

# Benelux

6 February 2017

## ArcelorMittal added to Benelux Top Picks

**We add ArcelorMittal to our Benelux Top Picks. We have become more positive on iron ore prices and see ArcelorMittal deleveraging rapidly. We raise our TP on the stock from EUR7 to EUR12. Our list comprises ASM I, ArcelorMittal, ASR, Basic-Fit, CCEP, SBM and Van Lanschot.**

### MT still Sector Most Preferred stock, TP up to EUR12

Despite a 300% run for the stock since February 2016, ArcelorMittal is still one of our Sector Most Preferred Stocks. In our view, it has massive upside potential (+70%), if we are right about our calls on: 1) further Chinese supply-side discipline and reforms (greatest impact on steel and coal); and 2) a better outlook for iron ore prices than suggested by consensus. It is the best play, given strong spot and commodity steel market exposure (80% of steel shipments) and partial backwards integration (50-60% iron ore, 10-15% coking coal). We keep our Buy rating and raise our TP from EUR7 to EUR12. Furthermore, we believe ArcelorMittal will deleverage further and reach a net debt/EBITDA ratio of 1x already in mid-2018.

### Strong outperformance continues

The strong performance of our Benelux Top Picks continues into 2017, with a 6% outperformance to the Benelux indices since the start of the year after an outperformance of 17% and 25% in 2016 and 2015, respectively.

### Benelux Top Picks provides 21% upside

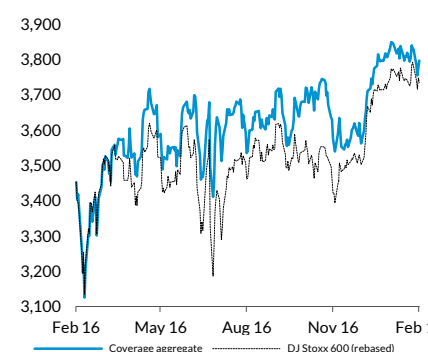
Our Benelux Top Picks now consists of ASM I, ArcelorMittal, ASR, Basic-Fit, Coca Cola European Partners, SBM Offshore and Van Lanschot and provides on average 21% upside.

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### Benelux Top Picks

Company	Rating	Target
ASM International	Buy	EUR45.00
ASR	Buy	EUR29.00
Basic-Fit	Buy	EUR18.40
Coca Cola European Partners	Buy	EUR40.00
SBM Offshore	Buy	EUR16.00
Van Lanschot	Buy	EUR27.30

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The investment recommendation(s) referred to in this report was (were) completed on 03/02/2017 17:27 (GMT) and was first disseminated on 06/02/2017 7:26 (GMT).

Prices in this report are taken as of the previous day's close (to the date of this report) on the home market unless otherwise stated.

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Stock	ISIN	Disclosure (See Below)	Currency	Price
Aalberts	NL0000852564	3, 5	EUR	32.68
AB InBev	BE0974293251	nothing to disclose	EUR	97.15
ABN AMRO	NL0011540547	nothing to disclose	EUR	22.32
Ackermans & van Haaren	BE0003764785	6, 8	EUR	128.90
ACOMO	NL0000313286	nothing to disclose	EUR	20.51
Aegon	NL0000303709	nothing to disclose	EUR	5.08
Ageas	BE0974264930	nothing to disclose	EUR	39.41
Ahold Delhaize	NL0011794037	nothing to disclose	EUR	19.88
AkzoNobel	NL0000009132	nothing to disclose	EUR	63.61
Altice	NL0011333752	nothing to disclose	EUR	20.64
Aperam	LU0569974404	nothing to disclose	EUR	46.30
Arcadis	NL00006237562	3, 5	EUR	12.66
ArcelorMittal	LU0323134006	15, 17, 19	EUR	7.54
ASM International	NL0000334118	3, 5	EUR	47.10
ASML	NL0010273215	nothing to disclose	EUR	113.70
ASR	NL0011872643	nothing to disclose	EUR	25.02
BAM	NL0000337319	3, 5	EUR	4.60
Basic-Fit	NL0011872650	nothing to disclose	EUR	16.67
Bekaert	BE0974258874	nothing to disclose	EUR	41.31
Besi	NL0000339760	nothing to disclose	EUR	34.66
Beter Bed Holding	NL0000339703	3, 5	EUR	15.84
Binckbank	NL0000335578	nothing to disclose	EUR	5.26
Bone Therapeutics	BE0974280126	4, 8, 9	EUR	7.78
Boskalis	NL0000852580	3, 5	EUR	34.93
Bpost	BE0974268972	nothing to disclose	EUR	22.56
Brunel International	NL0010776944	3, 5	EUR	16.35
Cnova	NL0010949392	3, 5	USD	5.41
Coca Cola European Partners	GB00BDCPN049	nothing to disclose	EUR	32.25
Colruyt	BE0974256852	nothing to disclose	EUR	45.11
D'leteren	BE0974259880	nothing to disclose	EUR	42.22
Delta Lloyd	NL0009294552	9	EUR	5.33
DSM	NL0000009827	nothing to disclose	EUR	60.09
Eurocommercial Properties	NL0000288876	nothing to disclose	EUR	33.92
ForFarmers	NL0011832811	3, 5	EUR	6.91
Fugro	NL0000352565	3, 5	EUR	14.66
GBL	BE0003797140	nothing to disclose	EUR	79.56
Gemalto	NL0000400653	nothing to disclose	EUR	54.25
GrandVision	NL0010937066	nothing to disclose	EUR	22.17
Heijmans	NL0009269109	3, 5	EUR	6.26
Heineken	NL0000009165	nothing to disclose	EUR	70.51
IMCD	NL0010801007	3, 5	EUR	42.47
ING Group	NL0011821202	nothing to disclose	EUR	13.62
KBC	BE0003565737	nothing to disclose	EUR	60.26
Kendrion	NL0000852531	nothing to disclose	EUR	26.50
KPN	NL0000009082	nothing to disclose	EUR	2.61
Lucas Bols	NL0010998878	3, 5	EUR	17.35
NN Group	NL0010773842	nothing to disclose	EUR	32.21
NSI	NL0000292324	nothing to disclose	EUR	3.81
OCI	NL0010558797	nothing to disclose	EUR	17.80
Ontex Group	BE0974276082	nothing to disclose	EUR	28.20
Orange Belgium	BE0003735496	nothing to disclose	EUR	20.92
Philips	NL0000009538	nothing to disclose	EUR	27.39
Philips Lighting	NL0011821392	nothing to disclose	EUR	23.91
PostNL	NL0009739416	nothing to disclose	EUR	4.11
Proximus	BE0003810273	6	EUR	26.47
Randstad	NL0000379121	nothing to disclose	EUR	54.54
Refresco	NL0011214010	nothing to disclose	EUR	13.61
Relx NV	NL0006144495	nothing to disclose	EUR	15.81
Royal Dutch Shell	GB00B03MLX29	nothing to disclose	EUR	25.19
RTL Group	LU0061462528	6	EUR	71.11
SBM Offshore	NL0000360618	nothing to disclose	EUR	14.70
Sif	NL0011660485	nothing to disclose	EUR	20.45
Sligro	NL0000817179	3, 5	EUR	34.10
Solvay	BE0003470755	6	EUR	109.65
Telenet	BE0003826436	nothing to disclose	EUR	50.06

TKH Group	NL0000852523	3, 5	EUR	38.65
TomTom	NL0000387058	nothing to disclose	EUR	8.53
Umicore	BE0003884047	nothing to disclose	EUR	53.88
Unilever	NL0000009355	nothing to disclose	EUR	37.54
Van Lanschot	NL0000302636	nothing to disclose	EUR	20.05
Vopak	NL0009432491	3, 5	EUR	40.08
Wereldhave	NL0000289213	3, 5	EUR	40.74
Wessanen	NL0000395317	3, 5	EUR	13.87
Wolters Kluwer	NL0000395903	nothing to disclose	EUR	35.83

Source: Factset closing prices of 02/02/2017

#### Companies mentioned

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Name of the Research Analyst(s) : Hans Pluijgers

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Rating Breakdown	A	B
Buy	52%	57%
Hold	32%	33%
Reduce	15%	6%
Not Rated/Under Review/Accept Offer	2%	4%
Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

B: % of issuers to which material services of investment firms are supplied

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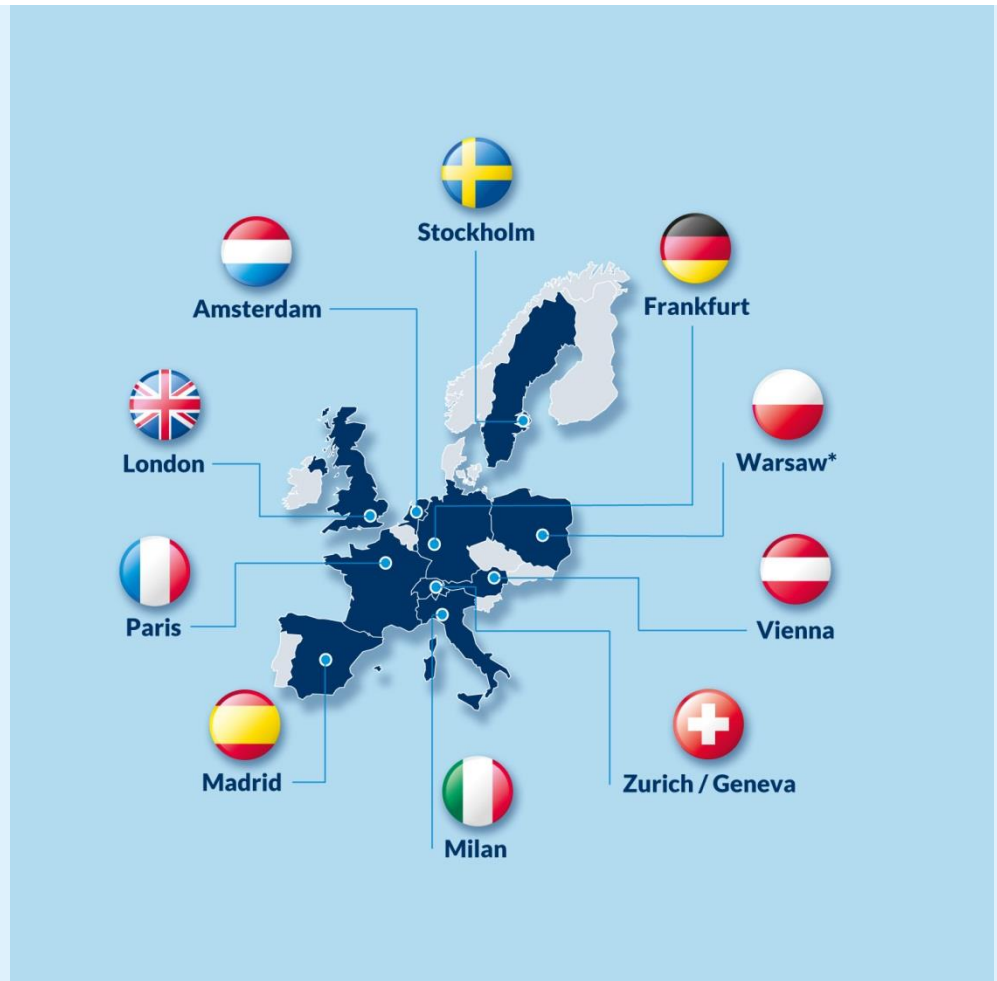
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