

2nd May 2016

TMT

## Ubisoft

Price EUR25.37

Vivendi now owns 17.73% of UBI's capital, excluding a hostile bid

Fair Value EUR34 (+34%)

BUY

Bloomberg	UBI.FP
Reuters	UBIP.PA
12-month High / Low (EUR)	28.2 / 14.9
Market Cap (EURm)	2,822
Avg. 6m daily volume (000)	338.1

	1 M	3 M	6 M	31/12/15
Absolute perf.	-6.8%	0.1%	-5.1%	-4.9%
Softw. & Comp.				
SVS	-2.4%	-3.0%	-1.2%	-5.2%
DJ Stoxx 600	1.4%	-0.2%	-9.1%	-6.7%

	03/15	03/16e	03/17e	03/18e
P/E	27.9x	28.0x	20.5x	13.8x
Div yield (%)	NM	NM	NM	NM

### FACTS

- **Vivendi announced last Friday (on the AMF website) that: 1/** it had increased its stake in Ubisoft to 17.73% of the share capital and 15.66% of voting rights (vs. 15.66% and 13.90%e respectively before) by buying shares on the market on 27th April; **2/** it plans to continue its purchases depending on market conditions, and that it does not intend to file a public offer for Ubisoft or to take control of the company; **3/** it continues to aim for a fruitful collaboration with Ubisoft; **and 4/** it intends to request a recomposition of Ubisoft's Board of Directors, in order to obtain a coherent representation of its shareholding.

### ANALYSIS

- It seems that Vivendi now understands that if it really wants to acquire Ubisoft it has to be soft and the only way is to make the move friendly (we do no other choice for this kind of console game publisher, which relies only on talented developers/creators). With this statement, if Vivendi finally wanted to make an offer in the near future, it will have to wait six months. **In our view, this statement means that Vivendi is now totally excluding a hostile bid regarding Ubisoft.**

### VALUATION

- **We maintain our Buy recommendation and FV of EUR34.** The stock boasts positive momentum for coming weeks and months.

### NEXT CATALYSTS

- **FY15/16 earnings:** 12th May (after trading), with more details on the FY17e guidance.
- **Ubisoft press conference at E3 trade fair in Los Angeles:** 13th June at 1pm (local time).

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### Distribution of stock ratings

BUY ratings 57.6%

NEUTRAL ratings 33.8%

SELL ratings 8.6%

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