

Serbian Capital Market



Legal frame of listed companies

Belgrade Stock Market is still the market in transition, where only the companies that went through privatization process are being listed.

✓ **Law on Ownership Transformation**

✓ **Law on Privatization**

✓ **Law on the Right to Free Shares**

Market Characteristics

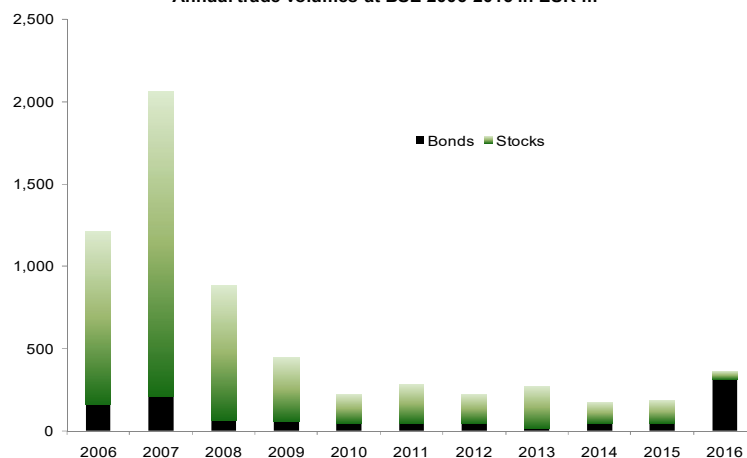
- ✓ **High ownership concentration**
- ✓ **Low liquidity**
- ✓ **Attractive fundamentals**
- ✓ **IPO still not introduced**

2016 Overview

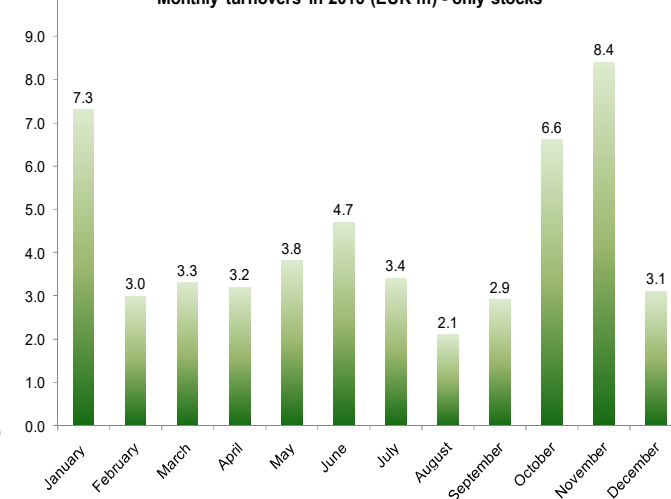
Brief Market Overview

- The year 2016 brought EUR 361m in total trade volume, which is the highest amount since 2009, with only EUR 52,5m generated from stocks.
- Lack of attractive growth profiles among domestic blue chips, delisting of Imlek, TOB of AIK Banka and still relatively attractive yield for government notes (given the risk profile), are among reasons for dramatic drop in trade volume in case of stocks.
- After initial drop in January 2016, both BELEX15 and BELEXline established an uptrend by the end of the year, thus annual change was plus 11.4% and 13.7%, respectively. However, most of annual jump was seen in 4Q, with Energoprojekt (ENHL), NIS (NIIS) and Tehnogas (TGAS) among top gainers.

Annual trade volumes at BSE 2006-2016 in EUR m



Monthly turnovers in 2016 (EUR m) - only stocks



Belex15 Overview

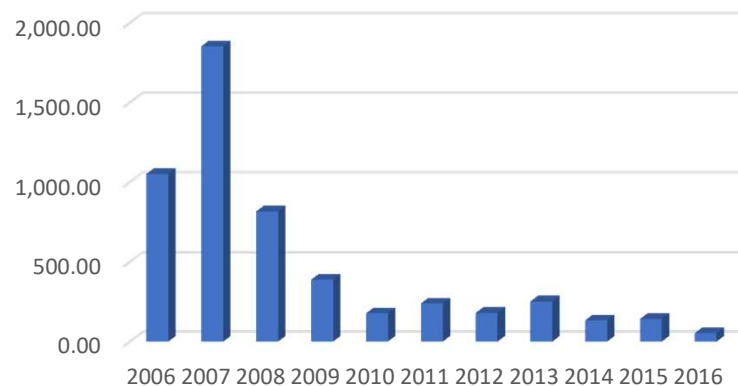
- Belex15 was introduced on October 1st, 2005
- Base value at 1,000 points
- Now the index consists of 11 companies
- History high at 3,335.2 points (May 2007)
- History low at 347.46 points (March 2009)

Belex15 index	
mcap (EUR m)	1,906.79
free float (EUR m)	386.61
P/E*	15.61
P/B	0.65
div. yield	3.75%
* without KMBN P/E = 9.63	

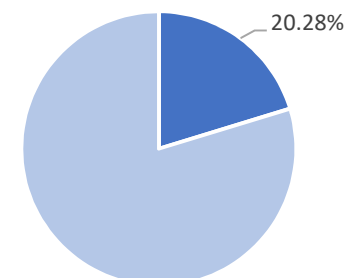
Company	Ticker	Sector	Mcap (EURm)	Weight
NIS a.d. Novi Sad	NIIS	oil and gas	974.26	20.00%
Aerodrom Nikola Tesla a.d. Beograd	AERO	airport operator	359.36	17.28%
Energoprojekt holding a.d. Beograd	ENHL	construction	132.66	16.44%
Komercijalna banka a.d. Beograd	KMBN	banking	101.28	15.15%
Galenika Fitofarmacija a.d. Zemun	FITO	agricultural chemicals	57.62	8.27%
Metalac a.d. Gornji Milanovac	MTLC	holding company	29.65	6.85%
Messer Tehnogas a.d. Beograd	TGAS	industrial gas	101.28	5.45%
Alfa plam a.d. Vranje	ALFA	household appliances	49.40	3.89%
Sojaprotein a.d. Bečej	SJPT	food processing	64.94	3.51%
Jedinstvo a.d. Sevojno	JESV	construction	11.07	2.02%
Impol Seval a.d. Sevojno	IMPL	aluminium production	25.27	1.14%

Belex15 Overview

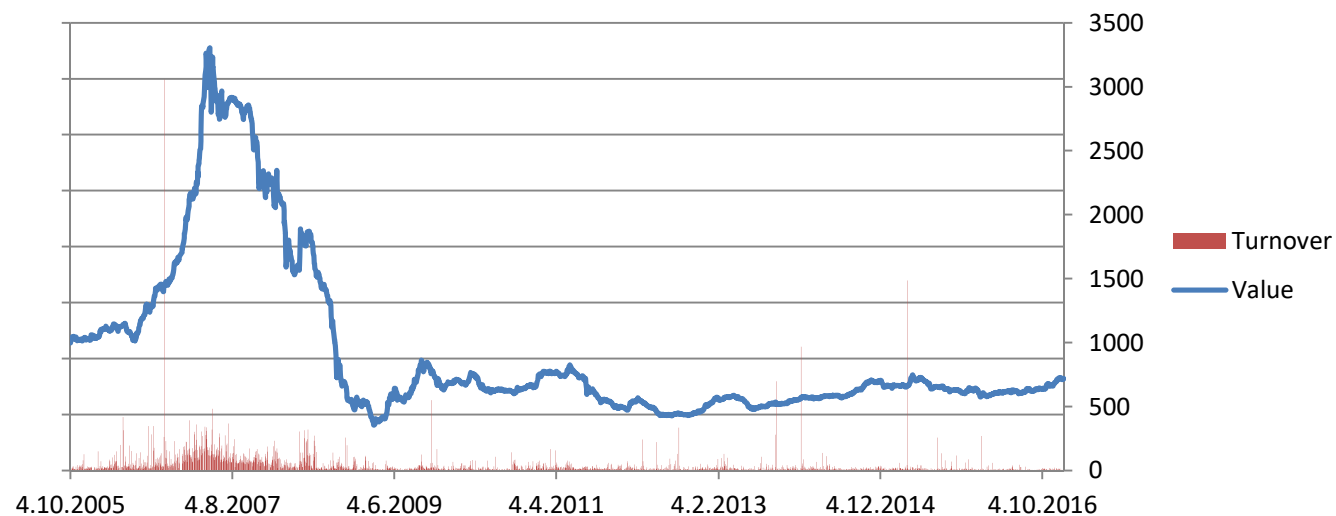
Stock turnover at BSE (in EURm)



Belex15 free float



Belex 15 Index





Petroleum Industry of Serbia (NIIS)

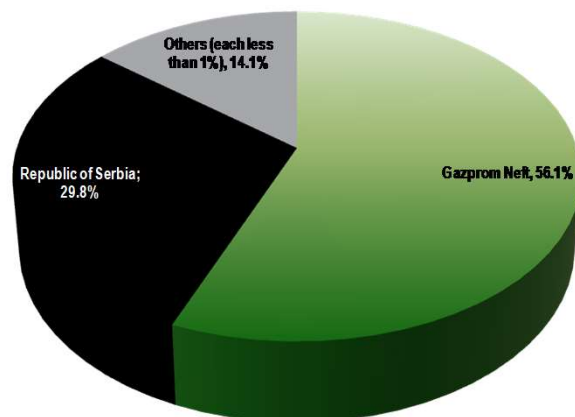
Petroleum Industry of Serbia - NIS

Bloomberg Symbol	NIIS SG
Mkt. Capitalization EUR m	975
Free Float	13.9%
Avg. Daily Volume EUR	28,260
Annual Price Change	23.3%

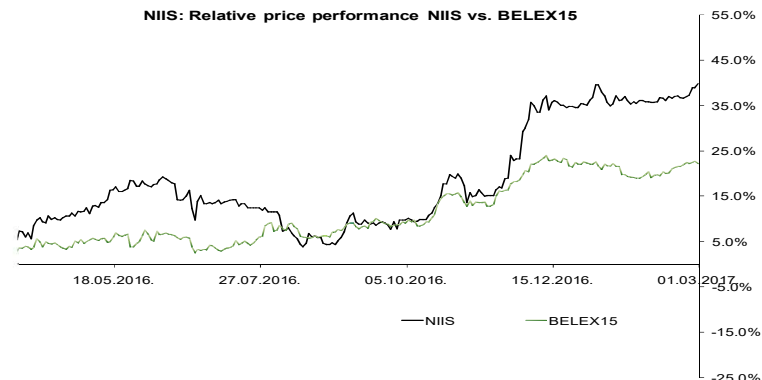
Stock price drivers in 2017:

- Crude oil price
- USD/RSD rate
- Petrohemija case
- Progress at alternative energy projects
- Cost saving measures
- CAPEX – production level

NIIS: Shareholders structure



NIIS: Relative price performance NIIS vs. BELEX15



FY/e 31.12 (RSD m)	2014	2015	2016
Sales	258,318.70	210,678.60	192,092.30
EBITDA	63,400.00	46,454.80	39,800.00
Net result	27,748.10	14,607.70	15,013.40
P/E (x)	3.2	6	8.3
P/B (x)	0.5	0.5	0.6
P/S (x)	0.5	0.5	0.6
Yield	7.00%	3.80%	3.00%

Energoprojekt Holding (ENHL)

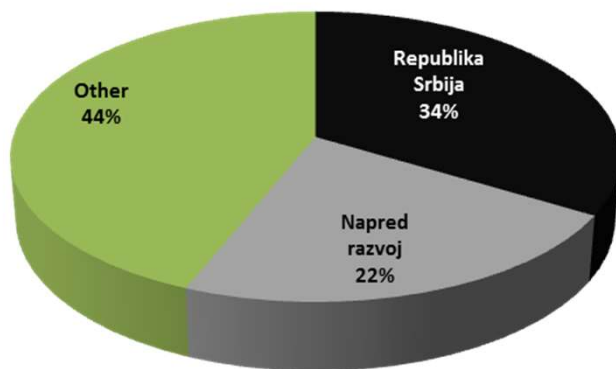
Energoprojekt Holding

Bloomberg Symbol	ENHL SG
Mkt. Capitalization EUR m	133
Free Float	45.9%
Avg. Daily Volume EUR	26,447
Annual Price Change	38%

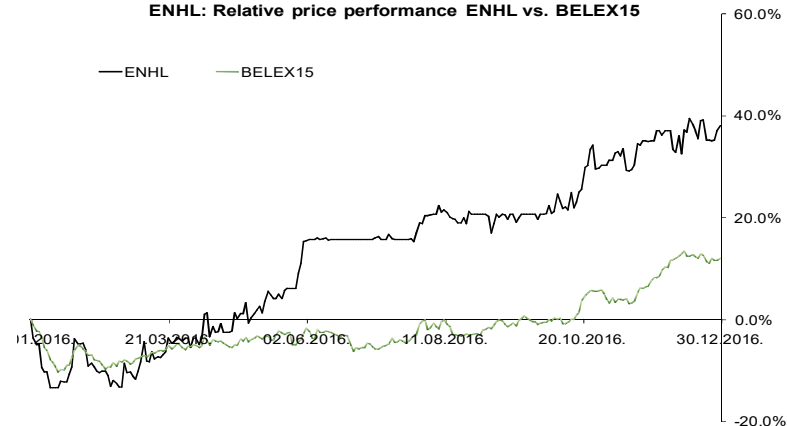
Stock price drivers in 2017:

- FY 2016 and 1H 2017 reports
- Size of new contracts
- Cash dividend
- USD/RSD rate
- Possible TOB

ENHL: Shareholders structure



ENHL: Relative price performance ENHL vs. BELEX15



FY/e 31.12 (RSD m)	2014	2015	2016F
Sales	33,613.6	34,958.2	35,000.0
EBITDA	1,735.7	1,698.7	1,500.0
Net result	1,029.0	806.4	927.1
P/E (x)	15.2	19.3	17.7
P/B (x)	0.9	0.8	0.8
P/S (x)	0.5	0.4	0.5
Yield	1.7%	1.7%	1.3%

Serbian Market Potential

- ✓ **Private sector companies IPO**
- ✓ **Listing of strategic Serbian companies (Telekom, Elektroprivreda Srbije)**
- ✓ **Retail savings**
- ✓ **Further development of Pension format– Pillar 3**



Contact

Thank you for your attention!

Stanislava Petkovic
stasha@wisebroker.rs

BDD Wise broker ad Belgrade
Takovska 23-25
+381 11 3330 524