

Company Note

Equita Group

Solid 4Q/FY22 Results and Rewarding Dividend Policy

Equita's 4Q/FY22 results were overall solid, in line with our estimates, with FY22 client-driven revenues up 5% yoy. We continue to highlight the rewarding dividend policy (the 2022 proposed DPS, in line with our estimate, offers a yield above 9% at the current share price) as a key supportive point of the equity story. We reiterate our positive view.

**Solid 4Q/FY22 results and dividend yield > 9%; cash settlement of 2020-22 LTIP**

4Q22A net profit reported by Equita was EUR 3.1M (excluding the EUR -0.9M impact of the provision for the LTIP cash liquidation), slightly above our EUR 2.9M estimate, as a result of higher than expected top line (EUR 22.3M vs. EUR 20.8M estimated), not fully offset by operating costs above our projections (EUR 17.5M vs. EUR 16.6M). We highlight the good quality of the results: FY22 client-driven revenues (excluding Directional Trading activities and the impacts of the Investment Portfolio linked to AAM activities) were up approx. +5% yoy to EUR 83M. The proposed dividend was EUR 0.35/share, in line with our estimate and implying an attractive yield of 9.4% at the current share price. We highlight that the group recorded provisions on its P&L to allow the cash-settlement of the Equita Group 2020-22 incentive plan based on stock options and addressed to top management (1.3M shares). We consider such a move as market-friendly, as it is aimed at avoiding the relating dilutive impact (maximum 2.5%).

Our estimates vs. BP targets

After the release of 4Q/FY22 results, we only fine-tune our 2023E-24E estimates. Our 2024E projections (based on organic growth only) are in line with BP targets as regards cumulated dividends of more than EUR 50M and cost/income ratio below 70%, while they remain more conservative on both revenues (EUR 105.4M vs. > EUR 110M) and net profit (EUR 23.4M vs. EUR >25M).

Valuation: BUY rating confirmed, new TP EUR 4.6/share

We set a **new target price of EUR 4.6/share**, only fine-tuned vs. the previous EUR 4.4/share. Given an upside potential of approx. 23%, **we confirm our BUY rating**. Our positive view relies on: 1) a sound growth profile; and 2) a solid balance sheet, allowing both a rewarding dividend policy (a 10.8% average 2023-24E yield at the current share price, 9.9% 2023E) and the option of accelerating the growth trajectory by deploying the excess capital through potential acquisitions.

20 March 2023: 7:44 CET  
Date and time of production

**BUY**

**Target Price: EUR 4.6**  
(from EUR 4.4)

Italy/Brokerage & Investment Banking  
Results

MTA-STAR

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



Equita Group - Key Data

Price date (market close)	16/03/2023
Target price (EUR)	4.6
Target upside (%)	23.32
Market price (EUR)	3.73
Market cap (EUR M)	189.86
52Wk range (EUR)	4.09/3.18

Price performance %	1M	3M	12M
Absolute	-3.9	2.8	1.9
Rel. to FTSE IT All Sh	3.1	-5.9	-3.6

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Total income	87	93	105
Gross op profit	25	28	34
Pre-tax income	25	28	34
Net income	15	19	23
Adj EPS (EUR)	0.34	0.40	0.49
TBV PS (EUR)	1.7	1.7	1.8
Adj P/E (x)	10.6	9.3	7.6
P/TBV (x)	2.2	2.2	2.1
Div ord (EUR)	0.35	0.37	0.44
Div ord yield (%)	9.7	9.9	11.7

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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## Solid 4Q/FY22 Results and High Dividend Yield

In **4Q22A**, Equita reported a **net profit of EUR 3.1M (excluding the EUR -0.9M negative impact of the provision for the cash liquidation of the LTIP)**, **slightly above our EUR 2.9M estimate**. The **proposed dividend was EUR 0.35/share** (payable in two tranches: EUR 0.20/sh. in May and EUR 0.15/sh. in November), **in line** with our estimate and implying an **attractive yield of 9.4%** at the current share price. The key points of results were:

- **4Q total net revenues at EUR 22.3M, +7.4% vs. our estimate**, thanks to Global Markets (EUR 10.6M vs. EUR 9.7M estimated) and Alternative Asset Management (EUR 1.9M vs. EUR 1.6M), with Investment Banking (EUR 9.8M) basically in line with our projections;
- **Quarterly operating costs EUR 17.5M, +5.7% vs. our forecast**, due to both staff costs and administrative expenses (EUR 12.2M vs. EUR 11.6M estimated and EUR 5.3M vs. EUR 5M expected, respectively).

### Equita Group - 4Q/FY22 results

EUR M	1Q21A	2Q21A	3Q21A	4Q21A	FY21A	1Q22A	2Q22A	3Q22A	4Q22A	4Q22E	A/E %	qoq %	yoy %	FY22A	yoy %
Global Markets	12.5	12.3	7.7	8.2	40.7	10.0	9.9	7.1	10.6	9.7	9.2	48.0	28.9	37.7	-7.5
Inv Banking	6.1	12.0	5.8	14.8	38.6	6.7	17.7	7.1	9.7	9.5	3.2	37.4	-34.1	41.3	6.7
AAM	1.6	1.6	2.0	5.7	11.0	1.8	2.2	1.9	1.9	1.6	20.8	1.7	-66.7	7.9	-28.4
<b>Net revenues</b>	<b>20.3</b>	<b>25.8</b>	<b>15.5</b>	<b>28.8</b>	<b>90.4</b>	<b>18.6</b>	<b>29.9</b>	<b>16.2</b>	<b>22.3</b>	<b>20.8</b>	<b>7.4</b>	<b>37.9</b>	<b>-22.6</b>	<b>86.9</b>	<b>-3.9</b>
Personnel Costs	9.7	12.1	7.1	13.8	42.7	8.5	14.0	7.5	12.2	11.6	5.2	62.0	-11.6	42.2	-1.1
Administrative expenses	4.4	4.7	4.3	5.1	18.5	4.6	4.9	4.5	5.3	5.0	6.7	16.6	6.9	19.4	4.9
<b>Total operating costs</b>	<b>14.1</b>	<b>16.9</b>	<b>11.4</b>	<b>18.8</b>	<b>61.1</b>	<b>13.0</b>	<b>19.0</b>	<b>12.1</b>	<b>17.5</b>	<b>16.6</b>	<b>5.7</b>	<b>44.9</b>	<b>-6.7</b>	<b>61.6</b>	<b>0.7</b>
<b>Profit before taxes</b>	<b>6.2</b>	<b>9.0</b>	<b>4.0</b>	<b>10.0</b>	<b>29.2</b>	<b>5.5</b>	<b>10.9</b>	<b>4.1</b>	<b>4.8</b>	<b>4.2</b>	<b>14.0</b>	<b>17.1</b>	<b>-51.9</b>	<b>25.3</b>	<b>-13.6</b>
<b>Group net profit*</b>	<b>4.5</b>	<b>6.9</b>	<b>2.6</b>	<b>7.5</b>	<b>21.5</b>	<b>3.8</b>	<b>6.4</b>	<b>2.8</b>	<b>3.1</b>	<b>2.9</b>	<b>5.2</b>	<b>10.7</b>	<b>-59.0</b>	<b>16.2</b>	<b>-24.8</b>

\*Excluding the impact (net of taxes) of LTIP provision. A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

### Equita Group - 2021-22 operating costs' breakdown

Focus on Personnel (€ mln)	FY'21	FY'22	Var % '22-'21
Personnel costs <sup>(1)</sup>	(42,7)	(42,2)	(1)%
Comp/Revenues % <sup>(1)</sup>	(47,3%)	(48,5%)	
<b># Employees (EoP)</b>	<b>173</b>	<b>188</b>	<b>9%</b>
Focus on Operations (€ mln)	FY'21	FY'22	Var % '22-'21
Operating costs	(18,4)	(19,4)	5%
of which IT	(5,9)	(6,2)	6%
of which Trading fees	(3,3)	(3,6)	8%
of which Other (marketing, governance)	(9,3)	(9,6)	4%
Opex/Income %	(20,4%)	(22,3%)	

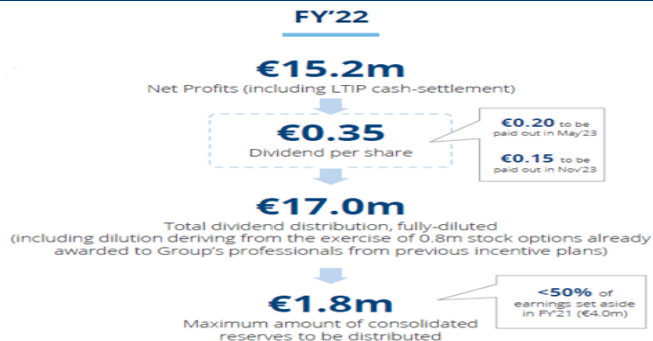
(1) Excludes the impacts of the provisions aimed at cash settling the incentive plan Equita Group 2020-22; Source: Company data

Equita maintains a solid capital position, with an IFR ratio approx. 5x above the minimum requirements (5.5x excluding the buy-back programme), which allows the group to both grant an attractive dividend policy and be ready to capture potential M&A opportunities.

The 2022 proposed dividend implies a payout of 102% (108% including the impact of the cash-settled incentive plan), thus distributing only a minor portion of the significant amount of net profits set aside since IPO.

### Capital position and dividend

### Equita Group - 2022 total dividend (covered by net profit and reserves)



Source: Company data

We highlight the good quality of Equita's top line, with FY22 client-driven revenues (excluding Directional Trading activities and the impacts of the Investment Portfolio linked to AAM activities) were up approx. +5% yoy to EUR 83M.

**FY22 client-driven revenues up +5% yoy**

### Results by business line

As regards the business with clients, we highlight the slight increase in FY22 (+2% to EUR 35.2M), recording the best FY result since IPO, despite the low levels of activities of clients globally in financial markets. 4Q client-driven revenues came in at EUR 9.8M vs. EUR 8.5M in 4Q21. Directional trading was profitable (EUR 0.8M in 4Q22 vs. EUR -0.3M in 4Q21), with the FY22 yoy negative variation (-60%) affected by the above-average result recorded in 2021 (EUR 6.4M).

**Global Markets: progress in client-driven revenues**

Investment Banking revenues were up 7% yoy in FY22 to EUR 41.3M, thanks to the solid performance of M&A Advisory (with material contribution from Equita K Finance) more than offsetting the lack of capital markets' transactions in 2022. The yoy comparison in 4Q (-34.1% to EUR 9.8M) was negatively affected by the high level of activity recorded in the last quarter of 2021.

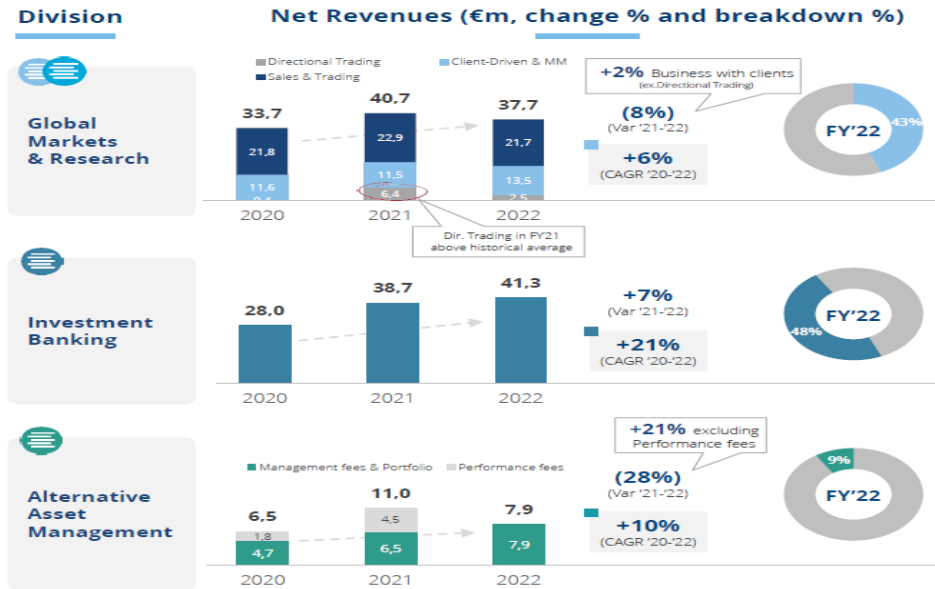
**Investment Banking supported by M&A**

4Q22 Alternative Asset Management revenues (EUR 1.9M) were down -67% yoy, essentially due to the lack of performance fees (absent vs. EUR 4.5M in 4Q21). FY revenues (ex. perf. fees) were up 21% in 2022, thanks to the increase in management fees (EUR 6.5M vs. EUR 6M in 2021) from new illiquid products and the positive contribution of the Investment Portfolio (EUR 1.3M in FY22 – of which EUR 0.3M in 4Q22 – from EUR 0.5M in FY21).

**AAM affected by the absence of performance fees**

AuM stood at approx. EUR 0.9Bn at end-2022 (-17% yoy), with an increasing mix towards illiquid assets with higher margins and proprietary teams and products.

Equita Group - Revenues' breakdown

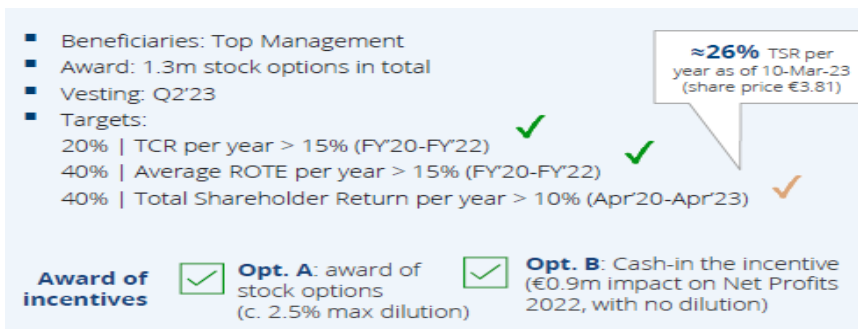


Source: Company data

Cash-settled incentive plan

We highlight that the group recorded provisions on its P&L (EUR 0.9M net of taxes) to allow (on a voluntary basis and for each beneficiary) the cash-settlement of the Equita Group 2020-2022 incentive plan based on stock options and addressed to top management. In May 2023, the LTIP will award 1.3M stock options assigned to beneficiaries in May 2020. Cash-settlement is aimed at reducing the dilution of the plan and is not considered as additional remuneration, but a monetisation of an award already vested.

Equita Group - 2020-22 LTIP (based on stock options)



Source: Company data

## Earnings Outlook

### Management's outlook

In the 2022 results' press release and in the related conference call, management provided an outlook on the current year.


In the first months of the year, Equita sees good performance in the Global Markets activities, led by proprietary trading on behalf of clients (Client Driven Trading & Market Making) and Directional Trading; such areas are more than compensating for the lower levels of brokerage activities from investors in the Italian stock market (-20% in January 2023 vs. January 2022, according to Assosim). With respect to Investment Banking, the pipeline of capital markets transactions is interesting, with some deals to potentially start their processes in 1H23, also supported by the regulatory changes aimed at easing access to European capital markets. On the AAM side, the fundraising for the Equita Smart Capital - ELTIF will continue, together with the launch of the third private debt fund; in parallel, the team is also expected by management to announce a new asset class by the end of 1H23.

In March 2022, Equita Group presented its 2022-24 business plan, with financial targets to be met organically as well as via pro-active search of partnerships and accretive M&A opportunities that could speed-up the growth of the business.

### Outlook on 2023

### Recap of 2024 targets

### Equita Group - 2024 BP financial targets

	<b>Revenues generation</b>	Net Revenues > <b>€110m</b> in 2024E
	<b>Business diversification</b>	Revenues breakdown in 2024E ≈35-40% Global Markets / ≈40-45% Investment Banking / ≈15-20% Alt. Asset Management
	<b>Cost discipline</b>	Cost/Income ratio in 2024E in line with 2021 and in any case < <b>70%</b> .
	<b>Increase in Net Profits</b>	Net Profits > <b>€25m</b> in 2024E, excluding non-recurring items
	<b>Rewarding shareholders' remuneration</b>	Cumulated dividend distributed in 2022E-2024E > <b>€50m</b> Payout ratio of ≈ <b>€90%</b> in 2022E-2024E

€0.34 average dividend per share 2022E-2024E

Source: Company data

### Our estimates: fine-tuning of 2023E-24E P&L estimates

Following the release of 4Q/FY22 results, we basically fine-tune our 2023-24E P&L estimates.

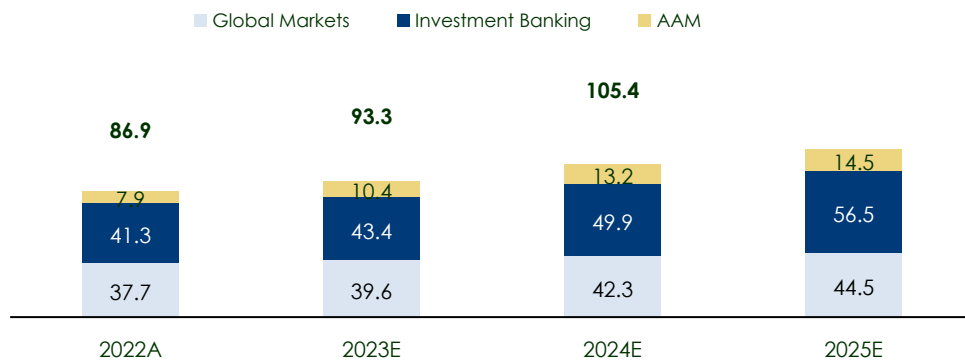
We leave our 2023E-24E estimates basically unchanged, with FY24E total net revenues (EUR 105.4M) and net profit (EUR 23.4M) still below the business plan's targets of > EUR 110M and > EUR 25M, while our cost/income ratio assumption of 68% is in line with the target of a below-70% level. We highlight that our 2024E estimates are based on organic growth only.

Our FY24E revenue mix projections incorporate a 40.2% contribution from Global Markets, 47.3% from Investment Banking and 12.5% from AAM vs. Business Plan targets of 35-40%, 40-45% and 15-20%, respectively.

### 2024E P&L estimates vs. BP targets

We also report our detailed 2025E estimates, which point to EUR 115.5M total revenues, implying a yoy growth close to 10%, and a EUR 26M net profit (+11% yoy).

#### Equita Group – Net revenues' breakdown (EUR M)



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

We leave our 2023E-24E dividend estimates unchanged at EUR 0.37/sh. and EUR 0.435/sh. respectively. Our projections imply 2022A-24E cumulated dividends of approx. EUR 56M, in line with business plan's target of more than EUR 50M.

Our 2025E estimates incorporate a EUR 0.47/share dividend assumption.

**Dividend estimates in line with BP target**

## Valuation

**We set a new target price to EUR 4.6/share**, basically fine-tuned vs. the previous EUR 4.4/sh., as the inclusion of our 2025E explicit estimates slightly more than offset the negative impact from a higher cost of equity (10.5% from 10%, after incorporating our updated 4% risk-free rate). Our three-stage dividend discount model (DDM) is 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 payout ratio assumption of around 100%.

**New TP EUR 4.6/share**

### Equita Group – DDM valuation

%	<b>Weighting</b>	
Short-term (2022A-25E) adj. EPS CAGR	18.1	
RoE at end of short-term period (2025E)	32.0	
Medium-term (2026E-32E) payout	97.5	
Medium-term (2025E-32E) EPS CAGR	0.8	
RoE at end of medium-term period (2032E)	30.2	
Short-term fair value (EUR)	0.92	21.4
Medium-term fair value (EUR)	1.73	40.5
Terminal value (EUR)	1.63	38.1
<b>Fair value (EUR)</b>	<b>4.27</b>	<b>100.0</b>
2022 proposed dividend (EUR)	0.35	
<b>Target price (EUR)</b>	<b>4.6</b>	

E: estimates; Source: Intesa Sanpaolo Research

Given a higher than 20% 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 an average FY23E-24E net profit margin above 20%;
- An appealing dividend yield, for an average of 10.8% in 2023-24E, at the current share price. If we look at **2023E only, the 9.9% yield offered by Equita, according to our estimates at the current share price, is well-above the approx. 5% median level of a peer sample**, made up of Azimut and Intermonte Partners (based on our estimates) and Piper Sandler, Numis, Evli, Moelis & Co., Evercore, Houlihan Lokey, DeA Capital, Tikehau Capital (based on FactSet consensus). 2023E Equita yield is **also higher than the around 7.4% simple average of the companies we consider Tier I peers for the group (Piper Sandler, Numis, Evli – based on FactSet consensus - and Intermonte Partners – based on our estimates)**;
- The option of accelerating the growth trajectory by deploying the excess capital through external growth.

## ESG Corner

Equita Group targets presented last year were to reach carbon-neutrality by 2024 and launch initiatives in line with 8 United Nations' Sustainable Development Goals (SDGs).

### ESG targets

#### Equita Group - ESG targets

Target	Initiative	Impact
1	Increase customer and financial community satisfaction	Correctness and reliability during the relationship; increase cyber security; strengthen clients' confidence in how the company operates; implement sustainability initiatives
2	Promote social and economic development of local communities	Launch initiatives to promote the visibility of Capital Markets in Italy and sustainability finance; institutionalize all the Group's activities of the past years in the social field
3	Promote employees' wellbeing	Implementation of programs to promote diversity within the Group, employee welfare and training programs
4	Promote initiatives to act against climate change ( <i>Climate Action</i> )	Reduction of Group's climate footprint
5	Promote and support young people ( <i>Young 4 Future</i> )	Growth of young people within Equita and the Community

Source: Company data

Among 2022 ESG initiatives put in place by Equita Group, we mention:

### 2022 ESG initiatives

- The launch of a new sustainable finance team to address clients' needs and advise investors, corporates, entrepreneurs and institutions in the transition to sustainability;
- The assessment of group's carbon footprint and achievement of carbon neutrality in 2022, before 2024 target;
- The establishment of Fondazione Equita, a no profit organisation with focus on young students, financial education, art and culture, local communities and environment.



## Equita Group – Key Data

Rating BUY	Target price (EUR/sh) Ord 4.6		Mkt price (EUR/sh) Ord 3.73			Sector Brokerage & Investment
	2020A	2021A	2022A	2023E	2024E	2025E
<b>Values per share (EUR)</b>						
No. of outstanding shares (M)	45.66	46.16	46.77	47.70	47.70	47.70
Market cap (EUR M)	110.43	149.26	169.33	177.92	177.92	177.92
Adj. EPS	0.270	0.47	0.341	0.40	0.49	0.54
TBV PS	1.3	1.6	1.7	1.7	1.8	1.9
PPP PS	0	0	0	0	0	0
Dividend ord	0.20	0.35	0.35	0.37	0.44	0.47
<b>Income statement (EUR M)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total income	68	90	87	93	105	116
Total operating expenses	51	61	62	66	71	78
Gross operating income	18	29	25	28	34	38
Provisions for loan losses	0	0	0	0	0	0
Pre-tax income	18	29	25	28	34	38
Net income	12	22	15	19	23	26
Adj. net income	12	22	16	19	23	26
<b>Composition of total income (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Global Markets	49.4	45.1	43.4	42.4	40.2	38.5
Alternative asset management	9.6	12.1	9.1	11.1	12.5	12.6
Investment banking	41.1	42.8	47.5	46.5	47.3	48.9
<b>Balance sheet (EUR M)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total assets	285.8	315.6	399.5	412.6	429.1	445.7
Customer loans	86.1	91.4	99.6	102.7	106.6	114.6
Total customer deposits	157.0	166.5	205.7	216.0	226.8	238.2
Shareholders' equity	85.7	99.4	104.3	107.0	112.8	118.1
Tangible equity	58.2	72.2	77.4	80.1	85.9	91.2
Risk weighted assets	159.9	193.1	243.0	248.9	272.3	293.3
<b>Stock market ratios (X)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Adj. P/E	9.0	6.9	10.6	9.3	7.6	6.8
P/TBV	1.90	2.07	2.19	2.22	2.07	1.95
P/PPP	NA	NA	NA	NA	NA	NA
Dividend yield (% ord)	8.3	10.8	9.7	9.9	11.7	12.6
<b>Profitability &amp; financial ratios (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
ROE	15	23	15	18	21	23
Adj. ROE	20	33	22	24	28	29
RoRWA	6	12	7	8	9	9
Leverage	23	25	21	21	21	22
Cost income ratio	74	68	71	70	68	67
Cost of risk (bps)	0	0	0	0	0	0
Tax rate	27	24	28	28	28	29
Dividend payout	75	76	103	94	90	88
<b>Other (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
CET1 ratio	28	26	24	25	24	24
CET1 ratio fully loaded	28	26	24	25	24	24
Net impaired loans ratio	0	0	0	0	0	0
Net impaired loans on TBV	0	0	0	0	0	0
<b>Growth (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total income	16.9	32.6	-3.9	7.4	13.0	9.6
Gross operating income	28.2	66.0	-13.4	8.9	23.1	11.7
Net income	29.1	74.9	-29.3	25.5	22.5	11.0
Adj. net income	29.1	74.9	-24.9	18.2	22.5	11.0
<b>BS growth (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Customers' loans	-60.0	6.2	8.9	3.2	3.8	7.5
Customers' deposits	-19.1	6.0	23.6	5.0	5.0	5.0
Shareholders' funds	7.0	16.0	4.9	2.6	5.4	4.6
<b>Structure (no. of)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Branches	NA	NA	NA	NA	NA	NA
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

## 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 almost 190 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:

- Regulatory risks
- Technology risks
- Geopolitical risk

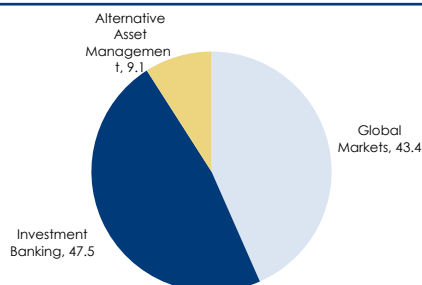
### Key data

Mkt price (EUR)	3.73	Free float (%)	34.0
No. of shares	50.90	Major shr	Mgmt Pact
52Wk range (EUR)	4.09/3.18	(%)	33.0
Reuters	EQUI.MI	Bloomberg	EQUI IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	-3.9	-1M	3.1
-3M	2.8	-3M	-5.9
-12M	1.9	-12M	-3.6

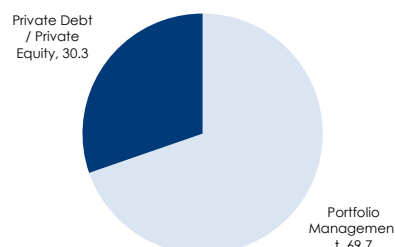
### Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Total income	86.87	93.27	NM	105.4	NM	115.5	NM
Operating costs	61.56	65.72	NM	71.47	NM	77.65	NM
Gross op. inc.	25.31	27.56	NM	33.91	NM	37.89	NM
LLP	0.00	0.00	NM	0.00	NM	0.00	NM
Net income	15.23	19.12	NM	23.42	NM	25.99	NM
EPS (€)	0.34	0.40	NM	0.49	NM	0.54	NM

### Revenues breakdown by division (%)



### AAM AuM breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 16/03/2023)

## 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 around EUR 1Bn.

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

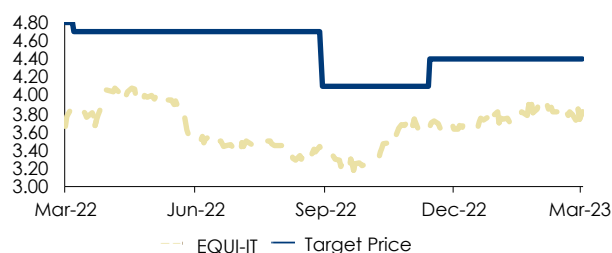
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**Equity Rating Key (long-term horizon: 12M)**

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
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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)**

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

Date	Rating	TP (EUR)	Mkt Price (EUR)
29-Nov-22	BUY	4.4	3.6
14-Sep-22	BUY	4.1	3.4
22-Mar-22	BUY	4.7	3.9

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

Number of companies considered: 129	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	66	16	18	0	0
of which Intesa Sanpaolo's Clients (%)**	79	29	52	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

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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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