# BG MidCap Daily – Bryan, Garnier & Co.

## Today's comment(s)

**22/04/16**

*bioMérieux (BUY, Fair Value EUR122 vs. EUR115)*

Post-view Q1 results

BioMérieux' management was confident on LT growth prospect for the company's Immunoassays and Microbiolgy divisions. FilmArray is doing well and ramp-up of the GI panel should support growth throughout the year. We do not see further investments occurring in 2016 andprofitability guidance looks somewhat conservative to us. In 2017 however, we do not rule out that sales force might need to be upsized.

*Atos (BUY-Top Picks, Fair Value EUR93 vs. EUR90)*

Q1 16 conference call feedback: the day that never comes is finally here

We reiterate our Buy rating and raise our DCF-derived fair value to EUR93 from EUR90 following the conference call held yesterday. We keep our adj. EPS virtually unchanged but increase our medium-term adj. EBIT margin assumption to 10.5% from 10% on better confidence to profitability. We consider the take-off of lfl revenue growth in Q1 and further acceleration expected for Q2 were the missing catalysts for allowing a re-rating valuation catch-up vs. IT Services peers.

***Brief comments***

*Galapagos (BUY, Fair Value EUR62)*

***20w data in Crohn"s disease supportive for phase III trial***

**25/04/16**

*Soitec (NEUTRAL, Fair Value EUR0.5)*

***Exceptionally reports Q3-16 results***

*Hugo Boss (NEUTRAL, Fair Value EUR80)*

***Departure of Chief Brand Officer Christoph Auhagen***

***26/04/16***

*Ipsen (BUY-Top Picks, Fair Value EUR60)*

***Cabometyx approved by the FDA two months ahead of schedule***

Ipsen's recently partnered drug cabozantinib was approved yesterday in the US by the FDA in 2nd line RCC, well ahead of schedule. Top-line OS data are included in the press release (HR=0.66)

*Sword Group (BUY, Fair Value EUR26)*

***Q1 16 results in line with our estimates, FY16 guidance fine-tuned from fx***

Yesterday evening Sword reported Q1 16 results with sales in line with our estimates but lfl revenue growth 5.4ppt ahead of company budget, with Services sales boosted by Benelux and Switzerland. FY16 guidance is fine-tuned from fx due to the weakness of the British pound against the euro since early March. In addition, unsurprisingly, the dividend for 2015 will be flat at EUR1.20 per share. With lfl revenue growth 5.4ppt ahead of the full-year target, we deem the share price will react positively.

*Ingenico Group (BUY, Fair Value EUR144)*

***Acquisition of Lyudia, a local distributor in Japan***

*Software AG (BUY, Fair Value EUR40)*

***Q1 16 results fully in line with initial estimates and FY16 guidance confirmed***

**27/04/16**

*BIC (NEUTRAL, Fair Value EUR119)*

***Q1 margin decrease (-290bp) justifies cautious FY16 outlook***

Q1 sales increased 1.3% on a reported basis and 6.9% LFL to EUR517m, matching the CS of EUR515m. Adjusted for the special premium (EUR11.4m), normalised IFO margin was down 290bp to 17% (CS: 18.4%) after a 150bp-decrease in the GM (less favourable fixed cost absorption) and higher brand support (+80bp). FY16 outlook is reiterated and BIC will host a conference call today at 4:00pm (Paris time).

Ingenico Group (BUY, Fair Value EUR144)

***Strong Q1 sales. FY organic sales growth target upgraded and still cautious.***

Ingenico Group posted outstanding Q1 sales (+15% lfl, with growth across all regions) and upgraded its 2016 organic growth target (>=+10% vs. ~+10%), despite the difficult comparison base and the already known decreasing volumes from one key GlobalCollect e-payment account in Asia Pacific. This publication should clearly reassure investors. We believe there is still room for further guidance upgrades during the year both in sales organic growth and EBITDA margin. Our FY estimates remain unchanged but we expect the consensus to make upward adjustments (we had the highest FY16 forecasts). We expect the share price today to be well in excess of EUR100. The strong profitable growth story is not yet fully valued. We maintain our Buy rating and FV of EUR144.

Delhaize (BUY, Fair Value EUR104,5 vs. EUR105)

Q1 2016 (first take): strong commercial momentum / clarification needed on FCF

Delhaize's Q1 2016 revenue growth woked out at 4.3% on constant currencies to EUR6153m (vs EUR6084m expected by the consensus). LFL sales growth reached +2.6% in the US (vs +2.1% e), +2.9% in Belgium (vs +2.7% e) and +10.8% in SEE (vs +3.6% e). On the whole, Delhaize turned in a very robust performance in Q1 with a 62bp improvement in underlying operating margin to 3.6%. Only FCF (the detail of which needs to be clarified) may disappoint somewhat but, at this stage of the year, cannot wipe out the strong commercial momentum within an industry that is suffering a lack of growth. Buy maintained ahead of the conference call at 09:00 am CET (+44 203 427 1908).

STMicroelectronics (NEUTRAL, Fair Value EUR6.3)

***Q1 results below forecasts, but Q2 on track as the environment improves***

STMicroelectronics has reported Q1 2016 sales is slightly below estimates and EPS below consensus. The group has posted Q1 2016 sales of USD1,613m, down 3.3% seq., with a gross margin stable at 33.4% and EPS of -USD0.05, below consensus expectations (cons. USD0.00, BG ests. -USD0.02). Q2 2016 guidance is broadly in line with expectations with revenues set to rebound 5.5% (+/- 350bp) sequentially, i.e. sales close to USD1,702m, while current expectations were for USD1,710 (BG ests. USD1,702m).

Albioma (BUY, Fair Value EUR16)

***Strong year start, as expected***

The French biomass energy producer reported solid Q1 sales helped by a positive base effect compared with last year (strikes in Guadeloupe) and underpinned by the effect of riders to the electricity sale agreements for the Albioma Le Gol and Albioma Bois-Rouge plants signed in the first quarter of 2016 with EDF. In all total Q1 sales were up 12% YoY to EUR87.2m. Positive.

Dialog Semiconductor (BUY, Fair Value EUR39)

***Apple is heading for further softness before benefiting from the iPhone 7 cycle***

**28/04/16**

Suez (BUY, Fair Value EUR18,5 vs. EUR19)

Q1 metrics: flat LfL EBIT growth, as expected. 2016 guidance confirmed despite poor year start

This morning Suez posted poor Q1 sales and operating performance as expected. Sales were up +0.5% YoY thanks to the International division while EBIT came out at -4.6% to EUR253m whereas we were forecasting EUR258m. As expected, the start of the year is difficult for the group, especially compared with Veolia. We expect a growth recovery over the next nine months. 2016 guidance was confirmed as well as the 2017 EBITDA target. We anticipate a negative share price reaction this morning but still see upside to the 2016-18 consensus. Buy, FV @ EUR18.5 unchanged.

QIAGEN (NEUTRAL, Fair Value EUR22)

***Delayed ramp-up in profitability***

Q1 sales came slightly above CS while significant cost to reallocate the production of QuantiFERON TB test as well as S&M expenses impacted Operating income which came 10% below expectations. However EPS is in line with expectations at USD0.19. We flagged the risk on overly-optimistic consensus which should put the share price under pressure at opening. Indeed, while Q2 sales guidance is in line with expectations, EPS is expected at USD0.21 i.e. 19% below consensus. This may provide entry points as maintained FY2016 guidance translates management's confidence in ramping-up profitability and should be accompanied by a USD100m share repurchase programme.

Axway Software (NEUTRAL, Fair Value EUR20)

***Q1 16 sales below our expectations, focused on the transformation plan***

Yesterday evening Axway reported Q1 16 sales 4% below our expectations, essentially due to the slippage in a couple of licence deals in France, while America confirmed its strong recovery. We are making virtually no change to our forecasts as we cannot rule out that the prospect of longer sales cycles in Operational Intelligence (OI, ex Systar) transforming into deals at the back-end of the year. We do not expect the share price to react significantly short-term, pending more positive catalysts.

Altran Technologies (NEUTRAL, Fair Value EUR13)

***Q1 16 sales above expectations, outlook confirmed***

This morning Altran reported Q1 16 revenues 2% ahead of our forecasts and 1% above the consensus average, with accelerating growth momentum in France, Asia and the US. Germany is still declining but the country is expected to be back to growth in Q2 as expected. Unsurprisingly, management considers 2016 will be another year of profitable growth. We expect the share price to react positively short-term.

STMicroelectronics (NEUTRAL, Fair Value EUR6.3)

***The environment is improving but execution remains the key***

Following the publication of ST's Q1 results yesterday (see our first take), the conference call held by ST had a positive tone. However, in our view, it is not enough to justifies a recommendation change. We believe risks remain high regarding 1/ execution of the restructuring process, 2/ growth while the group is faces a dynamic competition and 3/ a gradual improvement in margin which depends on restructuring, growth and FX. We reiterate our Neutral recommendation and keep our FV of EUR6.3.

BIC (NEUTRAL, Fair Value EUR119)

***Conference call feedback: some margin headwinds should ease off gradually***

No breaking news came out of the conference yesterday, although it was a good opportunity for management to explain FY guidance in further detail (e.g.: the FY NIFO margin target includes the negative impact from the special bonus). We have made minor adjustments to our FY16 assumptions, hence our FV is unchanged at EUR119 with a Neutral recommendation.

Vicat (NEUTRAL, Fair Value EUR56)

***Q1 sales slightly above our expectations. Decent outlook.***

Vicat has reported healthy Q1 revenue growth with sales up 6.5% lfl to EUR554m (3% above our expectations), with a strong performance in Turkey, Egypt, France and the US. Some uncertainties remain (prices/competitive environment in West Africa, Kazakhstan and Switzerland) but guidance is not bad: Vicat expects a further improvement in its performance, in a favorable environment for energy costs. We see no upside however, and remain at Neutral.

Ipsen (BUY-Top Picks, Fair Value EUR60)

***Unfavourable inventory effects in emerging markets take harsh toll on Q1 sales***

**29/04/16**

Alten (SELL, Fair Value EUR48 vs. EUR46)

Q1 16 sales above expectations, but AÜG in Germany tempers optimism

We reiterate our Sell rating but raise our DCF-derived fair value to EUR48 from EUR46 as we increase our adj. EPS ests. by 1% for 2016, 2% for 2017 and 3% for 2018. Yesterday evening Alten reported Q1 16 sales 3% above our ests. and 2% ahead of consensus, driven by a solid performance in North America, Spain and Italy. The management is now more confident for exceeding in 2016 the 3.4% lfl growth rate reported for 2015, but optimism is tempered by the negative effects of AÜG (Temporary

Employment Act) in Germany, which may jeopardise growth in that country for 2-3 years.

ASK (CORPORATE, Fair Value EUR2.4)

***Restructuration is over, on its way to close gap with breakeven***

Yesterday, ASK reported FY15 net result of -EUR12.2m, mainly due to direct and indirect negative impacts of the 2015 restucturing plan. We understand that the momentum is improving, leading us to anticipate a top-line growth in 2016, while the restructuration should help the group to close the gap with breakeven. However, we highlight that the cash situation remains an issue with a net debt of EUR8m.

Jeronimo Martins (NEUTRAL, Fair Value EUR13,5)

***Q1 2016 (first take): strong commercial and cash margin. Need clarification on tax.***

Jeronimo Martins again showed its class by publishing very strong LFL in Q1 2016 (+6% at the group level), which is an oustanfing performance when comparing whih the reste of the panel. First-quarter net profit was EUR77.3m (vs EUR75m expected by the consensus), while EBITDA rose 10.7% to EUR183 (vs EUR182m e). Total net sales rose to EUR3.4bn in the quarter, also slightly exceeding expectations of EUR3.33bn. Some points need to be especially regarding a transitory budget law in Portugal that could have a material impact on the group in Portugal

Gemalto (NEUTRAL, Fair Value EUR69)

***Organic sales decline in Q1 + poor momentum + 2017 PFO at risk = unattractive risk/reward***

Gemalto posted Q1 sales 1.8% below our estimate and in line with the consensus. We calculate an organic decline of 2.5% over the quarter (-0.3% at cc and -2.5% by also excluding the acquisition of Trüb). So, Government programs, M2M, Enterprise and Payment have not offset the underperformance once more of the SIM & related services. The management has confirmed its vague 2016 guidance (+1.5% gross margin, accelerating its PFO expansion towards its 2017 objectives). The current year will be very back-end loaded (Softcard loss during Q2 last year) and there are still too many risks in the SIM & related businesses, so the 2017 PFO target of over EUR660m is clearly challenging (it implies at least a +25% CAGR 2015-17e vs. +10.4% in 2015). We maintain our Neutral rating and FV of EUR69, waiting for a more attractive risk/reward. Conf. call today at 3pm (Paris time).

Groupe SEB (BUY, Fair Value EUR102)

***Reassuring top line trends and strong operating result performance in Q1 (+50% LFL)***

Q1 sales came in at EUR1,115m (+2.3%), matching the CS of EUR1,121m. The LFL growth amounted to 5.1% and was also in line with CS (+5.2%) against a weak North America (-12.4%) and a demanding comparison base (Q1 15: +9.4%). The op profit reached EUR93m, or 12% above expectations despite a huge negative EUR45m impact (Q1 15: -EUR15m last year). Hence the op margin remained almost stable (-10bp to 8.3% vs. CS: 7.4%). Based on current FX, management now expects the adverse FX impact to be around EUR120m vs. EUR130-140m previously. We have made minor adjustments to our top line forecast. Buy recommendation and FV of EUR102 confirmed.

Voltalia (BUY, Fair Value EUR13)

***Q1 2016 sales growth driven by Brazilian commissioning***

The French group released strong Q1-15 earnings yesterday, up to EUR18m thanks to new capacities installed in Brazil, above our expectations (EUR17m). Revenues from energy sales reached EUR17.8m (vs. EUR12.6m in Q1-15) while revenues from development and services generated EUR0.2m.

ASK (CORPORATE, Fair Value EUR2.4)

***Restructuring complete, on the way to reaching breakeven***

Yesterday, ASK reported FY15 net result of -EUR12.2m, mainly due to direct and indirect negative impacts of the 2015 restucturing plan. We understand that the momentum is improving, leading us to anticipate a top-line growth in 2016, while the restructuration should help the group to close the gap with breakeven. However, we highlight that the cash situation remains an issue with a net debt of EUR8m.

Galapagos (BUY, Fair Value EUR64 vs. EUR62)

EUR1bn cash as of Q1 and renegotiation of the Cystic Fibrosis deal as a cherry on the cake

Galapagos reported Q1 results which came in-line with our estimates, the biotech having EUR988m in hands. Cash burn guidance of EUR100-120m reiterated. Alongside this release, Galapagos announces the renegotiation of the CF deal with ABBV and is now eligible to up to USD600m in milestones payments. Lastly, Gilead which has full hands on filgotinib's development announces during its earnings call that two Ph III trials and one Ph II should be initiated in Q3 2016 in RA, CD and UC respectively.

Grandvision (BUY, Fair Value EUR28)

***Q1 publication below expectations mainly due to technical factors***

Q1 16 revenue increased 2.5% as reported to EUR803m, or 2% below CS (EUR821m). The deviation is caused by technical effects, especially the challenging comparison base (Q1 15: +6.8%) which weighed on the comparable growth (0.9% vs. CS at +2.2%), justified by the most demanding comparison base of the year. Like in Q4 15, the CS has underestimated the dilutive impact from acquisitions which cost 40bp this quarter. Consequently the adj. EBITDA decreased 30bp to 15.3% (+10pb to 15.7% excl. M&A) vs. CS at 15.9% and BG at 15.5%.

Gameloft (BUY, Fair Value EUR7.2)

***Reassuring Q1 revenue at +5% Y/Y in organic terms***

Q1 sales were 1.6% above our estimate and in line with the consensus. We consider that the group now has two engines (in-app purchases and advertising) enabling it to return to its past op. margin as of FY16e (BG est.: 11.5%e), and that its FY18e targets are achievable (revenue of over EUR350m, current op. before SO of over EUR65m, cumulative FCF 2016/18 of more than EUR85m). Gameloft's strategy is well on track. Our FY16/18 EPS sequence remains unchanged. We keep our Buy rating and FV of EUR7.2. The stock is currently trading 3% above Vivendi's last offer. Investors have nothing to gain by tendering their GFT shares now. We estimate a fair offer in the range of EUR7.6-8.6.

Casino Guichard (BUY, Fair Value EUR57)

***Disposal of BIG C Vietnam (first take) / 1.8x EV/ Sales multiple***

Casino has just announced the disposal of the 100% equity stake owned in its Vietnamese susbsidiary Big C to the Central Group (i.e. Tos Chirathivat who founded Big C Thailand in 1993). The proceeds to be received will amount to EUR920m (vs EUR750m estimated in our current spot SOTP / EUR1.5 positive impact on a spot valuation that currently stands at EUR53).

Altran Technologies (NEUTRAL, Fair Value EUR13)

***Q1 16 conference call feedback: better growth momentum is fairly valued***

We reiterate our Neutral rating following the conference call held yesterday, although we raise our lfl revenue growth forecasts to 6.3% from 5% for 2016, to 6.3% from 5.6% for 2017, and to 6% from 5.6% for 2018. The sales growth acceleration seen in Q1 16 driven by France looks sustainable over the full year thanks to a strong pace of hiring, and the turnaround in Germany is confirmed, but we contend that, at this stage, all these positive elements are fairly valued.

Moncler (ACHAT, FV 17€)

Ne soyez pas frileux !

Nous initions Moncler avec une recommandation Achat et une FV de 17EUR. Au cours de la période 2016-18, le groupe devrait afficher un momentum très solide au sein d'un secteur du luxe qui connaît un ralentissement de sa croissance (en moyenne : ~10% de croissance organique vs. ~4% pour notre échantillon luxe) grâce au dynamisme du segment outerwear, la force de sa marque et son positionnement haut de gamme et son savoir-faire en matière d'expansion Retail. En EV/EBIT 2016e, le titre se traite à 12.1x, en ligne avec le secteur.

Moncler (BUY, FV EUR17)

Good protection from chilly conditions

We are initiating coverage of Moncler with a Buy recommendation and FV of EUR17. Over 2016-18, the group should post strong momentum in a luxury sector showing signs of a slowdown (average organic growth of ~10% vs. ~4% for our luxury sample) thanks to the dynamic outerwear segment, the strength of the group's brand and its upscale positioning and know-how in retail expansion. The share is trading on 2016e EV/EBIT of 12.1x, in line with the sector.

Gemalto (NEUTRAL, Fair Value EUR62 vs. EUR69)

Following the Q1 sales conf. call, we have cut our FY16-18e EPS sequence and FV

Following disappointing Q1 sales and the subsequent conference call, we have revised downwards our restated FY16-18e EPS sequence by 3.5% on average. Gemalto reiterated its "vague" FY16 guidance (+1.5% gross margin, accelerating its PFO expansion towards its 2017 objectives). The current year will be especially back-end loaded (Softcard loss during Q2 last year) and there are still too many risks in SIM & related businesses, such that the 2017 PFO target of over EUR660m is out of reach (it implies at least a +25% CAGR 2015-17e vs. +10.4% in 2015). We consider that the momentum will be unattractive as long as the management maintains its 2017 PFO target. We are now more than 12% below this target (vs. 9% below before). We maintain our Neutral rating and cut our FV from EUR69 to EUR62 (average of a SOTP, a DCF and historical multiples).

Euler Hermes (BUY, Fair Value EUR96)

***Moving in the right direction***

The Q1 2016 net income is up 16% yoy, driven by a capital gain of the sale of the Bürgel entities. The underwriting result is down 17% yoy but up 44% qoq, with a combined ratio that clearly shows the action plans initiated in 2015 have started to deliver (79.3% in Q1 2016 vs. 76.1% in Q1 2015 and 85.3% in H2 2015). The management reaffirmed its commitment to address the excess capital issue (up to EUR191m at end-2015, but keep in mind that Euler Hermes' current leverage is 0) at some point later this year. At this stage, we maintain our FY numbers. We keep our Buy rating and our EUR96 FV.

Soitec (NEUTRAL, Fair Value EUR0.5)

***The group get shareholders' approval for the capital increases and hires a new CFO***

Ubisoft (BUY, Fair Value EUR34)

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

**03/05/16**

Rémy Cointreau (BUY, Fair Value EUR80 vs. EUR75)

The glass is filling up

We have revised our EBIT margin for 2019/20 upwards from 18.7% to 20% to take into account margin improvement in China, strong growth in the highly profitable US market and good progress with the strategic plan. Our Fair Value is adjusted to EUR80. We maintain our Buy recommendation.

Rémy Cointreau (BUY, Fair Value EUR80 vs. EUR75)

The glass is filling up (full report published today)

We have revised our EBIT margin for 2019/20 upwards from 18.7% to 20% to take into account margin improvement in China, strong growth in the highly profitable US market and good progress with the strategic plan. Our Fair Value is adjusted to EUR80. We maintain our Buy recommendation.

Cast (NEUTRAL, Fair Value EUR3,6)

***Q1 sales in line with our estimate, FY16 targets unchanged***

Yesterday evening Cast reported Q1 16 sales in line with our forecast, with 13% lfl revenue growth. These numbers are consistent with the double-digit revenue increase guided for 2016. We do not expect a significantly positive share price reaction short-term.

Sopra Steria Group (BUY, Fair Value EUR121 vs. EUR113)

Q1 16 sales above expectations, FY16 guidance revised upwards

We reiterate our Buy rating and raise our DCF-derived fair value to EUR121 from EUR113, as we increase our adj. EPS ests. by 3% (+EUR4/share) and raise our medium-term lfl sales growth assumption to +4.5% from +4% (+EUR4/share). This morning Sopra Steria reported Q1 16 sales above our forecast and the consensus' average thanks to an impressive performance in France, despite some weakness in the UK. FY16 lfl revenue growth guidance is upped to +3%/+5% from more than +2%. We expect the share price to react positively short term.

Hugo Boss (NEUTRAL, Fair Value EUR80)

***Q1 results below expectations but FY outlook confirmed***

Q1 sales of Hugo Boss fell shy of expectations (EUR643m vs. EUR651m), down 4% reported and 3% FX-neutral. All regions were in the negative territory, even Europe (-1%) given the lack of tourists in France and in the Benelux after the terror attacks. A significant operating deleverage combined with an increase in opex led to a 520bp-drop in the adj. EBITDA margin to 14.5% (CS: 15.2%e / BG: 14.9%e). Despite this difficult Q1, Hugo Boss confirms all FY16 targets. Conference call today at

2:00pm (CET).

*Soitec (NEUTRAL, Fair Value EUR0.5)*

***Soitec finalises the first capital increase***

*Ablynx (BUY-Top Picks, Fair Value EUR18 vs. EUR17)*

***Validation of the platform with positive results for ALX-0171!***

**04/05/16**

*Dialog Semiconductor (BUY, Fair Value EUR39)*

***Dialog lowers significantly its FY guidance and announces the launch of a share buyback***

This morning, Dialog Semiconductor announces a significant downward adjustment of its FY16 guidance. The group now expects to see a high single digit sales decline vs. a slight growth foreseen before (vs. current consensus expectation of 0.7% sales growth). In addition, the group reports Q1-16 results below consensus estimates. Q1 sales were down 39% sequentially at USD241m (down 23% yoy). Q1 Underlying EBIT came out at USD30m and EPS came out at USD0.28, i.e. 10% below consensus expectations EPS at USD0.31. For Q2, the company sees revenue in the range of USD240m to USD260m, which at the mid-point is 5% below the current Street expectation of USD264m and 2% below our estimate at USD254m. We are waiting for the conference call to be held today at 10:30am.

*Hugo Boss (NEUTRAL, Fair Value EUR77 vs. EUR80)*

***FY16 outlook requires a clear improvement in persistently challenging market conditions***

During the conference call yesterday, CFO Mark Langer updated us on the two main initiatives that are underway (i.e. category migration in the US and price adjustments in China) and which should pay off mainly in H2. This is why the groups expects more beneficial sales and earnings momentum over the second half of the year, especially since the group has identified additional cost savings of EUR50m. We remain a bit more cautious than the group’s targets after some minor adjustments (mostly FX). Neutral recommendation and FV nudged down to EUR77 vs. EUR80.

*Edp Renovaveis (NEUTRAL, Fair Value EUR7.5)*

***Q1-16 earnings supported by commissioning and assets management***

The Portuguese renewable energy producer group unveiled Q1 2016 results slightly above expectations with this morning, mainly supported by the commissioning of new power plants in US and Brazil and the assets management performance leading to high load factor. Power prices are to monitor in the US and Europe yet.

*Casino Guichard (BUY, Fair Value EUR57)*

***Exercise of the call option on the Monoprix Mandatory Bonds***

*Orpea (BUY, Fair Value EUR79)*

***Q1 2016 revenue (contact): higher than expected reported figures with strong lfl growth***

**05/05/16**

*Wirecard (BUY-Top Picks, Fair Value EUR52)*

***2020 financial targets are ambitious (above our expectations) but realistic***

During its Capital Market Day in London, Wirecard gave its 2020 financial targets that it qualified as “lower bounds”: revenues >EUR2.1bn, EBITDA margin of 30-35%, and FCF /EBITDA >65%. They are ambitious but realistic. Thanks to its positionning and model, Wirecard has generated organic sales growth of 20%+ in recent years, with a steady margin improvement (gross margin +530p and EBITDA margin +350bp over 2011-15). We expect the good business trend to continue, in particular with the rising momentum in ecommerce and mobile payments. Wirecard is a strong growth story and one of margin improvement. Note that if we put the upper end of Wirecard’s 2020 targets into our model, our EPS sequence would be increased by +6.7% on average over 2015/20e. We maintain our Buy rating and FV of EUR52 – the stock is on our Q2 Top Pick list.

*Gameloft (BUY, Fair Value EUR7.2)*

***The closing date for the offer is set for 27th May***

Gameloft's demand for a suspensive effect was rejected yesterday by the Court of Appeal of Paris. The closing date for the offer is now set to 27th May. This decision is not surprising in view of the commitments made by Vivendi. So, the last day for an increase in the offer price or a counter-offer is on 20th May. The Court of Appeal will later decide on the substance, i.e. if the offer is compliant or not (probably in June). We confirm our view that Gameloft's mid-term outlook deserves more than EUR7.2 per share and that Vivendi must be generous with Gameloft if it wants a friendly deal with Ubisoft. As a result, we cannot exclude a fresh increase in the offer price. We maintain our Buy rating and FV of EUR7.2 and estimate a fair offer in the range EUR7.6-8.6 (vs. EUR7.2 offered by Vivendi).

*Dialog Semiconductor (BUY, Fair Value EUR35 vs. EUR39)*

Recovery is delayed but is still on the table

Dialog is currently through a soft pocket and still lackuster smartphone market, especially in the Apple supply chain, are muting 2016 growth. However, we remain convinced that group's momentum will improve and we expect to see it from H2 with expected sequential increase of sales of more than 50% (even pointing to a small yoy increase of 4% for H2). Market share gain and new product will then help to take over from 2017 while higher volume and favorable mix should help to drive margin improvement from FY16 levels. We update our model and lower our FV from EUR39 to EUR35. However, given current valuation levels (2016e P/E ratio of 13.3x vs. peers at c. 18x) and our anticipation of an improving momentum, we keep our buy recommendation.

**05/15/16**

*Sage Group (SELL, Fair Value 550p)*

***H1 FY16 results slightly below our forecasts, FY16 oulook confirmed***

This morning Sage reported H1 FY16 results slightly below our estimates and the consensus, while the outlook for FY16 (at least 6% lfl revenue growth and organic operating margin of 27%) was reiterated. We expected an investment bias towards H1, but this appeared to be higher than we anticipated. The company is in line with its goal to generate GBP50m annualised costs savings. Following a 11% rise during the last 6 months, we expect the share price to react negatively short term.

*Soitec (NEUTRAL, Fair Value EUR0.5)*

***Soitec receives selling interests for on more than 55% of OCEANEs issued***

*Coface (NEUTRAL, Fair Value under review))*

***Difficult Q1. Waiting for the new strategic plan***

**06/05/16**

*Sage Group (SELL, Fair Value 555p vs. 550p)*

H1 FY16 analysts' meeting feedback: executing broadly on plan

We reiterate our Sell rating but raise our DCF-derived fair value to 555p from 550p as we up our adj. EPS ests. by 1%. Growth momentum is there, and cost savings should allow Sage to exceed an op. margin of 28.5% in H2 FY16. However, such a 2ppt margin increase is not extrapolable to FY17 as a part of the GBP50m cost savings will be reinvested in marketing. Despite yesterday's share price decline, Sage's demanding valuation multiples create no positive catalyst for the stock in our view

**09/05/16**

*Casino Guichard (BUY, Fair Value EUR57)*

***Interview with Jean-Charles Naouri (CEO) in Le Figaro (first take)***

Today, le Figaro published the first interview of Jean-Charles Naouri (CEO of Casino) since 2012 (the year when Casino took the full control of GPA).

*Melia Hotels (BUY-Top Picks, Fair Value EUR15)*

***Feedback call: Stronger top line, EBITDA slightly disappointing. RevPAR guidance upgraded.***

Top line was ahead expectation with total revenue up 8% at EUR399m (consensus at EUR389m) after

RevPAR up 10.7% (6.8% anticipated). Despite such revenue, EBITDA improved by only 5% at EUR65.5m (in line with consensus) impacted by the digital plan (not yet fully detailed) and the ramp-up on new openings under lease contracts. Outlook remains very positive especially in Spain and management now expect mid to high single digit RevPAR increase for the FY 2016, versus mid-single digit previously. Positive.

*Edp Renovaveis (NEUTRAL, Fair Value EUR7,5)*

***Toward a more US EDPR; still Neutral despite FV being up from EUR7.5 to EUR7.65***

We updated this morning our model with latest group's strategic targets unveiled during EDP/EDPR investor day organised by the group last Thursday. Through a more aggressive capex program than anticipated the group is further investing in North America (65% of its capex program) where it already generate 55% of its EBITDA while unveiled timid guidance for developing its footprint in Brazil and on solar market (10% of capex program each). Our FV is up from EUR7.5 to EUR7.65 which still implies limited upside compared with latest share price (11%). We appreciate the equity story yet see too limited upside, especially with such low visibility on future outcomes on U.S energy sector (U.S elections). We keep our Neutral rating.

*Cellectis (BUY, Fair Value EUR37)*

***Another baby in remission thanks to UCART19***

## Latest Recommendation Changes

**22/05/16**

*MONCLER : Good protection from chilly conditions*

## Latest Fair value changes

**22/04/16**

*BIOMERIEUX : Post-view Q1 results*

*ATOS : Q1 16 conference call feedback: the day that never comes is finally here*

**27/04/16**

*DELHAIZE : Q1 2016 (first take): strong commercial momentum / clarification needed on FCF*

*SUEZ : Q1 metrics: flat LfL EBIT growth, as expected. 2016 guidance confirmed despite poor year start*

**28/04/16**

*GALAPAGOS : EUR1bn cash as of Q1 and renegotiation of the Cystic Fibrosis deal as a cherry on the cake*

**29/04/16**

*ALTEN : Q1 16 sales above expectations, but AÜG in Germany tempers optimism*

**02/05/16**

*MONCLER : Good protection from chilly conditions* (coverage initiated)

*GEMALTO : Following Q1 sales' conf. call, we have cut our FY16-18e EPS sequence and FV*

**03/05/16**

*ABLYNX : Validation of the platform with positive results for ALX-0171!*

*SOPRA STERIA GROUP : Q1 16 sales above expectations, FY16 guidance revised upwards*

*REMY COINTREAU : The glass is filling up (full report published today)*

*HUGO BOSS : FY16 outlook requires a clear improvement in persistently challenging market conditions*

**04/05/16**

*DIALOG SEMICONDUCTOR : Recovery is delayed but is still on the table*

*COFACE : Difficult Q1. Waiting for the new strategic plan*

**06/05/16**

*SAGE GROUP : H1 FY16 analysts' meeting feedback: executing broadly on plan*

## Dividends

**Dividends Calendar**

| | | |
|---|---|---|
| **27/04/16** | | |
| | ACCOR | 0.5€ + 0.5€ |
| **28/04/16** | | |
| | SCOR | 1.5€ |
| | UNIBREW | 7.2DKK |
| **29/04/16** | | |
| | ADECCO | 0.9CHF |
| **03/05/16** | | |
| | GRANDVISION | 0.14€ |
| **04/05/16** | | |
| | SWORD | 1.2€ |
| **05/05/16** | | |
| | PUMA | 0.5€ |
| **06/05/16** | | |
| | INGENICO | 1.3€ |

## Indices analysis

**MID & SMALL indices - daily variations :**

| | FRANCE CAC MID & SMALL | STOXX EUROPE TM MID |
|---|---|---|
| 22/04/16 | 0.02% | -0.10% |
| 25/04/16 | -0.09% | -0.26% |
| 26/04/16 | 0.01% | 0.25% |
| 27/04/16 | 0.54% | 0.46% |
| 28/04/16 | 0.24% | 0.49% |
| 29/04/16 | -0.52% | -1.50% |
| 02/05/16 | 0.21% | -0.13% |
| 03/05/16 | -0.89% | -1.46% |
| 04/05/16 | -0.62% | -0.76% |
| 05/05/16 | 0.41% | 0.33% |
| 06/05/16 | -0.49% | -0.38% |