

Thursday - August 10, 2017

Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	8,395.13	-0.7%	18.5%	22.0%
BET-FI	34,973.22	0.5%	17.7%	23.5%
BET-NG	693.97	-1.0%	18.0%	20.6%
BET-BK	1,660.60	-0.3%	23.5%	30.0%
BET-XT	766.01	-0.6%	19.0%	23.3%
BET-Plus	1,249.53	-0.7%	18.7%	22.5%
ROTX ¹	17,144.13	-0.5%	21.2%	27.5%

Market Digest - BSE	Daily	30D avg	YTD avg
Turnover (in RONm)	33.0	18.8	38.7
Turnover (in EURm*)	7.2	4.1	8.5
Volume	20.1	18.8	34.4
Total market cap (in RON bn)	166.7	165.4	143.8
Total market cap (in EUR bn*)	36.5	36.2	31.5

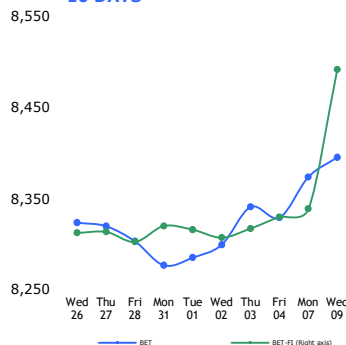
* turnover includes deal trades and is translated in last EURRON parity

Market Valuation Data (BET)	FY15A	FY16A	FY17E
P/E (x)	11.1	11.7	14.1
EV/EBITDA (x)	3.3	-0.3	0.1
P/BV (x)	0.8	0.8	1.0
EPS growth	18.5%	18.5%	20.5%
Div. Yield	4.8%	5.9%	6.0%

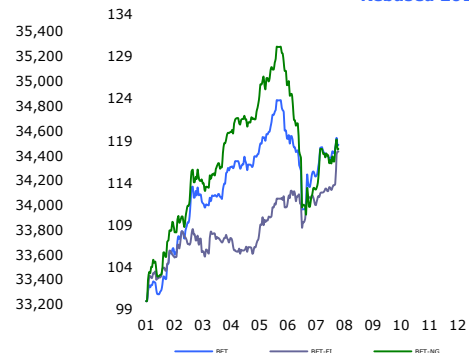
Corporate & Economic Events

10-August	SNP	H1 17 Results
10-August	TLV	H1 17 Results
10-August	TGN	EGSM
10-August	BVB	H1 17 Results
10-August	COTE	H1 17 Results
11-August	EL	H1 17 Results
11-August	SIF1	H1 17 Results
11-August	FP	H1 17 Results
11-August	SNN	H1 17 Results
11-August	SNG	H1 17 Results
14-August	TGN	H1 17 Results
14-August	SIF4	H1 17 Results
14-August	Wholesale Turnover Data	
14-August	Construction Works Data	
16-August	Q2 17(E) GDP Data	
16-August	TEL	H1 17 Results

10 DAYS

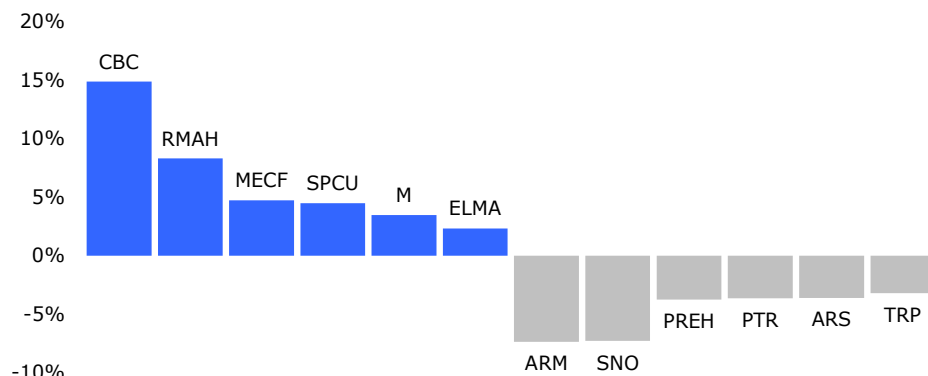


Rebased 2017



Market comment

Trades with TLV and SNG generated over half of daily turnover.



Most Traded	Turnover	Day %
TLV	10,266,580	-0.8%
SNG	7,884,130	0.3%
BRD	3,966,340	-1.1%
SNP	1,926,104	-1.8%
FP	1,402,687	0.1%
TGN	1,262,060	-0.8%
SIF3	939,928	0.8%
M	927,078	3.4%
SIF1	831,570	1.2%
SIF5	588,784	0.4%

Best 6 performers	Turnover	Day %
CBC	10,323	14.9%
RMAH	15,197	8.3%
MECF	160	4.7%
SPCU	8,528	4.5%
M	927,078	3.4%
ELMA	395	2.3%

Worst 6 performers	Turnover	Day %
ARM	69	-7.4%
SNO	7,018	-7.3%
PREH	805	-3.8%
PTR	10,463	-3.6%
ARS	4,128	-3.6%
TRP	43,209	-3.2%

* turnover includes deal trades

Stock	BSE Ticker	Last price	Mkt Cap (m RON)	Mkt Cap (m EUR)	Volume (000)	30D Volume (000)	Day %	Weekly %	YTD %	YoY %	P/E (16A)	P/E (17E)	P/BV (16A)	P/BV (17E)	EV/EBITDA (16A)	EV/EBITDA (17E)
OMV Petrom	SNP	0.32	18,126.1	3,967.6	5,943.2	3,161.9	-1.84%	0.00%	22.61%	21.2%	14.2	17.5	0.6	0.7	3.1	3.8
BRD	BRD	14.04	9,784.5	2,141.7	281.3	142.4	-1.13%	-0.14%	18.18%	31.2%	10.9	12.8	1.2	1.5	n/a	n/a
BANCA TRANSILVANIA	TLV	2.53	10,983.8	2,404.3	4,012.2	2,837.7	-0.78%	-12.76%	6.08%	7.4%	7.1	8.9	1.5	1.8	n/a	n/a
TRANSGAZ S.N.T.G.N.	TGN	389.00	4,580.0	1,002.5	3.2	1.8	-0.77%	0.26%	32.31%	36.5%	5.8	7.7	0.9	1.2	2.5	3.7
TRANSELECTRICA	TEL	28.60	2,096.5	458.9	3.3	1.9	-0.69%	0.35%	-2.05%	-3.4%	7.5	7.3	0.7	0.7	2.8	2.8
SNGN ROMGAZ	SNG	29.30	11,292.9	2,471.9	269.1	155.8	0.34%	2.81%	17.20%	26.6%	9.4	11.0	1.0	1.2	4.6	5.6
SN NUCLEARELECTRICA	SNN	7.62	2,297.5	502.9	16.2	15.9	-1.04%	8.24%	58.58%	43.0%	13.3	21.1	0.2	0.3	2.2	3.5
BVB SA	BVB	34.10	261.7	57.3	4.1	2.2	-1.45%	3.33%	17.59%	34.8%	28.3	33.3	2.3	2.7	48.9	69.2
ELECTRICA	EL	13.80	4,774.0	1,045.0	32.8	21.3	-1.43%	-12.76%	4.86%	4.5%	19.0	20.0	1.2	1.2	-22.3	-24.2
FONDUL PROPRIETATEA	FP	0.87	10,749.2	2,352.9	1,611.1	2,589.1	0.11%	0.00%	9.81%	13.7%	15.0	18.8	0.7	0.9	n/a	n/a
SIF OLTENIA	SIF5	1.91	1,107.0	242.3	311.8	159.0	0.42%	7.31%	17.06%	21.1%	9.3	10.9	0.7	0.8	n/a	n/a
SIF MOLDOVA	SIF2	1.06	1,100.5	240.9	89.2	53.3	0.76%	5.58%	35.90%	39.1%	6.6	8.9	0.5	0.7	n/a	n/a
SIF TRANSILVANIA	SIF3	0.26	565.7	123.8	3,612.9	2,307.2	0.78%	2.17%	3.60%	-2.1%	7.9	8.2	0.6	0.6	n/a	n/a
SIF BANAT CRISANA	SIF1	2.17	1,188.3	260.1	384.8	230.2	1.17%	8.25%	17.15%	37.0%	12.5	14.6	0.5	0.6	n/a	n/a
SIF MUNTENIA	SIF4	0.86	694.1	151.9	124.8	75.2	-0.46%	3.37%	31.10%	40.5%	10.5	13.8	0.5	0.6	n/a	n/a

Top News and Headlines

OMV PETROM (SNP RO): Q2'17 net profit reported at 591m in line with our estimates at RON 607m – half driven by upstream, half by downstream and better than expected results in Downstream Gas at RON 36m. Clean upstream EBIT was reported at RON 447m, +4% against estimates, under the impact of RON 31m special items, a drop of only 4% Y/Y in total hydrocarbon production at 169kboe/day and higher oil prices and lower OPEX (down 13% Y/Y in USD/boe, due to elimination of the tax on special constructions and cost efficiency measures. Downstream Oil result was strongly influenced by favorable market conditions with group sales volumes higher than 7% and higher gas sales by 10% Y/Y. Downstream Oil clean CCS EBIT was reported at RON 395m in line with estimates, mainly reflecting the stronger refining environment and higher demand for products in all sales channels. In Downstream Gas, the result was positively impacted by RON 73m insurance revenues related to Brazi powerplant, as production was lower by 67% Y/Y. **POSITIVE**

in RON mm	Q1'16A	Q2'16A	Q3'16A	Q4'16A	FY'16A	Q1'17A	Q2'17E	Q2'17A	A vs E	Y/Y %	QoQ %
Clean Operating Result Upstream	-73	210	193	246	575	460	428	447	4%	2.1x	-3%
Clean Operating Result Downstream Gas	47	-31	-10	5	11	32	19	36	85%	-1.2x	13%
Clean CCS Operating Result Downstream Oil	255	166	403	288	1,112	280	406	395	-3%	2.4x	41%
Operating Result Group	343	218	573	335	1,469	798	784	779	-1%	3.6x	-2%
Clean CCS Operating Result	408	229	602	454	1,694	767	844	892	6%	3.9x	16%
Net profit	263	98	473	160	1,038	618	607	591	-3%	6.0x	-4%

BANCA TRANSILVANIA (TLV RO): Q2'17 net profit reported at 249.9m, an increase of only 3% against our estimates at RON 242.6m, but better than overall consensus – in spite of net profit closely matching our estimate, operating performance is below estimates, as NII dropped by 6% QoQ to RON 430m the only advance being in terms of NFC that increased by 12% QoQ and above estimates by some 7% to RON 144m. Core income dropped by 2% QoQ to RON 574m and was short by 3% against estimates. Opex increased by 9% against estimates and 8% QoQ to RON 322m. Net bad debt landed at RON 52m, below expectations of RON 85m – **POSITIVE**

BURSA DE VALORI BUCURESTI (BVB RO): H1'17 Results - Net profit reported at RON 5.15m, vs previous year at RON 1.8m, mostly impacted by a sharp increase of operating revenues by 43% Y/Y to RON 20.29m, while operating expenses increased by 11% Y/Y at RON 14.31m. Operating profit increased by 3.8x Y/Y at RON 5.98m – **bvb.ro**

MEDLIFE (M RO): Calls for EGSM on 13 September – On the agenda is the authorization of the BoD to increase the share capital by cash contribution, with a maximum amount of RON 650k by issuing a maximum of 2.6m new shares in exchange for contributions in cash and the approval of a 7Y bond issuance with a maximum nominal value of RON 274m and a fixed interest rate of maximum 4.9% per year and the approval of admission to trading within the Regulated Market of Corporate Bonds operated by BSE – **bvb.ro**

RECOMMENDATION SYSTEM

SSIF IEBA TRUST uses a Relative recommendation system. Such system indicates that each stock is rated on a basis of the excess return, measured by the relative value of the target (calculated) price and the current price, over a 12 months period of time.

The range of recommendations for each stock consists of 4 elements: Buy (B), Accumulate (A), Hold (H), Reduce (R).

SSIF IEBA TRUST RATINGS

BUY	The stock is expected to generate potential excess return over 15%
ACCUMULATE	The stock is expected to generate potential excess return of 5 to 15%
HOLD	The stock is expected to generate potential excess return of -5% to 5%
REDUCE	The stock is expected to generate potential excess return below -5%

Excess return: Target price/current price - 1

For the cases of Initial Public Offering, the above-mentioned recommendation system is not applied. In such cases, the recommendation is based on the comparison between the price of the Offering, and the fair value estimated by SSIF IEBA TRUST.

Measures Definitions

IEBA Net Income	Adjusted Net Income for one-off items	
Net Cash Flow from operations	EBITDA (+/-) other provisions (+/-)(Increase)/Decrease in Working Capital	
FCF Equity	Net Cash Flow from operations (-) CAPEX	
Net debt	Total short-term and long-term bank debt (-) cash	
EV	Market Cap (avg historic or current) + book value of minorities + Net debt	
FCFPS	FCF Equity	Diluted no of shares
EPS (or IEBA)	Reported (or IEBA) Net Income	Diluted no of shares
BVPS	Total Equity	Year end no of shares
P/E (or IEBA)	Share Price (avg historic or current)	Reported (or IEBA) EPS
P/E IEBA at 52wks High	52 weeks High price (avg historic or current)	IEBA EPS / Diluted IEBA Earnings Per Share
P/BV	Share Price (avg historic or current)	BVPS
ROE	Reported Net Income	Average Total Equity
ROCE	Reported Net Income	Average (Total debt + Total Equity)
EV/EBITDA	EV (with avg historic or current)	Reported EBITDA
EV/EBITDA (x) at 52wks High	EV using 52 weeks High market cap (avg historic or current)	Reported EBITDA
EBITDA/Net financials	Reported EBITDA	Net financials: Net interest (+/-) Net financials
EV/CE (x)	EV (with avg historic or current)	CE: Total bank debt + Total Equity
FCF Yield	FCFPS	Share Price (avg historic or current)
Dividend Yield	DPS	Share Price (avg historic or current)
Dividend Payout	Dividend	Reported Net Income

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