



BRYAN, GARNIER & CO

DAILY EQUITY RESEARCH UPDATE

Wake-up Call

Dow Jones: 25,914.10 (11.09% ytd) | CAC40: 5412.83 (14.42% ytd) | Stoxx 600: 382.114(13.17% ytd)

19th March 2019

Please find our Research on Bloomberg BRYG <GO>

SWORD GROUP | BUY | EUR47 vs. EUR45

FY18 meeting feedback: another year of strong growth
Belux, Switzerland and GRC will be the main drivers in 2019
Sword sets up new initiatives for sustaining growth
Final 2018 results reclassified Apak as a discontinued business
We raise our DCF-derived Fair Value on working capital

CELYAD | BUY | EUR49

Building the foundations of a leading CAR-T company
Strong manufacturing capabilities
shRNA approach holds great promise
Key readouts in 2019

AB INBEV | BUY | EUR100

Mexico, Asia Pacific IPO and deleveraging
Opportunity to grow share in Mexico
Asia Pacific IPO - no comment on speculation but...
Path to delivering of half a turn p.a.

DBV TECHNOLOGIES | BUY | EUR46

Competitor's timeline now clearer
FDA accepts BLA for AR-101 in peanut allergy
No priority review for AR-101
Negative risk-reward on next catalyst for AR-101
Small relief for DBV, negative for AIMT

ILIAD | BUY | EUR155

Poor FY 2018 results, acceleration expected ahead
France top line under pressure, but EBITDA and guidance beat expectations
Disappointing commercial performance in France in Q4
Slower growth in Italy, uncertain outlook
Increase of dividend to EURO.9 raises questions

ONCIMUMUNE | Corporate | 143p vs 140p

Protagen - a cracking good acquisition
Oncimmune acquires Protagen Diagnostics AG
Transaction terms
A high-quality operation and business anchor in Europe
Delivering on 3-year forward strategy

SEMICONDUCTORS

Feedback from BG Technology Conference
On March 14th and 15th, we hosted six semiconductor companies, namely ASMI, Besi, Dialog, Infineon, Soitec, and STMicroelectronics. We found the overall message as reassuring even though the tone was still on the cautious side. We key findings and conclusions relate on Besi (Neutral, FV EUR23), Infineon (Buy, FV EUR22.5), Soitec (Buy, FV EUR85) and STMicroelectronics (Buy, FV EUR19). Below is the link to the first page of our note. The full report is to be issued this morning.

Upcoming BG events :

Date

3rd-Apr CAPGEMINI | Luxembourg roadshow with CFO / IR
30th-Apr BIOCARTIS | London roadshow with CEO/IR

Recent reports :

Date

19th-Mar @BG Technology Conference 2019
18th-Mar ONCODESIGN | Planets are aligning
12th-Mar BLUELINEA | The Silver Economy: a golden opportunity!
12th-Mar MEDINCELL | Injecting more value
12th-Mar BLUELINEA | La Silver Economie : un marché en OR !
6th-Mar AB INBEV | Battle for the Middle Kingdom

Q1 2019 Top Picks

SANOFI (Buy, FV EUR94)
NOVARTIS (Buy, FV CHF96)
ROCHE HOLDING (Buy, FV CHF315)
GALAPAGOS (Buy, FV EUR125)

19th March 2019

SWORD GROUP

Technology

| Software & IT services

Fair Value	EUR47 vs. EUR45 (+41%)	BUY
Share price		EUR33.25
EPS 3Y Cagr		13.8%

FY18 meeting feedback: another year of strong growth

Belux, Switzerland and GRC will be the main drivers in 2019

Management reiterates FY19 guidance, i.e. revenues up 12%+ to above EUR200m, and EBITDA margin above 13% (including a 1ppt tailwind related to IFRS 16 on leasing). IT Services are budgeted to account for 88% of sales (22% Belux, 22% France, 22% UK, and 22% Switzerland/other), vs. 12% for Software (9% Governance Risk Compliance, and 3% for IP/other). In IT Services: 1) for Belux it forecasts at least +16% over the next 4 years and EUR50m+ revenues including Tipik for 2020, to be driven by 4 new contracts in 2018 with booking value of EUR35m, and call for tenders and bids with total booking value of EUR80m for 2018, EUR190m for 2019 and EUR230m for 2020; we understand France and the UK may grow in the mid-to-high single digits, while Switzerland can lead the pack. In Software, we understand Sword can deliver strong double-digit growth in GRC amidst of large deals in discussion in the US, the first significant wins in South-East Asia and a very promising pipeline in Australia.

Sword sets up new initiatives for sustaining growth

In order to sustain strong growth without adding management layers, in 2019 Sword plans to develop its organisation into "clusters" specialised by domain of excellence: Healthcare led by France, Government led by Belux, Sports led by Switzerland, and GRC led by the UK. The delivery team set up in Greece for contracts with the EU has a successful track record, benefiting from low operating costs, competitive pricing, quality of delivery, and strong ability to bid on contracts. In France, Sword is developing "intrapreneurship" and incubation in Healthcare, with a recent investment in Maela, an online patient follow-up solution provider. In GRC, Sword has benefited in 2018 from deals in aerospace and defence (BEA, US Army) and NASA. Finally, it has extended its "Other Software" product range with Sword Citizen (for local authorities) and Sword Vista (events organisation for stadiums).

Final 2018 results reclassified Apak as a discontinued business

For 2018, excluding Apak but including Sword Performance until April, Sword reported revenue up 18.3% lfl to EUR171.4m, EBITDA down 24.9% to EUR21.2m (12.3% of sales, -3.9ppt due to the Apak disposal), an operating profit down 29.3% to EUR17.3m (10.1% of sales, -4ppt), an EBIT up 408% to EUR88m due to a EUR81.2m capital gain on the Apak disposal, and a net profit up 746% to EUR88m with a tax rate of only 2.2% (vs. 30.5% in 2017). These figures are different to those pre-announced on 24th January as auditors have required that Apak is accounted for as a discontinued business.

We raise our DCF-derived Fair Value on working capital

We reiterate our Buy rating but raise our DCF-derived Fair Value to EUR47 from EUR45. We raise our WCR/sales medium-term assumption to -2% from 10% (+EUR8/share), cut our adj. EPS ests. by 4% as we reassess our operating margins (-EUR2), cut our medium-term operating margin assumption to 11% from 12% (-EUR2), and take into account a EUR20m net cash reduction from IFRS 16 (-EUR2).

Market Data

Bloomberg / Reuters	SWP FP/SWP.PA
Market Cap.	EUR317m
E.V.	EUR291m
Free Float	57,5
Avg. Daily volume (6m)	15.00
12m high / low	34.0 / 28.0
Ytd Perf.	14.7%

EURM	12/18	12/19e	12/20e	12/21e
Sales	171.0	202.0	225.0	251.0
% Change		18.1%	11.4%	11.6%
EBITDA	21.0	27.0	30.0	34.0
% Change		28.6%	11.1%	13.3%
EBIT	17.0	22.0	25.0	29.0
% Change		29.4%	13.6%	16.0%
Net Income	14.0	15.0	18.0	21.0
% Change		7.1%	20.0%	16.7%
ROE	0.59	0.10	0.12	0.13

	12/18	12/19e	12/20e	12/21e
EV/Sales	1.3x	1.2x	1.1x	0.9x
EV/EBITDA	11.0x	9.2x	8.1x	7.0x
EV/EBIT	13.6x	11.3x	9.8x	8.2x
EPS	1.50	1.62	1.91	2.21
% change		8.0%	17.9%	15.7%
P/E	22.2x	20.5x	17.4x	15.0x
Div Yield	3.6%	3.6%	3.6%	3.6%

Next Catalyst: Q1 2019 sales on 25th April after markets close.

Last rating Change:

2017-9-22, Built to outperform

Last FV Change:

2018-10-24, Disposal of Sword Apak: plenty of cash available for new adventures

Last Reports:

2019-1-25, Solid FY18 preliminary results and upbeat FY19 guidance

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SWORD GROUP

BUY

Fair Value EUR47 vs. EUR45
(+44%)

Share price EUR33.25

Market Cap. EUR317m

EPS 3Y 13.8%

CAGR

Simplified Profit & Loss Account (EURm)		2017	2018	2019e	2020e	2021e
Revenues		173	171	202	225	251
<i>Change (%)</i>		8.3%	-1.2%	17.8%	11.7%	11.2%
<i>YTD change (%)</i>		13.0%	18.3%	13.0%	11.7%	11.2%
Adjusted EBITDA		28	21	27	30	34
Depreciation & amortisation		-4	-4	-5	-5	-5
Adjusted EBIT		24	17	22	25	29
EBIT		17	88	20	23	27
<i>Change (%)</i>		13.7%	408.1%	-77.3%	17.5%	15.3%
Financial results		-1	-1	1	1	1
Pre-Tax profits		16	87	21	24	28
Exceptionals		0	5	0	0	0
Tax		-5	-2	-6	-7	-8
Profits from associates		0	-1	0	0	0
Minority interests		1	0	1	1	1
Net profit		10	88	13	16	19
Restated net profit		16	14	15	18	21
<i>Change (%)</i>		0.0%	-12.5%	7.1%	20.0%	16.7%
Cash Flow Statement (EURm)						
Operating cash flows		16	20	21	24	27
Change in working capital		1	-6	1	0	0
Capex, net		-10	-7	-6	-6	-6
Financial investments, net		0	0	0	0	0
Acquisitions, net		-10	111	-2	-2	-2
Dividends		-11	-46	-11	-11	-11
Other		5	3	0	0	0
Net debt		-21	-87	-69	-73	-80
Free Cash flow		7	7	16	18	21
Balance Sheet (EURm)						
Tangible fixed assets		7	4	3	2	1
Intangibles assets & goodwill		98	73	74	75	76
Investments		3	2	4	6	8
Deferred tax assets		1	2	2	2	2
Current assets		76	75	90	101	114
Cash & equivalents		39	113	95	99	106
Total assets		224	268	266	284	306
Shareholders' equity		143	150	133	139	148
Provisions		2	6	6	6	6
Deferred tax liabilities		1	1	1	1	1
L & ST Debt		18	26	26	26	26
Current liabilities		60	85	100	111	124
Total Liabilities		224	268	266	284	306
Capital employed		122	63	64	66	68
Ratios						
Operating margin		14.1%	10.1%	10.9%	11.3%	11.6%
Tax rate		31.3%	2.3%	28.6%	29.2%	28.6%
Net margin		5.8%	51.5%	6.4%	7.1%	7.6%
ROE (after tax)		7.0%	58.7%	9.8%	11.5%	12.8%
ROCE (after tax)		15.4%	23.6%	25.4%	27.7%	31.3%
Gearing		-15%	-58%	-52%	-53%	-54%
Pay out ratio		440.4%	13.0%	85.1%	70.6%	60.0%
Number of shares, diluted		10	10	10	10	10
Data per Share (EUR)						
EPS		1.09	9.22	1.41	1.70	2.00
Restated EPS		1.67	1.50	1.62	1.91	2.21
<i>% change</i>		0.0%	-10.2%	8.0%	17.9%	15.7%
EPS bef. GDW		1.67	1.50	1.62	1.91	2.21
BVPS		15.05	15.79	14.00	14.63	15.58
Operating cash flows		1.68	2.11	2.21	2.53	2.84
FCF		0.74	0.74	1.68	1.89	2.21
Net dividend		4.80	1.20	1.20	1.20	1.20

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

CELYAD

Healthcare
| Biotech

19th March 2019

Fair Value **BUY**
EUR49 (+134%)
Share price EUR19.62
EPS 3Y Cagr NM

Building the foundations of a leading CAR-T company

Strong manufacturing capabilities

Yesterday in New York, Celyad's management gave a series of focused presentations highlighting the company's technologies and clinical progress and the future directions it would be taking in terms of advancing its existing portfolio of product candidates and the new candidates it would be driving into clinical development. The manufacturing of its CAR-T products was rightly shown to be a competitive strength given the excellence in quality standards, management of international logistics and supply chain, and the high success rates the company routinely achieves (94%) in demanding clinical settings such as in patients with r/r AML. This manufacturing excellence has provided a solid foundation for the progress the company has made in recent months in its advancing suite of clinical trials. Further results from the ongoing clinical studies with both autologous and allogeneic NKG2D-based CAR-T products (CYAD-01 and CYAD-101, respectively) will be reported throughout the year, including CYAD-101 in solid tumours (mCRC).

shRNA approach holds great promise

A significant part of the presentations focused on the new shRNA approach to controlling expression of endogenous genes within CAR-T cells. Celyad's work with the shRNA approach has enabled multiple next-generation CAR-T product development opportunities. From 2020, it plans to initiate several Phase 1 trials to evaluate new lead candidates, including CYAD-02 (a next gen autologous NKG2D-CAR-T) and three first-in-class non-gene edited allogeneic CAR-T therapies from the CYAD-200 series (CYAD-211, a BCMA CAR-T; CYAD-221, a CD19 CAR-T; and in 2021, CYAD-231, a dual NKG2D x undisclosed CAR-T). With the shRNA approach the company has a wealth of opportunities to bring differentiated new CAR-T products rapidly into clinical development, particularly as the use of shRNA avoids gene-editing which appears to continue to cause anxiety for regulators.

Key readouts in 2019

Key milestones in Q2 include updated results from dose level 3 and initial data from Cohort 10 in the THINK trial (assessing CYAD-01 in r/r AML without preconditioning). The company will also provide preliminary data from the first two dose-escalation cohorts in the DEPLETHINK trial (CYAD-01 with preconditioning in r/r AML). Finally, in Q2 we also expect data on CYAD-01 in solid tumours (mCRC) from THINK CyFlu and SHRINK trials. The second half of 2019 also promises to be rich in clinical data with initial data from Cohort 11 of the THINK trial (evaluating 6 injections of CYAD-01 without pre-conditioning in r/r AML with 3x highest dose followed by consolidation cycle), full data from DEPLETHINK, and preliminary data from the allo-SHRINK trial (CYAD-101 in combination with FOLFOX mCRC). Lastly, as previously announced, Celyad will be initiating its phase 2 clinical trial evaluating CYAD-01 in r/r AML in H2. We reiterate our BUY recommendation and FV of EUR49.

Market Data

Bloomberg / Reuters	CYAD BB/CYAD.BR
Market Cap.	EUR234m
E.V.	EUR225m
Free Float	35
Avg. Daily volume (6m)	28.80
12m high / low	30.2 / 15.5
Ytd Perf.	18.3%

EURM	12/17	12/18e	12/19e	12/20e
Sales	3.5	0.0	28.3	18.7
% Change		100.0%		-33.9%
EBITDA	-17.6	-36.6	-14.6	-33.5
% Change		NS	60.0%	NS
EBIT	-26.6	-37.5	-15.5	-34.3
% Change		-40.8%	58.6%	NS
Net Income	-56.4	-41.0	-19.0	-37.8
% Change		27.4%	53.6%	-99.1%
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	65.2x	NS	8.9x	15.6x
EV/EBITDA	NS	NS	NS	NS
EV/EBIT	NS	NS	NS	NS
EPS	NM	NM	NM	NM
% change		ns	ns	ns
P/E	NM	NM	NM	NM
Div Yield	%	%	%	%

Next Catalyst: Q2-19: Update on THINK and DEPLETHINK trials

Last rating Change:

2017-6-19, *Uncovering a CAR-T gem*

Last FV Change:

2018-2-2, *Celyad's CAR-T cell therapy might require a preconditioning regimen after all...*

Last Reports:

2018-12-4, *ASH: Celyad presents updated CYAD-01 results*

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AB INBEV

Consumer, Brands & Retail
| Brewers

19th March 2019

Fair Value **BUY**
EUR100(+41%)
Share price EUR72.36
EPS 3Y Cagr 13.3%

Mexico, Asia Pacific IPO and deleveraging

Opportunity to grow share in Mexico

When Heineken bought Femsá Cerveza in 2010, it was granted 10 years exclusivity to sell beers in Femsá's Oxxo stores. And as those store numbers grew from 8,409 in 2010 to over 17,500 in 2018, they were very instrumental in Heineken's performance in Mexico and now account for about 25% of Heineken's Mexican volumes (and 10% of the total beer market). According to a new agreement starting April 2019 and Oxxo gradually also start selling the beer brands of AB InBev, and cover the entire Mexican territory by the end of 2022. The two markets that open up in April are Guadalajara and Mexico City, which represent 15% of the Oxxo store total. Currently AB InBev's share in the Oxxo stores is 0% while ex. Oxxo, AB InBev has a 63% share of the market. With Oxxo opening up, AB InBev could potentially increase its share of the Mexican market to 63% from the current 57%. That would boost AB InBev's revenues and profitability in Mexico and put a significant dumper on growth in Heineken's largest market. Mexico is 9% of AB InBev volumes and 14% for Heineken.

Asia Pacific IPO - no comment on speculation but...

AB InBev does not comment on speculation. However, Filipe Dutra, AB InBev' CFO commented "If we ever consider such a thing, I think the merits are more in terms of creating a platform for future M&A through establishing a local champion. Yes, that could potentially help deleveraging too, but given the pace of deleveraging at the current liquidity levels, that would never be the main rationale for such a thing". AB InBev has already different separately quoted companies like Ambev in Brazil which is for 61.88% or International Breweries in Nigeria, held for 75.1%, which do help with local corporate affairs. Furthermore a separate APAC vehicle could offer Asian based families and governments a local vehicle in which they could meaningfully participate, while at the larger AB InBev level their input and interest might be diluted. At Bryan Garnier we find that over 60% of the beer revenue growth in next 20 years comes from Asia, which is already the largest beer market in terms of volumes (38%) and value (30%). AB InBev's share in Asia is only 14% whereas it is 63% in Latin America and 43% in North America. Potential acquisition targets for AB InBev include Tsingtao, Kirin, Zhujiang Beer Group, San Miguel Corporation, Habeco, Boon Rawd, etc.

Path to delivering of half a turn p.a.

Free cash flow generation after dividend payments would allow for deleveraging the company half a turn p.a. but with currency fluctuations that can go from 0.2x to 0.7x. In 2018 the company lowered its net debt/EBITDA from 4.8x to 4.6x but did not yet get the benefit of the dividend cut as the full 2017 dividend was paid. With the recent USD16.3bn refinancing, the company replaced a significant portion of its near term bond maturities with longer-dated debt, eliminating any refinancing pressure. Furthermore, the average maturity of the debt is 14 years, 96% of the debt is at fixed interest rates and carries a manageable coupon of 3.75% to 4.00%.

Market Data

Bloomberg / Reuters	ABI BB/ABI.BR
Market Cap.	EUR122,523m
E.V.	EUR287,695m
Free Float	39.3
Avg. Daily volume (6m)	2,237
12m high / low	91.8 / 57.4
Ytd Perf.	25.4%

USDm	12/18	12/19e	12/20e	12/21e
Sales	54,619	55,121	56,861	58,840
% Change		0.9%	3.2%	3.5%
EBITDA	22,081	22,454	23,496	24,534
% Change		1.7%	4.6%	4.4%
EBIT	17,821	18,206	19,125	20,036
% Change		2.2%	5.0%	4.8%
Net Income	6,793	8,427	9,154	9,870
% Change		24.1%	8.6%	7.8%
ROE	0.11	0.13	0.13	0.14

	12/18	12/19e	12/20e	12/21e
EV/Sales	5.3x	5.2x	5.0x	4.7x
EV/EBITDA	13.2x	12.8x	12.0x	11.3x
EV/EBIT	16.3x	15.8x	14.7x	13.9x
EPS	3.38	4.19	4.55	4.91
% change		24.1%	8.6%	7.8%
P/E	24.3x	19.6x	18.0x	16.7x
Div Yield	1.9%	1.9%	1.9%	1.9%

Next Catalyst : 7 May 2019: Q1 results

Last rating Change:

2018-3-2, Model maintenance post results

Last FV Change:

2018-10-26, Model maintenance post results

Last Reports:

2019-3-6, Battle for the Middle Kingdom

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AB INBEV

BUY

Fair Value EUR100(+41%)

Share price EUR72.36

Market Cap. EUR122,523m

EPS 3Y 13.3%

CAGR

Fiscal year end 31/12	2017	2018	2019e	2020e	2021e
Financial Summary					
EPS	3.98	2.17	4.12	4.48	4.83
Restated EPS	3.96	3.38	4.19	4.55	4.91
% change	43.3%	-14.8%	24.1%	8.6%	7.8%
EPS bef. GDW	3.96	3.38	4.19	4.55	4.91
BVPS	36.83	32.65	33.61	34.87	36.44
Operating cash flows	10.47	10.48	11.07	11.58	12.10
FCF	4.62	4.36	4.76	5.21	5.66
Net dividend	2.89	1.54	1.54	1.54	1.54
Average Number of shares	(2,010)	(2,011)	(2,011)	(2,011)	(2,011)
Historical EV	(368,419)	(320,174)	-	-	-
Valuation (x)					
EV/Sales	6.53	5.86	4.31x	4.08x	3.87x
EV/EBITDA	20.68	17.97	10.57x	9.88x	9.29x
EV/EBIT	20.68	17.97	13.04x	12.14x	11.37x
P/E	29.02	27.07	19.58x	18.02x	16.72x
FCF yield (%)	4.0%	4.8%	17.25x	15.75x	14.50x
Net dividend yield (%)	2.5%	1.7%	1.9%	1.9%	1.9%
Simplified Profit & Loss Account (USDm)					
Revenues	56,444	54,619	55,121	56,861	58,840
Change (%)	24.0%	-3.2%	0.9%	3.2%	3.5%
Adjusted EBITDA	22,084	22,081	22,454	23,496	24,534
EBIT	17,814	17,821	18,206	19,125	20,036
Change (%)	34.2%	0.0%	2.2%	5.0%	4.8%
Financial results	-6,507	-8,729	-5,290	-5,113	-4,932
Pre-Tax profits	11,307	9,092	12,916	14,012	15,104
Exceptionals	-662	-715	-200	-200	-200
Tax	-1,920	-2,839	-3,179	-3,453	-3,726
Profits from associates	430	153	161	169	177
Minority interests	-1,187	-1,323	-1,420	-1,524	-1,635
Net profit	7,968	4,368	8,277	9,004	9,720
Restated net profit	7,967	6,793	8,427	9,154	9,870
Change (%)	64.2%	-14.7%	24.1%	8.6%	7.8%
Cash Flow Statement (USDm)					
Operating cash flows	21,051	21,073	22,254	23,296	24,334
Change in working capital	219	512	2,360	2,677	1,144
Capex, net	-4,388	-4,821	-4,218	-4,252	-4,298
Free Cash flow	9,181	9,139	12,087	13,323	12,699
Financial investments, net	12,036	-68	0	0	0
Dividends	-9,275	-7,761	-7,946	-8,141	-8,346
Other	-7,701	-7,625	-8,309	-8,398	-8,481
Net debt	104,490	102,606	98,465	93,283	88,930
Balance Sheet (USDm)					
Tangible fixed assets	27,184	25,910	26,376	26,754	27,050
Intangibles assets	186,814	178,142	177,646	177,150	176,654
Cash & equivalents	12,009	7,308	7,308	7,308	7,308
current assets	13,618	13,134	13,139	12,701	12,849
Other assets	6,501	7,609	7,609	7,609	7,609
Total assets	246,126	232,103	232,078	231,522	231,470
L & ST Debt	116,499	109,914	105,773	100,591	96,238
Others liabilities	57,043	57,702	59,930	62,056	63,266
Minority interests	7,635	7,418	7,280	7,169	7,086
Shareholders' funds	72,584	64,487	66,375	68,875	71,965
Total Liabilities	246,126	232,103	232,078	231,522	231,470
Capital employed	200,382	197,742	191,080	188,488	186,418
Financial Ratios					
Operating margin	31.6%	32.6%	33.0%	33.6%	34.1%
Tax rate	25.8%	27.4%	25.0%	25.0%	25.0%
Net margin	14.1%	12.4%	15.3%	16.1%	16.8%
ROE (after tax)	11.0%	10.5%	12.7%	13.3%	13.7%
ROCE (after tax)	6.60%	6.54%	7.15%	7.61%	8.06%
Gearing	3%	39%	51%	55%	58%
Pay out ratio	73%	46%	37%	34%	31%

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

DBV TECHNOLOGIES

Healthcare
| Biotech

19th March 2019

Fair Value BUY
EUR46(+215%)
Share price EUR14.26
EPS 3Y Cagr NM

Competitor's timeline now clearer

FDA accepts BLA for AR-101 in peanut allergy

The FDA accepted Aimmune Therapeutics' Biologic License Application (BLA) filing for AR-101 in peanut allergy patients aged 4-11yo. This acceptance which was expected comes with a delay of around two months, resulting from the US Government shutdown earlier this year.

No priority review for AR-101

Despite Breakthrough Therapy Designation (BTD) and Fast Track Designation granted by the FDA, the agency notified Aimmune Therapeutics that AR-101 will be reviewed within 12 months and not within the six-month priority review timeline, hence potential approval in late 2019/early 2020. Considering that AR-101 is an allergenic extract, it is not eligible to priority review. This news comes as no surprise to us. However, management indicated its disappointment in yesterday's press release, notably in light of the high unmet medical need. Although discussions are ongoing with the FDA regarding the exact review timeline, we would not expect the timeline of late 2019/early 2020 to move earlier meaningfully.

Following DBV Technologies' BLA withdrawal for Viaskin peanut in December 2018, we estimated approval in late 2020 (unchanged following re-filing anticipated in Q3 2019). A one-year lag vs Aimmune Therapeutics was integrated into our estimates and is not a threat, especially since 1/ the size of the market allows two competitors (BGE market share 30%), and 2/ the safety profile of Viaskin Peanuts is higher than that of AR-101.

Negative risk-reward on next catalyst for AR-101

Another piece of news that should affect Aimmune Therapeutics is that the FDA will call for an Advisory Committee (AdCom) on AR-101, which we estimate should be held in late 2019. Considering the poor safety profile of AR-101 (epinephrine use, GI adverse events and drop-out rates), we do not see this next catalyst bearing a positive risk-reward for Aimmune Therapeutics but likely to raise issues on its use in a physician's practice on a daily basis.

Should the FDA call for an AdCom for Viaskin Peanut, the strong safety profile and physicians supportive of the efficacy data despite the unmet primary endpoint should not constitute a headwind.

Small relief for DBV, negative for AIMT

In all, we see a small positive impact on DBV Technologies as there is now a very low/no risk that AR-101 benefits from a shortened review timeline and potentially hits the market a year and a half before DBV Technologies.

Market Data

Bloomberg / Reuters	DBV FP/DBV.PA
Market Cap.	EUR430m
E.V.	EUR349m
Free Float	55.3
Avg. Daily volume (6m)	333.6
12m high / low	42.6 / 7.7
Ytd Perf.	34.4%

EURM	12/17	12/18e	12/19e	12/20e
Sales	7.5	8.1	9.4	66.0
% Change		8.5%	15.8%	
EBITDA	-153.2	-204.0	-245.7	-163.2
% Change		-33.2%	-20.4%	33.6%
EBIT	-154.2	-205.0	-245.9	-164.2
% Change		-33.0%	-19.9%	33.2%
Net Income	-154.2	-205.0	-245.9	-164.2
% Change		-33.0%	-19.9%	33.2%
ROE	-1.74	-0.79	-1.16	-3.38

	12/17	12/18e	12/19e	12/20e
EV/Sales	45.3x	22.1x	25.4x	6.4x
EV/EBITDA	NS	NS	NS	NS
EV/EBIT	NS	NS	NS	NS
EPS	-6.31	-4.09	-4.90	-3.27
% change		35.1%	-19.9%	33.2%
P/E	NM	NM	NM	NM
Div Yield	NM	NM	NM	NM

Next Catalyst: Q3'19 BLA filing

Last FV Change:

2018-12-20, Few details on resubmission timeline following BLA withdrawal

Last Reports:

2019-3-6, Reorganisation in progress

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19th March 2019

ILIAD

 Technology
 | Telecom

	BUY
Fair Value	EUR155(+78%)
Share price	EUR90.50
EPS 3Y Cagr	-3.5%

Poor FY 2018 results, acceleration expected ahead

France top line under pressure, but EBITDA and guidance beat expectations

Iliad's Q4 revenues for France excluding handsets came in at EUR1.131bn (1% below the consensus, mostly due to "other" low margin revenue), down 3.1% yoy vs -1.4% in Q3 2018. As a result, H2 EBITDA from France stood at EUR913m, 2% above consensus, up 1.2% yoy vs +2.2% in H1. France EBITDA margin was up 1.8 ppts yoy at 38.5% (vs 37.4% expected). Iliad is guiding for 2019 France revenue back to growth and acceleration of EBITDA growth, which could help reassure investors as far as the growth trajectory is confirmed. EBITDA-CAPEX 2020 guidance is downgraded to above EUR800m vs around EUR1bn previously, which is still way above consensus expectations at EUR609m. FY CAPEX in France reached EUR1.55bn, in line with guidance and consensus expectations. However, Iliad guided for 2019 CAPEX in line with 2018, which is roughly EUR100m above expectations.

Disappointing commercial performance in France in Q4

Mobile Net adds reached -94k in Q4, below the -43k consensus, vs -90k in Q3 2018 and +305k in Q4 2017, but arpu invoiced to customers was up 1.8% yoy in Q4 vs +1.5% yoy in Q3 on our estimates, which is a positive sign that the value-driven strategy is making up for lower volumes. Broadband net adds were still negative, at -32k in Q4, below expectations at -7k, vs -14k in Q3 and +25k in Q4 2017, with no visible impact of Delta yet. Broadband ARPU is now down 6.2% yoy in Q4, vs -5.3% in Q3 2018, impacted by promotional activity and VAT, with a more favourable basis expected in 2019. Fibre net adds accelerated to +148k (vs +101k in Q3 2018, and 104k expected by the consensus), with robust FTTH deployments, which should help drive fixed EBITDA growth, as well as customer loyalty.

Slower growth in Italy, uncertain outlook

As far as Italy is concerned, Iliad recruited only 607k new customers over the quarter, vs 1.6m in Q3. Q4 revenues ended up slightly below expectations, at EUR70m, vs EUR72m expected, and vs EUR46m in Q3. H2 EBITDA came out at -EUR24m, vs the consensus at -EUR60m, the difference should be explained by lower acquisition costs. Iliad guided for a higher negative EBITDA contribution in 2019, and for 3,500 equipped sites by 2019, with uncertain CAPEX consequence and cash flow consequence.

Increase of dividend to EUR0.9 raises questions

Market Data

Bloomberg / Reuters	ILD FP/ILD.PA
Market Cap.	EUR5,326m
E.V.	EUR7,877
Free Float	38.9
Avg. Daily volume (6m)	209.9
12m high / low	177.3 / 84.4
Ytd Perf.	-26.2%

EURm	12/17	12/18e	12/19e	12/20e
Sales	4,987	4,903	5,215	5,446
% Change		-1.7%	6.4%	4.4%
EBITDA	1,777	1,724	1,867	2,015
% Change		-3.0%	8.3%	7.9%
EBIT	861.1	633.9	625.7	708.4
% Change		-26.4%	-1.3%	13.2%
Net Income	437.5	344.8	347.7	392.9
% Change		-21.2%	0.8%	13.0%
ROE	0.12	0.09	0.08	0.08

	12/17	12/18e	12/19e	12/20e
EV/Sales	1.6x	1.9x	1.9x	1.8x
EV/EBITDA	4.5x	5.4x	5.2x	4.9x
EV/EBIT	9.4x	14.8x	15.6x	13.9x
EPS	7.16	5.67	5.70	6.45
% change		-20.8%	0.4%	13.2%
P/E	12.6x	16.0x	15.9x	14.0x
Div Yield	0.5%	0.7%	0.7%	0.7%

Next Catalyst:

Last rating Change:

Q1 2018 results

Last FV Change:

Not much to expect from FY 2018, 2019 to show improvement

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ONCIMMUNE

Healthcare
| MedTech

19th March 2019

Corporate

Fair Value 143p vs 140p (+57%)
 Share price 91.0p
 EPS 3Y Cagr NM

Protagen - a cracking good acquisition

Oncimmune acquires Protagen Diagnostics AG

This morning Oncimmune announced that it has acquired Protagen, a company using novel biomarkers (including autoantibodies) for precision medicine and patient stratification tools. The transaction values Protagen at up to a maximum of GBP4.11m (on a debt and cash free basis). With its customer base including a number of global pharmaceutical companies, Protagen generated EUR0.6m of revenues in 2018 and an operating loss of EUR1.9m. The acquisition is expected to become cash neutral within 12 months. We believe the transaction is highly attractive from the perspective of the assets, expertise and commercial operations being acquired. Furthermore, the deal structure shows a good balance of upfront and contingent payments ensuring ongoing performance of the business and the retention of certain key Protagen employees. With this deal, Oncimmune will count MIG Fonds AG and Qiagen among its shareholders with stakes of 4.1% and 1.3%, respectively (at maximum consideration).

Transaction terms

The maximum GBP4.11m consideration will be satisfied in full by the issue of 2,635,910 new Oncimmune shares at 156p per share (a premium of 71% to the 91p closing mid-market price on March 18th). The upfront consideration is 1,623,890 shares (or 61.6% of the maximum). The contingent element totalling 1,012,020 shares will be paid, subject to three agreed milestone events, at 12 and 24 months. All the consideration shares will be subject to a 24-month lock-up period.

A high-quality operation and business anchor in Europe

Protagen (Dortmund, Germany) operates in laboratory facilities enabling its expert scientists to service its customers across Europe and elsewhere. Protagen's revenue-generating business focuses on a customer base including large pharma companies and providing tools to support drug development in different disease areas through discovering and validating autoantibody biomarkers in a high-throughput manner using SeroTag® (its biomarker discovery engine with 8,000 protein targets). Protagen offers patient stratification and response prediction using another of its tools, NavigAid® (disease-specific stratification panels of 60-90 markers).

Delivering on 3-year forward strategy

With the changes in the executive management team in Q4 last year, Oncimmune presented a revised strategy for the near-term future. We believe the Protagen acquisition is a clear statement of intent and a tangible demonstration that management is delivering on its strategy to broaden the company's end markets. It is noteworthy that Protagen's precision medicine and patient stratification tools address both oncology and autoimmune disease areas and that its customer base includes leading multinational pharmaceutical companies. Branching into autoimmune disease and dealing with such customers are highly complementary for Oncimmune which has hitherto focused on cancer and clinician customers.

Market Data

Bloomberg / Reuters	ONC LN/ONCON.L
Market Cap.	GBP58m
E.V.	GBP49m
Free Float	-
Avg. Daily volume (6m)	24.80
12m high / low	146.5 / 81.5
Ytd Perf.	-20.9%

GBPM	05/18	05/19e	05/20e	05/21e
Sales	0.2	1.5	6.9	14.6
% Change		525%	360%	111%
EBITDA	-6.2	-9.7	-7.0	-0.9
EBIT	-6.4	-9.9	-7.0	-0.9
Net Income	-6.3	-9.8	-6.8	-0.7
% Change		NS	NS	NS
Cash	13.0	3.0	-3.9	-4.7

	05/18	05/19e	05/20e	05/21e
EV/Sales	208.8x	32.3x	7.0x	3.3x
EV/EBITDA	NS	NS	NS	NS
EV/EBIT	NS	NS	NS	NS
EPS	-11.5	-15.6	-10.8	-1.2
% change		NS	NS	NS
P/E	NS	NS	NS	NS
Div Yield	NM	NM	NM	NM

Next Catalyst :

Lung cancer screening trial results by summer 2019

Last rating Change:

2017-10-23, A new gold standard for early cancer detection

Last FV Change:

2019-02-13 H1 results and imminent ECLS catalyst

Last Reports:

2019-02-13 H1 results and imminent ECLS catalyst

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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 55.4%

NEUTRAL ratings 37.9%

SELL ratings 6.8%

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DAILY EQUITY RESEARCH UPDATE
Wake-up Call

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