

## Sector View

## Construction-Infrastructures

## Agreement on the A41 North French toll roads shareholding structure

	1 M	3 M	6 M	31/12/15
Cons & Mat	-4.1%	2.7%	2.8%	1.3%
DJ Stoxx 600	-3.4%	-1.2%	-1.2%	-9.4%

\*Stoxx Sector Indices

## Companies covered

EIFFAGE	BUY	EUR78
BOUYGUES	BUY	EUR35
VINCI	BUY	EUR74

Eiffage's 50%-owned subsidiary APRR (through its own subsidiary AREA) has signed an agreement to acquire from the Bouygues group 46.1% of the capital of ADELAC, which is a 19.6km toll road concession between Annecy in eastern France and Geneva (in service since 2008, expiring in 2060), for EUR130m. AREA, which already owned 49.9% of ADELAC, will then sell this 46.1% stake to Eiffage and Macquarie. The deal is modest in size, but reflects the strategy of each player in concessions.

## ANALYSIS

- AREA has used its pre-emption right to acquire this 46.1% stake from the Bouygues Group. No less than five Bouygues entities were shareholders of ADELAC.
- Although the size of the deal is modest, it underlines Bouygues' relative lack of interest towards toll roads concessions. Among the three French majors in construction, Bouygues is the only one with a very modest portfolio of concessions.
- On the contrary, this is a way for Eiffage to strengthen its concession business somewhat, although eventually Eiffage's (indirect) stake will be limited to 48% and ADELAC still accounted for as an associate.

## NEXT CATALYSTS

- Eiffage is due to release its Q3 revenues today after market close, Bouygues' Q3 results are to be published on 16th November and Vinci Energy Investor Day is scheduled for 2nd December 2016.

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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