BRYAN, GARNIER & CO

LONDON • PARIS • MUNICH • NEW YORK • GENEVA • NEW DELHI

Please find our Research on Bloomberg BRYG <GO>)

10th February 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	16014.38	-0.08%	-8.10%
S&P 500	1852.21	-0.07%	-9.38%
Nasdaq	4268.76	-0.35%	-14.75%
Nikkei	15713.39	-2.31%	-15.49%
Stoxx 600	309.392	-1.58%	-15.42%
CAC 40	3997.54	-1.69%	-13.79%
Oil /Gold			
Crude WTI	28.32	-5.57%	-23.87%
Gold (once)	1193.07	-0.36%	+12.30%
Currencies/Rates			
EUR/USD	1.13095	+1.45%	+4.11%
EUR/CHF	1.09705	-0.58%	+0.89%
German 10 years	0.24	+6.28%	-62.11%
French 10 years	0.629	+4.29%	-35.88%

Economic releases :

Date	
10th-Feb	CNY - New yuan Loans Jan. (1900n E) JP - housing Loans 4Q GB - industrial Prod. Dec. (-1.4% E y/y) US - J Yellen to appear before House Financial Serv. Committee US - DOE Inventories

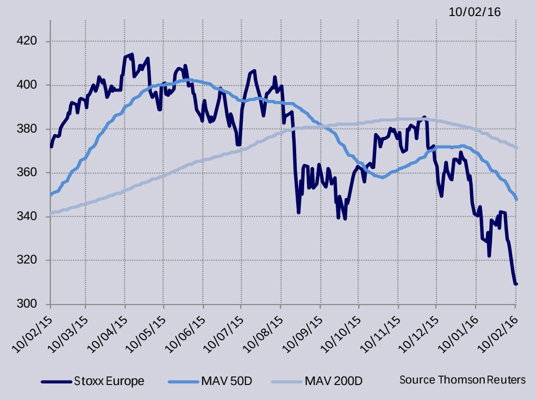
Upcoming BG events :

Date	
18th-Feb	INNATE (BG Paris roadshow with CEO)
2nd-Mar	ALBIOMA (BG Paris Lunch CEO)
10th-Mar/ 11th-Mar	BG TMT Conference
15th-Mar	ABLYNX (BG Paris roadshow with CEO)
18th-Mar	CNP (BG Paris roadshow with CEO, CFO)
23rd-Mar	EIFFAGE (BG Luxembourg with IR)

Recent reports :

Date	
1st-Feb	An aisle-end stock, but not a bargain
27th-Jan	GSK : A balanced story with most risks now behind us
25th-Jan	BioTechnology Last mark down on biotech!
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

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



HEINEKEN **BUY vs. NEUTRAL, Fair Value EUR83 vs. 80 (+10%)**

Strong 2015 and positive outlook

On the back of strong 2015 results and the positive 2016 outlook, we are increasing the company's Fair Value to EUR83 from EUR80. With 10% upside to Fair Value we have upgraded our recommendation to Buy from Neutral.

SANOFI **NEUTRAL, Fair Value EUR88 vs. EUR90 (+28%)**

Just a matter of time now?

The guidance provided for 2016 looks very well balanced in its underlying assumptions. Although we need time to fully assess the delivery of top-line growth with new products, the cost base is under control in the meantime and we see no meaningful risk of deviation from a central scenario of flat earnings from 2015 to 2017. With a P/E ratio of 12-12.5x over the period, the stock is beginning to look attractive again in absolute terms. Our NEUTRAL recommendation reflects sluggish momentum (H1 will be tougher than H2) and a preference for UK peers.

ARM HOLDINGS **BUY, Fair Value 1310p (+39%)**

Q4-15 results in line – FY16 should be another year of solid growth

ARM Holdings has reported Q4-15 results in line with consensus expectations and company guidance. Q4-15 sales came in at USD408m or GBP269m up +10.7% sequentially, with normalised operating margin at 50.5%, and EPS at 8.2p. This is in line with consensus expectations with sales estimates at GBP265m, normalised operating margin of 50.6% and adjusted EPS at 8.2p. The group adds that the current environment is not particularly supportive but we understand that it should achieve a 14% top-line growth (in dollar terms), in line with current market expectations, thanks to an increase in market share, a larger serviceable market and a higher royalty rate. We also note that the impact of the recent slowdown of the smartphone market is limited given the ARM's growing diversification.

CARLSBERG **SELL, Fair Value DKK485 (-11%)**

A lot of exceptional costs and mediocre 2016 outlook

Carlsberg delivered this morning 2015 revenues in line with expectations and operating profit before special items 1.5% ahead (DKK8457 vs DKK8323 consensus). After a poor 2015 with organic operating profit decline of 7%, the company expects low single digit organic operatihg profit growth for 2016.

COFACE **NEUTRAL, Fair Value EUR10.5 (+55%)**

A lot of work to do!

Q4/FY 2015 are pretty much in line with expectations, with a EUR126m FY net income and an 83.1% FY combined ratio (vs. 79.7% in 2014). The dividend is stable at EUR0.48 (7.1% yield). As expected, most 2016 targets (announced in 2014 during the IPO process) have been dropped. The solvency II ratio at end-2015 is 147% using the standard formula (the internal model will wait one more year). No detail on the restructuring plan to contain (at least partially) the loss of the public guarantee business. For sure, incoming CEO Xavier Durand has a lot of work to do! Our theoretical model shows upside potential, yet we stick to a Neutral recommendation as the business momentum is not supportive and we lack visibility on the restructuring plan.

HERMÈS INTL. **BUY, Fair Value EUR360 (+21%)**

FY and Q4 sales above expectations. Lastly, 2015 margin should remain stable

Hermès Intl issued this morning 2015 sales at EUR4.84bn (consensus: EUR4.81bn), up 17.5% on a reported basis and 8.1% at constant FX, which implies +7.2% in Q4 (cs:+5.6%) vs. +7.9% in Q3 and +8.5% on 9M, the very slight deceleration is a consequence of Hermès exposure to France (~14% of Group sales) where sales only increased 1% vs. +11.4% in Q3. Hermès management is more optimistic its FY15 margin guidance with today almost “close to 2014 level” vs previously “below 2014” whilst it already provides with a cautious FY16 sales target (“could be below the MT goal of 8%”). We keep our EUR360 FV and our Buy recommendation.

In brief...

ACTELION, *Is Tracleer at the root of good 2016 guidance? We guess so.*

ASK, *FY 2015 sales in line with our estimates - the environment is improving*

LDR HOLDING, *MOBI-C five-year cost-effectiveness data published in a peer-review journal likely to trigger inclusion in payers' lists*

ORPEA, *FY 2015 revenue: Sustained growth*

Food & Beverages

Heineken

Price EUR75.18

Bloomberg	HEIA NA
Reuters	HEIN.AS
12-month High / Low (EUR)	85.2 / 64.6
Market Cap (EUR)	43,304
Ev (BG Estimates) (EUR)	54,391
Avg. 6m daily volume (000)	842.8
3y EPS CAGR	12.3%

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.0%	-8.5%	-1.5%	-4.6%
Food & Bev.	-2.0%	-7.5%	-4.5%	-6.9%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	19,257	20,361	20,984	21,712
% change		*5.7%*	*3.1%*	*3.5%*
EBITDA	4,566	4,852	5,152	5,509
EBIT	3,129	3,415	3,659	3,917
% change		*9.1%*	*7.2%*	*7.0%*
Net income	1,758	2,083	2,287	2,487
% change		*18.5%*	*9.8%*	*8.8%*

	2014	2015e	2016e	2017e
Operating margin	16.2	16.8	17.4	18.0
Net margin	9.1	10.2	10.9	11.5
ROE	14.2	15.1	15.3	15.3
ROCE	7.7	9.0	9.6	10.3
Gearing	89.3	66.8	54.0	41.5

(EUR)	2014	2015e	2016e	2017e
EPS	3.05	3.62	3.97	4.32
% change	-	*18.5%*	*9.8%*	*8.8%*
P/E	24.6x	20.8x	18.9x	17.4x
FCF yield (%)	3.6%	5.7%	4.9%	5.5%
Dividends (EUR)	0.94	1.11	1.18	1.28
Div yield (%)	1.2%	1.5%	1.6%	1.7%
EV/Sales	2.9x	2.7x	2.6x	2.4x
EV/EBITDA	12.2x	11.2x	10.4x	9.5x
EV/EBIT	17.8x	15.9x	14.6x	13.3x

Strong 2015 and positive outlook

Fair Value EUR83 vs. 80 (+10%) **BUY vs. NEUTRAL**

On the back of strong 2015 results and the positive 2016 outlook, we are increasing the company's Fair Value to EUR83 from EUR80. With 10% upside to Fair Value we have upgraded our recommendation to Buy from Neutral.

Heineken has published 2015 results this morning, ahead of the consensus for both revenue and operating profit. Organic growth in net revenue was 3.5% (2.8% consensus) to EUR20,511 (consensus 20,190, beat by 1.6%) while that in operating profit was 6.9% (consensus 5.1%) to EUR3,381 (consensus 3,330, beat by 1.5%). In terms of outlook, the company sounded positive with the CEO stating "Whilst we expect further volatility in emerging markets and deflationary pressures in 2016, we are confident that we will again deliver top and bottom line growth, as well as margin expansion in line with our guidance."

ANALYSIS

- The area that surprised most positively was AsiaPac were revenue grew 4.1% in organic terms driving organic operating profit growth of 9.7% as a strong performance in Vietnam and Singapore offset weaker results in China and Indonesia.
- The negative surprise came from Africa, the Middle East and Russia where operating profit fell 11% organically as macro-economic conditions in Nigeria and DRC weighed on the performance, although this was partly offset by strong profits in Russia and Ethiopia.
- The strongest performance came from the Americas region (although less of a surprise) as organic revenue growth of 8.5% was driven by total volume growth of 5.2% and higher revenue per hectolitre of 3.1%. Both the improved brand mix and effective revenue management contributed to top line growth. Despite headwinds from emerging market currencies, forex positively impacted revenue by €109 million largely due to the US dollar strength. Operating profit grew 15% organically with Mexico and Brazil being the main drivers.
- But also Europe delivered more than decent figures as revenue increased by 1.4% organically, with revenue per hectolitre flat. Positive organic volume growth of 1.4% was helped by the strong performance in Q3, aided by better weather. Deflationary pressure combined with off-trade pricing pressure resulted in limited pricing, which adversely impacted revenue per hectolitre. Operating profit was up 7.3% organically driven by disciplined cost management, a continued focus on innovation and the successful premiumisation strategy. Higher profits were seen in Poland, Spain, UK and France offsetting lower profits in Greece and Croatia.

VALUATION

- After the recent drop in the share price, the stock is now trading at 18.9x 2016 EPS which is in the five year historic range of 14-20x and a five-year average of 17.0x (the average for 2015 was 19.6x)
- Our Fair Value of EUR83 per share is DCF-based and takes into account a long term growth rate of 3.3%

NEXT CATALYSTS

- Results call at 10 a.m.CET

(continued next page)

2015 results

	2014 actual	2015 Consensus	2015 BG	2015 Actual	Growth	Beat (+)/ Miss (-)
Consolidated Revenue (beia)						
Africa Middle East & Eastern Europe	3189	3,250	3,221	3263	2.3%	0.4%
Americas	4631	5,040	5,071	5159	11.4%	2.4%
Asia Pacific	2088	2,460	2,437	2483	18.9%	0.9%
Europe	9760	10,010	10,297	10227	4.8%	2.2%
Head Office and Eliminations	-411	-570	-665	-621	51.1%	8.9%
Total Consolidated Revenue	19257	20,190	20,361	20511	6.5%	1.6%
Organic Consolidated Revenue (beia) Growth		2.8%		3.5%		
Operating profit (beia)						
Africa Middle East & Eastern Europe	671	679	689	579	-13.7%	-14.7%
Americas	780	868	899	904	15.9%	4.1%
Asia Pacific	550	658	658	702	27.6%	6.7%
Europe	1109	1,150	1,240	1196	7.8%	4.0%
Head Office and Eliminations	19	-25	-71	0		
Total Consolidated Revenue	3129	3,330	3,415	3381	8.1%	1.5%
Organic Consolidated Revenue (beia) Growth		5.1%		6.9%		

Click here to download

Analyst :
Nikolaas Faes
33(0) 1 56 68 75 72
nfaes@bryangarnier.com

Sector Team :
Loïc Morvan
Antoine Parison
Cédric Rossi
Virginie Roumage

Healthcare

Sanofi

Price EUR68.94

Just a matter of time now?

Fair Value EUR88 vs. EUR90 (+28%) NEUTRAL

Bloomberg	SAN FP
Reuters	SASY.PA
12-month High / Low (EUR)	100.7 / 68.9
Market Cap (EURm)	90,015
Ev (BG Estimates) (EURm)	96,130
Avg. 6m daily volume (000)	3 266
3y EPS CAGR	7.4%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.7%	-18.1%	-29.8%	-12.3%
Healthcare	-12.4%	-16.5%	-21.7%	-16.8%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

YEnd Dec. (EURm)	2016	2017e	2018e	2019e
Sales	36,588	37,450	39,188	41,321
% change		*2.4%*	*4.6%*	*5.4%*
EBITDA	10,687	10,656	11,424	11,424
EBIT	9,561	9,806	10,637	11,457
% change		*2.6%*	*8.5%*	*7.7%*
Net income	6,970	7,221	7,926	8,636
% change		*3.6%*	*9.8%*	*8.9%*

	2016	2017e	2018e	2019e
Operating margin	26.1	26.2	27.1	27.7
Net margin	19.1	19.3	20.2	20.9
ROE	12.0	12.1	12.7	13.1
ROCE	11.1	11.1	15.8	16.7
Gearing	13.1	10.0	6.2	2.2

(EUR)	2016	2017e	2018e	2019e
EPS	5.45	5.65	6.20	6.76
% change	*-*	*3.6%*	*9.8%*	*8.9%*
P/E	12.6x	12.2x	11.1x	10.2x
FCF yield (%)	6.3%	6.2%	7.1%	8.0%
Dividends (EUR)	3.00	3.15	3.50	3.80
Div yield (%)	4.4%	4.6%	5.1%	5.5%
EV/Sales	2.7x	2.6x	2.4x	2.2x
EV/EBITDA	9.1x	9.0x	8.2x	8.0x
EV/EBIT	10.2x	9.8x	8.8x	8.0x

The guidance provided for 2016 looks very well balanced in its underlying assumptions. Although we need time to fully assess the delivery of top-line growth with new products, the cost base is under control in the meantime and we see no meaningful risk of deviation from a central scenario of flat earnings from 2015 to 2017. With a P/E ratio of 12-12.5x over the period, the stock is beginning to look attractive again in absolute terms. Our NEUTRAL recommendation reflects sluggish momentum (H1 will be tougher than H2) and a preference for UK peers.

ANALYSIS

- What we were expecting most from the conference call were clarifications on what had been included in 2016 guidance and although this was not always entirely clear (in some cases due to competitive reasons), our general belief is that the guidance looks well balanced and fair.
- Starting with the top-line, Sanofi has factored into its 2016 guidance (i) limited growth for the US insulin market (low single digit growth) and a continiuing trend of decline for Lantus, partially offset by new-to-brand progress for Toujeo although recent prescription trends are less favourable; (ii) prospective growth in emerging markets at the lower end of the range in which Sanofi has operated over the last 3 years i.e. 5-10% due to difficult market conditions in Russia despite a better trend in Q4 but with the loss of funding for Cerezyme in Latin America, although the underlying trend is not so bad in Brazil, and in China where the affiliate is doing very well but where price cuts are likely in 2016; (iii) DengVaxia is now licensed in four countries and the first shipments have started to the Philippines (1m doses at around EUR20 out of a total of 3m agreed on for the year), although this will be progressive. Olivier Charmeil said he was fine with consensus sales at about EUR200m for the current year.
- Moving to operating expenses, Jerome Contamine guided quite precisely on each line of the P&L towards a generally fairly stable picture at around 68-69% for gross margin and for the sum of SG&A and R&D expenses (EUR4.1bn in 2015). Selling, marketing and R&D expenses are set to grow, and should be more or less offset by lower general and administrative expenses. This is better than we had anticipated. After the good surprise in late 2015, the tax rate is set to come in at 24-25%, which is in line with previous guidance. Last but not least, the influence of share buy-backs was highly expected since Sanofi has already bought back EUR1.3bn in shares during the first five weeks of 2016 and this could suggested a record programme for the current year. Although Sanofi did not want to commit itself to any guidance in terms of SBB for the year, to keep some flexibility, the CFO mentioned that it would not be unreasonable to take the upper-end of the range in which Sanofi has operated over the past years as an estimate for 2016, implying around EUR2bn.

VALUATION

- The various elements mentioned above have influenced numbers in both directions. However, with SG&A costs growing less than we had anticipated and share buy-backs being included for EUR2bn, the net balance was positive. Note however that Sanofi's mention of a flat impact from currencies is based on average December rates. We maintain the fact that based on YTD average rates, the impact on core EPS would be negative by 1.5-2pp.
- Actually the highest downside influence on our FV was the mark-to-market adjustment of the value of the Regeneron stake which was down by another 6% yesterday on disappointing FY 2015 numbers. We have also notched down our Praluent figures.

NEXT CATALYSTS

- By the end of March: final phase III results for dupilumab in atopic dermatitis

Click here to download

Analyst :
Eric Le Berrigaud
33(0) 1 56 68 75 33
eleberrigaud@bryangarnier.com

Sector Team :
Mickael Chane Du
Hugo Solvet

TMT

ARM Holdings

Price 940.00p

Q4 2015 results in line – FY 2016 should be another year of solid growth

Fair Value 1310p (+39%) **BUY**

Bloomberg	ARM.LN
Reuters	ARM.L
12-month High / Low (p)	1,205 / 848.5
Market Cap (GBPm)	13,209
Ev (BG Estimates) (GBPm)	12,242
Avg. 6m daily volume (000)	4,210
3y EPS CAGR	17.3%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-0.4%	-11.2%	-1.2%	-9.5%
Semiconductors	-3.7%	-16.9%	-13.7%	-14.4%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

YEnd Dec. (GBPm)	2014	2015e	2016e	2017e
Sales	795.2	965.8	1,104	1,226
% change		*21.5%*	*14.3%*	*11.1%*
EBITDA	437	543	611	692
EBIT	400.4	498.1	559.6	634.9
% change		*24.4%*	*12.4%*	*13.5%*
Net income	342.8	428.1	481.2	551.2
% change		*24.9%*	*12.4%*	*14.5%*

	2014	2015e	2016e	2017e
Operating margin	50.3	51.6	50.7	51.8
Net margin	43.1	44.3	43.6	45.0
ROE	16.7	18.7	17.4	17.3
ROCE	36.6	46.7	53.2	62.5
Gearing	-43.7	-53.0	-61.2	-67.6

(p)	2014	2015e	2016e	2017e
EPS	24.12	30.21	33.95	38.89
% change	-	*25.2%*	*12.4%*	*14.5%*
P/E	39.0x	31.1x	27.7x	24.2x
FCF yield (%)	0.0%	0.0%	0.0%	0.0%
Dividends (p)	6.06	7.37	9.43	11.70
Div yield (%)	0.6%	0.8%	1.0%	1.2%
EV/Sales	15.8x	12.7x	10.8x	9.4x
EV/EBITDA	28.7x	22.5x	19.4x	16.6x
EV/EBIT	31.3x	24.6x	21.2x	18.1x

ARM Holdings has reported Q4 2015 results in line with consensus expectations and company guidance. Q4 sales came in at USD408m or GBP269m, up 10.7% sequentially, with normalised operating margin at 50.5%, and EPS at 8.2p. This was in line with the consensus forecasts for sales at GBP265m, normalised operating margin of 50.6% and adjusted EPS at 8.2p. The group added that the current environment is not particularly supportive but we understand that it should achieve 14% top-line growth (in dollar terms), in line with current market expectations, thanks to an increase in market share, a larger serviceable market and a higher royalty rate. We also note that the impact of the recent slowdown in the smartphone market is limited given ARM's growing diversification.

ANALYSIS

- **While Q4 top-line growth was slightly above expectations EPS was in line with forecasts.** The company reported Q4 revenues of USD408m, or GBP269m up 10.7% seq. (+19.1% yoy), slightly above the company's guidance and consensus expectations. Gross margin came in at 96.5%, up 30bp vs. Q3, and operating expenses came out at GBP124m. As a result, normalised EBIT was in line with expectations at GBP136m (cons. GBP135m/BG ests. GBP134m), as for EPS at 8.2p (cons. 8.2p / BG ests. 8.1p). On a full year basis, revenues came in at GBP968m, up 21.7%, gross margin improved by 70bp to 96.2% compared to 2014, and 2015 EPS stood at 30.2p, compared with 2014 EPS of 24.1p. Normalised cash generation was GBP112m in Q4 2015, up from GBP87m in Q3. As a result, the net cash position at the end of Q4 was GBP951m compared with GBP898m at the end of Q3.
- **Licencing sales grew by 9.2% in Q4 vs. Q3 and royalties by 6.7%.** Q4 licencing revenues accounted for GBP159m of which GBP140m from the processors business and GBP19m from the physical IP activity. Overall, the licencing business was the most dynamic with sequential growth of 9.2%. Royalties revenues grew by 6.7% seq. to GBP217m, of which GBP197m from the processors business and GBP20m from physical IP. Software & tools and services revenues came out at GBP17m and GBP15m respectively, compared with GBP12m and GBP16m achieved in Q3.
- **Management sees 14% growth in 2016 if current market conditions hold**. Despite a cautious message regarding current economic conditions that could possibly lead customers to lower spending and impact the entire semiconductors industry, the group is nevertheless guiding on growth of about 14% in 2016 (in dollar terms), i.e. in line with market expectations. The group added that the beginning of 2016 has brought solid opportunities in licensing thanks to new technologies and management is confident about market share gains by its flagship design ARMv8-A, which is thought to be gaining further market share in the mobile and entreprise markets and an increasing royalty rate.

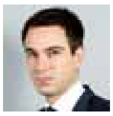
VALUATION

- We are making no change to our estimates at this point and will wait for further details from today's conference call (10:30am CET).
- ARM's shares are trading on 2016e P/E of 27.7x, well below its 5y historical average of 39.3x.

NEXT CATALYSTS

- Today: Q4 2015 results conference call (10:30am CET, +44 (0) 1452 555 566, ID: 20744122).
- 20th April 2016: Q1 2016 results.
- 28t April 2016: Annual General Meeting.

Click here to download



Analyst :
Dorian Terral
33(0) 1.56.68.75.92
dterral@bryangarnier.com

Sector Team :
Richard-Maxime Beaudoux
Thomas Coudry
Gregory Ramirez

Food & Beverages

Carlsberg

Price DKK547.50

A lot of exceptional costs and mediocre 2016 outlook

Fair Value DKK485 (-11%) **SELL**

Bloomberg	CARLB DC
Reuters	CARCb.CO
12-month High / Low (DKK)	648.5 / 490.6
Market Cap (DKKm)	83,744
Ev (BG Estimates) (DKKm)	142,873
Avg. 6m daily volume (000)	392.1
3y EPS CAGR	-8.3%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-6.9%	-0.6%	-9.1%	-10.6%
Food & Bev.	-2.0%	-7.5%	-4.5%	-6.9%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

YEnd Dec. (DKKm)	2014	2015e	2016e	2017e
Sales	64,506	64,988	64,355	65,698
% change		*0.7%*	*-1.0%*	*2.1%*
EBITDA	12,561	11,532	11,279	12,145
EBIT	8,458	7,159	6,941	7,843
% change		*-15.4%*	*-3.1%*	*13.0%*
Net income	5,496	3,779	3,564	4,239
% change		*-31.2%*	*-5.7%*	*18.9%*

	2014	2015e	2016e	2017e
Operating margin	13.1	11.0	10.8	11.9
Net margin	8.5	5.8	5.5	6.5
ROE	10.5	6.9	6.3	7.1
ROCE	5.3	4.7	4.6	5.2
Gearing	74.3	65.0	56.8	47.5

(DKK)	2014	2015e	2016e	2017e
EPS	35.92	24.70	23.29	27.70
% change	-	*-31.2%*	*-5.7%*	*18.9%*
P/E	15.2x	22.2x	23.5x	19.8x
FCF yield (%)	1.9%	5.3%	5.2%	6.2%
Dividends (DKK)	6.48	6.80	7.14	7.50
Div yield (%)	1.2%	1.2%	1.3%	1.4%
EV/Sales	2.3x	2.2x	2.2x	2.1x
EV/EBITDA	11.6x	12.4x	12.4x	11.3x
EV/EBIT	17.2x	20.0x	20.2x	17.5x

Carlsberg delivered this morning 2015 revenues in line with expectations and operating profit before special items 1.5% ahead (DKK8457 vs DKK8323 consensus). After a poor 2015 with organic operating profit decline of 7%, the company expects low single digit organic operating profit growth for 2016.

ANALYSIS

- Operating profit declined organically by 7%. This was in line with expectations expressed in the Q3 announcement in November 2015. Carlsberg delivered strong results of +13% in Asia, a modest decline of 3% in Western Europe and a decline of 19% in Eastern Europe. Reported operating profit was DKK 8,457m, affected by a negative currency impact of DKK -130m and a negative acquisition impact from the consolidation of Eastern Assets in China.
- Reported net profit was DKK -2,926m (2014: DKK 4,414m). This significant reduction was partly due to the decline in operating profit, but mainly due to special items as a result of asset impairment and restructuring charges related to Funding the Journey.
- In Western Europe Operating profit for the year declined organically by 3% despite growth in gross profit. Although gross profit margin improved, operating margin declined by 80bp to 13.7%. The lower operating profit was mainly caused by increased marketing investments in some markets to support product launches and strengthen the brand equity of key brands, and the fact that Carlsberg have not achieved the full range of anticipated savings. In Q4, operating profit grew by 2% organically, driven by improved price/mix and cost control. The operating profit margin improved by 10bp in Q4.
- In Eastern Europe, operating profit declined organically by 19%. While gross profit per hl increased organically by approximately 10% due to the favourable price/mix, the lower volumes and increased sales and marketing investments impacted operating profit negatively. Reported operating profit declined by 36%, affected by the very negative currency impact.

VALUATION

- DCF based fair value of DKK 485

NEXT CATALYSTS

- Conference call today.

Click here to download

Analyst :
Nikolaas Faes
33(0) 1 56 68 75 72
nfaes@bryangarnier.com

Sector Team :
Loïc Morvan
Antoine Parison
Cédric Rossi
Virginie Roumage

Insurance

Coface

Price EUR6.76

A lot of work to do!

Fair Value EUR10.5 (+55%)

NEUTRAL

Bloomberg	COFA FP
Reuters	COFA.PA
12-month High / Low (EUR)	11.9 / 6.8
Market Cap (EUR)	1,071
Emb. Value (BG Est.) (EUR)	1,537
Avg. 6m daily volume ('000)	135.6
3y EPS CAGR	5.7%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-23.5%	-22.5%	-29.0%	-27.6%
Insurance	-14.8%	-21.0%	-22.6%	-21.4%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

(EURm)	2015	2016e	2017e	2018e
Total gross prem.	1,269	1,330	1,366	1,374
% change		*4.8%*	*2.7%*	*2.1%*
Insurance op. profit	194	207	227	235
Total operating profit	175	189	208	216
Underlying PTP	176.0	189.6	209.6	216.0
% change		*7.8%*	*10.6%*	*8.7%*
Net attributable profit	*126.2*	*131.6*	*145.5*	*148.8*
% Change		*4.2%*	*10.6%*	*8.7%*

(EURm)	2015	2016e	2017e
Shareholders' equity	1,761	1,817	1,883
Technical reserves :			
-Life net (excl. UL)	NM	NM	NM
-UL contracts	NM	NM	NM
-P&C net	1,515	1,515	1,515
NAV net of intangibles	1,537	1,593	1,659
Embedded value	1,537	1,593	1,659

(EUR)	2015	2016e	2017e
EPS (€)	0.80	0.84	0.93
% change	-	*4.2%*	*10.6%*
P/E	8.4x	8.1x	7.3x
P/NAV (%)	0.6x	0.6x	0.6x
ROE	NM	NM	NM
Dividends	0.5	0.5	0.6
Div yield (%)	7.1%	7.4%	8.2%

Q4/FY 2015 are pretty much in line with expectations, with a EUR126m FY net income and an 83.1% FY combined ratio (vs. 79.7% in 2014). The dividend is stable at EUR0.48 (7.1% yield). As expected, most 2016 targets (announced in 2014 during the IPO process) have been dropped. The solvency II ratio at end-2015 is 147% using the standard formula (the internal model will wait one more year). No detail on the restructuring plan to contain (at least partially) the loss of the public guarantee business. For sure, incoming CEO Xavier Durand has a lot of work to do! Our theoretical model shows upside potential, yet we stick to a Neutral recommendation as the business momentum is not supportive and we lack visibility on the restructuring plan.

ANALYSIS

- FY 2015 net income is EUR126m (consensus EUR128m), up 1% yoy, including a 14% drop in underwriting results (combined ratio at 83.1% vs. 79.7% in 2014 and consensus 82.3%) and a 24% rise in investment income. The proposed dividend is EUR0.48, which is similar to last year, implying a 60% pay-out ratio (in line with guidance and consensus) and a 7.1% yield.
- As for Q4 2015, net income is up 21% to EUR28m, driven by a favourable tax rate (21% vs. 39% in Q4 2014). Operating profit is down 4%, driven by an 18% drop in underwriting result.
- As expected, most 2016 targets announced at the time of the IPO in 2014 have been dropped, especially concerning growth and profitability (ROTE > 12% vs. 8.4% reported in 2015, not taking into account the negative impact of the loss of the public guarantee business). But the company is sticking to its 60% pay-out ratio target.
- The work to transfer the public guarantee business to Bpifrance is still underway and is expected to be completed in 2016 (a change in law is needed). Remember the operation will translate into a EUR72m positive one-off (compensation net of depreciation), but the ongoing shortfall is EUR33m in operating profit (lost margin EUR12m, retained fixed costs EUR21m). The company will need to adapt its cost structure and a restructuring plan will be presented later (it was initially expected late 2015…). Our model is based on a EUR15m FY shortfall net of cost savings. The company stated that the 2015 net income, excluding the contribution of the public guarantee business, would have been EUR104m (17% negative impact), leading to a pro-forma c. 6% ROE.
- The Solvency II capital ratio is 147% vs. 144% at end-2014. Contrary to market expectations, this calculation is not based on a partial internal model, but using the standard formula, as the company decided to wait one more year before submitting its internal model to the regulator (ACPR). In the current market climate, this cannot be seen as a good news… Anyway, as expected for a credit insurer, the Solvency II ratio shows a low sensitivity to financial markets (-3 points for a 100bps rise in interest rates or spreads, -4 points for a 25% drop in equity markets), but a stronger one to the macro environment (-35 points for a 2008-2009 macro crisis equivalent).

VALUATION

- Based on our current numbers, which include a EUR15m FY negative impact from the loss of the public guarantee business, our valuation stands at EUR10.5.

NEXT CATALYSTS

- Q1 2016 numbers on 4th May 2016.

Click here to download

Analyst :
Olivier Pauchaut
33(0) 1 56 68 75 49
opauchaut@bryangarnier.com

Luxury & Consumer Goods

Hermès Intl.

Price EUR297.95

FY and Q4 sales above expectations; 2015 margin should remain stable

Fair Value EUR360 (+21%) **BUY**

Bloomberg	RMS FP
Reuters	HRMS.PA
12-month High / Low (EUR)	363.4 / 283.2
Market Cap (EUR)	31,454
Ev (BG Estimates) (EUR)	30,154
Avg. 6m daily volume (000)	57.40
3y EPS CAGR	14.3%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.2%	-13.2%	-15.0%	-4.4%
Pers & H/H Gds	-2.1%	-10.9%	-13.6%	-8.0%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	4,119	4,810	5,225	5,750
% change		*16.8%*	*8.6%*	*10.0%*
EBITDA	1,365	1,554	1,718	2,015
EBIT	1,299	1,490	1,655	1,875
% change		*14.7%*	*11.1%*	*13.3%*
Net income	858.1	982.0	1,125	1,282
% change		*14.4%*	*14.6%*	*14.0%*

	2014	2015e	2016e	2017e
Operating margin	31.5	31.0	31.7	32.6
Net margin	20.8	20.4	21.5	22.3
ROE	24.9	27.0	27.1	25.3
ROCE	41.3	42.3	42.2	42.8
Gearing	4.5	4.2	3.7	3.0

(EUR)	2014	2015e	2016e	2017e
EPS	8.16	9.34	10.70	12.20
% change	-	*14.4%*	*14.6%*	*14.0%*
P/E	36.5x	31.9x	27.8x	24.4x
FCF yield (%)	2.1%	2.6%	2.9%	NM
Dividends (EUR)	7.95	3.60	4.05	4.55
Div yield (%)	2.7%	1.2%	1.4%	1.5%
EV/Sales	7.3x	6.3x	5.7x	5.1x
EV/EBITDA	22.0x	19.4x	17.4x	14.6x
EV/EBIT	23.1x	20.2x	18.1x	15.7x

Hermès Intl has reported 2015 sales at EUR4.84bn (consensus: EUR4.81bn), up 17.5% on a reported basis and 8.1% at constant FX, which implies +7.2% in Q4 (cs:+5.6%) vs. +7.9% in Q3 and +8.5% on 9M. The very slight deceleration is a consequence of Hermès' exposure to France (~14% of Group sales) where sales only increased 1% vs. +11.4% in Q3. Hermès management is more optimistic about its FY15 margin, which it now says should be "close to the 2014 level" vs "below 2014" previously. Management has already provided a cautious FY16 sales target ("could be below the MT goal of 8%"). We keep our EUR360 FV and our Buy recommendation.

ANALYSIS

- **Hermès Intl sales reached EUR4.84bn in 2015 (consensus: EUR4.80bn), up 16.8% and 8.1% organically**. This implies a 7.2% organic sales increase in Q4 alone (cs:+5.6%), following +8.5% on 9M and +7.9% in Q3. By geographic area, the most important information is the clear Q4 slowdown in **France** (14% of sales) with only a 1% revenue increase after +8.2% on 9M and +11% in Q3. This is clearly due to the tragic events in Paris on November 13th that have significantly affected the tourist industry. On the other hand, we want to highlight the still-strong performance in **Japan** (12% of sales) with 18.3% revenue growth on FY, implying +16.2% in Q4 alone (+16.5% in Q3), thanks both to local clientele and buoyant Chinese tourists flows. In **Asia-Pacific** (35% of sales), sales grew slightly, up 5.1% of which +5.2% in Q4 which shows some slight improvement versus Q3 (+1.4%) as mainland China seems to be better oriented for luxury goods brands. Lastly, in **Americas** (18% of sales), sales momentum recovered slightly with a 5.8% sales increase in Q4 vs. +2% in Q3.

Quarterly organic sales growth

LFL change (%)	H1 15	Q3 15	9M 15	Q4 15	2015
France	6.6	11.4	8.2	1.2	6.2
Europe	7.0	17.7	10.6	11.6	10.8
Americas	10.3	2.0	7.4	5.8	6.8
Japan	20.5	16.5	19.1	16.2	18.3
Asia-Pacific	7.0	1.4	5.1	5.2	5.1
others	0.0	-8.6	-2.7	-0.7	-2.2
Total Group	**8.9**	**7.9**	**8.5**	**7.2**	**8.1**

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

- By business, it is worth noting the clear slowdown for the **silk activity** (12% of sales) in Q4, with sales down 7.2% (impact of high exposure in APAC and less buoyant Travel Retail), following -0.3% in Q3 and +3% on 9M. On the other hand, the **Leather goods** division (45% of sales) was quite resilient with a 12.6% revenue increase in FY implying +14.3% in Q4 (+8.6% in Q3), partly thanks to production capacity increase. **Ready to Wear** achieved a healthy FY performance (+7.8%) despite some slowdown in Q4 (+3.7%).

- **Management is more optimistic on its 2015 margin** and now expects a "level close to 2014" versus "below the 2014 level" previously , despite FX negative effect. This is , in our view, to a strong Q4 performance in Leather Goods which is a very profitable business. At this stage, we expect 2015 EBIT margin to be down 50bp to 31%, implying a deterioration in H2 (-110bp). For 2016, management is cautious (too cautious again?) with an organic sales growth that could be below MT guidance of 8%.

VALUATION

- Hermès share has decreased 4% since YTD (-6% for sector average), which nevertheless implies a 13% outperformance vs DJ Stoxx. The stock is trading on 18.1x 2016 EV/EBIT (12x sector average including RMS).

NEXT CATALYSTS

- FY 2015 results to be reported on March 23rd

Click here to download

Analyst :
Loïc Morvan
33(0) 1 70 36 57 24
lmorvan@bryangarnier.com

Sector Team :
Nikolaas Faes
Antoine Parison
Cédric Rossi
Virginie Roumage

Healthcare

Actelion

Price CHF123.80

Is Tracleer at the root of good 2016 guidance? We guess so.

Fair Value CHF166 (+34%) BUY-Top Picks

Bloomberg	ATLN VX
Reuters	ATLN.VX
12-month High / Low (CHF)	146.2 / 101.5
Market Cap (CHF)	14,129
Avg. 6m daily volume (000)	399.2

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.2%	-9.6%	-9.6%	-11.3%
Healthcare	-12.4%	-16.5%	-21.7%	-16.8%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

	2014	2015e	2016e	2017e
P/E	22.2x	20.6x	22.5x	18.3x
Div yield (%)	1.1%	1.1%	1.1%	1.1%

ANALYSIS

- We were waiting for yesterday's conference call to learn more about the assumptions behind the group's guidance for low single-digit growth in core operating income in 2016. We would say that we have interpreted the answers rather than gained clear details since the difference is likely to stem from Tracleer generics in the US and obviously Actelion cannot say too much about this.
- US Tracleer is still worth CHF400m on an annual basis such that every month it represents CHF25-30m in profits i.e. a near-3% impact on the EBIT line. We are still projecting a 60% decline in sales for Tracleer in the US in 2016 but this could prove overly-conservative in view of the entry of generics as well as Actelion's likely defence strategy to save volumes whatever the channel. During the call, Actelion said that an independent process manager has been nominated who now has to come up with a document that is approved by the eight parties involved and then filed with the FDA for authorisation before a formal green light can be given to generic launches. Although no clear pathway exists that can determine the timeframe, our understanding is that it is more a matter of months rather than days or weeks. We are nevertheless maintaining our cautious stance on this topic.
- In addition to this relief concerning Tracleer in the US, Actelion also suggested that operating expenses could grow modestly in 2016 and confirmed a soft ramp-up for Uptravi, because of a progressive market access in Europe and longer-than-usual training periods in all markets.
- The last point raised during the call was competition with Letairis since it has gained a label update to include AMBITION data. The drug looks like a strong competitor and market share dynamics will therefore have to be watched closely. All the more so given that Actelion was not successful in returning France's decision about Opsumit that is confirmed with an ASMR 5, which does not bode well for pricing.

VALUATION

- Despite modest upside revisions for the top part of the P&L, starting with sales, these are limited in cash terms and have no impact on our FV once the latest currency figures are factored in.

NEXT CATALYSTS

- March 2016: Uptravi approval in Europe

Click here to download

Eric Le Berrigaud, eleberrigaud@bryangarnier.com

TMT

ASK

Price EUR1.19

FY 2015 sales in line with our estimates - the environment is improving

Fair Value EUR2.4 (+102%) CORPORATE

Bloomberg	ASK FP
Reuters	ASK.PA
12-month High / Low (EUR)	4.3 / 1.2
Market Cap (EURm)	10
Avg. 6m daily volume (000)	54.50

	1 M	3 M	6 M	31/12/15
Absolute perf.	-20.7%	-32.0%	-44.1%	-30.4%
Industry	-9.4%	-17.7%	-22.1%	-15.4%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

	2014	2015e	2016e	2017e
P/E	NS	NS	16.5x	3.5x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- **Yesterday, ASK posted Q4 2015 sales of EUR9.8m, up 12% yoy and 5.4% on a sequential basis, in line with our expectations for 2015 sales of EUR36.4m.** The US subsidiary, consolidated on 1st March 2015 accounted for EUR8.1m. The e.ID division restored stronger momentum in H2 with sales of EUR8.0m, up 29% leading to 2015 sales of EUR14.2m, up17.4% compared to EUR12.1m in 2014. Conversely, sales of contactless solutions decreased by 9.3% to EUR22.5m compared with EUR24.8m in 2014.
- **We believe the environment is improving although some weak spots remain.** Firstly, note that the group was affected in H1 by lower than expected sales due to weaker demand in the US passport business. The group has now confirmed that momentum is better in the US business, although volumes remain low for UK passports. 2016 growth is set to be driven by higher volumes thanks to five new countries (the group now provides inlays for 18 passports). In addition, the group sees opportunities in the identity card business thanks to its new polycarbonate inlay technology. Secondly, for the contactless division, while the environment remains beneficial in the Americas it is seen as weak in Europe while also suffering from demanding comparison (2014 benefited from a significant boost thanks to the renewal of Navigo cards in Paris).

VALUATION

- ASK's shares trade at a 2016e P/E ratio of 16.5x.

NEXT CATALYSTS

- 25th April, 2016: FY 2015 results.

Click here to download

Dorian Terral, dterral@bryangarnier.com

Healthcare

LDR Holding

Price USD16.77

Bloomberg	LDRH US
Reuters	LDRH.OQ
12-month High / Low (USD)	45.7 / 16.8
Market Cap (USDm)	487
Avg. 6m daily volume (000)	437.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	-28.5%	-36.5%	-60.1%	-33.2%
Healthcare	-12.4%	-16.5%	-21.7%	-16.8%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

	2014	2015e	2016e	2017e
P/E	NS	NS	NS	NS
Div yield (%)	NM	NM	NM	6.0%

MOBI-C five-year cost-effectiveness data published in a peer-review journal likely to trigger inclusion in payers' lists

Fair Value USD41 (+144%) **BUY**

ANALYSIS

- The official peer-reviewed journal of the Congress of Neurosurgical Surgeons, NEUROSURGERY, has published a five-year (60 months) cost utility analysis of Mobi-C two-level cervical total disc replacement (cTDR) vs. anterior cervical discectomy and fusion (ACDF). While the five-year cost of cTDF is USD1,687 higher than ACDF, cTDR results in a USD34,377 productivity gain over the same period. More importantly, we would highlight that these results are better than the 24-month ones published last year.
- Note that although the five-year IDE study results as well as 24-month cost effectiveness data were already published/presented in 2014 for the two-level indication, most payers require the publication of five-year cost-effectiveness results in a journal before considering submitting the device to the annual review for potential inclusion in their list. Hence, we do not rule out that this might trigger an acceleration in recognition for Mobi-C, though is it hard to communicate on any particular timeline as payers do not communicate on the date of review. We would also remind that by year-end 2015, 159m lives were covered by insurers covering Mobi-C on the one-level indication compared to 20m for the two-level indication. A five-year two-level publication is likely to speed up the coverage upgrade from one- to two-level.
- Ahead of FY2015 results due to be released on 17th February, we do not consider that 2015 sales growth guidance of 19-20% (before 4-5% negative FX impact) is at risk (BGe USD160m), and expect gross margin to end the year north of 80% of sales. Although we witnessed a slowdown in growth in Q3 due to a seasonality effect that was extensively commented on, note that Q4 has always been the strongest quarter in the spine segment with patients undergoing surgery at the end of the year before any potential change in reimbursement from their insurer. Looking forward to 2016, the first results from the 50-70 sales reps hired in 2015 should start to bear fruit in late 2016 (six/nine months training necessary). The analysts' meeting on 23rd February should provide additional details on the company's development strategy from 2017 onwards after what we expect to be a year of investment.

VALUATION

- We reiterate our BUY rating and USD41 Fair Value.

NEXT CATALYSTS

- February 17th : LDR FY2015 results
- February 23rd : Analysts' Meeting (NYC)

Click here to download

Hugo Solvet, hsolvet@bryangarnier.com

Healthcare

Orpea

Price EUR66.87

Bloomberg	ORP FP
Reuters	ORP.PA
12-month High / Low (EUR)	74.5 / 57.5
Market Cap (EURm)	4,016
Avg. 6m daily volume (000)	109.1

	1 M	3 M	6 M	31/12/15
Absolute perf.	-8.7%	-6.1%	-2.9%	-9.4%
Healthcare	-12.4%	-16.5%	-21.7%	-16.8%
DJ Stoxx 600	-9.4%	-17.7%	-22.1%	-15.4%

	2014	2015e	2016e	2017e
P/E	22.7x	24.3x	21.3x	18.5x
Div yield (%)	1.2%	1.4%	1.6%	1.9%

FY 2015 revenue: Sustained growth

Fair Value EUR76 (+14%) BUY

ANALYSIS

- **Slightly better than anticipated:** The group unveiled its FY 2015 revenue, up 22.8% on a reported basis at EUR2,393m with LFL growth of 5.4% (5.1% in Q4). This was slightly ahead of consensus (consensus at EUR2,386m and our estimate of EUR2,390m) and group guidance of EUR2,380m which was twice revised in 2015.
- **Growth remains robust in France, but largely driven by International: France** (67% of consolidated revenue vs 77% in 2014 and 89% in 2011), reported revenue up 6.5% (+4.8% in Q4) with LFL revenue growth of 5.1% (4.4% in Q4), but revenue growth was largely driven by **International** up 77.2% on reported (+68.2% in Q4) with LFL revenue growth of 6.1% (7.1% in Q4). Regarding International, LFL best performances comes from **Switzerland** (5.4% of consolidated revenue) up 13.1% (+12.7% in Q4) and **Germany** (12% of consolidated revenue) up 8% (+10% in Q4). Belgium was up 0.7% LFL, Spain 5.8% and Italy 7.5%.
- **2016 well on track to be another year of solid revenue growth:** With ongoing sustained LFL revenue growth and taking into account the full-year consolidation of acquisitions in **Germany** i.e. (Residenz Gruppe Bremen, Vitalis, Celenus Kliniken) and in **Poland** (MEDI-System), **management expects to reach total revenue of EUR2,720m (+13.7%).** As usual, that guidance doesn't take into account new developments and implies LFL revenue growth of around 4%. <u>We are confirming our forecast of EUR2,759m, up 15.5% with LFL revenue growth of 5.6%, bearing in mind that the group plans to add c.3,000 beds in 2016 vs. around 2,000 in 2015.</u>

VALUATION

- At the current share price, the stock is trading 13.5x and 12.0x EV/EBITDA 2016e and 2017e respectively which compares with historical average of 13.1x and a CAGR 2014-2017 of 13.7%.

NEXT CATALYSTS

- FY 2015 results on 30th March
- Q1 2015 revenue on 4th May

Click here to download

Bruno de La Rochebrochard, bdelarochebrochard@bryangarnier.com

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 61.2% NEUTRAL ratings 29.9% SELL ratings 9%

Bryan Garnier Research Team

Healthcare Team	Pharmaceuticals	Eric Le Berrigaud *(Head of Equities)*	33 (0) 1 56 68 75 33	eleberrigaud@bryangarnier.com
	Biotech/Medtech	Mickael Chane-Du	33 (0) 1 70 36 57 45	mchanedu@bryangarnier.com
	Medtech/Biotech	Hugo Solvet	33 (0) 1 56 68 75 57	hsolvet@bryangarnier.com
Consumer Team	Luxury/Consumer Goods	Loïc Morvan	33 (0) 1 70 36 57 24	lmorvan@bryangarnier.com
	Beverages	Nikolaas Faes	33 (0) 1 56 68 75 72	nfaes@bryangarnier.com
	Retailing	Antoine Parison	33 (0) 1 70 36 57 03	aparison@bryangarnier.com
	Luxury /Consumer Goods	Cedric Rossi	33 (0) 1 70 36 57 25	crossi@bryangarnier.com
	Food & Beverages	Virginie Roumage	33 (0) 1 56 68 75 22	vroumage@bryangarnier.com
TMT	Video Games / Payments	Richard-Maxime Beaudoux	33 (0) 1 56 68 75 61	rmbeaudoux@bryangarnier.com
	Telecom	Thomas Coudry	33(0) 1 70 36 57 04	tcoudry@bryangarnier.com
	Software & IT Services	Gregory Ramirez	33 (0) 1 56 68 75 91	gramirez@bryangarnier.com
	Semiconductor	Dorian Terral	33 (0) 1 56 68 75 92	dterral@bryangarnier.com
Utilities		Xavier Caroen	33 (0) 1 56 68 75 18	xcaroen@bryangarnier.com
Insurance		Olivier Pauchaut *(Head of Research)*	33 (0) 1 56 68 75 49	opauchaut@bryangarnier.com
Hotels/Business Services		Bruno de La Rochebrochard	33 (0) 1 56 68 75 88	bdelarochebrochard@bryangarnier.com
Construction/ Infrastructures Building Materials		Eric Lemarié	33 (0) 1 70 36 57 17	elemarie@bryangarnier.com
Marketing		Sophie Braincourt	33(0) 1 56 68 75 36	sbraincourt@bryangarnier.com
Market Data & Information Systems Manager		Eric Monnier	33(0) 1 56 68 75 63	emonnier@bryangarnier.com

A copy of the Bryan Garnier & Co Limited conflicts policy in relation to the production of research is available at www.bryangarnier.com

London
Beaufort House
15 St Botolph Street
London EC3A 7BB
Tel: +44 (0) 207 332 2500
Fax: +44 (0) 207 332 2559
Authorised and regulated by the Financial Conduct Authority (FCA)

Paris
26 Avenue des Champs Elysées
75008 Paris
Tel: +33 (0) 1 56 68 75 00
Fax: +33 (0) 1 56 68 75 01
Regulated by the Financial Conduct Authority (FCA) and l Autorité de Contrôle prudential et de resolution (ACPR)

New York
750 Lexington Avenue
New York, NY 10022
Tel: +1 (0) 212 337 7000
Fax: +1 (0) 212 337 7002
FINRA and SIPC member

Geneva
rue de Grenus 7
CP 2113
Genève 1, CH 1211
Tel +4122 731 3263
Fax+4122731 3243
Regulated by the FINMA

New Delhi
The Imperial Hotel
Janpath
New Delhi 110 001
Tel +91 11 4132 6062
+91 98 1111 5119
Fax +91 11 2621 9062

BRYAN, GARNIER & CO

Disclaimer:

Bryan Garnier & Co Limited, registered in England Number 03034095 with registered office : Beaufort House 15 St Botolph Street, London EC3A 7BB , United Kingdom and its MIFID branch registered in France Number 452 605 512 with registered office : 26, Avenue des Champs Elysées 75008 Paris , France. Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 178733) and is a member of the London Stock Exchange.

This Report may not be reproduced, distributed or published by you for any purpose except with the Firms' prior written permission. The Firm reserves all rights in relation to this Report.

Past performance information contained in this Report is not an indication of future performance. The information in this report has not been audited or verified by an independent party and should not be seen as an indication of returns which might be received by investors. Similarly, where projections, forecasts, targeted or illustrative returns or related statements or expressions of opinion are given ("Forward Looking Information") they should not be regarded as a guarantee, prediction or definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. A number of factors, in addition to the risk factors stated in this Report, could cause actual results to differ materially from those in any Forward Looking Information.

Important information - This report may contain "Independent" and "Corporate/Non-independent" research reports.

Unless stated otherwise, documents in this report are classified under the FCA Handbook as being investment research (independent research). Bryan Garnier & Co Limited has in place the measures and arrangements required for investment research as set out in the FCA's Conduct of Business Sourcebook.

Independent investment research reports:

Independent investment research reports are prepared by Bryan Garnier & Co Limited and are distributed only to clients of Bryan Garnier & Co Limited (the "Firm"). Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange.

These reports are provided for information purposes only and do not constitute an offer, or a solicitation of an offer, to buy or sell relevant securities, including securities mentioned in this Report and options, warrants or rights to or interests in any such securities. These reports are for general circulation to clients of the Firm and as such are not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person. The information and opinions contained in these reports have been compiled from and are based upon generally available information which the Firm believes to be reliable but the accuracy of which cannot be guaranteed. All components and estimates given are statements of the Firm, or an associated company's, opinion only and no express representation or warranty is given or should be implied from such statements. All opinions expressed in these reports are subject to change without notice. To the fullest extent permitted by law neither the Firm nor any associated company accept any liability whatsoever for any direct or consequential loss arising from the use of these reports. Information may be available to the Firm and/or associated companies which is not reflected in these reports. The Firm or an associated company may have a consulting relationship with a company which is the subject of these reports.

Corporate or Non-Independent investment research reports:

Non-independent research reports are prepared by Bryan Garnier & Co Limited and are being distributed only to clients of Bryan Garnier & Co Limited (the "Firm"). Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange.

These reports have been sent to you for marketing purposes only and are non-independent research within the meaning of the FCA rules. These reports are not being held out as an objective or independent explanation of the matters contained in them and should not be treated as such. These reports have not been prepared in accordance with the legal requirements designed to promote the independence of investment research. The Firm is not subject to any prohibition on dealing ahead of the dissemination of investment research.

These reports usually focus on emerging European growth companies. The contents of these reports as well as the other research documents on emerging growth stocks do not contain the Firm's usual stock ratings. The intrinsic value analysis is presented to provide a framework for stock valuation and discussion, and represents an estimated value on the date of publishing, which may be subject to change without notice.

The Firm's rationale for not having ratings on the stock includes the fact that such stock may have limited market capitalisation and liquidity and while the Firm may express an opinion on the near-term movement of the stock, what action investors should take depends on many factors, including liquidity/risk tolerance, holdings timeframe and investment philosophy. Emerging companies evolve rapidly with a continuous flow of information that can significantly impact the company and in the Firm's opinion this cannot be reflected by a periodic rating. Additionally, the Firm may have an advisory relationship with the company which is the subject of these reports, including for the production of sponsored research, and may expect to receive or intend to seek compensation for investment banking services from that company in the six months following the date of these reports.

To the fullest extent permitted by law, the Firm does not accept any liability whatsoever for any direct or consequential loss arising from any use of the information contained in these reports. Information may be available to the Firm which is not reflected in these reports. They are provided for information purposes only and do not constitute an offer or solicitation to buy or sell any of the securities discussed in them. These reports are for general circulation to clients of the Firm and as such are not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person.

Disclosures specific to clients in the United Kingdom

This Report has not been approved by Bryan Garnier & Co Limited for the purposes of section 21 of the Financial Services and Markets Act 2000 because it is being distributed in the United Kingdom only to persons who have been classified by Bryan Garnier & Co Limited as professional clients or eligible counterparties. Any recipient who is not such a person should return the Report to Bryan Garnier & Co Limited immediately and should not rely on it for any purposes whatsoever.

Notice to US investors

This research report (the "Report") was prepared by Bryan Garnier & Co Limited for information purposes only. The Report is intended for distribution in the United States to "Major US Institutional Investors" as defined in SEC Rule 15a-6 and may not be furnished to any other person in the United States. Each Major US Institutional Investor which receives a copy of this Report by its acceptance hereof represents and agrees that it shall not distribute or provide this Report to any other person. Any US person that desires to effect transactions in any security discussed in this Report should call or write to our US affiliated broker, Bryan Garnier Securities, LLC. 750 Lexington Avenue, New York NY 10022. Telephone: 1-212-337-7000.

This Report is based on information obtained from sources that Bryan Garnier & Co. Ltd. believes to be reliable and, to the best of its knowledge, contains no misleading, untrue or false statements but which it has not independently verified. Neither Bryan Garnier & Co. Ltd. and/or Bryan Garnier Securities LLC make no guarantee, representation or warranty as to its accuracy or completeness. Expressions of opinion herein are subject to change without notice. This Report is not an offer to buy or sell any security.

Bryan Garnier Securities, LLC and/or its affiliate, Bryan Garnier & Co Limited may own more than 1% of the securities of the company(ies) which is (are) the subject matter of this Report, may act as a market maker in the securities of the company(ies) discussed herein, may manage or co-manage a public offering of securities for the subject company(ies), may sell such securities to or buy them from customers on a principal basis and may also perform or seek to perform investment banking services for the company(ies).

Bryan Garnier Securities, LLC and/or Bryan Garnier & Co Limited are unaware of any actual, material conflict of interest of the research analyst who prepared this Report and are also not aware that the research analyst knew or had reason to know of any actual, material conflict of interest at the time this Report is distributed or made available....