

20th July 2016

Food & Beverages

Unilever

Price EUR41.98

Acquisition of Dollar Shave Club

Fair Value EUR43 (+2%)

NEUTRAL

Bloomberg	UNA NA
Reuters	UNc.AS
12-month High / Low (EUR)	42.5 / 33.9
Market Cap (EURm)	103,811
Avg. 6m daily volume (000)	4 614

	1 M	3 M	6 M	31/12/15
Absolute perf.	10.0%	3.8%	12.0%	4.7%
Food & Bev.	6.9%	2.8%	7.6%	0.6%
DJ Stoxx 600	4.0%	-1.6%	3.1%	-7.4%

	2015	2016e	2017e	2018e
P/E	23.0x	22.5x	20.7x	19.1x
Div yield (%)	2.9%	3.1%	3.4%	3.6%

ANALYSIS

- This morning Unilever has announced that it has signed an agreement to acquire Dollar Shave Club for an undisclosed sum. This company specializes in the male grooming segment and had a turnover of USD152m in 2015 which is expected to exceed USD200m in 2016. It was said that Mr Michael Dublin will continue to be the CEO of Dollar Shave Club.

VALUATION

- Our DCF points to a Fair Value of EUR43. At yesterday's share price, the stock is trading at 22.5x P/E 2016e vs 21.6x for Danone and 23.0x for Nestlé.

NEXT CATALYSTS

- H1 2016 results due tomorrow

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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