Please find our Research on Bloomberg BRYG <GO>)

23rd March 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	17582.57	-0.23%	+0.90%
S&P 500	2049.8	-0.09%	+0.29%
Nasdaq	4821.66	+0.27%	-3.71%
Nikkei	17000.98	-0.28%	-10.43%
Stoxx 600	340.301	-0.15%	-6.97%
CAC 40	4431.97	+0.09%	-4.42%
Oil /Gold			
Crude WTI	40.11	+0.15%	+7.82%
Gold (once)	1252.28	+0.50%	+17.87%
Currencies/Rates			
EUR/USD	1.12265	-0.29%	+3.35%
EUR/CHF	1.08965	0.00	+0.21%
German 10 years	0.212	-8.04%	-66.66%
French 10 years	0.478	-0.77%	-51.32%

Economic releases :

Date	
23rd-Mar	CH - ZEW Expectations Mar. US - New Home sales Feb. (+3.2% E) US - DOE inventories EUZ - Consumer confidence Mar. (-8 E)

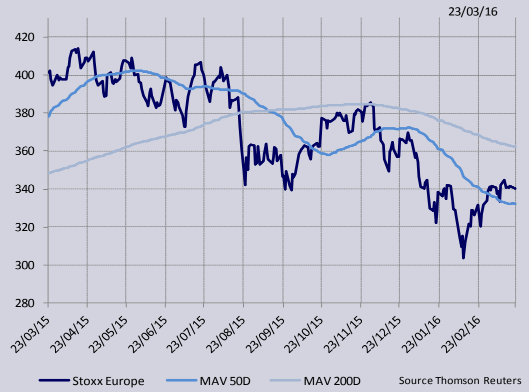
Upcoming BG events :

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	
22nd-Mar	SOFTWARE AG : From value to growth
22nd-Mar	LUXOTTICA : Turbulence almost over, make the most of it!
22nd-Mar	SOPRA STERIA : Flawless integration of Steria so far
21st-Mar	ATOS :Earnings growth IS the story
21st-Mar	WORLDLINE The cheapest stock in our Payment coverage
18th-Mar	CAPGEMINI Smooth sailing

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



AMOÉBA — CORPORATE, Fair Value EUR35 (+14%)

It is getting closer! (note released today)

We publish a report this morning in which we revisit Amoéba's investment case and update both our estimates and FV after integrating more optimistic assumptions on the group's commercial development as well as a lower risk premium. Newsflow since Amoeba's IPO in July 2015 has been clearly reassuring, reducing risk components for investors. Our new EUR35/share FV implies >10% upside, and more than 30% if market authorisations are delivered.

GAMELOFT — BUY, Fair Value EUR6.7 (-9%)

Gameloft's mid-term outlook deserves more than EUR7.2 per share

Yesterday, Gameloft provided its mid-term guidance (a three-year plan) for FY18 revenue of over EUR350m, underlying operating profit before SO of over EUR65m and cumulative FCF 2016/18 of more than EUR85m. As a result, FY18 underlying op. profit is 50% above our estimate which was nevertheless the highest in the consensus. After factoring in slightly more cautious advertising revenue forecasts than GFT's targets, we have increased our 2016/18e EPS sequence by 13.8% on average. Regarding speculation surrounding the stock, we cannot exclude a fresh increase in the offer price as 1/ the share is trading above Vivendi's last offer and 2/ Gameloft's 2018 targets are promising. As a reminder, we estimate a fair offer in the range EUR7.2/8.4. We maintain our Buy rating.

INGENICO GROUP — BUY, Fair Value EUR150 (+58%)

2020 targets unveiled

Management has just provided its strategic plan, which will be detailed this morning in London. 2020 targets are: revenue of EUR4bn, EBITDA margin of 22-23%, EBITDA to FCF conversion rate 45% as a floor, and payout ratio of 35%. Note that Ingenico's 2020 EBITDA target is higher by 3.3% on average with our estimate (in the range +1.0/+5.6%) whereas we were the highest of the consensus. Management's strategic plan should reassure the market, knowing that the group has always beat its initial plans (always-cautious financial communication, excellent track-record in terms of execution). We maintain our Buy rating and FV of EUR150.

CONSUMER DURABLES

Q3 2016 results: solid earnings performance despite revenues miss

Yesterday evening Nike reported Q3 2016 earnings (to end-February): sales increased 8% as reported and 14% FX-n to USD8bn, a bit shy of the CS at USD8.2bn. However, EPS increased 22% to 55¢ topping the market's estimates at 49¢ mainly driven by FX gains and a lower tax rate. Global futures orders (from March to July 2016) rose 17% FX-n (CS: ~16%) thanks to an impressive order backlog in Greater China (+36%) and ahead of a summer rich in major sporting events (Copa America, Euro Championship and Rio Olympics). The FY16 outlook is reiterated: revenue is expected to grow in the low teens rate.

INTEGRATED UTILITIES

Gas is back?

As part of the BG Utilities Club, we hosted a breakfast meeting yesterday on the gas and LNG market with an expert working with major energy firms. The event was useful to summarise past and future trends in gas volumes and prices in such a difficult environment. We understand prices will remain under pressure due to a plethoric offer (LNG notably), to the detriment of E&P businesses, but to the benefit of power generation from CCGT. In our universe, both Engie and E.ON seem the best exposed to the stability/recovery in the gas market, while EDF and RWE are the least exposed.

In brief...

ASTRAZENECA, *SOCRATES misses its primary endpoint*

HERMÈS INTL., *FY 2015 EBIT margin gained 30bp to 31.8%*

SANOFI, *Praluent still very much in the news*

Utilities

Amoéba

Price EUR30.70

It is getting closer! (note released today)

Fair Value EUR35 (+14%) **CORPORATE**

Bloomberg	AMEBA FP
Reuters	AMEBA.PA
12-month High / Low (EUR)	38.2 / 8.3
Market Cap (EUR)	164
Ev (BG Estimates) (EUR)	170
Avg. 6m daily volume (000)	21.50
3y EPS CAGR	

	1 M	3 M	6 M	31/12/15
Absolute perf.	15.5%	10.4%	43.5%	-11.3%
Utilities	0.0%	-2.6%	1.5%	-5.7%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	0.6	3.1	15.3	41.0
EBITDA	-4.0	-2.7	4.2	20.7
EBIT	-4.0	-2.9	3.2	18.6
% change		*27.8%*	*NS*	
Net income	-4.0	-3.0	2.1	12.4
% change		*26.1%*	*NS*	

	2015	2016e	2017e	2018e
Operating margin	-675.7	-91.9	20.7	45.3
Net margin	-680.9	-94.8	13.4	30.2
ROE	-39.9	-48.7	28.8	66.2
ROCE	-141.6	-19.7	10.2	40.9
Gearing	-73.1	59.2	188.5	62.0

(EUR)	2015	2016e	2017e	2018e
EPS	-0.75	-0.55	0.38	2.32
% change	-	*26.1%*	*NS*	
P/E	NS	NS	80.0x	13.3x
FCF yield (%)	NM	NM	NM	1.2%
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	NS	NS	11.0x	4.1x
EV/EBITDA	NS	NS	40.4x	8.1x
EV/EBIT	NS	NS	53.3x	9.0x

We publish a report this morning in which we revisit Amoéba's investment case and update both our estimates and FV after integrating more optimistic assumptions on the group's commercial development as well as a lower risk premium. Newsflow since Amoeba's IPO in July 2015 has been clearly reassuring, reducing risk components for investors. Our new EUR35/share FV implies >10% upside, and more than 30% if market authorisations are delivered.

ANALYSIS

- **A solid track record since the IPO**: Since its successful IPO in July 2015, Amoeba has signed **new partnerships with water treatment companies** in Europe and outside Europe, adding weight to the group's pre-commercial success in the sector. It has also been granted **two new patents,** which will allow it to use its product for new applications. The group also announced that provisional market authorisations for EU countries could come earlier than expected, once the ANSES validates the active principle in Amoeba's solution). Investors have reacted positively to this newsflow with the stock gaining more than **300%** compared with the IPO price of **EUR8.3**.
- **Nearer to commercialisation?** Recent comments (*March 2016*) regarding market authorisations to sell the product in Europe were reassuring, as they **1/** confirmed the market authorisation procedure schedule unveiled during the IPO, excluding the risk of delay, and **2/** indicated that MA in Europe should be validated (*or not*) by October 2016 as the latest whereas in our model we were anticipating a start in H1 2017. Although we have no further details as to whether or not the approvals will be validated, we at least have more reassuring news on the approval process schedule.
- **A new FV at EUR35/share:** We have updated our model to include 2015 metrics and more optimistic sales assumptions following LOI signings with partners to promote the product in Germany and in Turkey, two important industrial markets. We have also cut our WACC (*by 250bp to 12%*) by reducing our beta on Amoeba to reflect the solid track record since the IPO and higher visibility on market approvals. Our new **EUR35/share FV** implies **>10%** upside while our FV post market approvals (*without discount*) would imply **>30%.**

VALUATION

- Buy, FV @ EUR35

NEXT CATALYSTS

- H1-2016: European Union market approval

Click here to download

Analyst :
Xavier Caroen
33(0) 1.56.68.75.18
xcaroen@bryangarnier.com

TMT

Gameloft

Price EUR7.40

Gameloft's mid-term outlook deserves more than EUR7.2 per share

Fair Value EUR6.7 (-9%) **BUY**

Bloomberg	GFT FP
Reuters	GLFT.PA
12-month High / Low (EUR)	7.5 / 3.2
Market Cap (EUR)	636
Ev (BG Estimates) (EUR)	599
Avg. 6m daily volume (000)	371.2
3y EPS CAGR	

	1 M	3 M	6 M	31/12/15
Absolute perf.	10.4%	19.7%	117.6%	22.1%
Softw.& Comp.	2.7%	-1.0%	15.9%	-3.3%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	227.3	256.2	269.0	290.5
% change		*12.7%*	*5.0%*	*8.0%*
EBITDA	13.7	8.0	47.4	59.6
EBIT	-4.2	-1.2	28.0	37.6
% change		*71.4%*	*NS*	*34.2%*
Net income	-5.9	-19.6	19.2	26.6
% change		*NS*	*NS*	*38.7%*

	2014	2015e	2016e	2017e
Operating margin	-1.8	-0.5	10.4	12.9
Net margin	-2.8	-9.4	6.9	9.2
ROE	-4.6	-21.2	14.0	16.7
ROCE	-3.5	-1.1	25.7	30.9
Gearing	-38.6	-32.4	-41.2	-45.4

(EUR)	2014	2015e	2016e	2017e
EPS	-0.07	-0.22	0.22	0.30
% change	*-*	*NS*	*NS*	*38.7%*
P/E	NS	NS	34.1x	24.6x
FCF yield (%)	NM	NM	3.8%	3.9%
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	2.6x	2.3x	2.2x	1.9x
EV/EBITDA	42.4x	74.9x	12.2x	9.4x
EV/EBIT	NS	NS	20.8x	15.0x

Yesterday, Gameloft provided its mid-term guidance (a three-year plan) for FY18 revenue of over EUR350m, underlying operating profit before SO of over EUR65m and cumulative FCF 2016/18 of more than EUR85m. As a result, FY18 underlying op. profit is 50% above our estimate which was nevertheless the highest in the consensus. After factoring in slightly more cautious advertising revenue forecasts than GFT's targets, we have increased our 2016/18e EPS sequence by 13.8% on average. Regarding speculation surrounding the stock, we cannot exclude a fresh increase in the offer price as 1/ the share is trading above Vivendi's last offer and 2/ Gameloft's 2018 targets are promising. As a reminder, we estimate a fair offer in the range EUR7.2/8.4. We maintain our Buy rating.

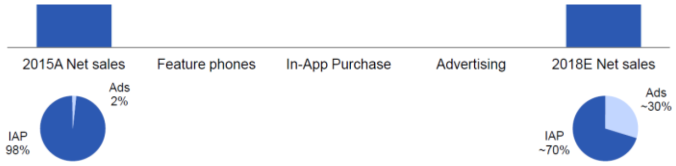
ANALYSIS

- **Yesterday, during its investor day in London**, GFT's management presented its three-year strategic and financial targets. **For FY18, management expects to:**
  - **Grow revenues to over EUR350m**, i.e. a 2015/18 CAGR of over 11% (vs. BG est.: EUR308m, CAGR of +6.3%). This target is based on ~70% in in-app purchases (8-12 new games per year and the resilience of current games: decrease in feature phone games offset by in-app purchases at +5%/year) and ~30% from in-house advertising i.e. EUR100m (2/3 fill rate and 80% coming from programmatic), bearing in mind that the run rate is already at EUR20m/year (vs. EUR5m in FY15).
  - **Reach a profitability of 18-20%**, i.e. over EUR65m in underlying op. profit before SO (vs. BG est.: EUR43.3m, i.e. margin of 14.1%). This implies a 2.5X multiplication between 2013 (its historical peak) and 2018. The target is based on the benefit of the 2014-15 streamlining (a reduction of 850 positions i.e. 12.5% of global staff, data center investments completed), the impact of programmatic advertising (high operating leverage: fixed-cost model where all investments have been made), and other elements (increase in gross margin via better revenue mix towards its IPs, and decrease in COGS related to lower feature phone revenues).
  - **Generate a cumulative FCF 16/18 of more than EUR85m** (vs. BG. est.: EUR77.1m).

  Management intends to reach these objectives through: further concentration (fewer games but with a focus on established franchises and mid-core games), free-to-play monetisation with in-app-purchase (with longer lifetime value) and advertising (with conservative monetisation assumptions: stable DAU and stable revenue per DAU), and secular switch to programmatic mobile advertising (monetising Gameloft's massive mobile audience: GFT has 166m MAU and 21m DAU).
- **Gameloft's FY18 underlying op. profit target was 50% higher than our previous estimate** whereas we were the highest among the consensus. By putting slightly more cautious advertising revenue forecasts than Gameloft's targets into our model, **we have increased our EPS sequence by 13.8% on average over 2016/18e: 0% in 2016e, +7.2% in 2017e and +34,1% in 2018e**.
- **We appreciate GFT's strategy: 1/ Its restructuring plan is now completed.** Indeed this massive reduction in its cost base (closure of 10 development studios between Dec. 2014 and Jan. 2016, resulting in net savings of ~EUR25-27m) should enable the group to return to its past margin levels as of 2016 (BG est.: 11.5%e). **2/ Its internal development strategy in the advertising business** (BG. Est.: EUR18m in 2016) is more than welcome as the in-app purchase business is starting to mature. Thanks to these measures, profitability this year should be close to the 2013 level (11.5%e vs. 12.2%) when the share price was in the EUR5.3-8.2 range. We believe in the margin recovery story, knowing that the stock market usually pays very close attention to GFT's profitability.
- **Speculative appeal unchanged:** the first bid from Vivendi was too low (EUR6), 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 as:** 1/ the stock is trading above Vivendi's last offer, and 2/ Gameloft's mid-term financial targets are very promising.

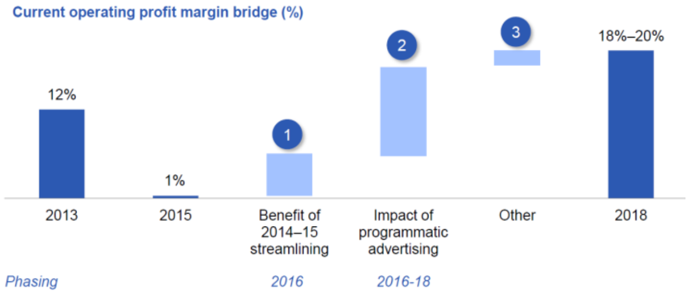
VALUATION

- **We are maintaining our Buy rating and FV of EUR6.7.** Note that if Vivendi pays 2.5x 2016 EV/sales for Gameloft (i.e. same multiple Activision paid for King), this would result in an offer price of EU8.4. We see this latter as an absolute maximum level that Gameloft does not really deserve (King is 3x more profitable). As such, **a fair offer is probably somewhere in the middle, i.e. EUR7.2-8.4.**



Source: Gameloft

Gameloft's 2018 target: to increase its underlying op. margin to 18/20%



Source: Gameloft

Main financial factors for 2013-2018e (old vs. new BG est. over 2017/18)

EURm	2013	2014	2015	BG 2016	Cons. 2016	BG 2017 (old)	BG 2017 (new)	Cons. 2017	BG 2018 (old)	BG 2018 (new)
Sales	**233.3**	**227.3**	**256.2**	**269.0**	**271**	**287.8**	**290.5**	**290**	**308.0**	**322.5**
Y/Y growth	*12.0%*	*-2.6%*	*12.7%*	*5.0%*	*6%*	*7.0%*	*8.0%*	*7%*	*7.0%*	*11.0%*
Y/Y organic growth	*16.3%*	*1.1%*	*5.7%*	*5.0%*	-	*7.0%*	*8.0%*	-	*7.0%*	*11.0%*
Current EBIT before SO	**28.4**	**-1.1**	**2.1**	**31.0**	**22.6**	**37.9**	**40.6**	**27.2**	**43.3**	**57.8**
Margin	*12.2%*	*-0.5%*	*0.8%*	*11.5%*	*8.3%*	*13.2%*	*14.0%*	*9.4%*	*14.1%*	*17.9%*
Current EBIT after SO	**24.9**	**-4.2**	**-1.2**	**28.0**	-	**34.9**	**37.6**	-	**40.3**	**54.8**
margin	*10.7%*	*-1.8%*	*-0.5%*	*10.4%*	-	*12.1%*	*12.9%*	-	*13.1%*	*17.0%*
EBIT	**23.6**	**-4.9**	**-11.5**	**26.0**	-	**34.9**	**37.6**	-	**40.3**	**54.8**
Margin	*10.1%*	*-2.1%*	*-4.5%*	*9.7%*	-	*12.1%*	*12.9%*	-	*13.1%*	*17.0%*
Net income	**7.5**	**-6.4**	**-24.2**	**18.5**	**12.3**	**24.8**	**26.6**	**16.1**	**28.4**	**38.1**
Margin	*3.2%*	*-2.8%*	*-9.4%*	*6.9%*	*4.5%*	*8.6%*	*9.2%*	*5.5%*	*9.2%*	*11.8%*
Restated net income	**8.4**	**-5.9**	**-19.6**	**19.2**	-	**24.8**	**26.6**	-	**28.4**	**38.1**
Margin	*3.6%*	*-2.6%*	*7.7%*	*7.1%*	-	*8.6%*	*9.2%*	-	*9.2%*	*11.8%*
Net cash	**60.3**	**52.7**	**36.9**	**54.6**	**44**	**71.1**	**72.2**	**57**	**90.1**	**98.0**

Sources: Consensus from the company (09/02/16); Bryan Garnier & Co. ests.

Annual game releases from 2012 to 2016e

Number of games	Q1	Q2	Q3	Q4	Full year
2013	2	7	4	3	16
2014	1	3	4	4	12
2015	5	4	2	5	16
2016e	1	3	2	3	9

Source: Bryan, Garnier & Co ests.
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

TMT

Ingenico Group

Price EUR95.06

2020 targets unveiled

Fair Value EUR150 (+58%) **BUY**

Bloomberg	ING FP
Reuters	INGC.PA
12-month High / Low (EUR)	127.6 / 87.9
Market Cap (EUR)	5,798
Ev (BG Estimates) (EUR)	6,050
Avg. 6m daily volume (000)	270.0
3y EPS CAGR	21.7%

	1 M	3 M	6 M	31/12/15
Absolute perf.	4.5%	-15.7%	-9.9%	-18.4%
Softw.& Comp.	2.7%	-1.0%	15.9%	-3.3%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

YEnd Dec. (EURm)	2014	2015e	2016e	2017e
Sales	1,607	2,197	2,453	2,708
% change		*36.7%*	*11.7%*	*10.4%*
EBITDA	376	508	577	647
EBIT	323.5	436.5	502.9	566.0
% change		*34.9%*	*15.2%*	*12.5%*
Net income	207.3	273.7	325.0	376.7
% change		*32.1%*	*18.7%*	*15.9%*

	2014	2015e	2016e	2017e
Operating margin	20.1	19.9	20.5	20.9
Net margin	10.8	10.8	12.1	12.9
ROE	16.0	15.2	16.3	16.3
ROCE	11.8	16.5	19.5	22.4
Gearing	71.0	16.7	-2.8	-19.0

(EUR)	2014	2015e	2016e	2017e
EPS	3.41	4.47	5.29	6.14
% change	-	*31.3%*	*18.4%*	*15.9%*
P/E	27.9x	21.3x	18.0x	15.5x
FCF yield (%)	4.2%	4.7%	5.9%	6.8%
Dividends (EUR)	1.00	1.30	1.65	1.95
Div yield (%)	1.1%	1.4%	1.7%	2.0%
EV/Sales	4.1x	2.8x	2.3x	2.0x
EV/EBITDA	17.4x	11.9x	10.0x	8.3x
EV/EBIT	20.3x	13.9x	11.4x	9.5x

Management has just provided its strategic plan, which will be detailed this morning in London. 2020 targets are: revenue of EUR4bn, EBITDA margin of 22-23%, EBITDA to FCF conversion rate 45% as a floor, and payout ratio of 35%. Note that Ingenico's 2020 EBITDA target is higher by 3.3% on average with our estimate (in the range +1.0/+5.6%) whereas we were the highest of the consensus. Management's strategic plan should reassure the market, knowing that the group has always beat its initial plans (always-cautious financial communication, excellent track-record in terms of execution). We maintain our Buy rating and FV of EUR150.

ANALYSIS

- **The group has just announced its strategic plan and will detail it this morning in London. 2020 targets are: 1/** double-digit annual lfl revenue growth (i.e. EUR3.5bn) and EUR500m from targeted acquisitions to reach EUR4bn revenue in 2020 (at 2015 exchange rates). In the **Terminals** business, Ingenico expects high single-digit average growth between 2015 and 2020 and in Payment **Services**, average growth is expected in the mid-teens (incl. ePayments at mid to high teen growth). **2/** EBITDA margin to reach 22-23% (+200/300bps when compared to preceding mid-term plan target). The group will continue with strict cost control to improve its operational leverage (efforts to develop and bring to market its offerings in ePayments and to rollout of the new terminal product ranges in 2016, and operating expenses back to a more normal level from 2017 onward). **3/** floor for the EBITDA to **FCF conversion rate at 45%** (limiting Capex to 3/4% of revenue over the period). And 4/ commitment to maintain its dividend policy, with a payout ratio of 35%.

- **How does this compare with what consensus expected that Ingenico could provide ?** Note that our asumptions were based on organic terms. We believed Ingenico could provide a minimum of EUR3.2bn in FY20e sales vs. consensus at EUR3.4bn (we have EUR3.5bn in our model), and an EBITDA margin guidance of >=24% vs. consensus at 22.6% (we have 24.8% in our model). So, **if we translate management's EBITDA margin guidance in organic terms** (EBITDA margins for acquisitions in Payment Services are often at 15%, GlobalCollect is a good example), **the 22/23% would be at 23/24%.** So this latter range has to be compared with what the consensus expected, namely 22.6% (including our 24%). We also expected that the group could give an EBITDA to FCF conversion ratio >50% and a payout ratio of 35%.

- **What if we put Ingenico's 2020 plan into our model?** Ingenico's 2020 EBITDA target is higher by 3.3% on average with our current estimate (in the range +1.0/+5.6%). In the end, we expect the group to exceed its targets in view of its always-cautious financial communication, management's excellent track-record in execution and the constant change in the group's profile towards more recurring and better-quality sales.

- **In our view, Ingenico currently has the most attractive commercial offering for merchants.** It is capable of providing an omnichannel turn-key payments solution: payment terminals, security, and transaction services (30% of its sales: in-store 10% and online 20%).

- **What are the catalysts beyond 2017? 1/ In Payment Terminals,** Japan could shift to EMV before the Olympic Games of 2020 in order to accept international cards and to deal with fraud (card schemes could impose a deadline which is what they did in the US; there are around 3m POS terminals in Japan), but also India and Indonesia in the medium term. And if so, Ingenico could reasonably reach a 40% market share (i.e. about its world prime position of 44%) through partnerships or acquisitions of local distributors. **2/ its Payments Services** business could take over if the group made two acquisitions of EUR300m in sales each (at end-2016e, we expect a net cash position vs. a covenant of 3x net debt/EBITDA, and a FCF/current EBIT of 69%). As such, Ingenico could have a balanced sales mix between Payment Terminals and Payment Services over the medium term (vs. 70/30% currently) and therefore a more recurring sales profile (65%e vs. 45% currently) with the associated operating leverage (pooling of its proprietary platforms). Note that we expect e-commerce to expand strongly as of this year in Europe and North America (as it did in South-East Asia up to now). So, Ingenico's payment services (processing and collecting) should directly benefit from this driver.

VALUATION

- We maintain our **Buy rating** and **Fair Value of EUR150.** The group's transformation towards more recurring revenues is not yet priced in.

NEXT CATALYSTS

- **Capital Market Day:** today in London (at 8:30amUK time).
- **Q1 2016 revenue:** on 26th April (after trading). As a reminder, following VeriFone's Q1, we expect +8/9% for Ingenico's Q1 lfl sales growth (the loss of volumes from GlobalCollect's 1st client should weigh on topline services growth until H1).

Last strategic plan announced (initial guidance 2016 vs. 2015 reported and our 2016e)

2016	1st Guidance 2016: (strategic plan announced early	2015 reported (plan reached 1 year in advance)	BG est. 2016
Revenue (EURbn)	>2.2	2.2	2.5
EBITDA margin	>20%	23.1%	23.5%

Sources: Bryan Garnier & Co. ests.

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

Sector View

Consumer durables

	1 M	3 M	6 M	31/12/15
Consumer Gds	1.4%	-2.0%	4.8%	-4.5%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

*Stoxx Sector Indices

Companies covered

ADIDAS GROUP		BUY	EUR104
Last Price	EUR101,35	*Market Cap.*	EUR21,204m

NIKE Q3 2016 results: solid earnings performance despite revenues miss

Yesterday evening Nike reported Q3 2016 earnings (to end-February): sales increased 8% as reported and 14% FX-n to USD8bn, a bit shy of the CS at USD8.2bn. However, EPS increased 22% to 55¢ topping the market's estimates at 49¢ mainly driven by FX gains and a lower tax rate. Global futures orders (from March to July 2016) rose 17% FX-n (CS: ~16%) thanks to an impressive order backlog in Greater China (+36%) and ahead of a summer rich in major sporting events (Copa America, Euro Championship and Rio Olympics). The FY16 outlook is reiterated: revenue is expected to grow in the low teens rate.

ANALYSIS

- **Q3 revenue slightly below market expectations.** Global sales at the NIKE brand were up 9% on a reported basis and 15% FX-n to USD7.6bn. This performance was fuelled by a rebound in **North America**, ~48% of sales, where sales grew by 14% after 10% FX-n growth in Q2 thanks to double-digit growth in Footwear (+16%) and Apparel (+14%).
- Nike enjoyed a seventh successive quarter of double-digit growth in **Greater China** (~11% of sales) with +27% vs. +28% in Q2, while **Western Europe** (~20% of sales) maintained a similar pace of growth than in Q2 (+12%). Despite a tough macro environment, revenue in **Central & Eastern Europe** (~5% of sales) rose at an impressive rate (+29%), representing a fourth quarter of double-digit increase. Sales in **Emerging Markets** (~14% of sales) grew by 11% (vs. +11% in Q2).
- **Q3 FY16 EPS up 22% to 55¢ (CS: 49¢).** As announced during the Q2 earnings call, some excess inventory had to be cleared in North America but this headwind was offset by a favourable price-mix and distribution mix, hence the gross margin remained flat at 45.9% (vs. a 50bp contraction guided by Nike). Demanding creation increased 10% and overhead expenses were up 7%. The EBIT margin improved a slight 10bp to 14.2%, well above the CS expectations at 12.9%, and the group also benefited from a lower tax rate (16.3% vs. 24.4% the prior year).
- **Future orders from March to July 2016 up 17% FX-n vs. the CS forecast of +16%.** This slight beat was clearly driven by the very strong order backlog in **Greater China** (+36% vs. CS of 22%) whilst future orders in **Western Europe** (+23% vs. CS: +25%) and in **North America** (+10% vs. CS: 12%) were a bit shy of forecasts.
- **FY16 outlook reiterated.** In the conference call, management guided for Q4 reported revenue to grow at a mid single-digit rate (low teens FX-n) and the FY16 outlook remains unchanged.

FY16 & FY17 outlook:

EURm	FY16	FY17
Sales growth (FX-n)	Low teens	High single digit to low double-digit
Gross Margin	Expand by ~50bp	n/a
EPS growth (reported)	n/a	Low teens (heavily weighted toward H

Source: Company Data

READ-ACROSS TO ADIDAS GROUP

- This publication clearly confirms the very healthy trends of the global sporting goods market irrespective of the economic slowdown in some markets. In addition to innovation and increased participation (especially in running), the market will also benefit from three major sporting events this summer: Copa America (soccer, 4th June => 27th June), EURO Championship (10th June => 10th July) and Rio Olympics (5th August => 21st August).
- Earlier this month, **adidas Group** confirmed that momentum has remained strong since the beginning of the year (Q4: +12% o/w +16% for adidas brand). Management also declared that the order backlog for Q3 2016 was "solid". In 2016 the German group expects a double-digit growth rate in Western Europe, North America, Greater China and MEAA.

NEXT CATALYSTS

- adidas Group will report Q1 results on 4th May 2016.

Click here to download

Analyst:
Cédric Rossi
33(0) 1 70 36 57 25
crossi@bryangarnier.com

Consumer Analyst Team:
Nikolaas Faes
Loïc Morvan
Antoine Parison
Virginie Roumage

Sector View

Integrated Utilities

Gas is back?

	1 M	3 M	6 M	31/12/15
Utilities	0.0%	-2.6%	1.5%	-5.7%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

*Stoxx Sector Indices

Companies covered

E.ON		**BUY**	**EUR10,2**
Last Price	EUR8,238	*Market Cap.*	EUR16,484m
EDF		**BUY**	**EUR14,5**
Last Price	EUR10,415	*Market Cap.*	*EUR19,998m*
ENGIE		**BUY**	**EUR17**
Last Price	EUR13,7	*Market Cap.*	*EUR33,363m*
RWE		**NEUTRAL**	**EUR9,8**
Last Price	EUR10,835	*Market Cap.*	*EUR6,559m*

As part of the *BG Utilities Club*, we hosted a breakfast meeting yesterday on the gas and LNG market with an expert working with major energy firms. The event was useful to summarise past and future trends in gas volumes and prices in such a difficult environment. We understand prices will remain under pressure due to a plethoric offer (LNG notably), to the detriment of E&P businesses, but to the benefit of power generation from CCGT. In our universe, both Engie and E.ON seem the best exposed to the stability/recovery in the gas market, while EDF and RWE are the least exposed.

ANALYSIS

- **A quick look at the worldwide gas market**: For decades, the worldwide gas market was piloted by major gas producers (Russia, Norway, Algeria…), which settled oil contract prices through long term contracts. This market was progressively disrupted by the arrival of new producing countries, such as Indonesia, **Qatar, Iran and the US** for instance, which progressively modified the market structure to the profit of shorter term contracts, and to the detriment of oil indexed contracts. The gas market is now **more liquid**, with a strong **convergence between different market prices** (*price range of USD4/6MMBtu*) benefiting final users. Following massive price declines (*divided by 2 in 3 years*), due to lower gas demand and the oil price decline (*still 10-20% oil indexed contracts*), gas power generation assets are not in the money like coal assets, to the profit of integrated utilities exposed to this technology (*Engie, E.ON, Gas Natural…)*
- **Main elements/figures to retain**: **1/** gas demand over the past **15 years** was mainly driven by power generation needs, and not so much by private households and industrial needs. **2/** LNG represents roughly **10-12%** of the worldwide gas demand and this rate is set to increase over coming years with new capacities opening in the pipe in the US and Australia. **2/**TTF gas prices are down **50%** since 2012 to **EUR13.6/MWh**, while coal over the same period is down **60%** (*in USD, and down 51% in EUR*). **3/**Marginal costs between both coal and gas still favour of coal, although the recent gas price decline is now putting certain CCGT assets back in the money. **A higher carbon tax combined with higher coal prices could further return gas power generation assets to the grid.**
- **Our view**: We remain cautious on the gas market outlook and see no short term recovery for prices, as oversupply will remain high with the commissioning of new LNG capacities from the US and Australia. Gas demand is set to stem mainly from emerging markets, but also from Europe with the progressive stoppage of coal power assets. Our current view on the European integrated subsector notably reflects our view on the gas market, as **we continue to favour Engie over EDF and E.ON over RWE**. We see stronger upside for both the short and longer terms for utilities exposed to CCGT assets rather than coal assets. Note nevertheless that, most of the earnings growth potential for these utilities could only come from higher volumes, and prices stability, not from prices recovery.

VALUATION

- We continue to prefer Engie over EDF and E.ON over RWE

NEXT CATALYSTS

- 7th April 2016: Utilities & Renewables Conference at Bryan Garnier

Click here to download

Analyst :
Xavier Caroen
33(0) 1.56.68.75.18
xcaroen@bryangarnier.com

Healthcare

AstraZeneca

Price 3,915p

Bloomberg	AZN LN
Reuters	AZN.L
12-month High / Low (p)	4,863 / 3,890
Market Cap (GBPm)	49,495
Avg. 6m daily volume (000)	2 505

	1 M	3 M	6 M	31/12/15
Absolute perf.	-5.5%	-11.0%	-6.0%	-15.2%
Healthcare	-1.7%	-9.2%	-8.5%	-12.3%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

	2015	2016e	2017e	2018e
P/E	13.1x	14.0x	14.4x	13.5x
Div yield (%)	5.0%	5.0%	5.0%	5.0%

SOCRATES misses its primary endpoint

Fair Value 5,300p vs 5,550p (+35%) **BUY-Top Picks**

ANALYSIS

- AstraZeneca today reported top-line results from the SOCRATES study that was investigating 90mg Brilinta twice-daily vs a 100mg daily dose of aspirin in patients with acute ischemic stroke or transient ischemic attack. Although fewer events were observed for Brilinta, the trend did not reach statistical significance and so the primary endpoint i.e. occurrence of first event from a composite of stroke, MI or death was not met. Detailed results including subgroup analysis will be presented at an upcoming medical congress.
- SOCRATES was known to be a high-risk study and an "easier one" is due to follow with EUCLID in PAD later in the year. This news should not prevent Brilinta from achieving consensus estimates of about USD2.0bn but could make it more difficult to reach the USD3.5bn mark assessed to the drug by AstraZeneca when forming the 2023 revenue guidance. It will depend on EUCLID however. Our understanding was that it could have represented about 20% of this target.

VALUATION

- We thought there was a chance that Brilinta might achieve superiority over aspirin in SOCRATES although with a low PoS, thereby contributing to our 2022 target of USD3.2bn. We have cut our estimates accordingly as we will take no risk with subgroup analysis. We are reducing our PS from USD3.2bn to USD2.6bn in 2022. Our FV is reduced by GBP250to GBP5,300.

NEXT CATALYSTS

- 29 April 20166: First-quarter results

Click here to download

Eric Le Berrigaud, eleberrigaud@bryangarnier.com

Luxury & Consumer Goods

Hermès Intl.

Price EUR311.35

FY 2015 EBIT margin gained 30bp to 31.8%

Fair Value EUR360 (+16%) **BUY**

Bloomberg	RMS FP
Reuters	HRMS.PA
12-month High / Low (EUR)	363.4 / 291.6
Market Cap (EUR)	32,869
Avg. 6m daily volume (000)	55.80

	1 M	3 M	6 M	31/12/15
Absolute perf.	-4.6%	-0.1%	-2.1%	-0.1%
Pers & H/H Gds	0.0%	0.5%	3.9%	-2.3%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

	2014	2015e	2016e	2017e
P/E	38.1x	32.7x	29.0x	25.5x
Div yield (%)	2.6%	1.1%	1.3%	1.5%

ANALYSIS

- After reporting 2015 sales in February showing 8% organic growth (including +7.1% in Q4) to EUR4.84bn, the group has reported full-year earnings this morning with a 19% EBIT increase to EUR1.54bn (consensus: EUR1.53bn), implying EBIT margin of 31.8%, up 30bp versus the 2014 level, despite a negative impact from hedging losses (particularly with the JPY) but thanks to a very positive product mix (+12.6% sales increase for the Leather goods business vs +8% for the group average). Nevertheless, the 2015 EBIT margin level was no major surprise as management already guided for profitability "close to the 2014 level". Net profit grew 13% to EUR973m due to a higher tax level in France.
- Furthermore, 2015 net cash reached EUR1.57bn vs EUR1.4bn (but after paying a EUR5 extra dividend per share last year). For this year, management proposes to pay a dividend of EUR3.35 per share vs EUR2.95 last year (+13.5%).

VALUATION

- The Hermès share price remains virtually unchanged YTD, in line with our luxury sample average, which implies an 8% outperformance versus the DJ Stoxx. The stock is trading on 18.5x 2016 EV/EBIT versus 12.4x for our luxury sample average. We are making no change to our Buy recommendation and our EUR360 FV.

NEXT CATALYSTS

- Analysts' meeting at 9am this morning.

Click here to download

Loïc Morvan, lmorvan@bryangarnier.com

Healthcare

Sanofi

Price EUR71.16

Praluent still very much in the news

Fair Value EUR88 (+24%) **NEUTRAL**

Bloomberg	SAN FP
Reuters	SASY.PA
12-month High / Low (EUR)	100.7 / 67.3
Market Cap (EURm)	92,913
Avg. 6m daily volume (000)	3 282

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.0%	-8.5%	-16.8%	-9.5%
Healthcare	-1.7%	-9.2%	-8.5%	-12.3%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

	2016	2017e	2018e	2019e
P/E	12.8x	12.4x	11.4x	10.5x
Div yield (%)	4.2%	4.4%	4.9%	5.3%

ANALYSIS

- Sanofi and Regeneron have issued positive results from a small but interesting study from the ODYSSEY programme called ESCAPE in which patients with HeFH undergoing LDL apheresis (a procedure by which the blood is cleaned of LDL cholesterol somewhat like dialysis used in kidney impaired patients) were tested on Praluent every two weeks vs placebo as an add-on to their existing therapy. The results were highly clinically meaningful as 63% of the patients treated with Praluent no longer required apheresis while in total, 75% reduced the frequency of such procedures which are cumbersome and costly.
- In the press release, Sanofi reports that apheresis can cost up to USD100,000 per year per patient and EUR60,000 in Germany. From a pharmaco-economic perspective, there is little doubt that anti-PCSK9 agents are very competitive therapeutic options for patients with HoFH and HeFH as it has already been demonstrated. It is here further illustrated in a subset of patients with HeFH that a study from the National Lipid Association in 2014 estimated to be approximately 650,000 in the US for HeFH including 15,000 (2.4%) requiring LDL apheresis. It is less meaningful from a financial perspective than for the sake of the value proposition that PCSK9-targeting agents represent and that is once again illustrated by these results in a subgroup of patients with a high unmet need.
- On the same topic i.e. Praluent, note that a hearing on Amgen's request for a permanent injunction that could kick the drug off the US market is due to take place today and tomorrow with a decision shortly thereafter. The consensus believes this is unlikely to happen but some have voiced opinions saying it could. Most think it will result in a settlement with royalty payments.

VALUATION

- Sensitivity to a 20% royalty rate is EUR1.2 to our FV according to our calculation.
- Our PS of EUR5bn obviously includes HeFH.

NEXT CATALYSTS

- 25th March 2016 (or following days): Decision after hearing for permanent injunction

Click here to download

Eric Le Berrigaud, eleberrigaud@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	Paris	New York	Geneva	New Delhi
Beaufort House	26 Avenue des Champs Elysées	750 Lexington Avenue	rue de Grenus 7	The Imperial Hotel
15 St Botolph Street	75008 Paris	New York, NY 10022	CP 2113	Janpath
London EC3A 7BB	Tel: +33 (0) 1 56 68 75 00	Tel: +1 (0) 212 337 7000	Genève 1, CH 1211	New Delhi 110 001
Tel: +44 (0) 207 332 2500	Fax: +33 (0) 1 56 68 75 01	Fax: +1 (0) 212 337 7002	Tel +4122 731 3263	Tel +91 11 4132 6062
Fax: +44 (0) 207 332 2559	Regulated by the Financial Conduct	FINRA and SIPC member	Fax+4122731 3243	+91 98 1111 5119
Authorised and regulated by	Authority (FCA) and l Autorité de		Regulated by the	Fax +91 11 2621 9062
the Financial Conduct Authority	Contrôle prudential et de resolution		FINMA	
(FCA)	(ACPR)			

BRYAN, GARNIER & CO

Disclaimer:

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....