

Company Note

Equita Group

Attractive Dividend Yield Supporting Our Positive View

In 3Q21 Equita reported a net profit of EUR 2.6M, 34.2% above our estimate, thanks to higher-than-expected revenues. The most supportive message was on the dividend, with the company's press release indicating that company projections on 2021 results (already surpassing 2022 targets, in line with our expectations), together with the group's capital solidity, should allow a dividend payment above EUR 0.30/share on the current year's earnings, with a payout ratio of at least 90%. Our updated estimates point to EUR 0.325/sh., implying an 8.3% yield at the current share price.

3Q/9M21 results

In 3Q21, Equita Group reported a net profit of EUR 2.6M, 34.2% above our estimate of EUR 1.9M, boosted by total net revenues of EUR 15.5M, 9.4% higher than our EUR 14.2M forecast (driven by Global Markets and Alternative Asset Management), while costs were basically aligned with our projections (EUR 11.4M vs. EUR 11.1M).

Dividend guidance

The company's press release on 9M21 data pointed out that considering the positive expectations on FY results (which should already surpass the 2022 targets) and the capital strength of the group (also taking into account the new capital regulation, introduced by the new prudential framework defined by the IFR Regulation and IFD Directive, that should increase the available capital of the company to finance new business initiatives, M&A and additional shareholders remuneration), and barring any significant negative events, the Board of Directors will propose at the next Shareholders' Meeting the distribution of a dividend above EUR 0.30/sh. (corresponding to a yield of at least 7.6% at the current share price), significantly higher than the EUR 0.20/sh. paid in 2021.

BUY confirmed; TP raised to EUR 4.8/share

Following the release of stronger-than-expected 3Q results and the positive outlook provided by management, we upgrade our 2021E-23E net profit estimates by an average 2.5% and our dividend projections according to an average 90% payout ratio, which led us to raise our **target price** to **EUR 4.8/share** (from EUR 4.5/sh.). Given an upside potential of 22%, **we confirm our BUY rating**. Our positive view relies on: i) a sound growth profile; and ii) a solid balance sheet, allowing both a rewarding dividend policy (8.3% 2021E yield at the current share price) and the option of accelerating the growth trajectory by deploying the excess capital through potential acquisitions. We highlight that our FY21E revenues and net profit estimates (EUR 80.6M and EUR 16.7M) are above the 2022 business plan's targets, in line with the company's expectations.

18 November 2021: 12:54 CET
Date and time of production

BUY

Target Price: EUR 4.8
(from EUR 4.5)

Italy/Brokerage & Investment
Banking
Update

MTA-STAR

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



Equita Group - Key Data

Price date (market close)	16/11/2021
Target price (EUR)	4.8
Target upside (%)	22.14
Market price (EUR)	3.93
Market cap (EUR M)	181.43
52Wk range (EUR)	3.93/2.35

Price performance %	1M	3M	12M
Absolute	3.4	19.8	63.8
Rel. to FTSE IT All Sh	-1.2	14.1	24.6

Y/E Dec (EUR M)	FY20A	FY21E	FY22E
Total income	68	81	84
Gross op profit	18	24	26
Pre-tax income	18	24	26
Net income	12	17	17
Adj EPS (EUR)	0.27	0.36	0.37
TBV PS (EUR)	1.3	1.4	1.5
Adj P/E (x)	9.0	10.9	10.7
P/TBV (x)	1.9	2.8	2.7
Div ord (EUR)	0.20	0.33	0.34
Div ord yield (%)	8.3	8.3	8.7

Note: Market cap calculated on outstanding shares (net of treasury shares). Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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3Q/9M21 Results

EUR 2.6M net profit, with EUR 15.5M revenues

In 3Q21, Equita Group reported a **net profit of EUR 2.6M, 34.2% above our estimate of EUR 1.9M, boosted by total net revenues of EUR 15.5M, 9.4% higher than our EUR 14.2M forecast**. Looking at the different business lines:

■ **Global Markets'** revenues were EUR 7.7M, EUR 1M above our estimate of EUR 6.7M and up 17.6% yoy, driven by Sales & Trading (EUR 4.9M, +17% yoy) and Client Driven Trading & Market Making (EUR 2.3M, +31% yoy);

Global Markets

■ **Investment Banking** reported revenues of EUR 5.8M, slightly lower than our estimate of EUR 6.1M, which also captured the tough comparison with a particularly strong 3Q20A. Equita K Finance contributed EUR 0.6M net revenues in 3Q (EUR 2.7M in 9M21);

Investment Banking

■ **Alternative Asset Management** revenues (EUR 2M in 3Q21) were better than our projections (EUR 1.4M) and up 84% yoy. Even excluding the impact of the Investment Portfolio and considering revenues directly linked to asset management fees only, net divisional revenues were up 84% yoy from EUR 1M in 3Q20 to EUR 1.8M in 3Q21, thanks to the additional fees coming from the new, second private debt fund (which reached EUR 178.5M of total commitments as of 30 September 2021). At the beginning of November, Equita Group announced that in just a few months of marketing, Equita Smart Capital – ELTIF (investing in Italian SMEs) reached EUR 50M of commitments, well-above the EUR 30M threshold necessary for the first closing of the fund and including a commitment from a primary institutional investor. The target is EUR 140M by YE22.

AAM

Operating costs, which translated into a cost/income ratio of 69% in 9M21 from 74% in 9M20, thanks to revenue growth and operating leverage, were basically aligned with our projections in 3Q21A (EUR 11.4M vs. EUR 11.1M).

9M cost/income ratio 69% from 74% in 9M20

Equita Group – 3Q/9M21 results

EUR M	1Q20A	2Q20A	3Q20A	9M20A	4Q20A	FY20A	1Q21A	2Q21A	3Q21A	3Q21E	9M21A	3Q A/E %	3Q qoq %	3Q yoy %	9M yoy %
Global Markets	9.1	9.1	6.5	24.8	8.9	33.7	12.5	12.3	7.7	6.7	32.5	15.4	-37.5	17.6	31.2
Inv Banking	4.0	5.1	10.9	19.9	8.1	28.0	6.1	12.0	5.8	6.1	23.9	-6.2	-51.9	-47.2	20.1
AAM	-0.1	2.1	1.1	3.1	3.5	6.5	1.6	1.6	2.0	1.4	5.2	49.4	30.6	84.3	70.3
Net revenues	12.9	16.2	18.6	47.7	20.5	68.2	20.3	25.8	15.5	14.2	61.6	9.4	-40.0	-16.5	29.1
Personnel costs	5.9	7.4	9.3	22.6	9.7	32.3	9.7	12.1	7.1	6.7	28.9	6.7	-41.5	-23.3	28.1
Admin. expenses	4.3	4.3	4.1	12.7	5.5	18.2	4.4	4.7	4.3	4.5	13.4	-2.6	-7.8	7.0	5.9
Total operating costs	10.2	11.7	13.3	35.3	15.3	50.6	14.1	16.9	11.4	11.1	42.3	2.9	-32.1	-14.0	20.1
Profit before taxes	2.7	4.5	5.2	12.4	5.2	17.6	6.2	9.0	4.0	3.0	19.2	32.8	-54.9	-21.9	54.9
Group net profit	1.9	3.2	3.7	8.8	3.6	12.3	4.5	6.9	2.6	1.9	14.0	34.2	-62.6	-29.1	59.4

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

Earnings Outlook

Management guidance

In the 3Q/9M21 results' press release, the CEO Vismara stated that the solid performance of the first nine months and the expectations for 4Q lead the company to forecast strong growth in net revenues and net profit also for FY21, with the group well-positioned to surpass the 2022 financial targets one year in advance.

Mr. Vismara also added that company projections on 2021 results, positive expectations on capital markets for the coming years, and the group's capital solidity (also taking into account the new capital regulation, introduced by the new prudential framework defined by the IFR Regulation and IFD Directive, that should increase the available capital of the company to finance new business initiatives, M&A and additional shareholders remuneration) should lead the Board of Directors, barring any significant negative events, to propose the distribution of a dividend above EUR 0.30/share to the next Shareholders' Meeting, with a payout ratio of at least 90%.

2022 targets to be reached and surpassed one year in advance

2021 dividend guidance

Our estimates

Following the release of stronger-than-expected 3Q results and the positive outlook provided by the company, we upgrade our estimates by an average 1.5% for total net revenues and around 2.5% for net profit.

2.5% average upgrade to FY21E-23E net profit estimates

Equita Group – Estimate revisions (2021-23E)

EUR M	2021E			2022E			2023E		
	New	Old	New/Old %	New	Old	New/Old %	New	Old	New/Old %
Total Income	80.6	79.5	1.4	84.5	83.0	1.8	88.6	87.2	1.6
Profit before taxes	24.0	22.8	5.1	25.5	24.7	3.4	27.4	27.1	0.9
Group Net profit	16.7	15.9	4.5	17.0	16.5	3.4	18.6	18.4	0.9
Adj. EPS (EUR)	0.36	0.35	4.0	0.37	0.36	2.9	0.40	0.40	0.5

E: estimates; Source: Intesa Sanpaolo Research

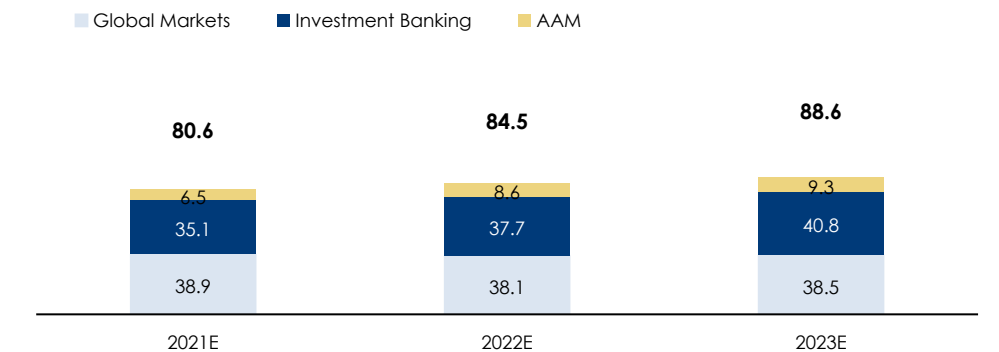
We highlight that our estimates do not include any performance fees' contribution and factor in a net profit margin up to 21% in FY23E, also thanks to cost/income ratio projections of around 69% in 2023E from 74% in 2020A. Based on our estimates, 2021E revenues (EUR 80.6M) and net profit (EUR 16.7M) are (as already were our old estimates) above the 2022 business plan's targets of EUR 75M and EUR 15M, respectively.

BP targets reached (and surpassed) one year in advance

As regards the revenue mix, we expect a more balanced mix, going forward, between Global Markets (which we see basically stable in absolute terms, benefitting from an average EUR 21-21.5M Sales & Trading's contribution) and Investment Banking, with Alternative Asset Management also increasing its contribution, consistently with the fees coming from the second Private Debt Fund and the ELTIF recently launched.

Revenue mix

Equita Group - Net revenues' breakdown (EUR M)



E: estimates; Source: Intesa Sanpaolo Research

Following management's indications on the 2021 dividend, we upgraded our 2021E DPS estimate to EUR 0.325/share (from EUR 0.25/share previously and EUR 0.20/share in 2020). Our dividend estimates are based on a payout ratio of 90% in 2021E (from 75% in 2020), 92.3% in 2022E (EUR 0.34/share) and 88.2% (EUR 0.355/sh.) in 2023E. Despite an already-generous estimated payout ratio, the company maintains excess capital to pursue potential external growth opportunities, in our view.

Dividend estimates

Valuation

We raise our target price from EUR 4.5/sh to EUR 4.8/sh, on the back of our upwards earnings revision. Our valuation is based on a 3-stage dividend discount model (DDM), incorporating a 7.5% cost of equity (1% risk-free rate, 1x beta and 6.5% equity risk premium) and a long-term sustainable growth of around 0.5%. Our model is based on our explicit 2021E-23E estimates, followed by a 7-year transitional period with EPS' CAGR gradually converging to our long-term assumption.

TP raised to EUR 4.8/share,

Equita Group – DDM valuation

%	Weighting	
Short-term (2020A-23E) adj. EPS CAGR	19.0	
RoE at end of short-term period (2023E)	20.1	
Medium-term (2024E-30E) payout	95.0	
Medium-term (2023E-30E) EPS CAGR	1.0	
RoE at end of medium-term period (2030E)	19.5	
Short-term fair value (EUR)	0.7	15.1
Medium-term fair value (EUR)	1.6	32.8
Terminal value (EUR)	2.5	52.1
Target price (EUR)	4.8	100.0

E: estimates; Source: Intesa Sanpaolo Research

Given the around 22% upside potential implied by our target price, **we confirm our BUY rating**. Our positive view continues to rely on the following points:

BUY rating confirmed

- A sound growth profile, with top-line progress, well-diversified across all divisions, returning a double-digit net income 2020A-23E CAGR in our estimates, and an increasing net profit margin;
- An appealing dividend yield: 8.3% in 2021E, growing to around 9% in 2023E;
- A solid balance sheet, also considering that management expects significant advantages from the new IDR Regulation;
- The option of accelerating the growth trajectory by deploying the excess capital through external growth (ideally in the AAM business, so as to make this division more robust).

We opted for an absolute valuation method, as the peer group we usually refer to is composed of companies that do not perfectly match Equita's profile:

Multiples' analysis

- The majority of those companies have much larger market capitalisations;
- None of them has a business mix comparable to Equita: some are pure brokerage businesses (Numis Corporation for instance) while others (DeA Capital and Azimut for instance) are more on the AM side or pure IB players (Houlihan Lokey for instance, which is also skewed towards the US market).

Nevertheless, we show the peers' multiples in the table below as a cross-check. We consider Piper Sandler, Numis and Evli Pankii as Tier I peers, all the others as Tier II.

Peers group multiples

	TIER	Price (EUR)	Curren cy	Mkt Cap EUR M	P/Sales (x)			P/E (x)			P/BV (x)			Div Yield %		
					2021 E	2022 E	2023 E	2021 E	2022 E	2023 E	2021 E	2022E	2023 E	2021 E	2022 E	2023 E
Piper Sandler	I	165.6	USD	2,961	1.8	2.0	2.0	9.9	12.9	12.9				1.1	1.3	1.5
Numis Corp.	I	4.0	GBP	456	1.8			7.5	11.3		2.0	1.9		3.6	3.6	
Evli Pankki Oyj	I	20.9	EUR	506	4.7	4.8	4.6	15.3	14.7	13.9	4.7	5.9	5.7	11.0	6.5	6.8
Moelis & Co.	II	62.1	USD	4,273	3.1	3.2	3.4	12.9	15.4	16.7	10.9	11.2	13.9	9.7	8.2	5.4
Evercore Inc	II	135.7	USD	5,294	2.0	2.0	2.0	10.5	11.4	11.3	4.5	3.8	3.2	1.7	1.9	2.1
Houlihan Lokey DeA	II	103.1	USD	7,050	3.9	3.8	3.8	18.7	20.0	20.1	5.1	4.6	4.0	1.5	1.6	1.8
Capital Tikehau	II	1.3	EUR	358				13.1	28.0		0.8	0.8		4.5	4.5	
Capital Azimut Holding	II	25.2	EUR	4,409	7.7	7.4	6.5	16.8	16.4	13.7	1.5	1.4	1.3	2.1	2.4	3.0
Equita Group*		26.9	EUR	3,848	3.1	3.1	3.0	9.0	10.3	9.7	3.2	2.7	2.3	4.7	5.1	5.5
Median					3.1	3.2	3.4	12.9	14.7	13.7	3.8	3.2	3.6	4.4	3.9	3.7
Equita Group*		3.93	EUR	181.4	2.3	2.1	2.0	10.9	10.7	9.8	1.9	1.9	1.8	8.3	8.7	9.0
Tier I					2.8	3.4	3.3	10.9	13.0	13.4	3.4	3.9	5.7	5.2	3.8	4.1
Tier II					4.0	3.9	3.7	13.5	16.9	14.3	4.3	4.1	4.9	4.0	3.9	3.6
Prem/-disc Tier I %					-19	-37	-37	0	-18	-27	-42	-51	-67	-59	-129	-118

Priced at market close on 16 November 2021; E: estimates; Source: FactSet and *Intesa Sanpaolo Research

In the table below, we report Equita's multiples at our target price, compared with the full universe of peers.

Equita exit multiples

Multiples at target price and premium/-discount to peers

x	2021E	2022E	2023E
P/E Adj	13.3	13.0	11.9
Premium/(discount) to total peers' median %	2.8	-11.7	-13.0
P/BV	2.4	2.3	2.3
Premium/(discount) to total peers' median%	-38.1	-27.6	-37.5
Dividend Yield (%)	6.8	7.1	7.4
Premium/(discount) to total peers' median %	-53.4	-82.5	-97.9

E: estimates; Source: Intesa Sanpaolo Research

Equita Group – Key Data

Rating BUY	Target price (EUR/sh) Ord 4.8	Mkt price (EUR/sh) Ord 3.93			Sector Brokerage & Investment
	2019A	2020A	2021E	2022E	2023E
Values per share (EUR)					
No. of outstanding shares (M)	45.45	45.66	46.16	46.16	46.16
No. of f.d. shares (M)	46.16	46.16	46.16	46.16	46.16
Market cap (EUR M)	128.38	110.43	181.43	181.43	181.43
Adj. EPS	0.210	0.270	0.361	0.368	0.40
TBV PS	1.4	1.3	1.4	1.5	1.5
PPP PS	0	0	0	0	0
Dividend ord	0.19	0.20	0.33	0.34	0.36
Income statement (EUR M)					
Total income	58	68	81	84	89
Total operating expenses	45	51	57	59	61
Gross operating income	14	18	24	26	27
Provisions for loan losses	0	0	0	0	0
Pre-tax income	14	18	24	26	27
Net income	10	12	17	17	19
Adj. net income	10	12	17	17	19
Composition of total income (%)					
Global Markets	54.1	49.4	48.3	45.1	43.5
Alternative asset management	14.8	9.6	8.1	10.2	10.5
Investment banking	31.1	41.1	43.6	44.7	46.0
Balance sheet (EUR M)					
Total assets	309.4	285.7	300.2	310.7	322.3
Customer loans	215.1	203.3	220.0	229.9	241.4
Total customer deposits	194.0	157.0	164.9	173.1	181.7
Shareholders' equity	80.1	85.7	93.2	95.2	98.1
Tangible equity	65.1	58.2	65.7	67.7	70.6
Risk weighted assets	221.9	218.5	241.2	251.3	262.3
Stock market ratios (X)					
Adj. P/E	13.5	9.0	10.9	10.7	9.8
P/TBV	1.97	1.90	2.76	2.68	2.57
P/PPP	NA	NA	NA	NA	NA
Dividend yield (% ord)	6.7	8.3	8.3	8.7	9.0
Profitability & financial ratios (%)					
ROE	12	15	19	18	19
Adj. ROTE	15	20	27	25	27
RoRWA	4	6	7	7	7
Leverage	22	23	24	24	24
Cost income ratio	76	74	70	70	69
Cost of risk (bps)	0	0	0	0	0
Tax rate	31	27	27	30	29
Dividend payout	90	75	90	92	88
Other (%)					
CET1 ratio	25	21	20	19	19
CET1 ratio fully loaded	25	21	20	19	19
Net impaired loans ratio	0	0	0	0	0
Net impaired loans on TBV	0	0	0	0	0
Growth (%)					
Total income	-2.4	16.9	18.1	4.8	4.9
Gross operating income	-11.9	28.2	36.0	6.5	7.3
Net income	-13.5	29.1	35.3	2.1	9.3
Adj. net income	-20.1	29.1	35.3	2.1	9.3
BS growth (%)					
Customers' loans	0.0	-5.5	8.2	4.5	5.0
Customers' deposits	5.0	-19.1	5.0	5.0	5.0
Shareholders' funds	0.0	7.0	8.8	2.2	3.0
Structure (no. of)					
Branches	NA	NA	NA	NA	NA
Employees	156	164	167	170	172

Notes: 1) market cap and values per share calculated on outstanding shares (net of treasury shares); 2) CET1 ratio still calculated according to old regulation. NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Company Snapshot

Company Description

Equita is an Italian boutique active in the investment banking market. Listed on the STAR segment of the Italian Stock Exchange and founded more than 45 years ago, Equita, which has more than 160 employees, operates 3 divisions (Global Markets, Investment Banking and Alternative Asset Management), all supported by a high-quality Research team.

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:

- Geopolitical risk
- Technology risks
- Regulatory risks

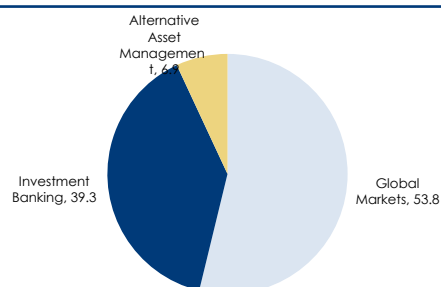
Key data

Mkt price (EUR)	3.93	Free float (%)	37.0
No. of shares	46.16	Major shr	Perilli F.
52Wk range (EUR)	3.93/2.35	(%)	11.4
Reuters	EQUI.MI	Bloomberg	EQUI IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	3.4	-1M	-1.2
-3M	19.8	-3M	14.1
-12M	63.8	-12M	24.6

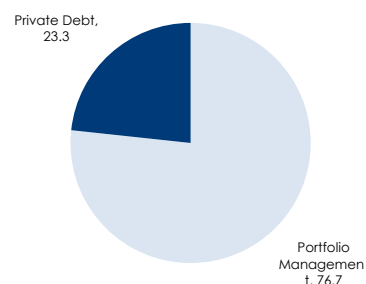
Estimates vs. consensus

EUR M (Y/E Dec)	2020A	2021E	2021C	2022E	2022C	2023E	2023C
Total income	68.20	80.56	NM	84.46	NM	88.60	NM
Operating costs	50.59	56.60	NM	58.93	NM	61.22	NM
Gross op. inc.	17.62	23.96	NM	25.53	NM	27.38	NM
LLP	0.00	0.00	NM	0.00	NM	0.00	NM
Net income	12.32	16.67	NM	17.01	NM	18.59	NM
EPS (€)	0.27	0.36	NM	0.37	NM	0.40	NM

Revenues breakdown by division (%)



AAM AuM breakdown (%)



NM: not meaningful. Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 16/11/2021)

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 below EUR 1Bn.

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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.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Valuation methodology (long-term horizon: 12M)

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

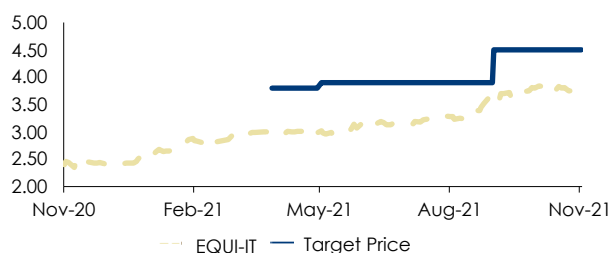
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Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% 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 for determining an investment rating or target. 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 one-year 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

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->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

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

Date	Rating	TP (EUR)	Mkt Price (EUR)
16-Sep-21	BUY	4.5	3.7
17-May-21	BUY	3.9	3.0
12-Apr-21	BUY	3.8	3.0

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at October 2021)**

Number of companies considered: 126	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	42	37	21	0	0
of which Intesa Sanpaolo's Clients (%)**	79	70	62	0	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

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

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Equity rating key (short-term horizon: 3M)

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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