



BRYAN, GARNIER & CO

DAILY EQUITY RESEARCH UPDATE  
**Wake-up Call**

Dow Jones: 26,179.13 ( 12.22% ytd) | CAC40: 5423.47 (14.64% ytd) | Stoxx 600: 385.03(14.03% ytd)

3rd April 2019

Please find our Research on Bloomberg BRYG <GO>

**ASIT BIOTECH | CORPORATE | EUR4.5**

Financial visibility until Q3'19. gp-ASIT+ advances well with randomization completed

FY18 numbers bear no surprises, visibility until Q3'19  
gp-ASIT+ advances well. Ph III randomization completed  
hdm-ASIT+ and pnt-ASIT+ : all set for future partner  
Reiterating FV of EUR4.5 per share

**EASYVISTA | CORPORATE | EUR50**

Decent FY18 operating margin and positive outlook for 2019

FY18 operating margin was decent, yet below our forecast  
Opex impacted by marketing costs and provisions  
The outlook for 2019 is positive

**SAFILO | NEUTRAL | EUR1**

Solstice retail chain could be sold soon

Refocus on Wholesale Segment now fully completed  
Solstice was dilutive to Safilo's margins  
Hence a relief on profitability from 2019 onwards?

**UPDATE | EDENRED | BUY | FV EUR47 vs. 36**

More bullish scenario in Digital & Payments

Over the past three years, under the Fast Forward plan, the group has significantly rebalanced its profile in terms of businesses and geographies, while demonstrating that digitalization provides strong leverage to grow revenue and to improve profitability in businesses benefiting from important economies of scale.

**Upcoming BG events :**

Date	
3rd-Apr	CAPGEMINI   Luxembourg roadshow with CFO / IR
5th-Apr	ABInbev   Luxemburg roadshow
11th-Apr	ORPEA   Geneva roadshow
17th-Apr	Breakfast KOL maladies neuromusculaires
25th-Apr	BIOCARTIS   Paris roadshow with CEO and IR
30th-Apr	BIOCARTIS   London roadshow with CEO/IR

**Recent reports :**

Date	
3rd-Apr	EDENRED   More bullish scenario in Digital & Payments
25th-Mar	GENEURO   It is now all about signing a deal
19th-Mar	SemiConductors   @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 !

**Q1 2019 Top Picks**

SANOFI (Buy, FV EUR94)  
NOVARTIS (Buy, FV CHF97)  
ROCHE HOLDING (Buy, FV CHF315)  
GALAPAGOS (Buy, FV EUR140)

## ASIT BIOTECH

Healthcare  
| Biotech

3rd April 2019  
**CORPORATE**

Fair Value EUR4.5(+183%)  
Share price EUR1.59  
EPS 3Y Cagr NM

### Financial visibility until Q3'19. gp-ASIT+ advances well with randomization completed

#### FY18 numbers bear no surprises, visibility until Q3'19

FY18 revenue of EUR570k - stable year over year - mainly consists of operating income with recoverable advances of EUR0130k and a research tax credit of EUR440k. R&D expenses were stable at EUR10.9m primarily allocated to gp-ASIT+ (86%). G&A ramped-up from EUR1.7m in 2017 to EUR2.5m in 2018. Operating loss stands at EUR12.8m. We believe that the private placement of commitments for the convertible bond drove most of the increase in financial expenses up to EUR1.6m. Bottom-line, net loss stands at EUR14.3m.

Cash position at the end of 2018 amounted to EUR8.5m. Taking account of 1/ EUR7.8m to be drawn from convertible bonds (including EUR1.1m already drawn in Q1'19), ASIT Biotech has a financial runway until Q3'19. See here our note on the cost cutting plan. Earlier this year, in Feb. '19, management laid out its financing strategy with a new private placement of convertible bonds, yet to be completed, for a total amount of EUR9m-12m would support financial visibility until Q3'20.

#### gp-ASIT+ advances well. Ph III randomization completed

The company announced the completion of the randomization of all c.640 patients enrolled in the gp-ASIT+ phase III trial. This is a significant milestone, especially since it was reached before the start of the pollen season. The last patient visit is expected before the end of April which should maximize the efficacy of gp-ASIT+ and de-risk the trial in our view (BGe PoS 60%). Readout is confirmed by the end of 2019.

In order to fully assess the long-term safety and benefits of gp-ASIT+, Scientific Advisory Boards advised ASIT Biotech to conduct a follow-up extension of the ph III trial. This type of trial is not unusual in the allergy field. Patients will be rolled over in this trial as they finish the phase III. We believe this should be an important study to broaden the body of clinical evidence of gp-ASIT+ in order to convert physicians to the product upon approval.

#### hdm-ASIT+ and pnt-ASIT+ : all set for future partner

Following the de-prioritization of the in-house development of hdm-ASIT+ (BGe 5% PoS) and pnt-ASIT+ (not in our model anymore), management expects the asset to be "packaged" for co-development and commercialisation partnership(s) towards mid-2019.

#### Reiterating FV of EUR4.5 per share

We believe that yesterday's sell-off was excessive considering that the Q3'19 financial runway and financing strategy (convertible bond issue) was already known. We reiterate our FV of ERU4.5 per share.

#### Market Data

Bloomberg / Reuters	ASIT BB/ASIT.BR
Market Cap.	EUR31m
E.V.	EUR29m
Free Float	-
Avg. Daily volume (6m)	75.80
12m high / low	EUR4 / EUR1.1
Ytd Perf.	-2.2%

EURM	12/17	12/18e	12/19e	12/20e
Sales	0.0	0.0	0.0	25.0
% Change	NM			
EBITDA	-11.7	-16.6	-14.3	9.1
% Change		-41.5%	13.8%	NS
EBIT	-11.9	-16.8	-14.5	8.9
% Change		-40.8%	13.6%	NS
Net Income	-12.6	-16.9	-14.6	8.8
% Change		-33.9%	13.5%	NS
ROE	NM	NM	NM	NM
CASH				

	12/17	12/18e	12/19e	12/20e
EV/Sales	NS	NS	NS	1.0x
EV/EBITDA	NS	NS	NS	2.7x
EV/EBIT	NS	NS	NS	2.7x
EPS	-0.73	-0.94	-0.73	0.43
% change		-28.0%	21.8%	NS
P/E	NM	NM	NM	3.7x
Div Yield	NM	NM	NM	NM

**Next Catalyst** : mid-2019 completion of partnership's packages for hdm- & pnt-ASIT+

**Last FV Change:**

2019-1-16, Management change and restructuring

**Last Reports:**

2019-2-25, Cost cutting plan and upcoming convertible notes issue

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## EASYVISTA

### Technology

| Software & IT services

3rd April 2019  
**CORPORATE**

**Fair Value** EUR50 (+28%)  
Share price EUR39  
EPS 3Y Cagr NM

## Decent FY18 operating margin and positive outlook for 2019

### FY18 operating margin was decent, yet below our forecast

For 2018, EasyVista reported sales up 30.4% (est. +25.8% lfl) to EUR37.4m, with operating profit of EUR2.7m or 7.1% of sales - vs. a EUR0.8m operating loss in 2017 -, while net profit was EUR2.3m - vs. a EUR3.5m net loss in 2017. The operating margin was 2ppt below our 9.1% estimate (EUR3.4m), while EBITDA margin, at 10.4%, was 0.7ppt below our 11.1% forecast. Net profit was EUR0.8m above our EUR1.5m forecast as the company benefited from related fx gains (EUR/USD) - after incurring fx losses in 2017 - while the tax rate reached 22% including deferred tax. Note that EasyVista reported H2 2018 operating margin down 0.1ppt to 5.9%.

### Opex impacted by marketing costs and provisions

In 2018, operating expenses were up 17.6% (o/w +18% in H2). Purchases and external expenses were under control at +14.5% (+25.5% in H2) - with marketing expenses up 18.2% in order to improve the visibility of Oxygen, the last version of EasyVista's main IT Service Management solution -, while personnel expenses grew by 15.3% (+11.4% in H2). Between EBITDA and operating profit, depreciation & amortisation costs nearly doubled to EUR1.2m due to provisions for bonus shares and severance costs.

### The outlook for 2019 is positive

For 2019, management expects to maintain strong revenue growth momentum and increase EBITDA margin. While it is set to restore more normative revenue growth levels as 2018 was the first full-year of implementation of the renewable licensing model, EasyVista is expected to benefit in 2019 from: 1) favourable market conditions in the IT Service Management market as organisations seek to replace outdated ITSM solutions in a bid to increase operating efficiency and user satisfaction; 2) sales synergies with the Self Help solution taken from the acquisition of Knowesia in 2018; 3) a sales focus on public administrations as demand remains strong; 4) the integration of new modules based on artificial intelligence; 5) the launch in Q1 2019 of the ITIL4 rulebook, which defines future ITSM standards.

### Market Data

Bloomberg / Reuters	ALSTA FP/ALEZV.PA
Market Cap.	EUR65m
E.V.	EUR71m
Free Float	21.8%
Avg. Daily volume (6m)	0.50
12m high / low	EUR42.8 / EUR32.8
Ytd Perf.	6.0%

EURM	12/17	12/18e	12/19e	12/20e
Sales	28.8	37.5	42.2	48.5
% Change		30.4%	12.6%	14.8%
EBITDA	-0.5	4.1	5.1	6.7
% Change		NS	24.8%	31.7%
EBIT	-0.8	3.4	4.4	6.0
% Change		NS	29.5%	36.4%
Net Income	-3.1	1.8	3.5	4.8
% Change		NS	NS	35.1%
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	2.5x	1.8x	1.5x	1.2x
EV/EBITDA	NS	16.3x	12.1x	8.4x
EV/EBIT	NS	19.4x	13.9x	9.3x
EPS	-1.66	0.95	1.91	2.58
% change		NS		35.1%
P/E	NM	41.0x	20.4x	15.1x
Div Yield	NM	NM	NM	NM

**Next Catalyst:** Analysts' meeting today at 10am CET in Paris (Hôtel Bedford, 17 rue de l'Arcade).

#### Last FV Change:

2019-2-13, Q4 2018 sales above our forecasts, solid growth expected in 2019

#### Last Reports:

2019-2-13, Q4 2018 sales above our forecasts, solid growth expected in 2019

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## SAFILO

Consumer, Brands & Retail  
| Optical & Eyewear

3rd April 2019

**NEUTRAL**

Fair Value EUR1(+39%)  
Share price EUR0.72  
EPS 3Y Cagr NM

### Solstice retail chain could be sold soon

#### Refocus on Wholesale Segment now fully completed

Yesterday evening, Safilo announced having received “expressions of interest” to acquire Safilo’ Solstice retail business in the US. Hence a possible sale may be completed throughout the year.

Solstice is a sunglass specialty retailer specialised in the sale of sunglass brands positioned in the premium and luxury segments of the market. Solstice was purchased from the LVMH group in 2002 when Safilo was, as Luxottica, pursuing vertical integration.

However, HAL’s entry into Safilo’s capital in 2009-10 (the former owns the world’s leading optical retailer GrandVision), led to the Italian refocusing on its core Wholesale segment in 2010, whilst virtually all of the optics distribution banners sold to the key shareholder (*Loop Vision* in Spain, *Just Spectacles* in Australia, *Sunglass Island* and *Island Optical* in Mexico) with the exception of Solstice.

#### Solstice was dilutive to Safilo’s margins

The Solstice retail chain, which generated sales of EUR52.1m in 2018 (-16.5% FX-n and -7% LFL), has been struggling for many years due to: (i) a fierce competition from Sunglass Hut and online players, (ii) a lack of critical size (i.e. Sunglass Hut counts over 1,800 stores in North America), all the more since Solstice was not considered as a key asset in terms of opex/capex investments, and (iii) a challenging retail environment.

As a consequence, Solstice kept weighing on Safilo’s profitability given a negative EBITDA of 9.8m in FY18, after (EUR8.1m) in FY17, despite massive restructuring initiatives, such as the net closure of 36 DOS over the past two years, to 80 stores at the end of 2018.

#### Hence a relief on profitability from 2019 onwards?

Although the sale of Solstice will imply a negative ~5% perimeter impact, it would certainly lead to an accretive impact on Safilo’s margins (BG ests: -100/110bp) since Solstice sustained a negative EBITDA last year.

We recall that in last year in August, SFL announced a 2020 EBITDA target of 8-10% (vs. 4.9% in FY18), with nearly 80% of the margin improvement that would stem from cost savings initiatives. This sale of Solstice, which was not included in that guidance, is therefore an additional margin enhancer.

#### Market Data

	SFL IM/SFLG.MI
Bloomberg / Reuters	EUR199m
Market Cap.	EUR330m
E.V.	37,4
Free Float	991.4
Avg. Daily volume (6m)	2.9 / 0.7
12m high / low	3.0%
Ytd Perf.	

EURM	12/17	12/18e	12/19e	12/20e
Sales	1,035	962.9	977.2	1,000
% Change		-7.0%	1.5%	2.4%
EBITDA	41.1	47.5	35.2	65.0
% Change		15.7%	-26.0%	84.8%
EBIT	-208.2	-5.9	-8.8	22.0
% Change		97.2%	-48.3%	NS
Net Income	-251.6	-32.4	-22.3	10.8
% Change		87.1%	31.3%	NS
ROE	-8.83	-4.48	-3.88	1.85

	12/17	12/18e	12/19e	12/20e
EV/Sales	0.3x	0.2x	0.3x	0.2x
EV/EBITDA	8.0x	4.9x	7.2x	3.7x
EV/EBIT	NS	NS	NS	11.1x
EPS	-0.75	-0.24	-0.08	0.04
% change		68.7%	65.6%	NS
P/E	NM	NM	NM	18.4x
Div Yield	NM	NM	NM	NM

Next Catalyst: Q1 2019 KPIs on 9th May.

Last rating Change:

2016-5-11, Production bottlenecks hurt Q1 and might also affect Q2

Last FV Change:

2019-1-7, Successful outcome of the share capital increase

Last Reports:

2019-3-14, Signs of a stabilization ahead of a crucial year 2019

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### Stock rating

<b>BUY</b>	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.
<b>NEUTRAL</b>	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.
<b>SELL</b>	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 53.1%

NEUTRAL ratings 39.5%

SELL ratings 7.3%

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