University of Piraeus

CENERGY HOLDINGS

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CFA Institute Research Challenge 2024

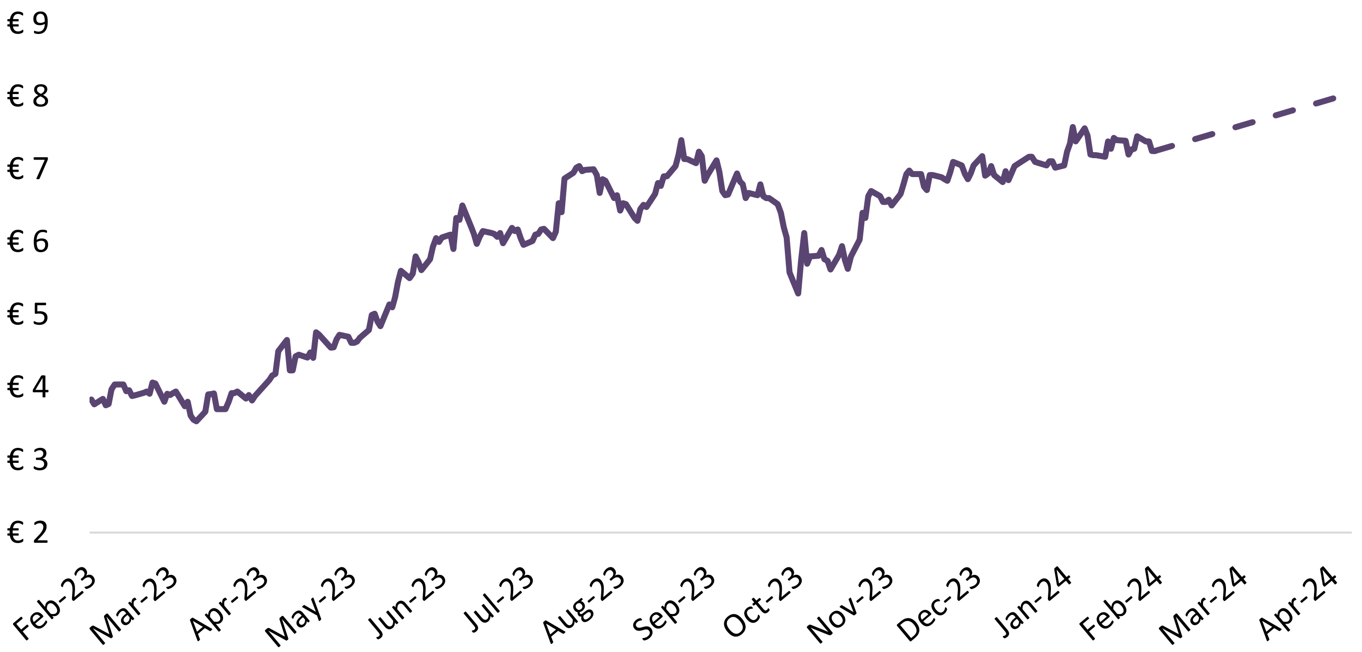
Buy recommendation on Cenergy Holdings

BUY

Recommendation

Closing Price: € 7.25

8th February 2024



Target Price
€ 8.04

10.96 %
Upside

Key Drivers

Revenues Growth by Achieving Tier 1 Supplier

Favorable Products Mixture Fuels Enhanced Profitability

Seizing the Renewable Energy Transition

Business Model – CENERGY HOLDINGS ’s Unique Composition

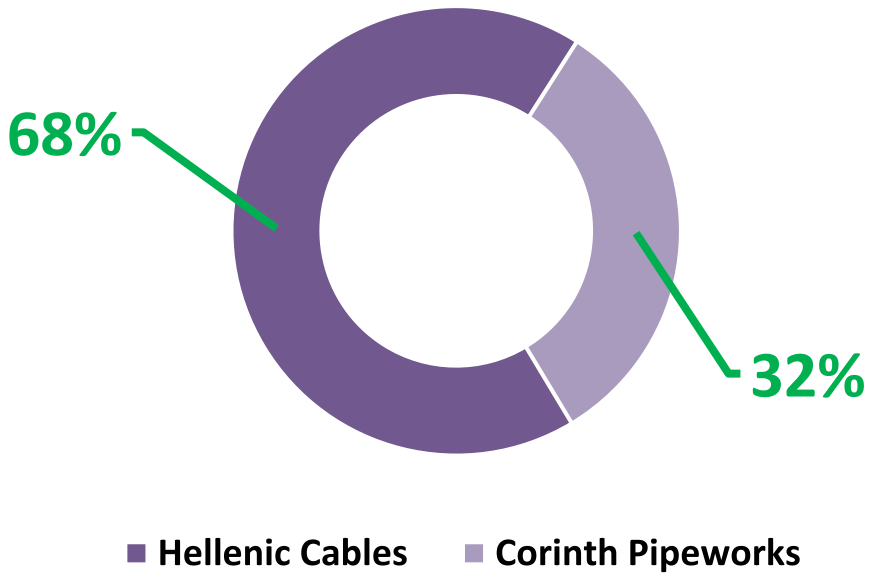
HELLENIC CABLES

- Power & Telecom Cables
- Sales of Raw Materials
- Energy Projects

Revenue: €964m

CENERGY HOLDINGS

2022 Percentage of revenue per SBU



Total Revenue: €1,426m

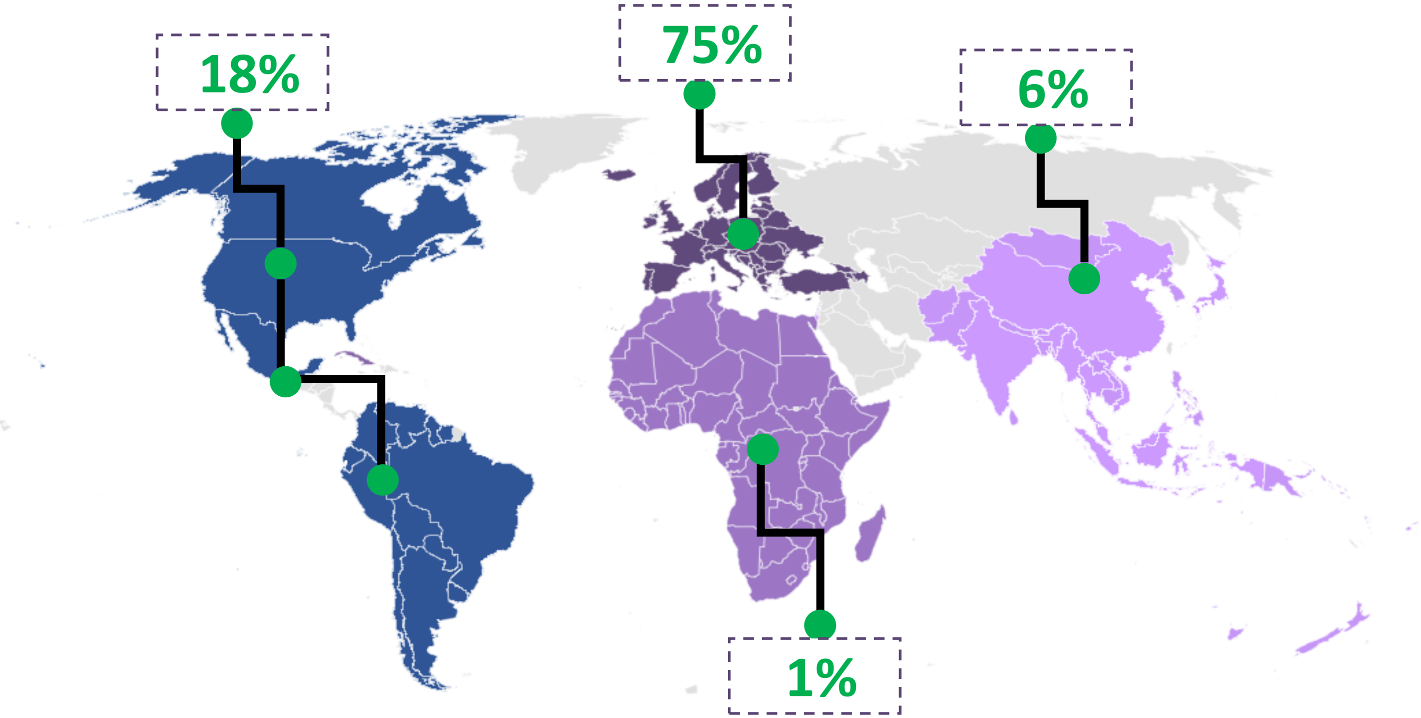
CORINTH PIPEWORKS

- Steel Pipes
- Hollow Structural Sections
- New Technologies

Revenue: €461m

Source: Team Consensus/Subject Firm

Business Model – Successful Global Market Penetration



CENERGY HOLDINGS Revenues by Geography

Europe
Americas
APAC
Africa

HELLENIC CABLES

- International Sales: 57%
- Order Backlog:

2x Revenue

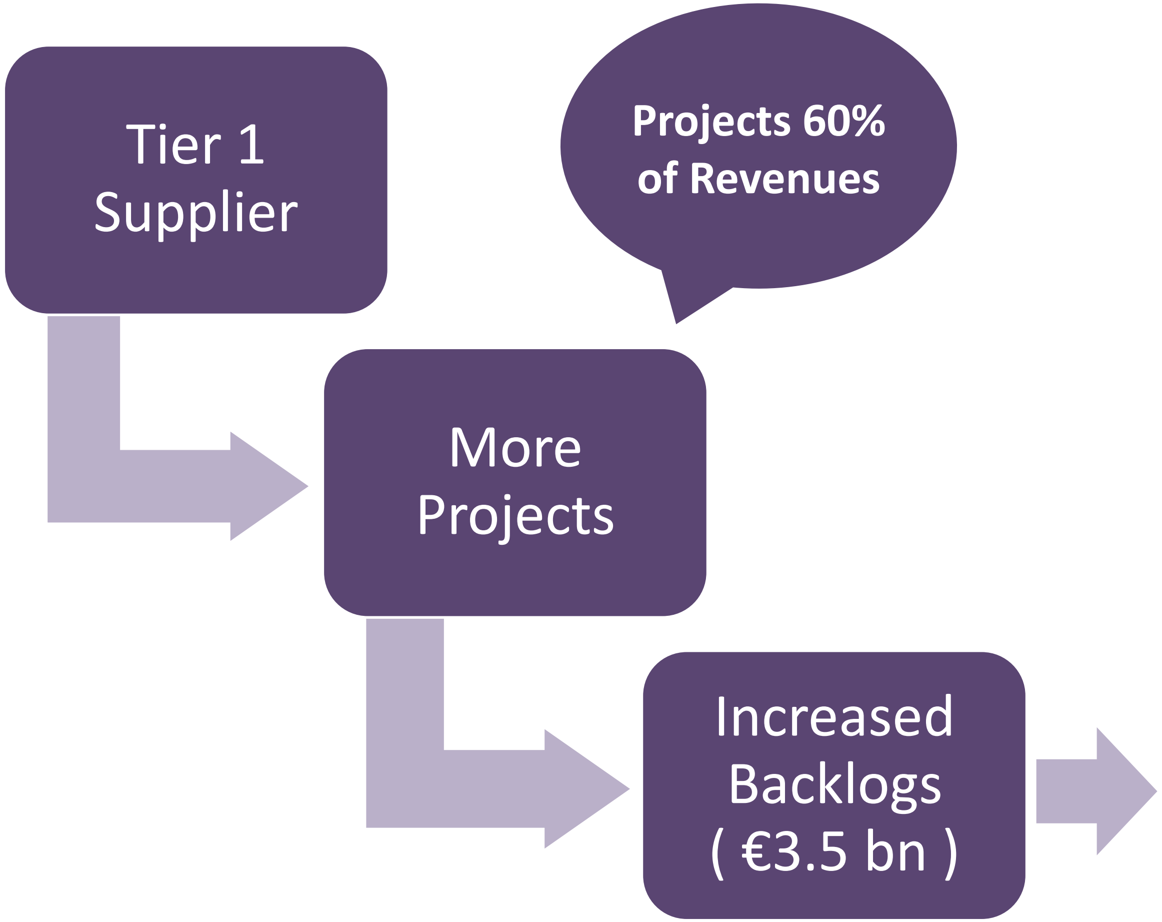
CORINTH PIPEWORKS

- International Sales: 91%
- Order Backlog:

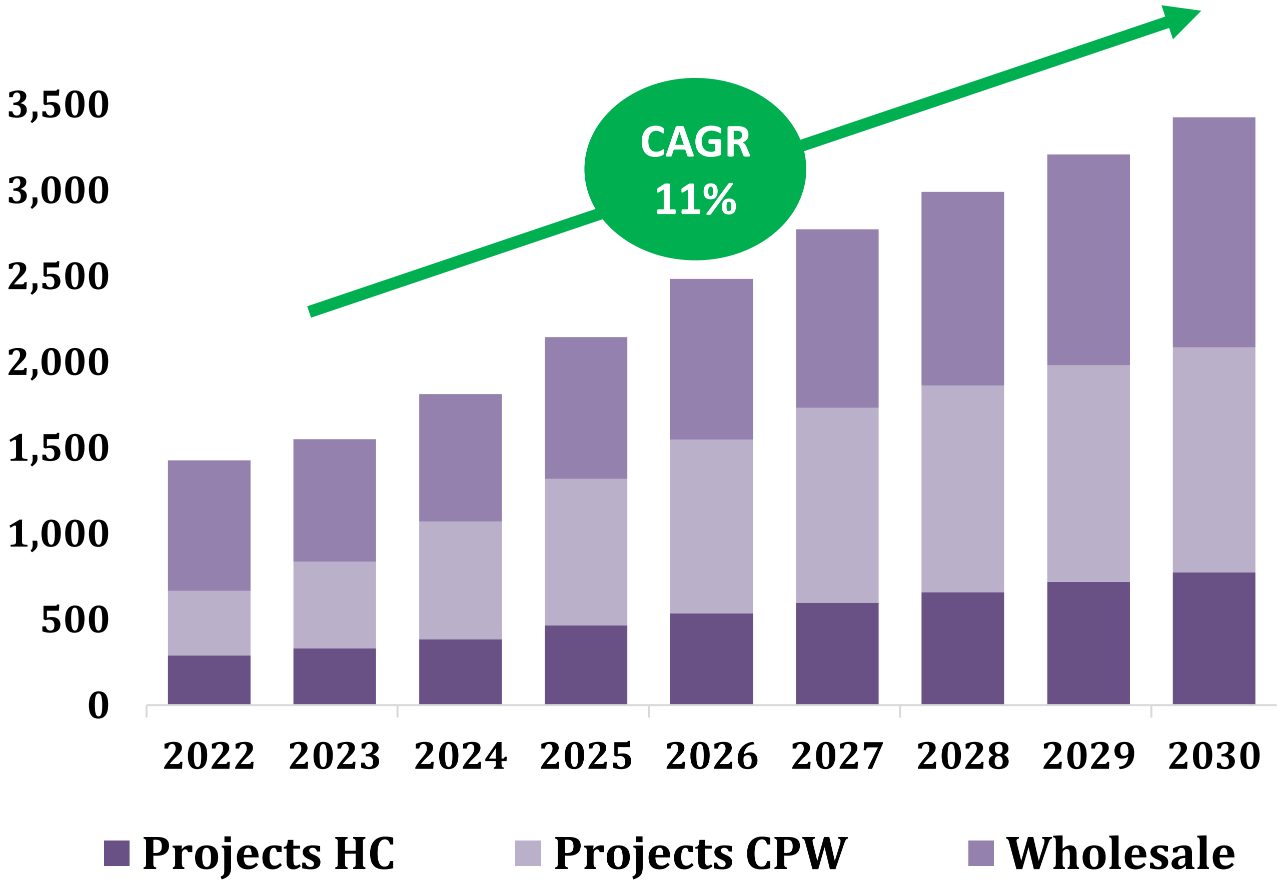
3x Revenue

Source: Team Consensus/Subject Firm

Revenues Growth by Achieving Tier 1 Supplier



Revenues by Segment (m €)



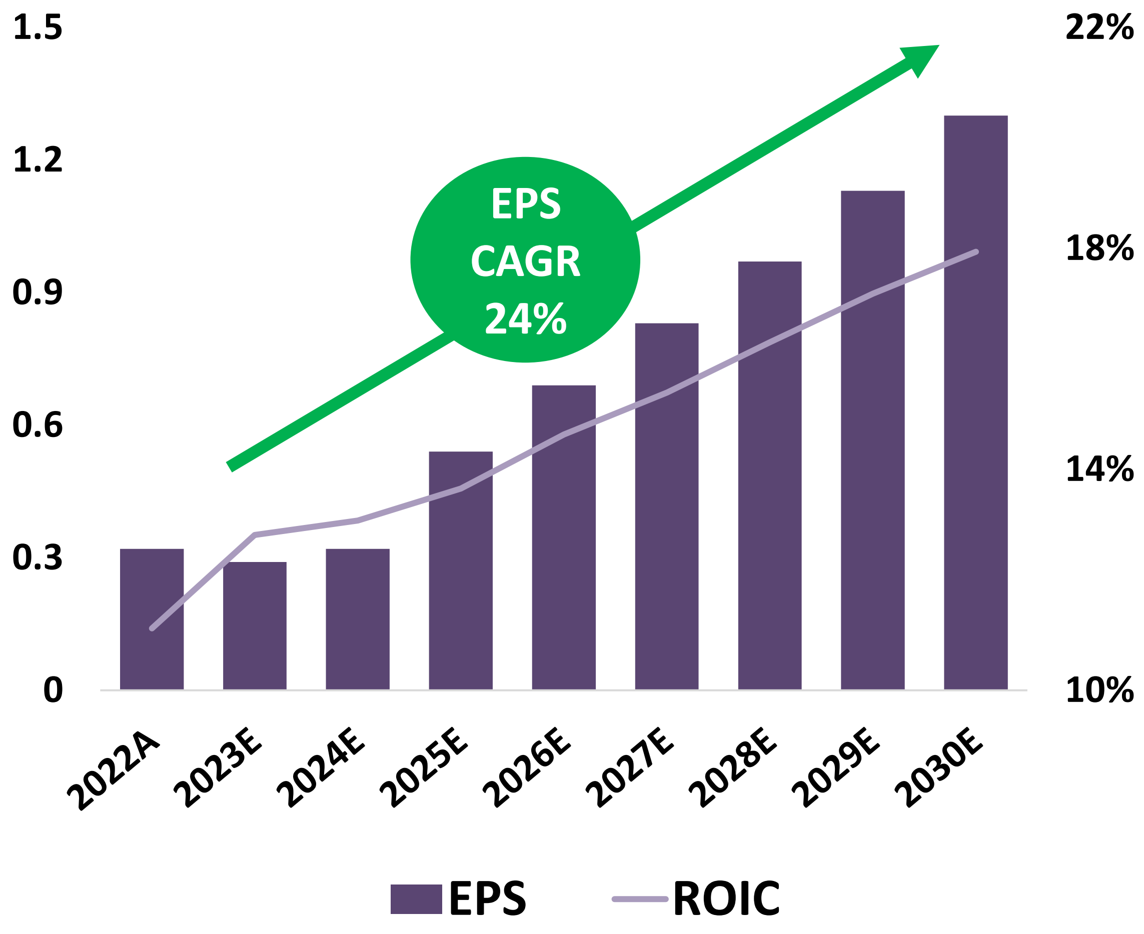
Source: Team Consensus/Subject Firm

Favorable Products Mixture Fuels Enhanced Profitability

Submarine Cables
- 2x Capacity
- Operating Margin 18%

CCS & Hydrogen
- 10-year CAGR 5.56%
- Natural Gas alternative

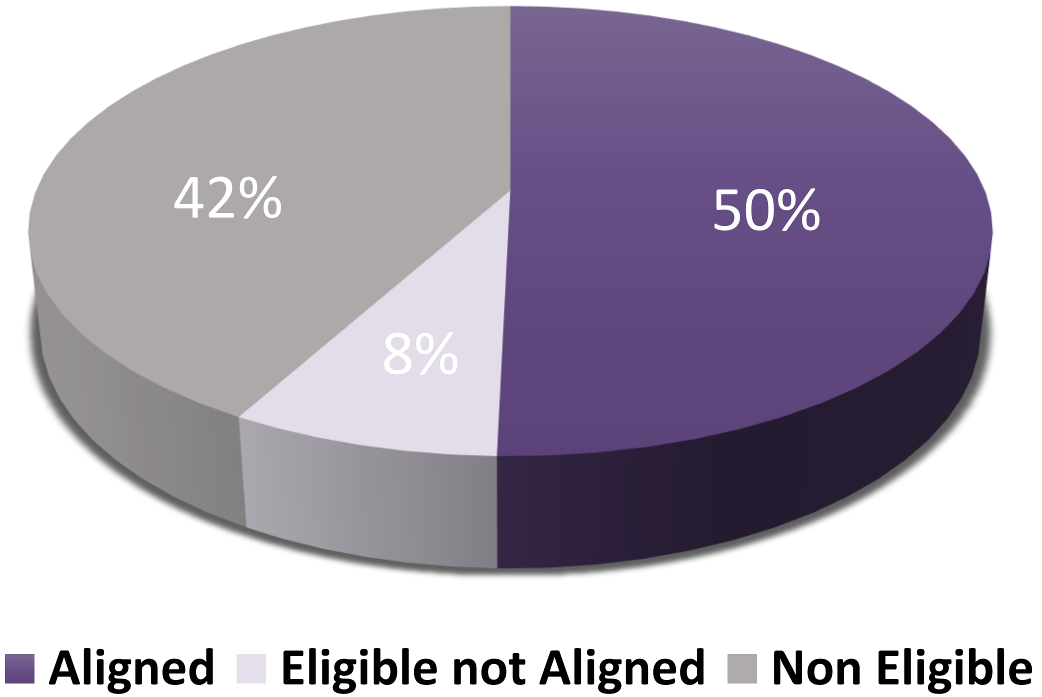
Cenergy Holdings EPS & ROIC



Source: Team Consensus/Subject Firm

Greatly Positioned to Seize Renewable Transition

58% of all activities are Green Operations…



EU Taxonomy Eligibility of Revenues 2022

which benefit from Renewables Investments

Investments in 2022 (bn $)	
Onshore Windfarms	**141**
Offshore Windfarms	**33**
Carbon Capture and Storage	**6**

Resulting in:

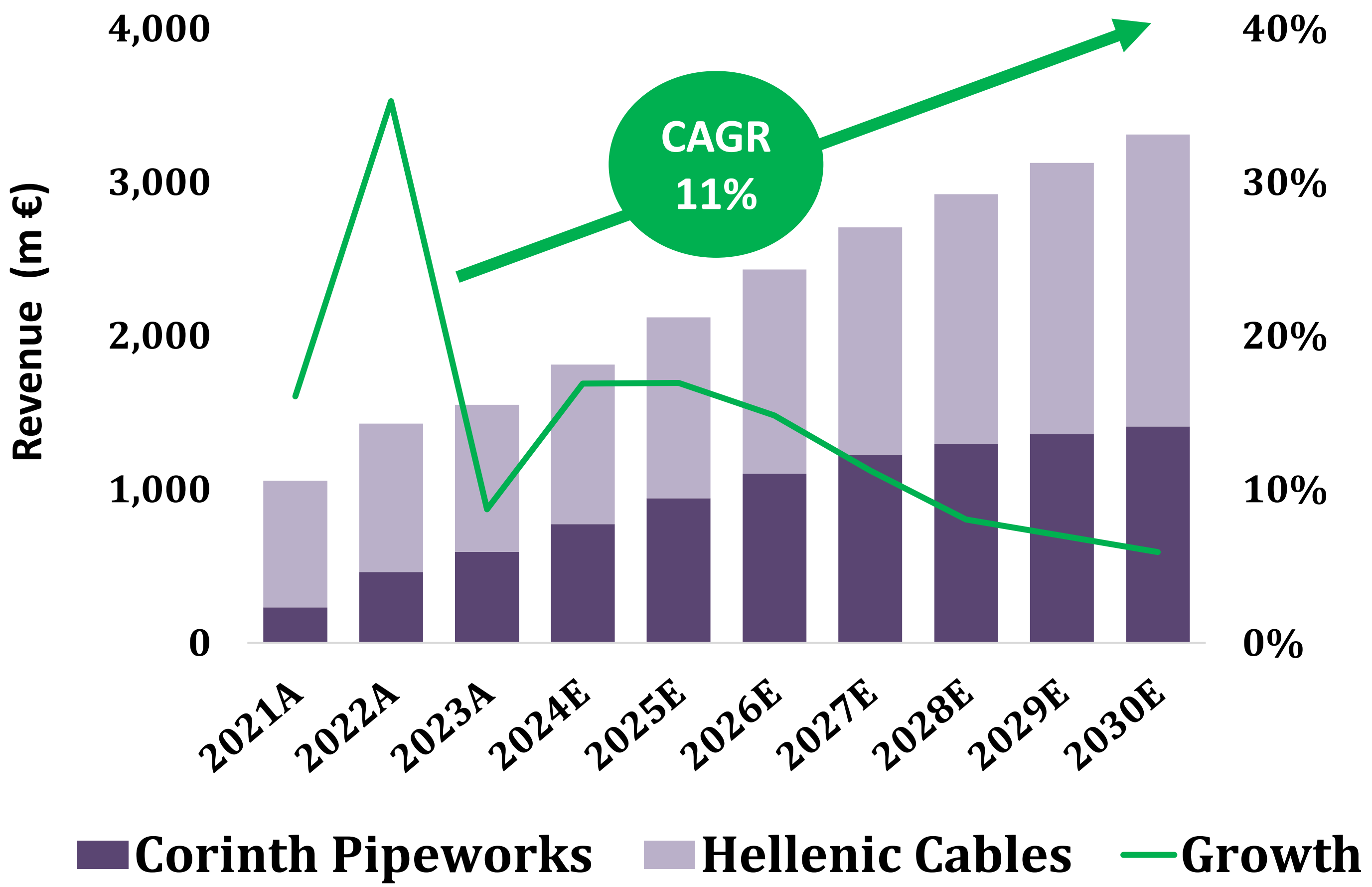
Higher demand for Cenergy's products

Increased long-term growth of sales

Source: IRENA/Team Consensus/Subject Firm

Boosting revenue through expansion and meeting high demand

Solid revenue projected



Growth Drivers

Expansion for HC

- High Backlogs
- Green investments
- Dominant market share in inter-array cables

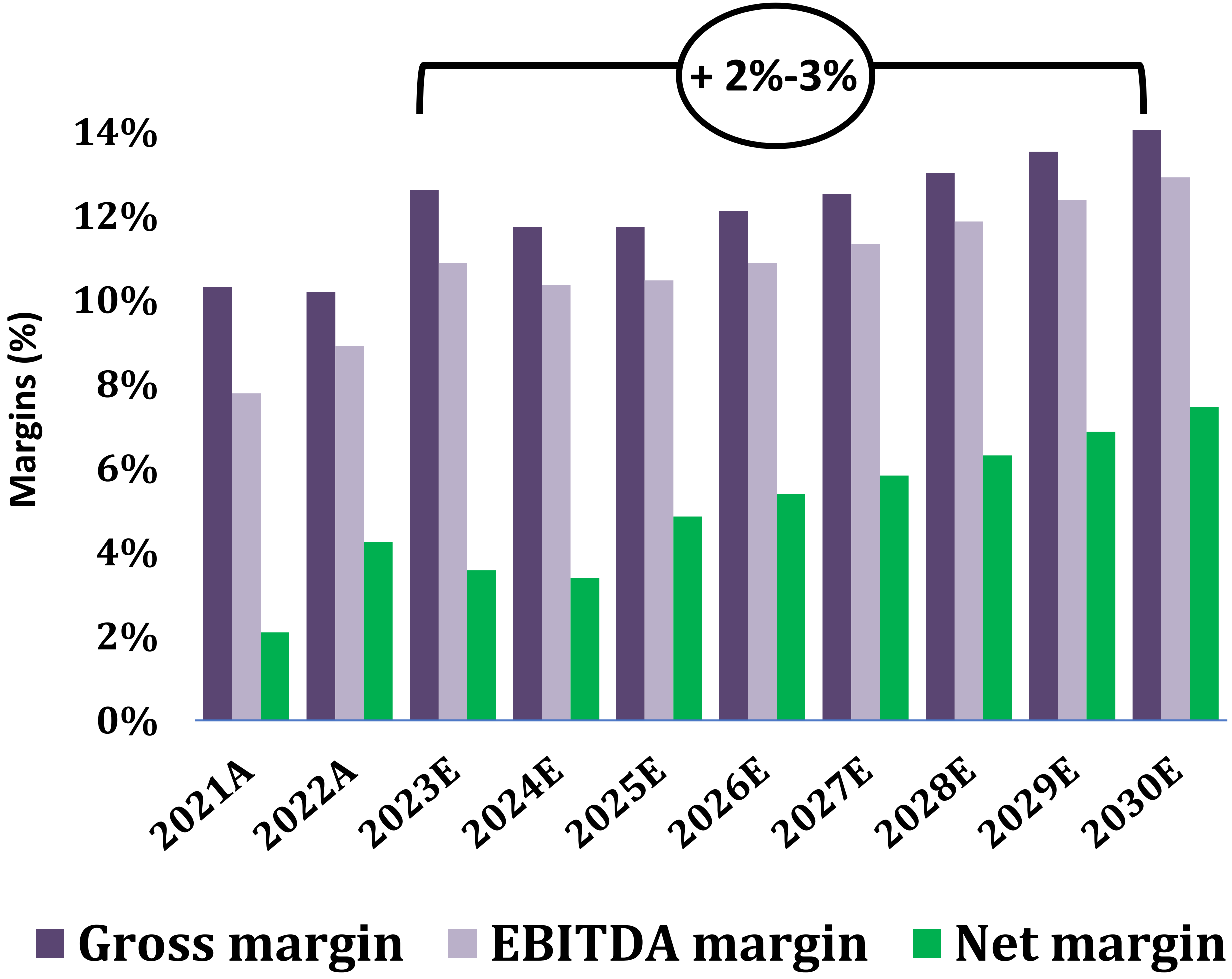
High demand for CPW

- Recent upgrade to a Tier 1 Supplier
- Substantial demand for natural gas

Source: Team Consensus/Subject Firm

Cost Control & New Product Mixture Allow Margin Expansion

Considerable increase in margins



Margin Drivers

- Economies of scale
- New Product mixture
- Opex management

Margins by 2030

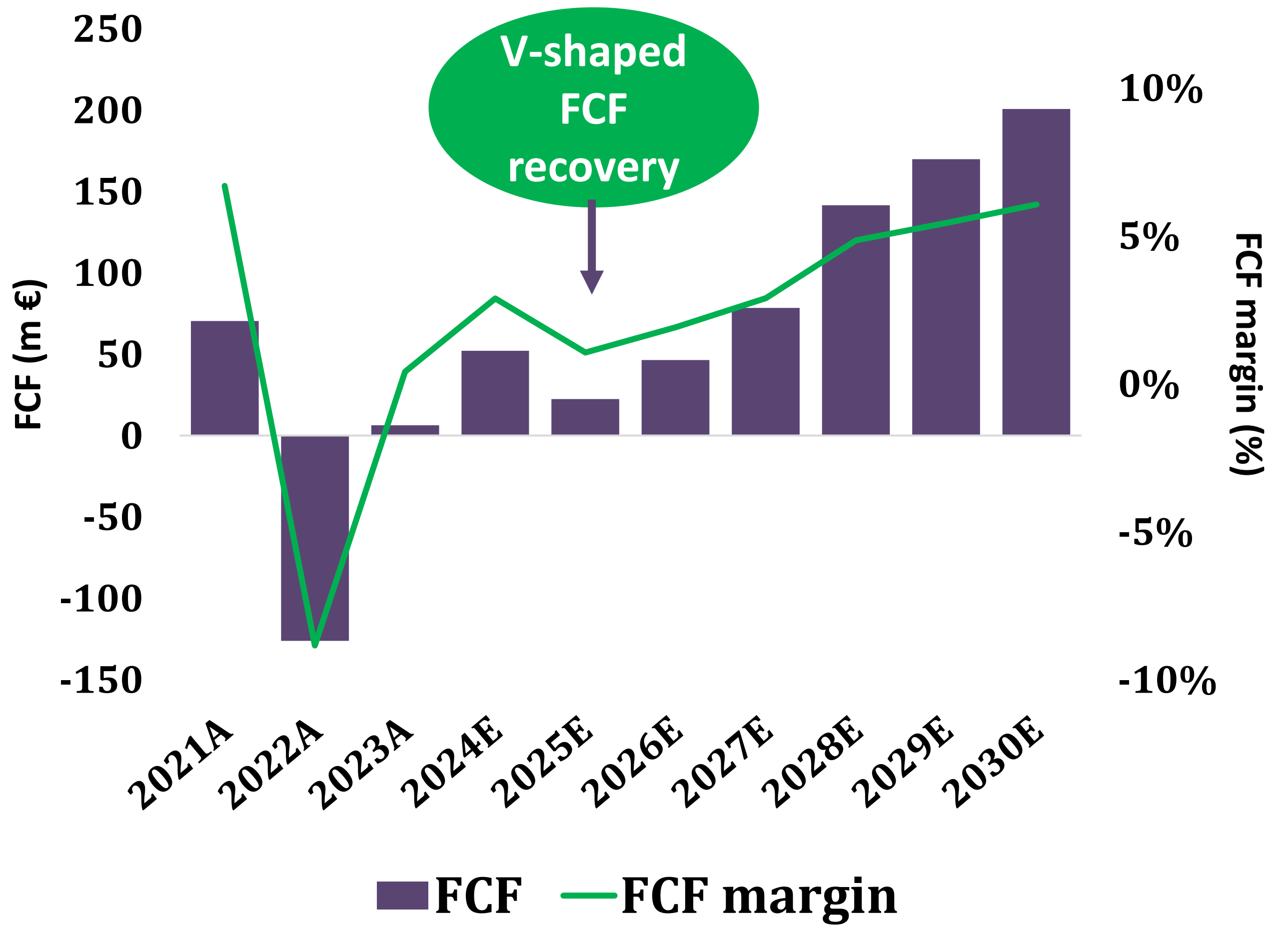
COGS / Sales 86%

EBITDA margin 13%

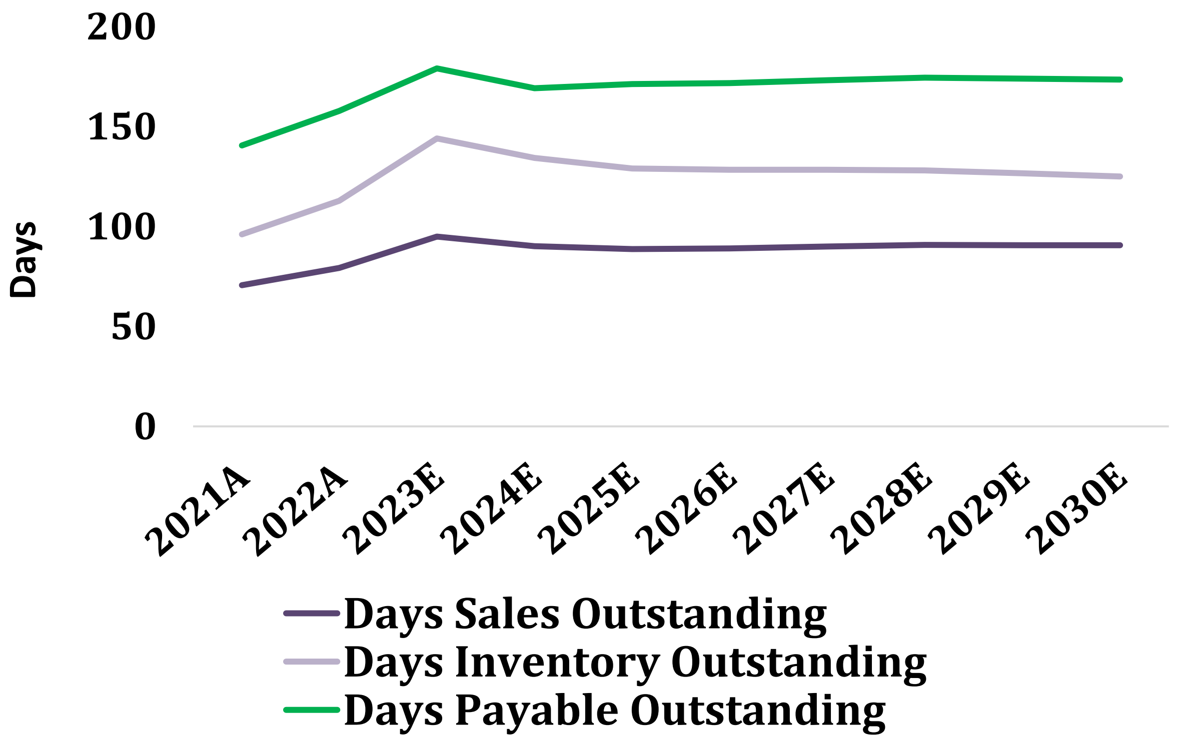
Net margin 7%

Projected FCF improvement linked to operational trends and profitability

Increasing FCF margin supported by :



Better Working Capital management

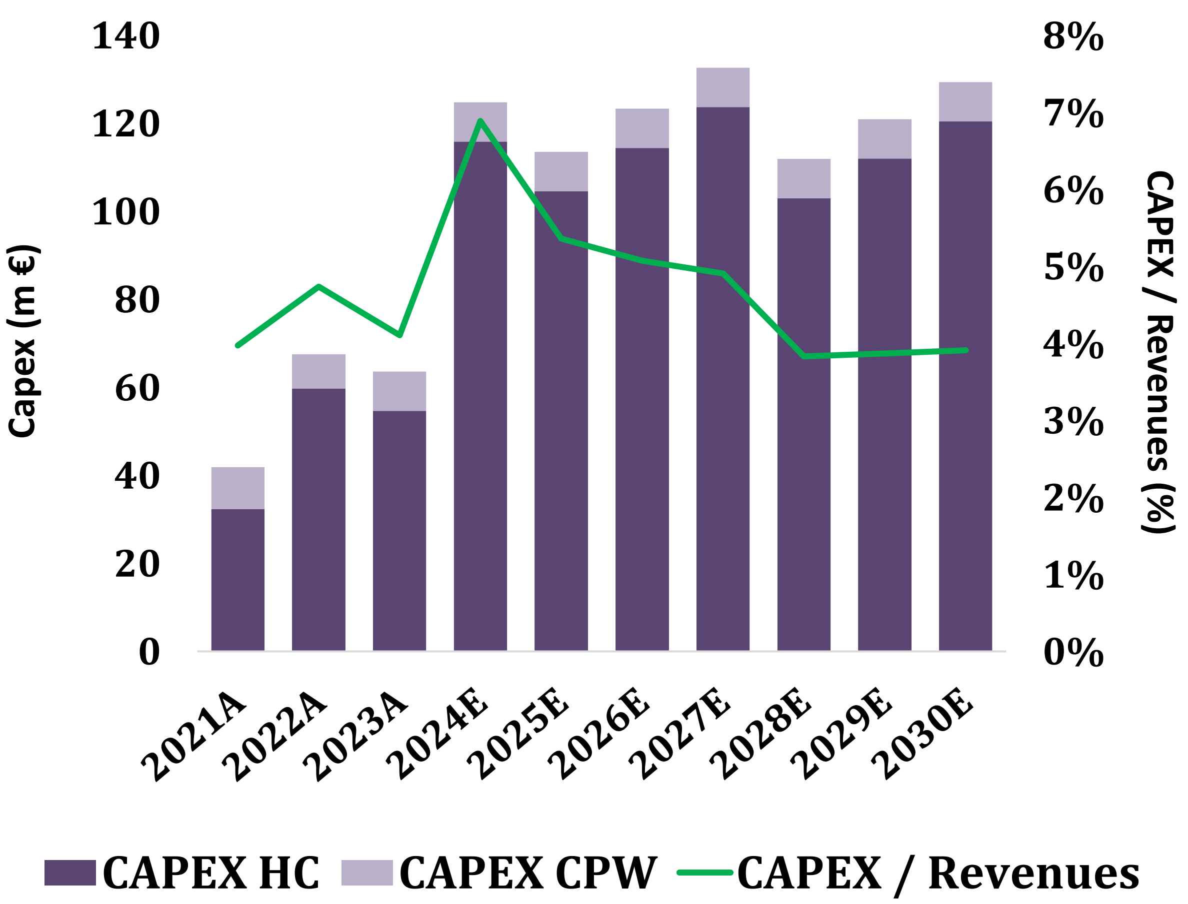


and by the increasing trend of NOPAT

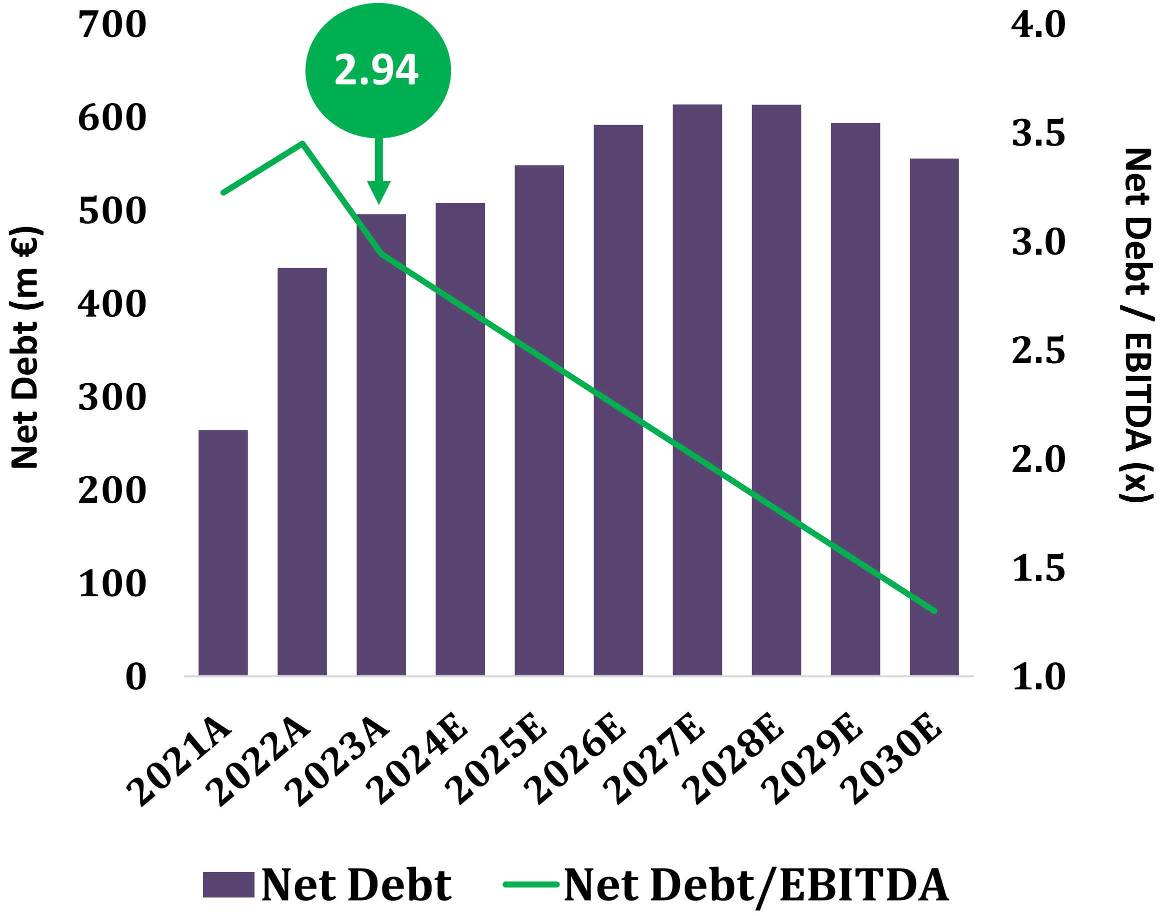
Source: Team Consensus/Subject Firm

Internal funding balances debt amid Capex rise

Despite capital expenditures rise



Net Debt / EBITDA is following a downturn



Source: Team Consensus/Subject Firm

Valuation Summary

BUY (50%)

Discounted Cash Flow Model

- Intrinsic Valuation
- WACC

BUY (30%)

Residual Income Model

- Residual Income
- RoE-CoE

BUY (20%)

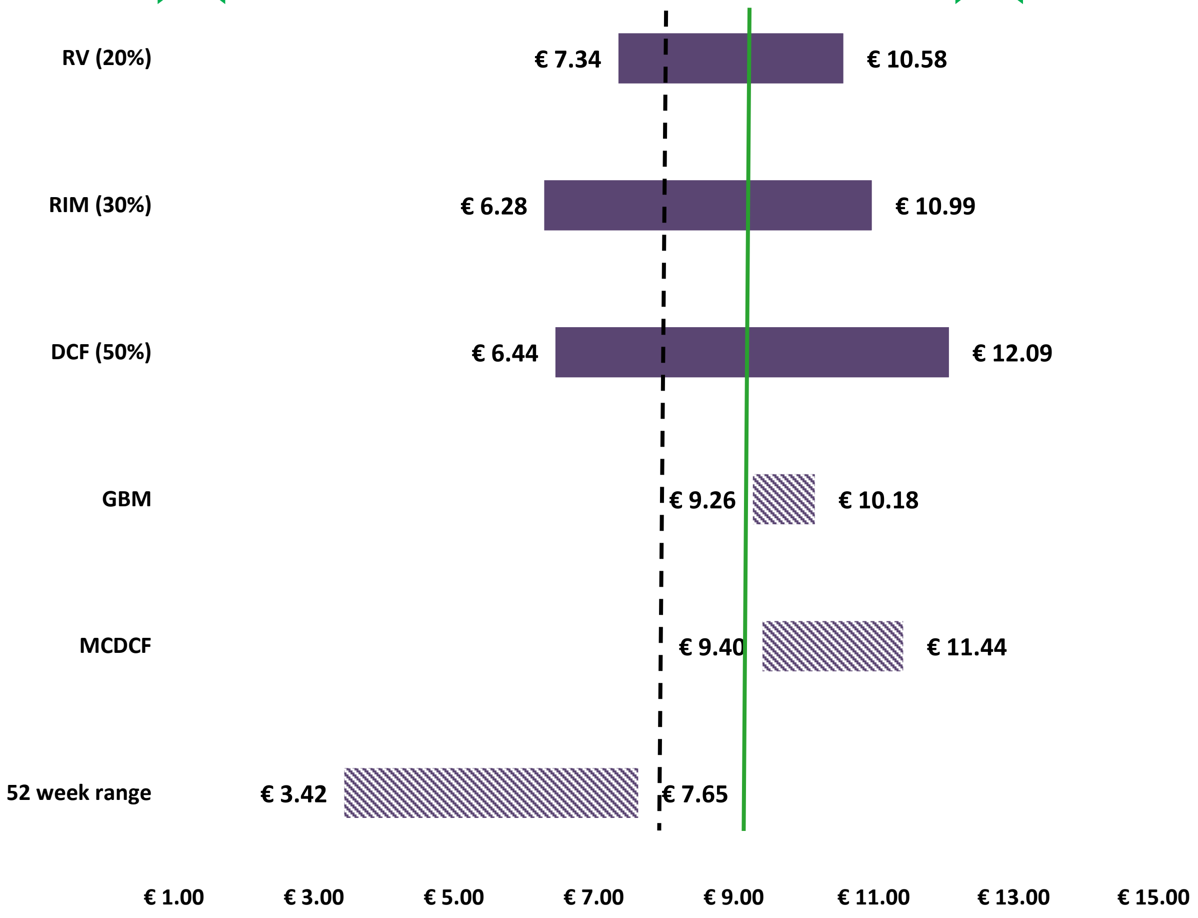
Relative Valuation

- Selected peers for each subsidiary
- Regression Analysis

Scenario & Sensitivity Analysis

- Bull\Bear Case Scenario
- Sensitivity Tools

FAIR VALUE €8.42 (16.15%)



Source: Team Consensus/Subject Firm

Weighted Average Cost of Capital

WACC Inputs

Risk Free %:	2.30-3.13
Beta:	0.84-0.97
ERP %:	5.60-5.91
CRP %:	1.86
CoE %:	9.50-9.95
CoD %:	4.73-6.02
Tax %:	21.35
MV D/E:	0.58

- 2-3 methods applied for each component
- CRP applied once in Risk-Free and once in ERP, and then derived the mean

ESG Adjusted Beta: 0.84

WACC Case Scenarios

Bear Case	Base Case	Bull Case
8.13%	8.13%	8.13%
8.79%	8.13%	7.46%

Equilibrate to the target

Source: Team Consensus/Subject Firm

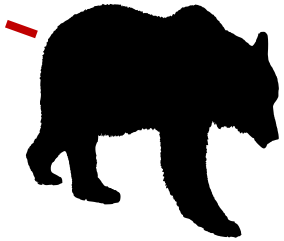
A Prudent Scenario Analysis

Key Scenario Assumptions

- **Moderately able to mitigate the expansions delay (infrastructure\operational)**
- **Moderately able to deliver the high demand**
- **Moderately able to catch up with the new technology\business (CCS & Hydrogen)**
- **Neutral ESG Compliance**
- **Country risks neutrality**

Firm's Guidance for succeeding in the noted goals ✓

Firm unable to meet its promises and further delay occurs ✗



Source: Team Consensus/Subject Firm

€8.77 (23.48%)

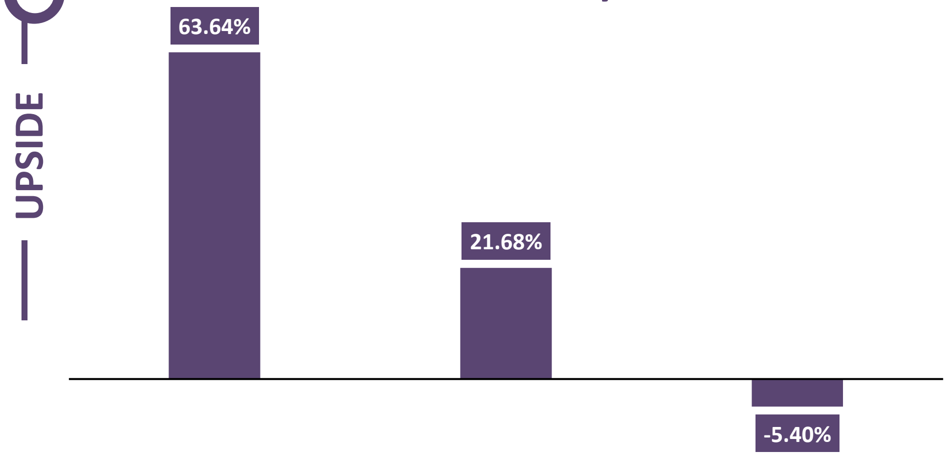
BUY
(50%)

Target Price	
SUM of PV FCFF	510,198
PV of Terminal Value	1,645,630
Enterprise Value	2,155,829
(+) Cash	345,355
(-) Debt	(834,062)
(-) Minorities	(38)
(=) Equity Value	1,667,084
No.Shares	190,162,681
(=) Price per Share	**8.77 €**

Terminal Growth

WACC \ X	0.00%	1.00%	2.00%
8.79%	€ 6.98	€ 7.86	€ 9.01
8.13%	€ 7.70	€ 8.77	€ 10.18
7.46%	€ 8.56	€ 9.86	€ 11.64

Scenario Analysis



Source: Team Consensus/Subject Firm

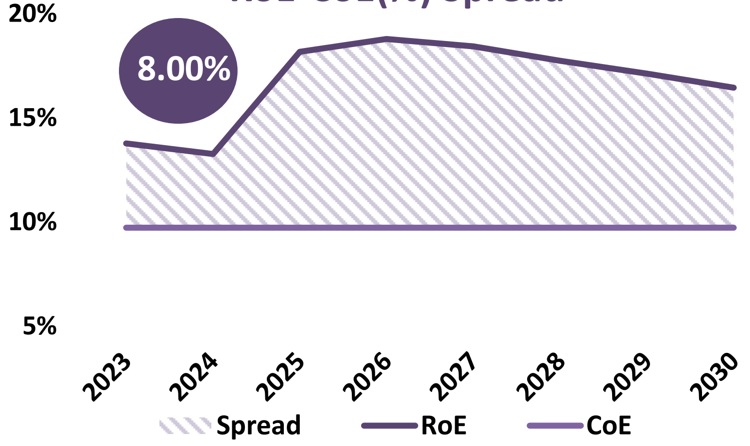
Residual Income Model

€8.08 (13.58%)

Target Price	
Sum of PV FCFF	381,327
Terminal Value (1%)	1,443,861
Equity Value	1,537,112
No Shares	190,162,681
Value Per Share	**8.08 €**

BUY
(30%)

RoE-CoE(%) Spread

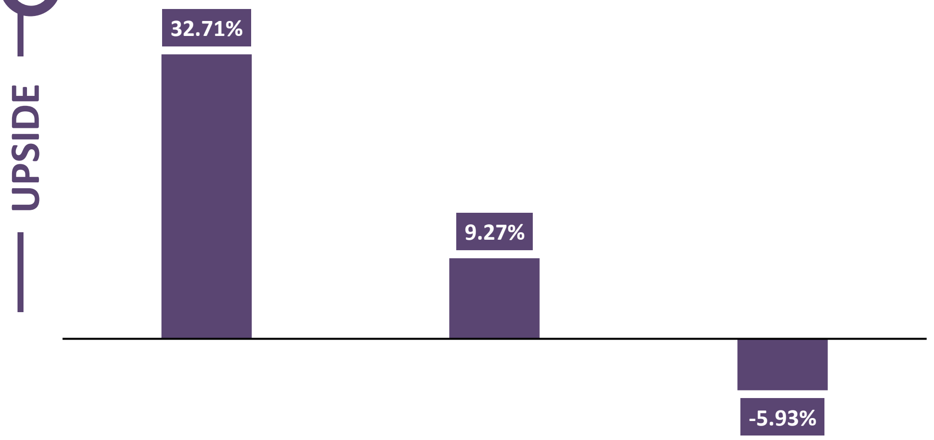


Terminal Growth

CoE

X	0.00%	1.00%	2.00%
10.77%	€ 6.85	€ 7.17	€ 7.56
9.72%	€ 7.64	€ 8.08	€ 8.64
8.68%	€ 8.64	€ 9.27	€ 10.09

Scenario Analysis



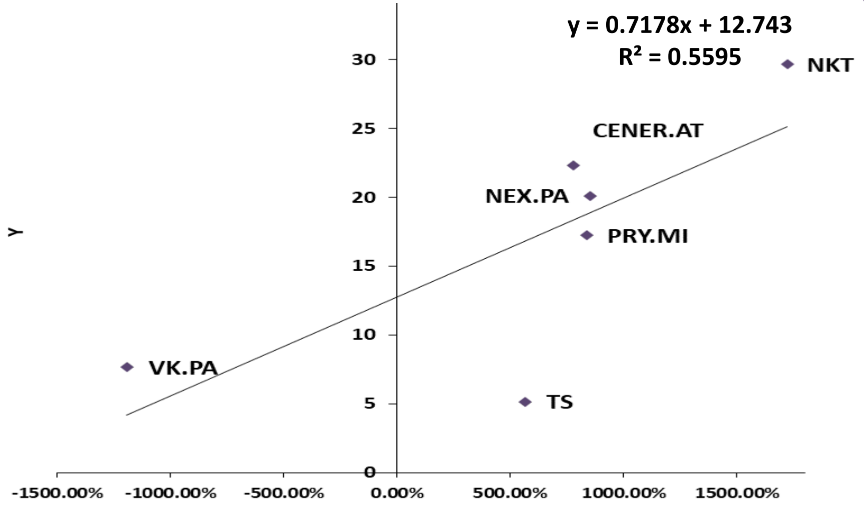
Source: Team Consensus/Subject Firm

Relative Valuation

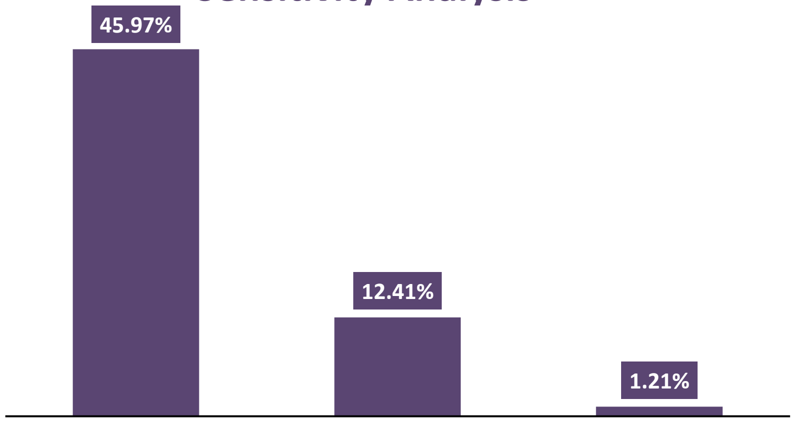
€8.15 (12.41%)

BUY (20%)

PE | Inversed ROIC



Sensitivity Analysis



UPSIDE

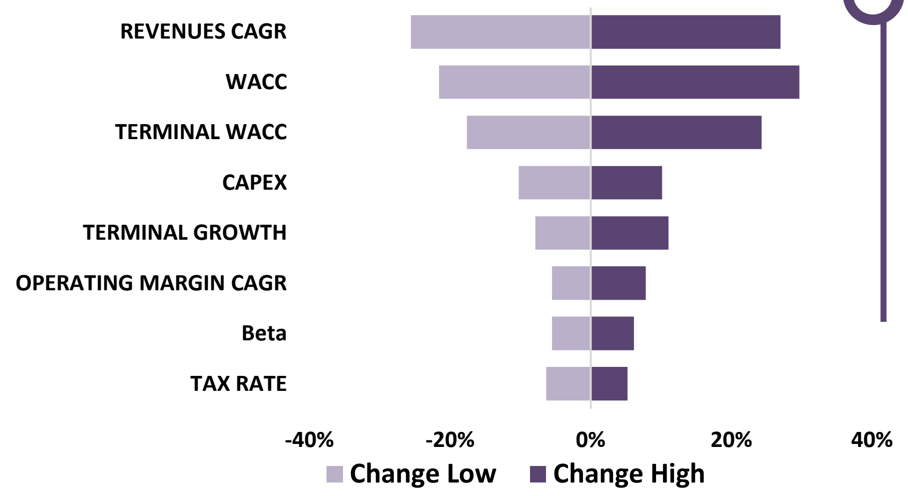
PEERS		P/E	1/ROIC
CENERGY		22.33	780.64%
NKT A/S		29.65	1724.14%
NEXANS		20.11	854.70%
PRYSMIAN		17.22	840.34%
VALLOUREC		7.64	-1190.48%
TENARIS		5.16	564.97%
Implied P/E	€	18.63	
ROIC 2024e		13.65%	
EPS 2025e	€	0.54	
Share Price 2025e	€	9.85	
CoE		9.96%	
Fair Value	€	8.15	

Sensitivity Analysis				
Intercept		11.81		13.68
1 / ROIC		0.63		0.81
P/E	€	16.42	€	19.58
Share Price 2025e	€	8.87	€	10.58
Fair Value	€	7.34	€	10.58

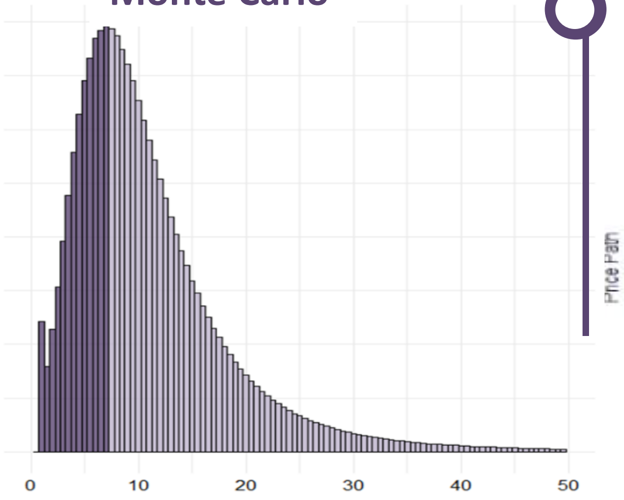
Source: Team Consensus/Subject Firm

Multivariate Sensitivity Analysis: A significant undervaluation

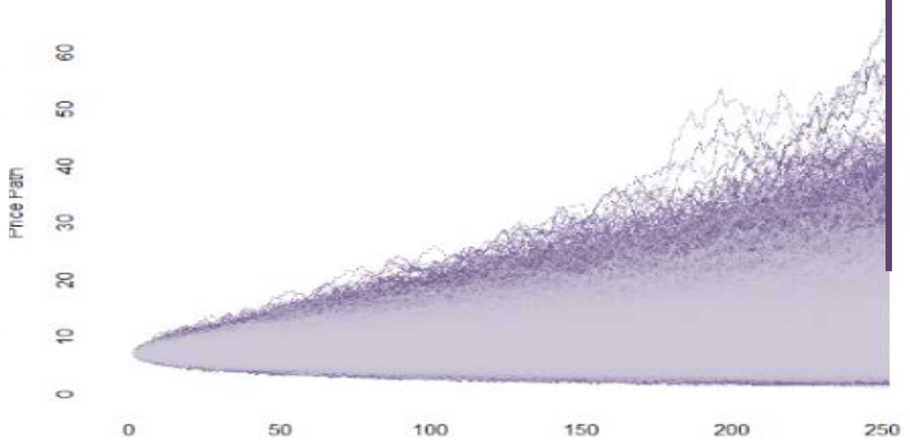
Tornado Chart



Monte Carlo



Geometrical Brownian Motion



Methodology of Sensitivity Analysis

- **Identifying the variables that stress our recommendation**
- **Monte Carlo Simulation**
- **Backing it up with GBM**

Monte Carlo DCF	
Median	9.40 €
Mean	11.44 €
SD	8.26
Q25	6.13 €
Q75	14.15 €
Overvalued	33.09%
Undervalued	66.91%
Iterations	10,000,000

Brownian Motion Path	
Median	9.26 €
Mean	10.18 €
SD	4.60
Q25	6.93 €
Q75	12.42 €
Overvalued	27.61%
Undervalued	72.39%
Iterations - Days	100,000 - 252

Source: Team Consensus/Subject Firm

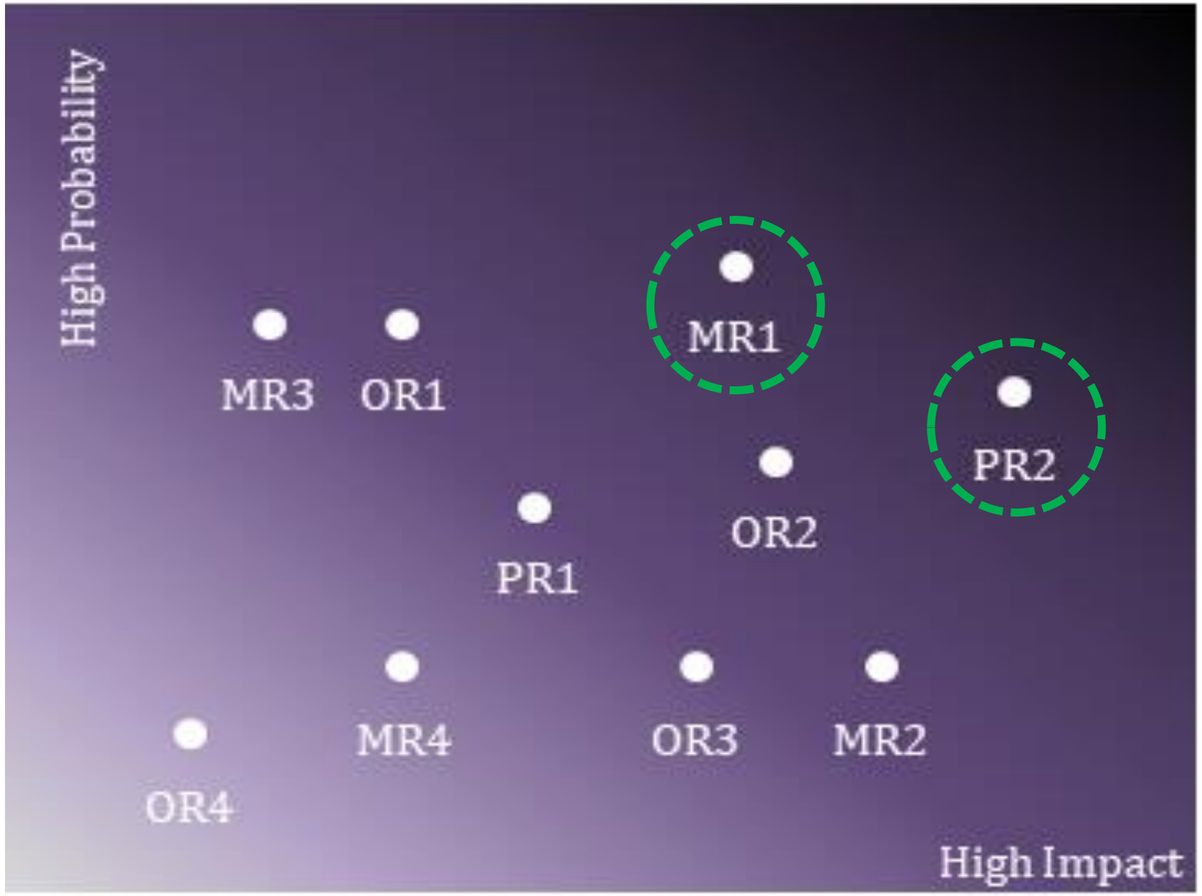
Investment Risks: Growth Prospects Outweigh Moderate Risks

Market Risks
Energy & Raw Material Prices **(MR1)**
Country Risk **(MR2)**
High Interest rates **(MR3)**
Volatility **(MR4)**

Operational Risks
Labor Environment **(OR1)**
Max Capacity Risk **(OR2)**
Technological Innovation **(OR3)**
ESG & Compliance **(OR4)**

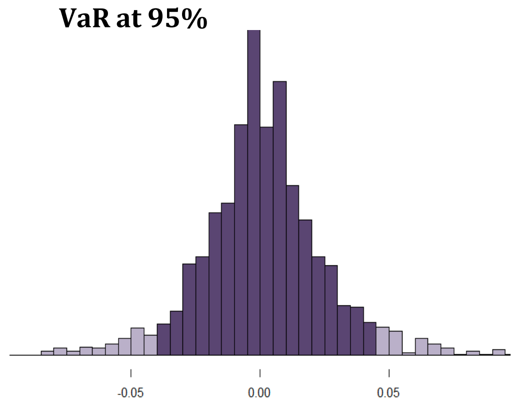
Political Risks
Trade Barriers Risk **(PR1)**
Government Funding Risk **(PR2)**

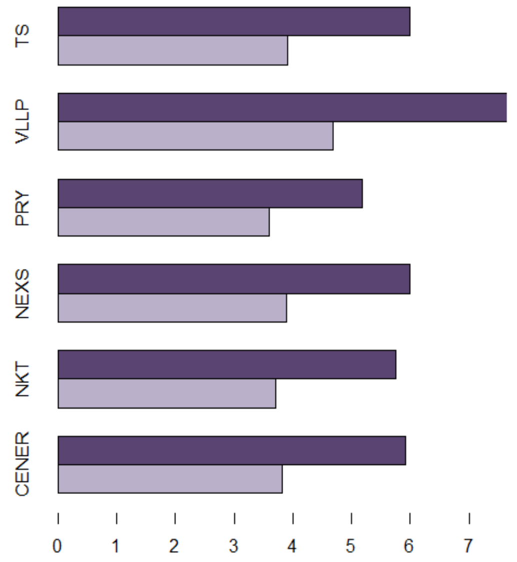
Limited Risks with 2 Exceptions



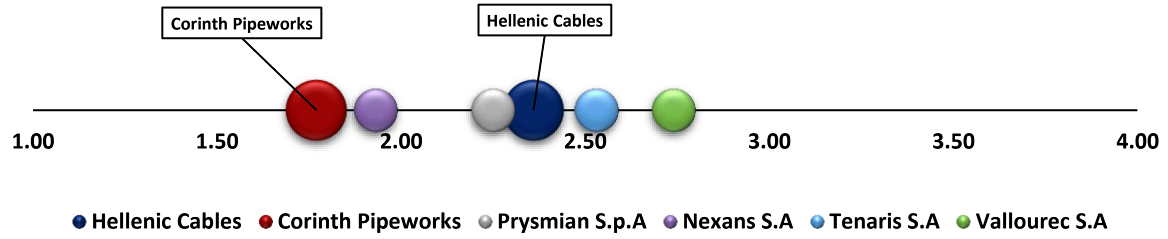
Source: Team Consensus/Subject Firm

Value at Risk – Expected Shortfall – Credit Scores

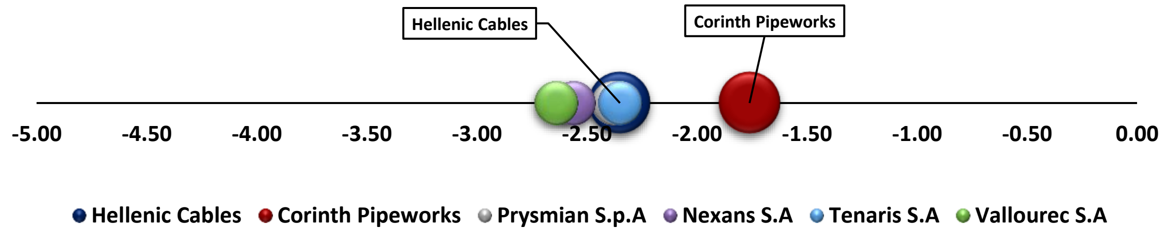




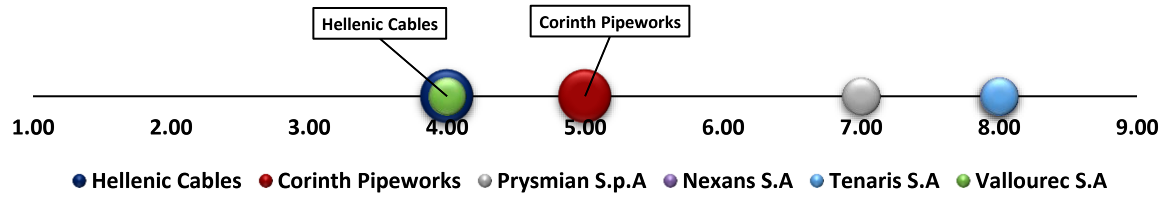
Z-Scores	
Hellenic Cables	2.36
Corinth Pipeworks	1.77
Prysmian S.p.A	2.25
Nexans S.A	1.93
Tenaris S.A	2.53
Vallourec S.A	2.74



M-Scores	
Hellenic Cables	-2.35
Corinth Pipeworks	-1.76
Prysmian S.p.A	-2.38
Nexans S.A	-2.56
Tenaris S.A	-2.35
Vallourec S.A	-2.64



F-Scores	
Hellenic Cables	4.00
Corinth Pipeworks	5.00
Prysmian S.p.A	7.00
Nexans S.A	8.00
Tenaris S.A	8.00
Vallourec S.A	4.00



Source: Team Consensus/Subject Firm

ESG: Key points & Areas of Improvement

ENVIRONMENTAL	SOCIAL	GOVERNANCE
✓ Supply Chain Compliance	✓ Whistleblower Mechanism	✓ 10 Members in BoD
✓ Waste Management	✓ Employees Training	✓ Anti-corruption Policies
✓ CO2 net zero by 2050	✓ Volunteering-Donations	✓ Highly skilled BoD Members
✗ Renewable Energy Used	✗ Women Representation	✗ No Variable Remuneration
✗ Water management	✗ Severity of Accidents	✗ 80% Owned by Viohalco
B-	B-	C+

Refinitiv's Methodology

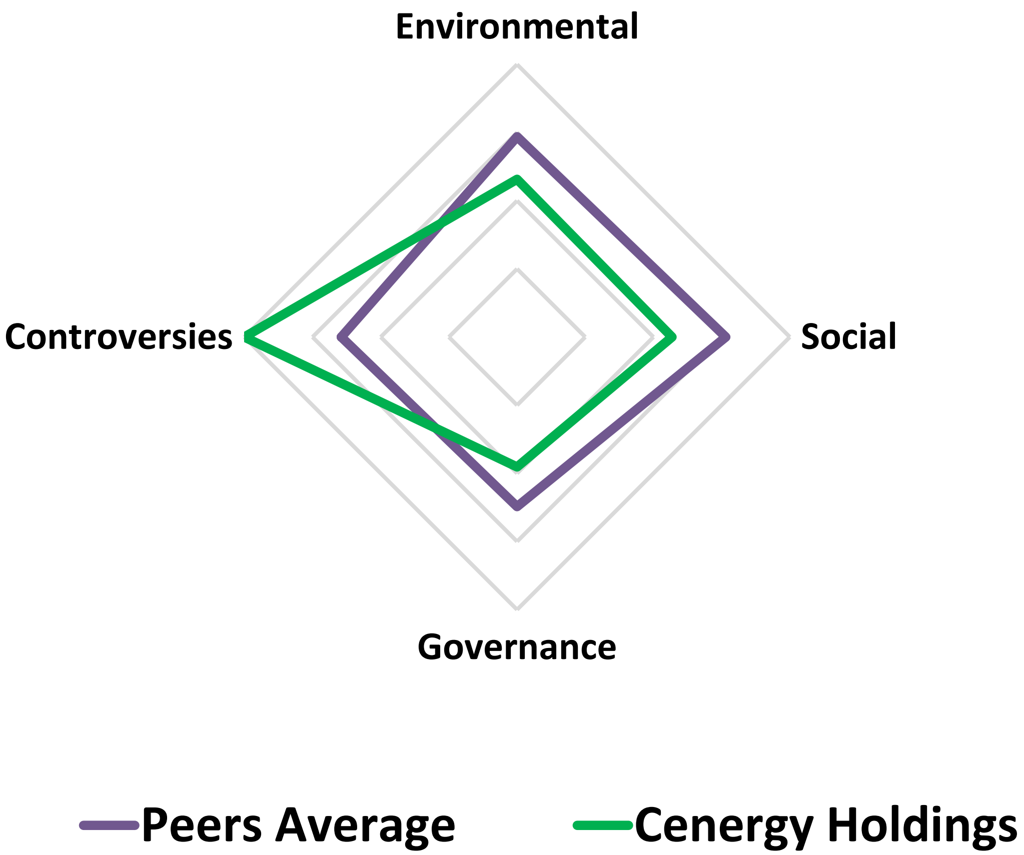
ESG TOTAL SCORE
B-

>200 Individual Metrics

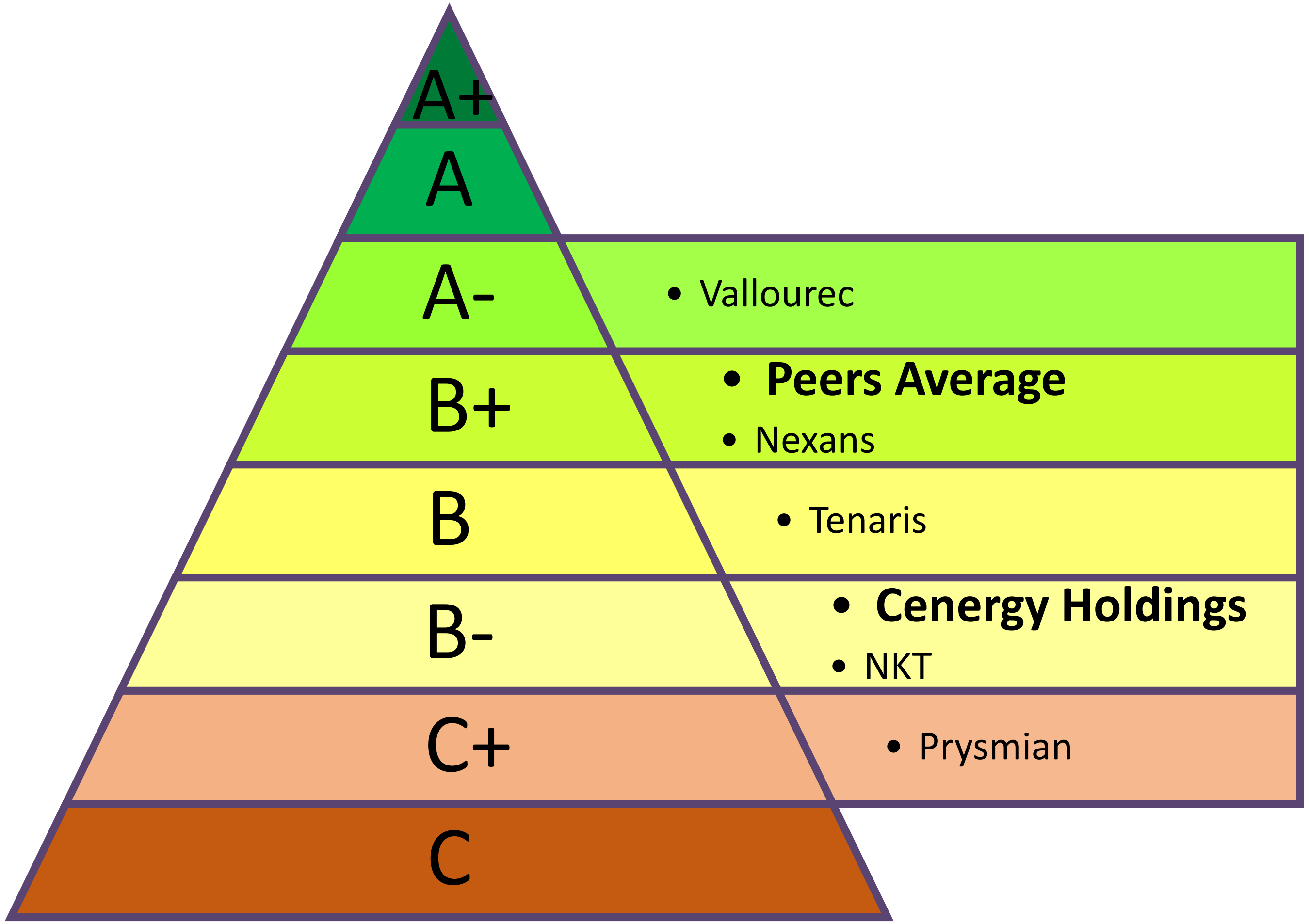
Source: Team Consensus/Subject Firm

ESG: Ranking Slightly Below Peers Average

Despite falling behind in every pillar



Perfect Controversies rating balances the score



Source: Team Consensus/Subject Firm

The world indeed runs on Cenergy

Revenues Growth by Achieving Tier 1 Supplier

Favorable Products Mixture Fuels Enhanced Profitability

Seizing the Renewable Energy Transition

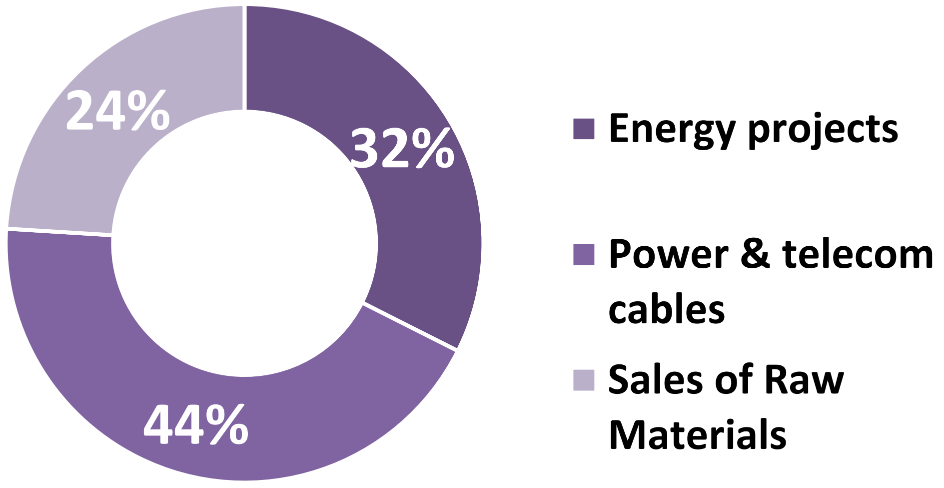
Recommendation

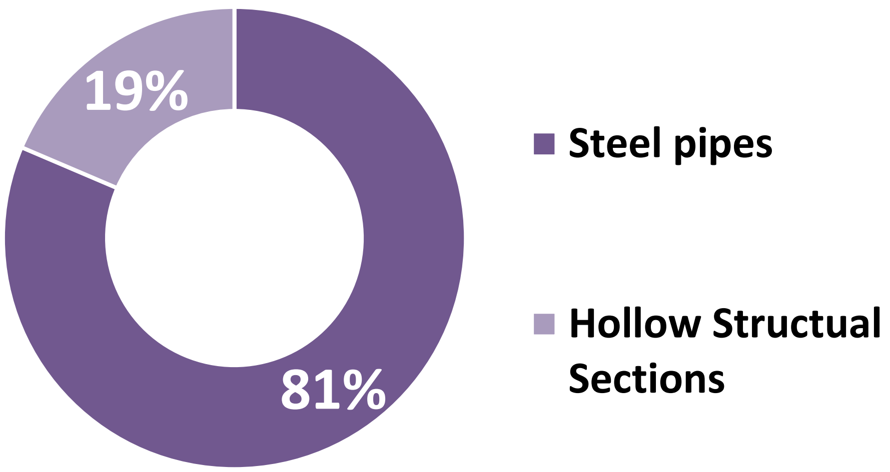
BUY

Target Price

€ 8.04

Business Overview: Revenue By SBUs Operating Segment in 2022

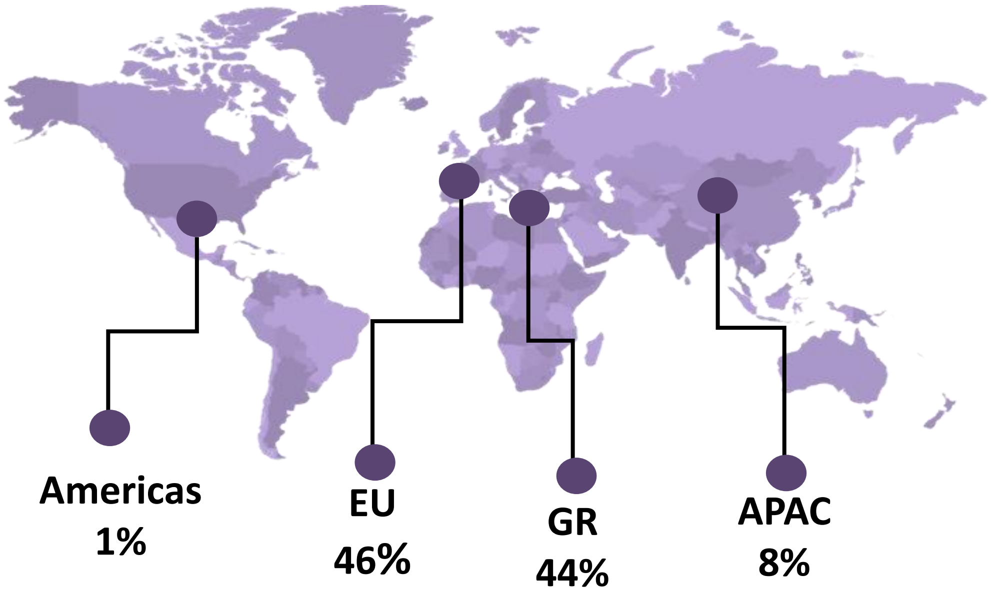


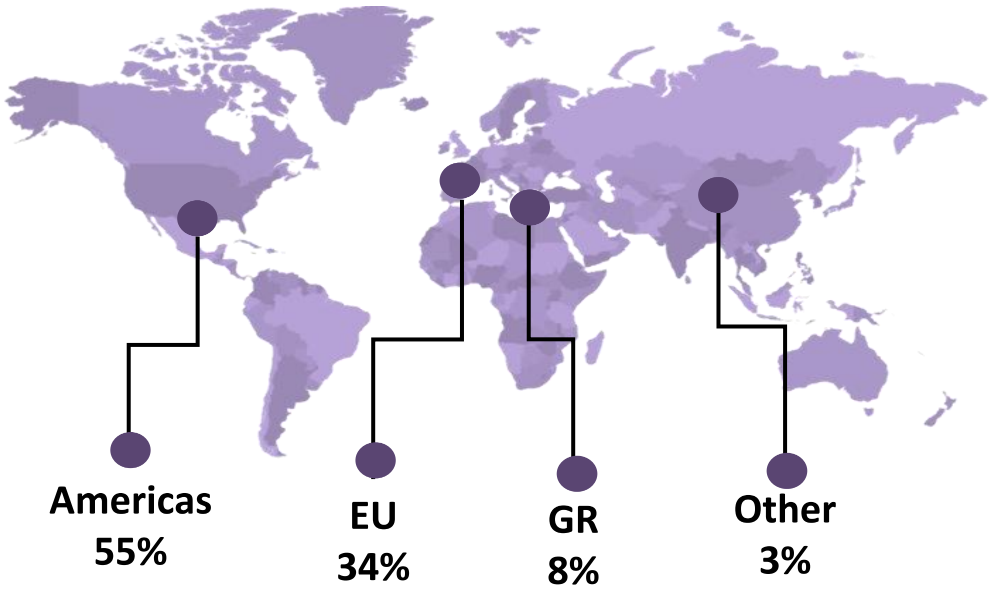


Hellenic Cables	Revenue in million €	% of total Sales
Energy projects	289	32%
Power & telecom cables	388	44%
Sales of Raw Materials	214	24%

Corinth Pipeworks	Revenue in million €	% of total Sales
Steel pipes	375870	81%
Hollow Structual Sections	85761	19%

Business Overview: Revenue By SBUs Geographical Segment in 2022





Hellenic Cables		
	Revenue in million €	% of total Sales
Greece	392	44%
Europe	419	47%
Americas	10	1%
APAC	67	8%
Africa	4	0.4%

Corinth Pipeworks		
	Revenue in million €	% of total Sales
Greece	39	8%
Europe	157	34%
Americas	253	55%
APAC	10	2%
Africa	3	1%

Strategy: Porter's 5 forces

Threat of new entrants (2/5)

- **Hellenic Cables (2):** High capital and expertise requirements, but the high growth in demand for energy projects has intrigued new players to enter the market. With medium legal barriers as suppliers must follow regulations, such as the European Construction Products Regulation
- **Corinth Pipeworks (2):** High capital and expertise requirements in a saturated market, with low-medium legal barriers of entry concerning pollution. While the high growth in demand for CC&S and Hydrogen transportation solutions may be a contributing factor of entry.

Threat of Substitutes (2/5)

- **Hellenic Cables (3):** No real substitutes for Company's cables in the short term, with the high threat of falling behind innovation-wise in the long term due to lower R&D expenses.
- **Corinth Pipeworks (1):** No substitutes for transporting oil and gas, with the threat of gas and oil substitution being extremely low in the foreseeable future.

Competitive Rivalry (4/5)

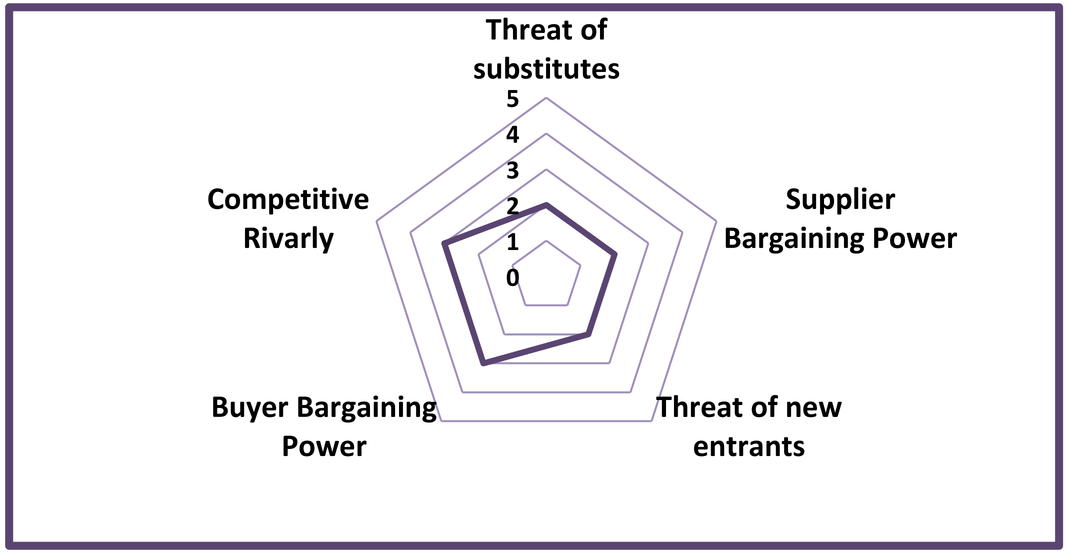
- **Hellenic Cables (4):** High market concentration in the wholesale global market, but a low number of companies providing turnkey solutions on energy projects. While, large global companies have been established in the market, with high production capacity and market cap. Also, strong competitive price pressure on products with specific industrial standards. With High Industry Growth, the Wires and Cables industry is expected to grow at 8.5% CAGR by 2032, intensifying the competition as companies try to aggressively improve their market share.
- **Corinth Pipeworks (3):** Medium Market Concentration with the mix consisting of mainly small players who operate mostly locally and a lower number of big players having a global reach. While, large global companies have been established in the market, with high production capacity and market cap. With medium industry growth, the Steel Pipes industry is expected to grow at 3.9% CAGR by 2032, intensifying the competition with companies investing more to be able to protect their market share. Finally, the market is very price sensitive, with companies competing intensely on price minimizing the profit margins.

Bargaining Power of Buyers (2/5)

- **Hellenic Cables (1):** Low price sensitivity, even when commodity prices had peaked the demand for products did not slow down. With low product dispensability and a highly diversified customer portfolio minimizing the buyers' bargaining power.
- **Corinth Pipeworks (3):** High Price sensitivity, linked to the price of oil and gas. More specifically, when prices soared, the demand plummeted with firms competing intensely on price. However low-medium product dispensability and a highly diversified customer portfolio minimize the buyers' bargaining power.

Bargaining Power of Suppliers (3/5)

- **Hellenic Cables (4):** Low specialization of supplies, mainly copper and aluminum, minimizing the supplier power. However, in the highly price-setting environment, especially in the copper market, mining companies reduce the supply to drive the prices higher. While also switching between suppliers can be a timely and costing procedure. Finally, the company is highly dependent on the suppliers, further enhancing their bargaining position.
- **Corinth Pipeworks (2):** Low specialization of supplies, mainly steel, minimizing the supplier power. While surpluses in the global supply of steel further reduce the suppliers bargaining power. However high switching cost of suppliers and the necessity of steel for the company's business have the reverse effect on the bargaining power of suppliers.



Strategy: SWOT Analysis

Strengths

- **Renewable Energy Growth**, will contribute to the rising demand for the group's services and products.
- **New technologies** in the steel pipes sector, namely CCS and hydrogen transportation pipes, can future-proof the activities of the company.
- **Funding programs and new policies**, making the ground conducive for companies operating in the RES sphere.
- **Potential synergies** between the subsidiaries, as CPW examines the manufacturing of the foundation for floating wind farms.

Weaknesses

- **Commodity price fluctuations**, can lead to higher costs that need to be covered through capex.
- **Shortage of blue-collar workers**, can hinder the group's ability to execute its investments
- **Potential delays** in large projects and defective products, can lead to penalties and slower recognition of revenues
- **Anti-dumping restrictions**, can reduce the group’s reach in global markets.

SWOT

Opportunities

- **Tier 1 supplier,** meaning that the group is eligible to sign contracts for major projects.
- **Geographically diverse portfolio** with projects in over 70 countries, limiting the group exposure to region risks.
- **Factories located near ports**, amplifying the logistics and transportation costs.
- **Vertical Integration of the production line**, reducing exogenous risks and allowing for higher levels of quality control.

Threats

- **The low production capacity** compared to the competition, with Prysmian having 106 plants, Nexans 23 plants, and Tenaris 60 plants.
- **High dependency on market conditions**, economy fluctuations may affect the performance of the company.
- **High exposure to loans with floating rates** restricts the ability of the company to function in times of high-interest rate

Strategy: Peer Groups Structure

CENERGY HOLDINGS

Cables and Wires Group:

- Hellenic Cables (HC)
- Prysmian (PRY)
- NKT A/S (NKT)
- NEXANS (NEXS)

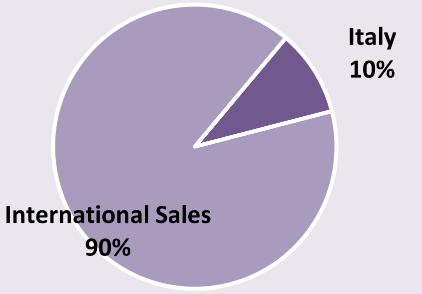
Steel Pipes Group:

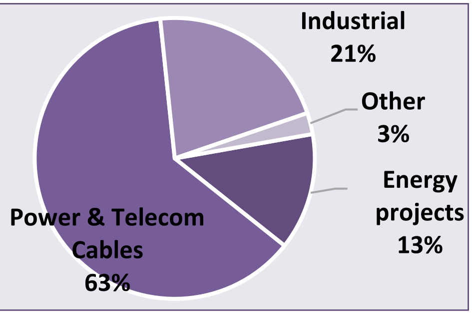
- Corinth Pipeworks (CPW)
- Tenaris (TN)
- Vallourec (VLLP)

Strategy: Cables and Wires Peer Group Overview

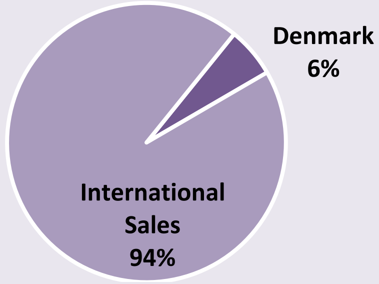
Business Description	Geographical Segments	Operating Segments

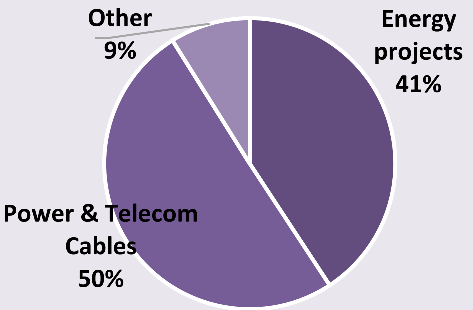
Prysmian is headquartered in Italy, offering a comprehensive range of cables tailored for various applications, including power transmission, distribution, and grid accessories. Its primary business sectors are Energy Projects, Industry & Solutions, and Power & Telecom. The group has a global presence with revenues and employees in many countries, while in 2022 the total revenues reached €16.1billion, and the total employees were 29857. The group is listed in the Milan Stock Exchange and holds a Market Cap of €11.2billion.



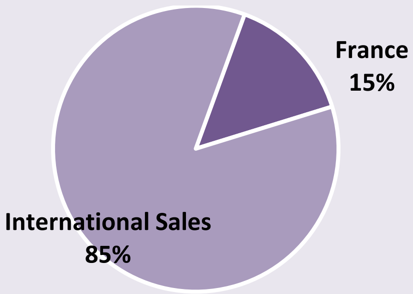


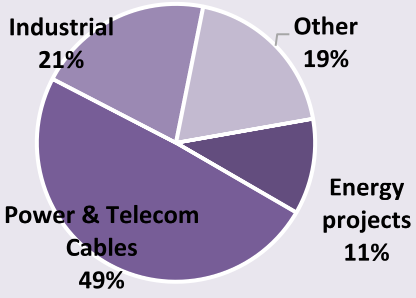
NKT AS is a Denmark-based company specializing in providing comprehensive AC/DC cable solutions within the energy sector. Its primary business segments are Energy Projects and Power Cables. The group has a global presence with the majority of revenues coming from Europe, as in 2022 the total revenues reached €1.9b with €1.6b coming from Europe (excl. Denmark). While the company has 4062 employees. The group is listed in the OMX Nordic Exchange Copenhagen A/S and holds a Market Cap of €3.52billion.





Nexans SA, headquartered in France, offers a wide range of copper and fiber-optic cables and cabling systems. Its primary business sectors are Energy Projects, Industry & Solutions, and Power & Telecom. The group has a global presence with revenues and employees in many countries, while in 2022 the total revenues reached €8.4billion, and the total employees were 27932. The group is listed in the Euronext Paris and holds a Market Cap of €3.75billion.





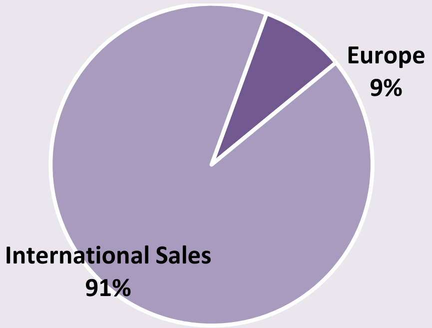
Strategy: Steel Pipes Peer Group Overview

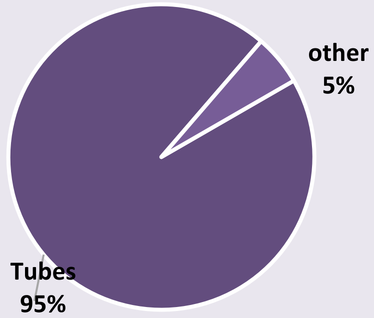
Business Description

Geographical Segments

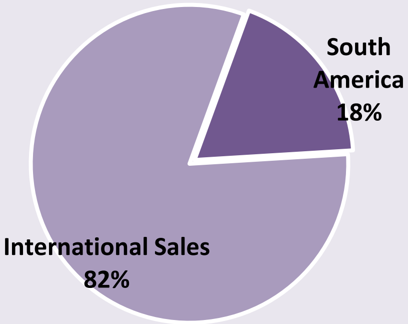
Operating Segments

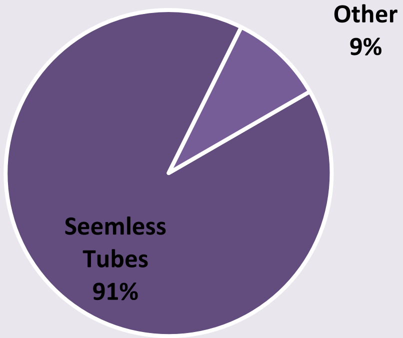
Tenaris S.A. is a multinational holding company and is a prominent steel producer with manufacturing facilities spanning across Mexico, Argentina, Colombia, the United States, and Guatemala. Their main activities include the manufacturing of seamless and welded steel tubular products, used in the oil and gas, and construction industry. The group has a global presence with revenues and employees in many countries, while in 2022 the total revenues reached €8.4billion, and the total employees were 25292. The group is listed in the Milan Stock Exchange and holds a Market Cap of € 17.74billion.





Vallourec SA, headquartered in France, specializes in manufacturing seamless and welded steel tube products catering to diverse industrial applications. The group's main activity is manufacturing seamless steel tubes, utilized in the oil and gas sector, the power generation market, and in industries like automotive, petrochemical, and construction. The group has a global presence with revenues and employees in many countries, while in 2022 the total revenues reached €4.9billion, and the total employees were 16000. The group is listed in the Euronext Paris and holds a Market Cap of € 2.7billion.





Strategy: Competitors' Financial Ratios per Peer Group in 2022

	Cables Peer Group				Steel Pipes Peer Group		
	HC	PRY	NKT	NEXS	CPW	TEN	VLLP
Profitability Ratios							
Gross Profit Margin - %	11.1%	31.6%	28.1%	11.9%	6.1%	39.9%	19.2%
EBITDA Margin - %	10.08%	7.7%	8.3%	7.2%	10.08%	31.3%	14.3%
Operating Margin - %	8.38%	5.5%	4.2%	5.0%	51.86%	26.1%	8.5%
Return on Equity -%	23.92%	15.5%	4.7%	4.1%	5.43%	19.7%	5.0%
Return on Assets - %	4.34%	4.1%	2.1%	8.9%	1.42%	15.9%	0.6%
Solvency Ratios							
Total Debt Percentage of Total Assets	40.68%	24.0%	7.1%	20.6%	24.65%	4.8%	34.6%
Total Debt Percentage of Total Equity	242%	81.3%	17.1%	78.9%	112%	6.0%	91.0%
Liquidity Ratios							
Current Ratio	0.89	1.21	1.03	1.07	0.95	3.04	2.05
Quick Ratio	0.39	0.81	0.78	0.69	0.24	1.61	1.17
Working Capital to Total Assets	0.12	0.09	0.02	0.04	0.33	0.32	0.26

Revenue Streams

CENERGY HOLDINGS

7-year CAGR 11.44%

HELLENIC CABLES

Projects

- **Backlogs** 2,307m (2024-2027)
- **Fading off to the growth target**

Wholesales

- **7-year growth target:** 5.5%
- **Revenues lag**
- **Terminal Growth (PPI):**2.52%

CORINTH PIPEWORKS

Projects

- **Backlogs:** 1,193m(2024-2025)
- **Fading off to the growth target**

Wholesales

- **7-year growth target:** 3.61%
- **Terminal Growth (PPI):** 1.57%

Selling, General & Administrative

CPW	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Energy	2,003	2,773	3,055	3,055	3,055	3,055	3,055	3,055	3,055	3,055
Taxes	413	574	464	464	464	464	464	464	464	464
Insurance Premiums	2,610	4,280	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487
Rent	358	547	485	485	485	485	485	485	485	485
Travel Expenses	1,142	1,725	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Other Expenses	16,507	3,896	12,872	9,087	11,074	12,940	14,416	15,247	15,971	16,567
SG&A	**23,033**	**13,795**	**22,835**	**19,051**	**21,038**	**22,903**	**24,380**	**25,210**	**25,934**	**26,531**

Cenergy Holdings SG&A / Revenues Output

2023
3.47%

→

2030
2.66%

CPW Operating Expenses

- **Fixed Costs** forecasted as an **average of the last 5 years.**
- **Other Expenses** (listed by the firm), forecasted **as a % of Revenues.**

HC Operating Expenses

- Calculated through the **new product mixture,** which offers greater operating margins

Depreciation and Amortization

Hellenic Cables	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Beginning PP&E	219,827	248,490	265,265	307,724	344,209	441,986	524,048	612,201	705,680	774,189	848,584
Depreciation % Beginning PP&E	4.53%	4.49%	4.70%	4.53%	4.53%	4.53%	4.53%	4.53%	4.53%	4.53%	4.53%
Depreciation	9,966	11,166	12,476	13,940	15,604	20,037	23,757	27,754	31,991	35,097	38,470
Beginning Intangible Assets	79,290	83,264	84,779	85,115	85,977	86,902	87,827	88,753	89,678	90,603	91,529
Amortisation % Intangible Assets	3.08%	3.37%	3.83%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%
Amortisation	2,440	2,808	3,248	2,917	2,853	2,853	2,853	2,853	2,853	2,853	2,853
D&A	**12,405**	**13,973**	**15,724**	**16,857**	**18,458**	**22,890**	**26,610**	**30,607**	**34,844**	**37,950**	**41,323**

Median of
Depreciation % Beginning PP&E
between 2020 and 2022 :
4.53%
For the projection of Depreciation

Median of
Amortisation % Intangible Assets
between 2020 and 2022 :
3.43%
For the projection of Amortisation

Depreciations moves along with the guided Capex

Depreciation and Amortization

Corinth Pipeworks	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Depreciation	7,873	8,033	8,315	8,640	8,941	8,941	8,941	8,941	8,941	8,941	8,941
Amortisation	518	417	415	343	392	417	397	393	388	397	398
D&A	**8,391**	**8,450**	**8,730**	**8,982**	**9,333**	**9,358**	**9,338**	**9,333**	**9,329**	**9,338**	**9,339**

There is not any intention from the company to change capex

Cenergy Holdings	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Depreciation	17,839	19,199	20,791	22,579	24,545	28,978	32,698	36,694	40,932	44,038	47,411
Amortisation	2,958	3,225	3,663	3,259	3,245	3,270	3,250	3,246	3,241	3,250	3,251
D&A	**20,796**	**22,423**	**24,454**	**25,839**	**27,790**	**32,248**	**35,948**	**39,940**	**44,173**	**47,288**	**50,662**

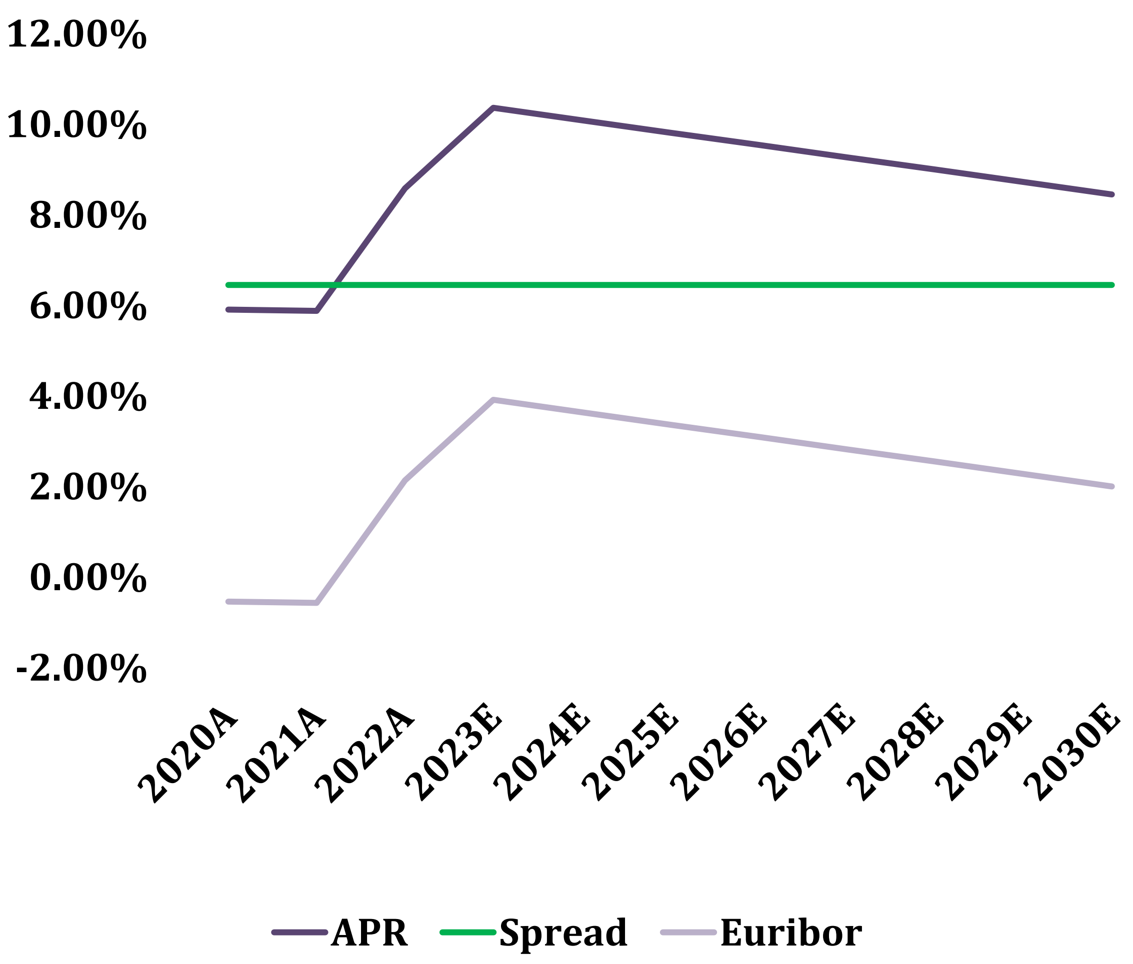
Du Pont's Analysis in (000s) €

Inputs	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net Income	24,772	22,079	60,421	55,319	61,380	102,771	130,801	157,405	184,165	214,417	246,480
Revenue	908,417	1,054,204	1,426,008	1,550,021	1,811,639	2,118,099	2,431,431	2,704,048	2,920,808	3,124,212	3,308,757
Total assets	1,011,992	1,205,949	1,698,748	2,004,064	1,981,490	2,264,708	2,581,137	2,879,507	3,149,068	3,415,798	3,692,457
Common equity	254,600	277,507	341,592	401,611	462,991	565,762	696,564	853,968	1,038,133	1,252,550	1,499,031
Outputs	**2020A**	**2021A**	**2022A**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Net margin	2.73%	2.09%	4.24%	3.57%	3.39%	4.85%	5.38%	5.82%	6.31%	6.86%	7.45%
Total asset turnover	88.21%	95.06%	98.19%	83.72%	90.91%	99.76%	100.35%	99.04%	96.90%	95.18%	93.10%
Equity multiplier	423.64%	416.82%	469.18%	498.22%	460.97%	412.75%	383.88%	352.18%	318.62%	286.59%	258.33%
ROE	**10.19%**	**8.30%**	**19.52%**	**14.89%**	**14.20%**	**19.98%**	**20.72%**	**20.30%**	**19.47%**	**18.72%**	**17.92%**

Financial Ratios in (000s) €

Cenergy Holdings	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	**908,417**	**1,054,204**	**1,426,008**	**1,550,021**	**1,811,639**	**2,118,099**	**2,431,431**	**2,704,048**	**2,920,808**	**3,124,212**	**3,308,757**
Revenue HC	599,858	824,291	964,388	957,594	1,039,143	1,176,672	1,331,433	1,478,508	1,624,706	1,766,563	1,900,412
Revenue CPW	308,559	229,913	461,620	592,427	772,496	941,428	1,099,998	1,225,540	1,296,103	1,357,648	1,408,344
EPS	0.13	0.12	0.32	0.29	0.32	0.54	0.69	0.83	0.97	1.13	1.30
PROFITABILITY RATIOS											
Gross margin	**11.39%**	**10.31%**	**10.19%**	**12.62%**	**11.74%**	**11.74%**	**12.11%**	**12.53%**	**13.02%**	**13.53%**	**14.05%**
Gross margin HC	13.27%	11.22%	12.12%	13.45%	14.15%	14.34%	15.11%	15.87%	16.64%	17.40%	18.17%
Gross margin CPW	7.74%	7.03%	6.16%	11.28%	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%
EBITDA margin	**9.79%**	**7.78%**	**8.91%**	**10.88%**	**10.36%**	**10.47%**	**10.88%**	**11.33%**	**11.87%**	**12.38%**	**12.92%**
EBITDA margin HC	11.42%	9.75%	10.72%	12.29%	12.68%	13.04%	13.86%	14.70%	15.54%	16.31%	17.10%
EBITDA margin CPW	6.60%	0.68%	5.06%	8.94%	7.23%	7.25%	7.26%	7.26%	7.27%	7.27%	7.27%
EBIT margin	**7.29%**	**5.47%**	**7.04%**	**9.15%**	**8.83%**	**8.95%**	**9.40%**	**9.85%**	**10.36%**	**10.87%**	**11.39%**
EBIT margin HC	9.35%	8.06%	9.09%	10.52%	10.91%	11.10%	11.87%	12.63%	13.40%	14.16%	14.93%
EBIT margin CPW	3.88%	-2.99%	3.17%	7.42%	6.03%	6.26%	6.41%	6.50%	6.55%	6.58%	6.61%
Net margin	2.73%	2.09%	4.24%	3.57%	3.39%	4.85%	5.38%	5.82%	6.31%	6.86%	7.45%
ROE	10.19%	8.30%	19.52%	14.89%	14.20%	19.98%	20.72%	20.30%	19.47%	18.72%	17.92%
ROIC	7.91%	7.70%	11.12%	12.81%	13.07%	13.65%	14.63%	15.39%	16.30%	17.18%	17.94%
LEVERAGE AND LIQUIDITY RATIOS											
Net Debt / EBITDA	3.72	3.22	3.45	2.94	2.71	2.47	2.24	2.00	1.77	1.53	1.30
D/E	1.62	1.42	1.77	2.08	1.35	1.19	1.05	0.90	0.75	0.61	0.49
Current ratio	0.91	0.94	0.93	1.11	1.02	1.04	1.08	1.12	1.18	1.25	1.33
OPERATIONAL FIGURES											
Days sales outstanding	82	71	79	95	90	89	89	90	91	91	91
Days inventory outstanding	100	96	113	144	134	129	128	128	128	127	125
Days payable outstanding	122	140	158	179	169	171	172	173	174	174	173
Net working capital	112,142	65,818	237,746	308,591	278,805	319,232	359,231	391,663	414,895	435,269	452,190
Capex	62,177	41,881	67,537	63,641	124,812	113,530	123,340	132,663	111,931	120,923	129,408

Euribor & APR



HELLENIC CABLES APR	
Factoring	8.64%
Short-term Debt Assumptions	9.99%
Long-term Debt Assumptions	7.10%
Current Debt (Long-term)	8.60%
Current Debt (Bond-Loans)	9.82%

CORINTH PIPEWORKS APR	
Factoring	13.85%
Current Debt Assumptions	22.28%
Non-current Debt Assumptions	6.28%
Bond related Debt (Long-term)	10.05%

Risk-Free %

Risk-Free Methods Applied

- Most recent Geographical reach (2022)
- Adjusted T-Bonds for the inflation difference, net of US
- Weight Average for each country's\continent's T-bond
- CDS Spreads, net of US (12/31/2023)
- Moody's Rating, Default Spread (12/31/2023)
- CRP Weighted Average through Damodaran's Spreadsheet (12/31/2023)

Risk-Free (12/31/2023)	10Y A-Tbond	Weights	CDS Spread	Default Spread	Rf1	Rf2	CRP
Greece	3.22%	30.55%	0.88%	2.73%	2.34%	0.49%	3.80%
Belgium	2.78%	1.59%	0.00%	0.65%	2.78%	2.13%	0.88%
Germany	2.15%	10.56%	0.00%	0.00%	2.15%	2.15%	0.00%
Romania	6.26%	3.55%	1.90%	2.39%	4.36%	3.87%	3.33%
United Kingdom	3.88%	9.81%	0.00%	0.64%	3.88%	3.24%	0.91%
Other EU Countries	3.13%	14.22%	0.35%	1.03%	2.77%	2.09%	1.39%
Other European Countries	3.37%	2.64%	0.12%	0.51%	3.25%	2.86%	0.72%
Asia	3.50%	7.70%	0.54%	1.21%	2.96%	2.29%	1.71%
Americas	4.70%	18.43%	0.26%	0.32%	4.44%	4.38%	0.46%
Africa	18.17%	0.56%	7.35%	5.97%	10.82%	12.20%	8.38%
Oceana	4.67%	0.40%	0.00%	0.00%	4.67%	4.67%	0.00%
Weighted Average	**3.65%**	**100.00%**	**0.52%**	**1.34%**	**3.13%**	**2.31%**	**1.86%**

Earnings and Growth (S&P 500)

YARDENI RESEARCH (2 OCT 2023)		
	EARNINGS	as a %
2022A	218.09	
2023E	**225.00**	**3.17%**
2024E	**250.00**	**11.11%**
2025E	**270.00**	**8.00%**
2026E	**288.87**	**6.99%**
2027E	**306.15**	**5.98%**
2028E	**321.36**	**4.97%**
Terminal (10Y T BOND)		**3.96%**
CAGR		**7.39%**

ANALYSTS CONSENSUS (2 OCT 2023)		
	EARNINGS	as a %
2022A	218.09	
2023E	**220.83**	**1.26%**
2024E	**247.49**	**12.07%**
2025E	**277.03**	**11.94%**
2026E	**304.57**	**9.94%**
2027E	**328.78**	**7.95%**
2028E	**348.35**	**5.95%**
Terminal (10Y T BOND)		**3.96%**
CAGR		**9.55%**

AVERAGE g	**8.47%**

Equity Risk Premium

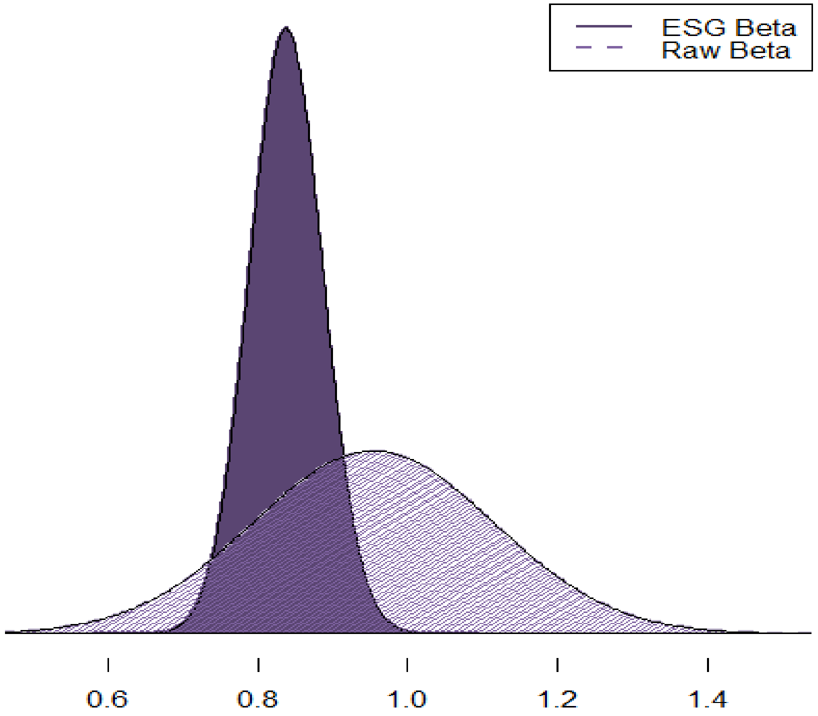
Methods Applied

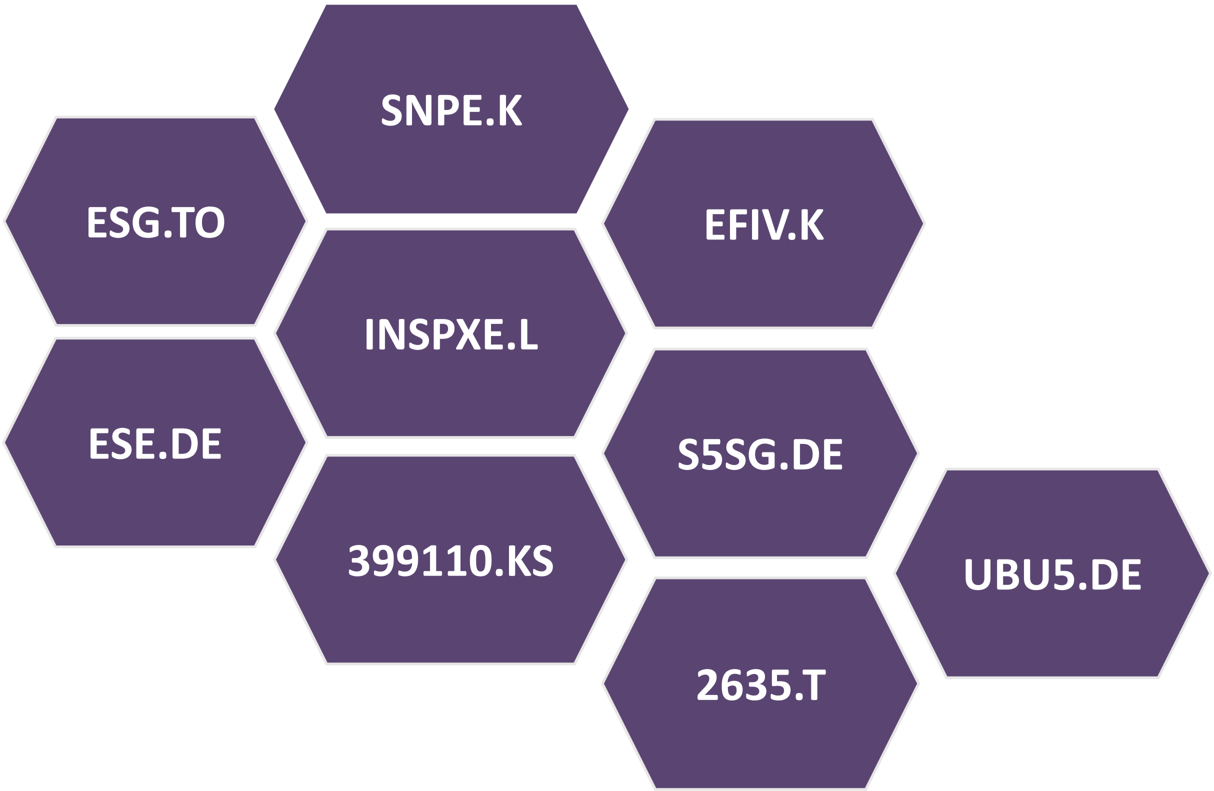
- Historical Beta (5.60%)
- Fernandez Survey (5.60%)
- Damodaran's Implied ERP (5.91%)

Inputs		
US TBOND	3.93%	3.96%
S&P 500 INDEX	€ 4,769.83	€ 4,769.83
IMPLIED EXPECTED RETURN ON STOCKS	9.84%	
IMPLIED ERP	**5.91%**	
Inflation Difference		
US inflation 2024e		2.50%
EU inflation 2024e		3.20%

	CAGR						
	2023E	2024E	2025E	2026E	2027E	2028E	TERMINAL YEAR
EARNINGS	$237.65	$257.77	$279.60	$303.28	$328.96	$328.96	$341.98
CASH PAY AS A % OF EARNINGS	83.05%	84.96%	86.87%	88.77%	90.68%	90.68%	90.68%
DIV+BUYBACKS	$197.36	$218.99	$242.88	$269.23	$298.31	$298.31	$310.13

ESG – Adjusted Beta





$$\frac{\tau_{OLS}}{\tau_{OLS}+\tau_{ESG}}\beta_{OLS}+\frac{\tau_{ESG}}{\tau_{OLS}+\tau_{ESG}}\beta_{ESG}$$

- **9 – ETFs with more than 3 years available monthly data**
- **Average all time beta of the pool (0.84)**
- **Target 0.84 instead of 1.00**
- **4x Greater Precision**

Cost of Debt & Cost of Equity

Methods Applied

- ICR Method (4.73%)
- Cost of Bonds & Long-Term Loans (6.02%)
- Variations of CAPM regarding CRP

Spreads relative to ICR	ICR:2.54		
>	≤ to	Rating is	Spreads
-100000	0.199999	D2/D	20.00%
0.2	0.649999	C2/C	17.50%
0.65	0.799999	Ca2/CC	15.78%
0.8	1.249999	Caa/CCC	11.57%
1.25	1.499999	B3/B-	7.37%
1.5	1.749999	B2/B	5.26%
1.75	1.999999	B1/B+	4.55%
2	2.2499999	Ba2/BB	3.13%
2.25	2.49999	Ba1/BB+	2.42%
2.5	2.999999	Baa2/BBB	2.00%
3	4.249999	A3/A-	1.62%
4.25	5.499999	A2/A	1.42%
5.5	6.499999	A1/A+	1.23%
6.5	8.499999	Aa2/AA	0.85%
8.5	100000	Aaa/AAA	0.69%
Cost of Debt ICR			4.73%
Cost of Debt Bonds & Loans			6.02%
Average			5.38%

Bull	CRP to Rf	CRP to MERP
Historical ERP, Rf1	8.68%	8.41%
Implied ERP, Rf2	8.94%	8.67%

8.68%

Base	CRP to Rf	CRP to MERP
Historical ERP, Rf1	9.67%	9.50%
Implied ERP, Rf2	9.95%	9.78%

9.72%

Bear	CRP to Rf	CRP to MERP
Historical ERP, Rf1	10.65%	10.59%
Implied ERP, Rf2	10.95%	10.89%

10.77%

Discounted Cash Flow

In (000s) €	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	1,811,639	2,118,099	2,431,431	2,704,048	2,920,808	3,124,212	3,308,757
EBIT	159,893	189,504	228,480	266,440	302,513	339,552	376,774
Effective tax rate	19.94%	20.29%	20.65%	21.00%	21.35%	21.35%	21.35%
Nopat	128,006	151,046	181,307	210,492	237,926	267,057	296,333
(+)/(-) Change NWC	29,785	(40,427)	(39,999)	(32,432)	(23,232)	(20,374)	(16,921)
(+) D&A	27,790	32,248	35,948	39,940	44,173	47,288	50,662
(-) CAPEX	(124,812)	(113,530)	(123,340)	(132,663)	(111,931)	(120,923)	(129,408)
(=) FCFF	60,770	29,337	53,915	85,337	146,937	173,048	200,667
WACC	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%
PV of FCFF	**56,201**	**25,092**	**42,649**	**62,430**	**99,416**	**108,282**	**116,126**

Target Price	
SUM of PV FCFF	510,199
PV of Terminal Value	1,645,630
Enterprise Value	2,155,829
(+) Cash	345,355
(-) Debt	(834,062)
(-) Minorities	(38)
(=) Equity Value	1,667,084
No.Shares	190,162,681
(=) Price per Share	**8.77 €**

Terminal Value	
Terminal Cash Flow	200,667
WACC	8.13%
Terminal growth rate	1.00%
Terminal Value	2,843,658.00

Residual Income Model

In (000s) €	2023E	2024E	2025E	2026E	2027E	2028E	2029	2030
Eanings		61,380	102,771	130,801	157,405	184,165	214,417	246,480
BVE	401,646	463,027	565,798	696,600	854,004	1,038,169	1,252,586	1,499,067
Cost of Equity	9.72%	9.72%	9.72%	9.72%	9.72%	9.72%	9.72%	9.72%
BVE*Ce	39,051	45,018	55,011	67,728	83,032	100,937	121,784	145,749
Abnormal Earnings	-	22,329	57,752	75,791	89,677	101,133	113,480	124,696
RoE - CoE	4.05%	3.53%	8.44%	9.06%	8.71%	8.02%	7.40%	6.72%
PV of Abnormal E.	**381,327**	**20,351**	**47,971**	**57,376**	**61,872**	**63,594**	**65,034**	**65,130**

Target Price	
Sum of PV FCFF	381,327
Terminal Value (1%)	1,443,861
Equity Value	1,537,112
No Shares	190,162,681
Value Per Share	8.08 €

Terminal Value	
Terminal Abnormal E.	124,696
Cost of Equity	9.72%
Terminal growth rate	1.00%
Terminal Value	1,443,861
PV of Terminal Value	754,139

Relative Valuation

Regression Statistics	
Multiple R	0.747985841
R Square	0.559482818
Adjusted R Square	0.449353523
Standard Error	6.849016858
Observations	6

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	238.3089556	238.3089556	5.080236062	0.087263852
Residual	4	187.6361277	46.90903192		
Total	5	425.9450833			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	12.74256297	3.378885236	3.771232841	0.019583581	3.361273593	22.12385234	3.361273593	22.12385234
ROIC	0.717750219	0.318442766	2.253937901	0.087263852	-0.166388639	1.601889077	-0.166388639	1.601889077

RESIDUAL OUTPUT

Observation	*Predicted P/E*	*Residuals*
1	18.34560917	3.984390828
2	25.11756674	4.532433259
3	18.87718022	1.232819778
4	18.77407741	-1.554077411
5	4.197917503	3.442082497
6	16.79764895	-11.63764895

Income Statement

In (000s) €	2021	2022	2023TTM	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	**1,054,204**	**1,426,008**	**1,550,021**	**1,811,639**	**2,118,099**	**2,431,431**	**2,704,048**	**2,920,808**	**3,124,212**	**3,308,757**
Cables	824,291	964,388	957,594	1,039,143	1,176,672	1,331,433	1,478,508	1,624,706	1,766,563	1,900,412
Pipes	229,913	461,620	592,427	772,496	941,428	1,099,998	1,225,540	1,296,103	1,357,648	1,408,344
Cost of Sales	**(945,531)**	**(1,280,695)**	**(1,354,438)**	**(1,599,027)**	**(1,869,432)**	**(2,136,909)**	**(2,365,324)**	**(2,540,444)**	**(2,701,489)**	**(2,843,878)**
Cables	(731,770)	(847,513)	(828,825)	(892,126)	(1,007,944)	(1,130,315)	(1,243,848)	(1,354,398)	(1,459,122)	(1,555,120)
Pipes	(213,761)	(433,182)	(525,613)	(706,901)	(861,488)	(1,006,593)	(1,121,476)	(1,186,047)	(1,242,367)	(1,288,758)
Gross Profit	**108,673**	**145,313**	**195,583**	**212,612**	**248,667**	**294,522**	**338,724**	**380,364**	**422,723**	**464,879**
Cables	92,521	116,875	128,769	147,017	168,728	201,118	234,659	270,308	307,441	345,292
Pipes	16,152	28,438	66,813	65,595	79,939	93,404	104,064	110,056	115,282	119,587
SG&A	**(51,030)**	**(44,953)**	**(53,742)**	**(52,719)**	**(59,162)**	**(66,042)**	**(72,284)**	**(77,851)**	**(83,171)**	**(88,104)**
Cables	(26,096)	(29,226)	(27,983)	(33,668)	(38,124)	(43,138)	(47,904)	(52,640)	(57,237)	(61,573)
Pipes	(23,033)	(13,795)	(22,835)	(19,051)	(21,038)	(22,903)	(24,380)	(25,210)	(25,934)	(26,531)
Operating Profit	**57,643**	**100,360**	**141,841**	**159,893**	**189,505**	**228,480**	**266,440**	**302,513**	**339,552**	**376,774**
Cables	66,425	87,649	100,786	113,349	130,604	157,980	186,756	217,667	250,204	283,718
Pipes	(6,881)	14,643	43,978	46,544	58,901	70,501	79,684	84,846	89,348	93,056
Other	(1,901)	(1,932)	(2,923)	-	-	-	-	-	-	-
Finance Income	**264**	**431**	**719**	**893**	**650**	**683**	**721**	**733**	**718**	**680**
Finance Costs	**(29,249)**	**(36,893)**	**(68,522)**	**(84,115)**	**(61,216)**	**(64,329)**	**(67,919)**	**(69,088)**	**(67,648)**	**(64,065)**
Dividends	-	-	(9,509)	-	-	-	-	-	-	-
Share of profit of equity investees	1,855	6,059	4,268	-	-	-	-	-	-	-
Profits Before Tax	**30,513**	**69,957**	**68,797**	**76,670**	**128,938**	**164,834**	**199,242**	**234,158**	**272,622**	**313,389**
Income Tax	**(8,434)**	**(9,536)**	**(13,478)**	**(15,290)**	**(26,167)**	**(34,032)**	**(41,837)**	**(49,993)**	**(58,205)**	**(66,909)**
Profit / (Loss) of the period	**22,079**	**60,421**	**55,319**	**61,380**	**102,771**	**130,801**	**157,405**	**184,165**	**214,417**	**246,480**
Non-controlling interests	1	**3**	-	-	-	-	-	-	-	-
Net Income	**22,078**	**60,418**	**55,319**	**61,380**	**102,771**	**130,801**	**157,405**	**184,165**	**214,417**	**246,480**
Number of shares	**190,172**	**190,177**	**190,163**	**190,163**	**190,163**	**190,163**	**190,163**	**190,163**	**190,163**	**190,163**
Earnings per share	**0.1161**	**0.3177**	**0.2909**	**0.3228**	**0.5404**	**0.6878**	**0.8277**	**0.9685**	**1.1275**	**1.2962**

Balance Sheet

In (000s) €	2021	2022	2023TTM	2024E	2025E	2026E	2027E	2028E	2029E	2030E
ASSETS										
Property, plant & equipment	476,458	526,156	561,026	658,803	739,501	825,430	915,743	979,953	1,049,560	1,124,006
Right of use assets	3,469	3,764	7,715	8,402	9,566	10,686	11,555	12,127	12,971	13,738
Intangible assets	31,254	31,957	34,115	39,977	44,832	50,000	55,423	59,297	63,513	68,022
Equity - accounted investees	36,431	40,959	37,288	37,288	37,288	37,288	37,288	37,288	37,288	37,288
Other Assets	12,152	17,748	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640
Total non-current assets	**559,764**	**620,584**	**657,783**	**762,110**	**848,827**	**941,044**	**1,037,649**	**1,106,305**	**1,180,973**	**1,260,693**
Inventories	284,025	507,545	561,037	614,530	707,243	795,624	866,490	915,412	957,247	990,652
Trade and other receivables	132,040	192,769	198,756	232,302	271,599	311,777	346,734	374,529	400,610	424,274
Contract assets	98,217	195,481	219,514	243,547	281,942	320,431	352,778	377,190	399,321	418,528
Cash and cash equivalents	129,606	167,160	345,355	107,383	133,479	190,644	254,239	354,014	456,029	576,691
Other current assets	2,297	15,209	21,618	21,618	21,618	21,618	21,618	21,618	21,618	21,618
Total current assets	**646,185**	**1,078,164**	**1,346,280**	**1,219,380**	**1,415,881**	**1,640,093**	**1,841,858**	**2,042,762**	**2,234,825**	**2,431,763**
Total assets	**1,205,949**	**1,698,748**	**2,004,064**	**1,981,490**	**2,264,708**	**2,581,137**	**2,879,507**	**3,149,068**	**3,415,798**	**3,692,457**
EQUITY										
Share capital	117,892	117,892	117,892	117,892	117,892	117,892	117,892	117,892	117,892	117,892
Share premium	58,600	58,600	58,600	58,600	58,600	58,600	58,600	58,600	58,600	58,600
Reserves	33,059	37,839	42,539	42,539	42,539	42,539	42,539	42,539	42,539	42,539
Retained earnings	67,956	127,261	182,580	243,960	346,731	477,533	634,937	819,102	1,033,519	1,280,000
Equity attributable	**277,507**	**341,592**	**401,611**	**462,991**	**565,762**	**696,564**	**853,968**	**1,038,133**	**1,252,550**	**1,499,031**
Non controlling interest	35	38	35	36	36	36	36	36	36	36
Total equity	**277,542**	**341,630**	**401,646**	**463,027**	**565,798**	**696,600**	**854,004**	**1,038,169**	**1,252,586**	**1,499,067**
LIABILITIES										
Loans and borrowings	174,941	127,161	316,359	246,093	265,807	288,783	302,520	305,290	298,011	286,038
Lease liabilities	2,080	2,233	5,305	6,060	6,922	7,757	8,418	8,867	9,484	10,044
Grants	15,804	15,648	15,313	15,313	15,313	15,313	15,313	15,313	15,313	15,313
Deferred tax liabilities	38,382	35,318	39,055	39,055	39,055	39,055	39,055	39,055	39,055	39,055
Other non-current liabilities	12,811	12,780	12,981	12,981	12,981	12,981	12,981	12,981	12,981	12,981
Total non-current liabilities	**244,018**	**193,140**	**389,013**	**319,502**	**340,078**	**363,889**	**378,287**	**381,506**	**374,844**	**363,432**
	-	-	-	-	-	-	-	-	-	-
Loans and borrowings	215,699	474,749	510,326	369,378	398,968	433,453	454,073	458,230	447,304	429,334
Lease liabilities	1,216	1,224	2,072	2,342	2,645	2,928	3,138	3,260	3,487	3,693
Trade and other payables	422,622	549,283	557,112	685,814	801,789	916,508	1,014,475	1,089,583	1,158,654	1,219,724
Contract liabilities	26,009	108,780	113,604	125,760	139,763	152,092	159,863	162,652	163,255	161,541
Other current liabilities	18,846	29,940	30,289	15,667	15,667	15,667	15,667	15,667	15,667	15,667
Total current liabilities	**684,392**	**1,163,976**	**1,213,403**	**1,198,960**	**1,358,832**	**1,520,649**	**1,647,215**	**1,729,393**	**1,788,368**	**1,829,959**
Total liabilities	**928,410**	**1,357,116**	**1,602,416**	**1,518,463**	**1,698,910**	**1,884,538**	**2,025,503**	**2,110,898**	**2,163,212**	**2,193,390**
Total equity and liabilities	**1,205,949**	**1,698,748**	**2,004,064**	**1,981,490**	**2,264,708**	**2,581,137**	**2,879,507**	**3,149,068**	**3,415,798**	**3,692,457**

Cash Flow Statement

In (000s) €	2021	2022	2023TTM	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Profit / (Loss) of the period	**22,079**	**60,421**	**55,319**	**61,380**	**102,771**	**130,801**	**157,405**	**184,165**	**214,417**	**246,480**
Plus / less adjustments for:										
Depreciation	22,612	24,261	23,481	24,545	28,978	32,698	36,694	40,932	44,038	47,411
Amortization	3,821	4,123	3,259	3,245	3,270	3,250	3,246	3,241	3,250	3,251
Share of profit of equity-accounted investees, net of tax	(1,855)	(6,059)	(4,268)	-	-	-	-	-	-	-
Change in WC and other non-cash current items	**65,857**	**(180,004)**	**(30,369)**	**15,163**	**(40,427)**	**(39,999)**	**(32,432)**	**(23,232)**	**(20,374)**	**(16,921)**
Receivables	(19,168)	(60,729)	(5,987)	(33,547)	(39,297)	(40,178)	(34,957)	(27,795)	(26,082)	(23,664)
Payables	173,530	126,661	7,829	128,702	115,975	114,719	97,966	75,108	69,071	61,070
Inventories	(70,833)	(223,520)	(53,492)	(53,492)	(92,714)	(88,381)	(70,865)	(48,922)	(41,835)	(33,406)
Contract Assets	(33,342)	(97,264)	(24,033)	(24,033)	(38,395)	(38,489)	(32,347)	(24,412)	(22,131)	(19,207)
Contract Liabilities	(4,187)	82,771	4,824	12,156	14,003	12,329	7,771	2,789	603	(1,714)
Other current items	19,857	(7,923)	40,490	(14,622)	-	-	-	-	-	-
Cash Flow from operating activities	**112,514**	**(97,258)**	**47,423**	**104,334**	**94,592**	**126,750**	**164,912**	**205,106**	**241,332**	**280,222**
Acquisitions of tangible and intangible assets	(45,289)	(70,614)	(67,139)	(132,117)	(118,965)	(128,164)	(136,545)	(112,830)	(121,956)	(130,383)
Other investing Cash Flows	1,574	(260)	(37,114)	-	-	-	-	-	-	-
Cash Flow from investing activities	**(43,715)**	**(70,874)**	**(104,253)**	**(132,117)**	**(118,965)**	**(128,164)**	**(136,545)**	**(112,830)**	**(121,956)**	**(130,383)**
Proceeds from new borrowings	89,315	245,631	343,199	115,951	67,987	78,913	47,456	30,957	23,387	39,305
Principle Paid	(109,851)	(39,832)	(103,992)	(326,141)	(17,519)	(20,334)	(12,228)	(23,458)	(40,748)	(68,483)
Other financing Cash Flows	-	-	(10,512)	-	-	-	-	-	-	-
Cash Flow from Financing activities	**(20,536)**	**205,799**	**228,695**	**(210,189)**	**50,469**	**58,579**	**35,228**	**7,499**	**(17,361)**	**(29,177)**
Net (decrease) / increase in cash and cash equivalents	48,263	37,667	171,865	(237,972)	26,096	57,165	63,595	99,775	102,015	120,661
Cash and cash equivalents at 01 January	**81,035**	**129,606**	**167,160**	**345,355**	**107,383**	**133,479**	**190,644**	**254,239**	**354,014**	**456,029**
Effect of movement in exchange rates on cash held	308	(113)	(744)	-	-	-	-	-	-	-
Cash and cash equivalents at 31 December	**129,606**	**167,160**	**345,355**	**107,383**	**133,479**	**190,644**	**254,239**	**354,014**	**456,029**	**576,691**

Risks: Valuation Impact

Risks	Valuation Impact	Mitigation
Energy & Raw Material Prices **(MR1)**	7.87% (€7.4) Valuation decrease from a 0.45% decrease in long-term growth	Not energy Intensive – Diverse Suppliers - PPAs
Country Risk **(MR2)**	21.55% (€6.3) Valuation decrease	Vast geographical segmentation – Production sites in EU countries
High Interest rates **(MR3)**	€0.7 m after tax decrease in 2022 P&L	Interest rates swaps
Volatility **(MR4)**	95% of returns exceeding -3.81%	Lower VaR and ES
Labor Environment **(OR1)**	5.52% (€7.6) Valuation decrease	Better Working Environment
Max Capacity Risk **(OR2)**	Increased lag of realization of Revenues	CAPEX - Specialized maintenance team
Technological Innovation **(OR3)**	10.23% (€7.2) Valuation decrease	Extensive R&D
ESG & Compliance **(OR4)**	Increased WACC from 8.13% to 8.79%	ESG Policies, Goals and Measures
Trade Barriers Risk **(PR1)**	6.30% (€7.5) Valuation decrease	Regulations monitoring – Diversified portfolio – Vast geographical segmentation
Government Funding Risk **(PR2)**	25.58% (€6.0) Valuation decrease	Diverse product portfolio

ESG: Scoring Methodology

Steps for the ESG score of each subsidiary

1. Collect data for Cenergy Holdings from financial statements and sustainability reports
2. Collect all available ESG data for the companies consisting the industry of each subsidiary
3. Percentile ranking for each metric according to the formula bellow:

Percentile rank score is based on the rank, and therefore is not very sensitive to outliers.

$$score = \frac{\text{no. of companies with a worse value} + \frac{\text{no. of companies with the same value included in the current one}}{2}}{\text{no. of companies with a value}}$$

4. Add percentile scores for each category and apply the formula again to get percentile scores for each category
5. Apply industry's weights for each category to derive each pillars rating
6. Weight the pillars rating to derive Weighted Score of 3 Main Pillars
7. Controversies score is A+ so Final Score = Weighted Score of 3 Main Pillars

Steps for the ESG score for Cenergy Holdings

1. We weight each subsidiaries' ESG score according to revenues contribution

ESG: Environmental Pillar

Resource Use (Weight 16.4%)	CPW	HC
Policy Water Efficiency	TRUE	TRUE
Policy Energy Efficiency	TRUE	TRUE
Policy Sustainable Packaging	FALSE	FALSE
Policy Environmental Supply Chain	TRUE	TRUE
Targets Water Efficiency	FALSE	FALSE
Targets Energy Efficiency	FALSE	FALSE
Environment Management Team	TRUE	TRUE
Environmental Materials Sourcing	TRUE	TRUE
Toxic Chemicals Reduction	TRUE	TRUE
Total Energy Use / Million in Revenue $	289.288507	585.8675
Renewable Energy Use Ratio	0.193	0.295
Total Renewable Energy To Energy Use in million	193000	295000
Green Buildings	FALSE	FALSE
Total Water Use / Million in Revenue $	117.279124	350.519
Water Recycled	0	0
Environmental Supply Chain Management	TRUE	TRUE
Environmental Supply Chain Monitoring	TRUE	TRUE
Env Supply Chain Partnership Termination	FALSE	FALSE

Emissions (Weight 15.6%)	CPW	HC
Policy Emissions	TRUE	TRUE
Targets Emissions	TRUE	TRUE
Biodiversity Impact Reduction	TRUE	TRUE
Total CO2 Emissions / Million in Revenue $	40.72409	47.30081
CO2 Equivalent Emissions Indirect, Scope 3 To Revenues USD in million		
Climate Change Commercial Risks Opportunities	TRUE	TRUE
NOx and SOx Emissions Reduction	FALSE	FALSE
NOx Emissions To Revenues USD in million		
SOx Emissions To Revenues USD in million		
VOC or Particulate Matter Emissions Reduction	FALSE	FALSE
VOC Emissions To Revenues USD in million		
Total Waste / Million in Revenue $	46.2601	15.88891
Waste Recycled To Total Waste	0.997	0.937
Total Hazardous Waste / Million in Revenue $	1.737469	1.540743
e-Waste Reduction	FALSE	FALSE
Total Water Pollutant Emissions / Million in Revenue $		
EMS Certified Percent	1	1
Environmental Restoration Initiatives	FALSE	TRUE
Staff Transportation Impact Reduction	FALSE	FALSE
Environmental Expenditures Investments	TRUE	TRUE
Self-Reported Environmental Fines To Revenues in million	0	0
Environmental Partnerships	TRUE	TRUE

Innovation (Weight 3.3%)	CPW	HC
Environmental Products	TRUE	TRUE
Total Env R&D / Million in Revenue		
Noise Reduction	FALSE	FALSE
Hybrid Vehicles	FALSE	FALSE
Product Impact Minimization	TRUE	TRUE
Renewable/Clean Energy Products	TRUE	TRUE
Water Technologies	FALSE	FALSE

ESG: Social Pillar

Workforce (Weight 11.9%)	CPW	HC
Health & Safety Policy	TRUE	TRUE
Training and Development Policy	TRUE	TRUE
Policy Diversity and Opportunity	TRUE	TRUE
Targets Diversity and Opportunity	FALSE	FALSE
Employees Health & Safety Team	TRUE	TRUE
Employees Health & Safety OHSAS 18001	FALSE	FALSE
Employee Satisfaction		
Salary Gap		
Net Employment Creation	0.2806	0.166953
Trade Union Representation		
Turnover of Employees	0.233	0.177
Announced Layoffs To Total Employees	0	0
Gender Pay Gap Percentage		
Women Employees	0.078	0.135
Women Managers	0.106	0.163
HRC Corporate Equality Index		
Flexible Working Hours	FALSE	FALSE
Day Care Services	FALSE	FALSE
Employees With Disabilities	0	0
Employee Health & Safety Training Hours	7820	33472.4
Injuries To Million Hours	7.2	9
Occupational Diseases		
Lost Days / Million Working Days	117	148
Average Training Hours	13.603	17.52523
Training Costs Per Employee		
Internal Promotion	FALSE	FALSE
Supplier ESG training	FALSE	FALSE

Human Rights (Weight 16.4%)	CPW	HC
Policy Freedom of Association	TRUE	TRUE
Policy Child Labor	TRUE	TRUE
Policy Forced Labor	TRUE	TRUE
Policy Human Rights	TRUE	TRUE
Fundamental Human Rights ILO UN	TRUE	TRUE
Human Rights Contractor	TRUE	TRUE
Human Rights Breaches Contractor	FALSE	FALSE

Community (Weight 8.2%)	CPW	HC
Policy Fair Competition	TRUE	TRUE
Policy Bribery and Corruption	TRUE	TRUE
Policy Business Ethics	TRUE	TRUE
Policy Community Involvement	TRUE	TRUE
Improvement Tools Business Ethics	TRUE	TRUE
Whistleblower Protection	TRUE	TRUE
OECD Guidelines for Multinational Enterprises	TRUE	TRUE
Donations / Million in Revenue	0	0
Corporate Responsibility Awards	FALSE	FALSE
Critical Country 1	1	1

Product Responsibility (Weight 3.8%)	CPW	HC
Policy Customer Health & Safety	TRUE	TRUE
Policy Data Privacy	TRUE	TRUE
Product Responsibility Monitoring	FALSE	FALSE
Quality Mgt Systems	TRUE	TRUE
QMS Certified Percent	1	1
Customer Satisfaction		

ESG: Governance Pillar

Management (Weight 16.4%)	CPW	HC
Board Functions Policy	FALSE	FALSE
Board Structure Policy	FALSE	FALSE
Compensation Improvement Tools	FALSE	FALSE
Internal Audit Department Reporting	TRUE	TRUE
Succession Plan	FALSE	FALSE
External Consultants	FALSE	FALSE
Audit Committee Independence	0.333333	0.333333
Audit Committee Mgt Independence	TRUE	TRUE
Compensation Committee Independence	0.5	0.5
Compensation Committee Mgt Independence	TRUE	TRUE
Nomination Committee Independence	0.5	0.5
Nomination Committee Involvement		
Board Attendance	TRUE	TRUE
Board Meeting Attendance Average	1	1
Board Size More Ten Less Eight	0	0
Board Background and Skills	TRUE	TRUE
Board Gender Diversity, Percent	0.3	0.3
Board Specific Skills, Percent	0.8	0.8
Average Board Tenure	5.9	5.9
Non-Executive Board Members	0.1	0.1
Independent Board Members	0.3	0.3
CEO Chairman Duality	FALSE	FALSE
Board Member Affiliations	1.9	1.9
Board Individual Re-election	TRUE	TRUE
Executive Compensation Policy	TRUE	TRUE
Executive Individual Compensation	TRUE	TRUE
Total Senior Executives Compensation To Revenues in million	901.117	901.117
Highest Remuneration Package	502675.6	502675.6
CEO Compensation Link to TSR	FALSE	FALSE
Executive Compensation LT Objectives	FALSE	FALSE
Sustainability Compensation Incentives	TRUE	TRUE
Shareholders Approval Stock Compensation Plan	FALSE	FALSE
Board Cultural Diversity, Percent	0.8	0.8
Executive Members Gender Diversity, Percent	0	0
Executives Cultural Diversity	1	1

Shareholders (Weight 4.9%)	CPW	HC
Shareholder Rights Policy	TRUE	TRUE
Equal Shareholder Rights	TRUE	TRUE
Voting Cap Percentage	1	1
Director Election Majority Requirement	TRUE	TRUE
Shareholders Vote on Executive Pay	FALSE	FALSE
Public Availability Corporate Statutes	TRUE	TRUE
Veto Power or Golden share	TRUE	TRUE
State Owned Enterprise SOE	FALSE	FALSE
Anti Takeover Devices Above Two		
Litigation Expenses To Revenues in million		
Non-audit to Audit Fees Ratio	0.215278	0.215278
Auditor Tenure	4	4

CSR Strategy (Weight 3.3%)	CPW	HC
CSR Sustainability Committee	FALSE	FALSE
Integrated Strategy in MD&A	TRUE	TRUE
Global Compact Signatory	FALSE	FALSE
Stakeholder Engagement	FALSE	FALSE
CSR Sustainability Reporting	TRUE	TRUE
GRI Report Guidelines	FALSE	FALSE
CSR Sustainability Report Global Activities	TRUE	TRUE
CSR Sustainability External Audit	TRUE	TRUE
UNPRI Signatory	FALSE	FALSE

ESG: HC and CPW Categories and Pillars Scores

Hellenic Cables

CATEGORY	CATEGORY SCORE	WEIGHT	NEW WEIGHT
Resource Use (Weight 7.6%)	0.56	0.076	0.22
Emissions (Weight 8.5%)	0.57	0.085	0.25
Innovation (Weight 18.0%)	0.57	0.18	0.53

Environmental PIllar Score	0.56
Enviromental Rating	B-

CATEGORY	CATEGORY SCORE	WEIGHT	NEW WEIGHT
Workforce (Weight 7.6%)	0.34	0.076	0.20
Human Rights (Weight 11.4%)	0.68	0.114	0.30
Community (Weight 9.5%)	0.55	0.095	0.25
Product Responsibility (Weight 8.9%)	0.65	0.089	0.24

Social PIllar Score	0.57
Social Rating	B-

CATEGORY	CATEGORY SCORE	WEIGHT	NEW WEIGHT
Management (Weight 19.0%)	0.51	0.19	0.67
Shareholders (Weight 5.7%)	0.43	0.057	0.2
CSR Strategy (Weight 3.8%)	0.42	0.038	0.13

Governance PIllar Score	0.48
Governance Rating	C+

Corinth Pipeworks

CATEGORY	CATEGORY SCORE	WEIGHT	NEW WEIGHT
Resource Use (Weight 16.4%)	0.67	0.164	0.46
Emissions (Weight 15.6%)	0.52	0.156	0.44
Innovation (Weight 3.3%)	0.78	0.033	0.09

Environmental PIllar Score	0.61
Enviromental Rating	B

CATEGORY	CATEGORY SCORE	WEIGHT	NEW WEIGHT
Workforce (Weight 11.9%)	0.33	0.119	0.30
Human Rights (Weight 16.4%)	0.71	0.164	0.41
Community (Weight 8.2%)	0.56	0.082	0.20
Product Responsibility (Weight 3.8%)	0.72	0.038	0.09

Social PIllar Score	0.56
Social Rating	B-

CATEGORY	CATEGORY SCORE	WEIGHT	NEW WEIGHT
Management (Weight 16.4%)	0.49	0.164	0.67
Shareholders (Weight 4.9%)	0.43	0.049	0.20
CSR Strategy (Weight 3.3%)	0.42	0.033	0.13

Governance PIllar Score	0.47
Governance Rating	C+

ESG: Cenergy Holdings & Peers Rating

	ESG Categories	CH	HC	CPW	PRY	NKT	NEXS	TN	VLLP
E	Recourse Use	B	B-	B	A	A	A+	A-	A+
	Emissions	B-	B-	B-	B+	B	A-	A+	A+
	Innovation	B	B-	A-	C+	C+	A-	C-	C-
S	Workforce	C	C	C-	A	B	A	A+	A
	Human Rights	B+	B+	B+	A+	A+	A+	B+	B+
	Community	B-	B-	B-	A	B-	B-	A+	B+
	Product Responsibility	B+	B	B+	B-	B-	B+	A	B
G	Management	B-	B-	C+	A+	C-	A	D+	B+
	Shareholders	C+	C+	C+	A	C+	B-	D+	D+
	CSR Strategy	C+	C+	C+	A	B+	A+	A+	A+
C	ESG Controversies	A+	A+	A+	D	B+	B+	B+	A+
	Overall	**B-**	**B-**	**B-**	**C+**	**B-**	**B+**	**B**	**A-**

Source: Refinitiv/ Team Consensus/Subject Firm

Appendix Map