

Ubisoft

Price EUR34.31

Ubisoft acquires the stake held by Bpifrance (3.2% of the capital, 5.7% of the voting rights)

Fair Value EUR34 (-1%)

BUY

Bloomberg	UBI.FP
Reuters	UBIP.PA
12-month High / Low (EUR)	38.3 / 18.0
Market Cap (EURm)	3,855
Avg. 6m daily volume (000)	249.0

FACTS

- Friday after trading, Ubisoft announced the signing of an agreement with Bpifrance (the Banque Publique d'Investissement) for the **purchase of the 3,625,178 Ubisoft shares held by Bpifrance (3.2% of the capital), at a price of EUR33.80/share i.e. a total amount of EUR122.5m.** The transaction **fits into Ubisoft's share buyback programme and will close by the beginning of November.** The shares are to be allocated to the employee shareholding plans, the convertible bond issued through a private placement on 21st September and/or to potential external growth operations (likely in the mobile segment in our view).

ANALYSIS

- Note that Bpifrance had double voting rights, so the 3.2% stake in UBI's share capital is equivalent to 5.7% of voting rights. **The Guillemot family will continue to hold 12.84% of UBI's capital and 18.91% of the voting rights, and** it seems to have the support of Fidelity ~10% and Blackrock ~5%). This compares with Vivendi 22.8% and 20.2% respectively.
- The transaction is accretive to UBI's shareholders and avoids the block having to be sold on the market** (i.e. no pressure on the price and no volatility). **Bpifrance wanted to sell its stake but also to support Ubisoft's management until the AGM next week.** The agreement signed has met these needs. As a result, nothing will happen before the shareholder's meeting (29th September), in order that Bpifrance can vote.

VALUATION

- We maintain our Buy recommendation and FV of EUR34** (only based on fundamentals). The share price fully values the group's earnings over the current fiscal year (to end-March 2017). As a reminder, in our recent report "[Same player shoot again?](#)", we estimated a **valuation between EUR40 (the very minimum, and EUR45 if Vivendi wants to avoid counterbids as far as possible) and EUR51 (maximum) in the event of a takeover bid.**

NEXT CATALYSTS

- Ubisoft's AGM:** on Thursday 29th September. [Click here to download](#)

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BUY ratings 55.8%

NEUTRAL ratings 33.1%

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