

Shares Information	6C4 BU
Price (BGN)	1.581
52 weeks Price Change	28.85%
52 weeks Price Range	1.051 - 1.745
Market Cap (BGN)	358 751 394
Market Cap (EUR)	183 426 675
Shares Outstanding	226 914 228
Free Float	26.97%
EPS	0.23
BVPS	5.86
P/E	6.92
P/S	0.03
P/BV	0.27
Net Profit Margin	0.59%
ROA	0.82%
ROE	3.98%

Source: BSE, SIS calculations

Chimimport - 1 year



Source: BSE

Shareholder structure	%
Invest Capital	73.03%
Others	26.97%

Source: Company report Q4 2016

Income statement (BGN '000)	2014	2015	2016
Sales	446 633	471 656	427 137
Other revenues	132 734	122 976	84 017
COGS	657 779	681 167	672 878
Depreciation	61 074	89 760	33 784
EBIT	-139 486	-176 295	-195 508
Financial income	5 297 405	10 973 587	10 670 893
Financial expenses	5 088 249	10 731 139	10 405 544
EBT	69 670	66 153	69 841
Associates' share of profit	15 416	3 044	4 245
Taxes	6 605	2 091	8 429
Net income attributable to minorities	14 005	8 623	13 823
Net income (to common shareholders)	64 476	58 483	51 834

Ratios	Q4'14	Q4'15	Q4'16
Current ratio	1.25	1.10	1.16
Debt to Assets	0.79	0.80	0.81
Debt to Equity	4.31	4.90	4.96
Interest coverage	n/a	n/a	n/a
Operating margin	n/a	n/a	n/a
Net margin	1.33%	0.58%	0.59%

Chimimport's financial activities remain key profit driver in 2016

➔ Chimimport posted unexpected drop in its annual net result from non-financial activities, which fell by 42.56% YoY to BGN 42.98m, after growing steadily in the first three quarters of the year. Revenues falling faster than expenses and lower reported gains from sale of fixed assets contributed to this result.

➔ Insurance segment continues with its weak performance from the previous quarter putting the stellar performance in H1 firmly behind. As of the end of the year, net results in this segment amounted to BGN 31.23m, down by 32.35% on annual basis.

➔ Net interest income and the operations with financial instruments, however, gave ground for optimism as the former, which encompasses the Group's banking activities, grew by 35.8% in 2016 to BGN 151.91m, and dealings with securities brought BGN 66.26m (net), up by 8.75% on annual basis.

➔ The Group curbed its administrative expenses as they sank by 5% to BGN 238.49m. Chimimport also posted other financial income in the amount of BGN 67m, recovering from the YTD slump reported in the previous quarter.

➔ Overall, earnings before taxes reached BGN 74.09m in 2016, increasing by 7% on annual basis. However, higher tax expenses had negative impact on net income growth and Chimimport's net profit for the year fell by 2.16% to BGN 65.66m.

➔ Diverging operating segments' performance continued from previous quarters. Finance segment, which is by far the largest in terms of assets, generated net profit of BGN 80.93m (prior to consolidation eliminations), up from BGN 57.2m reported a year ago. Production, Trade & Services segment also showed signs of improvement as it turned to profit (BGN 4.45m) in 2016 after loss reported in the previous year.

➔ On the other hand, 2016 was weak for the Transport segment, whose net result plunged to BGN 1.98 in 2016 from BGN 9.25m in the year before.

Balance sheet (BGN '000)	2014	2015	2016
Cash	1 480 670	1 229 113	1 769 337
Inventory	40 820	51 184	36 072
Receivables	1 511 377	699 768	646 835
Other	1 382 068	2 219 969	2 199 245
Current assets	4 414 935	4 200 034	4 651 489
PP&E	412 179	468 447	464 152
Goodwill	38 296	33 317	33 042
Financial assets	609 698	857 472	583 117
Other	1 794 176	2 279 784	2 438 869
Non-current assets	2 854 349	3 639 020	3 519 180
Total assets	7 269 284	7 839 054	8 170 669
Short term liabilities to banks	39 060	55 846	63 478
Payables to suppliers	142 222	137 813	131 722
Other current liabilities	3 347 366	3 628 996	3 803 174
Current liabilities	3 528 648	3 822 655	3 998 374
Bank loans	44 300	99 153	86 725
Debt issued	174 571	171 848	20 990
Other non-current liabilities	1 960 683	2 172 941	2 484 953
Non-current liabilities	2 179 554	2 443 942	2 592 668
Share capital	227 384	225 092	226 914
Minority interest	237 216	294 405	249 910
Total equity	1 323 866	1 278 052	1 329 717

Source: Company reports

ANNUAL RESULTS

Balance sheet (BGN '000)	2013	2014	2015
Cash	1 317 412	1 480 670	1 229 113
Inventory	37 155	40 820	51 184
Receivables	1 533 224	1 511 377	699 768
Other	1 111 506	1 371 063	2 219 969
Current assets	3 999 297	4 414 935	4 200 034
PP&E	430 341	412 179	468 447
Goodwill	37 766	38 296	33 317
Financial assets	563 324	609 698	857 472
Other	1 571 479	1 794 176	2 279 784
Non-current assets	2 602 910	2 854 349	3 639 020
Total assets	6 602 207	7 269 284	7 839 054
Short term liabilities to banks	121 605	57 176	78 272
Payables to suppliers	123 212	142 222	137 813
Other current liabilities	2 866 107	3 329 250	3 606 570
Current liabilities	3 110 924	3 528 648	3 822 655
Loans	103 100	49 488	103 535
Debt issued	169 789	174 571	171 848
Other non-current liabilities	1 680 363	1 955 495	2 168 559
Non-current liabilities	1 953 252	2 179 554	2 443 942
Share capital	228 183	227 384	225 092
Minority interest	235 990	237 216	294 405
Total equity	1 302 041	1 561 082	1 572 457

Income statement (BGN '000)	2013	2014	2015
Sales	478 530	446 633	471 656
Other revenues	101 061	132 734	122 976
COGS	654 469	657 779	681 167
Depreciation	50 762	61 074	89 760
EBIT	-125 640	-139 486	-176 295
Financial income	5 479 767	5 297 405	10 973 587
Financial expenses	5 258 838	5 088 249	10 731 139
EBT	95 289	85 086	69 197
Associated companies share of profit	13 845	15 416	3 304
Taxes	9 277	6 605	2 091
Net income attributable to minorities	12 965	14 005	8 623
Net income	86 892	64 476	58 483

Source: Chimimport audited annual financial statements

Disclaimers and Required Disclosures

The research and the recommendations in this report have been prepared and reviewed by:

Mihaela Ranchinska, CFA
Equity Analyst
ranchinska@sis.bg

Ivaylo Tomov
Executive Director
tomov@sis.bg

The individuals responsible for the preparation of this report certify that they have not received nor will receive compensation in exchange for expressing specific views or recommendations in this report. Sofia International Securities AD and the individuals responsible for this report accept no liability whatsoever for any losses arising from the use of information or opinions expressed in this report.

Sofia International Securities AD is a member of Bulgarian Stock Exchange (BSE) and the Central Depository of Bulgaria. The company provides brokerage, investment banking, equity research, portfolio management and other services. Sofia International Securities AD is regulated by the Financial Supervision Commission of Bulgaria.

Sofia International Securities is not registered as a broker or dealer with the Securities and Exchange Commission or NASD in the United States of America and the information may be distributed in the US only to individuals who by acceptance hereof confirm that they represent "major institutional investors" as defined in Regulation 15a-16 of the Securities Exchange Act of 1934.

Any opinions expressed in this report are subject to change without notice and Sofia International Securities is not under any obligation to update or keep current the information contained herein. Any opinions expressed in this report are only correct as of the stated date of their issue.

This report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. The report is based on information obtained from sources believed to be reliable but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the report. The report should not be regarded by recipients as a substitute for the exercise of their own judgment.

Sofia International Securities does not own shares of the company that is subject of this report. The individuals who are responsible for the preparation of this report do not own shares of the company that is subject of the report. Sofia International Securities is not a market maker in the securities that are subject of this report. Sofia International Securities do not provide any corporate finance or other services to the company that is subject of this report. However, Sofia International Securities may seek to provide such services in the future.

Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. Sofia International Securities accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report. Additional information will be made available upon request.

For more detailed information about the company, please contact our research department.

© 2015 - 2017. All rights reserved. No part of this report may be reproduced or distributed in any manner without the written permission of Sofia International Securities.

Sofia International Securities

1000 Sofia
140, Georgi S. Rakovski St., fl. 4
Tel.: + 359 2 988 63 40
Fax: + 359 2 937 98 70