

7th March 2016

Utilities

EDF

Price EUR10.85

EDF CFO quits over Hinkley Point project

Fair Value EUR14,5 (+34%)

BUY

Bloomberg	EDF FP
Reuters	EDF.PA
12-month High / Low (EUR)	22.6 / 9.2
Market Cap (EURm)	20,833
Avg. 6m daily volume (000)	2 718

ANALYSIS

- According to Reuters, citing a source familiar with the situation, EDF CFO **Thomas Piquemal** has resigned over the company's plan to build the **two EPRs in Hinkley Point, Britain**. The source confirmed a Bloomberg report stating that the CFO had resigned because he believes that pushing ahead with this project now could jeopardise the company's financial situation. Various rumours indicate the decision on this project could be made in April. Board members have not been officially informed of this resignation and **the board is due to meet on Tuesday**. If confirmed, this decision is clearly negative for the group, as it underscores the significant difference in opinions within the group concerning this project which, if realised as it is, will put the group's financial situation under pressure. The group's CFO was pushing for a three-year delay to make a final decision on this project, while Lévy, notably urged by the French government, was pushing for short term decision.

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.7%	-18.6%	-36.8%	-20.1%
Utilities	-2.7%	-7.0%	-2.1%	-6.9%
DJ Stoxx 600	4.0%	-7.8%	-3.2%	-6.6%

	2014	2015e	2016e	2017e
P/E	4.5x	5.1x	7.6x	9.9x
Div yield (%)	11.5%	11.5%	9.6%	7.8%

VALUATION

- At the current share price the stock trades at 7.6x its 2016e earnings and offers a 9.6% yield
- Buy, FV @ EUR14.5

NEXT CATALYSTS

- May 10th : Q1-2016 sales

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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