

Bucharest Stock Exchange

Local Indices	Last close	Day %	YTD %	YoY %
BET	7,556.53	0.3%	2.3%	-6.3%
BET-FI	34,615.91	0.4%	-0.1%	-15.2%
BET-NG	649.70	-0.2%	7.7%	-4.8%
BET-BK	1,498.75	0.2%	2.7%	-12.6%
BET-XT	697.75	0.2%	2.5%	-8.6%
BET-Plus	1,131.70	0.3%	2.0%	-6.4%
ROTX ¹	15,737.73	0.3%	2.6%	-5.0%

Market Digest - BSE	Daily	30D avg	YTD avg
Turnover (in RONm)	45.7	50.1	51.9
Turnover (in EURm*)	9.6	10.5	10.9
Volume	54.6	37.4	38.2
Total market cap (in RON bn)	151.4	146.1	146.5
Total market cap (in EUR bn*)	31.9	30.8	30.9

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

Market Valuation Data (BET)	FY16A	FY17A	FY18E
P/E (x)	10.3	7.6	7.3
EV/EBITDA (x)	3.1	3.8	3.4
P/BV (x)	0.8	0.9	0.9
Div. Yield	7.4%	8.6%	10.0%

World Markets

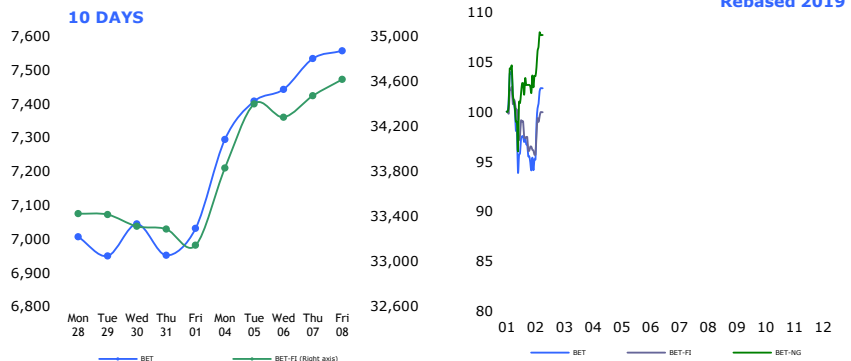
Main Indices	Last close	Day %	YTD %	YoY %
DJ Industrial	25,106.33	-0.3%	7.6%	5.2%
S&P 500	2,707.88	0.1%	8.0%	4.9%
Nasdaq	7,298.20	0.1%	10.0%	7.7%
FTSE 100	7,071.18	-0.3%	5.1%	-1.4%
DAX 30	10,906.78	-1.0%	3.3%	-11.0%
CAC 40	4,961.64	-0.5%	4.9%	-3.7%
PX - Czech Rep.	1,046.82	-1.3%	6.1%	-6.3%
MICEX - Russia	2,285.53	0.0%	0.0%	2.6%
SOFIX	575.17	0.7%	-3.2%	-17.7%
ISE (XU100) - Turkey	102,451.70	-0.3%	12.3%	-10.3%
WSE - Poland	60,280.51	-0.2%	4.5%	-3.7%
Nikkei 225 (Japan)	20,333.17	-2.0%	1.6%	-7.1%
Hang Seng	27,946.32	-0.2%	8.1%	-8.2%

FX/Commodities/Rates

EUR/RON	4.75	Libor (12M)	-0.2%
USD/RON	4.19	ROBID (ON)	3.4%
EUR/USD	1.13	ROBID (1M)	3.3%
Brent (\$/bbl - dated)	61.86	ROBOR (ON)	3.4%
Gold (\$/oz)	1,314.85	ROBOR (1M)	3.3%
Euribor (1M)	-0.37%	NBR rate	2.5%
Euribor (12M)	-0.11%	CPI (YoY) 12/2018	3.3%
Libor (1M)	-0.42%	GDP Q3'2018	4.2%

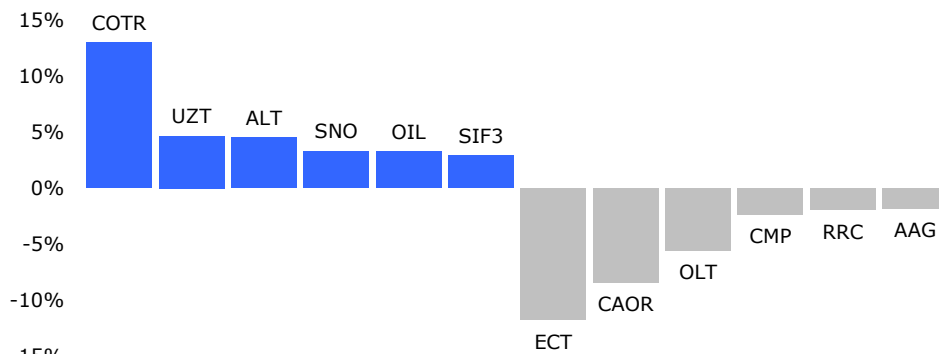
Corporate & Economic Events

11-February	Monthly average earnings
11-February	Foreign trade (estimated data)
12-February	Energy resources data
12-February	Industry turnover
12-February	Industrial new orders
13-February	Industrial production
13-February	Consumer Price Index
13-February	Balance of payments
14-February	Q4 17(E) GDP Data
14-February	BVB FY 18 Preliminary Results
14-February	DIGI FY 18 Preliminary Results
15-February	SNG FY 18 Preliminary Results
15-February	FP FY 18 Preliminary Results
15-February	TEL FY 18 Preliminary Results
15-February	TGN FY 18 Preliminary Results
15-February	WINE FY 18 Preliminary Results



Market comment

BET up 0.3% on EUR 9.6m turnover.



Most Traded	Turnover	Day %
TLV	17,161,870	1.6%
SNP	12,256,660	-0.7%
TEL	5,606,089	1.0%
SNG	3,554,892	-0.2%
FP	3,321,923	0.9%
BRD	738,715	-0.5%
SNN	619,347	-0.3%
SIF1	500,451	1.4%
TGN	452,164	-0.3%
COTE	192,996	0.0%

Best 6 performers	Turnover	Day %
COTR	805	13.0%
UZT	9,677	4.7%
ALT	13,253	4.5%
SNO	7,974	3.3%
OIL	4,156	3.2%
SIF3	140,694	2.9%

Worst 6 performers	Turnover	Day %
ECT	185	-11.8%
CAOR	392	-8.5%
OLT	176,006	-5.6%
CMP	27,445	-2.4%
RRC	9,559	-2.0%
AAG	8,580	-1.8%

* turnover includes deal trades

*as per Bloomberg data

Stock	BSE Ticker	Last price	Mkt Cap (m RON)	Mkt Cap (m EUR)	Volume (000)	30D Volume (000)	Day %	Weekly %	YTD %	YoY %	P/E (17A)	P/E (18E)	P/BV (17A)	P/BV (18E)	EV/EBITDA (17A)	EV/EBITDA (18E)
OMV PETROM	SNP	0.34	19,174.0	4,038.5	36,151.2	9,600.6	-0.7%	2.6%	13.2%	15.7%	6.5	6.8	0.6	0.6	2.0	2.1
BRD	BRD	11.82	8,237.4	1,735.0	62.3	743.9	-0.5%	17.0%	3.7%	-11.4%	6.4	5.6	1.2	1.1	n/a	n/a
BANCA TRANSILVANIA	TLV	1.92	9,245.0	1,947.2	8,991.5	12,714.1	1.6%	18.5%	-4.2%	-5.8%	7.5	7.8	1.3	1.4	n/a	n/a
TRANSGAZ	TGN	327.00	3,850.0	810.9	1.4	2.5	-0.3%	-1.5%	3.5%	-19.1%	7.8	6.4	1.2	1.0	4.0	3.1
TRANSELECTRICA	TEL	20.50	1,502.7	316.5	273.5	19.7	1.0%	5.1%	-4.7%	-19.3%	78.8	69.0	0.7	0.6	4.6	4.0
ROMGAZ	SNG	30.45	11,736.1	2,471.9	116.7	97.9	-0.2%	8.0%	9.5%	-7.7%	6.5	5.8	1.3	1.2	3.3	2.8
NUCLEARELECTRICA	SNN	8.60	2,593.0	546.2	72.2	89.4	-0.3%	8.3%	5.4%	7.4%	7.1	8.1	0.3	0.3	1.7	2.1
BVB	BVB	23.70	190.8	40.2	3.7	1.2	0.0%	5.8%	12.9%	-15.4%	15.6	11.9	1.9	1.5	n/a	n/a
ELECTRICA	EL	10.08	3,487.1	734.5	7.2	143.1	0.8%	5.0%	3.9%	-15.3%	30.6	26.3	0.7	0.6	4.7	3.8
CONPET	COTE	79.00	683.9	144.1	2.4	2.2	0.0%	0.0%	1.7%	-31.5%	11.6	9.0	1.3	1.0	4.5	3.1
MEDLIFE	M	27.00	597.9	125.9	0.5	5.1	1.1%	0.4%	0.7%	-18.2%	172.3	135.4	5.0	3.9	12.7	10.6
DIGI	DIGI	28.10	2,810.0	591.9	6.0	25.8	0.4%	5.8%	9.8%	-22.2%	14.3	9.6	6.0	4.0	6.4	5.3
SPHERA	SFG	20.70	803.1	169.2	0.3	25.4	0.0%	1.5%	4.8%	n/a	50.4	24.5	15.1	7.3	31.5	15.4
PURCARI WINERIES	WINE	17.50	350.0	73.7	0.1	6.0	0.0%	0.9%	n/a	n/a	n/a	13.0	n/a	3.4	n/a	9.1
FONDUL PROPRIETATEA	FP	0.83	6,063.3	1,277.1	4,012.7	5,017.8	0.9%	3.5%	-6.0%	-7.3%	5.8	5.0	0.7	0.6	n/a	n/a
SIF OLTENIA	SIF5	2.09	1,209.6	254.8	80.7	619.6	-0.7%	1.7%	0.0%	-10.9%	17.0	16.3	0.8	0.8	n/a	n/a
SIF MOLDOVA	SIF2	1.17	1,159.6	244.2	44.9	88.7	-0.5%	1.7%	-3.1%	-20.4%	8.5	7.3	0.8	0.7	n/a	n/a
SIF TRANSILVANIA	SIF3	0.23	496.3	104.5	615.9	1,066.5	2.9%	4.3%	6.7%	-4.4%	8.3	7.2	0.5	0.5	n/a	n/a
SIF BANAT CRISANA	SIF1	2.23	1,153.9	243.0	232.5	380.3	1.4%	11.8%	9.3%	-21.5%	20.6	15.2	0.6	0.5	n/a	n/a
SIF MUNTENIA	SIF4	0.62	497.1	104.7	39.9	2,502.9	-0.6%	5.5%	3.0%	-34.0%	15.5	9.5	0.7	0.4	n/a	n/a

Top News and Headlines

2019 draft budget: was sent to the Parliament, with final vote expected on Friday, 15 February – zf.ro

Ro banks, Ro energy: Minister of Finance Eugen Teodorovici stated that an amendment of EGO 114 based on reasonable arguments was not excluded – PM Counsellor Darius Valcov later said that the new taxes would not be eliminated, but there would be some amendments to EGO 114, especially in the energy sector – profit.ro, hotnews.ro

SIF OLTENIA (SIF5 RO): allocation ratio in the tender offer for 19.6m SIF5 shares (3.38% of share capital) at a price of RON 2.5/share was 0.0756237976 – bvb.ro

ROMGAZ (SNG RO): according to a draft order published for consultations, ANRE intends to set the regulated rate of return for natural gas storage activities at 5%, allowing, nevertheless, a higher realised rate of return up to a 10% threshold, in order to stimulate an increase in efficiency – profit.ro

DIGI COMMUNICATIONS (DIGI RO): additional 5% senior secured notes due 2023 with total face value of EUR 200m were issued at a 4.578% YTM – expected to settle on 12 February – proceeds will be used to partially reimburse bank syndicated loans - 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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