

**Worldline**

Price EUR26.95

**Completion of Equens/Paysquare and KB deals**

Fair Value EUR31 (+15%)

**BUY**

Bloomberg	WLN.FP
Reuters	WLN.PA
12-month High / Low (EUR)	29.1 / 19.0
Market Cap (EURm)	3,561
Avg. 6m daily volume (000)	71.10

**ANALYSIS**

- **Friday after trading, Worldline announced the completion of: 1) the transaction that was presented on 3rd November 2015 with Equens and Paysquare (a PSP in the Netherlands). 1) a) the Financial Processing businesses of Worldline have been merged with Equens. This resulted in the creation of equensWorldline, owned by Worldline at 63.6% and by the former shareholders of Equens at 36.4%. 1) b) in Merchant Services, Worldline has acquired from Equens its commercial acquiring subsidiary Paysquare for an EV of EUR72m in cash. 2) the agreement with Komerční banka (KB), subsidiary of Société Générale and one of the leading banks in the Czech Republic. Under the terms of the agreement, Worldline has acquired, as a first stage, 80% of Cataps (a subsidiary of KB), based on an EV of EUR34m for 100%. Cataps was established in 2014 and has assumed activities of KB in credit and debit card payment processing services. Worldline and KB have in addition signed a 10 year commercial alliance for the development and the growth of these activities in the Czech Republic.**
- Equens, Paysquare and KB will be fully **consolidated from 1st October**. Worldline's updated **FY 2016 guidance** (revenue, OMDA and FCF) **will be presented during its Q3 revenue on 19th October**. And finally, **Atos and Worldline will hold an investor day on 8th November to give their 2020 targets**.

**VALUATION**

- **We maintain our Buy recommendation and our FV of EUR31** (Equens/Paysquare, KB and the end of the French radar contract are integrated into our valuation).
- **Worldline is currently trading at 2016e EV/EBITDA of 11.8x and at 2017e EV/EBITDA of 9.1x**. At our FV, the share would be exactly at 12x over 12 rolling months (6 months of 2016e and 6 months of 2017e), which is perfectly consistent with its positioning (physical PSP). As such, **any additional M&A deal would offer further upside on this particular multiple**.

**NEXT CATALYSTS**

- **Q3 revenue:** on 19th October. [Click here to download document](#)

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### Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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