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15th March 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	17229.13	+0.09%	-1.12%
S&P 500	2019.64	-0.13%	-1.19%
Nasdaq	4750.28	+0.04%	-5.13%
Nikkei	17233.75	+1.74%	-9.46%
Stoxx 600	344.656	+0.71%	-5.78%
CAC 40	4506.59	+0.31%	-2.81%
Oil /Gold			
Crude WTI	37.28	-3.17%	+0.22%
Gold (once)	1242.72	-1.24%	+16.98%
Currencies/Rates			
EUR/USD	1.1107	-0.47%	+2.25%
EUR/CHF	1.0949	-0.26%	+0.69%
German 10 years	0.281	+0.68%	-55.72%
French 10 years	0.528	-0.18%	-46.15%
Euribor	-	+-%	+-%

Economic releases :

Date	
15th-Mar	JP - BoJ basic balance rate (0.1% A) JP -Policy rate (-0.1% A, -0.1% E) US - Advance retail sales (-0.1% E) US - NAHB Housing markets index Mar. (59E) US Business inventories (0.0% E)

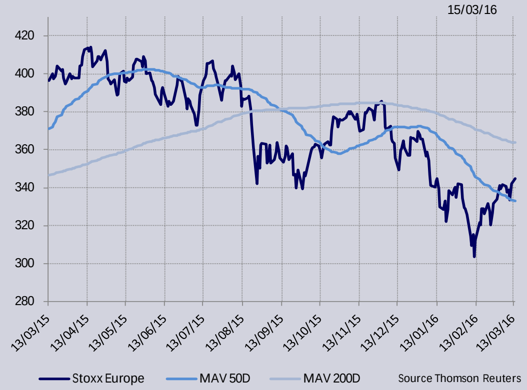
Upcoming BG events :

Date	
15th-Mar	ABLYNX (BG Paris roadshow with CEO)
18th-Mar	CNP (BG Paris roadshow with CEO, CFO)
23rd-Mar	EIFFAGE (BG Luxembourg with IR)
8th-Apr	VINCI (BGLuxembourg roadshow with CFO)
12th-Apr	DBV TECH. (BG Paris roadshow with CEO)
20th-Apr	REMY COINTREAU (BG Paris breakfast with CFO)

Recent reports :

Date	
9th-Mar	CELLECTIS : Super Mario Car-T
4th-Mar	CAMPARI : The wind in its sails
19th-Feb	CASINO With hindsight: a real Catch-22!
17th-Feb	LAFARGEHOLCIM Everything can't be that bad.
11th-Feb	Pennon : At any price?
2nd-Feb	French toll roads: safe harbour in difficult times

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



TOD'S GROUP — NEUTRAL, Fair Value EUR82 vs. EUR84 (+12%)

FY 2015 EBIT margin declined 110bp to 14.3% and disappointing start of the year

FY 2015 sales grew 1.8% organically to EUR1.03bn, with a slight rebound in Q4 (but with relatively poor quality). 2015 EBIT margin declined 110bp to 14.3% and EBIT reached EUR149m (consensus: EUR153m) Group EBIT margin lost 570bp on last two years. Furthermore, despite undemanding comparison basis, sssg YTD is still negative (slightly above -6%). We reduce our 2016 EBIT by 2%. We remain Neutral on the stock with a new EUR82 FV vs EUR84 previously. The valuation is already demanding at 13.6x 2016 EV/EBIT.

ALTRAN TECHNOLOGIES — BUY, Fair Value EUR13 (+12%)

Feedback from investor roadshow in Paris

We hosted a two-day investor roadshow in Paris last week with CEO Dominique Cerutti, CFO Olivier Aldrin and Senior EVP (for Europe) Cyril Roger. The key messages of the meetings, which support our Buy rating, are the following: 1). Altran's strategic move reflects heavy trends which are happening in R&D globally; 2). Accenture, Capgemini or IBM may emerge as Altran's biggest competitors along with Indian players five years from now; 3). Germany and SG&A costs are under control.

SAFILO — BUY, Fair Value EUR14 (+61%)

FY15 results illustrate the transition year; is 2016 a more promising year?

Following the pre-announced sales publication on 29th January (+8.5% as reported, flat FX-n), Safilo reported FY15 adj. EBITDA of EUR102m, fairly in line with market expectations (EUR105m). The group recorded non-recurring costs of EUR60.5m (o/w an impairment charge of EUR40.5 and a provision of EUR17m related to an investigation by the French Competition Authority). For 2016 expects an acceleration of its going-forward portfolio (excl. Gucci) driven the its own brands and the new licensing agreements (Givenchy, Swatch and Havaianas from H2 16). The group is also announcing cost cutting measures that will release savings of up to EUR25-30m over 2016-19 after a one-off cost of EUR20m. Safilo is hosting an Analysts' presentation this morning (8am CET) to review this "complicated" first year of the 2020 Strategic Plan, but more importantly, we expect more granularity on the growth catalysts and on the initiatives to protect margins.

VICAT — NEUTRAL, Fair Value EUR56 (-1%)

Vicat 2015 figures roughly in line. Decent but unsurprising outlook.

Vicat has reported EBITDA at EUR448m, roughly in line with guidance, up 1.5% y/y but down -4.3% on a like-for-like basis. Apart from India and United-States, most of the countries have reported lower EBITDA, penalised in particular by lower volumes (-3.6% for cement). Management expects improving performance in 2016 (but does't quantify it) thanks to US, India, Egypt and in a lesser extent France. Flat dividend proposed. Neutral maintained : lack of upside in our current forecast scenario and EM risks have not disappeared yet, although India looks brighter.

HOTELS

Starwood Hotels & Resorts: The unsolicited offer from Anbang

Starwood Hotel & Resorts Worldwide announced that it has received a non-binding offer from a consortium of companies to acquire all the outstanding shares of common stock of Starwood for US$76 per share in cash. This implies upside of 16% compared with about US$11bn from Marriott's representing US$65.4. Having received a waiver from Marriott, Starwood commenced discussions with the consortium on 11th of March. The waiver expires on 17th March.

TELECOM SERVICES

Altice and NC-SFR FY2015 results

This morning Altice published FY2015 results for Altice and NC-SFR. Altice results are in line with expectations, with strong growth in EBITDA and stable revenues. Although commercial performance was restored in Q4 in France, we still have concerns over the French revenues outlook for 2016, with difficulties for NC-SFR for deliver ARPU and volumes at the same time. Portugal also has a challenging revenue outlook in 2016.

In brief...

CAMPARI, *Acquisition of Grand Marnier*

CELLECTIS, *FY 2015 cash & cash equivalents slightly above expectations*

UBISOFT, *Good first ratings for Tom Clancy's The Division*

Luxury & Consumer Goods

Tod's Group

Price EUR73.40

Bloomberg	TOD IM
Reuters	TOD.MI
12-month High / Low (EUR)	94.8 / 65.5
Market Cap (EURm)	2,429
Ev (BG Estimates) (EURm)	2,282
Avg. 6m daily volume (000)	136.7
3y EPS CAGR	6.4%

	1 M	3 M	6 M	31/12/15
Absolute perf.	11.5%	-0.9%	-7.7%	0.5%
Pers & H/H Gds	8.5%	4.2%	8.0%	0.2%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	965.6	1,037	1,085	1,135
% change		*7.4%*	*4.6%*	*4.6%*
EBITDA	194	203	224	241
EBIT	148.3	148.7	165.0	182.0
% change		*0.3%*	*11.0%*	*10.3%*
Net income	97.0	92.8	105.0	126.0
% change		*-4.3%*	*13.1%*	*20.0%*

	2014	2015e	2016e	2017e
Operating margin	15.4	14.3	15.2	16.0
Net margin	10.0	8.9	9.7	11.1
ROE	14.7	14.5	15.6	17.8
ROCE	19.8	19.4	21.0	23.9
Gearing	-16.1	-17.6	-20.8	-24.5

(EUR)	2014	2015e	2016e	2017e
EPS	3.17	3.03	3.18	3.82
% change	-	*-4.3%*	*5.0%*	*20.0%*
P/E	23.2x	24.2x	23.1x	19.2x
FCF yield (%)	2.3%	3.6%	4.2%	5.0%
Dividends (EUR)	2.00	2.00	2.20	2.30
Div yield (%)	2.7%	2.7%	3.0%	3.1%
EV/Sales	2.4x	2.2x	2.1x	1.9x
EV/EBITDA	11.9x	11.3x	10.0x	9.1x
EV/EBIT	15.5x	15.3x	13.6x	12.1x

FY 2015 EBIT margin declined 110bp to 14.3% and disappointing start of the year

Fair Value EUR82 vs. EUR84 (+12%) **NEUTRAL**

FY 2015 sales grew 1.8% organically to EUR1.03bn, with a slight rebound in Q4 (but with relatively poor quality). 2015 EBIT margin declined 110bp to 14.3% and EBIT reached EUR149m (consensus: EUR153m) Group EBIT margin lost 570bp on last two years. Furthermore, despite undemanding comparison basis, sssg YTD is still negative (slightly above -6%). We reduce our 2016 EBIT by 2%. We remain Neutral on the stock with a new EUR82 FV vs EUR84 previously. The valuation is already demanding at 13.6x 2016 EV/EBIT.

ANALYSIS

- **After having released its full year sales on January 21st with a 1.8% organic sales increase to EUR1.03bn, Tod's Group reported after market closure yesterday, its FY 2015 results which were slightly below expectations (with some disapointment at EBIT line)**. FY EBIT reached EUR148.6m (consensus: EUR153m). Profitability lost 110bp last year at 14.3%. In Q4 alone, EBIT margin declined 200bp to 10.5% partly due to negative product and distribution mix.

- As a reminder, **Tod's Group FY 15 sales grew 1.8% organically including +4.5% in Q4 alone** (+0.5% on 9m). Nevertheless, Q4 sales rebound was mainly due to low profitable activity. Actually wholesale outperformed retail (+5.5% vs -0.2%) and apparel did better than leather goods (+17% vs -5.1%). Tod's Group opened 25 DOS (net of closures) in 2015 to a total of 257 stores. Retail same stores sales declined 6% after -7.1% in 2014. Although November 2015 momentum was poor in Europe due to the Paris attacks, the December trend was better. In 2015, sales growth has been strongly impacted by Greater China negative trend (-12%) despite some "improvement" in Q4 (-6% vs -17% in Q3. Greater China accounts for 22% of sales.

- **FY 2015 Tod's Group EBIT remained almost unchanged at EUR149m (consensus: EUR153m)**. EBIT margin fell 110bp to 14.3%, implying 11% in Q4 alone (-200bp). Profitability decline came from **i/** negative geographical, distribution and product mix particularly in Q4 and **ii/** operating deleverage and particularly from higher rents (+100bp to 12.4% of sales), consequence of 2014 and 2015 stores openings and higher labour costs (+110bp to 17.7% of sales). Actually, on last two years, Tod's Group profitability lost 570bp, consequence of too ambitious expansion strategy for Tod's brand (in ready-to-wear for instance), unefficient merchandising, lack of it-bags (leather goods sales were down 5% in 2015 after -2% in 2014) and same stores sales decline (see above).

FY sales and EBIT

EURm	2014	2015	chge %
Sales	966	1,037	7.3
EBITDA	194	203	4.4
as % of sales	20.0	19.5	-50bp
EBIT	**148**	**149**	**0.5**
as % of sales	15.4	14.3	-110bp

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

- **At this stage, for 2016, we still expect sales to grow 4%** (at same forex) and EBIT margin to gain 90bp to 15.2%. YTD, same stores sales declined close to 7% which can appear disappointing given the undemanding comp (-10.6% on first 10 weeks of 2015!), but with some improvement in the recent period thanks to s/s collection. Furthermore, given lower 2015 EBIT than expected, we are slightly reducing our 2016 EBIT by 2%.

VALUATION

- **Tod's Group share price remained almost unchanged YTD** (+7% vs DJ Stoxx). Nevertheless, at 13.6x 2016 EV/EBIT, the stock is still trading with a 13% premium vs luxury peers average. Therefore, given a demanding valuation, we remain Neutral with an unchanged EUR84 FV.

NEXT CATALYSTS

- Q1 2016 results to be released on May 11th

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TMT

Altran Technologies

Price EUR11.60

Feedback from investor roadshow in Paris

Fair Value EUR13 (+12%) **BUY**

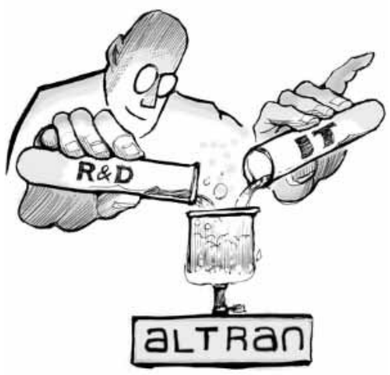
Bloomberg	ALT FP
Reuters	ALTR.PA
12-month High / Low (EUR)	12.6 / 9.2
Market Cap (EUR)	2,039
Ev (BG Estimates) (EUR)	2,095
Avg. 6m daily volume (000)	276.0
3y EPS CAGR	14.8%

	1 M	3 M	6 M	31/12/15
Absolute perf.	15.7%	-5.9%	16.7%	-6.0%
Softw.& Comp.	10.6%	0.4%	14.7%	-3.5%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

YEnd Dec. (€m)	2015	2016e	2017e	2018e
Sales	1,945	2,088	2,203	2,326
% change		*7.4%*	*5.5%*	*5.6%*
EBITDA	208	236	268	306
EBIT	155.0	185.0	218.0	252.0
% change		*19.4%*	*17.8%*	*15.6%*
Net income	123.0	141.0	162.0	187.0
% change		*14.6%*	*14.9%*	*15.4%*

	2015	2016e	2017e	2018e
Operating margin	9.6	10.2	11.0	11.9
Net margin	5.2	5.7	6.5	7.1
ROE	12.6	13.6	14.8	15.7
ROCE	15.0	16.6	18.5	21.2
Gearing	18.0	6.0	-3.0	-14.0

(€)	2015	2016e	2017e	2018e
EPS	0.70	0.80	0.92	1.06
% change	-	*14.3%*	*15.0%*	*15.2%*
P/E	16.6x	14.5x	12.6x	10.9x
FCF yield (%)	3.9%	5.3%	7.0%	8.1%
Dividends (€)	0.20	0.25	0.30	0.30
Div yield (%)	1.7%	2.2%	2.6%	2.6%
EV/Sales	1.1x	1.0x	0.9x	0.8x
EV/EBITDA	10.5x	8.9x	7.5x	6.2x
EV/EBIT	11.7x	9.8x	8.3x	6.8x



We hosted a two-day investor roadshow in Paris last week with CEO Dominique Cerutti, CFO Olivier Aldrin and Senior EVP (for Europe) Cyril Roger. The key messages of the meetings, which support our Buy rating, are the following: 1). Altran's strategic move reflects heavy trends which are happening in R&D globally; 2). Accenture, Capgemini or IBM may emerge as Altran's biggest competitors along with Indian players five years from now; 3). Germany and SG&A costs are under control.

ANALYSIS

- **Heavy trends justifying Altran's move**. The management considers it has a 2- to 3-year window of opportunity to accelerate Altran's strategy. European players are either sticking to work packages (Alten) or specific industries (AVL, Bertrandt, ÅF, EDAG…), while Indian ones like HCL, Wipro, TCS or Infosys are competitive on costs but lack of domain expertise. With increasing competition on innovation - Google, Apple, Facebook and Amazon altogether spending more than R&D than them - large manufacturers redefine the frontier between core R&D and non-core R&D (model derivatives in Automotive, documentation in Healthcare…) - which may be outsourced. PSA's offshore R&D centre in Morocco and Nokia's offshore centre in India - both outsourced to Altran - are typical examples of the change which is happening. In some cases, co-investment with customers can be justified (Jaguar Land Rover on the CoherenSE software platform). Altran's assets and IP, packaged for being reused by customers from different industries, will be leveraged within its World Class Centers (5 WCC as of end 2015, 10 by end 2016, 15 by end 2017).

- **More competition expected from Accenture, Capgemini or IBM**. Altran's 2020 strategy is supported by consulting firms such as Zinnov, which released reports on the Product Engineering and R&D Services market. HfS Research ranks Altran as the No.1 in terms of revenues, followed by Alten, AVL, HCL, Akka and Bertrandt, and mentions Indian firms like Wipro, TCS, Cognizant, Tech Mahindra, Aricent and L&T are in the top 20 providers' list with revenues of USD500m-1bn. Among the IT 'giants', except Accenture (USD750m), Capgemini and IBM are below the radar, but Dominique Cerutti considers they are likely to be more aggressive in the years to come - Accenture is testing M&A opportunities, Capgemini has Sogeti High-Tech but may leverage Igate's Product Engineering Services business, IBM is still sleeping. One of these may be in the top 5 providers by 2020, along with three Indian companies and a European player which has to be Altran.

- **Germany, USA and operating costs**. After having turned the country from EUR5m losses per quarter in Q2 15 to breakeven in Q4 15, the management sees no reason for Germany not to be one of the top performers with a double-digit op. margin by 2020. The new head of Germany (Mario Walenta) has his legitimacy from his ExCom member position. For 2016, the little downside on the targeted margin (0% or above, vs. 2-3% previously) should be considered as prudence, as growth will be sustainable from H2 16 only through gradual investments (campuses, etc). In addition, in order to reach EUR500m revenues in the US by 2020 (vs. EUR87.6m in 2015), at least 3-4 acquisitions will be necessary - some of them may be found in India (independent or 'captives'). Finally, at group level: 1) management is committed to cut restructuring costs well below 1% of sales, and is sitting on EUR40m cost savings on shared services if necessary; 2). Assets/IP are supposed to generate 5-6ppt more operating margin than the rest of the group; 3). SG&A costs are planned to increase at half the pace of revenues every year by 2020.

VALUATION

- Altran's shares are trading at est. 9.8x 2016 and 8.3x 2017 EV/EBIT multiples.

- Net debt on 31st December 2015 was EUR138.3m (net gearing: 19%).

NEXT CATALYSTS

Q1 16 sales on 28th April before markets open.

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Luxury & Consumer Goods

Safilo

Price EUR8.69

FY15 results illustrate the transition year; is 2016 a more promising year?

Fair Value EUR14 (+61%) **BUY**

Bloomberg	SFL IM
Reuters	SFLG.MI
12-month High / Low (EUR)	15.1 / 7.4
Market Cap (EUR)	544
Ev (BG Estimates) (EUR)	724
Avg. 6m daily volume (000)	132.6
3y EPS CAGR	-7.8%

	1 M	3 M	6 M	31/12/15
Absolute perf.	13.0%	-12.8%	-20.2%	-18.9%
Consumer Gds	7.5%	0.4%	5.7%	-3.5%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	1,179	1,279	1,359	1,285
% change		*8.5%*	*6.2%*	*-5.4%*
EBITDA (reported)	111	82.4	130	99.0
EBIT (reported)	75.3	0.8	89.7	60.5
% change		*-98.9%*		*-32.5%*
Net income	39.0	-52.3	50.1	35.0
% change			*NS*	*-30.1%*

	2014	2015e	2016e	2017e
Operating margin	6.4	0.1	6.6	4.7
Net margin	3.3	-4.1	3.7	2.7
ROE	4.0	-5.6	5.0	3.4
ROCE	4.0	0.2	4.9	3.4
Gearing	16.8	19.2	13.5	9.5

(EUR)	2014	2015e	2016e	2017e
EPS	0.71	0.11	0.80	0.56
% change	*-*	*-84.5%*		*-30.1%*
P/E	12.2x	78.4x	10.9x	15.5x
FCF yield (%)	NM	NM	5.5%	10.0%
Dividends (EUR)	0.10	0.13	0.16	0.20
Div yield (%)	1.2%	1.5%	1.8%	2.3%
EV/Sales	0.6x	0.6x	0.5x	0.5x
EV/EBITDA	6.4x	8.8x	5.2x	6.5x
EV/EBIT	9.4x	870.8x	7.6x	10.6x

Following the pre-announced sales publication on 29th January (+8.5% as reported, flat FX-n), Safilo reported FY15 adj. EBITDA of EUR102m, fairly in line with market expectations (EUR105m). The group recorded non-recurring costs of EUR60.5m (o/w an impairment charge of EUR40.5 and a provision of EUR17m related to an investigation by the French Competition Authority). For 2016 expects an acceleration of its going-forward portfolio (excl. Gucci) driven the its own brands and the new licensing agreements (Givenchy, Swatch and Havaianas from H2 16). The group is also announcing cost cutting measures that will release savings of up to EUR25-30m over 2016-19 after a one-off cost of EUR20m. Safilo is hosting an Analysts' presentation this morning (8am CET) to review this "complicated" first year of the 2020 Strategic Plan, but more importantly, we expect more granularity on the growth catalysts and on the initiatives to protect margins.

ANALYSIS

- **Pre-announced FY15 sales of EUR1,279m (+8.5% and flat FX-n).** This performance implied a 2.7% FX-n sales decline in Q4 since a robust growth in **Europe** (+11%) was not enough to offset softer trends in **North America** (Retail) and a further drop in sales in **Asia-Pacific** (-29%). It is worth noting that the "going-forward" portfolio (i.e. excl. all Kering licences) up 2% in Q4 and 4.3% in 2015 although the management admitted a mixed performance from the group's own brands.
- **Adj. EBITDA margin declined 200bp to 8%.** The **GM** dropped 180bp to 59.2% in 2015 but the decline was less significant in Q4 (-100bp vs. -210bp in 9M) as the negative impact from obsolescence provisions are gradually easing off. However the discontinued Kering licences (negative volume impact) and the FX headwind continued to weigh on the GM.
- **Non recurring costs of EUR60.5m were recorded in 2015.** A total of EUR3m are related to restructuring costs in the EMEA and North America regions whilst the group sustained a GW impairment charge of EUR40.5m due to the poor performance of the Far East's CGU. Last but not least, Safilo passed a EUR17m provision relating to the investigation by the French Competition Authority on the French eyewear market, the investigation report should be completed by end 2016.
- **Net debt reduced by 45% to EUR90m thanks to a solid FCF generation.** It amounted to EUR74.8m (vs. -EUR12.4m the prior year) thanks to the first compensation payment from Kering (EUR30m), but also by a tight inventory management (positive inflow of EUR32.7m). As a consequence the net debt was down by ~45% to EUR90m vs. a year ago.

Safilo Adjusted 2015 Adjusted Results*:

EURm	2014	2015	% change
Net sales	1,179	*1,279*	*8.5*
Adjusted EBITDA *	118.4	*102.4*	*-13.5*
% of sales	*10.0*	*8.0*	*-200bp*
Adjusted net profit *	44.5	*6.9*	*-84.4*

** Adj. results= excl. two restructuring charges amounting EUR3m, a GW impairment charge of EUR40.5m and a provision of EUR17m relating to an investing from the French Competition Authority*

- **Management should give more details about the catalysts for 2016. Top line:** Safilo expects a higher contribution from its own brands whilst the licensed brand portfolio will continue to be well-oriented, although it is the final year of the Gucci as a traditional license. Moreover three new licenses will positively play this year: Givenchy, Swatch (from April) and Havaianas (from H2 16). **Margin:** SFL announced cost-cutting measures which are expected to yield savings of EUR25-30m over the 2016-19 period after one-off charges of EUR20m.

VALUATION

- As expected the FY15 results reflect the difficult transition year, but we believe that investors will now focus on the promising outlook that will be presented today at the Analysts Meeting.

NEXT CATALYSTS

- Analysts' Meeting today (8am CET) // Q1 16 Results on 10th May.

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Construction & Building Materials

Vicat

Price EUR56.75

Vicat 2015 figures roughly in line. Decent but unsurprising outlook.

Fair Value EUR56 (-1%) **NEUTRAL**

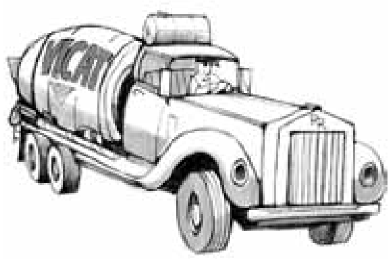
Bloomberg	VCT FP
Reuters	VCT.PA
12-month High / Low (EUR)	68.4 / 46.2
Market Cap (EUR)	2,548
Ev (BG Estimates) (EUR)	3,727
Avg. 6m daily volume (000)	22.30
3y EPS CAGR	13.3%

	1 M	3 M	6 M	31/12/15
Absolute perf.	17.8%	5.8%	-0.3%	2.5%
Cons & Mat	13.0%	1.6%	1.2%	-2.0%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	2,423	2,458	2,457	2,595
% change		*1.4%*	*0.0%*	*5.6%*
EBITDA	442	442	456	519
EBIT	263.1	255.3	275.3	338.2
% change		*-3.0%*	*7.8%*	*22.9%*
Net income	133.2	132.5	151.1	193.6
% change		*-0.5%*	*14.0%*	*28.1%*

	2014	2015e	2016e	2017e
Operating margin	10.9	10.4	11.2	13.0
Net margin	5.9	6.0	6.9	8.3
ROE	6.1	5.9	6.6	8.0
ROCE	5.6	5.4	5.9	7.2
Gearing	41.6	38.2	33.4	27.0

(EUR)	2014	2015e	2016e	2017e
EPS	3.03	3.01	3.44	4.40
% change	-	*-0.5%*	*14.0%*	*28.1%*
P/E	18.7x	18.8x	16.5x	12.9x
FCF yield (%)	5.9%	5.5%	7.0%	8.5%
Dividends (EUR)	1.50	1.50	1.50	1.50
Div yield (%)	2.6%	2.6%	2.6%	2.6%
EV/Sales	1.6x	1.5x	1.5x	1.4x
EV/EBITDA	8.5x	8.4x	8.0x	6.8x
EV/EBIT	14.3x	14.6x	13.2x	10.4x



Vicat has reported EBITDA at EUR448m, roughly in line with guidance, up 1.5% y/y but down -4.3% on a like-for-like basis. Apart from India and United-States, most of the countries have reported lower EBITDA, penalised in particular by lower volumes (-3.6% for cement). Management expects improving performance in 2016 (but does't quantify it) thanks to US, India, Egypt and in a lesser extent France. Flat dividend proposed. Neutral maintained : lack of upside in our current forecast scenario and EM risks have not disappeared yet, although India looks brighter.

2015 sales were already reported, at EUR2458m, up 1.5% y/y but down -4.4% on a like-for-like basis. EBITDA is down -4.3% l-f-l at EUR448m (vs EUR442m estimated). For the cement business only, revenues is down -5.9% like-for-like at EUR1256m, penalised by lower volumes, but EBITDA is slightly up (+0.9% like for like) at EUR362m (c80% of the consolidated EBITDA). By geographical zones, India (better pricing) and US (volumes and prices well-oriented) have very well performed, while Egypt (higher energy costs), Turkey (kiln re-start, lower prices) , France and Switzerland (lower volumes and prices for both) have been under pressure.

As far as we are concerned, outlook doesn't look surprising. Vicat expects "*further improvements in its performance*", thanks in particular further growth in the US and India, "renewed growth" in Egypt (which should be combined with lower energy cost) and a slight improvement for France, knowing that Q4 top line was better here last year and suggest we are close to the trough of the cycle.

2015 performance by zones

	Sales	Split%	EBITDA	y/y%	Split%	Mrg%	y/y bps
France	777	32	113	**-16**	25	14.5	-158
Europe (Italy, Swiss)	425	17	102	**-1**	23	24.0	-64
US	342	14	42	147	9	12.3	540
Turkey, India & Kazakhstan	568	23	135	21	30	23.8	264
o/w Turkey	*234*	*10*	*51*	***-10***	*11*	*21.6*	*-301*
o/w India	*268*	*11*	*65*	*88*	*14*	*24.1*	*917*
o/w Kazakhstan	*65*	*3*	*20*	***-7***	*4*	*30.4*	*40*
Africa & Middle-East	346	14	56	-27	13	16.2	-321
o/w Egypt	*113*	*5*	*9*	***-64***	*2*	*8.1*	*-1225*
o/w West Africa	*232*	*9*	*47*	***-9***	*10*	*20.2*	*124*
Total	**2458**	**100**	**448**	**1**	**100**	**18.2**	**-2**

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

ANALYSIS

- Altough the performance by country can be different to our estimates, consolidated figures are very close to our forecast at the EBITDA level and with the guidance (1.4% above exactly).
- Outlook is decent, with improvement expected in key markets like France, US, Turkey, India and Egypt. In particular, Vicat will benefit from the re-start of one of its kiln in Turkey and lower cost in Egypt following the start-up of two coal grinders.
- Today we are not buyers of Vicat. We think the share price is likely to be penalised by its EM exposure (c70% of the cement capacity is exposed to emerging countries). Having said that, we don't see any alarming comments in the guidance provided by the company. The analysts meeting this morning might give us better understanding of the trends to expect in 2016.
- But on a valuation side, we don't have any upside today in our current scenario (our estimates are 6% lower than IBES consensus EBITDA estimates for 2016e and 2017e).

VALUATION

- EUR56 FV is derived from the application of historical EV/EBITDA (7.5x) to our 2017 estimates, discounted back. 8x EV/EBITDA 2016e, in line with the sector (under coverage).

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Sector View

Hotels

Starwood Hotels & Resorts: The unsolicited offer from Anbang

	1 M	3 M	6 M	31/12/15
Travel&Leisure	8.7%	-3.2%	0.0%	-7.9%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

*Stoxx Sector Indices

Starwood Hotel & Resorts Worldwide announced that it has received a non-binding offer from a consortium of companies to acquire all the outstanding shares of common stock of Starwood for US$76 per share in cash**. This implies upside of 16% compared with about US$11bn from Marriott's representing US$65.4. Having received a waiver from Marriott, Starwood commenced discussions with the consortium on 11th of March. The waiver expires on 17th March.**

ANALYSIS

- Starwood Hotel & Resorts Worldwide has announced that has it received a non-binding offer from a **consortium of companies to acquire all the outstanding shares of common stock of Starwood for US$76 per share in cash**. The consortium is led by China's Anbang Insurance Group Co. Chinese investment firm Primavera Capital Group and J.C. Flowers & Co. are also part of the consortium making the offer.
- The offer represents a premium of 7.9% to Starwood's closing price last Friday (i.e. US$70.4) valuing Starwood at a **total of US$12.8bn, up 16% compared with about US$11bn from Marriott's** cash and stock deal announced in November 2015 representing US$65.4 per share (i.e. 0.92 share of Marriott International and US$2 in cash for each share of Starwood i.e. $10.5 billion of Marriott common stock, based on the 20-day VWAP of Marriott common stock ending on March 11, 2016, and $339 million of cash). Remember that Starwood stockholders will also receive whatever the offer approximately US$5.50 per share from the spin-off of the Starwood timeshare business and subsequent merger with ILG (Internal Leisure Group).
- **Starwood's Board has not changed its recommendation** in support of the group merger with Marriott. Nevertheless, having received a waiver from Marriott, Starwood commenced discussions with the consortium on 11th of March. The waiver expires on 17th March. Note that if Starwood were to terminate its existing merger with Marriott, it would owe to Marriott a US$400m cash termination fee.

VALUATION

	EV			EV /Sales		EV/EBITDA		EV/EBIT		PER	
	Last	2016e	2017e	2016e	2017e	2016e	2017e	2016e	2017e	2016e	2017e
MARRIOTT INTL.'A'	70,93	22 619	23 300	1,45	1,35	11,90	10,72	14,26	12,62	19,1	16,2
CHOICE HOTELS INTL.	52	3 540	3 490	3,93	3,80	13,90	13,12	14,56	13,70	22,2	20,3
HILTON WORLDWIDE HDG.	2 850	11 450	11 247	6,40	6,06	14,46	13,48	16,31	15,08	21,7	18,9
STARWOOD HTLS.& RSTS.	76	13 914	13 752	2,62	2,61	12,59	12,11	17,79	16,78	26,8	24,7
WYNDHAM	76	11 521	11 508	1,98	1,91	8,37	7,96	10,12	9,66	13,5	12,1
Average				**3,28**	**3,15**	**12,24**	**11,48**	**14,61**	**13,57**	**20,66**	**18,47**

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

	EV			EV /Sales		EV/EBITDA		EV/EBIT		PER	
	Last price	2016e	2017e	2016e	2017e	2016e	2017e	2016e	2017e	2016e	2017e
ACCOR	39,17	9 718	9 650	1,66	1,56	8,90	7,61	12,83	10,66	21,6	18,4
IHG	2850	11 450	11 247	6,40	6,06	14,46	13,48	16,31	15,08	21,7	18,9
MELIA	10,21	2 693	2 522	1,55	1,47	9,51	8,64	14,82	12,92	26,2	20,5
NH HOTELS	4,29	2 368	2 321	1,59	1,51	12,14	10,45	22,38	17,51	44,2	26,0
MILLENIUM	422,60	198 067	196 592	2,31	2,24	8,80	8,39	11,71	11,14	16,3	15,5
WHITBREAD	3932,00	803 753	826 657	2,73	2,52	10,65	9,79	14,14	13,03	16,7	15,4
REZIDOR	34,80	648	625	0,63	0,61	5,62	4,93	8,75	7,37	14,0	11,7
Average				**2,41**	**2,28**	**10,01**	**9,04**	**14,42**	**12,53**	**22,96**	**18,06**

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

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Sector View

Telecom services

Altice and NC-SFR FY2015 results

	1 M	3 M	6 M	31/12/15
Telecom	11.7%	-1.3%	-3.4%	-4.1%
DJ Stoxx 600	12.7%	-3.8%	-3.8%	-6.4%

*Stoxx Sector Indices

Companies covered

ILIAD		**BUY**	**EUR270**
Last Price	EUR229,1	*Market Cap.*	EUR13,445m

This morning Altice published FY2015 results for Altice and NC-SFR. Altice results are in line with expectations, with strong growth in EBITDA and stable revenues. Although commercial performance was restored in Q4 in France, we still have concerns over the French revenues outlook for 2016, with difficulties for NC-SFR for deliver ARPU and volumes at the same time. Portugal also has a challenging revenue outlook in 2016.

ANALYSIS

- **Altice Group annual results.** Revenues came out at EUR17.495bn, down -0.1% yoy in line with consensus, of which France revenues EUR11.039bn, down -3.5% yoy in line with consensus. Adjusted EBITDA reached EUR6.671bn slightly above consensus, up 17.6% yoy, at a margin of 38.1% up 580 bps vs 2014. Adjusted France EBITDA reached EUR3.860bn, in line with consensus, up 20.1% yoy, at a margin of 35.0% up 690 bps vs 2014. CAPEX (ex spectrum) reached EUR3.121bn, slightly below consensus, of which France CAPEX EUR1.856bn, in line with consensus, down -2% vs 2014.
- **Revenue outlook is still very challenging in Portugal**, with FY2015 down -7.5% YoY, with BtoC down -3.6% and BtoB down -7.5%, although EBITDA grew by 3.6%. Altice announces improving revenue trend in 2016. Portugal will need careful attention in 2016, to avoid the same situation as seen in France in 2015.
- **Good outlook confirmed with Suddenlink**, with revenues up 3.7% Yoy, accelerating at the end of 2015.
- **In France,** Q4 Revenues came out at EUR2.745bn, down -3.3% yoy vs -3.5% in Q3. BtoC revenues came out at EUR1.907bn, down -4.2% yoy vs -2.2% in Q3. BtoB revenues came out at EUR0.509bn, down -4.5% yoy vs -7.5% in Q3.
- On the **French mobile BtoC side**, Q4 postpaid net adds reached 140k, vs -82k in Q3 and -71k in Q4 2014. Postpaid ARPU is down -2.3% YoY vs -1.2% in Q3, down -4.6% vs Q3 2015.
- On the **French fixed BtoC side**, Q4 net adds reached -5.4k, vs -42k in Q3 and -25k in Q4 2014. Fiber net adds reached 78k, vs 71k in Q3 and 26k in Q4 2014. ARPU is up 2% YoY vs 4.4% in Q3, down -2.4% vs Q3 2015.
- **French financial results are in line with expectations**, with **remarkable growth in mobile postpaid** customer base over Q4. But this was achieved through high promotional level. **BtoC revenues and postpaid ARPU are very much under pressure in Q4**. Commercial results on the fixed side are also encouraging, with less customer losses in Q4, but ARPU is down QoQ for the first time in 2015. We believe **France Revenues will still be under pressure in 2016**, and **it will be difficult for NC-SFR to deliver ARPU and Volumes at the same time**.
- **Guidance:** Altice announces improving trend in revenues, mid-single-digit growth in adjusted EBITDA, and operating free cash flow growth flat to slightly down, reflecting accelerated investments.

NEXT CATALYSTS

- News on the Orange – Bouygues merger expected by the end of March.

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Food & Beverages

Campari

Price EUR8.35

Bloomberg	CPR IM
Reuters	CPR.MI
12-month High / Low (EUR)	8.4 / 6.4
Market Cap (EURm)	4,850
Avg. 6m daily volume (000)	1 705

	1 M	3 M	6 M	31/12/15
Absolute perf.	18.5%	9.3%	20.0%	4.4%
Food & Bev.	4.5%	-0.6%	10.2%	-3.3%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

	2014	2015e	2016e	2017e
P/E	31.5x	27.6x	25.1x	22.0x
Div yield (%)	1.0%	1.1%	1.1%	1.2%

Acquisition of Grand Marnier

Fair Value EUR8,4 (+1%) **BUY**

ANALYSIS

- Campari has reached an agreement to acquire the company Société des Produits Marnier Lapostolle (SPML) as follows: 1/ acquisition of 17.19% of the capital owned by the family shareholders and 2/ filing of a tender offer at a price of EUR8,050 per share in cash (i.e. a premium of 60.4% to the current share price) plus an earn-out related to the potential sale of the real estate property in St-Jean-Cap-Ferrat owned by SPML. Excluding the effects of the sale of the real estate property and the related earn-out consideration, the total EV is EUR652m. Based on a pro forma EBITDA of EUR47.4m, the multiple stands at a reasonable 13.7x (sector average: 15.9x).
- Our upgrade to Buy on March 3rd was partly due to the return to an active policy of acquisitions for Campari. SPML will enable the Italian group to strengthen its exposure to the key US spirits market as it generates 60% of its sales in the country. This will also increase the weight of its global priorities brands as the Grand Marnier liquor (85% of the company's sales) should become part of them. Campari said that the deal should have an immediate accretive impact on a pro forma full year basis.

VALUATION

- Based on our current estimates, our Fair Value stands at EUR8.4.

NEXT CATALYSTS

- Conference call at 11am CET

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Healthcare

Cellectis

Price EUR22.48

FY 2015 cash & cash equivalents slightly above expectations

Fair Value EUR37 (+65%) **BUY**

Bloomberg	ALCLS FP
Reuters	ALCLS.PA
12-month High / Low (EUR)	40.9 / 16.9
Market Cap (EUR)	791
Avg. 6m daily volume (000)	218.8

	1 M	3 M	6 M	31/12/15
Absolute perf.	31.8%	-10.3%	-22.4%	-19.5%
Healthcare	6.7%	-4.4%	-7.1%	-9.7%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

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

ANALYSIS

- FY 2015 revenues more than doubled to EUR50.3m, mainly thanks to the recent opt-in of Servier into UCART19 (allogeneic CAR-T cells targeting CD19).
- The net income is below what we and the consensus were expecting (-EUR20.5m vs Bloomberg consensus: –EUR13.5m, BG: EUR1.2m). Cash & cash equivalents are higher than estimates (EUR314.3m vs BG: EUR303.m) but bear in mind that the P&L is full of non-cash stock-based compensation expenses (EUR18.5m being recognized as R&D, while EUR11.6m was included in SG&A).
- No financial guidance, but we'd say the company's net loss is likely to be widen as we are not expecting any significant milestone payment related to the development of UCART19.

VALUATION

- **BUY reiterated with a FV of EUR37**.

NEXT CATALYSTS

- June 2016: Potential read-across analyses from Juno, Novartis and Kite Pharma's CD19 CAR-T cells during the ASCO meeting.
- 2016: DSMB feedbacks regarding the Phase I of UCART19.
- 2016: Potential listing of Calyxt (agro-biotech business).

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TMT

Ubisoft

Price EUR26.85

Bloomberg	UBI.FP
Reuters	UBIP.PA
12-month High / Low (EUR)	28.1 / 14.9
Market Cap (EURm)	2,986
Avg. 6m daily volume (000)	406.4

	1 M	3 M	6 M	31/12/15
Absolute perf.	41.4%	1.6%	66.8%	0.7%
Softw.& Comp. SVS	10.6%	0.4%	14.7%	-3.5%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

	03/15	03/16e	03/17e	03/18e
P/E	29.5x	36.6x	21.6x	16.0x
Div yield (%)	NM	NM	NM	NM

Good first ratings for *Tom Clancy's The Division*

Fair Value EUR34 (+27%) **BUY**

ANALYSIS

- ***Tom Clancy's The Division* first reviews were out yesterday and the key media outlets gave good ratings.** This new opus has an **average rating of 82/100** (83/100 on PS4 and 81/100 on Xbox One: based on 29 ratings via metacritic) vs. 77/100 for *Assassin's Creed Syndicate* (78/100 on Xbox One and 76/100 on PS4: based on 108 ratings) and 79/100 for *Watch_Dogs* (80/100 on PS4 and 78/100 on Xbox One: based on 95 ratings).
- **Note that, at the end of a cycle, a game is considered as an AAA with a score >=80/100.** That said, bear in mind that the ratings at the beginning of a new cycle are extremely severe as expectations are high.
- Ubisoft released *The Division* on 8th March for PS4, Xbox One and PC. As a reminder, **the game sold through more copies in its first 24 hours than any previous title in the company's history. We are betting on around 6m sell-through units in its first week** vs. more than 4m units for *Watch_Dogs* mid-2014. We reiterate what we wrote in our previous note, namely that **the game could sell at 15m units at end-March 2017e and that the group could even meet its previous FY15/16 guidance** (the recent profit warning reducing sales from EUR1,465m to ~1,360m and non-IFRS EBIT from >=EUR200m to ~EUR150m).

Simulation for *Far Cry Primal* and *The Division* on Q4 and FY15/16 (vs. last guid. and previous guid.)

2015/16	Q4		FY	
	Minimum	Maximum	Minimum	Maximum
Cumulated sell-in units for *Far Cry Primal* and *The Division* (m)	14	17	14	17
Revenue outperformance vs. last guidance	+7%	+30%	+3%	+13%
Average outperformance vs. previous guidance (before the PW)	+0.7%		+0.2%	

Sources: Bryan, Garnier & Co ests.

VALUATION

- **We maintain our Buy rating and FV of EUR34** (minimum price for a potential public offer).

NEXT CATALYSTS

- **FY15/16 earnings:** the week of the 9th May.

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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 64.4% NEUTRAL ratings 28.1% SELL ratings 7.4%

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