

# STOCK MARKET PERFORMANCE

## INDEX REBOUND – SMALL CAPS STILL LATE

Since January 1st:

CAC 40 NR	+24.6%
CAC MID 60 NR	+17.6%
<b>CAC SMALL NR</b>	<b>+9.8%</b>

Last 12 months:

CAC 40 NR	+16.5%
CAC MID 60 NR	+3.9%
<b>CAC SMALL NR</b>	<b>-4.5%</b>

- Low interest rates
- Relative calm in the US / China trade war
- Limited slowdown of companies results

## STOCK PERFORMANCE WITHOUT VOLUME

The universe of Small and Midcaps France funds shows 15 months of outflows over the last 16 months.

**In the last two months, the outflows totaled € 100M per month. AUMs are around 18 billion euros at the end of September.**

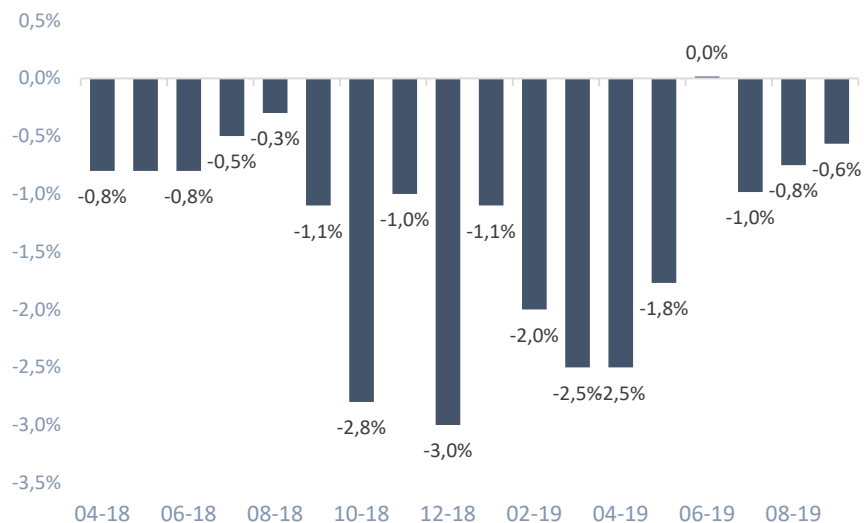
## COMPARED INDEX EVOLUTION

LAST 12 MONTHS – BASE 100



## INFLOWS/OUTFLOWS FCP/SICAV SMALL MID FRANCE

MONTH BY MONTH EVOLUTION – SOURCE : PORTZAMPARC/AMF



# STOCK MARKET PERFORMANCE

## ‘VALUE’ INVESTMENT STILL UNDERPERFORMS

As of January 1, 2019, the median PER 2019E of the IDMidCaps forecast universe (245 stocks) was 13.4x (recall: it was 19.0x as of 01/01/2018).

**The top quartile outperformed: + 16.4% on average vs. + 3.5% for the rest.** In 2018 already, the top quartile had recorded a decline of -15% on average vs. -26% for the rest of the market.

**The most expensive companies are also the largest companies (top market caps) in the universe.**

Investors have favored companies offering visible growth and therefore a good newsflow, and with good liquidity.

They have been willing to accept high multiples against those characteristics.

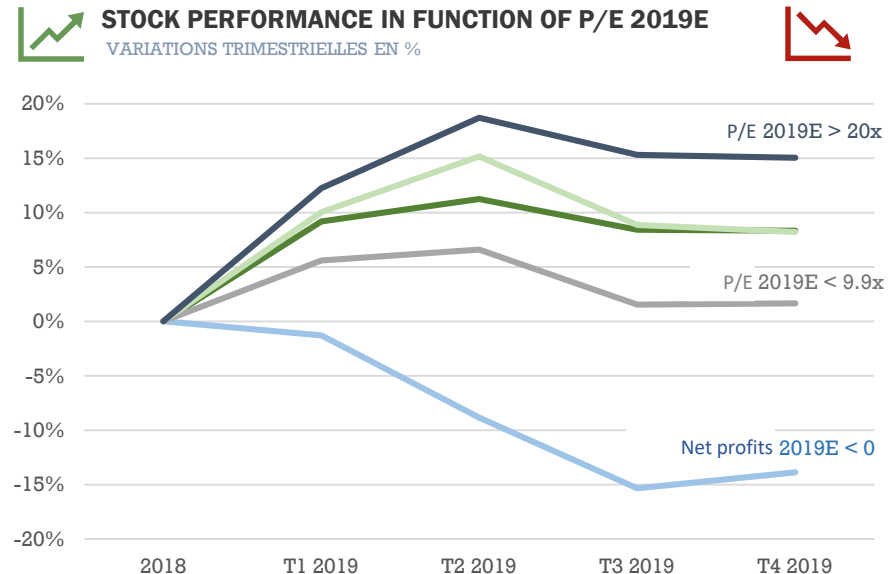
On the other hand, multiples did not constitute a floor in case of bad publications or fears about a sector.



## SMALL AND MIDCAPS BREAKDOWN BY VALUATION

SOURCE : IDMICAPS

PER = P/E ratio	NB DE VALEURS	CAP. MOYENNE (M€)	PERF. 2019 YTD
RN 2019E < 0	30	47.8	-13.6%
PER 2019E < 9.9x	54	484.3	2.4%
PER 2019E 9.9-13.4x	54	500.5	8.7%
PER 2019E 13.4-20x	53	845.7	9.0%
PER 2019E > 20x	54	1165.7	16.4%
UNIVERS IDM (Not NR)	245	662.8	6.3%
CAC SMALL NR	182	244.0	9.8%
CAC MID 60 NR	60	4385.0	17.6%



# ECONOMIC PERFORMANCE

## REASSURING ACTIVITY LEVEL

During the first semester, CAC Mid & Small **turnover** (236 companies – total revenues of EUR 300 bn) increased by **+5.4% (median)**. In line with our annual estimates

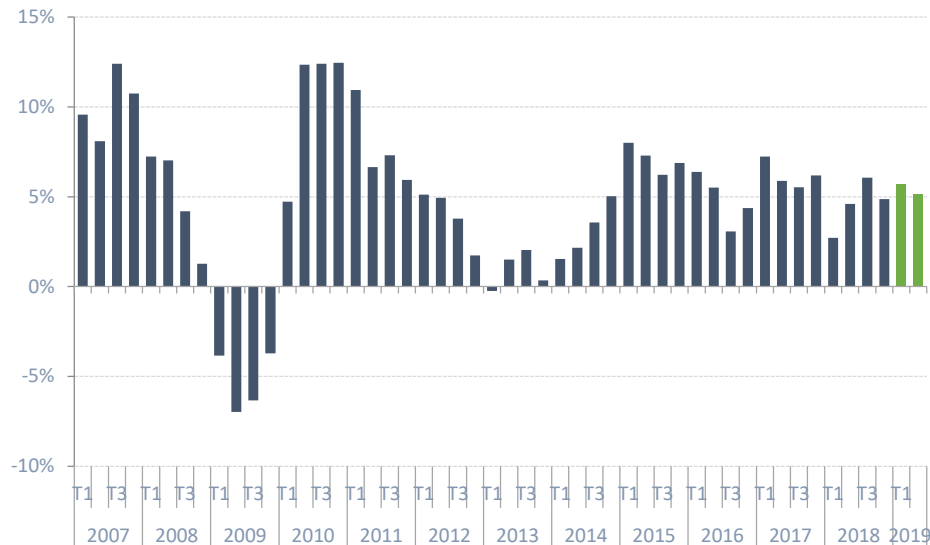
No trend change compared to H2 2018.

- Sustained demand in IT services, external R & D
- Good start to the year in equipment goods: Manitou, Haulotte, Mersen, Fontaine Pajot for example
- Difficulties in automotive

## MANAGERS ARE CAUTIOUS

**Very few upward adjustments to annual forecasts despite sometimes much better performances.** No signs of slowdown, but managers take into account the expectations of a sharp slowdown expressed by some economists and investors whose best illustration is that the 10-year OAT is in negative territory

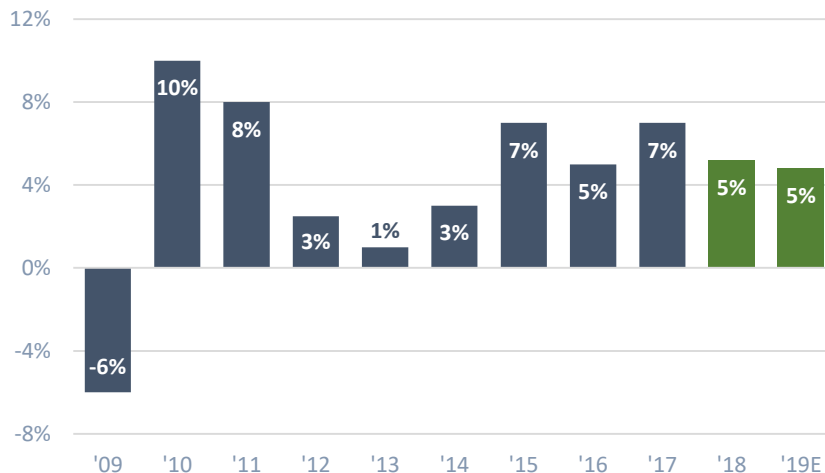
**CAC Mid & Small - TURNOVER EVOLUTION**  
QUARTERLY CHANGE YoY %



SOURCE : IDMIDCAPS



**UNIVERS IDM - TURNOVER EVOLUTION**  
ANNUAL CHANGE %



SOURCE : IDMIDCAPS