

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (04/12/2013) € 11.20

of Shares (,000) 232,000
Market Cap (in € mn) 2,598.40
A.D. Volume (p) 600,813
Beta Co-efficient 1.03

Statistical Data

Max 52 week 11.30 €
Min 52 week 4.46 €
1-M Rtn 12.00%
6-M Rtn 72.31%
12-M Rtn 129.04%

Shareholders' Structure

As of November 1, 2013.

Hellenic Republic 51.12%
Silchester Int. Investors LLP 13.80%
Other Investors & Free Float 35.08%

Source: VRS Calculations, Athens Exchange.

Stock Price Performance (1 year, in €)



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

PPC (PUBLIC POWER CORPORATION - DEI) S.A.

[Bloomberg Ticker: PPC:GA, Reuters Ticker: DEHr.AT]

Business Sector: Energy Power Generators and Distributors

Corporate Developments & Financial Highlights

- PPC (or the Group) is the largest energy power producer in Greece. The domestic electricity market is currently undergoing a restructuring phase in an effort to move towards the universal European model. The market's liberalization in the recent years has led to a phase of regulatory decisions which have burdened PPC in an asymmetric way versus other market participants, according to the management.
- Based on the released IFRS based financial statements, 9M2013 results have been negatively impacted by € 109 million due to the Decision of the Permanent Arbitration at RAE (Regulatory Authority for Energy), regarding the supply of electricity to ALUMINIUM S.A. for the period from 1.7.2010 to 30.9.2013, an impact recorded in 3Q 2013. Furthermore, 9M2012 results included the one-off positive impact of € 191.7 million due to the settlement of outstanding financial issues up to 31.12.2011 with DEPA (Public Gas Corporation). Total electricity sales (incl. exports) remained almost flat at € 4,348.9 million in 9M 2013 affected by lower sales volume due to tariff increases enacted on 1/1/2013.
- Total net fixed assets accounted for € 12,890 million and net debt settled at € 4,648.4 million as of September 30, 2013. Capital expenditure in 9M 2013 accounted for € 482 million (10.7% of total revenues) versus € 648.7 million in 9M 2012 (14.2% of total revenues). Of the above amounts, network users' contribution for their connection to the network settled at € 65.9 million in 9M 2013 and at € 90.1 million in 9M 2012. With the Greek market's liberalization implemented in the past years, PPC's national network is now used by third party energy providers as well.
- PPC's management has disclosed its guidance with regard to full FY 2013 results as follows: Revenues from energy sales: € 5.8 billion, Total Revenues: € 6 billion, EBITDA Margin: 15.0% - 15.5%.

9-Month 2013 Financial Results

(€ million)	9M 2013	%	9M 2012
Revenues	4,493.9	-2%	4,563.7
EBITDA	681.0	-17%	822.3
EBT	56.9	-66%	165.2
EAT	6.7	-95%	124.9

Source: IFRS Consolidated Financial Statements.

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BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
2009	6,030.4	1,677.5	993.1	693.3	3.7	0.4	4.0	0.7	11%
2010	5,811.4	1,497.7	740.7	557.9	4.7	0.4	4.6	0.7	8%
2011	5,513.6	779.8	-85.8	-148.9	-17.4	0.4	9.6	0.8	-2%
2012	5,985.2	990.9	95.4	30.5	85.1	0.4	7.5	0.9	1%

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

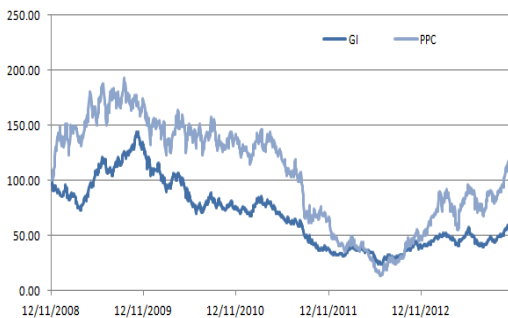
PPC - Company Profile

PPC (Public Power Corporation or DEI) is the largest energy power generator in Greece holding an installed capacity of 12.5 GW in the country (market share of ~68% as of end 2012). PPC's installed power capacity is generated from lignite (~68% of total), hydroelectric and oil stations, natural gas stations, as well as wind and solar energy parks. PPC is the 2nd largest lignite-generated electricity producer in the European Union.

PPC stock is listed on Athens Exchange and London Stock Exchange since December 2001.

Source: Company.

Stock Versus General Index (Last 5 Years)



Note: Data based on price closes on Athens Exchange.

Working Capital Ratios

in EUR million		2009	2010	2011	2012
Sales	€ mn	6,030.38	5,811.39	5,513.55	5,985.22
Cost of Sales	€ mn	2,985.18	3,069.77	3,723.66	4,225.48
Gross Profit Margin	%	50.50%	47.18%	32.46%	29.40%
Net Income / Profit	€ mn	693.32	557.93	-148.95	30.53
Net Profit Margin	%	11.5%	9.6%	-2.7%	0.5%
Cash & Cash Equivalents	€ mn	480.04	620.45	364.50	279.43

Stock Days

Days	99	101	83	74	
Stock Inventory	€ mn	807.71	849.97	847.59	855.34

Debtors Days

Days	72	75	83	105	
Debtors - Receivables	€ mn	1,183.44	1,198.06	1,246.63	1,725.65

Creditors Days

Days	113	101	136	146	
Creditors - Suppliers	€ mn	924.31	850.74	1,391.25	1,686.82

Operating Cycle (Days)

Days	170	176	166	179	
Cash Cycle (Days)	Days	57	75	29	33

Cash Cycle (Days)

Source: Official Consolidated Financial Statements, VRS Calculations. Gross profit is calculated by deducting cost of sales (net of depreciation) from revenues. In this case cost of sales includes: Lignite, Liquid Fuel, Natural Gas, Depreciation and Amortization, Energy purchases, Materials and consumables, Transmission system usage, Utilities and maintenance, Third party fees, Emission allowances.

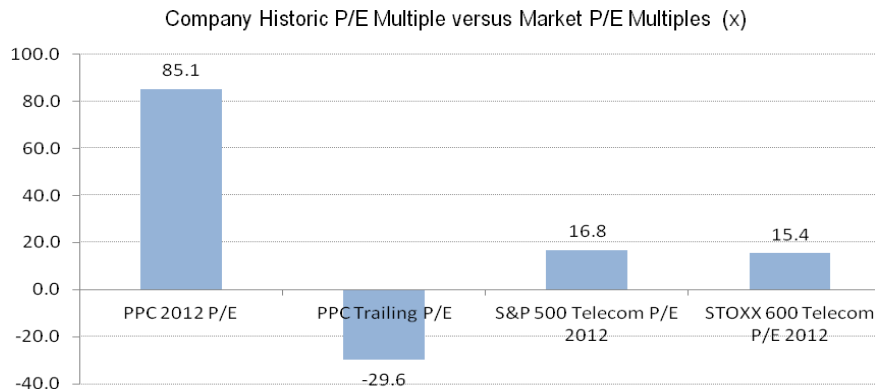
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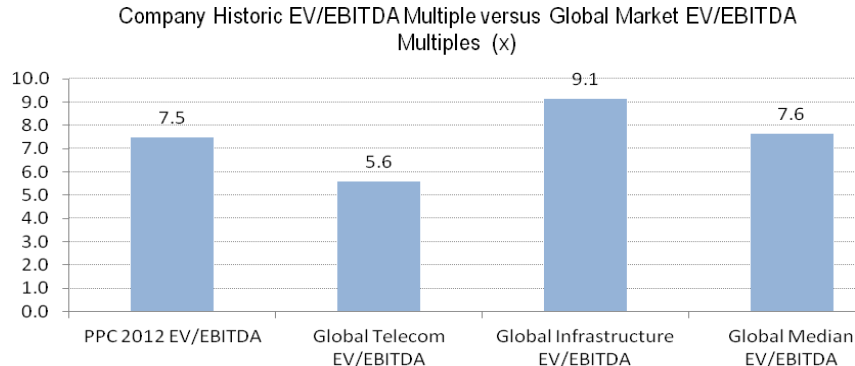
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[Bloomberg Ticker: PPC:GA, Reuters Ticker: DEHr.AT]

Business Sector: Energy Power Generators and Distributors



Source: VRS calculations based on consolidated IFRS accounts, FACTSET.



Source: VRS calculations based on consolidated IFRS accounts, VALMETRICS VALUATION INDEX.

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Electricity Demand / Consumption, Greek Market (domestic & exports)

TWh	2009	2010	2011	2012	9M2012	9M 2013
Third Party Exports	2.34	2.24	2.40	3.78	2.79	2.34
PPC Exports	0.22	0.46	0.59	0.86	0.54	0.83
Third Party Sales (estimation)	0.28	2.23	4.09	0.82	0.64	0.63
HV	6.01	6.36	6.61	6.51	4.79	4.94
MV	11.64	11.13	10.27	10.73	8.25	8.10
LV	35.17	33.65	31.90	34.70	26.54	24.51
Pumping	0.39	0.04	0.38	0.27	0.22	0.01
PPC Mines	0.97	0.95	0.97	0.92	0.70	0.67
Network Losses & Own Consumption	4.83	4.77	4.68	4.76	3.64	3.41
Total Electricity Demand *	58.89	59.09	58.53	58.45	44.56	42.26

* Excluding Pumping & Exports.

Sources of Electricity Generation & Imports, Greek Market

TWh		2009	2010	2011	2012	9M 2012	9M 2013	
PPC Generation	100%	Lignite	57.7%	57.4%	63.6%	65.2%	64.2%	57.6%
		Oil	12.5%	10.6%	11.0%	11.3%	11.6%	11.5%
		Natural Gas	14.7%	12.6%	12.1%	8.9%	9.8%	8.0%
		Hydro	9.4%	14.0%	8.5%	9.2%	9.0%	16.5%
		Res	0.5%	0.6%	0.6%	0.6%	0.6%	0.8%
		Imports	5.2%	4.7%	4.3%	4.7%	4.7%	5.5%
		Total	52.91	47.79	43.34	42.25	32.47	29.59
Third Party Generation	100%	Natural Gas	18.1%	30.8%	51.9%	49.1%	48.9%	43.0%
		Res	37.3%	26.1%	24.8%	29.9%	28.9%	40.4%
		Imports	44.6%	43.1%	23.3%	21.0%	22.1%	16.6%
		Total	8.93	14.03	18.56	21.11	15.64	15.85

Source: Company.

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Electricity Sales per Sector, Greek Market

TWh	2009	2010	2011	2012	9M 2012	9M 2013
Residential	33.9%	34.6%	36.3%	35.7%	36.4%	34.9%
Agricultural	4.7%	4.9%	5.1%	5.3%	5.1%	5.4%
Commercial	31.2%	28.7%	26.4%	28.4%	28.9%	28.0%
Industrial HV	11.3%	12.3%	13.4%	12.3%	11.9%	12.9%
Industrial LV & MV	12.4%	12.4%	11.4%	10.6%	10.4%	10.6%
Other Sectors	6.0%	6.1%	6.2%	6.0%	6.0%	6.0%
Exports	0.4%	0.9%	1.2%	1.6%	1.4%	2.2%
Total	53.04	51.59	49.37	52.81	40.12	38.38

PPC: Fuel, CO2, Other Expenses & EBITDA as Percentage of Revenues

Percentage of Revenues (%)	2011	2012	9M 2012	9M 2013
EBITDA Margin	14.1%	16.6%	18.0%	15.2%
Other Expenses and CO2 Rights Expend.	19.6%	10.3%	7.6%	13.3%
Provisions	4.1%	5.6%	5.0%	6.0%
Payroll	19.9%	15.8%	15.3%	15.6%
Variable Cost Recovery +10%	2.4%	5.3%	4.6%	6.8%
Other Energy Purchases Expense	4.7%	7.5%	8.6%	8.5%
Day Ahead Scheduling	11.7%	14.6%	15.4%	10.1%
Liquid Fuel & Natural Gas	23.1%	23.1%	24.4%	19.3%
Expenditure for CO2 Rights	-	-	-	3.3%
Capacity Assurance Mechanism for 3rd Party Generators	0.4%	1.2%	1.1%	1.9%
Total Revenues (€ million)	5,513.60	5,985.20	4,563.70	4,493.90

Source: Company.

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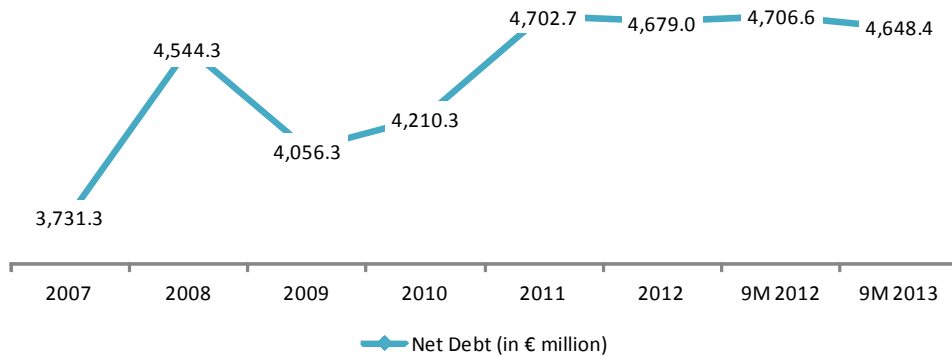
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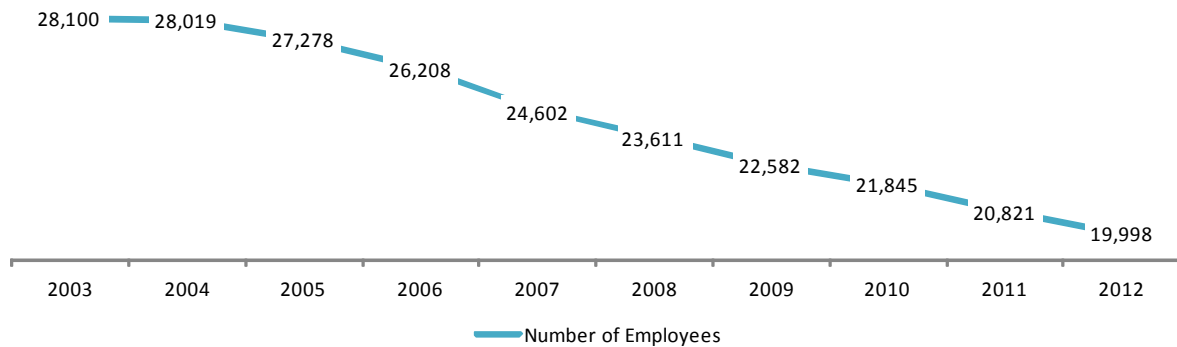
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PPC: Net Debt Evolution (Consolidated Accounts)



PPC: Number of Employees



Source: Company.

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DISCLOSURE CHECKLIST

Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
PPC S.A.	PPC:GA	DEHr.AT	€ 11.20	December 4, 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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