Kepler Cheuvreux | Equity Research

Espresso
Target price change

Atenor

Belgium | Property | MCAP EUR 378.4m

03 May 2019

Hold

Target Price	**EUR 66.00** (52.00)
Current Price	EUR 67.20
Up/downside	-1.8%
Change in TP	26.9%
Change in EPS	up nm 19E / -20.4% 20E

OM CAGR of 6.5% backed by strong fundamentals in the EU office market

Edouard Enault
Equity Research Analyst
eenault@keplercheuvreux.com
+33 1 53 65 36 08

We fine-tune our estimates following the release of a good set of FY 2018 results, supported by positive macro trends in most cities the group operates in. Going into 2019E, we expect the office market's fundamentals to remain sound, translating into yield compression and good take-up across the board in Europe. Atenor is currently busy developing several projects across eight countries, which should positively impact its cash flow. However, we believe the current share price fairly reflects the risk-reward balance. We raise our TP and reiterate our Hold rating.

Sound office market fundamentals despite eurozone slowdown

Despite the recent EU slowdown, 2018 proved a record year for the office market in many European cities, and 2019 fundamentals remain strong. Yields and vacancy rates continue to contract, reflecting record-low unemployment rates, low single-digit economic growth rates, and absorption rates consistently above new completions in most markets Atenor operates in.

Growing and diversified pipeline

Atenor managed to grow its portfolio from 425,000 sqm in 2010 to 920,000 sqm and stepped up its diversification strategy by adding three new regions to its pipeline over the past six months. While this fragmentation carries its own amount of risks, it also smooths the group's exposure to domestic political/economic risks. From FY 2023E onwards, the company should be able to generate an operating margin (OM) of EUR80m, based on a 900,000 sqm pipeline, a 4.5-year average development length, and a c. EUR400 average operating margin per sqm.

Fine-tuning our forecast

We have updated the construction schedule of each project under development, resulting in significant FCF variations, and now expect a 6.5% and 8.3% operating margin and EPS 2019-23E CAGR, respectively, (vs. a 7% EPS CAGR over 2018-22E previously).

Valuation

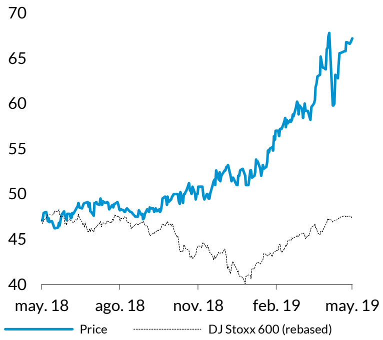
We raise our DCF TP to EUR75 (7.2% WACC, 1.5% long-term growth rate) and update Atenor's peers' valuation multiples (EUR46 TP based on EV/EBIT and P/E ratios), resulting in a EUR66 final TP. Overall, we believe the share price properly reflects the current risk-reward balance and reiterate our Hold rating. The bright prospects for the European office market mean any share price correction should be viewed as a good opportunity to revisit what has so far remained a successful story.

Market data

Bloomberg: ATEB BB	Reuters: ATEO.BR
Market cap (EURm)	378
Free float	50%
No. of shares outstanding (m)	6
Avg. daily volume (EURm)	0.3
YTD abs performance	31.8%
52-week high/low (EUR)	67.80/46.20

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
Sales (m)	214.4	223.8	222.1
EBITDA adj (m)	55.8	58.2	57.8
EBIT adj (m)	55.1	57.5	57.1
Net profit adj (m)	37.8	40.5	37.1
Net debt (m)	362.7	478.3	601.2
FCF (m)	-9.2	-91.5	-95.3
EPS adj. and fully dil.	7.00	7.49	6.88
Consensus EPS	7.09	7.15	na
Net dividend	2.26	2.31	2.37

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
P/E adj and ful. dil.	9.6	9.0	9.8
EV/EBITDA	13.5	14.9	17.1
EV/EBIT	13.7	15.0	17.3
FCF yield	-2.7%	-24.2%	-25.2%
Dividend yield	3.4%	3.4%	3.5%
Net debt/EBITDA	6.5	8.2	10.4
Gearing	183.6%	211.9%	240.3%
ROIC	12.2%	10.6%	8.4%
EV/IC	1.4	1.3	1.2

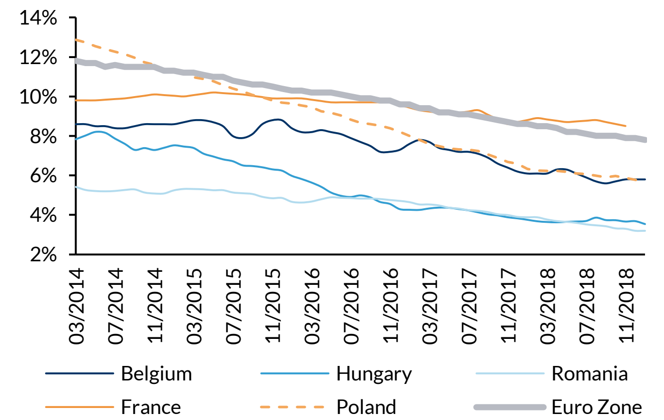


Continued momentum in the EU office market

Despite the economic slowdown (EU GDP up 1.8% in 2018 vs. +2.4% in 2017), trade tensions and increased political uncertainties across Europe, 2018 proved a record year for the office market in many cities, and fundamentals remained sound. Yields and vacancy rates have continued to contract, reflecting record-low unemployment rates (Chart 1), low single-digit economic growth rates in most countries Atenor operates in (Chart 2), and strong absorption rates.

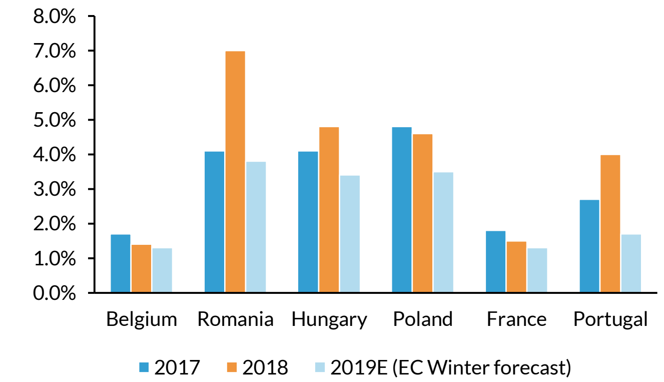
As a side effect of the EU slowdown, interest rates are expected to remain low, which in turn should benefit investments in the office markets. Going forward, we expect yields and vacancy rates to keep contracting, although at a slightly slower pace. Prime rents should continue to increase in flagship locations or for those in development. We note that most of the markets where Atenor owns or develops projects are showing robust market fundamentals, including Brussels, Bucharest, Budapest, Warsaw, and Paris.

Chart 1: Unemployment rates, by country



Source: Thomson Reuters

Chart 2: Economic growth, by country (YOY)



Sources: European Commission, OECD, World Bank

Sound fundamentals

In Brussels (30% of Atenor's pipeline), the office market remained buoyant throughout 2018, supported by a general lack of available prime spaces. The office take-up reached 361,500 sqm while the immediate supply in December reached 1,027,500 sqm, a decrease of 7% compared to the end of 2017. Average vacancy rates fell by 40bps, to 7.8% (all-time low of 3.5% in the CBD). Prime yields compressed by 25bps, to 4.25%. Headline prime rents rose by 5% at EUR315 per sqm per year in the best locations (average rents up 11%, to EUR173 per sqm per year). Expected completions in 2019 are at 207,200 sqm, of which 45% have already been rented, translating into a continued demand for new office buildings and boding well for the local short-term outlook.

Market data extracted from a combination of reports from JLL, BNP Paribas RE, Immostat, Cushman & Wakefield and Atenor

In Romania (20% of pipeline), solid economic growth (4.1%) has led to increased investment levels in Bucharest (close to EUR500m), translating into high office take-up rates (335,000 sqm out of the 2,675,000 sqm stock). Prime yields contracted

25bps, to 7.25%. Vacancy rates fell by 60bps, to 8.3%. Lastly, even though economic growth is slowing (4.1% in 2018 vs. 7% in 2017) and consumer sentiment is deteriorating, the lack of quality new supply should keep supporting prime rents in 2019-20E (30% of the announced 300,000 sqm 2019 pipeline is already pre-let).

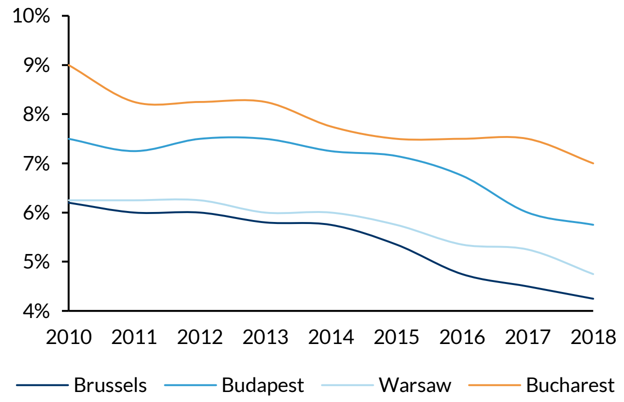
In Budapest (16% of pipeline), office take-up was up c. 40%, at 385,790 sqm (vs. 230,575 sqm completions), prime yields fell to 5.75% while the average vacancy rate contracted by 20bps, to 7.3%. These healthy fundamentals were supported by robust economic growth (+4.8%) and strong activity in the financial and governmental sectors, as well as a strong demand for new, quality office spaces (75% of the new office areas were pre-let before the handover). Going forward, vacancy should remain low, notably in the Vaci Corridor, where availability is low.

In Paris (7% of pipeline), where Atenor is developing two office buildings in Bezons, near La Défense, the market dynamics remained strong in 2018. Looking at the "West Crescent" area, the immediately available stock was down by 7% in Q4 2018, to 862,000 sqm, while the average vacancy rate contracted from 10.9% to 10.1%. Early data for 2019 is also well oriented with vacancy rates down 14% during Q1 2019, at 9.6%, and prime rents up 5%, at EUR390 per sqm per year.

In Warsaw (7% of pipeline), absorption was astonishingly high with a record take-up of 648,000 sqm, 40% above the ten-year average), leading to a 340bp contraction in vacancy rates, to 8.6%, well below the 2016 peak of 14.2%. Most of the demand came from the city centre (240,000 sqm), followed closely by the Southern District of Mokotów (where Atenor owns two buildings) with 220,000 sqm leased during the year. Interestingly, most of the new supply is targeting the city centre, which bodes well for the south of the city, where rents are lower and demand almost equally strong. New supply totalled 230,000 sqm in 2018 while under-construction volume stands at 720,000 sqm, an impressive yet comparatively modest figure given the market's exceptional absorption capacity.

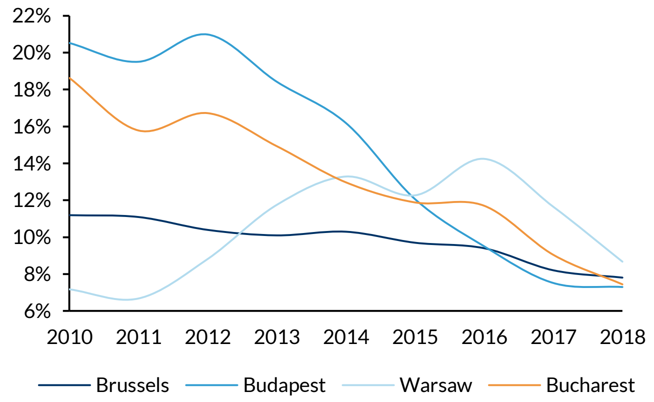
In Lisbon, where Atenor recently signed a purchase agreement for an 8,000 sqm plot, the office market is also doing well, supported by the continued recovery of the economy (+2.1% growth in 2018) and a strong decline in the unemployment rate towards its structural level (6.3% in February 2019). The vacancy rate in Lisbon has kept its downward trends, at 6.6% and which fell to 2.1% in the Park of Nations area, where Atenor plans to develop approx. 28,000 sqm of offices. 2019E prospects look bright for the city as a whole as office spaces under construction stood slightly below the 2018 absorption (14,777 sqm vs. 15,749 sqm). Moreover, the country's economic rebound failed to translate into increased office completions in the Park of Nations area while corporates' appetite for new quality buildings is growing.

Chart 3: Prime office yields, by city



Source: JLL, CBRE

Chart 4: Office vacancy rates, by city



Source: JLL, CBRE

Growth and diversification; Atenor strategy's centrepiece

The recent acquisition of a new project in Brussels allowed the group to reach its targeted pipeline of 900,000 sqm. Going forward, we expect the pipeline to continue to grow as Atenor reinvests part of the proceeds to be received from the sale of properties currently under construction.

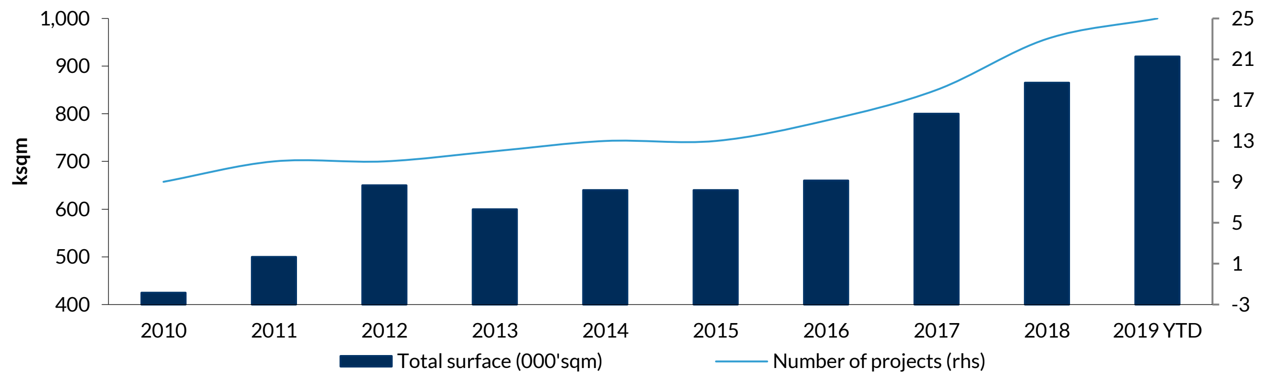
920,000 sqm pipeline

The new projects announced in 2019 added c. 100,000 sqm to Atenor's pipeline, which currently stands at 920,000 sqm and which is spread across 25 projects and eight countries. This represents a 2.2x increase since 2010 (+9% CAGR). Recent additions include:

- The redevelopment of the CCN, adjacent to Brussels' Gare du Nord station; announced on 15 April 2019.
- The development of a three-floor office building in the District 3 of Budapest (15,000 sqm). Announced on 27 March 2019.
- The development of 28,000 sqm of offices and 1,240 sqm of shops in Lisbon, in the centre of the Park of Nations. Announced on 11 March 2019, this deal marked Atenor's first step in Portugal.
- A 32,151 sqm mixed project in the centre of Deinze, Flanders (50/50 partnership with 3D Real Estate). Announced on 15 January 2019, this is Atenor's first project in Flanders.
- A 1,300 sqm plot in Düsseldorf housing a 700 sqm supermarket along with building permits allowing Atenor to create 33 residential units and parking spaces (19 November 2018). This is Atenor's first project in Germany, a country where the group plans to keep investing in the future, notably in Düsseldorf and Cologne.

Atenor recently stepped up its diversification strategy by adding three regions to its projects portfolio: Portugal, Germany, and Flanders in Belgium

Chart 5: Development pipeline evolution



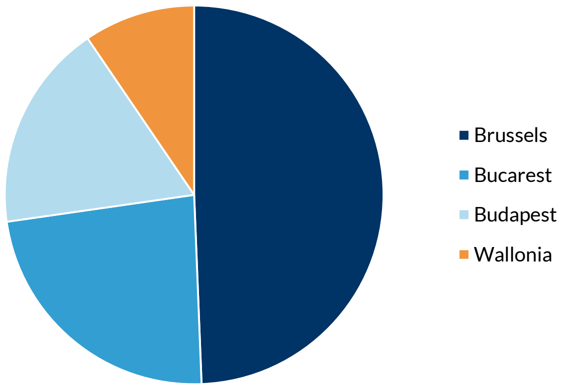
Source: Kepler Cheuvreux

Well-diversified portfolio

The portfolio is mainly geared towards office spaces, currently representing c. 70% of the total portfolio (Residential 27%, Retail 3%). We understand that Atenor's management has no medium-term targets with regards to the residential/retail/office mix, and is rather focusing on each project's IRR to find the best returns (IRR: >15%). While this strategy makes sense from a purely financial standpoint, we must acknowledge that Atenor's office-centric strategy means the group could find it difficult to sell its assets in good time in a situation where the global GDP growth turns south.

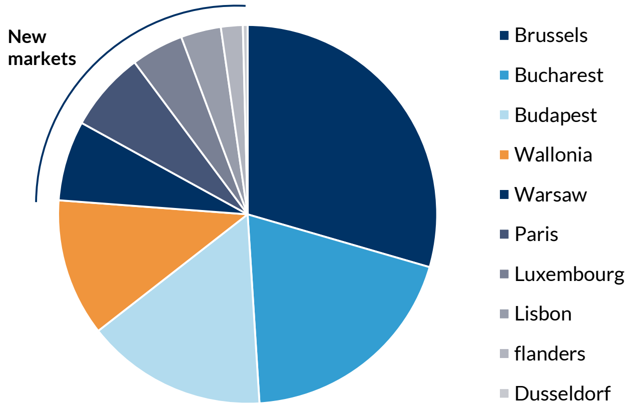
From a geographical perspective, the mix has evolved drastically over the past several years as the group went from only three countries in 2010 to eight currently (Charts 6 and 7). We believe that the geographical mix is set to keep fragmenting in the coming years as the group intends to add new cities to its hunting bag, as opportunities arise. While such a diversification brings additional investments and requires a more complex structure and disciplined approach, it also reduces the risk by cutting the exposure to a single country's economic and political risks while avoiding cannibalisation between projects within a same city. We see the latter intention as the main rationale behind Atenor's first move outside Brussels, then Luxembourg. We usually find this overseas expansion strategy as riskier compared to peers operating in a single market given that Atenor has to build its market knowledge from scratch each time it enters a market, as well as hire new country managers. However, we understand that up to now, Atenor has been able to call on the same partners in different countries and leverage its network to find new deals, thus saving time and money. To date, the diversification strategy does not seem to have weighed on the group's results. Therefore, we base our forecast on the assumption that the more complex structure will not impact the core metrics (IRR, operating margin per sqm) though a portfolio of more than ten countries would certainly make us feel less comfortable.

Chart 6: Atenor's development pipeline – 2010



Source: Kepler Cheuvreux

Chart 7: Atenor's development pipeline – Q1 2019



Source: Kepler Cheuvreux

Doubling the operating margin between 2015 and 2023

The group plans to double its annual operating margin from EUR40m to EUR80m using the two main levers at its disposal: development time and pipeline size. For the former, Atenor aims to reduce the average development time from six to 4.5 years by bidding increasingly for projects with building permits already granted, as was the case with the Düsseldorf project acquired recently. While this is an ambitious target, we note that several drivers should act naturally in Atenor's favour:

- The dilution of the Belgium contribution to the pipeline driven by the group's oversea investments, notably in cities where permits are quicker to obtain like in Bucharest, Luxembourg, or Budapest (building permit approvals can be lengthy in Brussels).
- The exit from the pipeline of projects that are currently frozen or delayed, like the Victor project in Brussels (110,000 sqm of offices, retail and residential units), awaiting permits since 2008.

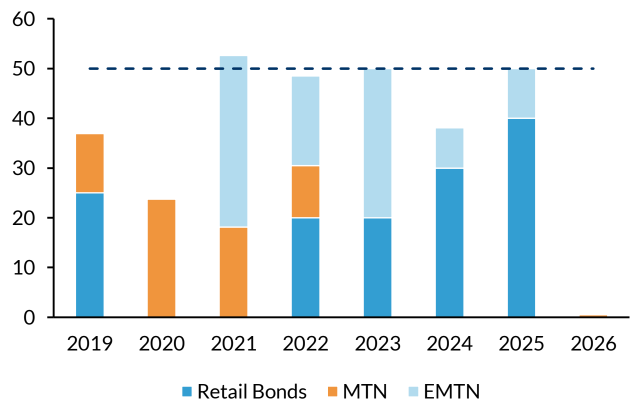
All in all, we see this 4.5-year target as achievable in the medium term as long as the European economy remains strong and the labour market stays tense. We expect this threshold to be reached in 2023E. As for the size of the pipeline, Atenor has already reached its 900,000 sqm objective. These two targets, combined with a c. EUR400 average operating margin per sqm assumption, mean Atenor should be able to generate an operating margin of EUR80m by 2023E (KECH 2023E: EUR83m).

Leverage under control, for now

At end-2018, the gross debt stood at EUR440m (EUR330m net of cash and cash equivalent). Net debt/EBITDA reached 7.4x and gearing stood at c. 194%. We admit the leverage remains higher than most of Atenor's peers (e.g. 4.5x/99% for Immobel, 1.6x/47% for Nexity, net cash position for Kaufman & Broad), although we also note that it marked an improvement on 2017 figures (10.3x net debt/EBITDA/237% gearing) while several of Atenor's assets could be sold in the not-so-distant future, to reduce leverage or to invest in new projects. The most obvious example is the Hermes Business Campus (HBC), located in Bucharest. The construction of three office buildings totalling 75,000 sqm has already been completed and the surface is fully leased, generating a full occupancy rent of c. EUR11.4m. Atenor is currently in discussions with potential buyers to sell the property. We value the asset at c. EUR140m based on a 7.75% yield. While finding a buyer with pockets deep enough to bid for such an asset might take some time, deals of similar magnitude were signed in 2018 (Oregon Park, The Bridge) while a sale would reduce the leverage by 2.5x FY 2019E EBITDA. Moreover, the decent rental income and low interest rate environment means Atenor is in no rush to sell the asset and might instead focus on selling it at the right price. Other smaller properties could be sold in a timely manner to free up some cash, beef up the balance sheet or support incoming investments. The Nysdam, a 15,600 sqm office building located in La Hulpe, near Brussels, would make an ideal disposal target given its almost full occupancy rate (c. 96%). A sale could generate c. EUR10m cash based on a full annual occupancy rent of c. EUR1m. Had these two sales been booked during H2 2018, the group would have finished the year with a net debt of EUR180m, representing a debt-to-equity ratio of c. 105% and a 4x net debt/EBITDA ratio: manageable leverage for a property developer.

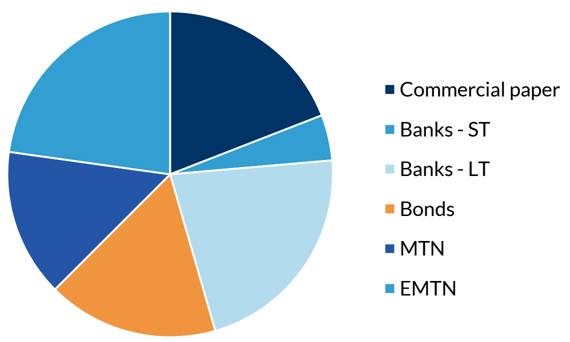
Lastly, the group targets to spread its maturities to reduce its exposure to single-tranche refinancing. We understand that the management is targeting a maximum annual refinancing level of EUR50m, representing c. 11% of the FY 2018 gross debt (EUR440m). The debt portfolio is also well diversified in terms of sources of funds with a balanced mix of commercial papers, bonds, and MTN & EMTN debts, as well as traditional project debt.

Chart 8: Maturity profile (post 29 April 2019 issue)



Source: Atenor, Kepler Cheuvreux

Chart 9: Gross debt breakdown, by source, 31 December 2018



Source: Atenor, Kepler Cheuvreux

Fine-tuning our forecast

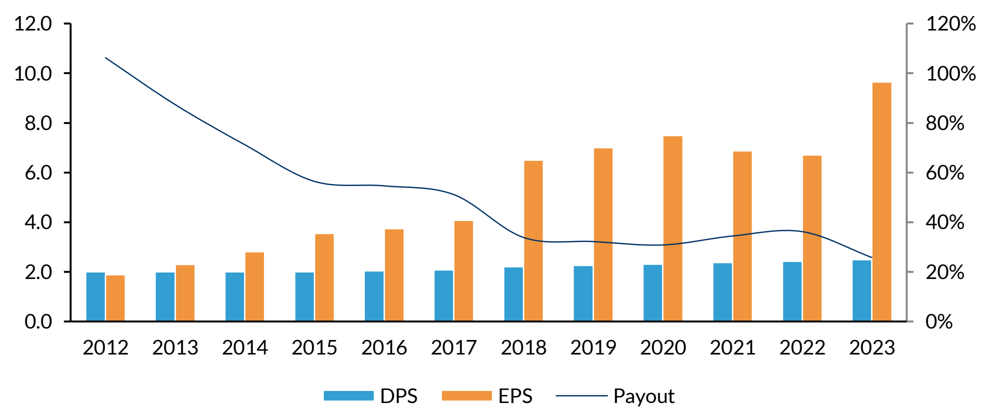
8.3% 2019-23E EPS CAGR, slower DPS growth

We have included the 2018 results in our model following the publication of the group's annual results and added 2021 to our detailed forecasts. Apart from that, we made several other small changes to our modelling:

- We have added the new projects Atenor acquired over the past several months (Flanders, Portugal, Budapest, Brussels).
- We have updated each project's construction schedule according to the information given by the company following the release of the FY 2018 results. This affects the revenue recognition timing and the WCR movements while we leave our core assumption of a EUR400 operating margin per sqm untouched.
- We have marked-to-market prime office yields and rents in cities where Atenor builds or rents projects, resulting in a slight increase in our operating margin forecasts.
- We have changed our cost of debt forecast from slightly growing to stable to reflect the recent slowdown of the eurozone and the resulting decreased probability of seeing significant rate hikes in the medium term.
- We have adjusted our DPS growth rate from 2% to 2.5% to reflect the recent step-up in distribution and Atenor's likely willingness to maintain a decent yield following the share price appreciation (DPS fully covered by EPS; see Chart 10).

All in all, we expect a 6.5% and 8.3% operating margin and EPS CAGR between 2018 and 2023, respectively (vs. c.7% 2018-22E EPS CAGR previously), largely covering dividend payments, with an average payout ratio ranging between c. 30% and c. 40%.

Chart 10: Dividends easily covered by earnings



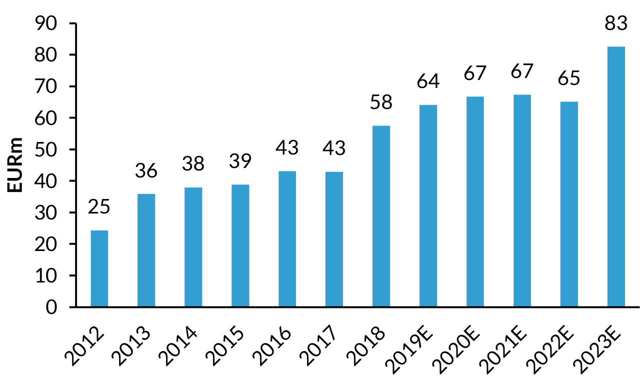
Source: Kepler Cheuvreux

Erratic cash flow generation

The timing of sales depends on each domestic market's conditions and construction time frames, while the group's free cash flow generation largely depends on volatile changes in WCR. We model each project's cash flow according to our best construction/sales timing estimates, based on the company reports. As the size of Atenor's projects is often considerable (the sale of The One generated c. EUR122m in December 2018), the postponement of a sale can create huge swings in the group cash flow statement. However, we see this inherent short-term volatility as being an integral part of a property developer's business model and believe that Atenor should be able to fill the potential financing gaps by issuing short-term debt instruments (EUR84.3m commercial paper outstanding on 31 December 2018) while the lack of financial covenants on long-term debt tranches gives Atenor's management all the flexibility it needs to manage its short-term liabilities.

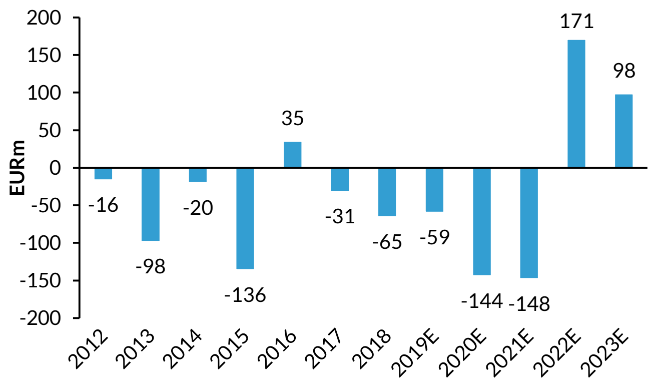
In 2019E-21E we expect significant negative changes in WCR driven by projects under construction, including the Arena Business Campus (ABC) in Budapest (80,000 sqm of offices), the Com'Unity project in Paris (34,000 sqm of offices) or the Au Fil des Grands Prés project in Belgium (60,500 sqm residential/14,500 sqm offices). In 2022-23E, the situation is set to reverse and the cash received from the sales of big projects like Realex or ABC should drive positive changes in WCR and lead to FCFs higher than EBITDA.

Chart 11: Operating margin



Source: Kepler Cheuvreux

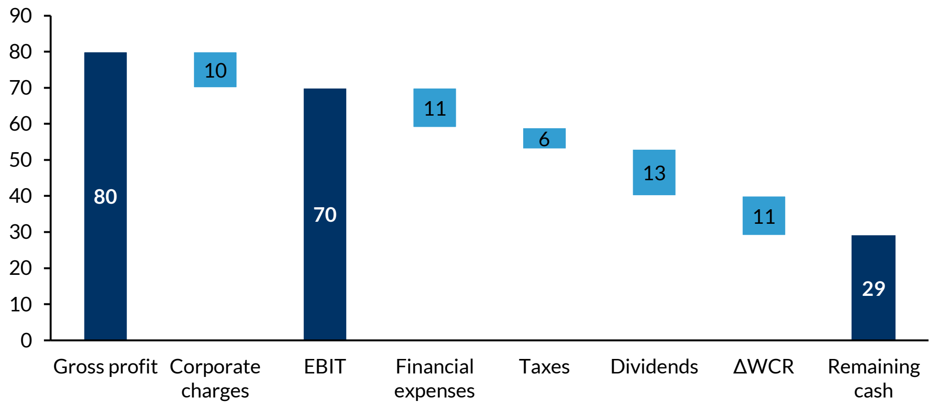
Chart 12: Changes in WCR



Source: Kepler Cheuvreux

As illustrated by Chart 11, evaluating the company's performance by looking at a single year's financial results can prove challenging. Following a simplified approach, we find that out of a normalised EUR80m operating margin (medium-term guidance), Atenor would use (on average) EUR10m to finance corporate expenses (EUR70m EBIT), and EUR11m each to finance WCR growth and financial interests. Taxes would consume c. EUR6m and dividend c. EUR13m, thus leaving around EUR29m of equity free cash flow to be leveraged into EUR116m based on a 3x debt-to-equity ratio. Out of these EUR116m, Atenor would likely consume c. EUR80-85m to renew the pipeline (200,000 sqm per year, EUR400 per sqm average acquisition price) thus leaving EUR31-36m to grow the pipeline beyond the currently targeted 900,000-sqm level (+75-90,000 sqm headroom). Atenor could alternatively decide to maintain a stable pipeline size and reduce the leverage up to a minimum debt-to-equity threshold of c. 1.9x, close to the current level. Although we do not believe Atenor sees the latter option as a short-term priority, having the optionality to deleverage naturally should be seen as a valuable capability for a property developer in a late-cyclical context.

Chart 13: Normalised medium-term "use of cash" profile (2023E+)



Source: Kepler Cheuvreux

The EUR29m equity free cash flow will likely be enough to renew the pipeline while leaving Atenor the choice to either keep growing or deleverage

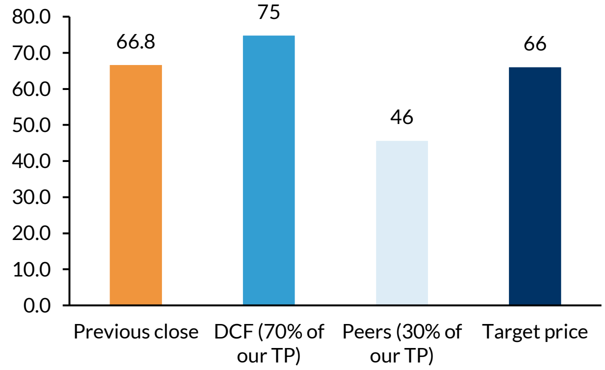
TP raised to EUR66, Hold reiterated

We value the stock using a weighted average of a DCF (TP EUR75) and a peer (TP EUR46) valuation. Our DCF target price is based on a 7.2% WACC and 1.5% long-term growth. Our peer valuation uses a mix of EV/EBIT and P/E multiples. Overall, we believe the resulting EUR66 TP translates into a fair valuation and a proper reflection of the current balance of growth and exposure to a decelerating global economy.

The recent share price performance (+40% LTM) outstripped Atenor's pipeline growth, suggesting that the market is already pricing in the EUR80m operating margin guidance given in March. Our peer valuation tends to confirm this view as the FY 2023E-based TP comes at EUR66 per share (in line with our final TP). However, given that we do not see the EUR80m threshold being crossed before 2023E, we prefer to focus on nearer multiples (FY 2020-21E) and base our forecasts on tangible achievements rather than on medium-term corporate objectives (39% OM growth still needed to reach the targeted EUR80m OM). We acknowledge the conservative nature of our approach although the 70%-weighed DCF TP does include the doubling of the OM between 2015E and 2023E, hence giving the overall TP a more balanced tint.

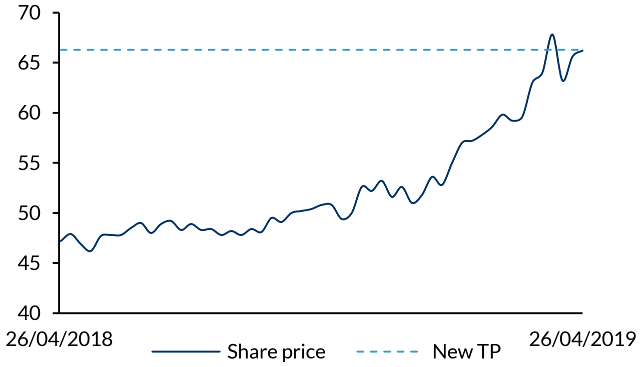
Lastly, we forecast a EUR2.26 DPS in 2019E, implying a 3.4% yield at the current share price, a fair level in comparison to peers. Against this backdrop, we reiterate our Hold rating while noting that the bright prospects in the European office market mean any share price correction should be viewed as a good opportunity to revisit what has so far remained a successful story.

Chart 14: Valuation summary



Source: Kepler Cheuvreux

Chart 15: One-year share price performance (weekly)



Source: Kepler Cheuvreux

Key financials

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19E	12/20E	12/21E
Income Statement (EURm)								
Sales	110.8	116.7	156.8	220.4	99.8	214.4	223.8	222.1
% Change	0.6%	5.4%	34.3%	40.6%	-54.7%	114.9%	4.3%	-0.7%
EBITDA adjusted	32.3	36.4	35.9	34.3	44.8	55.8	58.2	57.8
EBITDA margin (%)	29.2%	31.2%	22.9%	15.6%	44.9%	26.0%	26.0%	26.0%
EBIT adjusted	30.3	34.1	35.4	35.4	46.0	55.1	57.5	57.1
EBIT margin (%)	27.4%	29.2%	22.5%	16.1%	46.1%	25.7%	25.7%	25.7%
Net financial items & associates	-7.1	-6.2	-9.6	-10.8	-8.8	-11.5	-12.1	-15.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-7.9	-7.9	-5.4	-2.5	-2.2	-4.7	-5.0	-4.6
Net profit from continuing operations	15.3	20.0	20.4	22.1	35.0	39.0	40.5	37.1
Net profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	15.3	20.0	20.4	22.1	35.0	39.0	40.5	37.1
Net profit reported	15.3	20.0	20.4	22.2	35.2	37.8	40.5	37.1
Net profit adjusted	16.9	21.8	20.4	20.8	33.7	37.8	40.5	37.1
Cash Flow Statement (EURm)								
Cash flow from operating activities	-3.4	-102.9	61.8	-1.9	-61.4	-8.0	-90.5	-94.3
Capex	-1.2	-0.3	-0.3	-0.2	-0.3	-1.1	-1.0	-1.0
Free cash flow	-4.6	-103.2	61.6	-2.1	-61.6	-9.2	-91.5	-95.3
Acquisitions & Divestments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend paid	-4.0	-4.3	-10.9	-11.2	-11.3	-11.9	-12.2	-12.5
Others	-39.8	13.2	-42.7	6.2	97.0	-11.3	-11.8	-15.2
Change in net financial debt	-48.4	-94.3	7.9	-7.0	24.1	-32.3	-115.5	-123.0
Balance Sheet (EURm)								
Intangible assets	3.4	3.4	2.6	0.3	0.2	0.2	0.2	0.2
Tangible assets	1.1	0.7	0.4	0.3	0.5	0.5	0.5	0.5
Financial & other non-current assets	30.2	45.2	33.6	32.9	26.6	26.6	26.6	26.6
Total shareholders' equity	112.9	126.8	139.4	149.6	170.3	197.3	225.5	250.0
Pension provisions	0.2	0.2	0.3	0.5	0.6	0.5	0.5	0.5
Liabilities and provisions	330.6	423.7	540.4	437.7	492.5	423.5	554.9	690.9
Net debt	260.9	355.1	347.4	354.5	330.5	362.7	478.3	601.2
Net financial debt	260.7	354.9	347.0	354.0	329.9	362.3	477.8	600.8
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Working capital requirement	345.8	445.3	461.8	479.0	472.9	532.1	675.8	823.3
Invested Capital	350.3	449.4	464.7	479.6	473.6	532.8	676.5	825.1
Per share data								
EPS adjusted	3.09	3.87	3.74	3.82	6.23	7.00	7.49	6.88
EPS adj and fully diluted	3.09	3.87	3.74	3.82	6.23	7.00	7.49	6.88
% Change	34.3%	25.2%	-3.4%	2.3%	63.0%	12.3%	7.1%	-8.2%
EPS reported	2.81	3.54	3.73	4.07	6.49	7.00	7.49	6.88
Cash flow per share	-0.62	-18.27	11.33	-0.35	-11.33	-1.49	-16.76	-17.47
Book value per share	20.69	22.52	25.04	26.91	30.90	35.77	40.99	45.53
Dividend per share	2.00	2.00	2.04	2.08	2.20	2.26	2.31	2.37
Number of shares, YE (m)	5.46	5.63	5.63	5.63	5.63	5.63	5.63	5.63
Ratios								
ROE (%)	15.5%	18.2%	15.5%	14.7%	21.5%	21.0%	19.5%	15.9%
ROIC (%)	10.5%	9.5%	8.6%	8.3%	10.7%	12.2%	10.6%	8.4%
Net debt / EBITDA (x)	8.1	9.8	9.7	10.3	7.4	6.5	8.2	10.4
Gearing (%)	230.9%	279.9%	248.9%	236.6%	193.7%	183.6%	211.9%	240.3%
Valuation								
P/E adjusted	12.2	11.1	12.1	12.6	7.8	9.6	9.0	9.8
P/E adjusted and fully diluted	12.2	11.1	12.1	12.6	7.8	9.6	9.0	9.8
P/BV	1.8	1.9	1.8	1.8	1.6	1.9	1.6	1.5
P/CF	na	na	4.0	na	na	na	na	na
Dividend yield (%)	5.3%	4.6%	4.5%	4.3%	4.5%	3.4%	3.4%	3.5%
FCF yield (%)	-2.2%	-42.5%	24.3%	-0.7%	-22.4%	-2.7%	-24.2%	-25.2%
EV/Sales	4.3	5.2	3.9	2.9	6.1	3.5	3.9	4.5
EV/EBITDA	14.6	16.6	16.9	18.6	13.7	13.5	14.9	17.1
EV/EBIT	15.6	17.7	17.1	18.1	13.3	13.7	15.0	17.3

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Companies mentioned

Stock	ISIN	Currency	Price
Atenor	BE0003837540	EUR	67.20

Source: Factset closing prices of 02/05/2019

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Rating Breakdown	A	B
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Hold	36%	38%
Reduce	15%	10%
Not Rated/Under Review/Accept Offer	3%	5%
Total	100%	100%

Source: KEPLER CHEUVREUX
A: % of all research recommendations
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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Atenor (EUR)	07/11/2018 8:07	Equity Research	Hold	52.00	50.80

Credit research does not issue target prices. Left intentionally blank.

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Amsterdam
Kepler Cheuvreux Benelux
Johannes Vermeerstraat 9
1071 DK Amsterdam
+31 20 573 06 66

Brussels
Kepler Cheuvreux
Rogier Tower
Place Rogier 11
1210 Brussels, Belgium
+32 11 491460

Frankfurt
Kepler Cheuvreux Germany
Taunusanlage 18
60325 Frankfurt
+49 69 756 960

Geneva
Kepler Cheuvreux SA
Route de Crassier 11
1262 - Eysins
Switzerland
+41 22361 5151

London
Kepler Cheuvreux UK
5th Floor
95 Gresham Street
London EC2V 7NA
+44 20 7621 5100

Madrid
Kepler Cheuvreux Espana
Paseo de la Castellana, 52
28046 Madrid
Tel: +34 914 36 5100

Milan
Kepler Cheuvreux Italia
Via C. Cornaggia 10
20123 Milano
+39 02 8550 7201

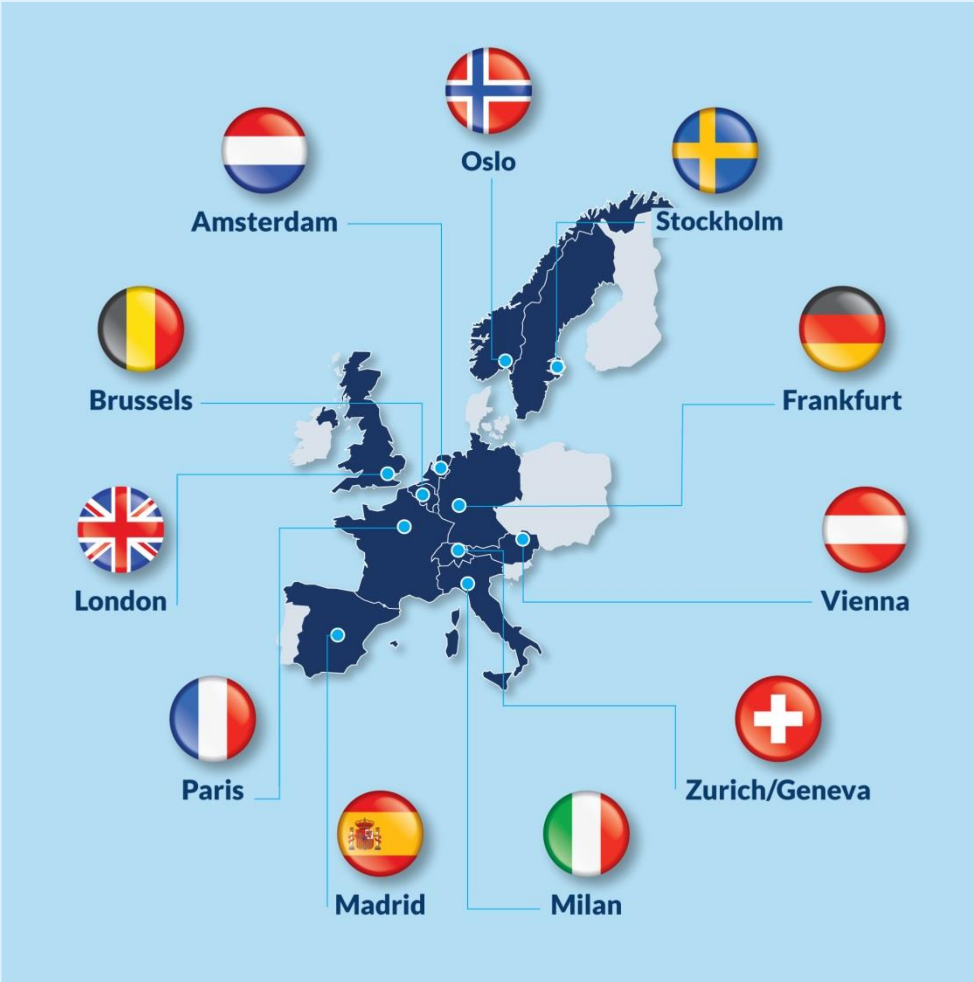
Oslo
Kepler Cheuvreux Norway
Filipstad Brygge 1
Pb. 1671 Vika
0120 Oslo
+47 23 13 9080

Paris
Kepler Cheuvreux France
112 Avenue Kleber
75016 Paris
+33 1 53 65 35 00

Stockholm
Kepler Cheuvreux Sweden
Malmskillnadsgatan 23
11157 Stockholm
+468 723 51 00

Vienna
Kepler Cheuvreux Vienna
Schottenring 16/2
Vienna 1010
+43 1 537 124 147

Zurich
Kepler Cheuvreux Switzerland
Stadelhoferstrasse 22
Postfach
8024 Zurich
+41 43 333 66 66



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North America

Boston
Kepler Capital Markets, Inc.
225 Franklin Street, Floor 26
Boston, MA 02110
+1 617 217 2615

New York
Kepler Capital Markets, Inc.
Tower 49
12 East 49th Street, Floor 36,
10017 New York, NY USA
+1 212 710 7600

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