

27th May 2016

Insurance

AXA

Price EUR22.57

New Top Management team

Fair Value EUR29 (+28%)

BUY-Top Picks

Bloomberg	CS FP
Reuters	AXAF.PA
12-month High / Low (EUR)	25.8 / 18.9
Market Cap (EURm)	54,804
Avg. 6m daily volume (000)	7,241

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.2%	11.1%	-11.8%	-10.5%
Insurance	-0.3%	5.8%	-14.0%	-10.6%
DJ Stoxx 600	0.5%	5.2%	-9.2%	-4.6%

	2015	2016e	2017e	2018e
P/E	9.1x	9.2x	8.9x	
Div yield (%)	4.9%	5.2%	5.6%	

ANALYSIS

- The company has announced a new Management Committee effective as of 1st July. It will have 10 members (vs. 9 currently) and will of course be led by incoming CEO Thomas Buberl.
- This new top management includes some key people of the current organisation (Jean-Louis Laurent Josi, Mark Pearson, Véronique Weill) and some well-known key people who are promoted (Gérald Harlin, Paul Evans for example).
- Jacques de Peretti has been appointed CEO of AXA France and will be a member of this Top 10 Committee. He joined the group in 1996 and has spent most of his career at AXA France.
- We note the appointment in this Committee of i/ a Group Chief Customer Officer (Véronique Weill), and ii/ a Group Chief Transformation Officer (Benoît Claveranne). These are new positions. They say a lot about the future strategic plan to be presented on 21st June (key focus on group's interaction with its customers + transformation ambition)...
- Peter Kraus remains CEO of AllianceBernstein but will no longer be a member of this Committee. The responsibility for all asset management businesses will be held by Véronique Weill.
- New CEO -> New top management team! We continue to favour AXA in our sample.

VALUATION

- Based on our current estimates, our SOTP valuation is EUR29.

NEXT CATALYSTS

- Investor Day on 21st June. H1 2016 numbers on 3rd August.

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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