

# Vectron Systems AG

Buy → | Target 22.50 €

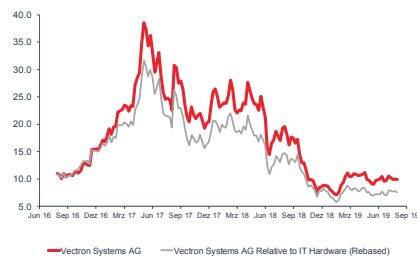
Price (30/08/2019) : 9.90 € | Upside : 127%

Revision	2019e	2020e
EPS	ns	-

## H1 2019 still driven by normalization of demand for POS systems after regulation-driven surge

Publication date 02.09.2019 08:38

Writing date 02.09.2019 08:35



Sources : ODDO BHF Securities, SIX

Capital

V3S GR | V3SG.DE

Market Cap (€m)	72
Enterprise value (€m)	72
Extrema 12 months (€)	7.12 - 19.60
Free Float (%)	49.1

Performance (%)	1m	3m	12m
Absolute	-1.5	-2.0	-46.0
Perf. rel. Country Index	0.0	-3.9	-45.1
Perf. rel. IT Hardware	2.9	-3.2	-44.6

P&L	12/19e	12/20e	12/21e
Sales (€m)	26.5	44.0	48.1
EBITDA (€m)	-2.0	7.3	9.0
Current EBIT (€m)	-3.7	5.6	7.4
Attr. net profit (€m)	-3	3.7	4.9
Adjusted EPS (€)	-0.38	0.51	0.68
Dividend (€)	0.00	0.11	0.15

P/E (x)	ns	19.5	14.6
P/B (x)	5.8	4.5	3.6
Dividend Yield (%)	0.0	1.1	1.5
FCF yield (%)	ns	5.2	6.3
EV/Sales (x)	2.70	1.54	1.33
EV/EBITDA (x)	ns	9.3	7.1
EV/Current EBIT (x)	ns	12.1	8.7
Gearing (%)	-11	-32	-44
Net Debt/EBITDA (x)	0.7	ns	ns

### Next Events

31.10.2019	Q3 Results

### Group revenue down 14% yoy

Vectron reported rather weak H1 2019 results on 30 August, but roughly in line with our estimates. As expected, in view of the final introduction of the new legal requirements for data security in cash registers taking effect on 01 January 2020, demand for Vectron's POS systems remains subdued. Accordingly, H1 2019 group revenue contracted from € 13.9m in H1 2018 to € 12.0m, in line with our estimate of € 11.7m, although H1 2019 EBITDA was down only slightly yoy to € -1.0m (Oddo BHF: € 1.5m) vs € -0.9m in H1 2018). Vectron's earnings continue to be impacted by investments required to build up its new digital business model. Already around one-third of all employees are now working on these new developments.

### H1 results vs Oddo BHF estimates

	reported	YoY	Oddo BHF	diff%
Revenue	12.0	-13.7%	11.7	2.8%
EBITDA	-1.0	11.1%	-1.5	-33.3%
Margin%	-8.3%	-186bp	-12.9%	452bp
Net profit	-1.3	74.2%	-1.7	-21.0%
Margin%	-11.2%		-14.6%	337bp

Source: company data, Oddo BHF estimates

### New digital offerings to expand revenues from up-front to subscription

Vectron's business segments can be divided into two main areas: i/ POS hardware and software and ii/ cloud services. **Cloud services** include the brands bonVito, posmatic and myVectron, all of which focus among others on innovative digital services in the B2B and B2C areas such as digital stamps, coupons, deals, table reservations or delivery services. The cloud services business is to be further expanded in 2019-2020 through new functions and new cooperation agreements to extend Vectron's online platform. Management indicates, however, that it is currently practically impossible to precisely forecast the timing of these cloud service revenues. Vectron's **POS systems** are considerably influenced by the requirements of the tax authorities – in particular by the "Protection Against Manipulation of Digital Basic Records Act". The exact delivery date required for certified technical security devices is still not fixed, however. Also, Germany's Federal Ministry of Finance is expected issue a ruling to grant users of existing systems an additional grace period to update their systems to meet the new requirements, but the timing is still not known. Consequently, according to management demand for new equipment and retrofits cannot be reliably projected. However, demand for is expected to pick up from Q4 2019, as the technical security devices (TSE) required by the new legislation will then be available for delivery for the first time.

### Demand for POS systems to increase again from Q4 2019

In H1 2019, demand for POS systems continued to normalize after a regulation-driven surge. Management has yet to provide detailed guidance for 2019 but emphasizes the importance of its new digital business model for its future growth strategy. For 2020e, we expect the POS market to gain significant traction, driven by regulations requiring POS systems to be updated and made manipulation-proof (fiscalization). Our DCF-based TP remains at € 22.5 and assumes a scenario of delayed phase II POS execution and overall reduced market visibility. The shares are currently trading at EV/sales multiples of 2.7x for 2019e and 1.6x for 2020e, which is not demanding if we consider the recurring nature of the potentially increasing digital revenues and the upcoming phase II of fiscalization.

Henning Steinbrink (Analyst)

+49 (69) 71 83 672

henning.steinbrink@oddo-bhf.com

### Conflict of interests:

ODDO BHF CORPORATES & MARKETS, a division of ODDO BHF SCA, limited sharepartnership - Bank authorised by ACPR. ODDO BHF 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.

Ce document a été imprimé pour D'Uente@vectron.de Le 02/09/2019 10:59:48 .



**V3S GR | V3SG.DE**  
**Electronics | Germany**

	Buy Upside 127.27%					Price 9.90EUR TP 22.50EUR		
	12/14	12/15	12/16	12/17	12/18	12/19e	12/20e	12/21e
<b>PER SHARE DATA (€)</b>								
Adjusted EPS	0.08	0.18	0.30	0.16	-0.59	-0.38	0.51	0.68
<b>Reported EPS</b>	<b>0.12</b>	<b>0.18</b>	<b>0.30</b>	<b>0.16</b>	<b>-0.59</b>	<b>-0.38</b>	<b>0.51</b>	<b>0.68</b>
Growth in adjusted EPS	39.3%	ns	66.1%	-45.3%	ns	ns	ns	34.0%
Net dividend per share	0.05	0.07	0.11	0.07	0.00	0.00	0.11	0.15
FCF to equity per share	0.23	0.17	0.05	-0.45	-0.39	-0.28	0.51	0.63
Book value per share	1.48	1.17	2.25	2.17	1.53	1.70	2.21	2.77
Number of shares market cap (m)	6.60	6.60	6.60	6.60	6.61	7.27	7.27	7.27
Number of diluted shares (m)	6.60	6.60	6.60	6.60	6.61	7.27	7.27	7.27
<b>VALUATION (€m)</b>								
12m highest price (€)	2.67	7.52	16.22	39.25	28.05	11.78		
12m lowest price (€)	1.80	2.47	6.62	14.86	7.60	7.12		
(*) Reference price (€)	2.30	4.48	11.15	24.73	19.37	9.90	9.90	9.90
Capitalization	15.2	29.6	73.6	163	128	72.0	72.0	72.0
Restated Net debt	-3.2	-1.2	-6.6	-1.5	1.6	-1.4	-5.1	-8.8
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	0.9	2.0	3.2	1.7	1.0	1.0	1.0	1.0
<b>Enterprise Value</b>	<b>12.9</b>	<b>30.3</b>	<b>70.2</b>	<b>163</b>	<b>131</b>	<b>71.6</b>	<b>67.9</b>	<b>64.1</b>
P/E (x)	29.1	25.0	37.5	152	ns	ns	19.5	14.6
P/CF (x)	16.0	11.7	19.7	4,440	ns	ns	13.4	10.9
Net Yield	2.0%	1.5%	1.0%	0.3%	0.0%	0.0%	1.1%	1.5%
FCF yield	10.1%	3.8%	0.5%	ns	ns	ns	5.2%	6.3%
P/B incl. GW (x)	1.55	3.83	4.95	11.38	12.64	5.83	4.49	3.57
P/B excl. GW (x)	1.55	3.83	4.95	11.38	12.64	5.83	4.49	3.57
EV/Sales (x)	0.58	1.17	2.08	5.04	5.26	2.70	1.54	1.33
EV/EBITDA (x)	8.3	11.5	19.4	72.4	ns	ns	9.3	7.1
EV/Current EBIT (x)	12.6	14.7	22.7	93.5	ns	ns	12.1	8.7
(*) historical average price								
<b>PROFIT AND LOSS (€m)</b>								
Sales	22.4	25.9	33.7	32.4	24.8	26.5	44.0	48.1
EBITDA	1.6	2.6	3.6	2.3	-3.8	-2.0	7.3	9.0
Depreciations	-0.5	-0.6	-0.5	-0.5	-1.7	-1.7	-1.7	-1.7
<b>Current EBIT</b>	<b>1.0</b>	<b>2.1</b>	<b>3.1</b>	<b>1.7</b>	<b>-5.4</b>	<b>-3.7</b>	<b>5.6</b>	<b>7.4</b>
Published EBIT	1.0	2.1	3.1	1.7	-5.4	-3.7	5.6	7.4
Net financial income	0.1	-0.2	-0.1	-0.1	-0.2	-0.3	-0.3	-0.3
Corporate Tax	-0.3	-0.7	-1.0	-0.6	1.7	1.2	-1.6	-2.1
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	0.8	1.2	2.0	1.1	-3.9	-2.8	3.7	4.9
<b>Adjusted attributable net profit</b>	<b>0.5</b>	<b>1.2</b>	<b>2.0</b>	<b>1.1</b>	<b>-3.9</b>	<b>-2.8</b>	<b>3.7</b>	<b>4.9</b>
<b>BALANCE SHEET (€m)</b>								
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other intangible assets	0.6	0.5	0.4	1.5	0.2	0.2	0.5	0.9
Tangible fixed assets	0.8	0.8	0.7	0.6	0.6	-0.3	-0.9	-1.4
WCR	5.0	6.2	9.3	10.4	8.5	8.6	8.8	9.3
Financial assets	1.0	1.0	1.0	1.9	3.5	3.5	3.5	3.5
Ordinary shareholders equity	9.8	7.7	14.9	14.3	10.1	12.4	16.0	20.2
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	9.8	7.7	14.9	14.3	10.1	12.4	16.0	20.2
Non-current provisions	0.9	2.0	3.2	1.7	1.0	1.0	1.0	1.0
<b>Net debt</b>	<b>-3.2</b>	<b>-1.2</b>	<b>-6.6</b>	<b>-1.5</b>	<b>1.6</b>	<b>-1.4</b>	<b>-5.1</b>	<b>-8.8</b>
<b>CASH FLOW STATEMENT (€m)</b>								
<b>EBITDA</b>	<b>1.6</b>	<b>2.6</b>	<b>3.6</b>	<b>2.3</b>	<b>-3.8</b>	<b>-2.0</b>	<b>7.3</b>	<b>9.0</b>
Change in WCR	0.9	-1.0	-3.0	-1.5	2.3	-0.1	-0.2	-0.5
Interests & taxes	-0.5	-0.2	-0.2	-1.7	-0.2	1.2	-1.6	-2.1
Others	-0.1	0.1	0.4	-0.6	-0.7	-0.3	-0.3	-0.3
Operating Cash flow	1.8	1.5	0.8	-1.5	-2.3	-1.2	5.1	6.1
CAPEX	-0.3	-0.4	-0.4	-1.5	-0.3	-0.8	-1.4	-1.5
<b>Free cash-flow</b>	<b>1.5</b>	<b>1.1</b>	<b>0.3</b>	<b>-3.0</b>	<b>-2.6</b>	<b>-2.1</b>	<b>3.7</b>	<b>4.6</b>
Acquisitions / disposals	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	0.0
Dividends	-0.3	-0.5	-0.7	-1.6	-0.3	0.0	0.0	-0.8
Net capital increase	0.0	0.0	5.9	0.0	0.0	5.0	0.0	0.0
Others	-0.3	1.1	-3.4	-0.2	8.7	0.0	0.0	0.0
Change in net cash	0.9	-1.9	5.4	-5.1	-3.1	3.0	3.7	3.7
<b>GROWTH MARGINS PRODUCTIVITY</b>								
Sales growth	4.7%	15.4%	30.4%	-4.0%	-23.3%	6.9%	65.8%	9.2%
<b>Lfl sales growth</b>								
Current EBIT growth	6.3%	ns	49.3%	-43.4%	ns	ns	ns	31.8%
Growth in adjusted EPS	39.3%	ns	66.1%	-45.3%	ns	ns	ns	34.0%
Net margin	2.3%	4.6%	5.8%	3.3%	-15.6%	-10.4%	8.4%	10.3%
<b>EBITDA margin</b>	<b>7.0%</b>	<b>10.2%</b>	<b>10.7%</b>	<b>7.0%</b>	<b>-15.2%</b>	<b>-7.6%</b>	<b>16.5%</b>	<b>18.8%</b>
<b>Current EBIT margin</b>	<b>4.6%</b>	<b>8.0%</b>	<b>9.2%</b>	<b>5.4%</b>	<b>-22.0%</b>	<b>-13.9%</b>	<b>12.7%</b>	<b>15.3%</b>
CAPEX / Sales	-1.4%	-1.6%	-1.3%	-4.7%	-1.3%	-3.2%	-3.2%	-3.2%
WCR / Sales	22.5%	23.8%	27.5%	32.2%	34.1%	32.4%	20.0%	19.5%
Tax Rate	29.7%	35.6%	33.7%	35.2%	31.0%	30.0%	30.0%	30.0%
Normative tax rate								
Asset Turnover	3.2	3.7	3.8	2.8	2.3	3.0	5.2	5.5
<b>ROCE post-tax (normative tax rate)</b>								
ROCE post-tax hors GW (normative tax rate)	-	-	-	-	-	-	-	-
ROE	5.4%	13.5%	17.4%	7.4%	-31.7%	-24.7%	25.9%	27.3%
<b>DEBT RATIOS</b>								
Gearing	-32%	-16%	-45%	-10%	16%	-11%	-32%	-44%
Net Debt / Market Cap	-0.21	-0.04	-0.09	-0.01	0.01	-0.02	-0.07	-0.12
<b>Net debt / EBITDA</b>	<b>ns</b>	<b>ns</b>	<b>ns</b>	<b>ns</b>	<b>ns</b>	<b>0.68</b>	<b>ns</b>	<b>ns</b>
EBITDA / net financial charges	-24.5	11.5	30.0	25.5	-22.9	-7.4	22.4	29.1

Source: ODDO BHF Securities, SIX



• **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 BHF' 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 BHF concerning the companies covered and mentioned in this document are available on the research site: [www.securities.oddo-bhf.com](http://www.securities.oddo-bhf.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
14.05.19	Buy	22.50	10.60	Henning Steinbrink
12.11.18	Buy	26.60	11.22	Henning Steinbrink
19.07.18	Buy	25.00	16.50	Henning Steinbrink

In accordance with Article 20 of European Regulation No. 596/2014 (Market Abuse Regulation), a list of all recommendations on any financial instrument or issuer that have been disseminated over the past twelve months is available by clicking on the following link [www.securities.oddo-bhf.com](http://www.securities.oddo-bhf.com)

Recommendation split		Buy	Neutral	Reduce
Our whole coverage	(425)	51%	38%	11%
Liquidity providers coverage	(81)	59%	37%	4%
Research service coverage	(33)	76%	24%	0%
Investment banking services	(19)	79%	21%	0%

**Risk of conflict of interest:**

<b>Investment banking and/or Distribution</b>	
Has ODDO BHF, managed or co-managed in the past 12 months a public offering of securities for the subject company/ies?	No
Has ODDO BHF, 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
<b>Research contract between ODDO group &amp; the issuer</b>	
ODDO BHF and the issuer have agreed that ODDO BHF will produce and disseminate investment recommendations on the said issuer as a service to the issuer	Yes
<b>Liquidity provider agreement and market-making</b>	
At the date of the distribution of this report, does ODDO BHF, act as a market maker or has ODDO BHF, signed a liquidity provider agreement with the subject company/ies?	Yes
<b>Significant equity stake</b>	
Does ODDO BHF, 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 BHF or its affiliates?	No
<b>Disclosure to Company</b>	
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
<b>Additional material conflicts</b>	
Is ODDO BHF, aware of any additional material conflict of interest?	No
<b>Personal conflicts of interest</b>	
Have those responsible for the drafting of the present document acquired securities from the issuer concerned by the present financial analysis?	No
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 BHF: [www.securities.oddo-bhf.com](http://www.securities.oddo-bhf.com)**



**Disclaimer:**

Disclaimers for Distribution by ODDO BHF SCA to Non-United States Investors:

This research publication is produced by ODDO BHF Corporates & Markets, a division of ODDO BHF SCA ("ODDO"), which is licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers ("AMF").

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 regulatory provisions designed to promote the independence of investment research. The recommendation presented in this document is reviewed and updated at least quarterly following each Quarterly Report published by the issuer that is the subject of this Research Report.

At the time of publication of this document, ODDO 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 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.

This Research Report is for institutional investors only. It may not contain information necessary for others to make investment decisions. Consult your financial adviser or an investment professional if you are not an institutional investor.

Disclaimers for Distribution by ODDO BHF New York Corporation to United States Investors:

This Research Report is produced by ODDO BHF Corporates & Markets, a division of ODDO. This research is distributed to U.S. investors exclusively by ODDO BHF 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 regulatory provisions designed to promote the independence of investment research. The recommendation presented in this document is reviewed and updated at least quarterly following each Quarterly Report published by the issuer that is the subject of this Research Report.

At the time of publication of this document, ODDO, 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 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.

This Research Report is for institutional investors only. It may not contain information necessary for others to make investment decisions. Consult your financial adviser or an investment professional if you are not an institutional investor.

Disclosures Required by United States Laws and Regulations:

Rule 15a-6 Disclosure: Under Rule 15a-6(a)(3), any transactions conducted by ODDO, 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 BHF Corporates & Markets beneficially owns 1% or more of any class of common equity securities of the subject company.
- The research analyst of ODDO BHF Corporates & Markets, at the time of publication of this research report, is not aware, nor does he or she know or have reason to know of any actual, material conflict of interest of himself or herself, ODDO, ODDO BHF Corporates & Markets or ONY, except those mentioned in the paragraph entitled "Risks of Conflicts of Interest."
- ODDO BHF Corporates & Markets or ODDO 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 BHF Corporates & Markets has received compensation from the subject company in the past 12 months for providing investment banking services except those mentioned in the paragraph of "Risks of Conflict of Interest".
- Neither ONY, ODDO, ODDO BHF Corporates & Markets 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 BHF Corporates & Markets 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 BHF New York Corporation, MEMBER: FINRA/SIPC, is a wholly owned subsidiary of ODDO BHF SCA; Philippe Bouclainville, President (pbouclainville@oddone.com) 150 East 52nd Street New York, NY 10022 212-481-4002.

Disclaimers for Distribution by ODDO BHF SCA to Non-United States Investors:

This publication is produced by ODDO BHF Corporates & Markets, a division of ODDO BHF SCA ("ODDO"), which is licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers ("AMF").

This document, 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 document is a marketing communication including one or more investment recommendation(s) in the meaning of the Market Abuse Regulation n° 596/2014 dated 16 April 2014. It does not constitute a financial analysis and has not been developed in accordance with legal requirements designed to promote the independence of investment research. Accordingly, there are no prohibitions on personal dealing ahead of its dissemination. "Chinese walls" (information barriers) have been implemented to avert the unauthorized dissemination of confidential