INTESA SANPAOLO

Equity

Daily Note

Calls from Italy

7 May 2021: 8:44 CET
Date and time of production

Italy/Equity Market

On Our Radar: Today's Newsflow

Positive	Negative
Finecobank; Banco BPM; Anima Holding; Banca MPS; Creval	Telecom Italia

Stock Markets: Performance

Chg (%)	1D	3M	6M	12M
FTSE All Share	0.1	6.7	25.1	42.6
FTSE MIB	0.1	6.1	24.5	42.8
FTSE IT Star	-0.6	8.1	27.7	53.9
Euro Stoxx 50	0.0	8.0	17.9	21.3
Stoxx Small 200	-0.3	6.7	25.4	42.8
NASDAQ	0.4	-1.6	14.6	54.0
S&P 500	0.8	8.1	19.7	47.5

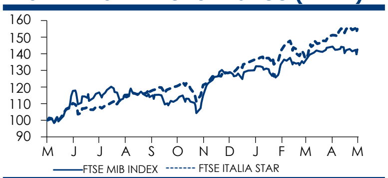
FTSE MIB Best & Worst: 1D% chg

Unicredit	5.0	Telecom Italia	-5.5
CNH Ind.	4.4	Recordati	-3.0
Tenaris	1.8	Ferrari	-2.8

Euro Stoxx Best&Worst Sectors -1D %

Food & Bev	0.8	Travel/Leisure	-1.7
Chemicals	0.8	Oil & Gas	-1.3
Construction	0.4	Technology	-1.2

FTSE MIB-STAR Performance (-12M)



Source: FactSet;

Upcoming Intesa Sanpaolo Events

What?	Where?	When?
AIM (B. Italiana)	Virtual	25-27 May
ISMO Paris	Virtual	10 June

Priced at market close on day prior to issue or two days prior to issue in the case of preview comments (except where otherwise indicated); Ratings and Target Prices as assigned in the latest company reports (unless otherwise indicated)

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See page 26 for full disclosure and analyst certification

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IMI CORPORATE & INVESTMENT BANKING

New Research

CNH Ind. (BUY)

Company Note: BUY; New TP EUR 17.2/sh

	Rating =	TP (€/sh) ▲	2021E EPS (€) ▲	2022E EPS (€) ▲	2021C EPS (€)	2022C EPS (€)
Current	**BUY**	**17.2**	**1.069**	**1.162**	**0.817**	**0.997**
Previous	BUY	14.7	0.784	0.891	-	-

Source: Intesa Sanpaolo Research estimates and FactSet consensus

Following a very strong start to the year characterised by solid demand across all segments and regions (in particular, NAFTA AG), CNH improved its market outlook and raised its FY21 guidance that now points to: 1) Industrial revenues up by 14%/18% vs. the previous 8%/12%; and 2) a positive FCF for USD 0.6/1Bn vs. the previous USD 0.4/0.8Bn Despite likely tougher supply chain issues going forward, especially for trucks in 2Q21, we view the group's 1Q21 overproduction as consistent with the retail demand trend ahead and we consider the new guidance as fair and achievable. Positive pricing should help the group to partially offset the raw materials pressure thus allowing a FY21 incremental margin of 33% yoy.

CNH Ind. - Key Data

07/05/2021			Capital Goods
Target Price (EUR)			17.2
Rating			BUY
Mkt price (EUR)			13.47
Mkt cap (EUR M)			18179
Main Metrics ($ Bn)	**2021E**	**2022E**	**2023E**
Revenues	30.63	31.48	32.66
EBITDA	2.78	3.07	3.31
EPS (USD)	1.07	1.16	1.30
Net debt/-cash	-1.29	-1.66	-1.98
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	15.2	14.0	12.5
EV/EBITDA	7.4	6.6	6.0
EV/EBIT	11.1	9.6	8.5
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	1.5	1.8	2.2
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.0	13.9	162.7
Rel. to FTSE IT All Sh	0.7	6.7	84.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Previews

Banca Sistema (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative

Results due on 7 May: In 1Q21E, we expect Banca Sistema to report a net income of EUR 6.1M. We foresee a double-digit growth in factoring turnover and positive collections, while we expect flat CQ loans on a quarterly basis and still weak margins (due to early payments). All in all, we forecast the total income to decline by 7.6% qoq and to increase by 21% yoy. We also see operating costs increasing by 20% yoy and the cost of risk at 30bps, in line with 1Q20. Coherently with our FY21 estimates, we assume the worst-case scenario in terms of the impact of the new Definition of Default (-70bps), for a CET1 at 11.8% as of March 2021 (from 12.6% in December 2020).

What we think: We have a positive stance on the stock. **BUY, TP EUR 3.0/share**.

Banca Sistema - Key data

06/05/2021			Banks
Target Price (EUR)			3.0
Rating			BUY
Mkt price (EUR)			2.09
Mkt cap (EUR M)			168
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	120.5	128.2	142.4
Gross op income	57.04	60.24	69.86
EPS (EUR)	0.34	0.36	0.45
TBVPS (x)	2.41	2.69	3.04
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	6.2	5.8	4.7
P/TBV	0.87	0.78	0.69
RoTE (%)	15.0	14.2	15.5
CET1 FL (%)	12.1	12.0	12.0
Div yield (%)	4.0	4.3	5.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	-0.9	14.1	61.0
Rel. to FTSE IT All Sh	-0.5	7.0	14.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Banca Sistema

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Banca Sistema – 1Q21 preview

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	1Q21E	1Q21C	1Q E/C %	1Q qoq %	1Q yoy %	FY21E	FY21C
Net interest income	15.9	17.4	19.5	21.5	19.6	NA	NA	-8.5	23.3	95.8	88.9
Commission income	4.2	3.9	3.9	5.5	5.0	NA	NA	-8.1	20.0	21.3	22.1
Trading income	1.9	2.4	2.9	2.4	2.0	NA	NA	-17.7	6.9	3	4.5
Total income	**22.1**	**24.1**	**26.7**	**28.9**	**26.7**	**NA**	**NA**	**-7.6**	**21.0**	**120.5**	**115.3**
Operating costs	-12.7	-11.4	-13.8	-15.0	-15.3	NA	NA	1.9	20.2	63.5	45.2
Gross operating profit	**9.4**	**12.6**	**12.8**	**14.0**	**11.5**	**NA**	**NA**	**-17.8**	**22.2**	**57.0**	**70.0**
Loan loss provisions	-1.9	-3.1	-2.2	-3.8	-2.0	NA	NA	-47.1	3.7	14.2	12.6
Pre-tax income	**6.8**	**10.1**	**10.6**	**8.8**	**9.1**	**NA**	**NA**	**2.9**	**34.0**	**41.4**	**39.7**
Net income	**4.6**	**7.5**	**7.4**	**6.3**	**6.1**	**NA**	**NA**	**-2.0**	**33.9**	**26.9**	**26.9**
CoR (bps)	30	49	33	58	30	NA	NA	-47.4	-1.4	49.1	NA
CET1 FL (%)	11.2	13.7	12.0	12.6	11.8	NA	NA	-6.1	5.6	12.1	NA

NA: not available; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

COIMA RES (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative

Results due on 7 May: In 1Q21E, we expect COIMA RES to post gross rents at EUR 10.7M, down by 3% yoy, resulting from: 1) the vacating of the Monte Rosa building by PwC in 1Q21; 2) the disposal of 11 bank branches carried out in 2020; and 3) the marginal like-for-like rental growth. We assume the NOI margin at 89.2%, slightly lower vis-à-vis end-2020, while we see 1Q21E EBITDA at EUR 7.2M (-4.7% yoy) in a context of stable costs and lower gross rents. We estimate 1Q21E EPRA earnings at EUR 4M or EUR 0.11/share, down by roughly 5% yoy, due to the lower operating performance, marginally higher financial charges and the disposal of the telecom portfolio in December 2020, despite the benefit on a pro-quota basis from the first contribution of the Corso Como Place project, which was delivered to new tenants in January 2021. We estimate net debt at end-March 2021E to improve to EUR 285M (vs. EUR 290M recorded as of 31 December 2020), positively affected by the ongoing solid rents' collection trend, whilst the consolidated LTV should improve as well to 37.7% (vs. 38.3% as of end-2020).

What we think: If the results were to confirm our preview estimates, we would see them as on track with our 2021E expectations, which foresee an EPRA EPS equal to EUR 0.42/share in the year, which compares to a company-provided guidance of EUR 0.40/share at constant portfolio perimeter. While we do not expect any major surprises from the release of 1Q21 results, we believe that the market will be focused on the potential of COIMA RES' future re-development projects and, more in general, on the evolution of real estate office market environment in the current and future scenarios.

COIMA RES - Key data

06/05/2021			Real Estate
Target Price (EUR)			9.3
Rating			BUY
Mkt price (EUR)			6.92
Mkt cap (EUR M)			249
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	42.30	39.44	36.55
EBITDA	28.48	25.81	23.07
EPRA EPS (EUR)	0.42	0.39	0.30
Net debt/-cash	302.1	327.6	362.6
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	16.5	17.9	22.8
EV/EBITDA	21.9	25.2	29.7
EV/EBIT	25.9	26.6	29.5
LTV (%)	39.71	41.63	44.21
Div yield (%)	4.3	4.3	4.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	4.5	6.1	9.8
Rel. to FTSE IT All Sh	5.0	-0.4	-22.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to COIMA RES

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COIMA RES – 1Q21 preview

EUR M	1Q19A	1Q20A	FY20A	1Q21E	1Q21C	1Q E/C %	1Q yoy %	1Q vs. 1Q19A %	FY21E	FY21C
Gross rents	8.7	11.1	44.4	10.7	-	-	-3.4	23.3	42.3	42.2
NOI	7.8	10.0	40.3	9.6	-	-	-4.4	22.6	37.6	-
NOI margin %	89.1	90.1	90.8	89.2	-	-	-1.0	0.1	89.0	-
EBITDA	5.5	7.6	31.5	7.2	-	-	-4.7	31.7	28.5	28.8
Net profit	4.7	3.3	15.6	3.1	-	-	-6.0	-34.0	15.5	17.3
EPRA earnings	3.5	4.2	17.5	4.0	-	-	-4.7	14.4	15.1	-
EPRA EPS/sh. (EUR)	0.10	0.12	0.49	0.11	-	-	-7.6	14.4	0.42	-
FFO recurring	3.9	6.0	24.2	5.3	-	-	-11.0	38.3	20.1	-
FFO recurring/sh. (EUR)	0.11	0.17	0.67	0.15	-	-	-13.0	38.3	0.56	-
Net debt /-cash	232.6	281.8	290.2	285.1	-	-	1.2	22.5	302.1	295.7
GAV	666.6	767.2	758.1	757.2	-	-	-1.3	13.6	760.6	-
NAV	426.3	443.5	445.5	449.3	-	-	1.3	5.4	456.6	-
NAV/sh. (EUR)	11.84	12.28	12.34	12.44	-	-	1.3	5.1	12.65	-
LTV (%, consolidated)	34.9	36.7	38.3	37.7	-	-	2.6	7.9	39.7	-

NA: not available; NM: not meaningful; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

Credito Emiliano (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative

Results due on 7 May: In 1Q21E, we expect Credem to report a net income of EUR 45M, in line with FactSet consensus of EUR 44M. We foresee net interest income (-2.9% qoq) to be penalised by two fewer days and margin pressure, while assuming a rather solid fee income (-1% yoy), despite the larger costs of liquidity deposited in the ECB. The cost of risk is forecast at 20bps. We expect the CET1 FL to improve by 15bps qoq to 14.2%, thanks to the revaluation of the stake in Cedacri.

What we think: We have a positive stance on the stock.

Credito Emiliano - Key data

06/05/2021			Banks
Target Price (EUR)			6.4
Rating			BUY
Mkt price (EUR)			5.23
Mkt cap (EUR M)			1738
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	1,246.0	1,319.3	1,328.0
Gross op income	414.8	454.4	454.2
EPS (EUR)	0.46	0.52	0.53
TBVPS (x)	8.46	8.79	9.11
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	11.3	10.0	9.9
P/TBV	0.62	0.60	0.57
RoTE (%)	7.1	6.1	5.9
CET1 FL (%)	13.4	13.4	13.4
Div yield (%)	3.8	3.8	3.8
Performance (%)	**1M**	**3M**	**12M**
Absolute	5.2	10.1	27.6
Rel. to FTSE IT All Sh	5.7	3.3	-9.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Credito Emiliano – 1Q21 preview

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	1Q21E	1Q21C	1Q E/C %	1Q qoq %	1Q yoy %	FY21E	FY21C
Net interest income	112	116	136	129	125	125	0.3	-2.9	12.1	525	515
Commission income	144	136	144	152	142	156	-8.7	-6.4	-1.0	585	620
Trading income	28	4	19	3	15	11	36.4	417.2	-46.0	53	49
Total income	**298**	**278**	**318**	**308**	**303**	**303**	**-0.1**	**-1.5**	**1.5**	**1,246**	**1,237**
Operating costs	205	185	192	210	204	206	-1.2	-2.9	-0.7	831	823
Gross operating profit	**93**	**93**	**126**	**98**	**99**	**97**	**2.3**	**1.4**	**6.5**	**415**	**414**
Loan loss provisions	16	36	21	33	15	17	-13.9	-55.9	-9.0	126	115
Pre-tax income	**60**	**53**	**91**	**49**	**67**	**65**	**3.1**	**37.3**	**11.3**	**199**	**262**
Net income	**41**	**37**	**61**	**62**	**45**	**44**	**2.8**	**-27.5**	**11.1**	**199**	**190**
CoR (bps)	24	53	30	46	20	NA	NA	-56.8	-16.9	40	NA
CET1 FL (%)	13.3	13.9	13.9	14.0	14.2	NA	NA	1.1	6.4	13.4	NA

NM: not meaningful; NA: not available; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

Results

Anima Holding (BUY)

Strong 1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. In 1Q21 Anima reported a **net profit of EUR 57.7M, 5.6% above our estimate and 8.8% better than average company-provided consensus**. The key points of results were:

- **EBITDA (EUR 101.4M) bang in line with our forecast.** Total net revenues (4.1% above the average company-provided consensus) and recurring operating costs were both aligned to our projections;
- **EBIT (EUR 89.2M) and pre-tax profit (EUR 86.7M) better than estimated** (+3.6% and +3.7%, respectively);
- **Lower than expected tax rate** (33.5% vs. 34.7% estimated);
- **Consolidated net debt down to EUR 102.6M at end-March** (from EUR 150.7M at end-2020).

What we think: Anima reported a strong set of results in 1Q21 and CEO Melzi d'Eril, as reported by Reuters, expressed confidence in better results and net inflows compared to 2020. We believe that investors' focus is mainly on the recovery in place in retail net inflows (they were still negative for EUR -475M in 1Q21) and potential banking M&A deals impacting Anima's distribution network and external growth opportunities. We confirm our positive view.

Anima Holding - Key data

07/05/2021			Asset Gatherers
Target Price (EUR)			5.1
Rating			BUY
Mkt price (EUR)			4.25
Mkt cap (EUR M)			1565
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Tot net revenues	370.1	368.1	375.1
Operating profit	236.8	234.0	239.1
Net income	153.6	151.1	154.4
Cust assets (€ Bn)	195.7	198.6	201.2
Ratios (%)	**2021E**	**2022E**	**2023E**
Adj. P/E (x)	8.2	8.3	8.2
P/tot cust assets	0.8	0.8	0.8
NP/tot cust assets	0.10	0.09	0.09
Div ord yield	5.2	5.2	5.2
Performance (%)	**1M**	**3M**	**12M**
Absolute	-5.1	1.2	37.9
Rel. to FTSE IT All Sh	-4.5	-5.2	-3.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Anima Holding: 1Q21 results

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q qoq %	1Q yoy %	FY21E
Net commissions*	79.7	69.3	75.1	77.7	80.5	79.7		1.1		3.6	1.1	316.1
Performance fees	23.1	13.6	6.6	35.1	43.4	44.0		-1.3		23.7	87.7	54.0
Total net revenues	**102.8**	**82.9**	**81.7**	**112.8**	**124.0**	**123.7**	**119.1**	**0.2**	**4.1**	**9.9**	**20.6**	**370.1**
Total expenses**	20.8	19.9	19.5	20.8	22.5	22.6		-0.2		8.5	8.2	83.3
EBITDA**	**82.0**	**62.9**	**62.2**	**92.0**	**101.4**	**101.1**		**0.4**		**10.2**	**23.7**	**286.8**
EBIT	**61.5**	**53.1**	**47.6**	**78.0**	**89.2**	**86.1**		**3.6**		**14.3**	**45.0**	**236.8**
Pre-tax profit	**59.0**	**50.3**	**45.2**	**75.6**	**86.7**	**83.7**	**81.2**	**3.7**	**6.8**	**14.7**	**46.9**	**226.7**
Net profit	**38.6**	**34.0**	**30.7**	**52.1**	**57.7**	**54.6**	**53.0**	**5.6**	**8.8**	**10.7**	**49.5**	**153.6**

* net management fees and other commissions; ** calculated according to company disclosure. A: actual; E: estimates; C: company-provided consensus; Source: Company data and Intesa Sanpaolo Research

Banca MPS (HOLD)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. In 1Q21, Banca MPS reported a net income of EUR 119M, well-above the EUR 38M loss we expected and EUR 11M loss of FactSet consensus. The main positive surprises came from higher-than-expected trading income (EUR 160M vs. EUR 60M expected) and lower-than-expected cost of risk (37bps vs. 60bps expected). The CET1 also came in 70bps above our expectations at 10.4%, thanks to the revaluation of real estate and RWA decline. The key points of results were:

- **Core revenues in line with expectations.** Core revenues were in line with our expectations, down by 6% yoy and qoq. NII reported a 10.4% decline, penalised by

Banca MPS - Key data

07/05/2021			Banks
Target Price (EUR)			Under Review
Rating			HOLD
Mkt price (EUR)			1.17
Mkt cap (EUR M)			1330
Performance (%)	**1M**	**3M**	**12M**
Absolute	-1.7	0.6	7.3
Rel. to FTSE IT All Sh	-1.0	-5.7	-24.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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the deconsolidation of the Hydra portfolio disposed of in 4Q20. Fees and commissions remained flat yoy, with strong WM product placements offsetting reduced credit facilities and cost of capital management actions;

- **Cost of risk at 37bps.** The cost of risk came in at 37bps, well-below our expectations (60bps), but in line with FY20 ordinary cost of risk (33bps), once Covid-19 overlays provisions and provisions on Hydra portfolio are excluded. Gross NPE ratio remained stable at 4.4%, while coverage increased by 130bps qoq. Loans under moratoria now represent 10% of the loan book and 50% are classified as Stage 2;

- **Better than expected capital base.** The CET1 FL rose by 50bps qoq to 10.4% (vs. 9.7% expected), excluding 1Q21 net income (+25bps), thanks to a 40bps positive impact from the change in evaluation criteria of real estate and 30bps positive impact for lower RWA. Management disclosed that the capital base is stronger than that envisaged in its Capital Plan, showing a EUR 0.7Bn buffer vs. a EUR 0.3Bn shortfall as of March 2021. The difference is due to managerial actions to optimise the capital consumption and the delay in the adoption of model changes (EUR +0.4Bn). In March 2022, the capital shortfall is now expected at EUR 1Bn vs. EUR 1.5Bn foreseen in the Capital Plan, with no shortfall at the CET1 level. Management guided for a RWA inflation of EUR 9.4Bn due to regulatory headwinds (above our expectations);

- **Capital increase postponed.** Despite stronger than expected capital base and lower shortfalls, the expected EUR 2.5Bn capital increase has been confirmed, should no strategic solution be found (at this stage only Apollo had access to the data room). The execution of the capital increase, originally expected for 3Q21, has been postponed to 4Q21 or 1H22, as discussions with DG Comp are still ongoing. MPS will disclose updates on its capital base and capital plan on a monthly basis, on request of CONSOB.

What we think: We consider positively the stronger than expected capital base and the reduced capital shortfall, that however is not enough to avoid a sizeable capital increase, also in light of the significant regulatory headwinds ahead. We expect the market to remain on hold, waiting for the materialisation of a M&A deal, which continues to be necessary. **HOLD**

Banca MPS – 1Q21 results

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q qoq %	1Q yoy %	FY21E
Net interest income	327	320	332	312	280	283	302	-1.3	-7.3	-10.4	-14.5	1,260
Commission Income	370	324	355	380	372	376	373	-1.2	-0.1	-2.2	0.6	1,464
Trading Income	30	62	62	-10	160	60	50	166.5	219.8	NM	NM	144
Total Income	**729**	**723**	**748**	**717**	**824**	**719**	**721**	**14.5**	**14.2**	**14.8**	**12.9**	**2,901**
Operating Costs	549	537	545	573	540	545	540	-0.9	0.0	-5.8	-1.6	2,082
Gross Operating Profit	**180**	**186**	**203**	**144**	**283**	**174**	**181**	**62.9**	**56.6**	**97.2**	**57.1**	**819**
Loan Loss Provisions	315	205	102	127	77	125	146	-38.4	-47.5	-39.4	-75.6	435
Pre-tax Income	**-242**	**-407**	**-470**	**-222**	**114**	**-36**	**-15**	**NM**	**NM**	**NM**	**NM**	**-1,153**
Net Income	**-244**	**-844**	**-451**	**-150**	**119**	**-38**	**-11**	**NM**	**NM**	**NM**	**NM**	**-799**
CoR (bps)	155	99	48	60	37	60	NA	-38.0	NA	-37.6	-76.0	52
CET1 FL (%)	11.9	11.4	10.9	9.9	10.4	9.7	NA	7.5	NA	-2.3	-18.7	7.1

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

Banco BPM (ADD)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. In 1Q21, Banco BPM reported a net income at EUR 100M, above our expectations (EUR 87M) and Factset consensus (EUR 85M). The main surprises came from trading profit (EUR 100M, half of the EUR 200M guided for FY21) and commission income (+7% yoy). Also capital came in above expectations (CET1 FL at 12.7% vs. 12.3% expected), thanks to lower than expected regulatory headwinds. Cost of risk was slightly above expectations at 79bps, embedding 40bps non-ordinary component related to the accelerated de-risking of the company. The key points of results were:

- **Resilient NII and positive outlook.** NII declined by 2.4% qoq coming in line with our expectations. Differently from other Italian banks that already reported their results, Banco BPM's customer spread remained broadly stable in the quarter, thanks to the group commercial efforts to support margins. The outlook seems positive, as the management expects NII to progress in the next quarters, driven by loan growth (+5-6% in core performing loans, in line with 1Q21 trend) and additional TLTRO III benefits (EUR 10Bn additional take-up in March 2021);

- **Strong commission income.** Commission income increased by 7% yoy, with an increase both in AM fees (+8.6% yoy) and banking fees (+5.4% yoy), benefitting from stronger than usual AM placements (EUR 5.4Bn in 1Q21 vs. EUR 3.6Bn in 1Q20). The outlook on fees is positive as the company expects to place EUR 4Bn/quarter AM products in FY21 (vs. EUR 3.5Bn quarterly average in the last two years);

- **Cost benefits from higher layoffs.** The company increased the number of early retirements from 1500 to 1600 units with no additional costs (starting from June 2021). Cost benefits for the entire early retirement plan are EUR 42M in FY21, EUR 109M in FY22 and EUR 135M in 2023;

- **Cost of risk impacted by the acceleration in de-risking.** In 1Q21, Banco BPM posted a cost of risk of 79bps, of which approximately 40bps ordinary and 40bps non-core. The non-core component refers to two elements: 1) the extension of the automatic reclassification of loans under moratoria belonging to medium risk in Stage 2, impacting LLP for EUR 45M (or 16bps); 2) the increase in the planned NPE disposals from EUR 0.9Bn to EUR 1.65Bn (of which EUR 1.5Bn bad loans of Rockets project, where the due diligence has already been completed), impacting LLP for EUR 74M or 27bps. Following the planned disposals, the gross NPE ratio of the company should improve from 7.5% as of March 2021 to 6.3% (or 5.3% under EBA definition), significantly improving the asset quality of the company, without additional costs. For FY21, management confirmed the guidance for an ordinary cost of risk of 70bps (vs 40bps in 1Q21) plus 40bps non-core cost of risk (already accounted for in 1Q21);

- **Solid capital base.** The CET1 FL declined by 60bps to 12.7% remaining above our expectations (12.3%), thanks to lower regulatory headwinds and higher net income. The management guided for 105-110bps regulatory headwinds in FY21 (of which 85bps already accounted in 1Q21), slightly above the previous guidance of 100bps, and 20bps in FY22.

Banco BPM - Key data

07/05/2021			Banks
Target Price (EUR)			2.2
Rating			ADD
Mkt price (EUR)			2.46
Mkt cap (EUR M)			3730
Main Metrics (€ M)	**2020E**	**2021E**	**2022E**
Revenues	4,158.5	4,033.1	4,042.4
Gross op income	1,684.8	1,498.4	1,513.5
EPS (EUR)	0.05	0.14	0.23
TBVPS (x)	6.83	6.97	7.15
Ratios (x)	**2020E**	**2021E**	**2022E**
Adj. P/E	50.5	18.2	10.5
P/TBV	0.36	0.35	0.34
RoTE (%)	1.0	1.8	3.1
CET1 FL (%)	13.3	12.8	13.0
Div yield (%)	0	2.2	3.6
Performance (%)	**1M**	**3M**	**12M**
Absolute	1.2	21.3	122.2
Rel. to FTSE IT All Sh	1.9	13.7	55.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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What we think: We consider positively this set of results, mainly on the more recurrent component of NII (stable customer spread) and commission income (higher AM placements). We also see positively the acceleration of the de-risking process that we believe may facilitate the consolidation process for Banco BPM. **ADD and TP EUR 2.2/sh**.

Banco BPM – 1Q21 results

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q qoq %	1Q yoy %	FY21E
Net Interest Income	474	480	520	509	497	499	498	-0.5	-0.2	-2.4	4.8	1,987
Commission Income	441	376	418	429	471	437	445	7.9	5.9	9.8	7.0	1,735
Trading Income	1	83	157	78	100	70	75	42.4	32.9	28.1	12362.5	120
Total Income	**954**	**1,001**	**1,143**	**1,053**	**1,128**	**1,059**	**1,063**	**6.5**	**6.1**	**7.1**	**18.2**	**4,033**
Operating Costs	635	614	582	600	644	634	637	1.5	1.1	7.4	1.4	2,535
GOP	**319**	**388**	**562**	**453**	**484**	**424**	**426**	**14.0**	**13.6**	**6.8**	**51.5**	**1,498**
Loan Loans Provisions	213	263	324	536	217	206	214	5.4	1.4	-59.5	1.8	1,008
Pre Tax Income	**104**	**106**	**240**	**-143**	**259**	**213**	**222**	**21.4**	**16.7**	**NM**	**150.2**	**450**
Net Income	**152**	**-46**	**157**	**-242**	**100**	**87**	**85**	**15.2**	**17.8**	**NM**	**-34.0**	**202**
CoR	80	97	120	197	79	75	NA	5.3	NA	-59.8	-1.0	92
CET1 FL	12.9	13.3	14.1	13.3	12.7	12.3	NA	3.3	NA	-4.2	-1.5	12.8

NA: not available; NM: not meaningful; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

Be (BUY)

1Q21 Results

Results. The key points of results were:

- **Total revenues came in at EUR 51.8M**, up by 24.9% yoy. In particular, the business lines 'Business Consulting', 'ICT' and 'Digital' recorded revenues of EUR 36.6M (vs. EUR 29.2M in 1Q20A), EUR 12.1M (vs. EUR 11.2M) and EUR 3.1M (vs. EUR 1.1M), respectively. The portion of revenues generated by foreign subsidiaries stood at around 33.1%;
- **EBITDA was EUR 9.2M**, +46.9% yoy. The EBITDA margin stood at 17.8% vs. 15.1% in 1Q20A, reflecting higher margin Business Consulting and Digital Engagement components in the business mix;
- The **group's pre-tax profit was EUR 5.9M** vs. EUR 3.4M posted in 1Q20A;
- **The net financial position stood at EUR 29.9M**, vs. the net cash of EUR 3.3M posted at YE20A, due to usual seasonal nature of the group's cash flow as well as to the considerations paid in 1Q for the acquisition of Firstwaters and for other minor M&A deals (about EUR 11M).

What we think: The group's solid momentum was confirmed in 1Q results. Management recently provided a positive outlook for the coming months with good prospects for organic growth, due to consistent demand flows and a significant positioning in the management consulting segment. The newly-acquired company on the German market, Firstwaters, is performing better than expectations, according to management. No specific guidance was provided, however, management stated that it expects to reach, and 'hopefully overdeliver', the company's yearly and overall targets under the 2020-22 Business Plan. Overall, we confirm our positive rating on Be supported by: 1) key markets providing enduring growth opportunities; 2) the customer base becoming more diversified; and 3) consistent FCF generation. Furthermore, our understanding is

Be - Key Data

07/05/2021			IT Consulting
Target Price (EUR)			1.80
Rating			BUY
Mkt price (EUR)			1.59
Mkt cap (EUR M)			214
Main Metrics (€ M)	**2021E**	**2022E**	**NA**
Revenues	195.0	205.0	NA
EBITDA	32.57	35.47	NA
EPS (EUR)	0.07	0.09	NA
Net debt/-cash	-1.70	-13.93	NA
Ratios (x)	**2021E**	**2022E**	**NA**
Adj. P/E	21.6	18.1	NA
EV/EBITDA	7.3	6.7	NA
EV/EBIT	13.1	11.3	NA
Debt/EBITDA	Neg.	Neg.	NA
Div yield (%)	1.9	1.9	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	-2.9	9.5	55.7
Rel. to FTSE IT All Sh	-2.3	2.6	9.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Be

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that in the light of the group's solid financial position, external growth will remain one of the main catalysts going forward.

Be – 1Q21 results

EUR M	1Q20A	1Q21A	yoy %
Total Revenues	41.5	51.8	24.9
EBITDA	6.3	9.2	46.9
EBITDA margin (%)	15.1	17.8	
EBIT	4.0	6.6	66.5
EBIT margin (%)	9.5	12.7	
Group's pre-tax profit	3.4	5.9	70.8
Net debt/-cash	23.7	29.9	

A: actual; Source: Company data

Creval (Tender Shares)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. In 1Q21, Creval reported solid results with a net income of EUR 28M, well-above our expectations of EUR 12M, mainly thanks to profit from financial assets' disposals (accounted for below the operating line) and higher-than-expected commission income. The key points of results were:

- **Revenues 2% above our expectations.** Total income increased by 5.4% yoy, coming in 2% above our expectations, mainly thanks to stronger than expected commission income (+4.8% yoy), while NII declined by 5.3% qoq, in line with our expectations;
- **Operating costs still down.** Despite the strong reduction in operating costs already achieved in FY20 (-9% yoy), Creval's cost base further declined by a solid 5% yoy in 1Q21;
- **Cost of risk at 60bps.** In 1Q21, the cost of risk was 60bps (vs. 65bps expected), benefitting from a positive seasonality. The stock of NPE remained stable qoq, for a gross NPE ratio of 5.8% and coverage at 48% (-30bps qoq);
- **Solid capital base confirmed:** The CET1 FL increased by 20bps qoq to 19.8% for a buffer over the SREP requirements of 860bps.

What we think: Following the success of the CAI tender offer, Creval is to be delisted on 31 May. **Tender Shares**.

Creval - Key data

07/05/2021			Banks
Rating			Tender Shares
Mkt price (EUR)			12.26
Mkt cap (EUR M)			860
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	618.0	628.6	627.7
Gross op income	226.6	242.2	248.0
EPS (EUR)	0.78	0.98	1.09
TBVPS (x)	26.0	26.8	27.3
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	15.6	12.5	11.3
P/TBV	0.47	0.46	0.45
RoTE (%)	4.8	5.3	5.6
CET1 FL (%)	19.2	18.4	18.0
Div yield (%)	4.9	8.6	9.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.9	3.9	177.4
Rel. to FTSE IT All Sh	1.6	-2.6	94.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Creval – 1Q21 results

EUR M	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q qoq %	1Q yoy %	FY21E
Net Interest Income	81	81	89	89	84	84		0.8		-5.3	4.7	360
Commission Income	58	53	57	61	61	59		3.7		-0.5	4.8	239
Trading Income	-2	4	1	2	0	1		NM		NM	NM	5
Total Income	**143**	**142**	**151**	**159**	**151**	**148**		**1.9**		**-4.9**	**5.4**	**618**
Operating Costs	102	99	98	94	97	99		-2.3		3.0	-5.0	391
GOP	**41**	**43**	**52**	**65**	**54**	**49**		**10.4**		**-16.3**	**30.9**	**227**
Loan Loans Provisions	30	29	27	27	23	24		-7.4		-17.0	-23.5	124
Pre-tax Income	**34**	**8**	**21**	**42**	**32**	**17**		**84.9**		**-23.1**	**-5.1**	**82**
Net income	**25**	**16**	**25**	**48**	**28**	**12**		**140.1**		**-41.1**	**10.6**	**85.1**
CoR (bps)	83	81	74	73	60	65	NA	-7.3	NM	-17.8	-27.1	80.5
CET1 FL (%)	15.7	16.7	17.2	19.6	19.8	19.6	NA	1.3	NM	1.0	26.1	19.2

NA: not available; NM: not meaningful; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

d'Amico Int'l Shipping (HOLD)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. The key points were:

- DIS' spot rate in 1Q21 was lower by 42.8% vs. an exceptionally strong 1Q20 (-26.9% vs. 1Q19). **TCE earnings amounted to USD 42.8M, about -40.1% yoy** (in line with our estimates); the negative impact was mitigated by a 49.5% fleet contract coverage at an avg. 15,842 USD/day rate;
- **EBITDA was USD 14.2M vs. USD 33.0M in 1Q20.** The strong decrease yoy (-57.1%) was mainly due to the worsening of market conditions; Net result was a USD 9.8M loss (USD 9.3M if excluding EUR 0.4M non-recurring items) vs. EUR 1.5M net profit in 1Q20;
- **Net debt was stable vs. end-December 2020 (USD 562M including IFRS16 effect).** The net debt (ex IFRS16)/fleet market value ratio was 68.5% as at 31 March 2021 vs. 65.9% at YE20 and vs. 64% at YE19 due to a softening in asset values.

What we think: DIS reported weak 1Q21 results, reflecting the still difficult market conditions. However, once again, the group's commercial strategy of maintaining a high proportion of fixed-rate contract coverage allowed DIS to mitigate the effect of the depressed Spot market. According to management, the short-term outlook looks brighter, mainly thanks to unprecedented levels of monetary and fiscal support, which are expected to stimulate the global economic and oil demand recovery. However, the visibility on the timing of the recovery is still very low and with significant divergences across countries and sectors. For instance, we underline that the vehicle miles driven in the US and some countries have been rising almost returning to pre-Covid levels (Source: US Department of Transportation, Federal Highway Administration), spurring gasoline consumption. We recall that our current FY21E estimates incorporate a level of Spot rates and 'Covered' rates at 12,500 USD/day and 15,000 USD/day, respectively, thus embedding a significant rebound in 2H. Longer term, we remain positive on the product tanker market due to strong fundamentals, such as: 1) the closure of older and less competitive refineries (mainly in Europe, the US, Australia and New Zealand). The location of more efficient units, mainly in Asia and the Middle East, should lead to an increase in ton-mile demand for product tankers; and 2) on the supply side, an expected constrained fleet growth. Overall, we believe that DIS could benefit from the potential normalisation of the market environment in 2H21-2022.

d'Amico Int'l Shipping - Key Data

07/05/2021			Shipping
Target Price (EUR)			0.11
Rating			HOLD
Mkt price (EUR)			0.10
Mkt cap (EUR M)			126
Main Metrics ($ M)	**2021E**	**2022E**	**NA**
TCE Earnings	188.2	217.8	NA
EBITDA	77.73	112.0	NA
EPS (USD)	-0.02	0.01	NA
Net debt/-cash	529.9	458.8	NA
Ratios (x)	**2021E**	**2022E**	**NA**
Adj. P/E	Neg.	8.8	NA
EV/EBITDA	8.8	5.5	NA
EV/EBIT	78.1	13.0	NA
Debt/EBITDA	6.8	4.1	NA
Div yield (%)	0	0	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	-6.8	3.7	-6.6
Rel. to FTSE IT All Sh	-6.1	-2.8	-34.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to d'Amico International Shipping

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DIS – 1Q21 results

USD M	1Q19A	1Q20A	FY20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q yoy %	1Q vs. 1Q19A %	FY21E	FY21C
Avg. No. of Vessels	49.4	46.0	43.2	38.8	39.0	-	-0.5	-	-15.7	-21.5	38.2	-
Daily TCE Spot (USD/d)	13,583	17,354	16,771	9,923	9,500	-	4.5	-	-42.8	-26.9	12,500	-
Daily TCE Covered (USD/d)	14,604	15,864	16,429	15,842	15,500	-	2.2	-	-0.1	8.5	15,000	-
Fleet contract coverage (%)	46.4	64.6	61.9	49.5	48.0	-	3.1	-	-23.4	6.7	40	-
Daily TCE Earnings (USD/d)	14,057	16,391	16,560	12,853	12,380	-	3.8	-	-21.6	-8.6	13,500	-
TCE earnings	63.9	71.4	257.8	42.8	43.5	-	-1.6	-	-40.1	-33.1	188.2	188.6
EBITDA	22.4	33.0	127.3	14.2	13.9	-	1.7	-	-57.1	-36.8	77.7	79.1
% on TCE earnings	35.1	46.2	49.4	33.1	32.0	-		-			41.3	41.9
EBIT	5.2	13.9	55.5	-2.3	-3.1	-	NM	-	NM	NM	8.7	8.3
% on TCE earnings	8.1	19.5	21.5	-5.3	NM	-		-			4.6	4.4
Net profit	-5.5	1.5	16.6	-9.8	-10.7	-	NM	-	NM	NM	-22	-19.6

NM: not meaningful; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

EdiliziAcrobatica (BUY)

1Q21 Sales Results

Results. EdiliziAcrobatica reported its 1Q21 top-line result:

- **Top line** advanced by 61.5% to EUR 14.4M vs. EUR 8.9M in 1Q20, thanks mainly to a surge in volumes of services delivered on Italian construction sites, up by 63.9%. The boost in activities was supported by "Bonus Facciate 90%";
- **The France entity** contributed for EUR 0.8M, in line with 1Q20. The company reached 66 employees in the region;
- In 1Q21, the company opened **6 new direct branches** in Italy, reaching **65 units** compared to the 59 at 31 December 2020. For 2021, we expect a total of 13 new direct branches opening in Italy;
- At end-March, EdiliziAcrobatica counted on **a total of 1,098 employees** (both direct and franchisees), a number set to increase considering the intense recruiting process and the company's expansion plans. Management expects at least 400 additional hirings by December 2021;
- No additional data will be reported for 1Q21 as the company issues detailed reports twice a year.

What we think: We view the sales result positively, confirming management's strategy based on a mid double-digit growth. We note that the Bonus Facciate 90% is continuing to drive volumes in Italy (the main market). We recall that in April 2021, the company created a new entity "Energy Acrobatica 110 Srl" to benefit from activities under the so-called "Super Bonus 110%" tax regime related to energy transition and efficiency, not yet included in our estimates. **We confirm our BUY rating and EUR 10.0/share TP**.

EdiliziAcrobatica - Key Data

07/05/2021	Building Maintenance		
Target Price (EUR)			10.0
Rating			BUY
Mkt price (EUR)			7.86
Mkt cap (EUR M)			63
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	63.17	75.74	88.03
EBITDA	7.02	10.23	13.24
EPS (EUR)	0.38	0.65	0.91
Net debt/-cash	7.30	8.26	8.50
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	20.5	12.2	8.7
EV/EBITDA	10.0	7.0	5.4
EV/EBIT	13.6	8.6	6.4
Debt/EBITDA	1.0	0.81	0.64
Div yield (%)	3.4	5.8	8.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	30.6	52.3	74.7
Rel. to FTSE IT All Sh	31.5	42.8	22.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to EdiliziAcrobatica

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Enel (ADD)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. EBITDA decreased reflecting the lower operating performance, a positive one-off posted in 1Q20 (ca. EUR 0.3Bn) and a negative FX impact (EUR 0.17Bn), and broadly in line with our estimates and consensus. The key points of results were:

- **Ordinary EBITDA** declined by around 12.3% yoy due to :1) lower EBITDA at Power Gen & Trading for: i) in Spain, due to the positive one-off posted in 1Q20 and related to changes in the energy discount benefit in Spain; ii) the reduction of margins in Italy, reflecting the commodity trend; and iii) the unfavourable FX effect in Latam; 2) lower EBITDA at Infrastructure & Network, due to: i) the change in the energy discount benefit last year; ii) the negative FX effect in Latam. These negatives were partially offset by the higher margins in Spain and higher tariff in Italy; 3) the decline in the Renewables performance was mostly due to: i) lower margins in Latam, reflecting the higher energy purchased to offset lower produced volumes; ii) negative FX; iii) lower margins in the US due to the adverse weather conditions in Texas. These negatives were partially offset by the higher volumes in Spain and Italy; and 4) lower Retail performance, mostly due to the lower margins in Spain, partially offset by higher margins in Italy;

- **Ordinary net income** declined by around 6% yoy reflecting the lower operating financials, partially offset by much lower net financial charges, and lower minorities;

- **Net debt** increased vs. YE20, mostly due to the unfavorable forex effect and capex (EUR 2.0Bn, improving by around 9% yoy) partially offset by the cash generation;

- **Outlook**. During the conference call, management confirmed its 2021 guidance (EUR 18.7-19.3Bn ordinary EBITDA and EUR 5.4-5.6Bn ordinary net income) as the management believes that the unfavorable forex effect should be more than offset by the operating performance and around EUR 1.7Bn related to the Open Fiber disposal. Enel plans to increase its renewables capacity by around 5.6GW by YE21, 100% of which in execution, and 19.5GW additional capacity target in 2021-23.

What we think: Net of the negative effect of the one-posted in 1Q20, we see this set of results as resilient in a still tough environment affected by the pandemic. The company confirmed that it is committed to renewables development and the activities related to the energy transition. The pandemic and the negative effect on volumes still remain an issue in Latam, in our view. However, some positive signs of a slight recovery were visible, particularly in Brazil. We think that the easing of the pandemic negative effect on volumes could be a trigger for a positive earnings momentum in the next quarters.

Enel - Key Data

07/05/2021			Electricity
Target Price (EUR)			9.7
Rating			ADD
Mkt price (EUR)			8.27
Mkt cap (EUR M)			84051
Main Metrics (€ Bn)	**2021E**	**2022E**	**2023E**
Revenues	84.43	87.47	89.37
EBITDA	18.84	19.73	20.41
EPS (EUR)	0.54	0.58	0.60
Net debt/-cash	46.53	49.89	51.58
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	15.4	14.2	13.8
EV/EBITDA	8.0	7.7	7.4
EV/EBIT	12.6	12.0	11.6
Debt/EBITDA	2.5	2.5	2.5
Div yield (%)	4.6	4.8	5.2
Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.4	-2.1	36.3
Rel. to FTSE IT All Sh	-2.7	-8.3	-4.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Enel – 1Q21 results

EUR M	1Q19A	1Q20A	FY20A	1Q21A	1Q21E	1Q21C	A/E %	A/C %	yoy %	1Q vs 1Q19A %	FY21E	FY21C
EBITDA reported	4,548	4,708	16,816	4,091	4,172		-2		-13	-10	18,841	0
EBITDA (ordinary)	**4,455**	**4,741**	**17,940**	**4,159**	**4,172**	**4,185**	**0**	**-1**	**-12**	**-7**	**18,841**	**18,698**
ITALY	1,922	2,008	8,204	2,098	2,049		2				8,032	
IBERIA	908	1,454	4,413	999	952		5				3,968	
LATAM	1,322	1,072	4,120	897	940		-5				5,583	
EUROPE & North Africa	106	130	512	126	171		-26				526	
North & Central America	240	107	781	63	81		-23				775	
Sub-Saharan Africa & Asia	16	16	56	16	28		-43				107	
Other	-59	-46	-146	-40	-60						-150	
D&A	-2,010	-2,169	-6,656	-1,566	-1,600							
EBIT reported	2,538	2,539	-	2,525	2,572				-1	-1		
EBIT ordinary	2,888	3,141	11,284	2,598	2,572	2,600	1	0	-17	-10	11,941	11,477
NFC	-710	-603	-2,063	-387	-395							
Pre-tax Income (reported)	2,271	2,538	8,097	2,138	2,177	2,169	-2	-1			9,913	9,216
Taxes	-621	-801	-2,541	-643	-653						0	
tax rate	27	32	31	30	30							
Minorities	394	440	1,483	-319	308							
Net Income	1,256	1,297	2,610	1,176	1,216		-3		-9	-6	5,451	
Net Income (ordinary)	**1,159**	**1,297**	**5,197**	**1,214**	**1,216**	**1,197**	**0**	**1**	**-6**	**5**	**5,451**	**5,434**
Adj. EPS (EUR)	0.11	0.13	0.51	0.12	0.12	0.12	0		-6	5	0.54	0.00
Net Debt (EUR Bn)	45,093	46,397	45,415	45,884	45,798	43,920	0		-1	2	46,525	49,675
Dvd/sh paid (EUR)	0.140	0.160	0.358	0.175	0.175	0.175	0		9	25	0.380	0.380

NA: not available; NM: not meaningful; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

IGD (ADD)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. The key points of results were:

- **Net rental income dropped to EUR 26.2M, down by 21% yoy,** mainly affected by a one-off Covid-19 impact and secondly due to Italian malls' like-for-like decrease, attributable to lower temporary rents and marginal higher vacancy;

- **EBITDA declined to EUR 23.6M (-22% yoy)** due to the abovementioned increase in direct costs from rental activities as per the pandemic, in a context of stable G&A and personnel expenses;

- **Net income was equal to EUR 10.3M (-31% yoy),** impacted by the rental sales' downwards dynamic, which were partially offset by lower fair value adjustments and slight financial charges savings;

- **FFO came in at EUR 13.8M (vs. EUR 20.8M posted in 1Q20A),** affected by the EUR 5.4M negative Covid-19 effect amid the restrictions in place in Italy during the entire first quarter, which compares to the March 2020 hard-lockdown in the country. As a result, the **net debt improved by roughly EUR 10M vs. FY20A figures to EUR 1,145M** and the LTV marginally declined to 49.5% (from 49.9% at end-2020).

Business Update. According to the company, in the first six days without restrictions, starting from Monday 26 April, footfalls recovered by 94% with respect to 2019, while the rent collection trend remained positive with more than 95% of 2020 turnover and approximately 75% and 88% of 1Q21 invoices in Italy and Romania collected. As regards the disposal process of the standalone hypermarkets/supermarkets' portfolio, management stated that the company is on track with the timeline projected, which envisages the closing of the transaction between the end of 1H21 and the beginning of the third quarter.

IGD - Key data

07/05/2021			Real Estate
Target Price (EUR)			4.3
Rating			ADD
Mkt price (EUR)			4.16
Mkt cap (EUR M)			458
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	142.5	146.8	150.7
EBITDA	99.81	104.5	112.1
EPRA EPS (EUR)	0.49	0.54	0.60
Net debt/-cash	968.9	948.5	912.2
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	8.4	7.7	6.9
EV/EBITDA	14.3	13.5	12.2
EV/EBIT	38.6	22.3	15.0
LTV (%)	45.86	45.14	43.60
Div yield (%)	3.7	5.4	7.6
Performance (%)	**1M**	**3M**	**12M**
Absolute	14.5	10.7	17.4
Rel. to FTSE IT All Sh	15.3	3.7	-17.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to IGD

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Outlook: Management expects the gradual easing of the restrictions going forward to benefit IGD's operations, despite a date for the reopening of shopping centers, including Sundays and holidays, is still to be determined. A more decisive recovery should be seen in the second half of the year, as anticipated during the FY20A results conference call, with the guidance on 2021 FFO (+3-4% yoy) confirmed for the time being.

What we think: IGD's 1Q21A results came in bang line with our expectations. Positive indications came from the first re-openings' data and we believe the expected restrictions' easing and consequent potential higher consumption would be beneficial for IGD's tenants and the company as well. While we expect a neutral reaction by the stock amid the results' release, **we confirm our ADD rating**.

IGD – 1Q21A results

EUR M	1Q19A	1Q20A	FY20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q yoy %	1Q vs. 1Q19A %	FY21E	FY21C
Gross rental income	38.7	38.4	145.6	36.7	35.4	-	3.7	-	-4.4	-5.2	135.6	-
Services	1.6	1.6	6.3	1.7	1.6	-	5.8	-	6.3	6.3	6.4	-
Trading	0.0	0.0	0.7	0.0	0.0	-	NM	-	NM	NM	0.5	-
Total revenues	**40.4**	**40.0**	**152.6**	**38.4**	**37.0**	**-**	**3.8**	**-**	**-4.0**	**-5.0**	**142.5**	**152**
Operating cost	-6.1	-6.8	-42.7	-12.0	-10.4	-	15.9	-	76.5	96.7	-31.4	-
Non-operating cost	-3.1	-2.9	-11.2	-2.8	-2.8	-	-0.6	-	-3.4	-9.7	-11.3	-
EBITDA total	**31.2**	**30.3**	**98.7**	**23.6**	**23.8**	**-**	**-1.0**	**-**	**-22.1**	**-24.4**	**99.8**	**105.9**
EBITDA margin %	77.2	75.8	64.7	61.4	64.4	-	-4.7	-	-18.9	-20.5	70.0	-
D&A, FV changes and provisions	-4.5	-6.2	-151.0	-4.4	-4.3	-	1.3	-	-29.0	-2.2	-62.8	-
EBIT	**26.6**	**24.1**	**-52.3**	**19.2**	**19.5**	**-**	**-1.5**	**-**	**-20.3**	**-27.8**	**37.0**	**66.7**
NCF	-8.1	-9.0	-36.2	-8.8	-8.9	-	-1.0	-	-2.7	8.6	-35.1	-
Extraordinary items	0.0	0.0	-0.1	0.0	0.0	-	NM	-	NM	NM	0.0	-
EBT	18.6	15.1	-88.6	10.4	10.6	-	-1.9	-	-30.9	-44.1	1.9	-
Taxes	-0.5	-0.1	14.2	-0.1	-0.1	-	0.0	-	-28.6	-80.0	-0.1	-
Minorities	0.0	0.0	0.0	0.0	0.0	-	NM	-	NM	NM	0.0	-
Net income	**18.0**	**14.9**	**-74.3**	**10.3**	**10.5**	**-**	**-1.9**	**-**	**-31.0**	**-42.8**	**1.8**	**-**
Net income adj.	19.7	18.2	63.2	12.3	12.4	-	-0.8	-	-32.7	-37.6	54.6	-
FFO	20.8	20.8	59.3	13.8	13.7	-	0.8	-	-33.7	-33.7	57.0	-
Net debt	1148.6	1153.2	1155.5	1145.4	1146.4	-	-0.1	-	-0.7	-0.3	968.9	1048
LTV %	46.2	47.2	49.9	49.5	49.6	-	-0.2	-	4.9	7.1	45.9	-

NA: not available; NM: not meaningful; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

Leonardo (ADD)

1Q21 Results

Vs. our estimates	Above	In Line	Below

Results. In 1Q21, LDO's results were a bit higher (+8%) than our expectations and double-digit above the consensus at the EBITA level, while positioning close to our expectations at the EBIT and bottom-line level. In detail:

- **Orders and revenues.** With an order intake almost stable yoy (above consensus and roughly in line with our estimates), thanks to a robust performance by Defense Electronic and Security, the group's revenues were up by 7.7% to EUR 2.79Bn in line with our expectations. In 1Q21, the orders and revenues trend were again supported by solid growth in military and governmental business. The improvement vs. 1Q20 (which was impacted by the Covid outbreak) was visible across all business segments except for Aerostructures (-51.3% in revenues), which continued to be penalised by the declines in ATR and B787 production rates;

- **EBITA.** Also at the operating level, in the quarter, LDO delivered an improvement across all the segments except for Aerostructures. 1Q21 EBITA, which was mainly underpinned by Defence Electronics and Security and to a lower extent by Helicopters, reached EUR 95M, exceeding our expectations and consensus. As for Aeronautics, which ended the quarter with an EBITA loss of EUR 13M, slightly better than 1Q20 (EBITA loss of EUR 17M), we highlight that the solid operating trend of Aircrafts (EUR 47M EBITA in1Q21) allowed the company to offset the higher losses of Aerostructures (EUR 46M loss in 1Q21 vs. a 1Q20 loss at EUR 26M);

- **Net result and FCF.** At the bottom-line level, the group's figures were slightly negative and almost close to our estimates. The group's FCF was negative for EUR 1.4Bn, reflecting the usual seasonality of the business. The group's cash availability amounted to EUR 4.2Bn and the group confirmed that no material refinancing in 2021 is needed.

What we think LDO confirmed its previous and recently-announced guidance, which envisages: 1) orders at around EUR 14Bn; 2) revenues at EUR 13.8/14.3Bn; 3) an EBITA at EUR 1,075/1,125M; 4) a FOCF at EUR 100M; and 5) a net debt (pre-Hensoldt acquisition finalisation expected in 2H) at EUR 3.2 Bn.

During the conference call, the CEO stressed the following points:

- While some less pessimistic signs are visible from customers, the group remains cautious on the speed of the recovery of the civil business. The sound outlook for the military and governmental business will continue to offer a strong support both to Helicopters and Defence Electronics. The group expects further EUR 200M orders from Eurofighter over the next two years. As for DRS, the margins expansion is ongoing and is driven by programs entering into the development phase;

- The Hensoldt acquisition has a high industrial and strategic rationale and it allows LDO to establish a long-term presence in the German Defence market. Through the deal, LDO can rely on an enlarged product offer with a good complementarity. We understood that no further external growth is needed in this segment;

- On the other side, LDO is evaluating some potential disposals, such as its automation business and other not specified areas. We are going to monitor the group's future actions on this front;

Leonardo - Key Data

07/05/2021	Aerospace&Defence		
Target Price (EUR)			8.2
Rating			ADD
Mkt price (EUR)			6.98
Mkt cap (EUR M)			4035
Main Metrics (€ Bn)	**2021E**	**2022E**	**2023E**
Revenues	14.09	14.77	15.47
EBITDA	1.62	1.73	1.86
EPS (EUR)	0.83	1.14	1.31
Net debt/-cash	3.22	3.08	2.85
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	8.5	6.1	5.3
EV/EBITDA	4.5	4.1	3.7
EV/EBIT	8.3	6.5	5.6
Debt/EBITDA	2.0	1.8	1.5
Div yield (%)	2.0	2.0	16.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	-2.2	15.7	16.3
Rel. to FTSE IT All Sh	-1.5	8.5	-18.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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- While not under pressure, LDO remains committed to the listing of DRS when market conditions are more favourable;
- The group is actively reviewing its options in Aerostructures, including also some site rationalisations

Conclusion: Although 1Q21 is the smallest contributor to the year, on the back of an overall solid start to the year, in line with the group's budget, **we confirm our ADD stance on LDO.**

LDO - 1Q21 results

EUR M	1Q19A	1Q20A	FY20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q yoy %	1Q vs. 1Q19A %	FY21E	FY21C
Revenues	2,725	2,591	13,410	2,790	2,723	2,678	2.5	4.2	7.7	2.4	14,094	14,020
EBITA	**163**	**41**	**938**	**95**	**88**	**78**	**8.0**	**21.8**	**131.7**	**-41.7**	**1,099**	**1,103**
EBITA%	6.0	1.6	7.0	3.4	3.2	2.9	NM	NM	NM	NM	7.8	7.9
EBIT	156	30	517	75	73	56	2.7	33.9	150.0	-51.9	874	888
EBIT%	5.7	1.2	3.9	2.7	2.7	2.1	NM	NM	NM	NM	6.2	6.3
Net Attrib. Profit	**77**	**-59**	**241**	**-2**	**7**	**-10**	**-130.4**	**-80.0**	**-96.6**	**-102.6**	**451**	483
FOCF	**-1,114**	**-1,595**	**40**	**-1,422**	**-1,473**	**-1,493**	**-3.5**	**-4.8**	**-10.8**	**27.6**	**100**	**109**
Net Debt	4,016	4,396	3,318	4,640	4,791	4,821	-3.2	-3.8	5.6	15.5	3,218	3,270
Orders	2,518	3,421	13,754	3,421	3,400	3,112	0.6	9.9	0.0	35.9	14,001	13,968

NA: not available; NM: not meaningful; A: actual; E: estimates; C: Company-provided consensus; Source: Company data and Intesa Sanpaolo Research

Panariagroup (Tender Shares)

1Q21 Results

Results. The key points of the results were:

- **The group's turnover was EUR 95.9M, +3.7% vs. 1Q20 (affected by the Covid-19 pandemic) and stable vs. 1Q19.** By geography: i) European markets (39% of total sales) showed overall growth of 5%; ii) in the US, sales in EUR were down by 5.9% yoy due to the unfavourable exchange rate vs. 1Q20; iii) on the Italian market the group reported a 21.6% growth vs. 1Q20 (slightly higher than 1Q19 'pre-Covid' levels); and iv) in the other markets, results were in line yoy. **VoP increased by 7% yoy but was down by 2.7% vs. 1Q19;**
- **EBITDA came in at EUR 10.9M in 1Q21A,** registering a double-digit improvement vs. both 1Q20A and 1Q19A, showing the continuation of the path of margin improvement implemented as a reaction to the pandemic (reduction in costs due to savings on structural costs and related to exogenous factors, such as electricity tariffs);
- **The net result positive for EUR 1.4M** (vs. a net loss of EUR 1.7M and EUR 1.1M in 1Q20A and 1Q19A, respectively);
- **The net financial debt was EUR 198.2M** vs. EUR 190.3M posted at YE20 due to seasonally higher receivables in 1Q (net debt was EUR 222.5M in 1Q20);
- **BoD also deemed as fair the consideration of EUR 1.85** for each ordinary share of Panaria tendered in the Offer. The Offer Document will be available today.

What we think: We appreciate that the positive trend that started in 2H20 has continued throughout 1Q21. The policies implemented by the group since 2Q20 have also had a positive effect on margins. On the outlook, management stated that the operating margin should probably be eroded by a likely significant increase in costs of production

Panariagroup - Key Data

07/05/2021			Building Products
Rating			Tender Shares
Mkt price (EUR)			1.84
Mkt cap (EUR M)			83
Main Metrics (€ M)	**2021E**	**2022E**	**NA**
VoP	383.1	396.5	NA
EBITDA	41.84	44.43	NA
EPS (EUR)	-0.02	0.10	NA
Net debt/-cash	200.2	190.8	NA
Ratios (x)	**2021E**	**2022E**	**NA**
Adj. P/E	Neg.	18.0	NA
EV/EBITDA	6.8	6.2	NA
EV/EBIT	47.0	33.7	NA
Debt/EBITDA	4.8	4.3	NA
Div yield (%)	0	0	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.3	66.1	89.5
Rel. to FTSE IT All Sh	1.0	55.6	32.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Panariagroup

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and distribution (e.g. raw materials, energy, transport and services), not factored into our current estimates. The company is evaluating a possible adjustment of its sales price lists to absorb these effects, which could however also lead to a reduction in volumes sold, according to management.

Panariagroup – 1Q21 results

EUR M	1Q19A	1Q20A	FY20A	1Q21A	1Q yoy %	1Q vs. 1Q19A %	FY21E	FY21C
Revenues	96.4	92.5	357.3	95.9	3.7	-0.5	371.2	-
Value of production	102.0	92.7	352.6	99.2	7.0	-2.7	383.1	-
EBITDA	7.4	7.0	37.5	10.9	55.9	47.5	41.8	-
Margin on VoP (%)	7.3	7.5	10.6	11.0			10.9	-
EBIT	-0.9	-1.6	-6.0	2.2	NM	NM	6.0	-
Net income	-1.1	-1.7	-5.8	1.4	NM	NM	-1.0	-
Net debt/-cash	225.7	222.5	190.3	198.2	-10.9	-12.2	200.2	-
Net debt/-cash (excl. IFRS16)	112.5	116.0	87.6	96.1	-17.2	-14.6	NA	-

NA: not available; NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Recordati (HOLD)

1Q21 Results and 2023 Targets

Vs. our estimates	Above	In Line	Below

Results. The key points of results were:

- **1Q21A profitability as expected:** the company released yesterday during market session the 1Q21A profitability figures (revenues were already released in April), which were in line with our forecasts and consensus for recurring EBITDA and EBIT and slightly below forecasts for the bottom line, mainly due to EUR 3.7M FX losses. We note that in spite of the weaker top line the group rec. EBITDA margin yoy decline remained limited (-130bps), mainly thanks to the reduced expenses consistent with the restrictions imposed by the pandemic. No surprises emerged below the EBITDA line except for the unrealised FX losses, which negatively impacted the bottom line. Net debt at 31 March declined slightly to EUR 852.6M vs. EUR 865.8M at end-2020: consider that in 1Q21 the group cash out for acquisitions/milestones amounted to approx. EUR 53M, while treasury shares purchases amounted to EUR 43.2M;

- **2021 outlook:** 2021 guidance was confirmed at revenues in the EUR 1.57-1.62Bn range, with an EBITDA in the EUR 600-620M range, corresponding to an EBITDA margin of around 38.2%. According to management, the main 2021 top line assumptions concern: a low-mid single digit organic growth, a contribution from the recently acquired Eligard for approx. EUR 70M, a high double-digit growth for the rare diseases business driven by Isturisa, Cystadrops, Ledaga and Juxtapid and a negative FX impact of around 2%. The EBITDA margin decline compared to the 39.3% posted in 2020 should be mainly attributable to the consolidation of Eligard, which is expected to show a 2021 EBITDA margin at around 30%, due to some transition costs. At regime by 2022, Eligard is planned to reach an operating profitability in line with that of the group's SPC (Specialty & Primary Care) business (37.3% in 2020). We remind that 2021 targets excluded possible acquisitions;

- **2023 targets with acquisitions**: the group also said that by 2023 the revenue target including acquisitions are in the EUR 1.9-2.0Bn range with an EBITDA in the EUR 720-760M range (38% margin). The top line growth should be and driven by a ca. 6% 2020-23CAGR for the current portfolio of the Specialty and Primary Care business (approx. 78% of cons. revenue in 2020) and a ca. 15% 2020-23 CAGR for the current

Recordati - Key Data

07/05/2021	Pharmaceuticals		
Target Price (EUR)	Under Review		
Rating	HOLD		
Mkt price (EUR)	44.47		
Mkt cap (EUR M)	9300		
Main Metrics (€ M)	**2020E**	**2021E**	**2022E**
Revenues	1,475.4	1,640.1	1,695.3
EBITDA	571.6	643.1	671.2
EPS (EUR)	1.69	1.87	1.94
Net debt/-cash	820.5	1,090.1	886.3
Ratios (x)	**2020E**	**2021E**	**2022E**
Adj. P/E	26.3	23.7	22.9
EV/EBITDA	17.7	16.2	15.2
EV/EBIT	21.1	19.6	18.6
Debt/EBITDA	1.4	1.7	1.3
Div yield (%)	2.3	2.4	2.5
Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.7	-0.9	11.5
Rel. to FTSE IT All Sh	-3.0	-7.1	-21.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Rare Diseases portfolio (22% of 2020 cons. rev.). According to our calculations, the contribution from potential acquisitions/in licensing, which should focus on late stage products in therapeutics/geographical areas where the group can leverage on its current structure and expertise, should be in the EUR 200-250M range out of a total revenue growth target of EUR 450-550M by 2023 vs. EUR 1.49Bn in 2020. Management also said that, including the impact of acquisitions, the net debt/EBITDA ratio is expected to stay in the 1.5x-1.8x range, depending on the structure and timing of possible deals.

What we think: 1Q21 results and 2021 targets were in line. As for the announced 2023 targets, according to our calculations that assume a possible cash out for acquisitions in the EUR 700-900M range over the 2021-23 period, we believe that the external growth strategy could be value accretive for approx. 5% for the company. We would also note that an execution risk is present, even if last years' track record bodes well for management's ability to achieve the planned targets. We confirm our HOLD rating on the stock.

Recordati - 1Q21 results

EUR M	1Q20A	FY20A	1Q21A	1Q21E	1Q21C	1Q A/E %	1Q A/C %	1Q yoy %	FY21E	FY21C	FY yoy %
Sales	429.2	1,448.9	384.8	384.8	384.8	0.0	0.0	-10.4	1,640.1	1,591.1	13.2
rec. EBITDA	172.9	569.3	150.0	150.1	149.8	0.0	0.1	-13.2	643.1	611.0	13.0
% on sales	40.3	39.3	39.0	39.0	38.9	-	-	-	39.2	38.4	-
EBITDA	170.9	562.7	NA	150.1	-	NA	NA	NA	643.1	NA	14.3
% on sales	39.8	38.8	-	39.0	-	-	-	-	39.2	-	-
EBIT	148.4	469.0	124.9	123.4	124.8	1.2	0.1	-15.9	531.1	510.3	13.2
% on sales	34.6	32.4	32.5	32.1	32.4	-	-	-	32.4	32.1	-
Pre-tax profit	145.5	459.8	116.0	119.0	NA	-2.5	NA	-20.3	509.0	NA	10.7
Net profit	111.2	355.0	89.9	91.6	95.6	-1.9	-6.0	-19.1	392.0	387.0	10.4

NA: not available; NM: not meaningful; A: actual; E: estimates; C: [INSERT] consensus; Source: Company data and Intesa Sanpaolo Research

Company News

Atlantia (HOLD)

Collar Financing on Hochtief Repaid

Market Mover	Positive	Neutral	Negative

What's up? Atlantia has announced the reimbursement of the EUR 752M collar financing linked to the stock loan agreement entered into with Goldman Sachs and related to the Hochtief shares acquired in 2019 in correspondence with the Abertis transaction. The debt has been repaid through the selling of 5.6M Hochtief shares (8%), so that ATL's stake in Hochtief is now reduced to 15.9% from 23.9%. Both the stock loan agreement and the collar associated to the transaction signed with Goldman Sachs are now extinguished. The remaining Hochtief stake is worth approx. EUR 1.3Bn at the current market price of EUR 79/sh vs. the EUR 146.42/sh paid by ATL at the time of the Abertis deal.

What we think: The loan reimbursement helps ATL holding to lower its debt which, including the cash-inflow related to the disposal of 49% of Telepass, decreases to approx. EUR 4Bn.

Atlantia - Key Data

07/05/2021			Motorways
Target Price (EUR)			17.2
Rating			HOLD
Mkt price (EUR)			16.25
Mkt cap (EUR M)			13419
Main Metrics (€ Bn)	**2020E**	**2021E**	**2022E**
Revenues	7.93	10.08	10.75
EBITDA	4.31	6.01	6.58
EPS (EUR)	-1.12	0.89	1.42
Net debt/-cash	39.75	35.16	34.75
Ratios (x)	**2020E**	**2021E**	**2022E**
Adj. P/E	Neg.	18.2	11.5
EV/EBITDA	14.7	9.5	8.6
EV/EBIT	NM	23.0	17.2
Debt/EBITDA	9.2	5.9	5.3
Div yield (%)	0	5.5	6.0
Performance (%)	**1M**	**3M**	**12M**
Absolute	3.4	2.3	23.3
Rel. to FTSE IT All Sh	4.1	-4.1	-13.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Azimut (ADD)

Acquisition of a Minority Stake in P101 SGR

Market Mover	Positive	Neutral	Negative

What's up? Yesterday Azimut announced the acquisition, through a capital increase, of a 30% stake in P101 SGR, the second most active operator within the Italian venture market. The deal, strengthening the partnership started in January 2020, aims at developing a European investment platform in order to select the most innovative companies and provide them with financial tools to support the different stages of growth, from the early stages to international competition.

What we think: The abovementioned partnership further confirms Azimut's focus on Private Markets and real economy, which represent a cornerstone of its strategy (with at least 15% of total assets in alternative products targeted by the company).

Azimut - Key data

07/05/2021			Asset Gatherers
Target Price (EUR)			22.9
Rating			ADD
Mkt price (EUR)			20.08
Mkt cap (EUR M)			2877
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Tot net revenues	642.9	675.6	714.6
Operating profit	390.8	416.0	447.5
Net income	316.8	333.1	356.5
Cust assets (€ Bn)	72.67	78.12	83.72
Ratios (%)	**2021E**	**2022E**	**2023E**
Adj. P/E (x)	10.3	9.8	9.2
P/tot cust assets	4.0	3.7	3.4
NP/tot cust assets	0.48	0.44	0.44
Div ord yield	5.0	5.0	5.0
Performance (%)	**1M**	**3M**	**12M**
Absolute	2.9	3.4	33.6
Rel. to FTSE IT All Sh	3.6	-3.1	-6.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Market Mover: The indicators Positive/Neutral/Negative are the analysts' view on the market's possible reaction to the news in question.
Intesa Sanpaolo's fundamentals-based 12-month rating can be found in the key data table in the comment.

Eni (HOLD)

Cooperation with Equinor for Renewables' Development

Market Mover	Positive	Neutral	Negative

What's up? Through a press release, the company has announced that through Vårgrønn, the Norwegian renewable energy company established by HitecVision and Eni, it has signed a collaboration agreement with Equinor to jointly prepare and submit an application to the Norwegian authorities to develop floating offshore wind at Utsira Nord west off Utsira and Haugalandet in the Norwegian North Sea. The Norwegian Ministry of Petroleum and Energy has opened two areas for offshore renewables (Utsira Nord and Sørlige Nordsjø II), and the authorities are currently working on the licensing process.

What we think: This move is within the context of the decarbonization strategy. We do not see any major impact on the share price in the short term.

Eni - Key Data

07/05/2021			Oil & Gas
Target Price (EUR)			9.9
Rating			HOLD
Mkt price (EUR)			10.33
Mkt cap (EUR M)			37256
Main Metrics (€ Bn)	**2021E**	**2022E**	**2023E**
Revenues	72.65	77.37	78.78
EBITDA	13.49	15.21	16.20
EPS (EUR)	0.42	0.57	0.64
Net debt/-cash	15.82	14.79	14.55
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	24.8	18.0	16.2
EV/EBITDA	3.4	2.9	2.7
EV/EBIT	7.8	6.1	5.5
Debt/EBITDA	1.2	0.97	0.90
Div yield (%)	5.7	6.9	7.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	-1.4	19.9	22.6
Rel. to FTSE IT All Sh	-0.7	12.4	-14.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Finecobank (HOLD)

April Net Inflows

Market Mover	Positive	Neutral	Negative

What's up? In April, Finecobank reported a total net inflow of EUR +949M, resulting from EUR +904M AuM (of which EUR +888M in guided products), EUR +668M AuC and EUR -622M direct deposits. YTD total net inflow was EUR +4.26Bn, with EUR +2.77Bn AuM, EUR +1.43Bn AuC and EUR +50M direct deposits. Total customers' assets amounted to EUR 98.59Bn (of which EUR 49.52Bn AuM) at end-April, increasing from EUR 97.05Bn (of which EUR 48.02Bn AuM) at end-March, also thanks to a positive performance effect. Fineco Asset Management (FAM) recorded EUR +513M retail net sales in the month, reaching EUR 18.6Bn AuM, of which EUR 12.1Bn retail (+48% yoy) and EUR 6.5Bn institutional class (+30% yoy). Brokerage revenues were estimated by the company at EUR 17M (-22% yoy) in April, leading to approximately EUR 82M YTD (-4% yoy), and new clients were around 10k (+39% yoy).

What we think: Total net inflows were solid in April, benefiting from a strong AuM contribution (EUR +904M, representing 95% of monthly total net inflows, compared to EUR +664M in April 2020), which more than offset a significant decrease in direct deposits, reflecting the effectiveness of the company's switch strategy. April data showed a good asset mix and resilient brokerage revenues, despite lower market volatility and volumes vs. the previous months, thanks to client base's enlargement.

Finecobank - Key data

07/05/2021			Asset Gatherers
Target Price (EUR)			14.5
Rating			HOLD
Mkt price (EUR)			14.06
Mkt cap (EUR M)			8554
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Tot net revenues	776.8	821.4	863.4
Operating profit	494.8	529.8	563.6
Net income	319.0	341.6	360.6
Cust assets (€ Bn)	99.66	107.8	115.4
Ratios (%)	**2021E**	**2022E**	**2023E**
Adj. P/E (x)	28.4	26.5	25.0
P/tot cust assets	8.6	7.9	7.4
NP/tot cust assets	0.31	0.31	0.31
Div ord yield	2.5	2.7	2.9
Performance (%)	**1M**	**3M**	**12M**
Absolute	1.6	-3.7	50.1
Rel. to FTSE IT All Sh	2.3	-9.7	5.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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SeSa (BUY)

Feedback from Roadshow

What's up? We hosted SeSa in a road-show with French clients. The key take-aways from the meetings were:

- Management confirmed **the group's positive momentum and outlook in the medium term** also in the light of an IT market that is expected to significantly rebound in 2021-22. Indeed, the Italian IT market should grow at a yearly average growth rate of around +6% (Source: Sirmi), driven by the main digital innovation trends such as Cloud, Security, Analytics, Cognitive, Collaboration, areas in which the group has evolved its offering in the last few years;
- The group's healthy organic growth was further **boosted by a strong M&A activity**. We recall that starting from January the group has managed to complete twenty deals aimed at enriching its human capital in various fast-growing areas (additional contribution on revenues of approximately EUR 175M, 1,025 new human resources and an expected average EBITDA margin of over 11%). Consistent with previous transactions, deals have gone through at attractive multiples (below 5x EBITDA), in our view;
- As regards external growth, management also highlighted **the positive performance of the acquired companies once they became part of SeSa's universe**. Management stated that it forecasts further investments in M&A in 2H21-2022. Furthermore, management did not exclude that some of the next potential deals could strengthen the group's presence abroad, with a particular focus on the DACH region;
- Management also confirmed its **guidance for revenues** up by about 15% and **EBITDA u**p by about 30% in FY20/21 (period ending 30 April 2021) and revenues up by approximately 10% and EBITDA up by approximately 20% in FY21/22;
- In terms of **ESG**, a recent EGM not only approved the establishment of a unitary board system but also an amendment to the articles of association aimed at orienting management's efforts towards pursuing sustainable growth for the benefit of all stakeholders. We recall that SeSa is in the process of obtaining a B Corp certification.

What we think: We think the group has demonstrated its ability to aggregate a large number of small players, a process that will continue in the coming years targeting international markets as well. **We reiterate our positive stance on the stock**, as we appreciate the group's resilient business profile in this market context, its unique competitive positioning, thanks to its strategic partnerships with global IT players, its focus on value-added business lines and its strong exposure to industrial and service companies. Lastly, we recall that external growth should remain a key pillar of the group's growth path, to be further exploited in the coming quarters.

SeSa - Key Data

07/05/2021			IT Services Provider
Target Price (EUR)			130.4
Rating			BUY
Mkt price (EUR)			119.60
Mkt cap (EUR M)			1853
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	2,027.5	2,241.5	2,482.8
EBITDA	123.9	145.9	164.4
Adj. EPS (EUR)	3.70	4.55	5.37
Net debt/-cash	-74.52	-93.87	-119.9
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	32.3	26.3	22.3
EV/EBITDA	14.9	12.6	11.0
EV/EBIT	21.4	17.2	14.5
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0.9	1.1	1.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	10.9	16.1	155.0
Rel. to FTSE IT All Sh	11.7	8.8	78.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SeSa

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Telecom Italia (BUY)

Single Network Saga

Market Mover	Positive	Neutral	Negative

What's up? Yesterday, Bloomberg reported that the government led by Mario Draghi abandoned the project to create a single national fiber network majority-owned by TIM, as envisaged by the MoU signed by TIM and CDP last year and backed by the former government. The government would reportedly be planning competitive tenders in multiple areas to boost competition among carriers and employ a wider set of technologies including 5G. Such a solution would be prompted by the EU's request to foster competition as it allocates EUR 6.3Bn from the Recovery Plan to the national ultrabroadband roll-out. Bloomberg's rumours followed yesterday's article published by La Repubblica saying that the Recovery Plan submitted to the European Commission mentions a plurality of ultrabroadband networks which would definitively remove the scenario of a single network company. Yesterday, after market hours, TIM reacted to the press rumours saying that these interpretations were "inappropriate and unsubstantiated", adding that it will file a compliant with Consob and commenting that the relationship between the Recovery Plan and possible aggregations of companies were misunderstood given that "these aggregations are included among market operations exclusively subject to the will of the companies involved and their shareholders". This statement echoes what Minister Colao reported in a recent interview with La Repubblica where he said that the state should be "an arbiter rather than a player". Among the potential alternative scenarios reported by today's press, Il Sole 24 Ore and other newspapers reiterate the launch of tenders to roll-out grey areas and the possibility of a consortium among the telecom operators to avoid an overlap of infrastructures. La Stampa mentions that TIM could even evaluate to renounce the majority ownership of a single network company, a scenario which we consider unrealistic.

What we think: Pending an official statement which could definitively clarify these rumours, we note that CDP's BoD is up for renewal, which further complicates the picture. Moreover, we argue that it is tough to assess the valuation assigned to Open Fiber by Macquarie and CDP without considering the synergies of a merger with TIM's network. That said, under the scenario of no single network company, the competition risk for TIM would remain intact, which is negative especially ahead of Iliad's launch of its fixed-line offer.

Telecom Italia - Key Data

06/05/2021	Telecom Services		
Target Price (EUR)			0.57
Rating			BUY
Mkt price (EUR)			0.45
Mkt cap (EUR M)			9662
Main Metrics (€ Bn)	**2020E**	**2021E**	**2022E**
Revenues	15.73	15.56	15.77
EBITDA	6.82	6.82	6.91
EPS (EUR)	0.04	0.04	0.05
Net debt/-cash	23.86	22.95	23.49
Ratios (x)	**2020E**	**2021E**	**2022E**
Adj. P/E	12.4	10.5	9.7
EV/EBITDA	5.0	4.9	4.9
EV/EBIT	15.6	14.6	14.2
Debt/EBITDA	3.5	3.4	3.4
Div yield (%)	2.2	2.2	2.2
Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.0	16.8	26.1
Rel. to FTSE IT All Sh	-2.5	9.6	-10.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Unicredit (ADD)

Conference Call Feedback

Market Mover	Positive	Neutral	Negative

What's up? During the conference call on 1Q21 results, the main questions were on NII and the cost of risk evolution, while all the matters regarding strategy, M&A and capital distribution were postponed to the business plan presentation envisaged in 2H21. The main take-aways were as follows:

- **Initial statement by Mr Orcel.** Mr Orcel (Unicredit's new CEO) stated that he will focus on 3 elements: 1) clients; 2) technology; and 3) reduction of complexity. He targets to achieve a profitability above the COE across the cycle (level not defined). He highlighted that Unicredit will need time to relaunch and reinforce its business. He thinks that M&A is not a purpose in itself, but it is an accelerator of strategic outcome;
- **Outlook and guidance**: In FY21, the company expects: 1) revenues at approx. EUR 17.1Bn (in line with the company-gathered market consensus, but below the previous guidance of EUR 17.7Bn), with headwinds on NII and tailwinds on fees (mainly on transaction fees) and trading income; 2) operating costs in line with FY19 (EUR 9.9Bn, confirmed); cost of risk below 70bps (from the previous guidance of 70bps) and underlying cost of risk below 60bps (from the previous 60bps guidance), implying underlying LLP < EUR 2.7Bn, and possibly even less; 3) systemic charges at EUR 1Bn (from EUR 0.95Bn expected); 4) underlying net income broadly in line with the previous guidance of >EUR 3Bn; 5) MDA buffer above 400bps; 6) regulatory headwinds well-below 140bps (from below 140bps); and 7) Yapi to remain non-core;
- **Gloomy outlook for NII.** NII continues to be Unicredit's Achilles' heel. After a -3.1% qoq reported in 1Q21, the company still expects headwinds to impact the NII in the next quarters, before starting to improve with the economic recovery, the increase in the company's risk appetite and the relocation of the high liquidity (over EUR 100Bn deposited in ECB, out of total EUR 107Bn TLTRO III). Headwinds impacting the NII relate to: 1) lower customer rates across all the divisions and in particular in Italy, where the guaranteed loan average rate is 1% vs. 2% of the back book; 2) low clients' appetite for loans (mainly in CIB) due to the high liquidity available for corporates; and 3) the company's limited risk appetite. On the other hand, the expected reduction of the financial portfolio contribution should be offset by the reduction in the cost of funding (EUR 12.7Bn TLTRO III additional take-up in March 2021);
- **Potential positive newsflow from the cost of risk.** Asset quality remained stable in the quarter and the 30bps qoq increase in the gross NPE ratio was entirely due to the application of the new DoD (already provisioned in 4Q21). The positive evidence from the matured loans under moratoria allowed the company to improve its cost of risk guidance to below 70bps, and management seems rather confident to be able to beat this target. Note that Unicredit posted EUR 2.2Bn overlay provisioning in FY20, which will be partially used in FY21 (for an undisclosed amount), thus limiting the cost of risk in the year.

What we think: We believe that NII remains the negative issue that will penalise the company's profitability. On the other hand, M&A and capital distribution will be crucial for the rerating of the stock. Although Mr Orcel did not disclose any figures concerning its expectations, targeting a profitability above the cost of equity across the cycle supports our positive stance on the stock, which is currently trading at only 0.38x its 2021E TBV, despite a solid capital base (over 14% in 2021E), a gross NPE ratio at 2.8% (in line with the European average, based on EBA definition) and a potential 6% total dividend yield in 2021 (including both ordinary and extraordinary dividend component, still to be approved by the ECB). **ADD and TP EUR 10.1/sh**.

Unicredit - Key data

07/05/2021			Banks
Target Price (EUR)			10.1
Rating			ADD
Mkt price (EUR)			9.29
Mkt cap (EUR M)			20713
Main Metrics (€ Bn)	**2021E**	**2022E**	**2023E**
Revenues	17.56	17.68	18.01
Gross op income	7.65	7.80	8.09
EPS (EUR)	0.91	1.17	1.50
TBVPS (x)	24.2	25.5	27.3
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	10.2	7.9	6.2
P/TBV	0.38	0.36	0.34
RoTE (%)	5.1	6.0	7.0
CET1 FL (%)	14.1	13.7	13.4
Div yield (%)	4.3	5.0	6.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	3.1	9.8	40.7
Rel. to FTSE IT All Sh	3.8	2.9	-1.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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New Credit Research

Italgas

Credit Research
06/05/2021

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1Q21 in Line with Consensus; Awaiting the New BP

Credit View NEUTRAL. Italgas reported solid 1Q21 results, broadly in line with Bloomberg consensus, driven both by regulated activities and cost efficiencies. Net debt improved vs. year-end 2020, benefitting from positive seasonality on working capital. The company plans to present its 2021-27 business plan in June. We confirm a HOLD recommendation on Italgas' bonds.

Stellantis

Credit Research
06/05/2021

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2021 Guidance Confirmed after 1Q Sales Beat

Credit View NEUTRAL. Stellantis' 1Q21 sales were above Bloomberg consensus estimates, reflecting both robust consumer demand and improved pricing and mix across most regions, despite the negative impact on production due to the semiconductor shortage. Stellantis also confirmed its 2021 guidance, pointing to a recovery in credit metrics vs. 2020 (but still below the 2019 pro-forma pre-pandemic level), driven by North America (new Jeep launches, strong pricing and mix), as well as cost synergies, partly offset by production losses from semiconductor shortages, one-off integration costs, and raw materials cost inflation. We confirm our NEUTRAL Credit View and HOLD recommendation on Stellantis' bonds.

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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.intesasanpaolo.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:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (i.e. holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

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

In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

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 (12M)

This report is a compendium report or may include excerpts from previously published reports: in this report, we confirm the ratings and target prices assigned in the latest company reports (or alternatively such ratings and target prices may be placed Under Review). The 12M rating and target price history chart(s) for the companies included in this report can 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.

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

Intesa Sanpaolo Research Rating Distribution (at 12 April 2021)

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)(*)	46	27	26	1	0
of which Intesa Sanpaolo's Clients (%) (**)	82	71	64	100	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)

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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