

7th September 2016

Insurance

**Scor**

Price EUR26.84

**New strategic plan: solid fundamentals, yet tricky momentum**

**Fair Value EUR38 (+42%)**

**BUY**

Bloomberg	SCR FP
Reuters	SCOR.PA
12-month High / Low (EUR)	37.2 / 24.9
Market Cap (EUR)	5,153
Avg. 6m daily volume (000)	429.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	4.5%	-8.4%	-17.3%	-22.2%
Insurance	4.8%	-3.9%	-5.3%	-16.8%
DJ Stoxx 600	2.4%	2.1%	2.2%	-4.5%

	2015	2016e	2017e
P/E	7.8x	9.3x	8.9x
Div yield (%)	5.6%	5.6%	5.6%

#### ANALYSIS

- Scor has presented its new three-year strategic plan called "Vision in Action".
- The main objectives are: i/ an ROE of 800bps over the 5-year risk-free rate over the cycle (vs. 1,000 bp above the 3-month risk-free rate in the last plan); and ii/ a Solvency II ratio in the 185-220% range (same as in the last plan, vs. 210% at end-June).
- In P&C, Scor expects a 3-8% CAGR for premiums and a 95-96% combined ratio (worse than the last 93-94% target).
- In Life, the goal is to grow premiums by 5-6% annually and to generate a 6.8-7.0% technical margin (slightly below the 7% target in the last plan).
- RoI is expected to be in the 2.5-3.2% area (vs. >3.0% in the last plan), including a 5% cash position (vs. 14% at end-June).
- -> The targets presented today are broadly in line with market expectations, and are another illustration of the deflationary forces currently at play in the insurance/reinsurance industry. However fundamentals remain strong, and so does visibility on the dividend.

#### VALUATION

- Based on our current estimates, our SOTP valuation is EUR38.

#### NEXT CATALYSTS

- Detailed presentation of the plan today. Q3 2016 numbers to be reported on 27th October.

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## Distribution of stock ratings

BUY ratings 55.3%

NEUTRAL ratings 33.3%

SELL ratings 11.3%

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