

## Sector View

## Construction-Infrastructures

## Decent H1 2016 results for Bouygues construction businesses

	1 M	3 M	6 M	31/12/15
Cons & Mat	4.6%	3.8%	11.0%	5.6%
DJ Stoxx 600	0.8%	-1.5%	3.2%	-5.8%

\*Stoxx Sector Indices

## Companies covered

EIFFAGE	BUY	EUR73
VINCI	BUY	EUR72

Decent performance for Bouygues Construction in H1 2016. Revenues are slightly down -2% at EUR11.4bn but Colas French sales are down by 2% only following two years of double-digit decline. Current EBIT margin increases by c40bps at 1.1%, with an improvement within every divisions. Order book is slight up 1% I-f-I, with a positive performance in France (+3%). Order intake is very strong in H1 for Bouygues Construction (+29%).

## Key figures for Bouygues construction businesses in H1 2016

EURm	Sales	I-f-I %	c. EBIT	Mrg%	Δbps
Bouygues Construction	5800	0	151	2.6	7
Bouygues Immobilier	1047	-1	59	5.6	6
Colas	4678	-6	-85	-1.8	47
Construction businesses	11383	-2	125	1.1	36

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

## ANALYSIS

- Revenues are almost flat in H1 for the construction businesses. It worths underlying the gradual improvement of the top line for the roadworks business Colas in France (-6%) following -11% in 2015 and -14% in 2014. Margins look resilient too, but the Colas margin improvement is apparently mostly explained by the end of activity of the Dunkirk refinery.
- Order book looks fine, roughly flat on a like-for-like basis, at EUR29.5bn. It doesn't include the first tranche (a massive EUR842m) of the Monaco offshore extension project.

## NEXT CATALYSTS

- Bouygues analysts meeting at 11h today.

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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