

30th June 2016

Business Services

**Edenred**

Price EUR17.59

**New issue of EUR250m: Debt refinancing in good condition**

**Fair Value EUR19 (+8%)**

**NEUTRAL**

Bloomberg	EDEN.FP
Reuters	EDEN.PA
12-month High / Low (EUR)	24.0 / 13.9
Market Cap (EURm)	4,110
Avg. 6m daily volume (000)	972.5

	1 M	3 M	6 M	31/12/15
Absolute perf.	5.9%	4.1%	-0.2%	0.8%
Travel&Leisure	-13.5%	-10.4%	-19.5%	-19.0%
DJ Stoxx 600	-6.6%	-3.1%	-11.7%	-10.8%

  

	2014	2015e	2016e	2017e
P/E	22.6x	22.4x	21.4x	18.4x
Div yield (%)	4.3%	4.3%	4.4%	5.2%

#### ANALYSIS

- The group has announced the success of a Schuldschein loan for a total amount of EUR250m largely oversubscribed (initial launch amount was EUR125m). This issue has an average maturity of 6.1 years with an average coupon of 1.2%.
- After the repurchase of part of its bond issue maturing in October 2017 in February 2015 (annual coupon of 3.625%) for a total amount of EUR290m, this is a new part refinancing before maturity of the remaining amount of EUR510m. In addition, the issue reduces Edenred's average cost of debt after hedging, which was 1.96% at the end of 2015 with better maturity. At the end of 2015, Edenred's gross debt was EUR1,622m with net debt of EUR637m and EUR700m of undrawn and confirmed credit lines.

#### VALUATION

- At the current share price, the stock is trading 12.9x EV/EBIT2016e and 10.9x 2017e which compares with CAGR EBIT 2015-2018 of 9.5%

#### NEXT CATALYSTS

- H1 results on 22nd July (before market)

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## Distribution of stock ratings

BUY ratings 56,8%

NEUTRAL ratings 33,8%

SELL ratings 9,5%

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