

2nd December 2016

Food & Beverages

Pernod Ricard

Price EUR96.56

Sale of the Domecq brandies and wines

Fair Value EUR115 (+19%)

BUY

Bloomberg	RI FP
Reuters	PERP.PA
12-month High / Low (EUR)	110.3 / 91.6
Market Cap (EURm)	25,629
Avg. 6m daily volume (000)	480.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	-10.4%	-8.3%	-1.3%	-8.2%
Food & Bev.	-5.5%	-11.1%	-9.7%	-11.2%
DJ Stoxx 600	1.6%	-0.8%	-0.9%	-6.8%

	06/16	06/17e	06/18e	06/19e
P/E	18.6x	17.3x	16.0x	14.9x
Div yield (%)	1.9%	2.1%	2.3%	9.1%

ANALYSIS

- Yesterday Pernod Ricard announced the sale of the Domecq brandies and wines to Bodega Las Copas, a joint-venture held by Grupo Emperador and Gonzalez Byass. The sum was undisclosed but the closing was reported to take place before the end of 2016/17. This disposal follows the ones of Fris Vodka in September and Irish whiskey Paddy in May. The French company wants to simplify its portfolio and focus on its priority spirits and wines.

VALUATION

- We maintain our Buy recommendation and our Fair Value of EUR115.

NEXT CATALYSTS

- Pernod Ricard will hold a conference call on the Americas on 6th December

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Virginie Roumage, vroumage@bryangarnier.com



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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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BRYAN, GARNIER & CO

London	Paris	New York	Munich	New Delhi
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)	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 prudentiel et de résolution (ACPR)	750 Lexington Avenue New York, NY 10022 Tel: +1 (0) 212 337 7000 Fax: +1 (0) 212 337 7002 FINRA and SIPC member	Widenmayerstrasse 29 80538 Munich Germany +49 89 2422 62 11	The Imperial Hotel Janpath New Delhi 110 001 Tel +91 11 4132 6062 +91 98 1111 5119 Fax +91 11 2621 9062 Geneva rue de Grenus 7 CP 2113 Genève 1, CH 1211 Tel +4122 731 3263 Fax+4122731 3243 Regulated by the FINMA

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