

18th January 2016

Insurance

Coface

Price EUR9.09

Xavier Durand to replace Jean-Marc Pillu as CEO next month

Fair Value EUR10.5 (+16%)

NEUTRAL

Bloomberg	COFA.FP
Reuters	COFA.PA
12-month High / Low (EUR)	11.9 / 7.4
Market Cap (EURm)	1,440
Avg. 6m daily volume (000)	153.2

ANALYSIS

- The company has announced on Friday night that Jean-Marc Pillu, 60 next March, will step down once 2015 accounts have been approved (9th February 2016), and that Xavier Durand, 52, will take over as CEO at that date.
- Jean-Marc Pillu arrived 5 years ago and has restructured the company into a pure player in credit insurance, driving operating performances up, improving processes, and successfully led the IPO. But remember that Coface is currently in a moving situation, with the loss of public guarantee activities due this year (EUR33m net operating profit impact, or 18% the 2014-2015e numbers) and the necessity to engage a restructuring plan (due 9th February).
- The mission of Xavier Durand, currently Director of Strategy and Growth at GE Capital, is to “reinforce commercial activity”, and “implement the necessary structural adaptations in order to continue to improve the group’s operational efficiency”. The 9th February will definitely be critical for the investment case of the company.

VALUATION

- Based on our current estimates, our SOTP is EUR10.5.

NEXT CATALYSTS

- FY 2015 will be released on 9th February 2016.

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Distribution of stock ratings

BUY ratings 57.6%

NEUTRAL ratings 33.3%

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