

ELECTRICITY DISTRIBUTION NETWORK COMPANIES IN SLOVENIA

October 2018

ALTA INVEST

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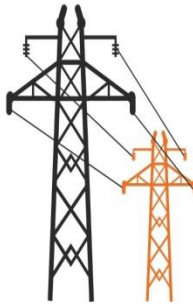
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INDUSTRY

SLOVENE ELECTRICITY BALANCE in GWh

Production	Distribution	Consumption
Nuclear (1/2 SLO): 2,983		Direct users of transmission system: 182
Nuclear (1/2 HRV): 2,983		Export of Nuclear (1/2 HRV): 2,983
Thermal: 3,918		Export: 6,575
Hydro: 3,453		Pumping Hydro (ČE Avče): 365
Pumping Hydro (ČE Avče): 271		Losses on transmission system: 378
Cogeneration: 344		Elektro Ljubljana: 4,194
Import: 9,133	Elektro Maribor: 2,051	1-35-kV: 5,312
	Elektro Celje: 1,923	Other on 0.4 kV: 3,998
	Elektro Primorska: 1,556	Households: 3,327
	Elektro Gorenjska: 978	
	Closed systems: 1,900	
Production on distribution system: 975		Losses on distribution system: 501
Production on closed distribution systems: 57		Losses on closed distribution systems: 14

INDUSTRY

ELECTRICITY DISTRIBUTION GRID

COMPANY TEASERS:

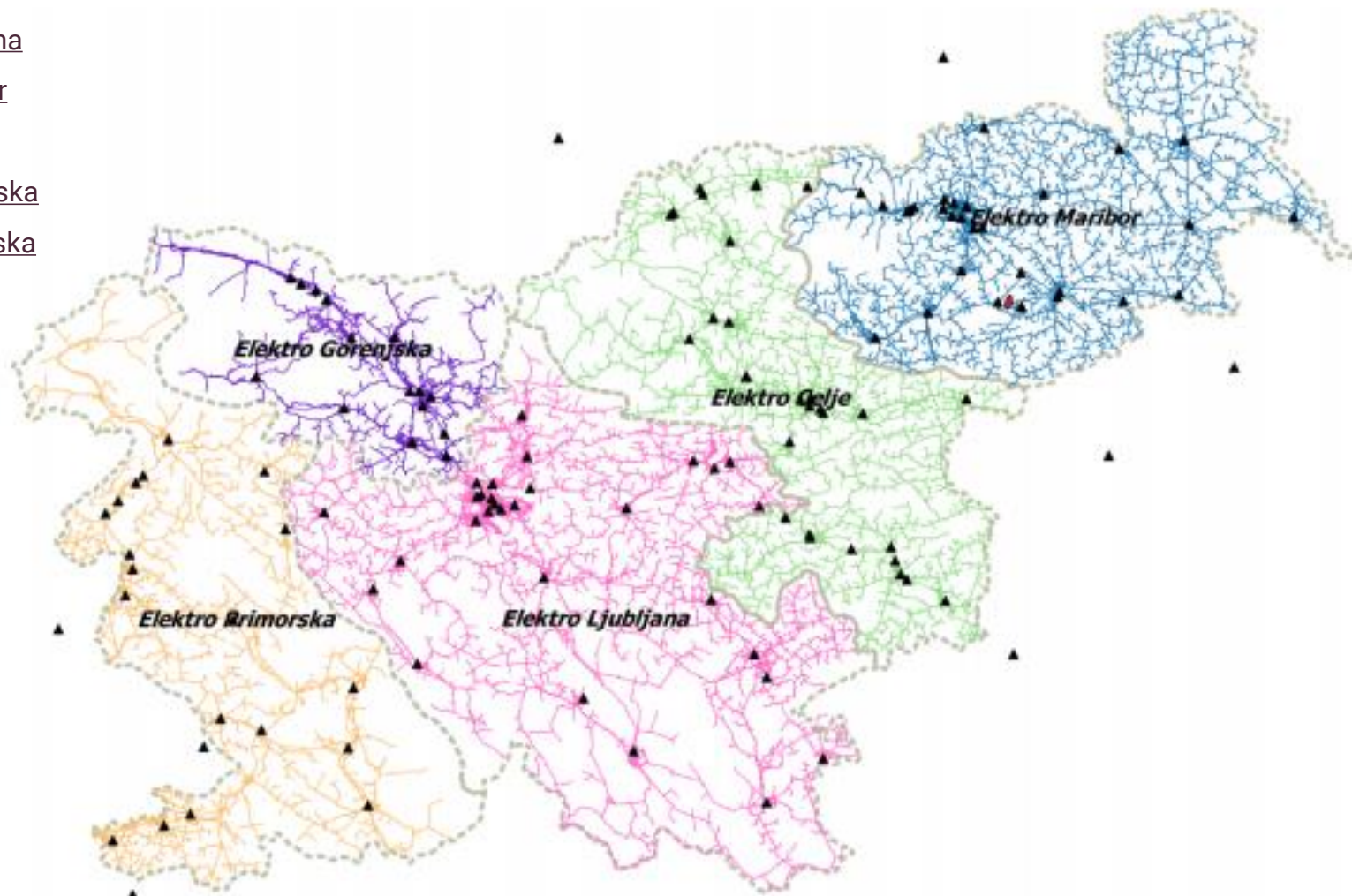
[Elektro Ljubljana](#)

[Elektro Maribor](#)

[Elektro Celje](#)

[Elektro Primorska](#)

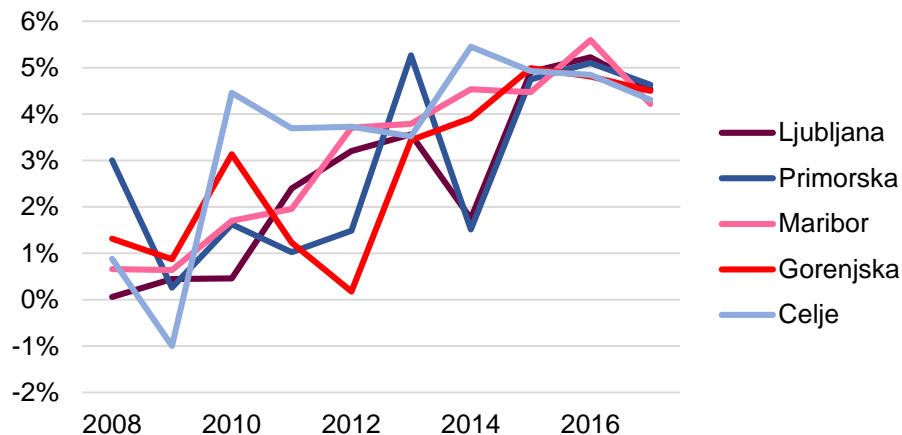
[Elektro Gorenjska](#)



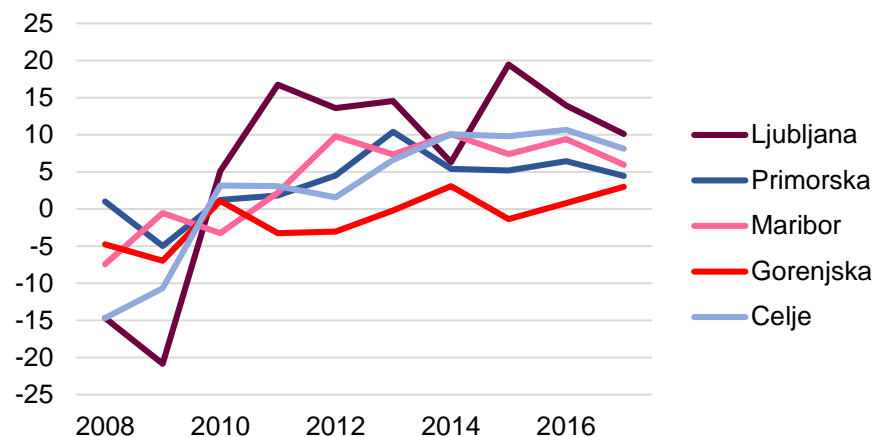
INDUSTRY

DISTRIBUTION COMPANIES DYNAMIC AND COMPARISON

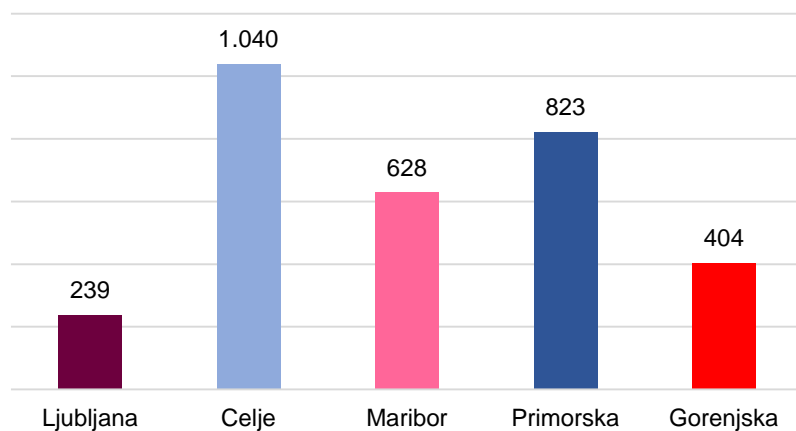
ROE in %



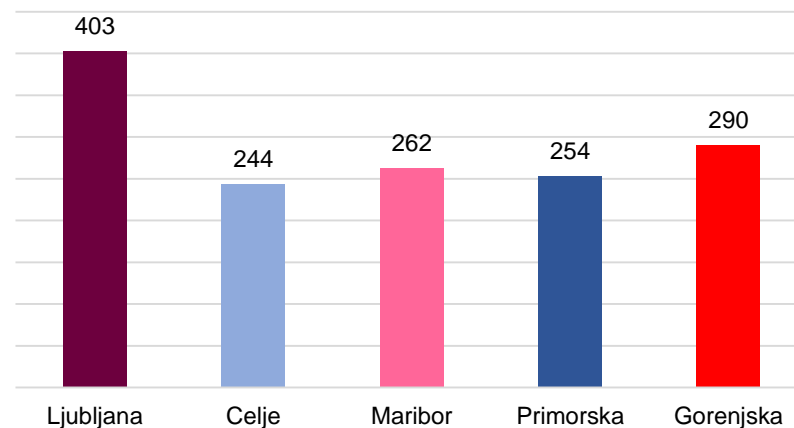
EBITDA-CAPEX



Revenue per customer



Customer per employee

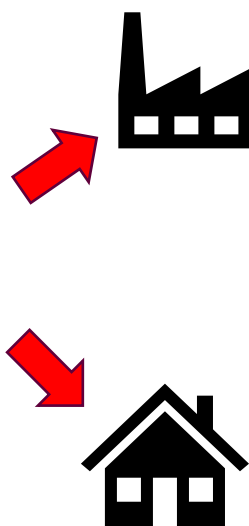


INDUSTRY

ELECTRICITY RETAIL MARKET IN SLOVENIA

Retail market 1H17	GWh	%
Gen-I	2,724	20.1%
<u>ECE (Elektro Celje)</u>	<u>2,720</u>	<u>20.0%</u>
<u>Energija Plus (Elektro Maribor)</u>	<u>1,537</u>	<u>11.3%</u>
Petrol (+ Petrol Energetika)	1,492	11.0%
<u>E3 (Elektro Primorska)</u>	<u>1,263</u>	<u>9.3%</u>
Elektro energija (Gen-I)	1,249	9.2%
Talum	1,208	8.9%
HEP	629	4.6%
Acroni	358	2.6%
Other	390	2.9%
TOTAL	13,569	100.0%

Source: The Energy Agency



Business segment 1H17	GWh	%
<u>ECE (Elektro Celje)</u>	<u>2,099</u>	<u>20.4%</u>
Gen-I	1,978	19.3%
Petrol (+ Petrol Energetika)	1,234	12.0%
Talum	1,208	11.8%
<u>Energija Plus (Elektro Maribor)</u>	<u>1,031</u>	<u>10.0%</u>
<u>E3 (Elektro Primorska)</u>	<u>746</u>	<u>7.3%</u>
Elektro energija (Gen-I)	697	6.8%
HEP	629	6.1%
Acroni	358	3.5%
Other	287	2.8%
TOTAL	10,266	100.0%

Household segment 1H17	GWh	%
Gen-I	746	22.6%
<u>ECE (Elektro Celje)</u>	<u>621</u>	<u>18.8%</u>
Elektro energija (Gen-I)	552	16.7%
<u>E3 (Elektro Primorska)</u>	<u>517</u>	<u>15.7%</u>
<u>Energija Plus (Elektro Maribor)</u>	<u>507</u>	<u>15.3%</u>
Petrol	238	7.2%
Other	124	3.7%
TOTAL	3,303	100.0%

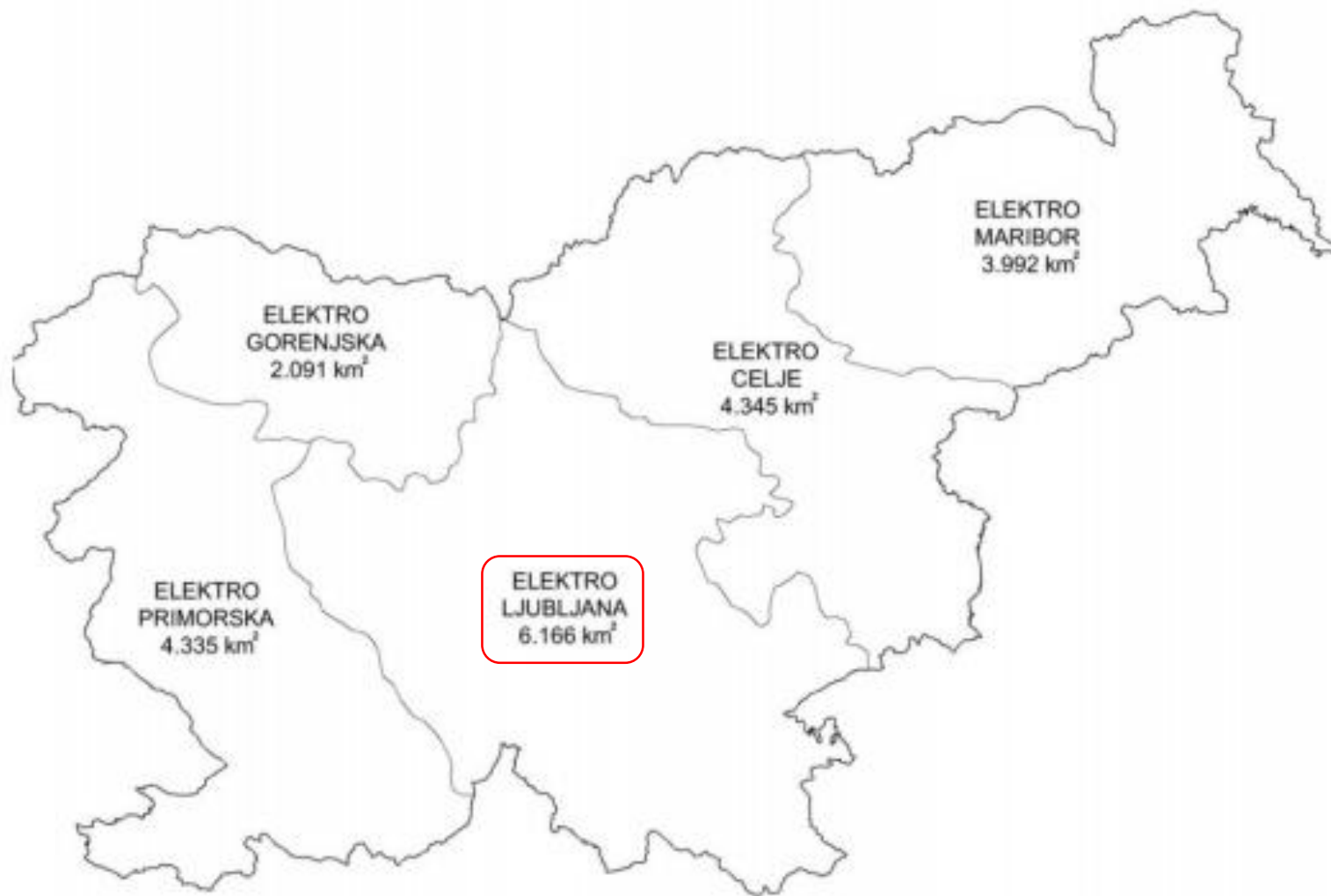
- Relatively concentrated market with HHI index at 1.281 at end of 2017.
- Please note that Elektro Energija was previously owned by Elektro Ljubljana, but divested in December 2016 to Gen-I, which now holds a majority market share.
- ECE as a joint venture of Elektro Celje and Elektro Gorenjska from October 2015 onwards.
- Market entails 107,463 business users and 842,484 of household users (on open distribution systems).
- In 2017 69,130 users changed its supplier, out of which 56,679 household users.
- Electricity split between renewable, nuclear and fossil fuel is 30%:40%:30%.

PRESENTATION OF INDIVIDUAL ELECTRICITY DISTRIBUTION COMPANIES

October 2018

TEASER

ELEKTRO LJUBLJANA



ELEKTRO LJUBLJANA

ELEKTRO LJUBLJANA

- Has the biggest distribution network in Slovenia with infrastructure providing electricity power to capital city Ljubljana and its surroundings.
- It generated EUR 14m of profit in 2017, the most vs domestic peers.
- In 2016 it merged its daughter company Elektro Energija, purchasing and selling electricity, to Gen-I. This limits historic comparability.
- As of 2017 it provided close to 28,000 free chargers to electric car users, which makes them the leading provider of charging infrastructure for electric cars in Slovenia (marketed under the brand Gremo na elektriko – Driven by Electricity). In addition it has launched first mobile application for use of charging stations.
- Through its subsidiary it owns:
 - 10 small hydro power plants with production capacity 2,5 MWh;
 - 19 solar power stations with total production capacity 750 kWh.
- SODO (Electricity Distribution System Operator) plan mentions 2.4% expected CAGR in 2016-2026 period regarding the electricity growth.

KEY DATA

Number of customers	338,525
Network size (km)	17,583
<i>high voltage</i>	310
<i>medium voltage</i>	5,675
<i>low voltage</i>	11,598
Number of transformer stations	5,511
Number of distribution transformer stations	29
Distributed Electricity (MWh)	4,187,398



Ownership Structure	ELOG
Republic of Slovenia	79.5%
Adriatic Slovenica d.d.	3.9%
Triglav Vzajemni Skladi	2.7%
G.I. Dakota Investments Limited	1.7%
KD Group d.d.	1.5%



Map of charging stations in Slovenia, Croatia and Italy



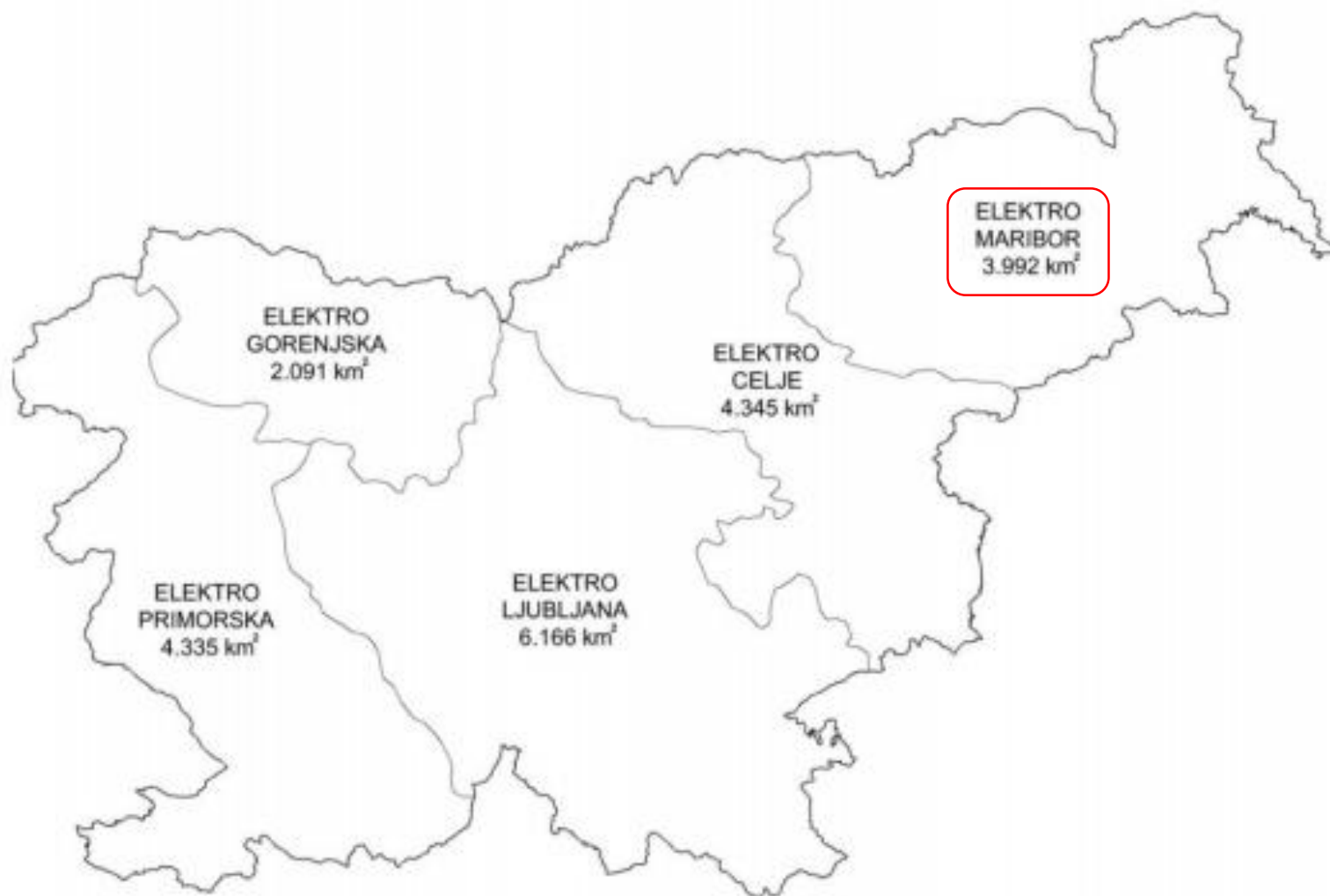
ELEKTRO LJUBLJANA

ELEKTRO LJUBLJANA IN NUMBERS

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Du-pont										
Net profit margin	0.1%	0.4%	0.4%	1.4%	1.5%	1.9%	0.9%	3.3%	7.5%	17.3%
Assets Turnover	0.59	0.59	0.56	0.87	1.09	0.98	1.07	0.84	0.45	0.17
ROA	0.0%	0.2%	0.2%	1.3%	1.7%	1.9%	1.0%	2.8%	3.4%	2.9%
Equity multiplier	1.71	1.84	1.86	1.91	1.90	1.88	1.84	1.76	1.55	1.56
ROE	0.1%	0.4%	0.5%	2.4%	3.2%	3.6%	1.7%	4.9%	5.2%	4.5%
Margins										
EBITDA margin	11.7%	9.4%	11.1%	8.7%	6.7%	7.9%	6.7%	10.9%	22.6%	53.3%
EBIT margin	2.9%	0.8%	1.7%	2.4%	1.8%	2.8%	1.7%	4.6%	9.5%	20.9%
in EURm										
Sales	263.9	282.9	271.9	448.5	569.7	518.6	561.1	438.0	211.3	80.8
Net income	0.2	1.2	1.2	6.4	8.8	10.1	5.0	14.5	15.9	14.0
EBITDA	30.8	26.7	30.2	39.0	38.0	40.9	37.8	47.6	47.7	43.0
Net debt	75.0	95.5	123.5	113.6	108.9	103.5	97.5	91.7	92.5	78.9
Equity	260.6	261.8	263.0	268.8	275.6	283.3	285.8	294.8	304.1	307.9
Assets	446.2	480.5	488.1	514.7	524.7	531.3	525.4	518.7	472.8	480.4
Debt/Equity ratio	0.29	0.37	0.47	0.46	0.43	0.40	0.37	0.35	0.31	0.28
Debt/Assets ratio	0.17	0.20	0.25	0.24	0.23	0.22	0.20	0.20	0.20	0.18
Net debt / EBITDA	2.43	3.58	4.10	2.91	2.86	2.53	2.58	1.93	1.94	1.83
CAPEX	45.5	47.5	25.0	22.3	24.4	26.4	31.5	28.1	33.7	32.9
EUR per Share										
BV per share	6.7	6.7	6.7	6.9	7.0	7.2	7.3	7.5	7.8	7.9
Dividend	0	0	0.016	0.056	0.061	0.06	0.141	0.17	0.13	0.12
Operational Data										
Headcount	1018	1028	984	964	956	955	947	942	925	841
Revenue per employee	259,264	275,175	276,333	465,247	595,900	543,013	592,477	465,019	228,396	96,020
Customers	320,639	323,997	326,520	327,689	329,622	330,971	333,264	334,697	336,417	338,525
Revenue per customer	823	873	833	1,369	1,728	1,567	1,684	1,309	628	239
Customer per employee	315	315	332	340	345	347	352	355	364	403
MWh (distribution)	4,136,255	4,036,156	4,169,039	4,115,822	4,041,483	3,892,550	3,874,370	3,971,144	4,041,483	4,187,398

TEASER

ELEKTRO MARIBOR



ELEKTRO MARIBOR

ELEKTRO MARIBOR

- Group entails daughter companies (100% ownership):
 - Energija plus d.o.o., which focuses on trading of energy products (electricity and gas). It had 11.3% market share in Slovenia in 2017 regarding electricity and with it, 3rd place. In terms of gas it had a 1.2% market share and is found on 12th place. However in 2017 gas sales exceeded 50% growth.
 - OVEN Elektro Maribor d.o.o., which produces electricity. It has 4 small hydroelectric power plants, one medium hydroelectric power plant and 18 small photovoltaic power plants with total production in 2017 amounting to 11,312 MWh.
- SODO (Electricity Distribution System Operator) plan mentions 2.2% expected CAGR in 2016-2026 period regarding the electricity growth.
- 65% of the users have advanced measuring units, while Elektro Maribor is also upgrading its underground network.



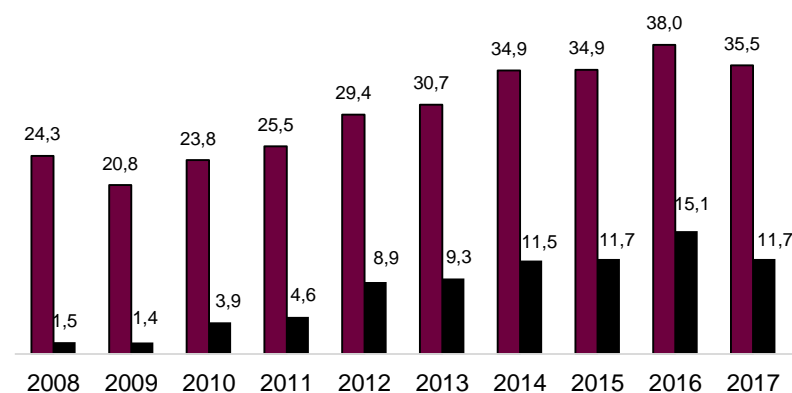
ELEKTRO MARIBOR

Ownership Structure	EMAG
Republic of Slovenia	79.5%
Pivovarna Laško Union d.o.o.	5.7%
Ampelus Holding Limited	3.3%
Kapitalska družba d.d.	1.6%
Collis plus d.o.o.	0.9%

KEY DATA

Number of customers	216,981
Network size (km)	16,497
<i>high voltage</i>	240
<i>medium voltage</i>	4,028
<i>low voltage</i>	12,229
Number of transformer stations	3,502
Number of distribution transformer stations	29
Distributed Electricity (MWh)	2,264,791

EBITDA and profit in EURm



ELEKTRO MARIBOR

ELEKTRO MARIBOR IN NUMBERS

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Du-pont										
Net profit margin	0.8%	0.8%	2.0%	2.6%	5.2%	5.9%	7.3%	7.8%	10.2%	8.6%
Assets Turnover	0.56	0.57	0.57	0.51	0.49	0.45	0.44	0.40	0.39	0.35
ROA	0.5%	0.4%	1.1%	1.3%	2.6%	2.7%	3.2%	3.2%	4.0%	3.0%
Equity multiplier	1.44	1.45	1.49	1.47	1.45	1.43	1.42	1.42	1.42	1.41
ROE	0.7%	0.6%	1.7%	2.0%	3.7%	3.8%	4.5%	4.5%	5.6%	4.2%
Margins										
EBITDA margin	13.4%	11.2%	12.4%	14.6%	17.3%	19.5%	22.2%	23.4%	25.7%	26.0%
EBIT margin	1.6%	-0.6%	1.9%	2.4%	5.0%	5.5%	8.5%	9.3%	11.4%	10.4%
in EURm										
Sales	181.3	185.0	192.6	174.6	170.3	157.3	157.0	149.2	148.0	136.3
Net income	1.5	1.4	3.9	4.6	8.9	9.3	11.5	11.7	15.1	11.7
EBITDA	24.3	20.8	23.8	25.5	29.4	30.7	34.9	34.9	38.0	35.5
Net debt	11.1	18.8	27.5	27.4	23.6	21.0	17.2	19.3	21.5	24.5
Equity	222.6	224.0	227.9	233.6	238.7	245.0	253.5	260.8	269.5	276.9
Assets	321.4	325.8	339.7	344.1	346.6	349.9	358.9	369.4	381.7	390.5
Debt/Equity ratio	0.10	0.12	0.16	0.18	0.17	0.15	0.14	0.15	0.14	0.14
Debt/Assets ratio	0.07	0.08	0.11	0.12	0.11	0.11	0.10	0.10	0.10	0.10
Net debt / EBITDA	0.46	0.91	1.15	1.07	0.80	0.68	0.49	0.55	0.57	0.69
CAPEX	31.8	21.3	27.1	23.3	19.6	23.3	24.8	27.6	28.6	29.5
EUR per Share										
BV per share	6.6	6.7	6.8	7.0	7.1	7.3	7.6	7.8	8.0	8.3
Dividend	0.03	0	0	0.036	0.11	0.09	0.14	0.18	0.12	0.13
Operational Data										
Headcount	837	821	819	821	823	830	831	842	828	827
Revenue per employee	216,583	225,353	235,171	212,664	206,889	189,539	188,974	177,252	178,727	164,866
Customers	201,297	201,935	200,761	210,434	213,425	214,052	214,441	214,441	216,292	216,981
Revenue per customer	901	916	959	830	798	735	732	696	684	628
Customer per employee	240	246	245	256	259	258	258	255	261	262
MWh (distribution)	2,164,069	2,078,193	2,164,681	2,195,801	2,164,458	2,165,579	2,133,961	2,167,003	2,208,308	2,264,791

TEASER

ELEKTRO CELJE



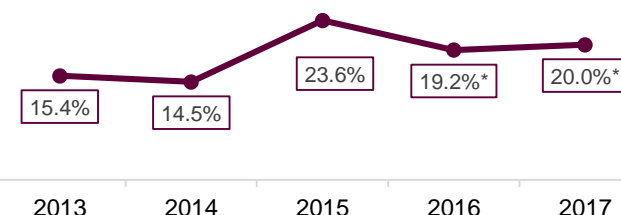
ELEKTRO CELJE

ELEKTRO CELJE D.D.

- Has distribution network covering 4.345 km², extending over 40 municipalities or 22% of Slovenian territory.
- ECE d.o.o., which is co-owned by Elektro Celje (74.3%) and Elektro Gorenjska (25.7%), is the 2nd largest electricity supplier on Slovenian retail market with 20.0% market share in 2017. It also has a 1.0% market share on retail gas market in Slovenia. ECE generated EUR 128.3m of revenues in 2017 with profit at EUR 2.0m and with equity of EUR 18.2m.
- Through 100% ownership in MHE-ELPRO d.o.o., it is the owner of:
 - 4 small hydropower plants (2017: 2,053,444 kWh);
 - 10 small photovoltaic power plants (2017: 442,650 kWh);
 - 7 charging stations for electrical cars.
 - Various cogeneration systems on office buildings in the region (2017: electricity 374, 047 kWh and heat 1,462,690 kWh).
- Strategic aim is to have return on assets above 3.3% and EBITDA margin above 42%. SODO plan mentions 2.4% expected CAGR in 2016-2026 period regarding the electricity growth.

**Elektro Celje**

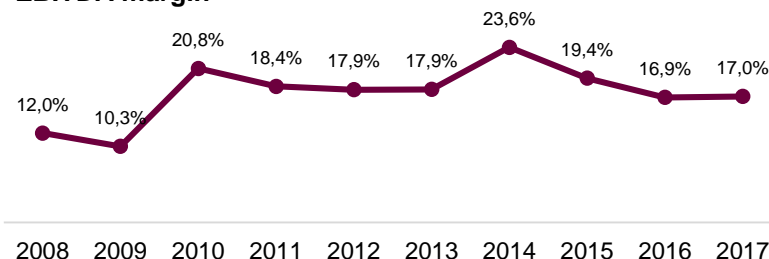
Ownership Structure	ECEG
Republic of Slovenia	79.5%
Global Broker - Diler AD - Fid	2.0%
Ampelus Holding Limited	1.9%
G.I. Dakota Investments Limited	1.8%
Collis plus d.o.o.	1.7%

ECE market share in Slovenia

* Changed methodology

KEY DATA

Number of customers	171,340
Network size (km)	17,391
<i>high voltage</i>	91
<i>medium voltage</i>	3,500
<i>low voltage</i>	13,800
Number of transformer stations	3,500
Number of distribution transformer stations	34
Distributed Electricity (MWh)	2,001,430

EBITDA margin

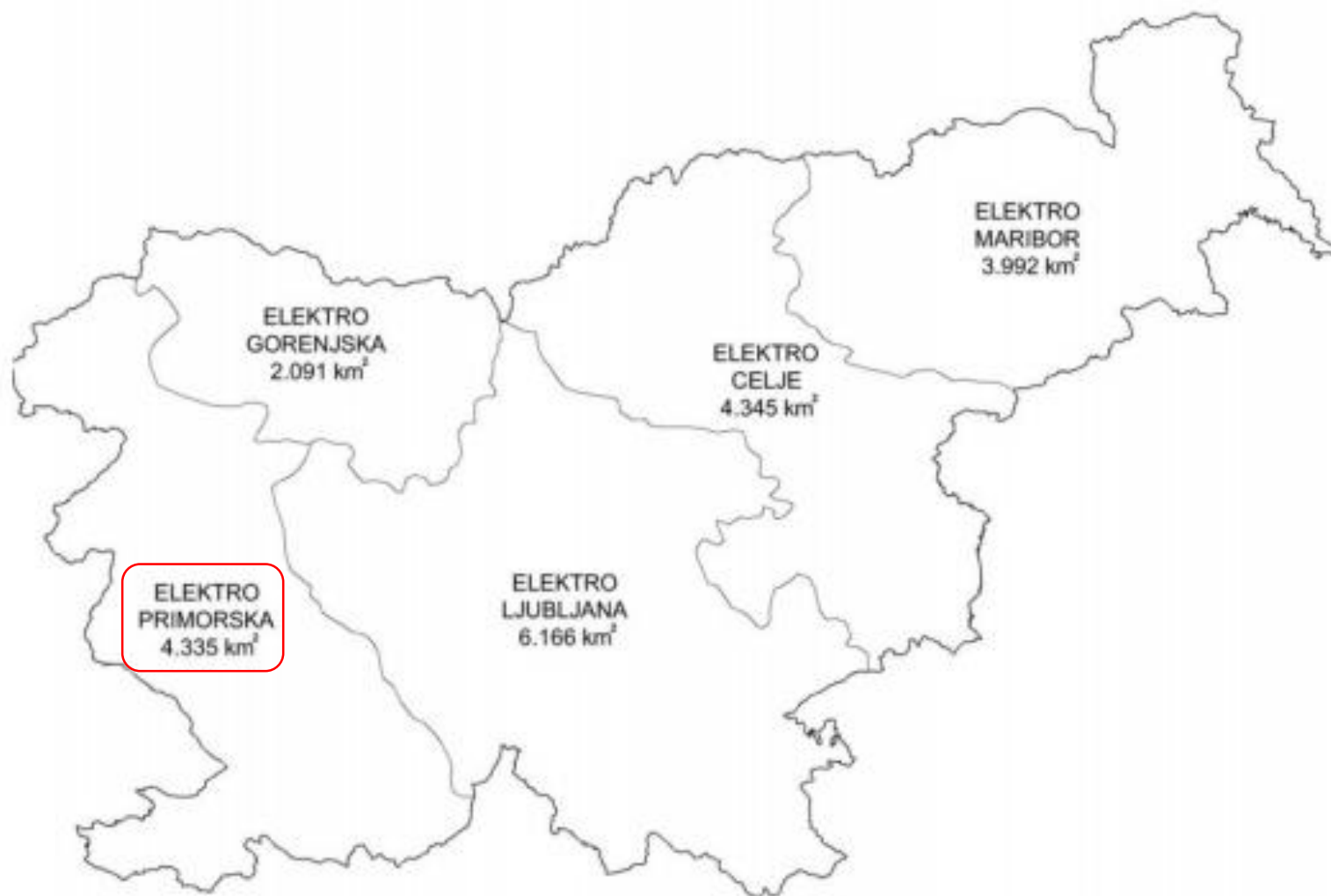
ELEKTRO CELJE

ELEKTRO CELJE IN NUMBERS

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Du-pont										
Net profit margin	1.0%	-1.1%	6.5%	4.8%	4.7%	4.2%	7.6%	6.3%	5.7%	5.2%
Assets Turnover	0.65	0.60	0.46	0.52	0.52	0.55	0.49	0.52	0.58	0.56
ROA	0.6%	-0.7%	3.0%	2.5%	2.5%	2.3%	3.8%	3.3%	3.3%	2.9%
Equity multiplier	1.42	1.51	1.50	1.48	1.50	1.51	1.45	1.50	1.47	1.48
ROE	0.9%	-1.0%	4.5%	3.7%	3.7%	3.5%	5.5%	4.9%	4.8%	4.3%
Margins										
EBITDA margin	12.0%	10.3%	20.8%	18.4%	17.9%	17.9%	23.6%	19.4%	16.9%	17.0%
EBIT margin	1.4%	-1.3%	6.5%	5.9%	5.2%	5.6%	8.8%	7.5%	6.1%	6.4%
in EURm										
Sales	158.0	151.4	122.1	139.2	145.8	156.5	140.4	162.4	182.1	178.1
Net income	1.5	-1.7	7.9	6.7	6.9	6.6	10.7	10.2	10.3	9.3
EBITDA	19.0	15.5	25.4	25.6	26.1	28.1	33.2	31.6	30.7	30.3
Net debt	18.8	29.2	32.1	34.1	39.0	43.2	41.0	45.6	42.5	36.0
Equity	170.5	168.9	176.7	180.9	185.4	188.5	196.8	207.6	213.3	215.0
Assets	242.0	254.2	265.0	268.4	277.8	283.7	285.7	312.2	314.3	318.1
Debt/Equity ratio	0.11	0.19	0.25	0.21	0.25	0.25	0.22	0.23	0.21	0.18
Debt/Assets ratio	0.08	0.13	0.17	0.14	0.17	0.17	0.15	0.15	0.14	0.13
Net debt / EBITDA	0.99	1.88	1.27	1.34	1.50	1.54	1.24	1.44	1.38	1.19
CAPEX	33.7	26.2	22.2	22.5	24.5	21.5	23.1	21.8	20.1	22.1
EUR per Share										
BV per share	7.0	7.0	7.3	7.5	7.7	7.8	8.1	8.6	8.8	8.9
Dividend	0	0	0.10	0.10	0.15	0.10	0.13	0.13	0.11	0.13
Operational Data										
Headcount	722	717	713	636	680	678	680	678	717	702
Revenue per employee	218,819	211,112	171,249	218,831	214,403	230,888	206,454	239,536	253,995	253,762
Customers	164,356	164,828	165,667	167,402	168,445	168,865	169,414	168,865	170,688	171,340
Revenue per customer	961	918	737	831	866	927	829	962	1,067	1,040
Customer per employee	228	230	232	263	248	249	249	249	238	244
MWh (distribution)	1,903,269	1,813,598	1,877,151	1,891,762	1,882,792	1,867,160	1,868,300	1,928,787	1,944,411	2,001,430

TEASER

ELEKTRO PRIMORSKA



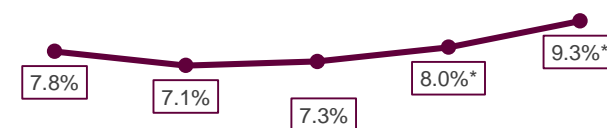
ELEKTRO PRIMORSKA

ELEKTRO PRIMORSKA D.D.

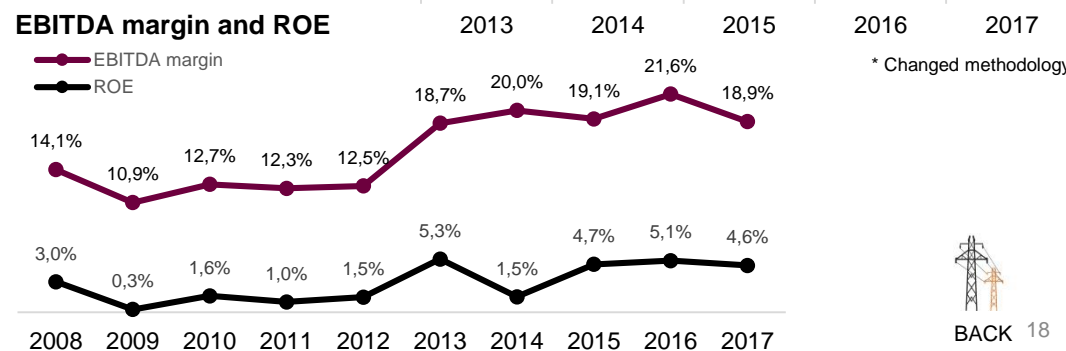
- Its distribution network passes over West Slovenia and consequently some small sales is generated also in Italy (90,019 MWh of electricity in 2017).
- E3 d.o.o., its subsidiary, trades and produces electricity.
 - Namely E3 also holds a 47.27% stake in Knešca d.o.o. a small hydro power plant located in Most na Soči.
 - In 2017 E3 produced 7,150 MWh of electricity and 14,774 MWh of heat.
 - E3 had a 9.3% retail electricity market share in Slovenia in 2017 while it achieved the most prominent YoY market share growth in 2017 vs other peers, especially regarding household users.
- SODO (Electricity Distribution System Operator) plan mentions 2.5% expected CAGR in 2016-2026 period regarding the electricity growth.
- Is involved in several e-mobility projects.



Ownership Structure	EPRG
Republic of Slovenia	79.5%
Zavarovalnica Triglav d.d.	6.0%
Hotel Mrak d.o.o.	2.7%
Kapitalska družba d.d.	2.0%
G.I. Dakota Investments Limited	1.3%

E3 market share in Slovenia**KEY DATA**

Number of customers	133,598
Network size (km)	8,264
<i>high voltage</i>	2,130
<i>medium voltage</i>	600
<i>low voltage</i>	5,534
Number of transformer stations	2,422
Number of distribution transformer stations	39
Distributed Electricity (MWh)	1,612,597

EBITDA margin and ROE

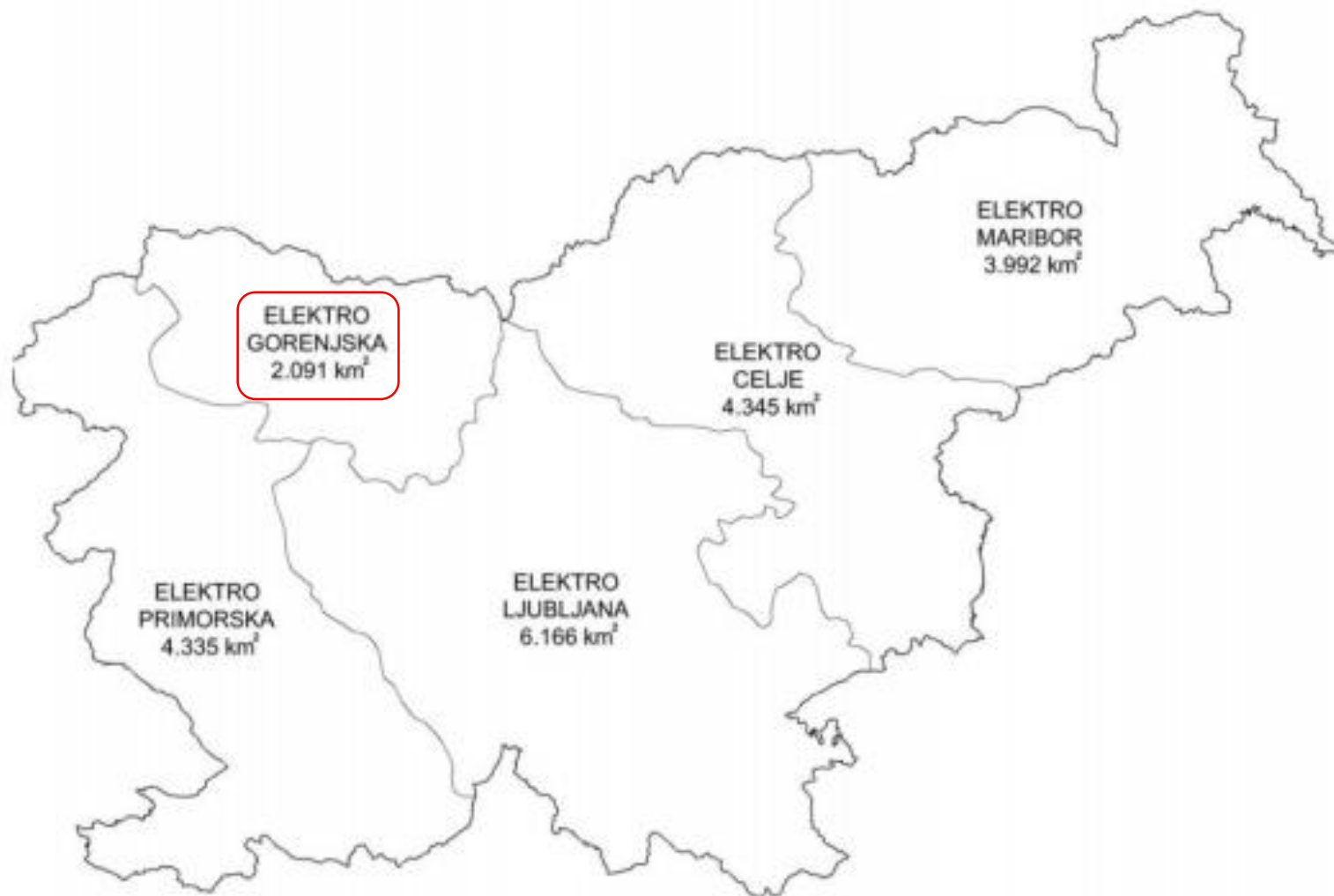
ELEKTRO PRIMORSKA

ELEKTRO PRIMORSKA IN NUMBERS

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Du-pont										
Net profit margin	3.0%	0.3%	1.8%	1.1%	1.6%	6.6%	2.4%	7.0%	7.7%	6.7%
Assets Turnover	0.65	0.59	0.58	0.58	0.59	0.52	0.44	0.46	0.46	0.48
ROA	2.0%	0.2%	1.1%	0.6%	1.0%	3.4%	1.0%	3.2%	3.5%	3.2%
Equity multiplier	1.53	1.61	1.54	1.59	1.54	1.53	1.45	1.46	1.44	1.46
ROE	3.0%	0.3%	1.6%	1.0%	1.5%	5.3%	1.5%	4.7%	5.1%	4.6%
Margins										
EBITDA margin	14.1%	10.9%	12.7%	12.3%	12.5%	18.7%	20.0%	19.1%	21.6%	18.9%
EBIT margin	5.0%	0.6%	1.6%	2.1%	2.2%	7.7%	5.7%	6.6%	9.0%	7.4%
in EURm										
Sales	134.5	124.4	117.9	125.4	123.8	114.1	92.6	100.2	102.1	109.9
Net income	4.1	0.3	2.2	1.4	2.0	7.5	2.2	7.1	7.8	7.3
EBITDA	19.0	13.5	14.9	15.4	15.5	21.4	18.5	19.2	22.1	20.8
Net debt	25.7	24.0	29.9	30.4	28.6	26.3	28.3	15.4	26.9	25.4
Equity	135.4	130.5	132.7	135.0	136.3	142.5	145.2	148.7	153.3	158.7
Assets	207.0	209.7	204.3	214.4	210.1	217.7	210.7	217.7	220.6	231.3
Debt/Equity ratio	0.21	0.22	0.23	0.24	0.21	0.23	0.20	0.14	0.20	0.20
Debt/Assets ratio	0.14	0.14	0.15	0.15	0.14	0.15	0.14	0.09	0.14	0.14
Net debt / EBITDA	1.35	1.78	2.00	1.98	1.85	1.23	1.53	0.80	1.22	1.22
CAPEX	18.0	18.5	13.7	13.6	11.0	11.0	13.1	14.0	15.6	16.3
EUR per Share										
BV per share	7.2	6.9	7.0	7.2	7.2	7.6	7.7	7.9	8.1	8.4
Dividend	0	0	0.053	0.04	0.07	0.07	0.079	0.17	0.11	0.13
Operational Data										
Headcount	510	521	515	489	470	475	477	513	518	527
Revenue per employee	263,668	238,753	228,923	256,406	263,380	240,252	194,044	195,303	197,048	208,565
Customers	124,788	127,817	129,425	130,039	130,539	131,044	131,408	132,066	132,849	133,598
Revenue per customer	1,078	973	911	964	948	871	704	759	768	823
Customer per employee	245	245	251	266	278	276	275	257	256	254
MWh (distribution)	n.a.	1,616,278	n.a.	1,620,546	1,606,393	1,570,497	1,531,516	1,510,000	1,558,825	1,612,597

TEASER

ELEKTRO GORENJSKA



ELEKTRO GORENJSKA

ELEKTRO GORENJSKA D.D.

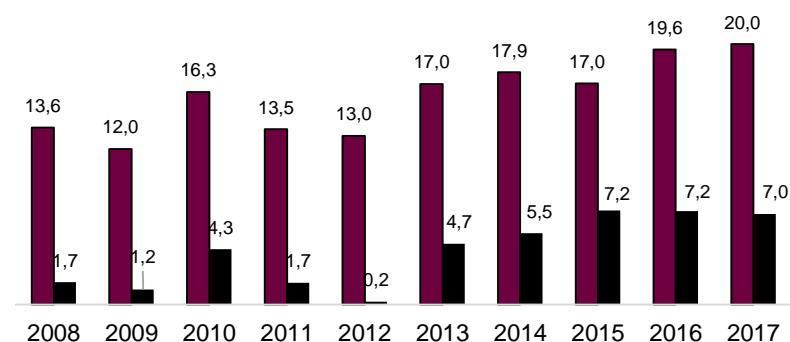
- It has a robust network located in NorthWest Slovenia. Namely underground share of network is highest in Slovenia with 73% share (medium voltage 63%, low voltage 83%) which insures reliability.
- Their aim is to have only advanced / digitalized readings from users by 2021, more than half already installed.
- The parent company has a 25.67% share in ECE, which purchases, sells and trades electricity on the Slovene market. ECE has 20.0% market share on the retail electricity market in Slovenia (2nd place).
- Its daughter company Gorenjske Elektrarne produces electricity. In 2017 it produced 52,099 MWh of electrical energy through 15 hydro power plants (majority of produced electricity), 19 solar power plants and 5 co-generation units.
- SODO (Electricity Distribution System Operator) plan mentions 2.4% expected CAGR in 2016-2026 period regarding the electricity growth.

elektro
gorenjska

Ownership Structure	EGKG
Republic of Slovenia	79.4%
Kapitalska družba d.d	2.5%
Sava RE d.d.	1.6%
Pivovarna Laško Union d.o.o.	1.6%
BAU 1 d.o.o.	1.6%

KEY DATA

Number of customers	89,361
Network size (km)	5,053
<i>high voltage</i>	106
<i>medium voltage</i>	1,630
<i>low voltage</i>	3,318
Number of transformer stations	1,376
Number of distribution transformer stations	21
Distributed Electricity (MWh)	1,103,725

EBITDA and profit in EURm

ELEKTRO GORENJSKA

ELEKTRO GORENJSKA IN NUMBERS

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Du-pont										
Net profit margin	1.8%	1.2%	4.1%	2.0%	0.3%	5.0%	6.5%	20.4%	20.4%	19.3%
Assets Turnover	0.52	0.47	0.50	0.41	0.42	0.42	0.38	0.15	0.16	0.16
ROA	0.9%	0.6%	2.1%	0.8%	0.1%	2.1%	2.5%	3.1%	3.2%	3.0%
Equity multiplier	1.44	1.49	1.50	1.49	1.54	1.61	1.56	1.60	1.48	1.50
ROE	1.3%	0.9%	3.1%	1.2%	0.2%	3.4%	3.9%	5.0%	4.8%	4.5%
Margins										
EBITDA margin	14.0%	12.8%	15.9%	16.2%	15.0%	18.3%	21.3%	48.0%	55.5%	55.4%
EBIT margin	3.1%	1.7%	5.1%	3.2%	1.6%	6.8%	8.8%	18.8%	24.3%	23.2%
in EURm										
Sales	97.1	93.6	102.9	83.3	86.8	92.6	83.9	35.4	35.3	36.1
Net income	1.7	1.2	4.3	1.7	0.2	4.7	5.5	7.2	7.2	7.0
EBITDA	13.6	12.0	16.3	13.5	13.0	17.0	17.9	17.0	19.6	20.0
Net debt	22.7	26.0	28.9	33.6	40.2	38.6	38.2	43.7	45.7	44.8
Equity	131.1	132.2	136.1	135.7	133.4	136.0	139.8	145.1	149.6	155.0
Assets	188.2	197.4	203.8	201.6	204.9	219.4	218.6	231.8	222.1	232.0
Debt/Equity ratio	0.20	0.24	0.25	0.27	0.31	0.33	0.31	0.33	0.34	0.35
Debt/Assets ratio	0.14	0.16	0.16	0.18	0.20	0.20	0.20	0.20	0.23	0.23
Net debt / EBITDA	1.67	2.17	1.77	2.49	3.10	2.28	2.14	2.57	2.33	2.24
CAPEX	18.4	18.9	15.2	16.8	16.0	17.2	14.8	18.3	18.8	17.0
EUR per Share										
BV per share	7.6	7.6	7.9	7.8	7.7	7.9	8.1	8.4	8.7	9.0
Dividend	0	0	0.07	0.08	0.08	0.08	0.12	0.166	0.12	0.14
Operational Data										
Headcount	354	356	347	333	334	338	342	309	307	308
Revenue per employee	274,189	262,948	296,417	250,204	259,753	274,009	245,325	114,579	115,059	117,223
Customers	85,279	86,128	86,874	87,727	88,205	83,101	88,347	88,610	88,911	89,361
Revenue per customer	1,138	1,087	1,184	950	984	1,114	950	400	397	404
Customer per employee	241	242	250	263	264	246	258	287	290	290
MWh (distribution)	1,027,741	952,021	999,114	1,002,762	982,417	992,370	1,000,918	1,042,193	1,068,347	1,103,725

INDUSTRY VALUATION DATA

August 2018

INDUSTRY VALUATIONS

PEER GROUP

PEER GROUP:

- Romande Energie Holding SA
- Iren SpA
- ELMU NyRt
- EMASZ Rt
- Electricite de Strasbourg SA
- REN - Redes Energeticas Nacionais SGPS SA
- Centralschweizerische Kraftwerke AG
- Transelectrica SA
- CEZ Distribution Bulgaria

- European Utilities, which have more exposure on electricity distribution network revenues (and not only production, transmission network etc.).
- Most peer companies also have a majority owner, sometimes sovereign, which results in lack of control and lack of liquidity.

Du-pont	PEER average	Elektro average
Net profit margin	10.8%	11.4%
Assets Turnover	0.45	0.34
ROA	4.1%	3.0%
Equity multiplier	1.56	1.48
ROE	8.7%	4.4%
Margins		
EBITDA margin	30.2%	34.1%
EBIT margin	17.1%	13.6%
Net profit margin	10.8%	11.4%

Peer Multiples	
EV/Sales	2.0x
EV/EBITDA	6.5x
EV/EBIT	14.3x
P/E	20.2x
P/B	1.16x

INDUSTRY VALUATIONS

TRANSACTION DATA

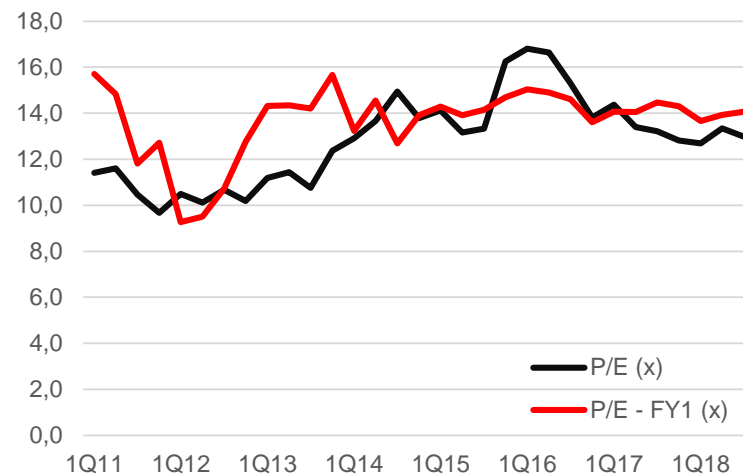
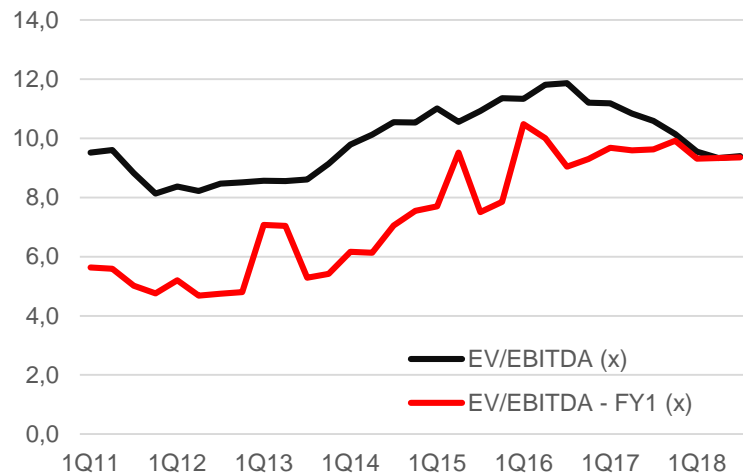
- Relatively similar transactions in the last few years (in EURm):

Target	Buyer		Price	EV/ Sales	EV/ EBITDA	EV/ EBIT	P/E	P/B
Public Holding Company ADMIE (IPTO)	China State Grid	24%	1,038	6.9	11.2	19.3	neg.	1.2
REN	China State Grid	25%	1,480	4.3	8.2	13.5	12.3	1.4
Elenia Group	Allianz Capital Partners, Macquarie Infrastructure and Real Assets, The State Pension Fund	100%	1,661	10.6	19.2	35.4	38.6	neg.
50Hertz Transmission GmbH	Elia System Operator	20%	4,883	6.6		35.6	38.1	3.8
Fortum Espoo Distribution Oy	Suomi Power Networks Oy	100%	2,550	7.9	16.6	25.2		

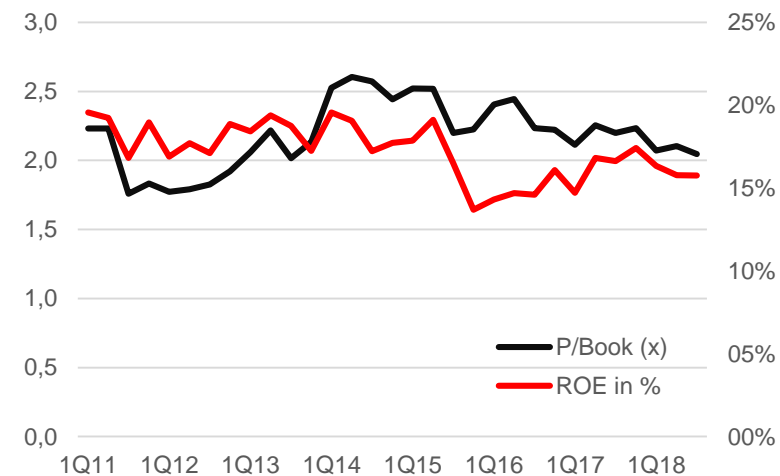
INDUSTRY VALUATIONS

BROAD INDUSTRY MARKET DATA

- Bloomberg Europe Utility Network valuation Peers data:



- Trading multiples data from EY „Power and trends Q1 2018“ show:
 - 9.4x Forward EV/EBITDA multiple in 1Q18 for Transmission & Distribution in Europe;
 - vs historical 2013-2014 multiple of 10.7x.



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