Please find our Research on Bloomberg BRYG <GO>)

29th November 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	19097.9	-0.28%	+9.60%
S&P 500	2201.72	-0.53%	+7.72%
Nasdaq	5368.81	-0.56%	+7.22%
Nikkei	18307.04	-0.27%	-3.56%
Stoxx 600	339.827	-0.77%	-7.10%
CAC 40	4510.39	-0.88%	-2.73%
Oil /Gold			
Crude WTI	47.08	+5.30%	+26.56%
Gold (once)	1191.87	+0.62%	+12.19%
Currencies/Rates			
EUR/USD	1.05845	-0.19%	-2.56%
EUR/CHF	1.07415	-0.03%	-1.22%
German 10 years	0.108	-31.85%	-83.02%
French 10 years	0.768	-1.82%	-21.73%

Economic releases :

Date	
29th-Nov	8h45 - FR GDP 3Q (1.1% y/y) 14h00 - DE CPI Nov (0.8% y/y) 14h30 - GDP Annualised 3Q (3.0%) 14h30 - Personal consumtpion 3Q (1.5%) 16h00 - Consumer Confidence Nov. (101.5)

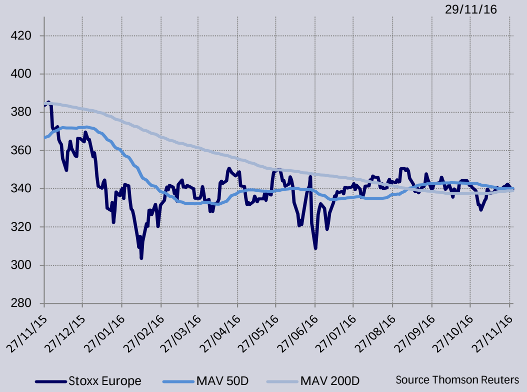
Upcoming BG events :

Date	
28th-Nov/ 29th-Nov	2nd Paris Consumer Conference
30th-Nov	VALEO (BG Lunch with IR)
5th-Dec	Reverse roadshow in Paris / Construction
5th-Dec/ 6th-Dec	ATOS (BG Paris Roadshow CFO & IR)
8th-Dec	Reverse roadshow Brewers Netherlands, Belgium
12th-Dec	Jean-Pierre Petit, Président des Cahiers Verts de l'Economie.

Recent reports :

Date	
25th-Nov	Brewers
23rd-Nov	SPIRITS : Rising to the Generation Y challenge
22nd-Nov	ORPEA More than ever a BUY
21st-Nov	Car Parts -What if market went too far down on auto suppliers?
21st-Nov	Innate - Still time to jump on the bandwagon
18th-Nov	FOCUS ACTELION Several upsides to play in an exciting 2017 year

List of our Reco & Fair Value : Please click here to download



CAPGEMINI — BUY, Fair Value EUR95 vs. EUR93 (+26%)

Feedback from investors lunch in Paris

We reiterate our Buy rating, but raise our DCF-derived fair value to EUR95 from EUR93 as we increase our adj. EPS ests. by 1% for 2016 and 2% for 2017-18 on updated fx assumptions. Last week we hosted an investors lunch in Paris with Capgemini's Head of IR, Vincent Biraud. The key takeaways from the event were reassuring: 1) harsh conditions in Oil & Gas in the US took Capgemini by surprise in Q3, but IT spending offers upside from H2 2017 as it has been cut to the bone; 2) the situation in Brazil is under control; 3) potential restrictions to H-1B visas in the US is less a concern than for Indian peers.

IMERYS — BUY-Top Picks, Fair Value EUR72 (+10%)

Before the cycle recovery; feedback of our London roadshow (24 Nov.).

The share price has almost entirely recovered from its sharp drop on 30 October and YTD performance is decent at +2% (vs -7% for the DJ Stoxx 600). Although this roadshow didn't provide any really fresh news, it reminds us that most Imerys' markets should benefit from a gradual recovery of their cycle, apart from paper, structurally declining (excl. packaging). The main uncertainty remains the timing of the recovery of course. In any case, 2017 should benefit from an easier comp. basis on the volumes, while energy cost increase is manageable. Finally, some M&A activity would not surprise us.

INDRA SISTEMAS — NEUTRAL, Fair Value EUR12 (+22%)

Intention to launch a voluntary tender offer for Tecnocom

This morning Indra announced its intention to launch a coluntary tender offer for Tecnocom. It will pay EUR4.25 per share, with a mix consideration of cash (60%) and shares (40%) valued at EUR9.85. The deal, which is expected to close in Q2 2017 and would reinforce Indra's position in Financial Services, increase its exposure to private customers, increase its operating leverage, and strengthen its proprietary solution portfolio, is expected to deliver EUR40m cost and revenue synergies per annum and double-digit EPS accretion from 2017.

MORPHOSYS — BUY, Fair Value EUR65 (+51%)

We want MORe! (report released today)

With LLY's solanezumab's recent failure in Alzheimer's disease, a period of significantly negative news flow is now behind us. The stock has lost c.1% since our initiation of coverage… And yet 1/ the downside has been materially reduced with Guselkumab's recent filing for approval in plaque psoriasis; 2/ we believe the next ASCO Congress might prompt us to (positively) reconsider our estimates for both anetumab ravntasine and utomilumab. BUY reiterated.

TMT

Capgemini

Price EUR75.45

Feedback from investors lunch in Paris

Fair Value EUR95 vs. EUR93 (+26%) BUY

Bloomberg	CAP FP
Reuters	CAPP.PA
12-month High / Low (EUR)	89.1 / 69.0
Market Cap (EUR)	12,945
Ev (BG Estimates) (EUR)	14,297
Avg. 6m daily volume (000)	667.3
3y EPS CAGR	11.9%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-0.1%	-14.1%	-12.3%	-11.9%
Softw.& Comp.	-1.2%	-1.5%	3.7%	3.4%
DJ Stoxx 600	-0.3%	-1.1%	-2.8%	-7.1%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	11,915	12,564	13,065	13,596
% change		*5.4%*	*4.0%*	*4.1%*
EBITDA	1,577	1,711	1,854	1,975
EBIT	1,022	1,190	1,392	1,513
% change		*16.4%*	*17.0%*	*8.7%*
Net income	796.9	956.5	1,044	1,129
% change		*20.0%*	*9.2%*	*8.1%*

	2015	2016e	2017e	2018e
Operating margin	10.6	11.4	12.1	12.5
Net margin	9.4	6.1	6.8	7.2
ROE	16.3	11.1	12.2	12.5
ROCE	17.2	13.7	14.6	16.1
Gearing	25.3	19.7	9.6	0.0

(EUR)	2015	2016e	2017e	2018e
EPS	4.64	5.58	6.01	6.50
% change	-	*20.4%*	*7.7%*	*8.1%*
P/E	16.3x	13.5x	12.5x	11.6x
FCF yield (%)	6.3%	6.8%	7.7%	8.2%
Dividends (EUR)	1.35	1.50	1.60	1.70
Div yield (%)	1.8%	2.0%	2.1%	2.3%
EV/Sales	1.2x	1.1x	1.0x	1.0x
EV/EBITDA	9.3x	8.4x	7.4x	6.6x
EV/EBIT	11.6x	10.0x	8.6x	7.6x

We reiterate our Buy rating, but raise our DCF-derived fair value to EUR95 from EUR93 as we increase our adj. EPS ests. by 1% for 2016 and 2% for 2017-18 on updated fx assumptions. Last week we hosted an investors lunch in Paris with Capgemini's Head of IR, Vincent Biraud. The key takeaways from the event were reassuring: 1) harsh conditions in Oil & Gas in the US took Capgemini by surprise in Q3, but IT spending offers upside from H2 2017 as it has been cut to the bone; 2) the situation in Brazil is under control; 3) potential restrictions to H-1B visas in the US is less a concern than for Indian peers.

ANALYSIS

Harsh conditions in Oil & Gas in North America took Capgemini by surprise. In North America, the strong 2-digit fall in Energy/Utilities in 2016 in a context of low oil prices - tens of drilling companies went bankrupt, no new project is underway, and IT spending in shale gas has been cut to the bone - is the backlash of an explosive surge in demand in 2014 and H1 2015 (add-ons on top of SAP ERP). Capgemini made a late entry in Oil & Gas, gained market share in a booming market, and paid the price for it. The situation was so dire that the company even stopped working with some customers given the risk of not being paid. Management does not bank on a sales recovery in Energy/Utilities for North America as long as there is no improved visibility for Oil & Gas customers over several quarters - even though Trump's campaign speech looked to be favourable to oil firms -, so the YoY sales decline in this area will decelerate until Q2 2017 as comps will ease over time.

Brazil under control. In LatAm, pure IT Services revenues have been flattish year-to-date. As in Brazil some large customers ask Capgemini to be "prime contractor", pass-through revenues (i.e. hardware reselling from the likes of IBM or HP with a very low gross margin) can be volatile. The lack of visibility in the economic environment and the weakness of the Brazilian real against the US dollar - hardware prices surging up to 40% - led these customers to delay their orders. As H1 2016 revenues in Brazil included a bit of sell-through, Capgemini is likely face another decline in that country in H1 2017 – even though at a lesser extent than for Q3 2016. Anyway, the implementation from 2017 of the IFRS 15 rule on sales recognition will remove pass-through revenues.

Downplaying the H-1B visa concern. Capgemini is moderately exposed to H-1B visas in the US. The concern is that under Donald Trump's administration, the limit of visas (85,000) could be lowered and/or visa fees (USD2,000 per visa) could be raised. Based on US Department of Labor data, we estimate 1,400 Capgemini staff work in the US with an H-1B visa - or an est. 8% of staff in North America, which is low compared to TCS (c. 5,600), Cognizant (c. 4,300), Infosys (c. 3,500), Wipro (c. 3,000) and Accenture (c. 2,300). Companies pay their H-1B visa holder wages on par with those paid to their US employees. Consequently, restrictions put to H-1B visas may oblige Indian IT Services firms to hire more US citizens, which would have a negative impact to their margins.

No need to accumulate cash: M&A will resume. For 2016, Capgemini is likely to spend more than 50% of its free cash flow in dividends, share buy-backs and acquisitions (BG est.: 58% after EUR229m of dividends and EUR265m of share buy-backs). For 2017, we estimate the free cash flow will reach EUR1bn and that 43% of it will be spent on dividends and share buy-backs. As such, while we consider Capgemini, all things being equal, may cut its net debt to zero by end 2018 and as the company has no need to accumulate cash, we cannot rule out more cash will be used for M&A, up to 50% of the free cash flow if some opportunities arise.

VALUATION

Capgemini's shares are trading at est. 10.0x 2016 and 8.6x 2017 EV/EBIT multiples.
Net debt on 30th June 2016 was EUR2,270m (net gearing: 36%).

NEXT CATALYSTS

FY16 results on 16th February 2017 before markets open.

[Click here to download]

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Dorian Terral

Construction & Building Materials

Imerys

Price EUR65.68

Before the cycle recovery; feedback of our London roadshow (24 Nov.).

Fair Value EUR72 (+10%) **BUY-Top Picks**

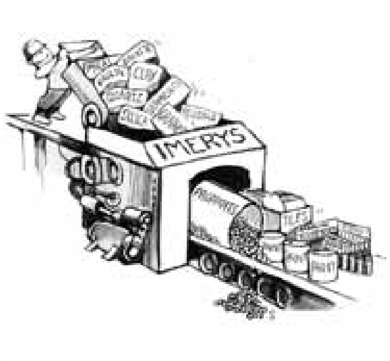
Bloomberg	NK FP
Reuters	IMTP.PA
12-month High / Low (EUR)	68.0 / 51.6
Market Cap (EURm)	5,226
Ev (BG Estimates) (EURm)	6,919
Avg. 6m daily volume (000)	61.60
3y EPS CAGR	9.1%

	1 M	3 M	6 M	31/12/15
Absolute perf.	4.3%	4.3%	3.3%	2.0%
Cons & Mat	-0.5%	-1.7%	1.8%	3.4%
DJ Stoxx 600	-0.3%	-1.1%	-2.8%	-7.1%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	4,087	4,141	4,233	4,317
% change		*1.3%*	*2.2%*	*2.0%*
EBITDA	745	791	848	875
EBIT	468.2	511.9	549.8	564.5
% change		*9.3%*	*7.4%*	*2.7%*
Net income	285.9	321.7	349.5	368.5
% change		*12.5%*	*8.6%*	*5.4%*

	2015	2016e	2017e	2018e
Operating margin	11.5	12.4	13.0	13.1
Net margin	1.7	7.0	8.3	8.6
ROE	12.9	13.6	13.4	13.2
ROCE	7.9	7.8	8.2	8.4
Gearing	55.4	53.7	47.6	41.1

(EUR)	2015	2016e	2017e	2018e
EPS	3.56	4.03	4.39	4.63
% change	-	*13.2%*	*8.9%*	*5.4%*
P/E	18.4x	16.3x	15.0x	14.2x
FCF yield (%)	5.4%	4.0%	4.8%	5.5%
Dividends (EUR)	1.75	1.89	2.00	2.10
Div yield (%)	2.7%	2.9%	3.0%	3.2%
EV/Sales	1.7x	1.7x	1.6x	1.6x
EV/EBITDA	9.4x	8.8x	8.0x	7.7x
EV/EBIT	14.9x	13.5x	12.4x	11.9x



The share price has almost entirely recovered from its sharp drop on 30 October and YTD performance is decent at +2% (vs -7% for the DJ Stoxx 600). Although this roadshow didn't provide any really fresh news, it reminds us that most Imerys' markets should benefit from a gradual recovery of their cycle, apart from paper, structurally declining (excl. packaging). The main uncertainty remains the timing of the recovery of course. In any case, 2017 should benefit from an easier comp. basis on the volumes, while energy cost increase is manageable. Finally, some M&A activity would not surprise us.

ANALYSIS

- Although top-line volumes were still under pressure at end September (-3%), there are numerous reasons to be less pessimistic today. **1)** About two-thirds of the organic decline in revenues for the first 9 months is explained by the tepid dynamic of European steel markets. Fortunately, the anti-dumping measures to protect European steel industries, which should be in place by the end of 2017, should have positive impact on the market. A lot of players have postponed maintenance capex because of the market slowdown. Any improvement in the outlook should then underpin the need for refractories replacement. Imerys is well placed as its key products (refractories monolithic) are very convenient and quick to install inside furnaces. Let's not forget that crude steel production in European Union is down 4.2% on the first 10 months, but slightly up (+0.3%) in October, according to Wordsteel; **2)** Renovation in construction in France remains weak admittedly, but leading indicators are promising: individual houses starts are better oriented (+5% y/y at end September on a 12-month basis). Besides, markets are decent in some other parts of Europe like the Nordic countries, the UK or Germany. But, **3)** Paper markets (printing, publishing) remains structurally down by 2-3% (although packaging is dynamic). Finally, it's worth stressing some of Imerys' markets are actually dynamic today, like minerals for the automotive industry or for the energy (lithium-ion batteries) or cosmetic sectors, amongst others.
- No fresh news regarding the ceramic proppants business exposed to the shale oil & gas market in the US. The oil price has to reach and stay around USD55-USD60 before to see producers start to operate rigs with more proppants. In any case, Imerys remains convinced the market is cyclical and has reminded us that, back in 2014, the proppant business has generated a EUR98m sales for an EBIT at the breakeven in H2.
- While energy and raw material price increases are likely next year. Imerys is not especially concerned. Energy represents a bit more than 10% of its (direct) cash costs, of which half is electricity (usually bought through multi-year contracts), 20% is oil and less than 30% gas. But the company is partly hedged on energy. Besides, the group has usually been able to more than balance the variable cost increase with a positive price-mix effect, notably thanks to innovation (new products represented 12% of sales last year and Imerys spends 1.6% of its revenues on R&D).
- We would not be surprised to see Imerys closing some acquisitions in the coming quarters. The company used to acquire an average of 4 to 5 firms per year. Volumes are under pressure this year and this could be a way for Imerys to report top-line growth, as was the case at end September (1.4% situation of Imerys sounds healthy, with a 1.8x debt/EBITDA ratio at end June, cost of debt at 2.3% for 5.1 years duration. The group has recently issued a EUR600m bond (a 12-year tranche at 1.8% and a 6-year one at 0.9%) to repay a EUR500m bond with a 5% coupon. In any case, the group's fire power stands probably around EUR1bn (depending of the target profile of course).

VALUATION

- Fair Value EUR72 is based on a combination of historical multiples (EUR68) and DCF (EU74)

NEXT CATALYSTS

- FY 2016 results to be released on 16th February 2017.

Click here to download

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TMT

Indra Sistemas

Price EUR9.81

Intention to launch a voluntary tender offer for Tecnocom

Fair Value EUR12 (+22%) **NEUTRAL**

Bloomberg	IDR SM
Reuters	IDR.MC
12-month High / Low (EUR)	12.3 / 7.7
Market Cap (EURm)	1,610
Ev (BG Estimates) (EURm)	2,302
Avg. 6m daily volume (000)	767.7
3y EPS CAGR	

	1 M	3 M	6 M	31/12/15
Absolute perf.	-13.1%	-16.1%	-4.1%	13.2%
Softw.& Comp.	-1.2%	-1.5%	3.7%	3.4%
DJ Stoxx 600	-0.3%	-1.1%	-2.8%	-7.1%

YEnd Dec. (€m)	2015	2016e	2017e	2018e
Sales	2,850	2,737	2,802	2,909
% change		*-4.0%*	*2.4%*	*3.8%*
EBITDA	107	223	309	371
EBIT	-641.0	160.0	238.0	296.0
% change		*NS*	*48.8%*	*24.4%*
Net income	-73.0	88.0	152.0	195.0
% change		*NS*	*72.7%*	*28.3%*

	2015	2016e	2017e	2018e
Operating margin	1.6	5.9	8.5	10.2
Net margin	-22.5	3.1	5.3	6.6
ROE	-208.1	21.5	27.5	26.1
ROCE	-11.7	11.7	17.9	22.0
Gearing	227.0	177.0	96.0	40.0

(€)	2015	2016e	2017e	2018e
EPS	-0.40	0.46	0.79	1.01
% change	-	*NS*	*71.7%*	*27.8%*
P/E	NS	21.3x	12.4x	9.7x
FCF yield (%)	NM	0.8%	9.4%	11.8%
Dividends (€)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	0.8x	0.8x	0.8x	0.7x
EV/EBITDA	21.6x	10.3x	6.9x	5.1x
EV/EBIT	50.2x	14.4x	8.9x	6.4x

This morning, Indra announced its intention to launch a voluntary tender offer for Tecnocom. It will pay EUR4.25 per share, with a mix consideration of cash (60%) and shares (40%) valued at EUR9.85. The deal, which is expected to close in Q2 2017 and would reinforce Indra's position in Financial Services, increase its exposure to private customers, increase its operating leverage, and strengthen its proprietary solution portfolio, is expected to deliver EUR40m cost and revenue synergies per annum and double-digit EPS accretion from 2017.

ANALYSIS

- **Overview of the deal**. The price offered values each Tecnocom's share at EUR4.25, representing a 12% premium over Tecnocom's closing price on 28th November 2016, and a premium of 28% over the 3-months VWAP. Payment will include a consideration of cash (60%) and Indra's shares (40%) valued at EUR9.85 per share, implying EUR2.55 in cash and 0.1727 Indra's shares for each Tecnocom share. The offer values 100% of Tecnocom's share capital at EUR305m, excluding the treasury stock. This represents an estimated EV/EBIT pre-synergies for 2017 of 14.3x and an estimated EV/EBIT post-synergies for 2017 of 5.2x, based on Bloomberg consensus figures. The deal is subject to the approval by the relevant anti-trust authorities, a minimum acceptance threshold of 50.01% of Tecnocom's share capital (excluding irrevocable commitments subscribed by Indra with Tecnocom's shareholders representing 52.7% of the share capital), a minimum acceptance of 70.01% of Tecnocom share capital, and the approval of the capital increase related to the transaction by Indra's Shareholders Meeting.
- **Who is Tecnocom?** Founded in 1967 and listed on the Madrid Stock Exchange since 1987, Tecnocom is an IT Services company which operates in 9 countries, including Spain, Portugal and Latin America with over 6,500 professionals (o/w 80% are based in Spain). Its business is positioned in critical areas like Payment Systems (90% of Spanish financial institutions are customers), and Tecnocom has a significant presence in local banking in Latin America and outsourcing. For 2015 the company posted revenues up 9.2% to EUR406.5m and an EBIT margin of 2.8% (+1ppt). Its net debt on 30th September 2016 was EUR27.2m. The combination of Indra and Tecnocom, based on pre-synergies data for the last 12 months ended in September 2016, would create a company of EUR3,147m revenues and €165m recurring EBIT (5.2% margin).
- **EUR40m synergies ahead**. The management quantified costs and revenues annual synergies of more than EUR40m. This will be reflected in double-digit EPS accretion at Indra from 2017 (excluding restructuring costs). On the back of this transaction, Indra will increase its operational leverage in IT Services, mainly in Financial Services. The deal is aligned with Indra's strategy of strengthening its proprietary solutions and digital-focused offering which will be reinforced with Tecnocom's Payment Systems solutions in Spain and Latin America. Moreover, Tecnocom's and Indra's client bases offer potential for cross-selling and up-selling, as well as consolidating Indra's position in large accounts, and access to new clients both in the Financial Services and other industries, in Spain and Latin America. In addition, the transaction will increase Indra's exposure to the private sector. Indra expects Tecnocom's management team to become part of Indra.

VALUATION

- Indra's shares are trading at est. 14.4x 2016 and 8.9x 2017 EV/EBIT multiples.
- Net debt on 30th September 2016 was EUR666.4m (net gearing: 187%).

NEXT CATALYSTS

FY16 results in February 2017.

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Dorian Terral

Healthcare

Morphosys

Price EUR43.00

We want MORe! (report released today)

Fair Value EUR65 (+51%) **BUY**

Bloomberg	MOR GR
Reuters	MORG.DE
12-month High / Low (EUR)	60.8 / 33.2
Market Cap (EURm)	1,254
Ev (BG Estimates) (EURm)	905
Avg. 6m daily volume (000)	125.9
3y EPS CAGR	

	1 M	3 M	6 M	31/12/15
Absolute perf.	6.3%	12.0%	-15.2%	-25.4%
Healthcare	0.4%	-6.5%	-9.1%	-14.2%
DJ Stoxx 600	-0.3%	-1.1%	-2.8%	-7.1%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	106.2	52.0	75.0	8.6
% change		*-51.1%*	*44.3%*	*-88.5%*
EBITDA	20.6	-63.2	-60.8	-147.9
EBIT	17.2	-67.2	-64.8	-151.9
% change		*NM*	*3.6%*	*-134.3%*
Net income	14.8	-47.1	-45.4	-106.3
% change		*NM*	*3.6%*	*-134.3%*

	2015	2016e	2017e	2018e
Operating margin	16.2	-129.4	-86.4	-1,768
Net margin	14.0	-90.6	-60.5	-1,238
ROE	4.1	-11.1	-11.9	-38.8
ROCE	16.0	-52.7	-47.6	-104.9
Gearing	-77.9	-82.0	-78.3	-67.7

(EUR)	2015	2016e	2017e	2018e
EPS	0.57	-1.78	-1.71	-4.01
% change	*-*	*NM*	*4.0%*	*-134.3%*
P/E	75.4x	NS	NS	NS
FCF yield (%)	NM	NM	NM	NM
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	9.1x	17.4x	12.7x	124.4x
EV/EBITDA	47.1x	NS	NS	NS
EV/EBIT	56.6x	NS	NS	NS

With LLY's solanezumab's recent failure in Alzheimer's disease, a period of significantly negative news flow is now behind us. The stock has lost c.1% since our initiation of coverage... And yet 1/ the downside has been materially reduced with Guselkumab's recent filing for approval in plaque psoriasis; 2/ we believe the next ASCO Congress might prompt us to (positively) reconsider our estimates for both anetumab ravntasine and utomilumab. BUY reiterated.

ANALYSIS

Guselkumab (anti-IL23p19) story significantly de-risked. The overall potential downside has been substantially reduced in our view thanks to 1/ the presentation of impressive Phase III results in plaque psoriasis, along with promising Phase II data in psoriatic arthritis; 2/ Janssen's recent filing for approval in its primary indication. Furthermore, guselkumab's addressable market could be expanded to novel indications like Crohn's disease and ulcerative colitis in our view.

Towards a rich ASCO 2017. We believe the next ASCO Congress could trigger a further re-rating; especially if positive data were to be published for 1/ anetumab ravtansine (anti-mesothelin ADC) in ex-mesothelioma indications (which we haven't included in our estimates so far); 2/ utomilumab (anti-CD137) in some solid tumours, knowing that BMS has recently presented some quite promising data for urelumab (another CD137 mAb) in combination with nivolumab in melanoma irrespectively of PD-L1 expression. Note also that the first data from the L-MIND (MOR 208 + lenalidomide in R/R patients with DLCBL) are likely be presented.

VALUATION

BUY reiterated with a FV of EUR65. The stock has lost c.1% since our initiation... And yet, the risk-reward is much more attractive now that 1/ the downside has been significantly reduced thanks to the positive news flow related to guselkumab; 2/ there is significant upside potential to our current base-case (c.50%). Note also that our FV could be increased by +EUR6 should 1/ guselkumab be approved for the treatment of plaque psoriasis (+EUR4), and 2/ positive Phase I/II data be published for anetumab in a range of selected solid tumours (+EUR2).

NEXT CATALYSTS

December 3-6: ASH Congress. Data involving MOR202 and MOR208.

Click here to download

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Bryan Garnier stock rating system

For the purposes of this Report, the Bryan Garnier stock rating system is defined as follows:

Stock rating

BUY	Positive opinion for a stock where we expect a favourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential upside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
NEUTRAL	Opinion recommending not to trade in a stock short-term, neither as a BUYER or a SELLER, due to a specific set of factors. This view is intended to be temporary. It may reflect different situations, but in particular those where a fair value shows no significant potential or where an upcoming binary event constitutes a high-risk that is difficult to quantify. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
SELL	Negative opinion for a stock where we expect an unfavourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential downside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.

Distribution of stock ratings

BUY ratings 55.1% NEUTRAL ratings 33.5% SELL ratings 11.4%

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