

23rd September 2016

Food & Beverages

## Campari

Price EUR10.04

### Refinancing with favourable conditions

Fair Value EUR10,5 vs. EUR9,7 (+5%)

**BUY**

Bloomberg	CPR.IM
Reuters	CPR.MI
12-month High / Low (EUR)	10.0 / 6.9
Market Cap (EUR)	5,831
Avg. 6m daily volume (000)	1 234

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.3%	19.0%	15.4%	25.5%
Food & Bev.	1.2%	3.7%	5.3%	1.1%
DJ Stoxx 600	2.2%	1.9%	2.2%	-4.9%

	2015	2016e	2017e	2018e
P/E	31.2x	28.0x	21.5x	19.6x
Div yield (%)	0.9%	0.9%	1.0%	1.0%

#### ANALYSIS

- Yesterday, Campari announced that it has prepaid all US Private Placement Notes, which amount to USD310m and bear an average coupon of 5.82%. The operation was financed via a EUR300m loan maturing in three years and with a coupon of 0.75% over 3 months Euribor. In addition, bonds worth EUR350m are due to mature in October. Their average coupon stands at 5.375%. As a result, we estimate that the average cost of debt has dropped from 4.4% to 2.8%. Our EPS estimates are revised upwards by 4% on average over the next three years.

#### VALUATION

- Our Fair Value is adjusted to EUR10.5 as we factor 2.8% into our WACC.

#### NEXT CATALYST

- The group is to release its 9M results on 8th November.

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### Distribution of stock ratings

BUY ratings 55,8%

NEUTRAL ratings 33,1%

SELL ratings 11%

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