

Would **you** invest in
Thales if its **profits**
come from **war**?



Valuation Master Class



**What's interesting
about Thales is that **the
Ukrainian war** has been
a **massive catalyst** for its
share price**



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But before we start
remember this information
is for **learning purposes**
only.

It is **NOT** investment
advice or a recommendation.



Ask
Ajarn
Andrew



Shell, Thales, and 3 More Stocks to Play a Changing Europe

By [Callum Keown](#) [Follow](#) Updated April 8, 2022 7:21 am ET / Original April 8, 2022 2:30 am ET

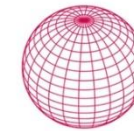
AEROSPACE AND DEFENSE | EUROPEAN TRADER

Europe Is Stepping Up Its Defense Spending. This Company Stands to Profit.

By [Lina Saigol](#) [Follow](#) April 29, 2022 4:30 am ET

Ukraine war boosts weapons makers' stock prices, but revenue to take years to flow through

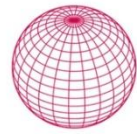
By [Will Jackson](#) with wires



1 Portfolio focused on 3 leading and highly synergistic businesses



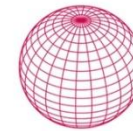
2021 Full-Year results - 19



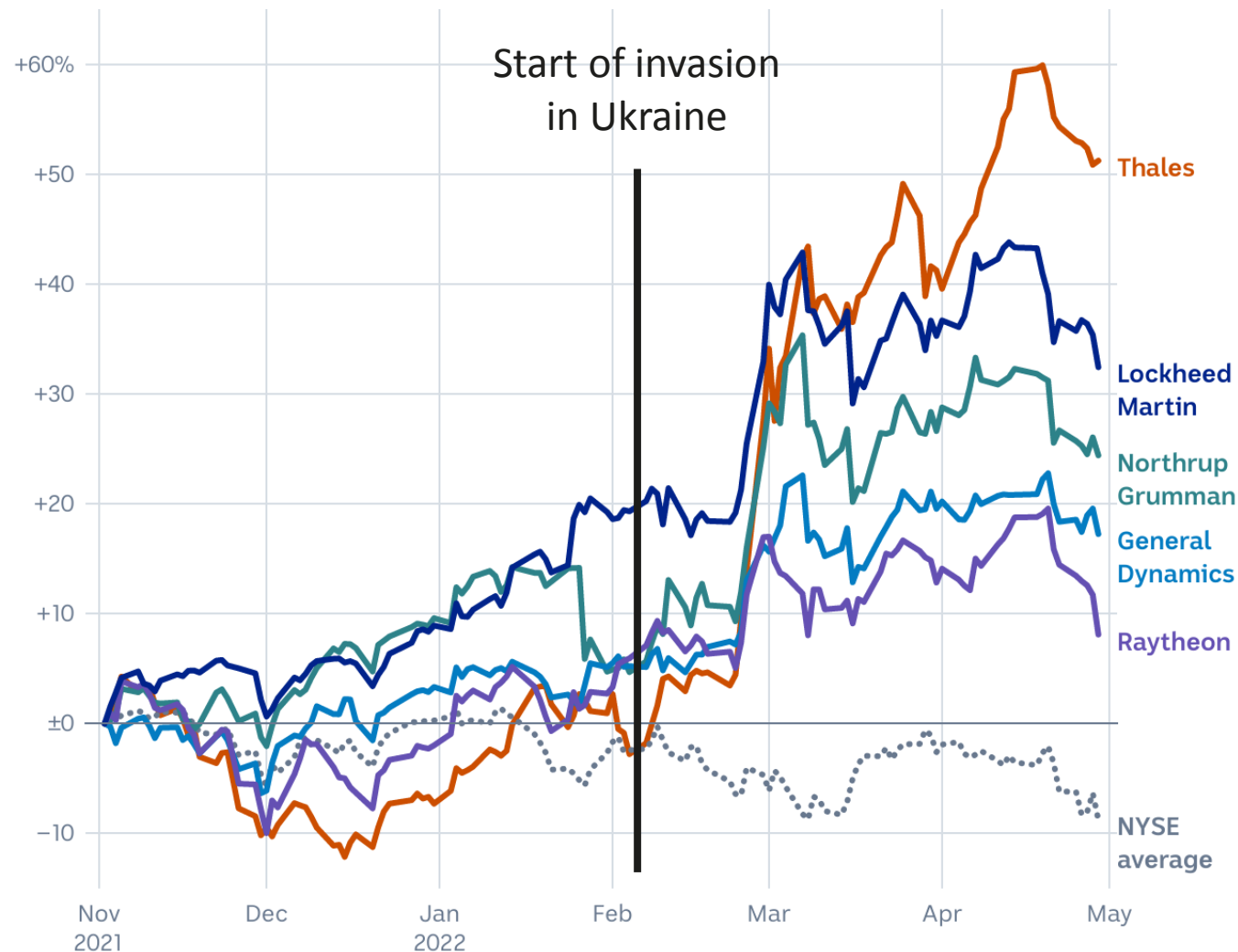
A WORLDWIDE PRESENCE (breakdown of revenue by geographic area)



Defense companies benefit from war

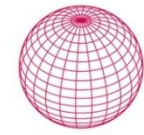


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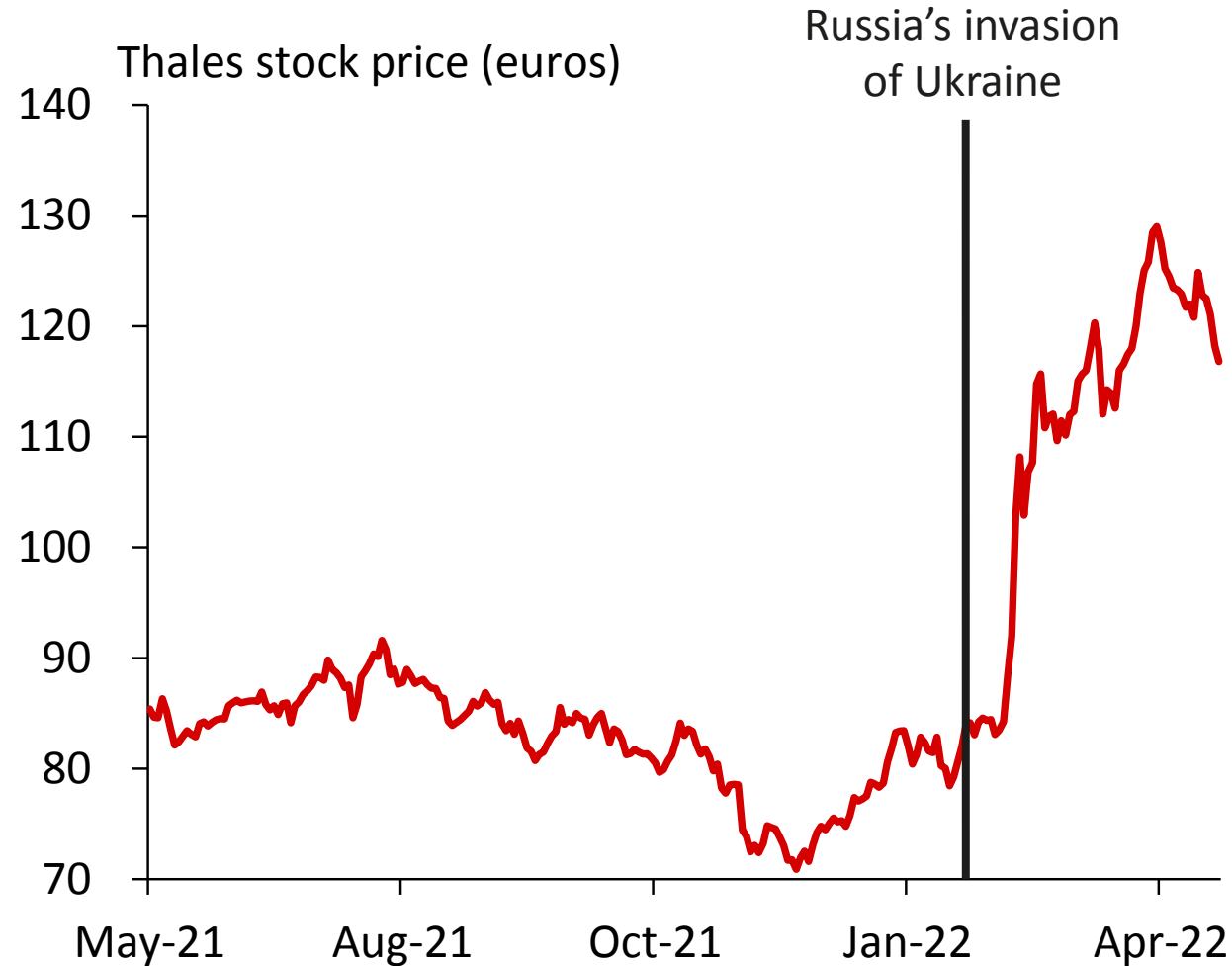


- ★ Major defense contractors saw a surge in share price while the overall NYSE declined
 - Thales has been among the biggest winners so far

Ukrainian war constituted catalyst for Thales



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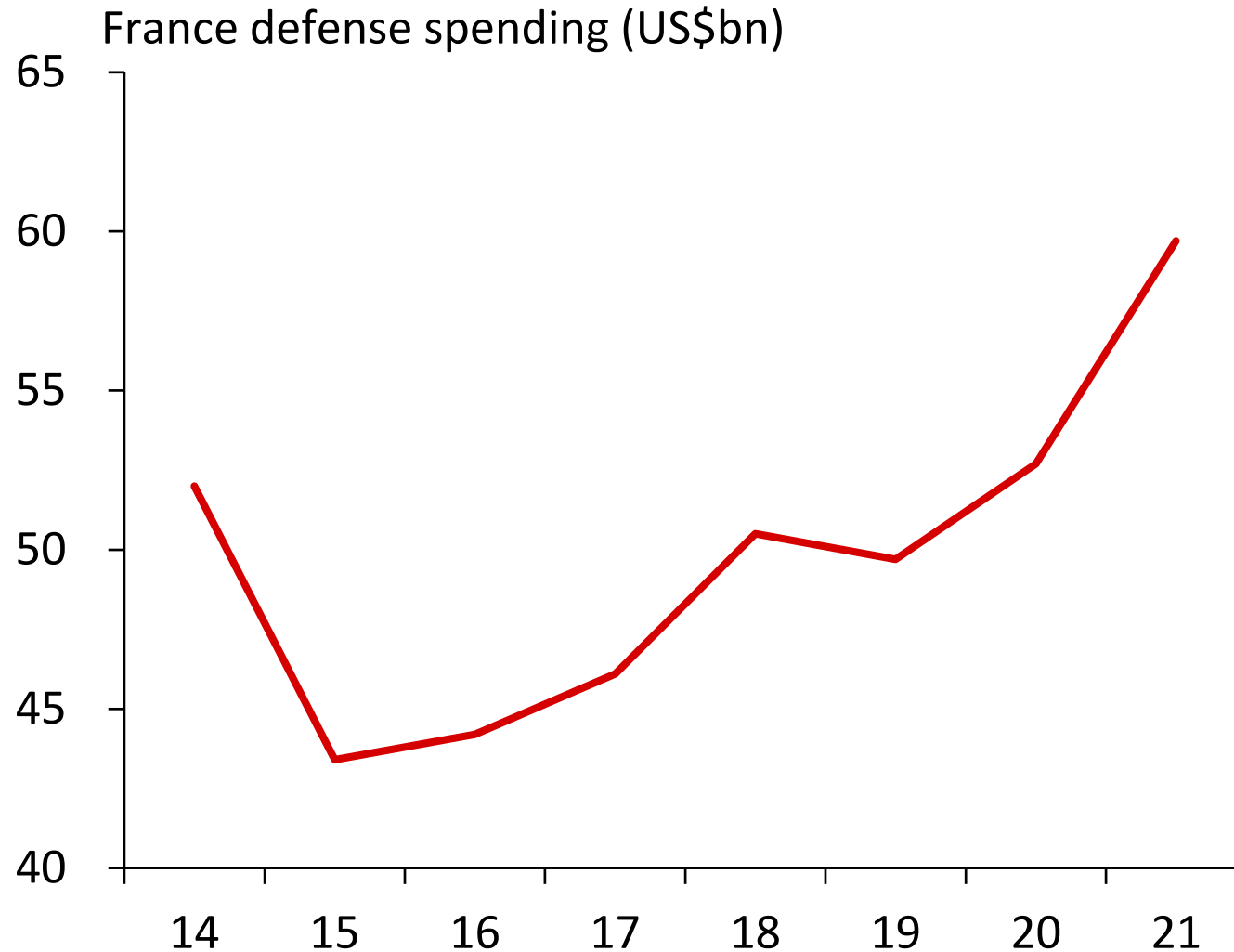


- ★ The share price mainly remained flat until the war started
 - Investors adjusted their expectations upward almost immediately

Thales likely to benefit from increase in gov't spending



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- ★ In response to the war, France announced to increase its defense budget
 - Currently, it is around 2% of GDP, in line with the NATO requirement
 - This number could go up to 2.5% as France plays an increasingly dominant role in Europe

Is it ethical as an investor to profit from war?



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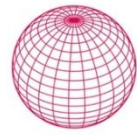
Ethical investing and Russia-Ukraine war

15th March 2022 10:18

Jemma Jackson

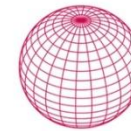
from **interactive investor**

Is it ethical as an investor to profit from war?



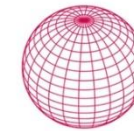
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- Sample of 2,058 Interactive Investor website visitors between the 9 and 10 March 2022
- The UK's second-largest direct to consumer investment platform.
- 42% of respondents believe that the Russia-Ukraine war and the potential escalation of the conflict represent the biggest threat to global stock markets over the next five years, ahead of inflation (23%) and geo-political tensions involving China, Brazil, the Middle East and more broadly (20%).
- Meanwhile, 7% of respondents cited climate change - five months on from COP26, the UN climate conference held in Glasgow last year.



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investor to profit
from war?

How does consensus assess Thales?



Recommendation	Jan-22	Feb-22	Mar-22	Current
Strong buy	4	4	4	4
Buy	8	9	7	5
Hold	7	5	6	7
Sell	-	1	1	2
Strong sell	1	-	-	-
Average score	2.2	2.2	2.2	2.4

Price target	Jan-22	Feb-22	Mar-22	Current
Median	100	123	130	133
Mean	99	116	124	132

- ★ With the share price rally, some analysts downgraded to a HOLD recommendation
- ★ Over the past 4 months, analysts constantly increased their target price
 - Currently, analysts only see a small upside of 13% left