GLOBAL NETWORK FOR ADVANCED MANAGEMENT

ALANTRA PARTNERS S.A.

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ALANTRA PARTNERS S.A. (BME : ALNT)

Alantra Partners S.A. is an investment banking and asset management firm. The company is an independent financial advisor in mid-market transactions, covering M&A, Capital Markets, Debt and Credit Portfolio activities. In Asset Management, Alantra specialises in promoting, developing and managing investment products investing in alternative asset classes.

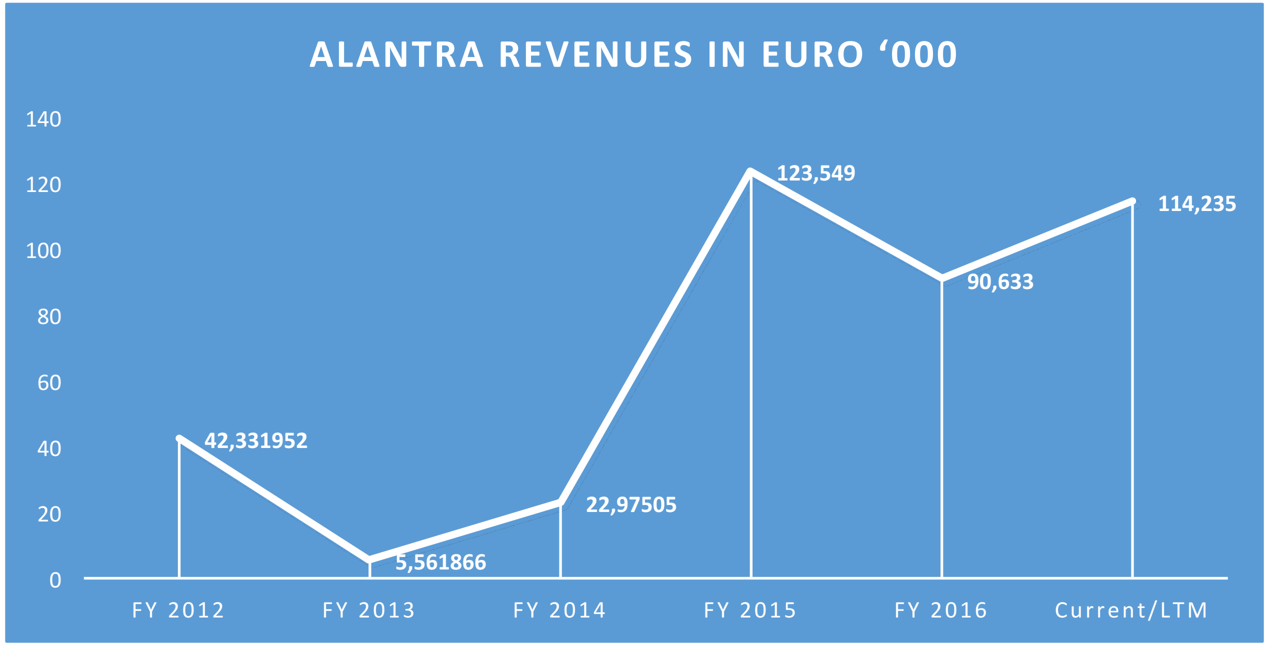
- The company has a market cap of €458.4 Million and a price-to-earnings ratio of 16.38.
- The stock's 52 Week High is €13.05 and 52 Week Low is €7.7289 respectively.
- It has a trailing 12M EPS of 0.79.
- Recommendation : **Strong Buy**
- Current Price €12.90
- Target Price €16.51

- INSTITUTIONAL BROKERAGE

DRIVERS

- **Well positioned in its segments**

- **Strategic Acquisition:** Alantra Partners SA and Catalyst Corporate Finance combine to create a leading global advisory business in the mid-market segment.
- **Strong Financials:** The company has been reporting strong set of numbers with sales and profit are growing up. Net profit of Alantra Partners SA grew by 15.3% and net revenues for the first 9 months reached €82 M in the first 9 months, this implies a growth of 74.3% vs the same period in 2016.



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KEY RISKS

- There may be headwinds in realising the synergies through acquisition of Catalyst Corporate Finance.
- Stiff competition, may suffer as political and policy uncertainty may stall decisions.

KEY STATISTICS

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52 Week Range	7.95-13.05
Market Cap (M) Euro	456.44
Enterprise Value (M) Euros	352.21
Shares Outstanding (M)	35.38
P/E	16.38
Beta	0,17
T12M EPS	0.79

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EARNINGS STRENGTH

- EPS increased from €0.51 in 9MFY16 to an €0.55 in 9MFY17 indicating an improving growth rate. Analyst forecasts have recently been raised. Company recently reported better than expected results.
- Net profit of the Alantra Group grew by 15.3% reaching €19.4 million in the first 9 months of the year. This growth is mainly driven by the fees business growing by 108.1%, reaching €16.3 million

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RELATIVE VALUATION

- Dividend 12M Yield of 4.69 for Alantra Partners SA ranks above 90% of its relative peer companies.
- In terms of ROE, Alantra Partners SA ranks among top 60% of its relative peer companies.

Name	Ticker	Price	ROE	Dvd 12M Yld
ALANTRA PARTNERS SA	ALNT SM Equity	12,90	10,81	4,69
SBI HOLDINGS INC	8473 JP Equity	12,69	10,75	3,27
INDUSTRIAL SECURITIES CO-A	601377 CH Equity	1,03	-6,06	1,89
SOOCHOW SECURITIES CO LTD-A	601555 CH Equity	1,42	5,21	1,36
PIPER JAFFRAY COS	PJC US Equity	61,86	12,03	1,30
DONGXING SECURITIES CO LT-A	601198 CH Equity	2,20	6,34	0,88
KINGSTON FINANCIAL GROUP LTD	1031 HK Equity	0,77	7,72	0,36
QATAR FIRST BANK	QFBQ QD Equity	1,22	N/A	N/A
KRESNA GRAHA INVESTAMA PT TB	KREN IJ Equity	0,03	34,74	N/A
CROWN INTERNATIONAL CORP LTD	727 HK Equity	0,14	6,64	N/A
COWEN INC	COWN US Equity	12,35	0,48	N/A
Average	**Average**	**9,69**	**8,86**	**1,96**

Source : Bloomberg

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PRICE MOVEMENT

- The stock price of Alantra Partners SA has increased by over 56.10 % in the last 12 months.
- The stock has increased by 5.70% and 8.47% in the last 3 months and 1 month respectively. These historical performance should lead to above average price performance in the next three to 6 months.

Price Momentum	Date	Close Price	10/11/2017	% Change
1 Year Price Movement	14/11/2016	€8,2	€12,8	56,10%
1 Quarter Price Movement	10/08/2017	€12,11	€12,8	5,70%
1 Month Price Movement	13/10/2017	€11,8	€12,8	8,47%
Source : Bloomberg				

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FAIR VALUE CALCULATION (DCF)

Fair Value Calculation										
Symbol	ALNT									
Growth Rate (Growth Stage)	10,00%	Assumption								
Discount Rate	8,00%	Assumption								
Terminal Growth Rate	4,00%	Assumption								
Year	2016									
EPS	0,79									
X	1,019									
Y	0,963									
Growth Value	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
€8,75	0,80	0,82	0,83	0,85	0,87	0,88	0,90	0,91	0,93	0,95
Terminal Value	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
€7,76	0,91	0,88	0,85	0,82	0,79	0,76	0,73	0,70	0,68	0,65
Fair Value	**€16,51**									
Price	€12,90									
Margin of Safety	22%									

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CONCLUSIONS

- Track record of stable operating margin, revenue growth, EPS Growth.
- DCF valuation shows that the company is currently undervalued by 22% and shows such upside potential with current price being EUR12.90 and target price of EUR 16.51.
- The stock is traded at a discount to a conservative fair value. Hence, we recommend a strong buy at the current price.

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