BRYAN, GARNIER & CO

INDEPENDENT RESEARCH UPDATE

4th March 2016

Campari

The wind in its sails

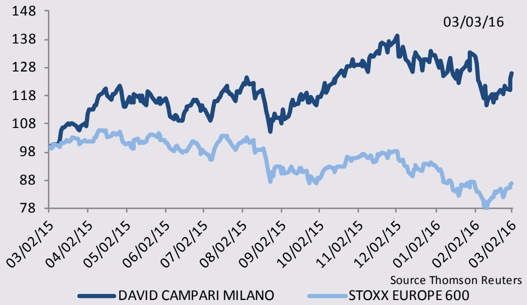
Food & Beverages

Fair Value EUR8,4 (price EUR7.61) **BUY**

Bloomberg	CPR IM
Reuters	CPR.MI
12-month High / Low (EUR)	8.4 / 6.1
Market capitalisation (EURm)	4,420
Enterprise Value (BG estimates EURm)	5,245
Avg. 6m daily volume ('000 shares)	1 687
Free Float	49.0%
3y EPS CAGR	12.8%
Gearing (12/14)	62%
Dividend yield (12/15e)	1.18%

Prices at 2nd March 2016

YE December	12/14	12/15	12/16e	12/17e
Revenue (EURm)	1,560	1,657	1,643	1,718
EBIT (EURm)	298.20	332.70	341.55	363.04
Basic EPS (EUR)	0.27	0.31	0.34	0.39
Diluted EPS (EUR)	0.27	0.30	0.33	0.38
EV/Sales	3.46x	3.17x	3.14x	2.95x
EV/EBITDA	16.0x	13.4x	13.2x	12.2x
EV/EBIT	18.1x	15.8x	15.1x	14.0x
P/E	28.7x	25.2x	22.9x	20.0x
ROCE	5.3	7.0	7.7	8.8



Source Thomson Reuters

In the current environment, Campari has an ideal portfolio and geographic positioning. 2016 should be another strong year. We expect organic sales to rise 4.3% in 2016, accelerating vs. 2015, and EBIT margin to be up 70bps to 20.8%. Besides, the group has now the financial means to carry out acquisitions. We now have a Buy recommendation on the stock and a EUR8.4 fair value.

- **A good portfolio.** The company is overexposed to bitters. We believe they account for c.30% of the group's sales while their weight in the other groups' sales is unlikely to exceed 2%. This unique positioning is really a major plus given the current consumption trends. Bitters are currently growing high single-digit. Campari is also the only European spirits group which has a bourbon, one of the most attractive whiskeys in the key US market.

- **An attractive geographic profile.** Campari is underweight to the currently decelerating and highly volatile emerging markets. They account for only 25% of the group's sales vs 47% for Diageo, 40% for Pernod Ricard and 35% for Rémy Cointreau. Campari is also underexposed to the tough Travel Retail channel. We estimate that it accounts for 4% of the group's sales vs 9% for Rémy Cointreau, 7% for Pernod Ricard and 5% for Diageo.

- **2016/2017 should see the return to the group's strategy of generating half of its growth through acquisitions.** Net debt declined EUR152m to EUR826m in 2015, exceeding our expectations (EUR888m) and implying a net debt/EBITDA ratio of 2.2x vs 2.9x in 2014. It can rise until 3.5x and even 4.25x for a limited period of time (18 months). We think that acquisitions should be well received by the market as the group's track record is good (Aperol, Wild Turkey, SKYY…).

- **Estimates and valuation.** We expect organic sales to rise 4.3% in 2016, accelerating vs. 2015, and EBIT margin to be up 70bps to 20.8%. We reiterate our Buy recommendation. Our DCF points to a fair value of EUR8.4. At Wednesday's closing price, the stock is trading at 15.1x EV/EBIT 2016e and 14.0x EV/EBIT 2017e, 12% and 13% below the peer average.

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Company description

Campari was founded in 1860 and today is the sixth-largest player worldwide in the spirits industry. The Group's portfolio, with over 50 brands, includes spirits, the core business, wines and soft drinks. Internationally-renowned brands include Aperol, Appleton, Campari, Cinzano, SKYY Vodka and Wild Turkey.

Simplified Profit & Loss Account (€m)	2012	2013	2014	2015	2016e	2017e
Net revenues	1,341	1,524	1,560	1,657	1,643	1,718
Change (%)	*5.2%*	*13.7%*	*2.4%*	*6.2%*	*-0.8%*	*4.6%*
Gross profit after distribution costs	770	810	832	917	921	969
Contribution after A&P	532	561	571	631	637	672
EBITDA	337	339	338	390	391	415
Result from recurring operations	305	300	298	333	342	363
Change (%)	*2.0%*	*-1.6%*	*-0.5%*	*11.6%*	*2.7%*	*6.3%*
Net financial income (charges)	(48.7)	(58.9)	(60.3)	(60.0)	(65.0)	(47.0)
Profit before taxes and non-controlling interests	236	230	194	249	277	316
Tax	(79.0)	(79.8)	(64.6)	(73.4)	(83.0)	(94.8)
Net profit	157	151	130	176	194	221
Minority interests	(0.50)	(0.60)	(0.60)	(0.60)	(0.60)	(0.60)
Group net profit	157	150	129	175	193	221
Change (%)	*-1.6%*	*-4.3%*	*-13.9%*	*36.0%*	*10.0%*	*14.3%*
Cash Flow Statement (€m)						
Operating cash flows	247	257	290	315	318	336
Change in working capital	(22.5)	(36.0)	(6.9)	(9.6)	(6.6)	(6.0)
Capex, net	(45.2)	(58.9)	(47.9)	(49.1)	(49.1)	(51.5)
Financial investments, net	(52.7)	(55.9)	(57.5)	(56.3)	(65.0)	(47.0)
Dividends	(40.5)	(39.8)	(46.1)	(45.7)	(52.2)	(52.2)
Other	(319)	(49.1)	(21.3)	(24.5)	(50.0)	(100)
Net debt	870	853	978	826	731	651
Free Cash flow	127	106	178	200	197	232
Balance Sheet (€m)						
Tangible fixed assets	390	397	436	445	449	451
Intangibles assets	1,664	1,582	1,872	1,932	1,932	1,932
Cash & equivalents	443	444	231	844	1,339	1,416
current assets	1,278	1,258	1,088	1,746	2,250	2,344
Other assets	70.5	65.3	119	101	(16.2)	(16.2)
Total assets	3,403	3,303	3,515	4,224	4,615	4,711
L & ST Debt	1,369	1,342	1,267	1,781	2,180	2,178
Others liabilities	601	564	667	687	566	523
Shareholders' funds	1,433	1,396	1,580	1,746	1,869	2,010
Total Liabilities	1,970	1,906	1,933	2,468	2,746	2,701
Capital employed	2,205	2,120	2,444	2,510	2,516	2,522
Ratios						
Gross margin	57.39	53.17	53.31	55.35	56.09	56.43
A&P as % of sales	17.69	16.35	16.72	17.28	17.30	17.30
Contribution after A&P as % of sales	39.70	36.82	36.60	38.07	38.79	39.13
Result from recurring operations	22.73	19.66	19.12	20.08	20.79	21.13
Tax rate	33.46	34.65	38.35	29.43	30.00	30.00
Net margin	11.68	9.84	8.27	10.59	11.75	12.84
ROE (after tax)	10.96	10.78	8.20	10.08	10.36	11.01
ROCE (after tax)	7.12	7.10	5.30	7.01	7.69	8.77
Gearing	60.69	61.08	61.93	48.63	(39.33)	(33.67)
Pay out ratio	25.93	32.00	30.17	29.78	27.06	26.30
Number of shares, diluted	587,200	590,855	582,346	580,296	580,296	580,296
Data per Share (€)						
Basic EPS	0.27	0.26	0.27	0.31	0.34	0.39
Diluted EPS	0.27	0.25	0.27	0.30	0.33	0.38
% change	*0.0%*	*-7.4%*	*6.1%*	*14.0%*	*10.0%*	*14.3%*
BVPS	2.44	2.36	2.71	3.01	3.22	3.46
Operating cash flows	0.42	0.43	0.50	0.54	0.55	0.58
Free Cash Flow	0.22	0.18	0.31	0.34	0.34	0.40
Net dividend	0.07	0.08	0.08	0.09	0.09	0.10

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

1. The company in brief

Fig. 1: Sales breakdown by region, 2015

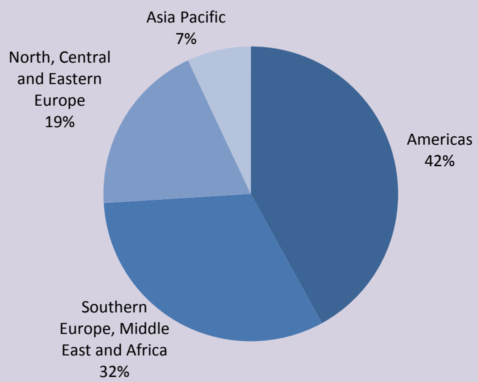


Fig. 2: EBIT breakdown by region, 2015

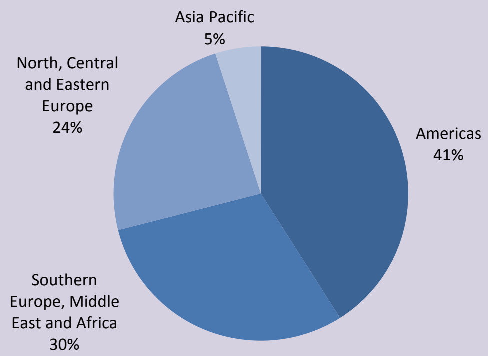


Fig. 3: Sales breakdown between developed and emerging countries, 2015

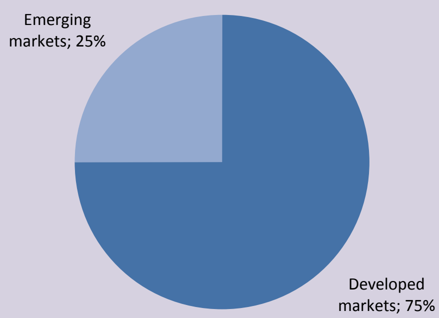


Fig. 4: Sales breakdown by country, 2015

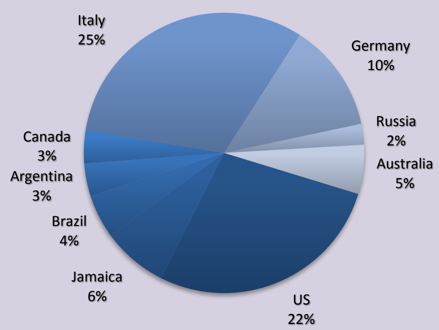


Fig. 5: Sales breakdown by segment, 2015

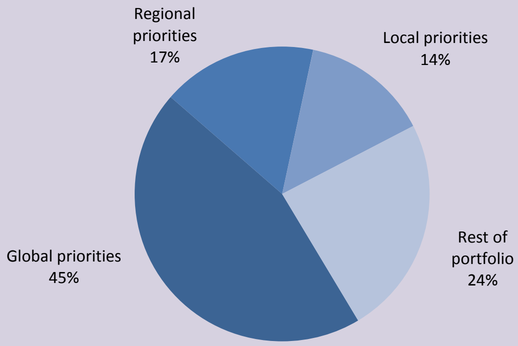
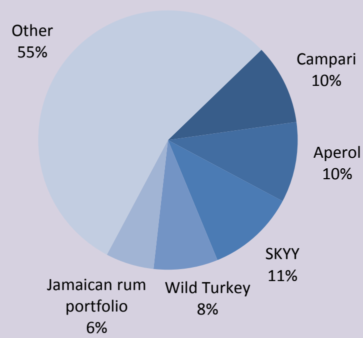


Fig. 6: Sales breakdown by brand, 2015



Sources: Campari; Bryan, Garnier & Co

2. A good portfolio positioning

2.1. Bitters: one of the keys to success

The bitters category is growing high single digit. It accounts for around 30% of Campari's sales compared with, according to our estimates, only 2% for its competitors Pernod Ricard and Diageo, respectively. The following table shows bitters brands owned by the spirit groups.

Fig. 7: Bitters brands by spirit group

CAMPARI	PERNOD RICARD	DIAGEO	REMY COINTREAU	BROWN-FORMAN
Campari	Ramazotti	Romana Sambuca		Tuaca
Aperol	Becherovka			
Campari Soda	Suze			
Cynar				
Averna				
Biancosarti				
Crodino				

Source: Companies

The group's two main competing brands in the bitters segment are Jägermeister (the only product of privately-held company Mast-Jägermeister) and Fernet Branca (owned by the Branca family). However, Campari offers two main advantages over these two companies:

- Its larger size allows for economies of scale in distribution and advertising expenses. Size is a key advantage for bitters –as with vodka– because they do not require ageing.
- The company controls around 90% of its distribution network.

Campari and Aperol are the group's flagship brands. They each represent one third of its bitter sales or 10% of its total sales. Aperol has a less bitter taste and a lower alcohol content than Campari, and these two distinctive features allow targeting younger consumers and women and competing with beer. Sales of Campari and Aperol respectively rose 6.1% and 11.8% organically in 2015.

The home markets of Campari/Aperol are improving. Germany is an important market for Aperol (25% of the brand's sales). The brand was very successful in this country, with 80% growth in 2011. Sales started to decline in Q4 2011 and kept on decreasing during 2012 and 2013. This fall can be explained by two main factors: the product was delisted by a key distributor and some me too's have been authorised. In 2015 Aperol finally stabilized, enabling sales in Germany to grow 3.2% organically. The group said it expects a low single digit sales growth in the country in 2016 (our estimate: +3%). Following the improvement of Aperol, next year should see the return to growth of Campari behind a new campaign. Italy is expected to accelerate next year: we expect organic sales in the country to grow 2%, in line with Campari's guidance (low single digit growth).

But there is also a strong potential for bitters in new geographies, what Campari called its seeding markets. In 2015, the sales growth of Aperol was impressive in France (+96%), Spain (+119%), and the UK (+233%). This reflects the craze for Aperol Spritz cocktail, whose main ingredient is Aperol. This cocktail is very easy to prepare and much cheaper (between EUR0.80 and

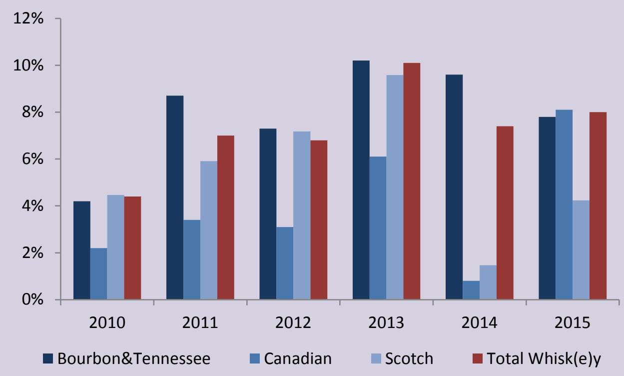
EUR0.90 a glass) than competing drinks (for example, a mojito is twice as expensive). In the US, sales of Campari grew 27.7% organically last year, driven by the craze for Italian specialties and traditional cocktails (Negroni is made with Campari). The seeding markets should accelerate in 2016 thanks to innovations and marketing investments.

2.2. The bourbon Wild Turkey: another strong asset

In the United States, whiskeys are growing very strongly and bourbon/Tennessee is one of the best performing segments.

Fig. 8: Whiskeys/Vodka: sales value growth

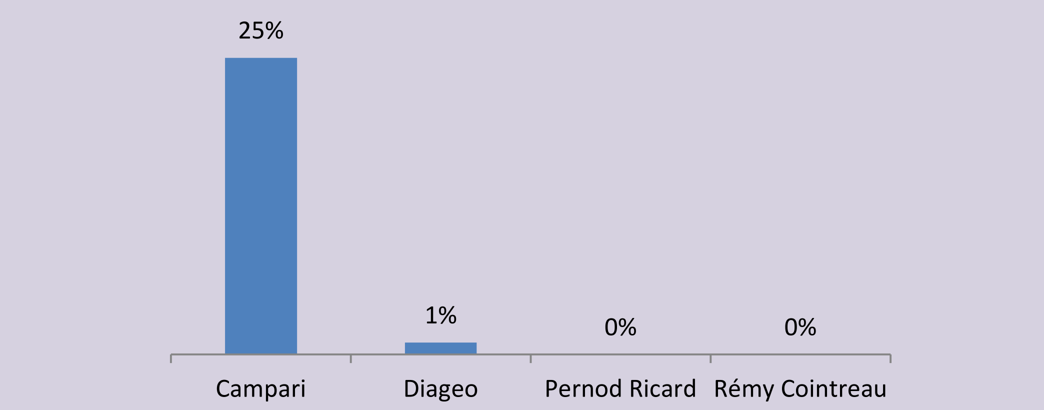
Fig. 9: Sales value growth by whisk(e)y category



Source: DISCUS

Campari is the only European spirit group to have a strong bourbon brand, i.e Wild Turkey (8% of the group's sales or 25% of the US sales). The brand's sales in the United States rose 7.6% organically in 2015, strongly accelerating vs. 2014 when they were flattish. **Globally, Wild Turkey posted an 8.8% organic sales growth last year and the group expects an acceleration in 2016.**

Fig. 10: Weight of bourbon/Tennessee as % of US sales



Sources: Companies Data; Bryan, Garnier & Co ests.

3. An attractive geographic exposure

The group's geographic exposure is an asset in the current context.

Yesterday, Brown-Forman has revised its 2016 guidance. It now expects:

- Organic sales growth of around 5% vs. 6-7% previously;
- Organic operating income of 7-9% vs. 8-10% previously.

The US group said that it was due to:

- Deteriorating emerging markets as weaker economic conditions and further devaluations of local currencies negatively impacted underlying demand. Organic net sales in EMs grew 5% over the 9M but they grew only 1% in Q3. Brazil, Turkey, Mexico and South Africa all delivered solid YTD organic sales growth, while markets such as Poland, Russia, Southeast Asia, emerging Africa and other EMs in South America declined in Q3.
- Softness in the global travel retail channel, partly reflecting the decrease of Russian travelers and the Paris attacks.

Campari is underweight to the emerging markets. They account for only 25% of the group's sales vs. 47% for Diageo, 40% for Pernod Ricard and 35% for Rémy Cointreau. **Campari is also underexposed to the Travel Retail channel.** We estimate that it accounts for 2% of the group's sales vs. 9% for Rémy Cointreau, 7% for Pernod Ricard and 5% for Diageo.

Fig. 11: Sales breakdown between developed and emerging countries, 2015

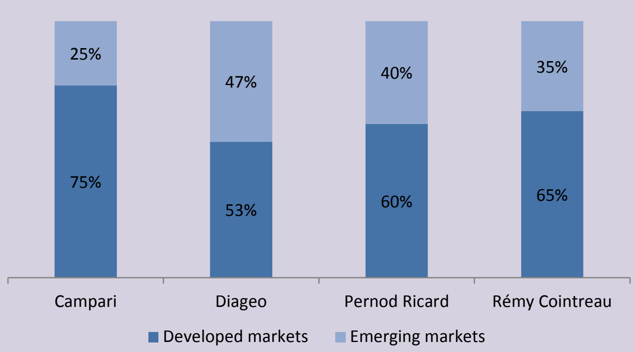
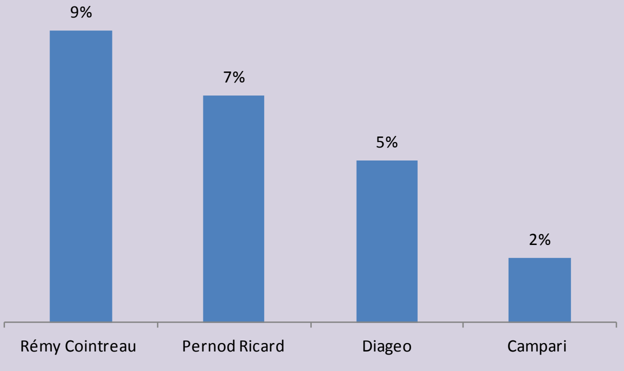


Fig. 12: Weight of Travel Retail as % of the group's sales, 2015



Sources: Companies; Bryan, Garnier & Co

4. Acquisitions as growth drivers

4.1. A good track record

The group features a strict financial discipline in terms of acquisitions. Since 2001, Campari has spent EUR1.9bn in acquisitions, without ever paying too much. Based on its track record, the group has carried out acquisitions at an average EV/EBITDA multiple of 11.1x. Its most expensive acquisitions were those of Lascelles deMercado in 2012 (15x) and Forty Creek Distillery (14.5x), which were partly justified by the strong growth potential of these two brands and by the need to complement the group's portfolio with new categories (rum and Canadian whiskey).

Fig. 13: Campari's acquisitions

Year	Target	Amount	EV/EBITDA
2001	Skyy Spirits	EUR399m	10.8x
2003	Barbero 1891 (Aperol)	EUR147.1m	11.6x
2005	Glen Grant, Braemar brands, Old Smuggler	EUR130m	6.6x
2007	Cabo Wabo Tequila	EUR75m	11.8x
2008	Destiladora San Nicolas	EUR22.2m	10x
2009	Wild Turkey	EUR418.4m	12x
2010	Carolans, Frangelico, Irish Mist	EUR128.2m	7.5x
2011	Sagatiba	EUR26.1m	13x
2012	Lascelles deMercado	EUR330m	15x
2014	Forty Creek Distillery	EUR120.5m	14.5x
2014	Fratelli Averna	EUR103.7m	9.2x
2001-2014	**Total amount spent**	**EUR1.9bn**	**Average: 11.1x**

Sources: Companies, Bryan, Garnier & Co

As shown in the table below, the average price paid by Campari is 30% lower than sector average (EV/EBITDA multiple of 15.9x). It should be noted that we excluded acquisitions in the wine and soft drinks segments from our sample.

Fig. 14: Major acquisitions in the spirits sector

Year	Acquirer	Target	EV/EBITDA
2001	Diageo / Pernod Ricard	Seagram	15x
2005	Pernod Ricard / Fortune Brands	Allied Domecq	10x
2006	Brown-Forman	Casa Herradura	22x
2008	Pernod Ricard	Vin&Sprit	21x
2009	**Campari**	**Wild Turkey**	**12x**
2010	**Campari**	**C&C Spirits & Liqueurs business**	**7.5x**
2011	Diageo	Mey Icki	9.9x
2012	Diageo	Ypioca	17x
2012	Rémy Cointreau	Bruichladdich	24x
2012	Beam	Pinnacle Vodka	17x
2012	**Campari**	**Lascelles de Mercado**	**15x**
2013	Suntory	Beam	20x
		Average	**15.9x**

Sources: Companies, Bryan, Garnier & Co

The group's prudent approach can be explained by three factors:

- The involvement of the Garavoglia family, holding a 51% stake in the company's share capital and voting rights;
- The size of the group (medium) with a market capitalisation of EUR4.4bn;
- A wise target selection: Campari seeks to acquire brands that fall within one of the two following categories and are therefore affordable:
  - ✓ "Hidden gems": brands that have existed for a long time but have been neglected by their owners for a while;
  - ✓ "Rising stars": they post substantial growth rates but they have not achieved their full potential yet, in terms of geographical coverage or brand recognition.

The group's acquisitions are also strategically consistent. In terms of acquisitions, Campari has the following three objectives:

- Generating sales and cost synergies in the group's current markets, in particular through economies of scale;
- Acquiring established platforms in new regions or countries where the group will be able to expand its existing brands;
- Adding strong and complementary brands to its portfolio.

The group carefully selects its targets and its acquisitions are always based on a strong rationale.

Fig. 15: Group's acquisitions and their rationale

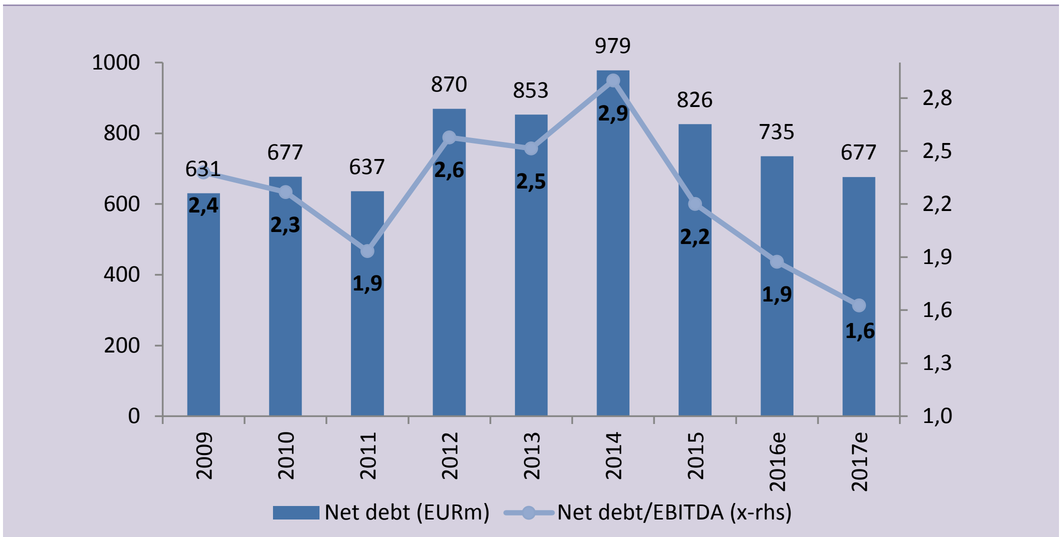
Year	Target	Rationale
2001	Skyy Spirits	Exposure to the US and to the vodka category
2003	Barbero 1891 (Aperol)	Exposure to a medium-alcoholic content spirit (Aperol)
2005	Glen Grant, Braemar brands, Old Smuggler	Exposure to the whiskey category
2007	Cabo Wabo Tequila	Strengthened presence in the US and exposure to tequila
2008	Destiladora San Nicolas	Access to the Mexican market
2009	Wild Turkey	Presence in the bourbon category and basis for its own distribution platform in Australia
2010	Carolans, Frangelico, Irish Mist	Strengthened presence in the US
2011	Sagatiba	Exposure to cachaça and Brazil
2012	Lascelles deMercado	Exposure to rum
2014	Forty Creek Distillery	Exposure to Canadian whisky
2014	Fratelli Averna	Increased critical mass in Central Europe

Sources: Campari, Bryan, Garnier & Co

4.2. Further acquisitions are expected

Campari has a strong financial structure. The group was constrained following the acquisitions of Forty Creek and Fratelli Averna in 2014. In 2015 it reduced its net debt by EUR152m to EUR826m, exceeding our expectations (EUR888m) and implying a net debt/EBITDA ratio of 2.2x vs. 2.9x in 2014. **This will enable the group to return to its previous strategy of generating half of its growth through acquisitions.**

Fig. 16: Net debt and net debt/EBITDA ratio



Sources: Campari, Bryan, Garnier & Co

The group has to maintain its net debt/EBITDA ratio under 3.5x. The following simulation seeks to determine the maximum size of a potential target for 2016 and 2017. We consider that any acquisition will have to be paid for in cash or funded with new debt and we subsequently exclude the scenario of a capital increase.

Fig. 17: Simulation of the group's borrowing capacity

EURm	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Assumption of sales	50	100	200	300	400
Average EBITDA margin	25%	25%	25%	25%	25%
EBITDA	12,5	25	50	75	100
			2016		
Sector's average 2016e EV/sales			4,2x		
EV of the target	210	420	840	1260	1680
Net debt (EV of the target + Campari's net debt)	945	1155	1575	1995	2415
Consolidated EBITDA	405	417	442	467	492
Net debt/EBITDA	**2,3**	**2,8**	**3,6**	**4,3**	**4,9**
			2017		
Sector's average 2017e EV/sales			4.0x		
EV of the target	200	400	800	1200	1600
Net debt (EV of the target + Campari's net debt)	877	1077	1477	1877	2277
Consolidated EBITDA	429	441	466	491	516
Net debt/EBITDA	**2,0**	**2,4**	**3,2**	**3,8**	**4,4**

Sources: Campari, Bryan, Garnier & Co

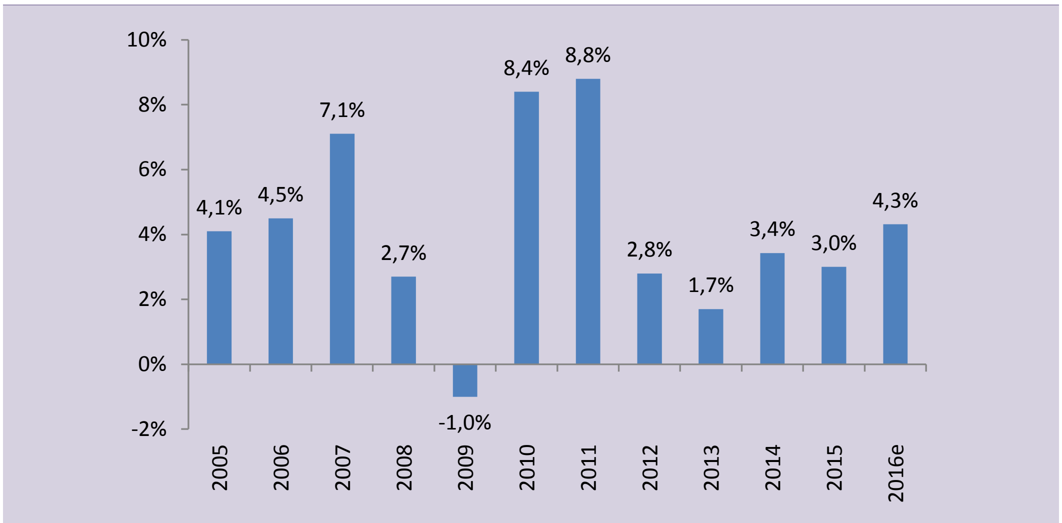
This simulation (which does not take into account potential synergies or acquisitions in the wine and soft drinks sector) shows that in 2016, only scenarios 1 and 2 will enable the group to comply with its banking covenant of a net debt/EBITDA ratio under 3.5x. In 2017, the group will be able to acquire a target having a maximum size of EUR200m. It should be noted that Campari is allowed to exceed the 3.5x ratio for a limited period of time (can be raised to 4.25x for 18 months). Therefore, scenarios 3 in 2016 and 4 in 2017 cannot be excluded.

Since Campari still has room to carry out acquisitions, which brands would be attractive potential targets? The group clearly targets the United States. Of note, the group acquired the distribution rights for Bulldog Gin in November 2013 and has a call option on this brand starting in 2020.

5. Another strong year in 2016

We expect 4.3% organic sales growth in 2016, ahead of the 2015 trend (+3%). This acceleration should be driven by 1/ Southern Europe/Middle East/Africa which should benefit from a return to growth in Italy (low single digit expected following a flattish performance in 2015) and continued good momentum in the seeding markets and 2/ North/Central/Eastern Europe with less drag coming from Russia (high single digit drop expected in 2016 vs -41% in 2015).

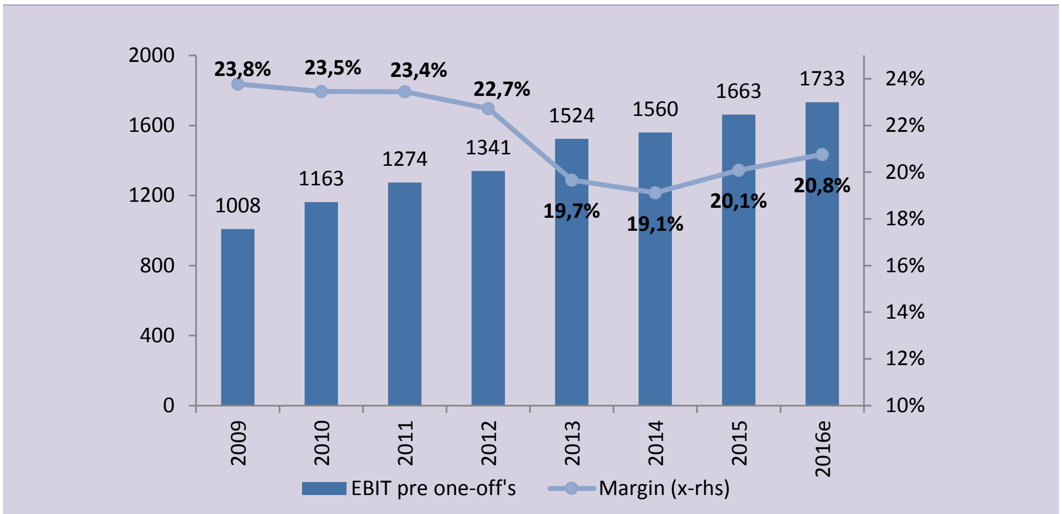
Fig. 18: Organic sales growth



Sources: Campari, Bryan, Garnier & Co

The EBIT margin should continue to increase in 2016 (+70bps to 20.8%) thanks to the positive sales mix arising from growth in the global priorities and especially the bitters (Aperol and Campari) and Wild Turkey. It should be noted that the gross margin of the global priorities is 70% vs. 55% for the group's average. The group has also indicated that the cash tax rate in 2016 fall to 23% due to the geographical mix. Overall the EPS should increase by 12% each year on average between 2015 and 2018.

Fig. 19: EBIT margin



Sources: Campari, Bryan, Garnier & Co

6. Valuation

Our DCF points to a fair value of EUR8.4.

Fig. 20: DCF (1)

	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Sales	1 643,0	1 718,0	1 801,9	1 895,3	1 999,3	2 094,9	2 180,5	2 254,3	2 314,8	2 360,8
% change	-0,3%	4,6%	4,9%	5,2%	5,5%	4,8%	4,1%	3,4%	2,7%	2,0%
EBIT	341,0	363,0	385,6	409,4	435,8	456,7	481,9	504,9	525,4	543,0
EBIT margin	20,8%	21,1%	21,4%	21,6%	21,8%	21,8%	22,1%	22,4%	22,7%	23,0%
-income taxes	-83,3	-95,2	-96,4	-102,3	-109,0	-114,2	-120,5	-126,2	-131,4	-135,7
+ depreciation	49,5	51,8	54,3	57,2	60,3	63,2	65,8	68,0	69,8	71,2
as % of sales	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%
+ change in WC	-9,6	-10,0	-12,6	-13,3	-14,0	-14,7	-15,3	-15,8	-16,2	-16,5
as % of sales	-0,6%	-0,6%	-0,7%	-0,7%	-0,7%	-0,7%	-0,7%	-0,7%	-0,7%	-0,7%
Operating cash flows	**297,6**	**309,6**	**330,9**	**350,9**	**373,2**	**391,0**	**411,9**	**430,9**	**447,7**	**461,9**
-capex	-49,1	-51,8	-54,3	-57,2	-60,3	-63,2	-65,8	-68,0	-69,8	-71,2
as % of sales	-3,0%	-3,0%	-3,0%	-3,0%	-3,0%	-3,0%	-3,0%	-3,0%	-3,0%	-3,0%
Free cash flow	**248,5**	**257,8**	**276,6**	**293,8**	**312,9**	**327,8**	**346,1**	**362,9**	**377,9**	**390,7**
Discount coefficient	0,93	0,87	0,81	0,75	0,70	0,65	0,61	0,56	0,53	0,49
Discounted FCF	**231,4**	**223,4**	**223,2**	**220,7**	**218,8**	**213,4**	**209,8**	**204,8**	**198,5**	**191,0**

Sources: Campari, Bryan, Garnier & Co

Fig. 21: DCF (2)

Sum of discounted FCF	2135
+Terminal value	3597
+Financial assets	10
-Net debt	-826
-Minorities	0
-Provisions	-24
Equity value	**4893**
Number of shares (m)	580
Fair value (EUR)	**8,4**

Sources: Campari, Bryan, Garnier & Co

At Wednesday's closing price, the stock is trading at 15.1x EV/EBIT 2016e and 14.0x EV/EBIT 2017e, 12% and 13% below the peer average.

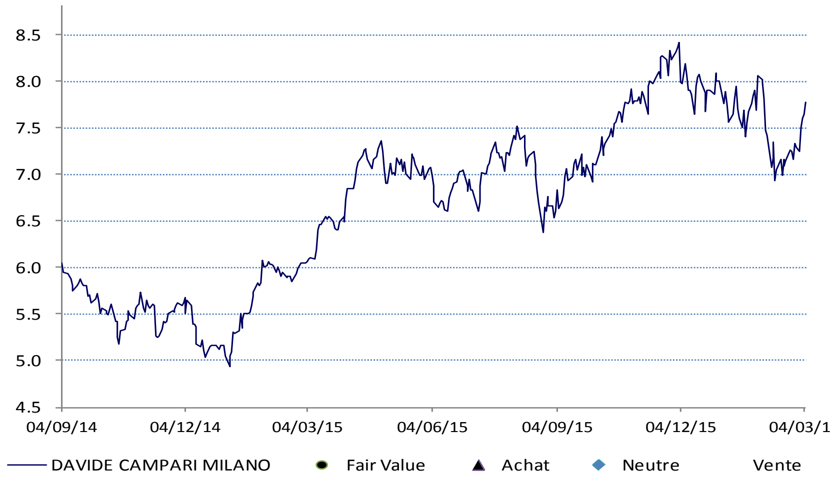
Fig. 22: Tableau de multiples

	2016e EV/EBIT (x)	2017e EV/EBIT (x)	2016e premium/discount	2017e premium/discount
Campari	15,1	14,0	-12%	-13%
Diageo	18,6	17,9	8%	11%
Pernod Ricard	15,1	14,4	-12%	-11%
Rémy Cointreau	20,1	18,1	17%	12%
Average	**17,2**	**16,1**		

Sources: Campari, Bryan, Garnier & Co

Price Chart and Rating History

Campari



Ratings		
Date	**Ratings**	**Price**
02/03/16	BUY	EUR7.51
12/11/15	SELL	EUR8
17/09/14	NEUTRAL	EUR5.8

Target Price	
Date	**Target price**
02/03/16	EUR8.4
13/05/15	EUR7.1
08/04/15	EUR7
11/02/15	EUR6.4
08/01/15	EUR6.2
09/12/14	EUR5.8
13/11/14	EUR5.9
17/09/14	EUR6

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 63,4%　　NEUTRAL ratings 29,1%　　SELL ratings 7,5%

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