

9th February 2016

Insurance

**Scor**

Price EUR29.27

**Satisfactory January 2016 renewals, with premiums up 2% including prices down 1%**

**Fair Value EUR38.5 (+32%)**

**BUY**

Bloomberg	SCR FP
Reuters	SCOR.PA
12-month High / Low (EUR)	37.2 / 27.0
Market Cap (EUR)	5,618
Avg. 6m daily volume (000)	446.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	-5.3%	-16.6%	-17.2%	-15.2%
Insurance	-12.5%	-19.3%	-20.5%	-19.3%
DJ Stoxx 600	-7.9%	-17.3%	-20.8%	-14.1%

	2014	2015e	2016e	2017e
P/E	10.6x	8.6x	10.2x	9.5x
Div yield (%)	4.8%	5.1%	5.1%	5.2%

#### ANALYSIS

- The company has reported satisfactory January 2016 renewals (c. 68% of the overall portfolio), with premiums up 2% to EUR3.0bn at constant FX. This includes a 1.0 point negative price effect.
- These numbers are slightly better than those of Hannover Re and Munich Re in terms of volume (respectively premiums -1.5% including prices -1.5% and premiums +0.7% including prices -1%).
- The company expects FY 2016 P&C premiums to reach c. EUR6.0bn, broadly in line with our estimates.
- Overall growth was driven by the US (26% of business renewed, up 300bps), as the company continues to rebuild its franchise.
- The expected gross underwriting ratio increased by c. 0.3 point. Thanks to the improved efficiency of the retrocession cover, the company expects a combined ratio close to 94% (assuming normal loss experience), which is at the higher end of the 93-94% range of the current strategic plan, yet lower than our current estimate of 94.8%.

#### VALUATION

- Based on our current 2016 estimates, our SOTP valuation is EUR38.5.

#### NEXT CATALYSTS

- FY 2015 numbers are due out on 24th February 2016.

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## Distribution of stock ratings

BUY ratings 61.2%

NEUTRAL ratings 29.9%

SELL ratings 9%

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