

28th November 2016

Food & Beverages

## Campari

Price EUR9.06

### Sale of Sella & Mosca and Teruzzi & Puthod

Fair Value EUR10.7 (+18%)

**BUY**

Bloomberg	CPR.IM
Reuters	CPR.MI
12-month High / Low (EUR)	10.1 / 6.9
Market Cap (EUR)	5,262
Avg. 6m daily volume (000)	1 212

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.8%	-7.1%	4.0%	13.3%
Food & Bev.	-5.6%	-8.6%	-7.5%	-8.8%
DJ Stoxx 600	-0.2%	0.1%	-1.8%	-6.4%

	2015	2016e	2017e	2018e
P/E	28.2x	25.5x	19.9x	18.4x
Div yield (%)	1.0%	1.0%	1.1%	1.1%

#### ANALYSIS

- On Friday, Campari announced the sale of 100% of Sella & Mosca and Teruzzi & Puthod. This completes the exit from the Italian still wine business, which was announced in 2015. The two companies generated sales of EUR21.4m and EBITDA of EUR3.2m in 2015. The transaction will incur a cash payment of EUR57m at the closing of the deal (before the end of 2016) and the balance in four years. This corresponds to an expected multiple of 13.9 times the overall pro-forma EBITDA in 2016e.

#### VALUATION

- We maintain our Buy recommendation and our Fair value of EUR10.7.

#### NEXT CATALYSTS

- Diageo: conference call on December 1<sup>st</sup>

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## Distribution of stock ratings

BUY ratings 55,7%

NEUTRAL ratings 32,9%

SELL ratings 11,4%

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