

9th September 2016

Construction & Building Materials

**VINCI**

Price EUR68.74

**New toll roads concession in LatAm for Vinci**

Fair Value EUR72 (+5%)

**BUY-Top Picks**

Bloomberg	DG FP
Reuters	SGEF.PA
12-month High / Low (EUR)	69.7 / 55.8
Market Cap (EURm)	40,941
Avg. 6m daily volume (000)	1,594

**ANALYSIS**

- Vinci consortium, in which Vinci Highways has a 50% stake alongside local players (25% stake each) Industrial Concreto and Constructora Concreto (in which Vinci also has a 20% stake), is the future holder of a 141km toll roads concession in Colombia between Bogota and Girargot.
- The project is to operate and maintain the highway for a 30-year period, as well as to build a new 65-km lane, as well as four bidirectional tunnels. The works were awarded to a JV, in which Vinci Construction Grand Projects obtained 50%.
- The total amount of the contract is respectable at around EUR1.3bn, according to Vinci.
- This is positive news for Vinci: it proves its ability to expand its concession portfolio (not only through its Airports division). Risks exist but are under control (toll roads and construction are clearly within the core-businesses of Vinci) - but of course Colombia is more exotic than France and riskier too.

**VALUATION**

- FV at EUR72 derived from a SOTP

**NEXT CATALYSTS**

- 25th October: Q3 sales at end September

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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