ESN Analyser

Investment Research

14 May 2018

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ESN Top Picks

Blue Chips Top Picks

Company	Country	Sector	Idea	Rating	Price as of 13/05/2018	Target Price	Upside/ Downside	Entry date	Entry price	Entry price (Div. Adj)	Total Return Entry To Date	Rel. Cml.d perf. vs Euro Stoxx
ASML	Netherlands	Technology Hardware & Equip	Long	Buy	167.25	200.00	20%	13/02/2018	158.05	156.65	6.8%	4.6%
ENDESA	Spain	Utilities	Long	Accumulate	19.46	22.50	16%	23/04/2018	17.80	17.80	9.3%	7.1%
INDITEX	Spain	General Retailers	Long	Buy	26.75	35.50	33%	15/03/2018	24.21	24.21	10.5%	6.1%
INTESA SANPAOLO	Italy	Banks	Long	Accumulate	3.15	3.50	11%	14/03/2018	3.10	3.10	1.5%	-3.8%
LEONARDO	Italy	Aerospace & Defense	Long	Buy	9.61	12.25	27%	07/02/2018	9.06	9.06	6.1%	6.1%
PUMA	Germany	Personal Goods	Long	Buy	414.00	492.00	19%	28/02/2018	385.50	373.00	11.0%	3.7%

source: ESN Members' estimates

M/S Caps Top Picks

Company	Country	Sector	Idea	Rating	Price as of 13/05/2018	Target Price	Upside/ Downside	Entry date	Entry price	Entry price (Div. Adj)	Total Return Entry To Date	Rel. Cml.d perf. vs Euro Stoxx
ACERINOX	Spain	Basic Resources	Long	Buy	11.90	14.00	18%	01/03/2018	12.30	12.30	-3.3%	-6.7%
ARCADIS	Netherlands	General Industrials	Long	Buy	16.45	25.00	52%	27/03/2018	15.06	14.59	12.7%	4.7%
BIOCARTIS	Belgium	Healthcare	Long	Buy	13.04	15.90	22%	12/04/2018	12.66	12.66	3.0%	-1.2%
BOSKALIS WESTMINSTER	Netherlands	Materials, Construction & Infrastructure	Long	Buy	23.88	33.00	38%	26/03/2018	23.78	23.78	0.4%	-6.9%
CORESTATE CAPITAL HOLDING S.A.	Germany	Financial ServicesIndustrials	Long	Buy	46.65	72.00	54%	13/02/2018	49.35	47.35	-1.5%	-7.2%
FERRATUM	Germany	Financial ServicesBanks	Long	Buy	26.50	30.00	13%	13/02/2018	26.45	26.27	0.9%	-4.8%
JUMBO	Greece	General Retailers	Long	Buy	15.18	17.00	12%	11/10/2017	15.38	15.21	-0.2%	0.6%
KWS SAAT	Germany	Chemicals	Long	Buy	299.00	348.00	16%	05/01/2018	293.00	293.00	2.0%	0.4%
PIAGGIO	Italy	Automobiles& Parts	Long	Buy	2.18	3.10	42%	16/01/2018	2.36	2.30	-5.0%	-8.5%
SAIPEM	Italy	Oil Services	Long	Buy	3.40	4.40	29%	30/04/2018	3.36	3.36	1.2%	-1.0%
SIF GROUP	Netherlands	Alternative Energy	Long	Buy	18.70	22.00	18%	01/03/2018	17.20	16.90	10.7%	7.0%
SONAE CAPITAL	Portugal	Travel & Leisure	Long	Buy	1.02	1.05	3%	19/04/2018	0.94	0.94	8.1%	3.3%
THE NAVIGATOR COMPANY	Portugal	Basic Resources	Long	Neutral	4.97	5.10	3%	19/03/2018	4.50	4.50	10.4%	10.9%
VALMET	Finland	Industrial Engineering	Long	Buy	15.89	18.50	16%	05/03/2018	16.06	16.06	-1.1%	-6.8%

source: ESN Members' estimates

This selection of stocks is not intended to provide a recommended portfolio; therefore there is no point in comparing its performance with any benchmark. The performance of each stock has to be considered independently. Risk factors are taken into account when selecting individual stocks but the risk profile of the selection as a whole is not considered. The approach used to select each investment idea is opportunistic with an absolute return target.

ESN European Top Picks

Arcelormittal (OUT) – Blue Chips

ArcelorMittal released 1Q18 results.

EBITDA came in 8% above consensus and our estimates.

According to the document released the outlook for 2018 improve throughout the year. The acquisition of Ilva is expected to be completed in 2Q, having already received the greenlight on behalf of the EU.

Roadshows

SUBJECT	LOCATION	EVENT	DATE
Masmovil	Lisboa	Cross-country Company Roadshow	17/05/2018
Technogym	Lisboa	Cross-country Company Roadshow	22/05/2018
INTERPUMP	Lisboa	Cross-country Company Roadshow	29/05/2018

Corporate Events

Company	Country	Bloomberg code	Date	Event Type	Description
BIESSE	Italy	BSS IM	14/05/2018	Results	Q1 2018 Results
CAIRO COMMUNICATION	Italy	CAI IM	14/05/2018	Ex Dividend Date	Full year 2017 Ex-dividend date - proposed EUR 0.10
CORP. FINANCIERA ALBA	Spain	ALB SM	14/05/2018	Results	Q1 2018 Results
CREDEM	Italy	CE IM	14/05/2018	Ex Dividend Date	Full year 2017 Ex-dividend date - proposed EUR 0.20
DIRECT ENERGIE	France	DIREN FP	14/05/2018	Trading Update	Q1 2018 Sales
EZENTIS	Spain	EZE SM	14/05/2018	AGM	EGM - 2nd call {if required} re capital increase
HELLENIC PETROLEUM	Greece	ELPE GA	14/05/2018	AGM	EGM re sale of Hellenic Petroleum S.A. 's participation in the ¿Hellenic
IBERSOL	Portugal	IBS PL	14/05/2018	AGM	Full year 2017 AGM
OPAP	Greece	OPAP GA	14/05/2018	Dividend Payment	Full year 2017 Dividend payment date - proposed EUR 0.30
TECNICAS REUNIDAS	Spain	TRE SM	14/05/2018	Results	Q1 2018 Webcast
	Spain	TRE SM	14/05/2018	Results	Q1 2018 Results
TKH GROUP	Netherlands	TWEKA NA	14/05/2018	Dividend Payment	Full year 2017 Dividend payment date - proposed EUR 1.20
TRIGANO	France	TRI FP	14/05/2018	Results	Interim 2018 Results

ESN Tactical Sector Views

Tactical Sector Allocation Matrix January 2018

Sector	Current Tactical View	Action	Previous Tactical View	Stoxx 600 Weighting	LATEST REVIEW DATE
Automobiles & Parts	=		=	4%	Nov-17
Banks	=		=	14%	Nov-17
Basic Resources	=		=	3%	Nov-17
Chemicals	=		=	4%	Nov-17
Construction & Materials	=		=	3%	Nov-17
Financial Services	=		=	2%	Nov-17
Food & Beverage	-		-	6%	Nov-17
Healthcare	=		=	13%	Nov-17
Industrial Good & Services	+		+	12%	Nov-17
Insurance	=		=	6%	Nov-17
Media	=		=	2%	Nov-17
Oil & Gas	-		-	5%	Nov-17
Personal & Household Goods	+		+	9%	Nov-17
Real Estate	=		=	2%	Nov-17
Retail	-		-	3%	Nov-17
Technology	+		+	4%	Nov-17
Telecommunications	=	upgrade	-	4%	Jan-18
Travel & Leisure	+		+	2%	Nov-17
Utilities	=		=	4%	Nov-17

Legend: + (Overweight); =/+ (Slightly Overweight); = (Market Weight); =/- (Slightly Underweight); - (Underweight);

Note: The tactical sector view is the shorter term trading view of the ESN strategy team and it can vary from the longer term fundamental view of the relevant ESN sector analyst team

Finnish companies' Q1 results: Fairly in line with expectations

In the Q1 earnings season, Finnish companies in general performed nearly as expected. In terms of sales and EBIT, there was more or less an equal number of both positive and negative surprises even though surprises related to EPS were mainly negative. The total sales of all companies were in line with consensus forecasts and operating profit was 1.7% below forecasts. Excluding Nokia, total EBIT was 0.9% higher than consensus. In spite of balanced earnings surprises, the share price reactions of HEX25 companies were mainly negative.

In Q1 2018, the aggregate sales of the Finnish companies in our coverage increased by 1.0% YoY and operating profits by 4.5%. However, Nokia had a notable effect on the universe as its earnings reduced considerably (-30% YoY). When Nokia is excluded, total sales increased 2.3% and EBIT 7.1%. The earnings momentum of Nasdaq OMX Helsinki remained relatively stable in relation to previous quarters. Measured by number, 63% of companies managed to increase their operating profit YoY, which is slightly below the percentage in the previous quarter (Q4/2017: 70%).

In terms of sectors, the forestry and energy sectors' performance was solid with regard to the comparison period and consensus estimates similar to the previous quarter. In terms of sectors, there was weak performance in relation to both the comparison period and consensus estimates in the construction, healthcare and technology sectors (Nokia). Consumer sector's performance was weak in relation to expectations.

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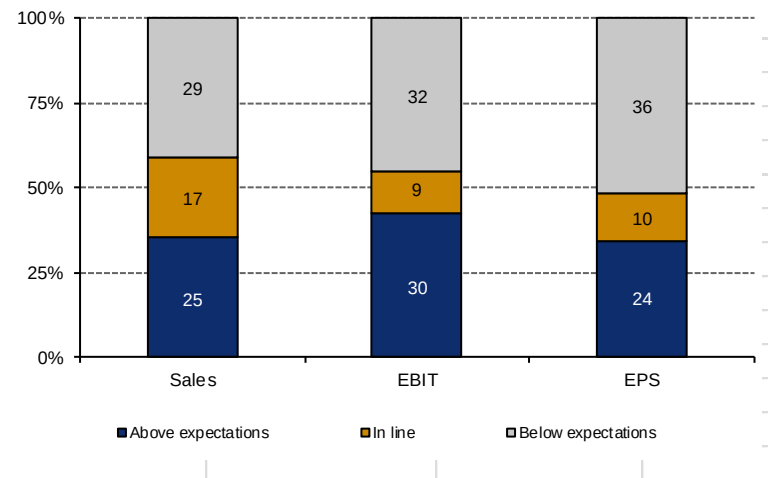
Finnish companies Q1 2018 results vs. consensus



Sources: OP, Factset, Inquiry Financial, Reuters, SME Direkt, Vara Research

SIF group

Netherlands | Alternative Energy

Analyser

14 May 2018

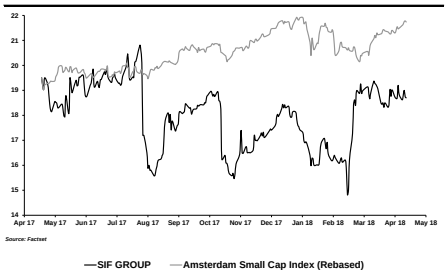
Buy	
Recommendation unchanged	
Share price: EUR	**18.70**
closing price as of 11/05/2018	
Target price: EUR	**22.00**
Target Price unchanged	
Upside/Downside Potential	**17.6%**
Reuters/Bloomberg	SIFG.AS/SIFG NA

Market capitalisation (EURm)	**477**
Current N° of shares (m)	26
Free float	**23%**
Daily avg. no. trad. sh. 12 mth	55
Daily avg. trad. vol. 12 mth (m)	374.83
Price high/low 12 months	14.82 / 20.80
Abs Perfs 1/3/12 mths (%)	-2.81/16.88/-3.66

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	327	267	373
EBITDA (m)	55	40	88
EBITDA margin	*16.7%*	*15.0%*	*23.5%*
EBIT (m)	41	27	75
EBIT margin	*12.7%*	*10.1%*	*20.0%*
ROCE	26.2%	17.9%	-17.0%
Net debt/(cash) (m)	25	8	(44)
Net Debt/Equity	*0.3*	*0.1*	*-0.3*
Debt/EBITDA	0.5	0.2	-0.5
EV/Sales	1.4	1.8	1.2
EV/EBITDA	8.6	12.1	4.9
EV/EBITDA (adj.)	8.6	12.1	4.9
EV/EBIT	11.3	17.9	5.8
P/E (adj.)	14.4	24.3	8.5
P/BV	4.8	4.5	3.1
OpFCF yield	*5.9%*	*5.2%*	*12.6%*
Dividend yield	*1.6%*	*1.6%*	*4.1%*
EPS (adj.)	1.21	0.77	2.21
BVPS	3.66	4.12	6.02
DPS	0.30	0.30	0.77

Shareholders

Egeria 69%; Vanguard 3%; Farringdon 3%; BNP Paribas 2.00%; Delta Lloyd 1.80%;



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New monopile market opening up

The facts: On April 30 Jan de Nul announced that it has won its 2nd contract in Taiwan. Jan de Nul will not only be responsible for the Formosa 1 Phase 2 project (120 Mw capacity) but will also be responsible for the Changhua Offshore Wind farm project (on an EPCI basis) with a capacity of 64 mw, in cooperation with Hitachi. The project is part of the Taiwanese target of installing 5.5 Gw of offshore wind capacity in the near term. Construction of foundations is expected in 2019 with installation expected to start early 2020.

Our analysis: We spoke with Jan de Nul representatives on the OTC in Houston a little over a week ago and learned that both projects (Formosa Phase 2 and Changhua) will be opting for monopiles. This is a surprising development given that there have been strong signals (also from SIF) that the Taiwanese market would be more a jacket market than a monopile market due (1) to a lack of a supply chain for monopiles and (2) because of the geology (deep levels of sediment).

Now that Jan de Nul has won the EPCI contract for Formosa and Changhua based on a monopile design, it is clear that there is another market opening up for EEW and SIF and possibly Steelwind. That in itself is positive as it is clear that with a 5.5 Gw target set by the Taiwanese government, more orders are up for grabs.

We also learned at the OTC that EEW is close to making a final investment decision on the expansion of its manufacturing site in Korea (part of EEW SPC). This would allow EEW to manufacture semi-finished product and ship those units using barges to Korea after which final assembly and coating will take place in Korea before load out to Taiwan. That is obviously positive for SIF because if EEW is making such an investment to obtain orders in Taiwan, it has less capacity available to win projects in Europe, which remains the key market for SIF for now. SIF is working hard to prepare itself for the Japanese, Indian and North American market but has not secured any orders so far.

Conclusion & Action: *The US market is moving forward at an incredible pace and now the Taiwanese market is also opening up, providing new opportunities for monopile players like EEW and SIF. For now, EEW seems to have the better cards than SIF but if EEW wins orders in those regions, it also means that there is less capacity for EEW to compete for orders in Europe. That is positive for SIF in terms of volumes (and thus utilisation) but probably also in terms of pricing. We rate the shares Buy as SIF represents the cheapest option to gain exposure to renewable energy (FY19 EV/EBITDA <5x).*

Fiat Chrysler Automobiles

Italy | Automobiles & Parts

Analyser

14 May 2018

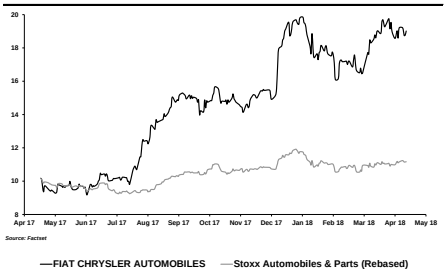
Buy	
Recommendation unchanged	
Share price: EUR	**19.01**
closing price as of 11/05/2018	
Target price: EUR	**25.00**
Target Price unchanged	
Upside/Downside Potential	**31.5%**
Reuters/Bloomberg	FCHA.MI/FCA IM

Market capitalisation (EURm)	**29,053**
Current N° of shares (m)	1,528
Free float	**61%**
Daily avg. no. trad. sh. 12 mth	13,420
Daily avg. trad. vol. 12 mth (m)	127,707.35
Price high/low 12 months	9.19 / 19.84
Abs Perfs 1/3/12 mths (%)	2.20/9.18/90.90

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	111,018	110,934	112,059
EBITDA (m)	10,865	14,034	14,633
EBITDA margin	*9.8%*	*12.7%*	*13.1%*
EBIT (m)	5,122	7,630	7,559
EBIT margin	*4.6%*	*6.9%*	*6.7%*
Net Profit (adj.)(m)	2,333	3,136	4,866
ROCE	8.0%	9.2%	10.1%
Net debt/(cash) (m)	4,585	2,778	(3,083)
Net Debt/Equity	*0.3*	*0.1*	*-0.1*
Debt/EBITDA	0.4	0.2	-0.2
Int. cover(EBITDA/Fin. int)	5.4	9.6	13.1
EV/Sales	0.2	0.3	0.3
EV/EBITDA	2.1	2.2	2.1
EV/EBITDA (adj.)	1.9	2.3	2.1
EV/EBIT	4.4	4.0	4.1
P/E (adj.)	5.7	7.3	6.0
P/BV	0.7	1.1	1.1
OpFCF yield	*-4.8%*	*6.8%*	*20.2%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	1.53	2.05	3.18
BVPS	11.72	14.02	17.18
DPS	0.00	0.00	0.00

Shareholders

EXOR 29%; Baillie Gifford & Co 5%; Societe Generale 4%;



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The Trump administration wants to raise the custom duties on Europe-imported cars to 20%

The facts: according to the Wall Street Journal, the Trump administration intends to raise to 20% the custom duties on cars imported from Europe and South-East Asia; president Trump would have announced this determination during a meeting with the representatives of the main OEMs last Friday.

Our analysis: the custom duties on cars imported from Europe is currently 2.5%, while the UE applies a 10% custom duty on cars imported from the US. The decisions on import tariffs are part of wider negotiations which also involve cutom duties on imported steel and aluminium; the talks are expected to reach an end by May.

In 2017, FCA sold ~161 K vehicles produced in Europe (~103 K Jeep Renegade, 26 K Fiat-branded models, 20 K Maseratis and 12 K Alfa Romeos) with revenues of around ~EUR 4.2bn or ~3.8% of the total.

The discussion over the NAFTA treaty are more important for FCA for sure: FCA produced ~600 K vehicles in Canada and Mexico in 2017; ~80% of the output (I.E. 960 K units or 20% of the total FCA output) was then sold in the US. The decision to move the production of the RAM heavy duty to Michigan from Mexico is expected to halve the number of vehicles produced in Mexico and then sold to the US by 50% in 2/3 years.

Conclusion & Action: *the news is neutral and partially discounted.*

Landi Renzo

Italy | Automobiles & Parts

Analyser

14 May 2018

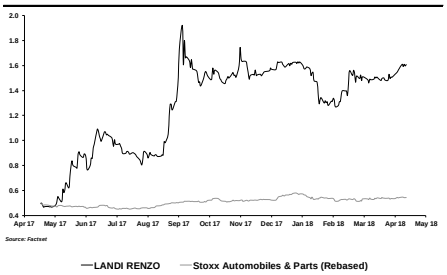
Neutral	
Recommendation unchanged	
Share price: EUR	**1.61**
closing price as of 11/05/2018	
Target price: EUR	**1.60**
Target Price unchanged	
Upside/Downside Potential	**-0.5%**
Reuters/Bloomberg	LR.MI/LR IM

Market capitalisation (EURm)	**181**
Current N° of shares (m)	113
Free float	**33%**
Daily avg. no. trad. sh. 12 mth	1,119
Daily avg. trad. vol. 12 mth (m)	431.54
Price high/low 12 months	0.47 / 1.92
Abs Perfs 1/3/12 mths (%)	7.20/8.80/228.83

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	206	171	177
EBITDA (m)	5	23	27
EBITDA margin	*2.3%*	*13.1%*	*15.0%*
EBIT (m)	(11)	10	17
EBIT margin	*nm*	*5.8%*	*9.7%*
Net Profit (adj.)(m)	4	6	14
ROCE	-2.6%	7.7%	11.1%
Net debt/(cash) (m)	49	54	49
Net Debt/Equity	*0.9*	*0.8*	*0.6*
Debt/EBITDA	10.4	2.4	1.9
Int. cover(EBITDA/Fin. int)	0.8	5.6	10.2
EV/Sales	0.9	1.1	1.1
EV/EBITDA	39.9	8.7	7.1
EV/EBITDA (adj.)	14.8	8.2	7.1
EV/EBIT	nm	19.6	11.0
P/E (adj.)	42.7	29.4	13.3
P/BV	3.1	2.5	2.1
OpFCF yield	*19.1%*	*-1.7%*	*5.0%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	0.04	0.05	0.12
BVPS	0.51	0.64	0.76
DPS	0.00	0.00	0.00

Shareholders

Trust Landi 59%; Aerius IH 5%; Impax AM 3%;



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Q1 2018 results: we see a moderate improvement

The facts: LR is due to release its Q1 2018 results on May 14th; no conference call has been set.

Our analysis: here follow our Q1 2018 P&L estimates. We stress that LR de-consolidated its SAFE subsidiary; we thus adjusted the Q1 2017 results to make them comparable.

EUR m	Q1 18e	Q1 17	Δ% Y/Y
Revenues	**41.4**	**40.9**	**1.4%**
EBITDA (REPORTED)	**4.2**	**3.0**	**37.4%**
EBITDA margin	***10.3%***	***7.5%***	
Depreciation & Amortization	(3.8)	(3.8)	-0.2%
EBIT	**0.4**	**(0.7)**	
EBIT margin	**1.1%**	**-1.8%**	
Net financial income/(charges)	(1.0)	(1.0)	-2.8%
Pre-tax profit	**(0.6)**	**(1.7)**	**-66.0%**
Taxes	0.0	0.3	n.m.
Tax rate	*0.0%*	*15.0%*	
Net profit	**(0.6)**	**(1.4)**	**-60.6%**

We stress that the sell-out of LPG cars in Italy drop 7.5% Y/Y in Q1, while the sell-out of CNG cars soared almost 30% Y/Y.

We are assuming that volumes of sales went up by ~5% Y/Y and that they were almost entirely offset by an adverse FOREX impact; we see **EBITDA** to have reached EUR 4.2m after EUR 1.5m of restructuring costs; we expect the **bottom line result** to have reached breakeven.

We expect the **Net Debt** (EUR 49m as at the end of 2017) to have worsened sequentially to EUR 51m.

Conclusion & Action: *we don't expect Q4 results to provide much room for surprise.*

Banca Carige

Italy | Banks

Analyser

14 May 2018

Rating Suspended
Recommendation unchanged

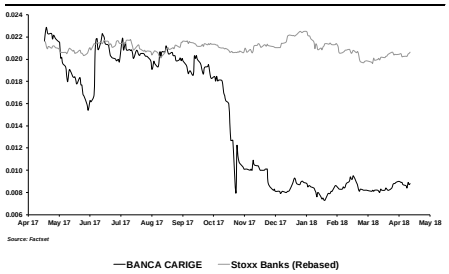
Share price: EUR	**0.01**
closing price as of 11/05/2018	

Reuters/Bloomberg	CRGI.MI/CRG IM
Market capitalisation (EURm)	**486**
Current N° of shares (m)	55,266
Free float	**53%**
Daily avg. no. trad. sh. 12 mth	353,382
Daily avg. trad. vol. 12 mth (m)	11,439.09
Price high/low 12 months	0.01 / 0.02
Abs Perfs 1/3/12 mths (%)	10.00/10.00/-59.24

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Total Revenue (m)	517	553	591
Pre-Provision Profit (PPP) (m)	-17	43	89
Operating profit (OP)	*-444*	*-80*	*-19*
Earnings Before Tax (m)	-589	20	-19
Net Profit (adj.) (m)	*-291*	*-62*	*-13*
Shareholders Equity (m)	2,253	2,248	2,215
Tangible BV (m)	2,218	2,213	2,180
RWA (m)	15,300	15,453	15,608
ROTE	*-13.6%*	*-2.8%*	*-0.6%*
Total Capital Ratio (B3)	12.6%	13.4%	13.1%
Cost/Income	98.5%	90.5%	83.3%
NPL ratio (gross)	9.5%	4.4%	6.0%
P/PPP	-27.1	11.4	5.5
P/E (adj.)	nm	nm	nm
P/BV	0.2	0.2	0.2
P/TBV	0.2	0.2	0.2
Dividend Yield	0.0%	0.0%	0.0%
PPPPS	*0.00*	*0.00*	*0.00*
EPS (adj.)	*-0.01*	*0.00*	*0.00*
BVPS	0.04	0.04	0.04
TBVPS	0.04	0.04	0.04
DPS	0.00	0.00	0.00

Shareholders

Malacalza 21%; Volpi 9%; SGA 5%; Fonspa 5%;



Analyst(s)

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Q1 18 results back to a small profit

The facts: Banca Carige published and presented Q1 18 results last Friday.

Our analysis: After 5Y of losses, Banca Carige closed Q1 18 with a small profit of EUR 6.4m vs. a net loss of EUR -41m one year ago.

The phased-in CET1 ratio was down 30bps Q/Q to 12.1%, higher than SREP Guidance of 11.175%, while the phased-in TCR settled at 12.3%, temporarily lower than 13.125% SREP target. The finalisation of the disposals included in the business plan and currently underway, will lead to the threshold being exceeded.

(EUR m)	Q1 18A	Q1 17A	Y/Y	Q4 17A	Q/Q
Revenues	135	148	-8.8%	114	18.4%
Operating costs	-118	-130	-9.2%	-128	-7.8%
GOP	18	18	0.0%	-14	nm
Loan provisions	-13	-76	-82.9%	-252	-94.8%
Net Profit	6	-41	nm	-178	nm

The balance sheet deleveraging and de-risking continued to take its toll on income generation, with total revenues down 8.5% Y/Y to EUR 135m, led by the NII decreasing 11% Y/Y to EUR 55.5m and the trading income declining 13% to EUR 13.5m. However, the net commissions stabilised at EUR 62m thanks to AM inflows.

The lower revenues were compensated by an ever stronger cut in operating expenses of 9% Y/Y to EUR 118m, leading to a gross operating profit (GOP) almost flat Y/Y at EUR 17.5m, with a still high C/I ratio of around 87%.

The huge balance sheet de-risking delivered over the last year (35% cut of the gross NPE portfolio) allowed a yearly reduction in loan impairments of 83% Y/Y to EUR 13m with a very low cost of credit risk of 32bps. Together with an increased NPE coverage of 52.3%, the net NPE ratio was cut by 7 p.p. to 15.6%.

Conclusion & Action: *Our rating remains suspended on this penny stock.*

Banca MPS

Italy | Banks

Analyser

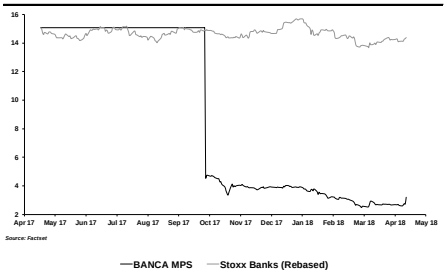
14 May 2018

Buy	
from Neutral	
Share price: EUR	**3.20**
closing price as of 11/05/2018	
Target price: EUR	**3.40**
Target Price unchanged	
Upside/Downside Potential	**6.3%**
Reuters/Bloomberg	BMPS.MI/BMPS IM
Market capitalisation (EURm)	**3,649**
Current N° of shares (m)	1,140
Free float	**25%**
Daily avg. no. trad. sh. 12 mth	1,411
Daily avg. trad. vol. 12 mth (m)	59,414.98
Price high/low 12 months	2.48 / 15.08
Abs Perfs 1/3/12 mths (%)	19.99/-15.34/-78.78

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Total Revenue (m)	4,026	3,554	3,578
Pre-Provision Profit (PPP) (m)	1,087	826	939
Operating profit (OP)	*-4,237*	*40*	*233*
Earnings Before Tax (m)	-4,186	-110	233
Net Profit (adj.) (m)	*-263*	*285*	*403*
Shareholders Equity (m)	10,429	10,564	10,967
Tangible BV (m)	10,421	10,556	10,959
RWA (m)	60,600	67,206	67,963
ROTE	*-3.2%*	*2.7%*	*3.7%*
Total Capital Ratio (B3)	14.9%	15.9%	15.2%
Cost/Income	63.2%	69.7%	66.2%
NPL ratio (gross)	28.2%	9.1%	10.2%
P/PPP	4.1	4.4	3.9
P/E (adj.)	nm	12.8	9.1
P/BV	0.4	0.3	0.3
P/TBV	0.4	0.3	0.3
Dividend Yield	0.0%	0.0%	0.0%
PPPPS	*0.95*	*0.72*	*0.82*
EPS (adj.)	*-0.23*	*0.25*	*0.35*
BVPS	9.14	9.26	9.61
TBVPS	9.14	9.26	9.61
DPS	0.00	0.00	0.00

Shareholders

Italian Government 68%; Generali 4%;



Analyst(s)

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Feed-back from results presentation

The facts: Banca MPS held last Friday a conference call to present Q1 18 results.

Our analysis: The mgmt gave a positive message during the presentation on:

Cost of risk: the mgmt. is confident to maintain 61bps of Q1 18 also for FY18, much lower than 79bps FY19 business plan target, thanks to reassuring asset quality trends. Indeed, default rate declined to 1.5% vs. 2.5% in FY17 and 2% FY19 business plan target, while danger rate was as low as 10.3% thanks to seasonality, but 20% guidance was given for FY18 vs. 24% last year. Recovery rate remained strong 5.9%. Successful closure of EUR 24bn NPL securitization bodes well for the future and mgmt. targets an over-delivery vs. EUR 3.5bn UTP reduction by 2019: well on track to deliver EUR 1.5bn FY18 disposal target within H1 and do better in H2 and next year.

Revenues: higher income generation remains a long process, but 10bps lower funding cost has already been delivered in Q1 and helped to improve commercial spread by 6bps Q/Q and 3bps Y/Y. As BMPS still has 16bps gap in funding cost vs. the system, levers are still available to improve the situation, while lending growth is capped by EC agreement. Net commissions are also progressing well thanks to renewed commercial focus.

GOP and net income: improved profitability will be mgmt's main focus going on, helped also by the strong cost cuts the bank is delivering. Future possible recognition of up to EUR 2.1bn DTA will also help. Mgmt giving guidance of EUR 150/200m for FY18, including some EUR 80m already recorded in Q1.

Conclusion & Action: *We reiterate Buy with EUR 3.4 target price.*

Deutsche Pfandbriefbank

Germany | Banks

Analyser *14 May 2018*

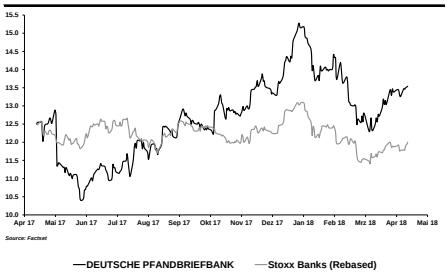
Neutral	
Recommendation unchanged	
Share price: EUR	**13.54**
closing price as of 11/05/2018	
Target price: EUR	**13.50**
Target Price unchanged	
Upside/Downside Potential	**-0.3%**
Reuters/Bloomberg	PBBG.DE/PBB GR

Market capitalisation (EURm)	**1,821**
Current N° of shares (m)	134
Free float	**80%**
Daily avg. no. trad. sh. 12 mth	379
Daily avg. trad. vol. 12 mth (m)	4,059.51
Price high/low 12 months	10.42 / 15.28
Abs Perfs 1/3/12 mths (%)	7.80/-1.10/8.32

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Total Revenue (m)	429	412	416
Pre-Provision Profit (PPP) (m)	213	194	198
Operating profit (OP)	*207*	*174*	*173*
Earnings Before Tax (m)	204	169	168
Net Profit (adj.) (m)	*182*	*128*	*128*
Shareholders Equity (m)	2,858	2,880	2,982
Tangible BV (m)	2,858	2,880	2,982
RWA (m)	14,515	14,370	14,226
ROTE	*6.4%*	*4.5%*	*4.4%*
Total Capital Ratio (B3)	22.2%	23.6%	24.1%
Cost/Income	50.3%	53.0%	52.4%
NPL ratio (gross)	0.4%	0.4%	0.4%
P/PPP	8.4	9.4	9.2
P/E (adj.)	9.9	14.2	14.2
P/BV	0.6	0.6	0.6
P/TBV	0.6	0.6	0.6
Dividend Yield	7.9%	5.3%	5.3%
PPPPS	*1.58*	*1.44*	*1.47*
EPS (adj.)	*1.35*	*0.95*	*0.95*
BVPS	21.25	21.42	22.18
TBVPS	21.25	21.42	22.18
DPS	1.07	0.71	0.71

Shareholders

Federal Republic of Germany 20%;



Analyst(s)

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Q1 results better than expected

The facts: PBB has just reported better than expected Q1 results. Pretax profit was with an increase by 2% yoy to EUR 48m above our forecast of EUR 44m. Lower than expected risk provisions seemed to have been the main reason for the earnings beat. Note, that comparability with our estimates is difficult because of the first-time application of IFRS 9. Costs amounted to EUR 44m which was below our forecast of EUR 52m but this seemed to have resulted to a large extent from the new P&L methodology related to IFRS 9. PBB had to release risk provisions of EUR 4m which relates to IFRS 9; we had expected risk provisions of EUR 0m. Total revenues amounted to EUR 89m (equinet: EUR 96m). Net interest income under IFRS 9 was up by 10% yoy to EUR 107m. New business in real estate financing declined by 15% yoy to EUR 1.7bn but new business margin was with above 170bps on a good level. The real estate lending book was up by 3% qoq to EUR 25.7bn. CT1 ratio was up by 120 bps qoq to 18.8%, mainly due to the first-time application of IFRS9. PBB confirmed its full-year pretax profit guidance (EUR 150-170m; equinet: EUR 169m).

Our analysis:

Deutsche Pfandbriefbank - Q1 2018

EUR m	Q1 '18*	Q1 '18e	Q1 '17	yoy	Consensus	delta
Revenues	**89**	**96**	**98**	**-9%**	**107**	**-17%**
Expenses	**44**	**52**	**50**	**-12%**	**56**	**-21%**
CIR	*49.4%*	*54.2%*	*51.0%*	*-158 BP*	*52.3%*	-6%
Risk provis.	**-4**	**0**	**2**	**na**	**5**	**na**
EBT	**48**	**44**	**47**	**2%**	**45**	**7%**
Net income	**39**	**33**	**38**	**3%**	**31**	**26%**

* Q12018 under IFRS 9; all other figures under "old" accounting

Sources: PBB, equinet Research

Conclusion & Action: *All in all good figures, PBB is well on track to reach its full-year pretext profit target. We see the shares fairly valued and hence stick to our Neutral recommendation with a target price of EUR 13.50.*

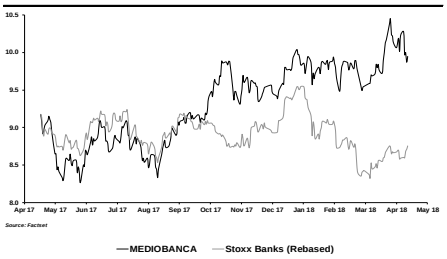
Accumulate	
Recommendation unchanged	
Share price: EUR	**9.95**
closing price as of 11/05/2018	
Target price: EUR	**10.80**
Target Price unchanged	
Upside/Downside Potential	**8.6%**
Reuters/Bloomberg	MDBI.MI/MB IM

Market capitalisation (EURm)	**8,795**
Current N° of shares (m)	884
Free float	**69%**
Daily avg. no. trad. sh. 12 mth	3,709
Daily avg. trad. vol. 12 mth (m)	45,585.82
Price high/low 12 months	8.27 / 10.45
Abs Perfs 1/3/12 mths (%)	1.53/2.37/8.25

Key financials (EUR)	06/17	06/18e	06/19e
Total Revenue (m)	2,196	2,331	2,484
Pre-Provision Profit (PPP) (m)	1,172	1,199	1,328
Operating profit (OP)	*855*	*935*	*968*
Earnings Before Tax (m)	914	1,004	928
Net Profit (adj.) (m)	*696*	*725*	*730*
Shareholders Equity (m)	9,192	9,644	10,008
Tangible BV (m)	8,775	9,228	9,592
RWA (m)	52,698	47,442	45,821
ROTE	*7.7%*	*7.7%*	*7.4%*
Total Capital Ratio (B3)	16.8%	18.4%	0.0%
Cost/Income	46.6%	48.6%	46.5%
NPL ratio (gross)	0.0%	0.0%	0.0%
P/PPP	6.5	7.3	6.6
P/E (adj.)	10.9	12.1	12.0
P/BV	0.8	0.9	0.9
P/TBV	0.9	1.0	0.9
Dividend Yield	3.7%	3.7%	3.8%
PPPPS	*1.33*	*1.36*	*1.50*
EPS (adj.)	*0.79*	*0.82*	*0.83*
BVPS	10.43	10.91	11.32
TBVPS	9.96	10.44	10.85
DPS	0.37	0.37	0.38

Shareholders

Shareholder Pact 31%;



Analyst(s)

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Feed-back from results presentation

The facts: Mediobanca held a conference call last Friday to present Q3/9M results.

Our analysis: During the presentation, the CEO stressed once again the growth and sustainability of Mediobanca's business model:

- **Wealth Mgmt**.: reshaping is continuing and the division is scaling up in visibility and contribution, as it now represents some 25% of group's revenues. AUM growing 22% in 9M fuelled by organic growth (EUR 3.2bn net new money) and RAM acquisition (adding EUR 4.2bn). More growth to come driven by distribution enhancement/new projects, with strong investments in the next 2Y in the digital platform, robot advisory, additional hiring of FA and private bankers, with M&A scouting ongoing in distribution and alternative AM platforms.
- **Consumer credit**: continue growing, with no compromise on sustainability, leading to record results in 9M with net profit up 21% fostered by stable revenue growth (+4%) and reduction in the cost of risk (slightly above 200bps). Compass is a top player in the domestic market and is ready to seize new opportunities through selective M&A, in order to leverage best in class pricing/risk assessment opportunities.
- **CIB**: still the underperforming leg of the group due to NII decreasing 10% in 9M on the back of margin pressure deriving from fierce competition. However, revenue diversification is improving (50% lending, 40% investment banking, 10% trading), with improved clients coverage and M&A scouting on selected IB teams and NPL servicers.

Conclusion & Action: *We reiterate Accumulate with EUR 10.8 TP.*

UBI Banca

Italy | Banks

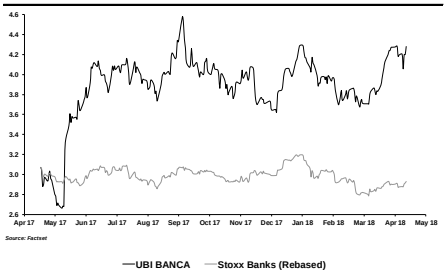
Analyser

14 May 2018

Neutral	
Recommendation unchanged	
Share price: EUR	**4.28**
closing price as of 11/05/2018	
Target price: EUR	**4.40**
Target Price unchanged	
Upside/Downside Potential	**2.8%**
Reuters/Bloomberg	UBI.MI/UBI IM
Market capitalisation (EURm)	**4,898**
Current N° of shares (m)	1,144
Free float	**100%**
Daily avg. no. trad. sh. 12 mth	11,406
Daily avg. trad. vol. 12 mth (m)	65,708.94
Price high/low 12 months	2.66 / 4.58
Abs Perfs 1/3/12 mths (%)	12.66/4.52/40.49

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Total Revenue (m)	3,579	3,702	3,890
Pre-Provision Profit (PPP) (m)	1,143	1,202	1,460
Operating profit (OP)	*414*	*602*	*861*
Earnings Before Tax (m)	281	602	861
Net Profit (adj.) (m)	*134*	*519*	*726*
Shareholders Equity (m)	9,925	10,318	10,837
Tangible BV (m)	8,460	8,853	9,372
RWA (m)	67,053	67,671	68,922
ROTE	*1.7%*	*6.0%*	*8.0%*
Total Capital Ratio (B3)	14.1%	14.5%	14.8%
Cost/Income	67.8%	67.0%	61.9%
NPL ratio (gross)	7.6%	6.3%	6.2%
P/PPP	3.7	4.1	3.4
P/E (adj.)	31.2	9.4	6.8
P/BV	0.5	0.6	0.5
P/TBV	0.5	0.6	0.5
Dividend Yield	2.6%	4.2%	5.8%
PPPPS	*1.00*	*1.05*	*1.28*
EPS (adj.)	*0.12*	*0.45*	*0.63*
BVPS	7.39	7.74	8.19
TBVPS	7.39	7.74	8.19
DPS	0.11	0.18	0.25

Shareholders



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Feed-back from results presentation

The facts: UBI Banca held a conference call last Friday to present Q1 18 results.

Our analysis: During the presentation, the mgmt. flagged the following:

Capital: further improvement in capital ratios (including Model Change and IFRS9), with CET1 ratio at 12% phased-in and 11.64% fully loaded (i.e. including full impact of IFRS9), as the ca. EUR -840m impact on CET1 capital from IFRS9 FTA and shortfall was compensated by EUR -6.4bn RWA reduction from model changes and EUR -0.3bn RWA reduction related to DTA. Some 30bps could be gained once AIRB models will be extended to 3 Bridge banks.

NII: customer loans improved for the 3rd quarter in a row (+0.7% in Q1), while customer spread improved 4bps Q/Q to 170bps thanks to funding costs declining 5bps Q/Q to 72bps.

Net commissions: income up again by 3% Q/Q, driven by AuM and bancassurance due to the integration of 3 Bridge banks acquired in 2017, redefinition of distribution network, new distribution to relationship managers.

Asset quality: gross NPE ratio at 12.74% and net NPE at 8.06% before disposals expected to take place within 3Q18. NPE Coverage up to 49.83% including write-offs, o/w coverage of Bad loans up to 63.77% including write-offs. Coverage of performing loans of 67bps. Default rate 1.8%, Texas ratio below 100% (98.9%)

Business Outlook forecast at the end of 2017 confirmed in 1Q18

Conclusion & Action: *We stick to Neutral with EUR 4.4 target price.*

Altri

Portugal | Basic Resources

Analyser *14 May 2018*

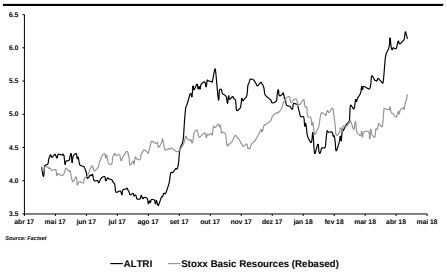
Accumulate	
Recommendation unchanged	
Share price: EUR	**6.14**
closing price as of 11/05/2018	
Target price: EUR	**5.30**
Target Price unchanged	
Upside/Downside Potential	**-13.7%**
Reuters/Bloomberg	ALSS.LS/ALTR PL

Market capitalisation (EURm)	**1,260**
Current N° of shares (m)	205
Free float	**34%**
Daily avg. no. trad. sh. 12 mth	298
Daily avg. trad. vol. 12 mth (m)	1,440.58
Price high/low 12 months	3.63 / 6.24
Abs Perfs 1/3/12 mths (%)	11.64/39.23/46.68

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	613	653	659
EBITDA (m)	169	189	200
EBITDA margin	*27.5%*	*29.0%*	*30.3%*
EBIT (m)	117	134	145
EBIT margin	*19.1%*	*20.5%*	*21.9%*
Net Profit (adj.)(m)	78	92	96
ROCE	10.6%	11.9%	-4.7%
Net debt/(cash) (m)	429	395	335
Net Debt/Equity	*1.2*	*1.0*	*0.8*
Debt/EBITDA	2.5	2.1	1.7
Int. cover(EBITDA/Fin. int)	10.8	12.5	14.3
EV/Sales	2.0	2.2	2.4
EV/EBITDA	7.2	7.7	8.0
EV/EBITDA (adj.)	7.2	7.7	8.0
EV/EBIT	10.4	10.9	11.0
P/E (adj.)	10.2	11.5	13.1
P/BV	2.3	2.8	2.9
OpFCF yield	*11.3%*	*6.5%*	*8.8%*
Dividend yield	*4.1%*	*4.1%*	*4.1%*
EPS (adj.)	0.38	0.45	0.47
BVPS	1.68	1.87	2.09
DPS	0.25	0.25	0.25

Shareholders

Management 61%; Bestinver 5%;



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1Q18 post comment: EBITDA 57.7% YoY

The facts: Altri released its 1Q18 results on Friday after the market close. The company recorded revenues of EUR 173.4m, EBITDA of EUR 63.3m and net income of EUR 32.6m.

Our analysis: 1Q18 results stood 1% and 2% above our forecasts in terms of revenues and EBITDA, respectively. Net income stood 3% below forecasts with the main deviation towards ours estimates coming from higher taxes paid.

The company produced 257.1 thousand tons of pulp in 1Q18 and reached sales of 247.5 thousand tons. BHKP average pulp price recorded at the end of March was at EUR 1,030/ton, supporting pulp sales of EUR 149.1m (11% YoY).

Altri reported once again robust demand in the first quarter of the year. The demand for eucalyptus pulp was up 4.2% in the 1Q18, with Chinese consumption increasing 3% (*source: PPPC Chemical Market Pulp Global 100 Report – March 2018*).

Altri's revenues in the quarter reached EUR 173.4m (8.5% YoY and -0.9% QoQ) supported on rising pulp prices. Opex in 1Q18 was down 8% YoY, with EBITDA standing at EUR 63.3m (57.7% YoY and 27.3% QoQ). EBITDA margin stood at 36.5% in 1Q18, which compares with 25.1% recorded in 1Q17 and with 28.4% obtained in 4Q17. The net financial result reached EUR 1.9m, which corresponds to a decrease of about 59% QoQ, mainly due to the exchange rate impact.

Net income in 1Q18 reached EUR 32.6m (+90.6% YoY and +23.5% QoQ).

Net debt totalled EUR 365.2m by the end of 1Q18, decreasing EUR 23m *versus* the YE2017, while capex stood at EUR 23.4m in the same period.

EURm	1Q17	4Q17	1Q18	Chg. % (YoY)	Chg. % (QoQ)
Revenues	*159.8*	*175.0*	*173.4*	*8.5%*	*-0.9%*
EBITDA	*40.1*	*49.7*	*63.3*	*57.7%*	*27.3%*
margin	*25.1%*	*28.4%*	*36.5%*	*11.4 p.p.*	*8.1 p.p.*
EBIT	*26.2*	*37.2*	*49.4*	*88.6%*	*32.8%*
margin	*16.4%*	*21.3%*	*28.5%*	*12.1 p.p.*	*7.2 p.p.*
Net Fin.	*-4.1*	*-6.9*	*-1.9*	*-53.8%*	*-72.5%*
Net Inc.	*17.1*	*26.4*	*32.6*	*90.6%*	*23.5%*
margin	*10.7%*	*15.1%*	*18.8%*	*8.1 p.p.*	*3.7 p.p.*

Conclusion & Action: *Another strong set of results for Altri, with EBITDA rising 58% YoY and EBITDA margin reaching 36.5%. Going forward, Altri expects the market conditions to remain very supportive in terms of prices and growth, also expecting an increase in terms of sales in 2Q18. The company reported that the investment project in Celtejo is expectable to be complete in the 2H18.*

The Navigator Company

Portugal | Basic Resources

Analyser *14 May 2018*

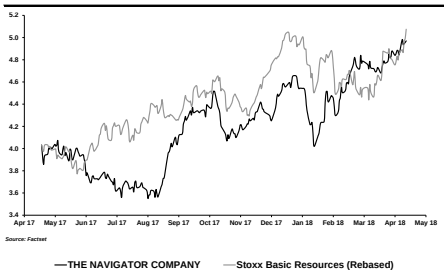
Neutral	
from Buy	
Share price: EUR	**4.97**
closing price as of 11/05/2018	
Target price: EUR	**5.10**
from Target Price: EUR	*4.90*
Upside/Downside Potential	**2.6%**
Reuters/Bloomberg	NVGR.LS/NVG PL

Market capitalisation (EURm)	**3,566**
Current N° of shares (m)	718
Free float	**31%**
Daily avg. no. trad. sh. 12 mth	608
Daily avg. trad. vol. 12 mth (m)	2,301.02
Price high/low 12 months	3.55 / 4.98
Abs Perfs 1/3/12 mths (%)	5.97/23.63/25.19

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	1,637	1,681	1,766
EBITDA (m)	404	456	498
EBITDA margin	*24.7%*	*27.1%*	*28.2%*
EBIT (m)	255	331	387
EBIT margin	*15.6%*	*19.7%*	*21.9%*
Net Profit (adj.)(m)	208	246	297
ROCE	9.7%	12.7%	15.2%
Net debt/(cash) (m)	695	633	515
Net Debt/Equity	*0.6*	*0.5*	*0.4*
Debt/EBITDA	1.7	1.4	1.0
Int. cover(EBITDA/Fin. int)	70.9	29.6	40.7
EV/Sales	2.3	2.5	2.3
EV/EBITDA	9.3	9.2	8.2
EV/EBITDA (adj.)	9.3	9.2	8.2
EV/EBIT	14.7	12.7	10.5
P/E (adj.)	14.7	14.5	12.0
P/BV	2.6	2.9	2.8
OpFCF yield	*7.9%*	*5.4%*	*9.6%*
Dividend yield	*7.0%*	*5.6%*	*6.5%*
EPS (adj.)	0.29	0.34	0.41
BVPS	1.65	1.69	1.78
DPS	0.35	0.28	0.33

Shareholders

Semapa 69%;



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1Q18 comment and valuation update

The facts: The Navigator Company released its 1Q18 results on Thursday after the market close, with management holding a conference call afterwards. Revenues stood at EUR 384.9m, EBITDA at EUR 110.9m and net income at EUR 53.2m. We've updated our assumptions for pulp and paper prices following the last developments in both markets. This led to an increase of the YE2018 fair value to EUR 5.10 per share, with the recommendation now at Neutral.

Our analysis: Paper production in the quarter stood at 385.8 thousand tons (396.4 thousand in 1Q17), with sales reaching 361.2 thousand tons (371.3 thousand in 1Q17). Pulp production amounted to 346.1 thousand tons (382.4 thousand in 1Q17) with sales at 53.1 thousand tons (90.4 thousand in 1Q17). The pulp business was affected by the planned maintenance stop in Setúbal (that did not happen in the first three months of 2017) and also the need to build stocks in anticipation of the stoppage scheduled for April at the Figueira da Foz mill (following the capacity increase project).

Paper prices benefited from market conditions to increase 1.6% qoq and 5.1% yoy (PIX average of the quarter). Order books are above the 10-year average at 34 days, with the increase in pulp prices also acting as a catalyst. The company led two paper price increases in Europe and others in the United States and international markets. The mix of paper sales also improved with higher sales of premium and own brands, with the company's average sale price up by 3.1% yoy. The yoy devaluation of the US dollar against the euro limited the gains of the first quarter of 2018. Total tissue sales declined both qoq and yoy, standing at 13.5 thousand tons (14.0 thousand in 1Q17), but with an improved mix as the weight of reel sales declined. Tissue producers are struggling to pass-through the increases in pulp prices to the retail consumer, hurting the pricing environment, but also opening the door for consolidation opportunities as non-integrated players are in increasing financial distress. This is also true for non-integrated paper producers, with the differential between paper and pulp prices are record lows.

In the last quarters the pulp market has recorded one of the best performances in history, with BHKP prices breaching above USD 1,000 per ton for the first time (euro denominated prices are also at all-time highs). Despite new capacity coming into the market in 2017-2018 (Horizonte 2, OKI, amongst others), with the market presumably recording an excess supply in 2018, there is no indication that bleached hardwood pulp prices will experience a significant correction anytime soon. In this report we provide an update of our pulp price forward curve to account for the current market conditions and expectations. We've increase our pulp price assumptions by 15% in 2018, 14% in 2019 and 16% in 2020 (more details in the following exhibits), also with the consequent calibration of our paper price estimates. We also made some slight assumptions in our EURUSD forward curve in order to better match current conditions.

Conclusion & Action: *We've updated our assumptions for pulp and paper prices following the last developments in both markets. This led to an increase of the YE2018 fair value to EUR 5.10 per share, with the recommendation now at Neutral. We highlight that the valuation of Navigator is capped by our paper price forecasts which assume a negative spread over pulp prices in 2019 and 2020. This is clearly a conservative view that time will prove correct or not, but it should be noted as it imply that, in normal conditions, paper prices could exceed our estimates with the consequent impact in valuation.*

K+S AG

Germany | Chemicals

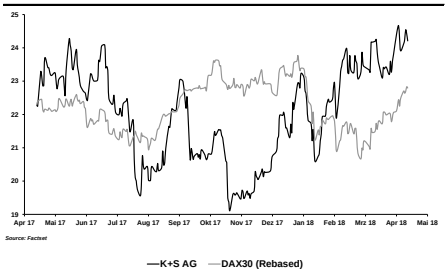
Analyser *14 May 2018*

Neutral	
Recommendation unchanged	
Share price: EUR	**24.21**
closing price as of 11/05/2018	
Target price: EUR	**24.40**
Target Price unchanged	
Upside/Downside Potential	**0.8%**
Reuters/Bloomberg	SDFG.DE/SDF GY

Market capitalisation (EURm)	**4,634**
Current N° of shares (m)	191
Free float	**100%**
Daily avg. no. trad. sh. 12 mth	1,170
Daily avg. trad. vol. 12 mth (m)	36,738.86
Price high/low 12 months	19.11 / 24.67
Abs Perfs 1/3/12 mths (%)	1.42/17.64/8.64

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	3,627	3,967	3,943
EBITDA (m)	577	806	866
EBITDA margin	*15.9%*	*20.3%*	*22.0%*
EBIT (m)	327	418	476
EBIT margin	*9.0%*	*10.5%*	*12.1%*
Net Profit (adj.)(m)	185	251	278
ROCE	2.2%	3.2%	3.7%
Net debt/(cash) (m)	2,839	2,911	2,763
Net Debt/Equity	*0.7*	*0.7*	*0.6*
Debt/EBITDA	4.9	3.6	3.2
Int. cover(EBITDA/Fin. int)	13.5	9.2	9.2
EV/Sales	2.0	2.0	2.0
EV/EBITDA	12.4	9.8	8.9
EV/EBITDA (adj.)	13.7	9.8	8.9
EV/EBIT	21.8	18.8	16.3
P/E (adj.)	21.5	18.4	16.6
P/BV	1.0	1.1	1.0
OpFCF yield	*-11.3%*	*-0.2%*	*5.1%*
Dividend yield	*1.3%*	*2.0%*	*2.4%*
EPS (adj.)	0.96	1.31	1.45
BVPS	21.73	22.72	23.71
DPS	0.32	0.47	0.58

Shareholders



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Q1 a bit light not only because of the USD

We were cautious on Q1 beforehand, and thus the slight miss today does not come as a surprise to us. Revenues were below expectations mainly due to P&M, while the earnings in the Salt segment disappointed because of adverse price and FX conditions. On the positive side, Bethune has reached its full production capacity. K+S kept the guidance for the full year ("significant increase in EBITDA"). We expect a soft start of the share today.

- ✓ In P&M, the harsh winter on the Northern hemisphere caused a late start into the fertilizer season. It is not yet clear if lost volumes can be fully recovered in Q2, but K+S sounded optimistic. In addition, the Werra production is still not back to normal operations, although the wastewater problem has in principle been solved. The management has pointed at the mounting problems to fill vacancies at the Werra site during the Q4 call, not least as a consequence of the many downtimes in the last couple of years due to the aforementioned wastewater problem.
- ✓ Third, the ongoing recovery of potash prices (in USD) is not reflected in ASP due to mix and the massive FX impact. In fact, the ASP was EUR 252 after EUR 260 in Q1 2017 and EUR 254 in Q4 2017. Interestingly, the ASP realized overseas dropped from USD 277 to USD 269, which calls for more detailed information.
- ✓ The good news in P&M was that the Bethune site has technically reached the nameplate capacity of 2.0mt by now, and the management sticks to the guidance that EBIT is about to break even in 2019.
- ✓ The miss in earnings was mainly because of the Salt segment, although good winter conditions supported K+S' de-icing activities. Consequently, volumes were up by 35%. Negative FX effects and lower prices in the North American de-icing salt business had an adverse effect on profitability. In fact, K+S realized ASP of EUR 52.50 after EUR 61.30 in Q1 2017. In addition, higher logistic cost as a consequence of last year's disasters weighed on earnings.
- ✓ There will be a conference call at 10h MEST.

Accumulate

Recommendation unchanged

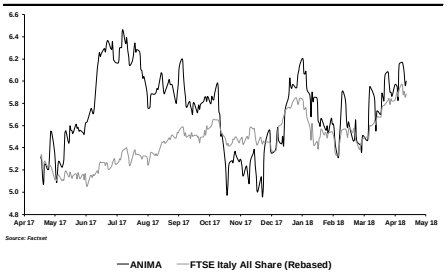
Share price: EUR	**6.00**
closing price as of 11/05/2018	
Target price: EUR	**7.00**
Target Price unchanged	
Upside/Downside Potential	**16.7%**
Reuters/Bloomberg	ANIM.MI/ANIM IM

Market capitalisation (EURm)	**1,849**
Current N° of shares (m)	308
Free float	**75%**
Daily avg. no. trad. sh. 12 mth	1,144
Daily avg. trad. vol. 12 mth (m)	3,191.31
Price high/low 12 months	4.96 / 6.46
Abs Perfs 1/3/12 mths (%)	8.11/2.50/11.94

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Total Revenue (m)	254	254	284
Pre-Provision Profit (PPP) (m)	173	172	202
Operating profit (OP)	*173*	*172*	*202*
Earnings Before Tax (m)	157	158	198
Net Profit (adj.) (m)	*128*	*136*	*152*
Shareholders Equity (m)	834	870	932
Tangible BV (m)	0	0	0
RWA (m)	0	0	0
ROTE	*15.7%*	*16.0%*	*16.9%*
Total Capital Ratio (B3)	0.0%	0.0%	0.0%
Cost/Income	31.8%	32.4%	28.8%
P/PPP	8.0	9.6	9.2
P/E (adj.)	10.9	12.1	12.1
P/BV	1.7	1.9	2.0
P/TBV	nm	nm	nm
Dividend Yield	4.1%	4.1%	4.4%
PPPPS	0.58	0.56	0.65
EPS (adj.)	*0.43*	*0.44*	*0.49*
BVPS	*2.78*	*2.82*	*3.03*
TBVPS	0.00	0.00	0.00
DPS	0.25	0.25	0.26

Shareholders

BPM 15%; Poste Italiane 10%;



Analyst(s)

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We expect a strong Q1-18 thanks to Aletti SGR

The facts: Anima is due to release its Q1-18 results on 14th May, followed by a conference call (details not disclose yet).

Our analysis: Our main P&L estimates are the following:

Anima: Q1-18 estimates

EUR m	Q1-18e	Y/Y	Q1-17
Net commissions	72	*41.1%*	51
Performance fees	10	*n.m.*	2
Other income	6	*-8.4%*	7
Total revenues	**88**	***47.4%***	**60**
Operating expense	-21	*29.6%*	-16
Other income / costs	-8	*-1.5%*	-8
EBT	**59**	***67.4%***	**35**
Net profit	**41**	***59.4%***	**26**
Adj. Net profit	45	*41.6%*	32

Source: Company data, Banca Akros estimates

We expect **total revenues** around EUR 88m, +47% Y/Y, mainly thanks to the acquisition of Aletti SGR, which was finalized in Q4-17, and to the performance fees we estimate at c. EUR 10m vs EUR 2m in Q1-17. **Asset profitability** (net commissions on average assets) is seen improving at 8bps compared to 7bps in Q1-17. We estimate an **EBT** up c. 67% Y/Y at around EUR 59m, mainly due to the aforementioned consolidation of Aletti SGR. The **C/I ratio**, ex performance fees, ought to close at 26.9% vs 28.1% in Q1-17. All in all, we expect an **adj. net profit** of c. EUR 45m vs EUR 32m in Q1-17.

✓ ***Conclusion & Action:*** *overall we expect a positive set of results. We stick to Accumulate. With the acquisition of Aletti SGR and the signature of the partnership with Poste, Anima will improve its competitive position, in terms of scale, distribution channels, business mix and skills.*

Banca Sistema

Italy | Financial Services Banks

Analyser *14 May 2018*

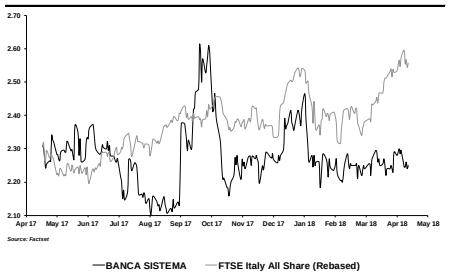
Neutral	
Recommendation unchanged	
Share price: EUR	**2.25**
closing price as of 11/05/2018	
Target price: EUR	**2.40**
Target Price unchanged	
Upside/Downside Potential	**6.7%**
Reuters/Bloomberg	BSTA.MI/BST IM

Market capitalisation (EURm)	**181**
Current N° of shares (m)	80
Free float	**54%**
Daily avg. no. trad. sh. 12 mth	199
Daily avg. trad. vol. 12 mth (m)	667.92
Price high/low 12 months	2.10 / 2.61
Abs Perfs 1/3/12 mths (%)	-0.44/-0.44/-4.74

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Total Revenue (m)	82	85	92
Pre-Provision Profit (PPP) (m)	44	46	49
Operating profit (OP)	*39*	*40*	*41*
Earnings Before Tax (m)	39	40	41
Net Profit (adj.) (m)	*27*	*28*	*29*
Shareholders Equity (m)	135	156	178
Tangible BV (m)	133	154	176
RWA (m)	1,056	1,310	1,592
ROTE	*20.0%*	*17.8%*	*16.3%*
Total Capital Ratio (B3)	15.3%	14.2%	13.1%
Cost/Income	46.2%	46.0%	46.2%
P/PPP	4.1	3.9	3.7
P/E (adj.)	6.8	6.5	6.2
P/BV	1.4	1.2	1.0
P/TBV	1.4	1.2	1.0
Dividend Yield	3.8%	3.8%	4.0%
PPPPS	0.55	0.57	0.61
EPS (adj.)	*0.33*	*0.35*	*0.36*
BVPS	*1.68*	*1.93*	*2.21*
TBVPS	1.65	1.91	2.19
DPS	0.09	0.09	0.09

Shareholders

Management 24%; Local Foundations 22%;



Analyst(s)

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Q1 18 results slightly lower than expected

The facts: Banca Sistema published and presented Q1 18 results last Friday.

Our analysis: Banca Sistema closed Q1 18 with a net profit up 7% Y/Y to EUR 4.7m, but lower than our EUR 5.1m estimate due to less revenues.

The CET1 ratio decreased 10bps Q/Q to 11.8%, o/w -2bps generated by IFRS 9 FTA and the rest by the strong volume growth.

(EUR m)	Q1 18A	Q1 18E	Differ.	Q1 17A	Y/Y	Q4 17A	Q/Q
Revenues	18.1	18.9	-4.2%	14.9	21.5%	19.8	-8.6%
Operating costs	-9.9	-10.0	-1.0%	-9.2	7.6%	-9.7	2.1%
GOP	8.2	8.9	-7.9%	5.7	43.9%	10.1	-18.8%
Loan provisions	-1.0	-1.0	0.0%	0.5	nm	-2.3	-56.5%
Net Profit	4.7	5.1	-7.8%	4.4	6.8%	4.9	-4.1%

Indeed, the factoring turnover increased 24 Y/Y to EUR 0.5bn as anticipated, leading to an outstanding 35% higher Y/Y to EUR 1.5bn, o/w 24% represented by tax receivables. In salary/pension-backed loans the group purchased about EUR 40m of loans, pushing the outstanding up 68% Y/Y to EUR 526m.

Thanks to the strong lending volume growth the interest income jumped 18% Y/Y to EUR 20m as expected. However, the interest expense increased 40% Y/Y to EUR 6.4m vs. our 5.9m estimate, due to the additional coupons to be paid on senior and subordinated bond issues, as well as EUR 0.8m non-recurring write-off of TLTRO II benefit. Therefore, the NII grew 10% Y/Y to EUR 13.7m but was 4% lower than expected. Net commissions improved 58% Y/Y to EUR 3.6m as anticipated, while the financial income was nearly EUR 1m vs. 0.2m in Q1 17 and in line with our estimate.

The ongoing hiring and investments led to a 7.6% growth in operating expenses to EUR 9.9m, leading to a gross operating profit (GOP) up 44% Y/Y to EUR 8.2m or 8% less than anticipated, with a C/I ratio of 54.7%.

Loan impairments came in at EUR 1m as estimated, with a cost of credit risk of 22bps vs. 33bps in FY17.

During the presentation, the mgmt. stressed the lower factoring profitability was due to a combination of lower priced yield and also higher weight of tax receivables on total stock which, however, have a longer duration and require no capital absorption.

Conclusion & Action: *We stick to Neutral with EUR 2.4 target price.*

Marr

Italy | Food & Drug Retailers

Analyser

14 May 2018

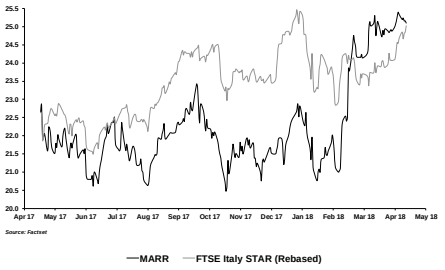
Neutral	
Recommendation unchanged	
Share price: EUR	**25.10**
closing price as of 11/05/2018	
Target price: EUR	**23.60**
Target Price unchanged	
Upside/Downside Potential	**-6.0%**
Reuters/Bloomberg	MARR.MI/MARR IM

Market capitalisation (EURm)	**1,658**
Current N° of shares (m)	66
Free float	**49%**
Daily avg. no. trad. sh. 12 mth	75
Daily avg. trad. vol. 12 mth (m)	1,278.55
Price high/low 12 months	20.47 / 25.40
Abs Perfs 1/3/12 mths (%)	1.37/19.52/12.20

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	1,625	1,682	1,745
EBITDA (m)	116	119	125
EBITDA margin	*7.1%*	*7.1%*	*7.2%*
EBIT (m)	97	101	108
EBIT margin	*6.0%*	*6.0%*	*6.2%*
Net Profit (adj.)(m)	65	74	80
ROCE	15.6%	15.2%	16.7%
Net debt/(cash) (m)	158	162	123
Net Debt/Equity	*0.5*	*0.5*	*0.3*
Debt/EBITDA	1.4	1.4	1.0
Int. cover(EBITDA/Fin. int)	22.9	(28.0)	(31.7)
EV/Sales	1.0	1.1	1.0
EV/EBITDA	13.4	15.1	14.0
EV/EBITDA (adj.)	13.4	15.1	14.0
EV/EBIT	16.0	17.8	16.2
P/E (adj.)	28.3	29.0	27.1
P/BV	4.6	5.0	4.6
OpFCF yield	*5.0%*	*2.6%*	*5.3%*
Dividend yield	*2.9%*	*3.0%*	*3.1%*
EPS (adj.)	0.76	0.87	0.92
BVPS	4.64	5.03	5.47
DPS	0.74	0.76	0.77

Shareholders

Cremonini S.p.a. 51%;



Analyst(s)

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Q1 18 preview: expected results without particular surprises

The facts: Q1 18 results are due out on 14th May.

Our analysis: we forecast a 2.2% increase in revenues in Q1 18 to EUR 335.5m, especially driven by positive growth in the Street Market channel. We expect Q1 18e EBITDA at EUR 15.8m, with an EBITDA margin of 4.7% in line with the previous year.

The following table shows our sales and profitability forecast.

	Q1 17a	Q1 18e	*Chg*
Sales	328.3	335.5	+2.2%
EBITDA	15.4	15.8	+2.6%
Margin %	*4.7%*	*4.7%*	

Conclusion & Action: *expected positive Q1 17 trend should allow the management to confirm FY guidance given in March (sales increase higher than the reference market growth and stable operating margins).*

Cembre

Italy | General Industrials

Analyser

14 May 2018

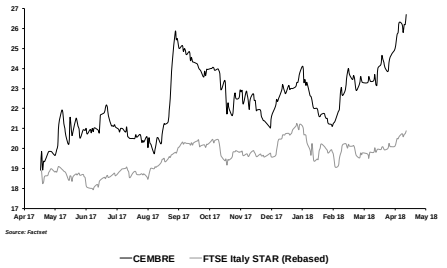
Neutral	
Recommendation unchanged	
Share price: EUR	**26.70**
closing price as of 11/05/2018	
Target price: EUR	**22.00**
Target Price unchanged	
Upside/Downside Potential	**-17.6%**
Reuters/Bloomberg	CEMB.MI/CMB IM

Market capitalisation (EURm)	**454**
Current N° of shares (m)	17
Free float	**26%**
Daily avg. no. trad. sh. 12 mth	11
Daily avg. trad. vol. 12 mth (m)	277.21
Price high/low 12 months	18.90 / 26.70
Abs Perfs 1/3/12 mths (%)	15.09/21.36/37.13

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	133	143	148
EBITDA (m)	33	37	38
EBITDA margin	*25.2%*	*25.9%*	*25.9%*
EBIT (m)	27	30	31
EBIT margin	*20.4%*	*20.9%*	*20.9%*
Net Profit (adj.)(m)	23	22	23
ROCE	15.5%	17.0%	17.4%
Net debt/(cash) (m)	(20)	(28)	(36)
Net Debt/Equity	*-0.1*	*-0.2*	*-0.2*
Debt/EBITDA	-0.6	-0.8	-0.9
Int. cover(EBITDA/Fin. int)	(655.6)	high	high
EV/Sales	2.7	3.0	2.9
EV/EBITDA	10.5	11.7	11.0
EV/EBITDA (adj.)	10.5	11.7	11.0
EV/EBIT	13.0	14.4	13.6
P/E (adj.)	16.1	20.3	19.5
P/BV	2.6	3.0	2.8
OpFCF yield	*2.8%*	*4.7%*	*4.7%*
Dividend yield	*2.6%*	*3.0%*	*3.0%*
EPS (adj.)	1.34	1.32	1.37
BVPS	8.42	8.93	9.50
DPS	0.70	0.80	0.80

Shareholders

Rosani Family 70%; Lazard 2%; Financier De L'Echiquier 1.48%;



Analyst(s)

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Q1-18e results should be coherent with full year trends

The facts: Cembre should report results on Monday, May 14th

Our analysis: Results should be coherent with full year trends. The fall in tax rate reflects the patent box effects.

Cembre: Quarterly results

(EUR m)	1Q17A	1Q18e	%ch.
Sales	**33.2**	**35.5**	**7%**
EBITDA	**8.9**	**9.6**	**8%**
% sales	26.9%	27.1%	
D&A	(1.5)	(1.7)	8%
EBIT	**7.4**	**8.0**	**8%**
% sales	22.3%	22.5%	
Net Fin. Costs	(0.1)	0.0	
EBT	**7.3**	**8.0**	**9%**
Taxes	(2.2)	(2.0)	-10%
Tax rate	30%	25%	
Net profit	**5.1**	**6.0**	**17%**
Net debt/(cash)	**(26.7)**	**(19.2)**	

Source: Company Data, Banca Akros forecasts

Conclusion & Action: *Rating and price target confirmed*

Abivax

France | Healthcare

Analyser

14 May 2018

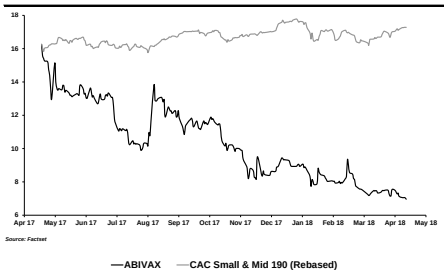
Buy	
Recommendation unchanged	
Share price: EUR	**6.96**
closing price as of 11/05/2018	
Target price: EUR	**15.10**
Target Price unchanged	
Upside/Downside Potential	**117.0%**
Reuters/Bloomberg	ABVX.PA/ABVX FP

Market capitalisation (EURm)	**94**
Current N° of shares (m)	14
Free float	**25%**
Daily avg. no. trad. sh. 12 mth	30
Daily avg. trad. vol. 12 mth (m)	259.90
Price high/low 12 months	6.96 / 16.73
Abs Perfs 1/3/12 mths (%)	-6.95/-11.22/-60.39

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	0	0	0
EBITDA (m)	(18)	(14)	(15)
EBITDA margin	*nm*	*nm*	*nm*
EBIT (m)	(18)	(14)	(15)
EBIT margin	*nm*	*nm*	*nm*
Net Profit (adj.)(m)	(14)	(10)	(15)
ROCE	-36.7%	-28.9%	-29.5%
Net debt/(cash) (m)	(23)	(12)	(26)
Net Debt/Equity	*-0.4*	*-0.3*	*-0.4*
Debt/EBITDA	1.2	0.8	1.7
Int. cover(EBITDA/Fin. int)	70.7	31.8	65.5
EV/Sales		nm	nm
EV/EBITDA		nm	nm
EV/EBITDA (adj.)		nm	nm
EV/EBIT		nm	nm
P/E (adj.)	nm	nm	nm
P/BV		1.9	1.6
OpFCF yield	*-26.9%*	*-13.3%*	*-16.6%*
Dividend yield		*0.0%*	*0.0%*
EPS (adj.)	(1.47)	(1.07)	(1.09)
BVPS		4.55	4.39
DPS		0.00	0.00

Shareholders

Truffle capital 66%; Aviva 5%; Holding Incubatrice 3%; Credit Agricole 1.63%;



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On track to deliver topline data in ulcerative colitis in 2H18

The facts: This morning Abivax, a company specialized in immunology, announced it completed enrollment of 30 patients of its phase IIa proof-of-concept study in ulcerative colitis (UC) for its lead compound ABX464. Ulcerative Colitis concerns chronic inflammation of the colon and rectum.

Our analysis: Though we put more weight on Abivax developments and data (topline June/July) in HIV in potentially developing a functional cure, recruitment in UC puts the company on track to meet readouts late 2H18; which could have a halo-effect on development of ABX464 in HIV.

The trial is constructed as a 30 patient, randomized double-blind, 2 month multi centre trial evaluating the safety of ABX464 (50mg; same dose as HIV) once daily vs placebo for moderate-to-severe patients who do not respond to immunomodulators, corticosteroids, TNFα or vedolizumab (first until fourth line). In literature response for the aforementioned drug classes are between 40%-65%, but typically patients build up resistance rapidly ultimately leading to a colectomy, highlighting why there is well defined market potential in UC (~2m patients EU & US, TAM ~€2bn). After the trial Abivax has planned a 12 month open label follow up study of which 10 patients are already recruited, if the trial moves on it is likely to enter phase IIb where it will position as a third/fourth line compound in a growing market of inflammatory bowel diseases (UC and Crohn's disease).

ABX464 has an anti-inflammatory effect and is therefore being studied in both UC and HIV. An efficacy signal in UC would improve ABX464's potential in HIV as chronic inflammation is a key cause of co-morbidities.

Conclusion & Action: *We believe Abivax is on track for major value inflecting newsflow in the next 12 months for its lead phase II compound ABX464 where HIV data could prove transformative. We expect UC data is likely to support our thesis in HIV in addition to giving an inroad into a new and growing indication within inflammatory bowel diseases.*

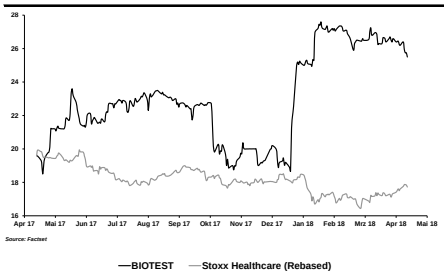
Neutral	
Recommendation unchanged	
Share price: EUR	**25.50**
closing price as of 11/05/2018	
Target price: EUR	**25.00**
from Target Price: EUR	*18.00*
Upside/Downside Potential	**-2.0%**
Reuters/Bloomberg	BIOG_P.DE/BIO3 GR

Market capitalisation (EURm)	**1,050**
Current N° of shares (m)	40
Free float	**52%**
Daily avg. no. trad. sh. 12 mth	51
Daily avg. trad. vol. 12 mth (m)	417.19
Price high/low 12 months	18.50 / 27.60
Abs Perfs 1/3/12 mths (%)	-5.03/-5.38/30.14

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	378	393	413
EBITDA (m)	13	63	68
EBITDA margin	*3.4%*	*16.1%*	*16.5%*
EBIT (m)	(9)	12	17
EBIT margin	*nm*	*3.0%*	*4.0%*
Net Profit (adj.)(m)	(16)	1	4
ROCE	4.1%	1.1%	1.5%
Net debt/(cash) (m)	384	295	282
Net Debt/Equity	*1.1*	*0.8*	*0.7*
Debt/EBITDA	29.5	4.6	4.1
Int. cover(EBITDA/Fin. int)	0.8	6.1	6.5
EV/Sales	3.5	3.6	2.2
EV/EBITDA	nm	22.6	13.5
EV/EBITDA (adj.)	20.6	22.6	13.5
EV/EBIT	nm	nm	55.8
P/E (adj.)	nm	nm	nm
P/BV	2.3	2.8	1.3
OpFCF yield	*-9.9%*	*-2.5%*	*2.7%*
Dividend yield	*0.2%*	*0.2%*	*0.2%*
EPS (adj.)	(0.41)	0.02	0.22
BVPS	8.78	9.24	19.33
DPS	0.06	0.04	0.04

Shareholders

Tiancheng (for Creat Group) 45%; JO Hambro 3%;



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Implications of a Potential Domination Agreement

The facts: On February 8th 2018, an announcement was made that Tiancheng Pharmaceutical (Creat Group) has the intention to enter into a domination and profit and loss transfer agreement with Biotest.

If Creat proceeds with such an agreement, the Biotest preference shares would receive another offer which would depend on the outcome of the valuation conducted by independent auditors. We describe the valuation process and attempt to arrive at an approximate value at which the preference shareholders would have the opportunity to exit their investment

The company is in the process of selling its US operations and investing heavily in the Biotest Next Level (BNL) project. While the benefits would take time to materialize, the company expects doubling of capacity from BNL.

Our analysis: We believe that implementation of the domination and profit and loss transfer agreement is the most likely scenario. This arrangement would allow Creat to increase control of Biotest, transfer assets and profits in a more beneficial way and integrate the company with its other portfolio assets.

The preference shareholders might have an opportunity to exit their investment at a better price than initially offered. A fair value opinion would be based on the higher of: a) the intrinsic value generated by the auditors valuation, which would be based on planning assumptions included in the business plan (that would be provided by Biotest), which we estimate at EUR 25.00 per share and b) the 3-month VWAP of preference shares just prior to the announcement of the intention to enter into a domination agreement (EUR 22.39), which would serve as the floor price, providing limited downside risk.

We estimate potential revenue over EUR 1bn by the end of 2027. By then, the company expects reaching a sustainable 16-18% EBIT margin.

Conclusion & Action: *We raise our target price to EUR 25.00 per preference share based on our valuation of Biotest assuming estimates that would likely be used in the analysis by the auditors. We thus maintain our Neutral recommendation, but note potential upside from the optionality inherent in the process of executing a domination agreement, while the downside is limited, with the VWAP of ca. EUR 22.40/preference share prior to the announcement likely providing a floor under such a scenario.*

El.En.

Italy | Healthcare

Analyser

14 May 2018

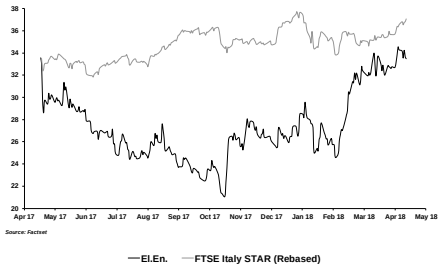
Neutral	
from Buy	
Share price: EUR	**33.48**
closing price as of 11/05/2018	
Target price: EUR	**34.00**
Target Price unchanged	
Upside/Downside Potential	**1.6%**
Reuters/Bloomberg	ELEN.MI/ELN IM

Market capitalisation (EURm)	**646**
Current N° of shares (m)	19
Free float	**64%**
Daily avg. no. trad. sh. 12 mth	94
Daily avg. trad. vol. 12 mth (m)	1,783.99
Price high/low 12 months	21.08 / 34.54
Abs Perfs 1/3/12 mths (%)	4.82/33.81/-1.01

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	306	345	372
EBITDA (m)	36	42	50
EBITDA margin	*11.8%*	*12.3%*	*13.3%*
EBIT (m)	30	37	44
EBIT margin	*9.9%*	*10.6%*	*11.7%*
Net Profit (adj.)(m)	16	22	27
ROCE	21.4%	23.4%	25.3%
Net debt/(cash) (m)	(85)	(90)	(102)
Net Debt/Equity	*-0.4*	*-0.4*	*-0.4*
Debt/EBITDA	-2.3	-2.1	-2.1
Int. cover(EBITDA/Fin. int)	(64.1)	high	high
EV/Sales	1.7	1.9	1.7
EV/EBITDA	14.3	15.5	13.0
EV/EBITDA (adj.)	14.3	15.5	13.0
EV/EBIT	17.0	17.8	14.8
P/E (adj.)	32.0	29.3	24.0
P/BV	2.6	3.2	2.9
OpFCF yield	*2.9%*	*2.6%*	*3.3%*
Dividend yield	*1.2%*	*1.2%*	*1.2%*
EPS (adj.)	0.81	1.14	1.39
BVPS	9.88	10.56	11.55
DPS	0.40	0.40	0.40

Shareholders

Cangioli Andrea 15%; Pecci Alberto 11%; Clementi Gabriele 10%;



Analyst(s)

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Results Preview

The facts: Elen should report Q1-18e results on Tuesday, May 15th.

Our analysis: Results should be subdued compared with company's guidance and our forecasts mainly due to difficult comparison basis on the forex side with both the CNY and USD devaluating materially in Q1 by 7% and 15% respectively. We remind investors that although only translational, the industrial business is 60% made in China (app. EUR 80m) while the medical laser business is exposed with directs export of the Monalisa Touch and other products to the USA. We expect the same forex trends in Q2'18e and then a much better comparison in H2'18e with virtually no forex headwind at current exchange rates.

ELEN: Quarterly results

DIVISION (Eurm)	**Q1 '17a**	**Q1 '18e**	**%Ch.**
Industrial Systems	26.1	28.4	9%
% total	40%	41%	
Easthetical/Medical Laser	39.1	41.2	5%
% total	60%	59%	
Total	**65.1**	**69.6**	**7%**
Eurm	***1Q17a***	***1Q18e***	**%Ch.**
Sales	**65.1**	**69.6**	**7%**
Gross margin	**26.9**	**28.8**	**7%**
% sales	41.3%	41.3%	
Other op. costs	(8.1)	(8.8)	8%
Added value	**18.8**	**20.0**	**6%**
% sales	28.9%	28.7%	
Labour costs	(12.3)	(13.4)	9%
EBITDA	**6.5**	**6.6**	**1%**
EBITDA Margin	10.0%	9.5%	
D&A	(1.0)	(1.0)	0%
EBIT	**5.5**	**5.6**	**2%**
EBIT margin	8.5%	8.1%	
Forex	(0.3)	0.0	
Associates	0.0	0.0	
Net Fin. Inc./(costs)	0.0	0.0	
Extraordinary items	0.0	0.0	
Pre-tax profit	**5.2**	**5.6**	**9%**
Net Debt/(Cash)	**(79.2)**	**(79.5)**	

Source: Company Data, Banca Akros forecasts

Conclusion & Action: *We are confirming our PT on ELEN based on our SOP but given the limited implied upside from current share price levels we change our rating from BUY to NEUTRAL.*

Philips Lighting

Netherlands | Household Goods

Analyser *14 May 2018*

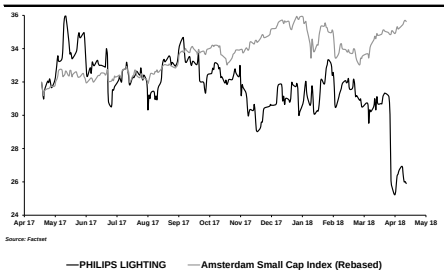
Neutral	
Recommendation unchanged	
Share price: EUR	**25.90**
closing price as of 11/05/2018	
Target price: EUR	**31.00**
Target Price unchanged	
Upside/Downside Potential	**19.7%**
Reuters/Bloomberg	LIGHT.AS/LIGHT NA

Market capitalisation (EURm)	**3,631**
Current N° of shares (m)	140
Free float	**63%**
Daily avg. no. trad. sh. 12 mth	532
Daily avg. trad. vol. 12 mth (m)	25,525.13
Price high/low 12 months	25.24 / 35.95
Abs Perfs 1/3/12 mths (%)	-14.58/-13.92/-18.43

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	6,965	7,085	7,304
EBITDA (m)	675	779	791
EBITDA margin	*9.7%*	*11.0%*	*10.8%*
EBIT (m)	388	489	496
EBIT margin	*5.6%*	*6.9%*	*6.8%*
Net Profit (adj.)(m)	365	405	402
ROCE	10.1%	13.6%	14.8%
Net debt/(cash) (m)	520	263	(40)
Net Debt/Equity	*0.2*	*0.1*	*0.0*
Debt/EBITDA	0.8	0.3	-0.1
Int. cover(EBITDA/Fin. int)	15.7	24.1	24.6
EV/Sales	0.7	0.5	0.5
EV/EBITDA	7.1	5.0	4.5
EV/EBITDA (adj.)	7.1	5.0	4.5
EV/EBIT	12.4	8.0	7.2
P/E (adj.)	11.7	9.0	9.0
P/BV	1.6	1.3	1.2
OpFCF yield	*4.3%*	*12.0%*	*13.0%*
Dividend yield	*4.8%*	*4.8%*	*4.5%*
EPS (adj.)	2.61	2.89	2.87
BVPS	18.74	19.77	20.94
DPS	1.25	1.25	1.17

Shareholders

Philips 29%; Schroders 3%; Standard Life 5%;



Analyst(s)

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Small Chinese add on acquisition

The facts: Philips Lighting acquires Chinese urban lighting company LiteMagic Technologies with revenues of ~EUR 30m. No further financial details were disclosed.

Our analysis: Philips Lighting is going to acquire Shenzhen LiteMagic Technologies, a Chinese manufacturer and seller of lighting luminaires and control systems for urban and façade lighting. The transaction (upon approval of Chinese regulatory authorities), is expected to close Q3 and should be earnings accretive in 2019.

With Shenzhen LiteMagic Philips Lighting expands its portfolio of façade lighting with a complementary portfolio of luminaires and control systems which will be applied to capture growth in the mid segment of the urban market.

Philips Lighting has been in China since 1920. Currently the company serves professional and consumer markets through its 36 sales offices, more than 300 branded retail stores and 10,000 outlets. Philips Lighting's second largest research and development center is located in China while it also operates five manufacturing sites in the country.

Conclusion & Action: *This is a smaller add on acquisition for Philips Lighting and acquiring a Chinese company (which is refreshing for a change) is the way to gain a stronger foothold in the region. It is also in line with the strategy to grow both organically and through selected acquisitions. As such a small positive. We have a Neutral rating and PT of EUR 31.*

Carraro

Italy | Industrial Engineering

Analyser *14 May 2018*

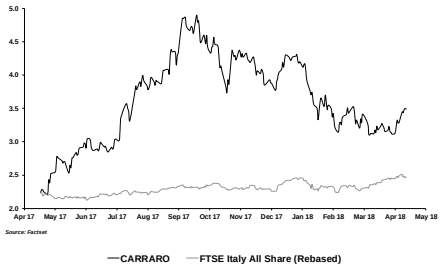
Buy	
Recommendation unchanged	
Share price: EUR	**3.49**
closing price as of 11/05/2018	
Target price: EUR	**5.80**
Target Price unchanged	
Upside/Downside Potential	**66.2%**
Reuters/Bloomberg	CARRA.MI/CARR IM

Market capitalisation (EURm)	**278**
Current N° of shares (m)	80
Free float	**26%**
Daily avg. no. trad. sh. 12 mth	327
Daily avg. trad. vol. 12 mth (m)	340.97
Price high/low 12 months	2.22 / 4.90
Abs Perfs 1/3/12 mths (%)	11.32/-1.69/66.19

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	594	579	607
EBITDA (m)	40	48	61
EBITDA margin	*6.7%*	*8.2%*	*10.1%*
EBIT (m)	12	31	41
EBIT margin	*2.0%*	*5.4%*	*6.8%*
Net Profit (adj.)(m)	0	15	23
ROCE	4.8%	11.7%	13.8%
Net debt/(cash) (m)	182	140	126
Net Debt/Equity	*3.9*	*1.7*	*1.3*
Debt/EBITDA	4.6	2.9	2.1
Int. cover(EBITDA/Fin. int)	2.5	4.8	7.9
EV/Sales	0.4	0.8	0.7
EV/EBITDA	5.9	9.3	6.5
EV/EBITDA (adj.)	5.2	8.3	6.3
EV/EBIT	20.0	14.2	9.6
P/E (adj.)	nm	21.8	nm
P/BV	1.3	3.8	2.9
OpFCF yield	*17.7%*	*4.9%*	*8.0%*
Dividend yield	*0.0%*	*2.5%*	*4.1%*
EPS (adj.)	(0.21)	0.18	0.00
BVPS	1.02	1.01	1.20
DPS	0.00	0.09	0.14

Shareholders

FINAID + Carraro + Alessandri 44%; Julia Arduini 27%; Own shares 3%;



Analyst(s)

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We expect flattish Q1 2018 results

The facts: CARR is due to release its Q1 2018 results on May 14th. We expect the company to release only a few details concerning the top line, the adjusted EBITDA and net debt.

Our analysis: the end market for AG and CE equipment was healthy in 2018; the level of the OEM inventories should have hit a bottom at the end of 2017 putting the premises for a good start of the year. **We believe that Q1 2018 will show PROs and CONs:**

On the CON side: *1)* the company may have incurred some supply chain bottle-necks penalising production flows; *2)* higher steel and pig iron prices are expected to have put under pressure on margins at least in Q1 and *3)* the introduction of new tractor versions with Stage IIIB-compliant engines is expected to have had a negative impact on Agritalia's efficiency.

On the PRO side, we signal that: *1)* volumes are expected to grow and *2)* prices are holding well and improving; higher raw material costs are expected to be passed to clients by Q2.

We are assuming a ~10% **top line** organic growth; we argue that FOREX had a negative ~6% impact on the top line bringing it at ~EUR 150m (~+3% Y/Y); we see a flattish **EBITDA** at ~EUR 16m; we don't expect Q1 numbers to show a significant operating leverage effect also due to the limited availability of components that capped growth.

We expect the **Net Financial Position** (~EUR -146m as at the end of '17) to have reached ~EUR -155m following the normal seasonality of the business.

Conclusion & Action: *the investment case remains strong: AG and CE OEMs are releasing good/strong sell-out data, globally; we are confident that CARR results will pick up once the company fixes its supply chain constraints and passes through the higher raw material costs to clients.*

Cattolica Assicurazioni

Italy | Insurance

Analyser *14 May 2018*

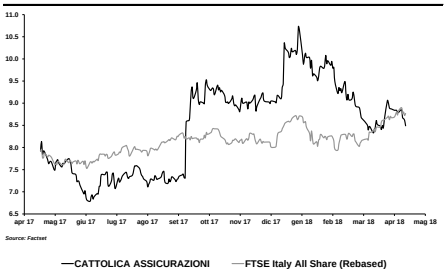
Accumulate	
from Neutral	
Share price: EUR	**8.49**
closing price as of 11/05/2018	
Target price: EUR	**10.00**
from Target Price: EUR	*10.60*
Upside/Downside Potential	**17.8%**
Reuters/Bloomberg	CASS.MI/CASS IM

Market capitalisation (EURm)	**1,423**
Current N° of shares (m)	168
Free float	**91%**
Daily avg. no. trad. sh. 12 mth	840
Daily avg. trad. vol. 12 mth (m)	25,340.61
Price high/low 12 months	6.79 / 10.73
Abs Perfs 1/3/12 mths (%)	0.41/-12.16/8.29

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Life Gross premiums (m)	2,751	2,888	3,723
Non-Life Gross prem.(m)	2,059	2,120	2,251
Total Net Revenues (m)	*5,062*	*5,298*	*6,265*
Life Ins.Tech.Result (m)	-386	-395	-397
Non-Life Ins. Tech.Result	*95*	*97*	*122*
EBIT (m)	206	239	289
Net Profit (adj.) (m)	121	102	124
Shareholders Equity (m)	1,845	1,934	1,998
ANAV (m)	*1,678*	*1,767*	*1,831*
ROE (adj.) (%)	6.5	5.4	6.3
Combined ratio (%)	94.7	94.7	93.7
Solvency Ratio	239.0%	200.0%	180.0%
P/E (adj.)	12.5	13.9	11.5
P/BV	0.8	0.7	0.7
P/ANAV	nm	nm	nm
P/EbV	nm	nm	nm
Dividend Yield	4.1%	4.2%	5.1%
EPS (adj.)	*0.72*	*0.61*	*0.74*
BVPS	*11.01*	*11.54*	*11.92*
ANAVPS	0.00	0.00	0.00
EbVPS	0.00	0.00	0.00
DPS	0.35	0.36	0.44

Shareholders

Berkshire Hathaway 9%;



Analyst(s)

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Q1-18 CC feedback

The facts: Cattolica held a conference call on Q1-18 results at 9.30 AM CEST on Friday.

Our analysis: we highlight the most important takeaways here to follow.

Operating result. Operating results increased by c. 4% to EUR 45m in Q1 while net profit decreased by c. 20% to EUR 24m. The difference is due to the interests on the subordinated bond issued last year and to the lower capital gains, especially in Non-Auto business;

Non-Life business – Non-Motor business decreased by c. 3.5% , due to the lack of the JV with BPVI and to some one-offs. Net of this effects, the increase would have been c. 1.5%, more in line with the trend expected in the business plan. CoR closed at 93.7% from 93.4% in Q1-17 mainly due to the expense ratio (27.4% from 25.4%) due to the increase in commissions (1%) linked to some reinsurance contracts and to G&A costs (1%) due to the implementation of the strategic plan. The average motor premium increase by c. 0.2% q/q but decline 1% Y/Y. The number of policies decreased c. 0.2% q/q, decrease that the management expects will disappear in the next quarters of the year;

Life business – premiums increased +1.7% Y/Y despite the end of the JV with BPVI and thanks to CASS' other JV (Lombarda Vita and BCC Vita). Net inflows closed at c. EUR 26m vs EUR 432m in Q1-17, due to the expiration of a pension fund mandate which anyway had a low profitability. The spread between average yield and minimum guaranteed is still improving and it was equal to c. 200bps at the end of Q1-18;

Investments – the de-risking policy is ongoing with the weight of Italian Government bonds reduced to 58.4% from the previous 60.5% with the aim to achieve 50% in 2020. At the moment Cattolica is investing in Bonos and in RE to underpin the expected decrease in portfolio yield as a consequence of the aforementioned de-risking policy;

SII Ratio – the decrease in SII ratio (from 245% in FY-17 to 199% in Q1-18) was due to the dividend (-6%), to the market movements (+15%) and to the JV with BBPM (-55%). **The SII sensitivity seems challenging: an increase of c. 50bps in Italian spread will determine a decrease by c. 11 pp in SII ratio;**

Partnership with BBPM – the JV has started a little bit earlier than expected. In the agreement there are some clauses related to net inflows (not disclosed) and we understand that the focus will be on the sale of UL policies. The first effects of the partnership will already start in Q2-18.

Conclusion & Action: *the stock had a sharp drop after the call. The only negative message, considering the Italian political situation, came from the sensitivity of the SII ratio to the Italian spread. Considering that Cattolica had a SII ratio of c. 199% at the end of Q1-18 with a business plan target between 160% - 180% in 2020, the sensitivity could have worried some investors, also considering that Cattolica's SII ratio is a little bit worse than other Italian peers, mainly due recent partnership signed with BBPM. Anyway, excluding any kind of shock, we believe that the situation is manageable. We stick to Accumulate. The stock is not pricing the bancaassurance agreement with BBPM, which is a game changer for the company and it is likely to give the boost to CASS's profit in 2020 and beyond.*

UnipolSai

Italy | Insurance

Analyser *14 May 2018*

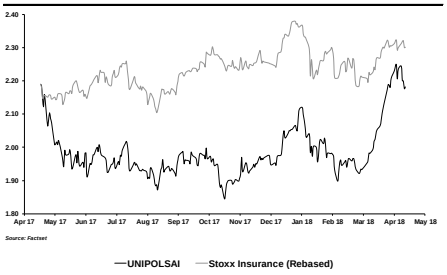
Neutral	
Recommendation unchanged	
Share price: EUR	**2.18**
closing price as of 11/05/2018	
Target price: EUR	**2.10**
Target Price unchanged	
Upside/Downside Potential	**-3.8%**
Reuters/Bloomberg	US.MI/US IM

Market capitalisation (EURm)	**6,252**
Current N° of shares (m)	2,865
Free float	**27%**
Daily avg. no. trad. sh. 12 mth	6,309
Daily avg. trad. vol. 12 mth (m)	18,134.41
Price high/low 12 months	1.85 / 2.25
Abs Perfs 1/3/12 mths (%)	7.81/8.94/-0.37

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Life Gross premiums (m)	3,713	3,787	3,863
Non-Life Gross prem.(m)	7,355	7,558	7,792
Total Net Revenues (m)	*11,988*	*12,408*	*12,710*
EBIT (m)	760	784	781
Net Profit (adj.) (m)	504	523	520
Shareholders Equity (m)	5,869	5,068	5,192
ANAV (m)	*5,178*	*4,263*	*4,387*
ROE (adj.) (%)	8.7	9.9	10.5
Combined ratio (%)	97.2	96.3	96.5
Solvency Ratio	216.4%	168.0%	171.1%
P/E (adj.)	11.1	12.0	12.0
P/BV	1.0	1.2	1.2
P/ANAV	1.1	1.5	1.4
P/EbV	1.0	1.4	1.4
Dividend Yield	6.6%	6.4%	5.9%
EPS (adj.)	*0.18*	*0.18*	*0.18*
BVPS	*2.05*	*1.77*	*1.81*
ANAVPS	1.81	1.49	1.53
EbVPS	1.87	1.54	1.58
DPS	0.15	0.14	0.13

Shareholders

Unipol Gruppo Finanziario S.p.A. 73%;



Analyst(s)

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Conference call feedback: no material news emerged

The facts: UnipolSai reported its Q1-18 results on Friday, followed by a conference call.

Our analysis: the conference call set the following most important takeaways:

Non-Life business – the average premium had been pretty stable in Q1-18 while the decrease by c. 3% in claims can explain the improvement in the technical result.The decrease in Non-Auto business premiums (-1.7% Y/Y) was mainly due to the drop in value-contracts, but the decline is likely to be offset in the next quarters of the year. The reserve release was c. EUR 85m (o/w EUR 25m in Auto) in Q1-18 vs EUR 97m in Q1-17 with a positive impact of c. 4.5% on the loss ratio. The consolidation of Linear and Unisalute had a positive impact on UnipolSai' s CoR, considering that Unisalute has a CoR of c. 85% and its premiums growth was c. 5% in Q1-18;

BPER - Mr Cimbri reiterated its opinion on BPER, saying that Unipol can participate to any capital increase aiming at improving bank's profitability;

RE & Other businesses - the negative result in Q1-18 (EUR -45m) was mainly due to a one-off of c. EUR 35m, gross of taxes, and related to "Area Castello" in Florence, RE asset that is likely to be sold soon;

Unipol Banca – the bank had a CET1 stand-alone of 10.5%. Mr Cimbri said again that Unipol Banca could be merged with another bank only if the transaction is profitable;

Insurance JVs: Unipol's stake in Arca Vita (c. 63.4%) will be transferred to UnipolSai, as planned, by H1-18. The transaction ought to have a positive impact, gross of taxes, around EUR 100m on statutory financial statement and c. 11bps on SII ratio;

Unipol: Unipol had c. EUR 1.3bn in cash and cash equivalents at the end of Q1-18. After dividends and the sale of Arca, cash and cash equivalents would have been around EUR 2bn, while NFP c. EUR 600m.

Conclusion & Action*: The business plan target achievement is in progress. We expect a new business plan in H1-19. According to our view, the merger with Unipol is on the cards sooner or later. Neutral reiterated.*

Astaldi

Italy | Materials, Construction & Infrastructure

Analyser *14 May 2018*

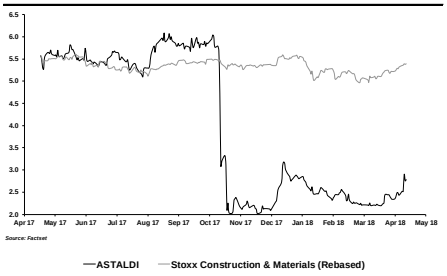
Reduce
Recommendation unchanged

Share price: EUR	**2.78**
closing price as of 11/05/2018	

Upside/Downside Potential	**-100.0%**
Reuters/Bloomberg	AST.MI/AST IM
Market capitalisation (EURm)	**285**
Current N° of shares (m)	102
Free float	**48%**
Daily avg. no. trad. sh. 12 mth	888
Daily avg. trad. vol. 12 mth (m)	2,517.14
Price high/low 12 months	2.02 / 6.09
Abs Perfs 1/3/12 mths (%)	26.34/13.46/-51.95

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	3,061	3,271	3,351
EBITDA (m)	366	360	369
EBITDA margin	*12.0%*	*11.0%*	*11.0%*
EBIT (m)	81	294	302
EBIT margin	*2.7%*	*9.0%*	*9.0%*
Net Profit (adj.)(m)	(96)	92	102
ROCE	-7.8%	-70.4%	-73.6%
Net debt/(cash) (m)	1,160	1,059	921
Net Debt/Equity	*2.0*	*1.6*	*1.2*
Debt/EBITDA	3.2	2.9	2.5
Int. cover(EBITDA/Fin. int)	1.9	2.3	2.5
EV/Sales	0.5	0.4	0.4
EV/EBITDA	3.8	3.8	3.3
EV/EBITDA (adj.)	3.8	3.8	3.3
EV/EBIT	17.0	4.6	4.0
P/E (adj.)	nm	3.1	2.8
P/BV	0.4	0.4	0.4
OpFCF yield	*-85.6%*	*26.8%*	*40.0%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	(0.95)	0.90	0.99
BVPS	5.68	6.33	7.26
DPS	0.00	0.00	0.00

Shareholders
Astaldi family 52%;



Analyst(s)
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Weaker results expected in Q1

The facts: the company's first quarter results will be published between 11 and 15 May. The exact day has not been disclosed yet.

Our analysis: we summarize our preview in the following table:

	Q1 17	Q1 18e	Y/Y
Revenues	651.4	696.2	6.9%
Ebitda	85.0	75.0	-11.8%
margin	13.1%	10.8%	
Ebit	72.8	62.7	-13.9%
margin	11.2%	9.0%	
fin charges	-39.5	-41.5	
PBT	33.2	21.2	-36.3%
Taxes	-8.3	-5.3	
Net income	25.0	15.9	-36.3%
Minorities	0.1	0.2	
Net income	25.1	16.0	-36.1%

Conclusion & Action: *the main issues are clearly the upcoming EUR 300m capital increase and the disposal of the Turkish project "Third Bosphorus Bridge". New details are expected in the next few days.*

Atlantia

Italy | Materials, Construction & Infrastructure

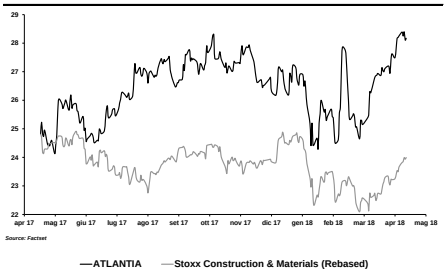
Analyser *14 May 2018*

Accumulate	
Recommendation unchanged	
Share price: EUR	**28.17**
closing price as of 11/05/2018	
Target price: EUR	**31.00**
from Target Price: EUR	*28.50*
Upside/Downside Potential	**10.0%**
Reuters/Bloomberg	ATL.MI/ATL IM
Market capitalisation (EURm)	**23,262**
Current N° of shares (m)	826
Free float	**52%**
Daily avg. no. trad. sh. 12 mth	1,886
Daily avg. trad. vol. 12 mth (m)	39,009.81
Price high/low 12 months	24.13 / 28.40
Abs Perfs 1/3/12 mths (%)	4.88/15.26/16.50

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	5,484	5,978	6,115
EBITDA (m)	3,378	3,654	3,832
EBITDA margin	*61.6%*	*61.1%*	*62.7%*
EBIT (m)	2,315	2,453	2,537
EBIT margin	*42.2%*	*41.0%*	*41.5%*
Net Profit (adj.)(m)	936	976	1,036
ROCE	4.5%	4.9%	5.1%
Net debt/(cash) (m)	11,677	10,588	9,659
Net Debt/Equity	*1.2*	*1.0*	*0.9*
Debt/EBITDA	3.5	2.9	2.5
Int. cover(EBITDA/Fin. int)	6.3	7.2	8.5
EV/Sales	5.9	5.8	5.7
EV/EBITDA	9.5	9.4	9.1
EV/EBITDA (adj.)	9.5	9.4	9.1
EV/EBIT	13.9	14.0	13.8
P/E (adj.)	19.6	22.3	22.5
P/BV	2.5	2.9	3.0
OpFCF yield	*-2.9%*	*9.3%*	*8.5%*
Dividend yield	*3.4%*	*3.8%*	*4.1%*
EPS (adj.)	1.13	1.18	1.25
BVPS	8.76	9.13	9.49
DPS	0.97	1.07	1.14

Shareholders

Sintonia 30%; Investco 8%; Blackrock 5%; Fondazione CRT 5%;



Analyst(s)

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Sound results in Q1

The facts: the company published its Q1 18 results on Friday before market closing.

Our analysis: the company's results showed a sound growth in revenues on the back of higher tariffs and a better traffic; traffic on Italian motorways was up 1.0% y/y in Q1 and 1.8% y/y on Italian airports.

	Q1 17	Q1 18	Y/Y	Q1 18e
Total revenues	1,296	1,336	3.1%	1,322
o/w Italian motor	849	873	2.8%	872
o/w Foreign motor	159	156	-1.9%	156
o/w airports	236	254	7.6%	241
o/w Other	58	60	3.4%	60
EBITDA	785	797	1.5%	803
% revenues	60.6%	59.7%		60.8%
EBIT	494	506	2.4%	511
PBT	371	384	3.5%	383
Net profit	176	217	23.3%	230

The company said it expected earnings growth in full year 2018.

Conclusion & Action: *the results were good and the traffic performance remain sound. After the model roll over and we increased our target price to EUR 31.0/sh. Accumulate confirmed.*

Saint Gobain

France | Materials, Construction & Infrastructure

Analyser *14 May 2018*

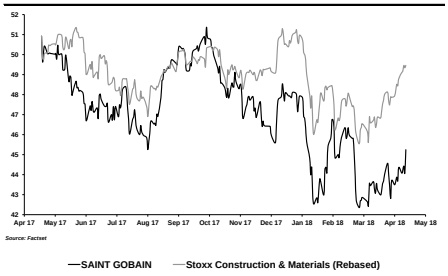
Buy	
Recommendation unchanged	
Share price: EUR	**45.25**
closing price as of 11/05/2018	
Target price: EUR	**53.50**
from Target Price: EUR	*53.60*
Upside/Downside Potential	**18.2%**
Reuters/Bloomberg	SGOB.PA/SGO FP

Market capitalisation (EURm)	**25,046**
Current N° of shares (m)	554
Free float	**84%**
Daily avg. no. trad. sh. 12 mth	1,650
Daily avg. trad. vol. 12 mth (m)	101,482.31
Price high/low 12 months	42.35 / 51.37
Abs Perfs 1/3/12 mths (%)	5.04/6.40/-10.25

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	39,093	40,810	41,994
EBITDA (m)	3,998	4,234	4,486
EBITDA margin	*10.2%*	*10.4%*	*10.7%*
EBIT (m)	2,818	3,028	3,224
EBIT margin	*7.2%*	*7.4%*	*7.7%*
Net Profit (adj.)(m)	1,398	1,631	1,606
ROCE	6.7%	7.4%	7.4%
Net debt/(cash) (m)	5,644	5,955	6,991
Net Debt/Equity	*0.3*	*0.3*	*0.3*
Debt/EBITDA	1.4	1.4	1.6
Int. cover(EBITDA/Fin. int)	7.4	9.5	9.3
EV/Sales	0.9	0.8	0.8
EV/EBITDA	8.3	8.1	7.5
EV/EBITDA (adj.)	8.3	8.1	7.5
EV/EBIT	11.8	11.3	10.5
P/E (adj.)	17.7	15.7	15.6
P/BV	1.3	1.4	1.3
OpFCF yield	*1.9%*	*4.5%*	*4.4%*
Dividend yield	*2.8%*	*2.9%*	*3.1%*
EPS (adj.)	2.50	2.92	2.90
BVPS	33.79	33.36	35.95
DPS	1.26	1.30	1.40

Shareholders

Wendel 3%; Blackrock 6%; Employees 7%; treasury stock 0.40%;



Analyst(s)

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Sika: knock and the door will be opened

The facts: Saint-Gobain announced Friday that an agreement has been reached settling the litigation between Saint-Gobain, SWH (Burkard family) and SIKA AG.

Our analysis: The agreement enables each party to save face. Saint-Gobain is not able to take immediate control of SIKA, but gets the consolation prize (10% stake capped at this level for four years, then at 12.75% for the subsequent two years). In exchange (see our forthcoming report), the group has carried out an excellent transaction. Saint-Gobain generates a capital gain of EUR600m (i.e. EUR1 per share) between the acquisition price of the 16.97% stake (CHF3.22bn), and the sale of 6.97% to SIKA for CHF2,080m, which shows a 45% premium to SIKA's market value.

Conclusion & Action: *We have trimmed our IV to EUR53.5 based on a normalised 2020 EBIT of EUR3.671bn post recurring restructuring charges (vs. EUR3.700bn previously). Our intrinsic value includes the 10% stake in SIKA. At its market value, i.e. EUR1,719m, (CHF2,065m) this shows a latent capital gain of CHF925m (EUR769m and EUR1.4 per share) based on the weighted cost price. Saint-Gobain, whose earnings sequence disappointed between 2012 and 2015, has started a sustained recovery supported by robust demand in US and the pick-up in rehabilitation in France and the return to inflation, which is essential for the Building merchants activity.*

Arnoldo Mondadori Editore

Italy | Media

Analyser *14 May 2018*

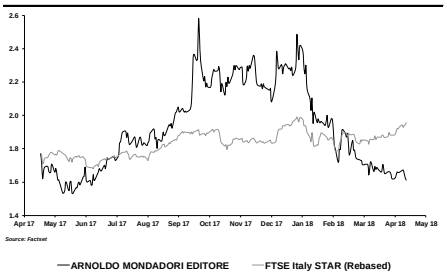
Neutral	
Recommendation unchanged	
Share price: EUR	**1.61**
closing price as of 11/05/2018	
Target price: EUR	**1.60**
from Target Price: EUR	*2.00*
Upside/Downside Potential	**-0.7%**
Reuters/Bloomberg	MOED.MI/MN IM

Market capitalisation (EURm)	**421**
Current N° of shares (m)	261
Free float	**35%**
Daily avg. no. trad. sh. 12 mth	613
Daily avg. trad. vol. 12 mth (m)	505.40
Price high/low 12 months	1.53 / 2.58
Abs Perfs 1/3/12 mths (%)	-3.82/-20.20/-12.30

Key financials (EUR)	**12/16**	**12/17**	**12/18e**
Sales (m)	1,263	1,268	1,228
EBITDA (m)	94	101	88
EBITDA margin	*7.4%*	*8.0%*	*7.2%*
EBIT (m)	60	62	53
EBIT margin	*4.7%*	*4.8%*	*4.3%*
Net Profit (adj.)(m)	26	27	23
ROCE	8.1%	7.8%	7.8%
Net debt/(cash) (m)	264	189	169
Net Debt/Equity	*0.8*	*0.5*	*0.5*
Debt/EBITDA	2.8	1.9	1.9
Int. cover(EBITDA/Fin. int)	5.3	7.2	8.8
EV/Sales	0.5	0.6	0.6
EV/EBITDA	7.0	8.1	7.7
EV/EBITDA (adj.)	6.0	7.7	6.8
EV/EBIT	11.0	13.3	12.7
P/E (adj.)	12.0	20.5	18.6
P/BV	1.1	1.8	1.3
OpFCF yield	*0.8%*	*11.9%*	*9.6%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	0.10	0.10	0.09
BVPS	1.09	1.18	1.27
DPS	0.00	0.00	0.00

Shareholders

Fininvest 53%; Silchester International Investors LLP 12%; Shareholder3 0.00%;



Analyst(s)

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Earnings downgrade

The facts: We are updating our Sales and EBITDA figures (see flash note) of the Italian magazines activities assuming an overall decline of over 10% driven by a circulation decline of 16% and advertising by 6%. This compares with previous decline for those activities of 3% of which circulation -9% and advertising +4% which were supposedly to be helped by the growth of recently acquired online Banzai activities. The estimate assumes a 30% marginal EBITDA or some EUR 9m partly offset by loss making disposals and/or restructuring actions. Other Mondadori's activities estimates have been confirmed but books retail for which we have assumed no EBITDA growth for the current year.

New forecasts have reduced 2018e and 2019e EPS by 13/12% with a small impact also on net debt forecasts due to the lower profitability. We remind to investors that with EUR 140m net debt in 2019e we are still lower the company's business plan guidance, the reason being the historical over-performance of the company on this item. In the table below we have summarised Akros forecasts vs. company's business plan.

	Business plan		Akros		
	2018e	2019E	2017A	2018E	2019E
Revenue (Eurm)	Slight decline	in line with 2108e	1268	1228	1206
EBITDA adj. (EURm)	yoy EBITDA adjusted stable	app. EUR 110m	106	100	103
EBITDA adj. margin	na	na	8.4%	8.2%	8.6%
Net Profit (EURm)	Lower net inc. due to lower pos. non-rec.	above EUR30m	31	23	31
NFP/EBITDA	na	app. 1.3x	1.9x	1.9x	1.4x
Net Debt/(Cash) (EURm)	na	< Eur 150m	189	169	140
Oper. Free Cash Flow* (EURm)	EUR50m Ordinary FC	EUR50m Ordinary FC	70	40	49

Source: Company Data; Banca Akros forecasts; *Before restructuring costs

Q1'18e results should report trends in line with our full revised expectations with solid/stable Books' performance, a material decline in Italian magazines, a decline in the French magazine operations and stable retail business (see flash note). The lower adjusted EBITDA is then offset by lower non-recurring restructuring charges and lower financial costs following the recently negotiated better terms on the debt lines.

Conclusion & Action: *We have now reached the conclusion that a deal in France to combine their magazines assets with those of other players to extract a sizeable amount of synergies is likely not happening. While a way out to the French magazine markets is still possible maybe with an outright disposal, the company is now left with the very solid Italian books operations but also with the French and Italian magazine operating in a structural declining environment. As such, we have revised the estimates on the Italian operations to reflect the current trading environment and updated our SOP (see flash note) which is likely the best tool given the now reduced visibility on the company's free cash flow generation. In our SOP, we have maintained 8x EV/EBITDA for the books divisions while we are now applying 4x EV/EBITDA to the magazines activities from previously 5x. The resulting FV is of EUR 1.6 which replaces our previous price target of EUR 2. NEUTRAL rating confirmed.*

Teleperformance

France | Media

Analyser

14 May 2018

Accumulate

Recommendation unchanged

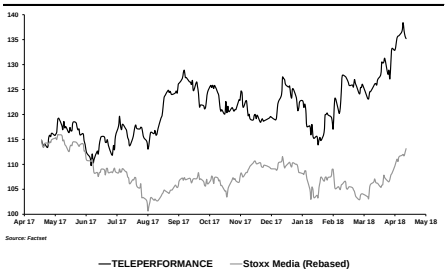
Share price: EUR	**135.20**
closing price as of 11/05/2018	
Target price: EUR	**135.00**
Target Price unchanged	
Upside/Downside Potential	**-0.1%**
Reuters/Bloomberg	ROCH.PA/RCF FP

Market capitalisation (EURm)	**7,742**
Current N° of shares (m)	57
Free float	**98%**
Daily avg. no. trad. sh. 12 mth	128
Daily avg. trad. vol. 12 mth (m)	11,698.21
Price high/low 12 months	109.75 / 138.40
Abs Perfs 1/3/12 mths (%)	7.13/17.36/17.67

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	3,649	4,180	4,297
EBITDA (m)	530	693	723
EBITDA margin	*14.5%*	*16.6%*	*16.8%*
EBIT (m)	339	447	470
EBIT margin	*9.3%*	*10.7%*	*10.9%*
Net Profit (adj.)(m)	255	360	403
ROCE	6.0%	7.8%	8.3%
Net debt/(cash) (m)	1,667	1,442	1,170
Net Debt/Equity	*0.9*	*0.7*	*0.5*
Debt/EBITDA	3.1	2.1	1.6
Int. cover(EBITDA/Fin. int)	13.6	13.3	18.7
EV/Sales	2.0	2.0	2.1
EV/EBITDA	13.5	12.0	12.3
EV/EBITDA (adj.)	12.8	11.6	12.0
EV/EBIT	21.1	18.6	19.0
P/E (adj.)	21.8	19.3	19.5
P/BV	2.9	3.2	3.3
OpFCF yield	*4.6%*	*4.4%*	*4.7%*
Dividend yield	*1.0%*	*1.2%*	*1.4%*
EPS (adj.)	4.38	6.18	6.92
BVPS	33.39	36.85	40.68
DPS	1.29	1.64	1.88

Shareholders

Daniel Julien 1.44%; Treasury Shareholders 0.26%;



Analyst(s)

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An interest in Convergys?

The facts: According to US daily, the Wall Street Journal, Convergys has begun a sales procedure following the departure of its CEO, Andrea Ayers. Sector players and financials are apparently interested. The share price has jumped +12%.

Our analysis: Convergys is one of Teleperformance's main rivals in its contact centre business. The company is listed on the New York stock exchange and is present in 33 countries with over 150 sites. In 2017, it generated revenues of USD2.8bn, EBITDA of USD351m, EBIT of USD246m and adjusted net income of USD187m. It is currently undergoing a tough period with sharp declines in volumes following difficulties with some of its largest clients. It is expecting revenues to fall by over 7% in 2018 at constant exchange rates with EPS down by over 10%. The enterprise value stands at USD2.5bn for a stock market capitalisation of USD2.3bn. At the current share price, the stock is trading at 7.5x 2018 EBITDA and 10.5x EBIT, i.e. a discount of around 40% in relation to Teleperformance that we feel is justified in view of the momentum differential. Financially, this deal would be possible for Teleperformance even if it required a capital increase (payment in shares?). Strategically, this transaction would be more surprising. Teleperformance would definitively strengthen its world No. 1 spot in the sector and become the No. 1 in the US, but we think there is a risk of a loss of value on some clients that the two groups share. Moreover, Teleperformance does not usually acquire troubled companies and wants deals to be EPS accretive immediately.

Conclusion & Action: *In the event of a sales process, Teleperformance, as the leader, has to look at Convergys. However, we think that such a transaction is not necessarily obvious and, at first glance, the Intelenet project (see our last comment) looks a better fit and set to generate more synergies, in our view.*

Neste Corporation

Finland | Oil & Gas Producers

Analyser *14 May 2018*

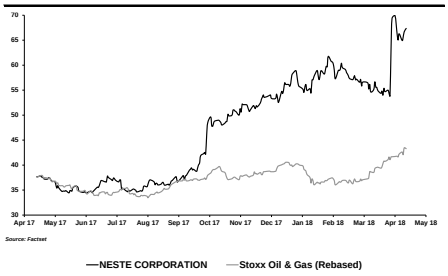
Neutral	
Recommendation unchanged	
Share price: EUR	**67.36**
closing price as of 11/05/2018	
Target price: EUR	**60.00**
Target Price unchanged	
Upside/Downside Potential	**-10.9%**
Reuters/Bloomberg	NESTE.HE/NESTE FH

Market capitalisation (EURm)	**17,238**
Current N° of shares (m)	256
Free float	**50%**
Daily avg. no. trad. sh. 12 mth	568
Daily avg. trad. vol. 12 mth (m)	48,426.06
Price high/low 12 months	34.44 / 69.90
Abs Perfs 1/3/12 mths (%)	21.15/16.62/78.67

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	13,217	13,590	13,777
EBITDA (m)	1,472	1,501	1,479
EBITDA margin	*11.1%*	*11.0%*	*10.7%*
EBIT (m)	1,101	1,224	1,227
EBIT margin	*8.3%*	*9.0%*	*8.9%*
Net Profit (adj.)(m)	848	1,011	1,000
ROCE	17.3%	19.2%	18.6%
Net debt/(cash) (m)	474	(94)	(385)
Net Debt/Equity	*0.1*	*0.0*	*-0.1*
Debt/EBITDA	0.3	-0.1	-0.3
Int. cover(EBITDA/Fin. int)	19.1	33.4	41.1
EV/Sales	1.1	1.3	1.2
EV/EBITDA	9.6	11.4	11.4
EV/EBITDA (adj.)	9.6	11.4	11.4
EV/EBIT	12.8	14.0	13.7
P/E (adj.)	16.1	17.1	17.2
P/BV	3.1	3.5	3.2
OpFCF yield	*3.6%*	*4.7%*	*2.9%*
Dividend yield	*2.5%*	*3.0%*	*3.0%*
EPS (adj.)	3.32	3.95	3.91
BVPS	16.95	19.20	21.11
DPS	1.70	2.00	2.00

Shareholders

Prime Minister´s Office 50%; Ilmarinen Mutual Pension Insurance Company 3%; Varma Mutual Pension Insurance Company 1.20%;



Analyst(s)

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Reuters: Biofuels waivers to be reduced

The facts: On Friday, Reuters reported on changes planned in the US biofuel policy, based on sources briefed on the plans. According to Reuters, the Trump administration is about to formally propose changes and the White House would announce it in the near future. The changes revealed by Reuters are basically in line with the news already reported about various authorities' discussions last week.

Our analysis: The Reuters sources say that key changes will concern the number of biofuels waivers and counting US biofuels exports toward federal usage quota. Scaling back the number of biofuels waivers is related to the Environmental Protection Agency's (EPA) possibility to grant such waivers to refineries producing less than 75,000 barrels per day if complying with the biofuel quotas would cause them disproportionate economic hardship. In the past months, the EPA has provided waivers based on broader grounds and to larger refineries, too. Previous waivers by the EPA have been criticised by corn farmers on account of reducing demand for ethanol.

Another planned change reported by Reuters concerns allowing export volumes to count toward the federal biofuel quota. In practice, it means that the RINs of biofuel exported outside the US could be used in the US to cover a refiner's biofuel obligation. The current practice is that RINs attached to export volumes are invalidated. If the export volumes practice changes, we predict it would increase the offer of RINs in the ethanol category, in particular.

Conclusion & Action: *Neste sells gasoline to the US market but the company does not produce ethanol. We believe that biofuel RINs (D6 RIN) linked to the blending and sales of ethanol cannot be used to cover the volume requirement of biomass-based diesel (D4 RIN). Slightly less than a third of Neste's Renewable products sales in 2017 were targeted at the North American market, and we believe that RINs that are linked to the sales volumes in the US are almost entirely D4 RINs. In our view, a considerable share of Neste's sales in North America concerns California where state legislation on biofuel is stricter compared with US federal legislation and where, according to our estimate, Neste's relative market position is clearly stronger than in the US on average.*

Luxottica

Italy | Personal Goods

Analyser

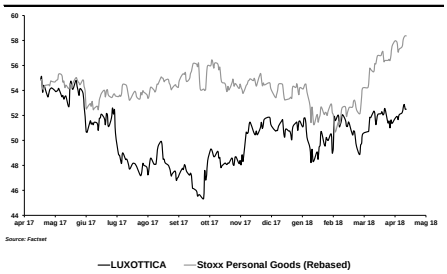
14 May 2018

Accumulate	
Recommendation unchanged	
Share price: EUR	**52.50**
closing price as of 11/05/2018	
Target price: EUR	**53.30**
Target Price unchanged	
Upside/Downside Potential	**1.5%**
Reuters/Bloomberg	LUX.MI/LUX IM
Market capitalisation (EURm)	**25,404**
Current N° of shares (m)	484
Free float	**24%**
Daily avg. no. trad. sh. 12 mth	509
Daily avg. trad. vol. 12 mth (m)	18,640.09
Price high/low 12 months	45.35 / 55.10
Abs Perfs 1/3/12 mths (%)	2.42/8.49/-2.87

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Sales (m)	9,086	9,157	9,238
EBITDA (m)	1,858	1,942	2,002
EBITDA margin	*20.5%*	*21.2%*	*21.7%*
EBIT (m)	1,345	1,425	1,481
EBIT margin	*14.8%*	*15.6%*	*16.0%*
Net Profit (adj.)(m)	861	992	959
ROCE	11.7%	12.1%	17.8%
Net debt/(cash) (m)	1,177	847	340
Net Debt/Equity	*0.2*	*0.1*	*0.0*
Debt/EBITDA	0.6	0.4	0.2
Int. cover(EBITDA/Fin. int)	110.9	27.7	26.7
EV/Sales	2.9	2.8	2.8
EV/EBITDA	14.1	13.3	13.0
EV/EBITDA (adj.)	14.1	13.3	13.0
EV/EBIT	19.5	18.2	17.6
P/E (adj.)	nm	24.9	26.4
P/BV	4.3	3.9	3.7
OpFCF yield	*2.5%*	*2.8%*	*3.9%*
Dividend yield	*1.8%*	*1.9%*	*2.1%*
EPS (adj.)	(21.63)	2.05	1.99
BVPS	11.94	13.22	14.20
DPS	0.92	1.00	1.10

Shareholders

Del Vecchio 66%; Giorgio Armani 5%;



Analyst(s)

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SGH increases its distribution in the US

The facts: In Friday's May 11th press release, Luxottica said they had signed an agreement with Bass Pro Outdoor World L.L.C, an American company active in the outdoor segment.

Our analysis: According to the agreement, Luxottica will open Sunglass Hut retail stores in approximately 160 Bass Pro Shops and Cabela's stores in the US. SGH will be exclusive seller of sunglasses in Bass Pro and Cabela's locations and e-commerce platform. The first shop in shop will be opened in May 2018 (full roll-out by Q3 18).

Bass Pro and Cabela's shops have approx. 200m annual customers . Expected sales from the agreement are around USD 100m per year one the stores are running.

We also learn from the press that Luxottica hasn't renewed its membership in Confindustria, Italy's main industrial lobby. We remind readers that the deal with Essilor is expected to be finalized by H1 18.

Conclusion & Action: *Positive news-flow.*

Hispania Activos Inmobiliarios

Spain | Real Estate

Analyser

14 May 2018

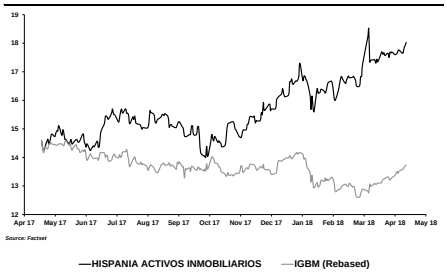
Sell	
Recommendation unchanged	
Share price: EUR	**18.03**
closing price as of 11/05/2018	
Target price: EUR	**17.92**
Target Price unchanged	
Upside/Downside Potential	**-0.6%**
Reuters/Bloomberg	HIS.MC/HIS SM

Market capitalisation (EURm)	**1,968**
Current N° of shares (m)	109
Free float	**70%**
Daily avg. no. trad. sh. 12 mth	313
Daily avg. trad. vol. 12 mth (m)	3,359.24
Price high/low 12 months	14.00 / 18.50
Abs Perfs 1/3/12 mths (%)	4.22/15.50/23.96

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Gross Rental Income (m)	143	159	171
EBITDA (m)	91	104	127
EBITDA margin	*63.5%*	*65.3%*	*74.7%*
Portfolio Result (m)	295	256	156
Net Financial Result	*(21)*	*(21)*	*(29)*
Net Profit (adj.)(m)	54	73	92
Funds From Operations	56	75	90
EPS (adj.)	0.56	0.67	0.84
DPS	*0.41*	*0.87*	*0.75*
IFRS NAVPS	14.29	15.84	17.26
EPRA NAVPS	13.72	15.95	16.90
Premium/(Discount)	(21.7%)	(0.9%)	4.5%
LTV	17.5%	21.1%	29.2%
Earnings adj. yield	*3.1%*	*3.7%*	*4.7%*
Dividend yield	*2.3%*	*4.8%*	*4.2%*
EV/EBITDA	*18.6*	*21.6*	*22.3*
P/E (adj.)	*19.9*	*23.5*	*21.4*
Int. cover(EBITDA/Fin.int)	*4.4*	*5.0*	*4.4*
Net debt/(cash) (m)	*352*	*526*	*875*
Net Debt/Total Assets	*14.8%*	*18.2%*	*25.8%*

Shareholders

Soros 17%; Canepa 6%; FMR 7%;



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1Q18 results. Growth continues

The facts: Hispania released 1Q18 results this morning.

Our analysis: Sales (EUR41m) increase 9.3%, 4% LFL (5.9% 2017). Hotels 5% LFL (6.3% 2017); offices 9.8% (6.7%). **Net profit** reached EUR2.7m (-83%) and **recurrent** (ex performance fee) EUR23m, increasing 37%.

Hotels continue to perform very positively. In fixed and variable rents **RevPar** increases 9% (9% 2017) and 10% in Canary Islands. Fixed rents increases 4% (9% 2017) and hotels under management 3%.

NAV EUR15.83/share vs. 15.93 at Dec'17.

	1T17	**1T18**	**%**
Hotels	31.2	34.8	11.7%
Offices	5.3	5.8	9.4%
Residential	1.5	0.9	-40.8%
SALES	**38.0**	**41.5**	**9.3%**
	1T17	**1T18**	**%**
Hotels	26.2	30.7	17.2%
Offices	4.3	5.2	19.6%
Residential	1.0	0.3	-68.2%
NOI	**31.5**	**36.2**	**14.9%**
ACCOUNT	**1T17**	**1T18**	**%**
Costs	-6.3	-7.4	16.2%
EBITDA	**25.1**	**28.8**	**14.6%**
Financial result	-4.5	-10.7	138.1%
Other	-0.2	-14.9	6279.4%
Taxes	0.0	0.0	0.0%
Minoritaries	-3.7	-0.5	-
Net Income	**16.7**	**2.7**	**-83.7%**

Source: Hispania

Conclusion: *Good results. Good operating trend stands out.*

lar España

Spain | Real Estate

Analyser *14 May 2018*

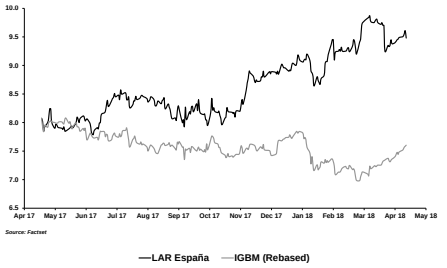
Buy	
Recommendation unchanged	
Share price: EUR	**9.48**
closing price as of 11/05/2018	
Target price: EUR	**9.97**
Target Price unchanged	
Upside/Downside Potential	**5.2%**
Reuters/Bloomberg	LAREF.PK/LRE SM

Market capitalisation (EURm)	**886**
Current N° of shares (m)	93
Free float	**56%**
Daily avg. no. trad. sh. 12 mth	185
Daily avg. trad. vol. 12 mth (m)	1,141.67
Price high/low 12 months	7.79 / 9.87
Abs Perfs 1/3/12 mths (%)	-3.27/9.72/17.91

Key financials (EUR)	**12/16**	**12/17e**	**12/18e**
Gross Rental Income (m)	62	79	85
EBITDA (m)	18	41	52
EBITDA margin	*27.8%*	*52.6%*	*61.8%*
Portfolio Result (m)	88	92	
Net Financial Result	*(14)*	*(13)*	*(17)*
Net Profit (adj.)(m)	4	29	36
Funds From Operations	27	37	37
EPS (adj.)	0.05	0.31	0.38
DPS	*0.33*	*0.50*	*1.11*
IFRS NAVPS	8.97	9.75	10.29
EPRA NAVPS	9.20	9.97	10.51
Premium/(Discount)	(21.6%)	(8.9%)	(7.9%)
LTV	32.9%	36.0%	39.3%
Earnings adj. yield	*0.5%*	*3.3%*	*4.1%*
Dividend yield	*3.5%*	*5.3%*	*11.7%*
EV/EBITDA	*58.4*	*32.8*	*29.4*
P/E (adj.)	*nm*	*28.3*	*24.6*
Int. cover(EBITDA/Fin.int)	*1.3*	*3.6*	*3.2*
Net debt/(cash) (m)	*420*	*535*	*657*
Net Debt/Total Assets	*32.0%*	*35.1%*	*38.4%*
Occupancy Rate	*83.0%*	*82.3%*	*79.8%*

Shareholders

Franklin Templeton 15%; Pimco 20%; Brandes 5%; Grupo Lar 6%;



Analyst(s)

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Good 1Q18 results

The facts: LAR's retail activity continues to grow at a good rhythm, occupancy in projects improves and NAV increases 1% not including the dividend (vs. -2%). Asset rotation takes at an attractive return, as do new investments. The next milestone is the sale of logistic assets.

Our analysis: Sales increase 8% (EUR20m), EBITDA 27% (8% in recurrent terms) and deferred performance fee (EUR17m) is offset by the revaluation of assets (EUR21m). **Net profit** increased strongly despite the higher financial costs. The **FFO pre-performance fee** reached EUR12m (+11%) and recurrent drops 12% due to higher financial costs.

Occupancy reached 93.7% (95.1% in 2017). In retail, occupancy reached 94.3% (93.4% Dec'17), in offices 64.9% (21% M. Espinola) and logistics 100% occupied.

Within the **retail activity** gross rentals increase 2.4%, renewed rentals 9%, NOI +5% LFL (4.7% in 2017), with LFL occupancy increasing 1.9% (3.1% in 2017) and incentives dropping 6%. Sales in shopping centres increase 3.9% (3.3% Dec'17; 1.9% sector) and footfall rises 1.7% (2.7% Dec'17; 0.1% sector). The rotation rate of tenancies is 5%.

LTV 33% and financial cost 2.2%. Of the **projects** we highlight the 80% presales in Lagasca, 98% of Vida Nova's Surface already rented and in 3Q18 construction should be completed. In Palmas Altas 63% is pre-rented and is expected to open in 1Q19. A quarterly valuation of projects is expected. At 1Q18 NAV increases by 2%.

	1T17	**1T18**	**%**
Shopping Centres	15.5	18.1	17.0%
Offices	1.7	0.6	-66.1%
Logistics	1.4	1.4	-1.8%
SALES	**18.6**	**20.1**	**8.1%**
EBITDA	**12.1**	**15.4**	**27.3%**
Performance fee		-17.9	-
EBITDA	**12.1**	**-2.5**	**-120.7%**
Revaluation		21.4	-
Operating Result	**12.1**	**18.9**	**56.2%**
Financial result	-1.3	-3.4	161.5%
Other	-0.3	-0.2	-
Net Income	**10.5**	**15.3**	**45.7%**

Source: Lar España

Conclusion: *We maintain our positive outlook in a stock that also has an attractive dividend policy.*

Exprivia

Italy | Software & Computer Services

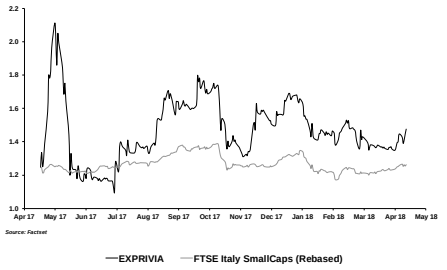
Analyser *14 May 2018*

Accumulate	
Recommendation unchanged	
Share price: EUR	**1.48**
closing price as of 11/05/2018	
Target price: EUR	**1.80**
Target Price unchanged	
Upside/Downside Potential	**22.0%**
Reuters/Bloomberg	XPR.MI/XPR IM
Market capitalisation (EURm)	**77**
Current N° of shares (m)	52
Free float	**47%**
Daily avg. no. trad. sh. 12 mth	606
Daily avg. trad. vol. 12 mth (m)	835.78
Price high/low 12 months	1.10 / 2.11
Abs Perfs 1/3/12 mths (%)	8.21/3.94/18.84

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	161	165	171
EBITDA (m)	12	18	19
EBITDA margin	*7.5%*	*11.2%*	*11.4%*
EBIT (m)	7	13	14
EBIT margin	*4.0%*	*7.7%*	*8.0%*
Net Profit (adj.)(m)	(0)	6	7
ROCE	3.6%	6.7%	11.5%
Net debt/(cash) (m)	34	34	27
Net Debt/Equity	*0.4*	*0.4*	*0.3*
Debt/EBITDA	2.8	1.9	1.4
Int. cover(EBITDA/Fin. int)	3.1	10.2	12.9
EV/Sales	0.8	0.8	0.7
EV/EBITDA	10.6	6.9	6.1
EV/EBITDA (adj.)	10.6	6.9	6.1
EV/EBIT	19.8	10.1	8.6
P/E (adj.)	nm	12.8	11.1
P/BV	1.0	0.9	0.9
OpFCF yield	*4.8%*	*-0.4%*	*11.2%*
Dividend yield	*0.0%*	*nm*	*2.0%*
EPS (adj.)	(0.00)	0.12	0.13
BVPS	1.46	1.57	1.68
DPS	0.00	0.00	0.03

Shareholders

Abaco Spa 47%; Own Shares 7%;



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Q1 2018 Pre: ITALTEL enters the consolidation perimeter

The facts: Q1 2018 preview (publication on May 14).

Our analysis: Q1 2018 will see the full entry of Italtel into Exprivia's consolidation perimeter (line by line in the P&L), as the deal was finalized in the last days of 2017 and was already included in the December 31 balance sheet (total debt EUR 223m including EUR 164m NFP of Italtel and EUR 25m cash outlay for the acquisition). We don't have comparable figures for Italtel on a quarterly basis in 2017; in the full year the company generated EUR 430m revenues, EUR 20m adjusted EBITDA (before EUR 5.2m exceptional costs) and EUR 10.5m net loss. We would expect mid-single digit revenue growth in FY 2018 thanks to the step-up in the business from Open Fiber, only partially offset by a reduction in investments by TIM. We note that OF recently awarded Italtel a multi-year contract worth EUR 200m (vs. EUR 23m revenues generated last year).

On an underlying basis, we expect XPR to post a mid-single-digit revenue growth taking into account the exit speed of Q4 last year against the tough comp base of Q1 2017 (BPO contracts at full steam). Given the NWC seasonality, we expect net debt only slightly improving Q/Q.

Exprivia: Q1 2018 Preview (EUR m)

	Q1 2017a	Q1 2018			
	XPR	**XPR**	***Y/Y***	**ITALTEL**	**Group**
Sales Revenues	35.9	37.3	*4.0%*	100	137
Total Turnover	36.8	38.1	*3.6%*	100	138
EBITDA adj	3.03	3.2	*4.9%*	4.0	7.2
margin	8.2%	8.4%	*0.1%*	4.0%	5.2%
EBITDA	3.03	3.2	*4.9%*	5.0	8.2
EBIT	1.87	1.8	*-2.1%*	0.5	2.3
Margin	5.1%	4.8%	*-0.3%*	0.5%	1.7%
EBT	1.55	nm	*nm*	na	na
Net Income	0.89	nm	*nm*	na	na
Net Debt (Cash)	42.0	57.0	*35.7%*	162	219

Source: Company data, BANCA AKROS estimates

Outlook: We note that the business plan originally included a 5% organic growth in the years 2017 and 2018, accelerating to +10% in 2019/2020. We still have to include the contribution of Italtel in our estimates, pending the first official disclosure with Q1 and the presentation of an integrated business plan.

Conclusion & Action: *We have a positive view on the stock, based on the undemanding stand-alone market ratio, the good underlying economic performance and the expected value creation from the Italtel deal.*

Rovio Entertainment

Finland | Software & Computer Services

Analyser *14 May 2018*

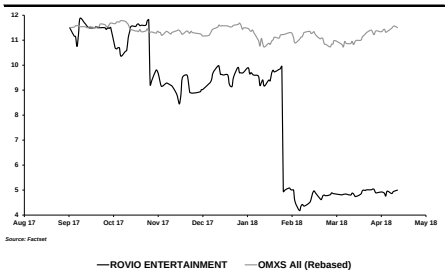
Buy	
Recommendation unchanged	
Share price: EUR	**5.00**
closing price as of 11/05/2018	
Target price: EUR	**8.00**
from Target Price: EUR	*9.00*
Upside/Downside Potential	**60.0%**
Reuters/Bloomberg	ROVIO.HE/ROVIO FH

Market capitalisation (EURm)	**390**
Current N° of shares (m)	78
Free float	**100%**
Daily avg. no. trad. sh. 12 mth	606
Daily avg. trad. vol. 12 mth (m)	479.42
Abs Perfs 1/3/12 mths (%)	3.07/-45.44/

Key financials (EUR)	**12/17**	**12/18e**	**01/19e**
Sales (m)	297	295	331
EBITDA (m)	60	49	73
EBITDA margin	*20.3%*	*16.6%*	*22.0%*
EBIT (m)	31	28	55
EBIT margin	*10.6%*	*9.6%*	*16.8%*
Net Profit (adj.)(m)	26	23	46
ROCE	54.4%	61.6%	-40.2%
Net debt/(cash) (m)	(93)	(117)	(160)
Net Debt/Equity	*-0.7*	*-0.8*	*-0.8*
Debt/EBITDA	-1.5	-2.4	-2.2
Int. cover(EBITDA/Fin. int)	high	high	high
EV/Sales	2.1	0.9	0.7
EV/EBITDA	10.1	5.5	3.1
EV/EBITDA (adj.)	10.1	5.5	3.1
EV/EBIT	19.4	9.5	4.1
P/E (adj.)	27.5	16.7	8.5
P/BV	5.1	2.5	2.0
OpFCF yield	*5.6%*	*8.2%*	*12.4%*
Dividend yield	*1.8%*	*1.8%*	*3.5%*
EPS (adj.)	0.33	0.30	0.59
BVPS	1.77	1.98	2.47
DPS	0.09	0.09	0.18

Shareholders

Trema International holdings B.V. 0.41%; Silavano Investments S.Á.R.L. 0.03%; Varma Mutual Pension Insurance Company 0.03%;



Analyst(s)

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Q1pre: Eyes on ARPPU trend and user acquisition costs

The facts: Rovio reports its Q1 figures on Thursday, 17 May, at 7.30 am CET. The company estimates its full-year sales in 2018 to total EUR 260–300m and the EBIT margin to be 9–11% (2017: 10.6%). The company expects user acquisition costs in 2018 to account for 30% of the sales of the Games business and anticipates sales of the Brand Licensing business to decrease by 40% in 2018. In addition, Rovio has announced it will invest EUR 10–15m in Hatch Entertainment Oy which develops a platform for streaming games.

Rovio

	Q1 2018e		Q1 2017a	2018e		
EURm	**OP**	**Cons.**		**OP**	**Cons.**	**Diff.**
Sales						
Games	62.6		56.6	260		
Brand licensing	6.5		9.7	26		
Other	0.0		0.0	0.0		
Sales	**69.1**	**67.3**	**66.3**	**286**	**279**	**2%**
EBIT						
Games	8.0		8.6	33.0		
Brand licensing	0.2		-0.9	1.4		
Other	-2.8		-2.4	-10.1		
EBIT	**5.4**	**6.4**	**5.3**	**24.3**	**27.1**	**-10%**
EBIT margin	**7.8 %**	**9.5 %**	**8.0 %**	**8.5 %**	**9.7 %**	
EPS	**0.05**	**0.08**	**0.05**	**0.51**	**0.25**	**104%**
DPS				**0.07**	**0.09**	**-21%**

Source: OP and Factset

Our analysis: In terms of Rovio's outlook, the Games business plays a key role. In 2019, we expect the Angry Birds 2 movie to have a positive impact on the Brand Licensing business and to reduce the user acquisition (UA) costs of the Games business. In our forecasts for 2018, the UA costs are in line with Rovio's guidance and distribution channel costs (Apple and Google) represent 30% of the Games business sales. Other costs are relatively fixed. In consequence, timing of UA costs may result in significant quarterly EBIT variation. We expect the UA costs to go up from Q4 but to remain below the level of Q3 2017.

In Rovio's Games business, the reduction in the number of active users has been offset by the rise in the average revenue per paying user (ARPPU). Rovio has continued its active updates in TOP 5 games, releasing approximately 4 updates during Q1 (Q4: 3.6 updates). Updates introduce new features in games, and we believe this will spur ARPPU in Q1. We forecast the Q1 ARPPU in TOP 5 games to be EUR 36.20 (Q4: EUR 35.60). We anticipate the number of paying users in Q1 to be flat on Q4 (447,000). In our opinion, the popular hit game Fortnite is not directly competing with Rovio's main game genre or user base.

Conclusion & Action: *Our forecasts go down due to rising UA costs and falling Brand Licensing revenue. Our target price is based on the average price indications of the peer group's 2018–2019 EV/EBITDA and P/E multiples. In the Games business, quarterly variation can be great and visibility into the business in the short term is challenging. Due to downgraded forecasts, our target price falls to EUR 8.00 (prev. EUR 9.00). We reiterate our Buy recommendation.*

ENAV

Italy | Support Services

Analyser

14 May 2018

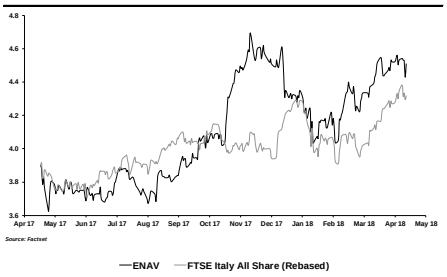
Accumulate
Recommendation unchanged

Share price: EUR	**4.51**
closing price as of 11/05/2018	
Target price: EUR	**4.80**
Target Price unchanged	
Upside/Downside Potential	**6.4%**
Reuters/Bloomberg	ENAV.MI/ENAV IM
Market capitalisation (EURm)	**2,443**
Current N° of shares (m)	542
Free float	**47%**
Daily avg. no. trad. sh. 12 mth	762
Daily avg. trad. vol. 12 mth (m)	3,293.62
Price high/low 12 months	3.63 / 4.70
Abs Perfs 1/3/12 mths (%)	1.39/11.58/16.96

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	882	892	894
EBITDA (m)	284	290	293
EBITDA margin	*32.2%*	*32.5%*	*32.7%*
EBIT (m)	147	158	159
EBIT margin	*16.6%*	*17.7%*	*17.8%*
Net Profit (adj.)(m)	101	110	111
ROCE	8.4%	9.1%	9.1%
Net debt/(cash) (m)	117	108	116
Net Debt/Equity	*0.1*	*0.1*	*0.1*
Debt/EBITDA	0.4	0.4	0.4
Int. cover(EBITDA/Fin. int)	96.8	107.5	117.1
EV/Sales	2.9	2.9	2.9
EV/EBITDA	9.0	8.8	8.7
EV/EBITDA (adj.)	9.0	8.8	8.7
EV/EBIT	17.5	16.1	16.1
P/E (adj.)	24.1	22.3	22.1
P/BV	2.2	2.2	2.1
OpFCF yield	*4.0%*	*4.7%*	*4.1%*
Dividend yield	*4.1%*	*4.3%*	*4.5%*
EPS (adj.)	0.19	0.20	0.20
BVPS	2.08	2.09	2.10
DPS	0.19	0.19	0.20

Shareholders

Mef 53%;



Analyst(s)

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Steady results expected in Q1

The facts: Enav is due to publish its first quarter results on May 14th

Our analysis: we summarize our preview in the following table:

	Q1 17	Q1 18e	Y/Y
Total revenues	176.4	176.2	-0.1%
EBITDA	28.7	28.8	0.2%
margin	16.3%	16.3%	
EBIT	-2.9	-3.4	nm
margin	-1.7%	-1.9%	
PBT	-3.1	-4.6	nm
Net Profit	-4.2	-5.1	nm

We expect steady results both in terms of revenues and margins. The increase in service units recorded in Q1 18, up 7.6% y/y, was offset by a much more unfavourable "balance", we expect a negative balance of EUR 4m vs. a positive one of EUR 6.3m in Q1 17.

Conclusion & Action: *we expect the first quarter results to show the company's resilience. Recommendation and target confirmed.*

Fiera Milano

Italy | Support Services

Analyser

14 May 2018

Accumulate

Recommendation unchanged

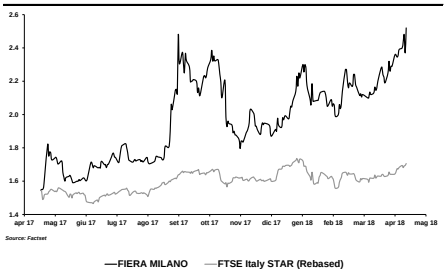
Share price: EUR	**2.52**
closing price as of 11/05/2018	
Target price: EUR	**2.80**
from Target Price: EUR	*2.70*
Upside/Downside Potential	**11.1%**
Reuters/Bloomberg	FIMI.MI/FM IM

Market capitalisation (EURm)	**185**
Current N° of shares (m)	73
Free float	**25%**
Daily avg. no. trad. sh. 12 mth	157
Daily avg. trad. vol. 12 mth (m)	1,916.35
Price high/low 12 months	1.53 / 2.52
Abs Perfs 1/3/12 mths (%)	17.48/21.15/65.68

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	271	262	285
EBITDA (m)	15	17	24
EBITDA margin	*5.6%*	*6.4%*	*8.5%*
EBIT (m)	5	8	17
EBIT margin	*2.0%*	*3.2%*	*5.9%*
Net Profit (adj.)(m)	2	5	11
ROCE	3.9%	7.3%	14.0%
Net debt/(cash) (m)	1	13	1
Net Debt/Equity	*0.0*	*0.2*	*0.0*
Debt/EBITDA	0.1	0.8	0.0
Int. cover(EBITDA/Fin. int)	19.5	high	high
EV/Sales	0.4	0.6	0.6
EV/EBITDA	7.1	10.1	6.5
EV/EBITDA (adj.)	7.1	10.1	6.5
EV/EBIT	19.9	20.2	9.5
P/E (adj.)	nm	33.8	16.9
P/BV	2.2	2.7	2.3
OpFCF yield	*25.7%*	*-6.8%*	*6.7%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	0.02	0.07	0.15
BVPS	0.85	0.93	1.08
DPS	0.00	0.00	0.00

Shareholders

Ente Autonomo Fiera 62%; Camera di Commercio, Industria, Artigianato e Agricoltura di Milano 7%; Others 6%;



Analyst(s)

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Good Q1 18 results

The facts: the company unveiled its Q1 18 results on Friday before market closing.

Our analysis: the company's results were good and better than expected:

	Q1 17	Q1 18	Y/Y	Q1 18e
Revenues	65.4	77.3	18.1%	78.9
EBITDA	8.8	19.7	123.4%	17.1
margin	13.5%	25.5%		21.6%
EBIT	6.4	18.2	185.6%	14.9
margin	9.7%	23.6%		18.9%
PBT	6.2	18.1	193.1%	14.8

The company said that following the good performance of the exhibitions in the first quarter, 2018 EBITDA is now expected to be in the upper part of the previously stated range of EUR 15m-17m. In this respect it is our understanding, also after the company's conference call, that this target is conservative and could be improves once the visibility on the full year results increases.

Conclusion & Action: *the company's results were good and better than expected; the company improved its guidance. We increased our target price to EUR 2.8/sh and confirm our accumulate recommendation.*

Besi

Netherlands | Technology Hardware & Equipment

Analyser *14 May 2018*

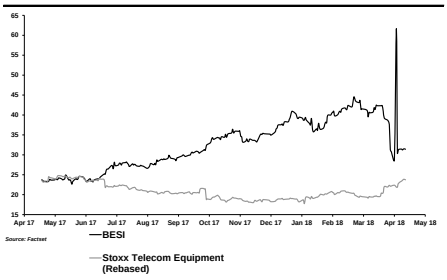
Accumulate	
Recommendation unchanged	
Share price: EUR	**31.40**
closing price as of 11/05/2018	
Target price: EUR	**38.50**
Target Price unchanged	
Upside/Downside Potential	**22.6%**
Reuters/Bloomberg	BESI.AS/BESI NA

Market capitalisation (EURm)	**2,356**
Current N° of shares (m)	75
Free float	**73%**
Daily avg. no. trad. sh. 12 mth	466
Daily avg. trad. vol. 12 mth (m)	12,716.60
Price high/low 12 months	22.63 / 61.65
Abs Perfs 1/3/12 mths (%)	-24.11/-12.17/32.98

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	593	676	676
EBITDA (m)	233	271	268
EBITDA margin	*39.3%*	*40.1%*	*39.6%*
EBIT (m)	209	246	245
EBIT margin	*35.3%*	*36.4%*	*36.3%*
Net Profit (adj.)(m)	173	210	209
ROCE	76.0%	87.9%	92.6%
Net debt/(cash) (m)	(248)	(281)	(292)
Net Debt/Equity	*-0.6*	*-0.6*	*-0.6*
Debt/EBITDA	-1.1	-1.0	-1.1
EV/Sales	4.0	3.1	3.1
EV/EBITDA	10.1	7.7	7.8
EV/EBITDA (adj.)	10.1	7.7	7.8
EV/EBIT	11.3	8.4	8.5
P/E (adj.)	16.5	11.7	11.8
P/BV	6.6	5.2	5.2
OpFCF yield	*6.0%*	*8.8%*	*9.3%*
Dividend yield	*7.4%*	*8.9%*	*8.8%*
EPS (adj.)	2.12	2.69	2.67
BVPS	5.32	6.04	6.00
DPS	2.32	2.79	2.77

Shareholders

Goldman Sachs 3%; Darlin 5%; Via Finis 3%; Kempen Oranje Participaties 5%; JP Morgan 5%; UBS 3%; LSV 3%;



Analyst(s)

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Reporting troubles at KNS, but outlook stays strong

The facts: Besi's competitor Kulicke & Soffa (KNS) only reported preliminary 2Q fiscal 2018 revenues last week, as at the end of the fiscal quarter, it discovered "certain unauthorized transactions by a senior finance employee of. KNS" and has undertaken an investigation of these transactions with the assistance of outside advisors.

Our analysis: The unauthorized transactions, involved "certain warranty accruals in prior periods that have been accounted for incorrectly and therefore misstated". KNS's board has therefore determined that the Company's previously issued consolidated financial statements for the full fiscal year ended September 30, 2017 can no longer be relied upon.

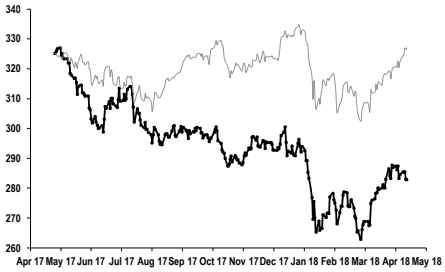
Although no material effects are expected, this is a material set back and the share price shed 7.5% last Friday, which seems very moderate. The preliminary numbers that were reported: revenues of USD 222m and net income of USD 36m were better than expected and also the outlook for fiscal Q3 of revenues of USD 255-270m was better than consensus.

While in the press release phrasing on the prospects was positive, in the earnings call (without Q&A) CEO Mr. Fusen Chen said it is expecting "another very strong revenue year" which confirms the picture that Besi painted as well. Gross margins are expected to be ~45% in the coming quarters (in line with expectations). Overall IC unit growth, drives this growth with especially LED (on which the call was particularly vocal), automotive and memory (14% of revs) and advanced packaging providing extra confidence. Given the remarks in the earnings call, we expect that KNS is making larger inroads into LED, a market that we expect is dominated by ASMPT and in which Besi does not have much presence.

Conclusion & Action: *Although KNS's results are only preliminary, the remarks in the earnings call and the outlook in the press release confirm the strong market picture that Besi painted as well. We believe these should moderate the doubts that were raised by the lowered VLSI market growth expectation reported in Besi's press release. We have an Accumulate rating on Besi and a Price target of EUR 38.50.*

Analyser

14 May 2018



— *Stoxx Telecommunications,*
___ *DJ Stoxx TMI rebased on sector*

Analyst(s)
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Wind Tre Q1 2018: another weak quarter pending Iliad's entry

The facts: Wind Tre published its Q1 2018 results.

Our analysis: the performance of Wind Tre in Q1 2018 was again weak, as the service revenue trend remained in the -7% range while EBITDA decline (at constant accounting principle) deteriorated by 2pp Q/Q in spite of increasing synergies from the merger (EUR 204m Opex to date, including EU 37m in Q1 2018 and EUR 270m annual run rate vs. a target of EUR 490m by 2020, along with EUR 210m in capex).

The mobile customer base decreased by further 0.3m in Q1 (-0.3m in Q4, -1.7m in the LTM) to 29.2m and ARPU was down by 2% Y/Y to EUR 10.8. Wind continues to stress the "highly competitive market", the reduction in legacy SMS services and the impact of new "roam like at home" regulation. Mobile internet was just flattish Y/Y as data ARPU increased by below 1% in spite of consumption up by 51% (4.4GB/month) but the data users were slightly down Y/Y. In fixed, revenues were basically stable thanks to growth in CPE, while services declined as the company focussed on direct connections and ARPU was down by 3.9% Y/Y (to EUR 27). Broadband customers were up by around 30K in Q1 (-12K in Q4 2017) and 20% is now on FttX (70% of new fixed customers on fiber).

Wind Tre FY 2017 results (EUR m)

	Q4 2016	Q 4 2017	Y/Y	Q1 2017	Q1 2018	Y/Y
Total revenues	**1,749**	**1,556**	***-11.0%***	**1,548**	**1,410**	***-8.9%***
Total Service	1,382	1,287	*-6.9%*	1,313	1,220	*-7.1%*
Other	367	269	*-26.7%*	235	190	*-19.1%*
Total Mobile	1,440	1,248	*-13.3%*	1,253	1,115	*-11.0%*
ow mobile svcs	1,103	1,014	*-8.1%*	1,043	961	*-7.9%*
Total Fixed	309	307	*-0.6%*	295	294	*-0.3%*
ow fixed svcs	279	273	*-2.2%*	270	259	*-4.1%*
Opex	-1,138	-964	*-15.3%*	-1,031	-920	*-10.8%*
EBITDA	**611**	**592**	***-3.1%***	**517**	**490**	***-5.2%***
Margin	34.9%	38.0%	*3.1%*	33.4%	34.8%	*1.4%*
Capex	-1,172	-1,257	*7.3%*	-240	-205	*-14.6%*
EBITDA-Capex	-561	-665	*18.5%*	277	285	*2.9%*

Source: Company data,

Outlook. Wind Tre provided a strategy update and its approach to face the new entrant in the Italian market. Iliad will likely determine a decline of mobile revenues in the next few years (-2.3% CAGR in 2017/19) and the management admits the impact on its customer base will be higher than on competitors'. The focus will be in any case on value rather than volumes. The fight plan is based on the pillars of a) fixed-mobile convergent offers, b) a strong handset range and c) a "dense distribution footprint". Wind Tre will also step-up investments in 2018, up to EUR 1.5bn (+20%) to improve coverage. Total investments will in any case decline going forward to around EUR 1bn in 2021 (EUR 6bn cumulated 2017/21). In this scenario, EBITDA should be protected by efficiency actions and the full materialization of the EUR 700m annual synergies coming from the Wind Tre integration.

Conclusion & Action: *the results and the messages from the conference call are consistent with the view of a very competitive market pending the entry of Iliad, Wind is focussing on value, margins and cash flow.*

Masmovil

Spain | Telecommunications

Analyser *14 May 2018*

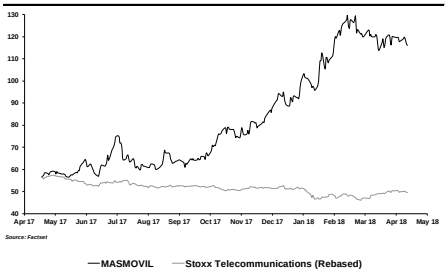
Accumulate	
Recommendation unchanged	
Share price: EUR	**116.00**
closing price as of 11/05/2018	
Target price: EUR	**90.00**
Target Price unchanged	
Upside/Downside Potential	**-22.4%**
Reuters/Bloomberg	MAS.MC/MAS SM

Market capitalisation (EURm)	**2,663**
Current N° of shares (m)	23
Free float	**41%**
Daily avg. no. trad. sh. 12 mth	58
Daily avg. trad. vol. 12 mth (m)	7,219.83
Price high/low 12 months	51.89 / 129.60
Abs Perfs 1/3/12 mths (%)	-3.33/21.09/136.73

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	1,351	1,405	1,603
EBITDA (m)	213	261	318
EBITDA margin	*15.7%*	*18.6%*	*19.8%*
EBIT (m)	92	138	183
EBIT margin	*6.8%*	*9.8%*	*11.4%*
Net Profit (adj.)(m)	97	91	132
ROCE	9.8%	11.4%	15.5%
Net debt/(cash) (m)	519	394	133
Net Debt/Equity	*1.7*	*0.9*	*0.2*
Debt/EBITDA	2.4	1.5	0.4
Int. cover(EBITDA/Fin. int)	0.9	13.2	23.6
EV/Sales	1.5	2.0	1.9
EV/EBITDA	9.4	10.6	9.7
EV/EBITDA (adj.)	8.5	10.6	9.7
EV/EBIT	21.6	20.2	16.8
P/E (adj.)	15.9	27.3	22.4
P/BV	5.1	5.4	4.2
OpFCF yield	*-0.5%*	*2.3%*	*4.7%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	5.52	4.26	5.18
BVPS	17.32	21.40	27.50
DPS	0.00	0.00	0.00

Shareholders

Providence 18%; Onchena 17%; Wilmington 10%;



Analyst(s)

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Not a strategic investment for ACS

The facts: ACS released 1Q18 results last week. During the CC the company shed more light regarding its position in Masmovil. MAS will release results this morning.

Our analysis: According to ACS, **MAS is among the short term divestments.** We recall that ACS has a bond that following the earn-out (linked to Yoigo's results), changed from hybrid to a traditional convertible bond of EUR120-80m at EUR41.67/sh (4.8m shares and until 30th June 2021 can be converted with cash interests.

Thanks to the MAS' revaluation (+445.9% in three years; +136.7% in 12m and 32% YTD) ACS updated the book value of the convertible with a substantially positive impact. In fact, just in 1Q18 the BV increased from EUR436m to EUR571m. If the bond is converted ahead of the deadline ACS would become the second main shareholder, behind Providence with around 14% stake if we consider the conversion of the rest of the bonds (Providence, incentive plan for management).

The case of **Providence (EUR165m, conversion price EUR22/sh, between 23 December 2018 until 2024)** differs from ACS'. Providence placed its stake (holds 76%) in January 2018. The operation placed 2.8m shares directed to qualified investors (vs. 2.2m initially considered), i.e. 14% capital (EUR245m). This move took place at an average EUR87.75/share (vs. EUR116/share current trading price) at a 5% discount vs. the previous closing price. In light of the strong demand (>50 institutional investors) during the survey period, Providence decided to place more shares. Following the operation, **Providence is still the main shareholder with 27% stake (including convertibles), thus is not obliged to launch a takeover bid if bonds are converted.** In our opinion this is the main reason behind the place as well as the earnings achieved thanks to MAS' trading performance.

However, according John Hahn, Senior Managing Director of Providence: "*the partial sale today is due to the Company's extraordinary performance last year and the rise in the share price.* ***We remain committed with the Company and its management team, and believe Masmovil will continue to generate substantial value"***. On the other hand, the attractive interest rate of the convertible bond (6.35%, EUR10.5m annual interest with potential share exchange at EUR22/sh) as well as MAS' successful commercial offer and healthy financial situation with deep-in-the-money convertible bonds, thus possible conversions may not take place in the short term. Therefore, we believe **Providence has the vocation to stay in the short/medium term.**

Conclusion: *The statements made by ACS are not surprising as MAS does not form part of the company's core activity. Our* ***post-money fair value is currently under revision. We include Providence and ACS' converting bonds in 2019 and 2021, respectively.***

Acciona

Spain | Utilities

Analyser

14 May 2018

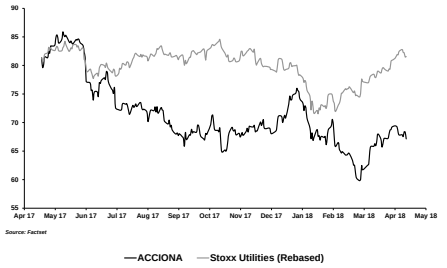
Buy	
Recommendation unchanged	
Share price: EUR	**67.14**
closing price as of 11/05/2018	
Target price: EUR	**86.40**
Target Price unchanged	
Upside/Downside Potential	**28.7%**
Reuters/Bloomberg	ANA.MC/ANA SM

Market capitalisation (EURm)	**3,844**
Current N° of shares (m)	57
Free float	**46%**
Daily avg. no. trad. sh. 12 mth	168
Daily avg. trad. vol. 12 mth (m)	16,721.60
Price high/low 12 months	59.82 / 85.87
Abs Perfs 1/3/12 mths (%)	1.82/-0.42/-14.69

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	7,254	6,738	7,070
EBITDA (m)	1,274	1,186	1,286
EBITDA margin	*17.6%*	*17.6%*	*18.2%*
EBIT (m)	720	575	644
EBIT margin	*9.9%*	*8.5%*	*9.1%*
Net Profit (adj.)(m)	233	222	243
ROCE	6.4%	5.5%	6.0%
Net debt/(cash) (m)	5,224	5,030	5,282
Net Debt/Equity	*1.3*	*1.2*	*1.3*
Debt/EBITDA	4.1	4.2	4.1
Int. cover(EBITDA/Fin. int)	3.9	3.8	3.7
EV/Sales	1.1	1.2	1.2
EV/EBITDA	6.2	6.8	6.5
EV/EBITDA (adj.)	6.2	6.8	6.5
EV/EBIT	11.0	14.0	12.9
P/E (adj.)	16.7	17.3	15.8
P/BV	1.0	1.1	1.1
OpFCF yield	*9.1%*	*8.4%*	*17.6%*
Dividend yield	*4.5%*	*4.6%*	*4.7%*
EPS (adj.)	4.07	3.88	4.24
BVPS	65.67	60.18	61.89
DPS	3.00	3.09	3.18

Shareholders

Familia Entrecanales 54%;



Analyst(s)

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Good 1Q18 results

The facts: Results leaning on higher volumes in energy and better margins in construction. The negative surprise comes from the contract in Sydney where Acciona is claiming AUD700m due to differences regarding the reach of the contract. Acciona maintains its target including working capital (EUR200-250m vs. estimated EUR291m).

✓ **Our analysis: Generation:** Sales +8% and EBITDA +7.3% (2.5% 2017) due to the higher production (15%; Spain: 14%; International 16%), lower prices (-6%; Spain -4% and -8% international), and stable margins (62.3% vs. 62.6% 1Q17). 235MW installed during the last year (+3%); 589MW under construction. **EBITDA ex-energy** increases 7% (EUR100m) mainly due to construction where margins improve (6.2% vs. 5.4% 1Q17), but not in the portfolio (-1% vs. Dec'17).

Other activities: Moderate growth in Bestinver (+5% EBITDA) with flat Assets under management (EUR6,071m vs. EUR6,058m). Transmediterranea still included in results awaiting the approval of the sale. Real estate (EUR-3m) pending new housing developments.

Debt: EUR5,374m, growing 2% vs. Dec'17 (EUR5,224m). Negative impact from working capital (EUR291m) in line with our full year forecasts. New syndicated loan for EUR1,300m at 5 years and 1.56% fixed cost. Debt at set rates represents 60% of the total.

Asset sales: The sale of the Transmed deal is expected in 1H18 and thermosolar was completed yesterday. **Working capital:** EUR-291m with EUR-74m impact proceeding from the contract in Sydney. The EUR200-250m target for 2018 remains (vs. EUR291m estimated) although subject to the payment calendar of the mentioned contract. The reason for the dispute is the reach of the contract. **Targets:** EBITDA growth average digit vs. our estimated +6%. Capex EUR900m (vs. EUR1.1bn). ND/EBITDA ratio around 4x (4.2x estimated).

SALES	**1T17**	**1T18**	**%**
Infraestructuras	1,066.0	1,063.0	-0.3%
Energy	463.0	519.0	12.1%
Other	128.0	130.0	1.6%
Adjustments	-24.0	-32.0	33.3%
TOTAL	**1,634.0**	**1,680.0**	**2.8%**
EBITDA	**1T17**	**1T18**	**%**
Infraestructuras	86.0	90.0	4.7%
Energy	208.0	220.0	5.8%
Other	7.0	11.0	57.1%
Adjustments	-1.0	-1.0	0.0%
TOTAL	**301.0**	**320.0**	**6.3%**
RESULTS ACCOUNT	**1T17**	**1T18**	**%**
Amortisations/Prov	-156.0	-157.0	0.6%
Operating Result	**146.0**	**164.0**	**12.3%**
Financial result	-81.0	-61.0	-24.7%
Other	33.0	0.0	-100.0%
Taxes/Minorities	-38.0	-42.0	10.5%
Net Income	**60.0**	**61.0**	**1.7%**

Source: Acciona

***Conclusion**: We maintain our estimates and positive outlook.*

EDP

Portugal | Utilities

Analyser

14 May 2018

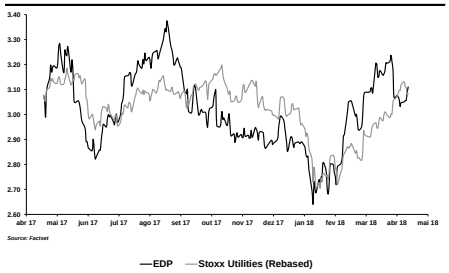
Accumulate	
Recommendation unchanged	
Share price: EUR	**3.11**
closing price as of 11/05/2018	
Target price: EUR	**3.15**
Target Price unchanged	
Upside/Downside Potential	**1.3%**
Reuters/Bloomberg	EDP.LS/EDP PL

Market capitalisation (EURm)	**11,372**
Current N° of shares (m)	3,657
Free float	**44%**
Daily avg. no. trad. sh. 12 mth	6,740
Daily avg. trad. vol. 12 mth (m)	29,027.61
Price high/low 12 months	2.64 / 3.37
Abs Perfs 1/3/12 mths (%)	-1.24/15.74/-4.78

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	14,741	14,815	14,889
EBITDA (m)	4,109	3,472	3,594
EBITDA margin	*27.9%*	*23.4%*	*24.1%*
EBIT (m)	2,706	2,048	2,145
EBIT margin	*18.4%*	*13.8%*	*14.4%*
Net Profit (adj.)(m)	1,343	791	863
ROCE	6.4%	4.8%	5.0%
Net debt/(cash) (m)	14,165	14,142	14,064
Net Debt/Equity	*1.0*	*1.0*	*1.0*
Debt/EBITDA	3.4	4.1	3.9
Int. cover(EBITDA/Fin. int)	5.3	5.7	5.9
EV/Sales	1.8	1.8	1.8
EV/EBITDA	6.3	7.7	7.4
EV/EBITDA (adj.)	6.3	7.7	7.4
EV/EBIT	9.6	13.1	12.4
P/E (adj.)	7.9	14.4	13.2
P/BV	1.0	1.1	1.1
OpFCF yield	*19.7%*	*9.5%*	*10.1%*
Dividend yield	*6.1%*	*6.1%*	*6.1%*
EPS (adj.)	0.37	0.22	0.24
BVPS	2.75	2.78	2.82
DPS	0.19	0.19	0.19

Shareholders

China Three Gorges 23%; CNIC Co 3%; Capital Group Companies 12%; Oppidum 7%; BlackRock 5%; Mubadala (Abu Dhabi) 4%; BCP Group 2%; Qatar Investment 2%;



Analyst(s)

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CTG launches a voluntary take-over bid on EDP

The facts: CTG as announced on Friday a voluntary take-over bid on EDP's share capital. The offering price is EUR 3.26 per share to be paid in cash.

Our analysis: Currently CTG holds, 850,777,024 shares in EDP's share capital representing 23.27% of the share capital.

The effectiveness of the Offer will be subject to the fulfilment that represent at least 50% (fifty per cent) of the voting rights in the Target Company plus 1 (one) voting right.

The offering price represents a premium of approximately 10.8% in relation to the volume-weighted average price of the shares of the last six months, which is approximately EUR 2.94 per share.

The offering price represents a premium of 3.4% in relation to Friday's closing price.

Conclusion & Action: *In our opinion the price offered is too low for the offer to have success.*

EDP Renováveis

Portugal | Utilities

Analyser

14 May 2018

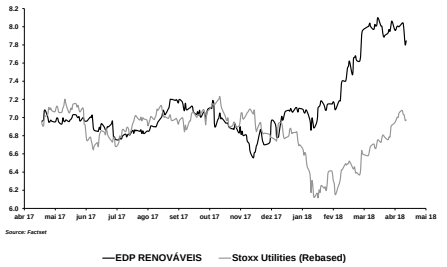
Neutral	
Recommendation unchanged	
Share price: EUR	**7.85**
closing price as of 11/05/2018	
Target price: EUR	**7.10**
Target Price unchanged	
Upside/Downside Potential	**-9.5%**
Reuters/Bloomberg	EDPR.LS/EDPR PL

Market capitalisation (EURm)	**6,843**
Current N° of shares (m)	872
Free float	**14%**
Daily avg. no. trad. sh. 12 mth	257
Daily avg. trad. vol. 12 mth (m)	1,576.19
Price high/low 12 months	6.56 / 8.10
Abs Perfs 1/3/12 mths (%)	-2.00/13.94/11.83

Key financials (EUR)	12/17	12/18e	12/19e
Sales (m)	1,866	1,887	2,021
EBITDA (m)	1,341	1,355	1,452
EBITDA margin	*71.9%*	*71.8%*	*71.9%*
EBIT (m)	829	818	890
EBIT margin	*44.4%*	*43.3%*	*44.0%*
Net Profit (adj.)(m)	247	236	291
ROCE	4.6%	4.4%	4.8%
Net debt/(cash) (m)	3,541	3,550	3,426
Net Debt/Equity	*0.5*	*0.4*	*0.4*
Debt/EBITDA	2.6	2.6	2.4
Int. cover(EBITDA/Fin. int)	4.5	4.5	4.8
EV/Sales	5.7	6.1	5.6
EV/EBITDA	8.0	8.5	7.8
EV/EBITDA (adj.)	8.0	8.5	7.8
EV/EBIT	12.9	14.0	12.8
P/E (adj.)	24.6	29.1	23.5
P/BV	1.0	1.1	1.0
OpFCF yield	*-3.3%*	*2.6%*	*4.8%*
Dividend yield	*0.6%*	*0.8%*	*0.9%*
EPS (adj.)	0.28	0.27	0.33
BVPS	7.25	7.46	7.73
DPS	0.05	0.06	0.07

Shareholders

EDP 83%; Sun Life Financial 3%;



Analyst(s)

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CTG launches mandatory take-over bid

The facts: CTG launched a mandatory take-over bid over EDPR's shares. The offer price is EUR 7.3 to be paid in cash.

Our analysis: CTG launched a mandatory take-over bid over EDPR's shares. The offer price is EUR 7.3 to be paid in cash.

Conclusion & Action: *The offer price is below the market price, so the success of the offer is very low.*

European Coverage of the Members of ESN

Aerospace & Defense	Mem(*)
Airbus Se	CIC
Dassault Aviation	CIC
Latecoere	CIC
Leonardo	BAK
Lisi	CIC
Mtu Aero Engines	EQB
Ohb Se	EQB
Rheinmetall	EQB
Safran	CIC
Thales	CIC
Alternative Energy	**Mem(*)**
Daldrup & Soehne	EQB
Siemens Gamesa Re	GVC
Sif Group	NIBC
Solaria	GVC
Automobiles & Parts	**Mem(*)**
Bittium Corporation	OPG
Bmw	EQB
Brembo	BAK
Continental	EQB
Daimler Ag	EQB
Elringklinger	EQB
Ferrari	BAK
Fiat Chrysler Automobiles	BAK
Hella Gmbh & Co. Kgaa	EQB
Indelb	BAK
Kamux	OPG
Landi Renzo	BAK
Leoni	EQB
Nokian Tyres	OPG
Norma Group	EQB
Piaggio	BAK
Pwo	EQB
Schaeffler	EQB
Sogefi	BAK
Stabilus	EQB
Stern Groep	NIBC
Volkswagen	EQB
Banks	**Mem(*)**
Aareal Bank	EQB
Aktia	OPG
Alpha Bank	IBG
Banca Carige	BAK
Banca Mps	BAK
Banco Sabadell	GVC
Banco Santander	GVC
Bankia	GVC
Bankinter	GVC
Bbva	GVC
Bcp	CBI
Bper	BAK
Bpi	CBI
Caixabank	GVC
Commerzbank	EQB
Credem	BAK
Credit Agricole Sa	CIC
Creval	BAK
Deutsche Bank	EQB
Deutsche Pfandbriefbank	EQB
Eurobank	IBG
Intesa Sanpaolo	BAK
Liberbank	GVC
Mediobanca	BAK
Merkur Bank	EQB
National Bank Of Greece	IBG
Natixis	CIC
Nordea	OPG
Piraeus Bank	IBG
Poste Italiane	BAK
Procredit Holding	EQB
Rothschild & Co	CIC
Societe Generale	CIC
Ubi Banca	BAK
Unicredit	BAK
Basic Resources	**Mem(*)**
Acerinox	GVC
Altri	CBI
Arcelormittal	GVC
Corticeira Amorim	CBI
Ence	GVC
Europac	GVC
Metka	IBG
Metsä Board	OPG
Mytilineos	IBG
Outokumpu	OPG
Ramada	CBI
Semapa	CBI
Ssab	OPG
Stora Enso	OPG
Surteco	EQB
The Navigator Company	CBI
Tubacex	GVC
Upm-Kymmene	OPG
Chemicals	**Mem(*)**
Air Liquide	CIC
Arkema	CIC
Avantium	NIBC
Brenntag	EQB
Fuchs Petrolub	EQB
Holland Colours	NIBC
Imcd	NIBC
Kemira	OPG
Kws Saat	EQB
Lanxess	EQB
Linde	EQB
Siegfried Holding Ag	EQB
Symrise Ag	EQB
Tikkurila	OPG
Electronic & Electrical Equipment	**Mem(*)**
Euromicron Ag	EQB
Neways Electronics	NIBC
Pkc Group	OPG
Rexel	CIC
Vaisala	OPG
Viscom	EQB
Financial Services	**Mem(*)**
Amundi	CIC
Anima	BAK
Athex Group	IBG
Azimut	BAK
Banca Farmafactoring	BAK
Banca Generali	BAK
Banca Ifis	BAK
Banca Sistema	BAK
Bb Biotech	EQB
Bolsas Y Mercados Espanoles Sa	GVC
Capman	OPG
Cir	BAK
Comdirect	EQB
Corestate Capital Holding S.A.	EQB
Corp. Financiera Alba	GVC
Digital Magics	BAK
Dobank	BAK
Dws	EQB
Eq	OPG
Eurazeo	CIC
Eyemaxx Real Estate	EQB
Ferratum	EQB
Ffp	CIC
Finecobank	BAK
Grenke	EQB
Hypoport Ag	EQB
Mlp	EQB
Ovb Holding Ag	EQB
Patrizia	EQB
Rallye	CIC
Tip Tamburi Investment Partners	BAK
Unipol Gruppo Finanziario	BAK
Wendel	CIC
Food & Beverage	**Mem(*)**
Acomo	NIBC
Atria	OPG
Campari	BAK
Coca Cola Hbc Ag	IBG
Corbion	NIBC
Danone	CIC
Ebro Foods	GVC
Enervit	BAK
Fleury Michon	CIC
Forfarmers	NIBC
Heineken	NIBC
Hkscan	OPG
La Doria	BAK
Lanson-Bcc	CIC
Laurent Perrier	CIC
Ldc	CIC
Lucas Bols	NIBC
Massimo Zanetti	BAK
Naturex	CIC
Olvi	OPG
Orsero	BAK
Pernod Ricard	CIC
Raisio	OPG
Refresco Group	NIBC
Remy Cointreau	CIC
Suedzucker	EQB
Takeaway.Com	NIBC
Telepizza	GVC
Vapiano	EQB
Vidrala	GVC
Vilmorin	CIC
Viscofan	GVC
Vranken Pommery Monopole	CIC
Wessanen	NIBC
Food & Drug Retailers	**Mem(*)**
Ahold Delhaize	NIBC
Carrefour	CIC
Casino Guichard-Perrachon	CIC
Ceconomy Ag	EQB
Dia	GVC
Jeronimo Martins	CBI
Kesko	OPG
Marr	BAK
Metro Ag	EQB
Sligro	NIBC
Sonae	CBI

General Industrials	Mem(*)
2G Energy	EQB
Aalberts	NIBC
Accell Group	NIBC
Ahlstrom	OPG
Arcadis	NIBC
Aspo	OPG
Cembre	BAK
Huhtamäki	OPG
Kendrion	NIBC
Nedap	NIBC
Pöyry	OPG
Prelios	BAK
Saf-Holland	EQB
Serge Ferrari Group	CIC
Tkh Group	NIBC

General Retailers	Mem(*)
Beter Bed Holding	NIBC
Elumeo Se	EQB
Fielmann	EQB
Fnac Darty	CIC
Folli Follie Group	IBG
Fourlis Holdings	IBG
Grandvision	NIBC
Hornbach Holding	EQB
Inditex	GVC
Jumbo	IBG
Ovs	BAK
Rapala	OPG
Stockmann	OPG
Takkt Ag	EQB
Tokmanni	OPG
Unieuro	BAK
Windeln.De	EQB
Yoox Net-A-Porter	BAK
Zalando	EQB

Healthcare	Mem(*)
4Sc	EQB
Abivax	NIBC
Advicenne	NIBC
Amplifon	BAK
Bayer	EQB
Biotest	EQB
Diasorin	BAK
El.En.	BAK
Epigenomics Ag	EQB
Genfit	CIC
Gerresheimer Ag	EQB
Guerbet	CIC
Heidelberg Pharma	EQB
Korian	CIC
Merck	EQB
Oriola-Kd	OPG
Orion	OPG
Orpea	CIC
Pihlajalinna	OPG
Recordati	BAK
Silmaasema	OPG
Terveystalo	OPG

Household Goods	Mem(*)
De Longhi	BAK
Elica	BAK
Fila	BAK
Maisons Du Monde	CIC
Philips Lighting	NIBC

Industrial Engineering	Mem(*)
Accsys Technologies	NIBC
Aixtron	EQB
Alstom	CIC
Ansaldo Sts	BAK
Biesse	BAK
Caf	GVC
Cargotec Corp	OPG
Carraro	BAK
Cnh Industrial	BAK
Danieli	BAK
Datalogic	BAK
Deutz Ag	EQB
Duerr	EQB
Emak	BAK
Envipco	NIBC
Exel Composites	OPG
Fincantieri	BAK
Gea Group	EQB
Gesco	EQB
Heidelberger Druck	EQB
Ima	BAK
Indus Holding Ag	EQB
Interpump	BAK
Koenig & Bauer	EQB
Kone	OPG
Konecranes	OPG
Krones Ag	EQB
Manitou	CIC
Manz Ag	EQB
Max Automation Ag	EQB
Metso Corporation	OPG
Outotec	OPG
Pfeiffer Vacuum	EQB
Ponsse	OPG
Prima Industrie	BAK
Prysmian	BAK
Schaltbau Holding Ag	EQB
Smt Scharf Ag	EQB
Talgo	GVC
Technotrans	EQB
Valmet	OPG
Wacker Neuson Se	EQB
Wärtsilä	OPG
Zardoya Otis	GVC

Industrial Transportation	Mem(*)
Bollore	CIC
Ctt	CBI
Logwin	EQB

Insurance	Mem(*)
Allianz	EQB
Axa	CIC
Banca Mediolanum	BAK
Cattolica Assicurazioni	BAK
Generali	BAK
Hannover Re	EQB
Mapfre Sa	GVC
Munich Re	EQB
Sampo	OPG
Talanx Group	EQB
Unipolsai	BAK

Materials, Construction & Infrastructure	Mem(*)
Abertis	GVC
Acs	GVC
Aena	GVC
Aeroports De Paris	CIC
Astaldi	BAK
Atlantia	BAK
Boskalis Westminster	NIBC
Buzzi Unicem	BAK
Caverion	OPG
Cramo	OPG
Eiffage	CIC
Ellaktor	IBG
Eltel	OPG
Ezentis	GVC
Fcc	GVC
Ferrovial	GVC
Heidelberg Cement Ag	CIC
Heijmans	NIBC
Imerys	CIC
Lafargeholcim	CIC
Lehto	OPG
Lemminkäinen	OPG
Maire Tecnimont	BAK
Mota Engil	CBI
Obrascon Huarte Lain	GVC
Ramirent	OPG
Royal Bam Group	NIBC
Sacyr	GVC
Saint Gobain	CIC
Salini Impregilo	BAK
Sias	BAK
Sonae Industria	CBI
Srv	OPG
Tarkett	CIC
Thermador Groupe	CIC
Titan Cement	IBG
Trevi	BAK
Uponor	OPG
Vicat	CIC
Vinci	CIC
Volkerwessels	NIBC
Yit	OPG

Media	Mem(*)
Alma Media	OPG
Arnoldo Mondadori Editore	BAK
Atresmedia	GVC
Axel Springer	EQB
Brill	NIBC
Cairo Communication	BAK
Cofina	CBI
Cts Eventim	EQB
Digital Bros	BAK
Gedi Gruppo Editoriale	BAK
Gl Events	CIC
Impresa	CBI
Iol	BAK
Ipsos	CIC
Jcdecaux	CIC
Lagardere	CIC
M6-Metropole Television	CIC
Mediaset	BAK
Mediaset Espana	GVC
Notorious Pictures	BAK
Nrj Group	CIC
Publicis	CIC
Rcs Mediagroup	BAK
Relx	NIBC
Rtl Group	EQB
Sanoma	OPG
Solocal Group	CIC
Spir Communication	CIC
Syzygy Ag	EQB
Teleperformance	CIC
Tf1	CIC
Ubisoft	CIC
Vivendi	CIC
Wolters Kluwer	NIBC
Xing Ag	EQB

Oil & Gas Producers	Mem(*)
Eni	BAK
Galp Energia	CBI
Gas Plus	BAK
Hellenic Petroleum	IBG
Maurel Et Prom	CIC
Motor Oil	IBG
Neste Corporation	OPG
Qgep	CBI
Repsol	GVC
Total	CIC
Oil Services	**Mem(*)**
Bourbon	CIC
Cgg	CIC
Fugro	NIBC
Rubis	CIC
Saipem	BAK
Sbm Offshore	NIBC
Technipfmc Plc	CIC
Tecnicas Reunidas	GVC
Tenaris	BAK
Vallourec	CIC
Vopak	NIBC
Personal Goods	**Mem(*)**
Adidas	EQB
Adler Modemaerkte	EQB
Amer Sports	OPG
Basicnet	BAK
Cie Fin. Richemont	CIC
Geox	BAK
Gerry Weber	EQB
Hermes Intl.	CIC
Hugo Boss	EQB
Kering	CIC
Luxottica	BAK
Lvmh	CIC
Marimekko	OPG
Moncler	BAK
Puma	EQB
Safilo	BAK
Salvatore Ferragamo	BAK
Sarantis	IBG
Swatch Group	CIC
Technogym	BAK
Tod'S	BAK
Real Estate	**Mem(*)**
Adler Real Estate	EQB
Beni Stabili	BAK
Citycon	OPG
Demire	EQB
Deutsche Euroshop	EQB
Grivalia	IBG
Hispania Activos Inmobiliarios	GVC
Igd	BAK
Lar España	GVC
Merlin Properties	GVC
Realia	GVC
Technopolis	OPG
Wcm Ag	EQB
Software & Computer Services	**Mem(*)**
Affecto	OPG
Akka Technologies	CIC
Alten	CIC
Altran	CIC
Assystem	CIC
Atos	CIC
Axway Software	CIC
Basware	OPG
Comptel	OPG
Ctac	NIBC
Digia Plc	OPG
Econocom	CIC
Esi Group	CIC
Exprivia	BAK
F-Secure	OPG
Gft Technologies	EQB
Ict Group	NIBC
Indra Sistemas	GVC
Nemetschek Se	EQB
Neurones	CIC
Nexus Ag	EQB
Novabase	CBI
Ordina	NIBC
Psi Software Ag	EQB
Reply	BAK
Rib Software	EQB
Rovio Entertainment	OPG
Scout24	EQB
Seven Principles Ag	EQB
Sii	CIC
Software Ag	EQB
Sopra Steria Group	CIC
Tieto	OPG
Tomtom	NIBC
Support Services	**Mem(*)**
Amadeus	GVC
Asiakastieto Group	OPG
Batenburg	NIBC
Cellnex Telecom	GVC
Dpa	NIBC
Ei Towers	BAK
Enav	BAK
Fiera Milano	BAK
Inwit	BAK
Lassila & Tikanoja	OPG
Openjobmetis	BAK
Rai Way	BAK
Technology Hardware & Equipment	**Mem(*)**
Asm International	NIBC
Asml	NIBC
Besi	NIBC
Ericsson	OPG
Gigaset	EQB
Nokia	OPG
Roodmicrotec	NIBC
S&T Ag	EQB
Slm Solutions	EQB
Stmicroelectronics	BAK
Suess Microtec	EQB
Teleste	OPG
Va-Q-Tec	EQB
Telecommunications	**Mem(*)**
1&1Drillisch Ag	EQB
Acotel	BAK
Bouygues	CIC
Deutsche Telekom	EQB
Dna	OPG
Elisa	OPG
Euskaltel	GVC
Freenet	EQB
Iliad	CIC
Kpn Telecom	NIBC
Masmovil	GVC
Nos	CBI
Orange	CIC
Ote	IBG
Retelit	BAK
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Telecom Italia	BAK
Telefonica	GVC
Telefonica Deutschland	EQB
Telia	OPG
Tiscali	BAK
United Internet	EQB
Vodafone	BAK
Travel & Leisure	**Mem(*)**
Accor	CIC
Aegean Airlines	IBG
Air France Klm	CIC
Autogrill	BAK
Beneteau	CIC
Compagnie Des Alpes	CIC
Elior	CIC
Europcar	CIC
Finnair	OPG
Gamenet	BAK
I Grandi Viaggi	BAK
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Int. Airlines Group	GVC
Intralot	IBG
Kotipizza	OPG
Melia Hotels International	GVC
Nh Hotel Group	GVC
Opap	IBG
Snaitech	BAK
Snowworld	NIBC
Sodexo	CIC
Sonae Capital	CBI
Trigano	CIC
Utilities	**Mem(*)**
Acciona	GVC
Acea	BAK
Albioma	CIC
Direct Energie	CIC
Edp	CBI
Edp Renováveis	CBI
Enagas	GVC
Endesa	GVC
Enel	BAK
Erg	BAK
Eydap	IBG
Falck Renewables	BAK
Fortum	OPG
Gas Natural Fenosa	GVC
Hera	BAK
Iberdrola	GVC
Iren	BAK
Italgas	BAK
Public Power Corp	IBG
Red Electrica De Espana	GVC
Ren	CBI
Snam	BAK
Terna	BAK

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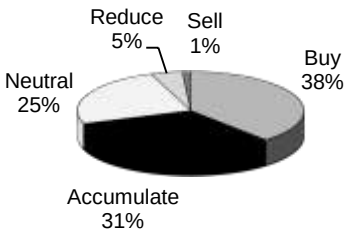

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