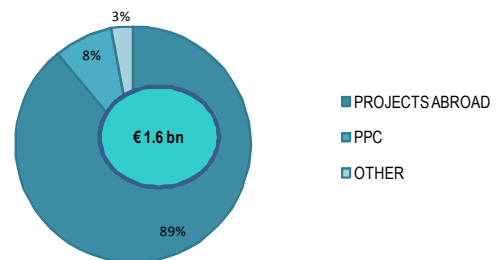
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**Business Sector: Metal Constructions**

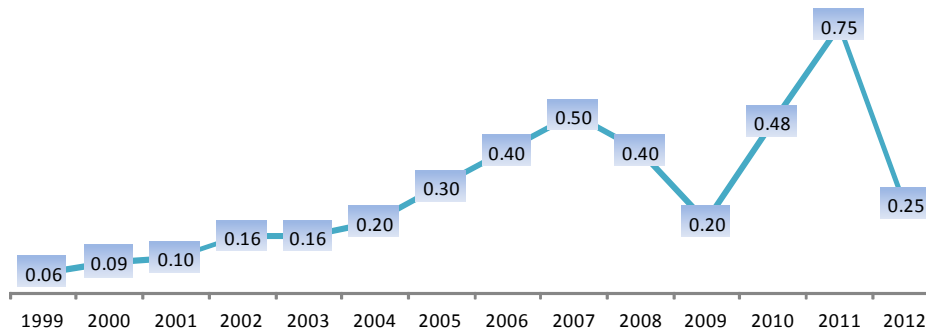
**Historic Backlog and Revenue Evolution**  
(Period 2007 – 2012, in EUR million)



**Backlog Breakdown**  
(as of June 30, 2013)



**Dividend per Share** (Period 1999 – 2012, in EUR)



Source: Company.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
METKA S.A.	METTK:GA	MTKr.AT	€ 13.15	November 15, 2013	2, 3

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
7. VRS has produced a research report for this company within the past 12 months.

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### Investment Research & Analysis Journal

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