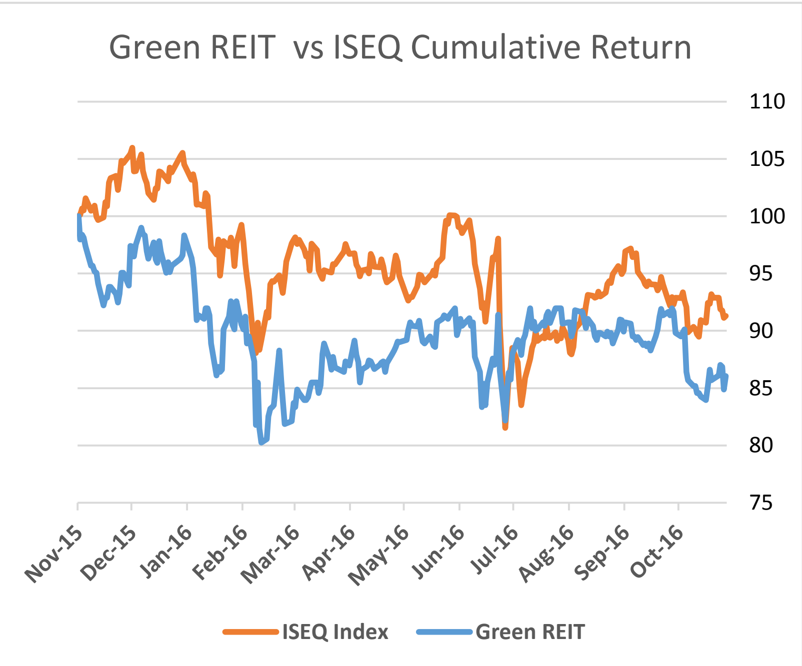
INVESTMENT THESIS

Investment rating: Buy
Upside Potential: 18%

Sunday 30th October 2016

- We take an average of three separate valuation methods to arrive at our estimated share price valuation of €1.64. Our DCF analysis implies a share price of €1.60 yielding an upside potential of 15%, our net asset valuation per share is calculated at €1.65 yielding an upside potential of 19% and our AFFO implies a share price of €1.66 yielding an upside potential of 19%.
- Our estimated share price indicates that the stock has an upside potential of 18%.
- The company is in stage 4 with a full portfolio and management is now focused on dividend development and rent growth. We project the company to continue to redistribute 100% of net operating income as dividends.
- The real estate market of Ireland is booming and that is being reflected in the company's financial performance as it recorded an increase of 46% on its gross income to close at €66.8m. Dublin prime headline office rent of 4.5% since 2015 and expected to continue this growth. Brexit presents a potential opportunity for further rental growth.
- In the aftermath of the financial crisis, the Irish economy is experiencing high GDP growth of 7.8% (2014) and in 2016, GDP is expected to growth at 4.3% with inflation remaining low at a rate of 0.4% in the past quarter.
- Green REIT has a current ratio of 2.95 (2.41 in 2015).
- The EPS of Green REIT increased from 6.5 cents per share in 2014 to 23.5c in 2015. This figure slightly declined to 21.3c in 2016, despite a 46% increase in the gross income this was due to the share issue of almost 13 million ordinary shares during the year.



GLOBAL NETWORK FOR ADVANCED MANAGEMENT

GREEN REIT [GRN ID]

UCD Michael Smurfit Graduate Business School

Capitalization as of 30/10/2016 in EUR	
Share Price	1.39
Shares Out.	690,350,000
Market Capitalization	959,586,500
52-Week Range	1.29 - 1.62
Dividend Yield	0.03

Valuation

DCF	1.60 per share
NAV	1.65 per share
AFFO	1.66 per share

Upside Potential 18%
Target Price 1.64

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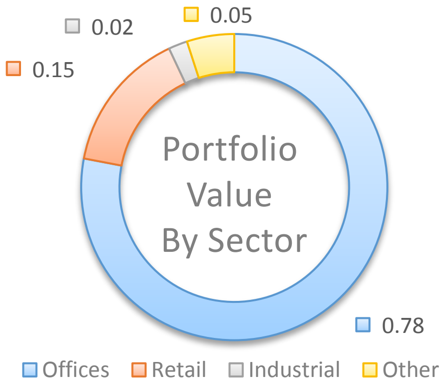
Important Disclosure

BUSINESS DESCRIPTION

Incorporated in July 2013, Green REIT PLC is an Irish Real Estate Investment Trust that invests in commercial properties, primarily in Dublin, Ireland. It is one of three investment trusts in Ireland (Hibernia REIT, Irish Residential Properties REIT). Currently the company is listed in London Stock Exchange and Irish Stock Exchange, where it is a constituent of the ISEQ 20 Index.

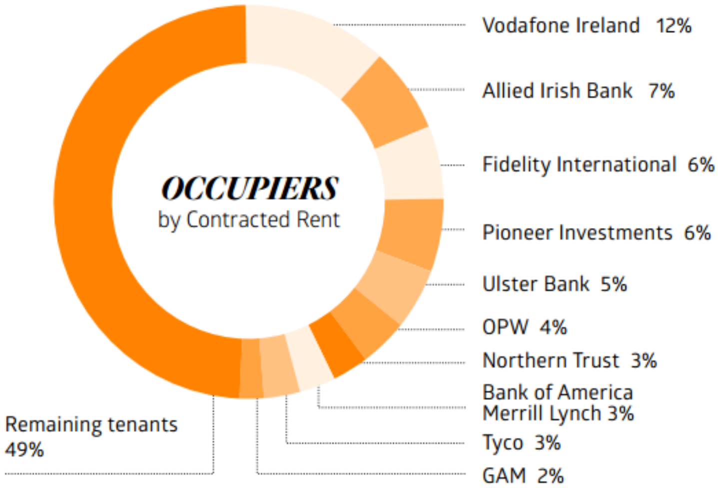
The company currently owns 21 commercial properties in Ireland with significant focus on Dublin (93%), (19 in Dublin, 1 in Limerick and 1 in Cork) The total portfolio value of €1.24 billion, increased 28% YoY (Green REIT, 2016). Total floor area at June 30th, 2016 is 226,000m^2 (2.43 million ft^2), improved by 8.3% comparing to 208,600m^2 in June 2015. With the high occupancy rate of 98.3%, GRN has the highest occupancy rate among three REITs in Ireland.

Location of properties
Source: Company report



On a property value basis, the Green REIT portfolio is split between offices (78%), retail (15%), industrial (2%) and other (5%). On 30th June 2016, Green REIT regarded 93% of their property portfolio as prime.

The company has a diversified base of tenants. In term of contracted rent, Financial Services account for 41%, TMT 23% and 18% Retail. Top 10 tenants account for 51% of contracted rent, with the largest tenant (Vodafone Ireland) accounting for 12% of contracted rent. To 30th June 2016, Green REIT increased the WAULT of their portfolio to 7.8 years, from 5 years at 30th June 2015.



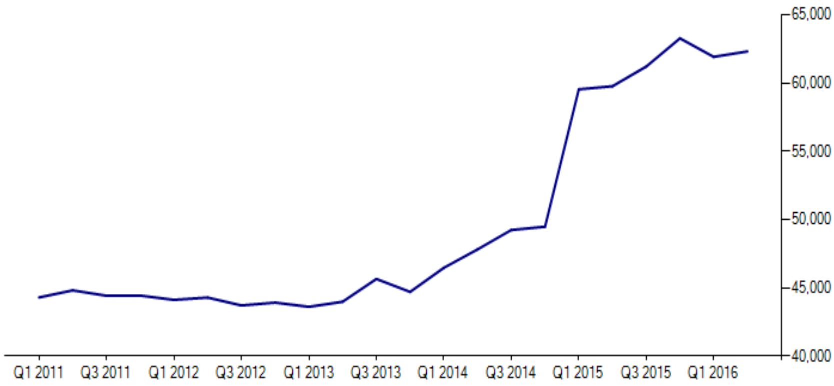
Top 10 tenants by contracted rent
Source: Company report

MACRO ENVIRONMENT

REPUBLIC OF IRELAND

Republic of Ireland is a member of European Union, which guarantees businesses in Ireland a "passporting" right to other 26-member states (excluding the UK). The 12.5% corporation tax rate means Ireland is an attractive destination for MNC's to locate their HQ. The recent Apple tax case has put some pressure on the Irish government to change its tax rate, however, Michael Noonan, the Minister of Finance, announced his commitment to retaining the 12.5% rate in Budget 2017.

Republic of Ireland GDP from 2011 to 2016. Source: CSO, Ireland.



In the aftermath of the financial crisis, the Irish economy is experiencing high GDP growth of 7.8% (2014) and in 2016, GDP is expected to growth at 4.3% and low inflation rate of 0.4% in the past quarter. Unemployment is decreasing, from 7.9% in 2015, its expected to decline to 5.9% by the end of 2020.

Deposit interest rate on term deposits is up to 1.6% per year. Lending interest rate is up to 3.25% per year, which creates a good environment for real estate market to recover. 10-year government bond yield is at the lowest in the past 10 years at only 50 basis points. This means the yield from REITs becomes relatively more attractive to investors.

From 2008 to 2014, US companies invested about $116bn in Ireland, compared with just $73.8bn into Brazil, Russia, India, China and South Africa. If Donald Trump wins in the election, he promises to lower the tax rate in US to bring the giants back. However, tax policy changes are a time consuming process which can take years to implement.

Irish 10-year government bond yield Source: www.tradingeconomics.com

The bigger concern now for Ireland is Brexit. However, Brexit is not necessary a bad thing. As anticipated, there will be a potential large-scale movement of international banks out of London in early 2017 according to Anthony Browne, Chief Executive of the British Banker's Association. Dublin is listed as one of the potential city for the movement, among other cities include Frankfurt, Amsterdam and Paris. Among these cities, we predict that Dublin will be a more likely destination for several reasons, including an English speaking population and a similar legal system to the UK.

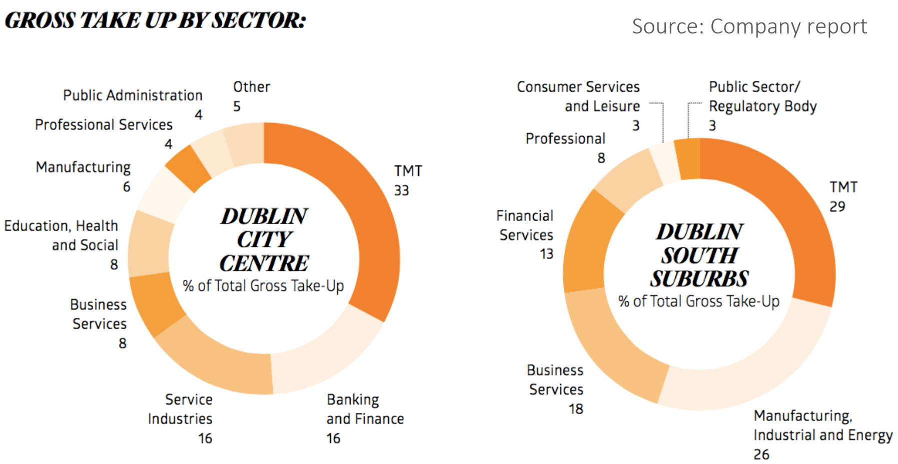
INDUSTRY ANALYSIS

The weighting of the portfolio by sector combined with the geographic location of the properties (93% Dublin) provides an optimistic outlook for future appreciation of their properties based on industry expectations (Green REIT, 2016).

DUBLIN

Prime headline office rents in Dublin currently stand at €618/m^2, a 4.5% increase on the same period in 2015, with transactional evidence to support rents of €645/m^2 (JLL, 2016). There was a total take-up of 66,468/m2 in Q3 2016, up 19% from Q3 2015 and a 33% increase from the previous quarter this year (JLL, 2016). Approximately 390,000 m^2 of office space is currently under construction in Dublin. However, 34% of this space is already pre-let so this stock only provides 257,000 m^2 of additional available stock to the market with phased delivery over the next 3 years. A number of international legal firms are already looking to expand and relocate in Dublin as a result of Brexit, with reports of insurance and financial services firms also considering re-location options (SCSI, 2016).

The JLL Irish Property Index has recorded an 8.9% increase in the retail sector over the past 12 months (JLL, 2016). Consumer confidence has seen 31 successive months of expansion in the aftermath of the financial crisis, with the Irish government recording a 10.5% increase in tax receipts for the year ended December 2015 (Green REIT, 2016).



Industrial rent growth has emerged as one of the strongest drivers of growth in the commercial property market. An increase of 20.5% in the Industrial sector of the JLL Irish Property Index has largely been driven by a shortage of supply of modern premises and many occupiers are having to choose the design and build route in order to satisfy the requirements (JLL, 2016).

Overall, there has been a steady increase in the occupancy rate in the greater Dublin area, which now stands at 91.7%, up 0.4% from December 2015 (JP Morgan, 2016). A key determinant of supply in commercial property over the coming years will be the waning capacity of the construction sector. At 39%, Dublin is the most popular location for potential investor site visits (SCSI, 2016).

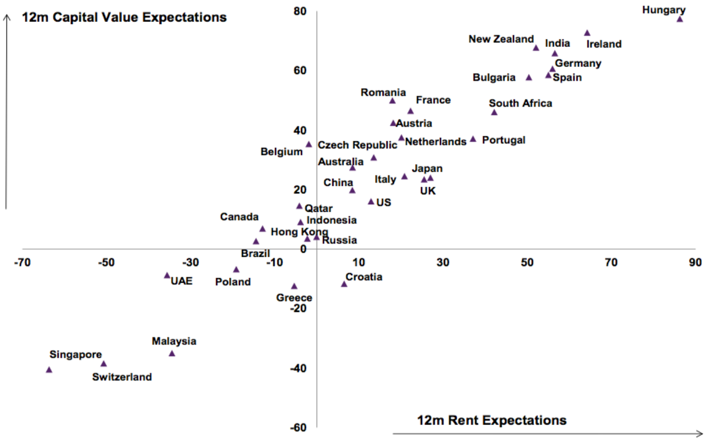
EUROPE

A decline of 7% YoY in commercial property investment activity across the continent is being driven by a lack of prime property in Europe, political uncertainty as a result of Brexit and fewer large scale property deals (Savills, 2016). However, low yields on government bonds mean investors will benefit from the wide positive yield gap. Offices accounted for 46% of the aggregate transaction volume in 2016 to date, which is 8% above the ten-year historic average (Savills, 2016).

GLOBAL

In the past year, a staggering number of high-profile stories related to macroeconomic risks have grabbed headlines and driven market volatility. They include a surprise devaluation of the Chinese Yuan, worries of waning central bank potency, weakness in oil and the industrial sector and, most recently, the unexpected vote for Brexit. Although medium term capital value expectations continue to be scaled back in the US and Japan, investment indicators remain particularly strong across much of Europe and New Zealand. On the global stage, Ireland ranks second highest for forward looking 12-month rent and capital value expectations, whilst just under 12% of professionals in the Irish property industry believe the conditions in the domestic property market have hit peak levels (RICS, 2016).

12-Month Rent and Capital Value Expectations



% who view market at stages of the property cycle

COMPETITORS

The Irish property market is a fragmented industry with many different players, the key buyer groups are the USA (34.3%), domestic investors (30%), European buyers (18.6%) and UK buyers (12.5%). Over recent years bank de-leveraging has resulted in strong volumes of investment activity including asset sales of €4.6 billion in 2014 and €3.5 billion in 2015 (Knight Frank, 2016). As the banks and NAMA clear their inventory, volumes of loan books and asset sales from this source have declined (JP Morgan, 2016). The cyclical nature of the Irish property market has seen a transition in the profile of these buyer groups from private equity to long-term core buyers, which is typical when the cycle moves from opportunistic to stable.

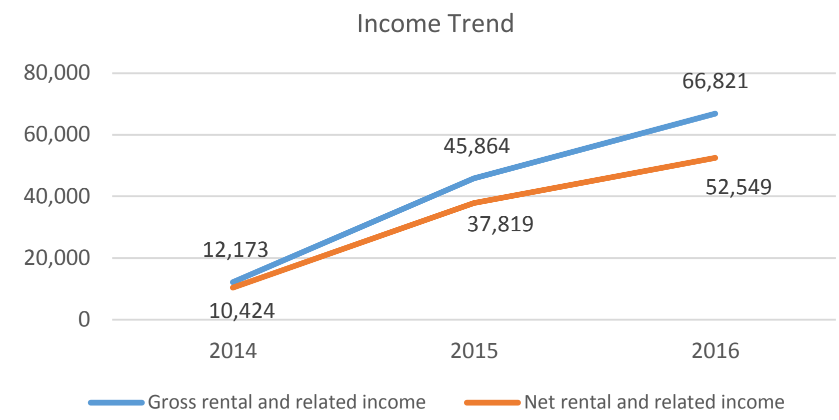
Three REITs, including Green REIT, are publicly traded on the Irish Stock Exchange. IRES REIT is focused primarily on residential property and has a negligible interest in the commercial property market (IRES, 2016). Hibernia REIT is a significant player on the Irish commercial property scene, with a portfolio value of €938m and 25 properties located in Dublin (Hibernia REIT, 2016). The Hibernia REIT portfolio, which is split 87% offices, 12% residential and 1% industrial, has a weighted average unexpired lease term (WAULT) of 5.6 years, significantly lower than Green REIT's 7.8 year WAULT. Hibernia REIT's pipeline of development sites is on track to bring 32,800m2 of commercial property to Dublin between 2016 and 2018, which is shadowed by Green REIT developments totalling 39,000m2 for the same period. Hibernia's vacancy rate is 6%, which is 4% higher than Green REIT and their price/book value was 0.98 on 28th October 2016, in contrast with Green REIT's price/book value of 0.90 on the same date (Bloomberg, 2016).

FINANCIAL ANALYSIS

The financial statement analysis of Green REIT PLC is presented below, with the relevant data extracted from the corresponding year's annual financial statements. The book closing date of the company is 30th of June and unless stated otherwise, all financial figures have been rounded to nearest thousand euro {'000 EUR}.

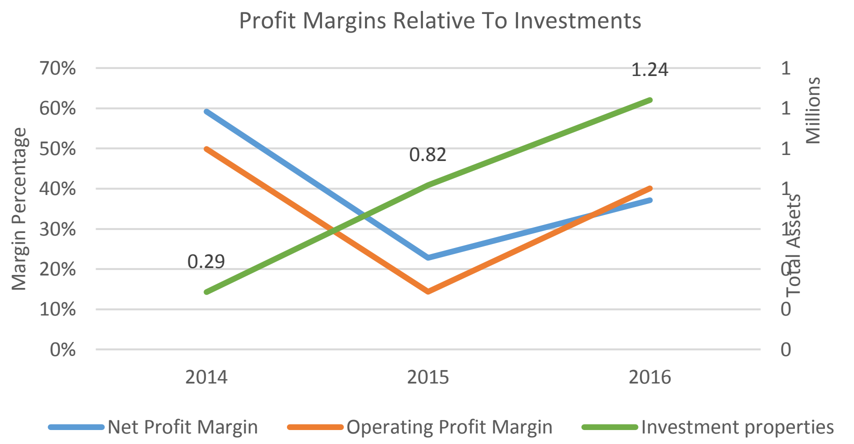
PROFITABILITY ANALYSIS

The real estate market of Ireland is booming and that is being reflected in the company's financial performance as it recorded an increase of 46% on its gross income to close at €66.8m. Similarly, the net income increased from €10.4m to €37.8m in 2015. This year, the net income further grew by 46% to reach an all-time high of €52.5m. The surge in Green REIT's revenues was expected after the company raised almost €710m through IPO in July 2013 and by utilizing the funds to expand their real estate empire. (Green REIT PLC, 2014).



The operating profit (excluding capital movements) of the company slightly increased from €6.0m in 2014 to €6.5m in 2015. However, in 2016, the company posted an astonishing increase of 306% to close the accounts at €26.8m. The driving forces behind this increase were the 46% increase in the rental income and the acquisition, and subsequently letting, of the newly operational Central Park property. The return on equity of the company increased from 6% to 17% in 2015. However, it declined slightly to 14% as a result of almost 14 million share issue. The net profit margin of the company dipped from 59% to 23% in 2015, however, it bounced back to 37% in 2016. The volatility in the profit margins is evident because of the investment the company is making since its listing only two years ago. The operational profit margin decreased from 50% in 2014 to 40% in 2016, however, the investment properties, a mere €0.29m in 2014, grew by almost 334% to €1.24m in 2016. From the surface it might seem that the company is undergoing rapid expansion, however the favourable trend of the net profit and operational profit margins show that the company's growth is under control. This fact is corroborated by the return on assets percentage which increased 6% in 2014 to 11% in 2016. Furthermore, the increase in the company's cash reserves of almost 104% per year would ensure that the company does not face any short term cash flow problems due to this expansion.

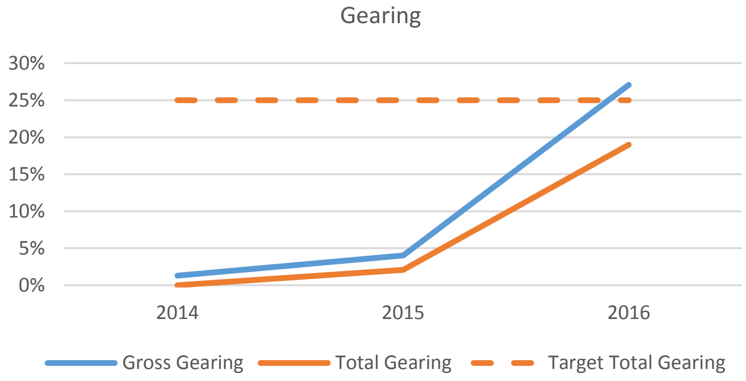
> Return on assets is calculated as net profit divided by total assets and represents the amount of profit made by a company per unit currency



LIQUIDITY AND SOLVENCY ANALYSIS

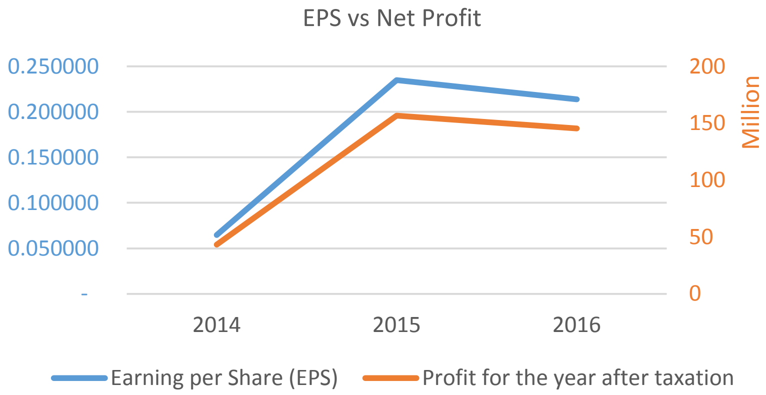
Green REIT has a current ratio of 2.95 (2.41 in 2015) which basically means that the company has 2.95 times the assets to cover its short term liabilities. Furthermore, 84% of the total current assets figure is dominated by cash and cash equivalents (93% in 2015). Cash balances represented only 5% of the total current assets in 2014 which strongly suggests that the management is committed to avoid liquidity issues and overtrading. Looking at the longer term, the gearing of the company, defined as non-current liabilities to total assets, was 19% for 2016; 2% and 0% in 2015 and 2014 respectively. The gross gearing of the company, defined as total liabilities to shareholder's equity, increased from 1% to 4% in 2015 and then to 27% in 2016. This sudden spike in the leverage of the company is mainly due to the €160m debt financing from Bank of Ireland, for the acquisition of Central Park. This debt financing would be the second loan facility, the other being a revolving credit with Barclays Bank, based on floating security over the company's assets. Despite the increase in gearing, the company is still below its target gearing level of 25%.

> Liquidity measures the short-term financial health of an organization whereas solvency represents the company's ability to meet its long-term financial commitments (Investopedia.com,2013)



INVESTOR RATIO ANALYSIS

These measures represent how an investor might look at the company. One of the most important investor's ratio is the Earnings per Share (EPS) which represents the theoretical share of profit per share. The EPS of Green REIT increased from 6.5 cents per share in 2014 to 23.5c in 2015. This figure slightly declined to 21.3c in 2016, despite a 46% increase in the gross income, because of the share issue of almost 13 million ordinary shares during the year. The lower EPS can be attributed to the fact that despite the same number of shares in issue in 2014 and 2015, the net earnings of the company were almost 250% lower in the former year.



Similarly, the P/E Ratio debuted at 20.2 in the company's first year as a public company, before reaching normality at 6.6 in 2015 and 6.9 in 2016, indication of investor's confidence in the company. Again, the anomalous behaviour in 2014 can be explained by the low EPS figure for the corresponding year. Green REIT commits itself to distribute its wealth among the shareholders and targets a total return of 10% to 15%, including both capital and income returns, per annum. The company sets out to return a minimum of 85% of its property rental income every year. As a result of this policy, the company has announced a dividend of 4.60c per share this year, which represents 100% of the company's net property income. The dividend in 2015 was 1.60 cents increase of 188% from the dividend announced in 2015. Going further back, the company paid a dividend of 0.90c per share in 2014, with the total dividend payment representing 85% of the net rental income for the year. As a result of the strong performance and the positive outlook of the company, the share price of the company increased by 18% to close at €1.55m in 2015. The share price declined slightly by 6% in 2016, however, that can be explained due to the shares which were issued during the year. The dividend yield, defined as the percentage of dividend paid per share divided by the market price per share, was 0.7% in 2014 which increased to 1.0% in 2015. It

> P/E Ratio is calculated as market price per share divided by EPS and reflect the investor's expectations of the company.

increased by 207% in 2016 to close at 3.2% for the year. This shows that despite the slight decline in the share price, the company is committed to maximise the shareholders' returns.

VALUATION

We calculate our target price by using a weighting of three methods: a discounted cash flow, a net asset valuation and the adjusted funds from operations.

Discounted Cash Flow

Green REIT PLC

Discounted Cash Flow Analysis

(€ in millions, fiscal year ending June 30)

Operating Scenario								
Mid-Year Convention	**Historical Period**			**Projection Period**				
Consolidated	2014	2015	2016	2017	2018	2019	2020	2021
Property Income	€ 12,173	€ 45,864	€ 66,821	€ 69,950	€ 78,301	€ 83,067	€ 83,898	€ 84,737
% change YoY		*276.8%*	*45.7%*	*4.7%*	*11.9%*	*6.1%*	*1.0%*	*1.0%*
Rental Income		*39,432*	*53,539*					
Other Rental Income		*6,432*	*13,282*					
Operating Expenses	-	-	-	-	-	-	-	-
Gross Rental Income	€ 12,173	€ 45,864	€ 66,821	€ 69,950	€ 78,301	€ 83,067	€ 83,898	€ 84,737
				100.0%	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Service Charge Fee		*6,432*	10,389					
Administration Expenses		*1,613*	*3,883*					
Property Outgoings	1,749	8,045	14,272	14,940.3	16,724.0	17,741.9	17,919.4	18,098.5
Net Rental Income	€ 10,424	€ 37,819	€ 52,549	€ 55,009	€ 61,577	€ 65,325	€ 65,978	€ 66,638
Revaluation of Investment Propert	*36,836*	*113,803*	109,367	(6,390)	11,521	13,867	14,103	14,343
Base Management Fee	(3,421)	(8,104)	(9,669)	(10,122)	(11,330)	(12,020)	(12,140)	(12,261)
Performance Fee	-	(20,982)	(13,893)	811.78	(1,464)	(1,762)	(1,792)	(1,822)
Administration Expenses (compa	(900)	(2,137)	(2,708)	158.23	(285)	(343)	(349)	(355)
Profit on Development Services	-	-	519	-	-	-	-	-
Profit on Disposal	644.0	-	-	-	-	-	-	-
Operating Profit	€ 43,583	€ 120,399	€ 136,165	€ 39,467	€ 60,019	€ 65,068	€ 65,801	€ 66,543
Share of Joint Venture Profit	(363.0)	40,041	15,359	-	-	-	-	-
EBIT	€ 43,220	€ 160,440	€ 151,524	€ 39,467	€ 60,019	€ 65,068	€ 65,801	€ 66,543
% margin	*355.0%*	*349.8%*	*226.8%*	*56.4%*	*76.7%*	*78.3%*	*78.4%*	*78.5%*
Interest	936.0	(3,737)	(5,957)	(5,957.0)	(5,957.0)	(5,957.0)	(5,957.0)	(5,957.0)
Profit before Tax	€ 44,156	€ 156,703	€ 145,567	€ 33,510	€ 54,062	€ 59,111	€ 59,844	€ 60,586
Taxes		-	(65)	-	-	-	-	-
Profit for the year/Funds from	€ 44,156	€ 156,703	€ 145,502	€ 33,510	€ 54,062	€ 59,111	€ 59,844	€ 60,586
Plus: Depreciation & Amortization								
Capital Expenditures in Developed Properties		(1,764)	(4,809)	(7,614)	(7,705)	(7,834)	(7,967)	(8,103)
Capital Expenditures in properties under developm		(418)	(17,829)	(13,665)	(1,742)	-	-	-
Less Total Capital Expenditue		(2,182)	(22,638)	(21,279)	(9,447)	(7,834)	(7,967)	(8,103)
Net Increase in Cash and Cash Equivalents				-	-	-	-	-
Unlevered Free Cash Flow				£12,231.6	£44,615.5	£51,276.6	£51,876.5	£52,482.8
WACC	5.7%							
Discount Period				0.5	1.5	2.5	3.5	4.5
Discount Factor				0.97	0.92	0.87	0.82	0.78
Present Value of Free Cash Flow				€ 32,599	€ 49,769	€ 51,497	€ 49,337	€ 47,268

Enterprise Value		
Cum. Present Value of FCF	€	230,470
Terminal Value		
Terminal Year FCFE (2021E)	€	52,482.75
Perpetuity Growth Rate		1.74%
Terminal Value	€	1,358,372
Discount Factor		0.76
Pres. Value of Terminal Val.		1,030,960.37
% of Enterprise Value		*81.7%*
Enterprise Value		1,261,430.68

Implied Equity Value and Share Price		
Enterprise Value	€	1,261,431
Less: Total Debt		(252,948.0)
Less: Preferred Securities		-
Less: Noncontrolling Interest		-
Plus: Cash and Cash Equivalents		76,839.0
Implied Equity Value	€	1,085,321.68
Number of Shares Outstanding		679,456.28
Implied Share Price	€	1.60
Upside Potential		14.92%

DCF Assumptions:

1. Rent growth forecast

To calculate the rental income we analysed the properties in development and we estimated the rent value of each contract based on the average estimated rental value (erv) per square foot for each type of property depending on their location and we also included an CAGR of a 0.75% increase in the existing contracts given that most of them are below the average market value.

2. Revaluation of investment properties forecast

We estimated that the property values would increase in line with inflation as calculated from IMF forecasts, this is a conservative estimate considering the lack of commercial real estate, the growing economy and any possible added demand due to Brexit.

3. Capex forecast

Given that the company is in stage 4, the board objectives are no longer to increase the portfolio but to extract rents and redistribute the entire proceeds to shareholders leaving no free cash to reinvest. Our capex relates to maintenance of existing properties and the capex necessary to complete the developing properties. Both were calculated by taking a weighted average capex based on the price per square foot.

4. D/E Forecast

Since the company has no plans to expand the portfolio we maintained the Debt/Equity ratio at the current rate of 0.23.

5. Terminal Growth Rate forecast

We kept this in line with inflation as per the IMF forecasts for Ireland.

6. WACC assumptions

We took the risk free rate as the yield on the US 10 year yield which stands at 1.85%. The market risk premium was calculated using the ISEQ20 Index, the widely used benchmark of Irish shares. We assumed the beta to be 1 because the company has only traded since mid-2013 which provides a small sample limiting our ability to make statistical inferences so we rely on the fact that in the long run all betas are mean reverting and tend towards a value of 1.

7. Fees

The company is charged a fee based on the performance of a third party management team. As the base management fee relates to the rental income performance we maintained it as a percentage of rental income. The performance and administration fees are attributable to the growth in property revaluation so we similarly maintained it as a percentage of revaluations.

Adjusted Funds from Operations (AFFO)

To calculate the Funds from Operations we take the net income and adjust for gains or losses arising from sales of property. This measure is then adjusted by removing any non-cash rent and maintenance type capex and leasing costs to give us our adjusted funds from operations. AFFO is designed to be a more accurate measure of economic income of a REIT. This analysis yielded an adjusted funds from operations of $1.66 per share, representing an upside potential of 14.5% with the stock currently trading at $1.39.

Net Asset Valuation per share (NAV)

Net asset value per share is often used as a benchmark for the value of a REIT. Discounts in the REITS share price from the NAVPS are an indication of undervaluation. It is usually seen as the main component of the intrinsic value of a REIT and is a superior measure than the book value per share given that the values derived are current market prices. First we adjust the net operating income (NOI) of the past 12 months by removing non cash rents and also non-recurring items such as surrender premia (this is a fee paid to the company when a contract is broken). This is the pro forma estimation of the NOI. To calculate the growth of the NOI we examined the historic rental income above the minimum guaranteed rent as per the contract and applied the same trend going forward. We then add the estimated fair value of the property as calculated by an independent entity and add back cash and equivalents and receivables to arrive at our estimated gross asset value. Finally we subtract the total debt to obtain our net asset value of €1,120,872 which yields a NAVPS of €1.65 representing an upside potential of 18.7%

Line	Adjusted
Gross rental income	48,116
Spreading of tenant lease incentives/rent free periods	
Surrender Premia	
Service charge income	10,569
Gross rental and related income	58,685
Service charge expenses	-10,569
Gross Rental Income (excluding service charge income and JV income)	48,116
Property operating expenses	-3,950
Net rental and related income	44,166
Management Fees	-26,270
Operating profit	17,896
Less: Non Cash rents	
Pro forma cash NOI for last 12 months	17,896
Plus: Next 12 months growth in NOI	9,226
Estimated next 12 months cash NOI	27,122
Assumed cap rate (1)	2.19%
Estimated value of operating real estate	1,255,588
Plus: Cash and equivalents	76,839
Plus: Accounts receivable	14,271
Estimated gross asset value	1,373,820
Less: Total debt	-252,948
Less: Other liabilities	0
Net asset value	1,120,872
Weighted average number of ordinary shares - diluted	679,456,275
NAV/Share	1.650

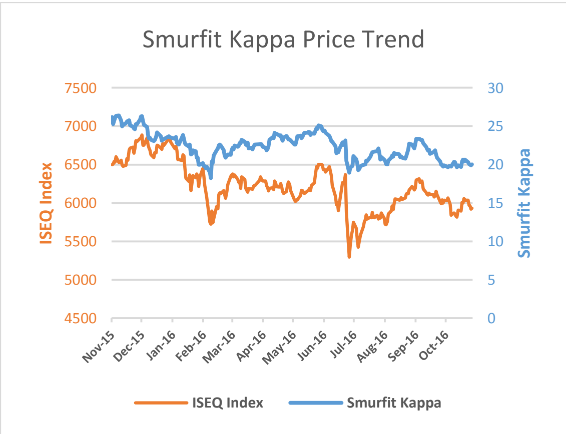
(1) Cap rate based on independet appraisal

Target Price

We take an equally weighted average of our valuation methods to obtain a target price. This yields a target price of €1.64, representing a potential upside of 18% given a current price of €1.39.

SMURFIT KAPPA GROUP PLC (SKG.ID) LAST PRICE: € 20.040

Smurfit Kappa Group PLC manufactures container boards, solid boards, graphic boards, and corrugated and solid board packaging products. The company was established in 1934, it has 43,000 employees in 33 countries and the firm its IPO in 2007. It is dual listed on the Irish and London Stock Exchanges, it's 2015 revenue was €8.1bn and its market capitalization of €4.7 on the ISE means it is a key constituent of the ISEQ 20 index (5.15% weighting on index).



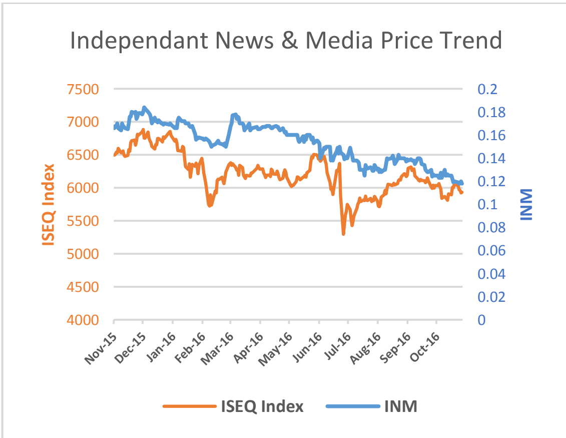
Despite political uncertainty, volatility in FX markets and higher than expected input costs, management anticipates "a good year with earnings growth in 2016". Reflecting this confidence, the interim dividend yield has been increased by 10% YoY to 22c. and now sits at 3.5%, compared to the industry average of 2.3%. This was driven by strong European EBITDA (13% increase YoY) and a global increase in corrugated packaging shipments (9% YoY).

We believe Smurfit Kappa is undervalued, with a P/E of 10.54 versus the 26.6 industry average and a P/B of 2.26 versus the industry's 8.4P/B average. The company will publish Q3 2016 results on Wednesday 2nd November and we expect a strong EBITDA and FCF due to modest growth in Europe and decreasing net debt.

INDEPENDENT NEWS & MEDIA (INM.ID) LAST PRICE: € 0.118

Independent News & Media is an international media group. The company has interests in 22 countries and has over 200 print titles, 130 radio stations and over 100 commercial websites. Independent.ie, the Group's online portal, supports leading national and regional Irish newspaper titles and is a leading news portal in Ireland.

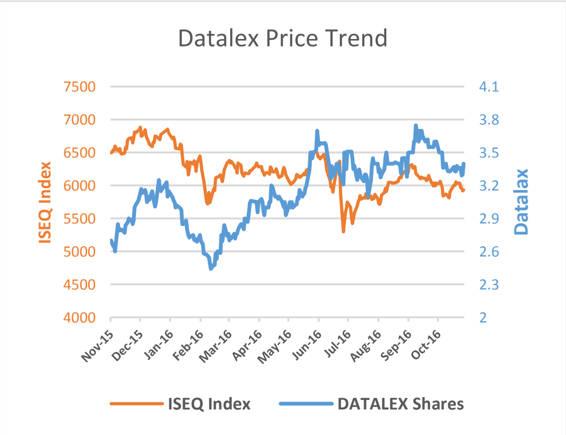
H1 2016 results showed a 22.5% YoY increase in profit before tax, driven by strong growth in digital advertising, a €2.2m reduction in net interest costs and sharp decreases in operating costs due to the closure of their Belfast printing operations. Revenue increased by 2.7% as a result of distribution and digital revenues, offsetting a continued decline in traditional printed media. An EBIT of 3.1% reflects a strong operating performance in the group. We expect the stock is undervalued at €0.118. Independent News & Media's P/E is 5.22, significantly lower than the industry average of 21.3.



Independent News & Media has retained its position as the industry leader for readership in Ireland, with the weekly audience of its flagship titles (Sunday Independent and Sunday Times) capturing approximately 65% of the weekend market. We forecast future growth in the digital advertising space and increase total revenue from the acquisitions of CarsIreland.ie and Geer Publications.

DATALEX PLC (DLE.ID)
LAST PRICE: € 3.401

Datalex Public Limited Company is a Dublin based travel software firm which provides e-business infrastructure and solutions to customers in the global travel industry. Their main services encompass internet booking engines that link to reservation systems of travel providers, as well as support systems that allow travel companies to gather marketing information from airline data. Their customers include some of the biggest names in the airline industry, including Air China, Delta Airline, Aer Lingus and Virgin Atlantic.



Their share price in October 2015 was € 2.7 and currently it stands at € 3.40, representing an increase of 25% during the year, powered by a double digit EBITDA growth for third consecutive year. As a result, the company beat the ISEQ Index by almost 29%

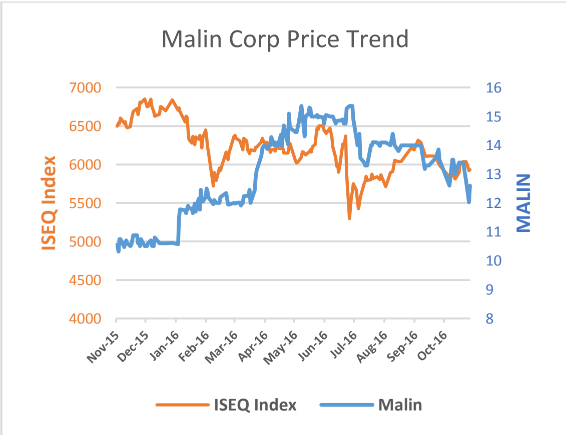
The company added Neusoft, the largest IT solutions and service provider in China, and Lufthansa Group, Europe's largest airline group, to its ever expanding customer portfolio. Other than that, Datalex also signed an agreement with IBM for the development and delivery of travel retail solutions in May 2016.

Their revenue and share price for the next year are expected to be €52.3 million and €3.95 respectively. The strong growth of the company, along with the increase in demand for internet based travel solutions, puts Datalex in an ideal solution to further expand its business, therefore, we believe that this company represents a strong buy.

MALIN CORP PLC (MLC.ID)
LAST PRICE: € 12.603

Malin Corporation is a relatively new Irish company, incorporated in December 2014. Malin aims to create shareholder value by acquiring businesses in the field of medical life sciences with potential growth and then providing them with its expertise through operational involvement to enable the investee companies to reach their potential and to achieve commercial success. The company's portfolio already boasts 16 businesses with an invested capital of € 313 million.

The company raised € 330 million via IPO, the largest by a life sciences company. The closing share price today was € 12.60, which represents an increase of almost 26% since it started trading publicly. The revenue for the year ended December 2015 was € 22.9 Million and for the 6-month periods ended June 2016, it was € 22.5 million. Based on the latest interim results, the company posted a net loss of € 36.8 million.



Losses are always expected from a company of this nature, however, the initial phase of investment is now substantially complete and a diverse platform of assets which spans therapeutic areas and stages of development has been constructed. Four of the companies in Malin's portfolio have entered commercial status with two more expected to follow suit.

Therefore, the company is expected to reap the rewards of its investments soon and the investors are also confident in the success of the company which is reflected by its increasing share price, despite the losses.