Please find our Research on Bloomberg BRYG <GO>)

5th April 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	17737	-0.31%	+1.79%
S&P 500	2066.13	-0.32%	+1.09%
Nasdaq	4891.8	-0.46%	-2.31%
Nikkei	15732.82	-2.42%	-15.29%
Stoxx 600	334.491	+0.40%	-8.56%
CAC 40	4345.22	+0.53%	-6.29%
Oil /Gold			
Crude WTI	36.85	0.00	-0.94%
Gold (once)	1218.55	+0.51%	+14.70%
Currencies/Rates			
EUR/USD	1.13815	+0.32%	+4.77%
EUR/CHF	1.0923	+0.05%	+0.45%
German 10 years	0.128	-11.16%	-79.77%
French 10 years	0.391	+0.24%	-60.12%
Euribor	-	+-%	+-%

Economic releases :

Date	
5th-Apr	JP - Labor Cash earnings Feb. (0.9%A, 0.2%E) DE - Factory orders Feb. (2.2% E y/y) FR - Markit France comp PMI Mar. (51.1 E) DE - Markit Germany Comp PMI Mar. (55.5 E) DE - ISM non Manuf. Serv. Comp Mar. (54.1 E) US - Jolts Job Opening Feb.

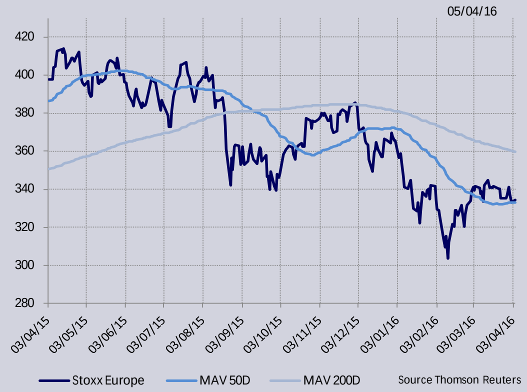
Upcoming BG events :

Date	
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)
28th-Apr	ORPEA (BG Luxembourg with IR)

Recent reports :

Date	
4th-Apr	GAMELOFT : Nothing to gain by tendering your GFT shares now!
29th-Mar	IPSEN Cabozantinib makes Ipsen a different story
23rd-Mar	AMOEBA It's getting closer!
23rd-Mar	Feedback from our TMT Conference in Paris
22nd-Mar	SOPRA STERIA : Flawless integration of Steria so far
22nd-Mar	LUXOTTICA : Turbulence almost over, make the most of it!

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



ASML — SELL vs. BUY, Fair Value EUR81 vs. EUR85 (-9%)

Crossed the line of an unattractive risk/reward

In January, we upgraded ASML to Buy vs. Neutral to take advantage of improving NT momentum thanks to orders from 10nm capacity build starting from Q2 2016. After a ~17% stock price increase, we now adopt a Sell recommendation as 1/ we believe this NT momentum is fully priced in, 2/ we start to worry about high market expectations regarding DUV and 3/ we start to have doubts about the introduction of EUV technology by 2017. Indeed, with a slowdown in new node introduction and the adoption of 10nm tools starting in Q2, risks are higher for a delay in the 7nm introduction (which is seen as the trigger for EUV adoption). As a result, we believe ASML's risk/reward profile has moved into negative territory and recommend that investors seek a better opportunity (ARM/DLG/IFX). We downgrade our recommendation to Sell vs. Buy and cut our FV to EUR81 vs. EUR85.

CAST — NEUTRAL vs. BUY, Fair Value EUR3,6 vs. EUR3,9 (+1%)

FY15 results in line, but 2016 will be another year of investment

We have downgraded our recommendation to Neutral from Buy with a new DCF-derived Fair Value of EUR3.6 (vs. EUR3.9) on reduced EPS forecasts (-50% for 2016e, -38% for 2017e, -28% for 2018e). Yesterday evening Cast reported FY15 results in line with our expectations, but, in order to maximise revenue growth potential, management sees 2016 as another year of double-digit increase in operating expenses, leading to a flat operating profit. The operating margin is now expected to take off in 2017. We expect a negative share price reaction on the back of these numbers.

UTILITIES

TOP PICKS Q2 2016: No strong convictions for the quarter

TMT

Q1 2016 review and our TMT Top Picks for Q2: Atos and Wirecard

In brief...

ACCORHOTELS, *New diversification in private rentals with the acquisition of Onefinestay*

GEMALTO, *Unexpected announcement that Olivier Piou (CEO) is to retire at the end of August*

GENMAB, *Morphosys sues JNJ and Genmab for patent infringement*

TMT

ASML

Price EUR89.49

Bloomberg	ASML NA
Reuters	ASML.AS
12-month High / Low (EUR)	103.8 / 71.8
Market Cap (EURm)	38,779
Ev (BG Estimates) (EURm)	36,998
Avg. 6m daily volume (000)	1,309
3y EPS CAGR	21.8%

	1 M	3 M	6 M	31/12/15
Absolute perf.	3.4%	11.8%	15.9%	8.4%
Semiconductors	2.9%	2.8%	10.9%	-0.4%
DJ Stoxx 600	-2.1%	-6.2%	-3.8%	-8.6%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	6,287	6,485	7,419	8,742
% change		*3.1%*	*14.4%*	*17.8%*
EBITDA	1,864	1,920	2,345	3,031
EBIT	1,565	1,615	2,025	2,666
% change		*3.2%*	*25.4%*	*31.6%*
Net income	1,387	1,390	1,765	2,353
% change		*0.2%*	*27.0%*	*33.3%*

	2015	2016e	2017e	2018e
Operating margin	24.9	24.9	27.3	30.5
Net margin	22.1	21.4	23.8	26.9
ROE	16.5	16.8	19.7	23.5
ROCE	22.9	21.6	27.2	28.0
Gearing	-27.2	-21.5	-26.6	-15.4

(EUR)	2015	2016e	2017e	2018e
EPS	3.21	3.31	4.27	5.80
% change	-	*3.0%*	*29.1%*	*35.8%*
P/E	27.9x	27.1x	21.0x	15.4x
FCF yield (%)	3.8%	2.7%	4.6%	1.2%
Dividends (EUR)	0.70	1.05	1.21	1.39
Div yield (%)	0.8%	1.2%	1.3%	1.6%
EV/Sales	5.8x	5.7x	4.9x	4.3x
EV/EBITDA	19.6x	19.3x	15.5x	12.3x
EV/EBIT	23.3x	22.9x	18.0x	14.0x

Crossed the line of an unattractive risk/reward

Fair Value EUR81 vs. EUR85 (-9%) — **SELL vs. BUY**

In January, we upgraded ASML to Buy vs. Neutral to take advantage of improving NT momentum thanks to orders from 10nm capacity build starting from Q2 2016. After a ~17% stock price increase, we now adopt a Sell recommendation as 1/ we believe this NT momentum is fully priced in, 2/ we start to worry about high market expectations regarding DUV and 3/ we start to have doubts about the introduction of EUV technology by 2017. Indeed, with a slowdown in new node introduction and the adoption of 10nm tools starting in Q2, risks are higher for a delay in the 7nm introduction (which is seen as the trigger for EUV adoption). As a result, we believe ASML's risk/reward profile has moved into negative territory and recommend that investors seek a better opportunity (ARM/DLG/IFX). We downgrade our recommendation to Sell vs. Buy and cut our FV to EUR81 vs. EUR85.

ANALYSIS

- **Improving momentum in DUV in the NT is already priced while the LT picture looks less attractive.** From its low point of EUR72 per share in February, the stock then rallied 25%, on the back of the prospect of better momentum in the core DUV business thanks to the introduction of 10nm at the largest Logic IDM and foundries (Intel, TSMC and Samsung) starting from Q2 2016. We expected this move (described in our initiation report published in September 2015) which explains why we adopted a Buy recommendation in January 2016. After this attractive performance, we now believe that all positive impacts of 10nm introduction are priced in leading us to look back at LT catalysts. Regarding the overall semiconductor market, we believe that the softening smartphone market and flat PC segment could weigh on leading edge chip demand and then on investments into leading edge capacities (recent trends and market expectations: capacities for new nodes are 10% lower than previous nodes). As a result, this could put pressure on 10nm front-end production capacity and lead the market to lower its expectations regarding demand for DUV lithography tools at foundries and Logic customers for FY16 and FY17 (BG ests. FY16/FY17 revenue of EUR6.49bn/EUR7.42bn vs. cons. EUR6.59bn/EUR7.45bn). Finally, in Memory, we believe that a potential uptick in investments by NAND manufacturers should not be considered as a strong catalyst for ASML since the current trend is multi-layer NAND which is not a litho-intensive production. As a result, we struggle to find unpriced catalysts in the current core business.

- **EUV performance continues to improve but the EUV introduction point might be delayed.** Lately, ASML announced it had achieved a 1,368 wafer per day output (in-house) with its new machine, the NXE3350B. As a reminder, the group announced in December 2015 an output of 1,300 wafers per day. Today, the group is particularly confident in achieving 1,500 wafers per day by the end of 2016, which seems to be a fair assumption in our view given the recent improvements. In addition, the group recently announced that availability had reached 80% in some instances, i.e. the 2016 target is already achieved while availability was the main concern in 2015. Overall, EUV technology seems to be maturing and it should achieve a production level by 2017 as expected before. However, we start to worry about 1/ the timing of the 7nm ramp (expected to start from H2-17) given that orders for 10nm are expected to ramp by Q2-16 (i.e. about 1.5 years later) and 2/ the interest and readiness to start 7nm production with EUV tools given that the output would be significantly reduced with EUV while 10nm DUV tools could be reused for 7nm. Indeed, there is a risk that 10nm overall capacity remains limited after 7nm introduction given the reducing number of customer able to afford leading edge production while the industry would then focus on 7nm, as a result there is a higher risk that foundries reuse 10nm tools to ramp 7nm production while keeping a tight control on capex and moving slowly production (and capex) to EUV. This scenario would add pressure to both EUV and DUV tools demand in 2017 and 2018.

- **An unattractive risk/reward**. The standalone company performance remains exceptional so far but we start to have some doubts regarding demand. Market momentum in leading edge manufacturing is clearly weakening (smartphone slowing down and PC flat) and although semiconductor end-market momentum does not directly affect front-end investments in the short term, we believe it rules LT investment strategies at Logic and Memory players. As a result, we see the group moving closer to our bear case scenario (see our initiation report, page 33) implying a slowdown in Moore's law and a delay in EUV adoption implying a failure to deliver the EUR10bn revenue target by 2020. All things being equal, using our bear scenario, the DCF-based valuation would be EUR60 (-33% downside) while using our bull case scenario (implying the EUR10bn revenue target one year earlier in 2019) points to a DCF-based valuation of EUR95 (+6% upside) and our main scenario points to a FV of EUR83 or a downside of -8%. In addition, looking deeper into consensus expectations, we observe that FY2016 and FY2017 consensus' EPS decreased by -31% and -26% respectively over a one-year period (from EUR4.58 to EUR3.30 and EUR5.80 to EUR4.27) while the share price moved down by only 6% which adds further pressure to the group's current valuation. **As a result, our base case scenario appears to be fully priced in and it seems to us that the current risk/reward is negative on the stock, as a result we adopt a Sell recommendation and favour other stocks in the semiconductor industry such as ARM Holdings (Buy, FV 1,340p), Dialog (Buy, FV EUR39) and Infineon (Buy, FV EUR15) offering a better opportunity in our view.**

VALUATION

- **We have updated our model for FX and WACC assumptions.** We now use a EUR/USD exchange rate of 1.13 (vs. 1.09) and apply changes in our opex expectations (now stable vs. Q4 over FY16). The combination of these two adjustments has resulted in a 4% cut in EPS on average (FY16e/FY17e/FY18e). In addition, we now use new Bryan Garnier's risk free rate and equity risk premium assumptions of 1.6% and 7.0% respectively, leading to a WACC of 9.3% (vs. 9.0% used previously, we keep our 1.1 beta).
- **Our new FV is EUR81 vs. EUR85**. This new Fair Value of EUR81 stems from an equi-weighted average between a DCF valuation (FV of EUR84) and peer comparison taking account of ASML's historical premium to peers (FV of EUR78).
- **Based on our estimates, the share is trading on 2016e EV/EBIT of 22.9x and 2016e P/E of 27.0x.** Over 2016/18e our estimates show average annual **EPS growth of 22%**, pointing to **2016e PEG of 1.2x**.

NEXT CATALYSTS

- 29th April 2016, General Meeting of shareholders.
- 20th April 2016, Q1 2016 results (before market opening).

Our new esitmates

[EURm]	1Q16e	2Q16e	3Q16e	4Q16e	FY16e	FY17e	FY18e
Total Group	**1282**	**1588**	**1731**	**1884**	**6485**	**7419**	**8742**
Q/Q growth	*-10.6%*	*23.9%*	*9.0%*	*8.8%*	*3.1%*	*14.4%*	*17.8%*
Y/Y growth	*-22.3%*	*-4.0%*	*11.7%*	*31.3%*	*3.1%*	*14.4%*	*17.8%*
Cost of goods sold	-744	-858	-926	-1000	-3528	-3999	-4616
Gross margin	**42.0%**	**46.0%**	**46.5%**	**46.9%**	**45.6%**	**46.1%**	**47.2%**
R&D	-274	-272	-265	-259	-1070	-1098	-1162
SG&A	-87	-84	-88	-91	-350	-371	-376
Other operating income	22	21	19	16	78	74	79
Adj. EBIT	**200**	**394**	**471**	**549**	**1615**	**2025**	**2666**
adj. operating margin	*15.6%*	*24.8%*	*27.2%*	*29.2%*	*24.9%*	*27.3%*	*30.5%*
Net financial result	-3	-3	-3	-8	-17	-19	-23
Income tax	-26	-51	-61	-70	-208	-241	-291
tax rate	*-13.0%*	*-13.0%*	*-13.0%*	*-13.0%*	*-13.0%*	*-12.0%*	*-11.0%*
Adj. Net income	**172**	**340**	**407**	**471**	**1390**	**1765**	**2353**
Diluted adjusted EPS	**0.41**	**0.81**	**0.97**	**1.12**	**3.31**	**4.27**	**5.80**

Source: Bryan, Garnier & Co. ests.

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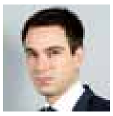

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TMT

Cast

Price EUR3.57

FY15 results in line, but 2016 will be another year of investment

Fair Value EUR3,6 vs. EUR3,9 (+1%) **NEUTRAL vs. BUY**

Bloomberg	CAS.PA
Reuters	CAS FP
12-month High / Low (EUR)	3.7 / 2.9
Market Cap (EUR)	58
Ev (BG Estimates) (EUR)	42
Avg. 6m daily volume (000)	10.00
3y EPS CAGR	ns

	1 M	3 M	6 M	31/12/15
Absolute perf.	11.6%	15.2%	9.2%	18.2%
Softw.& Comp.	1.5%	-0.7%	14.7%	-3.6%
DJ Stoxx 600	-2.1%	-6.2%	-3.8%	-8.6%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	36.3	40.2	45.4	50.8
% change		*10.5%*	*13.0%*	*12.0%*
EBITDA	3.6	3.5	4.6	6.4
EBIT	0.8	0.7	2.0	3.8
% change		*-10.2%*		*92.2%*
Net income	0.0	0.6	1.5	2.8
% change			*139.5%*	*85.5%*

	2015	2016e	2017e	2018e
Operating margin	2.3	1.9	4.5	7.6
Net margin	0.1	1.5	3.3	5.5
ROE	0.3	4.5	9.8	15.4
ROCE	41.4	-36.7	-43.2	-59.8
Gearing	-98.6	-110.4	-120.8	-124.0

(EUR)	2015	2016e	2017e	2018e
EPS	0.00	0.04	0.10	0.18
% change	-		*139.9%*	*85.4%*
P/E	NS	86.2x	36.0x	19.4x
FCF yield (%)	0.6%	4.1%	6.0%	7.3%
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	1.2x	1.1x	0.9x	0.7x
EV/EBITDA	12.3x	12.3x	8.5x	5.6x
EV/EBIT	53.6x	56.3x	19.3x	9.2x

We have downgraded our recommendation to Neutral from Buy with a new DCF-derived Fair Value of EUR3.6 (vs. EUR3.9) on reduced EPS forecasts (-50% for 2016e, -38% for 2017e, -28% for 2018e). Yesterday evening Cast reported FY15 results in line with our expectations, but, in order to maximise revenue growth potential, management sees 2016 as another year of double-digit increase in operating expenses, leading to a flat operating profit. The operating margin is now expected to take off in 2017. We expect a negative share price reaction on the back of these numbers.

ANALYSIS

- **FY15 results in line with our expectations**. For 2015, Cast reported sales up 9.6% to EUR36.3m (-1.6% lfl), an operating profit down 61.6% to EUR0.8m fully in line with our forecast, and net profit at breakeven (BG est.: EUR0.6m). Operating expenses were up 13.8% to EUR35.5m, in continuity with the acceleration in investments initiated in H2 14. Out of the EUR4.3m year-on-year opex increase, EUR2.2m were related to EUR/USD fluctuations (more than 30% of opex is stated in USD, vs. c. 50% of revenues). We estimate that, ex-fx, Cast would have posted an operating loss of EUR0.7m. As of 31st December 2015, headcount exceeded 300, up from 241 at the end of 2014. Finally, the net profit at breakeven was due to less utilisation of tax loss carry forwards, especially in the US, but some of them could be reversed in 2016.
- **Net cash increase**. During the period, net cash increased by EUR3.5m, leading to a net cash position of EUR13m on 31st December 2015. This increase stemmed from a rise in working capital (EUR0.9m) - primarily on receivables - and the conversion of redeemable share warrants (BSAR) into shares (EUR3.9m). Cast also bought back EUR1.2m shares, which could be used for potential acquisitions - yet the opportunity of making small technological acquisitions has not materialised yet as they would have generated too much distraction - or as an incentive for key managers. The EUR3.6m decline in the net cash position compared to 30th June 2015 stemmed from a different seasonality of account receivables.
- **5-year targets confirmed, but 2016 will be another yeat of investment**. Cast has confirmed its 5-year targets announced early 2015: double-digit growth with a trend of acceleration, and gradually increasing profitability. For 2016, management is confident in 10-15% revenue growth (i.e. at least EUR40m) but considers another year of investment in order to maximise revenue growth as catalysts are there for the medium-term: increased support from strategy consulting firms (BCG, McKinsey), propagation of the standards defined by the CISQ consortium, strong appetite from management of large companies and IT Services firms for software risk management. As such, operating profit is likely to stay flat in absolute value, based on opex up double-digit. Investments planned for this year will be in services, R&D and sales & marketing. Finally, the management considers the operating margin will increase in value and as a percentage of sales from 2017.

VALUATION

- Our new DCF-derived fair value of EUR3.6 is based on a mid-term lfl sales growth of 10% (vs. 8%), a mid-term op. margin of 12% (vs. 14%), and a WACC of 17.4% (vs. 16.4%) due to the change of our risk-free rate (to 1.6% from 2%) and equity risk premium assumptions (7% vs. 6.4%).
- Cast's shares are trading at est. 56.3x 2016 and 19.3x 2017 EV/EBIT multiples.
- Net cash position on 31st December 2015 was EUR13m.

NEXT CATALYSTS

Q1 16 sales on 2nd May after markets close.

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Sector View

Utilities

TOP PICKS Q2 2016: No strong convictions for the quarter

	1 M	3 M	6 M	31/12/15
Utilities	2.5%	-5.3%	-1.1%	-5.3%
DJ Stoxx 600	1.1%	-7.7%	-2.9%	-7.7%

*Stoxx Sector Indices

Companies covered

ALBIOMA		**BUY**	**EUR16**
Last Price	EUR13,6	*Market Cap.*	EUR405m
E.ON		**BUY**	**EUR10 vs. 10,2**
Last Price	EUR8,438	*Market Cap.*	*EUR16,884m*
EDF		**BUY**	**EUR13.5 vs. 14,5**
Last Price	EUR9,864	*Market Cap.*	*EUR18,940m*
ENGIE		**BUY**	**EUR16.5 vs. 17**
Last Price	EUR13,64	*Market Cap.*	*EUR33,217m*
PENNON GROUP		**SELL**	**825p**
Last Price	811p	*Market Cap.*	*GBP3,344m*
RWE		**NEUTRAL**	**EUR9.5 vs. 9,8**
Last Price	EUR11,375	*Market Cap.*	*EUR6,881m*
SUEZ		**BUY**	**EUR18.5 vs.19**
Last Price	EUR16,12	*Market Cap.*	*EUR8,747m*
VEOLIA ENVIRONNEMENT		**NEUTRAL**	**EUR22 vs. 22,5**
Last Price	EUR21,17	*Market Cap.*	*EUR11,926m*
VOLTALIA		**BUY**	**EUR13**
Last Price	EUR8,45	*Market Cap.*	*EUR221m*

LOOKING BACK AT Q1 2016

The **Utilities sector** performed slightly better than the **Stoxx 600** (***-5.3 %** for SX6P vs. **-7.7%** for the Stoxx 600*) during Q1 2016 after underperforming in Q4 2015 *(+**4.4%** for SX6P vs. **+5.2%** for the Stoxx 600*) and more importantly, after underperforming over all of 2015 *(-**3.7%** for SX6P vs. **+6.8%** for the Stoxx 600).* Since our initiation of coverage in July 2014, we have recommended staying out of the sector as a whole and playing it safe through stocks offering strong earnings growth equity stories based on restructuring efforts. After playing Veolia and Albioma during Q3 2015 and Q4 2015 we placed Suez on our BG Top Pick list for Q1 2016, as we expected two potential positive catalysts (*M&A deals & a deal with Engie*). Neither of these occurred and Suez's share price performance was limited over the quarter (-6.6%), **outperforming the Stoxx 600** but **underperforming the sector**. Inside the BG utilities universe, the top performer was **RWE** at **-2.9%**, followed by **Veolia** *(-3.2%)* and **E.ON** *(-5.5%).* The worst performers were EDF (*-27%*), **Voltalia** *(-16.6%)* and **Engie** *(-16.4%).* When looking inside the entire SX6P Index, most performers were regulated names, while underperformers were a mix of integrated utilities and renewables companies. During the period, European power prices (*forward FY1 power prices for France, Germany, Belgium, the UK and the Netherlands*) dropped by **20%** (**-12%** QoQ in Q4-15) while gas (*TTF*) prices continued to decline as over the first nine months, by around **-12%**, as well as coal prices with a drop of **-4%** in Q1 2016. Interestingly, during Q1, despite the decline observed in virtually all forward power price curves over the quarter, we started to see a stabilization in power prices in Germany and in France to the profit specifically of Clean Spark Spread margins (**gas assets**), in line with our view on the sector.

WHAT WE EXPECT IN Q2 2016

Given that we do not expect a short term recovery in commodity prices in Europe, and given that the sector remains still strongly correlated to this, we prefer adopting a cautious view for Q2. In terms of potential catalysts only **Engie and E.ON** are set to organise an official "investor day" during the second quarter. However, we do not expect much from these events, except more clarity on the mid-term strategy at both groups, which have no choice but to adapt to the new energy world. Both stocks could react positively on the back of more clarification from management, but since the entities are still very highly dependent on commodity prices and political decisions, we think potential upside could be too low compared with downside, especially on a quarterly basis.

CONCLUSIONS AND TOP PICKS

We have updated our models to include the latest **BG risk-free rate** and **risk-premium assumptions** (*respectively 1.6% vs. 2% previously and 7% versus 6.4% previously*) and integrated lower USD and stronger BRL assumptions, leading us to revise some of our Fair Values on the downside. We continue to see attractive valuations within the integrated utilities universe (*and still favour entities exposed to gas assets over entities exposed to coal assets*), while the environmental services subsector is already well priced-in. Our long term preference for renewables (*Voltalia & Albioma*) prevail, especially as earnings exposure to commodities is close to zero.

For Q2 we have decided not do not put any utilities stocks on the BG Top Picks list as we see very limited positive catalysts.

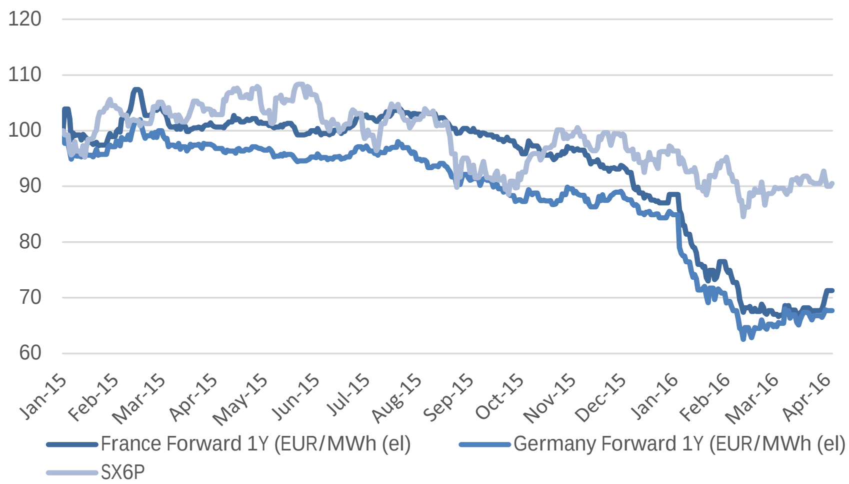
Below are the changes in FV made in our coverage following the integration of new **BG risk-free rate** and **risk-premium assumptions:**

(to be continued next page)

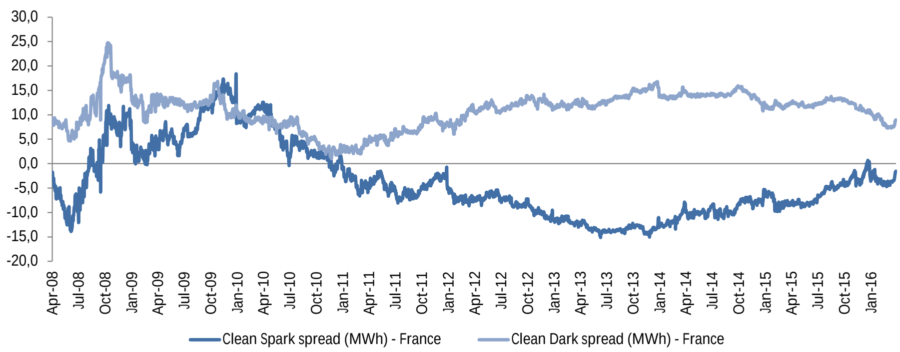
Table 1: BG Utilities – Change in FV

	New FV	Price	Upside	Previous FV	Change in FV
Albioma	16,0	13,3	20,2%	16	0,0%
E.ON	10,0	8,4	19,4%	10,2	-2,0%
EDF	13,5	10,1	34,3%	14,5	-6,9%
Engie	16,5	13,5	22,4%	17	-2,9%
Pennon	825,0	795,5	3,7%	825p	0,0%
RWE	9,5	11,7	-18,6%	9,8	-3,1%
Suez	18,5	15,9	16,1%	19	-2,6%
Veolia	22,0	20,7	6,2%	22,5	-2,2%
Voltalia	13,0	8,9	45,9%	13	0,0%

Graph 1: French & German forward power prices (EUR/MWh (el)), 2015-16 vs. SX6P



Graph 2: French power market – CDS vs. CSS (EUR/MWh (el))



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Sector View

TMT

Q1 2016 review and our TMT Top Picks for Q2: Atos and Wirecard

	1 M	3 M	6 M	31/12/15
Softw.& Comp. SVS	1.5%	-0.7%	14.7%	-3.6%
DJ Stoxx 600	-2.1%	-6.2%	-3.8%	-8.6%

*Stoxx Sector Indices

Companies covered

ALTEN		**SELL**	**EUR46 vs. 47**
Last Price	EUR54,09	*Market Cap.*	EUR1,821m
ALTRAN TECHNOLOGIES		**NEUTRAL vs. BUY**	**EUR13**
Last Price	EUR12,275	*Market Cap.*	*EUR2,158m*
ARM HOLDINGS		**BUY**	**1340p vs. 1310p**
Last Price	1028p	*Market Cap.*	*GBP14,479m*
ASML		**SELL vs.BUY**	**EUR81 vs.85**
Last Price	EUR89,49	*Market Cap.*	*EUR38,779m*
ATOS		**BUY**	**EUR90 vs.93**
Last Price	EUR72,04	*Market Cap.*	*EUR7,458m*
AXWAY SOFTWARE		**NEUTRAL**	**EUR20 vs. 24**
Last Price	EUR19,6	*Market Cap.*	*EUR403m*
CAPGEMINI		**BUY**	**EUR90 vs. 93**
Last Price	EUR82,77	*Market Cap.*	*EUR14,251m*
CAST		**NEUTRAL vs. BUY**	**EUR3.6 vs. 3,9**
Last Price	EUR3,57	*Market Cap.*	*EUR58m*
DASSAULT SYSTEMES		**SELL**	**EUR63**
Last Price	EUR70,76	*Market Cap.*	*EUR18,166m*
DIALOG SEMICONDUCTOR		**BUY**	**EUR39 vs.40**
Last Price	EUR35,85	*Market Cap.*	*EUR2,791m*
GAMELOFT		**BUY**	**EUR7,2**
Last Price	EUR7,42	*Market Cap.*	*EUR637m*
GEMALTO		**NEUTRAL**	**EUR69**
Last Price	EUR63,46	*Market Cap.*	*EUR5,648m*
ILIAD		**NEUTRAL**	**EUR212**
Last Price	EUR190	*Market Cap.*	*EUR11,150m*
INDRA SISTEMAS		**NEUTRAL vs.BUY**	**EUR10 vs. 11**
Last Price	EUR9,986	*Market Cap.*	*EUR1,639m*
INFINEON		**BUY**	**EUR15**
Last Price	EUR12,665	*Market Cap.*	*EUR14,329m*
INGENICO GROUP		**BUY**	**EUR144 vs. 150**
Last Price	EUR99,15	*Market Cap.*	*EUR6,047m*
SAGE GROUP		**SELL vs.NEUTRAL**	**550p vs. 570p**
Last Price	629,5p	*Market Cap.*	*GBP6,794m*
SAP		**NEUTRAL**	**EUR73 vs. 74**
Last Price	EUR70,04	*Market Cap.*	*EUR86,044m*
SOFTWARE AG		**BUY**	**EUR39 vs. 38**
Last Price	EUR34,705	*Market Cap.*	*EUR2,742m*

LOOKING BACK AT Q1 2016

In Q1 2016, the technology sector had a flattish performance in sluggish stock markets. Over the period, **the DJ STOXX Europe Technology index fell 2% and outperformed the DJ STOXX Europe 600 index by 6ppt** (-8%), due to stockmarket weakness in January and early February amid concerns over the Chinese economy, the banking sector and low oil prices. These concerns eased in mid-February, thus allowing a rebound in share prices.

During the period, **the best performers were Software AG** (+30%, higher than expected 2015 results and 2016 guidance), **Gameloft** (+23%, Vivendi's hostile takeover at EUR6, then raised to EUR7.2), **Indra Sistemas** (+18%, end-2015 net debt way below expectations) and **Gemalto** (+18%, FY15 sales and PFO in line with forecasts and 2017 PFO guidance maintained). **The worst performers were Wirecard** (-28%, following fraud allegations by Zatarra), **STMicroelectronics** (-21%, on the back of restructuration announcements and FX headwinds), **Axway Software** (-19%, FY15 results below expectations and FY18 ambitions needing clarification) **and Ingenico Group** (-13%, lost volumes from GlobalCollect's no. 1 client should weigh on top line growth until H1). **Our sector Q1 Top Picks Worldline, Atos, and Wirecard were down respectively 5%, 8% and 28%**.

NEW ESTIMATES, FAIR VALUES AND RECOMMENDATIONS

We have taken the opportunity to update our 2016-2018 forecasts and our DCF-derived Fair Values, essentially on new valuation criteria (risk-free rate of 1.6% vs. 2% previously, equity risk premium of 7% vs. 6.4% previously). Other factors include changes to our forward fx assumptions, marginal specific changes to our models, and the roll-over of our models to 2016 for all companies under coverage.

On this basis, we have adjusted our DCF-derived Fair Values for Alten (EUR46 vs. EUR47), **ARM Holdings** (1,340p vs. 1,310p), **ASML** (EUR81 vs. EUR85), **Atos** (EUR90 vs. EUR93), **Axway Software** (EUR20 vs. EUR24), **Cast** (EUR3.6 vs. EUR3.9), **Capgemini** (EUR90 vs. EUR93), **Dialog Semiconductor** (EUR39 vs. EUR40), **Indra Sistemas** (EUR10 vs. EUR11), **Ingenico Group** (EUR144 vs. EUR150), **Sage Group** (550p vs. 570p), **SAP** (EUR73 vs. EUR74), **Software AG** (EUR39 vs. EUR38), **STMicroelectronics** (EUR6.3 vs. EUR7), **Sword Group** (EUR26 vs. EUR28)**,** and **Temenos Group** (CHF51 vs. CHF53).

Given the strong rebound that happened on the share prices since early February - related to the stock market and the end of concerns on the Banking sector and oil prices -, **the lack of short-term market momentum that prevents us being more aggressive, and the lack of significant upside potential as of today, we downgrade our ratings on Altran Technologies (Neutral vs. Buy)**, **Indra Sistemas (Neutral vs. Buy)**, **Sage Group (Sell vs. Neutral)**, **and Temenos Group (Neutral vs. Buy)**. In particular, **since 10th February** (the low point of the CAC40 index) **the share price rebounds have been +19% for Altran Technologies, +26% for Indra Sistemas, +9% for Sage Group, +19% for Temenos Group**.

In addition, in separate notes published today, **we downgrade ASML to Sell from Buy and Cast to Neutral from Buy: 1). ASML**: we believe the NT momentum is now fully priced while we see higher risks regarding sales of DUV and EUV tools on the LT, as a result, we now see an unattractive risk/reward on the stock and prefer to look away for better opportunities in the Semiconductor industry ; **2). Cast**: the company reported yesterday evening FY15 results in line with our forecasts, but the management sees 2016 as another year of double-digit increase of operating expenses, leading to a stagnation of the operating profit.

WHAT WE EXPECT IN Q2 2016

For Software & IT Services, based on industry analysts' forecasts, we continue to anticipate stable growth or a slight slowdown in global IT spending for 2016, with estimated growth of 5-6% for software (vs. +6% in 2015), still driven by the now established SaaS model, and an estimate 3-4% for IT services (vs. +4%) driven by transformation projects in application services and IT consulting, while infrastructure services are likely to be flat due to the ramp-up of cost-efficient clouds. The main market drivers are still digital transformation (cloud, mobile, analytics/big data, social networks, security) and a moderately positive but increasingly volatile economic environment (stable growth in North America, modest improvement in Europe, volatility in emerging countries). In high-tech consulting, the market is expected to maintain a modest recovery thanks to better visibility in aerospace. **More specifically for the stocks we cover, we expect Q1 2016 sales to follow trends forecast for each of the segments over the full-year**. The economic environment is volatile and could translate into longer sales cycles, but we doubt Cognizant's sales warning for financial services announced on 8th February can really be extrapolated to other players as it seems to be company-specific in our view.

The payments sector should continue to benefit fully from EMV migration in the US, equipping

SOITEC		**NEUTRAL**	**EUR0,5**
Last Price	EUR0,57	*Market Cap.*	*EUR132m*
SOPRA STERIA GROUP		**BUY**	**EUR113**
Last Price	EUR103,15	*Market Cap.*	*EUR2,109m*
STMICROELECTRONICS		**NEUTRAL**	**EUR6.3 vs. 7**
Last Price	EUR4,92	*Market Cap.*	*EUR4,482m*
SWORD GROUP		**BUY**	**EUR26 vs. 28**
Last Price	EUR23,98	*Market Cap.*	*EUR224m*
TEMENOS GROUP		**NEUTRAL vs. BUY**	**CHF51 vs. 53**
Last Price	CHF52,65	*Market Cap.*	*CHF3,659m*
UBISOFT		**BUY**	**EUR34**
Last Price	EUR27,605	*Market Cap.*	*EUR3,070m*
WIRECARD		**BUY**	**EUR52**
Last Price	EUR33,93	*Market Cap.*	*EUR4,193m*
WORLDLINE		**BUY**	**EUR29**
Last Price	EUR22,995	*Market Cap.*	*EUR3,037m*
WORLDPAY		**NEUTRAL**	**278p**
Last Price	278p	*Market Cap.*	*GBP5,560m*

emerging markets (notably in China), as well as rising demand for payment services outsourcing (notably e-commerce) and for security in electronic payments. **1) Ingenico Group (Buy – FV of EUR144, 100% of sales in payment)** has the best commercial multi-channel offer and we are still confident for Q1 2016 following VeriFone's comments. The group should post 8-9% organic sales growth in Q1 vs. FY guidance of ~+10% (26th April). **2) Wirecard (Buy – FV of EUR52, pure player in online payments)** should post FY15 organic sales growth of 24-25%, driven notably by south-east Asia, which should translate into 2015 EPS growth of 29.3% (7th April). Its Q1 organic sales growth should continue to accelerate (much the same way as growth in transaction volumes processed). **3) Worldline (Buy – FV of EUR29, 78% of 2016 sales in payment)** should now be fully considered as a PSP (#1 in Europe since the acquisition of Equens vs. #3 before). We expect the group to post 3-4% organic sales growth in Q1 (taking into account the termination of the public sector contract in the UK at the end of last year). **4) Gemalto (Neutral – FV of EUR69; less than 25% of its sales in payment**) should post lfl sales growth of 2.5% for Q1 (the Softcard negative impact will last until Q1). We believe there are still too many risks in the SIM and related services businesses. Shorter term, the CEO will have to ensure a smooth succession. **5) Worldpay (Neutral – FV 278p; 100% of its sales in payment**) is struggling in the US (half of group sales), such that the poor lfl top-line growth associated cannot create any leverage to its proprietary platform. We expect the group to post 6-7% organic sales growth in Q1.

For Video Games: by taking equity stakes in **Ubisoft (Buy – FV EUR34)** and **Gameloft (Buy – FV EUR7.2)**, Vivendi has encouraged investors to change the way they look at video games shares. For these two groups, speculation will be the main driver behind share prices in the next few months. As expected, Vivendi launched a hostile takeover bid for **Gameloft** (at EUR6.0 and then increased to EUR7.2 per share), however the group's mid-term outlook deserves more than EUR7.2 notably thanks to the ramp up of its advertising business (we estimate a fair offer in the range of EUR7.6-8.6). Regarding **Ubisoft**, the group is experiencing strong sales of its game *The Division* and *Far Cry Primal* is well received by gamers. We believe in a takeover bid if it is friendly. Note that our FVs reflect minimum prices in the case of takeover bids.

For Semiconductors, we expect global 2016 sales to grow slightly, by 2-3%, compared with 2015. During Q1 2016, we noted a rapid slowdown in the smartphone segment but we believe this market is now stabilising. PC sales also remain at a low level but we see no sign of further negative inflexion. At the beginning of Q2, visibility in the industry is improving compared with the particularly low levels seen in Q4 2015. This is mainly due to an improving situation in the automotive segment where inventory adjustments came to an end as expected. Q2 might be the quarter where momentum starts to improve in the industrial sector and the automotive segment gradually reaccelerates. This would be positive for **Infineon (Buy, FV EUR15)** and **STMicroelectronics (Neutral, FV EUR6.3)**. Regarding semi equipment makers, Q2 should be the quarter of the 10nm ramp-up at Logic IDM and foundries that is expected to trigger equipment orders. However, we believe that most of the positive impact from 10nm investments are already priced, and particularly for **ASML (Sell, FV EUR81)** which is unlikely to benefit from the adoption of multi-layer production in NAND as for other equipment manufacturers. Overall, we expect spending in wafer fab equipment to remain flat vs. 2015.

For Telecoms, after the break-down of negotiations between Orange and Bouygues Telecom, a stabilisation in the French market is still a long way ahead. Bouygues Telecom needs sustained customer growth in order to make its recovery dreams come true, and Numericable-SFR, which is still undergoing restructuring, needs to quickly regain momentum on the commercial side. The fight for customers will be tough as the wounded beasts are expected to be very aggressive, the price war will go on, and **Iliad (Neutral, FV EUR212)** and Orange are likely to suffer from collateral damages. In other European countries such as the UK and Italy, the markets reconfiguration following pending M&A operations should also be monitored closely.

CONCLUSIONS AND TOP PICKS

In software & IT services, while most of the "growth" stories are almost priced in after the stockmarket rebound that took place in February, we recommend buying specific earnings-enhancing stories based on M&A. As such, we are keeping Atos in our Top Pick list. 1) Atos is highly focused on the structurally stable managed services/BPO businesses and can only generate low, but improving, organic growth out to 2018. 2) The acquisition of Unify should help Atos generate an accretive impact on EPS of at least 15% as of 2017, while the Equens takeover project via subsidiary Worldline should enhance EPS by 4-5% as of 2018 in our view, 3) Atos has expanded over the decades via acquisitions and this method is now part of its DNA, and, since the arrival of Thierry Breton at the head of the group, Atos has been faultless in integrating its acquisitions and delivering synergies.

In Payments, we expect investors to show an increasing appetite for the rising momentum of eCommerce. As such, **we are keeping Wirecard (Buy, FV EUR52) in our Q2 Top Pick list to benefit from** extremely good fundamentals (pure player in ePayment, exposure to South-East Asia) and a very attractive entry-point following the Zatarra story (EUR33.3). As a reminder, we expect organic sales growth of more than 20% in FY16e with EBITDA of EUR306.4m i.e. a margin of 30.1% (vs. an increased guidance range to EUR290-310m, which is still cautious in our view). **Wirecard's PEG has never been this appealing, with a PE of 18.2x vs. EPS growth of 40.7% in 2016e.**

In Video Games, 2016 should be buoyant for the French sector as a whole thanks to the speculation around Gameloft and Ubisoft. This main theme is set to drive the share prices in 2016e. However, and despite our buy ratings, we find it difficult to predict the exact timing of: 1) a fresh increase in the price offer for Gameloft, and 2) an increase in Ubisoft's capital by Vivendi and/or a friendly takeover bid for Ubisoft. As a result, **we are not including any video games players in our Q2 2016 Top Pick list.**

In Semiconductors, our three best picks in the industry are **ARM Holdings (Buy, FV 1,340p,) Infineon (Buy, FV EUR15)** and **Dialog Semiconductor (Buy, FV EUR39)**. However, while we expect a gradual improvement in momentum over Q2 2016, we see no strong catalysts to trigger an outperformance by a particular semi stock. As a result, **we are not including any Semiconductor players in our Q2 Top Pick list.**

In Telecoms, although a correction following the excessive reaction to the merger break-down is possible, we expect investors to remain prudent, waiting to see the players' reactions on the market and the impact of a likely renewed price war. We have not included **Iliad (Neutral, FV EUR212)** in our Top Pick list as the stock has already lost 15% between today and April 1st, and there is no way it can outperform its 31st March closing value before the end of Q2. We do not expect consolidation to be back on the table for many months.

NEXT CATALYSTS

Software & IT Services: Infosys' 2016 results on 15th April before the Indian markets open. TCS' 2016 results on 18th April after the Indian markets close. IBM's Q1 2016 results on 18th April after US markets close. Q1 2016 sales and results for European companies start on 19th April (Temenos).

Payments: Wirecard's FY earnings on 7th April (before trading), Worldline's Q1 sales on 20th April (after trading), Ingenico's Q1 sales on 26th April (after trading), Gemalto's Q1 sales on 29th April (before trading), and Worldpay's H1 earnings (late June/early July).
Video Games: Gameloft's FY sales on 28th April (after trading) and Ubisoft's FY sales the week of 9th May.
Semiconductors: TSMC's Q1 2016 results on 14th April, Soitec's FY sales on 18th April (after trading), ARM Holdings' and ASML Q1 results on 20th April, STMicroelectronics' Q1 results on 29th April, Infineon's Q2 results on 3rd May and Dialog's Q1 results on 4th May.
Telecoms: Iliad's Q1 revenues, expected in mid-May.

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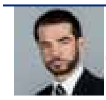
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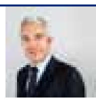
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Hotels

AccorHotels

Price EUR36.90

Bloomberg	AC FP
Reuters	ACCP.PA
12-month High / Low (EUR)	51.3 / 30.0
Market Cap (EURm)	8,687
Avg. 6m daily volume (000)	1 550

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.3%	-5.3%	-12.2%	-7.8%
Travel&Leisure	-2.4%	-7.3%	-0.3%	-9.0%
DJ Stoxx 600	-2.1%	-6.2%	-3.8%	-8.6%

	2014	2015e	2016e	2017e
P/E	22.0x	19.6x	18.6x	16.3x
Div yield (%)	2.6%	2.7%	3.0%	3.4%

New diversification in private rentals with the acquisition of Onefinestay

Fair Value EUR48 (+30%) **BUY**

ANALYSIS

- New diversification: AccorHotels has entered a new hospitality segment, with the acquisition of Onefinestay specialised in luxury serviced home rentals in key worldwide gateways. AccorHotels is to spend EUR148m (GBP117m) with a commitment to invest EUR64m (GBP50m) to accelerate the group's international expansion.
- Onefinestay was created in 2010 in London and now manages a portfolio of 2,600 properties in London, New York, Paris, Los Angeles and Rome under exclusive contracts. For AccorHotels this is a new diversification to compete with new entrants, bringing its expertise in hospitality and IT (reservation system) and will support the company's expansion with a target of 40 new cities around the world over the next five years.
- With AccorHotels, Onefinestay will remain an independent business unit and will continue to be managed by Greg Marsh, co-founder in 2010.

VALUATION

- At the current share price, the stock is trading on EV/EBITDA of 7.9x for 2016e and 7.1x for 2017e compared with an historical median of 7.6x and an average for European peers of 9.4x for 2016e and 8.5x for 2017e.

NEXT CATALYSTS

- Conference call at 9:00am
- Q1 2016 revenue on 19th April (after market)

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TMT

Gemalto

Price EUR63.46

Bloomberg	GTO FP
Reuters	GTO.PA
12-month High / Low (EUR)	84.9 / 50.5
Market Cap (EURm)	5,648
Avg. 6m daily volume (000)	418.3

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.6%	18.1%	11.3%	14.8%
Softw.& Comp. SVS	1.5%	-0.7%	14.7%	-3.6%
DJ Stoxx 600	-2.1%	-6.2%	-3.8%	-8.6%

	2014	2015e	2016e	2017e
P/E	20.8x	25.1x	16.8x	13.9x
Div yield (%)	0.7%	0.7%	0.8%	0.9%

Unexpected announcement that Olivier Piou (CEO) is to retire at the end of August

Fair Value EUR69 (+9%) **NEUTRAL**

ANALYSIS

- Last night, Gemalto announced that **CEO Olivier Piou (who has led the company for 18 years) is to retire** at the end of August. The group is to propose that he continues serving as a non-executive director. **Mr. Piou joined the group in 1980 and took part in Gemalto's creation** (floating Axalto on the stock market in 2004 and conducting the merger with Gemplus to create Gemalto in June 2006). At the next AGM, **the Board will propose that Philippe Vallée (COO) becomes an executive director of the board and the new CEO**, effective as of 1st September.
- **Mr. Vallée, 51, joined the group in 1992 (27 years of experience in digital security) and has implemented a number of important projects** such as leading the EMV ramp-up in the US, the integration of SafeNet in cyber security, and the development of government programmes. He has held a number of executive roles in Gemalto (EVP Telecom, VP of Sales & Business Development, and CTO) and has international leadership experience in Europe and Asia. In addition, he was the architect behind Gemalto's development in the IOT, Enterprise and Platforms & Services activities.
- **The retirement of Mr. Piou, 57, comes as a total surprise** as 1/ a succession has never been suggested by management so far, 2/ nor envisaged or even expected by the consensus.
- **The new CEO will have to take on 2017 guidance for over EUR660m in profit from operations, which is not unreachable but has never been so tight…** It suggests a strong acceleration in the following two years with a 2015/17e CAGR of at least 25% (vs. +10.4% in 2015 and a high comparison base until H1 2016). Even with the dynamics registered in payment, M2M, e-government and cybersecurity, the business lost in the SIM segment is always very profitable and momentum is clearly not encouraging. **We maintain our FY17e PFO at about EUR600m, i.e. almost 10% below management's target.**

VALUATION

- **The share could be under pressure today**. We maintain our **Neutral rating** and **FV of EUR69**.

NEXT CATALYSTS

- **Q1 2016 sales:** on 29th April, 2016 (before trading).

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Healthcare

Genmab

Price DKK925.00

Morphosys sues JNJ and Genmab for patent infringement

Fair Value DKK1225 vs. DKK1300 (+32%) **BUY**

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	954.0 / 514.0
Market Cap (DKK)	55,202
Avg. 6m daily volume (000)	413.3

	1 M	3 M	6 M	31/12/15
Absolute perf.	12.8%	0.0%	48.5%	0.8%
Healthcare	-1.0%	-10.1%	-6.9%	-11.8%
DJ Stoxx 600	-2.1%	-6.2%	-3.8%	-8.6%

	2015	2016e	2017e	2018e
P/E	95.2x	NS	NS	NS
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- **Morphosys issued a press release yesterday to announce it has filed a lawsuit in the US against JNJ/Genmab for patent infringement**, and more precisely the US Patent Number 8,263,746 that 1/ was granted back in December 2012 to provide additional patent protection for Morphosys' MOR202 (another anti-CD38 currently in Phase II) and 2/ covers functional properties of anti-CD38 monoclonal antibodies (and among others which epitopes it can bind to).
- **This news is very surprising** as 1/ the German biotech obtained this patent a few years ago, and at that time, "dara" had already generated some quite encouraging Phase I/II data, while MOR202 was just entering the clinical field; 2/ even Celgene (which used to be Morphosys's partner for the development and commercialisation of MOR202... before dropping it last year) hasn't decided to make a move. In more fundamental terms, daratumumab, isatuximab and MOR202 all target distinct epitopes/parts of CD38, and this is certainly why there are so many differences in their modes of action (see our initiation report for more details).
- It's always very tricky to predict the outcome of a court case, so we'll simply say that whatever the case daratumumab's blockbuster potential will remain. However, in a worst-case, Genmab and JNJ may have to make payments to Morphosys along with royalties. And just to provide a quick basis of comparison, we note that 1/ the level of royalties from US net sales related to the disputant contract and patent claims were "mid-single digit" ones, when Novartis and Juno entered into a settlement agreement last year; and 2/ Juno was also said to be eligible for a low double digit percentage of the royalties Novartis should pay to Penn on global net sales.

VALUATION

- To all intents, note that our FV in a worst-case scenario could be in the range of DKK1,100 and DKK1,200 (the variation depending on whether we reduce our net revenue estimates by 10% WW or solely in the US; while having reduced the level of royalties to Genmab to 10-18% vs 12-20%).
- **To give us a safety margin, we include a 50% risk of that happening so we reduce our FV by DKK75. BUY reiterated.**

NEXT CATALYSTS

- **H1 2016**: Top-line results from the POLLUX study (Phase III evaluating daratumumab in combination with lenalidomide and dexamethasone in R/R patients with myeloma who received at least one prior therapy).

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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 63.2% NEUTRAL ratings 30.1% SELL ratings 6.6%

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