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19th April 2016

## BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
<b>Indices</b>			
Dow Jones	18004.16	+0.60%	+3.32%
S&P 500	2094.34	+0.65%	+2.47%
Nasdaq	4960.02	+0.44%	-0.95%
Nikkei	16874.44	+3.68%	-14.49%
Stoxx 600	344.199	+0.41%	-5.91%
CAC 40	4506.84	+0.26%	-2.81%
<b>Oil /Gold</b>			
Crude WTI	39.78	-1.44%	+6.94%
Gold (once)	1234.99	+0.42%	+16.25%
<b>Currencies/Rates</b>			
EUR/USD	1.13285	+0.27%	+4.29%
EUR/CHF	1.09125	-0.07%	+0.35%
German 10 years	0.169	+26.27%	-73.41%
French 10 years	0.419	+6.11%	-57.28%

### Economic releases :

Date	
19th-Apr	DE - ZEW survey Eco Sentiment Apr. EUZ - Zew Survey Eco Sentiment Apr. US- Building permits Mar. (2.0%) US - Housing starts Mar. (-0.7%)

### Upcoming BG events :

Date	
20th-Apr	REMY COINTREAU (BG Paris breakfast with CFO)
22nd-Apr	PERNOD RICARD (BG Paris roadshow with Head of IR)
27th-Apr	ELIOR (BG Geneva with CFO)
28th-Apr	ORPEA (BG Luxembourg with IR)
28th-Apr	ORPEA (BG Luxembourg with IR)
3rd-May	Groupe SEB (BG Paris Lunch with IR)

### Recent reports :

Date	
11th-Apr	ALTICE NUMERICABLE SFR : The time of Marketing?
8th-Apr	Nicox A visible decrease in pressure... (CORPORATE, FV EUR14)
6th-Apr	EDP Renovaveis : Renewables, what else?
4th-Apr	GAMELOFT : Nothing to gain by tendering your GFT shares now!
29th-Mar	IPSEN Cabozantinib makes Ipsen a different story
23rd-Mar	Feedback from our TMT Conference in Paris

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



### DANONE

**BUY, Fair Value EUR70 (+12%)**

*Waters driving better than expected organic performance*

Q1 2016 reported sales came out globally in line with consensus. They declined 3% to EUR5306m (consensus: EUR5,323m and our estimate: EUR5,342m). But the organic sales growth was better than expected at +3.5% (consensus: +3.2% and our estimate: +3.1%). This was driven by Waters which rose 3.9% (consensus: +2% and our estimate: +2.5%). We note that Yoghurts was strong, with organic sales up 2.3% over the quarter.

### L'ORÉAL

**BUY, Fair Value EUR177 (+10%)**

*Q1 sales grew 4.2% organically, above expectations*

L'Oréal Q1 sales grew 1.8% in Q1 to EUR6.55bn (consensus: EUR6.48bn). Organically, sales increased 4.2% (consensus: +3.5%) and FX had a negative 2.8% impact. In Q1 16, the biggest positive surprise came from Consumer Products division whose sales grew 3.9% (cs:+2.5%), the highest level since Q2 2013. Management still expects that the following quarters should enjoy sales momentum acceleration thanks to a more aggressive innovation pipeline, which is quite encouraging. Buy recommendation reiterated with an unchanged EUR177 Fair Value.

### LUXOTTICA

**BUY, Fair Value EUR61 (+26%)**

*Q1 16 Sales Preview: well-flagged challenging comparison base; all eyes on the outlook*

Luxottica will only release Q1 16 Sales on 29th April, as the group is no longer required to report Q1 and Q3 financial statements following a new Italian law which came into force on 18th March. We anticipate top line to come in at EUR2,315m, which implies a cautious 3.9% FX-n increase to reflect the demanding comparison base. In light of the FY guidance (+5-6% FX-n sales growth, EBIT to increase 1.5x faster), the sales and earnings momentum will clearly be more favourable throughout the remainder of the year. Buy recommendation and FV of EUR61 reiterated.

### RÉMY COINTREAU

**BUY, Fair Value EUR72 (+4%)**

*A very strong end to the year*

Rémy Cointreau's Q4 2015/16 rose 12.2% to EUR251.5m, 6% above market expectations (consensus: EUR238.4m and our estimate: EUR244.3m). The organic sales growth stood at 9.8% over the quarter (consensus: +5.2% and our estimate: +7.6%), implying a strong improvement vs Q3 (+3.2%). All divisions contributed but the performance of cognac was particularly impressive, with organic sales up 12.3%.

### ROCHE

**BUY, Fair Value CHF294 (+18%)**

*Q1 sales marginally above estimates, but only due to Tamiflu*

This morning Roche released Q1 sales that were roughly in line with estimates. Composition is mixed as difficult-to-predict Tamiflu was CHF100-150m above estimates whereas other products were more or less as expected. "Big Three" saw modest growth in the quarter and HER2 franchise progressed only 9% with Perjeta still robust, but Herceptin less dynamic. Overall, group sales grew 4% in Q1, which is in line with FY guidance that is being reiterated. All in all, nothing to be neither excited nor worried about with these Q1 numbers.

### UTILITIES

*Toward a greener world?*

During our 1st Utilities/Renewables conference organised in Paris in early April, we focused investors' attention on two high-growth potential markets that could change the structure of traditional utilities market: recycling and renewables. These two markets are strongly favoured by the main mature countries' governments, to promote a greener environment. In France, for instance, the Energy transition Law is set to draw up rules and targets that are likely to favour development of recycling as well as further expansion of renewables within the grid. Stocks exposed to this market should definitely benefit from these trends, with positive implications for EPS growth.

### In brief...

**ALTICE, Refinancing goes on!**

**AMOÉBA, Amoeba extends its technology's protection in Russia and in the US**

**INNATE PHARMA, Some very interesting data presented at the AACR congress**

**QIAGEN, Q1 Preview: consensus may be optimistic with regards to earnings ramps**

Food & Beverages

**Danone**

Price EUR62.32

Waters driving better than expected organic performance

Fair Value EUR70 (+12%)

BUY

Q1 2016 reported sales came out globally in line with consensus. They declined 3% to EUR5306m (consensus: EUR5,323m and our estimate: EUR5,342m). But the organic sales growth was better than expected at +3.5% (consensus: +3.2% and our estimate: +3.1%). This was driven by Waters which rose 3.9% (consensus: +2% and our estimate: +2.5%). We note that Yoghurts was strong, with organic sales up 2.3% over the quarter.

ANALYSIS

• Q1 2016 sales declined 3% to EUR5,306m (consensus: EUR5,323m and our estimate: EUR5,342m). The organic sales growth stood at 3.5% (consensus: +3.2% and our estimate: +3.1%), in line with the Q4 2015 trend (+3.6%) and the full year guidance (3-5%). The price/mix rose 2.7%, while the volumes grew 0.8%. By division:

• **Fresh Dairy Products (49% of group's sales):** Organic sales were up 2.3% in Q1 (consensus: +2% and our estimate: +2.5%), driven by the US. This country confirmed the recovery observed in H2. The group said that it continues to make good progress in Europe and its objective remains to stabilize the region by the end of this year.

• **Early Life Nutrition (21% of group's sales):** This division posted 4.8% organic sales growth (consensus: +5.2% and our estimate: +4%). The deceleration vs Q4 2015 (+6%) had been well flagged by the group, which had indicated a normalization of the Chinese imports from Europe at the release of its full year results.

• **Waters (21% of group's sales):** Organic sales increased 3.9% in Q1, better than expected (consensus: +2% and our estimate: +2.5%). The growth was sustained for both plain water and aquadrinks. The group confirmed that the destocking of the Mizone brand in China should be over in H2.

• **Medical Nutrition (7% of group's sales):** Organic sales increased 6.6% (consensus: +6.7% and our estimate: +6%), driven by all regions.

• Danone has confirmed its annual guidance which is 1/ organic sales growth between 3% and 5% and 2/ a solid improvement in trading operating margin. Our own estimates call for 4% organic sales growth over the year and 30bps organic improvement in the trading operating margin. We make no change to these estimates before the conference call at 9am CEST.

VALUATION

• At yesterday's share price, the stock is trading at 20.5x P/E 2016e vs 20.8x for Nestlé and 21.5x for Unilever.

NEXT CATALYSTS

- Mead Johnson will release its Q1 2016 sales on April 28<sup>th</sup>
- Danone will hold its Shareholders' Meeting on April 28<sup>th</sup>

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Bloomberg	BN FP
Reuters	DANO.PA
12-month High / Low (EUR)	67.5 / 53.1
Market Cap (EUR)	40,817
Ev (BG Estimates) (EUR)	47,846
Avg. 6m daily volume (000)	1 685
3y EPS CAGR	8.4%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-0.9%	6.2%	7.0%	0.1%
Food & Bev.	1.4%	4.7%	1.9%	-2.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

YEnd Dec. (EURm)	2014	2015	2016e	2017e
Sales	21,144	22,412	21,888	23,115
% change		6.0%	-2.3%	5.6%
EBIT	2,662	2,893	2,989	3,238
% change		8.7%	3.3%	8.3%
Net income	1,561	1,756	1,840	2,021
% change		12.5%	4.8%	9.8%

	2014	2015	2016e	2017e
Operating margin	12.6	12.9	13.7	14.0
Net margin	7.4	7.8	8.4	8.7
ROE	9.6	11.0	15.1	15.5
ROCE	9.8	10.7	11.1	12.0
Gearing	66.1	56.1	49.7	42.2

(EUR)	2014	2015	2016e	2017e
EPS	2.62	2.93	3.04	3.34
% change	-	11.9%	3.7%	9.8%
P/E	23.8x	21.3x	20.5x	18.7x
FCF yield (%)	3.8%	4.2%	4.9%	4.9%
Dividends (EUR)	1.50	1.68	1.74	1.91
Div yield (%)	2.4%	2.7%	2.8%	3.1%
EV/Sales	2.3x	2.1x	2.2x	2.0x
EV/EBIT	18.2x	16.5x	15.8x	14.4x



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Luxury & Consumer Goods

**L'Oréal**

Price EUR160.45

Q1 sales grew 4.2% organically, above expectations

Fair Value EUR177 (+10%)

**BUY**

Bloomberg	OR FP
Reuters	OREP.PA
12-month High / Low (EUR)	179.3 / 143.9
Market Cap (EUR)	89,852
Ev (BG Estimates) (EUR)	88,192
Avg. 6m daily volume (000)	744.2
3y EPS CAGR	6.0%

L'Oréal Q1 sales grew 1.8% in Q1 to EUR6.55bn (consensus: EUR6.48bn). Organically, sales increased 4.2% (consensus: +3.5%) and FX had a negative 2.8% impact. In Q1 16, the biggest positive surprise came from Consumer Products division whose sales grew 3.9% (cs:+2.5%), the highest level since Q2 2013. Management still expects that the following quarters should enjoy sales momentum acceleration thanks to a more aggressive innovation pipeline, which is quite encouraging. Buy recommendation reiterated with an unchanged EUR177 Fair Value.

**ANALYSIS**

- L'Oréal revenues increased slightly in Q1 (+1.8%) to EU6.55bn. Organically sales grew 4.2% (consensus: +3.5%). FX had a negative 2.8% impact given some emerging country currencies decline as BRL. **Cosmetics branch** sales were up 4.2% while **The Body Shop** performance was better than feared with a 2.1% increase. The Cosmetics branch achieved a very resilient performance in Q1 despite a tough comparison basis in LATAM (+10% in Q1) and in Travel retail and despite a relatively poor product innovation pipeline that will likely be much more dynamic in Q2 and especially in H2. It is worth noting that management, during the conference call, reiterated that Q1 should still be the weakest quarter of 2016, even if Q1 organic sales growth is above market expectations. Moreover, in Q1, L'Oréal outperformed the market by close to 1.2x.

- By geographic area, we want to highlight, the resilience of **New Markets** (39% of Cosmetics sales) momentum (+6.1%) with a quite strong LATAM (+8.5%) despite tough comp in **LATAM** (+10% in Q1 15) and lower Brazil sales, but thanks to other LATAM countries all up double digit. LATAM accounts for 9% of Cosmetics sales. Beyond LATAM, New markets area has been also penalised by some weakness in **Asia** whose revenues increased 4.5% during Q1 with China sales up MSD. China is penalized by a flattish mass market, even if L'Oréal CPD sales grew around 3%, implying market share gains. On the other hand, **Western Europe** (33% of Cosmetics sales), has achieved a soft 2% sales increase (on an undemanding comp with +1.3% in Q1 15) penalized by a challenging situation in France with some deflation on Consumer Products division and pricing negotiations with retailers ended in February. The most dynamic countries in WE have been Spain, and UK. Lastly, **North America** (27% of Cosmetics sales) was the positive surprise of this release with a 4.3% sales increase on an acceleration at the Consumer Products division driven by make-up. In US, mass market was up 3.5% while L'Oréal CPD sales grew 4.5% with clear market share gains.

- By division, the best performance in Q1 has been achieved by **Luxury Products division** (30% of Cosmetics sales) thanks to a 5.5% sales growth although at a lower pace than in 2015 (+6.8%) which can be explained by Travel Retail slowdown (lower tourists flows since December 2015) while in Q4 2015 it had recovered slightly. Travel retail accounts for 6% of 2015 Cosmetics sales. **Active Cosmetics** division registered some sales momentum slowdown in Q1 (+4.5% vs +7.8% in 2015), due to a soft business in WE (less traffic in pharmacies). Management is confident that this division's sales momentum should accelerate in following quarters. **La Roche Posay** is still outperforming the division with a double-digit increase. **Consumer Products** (49% of Cosmetics sales) has been the other very positive surprise of this Q1 release. Actually sales grew 3.9% (consensus:+2.5%), which is the highest level since Q2 2013. Clearly, on this division, L'Oréal gained market shares in Q1 while it lost significant position in 2015 (sales up 2.5% versus +4% for the market) and in 2014. The improvement is coming mainly from New Markets and from North America but not from Western Europe (see above). Lastly, **Professional Products** business (14% of Cosmetics sales) confirmed in Q1 its better trend seen since Q2 15, even if Q1 16 (+2.5%) has been softer than FY 15 (+3.4%). This division is gaining significant market share on a better oriented market.

- Lastly, the current Vice-Pdt of the Consumer Products division, Mr Marc Menesgen, will retire at the end of the year and will be replaced, from September 1<sup>st</sup>) by Mr. Alexis Perakis-Valat, current CEO of Asia-Pacific area. He joined L'Oréal in 1995 and is 45 years old.

**VALUATION**

- We remain Buy on the stock with an unchanged €177 FV.

**NEXT CATALYSTS**

- H1 16 results will be reported at the end of July.

(to be continued next page)

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.9%	9.7%	-3.4%	3.3%
Pers & H/H Gds	1.2%	7.9%	-0.5%	0.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	25,257	26,030	27,332	28,561
% change		3.1%	5.0%	4.5%
EBITDA	5,248	5,490	5,782	6,141
EBIT	4,388	4,610	4,882	5,211
% change		5.1%	5.9%	6.8%
Net income	3,491	3,665	3,889	4,156
% change		5.0%	6.1%	6.9%

	2015	2016e	2017e	2018e
Operating margin	17.4	17.7	17.9	18.2
Net margin	13.8	14.1	14.2	14.6
ROE	13.7	14.2	13.9	13.8
ROCE	22.4	22.6	22.9	23.3
Gearing	-2.3	-6.7	-10.5	-13.6

(EUR)	2015	2016e	2017e	2018e
EPS	6.18	6.49	6.88	7.36
% change	-	5.0%	6.1%	6.9%
P/E	26.0x	24.7x	23.3x	21.8x
FCF yield (%)	3.3%	3.4%	3.6%	3.7%
Dividends (EUR)	3.10	3.35	3.60	3.90
Div yield (%)	1.9%	2.1%	2.2%	2.4%
EV/Sales	3.5x	3.4x	3.2x	3.0x
EV/EBITDA	17.0x	16.1x	15.1x	14.0x
EV/EBIT	20.4x	19.1x	17.8x	16.5x



## Q1 Cosmetics sales organic growth by geographic area and by division

Chge in %	H1 15	Q3 15	9M 15	Q4 15	2015	Q1 16
Western Europe	1.9	2.5	2.1	2.7	2.3	2.0
North America	2.7	3.8	3.0	4.9	3.5	4.3
New markets	6.3	4.8	5.8	6.6	6.0	6.1
Professional Products	3.5	2.5	3.2	4.0	3.4	2.5
Consumer Products	1.9	3.3	2.3	3.1	2.5	3.9
Luxury Products	6.7	4.2	5.8	6.8	6.1	5.5
Active Cosmetics	7.1	8.0	7.3	9.9	7.8	4.5
<b>Cosmetics branch</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>4.9</b>	<b>4.1</b>	<b>4.2</b>

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

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Luxury & Consumer Goods

**Luxottica**

Price EUR48.48

Q1 16 Sales Preview: well-flagged challenging comparison base; all eyes on the outlook

Fair Value EUR61 (+26%)

BUY

Bloomberg	LUX IM
Reuters	LUX.MI
12-month High / Low (EUR)	67.5 / 47.8
Market Cap (EURm)	23,452
Ev (BG Estimates) (EURm)	24,160
Avg. 6m daily volume (000)	887.2
3y EPS CAGR	12.8%

Luxottica will only release Q1 16 Sales on 29th April, as the group is no longer required to report Q1 and Q3 financial statements following a new Italian law which came into force on 18th March. We anticipate top line to come in at EUR2,315m, which implies a cautious 3.9% FX-n increase to reflect the demanding comparison base. In light of the FY guidance (+5-6% FX-n sales growth, EBIT to increase 1.5x faster), the sales and earnings momentum will clearly be more favourable throughout the remainder of the year. Buy recommendation and FV of EUR61 reiterated.

ANALYSIS

- Q1 should be marked by the weakest FX-n growth of the year, in our view. Although the months of January and February were "good", management reminded during the Investor Day (2nd March) that Q1 organic growth would be hampered by the calendar shift (Retail North America) and the challenging comparison base given the successful launch of Michael Kors, which generated sales of approx. EUR20m in Q1 (or ~1.1pp positive impact on FX-n growth).
- We anticipate sales of EUR2,315m (+3.9% FX-n and +2.8% as reported). Wholesale sales should increase by 4.5% FX-n, mainly driven Latin America and Europe (BG ests: mid single-digit growth). We are more cautious for North America which particularly benefited from the launch of Michael Kors the prior year (Q1 15: +9.8% FX-n) and was not yet impacted by the integration of Oakley's wholesale activities into the group's operations. We also have a prudent forecast for Retail (+3.5% FX-n) which will be partly affected by the calendar shift in North America (~79% of total retail sales) and Sunglass Hut US continued to suffer from the lack of tourists (~15% of SGH US sales).

	1 M	3 M	6 M	31/12/15
Absolute perf.	-0.5%	-14.8%	-22.9%	-19.7%
Consumer Gds	0.7%	5.9%	-0.2%	-3.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

YEnd Dec. (€m)	2015	2016e	2017e	2018e
Sales (rep.)	8,837	9,442	10,098	10,800
% change		6.8%	7.0%	7.0%
EBITDA	1,853	2,054	2,236	2,437
EBIT (rep.)	1,376	1,546	1,693	1,856
% change		12.3%	9.5%	9.7%
Net income	804.1	935.5	1,045	1,157
% change		16.3%	11.7%	10.7%

	2015	2016e	2017e	2018e
Operating margin	15.6	16.4	16.8	17.2
Net margin	9.1	9.9	10.3	10.7
ROE	14.6	15.7	16.2	16.6
ROCE	12.0	13.4	14.6	16.2
Gearing	18.2	11.9	4.5	-4.6

(€)	2015	2016e	2017e	2018e
EPS	1.68	1.95	2.18	2.41
% change		16.2%	11.7%	10.7%
P/E	28.9x	24.9x	22.3x	20.1x
FCF yield (%)	3.2%	3.7%	4.5%	5.6%
Dividends (€)	0.89	1.00	1.10	1.22
Div yield (%)	1.8%	2.1%	2.3%	2.5%
EV/Sales	2.8x	2.6x	2.4x	2.1x
EV/EBITDA	13.2x	11.8x	10.6x	9.5x
EV/EBIT	17.8x	15.6x	14.0x	12.5x

Luxottica Q1 16 sales forecast:

EURm	Q1 15	Q1 16
<b>Wholesale Division</b>	<b>940</b>	<b>954</b>
FX-n growth (%)	8.0	4.5
Reported growth	16.8	1.5
<b>Retail Division (rep. / adj.)</b>	<b>1,270 / 1,312 *</b>	<b>1,361</b>
FX-n growth (%)	3.3 / 6.6	3.5
Reported growth	22.4 / 26.4	3.7
<b>Group total (rep. / adj.)</b>	<b>2,210 / 2,252 *</b>	<b>2,315</b>
FX-n growth (%)	5.3 / 7.2	3.9
Reported growth	19.9 / 22.2	2.8

\* Before the change in accounting method at EyeMed ests

Source: Company Data, BG

- Let's play at improving momentum from Q2 onwards. Our FY FX-n sales growth assumption (~6%) is the higher range of the FY guidance (+5-6%) and implies a sequential acceleration from Q2. Besides the easier comparison bases, Luxottica will also enjoy the positive impact from the opening/remodeling of ~500 stores in 2016 which should fuel the organic growth within the Retail Division. As for profitability, our FY16 EBIT growth forecast (+7% vs. 2014 adj. EBIT) remains more conservative than the rule-of-thumb (-1.2x vs. 1.5x sales growth).

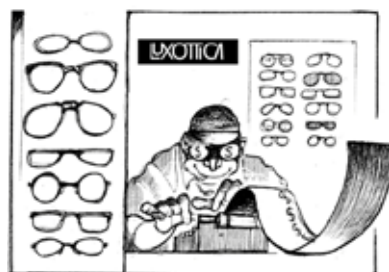
VALUATION

- The share is down ~20% ytd given the lack of visibility concerning governance and the recent slight weakening of the USD currency (~56% of sales). With respect to the latter, the negative impact is very limited so far (based on EUR/USD spot rate of 1.14: -3pp on top line and ~2.5pp on EPS).
- Since we remain confident in the current management team's ability to efficiently implement and execute all the initiatives presented at the Investor Day, we reiterate our Buy recommendation and our FV of EUR61.

NEXT CATALYSTS

- Ordinary & Extraordinary General Meeting and Q1 16 Sales on 29th April.

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## Food &amp; Beverages

## Rémy Cointreau

Price EUR68.93

## A very strong end to the year

Fair Value EUR72 (+4%)

BUY

Rémy Cointreau's Q4 2015/16 rose 12.2% to EUR251.5m, 6% above market expectations (consensus: EUR238.4m and our estimate: EUR244.3m). The organic sales growth stood at 9.8% over the quarter (consensus: +5.2% and our estimate: +7.6%), implying a strong improvement vs Q3 (+3.2%). All divisions contributed but the performance of cognac was particularly impressive, with organic sales up 12.3%.

## ANALYSIS

- A strongly improving trend in the last quarter of this year. Q4 2015/16 sales rose 12.2% to EUR251.5m (consensus: EUR238.4m and our estimate: EUR244.3m). The organic growth stood at 9.8% in Q4 (consensus: +5.2% and our estimate: +7.6%), implying +0.3% over the year. This strong acceleration vs Q3 (+3.2%) was driven by all divisions.

- Cognac was up 12.3% organically in Q4 (consensus: +7.5% and our estimate: +10%). This is a strong acceleration vs Q3 (+6.4%). The group reported very good momentum in the US and an improving environment in Greater China. The ramp-up of the new distribution contracts in this country has also probably helped.

- Q4 organic sales of Liqueurs & Spirits grew 6.9% (consensus: +4.1% and our estimate: +7%), after +4% in Q3. The trend is very solid for Cointreau, Mount Gay, the Botanist and Bruichladdich. Metaxa materially improved in Q4 thanks to the launch of Metaxa Honey Shot.

- Partner Brands were up 2.9% on an organic basis this quarter (consensus: -4.5% and our estimate: -5%). The division remained impacted by the termination of the champagne distribution contracts in the US. The growth in EMEA was reported to be double digit.

- Unchanged guidance. The group's objective remains to deliver positive organic growth in EBIT at constant FX and scope.

## VALUATION

- At yesterday's share price, the stock is trading at 21.9x EV/EBIT 2015/16e and 19.8x EV/EBIT 2016/17e, 19% and 16% above the peers' average (average 10-year historical premium vs its peers: 18%).

## NEXT CATALYSTS

- Pernod Ricard will release its Q3 2015/16 sales on April 21<sup>st</sup>

Bloomberg	RCO FP
Reuters	RCOP.PA
12-month High / Low (EUR)	73.1 / 50.9
Market Cap (EURm)	3,359
Ev (BG Estimates) (EURm)	3,830
Avg. 6m daily volume (000)	118.3
3y EPS CAGR	11.6%

	1 M	3 M	6 M	31/12/15
Absolute perf.	7.3%	15.2%	14.9%	4.4%
Food & Bev.	1.4%	4.7%	1.9%	-2.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

YEnd Mar. (EURm)	03/15	03/16e	03/17e	03/18e
Sales	965.1	1,042	1,069	1,113
% change		7.9%	2.6%	4.1%
EBITDA	175	193	210	223
EBIT	156.0	174.9	191.4	204.5
% change		12.1%	9.5%	6.8%
Net income	94.6	105.1	117.9	131.3
% change		11.1%	12.1%	11.4%

	03/15	03/16e	03/17e	03/18e
Operating margin	16.2	16.8	17.9	18.4
Net margin	18.0	10.1	11.0	11.8
ROE	8.8	10.5	11.6	13.1
ROCE	15.6	0.0	0.0	0.0
Gearing	43.4	46.9	42.3	38.8

(EUR)	03/15	03/16e	03/17e	03/18e
EPS	1.95	2.17	2.43	2.71
% change	-	11.2%	12.1%	11.4%
P/E	35.3x	31.8x	28.3x	25.4x
FCF yield (%)	0.2%	3.0%	3.7%	4.0%
Dividends (EUR)	1.53	1.74	1.95	2.13
Div yield (%)	2.2%	2.5%	2.8%	3.1%
EV/Sales	4.0x	3.7x	3.5x	3.4x
EV/EBITDA	21.9x	19.9x	18.1x	16.8x
EV/EBIT	24.5x	21.9x	19.8x	18.3x



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Healthcare

**Roche**

Price CHF249.50

Q1 sales marginally above estimates, but only due to Tamiflu

Fair Value CHF294 (+18%)

BUY

Bloomberg	ROG VX
Reuters	ROG.VX
12-month High / Low (CHF)	282.5 / 233.2
Market Cap (CHFm)	175,289
Ev (BG Estimates) (CHFm)	188,006
Avg. 6m daily volume (000)	1 466
3y EPS CAGR	6.1%

This morning Roche released Q1 sales that were roughly in line with estimates. Composition is mixed as difficult-to-predict Tamiflu was CHF100-150m above estimates whereas other products were more or less as expected. "Big Three" saw modest growth in the quarter and HER2 franchise progressed only 9% with Perjeta still robust, but Herceptin less dynamic. Overall, group sales grew 4% in Q1, which is in line with FY guidance that is being reiterated. All in all, nothing to be neither excited nor worried about with these Q1 numbers.

**ANALYSIS**

- This should not be a major catalyst as Q1 numbers this morning came out very much in line with expectations at CHF12,414m i.e. slightly above CS estimates but mainly as a result of a decent Tamiflu (CHF367m vs CHF214m for CS). Considering the mild flu season in the US, we had expected a more severe decline, but actually it was only down 15% in the US and moreover partially balanced by strong growth in Europe and International regions.

	1 M	3 M	6 M	31/12/15
Absolute perf.	6.5%	-2.7%	-3.9%	-9.7%
Healthcare	6.0%	0.8%	-5.2%	-8.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

YEnd Dec. (CHFm)	2015	2016e	2017e	2018e
Sales	48,145	50,078	51,451	53,022
% change		4.0%	2.7%	3.1%
EBITDA	19,430	19,963	21,220	21,609
EBIT	13,821	16,732	18,420	19,409
% change		21.1%	10.1%	5.4%
Net income	11,626	12,294	13,666	13,882
% change		5.7%	11.2%	1.6%

CHFm	Q1 2015		Q1 2016		actual
			CS	BG	
Pharmaceuticals	9322	9641	9641	9643	9800
Diagnostics	2511	2626	2626	2623	2614
Group	11833	12267	12267	12266	12414

	2015	2016e	2017e	2018e
Operating margin	28.7	33.4	35.8	36.6
Net margin	24.1	24.5	26.6	26.2
ROE	43.7	49.1	45.8	40.9
ROCE	28.1	27.1	28.4	28.4
Gearing	60.4	45.7	28.7	15.0

(CHF)	2015	2016e	2017e	2018e
EPS	13.49	14.26	15.85	16.10
% change	-	5.7%	11.2%	1.6%
P/E	18.5x	17.5x	15.7x	15.5x
FCF yield (%)	5.5%	4.5%	5.4%	6.0%
Dividends (CHF)	8.10	8.57	9.52	9.67
Div yield (%)	3.2%	3.4%	3.8%	3.9%
EV/Sales	3.9x	3.8x	3.6x	3.4x
EV/EBITDA	9.7x	9.4x	8.7x	8.4x
EV/EBIT	13.7x	11.2x	10.0x	9.3x

- Compared to annual growth rates in recent years, "Big Three" (i.e. Rituxan, Avastin and Herceptin) grew modestly by 3-4% in Q1 with particular difficult performance in the US where, combined, they were almost flat. This is also reflected in an HER2 franchise that no longer grew double-digit but "only" 9%, again on the back of a disappointing performance in the US. Growth in this country was limited to 3% for the group in the first quarter in spite of a very favourable comparison base for Esbriet (+145%) and of solid performance for Xolair (+22%) that is still benefiting its last indication in severe urticaria while not suffering (yet) from competition from GSK's anti-IL5 Nucala.
- "New" products did well in the quarter with no major difference in sales compared to consensus numbers with the exception of Kadcylla that was light as it is no longer progressing in the US.
- On the negative side, Lucentis was down at the same pace as in 2015 and to note is that Tarceva declined 14% in the quarter, with a tough performance in almost all regions.
- In Diagnostics, the picture is very simple: if numbers in the end are as expected, this is the result of a different business mix with Diabetes Care back in the deep dark (-11%) as continued price pressure for Medicare plans drove sales generated in the US down by ... 49% ! This was offset by strong performance in Professional Diagnostics (+7%).

**VALUATION**

- With Tamiflu to be approached as a "one off", we might do some cuts here and there on specific product growth rates, but this should not impact our annual numbers massively, hence our FV.
- We keep our BUY rating as we would expect Roche to recover somewhat as the year progresses, but we would remain that we don't have any large cap pharma stock in our Top Pick List for Q2.

**NEXT CATALYSTS**

- Today 2pm: Conference Call to present Q1 sales

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Sector View

Utilities

Toward a greener world?

	1 M	3 M	6 M	31/12/15
Utilities	1.1%	4.1%	-4.2%	-3.6%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

\*Stoxx Sector Indices

Companies covered

<b>ALBIOMA</b>	<b>BUY</b>	<b>EUR16</b>
Last Price	EUR13,7	Market Cap. EUR408m
<b>AMOEBA</b>		
Last Price	EUR30,53	Market Cap. EUR164m
<b>E.ON</b>	<b>BUY</b>	<b>EUR10</b>
Last Price	EUR8,877	Market Cap. EUR17,763m
<b>EDF</b>	<b>BUY</b>	<b>EUR13,5</b>
Last Price	EUR11,3	Market Cap. EUR21,698m
<b>EDP RENOVAVEIS</b>	<b>NEUTRAL</b>	<b>EUR7,5</b>
Last Price	EUR6,57	Market Cap. EUR5,731m
<b>ENGIE</b>	<b>BUY</b>	<b>EUR16,5</b>
Last Price	EUR13,97	Market Cap. EUR34,021m
<b>PENNON GROUP</b>	<b>SELL</b>	<b>825p</b>
Last Price	820,5p	Market Cap. GBP3,385m
<b>RWE</b>	<b>NEUTRAL</b>	<b>EUR9,5</b>
Last Price	EUR11,97	Market Cap. EUR7,237m
<b>SUEZ</b>	<b>BUY</b>	<b>EUR18,5</b>
Last Price	EUR16,645	Market Cap. EUR9,062m
<b>VEOLIA ENVIRONNEMENT</b>	<b>NEUTRAL</b>	<b>EUR22</b>
Last Price	EUR21,555	Market Cap. EUR12,143m
<b>VOLTALIA</b>	<b>BUY</b>	<b>EUR13</b>
Last Price	EUR9,05	Market Cap. EUR237m

During our 1<sup>st</sup> Utilities/Renewables conference organised in Paris in early April, we focused investors' attention on two high-growth potential markets that could change the structure of traditional utilities market: recycling and renewables. These two markets are strongly favoured by the main mature countries' governments, to promote a greener environment. In France, for instance, the *Energy transition Law* is set to draw up rules and targets that are likely to favour development of recycling as well as further expansion of renewables within the grid. Stocks exposed to this market should definitely benefit from these trends, with positive implications for EPS growth.

ANALYSIS

- **What to retain from 1<sup>st</sup> Round-table (recycling):** Over the coming years, recycling is set to represent a stronger place in worldwide waste market, yet market change is set to take time as in some countries, such as France, no real legal constraints exist to favour/oblige this shift (*contrary to UK*). France is lagging other European countries somewhat on the municipal waste market, with less than 20% of treated volumes being recycled, vs. 25% on average for EU-27 implying potential upside for Suez, Veolia and S  ch   Environnement. Margins could potentially be negatively impacted, but we assume margin in value should grow at a higher pace thanks to higher volumes. Most of the environmental services groups are looking to expand on niche markets where profitability and entry barriers are higher and try to develop direct partnership with industrials to recycle directly at the origin. At this stage, in our BG utilities universe, Suez is slightly bigger than Veolia on recycling and as clearer ambitions. **Near term, we do not expect a lot from this market, but longer term we definitely anticipate positive impact on groups' earnings.**
- **What to retain from 2<sup>nd</sup> Round-table (renewables):** France is late compared with other European countries (*Spain, Italy, and Germany*) in terms of installed capacities and % of exposure to renewables. The French energy transition law aims at further developing solar and wind (*additional 3GW of solar and wind cumulated every year*) thanks to new tariff mechanisms. In our BG utilities universe, **Engie, Voltalia and EDF should benefit from it.** As for international, the growth is mainly set to come from solar technology, which is expected to become one of the most competitive energies in the world (*EUR30-40/MWh*). We anticipate that most of the large utilities building up exposure to renewables will have to invest in solar projects. We expect a lot from EDPR's investor day in May.
- **Main elements to retain from some of 1/1 & 1/few meetings?**
  - **Albioma:** Strategy to reduce exposure to biomass/coal assets to the profit of full biomass assets remains unchanged. The group has strong growth potential in French overseas departments where the French "energy transition law" will oblige departments to incorporate more renewables to the grid, while the recent signature with EDF of amendments to its Bois-Rouge PPA confirms group's business model in these regions is not at risk. As for Brazil, management highlighted that such a high rates environment is negative as it is complicating their strategy to expand their presence in the market. Acquisition will be cheaper than some years ago, yet IRR of the project in real will be lower. As a reminder, Brazil is set to represent 40% of group's 10 years capex envelop yet represent as of today less than 5% of group's EBIT. **We are still positive with a Buy rating of EUR16/share.**
  - **EDF:** Group's operating performance this year is set to remain solid (*inside European integrated utilities sector*) yet by 2017 EDF will no longer benefit from its hedging policy and will then suffer from a strong decline in French power prices. Further restructuring (*on top of the EUR700m 2015-18 plan*) could be announced shortly as part of group's financing plan (*press article are now talking about EUR1bn, yet without mentioning if it on top of the EUR700m target or if this target is replacing previous one*). We expect positive market reaction assuming more details on this plan are announced and assuming disposals are being announced too. **We are buying EDF for valuation reason mainly and for the positive catalysts we anticipate on short term. FV @ EUR13.5/share.**
  - **Engie:** Group's transformation phase is underway. Speech from **Thierry Lepercq (CEO of SolaireDirect, recently acquired by Engie)** summarizes quite well the new strategy of the group: a group more exposed to renewables offering smart solutions to its final customers to optimize power consumptions. To finance it, further disposals will be





needed (*still EUR10bn missing*), to the profit of group's margin and group's exposure to regulated assets. More information should be divulged during workshop sessions the group will organise at end of June. **Buy, with FV @ EUR16.5.**

- **Suez:** Few details were unveiled on economic situation in Europe, yet message remained clear: growth is set to be limited in 2016. Earnings growth are then only set to come from regulated assets (20% of group's EBITDA), restructurings and from M&A. The group is still looking actively opportunities to expand its footprint either in southern Europe, on a niche market or in emerging markets, yet will not expand at all price. Assuming a deal is not really engaged over coming months would imply the group will have to change its 2017 EBITDA "ambition" (*EUR3bn*) during its H1-16 earnings presentation. At current share price we still assume market is not pricing any deal, making the case quite attractive as there is a free option on it. **Buy, FV @ EUR17.5.**
- **Veolia:** Global message on economic environment in Europe is quite similar to Suez comments: growth is set to remain quite timid in the region, for both waste (*no industrial recovery*) and water business (*no inflation, pricing pressure*). Earnings growth will continue to come from costs reduction program and from international. At current share price we see very limited upside. We also see very limited catalysts on the investment case. **We confirm our Neutral rating with FV still at EUR22/share.**
- **Volitalia:** During its intervention at the second round table, group's CEO confirmed the group will further develop in Brazil but also in other emerging markets where higher load factors allow renewables to be competitive (*without subventions*) with traditional technologies. Development within solar world is also a target for the group. **We remain positive with FV at EUR13/share despite its strong exposure to Brazil (>80% of EBIT).**

#### VALUATION

- At current share prices, the entire utilities sector (SX6P) is trading at 14.9x its 2016e earnings and offer a 5% 2016e yield
- We have no Utilities top pick for Q2-16.

#### NEXT CATALYSTS

- April 26<sup>th</sup> 2016: E.ON investor day
- April 27<sup>th</sup> 2016: Albioma Q1-16 sales
- April 29<sup>th</sup> 2016: Engie Q1-16

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## TMT

## Altice

Price EUR14.27

## Refinancing goes on!

Fair Value EUR16.3 (+14%)

BUY

Altice has successfully priced USD2.75bn of 10-year senior secured notes. The proceeds will be used to refinance existing debt at Altice International. This is a positive operation for Altice, as it extends the debt maturity at no extra cost, and highlights the high-yield market's confidence in the company.

## ANALYSIS

- Altice's total net debt is **EUR35.562bn**, of which **EUR7.842bn at Altice international**, as of December 31<sup>st</sup> 2015. EUR1.611bn were to be repaid in 2019.
- The USD coupon of the new Senior Secured Notes will be 7.5%, the weighted average cost of Altice International's debt will be **unchanged at 6.0%**, and the maturity will be **extended from 6 to 7.7 years**. On this basis, Altice International has no material repayment due until 2022.
- Following NC-SFR's successful USD5.2bn refinancing on April 7th, this operation shows the **high yield market's confidence** in Altice and in its ability to deliver synergies.
- The extension of Altice's debt maturity should leave the company **enough time to deliver synergies and increase cash flow generation**, leaving the door open to progressive reimbursement or additional refinancing in the future at a favourable cost.

## VALUATION

- Altice is currently trading at 8.3x EV/ 2016e EBITDA
- We stick to our Fair Value of EUR16.3, with a BUY recommendation.

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Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	32.2 / 10.0
Market Cap (EURm)	15,616
Avg. 6m daily volume (000)	2,601

	1 M	3 M	6 M	31/12/15
Absolute perf.	-15.2%	12.3%	-27.7%	7.7%
Telecom	-1.5%	1.3%	-3.0%	-6.6%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

	2014	2015e	2016e	2017e
P/E	NS	NS	NS	19.2x
Div yield (%)	NM	NM	NM	NM

## Utilities

**Amoéba**

Price EUR30.53

**Amoeba extends its technology's protection in Russia and in the US**

Fair Value EUR35 (+15%)

CORPORATE

Bloomberg	AMEBA.FP
Reuters	AMEBA.PA
12-month High / Low (EUR)	38.2 / 8.3
Market Cap (EURm)	164
Avg. 6m daily volume (000)	18.90

	1 M	3 M	6 M	31/12/15
Absolute perf.	-5.8%	16.5%	23.0%	-11.8%
Utilities	1.1%	4.1%	-4.2%	-3.6%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%
	2015	2016e	2017e	2018e
P/E	NS	NS	79.5x	13.2x
Div yield (%)	NM	NM	NM	NM

**ANALYSIS**

- The French producer of a biological biocide capable of eliminating waterborne bacterial risk, announced yesterday post-market that it has obtained **three new patents**.
- The patent 'Process of biological struggle against *Listeria* risk' was granted in **Russia** by the Federal Service for Intellectual Property (*ROSPATENT*), following the US delivery a few weeks ago. As a reminder, *Listeria* is a pathogenic bacterium present in water and often implicated in food infection.
- The second patent 'Process of biological struggle against *Pseudomonas* risk' was delivered in **Russia** by the Federal Service for Intellectual Property (*ROSPATENT*). Meanwhile, the United States Patent and Trademark Office (*USPTO*) was granting the same patent for the US geographic area. This process against *Pseudomonas*, a germ leading to nosocomial infections in hospitals, is protected by a patent in the European Union since February 2016.
- The obtaining of those three patents confirms Amoeba's strategy to enhance its patents portfolio, in new technologies as well as in new geographic areas. Moreover, the US and Russia represent a large market considering all markets targeted by the group.

**VALUATION**

- Corporate, with FV @ EUR35/share

**NEXT CATALYSTS**

- H1-16: Market authorisation to sell product in France and in Europe

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Healthcare

**Innate Pharma**

Price EUR13.66

Some very interesting data presented at the AACR congress

Fair Value EUR18 (+32%)

**BUY**

Bloomberg	IPH FP
Reuters	IPH.PA
12-month High / Low (EUR)	16.4 / 9.0
Market Cap (EURm)	735
Avg. 6m daily volume (000)	340.4

	1 M	3 M	6 M	31/12/15
Absolute perf.	14.9%	19.2%	5.4%	0.9%
Healthcare	6.0%	0.8%	-5.2%	-8.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

	2014	2015e	2016e	2017e
P/E	NS	80.0x	8.3x	5.4x
Div yield (%)	NM	NM	NM	NM

**ANALYSIS**

- Innate Pharma issued two press releases following the presentation of several posters at the AACR (American Association for Cancer Research) annual meeting. The very first one of them showed that **monalizumab (an anti-NKG2A) in combination with durvalumab (an anti-PD-L1) led to superior survival rates compared to “durva” alone in preclinical models (p<0.05)**. Plus, some data confirmed that the frequency of tumour-infiltrating NKG2A+ cytotoxic T cells was increased in anti-PD-1 resistance mice (suggesting that NKG2A is a pathway involved in the resistance to PD-1/PD-L1 blockers). A conference call will be held today at 10.30 am ET; and we'll see if the company provides more colour on the potential upregulation of both PD-L1 and HLA-E in models treated with the combo.
- The other posters made a focus on early-stage (but still very promising) programs. Among others we would note that new data demonstrated that **IPH4301 (an anti-MICA/B) of course can induce tumour killing through the ADCC mechanism... but more interestingly, it exhibited some immuno-modulatory properties (by neutralizing immunosuppressive macrophages)**. Consequently, and even though the compound is still in its early days, we would not be surprised that some big pharmas could even now be interested in in-licensing it (all the more so MICA/B expression is said to be induced in several solid tumours).

**VALUATION**

- **BUY reiterated with a FV of EUR18.**

**NEXT CATALYSTS**

- H2 16: Phase II results of lirilumab (anti-KIR) for the treatment of elderly patients with AML.
- H2 2016: Phase I/II data of lirilumab in combination with BMS' nivolumab (anti-PD-1) in solid tumours and haematological malignancies.

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Healthcare

**QIAGEN**

Price EUR20.58

Q1 Preview: consensus may be optimistic with regards to earnings ramps

Fair Value EUR22 (+7%)

NEUTRAL

Bloomberg	QIA GR
Reuters	QGEN.DE
12-month High / Low (EUR)	26.0 / 17.8
Market Cap (EURm)	4,932
Avg. 6m daily volume (000)	420.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	6.9%	3.3%	-8.6%	-18.1%
Healthcare	6.0%	0.8%	-5.2%	-8.1%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

	2015	2016e	2017e	2018e
P/E	22.2x	21.3x	19.8x	17.8x
Div yield (%)	NM	NM	NM	NM

**ANALYSIS**

QIAGEN will report Q1 results next Wednesday, April 27<sup>th</sup> in the evening. Our sales estimates stands slightly below the group's guidance at USD296m or 1.9%CER (guidance at 2% CER growth). With recent swings in currencies we believe that FX should have a 3pp negative impact on the top line vs 4pp as communicated on FY2015 publication. We anticipate MDx growing at 1%CER with instruments remaining under pressure. On the Life Sciences business, Applied Testing should grow 6%CER, Pharma 3%CER and Academia at 2%CER. We do not see the latter benefitting yet from increased budgets, as laboratories do not having cash in hand yet. While consensus expects margins to decrease by 225bp, our estimates points to a 362bp decline. BGe EPS USD0.20.

Vara consensus as of 18/04/2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
<b>Consensus - SALES</b>						295	327	330	370	1 322
BGe - SALES	298	319	315	349	1 281	296	326	330	373	1 324
% diff						0,5%	-0,3%	0,2%	0,6%	0,1%
<b>Consensus - Op Income</b>						59	80	84	102	326
BGe - Op Income	67	79	78	91	314	56	73	86	105	323
BGe - % margin	22,4%	24,7%	24,9%	26,0%	24,6%	18,7%	22,5%	26,1%	28,3%	24,4%
BGe - gain in bp (QoQ)						-362	-212	123	233	-14
% diff						-6,5%	-8,5%	2,3%	3,1%	-1,1%
<b>EPS</b>						0,19	0,26	0,28	0,34	1,07
BGe	0,22	0,26	0,27	0,31	1,05	0,20	0,25	0,29	0,36	1,09
% diff						2,8%	-5,6%	3,6%	5,6%	2,3%

\*may not foot due to rounding differences

- With regards to Q2 sales, recall that 1/ significant investments should occur in Q2 to help QIAGEN reinforce its sales force while launching its NGS platform, 2/ Academia slow start to the year should prolong in Q2 (2% and 5% CER in Q1 and Q2 respectively). Despite US-HPV stabilizing (-5% vs -43% in Q2 2016), good placement trend anticipated in 2016 for QIASymphony and migrant inflow supporting QuantiFERON TB sales trend. Net Sales ramp-up should come at around 3.6%CER growth in Q2 or USD326m vs. consensus at USD327m.
- For the second quarter to the year, main point of interest should be EPS guidance which we view at risk with regards to consensus's current level. Indeed our EPS estimates are 5.6% below consensus (BGe USD0.245 vs USD0.26) implying a slower than anticipated earnings ramp. In Q2, we still anticipate profitability of the group to be affected by heavy S&M investments. The positive effect from the internalisation of QuantiFERON latent TB test (150bp positive effect on gross margin) and G&A synergies should kick-in not before the second half of 2016 while positive effects from NGS sales leveraging sales force should be a 2017-onwards story.

**VALUATION**

- We stick to our NEUTRAL rating ahead of Q1 results.
- We do not view FY2016 guidance at risk at this stage. Should Q2 guidance may disappoint with regards to an overoptimistic consensus, we might find interesting entry points.

**NEXT CATALYSTS**

- April 27<sup>th</sup>: Q1 2016 results

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## BG's Wake Up Call

# 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.

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NEUTRAL ratings 33.8%

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