

Russian Oilfield Services

Russian OFS through the DDM prism: Rouble weakness, rising Russian risk drives down TPs, but wellhead economics stable

- **Converting Russian OFS to DDM methodology:** With this note we convert our valuation methodology for the Russian OFS sector to the same rigorous Dividend Discount Model we recently introduced for Russia's oil & gas producers ([link to note](#)). Combined with significant drops in USD 2015 earnings estimates – due to the fall in the rouble – and a spike in the Russian risk-free rate, our TPs fall across the board: TMK is lowered from \$11.8/sh to \$3/sh, CAToil drops from €22/sh to €9.8/sh and EDCL falls from \$32.6/sh to \$14.2/sh.
- **Rating changes – EDCL upgraded to Buy, CAToil downgraded to Sell, TMK kept at Buy, but now High Risk:** We upgrade EDCL to Buy from Neutral after a c66% price fall YTD. With a firm balance sheet and what we anticipate to be resilient drilling activity, we think the company's prospects remain solid, if diminished in USD terms, and it now looks to be an attractive option in the Russian OFS space. **CAToil is downgraded to Sell**, having performed relatively well due to the obligatory buyout offer outstanding following changes in core shareholders, which expires in early January. **TMK kept at Buy, but now High Risk** as its levered balance sheet could pose problems given an expected fall in revenues in USD terms in 2015. We think that leverage should be manageable, and see substantial value potential in the stock should that be the case, but note there is more than typical uncertainty surrounding the stock and thus potential for heightened risk. We transfer coverage of TMK to Ronald Smith.
- **The flip side to rouble weakness – Wellhead economics stable, oilfield activity likely to remain healthy:** While the reaction of the Russian equity market to the rouble's recent swoon and heightened Russian risk (as reflected in sovereign yields), the reality for oil companies and the OFS sector is that the economics at the wellhead are actually quite stable. Indeed, we calculate that the IRR on a marginal well in West Siberia at \$59/bbl and \$60 RUB/USD is likely as good, or even better than, it would have been under the macro conditions of mid-2014 (\$110/bbl, 35 RUB/USD). For this reason, and because we think the Russian government will want production to be maintained for tax revenue generation as well as market share maintenance, oilfield activity in Russia should remain relatively healthy in 2015 even in the absence of a rebound in oil prices.

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Company	Ticker	Rating		Target Price		Current Year Earnings Estimates	
		Old	New	Old	New	Old	New
EDC	EDCLq.L	2	1	US\$32.60	US\$14.20	US\$1.78	US\$2.58
CAT oil	O2C.DE	1	3	€22.00	€9.80	€0.92	€1.20
TMK	TRMKq.L	1	1H	US\$11.80	US\$3.00	US\$0.94	US\$0.37

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

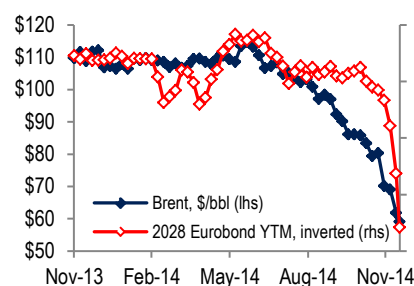
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Converting to the DDM

In late October we converted our valuation methodology for Russia's oil & gas producers from a combination of DCF and near-term multiples to a rigorous Dividend Discount Model, which resulted in target price drops of c30% across the board for those stocks. We now repeat the same exercise for Russia's OFS sector.

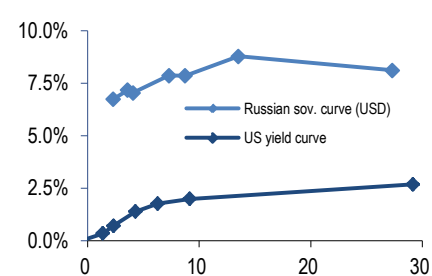
However, with the spike in the Russian risk-free rate (RFR) and weakness in the rouble – which lowers the USD earnings forecasts for the OFS sector, at least in the near and medium term – our overall TP drops are now significantly larger than those made in October.

Figure 1. Russian RFR vs. oil prices



Source: Bloomberg, Citi Research

Figure 2. Russian USD sovereign yield curve



Source: Bloomberg, Citi Research

Why wellhead margins are robust...

In our early December note on Russian oil & gas producers ([Russia's double leverage to oil prices, and the surprising resilience of upstream margins](#)), we pointed out that in spite of a sharp drop in oil prices, our expectations for upstream margins in 2015 are actually quite stable, due to:

- an automatically adjusting oil tax regime, where export duties and extraction taxes, with a one-month delay, absorb c81% of any fall in oil prices; and
- a sharply weaker rouble, which appears set to absorb all or more than all of the rest.

In that vein, we have run an analysis of a theoretical marginal vertical well in West Siberia, which under the following assumptions generates a c16% IRR:

- Initial production of 25tpd (183bpd).
- 15% annual decline rates.
- \$110/bbl oil prices – similar to 2Q14 – with 2.5% annual commodity inflation.
- An initial 35 RUB/USD exchange rate – again similar to 2Q14.
- A \$4.0mn initial well cost.
- The Russian tax regime as laid out under the recently passed "tax maneuver".

Marginal well economics may actually be better now than in 2Q14 when oil prices were significantly higher

When we run the current oil price (c\$62/bbl) and rouble rate (60 RUB/USD) through that same West Siberian marginal well model, we see returns actually rise to c21% (Figure 4). By comparison, if we were to run the average conditions seen in 2012 and 2013 through that same model (Figure 3), we would get single-digit IRRs of 9-10%.

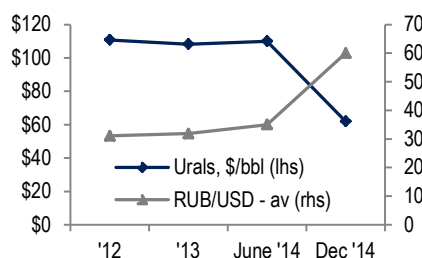
This increase in returns comes about due to the following reasons:

- The government absorbs 81% of the downside in oil prices.
- The rouble weakness cuts operating costs significantly, assuming they are 90% rouble-denominated (consistent with guidance from various Russian oil companies).
- Importantly, the rouble's weakness also cuts the up-front cost of the well itself, from \$4mn to c\$2.8mn, assuming that costs are 75% rouble-denominated.

A few thoughts:

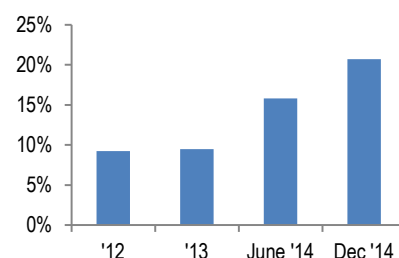
- The numbers for our base case were intentionally selected to get an IRR near the government's targeted 16.3% rate for new greenfields, allowing us to sensitivity test the rouble and oil effect on returns on a marginal well. Actual well costs and productivity can vary significantly.
- The dollar component of directional and horizontal wells can be significantly higher (25% to 50% of initial capex) than for vertical wells (as low as 10%). Because of that, we think the economics of Russian production may be moving back in favour of vertical wells after a strong shift to horizontal over the past two years, as the falling rouble will have cut the cost of a vertical well more than it will have for a horizontal well. This could potentially halt the rapid increase in horizontal drilling and the corresponding cannibalization of vertical drilling observed in 2014.

Figure 3. Macro conditions



Source: Bloomberg, Citi Research

Figure 4. IRRs of a marginal well in various oil price, RUB environments



Source: Citi Research

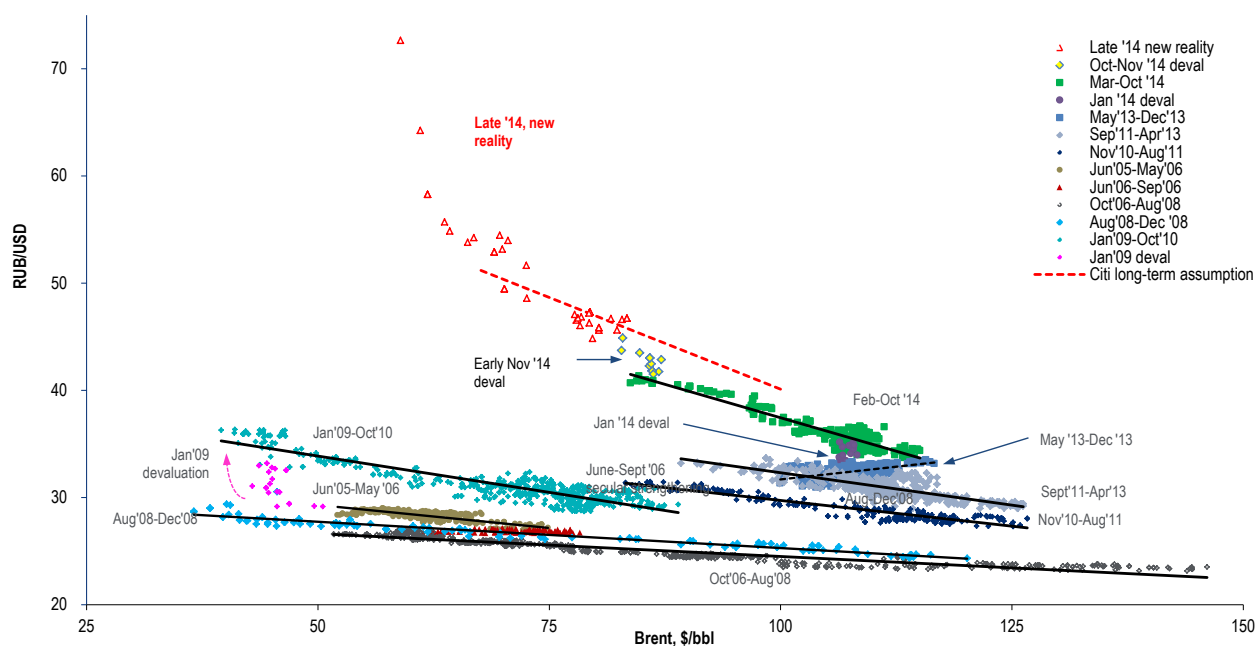
...but OFS set to suffer in USD terms

However, while the oil companies' economics at the field level may be largely unchanged, that is in no small part due to effective cost cuts in USD terms, cuts which naturally include lower USD revenues for Russian OFS companies. As a general rule, OFS contracts are set in roubles and run for a year, being renewed in January. Presumably negotiations on OFS contracts are on-going today among the various industry players and, while we would expect some level of adjustment to allow for the devaluation, we would expect it to suffice only to keep operating margins more or less stable in percentage terms, but lower in USD terms.

Two words on the rouble

The rouble has broken out of any visible relationship with the oil price in recent days. While we would expect that relationship to re-emerge at some point, we have no good way of estimating at which absolute level that relationship will be re-established. For the sake of this exercise, and until the FOREX market settles down, we will maintain our out-year forecasts (2016 and beyond) relative to oil, but lower 2015 to RUB65/USD from cRUB48/USD.

Figure 5. Rouble vs. oil prices over the last 10 years



Source: Bloomberg, Citi Research

Main DDM Assumptions

For the Russian OFS we use the following key assumptions:

- **ERP:** For EDCL and CAToil we use an ERP of 7%, the same as for the bulk of the Russian oil & gas companies we cover. For TMK, however, we use a significantly higher 9.5% to help account for the risk associated with its high leverage in a time of rapidly worsening macro conditions. We think a lowering of that assumption is possible in the course of 2015, assuming the company emerges unscathed from the first and perhaps second quarter.
- **Leverage:** We assume a leverage ratio of 180% A/E for all three companies for our interim and constant stages, which is in-line and significantly lower, respectively, than the three companies' historical averages.
- **Payout ratios:** We assume a constant-stage payout ratio of 50% for EDCL and CAToil, but a lower 40% for TMK.
- **Marginal IRRs:** We assume the pure OFS companies – EDCL and CAToil – will earn a marginal IRR on reinvested capital of 15%, similar to what we think state-owned oil companies Rosneft (ROSN.MM; US\$2.84; 2) and Gazpromneft (SIBN.MM; US\$2.07; 1) will earn. TMK, with a component of its business in industrial pipes and a larger component in the competitive US market, we assume will earn a modestly lower 14%.
- **Growth rates:** Our assumptions result in long-term growth assumptions of 6.8% for TMK, and 6.4% for CAToil and EDCL.

Figure 6. OFS comp tables

Company Name	Target Price	Rating	Price 12/17/14	Return to TP	Total Return	Market Cap	Performance			P/E				EV /EBITDA				Div yield		
							1w	1m	YTD	2013A	2014E	2015E	2016E	2013A	2014E	2015E	2016E	2013A	2014E	2015E
Amec Foster	11.0	Buy	8.3	32%	38%	\$5.0	-1%	-23%	-27%	11.1x	10.0x	9.1x	8.7x	8.7x	10.5x	8.2x	7.3x	5.0%	5.6%	5.5%
Lamprell	1.7	Neutral	1.2	41%	41%	\$0.6	-7%	-17%	-9%	16.0x	9.8x	9.7x	8.0x	6.1x	4.6x	4.2x	3.6x	0.0%	0.0%	4.2%
Petrofac	7.6	Neutral	7.0	9%	15%	\$3.8	-2%	-39%	-46%	5.8x	6.9x	8.1x	7.0x	3.3x	4.3x	4.3x	4.1x	6.0%	6.0%	6.0%
PGS	34.0	Sell	42.0	-19%	-13%	\$1.2	8%	-11%	-52%	4.9x	8.5x	9.0x	8.0x	2.1x	2.9x	3.1x	3.1x	7.5%	6.4%	6.4%
Seadrill	110.0	Neutral	86.4	27%	54%	\$5.7	0%	-43%	-71%	3.9x	4.7x	3.8x	3.2x	6.1x	5.3x	4.8x	4.1x	33%	26.6%	0.0%
Saipem	11.5	Sell	8.7	33%	35%	\$4.8	1%	-34%	-50%	n/m	13.2x	7.4x	5.5x	13.2x	6.4x	5.2x	4.1x	0.0%	2.5%	4.4%
Subsea 7	98.0	Buy	74.4	32%	41%	\$3.3	7%	-14%	-48%	9.9x	4.5x	5.9x	6.6x	3.0x	2.0x	2.3x	2.4x	6.5%	9.2%	8.5%
Technip	58.0	Neutral	48.9	19%	23%	\$7.0	4%	-19%	-36%	9.9x	10.6x	8.2x	7.8x	4.5x	4.3x	3.6x	3.3x	4.2%	4.4%	4.9%
John Wood	6.0	Neutral	6.0	-1%	3%	\$3.6	8%	-10%	-16%	9.3x	9.4x	9.4x	9.4x	6.5x	6.0x	5.6x	5.5x	2.4%	3.2%	3.6%
European OFS										8.8x	8.6x	7.9x	7.1x	6.0x	5.1x	4.6x	4.2x	7.2%	7.1%	4.8%
Baker Hughes	71.0	Buy	57.0	25%	26%	\$24.7	3%	-13%	3%	21.9x	14.1x	10.5x	9.7x	7.5x	5.7x	4.9x	4.6x	1.1%	1.1%	1.2%
FMC Tech	68.0	Buy	45.4	50%	50%	\$10.6	3%	-17%	-13%	20.6x	15.2x	12.8x	11.8x	11.6x	8.3x	7.4x	7.2x	0.0%	0.0%	0.0%
Halliburton	68.0	Buy	39.7	71%	73%	\$33.7	4%	-19%	-22%	12.5x	9.5x	7.6x	7.1x	6.0x	5.2x	4.4x	4.3x	1.4%	1.7%	1.9%
National Oilwell	76.0	Neutral	64.6	18%	21%	\$27.8	2%	-10%	-10%	11.5x	10.3x	9.8x	10.7x	6.6x	5.7x	5.5x	6.0x	1.5%	3.0%	3.0%
Schlumberger	107.0	Neutral	84.0	27%	29%	\$108.0	1%	-12%	-7%	16.9x	14.3x	12.4x	11.4x	8.6x	7.5x	7.0x	6.8x	1.5%	1.9%	2.0%
Superior Energy	26.0	Neutral	20.0	30%	32%	\$3.0	11%	-18%	-25%	12.5x	9.8x	7.6x	7.3x	4.0x	3.4x	3.1x	3.1x	0.0%	1.8%	1.9%
Weatherford	23.0	Buy	11.6	98%	98%	\$9.0	5%	-30%	-25%	18.3x	9.9x	6.6x	5.9x	6.3x	5.2x	4.2x	3.7x	0.0%	0.0%	0.0%
Helmerich & Payne	76.0	Neutral	65.7	16%	20%	\$7.1	6%	-16%	-22%	9.0x	9.3x	9.1x	8.7x	4.2x	3.9x	3.7x	3.6x	2.1%	4.2%	4.7%
Patterson UTI	28.0	Buy	16.9	66%	68%	\$2.5	13%	-18%	-33%	11.7x	9.7x	5.8x	7.7x	2.9x	2.8x	2.3x	2.5x	1.4%	2.7%	2.7%
RPC	19.0	Buy	13.6	40%	44%	\$3.0	12%	-13%	-24%	15.4x	10.7x	6.7x	7.6x	5.6x	4.5x	3.2x	3.4x	3.3%	3.5%	3.5%
Superior Energy	26.0	Neutral	20.0	30%	32%	\$3.0	11%	-18%	-25%	12.5x	9.8x	7.6x	7.3x	4.0x	3.4x	3.1x	3.1x	0.0%	1.8%	1.9%
US diversified										14.8x	11.1x	8.8x	8.7x	6.1x	5.0x	4.4x	4.4x	1.1%	2.0%	2.1%
CAT oil	9.8	Sell	14.6	-33%	-30%	\$0.9	16%	1%	-35%	14.0x	12.2x	18.5x	13.1x	6.1x	6.1x	8.2x	6.1x	1.9%	2.5%	2.5%
EDC	14.2	Buy	12.6	13%	22%	\$1.8	-8%	-44%	-72%	4.3x	4.9x	7.1x	6.4x	2.5x	2.7x	3.8x	3.4x	8.1%	9.1%	9.1%
Russian OFS										9.1x	8.5x	12.8x	9.8x	4.3x	4.4x	6.0x	4.8x	5.0%	5.8%	5.8%
TMK	3.0	Buy-H	2.3	30%	41%	\$0.5	-34%	-63%	-80%	2.3x	6.3x	8.3x	2.6x	4.8x	4.7x	5.5x	3.8x	11%	10.6%	3.9%
Tenaris	54.0	Buy	30.3	78%	82%	\$17.9	1%	-17%	-31%	11.5x	10.7x	10.8x	10.8x	6.0x	5.5x	5.2x	4.8x	3.1%	3.2%	2.9%
Vallourec	33.0	Neutral	22.2	48%	52%	\$3.6	-2%	-23%	-49%	10.7x	12.8x	10.3x	8.8x	5.5x	5.9x	5.1x	4.4x	3.9%	3.3%	3.8%
OFS pipe companies										8.2x	10.0x	9.8x	7.4x	5.4x	5.4x	5.3x	4.3x	5.9%	5.7%	3.5%

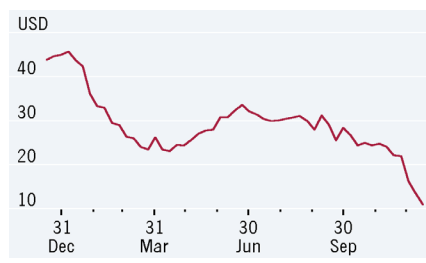
Source: Citi Research estimates

Company Focus

- Estimate Change
- Target Price Change
- Rating Change

Buy	1
from Neutral	
Price (17 Dec 14)	US\$12.68
Target price	US\$14.20
from US\$32.60	
Expected share price return	12.0%
Expected dividend yield	7.9%
Expected total return	19.9%
Market Cap	US\$1,838M

Price Performance (RIC: EDCLq.L, BB: EDCL LI)



Eurasia Drilling (EDCLq.L) Sell-off Looks Overdone, Upgrade to Buy

- **Convert to DDM** — As we did earlier with the Russian oil sector, we convert our EDCL valuation methodology to a rigorous DDM approach and mark to market our modelling assumptions. We cut our TP from \$32.6 to \$14.2 but upgrade our recommendation to Buy from Neutral on valuation grounds.
- **Upgrade to Buy** — We like the combination of: i) cheap valuation (6.4x P/E, 3.4x EV/EBITDA on 2016E, in addition to the DDM signal), ii) attractive dividends, iii) improving FCF and iv) growing share of the hard currency-denominated offshore business helping the stock to weather the FX devaluation storm.
- **Weathering the currency storm** — EDCL's EBITDA should be down by "only" 26% next year to \$593mn, on our forecasts, despite some -67% currency devaluation (from 38.8 RUB/USD in '14 to an assumed 65.0 in '15), we estimate, partially offset by stronger y/y performance in workover/sidetracking businesses and the addition of the newly built jack-up offshore rig Mercury, which is set to start drilling early 2015 and add some \$48mn (8%) to 2015E EBITDA.
- **An attractive dividend play** — Despite the currency devaluation and challenging market conditions, EDCL should be able to sustain annual DPS flat at \$1.0 in '15E and '16E, our estimates show, and is yielding an attractive 7.9%.
- **Solid cash flow generation is good in turbulent times** — Improving FCFs on the back of the offshore investments deceleration and the ability to manage scalable CAPEX should help EDCL to maintain its balance sheet in good shape, support dividends and post strong FCFs from 2017E onwards, we estimate.
- **Fears around LUKoil volumes look overstated** — EDCL reacted negatively to its largest customer LUKoil's statement about a potential reduction in drilling activity in its core West Siberian (W/S) region next year. In reality this is not a new trend, but a continuation of LUKoil's recent trends: In 2014 LUKoil's total drilling was up 9% YTD despite a 3.5% slide in W/S, as other regions such as Komi (+54%), Perm (+13%) and at the Ritek subsidiary (+117%) picked up the slack. We see scope for EDCL to sustain a healthy business with LUKoil in 2015.
- **Assumptions** — Our main assumptions for 2015 include: i) avg. USD/RUB of 65.0, ii) 7% inflation, iii) flat y/y land drilling volume after dropping 10% in 2014, iv) 5% increase in workover business, v) 15% increase in sidetracking (after 10% drop in 2014), vi) fourth offshore jack-up drilling rig (Mercury) addition early 2015.

Eurasia Drilling (USD)

Year to 31 Dec	2012A	2013A	2014E	2015E	2016E
Sales (\$M)	3,237.3	3,487.9	2,940.4	2,095.1	2,604.8
Net Income (\$M)	382.0	432.1	373.8	256.2	285.9
Diluted EPS (\$)	2.60	2.94	2.58	1.77	1.97
Diluted EPS (Old) (\$)	2.60	2.94	1.78	2.43	2.53
PE (x)	4.9	4.3	4.9	7.2	6.4
EV/EBITDA (x)	2.7	2.5	2.7	3.8	3.4
DPS (\$)	0.72	0.90	1.00	1.00	1.14
Net Div Yield (%)	5.7	7.1	7.9	7.9	9.0

EDCLq.L: Fiscal year end 31-Dec						Price: US\$12.68; TP: US\$14.20; Market Cap: US\$1,838m; Recomm: Buy					
Profit & Loss (US\$m)	2012	2013	2014E	2015E	2016E	Valuation ratios	2012	2013	2014E	2015E	2016E
Sales revenue	3,237	3,488	2,940	2,095	2,605	PE (x)	4.9	4.3	4.9	7.2	6.4
Cost of sales	-2,401	-2,487	-2,106	-1,475	-1,874	PB (x)	1.1	1.0	1.9	1.7	1.2
Gross profit	836	1,001	834	620	731	EV/EBITDA (x)	2.7	2.5	2.7	3.8	3.4
Gross Margin (%)	25.8	28.7	28.4	29.6	28.1	FCF yield (%)	-1.4	10.6	7.8	-1.3	5.0
EBITDA (Adj)	795	891	799	593	723	Dividend yield (%)	5.7	7.1	7.9	7.9	9.0
EBITDA Margin (Adj) (%)	24.6	25.5	27.2	28.3	27.8	Payout ratio (%)	28	30	39	57	58
Depreciation	-250	-266	-253	-181	-251	ROE (%)	25.8	24.8	26.9	25.1	21.7
Amortisation	0	0	0	0	0	Cashflow (US\$m)					
EBIT (Adj)	545	625	547	412	473	EBITDA	795	891	799	593	723
EBIT Margin (Adj) (%)	16.8	17.9	18.6	19.7	18.1	Working capital	-75	21	37	-27	-15
Net interest	-42	-41	-42	-46	-64	Other	-129	-162	-181	-146	-179
Associates	0	0	0	0	0	Operating cashflow	591	750	655	421	529
Non-op/Except	1	-1	1	0	0	Capex	-616	-553	-512	-445	-437
Pre-tax profit	504	582	506	366	408	Net acq/disposals	0	0	0	0	0
Tax	-122	-150	-132	-110	-123	Other	-1	57	0	0	0
Extraord./Min.Int./Pref.div.	0	0	0	0	0	Investing cashflow	-618	-496	-512	-445	-437
Reported net profit	382	432	374	256	286	Dividends paid	-69	-103	-364	-145	-165
Net Margin (%)	11.8	12.4	12.7	12.2	11.0	Financing cashflow	-197	249	-194	-40	-45
Core NPAT	382	432	374	256	286	Net change in cash	-224	502	-51	-65	47
Per share data						Free cashflow to s/holders					
Reported EPS (\$)	2.60	2.94	2.58	1.77	1.97		-26	197	143	-24	92
Core EPS (\$)	2.60	2.94	2.58	1.77	1.97						
DPS (\$)	0.72	0.90	1.00	1.00	1.14						
CFPS (\$)	4.03	5.11	4.52	2.90	3.66						
FCFPS (\$)	-0.17	1.34	0.99	-0.17	0.64						
BVPS (\$)	11.33	12.38	6.67	7.44	10.78						
Wtd avg ord shares (m)	147	147	145	145	145						
Wtd avg diluted shares (m)	147	147	145	145	145						
Growth rates											
Sales revenue (%)	17.6	7.7	-15.7	-28.7	24.3						
EBIT (Adj) (%)	46.1	14.7	-12.5	-24.6	14.6						
Core NPAT (%)	37.8	13.1	-13.5	-31.5	11.6						
Core EPS (%)	37.8	13.1	-12.3	-31.5	11.6						
Balance Sheet (US\$m)											
Cash & cash equiv.	305	778	368	303	455						
Accounts receivables	529	531	276	330	475						
Inventory	213	213	110	136	196						
Net fixed & other tangibles	1,828	2,026	1,218	1,482	2,171						
Goodwill & intangibles	108	105	54	54	71						
Financial & other assets	52	70	37	42	60						
Total assets	3,035	3,722	2,063	2,347	3,428						
Accounts payable	465	539	258	308	443						
Short-term debt	258	104	71	82	122						
Long-term debt	442	1,010	646	737	1,094						
Provisions & other liab	207	251	122	144	208						
Total liabilities	1,372	1,905	1,097	1,270	1,867						
Shareholders' equity	1,663	1,816	966	1,077	1,561						
Minority interests	0	0	0	0	0						
Total equity	1,663	1,816	966	1,077	1,561						
Net debt (Adj)	395	337	349	515	761						
Net debt to equity (Adj) (%)	23.7	18.5	36.2	47.8	48.7						

For definitions of the items in this table, please click [here](#).

EDCL in Charts

Figure 7. EDCL FCF profile, \$mn

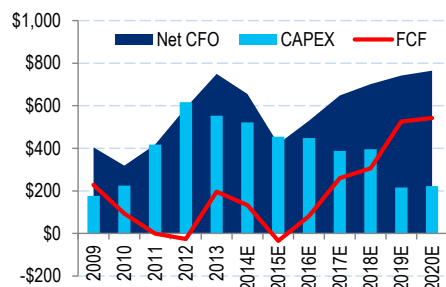


Figure 8. EDCL EBITDA, \$mn

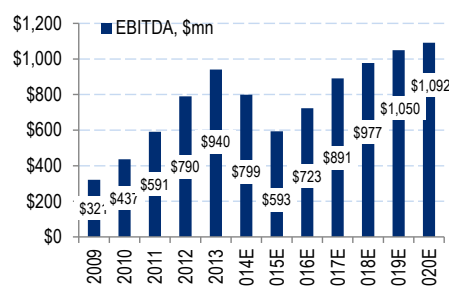


Figure 9. EDCL EBITDA, RUB mn

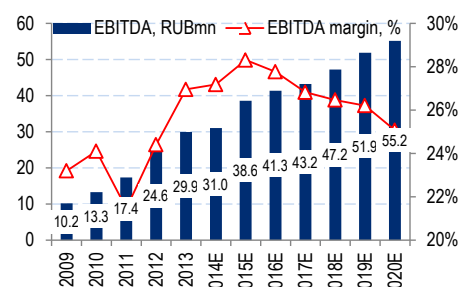


Figure 10. Net debt and leverage

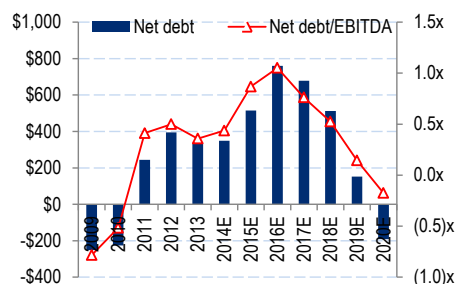


Figure 11. Dividend outlook

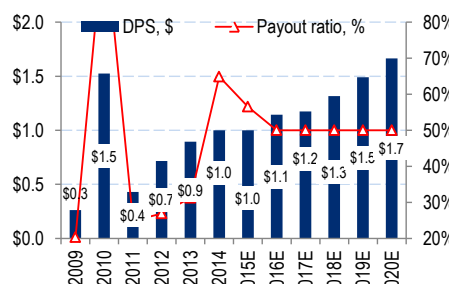
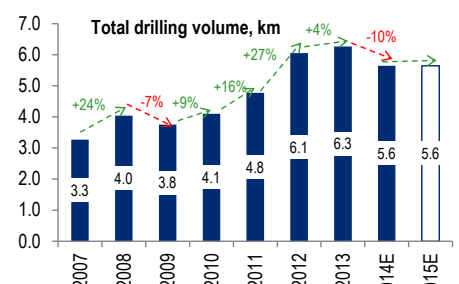


Figure 12. Drilling volume outlook



Source: Company data, Citi Research estimates

Figure 13. EDCL 2015 estimates decomposition

	RUBmn			
	2014	2015	y/y, Rmn	y/y, %
Revenue				
Workovers	12,042	13,856	1,814	15%
On-shore sidetracking	8,215	9,920	1,705	21%
On-shore drilling	84,259	90,157	5,898	7%
Off-shore drilling	9,560	22,249	12,689	133%
Total revenue	114,076	136,182	22,106	19%
EBITDA				
Workovers	1,427	1,664	237	17%
On-shore sidetracking	1,426	1,657	231	16%
On-shore drilling	22,724	22,992	268	1%
Off-shore drilling	5,430	12,237	6,807	125%
Total EBITDA	31,007	38,550	7,543	24%
EBITDA margins				
Workovers	11.9%	12.0%		
On-shore sidetracking	17.4%	16.7%		
On-shore drilling	27.0%	25.5%		
Off-shore drilling	56.8%	55.0%		
Total EBITDA margin, %	27.2%	28.3%		

Source: Citi Research estimates

	\$mn			
	2014	2015	y/y, \$mn	y/y, %
Workovers	\$310	\$213	-\$97	-31%
On-shore sidetracking	\$212	\$153	-\$59	-28%
On-shore drilling	\$2,172	\$1,387	-\$785	-36%
Off-shore drilling	\$246	\$342	\$96	39%
Total	\$2,940	\$2,095	-\$845	-29%
Workovers	\$37	\$26	-\$11	-30%
On-shore sidetracking	\$37	\$25	-\$11	-31%
On-shore drilling	\$586	\$354	-\$232	-40%
Off-shore drilling	\$140	\$188	\$48	35%
Total	\$799	\$593	-\$206	-26%

Company Focus

- Estimate Change
- Target Price Change
- Rating Change

Sell	3
from Buy	
Price (17 Dec 14)	€14.55
Target price	€9.80
from €22.00	
Expected share price return	-32.6%
Expected dividend yield	2.4%
Expected total return	-30.2%
Market Cap	€711M
	US\$877M

Price Performance
(RIC: O2C.DE, BB: O2C GR)



CAT oil (O2C.DE)

No valuation support apart from offer price; Downgrade to Sell

- **Convert to DDM** — With this note we convert our CAToil valuation to a DDM methodology and mark to market our modelling assumptions. As a result, our price target drops by -54% from €22 to €9.80, providing -29% ETR.
- **Buyout offer supports short-term, but little valuation support thereafter** — CAToil's share price is down 31% YTD despite 44% currency devaluation, as it has been supported by the buyout offer price from Joma Industries at a price of €15.23/share (see [link](#)) effective through 8th Jan, 2015. However, once the offer expires, we see little support for CAToil's stock price in the current environment.
- **Struggle for control between key holders may hurt value** — The struggle for control over CAToil between the core shareholders has raised some investor concerns and may be potentially damaging for the long-term value of the business, particularly if the current highly-rated management team, which is behind CAToil's operational success, is not retained in the course of events.
- **Risks around the buyout offer** — We note there is uncertainty as to the final outcome of Joma Industrial's bid, as legal proceedings are still ongoing. Even though Joma has said in a press release that the offer been approved by BaFin (regulator) we do not exclude the risk that new circumstances may emerge preventing the offer from being finalized.
- **Market liquidity risk after the buyout** — We also highlight the risk for minority shareholders opting not to tender their shares, as they may end up owning a much less liquid stock following the buyout finalization on 8th Jan, 2015.
- **Downgrade to Sell** — Even though we think CAToil is still one of the best-managed companies in the Russian OFS space with the most pronounced growth opportunities, in our view, the stock trades at a disconnect with valuations and does not reflect the RUB deval effect and risks around the change of control. We downgrade our rating to Sell from Buy, but highlight the risk that CAToil may outperform the market if and when Russian risk appetite improves and the issue around controlling shareholders is resolved with no damage to the growth strategy and the overall value of the firm.
- **Assumptions** — Our main assumptions for 2015 include: i) avg. EUR/RUB of 81.3, ii) in the face of market uncertainty the 2015 investment program is partially rolled over to future periods, iii) we assume CAToil will hold DPS flat at €0.35 in '15E and '16E to return on growth path from '17E onwards.

CAT oil (EUR)

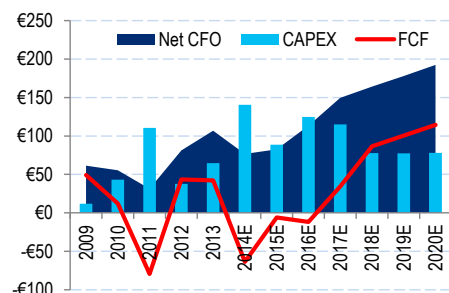
Year to 31 Dec	2012A	2013A	2014E	2015E	2016E
Sales (€M)	336.8	426.6	419.2	344.5	485.4
Net Income (€M)	21.0	50.8	58.5	38.5	54.1
Diluted EPS (€)	0.43	1.04	1.20	0.79	1.11
Diluted EPS (Old) (€)	0.48	1.04	0.92	1.17	1.35
PE (x)	33.8	14.0	12.2	18.5	13.1
EV/EBITDA (x)	9.3	6.1	6.1	8.2	6.1
DPS (€)	0.13	0.25	0.35	0.35	0.35
Net Div Yield (%)	0.9	1.7	2.4	2.4	2.4

O2C.DE: Fiscal year end 31-Dec						Price: €14.55; TP: €9.80; Market Cap: €711m; Recomm: Sell					
Profit & Loss (€m)	2012	2013	2014E	2015E	2016E	Valuation ratios	2012	2013	2014E	2015E	2016E
Sales revenue	336.8	426.6	419.2	344.5	485.4	PE (x)	33.8	14.0	12.2	18.5	13.1
Cost of sales	-304.6	-362.0	-346.3	-287.5	-404.4	PB (x)	2.9	2.8	4.3	3.8	2.5
Gross profit	32.2	64.6	72.9	57.0	81.0	EV/EBITDA (x)	9.3	6.1	6.1	8.2	6.1
Gross Margin (%)	9.5	15.1	17.4	16.6	16.7	FCF yield (%)	6.1	5.9	-8.8	-3.2	-4.9
EBITDA (Adj)	80.0	114.9	117.6	92.6	131.0	Dividend yield (%)	0.9	1.7	2.4	2.4	2.4
EBITDA Margin (Adj) (%)	23.8	26.9	28.1	26.9	27.0	Payout ratio (%)	29	24	29	44	32
Depreciation	-47.9	-50.4	-44.8	-35.6	-50.0	ROE (%)	9.0	20.5	28.1	22.0	22.9
Amortisation	0	0	0	0	0	Cashflow (€m)	2012	2013	2014E	2015E	2016E
EBIT (Adj)	32.2	64.6	72.9	57.0	81.0	EBITDA	80.0	114.9	117.6	92.6	131.0
EBIT Margin (Adj) (%)	9.5	15.1	17.4	16.6	16.7	Working capital	6.5	6.7	-24.1	3.4	6.1
Net interest	-3.0	-1.1	-0.5	-1.7	-3.2	Other	-5.4	-14.8	-22.2	-29.9	-47.1
Associates	0	0	0	0	0	Operating cashflow	81.2	106.8	71.2	66.1	90.1
Non-op/Except	0.8	-0.7	0.1	-0.3	-0.5	Capex	-37.7	-64.7	-134.0	-88.7	-124.9
Pre-tax profit	29.9	62.7	72.5	54.9	77.3	Net acq/disposals	0	0	0	0	0
Tax	-8.9	-11.9	-14.0	-16.5	-23.2	Other	2.4	2.7	0.5	0	0
Extraord./Min.Int./Pref.div.	0	0	0	0	0	Investing cashflow	-35.3	-62.1	-133.5	-88.7	-124.9
Reported net profit	21.0	50.8	58.5	38.5	54.1	Dividends paid	-6.1	-12.2	-15.9	-17.1	-17.1
Net Margin (%)	6.2	11.9	14.0	11.2	11.2	Financing cashflow	-39.4	-45.7	63.5	15.0	17.8
Core NPAT	21.0	50.8	58.5	38.5	54.1	Net change in cash	36.5	44.7	38.0	15.9	19.8
Per share data	2012	2013	2014E	2015E	2016E	Free cashflow to s/holders	43.5	42.1	-62.8	-22.5	-34.8
Reported EPS (€)	0.43	1.04	1.20	0.79	1.11						
Core EPS (€)	0.43	1.04	1.20	0.79	1.11						
DPS (€)	0.13	0.25	0.35	0.35	0.35						
CFPS (€)	1.66	2.19	1.46	1.35	1.84						
FCFPS (€)	0.89	0.86	-1.28	-0.46	-0.71						
BVPS (€)	5.01	5.15	3.36	3.80	5.89						
Wtd avg ord shares (m)	48.9	48.9	48.9	48.9	48.9						
Wtd avg diluted shares (m)	48.9	48.9	48.9	48.9	48.9						
Growth rates	2012	2013	2014E	2015E	2016E						
Sales revenue (%)	20.0	26.7	-1.7	-17.8	40.9						
EBIT (Adj) (%)	93.4	100.8	12.8	-21.7	42.1						
Core NPAT (%)	210.9	141.7	15.0	-34.2	40.8						
Core EPS (%)	210.9	141.7	15.0	-34.2	40.8						
Balance Sheet (€m)	2012	2013	2014E	2015E	2016E						
Cash & cash equiv.	38.8	42.6	23.8	34.4	56.3						
Accounts receivables	72.9	73.5	74.4	75.8	106.9						
Inventory	24.7	19.6	14.9	20.7	33.8						
Net fixed & other tangibles	221.6	207.3	181.3	233.1	398.0						
Goodwill & intangibles	3.9	4.1	2.2	2.2	2.9						
Financial & other assets	3.9	5.4	3.0	3.4	5.6						
Total assets	365.8	352.5	299.6	369.6	603.4						
Accounts payable	35.9	45.5	43.5	48.2	78.8						
Short-term debt	0.5	0.1	0.5	9.1	14.9						
Long-term debt	50.1	17.9	61.9	87.1	155.9						
Provisions & other liab	34.4	37.2	29.5	39.6	66.1						
Total liabilities	120.8	100.8	135.3	183.9	315.7						
Shareholders' equity	245.0	251.7	164.3	185.7	287.7						
Minority interests	0	0	0	0	0						
Total equity	245.0	251.7	164.3	185.7	287.7						
Net debt (Adj)	11.8	-24.6	38.5	61.7	114.5						
Net debt to equity (Adj) (%)	4.8	-9.8	23.4	33.2	39.8						

For definitions of the items in this table, please click [here](#).

CAToil in Charts

Figure 14. CAToil FCF profile, \$mn



Source: Company data, Citi Research estimates

Figure 15. CAToil EBITDA, \$mn

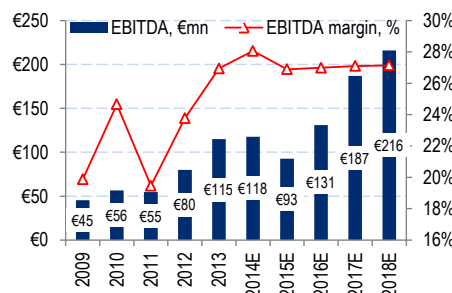


Figure 16. CAToil EBITDA, RUB mn

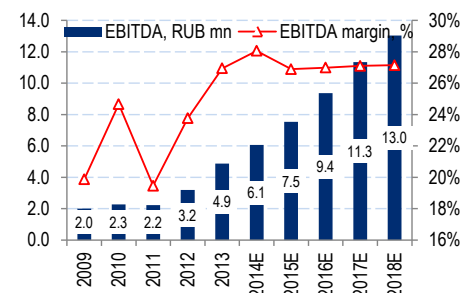
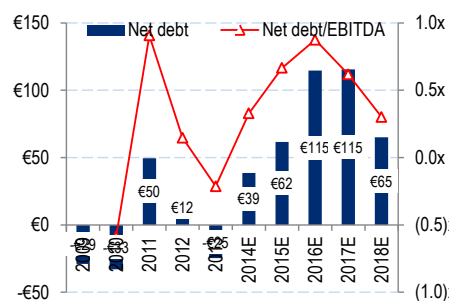


Figure 17. Net debt and leverage



Source: Company data, Citi Research estimates

Figure 18. Dividend outlook

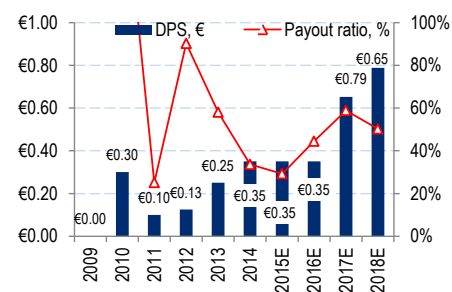


Figure 19. CAToil 2015 estimates decomposition

	€mn			
Revenue	2014E	2015E	y/y, €mn	y/y, %
Well services	€220	€167	-€53	-24%
Drilling	€202	€181	-€21	-10%
Other/intersegment	-€3	-€3		
Total Revenue	€419	€344	-€75	-18%
EBITDA	2014E	2015E	y/y, €mn	y/y, %
Well services	€60	€41	-€19	-32%
Drilling	€64	€56	-€8	-13%
Other/intersegment	-€7	-€4		
Total EBITDA	€118	€93	-€25	-21%
EBITDA margins	2014E	2015E		
Well services	27.2%	24.5%		
Drilling	31.9%	31.0%		
Other/intersegment	n/m	n/m		
Total EBITDA margin, %	28.1%	26.9%		

Source: Citi Research estimates

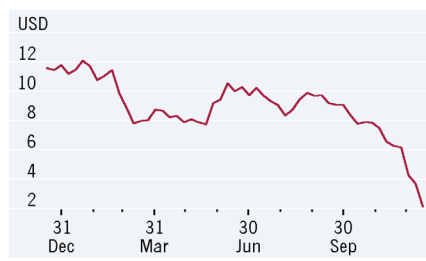
	RUB mn			
	2014E	2015E	y/y, €mn	y/y, %
Well services	11,355	13,599	2,244	20%
Drilling	10,383	14,674	4,291	41%
Other/intersegment	-149	-283		
Total Revenue	21,589	27,991	6,401	30%
	2014E	2015E	y/y, €mn	y/y, %
Well services	3,094	3,332	238	8%
Drilling	3,315	4,549	1,234	37%
Other/intersegment	-351	-353		
Total EBITDA	6,058	7,527	1,470	24%

Company Focus

- Rating Change
- Target Price Change
- Estimate Change
- Transfer of Coverage

Buy/High Risk	1H
from Buy	
Price (17 Dec 14)	US\$2.30
Target price	US\$3.00
from US\$11.80	
Expected share price return	30.4%
Expected dividend yield	3.5%
Expected total return	33.9%
Market Cap	US\$497M

Price Performance (RIC: TRMKq.L, BB: TMKS LI)



TMK (TRMKq.L)

Balance sheet risk should be manageable, but risks remain

- **Additional share issuance approved, dilution at an improbable price?:** On Friday, Dec 12th TMK announced its BoD had approved the issuance of 56mn new shares at RUB101.25/sh (c\$1.5/sh at current exchange rates or c\$6.0/ADR), following an initial BoD decision in summer. However, with TMK's share price having dropped by over 50% since late November, that offer price now looks unlikely, barring a sale to a strategic investors, such as state-owned Rosnano, which Interfax reported was the targeted buyer in August. Per Bloomberg the issuance is to be completed by year-end.
- **Issuance set to strengthen balance sheet...a little:** Management's past statements indicate the primary purpose of the issuance is to strengthen the balance sheet, but at the planned price it will raise only c\$100mn, marginally reducing the company's \$3.5bn net debt as of 3Q14, but helping it deal with c\$510mn of bank debt and bonds maturing in 2015. That amount includes \$328mn of bonds maturing in February, for which TMK's most recent presentation indicated rouble bank financing had been secured. However, given the rouble's decline in recent days, it should not be assumed the negotiated amount will still cover the maturing bonds.
- **Move to DDM, expected earnings drop, and higher Russia risk key TP drop:** While the sharp drop in TMK's share price in recent weeks could partially be due to investor concern over solvency, we think the bulk of the move can be explained by more prosaic reasons – the sharp increase in the Russian risk-free rate and lowered earnings expectations on the back of a rapidly devaluing rouble. We convert TMK to the same rigorous DDM we now use for our oil & gas companies, lower our USD earnings estimates for rouble weakness, and increase our discount rate. This lowers our TP by 74% to \$3.0/sh from US\$11.80. This can be broken down, roughly, into 3 parts: 1) A typical 30% fall from the switch to DDM alone, after which, in isolation; 2) a c55% fall from the combined effect of a 150bpt increase of our ERP assumption to a stress-induced 950bpts and the c220bpt increase in the Russian risk-free rate to 8.0% from the 5.8% prevailing as recently as October; and 3) a c13% fall from the reduction in earnings we see from the fall in the rouble.
- **Maintain Buy (1), but High Risk:** Clearly, the bulk of our TP drop comes not from impaired earnings and dividends, but from the large increase in the risk around those dividends, both on the ERP and RFR sides. This holds out the possibility of upgrades should the situation stabilize and/or TMK effectively manages its financial leverage in the coming quarters. In spite of the balance sheet risk, the market appears to have more than priced it in and, although we now rate it High Risk, the stock remains a Buy (1).

TMK (USD)

Year to 31 Dec	2012A	2013A	2014E	2015E	2016E
Sales (\$M)	6,687.0	6,431.9	6,187.4	4,503.5	5,260.3
Net Income (\$M)	272.6	213.9	79.1	63.7	206.1
Diluted EPS (\$)	1.26	0.99	0.37	0.28	0.90
Diluted EPS (Old) (\$)	1.26	0.99	0.94	1.32	1.47
PE (x)	1.8	2.3	6.3	8.3	2.6
EV/EBITDA (x)	4.1	4.8	4.7	5.5	3.8
DPS (\$)	0.30	0.23	0.23	0.08	0.07
Net Div Yield (%)	13.1	9.9	9.9	3.7	3.0

TRMKq.L: Fiscal year end 31-Dec						Price: US\$2.30; TP: US\$3.00; Market Cap: US\$497m; Recomm: Buy/High Risk					
Profit & Loss (US\$m)	2012	2013	2014E	2015E	2016E	Valuation ratios	2012	2013	2014E	2015E	2016E
Sales revenue	6,687	6,432	6,187	4,504	5,260	PE (x)	1.8	2.3	6.3	8.3	2.6
Cost of sales	-5,209	-5,074	-4,858	-3,846	-4,146	PB (x)	0.3	0.3	0.3	0.3	0.2
Gross profit	1,478	1,358	1,329	658	1,114	EV/EBITDA (x)	4.1	4.8	4.7	5.5	3.8
Gross Margin (%)	22.1	21.1	21.5	14.6	21.2	FCF yield (%)	97.3	61.6	46.7	115.2	16.3
EBITDA (Adj)	1,012	878	852	633	843	Dividend yield (%)	13.1	9.9	9.9	3.7	3.0
EBITDA Margin (Adj) (%)	15.1	13.7	13.8	14.1	16.0	Payout ratio (%)	24	23	62	30	8
Depreciation	-322	-326	-336	-346	-356	ROE (%)	14.7	10.6	3.9	3.1	9.4
Amortisation	0	0	0	0	0	Cashflow (US\$m)					
EBIT (Adj)	690	552	516	287	486	EBITDA	1,012	878	852	633	843
EBIT Margin (Adj) (%)	10.3	8.6	8.3	6.4	9.2	Working capital	-34	-159	-61	583	-108
Net interest	-275	-245	-214	-195	-189	Other	-50	-16	-239	-215	-258
Associates	0	0	0	0	0	Operating cashflow					
Non-op/Except	-15	5	-188	0	0	Capex	-445	-397	-320	-390	-390
Pre-tax profit	400	312	114	92	297	Net acq/disposals	-33	-38	0	0	0
Tax	-123	-98	-35	-28	-90	Other	23	12	0	0	0
Extraord./Min.Int./Pref.div.	-5	-1	-1	-1	-1	Investing cashflow					
Reported net profit	273	214	79	64	206	Dividends paid	-79	-57	-53	-20	-16
Net Margin (%)	4.1	3.3	1.3	1.4	3.9	Financing cashflow					
Core NPAT	273	214	79	64	206	Net change in cash	-6	-132	71	0	0
Per share data						Free cashflow to s/holders					
Reported EPS (\$)	1.26	0.99	0.37	0.28	0.90		483	307	232	610	86
Core EPS (\$)	1.26	0.99	0.37	0.28	0.90						
DPS (\$)	0.30	0.23	0.23	0.08	0.07						
CFPS (\$)	4.30	3.25	2.55	4.34	2.07						
FCFPS (\$)	2.24	1.42	1.07	2.65	0.38						
BVPS (\$)	8.47	8.68	8.29	8.47	9.23						
Wtd avg ord shares (m)	234	234	248	248	248						
Wtd avg diluted shares (m)	216	216	216	230	230						
Growth rates											
Sales revenue (%)	-1.0	-3.8	-3.8	-27.2	16.8						
EBIT (Adj) (%)	1.0	-19.9	-6.5	-44.4	69.5						
Core NPAT (%)	-28.3	-21.5	-63.0	-19.5	223.8						
Core EPS (%)	-22.2	-21.7	-63.0	-24.4	223.8						
Balance Sheet (US\$m)											
Cash & cash equiv.	225	93	150	150	150						
Accounts receivables	914	995	916	615	718						
Inventory	1,346	1,324	1,275	1,008	1,178						
Net fixed & other tangibles	4,342	4,273	3,811	3,855	3,889						
Goodwill & intangibles	591	585	585	585	585						
Financial & other assets	184	148	125	125	125						
Total assets	7,603	7,419	6,861	6,337	6,644						
Accounts payable	856	944	815	697	814						
Short-term debt	1,065	394	712	251	278						
Long-term debt	2,768	3,248	2,635	2,506	2,408						
Provisions & other liab	831	703	543	684	753						
Total liabilities	5,520	5,289	4,705	4,137	4,253						
Shareholders' equity	1,985	2,034	2,059	2,103	2,293						
Minority interests	99	96	96	97	98						
Total equity	2,084	2,130	2,156	2,200	2,391						
Net debt (Adj)	3,608	3,549	3,197	2,607	2,536						
Net debt to equity (Adj) (%)	173.1	166.6	148.3	118.5	106.1						

For definitions of the items in this table, please click [here](#).

Eurasia Drilling

Company description

Eurasia Drilling is the largest drilling company in Russia, with a 30% share of the country's onshore drilling market. It also provides offshore drilling services in the Caspian Region, well workover and integrated management services, primarily in Russia. Its GDRs are listed in London, with the free float of about 31%.

Investment strategy

After a 75% YTD share price drop in 2014, EDCL provides attractive valuation/dividend upside. We rate EDCL a Buy, as we like the combination of: i) cheap valuation, ii) attractive dividends, iii) improving FCF and iv) growing share of the hard currency-denominated offshore business helping to weather the rouble's currency devaluation period.

Valuation

We set our target price at \$14.2 defined as our DDM value of \$15.2 less the projected upcoming dividend of \$1.0. Our driving assumptions for the DDM are a long-term growth rate of 6.4%, itself based off a marginal ROE of 12.8% and a dividend payout ratio of 50%.

Risks

The key risks to our investment case are: on the downside: 1) significant deterioration of operating activity at the field level by oil companies in response to the oil price drop, 2) regulatory and fiscal risk affecting level of upstream investments, 3) competition risks, 4) customer credit risk, 5) risk of a loss of a large customer; 6) local currency devaluation.

CAT oil

Company description

CAToil is an oil services company providing fracturing and sidetracking services in Russia and Kazakhstan. In 2012 the established and successfully launched the third core business segment of conventional drilling services and in 2013 approved ambitious expansion program aiming at growing fracturing, sidetracking and drilling capacities by 33%, 55% and 170%, respectively. CAToil's stock is listed on the Frankfurt Stock Exchange with the free float of around 41%.

Investment strategy

Despite having the best-in-class growth opportunities in the Russian OFS space we rate CAT Oil stock a Sell. The current share price does not reflect the massive YTD devaluation of the operating currency (RUB) vs. reporting currency (EUR), as the stock has been supported by the mandatory buyout offer extended by Joma Industrial to CAToil's minority shareholders. Once the offer expires on 8 Jan, 2015 we see little valuation support to the share price.

Valuation

We set our target price at €9.8 defined as our DDM value of €10.1 less the projected upcoming dividend of €0.35. Our driving assumptions for the DDM are a long-term growth rate of 6.4%, itself based off a marginal ROE of 12.8% and a dividend payout ratio of 50%.

Risks

The key risks to our investment case and target price are: 1) significant RUB strengthening vs. EUR, 2) an emergence of a competing bid to minority shareholders

TMK

Company description

TMK is a leading global pipe company with substantial exposure to the oil & gas industry. TMK has over half of the Russian market for seamless Oil Country Tubular Goods (OCTG) and 10% of the global market. With over 75% of its sales coming from a) Russia, and b) the oil & gas industry, we argue that TMK needs to be compared not only with Vallourec and Tenaris, but with Russian OFS companies CAToil and Eurasia Drilling. TMK completed the acquisition of IPSCO Tubular assets in 2008 and Evraz's US assets in 2009, giving it a significant foothold in the US market, in particular in the market for premium connections, much in demand by US shale producers, but also a significant debt load in the process.

Investment strategy

We rate TMK a Buy/High Risk. While the company's levered balance sheet could give management issues after the strong fall in the rouble in late 2014, we think the business in the field should be fine even in a materially lower oil price environment, and the stock price appears to be more than allowing for that risk, we think.

Valuation

Our target price of \$3.00/ADR is set as our DDM value of \$3.09/ADR less the projected upcoming dividend. Our driving assumptions for the DDM are a long-term growth rate of 5.8%, itself based off a marginal ROE of 11.7% and a dividend payout ratio of 50%.

Risks

We rate TMK High Risk. Key risks to our target price include: 1) oil prices, where a continued fall could possibly pare back oilfield activity significantly; and 2) exchange rates, where a further weakening could endanger USD earnings relative to the company's debt load.

Appendix A-1

Analyst Certification

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TMK (TRMKq.L)

Ratings and Target Price History Fundamental Research

Analyst: Alexander Bepalov, CFA
Covered since June 6 2013



	Date	Rating	Target Price	Closing Price
1	7-Oct-11	Stock rating system changed		
2	1-Feb-13	1	*19.30	14.82

* Indicates change

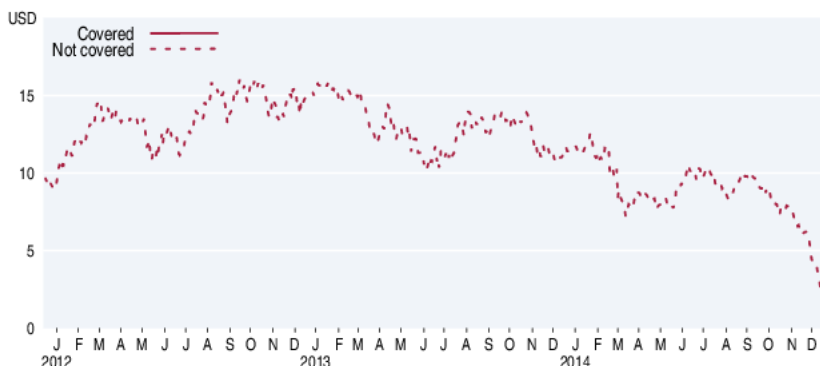
	Date	Rating	Target Price	Closing Price
3	22-Jan-14	1	*16.90	12.50
4	6-Jun-14	1	*11.80	9.98

Rating/target price changes above reflect Eastern Standard Time

TMK (TRMKq.L)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Alexander Bepalov, CFA
Covered since June 6 2013



* Indicates change

Rating/target price changes above reflect Eastern Standard Time

CAT oil (O2C.DE)

Ratings and Target Price History Fundamental Research

Analyst: Alexander Bepalov, CFA
Covered since August 31 2012



	Date	Rating	Target Price	Closing Price
1	7-Oct-11	Stock rating system changed		
2	1-May-12	1	*8.00	6.31

* Indicates change

	Date	Rating	Target Price	Closing Price
3	3-Sep-13	1	*17.60	13.27
4	20-Nov-13	1	*24.70	21.19

	Date	Rating	Target Price	Closing Price
5	6-Jun-14	1	*22.00	19.24

Rating/target price changes above reflect Eastern Standard Time

CAT oil (O2C.DE)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Alexander Bepalov, CFA

Covered since August 31 2012



* Indicates change

Eurasia Drilling (EDCLq.L)

Ratings and Target Price History

Fundamental Research

Analyst: Alexander Bepalov, CFA

Covered since August 31 2012



Date	Rating	Target Price	Closing Price
1 7-Oct-11	Stock rating system changed		
2 3-May-12	1	*37.00	28.31

* Indicates change

Date	Rating	Target Price	Closing Price
3 3-Sep-13	*2	*41.70	39.50
4 6-Feb-14	2	*35.40	33.20

Date	Rating	Target Price	Closing Price
5 18-Mar-14	*1	35.40	24.00
6 6-Jun-14	*2	*32.60	31.52

Rating/target price changes above reflect Eastern Standard Time

Eurasia Drilling (EDCLq.L)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Alexander Bepalov, CFA

Covered since August 31 2012



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Data current as of 30 Sep 2014

	12 Month Rating			Relative Rating		
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