



FIRST QUARTER 2021 RESULTS

May 2021

THE EXPERTS OF FINANCIAL MARKETS



**WE
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HOW**

Index

Q1'21 RESULTS (KEY FINANCIALS)

SNAPSHOT ON FIRST QUARTER 2021 CONSOLIDATED RESULTS

KEY CONSOLIDATED HIGHLIGHTS

€20.3m

(+57% vs Q1'20)

Net Revenues

€4.5m

(+137% vs Q1'20)

Net Profits (post minorities)

18%

(as of 31 March 2021)

Total Capital Ratio

31%

(as of 31 March 2021)

Return on Tangible Equity ⁽¹⁾

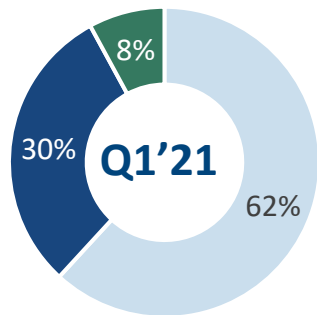
€1.0bn

(+3% vs FY'20)

Assets under Management

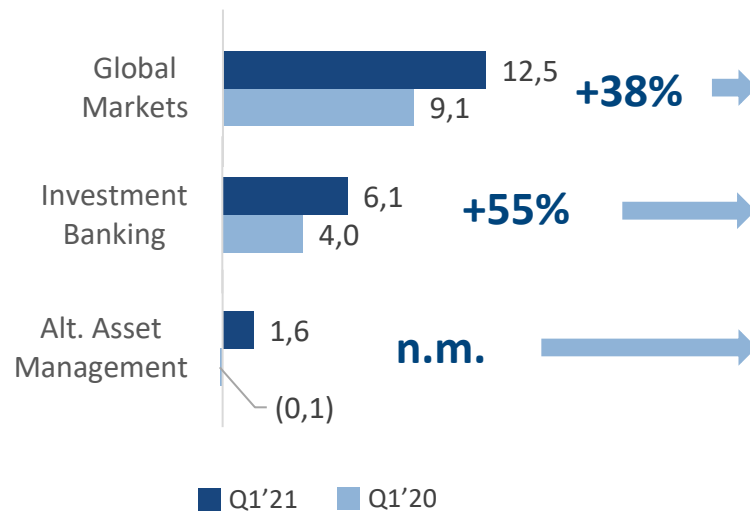
DIVISIONAL PERFORMANCE

Business Breakdown

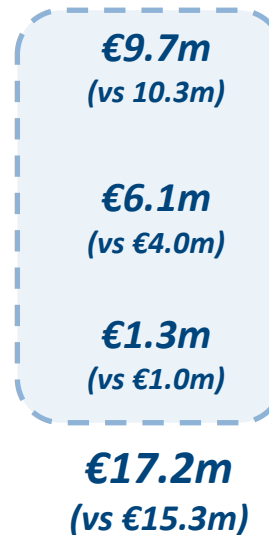


- Global Markets
- Investment Banking
- Alt. Asset Management

Year-on-Year performance



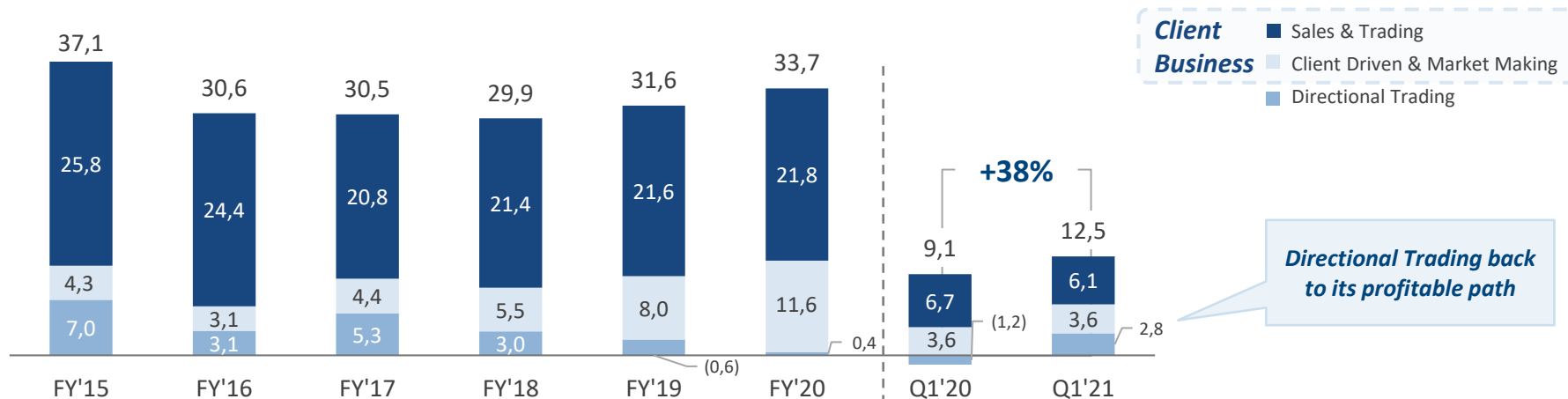
o/w Client-related Net Revenues



o/w Portfolio Net Revenues



NET REVENUES (€M)



Performance drivers

- Global Markets results were up 38% thanks to the positive contribution of **Directional Trading** that generated €2.8m income in Q1'21 (compared to the €1.2m loss generated in Q1'20 due to the mark-to-market of Directional trading portfolio as of 31 March 2020)
- Sales & Trading** net revenues declined by 10% (€6.1m in Q1'21 vs €6.7m in Q1'20) due to lower market volumes compared to the ones brokered on behalf of clients last year. If compared to Q1'19 results (€5.5m), Q1'21 net revenues were up 11%, benefitting from the successful diversification strategy of the product offering
- Client-Driven Trading & Market Making** performed positively (+2% vs Q1'20) despite the lower brokered volumes of fixed income instruments on markets. If compared to Q1'19 results (€2.1m), Q1'21 net revenues were up 70%

Market data - ASSOSIM ⁽¹⁾

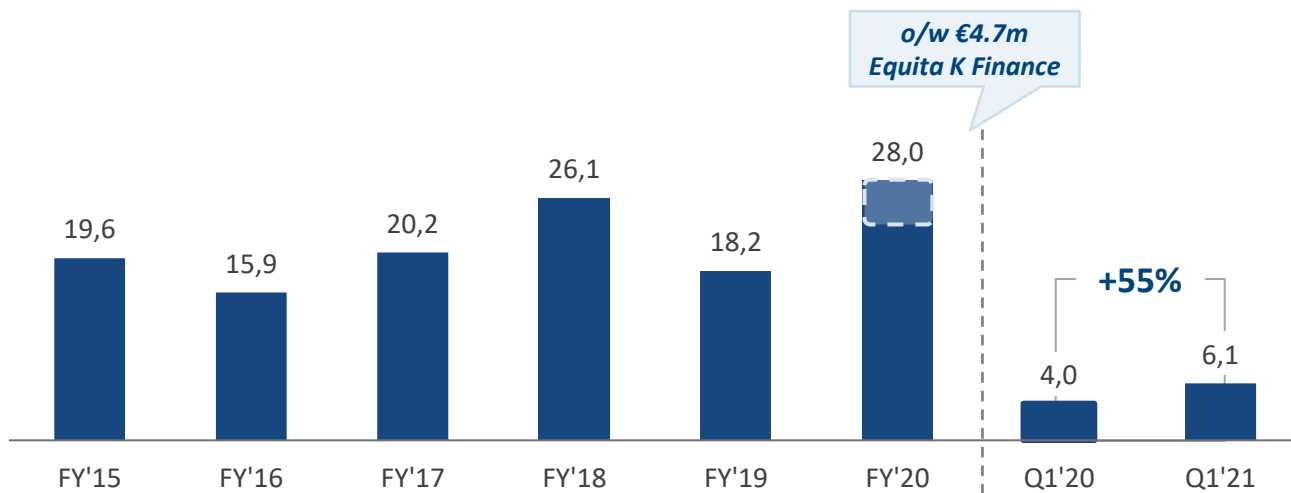
(third parties brokered volumes)

	Equities		Bonds		Equity Options	
	% market share	Overall rank ⁽²⁾ (indep. rank)	% market share	Overall rank ⁽²⁾ (indep. rank)	% market share	Overall rank ⁽²⁾ (indep. rank)
FY'18	6.6%	#5 (#1)	4.2%	#9 (#1)	5.3%	#4 (#3)
FY'19	9.2%	#5 (#1)	6.2%	#6 (#1)	7.6%	#7 (#1)
FY'20	7.8%	#5 (#1)	6.8%	#6 (#1)	5.0%	#3 (#3)
Q1'21	7.2%	n.d.	8.4%	n.d.	8.7%	n.d.

(1) Source: ASSOSIM; market volumes and market shares' figures based on brokerage activities on behalf of third parties; "Equities" referred to MTA segment, "Bonds" referred to DomesticMOT, EuroMOT and ExtraMOT segments; "Equity Options" referred to IDEM segment. (2) Overall rank vs Independent brokers' rank (excluding intermediaries controlled by commercial banks or dealing with flows deriving from proprietary retail clients (captive).
2015 figures referred to Equita SIM; 2016 and onward figures referred to Equita Group; roundings in Client Driven & Market Making and Directional Trading could occur due to minor reclassifications

INVESTMENT BANKING

NET REVENUES (€M)



RECENT TRANSACTIONS (YTD MAY'21)

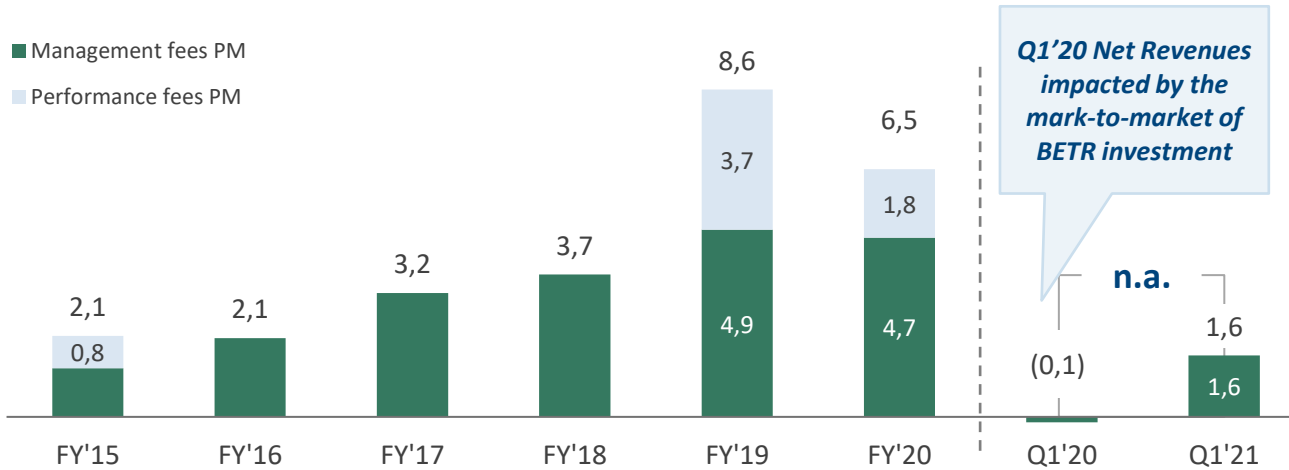
<p>ECM</p> <p>GHC BY LAMOND UNIFINALE</p> <p>Capital Increase (€43m)</p> <p>JOINT GLOBAL COORDINATOR AND BOOKRUNNER</p> <p>EQUITA</p> <p>2021</p>	<p>DCM</p> <p>ITALIAN WINE BRANDS</p> <p>Placement of Senior Unsecured Notes (€130m)</p> <p>PLACEMENT AGENT</p> <p>EQUITA</p> <p>2021</p>
<p>DCM</p> <p>webuild</p> <p>Placement of Senior Unsecured Notes (€200m)</p> <p>CO-MANAGER</p> <p>EQUITA</p> <p>2021</p>	<p>DCM</p> <p>Newlat FoodS&A</p> <p>Placement of Senior Unsecured Notes (€200m)</p> <p>PLACEMENT AGENT</p> <p>EQUITA</p> <p>2021</p>
<p>M&A</p> <p>cdp CDP Equity EURONEXT</p> <p>FINANCIAL ADVISOR TO CDP EQUITY IN THE VALUATION OF THE INVESTMENT IN EURONEXT</p> <p>EQUITA</p> <p>2021</p>	<p>M&A</p> <p>CA CRÉDIT AGRICOLE</p> <p>FINANCIAL ADVISOR TO CRÉDIT AGRICOLE ITALIA IN THE PUBLIC TENDER OFFER ON CREDITO VALTELLINESE</p> <p>EQUITA</p> <p>2021</p>

Performance drivers

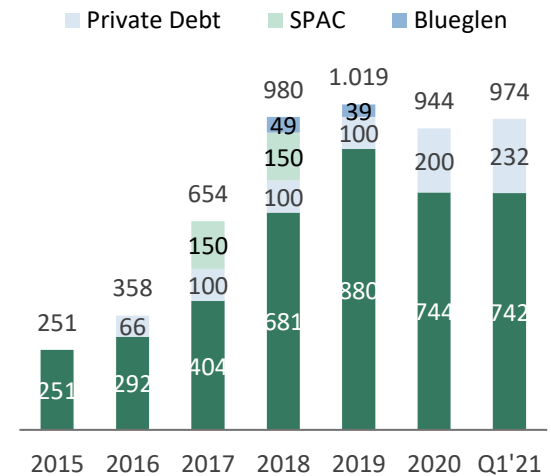
- ≡ **In Q1'21, Italian capital markets experienced interesting levels of activity:** number of ECM transactions doubled (from 7 in Q1'20 to 14 in Q1'21, mainly convertible bonds) while DCM issues more than tripled (from 6 in Q1'20 to 21 in Q1'21)
- ≡ **M&A activities increased in terms of deal size** (€26bn in Q1'21 vs €10bn in Q1'20) **due to some large deals completed** – including the merger between FCA and PSA Peugeot (€19.6bn) – **but declined in terms of number of transactions** (232 in Q1'21 vs 239 in Q1'20)
- ≡ **The investment banking team executed a relevant number of transactions in all areas** and confirmed its strong positioning in assisting corporates and financial institutions
- ≡ **Minor impacts from the consolidation of Equita K Finance due to seasonality effects** that concentrates revenues contribution in Q2 and Q4

ALTERNATIVE ASSET MANAGEMENT

NET REVENUES (€M)



ASSET UNDER MANAGEMENT (€M)



Performance drivers

- AM fees increased by 30% in Q1'21 vs Q1'20 thanks to the increase in private debt AuMs that more than offset the lower average value of AuMs in portfolio management
- Private Debt continued the fundraising of EPD II – its second fund, PIR compliant. To date, the team has raised €131.5m of total commitments ⁽¹⁾ and has already completed 4 investments (€42m, 32% of EPD II current commitments). Final target confirmed to €200m by 2021.
- Private Equity is working – jointly with a tier 1 partner – on the launch of its ELTIF focused on private equity (“Equita Smart Capital – ELTIF”). Final target expected to reach €140m in 2022.
- Equita recently closed its first club deal and – given the success of the initiative – the team is now actively working to offer access to its interesting deal flow to families and institutional investors

PROFIT & LOSS AND FOCUS ON COSTS

DISCIPLINED APPROACH ON COSTS AND STRONG PROFITABILITY CONFIRMED

SUMMARY OF CONSOLIDATED FIGURES

Profit & Loss	Q1	Q1	Var	FY
€ m	2021	2020	%	2020
Net Revenues	20,3	12,9	57%	68,2
Personnel costs ⁽¹⁾	(9,7)	(5,9)	64%	(32,3)
Comps/Revenues ratio	(47%)	(46%)		(47%)
Operating costs	(4,4)	(4,3)	1%	(18,2)
Total Costs	(14,0)	(10,2)	38%	(50,6)
Cost/Income ratio	(69%)	(79%)		(74%)
Profit before taxes	6,2	2,7	130%	17,6
Income taxes	(1,9)	(0,8)	127%	(4,7)
Net Profit	4,4	1,9	131%	12,9
Net Profit (post-minorities)	4,5	1,9	137%	12,3
Margin %	22%	15%		18%
Dividend Payout %				75%

Focus on Costs

Equita Group (Consolidated)	Q1	Q1	
€ m	2021	2020	Var. %
Personnel costs⁽¹⁾	(9,7)	(5,9)	64%
<i>o/w Fixed component</i>	(5,1)	(4,2)	20%
<i>o/w Variable component</i>	(4,6)	(1,7)	178%
FTEs⁽²⁾	162	145	12%
<i>Comps / Revenues</i>	47% ⁽³⁾	46%	3%
<i>Fix Comp / Total Comp</i>	53%	72%	(27%)

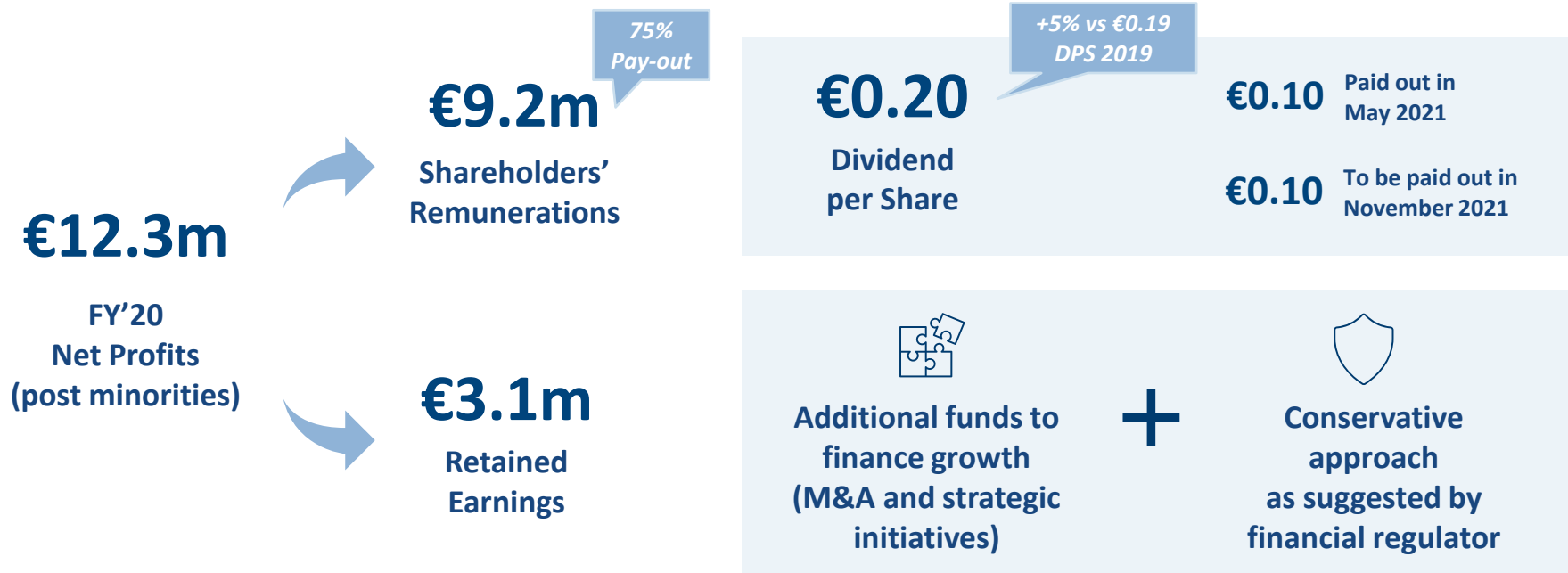
12 FTEs from
Equita K Finance

Equita Group (Consolidated)	Q1	Q1	
€ m	2021	2020	Var. %
Operating Costs	(4,4)	(4,3)	1%
<i>o/w Information Technologies</i>	(1,4)	(1,4)	(1%)
<i>o/w Trading Fees</i>	(0,9)	(0,9)	(5%)
<i>o/w Non-Recurring</i>	-	-	n.a.
<i>o/w Other (marketing, SGR, EKF)</i>	(2,0)	(1,9)	5%

Year-on-year increase in Other expenses mainly
driven by the enlarged perimeter (Equita K Finance)

DIVIDEND APPROVAL AND GUIDELINES FOR THE FUTURE

DIVIDEND ON THE HIGH-END OF THE GUIDANCE PROVIDED IN SEPTEMBER 2020



GUIDELINES ON FUTURE DIVIDENDS

≥50% pay-out

*Unless specific value-adding
growth opportunities justify
a revision of this indication*

To retain additional resources to finance
potential extraordinary transactions

2 tranches



To give more stability to share price and provide a
spread of cash flows to investors over the year

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ANNEX

ROAD TO 2022: TOP PRIORITIES AND TARGETS

(PLAN APPROVED IN NOVEMBER 2019)

TOP 5 PRIORITIES

KEY TARGETS FROM 2020-2022 STRATEGIC PLAN (@2022)

-  **Revenue Generation and Diversification**
-  **Cost Discipline and Focus on Profitability**
-  **Growth in Assets under Management**
-  **Low Capital Absorption and Consistent Shareholders' Remuneration**
-  **Strong Commitment on Sustainability**

Net Revenues
€75m



-500 bps in Cost/income
≈20% Net Profitability

AuM €2 billion

TCR ≥ 15% / ROTE ≥ 20%
Dividend Payout % ≈90%

- ≡ Promote employees wellbeing
- ≡ Increase customer and financial community's satisfaction
- ≡ Social and economic development of local communities
- ≡ Improve health and safety
- ≡ Mitigate impacts on environment

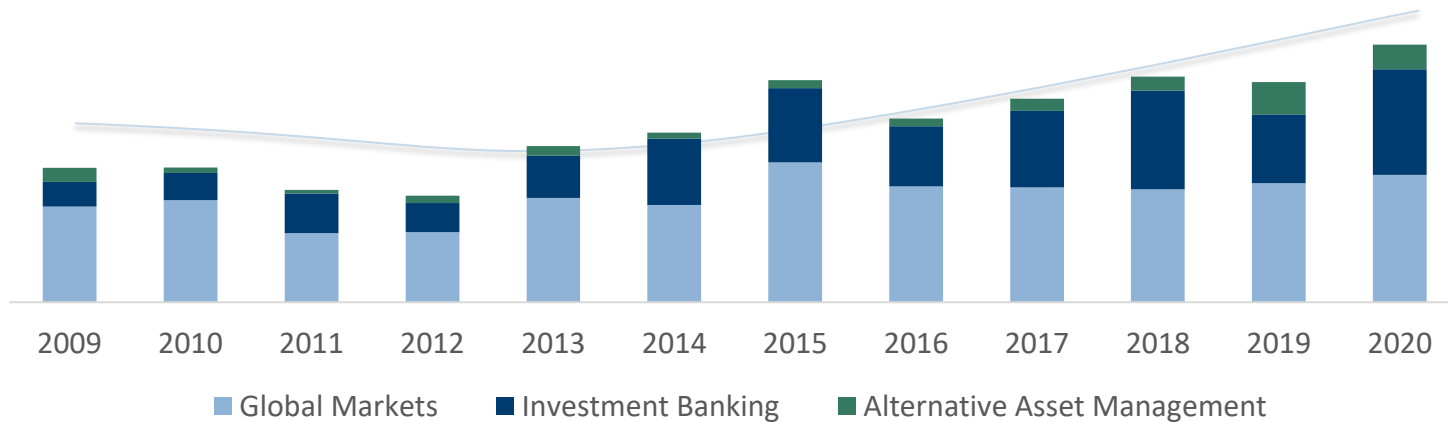


Open to strategic partnerships that could accelerate the growth of the business



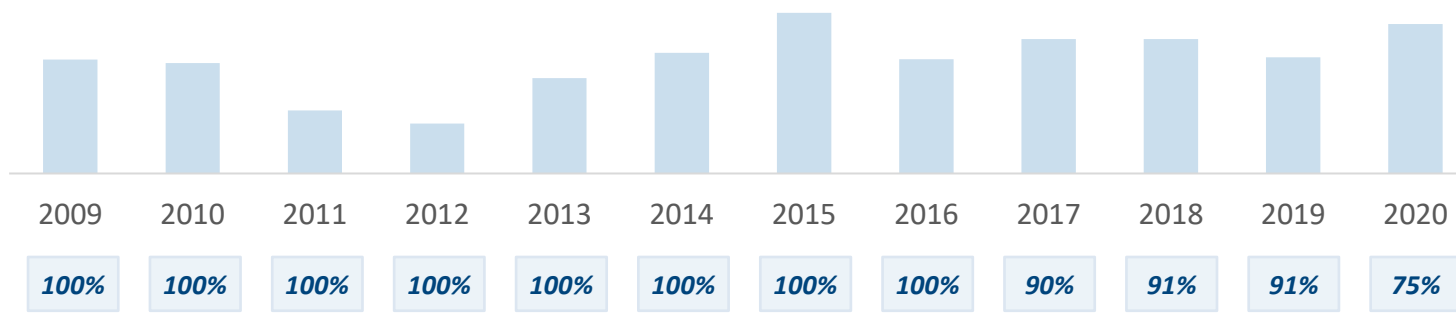
RESILIENT AND PROFITABLE PERFORMANCE THANKS TO DIVERSIFICATION

NET REVENUES (€M)



+6%
CAGR '09-'20
 in Net Revenues
 over the last
 12 years

NET PROFITS (€M)



Always profitable,
 with significant
 dividend distribution
 over the last
 12 years

Dividend Payout (%)

BALANCE SHEET AND TOTAL CAPITAL RATIO

LIGHT BALANCE SHEET AND HEALTHY CAPITAL STRUCTURE, WITH TOTAL CAPITAL RATIO WELL ABOVE REQUIREMENTS

<i>Equita Group (Consolidated) € m</i>	Q1'21	FY'20	H1'20	Q1'20	FY'19	9M'19
Cash & cash equivalents	0,0	0,0	0,0	0,0	0,0	0,0
Assets at FV to P&L & Equity investments	74,9	43,9	84,2	80,9	75,3	81,5
Receivables	221,6	203,3	196,4	237,6	184,2	174,4
Tangibles assets	6,0	6,2	6,7	7,2	7,3	7,6
Intangible assets	27,5	27,5	15,1	15,1	15,1	15,0
Tax assets	3,0	3,1	2,2	4,2	5,0	2,6
Other assets	2,8	1,6	2,7	2,9	1,5	1,6
Total assets	335,8	285,8	307,3	347,9	288,3	282,7
Debt	185,0	157,0	205,7	227,2	172,9	173,7
Financial liabilities held for trading	28,3	14,2	8,3	13,4	12,3	17,5
Tax liabilities	4,0	2,2	1,9	2,7	2,3	0,9
Other liabilities	23,3	21,7	10,8	16,5	14,2	8,9
Employee termination indemnities	2,3	2,3	1,9	1,9	2,5	2,6
Provisions for risks and charges	2,7	2,7	1,8	3,9	3,9	3,4
Total liabilities	245,6	200,1	230,4	265,7	208,2	207,1
Share capital	11,4	11,4	11,4	11,4	11,4	11,4
Treasury shares	(4,1)	(4,1)	(4,5)	(4,5)	(4,5)	(4,5)
Share premium reserve	18,7	18,2	18,2	18,2	18,2	18,2
Reserves	59,7	47,2	46,7	55,3	45,6	44,9
Valuation reserves	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)
Profit /(Loss) for the financial year	4,4	12,9	5,1	1,9	9,5	5,6
Third parties' equity & Profit /(Loss)	0,1	0,1	0,1	-	-	-
Total shareholders' equity	90,2	85,7	76,9	82,2	80,1	75,6
Total shareholders' equity and liabilities	335,8	285,8	307,3	347,9	288,3	282,7

**Tangible Equity
€63m**

**TCR 18% in Q1'21
(vs 20% in FY'20)**

**WE
KNOW
HOW**



EQUITA GROUP

Via Turati, No. 9 | Milan | 20121
Tel. +39 02 6204.1 | Fax +39 02 29001208/1202
info@equita.eu | www.equita.eu

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