

## Today's comment(s)

### [Melexis \(SELL, Fair Value EUR48\)](#)

#### **Q2 2016 results 7% below expectations, but hike in FY16 guidance anyway**

Melexis has reported Q2 2016 sales in line with expectations at EUR112m, up 2.6% seq. and 10.4% yoy. However, Q2 2016 EPS came out 7% below forecast at EURO.57. Nevertheless, in view of good top-line momentum, the group has increased its FY16 guidance and now expects sales growth of 13-14% vs. 8-12% before but has lowered its GM guidance to 45% from 47% (EBIT margin guidance confirmed at 25%). As a result, the new FY16 guidance confirms our view and is in line with our expectations (BG ests. FY16 sales +13%) but 250bp (at mid-range) above the consensus at 11%.

### [Worldline \(BUY, Fair Value EUR31 vs. EUR29\)](#)

Strong H1 earnings and FY 2016 guidance slightly upgraded

WLN has posted strong H1 organic revenue growth (+6% lfl), from its three BUs. The group has upgraded its lfl guidance slightly from ~+3% to >3%, and still expects an 80bp improvement in EBITDA margin (both excl. Equens and KB acquisitions). Recent acquisitions required very little cash since they took the form of a JV, so the group's financial flexibility remains intact to undertake other operations. We consider that any additional M&A deal would offer further upside to the EV/EBITDA multiple (10.5x over 12 rolling months). We maintain our Buy recommendation and raise our FV from EUR29 to EUR31. At our new FV, the stock would be trading at 12x, i.e. perfectly consistent with its positioning (physical PSP). We advise investor to play this positive momentum.

### [DIA \(BUY, Fair Value EUR6,5\)](#)

#### **Q2 results (in line): a much healthier top-line/bottom-line articulation**

Once again following Q1, we believe that the ~30bp estimated decline in Q2 underlying margin in Iberia (~35 bp decrease in Q1) cannot be interpreted as a margin restatement, while the relationship between the top line (+2.90% LFL) and the bottom line (the decline in margin implies healthy investment, we believe) should look healthy to the market. Buy.

### [Albioma \(BUY, Fair Value EUR16\)](#)

#### **A strong first semester, but that was anticipated. 2016 targets confirmed.**

As expected, Albioma posted solid YoY Sales, EBITDA and net income growth for H1 2016 thanks to a positive scope effect in Brazil, a positive catch-up effect compared with H1 2015 when Le Moule and Le Gol plants were affected respectively by a strike and technical incidents, and thanks to a retrofit compensation effect concerning the Bois-Rouge power plant. 2016 targets were reiterated, while management's tone was quite positive and reassuring. Positive. Buy, FV @ EUR16.

### [Axway Software \(NEUTRAL, Fair Value EUR20\)](#)

#### **H1 2016 results way above expectations, positive outlook reiterated**

This morning Axway reported H1 2016 results way above our ests. and the consensus' average, thanks to a surge in licence sales in the US. In addition, the management remains confident in Axway's ability to transform its business to Digital and reiterates positive outlook for 2016. We deem the share price will react positively in the short-term.

### [STMicroelectronics \(NEUTRAL, Fair Value EUR6.5\)](#)

#### **Q2 2016 results in line, outlook encouraging as the group sees healthy demand**

STMicroelectronics has reported Q2 2016 EPS in line with consensus estimates. Q2 sales came out at USD1.703bn, up 5.6% seq., with a gross margin improving slightly to 33.9% and EPS of USD0.03, i.e. in line with the consensus at USD0.03 (BG ests. USD0.01). However, the group sees healthy demand

in the market it serves and Q3 2016 guidance is 1% ahead of the street's estimates with revenues set to grow 5.5% (+/- 350bp) sequentially, i.e. sales close to USD1.797bn, while current forecasts were for USD1.783bn (BG ests. USD1,767m) and GM is expected to be close to 35.5%, i.e. 70bp higher than expectations at 34.8% (BG ests. 35.9%).

#### [Sage Group \(SELL, Fair Value 600p vs. 575p\)](#)

Q3 FY16 trading update in line; outlook reiterated

We reiterate our Sell rating, but raise our DCF-derived fair value to 600p from 575p on updates to our fx rate assumptions. Yesterday evening, Sage issued a trading update for the quarter ending 30th June 2016, announcing Q3 FY16 sales up 6% lfl, in line with company guidance for FY16. While recurring revenues continued to grow double-digit, driven by subscriptions up above 30%, SSRS (software and related services) continued to be penalised by the planned transition to subscriptions. We expect no significant share price reaction in the near term.

#### [Sword Group \(BUY, Fair Value EUR25 vs. EUR26\)](#)

Preliminary H1 2016 results slightly above our estimates; 2016 guidance ex-fx confirmed

We reiterate our Buy rating, but trim our DCF-derived fair value to EUR25 from EUR26 as we reduce our adj. EPS ests. by 1% for 2016 and 3% for 2017-18. Yesterday evening, Sword reported Q2 2016 results slightly above our estimates. 2016 guidance ex-fx is confirmed, but the weaker British pound against the euro generates an est. 3% headwind to revenues. We expect the share price reaction to be mixed in the short-term.

#### [Ingenico Group \(BUY, Fair Value EUR130 vs. EUR144\)](#)

Still a Buy from a medium/long term horizon but some uncertainties in the very short term

ING has posted mixed H1 2016 earnings (revenue below our forecasts, EBITDA margin slightly below and attrib. net profit in line). The group has maintained its FY 2016 targets (sales of >=+10%, EBITDA margin of ~21% and FCF/EBITDA of ~45%), notably because of Brazil (economic situation and high comps). We have cut our 2016-18 EPS sequence by 7.4% on average to be more conservative. As we were the highest of the consensus, our revision is more aggressive than the consensus is likely to be. We remain convinced that Ingenico is a Buy from a mid/long-term perspective (its 2020 strategic plan is achievable and it is one of the few players to have an omnichannel offer, which is the future of the payment industry), but we have to integrate a bit of uncertainty in the very short term (2016 should be a transition year). We maintain our Buy rating but lower our FV from EUR144 to EUR130.

#### [Atos \(BUY, Fair Value EUR93 vs. EUR92\)](#)

H1 2016 results in line with our estimates, 2016 guidance raised

We reiterate our Buy rating and have fine-tuned our DCF-derived fair value to EUR93 from EUR92 after lifting our adj. EPS ests. by 2% for 2016 and 1% for 2017. Yesterday evening, Atos reported H1 2016 results and free cash flow in line with our forecasts but slightly above the consensus average. 2016 guidance, which excludes Equens and KB SmartPay, is raised to revenues up 1.5-2% lfl and an op. margin of 9.2-9.5%. We expect the share price to react positively on the back of this publication.

#### **Brief comments**

##### [Genomic Vision \(CORPORATE, Fair Value EUR23\)](#)

**H1 results in-line, looking forward to the results from the BRCA study**

##### [McPhy Energy \(CORPORATE, Fair Value EUR100m\)](#)

**H1 2016 sales up 25% with cost structure under control**

##### [Scor \(BUY, Fair Value EUR38\)](#)

**Broadly in line Q2 publication; solvency remains comfortable**

#### **Latest Recommendation Changes**

MELEXIS : Looking for lost growth

u-blox : Looking for lost growth

BIOMERIEUX : Sales guidance upgrade priced-in, limited upward revision ahead

CELYAD : No bone to chew until ESC congress in late August

GAMELOFT : Game, set and match

### Latest Fair value changes

SWORD GROUP : Preliminary H1 2016 results slightly above our estimates; 2016 guidance ex-fx confirmed

ATOS : H1 2016 results in line with our estimates, 2016 guidance raised

SAGE GROUP : Q3 FY16 trading update in line; outlook reiterated

INGENICO GROUP : Still a Buy from a medium/long term horizon but some uncertainties in the very short term

WORLDLINE : Strong H1 earnings and FY 2016 guidance slightly upgraded

## Stocks Factor to watch today on Mid & Small :

**ACCOR:** IN EXCLUSIVE TALKS TO BUY JOHN PAUL; SAYS JOHN PAUL HAS ENTERPRISE VALUE ABOUT \$150M

**ALBIOMA:** 1H REV. EU 177.1M UP 8%. EBITDA EU65.4M UP 30%

**AXWAY:** 1H REV EU144.7M (+5.7% LFL); PROFIT FROM OPS EU16.3M (+9.4%)

**DIA :** 2Q NET SALES EU2.22B, EST. EU2.23B ; ADJ. EBITDA EU150.4M; EST. EU150.7M (1H ADJ. EBITDA EU267.3M)

**INGENICO:** 1H REV. EU1.13B; EST. EU1.15B; EBITDA MARGIN 21.5% IN LINE WITH FY FORECAST

**MELEXIS :** 2Q SALES EU112.3 MLN UP 10%; EST. EU112.5 MLN ; OPERATING PROFIT EU27.7 MLN; EST. EU28.9 MLN; EXPECTS FY SALES GROWTH TO BE AROUND 13%-14% VS 8 TO 12%

**SCOR:** 1H GROSS WRITTEN PREMIUMS EU6.735B VS EU6.493B;

**STMICROELECTRONICS:** SEES 3Q REV RISE ABOUT 5.5% SEQUENTIAL BASIS; SEES 3Q GROSS MARGIN ABOUT 35.5% VS 2Q GROSS MARGIN 33.9%

**SWORD:** CONFIRMS FY TARGET OF 15% ORGANIC GROWTH EX FOREX

**WORLDLINE:** SEES '16 ORGANIC GROWTH REV. ABOVE 3%

### Rating & TP Changes



-INGENICO: FV DOWNGRADED AT EU130 VS 144 AT BRYAN GARNIER; BUY MAINTAINED

## Technical analysis

	Last close	%var 1D	% var 31/12/15
FRANCE CAC MID & SMALL	10819.38	+0.08%	-2.12%
STOXX EUROPE TM MID	501.439	+0.08%	-6.84%

\*BG Coverage

**Highest YTD :** ADVINI (ADVI.PA), **ALBIOMA\*** (ABIO.PA), BASTIDE(CONFORT MED.) (BATD.PA), **BIOMERIEUX\*** (BIOX.PA), BRICORAMA (ALBRI.PA), **DAVIDE CAMPARI MILANO\*** (CPRI.MI), DIASORIN (DIAS.MI), ENCRE DUBUIT (EDUB.PA), ESKER (ALESK.PA), GAMESA CORPN.TEGC. (GAM.MC), GERARD PERRIER (GPIF.PA), ITALCEMENTI FABBRICHE RIUNITE (ITAI.MI), LEBON (LEBO.PA), MAISON FRANCE CONFORT (MFCP.PA), MANUTAN INTL. (MATP.PA), NEURONES (NRO.PA), **ORPEA\*** (ORP.PA), PHARMAGEST INTERACTIVE (PHAI.PA), PLSTQ.DU VAL DE LOIRE (PLVP.PA), RWE PREF. (XET) (RWEG\_p.DE), SERGEFERRARI GROUP (SEFER.PA), SOLUCOM (WAVE.PA), SOLUTIONS 30 SE (ALS30.PA), TECHNOFAN DEAD - 04/07/16 (TCFN.PA^G16), **TEMENOS GROUP\*** (TEMN.S)

**Lowest YTD** : GENTICEL (GTCL.PA), GFI INFORMATIQUE (GFIP.PA), LES HOTELS BAVEREZ (ALLHB.PA), VRANKEN-POMMERY MONOPOLE (VRKP.PA)

**Excess volume/1D** : ACTIA GROUP (MRSP.PA), ADVINI (ADVI.PA), AMPLITUDE SURGICAL (AMPLI.PA), CATANA GROUP (CATGR.PA), CATERING INTL.SVS. (CTRG.PA), CR.AGRICOLE MORBIHAN (CMO.PA), CRCAM LANGUED CCI (CRLA.PA), ECA (ECASA.PA), ENCRE DUBUIT (EDUB.PA), ESKER (ALESK.PA), **FAURECIA\*** (EPED.PA), FONCIER PARIS NORD (FPN.PA), GAUMONT (GAUM.PA), GERARD PERRIER (GPIF.PA), GROUPE GORGE (GOEG.PA), INFOTEL (ETOF.PA), **INGENICO GROUP\*** (INGC.PA), KUONI REISEN 'R' (KUNN.S), LE NOBLE AGE (LNA.PA), MAISON FRANCE CONFORT (MFCP.PA), MEYER BURGER (MBTN.S), MR BRICOLAGE (MBRI.PA), PHARMAGEST INTERACTIVE (PHAI.PA), PUMA (XET) (PUMG.DE), **SAFILO GROUP\*** (SFLG.MI), **SALVATORE FERRAGAMO\*** (SFER.MI), SERGEFERRARI GROUP (SEFER.PA), SII (IISP.PA), SMTPC (SMTPC.PA), SOLUTIONS 30 SE (ALS30.PA), THEOLIA (FTRN.PA), VALNEVA (VLS.PA), VELCAN (ALVEL.PA), VIADAO (VIAD.PA), VRANKEN-POMMERY MONOPOLE (VRKP.PA)

<sup>(1)</sup> Compare the previous day trading volume to last month average volume traded

## Calendar

Date	Company name	type
27/07/16	• SCOR SE(SCR FP)	Earnings result : 07:30
	• Distribuidora Internacional de Alimentacion SA(DIA SM)	Earnings result : 07:30
	• STMicroelectronics NV(STM IM)	Earnings result : Bef-mkt
	• Axway Software SA(AXW FP)	Earnings result : Bef-mkt
	• Alten SA(ATE FP)	
28/07/16	• Melia Hotels International SA(MEL SM)	Earnings result :
	• Coface SA(COFA FP)	Earnings result :
	• Sopra Steria Group(SOP FP)	Earnings result : 09:00
	• Elior Participations SCA(ELIOR FP)	
	• Altran Technologies SA(ALT FP)	
29/07/16	• QIAGEN NV(QGEN US)	Earnings result : 22:00
	• Altran Technologies SA(ALT FP)	
	• Dialog Semiconductor PLC(DLG GR)	Earnings result :
	• GameLoft SE(GFT FP)	
	• Ipsen SA(IPN FP)	Earnings result :
02/08/16	• Suez(SEV FP)	Earnings result :
	• DBV Technologies SA(DBV FP)	Earnings result :
	• Casino Guichard Perrachon SA(CO FP)	Earnings result : Bef-mkt
	• Indra Sistemas SA(IDR SM)	Earnings result :
	• Rallye SA(RAL FP)	Earnings result :
03/08/16	• Galapagos NV(GLPG NA)	Earnings result :
	• Davide Campari-Milano SpA(CPR IM)	Earnings result : 11:00
	• Euler Hermes Group(ELE FP)	Earnings result : 23:35
	• Salvatore Ferragamo SpA(SFER IM)	Earnings result :
	• InterContinental Hotels Group PLC(IHG LN)	Earnings result :
03/08/16	• Vicat SA(VCT FP)	Earnings result : Aft-mkt
	• Safilo Group SpA(SFL IM)	Earnings result :
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