

Equita Group

2Q/1H23 Results in Line; Reassuring Message on DPS

Despite the challenging outlook ahead, CEO Vismara provided a reassuring message on dividends (proposing to the next Shareholders' Meeting the distribution of a DPS no lower than EUR 0.30), hence confirming the more than EUR 50M accumulated target in the 2022-24 business plan horizon. We confirm our BUY rating with a new target price of EUR 4.3.

2Q/1H23 results in line

In 2Q23, Equita Group reported a net profit of EUR 4.2M (excluding the impact of LTIP provision), with total net revenues at EUR 23.5M vs. EUR 21.9M estimated, declining by approx. 21% yoy, essentially due to an unfavourable comparison in the Investment Banking division.

Management's outlook and our estimates

In the results' press release and conference call, CEO Vismara pointed out that, on the basis of the net profits recorded in 1H23 and taking into consideration the expectations for the second part of the year, the Board of Directors will consider proposing to the next Shareholders' Meeting the distribution of a dividend no lower than EUR 0.30/share. He also stated that the 1H performance is in line with the shareholders' remuneration objective set in the three-year business plan, with a commitment to distribute more than EUR 50M cumulated dividends. We reduce our dividend estimates, with a 2023E EUR 0.34 DPS and 2022E-24E cumulated dividends of approx. EUR 52M, which are consistent with the company's current year guidance and business plan targets. Given the market conditions becoming gradually more challenging, the company stated that the achievement of some of the group's growth targets (mainly concerning revenue and net profit) could be delayed. Hence, we revise our P&L estimates, which point to around EUR 95M total net revenues and EUR 18.5M net profit in FY24E, below 2024T of > EUR 110M and > EUR 25M, respectively. We also basically move our previous 2024 estimates to 2025E, when we now expect EUR 107M revenue and EUR 23M net profit.

BUY rating confirmed, new TP EUR 4.3

We set a new target price of EUR 4.3/sh, down from EUR 4.6 previously, due to our estimates' revision, which comes from a three-stage dividend discount model reflecting the downgrade in our 2023-25 dividend estimates. Given an upside potential of approx. 19%, we confirm our **BUY rating**. Our positive view relies on a sound growth profile and a solid balance sheet, allowing both a rewarding dividend policy (average 2022-24E yield close to 10% at the current share price, 9.4% 2023E) and the option of accelerating the growth trajectory by deploying the excess capital through potential acquisitions.

13 September 2023: 13:15 CET
Date and time of production

BUY

Target Price: EUR 4.3
(from EUR 4.6)

Italy/Brokerage & Investment
Banking
Company Results

EXM-STAR

Price Performance (RIC: EQUI.MI, BB: EQUI IM)



Equita Group - Key Data

Price date (market close)	12/09/2023
Target price (€)	4.3
Target upside (%)	19.11
Market price (€)	3.61
Market cap (EUR M)	183.75
52Wk range (€)	4.06/3.18

Y/E Dec (EUR)	FY22A	FY23E	FY24E
Adj EPS	0.34	0.32	0.39
EPS	0.32	0.32	0.39
DPS	0.35	0.34	0.38
TBV PS	1.7	1.6	1.6
PPS PS	0	0	0
Adj. ROTE (%)	21.6	20.2	23.9
Adj P/E (x)	10.6	11.2	9.4
P/TBV (x)	2.2	2.3	2.2
Div yield (%)	9.7	9.4	10.5

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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2Q/1H23 Results in line

In 2Q23, Equita Group reported a net profit of EUR 4.2M (excluding the impact of LTIP provision), almost 5% above our estimate of EUR 4.0M, with total net revenues at EUR 23.5M vs. EUR 21.9M estimated, declining by approx. 21%, essentially due to the tough comparison base in the Investment Banking division of the previous year, when the controlled company Equita K-Finance earned a highly profitable single M&A mandate, leading to a record revenue level in 2Q. Operating costs showed:

In line results

- Staff costs at EUR 11.2M, 8% higher than our estimate (consistently with the difference in revenues vs. expectations), with a compensation/revenue ratio of approx. 47.6% in 2Q23A (vs. 46.8% in 2Q22A) and 46.8% in 1H23A, very much in line with the previous year (46.7% in 1H22A);
- Administrative expenses at EUR 6.2M, 7% higher than our estimate, growing 27% yoy in the quarter accelerating vs. 1Q23 (1H23 +20% yoy), also impacted by EUR 0.8M non-recurring costs (mainly related to the 50th anniversary of Equita). IT costs in 1H23 were up 5% yoy, driven by inflation as well as development of a new CMS and other costs grew by 17% yoy, driven by higher marketing and inflation on contracts.

2Q profit before taxes was EUR 6.1M, +5.5% vs. our forecast, while the difference on net profit was lower, due to a slightly higher than estimated quarterly tax rate (29.7% vs. 28.7%).

Equita continues to show a strong capital position, with an IFR ratio at end-June equal to 5.4x, the minimum regulatory requirement from 5.5x at end-March.

Strong capital position

Equita Group - 2Q/1H23 results

EUR M	1Q22A	2Q22A	1H22A	3Q22A	4Q22A	FY22A	1Q23A	2Q23A	2Q23E	A/E %	yoy %	1H23A	yoy %
Global Markets	9.9	9.8	19.7	7.1	10.6	37.4	11.2	9.5	9.5	-0.5	-3.0	20.7	5.0
Inv Banking	6.7	17.7	24.4	7.1	9.8	41.3	6.2	11.5	10.0	15.0	-35.1	17.8	-27.5
AAM	1.8	2.2	4.0	1.9	1.9	7.9	1.8	2.5	2.4	5.4	13.9	4.4	8.1
Net Revenues	18.4	29.7	48.2	16.2	22.3	86.6	19.3	23.5	21.9	7.2	-21.3	42.8	-11.2
Personnel Costs	8.5	14.0	22.5	7.5	12.2	42.2	8.9	11.2	10.3	8.0	-20.4	20.0	-11.0
Administrative expenses	4.4	4.9	9.3	4.5	5.3	19.3	5.0	6.2	5.8	7.4	26.9	11.1	20.6
Total operating costs	12.9	19.0	32.0	12.1	17.5	61.6	13.9	17.3	16.1	7.7	-8.7	31.2	-2.6
Profit before Taxes	5.5	10.9	16.4	4.1	4.8	25.3	5.4	6.1	5.8	5.5	-43.6	11.6	-29.4
Group Net profit	3.8	6.4	10.3	2.8	3.1	16.2	3.9	4.2	4.0	4.8	-34.2	8.1	-21.2

A: actual; E: estimates; Source: Company data

Global Markets' revenues amounted to EUR 9.5M in the quarter, in line with our estimate, reaching EUR 20.7M in 1H23, showing an approx. 5% growth, in line with the long-term historical trend (2017-22 CAGR of 4%).

Solid global markets' performance

Equita Group – Global Markets' net revenues trend (FY17-1H23, EUR M)



Source: Company data

Sales & Trading was down 11% yoy in 1H23A (EUR 10.3M vs. EUR 11.8) whereas Client-Driven Trading & Market Making was up 14% (EUR 7.3M vs. EUR 6.4M 1H22) thanks to better activity from clients in fixed income, certificates, and derivatives products.

Equita Group – Brokerage on behalf of clients

Market share %	1H22	1H23
Equities (Euronext Milan)	8	7
Equities (Euronext Growth Milan)	12	12
Bonds	9	8
Cash Options	7	17

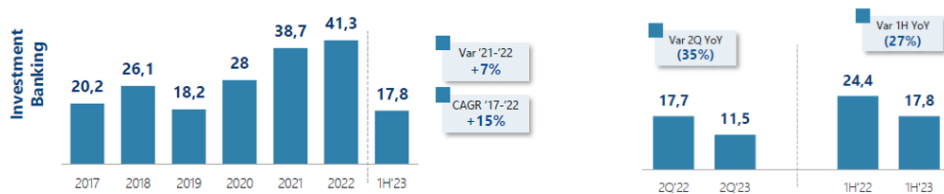
Source: Company data

Looking at 1H23 results, client-related business had a resilient performance (EUR 17.6M vs. EUR 17.9M in 1H22A, -2% yoy), thanks to the diversification strategy adopted by the management team and despite the prudent approach of investors, which resulted in low levels of activity on equity markets, especially in Small Caps, where volume decline has been the worst of last 4 years (trading volumes in Italy: -8% on Euronext Milan, -35% on Euronext Growth Milan in 1H23 according to Assosim data). Bonds volume, where the company is less exposed to, rose instead meaningfully, thanks to the better investors' appetite for fixed income products in a higher interest rate environment (+90% in 1H23).

1H23 Investment Banking revenues declined by around 27% yoy to EUR 17.8M, better than our estimate of EUR 16.2M, accelerating the yoy decline in 2Q (-35% yoy), driven by an uncertain macroeconomic environment, which affected M&A advisory activity. Net revenue performance was impacted by a tough comparison of the previous year, where Equita K Finance subsidiary earned a very profitable mandate. Excluding this item, 1H23 Investment Banking net revenue would have grown by 29% yoy.

Falling Investment Banking performance due to tough comparison base

Equita Group – Investment Banking net revenues trend (FY17-1H23, EUR M)

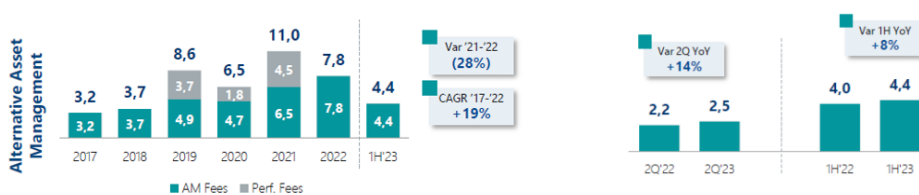


Source: Company data

AAM 2Q23 total revenues were slightly better than expected (EUR 2.5M vs. EUR 2.4M forecast), reaching EUR 4.4M in 1H23, accelerating growth performance in 2Q23 to 14% yoy (vs. 1H23 +8% yoy), thanks a rising contribution from illiquid proprietary assets, which would lead to a higher margin. Investment Portfolio contributed positively on a yoy basis (EUR 0.4M in 2Q23 vs EUR 0.1M in 2Q22).

Good progress in AAM due to rising illiquid assets within the mix

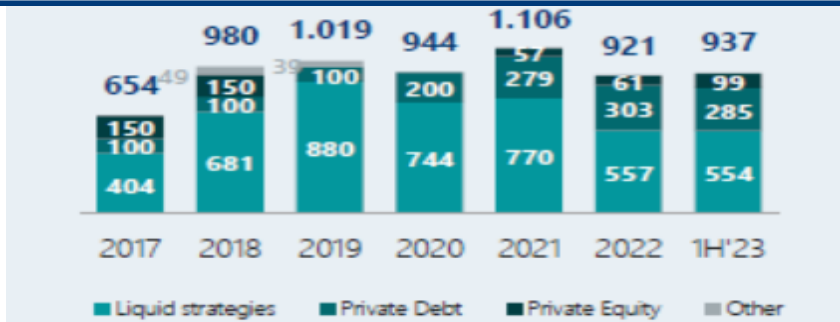
Equita Group – Alternative Asset Management net revenues trend (FY17-1H23, EUR M)



Source: Company data

Assets under management were largely stable in 1H23 to EUR 937M vs. EUR 921M in 1H22, growing +2% yoy. Private Equity AuM benefited from the closing of Equita Smart Capital - ELTIF, rising to EUR 98.4M in June 23.

Equita – AAM AuM (EUR M)



Source: Company data

Earnings Outlook

Management strategic update and guidance

Management confirmed to be on track with the initiatives foreseen in the Business Plan to further support company growth profile. In particular, they highlighted within:

- **Global Markets & Research:** expansion of the research coverage and introduction a new team dedicated to family offices along with a further diversification of product offering (bond, certificates, derivatives, US equities);
- **Investment Banking:** introduction of new expertise in the Real Estate Advisory Segment with a newly created Partnership with Sensible Capital (30% stake) and hiring process of senior professionals (Consumer, FIG, Industrial, Structure Finance) to diversify and strengthen the offering, as well as senior advisors;
- **Alternative Asset Management:** fund raising of EQUITA Smart Capital ELTIF completed successfully, with EUR 98.4M commitments, becoming the largest private equity, non-captive, retail alternative PIR in Italy; onboarding of a new team of experts in renewable infrastructure, deploying capital of EPD II faster than expected in order to launch its third private debt fund.

In 1H23 results' press release and conference call, CEO Vismara pointed out that, on the basis of the net profits recorded in 1H23 (EUR 0.167/share) and taking into consideration the expectations for the second part of the year, the Board of Directors will consider proposing to the next Shareholders' Meeting the distribution of a dividend no lower than EUR 0.30/share, a proposal considered as achievable without distributing earnings that have been retained since the IPO (>EUR 10M). He also stated that the 1H performance is in line with the shareholders' remuneration objective set in the 3-year business plan, with a commitment to distribute EUR 50M cumulated dividends.

In the 1H23 results' presentation, management highlighted that the macroeconomic scenario in the next two years is still uncertain, affected by geopolitical tensions, persisting inflation and recessionary risks. Decrease in trading volumes (especially in mid-small caps), lower M&A activity and difficult fund-raising environment for alternative, illiquid assets may be potentially offset by some regulatory initiatives (at the European and national levels) aimed to simplify the access to Capital Markets. Anyhow, the achievement of some of the group's growth targets (mainly concerning revenues and net profit) could be delayed.

More specifically management guided for FY23:

- Global Markets net revenue very much in line with FY22A;
- Investment Banking net revenue close to FY21A (EUR 38.7M);
- Alternative Asset Management net revenue a touch above FY22A, also thanks to rising contribution of portfolio management performance;
- Compensation/Revenue at around 48.5%;
- Tax rate close to 29%.

Strategic Update

Outlook and Guidance

Estimates' revision

On the back of prevailing more challenging markets conditions and new management guidance, we revise our 2023-25E estimates with a more conservative approach. More specifically we assume for FY23E:

- Global Markets net revenue barely growing (+0.9% yoy) to EUR 38M;
- Investment Banking net revenue declining to EUR 37.9M (-8.2% yoy);
- Alternative Asset Management net revenue growing by 15% yoy to EUR 9.1M;
- Comp/revenue unchanged at 48.5%.

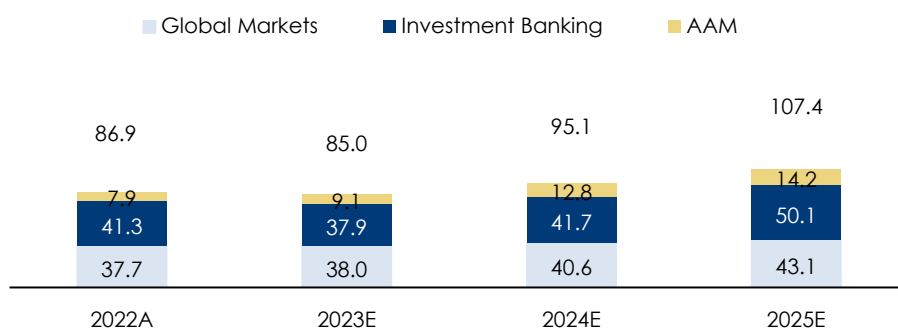
Overall, we assume Equita Group will reach its 2022-24 Business Plan targets (revenue >EUR 110M and net profit >EUR 25M) with one-year delay (2025E), considering the current more severe macroconditions in which it operates.

Equita Group – Estimates revision (2023-25E)

EUR M	2023E			2024E			2025E		
	Old	New	chg %	Old	New	chg %	Old	New	chg %
Total Income	93.3	85.0	-8.9	105.4	95.1	-9.7	115.5	107.4	-7.0
Profit before taxes	27.6	22.4	-18.7	34.0	27.2	-19.9	38.0	33.4	-12.2
Group Net profit	19.1	15.3	-19.8	23.4	18.5	-20.9	26.0	23.0	-11.5
Adj. EPS (EUR)	0.40	0.32	-19.3	0.49	0.39	-21.4	0.54	0.48	-11.4

E: estimates; Source: Intesa Sanpaolo Research

Equita Group – Net revenues' breakdown (EUR M)



A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

We also take the opportunity to revise our dividend assumptions over the next three years, cutting 2023E to EUR 0.34/share (vs. previous EUR 0.37/sh), assuming the use of slightly more than EUR 1M from reserve accumulated since listing and still available today (>EUR 10M). Cumulated 2022E-24E dividends of approx. EUR 52M is still consistent with the company business plan targets.

Equita Group – Dividend estimates revision (2023-25E)

EUR M	2023E			2024E			2025E		
	Old	New	chg %	Old	New	chg %	Old	New	chg %
DPS	0.37	0.34	-8.1	0.44	0.38	-13.6	0.47	0.45	-4.3
Payout	94	105		90	99		88	94	

E: estimates; Source: Intesa Sanpaolo Research

Valuation and Key Risks

Valuation Basis

We value Equita through a three-stage dividend discount model (DDM), based on our explicit 2023E-25E estimates, followed by a 7-year transitional period with adj. net profit and tangible net equity gradually developing consistently with our terminal pay-out ratio assumption of around 100%. Our valuation model incorporates a 10.5% cost of equity (4% RFR, 6.5% ERP). We also add the second tranche (EUR 0.15/sh.) of 2022 dividend, payable in November.

Key Risks

Company specific risks:

- Extremely focused on a single geography (Italy)
- Its end-markets are volatile in nature
- Limited stock liquidity

Sector generic risks:

- Regulatory risks
- Technology risks
- Geopolitical risk

Company Snapshot

Company Description

Equita is an Italian boutique active in the investment banking market. Listed on the Euronext STAR segment and founded 50 years ago, Equita, which currently has 195 employees, operates 3 divisions: Global Markets, Investment Banking and Alternative Asset Management, all supported by a high-quality Research team.

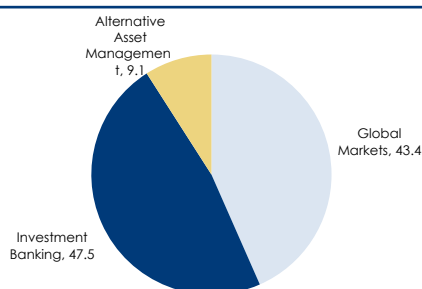
Key data

Mkt price (€)	3.61	Free float (%)	34.0
No. of shares	50.90	Major shr	Mgmt Pact
52Wk range (€)	4.06/3.18	(%)	33.0
Reuters	EQUI.MI	Bloomberg	EQUI IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-2.7	-1M	-3.5
-3M	-3.5	-3M	-6.6
-12M	4.9	-12M	-15.4

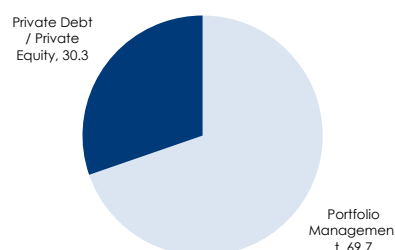
Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Total income	86.87	85.03	NM	95.13	NM	107.4	NM
Operating costs	61.56	62.60	NM	67.90	NM	74.01	NM
Gross op. inc.	25.31	22.43	NM	27.23	NM	33.36	NM
LLP	0.00	0.00	NM	0.00	NM	0.00	NM
Net income	15.23	15.33	NM	18.53	NM	23.00	NM
Adj. EPS (€)	0.34	0.32	NM	0.39	NM	0.48	NM

Revenues breakdown by division (%)



AAM AuM breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 12/09/2023)

Equita Group - Key Data

Rating	Target price (€/sh)		Mkt price (€/sh)			Sector
BUY	Ord 4.3		Ord 3.61			Brokerage & Investment
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. of outstanding shares (M)	45.66	46.16	46.77	48.10	48.10	48.10
Adj. EPS	0.270	0.47	0.341	0.323	0.385	0.48
TBV PS	1.3	1.6	1.7	1.6	1.6	1.7
PPP PS	0	0	0	0	0	0
Dividend ord	0.20	0.35	0.35	0.34	0.38	0.45
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Total income	68	90	87	85	95	107
Total operating expenses	51	61	62	63	68	74
Gross operating income	18	29	25	22	27	33
Provisions for loan losses	0	0	0	0	0	0
Pre-tax income	18	29	25	22	27	33
Net income	12	22	15	15	19	23
Shareholders' earnings	0.00	0.00	0.00	0.00	0.00	0.00
Adj. shareholders' earnings	12	22	16	16	19	23
Composition of total income (%)	2020A	2021A	2022A	2023E	2024E	2025E
Global Markets	49.4	45.1	43.4	44.7	42.7	40.1
Alternative asset management	9.6	12.1	9.1	10.7	13.5	13.3
Investment banking	41.1	42.8	47.5	44.6	43.9	46.6
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Total assets	285.8	315.6	399.5	408.8	421.8	437.8
Customer loans	86.1	91.4	99.6	97.6	100.7	107.6
Total customer deposits	157.0	166.5	205.7	216.0	226.8	238.2
Shareholders' equity	85.7	99.4	104.3	103.3	105.4	110.2
Tangible equity	58.2	72.2	77.4	76.4	78.5	83.3
Risk weighted assets	159.9	193.1	243.0	236.7	255.8	279.1
Stock market ratios (X)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	9.0	6.9	10.6	11.2	9.4	7.5
P/TBV	1.90	2.07	2.19	2.27	2.21	2.09
P/PPP	NA	NA	NA	NA	NA	NA
Dividend yield (% ord)	8.3	10.8	9.7	9.4	10.5	12.5
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
ROE	15	23	15	15	18	21
Adj. ROE	20	33	22	20	24	28
RoRWA	6	12	7	6	8	9
Leverage	23	25	21	20	20	20
Cost income ratio	74	68	71	74	71	69
Tax rate	27	24	28	29	29	28
Dividend payout	75	76	103	107	100	96
Other (%)	2020A	2021A	2022A	2023E	2024E	2025E
CET1 ratio	28	26	24	26	24	22
CET1 ratio fully loaded	28	26	24	26	24	22
Net impaired loans ratio	0	0	0	0	0	0
Net impaired loans on TBV	0	0	0	0	0	0
Growth (%)	2020A	2021A	2022A	2023E	2024E	2025E
Total income	16.9	32.6	-3.9	-2.1	11.9	12.9
Gross operating income	28.2	66.0	-13.4	-11.4	21.4	22.5
Net income	29.1	74.9	-29.3	0.6	20.9	24.1
Adj. net income	29.1	74.9	-24.9	-4.0	19.4	24.1
BS growth (%)	2020A	2021A	2022A	2023E	2024E	2025E
Customers' loans	-60.0	6.2	8.9	-2.0	3.2	6.9
Customers' deposits	-19.1	6.0	23.6	5.0	5.0	5.0
Shareholders' funds	7.0	16.0	4.9	-1.0	2.1	4.5
Structure (no. of)	2020A	2021A	2022A	2023E	2024E	2025E
Employees	164	170	188	192	195	200

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

Equity rating key: (long-term horizon: 12M)

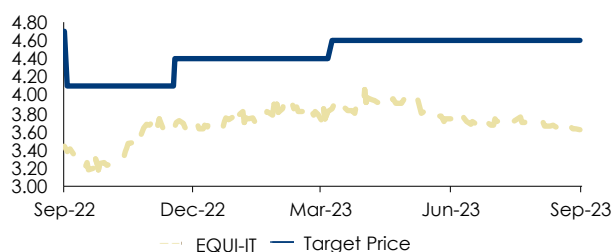
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
SELL	If the target price is 10% lower than the market price.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
Note	Intesa Sanpaolo assigns ratings to stocks on a 12M horizon based on a number of fundamental drivers including, among others, updates to earnings and/or valuation models; short-term price movements alone do not imply a reassessment of the rating by the analyst.

Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity-credit-research>.

Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
20-Mar-23	BUY	4.6	3.9
29-Nov-22	BUY	4.4	3.6
14-Sep-22	BUY	4.1	3.4

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at July 2023)**

Number of companies considered: 126	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	77	23	0
of which Intesa Sanpaolo's Clients (%)**	71	52	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

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- One or more of the companies of the Intesa Sanpaolo Banking Group have granted significant financing to Equita Group and its parent and group companies
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- Intesa Sanpaolo acts as Specialist relative to securities issued by Equita Group

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