

15th March 2016

Construction & Building Materials

VINCI

Price EUR64.60

Grand Paris project attributed to Bouygues and Vinci subsidiaries

Fair Value EUR70 (+8%)

BUY

Bloomberg	DG FP
Reuters	SGEF.PA
12-month High / Low (EUR)	65.4 / 51.0
Market Cap (EURm)	38,071
Avg. 6m daily volume (000)	1,813

	1 M	3 M	6 M	31/12/15
Absolute perf.	10.2%	13.0%	12.7%	9.2%
Cons & Mat	13.0%	1.6%	1.2%	-2.0%
DJ Stoxx 600	10.3%	-1.4%	-2.5%	-5.8%

	2014	2015e	2016e	2017e
P/E	20.0x	19.1x	17.0x	15.0x
Div yield (%)	3.4%	2.9%	3.1%	3.6%

ANALYSIS

- A first public works contract for the so-called Grand Paris Express has been attributed to Bouygues Travaux Publics in partnership with Soletanche Bachy (Vinci group) subsidiaries. It regards a railway station in the South-West suburbs of Paris (Clamart) for the line 15, which is a sort of tube by pass in the South of Paris of 33 km. No specific amount has been communicated by the *Société du Grand Paris*.
- Next attributions for the line 15 only are expected in Q3 2016 and mid-2017, knowing that this first contract will be followed by another seven.
- We expect other attributions in the short term, regarding in particular two stations for Eole (a 55km railway extension in the West of Paris for a cost estimated at EUR3.3bn in 2009), equivalent to EUR500m of investment per contract.

VALUATION

- EUR70 FV through a SOTP

NEXT CATALYSTS

- Vinci AGM on 19 April, Q1 sales on 28 April.

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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