

Company Note

MID CORPORATE

Equita Group

Solid 3Q22 Results and Strong Message on Dividend

Together with the release of solid 3Q/9M22 figures, Equita stated that, given the results management expects for FY22, the Board of Directors is confident in proposing a 2022 dividend (payable in 2023) of EUR 0.35/share (9.6% yield at current share price), in line with 2021. Our estimates incorporate cumulated 2022E-24E dividends of more than EUR 50M, in line with the business plan's target, with an average yield of 10.5%. We reiterate our positive view.

Solid 3Q/9M22 results

In 3Q22, Equita reported a net profit of EUR 2.8M, in progress vs. the EUR 2.6M recorded in 3Q21 and above our estimate of EUR 1.8M, thanks to better than expected revenues (EUR 16.2M vs. EUR 14M forecast), driven by Investment Banking. 3Q client-related revenues were up 5% yoy to EUR 15.5M, leading to +15% yoy in 9M22A (EUR 61.9M).

Outlook: strong message on dividend

In 3Q/9M22 results' press release, Equita stated that, given the results management expects for FY22, the Board of Directors is confident in proposing a 2022 dividend (payable in 2023) of EUR 0.35/share (9.6% yield at current share price), in line with 2021.

Updated estimates

We basically fine-tuned our P&L estimates, while raising our 2022E dividend forecast to EUR 0.35/share (from EUR 0.33/sh. previously), in line with company guidance. We also upgraded our 2023E estimate to EUR 0.37/sh. (from EUR 0.36/sh.). We believe that 2022E dividend should be achievable without distributing earnings that have been retained since the IPO (EUR 12M, with the company also having EUR 16M other reserves available for distribution). Those reserves therefore offer solidity to the future dividends, giving high visibility to the 2022-24 BP target of more than EUR 50M cumulated dividends.

BUY rating confirmed; new TP EUR 4.4/share

We set a **new target price of EUR 4.4/share**, up from EUR 4.1/sh., due to upgraded dividend estimates more than offsetting, in our DDM valuation, the negative impact from a higher cost of equity (10% from 9.5%, after incorporating our updated 3.5% risk-free rate). Given an upside potential of more than 20%, **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** (10.5% average 2022-24E yield at the current share price, **9.6% 2022E**) and the option of accelerating the growth trajectory by deploying the excess capital through potential acquisitions.

29 November 2022: 11:27 CET  
Date and time of production

BUY

Target Price: EUR 4.4  
(from EUR 4.1)

Italy/Brokerage & Investment Banking  
Update

MTA-STAR

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



Equita Group - Key Data

Price date (market close)	25/11/2022
Target price (EUR)	4.4
Target upside (%)	20.55
Market price (EUR)	3.65
Market cap (EUR M)	168.50
52Wk range (EUR)	4.09/3.06

Price performance %	1M	3M	12M
Absolute	8.0	10.3	-3.9
Rel. to FTSE IT All Sh	-2.1	1.2	6.5

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Total income	90	84	93
Gross op profit	29	26	28
Pre-tax income	29	26	28
Net income	22	17	19
Adj EPS (EUR)	0.47	0.36	0.42
TBV PS (EUR)	1.6	1.6	1.6
Adj P/E (x)	6.9	10.3	8.8
P/TBV (x)	2.1	2.3	2.3
Div ord (EUR)	0.35	0.35	0.37
Div ord yield (%)	10.8	9.6	10.1

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.

Elena Perini, CFA - Research Analyst  
elena.perini@intesasanpaolo.com

Financials Team

Manuela Meroni, Elena Perini, CFA

## 3Q/9M22 Results

In **3Q22**, Equita reported a **net profit of EUR 2.8M**, in progress vs. EUR 2.6M recorded in 3Q21 and **above our estimate of EUR 1.8M, thanks to better than expected revenues (EUR 16.2M vs. EUR 14M forecast)**, which showed the following breakdown:

**3Q net profit above our estimate, driven by top-line**

- Global Markets.** The quarterly revenues of the segment amounted to EUR 7.1M, basically in line with our EUR 7M estimate, and included, in the Directional Trading (EUR -0.1M in 3Q vs. EUR +0.5M in the same period last year), the contribution of a EUR 22M fixed income portfolio built between July and September 2022 (to profit from the market opportunity offered by some corporate bonds) and to be held until maturity. Looking at the breakdown of the division, we highlight that: (i) Sales & Trading recorded EUR 4.5M revenues (-7% yoy); and (ii) Client Driven Trading & Market Making posted 15% yoy growth to EUR 2.7M;
- Investment Banking.** 3Q revenues were equal to EUR 7.1M vs. EUR 5.3M forecast, with still a good contribution from M&A advisory and Debt Advisory & Restructuring, from both Equita SIM and Equita K-Finance;
- Alternative Asset Management.** The segment reported quarterly revenues of EUR 1.9M, vs. EUR 2M in 3Q21A and EUR 1.7M estimated. In particular, in 3Q22 the AAM division's revenues linked to asset management fees reached EUR 1.2M (-32% yoy), with the result impacted by the equalisation fee paid by investors of Equita Private Debt Fund II in 3Q21 following the fundraising round, and the non-recurring fee assigned to investors in 3Q22 to extend the fundraising period of EPD II, which allowed Equita to further increase the size of the fund (EUR 237M final closing vs. EUR 200M expected). Excluding such non-recurring items, in 3Q22 net revenues were up 36% yoy and management fees were up 12%. We underline that AAM AUM amounted to EUR 1Bn at end-September, basically in line with end-June.

We highlight that 3Q client-related revenues were up 5% yoy to EUR 15.5M, leading to +15% yoy in 9M22A (EUR 61.9M).

### Equita Group – 3Q/9M22 results

EUR M	1Q21A	2Q21A	3Q21A	9M21A	4Q21A	FY21A	1Q22A	2Q22A	3Q22A	3Q22E	9M22A	3Q A/E%	3Q qoq%	3Q yoy%	9M yoy%
Global Markets	12.5	12.3	7.7	32.5	8.2	40.7	10.0	9.9	7.1	7.0	27.1	1.8	-27.8	-7.1	-16.6
Inv Banking	6.1	12.0	5.8	23.8	14.8	38.6	6.7	17.7	7.1	5.3	31.5	34.3	-59.8	23.7	32.5
AAM	1.6	1.6	2.0	5.2	5.7	11.0	1.8	2.2	1.9	1.7	5.9	11.6	-14.6	-6.9	13.2
<b>Net revenues</b>	<b>20.3</b>	<b>25.8</b>	<b>15.5</b>	<b>61.6</b>	<b>28.8</b>	<b>90.4</b>	<b>18.6</b>	<b>29.9</b>	<b>16.2</b>	<b>14.0</b>	<b>64.6</b>	<b>15.3</b>	<b>-45.9</b>	<b>4.4</b>	<b>4.8</b>
Personnel costs	9.7	12.1	7.1	28.9	13.8	42.7	8.5	14.0	7.5	6.6	30.0	14.3	-46.3	6.1	3.9
Administrative expenses	4.4	4.7	4.3	13.4	5.1	18.5	4.6	4.9	4.5	4.7	14.1	-4.2	-8.2	4.6	4.6
<b>Total operating costs</b>	<b>14.1</b>	<b>16.9</b>	<b>11.4</b>	<b>42.4</b>	<b>18.8</b>	<b>61.1</b>	<b>13.0</b>	<b>19.0</b>	<b>12.1</b>	<b>11.3</b>	<b>44.1</b>	<b>6.5</b>	<b>-36.4</b>	<b>5.5</b>	<b>4.0</b>
<b>Profit before taxes</b>	<b>6.2</b>	<b>9.0</b>	<b>4.0</b>	<b>19.2</b>	<b>10.0</b>	<b>29.2</b>	<b>5.5</b>	<b>10.9</b>	<b>4.1</b>	<b>2.7</b>	<b>20.5</b>	<b>52.3</b>	<b>-62.4</b>	<b>1.1</b>	<b>6.4</b>
<b>Group net profit</b>	<b>4.5</b>	<b>6.9</b>	<b>2.6</b>	<b>14.0</b>	<b>7.5</b>	<b>21.5</b>	<b>3.8</b>	<b>6.4</b>	<b>2.8</b>	<b>1.8</b>	<b>13.1</b>	<b>59.2</b>	<b>-56.6</b>	<b>8.1</b>	<b>-6.5</b>

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

Looking at the capital position, at the end of September Equita had an IFR ratio of more than 4.3x the minimum requirements. Excluding the impact of the buy-back programme, the IFR ratio is 4.8x the minimum requirements.

### Capital position

## Earnings Outlook

### Company outlook: strong message on dividend

For 4Q22, management expects uncertainty on markets to continue due to the rising concerns about inflation, the war in Ukraine and more restrictive monetary policies. Hence, the company expects 4Q22 results to be resilient and in line with the historical average, excluding 4Q21 (which was the best quarter since the IPO, thanks to above-average Investment Banking net revenues driven by a relevant number of capital markets mandates closed in the last months of 2021 – EUR 14.8M in 4Q21 vs. EUR 6.9M on average in the 4Q17-4Q20 period – and significant performance fees in the Alternative Asset Management division – EUR 4.5M).

In the 3Q/9M22 results' press release, Equita stated that, given the results management expects for FY22, the Board of Directors is confident in proposing a 2022 dividend (payable in 2023) of EUR 0.35/share (9.6% yield at current share price), in line with 2021.

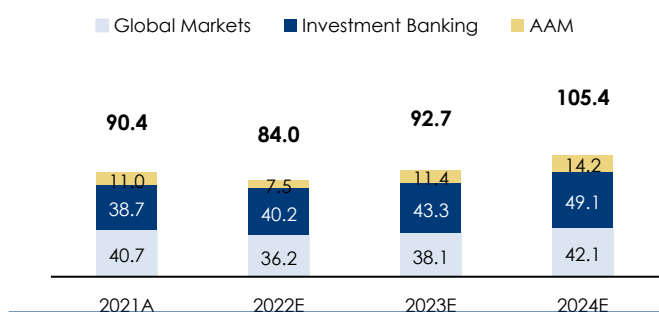
### Our estimates

Following the release of 3Q/9M22 results, we only fine-tuned our 2022E P&L estimates, which incorporate: (i) EUR 84M revenue forecasts (we still consider a very limited contribution from Directional Trading and basically no AAM performance fees, which overall accounted for more than EUR 10M in FY21A) from EUR 83.5M previously; this includes a lift in Investment Banking (EUR 40.2M from EUR 38.7M, vs. EUR 31.5M in 9M22A) offsetting a slightly more cautious approach in Global Markets (EUR 36.2M from EUR 37.3M); and (ii) net profit estimate after minorities of EUR 16.6M (EUR 16.5M previously).

We left our 2023E-24E estimates basically unchanged, with FY24E total net revenues (EUR 105.4M) and net profit (EUR 23.5M) still below the business plan's targets of > EUR 110M and > EUR 25M.

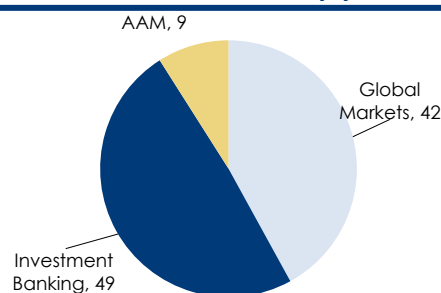
Our FY24E revenue mix projections incorporate a 39.9% contribution from Global Markets, 46.6% from Investment Banking and 13.5% from AAM vs. Business Plan target of 35-40%, 40-45% and 15-20%, respectively. In 9M22A, Global Markets' weighting on total revenues reduced to 42% (from 52.8% in 9M21A), while Investment Banking and AAM were up to 48.9% and 9.2%, respectively (from 38.6% and 8.5% in the same period last year).

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



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

### Equita Group – 9M22 revenues' breakdown (%)



Source: Intesa Sanpaolo Research elaboration on Company data

### 4Q outlook

### 2022 DPS in line with 2021

### P&L estimates fine-tuned

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

We raised our 2022E dividend forecast to EUR 0.35/share (from EUR 0.33/sh. previously), in line with company guidance. We also upgraded our 2023E dividend estimate to EUR 0.37/sh. (from EUR 0.36/sh.), while leaving 2024E unchanged at EUR 0.435/share. Given our expectations for FY22E, which imply an additional contribution to the group's net profit of EUR 3.5M in 4Q22E (basically in line with 2017-20 4Q average, as indicated by company guidance), we believe (as also stated by the company in 3Q/9M22 results' press release) that the 2022E dividend should be achievable without distributing earnings that have been retained since the IPO (EUR 12M; we highlight that the company also has EUR 16M other reserves available for distribution). Those reserves will therefore offer solidity to the future dividends, in line with the targets set out in the 3-year business plan of cumulated dividends above EUR 50M (we estimate 2022E-24E cumulated dividends of approx. EUR 55M).

**Dividend estimates in line with company guidance and BP target**

## Valuation

**We set a new target price to EUR 4.4/sh.**, higher than the previous EUR 4.1/sh., on the back of upgraded dividend estimates, which more than offset the negative impact from a higher cost of equity (10% from 9.5%, after incorporating our updated 3.5% risk-free rate). 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 pay-out ratio assumption of around 100%.

**New TP EUR 4.4/share**

### Equita Group – DDM valuation

%	<b>Weighting</b>	
Short-term (2021A-24E) adj. EPS CAGR	17.8	
RoE at end of short-term period (2024E)	29.4	
Medium-term (2025E-31E) payout	97.5	
Medium-term (2024E-31E) EPS CAGR	0.7	
RoE at end of medium-term period (2031E)	28.1	
Short-term fair value (EUR)	0.97	21.8
Medium-term fair value (EUR)	1.72	39.0
Terminal value (EUR)	1.74	39.2
<b>Target price (EUR)</b>	<b>4.4</b>	<b>100.0</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 FY22E-24E net profit margin above 20%;
- An appealing dividend yield, for an average of 10.5% in the 2022-24E 3-year period, at the current share price. If we look at **2022E** only, **the 9.6% yield offered by Equita, according to our estimates at the current share price, is well-above the approx. 5.5% 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). 2022E Equita yield is **also higher than the around 6.6% 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 (ideally in the AAM business, so as to make this division more robust).

## Equita Group – Key Data

Rating BUY	Target price (EUR/sh) Ord 4.4		Mkt price (EUR/sh) Ord 3.65			Sector Brokerage & Investment
<b>Values per share (EUR)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
No. of outstanding shares (M)	45.45	45.66	46.16	46.77	46.77	46.77
Market cap (EUR M)	128.38	110.43	149.26	170.70	170.70	170.70
Adj. EPS	0.210	0.270	0.47	0.356	0.42	0.50
TBV PS	1.4	1.3	1.6	1.6	1.6	1.7
PPP PS	0	0	0	0	0	0
Dividend ord	0.19	0.20	0.35	0.35	0.37	0.44
<b>Income statement (EUR M)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Total income	58	68	90	84	93	105
Total operating expenses	45	51	61	58	64	71
Gross operating income	14	18	29	26	28	34
Provisions for loan losses	0	0	0	0	0	0
Pre-tax income	14	18	29	26	28	34
Net income	10	12	22	17	19	23
Adj. net income	10	12	22	17	19	23
<b>Composition of total income (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Global Markets	54.1	49.4	45.1	43.1	41.1	39.9
Alternative asset management	14.8	9.6	12.1	9.0	12.2	13.5
Investment banking	31.1	41.1	42.8	47.9	46.7	46.6
<b>Balance sheet (EUR M)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Total assets	309.4	285.8	315.6	325.6	337.4	352.7
Customer loans	215.1	86.1	91.4	109.2	117.0	126.1
Total customer deposits	194.0	157.0	166.5	174.8	183.6	192.7
Shareholders' equity	80.1	85.7	99.4	99.9	103.0	109.0
Tangible equity	65.1	58.2	72.2	72.6	75.7	81.8
Risk weighted assets	221.9	159.9	193.1	198.4	206.9	230.3
<b>Stock market ratios (X)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Adj. P/E	13.5	9.0	6.9	10.3	8.8	7.3
P/TBV	1.97	1.90	2.07	2.35	2.25	2.09
P/PPP	NA	NA	NA	NA	NA	NA
Dividend yield (% ord)	6.7	8.3	10.8	9.6	10.1	11.9
<b>Profitability &amp; financial ratios (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
ROE	12	15	23	17	19	22
Adj. ROTE	15	20	33	23	26	30
RoRWA	4	6	12	8	10	11
Leverage	22	23	25	24	24	25
Cost income ratio	76	74	68	69	69	68
Cost of risk (bps)	0	0	0	0	0	0
Tax rate	31	27	24	28	29	29
Dividend payout	90	75	76	100	91	91
<b>Other (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
CET1 ratio	25	28	26	25	25	24
CET1 ratio fully loaded	25	28	26	25	25	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>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Total income	-2.4	16.9	32.6	-7.1	10.4	13.6
Gross operating income	-11.9	28.2	66.0	-12.1	10.9	20.2
Net income	-13.5	29.1	74.9	-22.8	17.0	20.2
Adj. net income	-20.1	29.1	74.9	-22.8	17.0	20.2
<b>BS growth (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Customers' loans	0.0	-60.0	6.2	19.4	7.2	7.8
Customers' deposits	5.0	-19.1	6.0	5.0	5.0	5.0
Shareholders' funds	0.0	7.0	16.0	0.5	3.1	5.9
<b>Structure (no. of)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Branches	NA	NA	NA	NA	NA	NA
Employees	156	164	170	190	192	195

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 currently has more than 180 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

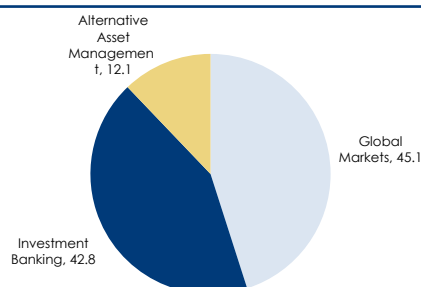
### Key data

Mkt price (EUR)	3.65	Free float (%)	34.0
No. of shares	46.16	Major shr	Mgmt Pact
52Wk range (EUR)	4.09/3.06	(%)	33.0
Reuters	EQUI.MI	Bloomberg	EQUI IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	8.0	-1M	-2.1
-3M	10.3	-3M	1.2
-12M	-3.9	-12M	6.5

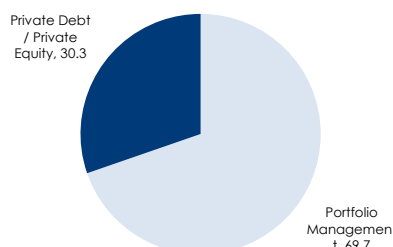
### Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2022C	2023E	2023C	2024E	2024C
Total income	90.41	83.97	NM	92.74	NM	105.4	NM
Operating costs	61.17	58.28	NM	64.26	NM	71.12	NM
Gross op. inc.	29.24	25.69	NM	28.48	NM	34.24	NM
LLP	0.00	0.00	NM	0.00	NM	0.00	NM
Net income	21.54	16.63	NM	19.46	NM	23.39	NM
EPS (€)	0.47	0.36	NM	0.42	NM	0.50	NM

### Revenues breakdown by division (%)



### AAM AuM breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 25/11/2022)

## 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 around EUR 1Bn.

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

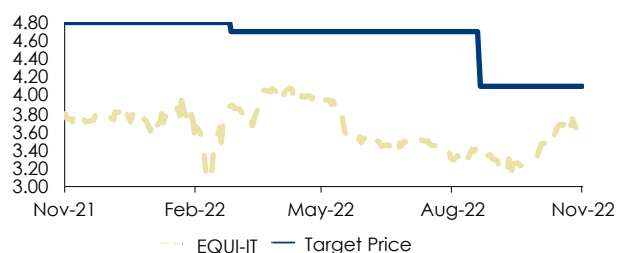
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**Equity Rating Key (long-term horizon: 12M)**

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
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)
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 October 2022)**

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	65	18	17	0	0
of which Intesa Sanpaolo's Clients (%)**	83	39	55	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).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

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

<b>Short-term rating</b>	<b>Definition</b>
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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**Intesa Sanpaolo Research Dept.**

<b>Gregorio De Felice - Head of Research</b>	+39 02 8796 2012	gregorio.defelice@intesasnpaolo.com
<b>Equity&amp;Credit Research</b>		
<b>Giampaolo Trasi</b>	+39 02 8794 9803	giampaolo.trasi@intesasnpaolo.com
<b>Equity Research</b>		
<b>Monica Bosio</b>		monica.bosio@intesasnpaolo.com
Luca Bacoccoli		luca.bacoccoli@intesasnpaolo.com
Davide Candela		davide.candela@intesasnpaolo.com
Oriana Cardani		oriana.cardani@intesasnpaolo.com
Marco Cristofori		marco.cristofori@intesasnpaolo.com
Antonella Frongillo		antonella.frongillo@intesasnpaolo.com
Manuela Meroni		manuela.meroni@intesasnpaolo.com
Elena Perini		elena.perini@intesasnpaolo.com
Bruno Permutti		bruno.permutti@intesasnpaolo.com
<b>Corporate Broking Research</b>		
<b>Alberto Francese</b>		alberto.francese@intesasnpaolo.com
Gabriele Berti		gabriele.berti@intesasnpaolo.com
Giada Cabrino		giada.cabrino@intesasnpaolo.com
Youness Nour El Alaoui		youness.alaoui@intesasnpaolo.com
Arianna Terazzi		arianna.terazzi@intesasnpaolo.com
<b>Credit Research</b>		
<b>Maria Grazia Antola</b>		maria.antola@intesasnpaolo.com
Alessandro Chiodini		alessandro.chiodini@intesasnpaolo.com
Dario Fasani		dario.fasani@intesasnpaolo.com
Melanie Gavin		melanie.gavin@intesasnpaolo.com
Maria Gabriella Tronconi		maria.tronconi@intesasnpaolo.com
Barbara Pizzarelli (Research Support)		barbara.pizzarelli@intesasnpaolo.com
<b>Technical Analysis</b>		
Corrado Binda		corrado.binda@intesasnpaolo.com
Sergio Mingolla		antonio.mingolla@intesasnpaolo.com
<b>Clearing &amp; Data Processing</b>		
<b>Anna Whatley</b>		anna.whatley@intesasnpaolo.com
Stefano Breviglieri		stefano.breviglieri@intesasnpaolo.com
Annita Ricci		annita.ricci@intesasnpaolo.com
Wendy Ruggeri		wendy.ruggeri@intesasnpaolo.com
Elisabetta Bugliesi (IT support)		elisabetta.bugliesi@intesasnpaolo.com

**Intesa Sanpaolo – IMI Corporate & Investment Banking Division**

<b>Bernardo Bailo - Head of Global Markets Sales</b>	+39 02 7261 2308	bernardo.bailo@intesasnpaolo.com
<b>Equity Sales</b>		
<b>Giorgio Pozzobon</b>	+39 02 7261 5616	giorgio.pozzobon@intesasnpaolo.com
<b>Institutional Sales</b>		
<b>Catherine d'Aragon</b>	+39 02 7261 5929	catherine.daragon@intesasnpaolo.com
Carlo Cavaliere	+39 02 7261 2722	carlo.cavaliere@intesasnpaolo.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@intesasnpaolo.com
Laurent Kieffer	+44 20 7651 3653	laurent.kieffer@intesasnpaolo.com
Federica Repetto	+39 02 7261 5517	federica.repetto@intesasnpaolo.com
Daniela Stucchi	+39 02 7261 5708	daniela.stucchi@intesasnpaolo.com
Mark Wilson	+39 02 7261 2758	mark.wilson@intesasnpaolo.com
Paola Parenti (Corporate Broking)	+39 02 7265 6530	paola.parenti@intesasnpaolo.com
Roberta Papeschi (Corporate Broking)	+39 02 7261 6363	roberta.papeschi@intesasnpaolo.com
Francesco Riccardi (Corporate Broking)	+39 02 7261 5966	francesco.riccardi@intesasnpaolo.com
Laura Spinella (Corporate Broking)	+39 02 7261 5782	laura.spinella@intesasnpaolo.com
Alessandro Bevacqua	+39 02 7261 5114	alessandro.bevacqua@intesasnpaolo.com
Lorenzo Pennati (Sales Trading)	+39 02 7261 5647	lorenzo.pennati@intesasnpaolo.com
<b>Equity Derivatives Institutional Sales</b>		
<b>Emanuele Manini</b>	+39 02 7261 5936	emanuele.manini@intesasnpaolo.com
Enrico Ferrari	+39 02 7261 2806	enrico.ferrari@intesasnpaolo.com
Stefan Gess	+39 02 7261 5927	stefan.gess@intesasnpaolo.com
Edward Lythe	+44 20 7894 2456	edward.lythe@intesasnpaolo.com
Ferdinando Zamprota	+39 02 7261 5577	ferdinando.zamprota@intesasnpaolo.com
<b>Gherardo Lenti Capoduri – Head of Market Hub</b>	+39 02 7261 2051	gherardo.lenticapoduri@intesasnpaolo.com
<b>E-commerce Distribution</b>		
Massimiliano Raposio	+39 02 7261 5388	massimiliano.raposio@intesasnpaolo.com
<b>Intesa Sanpaolo IMI Securities Corp.</b>		
Greg Principe (Equity Institutional Sales)	+1 212 326 1233	greg.principe@intesasnpaolo.com