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30th August 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	18502.99	+0.58%	+6.19%
S&P 500	2180.38	+0.52%	+6.68%
Nasdaq	5232.33	+0.26%	+4.49%
Nikkei	16725.36	-0.07%	-12.06%
Stoxx 600	343.2	-0.15%	-6.18%
CAC 40	4424.25	-0.40%	-4.59%
Oil /Gold			
Crude WTI	47.64	0.00	+28.06%
Gold (once)	1322.42	-0.87%	+24.48%
Currencies/Rates			
EUR/USD	1.1167	-1.01%	+2.80%
EUR/CHF	1.09385	+0.14%	+0.59%
German 10 years	-0.117	-23.53%	-118.52%
French 10 years	0.161	+9.87%	-83.55%
Euribor	-	+-%	+-%

Economic releases :

Date	
30th-Aug	JP - Jobless rate (3% A, 3.1%E)
	JP - Household spending Jul. (-0.5%A , -1.4%E)
	DE - CPI Aug. (0.5%E)
	US - S&P/Case Shiller Home price Index Jun.
	US - Consumer confidence Aug.

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



EIFFAGE

BUY, Fair Value EUR73 (+5%)

APRR H1 2016: Strong positive impact from lower interest expenses

Whereas Eiffage's comprehensive H1 2016 figures are expected Wednesday after trading, its 50%-owned toll road subsidiary APRR has reported good figures for the period. EBITDA margin was slightly under pressure at 74.4% down by c45bps, penalised by the AFITF contribution (75.9% excluding this infrastructure payment). However, net profit growth was very strong (+24%), as net financing charges were slashed by EUR26.7m. This is a positive read-across for Eiffage.

In brief...

BONE THERAPEUTICS, Management provides detailed timeline

Bone Therapeutics has reported H1 results with operating income of EUR1.95m primarily made up of research grants and tax credits.

CELYAD, Overall reassuring presentation of CHART-1 data at ESC

On Sunday 28th August at the ESC congress, the CHART-1 trial principal investigator, Jozef Bartunek, presented a late breaking session on the detailed phase III trial for C-CURE in CHF patients.

BG Healthcare CHART #30

QIAGEN's dense newsflow in H2

Construction & Building Materials

Eiffage

Price EUR69.45

APRR H1 2016: Strong positive impact from lower interest expenses

Fair Value EUR73 (+5%)

BUY

Bloomberg	FGR FP
Reuters	FOUG.PA
12-month High / Low (EUR)	71.1 / 54.3
Market Cap (EUR)	6,812
Ev (BG Estimates) (EUR)	20,763
Avg. 6m daily volume (000)	351.2
3y EPS CAGR	17.1%

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.0%	3.2%	6.3%	16.7%
Cons & Mat	4.2%	3.5%	10.5%	5.1%
DJ Stoxx 600	0.4%	-1.8%	2.8%	-6.2%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	13,909	13,810	14,055	14,321
% change		-0.7%	1.8%	1.9%
EBITDA	2,074	2,089	2,171	2,286
EBIT	1,431	1,505	1,581	1,691
% change		5.1%	5.1%	7.0%
Net income	312.0	384.1	427.9	523.5
% change		23.1%	11.4%	22.4%

	2015	2016e	2017e	2018e
Operating margin	10.3	10.9	11.2	11.8
Net margin	3.3	4.1	4.5	5.4
ROE	13.2	14.1	14.0	15.0
ROCE	5.1	5.3	5.6	6.0
Gearing	351.2	295.3	255.9	214.2

(EUR)	2015	2016e	2017e	2018e
EPS	3.37	4.00	4.46	5.40
% change		18.8%	11.4%	21.2%
P/E	20.6x	17.3x	15.6x	12.8x
FCF yield (%)	7.5%	5.5%	7.4%	10.3%
Dividends (EUR)	1.50	1.50	1.50	1.50
Div yield (%)	2.2%	2.2%	2.2%	2.2%
EV/Sales	1.5x	1.5x	1.5x	1.4x
EV/EBITDA	10.2x	9.9x	9.4x	8.5x
EV/EBIT	14.7x	13.8x	12.9x	11.5x



Whereas Eiffage's comprehensive H1 2016 figures are expected Wednesday after trading, its 50%-owned toll road subsidiary APRR has reported good figures for the period. EBITDA margin was slightly under pressure at 74.4% down by c45bps, penalised by the AFITF contribution (75.9% excluding this infrastructure payment). However, net profit growth was very strong (+24%), as net financing charges were slashed by EUR26.7m. This is a positive read-across for Eiffage.

APRR traffic quarterly change

y/y change (%)	Q115	Q215	Q315	Q415	Q116	Q216
Cars	1.8	2.7	3.1	2.7	7.1	0.7
Trucks	2.0	2.1	3.5	4.1	3.9	8.0
Total	1.8	2.6	3.1	2.9	6.5	1.8

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

APRR key figures in H1 2016

EURm	H115	H215	H116
Revenues	1057	1157	1116
EBITDA	792	797	831
EBITDA margin (%)	74.9	68.9	74.4
Δbps	60	149	-46
EBIT	580	579	625
EBIT margin (%)	54.9	50.0	56.0
Net profit	271	268	335

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

ANALYSIS

- Revenues had already been reported. After very strong traffic in Q1 (+6.5% y/y) Q2 was a bit less buoyant (+1.8%), mostly due to calendar effects. The effect of Easter weekend falling in Q1 this year vs Q2 last year was positive for light vehicles in Q1 (+7.1%) but not in Q2 (+0.7%). Heavy vehicle traffic gained momentum with an 8% y/y increase in Q2 following an already strong +3.9% in Q1. Combined with a toll increase of approx. 1.25% on 1st February (for class 1 vehicles), APRR's revenues rose 5.6% to EUR1116m in H1 2016.
- Penalised by the full impact of the new AFITF contribution (negotiated as part of the stimulus plan) of EUR15.8m in H1, EBITDA increase by 5.1% at EUR831m, i.e. a 74.4% margin vs 74.9% in H1 2015. This slight pressure was expected, as the AFITF contribution was already known.
- The net profit increase was impressive at nearly 24%. Net profit of EUR335m benefited from the substantial fall in net financing charges of EUR26.7m, while we expect a EUR50m decline for Eiffage's net interest charges on a consolidated basis for the full year. We prefer to wait for Eiffage's analyst meeting on Wednesday night before taking any action, but obviously we feel comfortable with our current Eiffage forecast following this publication.

VALUATION

- Our EUR73 FV is derived from an SOTP.

NEXT CATALYSTS

- Consolidated H1 2016 results on Wednesday post market. We expect EBIT to stand at around EUR640m (median Inquiry Financial consensus at EUR654m, before this APRR release).

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Healthcare

Bone Therapeutics

Price EUR15.42

Management provides detailed timeline

Fair Value EUR30 (+95%)

BUY

Bloomberg	BONE.FP
Reuters	BONE.PA
12-month High / Low (EUR)	21.1 / 15.2
Market Cap (EURk)	105,627
Avg. 6m daily volume (000)	2.60

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.9%	-16.2%	-17.5%	-20.9%
Healthcare	-5.1%	-2.6%	2.6%	-8.0%
DJ Stoxx 600	0.4%	-1.8%	2.8%	-6.2%

ANALYSIS

- Bone Therapeutics has reported H1 results with operating income of EUR1.95m primarily made up of research grants and tax credits. The operating loss totalled EUR5.74m (up from EUR5.4m in H1 2015), as a result of increased R&D spending not offset by lower G&A. The net loss was nevertheless down from EUR7.1m to EUR5.9m reflecting last year's IPO expenses. Cash and cash equivalents at the end of June 2016 stood at EUR26.6m.
- In its HY update, Bone Therapeutics' management gave a detailed timeline for forthcoming clinical newsflow starting in H2 2016 with interim efficacy results from the phase IIa in Spinal Fusion trial (full study results should be communicated by Q3 2017). The company's major catalyst should appear in H1 2017 in our view with interim efficacy results for the first 12 patients enrolled in the Delayed-Union phase IIb trial. Note that: 1) if 12 out of the 16 patients enrolled are responders, the study could be prematurely stopped and moved into phase III, and 2) seven patients have already been qualified as responders.
- Management expects FY2016 cash burn in the EUR14.5-16m range, which is slightly ahead of our EUR12m estimate. We believe the difference stems from higher efforts required for the preparation of the company's first US trial, to be initiated by year end.

VALUATION

- We reiterate our BUY recommendation and EUR30 Fair Value

NEXT CATALYSTS

- Today 2.00pmCET: conference call on HY 2016 results (FR +33 805 63 20 56, Int. + 44 1452 5555 66; ID 71646893)

[Click here to download](#)[Hugo Solvvet, hsolvet@bryangarnier.com](mailto:Hugo.Solvvet@bryangarnier.com)

Healthcare

Celyad

Price EUR21.52

Overall reassuring presentation of CHART-1 data at ESC

Fair Value EUR21 (-2%)

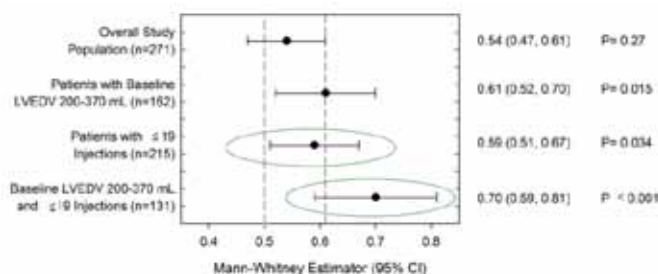
NEUTRAL

Bloomberg	CARD.BB
Reuters	CARD.BB
12-month High / Low (EUR)	52.9 / 21.5
Market Cap (EUR)	200
Avg. 6m daily volume (000)	29.60

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.2%	-53.5%	-42.6%	-55.5%
Healthcare	-5.1%	-2.6%	2.6%	-8.0%
DJ Stoxx 600	0.4%	-1.8%	2.8%	-6.2%

ANALYSIS

- On Sunday 28th August at the ESC congress, the CHART-1 trial principal investigator, Jozef Bartunek, presented a late breaking session on the detailed phase III trial for C-CURE in CHF patients. Following June's release of the study's top-line results, which missed primary endpoint (please see our note [here](#)), more detailed ones were communicated. The subgroup representing 60% of patients treated whom responded ($p=0.015$) has clearly been identified. Large Left Ventricular End Diastolic Volume i.e. in the 200-370 mL range at inclusion (LVEDV; $n=162$) appears to be a reliable marker to identify patients that are the most likely to benefit from Celyad's CHF cardiopoietic regenerative therapy. Moreover, this biomarker enables a better adjustment of posology with patients having a large LVEDV at inclusion even more likely to benefit from few injections ($p<0.001$; $n=131$). We would underline that this could have a meaningful impact on the adoption of the product should it be approved (BGe 2018 in Europe). Indeed, it might help to contain the cost of this autologous therapy.



- Somehow, the company's ability to generate these post-hoc data mitigate our view on the efficacy of the treatment. However, finding a partner will be challenging as 1/ the design of the US trial still needs significant amendments (inclusion criteria and number of patients targeted for enrolment to ensure enough statistical power), 2/ management is not keen to co-finance the US trial to completely refocus Celyad towards the oncology space. The review at the ESC highlighted that the control group would probably need to use naive stem cell to ensure that the benefit of C-CURE comes from use of mesenchymal stem cells and not the delivering modalities (proprietary catheter increasing retention). The latter point could cause reluctance in partnership discussions in our view.

VALUATION

- We reiterate our Neutral recommendation and EUR21 Fair Value.
- Note that Celyad released its HY2016 numbers on 25th August with cash and cash equivalents of EUR86m, offering financial visibility until the end of 2018.

NEXT CATALYSTS

- Late 2016: phase Ib readout for the CAR-NKG2D platform

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BG's Wake Up Call

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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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