

3rd June 2016

TMT

Dassault Systèmes

Price EUR70.90

Acquisition of Ortems in supply chain planning and scheduling

Fair Value EUR62 (-13%)

SELL

Bloomberg	DSY FP
Reuters	DAST.PA
12-month High / Low (EUR)	76.1 / 59.9
Market Cap (EUR)	18,219
Avg. 6m daily volume (000)	265.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.8%	0.9%	-6.8%	-3.9%
Softw.& Comp.				
SVS	4.2%	3.4%	-2.4%	-0.7%
DJ Stoxx 600	0.9%	1.0%	-10.4%	-5.9%

	2015	2016e	2017e	2018e
P/E	29.8x	25.9x	24.1x	21.7x
Div yield (%)	0.6%	0.7%	0.8%	0.9%

ANALYSIS

- **Yesterday Dassault Systèmes announced the acquisition of Ortems.** Founded in 1989 and based in Lyon (France) with subsidiaries in Germany and Spain, Ortems specialises in advanced supply chain planning and scheduling software. The company generated c. EUR5m revenues in 2015. More than 16,000 users in 60 countries use its solutions to schedule their daily production runs. Its Agile Manufacturing suite integrate with mainstream ERP, MES (manufacturing execution systems) and PLM software. Given its size, Ortems is unlikely to have a material impact to our forecasts.
- **Rationale of the deal.** Ortems will extend DS' 3DExperience platform and industry solution experiences for manufacturing, supply chain and delivery, by strengthening production planning and scheduling along with Delmia Quintiq, in order to plan, execute and optimise global industrial operations in manufacturing. Ortems complements DS' Delmia brand applications, including Apriso, which offers a unified experience in digital manufacturing, manufacturing operations management, and supply chain planning and operations, built on a single referential data model.

VALUATION

- Dassault Systèmes' shares are trading at est. 17.2x 2016 and 14.8x 2017 EV/EBIT multiples.
- Net cash position on 31st March 2016 was EUR2,590.2m (net gearing: -46%).

NEXT CATALYSTS

Capital Markets Day on 10th June. Q2 16 results on 21st July before markets open.

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