



Agile, Independent, Client-focused

Corporate presentation

# Merit at a glance

A Securities firm that is management owned, with 140 years of heritage

**4<sup>th</sup>**

largest in market share of the Athens  
Exchange private investment and  
independent advisory firm

**>45**

employees

**>25.000**

clients

**>500%**

Capital adequacy ratio  
(IFR)

## Sectors of expertise



Energy



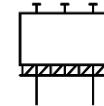
Banking



Technology



Industrials



Telecommunications



Oil & Gas



Consumer Discretionary

# Company timeline

Family history in the capital markets since 1882

**1882**

George Agrafiotis  
appointed broker  
in the Athens  
Stock Exchange

**1932**

Nikolaos Kapitzoglou,  
(Agrafiotis's son in law)  
appointed broker  
in the Athens  
Stock Exchange

**1960s -1970s**

Elias Petropoulakis,  
(Kapitzoglou's son in  
law) and Athanasios  
Papakostantinou,  
were appointed as  
Brokers in the Athens  
Stock Exchange

**90s**

Foundation of the  
legal entities  
Midas Securities (by  
Mr.Papakonstantin  
ou), Petropoulakis  
Securities and Merit  
Securities

**2017**

Merit merged with  
Midas Securities and  
Petropoulakis  
Securities and scaled  
its clients and  
business portfolios

**Today**

The 4th largest in market  
share of the Athens Stock  
Exchange offering a full range  
of investment advisory  
services and online trading  
spanning retail and  
institutional clients

- 
- A member of the Athens Exchange, a Special Advisor and Member of the Alternative Market
  - A member of the Hellenic Investor Compensation Fund
  - Regulated by the Hellenic Capital Market Commission

# Values

The way we conduct business is the reason why we've been a trusted partner for our clients for 140 years



# Investment proposition

## High level of expertise

Drawing on our executive team's considerable experience across a significant range of sectors, geographies and transaction types, Merit Securities is focused on delivering bespoke, strategic and timely advice.

## Long-term relationships of trust with clients

We partner with our clients to deliver solutions consistent with their strategies. Using our focused expertise, we are able to minimise the risks inherent in complex transactions in order to structure the best deal for our clients giving independent advice.

## Cross-border capabilities

We offer solutions across a broad range of sectors, geographies, and transaction types.

## Innovative tailor-made solutions

We seek to tailor each transaction to the specific needs of our clients, recognising that the "one size fits all" model does not maximise value or deliverability, and seek to offer these at market beating price points.

# Offering

Delivering a comprehensive range of products and services to help our clients capitalize on investment opportunities

## Investment banking

- Corporate broking
- Mergers and acquisitions
- Debt advisory
- Private placements

## Equities

- Trading & execution
- Market making
- Research
- Funds - AIFs

## Asset Management

- Discretionary & Advisory
- Institutional
  - Retail

## Fixed Income

- Primary & Secondary Markets
- Greek & International Bonds

# Investment banking

Our services range from flotations to M&As and fundraising

Investment  
banking

**We provide our clients with a complete range of investment banking solutions tailored to their needs**

Preparation of  
prospectus

Flotations

Fundraising

Valuation reports

Mergers &  
acquisitions

Debt &  
Corporate  
restructuring

Business  
planning

Book building

## Expertise



Food & Beverages



Information Technology



Gaming



Retail

# Investment banking

## Case studies

Investment  
banking

Served as the  
exclusive financial  
advisor in various  
capital raising  
transactions for  
companies and  
funds, based or  
operating in Greece,  
facilitating the  
injection of liquidity  
in the Greek market

### Financial advisor in the food and consumer goods sector

September 2023



Company  
valuation



### Financial advisor in the food sector

June 2019



*One step ahead!*

Public offering of  
Orkla Food  
Ingredients AS for  
the acquisition of  
7.5000.000 shares  
at €4,36 per share



### Financial advisor in information technology companies

June 2021



Company  
valuation





# Investment banking

## Case studies

Investment  
banking

**Leading underwriter  
of CNL Capital in July  
2018, the first IPO on  
ATHEX since 2013,  
and underwriter of  
an OTC corporate  
bond of CNL Capital  
in July 2019**

Underwriter of an OTC corporate bond  
of CNL Capital in July 2019

July 2019



Bond issue via a  
private placement  
€ 2 million



Bookrunner & Advisor

CNL was the first IPO on ATHEX  
since 2013

July 2018



Share capital  
increase  
€4 million



Underwriter and Coordinator

# Investment banking

## Outlook

Investment  
banking

- Positive pipeline of transactions
  - Client activity will be benefited by positive Greek market momentum and increased foreign direct investment
  - Successful recapitalization of the banking sector.
- Advisory fees expected to increase mainly from new clients.
- We aim to support our clients in all their funding needs, take advantage of market opportunities and provide advice to maximizing their capital efficiency.

# Advisory

Continuously monitoring market opportunities

Asset  
Management

**Active portfolio management by continuously monitoring market trends and opportunities**

Advisory and Discretionary asset management

Investment committees for private and institutional accounts

Type of portfolios:  
Fixed income, Equities, Global

**Custom-made portfolios based on the risk profile and time horizon of our clients**

Tailor-made investment solutions

Personalized advisory services based on investor profiling

# Trading

Equities

Provide trading access to the global markets and excellence in execution

## Transactions in Greek and International markets

Access to global investment opportunities in equities and fixed income

- Rapid and direct execution of orders in equities, ETFs, corporate bonds and derivatives listed in the Athens Stock Exchange (ATHEX)
- Investment in Greek T-bills and Greek Government Bonds.
- Fixed income, primary and secondary markets
- Access to the largest foreign stock exchanges

## Foreign derivatives

Access to largest international derivative markets

- CBOT, CFE, CME (Electronic-Globex), ICE US, NFX, NYBOT, NYMEX, NYSE, LIFFE, Eurex, LME, HKEx, etc.)
- Currency Derivatives
- Commodity Derivatives
- Index Derivatives
- CFDs – Forex

[Open an account ->](#)

# Market making

Strong track record in providing market-making services

Equities

Merit Securities has a strong track record in providing market-making services by purchasing shares on the Athens Stock Exchange by credit using cash, shares, or bonds as collateral, tangibly increasing share liquidity

Oil & Gas



Industrials and Energy



Retail



Consumer Discretionary



Telecommunications



Financing



Technology



Materials



Power



Banking



ΕΘΝΙΚΗ ΤΡΑΠΕΖΑ



ALPHA BANK



# Research

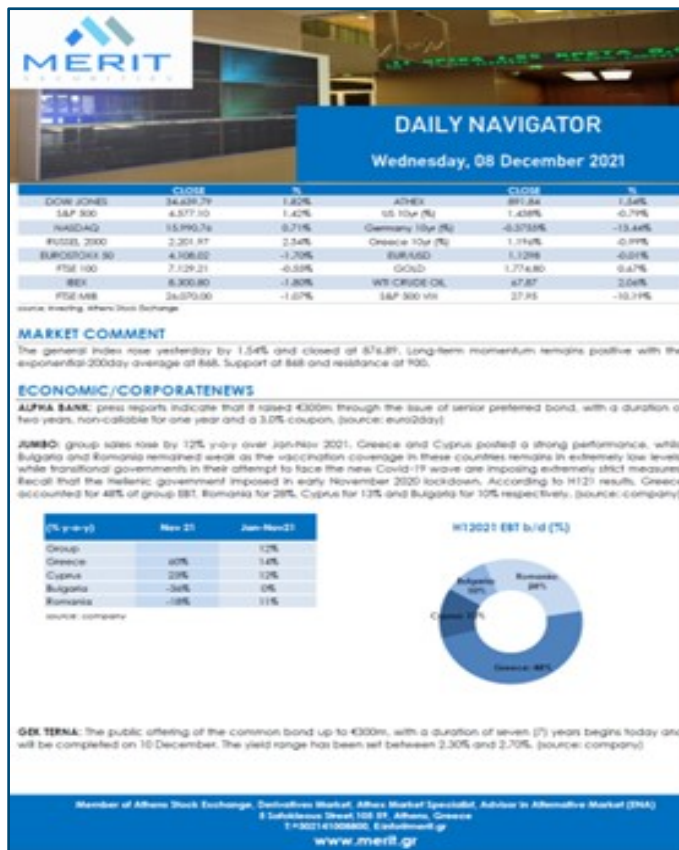
An independent perspective

Equities

Our universe comprises Greek large, mid and small Cap stocks. We focus on banks, gaming, energy, consumer cyclical, insurance, and the port sectors.

Our product portfolio encompasses a daily report, a monthly & quarterly investment strategy report as well as initiations of coverage and trading alerts

## Daily Flash News



## Monthly Investment strategy





# Research

An independent perspective

## Quarterly Investment Strategy



### GREECE

**INVESTMENT STRATEGY**  
Date: 14 October 2021

**Rating:** Buy  
**ATHEX Target Price:** 1,074  
**ATHEX Composite:** 884.11  
**Upside Potential:** 22%

Prices as of the closing on 13 October, 2021

#### The great comeback

- The verge of a new era**  
We are bullish on Greek equities after a long period of time, as the economy is recovering and valuations are attractive. Current macroeconomic data, the upgrade of sovereign debt from two rating agencies and potential upside macroeconomic catalysts support our view.
- The new government scaled down country risk**  
Country risk has been scaled down since New Democracy, the investor-friendly party, came in power in July 2019. On top of that, the recent defense agreement with France minimizes geopolitical tensions with Turkey.
- The economy is recovering**  
Real GDP rebounded strongly in Q221 (+14.2% y-o-y), leading macro indicators point to a strong H2 hitherto, tourism performed better than expectations and two rating agencies (Scope, DBRS) have upgraded the Hellenic Republic's debt rating.
- Greece on the radar of global investors again**  
2021 is a star-performing year since 2007, as listed companies have raised €6.9bn y-t-d through rights and bond issues, government raised €2.9bn from privatizations and M&A deals reached €2.6bn.
- Tailwinds**  
The total stimulus for Greece is estimated at €73.7bn over 2021-2027 and is comprised of the National Recovery and Resilience Fund (€57.0bn), ESPA grants (€22.0bn) and Agricultural policy grants (€19.0bn). On top of that, we expect Greece to be upgraded to investment grade by rating agencies and ATHEX to a developed market in the next two years.
- Headwinds**  
Downside risks are the accelerating inflation, the poor fiscal condition and global stock markets to turn bearish.
- Attractive valuations**  
The market cap of our universe stands at €45.4bn or 24.2% of GDP22E. Our universe is trading 11.0x EPS22E, 6.3x EV/EBITDA22E and offers a 3.1% gross div. yield. Consensus forecasts EPS growth of 82% in 2022E, primarily due to the return of banks to profitability.
- Bullish on cyclical stocks**  
Our best Buy ideas are OPAP, PPC and National Bank of Greece.

#### ATHEX Composite Index



#### General index data

Reuters: ASG	Bloomberg: ASE
52wk. Price range	931.94/550.11
Market Cap	€45.4bn
Avg. Daily volume	€50.0m

#### Valuation metrics


	2021E	2022E
M/Cap/GDP (%)	25.9%	24.2%
P/E (x)	12.3x	11.0x
EV/EBITDA (x)	7.8x	6.3x
Div. yield (%)	2.6%	3.1%
FCF yield (%)	1.6%	4.0%

#### ATHEX Composite Returns (%)

	3M	6M	12M
Absolute	1.7%	-1.7%	39.7%

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## Research Reports



### THESSALONIKI PORT

**INVESTMENT STRATEGY**  
Date: 18 January 2018

**Rating:** Buy  
**Target price:** €41.00  
**Last price:** €26.10  
**ATHEX composite:** 841.51

Prices as of the closing on 17 January, 2018

#### A great value stock

- New management points to a new era**  
South Europe Gateway Thessaloniki, a consortium of Deutsche Invest Equity Partners GmbH, Belterra Investments Ltd and Terminal Link SAS has acquired a 67.0% stake for €231.9m.
- One of the best investment stories in Greece**  
The company combines high growth rates, FCF generation with a rich cash position and an unleveraged balance sheet. However, it pursued a conservative dividend payout policy in the past. We expect the new management to take advantage of the rich cash position estimated at €100.0m in 2018E and to increase shareholders value via the increase of dividend payout or the distribution of a capital return. Thus, we estimate that it will increase the dividend payout to at least 50.0% over 2018E-2020E from 35.1% in 2016 as well as it could distribute a capital return of up to €5.0 per share. On top of that, it could optimize the capital structure by raising debt in order to implement the new investment program. We forecast an average dividend yield of 4.4% over 2018E-2020E vs. 2.6% in 2017E.
- Macro and trade dynamics to bolster top line growth**  
We forecast revenues CAGR of 7.9% over 2016A-2020E boosted by the container terminal (6.6% CAGR) and the conventional port activities (10.3% CAGR) on the back of positive macro and trade dynamics. We also project EBITDA CAGR of 9.2% and net profit CAGR of 11.7%.
- EGM on 25 January to elect the new BoD**  
The company has called for an EGM on 25 January where shareholders will approve the new BoD. The sale and purchase agreement will be ratified by the Parliament and the transaction is expected to be completed by Q118.
- Zero visibility on the new investment program**  
We rate the stock as medium risk, given the low visibility on the agreed investment program of €180.0m over the next seven years. Hence, our estimates do not incorporate them.
- We initiate coverage with a Buy recommendation**  
Our base case derives a target market cap of €413.1m or €41.00 per share, implying a material upside potential of 53%. On our target price, the stock is valued 8.8x the EV/EBITDA18E, almost at par with its global peers. We also take into account a red sky scenario and conclude that our DCF valuation is highly sensitive on top line growth. Our DCF model derives a target price range of €40.0 per share and €32.5 per share, depending on top line assumptions.

#### Company data

Reuters: OLTr.AT	Bloomberg: OLTH GA
52wk. Price range	€27.00 / €18.30
Market Cap	€264.1m
No. of shares	10.08m
Free float	25.73% / 667.9m
Avg. Daily volume	2,437

#### Valuation metrics

	2017E	2018E	2019E
P/E (x)	13.0x	11.3x	10.9x
EV/EBITDA (x)	5.6x	4.6x	4.1x
Div. yield (%)	2.7%	4.4%	4.6%
FCF yield (%)	7.0%	8.4%	9.0%

#### Stock returns (%)

	3M	6M	12M
Absolute	11.7%	27.3%	37.4%
Relative (ATHEX)	1.2%	22.9%	6.4%

#### Major shareholders

	South	Europe	Gateway	Thessaloniki
67.00%				
HRADF				7.27%

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## Global Mutual Funds

- Subscription/redemption in shares of mutual funds and other forms of collective investment
- Access to global fund managers through reputable investment houses
- Direct distribution agreements

## Alternative Funds

- Asset management and distribution of EU AIFs
- Managers with demonstrable expertise and a successful track record
- Consistent risk-adjusted returns achieved by a disciplined and proven investment process over many years and investment cycles



# Additional Services

Other Services

- Custody services (Athens CSD, AKJ-Morgan Stanley, Piraeus Bank, Eurobank)
- Bookkeeping - safekeeping of assets
- Clearing and Settlements Services
- Cash management
- Corporate actions intermediation
- Tax advisory services
- Investor relations

# Investor relations

We offer investor relations services tailored to your needs to maximize stakeholder engagement

We believe efficient investor communication is the first step to establish investor credibility and awareness. We support our clients in their investor relations needs and in the execution of various IR activities

- Investor targeting and share register optimization
- Earnings results announcements, presentations and webcasts
- Capital market days
- Analyst communication
- ESG strategy and integration
- Annual reports
- Roadshows
- Peer group reports and sector analysis

# Strategic Priorities for 2024

Focus on building and expanding our **investment banking** services to capture market share and increase trends

- Target new clients for M&A activities, debt financing and restructuring
- Leverage existing ones
- Target growth sectors

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Invest in increasing our **asset management** by providing bespoke portfolio management to both institutional and retail clients and continue investing in people and infrastructure

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Expand our **foreign institutional clients** by leveraging research, execution, and competitive pricing

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Enrich our **research** offering by introducing monthly insights and increase of full coverage

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Continue to invest in **people** as a key driver of the business and to retain talent by providing the right training and incentives

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Invest in **technology** and systems to optimize **efficiency**

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Deliver **returns** by building on our investment banking business underpinned by our **values**

# Executive Board

Our Board is comprised by executive members with significant capital markets experience and expertise



## **Nikolaos Petropoulakis | Executive Chairman**

An experienced professional with more than 26 years in the industry. He has served as a Managing Director in one of the oldest members of the Athens Stock Exchange, Petropoulakis Securities S.A., founded in 1882. He is now the Executive Chairman of Merit Securities AEPEY, which merged with Midas Securities and Petropoulakis Securities in 2017.

Currently, he is an executive Director at the Guarantee Fund, a member of the BoD of the Banking Ombudsman and has been an elected member of the BoD of the Association of Members of the Athens Exchanges from 2014 to 2020. He also holds the position of BoD Chairman in the software development company Compro S.A.

Expanding his business activities and continuing the family tradition, he is active in the field of agricultural production, and produces the organic olive oil "Rachi of Mani - Nikos Petropoulakis Olive Groves since 1690".

He holds a professional qualification as an Investment Advisor.



## **Leonidas Papakonstantinou | Vice Chairman & CEO**

A professional with 20+ years of experience in the financial services sector, having served as a stock broker since 1999 and an executive member of the BoD in brokerage firms since 2009. He has previously attained the position of an Audit Committee member in the Association of Members of the Athens Exchanges.

He is an active and long experienced entrepreneur and BoD executive in other industries too, such as currency exchange services, software development and real estate.

He is a graduate of the National University of Athens, holding a B.A. in Economics and is also a certified Asset Manager.



## **Athanasios Vlachopoulos | Vice Chairman & CEO**

An executive professional of the industry, with 25+ years of experience in a variety of major brokerage firms. He holds executive BoD positions in Merit since 2011 onwards. He has been a member of the BoD of the Association of Members of the Athens Exchanges and a member of the compensation committee of the Guarantee Fund.

Being active in the maritime industry as well, Mr. Vlachopoulos, is a licensed Shipping Agent for more than 21 years.

He holds a B.A. in Financial Economics, an MSc in Finance and a professional qualification as an Investment Advisor.

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