

23rd September 2016

Utilities

Veolia Environnement

Price EUR20.62

Caisse des Dépôts announces its intention to place up to 22.5m shares in Veolia

Fair Value EUR23,5 (+14%)

BUY-Top Picks

Bloomberg	VIE.FP
Reuters	VIE.PA
12-month High / Low (EUR)	22.9 / 18.1
Market Cap (EUR)	11,617
Avg. 6m daily volume (000)	1 778

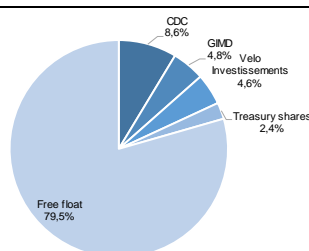
	1 M	3 M	6 M	31/12/15
Absolute perf.	6.9%	2.5%	0.6%	-5.7%
Utilities	0.9%	-1.9%	0.8%	-5.0%
DJ Stoxx 600	2.2%	1.9%	2.2%	-4.9%

	2015	2016e	2017e	2018e
P/E	30.5x	22.1x	16.8x	14.9x
Div yield (%)	3.5%	4.1%	4.1%	4.7%

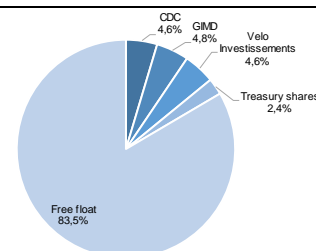
ANALYSIS

- French state-owned bank **Caisse des Dépôts** (CDC) announced yesterday evening that it was selling about **22.5 million shares** in the French environmental services company **Veolia** through an **accelerated book building process**.
- The operation represents about **4%** of the company's share capital. At yesterday's closing price (i.e. EUR20.62), the placement would represent an overall amount of c. **EUR465m**.
- Following the transaction, the Caisse des Dépôts will hold **4.62%** of Veolia's share capital and **8.36%** of the company's voting rights. CDC said it intends to remain a key shareholder in the company and will remain on the Board of Directors, for the time being.
- The company's **free-float** will now amount to c. **83.5%** (vs. 79.5% before the placement).

Shareholding structure before the placement



Shareholding structure following the placement



VALUATION

- Buy, FV @ EUR23.5**
- At the current share price, Veolia is trading at **6.0x** its 2016e EBITDA multiple.

NEXT CATALYSTS

- 3rd November 2016: Q3 2016 results

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Pierre-Antoine Chazal, pachazal@bryangarnier.com



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BRYAN, GARNIER & CO

London	Paris	New York	Munich	New Delhi
Beaufort House 15 St. Botolph Street London EC3A 7BB Tel: +44 (0) 207 332 2500 Fax: +44 (0) 207 332 2559 Authorised and regulated by the Financial Conduct Authority (FCA)	26 Avenue des Champs Elysées 75008 Paris Tel: +33 (0) 1 56 68 75 00 Fax: +33 (0) 1 56 68 75 01 Regulated by the Financial Conduct Authority (FCA) and the Autorité de Contrôle prudentiel et de resolution (ACPR)	750 Lexington Avenue New York, NY 10022 Tel: +1 (0) 212 337 7000 Fax: +1 (0) 212 337 7002 FINRA and SIPC member	Widenmayerstrasse 29 80538 Munich Germany +49 89 2422 62 11	The Imperial Hotel Janpath New Delhi 110 001 Tel +91 11 4132 6062 +91 98 1111 5119 Fax +91 11 2621 9062 Geneva rue de Grenus 7 CP 2113 Genève 1, CH 1211 Tel +4122 731 3263 Fax+4122731 3243 Regulated by the FINMA

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