



## Investment Research

### Buy

Recommendation unchanged

**Share price: EUR 4.14**

closing price as of 07/07/2016

**Target price: EUR 5.10**

from Target Price: EUR 5.60

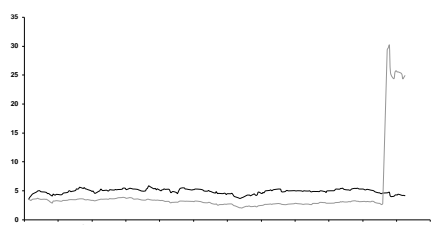
Reuters/Bloomberg

EXCR:AT/EXAE GA

Daily avg. no. trad. sh. 12 mth	37,499
Daily avg. trad. vol. 12 mth (m)	155.97
Price high 12 mth (EUR)	5.85
Price low 12 mth (EUR)	3.55
Abs. perf. 1 mth	-18.5%
Abs. perf. 3 mth	-17.2%
Abs. perf. 12 mth	-10.8%

Market capitalisation (EURm)	271
Current N° of shares (m)	65
Free float	100%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	35	33	39
EBITDA (m)	15	13	18
EBITDA margin	42.7%	38.9%	45.3%
EBIT (m)	13	10	15
EBIT margin	36.8%	31.0%	38.3%
Net Profit (adj.)(m)	10	8	11
ROCE	27.9%	20.1%	29.8%
Net debt/(cash) (m)	(137)	(111)	(118)
Net Debt Equity	-0.8	-0.7	-0.7
Net Debt/EBITDA	-9.2	-8.6	-6.7
Int. cover(EBITDA/Fin.int)	(26.5)	(16.5)	(21.1)
EV/Sales	5.9	4.7	3.9
EV/EBITDA	13.8	12.1	8.6
EV/EBITDA (adj.)	13.5	11.8	8.4
EV/EBIT	16.1	15.2	10.1
P/E (adj.)	33.6	35.2	25.0
P/BV	1.9	1.8	1.7
OpFCF yield	1.8%	1.4%	4.6%
Dividend yield	7.7%	2.1%	2.9%
EPS (adj.)	0.16	0.12	0.17
BVPS	2.72	2.36	2.44
DPS	0.32	0.09	0.12



Source: Factset

For company description please see summary table footnote

Reason: Estimates Revision

8 July 2016

## Soft 2Q16 results on thin trading volumes; 'Buy' rating is affirmed

We have reduced our target price on ATHEX Group (EXAE) to EUR 5.10/share (vs. EUR 5.60/share previously) following our more conservative stance about the evolution of the average daily traded value in the cash market amid a volatile environment in international markets. Despite the downward revision to our target price, the stock still appears attractive as the upside potential from current levels is 23%, justifying our 'Buy' rating.

- ✓ **Political developments in Europe and Italy to affect market sentiment in the near-term:** We have reduced our assumption on FY16 average daily transaction value to EUR 85m from EUR 110m previously due to the turmoil created by the Brexit referendum and the worries about Italian banks that have curtailed investors' appetite for EU peripheral markets (including Greece). However, we view that the Grexit risk has been removed from the table at present, after the decisiveness of the SYRIZA/ANEL coalition government to approve unpopular measures that allow the country to meet its fiscal needs and most importantly to agree on an automatic fiscal adjustment mechanism if there is any deviation from fiscal targets. We expect that the sentiment will remain fragile in 2017 ahead of the important elections in Germany and France and potentially in Italy, UK and Spain, thus mandating a more cautious stance about the performance of the Greek bourse next year (2017e ADT value is now seen at EUR 110m vs. EUR 135m previously).
- ✓ **Earnings revision:** Based on the fact that ATHEX's cost base is mainly comprised of fixed costs, a reduction in revenue estimates has a detrimental effect on our earnings forecasts. In a nutshell, we have cut our revenue estimates by 15% for 2016-2017, driving our EBITDA estimates down by 28% versus former ones. We now forecast EBITDA of EUR 13m (-13% y-o-y) for 2016 and EUR 17.5m (+35% y-o-y) for 2017. Accordingly, we have reduced our net earnings profits to EUR 7.7m (-15% y-o-y, 39% reduction) for 2016 and EUR 10.8m (+41% y-o-y, 34% downward revision) for 2017.
- ✓ **Share buy-backs instead of capital returns** As far as dividend policy is concerned, the implementation of the share buy-back program will require a total outflow of EUR 30m, reducing group's net cash position to the critical level of EUR 100m by the end of 2017, rendering prohibitive the continuation of the distribution of special dividends in the form of capital returns. We view that the company will distribute only ordinary dividends according to its annual profitability from FY16 onwards. Assuming a 70% dividend payout ratio, we expect the distribution of EUR 5.8m for FY16 and EUR 7.6m for FY17, pointing to a DPS of EUR 0.09/share and EUR 0.12/share respectively (adjusted for treasury shares as of 6/7/2016).
- ✓ **Soft trading to weigh on 2Q16 results:** We expect a mediocre performance in 2Q16 on the back of thin trading on Greek equities, affected by the exhaustive negotiations between the Greek government and creditors that had eventually been concluded in May and investors' wait-and-see stance ahead of the Brexit referendum that took place on June 23th. In this uncertain environment, average daily traded value in the cash market shaped at EUR 80m in 2Q16, down by 7% y-o-y, while the average market capitalization of the Greek bourse dropped by 8% to EUR 43bn. We look for revenues of EUR 7.6m (-10% y-o-y), EBITDA of EUR 3.4m (-9% y-o-y) and net profits of EUR 2.0m (-10% y-o-y).

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 For important disclosure information, please refer to the disclaimer page of this report



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## 2Q16 results preview

Hellenic Exchanges-Athens Stock Exchange (ATHEX) will release its 2Q16 results on July 25h, post market close. The company will hold a conference call on the next day at 16:00 Athens time (14:00 UK time).

We expect a soft performance in 2Q16 on the back of a thin trading activity on Greek equities, affected by the exhaustive negotiations between the Greek government and the country's creditors that had eventually been concluded in May and investors' wait-and-see stance ahead of the Brexit referendum that took place on June 23th. In this uncertain environment, average daily traded value in the cash market shaped at EUR 80m in 2Q16, down by 7% y-o-y, while the average market capitalization of the Greek bourse dropped by 8% to EUR 43bn versus in 2Q nearly EUR 47bn in the same period of 2015.

Likewise, the trading activity in the derivatives market was weak in 2Q with the average daily number of derivatives contracts shaping at 75k contracts compared to 104k in the respective quarter of 2015. In particular, we forecast revenues of EUR 3.2m (-7% y-o-y) from the trading and clearing of shares, while ATHEX's turnover from derivatives is seen dropping by 33% to EUR 0.6m. Revenues from other sources are estimated at EUR 3.9m (-7% y-o-y) in 2Q, reflecting lower fees from listed companies and operators that are linked to market capitalization. On the whole, we look for revenues of EUR 7.6m in 2Q16, down by 10% y-o-y, driving projected first-half revenues to EUR 15m (-18% y-o-y).

We have assumed operating expenses of EUR 3.8m compared to EUR 5.5m a year ago. We remind that ATHEX's operating expenses in 2Q15 had been augmented by non-recurring provisions of EUR 0.65m, a capital concentration tax of EUR 0.44m and fees of EUR 0.10m concerning the share capital increase of the Athens Exchange. HCMC fee is estimated at EUR 0.33m vs. EUR 0.37m a year ago. As a result, we forecast quarterly EBITDA of EUR 3.4m, down by 9% on a like-for-like basis (excluding one-off expenses), while ATHEX's 1H16e EBITDA is estimated at EUR 6.6m, down by 29% y-o-y on a comparable basis.

Below the EBITDA line we have assumed: a) depreciation expenses of EUR 0.65m (vs. EUR 0.50m a year ago), b) net finance income of EUR 0.16m (vs. EUR 0.45m a year ago) and c) income taxes of EUR 0.94m compared to tax expenses of EUR 1.2m in 2Q15, assuming an effective tax rate of 31%. We forecast quarterly net earnings of EUR 2.0m, (-10% y-o-y on a comparable basis), leading to 1H16e net profits of EUR 3.8m (-39% y-o-y on a comparable basis).

### ATHEX Group: 2Q /1H 2016 P&L estimates

EUR m	1H15	1H16e	YoY	2Q15	2Q16e	YoY
Revenues	18.5	15.2	-17.7%	8.4	7.6	-10.1%
EBITDA adj*	9.3	6.6	-28.5%	3.8	3.4	-9.2%
Margin (%)	50.0%	43.4%	-70bps	44.7%	45.1%	50bps
Net profits	5.4	3.8	-29.1%	1.4	2.0	45.9%
<b>Net profits adj*</b>	<b>6.3</b>	<b>3.8</b>	<b>-38.7%</b>	<b>2.2</b>	<b>2.0</b>	<b>-9.9%</b>

Source: IBG Research, Company, \* Excluding one-off costs from 2Q/1H15 results

## Forecasts revision

We have trimmed down our P&L forecasts following the downward revision of our estimates about average daily transaction (ADT) value to reflect the thin trading activity in the first half of 2016 (ie EUR 76m) and the repercussions of the Brexit referendum and the troubles of Italian banks on investors' appetite for emerging markets like Greece, which still faces uncertainties vis-à-vis the implementation of its bailout program. We now look for an average daily transaction value of EUR 85m for 2016 (vs. EUR 110m previously) and EUR 110m for 2017 (vs. EUR 135m previously). We note that 2017 is deemed as a quite challenging year for the Greek bourse due to the forthcoming elections in France and Germany and the possibility for general elections in UK, Spain and Italy, as well as Greece.

### ■ Revenues

We look for revenues of EUR 33.4m (-5% y-o-y, 15% below our old forecast) for 2016 and EUR 38.7m (+16% y-o-y, 15% below our previous call). Trading and clearing fees from shares would remain the key revenue source accounting for 41% of group's revenues in 2016, followed by other services with 35%. We have not factored in any significant revenues from rights issues or IPOs, while the new market of corporate bonds is expected to have a limited contribution to ATHEX's financials. Recall that last year, the Greek bourse operated 223 days due to the 5-week closure after the imposition of capital controls, compared to 250 days this year.

#### Revenue estimates

EUR m	2015	2016f	2017f	2018f	2019f	2020f
Shares (Trading + Clearing)	12.4	13.7	17.8	21.1	25.9	29.1
Derivatives (Trading + Clearing)	2.8	2.6	2.8	3.2	3.5	3.8
Exchange	5.9	3.3	3.8	4.1	4.5	4.6
Other	12.1	11.7	12.3	12.8	13.3	13.8
<b>Revenue from main activities</b>	<b>33.1</b>	<b>31.3</b>	<b>36.6</b>	<b>41.1</b>	<b>47.1</b>	<b>51.3</b>
% change	-27.4%	-5.4%	16.8%	12.2%	14.8%	8.7%
X-NET - New services	1.9	2.0	2.1	2.2	2.3	2.4
<b>Revenue</b>	<b>35.0</b>	<b>33.4</b>	<b>38.7</b>	<b>43.3</b>	<b>49.5</b>	<b>53.7</b>
% change	-25.9%	-4.8%	16.1%	11.8%	14.3%	8.5%

Source: IBG Research, Company

#### Key revenue assumptions

Parameter	2016f	2017f	2018f	2019f	2020f
Cash market - Avg daily traded value (EUR m)	85	110	130	160	180
Turnover Velocity	50%	56%	57%	60%	62%
Avg MCAP (EUR bn)	42.4	51.6	60.0	70.1	76.5
MCAP / GDP	24%	28%	32%	35%	37%
Derivatives - Avg daily traded volume (000's contracts)	65	65	70	73	75

Source: IBG Research



## ■ Earnings

On the cost side, we have assumed a slow increase in operating expenses with personnel expenses representing more than 50% of total costs. We have mentioned in our previous reports that ATHEX's profitability is highly sensitive to the spikes in its top line due to the increased proportion of fixed costs in its cost base (more than 75% on our estimates). That said, following the downward revision to our top line forecasts, we have adjusted our earnings estimates for 2016-2020 accordingly. In particular, we forecast EBITDA of EUR 13.0m for 2016, down by 13% y-o-y, and EUR 17.5m (+35% y-o-y) for 2017, pointing to a margin in the area of 40% for both years. Our new EBITDA forecasts stand 27% below our previous ones over 2016-2020.

Below the EBITDA line, we have raised our projections on depreciation expenses to EUR 2.6m from EUR 2.0m previously, following the increase in the fair value of ATHEX's buildings, while we have reduced our estimates on interest income given the decrease of cash balances due to the implementation of the share buy-back program and lower deposit rates prevailing in the market place. We have also increased the effective tax rate to 31% from 29% previously, given that it stood at 32.8% in FY15 and 31.8% in the first quarter of 2016. Based on these assumptions, we have cut our net earnings forecasts by 39% for 2016 and 34% for 2017, expecting net profits of EUR 7.7m for 2016 (-15% y-o-y) and EUR 10.8m (+41% y-o-y) for 2017.

Our earnings estimates are very sensitive to the trading activity in the cash market. **More specifically, every EUR 10m additional average traded value in ATHEX in 2016 translates into incremental EBITDA of EUR 1.6m (9% impact on our FY17e EBITDA) and incremental net earnings of EUR 1.1m (10% impact on our FY17e net profits), all other things being equal, adding EUR 0.20 to our new target price.**

## ■ Free cash flows

We have assumed limited capex requirements of EUR 2.2m and negligible working capital needs in the medium-term driving our FCF estimates to EUR 12m for 2017 and EUR 15m for 2018. For 2016, we are more conservative looking for free cash flows of EUR 4.0m on the back of higher working capital needs associated to the 0.20% sales tax associated to December 2015 traded value, which is payable in January 2016. We remind that the average daily traded value last December was boosted by the recapitalization of Greek banks, shaping at EUR 188m vs. EUR 103m in Dec-14.

## ■ Dividends

As far as dividend policy is concerned, the implementation of the share buy-back program will require a total outflow of EUR 30m, reducing group's net cash position to the critical level of EUR 100m, rendering prohibitive the distribution of special dividends in the form of capital returns from now on.

Recall that shareholders have approved the repurchase of up to 10% of ATHEX's shares (i.e. .654m shares) in the price range of EUR 1.5 to EUR 7.0 and with the intention of cancelling at least 95% of those shares and distributing the remaining 5% to personnel. As at July 6, ATHEX has repurchased 2.17m shares (3.3% of its share capital) at an average price of EUR 4.8/share, thus it had already consumed more than EUR 10m of its cash for the buy-back program.

Having these in mind, we have assumed that the company will distribute only ordinary dividends from annual profitability and have pencilled in 70% dividend payout ratio. We forecast the distribution of EUR 5.8m for FY16 and EUR 7.6m for FY17, pointing to a DPS of EUR 0.09/share and EUR 0.12/share respectively, excluding treasury shares as of 6/7/2016.



### P&L forecasts

EUR m	2015	2016f	2017f	2018f	2019f	2020f
<b>Revenues</b>	<b>35.0</b>	<b>33.4</b>	<b>38.7</b>	<b>43.3</b>	<b>49.5</b>	<b>53.7</b>
% change	-25.9%	-4.8%	16.1%	11.8%	14.3%	8.5%
HCMC fee	1.4	1.4	1.8	2.1	2.6	2.9
<b>Operating revenue</b>	<b>33.7</b>	<b>31.9</b>	<b>36.9</b>	<b>41.2</b>	<b>46.9</b>	<b>50.8</b>
Operating expenses	18.7	19.0	19.4	19.9	20.4	21.0
% change	-3.4%	1.3%	2.3%	2.6%	2.9%	2.9%
<b>EBITDA</b>	<b>15.0</b>	<b>13.0</b>	<b>17.5</b>	<b>21.3</b>	<b>26.5</b>	<b>29.8</b>
EBITDA margin	42.7%	38.9%	45.3%	49.2%	53.5%	55.5%
% change	-41.9%	-13.2%	35.2%	21.4%	24.3%	12.5%
Depreciation	2.1	2.6	2.7	2.7	2.6	2.5
<b>EBIT</b>	<b>12.9</b>	<b>10.4</b>	<b>14.8</b>	<b>18.6</b>	<b>23.9</b>	<b>27.2</b>
Interest Income	1.6	0.8	0.9	0.9	1.0	1.0
Interest Expenses & Other	1.0	0.0	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>13.5</b>	<b>11.1</b>	<b>15.7</b>	<b>19.5</b>	<b>24.8</b>	<b>28.2</b>
Income tax	4.4	3.5	4.9	6.1	7.7	8.7
<b>Net profits</b>	<b>9.0</b>	<b>7.7</b>	<b>10.8</b>	<b>13.5</b>	<b>17.1</b>	<b>19.5</b>
% change	-57%	-15%	41%	25%	27%	14%
<b>Comp net profits (IBGe)</b>	<b>10.3</b>	<b>7.7</b>	<b>10.8</b>	<b>13.5</b>	<b>17.1</b>	<b>19.5</b>
% change	-53%	-25%	41%	25%	27%	14%

Source: Company, IBG Research

### Forecast Changes

EUR m	2016f	2017f	2018f	2019f	2020f
<b>Average Trading Volume - New</b>	<b>85</b>	<b>110</b>	<b>130</b>	<b>160</b>	<b>180</b>
Average Trading Volume - Old	110	135	160	190	225
New vs. Old (%)	-23%	-18%	-19%	-16%	-20%
<b>Average MCAP - New</b>	<b>42,398</b>	<b>51,575</b>	<b>59,994</b>	<b>70,122</b>	<b>76,528</b>
Average MCAP - Old	51,664	63,236	74,233	84,245	96,418
New vs. Old (%)	-18%	-18%	-19%	-17%	-21%
<b>Revenues - New</b>	<b>33.4</b>	<b>38.7</b>	<b>43.3</b>	<b>49.5</b>	<b>53.7</b>
Revenues - Old	39.2	45.5	51.9	58.7	65.4
New vs. Old (%)	-15%	-15%	-17%	-16%	-18%
<b>EBITDA - New</b>	<b>13.0</b>	<b>17.5</b>	<b>21.3</b>	<b>26.5</b>	<b>29.8</b>
EBITDA - Old	18.4	23.9	29.3	35.0	40.6
New vs. Old (%)	-30%	-26%	-27%	-24%	-27%
<b>Net Income - New</b>	<b>7.7</b>	<b>10.8</b>	<b>13.5</b>	<b>17.1</b>	<b>19.5</b>
Net Income - Old	12.5	16.3	20.1	24.2	28.2
New vs. Old (%)	-39%	-34%	-33%	-29%	-31%

Source: IBG Research



## Valuation

### DCF valuation

We are using a 2-stage DCF model for the valuation of ATHEX Group, developing explicit forecasts for the period 2017-2020. We have increased the discount rate (cost of equity) by 50bps to 10.0% to take into account the repercussions of the Brexit referendum and the worries about Italian banks to investors' interest for Greek equities, while we have maintained the terminal growth rate at 1.5%.

We have used projected net cash position as of 31.12.2016 in order to take into account the cash outflow related to the share buy-back program, as well as the payment of the special dividend in the form of a share capital return amounting to EUR 14m, which it will commence on July 11. In addition, we have incorporated in our calculations, the market value of the 13,365,316 shares of Piraeus Bank held by the company.

An important change in our valuation analysis is the removal of the 15% 'low visibility' factor from the estimated fair value of the stock, following the successful conclusion of the first review of the third bailout program that has proved the commitment of the SYRIZA/ANEL coalition government to implement country's program as this was agreed with creditors.

Finally, we have excluded from the number of shares those that the company has already repurchased (ie. 2.17m shares as of 6.7.2016).

Based on our new set of earnings forecasts and the changes in valuation assumptions, our DCF model yields a target price of **EUR 5.10/share** (vs. EUR 5.60/share previously). Our new target price implies a 23% upside potential from current levels, thus we maintain our 'Buy' rating on the stock.

### DCF Valuation

EUR m	2017f	2018f	2019f	2020f
<b>Average daily transaction value</b>	<b>110</b>	<b>130</b>	<b>160</b>	<b>180</b>
Revenues	38.7	43.3	49.5	53.7
EBIT	14.8	18.6	23.9	27.2
Less: Income Tax	4.9	6.1	7.7	8.7
Plus: Depreciation	2.7	2.7	2.6	2.5
Less: Change in Working Capital	-1.1	-1.0	-1.2	-1.1
Less: CAPEX	2.2	2.2	2.2	2.2
<b>Free Cash Flow to the Firm</b>	<b>11.6</b>	<b>14.1</b>	<b>17.7</b>	<b>19.9</b>
WACC	10.0%	10.0%	10.0%	10.0%
<b>PV of FCFF 2017 - 2020</b>	<b>10.5</b>	<b>11.6</b>	<b>13.3</b>	<b>13.6</b>
Sum of PV of FCFF 2017 - 2020	49			
Terminal Growth Rate (Perpetuity)	1.5%			
Discounted Terminal Value (Perpetuity)	162			
<b>Enterprise Value</b>	<b>211</b>			
Less: Net Debt / (Cash) FY16e	-111			
Plus: Investment in securities	2			
<b>Equity Value</b>	<b>325</b>			
Number of Shares Outstanding (excl treasury shares)	63.2			
<b>Value per Share</b>	<b>5.10</b>			
<b>Visibility discount</b>	<b>0.0%</b>			
<b>Target price</b>	<b>5.10</b>			

Source: IBG Research; Note: Rounding included in above calculations

## Sensitivity on DCF valuation

We provide below a sensitivity analysis of our valuation results (after the discount factor) with respect to the discount rate and the perpetuity growth rate.

Our sensitivity analysis yields a **EUR 4.10 – EUR 6.10** price range for ATHEX, which implies that current price levels reflect short-term risks (ie rising uncertainties in international markets on Brexit and Italy, Greek GDP to contract in 2016) to a great extent.

### DCF valuation sensitivity – WACC and perpetuity rate (EUR/share)

		Weighted Average Cost of Capital				
		9.0%	10.0%	11.0%	12.0%	13.0%
Terminal Growth rate	0.50%	5.20	4.80	4.50	4.30	4.10
	1.50%	5.60	5.10	4.80	4.50	4.20
	2.50%	6.10	5.50	5.10	4.70	4.40

Source: IBG Research

## Risks to our valuation

- ATHEX's earnings performance largely depends on the trading activity in the cash market (41% of FY16e revenues), which in turn is sensitive to country-specific risks. Our valuation is based on the assumption that the political and economic environment in Greece will gradually stabilize in the coming months. Obviously, a stable political environment that is a necessary condition for the implementation of structural reforms will improve the earnings potential and the risk profile of Greek equities, thus positively affecting investor appetite for local names.
- ATHEX's cash is deposited in the Bank of Greece (c. EUR 30m) and Greek systemic banks (the remaining EUR 110m), which means that the company is greatly exposed to a potential bail-in.
- The top-10 listed companies in ATHEX currently represent more than 70% of the daily traded value. Thus, ATHEX's attractiveness would be affected by the potential delisting of any of the key names and the current scarcity of new listings.
- At the level of a daily transaction value of EUR 60-70m, the risk of the arrival of a new competitor looks rather limited. However, when trading activity starts recovering in the mid-term competition could emerge, reducing ATHEX's pricing power.
- The pricing structure of ATHEX Group is more expensive compared to developed markets but remains broadly in line with regional bourses. There is a risk of a downward revision to the pricing policy when volumes recover but we do not foresee such risk in the short-term.





## 1Q 2016 Financial Results

ATHEX Group (EXAE) reported weak results for the first quarter of 2016 reflecting the drop in both trading activity and the capitalization of the cash market. In particular, revenues came in at EUR 7.7m (-24% y-o-y), EBITDA dropped 42% y-o-y to EUR 3.2m, while net profits shaped at EUR 1.9m, down by 54% y-o-y. ATHEX's results were in line with consensus estimates but stood above our estimates for revenues of EUR 7.0m, EBITDA of EUR 2.8m and net profits of EUR 1.7m.

Operating expenses shaped at EUR 4.2m, slightly up by 1.4% y-o-y reflecting higher personnel expenses (+1% y-o-y) and third party fees (+18% y-o-y). ATHEX's net cash position at the end of March 2016 shaped at EUR 134.3m compared to EUR 137.2m as at December 31st 2015.

The positive surprise against our revenue estimates is mainly attributed to the higher than we had expected revenues from exchange and depository services due to the one-off income from Attica Bank's rights issue, which was concluded at the end of December 2015 but the company received the fee in January 2016.

On the whole, ATHEX's 1Q16 results mirrored the reduced trading activity in the cash market (ADT value down 38% y-o-y) and the derivatives market (-23% y-o-y drop in the average daily volume), as well as a lower market capitalization (average MCAP of EUR 39bn in 1Q16 vs. EUR 49bn a year ago).

### 1Q 2016 Financial Results

EUR m	1Q:16	1Q:15	y-o-y
Trading	1.3	2.1	-37.9%
Clearing	2.4	4.1	-40.9%
Other Revenues	3.9	3.8	1.9%
<b>Revenues</b>	<b>7.7</b>	<b>10.1</b>	<b>-24.0%</b>
Capital Market Commission Fee	-0.3	-0.5	-37.9%
<b>Total Net Revenue</b>	<b>7.3</b>	<b>9.6</b>	<b>-23.3%</b>
Operating Expenses	-3.8	-3.8	1.8%
Other expenses	-0.3	-0.3	-3.0%
<b>EBITDA</b>	<b>3.2</b>	<b>5.5</b>	<b>-41.8%</b>
<b>EBITDA Margin (%)</b>	<b>41.7%</b>	<b>54.5%</b>	<b>-1,280bps</b>
Non-recurring items	0.0	0.0	
<b>Comp EBITDA*</b>	<b>3.2</b>	<b>5.5</b>	<b>-41.8%</b>
<b>Margin (%)</b>	<b>41.7%</b>	<b>54.5%</b>	<b>-1,280bps</b>
Depreciation	-0.7	-0.5	42.6%
<b>EBIT</b>	<b>2.5</b>	<b>5.0</b>	<b>-49.5%</b>
Financial Results, Net	0.2	0.6	-69.0%
<b>Profit before Tax</b>	<b>2.7</b>	<b>5.6</b>	<b>-51.6%</b>
Income Tax	-0.9	-1.5	
<b>Net profit after tax</b>	<b>1.9</b>	<b>4.1</b>	<b>-54.4%</b>
<b>Comparable net (IBGe)*</b>	<b>1.9</b>	<b>4.1</b>	<b>-54.4%</b>

Source: IBG Research, Company, Excluding one-off cost items

**ATHEX Group: Summary tables**

<b>PROFIT &amp; LOSS (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
<b>Sales</b>	<b>81.5</b>	<b>47.3</b>	<b>35.0</b>	<b>33.4</b>	<b>38.7</b>	<b>43.3</b>
Cost of Sales & Operating Costs	-20.4	-20.9	-19.7	-20.1	-20.9	-21.7
Non Recurrent Expenses/Income	-0.6	-0.6	-0.4	-0.3	-0.3	-0.3
<b>EBITDA</b>	<b>60.5</b>	<b>25.8</b>	<b>15.0</b>	<b>13.0</b>	<b>17.5</b>	<b>21.3</b>
<b>EBITDA (adj.)*</b>	<b>61.1</b>	<b>26.4</b>	<b>15.3</b>	<b>13.3</b>	<b>17.8</b>	<b>21.6</b>
Depreciation	-1.4	-1.8	-2.1	-2.6	-2.7	-2.7
<b>EBITA</b>	<b>59.1</b>	<b>24.0</b>	<b>12.9</b>	<b>10.4</b>	<b>14.8</b>	<b>18.6</b>
<b>EBITA (adj)*</b>	<b>59.7</b>	<b>24.6</b>	<b>13.3</b>	<b>10.7</b>	<b>15.1</b>	<b>18.9</b>
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>59.1</b>	<b>24.0</b>	<b>12.9</b>	<b>10.4</b>	<b>14.8</b>	<b>18.6</b>
<b>EBIT (adj.)*</b>	<b>59.7</b>	<b>24.6</b>	<b>13.3</b>	<b>10.7</b>	<b>15.1</b>	<b>18.9</b>
Net Financial Interest	4.0	3.7	0.6	0.8	0.8	0.9
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>63.1</b>	<b>27.7</b>	<b>13.5</b>	<b>11.1</b>	<b>15.7</b>	<b>19.5</b>
Tax	-30.8	-6.6	-4.4	-3.5	-4.9	-6.1
<i>Tax rate</i>	<i>48.8%</i>	<i>24.0%</i>	<i>32.8%</i>	<i>31.0%</i>	<i>31.0%</i>	<i>31.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Profit (reported)</b>	<b>32.3</b>	<b>21.0</b>	<b>9.0</b>	<b>7.7</b>	<b>10.8</b>	<b>13.5</b>
<b>Net Profit (adj.)</b>	<b>27.4</b>	<b>21.9</b>	<b>10.3</b>	<b>7.7</b>	<b>10.8</b>	<b>13.5</b>
<b>CASH FLOW (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Cash Flow from Operations before change in NWC	54.7	4.2	6.9	10.3	13.5	16.1
Change in Net Working Capital	1.9	-0.3	1.7	-4.3	1.1	1.0
<b>Cash Flow from Operations</b>	<b>56.7</b>	<b>4.0</b>	<b>8.6</b>	<b>6.0</b>	<b>14.6</b>	<b>17.2</b>
Capex	-0.5	-2.2	-2.5	-2.2	-2.2	-2.2
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free Cash Flow</b>	<b>56.2</b>	<b>1.8</b>	<b>6.1</b>	<b>3.8</b>	<b>12.4</b>	<b>15.0</b>
Dividends	-5.9	0.0	-13.7	-6.5	-5.4	-7.6
Other (incl. Capital Increase & share buy backs)	-2.0	-13.1	-6.7	-23.3	-0.1	-0.1
<b>Change in Net Debt</b>	<b>48.4</b>	<b>-11.3</b>	<b>-14.3</b>	<b>-26.0</b>	<b>7.0</b>	<b>7.3</b>
NOPLAT	44.2	18.2	9.4	7.6	10.7	13.5
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Net Tangible Assets	24.3	23.3	23.1	21.5	19.9	18.4
Net Intangible Assets (incl. Goodwill)	2.2	3.8	5.2	6.4	7.5	8.5
Net Financial Assets & Other	6.6	7.5	4.6	4.6	4.6	4.6
<b>Total Fixed Assets</b>	<b>33.1</b>	<b>34.6</b>	<b>32.9</b>	<b>32.5</b>	<b>32.0</b>	<b>31.5</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	19.3	17.2	19.5	18.8	19.4	19.8
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Cash (-)	-163	-152	-137	-111	-118	-126
<b>Total Current Assets</b>	<b>182</b>	<b>169</b>	<b>157</b>	<b>130</b>	<b>138</b>	<b>145</b>
<b>Total Assets</b>	<b>215</b>	<b>203</b>	<b>190</b>	<b>162</b>	<b>170</b>	<b>177</b>
Shareholders Equity	181	189	178	154	160	166
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	181	189	178	154	160	166
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	2.3	3.0	3.2	3.1	3.1	3.0
Other long term liabilities	21.4	1.2	-5.5	-3.9	-3.9	-4.0
<b>Total Long Term Liabilities</b>	<b>23.6</b>	<b>4.2</b>	<b>-2.3</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.0</b>
Short term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	10.2	9.2	13.2	8.3	10.0	11.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Current Liabilities</b>	<b>10.2</b>	<b>9.2</b>	<b>13.2</b>	<b>8.3</b>	<b>10.0</b>	<b>11.4</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>215</b>	<b>203</b>	<b>189</b>	<b>162</b>	<b>169</b>	<b>176</b>
<b>Net Capital Employed</b>	<b>42.2</b>	<b>42.5</b>	<b>39.1</b>	<b>43.0</b>	<b>41.4</b>	<b>39.9</b>
<b>Net Working Capital</b>	<b>8.5</b>	<b>7.3</b>	<b>5.4</b>	<b>9.7</b>	<b>8.6</b>	<b>7.6</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
<i>Sales growth</i>	<i>146.6%</i>	<i>-42.0%</i>	<i>-25.9%</i>	<i>-4.8%</i>	<i>16.1%</i>	<i>11.8%</i>
<b>EBITDA (adj.)* growth</b>	<b>442.5%</b>	<b>-56.8%</b>	<b>-42.0%</b>	<b>-13.3%</b>	<b>34.4%</b>	<b>21.0%</b>
<i>EBITA (adj.)* growth</i>	<i>530.8%</i>	<i>-58.8%</i>	<i>-46.1%</i>	<i>-19.6%</i>	<i>42.0%</i>	<i>25.2%</i>
<i>EBIT (adj.)* growth</i>	<i>530.8%</i>	<i>-58.8%</i>	<i>-46.1%</i>	<i>-19.6%</i>	<i>42.0%</i>	<i>25.2%</i>



**ATHEX Group: Summary tables**

<b>GROWTH &amp; MARGINS</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Net Profit growth	127.5%	-20.1%	-52.8%	-25.4%	40.6%	24.7%
EPS adj. growth	127.5%	-20.1%	-52.8%	-25.4%	40.6%	24.7%
DPS adj. growth	66.7%	60.0%	0.0%	-73.4%	40.6%	24.7%
EBITDA (adj)* margin	75.0%	55.8%	43.7%	39.8%	46.1%	49.9%
EBITA (adj)* margin	73.3%	52.0%	37.8%	31.9%	39.1%	43.8%
EBIT (adj)* margin	73.3%	52.0%	37.8%	31.9%	39.1%	43.8%
<b>RATIOS</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Net Debt/Equity	-0.9	-0.8	-0.8	-0.7	-0.7	-0.8
Net Debt/EBITDA	-2.7	-5.9	-9.2	-8.6	-6.7	-5.9
Interest cover (EBITDA/Fin.interest)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/D&A	33.7%	121.7%	118.5%	83.8%	81.0%	83.0%
Capex/Sales	0.6%	4.6%	7.0%	6.6%	5.7%	5.1%
NWC/Sales	10.4%	15.4%	15.5%	29.1%	22.2%	17.5%
ROE (average)	16.4%	11.8%	5.6%	4.6%	6.9%	8.3%
ROCE (adj.)	126.3%	53.0%	27.9%	20.1%	29.8%	39.0%
WACC	12.5%	9.5%	9.5%	9.5%	10.0%	10.0%
ROCE (adj.)/WACC	10.1	5.6	2.9	2.1	3.0	3.9
<b>PER SHARE DATA (EUR)***</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Average diluted number of shares	65.4	65.4	65.4	65.4	65.4	65.4
EPS (reported)	0.49	0.32	0.14	0.12	0.17	0.21
EPS (adj.)	0.42	0.33	0.16	0.12	0.17	0.21
BVPS	2.77	2.89	2.72	2.36	2.44	2.53
DPS	0.20	0.32	0.32	0.09	0.12	0.15
<b>VALUATION</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
EV/Sales	4.3	3.1	5.9	4.7	3.9	3.3
EV/EBITDA	5.8	5.7	13.8	12.1	8.6	6.7
<b>EV/EBITDA (adj.)*</b>	<b>5.8</b>	<b>5.6</b>	<b>13.5</b>	<b>11.8</b>	<b>8.4</b>	<b>6.6</b>
EV/EBITA	6.0	6.1	16.1	15.2	10.1	7.7
<b>EV/EBITA (adj.)*</b>	<b>5.9</b>	<b>6.0</b>	<b>15.6</b>	<b>14.8</b>	<b>9.9</b>	<b>7.5</b>
EV/EBIT	6.0	6.1	16.1	15.2	10.1	7.7
<b>EV/EBIT (adj.)*</b>	<b>5.9</b>	<b>6.0</b>	<b>15.6</b>	<b>14.8</b>	<b>9.9</b>	<b>7.5</b>
<b>P/E (adj.)</b>	<b>19.1</b>	<b>13.8</b>	<b>33.6</b>	<b>35.2</b>	<b>25.0</b>	<b>20.1</b>
P/BV	2.9	1.6	1.9	1.8	1.7	1.6
Total Yield Ratio	0.0%	4.6%	2.4%	5.8%	6.7%	7.3%
EV/CE	10.1	4.3	6.1	4.2	4.2	4.1
OpFCF yield	10.7%	0.6%	1.8%	1.4%	4.6%	5.5%
OpFCF/EV	15.9%	1.2%	3.0%	2.4%	8.3%	10.5%
Payout ratio	40.5%	99.5%	n.m.	72.4%	72.4%	72.4%
Dividend yield (gross)	2.5%	7.0%	7.7%	2.1%	2.9%	3.6%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Price** (EUR)	8.00	4.60	5.30	4.14	4.14	4.14
Outstanding number of shares for main stock	65.4	65.4	65.4	65.4	65.4	65.4
<b>Total Market Cap</b>	<b>523</b>	<b>301</b>	<b>346</b>	<b>271</b>	<b>271</b>	<b>271</b>
<b>Net Debt</b>	<b>-163</b>	<b>-152</b>	<b>-137</b>	<b>-111</b>	<b>-118</b>	<b>-126</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	-163	-152	-137	-111	-118	-126
<i>o/w Gross Debt (+)</i>	0	0	0	0	0	0
<b>Other EV components</b>	<b>-7</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>
<b>Enterprise Value (EV adj.)</b>	<b>353</b>	<b>147</b>	<b>207</b>	<b>157</b>	<b>150</b>	<b>143</b>

Source: Company, Investment Bank of Greece estimates.

Notes

\* Where EBITDA (adj.) or EBITA (adj.)= EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.)= EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

\*\*Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Financial Services/Financial Services

Company Description: ATHEX Group is the operator of the Greek stock, derivatives and bond markets. It is also the organisation responsible for the clearing and settlement of the ATHEX transactions and administration of the Dematerialized Securities System. Since 2003, ATHEX is a fully privatised group. The company has a very high operating leverage that results in a rather volatile earnings stream.

## European Coverage of the Members of ESN

<b>Aerospace &amp; Defense</b>	<b>Mem(*)</b>	Bcp	CBI	Tikkurila	OPG	Ebro Foods	BKF
Airbus Group	CIC	Bnp Paribas	CIC	<b>Electronic &amp; Electrical Equipment</b>	<b>Mem(*)</b>	Enervit	BAK
Carbures Europe Sa	BKF	Bper	BAK	Alstom	CIC	Fleury Michon	CIC
Dassault Aviation	CIC	Bpi	CBI	Areva	CIC	Forfarmers	SNS
Finmeccanica	BAK	Caixabank	BKF	Euromicron Ag	EQB	Heineken	SNS
Latecoere	CIC	Commerzbank	EQB	Gemalto	CIC	Hkscan	OPG
Lisi	CIC	Credem	BAK	Ingenico	CIC	Lanson-Bcc	CIC
Mtu	EQB	Credit Agricole Sa	CIC	Kontron	EQB	Laurent Perrier	CIC
Ohb Se	EQB	Creval	BAK	Legrand	CIC	Ldc	CIC
Safran	CIC	Deutsche Bank	EQB	Neways Electronics	SNS	Naturex	CIC
Thales	CIC	Deutsche Pfandbriefbank	EQB	Nexans	CIC	Olvi	OPG
Zodiac Aerospace	CIC	Eurobank	IBG	Pkc Group	OPG	Parmalat	BAK
<b>Airlines</b>	<b>Mem(*)</b>	Ing Group	SNS	Rexel	CIC	Pernod Ricard	CIC
Air France Klm	CIC	Intesa Sanpaolo	BAK	Schneider Electric Se	CIC	Raisio	OPG
Finnair	OPG	Mediobanca	BAK	Vaisala	OPG	Refresco gerber	SNS
Lufthansa	EQB	Merkur Bank	EQB	Viscom	EQB	Remy Cointreau	CIC
<b>Automobiles &amp; Parts</b>	<b>Mem(*)</b>	National Bank Of Greece	IBG	<b>Financial Services</b>	<b>Mem(*)</b>	Unilever	SNS
Bittium Corporation	OPG	Natixis	CIC	Anima	BAK	Vidrala	BKF
Bmw	EQB	Nordea	OPG	Athex Group	IBG	Vilmorin	CIC
Brembo	BAK	Piraeus Bank	IBG	Azmut	BAK	Viscofan	BKF
Continental	EQB	Societe Generale	CIC	Banca Generali	BAK	Vranken Pommery Monopole	CIC
Daimler Ag	EQB	Ubi Banca	BAK	Banca Ifis	BAK	Wessanen	SNS
Elringklinger	EQB	Unicredit	BAK	Banca Sistema	BAK	<b>Food &amp; Drug Retailers</b>	<b>Mem(*)</b>
Faurecia	CIC	<b>Basic Resources</b>	<b>Mem(*)</b>	Bb Biotech	EQB	Ahold	SNS
Ferrari	BAK	Acerinox	BKF	Binckbank	SNS	Carrefour	CIC
Fiat Chrysler Automobiles	BAK	Altri	CBI	Bolsas Y Mercados Espanoles Sa	BKF	Casino Guichard-Perrachon	CIC
Landi Renzo	BAK	Arcelormittal	BKF	Capman	OPG	Dia	BKF
Leoni	EQB	Corticeira Amorim	CBI	Christian Dior	CIC	Jeronimo Martins	CBI
Michelin	CIC	Ence	BKF	Cir	BAK	Kesko	OPG
Nokian Tyres	OPG	Europac	BKF	Comdirect	EQB	Marr	BAK
Norma Group	EQB	Metka	IBG	Corp. Financiera Alba	BKF	Metro	CIC
Piaggio	BAK	Metsä Board	OPG	Deutsche Boerse	EQB	Sligro	SNS
Plastic Omnium	CIC	Mylilineos	IBG	Deutsche Forfait	EQB	Sonae	CBI
Sogefi	BAK	Outokumpu	OPG	Eq	OPG	<b>General Industrials</b>	<b>Mem(*)</b>
Stern Groep	SNS	Portucel	CBI	Euro next	CIC	2G Energy	EQB
Valeo	CIC	Semapa	CBI	Ferratum	EQB	Aalberts	SNS
Volkswagen	EQB	Ssab	OPG	Finecobank	BAK	Accell Group	SNS
<b>Banks</b>	<b>Mem(*)</b>	Stora Enso	OPG	Grenkeleasing Ag	EQB	Ahlstrom	OPG
Aareal Bank	EQB	Surteco	EQB	Mlp	EQB	Arcadis	SNS
Abn Amro Group Nv	SNS	Tubacex	BKF	Ovb Holding Ag	EQB	Aspo	OPG
Aktia	OPG	Upm-Kymmene	OPG	Patrizia Ag	EQB	Huhtamäki	OPG
Alpha Bank	IBG	<b>Biotechnology</b>	<b>Mem(*)</b>	Rallye	CIC	Kendrion	SNS
Banca Carige	BAK	4Sc	EQB	Unipol Gruppo Finanziario	BAK	Nedap	SNS
Banca Mps	BAK	Cytotoools Ag	EQB	<b>Food &amp; Beverage</b>	<b>Mem(*)</b>	Pöyry	OPG
Banco Popolare	BAK	Epigenomics Ag	EQB	Acomo	SNS	Prelios	BAK
Banco Popular	BKF	Willex	EQB	Atria	OPG	Saf-Holland	EQB
Banco Sabadell	BKF	<b>Chemicals</b>	<b>Mem(*)</b>	Bonduelle	CIC	Saft	CIC
Banco Santander	BKF	Air Liquide	CIC	Campari	BAK	Serge Ferrari Group	CIC
Bankia	BKF	Holland Colours	SNS	Coca Cola Hbc Ag	IBG	Siegfried Holding Ag	EQB
Bankinter	BKF	Kemira	OPG	Corbion	SNS	Wendel	CIC
Bbva	BKF	Nanogate Ag	EQB	Danone	CIC		



<b>General Retailers</b>	<b>Mem(*)</b>	Seb Sa	CIC	Delta Lloyd	SNS	Vicat	CIC
Banzai	BAK	Zumtobel Group Ag	EQB	Generali	BAK	Vinci	CIC
Beter Bed Holding	SNS	<b>Industrial Engineering</b>	<b>Mem(*)</b>	Hannover Re	EQB	Yit	Opg
Elumeo Se	EQB	Accsys Technologies	SNS	Mapfre Sa	BKF	<b>Media</b>	<b>Mem(*)</b>
Fielmann	EQB	Aixtron	EQB	Munich Re	EQB	Ad Pepper	EQB
Folli Follie Group	IBG	Ansaldo Sts	BAK	Nn Group Nv	SNS	Alma Media	Opg
Fourlis Holdings	IBG	Biesse	BAK	Sampo	Opg	Atresmedia	BKF
Groupe Fnac Sa	CIC	Cargotec Corp	Opg	Talanx Group	EQB	Axel Springer	EQB
Inditex	BKF	Cnh Industrial	BAK	Unipolsai	BAK	Brill	SNS
Jumbo	IBG	Danieli	BAK	<b>Materials, Construction &amp; Infrastructure</b>	<b>Mem(*)</b>	Cofina	CBI
Macintosh	SNS	Datalogic	BAK	Abertis	BKF	Cts Eventim	EQB
Rapala	Opg	Deutz Ag	EQB	Acs	BKF	Editoriale L'Espresso	BAK
Stockmann	Opg	Dmg Mori Seiki Ag	EQB	Aena	BKF	Gameloft	CIC
<b>Healthcare</b>	<b>Mem(*)</b>	Duro Felguera	BKF	Aeroports De Paris	CIC	Gl Events	CIC
Amplifon	BAK	Emak	BAK	Astaldi	BAK	Havas	CIC
Bayer	EQB	Exel Composites	Opg	Atlantia	BAK	Impresa	CBI
Biotest	EQB	Gesco	EQB	Bilfinger Se	EQB	Ipsos	CIC
Diasorin	BAK	Ima	BAK	Boskalis Westminster	SNS	Jcdecaux	CIC
Fresenius	EQB	Interpump	BAK	Buzzi Unicem	BAK	Lagardere	CIC
Fresenius Medical Care	EQB	Kone	Opg	Caverion	Opg	M6-Metropole Television	CIC
Gerresheimer Ag	EQB	Konecranes	Opg	Cramo	Opg	Mediaset	BAK
Korian	CIC	Kuka	EQB	Eiffage	CIC	Mediaset Espana	BKF
Merck	EQB	Manz Ag	EQB	Ellaktor	IBG	Notorious Pictures	BAK
Oriola-Kd	Opg	Max Automation Ag	EQB	Eitel	Opg	Nrj Group	CIC
Orion	Opg	Metso	Opg	Ezentis	BKF	Publicis	CIC
Orpea	CIC	Outotec	Opg	Fcc	BKF	Rcs Mediagroup	BAK
Pihlajalinna	Opg	Pfeiffer Vacuum	EQB	Ferrovial	BKF	Relx	SNS
Recordati	BAK	Ponsse	Opg	Fraport	EQB	Rtl Group	EQB
Rhoen-Klinikum	EQB	Prima Industrie	BAK	Heidelberg Cement Ag	CIC	Sanoma	Opg
<b>Hotels, Travel &amp; Tourism</b>	<b>Mem(*)</b>	Prysmian	BAK	Heijmans	SNS	Solocal Group	CIC
Accor	CIC	Reesink	SNS	Hochtief	EQB	Spir Communication	CIC
Autogrill	BAK	Sabaf	BAK	Imerys	CIC	Szygy Ag	EQB
Beneteau	CIC	Smt Scharf Ag	EQB	Italcementi	BAK	Talentum	Opg
Elior	CIC	Technotrans	EQB	Lafargeholcim	CIC	Telegraaf Media Groep	SNS
Europcar	CIC	Valmet	Opg	Lemminkäinen	Opg	Teleperformance	CIC
I Grandi Viaggi	BAK	Wärtsilä	Opg	Maire Tecnimont	BAK	Tf1	CIC
Ibersol	CBI	Zardoya Otis	BKF	Mota Engil	CBI	Ubisoft	CIC
Intralot	IBG	<b>Industrial Transportation</b>	<b>Mem(*)</b>	Obrascon Huarte Lain	BKF	Vivendi	CIC
Kotipizza	Opg	Bollore	CIC	Ramirent	Opg	Wolters Kluwer	SNS
Melia Hotels International	BKF	Caf	BKF	Royal Bam Group	SNS	<b>Oil &amp; Gas Producers</b>	<b>Mem(*)</b>
Nh Hotel Group	BKF	Ctt	CBI	Sacyr	BKF	Eni	BAK
Opap	IBG	Deutsche Post	EQB	Saint Gobain	CIC	Galp Energia	CBI
Snowworld	SNS	Hhla	EQB	Salini Impregilo	BAK	Gas Plus	BAK
Sonae Capital	CBI	Logwin	EQB	Sias	BAK	Hellenic Petroleum	IBG
Trigano	CIC	<b>Insurance</b>	<b>Mem(*)</b>	Sonae Industria	CBI	Maurel Et Prom	CIC
<b>Household Goods</b>	<b>Mem(*)</b>	Aegon	SNS	Srv	Opg	Motor Oil	IBG
Bic	CIC	Allianz	EQB	Thermador Groupe	CIC	Neste Corporation	Opg
De Longhi	BAK	Axa	CIC	Titan Cement	IBG	Petrobras	CBI
Fila	BAK	Banca Mediolanum	BAK	Trevi	BAK	Qgep	CBI
Osram Licht Ag	EQB	Cattolica Assicurazioni	BAK	Uponor	Opg	Repsol	BKF



<b>Media</b>	<b>Mem(*)</b>	<b>Oil Services</b>	<b>Mem(*)</b>	<b>Akka Technologies</b>	<b>CIC</b>	<b>Besi</b>	<b>SNS</b>
Ad Pepper	EQB	Bourbon	CIC	Alten	CIC	Elmos Semiconductor	EQB
Alma Media	Opg	Cgg	CIC	Altran	CIC	Ericsson	Opg
Atresmedia	BKF	Fugro	SNS	Amadeus	BKF	Gigaset	EQB
Axel Springer	EQB	Saipem	BAK	Assystem	CIC	Nokia	Opg
Brill	SNS	Sbm Offshore	SNS	Atos	CIC	Okmetic	Opg
Cofina	CBI	Technip	CIC	Basware	Opg	Roodmicrotec	SNS
Cts Eventim	EQB	Tecnicas Reunidas	BKF	Cenit	EQB	Slm Solutions	EQB
Editoriale L'Espresso	BAK	Tenaris	BAK	Comptel	Opg	Stmicroelectronics	BAK
Gameloft	CIC	Vallourec	CIC	Ctac	SNS	Suess Microtec	EQB
GI Events	CIC	Vopak	SNS	Digia	Opg	Telete	Opg
Havas	CIC	<b>Personal Goods</b>	<b>Mem(*)</b>	Docdata	SNS	<b>Telecommunications</b>	<b>Mem(*)</b>
Impresa	CBI	Adidas	EQB	Econocom	CIC	Acotel	BAK
Ipsos	CIC	Adler Modemaerkte	EQB	Ekinops	CIC	Deutsche Telekom	EQB
Jcdecaux	CIC	Amer Sports	Opg	Engineering	BAK	Drillisch	EQB
Lagardere	CIC	Basic Net	BAK	Esi Group	CIC	Elisa	Opg
M6-Metropole Television	CIC	Cie Fin. Richemont	CIC	Exprivia	BAK	Freenet	EQB
Mediaset	BAK	Geox	BAK	F-Secure	Opg	Kpn Telecom	SNS
Mediaset Espana	BKF	GerryWeber	EQB	Gft Technologies	EQB	Nos	CBI
Notorious Pictures	BAK	Hermes Intl.	CIC	Ict Automatisering	SNS	Oi	CBI
Nrij Group	CIC	Hugo Boss	EQB	Indra Sistemas	BKF	Ote	IBG
Publicis	CIC	Interparfums	CIC	Nemetschek Ag	EQB	Telecom Italia	BAK
Rcs Mediagroup	BAK	Kering	CIC	Nexus Ag	EQB	Telefonica	BKF
Relx	SNS	Luxottica	BAK	Novabase	CBI	Telia	Opg
Rtl Group	EQB	Lvmh	CIC	Ordina	SNS	Tiscali	BAK
Sanoma	Opg	Marimekko	Opg	Psi	EQB	United Internet	EQB
Solocal Group	CIC	Moncler	BAK	Reply	BAK	Vodafone	BAK
Spir Communication	CIC	Puma	EQB	Rib Software	EQB	<b>Utilities</b>	<b>Mem(*)</b>
Szygy Ag	EQB	Safilo	BAK	Seven Principles Ag	EQB	A2A	BAK
Talentum	Opg	Salvatore Ferragamo	BAK	Software Ag	EQB	Acciona	BKF
Telegraaf Media Groep	SNS	Sarantis	IBG	Sopra Steria Group	CIC	Acea	BAK
Teleperformance	CIC	Swatch Group	CIC	Tie Kinetix	SNS	Albioma	CIC
Tf1	CIC	Tod'S	BAK	Tieto	Opg	Direct Energie	CIC
Ubisoft	CIC	<b>Real Estate</b>	<b>Mem(*)</b>	Tomtom	SNS	Edp	CBI
Vivendi	CIC	Beni Stabili	BAK	Visiativ	CIC	Edp Renováveis	CBI
Wolters Kluwer	SNS	Citycon	Opg	Wincor Nixdorf	EQB	Enagas	BKF
<b>Oil &amp; Gas Producers</b>	<b>Mem(*)</b>	Deutsche Euroshop	EQB	<b>Support Services</b>	<b>Mem(*)</b>	Endesa	BKF
Eni	BAK	Grand City Properties	EQB	Asiakastieto Group	Opg	Enel	BAK
Galp Energia	CBI	Hispania Activos Inmobiliarios	BKF	Batenburg	SNS	Falck Renewables	BAK
Gas Plus	BAK	Igd	BAK	Bureau Veritas S.A.	CIC	Fortum	Opg
Hellenic Petroleum	IBG	Realia	BKF	Cellnex Telecom	BKF	Gas Natural Fenosa	BKF
Maurel Et Prom	CIC	Sponda	Opg	Dpa	SNS	Hera	BAK
Motor Oil	IBG	Technopolis	Opg	Edenred	CIC	Iberdrola	BKF
Neste Corporation	Opg	Vib Vermoegen	EQB	Ei Towers	BAK	Iren	BAK
Petrobras	CBI	Wcm Ag	EQB	Fiera Milano	BAK	Public Power Corp	IBG
Qgep	CBI	<b>Renewable Energy</b>	<b>Mem(*)</b>	Lassila & Tikanoja	Opg	Red Electrica De Espana	BKF
Repsol	BKF	Daldrup & Soehne	EQB	Openjobmetis	BAK	Ren	CBI
Total	CIC	Gamesa	BKF	<b>Technology Hardware &amp; Equipment</b>	<b>Mem(*)</b>	Snam	BAK
		<b>Software &amp; Computer Services</b>	<b>Mem(*)</b>	Asm International	SNS	Terna	BAK
		Affecto	Opg	Asml	SNS		

LEGEND: BAK: Banca Akros; BKF: Beka Finance; CIC: CM CIC Market Solutions; CBI: Caixa-Banca de Investimento; EQB: Equinet bank; IBG: Investment Bank of Greece; OPG: OP Corporate Bank;; SNS: SNS Securities  
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- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
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- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

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*The analysts mentioned above who prepared this report have the below mentioned financial interests in the companies covered in this report.....none.....*

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Data current as of 07/07/2016

	Buy	Accumulate	Neutral	Reduce	Sell	Rating Suspended
IBG Research Total Coverage	65%	4%	17%	4%	0%	9%
% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%
Financial Services	100%	0%	0%	0%	0%	0%
% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%

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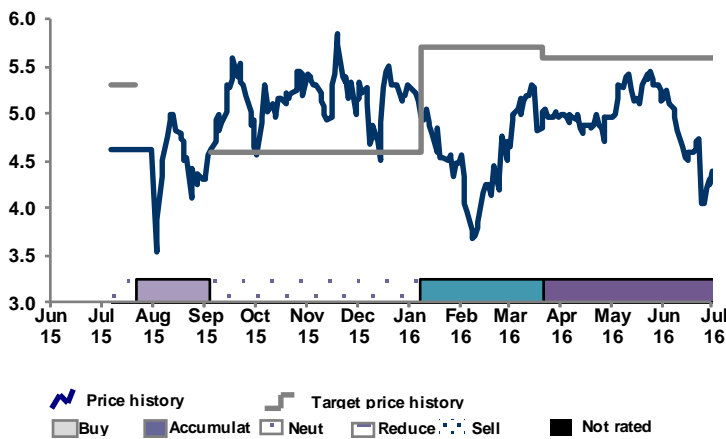
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**Recommendation history for ATHEX GROUP**

Date	Recommendation	Target price	Price at change date
08-Jul-16	Buy	5.10	4.14
22-Mar-16	Buy	5.60	5.02
08-Jan-16	Accumulate	5.70	4.96
04-Sep-15	Neutral	4.60	4.63
22-Jul-15	Rating Suspended		4.64
19-Mar-15	Neutral	5.30	4.65
20-Jan-15	Accumulate	5.40	4.82
30-Oct-14	Buy	7.60	5.31
06-Jun-14	Buy	10.70	9.07
23-May-14	Buy	10.30	8.30



Source: Factset & ESN, price data adjusted for stock splits. This chart shows Investment Bank of Greece continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

**Risks to our forecasts and valuation**

- Group’s earnings performance is very sensitive to variations in the trading activity in the cash market. A higher than expected traded value in ATHEX poses an upside risk to our estimates and vice versa.
- New listings and share capital increases will positively impact ATHEX’s profitability.
- The sequential improvement of economic conditions in Greece as well as political stability are expected to raise investors’ appetite for Greek equities in the medium-term, thus creating an upside risk to our forecasts.
- ATHEX Group has a more expensive fee structure compared to major European bourses. The potential reduction in ATHEX’s fees will pose a downside risk to our estimates.
- The new regulatory framework of MiFid may lead to increased competition and possible decrease in total revenues.

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