

Investment Banking

Data

| | |
|------------------------------|------------------|
| Shares Outstanding (m): | 45.5 |
| Market Cap. (EURm): | 107.2 |
| Enterprise Value (EURm): | NA |
| Free Float (%): | 37.0% |
| Av. Daily Trad. Vol. ('000): | 54.0 |
| Main Shareholder: | Management 53.9% |
| Reuters/Bloomberg: | EQUI.MI EQUI IM |
| 52-Week Range (EUR) | 1.9 3.0 |

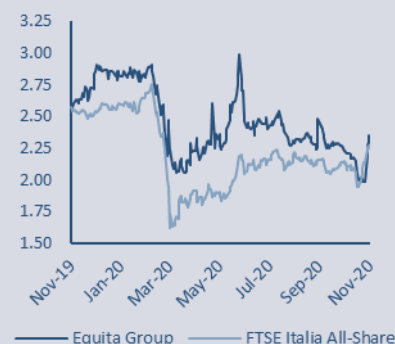
Source: FactSet, UBI Banca estimates

Performance

| | 1m | 3m | 12m |
|-----------------|-------|-------|-------|
| Absolute | +5.4% | +2.6% | -8.6% |
| Rel. to FTSE IT | -0.8% | +1.7% | +5.8% |

Source: FactSet

Graph area Absolute/Relative 12 M



Source: FactSet

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Solid 3Q20: third consecutive EPS upgrade

Equita reported a strong set of 3Q20 results in a market backdrop which was not entirely supportive. Revenues grew 48% YoY (we estimate a +32% if K Finance first time consolidation is stripped out) with a mention to the IB performance (revenues of EUR10.9 million were 2.4x the 3Q19 level, even excluding K Finance Equita doubled its last year performance). All this with reference markets a little bit erratic (to say the least): M&A and ECM were not bad but still low in absolute terms, 3Q20 traded volumes on the MTA were down 8% YoY while Fixed Income declined by 39%. The usual strict control of costs leads to a EUR3.6 million net income, more than double vs. last year, and 62% above our estimates. We are thus upgrading our EPS forecasts for the third consecutive time this year (this time by 5.9% on 2020-22 EPS, +5.8% and +7.3% previously). This drove our TP increase, Buy rating confirmed.

- > **3Q20: tough market conditions for Global Markets.** Sales & Trading commissions declined 8% YoY against a negative market backdrop which saw Equita maintaining its 8% mkt share in Equities and increasing its share in Fixed Income to 7%. Client driven and market making managed to stay slightly up YoY (4%) but directional trading was still close to zero and the entire Global Market division closed the quarter with a 13% decline in revenues. Worth mentioning that, at group level, client-related revenues grew 47% in the quarter. Return on Tangible Equity at 27% and Total Capital Ratio of 19% completed the positive picture described by this set of results.
- > **IB and AAM made up for 65% of 3Q20 group revenues.** With market conditions stabilizing, AAM posted EUR1.1 million revenues, and this accounting for almost zero commissions from the newly launched PD fund II fund (which will be more supportive in 4Q20). 2021 should get further support by the ELTIF launch and by the fund raising on the PD fund II which is still ongoing. We already mentioned the great performance of the IB division, helped by M&A/advisory, with some visible deals like Intesa-UBI and TIM/KKR. The pipeline is good according to management (mostly in M&A/advisory but IPO market seems to be there while bonds are a constant presence).
- > **2020 dividend guidance confirmed, seems even conservative as of now.** Management confirmed its previous indication on 2020 DPS between EUR0.18-0.20 reiterating the concept that it also relies on un-distributed 2019 earnings for EUR3.9 million. The dividend guidance implies a EUR8.3-9.2 million distribution and compares with 9M20 net earnings of EUR8.8 million. Barring unexpected market behaviours in 4Q20, the dividend guidance seems more than feasible even in the high-end of the range. At current prices, a dividend yield of 8.1% remains a good reason to own the stock.

Financials EURm (ex. treasury shares)

| | 2019A | 2020E | 2021E | 2022E |
|---------------------|-------|-------|-------|-------|
| Revenues | 58.3 | 61.4 | 68.6 | 72.8 |
| Profit Before Taxes | 13.7 | 14.5 | 18.2 | 20.7 |
| Net Income | 9.5 | 10.0 | 11.6 | 13.2 |
| Net Income Adjusted | 9.5 | 10.0 | 11.6 | 13.2 |
| BVPS (EUR) | 1.76 | 1.78 | 1.84 | 1.91 |
| EPS (EUR) | 0.21 | 0.22 | 0.25 | 0.29 |
| DPS (EUR) | 0.19 | 0.19 | 0.21 | 0.22 |

Source: Combanv data. UBI Banca estimates

Ratios (ex treasury shs), priced on 12-11-20

| | 2019A* | 2020E | 2021E | 2022E |
|--------------------|--------|-------|-------|-------|
| P/E (x) | 13.4 | 10.7 | 9.3 | 8.2 |
| P/BV (x) | 1.6 | 1.3 | 1.3 | 1.2 |
| TCR (%) | 25.8% | 25.7% | 25.4% | 25.7% |
| CET1 ratio (%) | 25.8% | 25.7% | 25.4% | 25.7% |
| Dividend yield (%) | 6.7% | 8.1% | 8.9% | 9.4% |
| Payout ratio (%) | 90.5% | 87.4% | 83.1% | 76.7% |
| Net Inc./Sales (%) | 16.4% | 16.3% | 16.9% | 18.1% |

Source: Combanv data. UBI Banca est. *Based on 2019 avr price

Key Financials

| (EURm) | 2019A | 2020E | 2021E | 2022E |
|-----------------------|-------|-------|-------|-------|
| Revenues | 58.3 | 61.4 | 68.6 | 72.8 |
| Profit Before Taxes | 13.7 | 14.5 | 18.2 | 20.7 |
| Net profit | 9.5 | 10.0 | 11.6 | 13.2 |
| Net Profit - Adjusted | 9.5 | 10.0 | 11.6 | 13.2 |
| Shareholders' Equity | 80.1 | 81.5 | 84.4 | 87.9 |
| RWA | 220.6 | 231.0 | 247.1 | 260.1 |

Source: Company data, UBI Banca estimates

Key Profitability Drivers

| (%) | 2019A | 2020E | 2021E | 2022E |
|---------------|-------|-------|-------|-------|
| RoE | 11.9% | 12.3% | 13.8% | 15.0% |
| RoTE | 17.2% | 17.7% | 20.1% | 22.1% |
| Cost/Income | 76.4% | 76.4% | 73.4% | 71.6% |
| Comp/Revenues | 46.5% | 47.3% | 47.0% | 46.0% |

Source: Company data, UBI Banca estimates

Key Valuation Ratios

| (x) | 2019A* | 2020E | 2021E | 2022E |
|--------------------|--------|-------|-------|-------|
| P/E (x) | 13.4 | 10.7 | 9.3 | 8.2 |
| P/E Adjusted (x) | 13.4 | 10.7 | 9.3 | 8.2 |
| P/BV (x) | 1.6 | 1.3 | 1.3 | 1.2 |
| P/TBV (x) | 2.0 | 1.6 | 1.6 | 1.6 |
| Dividend Yield (%) | 6.7% | 8.1% | 8.9% | 9.4% |
| RoE/CoE (x) | 1.71 | 1.76 | 1.98 | 2.16 |

Source: Company data, UBI Banca estimates

* Based on 2019 average price

Growth Rates

| (%) | 2019A | 2020E | 2021E | 2022E |
|---------------------|--------|-------|-------|-------|
| Revenues | -2.4% | 5.2% | 11.7% | 6.1% |
| Profit Before Taxes | -11.9% | 5.5% | 25.7% | 13.5% |
| Net Income | -13.5% | 4.6% | 16.2% | 13.5% |
| Net Income Adjusted | -20.1% | 4.6% | 16.2% | 13.5% |

Source: Company data, UBI Banca estimates

Recent developments

- > 3Q20 well above our estimates chiefly thanks to the Investment Banking division.** The very strong performance of this division (revenues more than doubled) has to do not only with the first time consolidation of K Finance but also to extremely solid performances in the M&A Advisory area. 3Q'20 in details showed: a) Net revenues of EUR18.5million (up 48.2% YoY) above our estimates of EUR14.0 million; b) Global market revenues declined double digit – chiefly due to Directional Trading (basically at zero in the quarter) with Sales & Trading revenues down 8% YoY (in line with traded volumes on the markets); c) IB revenues more than doubled, supported also by the consolidation of K Finance (for an unspecified amount, we estimate EUR2 million), by a good market and by a specific solid performance by Equita; d) AAM revenues posted a strong YoY growth and EUR1.1million revenues in the quarter (almost 3x the 3Q19 revenues which were impacted by the m-t-m of the SPAC); e) Pre-tax profit of EUR5.2million (116% YoY) was much better than our estimates of EUR3.4million; f) Net Income of EUR3.58million (+19.3% YoY) above our estimates of EUR2.2million.
- > Costs remain under control.** Operating expenses grew by 32% YoY, due also to the inclusion of K Finance costs, and compares with a revenues growth of 48.2%. The compensation/revenues stood at 50% but the FY figure should be more in line with the 47% targeted by management. A strict cost control meant that other operating expenses declined by 7% despite extra-costs not present the year before (SGR, K Finance related costs, costs to structure the new financing). Optimization in the IT expenses following the completion of the “Retail Hub” project and of the trading fees were the main explanation for this positive outcome.

Figure 1 – Equita Group 3Q20 and 9M20 results

| (USDm, %) | 3Q19A | 3Q20A | % chg | 3Q20E | Actual vs estimates | 9M19A | 9M20A | % chg |
|---|-------------|-------------|---------------|-------------|---------------------|-------------|-------------|--------------|
| Global Markets | 7.5 | 6.5 | -12.9% | 6.1 | 7.6% | 24.5 | 24.7 | 1.1% |
| Inv Banking | 4.6 | 10.9 | 137.0% | 6.5 | 67.7% | 10.4 | 19.9 | 91.3% |
| AAM | 0.4 | 1.1 | 175.0% | 1.4 | -21.4% | 3.1 | 3.1 | -1.3% |
| Net Revenues | 12.5 | 18.5 | 48.2% | 14.0 | 32.7% | 38.0 | 47.7 | 25.6% |
| Personnel Costs | 5.8 | 9.3 | | 6.4 | | 17.4 | 22.6 | |
| Administrative expenses | 4.4 | 4.1 | | 4.2 | | 12.5 | 12.7 | |
| Profit before Taxes | 2.4 | 5.2 | 116.7% | 3.4 | 54.4% | 8.2 | 12.4 | 52.0% |
| Attributable Net profit | 1.64 | 3.58 | 118.2% | 2.21 | 61.7% | 5.61 | 8.70 | 55.1% |
| margin % | 13.1% | 19.3% | | 15.8% | | 14.8% | 18.2% | |
| Attributable Net profit Adjusted | 1.64 | 3.58 | 118.2% | 2.21 | 61.7% | 5.61 | 8.70 | 55.1% |
| margin % | 13.1% | 19.3% | | 15.8% | | 14.8% | 18.2% | |
| Group Net Equity | 80.1 | 81.4 | 1.7% | 76.9 | 5.9% | 80.1 | 81.4 | 1.7% |

Source: Company data, UBI Banca estimates

Financial Projections

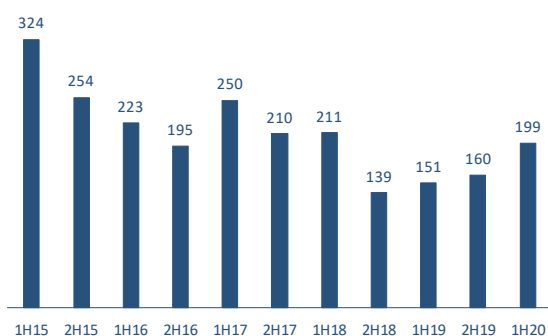
- **Raising our estimates on the back of the 3Q20 results, mostly thanks to IB.** We are raising our 2020 estimates by 14.0% as a result of a stronger IB performance in 3Q20 coupled with positive indications on the current pipeline and supported by the additional revenues coming from the new PD fund in 4Q20. At the end however, we are increasing our 2020 net income estimates by an amount similar to the 3Q20 surprise (EUR1.3 million) and, as such, we are not changing our 4Q20 estimates. All in all, our 2020-22 EPS estimates were raised by 5.9% thanks to the long-tail effect of the PD fund II launch in 2021 coupled with a higher starting base for IB.
- **Our EUR0.19 dividend assumes a 87% payout (EUR0.20 DPS would get us back to the standard 90%).** Given that the decision on the dividend proposal should be made in March/April we prefer to wait before raising such a sensitive assumption. The sentiment prevailing at that time on the pandemic development, eventual vaccines availability and in general the economic outlook would drive this decision more than the net profit itself.

Figure 2 - Old vs. new estimates

| (EURm) | 2020E | | | 2021E | | | 2022E | | |
|-----------------------|-------|-------|---------|-------|-------|---------|-------|-------|---------|
| | Old | New | % diff. | Old | New | % diff. | Old | New | % diff. |
| Revenues | 57.0 | 61.4 | 7.6% | 65.9 | 68.6 | 4.0% | 71.4 | 72.8 | 1.9% |
| Profit before taxes | 12.6 | 14.5 | 15.3% | 16.5 | 18.2 | 10.6% | 19.0 | 20.7 | 9.0% |
| Profit before taxes % | 22.1% | 23.6% | | 25.0% | 26.6% | | 26.6% | 28.4% | |
| Net profit | 8.8 | 10.0 | 14.1% | 11.3 | 11.6 | 3.1% | 13.0 | 13.2 | 1.1% |
| Net profit adjusted | 8.8 | 10.0 | 14.1% | 11.3 | 11.6 | 3.1% | 13.0 | 13.2 | 1.1% |

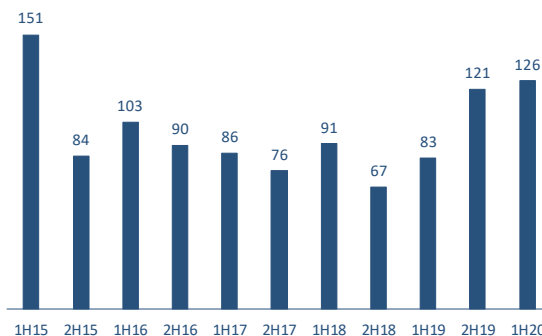
Source: UBI Banca estimates

Figure 3 - MTA traded volumes by semester (EURbn)



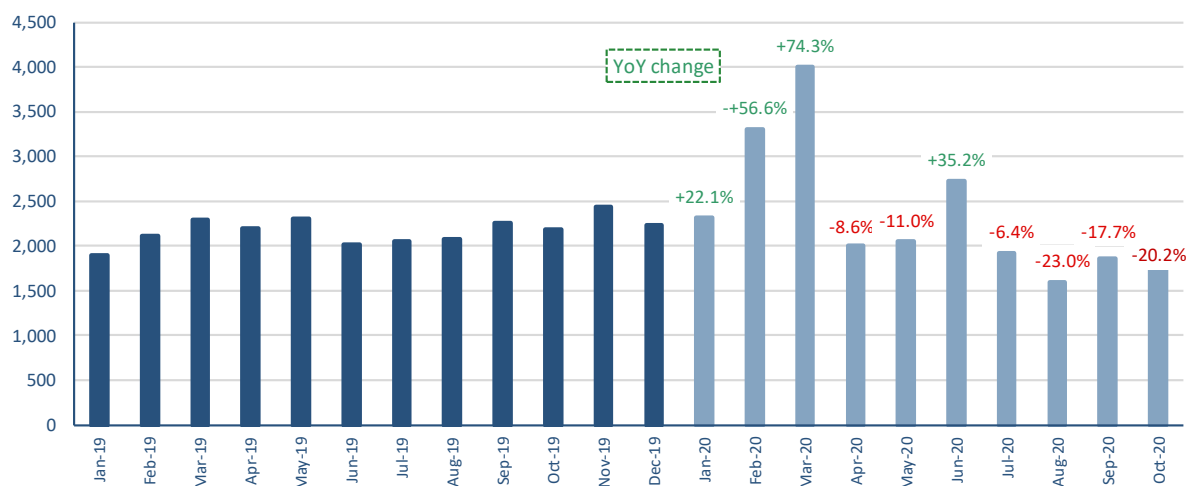
Source: Assosim

Figure 4 - Bond traded volumes by semester (EURbn)



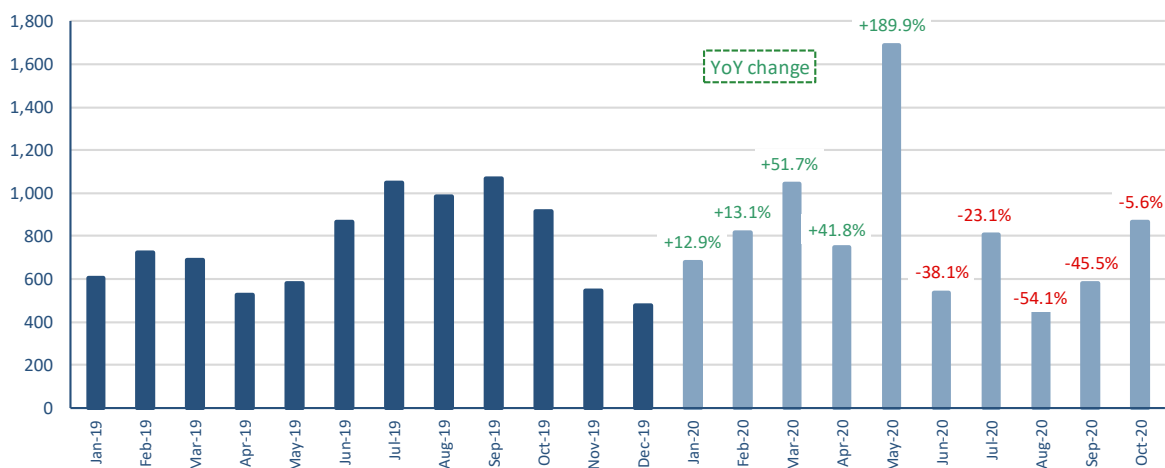
Source: Assosim

Figure 5 - Average daily trading volumes on MTA (EURm)



Source: Borsa Italiana

Figure 6 - Average daily trading volumes for fixed income (EURm)



Source: Borsa Italiana

Valuation

- **Revising the target price by 3.0% to EUR3.13 (from EUR3.04).** This is the result of the increase in estimates (5.9% on average in 2020-22 at net income level) which in fact implied a similar increase in the P/BV valuation. The fair value estimate deriving from the DDM was unchanged as we kept our DPS estimates.
- **Executing along the 2022 BP line...which will represent a surprise to our estimates.** With the growth in AuM and, consequently, in the AAM revenues, the stabilization of the IB business and, finally, the acquisition of K Finance Equita is executing along the lines of its 2022 BP. Following our upgrade in estimates we are close to the plan targets, but still not there yet: EUR75 million revenues with a net income/revenues ratio of 20% returns EUR15 million net income which is above our EUR13.2 million estimates.

Figure 7 - Valuation summary

| (EUR) | New | Old | % difference |
|--------------------------|-------------|-------------|--------------|
| P/BV | 3,31 | 3,14 | 5,4% |
| DDM (new) or Peers (old) | 2,95 | 2,95 | 0% |
| Average | 3,13 | 3,04 | 2,9% |

Source: Company data, UBI Banca estimates

Figure 8 - Peer Group multiples (priced on 12 November 2020)

| Name | TIER | Price | Currency | Mkt Cap million | P/Sales | | | P/E | | | P/BV | | | Div Yield | | |
|---------------------|------------|------------|------------|--------------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|-------------|-------------|-------------|
| | | | | | 2020E | 2021E | 2022E | 2020E | 2021E | 2022E | 2020E | 2021E | 2022E | 2020E | 2021E | 2022E |
| Piper Jaffray | I | 76.1 | USD | 1,359 | 1.5 x | 1.5 x | 1.4 x | 12.3 | 12.7 | 12.2 | 1.6 x | 1.6 x | 1.5 x | 1.4% | 1.7% | 1.7% |
| Numis Corp | I | 3.3 | GBP | 348 | 2.1 x | NA | NA | 12.1 | NA | NA | 2.1 x | NA | NA | 4.0% | NA | NA |
| Evli Pankki Oyj | I | 11.2 | EUR | 270 | 3.7 x | 3.3 x | 3.1 x | 16.3 | 13.7 | 11.7 | 3.3 x | 3.2 x | 3.0 x | 6.2% | 6.7% | 7.1% |
| Moelis | II | 31.5 | USD | 2,095 | 3.4 x | 2.9 x | 2.6 x | 25.2 | 17.3 | 15.3 | 5.5 x | 5.3 x | 5.4 x | 4.0% | 4.6% | 6.0% |
| Evercore | II | 71.6 | USD | 2,908 | 1.9 x | 1.7 x | 1.6 x | 15.9 | 11.7 | 9.8 | 3.3 x | 2.8 x | 2.3 x | 2.8% | 3.0% | 3.1% |
| Houlihan Lokey | II | 54.8 | USD | 3,810 | 4.2 x | 3.4 x | 3.3 x | 22.0 | 17.3 | 17.0 | 3.5 x | 3.2 x | 2.9 x | 2.1% | 2.2% | 2.4% |
| DeA Capital | II | 1.1 | EUR | 293 | 5.0 x | 4.2 x | NA | 183.3 | 44.0 | NA | 0.7 x | 0.7 x | NA | 10.9% | 10.9% | NA |
| Tikehau Capital | II | 23.0 | EUR | 3,146 | 35.3 x | 6.1 x | 5.2 x | NA | 14.9 | 11.9 | 1.1 x | 1.0 x | 1.0 x | 1.4% | 2.7% | 3.3% |
| Azimut | II | 16.5 | EUR | 2,409 | 2.6 x | 2.5 x | 2.4 x | 9.6 | 10.1 | 9.7 | 2.7 x | 2.4 x | 2.1 x | 6.4% | 6.7% | 7.1% |
| Average | | | | | 3.4 x | 3.1 x | 2.6 x | 16.1 x | 14.3 x | 11.9 x | 2.7 x | 2.6 x | 2.3 x | 4.4% | 4.8% | 4.4% |
| Equita Group | 2.4 | EUR | 128 | | 1.7 x | 1.6 x | 1.5 x | 10.7 x | 9.3 x | 8.2 x | 1.3 x | 1.3 x | 1.2 x | 8.1% | 8.9% | 9.4% |
| Tier I average | | | | | 2.4 x | 2.4 x | 2.3 x | 13.6 x | 13.2 x | 12.0 x | 2.4 x | 2.4 x | 2.3 x | 3.9% | 4.2% | 4.4% |
| Tier II average | | | | | 8.7 x | 3.5 x | 3.0 x | 51.2 x | 19.2 x | 12.7 x | 2.8 x | 2.6 x | 2.7 x | 4.6% | 5.0% | 4.4% |

Source: FactSet, UBI Banca estimates

ESG Picture

Corporate Governance

| | |
|---|---------------------|
| Does the company have a combined Chair/CEO? | No |
| Percentage of independent directors | 42.86% (3 out of 7) |
| Does the company have loyalty shares? | Yes |
| Does major shareholders (if any) have a "shareholders pact" in place? | Yes |
| Has the company adopted a "poison pill" or "change of control" clauses? | No |
| Potential dilution from stock options outstanding + not yet granted? | Yes |
| CEO remuneration detail (fixed salary) | EUR 651,457 |
| Chairman remuneration detail (fixed salary) | EUR 253,000 |
| Is the share price included in the MBO criteria? | No |
| Percentage of treasury shares | 8.1% |

Climate related risk

| | |
|---|----|
| Has the company defined GHG-emissions targets? | No |
| How does the company assess climate-related risk? | No |

Social Responsibilities

| | |
|---|---------------------|
| Does the company publish a separated Sustainability report? No, but focus on CSR in Annual Report | |
| Does the company have a Chief SRI/CSR officer (or a committee)? | Yes |
| Does the Chief SRI/CSR officer votes in any of the company's committee? | Yes |
| Is the Investor Relation officer a different person from CFO (or other officers)? | Yes |
| Is the ESG strategy integrated in the Business Plan (or in the group strategy)? | Yes |
| Does the company have an ethical code? | Yes |
| Percentage of female directors | 28.57% (2 out of 7) |
| How is the cybersecurity issue managed? | Not disclosed |

Income Statement

| (EURm) | 2019A | 2020E | 2021E | 2022E |
|------------------------------|--------------|--------------|--------------|--------------|
| Global Markets | 31.5 | 30.3 | 33.0 | 34.2 |
| Investment Banking | 18.2 | 26.5 | 29.5 | 31.6 |
| Alternative Asset Management | 8.6 | 4.5 | 6.1 | 7.0 |
| Net Revenues | 58.3 | 61.4 | 68.6 | 72.8 |
| Personnel Costs | 27.1 | 29.0 | 32.2 | 33.5 |
| Administrative Expenses | 17.5 | 17.8 | 18.1 | 18.6 |
| Profit Before Taxes | 13.7 | 14.5 | 18.2 | 20.7 |
| % on Net Revenues | 23.6% | 23.6% | 26.6% | 28.4% |
| Income Taxes | 4.2 | 3.9 | 5.5 | 6.2 |
| Group Net Profit | 9.5 | 10.0 | 11.6 | 13.2 |
| Non-recurring | 0.0 | 0.0 | 0.0 | 0.0 |
| Group Net Profit - Adjusted | 9.5 | 10.0 | 11.6 | 13.2 |

Source: Company data, UBI Banca estimates

Balance Sheet

| (EURm) | 2019A | 2020E | 2021E | 2022E |
|--|--------------|--------------|--------------|--------------|
| Financial Assets at FV through P&L | 54.9 | 69.1 | 75.5 | 82.8 |
| Financial Assets at Amortised Cost | 229.1 | 228.2 | 235.9 | 244.1 |
| Equity Investments | 1.5 | 1.5 | 1.5 | 1.5 |
| Tangible Assets | 0.6 | 0.6 | 0.6 | 0.6 |
| Intangible Assets | 15.0 | 15.0 | 15.0 | 15.0 |
| Tax Assets | 3.9 | 3.9 | 3.9 | 3.9 |
| Other Assets | 1.7 | 1.7 | 1.7 | 1.7 |
| Total Assets | 306.7 | 320.0 | 334.2 | 349.6 |
| Financial Liabilities at Amort. Cost | 194.0 | 203.7 | 213.9 | 224.6 |
| Financial Liabilities Held for Trad. | 7.4 | 9.7 | 10.7 | 11.9 |
| Tax Liabilities | 2.0 | 2.0 | 2.0 | 2.0 |
| Other Liabilities | 14.5 | 14.5 | 14.5 | 14.5 |
| Employees' Termination Inde millionities | 2.4 | 2.4 | 2.4 | 2.4 |
| Allowances for Risks and Charges | 6.2 | 6.2 | 6.2 | 6.2 |
| Equity | 80.1 | 81.5 | 84.4 | 87.9 |
| Total Liabilities and Equity | 306.7 | 320.0 | 334.2 | 349.6 |

Source: Company data, UBI Banca estimates

Financial Ratios

| (%) | 2019A | 2020E | 2021E | 2022E |
|---------------|-------|-------|-------|-------|
| TCR | 25.8% | 25.7% | 25.4% | 25.7% |
| CET1 ratio | 25.8% | 25.7% | 25.4% | 25.7% |
| RoE | 11.9% | 12.3% | 13.8% | 15.0% |
| RoTE | 17.2% | 17.7% | 20.1% | 22.1% |
| Cost/Income | 76.4% | 76.4% | 73.4% | 71.6% |
| Comp/Revenues | 46.5% | 47.3% | 47.0% | 46.0% |
| Payout | 90.5% | 87.4% | 83.1% | 76.7% |

Source: Company data, UBI Banca estimates

Per Share Data

| (EUR) | 2019A | 2020E | 2021E | 2022E |
|---------------------|-------|-------|-------|-------|
| EPS - reported | 0.21 | 0.22 | 0.25 | 0.29 |
| EPS - adjusted | 0.21 | 0.22 | 0.25 | 0.29 |
| DPS | 0.19 | 0.19 | 0.21 | 0.22 |
| BVPS - ex-treasury | 1.76 | 1.78 | 1.84 | 1.91 |
| TBVPS - ex treasury | 1.43 | 1.42 | 1.45 | 1.51 |

Source: Company data, UBI Banca estimates

Stock Market Ratios

| (X) | 2019A * | 2020E | 2021E | 2022E |
|--------------------|---------|-------|-------|-------|
| P/E | 13.4 | 10.7 | 9.3 | 8.2 |
| P/E Adjusted | 13.4 | 10.7 | 9.3 | 8.2 |
| P/BV | 1.6 | 1.3 | 1.3 | 1.2 |
| P/TBV | 2.0 | 1.6 | 1.6 | 1.6 |
| Dividend Yield (%) | 6.7% | 8.1% | 8.9% | 9.4% |
| RoE/CoE | 1.7 | 1.8 | 2.0 | 2.2 |

Source: Company data, UBI Banca estimates

* Based on 2019 average price

Growth rates

| (%) | 2019A | 2020E | 2021E | 2022E |
|---------------------|--------|-------|-------|-------|
| Revenues | -2.4% | 5.2% | 11.7% | 6.1% |
| Profit Before Taxes | -11.9% | 5.5% | 25.7% | 13.5% |
| Net Income | -13.5% | 4.6% | 16.2% | 13.5% |
| Net Income Adjusted | -20.1% | 4.6% | 16.2% | 13.5% |

Source: Company data, UBI Banca estimates

Disclaimer

Analyst Declaration

This research report (the “**Report**”) has been prepared by Massimo Vecchio and Dario Fasani (the “**Analysts**”) on behalf of UBI Banca S.p.A. (“**UBI Banca**”) in the context of the ancillary service provided by UBI Banca named “Investment research and financial analysis or other forms of recommendation relating to transactions in financial instruments” under Paragraph 5), Section B, Annex I of the Directive 2014/65/EU (“**MiFID II**”). UBI Banca is an Italian bank under art. 4 (1)(27) of MiFID II, it is part of Intesa Sanpaolo group (“**Intesa Group**”), under the direction and control of Intesa Sanpaolo and it is supervised by the European Central Bank and duly authorised to provide investment services pursuant to Article 1, Paragraph 5, letter a), b), c), c-bis), e) and f) of the Legislative Decree 24 February 1998, n° 58 under the supervision of the Italian Authority for the financial markets (Consob). UBI Banca has its head office at Piazza Vittorio Veneto 8, 24122 Bergamo.

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|---|-------------|-------------|------------------|
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| Buy | Hold | Sell | No Rating |
| 60.0% | 5.0% | 100% | 100% |

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| <i>Date</i> | <i>Rating</i> | <i>Target Price (EUR)</i> | <i>Market Price (EUR)</i> |
|-------------------|---------------|---------------------------|---------------------------|
| 9 May 2019 | BUY | 3.57 | 3.02 |
| 12 September 2019 | BUY | 3.50 | 2.68 |
| 18 November 2019 | BUY | 3.37 | 2.60 |
| 19 March 2020 | BUY | 2.57 | 2.12 |
| 6 May 2020 | BUY | 2.71 | 2.31 |
| 10 July 2020 | BUY | 2.89 | 2.49 |
| 11 September 2020 | BUY | 3.04 | 2.48 |