

# Daily Regional Update

Greece/Italy/Cyprus

AXIA Research



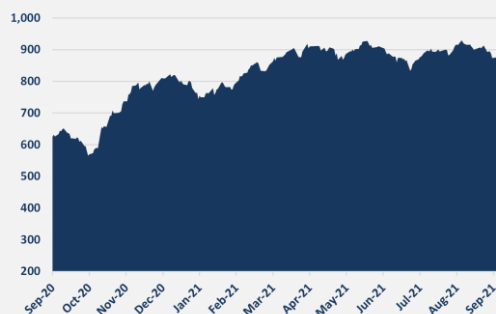
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October 12, 2021

## Greece

ATHEX Composite Index



### Economy

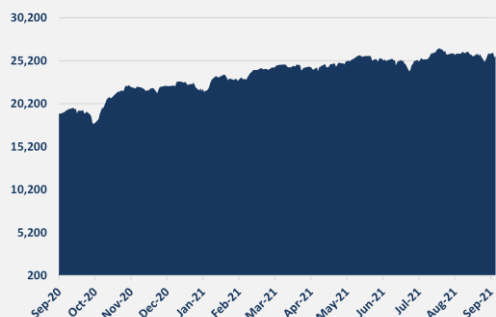
- In August 2021, the trade balance deficit amounted EUR 2.20bn increasing by 43.3% y-o-y (+31.5% y-o-y), while for the period Jan-Aug'21 it amounted EUR 14.6bn increasing by 20.4% y-o-y (+17.5% y-o-y).
- According to ELSTAT, in August 2021, the industrial production index increased 10.1% y-o-y, while the average index for Jan-Aug'21 increased 9.5% y-o-y.
- According to ELSTAT, in September 2021, the CPI increased 2.2% y-o-y (Sep'20: -2.0% y-o-y) and 2.4% m-o-m (Sep'20: +2.0% m-o-m), while for Oct'20-Sep'21 the average CPI decreased 0.4% y-o-y (Oct'19-Sep'20: -0.7% y-o-y).
- The Greek government announced a EUR 500m subsidy to mitigate increased energy costs.

### Market

- According to press, NBG is about to conclude the exclusive negotiations and announce the acquisition of the Frontier portfolio of EUR 6.1bn NPEs by the consortium of Bain Capital, Fortress and doValue (the preferred bidder).
- According to Kathimerini, Attica Group and ANEK (two groups providing ferry services for passengers and cargo in Eastern Mediterranean) are in advanced merger talks (Attica Group to absorb ANEK), driven by the creditor banks.
- According to the CEO of Premia Properties, Kostas Markazos, under the immediate plans of the company is to issue a cEUR100m bond to be used to invest into new properties.

## Italy

FTSE MIB Index

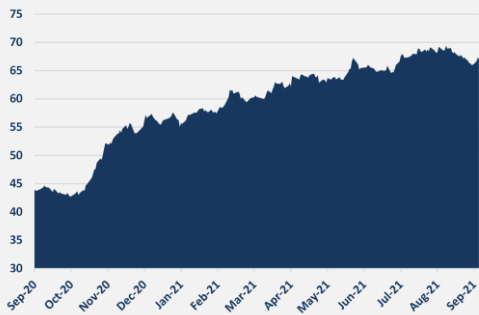


### Market

- As reported by Milano Finanza, the sale of the Italian insure-tech company, RGI, by PE fund Corsair Capital drew CVC's and Nextalia's interest ahead of the formal launch this month. A mix of strategic investors and sponsors have been invited to bid for the business. RGI employs a team of about 1,200 professionals operating from 21 offices. In 2020, RGI had an EBITDA of c. EUR 25m. While 2 years ago, the company broke the EUR 100m revenue barrier.
- Genova Headquartered Toshiba Transmission and Distribution Europe, a company executing turnkey projects in the energy field, is to be acquired by German PE holding Mutares. Toshiba Transmission and Distribution has 80 employees and is to be added on Mutares portfolio company Balcke-Dürr Group. The closing of the transaction and the consequent rebranding is expected for 4Q21 and is still subject to certain customary market conditions precedent. For 2021, Mutares expects consolidated revenues of c. EUR 2.4bn. Mutares has a market capitalization of EUR 339.4m.
- As reported by Bebeez, casual fashion brand, Gas Jeans, is approaching bankruptcy after failing to announce a restructuring plan during the last shareholder meeting on September 16<sup>th</sup>. DeA Capital holds 51% of the debt, or EUR 34.5m, while AMCO holds EUR 12.7m and MPS holds EUR 6.5m debt. The court in mid-November is expected to set the date for the bankruptcy petition. After bankruptcy, Gas Jeans will dismiss 200 employees, and the real estate of the brand will be sold in pieces.
- As reported by Il Sole 24 Ore, Italian manufacturer of electronic heater components SIT is ready to focus on potential M&As. SIT was interested in companies operating in the heating components sector to obtain new technologies. SIT seeks targets of up to EUR 50m and a preference for profitable companies. At present there are no concrete dossiers on the table.
- As reported by Milano Finanza, Italian financial services software developer Objectway to be auctioned soon, teasers will be sent out by October-end. Sellside advisor Bnp Paribas has started to contact financial sponsors. About 60%-70% of Objectway's capital is for sale. Founder Luigi Marciano holds a 92% stake in the company, while the rest is owned by small shareholders. In 2020, the company's EBITDA was c. EUR 15m on EUR 75m revenue. Objectway could fetch a valuation c. EUR 150m.
- As reported by Milano Finanza, the third auction attempt for the Italian yacht manufacturer Perini Navi's is to be held by the end of the year. The starting price for the first auction was EUR 62.5m, which was lowered to EUR 53.5m for the second auction. The base price for the third auction will be under EUR 50m. Perini Navi has debts of EUR 90m.

## Cyprus

CSE General Market Index



### Economy

- Cyprus' Ministry of Finance welcomed the agreement reached at OECD level on October 8, 2021 on global corporate tax rate which ensures big companies pay a minimum tax rate of 15% and make it harder for them to avoid taxation. Recall that Cyprus base corporate tax rate is at 12.5%.
- According to CySTAT, in July 2021 the industrial turnover index increased 10.6% y-o-y and for Jan-Jul'21 it increased 10.9% y-o-y.
- According to CySTAT, in 2Q21 the index of production in construction increased 26.2% y-o-y. By type of project there was a 26.0% y-o-y increase for buildings and a 27.6% y-o-y increase for civil engineering projects.
- According to CySTAT, in 2Q21, the output prices index in construction increased 5.4% y-o-y and 0.9% q-o-q. By type of project there was a 5.5% y-o-y increase for buildings and a 5.2% y-o-y increase for civil engineering projects.
- According to data by Hermes airports, during the first nine months of 2021 passenger traffic across Cyprus' airports reached 3.33m passengers increasing 72.3% y-o-y, while for September specifically traffic came to 823k coming at 62% of the respective 2019 level.

### Market

- Hellenic Bank announced the establishment of a EUR 1.5bn EMTN program. This would cover the issuance of MREL instruments for the coming years, with the first issuance planned for 4Q21.
- Bank of Cyprus announced that following the April 2021 refinancing and offer by bank to purchase any and all of its EUR 250m Fixed Rate Reset Tier 2 Capital Notes due January 2027 (ISIN: XS1551761569) EUR 43m in aggregate nominal amount of the Notes remained outstanding. Bank of Cyprus hereby announces that as of October 8, 2021 the Bank has purchased a further EUR 6m of the notes in the open market.

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