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## Greek bearing news

Metka (METTK on the Athens Exchange) was in New York on an American corporate goodwill tour the other day, and Dimitris Katralis, the Metka investor relations officer, stopped by the *Grant's* offices. He reports that the Athens-based engineering company has suffered, and expects to continue to suffer, falling revenues and falling EBITDA. He says that conditions in Athens are more than a little trying—"It's hard to expand without a banking system and a government"—and that management is weighing a re-listing in London. Coca-Cola Hellenic Bottling applied for a London listing one week ago.

As for the demand for gas-fired electric plants, Metka's specialty, the bad news preceded Katralis's arrival. "[D]efinitely less projects around, that's for

sure," Metka CEO Ionnis George Mytilineos warned on the second-quarter conference call. "And there are quite a few being suspended, some being cancelled even. In Europe, the market is more or less dead. And in some areas, financing is difficult. In the other cases, the social uprise in certain areas has created some difficulties." One such locale is Syria, where Metka has two ongoing projects, one of which is nearly complete (but had to be suspended when the Greek embassy abandoned the country), the second of which has barely started, though it is fully funded (the money is on deposit at a Russian bank, the company says).

A shrinking top line, a shrinking bottom line, a 25% unemployment rate in one's home country—pretty clearly, not everything is going Metka's way. Yet, let the record show that Metka is

only nominally Greek (it earns the great bulk of its revenues outside Greece), that it enjoys an enviable reputation in the international engineering world (for on-time performance, among other virtues), that it refuses to bid for unprofitable work, that it is gaining some new work even now (in Jordan, for example) and that it is building cash. Valued at 3.9 times trailing net income, the shares yield 9.5%. Bullish in the issue of *Grant's* dated Feb. 24, we remain bullish, though the shares have delivered a total return since the date of publication of over 50%.

We asked Katralis what management intended to do with its redundant cash. Not repurchase shares, the IR man replied; the stock isn't liquid enough for that. But a special dividend? Perhaps.

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