INDEPENDENT RESEARCH

Business services

Worth being selective

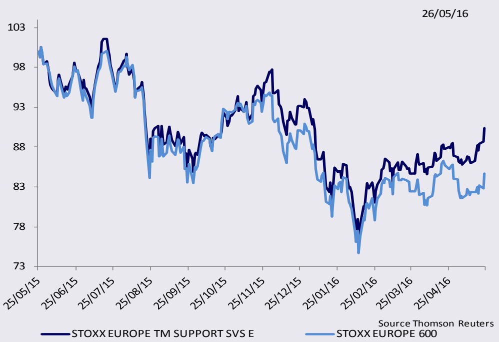
27th May 2016

Business services

BUREAU VERITAS		NEUTRAL	FV EUR22
Bloomberg	BVI FP	Reuters	BVI.PA
Price	EUR19.165	High/Low	21.795/16.075
Market cap.	EUR8,471m	Enterprise Val	EUR10,256m
PE (2016e)	18.7x	EV/EBIT (2016e)	13.0x

SGS SA		BUY	FV CHF2400 2150
Bloomberg	SGS VX	Reuters	SGS.VX
Price	CHF2136	High/Low	2178/1626
Market Cap.	CHF16,708m	Enterprise Val	CHF17,219m
PE (2016e)	24.0x	EV/EBIT (2016e)	17.5x

EUROFINS		SELL coverage Initiated	FV EUR340
Bloomberg	ERF FP	Reuters	EUFI.PA
Price	EUR345.6499	High/Low	359.8/253
Market Cap.	EUR5,317m	Enterprise Val	EUR6,543m
PE (2016e)	28.1x	EV/EBIT (2016e)	20.2x



Although the TIC market's medium/long-term outlook remains very positive, the short-term is a bit more challenging since no longer underpinned by the super cycle in commodities. Between the two main leaders, we confirm our hierarchy anticipating short-term outperformance from SGS (Buy) with a FV upgraded to CHF2,400 vs. Bureau Veritas (Neutral). Regarding Eurofins, the valuation reflects the strong operating performance and ambitious management but leaves no room for disappointment. At the current share price (not far from all-time high) we recommend taking profits and are initiating coverage with a Sell recommendation based on a FV of EUR340.

- **The fundamentals remain positive.** The huge TIC market is estimated at EUR200bn, o/w EUR80bn is addressable. As estimated by MarketsandMarkets, the outsourced market should grow by a 5% CAGR over 2015-2020 supported by structural drivers i.e. globalization which requires standards, scandals in sanitary and outsourcing potential notably in Greater China. Market consolidation is continuing with significant M&A activity by the leading companies.

- **Short-term more challenging for the two leaders ….** Mainly due to the weakness of commodity-related activities and no new short-term growth drivers to bridge the situation, growth is currently under pressure. This is the case for the two leaders with nevertheless a much better operating performance at **SGS** (lfl growth at least 2.5% in H1e) compared to **Bureau Veritas** (-0.6% in Q1).
- **…while Eurofins continues to report strong performance.** With no presence in commodities, Eurofins is the only one of the four major quoted companies which hasn't been impacted. In fact, Q1 revenue was up over 10% after a strong Q4 and Q3 2015 and we are anticipating 8% in 2016.
- **Valuation historically high.** All the companies are trading at high multiples based on strong long-term organic growth, positive M&A impacts and margin resilience (17.5x 2016e EV/EBIT for SGS, 13x for BVI and 20.2x for Eurofins). Taking into account each operator's short term challenges and perspectives, we confirm our Buy recommendation on **SGS** with a FV upgraded to CHF2,400 and our Neutral on **BVI** with EUR22. We initiate **Eurofins** at Sell with a FV of EUR340 due to the high valuation (justified) which leaves no room for disappointment concerning lfls and the EBITDA margin improvement; and a potential capital increase that cannot be ruled out.

Analyst:
Bruno de La Rochebrochard
33(0) 1 56 68 75 88
bdelarochebrochard@bryangarnier.com

Research assistant
Clément Genelot

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1. A sector meeting a wide range of needs…

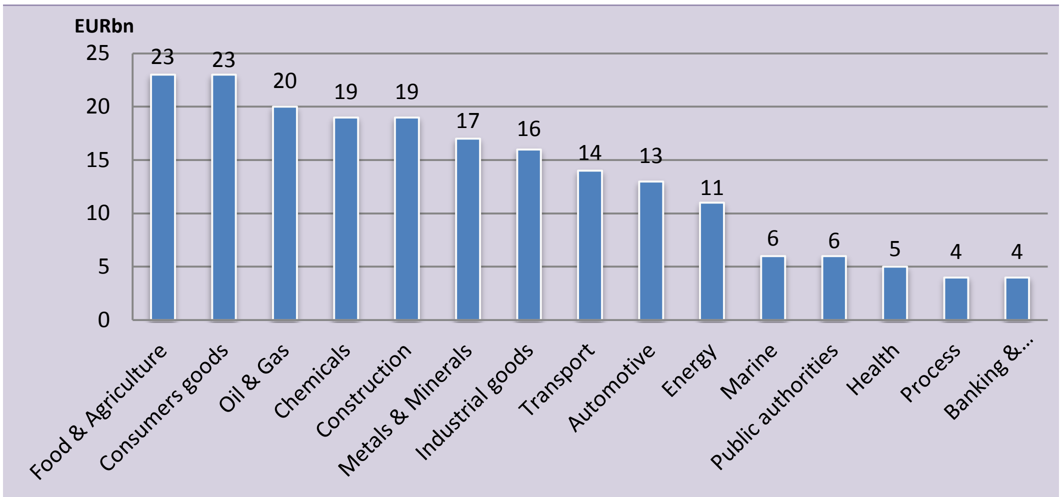
The **TIC** market (Test, Inspection, Certification), houses **a vast range of services in conformity assessment and certification in the areas of quality, health, safety, environment and social responsibility.**

These assessment and certification services concern **products** (mass retailing, food, electrical and electronics products, health, commodities-oil, petrochemicals, minerals, metals and farm commodities), **assets** (ships, buildings and infrastructure, power plants, refineries, pipelines) and **systems** (management QHSE - quality, health, safety, environment, supply management). TIC providers in the sector, considering their wide range of services, have the ability to meet clients' needs in testing, inspection and certification in **all industrial businesses and services sectors**.

A potential market estimated at EUR200bn, of which EUR80bn are addressable, spread over a wide range of services.

The market size estimate was recently widened by the second largest TIC company, **Bureau Veritas,** which raised the **TIC market size from EUR120bn to EUR200bn in 2015**, taking into account **outsourced and insourced markets**. With **40% of outsourcing**, the accessible market would be valued at **EUR80bn**. The French group justifies its sizing methodology, on one hand, by the structural increase for end-users' expenses concerning capex and opex linked to growth in trade volume, and, on the other, by the fact that safety requirements are growing in complexity as fast as testing, inspection and certification's. Furthermore, **Bureau Veritas** includes **China** in its estimates. **MarketsandMarkets stated the outsourced market should grow by a 5% CAGR over the 2015-2020 period**. The TIC market can be split into fifteen business sectors as follows:

Fig. 1: Global TIC market in 2015 by segment



Source: Bureau Veritas; Bryan, Garnier & Co ests .

As illustrated, TIC activities are concentrated in main economically-developed areas such as **Europe, which centralises EUR40bn** of the global sector, then comes the **USA with EUR34bn.** In the emerging world, **China** also constitutes a great **opportunity with EUR59bn** according to Bureau Veritas. Note that these numbers include both outsourced and in-house activities.

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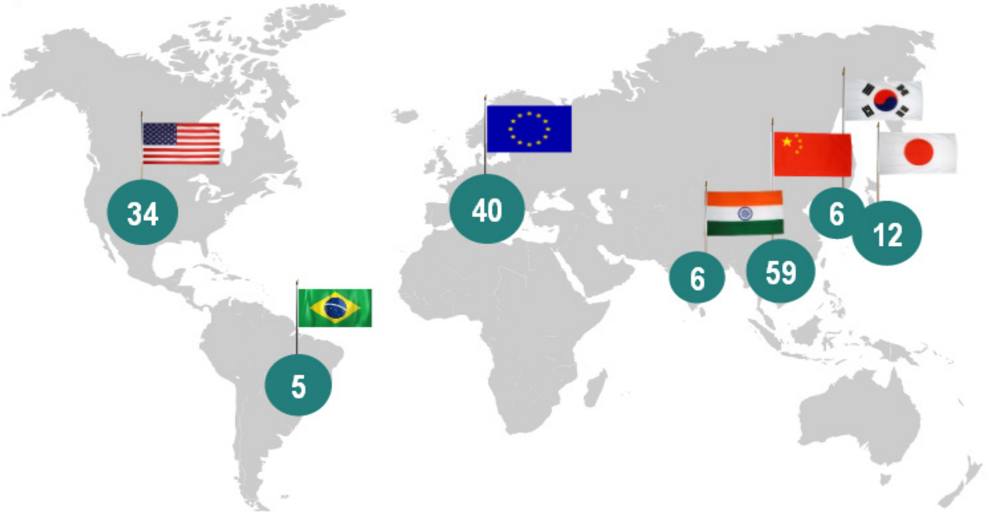
A market particularly concentrated around three regions.

Fig. 2: TIC market by geographic areas



Source: IHS; Bureau Veritas.

2. … Supported by structural drivers

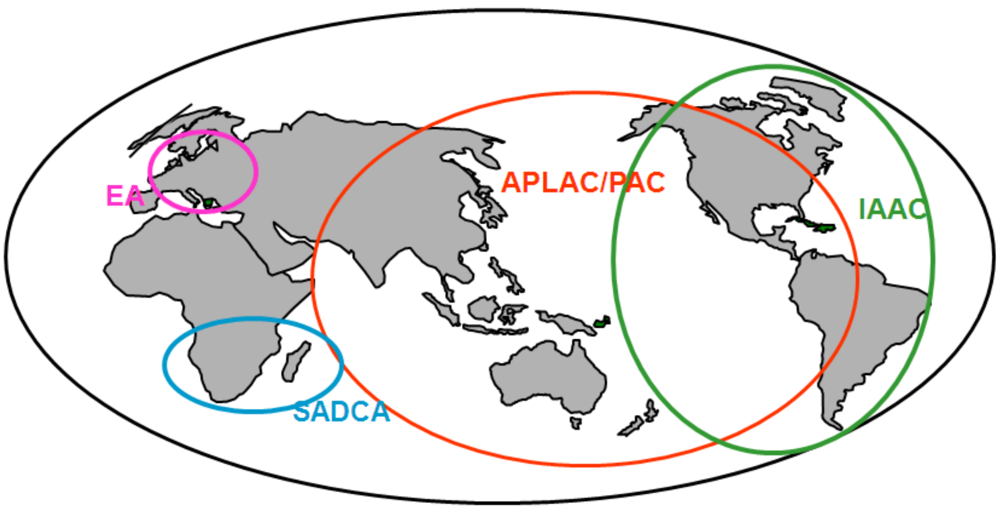
2.1. A globalisation which needs standards

The TIC market should benefit from increased regulations in addition to the setting up of **new standards**. This trend is born out by ever more present **globalisation** within economies, which leads to an **increase in international commercial flows**. According to WTO (Word Trade Organization), trade in global merchandise and services grew by 7% CAGR during the last 30 years, with a peak at USD22,000bn in 2011, after which the growth slowed down to 1.2% CAGR. It is important to realise that TIC activities are **closely linked to inspected merchandise volumes**. In more detail, Europe and the United States are very strongly regulated areas where a change in trend is inconceivable. As for Eastern European countries within the European Union, they are currently in the process of catching up with their co-state members on the Western side. Finally, **Asia,** which has been specialising in exports, has committed itself to increasing its regulations and standards.

Testing, inspection and certification providers regulated by national accreditors which attest their competency.

In a world composed of several countries which have their own standards born out of their history, and their own practices answering local consumers' requests, it soon became necessary to establish international standards in order to help exporting companies by guaranteeing quality, security and reliability of their products and services. **National institutions** are designated to **accredit just** who can certificate companies' products, processes or services; this fourth stakeholder in the TIC sector comes in addition to companies asking to be certificated, independent certifiers, and end-users. This **last level of control guarantees TIC companies' expertise and fairness** but a company doesn't need to be accredited by every institution where it is present thanks to **mutual recognition agreements**. Such international recognitions exist inside regional areas such as the European Union, the Americas, the South African continent, Asia and Oceania. Global recognitions also appeared with the ILAC (International Laboratory Accreditation Cooperation) association for standardisation, testing and inspection activities and IAF (International Association of Facilitators) for certification professions.

Fig. 3: International cooperation on accreditation



Source: COFRAC.

2.2. Scandals multiply

Besides, this structural trend in increased regulation is exacerbated by a context sprinkled with, for example, scandals in **sanitary areas** in food with Mars recently, the environment with Volkswagen or in medicine with the PIP prosthesis which have all implanted mistrust in consumers' minds. Yet, **consumers historically represent the greater source of requests** concerning security of reliability. Recent scandals emphasise how complex the distribution channels in the food industry are in a globalised world for instance, or the certification process imposed by authorities on industrials on other matters, and these are all points that consumers never imagined before. Whereas governments try to meet their peoples' demands, companies already and are still reinforcing their **internal quality requirements** and those regarding their **suppliers**. The companies' aim is to **control non-conformity costs and also their reputation**.

2.3. Outsourcing potential

At the same time, outsourcing is becoming a major driver in a market where testing, inspection and certification had been **historically insourced** by the companies themselves. Today, the outsourced market share is estimated to be approximately **40%** according to the leaders in the sector. This directional change by companies, now TIC providers' clients, is **due to the multiplication and complexity of tests**, with such a range engaging heavy costs internally, especially for players which haven't reached critical mass. As a result, this outsourcing represents a real driver for testing, inspection and certification specialists, among them **SGS**, **Bureau Veritas**, **Intertek** and **Eurofins**. It allows these specialists to hope for a far vaster potential market assuming total outsourcing.

2.4. Emerging countries as a growth driver

Apart from a potential increase of market shares in occidental companies following the outsourcing trend, TIC providers can also count on emerging markets in order to diversify their geographical exposure and benefit from economic growth in these regions. Despite the current economic slowdown, or recession for the worst cases, in some emerging countries, these economies are characterised by faster structural growth than developed countries. Knowing that emerging regions are the world's "factories", these countries concentrate production sites and therefore products that are destined for export. Yet, occidental companies have launched a campaign of quality control throughout the production chain; in other words the quality control inside their suppliers' factories in emerging countries. Among these emerging markets, China is estimated to be worth **EUR59bn** by **Bureau Veritas**, **EUR6bn** for India and **EUR5bn** for Brazil.

Some highlights on Greater China

In this context, China appears to be the country with the highest potential according to the size of its population and its well-developed economy. Moreover, Bureau Veritas' estimates for the Chinese market makes China the largest global TIC market and, like other occidental markets, the outsourced part is in the minority.

Chinese potential outsourced market estimated at EUR21bn in 2020.

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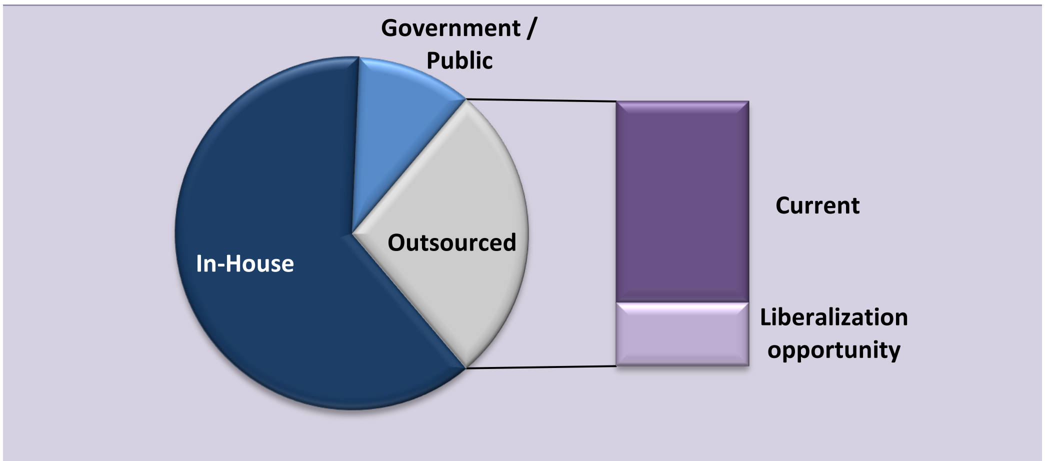
Fig. 4: A EUR21bn Chinese TIC outsourced market in 2020



Source: Bureau Veritas.

High potential due to regulatory reinforcement, the emergence of a middle class and liberalisation in domestic activities.

This high future market value should be supported by **increased regulations** born out of the **exponential growth of e-commerce and digitalisation** which are young sectors that need to be supervised. Furthermore, Chinese regulations will follow European and North American strengthening trends as they represent the first clients and importers impose their standards and regulations on Chinese suppliers. But it is necessary to keep in mind that China is currently transforming its economy by passing from a production structure to a consumption structure. Exports will consequently decline in favour of domestic consumption. Following this transformation, the **middle class is expected to grow fast and reach 100m households in 2020**. That is why the **Chinese domestic market is primordial** for TIC providers.

The problem, for the moment, is the **protectionism** in the Chinese domestic TIC sector. Much of the domestic market is covered by **national state-owned companies**, leaving little space for domestic independents and international independents. This assessment is again more relevant for ingestible products: drugs, food, feed and water. For instance, the testing specialist **Eurofins Scientific** generates 90% of its revenues in China through its Western clients whose subsidiaries are settled in China, proving Chinese clients are still faithful to their local TIC providers and forced to be. However, liberalization is on track and it should open an additional **EUR5bn accessible market by 2020 for the whole TIC sector**, as shown in the graph above.

2.5. The commodities shadow over TIC companies…

The TIC world historically benefited from the **commodities' hyper cycle**, indeed this sector's performance encouraged companies to focus on oil & gas and minerals segments, especially for the three majors. **SGS** appears to be the most exposed with 31% of its activities generated in the commodities segment in 2015.

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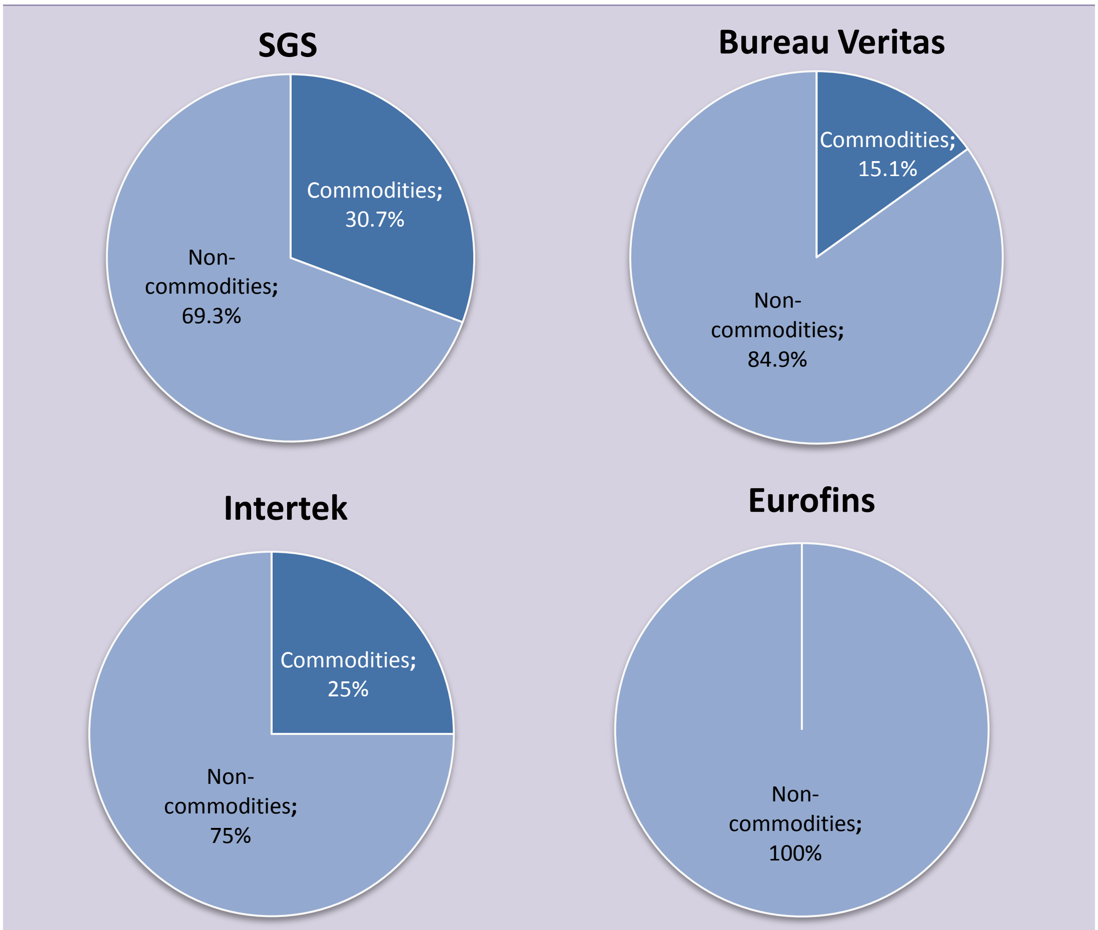
Fig. 5: Major quoted TIC players' exposure to commodities in 2015

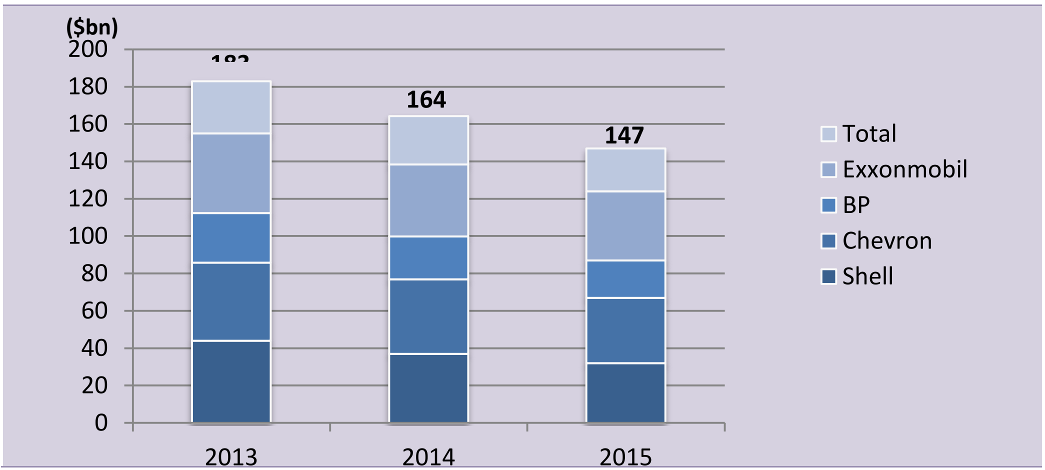


Source: Companies data; Bryan, Garnier & Co ests.

Heavy capex cuts pressuring TIC companies, especially the three leaders.

The fall in oil prices, starting in summer 2014, hit rock bottom at USD27-28/barrel and forced oil companies to **rationalise investments** and especially in exploration. As a result, major oil companies' capex has slumped over recent years with capex cuts of around 10%/year. Yet, capex represents a **great source of business for TIC** in commodities.

Fig. 6: Cumulative capex from leading oil & gas companies



Source: Companies data; Bryan, Garnier & Co ests.

As a consequence to this **dependence on commodity companies' capex**, the commodity activities **negatively impacted** testing, inspection and certification.

An exposure which benefited the leaders during the commodities' hyper-cycle but which is now affecting their business.

For the three main leaders, some highlights regarding **their exposure to commodities.**

For SGS, in fact taking into account Oil & Gas and Minerals, this is slightly over 30% of consolidated revenue in commodities and it is the most exposed leader. However, regarding commodities, it is mainly upstream activities that are suffering from lower client capex, i.e. around 40% of consolidated revenue in commodities. On the other hand, SGS's Industry segment (15% of consolidated revenue) is largely linked to Oil & Gas to the tune of 40%. **In summary, this is overall over 10% of consolidated revenue which is under pressure due to the reduced capex of clients in commodities.**

Commodities for **Bureau Veritas** include Oil & Petrochemicals, Metal & Minerals, Coal and Agriculture. Like for SGS, the Industry segment (22% of consolidated revenue) is also largely dependent on the Oil & Gas industry, and all in all this is c.8% of consolidated revenue linked to the reduced capex of clients in commodities.

Fig. 7: SGS's organic growth breakdown

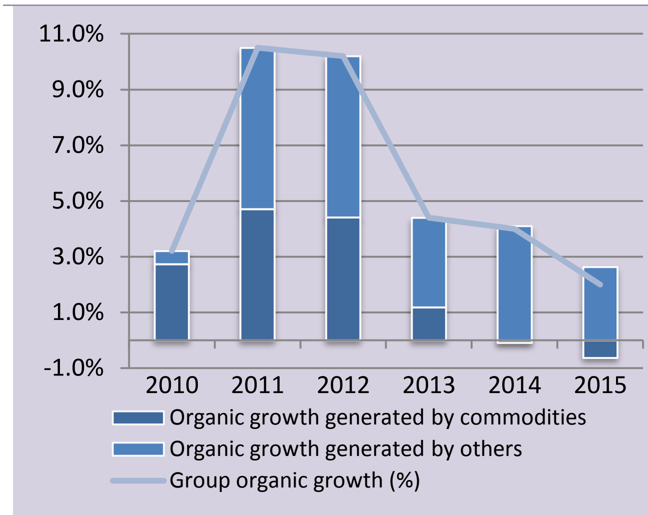


Fig. 8: Bureau Veritas's organic growth breakdown

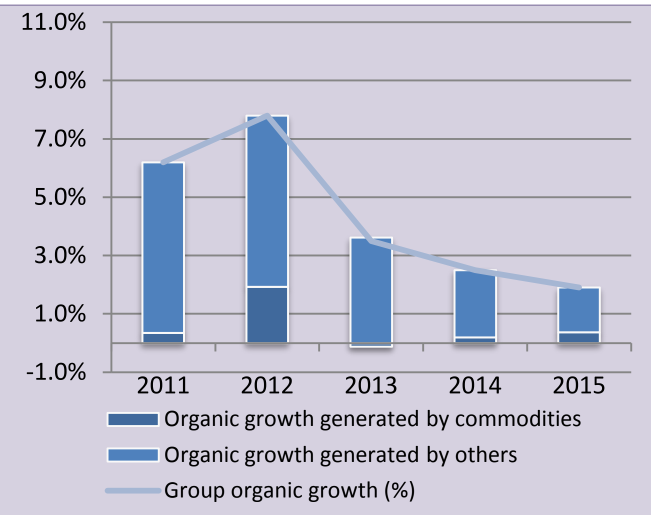


Fig. 9: Intertek's organic growth breakdown

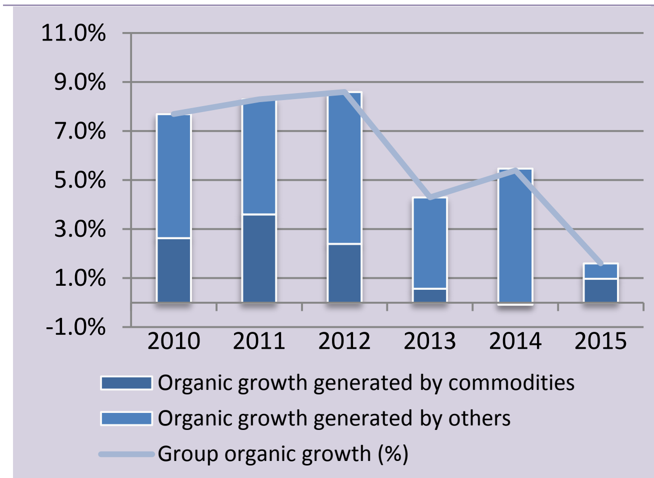
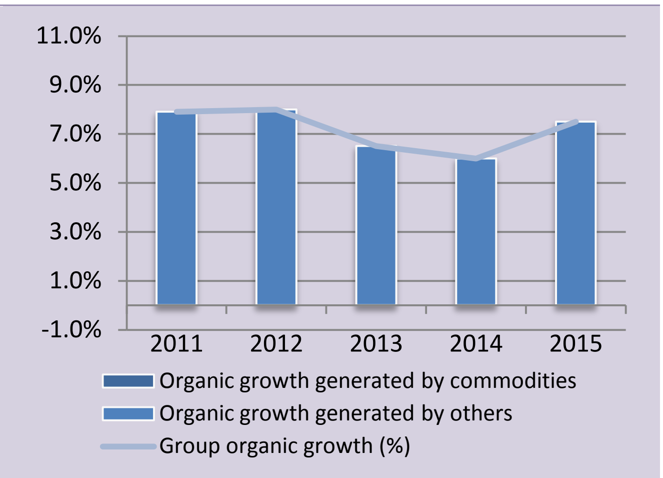


Fig. 10: Eurofins' organic growth breakdown



Source: Companies Data; Bryan, Garnier & Co ests.

Taking into account Commodities plus Industry & Assurance, which is about 75% of industry services mainly in Oil & Gas, o/w around 65% is linked to Oil & Gas clients' capex, **Intertek** is the TIC leader the most exposed to a capex slowdown in commodities representing over 15% of consolidated revenue.

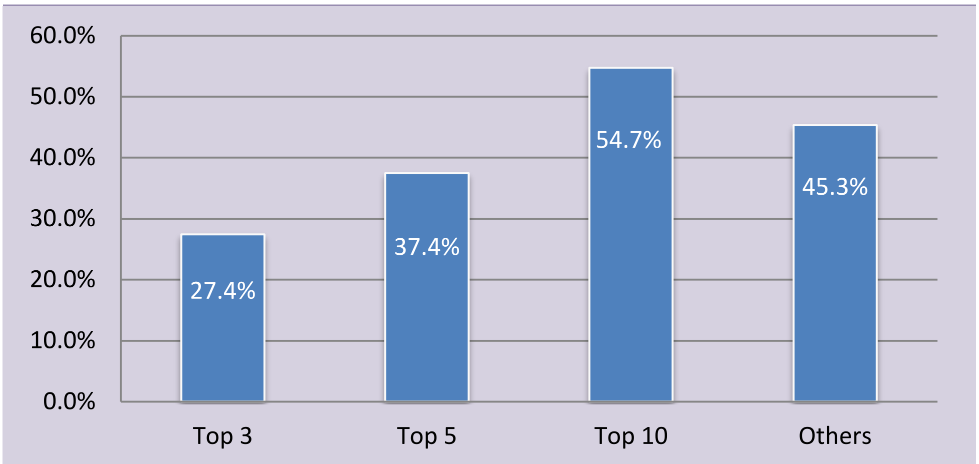
Eurofins is the only one amongst the four major quoted companies which hasn't been impacted by the end of the commodities hyper-cycle, due to its absence in this segment.

2.6. A continuing market consolidation

High concentration with the Top 3 concentrating more than 27% of market shares and the Top 10 c. 55%.

At first sight, the **competitive environment seems extremely concentrated** with, as illustrated below, **three main market leaders** which centralise more than **27%** of the whole outsourced activity. This ratio climbs to c.**55%** when taking into account the first ten companies, catching more business than the rest of the sector, which is composed of a crowd of little players specialised in niche markets. Such a concentration is due to **high-entry barriers** reated to **the need to be accredited by national accreditation organizations with a strong reputation and an international brand.** The **reliability** of the certification or inspection is closely linked to the TIC company's image which provides this certification.

Fig. 11: Market shares in outsourced TIC in 2015



Source: Companies data; MarketsandMarkets; Bryan, Garnier & Co ests.

With a Top 5 in which every member generates more than EUR2bn of revenues, other challengers present in the Top 10 are not far behind with sales between EUR1bn and EUR2bn. These **challengers are mostly specialised in other business segments or at least excluded from the leaders' priorities**. Indeed, the Top 3 is particularly active in industries, commodities, construction and, more recently and increasingly food. This prioritisation has allowed challengers such as **Eurofins** to emerge in some areas, e.g. environmental or bioanalysis (see Appendix).

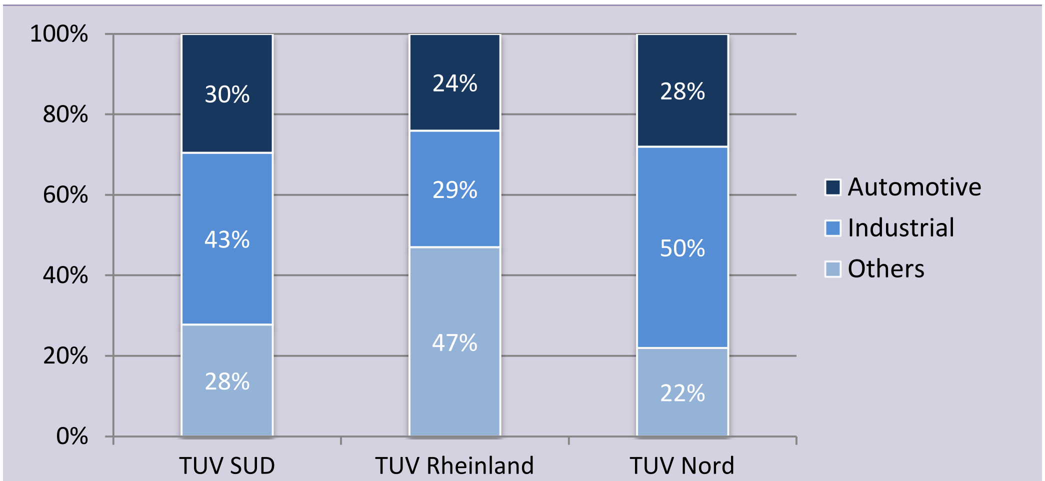
2.7. The atypical case of German foundations

Created during the industrial revolution of the XIXth century to help the emerging big German industrials, a multitude of associations progressively merged to form only **three companies nowadays: TÜV SÜD, TÜV NORD and TÜV Rheinland.** Their **legal structure is uncommon** in the TIC sector and especially their size. Indeed, being associations or foundations, these German firms have **no financial performance requirements** from their shareholders and **no dividend** is paid out. Besides, the shareholders often give their powers to an independent committee. Benefiting from this structure, the TÜVs proclaim their independence and impartiality. It allows them to be less pressurised by financial performance. As a matter of fact, their personnel policy is more generous and their profitability is lower than classic TIC providers. The possible downside is that these foundations can only count on the cash they generate and banking credit as sources of liquidity, contrary to common listed companies which have access to the financial markets.

German foundations are serious competitors for classic TIC providers due to their global presence and ranking among the world's biggest players.

These players represent **serious competitors** to classic TIC providers by their global size and ranking, as a reminder in the previous figure we can see that the three German TÜVs are among the first 15 companies in the world regarding revenues. Even if the TÜVs are involved in several countries, 50 countries in the case of **TÜV SUD**, they demonstrate a **strong geographical exposure** to one country, Germany, with sometimes more than 50% of their revenues generated in this first European economy. This exposure results from the historic role of these German certificators, which is why TÜVs are also **concentrated in the industrial and automotive/mobility** businesses.

Fig. 12: German TÜVs' revenue split in 2014



Source: Companies data; Bryan, Garnier & Co ests.

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The target is set on data security and internationalisation through the Asian market.

However, reactivity is one the TÜVs greatest qualities. Considering their geographical and business dependence, these foundations have recently put their **target on data security**, and geographically their strategy is now focused on **internationalisation and especially the Asian market**. As an example, **TÜV SUD** reported a EUR16m capex investment in China in 2015 out of a total EUR80m capex, i.e. more than 20%.

German foundations are not very active in the market consolidation as **M&A is not a real driver for their growth**. Whereas **TÜV SUD** generated 7.8% revenue growth in 2015, organic growth was stated at 4.1%, and external growth was flat considering the 3.6% positive currency effect. In 2015, for TÜV SUD, external growth only generated 0.1% vs 4.1% organic growth. This poor external growth contribution can be explained through the small number of acquisitions and the corresponding cumulated revenue amount. In 2015, only five acquisitions were made representing less than EUR30m. In 2014, this amount reached only EUR14m with five M&A operations. Nevertheless, the first German TÜV now intends to enhance its growth strategy through M&A, following the business model set up by classic TIC providers.

Fig. 13: TÜV SÜD's growth split

	2012	2013	2014	2015
Group's growth	**8.5%**	**6.5%**	**6.3%**	**7.8%**
Scope effect	0.9%	2,0%	-0.2%	0.1%
Organic growth	5.8%	6.3%	6.9%	4.1%
Currency effect	1.8%	-1.8%	-0.4%	3.6%

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

The incursion into emerging countries in the coming years, resulting from TÜVs' strategy and existing investment in these countries, will intensify competition within the sector. Their different structure to classical TIC providers could also allow German foundations to lower prices and reduce margins in these markets. For the biggest foundation, **TÜV SUD**, external growth also represents a potential leverage for revenue growth, increasing M&A in the TIC sector.

2.8. M&A as an essential ingredient in growth

In a market where new technological developments and range of services are widening, external growth consequently is of key importance. This **correlation between the enlargement of the product portfolio and external growth** is due to the nature of the market itself. The competitive environment can be divided into two categories with, on one hand, a minority of international leaders and, on the other, many small players specialised in niche markets. These smaller companies thus possess the concept and skill but not always the structure and the necessary network to develop their innovations on a larger scale. Besides, the sector has an established notoriety in selling its services. Leaders are therefore constantly **looking for these technologies and newly-developed techniques by small laboratories in order to widen their portfolio**.

Acquisitions as a way to gain access to new technology accreditions, expand assays and client portfolios, and geographic presence.

Taking into account the **high retention rate** in the TIC market, due to the heavy regulation processes if a company switches its certificator and the small proportion of testing, inspection and certification costs in a group's cost structure, it is not easy to gain market shares from competitors. Excluding the opening of new markets and increasing outsourcing, the only way to gain market share is to acquire companies that have already built a client portfolio.

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This trend has been **continuing since 2004**, the date from which acquisition numbers haven't ceased to accelerate for the majors. Over the 2004-2015 period, we count between 90 and 130 acquisitions for each of the four major quoted companies cited: **SGS**, **Bureau Veritas**, **Intertek** and **Eurofins**. These investments hit as high as EUR2.58bn for **Bureau Veritas**, one of the biggest consolidators in the sector.

Fig. 14: Major quoted TICs' in M&A activity

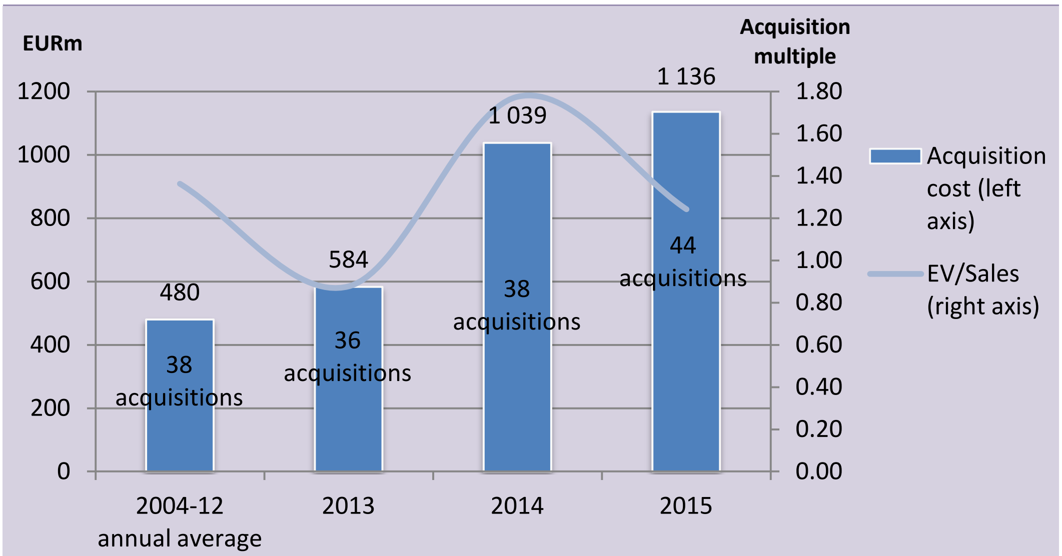
2004-2015 (EURm)	Number of acquisitions	Acquisition cost	Revenues related	EV/Sales
SGS	121	1,256	746	1.68
Bureau Veritas	121	2,577	1,979	1.30
Intertek	93	1,696	1,204	1.41
Eurofins	129	1,551	1,406	1.10
Four quoted leaders	464	7,080	5,335	1.33

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

The typical target is a small firm generating between EUR5m and EUR50m with a specialisation in: energy, cleantech, medical, food or commodities.

In this consolidation environment, the **typical target is a small firm** generating revenues between **EUR5m and EUR50m**, specialised in business lines such as: energy, cleantech, medical, food and commodities. Companies having developed skills along the whole value chain of a product or of a business line are very attractive too. We notice that the EUR5-10m stage in sales is a fundamental position because it proves the company has reached a critical mass in its niche market and above all that its expertise meets a real demand. According to Mergers Alliance, **transaction multiples reach 8x EBIT for small companies and 10 to 12x EBIT for mid-sized players**. Despite the strong activity in M&A, targets' rarefaction is not to expect regarding the whole sector due to the crowd of small laboratories and an increase in acquisition prices is unlikely on small sized acquisitions. However, prices measured by the EV/sales ratio have been fluctuating considerably between the range 0.88x and 1.79x since 2004, reaching 1.24x on average in 2015.

Fig. 15: Major quoted TICs' acquisition expenses and EV/Sales



Source: Companies data; Bryan, Garnier & Co ests.

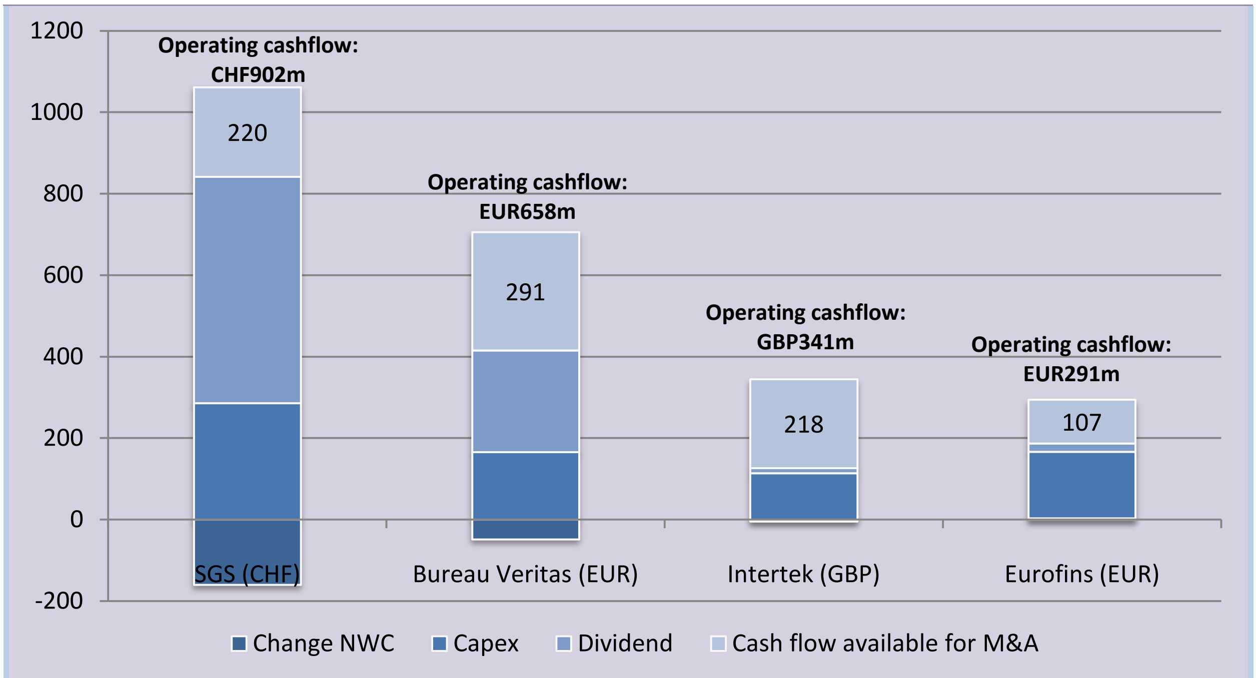
Fig. 16: Major quoted TICs' structure and valuation

(EURm)	EBITDA margin 2015	Net debt/EBITDA 2015	EV/Sales 2016e	EV/EBITDA 2016e
SGS	16.1%	0.42	2.63	12.06
Bureau Veritas	16.7%	2.39	2.29	10.85
Intertek	-16.6%	1.70	2.30	11.80
Eurofins	18.5%	2.54	2.48	13.60

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

These multiples, i.e. 1.33x EV/sales on average over the 2004-2015 period, which concern small targets, are mainly due to the TIC sector itself. It is indeed a wide sector with addressable clients in almost every market. TIC providers have also developed a strong flexibility in slow periods by modifying their cost structures, and still generating strong margins and cash, therefore explaining the high valuation of the entire sector. But even if acquisition prices appear to be expensive, the deals remain accretive for the leaders which are valued with even higher multiples, i.e. over 2.30x for 2016e.

Fig. 17: Major quoted TICs' available cash for M&A, excluding financing activities



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

To conclude

TIC market's medium/long-term outlook remains very positive with strong structural drivers i.e. globalization which needs standards, scandals in sanitary, outsourcing potential notably in greater China and continuing market consolidation under main leaders' activity in M&A. Nevertheless, short term is becoming more challenging for the three main leaders with the weakness of activities linked to commodities. Challengers, generating between EUR1bn and EUR2bn revenues in very specialized segments which are not related to commodities, are benefiting from this environment change and release strong growth, i.e. Eurofins for instance.

Eurofins Scientific (SELL coverage initiated, FV EUR340

Simply too expensive

In the TIC sector, Eurofins focuses on testing with no inspection or certification activity unlike the other companies we follow. As the worldwide no.6 in terms of revenue, the group has a strong presence in food testing and now also in pharma and clinical diagnostics but no presence in commodities. The growth strategy is the same as the other players, split between organic growth and M&A, in which the group is particularly active. The current valuation with high multiples, reflecting a strong market track record and ambitious management, leaves no room for disappointment (lfl growth, M&A strategy in view of the group's financial constraints, EBITDA margin improvement)

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SGS SA (BUY, CHF2400)

SGS ! quality certified

The strong re-rating, especially after the FY results publication in mid-January, confirms the group's cost flexibility in an environment lacking visibility (stock price up c.9% ytd in absolute terms, outperforming the DJ Stoxx in Euro by 17.5%). Although the "old" main growth sectors, i.e. Oil, Gas and chemicals, Minerals and Industrial services are not delivering at the moment, we nevertheless understand after our contact with the company that current trading is much better than for Bureau Veritas in all segments. Taking into account this situation, lfl revenue growth in H1 should be in line with the FY 2016 guidance (between 2.5% and 3.5%) and the top of the range seems now reachable for the full year. We upgrade our lfl revenue growth, maintaining a flat adjusted operating margin vs. last year at 16.1%. Our FV moves to CHF2,400 from CHF2,150.

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Bureau Veritas (NEUTRAL, FV EUR22)

Why test the risk now?

The TIC market's medium/long-term outlook remains very positive even if market growth is less sustained by trade globalisation, which has matured, or the super cycle in commodities. Moreover, Bureau Veritas is engaging in growth initiatives which should bring in at least 4% organic growth CAGR in the next five years even if we assume no market growth. Nevertheless, the short term is under pressure with a lack of visibility in some businesses and organic growth turning negative in Q1 2016 as expected but at a higher pace. Due to this situation with no improvement expected in Q2 and the lack of visibility due to macro-economic uncertainties, the share price should continue to be volatile.

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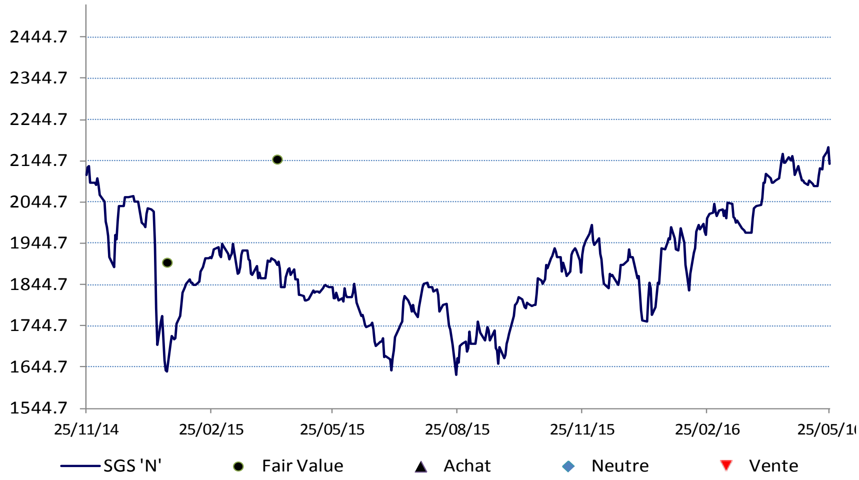
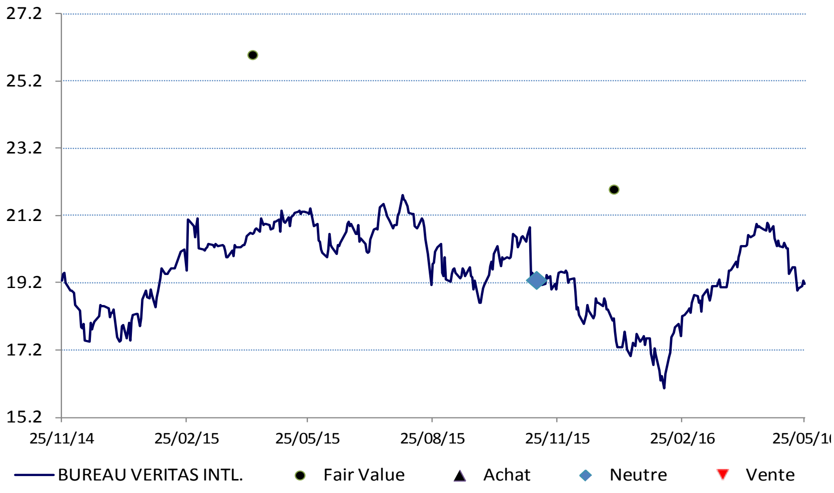
Price Chart and Rating History
SGS SA



Ratings		
Date	**Ratings**	**Price**
27/06/13	BUY	CHF2033

Target Price	
Date	**Target price**
14/04/15	CHF2150
23/01/15	CHF1900
21/01/15	Under review
09/01/14	CHF2350
16/12/13	CHF2300
27/06/13	CHF2400

Bureau Veritas



Ratings

Date	Ratings	Price
09/11/15	NEUTRAL	EUR19.49
11/12/12	BUY	EUR21.65

Target Price

Date	Target price
05/01/16	EUR22
14/04/15	EUR26
28/08/14	EUR24
18/06/14	EUR26
21/05/14	EUR27
09/01/14	EUR28
30/09/13	EUR27
29/08/13	EUR29
25/03/13	EUR31
15/01/13	EUR25
11/12/12	EUR23.75

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Bryan Garnier stock rating system

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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 56.3% NEUTRAL ratings 34.5% SELL ratings 9.2%

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London
Beaufort House
15 St. Botolph Street
London EC3A 7BB
Tel: +44 (0) 207 332 2500
Fax: +44 (0) 207 332 2559
Authorised and regulated by the
Financial Conduct Authority (FCA)

Paris
26 Avenue des Champs Elysées
75008 Paris
Tel: +33 (0) 1 56 68 75 00
Fax: +33 (0) 1 56 68 75 01
Regulated by the
Financial Conduct Authority (FCA) and the
Autorité de Contrôle prudential et de
resolution (ACPR)

New York
750 Lexington Avenue
New York, NY 10022
Tel: +1 (0) 212 337 7000
Fax: +1 (0) 212 337 7002
FINRA and SIPC member

Munich
Widenmayerstrasse 29
80538 Munich
Germany
+49 89 2422 62 11

New Delhi
The Imperial Hotel Janpath
New Delhi 110 001
Tel +91 11 4132 6062
+91 98 1111 5119
Fax +91 11 2621 9062

Geneva
rue de Grenus 7
CP 2113
Genève 1, CH 1211
Tel +4122 731 3263
Fax+4122731 3243
Regulated by the FINMA

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