Please find our Research on Bloomberg BRYG <GO>)

9th December 2016

BG's Wake Up Call

	Last close	Daily chg (%)	Chg YTD (%)
Indices			
Dow Jones	19614.81	+0.33%	+12.57%
S&P 500	2246.19	+0.22%	+9.90%
Nasdaq	5417.36	+0.44%	+8.19%
Nikkei	18996.37	+1.23%	-1.41%
Stoxx 600	351.961	+1.23%	-3.79%
CAC 40	4735.48	+0.87%	+2.12%
Oil /Gold			
Crude WTI	50.84	+2.15%	+36.67%
Gold (once)	1170.52	-0.55%	+10.18%
Currencies/Rates			
EUR/USD	1.06115	-1.43%	-2.32%
EUR/CHF	1.07905	-0.44%	-0.77%
German 10 years	0.285	+11.19%	-55.03%
French 10 years	0.833	+10.56%	-15.11%
Euribor	-	+-%	+-%

Economic releases :

Date	
9th-Dec	8h00 DE - Marchandise Trade 8h45 FR - Industrial Prod. 10h30 GB - Trade Balance 16h00 US - U. of Michigan Confidence (94.5 E) 19h00 US - Baker Hughes rig Count

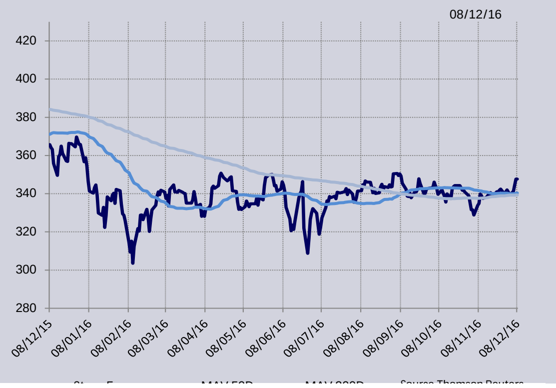
Upcoming BG events :

Date	
12th-Dec	Jean-Pierre Petit, Président des Cahiers Verts de l'Economie.
13th-Dec	Jean-Pierre Petit, Président des Cahiers Verts de l'Economie.

Recent reports :

Date	
7th-Dec	Brewers : Our takeaways from the Consumer Conference
5th-Dec	TAVI is VITAL
2nd-Dec	FD-SOI: forbidden fruit of the industry and market
29th-Nov	Morphosys We want MORe! (Fair Value EUR65 BUY)
28th-Nov	Fashion E-Commerce: Serving Consumers not Uberising Them! Coverage initiation of ZALANDO, YOOX, H&M,
25th-Nov	Brewers

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



ATOS — BUY, Fair Value EUR115 vs. EUR114 (+17%)

Feedback from investor roadshow in Paris

We reiterate our Buy rating and raise our DCF-derived fair value to EUR115 from EUR114 on updated fx assumptions. Earlier this week we held an investor roadshow in Paris with VP Investor Relations Gilles Arditti and CFO Elie Girard. The takeaways from the meetings are reassuring: 1) headwinds due to customer migration to digital offerings are likely to be more than offset by additional services and volumes; 2) Atos is unlikely to sell Unify S&P at any price; 3) acquisitions will remain the same story.

EIFFAGE — BUY, Fair Value EUR78 (+24%)

Reverse Roadshow feedback

We met with the Eiffage top managers Christian Cassayre (CFO) and Xavier Ombrédanne last Monday on our reverse roadshow. Everything is not rosy, but there are numerous positive factors: the Grand Paris project, which should feed the majors order books in the next decade; roadworks in France, stabilizing after more than 5 years of recession and a likely improvement in margins. Higher rates will mostly impact the concessions DCF, while risk to refinancing is limited. Besides, inflation is positive for the toll roads top line and their cash costs are mostly fixed now. We stick with our Buy.

ELIOR — BUY-Top Picks, Fair Value EUR24 (+23%)

FY 2015-16 results first take: All in line with expectations

No surprises with FY numbers bang in line with expectations. In fact, consolidated revenue reached EUR5,896m up 3.9% on reported and 1.4% on organic (consensus at EUR5,556m with 1.4% lfl growth) with EBITDA of EUR501m (consensus at EUR499m) representing an EBITDA margin of 8.5% up 10bps. At EUR135m, net result improved significantly compared with 2015 (EUR107m) and was in line with consensus of EUR133m. For 2016-17, as anticipated, management confirms an acceleration in the profitability and expects an organic growth of at least 3% excluding the impact of voluntary contract exits (expected to be less than 100bps) in line with consensus with an EBITDA margin up 20 to 30bps (consensus 30bps).

ORANGE — BUY, Fair Value EUR17.1 (+24%)

CEO says he would be interested in buying out Canal+

Stephane Richard yesterday said Orange would be interested in buying Canal+ if it was for sale. Although we believe an industrial alliance between the two groups makes much sense, we are more reserved about a capitalistic alliance. And we think this declaration from Stephane Richard, which contrasts with previous comments on the pertinence of a telco/media vertical integration strategy, adversely affects the readability of the group's strategy.

VINCI — BUY, Fair Value EUR74 (+19%)

Reverse Roadshow feedback

We met with Vinci CFO Christian Labeyrie last Monday on our reverse roadshow. We understand 2017 should be a year of improvement for Vinci, with the combination of toll revenues growth and Construction margin improvement. Of course, traffic on motorways is unlikely to be as dynamic as 2016, but tolls hike will be implemented in February. On the contrary, the comparison base in Contracting will be favourable, after various woes (oil&gas, France) have impacted 2016. All in all, at the current share price, this supports our positive stance on the stock.

SEMICONDUCTORS

Strong October sales – year-end momentum boosted by low comps as expected

Worldwide semiconductor sales growth for October came out above the usual seasonal average growth. According to SIA reporting WSTS data, unadjusted global semiconductor sales stood at USD30.9bn, down 3.6% on a sequential basis and up 9.7% on a yearly basis. This is 830ppts above our 5-year historical benchmark, pointing to a sequential decline of 11.9% in October. Overall, 10-month aggregated sales are down 1.6% yoy so far in 2017 which continues to highlight a strong recovery over H2 as expected (H1 sales were down 6.0% yoy). Again, we remind that this is mainly due to easier comparable in virtually all market segments including automotive, industrial sector and home appliances.

In brief...

ALTICE, ***Confirms it is exploring possible IPO of Altice USA***

DASSAULT SYSTÈMES, ***Acquisition of Next Limit Dynamics in computational fluid dynamics simulation***

GEMALTO, ***GTO has entered into agreements to acquire 3M's Identity Management Business***

PERNOD RICARD, ***Acquisition of a craft bourbon player***

TMT

Atos

Price EUR98.22

Feedback from investor roadshow in Paris

Fair Value EUR115 vs. EUR114 (+17%) **BUY**

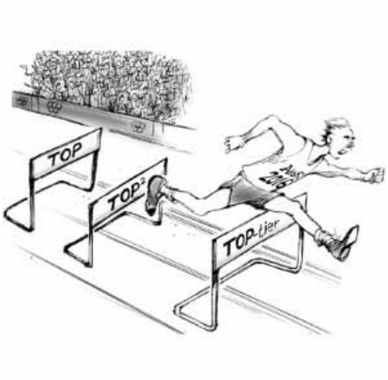
Bloomberg	ATO FP
Reuters	ATOS.PA
12-month High / Low (EUR)	98.3 / 62.7
Market Cap (EUR)	10,290
Ev (BG Estimates) (EUR)	9,556
Avg. 6m daily volume (000)	282.0
3y EPS CAGR	16.0%

	1 M	3 M	6 M	31/12/15
Absolute perf.	3.7%	9.3%	21.2%	26.8%
Softw.& Comp.	1.3%	-4.7%	4.2%	2.6%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

YEnd Dec. (€m)	2015	2016e	2017e	2018e
Sales	10,686	11,735	12,462	12,813
% change		*9.8%*	*6.2%*	*2.8%*
EBITDA	1,334	1,538	1,721	1,824
EBIT	589.0	827.0	921.0	1,024
% change		*40.4%*	*11.4%*	*11.2%*
Net income	610.0	731.0	877.0	974.0
% change		*19.8%*	*20.0%*	*11.1%*

	2015	2016e	2017e	2018e
Operating margin	8.6	9.3	10.0	10.5
Net margin	4.0	5.1	5.7	6.3
ROE	9.9	13.2	13.5	13.7
ROCE	22.9	25.9	42.9	49.7
Gearing	-14.0	-17.0	-49.0	-58.0

(€)	2015	2016e	2017e	2018e
EPS	5.83	6.89	8.25	9.09
% change	-	*18.2%*	*19.7%*	*10.2%*
P/E	16.8x	14.3x	11.9x	10.8x
FCF yield (%)	3.9%	5.4%	6.5%	8.3%
Dividends (€)	0.90	1.10	1.40	1.55
Div yield (%)	0.9%	1.1%	1.4%	1.6%
EV/Sales	0.9x	0.8x	0.6x	0.5x
EV/EBITDA	7.3x	6.2x	4.6x	3.8x
EV/EBIT	10.6x	8.7x	6.3x	5.2x



We reiterate our Buy rating and raise our DCF-derived fair value to EUR115 from EUR114 on updated fx assumptions. Earlier this week we held an investor roadshow in Paris with VP Investor Relations Gilles Arditti and CFO Elie Girard. The takeaways from the meetings are reassuring: 1) headwinds due to customer migration to digital offerings are likely to be more than offset by additional services and volumes; 2) Atos is unlikely to sell Unify S&P at any price; 3) acquisitions will remain the same story.

ANALYSIS

- **Reassuring on how to overcome future headwinds**. 1) In Cloud, Canopy, which is expected to post EUR700m sales for 2016, is planned to reach EUR1.7bn in 2019 (CAGR +26%). Revenue deflation in Managed Services due to existing clients migrating to a cloud infrastructure is expected to be more than offset by additional volumes over time, orchestration and implementation services - once most of the clients have moved to the cloud, pricing headwinds would tend to fade for Atos while margins with a cloud infrastructure tend to be higher; 2) on SAP HANA, Atos expects to generate EUR100m sales for 2016 (out of EUR650m SAP-related sales) and EUR700m for 2019 (CAGR +91%) while margins tend to be higher; 3) on Digital Workplace, Atos expects to boost revenues to EUR1.3bn in 2019 from EUR0.2bn (TMVA +87%) in 2016 while classic Workplace sales would shrink to EUR0.7bn from EUR1.5bn while margins would remain unchanged; 4) Atos Codex (est. EUR500m in 2016, est. EUR1bn in 2019), the Analytics and IoT platform, is mainly in Systems Integration.

- **Unify S&P disposal: decision in February 2017 at the latest**. Unify's Software & Platform (S&P) business accounts for 2/3 of Unify sales (EUR800m, o/w EUR600 with external customers) and is set to be sold in 2017. The decision's timing is guided by the intention not to leave staff in wait. However, the option of retaining this business is not be ruled out for several reasons: 1) Atos would like to sell it for 10x 2017e EBITDA (i.e. EUR1bn), and will turn down low-price proposals; 2) Atos intends to sell Unify S&P to a company big enough and with solid financials as the acquirer would become Atos' second largest customer after Siemens with c. EUR200m annual revenues; 3) the management would prefer selling to an industrial rather than a private equity firm.

- **Acquisition priorities**. Atos' top M&A priority is on Worldline, for which the consolidation of the Payments processing industry landscape in Europe is the driver. Then comes Consulting & Systems Integration in North America, where Atos has no significant presence out there and has to go beyond building up teams locally. Finally, Atos is still open on large acquisition opportunities in Managed Services like the ones it seized with Siemens SIS and Xerox ITO, with no intention to participate in competitive disposal processes nor auctions. Anyway, with an est. net cash position at end 2016 of c. EUR0.5bn and EUR3.5bn credit lines (banking covenant <2.5x 2016e EBITDA), Atos can be leveraged up to EUR4bn including acquisitions.

- **Other topics**: 1) a potential restruction of H-1B visas in the US is unlikely to affect Atos, as less than 2% of employees in North America are H-1B visa holders; 2) restructuring is planned to shrink to 1% of sales (except if Atos makes a large acquisition) thanks to more service automation; 3) Atos has set up a 2019 free cash flow conversion target – est. 65% for 2019 (EUR900m) vs. 50% for 2016 (>EUR550m) - as a percentage of EBIT in order to avoid any disappointment on EBITDA.

VALUATION

- Atos' shares are trading at est. 8.7x 2016 and 6.3x 2017 EV/EBIT multiples.
- Net cash position on 30th June 2016 was EUR412.3m (net gearing: -10%).

NEXT CATALYSTS

FY16 results on 22nd February 2017 before markets open.

Click here to download

Analyst :
Gregory Ramirez
33(0) 1 56 68 75 91
gramirez@bryangarnier.com

Sector Team :
Richard-Maxime Beaudoux
Thomas Coudry
Dorian Terral

Construction & Building Materials

Eiffage

Price EUR62.94

Bloomberg	FGR FP
Reuters	FOUG.PA
12-month High / Low (EUR)	71.8 / 55.4
Market Cap (EURm)	6,173
Ev (BG Estimates) (EURm)	20,512
Avg. 6m daily volume (000)	296.4
3y EPS CAGR	19.1%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-5.0%	-11.0%	-5.5%	5.7%
Cons & Mat	3.3%	0.6%	6.1%	6.7%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	13,909	13,835	14,091	14,448
% change		*-0.5%*	*1.9%*	*2.5%*
EBITDA	2,074	2,149	2,227	2,348
EBIT	1,431	1,564	1,637	1,753
% change		*9.3%*	*4.7%*	*7.1%*
Net income	312.0	407.1	453.0	551.3
% change		*30.5%*	*11.3%*	*21.7%*

	2015	2016e	2017e	2018e
Operating margin	10.3	11.3	11.6	12.1
Net margin	3.3	4.3	4.7	5.6
ROE	13.2	14.8	14.6	15.5
ROCE	5.1	5.5	5.8	6.3
Gearing	351.2	291.4	249.9	207.2

(EUR)	2015	2016e	2017e	2018e
EPS	3.37	4.24	4.72	5.69
% change	-	*25.9%*	*11.3%*	*20.5%*
P/E	18.7x	14.8x	13.3x	11.1x
FCF yield (%)	8.3%	7.0%	8.8%	11.9%
Dividends (EUR)	1.50	1.50	1.50	1.50
Div yield (%)	2.4%	2.4%	2.4%	2.4%
EV/Sales	1.5x	1.5x	1.4x	1.4x
EV/EBITDA	10.1x	9.5x	9.1x	8.4x
EV/EBIT	14.6x	13.1x	12.3x	11.2x

Reverse Roadshow feedback

Fair Value EUR78 (+24%) **BUY**

We met with the Eiffage top managers Christian Cassayre (CFO) and Xavier Ombrédanne last Monday on our reverse roadshow. Everything is not rosy, but there are numerous positive factors: the Grand Paris project, which should feed the majors order books in the next decade; roadworks in France, stabilizing after more than 5 years of recession and a likely improvement in margins. Higher rates will mostly impact the concessions DCF, while risk to refinancing is limited. Besides, inflation is positive for the toll roads top line and their cash costs are mostly fixed now. We stick with our Buy.

ANALYSIS

- Le Grand Paris project will provide a very decent amount of work for the next 10 years. The equivalent of EUR3bn of work have been attributed so far and between EUR1.5bn to EUR2.0bn is expected to be attributed each year for the decade. Next attributions are expected in H1 2017 and work should really kick-off in 2018 onwards. Besides, some related works will be implemented around the Grand Paris projects. Cumulated works around EUR3.5bn to EUR4bn per annum are possible. The work for the Grand Paris per se (tunnels, underground stations) is complex. Hence the competition is limited to the majors, more or less. However, the risk is limited, as the contractors are not involved in the conception - the Grand Paris design offices deliver the plans. Therefore, any additional and unexpected works will be re-billed. Hence, margins should not stand above average here – especially during the initial phases of a project.
- Toll roads new EUR1bn stimulus might be approved but of course nothing is certain, especially as a new government will be in place in 2017. In any case, it is supported by some local authorities, which are ready to pay for some interchanges. The amount will be limited anyway for APRR, around EUR200m-EUR250m, vs EUR500m for the two previous plans.
- Toll road traffic has been especially strong this year (3.8% in 9M 2016) and it is unlikely to see a similar trend next year, especially as the comparison base will be more difficult. Admittedly, heavy trucks traffic continues to stand below pre-crisis levels.
- The roadworks decline has been limited this year (URSIF discloses a -1.2% YTD decline at end October for the whole industry) and Eiffage expect a stabilization next year, combined with, maybe, a bit less competition. The environment has changed, though: the local authorities are not given orders much in advance now and the roadworks order book over one year is more limited. Other infrastructure sales are underpinned by the well-oriented offshore wind sector which has taken over the oil & gas. In Energy, the group believes it can reach around 4.5% of operating margin in the long term, also 4% is more likely this year (vs 3.7% in 2015). The Energy branch of Eiffage is well placed to benefit from the EdF Grand Carénage project (EUR50bn), which has started (although schedule of execution in uncertain).
- Finally, the risk of high interest rates has not been swept away, but Eiffage underlines that APRR has issued in the last couple of years bonds at very attractive yields and will repay next January EUR1bn at 5%. There is of course a refinancing risk on two bonds of EUR500m each to be paid in January 2018 and January 2019, but they are pretty expensive (around 5%). In any case, an interest rate increase of some basis points will not strongly impact earnings.
- The share price has been under strong pressure though with investors started to point out the risk of higher rates on DCF. The risk exists of course, but is likely to be compensated by inflation though tolls increase. Besides, inflation is actually good for toll roads, as the players have made significant efforts to lower the variable part of the cash costs, in particular though automatization (96% today…).

VALUATION

- EUR78 derived from a SOTP

NEXT CATALYSTS

- Eiffage is due to release its FY 2016 results at the end of February 2017, after market

Click here to download

Analyst :
Eric Lemarié
33(0) 1.70.36.57.17
elemarie@bryangarnier.com

Business Services

ELIOR

Price EUR19.56

FY 2015-16 results first take: All in line with expectations

Fair Value EUR24 (+23%) **BUY-Top Picks**

Bloomberg	ELIO FP
Reuters	ELIO.PA
12-month High / Low (EUR)	21.0 / 16.8
Market Cap (EURm)	3,371
Ev (BG Estimates) (EURm)	4,974
Avg. 6m daily volume (000)	233.2
3y EPS CAGR	18.9%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-0.9%	-6.3%	-4.0%	1.3%
Travel&Leisure	3.2%	-2.6%	-6.2%	-14.7%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

YEnd Sept. (EURm)	09/15	09/16e	09/17e	09/18e
Sales	5,674	5,866	6,151	6,496
% change		*3.4%*	*4.9%*	*5.6%*
EBITDA	473	497	551	604
EBIT	315.1	338.3	384.5	425.7
% change		*7.4%*	*13.6%*	*10.7%*
Net income	130.6	169.8	204.0	230.7
% change		*30.0%*	*20.2%*	*13.1%*

	09/15	09/16e	09/17e	09/18e
Operating margin	5.6	5.8	6.3	6.6
Net margin	2.3	2.9	3.3	3.6
ROE	7.1	9.3	10.6	11.2
ROCE	6.4	6.4	7.1	7.7
Gearing	97.8	101.8	90.6	78.6

(EUR)	09/15	09/16e	09/17e	09/18e
EPS	0.80	0.99	1.18	1.34
% change	*-*	*23.8%*	*20.2%*	*13.1%*
P/E	24.6x	19.9x	16.5x	14.6x
FCF yield (%)	5.9%	5.3%	6.2%	7.0%
Dividends (EUR)	0.32	0.34	0.42	0.48
Div yield (%)	1.6%	1.7%	2.1%	2.5%
EV/Sales	0.9x	0.8x	0.8x	0.7x
EV/EBITDA	10.2x	10.0x	8.9x	8.0x
EV/EBIT	15.3x	14.7x	12.8x	11.4x

No surprises with FY numbers bang in line with expectations. In fact, consolidated revenue reached EUR5,896m up 3.9% on reported and 1.4% on organic (consensus at EUR5,556m with 1.4% lfl growth) with EBITDA of EUR501m (consensus at EUR499m) representing an EBITDA margin of 8.5% up 10bps. At EUR135m, net result improved significantly compared with 2015 (EUR107m) and was in line with consensus of EUR133m. For 2016-17, as anticipated, management confirms an acceleration in the profitability and expects an organic growth of at least 3% excluding the impact of voluntary contract exits (expected to be less than 100bps) in line with consensus with an EBITDA margin up 20 to 30bps (consensus 30bps).

ANALYSIS

Bang in line with anticipations: Total revenue was up 3.9% on reported at EUR5,896m with organic of 1.4% (3.1% excluding voluntary contract exits). By segment, no surprise either with Contract Catering (72% of consolidated revenue) up 5.8% on reported at EUR4,228m (consensus at EUR4,205m) with organic of 1.3% (consensus 1.4%) and 3.4% excluding voluntary contract exits. Concession catering (28%) reached EUR1,668m, down 0.6% and up 1.7% on organic (consensus was at EUR1,650m with 1.5% on organic). At EUR501m, **EBITDA** was also in line with anticipation with Contract Catering at EUR325m i.e. a margin of 7.7% up 10bps (consensus EUR329m) and Concession of EUR183m with margin up 30bps at 11% (consensus EUR178m). Finally, after significant improvement in the **financial result** (financial expense of EUR63m vs. EUR107m in 2015) and **non-recurring items** higher than expected (EUR-50m vs. EUR-40m from consensus), **net result** reached EUR135m (consensus at EUR133m) compared with EUR107m in 2015 up 26%.

Outlook confirmed: Group strategy is well engaged and management expects an acceleration in the profitability during FY 2016-17. **Organic** is expected to be at least 3% excluding voluntary contract exits which is expected to be less 100bps (consensus is at 2.1% and BG at 2.3%) with an **EBITDA margin** up between 20 to 30bps (consensus 30bps and BG 40bps). **Acquisitions** are still part of the group strategy expansion and management confirmed that acquisitions closed to date represented c.EUR250m non-consolidated sales in FY 2015-16. Due to those deals for a total amount of EUR277m, at the end of 2016, **net debt reached** EUR1,706m up EUR254m representing a financial leverage of 3.2x (group objective is to be between 2.5x and 3x).

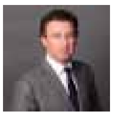
VALUATION

At the current share price, the stock is trading at 8.9x EV/EBITDA 2016-17e and 8x 2017-18e compared with EBITDA CAGR 2015-2018 of 8.5%

NEXT CATALYSTS

Meeting at 9.30am (Paris time)

Click here to download



Analyst :
Bruno de La Rochebrochard
33(0) 1 56 68 75 88
bdelarochebrochard@bryangarnier.com

TMT

Orange

Price EUR13.74

CEO says he would be interested in buying out Canal+

Fair Value EUR17.1 (+24%) **BUY**

Bloomberg	ORA FP
Reuters	ORAN.PA
12-month High / Low (EUR)	16.4 / 13.1
Market Cap (EURm)	36,536
Ev (BG Estimates) (EURm)	59,719
Avg. 6m daily volume (000)	6 352
3y EPS CAGR	2.6%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.7%	0.1%	-11.5%	-11.3%
Telecom	-0.4%	-6.9%	-11.9%	-18.8%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	40,236	41,220	41,684	41,977
% change		*2.4%*	*1.1%*	*0.7%*
EBITDA	12,426	12,772	12,962	13,197
EBIT	0.0	0.0	0.0	0.0
% change		*NM*	*NM*	*NM*
Net income	2,958	2,894	3,122	3,172
% change		*-2.1%*	*7.9%*	*1.6%*

	2015	2016e	2017e	2018e
Operating margin	11.8	11.8	12.2	12.5
Net margin	7.4	7.0	7.5	7.6
ROE	8.6	7.8	8.3	8.3
ROCE	4.3	4.1	4.4	4.4
Gearing	110.2	105.5	102.6	100.5

(EUR)	2015	2016e	2017e	2018e
EPS	0.98	0.96	1.04	1.06
% change	-	*-2.4%*	*8.8%*	*1.8%*
P/E	14.0x	14.3x	13.2x	12.9x
FCF yield (%)	8.3%	4.5%	7.1%	7.1%
Dividends (EUR)	0.59	0.60	0.70	0.80
Div yield (%)	4.3%	4.4%	5.1%	5.8%
EV/Sales	1.6x	1.4x	1.4x	1.4x
EV/EBITDA	5.1x	4.7x	4.6x	4.5x
EV/EBIT	NS	NS	NS	NS

Stephane Richard yesterday said Orange would be interested in buying Canal+ if it was for sale. Although we believe an industrial alliance between the two groups makes much sense, we are more reserved about a capitalistic alliance. And we think this declaration from Stephane Richard, which contrasts with previous comments on the pertinence of a telco/media vertical integration strategy, adversely affects the readability of the group's strategy.

ANALYSIS

- *Les Echos* reports that on the margin of a press conference in Morocco yesterday, Stephane Richard said **Orange would be interested in buying Canal+ if it was for sale**. Stéphane Richard added there were **many reasons for an alliance** between the two companies, but the form and the importance of such an alliance was still to be defined. According to BFM Business, Orange and Vivendi have been discussing for several weeks, but they are blocking on the capitalistic side.
- **Orange and Canal+ are already partners**, both present in France, Poland and Africa. Orange has recently signed a partnership with Canal+ in France, to include Canalsat channels in its fiber TV offer. Also the two groups have answered together a tender offer for the distribution of TNT channels in Ivory Coast.
- From Canal+' side, in a **defensive mode**, a capitalistic alliance with a major player such as Orange could help the company **fight against the growing threat from Altice**'s aggressive media/telco convergence strategy and its large investment capacity (Yesterday again, Altice announced a parternship with NBCUniversal and Discovery, "stealing" away important TV channels from Canal+). Canal+ in France has lost **542k** customers over the past 12 months, and its 9M 2016 EBITA is negative at **EUR-151m**, down -22.4% yoy. In order to restore the situation, Canal+ has recently adopted a **brand new commercialisation strategy**. Initial results are expected in Q4 2016.
- From Orange's side, such a declaration from Stephane Richard sounds like a real **change in the group's strategy towards contents**. Orange's CEO repeated many times pursuing a telco/media vertical integration was not in the group's strategy. Is Stephane Richard starting to the feel the pressure from Altice? In our opinion, **this type of declaration adversely affects the readability of the group's strategy and convictions**.
- **A large commercial and industrial alliance between the two groups would definitely make sense, but we are more reserved about a capitalistic alliance.** At this stage, we are not convinced Orange taking a minority stake in Vivendi would create more value than an industrial partnership. And Vivendi becoming a shareholder of Orange seems unlikely at this stage in our view, raising **personal and political issues**.

VALUATION

- We stick to our Fair Value of EUR17 with a Buy recommendation.

NEXT CATALYSTS

- Full year 2016 results expected end of February 2017.

Click here to download

Analyst :
Thomas Coudry
33(0) 1 70 36 57 04
tcoudry@bryangarnier.com

Sector Team :
Richard-Maxime Beaudoux
Gregory Ramirez
Dorian Terral

Construction & Building Materials

VINCI

Price EUR62.33

Reverse Roadshow feedback

Fair Value EUR74 (+19%) **BUY**

Bloomberg	DG FP
Reuters	SGEF.PA
12-month High / Low (EUR)	69.7 / 56.9
Market Cap (EURm)	37,227
Ev (BG Estimates) (EURm)	47,970
Avg. 6m daily volume (000)	1 513
3y EPS CAGR	7.9%

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.0%	-9.3%	-5.8%	5.4%
Cons & Mat	3.3%	0.6%	6.1%	6.7%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	38,518	37,930	38,844	40,218
% change		*-1.5%*	*2.4%*	*3.5%*
EBITDA	5,664	5,836	6,145	6,369
EBIT	3,758	4,036	4,344	4,582
% change		*7.4%*	*7.6%*	*5.5%*
Net income	2,109	2,299	2,516	2,655
% change		*9.0%*	*9.4%*	*5.5%*

	2015	2016e	2017e	2018e
Operating margin	9.8	10.6	11.2	11.4
Net margin	5.4	6.2	6.6	6.7
ROE	13.9	14.5	14.9	14.8
ROCE	7.4	7.9	8.6	9.0
Gearing	81.5	71.9	59.0	46.8

(EUR)	2015	2016e	2017e	2018e
EPS	3.58	3.90	4.27	4.50
% change	-	*8.8%*	*9.4%*	*5.5%*
P/E	17.4x	16.0x	14.6x	13.8x
FCF yield (%)	8.2%	7.7%	8.1%	8.8%
Dividends (EUR)	1.84	2.07	2.27	2.39
Div yield (%)	3.0%	3.3%	3.6%	3.8%
EV/Sales	1.3x	1.3x	1.2x	1.1x
EV/EBITDA	8.7x	8.2x	7.6x	7.1x
EV/EBIT	13.0x	11.9x	10.7x	9.8x

We met with Vinci CFO Christian Labeyrie last Monday on our reverse roadshow. We understand 2017 should be a year of improvement for Vinci, with the combination of toll revenues growth and Construction margin improvement. Of course, traffic on motorways is unlikely to be as dynamic as 2016, but tolls hike will be implemented in February. On the contrary, the comparison base in Contracting will be favourable, after various woes (oil&gas, France) have impacted 2016. All in all, at the current share price, this supports our positive stance on the stock.

ANALYSIS

2016 was an exceptional year for traffic, with volumes up 3.1% y/y on the 9M at end September. Heavy vehicle traffic is still slightly below the pre-crisis level (3.1% below Q4 2007). Vinci Autoroutes has benefited from various supports: Spanish macro recovery (explained c30% of ASF traffic growth), low oil prices, rail market share decline vs road (car-sharing, buses), indirect impact of terrorist attacks (travellers avoid public transport). In 2017, traffic growth at 1.0% to 1.5% looks reasonable for Vinci (we are more optimistic today with a 2.4% increase. Our SOTP would be down EUR3 with 1.5% growth in 2017, still tapering to 1% on the long term).

Tariffs will increase in February 2017: c1.2% for ASF and c0.5% for Cofiroute and Escota, based on formula and an inflation at 0.36%. If the new EUR1bn stimulus plan currently under negotiation is validated, that would imply a bit less than EUR500m of additional capex for Vinci Autoroutes, offset by c0.3% to c0.4% additional tariffs increase between 2018 and 2020. This new plan has still to be agreed by the regulator (Arafer) and validated by the French Council of State. Of course, we do not know if the plan can be signed before April, while a new government can decide to review it. Finally, it worth noting the Arafer has recently published a preliminary report regarding the compensation of the 2015 tariff freeze, but has not provided any opinion on the fairness of the compensation. However, the regulator has warned it will come back with a deeper analysis of the concession returns. This might delay the negotiation on the stimulus plan, in our view.

Operating margin in the contracting businesses. 2016 has been a difficult year for Vinci Contracting business. Oil & gas woes have penalised it in some countries of Africa sensitive to oil prices and the Oil Majors of course. Vinci sales in Africa have declined, as well as operating margin; while revenues from subsidiary like Entreprose have been significantly reduced. This, of course, combined with difficulties in France for Construction, has penalised the margin of Vinci Construction (2.1% in 2015 vs 4% to 5% historically – and 1.4% in H1 2016, down 10bps.). In 2017, this division will benefit from easier comparison base in the oil&gas segment and from the reorganisation of France (where the size of Vinci has maybe not been an advantage here, we think). However, the construction market environment in France is better for infrastructures/non-residential in Paris and the largest cities, but remains difficult and competitive in the rest of France. Residential is well-oriented though, but represents less than 10% of Vinci revenues. Roadworks are stabilizing.

All in all, these various comments support our positive stance on the stock. We recognise some investors are likely to sell the stock if interest rates increase, but we think it can be compensated by stronger inflation (positive impact on tariffs, limited impact on cash costs, of which 44% only are fixed today). Besides, c60% of the gross debt is fixed and Cofiroute has recently launched a EUR1.3bn bond with coupon between 0.375% and 0.75%.

VALUATION

FV EUR74 derived from a SOTP.

NEXT CATALYSTS

FY 2016 results due to be released on 7th February 2017.

Click here to download

Analyst :
Eric Lemarié
33(0) 1.70.36.57.17
elemarie@bryangarnier.com

Return to front page

Sector View

Semiconductors

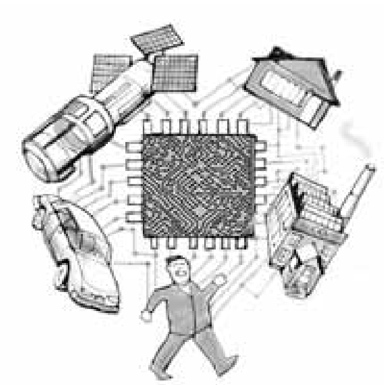
Strong October sales – year-end momentum boosted by low comps as expected

	1 M	3 M	6 M	31/12/15
Semiconductors	4.9%	10.9%	30.7%	29.3%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

*Stoxx Sector Indices

Companies covered

ams		**NEUTRAL**	**CHF27**
Last Price	CHF30.55	*Market Cap.*	CHF2,243m
ASML		**SELL**	**EUR83**
Last Price	EUR97.41	*Market Cap.*	*EUR42,782m*
DIALOG SEMICONDUCTOR		**NEUTRAL**	**EUR40**
Last Price	EUR37.5	*Market Cap.*	*EUR2,920m*
INFINEON		**BUY**	**EUR18.5**
Last Price	EUR16.405	*Market Cap.*	*EUR18,583m*
MELEXIS		**SELL**	**EUR48**
Last Price	EUR63.13	*Market Cap.*	*EUR2,550m*
SOITEC		**BUY**	**EUR1.25**
Last Price	EUR1.24	*Market Cap.*	*EUR752m*
STMICROELECTRONICS		**NEUTRAL**	**EUR7.3**
Last Price	EUR10.13	*Market Cap.*	*EUR9,229m*
u-blox		**BUY**	**CHF255**
Last Price	CHF183.2	*Market Cap.*	*CHF1,250m*



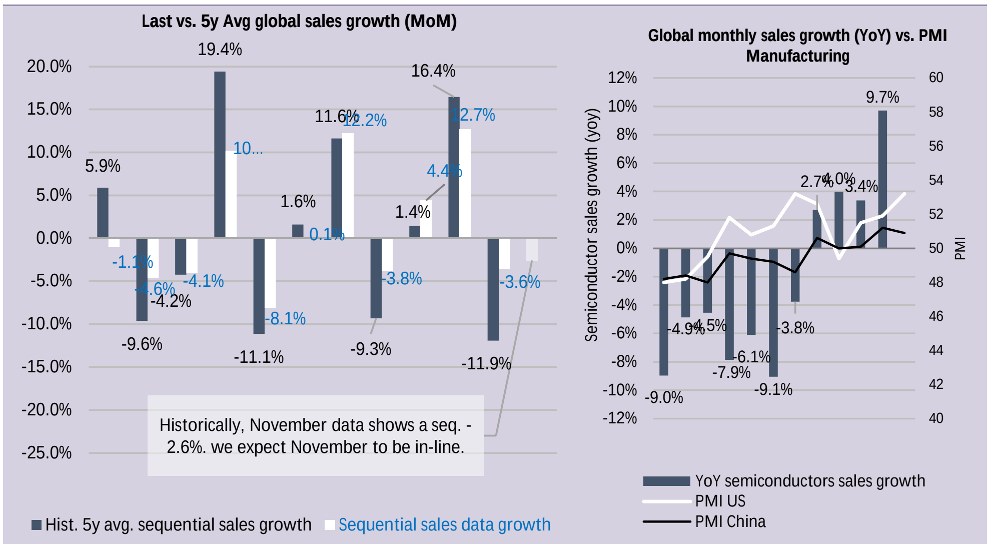
Worldwide semiconductor sales growth for October came out above the usual seasonal average growth. According to SIA reporting WSTS data, unadjusted global semiconductor sales stood at USD30.9bn, down 3.6% on a sequential basis and up 9.7% on a yearly basis. This is 830ppts above our 5-year historical benchmark, pointing to a sequential decline of 11.9% in October. Overall, 10-month aggregated sales are down 1.6% yoy so far in 2017 which continues to highlight a strong recovery over H2 as expected (H1 sales were down 6.0% yoy). Again, we remind that this is mainly due to easier comparable in virtually all market segments including automotive, industrial sector and home appliances.

ANALYSIS

- **October sales confirm the continuous momentum improvement.** Unadjusted global semiconductor sales increased by 9.7% on a yearly basis to USD30.9bn in October. On a sequential basis, October sales were down 3.6% compared to September. This is well above our 5-year historical benchmark showing an historical seasonal decline of 11.9% in October compared to September. As a result, 2017 10-month sales declined by 1.6% compared to 2016. This is now falling perfectly in the range of our FY16 expectation of -2% to 0%. Given easier comps on most of the market segment, we remain confident in most of the market segments however, we also remain cautious regarding overheat in the smartphone market, especially the Apple supply chain (Dialog, ams and ST in our coverage).

- **November and beyond: we expect November to be in-line.** October sales growth came out above the usual seasonal average growth, and above our expectations. In view of current visibility, we expect November sales momentum to be in line with historical seasonality (i.e. a sequential decline of 2.6%, +/-300bp). Except for the Apple supply chain, other market segments shows strong key indicators. Indeed, 10-month vehicle production remains a tailwind, with production of light vehicles up 10.4% yoy (of which down 6.7% in China, down 1.2% in Europe and up 20.4% in the U.S.). In addition, we note that U.S. ISM PMI Manufacturing data for November was particularly supportive with the US PMI Manufacturing index at 53.2 compared with 51.9 in October. Chinese and euro zone PMI Manufacturing data were up 1.1ppts and up 0.9ppts respectively in November (to 50.9 and 53.7) while the German Industrial production (IFO) index declined by 0.1ppts to 110.4.

We expect November sales to come out in line with historical seasonality



Sources: WSTS; ISM; Markit; Bryan, Garnier & Co ests.

VALUATION

- **Semiconductor average valuation metrics increased in November.** Our semiconductor valuation table shows that the overall valuation of the six main sub-sectors increased in November. As of today, Intellectual Property & EDA and Fabless groups have the highest valuation metrics with average 2017e P/E ratios of 20.9x (up from 19.5x a month ago) and 20.5x (up from 17.7x a month ago) respectively. Conversely, Memory IDM and Foundry groups have the lowest valuation metrics with average 2017e P/E ratio of 10.7x (up from 10.5x a month ago) and 11.6x (down from 12.3x a month ago) respectively. Currently, Logic & Analog IDM and Semi Equipment & Materials shows P/E ratios of 15.8x (up from 15.2x a month ago) and 14.7x (up from 14.5x a month ago) respectively.

BG semiconductor sub-sector valuation table

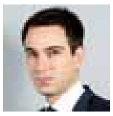
	YTD price return		2016e			
Subsector average (# of comp.)	Avg. / Median	High / Low	EV/Sales	EV/EBITDA	EV/EBIT	P/E
Fabless (14)	30.0% / 14.9%	178.8% / -27.7%	2.5x	9.3x	12.9x	20.5x
Logic & Analog IDM (16)	20.7% / 15.3%	74.2% / -10.9%	3.3x	9.0x	11.6x	15.8x
Memory IDM (4)	46.7% / 40.4%	74.6% / 31.4%	1.0x	3.5x	6.4x	10.7x
Foundry (5)	16.6% / 26.6%	36.3% / -7.4%	1.5x	4.0x	11.3x	11.6x
Semi Equipmt & Materials (11)	22.1% / 17.4%	68.9% / -5.5%	2.1x	8.5x	10.7x	14.7x
Intellectual Property & EDA (9)	53.6% / 36.8%	103.6% / 22.7%	3.6x	12.4x	15.6x	20.9x

Numbers between brackets represent the number of companies in each category; green/red numbers are higher/lower per group.
Sources: valuation metrics based on consensus ests from Thomson Reuters; updated on 06/12/16

NEXT CATALYSTS

- November 2016 WSTS global billing reports, expected for early January.

Click here to download



Analyst :
Dorian Terral
33(0) 1.56.68.75.92
dterral@bryangarnier.com

Sector Team :
Richard-Maxime Beaudoux
Thomas Coudry
Gregory Ramirez

TMT

Altice

Price EUR16.26

Confirms it is exploring possible IPO of Altice USA

Fair Value EUR19 (+17%) **BUY**

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	17.4 / 10.0
Market Cap (EURm)	17,793
Avg. 6m daily volume (000)	1 625

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.0%	4.4%	5.5%	22.7%
Telecom	-2.2%	-8.5%	-14.2%	-20.4%
DJ Stoxx 600	4.2%	-0.8%	0.4%	-5.0%

	2015	2016e	2017e	2018e
P/E	NS	NS	33.4x	12.6x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

In a press release, Altice confirmed yesterday it is **exploring the possibility of an IPO of a minority interest in its U.S. operations**, Altice USA. Altice says **no decisions** have been taken at this point on the structure or timing of any IPO, and no assurance can be given that an IPO will be pursued. Also Altice does not communicate on what the structure would be (capital increase, sale of minority stake…), and how proceeds would be used (M&A, deleveraging…).

Altice USA is the **fastest growing** entity in the group, delivering in Q3 **+3.3%** revenue growth, with revenue growth at Optimum above expectations, and **+28.2%** EBITDA growth. Altice has recently announced a major 5-year FTTH investment plan in the country to bring higher speeds.

We believe going public could allow the company to **continue expanding by buying mid-sized players** (in France, Numericable went public in 2013 to finance the future acquisition of SFR). Taking Altice USA public could also allow other shareholders, BC Partners Ltd and Canada Pension Plan Investment Board, who own about 30% of Altice USA to **cash out**. We do not believe the interest of the operation would lie in deleveraging, to be achieved through synergies and cost cutting.

Based on our 2017 estimates, with EBITDA at **EUR3.1bn**, **1/3** of the group's total EBITDA, Altice USA could be valued between **EUR26bn and EUR30bn,** depending on future growth assumptions, with net debt of **EUR18bn** as of end 2016**.**

VALUATION

We stick to our fair value of EUR19 with a Buy recommendation.

NEXT CATALYSTS

Full year 2016 results expected mid-March 2017.

Click here to download

Thomas Coudry, tcoudry@bryangarnier.com

TMT

Dassault Systèmes

Price EUR68.42

Acquisition of Next Limit Dynamics in computational fluid dynamics simulation

Fair Value EUR64 (-6%) **SELL**

Bloomberg	DSY FP
Reuters	DAST.PA
12-month High / Low (EUR)	78.8 / 64.4
Market Cap (EURm)	17,601
Avg. 6m daily volume (000)	253.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	-3.6%	-10.6%	-0.5%	-7.3%
Softw.& Comp. SVS	1.3%	-4.7%	4.2%	2.6%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

	2015	2016e	2017e	2018e
P/E	28.9x	25.2x	23.0x	20.7x
Div yield (%)	0.6%	0.7%	0.8%	0.9%

ANALYSIS

- **This morning Dassault Systèmes announced the acquisition of Next Limit's Dynamics division**, for an undisclosed sum. Based in Madrid (Spain), Next Limit Dynamics develops software (XFlow CFD) for highly dynamic fluid flow simulation used in aerospace and defence, transportation and mobility, high-tech, and energy, with customers such as Airbus, Caterpillar, Doosan, Ford, Google X, Honda, Mitsubishi, NASA, Safran, and Toyota. For 2015, the division posted sales of EUR1.6m.
- **Rationale of the deal**. With this acquisition, DS enhances its industry solution experiences for multi-physics simulation on the 3DExperience platform and strengthens its foothold in computational fluid dynamics (CFD). Next Limit Dynamics' software solutions are used by simulation analysts to predict and enhance the performance of complex designs when exposed to fluid flow such as aerodynamic flow past an automobile, aerodynamic noise from aircraft landing gear, and lubrication of complex drive trains. Next Limit's decision to get rid of its Dynamics division was driven by profitability issues. We consider the impact to our ests. on DS is not material.

VALUATION

- Dassault Systèmes' shares are trading at est. 16.7x 2016 and 14.3x 2017 EV/EBIT multiples.
- Net cash position on 30th September 2016 was EUR1,502.4m (net gearing: -41%).

NEXT CATALYSTS

FY16 results on 2nd February before markets open.

Click here to download

Gregory Ramirez, gramirez@bryangarnier.com

TMT

Gemalto

Price EUR49.24

GTO has entered into agreements to acquire 3M's Identity Management Business

Fair Value EUR50 (+2%) **SELL**

Bloomberg	GTO FP
Reuters	GTO.PA
12-month High / Low (EUR)	65.5 / 47.0
Market Cap (EURm)	4,426
Avg. 6m daily volume (000)	419.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.7%	-23.0%	-9.7%	-10.9%
Softw.& Comp. SVS	1.3%	-4.7%	4.2%	2.6%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

	2015	2016e	2017e	2018e
P/E	19.4x	14.8x	13.6x	12.4x
Div yield (%)	1.0%	1.0%	1.1%	1.2%

ANALYSIS

- **Gemalto has just announced that it has entered into agreements to acquire 3M's Identity Management Business** (headquartered in the US, present on 3 continents, 450 experts). Note that this entity is a partner to governments, law enforcement, border control and civil identification bodies worldwide. According to Frost & Sullivan, **there are four main players in the identification market (especially in biometrics): Morpho** (29% market share worldwide), **NEC** (6%), **Gemalto** (6%) **and 3M** (4%). 3M's Identity Management Business will be part of Gemalto's Government Programs business which recorded a revenue of EUR391m in 2015.
- **According to proforma carve-out unaudited financials** (based on due diligence), **annual revenue of the business is approximately USD215m and PFO of USD58m** (margin of 27%). The closing of this deal **for USD850m (an expensive 4x sales and 14.7x PFO) is expected in H1 2017**, and will be financed with cash and existing credit facilities. After this transaction, GTO's net debt/adjusted EBITDA ratio will be <1.5. **According to the management, the acquisition will be accretive to adjusted EPS from the first year on a pro-forma basis.** The entity acquired is expected to grow at +10% CAGR with EBITDA margins above 20% by 2020.
- As a reminder, **the recent sharp downward revision in Gemalto's PFO 2017 target** (between EUR500m and EUR520m) **does not integrate any new M&A**. So, the acquisition of 3M's Identity Management Business is on top of that guidance.

VALUATION

- **We maintain our Sell rating and FV of EUR50**, which is derived from a SOTP.

NEXT CATALYSTS

- **Conference call**: today at 3pm (Paris time).

Click here to download

Richard-Maxime Beaudoux, rmbeaudoux@bryangarnier.com

Food & Beverages

Pernod Ricard

Price EUR98.39

Acquisition of a craft bourbon player

Fair Value EUR115 (+17%) **BUY**

Bloomberg	RI FP
Reuters	PERP.PA
12-month High / Low (EUR)	110.3 / 91.6
Market Cap (EURm)	26,115
Avg. 6m daily volume (000)	490.9

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.3%	-6.9%	0.7%	-6.5%
Food & Bev.	-3.1%	-10.1%	-8.0%	-9.4%
DJ Stoxx 600	5.1%	0.8%	2.1%	-3.8%

	06/16	06/17e	06/18e	06/19e
P/E	18.9x	17.6x	16.3x	15.2x
Div yield (%)	1.9%	2.1%	2.2%	9.0%

ANALYSIS

Yesterday, Pernod Ricard announced the acquisition of a majority stake in Smooth Ambler Spirits Co, a US craft company founded in 2009 in West Virginia. It is best known for its high-end bourbons, including Smooth Ambler Contradiction Bourbon and Old Scout Single Barrel Bourbon, but it also produces gins, vodkas and rums. This transaction, which allows co-founder Mr Little to remain CEO, is expected to close in early 2017. The price was undisclosed. Smooth Ambler has already indicated that it will increase production capacity and hire staff.

Pernod Ricard is accelerating the changes to its products portfolio. In 2016, it disposed the Domecq brandies and wines, Fris Vodka and the Irish whiskey Paddy and acquired the gin Monkey 47. It also tried to purchase High West, but was outbid by Constellation Brands, which paid around USD160m for the Utah company. **The acquisition of Smooth Ambler responds to the taste of Millenials for authenticity** which explains both the craft trend and the success of bourbon (see our report Rising to the generation Y challenge).

VALUATION

Buy recommendation. Fair Value of EUR115.

NEXT CATALYST

H1 2016/17 results on February 9th

Click here to download

Virginie Roumage, vroumage@bryangarnier.com

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 55.6% NEUTRAL ratings 34% SELL ratings 10.5%

Bryan Garnier Research Team

Healthcare Team	Pharmaceuticals	Eric Le Berrigaud *(Head of Equities)*	33 (0) 1 56 68 75 33	eleberrigaud@bryangarnier.com
	Biotech/Medtech	Mickael Chane-Du	33 (0) 1 70 36 57 45	mchanedu@bryangarnier.com
	Medtech/Biotech	Hugo Solvet	33 (0) 1 56 68 75 57	hsolvet@bryangarnier.com
Consumer Team	Luxury/Consumer Goods	Loïc Morvan	33 (0) 1 70 36 57 24	lmorvan@bryangarnier.com
	Beverages	Nikolaas Faes	33 (0) 1 56 68 75 72	nfaes@bryangarnier.com
	Retailing	Antoine Parison	33 (0) 1 70 36 57 03	aparison@bryangarnier.com
	Luxury /Consumer Goods	Cedric Rossi	33 (0) 1 70 36 57 25	crossi@bryangarnier.com
	Food & Beverages	Virginie Roumage	33 (0) 1 56 68 75 22	vroumage@bryangarnier.com
TMT	Video Games / Payments	Richard-Maxime Beaudoux	33 (0) 1 56 68 75 61	rmbeaudoux@bryangarnier.com
	Telecom	Thomas Coudry	33(0) 1 70 36 57 04	tcoudry@bryangarnier.com
	Software & IT Services	Gregory Ramirez	33 (0) 1 56 68 75 91	gramirez@bryangarnier.com
	Semiconductor	Dorian Terral	33 (0) 1 56 68 75 92	dterral@bryangarnier.com
Utilities		Xavier Caroen	33 (0) 1 56 68 75 18	xcaroen@bryangarnier.com
		Pierre-Antoine Chazal	33 (0) 1 56 68 75 06	pachazal@bryangarnier.com
Insurance		Olivier Pauchaut *(Head of Research)*	33 (0) 1 56 68 75 49	opauchaut@bryangarnier.com
Hotels/Business Services		Bruno de La Rochebrochard	33 (0) 1 56 68 75 88	bdelarochebrochard@bryangarnier.com
Construction/Infrastructures/Building Materials		Eric Lemarié	33 (0) 1 70 36 57 17	elemarie@bryangarnier.com
Automotive & Parts		Xavier Caroen	33 (0) 1 56 68 75 18	xcaroen@bryangarnier.com
Marketing		Sophie Braincourt	33(0) 1 56 68 75 36	sbraincourt@bryangarnier.com
Market Data & Information Systems Manager		Eric Monnier	33(0) 1 56 68 75 63	emonnier@bryangarnier.com

A copy of the Bryan Garnier & Co Limited conflicts policy in relation to the production of research is available at www.bryangarnier.com

London
Beaufort House
15 St. Botolph Street
London EC3A 7BB
Tel: +44 (0) 207 332 2500
Fax: +44 (0) 207 332 2559
Authorised and regulated by the Financial Conduct Authority (FCA)

Paris
26 Avenue des Champs Elysées
75008 Paris
Tel: +33 (0) 1 56 68 75 00
Fax: +33 (0) 1 56 68 75 01
Regulated by the Financial Conduct Authority (FCA) and the Autorité de Contrôle prudential et de resolution (ACPR)

New York
750 Lexington Avenue
New York, NY 10022
Tel: +1 (0) 212 337 7000
Fax: +1 (0) 212 337 7002
FINRA and SIPC member

Munich
Widenmayerstrasse 29
80538 Munich
Germany
+49 89 2422 62 11

BRYAN, GARNIER & CO

Disclaimer:

Bryan Garnier & Co Limited, registered in England Number 03034095 with registered office : Beaufort House 15 St Botolph Street, London EC3A 7BB , United Kingdom and its MIFID branch registered in France Number 452 605 512 with registered office : 26, Avenue des Champs Elysées 75008 Paris , France. Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 178733) and is a member of the London Stock Exchange.

This Report may not be reproduced, distributed or published by you for any purpose except with the Firms' prior written permission. The Firm reserves all rights in relation to this Report.

Past performance information contained in this Report is not an indication of future performance. The information in this report has not been audited or verified by an independent party and should not be seen as an indication of returns which might be received by investors. Similarly, where projections, forecasts, targeted or illustrative returns or related statements or expressions of opinion are given ("Forward Looking Information") they should not be regarded as a guarantee, prediction or definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. A number of factors, in addition to the risk factors stated in this Report, could cause actual results to differ materially from those in any Forward Looking Information.

Important information - This report may contain "Independent" and "Corporate/Non-independent" research reports.

Unless stated otherwise, documents in this report are classified under the FCA Handbook as being investment research (independent research). Bryan Garnier & Co Limited has in place the measures and arrangements required for investment research as set out in the FCA's Conduct of Business Sourcebook.

Independent investment research reports:

Independent investment research reports are prepared by Bryan Garnier & Co Limited and are distributed only to clients of Bryan Garnier & Co Limited (the "Firm"). Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange.

These reports are provided for information purposes only and do not constitute an offer, or a solicitation of an offer, to buy or sell relevant securities, including securities mentioned in this Report and options, warrants or rights to or interests in any such securities. These reports are for general circulation to clients of the Firm and as such are not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person. The information and opinions contained in these reports have been compiled from and are based upon generally available information which the Firm believes to be reliable but the accuracy of which cannot be guaranteed. All components and estimates given are statements of the Firm, or an associated company's, opinion only and no express representation or warranty is given or should be implied from such statements. All opinions expressed in these reports are subject to change without notice. To the fullest extent permitted by law neither the Firm nor any associated company accept any liability whatsoever for any direct or consequential loss arising from the use of these reports. Information may be available to the Firm and/or associated companies which is not reflected in these reports. The Firm or an associated company may have a consulting relationship with a company which is the subject of these reports.

Corporate or Non-Independent investment research reports:

Non-independent research reports are prepared by Bryan Garnier & Co Limited and are being distributed only to clients of Bryan Garnier & Co Limited (the "Firm"). Bryan Garnier & Co Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange.

These reports have been sent to you for marketing purposes only and are non-independent research within the meaning of the FCA rules. These reports are not being held out as an objective or independent explanation of the matters contained in them and should not be treated as such. These reports have not been prepared in accordance with the legal requirements designed to promote the independence of investment research. The Firm is not subject to any prohibition on dealing ahead of the dissemination of investment research.

These reports usually focus on emerging European growth companies. The contents of these reports as well as the other research documents on emerging growth stocks do not contain the Firm's usual stock ratings. The intrinsic value analysis is presented to provide a framework for stock valuation and discussion, and represents an estimated value on the date of publishing, which may be subject to change without notice.

The Firm's rationale for not having ratings on the stock includes the fact that such stock may have limited market capitalisation and liquidity and while the Firm may express an opinion on the near-term movement of the stock, what action investors should take depends on many factors, including liquidity/risk tolerance, holdings timeframe and investment philosophy. Emerging companies evolve rapidly with a continuous flow of information that can significantly impact the company and in the Firm's opinion this cannot be reflected by a periodic rating. Additionally, the Firm may have an advisory relationship with the company which is the subject of these reports, including for the production of sponsored research, and may expect to receive or intend to seek compensation for investment banking services from that company in the six months following the date of these reports.

To the fullest extent permitted by law, the Firm does not accept any liability whatsoever for any direct or consequential loss arising from any use of the information contained in these reports. Information may be available to the Firm which is not reflected in these reports. They are provided for information purposes only and do not constitute an offer or solicitation to buy or sell any of the securities discussed in them. These reports are for general circulation to clients of the Firm and as such are not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person.

Disclosures specific to clients in the United Kingdom

This Report has not been approved by Bryan Garnier & Co Limited for the purposes of section 21 of the Financial Services and Markets Act 2000 because it is being distributed in the United Kingdom only to persons who have been classified by Bryan Garnier & Co Limited as professional clients or eligible counterparties. Any recipient who is not such a person should return the Report to Bryan Garnier & Co Limited immediately and should not rely on it for any purposes whatsoever.

Notice to US investors

This research report (the "Report") was prepared by Bryan Garnier & Co Limited for information purposes only. The Report is intended for distribution in the United States to "Major US Institutional Investors" as defined in SEC Rule 15a-6 and may not be furnished to any other person in the United States. Each Major US Institutional Investor which receives a copy of this Report by its acceptance hereof represents and agrees that it shall not distribute or provide this Report to any other person. Any US person that desires to effect transactions in any security discussed in this Report should call or write to our US affiliated broker, Bryan Garnier Securities, LLC. 750 Lexington Avenue, New York NY 10022. Telephone: 1-212-337-7000.

This Report is based on information obtained from sources that Bryan Garnier & Co. Ltd. believes to be reliable and, to the best of its knowledge, contains no misleading, untrue or false statements but which it has not independently verified. Neither Bryan Garnier & Co. Ltd. and/or Bryan Garnier Securities LLC make no guarantee, representation or warranty as to its accuracy or completeness. Expressions of opinion herein are subject to change without notice. This Report is not an offer to buy or sell any security.

Bryan Garnier Securities, LLC and/or its affiliate, Bryan Garnier & Co Limited may own more than 1% of the securities of the company(ies) which is (are) the subject matter of this Report, may act as a market maker in the securities of the company(ies) discussed herein, may manage or co-manage a public offering of securities for the subject company(ies), may sell such securities to or buy them from customers on a principal basis and may also perform or seek to perform investment banking services for the company(ies).

Bryan Garnier Securities, LLC and/or Bryan Garnier & Co Limited are unaware of any actual, material conflict of interest of the research analyst who prepared this Report and are also not aware that the research analyst knew or had reason to know of any actual, material conflict of interest at the time this Report is distributed or made available....