



Please find our Research on Bloomberg BRYG <GO>

8th August 2016

## BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
<b>Indices</b>			
Dow Jones	18543.53	+1.04%	+6.42%
S&P 500	2182.87	+0.86%	+6.80%
Nasdaq	5221.12	+1.06%	+4.27%
Nikkei	16254.45	0.00	-14.60%
Stoxx 600	341.377	+1.05%	-6.68%
CAC 40	4410.55	+1.49%	-4.88%
<b>Oil /Gold</b>			
Crude WTI	41.8	-0.31%	+12.37%
Gold (once)	1339.5	-1.75%	+26.08%
<b>Currencies/Rates</b>			
EUR/USD	1.10705	-0.61%	+1.91%
EUR/CHF	1.08595	+0.16%	-0.13%
German 10 years	-0.127	-19.41%	-120.02%
French 10 years	0.161	+26.16%	-83.59%
Euribor	-0.298	0.00	+127.48%

### Upcoming BG events :

Date	Event
1st-Sept	L'OREAL (BG Paris roadshow with CFO)
8th-Sept	ACCOR (BG Roadshow with CFO)
13th-Sept	Thematic Breakfast with ARCEP
14th-Sept	SAINT GOBAIN (BG Luxembourg roadshow)
22nd-Sept	Thematic Lunch with HC specialist
30th-Sept	Thematic Breakfast with Vimpelcom

### Recent reports :

Date	Report Title
26th-Jul	NICOX Don't turn a blind eye to opportunities
21st-Jul	SEMICONDUCTORS : Looking for lost growth
13th-Jul	Oncology is an increased focus
12th-Jul	DANONE No redemption
1st-Jul	UBISOFT Same player shoot again?
29th-Jun	ORANGE : Lights are turning green.

List of our Reco & Fair Value : Please click here to download



### GRANDVISION

**BUY, Fair Value EUR28 (+12%)**

*Optimistic outlook reinforced by a proven growth strategy*

It was interesting to note that after a soft start to the year, the acceleration in top line and earnings momentum in Q2 was fuelled by some pillars belonging to the group's business model (i.e. exclusive brand portfolio, competitive pricing strategy, streamlined cost structure, etc.) on which management spent much time during the conference call last Friday. Hence MT targets were reiterated for 2016 and onwards, which is very reassuring in a context of poor visibility and challenging macro conditions. Buy recommendation and FV of EUR28 confirmed.

### HUGO BOSS

**NEUTRAL, Fair Value EUR74 vs. EUR77 (+32%)**

*Initiatives deliver their very first positive impacts but still a long way from turnaround*

The conference call last Friday was the opportunity for CEO Mark Langer to update us on the Group's main initiatives (i.e. U.S. distribution upgrade, store network review, etc.). Despite a better-than-expected Q2 performance, the latter cannot be extrapolated over H2 as the revised guidance imply fairly the same top line and earnings trends than in H1. With regards to our FY16 estimates, our adj. earnings were only reduced by 2% because of one-off charges mostly related to future store closures, our reported earnings were cut by 20%. Neutral recommendation confirmed and new FV of EUR74 vs. EUR77.

### PHARMACEUTICALS

*Opdivo fails in 1L NSCLC in monotherapy*

BMS announced last Friday that CheckMate-026 had failed to reach its primary endpoint, meaning that Opdivo monotherapy failed to show superiority on PFS vs chemotherapy in previously untreated patients with PD-L1 positive NSCLC. This is the first major failure for Opdivo and the surprise comes mainly from the selection of patients. It gives even more credit to those who believe that the future of immune-oncology is mainly in combinations. And so this is good news for Roche and even more so for AstraZeneca because the big 1L NSCLC market may be first addressed by them rather than by US peers. They should respectively report phase III data from IMpower150 and MYSTIC respectively next year. To a lesser extent, the news is also positive for Ablynx and Innate.

### In brief...

**LAFARGEHOLCIM, Conference call feedback: focus on prices**

**NOVO NORDISK, Pricing at the heart of discussions during conference call**

Luxury & Consumer Goods

**Grandvision**

Price EUR25.10

**Optimistic outlook reinforced by a proven growth strategy**

Fair Value EUR28 (+12%)

**BUY**

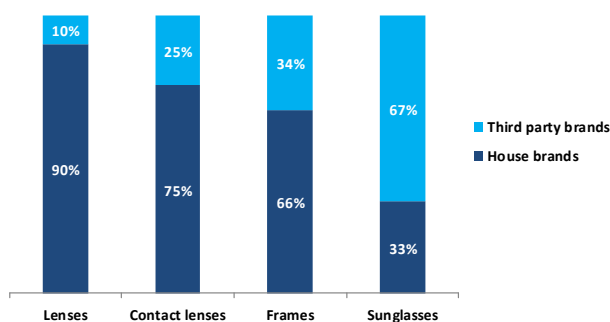
Bloomberg	GNNV NA
Reuters	GNNV AS
12-month High / Low (EUR)	27.7 / 21.9
Market Cap (EUR)	6,387
Ev (BG Estimates) (EUR)	7,151
Avg. 6m daily volume (000)	93.90
3y EPS CAGR	9.7%

It was interesting to note that after a soft start to the year, the acceleration in top line and earnings momentum in Q2 was fuelled by some pillars belonging to the group's business model (i.e. exclusive brand portfolio, competitive pricing strategy, streamlined cost structure, etc.) on which management spent much time during the conference call last Friday. Hence MT targets were reiterated for 2016 and onwards, which is very reassuring in a context of poor visibility and challenging macro conditions. Buy recommendation and FV of EUR28 confirmed.

**ANALYSIS**

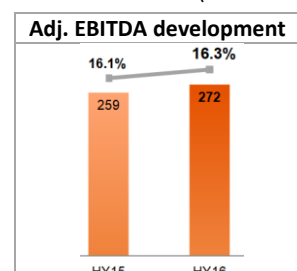
- **Share of exclusive brand frames now close to 70% in H1 2016 (+10pp).** Increasing this share is one of the group's key pillars for sustaining top line and earnings growth over the MT/LT, with the in-house brand PF already boasting significant presence in some categories, as highlighted in the chart below. As such, GV increased the share of its exclusive brand frames by 10pp to ~70% of prescription frames over H1 2016, and this was a significant driver of the impressive 80bp margin improvement in the G4 segment (more profitable than third-party brands). The poor sun season across Europe also had a favourable impact on the product mix (the sunglass category is less profitable).

Share of exclusive in-house brands by category (at end-2014):



Source: Company Data

- **First European omni-channel platform introduced in Germany.** Indeed, the new online store for the German Apollo Optik retail banner will be the group's second omni-channel platform (the one in China is already operational) but the first in the G4 region. Unlike its main competitor Fielmann that does not want to expand online (~4% of the German optical retail), GV's management views it as a "natural evolution" of its "brick-and-mortar" operations, providing value-added services such as the "Click-and-collect" service, online booking eye tests, etc. The aim is to drive in-store traffic and improve the customer experience. Consequently, this online platform should become an interesting competitive advantage vs. Fielmann and also a solution to deal with Brillen.de, a fast-growing multi-channel provider in Germany (2015 sales >EUR30m in Germany). If this omni-channel approach is successful, GV could replicate it in the UK where it owns a leading online contact lens retailer (Lenstore), which could become a possible omni-channel platform for Vision Express in the MT.
- **Acquisitions: update on the integration process.** The integration of **For Eyes** is going ahead according to plan. Just after completing the acquisition (in December 2015), GV reacted promptly by reorganising the supply chain and revamping the commercial offer (roll-out of exclusive brands). Now efforts are being made in employee-training programmes, IT platforms, etc. which take longer to bear fruit. As stated earlier this year, given the size of **For Eyes**, the integration is likely to take between 12 and 18 months to complete. Management admitted that the integration of the **Italian business (Randazzo, December 2014)** was more complicated than expected given the merger of different banners (**Avanzi** and **Optissimo**) and a difficult retail environment in Italy. In H1, these acquisitions had a ~40bp dilutive impact on the Group's profitability improvement (=> adj. EBITDA margin of 16.7% instead of 16.3% reported).



(To be continued next page)

- **Continuous efforts to streamline the cost structure.** GV's single global platform provides a positive mass scale effect that enables the group to offer a very competitive offering while reducing costs. As an illustration, the new Lens Tender 2016 (tender bid organised by GV every three years) will imply a sharp reduction in lenses SKUs (-50%), an improved service level and



shorter lead times, leading to efficiency gains for both GV (=> positive impact on GM) and its suppliers. The TechCenters, which now assemble over 60% of global lenses sold by the group, also release productivity and efficiency gains.

- **MT targets reiterated.** Against these positive results driven by this proven business model, management is confident that GV can achieve its two main financial objectives this year and onwards: **(i)** top-line growth over 5% FX-n excl. large acquisitions and **(ii)** adj. EBITDA growth in the high single-digits. As such, we are making no change to our FY 2016 assumptions.

### VALUATION

- This publication confirms our positive stance on GV, which continues to make the most of its critical mass to win market share in a highly fragmented market, through either sustainable organic growth or M&A operations.
- Despite the 7% increase on Friday, the stock remains clearly more attractive than its most direct peer Fielmann, with 2017e EV/EBIT adj. of 16.9x vs. 19.6x for the German group. Buy recommendation and FV of EUR28 confirmed.

### NEXT CATALYSTS

- GrandVision is due to report its Q3 2016 Trading Update on 27th October.

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Luxury & Consumer Goods

**Hugo Boss**

Price EUR56.14

**Initiatives deliver their very first positive impacts but still a long way from turnaround**

Fair Value EUR74 vs. EUR77 (+32%)

**NEUTRAL**

Bloomberg	BOSS GR
Reuters	BOSG_p.DE
12-month High / Low (EUR)	113.4 / 46.4
Market Cap (EURm)	3,952
Ev (BG Estimates) (EURm)	4,035
Avg. 6m daily volume (000)	469.1
3y EPS CAGR	-7.7%

The conference call last Friday was the opportunity for CEO Mark Langer to update us on the Group's main initiatives (i.e. U.S. distribution upgrade, store network review, etc.). Despite a better-than-expected Q2 performance, the latter cannot be extrapolated over H2 as the revised guidance imply fairly the same top line and earnings trends than in H1. With regards to our FY16 estimates, our adj. earnings were only reduced by 2% because of one-off charges mostly related to future store closures, our reported earnings were cut by 20%. Neutral recommendation confirmed and new FV of EUR74 vs. EUR77.

**ANALYSIS**

- U.S (-19% in H1) still affected by sluggish market trends and self-inflicted injuries.** The sales decline was slightly more significant in Q2 (-21% FX-n) than in Q1 (-16% FX-n), mostly due to painful actions implemented by the Group: the **category migration** that reduces the presence of the BOSS core brand within the wholesale channel, the latter being also affected by the **distribution upgrade** that implies a rationalisation of the wholesale network. As expected, the positive results from these initiatives are slower to appear given the sluggish apparel market conditions.
- Mainland China: price adjustments have a positive impact on volumes.** Indeed, they were up by 15% in H1 (vs. +10% in Q1) thanks to the price adjustments of 20% implemented earlier this year. However, like in the U.S., these first promising signs are currently overshadowed by double-digit declines in H-K and Macau that have not stabilised yet, leading to 14% sales decrease in H1 in Greater China.
- Good rebound in Europe in Q2 but is it sustainable over H2?** Sales increased 7% FX-n in Q2 vs. -1% in Q1, but it was not driven by retail whose growth remain unchanged over the first two quarters (+3% FX-n). This rebound was fuelled by the wholesale channel that was up 15% FX-n vs. -4% in Q1 and the management admitted it was explained by a phasing effect (i.e. early shipments to wholesalers). Furthermore, we expect that the lack of traction with tourists will continue in the coming months given the latest terror attacks in the region. Like for other luxury groups, the UK is the most resilient market with +9% FX-n in H1 16.
- Cost-cutting initiatives in the retail channel.** Following the detailed analysis of the retail network announced in May (~443 freestanding stores at end-June), the Group will close around 20 unprofitable stores by the end of 2016 and throughout 2017. This decision explains the ~EUR52 one-off charge passed in Q2 from which a significant accretive impact is expected next year as these unprofitable stores had a 60bp-dilutive impact on the 2015 adj. EBITDA margin. Moreover, Hugo Boss continues to renegotiate rental contracts in all regions.
- Revised guidance: we lower our adj. earnings assumptions by 2%.** The Group has revised down its sales target (flat to -3%), mainly because of a more significant sales decline in the wholesale channel ("up to -10% FX-n") due to the distribution upgrade in the U.S. Consequently, we now anticipate 2.5% sales decline FX-n after -2% in H1. As for the profitability, we expect a 21% decline in the adj. EBITDA (new guidance: between -17% and -23%), representing the same contraction in H2 than in H1 (-21%).

**VALUATION**

- Although the lowered targets were anticipated by investors, they show that Hugo Boss remains impacted by the necessary but painful actions in the ST. As such, the very first positive effects from these initiatives are currently masked by the very challenging market conditions. Pending the first signs of a tangible turnaround, we remain Neutral with a new FV of EUR74 to reflect our new estimates.

**NEXT CATALYSTS**

- Q3 16 Results on 2nd November // Investor Day (London) on 16th November.

[Click here to download](#)

	1 M	3 M	6 M	31/12/15
Absolute perf.	18.9%	1.4%	-20.1%	-26.7%
Pers & H/H Gds	2.0%	4.5%	7.8%	2.7%
DJ Stoxx 600	5.3%	2.6%	4.7%	-6.7%

YEnd Dec. (EURm)	2014	2015	2016e	2017e
Sales	2,572	2,809	2,689	2,785
% change		9.2%	-4.3%	3.6%
EBITDA	571	590	409	504
EBIT	448.7	447.7	258.9	359.5
% change		-0.2%	-42.2%	38.9%
Net income	333.3	319.3	189.8	269.5
% change		-4.2%	-40.6%	42.0%

	2014	2015	2016e	2017e
Operating margin	17.4	15.9	9.6	12.9
Net margin	13.0	11.4	7.1	9.7
ROE	39.5	34.0	20.5	25.3
ROCE	33.2	29.1	16.3	21.7
Gearing	5.1	8.8	14.8	5.0

(EUR)	2014	2015	2016e	2017e
EPS	5.04	4.67	3.42	3.96
% change	-	-7.3%	-26.9%	15.9%
P/E	11.1x	12.0x	16.4x	14.2x
FCF yield (%)	7.2%	7.4%	5.4%	7.7%
Dividends (EUR)	3.62	3.62	2.90	3.40
Div yield (%)	6.4%	6.4%	5.2%	6.1%
EV/Sales	1.6x	1.4x	1.5x	1.4x
EV/EBITDA	7.0x	6.8x	10.0x	7.9x
EV/EBIT	8.9x	9.0x	15.5x	10.9x



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 Virginie Roumage

## Construction &amp; Building Materials

**LafargeHolcim**

Price CHF47.99

## Conference call feedback: focus on prices

Fair Value CHF50 (+4%)

BUY

Bloomberg	LHN VX
Reuters	LHN.VX
12-month High / Low (CHF)	66.3 / 34.1
Market Cap (CHF)	29,126
Avg. 6m daily volume (000)	2,167

## ANALYSIS

- **All in all a positive conference call in our view. A lot of self-help measures, with priority given to cost and prices, should help LHN to manage a (still) complicated environment, although some comments are promising on some markets (in particular India or even China).**
- Clear focus on prices. Without any further price increase, the management indicates that the FY 2016 price impact on EBITDA would stand between CHF170m and CHF190m. Actually the group will continue to increase prices. Besides, comparison basis will ease in H2, as some countries experienced price pressure in the second half of 2015 like China and Nigeria for instance.
- This pricing policy had a negative impact on volumes for some countries, like in India for instance where the group has lost market share. But this is not a sustainable trend.
- In Nigeria, where the gas shortage has been painful in Q2, the switch from gas to coal and petcoke will impact profitability during Q4 this year. Proper impact early 2017, as obviously it takes time to do the conversion. In any case, the market is buoyant in this country according to CEO Eric Olsen.
- The management is very confident in reaching the synergies target, included in India and despite the disposal of Lafarge India assets.
- Change in scope impact of CHF140m this year and FX negative impact around CHF210m. Combined with a 9% ("at least high single digit" is the guidance) organic growth and based on 2015 CHF5751m EBITDA, this means 2016 EBITDA should be close to CHF5.9bn, vs CHF6.0bn for our current forecast and CHF5.7bn for the consensus (combined recently by the company), according to our calculations and understanding.

## NEXT CATALYSTS

[Eric Lemarié, elemarie@bryangarnier.com](mailto:eric.lemarie@bryangarnier.com)

	1 M	3 M	6 M	31/12/15
Absolute perf.	21.0%	8.1%	23.0%	-4.6%
Cons & Mat	9.2%	3.2%	9.7%	0.6%
DJ Stoxx 600	5.3%	2.6%	4.7%	-6.7%

	2015	2016e	2017e	2018e
P/E	36.9x	20.0x	13.2x	11.1x
Div yield (%)	3.1%	3.4%	3.8%	4.1%

## Healthcare

**Novo Nordisk**

Price DKK330.00

**Pricing at the heart of discussions during conference call****Fair Value DKK385 vs. DKK400 (+17%)****NEUTRAL**

Bloomberg	NOVOB.DC
Reuters	NOVOB.CO
12-month High / Low (DKK)	404.2 / 306.4
Market Cap (DKK)	664,146
Avg. 6m daily volume (000)	2 660

	1 M	3 M	6 M	31/12/15
Absolute perf.	-9.9%	-5.6%	0.3%	-17.5%
Healthcare	1.5%	9.6%	10.2%	-4.0%
DJ Stoxx 600	5.3%	2.6%	4.7%	-6.7%

	2015	2016e	2017e	2018e
P/E	24.3x	21.1x	19.5x	18.6x
Div yield (%)	1.9%	2.1%	2.3%	2.4%

**ANALYSIS**

- The Novo-Nordisk share was sent tumbling by close to 10% last Friday after the publication of disappointing sales figures for the second-quarter and cautious comments about intensifying competition and increased price pressure. In addition, the first discussions with health insurers suggest a low to mid-single digit price decline for 2017 compared with 2016. Considering that Novo-Nordisk took a scenario of flat prices for its mid-term targets, the question was asked about their sustainability. The group believes this is balanced by stronger-than-expected labels given the positive outcome of trials with several drugs.
- However, the overall sentiment is that diabetes provides mixed pictures for industry players. Indeed, momentum remains robust in volume growth and for highly innovative groups like Novo-Nordisk, mix effects are positive, but price pressure is also strong. And with decisions like CVS's to delist Toujeo together with Lantus when biosimilar glargine comes in, there is fear that payers can go beyond expectations. Simultaneously, outside the US, even though prices are lower, there is still reluctance to pay for GLP1 analogues or for combinations like Xultophy (removed from the German market after year one). So the level of disruption introduced by Basaglar or other upcoming biosimilars is not yet fully clear and Novo-Nordisk says it can be 2-3% but also 5-6% in 2017.
- When adding that BioPharmaceuticals should either be neutral or a small drag to the group over 2016-2019 (generic Vagifem, price pressure on NordiTropin, competition on NovoSeven), this puts a lot of pressure on new diabetes drugs to drive top-line growth at least in the high-single digit range in order to keep Novo-Nordisk in a high-premium category.

**VALUATION**

- We have slightly adjusted top-line growth rate to factor in a slowdown in US NovoLog, NovoLog Mix and NovoSeven trends. This was somewhat offset by lower-than-expected growth in operating expenses in reported terms (i.e. greater positive impact from currencies). Hence our new FV.

**NEXT CATALYSTS**

- 16 September 2016: EASD Investor presentation

Eric Le Berrigaud, [eleberrigaud@bryangarnier.com](mailto:eleberrigaud@bryangarnier.com)

Sector View

**Pharmaceuticals**

	1 M	3 M	6 M	31/12/15
Healthcare	1.5%	9.6%	10.2%	-4.0%
DJ Stoxx 600	5.3%	2.6%	4.7%	-6.7%

\*Stoxx Sector Indices

Companies covered

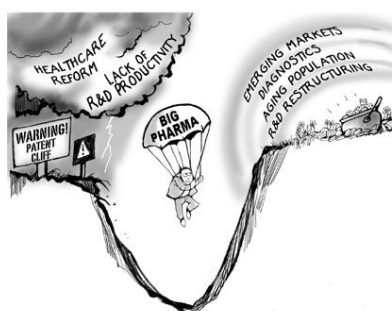
Company	Recommendation	Market Cap.
<b>ACTELION</b>	<b>NEUTRAL</b>	<b>CHF180</b>
Last Price	CHF165,3	Market Cap. CHF17,813m
<b>ASTRAZENECA</b>	<b>BUY</b>	<b>5400p</b>
Last Price	5220p	Market Cap. GBP66,022m
<b>BAYER</b>	<b>NEUTRAL</b>	<b>U.R.</b>
Last Price	EUR95,87	Market Cap. EUR79,280m
<b>GLAXOSMITHKLINE</b>	<b>BUY</b>	<b>1810p</b>
Last Price	1694,5p	Market Cap. GBP82,603m
<b>IPSEN</b>	<b>BUY</b>	<b>EUR66</b>
Last Price	EUR60,67	Market Cap. EUR5,056m
<b>NOVARTIS</b>	<b>NEUTRAL</b>	<b>CHF87</b>
Last Price	CHF81,55	Market Cap. CHF214,241
<b>NOVO NORDISK</b>	<b>NEUTRAL</b>	<b>DKK385</b>
Last Price	DKK330	Market Cap. DKK664,146
<b>ROCHE HOLDING</b>	<b>BUY</b>	<b>CHF293</b>
Last Price	CHF250,3	Market Cap. CHF175,852
<b>SANOFI</b>	<b>NEUTRAL</b>	<b>EUR83</b>
Last Price	EUR72,53	Market Cap. EUR93,484m
<b>SHIRE PLC</b>	<b>BUY</b>	<b>6900p</b>
Last Price	5145p	Market Cap. GBP46,315m
<b>UCB</b>	<b>NEUTRAL</b>	<b>EUR80</b>
Last Price	EUR69,48	Market Cap. EUR13,514m

**Opdivo fails in 1L NSCLC in monotherapy**

BMS announced last Friday that CheckMate-026 had failed to reach its primary endpoint, meaning that Opdivo monotherapy failed to show superiority on PFS vs chemotherapy in previously untreated patients with PD-L1 positive NSCLC. This is the first major failure for Opdivo and the surprise comes mainly from the selection of patients. It gives even more credit to those who believe that the future of immune-oncology is mainly in combinations. And so this is good news for Roche and even more so for AstraZeneca because the big 1L NSCLC market may be first addressed by them rather than by US peers. They should respectively report phase III data from IMpower150 and MYSTIC respectively next year. To a lesser extent, the news is also positive for Ablynx and Innate.

**ANALYSIS**

- CheckMate-026 was supposed to recruit about 535 patients with previously untreated NSCLC cancer with PD-L1 positive status that were randomised in two arms to receive either chemotherapy (gemcitabine or CarboTax for squamous forms, Carbo/Cis-Alimta for non-squamous forms) or Opdivo. The trial failed to reach its primary endpoint and to demonstrate superior PFS compared to CT. This is all the more surprising in that back in June, Keytruda succeeded in a fairly similar study named KEYNOTE-024 where both PFS and OS endpoints were met. It is fair to say that only non-squamous NSCLC patients were eligible and that the PD-L1 degree of overexpression was different (>50% in Merck's trial, >5% in BMS's trial). If positive, BMS would have opened a much larger market opportunity for Opdivo than Merck did with Keytruda.
- So, what does this tell us? Well, probably that monotherapy with an IO agent has limitations at some point in addressing all tumour types in all settings. Referring to page 9 of our Oncology Report published in July after our Oncology Day at Curie ([link here](#)), we said that combining IO agents was the best way to address tumour heterogeneity and complexity.
- Clearly, this failure is good news for Roche and AstraZeneca because they are strong believers in combinations as synergies can be developed by targeting several pathways simultaneously. With CheckMate-026 positive, all combinations in development would have been compelled to show clearly how much extra benefit they were offering above and beyond Opdivo. Although all trials include PD-L1 monotherapy arms, this would have made the objective more difficult to reach, from a regulatory standpoint first and then from a price perspective too. Because Keytruda was successful only in PD-L1 high expressers, the bar is not so high yet.
- So now Roche and AstraZeneca are next to deliver. Very early in 2017, Roche is expected to provide data with IMpower150, which compares Tecentriq/CT to CT +/- Avastin while AstraZeneca should come shortly afterwards with the highly awaited MYSTIC trial which should be the first CT-free combination (durva/treme) in a similar setting. Positive results would give the two companies a significant advantage over peers in this top prioritized 1L NSCLC market segment that is worth several billions (all the more so if IO/IO proves standard). CheckMate-227 (Opdivo/Yervoy) is only expected to deliver results in early 2018 (KEYNOTE-189 should report in September 2017).
- So, to summarise, Roche and AstraZeneca still have to deliver positive results with their own compounds but the failure of CheckMate-026 gives more credit to combination strategies.
- To a lesser extent, we think the news is also positive for Ablynx and Innate Pharma as they are respectively involved in partnerships with Merck & Co and BMS to combine some of their drugs with their PD-1 checkpoint inhibitors. Note also that 1/ last year, MSD expanded its I-O partnership with ABLX, which now includes up to 17 targets for a total deal value of up to USD5.7bn (INDs expected in late 16/early 17); 2/ we expect some Phase Ib data (including PFS?) involving lirilumab/nivolumab in "inflamed" solid tumours at the upcoming ESMO congress.



**VALUATION**

- We are making no change to any of our numbers.

**NEXT CATALYSTS**



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## BG's Wake Up Call

# Bryan Garnier stock rating system

For the purposes of this Report, the Bryan Garnier stock rating system is defined as follows:

### Stock rating

BUY	Positive opinion for a stock where we expect a favourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential upside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
NEUTRAL	Opinion recommending not to trade in a stock short-term, neither as a BUYER or a SELLER, due to a specific set of factors. This view is intended to be temporary. It may reflect different situations, but in particular those where a fair value shows no significant potential or where an upcoming binary event constitutes a high-risk that is difficult to quantify. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
SELL	Negative opinion for a stock where we expect an unfavourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential downside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.

### Distribution of stock ratings

BUY ratings 55.7%

NEUTRAL ratings 33.6%

SELL ratings 10.7%

## Bryan Garnier Research Team

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