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26th August 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	18448.41	-0.18%	+5.87%
S&P 500	2172.47	-0.14%	+6.29%
Nasdaq	5212.2	-0.11%	+4.09%
Nikkei	16360.71	-1.18%	-13.02%
Stoxx 600	342.02	-0.84%	-6.50%
CAC 40	4406.61	-0.65%	-4.97%
Oil /Gold			
Crude WTI	46.93	+1.21%	+26.16%
Gold (once)	1323.07	-0.33%	+24.54%
Currencies/Rates			
EUR/USD	1.1282	+0.29%	+3.86%
EUR/CHF	1.09175	+0.30%	+0.40%
German 10 years	-0.137	-8.73%	-121.66%
French 10 years	0.165	+10.04%	-83.17%

Economic releases :

Date	
26th-Aug	JP - CPI (-0.4% A as Exp.) GB - GDP 2Q (E +2.2% y/y) DE - GfK consumer confidence Survey (10E) FR - GDP 2Q (1.4% E) US - GDP annualized (1.1% E) US - U. of Michigan Confidence Aug. (90.8E)

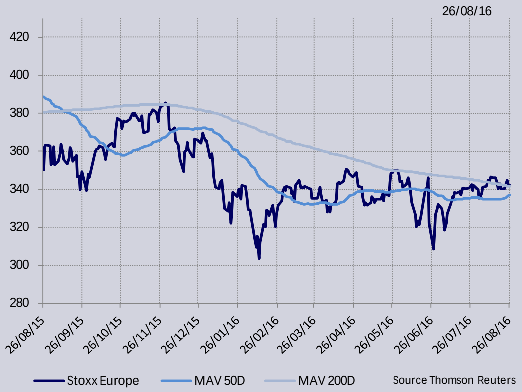
Upcoming BG events :

Date	
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	
24th-Aug	AMS Catching the ball when it bounces - all a question of timing
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?

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



GEMALTO — NEUTRAL, Fair Value EUR62 (+7%)

Mixed H1 earnings, unattractive momentum as long as the FY17 guidance is maintained

Gemalto posted mixed H1 earnings results, with sales and profit from operations (PFO) roughly in line with our estimates and those of the consensus but attributable net profit 20% below expectations. Management has confirmed its vague 2016 guidance (+1.5% gross margin, accelerating its PFO expansion towards its 2017 objectives). We expect momentum to be unattractive as long as management maintains its 2017 PFO target which is out of reach. Conf. call today at 3pm (Paris time).

U-BLOX — BUY, Fair Value CHF265 (+11%)

H1 results below expectations but FY16 EBIT guidance and long term view unchanged

u-blox has reported H1 2016 results slightly below consensus expectations, although it is maintaining its FY16 operating result guidance. H1 2016 sales came out at CHF180m, up 1.9% on a sequential basis and up 11% year on year. This was below consensus forecasts for CHF191m. H1 2016 net result stood at CHF18.7m, also below consensus expectations of CHF21.6 mainly due to higher financial costs than expected in H1. Beyond H1, the group's comments regarding mid and long term growth are reassuring and despite reducing its FY16 sales estimate, it has made no change to its FY16 operating profit figure. Overall, we maintain our view on the case and reiterate our Buy recommendation.

FOOD INDUSTRY

Q2 earnings season review

The earnings season was positive for our coverage. Organic sales growth remained modest (4% on average in Q2) due to the weak pricing environment and macro uncertainties in emerging countries, especially China. But profitability improved. Nestlé should post an acceleration in organic sales growth in H2 vs H1 and stronger improvement in profitability, while Danone and Unilever are expected to face a deterioration. We still favour the Swiss group (Buy; Fair Value: CHF84). We think that 1/ going forward it will better use its size to optimise its cost base and working capital and 2/ the arrival of the new CEO in 2017 should trigger a more efficient policy for the group's cash.

In brief...

ADOCIA, *BC PDGF fails in India and its development is discontinued as a consequence*

SAP, *Acquiring Altiscale for over USD125m?*

TMT

Gemalto

Price EUR58.21

Mixed H1 earnings, unattractive momentum as long as the FY17 guidance is maintained

Fair Value EUR62 (+7%) **NEUTRAL**

Bloomberg	GTO FP
Reuters	GTO.PA
12-month High / Low (EUR)	73.9 / 49.8
Market Cap (EUR)	5,233
Ev (BG Estimates) (EUR)	5,313
Avg. 6m daily volume (000)	380.1
3y EPS CAGR	23.8%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.5%	4.9%	5.7%	5.3%
Softw.& Comp.	1.6%	4.9%	11.2%	3.8%
DJ Stoxx 600	0.3%	-1.9%	4.7%	-6.5%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	3,122	3,244	3,406	3,610
% change		*3.9%*	*5.0%*	*6.0%*
EBITDA	345	513	609	677
EBIT	313.3	438.9	529.0	588.5
% change		*40.1%*	*20.5%*	*11.3%*
Net income	226.3	329.7	396.7	432.8
% change		*45.7%*	*20.3%*	*9.1%*

	2015	2016e	2017e	2018e
Operating margin	10.0	13.5	15.5	16.3
Net margin	4.2	8.9	10.5	11.1
ROE	5.4	10.5	11.7	11.8
ROCE	7.1	10.0	12.1	13.4
Gearing	13.4	2.9	-7.5	-16.7

(EUR)	2015	2016e	2017e	2018e
EPS	2.53	3.66	4.41	4.81
% change	-	*44.6%*	*20.3%*	*9.1%*
P/E	23.0x	15.9x	13.2x	12.1x
FCF yield (%)	3.3%	5.9%	7.2%	8.1%
Dividends (EUR)	0.47	0.51	0.55	0.59
Div yield (%)	0.8%	0.9%	0.9%	1.0%
EV/Sales	1.8x	1.6x	1.5x	1.3x
EV/EBITDA	16.1x	10.4x	8.2x	6.9x
EV/EBIT	17.8x	12.1x	9.5x	7.9x

Gemalto posted mixed H1 earnings results, with sales and profit from operations (PFO) roughly in line with our estimates and those of the consensus but attributable net profit 20% below expectations. Management has confirmed its vague 2016 guidance (+1.5% gross margin, accelerating its PFO expansion towards its 2017 objectives). We expect momentum to be unattractive as long as management maintains its 2017 PFO target which is out of reach. Conf. call today at 3pm (Paris time).

ANALYSIS

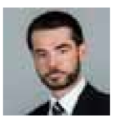
- **Mixed H1 earnings: revenue came in at EUR1,495.2m (-0.3% Y/Y; +0.5 lfl: Q1 -2.5% and Q2 +3%)** vs. BG EUR1,480m and consensus EUR1,491m. Sales broke down into Payment & Identity EUR937m (+14% lfl: Q1 +13% and Q2 +11%), Mobile EUR552m (-13% lfl incl. SIM at -26%: Q1 -20% incl. SIM at -34%, and Q2 -5% incl. SIM at -16% i.e. end of the negative Softcard comparison base but still a double digit decline, lower demand in Latam and Asia, and no software upgrade), and Patents & Others EUR1m (-92% lfl: Q1 -29% and Q2 -94%). **The gross margin was 39.0%** (vs BG: 39.1%; consensus: 39.3%), driven mainly by the Payment & Identity segment and in particular the Payment and Enterprise businesses. **PFO reached EUR171.7m, up 90bp to a margin of 11.5%** (vs BG: EUR170m, i.e. margin of 11.5%; cons.: EUR169m, i.e. margin of 11.3%) breaking down into P&I 12.6% (+340bps), Mobile 10.6% (-50bp) and Patents & Others -EUR5.4m (vs. a margin of 63% last year). After stock-based compensation, Gemalto generated a **current EBIT of EUR151m (margin of 10.1%)** vs our EUR150.3m (margin of 10.2%). Note that the group booked EUR14.1m in non-current operating charges during the period (from IT and facilities integration costs of SafeNet and Trüb and from the implementation of a new ERP). **IFRS attributable net profit came to only EUR57.7m, i.e. margin of 3.9%** (vs BG: EUR72.7m, i.e. margin of 4.9%; cons.: EUR72m, i.e. margin of 4.8%). The main diference with our expactations was the non-recurring loss relating to associates (impairment of -EUR16.9m on Goldpac Group in China). **The company generated a FCF of EUR64m (FCF/current EBIT of 42%)** and a **net debt of EUR334m** (gearing of 13%).
- **Management has confirmed its vague 2016 guidance:** "to generate a +1.5% gross margin increase, accelerating its profit from operations expansion towards its 2017 objectives" (i.e. above the 10.4% growth reported last year).
- **What are our current 2016 estimates?** We have a FY16 revenue of EUR3,243.8m (+3.0% lfl), PFO of EUR483.3m (margin of 14.9%), current EBIT of EUR438.9m (margin of 13.5%) and attributable net profit of EUR288.5m (margin of 8.9%).
- **What about the FY17 PFO target?** Philippe Vallée (COO, and new CEO as of 1st September) will have to take on guidance for over EUR660m in PFO for next year. This target looks increasingly tight from one publication to the next since it suggests a strong acceleration in the following two years, namely a 2015/17 CAGR of at least +25%. Even with the dynamics registered in payment, M2M, e-government and cybersecurity, the business lost in the SIM segment (very profitable) has a poor momentum. **We have a FY17e PFO at EUR580m, i.e. more than 12% below the guidance.**

VALUATION

- **Waiting for the conference call today at 3pm, we maintain our Neutral rating and FV of EUR62** (average between a SOTP, a DCF, and 3-year historical multiples).
- **We do not see a positive risk/reward on the stock.** The current year is very back-end loaded, visibility is poor, Olivier Piou will have to ensure a smooth succession with Philippe Vallée (effective as of 1st September), we still see too many risks in the SIM and related services business, and we do not see a potential acquisition of Morpho as positive from a financial point of view (it would be expensive and not easy to integrate given its size and its profitability level: revenue of ~EUR1.6bn and EBIT margin of 6%). **We expect momentum to be unattractive as long as management maintains its 2017 PFO target which is out of reach.**

NEXT CATALYSTS

- **Gemalto's Q3 revenue:** on 28th October (before trading). *Click here to download*



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TMT

u-blox

Price CHF238.30

H1 results below expectations but FY16 EBIT guidance and long term view unchanged

Fair Value CHF265 (+11%) **BUY**

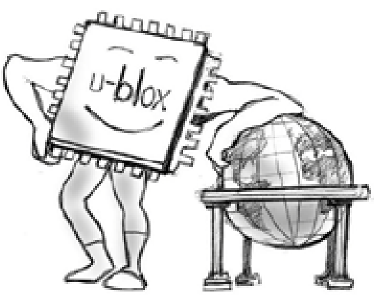
Bloomberg	UBXN SW
Reuters	UBXN.S
12-month High / Low (CHF)	246.4 / 164.0
Market Cap (CHFm)	1,622
Ev (BG Estimates) (CHFm)	1,551
Avg. 6m daily volume (000)	21.30
3y EPS CAGR	29.5%

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.2%	18.7%	23.5%	11.1%
Semiconductors	0.6%	20.3%	31.7%	18.7%
DJ Stoxx 600	0.3%	-1.9%	4.7%	-6.5%

YEnd Dec. (CHFm)	2015	2016e	2017e	2018e
Sales	338.3	404.5	500.6	635.1
% change		*19.6%*	*23.8%*	*26.9%*
EBITDA	76.0	89.0	110	138
EBIT	51.3	59.9	73.1	98.4
% change		*16.7%*	*22.1%*	*34.7%*
Net income	37.1	46.7	58.6	80.5
% change		*25.9%*	*25.4%*	*37.5%*

	2015	2016e	2017e	2018e
Operating margin	15.2	14.8	14.6	15.5
Net margin	11.0	11.5	11.7	12.7
ROE	14.9	16.5	18.0	21.1
ROCE	21.8	21.8	23.0	25.3
Gearing	-26.1	-24.9	-23.2	-20.0

(CHF)	2015	2016e	2017e	2018e
EPS	5.45	6.86	8.60	11.82
% change	-	*25.9%*	*25.4%*	*37.5%*
P/E	43.7x	34.7x	27.7x	20.2x
FCF yield (%)	2.0%	1.1%	1.2%	1.3%
Dividends (CHF)	1.57	1.71	2.15	2.96
Div yield (%)	0.7%	0.7%	0.9%	1.2%
EV/Sales	4.6x	3.8x	3.1x	2.4x
EV/EBITDA	20.5x	17.4x	14.1x	11.2x
EV/EBIT	30.4x	25.9x	21.2x	15.7x



u-blox has reported H1 2016 results slightly below consensus expectations, although it is maintaining its FY16 operating result guidance. H1 2016 sales came out at CHF180m, up 1.9% on a sequential basis and up 11% year on year. This was below consensus forecasts for CHF191m. H1 2016 net result stood at CHF18.7m, also below consensus expectations of CHF21.6 mainly due to higher financial costs than expected in H1. Beyond H1, the group's comments regarding mid and long term growth are reassuring and despite reducing its FY16 sales estimate, it has made no change to its FY16 operating profit figure. Overall, we maintain our view on the case and reiterate our Buy recommendation.

ANALYSIS

- **u-blox has reported H1 results below consensus expectations.** The company reported H1 sales of CHF180m, up 11% yoy (up 1.9% seq.), below consensus expectations at CHF191m (BG ests. CHF194m). The gross margin increased by 100bp compared to the first half of 2015 and stood at 45.9% in H1 2016 (vs. 44.9% in H1 2015). Operating result came in at CHF27.8m or a 15.5% margin compared with the 14.8% achieved a year before. The slight improvement was mainly due to higher volumes. Net profit of CHF18.5m was also below consensus expectations at CHF21.6m. We understand that the net profit defers from expectations due to higher financial expenses than expected by the consensus. Finally, cash generation remained strong with net cash generated from operating activites of CHF26.3m (up 23.6% yoy).
- **Both divisions "Positioning and Wireless products" and "Wireless services" showed a good performance.** Revenue of the main division "Positioning and Wireless products" was CHF180m for the first half of 2016, i.e. 11% above the H1 2015 level. In addition, revenue for "wireless services" was CHF15.1m (including intra-group revenue) or 17.8% above the level achieved a year ago.
- **FY16 Guidance fine-tuned but with no impact on EBIT forecasts, LT view unchanged.** For the current year, u-blox was previously targeting revenues in the range of CHF395-405m or growth between 16.7% and 19.7% compared to FY15 sales. Today, the group has adjusted its expectations and now foresees FY16 sales in the range of CHF375-385m. The group nevertheless added that it remains confident for the future given supportive u-blox product traction and strong customer pipelines. U-blox also stated that numerous customers are scheduling ramp-ups for major projects in the short and long term. **Overall, despite adjusting its top-line expectations, the group is maintaining it's EBIT guidance of CHF56-60m in the context of an improving margin thanks to a positive change in the mix.**

H1 2016 Actual vs. estimates

[CHFm]	BG ests. 1H16e	Consensus 1H16e	1H16 Actual	Actual vs. Cons.
Net revenue	194	191	180	-6.1%
% change (seq)	*10.0%*	*8.5%*	*1.9%*	-663bp
% change (yoy)	*19.9%*	*18.2%*	*11.0%*	-723bp
Gross Margin	44.8%	45.1%	45.0%	-10bp
Adj. EBIT	28.7	27.9	27.8	-0.4%
% of revenue	*14.8%*	*14.6%*	*15.5%*	89bp
Adj. Net result	22.41	21.6	18.7	-13.4%

Sources: Bloomberg; Bryan, Garnier & Co ests.

FY16 Guidance vs. estimates

[CHFm]	BG ests. 2016e	Consensus 2016e	2H16 Guidance	Guid. vs. Cons.
Net revenue	405	404	375 to 385	-5.9%
% change (seq)	*+19.6%*	*+19.4%*	*10.8% to 13.8%*	
Adj. EBIT	59.9	60.0	56 to 60	-3.3%
% of revenue	*14.8%*	*14.9%*		

Sources: Bloomberg; Bryan, Garnier & Co ests.

VALUATION

- We are making no change to our estimates at this point. Based on our forecasts, u-blox' shares trade at a 2016e P/E ratio of 34.7x and a 2016e PEG ratio of 1.2x.

NEXT CATALYSTS

- 23rd September 2016: Investor and Analyst Day

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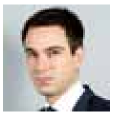

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Sector View

Food industry

Q2 earnings season review

	1 M	3 M	6 M	31/12/15
Food & Bev.	-1.3%	1.3%	5.6%	-0.2%
DJ Stoxx 600	0.3%	-1.9%	4.7%	-6.5%

*Stoxx Sector Indices

Companies covered

DANONE		NEUTRAL	EUR67
Last Price	EUR68.22	*Market Cap.*	EUR44,745m
NESTLE		BUY	CHF84
Last Price	CHF77.8	Market Cap.	CHF242,126
UNILEVER		NEUTRAL	EUR43
Last Price	EUR40.855	*Market Cap.*	*EUR117,119*
UNILEVER Plc		NEUTRAL	3590p
Last Price	3526.5p	*Market Cap.*	*GBP45,261m*

The earnings season was positive for our coverage. Organic sales growth remained modest (4% on average in Q2) due to the weak pricing environment and macro uncertainties in emerging countries, especially China. But profitability improved. Nestlé should post an acceleration in organic sales growth in H2 vs H1 and stronger improvement in profitability, while Danone and Unilever are expected to face a deterioration. We still favour the Swiss group (Buy; Fair Value: CHF84). We think that 1/ going forward it will better use its size to optimise its cost base and working capital and 2/ the arrival of the new CEO in 2017 should trigger a more efficient policy for the group's cash.

ANALYSIS

- **Q2 sales figures showed: continued pressure on prices...with Nestlé suffering the most.** The group's pricing effect continued to slow, rising just 0.4% in Q2 after +0.9% in Q1, reflecting the deflationary environment in a number of developed markets, the lack of rebound in commodity prices and the tough comparison base (price increases in Latam and Eastern Europe last year). **Unilever reiterated that there is unlikely to be any improvement in pricing in 2016 vs 2015.** The company expects growth of around 2%. This is despite a good performance in Q2. The price effect picked up to 2.8% after +2% in Q1. **Danone said that excluding in Brazil it did not take any price increases in Q2**...**and deterioration in China**. **The food & beverage market has significantly slowed and is now flat**. Danone (the country accounts for 7% of its group's sales) said that the destocking at Mizone was not over at the end of H1 and the non-alcoholic beverages segment is now flat to up low single digit. When it released its 2015 results, it had indicated growth between 5% and 10%. Nestlé (which generates 8% of its sales in China) reported that the trend at Yinlu remains negative and is not expected to improve before 2017. These two groups are facing a **deterioration in the Chinese infant nutrition market** affected by a combination of low milk prices, a tough competitive environment and regulatory changes. According to Danone, this market is now growing between 3% and 5%, compared with double digit growth in the past.

- **But profitability improved. All our groups beat consensus expectations for EBIT margin**: Nestlé +30bp vs consensus +20bp, Danone +125bp vs consensus +80bp, and Unilever +50bp vs consensus +30bp. **This was mainly the result of the low input cost environment although they also benefited from margin-accretive innovations.** On this topic, it is interesting to mention that Unilever increased margin in its Home Care division by 250bp to 9.8% and is now very close to reaching its medium term target of 10%. **Efforts to optimise cost bases also helped.**

- **What about the H2 outlook? Nestlé's organic sales growth should accelerate** (organic sales expected to rise 4.6% after +3.5% in H1) thanks to: 1/ a pricing recovery driven by price increases in Brazil, Russia, Turkey, Ukraine and the UK..., 2/ easy comps as H2 2015 was impacted by a rebate adjustment on skin health products in the US and the Maggi noodles recall in India and 3/ the deconsolidation of the poorly performing ice cream business in Europe with the closing of the Froneri transaction at the end of the summer. **In contrast, we expect a slowdown at Unilever and Danone.** The Anglo-Dutch group said that organic sales growth momentum in the second part of the year (our estimate: +3.4% after +4.7% in H1) should be penalised by tough comps (+5.3% in H2 2015 after +2.9% in H1) and a deterioration in the business environment due to political uncertainty (Brexit referendum, presidential impeachment in Brazil, coup attempt in Turkey) and the economic slowdown in LATAM and Europe. In H2 we anticipate Danone's sales to increase 2.9% organically, decelerating vs H1 (+3.8%) due to tougher comps for yoghurts, poor performance of Mizone and regulatory issues in China. **The EBIT margin improvement in H2 should be above H1 for Nestlé** (easy comps for the AOA and Other Businesses divisions) **and below H1 for Unilever** (increase in marketing expenses and restructuring charges) **and Danone** (less favourable comparison base for input costs and no positive one-offs).

VALUATION/ NEXT CATALYSTS

- At yesterday's share price, Nestlé's stock is trading at 22.0x P/E 2016e vs 22.0x for Unilever and 22.4x for Danone / Q3 2016 sales in October: Unilever on 13th, Danone on 18th and Nestlé on 20th. *Click here to download*

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Healthcare

Adocia

Price EUR56.40

Bloomberg	ADOC FP
Reuters	ADOC.FR
12-month High / Low (EUR)	89.3 / 44.4
Market Cap (EUR)	386
Avg. 6m daily volume (000)	25.60

	1 M	3 M	6 M	31/12/15
Absolute perf.	10.6%	2.2%	11.2%	-23.0%
Healthcare	-5.1%	-2.3%	3.3%	-8.3%
DJ Stoxx 600	0.3%	-1.9%	4.7%	-6.5%

	2015	2016e	2017e	2018e
P/E	30.7x	74.3x	NS	32.9x
Div yield (%)	NM	NM	NM	NM

BC PDGF fails in India and its development is discontinued as a consequence

Fair Value EUR90 vs. EUR100 (+60%) **BUY**

ANALYSIS

- Adocia announced yesterday after market close that it would not pursue the development of its BC PDGF product in wound healing for DFU (diabetic foot ulcer) after the Indian phase III trial failed to show any benefit over placebo. Although there are obvious potential biases in the way the trial was conducted in India (including a major intra-variability of results from one recruiting centre to another) and an unprecedented placebo effect in this setting, Adocia has decided to stop all further development of the drug.
- Adocia has always said that the Indian phase III trial would be used as a base for the design of new trials in Europe and in the US. The risk of losing time (an estimated 3 to 4 years) and money (EUR15 to 20m) has become increasingly significant with this failure in India, without a reasonably clear view on the outcome. As such, Adocia will focus further on diabetes.

VALUATION

- Although this project was somewhat less strategically aligned than the others to Adocia's core competency in diabetes, the investment behind it was significant and its phase III status gave it some visibility within the pipeline. Rationale was therefore high enough to support a PoS of 60% and we now have to remove the drug from our model.
- We have also taken this opportunity to update our model and factor in Lilly's announcement in July that BC lispro's filing would move from end-2016 to 2017 (to be ready on the manufacturing front).
- Altogether, the two elements have a negative influence of EUR10 on our FV.

NEXT CATALYSTS

- 12-16th September 2016: EASD meeting – potential press release by Adocia

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Eric Le Berrigaud, eleberrigaud@bryangarnier.com

TMT

SAP

Price EUR77.50

Acquiring Altiscale for over USD125m?

Fair Value EUR75 (-3%) **NEUTRAL**

Bloomberg	SAP GR
Reuters	SAPG.DE
12-month High / Low (EUR)	78.9 / 55.9
Market Cap (EURm)	95,209
Avg. 6m daily volume (000)	2,481

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.5%	7.5%	10.9%	5.6%
Softw.& Comp. SVS	1.6%	4.9%	11.2%	3.8%
DJ Stoxx 600	0.3%	-1.9%	4.7%	-6.5%

	2015	2016e	2017e	2018e
P/E	20.5x	20.0x	17.6x	16.5x
Div yield (%)	1.5%	1.5%	1.7%	1.8%

ANALYSIS

- Yesterday the website VentureBeat reported SAP was acquiring Altiscale for over USD125m. Founded in 2012 and based in California, Altiscale offers a cloud version of the Hadoop open source software for storing, processing and analysing large amounts of data. It also provides a cloud version of Apache Spark, a faster alternative to Hadoop, as well as BI tools to access data from Hadoop and Spark clusters.
- - This is the kind of "bolt-on" acquisitions we expect from SAP for the next two years. Altiscale would allow SAP to save time and money on the development of products based on Hadoop and Spark. According to VentureBeat, the deal, which is expected to be announced in the next few weeks, would be valued for 3-4x the amount invested by VCs in the company.

VALUATION

- SAP's shares are trading at est. 14.8x 2016 and 13.4x 2017 EV/EBIT multiples.

NEXT CATALYSTS

- Q3 2016 results on 21st October before markets open.

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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 55.3% NEUTRAL ratings 33.3% SELL ratings 11.3%

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