

21st June 2016

TMT

Gameloft

Price EUR8.03

Game, set and match

Fair Value EUR7.2 (-10%)

NO RATING

Bloomberg	GFT FP
Reuters	GLFT.PA
12-month High / Low (EUR)	8.2 / 3.2
Market Cap (EURm)	699
Avg. 6m daily volume (000)	261.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.5%	10.0%	34.1%	32.5%
Softw.& Comp.				
SVS	0.2%	-0.1%	-2.5%	-3.8%
DJ Stoxx 600	-0.1%	-1.2%	-6.5%	-7.7%

	2015	2016e	2017e	2018e
P/E	NS	37.0x	26.7x	18.6x
Div yield (%)	NM	NM	NM	NM

FACTS

- Vivendi yesterday announced that it now owns 95.94% of the capital and 95.77% of voting rights in Gameloft, following the closing of the hostile public tender offer. By reaching the 95% threshold, it should request a squeeze-out for the GFT shares soon (in the coming three months). Finally, at the Gameloft AGM on 29th June, Vivendi will propose a modification to the Board of Directors in order to reflect the new shareholding structure.

ANALYSIS

- This is more of a confirmation rather than real news. Indeed, after the Guillemot family decided to reluctantly sell its Gameloft stake (~22% of GFT share capital; it was strongly encouraged by its lawyers to do so in order to take no risks), we expected Fidelity to follow them (10% of the capital). On our calculations, Vivendi would have held a minimum of ~94%, meaning that the 95% threshold needed for a mandatory squeeze-out of the GFT shares would be easily reached in the very short term. This is now officially the case.

VALUATION

- Now, all eyes are on Ubisoft (Buy, Fair Value of EUR34: our valuation does not integrate any speculative premium) as this is the next natural step for Vivendi to create a real 5th pillar to its media group (Video Games). Indeed, in our view, Gameloft without Ubisoft would be nonsense.

NEXT CATALYSTS

- Gameloft's AGM: 29th June.

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