Please find our Research on Bloomberg BRYG <GO>)

21st March 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	17602.3	+0.69%	+1.02%
S&P 500	2049.58	+0.44%	+0.28%
Nasdaq	4795.65	+0.43%	-4.23%
Nikkei	16724.81	-1.24%	-12.13%
Stoxx 600	341.713	+0.30%	-6.59%
CAC 40	4462.51	+0.44%	-3.76%
Oil /Gold			
Crude WTI	39.38	-2.04%	+5.86%
Gold (once)	1253.55	-0.78%	+17.99%
Currencies/Rates			
EUR/USD	1.12915	-0.22%	+3.94%
EUR/CHF	1.09335	-0.18%	+0.55%
German 10 years	0.217	-6.76%	-65.79%
French 10 years	0.48	-1.95%	-51.03%
Euribor	-0.235	+0.43%	+79.39%

Economic releases :

Date	
21st-Mar	CNY - MNI March Business Indicator US - Fed's Lacker speaks in Paris at Bank of France US - Existing Home Sales Feb. (-2.9% E m/m) US - Chicago Fed National Activity index

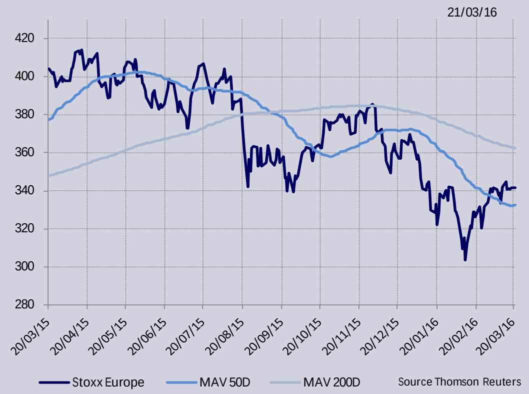
Upcoming BG events :

Date	
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)
22nd-Apr	PERNOD RICARD (BG Paris roadshow with Head of IR)
28th-Apr	ORPEA (BG Luxembourg with IR)

Recent reports :

Date	
18th-Mar	CAPGEMINI Smooth sailing
18th-Mar	Brewers Same again, Carlos
18th-Mar	SOITEC Focus on the capital increases
17th-Mar	AXWAY The remedial test
16th-Mar	UBISOFT Play again or end of the independent game?
16th-Mar	TRANSGENE : Data from combinations will be key

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



ATOS — BUY-Top Picks, Fair Value EUR93 (+31%)

Earnings growth IS the story (FOCUS report released today)

The meetings held at our TMT conference were the opportunity for reiterating our Buy (and Top Pick) case on Atos: this is not an organic growth buy, Unify and Equens both create fresh synergy opportunities, and the acquisition strategy - which still has an eye on shareholder value - is well assumed.

CASINO GUICHARD — UNDER REVIEW vs. BUY, Fair Value EUR57 (+15%)

Downgrade of Casino to non-investment grade by S&P…

1/ On 11th December 2015, S&P confirmed its BBB-/stable outlook credit rating. 2/ On 14th January 2016, Casino increased its disposal programme from EUR2bn to EUR4bn. 2/ On 15th January 2016, S&P took things back and placed Casino Group's BBB- under negative credit watch. 3/ In early February, Casino announced the disposal of the equity stake owned in its listed Thai susbsidiary Big C for EUR3.1bn! Ultimately, 4/ On 21st March, S&P dowgrades its rating to BB+/stable outlook… There is something wrong in the chain of events. Whatever the case, maintaining the investment grade was key to us. Even if the downgrade was obviously already priced in by the market (see 5Y CDS), it is nevertheless clearly set to reduce the investor base, while the potential return to the sacrosanct rating should come at a very high price. Rating under review.

LAFARGEHOLCIM — BUY, Fair Value CHF50 (+17%)

Follow-up on the LafargeHolcim / CRH "price adjustment mechanism" issue

The press made various comments last week on a possible issue regarding the price paid by CRH for LH assets. We contacted both LafargeHolcim and CRH regarding the terms of the agreement of the EUR6.5bn (EV) asset disposal. Both parties have actually made some comments on the subject in their annual reports, but both considered it was not worth mentioning at the analysts' meeting. While this needed following up, we do not expect significant consequences from this specific issue.

WORLDLINE — BUY-Top Picks, Fair Value EUR29 (+34%)

The cheapest stock in our Payment coverage (FOCUS report released today)

During meetings with Worldline's management (CEO and IR) at our TMT conference, much of the time was spent explaining the company's activities and discussing the sector. They emphasised the complementary benefits of the Equens and KB transactions. And finally, they reiterated the FY16 guidance (+3% in lfl sales, EBITDA margin of 20%, i.e. +80bps, FCF of EUR135/140m), adding that it excludes the last two acquisitions (an update should be provided at the H1 earnings, in July). Buy rating and FV of EUR29 (incl. Equens and the end of the French radar contract are integrated) – Q1 Top Pick. Full Focus report out today.

In brief...

AMOÉBA, *A development plan on track*

AXA, *A new era*

GAMELOFT, *The AMF gives its visa to the hostile takeover bid by Vivendi*

UCB, *Romosozumab shows good efficacy in men despite mixed safety*

TMT

Atos

Price EUR70.76

Earnings growth IS the story (FOCUS report released today)

Fair Value EUR93 (+31%) **BUY-Top Picks**

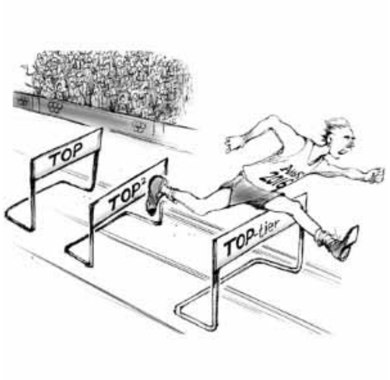
Bloomberg	ATO FP
Reuters	ATOS.PA
12-month High / Low (EUR)	79.3 / 62.7
Market Cap (EURm)	7,325
Ev (BG Estimates) (EURm)	6,459
Avg. 6m daily volume (000)	380.5
3y EPS CAGR	15.5%

	1 M	3 M	6 M	31/12/15
Absolute perf.	9.0%	-8.4%	2.2%	-8.6%
Softw.& Comp.	3.6%	-2.4%	13.8%	-3.6%
DJ Stoxx 600	3.9%	-5.4%	-3.7%	-6.6%

YEnd Dec. (€m)	2015	2016e	2017e	2018e
Sales	10,686	11,909	12,381	12,657
% change		*11.4%*	*4.0%*	*2.2%*
EBITDA	1,334	1,536	1,693	1,784
EBIT	589.0	671.0	903.0	1,006
% change		*13.9%*	*34.6%*	*11.4%*
Net income	608.0	740.0	877.0	948.0
% change		*21.7%*	*18.5%*	*8.1%*

	2015	2016e	2017e	2018e
Operating margin	8.6	9.2	9.9	10.4
Net margin	4.0	4.2	5.7	6.2
ROE	9.9	11.0	13.5	13.4
ROCE	22.9	27.9	39.3	44.2
Gearing	-14.0	-20.0	-45.0	-54.0

(€)	2015	2016e	2017e	2018e
EPS	5.80	7.02	8.30	8.93
% change	-	*21.0%*	*18.2%*	*7.6%*
P/E	12.2x	10.1x	8.5x	7.9x
FCF yield (%)	5.3%	7.4%	8.3%	11.0%
Dividends (€)	0.90	1.10	1.40	1.55
Div yield (%)	1.3%	1.6%	2.0%	2.2%
EV/Sales	0.6x	0.5x	0.4x	0.3x
EV/EBITDA	5.0x	4.2x	3.0x	2.4x
EV/EBIT	7.3x	5.9x	4.2x	3.3x



The meetings held at our TMT conference were the opportunity for reiterating our Buy (and Top Pick) case on Atos: this is not an organic growth buy, Unify and Equens both create fresh synergy opportunities, and the acquisition strategy - which still has an eye on shareholder value - is well assumed.

ANALYSIS

- **Addressing the goal of doubling organic growth**. Doubling lfl revenue growth to 0.8% in 2016 is feasible thanks to strong cloud volumes in Managed Services, the turnaround of Germany in Consulting & Systems Integration, continuous strength in Big data & Cyber Security, and 3% lfl growth for Worldline. The book-to-bill ratio in Q4 15 was encouraging in IT Services, particularly for Consulting & Systems Integration.
- **Confidence reiterated for operating margin and free cash flow**. For 2016, the operating margin is set to increase by 0.4-0.9ppt to 9-9.5% essentially through better offshore leverage and the turnaround in Germany in Consulting, more automation in Managed Services, and Bull-related cost synergies. The free cash flow is still expected to jump to EUR550m from EUR393m, essentially thanks to EUR90m less cash-outs related to restructurings following the successful integration of Bull.
- **Dismissing allegations in the UK press**. Atos's IR team brushed off allegations made in The Guardian. Atos officially sees the contract review as an opportunity to show from a rationale standpoint the quality of the services rendered by its teams in the UK. The audit recommendation dates back two years ago, and the delays did not stem from Atos. In our view, this case reflects the inherent complexity of government IT contracts, which is a parameter to take into account.
- **Making things clear on acquisitions**. CEO Thierry Breton was clear on the fact Perot did not match Atos's acquisition criteria. That being said, acquisitions are in Atos's DNA, but its priorities in that domain are in Payments in Europe, and IT Services in the US. Atos reiterated its strong confidence on the EUR130m cost synergies expected by 2017 from the integration of Unify.

VALUATION

- Atos' shares are trading at est. 5.9x 2016 and 4.2x 2017 EV/EBIT multiples.
- Net cash position on 31st December 2015 was EUR593.1m (net gearing: -15%).

NEXT CATALYSTS

Q1 16 sales on 27th April before markets open.

Click here to download

Analyst :
Gregory Ramirez
33(0) 1 56 68 75 91
gramirez@bryangarnier.com

Sector Team :
Richard-Maxime Beaudoux
Thomas Coudry
Dorian Terral

Food retailing

Casino Guichard

Price EUR49.37

Downgrade of Casino to non-investment grade by S&P…

Fair Value EUR57 (+15%) **UNDER REVIEW vs. BUY**

Bloomberg	CO FP
Reuters	CASP.PA
12-month High / Low (EUR)	87.3 / 35.2
Market Cap (EURm)	5,588
Ev (BG Estimates) (EURm)	15,942
Avg. 6m daily volume (000)	825.5
3y EPS CAGR	-12.7%

	1 M	3 M	6 M	31/12/15
Absolute perf.	18.1%	12.2%	0.8%	16.4%
Food Retailing	2.8%	2.8%	4.5%	2.2%
DJ Stoxx 600	3.9%	-5.4%	-3.7%	-6.6%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	48,492	46,145	43,171	45,457
% change		*-4.8%*	*-6.4%*	*5.3%*
EBITDA	3,191	2,418	2,332	2,552
EBIT	1,737	1,578	1,477	1,594
% change		*-9.2%*	*-6.4%*	*8.0%*
Net income	556.0	327.0	335.2	393.6
% change		*-41.2%*	*2.5%*	*17.4%*

	2014	2015e	2016e	2017e
Operating margin	4.6	3.3	3.4	3.5
Net margin	1.1	0.7	0.8	0.9
ROE	NM	NM	NM	NM
ROCE	7.1	4.7	4.6	5.0
Gearing	37.3	36.1	35.5	33.6

(EUR)	2014	2015e	2016e	2017e
EPS	4.43	2.36	2.43	2.95
% change	-	*-46.7%*	*3.1%*	*21.2%*
P/E	11.1x	20.9x	20.3x	16.7x
FCF yield (%)	12.4%	8.0%	10.6%	14.2%
Dividends (EUR)	3.12	3.12	3.12	3.12
Div yield (%)	6.3%	6.3%	6.3%	6.3%
EV/Sales	0.4x	0.3x	0.4x	0.3x
EV/EBITDA	5.8x	6.6x	6.6x	6.1x
EV/EBIT	10.6x	10.1x	10.4x	9.7x

1/ On 11th December 2015, S&P confirmed its BBB-/stable outlook credit rating. 2/ On 14th January 2016, Casino increased its disposal programme from EUR2bn to EUR4bn. 2/ On 15th January 2016, S&P took things back and placed Casino Group's BBB- under negative credit watch. 3/ In early February, Casino announced the disposal of the equity stake owned in its listed Thai susbsidiary Big C for EUR3.1bn! Ultimately, 4/ On 21st March, S&P dowgrades its rating to BB+/stable outlook… There is something wrong in the chain of events. Whatever the case, maintaining the investment grade was key to us. Even if the downgrade was obviously already priced in by the market (see 5Y CDS), it is nevertheless clearly set to reduce the investor base, while the potential return to the sacrosanct rating should come at a very high price. Rating under review.

One of the biggest challenges for Casino has always been to secure the support of rating agencies, and hence of the market, on its ability to meet debt commitments. Indeed, its credit ratios have always been stretched (since 2007 the adjusted FFO/ND ratio has only been comfortably within the range set by the credit rating agencies on very rare occasions) and were probably saved several times in the past thanks to opportunistic asset disposals, often convoluted (i.e. capital increases in subsidiaries rather than outright disposals for example). This time, very strong asset disposals (Thailand to be completed very soon for a total consideration of EUR3.1bn and Vietnam to come for up to EUR1bn) were obviously not sufficient for S&P, which has just downgraded Casino to BB+/stable outlook.

As a reminder in terms in the chains of events. On 11th December, a positive outlook for France, along with the announcement of EUR2bn in asset disposals, was probably one of S&P's main criteria in maintaining the IG rating. Following attacks by detractors (17th December), Casino gave strong guidance (21st December) for around EUR900m in 2016 EBITDA, "driven by the retail business" (i.e. revenues from real estate won't increase in 2016 and should even decrease), and a solid generation of FCF after financial expenses and dividends above EUR200m in France. On top of this, Casino managed to increase (14th January) its disposal programme from EUR2bn to EUR4bn (at the same time as the CFO admittedly guided for 2015 underlying EBIT of around EUR1.5bn vs cons. ~EUR1.7bn), pointing to a likely further deterioration in the Brazilian environment. Simultaneously (15th January), against this backdrop, S&P took things back and placed Casino Group's BBB- under negative credit watch. The agency fiercely reviewed its position as if, following attacks by detractors, the positive outlook for France had suddenly turned out to be wishful thinking and the EUR4bn remedy from disposals a sword struck into water against the negative backdrop in Brazil.

ANALYSIS

- Casino's bonds contain a +125bp step-up up clause in case of a downgrade to junk bond status. Hence, the impact of the downgrade should be around ~EUR20m e in 2016 and ~EUR90m e in 2017 (excluding future bond buybacks).
- On the other hand, it could be offset by the ongoing EUR4bn deleveraging programme, EUR3.5bn of which will be used to pay debt down (i.e. ~EUR100m of savings based on a net cost assumption of 3% vs a current rate around 2.5% aided by swaps).
- Rallye (not rated) owns 50.01% of Casino. As the holding company's net debt (EUR2.9bn) has not been reduced, Casino's rating needed to be maintained so that Rallye can continue to have access to the bond market under reasonable conditions.
- Paradoxically, now that Casino is non-investment grade, it could gain in flexibility in using the cash from disposals (buyback of LatAm minorities for example /see: With hindsight, a real Catch-22!).
- However the investor base for Casino will be largely reduced as Casino slips below investment grade territory. Not to mention the fact that a potential return to investment grade status will come at a very high price. This is the essence of the issue.

VALUATION

- The sport SOTP currently stands at EUR49

Analyst :
Antoine Parison
33(0) 1 70 36 57 03
aparison@bryangarnier.com

Sector Team :
Nikolaas Faes
Loïc Morvan
Cédric Rossi
Virginie Roumage

Construction & Building Materials

LafargeHolcim

Price CHF42.88

Bloomberg	LHN VX
Reuters	LHN.VX
12-month High / Low (CHF)	72.9 / 34.1
Market Cap (CHFm)	26,024
Ev (BG Estimates) (CHFm)	46,222
Avg. 6m daily volume (000)	2,205
3y EPS CAGR	19.5%

	1 M	3 M	6 M	31/12/15
Absolute perf.	11.3%	-11.7%	-24.6%	-14.8%
Cons & Mat	4.3%	-0.8%	0.5%	-2.6%
DJ Stoxx 600	3.9%	-5.4%	-3.7%	-6.6%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	31,814	30,144	30,741	32,518
% change		*-5.2%*	*2.0%*	*5.8%*
EBITDA	6,495	5,723	6,204	7,234
EBIT	3,765	2,993	3,474	4,504
% change		*-20.5%*	*16.1%*	*29.7%*
Net income	1,247	1,005	1,445	2,127
% change		*-19.4%*	*43.8%*	*47.2%*

	2014	2015e	2016e	2017e
Operating margin	11.8	9.9	11.3	13.9
Net margin	5.3	3.1	4.1	7.2
ROE	3.3	2.7	3.9	5.6
ROCE	3.4	3.4	4.0	5.2
Gearing	41.6	43.9	42.1	36.8

(EUR)	2014	2015e	2016e	2017e
EPS	2.06	1.66	2.39	3.51
% change	-	*-19.4%*	*43.8%*	*47.2%*
P/E	20.8x	25.8x	18.0x	12.2x
FCF yield (%)	1.8%	3.3%	7.5%	13.1%
Dividends (EUR)	1.30	1.50	1.75	2.00
Div yield (%)	3.0%	3.5%	4.1%	4.7%
EV/Sales	1.4x	1.5x	1.5x	1.4x
EV/EBITDA	6.8x	8.1x	7.4x	6.1x
EV/EBIT	11.7x	15.4x	13.2x	9.9x

Follow-up on the LafargeHolcim / CRH "price adjustment mechanism" issue

Fair Value CHF50 (+17%) **BUY**

The press made various comments last week on a possible issue regarding the price paid by CRH for LH assets. We contacted both LafargeHolcim and CRH regarding the terms of the agreement of the EUR6.5bn (EV) asset disposal. Both parties have actually made some comments on the subject in their annual reports, but both considered it was not worth mentioning at the analysts' meeting. While this needed following up, we do not expect significant consequences from this specific issue.

The companies made the following comments:

In the LafargeHolcim 2015 annual report: "*In connection with the sale of assets to CRH in 2015, LafargeHolcim has received from CRH several notices claiming a reduction of the purchase price. LafargeHolcim is contesting those claims. In view of the information available to the management and on current analysis, CRH's claims to a further price reduction under the price adjustment mechanism in the sale agreement are considered to be without merit and are not accepted.*"

In the CRH annual report. : "*In accordance with the terms of the acquisition agreements, CRH and LafargeHolcim are currently engaged in a process to finalise the postcompletion consideration for the acquisition of the LH Assets as detailed above. That process is not sufficiently advanced to make a financial adjustment in respect of the final purchase price. CRH will continue to monitor the situation and will reflect any financial adjustments when there is sufficient evidence.*"

ANALYSIS

- LafargeHolcim's IR made no further comments, apart from saying that the group had not considered it worthwhile to mention the subject at the analysts' meeting.
- Meanwhile, CRH's IR said nothing really different and also said the group had considered the subject was not worth mentioning at the meeting. Additionally, CRH insisted that this certainly does not mean it is not satisfied with the assets acquired. The Irish group is actually very satisfied with the quality of the assets acquired. Besides, as reported by CRH, 2015 sales and Ebitda (EUR820m run-rate / EUR368m consolidated by CRH in 2015 vs EUR2.2bn total EBITDA) from the LH assets in 2015 were "*ahead of expectations*".
- So, what's the issue? Basically we understand that the terms of the agreement included adjustments related to various details, for instance, cash, debt, pension commitments, etc... within the assets acquired, that needed to be "trued-up". We suppose that in view of the significant size of the deal, CRH wanted to be protected from any surprises. CRH said it is a usual process.
- Are we talking about a lot of money here? No, it sounds more like fine-tuning in our view. Otherwise the subject would have been mentioned properly to investors and analysts at the analysts' meeting, we believe. That said, it may perhaps not be entirely negligible either, otherwise it would not have been mentioned at all, we suppose.
- In all, we expect no significant consequences from this issue. Actually, the LafargeHolcim share price made gains on Friday (+2.10%), as well as CRH (+1.15%).

VALUATION

- CHF50 FV derived from the application of historical multiples to our 2017 est., discounted back.

NEXT CATALYSTS

- Q1 2016 results to be released in May

Click here to download

Analyst :
Eric Lemarié
33(0) 1.70.36.57.17
elemarie@bryangarnier.com

TMT

Worldline

Price EUR21.72

The cheapest stock in our Payment coverage (FOCUS report released today)

Fair Value EUR29 (+34%) **BUY-Top Picks**

Bloomberg	WLN FP
Reuters	WLN.PA
12-month High / Low (EUR)	24.7 / 16.9
Market Cap (EURm)	2,869
Ev (BG Estimates) (EURm)	2,546
Avg. 6m daily volume (000)	89.70
3y EPS CAGR	9.6%

	1 M	3 M	6 M	31/12/15
Absolute perf.	11.1%	-7.8%	1.0%	-9.0%
Softw.& Comp.	4.3%	-4.0%	11.1%	-4.4%
DJ Stoxx 600	3.6%	-6.6%	-5.7%	-6.9%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	1,149	1,227	1,286	1,350
% change		*6.8%*	*4.8%*	*5.0%*
EBITDA	215	235	257	277
EBIT	170.3	174.9	200.6	217.4
% change		*2.7%*	*14.7%*	*8.4%*
Net income	114.5	122.9	141.7	154.4
% change		*7.4%*	*15.3%*	*8.9%*

	2014	2015e	2016e	2017e
Operating margin	14.8	14.3	15.6	16.1
Net margin	8.9	8.4	10.3	11.3
ROE	16.0	14.1	15.3	15.5
ROCE	29.9	32.9	38.7	44.4
Gearing	-32.3	-44.1	-56.3	-64.4

(EUR)	2014	2015e	2016e	2017e
EPS	0.87	0.91	1.05	1.14
% change	-	*4.9%*	*15.3%*	*8.9%*
P/E	25.0x	23.9x	20.7x	19.0x
FCF yield (%)	4.1%	4.4%	4.9%	5.9%
Dividends (EUR)	0.00	0.00	0.25	0.29
Div yield (%)	NM	NM	1.2%	1.3%
EV/Sales	2.3x	2.1x	1.9x	1.7x
EV/EBITDA	12.4x	10.8x	9.3x	8.1x
EV/EBIT	15.7x	14.6x	11.9x	10.3x

During meetings with Worldline's management (CEO and IR) at our TMT conference, much of the time was spent explaining the company's activities and discussing the sector. They emphasised the complementary benefits of the Equens and KB transactions. And finally, they reiterated the FY16 guidance (+3% in lfl sales, EBITDA margin of 20%, i.e. +80bps, FCF of EUR135/140m), adding that it excludes the last two acquisitions (an update should be provided at the H1 earnings, in July). Buy rating and FV of EUR29 (incl. Equens and the end of the French radar contract are integrated) – Q1 Top Pick. *Full Focus report out today.*

ANALYSIS

- **Worldline should now be fully considered as a PSP by investors**. It has over 40 years of expertise in the Payment industry and 78% of its FY16e sales is derived from Payments (incl. the last two acquisitions).
- The group has little exposure to the most buoyant segments (no presence in the US, very little in China, low in online segment). **That said, it has a resilient profile and numerous strengths: 1/** recurring sales (75%e), **2/** presence in the entire payments value chain, **3/** gradual convergence of its businesses (platforms + uses), **4/** leverage on customer relations and transaction volumes (fixed-cost structure: 55-60% of sales), **and 5/** ties with parent company Atos (excellent distribution channel).
- Our meetings with Worldline's management have strengthened our view. **With Equens, we consider that Wordline has now a critical mass in Payments**. We consider that, even with still a low single-digit organic growth (+3-6%: exposure to Europe and physical payments), the group will improve its margins and with an additional boost once its investments in the WIPE platform are completed (only EUR25m remains to be invested over 2016-17). As a result, **the group's fundamentals and multiples should now deserve those of a PSP evolving in the physical space** (processor but also acquirer in Benelux), **i.e. 12x in EV/EBITDA**.

VALUATION

- **We are waiting for the consolidation dates of Equens and KB before officially integrating them into our financial grid** (we should have these details in July). **However, they are already included in our valuation.**
- **We maintain our Buy rating and FV of EUR29** (Q1 Top Pick). At our FV, the share would be at 11.8x EV/EBITDA 2016e (vs. 8.1x currently), which is consistent with its positioning.

NEXT CATALYSTS

- **Q1 2016 revenue:** on 20th April (after trading).
- **H1 2016 earnings:** in July (the group will give all the necessary elements for the consensus to integrate the last two acquisitions into their models and therefore should update its guidance accordingly).

Click here to download

Analyst :
Richard-Maxime Beaudoux
33(0) 1.56.68.75.61
rmbeaudoux@bryangarnier.com

Sector Team :
Thomas Coudry
Gregory Ramirez
Dorian Terral

Utilities

Amoéba

Price xxx

A development plan on track

CORPORATE

ANALYSIS

- The French water treatment specialist through biocides announced poor 2015 earnings this morning.
- 2015 metrics: EBITDA came out à minus EUR3.988m vs minus EUR0.923m in 2014, impacted by heavier R&D expenses in addition of marketing and selling costs. Administrative costs are also increasing fast whereas revenues are down to EUR0.141m and remain composed of EUR0.120m license-fee with Aquaprox. Earnings are stated at minus EUR4.019m.
- What for 2016? The firm intend to get a provisory approval in 2016 to distribute its products in Poland and Turkey.
- Conclusion: In its press release Amoeba commented on its recent positive newsflow (LOI signatures and industrial approval for testing in Canada) while confirming its strong ambitions for 2016 and beyond. The management reiterated its target to get market approval for french market before end of H1-2016 and before end Q3-2016 for other European Unions markets, as expected.

Click here to download

Xavier Caroen, xcaroen@bryangarnier.com

Insurance

AXA

Price EUR21.59

A new era

Fair Value EUR31 vs. EUR32 (+44%) **BUY-Top Picks**

Bloomberg	CS FP
Reuters	AXAF.PA
12-month High / Low (EUR)	25.8 / 18.9
Market Cap (EUR)	52,415
Avg. 6m daily volume (000)	7,284

	1 M	3 M	6 M	31/12/15
Absolute perf.	3.8%	-13.6%	0.2%	-14.4%
Insurance	6.4%	-9.5%	-1.1%	-10.3%
DJ Stoxx 600	3.9%	-5.4%	-3.7%	-6.6%

	2015	2016e	2017e	2018e
P/E	8.7x	8.8x	8.5x	
Div yield (%)	5.1%	5.4%	5.8%	

ANALYSIS

- Considering that the new 2016-2020 strategic plan is not consistent with the expiry of his current (and last) mandate in 2018, Henri de Castries has decided to renounce his position as Chairman and CEO as of 1st September 2016. He will also leave the Board on that data.
- On 1st September, Thomas Buberl (German, 42), currently CEO of AXA Germany and Global Head of Life/Savings/Health business lines, will take over the Group CEO role, while Denis Duverne, currently Deputy CEO, will become non-executive Chairman of the Board (i.e. separation of the Chairman/CEO functions). Thomas Buberl has been appointed Deputy CEO as of today and will come to Paris to prepare the transition and the strategic plan (to be announced on 21st June).
- The timing of these announcements is a surprise, and the 21st June event has become even more critical. Of course, the appointment of Henri de Castries's successor will leave some key top managers unhappy and this should lead to some resignations, but a group like AXA has enough talents to manage this. We welcome the separation of the Chairman/CEO positions, and even more Henri de Castries's determination to manage a clean succession after his 16-year leadership (no doubt this will come on top of his positive scorecard).

VALUATION

- We have decided to reflect the transition period uncertainties in our proprietary method for beta determination, by lowering from 'high' to 'average' the ratings we have on the categories 'management' and 'strategy'. The negative impact on our FV is EUR1, leading to a new EUR31 FV.

NEXT CATALYSTS

- AGM on 27th April. Q1 sales on 4th May. Investors' Day on 21st June.

Olivier Pauchaut, opauchaut@bryangarnier.com

TMT

Gameloft

Price EUR7.30

The AMF gives its visa to the hostile takeover bid by Vivendi

Fair Value EUR6.7 (-8%) **BUY**

Bloomberg	GFT FP
Reuters	GLFT.PA
12-month High / Low (EUR)	7.5 / 3.2
Market Cap (EUR)	627
Avg. 6m daily volume (000)	369.1

	1 M	3 M	6 M	31/12/15
Absolute perf.	33.2%	21.9%	123.2%	20.5%
Softw.& Comp. SVS	3.6%	-2.4%	13.8%	-3.6%
DJ Stoxx 600	3.9%	-5.4%	-3.7%	-6.6%

	2014	2015e	2016e	2017e
P/E	NS	NS	33.7x	26.0x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- Unsurprisingly, the French markets authority (AMF) has given the go-ahead for the bid by Vivendi. The public offer will open on Monday 21st March, despite opposition from Gameloft's management. The bid closing date will be announced later.
- In its conformity decision, the AMF rejected arguments from GFT's management opposing the takeover project (according to the publisher, the operation would contradict Vivendi's intentions when it began to buy shares between September and January). Gameloft announced last Friday (after trading) that it will take action against this decision at the Paris Court of Appeal in coming days.
- As a reminder, Vivendi has raised its hostile takeover bid from EUR6.0 to EUR7.2 per share (on 29/02 after trading), i.e. a FY16e EV/sales multiple of 2.1x.
- Vivendi owns 25,649,006 Gameloft shares, i.e. 29.86% of the share capital and 26.63% of the voting rights. The Guillemot family owns 18,341,890 Gameloft shares, i.e. 21.35% of the capital and 29.36% of voting rights
- Bear in mind that our FV of EUR6.7 was a minimum price in the case of a takeover offer. The first bid (EUR6) was too low, while the latest price is attractive (EUR7.2). However, as Vivendi is seeking to acquire Ubisoft, which has to be a friendly move, it must be generous with Gameloft (the Guillemot family runs both companies). As a result, we cannot exclude a fresh increase in the offer price. We believe everything remains possible, all the more so as 1/ at Friday's closing price, the stock is trading 1.4% above Vivendi's last offer, and 2/ Gameloft is to organise an investor day in London tomorrow probably to give its mid-term financial targets (a 3-year plan in our view).

VALUATION

- As a reminder, our FV of EUR6.7 was a minimum price in the case of a takeover offer.

NEXT CATALYSTS

- Investor day: 22nd March (in London, at 2:30 p.m. GMT).

Click here to download

Richard-Maxime Beaudoux, rmbeaudoux@bryangarnier.com

Healthcare

UCB

Price EUR69.23

Romosozumab shows good efficacy in men despite mixed safety

Fair Value EUR82 (+18%) **NEUTRAL**

Bloomberg	UCB BB
Reuters	UCBBt.BR
12-month High / Low (EUR)	85.6 / 61.5
Market Cap (EURm)	13,466
Avg. 6m daily volume (000)	335.4

	1 M	3 M	6 M	31/12/15
Absolute perf.	-10.4%	-14.6%	-3.4%	-16.8%
Healthcare	-2.1%	-11.6%	-11.4%	-13.3%
DJ Stoxx 600	3.9%	-5.4%	-3.7%	-6.6%

	2014	2015e	2016e	2017e
P/E	41.1x	31.9x	22.1x	15.7x
Div yield (%)	1.3%	1.6%	2.4%	3.3%

ANALYSIS

- UCB and Amgen have reported positive phase III results for Romosozumab in men suffering from osteoporosis (BRIDGE trial). The trial which enrolled 245 men aged 55 to 90 and compared romosozumab at the 210mgQM dose to placebo over a 12-month treatment course met its primary endpoint of bone mineral density in the lumbar spine vs. placebo. While the incidence of serious adverse events (SAEs) was balanced between the treatment groups, we would underline that 1/ cardiovascular SAEs was 4.6% (n=8) in the romosozumab group compared to 2.5% in the placebo group (n=2) and 2/ cardiovascular death was 0.6% (n=1) and 1.2% (n=1) for the active treatment and placebo groups respectively. As such, although these events may stem from a different source (not disclosed in the press release, to be released at an upcoming scientific congress), we are not ruling out the possibility that they could trigger increased scrutiny by the regulatory authorities and potentially the need for an additional trial to assess CV issues that might be linked to the administration of romosozumab.
- Results from the BRIDGE trial should support the filing in Japan where we estimate the drug's peak sales at EUR600m. As a reminder, the FRAME phase III trial evaluating romosozumab in women with osteoporosis read out in January and posted mixed efficacy results as the secondary endpoint was not meet. Safety issues also arose with cases of osteonecrosis of the jaw.

VALUATION

- We remain at NEUTRAL with a Fair Value of EUR82. We are pleased with the development of UCB's three core products (Cimzia, Vimpat and Neupro) approaching readout from the EXXELERATE results. Nonetheless last year's phase III failure for epratuzumab and mixed results for romosozumab cast doubts on the company's ability to find fresh sources of growth with the latter, and growth could increasingly depend on external growth/licensing deals.

NEXT CATALYSTS

- H1: EXXELERATE study results (Cimzia H2H vs. Humira)
- April, 25th: Q1 results

Hugo Solvet, hsolvet@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 64.4% NEUTRAL ratings 28.1% SELL ratings 7.4%

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....