



Greece-Daily Note

July 18, 2024

Headlines

Macroeconomic News

PDMA re-opened the 5-year GGB. Bids reached c. EUR 906m with a coverage ratio of 3.62. The amount finally accepted was EUR 250m and the yield was set at 2.81% with a cutoff price of EUR 104.570.

According to the Bank of Greece, in January-June 2024, the central government cash balance recorded a deficit of EUR 1.56bn, compared to a deficit of EUR 2.91bn in the same period of 2023. Ordinary budget revenue amounted to EUR 30.00bn, compared to EUR 27.84bn in January-June 2023 and ordinary budget expenditure amounted to EUR 29.12bn for the period, vs. EUR 29.74bn in the respective period of 2023.

Corporate News

Minister of Environment and Energy, Thodoros Skylakakis, announced a support plan for consumers that will be impacted by the prevailing increased wholesale prices in the coming months. Specifically, he announced i) a levy on electricity generation from natural gas, that will be imposed temporarily, for at least two months, while the exact amount will be announced in the coming days, ii) subsidies for the August bills for households that are under specific payment plans and up to a specific consumption (500kWh), with the subsidy amount to be announced at a later date and iii) incorporation of the new European directive into an emergency intervention mechanism, that will address endemic market distortions. The Minister made clear that he decided to proceed with these actions as the most effective way given that it had to act swiftly.

We don't expect any adverse impact from the imposition of the levy on the accounts of the vertically integrated nat-gas energy producers (PPC, Metlen, GEK TERNA, HELLENiQ ENERGY), while at the same time, the government's action is supportive for the retail arm of these groups as it should minimize any potential arrears as a result of the sharp-rising electricity bills. We understand that the levy will be added to the bid price and by adding the targeted margin, the new wholesale price will be set. The levy will be used to fund the subsidies towards the electricity bills. As the recent issue with the spikes in wholesale price is not structural but caused for specific reasons, we would expect the normalization of the conditions over the coming period.

Alpha Bank announced that it has been part of the syndicate that signed a EUR 500m unsecured sustainability-linked loan facility with CTP. The financing deal was combined with the conclusion of a sustainability-linked Interest rate swap with CTP, making this bank's first interest rate risk hedge abroad. This strategic move signifies Alpha Bank's growing extroversion beyond Greece, boosting its lending expansion, diversifying its loan book and enhancing its international presence. In our numbers, Alpha Bank's net loans post an increase of c. 6% in FY24E and c. 4% in FY25E.

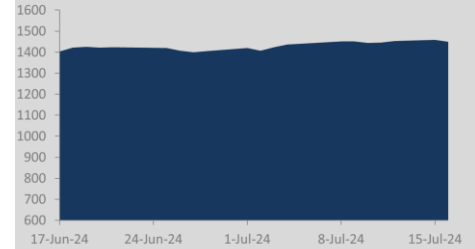
According to press, Moody's Ratings announced it has put the long-term ratings of Attica Bank and Pancreta Bank under review for a potential upgrade. This follows the announcement on 08 July that the main shareholders of both banks have agreed in principle on merger terms. The review will consider the progress of the merger plan, the expected capital increase from strategic shareholders and the implementation of Hercules III plan to reduce NPEs. In other related headlines, the Attica Bank and Deutsche Bank have signed a loan agreement with Jasper Wind SA for RES projects in the Peloponnese. The EUR 63m financing will support the construction and operation of three wind farms with a total capacity of 41 MW, set to start in September 2024. Reportedly, the total value of the project is EUR 80m.

According to press, HELLENiQ ENERGY completed the issuance of 5NCL Senior Notes raising EUR 450m which is above the initial target of EUR 400m. The coupon rate is 4.25% and yield was finally set at 4.375%.

The EGM of Motor Oil approved the acquisition by Manetial Limited, a 100% subsidiary of Motor Oil, of all shares in the ownership of Ellaktor issued in Helector that represents 94.44% of the issued and paid-up share capital.

According to press, ADMIE initiates a tender for the high voltage transmission line of Igoumenitsa – Corfu (mixed underground and subsea cable line) budgeted at EUR 42.8m. The project concerns the design, supply and installation of a 150kV cable system to ensure the safe electricity supply of Corfu through the strengthening of its existing interconnection. This is the third connection between Corfu and the mainland called Aetos – Corfu and is estimated to be completed by 2025. As announced in its 10-year investment plan, ADMIE plans investments of EUR 100m by 2025 to upgrade the electrical interconnections of the Ionian islands.

Athens General Index



	close	daily %	Ytd %
Athens General	1446.92	-0.17%	11.89%
Market Turnover (EURm)	91.23	-11.29%	
Market Cap (EURbn)	100.61		
Market Cap / GDP*	45.67%		

*2023

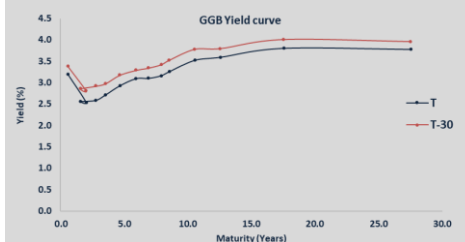
FTSE ASE movers (last trading day)

TOP	
Thessaloniki Port Authority Societe	2.39%
Organization of Football Prognostics S.A.	1.28%
MIG Holdings S.A.	0.80%
Bank of Greece	0.73%
LAMDA Development S.A.	0.55%
BOTTOM	
Aegean Airlines S.A.	-2.24%
Jumbo S.A.	-1.81%
Alpha Services and Holdings S.A.	-1.60%
Viohalco S.A.	-1.17%
Attica Bank S.A.	-1.12%

FTSE ASE Ratios*

	FY2024	FY2025	FY2026
P/E	9.3	7.5	7.2
EV/EBITDA	6.2	5.6	6.1
P/BV	6.2	1.2	0.9
EV/Sales	1.2	1.1	1.2
Dividend yield	5.5%	6.7%	7.1%

*S&P Capital IQ



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PPC's AGM held on June 27 approved the dividend distribution of EUR 0.25 per share (net EUR 0.2375 per share), with an ex-dividend date set on July 22, and a dividend payment date set on July 26.

Other Headlines

Thessaloniki Port Authority announced that the CEO and Board Member Arie Koppelaar has submitted his resignation from his position and the company will revert with a new announcement regarding his replacement.

Orilina Properties announced that it has received a deposit for the sale of a future apartment, that has a total purchase price of EUR 6.2m, in the under development residential complex of Marina Residences. The apartment will be located in the first building of the development at the marina of Agios Kosmas, in Ellinikon.

Kloukinas Lappas, the sole owner of Wonder Nest Retail, a company operating in the baby care products sector, has announced its intention to divest 100% of the share capital of the company for a total consideration of EUR 5m, with Intracom Holdings acquiring a 60% stake for a total of EUR 3m, and Violetta Lappa acquiring the remaining 40% stake for a total of EUR 2m.

Weekly calendar

Thursday, 19 July: Turnover Index in Industry (May'24), Evolution of Turnover of Enterprises in Accommodation and Food Service Activities (May'24)

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Macro & Corporate Calendar

MACROS		
Event	Reference Period	Release Date
Turnover Index in Industry	May'24	19/07/24
Evolution of Turnover of Enterprises in Accommodation and Food Service Activities	May'24	19/07/24
Quarterly Non-Financial Accounts of General Government	1Q24	22/07/24
Balance of Payments	May'24	22/07/24
Evolution of Turnover of Enterprises in Retail Trade	May'24	23/07/24
Developments in the balance of travel services	May'24	23/07/24
Quarterly Non-Financial Accounts of Institutional Sectors	1Q24	25/07/24
Material Costs Index in the Construction of New Residential Buildings	Jun'24	25/07/24
Price Indices of Work Categories and Construction Cost of New Residential Buildings	2Q24	25/07/24
Bank credit and deposits	Jun'24	25/07/24
Building Activity Survey	Apr'24	26/07/24
Producer Price Index in Industry	Jun'24	30/07/24
Turnover Index in Retail Trade	May'24	31/07/24
Labour Force Survey (monthly estimates)	Jun'24	31/07/24

CORPORATES		
Company	Event	Release Date
PPC	ex-dividend	22/07/24
Ellaktor	ex-dividend	22/07/24
Athens Water	ex-dividend	22/07/24
Eurobank	AGM	23/07/24
Epsilon Net	dividend payment	23/07/24
Alpha Bank	AGM	24/07/24
MYTILINEOS	Flash Note 1H24 results/analyst call	25/07/24
Eurobank	ex-dividend	25/07/24
Alpha Bank	ex-dividend	26/07/24
PPC	dividend payment	26/07/24
Ellaktor	dividend payment	26/07/24
National Bank of Greece	ex-dividend	29/07/24
Hellenic Exchanges	1H24 results	29/07/24
Piraeus Port Authority	ex-dividend	29/07/24
Athens Water	dividend payment	29/07/24
Piraeus Bank	2Q24 results/analyst call	31/07/24
Eurobank	2Q24 results/analyst call/dividend payment	31/07/24
Titan Cement	2Q24 results	31/07/24

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Neutral	The stock to generate total return** between -10% and 10% within the next 12-months
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**Total return: % price appreciation equals percentage change in share price from current price to projected target price plus projected dividend yield

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Neutral					
Sell					
Restricted					
Not Rated	3	10%			
Under Review	12	39%	1	1	3%

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