



## CEWE Stiftung &amp; Co. KGaA

Neutral → | Target 84.00 EUR

Price (23/03/2017) : 76.40 EUR | Upside : 10 %

Est.chg	2017e	2018e
EPS	-0.8%	-0.4%

Very strong performance in 2016, but uncertainty from VAT impact remains a drawback

Publication date 24.03.2017 17:33

Writing date 24.03.2017 17:22



Capital			
CWC GY   CWC G.DE			
Market Cap (EURm)			546
Enterprise value (EURm)			467
Extrema 12 months	53.88	-	90.55
Free Float (%)			70.5
Performance (%)			
	1m	3m	12m
Absolute	-1.7	-8.6	39.2
Perf. rel. Country Index	-2.9	-12.8	25.5
Perf. rel. Property, holding	-1.6	-14.2	26.7
P&L			
	12/16	12/17e	12/18e
Sales (EURm)	593	609	630
EBITDA (EURm)	97.2	87.5	91.6
Current EBIT (EURm)	53.9	52.7	56.4
Attr. net profit (EURm)	30.4	33.6	36.3
Adjusted EPS (EUR)	4.73	4.94	5.32
Dividend (EUR)	1.80	1.85	1.90
P/E (x)	14.2	15.5	14.4
P/B (x)	2.3	2.4	2.2
Dividend Yield (%)	2.7	2.4	2.5
FCF yield (%)	11.1	3.7	6.6
EV/Sales (x)	0.73	0.80	0.74
EV/EBITDA (x)	4.4	5.6	5.1
EV/Current EBIT (x)	8.0	9.3	8.3
Gearing (%)	-24	-25	-32
Net Debt/EBITDA(x)	ns	ns	ns

Next Events	
11.05.2017	Q1 Results
31.05.2017	Annual General meeting
10.08.2017	Q2 Results
10.11.2017	Q3 Results

## Final 2016 figures match preliminaries; all 2016 targets achieved

CEWE's final 2016 figures were exactly in line with the preliminary figures reported in late February (prelims: sales: € 593.1m; EBIT: € 47.0m – see our 27 Feb. update).

**Adjusted EBIT** of € 53.9m (2015: € 42.5m) was well above our estimate (€ 45.6m), as the company has now extended the range of adjustments, in particular to include goodwill amortisation (€ 6.9m) and amortisations associated with purchase price allocations (€ 2.6m).

**Net income**, at € 30.4m, was significantly below our estimate (€ 34.3m) due to 1) a higher than expected tax burden, and 2) the reclassification of non-controlling interests as liabilities in the balance sheet, which resulted in the elimination of losses attributable to minority interests in the P&L.

The proposed **DPS** of € 1.80 is significantly above our estimate (€ 1.70). **Free cash flow** came in very strong at € 46.4m (2015: € 4.4m), due only partly to special effects such as a premature payment (a high single-digit €m amount) by a trade partner.

**The company achieved all of its targets for 2016, including its volume targets.**

## Guidance for 2017 in line with our estimates; current EBIT now adjusted for PPA amortisations

Regarding 2017, management guided for sales of € 585-615m (our unchanged estimate: € 609.5m), reported EBIT of € 45-51m (our unchanged estimate: € 50.2m), EBT of € 44.5-50.5m (our unchanged estimate: € 49.6m), and net income of € 30-34m (our unchanged estimate: € 33.6m). It stated that (the lower ends of) its sales and earnings guidance ranges for 2017 include a safety buffer for uncertainty as to how the German VAT increase will impact customer demand for its photo books (see our last updates on CEWE). So far, management has only issued vague guidance on this saying it could affect EBIT in a range "from 0 euros to not more than a high single-digit €m amount". At the analysts' conference, management stated once again that it is still too early to make more specific assessments.

**We leave our 2017e and 2018e sales and EBIT estimates unchanged**, even though they are **close to the upper end of the guidance ranges**, as we assume CEWE will be less affected by the VAT increase than many competitors due to its high-end positioning. Customers in the premium segment, where CEWE is positioned, emphasise quality over price. Photo books available in the entry price segment are less differentiated and thus more prone to price pressure, while CEWE's offering in the premium segment, with its wide selection of paper qualities and book covers, should be less susceptible to elasticity of demand.

We have marginally lowered our reported EPS estimates for 2017e and 2018e due to the above mentioned reclassification of minority interests.

We have **changed our adjusted EBIT ('current EBIT') and adjusted EPS estimates** to reflect the new methodology used by CEWE; that is, we now include estimated amortisation on customer bases, customer lists, etc. from purchase price allocations in our adjustments. Please note that the **resulting increase in our adjusted estimates is purely methodological in nature.**

## Maintain Neutral until we have more visibility on the VAT issue

We assume that the uncertainty regarding the VAT impact on demand and CEWE's margins will continue to weigh on the share price for the time being and therefore stick to our **Neutral** rating, despite our unchanged and relatively high TP of € 84.00.

Martin Decot (Analyst)

+49 (69) 92 05 48 13

martin.decot@oddoseydler.com

## Conflict of interests:

Oddo Securities, a division of Oddo et Cie, limited sharepartnership - Bank authorised by ACPR. Oddo & Cie and/or one of its subsidiaries could be in a conflict of interest situation with one or several of the groups mentioned in this publication. Please refer to the conflict of interests section at the end of this document.

This is a non-contractual document, it is strictly for the private use of the recipient, and the information it contains is based on sources we believe to be reliable, but whose accuracy and completeness cannot be guaranteed. The opinions given in the document reflect our appraisal at the time of publication and may therefore be revised at a later date.

**CWCG.DE | CWC GY**  
**Specialist Retailing | Germany**

	<b>Neutral</b>		<b>Upside</b>		<b>9.95%</b>		<b>Price 76.40EUR</b>		<b>TP 84.00EUR</b>	
	12/11	12/12	12/13	12/14	12/15	12/16	12/17e	12/18e		
<b>PER SHARE DATA (EUR)</b>										
Adjusted EPS	2.84	2.88	3.39	3.08	3.68	4.73	4.94	5.32		
<b>Reported EPS</b>	<b>2.84</b>	<b>2.88</b>	<b>3.39</b>	<b>3.08</b>	<b>3.15</b>	<b>4.25</b>	<b>4.70</b>	<b>5.08</b>		
Growth in EPS(%)	-	1.4%	17.6%	-9.2%	19.7%	28.3%	4.5%	7.7%		
Net dividend per share	1.40	1.45	1.50	1.55	1.60	1.80	1.85	1.90		
FCF to equity per share	4.65	-1.16	1.90	4.31	1.68	7.46	2.85	5.05		
Book value per share	18.38	19.95	21.71	24.94	26.21	28.67	31.58	34.82		
Number of shares market cap	6.54	6.54	6.58	6.96	7.13	7.15	7.14	7.14		
Number of diluted shares	6.54	6.54	6.58	6.96	7.13	7.15	7.14	7.14		
<b>VALUATION</b>										
12m highest price	35.98	35.00	42.96	60.10	62.18	90.55	86.08			
12m lowest price	25.78	27.50	30.42	41.42	44.34	47.11	74.07			
(*) Reference price	30.89	31.38	35.82	51.37	53.64	67.01	76.40	76.40		
Capitalization	202	205	236	358	383	479	546	546		
Restated Net debt	-6.7	18.1	16.3	-23.5	-15.0	-48.3	-55.8	-78.7		
Minorities (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Financial fixed assets (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Enterprise Value</b>	<b>195</b>	<b>223</b>	<b>252</b>	<b>334</b>	<b>368</b>	<b>430</b>	<b>490</b>	<b>467</b>		
P/E (x)	10.9	10.9	10.6	16.7	14.6	14.2	15.5	14.4		
P/CF (x)	3.9	3.7	4.0	6.3	5.3	5.5	7.7	7.4		
Net Yield (%)	4.5%	4.6%	4.2%	3.0%	3.0%	2.7%	2.4%	2.5%		
FCF yield (%)	15.0%	ns	5.3%	8.4%	3.1%	11.1%	3.7%	6.6%		
P/B incl. GW (x)	1.68	1.57	1.65	2.06	2.05	2.34	2.42	2.19		
P/B excl. GW (x)	1.68	1.57	1.65	2.06	2.05	2.34	2.42	2.19		
EV/Sales (x)	0.42	0.44	0.47	0.64	0.66	0.73	0.80	0.74		
EV/EBITDA (x)	3.1	3.4	3.8	5.1	4.5	4.4	5.6	5.1		
<b>EV/EBIT (x)</b>	<b>6.5</b>	<b>7.7</b>	<b>8.7</b>	<b>10.3</b>	<b>8.6</b>	<b>8.0</b>	<b>9.3</b>	<b>8.3</b>		
(*) historical average price										
<b>PROFIT AND LOSS (EURm)</b>										
Sales	469	507	536	524	554	593	609	630		
EBITDA	64	66	67	66	81	97	88	92		
Depreciations	-33.5	-37.0	-37.9	-33.5	-38.7	-43.3	-34.9	-35.2		
<b>Current EBIT</b>	<b>30.1</b>	<b>29.1</b>	<b>28.9</b>	<b>32.6</b>	<b>42.5</b>	<b>54</b>	<b>53</b>	<b>56</b>		
Published EBIT	30.1	29.1	28.9	32.6	36.4	47.0	50	54		
Net financial income	-1.0	-2.2	-1.9	-1.0	-0.5	-0.8	-0.6	-0.5		
Corporate Tax	-10.6	-8.0	-4.8	-10.1	-13.5	-15.8	-16.0	-17.1		
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Attributable net profit	18.6	18.8	22.3	21.4	22.5	30.4	33.6	36.3		
<b>Adjusted attributable net profit</b>	<b>18.6</b>	<b>18.8</b>	<b>22.3</b>	<b>21.4</b>	<b>26.3</b>	<b>33.8</b>	<b>35.3</b>	<b>38.0</b>		
<b>BALANCE SHEET (EURm)</b>										
Goodwill	9.1	28.5	25.4	25.4	32.7	25.8	25.8	25.8		
Other intangible assets	13.0	21.8	20.0	19.3	23.6	19.2	17.0	15.8		
Tangible fixed assets	79.2	101	98.6	103	109	125	129	132		
WCR	21.8	12.0	23.8	12.0	22.8	9.2	21.8	21.3		
Financial assets	13.8	14.3	19.2	21.9	20.4	19.5	19.5	19.6		
Ordinary shareholders equity	120	130	143	174	187	205	226	249		
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Shareholders equity	120	130	143	174	187	205	226	249		
Non-current provisions	23.3	29.3	27.8	31.0	36.1	41.8	41.8	41.8		
<b>Net debt</b>	<b>-6.7</b>	<b>18.1</b>	<b>16.3</b>	<b>-23.5</b>	<b>-15.0</b>	<b>-48.3</b>	<b>-55.8</b>	<b>-78.7</b>		
<b>CASH FLOW STATEMENT (EURm)</b>										
<b>EBITDA</b>	<b>63.6</b>	<b>66.1</b>	<b>66.8</b>	<b>66.0</b>	<b>81.2</b>	<b>97.2</b>	<b>87.5</b>	<b>91.6</b>		
Change in WCR	8.6	-6.0	-13.1	13.0	-7.7	12.5	-12.6	0.6		
Interests & taxes	-10.7	-13.5	-7.9	-8.5	-9.8	-11.6	-16.6	-17.6		
Others	-1.0	2.3	-0.3	-0.8	1.3	1.2	0.0	-0.1		
Operating Cash flow	60.4	48.9	45.7	69.8	65.0	99.3	58.3	74.5		
CAPEX	-30.0	-56.5	-33.2	-39.7	-53.0	-46.0	-38.0	-38.5		
<b>Free cash-flow</b>	<b>30.4</b>	<b>-7.6</b>	<b>12.5</b>	<b>30.0</b>	<b>12.0</b>	<b>53.3</b>	<b>20.3</b>	<b>36.0</b>		
Acquisitions / disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Dividends	-8.5	-9.2	-9.5	-10.6	-11.1	-11.5	-12.9	-13.2		
Net capital increase	-6.5	0.5	0.5	23.7	-0.2	-1.3	0.0	0.0		
Others	-7.1	-11.8	-1.3	-26.0	1.6	-6.2	0.0	0.0		
Change in net debt	14.0	-8.6	1.4	39.7	-1.5	40.2	7.5	22.8		
<b>GROWTH MARGINS PRODUCTIVITY</b>										
Sales growth	-	8.1%	5.7%	-2.3%	5.8%	7.0%	2.8%	3.4%		
<b>Lfi sales growth</b>	<b>-</b>	<b>8.1%</b>	<b>5.7%</b>	<b>-2.3%</b>	<b>5.8%</b>	<b>7.0%</b>	<b>2.8%</b>	<b>3.4%</b>		
Current EBIT growth	-	-3.5%	-0.4%	12.5%	30.5%	26.8%	-2.3%	7.1%		
Growth in EPS(%)	-	1.4%	17.6%	-9.2%	19.7%	28.3%	4.5%	7.7%		
Net margin	4.0%	3.7%	4.2%	4.1%	4.7%	5.7%	5.8%	6.0%		
<b>EBITDA margin</b>	<b>13.6%</b>	<b>13.0%</b>	<b>12.5%</b>	<b>12.6%</b>	<b>14.7%</b>	<b>16.4%</b>	<b>14.4%</b>	<b>14.5%</b>		
<b>Current EBIT margin</b>	<b>6.4%</b>	<b>5.7%</b>	<b>5.4%</b>	<b>6.2%</b>	<b>7.7%</b>	<b>9.1%</b>	<b>8.6%</b>	<b>8.9%</b>		
CAPEX / Sales	-6.5%	-11.3%	-6.6%	-7.7%	-9.7%	-8.3%	-6.2%	-6.1%		
WCR / Sales	4.7%	2.4%	4.4%	2.3%	4.1%	1.6%	3.6%	3.4%		
Tax Rate	36.3%	29.9%	17.7%	32.0%	37.5%	34.3%	32.3%	32.0%		
Normative tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%		
Asset Turnover	-	3.5	3.2	3.2	3.2	3.2	3.3	3.2		
<b>ROCE post-tax (normative tax rate)</b>	<b>-</b>	<b>14.2%</b>	<b>12.2%</b>	<b>13.9%</b>	<b>17.2%</b>	<b>20.6%</b>	<b>19.8%</b>	<b>20.3%</b>		
ROCE post-tax hors GW (normative tax rate)	-	16.3%	14.6%	16.5%	20.6%	24.5%	23.0%	23.4%		
ROE	-	15.0%	16.3%	13.5%	14.6%	17.2%	16.4%	16.0%		
<b>DEBT RATIOS</b>										
Gearing	-6%	14%	11%	-14%	-8%	-24%	-25%	-32%		
Net Debt / Market Cap	-0.03	0.09	0.07	-0.07	-0.04	-0.10	-0.10	-0.14		
<b>Net debt / EBITDA</b>	<b>ns</b>	<b>0.27</b>	<b>0.24</b>	<b>ns</b>	<b>ns</b>	<b>ns</b>	<b>ns</b>	<b>ns</b>		
EBITDA / net financial charges	66.7	30.0	35.9	63.7	177.0	118.8	156.3	169.7		

#### • Valuation method

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on Oddo Securities' website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

#### • Sensitivity of the result of the analysis/ risk classification:

The opinions expressed in the financial analysis are opinions as per a particular date, i.e. the date indicated in the financial analysis. The recommendation (cf. explanation of the recommendation systematic) can change owing to unforeseeable events which may, for instance, have repercussions on both the company and on the whole industry.

#### • Our stock market recommendations

Our stock market recommendations reflect the RELATIVE performance expected for each stock on a 12-month timeframe.

Buy: performance expected to exceed that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Reduce: performance expected to fall short of that of the benchmark index, sectoral (large caps) or other (small and mid caps).

#### • The prices of the financial instruments used and mentioned in this document are the closing prices.

#### • All publications by Oddo Securities or Oddo Seydler concerning the companies covered and mentioned in this document are available on the research site: [www.oddosecurities.com](http://www.oddosecurities.com)

#### Recommendation and target price changes history over the last 12 months for the company analysed in this report

Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
11.11.16	Neutral	84.00	77.45	Martin Decot
12.08.16	Buy	80.00	74.60	Martin Decot

Recommendation split		Buy	Neutral	Reduce
Our whole coverage	(415)	48%	43%	9%
Liquidity providers coverage	(153)	52%	43%	5%
Research service coverage	(66)	56%	41%	3%
Investment banking services	(39)	69%	26%	5%

#### Risk of conflict of interest:

Investment banking and/or Distribution	
Has Oddo Group, or Oddo & Cie, or Oddo Seydler managed or co-managed in the past 12 months a public offering of securities for the subject company/ies?	No
Has Oddo Group, or Oddo & Cie, or Oddo Seydler received compensation for investment banking services from the subject company/ies in the past 12 months or expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the last 12 months?	No
Research contract between Oddo group & the issuer	
Oddo & Cie and the issuer have agreed that Oddo & Cie will produce and disseminate investment recommendations on the said issuer as a service to the issuer	Yes
Liquidity provider agreement and market-making	
At the date of the distribution of this report, does Oddo Group, or Oddo & Cie, or Oddo Seydler act as a market maker or has Oddo Group or Oddo & Cie, or Oddo Seydler signed a liquidity provider agreement with the subject company/ies?	Yes
Significant equity stake	
Does Oddo Group, or Oddo & Cie, or Oddo Seydler own 5% or more of any class of common equity securities of the subject company/ies?	No
Does the subject company beneficially own 5% or more of any class of common equity of Oddo & Cie or its affiliates?	No
Disclosure to Company	
Has a copy of this report ; with the target price and/or rating removed, been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements ?	No
Have the conclusions of this report been amended following disclosure to the company/ies and prior its distribution?	No
Additional material conflicts	
Is Oddo Group, or Oddo & Cie, or Oddo Seydler aware of any additional material conflict of interest?	No
Personal conflicts of interest	
Have those responsible for the drafting of the present document acquired shares from the issuer concerned by the present financial analysis?	—
Have those responsible for the drafting of the present document received remuneration directly linked to investment firm service transactions or any other kind of transaction they carry out or any trading commissions they, or any legal person who is part of the same group, receive?	No

Statement of conflict of interests of all companies mentioned in this document may be consulted on Oddo & Cie's: [www.oddosecurities.com](http://www.oddosecurities.com)

#### Disclaimer:

Disclaimer for Distribution by Oddo & Cie to Non-United States Investors:

This research publication is produced by Oddo Securities ("Oddo Securities"), a division of Oddo & Cie ("ODDO"), which is licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers ("AMF"), and/or by ODDO SEYDLER BANK AG ("Oddo Seydler"), a German subsidiary of ODDO, regulated by Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin").

The research, when distributed outside of the U.S., is intended exclusively for non-U.S. customers of ODDO and cannot be divulged to a third-party without prior written consent of ODDO. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment.

This research has been prepared in accordance with regulatory provisions designed to promote the independence of investment research. "Chinese walls" (information barriers) have been implemented to avert the unauthorized dissemination of confidential information and to prevent and manage situations of conflict of interest. This research has been prepared in accordance with French and German regulatory provisions designed to promote the independence of investment research. The recommendation presented into this document is reviewed and updated at least following each Quarterly Report published by the issuer purpose of this Research Report.

At the time of publication of this document, ODDO and/or Oddo Seydler, and/or one of its subsidiaries may have a conflict of interest with the issuer(s) mentioned. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness and it should not be relied upon as such. Past performances offer no guarantee as to future performances. All opinions expressed in the present document reflect the current context and which is subject to change without notice. The views expressed in this research report accurately reflect the analyst's personal views about the subject securities and/or issuers and no part of his compensation was, is, or will be directly or indirectly related to the specific views contained in the research report.

This research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice.

Disclaimer for Distribution by Oddo New York to United States Investors:

This research publication is produced by Oddo Securities, a division of ODDO and/or by Oddo Seydler.

This research is distributed to U.S. investors exclusively by Oddo New York Corporation ("ONY"), MEMBER: FINRA/SIPC, and is intended exclusively for U.S. customers of ONY and cannot be divulged to a third-party without prior written consent of ONY. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment.

This research has been prepared in accordance with regulatory provisions designed to promote the independence of investment research. "Chinese walls" (information barriers) have been implemented to avert the unauthorized dissemination of confidential information and to prevent and manage situations of conflict of interest. This research has been prepared in accordance with French and German regulatory provisions designed to promote the independence of investment research.

At the time of publication of this document, ODDO and/or Oddo Seydler, and/or one of its subsidiaries may have a conflict of interest with the issuer(s) mentioned. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness and it should not be relied upon as such. Past performances offer no guarantee as to future performances. All opinions expressed in the present document reflect the current context and which is subject to change without notice.

Rule 15a-6 Disclosure:

Under Rule 15a-6(a)(3), any transactions conducted by ODDO and/or Oddo Seydler, and/or one of its subsidiaries with U.S. persons in the securities described in this foreign research must be effected through ONY. As a member of FINRA, ONY has reviewed this material for distribution to U.S. persons as required by FINRA Rules 2241(h) applicable to dissemination of research produced by its affiliate ODDO.

FINRA Disclosures:

- Neither ONY, ODDO, nor Oddo Securities, nor Oddo Seydler beneficially owns 1% or more of any class of common equity securities of the subject company.
- The research analyst of Oddo Securities or Oddo Seydler, at the time of publication of this research report, is not aware, nor does he know or have reason to know of any actual, material conflict of interest of himself, ODDO, Oddo Securities, Oddo Seydler or ONY, except those mentioned in the paragraph entitled "Risk of Conflict of Interest."
- Oddo Securities or ODDO or Oddo Seydler may receive or seek compensation for investment banking services in the next 3 months from the subject company of this research report, but ONY would not participate in those arrangements.
- Neither ONY, ODDO, Oddo Securities, nor Oddo Seydler has received compensation from the subject company in the past 12 months for providing investment banking services except those mentioned in the paragraph of "Risk of Conflict of Interest".
- Neither ONY, ODDO, Oddo Securities nor Oddo Seydler has managed or co-managed a public offering of securities for the subject company in the past 12 months except those mentioned in the paragraph of "Risk of Conflict of Interest".
- ONY does not make (and never has made) markets and, accordingly, was not making a market in the subject company's securities at the time that this research report was published.

Regulation AC:

ONY is exempt from the certification requirements of Regulation AC for its distribution to a U.S. person in the United States of this research report that is prepared by an Oddo Securities research analyst because ODDO has no officers or persons performing similar functions or employees in common with ONY and ONY maintains and enforces written policies and procedures reasonably designed to prevent it, any controlling persons, officers or persons performing similar functions, and employees of ONY from influencing the activities of the third party research analyst and the content of research reports prepared by the third party research analyst.

Contact Information of firm distributing research to U.S. investors: Oddo New York Corporation, MEMBER: FINRA/SIPC, is a wholly owned subsidiary of Oddo & Cie; Philippe Bouclainville, President (pbouclainville@oddonyc.com) 150 East 52nd Street New York, NY 10022 212-481-4002.