

23rd November 2016

Construction & Building Materials

VINCI

Price EUR58.80

Good entry point following yesterday's volatility

Fair Value EUR74 (+26%)

BUY

Bloomberg	DG FP
Reuters	SGEF.PA
12-month High / Low (EUR)	69.7 / 56.9
Market Cap (EURm)	35,116
Avg. 6m daily volume (000)	1 518

	1 M	3 M	6 M	31/12/15
Absolute perf.	-12.7%	-12.1%	-10.9%	-0.6%
Cons & Mat	-1.3%	0.5%	5.2%	4.3%
DJ Stoxx 600	-1.0%	0.2%	0.9%	-6.8%

	2015	2016e	2017e	2018e
P/E	16.4x	15.1x	13.8x	13.1x
Div yield (%)	3.1%	3.5%	3.9%	4.1%

ANALYSIS

- The Vinci share price was dramatically under pressure for a short period yesterday, penalised by a fake press release. The share price plunged 19% (at around 4pm) from EUR61.5 to less than EUR50, before picking up to finally close at EUR58.8, still down 3.76%, however.
- The fake press release (published on screens at around 4pm) included false information. It had all the appearance of a valid one, hence the strong impact on the share price.
- At around 5pm, Vinci published a clear denial ("*VINCI denies formally all the information contained in this fake press release and is investigating all legal actions in furtherance thereof*"). We have not yet spoken to the company.
- Below EUR60, Vinci seems a good buy opportunity to us. The clear reaction by Vinci also seems looks unambiguous. Still, we cannot rule out short term volatility, considering the magnitude of the share price reaction yesterday.

VALUATION

- FV EUR74 derived from a SOTP

NEXT CATALYSTS

- Investor Day on 2nd December, with a focus on Vinci Energies.

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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