



22nd January 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	15882.68	+0.74%	-10.89%
S&P 500	1868.99	+0.52%	-9.22%
Nasdaq	4472.06	+0.01%	-5.57%
Nikkei	16958.53	+5.88%	-8.21%
Stoxx 600	328.506	+1.93%	-4.10%
CAC 40	4206.4	+1.97%	-1.55%
Oil /Gold			
Crude WTI	28.47	+3.60%	-47.10%
Gold (once)	1093.94	-0.75%	-7.79%
Currencies/Rates			
EUR/USD	1.08235	-0.67%	-10.55%
EUR/CHF	1.09485	+0.12%	-8.94%
German 10 years	0.383	-7.74%	-29.20%
French 10 years	0.787	-5.28%	-6.05%

Economic releases :

Date	
22nd-Jan	ECB - Draghi speaks in DAVOS
	FR - Markit composite PMI Jan. (50.7 exp.)
	DE - Markit composite PMI Jan. (55.1 exp.)
	EU - Eurozone Composite PMI Jan. (54.1 exp.)
	DE - Retail Sales Dec. (3.5% exp.)
	US - Existing home Sales Dec. (9.2% exp.)

Upcoming BG events :

Date	
29th-Jan	TELECOM Sector (BG Paris breakfast)
4th-Feb	QIAGEN (BG Paris With CFO, IR)
2nd-Mar	ALBIOMA (BG Paris Lunch CEO)
10th-Mar/ 11th-Mar	BG TMT Conference
23rd-Mar	EIFFAGE (BG Luxembourg with IR)
28th-Apr	ORPEA (BG Luxembourg with IR)

Recent reports :

Date	
20th-Jan	SAINT GOBAIN : France likely to be a positive catalyst in 2016
19th-Jan	The wild child comes of age: thank you Orange!
15th-Jan	QIAGEN : Leverage would have to wait
13th-Jan	A spicier dish (Nestlé, coverage initiation)
14th-Dec	ATOS Synergies before organic growth
7th-Dec	ARM HOLDING - Cash me if you can

List of our Reco & Fair Value : Please click here to download



DELHAIZE

BUY, Fair Value EUR107 (+26%)

Q4 2015 trading statement (first take): so far so good

1/ Delhaize's Q4 sales came in at EUR6.320bn (vs EUR6.287bn expected by the consensus), up 14.2% excluding the 53rd week (+4.9% at constant currency). 2/ Comparable sales grew 2.3% in the US (vs +2.4% e), 5.1% in Belgium (vs +3.0% e) and 7.8% in south-eastern Europe (vs +3.3% e). 3/ Based on preliminary figures, Delhaize expects 2015 Group underlying operating profit to be approximately EUR870 million (vs EUR861m expected by the consensus). 3/ In terms of outlook, management is confident that Delhaize can maintain its sales trends in all markets in 2016, driven by LFL sales growth and expansion mainly in south-eastern Europe. So far so good, we stick to our Buy Rating.

RÉMY COINTREAU

BUY, Fair Value EUR72 (+15%)

China is improving!

The Q3 sales release showed an improvement in consumption trends in Greater China. In value terms, depletions stabilised over 9M after dropping mid single digit in H1, implying a high single digit/low double digit growth rate in Q3. The cognac market is in better health as private consumption is normalising. Rémy Cointreau also benefited from its new marketing campaign "One Life/Live Them". We maintain our Buy recommendation.

EIFFAGE

BUY, Fair Value EUR63 (+11%)

Further steady traffic growth for APRR in Q4

Eiffage's 50%-owned toll roads subsidiary has again reported steady traffic growth in Q4. In particular, the rise in truck traffic accelerated to 4.1% y/y in the last quarter vs 2.9% for the FY. Car traffic also remained healthy, with 2.7% growth in Q4, leading to a 2.6% y/y increase for the FY. Combined, APRR traffic rose 2.9% in Q4 and 2.7% over the FY. This is good for Eiffage, as APRR accounts for c15% of sales but c65% of EBIT. Positive read-across for Vinci (Neutral FV EUR65) too.

TOD'S GROUP

NEUTRAL, Fair Value EUR84 (+19%)

FY sales above expectations but relatively poor quality

Tod's Group 2015 FY sales reached EUR1.04bn (consensus: EUR1.02bn), up 1.8% organically implying Q4 growth of 4.5% following +0.5% over 9M. On a same-store basis, 2015 sales fell 6%, almost in line with the performance on 8th November. 2015 EBITDA margin (due out on 14th March) is set to narrow 60bp due to a negative distribution mix. We remain Neutral on the stock with an unchanged FV of EUR84.

Food retailing

Delhaize

Price EUR84.80

Q4 2015 trading statement (first take): so far so good

Fair Value EUR107 (+26%)

BUY

Bloomberg	DELBB
Reuters	DELBT.BR
12-month High / Low (EUR)	95.4 / 66.6
Market Cap (EURm)	8,820
Ev (BG Estimates) (EURm)	9,482
Avg. 6m daily volume (000)	311.5
3y EPS CAGR	10.9%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-5.3%	6.7%	5.9%	-5.6%
Food Retailing	-8.3%	-12.1%	-19.2%	-8.9%
DJ Stoxx 600	-10.8%	-11.1%	-20.8%	-11.9%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	21,361	24,595	25,217	25,795
% change		15.1%	2.5%	2.3%
EBITDA	1,355	1,545	1,625	1,685
EBIT	424.1	746.7	911.9	941.9
% change		76.1%	22.1%	3.3%
Net income	445.5	490.1	563.8	608.2
% change		10.0%	15.0%	7.9%

	2014	2015e	2016e	2017e
Operating margin	3.6	3.5	3.6	3.7
Net margin	2.1	2.0	2.2	2.4
ROE	NM	NM	NM	NM
ROCE	7.5	8.5	8.9	9.2
Gearing	18.3	11.6	5.4	-0.8

(EUR)	2014	2015e	2016e	2017e
EPS	4.37	4.81	5.53	5.97
% change	-	10.0%	15.0%	7.9%
P/E	19.4x	17.6x	15.3x	14.2x
FCF yield (%)	6.1%	5.5%	5.8%	6.4%
Dividends (EUR)	1.17	1.23	1.29	1.35
Div yield (%)	1.4%	1.4%	1.5%	1.6%
EV/Sales	0.5x	0.4x	0.4x	0.3x
EV/EBITDA	7.2x	6.1x	5.6x	5.2x
EV/EBIT	23.1x	12.7x	10.0x	9.3x

1/ Delhaize's Q4 sales came in at EUR6.320bn (vs EUR6.287bn expected by the consensus), up 14.2% excluding the 53rd week (+4.9% at constant currency). 2/ Comparable sales grew 2.3% in the US (vs +2.4% e), 5.1% in Belgium (vs +3.0% e) and 7.8% in south-eastern Europe (vs +3.3% e). 3/ Based on preliminary figures, Delhaize expects 2015 Group underlying operating profit to be approximately EUR870 million (vs EUR861m expected by the consensus). 3/ In terms of outlook, management is confident that Delhaize can maintain its sales trends in all markets in 2016, driven by LFL sales growth and expansion mainly in south-eastern Europe. So far so good, we stick to our Buy Rating.

In the US (64% of the group's sales in Q3), against the backdrop of deflation (-1.0%), Delhaize's performances remained resilient with a LFL sales growth working out at +2.3% (vs +2.4% expected by the consensus), driven by planned price investments and mild weather. Both Food Lion and Hannaford keep reporting positive real sales growth of above 3%. Belgium (21% of the group's sales in Q3), which has long been a sensitive issue of the equity story, is definitely gaining strong commercial momentum (+5.1% LFL adjusted for a positive calendar effect of 0.3% vs +3.0% expected by consensus), on top of a return to positive retail inflation (+1.8% internal inflation) since Q3. In south eastern Europe (15% of the group's sales in Q3), LFL sales rose is 7.8% adjusted for a positive calendar impact of 1% (vs +3.3%e).

Based on preliminary figures, Delhaize expects 2015 Group underlying operating profit to be around EUR870m (vs EUR861m expected by the consensus). In addition, management expects FCF for 2015 to be approximately EUR645m, excluding one-time elements. Including these elements, FCF reached €516m (vs EUR 475m in our own estimates).

ANALYSIS

- Again Q4 proved Delhaize's commercial resilience within a sector suffering from a lack of growth. As a reminder, we are witnessing a change in paradigm (anorexic growth... the bigger the better!), which for a large number of mature retailers has meant that solid and recurring growth has sunk to a sinusoidal pace limited to just a few points (a disruptive factor in a fixed-cost industry).
- In this backdrop, size provides a key asset for large players who can dilute fixed costs over a far denser store network and obtain additional ammunition for nurturing their price and non-price competitiveness. Hence the flirting between Delhaize and Ahold.
- On the whole, strong commercial performances at both Ahold and Delhaize, along with the prospect of a merger mid-2016, reinforce our Buy conviction (not to mention the fact that the two groups have virtually no exposure to unwell emerging markets).

VALUATION

- Delhaize is showing a 2016 P/E ratio of 15.3x (vs 15.7x for the panel / 14.5x excl. Tesco) which, in our view, is pretty justified given higher-than-average profit-to-cash conversion (2015 FCF yield of 5.5% vs ~3% on average for the panel).

NEXT CATALYSTS

- At this stage, we see no reason why Delhaize could not complete the proposed merger with Ahold mid-2016 (no antitrust issue).

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Food & Beverages

Rémy Cointreau

Price EUR62.50

China is improving!

Fair Value EUR72 (+15%)

BUY

The Q3 sales release showed an improvement in consumption trends in Greater China. In value terms, depletions stabilised over 9M after dropping mid single digit in H1, implying a high single digit/low double digit growth rate in Q3. The cognac market is in better health as private consumption is normalising. Rémy Cointreau also benefited from its new marketing campaign "One Life/Live Them". We maintain our Buy recommendation.

Bloomberg	RCO FP
Reuters	RCOP.PA
12-month High / Low (EUR)	73.1 / 50.9
Market Cap (EUR)	3,046
Ev (BG Estimates) (EUR)	3,516
Avg. 6m daily volume (000)	163.3
3y EPS CAGR	11.6%

ANALYSIS

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.7%	4.1%	-7.1%	-5.3%
Food & Bev.	-4.1%	-2.2%	-6.1%	-6.0%
DJ Stoxx 600	-8.0%	-9.4%	-18.4%	-10.2%

YEnd Mar. (EURm)	03/15	03/16e	03/17e	03/18e
Sales	965.1	1,042	1,069	1,113
% change		7.9%	2.6%	4.1%
EBITDA	175	193	210	223
EBIT	156.0	174.9	191.4	204.5
% change		12.1%	9.5%	6.8%
Net income	94.6	105.1	117.9	131.3
% change		11.1%	12.1%	11.4%

	03/15	03/16e	03/17e	03/18e
Operating margin	16.2	16.8	17.9	18.4
Net margin	18.0	10.1	11.0	11.8
ROE	8.8	10.5	11.6	13.1
ROCE	15.6	0.0	0.0	0.0
Gearing	43.4	46.9	42.3	38.8

(EUR)	03/15	03/16e	03/17e	03/18e
EPS	1.95	2.17	2.43	2.71
% change	-	11.2%	12.1%	11.4%
P/E	32.1x	28.8x	25.7x	23.1x
FCF yield (%)	0.3%	3.3%	4.1%	4.4%
Dividends (EUR)	1.53	1.74	1.95	2.13
Div yield (%)	2.4%	2.8%	3.1%	3.4%
EV/Sales	3.6x	3.4x	3.3x	3.1x
EV/EBITDA	20.1x	18.3x	16.6x	15.4x
EV/EBIT	22.5x	20.1x	18.2x	16.8x

- Cognac consumption in Greater China is showing improvement.** Volume depletions increased mid single digit over 9M 2015/16 while they were flattish in H1. In value terms, depletions stabilised over 9M after dropping mid single digit in H1, implying a high single digit/low double digit growth rate in Q3. This was mainly driven by Mainland China (+2/3% in 9M), while Hong Kong and Macau remained in decline. The cognac market is in better health as private consumption is normalising. Rémy Cointreau also benefited from its new marketing campaign "One Life/Live Them". Club (intermediate quality) is gaining market share, as is Louis XIII. The group expects the 9M depletion trend to continue in Q4. Following a double digit drop in H1, sell-in to Greater China stabilised in Q3, not helped by the early timing of the Chinese New Year (25-30% of shipments were made in Q3 2015/16, as in Q3 2014/15).

- The US and the EMEA were also better.** Value depletions (excluding VS) in the US were up 14.3% in Q3. This was driven by the continued success of Rémy Martin. The brand's volume depletions (excl.VS) rose 17.9% over the quarter. Cointreau also showed good momentum, both in on-trade and off-trade. In EMEA, the triple digit sales growth in Africa (4% of group sales) offset the weak performance of Russia/CIS (depletions down double digit over 12M). Western Europe is improving, with low single digit growth in sell-out driven by Germany, France, Belgium and the UK.

- Estimates.** Rémy Cointreau said that Q4 is expected to be stronger than Q3. Our estimate calls for 8% organic sales growth next quarter, implying -0.1% over the year (+0.4% previously). The group should continue to benefit from the ramp-up of the new distribution contracts in China and a normalising trend in Cointreau. Partner Brands should remain impacted by the loss of the champagne brands in the US.

VALUATION

- At yesterday's share price, the stock is trading on EV/EBIT multiples of 20.1x EV/for 2015/16e and 18.2x for 2016/17e, 15% and 11% above the peer average. This compares to a 10-year historical premium vs peers of 16%.

NEXT CATALYSTS

- 2015/16 sales will be released on 19th April

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Construction & Building Materials

Eiffage

Price EUR56.61

Further steady traffic growth for APRR in Q4

Fair Value EUR63 (+11%)

BUY

Bloomberg	FGR FP
Reuters	FOUG.PA
12-month High / Low (EUR)	59.8 / 43.0
Market Cap (EUR)	5,403
Ev (BG Estimates) (EUR)	19,869
Avg. 6m daily volume (000)	268.6
3y EPS CAGR	12.9%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.0%	-1.7%	8.0%	-4.9%
Cons & Mat	-6.4%	-4.8%	-12.4%	-8.9%
DJ Stoxx 600	-8.0%	-9.4%	-18.4%	-10.2%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	13,987	13,747	13,704	13,953
% change		-1.7%	-0.3%	1.8%
EBITDA	2,035	2,163	2,219	2,289
EBIT	1,347	1,353	1,409	1,479
% change		0.4%	4.2%	5.0%
Net income	275.0	303.8	355.0	422.1
% change		10.5%	16.8%	18.9%

	2014	2015e	2016e	2017e
Operating margin	9.6	9.8	10.3	10.6
Net margin	2.5	2.8	3.3	3.9
ROE	11.8	11.5	12.3	13.1
ROCE	4.7	4.4	4.6	4.8
Gearing	428.7	367.6	329.6	289.5

(EUR)	2014	2015e	2016e	2017e
EPS	3.09	3.23	3.74	4.44
% change	-	4.6%	15.7%	18.9%
P/E	18.3x	17.5x	15.2x	12.7x
FCF yield (%)	13.6%	6.7%	5.1%	6.8%
Dividends (EUR)	1.20	1.20	1.20	1.20
Div yield (%)	2.1%	2.1%	2.1%	2.1%
EV/Sales	1.4x	1.4x	1.4x	1.4x
EV/EBITDA	9.9x	9.2x	8.9x	8.5x
EV/EBIT	15.0x	14.7x	14.0x	13.2x

Eiffage's 50%-owned toll roads subsidiary has again reported steady traffic growth in Q4. In particular, the rise in truck traffic accelerated to 4.1% y/y in the last quarter vs 2.9% for the FY. Car traffic also remained healthy, with 2.7% growth in Q4, leading to a 2.6% y/y increase for the FY. Combined, APRR traffic rose 2.9% in Q4 and 2.7% over the FY. This is good for Eiffage, as APRR accounts for c15% of sales but c65% of EBIT. Positive read-across for Vinci (Neutral FV EUR65) too.

Eiffage subsidiary APRR has reported a solid top line performance for 2015, with 3% revenue growth, mostly driven by a good traffic performance (2.7%). Trends improved in Q4, with 3.3% sales growth and 2.9% for traffic. This was slightly better than our 2.5% estimate for volumes in 2015.

Quarterly traffic – APRR

		Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415
m-km travelled	Cars	4026	4551	5720	4126	4099	4674	5896	4236
	Trucks	813	826	788	810	829	843	815	844
	Total	4839	5377	6508	4936	4928	5517	6712	5080
y/y change (%)	Cars	0.5	3.2	0.6	2.6	1.8	2.7	3.1	2.7
	Trucks	1.9	2.5	1.3	0.4	2.0	2.1	3.5	4.1
	Total	0.7	3.1	0.7	2.2	1.8	2.6	3.1	2.9
YTD y/y (%)	Cars	0.5	1.9	1.4	1.6	1.8	2.3	2.6	2.6
	Trucks	1.9	2.2	1.9	1.5	2.0	2.0	2.5	2.9
	Total	0.7	2.0	1.4	1.6	1.8	2.2	2.6	2.7

Source: Company Data; Bryan Garnier & Co. ests.

ANALYSIS

- No weakness in traffic at the end of the year. Traffic remained steady with regular growth for cars and actually a regularly improving trend for trucks. Low oil prices helped certainly, as well as perhaps an improving macro environment (heavy vehicle traffic is usually linked with industrial production). This should be reflected by another solid EBITDA margin for APRR, despite virtually no tariff increases this year (frozen in February).
- This reinforces our positive stance on Eiffage, which should benefit from the positive impact from APRR's debt refinancing. Roughly two thirds of the PBT improvement from 2015 to 2017 is explained by lower interest charges. APRR is able to issue debt at 1.5% and to repay expensive debt, while the average cost of debt for Eiffage is estimated at close to 5.5% in 2015e.
- Furthermore, the construction environment in France is gradually stabilising, in particular regarding road works (end of order intake deterioration). 2016 will not be rosy, though, as local authority finances are still under pressure, while the Grand Paris projects auction is taking longer than expected. Vinci's CEO recently stated that he had noted the "first signs of improvement in French Construction" but that "French roadworks will fall at slower pace in 2016". Positive comments but cautious, though.
- Nevertheless, Eiffage's profile could be very attractive for investors. APRR provides good visibility, while the construction divisions were resilient in 2015e (EBIT margin virtually flat at 3.2%e).

VALUATION

- EUR63 FV, derived from an SOTP.

NEXT CATALYSTS

- FY 2015 results to be released on 24th February, after market

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Luxury & Consumer Goods

Tod's Group

Price EUR70.35

FY sales above expectations but relatively poor quality

Fair Value EUR84 (+19%)

NEUTRAL

Bloomberg	TOD IM
Reuters	TOD.MI
12-month High / Low (EUR)	97.4 / 67.0
Market Cap (EUR)	2,153
Ev (BG Estimates) (EUR)	1,997
Avg. 6m daily volume (000)	168.0
3y EPS CAGR	6.4%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.7%	-6.4%	-20.3%	-3.7%
Pers & H/H Gds	-4.8%	-8.5%	-10.5%	-7.3%
DJ Stoxx 600	-8.0%	-9.4%	-18.4%	-10.2%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	965.6	1,037	1,080	1,120
% change		7.4%	4.1%	3.7%
EBITDA	194	201	217	229
EBIT	148.3	153.0	166.0	177.0
% change		3.2%	8.5%	6.6%
Net income	97.0	108.0	114.0	117.0
% change		11.3%	5.6%	2.6%

	2014	2015e	2016e	2017e
Operating margin	15.4	14.8	15.4	15.8
Net margin	10.0	10.4	10.6	10.4
ROE	14.7	15.2	15.9	16.4
ROCE	19.8	20.4	21.2	21.7
Gearing	-16.1	-18.3	-22.0	-24.9

(EUR)	2014	2015e	2016e	2017e
EPS	3.17	3.53	3.72	3.82
% change	-	11.3%	5.6%	2.6%
P/E	22.2x	19.9x	18.9x	18.4x
FCF yield (%)	2.4%	4.2%	4.9%	5.0%
Dividends (EUR)	2.00	2.00	2.20	2.30
Div yield (%)	2.8%	2.8%	3.1%	3.3%
EV/Sales	2.1x	1.9x	1.8x	1.7x
EV/EBITDA	10.5x	9.9x	9.0x	8.4x
EV/EBIT	13.6x	13.1x	11.8x	10.8x



Tod's Group 2015 FY sales reached EUR1.04bn (consensus: EUR1.02bn), up 1.8% organically implying Q4 growth of 4.5% following +0.5% over 9M. On a same-store basis, 2015 sales fell 6%, almost in line with the performance on 8th November. 2015 EBITDA margin (due out on 14th March) is set to narrow 60bp due to a negative distribution mix. We remain Neutral on the stock with an unchanged FV of EUR84.

ANALYSIS

After trading yesterday Tod's Group published FY 2015 sales of EUR1.04bn (consensus: EUR1.02bn), up 7.4% and 1.8% organically (consensus:+0.5%). This implied 4.5% organic sales growth for Q4 alone following -2.2% in Q3 and +0.5% on 9M. Nevertheless, Tod's Group same store sales declined 6% over the FY, in line with the -6.1% seen over the first 45 weeks (to 8th November), with a tough month in November (attacks in Paris) but a better month in December. By region, we would highlight the still clearly negative trend in **Greater China** (22% of sales) with a 12% FY decrease, implying -6% in Q4 alone versus -14% over 9M. This was due to a tough environment in Hong Kong and Macau, but the first signs of improvement in MC. On the other hand, note the very positive trend in **Europe** excluding Italy (24% of sales) with +9.4% over the FY and 12% in Q4 while in **Italy** (30% of sales) the situation was also very positive, with a 3.7% sales increase over the FY and +11% in Q4 alone. However caution remains necessary since this was partly explained by strong wholesale sales particularly with the Fay brand which is expanding its distribution network.

Quarterly organic sales growth by region

in %	H1 15	Q3 15	9M 15	Q4 15	FY 15
Italy	3.0	0.3	1.9	11	3.7
Europe	10.5	5.8	8.8	12	9.4
Americas	6.1	-3.7	3.0	11	5.3
Greater China	-12.6	-17.2	-14.0	-6	-12.0
RoW	8.1	5.3	7.2	3.6	6.3
Group	1.8	-2.2	0.5	4.5	1.8

Source : Company Data; Bryan Garnier & Co. ests.

- Over the FY, **retail** (65% of sales) underperformed wholesale, falling 0.2% compared with +5.5% respectively. The group opened 25 DOS (net of closures) in 2015 to 257 and expects to open 10 to 20 new stores again this year. As explained above, virtually stable retail sales were entirely due to store expansion as same store sales declined 6% in 2015 (-7.1% in 2014). The FY and Q4 increases in wholesale sales (+19% in Q4) were mainly due to distribution expansion for Fay in Europe and Tod's and Roger Vivier in US and also earlier deliveries. At end 2015, Tod's counted 98 franchised stores versus 93 at end 2014. By business, it is worth noting that **leather goods** revenues (15% of sales) were still down (-5.1% over FY and -2.8% in Q4 alone) while footwear (78% of sales) outperformed last year as was the case in 2014 (+3.3% over FY and +7.4% in Q4) and, surprisingly apparel did very well in Q4 (+17% vs -2.8% over 9M). While the **Tod's** brand (58% of sales) remained almost stable (-1% on FY), **Hogan** (21% of sales) grew 2.8% o/w +7% in Q4. The **Roger Vivier** brand, recently bought by Tod's Group for EUR415m, was the only one to register a clear sales gain in 2015 (+12.2% of which +20% in Q4 alone). **Fay** sales grew 21% in Q4 thanks to geographical expansion.
- During yesterday's conference call, management confirmed it was comfortable with the consensus 2015 EBITDA forecast for EUR200m, implying a 60bp margin decline (19.4%) due to a negative distribution mix.

VALUATION

- Tod's share price has dropped 7% over the last three months. Tod's is trading on a 14% premium versus peers average. We remain **Neutral** (EUR84 FV) on the stock given still low visibility and a lack of positive momentum.

NEXT CATALYSTS

- FY results will be reported on March 14.

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BG's Wake Up Call

Bryan Garnier stock rating system

For the purposes of this Report, the Bryan Garnier stock rating system is defined as follows:

Stock rating

BUY	Positive opinion for a stock where we expect a favourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential upside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
NEUTRAL	Opinion recommending not to trade in a stock short-term, neither as a BUYER or a SELLER, due to a specific set of factors. This view is intended to be temporary. It may reflect different situations, but in particular those where a fair value shows no significant potential or where an upcoming binary event constitutes a high-risk that is difficult to quantify. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
SELL	Negative opinion for a stock where we expect an unfavourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential downside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.

Distribution of stock ratings

BUY ratings 60.2%

NEUTRAL ratings 30.8%

SELL ratings 9%

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