

2nd August 2016

Business Services

## Eurofins Scientific

Price EUR335.45

H1 results first take: Good shape

Fair Value EUR340 (+1%)

SELL

Bloomberg	ERF.FP
Reuters	EUFI.PA
12-month High / Low (EUR)	359.8 / 268.8
Market Cap (EURm)	5,366
Avg. 6m daily volume (000)	15.40

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.8%	3.5%	10.8%	4.2%
Inds Gds & Svs	6.8%	1.9%	6.9%	0.7%
DJ Stoxx 600	4.7%	0.1%	-0.1%	-6.5%

  

	2015	2016e	2017e	2018e
P/E	38.2x	37.4x	31.8x	27.3x
Div yield (%)	0.4%	0.4%	0.5%	0.6%

### ANALYSIS

- **Ahead of expectations:** Strong H1 results ahead of our estimates and the consensus. Actually, total revenue reached EUR1,208m vs. consensus of EUR1,188m up 43.5% with +11% in organic terms (Q1 was up 10%) which is the highest level since 2008/2009. As such, adjusted EBITDA grew by 52.3% at EUR216.6m (consensus at EUR203m and our estimate of EUR205m), which implies a margin of 17.9% i.e. 100bps over last year with the improvement of both mature businesses and start-up. Reported EBITDA was EUR211m (consensus EUR193m and our estimate of EUR205m) after only EUR5.6m costs in SDI (Separately disclosed) confirming the group ability to better integrate acquisitions.
- **FY guidance confirmed like medium term objectives:** Despite these results, management simply confirmed its FY guidance (H1 is traditionally lower than H2) with a target of EUR2.5bn in consolidated revenue (consensus at EUR2,482m and our forecast of EUR2,491m) and an adjusted EBITDA of above EUR460m (consensus at EUR461m and our estimate of EUR457m). The mid-term target was confirmed with total revenue of around EUR4bn with an adjusted EBITDA of EUR800m.

### VALUATION

- At the current share price, the stock is valued at 13.9x EV/EBITDA 2016e and 12.6x 2017e compared with CAGR EBIT 2015-2018 of 19.4%.

### NEXT CATALYSTS

- Conference call at 3.00pm (CET)

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### Distribution of stock ratings

BUY ratings 56,4%

NEUTRAL ratings 32,9%

SELL ratings 10,7%

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