MYTILINEOS Energy & Metals

Renewable Sources of Growth

FY'2022 was just the beginning… – In the light of the stellar FY'22 performance, with EBITDA jumping a whopping 130% yoy at €823m, Mytilineos's shares have rallied 62% ytd more than doubling vs the 2022 lows, outperforming both Greek non-financials and the broad peer group. We argue that 2022 set a new basis for earnings and we suggest that growth will stay strong in 2023 (EBITDA +17% yoy) and 2024 (+13%) mainly driven by the Energy segment, which has taken center stage among the group's operations. Our 2023e is just a tad below company guidance of €1bn, as we prefer to err on the conservative side, with risk clearly lying on the upside.

…as Renewables drive growth… – Holding a growing global portfolio of c.12GW in various stages of development (vs 6.4GW in 2021), the RES subsegment is poised to become the most profitable activity, with our estimates pointing to 2025e EBITDA of €330m (vs €160m in 2022), c27% in the group mix. The recent acquisition in Canada, a landmark portfolio with capacity of 1.4GWdc, can contribute another c€90-100m EBITDA post 2027, thus bringing the total RES contribution in the mix to c40%.

… Energy fuels profitability… – In addition to RES, we assign significant value to the other activities of the Energy segment, with the most prominent being electricity generation, as the new 826MW CCGT unit (with an efficiency of 63%) will double output to c.10TWh by 2025. We also expect higher profitability from: 1) electricity supply, thanks to an increasing mkt share, 2) healthy profit generation from natural gas supply (>€125mn) on account of increased volumes, and 3) growth of the conventional EPC activity in parallel with backlog (€1.3bn).

… and Metals shine with synergies – Metals segment is well-positioned to continue delivering >€250m EBITDA, in our view. From a pricing perspective, Mytilineos has hedged aluminum prices for 2023 at >$2,500/ton and is selectively implementing hedges for the future. On the cost side, the integrated aluminum production line and synergies relating to natural gas sourcing contribute to cost efficiency, which will be further underpinned by the smelter's sourcing of electricity from the Group's own supplier "Protergia" starting in 2024. Given that part of the electricity sourced will be through Green PPAs, we envisage that the net energy cost increase will be trivial, on the back of decreased CO2 emissions costs. Furthermore, we recognize further optionality for the segment following the recent inclusion of aluminum in the EU's CRMA list and the potential of expanding Metals' production to gallium.

Valuation: raising PT, reiterating as top pick – Having the above in mind, we have raised our 2023-24e EBITDA 6-7%, corresponding to c17%/13% annual growth. In achieving this, we estimate the group will require c€2.2bn total capex until 2025, but with Net Debt/EBITDA still ≤1.5x, thanks to strong FCF generation. The latter will underpin healthy cash returns, translating to c4-5% yield. Recalibrating our valuation to incorporate the accretive value of the Canada acquisition, which we estimate at €2.5/share, we raise our PT to €40.30, placing the stock at c.7x 1-year fwd EV/EBITDA, by no means aggressive given the merits of the investment thesis. We thus reiterate the stock as a Top pick, envisaging plenty of scope for re-rating.

Estimates					
FY to end Dec (€m)	2021	2022	2023e	2024e	2025e
Revenues	2,664	6,306	5,573	6,260	6,666
EBITDA adj.	359	823	966	1,090	1,192
Net Profit adj.	162.2	465.9	575.5	654.2	721.8
EPS adj. (€)	1.13	3.26	4.03	4.58	5.05
DPS (gross) (€)	0.42	1.25	1.46	1.66	1.83
Valuation					
	2021	2022	2023e	2024e	2025e
P/E adj.	12.8x	4.8x	8.1x	7.2x	6.5x
EV/EBITDA	8.2x	3.7x	6.4x	5.8x	5.4x
EBIT/Interest expense	4.7x	9.2x	8.6x	9.7x	10.0x
Dividend yield	2.9%	7.9%	4.4%	5.1%	5.6%
ROE	10.5%	21.9%	22.7%	21.9%	20.8%

Source: Eurobank Equities Research

Recommendation	**BUY**
Target Price	**€ 40.30**
Prior Target Price	**€ 30.50**
Closing Price (14/07)	€32.82
Market Cap (mn)	€4,689.7
Expected Return	22.8%
Expected Dividend	4.4%
Expected Total Return	27.2%

Mytilineos Share Price

Stock Data

Reuters RIC	MYTr.AT
Bloomberg Code	MYTIL GA
52 Week High (adj.)	€33.48
52 Week Low (adj.)	€13.02
Abs. performance (1m)	2.9%
Abs. performance (YTD)	61.7%
Number of shares (fully diluted)	142.9mn
Avg Trading Volume (qrt)	€7,110K
Est. 3yr EPS CAGR	15.7%
Free Float	68.6%

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See Appendix for Analyst Certification and important disclosures

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Investment Summary

Massive step-up of profitability in 2022 setting a new basis for future EBITDA generation; we expect growth in the mid-teens in both 2023e and 2024e

Mytilineos had a remarkable year in 2022, enjoying a significant step-up in profitability as FY'2022 EBITDA reached €823mn (+130% yoy). The impressive performance attracted strong investor interest, resulting in the shares more than doubling since the 2022 lows. Looking ahead, we anticipate Mytil to remain on a path of secular growth, envisaging 2023e EBITDA of €966m (+17% yoy), just shy of guidance of €1bn, with upside risk given strong operating dynamics across most segments. We expect EBITDA growth to remain 2-digit in 2024 (+13%) before trending down to c9% in 2025. The key pillar of growth will be the Energy segment, which has taken center stage following the corporate transformation in December 2022.

Boasting a global portfolio of c.12GW, the Renewables activity is poised to drive Group growth…

The newly established "M Renewables" segment, consolidating the Group's international and domestic renewables activities, is poised to significantly contribute to the Group's future growth. With a growing global portfolio of approximately 12GW in various stages of development, almost double compared to 6.4GW in 2021, the segment is set to reach €330mn EBITDA by 2025 (27% of group), up from €160mn in 2022. The latest addition in the global portfolio, namely the recent acquisition in Canada, consists of a landmark portfolio with capacity of 1.4GWdc. We estimate that upon full commercial operation (2027e), the latter can contribute another c€90-100mn EBITDA, thus bringing the total RES contribution in the mix to c40%, with additional optionality arising from the installation of adjacent storage systems.

.. with further contribution from traditional energy activities; New CCGT unit to double output to >9GW; Natural gas supply to continue posting >€120mn in EBITDA

Besides renewables, we argue that the other activities reported under the Energy segment will also remain a significant contributor to growth. Regarding energy generation, the new 826MW CCGT unit with an efficiency of 63% is currently under trial operation and is set to double electricity output to >9TWh upon full operation, while electricity supply will continue to generate healthy profits increasing its market share to 20% in the coming years, on our estimates. Furthermore, natural gas supply has now been established as a new key pillar of profitability and we expect the activity to deliver >€120mn EBITDA, as supplied quantities increase. Finally, the Group's traditional EPC activity is likely to grow in parallel with its backlog, which as of FY'2022 currently stands at €1.3bn.

Metals segment is in favorable position considering hedged prices and synergies

As far as the Metals segment is concerned, the aluminum market has settled in 2023 following the previous year's high volatility. From Mytilineos's perspective, the Group has successfully hedged aluminum prices for 2023 at favorable levels (>$2,500/ton) and is selectively implementing hedges for the future. On the cost side, the integrated aluminum production line and synergies relating to natural gas sourcing contribute to cost efficiency, thus keeping the Group in the first quartile of the global aluminum cost curve. In addition, starting 2024 the smelter will source electricity from the Group's electricity supplier "Protergia", while also signing PPAs with the Group's local RES portfolio. Subsequently, the greenification of the smelter ought to effectively outweigh the increased cost of electricity, with significant financial benefits stemming from the reduced CO2 emissions costs.

Raising EBITDA 6-7% in 2023-24, now envisaging 2023e EBITDA of €966mn (+17% yoy); Net Debt/EBITDA to remain ≤1.5x, despite high investments and compelling cash returns (c4-5% yield)

Based on the above we raise our 2023-2024e materially (EBITDA upgrade c6-7%), now envisaging 2023e EBITDA of €966m (+17% yoy), followed by 13% growth in 2024e (€1.1bn) and 9% growth in 2025e (€1.2bn). We expect RES and Energy generation to be the main profitability drivers, accounting for 70% of the Group growth in the next few years. To achieve the projected growth, the Group will require significant investments mainly for the development of RES projects, with our capex envelope totaling €2.2bn through to 2025. Nonetheless, we argue that the Group's debt levels will remain at healthy levels, estimating Net Debt/EBITDA to stay ≤1.5x, despite the compelling dividend payout policy (c4-5% dividend yield at current price levels).

Raising PT to €40.3/share, placing the stock at an undemanding 1-year fwd EV/EBITDA of c7x

Despite the recent rally in the share price, the valuation remains subdued as the price has moved in tandem with the progression of earnings. We argue that the stock's current c20% 1-yr fwd EV/EBITDA discount vs the blended peer group valuation does not capture the strong growth profile and accretive value of the recent acquisition of the RES portfolio in Canada, which we estimate at €2.5/share. Incorporating the latter in our valuation, we raise our PT to €40.30, effectively placing the stock at c7x 1-year fwd EV/EBITDA, by no means aggressive given the merits of the investment thesis. We thus reiterate the stock as a Buy and a Top pick in Greece, envisaging plenty of scope for re-rating.

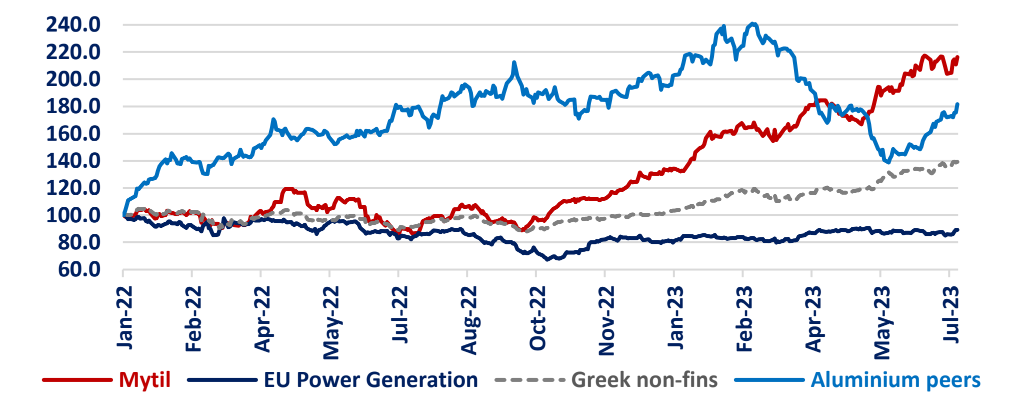
Share price performance and valuation

Price rally reflecting the profitability step-up leaving the valuation still subdued

Mytilineos shares have more than doubled since October 2022, in view of the step-up in profitability, significantly outperforming peers

Mytilineos's stock has enjoyed a stellar performance since the 2022 lows, rallying a whopping >140%. This bounce is mainly attributed to the step-up in the group's profitability during FY2022, with EBITDA increasing an impressive 130% yoy reaching €823m. The positive market sentiment and emergence of Greece as an attractive investment destination also played a crucial role, with Mytilineos being one of the most liquid domestic names. With falling risk premia being coupled with strong idiosyncratic drivers, the stock outperformed both Greek non-financials (+58% during the same period) and its Aluminum and EU Power Generation peers (+82% and +33% from their 2022 lows).

Performance of Mytilineos vs peers & GR non-financials



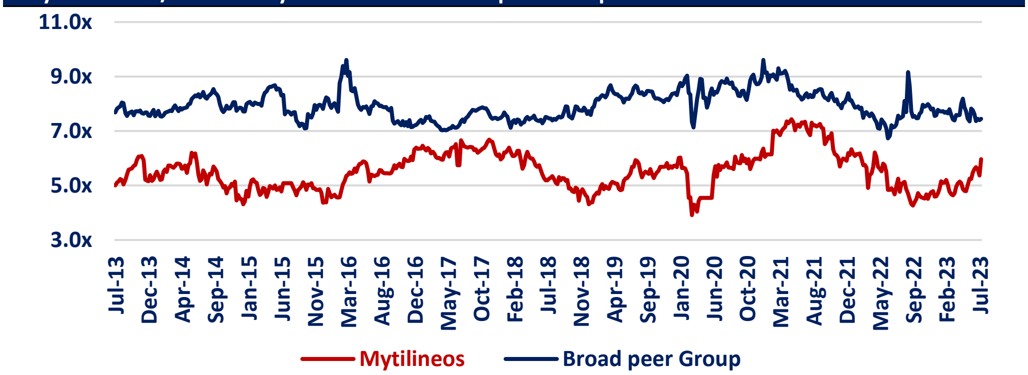
Source: Bloomberg, Eurobank Equities Research

Mytilineos's valuation looks compelling vs both its own history and vs the peer group; scope for re-rating as the RES mix increases

From a valuation perspective, Mytilineos's broad peer group, consisting of global aluminum producers and European power generators, has traded in high single-digit EV/EBITDA multiples over the last decade. Since the outburst of the war in Ukraine, the valuation of Mytilineos's blended peer group has retreated below 8x EV/EBITDA and remains at subdued levels despite the recent rally in share prices, with the implicit de-rating being driven by earnings increasing more than share prices as the energy crisis abated.

The situation is similar for Mytilineos, with the stock still trading at c.6.0x 1-yr forward EV/EBITDA, despite the share price rally. In other words, the stock has not really enjoyed any notable re-rating, as forward estimates have increased more than the bounce in the price. In fact, the current valuation is close to Mytilineos's long-term average while remaining at c20% discount compared to the blended peer group. Looking ahead, we argue that Mytilineos ought to move higher in the valuation spectrum narrowing the gap vs peers as the Group expands its exposure in the RES segment (to 27% in 2025e from 20% in 2022), which justifies higher multiples, and as the prospects for the Greek economy mitigate country-specific risk.

1-year fwd EV/EBITDA: Mytilineos and Blended peer Group*



Source: Bloomberg, Eurobank Equities Research

** Aluminium global peers and EU Power Generation peers weighted in terms of Mytil's FY'23e profitability.*

EUROBANK Equities

Mytilineos still trades at a notable discount vs the broad peer group

Below we summarize valuation metrics of some indicative stocks belonging to the broad peer group. Note that this includes peers pertinent to all group activities, namely global aluminium producers, integrated energy groups (active in power generation from conventional and RES units), as well as EPC contractors and construction companies. As can be seen, Mytilineos trades at the low end of the peer group valuation range, standing at a discount vs the peer group on metrics such as PE and EV/EBITDA, while also providing similar cash returns (dividend yield 2023e at 4%, in-line with peer group).

Peer group valuation								
		PE		EV/EBITDA		Dividend yield		Net debt/EBITDA
Stock	Mkt Cap	23cy	24cy	23cy	24cy	23cy	24cy	23cy
ALCOA CORP	5,480	N/A	9.6x	9.0x	4.5x	1%	1%	0.8x
BHP GROUP LTD	140,504	12.0x	12.5x	5.9x	6.1x	5%	5%	0.1x
CENTURY ALUMINUM	717	134.3x	7.9x	11.6x	6.4x	0%	0%	4.4x
NORSK HYDRO ASA	11,930	11.2x	9.3x	5.3x	4.6x	6%	7%	-0.1x
RIO TINTO PLC	102,995	9.7x	9.8x	5.3x	5.3x	6%	6%	0.1x
ALUMINUM CORP-H	11,303	10.4x	9.7x	7.4x	7.7x	1%	1%	1.5x
Metals median		**11.2x**	**9.7x**	**6.6x**	**5.7x**	**3%**	**3%**	**0.5x**
EDP	18,154	16.0x	14.4x	8.4x	7.9x	5%	5%	3.2x
ENEL SPA	63,420	10.5x	9.7x	6.9x	6.7x	7%	7%	2.7x
EDF	50,034	10.1x	8.1x	6.5x	5.7x	5%	5%	2.9x
NATURGY ENERGY	26,044	14.4x	15.9x	8.0x	8.4x	5%	5%	2.5x
SOLARIA ENERGIA	1,691	16.2x	14.4x	13.3x	10.3x	0%	0%	5.5x
ORSTED A/S	35,185	38.0x	25.4x	14.0x	11.3x	0%	0%	2.7x
Energy median		**15.2x**	**14.4x**	**8.2x**	**8.1x**	**5%**	**5%**	**2.8x**
FLUOR CORP	3,853	17.4x	12.8x	7.9x	5.4x	1%	0%	-3.6x
AECON GROUP INC	502	13.5x	10.3x	4.3x	3.9x	6%	6%	0.3x
EIFFAGE	9,326	9.1x	8.6x	5.9x	5.7x	4%	4%	2.8x
ACS	8,687	14.5x	13.6x	5.4x	5.1x	7%	7%	0.3x
EPC - Construction median		**14.0x**	**11.6x**	**5.6x**	**5.2x**	**5%**	**5%**	**0.3x**
Blended peer group valuation		**14.0x**	**12.8x**	**7.5x**	**7.2x**	**4%**	**4%**	**1.9x**
Mytilineos (Eurobank est.)	**4,690**	**8.1x**	**7.2x**	**6.4x**	**5.8x**	**4%**	**5%**	**1.5x**

Source: Eurobank Equities Research, Bloomberg.

Valuation: raise PT to €40.3/share as RES portfolio valuation

SOTP-based valuation to reflect different valuation multiples/ discount rates across segments

In valuing the stock, we continue to use a SOTP methodology summing up the value of Mytilineos' two main segments, namely Metals & Energy, while also accounting for the valuation of the newly established construction & concessions subsidiaries. We believe this approach is appropriate given the different nature of the assets and the substantially different valuation multiples/discount rates normally applied to each cashflow-generating asset. Looking at each business unit:

- **Metals**: In principle, the Metals segment is cyclical in nature, with profitability being highly dependent on energy and aluminum market prices. Nonetheless, Mytilineos operates a vertically integrated production line with highly effective cost structure and is essentially hedged both in terms of aluminum sale prices and in terms of cost, facts that provide positive visibility on cash flow generation and the segment's valuation.
- **Energy:** The Energy segment includes multiple subsegments which we value under three broad categories, namely Renewables, Thermal Generation, Supply & Natural Gas Trading, and Power Projects.
  - **Renewables:** Development of renewables requires significant resources in terms of capex and working capital in the development stage. Upon development, renewables provide ample cashflow contribution while their low relative risk deserves higher valuation multiples.
  - **Thermal Gen., Electr. Supply, NG Supply:** Integrated electricity supply companies generally exhibit stable cashflow characteristics and balanced risk profile, as electricity generation and supply are complementary activities (particularly useful

in times of market stress). Similarly, natural gas supply (B2B) is not highly affected by market prices, as the trader's profitability is derived from margin upon delivery, with the determinant factor of profitability being the volumes traded.

- **Power Projects:** EPC projects development naturally carry lower multiples, given cyclicality and limited visibility on future backlog replenishment.

- **Construction & Concessions:** Similar to EPC, construction projects normally attract lower multiples, as they are characterized by project-based revenue streams, which can be influenced by factors such as project timelines and delivery schedules. Furthermore, the Group does not operate any concessions of significant value yet, while we have limited visibility on the potential future backlog pipeline.

New PT at €40.3 from €30.5, still pointing to a conservative valuation given the profitability step-up

Incorporating our new assumptions for each segment and rolling our valuation forward to July 2024, we come up with a fair value of €5.1bn, or €37.8/share. Incorporating the positive impact of the accretive deal for RES portfolio in Canada, which we value at €2.5/share, we raise our Price Target to €40.3 from €30.5 previously, reiterating our Buy rating on the stock and keeping it in our top picks. Our price target implies a 1-year fwd EV/EBITDA of c7x, which is by no means aggressive given the merits of the investment thesis.

Mytilineos | SOTP Valuation

EURm	EV	2023 EV/EBITDA	Comment
Metals	**1,679**	**6.5x**	Peer Group at 6.6x; Alcoa at 9.0x
Energy	**4,166**	**5.9x**	
- of which M Renewables	2,149	9.2x	**EV at €2.5bn, including Canada Portfolio** (Implied valuation at €0.2mn/MW)
- of which Therman Gen., Electr. Supply, NG Supply	1,728	4.6x	Integrated electricity suppliers at 6.6x
- of which M Power Projects	289	3.6x	
METKA and M Concessions	**73**	3.6x	
Other	**-20**	**4.0x**	
Group EV	**5,898**		
- Financial net debt	-654		
- Op. leases & other claims (non-controlling int., associates)	-133		
12m equity value	**5,111**		
12m equity value per share	**37.8 €**		
Canada port. incremental value creation per share	2.5 €		
12m equity value per share	**40.3 €**		

Source: Eurobank Equities Research

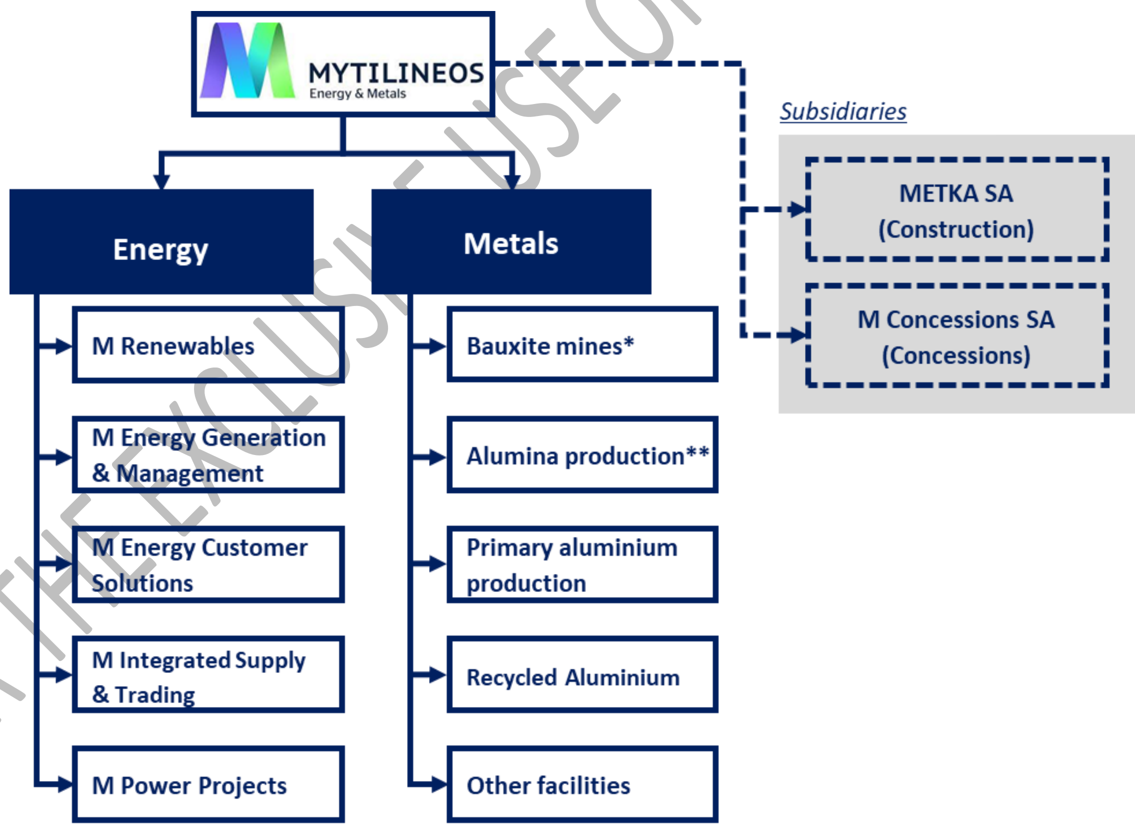
New corporate structure

Corporate transformation simplifies corporate structure; aims to highlight synergies between segments

Following the Group's corporate transformation in December 2022, aiming to simplify the corporate structure and highlight the synergies between the segments, the Group will be reporting under the new segmental breakdown starting 2023. We have thus reprofiled our estimates' presentation as per Mytilineos' new structure.

- The **Metals segment** includes the activities of the previously reported Metallurgy segment, namely the mines, the primary aluminium production, and the recycled aluminium facility.
- The **Energy segment** incorporates the previously reported Power & Gas, RSD and SES segments, and is further broken down in 5 subsegments.
    - **M Renewables** includes the renewables sub-segment within Power & Gas (Greek RES portfolio), as well as the RSD segment, namely the international RES portfolio.
    - **M Generation & Management** includes the Group's 3 gas-thermal electricity production plants.
    - **M Energy Customer Solutions** includes the Group's electricity & NG supply segment (B2C).
    - **M Integrated Supply & Trading** includes the Natural Gas Supply (B2B) activity.
    - **M Power Projects** includes the Group's SES activity (excl. infrastructure).
- Mytilineos has also established two new subsidiaries, namely **METKA** and **M Concessions**. The former will incorporate the Group's construction activity, previously reported under the infrastructure projects of the SES Segment, while the latter had no significant pipeline as of FY'22 and is therefore a new addition to the Company's business model.

Mytilineos | New Corporate Structure



** Bauxite from own-mines used for alumina production*
*** Alumina production for internal use (aluminum production) and for 3rd party sales*

Source: Eurobank Equities Research, Mytilineos.

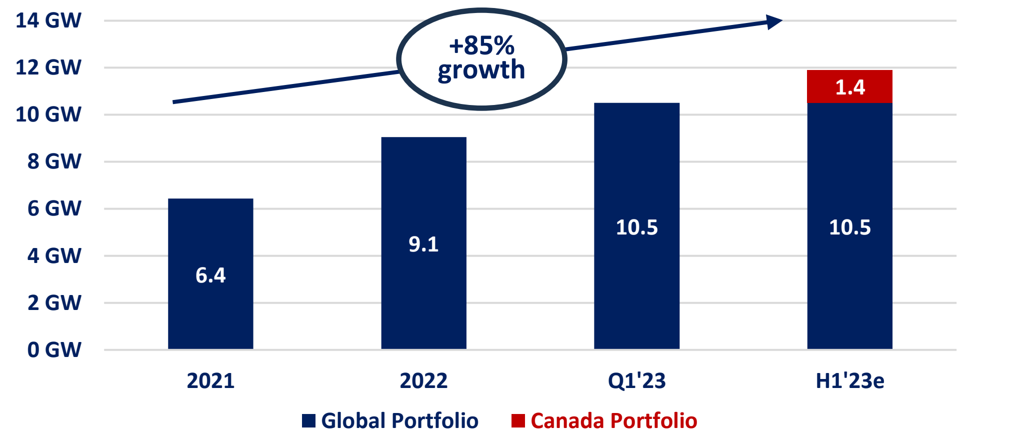
Energy | Renewable pillar of growth

M Renewables: Expanding pipeline, improved prospects

RES portfolio has seen a significant expansion to 12GW, placing the segment at the forefront of the Group's strategy

As part of its corporate transformation, Mytilineos has consolidated its renewable energy activities into a new segment called M Renewables. This strategic integration has positioned the Group's global RES portfolio at the forefront of its operations, a move that is well-justified considering its remarkable growth in profitability. In FY2022 alone, M Renewables achieved an impressive 170% increase in profitability, reaching €165mn. This strong financial performance is further underpinned by a continuously expanding pipeline, which grew from 6.4GW in 2021 to 9.1GW in 2022. Continuing its expansion in 2023, M Renewables is on a path of sustained growth, boasting a pipeline of c.12GW, following the recent acquisition of 1.4GW of solar projects in Canada. The latter further solidifies Mytilineos' position as an emerging key player in the global renewable energy sector.

M Renewables | Backlog evolution



Source: Eurobank Equities Research, Mytilineos.

In line with its growth strategy, Mytilineos aims to expand its RES portfolio both in terms of size and geography. The Group's total pipeline encompasses three distinct categories, each contributing to its overall strategy:

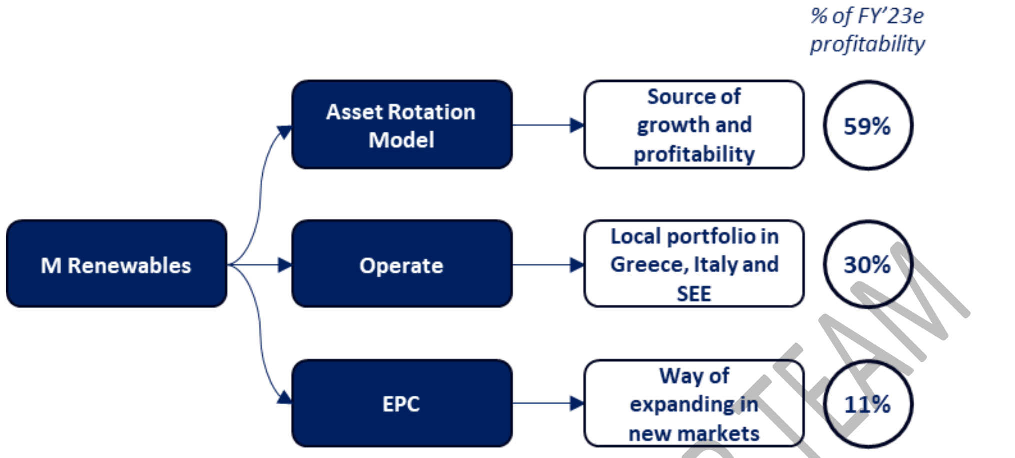
The Asset Rotation Model subsegment offers long term sustainable growth prospects for Mytilineos

1. The first and most significant category is the is **Asset Rotation model**. Mytilineos develops RES projects worldwide under its own platform, overseeing the entire process from licensing to electrification. These projects are positioned for sale at any stage of development, allowing the Group to capture the desired return on investment earlier. This category holds significant potential for the segment, offering the prospect for high returns within shorter timeframes compared to traditional RES projects, while allows Mytilineos to maintain significant RES growth prospects at a higher interest rate environment, as the company operates in a self-funded capex-light business model.

2. The second category comprises traditional RES projects that the Group plans to **develop and operate**. These projects will be located primarily in Greece, as well as in interconnected countries offering the prospect for signing PPA contracts, such as Italy and Southeast European countries.

3. The third category pertains to the traditional **Engineering, Procurement, and Construction (EPC)** activity that Mytilineos undertakes on behalf of third parties. Despite operating with lower profitability margins, this activity plays a vital role as it enables the Company to enter new markets and acquire expertise in emerging areas such as energy storage systems, while constantly appraising its competitiveness both cost-wise and technology wise (state-of-the-art technology).

M Renewables | Activities breakdown and segmental mix



Source: Eurobank Equities Research.

Operating a global RES portfolio provides Mytilineos with strategic advantages. It enables the Group to develop expertise in emerging technologies such as Battery Energy Storage Systems (BESS), positioning it as a leader in the field. The geographical diversification of the portfolio mitigates market-specific risks and enhances resilience to changing regional dynamics. Additionally, with its global presence, Mytilineos can capitalize on the growing demand for PPAs worldwide, securing long-term revenue streams and maximizing the financial performance of its renewable energy projects.

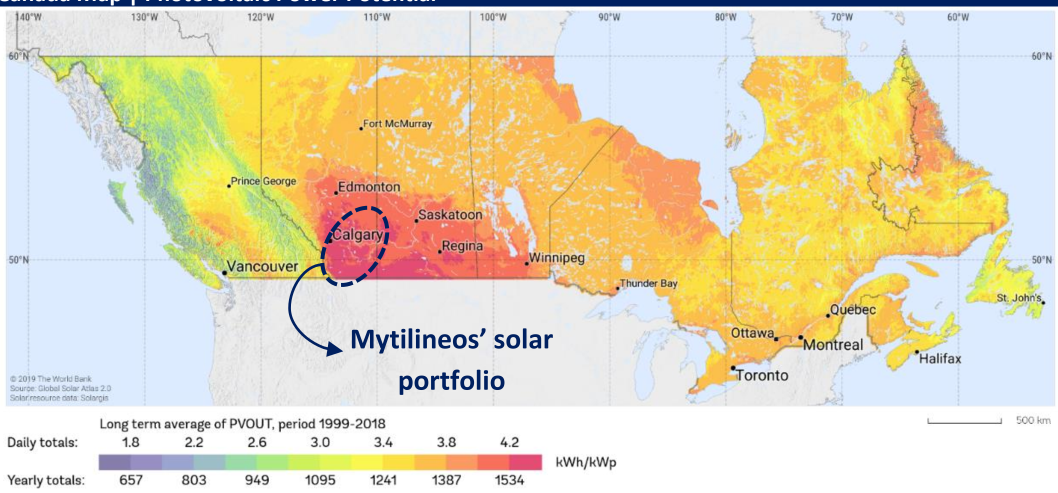
Acquisition of solar portfolio in Canada: a deal in a league of its own

The acquisition of a 1.4GWdc portfolio in Canada signifies the Group's expansion in North America

In June 2023, Mytilineos announced the acquisition of a portfolio of 5 solar parks in Alberta, Canada, with a maximum installed capacity of 1.4GWdc from WestBridge Renewable. Two of the projects (610MWdc) have received approval from the Alberta Utilities Commission and are expected to enter construction in 2024, with the rest currently being in Stage 2 of the Alberta's TSO competitive procurement process and likely to enter RTB stage by mid-2024. The Group has guided for total capex of c.€1.2bn, with the projects poised to be completed by 2026-2027.

Overall, Alberta is a prime province for solar park development due to its abundant solar resources, favorable policies, and strong market structure. With high solar irradiation levels, ample land availability, and a well-established electricity infrastructure, Alberta offers an ideal environment for large-scale solar installations. The Renewable Electricity Program (REP) provides long-term contracts and stability, attracting investment in the solar sector, while the market also allows for direct electricity sales and PPAs, thus unlocking revenue opportunities.

Canada Map | Photovoltaic Power Potential



Source: Global Solar Atlas 2.0 – Solargis.com, Eurobank Equities Research

One of the largest incentives and benefits that this investment offers is the right to participate in Canada's ITC scheme. In more detail, Canada recently announced the Clean Technology Investment Tax Credit and Clean Electricity Investment Tax Credit which may provide a refundable tax credit of up to 30% on the eligible capex of certain energy generation projects related to renewable sources to support the Green Transition in all Canadian provinces. As a result, Mytilineos is eligible to receive a subsidy in the form of tax credit of up to €350mn, based on the estimated capex for the RES portfolio in Alberta.

Significant tax credit up to 30% of capex marks the deal as value accretive, boosting Mytilineos valuation by €2.5/share

Furthermore, we note that all of the Projects acquired by Mytilineos have either applied for or already obtained permits for the installation and use of battery and energy storage systems ("BESS"), with total anticipated combined storage capacity of 1.2GWh for the entire portfolio. This will provide additional optionality for the projects and add further value to the Group.

Additionally, as hinted by the Group's CEO, Mytilineos is likely to continue exploring opportunities in North America, as its international strategy centres around identifying opportunities in countries and areas that exhibit significant commercial potential while offering business-friendly environments.

In terms of valuation of the Canada project, we understand that the Group will opt for tilting panels, with the effective capacity settling below 1.4GW. Furthermore, we assume an initial gross investment of €1.2bn, subsidised by 30% from the ITC scheme, thus translating into a net investment of c.€830mn. Assuming a post-tax WACC of 5%, we come up with an NPV of €345mn, implying value creation of €2.5/share. We note that our valuation does not incorporate the optionality stemming from the installation of battery and energy storage systems adjacent to the solar parks.

Canada Solar Portfolio expected return

Amounts in EURmn unless otherwise stated		1	2	3	4	5	...	30
Year		**1**	**2**	**3**	**4**	**5**	**...**	**30**
Pirce (eur/MWh)		56	56	56	56	56	...	56
Revenues (eur m)		123	123	123	123	123	...	123
Opex		-25	-26	-26	-27	-27	...	-44
EBITDA		**98**	**97**	**97**	**96**	**96**	**...**	**78**
- D&A		-28	-28	-28	-28	-28	...	-28
EBIT		**70**	**69**	**69**	**68**	**68**	**...**	**51**
Financial expense		-24	-24	-24	-24	-24	...	-24
PBT		**46**	**45**	**45**	**44**	**44**	**...**	**26**
- Tax		-10	-10	-10	-10	-10	...	-6
Net profit		**35**	**35**	**34**	**34**	**34**	**...**	**20**
Unlevered FCF (post ITC)	**-831**	**82**	**81**	**81**	**80**	**80**	**...**	**67**
PV of unlevered FCF		78	74	70	66	63	...	15
NPV of unlevered FCF	**345**							
Equity IRR (post tax)	*13.0%*							
Implied EV/IC	*1.4x*							
IRR - WACC spread (post tax)	*353 bps*							

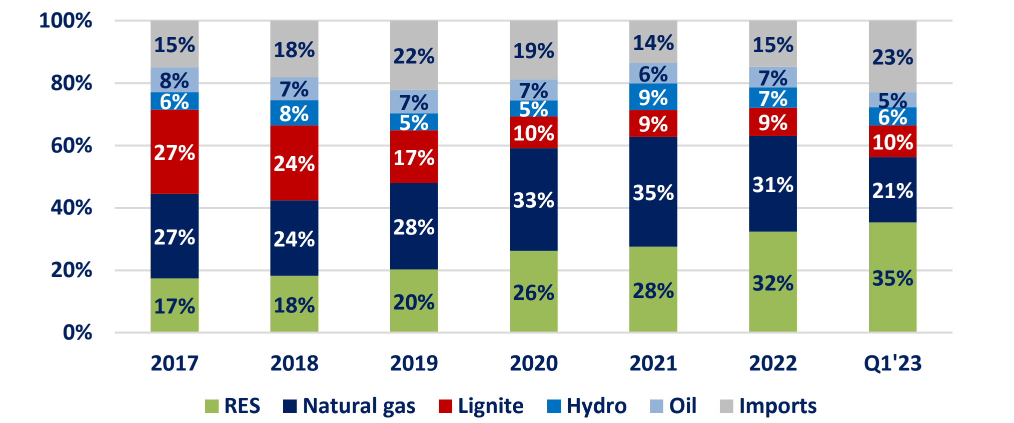
Source: Eurobank Equities Research

M Energy Generation & Management – M Energy Customer Solutions

Electricity generation market transforms; efficiency of conventional units increase in importance

In the first months of 2023, the composition of Greece's electricity generation mix underwent a transformation, marked by a decline in the share of natural gas units to 21% (vs >30% in FY'22) as the adverse effect caused by the 5% levy on natural gas used for electricity generation was amplified amidst retreating energy prices. In March, a regulatory amendment was implemented establishing a fixed rate of €5/MWh for the levy, thus restoring natural gas units' competitiveness compared to imports and lignite units. Considering the above, along with the ever-increasing contribution of RES to the energy mix (to 35% as of Q1'23), it becomes evident that the efficiency and competitiveness of the existing conventional units will play a crucial role in determining their future load factors.

Thermal Energy Producers | Generation Market Shares



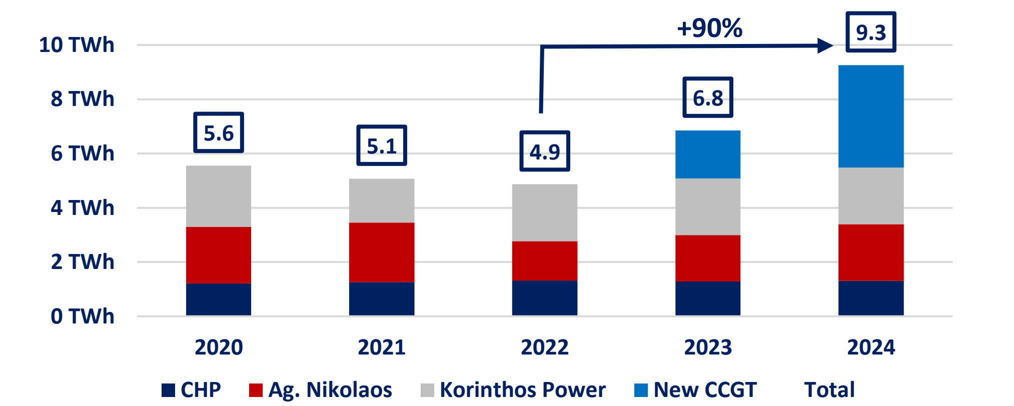
Source: Greek Energy Exchange Group, Eurobank Equities Research

Group synergies & high efficiency of Mytil's CCGT units ensure robust spark spreads and profitability

As far as Mytilineos is concerned, the combination of highly efficient production units and natural gas sourcing at favorable prices helps minimise the idle capacity cost and generate quite strong spark spreads. More specifically, the Group's commercially operating CCGT units are highly efficient (57%) enjoying the highest load factors in Greece among conventional units (currently at 55% based on April 2023 data). Additionally, Mytilineos benefits from synergies with its natural gas supply activity, enabling it to secure natural gas for the CCGT units at prices below the market average, with a discount range of 15-20% according to our estimates. As a result, the Group's CCGT units generate quite lucrative spark spreads, which we estimate between €30-40/MWh, despite the implemented regulatory amendments and the normalisation of TTF prices.

The commercial operation of the new CCGT unit with 63% efficiency (in trial operation since late 2022) will almost double the Group's annual conventional electricity production by 2024 to 9.3GWh from c.5GWh currently, boosting the Group's market share in conventional generation to 20% from 13% currently. We anticipate this to translate into a €5-10/MWh boost in terms of spark spreads, thus rendering it a significant profit contributor.

M Energy Generation & Management | Generation in TWh post new unit

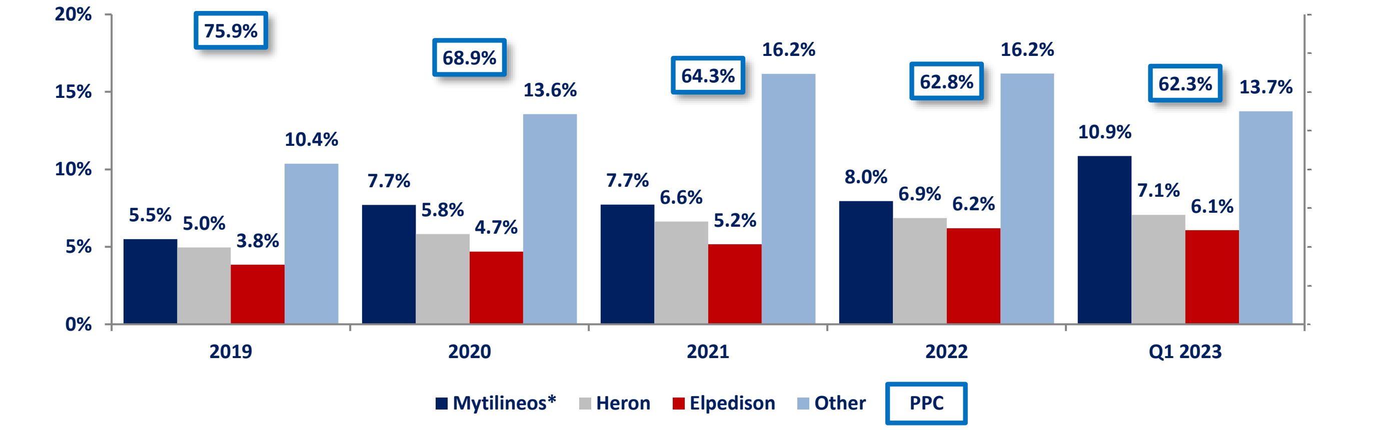


Source: Eurobank Equities Research

Electricity supply subsegment expected to increase its mkt share to 20% in the coming years

On the electricity supply side, Mytilineos has progressively expanded its market presence, surpassing the 10% market share milestone through its recent acquisition of Watt+Volt. Furthermore, beginning in 2024, Protergia (the Group's electricity supplier) will source electricity for the Metals segment (the largest electricity consumer in Greece), thus increasing the Group's market share to 20%. As a result, Mytilineos's electricity generation market share will be aligned with supply, thereby providing full customer exposure hedging.

Electricity Supply | Market Shares



Source: IPTO, Eurobank Equities Research. *Includes Protergia and Watt+Volt market share in 2023*

In early 2023, Mytilineos announced the acquisition of Unison, one of the largest Greek companies specializing in the field of facility management. Unison will be integrated under the M Energy Customer Solutions subsegment, expanding the Group's offering to management, maintenance and energy upgrading, in sync with the trend observed among other European integrated utility providers. Management anticipates that the new offerings will strengthen the relationship between the Company and its customers, while also reducing customers' sensitivity to pricing, further boosting customer retention.

Unison | Current portfolio of services offered

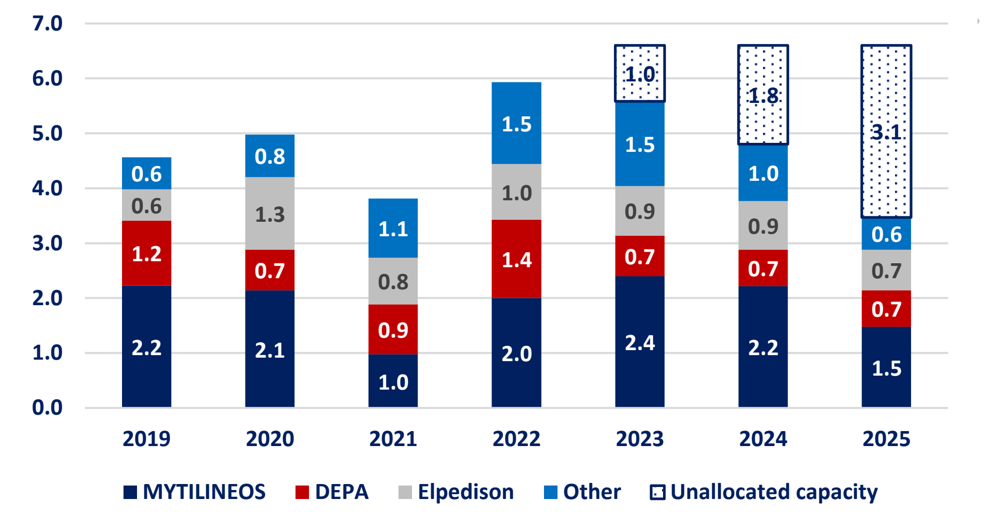
Source: Eurobank Equities Research, Company data.

M Integrated Supply & Trading: Natural Gas Supply business

Natural gas supply will be established as a key pillar of profitability

The Group's newly established Integrated Supply & Trading Business refers to the natural gas supply activity (B2B). In 2022, this activity was established as a strong pillar of operating profitability, reporting EBITDA of €120mn (15% of total). Since 2019, Mytilineos has been the largest LNG importer in Greece, importing 2.0bcm of natural gas in 2022, while the Group also holds contracts for importing natural gas through pipelines. For 2023, Mytilineos has already secured pre-booked LNG slots for 2.3bcm, with the potential to further increase its imports, as there are still available slots to be booked on the spot market.

LNG | Scheduled imports per company (in bcm)



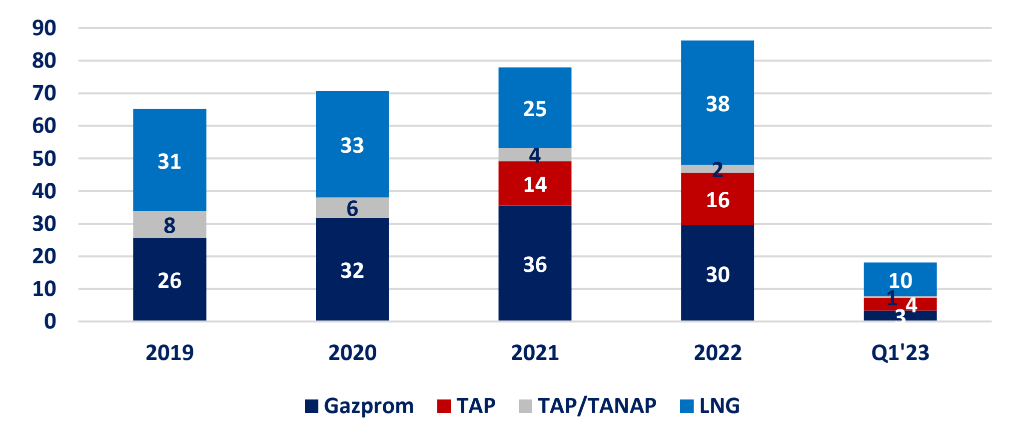
Source: Eurobank Equities Research, DESFA.

Going forward, we argue that the subsegment will sustain its 2022 performance, despite the retreat of natural gas prices. In terms of volumes, we anticipate a significant increase in imports through pipelines of up to 30% compared to 2022 levels, in addition to the already elevated LNG imports. Furthermore, we expect profitability margins to settle at low double-digit levels in the coming years, a notable improvement vs c.5% in 2022. This is largely driven by the group's ability to source natural gas at a significant discount relative to market prices.

Higher volumes and strong margins support high level of profitability

The growth in volumes and accretion of margins can be attributed to the international expansion of the business. In 2022, Mytilineos exported significant amounts of natural gas to Bulgaria, while achieving notable penetration in the wider Southeast Europe in Q1'23. Lastly, we note that the subsegment provides strategic synergies for Mytilineos, enabling the group to source natural gas at quite competitive prices for its CCGT and aluminum units.

Natural Gas | Gas flows to Greece (in TWh)



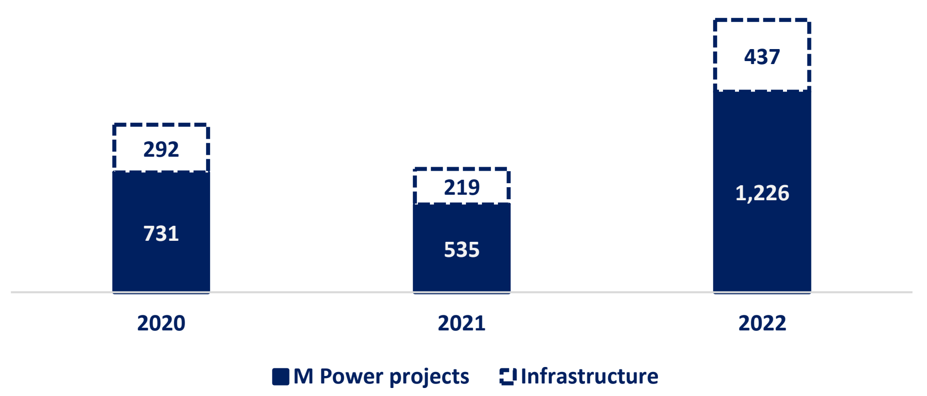
Source: Eurobank Equities Research, DESFA.

M Power Projects

Backlog for the development of energy projects abroad is currently at all-time highs (>€1bn)

The M Power Projects subsegment was established from the former Sustainable Engineering Solutions (SES) business unit, following the Corporate Transformation in December 2022. The subsegment is focused on the development of conventional power plants, energy transition projects and sustainable development projects, and it currently holds a contracted backlog of €1.3bn (€1.2bn in Dec'22), with the total pipeline standing at over €2.0bn. The contracted backlog of M Power Projects represents c.75% of the December 2022 SES backlog, with the remaining 25% (€0.4bn) transferred to the newly established construction and concessions subsidiaries (METKA and M Concessions respectively).

M Power Projects | Project Pipeline (EUR mn)



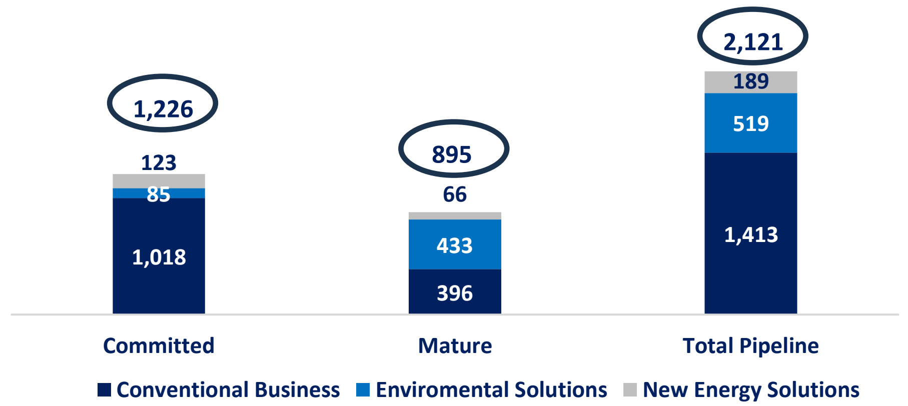
Source: Eurobank Equities Research, Mytilineos.

In 2022, the former SES segment posted a significant step-up in profitability, largely due to a surge in margins to 21% from 9% in 2021. This led to FY'22 EBITDA of €91mn, up by a whopping +175% yoy. The increase in profitability margins was primarily driven by energy projects, which we estimate to account for approximately €78 million of SES's FY'22 EBITDA, while the remaining €13 million pertains to construction projects. Looking ahead, we anticipate that the subsegment's backlog will continue to expand as Mytilineos is well-positioned to capitalize on the significant opportunities in areas related to sustainable development arising from the implementation of the European Recovery Fund.

Conventional energy units development remains the backbone of the Power Projects backlog, representing 43% of the total

The backlog as of December 2022 mainly consisted of conventional business projects (43% of the mature projects backlog), while overall, a total of €0.9bn projects are in a mature stage of contracting. Across geographies, UK accounts for 41% of the backlog, with Greece making up another 14%. The remaining relates to projects in Poland, Libya, Georgia and Algeria.

M Power Projects | Project Pipeline breakdown (€ mn)



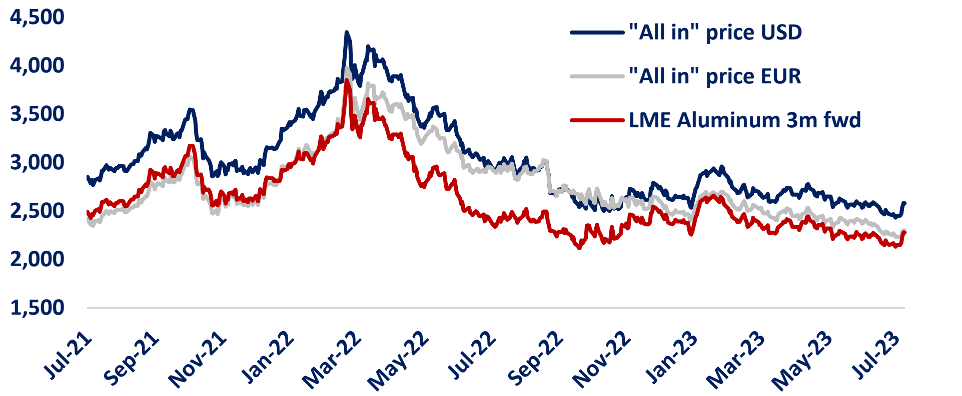
Source: Eurobank Equities Research, Mytilineos.

Metals | Robust integrated business

As the aluminum market environment normalizes, the elevated cost structure for producers globally caps the downside for aluminum prices

The aluminum sector has experienced significant volatility in 2022, with prices reaching unprecedented levels in March 2022 due to the outburst of the war in Ukraine. However, in the second half of the year, aluminum prices started to decline, eventually trading rangebound in H1'2023 ($2,200-$2,600 per tonne). It is worth noting that there seems to be strong support above $2,000 per tonne, driven by low inventory levels, as LME inventory remains at 20-year lows. Furthermore, electricity costs also play a key role in influencing aluminum prices, as they affect the cost structure of aluminum producers worldwide, a fact that provides further support to prices. On its part Mytilineos is well positioned in this landscape, as it has effectively hedged aluminum prices at the high end of the 2023 range, which we estimate at $2,700 per tonne. Looking ahead, management has indicated they intend to proceed with selective hedging as opportunities arise, further cushioning the Metallurgy business against fluctuations in aluminum prices. Considering this, we understand that the Group has already hedged the sale price for most of its H1'24 primary aluminum production at attractive terms. This proactive risk management approach strengthens the company's ability to navigate the volatility in the aluminum market and safeguard its profitability.

Metals | LME vs. "All-in" Aluminium Price (in USD/ton)

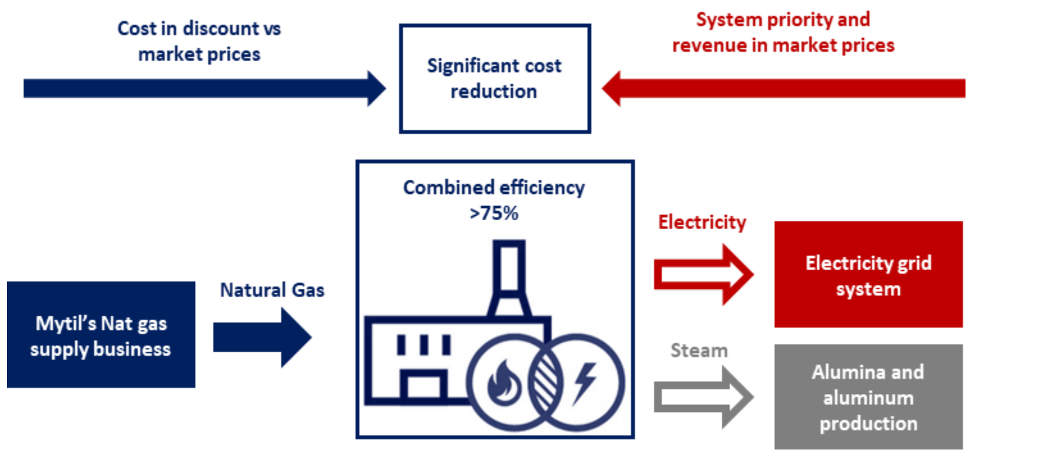


Source: Eurobank Equities Research, Bloomberg

Mytil's vertically integrated aluminum production line drives cost efficiences

On the cost side, Mytilineos benefits from its vertically integrated structure, which provides significant advantages compared to its industry peers. The company's integration with its Energy segment creates synergies that drive cost efficiencies. Indicatively, one key advantage is Mytilineos's strategic sourcing of natural gas through its gas supply business at a substantial discount compared to market rates. This advantage is further enhanced by the net impact from its CHP unit, which generates revenue from the electricity produced offsetting the cost of steam production.

Metals | CHP unit structure & operation



Source: Eurobank Equities Research.

Group synergies provide significant benefits with regards to the activity's energy cost, ensuring Mytil's aluminum cost curve remains best-in-class

Following the expiration of the existing PPA with a third party for the electrification of the Metallurgy facility, Mytilineos has announced that its electricity supplier, "Protergia," will undertake the supply for the segment. We anticipate that Protergia will source electricity through Green PPAs with the Group's own developed renewable energy projects as well as third-party renewable sources. Additionally, Protergia aims to source electricity from the grid during times of lower demand, such as night hours, and hours with excessive renewable energy production when system prices are considerably lower. This flexibility, facilitated by the continuous and substantial energy needs of Mytilineos' aluminum facility, which the CEO has referred to as "the largest battery in Greece", will provide a significant advantage over other industrial users.

We consider the increase in net electricity cost trivial, as CO2 emissions cost will de-escalate substantially

Overall, we anticipate minimal changes to the gross electricity costs for the Metals segment, as the decrease in CO_2 emissions costs is likely to offset any increase in net electricity cost. Specifically, while the net electricity cost is set to rise slightly, we expect it will remain at favorable levels, namely below €70/MWh. Conversely, we estimate that the CO_2 emissions factor per ton of aluminum will decrease from the current 6.2 to around 4.2, resulting in a reduction of CO_2 emission costs to €16/MWh, compared to the current €33/MWh. Taking the above into consideration, we estimate that the net increase in costs following the expiration of the existing PPA contract is likely to be a mere 4% by 2024 (vs 2022 levels).

Additionally, the Metals segment will continue to benefit from the ETS free allowances provided by the EU, which, as per our understanding, compensate the Group for emissions at a rate significantly higher than the actual emission rate. This benefit will be amplified as the aluminum business enters into Green PPAs and the actual emissions are further reduced, leading to significantly decreased costs.

Optionality: Aluminum in the CRMA list; Potential for expansion to Gallium

The addition of aluminum in the CRMA list ensures healthy profitability for the segment

On July 6th, EU countries added aluminum to the list of minerals and metals covered by the Critical Raw Materials Act (CRMA). The CRMA aims to enhance the EU's self-reliance in the supply of vital raw materials in the aftermath of the Covid-19 pandemic and the conflict in Ukraine. The objectives of the aforementioned act include stimulating production and supporting producers of the materials listed, which, on its turn should promote competitiveness and sustainable profitability in the aluminum industry within Europe. Moreover, it will facilitate the expansion of production lines, particularly in secondary aluminum production, which is in line with Mytilineos plans to significantly increase its existing secondary aluminum capacity.

Mytilineos is currently in discussions with EC to produce gallium

Furthermore, gallium, another material covered by the CRMA (by-product of alumina production) offers additional optionality. Following China's export ban of gallium in late-June 2023, from which EU sources 70% of its total needs, the EU is looking to replace part of the capacity needed in Europe. In this context, Mytilineos is currently in discussions with the European Commission for the production of gallium in its Aluminum production facilities. The CEO confirmed that the Group has the capacity to produce the particular element, given the required investment implementation. The optionality looks substantial for the Metals segment, especially taking into account the significant step-up in gallium prices since 2021 (to >$300/kg currently).

Estimates Revision

We raise our 2023-25e EBITDA by 6-13% on account of accelerated growth by the Energy segment

We have updated our estimates for Mytilineos to reflect current trends and solid prospects across both segments. In short:

- In **Metals** we have adjusted our estimates to reflect more stable growth in line with current market dynamics. We have decreased our aluminum sale price estimates to \$2,500/Ton (-9% vs previous est.) for 2024/2025, reflecting current prospects. On the cost side, we envisage decreased energy costs, incorporating the net effect of the energy sourcing from Protergia, starting in 2024. These result in a 3% upgrade in Metallurgy EBITDA in 2023 and somewhat lower numbers in 2024-25e.
- With regards to **Energy**, we anticipate accelerated growth in the Renewables segment, penciling in a 7% upgrade for 2023e EBITDA and double-digit upgrade in 2024/2025 on account of the rapidly expanding global portfolio. Furthermore, we anticipate a slower path towards full capacity for the new CCGT unit, thus penciling in a somewhat lower contribution to EBITDA for 2023e. That said, this will be more than offset by the supply segment for which we significantly raise our EBITDA (by €40-50mn), on account of more favorable market conditions. Additionally, natural gas supply (B2B) will remain a key pillar of EBITDA generation, for which we now estimate improved profitability compared to FY'2022, with EBITDA hovering around €125mn for the following years.

Overall, we raise 2023e Group EBITDA by 6% and 2024/2025e by c7-11%, mainly as a result of the aforementioned highly favourable dynamics in Energy. Finally, we incorporate increased working capital and CapEx needs, thus raising our net debt forecasts (to c.€1.4-1.6bn in 2023e-24e).

Mytilineos | Estimates per segment

	New estimates			Previous estimates			% change		
EUR mn	**2023e**	**2024e**	**2025e**	**2023e**	**2024e**	**2025e**	**2023e**	**2024e**	**2025e**
Metals Revenue	**892**	**910**	**963**	**853**	**860**	**947**	**5%**	**6%**	**2%**
Energy Revenue	**4,506**	**5,019**	**5,282**	**5,418**	**5,669**	**5,860**	**-17%**	**-11%**	**-10%**
M Renewables	1,041	1,220	1,349	1,216	1,329	1,437	-14%	-8%	-6%
M Generation & Management	992	1,207	1,178	1,263	1,277	1,192	-21%	-6%	-1%
M Energy Customers Solutions	903	937	1,012	985	1,036	1,144	-8%	-10%	-12%
M Integrated Supply and Trading	1,039	1,011	1,006	1,540	1,564	1,580	-33%	-35%	-36%
M Power Projects	530	644	737	413	463	507	28%	39%	45%
METKA & Concessions Revenue	**175**	**330**	**421**	**91**	**150**	**193**	**92%**	**120%**	**118%**
Group Revenue	**5,573**	**6,260**	**6,666**	**6,362**	**6,679**	**7,000**	**-12%**	**-6%**	**-5%**
Metals EBITDA	**259**	**257**	**283**	**251**	**282**	**292**	**3%**	**-9%**	**-3%**
Energy EBITDA	**692**	**801**	**870**	**646**	**716**	**759**	**7%**	**12%**	**15%**
M Renewables	233	277	327	221	249	288	5%	11%	13%
M Generation & Management	197	256	271	226	260	256	-13%	-2%	6%
M Energy Customers Solutions	58	62	65	20	21	23	192%	199%	186%
M Integrated Supply and Trading	125	125	126	111	112	113	13%	12%	11%
M Power Projects	79	81	81	68	74	79	17%	9%	3%
METKA & Concessions EBITDA	20	36	44	15	24	30	33%	50%	46%
Other	-5	-5	-5	-5	-5	-5	0%	0%	0%
Group EBITDA	**966**	**1,090**	**1,192**	**907**	**1,017**	**1,076**	**6%**	**7%**	**11%**
Group Net Profit	**575**	**654**	**722**	**498**	**567**	**584**	**16%**	**15%**	**24%**
Group Net Debt (incl. financial leases)	**1,408**	**1,574**	**1,662**	**1,143**	**1,349**	**1,480**	**23%**	**17%**	**12%**
CapEx	**828**	**721**	**650**	**728**	**739**	**817**	**14%**	**-2%**	**-21%**
DPS	**1.46**	**1.66**	**1.83**	**1.26**	**1.44**	**1.48**	**16%**	**15%**	**24%**

Source: Eurobank Equities Research

Group Financial Statements

EURmn					
P&L	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Sales	**2,664.1**	**6,306.5**	**5,572.9**	**6,259.5**	**6,666.3**
Gross Profit	445.2	1,054.7	710.6	802.8	885.9
EBITDA - adjusted	**358.5**	**823.3**	**965.8**	**1,089.7**	**1,191.6**
change	*14.4%*	*129.6%*	*17.3%*	*12.8%*	*9.4%*
EBITDA margin	*13.5%*	*13.1%*	*17.3%*	*17.4%*	*17.9%*
EBIT - adjusted	**278.6**	**734.1**	**850.2**	**950.7**	**1,041.2**
Financial income (expense)	65.3	84.3	104.2	104.4	110.7
Exceptionals/other income	-122.7	-182.9	-196.7	-195.7	-207.3
PBT - reported	221.1	635.4	757.7	859.4	944.6
Income tax	40.5	132.7	166.7	189.1	207.8
Non-controlling interest	17.9	34.1	15.6	16.2	14.9
Net profit - reported	**162.2**	**465.9**	**575.5**	**654.2**	**721.8**
EPS - adjusted (EUR)	**1.13**	**3.26**	**4.03**	**4.58**	**5.05**
DPS (EUR) *	**0.42**	**1.25**	**1.46**	**1.66**	**1.83**
Group Cash Flow Statement	**2021**	**2022**	**2023e**	**2024e**	**2025e**
EBITDA	358.5	823.3	965.8	1,089.7	1,191.6
Change in Working Capital	-49.6	152.8	-389.9	-61.0	-102.4
Net Interest	-23.5	-31.7	-104.2	-104.4	-110.7
Tax	-32.9	-42.9	-166.7	-189.1	-207.8
Other	-32.1	-8.4	0.0	0.0	0.0
Operating Cash Flow	**220.5**	**893.1**	**301.2**	**732.2**	**769.9**
Capex	-380.1	-715.7	-827.7	-720.6	-649.6
Other investing	-6.2	1.1	-9.0	8.4	5.0
Net Investing Cash Flow	**-386.3**	**-714.6**	**-836.7**	**-712.2**	**-644.6**
Dividends	-51.8	-70.1	-172.4	-201.4	-229.0
Other	-55.7	-21.2	15.6	16.2	14.9
Net Debt (cash)	**803.2**	**716.1**	**1,408.4**	**1,573.6**	**1,662.3**
Free Cash Flow (adj.)	**-165.8**	**178.5**	**-535.5**	**20.0**	**125.3**
Group Balance Sheet	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Tangible Assets	1,428.5	1,686.4	2,373.0	2,928.7	3,401.3
Intangible Assets	446.2	460.6	486.1	511.9	538.4
Other non-current Assets	313.2	333.3	333.3	333.3	333.3
Non-current Assets	**2,187.9**	**2,480.4**	**3,192.4**	**3,774.0**	**4,273.1**
Inventories	468.8	840.4	742.6	771.5	821.7
Trade Receivables	1,353.4	1,451.2	1,644.0	1,771.4	1,913.2
Other receivables	476.2	1,070.5	1,012.7	1,063.2	1,126.1
Cash & Equivalents	602.8	1,059.9	780.2	876.3	933.3
Current Assets	**2,901.2**	**4,421.9**	**4,179.5**	**4,482.5**	**4,794.3**
Total Assets	**5,089.2**	**6,902.3**	**7,372.0**	**8,256.5**	**9,067.4**
Shareholder funds	1,539.9	2,130.0	2,533.1	2,985.8	3,478.7
Non-controlling interest	81.0	91.0	106.6	122.8	137.7
Total Equity	**1,620.9**	**2,221.1**	**2,639.7**	**3,108.6**	**3,616.4**
Long-term debt	1,280.4	1,547.1	2,047.1	1,547.1	1,547.1
Other long-term liabilities	401.9	407.7	388.7	387.1	432.1
Long Term Liabilities	**1,682.3**	**1,954.8**	**2,435.8**	**1,934.2**	**1,979.2**
Short-term debt	74.9	165.7	88.3	859.7	965.4
Trade Payables	1,085.8	1,330.7	1,120.2	1,195.6	1,273.3
Other current liabilities	625.2	1,230.2	1,088.0	1,158.5	1,233.2
Short Term Liabilities	**1,786.0**	**2,726.5**	**2,296.5**	**3,213.7**	**3,471.8**
Total Equity and Liabilities	**5,089.2**	**6,902.3**	**7,372.0**	**8,256.5**	**9,067.4**
Key Financial Ratios	**2021**	**2022**	**2023e**	**2024e**	**2025e**
P/E	12.8x	4.8x	8.1x	7.2x	6.5x
P/BV	1.3x	1.1x	1.9x	1.6x	1.3x
EV/EBITDA	8.2x	3.7x	6.4x	5.8x	5.4x
EBIT/Interest expense	4.7x	9.2x	8.6x	9.7x	10.0x
Net Debt (cash)/EBITDA	2.2x	0.9x	1.5x	1.4x	1.4x
Dividend Yield *	2.9%	7.9%	4.4%	5.1%	5.6%
ROE	10.5%	21.9%	22.7%	21.9%	20.8%
Free Cash Flow yield	-8.0%	7.9%	-11.4%	0.4%	2.7%
Payout Ratio	37.0%	37.0%	35.0%	35.0%	35.0%

Source: Eurobank Equities Research

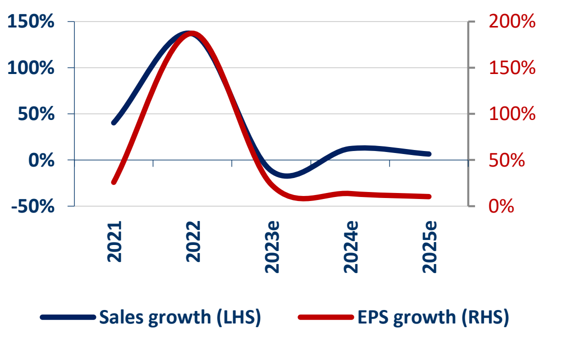
Company description

Mytilineos is an industrial group with activities spanning from Metallurgy, being Europe's largest vertically integrated alumina and aluminium producer and the second largest bauxite producer in Greece, to Power production & Gas trading, managing a portfolio in excess of 1,200 MW (c. 12% market share in terms of electricity consumption in the interconnected). It is also active in Sustainable Engineering Solutions and in Renewables & Storage Development, with almost 100% of its backlog reflecting projects outside Greece.

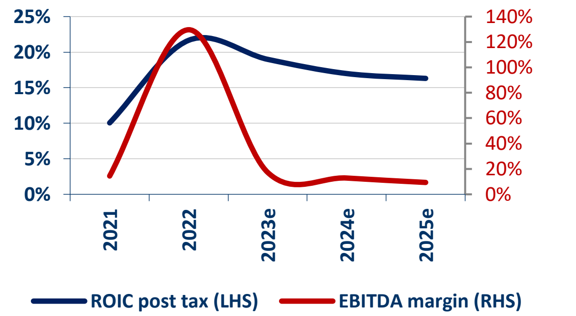
Risks and sensitivities

- **Regulatory –** The Greek Energy Market, to which Metals and Energy are exposed to is highly regulated, and as such depends on political decisions as well as legal and regulatory framework directives. Any developments within this context may affect the group's operational performance as well as the value of its energy assets.
- **Metals** – Metals is faced with risks that stem from fluctuations in the price of the LME, alumina and aluminium premia as well as the EUR/USD exchange rate. The business unit's operational performance is also influenced by raw material costs, such as bauxite, metallurgic coke and soda, as well as freight costs.
- **Renewables –** Being active in development of RES globally, Mytilineos is constantly seeking new projects to replenish backlog, even during periods when new tenders might be limited due to macroeconomic or geopolitical factors and the temptation to bid for projects than might be margin dilutive increases.
- **Sensitivities –** The group is highly dependent on global commodity prices, mainly aluminium and natural gas. We estimate that each 100 $/Ton change in LME translates to a 2% change in Group EBITDA while each 10 €/MWh change in natural gas cost translates to a 4% change in Group EBITDA.

Sales and EPS growth



Profitability and returns



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This report has been written by Nikos Athanasoulias, CFA (Equity Analyst) and Stamatios Draziotis (CFA) (Equity Analyst).

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Nikos Athanasoulias and Stamatios Draziotis do not have a significant financial interest in one or more of the financial instruments which are the subject of this report or a significant conflict of interest with respect to the subject companies mentioned in this report a) that are accessible or reasonably expected to be accessible to the persons involved in the preparation of this report or b) known to persons who, although not involved in the preparation of this report, had or could reasonably be expected to have access to this report prior to its dissemination to customers or the public.

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Eurobank Equities Investment Firm S.A. provides daily and monthly updates as well as updates on companies based on company-specific developments or quarterly financial results announcements or any other publicly available information.

12-month Rating History of Mytilineos Group

Date	Rating	Stock price	Target price
17/07/2023	Buy	€ 32.82	€ 40.30
01/02/2023	Buy	€ 24.50	€ 30.50
30/01/2023	Buy	€ 23.80	€ 30.50
19/12/2022	Buy	€ 19.52	€ 25.60
28/09/2022	Buy	€ 13.67	€ 25.60
23/08/2022	Buy	€ 16.19	€ 24.80

Eurobank Equities Investment Firm S.A. Rating System:

Stock Ratings	Coverage Universe		Investment Banking Clients	
	Count	Total	Count	Total
Buy	16	59%	1	6%
Hold	4	15%	0	0%
Sell	0	0%	0	0%
Restricted	1	4%	0	0%
Under Review	2	7%	1	50%
Not Rated	4	15%	0	0%
Total	**27**	**100%**		

Analyst Stock Ratings:

Buy:	Based on a current 12-month view of total shareholder return (percentage change in share price to projected target price plus projected dividend yield), we recommend that investors buy the stock.
Hold:	We adopt a neutral view on the stock 12-months out and, on this time horizon, do not recommend either Buy or Sell.
Sell:	Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.
Restricted:	Under Eurobank Group policy and / or regulations which do not allow ratings
Under Review:	Our estimates, target price and recommendation are currently under review
Not Rated:	Refers to Sponsored Research reports