



19th September 2016

BG's Wake Up Call

| | Last close | Daily chg (%) | Chg YTD (%) |
|-------------------------|------------|---------------|-------------|
| Indices | | | |
| Dow Jones | 18123.8 | -0.49% | +4.01% |
| S&P 500 | 2139.16 | -0.38% | +4.66% |
| Nasdaq | 5244.57 | -0.10% | +4.74% |
| Nikkei | 16519.29 | +0.7% | -13.21% |
| Stoxx 600 | 337.823 | -0.74% | -7.65% |
| CAC 40 | 4332.45 | -0.93% | -6.57% |
| Oil /Gold | | | |
| Crude WTI | 43.03 | -2.00% | +15.67% |
| Gold (once) | 1311.22 | -0.66% | +23.42% |
| Currencies/Rates | | | |
| EUR/USD | 1.1163 | -0.72% | +2.76% |
| EUR/CHF | 1.09295 | -0.06% | +0.51% |
| German 10 years | -0.063 | +89.01% | -109.96% |
| French 10 years | 0.24 | -11.61% | -75.58% |
| Euribor | -0.301 | 0.00 | +129.77% |

Economic releases :

| Date | |
|-----------|--------------------------------------|
| 19th-Sept | 11h00 EUZ Construction Output |
| | 16h00 US - NAHB Housing Market Index |

Upcoming BG events :

| Date | |
|-----------------------|-----------------------------------|
| 22nd-Sept | Thematic Lunch with HC specialist |
| 30th-Sept | Thematic Breakfast with Vimpelcom |
| 28th-Oct | IMERYS (Paris roadshow) |
| 14th-Nov/ 15th-Nov | 4th Paris Healthcare Conference |
| 28th-Nov/ 29th-Nov | 2nd Paris Consumer Conference |

Recent reports :

| Date | |
|-----------|--|
| 15th-Sept | Remy Cointreau : It keeps getting better |
| 14th-Sept | Automotive Innovation: the only way to stand out! |
| 9th-Sept | ENGIE The twelve labours of Engie |
| 7th-Sept | FRESENIUS : ¡Salud! |
| 6th-Sept | WIRECARD Ready to reconnect with the fundamentals |
| 24th-Aug | AMS Catching the ball when it bounces - all a question of timing |

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



SHIRE PLC

BUY-Top Picks, Fair Value 6900p (+35%)

Feedback from a quick business update + Comments on potential Lialda generics

Last Friday, the CFO provided a quick business update. Among the different issues that were addressed we note that 1/ M&A could be brought back to the table by next year; 2/ the integration of BXLT is going pretty fast. Apart from that, SHP announced that a court has ruled in favour of Cadilla/Zydus regarding the potential validity of its generic version of Lialda. While this is a negative per se, note that 1/Shire will obviously file an appeal... and previously won a court against another generic makers (Actavis); 2/ the impact on our FV would be quite limited (less than GBp100).

TELECOM SERVICES

Consolidation talks, again and again...

According to BFM Business, consolidation talks have started again between the French operators. Bouygues and SFR have categorically denied. We believe the rationale behind a consolidation on the French telecoms market remains intact, but we still have difficulties identifying the appropriate scheme. Although we do not think any major move should happen in the very short term, we view the consolidation as a free option for Orange, Iliad and Altice.

In brief...

CASINO GUICHARD, *Casino / Conforama*

FRESENIUS SE, *German-DRG above 2% for the fourth year in a row*

NOVARTIS, *EXPAND presented at ECTRIMS while new data support use of Entresto*

NOVO NORDISK, *SUSTAIN-6 vs. LEADER: a different picture*

CONSTRUCTION-INFRASTRUCTURES, *A new EUR1bn toll road stimulus plan announced by the government*

Healthcare

Shire PLC

Price 5,095p

Feedback from a quick business update + Comments on potential Lialda generics

Fair Value 6900p (+35%)

BUY-Top Picks

| | |
|----------------------------|---------------|
| Bloomberg | SHP LN |
| Reuters | SHP.L |
| 12-month High / Low (p) | 5,155 / 3,480 |
| Market Cap (GBP) | 45,958 |
| Ev (BG Estimates) (GBP) | 60,041 |
| Avg. 6m daily volume (000) | 2,647 |
| 3y EPS CAGR | 14.8% |

| | 1 M | 3 M | 6 M | 31/12/15 |
|----------------|-------|-------|-------|----------|
| Absolute perf. | 0.6% | 27.4% | 39.4% | 8.5% |
| Healthcare | -1.6% | 5.2% | 3.6% | -8.0% |
| DJ Stoxx 600 | -1.6% | 5.1% | -0.9% | -7.7% |

| YEnd Dec. (USDm) | 2015 | 2016e | 2017e | 2018e |
|------------------|-------|--------|--------|--------|
| Sales | 6,100 | 11,281 | 15,545 | 16,920 |
| % change | | 85.0% | 37.8% | 8.8% |
| EBITDA | 2,924 | 4,816 | 6,701 | 7,483 |
| EBIT | 2,785 | 4,409 | 6,234 | 6,925 |
| % change | | 58.3% | 41.4% | 11.1% |
| Net income | 2,310 | 3,280 | 4,625 | 5,342 |
| % change | | 42.0% | 41.0% | 15.5% |

| | 2015 | 2016e | 2017e | 2018e |
|------------------|------|-------|-------|-------|
| Operating margin | 45.7 | 39.1 | 40.1 | 40.9 |
| Net margin | 37.9 | 29.1 | 29.7 | 31.6 |
| ROE | 23.5 | 11.0 | 13.8 | 14.0 |
| ROCE | 16.3 | 6.4 | 9.0 | 10.4 |
| Gearing | 13.8 | 61.6 | 43.9 | 26.5 |

| (USD) | 2015 | 2016e | 2017e | 2018e |
|-----------------|-------|-------|-------|-------|
| EPS | 3.89 | 4.22 | 5.10 | 5.89 |
| % change | - | 8.3% | 21.0% | 15.5% |
| P/E | 17.1x | 15.8x | 13.1x | 11.3x |
| FCF yield (%) | 5.6% | 3.4% | 6.4% | 8.2% |
| Dividends (USD) | 0.23 | 0.20 | 0.22 | 0.31 |
| Div yield (%) | 0.3% | 0.3% | 0.3% | 0.5% |
| EV/Sales | 10.1x | 7.0x | 4.8x | 4.1x |
| EV/EBITDA | 21.0x | 16.3x | 11.2x | 9.4x |
| EV/EBIT | 22.1x | 17.8x | 12.0x | 10.1x |

Last Friday, the CFO provided a quick business update. Among the different issues that were addressed we note that 1/ M&A could be brought back to the table by next year; 2/ the integration of BXLT is going pretty fast. Apart from that, SHP announced that a court has ruled in favour of Cadilla/Zydus regarding the potential validity of its generic version of Lialda. While this is a negative per se, note that 1/Shire will obviously file an appeal... and previously won a court against another generic makers (Actavis); 2/ the impact on our FV would be quite limited (less than GBp100).

ANALYSIS

- Shire's CFO provided a business update during the Bofa ML Healthcare conference last Friday. Among the different issues that were addressed, M&A was a hot one... 1/ but paying down the debt associated with the acquisition of Baxalta is of course the very first priority (given that net debt over EBITDA needs to be in a 2-3x range by the end of 2017 – vs BG: 2.5x); 2/ interestingly, management is apparently willing to reinforce its Ophtalmology business apart from its rare disease one, especially since they expect lifitegrast to become a major product. Bearing this in mind, we would not be surprised to see some bolt-on acquisitions starting from H2 17.
- The comments made on BXLT's biosimilars franchise brought nothing new to the table, as it is still under review... And we can expect a decision by the end of this year or in early 2017. But as far as we are concerned, we believe a divestment/discontinuation would be the best scenario as 1/ it basically involves TNF-α inhibitors biosimilars, and further firms are currently developing these kind of assets, 2/ other drugs with new mechanisms of action have already reached the market (anti-IL-17 in plaque psoriasis, JAK inhibitors in rheumatoid arthritis, etc.) and will grab some shares from TNF in our view. Given the potential sales we foresee (< USD400m by the end of 2020) and the SG&A investments needed, we believe ROI will be quite limited.
- There was nothing new/material regarding the ongoing cost-savings plan. Note however that 1/ the number of employees in the manufacturing field, and even in the commercial one (notably in haemophilia, immunology and oncology) was quite "disproportionate" according to the CFO; 2/ the integration (i.e. redesigning the overall structure/organization, telling people what their role will be, etc.) is going pretty fast, and most of this should be completed by the end of October.
- Apart from that, SHP announced that the US District Court for Delaware has ruled that Cadilla/Zydus's potential generic version of Lialda does not infringe US patent No. 6,773,720... also called the '720 patent. Obviously, this is not good news, but note that 1/ in another case involving Actavis, the latter won on appeal in 2014... But earlier this year, the court ruled in favour of SHP; 2/ Lialda represents c.5% of our current 2017e sales estimate, and we anticipated a massive arrival of generics as of 2020 (when the patent is supposed to fall into the public domain); 3/ in a bear-case scenario (assuming generics by 2018), our FV would be trimmed by less than GBp100.

VALUATION

- BUY recommendation reiterated with a FV of GBp6,900 especially since 1/ we anticipate a double-digit EPS in the next few years; 2/ we continue to see a very positive risk-reward behind the stock (c.45-50% discount vs CSL and c.25% vs the European sector based upon our 2017e P/E ratio).

NEXT CATALYSTS

- Q3 2016 results: 28th October.
- Capital Market Day: 10th November.

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Sector View

Telecom services

Consolidation talks, again and again...

| | 1 M | 3 M | 6 M | 31/12/15 |
|--------------|-------|-------|--------|----------|
| Telecom | -4.9% | -2.1% | -12.5% | -16.6% |
| DJ Stoxx 600 | -1.7% | 5.2% | -0.2% | -7.0% |

*Stoxx Sector Indices

Companies covered

| | | |
|------------------------|----------------|------------------------|
| ALTICE | BUY | EUR16,5 |
| Last Price | EUR15,01 | Market Cap. EUR16,425m |
| ILIAD | BUY | EUR212 |
| Last Price | EUR186,8 | Market Cap. EUR10,971m |
| NUMERICABLE SFR | NEUTRAL | EUR28,7 |
| Last Price | EUR24,7 | Market Cap. EUR10,825m |
| ORANGE | BUY | EUR17,1 |
| Last Price | EUR13,1 | Market Cap. EUR34,847m |



According to BFM Business, consolidation talks have started again between the French operators. Bouygues and SFR have categorically denied. We believe the rationale behind a consolidation on the French telecoms market remains intact, but we still have difficulties identifying the appropriate scheme. Although we do not think any major move should happen in the very short term, we view the consolidation as a free option for Orange, Iliad and Altice.

ANALYSIS

- On Friday, BFM Business said talks between operators concerning the French telecoms market consolidation have resumed. According to the TV channel, Stephane Richard said “discussions on the consolidation of the market resumed. Orange is **not the originator** of these talks, but is willing to play the role of facilitator and acquire some assets”. BFM Business said several industrial sources confirmed the information. According to one of these, the talks are still **very preliminary**, and the **scheme of the deal is different** from the one discussed in the beginning of the year.
- A spokesman for SFR said they had had **no discussions** with anybody on this matter. Bouygues issued a press release saying they “**categorically denied** having started discussions with other telecom operators with a view to consolidating the French market”. On Tuesday, Philippe Marien, deputy CEO of Bouygues, declared “the merger talks are over. Bouygues remains **ready to participate** in the consolidation, but this time **only as a buyer**”.
- At this point, it is **difficult to identify the right scheme for a prospective deal**. Bouygues does not want to **get out of telecoms**, as recently mentioned again. The Orange/Bouygues merger should be **off the table** for at least some time, Martin Bouygues and Xavier Niel seem **irreconcilable**, and SFR does not appear as a **natural seller**. Indeed, Altice is currently trying to buy out minorities at SFR, at a low valuation point, and SFR is still in the middle of an integration and turnaround phase.
- Nevertheless, the **rationale behind a consolidation remains intact**. **Competition is fierce**, ARPUs are still under pressure, and operators need to **invest heavily** in fibre and mobile infrastructure. **A market repair needs to happen**: either through a return to reason with healthier pricing policies, or through market consolidation.

VALUATION

- We have a BUY recommendation on Altice, Orange and Iliad, and Neutral on SFR. In our view, consolidation is a free option for Altice, Orange and Iliad, which should benefit the most.
- We are stick to our Fair Values of EUR17.1 for Orange, EUR16.5 for Altice, EUR28.7 for SFR and EUR212 for Iliad.

NEXT CATALYSTS

- Q3 publications starting in late October.

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Food retailing

Casino Guichard

Price EUR42.66

Casino / Conforama

Fair Value EUR57 (+34%)

BUY

| | |
|----------------------------|-------------|
| Bloomberg | CO FP |
| Reuters | CASP.PA |
| 12-month High / Low (EUR) | 56.5 / 35.2 |
| Market Cap (EURm) | 4,777 |
| Avg. 6m daily volume (000) | 460.5 |

| | 1 M | 3 M | 6 M | 31/12/15 |
|----------------|-------|--------|--------|----------|
| Absolute perf. | -5.1% | -11.9% | -11.9% | 0.6% |
| Food Retailing | 0.2% | 3.7% | -5.7% | -3.7% |
| DJ Stoxx 600 | -1.6% | 5.1% | -0.9% | -7.7% |

| | 2015 | 2016e | 2017e | 2018e |
|---------------|-------|-------|-------|-------|
| P/E | 15.3x | 20.4x | 14.1x | 12.1x |
| Div yield (%) | 7.3% | 7.3% | 7.3% | 7.3% |

- The Conforama and Casino groups have just announced the creation of a joint central purchasing agency for non-food products with operations set to launch for the 2017 purchasing negotiations. Conforama and Casino will continue to operate their sales outlets and e-commerce sites independently, in line with their banner's entities and respective sales strategies.
- Named "Mano" the agency will be positioned as a leader in its area of activity and enhance the competitiveness of Cdiscount (whose profitability profile remains somewhat unproven so far), Géant (still loss making in 2016e and hopefully profitable in 2017), Monoprix (which is facing increased competition in the Paris area) and Casino Supermarkets banners.

VALUATION

- We see this partnership as a reaction to the merger between Fnac and Darty. Along with 1/ the positive impact of the conversion of 200 loss-making or barely profitable stores (carry on impact of around EUR50M in 2017e) into franchised entities and 2/ the Dia / Intermarché partnership (synergies around EUR50m in 2016e), hopefully, 3/ Mano should allow the consensus to acquire more confidence about the improvement in operating performance in 2017.

NEXT CATALYSTS

- Casino meets its target of EUR500m underlying operating profit in France in 2016.

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Healthcare

Fresenius SE

Price EUR70.17

German-DRG above 2% for the fourth year in a row

Fair Value EUR78 (+11%)

BUY-Top Picks

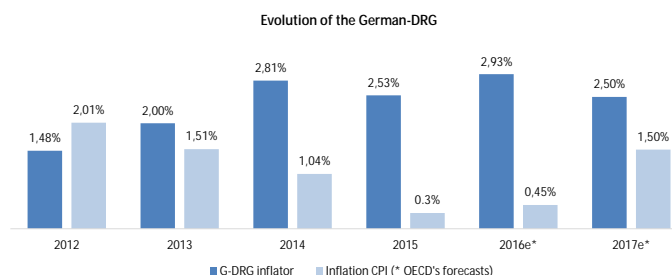
| | |
|----------------------------|-------------|
| Bloomberg | FRE GR |
| Reuters | FREG.DE |
| 12-month High / Low (EUR) | 70.5 / 53.1 |
| Market Cap (EURm) | 38,338 |
| Avg. 6m daily volume (000) | 1 039 |

| | 1 M | 3 M | 6 M | 31/12/15 |
|----------------|-------|-------|-------|----------|
| Absolute perf. | 1.9% | 12.1% | 11.8% | 6.4% |
| Healthcare | -3.1% | 4.1% | 2.6% | -8.3% |
| DJ Stoxx 600 | -1.7% | 5.2% | -0.2% | -7.0% |

| | 2015 | 2016e | 2017e | 2018e |
|---------------|-------|-------|-------|-------|
| P/E | 26.8x | 23.6x | 20.8x | 18.8x |
| Div yield (%) | 2.4% | 2.7% | 3.2% | 3.5% |

ANALYSIS

- The Institute for the Hospital Remuneration System released the German diagnosis-related group inflator for 2017, which has been set at 2.5% and compares to the OECD's anticipated inflation rate of 1.5% for the same year. The DRG inflator is used to revalue annually the reimbursement paid to hospitals in Germany. This is the fourth year in a row that this rate stands at or above 2.5% which highlights the stability of the German Hospital environment.



- As a reminder, Fresenius SE has reinforced its Hospital business with the acquisition of Spain's largest hospital network, Quirónsalud, for EUR5.76bn. In addition to adding EUR2.7bn in incremental sales as of next year (BGe 5.5% CER growth p.a.) as well as having an 8.5% accretive impact on 2017e EPS, we expect this acquisition to bring stability and visibility to the groups. The hospital business should represent 30% of the group's net income in 2017e (vs. 25% in 2016e).

VALUATION

- We reiterate our BUY recommendation and EUR78 Fair Value. Fresenius SE is in our Q3 Top-Picks list.

NEXT CATALYSTS

- 27th October: Q3 results
- 15th November: Fresenius SE to attend Bryan, Garnier & Co's 4th Healthcare Conference (Paris)

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Healthcare

Novartis

Price CHF77.55

EXPAND presented at ECTRIMS while new data support use of Entresto**Fair Value CHF87 (+12%)****NEUTRAL**

| | |
|----------------------------|-------------|
| Bloomberg | NOVN.VX |
| Reuters | NOVN.VX |
| 12-month High / Low (CHF) | 94.3 / 68.5 |
| Market Cap (CHFm) | 203,733 |
| Avg. 6m daily volume (000) | 4 763 |

| | 1 M | 3 M | 6 M | 31/12/15 |
|----------------|-------|------|-------|----------|
| Absolute perf. | -2.0% | 5.3% | 7.9% | -10.7% |
| Healthcare | -1.6% | 5.2% | 3.6% | -8.0% |
| DJ Stoxx 600 | -1.6% | 5.1% | -0.9% | -7.7% |

| | 2015 | 2016e | 2017e | 2018e |
|---------------|-------|-------|-------|-------|
| P/E | 15.8x | 16.5x | 15.1x | 13.5x |
| Div yield (%) | 3.5% | 3.8% | 3.3% | 3.7% |

ANALYSIS

- First detailed results from the EXPAND phase III trial were presented at the ECTRIMS congress during the week end. BAF312 (siponimod) reduced the risk of disability progression by 21% compared to placebo (p=0.013) whereas all secondary endpoints were also met. The data package looks robust although it is uncertain whether regulatory authorities will agree on a filing based on a single placebo-controlled study. While no drug has ever been studied in SPMS specifically, several have benefited from a wide label including SPMS as a subgroup of RRMS patients, considering that a portion of patients recruited developed SPMS and benefit from the investigational drug. The issue is that in real life, patients developing SPMS are unlikely to remain untreated although it is difficult to determine a standard-of-care to ask BAF312 to be compared to. Discussions with authorities will take place by year-end. So far, Novartis is maintaining BAF312 in its filing table for 2019.
- Moving to Entresto, there has been a new analysis of the PARADIGM-HF study. Out of 6,981 patients in total, 305 were hospitalised for HF during the first eight months and when comparing the two groups, those who had received Entresto had a much higher quality of life scores than those treated with enalapril (-2.99 vs -4.63, p=0.001). On top of reducing the impact of the disease itself on the morbidity and mortality associated with HF, Entresto is also improving QoL for a disease that often remains symptom-free. Considering also pharmacoeconomic studies that have demonstrated that the drug was reasonably priced, all this forms a strong rationale for a commercial success now that limiting factors have gone while extra resources were allocated.

VALUATION

- As already stated in previous comments, our feeling is that momentum is improving for Novartis. Once the macro environment has normalised, the stock might regain some traction.

NEXT CATALYSTS

- 8-12th October 2016: ESMO congress – presentation of LEE011 phase III data

[Click here to download](#)Eric Le Berrigaud, eleberrigaud@bryangarnier.com

Healthcare

Novo Nordisk

Price DKK307.50

SUSTAIN-6 vs. LEADER: a different picture

Fair Value DKK360 (+17%)

NEUTRAL

| | |
|----------------------------|---------------|
| Bloomberg | NOVOB DC |
| Reuters | NOVOB.CO |
| 12-month High / Low (DKK) | 404.2 / 296.1 |
| Market Cap (DKKm) | 618,863 |
| Avg. 6m daily volume (000) | 2 790 |

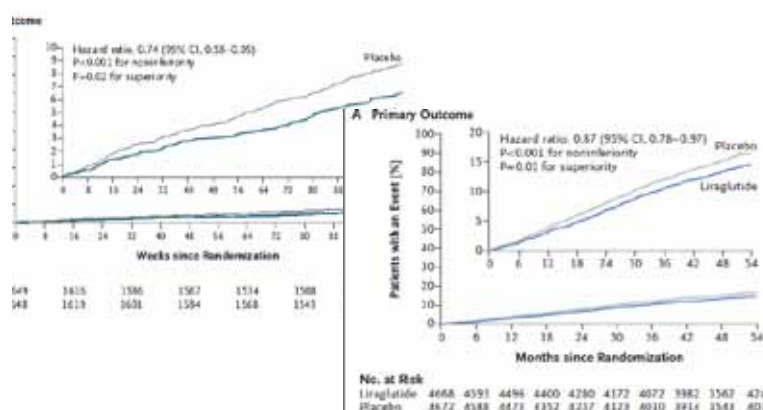
| | 1 M | 3 M | 6 M | 31/12/15 |
|----------------|-------|-------|--------|----------|
| Absolute perf. | -0.7% | -9.1% | -18.2% | -23.1% |
| Healthcare | -1.6% | 5.2% | 3.6% | -8.0% |
| DJ Stoxx 600 | -1.6% | 5.1% | -0.9% | -7.7% |

| | 2015 | 2016e | 2017e | 2018e |
|---------------|-------|-------|-------|-------|
| P/E | 22.7x | 19.8x | 18.3x | 17.4x |
| Div yield (%) | 2.1% | 2.3% | 2.5% | 2.6% |

ANALYSIS

- After liraglutide at the ADA 2016 in June, Novo-Nordisk presented positive data for semaglutide in another cv outcome study called SUSTAIN-6. Although the two studies had positive primary endpoints, the results are not fully identical: on one hand, overall benefit looks greater with sema since the composite endpoint of non-fatal MI or stroke and cv death was reduced by 26% in SUSTAIN-6 compared to only 13% in LEADER, which appeared modest at the time and at the low-end of the expected range. A 26% reduction this time appears very robust for sema. Now, sema has failed to show any benefit on the specific and highly regarded component of death from cv cause (HR=0.98, p=0.92 at 2 years) whereas liraglutide showed its greatest benefit on this criteria. However the length of observation was higher in LEADER and so longer-term data in SUSTAIN-6 might result in a benefit as well. Because non-fatal MI and non-fatal stroke were very significantly reduced, by 26% and an outstanding 39% (while liraglutide had no meaningful impact on stroke in LEADER) respectively.

Primary endpoint measures in SUSTAIN-6 (left) and LEADER (right)



- A word about safety, at least to report side effects very much in line with what is commonly reported with GLP1 analogues. Semaglutide was associated with a higher incidence of discontinuations and more unexpectedly, with a higher incidence of retinopathy complications, which may require a warning.

VALUATION

- As expected, with semaglutide Novo-Nordisk will have a terrific once-weekly GLP1 analogue that is likely to compete neck and neck with Lilly's Trulicity. The key question is how much it will enlarge the GLP1 market segment, not even mentioning the influence of Xultophy. If we put the three in the same category their cumulative sales could jump from DKK21bn in 2016 to DKK42bn in 2021 (BGe), with a major positive mix effect on margins (+260bp over the period).

NEXT CATALYSTS

- 28th October 2016: Third-quarter results

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Sector View

Construction-Infrastructures**A new EUR1bn toll road stimulus plan announced by the government**

| | 1 M | 3 M | 6 M | 31/12/15 |
|--------------|-------|-------|-------|----------|
| Cons & Mat | -1.5% | 10.1% | 6.3% | 2.9% |
| DJ Stoxx 600 | -1.6% | 5.1% | -0.9% | -7.7% |

*Stoxx Sector Indices

Companies covered

| | | |
|---------|-----|-------|
| EIFFAGE | BUY | EUR77 |
| VINCI | BUY | EUR72 |

A new toll road stimulus plan is on the way, according to the government. This would be a EUR1bn capex plan, financed by further tariff compensation (in the midterm) as well as contributions from local authorities (in negotiations). The government would like work to start at the end of 2017. Vinci and Eiffage's valuations should be positively impacted in our view (or neutral in the worst case).

In an interview in the French weekly *"Le Journal du Dimanche"*, the State Secretary for Transport Alain Vidalies announced that a new toll road stimulus plan is under way. 50 projects (mostly interchanges apparently) have been selected, among the list sent by concessionaires. This would represent EUR1bn of additional investment and be compensated by new tariff increases (between 0.3% and 0.4% in the 2018-2020 period) and financial contributions (to be negotiated) from local authorities.

ANALYSIS

- The plan is smaller than the previous one (EUR3.2bn in 2015), which is not a surprise. However, the financial compensation chosen is a surprise. The cost of the previous plan was offset by various extensions to the duration of concession contract life-spans. An extension negotiation is a long process, as it has to be approved by Brussels but it is a way to keep tariffs unchanged.
- In this new plan, the government is taking some risks. Politically speaking, it is now easy to legitimate additional tariff hikes. In addition, asking local authorities to pay is something new to us and could prompt long and complicated negotiations. This looks surprising to us, especially as local authorities' budgets are under pressure. In any case, this lowers the visibility on the outcome.
- We cannot measure the impact on Vinci and Eiffage's SOTP, as we would need additional information for that. Note that the previous plan had a EUR3 positive impact on valuation.

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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 55.8%

NEUTRAL ratings 33.1%

SELL ratings 11%

Bryan Garnier Research Team

| | | | | |
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