Dow Jones: 24,404.48 (4.62% ytd) | CAC40: 4847.53 (2.47% ytd) | Stoxx 600: 355.086(5.17% ytd)

23rd January 2019

Please find our Research on Bloomberg BRYG <GO>)

CARREFOUR | BUY | EUR21 vs. EUR20,5
Pleasant surprise for both Q4 sales and 2018 EBIT target

GENMAB | BUY | DKK1200 vs. DKK1300
Mixed 2018 Darzalex FY sales and early filing for US frontline SoC

INGENICO GROUP | BUY | EUR64 vs. EUR67
New PW on 2018 - we still see ING as a “special situation” stock

QIAGEN | BUY | EUR37.5 vs. EUR39
Cautiously entering 2019

MAISONS DU MONDE | NEUTRAL | EUR34 vs. EUR33
No warning for 2018, but an engaging outlook for 2019 will be needed

AHOLD DELHAIZE | NEUTRAL | EUR23,7
Q4 sales above expectations while 2018 EPS in the high end of guidance

ASML | BUY | EUR175
ASML’s guidance short of consensus, the company reiterates EUV target

BIOM'UP | BUY | EUR11,9
FDA approval in laparoscopy should bolster adoption

BIOMÉRIEUX | NEUTRAL | EUR70
Positive risk-reward ahead of FY18 results

BURBERRY | SELL | 1710p
Disappointing Q3 retail sales

ELIOR | NEUTRAL | EUR14.5
A situation that becomes tense

RÉMY COINTREAU | BUY | EUR126
No signs of a slowdown in Q3 and strong end to the year expected

Upcoming BG events :

Date	
7th-Mar	AB inBev | Genève Roadshow with IR
14th-Mar / 15th-Mar	4th Annual Technology Conference

Recent reports :

Date	
17th-Jan	SemiConductors | Favour Infineon, STM, and Soitec in early 2019
9th-Jan	MEDIGENE | Targeting Cancer: Therapeutic TCR-T-cells
7th-Dec	Bottlers | Canadian Cannabis : Online Retail Survey
6th-Dec	L'OREAL | China is L'Oréal's future!
3rd-Dec	HEXO | High Demand
30th-Nov	TMT | 5G : la réalité derrière la fable
30th-Nov	TMT | 5G: Reality beyond the hype

Q1 2019 Top Picks

SANOFI (Buy, FV EUR94)
NOVARTIS (Buy, FV CHF100)
GALAPAGOS (Buy, FV EUR125)

RESEARCH AS A SERVICE

BRYAN, GARNIER & CO

CARREFOUR

Consumer, Brands & Retail
| Retail & E.commerce

23rd January 2019

BUY

Fair Value	EUR21 vs. EUR20,5 (+29%)
Share price	EUR16.34
EPS 3Y Cagr	12.0%

Pleasant surprise for both Q4 sales and 2018 EBIT target

Surprising resilience of France performance despite Yellow Vests

Carrefour showed surprising resilience in its Q4 LfL growth excl fuel and calendar in France at -0.1% (above the CS at -0.7% and our est at -0.4%). Carrefour hypermarkets, among the designated victims of the Yellow Vest protests, were less affected than anticipated at -2.2% (vs. CS at -2.8% and our est at -2.6%). Supermarkets also beat expectations at +1.9% (vs. CS at 1.3% and our est at 1.8%). Note that we were initially expecting a -170bp impact on hypermarket sales (i.e. c.EUR-90m sales losses) and -30bp on supermarket sales (i.e. c.EUR-10m) due to the Yellow Vests.

LatAm continues to recover well

LatAm continued to accelerate with LfL growth excl fuel and calendar of 12.9% (well ahead of the CS at 10.4% and our est at +11%), notably driven by the recovery of food inflation in Brazil (4.1% in Q4 vs. 1.3% in Q3) and the strong performance by Atacadao. Carrefour applied the IAS29 rule related to the restatement of hyperinflation in Argentina, which will lead to a -EUR248m restatement in 2018 FY sales and -EUR30m in underlying EBIT, but a EUR20m positive impact on FY net income.

Slight deception in RoEurope and Asia

LfL excl fuel and calendar came out below expectations at -1.7% in RoEurope (vs. CS at -1.3%), particularly due to Belgium where deteriorated macro indicators, depressed household confidence and high comps weighed on the performance (-3.1%). While Italy remains in significant negative territory (-4.6%) as the new CEO has just begun to implement his action plan, the performance in Spain (only -1.4%) looked rather reassuring as the push towards organic, fresh and private labels may already boost the top line. In Asia (-4.1%), China remains very complicated for traditional players while Taiwan was affected by an unfavourable electoral context.

2018 EBIT now seen reaching c.EUR1.93bn

Contrary to fears of a warning due to the Yellow Vests, Carrefour has even indicated that 2018 EBIT should reach c.EUR1.93bn vs. EUR1.86bn expected by the CS (both excluding the negative impact of IAS 29). We believe the performance was mainly driven by a strong pace of cost-cutting! As we take into account IAS 29 in our model, we nevertheless anticipate EUR1.90bn in EBIT and expect the CS to adopt the same stance (which should still be seen as a EUR70m upward revision inc. or exc. IAS 29).

Buy confirmed, FV raised from EUR20.5 to EUR21

Buy confirmed as the sales performance in France and the new 2018 EBIT target should reassure the market over the execution of the strategic plan, especially on the cost-side! Most initiatives in customer proposition should only bear fruit at a later point in time but by then, cost savings should have been partly reinvested in prices at French hypermarkets (the focus of investors attention), which could materialise in 2019 (especially now that the EGAlim law is finally clearer).

Market Data

Bloomberg / Reuters	CA FP/CARR.PA
Market Cap.	EUR12,892m
E.V.	EUR16 194
Free Float	83,3
Avg. Daily volume (6m)	3 559
12m high / low	19.6 / 13.1
Ytd Perf.	9.6%

EURm	12/17	12/18e	12/19e	12/20e
Sales	78,897	75,801	76,828	78,243
% Change		*-3.9%*	*1.4%*	*1.8%*
EBITDA	3,573	3,494	3,891	4,286
% Change		*-2.2%*	*11.3%*	*10.2%*
EBIT	696.0	1,117	1,721	2,471
% Change		*60.5%*	*54.0%*	*43.6%*
Net Income	787.2	722.5	936.8	1,142
% Change		*-8.2%*	*29.7%*	*21.9%*
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	0.2x	0.2x	0.2x	0.2x
EV/EBITDA	4.6x	5.2x	4.5x	3.9x
EV/EBIT	23.7x	16.1x	10.3x	6.8x
EPS	1.04	0.93	1.20	1.46
% change		*-10.8%*	*29.0%*	*21.9%*
P/E	15.7x	17.6x	13.6x	11.2x
Div Yield	3.7%	4.5%	4.8%	5.3%

Next Catalyst:
FY 18 results on 28th February

Last FV Change:
Towards a circumstantial deterioration in Q4

Last Reports:
Shop-in-Shops: The Winning New Retail Concept

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BRYAN, GARNIER & CO

CARREFOUR

BUY

Fair Value	EUR21 vs 20.5(+29%)
Share price	EUR16.34
Market Cap.	EUR12,892m
EPS 3Y CAGR	12.0%

Simplified Profit & Loss Account (EURm)	2016	2017	2018e	2019e	2020e
Revenues	76,645	78,897	75,801	76,828	78,243
Change (%)	-0,4%	2,9%	-3,9%	1,4%	1,8%
EBITDA	3,838	3,573	3,494	3,891	4,286
Current operating income	2,351	2,006	1,902	2,200	2,471
Exceptionals	(372)	(1,310)	(785)	(479)	0
EBIT	1,979	696	1,117	1,721	2,471
Change (%)	-9,5%	-64,8%	60,5%	54,0%	43,6%
Financial results	(515)	(445)	(450)	(450)	(390)
PBT	1,464	251	667	1,271	2,081
Tax	(494)	(618)	(526)	(438)	(718)
Profits from associates	(36)	4	15	30	30
Income from discontinued activities	(40)	1	(229)	0	0
Minority interests	(148)	(169)	(237)	(248)	(261)
Net profit / group share	746	-531	-309	614	1,132
Restated net profit	1,032	787	722	937	1,142
Change (%)	-7,2%	-23,8%	-8,2%	29,7%	21,9%
Cash Flow Statement (EURm)					
Operating cash flows	2,473	2,364	1,581	2,599	3,254
Capex, net	(2,749)	(2,379)	(1,750)	(1,800)	(1,800)
Change in working capital	658	(33)	(221)	73	101
FCF	382	(48)	(391)	872	1,555
Financial investments	(190)	(259)	1	1	1
Dividends	(207)	(292)	(319)	(504)	(609)
Capital increase / buyback	30	(40)	0	0	0
Assets disposal	178	1,622	158	158	158
Other	(178)	(195)	0	0	0
Decrease / (Increase) in net debt	15	788	(551)	527	1,105
Net debt	4,531	3,743	4,294	3,767	2,662
Balance Sheet (EURm)					
Tangible fixed assets	14,672	14,461	14,461	14,413	14,240
Intangibles assets	8,640	7,977	7,977	7,977	7,977
Cash & equivalents	3,335	3,609	3,058	3,585	4,690
Other assets	22,198	21,766	21,410	21,561	21,760
Total assets	48,845	47,813	46,906	47,537	48,666
Shareholders' funds	12,008	12,158	11,843	12,277	13,136
L & ST Debt	8,075	7,497	7,497	7,497	7,497
Provisions	3,064	3,003	3,003	3,003	3,003
Others liabilities	25,659	25,106	24,563	24,760	25,030
Total Liabilities	48,806	47,764	46,906	47,537	48,666
WCR	(5,675)	(5,642)	(5,421)	(5,494)	(5,595)
Capital employed	17,637	16,796	17,018	16,896	16,622
Ratios					
Operating margin	3,1%	2,5%	2,5%	2,9%	3,2%
Tax rate	33,7%	246,2%	78,7%	34,5%	34,5%
Normative tax rate	35,0%	35,0%	35,0%	35,0%	35,0%
Net margin	1,3%	1,0%	1,0%	1,2%	1,5%
ROCE (after tax)	8,7%	7,8%	7,3%	8,5%	9,7%
WACC	8,5%	8,5%	8,5%	8,5%	8,5%
Gearing	38%	31%	36%	31%	20%
Net debt / EBITDA	1,2x	1,0x	1,2x	1,0x	0,6x
Pay out ratio	46,0%	-85,3%	-184,1%	100,7%	59,6%
Number of shares, diluted	739	757	779	783	783
Data per Share (EUR)					
EPS	1,01	-0,70	-0,40	0,78	1,45
Restated EPS	1,40	1,04	0,93	1,20	1,46
% change	-9,2%	-25,5%	-10,8%	29,0%	21,9%
Operating cash flows	3,34	3,12	2,03	3,32	4,16
FCF	0,52	-0,06	-0,50	1,11	1,99
Net dividend	0,46	0,60	0,73	0,79	0,86

Source: Company Data; Bryan, Garnier & Co ests.

BRYAN, GARNIER & CO

GENMAB

Healthcare

Biotech

23rd January 2019

BUY

Fair Value	DKK1200 vs. DKK1300 (+20%)
Share price	DKK999.20
EPS 3Y Cagr	16.6%

Mixed 2018 Darzalex FY sales and early filing for US frontline SoC

FY sales of Darzalex fall to the bottom end of guidance

A few weeks ago, Genmab received a milestone payment of USD75m triggered by sales of Darzalex reaching USD2.0bn in 2018, acting as early confirmation that sales reached the bottom end of guidance. Unfortunately, J&J results showed that it did not go much higher than that, attaining only USD2.03bn, below our own expectations USD2.09bn, and at the very bottom of Genmab's own guidance (USD2.0-2.3bn). In details, net sales were USD1.2bn in the US and USD822m in the rest of the world underlining a mixed Q4. Indeed, ROW Q4 sales only increased by 18% vs Q2 (+31% vs a disappointing Q3), and US Q4 sales grew by a modest 2% over Q3. We will have to wait until 20th February for Genmab's full-year results and 2019 guidance, but for now we are a bit concerned about Darzalex growth, even if first line sales based on MAIA should help in the near future.

Initiation of US regulatory submission for 1st-line US SoC

Indeed, on top of Darzalex full-year sales, Genmab announced that Janssen has submitted the first part of the US regulatory package for Darzalex label expansion based on MAIA results through Real-Time Oncology Review (RTOR) pilot program. In a nutshell, this FDA initiative gives the applicant the opportunity to send data earlier in the process, in order to reduce the whole process review time. As a reminder, MAIA was the second study evaluating Darzalex in front line for patients not eligible for transplant. It was studying Darzalex in combination with Revlimid plus dexamethasone (Rd), which is US frontline standard of care. Therefore, we believe that MAIA's regulatory approval should lead to a significant sales inflection. Regarding timelines, we are expecting Janssen to file the complete package before the end of H1 2019, hence we believe it could be approved before year-end although the first sales will only materialise in 2020.

Beyond Ofatumumab, newsflow seems light

Indeed, we are still expecting full results from both phase III studies evaluating ofatumumab in multiple sclerosis around the middle of the year, but beyond that we are struggling to find significant catalysts. In fact, we are anticipating preliminary results for the SC formulation of Darzalex but while it should help to protect Darzalex' market share, we are not expecting extra sales to our scenario. Beyond Darzalex, we are also waiting for results from a pivotal phase II study on tisotumab vedotin in cervical cancer. However, while this should contribute to Genmab's transition into a commercial company, we believe that added value will be modest for now.

A more conservative scenario on Darzalex reducing our FV

Following Genmab's removal from our Top-Picks list, we are now reviewing our expectations for Darzalex sales. Although we are still convinced that it will establish itself as the SoC in MM, we opt for a more cautious commercial scenario. As such, our FV is reduced to DKK 1,200 while we maintain our BUY rating.

Market Data

Bloomberg / Reuters	GEN DC/GEN.CO
Market Cap.	DKK61,449m
E.V.	DKK58,197m
Free Float	84
Avg. Daily volume (6m)	196.4
12m high / low	1,305 / 792.4
Ytd Perf.	-6.4%

DKKM	12/17	12/18e	12/19e	12/20e
Sales	2,365	2,859	4,026	4,269
% Change		*20.9%*	*40.8%*	*6.0%*
EBITDA	1,344	1,415	2,039	1,619
% Change		*5.3%*	*44.2%*	*-20.6%*
EBIT	1,344	1,415	2,039	1,619
% Change		*5.3%*	*44.2%*	*-20.6%*
Net Income	1,103	1,461	2,199	1,752
% Change		*32.4%*	*50.5%*	*-20.3%*
ROE	0.18	0.19	0.22	0.15

	12/17	12/18e	12/19e	12/20e
EV/Sales	23.7x	19.1x	13.1x	11.9x
EV/EBITDA	41.7x	38.7x	25.8x	31.5x
EV/EBIT	41.7x	38.7x	25.8x	31.5x
EPS	18.03	23.84	35.89	28.59
% change		*32.3%*	*50.5%*	*-20.3%*
P/E	55.4x	41.9x	27.8x	35.0x
Div Yield	NM	NM	NM	NM

Next Catalyst: 20/02/2019 - FY 2018 results

Last rating Change:
2015-11-10, The Force Awakens! (full report released today)

Last FV Change:
2018-5-8, FDA approves Darzalex in 1L MM ahead of PDUFA date

Last Reports:
2018-12-4, ASH 2018 confirms once again Darzalex's domination

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BRYAN, GARNIER & CO

INGENICO GROUP

Technology
| Payments & Security

23rd January 2019

BUY

Fair Value	EUR64 vs. EUR67 (+23%)
Share price	EUR52.08
EPS 3Y Cagr	4.3%

New PW on 2018 - we still see ING as a "special situation" stock

A new PW on 2018 because of the B&A division & a plan for 2019

Ingenico has reported its preliminary 2018 figures: 1) Revenues of EUR2,643m (vs. FactSet cons. EUR2,670m and BG est. EUR2,643m) i.e. +2% lfl in 2018 (Retail +9% and B&A +1%) incl. +5% lfl in Q4 (Retail +8% and B&A -4%). 2) EBITDA guidance revised downwards from EUR510m to EUR485m i.e. a margin of 18.3% (vs. FactSet cons. EUR500.2m and BG est. EUR512m). The contribution from the Retail BU came in line with its expectations but that from the Banks & Acquirers BU was down, impacted by the non-execution of contracts factored in Q4'18 (now expected in H1 2019), a disappointing product mix (lower contribution from Axium) and unfavourable geographical mix (notably -21% in EMEA and -13% in North America over the FY) and negative Forex. 3) Adj. FCF conversion of 55% (vs. guidance 40-45%). 4) Net debt/EBITDA of 3.15x (vs. guidance c.3.0x). The management has shared its plan for 2019 but its financial guidance will be given on 12th February. In light of the 2018 performance, Ingenico is implementing an action plan: B&A will be optimized (incl. a cost savings program and a commercial turnaround), group support functions will be optimized, investments will be accelerated within fast growing segments in Retail, and this latter will benefit from the integration of BSPayone and Paymark.

A Gemalto-like story

We maintain what we wrote in February last year, namely that Ingenico group reminds us of Gemalto's equity story. 1) A former stock market "star" which is suffering in its historic "core business" leading to a series of profit warnings. 2) For about a year, Ingenico has not been precise on the revenue side and only gives an EBITDA guidance range. In a fixed-cost structure business, this clearly shows a low degree of confidence and therefore attracts some short sellers. 3) The group has made acquisitions to try to compensate for the lost business in its Banks & Acquirers division (payment terminals). It reminds us of Gemalto when we saw that all the M&A operations did not compensate for the decline in business. 4) At some point, the company or a part of it could become a target (as for Gemalto which was finally taken over by Thales).

We maintain our "Special Situation" scenario

We believe the aim of the new management team is now to improve the performance of its Payment Terminal business (via a reduction in its production costs) for considering a sell off (to a Chinese player for Ingenico China, and to a French or foreign industrial player or private equity fund for the RoW). Indeed, it has become a thorn in the side of the group, notably to reach a critical size and be more aggressive in Payment Services. Our conviction is that Ingenico wants to become a full-PSP. However, size matters, so it remains to be seen whether the group will decide to be more aggressive by itself or join its Payment Services division with that of another payments player (it will have to be French as it is seen as strategic, the Bpi holds 5.3% of ING's capital). In this context, Natixis Payments could again be a candidate or other French industrial players active in the payment/security businesses.

Market Data

Bloomberg / Reuters	ING FP/INGC.PA
Market Cap.	EUR3,289m
E.V.	EUR4,817m
Free Float	90.9
Avg. Daily volume (6m)	416.3
12m high / low	93.3 / 47.1
Ytd Perf.	5.1%

EURM	12/17	12/18e	12/19e	12/20e
Sales	2,510	2,643	3,125	3,326
% Change		*5.3%*	*18.2%*	*6.4%*
EBITDA	526.1	485.0	562.6	646.9
% Change		*-7.8%*	*16.0%*	*15.0%*
EBIT	371.5	323.8	372.0	444.0
% Change		*-12.8%*	*14.9%*	*19.4%*
Net Income	278.7	256.1	277.8	324.5
% Change		*-8.1%*	*8.5%*	*16.8%*
ROE	0.14	0.10	0.10	0.11

	12/17	12/18e	12/19e	12/20e
EV/Sales	1.9x	1.8x	1.5x	1.3x
EV/EBITDA	9.1x	9.8x	8.1x	6.6x
EV/EBIT	12.9x	14.7x	12.2x	9.6x
EPS	4.32	3.91	4.20	4.90
% change		*-9.5%*	*7.4%*	*16.8%*
P/E	12.1x	13.3x	12.4x	10.6x
Div Yield	3.1%	2.1%	2.4%	2.9%

Next Catalyst: FY 2018 earnings and 2019 financial guidance on 12th February

Last rating Change:
2018-10-11, Natixis Payments interested in acquiring Ingenico

Last FV Change:
2018-4-26, Q1 sales below cons. and FY guidance maintained, meaning a very back-end loaded year

Last Reports:
2018-12-17, Ingenico Group ends its strategic review

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We maintain our Buy recommendation and lower our FV from EUR67 to EUR64

In 2019, we now expect 4.7% sales organic growth (vs. prior 6.4%) and an EBITDA margin of 18.0% (vs. prior 19%e). Following the new PW, we have revised downwards our EPS sequence by 5.6% on average over 2018-2020e (-7.0% in 2018e, -8.3% in 2019e and -1.6% in 2020e). At the beginning of this year, we are clearly more comfortable with Wirecard (Buy, FV EUR240) and Worldline (Buy, FV EUR57) which are the two PSPs we selected in our sector paper on 15th January (based on the following criteria: visibility on fundamentals, attractive valuation and good news flow to come). We still see Ingenico mainly as a stock to put in a "special situation" fund (speculation bias, but it's obviously not easy to give a timing). At current valuation, we maintain our Buy recommendation and lower our FV from EUR67 to EUR64. Note that our FV is based solely on current fundamentals. In a SOTP (speculative scenario), we see EUR73/share (vs. prior EUR77).

Sales breakdown per BU in FY 2017 and 2018, and Q4 2017 and 2018

EURm	FY 2017 (reported)	FY 2018	% change (lfl[1])	Q4 2017 (reported)	Q4 2018	% change (lfl[1])
Retail	**1,099**	**1,339**	**8%**	**625**	**364**	**9%**
SMBs	175	393	16%	72	105	20%
Global Online	494	521	8%	131	141	8%
Enterprise	431	424	2%	122	118	1%
Banks & Acquirers	**1,411**	**1,305**	**-4%**	**367**	**364**	**1%**
EMEA	602	495	-16%	159	125	-21%
Latin America	170	199	36%	49	69	61%
North America	187	163	-9%	50	44	-13%
Asia-Pacific	454	447	-4%	111	126	12%
Total	**2,510**	**2,643**	**2%**	**692**	**727**	**5%**

[1] Q4 2017 PF figures including acquisitions made during the year at 100%

Source: company

INGENICO GROUP

BUY

Fair Value	EUR64 vs. EUR67 (+23%)
Share price	EUR52.08
Market Cap.	EUR3,289m
EPS 3Y CAGR	4.3%

Fiscal year end 31/12	2016	2017	2018e	2019e	2020e
Financial Summary					
EPS (EUR)	3.97	4.14	3.14	3.51	4.25
Restated EPS (EUR)	3.89	4.32	3.91	4.20	4.90
% change	-1%	11%	-10%	7%	17%
BVPS (EUR)	26.94	28.51	30.42	32.73	35.96
Operating cash flows (EUR)	5.10	5.98	5.54	6.45	7.43
FCF (EUR)	3.83	3.59	4.07	5.35	6.06
Net dividend EUR)	1.50	1.60	1.10	1.23	1.49
Simplified Profit & Loss Account (EURm)					
Revenues	2,312	2,510	2,643	3,125	3,326
Change (%)	5.2%	8.6%	5.3%	18.2%	6.4%
lfl change (%)	8.0%	6.8%	2.3%	4.7%	6.4%
EBITDA	476	526	485	563	647
EBIT	357	371	324	372	444
Adjusted EBIT	361	402	404	450	522
Change (%)	-7.1%	11.2%	0.5%	11.5%	16.0%
Financial results	-8	-23	-41	-41	-40
Pre-Tax profits	349	349	282	331	404
Tax	-97	-87	-79	-93	-113
Profits from associates	-1	-1	-1	-2	-2
Minority interests	-7	-4	-3	-15	-21
Net profit	244	256	199	222	268
Restated net profit	246	279	256	278	325
Change (%)	1.5%	13.3%	-8.1%	8.5%	16.8%
Cash Flow Statement (EURm)					
Operating cash flows	322	386	363	427	492
Change in working capital	-12	-68	10	21	9
Capex, net	-68	-87	-106	-94	-100
Financial investments, net	-50	-1,257	-162	0	0
Dividends	-36	-40	-45	-49	-54
Other	-30	-315	-32	-76	-85
Net debt	126	1,506	1,478	1,248	986
Free Cash flow	242	232	267	354	401
Balance Sheet (EURm)					
Net fixed assets	1,972	3,524	3,663	3,642	3,624
Investments	9	8	8	8	8
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Cash & equivalents	1,014	596	-1,232	-1,002	-740
current assets	702	900	946	1,119	1,191
Other assets	439	649	682	806	858
Total assets	4,136	5,677	4,067	4,573	4,941
L & ST Debt	1,140	2,102	246	246	246
Provisions	83	71	71	71	71
Deferred tax liabilities	0	0	0	0	0
Others liabilities	1,206	1,653	1,742	2,059	2,192
Minority interests	-	-	-	-	-
Shareholders' equity	1,707	1,851	2,008	2,196	2,431
Total Liabilities	4,136	5,677	4,067	4,573	4,941
Capital employed	1,833	3,357	3,486	3,444	3,417
Ratios					
Operating margin	15.6%	16.0%	15.3%	14.4%	15.7%
Tax rate	27.9%	25.0%	28.0%	28.0%	28.0%
Net margin	10.9%	10.4%	7.7%	7.6%	8.8%
ROE (after tax)	14.3%	13.8%	9.9%	10.1%	11.0%
ROCE (after tax)	13.1%	8.1%	7.8%	8.9%	10.3%
Gearing	7%	81%	74%	57%	41%
Pay out ratio	37.8%	38.6%	35.0%	35.0%	35.0%
Number of shares, diluted	63,212	64,535	65,533	66,202	66,202

Source: Company Data; Bryan, Garnier & Co ests

BRYAN, GARNIER & CO

QIAGEN

Healthcare

Life Sciences Tools & Services

23rd January 2019

BUY

Fair Value	EUR37.5 vs. EUR39 (+16%)
Share price	EUR32.46
EPS 3Y Cagr	8.8%

Cautiously entering 2019

Limited upside to FY18 guidance

Ahead of FY18 results, we forecast sales growing 6%CER in Q4 2018, at the low-end of the company's 6-7%CER growth guidance for the quarter as we expect Q4 to suffer from various factors: 1/ demanding comparison in companion diagnostics with the Pharma business having delivered a healthy +9%CER in Q4 2017 (BGe 2%CER Q4 2018), 2/ the Academia business albeit to a lesser extent and 3/ a challenging macro environment in late 2018, which we see impacting the Applied Testing business (BGe 0%CER in Q4 2018). Molecular Diagnostics should continue to drive sales in Q4 2018 however with 9%CER growth.

As a result, we see limited if any upside to FY18 results with our estimates pointing to QIAGEN delivering 6%CER growth for the year, at the low-end of the FY18 guidance (6-7%CER). This should be accompanied by a c.90bp gain in the EBIT margin (BGe 27.1%) and EPS falling in-line with the company's guidance i.e. USD1.32-1.33 when adjusted for FX (BGe USD1.32).

We see QIAGEN entering 2019 cautiously

Turning to 2019, QIAGEN should continue to improve both its top and bottom lines. However, uncertainties that ought to fade as we progress into the year could prompt management to guide cautiously on 4th February. 1/ Uncertainty in the UK and in Italy which account for 8% of total group sales, 2/ the US shutdown (i) affecting the FDA review process for the Q-TB test ported on DiaSorin's Liaison XL and (ii) likely to hold back spending in the academic sector which is highly dependent on the NIH budget. Lastly, 3/ a weak flu season and a strong protective vaccine effect in Europe, which we do not see as a threat to the QIAstat-Dx ramp-up but which could calm excitement over a significant beat of 2019 sales guidance for the product. Note that we still see the former a touch conservative at USD30m. Turning to profitability, bear in mind that the acquisition from Formulatrix announced in early January is set to dilute (to about 3cts) EPS.

Model adjustments, new FV of EUR37.5 vs EUR39

Our topline forecasts now point to 7.8%CER growth in FY2019 vs. 8.5%CER previously. Meanwhile, we take into account the dilution from the acquisition of the dPCR program from formulatrix and see EBIT increasing by 80bp (to 27.9%) vs 100bp previously and EPS of USD1.43 vs USD1.47 previously.

Looking for better entry points on QIA's strong fundamentals

We believe that all the above mentioned moving parts could lead management to guide cautiously as it enters 2019. We will keep a close eye on the consensus, which is being consolidated as we write, but believe there might be more attractive entry points ahead for investors likely to increase their exposure to QIAGEN's solid long term fundamentals.

Market Data

Bloomberg / Reuters	QIA GR/QGEN.DE
Market Cap.	EUR7,493m
E.V.	EUR8 883
Free Float	71
Avg. Daily volume (6m)	558.7
12m high / low	33.6 / 25.5
Ytd Perf.	9.4%

EURm	12/17	12/18e	12/19e	12/20e
Sales	1,419	1,507	1,583	1,728
% Change		*6.1%*	*5.1%*	*9.2%*
EBITDA	483.5	506.9	520.9	588.5
% Change		*4.8%*	*2.7%*	*13.0%*
EBIT	371.4	407.7	440.9	523.5
% Change		*9.8%*	*8.1%*	*18.7%*
Net Income	295.0	306.4	333.4	399.0
% Change		*3.9%*	*8.8%*	*19.7%*
ROE	0.02	0.06	0.07	0.09

	12/17	12/18e	12/19e	12/20e
EV/Sales	6.3x	5.3x	4.9x	4.3x
EV/EBITDA	18.5x	15.9x	15.0x	12.8x
EV/EBIT	24.0x	19.7x	17.7x	14.4x
EPS	1.33	1.31	1.43	1.71
% change		*-1.0%*	*8.8%*	*19.6%*
P/E	27.8x	28.1x	25.8x	21.6x
Div Yield	NM	NM	NM	NM

Next Catalyst: 04/02/2019

Last rating Change:
FY2017. Strategic acquisition opens a new market for QIA and adds a 6th growth driver

Last FV Change:
QuantiFERON driving growth in 17e and beyond

Last Reports:
Link to FV change

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BRYAN, GARNIER & CO

MAISONS DU MONDE

Consumer, Brands & Retail

E-Commerce

23rd January 2019

NEUTRAL

Fair Value	EUR34 vs. EUR33 (+63%)
Share price	EUR20.80
EPS 3Y Cagr	15.7%

No warning for 2018, but an engaging outlook for 2019 will be needed

Reassuring Q4 sales as guidance will be met

Maisons du Monde reported a reassuring trading statement with 5.6% growth in Europe in Q4, implying +7.4% for FY 2018 (in line with the latest guidance of +7-8% and 20bp above CS which did not take into account the Yellow Vests impact) and 9.3% growth including Modani, implying +10% for FY 2018 (perfectly in line with the guidance). With no detailed split between France and the rest of Europe, we believe that France was in LfL negative territory in Q4 due to the Yellow Vests protests. Note that we were expecting a c.150bp negative impact in France on Q4 growth (i.e. >EUR3m sales losses) and a c.30bp impact on the FY, especially as the catch-up in e-commerce was limited. While we assume that the rest of Europe continued to perform well (>13% growth in Q4e), Modani should have performed really well in Q4 too (c.EUR12m sales) and across 2018 with EUR26m of sales already!

2018 EBITDA should also reach c.EUR145m

The latest guidance for EBITDA (i.e. around EUR145m and >13% margin) should also be reached as cost-cutting measures mitigated the impact of the Yellow Vests movement in France while Maisons du Monde has also adopted a cautious approach to its procurement since the summer. In all, we still expect c.EUR147m in EBITDA for 2018, now implying a 13.2% margin.

FV raised from EUR33 to EUR34 due to DCF roll-over

In light of the minor adjustments made to our 2018 figures and the roll-over of our DCF (100% of our valuation), we raised our FV from EUR33 to EUR34.

Neutral confirmed

As already highlighted over recent weeks by the management, guidance is set to be met and is reassuring for the market. Even if the Yellow Vests impact has almost disappeared in January and that conditions look somewhat better in 2019, we are still waiting for a strong catalyst to revisit the stock. We believe an engaging 2019 outlook and the announcement of an upcoming Capital Markets Day (to highlight MDM's mid-term prospects and additional growth drivers), which could both be provided at the presentation of FY results on 12th March, will be necessary to restore momentum and the status of growth stock.

Market Data

Bloomberg / Reuters	MDM FP/MDM.PA
Market Cap.	EUR941m
E.V.	EUR1 030
Free Float	100
Avg. Daily volume (6m)	117.6
12m high / low	38.5 / 15.5
Ytd Perf.	24.5%

EURm	12/17	12/18e	12/19e	12/20e
Sales	1,011	1,111	1,248	1,384
% Change		*10.0%*	*12.3%*	*10.9%*
EBITDA	138.8	146.6	164.0	180.7
% Change		*5.7%*	*11.9%*	*10.1%*
EBIT	101.5	108.4	121.1	133.1
% Change		*6.8%*	*11.7%*	*9.9%*
Net Income	56.5	70.0	79.0	87.5
% Change		*23.8%*	*12.9%*	*10.7%*
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	1.1x	1.0x	0.9x	0.7x
EV/EBITDA	7.7x	7.3x	6.5x	5.7x
EV/EBIT	10.5x	9.9x	8.8x	7.8x
EPS	1.24	1.54	1.74	1.93
% change		*23.8%*	*12.9%*	*10.7%*
P/E	16.7x	13.5x	12.0x	10.8x
Div Yield	2.1%	2.6%	3.0%	3.3%

Next Catalyst:

FY 18 results in 12th March

Last rating Change:

Visibility on the timing of the rebound in consumption in France is deteriorating

Last Reports:

Harder, Better, Faster, Stronger

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BRYAN, GARNIER & CO

AHOLD DELHAIZE

Consumer, Brands & Retail

Retail & E.commerce

23rd January 2019

NEUTRAL

Fair Value	EUR23,7(+6%)
Share price	EUR22.36
EPS 3Y Cagr	11.5%

Q4 sales above expectations and 2018 EPS at the high end of guidance

LfL trends are recovering in the US and in Belgium

Ahold Delhaize has reported Q4 sales of EUR16.55bn (vs EUR16.44bn expected by the consensus), up 3% at constant FX and about 2.8% in LfL (excl fuel & calendar) terms, which is quite above the expectations (CS and BG at 2.3%). The group outperformed the CS on every region. The US came out at 2.7% (above CS at 2.2% but in line with our ests) as the reorganisation of commercial/marketing teams is now clearly over and that the business is benefiting from a still buoyant retail environment and a ramp-up of e-commerce (+12% in Q4). Q1 2019 should nevertheless be closely monitored regarding a potential shutdown impact and a decline of food inflation. In Belgium, Ahold Delhaize generated 3% LfL (c.1.7% excl favourable calendar effect) and thus achieved a very satisfying year contrary to 2017 as its recovery plan is bearing fruit.

The Netherlands still robust

Despite a much tougher comparison base, the Netherlands came out at 3.3% LfL, still boosted by both in-store sales and online, through food and the non-food part for bol.com. In Ccentral and south-eastern Europe, the group grew 2% LfL excl fuel, driven by the Czech Republic while Greece remains under noticeable competitive pressure.

2018 EPS to reach the higher end of guidance

Despite the lack of any comments on underlying operating income for 2018, we still believe the group is well on track to meet its EUR420m accumulated net synergies at end of 2018 and EUR500m by the end of 2019, the majority of which should come from the US and sourcing. Ahold Delhaize also announced that it is now expecting to generate underlying EPS from continuing in the higher end of the previous guidance of EUR1.50-1.60, which we believe will encourage the CS to slightly upgrade its ests from EUR1.54.

Neutral recommendation maintained

However, we confirm our Neutral stance as we still struggle to identify the profitability levers at the group level as headwinds are rising, especially in the US. The group is certainly a best-in-class player in execution, allowing it to generate strong FCF (about EUR2bn per year until 2021), adopt a generous investor return policy (share buyback programmes and dividend) and be ready to seize any M&A opportunity. The stock is a safe-haven in the retail segment for long-term investors, and already fully priced as our FV of EUR23.7 points to no real upside, but we prefer to play the French food retailers' recovery.

Market Data

Bloomberg / Reuters	AD NA/AD.AS
Market Cap.	EUR26,462m
E.V.	EUR29.105m
Free Float	0
Avg. Daily volume (6m)	5 138
12m high / low	23.1 / 17.3
Ytd Perf.	1.3%

EURM	12/17	12/18e	12/19e	12/20e
Sales	62,721	62,775	66,040	67,300
% Change		*0.1%*	*5.2%*	*1.9%*
EBITDA	4,251	4,347	4,566	4,651
% Change		*2.3%*	*5.0%*	*1.9%*
EBIT	2,227	2,490	2,684	2,699
% Change		*11.8%*	*7.8%*	*0.6%*
Net Income	1,582	1,796	1,910	1,938
% Change		*13.6%*	*6.3%*	*1.5%*
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	0.5x	0.5x	0.4x	0.4x
EV/EBITDA	6.8x	6.9x	6.5x	6.1x
EV/EBIT	13.1x	12.0x	11.0x	10.5x
EPS	1.26	1.56	1.73	1.75
% change		*23.5%*	*10.5%*	*1.5%*
P/E	17.7x	14.3x	12.9x	12.8x
Div Yield	2.8%	3.1%	3.5%	3.5%

Next Catalyst:

FY 18 results on 27th February

Last FV Change:

2018-11-14, Stop & Shop, e-commerce and FCF management on the menu for coming years

Last Reports:

Shop-in-Shops: The Winning New Retail Concept

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BRYAN, GARNIER & CO

ASML

Technology
| Semiconductors

23rd January 2019

BUY

Fair Value	EUR175(+24%)
Share price	EUR141.36
EPS 3Y Cagr	21.8%

ASML's guidance short of consensus, the company reiterates EUV target

Q4 results 6.9% above the street's expectations

The company reported **Q4 revenues of EUR3.143bn**, **up 13.2% seq. (+22.8% yoy)** compared with the group's guidance for revenue of around EUR3.0bn and **consensus expectations at EUR2.976bn**. **Gross margin came in at 44.3%**, about **-370bps below the company's guidance** (48.0% at mid-range) and the street's forecast at 47.7% (BG ests. 48.4%). The lower gross margin came from the settlement of a legal dispute over alleged patent infringements of Nikon resulting in a cost of EUR131m. **Excluding this one-off impact, GM is set to total 48.5%, 50bp above guidance**. R&D and SG&A stood at EUR442.4m and EUR134.6m respectively in Q4, compared with company guidance of EUR420m and EUR135m respectively. As a result, EBIT was 6.6% below expectations at EUR816m (cons. EUR874m/BG ests. USD874m) and adjusted **EPS came in at EUR1.81** (excluding profit from equity method investments)**, i.e. 3.4% above the consensus (cons. EUR1.75/BG ests. EUR1.79)**. By the end of the quarter, the net bookings level stood at **EUR1.587bn**, i.e. down -30% seq.

Memory contribution falls as customers delay orders to H2 2019

During the quarter, ASML sold 64 lithography tools representing EUR2.424bn of revenue. Five were EUV systems in line with management's guidance. **Note that Memory represented 40% of the entire tool's revenue, well below the contribution in Q3 2018 of 58% highlighting the weakness in memory spending that will pursue in H1 2019 while Logic has been higher at the end of the year**. ASML **confirms it has customer demand for 30 EUV systems in 2019** including DRAM memory customers that we estimate around five/six shipments according to previous company statements that Logic will represent 80% of EUV in 2019. **However, H1 2019 will be weak as late in Q4, several customers decided to delay deliveries of some equipment to H2 2019**.

ASML misses consensus for Q1 2019 revenue

ASML expects Q1 2019 sales to decrease sequentially by 33.2% to about EUR2.1bn, including a EUR300m negative impact on sales due to a fire at one of its suppliers that the company expects to "largely recover" in Q2. **Even excluding the one-off impact, ASML missed the consensus at EUR 2.756bn by 13% (BG ests. EUR2.786bn)**. **Gross margin is expected to come out at a level of about 40.0%**, down 430bps compared with Q4 2018 and well below the street's expectations at 47.4%. We believe the lower-than-expected gross margin is a sign that the **contribution of EUV shipments in Q1 will be higher than previously**, once again a sign that H1 2019 will be highly driven by Logic with less DUV shipments to memory. R&D and SG&A are expected to be close to EUR480m and EUR130m respectively in Q1 2019. **By taking mid-range guidance figures, Q1 2019 EPS should be close to EUR0.48, about -70% below consensus expectations at EUR1.61**. Based on our estimates, ASML's shares are trading at P/E forward and PEG of 19.6x and 1.3x, respectively.

Market Data

Bloomberg / Reuters	ASML NA/ASML.AS
Market Cap.	EUR60,992
E.V.	EUR60,953
Free Float	96
Avg. Daily volume (6m)	1,490
12m high / low	188.5 / 130.9
Ytd Perf.	3.1%

EURm	12/17	12/18e	12/19e	12/20e
Sales	9,053	10,759	11,714	12,958
% Change		*18.9%*	*8.9%*	*10.6%*
EBITDA	2,923	3,448	3,936	4,653
% Change		*18.0%*	*14.1%*	*18.2%*
EBIT	2,496	3,023	3,491	4,198
% Change		*21.1%*	*15.5%*	*20.3%*
Net Income	2,119	2,565	2,977	3,588
% Change		*21.1%*	*16.0%*	*20.5%*
ROE	0.20	0.22	0.24	0.25

	12/17	12/18e	12/19e	12/20e
EV/Sales	6.7x	5.7x	5.2x	4.6x
EV/EBITDA	20.9x	17.7x	15.4x	12.8x
EV/EBIT	24.4x	20.2x	17.4x	14.2x
EPS	4.91	6.06	7.20	8.87
% change		*23.5%*	*18.8%*	*23.2%*
P/E	28.8x	23.3x	19.6x	15.9x
Div Yield	0.8%	1.0%	1.1%	1.3%

Next Catalyst:

Today, at 3.00pm: Q4 conference call
17 April 2019: Q1 2019 results

Last rating Change:
Memory fears fading, new Buy recommendation

Last FV Change:
Favour Infineon, STM and Soitec in early 2019

Last Reports:

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Q4 2018 results vs. consensus

[EURm]	BG ests. 4Q18e	Consensus 4Q18e	4Q18 Actual	Actual vs. Cons.
Net revenue	2,958	2,976	3,143	5.6%
% change (seq)	*6.5%*	*7.2%*	*13.2%*	602bp
% change (yoy)	*15.5%*	*16.2%*	*22.8%*	653bp
Gross Margin	48.4%	47.7%	44.3%	-340bp
Adj. EBIT	874	874	816	-6.6%
% of revenue	*29.5%*	*29.4%*	*26.0%*	-339bp
Adj. EPS (in EUR)	1.79	1.75	1.87	6.9%

Sources: Company data; Thomson Reuters I.B.E.S.; Bryan Garnier & Co. ests.

Q1 2019 guidance vs. consensus

[EURm]	BG ests. 1Q19e	Consensus 1Q19e	1Q19e Guidance	Guid. vs. Cons.
Net revenue	2,786	2,756	2,100	-23.8%
% change (seq)	*-5.8%*	*-7.4%*	*-33.2%*	-2580bp
% change (yoy)	*21.9%*	*20.6%*	*-8.1%*	-2871bp
Gross Margin	47.6%	47.4%	40.0%	-740bp
Adj. EBIT	797	784	230	-
Adj. EPS (in EUR)	1.64	1.61	-	-

Sources: Company data; Thomson Reuters I.B.E.S.; Bryan Garnier & Co. ests.

BRYAN, GARNIER & CO

23rd January 2019

BIOM'UP

BUY

Fair Value EUR11,9(+159%)

Share price	EUR4.66
EPS 3Y Cagr	NM

Healthcare

Biotech

FDA approval in laparoscopy should bolster adoption

FDA approval of HEMOBLAST's laparoscopic applicator

Following PMA supplement filed in July 2018, the FDA approved Hemoblast Bellows' laparoscopic applicator. The laparoscopic applicator consists of a 35cm long polycarbonate applicator fitting into the existing device. As a reminder, the laparoscopic applicator was approved in Europe in July 2018 and the FDA approval announced yesterday is consistent with the timelines announced at the time of the IPO i.e. towards 2018 year-end/early 2019. Studies carried out to gain approval in this setting included trials in porcine models to demonstrate the safety and resistance of the cannula when inserted in the body.

Mini-invasive access should bolster recognition from KOLs

The use of Hemoblast in mini-invasive surgery should not be overlooked as it should significantly contribute to the increasing recognition of the product among the scientific community:

1/ Mini-invasive surgery is on the rise. The key benefits include: increased safety, less scarring, faster recovery and shorter hospital stays. Against this backdrop, surgeons are seeking alternatives that could achieve hemostasis efficiently in a closed and liquid environment where blood diffusion happens faster and could block the field of view of the laparoscopic camera. We believe Hemoblast is a well-suited alternative to products currently available.

2/ Surgeons operating in catheter labs are known for being early adopters and although sales in this setting should remain marginal for the company (see section below), we believe it could trigger sales synergies in the other departments of the same hospital. We would expect the "door-opening" potential of this news to bolster the product's adoption.

3/ Lastly, it is important to note that surgeons in the catheter lab have a high share of voice in the buying process and are less sensitive to consumable prices. Hence, the approval in this indication should enable Biom'up to better face pricing pressure in the hemostatic market (BGe -2% p.a. across all indications/settings).

Laparoscopy already included in our model

Following the approval of Hemoblast's laparoscopic applicator in Europe last year, we increased our PoS to 100% both in Europe and the US. Following the approval of Hemoblast laparoscopic applicator in Europe last year, we increased our PoS for to 100% both in Europe and in the US.

We estimate that Biom'up should stream EUR5m in sales from Hemoblast Laparoscopic applicator at peak (including EUR3m in the US), representing less than 5% of total group sales. Hence the marginal contribution of <0.5cts to our unchanged Fair Value standing at EUR11.9/share.

Market Data

Bloomberg / Reuters	BUP FP/INTRO
Market Cap.	EUR66m
E.V.	EUR57
Free Float	18
Avg. Daily volume (6m)	8.30
12m high / low	12.8 / 4.3
Ytd Perf.	0.9%

EURm	12/17	12/18e	12/19e	12/20e
Sales	1.8	2.5	14.1	43.1
% Change		*39.9%*		
EBITDA	-16.3	-27.4	-25.3	-10.3
% Change		*-68.1%*	*7.6%*	*59.2%*
EBIT	-17.7	-28.9	-26.9	-12.0
% Change		*-63.1%*	*6.9%*	*55.5%*
Net Income	-31.3	-32.0	-29.4	-14.5
% Change		*-2.2%*	*8.0%*	*50.7%*
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	32.9x	23.5x	4.1x	1.3x
EV/EBITDA	NS	NS	NS	NS
EV/EBIT	NS	NS	NS	NS
EPS	-2.79	-2.24	-2.06	-1.02
% change		*19.7%*	*8.0%*	*50.7%*
P/E	NS	NS	NS	NS
Div Yield	%	%	%	%

Next Catalyst:

Last rating Change:
biom

Last FV Change:
Sales ramp-up not held back by surgeons' adoption and commercial efforts

Last Reports:
Link to FV change

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BRYAN, GARNIER & CO

BIOMÉRIEUX

23rd January 2019

NEUTRAL

Healthcare

Life Sciences Tools & Services

Fair Value	EUR70 (+8%)
Share price	EUR61.20
EPS 3Y Cagr	10.8%

Positive risk-reward ahead of FY18 results

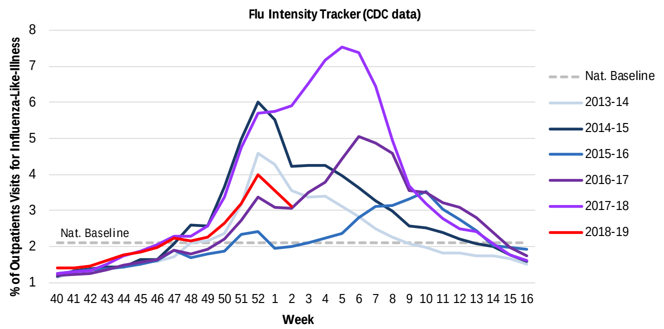
Recent derating implies a worst case

Ahead of the FY18 results publication on 27th February, we forecast 2018 sales growth of 9.8%CER for the group, slightly ahead of its upgraded 9.5%CER guidance. Strong topline growth should continue to be driven by 1/ the Molecular Biology business, despite a weaker flu season (see chart below), 2/ continuous growth in Industrial applications, and 3/ China, with dynamic consumable sales. We are confident in the ability of the group to deliver its guidance. Turning to EBIT margin, it is acknowledged that H2 will be the low point of 2018, due to investments in FilmArray, Immunoassays and a softer flu season anticipated by management. However, we still see the group reaching the high-end of its EUR340-350m EBIT guidance on increased profitability of FilmArray driven by the utilisation rate.

In 2019, the main assumptions supporting our EUR70 fair value are low i.e. sales growth of 6%CER and EBIT margin improving by a shy 70bp to 15.2% of sales on higher profitability of FilmArray, offset by a continuous decline in immunoassays sales.

Weaker 2018-19 US flu season, but still room to grow

Despite a weak start to the 2018-2019 flu season, the infectious disease market is growing >20% in the US. Moreover, the broadening of the portfolio of assays over the past two years should help make up for recent reimbursement setbacks, more than priced in at current levels.



Derating from PAMA priced in

Following PALMETTO's decision not to reimburse the FilmArray RP panel and to push the GI panel as a last line diagnostic test, we have assumed in our model that all Medicare's contractors will do the same. This has not happened however.

Positive risk-reward ahead of FY results despite LT uncertainties

The derating of the share price in Q4 now prices in the worst and expectations seem to be at a low point as we enter 2019. This does not modify our long-term view on the investment case however, with uncertainties still prevailing (PCT, US reimbursement), leading us to reiterate our Neutral rating.

Market Data

Bloomberg / Reuters	BIM FP/BIOX.PA
Market Cap.	EUR7,244m
E.V.	EUR7 459
Free Float	47,7
Avg. Daily volume (6m)	107.1
12m high / low	81.9 / 53.1
Ytd Perf.	6.4%

EURm	12/17	12/18e	12/19e	12/20e
Sales	2,288	2,412	2,546	2,754
% Change		*5.4%*	*5.6%*	*8.2%*
EBITDA	483.4	509.0	559.2	635.7
% Change		*5.3%*	*9.9%*	*13.7%*
EBIT	334.7	350.5	393.7	456.6
% Change		*4.7%*	*12.3%*	*16.0%*
Net Income	238.1	244.5	271.7	324.2
% Change		*2.7%*	*11.1%*	*19.3%*
ROE	0.14	0.13	0.13	0.14

	12/17	12/18e	12/19e	12/20e
EV/Sales	3.2x	3.0x	2.8x	2.5x
EV/EBITDA	15.3x	14.4x	12.6x	10.7x
EV/EBIT	22.1x	20.8x	18.0x	14.9x
EPS	2.01	2.07	2.30	2.74
% change		*2.7%*	*11.1%*	*19.3%*
P/E	30.4x	29.6x	26.7x	22.3x
Div Yield	0.8%	0.8%	0.9%	1.1%

Next Catalyst: 27/02/2019: FY18 results

Last rating Change:
Sales guidance upgrade priced-in, limited upward revision ahead

Last FV Change:
Palmetto GBA add further pressure on large multiplex panels

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BRYAN, GARNIER & CO

BURBERRY

Consumer, Brands & Retail
| Luxury Goods

23rd January 2019

SELL

Fair Value	1710p (-4%)
Share price	1,776p
EPS 3Y Cagr	3.1%

Disappointing Q3 retail sales

Retail sales down 2% in Q3 underlying (up 1% same-store)

Retail sales were down 1% in Q3 to GBP711m (consensus: GBP727m) with 1% growth on a same-store basis (consensus: +2%) versus +3% in H1 and in Q2. By region, we have less information than during the recent period with no trends by main region. We guess that APAC was the best performer, mainly thanks to Mainland China (sales up mid-single digit). We assume that in other countries of the region, sales were stable at best. Sales in APAC were up mid-single digit in H1. In EMEIA (Europe, Middle East, India and Africa), revenues are likely stable after having been stable in H1, with no more information given by the company. Lastly, sales in Americas were very likely down during the period while the momentum was much more dynamic in H1 (sales up mid single digit). It seems that traffic in stores was quite soft during holiday season (impact of less positive feel good factor given lower financial markets and shutdown impact).

FY 2019 guidance maintained

Management stated it is maintaining its FY guidance (end March 2019) for stable sales and adjusted EBIT margin at constant exchange rates with GBP100m in cumulative cost savings.

We reiterate our sell recommendation

Following this poor Q3 sales trading statement, we maintain our Sell recommendation on the stock with an unchanged Fair Value of 1710p. We remain convinced that in the current luxury goods industry scenario of a soft landing, we need to focus on the best in class groups and brands, to which Burberry does not belong yet since it is in a transition period. We clearly prefer Hermès, LVMH and Kering.

Market Data

Bloomberg / Reuters	BRBY LN/BRBY.L
Market Cap.	GBP7 306m
E.V.	GBP6,416m
Free Float	100
Avg. Daily volume (6m)	1,696
12m high / low	2,325 / 1,498
Ytd Perf.	2.3%

GBPM	mm/yye	03/19e	03/20e	03/21e
Sales	2,733	2,750	2,850	2,980
% Change		*0.6%*	*3.6%*	*4.6%*
EBITDA	591.0	590.0	615.0	649.0
% Change		*-0.2%*	*4.2%*	*5.5%*
EBIT	467.0	440.0	455.0	490.0
% Change		*-5.8%*	*3.4%*	*7.7%*
Net Income	293.3	316.0	332.0	366.0
% Change		*7.7%*	*5.1%*	*10.2%*
ROE	0.19	0.20	0.19	0.19

	mm/yye	03/19e	03/20e	03/21e
EV/Sales	2.3x	2.3x	2.1x	2.0x
EV/EBITDA	10.8x	10.7x	9.9x	9.4x
EV/EBIT	13.7x	14.3x	13.4x	12.5x
EPS	74.55	71.39	74.58	81.79
% change		*-4.2%*	*4.5%*	*9.7%*
P/E	23.8x	24.9x	23.8x	21.7x
Div Yield	2.3%	2.4%	2.6%	2.8%

Next Catalyst: conference call at 9am (London time)

Last rating Change:
2016-5-19, Too early to sing in the rain!

Last FV Change:
2017-5-19, Too soon to bet on a recovery!

Last Reports:
2018-11-8, H1 sales in line with EBIT margin higher than expected

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BRYAN, GARNIER & CO

ELIOR

Smart Industries
| Business Services

23rd January 2019

NEUTRAL

Fair Value	EUR14.5(+16%)
Share price	EUR12.42
EPS 3Y Cagr	0.9%

A situation that becomes tense

Hoping that revenue will not be too affected by the current situation in France

Q1 2018-19 group revenue ending 31st December will be released tomorrow morning before opening. Due to yellow vests in France, we hope that the concession businesses won't be too affected by the current situation bearing in mind that concessions generate 27% of the group's consolidated revenue o/w 36% from France. For Q1 revenue, the consensus anticipates consolidated revenue of EUR1,743m up 2.9% in reported terms with organic growth of 1% (BG & Co. at EUR1,753m with organic growth at 1.6%) with revenue from concession catering of EUR426m up 4.1% with organic growth of 3.5% (BG & Co. at EUR424m with an organic of 2.5%).

A sale price uncertain for the disposal of Areas

The deadline for bids for Elior group's sale of its concession catering unit Areas was 17th January. From market rumours, we understand that there are two industrial bidders i.e. the Italian catering group Autogrill and its Italian rival Cremonini, and four private equity firms with PAI Partners, KKR, Lonestar and Blackstone. Earlier this week, Cremonini announced that he had not submitted an offer.

As a reminder, the concession catering activities generated EUR1.833m in total revenue in 2018 i.e. 27% of Elior's consolidated revenue with EBITDA of about EUR196m representing 39% of the group's EBITDA with a margin of 10.7%. This margin compares with 11.8% for SSP or 9.2% for Autogrill i.e. Elior's two main competitors in concession catering which are respectively valued at 10.3x EV/EBITDA 2019e and 6.5x. Using an average multiple of 8x, Elior's concession catering EV should reach between EUR1.5bn and EUR1.8bn.

A financial situation leaving limited room to manoeuvre

With Elior's net debt of over EUR1.8bn at the end of September representing financial leverage of 3.6x (vs. 3.0x at the end of September2017), results need to be sustained to generate sufficient operating cash flow to maintain capex close to EUR300m, a level needed to pursue investments in concessions and leave scope to pursue the M&A strategy, notably in NA in contract catering, which remains vital to reach critical mass and optimise results.

As a reminder, management announced that 2019 will be a year of stabilization, expecting organic revenue growth above 1% at constant accounting standards incl. impact from voluntary termination of underperforming contracts in Italy, external growth from acquisitions close to 1% and stable adjusted EBITA margin at constant perimeter and forex and strong growth in operating free cash flow. We have based our estimates on an organic revenue growth of 1.7%, and an EBITA margin of 4.3% flat vs. last year. Our 2019e net debt is at EUR1,844m after capex of EUR275m after EUR288m last year representing a financial leverage stable at 3.6x.

Market Data

Bloomberg / Reuters	ELIO FP/ELIO.PA
Market Cap.	EUR2,185m
E.V.	EUR3,814m
Free Float	63.1
Avg. Daily volume (6m)	356.4
12m high / low	19.0 / 11.3
Ytd Perf.	-4.9%

EURM	09/17	09/18e	09/19e	09/20e
Sales	6,422	6,694	6,867	7,061
% Change		*4.2%*	*2.6%*	*2.8%*
EBITDA	531.0	501.0	513.8	559.7
% Change		*-5.6%*	*2.6%*	*8.9%*
EBIT	332.9	257.0	276.5	334.6
% Change		*-22.8%*	*7.6%*	*21.0%*
Net Income	146.3	93.7	152.4	182.9
% Change		*-35.9%*	*62.6%*	*20.0%*
ROE	0.07	0.03	0.10	0.11

	09/17	09/18e	09/19e	09/20e
EV/Sales	0.6x	0.6x	0.6x	0.6x
EV/EBITDA	7.2x	8.0x	7.8x	7.0x
EV/EBIT	11.4x	15.6x	14.6x	11.7x
EPS	1.02	0.84	0.87	1.05
% change		*-17.6%*	*4.1%*	*20.0%*
P/E	12.2x	14.8x	14.2x	11.8x
Div Yield	3.4%	2.7%	3.4%	3.4%

Next Catalyst:

Q1 2018-2019 revenue on 24th January

Last rating Change:

2018-3-29, A context and a valuation that sound to us attractive

Last FV Change:

2018-6-27, CMD: New short term adjustment in an environment not yet stabilized

Last Reports:

2018-12-3, Waiting FY results

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BRYAN, GARNIER & CO

ELIOR

NEUTRAL

Fair Value	EUR14.5(+16%)
Share price	EUR12.42
Market Cap.	EUR2,185m
EPS 3Y CAGR	0.9%

Simplified Profit & Loss Account (EURm)	**2016**	**2017**	**2018e**	**2019e**	**2020e**
Revenues	5,896	6,422	6,694	6,867	7,061
Change (%)	3.9%	8.9%	4.2%	2.6%	2.8%
Adjusted EBITDA	501	531	501	514	560
EBIT	331	333	257	277	335
Change (%)	7.1%	0.6%	-22.8%	7.6%	21.0%
Financial results	-63	-62	-67	-71	-67
Pre-Tax profits	218	196	79	224	267
Exceptionals	-50	-52	-89	0	0
Tax	-80	-78	-40	-67	-80
Profits from associates	3	3	2	2	2
Minority interests	3	3	4	4	4
Net profit	135	115	35	152	183
Restated net profit	168	146	94	152	183
Change (%)	33.8%	-12.9%	-35.9%	62.6%	20.0%
Cash Flow Statement (EURm)					
Operating cash flows	501	522	471	514	560
Change in working capital	-3	3	18	-20	-19
Capex, net	-183	-292	-288	-275	-268
Financial investments, net	-277	-128	-228	-37	0
Dividends	-56	-74	-38	-59	-73
Other	-18	31	-65	124	199
Net debt	1,707	1,616	1,818	1,845	1,723
Free Cash flow	173	123	116	152	192
Balance Sheet (EURm)					
Tangible fixed assets	640	751	819	841	886
Intangibles assets	2,921	3,041	3,065	3,065	3,065
Cash & equivalents	161	140	143	17	19
current assets	1,147	1,044	1,131	1,160	1,193
Other assets	250	217	207	279	279
Total assets	5,119	5,193	5,365	5,363	5,442
L & ST Debt	1,873	1,768	1,964	1,857	1,736
Others liabilities	3,246	3,427	3,403	3,505	3,706
Shareholders' funds	1,558	1,619	1,471	1,560	1,734
Total Liabilities	3,561	3,576	3,896	3,803	3,708
Capital employed	3,592	3,572	3,684	3,797	3,862
Ratios					
Operating margin	5.6%	5.2%	3.8%	4.0%	4.7%
Tax rate	-36.7%	-39.8%	-50.6%	-30.0%	-30.0%
Net margin	2.8%	2.3%	1.4%	2.2%	2.6%
ROE (after tax)	8.9%	7.3%	2.7%	10.0%	10.8%
ROCE (after tax)	6.0%	5.6%	4.1%	5.0%	5.6%
Gearing	110%	100%	124%	118%	99%
Pay out ratio	40.0%	40.0%	40.5%	48.0%	40.0%
Number of shares, diluted	176	176	174	174	174
Data per Share (EUR)					
EPS	0.77	0.65	0.20	0.87	1.05
Restated EPS	1.05	1.02	0.84	0.87	1.05
% change	37.4%	-2.9%	-17.6%	4.1%	20.0%
EPS bef. GDW					
BVPS	8.85	9.20	8.44	8.95	9.95
Operating cash flows	2.85	2.97	2.70	2.95	3.21
FCF	0.98	0.70	0.67	0.87	1.10
Net dividend	0.42	0.42	0.34	0.42	0.42

Source: Company Data; Bryan, Garnier & Co ests.

BRYAN, GARNIER & CO

RÉMY COINTREAU

23rd January 2019

BUY

Fair Value	EUR126(+22%)
Share price	EUR99.80
EPS 3Y Cagr	12.0%

Consumer, Brands & Retail

| Spirits

No signs of a slowdown in Q3 and strong end to the year expected

Sales grew 20% in China in Q3 excluding the CNY

China was inflated by the earlier timing of the Chinese New Year which added roughly four points to growth in the country (+1 point at the group level). This is expected to reverse in Q4. But, even without the timing of the CNY, the group's sales growth in China in Q3 was outstanding at +20%. Rémy Cointreau reiterated there are no signs of a slowdown in underlying consumption. Value depletions were up in strong double digits both in volume and value terms. Growth is broad-based across all cognac categories but the company is gaining market share in XO and Club while there are some losses in VSOP (which is not favoured by the group given its premiumisation strategy). Note that Travel Retail Asia is also good, despite some softening in Hong Kong.

Improved visibility and diversification in China are reassuring

The increasing exposure to the direct channel (which was reported to outperform in Q3) improves the group's visibility on underlying consumption and the level of inventories. It now represents 1/3 of the company's sales in China. Rémy Cointreau is building its e-commerce platform in China very quickly. It accounts for 20% of Chinese 9M sales (vs 10% in 2017/18). **Another positive is the greater diversification of Louis XIII**. We estimate China only accounts for 40% of the brand's sales vs 70% before the anti-extravagance policy.

Sales in the US accelerated in Q3, with a double digit growth

The sales performance in the US was strong in Q3 but depletions showed some slowdown. This was only due to a technical effect related to price increases on VSOP (+USD2 per bottle) at the beginning of October and these depletions should improve significantly in Q4 to end the year in line with a trend of +7-8%. Cognac remains one of the booming categories and Cointreau is also reaping the benefits of the new "Art of the Mix" campaign and marketing activities celebrating the 70th anniversary of the margarita. Note that Hennessy's VS shortage in the US seems to have become less significant at the end of the year.

The outlook is definitively positive

We see a strong end to the year despite the reversal of the CNY. We expect 8.2% organic sales growth over the year, pointing to +8.6% in Q4 with Cognac +11.5%, L&S +5% and Partner Brands -7.9%. EBIT should grow 13.5% in organic in 2018/19, which implies a margin expansion of 105bp reflecting 1/ the premiumisation strategy, 2/ price hikes and 3/ the implementation of IFRS 15 which forces the company to reconsider a number of promotions (such as that of Metaxa in travel retail). CFO said that other price increases are planned for 2019/2020 and they should be in the low to mid single digit figures for cognac and a bit less for Liqueurs & Spirits (they are more volume-dependent and whisk(e)ys are already priced at a high level). We reiterate our Buy recommendation. Our Fair Value is unchanged at EUR126.

Market Data

Bloomberg / Reuters	RCO FP/RCOP.PA
Market Cap.	EUR5 085
E.V.	EUR5 546
Free Float	45.7
Avg. Daily volume (6m)	103.0
12m high / low	128 / 95
Ytd Perf.	0.9%

EURm	03/18	03/19e	03/20e	03/21e
Sales	1,127	1,216	1,326	1,422
% Change		*7.9%*	*9.0%*	*7.2%*
EBITDA	261.5	282.0	314.8	349.3
% Change		*7.8%*	*11.6%*	*10.9%*
EBIT	236.8	257.7	288.3	320.9
% Change		*8.8%*	*11.9%*	*11.3%*
Net Income	151.3	162.9	184.7	212.4
% Change		*7.7%*	*13.4%*	*15.0%*
ROE	0.11	0.11	0.11	0.12

	03/18	03/19e	03/20e	03/21e
EV/Sales	4.8x	4.4x	4.0x	3.7x
EV/EBITDA	20.5x	19.1x	16.9x	15.0x
EV/EBIT	22.7x	20.8x	18.5x	16.4x
EPS	2.89	3.11	3.53	4.05
% change		*7.7%*	*13.4%*	*15.0%*
P/E	34.6x	32.1x	28.3x	24.6x
Div Yield	1.7%	1.7%	1.8%	1.9%

Next Catalyst: Q4 sales on 24th April

Last rating Change:
Recent decrease in the share price offering a buying opportunity

Last FV Change:
Strong sales and EBIT growth expected in H2

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BRYAN, GARNIER & CO

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 54.9%   NEUTRAL ratings 38.5%   SELL ratings 6.6%

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BRYAN, GARNIER & CO

DAILY EQUITY RESEARCH UPDATE

Wake-up Call

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IMPORTANT INFORMATION