NAMES

- TOUZANI Flavien, PGE-L3 SKEMA BS
- HURTAUD Antoine, PGE-L3 SKEMA BS
- AMBROSELLI Malo, PGE-L3 SKEMA BS
- TONNEAU Merlin, PGE-L3 SKEMA BS

PRESENTATION

Today, maritime transport represents approximately 80% of global trade, forming the backbone of international commerce. Globalisation has intensified dependence on this essential infrastructure, leading to a true "maritimisation" of the world economy. Maritime flows are ubiquitous, connecting different regions and facilitating trade expansion. Since the early days of globalisation, this sector has experienced impressive growth, with an increase in players and intensified shipping routes. However, this rapid growth has now slowed, and the current dynamics are no longer as exponential as in past decades.
For major shipping companies like CMA CGM, the maritime environment has become saturated, marked by fierce competition and further complicated by geopolitical interests of various states. Initiatives such as China's "New Silk Road" (Maritime Silk Road, or MSR) exemplify the strategic dimension of maritime transport, which has become a power issue for leading nations. This rivalry between international players—ranging from maritime companies to states themselves—creates an increasingly complex and risky, yet crucial, market for the global economy.

The maritime sector, therefore, stands at the intersection of economic, commercial, and geopolitical interests. Companies are faced not only with fierce competition but also with interventions from states seeking to protect or expand their strategic interests. This key sector, vital for globalisation and the global economy, now faces major challenges, from congested routes and environmental regulations to instability in international relations and rapid infrastructure changes. Maritime transport remains a fundamental pillar of the global economy but is now under considerable strain in an increasingly unpredictable and strategically contested global context.

Global maritime transport is entering a phase of moderate growth, facing both structural and geopolitical challenges. According to UNCTAD forecasts and various market analyses, maritime trade growth is expected to plateau around 2% in 2024. This slowdown is attributed to major global disruptions, including the repercussions of the war in Ukraine, ongoing tensions in the Middle East, and the growing impact of climate change.

These factors directly affect the stability and security of major global shipping routes, with notable consequences for strategic corridors like the Suez and Panama Canals. These two critical passages have seen their traffic decrease by over 50%, a drop largely attributable to extreme climate conditions—such as droughts and floods—as well as regional conflicts that threaten the security of these essential routes.

In this context, maritime sector players are forced to adapt their strategies to face an increasingly uncertain global environment. Shipping companies must not only prepare for slower growth but also navigate an environment marked by intensified geopolitical rivalries and climate challenges that increasingly impact maritime infrastructure. The forecasted slowdown in maritime trade growth thus becomes a key indicator of the sector's vulnerability to current global crises, underscoring the crucial importance of resilient strategies for the future.

In parallel with the increasingly moderate growth of traditional shipping routes, new pathways are developing to meet the demands of an increasingly digitised and energy-intensive world, which also faces the challenge of the energy transition. A new form of commodity is emerging: data, with its specific flows and the necessary infrastructures to transport it, particularly undersea cables. Although often perceived as intangible, data exchanges require physical routes: these cables constitute the backbone of the global digital economy.

Undersea cables represent essential infrastructure for the international transport of data. According to the ISEMAR Summary Note, these optical cables resting on the ocean floor account for 98% of intercontinental communications, enabling global trade, finance, and cultural exchanges on a vast scale. They play a fundamental role in various key sectors such as maritime transport, energy, and defence, supporting the critical operations of these industries.

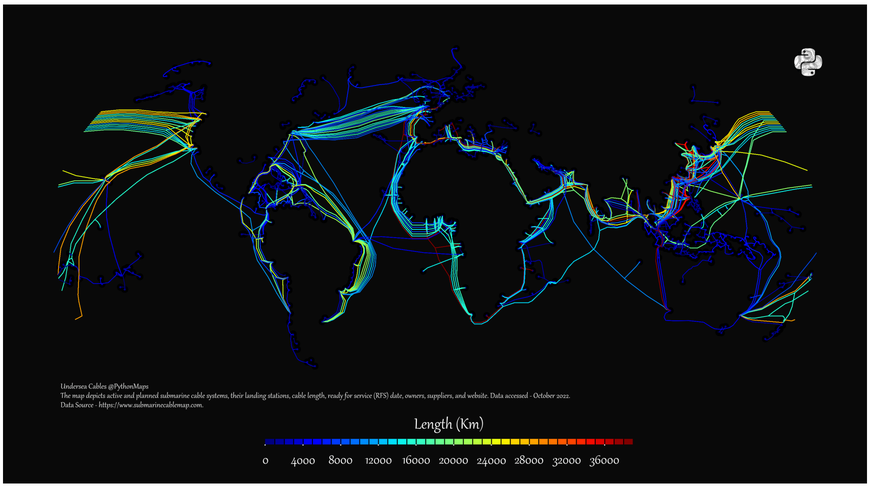
The undersea cable market is experiencing strong expansion, driven by a growing demand for global connectivity, data centers, and renewable energy. This market, valued at approximately $14.2 billion in 2024, is projected to reach $21.93 billion by 2029, with a compound annual growth rate (CAGR) of 10.2% for communication cables. This increased demand stems from the expansion of cloud services, widespread adoption of 5G technology, and the increasing interconnection of hyper-scale data centers.

Beyond telecommunications, undersea cables also play a crucial role in electricity transport, particularly for offshore wind farms in Europe and the Asia-Pacific region. By connecting these wind farms to terrestrial networks, they facilitate the distribution of renewable energy produced at sea to consumption centers, aligning with energy sustainability goals supported by ambitious policies, such as those of the European Union.

Key growth factors include:

- ***Increased Internet Traffic***: Bandwidth needs are skyrocketing, primarily due to giants like Google, Facebook, Amazon, and Microsoft. These companies are heavily investing in undersea cables to support their global digital platforms and services, multiplying the necessary infrastructures to meet demand.

- ***Growth of Renewable Energy***: With the rise of offshore wind farms, undersea cables become indispensable for transmitting electricity produced at sea to land-based networks. This versatile cable system, serving both data transmission and energy transport, marks a transition towards infrastructures that support both digital connectivity and the energy transition.



In summary, undersea cables symbolise a new era of the maritime economy where data exchanges and energy transport are becoming increasingly prominent. As vectors of digital urbanisation and the energy transition, they are redefining the role of maritime transport by supporting the critical infrastructures of a rapidly changing world.

Strategic Positioning of CMA CGM in the Undersea Cable Sector

In a context where global maritime transport is being redefined by digitisation and the energy transition, failing to invest in undersea cable infrastructures would be a strategic error for CMA CGM. Understanding the dynamics of this sector reveals critical issues that necessitate a proactive stance to avoid significant competitive disadvantages.

Risks for CMA CGM in the Absence of Investment

Loss of Essential Strategic Advantages: Investing in undersea cables would provide CMA CGM with control over critical infrastructures at the heart of global logistics and communication. Without this involvement, CMA CGM risks losing essential advantages in competitiveness and innovation in a sector increasingly focused on digital technologies and decarbonisation. Failing to participate in these new infrastructures would limit its ability to effectively meet expectations for logistical optimisation, cost reduction, and adaptation to renewable energies, which are becoming indispensable criteria for remaining competitive.

Increased Dependence and Geopolitical Vulnerability: A lack of positioning in undersea cables would leave CMA CGM dependent on infrastructures controlled by foreign competitors, particularly Chinese and American entities. With the rise of the Chinese "Digital Silk Road," CMA CGM could potentially be subjected to market conditions dictated by these powers, facing increased risks of interruptions or access restrictions in the event of geopolitical tensions. This dependence would limit CMA CGM's ability to guarantee the integrity of its operations against the strategic interests of non-European competitors and hinder its objectives for digital sovereignty and strategic resilience.

Risk to Data and Communication Security: In a sector where data and communications have become sensitive assets, CMA CGM would expose its operations to significant risks of cyberattacks, sabotage, or hacking if it continues to rely on unsecured infrastructures. A successful cyberattack on undersea cables controlled by third parties could severely disrupt CMA CGM's activities, compromising its reputation, the confidentiality of its strategic information, and the efficiency of its operations. By investing in its own infrastructures, CMA CGM could ensure enhanced security for its data flows and maintain the trust of its commercial and institutional partners.

Loss of Competitiveness and Operational Agility: Dependence on third-party infrastructures would increase the risk of frequent service interruptions, directly impacting the continuity and quality of CMA CGM's operations. This lack of control could limit operational flexibility, a growing handicap in a sector that demands responsiveness and performance. Moreover, disruptions affecting communication infrastructures would make CMA CGM less competitive compared to players who have secured their own infrastructures, thereby weakening its position in the international market.

Lack of Alignment with European Initiatives: CMA CGM could capitalise on its global presence to promote sustainable and secure connectivity among stakeholders, thus addressing European concerns regarding risk mitigation. By contributing to the creation of a more independent digital ecosystem, the company would strengthen its alignment with the strategic initiatives of the European Union, which aims to increase the digital sovereignty of its industries. The absence of such a strategic orientation could limit CMA CGM's access to European funding and partnerships, particularly for energy transition and digital projects. By investing in undersea cables, CMA CGM would position itself as a pioneer, consolidating its relationships with European institutions while enhancing its autonomy and digital security.

Risk of Arriving Too Late in a Rapidly Growing Market: Finally, delaying its positioning in this expanding sector would limit CMA CGM's opportunities to benefit from the first-mover advantages offered by this new infrastructure. A late positioning would increase future dependence risks and the loss of access to strategic technological resources. Players who have already invested would be in a strong position to control data and energy flows, thereby consolidating their competitive advantage and making any attempt by CMA CGM to catch up costly and complex.

Investing in Undersea Cables: A Strategic Opportunity for CMA CGM

- Meeting Decarbonisation Goals for 2030: The integration of undersea cables into CMA CGM's activities directly supports its promise of carbon neutrality by 2030. These cables, essential for transporting offshore renewable energy, promote the interconnection of offshore wind farms with terrestrial networks, leading to a significant reduction in carbon footprint. These infrastructures are becoming critical as Europe and Asia invest heavily in green energy sources to reduce their dependence on fossil fuels. For example, the market for undersea energy cables is expected to reach $11.72 billion by 2030 due to the increase in offshore wind projects.

- Economic Opportunities and Growth Prospects: Economically, undersea cables represent a growing segment for both data and energy. The global undersea cable market is projected to reach a value of $3.97 billion by 2034, with an average annual growth rate of 5% from 2024 to 2034, driven by the growing needs for connectivity and renewable energies. This sector is particularly promising as it meets the demands of emerging economies in the Asia-Pacific region and the energy transition requirements in Europe, where interconnections between networks enable better energy management. Moreover, European regions, particularly in the North and West, are strengthening their energy resilience by increasingly linking renewable offshore sources to their terrestrial infrastructures.

- Concrete Benefits for Logistics and Operational Efficiency: Undersea cables offer CMA CGM significant operational benefits. By improving connectivity and the security of data transmissions, these cables optimise logistics processes and enhance the resilience of digital infrastructures, a central point of CMA CGM's strategy. Reduced dependence on satellite communications also translates to lower costs, thereby improving overall profitability. Faster and more secure communication via undersea cables contributes to better logistical responsiveness, enabling CMA CGM to anticipate and resolve operational issues more effectively.

- Strengthening Security and Digital Autonomy: In a geopolitical context where data and infrastructure security is becoming crucial, undersea cables provide a robust solution to enhance CMA CGM's digital autonomy. This infrastructure reduces the risks associated with dependence on foreign satellite operators and supports a reinforced security model for transporting strategic data. With a continuous increase in global internet traffic estimated at 23% per year until 2026, these cables are becoming indispensable for ensuring secure and reliable connectivity in the maritime and logistics sectors.

For CMA CGM, investing in undersea cables is a strategic choice aligned with its goals for decarbonisation, economic competitiveness, and digital security. By supporting the transport of renewable energy, optimising logistics, and enhancing digital resilience, undersea cables represent a key lever for solidifying CMA CGM's position as a leader in the energy transition and the management of digital infrastructures. This positioning also strengthens relationships with European institutions, paving the way for new partnerships and funding for sustainable projects.

Not investing in the undersea cable sector represents a major strategic risk for CMA CGM

Failing to establish a foothold in the undersea cable sector poses a significant strategic risk for CMA CGM. In a world where data exchanges and the delivery of renewable energy are becoming absolute priorities, controlling undersea cable infrastructures is fundamental. This sector is not only at the heart of the global digital economy, but it is also becoming a vital infrastructure for the energy transition, with direct implications for the company's security and competitiveness.

A lack of investment in this critical infrastructure could expose CMA CGM to increased vulnerability, particularly against players who already dominate this strategic market. Collaborating with a leading partner like Ciena Corporation would allow CMA CGM to intelligently enter this field while benefiting from their expertise in optical networks and advanced automation solutions. This alliance would enhance CMA CGM's resilience, increase the security of its operations, and ensure a crucial competitive advantage in the current geopolitical and economic context.

In summary, it would be imprudent, even risky, not to seize this opportunity. This positioning would place CMA CGM not only as a pioneer in connected logistics but also as a committed leader in decarbonisation and digital sovereignty, thus meeting market demands and stakeholder expectations.

Presentation of Ciena Corporation

Ciena Corporation is an American technology company, founded in 1992, specialising in the development of optical networking and data communications solutions. Its primary focus is on network infrastructures that enable telecommunications operators, enterprises and service providers to efficiently manage their networks. Ciena is known for its innovation in communications technologies, including fibre optic networks and high-capacity transport systems.

Products and services: Ciena offers a range of products including optical networking equipment, network management systems and automation solutions. Their flagship 6500 Packet-Optical Platform offers advanced data transport capabilities and enables enterprises to meet the growing demand for bandwidth and connectivity. In addition, Ciena has developed orchestration solutions through its Blue Planet suite, which helps operators automate the management of their infrastructure and optimise network performance.

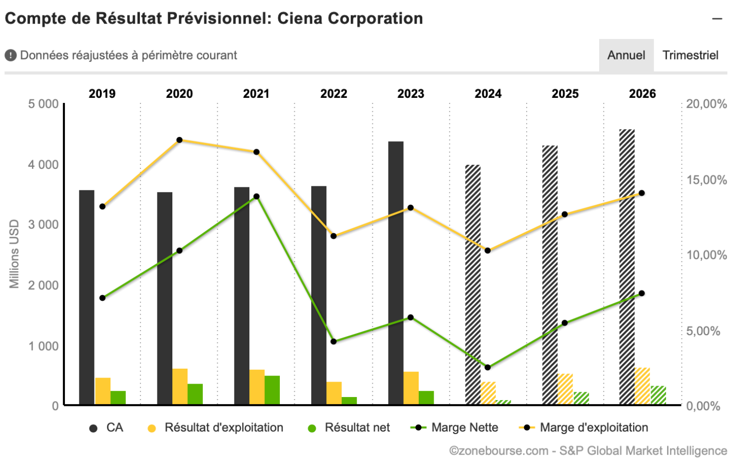
Market and impact: Ciena is a leader in the telecommunications sector and plays a key role in developing the infrastructure needed for global connectivity. Its technologies are fundamental to the development of undersea cables, which are crucial for transporting data across the oceans. As a major player in the digital economy, Ciena is helping to transform the way data is exchanged and managed globally, making communications faster and more secure.

Why CMA CGM is interested: For CMA CGM, the partnership with Ciena Corporation could represent a strategic opportunity. As shipping becomes increasingly dependent on digitisation and communications infrastructure, Ciena could provide CMA CGM with the tools it needs to strengthen its connectivity and secure its operations. The integration of Ciena's technologies would enable CMA CGM to optimise its supply chains, improve the resilience of its digital infrastructures and better meet the challenges of the energy transition by integrating data transport and renewable energy solutions.

FINANCIAL ANALYSIS

ANALYSIS OF BUSINESS AND OPERATING PERFORMANCE

Provisional profit and loss account



Période Fiscale : Octubre	2021	2022	2023	2024	2025	2026
Chiffre d'affaires [1]	3 621	3 633	4 387	3 993	4 306	4 580
Variation	*2,51 %*	*0,33 %*	*20,75 %*	*-8,96 %*	*7,83 %*	*6,37 %*
EBITDA [1]	702,8	502,4	665,8	509,4	632,1	739,1
Variation	*-1,56 %*	*-28,51 %*	*32,52 %*	*-23,5 %*	*24,09 %*	*16,94 %*
Résultat d'exploitation (EBIT) [1]	606,7	406,5	573,3	408,6	543,8	643
Variation	*-2,14 %*	*-32,99 %*	*41,02 %*	*-28,73 %*	*33,1 %*	*18,25 %*
Intérêts payés [1]	-30,84	-47,05	-88,03	-48,57	-49,8	-54,75
Résultat Avt. Impôt (EBT) [1]	462,8	182,5	323,7	139	300,6	441,3
Variation	*1,49 %*	*-60,56 %*	*77,34 %*	*-57,04 %*	*116,23 %*	*46,8 %*
Résultat net [1]	500,2	152,9	254,8	99,73	234,4	339,2
Variation	*38,45 %*	*-69,43 %*	*66,66 %*	*-60,86 %*	*135,06 %*	*44,7 %*
Date de publication	09/12/21	08/12/22	07/12/23	-	-	-

[1]USD en Millions

Données Estimées

- ***Turnover***:
  - ***Growth***: Sales are set to rise from $3,621 million in 2021 to $3,993 million in 2023, even if they decreased between 2023 and 2024. Previsions are positive by 2026, with a turnover of $4,580 million.
  - ***Interpretation***: This sustained growth shows that demand for CIENA will remains robust, a sign of the brand's appeal and the strength of its global sales.

- ***EBITDA and other profitability indicators:***
  - We can see a dip in 2022 reaching $502,4 million, but it recovered in 2023 with a 32,54% increase. It will reach $739,1 million in 2026, which is a significant growth: it demonstrate the company's ability to generate operating cash flow

- ***Operating profit (EBIT):***
  - Similar pattern to EBITDA, with a decline in 2022 (-32.9%) but a strong recovery in 2023 (+41.02%). But the expected EBIT in 2026 is significantly high, around $643 million, showing the consistent growth over the years since the fluctuations of 2023-2024.
  - ***Interpretation***: The company's ability to maintain high operating margins reflects excellent cost management and strong operating profitability.

- ***Net Income***:
  - ***Net profit growth***: The net income is volatile with a drop in 2022 at $152,9 million, but a rebound of 66,66% in 2023. However, the forecast shows a significant growth by 2026, estimated $339,2 million.

Items per share

Éléments par action

Flux de trésorerie par action [1]	3,456	-1,102	1,127	2,299	3,496	4,63
Variation	*9,17 %*	*-131,9 %*	*-202,23 %*	*103,98 %*	*52,09 %*	*32,43 %*
Dividende / Action [1]	-	-	-	-	-	-
Variation	-	-	-	-	-	-
Actif net par Action [1]	19,5	18,28	19,67	19,97	20,74	22,71
Variation	*19,89 %*	*-6,27 %*	*7,59 %*	*1,57 %*	*3,83 %*	*9,5 %*
BNA [1]	3,19	1	1,71	0,6846	1,627	2,369
Variation	*37,5 %*	*-68,65 %*	*71 %*	*-59,96 %*	*137,66 %*	*45,61 %*
Nbr de Titres (en Milliers)	154 929	148 142	147 842	144 427	144 427	144 427
Date de publication	09/12/21	08/12/22	07/12/23	-	-	-

[1]USD

Données Estimées

- ***Cash flow per share***:
  - ***Evolution***: Cash flow per share rises from $3,456 in 2021 to an expected $4,63 in 2026, after a fluctuation in 2023, reaching $1,127.
  - ***Interpretation***: The expected increase demonstrate the company's ability to generate cash, which is essential for long-term financial stability and to finance expansion projects or pay dividends.

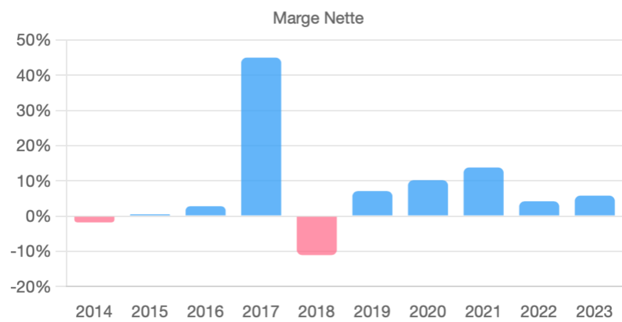
- ***Earnings per share***:
  - ***Evolution***: EPS falls from $3,19 in 2021 to $1,71 in 2023, but it is expected a rise in 2025, reaching $1,67.
  - ***Interpretation***: In increase in earning per share is a positive sign for investors in terms of potential return on investment. Ciena Corporation will continue to generate growing profits, which enhances the company's shareholder value.

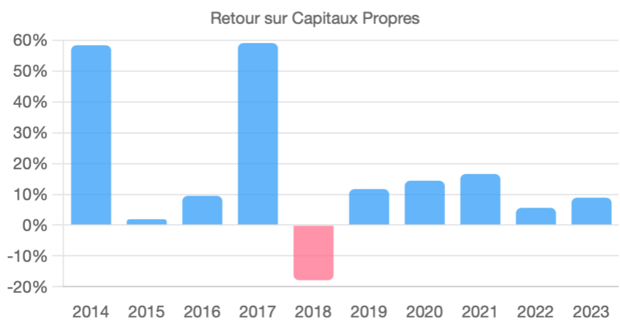
Profitability and Rentability

Ratios Financiers Prévisionnels: Ciena Corporation

Période Fiscale : Octobre	2021	2022	2023	2024	2025	2026
Profitabilité						
Marge EBITDA (%)	19,41 %	13,83 %	15,18 %	12,76 %	14,68 %	16,14 %
Marge EBIT (%)	16,76 %	11,19 %	13,07 %	10,23 %	12,63 %	14,04 %
Marge EBT (%)	12,78 %	5,02 %	7,38 %	3,48 %	6,98 %	9,64 %
Marge nette (%)	13,81 %	4,21 %	5,81 %	2,5 %	5,44 %	7,41 %
Marge FCF (%)	12,76 %	-7,12 %	1,42 %	7,61 %	10,56 %	11,68 %
FCF / Résultat net (%)	92,38 %	-169,11 %	24,38 %	304,85 %	194 %	157,72 %
Rentabilité						
ROA	10,09 %	5,82 %	7,61 %	5,06 %	6,89 %	8,65 %
ROE	16,51 %	10,08 %	14,61 %	9,75 %	13,06 %	15,25 %
Santé Financière						
Leverage (Dette/EBITDA)	-	-	0,66x	0,99x	0,34x	-
Dette / Flux de trésorerie libre	-	-	7,08x	1,66x	0,48x	-

Rentabilité





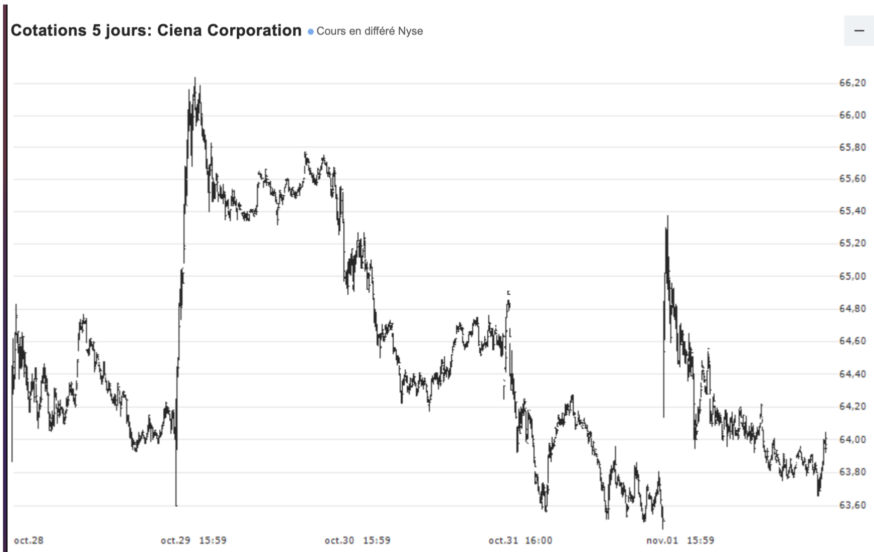
- ***<u>Margins have known a crash in 2022, but are rising since</u>***:
  - Operating margins: 22%
  - Net margin of 5,81%
  - ROE is increasing since 2022 (10,08%), and will reach 15,25% in 2026: this mean that the capital is becoming increasingly profitable. Nevertheless, the forecast for 2024 is not that good, with an ROE of 9,75%.

	CIENA CORP	US INFORMATION TECHNOLOGY	S&P 500 INDEX	NASDAQ 100
Retour sur 1 an	+46 %	+38 %	+31 %	+33 %
Retour sur 5 ans	+77 %	+169 %	+86 %	+144 %

- The company has performed well, with a 5-year return of +169% according to the US Information Technology.

Quotation

- The company's share price has risen steadily over the last decade, which augurs well for the future.
- The share price has fallen since 2008, making it a safe bet for the future.



	28/10/2024	29/10/2024	30/10/2024	31/10/2024	01/11/2024
Dernier	64.09 $	65.32 $	64.63 $	63.51 $	63.97 $
Volume	1 861 859	1 710 516	1 384 494	1 230 168	1 427 143
Variation	-0,05 %	+1,92 %	-1,06 %	-1,73 %	+0,72 %
Ouverture	63,41 $	64,25 $	65,28 $	64,25 $	64,14 $
Plus haut	64,83 $	66,24 $	65,56 $	64,91 $	65,38 $
Plus bas	63,17 $	63,60 $	64,17 $	63,46 $	63,66 $

- The stock experienced fluctuation over the last 5 days, opening at $63,41 in October 28th and ending at $64,14 in the beginning of November. The price declining since October 29th shows a downward trend in the period.
- The stock showed a significant volatility.
- The highest price during the period was $66,24 on October 29th, while the lowest was $63,17 on October 28th.

BALANCING STRUCTURE AND ITS SOLIDITY

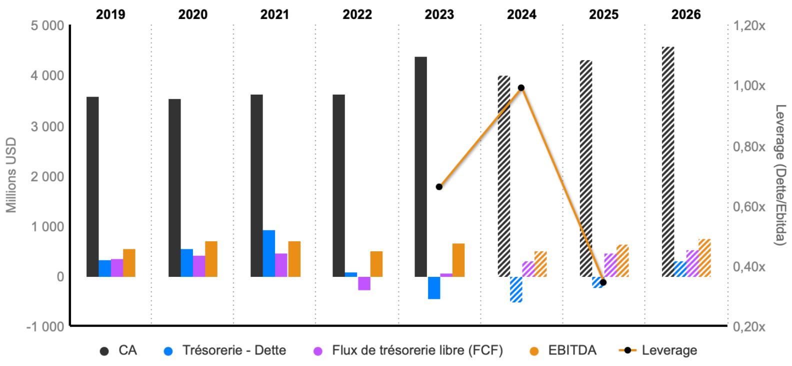
Balance sheet

Total actifs courants	**2.381,8**	**2.611,16**	**3.188,91**	**3.385,9**	**3.575,78**
Liquidités et équivalents	904,05	1.088,62	1.422,55	994,35	1.010,62
Croissance des liquidités et équival...	+21,28%	+20,42%	+30,67%	-30,1%	+1,64%
Investissements à court terme	109,94	150,67	181,48	153,99	104,75
Total des créances	837,04	827,23	1.004,72	1.100,84	1.187,6
Comptes débiteurs, total	808,9	805,25	986,31	1.076,81	1.154,19
Autres créances	28,14	21,98	18,41	24,03	33,41
Inventaire	345,05	344,38	374,27	946,73	1.050,84
Charges payées d'avance	48,68	70,65	62,19	55,44	58,95
Prêts et contrats de location couran...	-	-	-	-	-
Autres actifs courants de la Division...	-	-	-	-	-
Autres actifs courants	137,05	129,61	143,7	134,55	163,02
Trésorerie restreinte	0,07	-	-	-	-
Autres actifs courants, total	136,98	129,61	143,7	134,55	163,02
Actif total	**3.893,35**	**4.180,92**	**4.865,23**	**5.069,63**	**5.601,5**
Total du passif courant	**845,94**	**760,7**	**909,03**	**1.040,58**	**932,02**
Passif total	**1.720,59**	**1.671,32**	**1.845,21**	**2.356,77**	**2.753,13**
Total des fonds propres	**2.172,76**	**2.509,6**	**3.020,02**	**2.712,86**	**2.848,36**
Total du passif et des capitaux pro...	**3.893,35**	**4.180,92**	**4.865,23**	**5.069,63**	**5.601,5**
Dette totale	**776,55**	**856,65**	**819,61**	**1.186,31**	**1.657,17**
Croissance de la dette totale	+1,48%	+10,32%	-4,32%	+44,74%	+39,69%

- The current financial debt is increasing over the years $1,657 million in 2024: it is jeopardising the company’s future financial solvency. It risks having less room for manoeuvre to achieve external growth or invest in its own capital.

Forecast balance sheet

Bilan Prévisionnel: Ciena Corporation



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Période Fiscale : Octobre	2021	2022	2023	2024	2025	2026
Endettement Net [1]	-927	-80,3	440	504	218	-301
Variation	*-266,73 %*	*-108,66 %*	*447,95 %*	*14,61 %*	*-56,75 %*	*-238,07 %*
Date de publication	09/12/21	08/12/22	07/12/23	-	-	-

[1]USD en Millions

Données Estimées

- ***Net debt***:
  - The table below the graph shows a positive debt since 2023, so debt is greater than cash, showing a increase in debt and a slight worse financial management, but in 2026 it should be negative again.

The health of the company

- ***Interest coverage ratio***: Since 2020, It has fallen sharply from very high levels (16 in 2020) to 4 in 2023.

- ***Deb-to-equity ratio***: This ratio is slightly increasing since 2021 after a fall since 2015, to 0.4 in 2022.
  - The company appears to have reduced its reliance on debt in recent years, which is a positive sign for financial stability.

VALUING THE COMPANY

Valorisation de l'Entreprise: Ciena Corporation

Données réajustées à périmètre courant

Période Fiscale : Octobre	2021	2022	2023	2024	2025	2026
Capitalisation [1]	8 419	7 148	6 064	9 239	-	-
Variation	*41,92 %*	*-15,1 %*	*-15,16 %*	*52,35 %*	-	-
Valeur Entreprise [1]	7 492	7 068	6 504	9 743	9 457	8 938
Variation	*39,36 %*	*-5,67 %*	*-7,97 %*	*49,79 %*	*-2,94 %*	*-5,48 %*
PER	17x	48,3x	24x	93,4x	39,3x	27x
PBR	2,79x	2,64x	2,09x	3,2x	3,08x	2,82x
PEG	0,5x	-0,7x	0,3x	-1,6x	0x	0,6x
Capitalisation / CA	2,33x	1,97x	1,38x	2,31x	2,15x	2,02x
Valeur Entreprise / CA	2,07x	1,95x	1,48x	2,44x	2,2x	1,95x
Valeur Entreprise / EBITDA	10,7x	14,1x	9,77x	19,1x	15x	12,1x
Valeur Entreprise / EBIT	12,3x	17,4x	11,3x	23,8x	17,4x	13,9x
Valeur Entreprise / FCF	16,2x	-27,3x	105x	32x	20,8x	16,7x
FCF Yield	6,17 %	-3,66 %	0,96 %	3,12 %	4,81 %	5,99 %
Dividende / Action [2]	-	-	-	-	-	-
Taux de rendement	-	-	-	-	-	-
BNA [2]	3,19	1	1,71	0,6846	1,627	2,369
Taux de distribution	-	-	-	-	-	-
Chiffre d'affaires [1]	3 621	3 633	4 387	3 993	4 306	4 580
EBITDA [1]	702,8	502,4	665,8	509,4	632,1	739,1
EBIT [1]	606,7	406,5	573,3	408,6	543,8	643
Résultat net [1]	500,2	152,9	254,8	99,73	234,4	339,2
Endettement Net [1]	-926,7	-80,29	439,7	503,6	217,5	-300,9
Cours de référence [2]	54,34	48,25	41,02	63,97	63,97	63,97
Nbr de Titres (en Milliers)	154 929	148 142	147 842	144 427	-	-
Date de publication	09/12/21	08/12/22	07/12/23	-	-	-

[1]USD en Millions [2]USD — Données Estimées

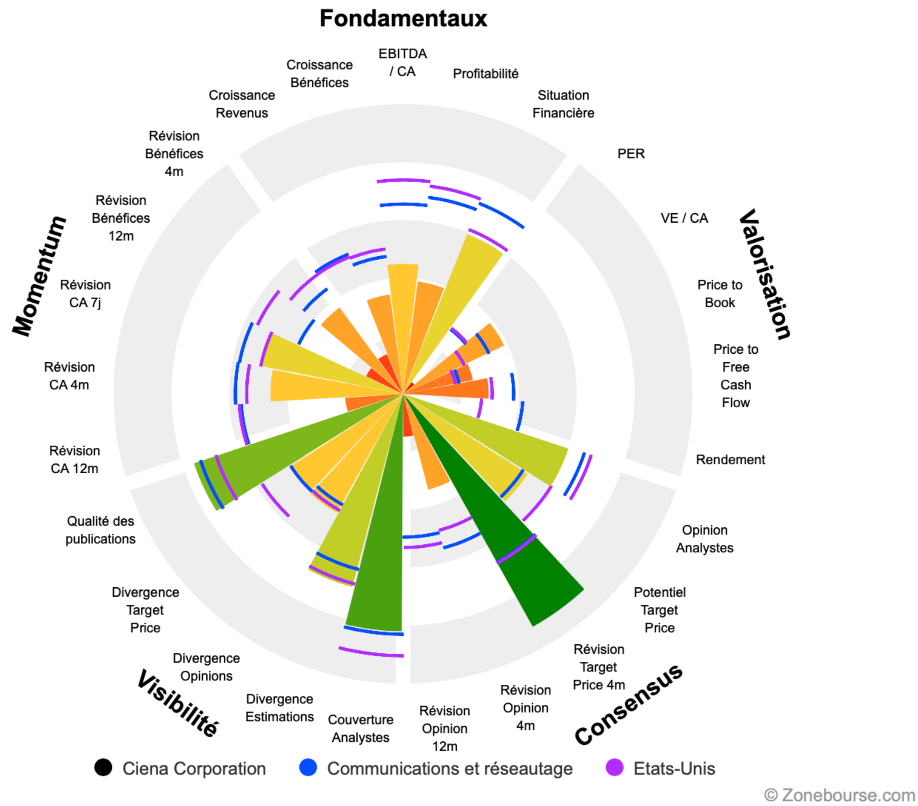
- ***Market capitalisation and Entreprise value***: The capitalisation and the value of the company shows volatility, but an increase is perceived in the future. This suggests market confidence in Ciena's future performance and growth potential.

- ***Free Cash Flow Yield***: It indicates the cash flow return to investors. It is expected to stabilise around 5,99% in 2026 after a fall in 2022 and 2023: it shows an improvement in cash flow efficiency.

The data suggests that Ciena is in a transitional growth phase. However, multiples ratios show that stability is suspected in the future, and this could attract investors.

RATING

Graphique Notations: Ciena Corporation



Source: Surperformance

- ***Fundamentals***:
  - The company's profitability and financial situation seems strong
  - The EBITDA also shows favorable ratings

- ***Valuation***:
  - The bars of the PER and Price-to-Book are extending, making the valuation attractive with its industry.

- ***Momentum***:
  - The positive revenue revisions and earning revisions shows that analysts have been revising revenue and earnings, indicating positive short- and medium-term sentiment.

- ***Visibility***:
  - The visibility of the company is strong in the market since the analyst coverage and the quality of publications are high.

- ***Consensus***:
  - The potential target price shows that analysts see potential growth from the current price level.

Fondamentaux

- Croissance Revenus
- Croissance Bénéfices
- EBITDA / CA
- Profitabilité
- Situation Financière

Valorisation

- PER
- VE / CA
- Price to Book
- Price to Free Cash Flow
- Rendement -

Momentum

- Révision CA 1 an
- Révision CA 4 mois
- Révision CA 7 jours
- Révision BNA 1 an
- Révision BNA 4 mois

Consensus

- Opinion Analystes
- Potentiel Target Price
- Révision Target Price 4m
- Révision Opinion 4m
- Révision Opinion 12m

Visibilité

- Couverture Analystes
- Divergence Estimations
- Divergence Opinions
- Divergence Target Price
- Qualité des publications

Environnement

- Emissions
- Innovation
- Utilisation de ressources

Social

- Engagement Sociétal
- Droits Humains
- Responsabilité des produits
- Ressources Humaines

Gouvernance

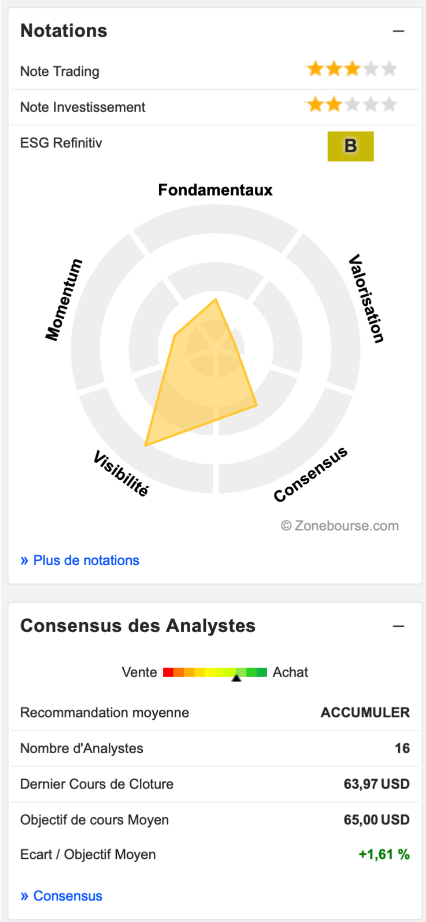
- Stratégie RSE
- Management
- Actionnaires

Polémique

- Polémique

Analyse technique

- Timing CT
- Timing MT
- Timing LT
- RSI
- Ecart Bollinger
- Volumes anormaux



- Looking at the different ratings given by investors, we can see that the company remains attractive and buying it is recommended.

- However, there are still a number of points that need to be rectified, and which may dissuade investors:
  - Revenue growth
  - PER
  - Revision Earning per share one year
  - Revision opinion 12m

Key points

- ***Financial stability***: The business appears to have struggle between 2022 and 2023, as evidenced by the decline in the interest cover ratio as well as the increase in the Debt/Equity ratio. Nevertheless, debt is expected to be reduced by 2026, so that current levels will look more affordable for the future.

- ***Financial risk***: The low interest cover ratio is a concern: id interest rates were to rise or revenues were to fall in the future, this could cause problems and reduce investors confidence.

- ***Growth prospects***: High profitability (operating margins and net margins are improving), and the rise in net profit shows that the company maintains a strong financial performance and appears well positioned to maintain its expansion and profitability over the long term. Future projections show that Ciena Corporation's growth is set to consolidate, enabling it to strengthen its leadership in the network software sector.

DEAL VALUATION

Trend, Discounted cash flow and Price earning ratio analysis

Trend analysis:
- Growth rate **2023** = **3.8%**
- Growth rate **2022** = **-70%**
- Growth rate **2021** = **38,4**

Discount Rate (WACC) (we found Ciena's WACC to be around 9.27%),

Discounted cash flow :
- ***Project future cash flows*** (growth rate = 3.8%) :
  - Projected FCF 2024 = 222 651 960 $
  - Projected FCF 2025 = 307 258 380 $
  - Projected FCF 2026 = 424 016 040 $
  - Projected FCF 2027 = 585 145 381 $
  - Projected FCF 2028 = 807 500 626 $
  - Projected FCF 2029 = 1 114 350 865 $
  - Projected FCF 2030 = 1 537 804 194 $
  - **FCF** => the cash that a company creates from its operating activities after accounting for capital expenditures (the cash available to return to investors, reinvest or pay off debt)

- ***Terminal value*** = 355 472 326 $ => the estimated value of Ciena Corporation's future cash flows after 2030, in the long term

- ***Discount cash flows and terminal value*** :
  - Present value of 2024 FCF = 203 763 118 $ => the discounted future cash flows for the year 2024
  - Present value of 2025 FCF = 257 336 772 $
  - Present value of 2026 FCF = 324 997 078 $
  - Present value of 2027 FCF = 410 449 762 $
  - Present value of 2028 FCF = 518 367 962 $
  - Present value of 2029 FCF = 654 660 738 $
  - Present value of 2030 FCF = 826 788 523 $
  - Present value of terminal value = 191 116 944 $ => the value of the business's expected worth after 2030
  - Total enterprise value (TEV) = 3 387 480 897 => the total estimated value of Ciena's business based on its expected future cash flows

- ***Net debt*** : total debt - cash and cash equivalents = 1.2B-1.25B = - 50 000 000 $ => net cash position (cash > debt)

- ***Equity value*** = 5.05 B$

- ***Value per share (VPS)*** = 32.79$ (154 million shares)

=> If Ciena's current market price per share is below **$32.79**, it suggests the company may be ***undervalued***. Conversely, if the market price is above this intrinsic value, it could indicate ***overvaluation*** based on this DCF analysis

=> Ciena Corporation's current market price per share is approximately **$64.17** as of recent trading sessions. This price provides a useful benchmark to compare against the intrinsic value per share calculated from your Discounted Cash Flow (DCF) analysis, which estimated Ciena's value at around $32.79 per share.

=> Ciena's shares are potentially **overvalued** based on the DCF model alone.

Price earning ratio analysis :

- Ciena's Price-to-Earnings (P/E) ratio => 64.17/0.95 = 67.55 (high for the telecommunications and networking industry => P/E ratios usually range from 15 to 25) => a high P/E can indicate that the market expects significant growth from Ciena
- Comparison of Price-to-Earnings (P/E) ratios for Ciena Corporation and its industry peers:
- Ciena Corporation: 67.55
- Cisco Systems: 15.6
- Juniper Networks: 34.2
- Nokia Corporation: 14.27

Is the company under or over-evaluated ?

Based on the provided financial metrics, Ciena Corporation appears to be **overvalued** at its current market price of $64.17 compared to its intrinsic value of $32.79 derived from DCF analysis and its P/E ratio relative to industry peers.

Long term perspectives

- Ciena Corporation's long-term perspectives are shaped by various factors, including market demand, innovation, strategic partnerships, and financial health. While the company faces challenges, particularly regarding its current valuation (which appears to be overvalued) and competitive landscape, its strong position in a growing market and commitment to R&D can foster sustained growth. However, investors should remain vigilant about external economic conditions and the company's ability to execute its strategic initiatives effectively.

- Ultimately, Ciena's long-term success will depend on its ability to capitalise on market opportunities while managing risks associated with competition and economic fluctuations.

DEAL STRUCTURING

We have considered two financing options for the partial acquisition of Ciena by CMA CGM:

First, CMA CGM could use debt financing, either by issuing bonds or through bank loans. Given the current drop in interest rates, this approach could be advantageous for CMA CGM as it would help reduce borrowing costs. Debt insurance would also be necessary to limit financial risks for both the acquirer and the lender.

Alternatively, a second option would be to finance the acquisition with a combination of cash and shares. This approach would help limit the group's debt, and by using CMA CGM shares in the transaction, Ciena's shareholders could benefit from CMA CGM's future growth.

In both cases, equity insurance would be essential to protect CMA CGM's interests.

CMA CGM should consider a partial acquisition of Ciena, which presents several advantages. First, Ciena's stock is considered overvalued ($64.17 instead of $32.79), so acquiring a minority stake would limit the initial financial exposure. Moreover, only specific activities of Ciena, such as subsea cable technologies, would be useful for CMA CGM. Therefore, a minority acquisition would make more sense than a full buyout. By establishing a privileged partnership, CMA CGM could gain preferential access to Ciena's subsea cabling technologies, which would strengthen its market position without the risks associated with a complete acquisition.

This approach would also provide exit flexibility: in the event of a strategic shift or declining profitability, CMA CGM could more easily sell its stake.

Offer Terms for Ciena Shareholders

Ciena is 85.6% owned by institutional investors, who are likely to prefer cash to achieve a quick, net gain. Therefore, a public tender offer (PTO) seems preferred to quickly gain control of the assets. CMA CGM should specifically target Fidelity, which holds 14.92% of Ciena's shares, by offering a purchase price with a 20% premium over the current share price, for a valuation of around $1.6 billion (based on an estimated current value of $1.328 billion). CMA CGM could also explore agreements with BlackRock and Vanguard or accumulate Ciena shares on the market in case the PTO is rejected, though this approach would take longer.

Legal Aspects

A specific acquisition vehicle, or SPV (Special Purpose Vehicle), might be set up by CMA CGM to enable this partial acquisition. It would be designed to hold only the acquired position, such as 15% of Ciena's shares. While still being connected to the parent firm, an SPV would enable independent management of the investment's assets and liabilities. Additionally, an SPV would provide investment flexibility, enabling CMA CGM to progressively raise its ownership of Ciena without having to restructure the business as a whole.

In conclusion, CMA CGM can structure the acquisition of Ciena in a number of ways, including debt financing, a cash and share combination, or the purchase of a minority holding through an SPV. Furthermore, the acquisition of Ciena by CMA CGM should not pose any issues since Ciena does not hold stakes in telecommunications companies. The antitrust authorities should therefore not oppose this transaction.

RISK ASSESSMENT

By taking a minority stake in Ciena, CMA CGM does not incur excessive financial risk. Ciena is a profitable company, well-positioned in a promising industry. The fact that CMA CGM becomes a minority shareholder will not change this dynamic, as the two entities will remain separate. Through this investment, CMA CGM would secure a strong partnership in subsea cabling technologies, which would be beneficial for its development.

Furthermore, the partial acquisition of Ciena remains modest compared to CMA CGM's recent acquisitions, which limits the financial risk for the company. Insurance policies will also be taken out to secure the operation's financing, including debt insurance and equity insurance. Finally, as previously mentioned, holding a stake in a publicly traded company facilitates an eventual resale in case of a failed partnership or reduced effectiveness.

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NAMES

- TOUZANI Flavien, PGE-L3 SKEMA BS
- HURTAUD Antoine, PGE-L3 SKEMA BS
- AMBROSELLI Malo, PGE-L3 SKEMA BS
- TONNEAU Merlin, PGE-L3 SKEMA BS