

| Electric Utilities | **EPS upgrade** | France | @ Go to SG website

Engie EPS

2020 sales target of €100m increasingly credible

Buy

Price 16/11/18	€13.7
12m target	€21.0
Upside to TP	53.3%
12m f'cast div	€0.00
12m TSR	53.3%

Main changes since last report

Target (€)	21.00	nc
EPS 18e (€)	↓-0.236 (-0.141)	-67.2%
EPS 19e (€)	↑1.06 (0.979)	+8.0%
EPS 20e (€)	1.61	nc
new vs (old)		nc: no change

The big Palau contract that Engie EPS won last October – which will probably be joined by more projects in the Pacific – lends further credibility to the 2020 sales target, a target that only a few months ago we considered to be on the high side. We reiterate our Buy rating on Engie EPS, a real success story in the rapidly growing power storage segment.

What are the main lessons we can draw from 3Q18? Nine-month sales rose 13% LFL to €7.5m (IAS 11-18) and came to €2.9m under IFRS 15. The quarter saw the delivery of 24MW of power storage systems in Spain, Italy and Belgium. Several microgrid and power storage contracts in Italy, Singapore and the Comoro Islands should fuel sales growth in 4Q18 and 1Q19, in our view. Note that delivery of the Comoros project could be delayed due to political turmoil on the island of Anjouan last October. Initially planned for end-2018, full delivery is now expected in early 2019. So booking the sales relative to that should be at least in part pushed back from 4Q18 to 1Q19. This is behind the adjustments we have made to our 2018 and 2019 sales and earnings forecasts. As of end-September, post the capital increase that took place in August, Engie EPS had €13.5m in net cash on its balance sheet.

How are the backlog and pipeline doing? The backlog grew to €77.5m (€20.5m as of end-June) with the awarding of the big Palau contract. The pipeline is now worth €179m (€244m at end-June), as €55m in potential deals have been converted into binding agreements.

During the conference call management was highly confident in Engie EPS's ability to reach or even exceed its 2020 targets Based on the contracts already signed and on the current pipeline – which includes several 'very advanced' projects – we now believe that the company could very well meet its 2020 sales target of €100m. France's overseas departments and territories (French Polynesia, New Caledonia, Wallis and Futuna, etc.) are seen as harbouring a lot of opportunities (parent company Engie already has a strong presence there, namely in Tahiti), as are the Tonga islands, the Salomon Islands, Fiji, etc. On a more medium-term view, several islands in Thailand, the Philippines, Indonesia and Malaysia could also prove attractive. The company has cited still relatively low competition. Tesla, which is considered to be Engie EPS's main rival, hardly adventures out any further than the US market (and its island territories), and in most cases, participates in subsidised projects. More importantly, Engie Eps is the only company currently capable of offering turnkey solutions, spanning the industrial phase to the financing phase via power purchase agreements. This is a key advantage when negotiating with governments, municipalities, etc.

We derive our target price from a DCF, factoring in the following assumptions: a WACC of 9.0%, a normalised EBITDA margin of 26% and perpetuity growth of 3%.

Share price performance



Perf. (%)	1m	3m	12m	yt
Share	-1.8	26.9	4.3	18.1
Rel. index*	0.2	35.7	3.8	23.2
Rel. sector**	-3.3	29.5	8.5	18.6

* MSCI World (\$)

** MSCI World Utilities (\$)

RIC EPS.PA, Bloom EPS FP

52-week range	14.2-9.66
EV 18 (€m)	186
Mkt cap. (€m)	175
Free float (%)	29.5
No. shares o/s (m)	13
Avg vol. 3m (No. shares)	11,459

Equity analyst
Jean Michel Belanger
+33 1 56 37 35 07
jean-michel.belanger@sgcib.com

Specialist sales
Gareth Williams
+44 207 762 5256
gareth.b.williams@sgcib.com

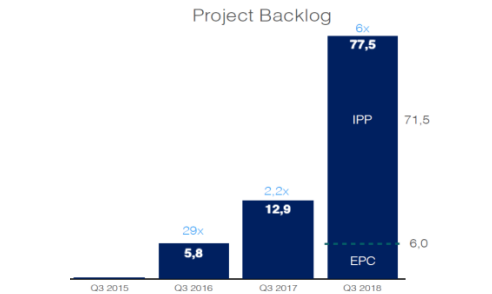
Financial data	12/17	12/18e	12/19e	12/20e	Ratios	12/17	12/18e	12/19e	12/20e
Revenues (€m)	10.0	19.0	79.0	100	P/E (x)	NM	NM	13.0	8.5
Rev. yoy growth (%)	37.0	90.0	NM	26.6	FCF yield (/EV) (%)	-16.0	-5.3	-1.4	4.6
EBIT margin (%)	NM	NM	16.5	20.0	Dividend yield (%)	0.0	0.0	0.0	0.0
Rep. net inc. (€m)	-9.00	-1.40	13.5	20.5	Price/book value (x)	50.4	4.84	4.07	2.78
EPS (adj.) (€)	-0.40	-0.24	1.06	1.61	EV/revenues (x)	6.01	9.78	2.33	1.93
EPS yoy growth (%)	62.9	41.2	NM	51.9	EV/EBIT (x)	NM	NM	14.1	9.64
Dividend/share (€)	0.00	0.00	0.00	0.00	EV/IC (x)	4.1	8.9	5.0	3.9
Dividend yoy growth (%)	NA	NA	NA	NA	ROIC/WACC (x)	-2.2	-1.2	3.2	3.3
Payout (%)	0	0	0	0	Net Debt/EBITDA (x)	0.65	11.0	NM	NM

Societe Generale ("SG") does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that SG may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. **PLEASE SEE APPENDIX AT THE END OF THIS REPORT FOR THE ANALYST(S) CERTIFICATION(S), IMPORTANT DISCLOSURES AND DISCLAIMERS. ALTERNATIVELY, VISIT OUR GLOBAL RESEARCH DISCLOSURE WEBSITE**

This document, published on 19-Nov-2018 at 7:53 AM CET, is being provided for the exclusive use of

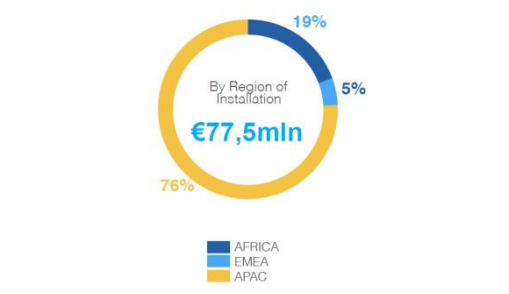
C GU (ELECTRO POWER SYSTEMS S.A.)

Backlog trend



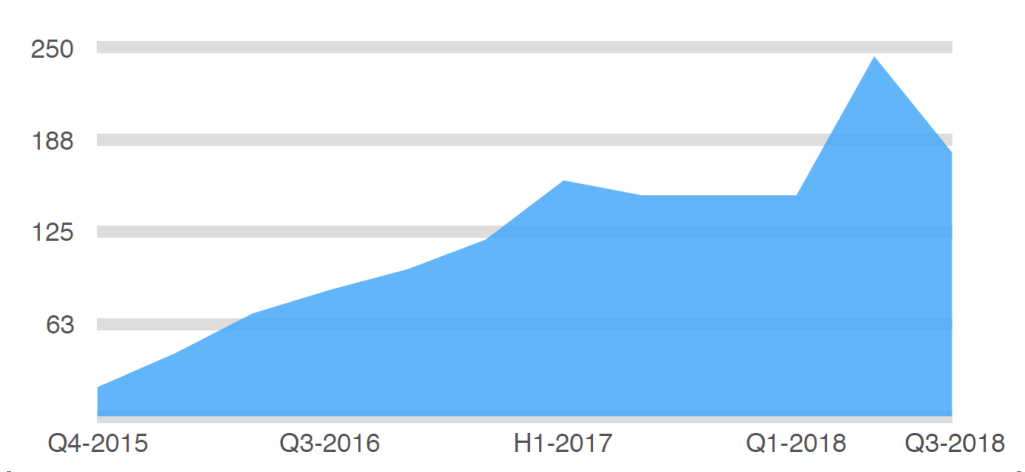
Source: Company data

Backlog mix



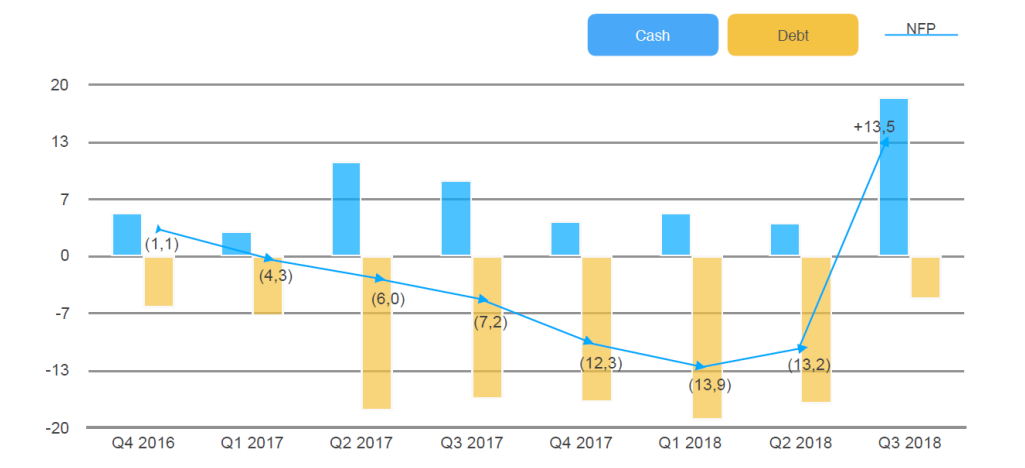
Source: Company data

Projects in the pipeline – Quarterly trend



Source: Company data

Financial position – Quarterly trend



Source: Company data

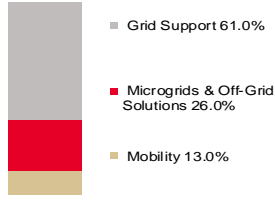
Pacific islands – Opportunities abound for Engie EPS



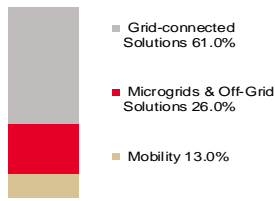
Source: Wikipedia

Engie EPS

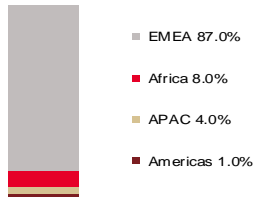
Sales/division 17



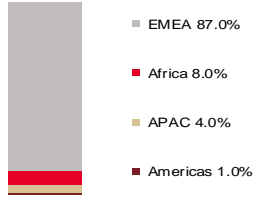
EBIT/division 17



Sales/region 17



EBIT/Region 17



Major shareholders (%)

Engie	60.5
Free Float	29.5
Founders & Management	10.0

Valuation (€m)	12/13	12/14	12/15	12/16	12/17	12/18e	12/19e	12/20e
No. of shares basic year end/outstanding	5.17	5.17	7.88	8.03	8.44	12.8	12.8	12.8
Share price: avg (hist. yrs) or current			6.43	5.31	8.58	13.7	13.7	13.7
Average market cap. (SG adjusted) (1)	NA	NA	51	43	72	175	175	175
Restated net debt (-)/cash (+) (2)	0	-1	-9	1	12	-11	-9	-18
Value of minorities (3)	0	0	0	0	0	0	0	0
Value of financial investments (4)	0	0	0	0	0	0	0	0
Other adjustment (5)	0	0	0	0	0	0	0	0
EV = (1) - (2) + (3) - (4) + (5)	NA	NA	59	42	60	186	184	193
P/E (x)	NA	NA	NM	NM	NM	NM	13.0	8.5
Price/cash flow (x)	NA	NA	NM	NM	NM	NM	44.8	10.1
Price/free cash flow (x)	NA	NA	NM	NM	NM	NM	NM	18.8
Price/book value (x)	NA	NA	4.09	7.68	50.4	4.84	4.07	2.78
EV/revenues (x)	NA	NA	99.1	5.73	6.01	9.78	2.33	1.93
EV/EBITDA (x)	NA	NA	NM	NM	NM	NM	11.5	8.0
Dividend yield (%)	NA	NA	0.0	0.0	0.0	0.0	0.0	0.0
Per share data (€)								
SG EPS (adj.)	-0.48	-0.33	-0.98	-1.08	-0.40	-0.24	1.06	1.61
Cash flow	0.17	-0.91	-1.10	-0.41	-1.30	-0.50	0.31	1.36
Book value	-0.60	0.097	1.57	0.69	0.17	2.83	3.37	4.93
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income statement (€m)								
Revenues	1.30	1.60	0.60	7.30	10.0	19.0	79.0	100
Gross income	-2.40	-1.60	0.50	3.20	4.00	5.00	30.0	42.0
EBITDA	-2.40	-1.60	-3.10	-4.00	-1.70	-1.00	16.0	24.0
Depreciation and amortisation	0.00	0.00	-4.60	-4.50	-1.70	-2.00	-3.00	-4.00
EBIT	-2.40	-1.60	-7.70	-8.50	-3.40	-3.00	13.0	20.0
Impairment losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net interest income	-0.10	0.00	0.00	-0.10	-3.80	0.50	0.50	0.50
Exceptional & non-operating items	0.00	0.00	-2.90	0.00	-2.60	1.10	0.00	0.00
Taxation	0.00	-0.10	0.00	0.00	0.80	0.00	0.00	0.00
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reported net income	-2.50	-1.70	-10.6	-8.60	-9.00	-1.40	13.5	20.5
SG adjusted net income	-2.50	-1.70	-7.70	-8.60	-3.30	-2.50	13.5	20.5
Cash flow statement (€m)								
EBITDA	-2	-2	-3	-4	-2	-1	16	24
Change in working capital	3	-3	-3	1	-6	-5	-13	-7
Other operating cash movements	0	0	-3	0	-3	1	1	1
Cash flow from operating activities	1	-5	-9	-3	-11	-5	4	17
Net capital expenditure	0	0	-1	-5	-3	-4	-6	-8
Free cash flow	1	-5	-10	-9	-13	-9	-2	9
Cash flow from investing activities	0	0	0	0	0	0	0	0
Cash flow from financing activities	1	3	19	0	2	30	0	0
Net change in cash resulting from CF	2	-2	9	-9	-12	21	-2	9
Balance sheet (€m)								
Total long-term assets	0	0	2	6	7	9	13	19
of which intangible	0	0	1	5	6	7	9	12
Working capital	-3	0	2	2	8	12	25	32
Employee benefit obligations	0	0	0	0	1	2	2	3
Shareholders' equity	-3	1	12	6	1	30	43	63
Minority interests	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0
Net debt (-)/cash (+)	0	1	8	3	1	11	9	18
Accounting ratios								
ROIC (%)	146.1	80.0	-269.5	-107.2	-21.8	-11.8	31.4	32.5
ROE (%)	NM	NM	-164.3	-96.1	-260.9	-8.9	37.0	38.7
Gross income/revenues (%)	-184.6	-100.0	83.3	43.8	40.0	26.3	38.0	42.0
EBITDA margin (%)	-184.6	-100.0	-516.7	-54.8	-17.0	-5.3	20.3	24.0
EBIT margin (%)	NM	NM	NM	NM	NM	NM	16.5	20.0
Revenue yoy growth (%)	-18.8	23.1	-62.5	NM	37.0	90.0	NM	26.6
Rev. organic growth (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA yoy growth (%)	38.5	33.3	-93.8	-29.0	57.5	41.2	NM	50.0
EBIT yoy growth (%)	64.2	33.3	NM	-10.4	60.0	11.8	NM	53.8
EPS (adj.) yoy growth (%)	81.6	32.0	-197.3	-10.7	62.9	41.2	NM	51.9
Dividend growth (%)	NA	NA	NA	NA	NA	NA	NA	NA
Cash conversion (%)	nm	nm	131.2	98.8	nm	nm	-20.0	44.0
Net debt/equity (%)	3	NM	NM	NM	NM	NM	NM	NM
FFO/net debt (%)	NM	NM	NM	455.6	38.2	NM	187.5	137.6
Dividend paid/FCF (%)	NM	NM	NM	NM	NM	NM	NM	NM

Source: SG Cross Asset Research/Equity

Report completed on 19 Nov. 2018 2:55 CET

APPENDIX

COMPANIES MENTIONED

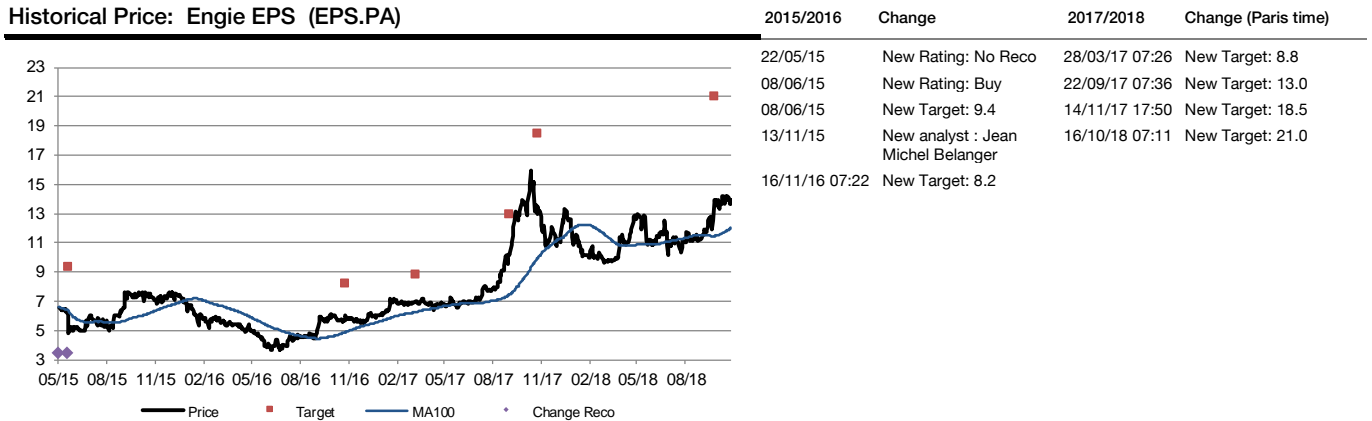
Engie (ENGI FP, Buy)
Engie EPS (EPS FP, Buy)
Tesla Motors Inc (TSLA.O, No Reco)

ANALYST CERTIFICATION

The following named research analyst(s) hereby certifies or certify that (i) the views expressed in the research report accurately reflect his or her or their personal views about any and all of the subject securities or issuers and (ii) no part of his or her or their compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this report: **Jean Michel Belanger**

The analyst(s) who author research are employed by SG and its affiliates in locations, including but not limited to, Paris, London, New York, Hong Kong, Tokyo, Bangalore, Frankfurt, Madrid, Milan, Geneva, Seoul, Warsaw and Moscow

Historical Price: Engie EPS (EPS.PA)



Source: SG Cross Asset Research/Equity

VALUATION METHODOLOGY AND RISKS TO RATING, RECOMMENDATION AND PRICE TARGET

Valuation Methodology **Engie EPS**

Our target price is derived from a DCF, with a WACC of 9.0% (beta of 2.6x), a normalised EBITDA margin of 26% and a perpetuity growth rate of 3.0%.

Risks

1) Length of the sales cycle (usually spans between one and two years); 2) End-customer resistance to technological changes; 3) Execution risks. We estimate Engie Eps' net cash position at end 2018 at €11m.

SG EQUITY RESEARCH RATINGS on a 12 month period

BUY: absolute total shareholder return forecast of 15% or more over a 12 month period.

HOLD: absolute total shareholder return forecast between 0% and +15% over a 12 month period.

SELL: absolute total shareholder return forecast below 0% over a 12 month period.

Total shareholder return means forecast share price appreciation plus all forecast cash dividend income, including income from special dividends, paid during the 12 month period. Ratings are determined by the ranges described above at the time of the initiation of coverage or a change in rating (subject to limited management discretion). At other times, ratings may fall outside of these ranges because of market price movements and/or other short term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by research management.

Sector Weighting Definition on a 12 month period:

The sector weightings are assigned by the SG Equity Research Strategist and are distinct and separate from SG equity research analyst ratings. They are based on the relevant MSCI.

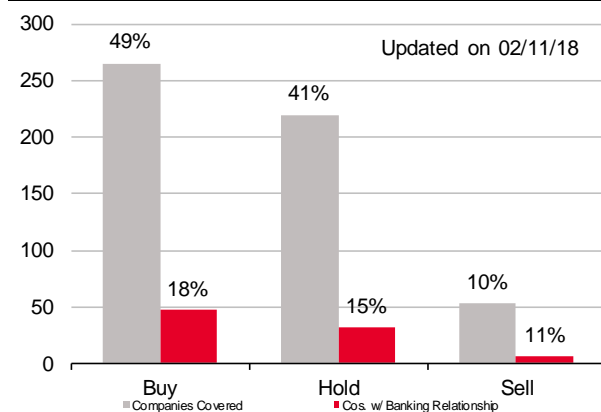
OVERWEIGHT: sector expected to outperform the relevant broad market benchmark over the next 12 months.

NEUTRAL: sector expected to perform in-line with the relevant broad market benchmark over the next 12 months.

UNDERWEIGHT: sector expected to underperform the relevant broad market benchmark over the next 12 months.

The Preferred and Least preferred stocks are selected by the covering analyst based on the individual analyst's coverage universe and not by the SG Equity Research Strategist.

Equity rating and dispersion relationship



Source: SG Cross Asset Research/Equity

All pricing information included in this report is as of market close, unless otherwise stated.

MSCI DISCLAIMER: The MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, disseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are service marks of MSCI and its affiliates or such similar language as may be provided by or approved in advance by MSCI.

IMPORTANT DISCLOSURES

Engie SG acted as financial advisor to Engie for the disposal of LNG business to Total
 Engie SG acted as joint lead manager in the Engie bond issue (7 yr EUR500m, 15 yr 500m)
 Engie SG acted as global coordinator and joint bookrunner in Engie's bond issue (EUR,10yrs).
 Engie EPS SG acted as global coordinator and joint bookrunner in Electro Power System's rights issue (EUR).

During the past 12 months, SG and/or its affiliate(s) received compensation for products and services other than investment banking related services, or had a non-investment banking, non-securities services related client relationship: Engie EPS, Engie.
 SG and/or its affiliates act as market maker or liquidity provider in the debt securities of Engie EPS, Engie.
 SG and/or its affiliates act as market maker or liquidity provider in the equities securities of Engie.
 SG or its affiliates expect to receive or intend to seek compensation for investment banking services in the next 3 months from Engie.
 SG or its affiliates had an investment banking client relationship during the past 12 months with Engie EPS, Engie.
 SG or its affiliates have received compensation for investment banking services in the past 12 months from Engie EPS, Engie.
 SG or its affiliates managed or co-managed in the past 12 months a public offering of securities of Engie EPS, Engie.

FOR DISCLOSURES PERTAINING TO COMPENDIUM REPORTS OR RECOMMENDATIONS OR ESTIMATES MADE ON SECURITIES OTHER THAN THE PRIMARY SUBJECT OF THIS RESEARCH REPORT, PLEASE VISIT OUR GLOBAL RESEARCH DISCLOSURE WEBSITE AT <https://www.sgmarkets.com/#equity/compliance> or call +1 (212)278.6000 in the U.S.

European Specialty Sales

If a European specialist sales personnel is listed on the cover of research reports, these employees are in SG's Global Markets division responsible for the sales effort in their sector and are not part of SG's Cross-Asset Research Department. Specialist Sales do not contribute in any manner to the content of research reports in which their names appear.

SG has mandatory research policies and procedures that are reasonably designed to (i) ensure that purported facts in research reports are based on reliable information and (ii) to prevent improper selective or tiered dissemination of research reports. The analyst(s) responsible for preparing this report receive compensation that is based on various factors including SG's total revenues, a portion of which are generated by investment banking activities.

Non-U.S. Analyst Disclosure: The name(s) of any non-U.S. analysts who contributed to this report and their SG legal entity are listed below. U.S. analysts are employed by SG Americas Securities LLC. The non-U.S. analysts are not registered/qualified with FINRA, may not be associated persons of SGAS and may not be subject to the FINRA restrictions on communications with a subject company, public appearances and trading securities held in the research analyst(s)' account(s): Jean Michel Belanger Société Générale Paris

IMPORTANT DISCLAIMER: The information herein is not intended to be an offer to buy or sell, or a solicitation of an offer to buy or sell, any securities and has been obtained from, or is based upon, sources believed to be reliable but is not guaranteed as to accuracy or completeness. Material contained in this report satisfies the regulatory provisions concerning independent investment research as defined in MiFID. Information concerning conflicts of interest and SG's management of such conflicts is contained in the SG's Policies for Managing Conflicts of Interests in Connection with Investment Research which is available at <https://www.sgmarkets.com/#equity/compliance> SG does, from time to time, deal, trade in, profit from, hold, act as market-makers or advisers, brokers or bankers in relation to the securities, or derivatives thereof, of persons, firms or entities mentioned in this document and may be represented on the board of such persons, firms or entities. SG does, from time to time, act as a principal trader in equities or debt securities that may be referred to in this report and may hold equity or debt securities positions or related derivatives. Employees of SG, or individuals connected to them, may from time to time have a position in or hold any of the investments or related investments mentioned in this document. SG is under no obligation to disclose or take account of this document when advising or dealing with or on behalf of customers. The views of SG reflected in this document may change without notice. In addition, SG may issue other reports that are inconsistent with, and reach different conclusions from, the information presented in this report and is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. To the maximum extent possible at law, SG does not accept any liability whatsoever arising from the use of the material or information contained herein. This research document is not intended for use by or targeted to retail customers. Should a retail customer obtain a copy of this report he/she should not base his/her investment decisions solely on the basis of this document and must seek independent financial advice.

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own informed decisions and seek their own advice regarding the appropriateness of investing in financial instruments or implementing strategies discussed herein. The value of securities and financial instruments is subject to currency exchange rate fluctuation that may have a positive or negative effect on the price of such securities or financial instruments, and investors in securities such as ADRs effectively assume this risk. SG does not provide any tax advice. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Investments in general, and derivatives in particular, involve numerous risks, including, among others, market, counterparty default and liquidity risk. Trading in options involves additional risks and is not suitable for all investors. An option may become worthless by its expiration date, as it is a depreciating asset. Option ownership could result in significant loss or gain, especially for options of unhedged positions. Prior to buying or selling an option, investors must review the "Characteristics and Risks of Standardized Options" at <http://www.optionsclearing.com/about/publications/character-risks.jsp> or from your SG representative. Analysis of option trading strategies does not consider the cost of commissions. Supporting documentation for options trading strategies is available upon request.

Notice to French Investors: This publication is issued in France by or through Société Générale ("SG") which is authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers (AMF).

Notice to U.K. Investors: Société Générale is a French credit institution (bank) authorised by the Autorité de Contrôle Prudentiel (the French Prudential Control Authority) and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request.

Notice to Swiss Investors: This document is provided in Switzerland by or through Société Générale Paris, Zürich Branch, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.

Notice to Polish Investors: This document has been issued in Poland by Societe Generale S.A. Oddzial w Polsce ("the Branch") with its registered office in Warsaw (Poland) at 111 Marszałkowska St. The Branch is supervised by the Polish Financial Supervision Authority and the French "Autorité de Contrôle Prudentiel". This report is addressed to financial institutions only, as defined in the Act on trading in financial instruments. The Branch certifies that this document has been elaborated with due diligence and care.

Notice to U.S. Investors: For purposes of SEC Rule 15a-6, SG Americas Securities LLC ("SGAS") takes responsibility for this research report. This report is intended for institutional investors only. Any U.S. person wishing to discuss this report or effect transactions in any security discussed herein should do so with or through SGAS, a U.S. registered broker-dealer and futures commission merchant (FCM). SGAS is a member of FINRA, NYSE and NFA. Its registered address at 245 Park Avenue, New York, NY, 10167. (212)-278-6000.

Notice to Canadian Investors: This document is for information purposes only and is intended for use by Permitted Clients, as defined under National Instrument 31-103, Accredited Investors, as defined under National Instrument 45-106, Accredited Counterparties as defined under the Derivatives Act (Québec) and "Qualified Parties" as defined under the ASC, BCSC, SFSC and NBSC Orders

Notice to Singapore Investors: This document is provided in Singapore by or through Société Générale ("SG"), Singapore Branch and is provided only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289. Recipients of this document are to contact Société Générale, Singapore Branch in respect of any matters arising from, or in connection with, the document. If you are an accredited investor or expert investor, please be informed that in SG's dealings with you, SG is relying on the following exemptions to the Financial Advisers Act, Cap. 110 ("FAA"): (1) the exemption in Regulation 33 of the Financial Advisers Regulations ("FAR"), which exempts SG from complying with Section 25 of the FAA on disclosure of product information to clients;

(2) the exemption set out in Regulation 34 of the FAR, which exempts SG from complying with Section 27 of the FAA on recommendations; and (3) the exemption set out in Regulation 35 of the FAR, which exempts SG from complying with Section 36 of the FAA on disclosure of certain interests in securities.

Notice to Hong Kong Investors: This report is distributed or circulated in Hong Kong only to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”). Any such professional investor wishing to discuss this report or take any action in connection with it should contact SG Securities (HK) Limited. This report does not constitute a solicitation or an offer of securities or an invitation to the public within the meaning of the SFO.

Notice to Japanese Investors: This publication is distributed in Japan by Societe Generale Securities Japan Limited, which is regulated by the Financial Services Agency of Japan. This document is intended only for the Specified Investors, as defined by the Financial Instruments and Exchange Law in Japan and only for those people to whom it is sent directly by Societe Generale Securities Japan Limited, and under no circumstances should it be forwarded to any third party. The products mentioned in this report may not be eligible for sale in Japan and they may not be suitable for all types of investors.

Notice to Korean Investors: This report is distributed in Korea by SG Securities Korea Co., Ltd which is regulated by the Financial Supervisory Service and the Financial Services Commission.

Notice to Australian Investors: For Documents Distributed in Australia by SG Securities (HK) Limited: This document is distributed by SG Securities (HK) Limited, a Registered Foreign Company and Foreign Financial Services Provider in Australia (ARBN 126058688) that is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (“Act”). SG Securities (HK) Limited is regulated by the Securities and Futures Commission under Hong Kong laws, which differ from Australian laws. The information contained in this document is only directed to recipients who are wholesale clients as defined under the Act.

Notice to Indian Investors: Societe Generale Global Solution Center Pvt. Ltd (SG GSC) is a 100% owned subsidiary of Societe Generale, SA, Paris. Societe Generale SA is authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers (AMF). Analysts employed by SG GSC do not produce research covering securities listed on any stock exchange recognised by the Securities and Exchange Board of India (SEBI) and is not licensed by either SEBI or the Reserve Bank of India.

<http://www.sgcib.com>. Copyright: The Société Générale Group 2018. All rights reserved.

This publication may not be reproduced or redistributed in whole or in part without the prior consent of SG or its affiliates.