

INDEPENDENT RESEARCH
UPDATE

21 juillet 2016

TMT

Bloomberg	ARM.LN
Reuters	ARM.L
+Haut /+Bas 12 mois (p)	1 675 / 848,5
Capitalisation Boursière (MGBP)	23 404
Valeur d'Entreprise	22 420
Volume moyen 6 mois (000 actions)	4 680
Flottant	79,4%
TMVA BPA (3 ans)	17,9%
Gearing (12/15)	-36%
Rendement (12/16e)	0,68%

Fin Décembre	12/15	12/16e	12/17e	12/18e
C. d'affaires (MGBP)	968,30	1 179	1 385	1 541
EBITA GBpm)	499,8	590,9	717,3	810,6
Op.Margin (%)	51,6	50,1	51,8	52,6
BPA dilué (p)	30,20	35,94	43,94	49,54
EV/CA	23,50x	19,02x	15,89x	13,96x
EV/EBITDA	42,0x	34,7x	28,2x	24,4x
EV/EBITA	45,5x	37,9x	30,7x	26,5x
P/E	55,1x	46,3x	37,9x	33,6x
ROCE	34,9	40,8	49,6	55,7



ARM Holdings

SoftBank profite du Brexit pour s'offrir ARM

Fair Value 1410p vs. 1340p (cours 1 663p) Apporter à l'offre

Le 18 juin dernier, SoftBank lançait l'acquisition d'ARM pour 1,700p par action, une opération qui valorise ARM 24,3 Md GBP. Au travers de cette acquisition, le groupe japonais profite d'une valorisation rendue plus abordable suite à la baisse de la Livre Sterling par rapport au Yen mais il s'offre surtout une belle opportunité de capturer de la croissance rentable avec 1/ l'essor de l'internet des objets (IoT) et 2/ de la montée en puissance de l'architecture ARM dans les serveurs et les infrastructures. Au global, SoftBank est un acheteur sérieux qui dispose des moyens de s'offrir ARM en cash tout en offrant une belle prime aux actionnaires historiques (+43%), qui dispose d'un bel historique en matière d'acquisition et qui devrait maintenir le profil actuel du groupe. Nous mettons à jour notre modèle, notamment l'évolution des taux de changes, ainsi notre FV est rehaussée de 1 340p à 1 410p.

■ **SoftBank se donne les moyens de capturer l'opportunité de l'Internet des Objets.** Au cours du S1-16, l'évolution du cours d'ARM a été perturbée par la thématique des ralentissements sur le marché des smartphones. Pourtant, ARM continue de disposer de plusieurs atouts et notamment 1/ la montée en gamme des processeurs (32 bits vers 64 bits), 2/ la multiplication des cœurs, et 3/ l'adoption de la technologie graphique Mali d'ARM, lui permettant de faire croître ses revenus smartphones (>50% des Royalties) de plus de 9% par an en moyenne entre 2015 et 2018e. **A cela s'ajoute le relais de croissance IoT, équipements réseau et serveurs.** L'IoT reste un catalyseur difficile à matérialiser mais son effet positif s'est clairement vu dans les deux dernières publications, il en est de même pour les équipements réseau avec des prises de part de marché continue. Enfin, concernant les serveurs, le momentum s'améliore continuellement avec un écosystème qui se renforce notamment depuis l'arrivée de Qualcomm dans la liste des partenaires.

■ **Au global, SoftBank semble avoir un profil d'acquéreur idéal.** Côté investisseurs historiques d'ARM, l'offre représente un beau potentiel de hausse (+43% vs. le cours avant l'annonce) et est payée en cash. Côté ARM, SoftBank a déjà précisé qu'il ne changerait rien du fonctionnement actuel. Le designer de puces restera une entité indépendante, son siège social restera à Cambridge et l'équipe dirigeante devrait être conservée. Par ailleurs, SoftBank a également ajouté qu'il ferait tout pour donner les moyens à ARM pour accélérer, notamment des moyens humains avec un budget supplémentaire pour accélérer les recrutements d'ingénieurs.

[Bryan Garnier : Semi-conducteurs A la recherche de la croissance perdue](#)

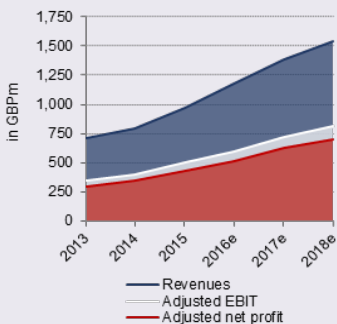


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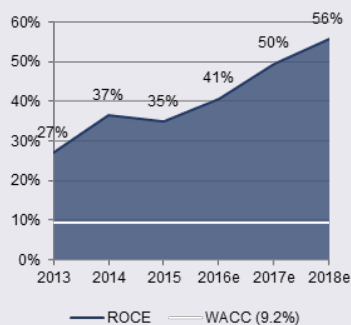
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ARM Holdings

P&L Structure



ROCE vs. WACC



Activités

ARM est un groupe anglais spécialisé dans la conception d'architecture de processeurs et de puces graphiques. La quasi-totalité des acteurs des semi-conducteurs disposent de licences leur permettant d'utiliser les designs mis au point par ARM pour les aider à concevoir leurs propres puces. Le groupe a grandement bénéficié de l'essor des smartphones puisque près de 85% d'entre eux utilisent un processeur basé sur une architecture ARM. Pour continuer de croître, le groupe doit à présent développer des relais de croissance dont l'IoT, les serveurs ou les équipements réseaux. Actuellement, ARM fait l'objet d'une OPA par le japonais SoftBank.

Simplified Profit & Loss Account (GBPm)	31/12/13	31/12/14	31/12/15	31/12/16e	31/12/17e	31/12/18e
Revenues	715	795	968	1 179	1 385	1 541
Change (%)	23,9%	11,3%	21,8%	21,7%	17,5%	11,3%
Adjusted EBITDA	445	437	542	646	782	882
Adjusted EBIT	351	400	500	591	717	811
EBIT	153	309	406	477	587	666
Change (%)	-26,3%	101%	31,4%	17,4%	23,1%	13,4%
Financial results	13,2	11,0	11,8	13,9	15,2	15,4
Pre-Tax profits	163	317	415	486	595	675
Tax	-73,4	-68,6	-82,6	-95,5	-110	-124
Net profit	105	255	340	400	501	568
Adjusted net profit	291	343	429	509	623	702
Change (%)	41,7%	17,9%	25,2%	18,7%	22,2%	12,8%
Cash Flow Statement (GBPm)						
Depreciation & amortisation	94,3	36,6	42,3	54,8	64,4	71,7
Change in working capital	33,2	-45,5	-57,0	-24,8	-24,3	-18,4
Operating cash flows	315	342	380	530	652	747
Capex, net	-45,3	-30,4	-41,0	-41,3	-48,5	-53,9
Free Cash flow	270	311	339	489	603	693
Acquisition, net	-24,8	-12,8	-65,0	0,0	0,0	0,0
Financial investments, net	-3,4	-2,8	2,6	-5,9	-6,9	-7,7
Dividends	-68,9	-86,1	-108	-159	-197	-205
Issuance of shares	5,9	-60,1	-82,8	0,0	0,0	0,0
Issuance (repayment) of debt	-4,4	-7,6	-5,1	0,0	0,0	0,0
Other	28,8	-57,1	-102	13,9	15,2	15,4
Net debt	-584	-668	-647	-984	-1 398	-1 894
Balance Sheet (GBPm)						
Tangible fixed assets	33,6	43,4	61,6	38,0	10,3	-20,5
Intangibles assets & goodwill	609	644	743	754	768	784
Investments	149	221	318	322	327	333
Deferred tax assets	72,2	64,8	70,9	70,9	70,9	70,9
Other non-current assets	1,6	1,7	1,4	1,4	1,4	1,4
Cash & equivalents	588	675	658	996	1 410	1 905
Current assets	185	187	267	319	369	407
Total assets	1 638	1 837	2 120	2 501	2 957	3 480
Shareholders' equity	1 311	1 528	1 798	2 152	2 582	3 085
Provisions	45,1	45,6	46,3	46,3	46,3	46,3
Deferred tax liabilities	18,9	32,3	33,8	33,8	33,8	33,8
Current liabilities	259	225	231	258	284	304
L & ST Debt	4,2	6,5	11,3	11,3	11,3	11,3
Total Liabilities	1 638	1 837	2 120	2 501	2 957	3 480
Capital employed	728	860	1 151	1 168	1 183	1 192
Ratios						
Gross margin	94,79	95,52	96,19	96,32	96,30	96,60
Adjusted operating margin	49,10	50,35	51,62	50,13	51,80	52,60
Tax rate	45,14	21,67	19,91	19,67	18,45	18,36
Adjusted Net margin	40,68	43,10	44,30	43,21	44,97	45,56
ROE (after tax)	7,98	16,71	18,90	18,59	19,40	18,41
ROCE (after tax)	26,98	36,58	34,85	40,76	49,57	55,65
Gearing	-44,51	-43,73	-35,99	-45,74	-54,17	-61,38
Pay out ratio	65,09	33,36	31,56	39,47	39,11	35,86
Number of shares, diluted	1 412	1 421	1 418	1 417	1 417	1 417
Data per Share (p)						
EPS	7,50	18,16	24,10	28,47	35,63	40,41
Restated EPS	20,59	24,12	30,20	35,94	43,94	49,54
% change	39,8%	17,1%	25,2%	19,0%	22,2%	12,8%
BVPS	0,93	1,08	1,27	1,52	1,82	2,18
Operating cash flows	0,22	0,24	0,27	0,37	0,46	0,53
FCF	0,19	0,22	0,24	0,34	0,43	0,49
Net dividend	4,88	6,06	7,60	11,24	13,94	14,49

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

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