

10th February 2016

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.

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| | |
|---------|---|
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Distribution of stock ratings

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