

27th October 2016

Insurance

Scor

Price EUR29.77

Very solid Q3 numbers

Fair Value EUR35 (+18%)

BUY

Bloomberg	SCR FP
Reuters	SCOR.PA
12-month High / Low (EUR)	37.2 / 24.9
Market Cap (EUR)	5,715
Avg. 6m daily volume (000)	405.0

	1 M	3 M	6 M	31/12/15
Absolute perf.	6.5%	14.0%	-9.0%	-13.7%
Insurance	3.7%	9.2%	-5.3%	-15.1%
DJ Stoxx 600	0.5%	0.1%	-1.6%	-6.6%

	2015	2016e	2017e	2018e
P/E	8.6x	10.6x	11.2x	10.7x
Div yield (%)	5.0%	5.0%	5.0%	5.0%

ANALYSIS

- Q3 2016 net income came to EUR163m, down 1% yoy, in line with consensus (EUR161m).
- In P&C, the combined ratio stands at 91.4% (consensus 91.1%) vs. 90.6% in Q3 2015, including 3.4 points related to natcats (vs. 1.2 point last year). The normalised combined ratio (assuming natcats at budget level) is a pretty satisfactory 94.0% (vs. 96.4% in Q3 2015 and 94.6% in Q2 2016). Remember the 2016-2019 guidance is 95-96%. 9M GWP are stable (-2.8% at constant FX).
- In Life, the technical margin stands at 7.1% (cons. 7.0%) vs. 7.2% in Q3 2015, in line with the plan.
- Annualised Q3 ROI is 2.3% vs. 2.2% in Q3 2015 and 2.6% for H1 2016. Cash/liquidity positions have started to decrease (10% of assets vs. 14% at end-June) and duration of the fixed income portfolio has increased (4.5 years vs. 4.0 years at end-June), as planned.
- NAV stands at EUR33.3 at end-September vs. EUR32.5 at end-June.
- The Solvency II margin is 212% at end-September vs. 210% at end-June, fully consistent with the company's optimal range 185-220%.
- -> A very solid publication. Buy maintained.

VALUATION

- Based on our current estimates, our SOTP valuation is EUR35.

NEXT CATALYSTS

- FY 2016 numbers on 22nd February 2017.

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NEUTRAL ratings 31.8%

SELL ratings 11.5%

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