

Company Note

Equita Group

Strong FY21 Results and New Equita 2024 Business Plan

In 2021 Equita reported EUR 90.4M revenues and EUR 21.5M net profit, surpassing the 2022 targets of EUR 75M and EUR 15M one year in advance. We consider the new Equita 2024 Business Plan as overall feasible, especially with reference to the shareholders' remuneration target: we expect a cumulated 2022E-24E dividend distribution of more than EUR 50M, with an average dividend yield of 10% at the current share price. We reiterate our positive view.

4Q/FY21 results: net profit and dividend above expectations

In 4Q21A Equita reported a net profit of approx. EUR 7.6M vs. EUR 3.5M estimated, thanks to revenues well-above our projections (EUR 28.8M, +40.1% vs. estimate and all coming from client-related business). The dividend proposal was EUR 0.35/share (yield of 9.3% at Friday's closing price) vs. EUR 0.325/sh. estimated, of which EUR 0.20 (based on earnings' distribution) payable in May and EUR 0.15 (based on reserves' distribution, not subject to taxation for retail investors) payable in November.

Equita 2024 Business Plan

On 17 March, Equita's Board of Directors approved the new Equita 2024 business plan, whose main targets, also envisaging an integration of sustainability into the business, can be summarised in the following points: (i) net revenues above EUR 110M by 2024 (+6.8% 2021-24 CAGR), to be reached organically and/or via acquisitions and partnerships at shareholding level that could accelerate the achievement of the target; (ii) cost/income ratio in line with 2021 and in any case below 70%; (iii) net profit above EUR 25M in 2024; (iv) total dividend distribution above EUR 50M (average yearly dividend above EUR 0.30/sh.) vs. EUR 43M in 2019-21.

Our estimates: feasible shareholders' remuneration target

We consider the shareholders' remuneration target, with cumulated 2022E-24E dividends of at least EUR 50M, as feasible, even assuming 2024E revenues and net profit (EUR 105M and EUR 23.1M, respectively) below company targets.

BUY rating confirmed, new TP EUR 4.7/share

We set a new target price of EUR 4.7/share. Given an upside potential of approx. 25%, 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 (10% average 2022-24E yield at the current share price) and the option of accelerating the growth trajectory by deploying the excess capital through potential acquisitions.

22 March 2022: 7:39 CET
Date and time of production

BUY

Target Price: EUR 4.7
(from EUR 4.8)

Italy/Brokerage & Investment Banking
Update

MTA-STAR

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



Equita Group - Key Data

Price date (market close)	18/03/2022
Target price (EUR)	4.7
Target upside (%)	25.33
Market price (EUR)	3.75
Market cap (EUR M)	173.12
52Wk range (EUR)	3.94/2.95

Price performance %	1M	3M	12M
Absolute	-1.3	-0.5	25.4
Rel. to FTSE IT All Sh	7.6	9.3	25.3

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Total income	90	82	92
Gross op profit	29	24	28
Pre-tax income	29	24	28
Net income	22	16	19
Adj EPS (EUR)	0.47	0.36	0.41
TBV PS (EUR)	1.6	1.6	1.7
Adj P/E (x)	6.9	10.6	9.0
P/TBV (x)	2.1	2.4	2.3
Div ord (EUR)	0.35	0.33	0.36
Div ord yield (%)	10.8	8.8	9.6

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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4Q/FY21 Results

In 4Q21A Equita reported **a net profit of approx. EUR 7.6M vs. EUR 3.5M estimated, thanks to revenues well-above our projections (EUR 28.8M, +40.1% vs. estimate and all coming from client-related business).**

EUR 7.6M net profit in 4Q21A, boosted by strong client-driven top-line

The key points of 4Q21 results were the following:

- **Strong quarterly revenues, above our expectations in all business lines**, with Global Markets at EUR 8.2M (+25.5% vs. our forecast), Investment Banking at EUR 14.8M (+21.4% vs. estimate) and Alternative Asset Management with EUR 5.7M (the latter boosted by EUR 4.5M of performance fees vs. EUR 1.8M in 4Q20A). 4Q AAM revenues were up by 69% yoy on a reported basis, while, excluding the impacts of the Investment Portfolio (EUR -0.3M in 4Q21A and EUR 0.4M in 4Q20A) and performance fees, 4Q AAM revenues were up by 31% yoy in 4Q21A to EUR 1.6M. AAM AuM stood at EUR 1.1Bn at end-2021 from EUR 998M as of June 2021 and EUR 944M at end-2020;
- **Operating costs EUR 18.8M, 27% higher than our forecast, due to personnel costs (EUR 13.8M vs. EUR 9.2M)** with a compensation rate on revenues of 47.9% in 4Q vs. our projection of approx. 45% (47.2% FY21A, basically in line with FY20A).

Equita Group – 4Q/FY21 results

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	FY20A	1Q21A	2Q21A	3Q21A	4Q21A	4Q21E	4Q A/E %	4Q qoq %	4Q yoy %	FY21A	FY yoy %
Global Markets	9.1	9.1	6.5	9.0	33.7	12.5	12.3	7.7	8.2	6.5	25.5	6.7	-8.8	40.7	20.8
Inv Banking	4.0	5.1	10.9	8.1	28.0	6.1	12.0	5.8	14.8	12.2	21.4	158.1	83.3	38.7	38.2
AAM	-0.1	2.1	1.1	3.4	6.5	1.6	1.6	2.0	5.7	1.8	219.4	181.9	69.0	11.0	68.8
Net revenues	12.9	16.2	18.6	20.5	68.2	20.3	25.8	15.5	28.8	20.6	40.1	86.1	40.5	90.4	32.5
Personnel costs	5.9	7.4	9.3	9.7	32.3	9.7	12.1	7.1	13.8	9.2	50.2	94.4	41.6	42.7	32.0
Adm. expenses	4.3	4.3	4.1	5.5	18.2	4.4	4.7	4.3	5.0	5.6	-11.1	14.1	-10.5	18.4	0.9
Total op. costs	10.2	11.7	13.3	15.3	50.5	14.1	16.9	11.4	18.8	14.8	27.0	63.9	22.7	61.1	20.8
Profit before taxes	2.7	4.5	5.2	5.2	17.6	6.2	9.0	4.0	10.0	5.8	71.6	146.3	90.8	29.2	65.7
Group net profit	1.9	3.2	3.7	3.6	12.4	4.5	6.9	2.6	7.6	3.5	118.8	191.7	108.9	21.5	74.9

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

Equita reported total revenues of EUR 90.4M and a net profit of EUR 21.5M in FY21A, above the 2022 business plan's targets of EUR 75M and EUR 15M, respectively.

Old BP targets surpassed one year in advance

The dividend proposal was EUR 0.35/share (yield of 9.3% at Friday's closing price), for a 75% payout, vs. EUR 0.325/sh. estimated. 2021 DPS is made by:

Dividend proposal

- EUR 0.20 (based on earnings' distribution) payable in May;
- EUR 0.15 (based on reserves' distribution, not subject to taxation for retail investors) payable in November.

Equita has a strong capital position, with IFR ratio above 580% at end-2021.

With specific reference to the Russia – Ukraine war, in the press release on 2021 results Equita declared that its total exposure to the conflict is marginal (less than EUR 200K) and the group has no business relationships and/or partnerships with entities and subjects located in the countries involved in the conflict.

Negligible exposure to Russia – Ukraine war

Equita 2024 Business Plan

2024 Business Plan's targets

The main targets of the new Equita 2024 business plan can be summarised in the following points:

- **Net revenues above EUR 110M by 2024** (+6.8% 2021-24 CAGR), to be reached organically and/or via acquisitions and partnerships at shareholding level that could accelerate the achievement of the target;
- **More diversified top-line mix in 2024**, with Global Markets accounting for 35%-40% (45% FY21A), Investment Banking for 40%-45% (43% FY21A) and Alternative Asset Management for 15%-20% of total net revenues (12% in 2021A);
- **Cost/income ratio in line with 2021 and in any case below 70%;**
- **Net profit above EUR 25M in 2024;**
- **Total dividend distribution above EUR 50M** (average yearly dividend above EUR 0.30/sh.) vs. EUR 43M in 2019-21, with a payout around 90% or higher, if needed;
- **Full integration of sustainability into the group's business model**, allowing the group to improve its competitiveness and its profitability in the long term. Equita defined generic (applicable to the whole group) as well as specific targets (intra divisional and/or business related) like the inclusion of ESG assessments within the investment process, the integration of research reports with sections dedicated to sustainability, and the group's carbon neutrality target starting from the assessment of the carbon footprint of the group and the implementation of ad-hoc initiative to reduce and compensate Equita's impacts on environment. Management also committed to establishing Fondazione Equita – Ente del Terzo Settore by 1H22.

2024 targets: net revenues > EUR 110M, net profit > EUR 25M; 2022-24 dividends > EUR 50M

ESG targets

Growth strategy and capital allocation

2024 Equita business plan's targets are based on organic growth, with a particular focus on the development of the Alternative Asset Management business to consolidate the group's position as a multi-asset manager specialised in alternative assets. Equita is also open to external growth opportunities, following a proactive approach to execute value-accretive M&A and strategic initiatives to engage partners and entrepreneurial families close to Equita into the shareholding structure of the company in order to accelerate growth. We highlight that the company's governance is currently based on a shareholders' agreement between 27 managers and employees, recently renewed and representing 45.5% of the share capital (22,857,734 ordinary shares) and 60.6% of the shareholders' meeting voting rights.

BP targets based on organic growth, without excluding value-accretive M&A, also leveraging on strong capital position

Equita stated it has today more than EUR 30M of capital to finance M&A transactions, investments in new products and initiatives to remunerate shareholders following new capital requirements introduced in 2021 by the regulator. Over the course of the three-year plan, management will allocate capital to: i) inorganic growth opportunities, investing a mix of equity and debt resources to transform acquisitions in value-accretive transactions as proven by the strong track record of Equita (branch of Nexi, Equita K Finance); ii) co-investing in Alternative Asset Management initiatives to align interests with investors; and iii) financing rewarding shareholders' remuneration by distributing dividends and launching buyback programmes to guarantee stable returns if needed.

As regards single business lines, Equita plans to further diversify its product offering in Global Markets to foster cross-selling and synergies from the same client base. At the

Global Markets

same time, new trading venues will be added and activities in some of the currently covered venues will be boosted. The group will also work to enlarge its international client base.

Research will keep its strategic role within the group, continuing to support all business areas with insights and deep analyses on markets and industries. The priority is to expand coverage of Italian mid-small caps, foreign listed companies, and fixed income issuers. Over the plan, the team will also invest in innovative technology platforms to improve time-to-market and client access to research.

Investment Banking will expand its role of Italian independent M&A advisor, further enhancing the current position among top advisors and integrating Equita and Equita K Finance teams to generate commercial synergies and cross-selling opportunities. Over the course of the plan, the division will scale up its senior team and will set up new partnerships across Italy, diversifying Equita's areas of specialisation and enhancing verticals where Equita already has an established position.

Over the course of the plan, Equita will also strengthen its position as one of the main multi-asset managers active in the management of alternative assets in Italy. The team aims to increase AuM, product offerings and geographic diversification in terms of both investors and investments. The plan assumes the launch of a new asset class in 2024 and the optimisation of commercial efforts in all areas of expertise to increase revenue growth. Equita will remain focused on collaborating with banking groups to co-develop products for their clients' networks, while engaging institutional investors on new alternative assets. Wealth management or traditional asset management opportunities are not part of the strategy. The plan does not include inorganic growth opportunities, but the group is actively looking for complementary and synergic partners in line with the Equita's current illiquid assets' portfolio.

Research

Investment Banking

Alternative Asset Management

Earnings Outlook

Following the release of 4Q/FY21 results and Equita 2024 Business Plan, we only fine-tuned our 2022E-23E P&L estimates, taking a more cautious view on FY22E (when our revenue forecasts consider a very limited contribution from AAM performance fees and Directional Trading, which accounted for more than EUR 10M in FY21A), due to the current difficult political, macroeconomic and financial situation at an international level, and assuming a recovery in FY23E.

2022E-23E estimates only fine-tuned

Equita Group – Estimates revision (2022-23E)

EUR M	New	2022E		New/Old %	New	2023E	
		Old				Old	New/Old %
Total Income	81.9	84.5		-3.0	92.1	88.6	3.9
Profit before taxes	24.1	25.5		-5.7	27.7	27.4	1.2
Group Net profit	16.4	17.0		-3.6	19.1	18.6	3.0
Adj. EPS (EUR)	0.36	0.37		-3.6	0.41	0.40	3.0

E: estimates; Source: Intesa Sanpaolo Research

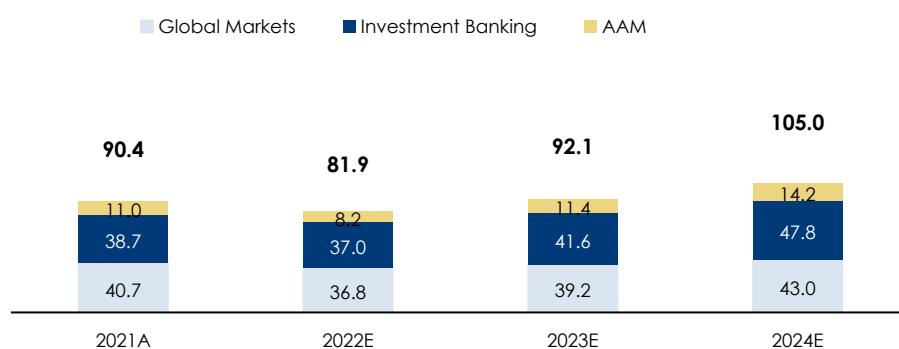
Our 2024E estimates point to total revenues of EUR 105M, slightly below the business plan's target of more than EUR 110M, with a 5.1% 2021A-24E CAGR vs. 6.8% targeted. After incorporating a cost/income ratio of 68.1% (vs. 67.7% in FY21A and down from 70.6% in FY22E and 69.9% in FY23E), we estimate a net profit of EUR 23.1M.

2024E estimates vs. business plan's targets

As regards the revenue mix, we expect an increase in the contribution of Alternative Asset Management and Investment Banking, at the expense of Global Markets, reflecting company guidance.

Revenue mix

Equita Group – Net revenues' breakdown



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

Our dividend estimates point to EUR 0.33/share in 2022E (vs. EUR 0.34/share previously), EUR 0.36/sh. in 2023E (from EUR 0.355/sh.) and EUR 0.435/sh. in 2024E, for an average dividend payout slightly above 90% and avg. dividend yield of 10% and implying a 2022E-24E dividend distribution of approx. EUR 53M.

Dividend estimates in line with business plan's target

Valuation

We only fine-tuned our target price to EUR 4.7/sh. from EUR 4.8/sh., on the back of a higher cost of equity (8% from 7.5%, after incorporating our updated 1.75% risk-free rate and 6.25% equity risk premium). Our 3-stage dividend discount model (DDM) is based on our explicit 2022E-24E 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%.

TP fine-tuned to EUR 4.7/share

Equita Group – DDM valuation

%	Weighting	
Short-term (2021A-24E) adj. EPS CAGR	8.3	
RoE at end of short-term period (2024E)	25.7	
Medium-term (2025E-31E) payout	95.0	
Medium-term (2024E-31E) EPS CAGR	1.3	
RoE at end of medium-term period (2031E)	26.9	
Short-term fair value (EUR)	0.91	20.8
Medium-term fair value (EUR)	1.43	32.7
Terminal value (EUR)	2.03	46.5
Fair value (EUR)	4.38	100.0
2021A proposed dividend (EUR)	0.35	
Target price (EUR)	4.7	

E: estimates; Source: Intesa Sanpaolo Research

Given the around 25% 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 net profit margin above 20%;
- An appealing dividend yield, for an average of 10% in the 2022E-24E 3-year period, at the current share price. If we look at 2022E only, the 8.8% yield offered by Equita, according to our estimates at the current share price, is above the approx. 5% median level of a peer sample, made by Azimut and Intermonte Partners (based on our estimates) and Piper Sandler, Numis, Evli Pankki, Moelis & Co., Evercore, Houlihan Lokey, DeA Capital, Tikehau Capital (based on FactSet consensus). 2022E Equita yield is also higher than the around 7% simple average of the companies we consider Tier I peers for the group (Piper Sandler, Numis, Evli Pankki – based on FactSet consensus - and Intermonte Partners – based on our estimates). For our peer sample, please refer to our reports dated 18 November 2021 and 16 September 2021, with the addition of Intermonte Partners;
- 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).

Equita Group – Key Data

Rating	Target price (EUR/sh)		Mkt price (EUR/sh)			Sector
BUY	Ord 4.7		Ord 3.75			Brokerage & Investment
Values per share (EUR)	2019A	2020A	2021A	2022E	2023E	2024E
No. of outstanding shares (M)	45.45	45.66	46.16	46.16	46.16	46.16
Market cap (EUR M)	128.38	110.43	149.26	173.12	173.12	173.12
Adj. EPS	0.210	0.270	0.47	0.355	0.41	0.50
TBV PS	1.4	1.3	1.6	1.6	1.7	1.8
PPP PS	0	0	0	0	0	0
Dividend ord	0.19	0.20	0.35	0.33	0.36	0.44
Income statement (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Total income	58	68	90	82	92	105
Total operating expenses	45	51	61	58	64	72
Gross operating income	14	18	29	24	28	33
Provisions for loan losses	0	0	0	0	0	0
Pre-tax income	14	18	29	24	28	33
Net income	10	12	22	16	19	23
Adj. net income	10	12	22	16	19	23
Composition of total income (%)	2019A	2020A	2021A	2022E	2023E	2024E
Global Markets	54.1	49.4	45.1	44.9	42.5	40.9
Alternative asset management	14.8	9.6	12.1	10.0	12.3	13.5
Investment banking	31.1	41.1	42.8	45.1	45.1	45.6
Balance sheet (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Total assets	309.4	285.8	315.6	325.6	338.2	353.9
Customer loans	215.1	86.1	91.4	107.8	115.4	125.3
Total customer deposits	194.0	157.0	166.5	174.8	183.6	192.7
Shareholders' equity	80.1	85.7	99.4	99.6	103.6	110.1
Tangible equity	65.1	58.2	72.2	72.4	76.3	82.9
Risk weighted assets	221.9	159.9	193.1	195.6	206.4	230.4
Stock market ratios (X)	2019A	2020A	2021A	2022E	2023E	2024E
Adj. P/E	13.5	9.0	6.9	10.6	9.0	7.5
P/TBV	1.97	1.90	2.07	2.39	2.27	2.09
P/PPP	NA	NA	NA	NA	NA	NA
Dividend yield (% ord)	6.7	8.3	10.8	8.8	9.6	11.6
Profitability & financial ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
ROE	12	15	23	16	19	22
Adj. ROTE	15	20	33	23	26	29
RoRWA	4	6	12	8	10	11
Leverage	22	23	25	24	25	25
Cost income ratio	76	74	68	71	70	68
Cost of risk (bps)	0	0	0	0	0	0
Tax rate	31	27	24	29	29	29
Dividend payout	90	75	75	94	89	90
Other (%)	2019A	2020A	2021A	2022E	2023E	2024E
CET1 ratio	25	28	26	26	26	25
CET1 ratio fully loaded	25	28	26	26	26	25
Net impaired loans ratio	0	0	0	0	0	0
Net impaired loans on TBV	0	0	0	0	0	0
Growth (%)	2019A	2020A	2021A	2022E	2023E	2024E
Total income	-2.4	16.9	32.6	-9.4	12.4	14.0
Gross operating income	-11.9	28.2	66.0	-17.7	15.1	20.7
Net income	-13.5	29.1	74.9	-23.8	16.7	20.9
Adj. net income	-20.1	29.1	74.9	-23.8	16.7	20.9
BS growth (%)	2019A	2020A	2021A	2022E	2023E	2024E
Customers' loans	0.0	-60.0	6.2	17.8	7.1	8.6
Customers' deposits	5.0	-19.1	6.0	5.0	5.0	5.0
Shareholders' funds	0.0	7.0	16.0	0.2	3.9	6.3
Structure (no. of)	2019A	2020A	2021A	2022E	2023E	2024E
Branches	NA	NA	NA	NA	NA	NA
Employees	156	164	170	175	180	185

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 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

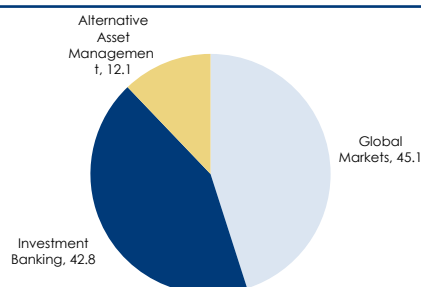
Key data

Mkt price (EUR)	3.75	Free float (%)	37.0
No. of shares	46.16	Major shr	Perilli F.
52Wk range (EUR)	3.94/2.95	(%)	11.3
Reuters	EQUI.MI	Bloomberg	EQUI IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-1.3	-1M	7.6
-3M	-0.5	-3M	9.3
-12M	25.4	-12M	25.3

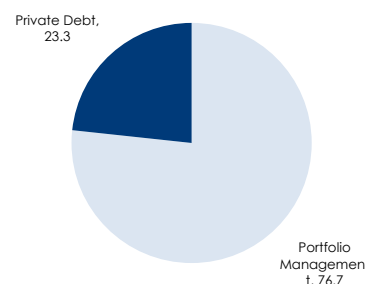
Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2023E	2024E
Total income	90.41	81.92	92.09	105.0
Operating costs	61.17	57.85	64.39	71.52
Gross op. inc.	29.24	24.07	27.70	33.44
LLP	0.00	0.00	0.00	0.00
Net income	21.54	16.40	19.15	23.15
EPS (€)	0.47	0.36	0.41	0.50

Revenues breakdown by division (%)



AAM AuM breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 18/03/2022)

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)

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

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

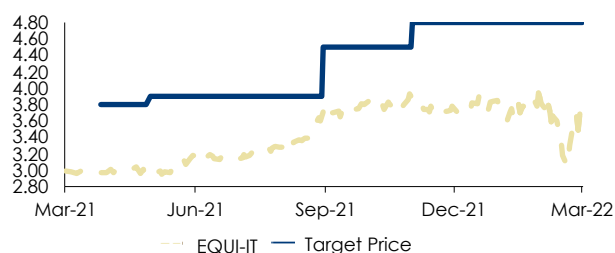
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Equity Rating Key (long-term horizon: 12M)

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)
18-Nov-21	BUY	4.8	3.9
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 January 2022)**

Number of companies considered: 124	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	48	31	21	0	0
of which Intesa Sanpaolo's Clients (%)**	82	63	54	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)

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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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