

24th February 2016

Insurance

Scor

Price EUR31.82

Very solid Q4 publication

Fair Value EUR38.5 (+21%)

BUY

Bloomberg	SCR FP
Reuters	SCOR.PA
12-month High / Low (EUR)	37.2 / 28.9
Market Cap (EUR)	6,109
Avg. 6m daily volume (000)	460.2

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.4%	-13.5%	-0.1%	-7.8%
Insurance	-7.6%	-18.6%	-10.8%	-16.9%
DJ Stoxx 600	-3.1%	-13.8%	-9.3%	-10.4%

	2014	2015e	2016e	2017e
P/E	11.6x	9.3x	11.1x	10.4x
Div yield (%)	4.4%	4.7%	4.7%	4.8%

ANALYSIS

- Q4 2015 net income stood at EUR150m, up 11%, above the consensus (EUR137m).
- In P&C, the combined ratio stood at 92.2% (consensus 92.6%) vs. 91.1% in Q4 2014, including 4.0 points related to natcats (vs. 4.8 points last year). The normalised Q4 combined ratio (assuming natcats at budget level) was 95.2% (vs. 93.3% in Q4 2014 and 96.4% in Q3 2015), driven by price competition and the high number of large man-made losses. FY GWP was up 16% (5% at constant FX).
- In Life, the technical margin was 7.2% (cons. 7.1%) vs. 7.0% in Q4 2014, in line with the plan.
- Annualised Q4 ROI was 2.5% vs. 2.7% in Q4 2014, driven by lower realised gains. The recurring yield was 2.3% vs. 2.2% last year.
- NAV came in at EUR34.0 at end-2015 vs. EUR32.7 at end-September 2015.
- The dividend is EUR1.5 vs. EUR1.4 last year (4.7% yield), in line with expectations. Solvency II margin totalled 211% at end-2015 vs. 208% at end-September 2015 and 202% at end-2014, fully consistent with the company's optimal range 185-220%.
- -> Another very solid publication, above the consensus in all major metrics. We still consider Scor as the "must have" in the challenging reinsurance industry.

VALUATION

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

NEXT CATALYSTS

- Q1 2016 numbers on 27th April 2016.

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Distribution of stock ratings

BUY ratings 63.4%

NEUTRAL ratings 28.4%

SELL ratings 8.2%

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