

Daily Note

Calls from Italy

On Our Radar: Today's Newsflow

Positive	Negative
Unicredit; Snam; Recordati; Amplifon; Mediobanca; De' Longhi; Brembo; Leonardo; Azimut	Banco BPM; Saipem

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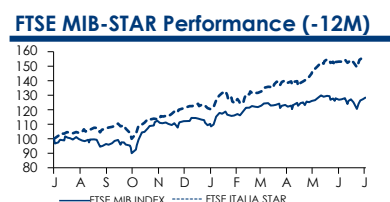
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Italy/Equity Market

Stock Markets: Performance				
Chg (%)	1D	3M	6M	12M
FTSE All Share	0.9	5.3	19.0	29.3
FTSE MIB	1.0	5.1	18.3	28.3
FTSE IT Star	0.2	13.0	30.8	56.6
Euro Stoxx 50	0.3	5.4	16.1	18.6
Stoxx Small 200	0.2	6.6	18.6	38.0
NASDAQ	0.1	4.9	13.1	40.2
S&P 500	0.4	4.9	19.0	35.6

FTSE MIB Best & Worst: 1D% chg			
STM	5.6	Amplifon	-1.7
Stellantis	3.4	INWIT	-1.0
FincoBank	3.1	Recordati	-1.0

Euro Stoxx Best&Worst Sectors -1D %			
B Resources	2.4	Travel/Leisure	-0.5
Auto&Parts	2.0	Telecom	-0.5
Media	1.8	Chemicals	-0.4



Source: FactSet;

Upcoming Intesa Sanpaolo Events			
What?	Where?	When?	
Italian Equity Week*	Virtual	7-9 September	
ISMO Milan	Virtual	28-30 September	
STAR Conference*	Virtual	12-13 October	

*Borsa Italiana

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Report 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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New Research

Prysmian (BUY)

Company Flash: BUY (from ADD); New TP EUR 36.2/share

	Rating ▲	TP (€/sh) ▲	2021E EPS (€) ▲	2022E EPS (€) ▲	2021C EPS (€)	2022C EPS (€)
Current	BUY	36.2	1.344	1.632	1.343	1.645
Previous	ADD	34.5	1.242	1.551	-	-

Source: Intesa Sanpaolo Research estimates and FactSet consensus

Following a solid 2Q21, which beat market expectations at the adjusted EBITDA level, the improvement in the company's guidance enhances our confidence on Prysmian's equity story. We view the upper part of the new range guidance as achievable and we raise our 2021-22E earnings outlook by 8.2% and 5.3%, respectively. The group's stronger prospects ahead should help the stock to recover the YTD underperformance vs. its sector peers: we think the valuation now looks more appealing suggesting an upside potential of about 20%. With a target price at EUR 36.2/sh, we upgrade the stock from ADD to BUY.

Prysmian - Key Data

30/07/2021	Capital Goods		
Target Price (EUR)	36.2		
Rating	BUY		
Mkt price (EUR)	30.06		
Mkt cap (EUR M)	8060		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	12.00	12.72	13.15
EBITDA	0.937	1.04	1.10
EPS (EUR)	1.34	1.63	1.86
Net debt/-cash	1.79	1.63	1.42
Ratios (x)	2021E	2022E	2023E
Adj. P/E	22.4	18.4	16.2
EV/EBITDA	11.2	9.5	8.7
EV/EBIT	17.2	14.0	12.2
Debt/EBITDA	1.9	1.6	1.3
Div yield (%)	1.8	2.0	2.2
Performance (%)	1M	3M	12M
Absolute	-1.9	15.3	36.7
Rel. to FTSE IT All Sh	-2.6	9.4	5.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Previews

A2A (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We expect A2A to report growing EBITDA in 2Q21E at EUR 280M, up by 23% yoy, thanks to a supportive energy scenario and contribution from M&A. In detail: 1) Generation and Trading should increase by 60% yoy thanks to higher production volumes and greater electricity prices, and a positive contribution from ancillary services, with higher costs related to hydro concession fees and gas, as well as last year's hedging policies, partly counterbalancing the positive performance; 2) Networks should improve by 21%, mainly due to district heating and consolidation of AEB; 3) Waste division should benefit from a positive price/volume mix evolution trend, higher power prices at WTEs and M&A; and 4) Market's EBITDA should increase reflecting higher gas and electricity volumes sold, due to the colder temperatures in the quarter vs. the same period of last year and the absence of Covid-19 related hard-lockdowns in Italy, and a broader customer base on free market. We forecast 2Q21E EBIT rising by 28% yoy to EUR 109M, benefitting from the higher EBITDA, despite increasing D&A. We estimate 2Q21E net income at EUR 55M, up by 30% yoy, thanks to the better operating performance and marginal lower financial charges, partially offset by minorities' and taxes' expansion. We see net debt at end-June reaching EUR 3.76Bn (from EUR 3.47Bn posted both in 2020A and 1Q21A), worsening due to investments' acceleration (almost doubling yoy at EUR 250M in 2Q21E) and dividends paid in late May.

What we think: We note that our current expectations on FY21E do not factor in the company's higher guidance on EBITDA (provided during 1Q21A results) yet, which currently points to a range of EUR 1,230-1,250M by the end of the year. Given the positive commodity prices environment we do not exclude a further upwards revision of 2021 targets, while we do not expect any material surprises from the results' release.

A2A - Key Data

29/07/2021	Multi-Utilities		
Target Price (EUR)	1.68		
Rating	BUY		
Mkt price (EUR)	1.81		
Mkt cap (EUR M)	5685		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	7,446.6	7,590.0	8,091.2
EBITDA	1,205.5	1,343.2	1,478.4
EPS (EUR)	0.10	0.11	0.11
Net debt/-cash	3,874.4	4,268.1	4,790.0
Ratios (x)	2021E	2022E	2023E
Adj. P/E	19.1	16.7	16.0
EV/EBITDA	8.3	7.8	7.4
EV/EBIT	17.9	16.6	16.7
Debt/EBITDA	3.2	3.2	3.2
Div yield (%)	4.5	4.7	4.8
Performance (%)	1M	3M	12M
Absolute	3.5	13.5	47.8
Rel. to FTSE IT All Sh	3.3	9.5	15.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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A2A - 2Q21/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	2Q yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
EBITDA reported	254	228	559	1,204	280	-	-	22.8	10.2	679	-	-	1,205	1,235
EBITDA ordinary	252	223	553	1,191	280	-	-	25.6	11.1	679	-	-	1,205	
o/w Generation & Trading	60	40	98	270	64	-	-	59.5	5.9	154	-	-	214	
o/w Networks	89	81	220	456	98	-	-	21.2	10.0	255	-	-	492	
o/w Waste	57	66	144	282	74	-	-	12.2	30.0	160	-	-	299	
o/w Market	56	50	113	220	54	-	-	7.9	-3.7	124	-	-	230	
o/w Corporate & Services	-8	-9	-16	-24	-10	-	-	11.1	19.0	-14	-	-	-30	
D&A	-123	-133	-264	-555	-166	-	-	24.8	35.0	-322	-	-	-600	
Provisions & write-downs	-1	-10	-14	-99	-5	-	-	-50.0	400.0	-11	-	-	-42	
EBIT	130	85	281	550	109	-	-	28.3	-16.2	346	-	-	563	568
Net financial charges	-41	-21	-39	-81	-18	-	-	-16.4	-57.2	-30	-	-	-88	
Affiliates & extr. Items	0	1	1	0	0	-	-	-100.0	NM	0	-	-	0	
EBT	89	65	243	469	91	-	-	40.7	2.7	316	-	-	474	492
Tax	-28	-20	-78	-99	-29	-	-	46.4	4.6	-101	-	-	-152	
Tax rate %	31.4	30.8	32.1	21.1	32.0	-	-	4.0	1.8	32.0	-	-	0	
Net income	61	45	165	370	62	-	-	38.2	1.9	215	-	-	322	
Minorities & Disc.	1	-3	-11	-6	-8	-	-	150.0	-850.0	-25	-	-	-24	
Operations														
Group net income	62	42	154	364	55	-	-	30.3	-11.9	191	-	-	298	313
Group net income adj.	62	42	154	300	55	-	-	30.3	-11.8	191	-	-	298	
Capex	143	127	250	738	250	-	-	96.9	74.8	405	-	-	1,100	1,086
Net debt	3,116	3,433	3,433	3,472	3,762	-	-	9.6	20.7	3,762	-	-	3,874	3,977

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

Aeffe (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We expect revenues to increase by around 17.4% yoy in 2Q21E (EUR 50.1M revenues vs. EUR 42.7M in 2Q20A; -29.5% vs. 2Q19A), totalling EUR 130.2M in 1H21E (+9.5% yoy). Given Aeffe's costs structure, we estimate for 1H21E a EUR 13.3M EBITDA with a 10.2% margin; we assume EUR 13.2M D&A and therefore EBIT at around break-even (EUR 0.1M vs. EUR -12.8M in 1H20A) and a EUR 4.5M net loss (vs. EUR 10.9M net loss in 1H20A). With reference to the financial position, we expect a net debt, including the IFRS 16 effect, of EUR 145M vs. EUR 141M in FY20A, due to a seasonality effect.

What we think: Overall, we think that in 2Q21 Aeffe's business should have accelerated the recovery started in 1Q21. In fact, while we expect sales to still have suffered from the lack of tourists' purchases and the fact that most shops remained closed until the end of May, we believe that: i) the reopening of shops should have led to a visible recovery in June with reference to the retail channel; and ii) the wholesale channel should have benefitted from the start of the shipment of Fall-Winter 2021 orders. In this regard, we recall that the company's FW21 orders collection had shown a good performance (+12% yoy), with Moschino confirming its position as Aeffe's most attractive brand.

Aeffe - Key Data

29/07/2021	Branded Goods		
Target Price (EUR)	1.65		
Rating	ADD		
Mkt price (EUR)	1.60		
Mkt cap (EUR M)	172		
Main Metrics (€ M)	2021E	2022E	NA
Revenues	298.0	317.4	NA
EBITDA	25.77	33.01	NA
EPS (EUR)	-0.01	0.01	NA
Net debt/-cash	133.7	118.3	NA
Ratios (x)	2021E	2022E	NA
Adj. P/E	Neg.	NM	NA
EV/EBITDA	13.1	9.8	NA
EV/EBIT	NM	53.6	NA
Debt/EBITDA	5.2	3.6	NA
Div yield (%)	0	0	NA
Performance (%)	1M	3M	12M
Absolute	-0.6	33.6	77.0
Rel. to FTSE IT All Sh	-0.9	28.9	38.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Aeffe

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Aeffe - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Revenues	71.1	42.7	118.9	269.1	50.1	-	-	17.4	-29.5	130.2	-	-	298.0	296.0
EBITDA	0.0	-80	0.6	4.5	-0.8	-	-	NM	NM	13.3	-	-	25.8	25.4
EBITDA margin (%)	0.1	NM	0.5	1.7	NM	-	-	-	-	10.2	-	-	8.7	8.6
EBIT	-6.7	-14.6	-12.8	-24.6	-7.6	-	-	NM	NM	0.1	-	-	-1.2	-1.9
EBIT margin (%)	NM	NM	NM	NM	NM	-	-	-	-	0.1	-	-	NM	NM
Net income	-6.7	-10.9	-10.9	-21.4	-8.3	-	-	NM	NM	-4.5	-	-	-1.2	-0.1
Net debt*	147.2	150.6	150.6	141.0	145.0	-	-	-3.7	-1.5	145.0	-	-	133.7	130.9

*post IFRS 16; NM: not meaningful; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

Anima Holding (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We estimate a quarterly net profit of EUR 66.1M, +94.2% yoy and +14.6% qoq, reflecting the EUR 24M fiscal benefit related to intangibles' realignment. We forecast a 27.8% yoy progress in EBIT (EUR 67.9M), led by a +24.6% in total net revenues, with a 54.4% yoy growth in performance fees (EUR 21M in 2Q21E); on the other hand, due to their 51.6% decline vs. 1Q21A, they should drive the -23.9% qoq expected in EBIT. We see a solid trend in net commissions (management fees and other net commissions), which should record a +18.8% yoy and +2.1% qoq to EUR 82.3M. We assume total operating costs basically in line with 1Q21A, showing a 12.3% yoy growth due to higher operating expenses (weak in the same period last year, due to the Covid-19 emergency and lockdown). Our estimates are bang in line with the 2Q pre-tax profit implied by 1H21 company-provided consensus. A conference call is scheduled on 30 July at 15:30 CET (Italy: +39 02 805 88 11; UK: +44 121 281 8003; US: +1 718 7058794).

What we think: Anima showed a significant recovery in 2Q net inflows, which amounted to EUR +0.92Bn, driven by a constant positive trend in the institutional segment and a recovery by the retail segment, after the negative EUR -300M in 1Q21A. We expect investors to be mainly focused on business trends in 2H21 and on M&A prospects for the group.

Anima Holding - Key data

29/07/2021	Asset Gatherers		
Target Price (EUR)	5.3		
Rating	BUY		
Mkt price (EUR)	4.13		
Mkt cap (EUR M)	1524		
Main Metrics (€ M)	2021E	2022E	2023E
Tot net revenues	382.6	377.3	385.3
Operating profit	249.3	244.2	250.0
Net income	160.6	157.1	160.9
Cust assets (€ Bn)	196.5	199.1	201.7
Ratios (%)	2021E	2022E	2023E
Adj. P/E (x)	7.7	7.8	7.7
P/tot cust assets	0.8	0.8	0.8
NP/tot cust assets	0.10	0.10	0.10
Div ord yield	5.3	5.3	5.3
Performance (%)	1M	3M	12M
Absolute	-1.9	-2.3	4.1
Rel. to FTSE IT All Sh	-2.1	-5.8	-18.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Anima Holding - 2Q/1H21 preview

EUR M	2Q20A	1H20A	1Q21A	2Q21E	2Q21C	2Q E/C %	2Q qoq%	2Q yoy %	1H21E	1H yoy %	FY21E	FY21C
Net commissions*	69.3	148.9	80.5	82.3	NA	NA	2.1	18.8	162.8	9.3	325.6	NA
Performance fees	13.6	36.7	43.4	21.0	NA	NA	-51.6	54.4	64.4	75.4	57.0	NA
Total net revenues	82.9	185.7	124.0	103.3	100.4	2.8	-16.7	24.6	227.2	22.4	382.6	399.8
Total expenses**	19.9	40.8	22.5	22.4	NA	NA	-0.6	12.3	44.9	10.2	83.3	NA
EBITDA **	62.9	144.9	101.4	80.9	NA	NA	-20.3	28.5	182.3	25.8	299.3	NA
EBIT	53.1	114.6	89.2	67.9	NA	NA	-23.9	27.8	157.0	37.0	249.3	261.3
Pre-tax profit	50.3	109.4	86.7	63.9	64.2	-0.5	-26.4	26.9	150.6	37.7	237.9	254.9
Net profit	34.0	72.6	57.7	66.1	60.3	9.6	14.6	94.2	123.8	70.5	160.6	180.5

* net management fees and other commissions; ** calculated according to company disclosure. NA: not available; A: actual; E: estimates; C: consensus (2Q: company-provided; FY: FactSet); Source: Company data and Intesa Sanpaolo Research

Autogrill (HOLD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We expect AGL's 1H21E sales at EUR 920M and EBITDA at EUR 85.6M, respectively, with the former down 16% yoy and the latter almost doubling vs. last year, thanks to a sales recovery in 2Q21 and the effective measures adopted to contain costs. As seen since the start of the pandemic-induced crisis, the motorways channel should experience a faster recovery thanks to its resilience, with Italy up 11% vs. 1H20, though still 44% below the 1H19 level with traffic up 25% vs. 1H20 (according to ATL network) but down approx. 20% vs. 1H19. By contrast, we expect a still negative trend at US airports at -8% vs. 1H20 and still materially below pre-Covid level (-58% vs. 1H19), though the indications provided by TSA on traffic data shows a rapid recovery from March (average weekly traffic is 2.5x from the beginning of January) and aligned to pre-Covid level since end of June. The sales rebound and the strict cost control should have helped AGL to generate cash in May and June, as we expect the YTD cash burn below EUR 100M from EUR 120M reported at the end of April. We recall that based on the press release AGL should have cashed-in the proceeds from the capital increase for approx. EUR 600M at the end of June (not the cash from the disposal of US motorways yet), thus halving the EUR 1.2Bn net debt reported at the end of April.

What we think: The rapid rollout of the vaccine campaign has so far helped the air traffic recovery in North America, AGL's key channel, and the easing of restrictions in Europe, supporting an acceleration of the mobility on toll-road motorways. However, the rapid resurgence of contagions due to the Delta variant in North America as well as in Europe poses a serious threat to the 2H21 traffic normalisation as governments may reintroduce movement restrictions to limit the fourth wave of contagions. Saying that, with the balance sheet fully repaid and the abundant liquidity available in the short term (well above EUR 1.5Bn including the disposal of US motorways), we think Autogrill is well equipped to face another potentially tough period, taking into account the EUR 20M cash burn on a monthly basis under distressed conditions. We reiterate our cautious stance on the company.

Autogrill - Key Data

29/07/2021	Travel&Leisure		
Target Price (EUR)	4.5		
Rating	HOLD		
Mkt price (EUR)	6.12		
Mkt cap (EUR M)	1556		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	2,189.0	3,066.1	3,928.7
EBITDA	196.7	427.0	631.1
EPS (EUR)	-1.92	-0.83	-0.15
Net debt/-cash	3,280.2	3,326.5	3,279.7
Ratios (x)	2020E	2021E	2022E
Adj. P/E	Neg.	Neg.	Neg.
EV/EBITDA	25.4	12.3	10.2
EV/EBIT	Neg.	Neg.	NM
Debt/EBITDA	16.7	7.8	5.2
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	-6.0	-11.8	34.7
Rel. to FTSE IT All Sh	-6.2	-14.9	5.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates
Intesa Sanpaolo is subject to some compliance restrictions on Autogrill.

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Autogrill – 1H21 preview

EUR M	1H19	1H20A	FY20A	1H21E	1H21C	yoy %	vs. 1H19 %	E/C %	FY21E	FY21C
Sales Europe	803.0	397.0	1,983.5	375.2		-5.5	-53.3		1,254.3	
Italy	474.4	240.0	573.9	267.7		11.5	-43.6		839.8	
RoE	328.6	157.0	324.0	107.5		-31.5	-67.3		414.5	
Sales HMSH	1,468.5	701.0	1,085.6	544.7		-22.3	-62.9		1,786.6	
North America	1,167.5	530.0	855.8	487.2		-8.1	-58.3		1,349.9	
Airports	1,002.0	466.4	703.5	409.3		-12.2	-59.2		1,109.5	
Motorways	157.8	59.9	145.9	73.4		22.5	-53.5		228.0	
Others	7.7	3.7	6.5	4.5		21.9	-41.7		12.3	
International	301.0	171.0	229.7	57.5		-66.4	-80.9		436.8	
Rest of The World	91.2	62.7	79.8	30.8		-50.9	-66.2		220.2	
Northern Europe	209.8	108	150.0	26.7		-75.3	-87.3		216.5	
Group Sales	2,271.5	1,096.0	3,069.0	919.8	1,096.0	-16.1	-59.5	-16.1	3,040.9	3,419.3
EBITDA Europe (IFRS 16)	117.0	26.0	76.0	1.5		-94.2	-98.7		197.3	
on sales %	14.6	6.5	3.8	0.4					15.7	
EBITDA HMSH (IFRS 16)	231.4	39.7	98.1	97.7		NM	-57.8		246.9	
on sales %	15.8	5.7	9.0	17.9					13.8	
Reported EBITDA (IFRS 16)	454.3	52.0	155.1	85.6		NM	-81.2		423.8	472.7
on sales %	20.0	4.7	5.1	9.3					13.9	13.8
D&A (IFRS 16)	-287.1	-352.0	-667.2	-256.0			-10.8			
EBIT reported	167.2	-300.0	-512.0	-170.4	-190.0	-43.2	NM	-10.3	-188.7	-132.7
on sales %	1.6	-27.4	-16.7	-18.5	-17.3				-6.2	-3.9
PBT (IFRS 16)	157.2	-356.7	-638.1	-244.6		-31.4	NM		-299.9	
Net profit (IFRS 16)	130.2	-271.0	-480.0	NA					-244.9	-200.3
Adj. Net Profit (IFRS 16)	NA	-268.0	-486.0	NA					-194.4	NA
Net Debt	699.5	1,000.1	1,083.0	NA		NM	NM		1,144.4	3,139.7

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

Banca Sistema (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: In 2Q21, we expect Banca Sistema to report a net income of EUR 5.2M. Although Factoring turnover increased by a solid 18% yoy (starting from a very weak 2Q20, impacted by the pandemic), we believe that the acceleration of payments may have negatively impacted the factoring outstanding, while we expect a still solid growth in CQ and pawn businesses. We estimate NII to increase by 4.1% qoq and total revenues at EUR 27.2M, broadly flat qoq. We assume a cost of risk at 50bps and a CET1 at 12.5%.

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

Banca Sistema - Key data

29/07/2021	Banks		
Target Price (EUR)	3.0		
Rating	BUY		
Mkt price (EUR)	2.11		
Mkt cap (EUR M)	170		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	120.5	128.3	141.7
Gross op income	56.99	60.33	69.16
EPS (EUR)	0.34	0.36	0.44
TBVPS (x)	2.41	2.69	3.04
Ratios (x)	2021E	2022E	2023E
Adj. P/E	6.3	5.8	4.8
P/TBV	0.88	0.78	0.69
RoTE (%)	15.0	14.2	15.4
CET1 FL (%)	11.7	12.0	12.0
Div yield (%)	4.0	4.3	5.2
Performance (%)	1M	3M	12M
Absolute	1.4	1.0	20.2
Rel. to FTSE IT All Sh	1.2	-2.6	-6.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Banca Sistema

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Banca Sistema – 2Q/1H21 preview

EUR M	2Q20A	1H20A	1Q21A	2Q21E	2Q21C	2Q E/C %	2Q qoq%	2Q yoy %	1H21E	1H yoy %	FY21E	FY21C
Net interest income	17.4	33.3	19.3	20.0	-	-	4.1	15.1	39.3	17.9	93.5	88.9
Commission Income	3.9	8.1	4.0	4.9	-	-	20.7	25.0	8.9	9.8	21.3	22.1
Trading Income	2.4	4.2	2.7	2.0	-	-	-25.7	-15.3	4.7	10.8	4.5	4.5
Total Income	24.1	46.2	26.8	27.2	-	-	1.2	12.9	54.0	17.0	120.5	115.3
Operating Costs	-11.4	-24.1	-16.2	-15.8	-	-	-2.5	38.5	-32.0	32.6	63.5	45.2
Gross Operating Profit	12.6	22.0	10.6	11.4	-	-	6.8	-10.1	22.0	-0.2	57.0	70.0
Loan Loss Provisions	-3.1	-5.1	-4.1	-3.3	-	-	-20.6	3.5	-7.4	45.2	14.2	12.6
Pre-tax Income	10.1	16.9	6.5	7.7	-	-	18.1	-23.6	14.3	-15.6	41.3	39.7
Net Income	7.5	12.1	4.5	5.2	-	-	16.9	-30.8	9.7	-20.2	26.9	26.9
CoR (bps)	49	40	64	50	NA	NA	-21.4	1.6	56	42.5	49	NA
CET1 FL (%)	13.7	13.7	12.2	12.5	NA	NA	2.8	-8.4	12.5	-8.4	11.7	NA

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

Biesse (ADD)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We expect the backlog to remain strong. We recall that in 1Q21 it reached EUR 254M, the second-best level ever (EUR 257M in 3Q18). We see 2Q21 revenues at EUR 188.6M, in acceleration vs. 1Q21A (EUR 161.4M) and + 72.9% vs. 2Q20A, which was affected by the lock-down. We project a 2Q21E adj. EBITDA margin at 10.5%. Therefore, 1H21 revenues should reach EUR 350M, +36.3% yoy, with an EBITDA margin at 11.5%. Thanks to the EBITDA expansion and to a solid trend in working capital, in line with 1Q21, net cash should be EUR 110M.

What we think: Should our preview be met, our FY21E estimates would look conservative, particularly in terms of net income and cash generation.

Biesse - Key Data

29/07/2021	Engineering		
Target Price (EUR)	28.4		
Rating	ADD		
Mkt price (EUR)	33.02		
Mkt cap (EUR M)	905		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	700.0	735.0	771.8
EBITDA	80.50	88.20	96.47
EPS (EUR)	0.97	1.15	1.35
Net debt/-cash	-36.00	-63.69	-93.91
Ratios (x)	2021E	2022E	2023E
Adj. P/E	33.9	28.6	24.5
EV/EBITDA	10.8	9.5	8.4
EV/EBIT	20.0	16.5	13.8
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0.9	1.0	1.2
Performance (%)	1M	3M	12M
Absolute	17.3	31.7	170.2
Rel. to FTSE IT All Sh	17.1	27.0	110.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Biesse

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Biesse - 2Q/1H preview

EUR M	2Q20A	2Q21E	2QE yoy%	1H20A	1H21E	1HE yoy%	FY20A	FY21E	FY21C
Revenues	109.1	188.6	72.9	256.7	350.0	36.3	578.8	700.0	675.4
Adj. EBITDA	10.2	19.8	94.2	22.5	40.3	78.5	56.0	80.5	69.8
Adj. EBITDA mg(%)	9.3	10.5		8.8	11.5		9.7	11.5	10.3
Net income	-1.0	21.2	NM	1.2	28.0	NM	2.5	26.7	24.3
Net debt/-cash	22.6	-110.0	NM	22.6	-110.0	NM	-49.6	-36.0	-48.3

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

CNH Ind. (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: In line with 1Q21, CNH Industrial's 2Q figures are again expected to exceed the pre-pandemic level albeit to a lesser extent, as the 2Q should be more impacted by raw material cost inflation and some shortages, which for CNH mainly relate to tubes and tyres. On the back of our assumption for a 39% yoy rise in industrial revenues (+1% vs. 2Q19) to USD 7.14Bn (USD 3.5Bn the AG segment, i.e. up 38% yoy and +14% vs. 2Q19), we expect an adjusted industrial EBIT at USD 507M, underpinned by the AG segment. For the AG division, whose 2Q is usually the strongest of the year, we estimate an adjusted EBIT more than doubled vs. 2Q20 and +22% vs. 2Q19 and a still double-digit margin (11.9%), albeit below the exceptional level posted in 1Q21 (13.1%). At the net income level, we forecast an adjusted EPS at USD 0.27/share, roughly in line with consensus (source: FactSet) and leading to a 1H21 adj. EPS at EUR 0.59/share. We expect a positive 2Q FCF, but we believe that shortages in the supply chain may have curbed the WC cash generation.

What we think: In front of a 2H characterised by a tougher comparison base and ongoing pressures on raw materials, overall we expect the group to confirm its FY guidance that flags industrial revenues up by 14%/18% and a FOCF at USD 0.6/1.0Bn. We confirm our positive view on CNH on the back of the strong underlying trend of its reference markets, primarily the AG sector, and of the group's positive pricing environment.

CNH Ind. - Key Data

29/07/2021	Capital Goods		
Target Price (EUR)	17.2		
Rating	BUY		
Mkt price (EUR)	13.70		
Mkt cap (EUR M)	18490		
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	15.1	13.9	12.4
EV/EBITDA	7.4	6.6	6.0
EV/EBIT	11.1	9.5	8.4
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	1.5	1.9	2.2
Performance (%)	1M	3M	12M
Absolute	-0.1	6.0	115.4
Rel. to FTSE IT All Sh	-0.4	2.2	68.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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CNH Industrial – 2Q21 preview

USD M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19%	1H21E	1H21C	E/C %	FY21E	FY21C
Group revenues	7,567	5,578	11,039	26,032	7,664	7,281	5.3	37.4	1.3	15,128	14,746	2.6	30,631	29,487
Industrial revenues	7,068	5,150	10,143	24,285	7,144	6,661	7.3	38.7	1.1	14,189	13,706	3.5	28,622	28,303
-AG Revenues	3,095	2,541	4,785	10,923	3,515	3,348	5.0	38.3	13.6	6,554	6,387	2.6	12,834	12,679
-CE Revenues	757	420	842	2,170	682	693	-8.7	50.6	-16.4	1,288	1,349	-4.5	2,496	2,632
-CV Revenues	2,698	1,739	3,760	9,421	2,609	2,749	-5.1	50.0	-3.3	5,414	5,554	-2.5	12,069	11,663
-PT Revenues	1,133	763	1,516	3,629	1,109	1,094	1.3	45.3	-2.2	2,343	2,328	0.6	4,173	4,409
Ind. adj. EBIT	527	-58	-206	552	507	502	1.0	-974.5	-3.8	1,052	1,047	0.5	1,852	1,866
-AG adj. EBIT	341	203	227	880	417	414	0.7	105.4	22.3	816	813	0.4	1,348	1,502
-CE adj. EBIT	25	-87	-170	-184	20	10	100.0	NM	-20.0	45	35	28.6	75	67
-CV adj. EBIT	100	-156	-212	-109	50	51	-1.5	NM	-49.8	126	127	-0.6	326	307
-PT adj. EBIT	102	32	63	233	80	94	-14.9	NM	-21.6	195	209	-6.7	384	382
Ind. adj. EBIT mg %	7.5	-1.1	-2.0	2.3	7.1	7.5	NM	NM	NM	7.4	7.6	NM	6.5	6.6
-AG adj. EBIT mg %	11.0	8.0	4.7	8.1	11.9	12.4	NM	NM	NM	12.5	12.7	NM	10.5	11.8
-CE adj. EBIT mg %	3.3	-20.7	-20.2	-8.5	3.2	1.4	NM	NM	NM	3.5	2.6	NM	3.0	2.5
-CV adj. EBIT mg %	3.7	-9.0	-5.6	-1.2	1.9	1.9	NM	NM	NM	2.3	2.3	NM	2.7	2.6
-PT adj. EBIT mg %	9.0	4.2	4.2	6.4	7.2	8.6	NM	NM	NM	8.3	9.0	NM	9.2	8.7
Group net income	427	361	307	-438	510	347	46.8	41.2	19.3	935	772	21.1	1349	1439
Attrib. net income	414	350	285	-493	496	NA	NA	41.7	19.8	904	NA	NA	1294	1465
Adj. EPS	0.32	-0.07	-0.13	0.28	0.27	0.28	-3.5	NM	-14.8	0.59	0.60	-1.6	1.07	1.10
Net ind. debt	1524	2307	2307	-786	-841	NA	NA	NM	NM	-841	NA	NA	-1288	-1,056

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

Diasorin (ADD)**Results Preview**

Possible Surprise **Positive** **Neutral** **Negative**

Results due on 30 July: Based on the 1Q21 sales performance (+52.7% yoy) and on the business development of the last few months, we expect Diasorin to be able to reach its +40% yoy at constant exchange rate sales guidance for the first six months of the year. In particular, we expect 2Q21E to show a significant yoy rebound of the routine diagnostic activity, also thanks to the favourable comparison base, while for the Covid-19 products, we estimate both a sequential and a yoy decline compared to 1Q21A and 2Q20A sales of respectively EUR 102M and EUR 89.1M. In addition, we expect a negative exchange rate effect mainly related to the USD depreciation vs. the EUR (approx. 9% in 2Q21 vs. 2Q20 on average). As for the consolidated EBITDA, we estimate the group should have continued to benefit in 2Q21E from a significant operating leverage and lower operating expenses, only partially offset by non-recurring costs related to the Luminex acquisition for an amount similar to EUR 11.6M posted in 1Q. We do not expect surprises to emerge below the EBITDA line. As at 30 June 2021, we estimate a net debt of approximately EUR 1.1Bn including the EUR 1.5Bn cash-out related to the Luminex acquisition and the dividend payment for a total amount of approx. EUR 54.8M in the month of May.

What we think: we would expect 2Q21E results to support our current whole year forecasts.

Diasorin - Key Data

29/07/2021	Medical Equipment		
Target Price (EUR)	183.5		
Rating	ADD		
Mkt price (EUR)	169.60		
Mkt cap (EUR M)	9489		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	1,198.2	1,262.6	1,306.0
EBITDA	490.7	508.6	551.3
EPS (EUR)	5.62	5.50	6.06
Net debt/-cash	976.4	762.3	490.8
Ratios (x)	2021E	2022E	2023E
Adj. P/E	30.2	30.9	28.0
EV/EBITDA	21.3	20.2	18.1
EV/EBIT	24.9	24.5	21.8
Debt/EBITDA	2.0	1.5	0.89
Div yield (%)	0.7	0.7	0.8
Performance (%)	1M	3M	12M
Absolute	8.0	17.9	-0.6
Rel. to FTSE IT All Sh	7.8	13.7	-22.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Diasorin - 2Q/1H21 preview

EUR M	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	1H21E	1H yoy %	FY21E	FY21C	FY E/C %	FY yoy %
Sales	207.7	382.3	881.3	252.5	255.8	-1.3	21.6	519.2	35.8	1,198.2	1,138.0	5.3	36.0
EBITDA	89.1	153.6	385.3	110.4	111.3	-0.8	23.9	228.4	48.7	490.7	482.4	1.7	27.4
% on sales	42.9	40.2	43.7	43.7	43.5	-	-	44.0	-	41.0	42.4	-	-
EBIT	74.2	123.6	324.2	95.7	100.0	-4.3	29.0	199.0	61.0	420.2	409.3	2.7	29.6
% on sales	35.7	32.3	36.8	37.9	39.1	-	-	38.3	-	35.1	36.0	-	-
Pre-tax profit	73.2	122.2	321.4	95.0	97.8	-2.8	29.8	197.6	61.7	414.0	391.0	5.9	28.8
Net profit	57.0	94.7	248.3	73.2	74.2	-1.4	28.3	151.4	59.8	314.6	302.7	3.9	26.7

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

ERG (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We expect 2Q21E EBITDA to increase by around 9% yoy, mostly driven by a wind power and hydroelectric recovery, partially offset by the thermal power generation. We see wind power improving yoy thanks to higher production and higher prices, supported by the increase in the value of incentives (green certificates). Hydro power should also benefit from the increased volumes and prices. Thermal power generation should suffer from the lower spark spread and a decline in revenues from efficiency certificates. We expect reduced net financial charges following the company's liability management actions, thus leading to a material net income improvement yoy. We see an increase in net debt vs. Dec. 2020A due to the dividend payment, capex and M&A (around a EUR 145M negative effect on net financial position related to the acquisition of solar assets in France).

What we think: If the results confirm our estimates, we would see them as well on track with the company's FY21 guidance.

ERG - Key Data

29/07/2021	Electricity		
Target Price (EUR)	28.9		
Rating	BUY		
Mkt price (EUR)	25.96		
Mkt cap (EUR M)	3894		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	1,074.4	1,110.1	1,124.9
EBITDA	507.0	524.4	534.2
EPS (EUR)	0.85	0.85	0.86
Net debt/-cash	1,473.6	1,572.8	1,733.9
Ratios (x)	2021E	2022E	2023E
Adj. P/E	30.5	30.4	30.1
EV/EBITDA	10.6	10.5	10.6
EV/EBIT	25.2	24.3	24.5
Debt/EBITDA	2.9	3.0	3.2
Div yield (%)	2.9	2.9	2.9
Performance (%)	1M	3M	12M
Absolute	3.8	2.9	27.0
Rel. to FTSE IT All Sh	3.6	-0.8	-0.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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ERG - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2019%	1H21E	1H21C	E/C %	FY21E	FY21C
EBITDA	110	107	263	481	117	-	-	9.3	6.4	278	-	-	507	504
Breakdown of EBITDA														
Wind Power	56	57	166	282	63	-	-	10.5	12.5	157	-	-	301	-
Hydro	21	16	40	81	29	-	-	81.3	38.1	83	-	-	112	-
PV gen	21	22	34	66	21	-	-	-4.5	0.0	32	-	-	66	-
Thermal	17	15	30	67	8	-	-	-46.7	-52.9	14	-	-	43	-
Corp.&Others	-5	-3	-7	-15	-4	-	-	NM	NM	-8	-	-	-15	-
EBIT	36	32	114	183	47	-	-	46.9	30.6	140	-	-	214	207
Adj Net Income	13	16	69	106	28	-	-	74.4	114.0	93	-	-	128	120
Net debt / -cash	1,662	1,503	1,503	1,439	1,616	-	-	-	-	1,616	-	-	1,474	1,455

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

FNM (HOLD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: We see 2Q21E sales almost doubling from 2Q20 thanks to the easy comps (2Q20 was heavily impacted by the lockdown), government compensation for the pandemic-induced impacts on the Road Transport division but also due to the consolidation of MISE. Overall, we expect the Railway Infrastructure management and the Rosco divisions to report stable revenues vs. 2Q20, while Motorways (MISE) should add approx. EUR 60M, mirroring a resilient performance of the heavy traffic and a rapid recovery of light vehicles in the wake of the restrictions' uplift from April. The Road Transportation division, despite some tail ends of the pandemic, should recover part of the revenue loss in 2020 at EUR 26M, also benefiting from government compensation (we expect something slightly above the EUR 3.5M booked in 1Q21). Overall, we expect 2Q21E sales at EUR 130.5M and 1H21E sales at EUR 217.5M on a reported basis (i.e. MISE consolidated since the end of February). 2Q21E EBITDA should grow more than proportionally vis-à-vis the top line, thanks to the accretive impact of the MISE to EUR 40M, with part of the incremental EBITDA driven by additional sales on Road Transportation dented by larger opex. Below the operating profit, we still expect a growing burden of net financial charges related to the bridge loan to fund the MISE transaction and the persisting negative contribution from participations consolidated at equity, notably Trenord, overall impacting for roughly EUR 10.5M. We thus expect 2Q21E still in negative territory for EUR 5.3M, though with a narrower loss vs. 1Q21.

What we think: If FNM reports 1H21 results as expected, our FY21 estimates could prove to be too conservative. Awaiting the results, **we reiterate our HOLD recommendation** on the stock.

FNM - Key Data

29/07/2021	Travel&Leisure		
Target Price (EUR)	0.68		
Rating	HOLD		
Mkt price (EUR)	0.61		
Mkt cap (EUR M)	263		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	475.8	538.6	571.2
EBITDA	135.8	185.5	212.3
EPS (EUR)	-0.00	0.11	0.17
Net debt/-cash	758.6	750.9	724.7
Ratios (x)	2021E	2022E	2023E
Adj. P/E	Neg.	5.3	3.6
EV/EBITDA	6.6	4.8	4.0
EV/EBIT	19.4	10.6	8.7
Debt/EBITDA	5.6	4.0	3.4
Div yield (%)	1.7	2.5	3.7
Performance (%)	1M	3M	12M
Absolute	-2.6	-11.7	31.5
Rel. to FTSE IT All Sh	-2.8	-14.8	2.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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FNM - 2Q/1H21 preview

EUR M	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	1H21E	1H21C	E/C %	FY21E	FY21C
Revenues	66.1	137.8	281.3	130.5	NA	NA	97.4	217.5	NA	NA	475.8	470.9
EBITDA	16.4	36.1	68.2	39.7	NA	NA	141.8	61.9	NA	NA	135.8	146.9
EBITDA margin (%)	24.8	26.2	24.2	30.4	NA	NA		28.4	NA	NA	28.5	31.2
EBIT	6.3	15.9	26.4	12.65	NA	NA	100.9	23.0	NA	NA	46.0	56.0
EBIT Margin (%)	9.5	11.5	9.4	9.7	NA	NA		10.6	NA	NA	9.7	NA
Profit before tax	-0.5	2.1	26.3	7.7	NA	NA	NM	21.4	NA	NA	30.8	NA
Net attributable profit	-1.3	-0.7	24.2	-5.3	NA	NA	NM	-12.2	NA	NA	-2.1	NA
Net debt/-cash	NM	30.3	40.2	NM	NA	NA	NM	NM	NA	NA	758.6	NA

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

Piaggio (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: Despite overall volumes being penalised (vs. 2Q19) by the pandemic wave in India (where lockdowns protracted) and issues related to supply chain bottlenecks (reflecting the rise in freight costs), for the second quarter we expect a robust set of figures, consistent with our FY projections. Thanks to a stronger volumes trend (above 2Q19) than initially expected in Western countries, a double-digit growth rate of APAC sales (+32% vs. 2Q20 and +17% vs. 2Q19) and to the favourable price mix, for 2Q we estimate revenues at EUR 498M, i.e. up by 5.7% vs. 2Q19 and up by 72.4% vs. 2Q20. Price mix and better operating leverage in Europe should also favour the group's operating performance: despite cost inflation, we expect a 2Q21 EBITDA at EUR 85M, i.e. at least aligned to 2Q19 levels. Given the low inventories levels and the recovery in volumes vs. 2Q20 (which was severely hit by the lockdown), we expect a sound FCF generation and net debt improving nicely to EUR 412.5M vs. EUR 528M in 2Q20 and EUR 418M in 2Q19.

What we think: During the usual results' conference call, we expect investors to focus on the following catalysts and issues: 1) the progressive normalisation of the Indian LCV market; 2) the group's progress in China, whose contribution to APAC figures is becoming much more significant; 3) the launch of the electric scooter; and 4) the control of cost inflation, particularly as far as freight costs are concerned.

Piaggio - Key Data

29/07/2021	Auto & Components		
Target Price (EUR)	4.0		
Rating	BUY		
Mkt price (EUR)	3.20		
Mkt cap (EUR M)	1145		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	1,630.1	1,876.8	2,020.4
EBITDA	246.0	286.0	308.8
EPS (EUR)	0.16	0.23	0.27
Net debt/-cash	404.5	374.4	345.2
Ratios (x)	2021E	2022E	2023E
Adj. P/E	19.7	13.8	11.8
EV/EBITDA	6.3	5.3	4.8
EV/EBIT	13.4	9.7	8.3
Debt/EBITDA	1.6	1.3	1.1
Div yield (%)	3.6	3.8	4.4
Performance (%)	1M	3M	12M
Absolute	-3.0	-3.6	32.8
Rel. to FTSE IT All Sh	-3.3	-7.0	3.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Piaggio - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Sales	470.8	288.7	600.1	1313.7	497.8	498.3	-0.1	72.4	5.7	882.5	883.0	-0.1	1,630.1	1,631
EBITDA	84.8	43.3	83.1	186.1	85.0	86.0	-1.2	96.3	0.2	141.0	142.0	-0.7	246.0	249
Margin%	18.0	15.0	13.8	14.2	17.1	17.3	NM	NM	NM	16.0	16.1	NM	15.1	15.3
EBIT	54.4	14.7	24.7	70.9	51.5	52.5	-1.9	250.4	-5.4	75.0	76.0	-1.3	116.0	121
Margin%	11.6	5.1	4.1	5.4	10.3	10.5	NM	NM	NM	8.5	8.6	NM	7.1	7.4
Net inc.	26.7	6.0	9.1	31.3	27.9	28.6	-2.6	368.0	4.4	39.0	39.7	-1.9	58.1	62
Net debt (cash) (*)	418.0	528.5	528.5	424.0	412.5	398.0	3.6	-21.9	-1.3	412.5	398.0	3.6	404.5	406

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

RCS Mediagroup (HOLD)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July: In 2Q21, we estimate sales of EUR 224M (+51% yoy but still 17% below 2Q19) and an adjusted EBITDA of EUR 40M (vs. EUR 6M in 2Q20 and EUR 62M in 2Q19) as a result of mixed effects: 1) the acceleration from the pandemic lows given the easier comps-base and the vaccination campaign; 2) the positive calendar effect related to the Giro d'Italia (back to May in 2021 after the postponement to October in 2020); 3) the perimeter effects due to the first-time consolidation of m-dis (the distributor of publishing products of which it recently increased its stake from 45% to 90%) and the deconsolidation of third-party revenues following the merger between Cairo's and RCS's concessionaries effective from January 2021; and 4) the positive impact of labour savings reached since last August. In terms of underlying trends, we estimate a still sluggish performance for Unidad Editorial in Spain and Gazzetta dello Sport still below the pre-pandemic level, partly offset by a good performance of Corriere della Sera, especially for the digital activities.

What we think: While recovering, the underlying market still looks to be suffering from a structural contraction of traditional activities partly offset by the growth of the digital segment. Aside from business dynamics, the evolution of the ongoing legal dispute with Blackstone seems to be the key issue over the short-term.

RCS Mediagroup - Key Data

29/07/2021	Media		
Target Price (EUR)	Under Review		
Rating	HOLD		
Mkt price (EUR)	0.65		
Mkt cap (EUR M)	340		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	759.9	821.1	817.8
EBITDA	83.80	112.3	111.3
EPS (EUR)	0.06	0.08	0.08
Net debt/-cash	267.5	215.8	169.2
Ratios (x)	2020E	2021E	2022E
Adj. P/E	11.3	7.8	8.1
EV/EBITDA	7.8	5.3	5.0
EV/EBIT	17.5	9.3	8.8
Debt/EBITDA	3.2	1.9	1.5
Div yield (%)	2.2	3.8	3.8
Performance (%)	1M	3M	12M
Absolute	-10.3	-12.5	10.0
Rel. to FTSE IT All Sh	-10.6	-15.6	-14.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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RCS Mediagroup - 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Circulation revenues	98.3	75.6	164.0	343.6	76.8	-	-	1.6	-21.9	165.7	-	-	370.5	-
Advertising revenues	120.1	58.1	121.0	312.8	81.6	-	-	40.4	-32.1	139.1	-	-	343.6	-
Other revenues	50.9	14.5	34.5	93.1	65.7	-	-	NM	29.2	93.7	-	-	107.1	-
Total revenues	269.3	148.2	319.5	749.5	224.1	-	-	51.2	-16.8	398.5	-	-	821.1	807.5
Adj. EBITDA	62.0	6.3	11.3	98.4	40.0	-	-	NM	-35.5	49.8	-	-	112.3	-
as % of sales	23.0	4.3	3.5	13.1	17.8	-	-	13.6	-5.2	12.5	-	-	13.7	-
EBITDA	61.5	6.8	7.1	83.4	40.0	-	-	NM	-35.0	49.5	-	-	112.3	113.3
EBIT	48.4	-5.0	-16.8	32.5	28.3	-	-	NM	-41.5	25.7	-	-	64.7	64.5
Net profit	33.5	-5.9	-12	31.7	20.3	-	-	NM	-39.4	17.1	-	-	43.6	48.0

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

Results

Amplifon (HOLD)

Slightly Better Results; 2021 Guidance Little Changed

Vs. our estimates	Above	In Line	Below
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Results. The key points of results were:

- **2Q21A results**, announced during trading hours, were slightly above market expectations. 2Q21A sales increased by 107.1% vs. 2Q20 which was the most heavily affected by the pandemic, as a result of an organic growth of 103.0%, external growth of 6.3% mostly related to the acquisition of the PJC Hearing in the US (consolidated since January 2021) and a negative FX effect of -2.2% yoy (for a more meaningful comparison we show the group's performance in 2Q19 in the table below). The 2Q21A top line registered a strong rebound in all geographies with organic growth particularly strong in the USA, France, Spain, Portugal, Belgium, Australia, New Zealand and China. The 2Q21A EBITDA margin declined by 60bps yoy to 25.9% but increased by 240bps vs. 2Q19, as part of the costs savings and efficiency gains implemented during the pandemic became structural. Note that the profitability improvement vs. 2Q19 was reached despite the group's marketing expenses, which in 2Q21 rose by 20% vs. 2Q19 and the restart of several strategic projects, such as the external growth actions. Compared to 2Q20A, the 2Q21A EBITDA margin improved in the EMEA region (+140bps yoy), driven by operating leverage and Covid related efficiencies but declined in the Americas (-220bps) and in the Asia Pacific region (29.3% vs. 40.5% in 2Q20), which returned to a more normalised level following the extraordinary income related to the pandemic. We would also note that both the Americas and the Asia Pacific region improved their EBITDA margin by respectively 90bps and 80bps vs. 2Q19. No significant issues emerged below the EBITDA line. Net debt before lease liabilities (EUR 426.5M) at 30 June 2021 declined slightly to EUR 620M vs. EUR 625M at 31-March and EUR 633M at end-2020, broadly in line with expectations;

- **Elite business in US, discontinued:** The company also announced that the BoD decided to cease the wholesale business in the USA (the Elite brand) due to its lower operating profitability compared to the rest of the group and its non-strategic role. In 2020, Elite represented 3.4% and 1.4% of group sales and EBITDA, respectively; 2020 Elite revenue was EUR 59.7M with an EBITDA of EUR 5.9M. The costs to be posted in 2021 related to the closing down of the ELITE business are estimated at EUR 10M, most of which non-monetary. The wind-down of the Elite business is currently expected to be effective and completed by the end of 2021. In the meantime, it will be reclassified as a discontinued business;

- **Outlook:** Management released the following updated 2021 guidance, which excludes the contribution of the discontinued Elite business and the potential upside related to the consolidation of Bay Audio (the acquisition is expected to be closed by year end): 1) consolidated revenue at EUR 1.93Bn, unchanged compared to the previous guidance as a result of a higher contribution from organic growth of approx. EUR 60M, which should entirely offset the impact of the deconsolidation of Elite; 2) an EBITDA margin of 24.8% little changed compared to the previous indication of the 24.5-24.7%, with the slight increase related to the deconsolidation of the low profitable Elite business. As for M&A, management confirmed its commitment for the further enhancement of the group's position in France and Germany. The focus is also on China, where the group is seeking to strengthen its

Amplifon - Key data

30/07/2021	Medical Equipment		
Target Price (EUR)	Under Review		
Rating	HOLD		
Mkt price (EUR)	40.35		
Mkt cap (EUR M)	9063		
Performance (%)	1M	3M	12M
Absolute	-4.3	16.4	45.1
Rel. to FTSE IT All Sh	-5.0	10.5	12.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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presence, through the set-up of joint ventures with local players controlled by Amplifon.

What we think: We believe that the announced results are slightly above consensus while the 2021 guidance appears to be little changed. While confirming our HOLD rating we put our target price Under Review.

Amplifon - 2Q21A results

EUR M	2Q19A	2Q20A	FY20A	2Q21A	2Q21E	2Q21C	2Q A/E %	2Q A/C %	2Q yoy %	2Q vs. 2Q19 %	FY21E	FY21C	FY yoy %
Sales	440.1	250.4	1,555.5	518.6	500.3	498.6	3.7	4.0	107.1	17.8	1,827.9	1,959.0	17.5
Rep. EBITDA	103.2	66.4	371.0	134.3	126.9	129.2	5.8	3.9	102.1	30.1	435.7	483.5	17.4
% on sales	23.5	26.5	23.9	25.9	25.4	25.9	-	-	-	-	23.8	24.7	-
Rep. EBIT	56.6	17.0	168.5	80.4	77.1	75.7	4.2	6.2	371.9	42.0	236.7	267.6	40.5
% on sales	12.9	6.8	10.8	15.5	15.4	15.2	-	-	-	-	13.0	13.7	-
PBT	50.4	10.3	139.3	73.7	71.1	68.3	3.6	7.9	616.7	46.2	212.7	239.7	52.7
Net profit	36.8	7.4	101.1	53.9	51.4	48.9	4.7	10.2	624.7	46.5	153.8	172.6	52.1

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

Azimut (ADD)

2Q/1H21 Results

Vs. our estimates	Above	In Line	Below
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Results. Azimut 2Q/1H21 results were well-above our and company-provided consensus expectations, coming in with a 2Q net profit of EUR 129.2M vs. EUR 84.5M estimate (EUR 84M company-provided consensus). The key points of results were:

- **Higher than expected gross revenues (EUR 292.9M vs. EUR 264M forecast and EUR 274M company-provided consensus)**, with recurring management fees and performance fees both higher than our projections (EUR 237.3M and EUR 16.4M vs. EUR 219M and EUR 7M, respectively). As regards management fees, the difference (EUR 18.3M) was due to EUR 12.4M perimeter change due to M&A and EUR 6M higher organic commissions;
- **Distribution costs 7% higher than estimated** also due to EUR 14M perimeter change due to M&A;
- **Operating costs and provisions 11% above our forecasts** with the difference mainly explained by perimeter change due to M&A (EUR 5M);
- **EUR 30M fiscal benefit related to tax goodwill realignment** (which was not included in our projections).

The company also provided updated guidance on 2021, with:

- EUR 350-500M net profit under normal market conditions (the wide range depends on the amount of performance fees that will be effectively cashed in 4Q21) from EUR 350M indication given at the beginning of the year;
- At least EUR 6Bn total net inflows (excluding Sanctuary Wealth acquisition) vs. EUR 4.5Bn previously.

Azimut - Key data

30/07/2021	Asset Gatherers		
Target Price (EUR)	24.2		
Rating	ADD		
Mkt price (EUR)	21.86		
Mkt cap (EUR M)	3132		
Main Metrics (€ M)	2021E	2022E	2023E
Tot net revenues	669.2	686.9	721.1
Operating profit	417.1	427.3	454.0
Net income	339.7	343.1	363.1
Cust assets (€ Bn)	74.75	79.87	85.11
Ratios (%)	2021E	2022E	2023E
Adj. P/E (x)	10.5	10.4	9.8
P/tot cust assets	4.2	3.9	3.7
NP/tot cust assets	0.50	0.44	0.44
Div ord yield	4.6	4.6	4.6
Performance (%)	1M	3M	12M
Absolute	4.3	11.0	32.0
Rel. to FTSE IT All Sh	3.6	5.4	2.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Company's management also opened to the possibility of raising DPS (EUR 1.00/share in 2020, stable vs. 2019) and considering a potential interim dividend distribution.

What we think: Beyond non-recurrent fiscal positive impact and perimeter changes due to M&A, Azimut's 2Q/1H21 results were solid, in our view, especially when looking at recurring revenues. We believe that the share price should be supported by upgraded guidance. In this respect, we highlight that our estimates currently point to EUR 339.7M FY21E net profit (EUR 352.6M FactSet consensus) and EUR 5Bn total organic net inflows (excluding acquisitions).

Azimut – 2Q/1H21 results

EUR M	2Q20A	1Q21A	2Q21A	2Q20E	2Q20C	2Q A/E %	2Q A/C %	2Q qoq%	2Q yoy %	1H20A	FY21E	FY21C
Management fees	185.4	218.6	237.3	219.0	NA	8.4	NA	8.6	28.0	455.9	845.0	-
Performance fees	30.4	11.0	16.4	7.0	NA	134.6	NA	49.8	-45.9	27.4	79.6	-
Total gross revenues	248.0	273.5	292.9	264.0	274.0	11.0	6.9	7.1	18.1	566.4	1,059.2	1,073.9
Distribution costs	82.2	95.6	104.7	97.9	NA	7.0	NA	9.6	27.4	200.3	390.0	-
Total net revenues	165.9	178.0	188.2	166.1	NA	13.3	NA	5.8	13.5	366.2	669.2	-
Op. costs & provisions	58.5	64.0	69.4	62.5	NA	11.0	NA	8.4	18.5	133.3	252.1	-
Pre-tax profit	110.5	114.8	115.1	101.8	NA	13.1	NA	0.3	4.1	229.9	402.1	429.8
Net profit	94.5	96.8	129.2	84.5	84.0	52.9	53.9	33.5	36.7	226.1	339.7	352.6

NA: not available; A: actual; E: estimates; C: consensus (2Q: company-provided; FY: FactSet); Source: Company data and Intesa Sanpaolo Research

B Mediolanum (BUY)

2Q/1H21 Results

Vs. our estimates	Above	In Line	Below
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Results. Banca Mediolanum's 2Q21A net profit came in at EUR 135.4M, 8.4% above our estimate, basically due to higher than expected contribution from Market Effects (which, as a reminder, include performance fees and investments at fair value). The key points of results were:

- **Quarterly operating margin EUR 120M**, bang in line with our estimate, as a result of slightly higher than expected gross commissions, offset by distribution costs above our projections;
- **Total customers' assets EUR 102.18Bn (of which EUR 73.51 AuM) at end-June** from EUR 97.72Bn (EUR 67.73Bn AuM) at end-March 2021;
- **CET1 ratio 21.3% at end-June**, an extremely solid level, considering that it is calculated net of the cumulative 2019-20 EUR 0.753/share DPS already deliberated and to be distributed in October, given that the ECB and Bank of Italy recently allowed banks to resume their dividend policies.

What we think: We consider Banca Mediolanum's 2Q/1H21 results as a solid set of data, although aligned to our operating estimates. Moreover, the company provided an encouraging outlook, talking about strong net inflows in July. We believe that in the coming months the share price should be mainly supported by the EUR 0.753 DPS (corresponding to a 9% yield at the current price level).

B Mediolanum - Key data

30/07/2021	Asset Gatherers		
Target Price (EUR)	9.5		
Rating	BUY		
Mkt price (EUR)	8.40		
Mkt cap (EUR M)	6225		
Main Metrics (€ M)	2021E	2022E	2023E
Tot net revenues	1,308.0	1,345.7	1,420.8
Operating profit	658.6	666.9	715.1
Net income	489.9	490.0	526.7
Cust assets (€ Bn)	101.9	108.4	115.8
Ratios (%)	2021E	2022E	2023E
Adj. P/E (x)	13.4	12.6	11.7
P/tot cust assets	6.1	5.7	5.3
NP/tot cust assets	0.47	0.47	0.47
Div ord yield	5.2	5.5	5.7
Performance (%)	1M	3M	12M
Absolute	0.0	7.4	30.5
Rel. to FTSE IT All Sh	-0.7	2.0	0.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Banca Mediolanum - 2Q/1H21 results

EUR M	2Q20A	1Q21A	2Q21A	2Q21E	2Q21C	2Q A/E %	2Q A/C %	2Q qoq%	2Q yoy %	1H21A	FY21E	FY21C
Gross fees (excl. perf. fees)	361.1	415.5	440.3	433.6	-	1.5	-	6.0	21.9	855.8	1,657.6	NM
Total distribution costs	158.6	181.0	199.7	191.4	-	4.3	-	10.3	25.9	380.7	724.2	-
Net fees (excl. perf. fees)	202.5	234.5	240.6	242.2	-	-0.7	-	2.6	18.8	475.2	933.4	-
Interest spread	56.1	64.8	65.1	66.0	-	-1.5	-	0.3	15.9	129.9	254.5	-
Contribution margin	254.4	296.3	301.0	302.5	-	-0.5	-	1.6	18.3	597.2	1,190.7	-
Operating costs & provisions	160.7	171.0	180.9	182.5	-	-0.8	-	5.8	12.6	351.9	-	-
Operating margin	93.7	125.3	120.0	120.0	-	0.0	-	-4.2	28.1	245.3	504.1	NM
Market effects	6.1	49.3	57.0	41.0	-	39.1	-	15.8	NM	106.3	-	-
Pre-tax profit	97.2	174.6	174.8	161.0	-	8.6	-	0.1	79.7	349.3	616.3	641.9
Net profit	78.3	133.4	135.4	124.9	120.4	8.4	12.4	1.5	73.0	268.7	489.9	498.0

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

Brembo (ADD)

2Q21 Results

Vs. our estimates	Above	In Line	Below
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Results. Brembo's 2Q21 results materially beat our expectations and exceeded consensus forecasts (Bloomberg) at the top line and EBITDA levels by 5% and 9%, respectively. In detail:

■ **Revenues.** In the face of a reasonably expected strong rebound in 2Q21, we think it is important to highlight that in the last quarter Brembo's revenues came in at EUR 685.7M, exceeding 2Q19 levels. We view these figures very positively not only because they implied a higher than expected outperformance by the company vs. its reference market but also because both our forecast and BBG consensus were expecting a top line still below pre-pandemic levels at the end of June. At the business level, the company's growth was visible across all divisions: we nonetheless highlight that, while passenger cars fully returned to pre-pandemic levels, in 1H21 Brembo's motorbikes revenues registered well-above 1H19;

■ **EBITDA.** Despite EUR 16M of negative pricing including raw materials, the group's 2Q21 EBITDA exceeded consensus by 9%, achieving EUR 134.6M with a margin at 19.6% vs. 19% expected by the market. Over 1H21, the group's EBITDA fully returned to pre-Covid levels with a 19.9% margin, just 50bps below 1H19. Based on the conference call feedback, we understood that raw materials impacted on the group's margin by 1% in 1H21. Overall, at the bottom-line level, also thanks to income from investments and exchange gains, Brembo's 1H21 net profit reached almost EUR 127M, i.e. EUR 17M higher than our expectations;

■ **Net debt.** On the financial side, despite a net debt in line with our expectations, we highlight the stronger WC absorption related not only to a volumes' recovery and seasonality but also to some overstock (about EUR 20M) also due to current supply shortages for the sector.

What we think: On the back of the strong 1H21 results, and despite leaving its reference market outlook unchanged (i.e. flagging an overall car demand at +12%), Brembo significantly improved its guidance anticipating for year-end :1) a 20-25% rise in revenues mainly thanks to the group's outperformance and to a small part to the contribution of SBS and J Juan; and 2) an EBITDA margin in the range of 19.5%. While this guidance would imply a lower profitability in 2H21, we understand Brembo's prudent approach on the back of the ongoing uncertainties regarding semiconductor shortages and supply chain issues. While confirming the previous capex guidance

Brembo - Key data

30/07/2021	Auto & Components		
Target Price (EUR)	Under Review		
Rating	ADD		
Mkt price (EUR)	11.58		
Mkt cap (EUR M)	3867		
Performance (%)	1M	3M	12M
Absolute	8.4	11.5	47.9
Rel. to FTSE IT All Sh	7.7	5.8	14.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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(EUR 200-250M) and a capacity utilization rate at 85%, the company expects to reabsorb the 1H21 overstocking.

Although no news emerged on the M&A front, the feedback from the conference call was reassuring not only for the car division, for which we expect some announcements on the "brake by wire" (which has entered the application phase) by year-end, but also for motorbikes, whose trend is expected to continue in 2H21. Amongst the positives, we highlight that along with a penetration in line with the market in EV, the group also acquired new business in the e-bike segment.

In light of the group's new guidance and on the back of the strong 1H result, our 2H21 and Bloomberg consensus forecasts (to which we were aligned) now appear overly conservative. **We confirm our ADD rating but we put our rating UR pending our estimates revision.** Equity Flash to follow.

Brembo - 2Q/1H21 results

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	vs. 2Q19A %	1H21A	FY21E	FY21C
Sales	657	375	951	2209	685.7	625	651.5	10	5	83	4	1,361	2,558	2,542
EBITDA	136	41	143	388.7	134.6	119	124.0	13	9	226	-1	270	493	487
margin %	20.7	11.0	15.1	17.6	19.6	19.0	19.0	NM	NM	NM	NM	19.9	19.3	19.2
EBIT	87	-12	39	181	82.2	66	71.5	25	15	-814	-6	166	280	276
margin %	13.3	-3.1	4.1	8.2	12.0	10.5	11.0	NM	NM	NM	NM	12.2	11.0	10.9
Net Income	59	-10	20	137	65.6	49	52.0	34	26	-769	11	126.9	207.7	203.1
Net debt/-cash	435	598	598	385	496.9	495	498	0	0	-17	14	497	365	273

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

COIMA RES (BUY)

2Q21/1H21 Results

Vs. our estimates	Above	In Line	Below
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Results. The key points of results were:

- **1H21A Gross rents totaled EUR 21.7M, down by 2.3% yoy**, mainly due to the release by PwC of the Monte Rosa building, as expected, to the change in the scope of consolidation amid the disposals of the bank branches and marginally due to evolution of other leases. On a like-for-like basis, gross rents increased by 1.6% yoy, net of Monte Rosa. The NOI margin went down to 90.1% (vs. 91% reported in 1H20A) mainly as a result of the Monte Rosa release by PwC;
- **1H21A EBITDA declined by 5.9% yoy to EUR 14.6M** following the lower gross rents and slightly higher G&A expenses;
- **1H21A EPRA Earnings stood at EUR 8.3M (-5.7% yoy)** affected by the lower top line and higher minorities, notwithstanding a few savings in the financial charges;
- **1H21A consolidated LTV was 38% (vs. 38.3% as of YE20)**, implying a net debt in the region of EUR 288M, marginally improving if compared to FY20A figures (around EUR 290M);
- **1H21A NAV was EUR 447.7M or rather EUR 12.40/share, up by 0.5% vs. FY20A**, as the positive EPRA Earnings plus marginal net revaluations and gains of the portfolio offset the dividend payment of EUR 7.2M;

COIMA RES - Key data

30/07/2021	Real Estate		
Target Price (EUR)	9.3		
Rating	BUY		
Mkt price (EUR)	6.58		
Mkt cap (EUR M)	237		
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	15.7	17.0	21.6
EV/EBITDA	21.5	24.7	29.2
EV/EBIT	25.4	26.1	29.0
LTV (%)	39.71	41.63	44.21
Div yield (%)	4.6	4.6	4.6
Performance (%)	1M	3M	12M
Absolute	1.4	-5.9	6.1
Rel. to FTSE IT All Sh	0.7	-10.6	-17.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to COIMA RES

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- **Guidance on 2021 EPRA EPS confirmed at EUR 0.40/share**, including the effect coming from the release of the Monte Rosa building by PwC and other prudential considerations in view of the still-uncertain scenario regarding the pandemic, according to the company.

What we think: COIMA RES' 2Q21A/1H21A results came in broadly in line with our estimates, confirming the resilience and solidity of the company's business model and of the offices' asset class, despite the pandemic. We see this set of results as well on track with our expectations on FY21E, although we would not expect these to represent a major driver for the stock.

COIMA RES – 2Q21/1H21 results

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	vs. 2Q19A %	1H21A	1H21E	1H yoy %	FY21E	FY21C
Gross rents	9.1	11.1	22.2	44.4	11.0	10.6	-	-	-1.3	19.9	21.7	21.3	-2.3	42.3	42.2
NOI	8.3	10.2	20.2	40.3	9.9	9.5	-	-	-2.6	20.1	19.6	19.1	-3.0	37.6	-
NOI margin	90.5	91.9	91.0	90.8	90.6	89.6	-	-	-1.4	0.1	90.1	89.7	-1.0	89.0	-
EBITDA	5.6	7.9	15.5	31.5	7.3	7.3	-	-	-8.1	30.3	14.6	14.5	-5.9	28.5	28.9
Net profit	8.7	0.2	3.6	15.6	5.1	7.6	-	-	NM	-41.7	9.1	11.5	NM	15.5	-
EPRA earnings	3.8	4.6	8.8	17.5	4.2	4.1	-	-	-8.6	10.7	8.3	8.0	-5.7	15.1	-
EPRA EPS/sh. (EUR)	0.11	0.13	0.24	0.49	0.12	0.11	-	-	-8.5	10.8	0.23	0.22	-5.6	0.42	0.42
FFO recurring	4.1	5.6	12.0	24.2	5.8	5.4	-	-	2.7	38.9	11.3	10.9	-5.6	20.1	-
FFO recurring/sh. (EUR)	0.11	0.16	0.33	0.67	0.16	0.15	-	-	0.8	36.3	0.31	0.30	-6.5	0.56	-
net debt / (cash)	191.3	296.5	296.5	290.4	287.7	283.7	-	-	-3.0	50.4	287.7	283.7	-3.0	302.1	295.6
GAV	675.8	761.1	761.1	758.1	757.0	761.0	-	-	-0.5	12.0	757.0	761.0	-0.5	760.6	-
NAV	424.8	436.7	436.7	445.5	447.7	449.8	-	-	2.5	5.4	447.7	449.8	2.5	456.6	-
NAV/sh. (EUR)	11.77	12.09	12.09	12.34	12.40	12.46	-	-	2.5	5.4	12.40	12.46	2.5	12.65	-
LTV (consolid.)%	28.3	39.0	39.0	38.3	38.0	37.3	-	-	-2.5	34.3	38.0	37.3	-2.5	39.7	-

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

d'Amico Int'l Shipping (HOLD)**2Q/1H21 Results**

Vs. our estimates	Above	In Line	Below
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Results. Results were slightly above our 2Q/1H21 estimates in terms of margins. The key points were:

- **TCE earnings stood at USD 88.9M in 1H21** vs. USD 150.1M in 1H20 and in line with our USD 88.2M estimates. We highlight that DIS was able to mitigate the weak market thanks to 48.1% contract coverage at an average daily rate of USD 15,546 (only -3% vs. 1H20). Moreover, daily TCE spot in 2Q21 stood at USD 12,720 +28.2% vs. 1Q21, showing some initial signs of rebound;
- **EBITDA was USD 33.0M (+ 4.5% vs. our estimates) vs. USD 79.5M in 1H20.** as a result of the much weaker market relative to the same period of last year. EBIT was USD 0.4M. Net result was a USD 15.2M loss;
- **Net debt improved vs. end-December 2020 (USD 545.9M vs. USD 561.5M respectively, including IFRS16 effect).** The net debt (ex IFRS16)/fleet market value ratio was 64.9% as at 30 June 2021 vs. 65.9% at YE20 and vs. 64.0% at YE19.

What we think: As expected, in 2Q DIS reported a weak performance yoy, due to the tough comparison (last year in 2Q the market was impacted by a mix of temporary and extraordinary factors that were extremely beneficial for product tankers) but showing an improving trend qoq. Once again, the company limited the negative effects of the weak freight markets thanks to its commercial strategy: TC contracts represented 48.1% of its available vessel days, allowing DIS to achieve a total daily TCE of USD 13,893 in 1H21, significantly outperforming the prevailing markets, according to the company. DIS was able to secure a good level of coverage for 2H21 too. Indeed, the company has already covered approx. 41.9% of its available vessel days at an avg. daily rate of USD 14,928 (our current assumptions for FY21E are more conservative on this side). Despite some concerns related to the Delta variant, the outlook for 2H21 looks brighter for the industry, with an even stronger recovery expected in 2022: i) a recovery in demand and refining throughputs is ongoing, with an acceleration anticipated over the next few months (Global refinery throughput in June is estimated to have surged 1.6 mb/d m-o-m, the largest monthly increase since July 2020. Runs are expected to ramp up another 2.7 mb/d between June and August '21. Source: IMF - World Economic Outlook – July '21); ii) vehicle miles driven in the US, as well as in several other countries, have been rising rapidly, spurring gasoline consumption; and iii) the upward trend in the number of commercial flights (still -24% vs. 2019) is expected to continue, stimulating growth in jet-fuel consumption. Longer term, we remain positive on the product tanker market since the industry fundamentals continue to appear strong: i) the closure of the older and less competitive refineries, probably resulting in an increase in ton-mile demand for product tankers; and ii) an extremely constrained growth on the supply side with a pick-up in demolitions expected in 2021 and very limited newbuild orders. We also highlight that current asset values are well below cycle peaks (source: Clarkson), providing a potential upside longer-term. In this regard, we highlight that asset values have shown some signs of improvement already during 2Q21 (DIS' FMV was USD 698.5M as at 30 June 2021 vs. EUR 676.5M as at 31 March 2021). Overall, we believe that DIS is a stock that could benefit from the potential normalisation of the market environment in 2022.

d'Amico Int'l Shipping - Key Data

30/07/2021	Shipping		
Target Price (EUR)	0.10		
Rating	HOLD		
Mkt price (EUR)	0.09		
Mkt cap (EUR M)	116		
Main Metrics (\$ M)	2021E	2022E	NA
TCE Earnings	183.2	217.8	NA
EBITDA	73.71	112.0	NA
EPS (USD)	-0.02	0.01	NA
Net debt/-cash	533.9	462.8	NA
Ratios (x)	2021E	2022E	NA
Adj. P/E	Neg.	8.0	NA
EV/EBITDA	9.1	5.4	NA
EV/EBIT	NM	12.8	NA
Debt/EBITDA	7.2	4.1	NA
Div yield (%)	0	0	NA
Performance (%)	1M	3M	12M
Absolute	-11.5	-6.4	2.0
Rel. to FTSE IT All Sh	-12.1	-11.1	-21.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to d'Amico International Shipping

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DIS – 2Q/1H21 results

USD M	2Q19A	2Q20A	1H20A	FY20A	1Q21A	2Q21A	2Q21E	2Q A/E %	2Q yoy %	vs. 2Q19A %	qoq %	1H21A	1H21E	1H A/E %	1H yoy %	FY21E
Avg. No. of Vessels	49.8	44.4	45.2	43.2	38.8	38.0	38.0	0.0	-14.4	-23.7	-2.1	38.4	38.4	0.0	-15.0	38.2
Daily TCE Spot USD/d	13,074	25,118	21,238	16,771	9,923	12,720	11,900	6.9	-49.4	-2.7	28.2	11,355	10,912	4.1	-46.5	12,000
Daily TCE Covered USD/d	14,398	16,236	16,042	16,429	15,842	15,231	15,300	-0.5	-6.2	5.8	-3.9	15,546	15,571	-0.2	-3.1	15,000
Fleet contract coverage %	48.0	62.6	63.7	61.9	49.5	46.7	47.0	-0.6	-25.4	-2.7	-5.7	48.1	48.3	-0.4	-24.5	38.0
Daily TCE Earnings USD/d	13,710	19,555	17,930	16,560	12,853	13,893	13,286	4.6	-29.0	1.3	8.1	13,371	13,070	2.3	-25.4	13,140
TCE earnings	62.4	78.7	150.1	257.8	42.8	46.1	45.4	1.6	-41.3	-26.1	7.9	88.9	88.2	0.8	-40.8	183.2
EBITDA	25.5	46.5	79.5	127.3	14.2	18.9	17.4	8.4	-59.4	-25.9	33.3	33.0	31.6	4.5	-58.5	73.7
% on TCE earnings	40.9	59.1	53.0	49.4	33.1	40.9	38.2					37.1	35.8			40.2
EBIT	-6.6	25.1	38.9	55.5	-2.3	2.7	1.0	NM	NM	NM	NM	0.4	-1.3	NM	NM	4.7
% on TCE earnings	NM	31.8	26.0	21.5	NM	5.8	2.2					0.4	NM			2.6
Net profit	-18.8	15.6	17.1	16.6	-9.8	-5.4	-6.6	NM	NM	NM	NM	-15.2	-16.4	NM	NM	-26.0

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

De' Longhi (BUY)

1H21A Results

Vs. our estimates	Above	In Line	Below
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Results. The key points of results were:

- **2Q21 sales at EUR 753M**, 4% ahead of our expectations and up 48.5% yoy, with FX headwinds of approx. 6%. At same FX and perimeter (i.e. excluding Capital Brands and Eversys), 2Q21 lfl was again very solid at 40% vs. +30% forecast, just marginally slowing down vs. the +65% delivered in 1Q21. Sales expansion was seen across all the product categories, with the exception of air treatment, and geographies. Coffee makers were up double digit and above the group's average, fueled by the very profitable super automatic, but Food Prep. Also performed very well, up double digit also in 2Q21 and in line with 1Q21, suggesting that demand to improve the "stay at home" remained strong despite the easing of restrictions. Geography-wise, Europe reported a strong growth also in 2Q (+43% LFL and same FX), followed by MEIA, whose sales doubled yoy, delivering another positive quarter. America LFL growth stood at 37%, again showing a modest slowdown vs. 1Q21. Overall, 1H21 sales were up 59.7% to EUR 1,432M, up 65% at same FX (+51% at same perimeter), with Capital Brands and Eversys adding EUR 120M combined vs. EUR 121M expected;

- **2Q21A adj. EBITDA was 7% ahead of our expectations at EUR 123M**, corresponding to an EBITDA margin of 16.3% vs. 15.8% expected. The strong margin expansion (+260bps yoy) was driven by the operating leverage triggered by a strong volumes' increase (EUR 70M) as well as the price/mix (EUR 13M) more than offsetting increased expenditure for EUR 41M of A&P and transportation costs. In the semester, 1H21 adj. EBITDA reached EUR 251M, up 125% on a reported basis or 106% at same perimeter. Capital Brands and Eversys added EUR 21.4M, slightly below our expectations (EUR 24M) likely due to the negligible contribution of Eversys consolidated for only two months and increased A&P to underpin Capital Brands products. Below the EBITDA line, we note positive some items (likely non-cash) boosting the net financial charges to EUR 19M and driving the 2Q21 PBT to EUR 124M vs. EUR 89M expected and amplifying the EBITDA beat;

De' Longhi - Key Data

30/07/2021	H.Goods & Textiles		
Target Price (EUR)	43.7		
Rating	BUY		
Mkt price (EUR)	36.86		
Mkt cap (EUR M)	5511		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	3,044.8	3,261.4	3,470.2
EBITDA	473.9	521.8	559.0
EPS (EUR)	1.84	2.05	2.20
Net debt/-cash	-321.2	-459.9	-665.4
Ratios (x)	2021E	2022E	2023E
Adj. P/E	20.0	18.0	16.7
EV/EBITDA	11.0	9.8	8.7
EV/EBIT	13.7	12.1	10.9
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	2.0	2.3	2.4
Performance (%)	1M	3M	12M
Absolute	-1.7	1.8	50.2
Rel. to FTSE IT All Sh	-2.4	-3.4	16.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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- **Net financial position worsened to EUR 218M from EUR 232M at YE**, basically mirroring the EUR 130M cash-out for the acquisition of 60% of Eversys and the dividend for EUR 81M. Net of those two items, the cash flow generation was very strong at EUR 196M despite EUR 61M of capex. The abundant cash flow generation was also supported by the NWC which, despite the strong sales expansion, absorbed only EUR 11M and now representing only 2% of sales (10.6% at 1H20) further improving from the record high reading at YE20A of 4.1%. The cash flow generation of the last twelve month ex dividend and acquisition reached EUR 450M.

What we think: Results were very strong, beating our and consensus forecasts. Demand for key categories, such as Coffee and Food Prep. continued to remain robust, with no signs of a slowdown in the underlying trend. **Outlook:** the company expects a solid 2H21 supported by new product launches and by a global advertising campaign starting from September and is confident of a nice delivery also for the rest of the year despite the increasing commodity prices and freight costs, which are expected to be largely offset through price hikes becoming more substantial in 2H21. Interestingly, DLG did not have and does not expect to have significant supply chain disruptions, thus dealing better than other sector players with the shortages of several components (notably electronics). **Trading update:** July has started in line with the company's expectations, which we do not exclude may envisage a flat or negative trend given the very tough comps on 3Q20. **Guidance:** raised at both the sales and EBITDA level, with the former now expecting to grow at the high end of the +28/+33% range announced in May (excluding Eversys) while the EBITDA growing both in absolute terms and as a percentage of sales vs. a previous indication for a "stable margin". Eversys is expected to add approx. EUR 40M and EUR 7M of sales and EBITDA, respectively, with a margin neutral impact. The upwards revised guidance implies a double-digit growth in 2H21 for the top-line and an EBITDA drop between 5% and 10% and is approx. between 1%-3% and 1%-4% above our current and company-gathered consensus forecast at the sales and EBITDA level. **Medium term plan guidance:** in the coming months, DLG will update its MTP objectives, which now appear overly cautious on the back of the strong FY21 delivery. In our preliminary sensitivity based on the strong 1H21 and the supportive commentary for the rest of the year, we see a potential upside on 2021E-23E EPS on avg. by 5% and higher cash flow generation closer to the EUR 250M guidance (ex-dividend and M&A) thanks to improved assumptions on NWC management. **We reiterate our BUY recommendation on the stock** underpinned by the solid growth underlying trend in some key products categories as well as the ability demonstrated to face the supply chain bottlenecks suffered by the consumer sectors.

DLG – 2Q21A/1H21A results

EUR M	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	1H21A	FY21E	FY21C
Sales	507.3	903.7	2,368.1	753.1	724.3	NA	4	NM	48.5	1431.8	3,044.8	3,021.6
Gross Margin	238	436.3	1157.1	366.3	361.5		1		53.9	721.4	1,509.2	
on sales %	46.9	48.3	48.9	48.64	49.9					50.38	49.6	
Adj. EBITDA	69.7	111.8	366.5	122.7	114.6	NA	7	NM	76.0	251.4	473.9	473.1
on sales %	13.7	12.4	15.5	16.3	15.8					17.6	15.6	15.7
EBITDA	68.9	105.5	343.0	121.8	114.6		6		76.8	249.4	473.9	
on sales %	13.6	11.7	14.5	16.2	15.8					17.4	15.6	
EBIT	49.3	66.9	262.0	101.2	93.6	NA	8	NM	105.3	209.4	382.8	373.2
on sales %	9.7	7.4	11.1	13.4	12.9					14.6	12.6	12.4
PBT	48.9	65	256.3	123.7	88.6		40		153.0	228.4	370.2	NA
					NA	NA		NM				
Net profit	32.1	32.1	200.10	16.4	NA	NA		NM		180.8	277.6	277.0
Net debt	335.0	388.7	232.0	NM						217.9	321.2	290.0

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

Enel (ADD)

2Q/1H21 Results

Vs. our estimates	Above	In Line	Below
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Results. The key points of 1H21A results were:

- **Ordinary EBITDA** moved down to EUR 8.4Bn vs. EUR 8.8Bn last year or -4.9% yoy, mostly due to: i) the positive effects recognised in the first half of 2020 following the change in the energy discount benefit in Spain (around EUR 0.35Bn), mainly in Infrastructure and Networks as well as in Thermal Generation and Trading; and ii) unfavourable forex effect in Latin America. These negative effects were partially offset by: 1) better margins in the Retail Markets (mostly in Italy); 2) Enel X; and 3) Thermal Generation and Trading in Spain, from the recognition of the indemnification related to the CO2 emission rights, assigned for free in Spain by the National Emission Allocation Plan, and in Italy supported by higher volumes and margins. Renewables power generation 1H21 EBITDA slightly declined mostly due to lower operations in LATAM, partially offset by higher EBITDA in North America supported by higher capacity;
- **Ordinary net income** declined by around 4% yoy, due to the lower ordinary EBIT, partially offset by lower financial charges, thanks to lower cost of debt and lower minority interests in Enel Américas as a result of the group's reorganisation transactions in Latin America;
- **Net debt** as of June 2021 was of EUR 50.4Bn vs. EUR 45.4Bn at YE20A, largely due to capex, dividend payment, EUR 1,280M cash-out for the acquisition of an additional stake in Enel Américas as a result of the voluntary partial tender offer concluded in April 2021, and forex effect of approx. EUR 950M, partially offset by cash generation (approx. EUR 2.7Bn) and EUR 2,214M issuance of a perpetual non-convertible subordinated hybrid bond, partially offset the financial needs associated with the abovementioned events;

The main highlights from the conference call were: 1) **2021 guidance** on EBITDA, net income and net debt confirmed, with Open Fiber transaction offsetting the weaker operating performance. Targets on 2022 also confirmed despite the negative forex effect, thanks to greater pricing and hedging, investments' acceleration and in view of the Next Generation EU deployment. Renewables' new installations have been confirmed at 5.8Gw in 2021, as well as coal capacity shutdown of 2.9Gw in the year, of which 2.6GW in Spain and the remainder in Italy; 2) **on M&A/corporate actions:** the company is still scouting a potential acquisition in the US, with the process that is at an early stage at this time. As regards the potential asset swap with ERG rumoured by the press (MF), management did not comment, though some clarity is expected in the next weeks. On Open Fiber, the transaction is expected to be closed by year end, with no delays envisaged so far. Moreover, when asked about Iberdrola considering potential spin-off of its renewable business, management highlighted the success of the vertical integration model for major operators, stating that spinning-off might make sense when there are balance sheet needs or as per diversification/growth purposes; 3) **on corporate restructuring in LATAM:** the simplification of Enel Americas' corporate structure, as well as the creation of a single corporate vehicle in Colombia, should allow Enel to better exploit growth potentials in LATAM in future both on a geographical and business standpoint. In Brazil, a potential listing of the Brazilian assets could be reasonable at this stage given the dimension reached in the country, according to management; 4) **on Regulation:** about the first consultation document in Italy on new WACC regulatory period: management affirmed that a reduction in regulated WACC is likely to be seen, though negotiations are still underway, with the Regulator that is

Enel - Key Data

30/07/2021	Electricity		
Target Price (EUR)	9.7		
Rating	ADD		
Mkt price (EUR)	8.02		
Mkt cap (EUR M)	81489		
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	14.9	13.8	13.4
EV/EBITDA	7.8	7.5	7.2
EV/EBIT	12.3	11.7	11.3
Debt/EBITDA	2.5	2.5	2.5
Div yield (%)	4.7	5.0	5.4
Performance (%)	1M	3M	12M
Absolute	-0.3	-3.9	0.5
Rel. to FTSE IT All Sh	-1.0	-8.8	-22.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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conscious about the ongoing historical context and need for investments in infrastructures in the country; and 5) on **"Fit for 55"**: management believes that the document would represent a solid base for both energy and industrial companies in order to meet EU climate ambitions and accelerate investments in energy transition as to achieve more stringent and challenging targets in the long term.

What we think: Results were broadly in line with our estimates, declining vs. last year as the operation performance were still affected by the headwinds from Covid effect and forex in LATAM. 2021 guidance was confirmed, supported by the proceedings from the Open Fiber stake disposal, to be posted in the ordinary EBITDA. We do not expect the results to be a major price mover, we maintain our FY21E estimates, which are in line with company guidance.

Enel – 2Q/1H21 results

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	vs.2019 %	1H21A	FY21E	FY21C
EBITDA reported	4,358	4,048	8,645	16,816	3,628	4,135	-	-12	-	-10	-17	7,719	18,841	18,757
EBITDA ordinary	4,308	4,053	8,794	17,940	4,201	4,135	3,877	2	8	4	-2	8,360	18,841	
ITALY	1,797	2,060	4,068	8,204	2,055	2,020		2		0	14	4,153	8,032	
IBERIA	949	841	2,295	4,413	837	810		3		0	-12	1,836	3,968	
LATAM	1,335	879	1,951	4,120	984	925		6		12	-26	1,881	5,583	
EUROPE & North Africa	120	127	257	512	107	155		-31		-16	-11	233	526	
North-Central America	175	188	295	781	242	265		-9		29	38	305	775	
Rest of Africa & Asia	9	5	21	56	22	10		120		340	144	38	107	
Other	-77	-47	-93	-146	-46	-50				-2	-40	-86	-150	
EBIT (reported)	2,231	1,434	4,543	10,160	1,846	2,515	2,212	-27	-17	29	-17	4,371	11,941	11,757
EBIT Ordinary	2,528	2,314	5,455	11,284	2,600							5,198		
EBT (reported)	1,615	953	3,459	8,097	1,310	1,960	1,908	-33	-31	37	-19	3,448	9,913	9,464
Tax rate %	23	51	37	31	NA	30						34	29	
Net Income	958	228	1,493	2,610	602	1,132	985	-47	-39	164	-37	1,778	5,451	
Net Income (ord.)	1,118	1,124	2,405	5,197	1,085	1,132	1,010	-4	7	-3	-3	2,299	5,451	5,543
EPS	0.11	0.11	0.24	0.51	0.11	0.11	0.10			-3	-3	0.23	0.54	0.55
Net Debt (EUR Bn)	45,391	50,411	50,411	45,415	50,418	50,132	49,209					50,418	46,525	45,138

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

Fincantieri (ADD)

2Q/1H21 Results

Vs. our estimates **Above** **In Line** **Below**

Results. FCT-s 2Q and 1H21 results came in broadly in line with our expectations and confirmed that the group-s Shipbuilding activities recovered the 2020 volumes lost during the pandemic.

- **Revenues.** While a comparison (+51% yoy) with 2Q20 is not particularly meaningful, over the last quarter FCT's revenues ex pass through activities amounted to EUR 1.6Bn, i.e. 10% above 2Q19 levels. The Shipbuilding division supported this growth: in 1H21, Shipbuilding revenues ex-pass through activities (EUR 225M) rose yoy by 32.5% thanks to a 26.4% increase in the cruise area (EUR 1.9Bn) and a 49.8% increase in the naval business (EUR 789M), whose weighting on total Shipbuilding revenues rose from 20% to 57%;
- **EBITDA.** With a 2Q21 EBITDA at EUR 118M leading to a 1H21 EBITDA at EUR 219M, the group's operating figures were fully in line with our expectations. At the profitability level, we view as significant the achievement of a 1H21 EBITDA margin ex pass through activities at 7.2% (7.4% in 2Q21 vs. slightly ahead of the company's FY targets. Moreover, in this case, the operating performance was driven by the Shipbuilding division whose gross margins ex pass through set at 7.7% (7.5% in 2Q21).

Fincantieri - Key Data

30/07/2021	Shipbuilding		
Target Price (EUR)	0.93		
Rating	ADD		
Mkt price (EUR)	0.74		
Mkt cap (EUR M)	1248		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	6,773.1	8,146.1	8,607.3
EBITDA	475.6	650.0	712.3
EPS (EUR)	0.05	0.13	0.16
Net debt/-cash	919.8	741.6	602.9
Ratios (x)	2021E	2022E	2023E
Adj. P/E	14.4	5.5	4.7
EV/EBITDA	4.5	3.0	2.6
EV/EBIT	7.2	4.3	3.5
Debt/EBITDA	1.9	1.1	0.85
Div yield (%)	0.8	3.0	3.7
Performance (%)	1M	3M	12M
Absolute	-4.5	14.3	22.9
Rel. to FTSE IT All Sh	-5.2	8.5	-4.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Amongst 2Q figures, we highlight that, while 2Q Shipbuilding EBITDA fell slightly below our expectations, the ES&S division materially beat our forecasts;

- **Bottom Line and NFP.** With Covid costs at EUR 22M (vs. our EUR 30M assumption) in 1H21 and EUR 29M one-off costs related to asbestos, the group's adj. net income set at EUR 49M. in line with the company's indications at the end of 1Q21, the NFP was almost stable at EUR 1.6Bn: we highlight that this set of figures still does not account for the cash -in from Cruises deliveries in July.

What we think: With 1H21 figures overall in line with expectations, the company confirmed its previous guidance which envisages revenues up by over 25% and a EBITDA margin at 7%. We expect today's conference call to focus on: 1) the group's FY21 net debt (seen flat yoy by management in 2021) evolution on the back of the cruise ship deliveries in 2H21 (on a total of 6 units); 2) the group's further business opportunities in the naval segment; and 3) the potential impact of raw material costs from 2022. We highlight that our FY21 estimates account for the finalisation of the Indonesian naval contract by year-end and the relative advanced payment.

Finacantieri – 2Q/1H21 results

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	vs. 2Q19 %	1H21A	FY21E	FY21C
Revenues	1,452	1,062	2,369	5,879	1,603	1,652	NA	-3.0	NA	51	10	3,251	6,773	6,600
Revenues ex pass through	1,452.0	1,062.0	2,369.0	5,879.0	1,600.0	1,602.0	NA	-0.1	NA	51	10	3,026.0	6,501.1	NA
-Shipbuilding	1,297.0	898.0	2,031.0	5,226.0	1,461.0	1,412.0	NA	3.5	NA	63	13	2,961.0	5,797.3	NA
-Shipbuilding Ex pass through	1,297.0	898.0	2,031.0	5,226.0	1,413.0	1,362.0	NA	3.7	NA	57	9	2,691.0	5,525.3	NA
-Offshore	90.0	102.0	228.0	389.0	124.0	120.0	NA	3.3	NA	22	38	220.0	499.4	NA
-E,S&S	201.0	187.0	392.0	937.0	249.0	300.0	NA	-17.0	NA	33	24	481.0	1,149.4	NA
EBITDA (pre ex Covid Costs)	125.0	47.0	119.0	314.0	118.0	119.0	NA	-0.8	NA	NM	-6	219.0	475.6	441.7
-Shipbuilding	163.0	43.0	115.0	285.0	106.0	115.0	NA	-7.8	NA	NM	NM	206.0	417.4	NA
-Offshore	-50.0	0.0	-1.0	-5.0	2.0	2.0	NA	0.0	NA	NM	NM	4.0	7.1	NA
-E,S&S	21.0	12.0	24.0	76.0	22.0	12.0	NA	83.3	NA	83	5	32.0	93.1	NA
EBITDA%	8.6	4.4	5.0	5.3	7.4	7.2	NA	NM	NM	NM	-14	6.7	7.0	6.7
EBITDA% ex pass through	8.6	4.4	5.0	5.3	7.4	7.4	NA	NM	NM	NM	-14	7.2	7.3	NA
-Shipbuilding	12.6	4.8	5.7	5.5	7.3	8.1	NA	NM	NM	NM	-42	7.0	7.2	NA
-Shipbuilding ex pass through	12.6	4.8	5.7	5.5	7.5	8.4	NA	NM	NM	NM	-40	7.7	7.6	NA
-Offshore	-55.6	0.0	-0.4	-1.3	1.6	1.7	NA	NM	NM	NM	-103	1.8	1.4	NA
-E,S&S	10.4	6.4	6.1	8.1	8.8	4.0	NA	NM	NM	NM	-15	6.7	8.1	NA
EBIT	NA	NA	54.4	148.0	NA	NA	NA	NM	NM	NM	NA	123.0	296.6	263.2
Net attributable Income	NA	NA	-140.5	-240.0	NA	NA	NA	NM	NM	NM	NA	6.0	47.5	26.9
Adj Net Attributable	NA	NA	-115.5	-192.0	NA	NA	NA	NM	NM	NM	NA	49.0	86.5	72.3
Net debt	724.0	980.0	980.0	1,062.1	1,617.0	1,600.0	NA	1.1	NA	65	123	1,617.0	919.8	980.0
Constructions Loans	492.0	1,001.0	1,001.0	1,324.7	1,278.0	1,300.0	NA	-1.7	NA	28	160	1,278.0	1,365.7	NA

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

Geox (ADD)**Higher Costs Savings in 1H21; July Sales up 23% LFL**

Vs. our estimates	Above	In Line	Below
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Results. Yesterday, Geox reported 2Q21 sales up 91% yoy to EUR 115.7M, which exceeded our forecast by 2% thanks to the wholesale channel (+170% yoy, +9% vs. 2Q19). Overall, 1H21 closed with sales at EUR 264M (+8.4% yoy, +10.1% yoy at constant forex). Most importantly, **in 1H21, the EBIT loss narrowed from EUR 84M in 1H20 to EUR 29M, which was much lower than our forecast (EUR -49M) and consensus (EUR 46M loss)**. The management stated that **LFL in July was +23% yoy (-6% vs. July 19 after -34% recorded in 1H21 vs. 1H19)** with a solid improvement in markdowns. In August, Geox is to close the Serbian plant. The key points of results were:

- Geographical breakdown: **The recovery in Italy was much higher than our forecast (+104% yoy, only 5% below 2Q19). In 1H21, Italian DOS were +3% yoy with LFL at +20%**, that more than compensate for the optimization. As expected, Europe doubled 2Q20 sales with a strong performance in France (+12% LFL in 1H21). RoW closed up by 60% yoy, driven by Russia (+109% LFL of DOS in 1H21);
- Network rationalization accomplished: **total Geox stores were reduced from 987 in 1H19 to 810 in 1H21**. The shops closed in 2019 generated a EUR 13M EBIT loss;
- Breakdown by distribution channel: Retail sales increased by 58% yoy despite online LFL down 7% yoy due to the shift of children's footwear stores from online to retail (stores + online for children increased by 13% LFL in 2Q21). Online in 1H21 was up 30% yoy and up 80% vs 1H19;
- Cost savings: **Total operating costs reduced by 8.5% yoy at EUR 156M** vs. EUR 176M in our forecast, with EUR 4.4M savings in distribution costs and EUR 4.3M rent reduction;
- Net loss was EUR 37M without recognition of deferred tax assets. Net debt pre-IFRS 16 at the end of June was EUR 108M vs. EUR 110M as at the end of March;
- **Serbian factory: will be closed in August**. The group is negotiating the sale of the property (no impairment is expected). Restructuring charges should be close to zero. **The plan employs 1,200 people**. We estimate that the outsourcing of manufacturing to emerging markets should generate savings of >EUR 5M;
- Marketing strategy: new brand and merchandising officers are on board. As for the S/S21 collection, **in 2H21 they will resort to the advertising campaign (to push the Amphibiox product line for the A/W21 season)**. Spherica's sell through reached 85%;
- Outlook: management confirmed its guidance for double-digit growth of FY21 sales and **said to expect better 2H21 EBIT results than 1H21 EBIT**. An investor day should be held in November.

What we think: The 1H21 results show the significant reduction of the cost structure achieved by Geox; also considering the Serbian closing, the group is making the EBIT breakeven forecast for FY22 increasingly visible. The FY21 guidance is coherent with our estimates for FY21 sales up 14.8% yoy and a EBIT FY21 loss at EUR 37M; for FY22E, we forecast EUR 6M positive EBIT.

Geox - Key Data

30/07/2021	Branded Goods		
Target Price (EUR)	1.35		
Rating	ADD		
Mkt price (EUR)	1.06		
Mkt cap (EUR M)	275		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	614.1	676.8	720.2
EBITDA	62.28	102.8	114.7
EPS (EUR)	-0.13	-0.00	0.04
Net debt/-cash	366.0	328.7	276.4
Ratios (x)	2021E	2022E	2023E
Adj. P/E	Neg.	Neg.	25.4
EV/EBITDA	10.1	5.8	4.7
EV/EBIT	Neg.	92.7	24.9
Debt/EBITDA	5.9	3.2	2.4
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	-5.0	17.3	51.6
Rel. to FTSE IT All Sh	-5.7	11.3	17.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Geox – 2Q/1H21 sales

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	vs. 2Q19 %	1H21A
Net Sales	138.4	60.6	243.6	534.9	115.7	113.2	114.0	2.2	1.4	90.8	-16.5	264.0
Wholesale	45.8	18.4	121.4	258.3	49.9	42.2	44.3	18.2	12.6	170.4	9.0	141.8
Retail	91.8	37.4	104.4	233.5	58.8	63.3	62.0	-7.0	-5.2	57.5	-35.9	104.8
Franchising	0.9	4.8	17.8	43.1	7.4	7.7	7.5	-3.3	-1.3	54.2	727.4	17.9
Europe	61.8	25.8	113.8	250.3	51.3	51.0	-	0.5	-	98.7	-17.1	121.4
North America	11.1	2.8	11.8	24.8	5.8	8.0	-	-27.5	-	109.5	-47.5	10.4
Italy	36.2	16.9	59.9	124.9	34.5	30.0	-	14.9	-	104.0	-4.8	64.4
RoW	28.3	15.1	58.1	134.9	24.2	24.2	-	0.0	-	59.9	-14.6	67.9

A: actual; E: estimates; C: consensus provided by company; Source: Company data and Intesa Sanpaolo Research

Geox – 1H21 results

EUR M	1H19	1H20A	FY20A	1H21A	1H21E	1H21C	A/E %	E/C %	yoy %	vs. 1H19 %	FY21E	FY21C
Net Sales	399.4	243.6	534.9	264.0	261.5	262.3	0.9	-0.3	8.4	-33.9	614.1	615.0
Wholesale	185.8	121.4	258.3	141.8	134.1	136.2	5.7	-1.5	16.8	-23.7	305.3	-
Retail	175.8	104.4	233.5	104.8	109.3	108.0	-4.1	1.2	0.4	-40.4	272.6	-
Franchising	37.9	17.8	43.1	17.9	18.2	18.0	-1.4	0.8	0.5	-52.8	36.1	-
Europe	174.8	113.8	250.3	121.4	121.1	-	0.2	-	6.6	-30.6	265.3	-
North America	22.1	11.8	24.8	10.4	12.6	-	-17.5	-	-11.6	-52.8	35.9	-
Italy	116.2	59.9	124.9	64.4	59.9	-	7.5	-	7.5	-44.6	144.9	-
RoW	86.3	58.1	134.9	67.9	67.9	-	0.0	-	16.8	-21.4	167.9	-
EBITDA	54.0	-20.6	-13.7	9.5	0.4	NA	2046.3	-	-146.1	-82.4	62.3	66.0
EBITDA margin %	13.5	-8.5	-2.6	3.6	0.2	-	-	-	-	-	10.1	10.7
EBIT	2.8	-84.0	-124.5	-29.2	-49.3	-45.6	-	-	-	-	-37.1	-35.0
EBIT margin %	0.7	-34.5	-23.3	-11.1	-18.8	-17.4	-	-	-	-	-6.0	-5.7
Net income	-5.0	-82.0	-128.3	-37.0	-49.3	-44.6	-	-	-	-	-44.6	-33.5
Net margin %	-1.3	-33.7	-24.0	-14.0	-18.8	-17.0	-	-	-	-	-7.3	-5.4
Net debt	344.4	372.8	367.7	349.5	377.0	378.0	-	-	-	-	366.0	366.0

A: actual; E: estimates; C: consensus provided by company; Source: Company data and Intesa Sanpaolo Research

INWIT (BUY)

2Q21 Results

Vs. our estimates Above In Line Below

Results. The key points of 2Q21 results and the conference call were:

- **2Q21 results in line at the operating level, RCF beat:** 1) sales +4.5% yoy in organic terms (vs. +3.4% yoy 1Q21), which reflects the run-rate improvement of new PoPs, the support by new sites and the ramp-up of new services. These results are in line with our and company-provided consensus with a different mix: higher anchor MSA (+1.5% qoq vs. +0.8% exp.), lower third-party (+0.4% qoq vs. +5.2% exp.) and lower new services (+3.0% qoq vs. +12.0% exp.); 2) organic EBITDA +1.5% yoy and +5.4% yoy after lease (broadly in line with our and cons estimate), thanks to the continued lease reduction; 3) net profit 9.6% above consensus (+35% yoy) and RCF 22% above consensus (+15% yoy), thanks to lower financial charges and taxes; 4) after accounting the EUR 288M dividend payment and EUR 334M cash-out for the goodwill enfranchisement, net debt post-IFRS 16 peaked at EUR 4.15Bn at end-June 2021, broadly in line with our and consensus estimate, with an implied leverage at 5.9x;

- **KPIs:** 1) 900 new PoPs anchors, in line with our estimate and 860 in 1Q21; 2) 290 new PoPs from third parties, lower than our 420 estimate and 360 in 1Q21, with the mix MNOs vs. FWA reportedly improving in the quarter; 2) new sites accelerated to 130 in 2Q21 from 30 in 1Q21 and 70 in FY20; 3) 350 new small cells/DAS, in line with our estimate and the +300/400 quarterly run-rate;

- **Guidance reiterated, with revenues and EBITDA at the low end of range and EBITDAL and RCF at the high-end of range:** 1) sales range EUR 785-795M: our estimate is EUR

INWIT - Key Data

30/07/2021	Telecom Services		
Target Price (EUR)	12.6		
Rating	BUY		
Mkt price (EUR)	9.65		
Mkt cap (EUR M)	9262		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	662.1	790.6	857.2
EBITDA	604.3	721.1	782.3
EPS (EUR)	0.16	0.20	0.29
Net debt/-cash	3,754.8	4,191.8	4,180.1
Ratios (x)	2020E	2021E	2022E
Adj. P/E	60.2	48.9	32.9
EV/EBITDA	21.5	18.7	17.2
EV/EBIT	46.0	38.8	33.1
Debt/EBITDA	6.2	5.8	5.3
Div yield (%)	9.3	3.3	3.6
Performance (%)	1M	3M	12M
Absolute	0.6	-0.3	8.3
Rel. to FTSE IT All Sh	-0.1	-5.3	-16.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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791M and cons. EUR 787M, 2) EBITDA range EUR 715-725M: our estimate is EUR 721M and cons. EUR 718M; 3) EBITDA AL range EUR 510-520M: our estimate is EUR 515M and cons. EUR 516M; 4) RCF EUR 355-365M: our estimate is EUR 360M and cons. EUR 357M. Management guided for revenue acceleration in 2H21 and a supportive boost from Next Generation EU funds;

- **Small acquisition from Vodafone Italy:** purchase of 700 sites plus 40 DAS systems with an investment of EUR 70M, run-rate revenues of EUR 10M and a margin in line with INWIT, implying an appealing EV/EBITDA AL of around 14x, according to our calculations.

What we think: While results are overall ok, the ramp-up of third-party PoPs remain lower than the run-rate included in the business plan, which was mostly attributed to the Iliad remedy bottleneck, albeit INWIT said that it added its first 100 tenancies in urban areas of >35k inhabitants, which represents a small progress. For this reason, management guided towards the low-end of the guidance range for revenues and EBITDA in FY21, which we continue to trust is a phasing effect pending the long-awaited remedy agreement with Iliad.

INWIT – 2Q/1H21 results

EUR M	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	1H21A	FY21E	FY21C
Anchor MSA	161.3	227.6	554.4	166.5	165.4	-	0.7	-	3.2	330.6	670.6	-
Third-party revenues	21.1	45.5	89.4	23.0	24.1	-	-4.6	-	9.1	45.8	104.8	-
New services	2.1	14.4	19.6	3.4	3.7	-	-8.1	-	61.6	6.7	15.2	-
Rep. revenues	184.5	287.4	663.4	192.9	193.2	193.0	-0.2	-0.1	4.6	383.1	790.6	786.8
Rep. EBITDA	171.6	259.6	603.8	175.9	175.8	176.1	0.1	-0.1	2.5	348.9	721.1	718.4
Rep. EBITDA AL	118.9	175.9	418.7	127.2	126.7	126.5	0.4	0.6	7.0	251.1	515.1	515.7
Net profit	38.2	71.7	156.7	51.5	47.8	47.0	7.7	9.6	34.9	95.0	189.3	194.9
Net debt/-cash post IFRS 16	3,977	3,977	3,712	4,151	4,215	4,188	-1.5	-0.9	4.4	4,151	4,192	4,132.8

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

Leonardo (ADD)

2Q21 Results

Vs. our estimates	Above	In Line	Below
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Results: LDO's 2Q results confirmed the group's strong commercial performance thanks to the military business. Group EBITA and FCF came in above our estimates and consensus. FY21 guidance was confirmed. In detail:

- **Orders & revenues.** With a 2Q21 order intake of EUR 3,282M (+22.3% yoy), higher than expected, and revenues up by 8.2% to EUR 3,555M, broadly in line with our expectations, LDO looks well on track with its FY21 guidance;
- **2Q21 EBITA** amounted to EUR 305M in 2Q21 (EUR 400M in 1H21), beating our expectations and consensus by 19.6% and 21%, respectively. Most of the estimates' beat was attributable to: 1) the Defense Electronics & Security, which in 2Q delivered a EBITA EUR 22M above our estimates; 2) the Space division, which we were expecting to close at break even in 2Q and that delivered EUR 23M. Within the Defense Electronics & Security, Europe electronic performed particularly strongly while DRs prosecuted its sound performance. In 1H21, Defence Electronics & Security EBITA improved from EUR 166M to EUR 297M, with a sound margin progress from 5.8% to 9.3% (+360bps). Helicopters and Avionics performed overall in line with our estimates. In Avionics, we highlight the solid performance of Aircraft, while Aerostructure losses amounted to EUR 36M, broadly in line with our expectations. As for ATR, in 1H21 deliveries stood at 6 units; by year-end, ATR's deliveries are expected to double vs. 2020, according to the company;
- **FOCF and net debt.** 1H21 FOCF, albeit still negative for EUR 1,380M, was much better than our expectations and market consensus, implying a slightly positive FOCF in 2Q (EUR 42M vs. a negative EUR 211M seen by consensus). As a result, 1H21 net debt set at EUR 4.6Bn, i.e. EUR 308M below our expectations.

What we think: On the back of a solid 1H21, LDO confirmed its FY21 guidance that points to: i) a new order intake at around EUR 14Bn; ii) revenues in the range of EUR 13.8-14.3Bn; iii) EBITA in the range of EUR 1,075- 1,125M; iv) FOCF at around EUR 100M; and v) net debt standing at around EUR 3.2Bn. The better 2Q21 EBITA and 1H21 FOCF look supportive for our investment case. We reiterate our **ADD rating and TP of EUR 8.2/sh.**

Leonardo - Key Data

30/07/2021	Aerospace&Defence		
Target Price (EUR)	8.2		
Rating	ADD		
Mkt price (EUR)	6.56		
Mkt cap (EUR M)	3794		
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	8.0	5.8	5.0
EV/EBITDA	4.3	4.0	3.6
EV/EBIT	8.0	6.3	5.4
Debt/EBITDA	2.0	1.8	1.5
Div yield (%)	2.1	2.1	17.4
Performance (%)	1M	3M	12M
Absolute	-4.3	-1.2	12.4
Rel. to FTSE IT All Sh	-5.0	-6.2	-13.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Leonardo - 2Q/1H21 results

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	vs. 2Q19 %	1H21A	FY21E	FY21C
Revenues	3,237	3,287	5,878	13,410	3,555	3,510	3,400	1.3	4.6	8.2	9.8	6,345	14,094	13,993
EBITA	324	251	292	938	305	255	252	19.6	21.0	21.5	-5.9	400	1,099	1,094
EBITA%	10.0	7.6	5.0	7.0	8.6	7.3	7.4					6.3	7.8	7.8
EBIT	306	197	227	517	272	205	213	32.7	27.7	38.1	-11.1	347	874	895
EBIT%	9.5	6.0	3.9	3.9	7.7	5.8	6.3					5.5	6.2	6.4
Net Attril. Profit	272	118	59	241	179	132	134	35.9	33.6	51.7	-34.2	177	451	485
FOCF	64	-294	-1,889	40	42	-281	-211	-115.0	-119.9	-114.3	-34.4	-1,380	100	113
Net Debt	4,098	5,074	5,074	3,318	4,613	4,921	4,640	-6.3	-0.6	-9.1	12.6	4,613	3,218	3,390
Orders	3,627	2,683	6,104	13,754	3,282	3,031	3,118	8.3	5.3	22.3	-9.5	6,682	14,001	13,931

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

Maire Tecnimont (HOLD)**1H21 Results**

Vs. our estimates	Above	In Line	Below
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Results. The company released positive results, driven by revenues ramp-up, and above our estimates. The key points of 1H21 results were:

- **Revenues** were up by 9.2% yoy, reflecting the non-linear progress of projects in the backlog, and showing a continuous upward trend due to the pick-up of the activities of the projects in the backlog and the start of the newly acquired ones. According to the company, the ongoing advancement of the projects in the backlog and the start of the ones acquired year to date are going to lead to volumes' increases over the next few quarters, with no worsening of the pandemic and its variants;
- **EBITDA** was up 9.1% yoy, thanks to the higher revenues. The EBITDA margin was 6.0%, unchanged vs. 1H20A, and in line with the profitability of the EPC projects;
- **Net income** of EUR 40.0M, up by 99.2%, as result of higher revenues and lower net financial charges. However, such an improvement was largely driven by the positive net valuation of derivative contracts for EUR 6.8M vs. a negative value of EUR 9.8M in 1H20A. Net of the aforementioned effects, it was broadly flat yoy;
- **Adjusted net debt** declined, mainly thanks to the operating performance and the favourable trend of working capital on operating cashflows;
- **On the Outlook**, given the solid 1H21 results and backlog (EUR 7Bn), management confirmed the guidance for 2021 (revenues in the range of EUR 2.8-3.0Bn, an EBITDA margin in line with normalised 2020 (6%), and a net financial position close to breakeven, provided no worsening of current conditions). The commercial pipeline of EUR 55Bn in the O&G/petrochemicals business, and EUR 6.7Bn related to the Green chemistry should also support medium-term growth, with the Middle East and Russia as the main geographies.

What we think: We see this set of results positively as were above our estimates, thanks to higher operating activities. Figures have not recovered the pre-Covid performance, but we believe that worst is behind. The solid backlog should support 2021-22 growth. Following this set of results, we will look to fine tune our 2021E estimates, mostly related to net income and debt. We put **our rating and target price Under Review**.

Maire Tecnimont – 2Q/1H21 results

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	A/E %	A/C %	yoy %	vs.2019 %	1H21A	FY21E	FY21C
Sales	794	510	1,216	2,631	701	660	692	6	1	38	-12	1,327	2,963	2,980
Breakdown of sales														
Hydrocarbons	759	505	1,194	2,557	679	640		6		35	-11	1,288	2,785	
Green Energy	35	6	23	74	22	20		11		295	-37	39	179	
EBITDA	50	31	73	172	42	38	42	10	0	37	-15	80	176	181
% of Sales	6.3	6.0	6.0	6.5	6.0	5.8						6.0	6.0	
Hydrocarbons	49	31	75	173	42	38		10		37	-14	81	174	0
Green Energy	1	0	-1	-1	0	0		NM				-1	3	
EBIT	37	18	50	124	32	27	31	15	2	73	-15	59	134	
% of Sales	4.7	3.6	4.1	4.7	4.5	4.2						4.5	4.5	
Pre-tax Income	31	12	28	79	28	21		29		135	-11	53	122	0
Tax Rate %	30.9	33.2	31.8	31.2	43.0	33.0						31.2	33.0	
Net Income	20	9	20	58	22	14	18			140	9	40	79	76
Adj Net Income*	20	9	27	69	20	14	18	40	12	120	0	35	79	76
Net debt/-cash	119	261	261	117	31	55						31	86	119
Backlog	6,636	6,703	6,636	6,002	6,995	7,154						6,995	6,218	
New order intake	875	1,309	1,768	2,732	2,036	2,092						2,258	3,180	

Note: * Intesa Sanpaolo Research elaboration on company data; NM: not meaningful; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research.

Maire Tecnimont - Key Data

30/07/2021	Oil Equip. & Services		
Target Price (EUR)	Under Review		
Rating	HOLD		
Mkt price (EUR)	3.08		
Mkt cap (EUR M)	1013		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	2,963.5	3,172.8	3,207.9
EBITDA	176.5	188.2	193.0
EPS (EUR)	0.24	0.27	0.29
Net debt/-cash	85.65	14.02	-59.40
Ratios (x)	2021E	2022E	2023E
Adj. P/E	12.8	11.4	10.8
EV/EBITDA	6.6	5.8	5.2
EV/EBIT	8.7	7.4	6.7
Debt/EBITDA	0.49	0.07	Neg.
Div yield (%)	2.7	3.1	3.2
Performance (%)	1M	3M	12M
Absolute	-0.1	17.3	104.9
Rel. to FTSE IT All Sh	-0.8	11.3	58.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Mediobanca (BUY)**4Q20/21 Results**

Vs. our estimates	Above	In Line	Below
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Results. In 4Q20/21 Mediobanca reported a net income of EUR 204M, above our estimates (EUR 154M) and FactSet market consensus (EUR 178M). Compared with our estimates, revenues came in stronger than expected and the company benefited from higher than expected revaluation of financial activities (EUR 15M in the quarter), more than recovering the losses accounted in FY19/20. The key points of results were:

■ **Revenues above pre-Covid levels.** In 4Q20/21, revenues increased by 9.7% yoy, remaining flat qoq, supported by WM (+16.5% yoy) and CIB (+16.6% yoy). In FY20/21, revenues reached EUR 2,628M, overcoming the pre-Covid level (2% 2-years CAGR). The contributor to revenue growth in FY20/21 were WM (+7.1% 2-years CAGR) and CIB (+5.5% 2-years CAGR), while Consumer Banking and PI remained below pre-Covid levels (-1.2% and -5.7% 2-years CAGR, respectively). However, it is worth mentioning that new lending in Consumer Banking came back to pre-Covid levels in 4Q20/21 (EUR 1.9Bn);

■ **Positive trend in asset quality.** In 4Q21, Mediobanca posted a cost of risk of 56bps, bringing the cost of risk of FY20/21 to 52bps, despite EUR 90M additional overlays provisions in the year: total overlays provisions reached EUR 300M, equal to 62bps, and could be used for facing a potential future deterioration of the asset quality, which has not materialised yet. In fact, the gross NPE ratio declined by 20bps qoq to 3.2%, the lowest level ever. Loans under moratoria now represent only 1.4% of customer loans and 80% of them are classified as Stage 2. Coverage ratios increased both on NPE (64.9%, +10bps qoq) and on performing (1.36%, +2bps qoq);

■ **Strong capital base and generous dividend policy.** The CET1 ratio increased by 50bps to 15.1% and the company announced a EUR 0.66/sh cash dividend (slightly above EUR 0.64/sh we expected). The company also announced that it plans to cancel its own shares by year-end and to proceed afterwards with a buyback up to 3% of outstanding shares, to be completed in one-year time. Based on the above, at current market prices, the dividend yield is 6.6% (cash) or 9.6% including the shares buyback. Management guided for a cash dividend payout of 70% also for FY21/22 (above 65% we expected);

■ **Management outlook for FY21/22.** During the conference call, Mediobanca's management provided a positive outlook for FY21/22. Management expects: NII to progressively increase on quarterly basis, overcoming FY20/21 level; fees and commissions to increase by low single digit, thanks to a robust growth in WM and still positive fees in CIB (although below the FY20/21 strong level), where the pipeline of deals remains very good; the cost income to remain flat at 47%; the cost of risk to remain flat at 52bps, without considering the potential reversal of part of overlays provisions that could be possible if the current asset quality trends are confirmed;

■ **Still interested in M&A.** No specific indications on M&A has been provided during the call. Management foresees the closing of the acquisition of Bybrook in the forthcoming months; Mediobanca remains interested in M&A (not only on WM business), although only bolt-on acquisitions are potentially available on the market, at this time. According to today's Il Sole 24 Ore, Deutsche Bank should start soon exclusive negotiations for the sale of Deutsche Bank Financial Advisors (former Finanza & Futuro), its Italian network of financial advisors with over 1k financial advisors and AUM of EUR 18Bn. While Mediobanca was considered in pole position

Mediobanca - Key data

30/07/2021	Banks		
Target Price (EUR)	11.6		
Rating	BUY		
Mkt price (EUR)	9.93		
Mkt cap (EUR M)	8810		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	2,618.8	2,640.4	2,712.6
Gross op income	1,387.0	1,380.5	1,412.1
EPS (EUR)	0.92	0.88	0.91
TBVPS (x)	11.1	11.3	11.6
Ratios (x)	2021E	2022E	2023E
Adj. P/E	10.8	11.3	10.9
P/TBV	0.90	0.88	0.85
RoTE (%)	8.7	7.9	7.9
CET1 FL (%)	14.5	14.7	14.6
Div yield (%)	6.5	5.8	5.9
Performance (%)	1M	3M	12M
Absolute	-0.1	6.1	43.1
Rel. to FTSE IT All Sh	-0.8	0.7	10.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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for the acquisition (see Equity Daily of 26/7/21), according to Il Sole 24 Ore, now, Zurich would be the favourite, based on the price offered (valuation of EUR 350-400M, mentioned in the article).

What we think: Results were above our expectations and we consider positively the V-shaped recovery in profitability, with a net operating income in line with pre-Covid levels in FY20/21. The outlook is positive and the asset quality seems very solid (also thanks to EUR 300M overlay provisions and a cost of risk in Consumer Banking below 200bps). We expect the internal capital generation and strong capital base to support a generous dividend policy. **BUY and TP EUR 11.6/sh.**

Mediobanca – 4Q20/21 and FY20/21 results

EUR M	4Q20 A	3Q21 A	4Q21 A	4Q21 E	4Q21 C	4Q A/E %	4Q A/C %	4Q qoq%	4Q yoy %	FY21 A	FY21 C
Net Interest Income	361	351	344	349	346	-1.5	-0.7	-2.1	-4.7	1,415	1,417
Commission income	143	188	173	168	171	3.1	1.5	-7.9	21.4	745	745
Trading income	48	65	45	57	34	-19.6	33.5	-30.0	-4.8	197	186.7
Total income	606	663	665	631	654	5.3	1.7	0.3	9.7	2,628	2,618
Operating Costs	298	315	333	312	325	6.7	2.3	5.7	11.6	1,238	1,232
Gross Oper. Income	308	348	332	320	329	3.9	1.0	-4.6	7.9	1,390	1,386
LLP	165	64	67	76	71	-11.2	-5.1	5.8	-59.3	249	255
Pre tax Income	77	261	271	212	246	28.0	10.2	3.7	251.3	1,104	1,071
Net income	48	193	204	154	178	32.2	14.4	5.4	322.6	808	776
CoR	141	53	56	65	NA	-13	NA	5.5	-60.1	52	NM
CET1	14.5	14.6	14.5	14.5	NA	0.0	NA	-0.8	-0.1	14.5	NM

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

Prima Industrie (BUY)

1H21 Results

Vs. our estimates **Above** **In Line** **Below**

Results. The key points of results were:

- **1H21 revenues grew by 16.8% yoy** to EUR 184M, slightly better than our forecast (EUR 182M). 2Q21 revenues exceeded EUR 101M, +23.2% yoy;
- **Adjusted EBITDA in 1H21 was EUR 13.9M**, +14.3% yoy. The margin was broadly aligned yoy at 7.6%. In 2Q21, the adj. EBITDA margin was 8.1%;
- **Net debt was EUR 84.2M**, significantly contracting vs. FY20 (EUR 96.3M), and lower than our forecast (EUR 90.7M);
- **Order intake was EUR 228.8M, +62.5% yoy and + 20.5% vs. 1H19**. The portfolio stood at EUR 169.7M vs. EUR 124.7M in FY20 and vs. EUR 126M in 1H20.

What we think: We regard positively the revenues expansion and the EBITDA margin achieved in 1H21. Also considering the strong order intake, we regard as feasible our FY21E estimates. **BUY, EUR 25.0/sh TP.**

Prima Industrie - Key Data

30/07/2021	Engineering		
Target Price (EUR)	25.0		
Rating	BUY		
Mkt price (EUR)	21.20		
Mkt cap (EUR M)	222		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	382.9	450.0	500.0
EBITDA	34.46	49.50	65.00
EPS (EUR)	0.70	1.62	2.43
Net debt/-cash	89.28	69.69	38.36
Ratios (x)	2021E	2022E	2023E
Adj. P/E	30.1	13.0	8.7
EV/EBITDA	9.0	6.3	4.6
EV/EBIT	22.2	10.7	6.8
Debt/EBITDA	2.6	1.4	0.59
Div yield (%)	0.7	1.5	2.3
Performance (%)	1M	3M	12M
Absolute	-4.7	-0.7	61.6
Rel. to FTSE IT All Sh	-5.4	-5.7	25.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Prima Industrie

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Prima Industrie - 2Q/1H21 results

EUR M	2Q20A	2Q21A	2Q21E	2QA yoy%	A/E %	1H20A	1H21A	1H21E	1HE yoy%	A/E %	FY20A	FY21E	FY21C
Revenues	82.5	101.7	99.7	23.2	2.0	157.6	184.0	182.0	16.8	1.1	333.0	382.9	386.0
EBITDA	7.0	7.5	6.7	7.1	12.1	10.1	11.8	12.4	17.7	-4.1	27.2	34.5	35.4
EBITDA adj.	8.4	8.3	8.0	-1.4	3.7	12.2	13.9	13.7	14.3	2.1	28.4	34.5	35.4
EBITDA adj. margin (%)	10.2	8.1	8.0			7.7	7.6	7.5			8.5	9.0	9.2
Net income	0.5	0.9	1.2	83.8	-23.3	-2.8	-0.6	-0.4	-77.8	79.7	-7.2	7.4	9.0
Net debt	123.2	84.2	90.7	-31.6	-7.1	123.2	84.2	90.7	-31.6	-7.1	96.3	89.3	89.9

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

Recordati (HOLD)

2Q21 Slightly above Forecasts, 2021 Guidance Confirmed

Vs. our estimates	Above	In Line	Below
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Results. The key points of results were:

- **2Q21A results slightly above estimates:** The company released 2Q21A results yesterday during the market session which were slightly better than our forecasts and consensus at both the top line and the operating level. We note that despite the higher top line compared to 2Q20, the group's rec. EBITDA margin declined by 280bps yoy mainly reflecting the gradual business normalisation (2Q20 expenses reductions were mostly related to the restrictions imposed by the pandemic) and the consolidation of Eligard, whose profitability level is still below that of the rest of the group. Below the EBITDA line, we highlight that net income was significantly above expectations entirely thanks to the recognition of higher than estimated non-recurring tax benefits, which amounted to EUR 26.2M vs. EUR 12.9M included in our forecasts. Net debt at 30 June amounted to EUR 860M, in line with expectations and little changed compared to the EUR 852.6M posted at end-March 2021;
- **Outlook:** The company confirmed the previously released 2021 guidance for revenue 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%. During the conference call, the management also said that the group is strongly committed to M&A activity and that it expects an acquisition to be closed by end-2021.

What we think: We believe that the announced 1H21A results bode well for the group to reach its 2021 financial targets, which are in line with our forecasts and consensus.**We confirm our HOLD rating on the stock.**

Recordati - Key Data

30/07/2021	Pharmaceuticals		
Target Price (EUR)	50.3		
Rating	HOLD		
Mkt price (EUR)	51.48		
Mkt cap (EUR M)	10766		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	1,580.9	1,681.2	1,796.3
EBITDA	601.6	647.0	691.4
EPS (EUR)	1.81	1.95	2.08
Net debt/-cash	836.8	760.5	651.8
Ratios (x)	2021E	2022E	2023E
Adj. P/E	28.5	26.4	24.7
EV/EBITDA	19.3	17.8	16.5
EV/EBIT	23.2	21.4	19.7
Debt/EBITDA	1.4	1.2	0.94
Div yield (%)	2.1	2.3	2.4
Performance (%)	1M	3M	12M
Absolute	6.3	12.6	9.3
Rel. to FTSE IT All Sh	5.6	6.9	-15.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Recordati - 2Q/1H21A results

EUR M	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	2Q A/E %	2Q A/C %	2Q yoy %	1H21A	1H yoy %	FY21E	FY21C	FY E/C %	FY yoy %
Sales	331.0	760.2	1,448.9	386.0	374.7	375.0	3.0	2.9	16.6	770.8	1.4	1580.9	1,584.0	-0.2	9.1
rec. EBITDA	138.2	311.1	569.3	150.4	145.1	143.5	3.7	4.8	8.9	300.5	-3.4	601.6	606.7	-0.8	5.7
% on sales	41.8	40.9	39.3	39.0	38.7	38.3	-	-	-	39.0	-	38.1	38.3	-	-
EBITDA	136.2	307.1	562.7	150.4	145.1	-	3.7	NA	10.5	300.5	-2.2	601.6	NA	NA	6.9
% on sales	41.2	40.4	38.8	39.0	38.7	-	-	-	-	39.0	-	38.1	-	-	-
EBIT	113.1	261.5	469.0	125.5	119.9	122.5	4.6	2.4	11.0	250.4	-4.3	500.9	511.5	-2.1	6.8
% on sales	34.2	34.4	32.4	32.5	32.0	32.7	-	-	-	32.5	-	31.7	32.3	-	-
Pre-tax profit	108.9	254.4	455.7	119.5	115.9	NA	3.1	NA	9.7	235.5	-7.4	484.9	487.8	-0.6	6.4
Net profit	85.7	196.9	355.0	117.2	102.4	109.0	14.4	7.5	36.7	207.1	5.2	377.8	390.8	-3.3	6.4

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

Saipem (Under Review)

1H21A Results

Vs. our estimates	Above	In Line	Below
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Results. The key points of 1H21A results were: Revenues of approximately EUR 3.2Bn and adjusted EBITDA at a loss of EUR 266M. Operating results reflect a slowdown compared to the first half of 2020, especially for the engineering and construction activities, mainly due to: 1) continued effects of the Covid-19 health crisis on operational activities, with the delays in project execution and the postponement of investment decisions in the sectors of interest; 2) suspension of LNG onshore project activities in Mozambique; and 3) specific operational issues of an offshore wind project in the North Sea. Signs of improvement in drilling with an increase in demand and potential for a full utilisation of the fleet. New contracts for approximately EUR 4.4Bn in 1H21A. Consolidation of a backlog of approximately EUR 26.2Bn (including JV), supporting performance in the medium-long term. Net debt post-IFRS 16 at EUR 1.4Bn, reduced compared to the first quarter, as a result of the accurate management of cash flows. In terms of outlook for 2H21, the company expects: i) revenues in the range of EUR 4.5-5Bn (leading to FY21 revenues of EUR 7.7-8.2Bn); and ii) a positive 2H21 adjusted EBITDA.

What we think: Results were below our estimates and Bloomberg consensus mostly due to the losses posted on the North Sea Wind Project. In our calculation, the implied FY21 EBITDA guidance seems to be far below our estimates and Bloomberg consensus of around EUR 0.5Bn. We expect a negative impact on the stock market price from this set of results. **We put our estimates, Target Price and Rating Under Review.**

Saipem - Key data

30/07/2021	Oil Equip. & Services		
Target Price (EUR)	Under Review		
Rating	Under Review		
Mkt price (EUR)	2.03		
Mkt cap (EUR M)	2048		
Performance (%)	1M	3M	12M
Absolute	-1.1	4.2	3.3
Rel. to FTSE IT All Sh	-1.8	-1.0	-20.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Snam (ADD)**2Q/1H21 Results**

Vs. our estimates	Above	In Line	Below
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Results. The key points of results were:

- **1H21 revenues increased by 13% yoy** due to growth in regulated revenues and energy transition new businesses. The increase in revenues was also affected by the release of past balance sheet items (EUR 17M). Regulated revenues (EUR 1,285M) rose by EUR 42M (+3.4%), due to transport RAB base and higher volumes of transported gas following a gradual recovery of gas industrial demand and colder weather conditions. Revenues from new businesses amounted to EUR 157M, up EUR 96M yoy due the positive contribution from energy efficiency activities (EUR 100M) and M&A;
- **1H21 adjusted EBITDA** increased by EUR 56M (+5.1% yoy) due to: 1) the positive performance of the core business (+EUR 51M, or +4.6%), supported by higher regulated revenues, a positive commodity effect and the utilization of provisions relating to disputes that have come to an end; 2) higher EBITDA from new businesses (+EUR 5M) mostly due to the positive contribution from energy efficiency activities, partly offset by the slower growth in the biomethane business, as well as by ongoing investments for the development of activities in hydrogen and sustainable mobility;
- **1H21 adj. net income** increased by +9.9% yoy, thanks to the higher operating financials, enhanced by lower financial charges and a higher contribution from equity associates, mostly relating to TAP operations. This positive effect was partially offset by higher taxes;
- **Net debt increased** mostly due to dividends and a temporary cash absorption generated by the gas balancing activity thus due to higher gas purchases following the colder weather conditions recorded in 2Q21 period;
- **Management confirmed 2021 guidance** of EUR 1.17Bn net income, as some of the benefits exploited in 1H21 are not linear (mostly relating to costs and equity contributions), thus the company expects that this could be broadly offset in 2H21;
- **During the conference call management:** i) commented on the WACC revision process, stating that the process is still at the beginning and that it is too early to assess a potential impact on financials given the few moving parts factored in the formula; and ii) confirmed the current dividend policy, as it could exploit the flexibility from a relatively low pay-out ratio and capex development.

What we think: We judge positively this set of results, which came in above our estimates and consensus even net of the EUR 17M positive one-off item relating to the past balance sheet. We see the confirmation of the company's FY21 guidance on net income as somewhat conservative and achievable. We do not anticipate any major changes to our estimates, as we are broadly in line with company guidance. **ADD, TP EUR 5.4/sh.**

Snam - Key Data

30/07/2021	Gas Transportation		
Target Price (EUR)	5.4		
Rating	ADD		
Mkt price (EUR)	5.11		
Mkt cap (EUR M)	17734		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	2.89	3.03	3.14
EBITDA	2.26	2.40	2.44
EPS (EUR)	0.36	0.37	0.37
Net debt/-cash	13.98	14.21	14.61
Ratios (x)	2021E	2022E	2023E
Adj. P/E	14.4	13.7	13.7
EV/EBITDA	12.5	11.8	11.8
EV/EBIT	19.3	18.1	18.4
Debt/EBITDA	6.2	5.9	6.0
Div yield (%)	5.1	5.4	5.5
Performance (%)	1M	3M	12M
Absolute	4.3	8.6	10.5
Rel. to FTSE IT All Sh	3.5	3.1	-14.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Snam – 2Q/1H21 results

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	2QA/E	2QA/C	2Qyoy	vs.2019	1H21A	FY21E	FY21C
								%	%	%	%			
Sales	678	655	1,346	2,770	810	699	727	15.9	11.4	23.7	19.5	1,527	2,888	2,852
EBITDA	569	540	1,107	0	604	555	-	8.8	-	11.9	6.2	1,163	2,257	2,237
% of Sales	84	82	82	0	75	79	-					76	78	
EBIT	390	353	733	1,424	403	355	-	13.6	-	14.2	3.3	762	1,456	1,435
% of Sales	58	54	54	51	50	51	-					50	50	
Pre-tax income	403	379	776	1,547	448	395	-	13.5	-	18.2	11.2	851	1,559	1,556
Tax rate (%)	26	26	26	25	28	27	-					25	26	
Net Income	298	280	578	1,164	322	287	-	12.3	-	15.0	8.1	635	1,172	
Adj. net income	298	280	578	1,164	322	287	-	12.3	-	15.0	8.1	635	1,172	1,164
Net debt/-cash	11,523	12,888	12,888	12,887	14,148	14,288	-					14,148	13,975	13,800
Capex	242	226	457	1,166	346	380	-					566	1,440	1,416
Interim dvd (cash paid)/FY dvd (fiscal)	448	471	784	824	471	494	-					824	865	858
DPS (EUR/sh., Int. cash, FY fiscal)	0.136	0.143	0.238	0.250	0.150	0.150	-					0.250	0.262	0.260

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

Terna (ADD)

2Q/1H21 Results

Vs. our estimates Above In Line Below

Results. The key points of 1H21 results were:

- **Revenues increased to EUR 1,259M, up by 6.4% yoy**, thanks to higher contribution from both regulated and non-regulated activities, respectively attributable to the RAB increase and, Tamini and full integration of Brugg Cables, with lower sales coming from International activities related to a slowdown of commissioning activities in Brazil as per the pandemic;
- **EBITDA rose by 4% yoy to EUR 911M**, as a result of the greater regulated activities, amid the broader asset-base, and slightly increasing operating costs due to business' acceleration, while **EBIT was equal to EUR 585M (+2% yoy)**, partially affected by the higher D&A due to investments and assets starting operations;
- **Net income stood at EUR 385M (+2% yoy)**, benefitting from the increase in operating results and marginally impacted by slightly higher net financial charges and taxes;
- **Net debt further increased to EUR 9,735M** vs. EUR 9,173M and EUR 9,321M as of YE20 and 1Q21A, respectively, mainly due to dividends paid and strong acceleration in capex (EUR 602M or rather +41% yoy), of which around 50% for new developments;

Conference call feedback. About the first consultation document on new WACC regulatory period, management highlighted the still early stage of the process and consequently visibility on the potential outcome, stating also that it is confident about the Regulator approach in connection with the need for ensuring energy transition in the country. As regards capex acceleration and new development plan, management was reassuring about potential operational/execution risks and Terna's financing capability, with new tools, such as hybrid bonds to be exploited only if needed.

What we think: Overall, Terna's 2Q/1H21 results were positive and came slightly above our expectations. We see this set of results as on track with both the company's targets and our assumptions for FY21E. For this reason, we confirm our estimates, **ADD rating and EUR 7.1/share target price** on the stock.

Terna - Key Data

30/07/2021	Electricity		
Target Price (EUR)	7.1		
Rating	ADD		
Mkt price (EUR)	6.72		
Mkt cap (EUR M)	13511		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	2.58	2.65	2.78
EBITDA	1.85	1.90	2.02
EPS (EUR)	0.39	0.40	0.43
Net debt/-cash	9.58	10.29	10.93
Ratios (x)	2021E	2022E	2023E
Adj. P/E	17.2	16.8	15.6
EV/EBITDA	12.3	12.3	11.9
EV/EBIT	19.0	18.8	17.9
Debt/EBITDA	5.2	5.4	5.4
Div yield (%)	4.3	4.7	4.8
Performance (%)	1M	3M	12M
Absolute	6.4	9.8	5.0
Rel. to FTSE IT All Sh	5.6	4.3	-18.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Terna – 2Q/1H21 results

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q21C	2Q A/E %	2Q A/C %	2Q yoy %	vs 2019 %	1H21A	FY21E	FY21C
Sales	561	616	1,183	2,514	637	626	619	1.8	2.9	3.5	13.5	1,259	2,583	2,569
EBITDA	426	442	876	1,830	457	451	-	1.2		3.3	7.2	911	1,850	1,844
% of Sales	76	72	74	73	72	72	-					72	72	72
EBIT	277	292	574	1,187	294	285	-	3.2		0.8	6.0	585	1,200	1,208
% of Sales	49	47	48	47	46	46	-					46	46	47
Pre-tax Income	255	272	535	1,093	275	263	-	4.4		1.0	7.7	544	1,108	1,116
Tax Rate %	28.3	28.9	29.0	27.2	29.0	29	-			0.3	2.7	29.0	28.4	
Net Income	183	191	378	786	195	186	-	4.7		1.9	6.8	386	786	787
Adj Net Inc	183	176	363	786	194	186	-	4.2		10.1	6.4	385	786	787
Net debt/-cash	8,294	8,846	8,846	9,173	9,735	9,852	9,721	-1.2	0.1	10.0	17.4	9,735	9,584	9,698
EPS	0.091	0.088	0.180	0.391	0.097	0.093	0.000	4.2		10.1	6.4	0.191	0.391	0.391
capex	232	211	428	1,351	361	360	0	0.3		71.5	55.9	602	1,360	1,401
DPS	0.155	0.165	0.165	0.256	0.179	0.179	0.000	0.0		8.1	15.6	0.179	0.291	0.290

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

Unicredit (ADD)

2Q21 Results

Vs. our estimates **Above** **In Line** **Below**

Results. In 2Q21, Unicredit reported a net income of EUR 1034M, above our expectations of EUR 821M and company-provided market consensus of EUR 720M. The main surprises came from revenues (+3% vs. our expectations) and loan loss provisions (-35% vs. our expectations). The key points of results were:

- **Stronger than expected revenues.** In 2Q21, total income came in at EUR 4.4Bn (+3% vs our estimates), down by 6.2% qoq and up by 5.5% yoy, driven by robust commission income and flattish NII. The beat was across the lines: NII increased by 1% qoq, thanks to the additional take up of TLTRO III (+15M in the quarter) and volume growth, coming in 0.8% above our expectations; commission income increased by 21.4% yoy, coming in 2.8% above our expectations, mainly thanks to strong sales of investment products (upfront fees +150% yoy); trading income came in at EUR 425M, above our expectation of EUR 353M, thanks to the volatile XVA component;
- **COR at 33bps and improved guidance.** In 2Q21, the cost of risk was only 33bps (vs. 49bps expected). Asset quality further improved, with a gross NPE ratio down by 10bps to 4.7%. These trends allowed the company to improve its guidance on FY21 cost of risk to 50bps (from 70bps previous guidance and 65bps embedded in our estimates). The underlying cost of risk is now expected at 40bps (from 60bps previous guidance);
- **CET1 in line with expectations** The CET1 declined by 40bps qoq, coming in aligned with our expectations, and embedding 49bps of regulatory headwinds (out of less than 140bps foreseen in FY21);
- **Improved underlying net income guidance:** Unicredit improved its guidance for the underlying net income to "above EUR 3Bn", better than the previous guidance of "about EUR 3Bn" and our estimates of EUR 2.6Bn. Considering that in 1H21 Unicredit achieved an underlying net income of EUR 2Bn (EUR 883M in 1Q21 and EUR 1.1Bn in 2Q21), we believe that the new guidance could be achievable, also embedding a likely decline of the sale of investments products and an increase of the cost of risk in 2H21.

Unicredit - Key data

30/07/2021	Banks		
Target Price (EUR)	10.7		
Rating	ADD		
Mkt price (EUR)	9.83		
Mkt cap (EUR M)	21927		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	17.41	17.40	17.68
Gross op income	7.50	7.51	7.75
EPS (EUR)	0.86	1.04	1.34
TBVPS (x)	24.9	26.1	27.7
Ratios (x)	2021E	2022E	2023E
Adj. P/E	11.5	9.5	7.4
P/TBV	0.40	0.38	0.36
RoTE (%)	4.5	5.3	6.3
CET1 FL (%)	14.6	14.1	13.8
Div yield (%)	3.7	4.4	5.3
Performance (%)	1M	3M	12M
Absolute	-2.6	14.4	19.6
Rel. to FTSE IT All Sh	-3.3	8.6	-7.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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What we think: Results were above our expectations and showed a pickup in the company's profitability and a strong asset quality, with an improvement of the guidance on the cost of risk and underlying profitability. We believe the strong capital base could allow a potential generous excess capital return to shareholders embedded in our estimates. **ADD and TP EUR 10.7/sh.**

Unicredit - 2Q21 results

EUR M	2Q20A	1Q21A	2Q21A	2Q21E	2Q21C	2Q A/E %	2Q A/C %	2Q qoq%	2Q yoy %	1H21A	FY21E	FY21C
Net interest inc.	2,393	2,180	2,203	2,186	2,187	0.8	0.7	1.0	-7.9	4,383	8,985	8,857
Commission Inc.	1,380	1,689	1,672	1,626	1,626	2.8	2.8	-1.0	21.4	3,361	6,304	6,455
Trading Income	357	639	425	353	350	20.6	21.4	-33.5	19.0	1,064	1,550	1,621
Total Income	4,170	4,687	4,398	4,269	4,258	3.0	3.3	-6.2	5.5	9,085	17,413	17,343
Operating Costs	2,444	2,415	2,461	2,473	2,471	-0.5	-0.4	1.9	0.7	4,876	9,910	9,856
Gross Oper. Profit	1,726	2,272	1,937	1,796	1,792	7.9	8.1	-14.7	12.2	4,209	7,503	7,477
Loan Loss Provis.	937	167	360	551	632	-34.7	-43.0	115.6	-61.6	527	3,005	2,876
Pre-tax Income	505	1,207	1,371	1,033	919	32.8	49.2	13.6	171.5	2,578	3,049	3,152
Net Income	420	887	1,034	821	720	25.9	43.6	16.6	146.2	1,921	2,350	2,517
CoR (bps)	77	15	33	49	NA	-33.4	NM	118.5	-57.9	24	65	NA
CET1 FL (%)	13.9	15.9	15.5	15.6	15.7	-0.4	NM	-2.6	11.9	15.5	14.6	14.4

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

Webuild (No Rating)

1H21 Results

Results. The company released 1H21 results yesterday after market close. The main adjusted figures, including Astaldi and the JVs not controlled by Lane were the following:

- **1H21 P&L:** 1H21 revenues amounted to EUR 3.13Bn (EUR 3.17Bn Bloomberg consensus) vs. EUR 2.21Bn in 1H20, which we remind was severely impacted by the pandemic. The main contributors to the adjusted consolidated revenues for the period include a number of major projects, such as those of the Astaldi Group, the high-speed/high-capacity railway between Milan and Genoa, projects of Webuild's Lane, the light rail transit line in Perth, the civil and electromechanical engineering work on the Snowy 2.0 hydroelectric project, and projects in Ethiopia. 1H21A adj. EBITDA was EUR 197.6M (EUR 222M Bloomberg consensus) vs. EUR 110.9M in 1H20, while adjusted EBIT was EUR 61.3M (EUR 35.3M in 1H20). EBIT reflected higher amortisation and depreciation of EUR 37.8M recognised in 2021 related to the Purchase Price Allocation process carried out following the acquisition of Astaldi. 1H21A net attributable loss amounted to EUR -59.4M vs. EUR -48.3M in 1H20;
- **Net financial debt** at June 30, 2021 amounted to EUR 539.9M which compares to EUR 441.8M at 31 December 2020 and EUR 1.1Bn at 30 June 2020. The company said that the increase of EUR 98.1M in the six months was mainly due to the payment of USD 110M in favour of GUPC to balance its own share due to the Client, following the final award of the Arbitral Tribunal;
- **Order backlog and inflow:** total backlog at 30 June amounted to EUR 43.3Bn vs. EUR 41.7Bn at 31 December out of which EUR 34.5Bn (EUR 33.3Bn) for construction and EUR 8.8Bn (EUR 8.1Bn) for concessions. New orders acquired and in the process of being finalised since the beginning of the year amounted to approximately EUR 9.6Bn including tenders worth EUR 3.8Bn in which Webuild is the best bidder that

Webuild - Key data

30/07/2021	Construction		
Rating	No Rating		
Mkt price (EUR)	2.16		
Mkt cap (EUR M)	1061		
Performance (%)	1M	3M	12M
Absolute	-1.1	18.9	68.3
Rel. to FTSE IT All Sh	-1.8	12.8	30.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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will be included in the order book upon receipt of the official award notification and EUR 0.8Bn of projects awarded after June 30;

- **2021 guidance confirmed:** the company confirmed the previously released 2021 guidance: revenues EUR 6.5-7.2Bn; EBITDA about 8% and a net debt in the EUR 0.3-0.5Bn range. A conference call is scheduled today at 9:00 CET.

Zignago Vetro (ADD)

2Q21 Results

Vs. our estimates	Above	In Line	Below
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Results. The key points of results were:

- **Sales up 40% in 2Q21, above expectations:** in 2Q21 revenues reached EUR 122.8M, surpassing our estimates by 10% but also 2Q19 (a Covid-free quarter) by 11.8%. In 1H21, sales totalled EUR 233.0M, up 18.6% with export revenues representing 30.4% of total. All the sectors performed well and perfumery, which was very weak during the pandemic, now appears to be on the path to recovery;
- **EBITDA margin at 27.5%:** EBITDA margin was slightly above our expectations as well and broadly in line with 2Q19. We believe that the main reason for this improvement was the recovery of Zignago Brosse, which reported a negative EBITDA margin in 2Q20, being strongly impacted by the Covid outbreak. After EUR 13.6M of D&A, EBIT reached EUR 20.2M in 2Q21 with a 16.4% margin (vs. 10.7% in 2Q20);
- **Net profit at EUR 17.3M** with an increase of 168% (and doubling in 1H21), also thanks to a lower-than-expected tax rate (17.6% vs. 25.9% in 2Q20) and EUR 1M of forex gains (EUR 0.6M in 2Q20);
- **Net debt at EUR 274M:** free cash flow, after EUR 33.8M of capex, well above EUR 15M reported in 1H20, and EUR 31.6M of dividend payment, reached EUR 13.8M;
- **Outlook:** the company confirmed that the strong performance reported in the first half of the year is expected to continue over the coming quarters.

What we think: Overall, results were positive, above expectations. **We reiterate our positive stance.**

Zignago Vetro - Key Data

30/07/2021	Packaging		
Target Price (EUR)	18.8		
Rating	ADD		
Mkt price (EUR)	16.96		
Mkt cap (EUR M)	1492		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	450.0	463.5	500.6
EBITDA	126.0	127.5	138.2
EPS (EUR)	0.62	0.63	0.73
Net debt/-cash	236.7	219.3	180.9
Ratios (x)	2021E	2022E	2023E
Adj. P/E	27.5	26.9	23.3
EV/EBITDA	13.7	13.4	12.1
EV/EBIT	24.1	23.4	19.9
Debt/EBITDA	1.9	1.7	1.3
Div yield (%)	2.5	2.6	3.0
Performance (%)	1M	3M	12M
Absolute	-1.6	-1.5	23.1
Rel. to FTSE IT All Sh	-2.3	-6.5	-4.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Zignago Vetro

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Zignago Vetro – 2Q/1H21 results

EUR M	2Q20A	1H20A	FY20A	2Q21A	2Q21E	2Q A/E	%2Q yoy %	1H21A	1H yoy %
Revenues	87.5	196.4	406.6	122.8	111.8	9.8	40.4	233.0	18.6
EBITDA	22.4	48.9	106.5	33.8	29.8	13.2	51.0	61.9	26.7
Margin (%)	25.6	24.9	26.2	27.5	26.7			26.6	
EBIT	9.4	21.9	53.8	20.2	16.3	24.2	115.2	34.9	59.4
Margin (%)	10.7	11.2	13.2	16.4	14.5			15.0	
Pre tax	9.3	18.8	47.0	21.0	15.9	32.1	126.6	35.5	89.2
Net result attr.	6.5	14.0	45.6	17.3	12.5	38.9	168.3	28.7	105.5
Net debt	266.8	266.8	257.2	274.0	280.0	-2.1	2.7	274.0	2.7

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

Company News

Banco BPM (ADD)

Lower Chances of Integration with UCG

Market Mover	Positive	Neutral	Negative
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What's up? Unicredit announced to have entered discussions with MEF to assess the feasibility of a deal involving the commercial activities of MPS.

What we think: We believe that the potential purchase of a perimeter of MPS by Unicredit distances the possibility of a deal between Unicredit and Banco BPM, as it reduces the attractiveness of Banco BPM's network in Northern Italy and focuses Unicredit's management efforts on the potential integration of the perimeter, making other deals unlikely, in the short term. Moreover, the potential deal between Unicredit and MPS makes less likely the extension of the benefits related to the transformation of DTA into tax credit beyond year-end; this would make the need to conclude an M&A deal in the short term all the more compelling for Banco BPM, with the risk to lose approx. EUR 1Bn capital benefits from the transformation of DTA, if a deal is not found. In our view, the alternative remains a deal with BPER, but considering that it is still integrating the recently purchased branches, an agreement could be difficult to be found and could lead to a reduction of the potential benefits for Banco BPM's shareholders. In our report of 5/6/21, we estimated a potential benefit of EUR 0.71/sh in case of deal with UCG and EUR 0.62/sh in the case of deal with BPER. Our target price of EUR 3.5/sh includes a EUR 0.33/sh M&A premium, that could be lost if no M&A deal materialises; however, at current market prices, we see a significant upside potential for BAMl on a standalone basis too. **ADD and TP EUR 3.5/sh.**

Banco BPM - Key data

30/07/2021	Banks		
Target Price (EUR)	3.5		
Rating	ADD		
Mkt price (EUR)	2.63		
Mkt cap (EUR M)	3988		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	4,230.3	4,191.0	4,139.3
Gross op income	1,702.2	1,724.4	1,682.4
EPS (EUR)	0.23	0.28	0.30
TBVPS (x)	7.01	7.23	7.43
Ratios (x)	2021E	2022E	2023E
Adj. P/E	11.3	9.3	8.7
P/TBV	0.38	0.36	0.35
RoTE (%)	3.3	3.9	4.1
CET1 FL (%)	12.9	13.1	12.8
Div yield (%)	3.0	4.2	5.1
Performance (%)	1M	3M	12M
Absolute	-3.8	10.4	95.3
Rel. to FTSE IT All Sh	-4.5	4.8	51.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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ENAV (HOLD)

New Financing Contracts for EUR 250M

Market Mover	Positive	Neutral	Negative
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What's up? Yesterday, through a press release, ENAV announced to have signed new financing contract for a total amount of EUR 250M, of which Term Loans for EUR 180M and a Revolving Credit Facility for EUR 70M. Both the Term Loans and the Revolving Credit Facility will have a variable interest rate indexed to the EURIBOR, a two years tenor and foreseen repayment at maturity.

What we think: The transaction is part of company's ordinary liquidity management activity devoted at supporting operations and optimise future cash flow, particularly in the current scenario. We do not expect any impact on the stock coming from the news.

ENAV - Key Data

30/07/2021	Aviation Services		
Target Price (EUR)	3.8		
Rating	HOLD		
Mkt price (EUR)	3.94		
Mkt cap (EUR M)	2133		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	789.0	813.3	824.6
EBITDA	210.2	231.3	239.7
EPS (EUR)	0.11	0.13	0.14
Net debt/-cash	310.9	575.0	556.5
Ratios (x)	2020E	2021E	2022E
Adj. P/E	35.2	29.9	27.2
EV/EBITDA	11.4	11.5	11.0
EV/EBIT	30.1	25.2	22.9
Debt/EBITDA	1.5	2.5	2.3
Div yield (%)	2.5	3.8	5.1
Performance (%)	1M	3M	12M
Absolute	2.8	1.8	14.3
Rel. to FTSE IT All Sh	2.0	-3.4	-11.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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NB Aurora (ADD)**1H21 Update**

Market Mover	Positive	Neutral	Negative
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What's up? In general, the companies in the portfolio showed resilience to the pandemic and they finalised acquisitions thanks to the low gearing. Since its listing in 2018, NB Aurora has invested around EUR 268M in 9 deals (alongside EUR 28M from co-investors), and disposed of 11 participations, for a total consideration of over EUR 130M. In the last two months, EUR 71.5M has been invested in Veneta Cucine and Comet (recently finalised) and in a capital increase in BluVet. Over EUR 38M dividends have been distributed since the listing, with a yearly yield of around 11%. The NAV at 1Q21 was EUR 257.3M, made up as follows, also including the latest investments: 1) a EUR 16.0M investment in the Fondo Italiano Investimenti unit; 2) a EUR 20.1M investment in Engineering SpA (through a vehicle) partnered by NB; 3) a EUR 178.6M in direct investments (Comet, Club Del Sole, Dierre, PHSE, BluVet, Rino Mastrotto, Veneta Cucine); and 4) EUR 42.6M in cash. Since the listing, the NAV has appreciated by around 5%, net of the dividend. Regarding ESG, some of the companies that recently entered the portfolio have presented their sustainability reports. In general, NB Aurora is committed to ESG principles, from the due diligence phase, to the promotion and integration of ESG best practice in investments.

What we think: We regard positively the achievements in terms of dividend distribution and NAV appreciation since the listing. Moreover, we see an attractive pipeline going forward, thanks to the long-term investor approach which characterizes NB Aurora, which is largely recognized by entrepreneurs who directly contact the company, rather than going through "beauty contest" processes to support their companies' development. **ADD, TP EUR 9.9/sh.**

Rosetti Marino (No Rating)**Contract for over USD 50M in Qatar**

Market Mover	Positive	Neutral	Negative
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What's up? Yesterday the company announced that it was awarded a contract worth over USD 50M from 'North Oil Company', based in Qatar. The purpose of new order are activities for modifications and improvements on the FA and FB platforms of the 'Al Shaheen' field, as part of the wider Gallaf Phase 2 - Batch 3 project. These activities include detailed engineering, procurement, construction, transport and installation at sea of a series of modules. Rosetti Marino will develop the project partly in Italy and partly in Qatar: engineering and procurement will start from Italy and will be completed by a team which will be based in Doha (Qatar), while the prefabrication and construction of the modules will be carried out in the local yard of the Qatari company Milaha. The offshore activities will start in 4Q22 and should be completed in 2023.

What we think: Although no further financials were provided, we positively see the news.

NB Aurora - Key data

30/07/2021	Holdings		
Target Price (EUR)	9.9		
Rating	ADD		
Mkt price (EUR)	10.48		
Mkt cap (EUR M)	257		
Performance (%)	1M	3M	12M
Absolute	0.0	1.6	4.9
Rel. to FTSE IT All Sh	-0.7	-3.6	-18.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to NB Aurora

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Rosetti Marino - Key Data

30/07/2021	Oil Equip. & Services		
Rating	No Rating		
Mkt price (EUR)	39.00		
Mkt cap (EUR M)	156		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	287.0	390.0	420.0
EBITDA	3.00	10.50	21.00
EPS (EUR)	-1.01	0.33	2.09
Net debt/-cash	-57.14	-57.90	-64.30
Ratios (x)	2021E	2022E	2023E
Adj. P/E	Neg.	NM	18.7
EV/EBITDA	18.2	5.1	2.1
EV/EBIT	Neg.	17.3	3.3
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	-1.0	10.2	8.3
Rel. to FTSE IT All Sh	-1.7	4.6	-16.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Rosetti Marino

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Safilo Group (ADD)**Read-across from Essilorluxottica 2Q21 Results**

Market Mover	Positive	Neutral	Negative
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What's up? EssilorLuxottica reported 2Q21 sales up 9.2% compared to 2Q20 to EUR 4.7Bn (in acceleration compared to +1.7% reported in 1Q21 vs. 1Q19). North America advanced by 16.4% vs. 2Q19 (after +0.6% in 1Q21 vs. 1Q19) generating more than 50% of the consolidated revenues. The other key markets that fuelled the acceleration of the growth were France, Italy, UK, Mainland China, Australia and Brazil. Optical and sun both progressed, broadly aligned in terms of growth pace vs. 2Q19. E-commerce grew 66% vs. 2Q19 at a constant exchange rate, reaching 9% of total sales; North America was the top performing area in online. The Group revised upwards the guidance for FY21 which is now "mid-single digit growth of sales vs FY19 at constant exchange rate" (vs. previous guidance of "at least at the same level of 2019") and adj. operating margin higher than 2019 (vs. previous "at least at the same level").

What we think: The sound performance of EssilorLuxottica in the North America and the revision of the guidance which followed the sunglasses season is good news for Safilo, which has 45% of sales in North America and 65-70% of revenues generated by sunglasses. Safilo will report on 3 August. We assume sales at EUR 250M (+0.6% compared to 2Q19); it is in line with the 1Q21 top line, which benefitted from the growth recorded in America and online with Blenders and Smith as strong performer. Although we expect 2Q21E gross margin to improve to 52.8% vs. 50.4% in 1Q21, we forecast adjusted EBITDA to be slightly lower the 1Q21 level at EUR 21.5M, considering the higher marketing & selling costs of the quarter. Overall, we assume 2Q21E sales and EBITDA results to be flat compared to the 2019 level.

Safilo Group - Key Data

30/07/2021	Branded Goods		
Target Price (EUR)	1.63		
Rating	ADD		
Mkt price (EUR)	1.45		
Mkt cap (EUR M)	399		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	910.0	929.9	978.4
EBITDA	47.35	86.62	96.31
EPS (EUR)	-0.01	0.03	0.06
Net debt/-cash	246.1	228.8	202.6
Ratios (x)	2021E	2022E	2023E
Adj. P/E	Neg.	47.4	26.0
EV/EBITDA	14.2	7.6	6.6
EV/EBIT	Neg.	18.6	13.4
Debt/EBITDA	5.2	2.6	2.1
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	-6.9	32.4	108.3
Rel. to FTSE IT All Sh	-7.6	25.6	61.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Seri Industrial (BUY)**Exit from the Blacklist**

Market Mover	Positive	Neutral	Negative
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What's up? CONSOB has communicated the termination of the information obligations on a monthly basis pursuant to Article 114, paragraph 5, of Legislative Decree no. 58/98 (blacklist). As per the company's practice, the obligation to provide additional information will remain, pursuant to the aforementioned rule, with reference to the annual and half-yearly financial reports and interim management reports, where published on a voluntary basis, starting from the next half-yearly financial report as at 30 June 2021.

What we think: The long-awaited exit from the blacklist is a positive news, which paves the way for a possible move to the STAR segment (the free float has recently reached 30.2%) and should increase the appeal for investors, in our view Seri Industrial was on the blacklist since December 2017, when there was a different company name, a totally different business activity and a serious financial crisis with limited industrial and commercial prospects. The newsflow on Seri Industrial has been quite positive recently, with the publication on the Official Gazette of the Inter-ministerial Decree that makes available the non-repayable financing of the Teverola 2 project, the launch of a new business plan, which targets EUR 2Bn revenues in 2025, and now the exit from the blacklist. **We reiterate our positive stance.**

Seri Industrial - Key Data

30/07/2021	Industrials		
Target Price (EUR)	8.5		
Rating	BUY		
Mkt price (EUR)	7.69		
Mkt cap (EUR M)	364		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	206.2	275.0	319.3
EBITDA	34.33	51.49	62.75
EPS (EUR)	0.27	0.59	0.73
Net debt/-cash	89.34	69.58	42.32
Ratios (x)	2021E	2022E	2023E
Adj. P/E	28.0	13.0	10.5
EV/EBITDA	13.5	8.6	6.6
EV/EBIT	22.1	11.6	8.4
Debt/EBITDA	2.6	1.4	0.67
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	2.0	3.2	172.7
Rel. to FTSE IT All Sh	1.3	-2.0	110.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Seri Industrial

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Unicredit (ADD)/Banca MPS (HOLD)**Exclusive Discussions on a Perimeter of MPS**

Market Mover	Positive	Neutral	Negative
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What's up? Unicredit has entered exclusive discussions with the MEF to assess the feasibility of a potential transaction involving the commercial operations of Banca MPS, with a defined perimeter and risk mitigation.

MPS could contribute, subject to the definition of the final perimeter, up to 3.9M clients, up to EUR 80Bn customer loans, up to EUR 87Bn customer deposits, up to EUR 62Bn assets under management and up to EUR 42Bn assets under custody. We believe the deal could strengthen UCG's competitive position in Italy, in particular in the Central and Northern regions, where 77% of MPS' branches are located, potentially increasing its market share in Tuscany by 17%, by 4% in Lombardy and Emilia Romagna and by 8% in Veneto. Through the potential transaction, Unicredit intends to accelerate its organic growth plans and help deliver sustainable returns above the cost of equity over the cycle.

The main prerequisites agreed with the MEF to assess the feasibility of the transaction from an economic and financial perspective include but are not limited to the following:

- **Capital neutrality** of the transaction on the capital position of UCG on a pro forma basis, meaning that the CET1 ratio pre and post transaction must be the same from day 1;
- A **significant accretion of UCG's EPS in 2023** (expected to be double-digit as per management's comment during the conference call) when including the after-tax synergies deriving from the transaction, provided that UCG's EPS shall remain at least unaffected if synergies are not factored in;
- **Exclusion of all the extraordinary litigations** not related to the ordinary banking activity and all relevant legal risks, actual or potential;
- **Exclusion of NPEs** and adequate protection from other potential credit risks, which may be identified also during the due diligence process;
- **Agreement on the management of personnel**, consistently with the perimeter of the going concern related to the commercial activities, with the aim of ensuring a seamless, quick and effective integration into UCG.

Unicredit will agree with MPS the access to a virtual data room for the execution of the due diligence. Mr Orcel (Unicredit's CEO) expects that the feasibility of the deal could be assessed by the first part of September.

The perimeter of the transaction has not been defined yet, wither on the asset or on the liability side (i.e. if MPS' issued bonds will be included in the perimeter or not); we understood that UCG may leave behind activities in overlap or that are not functional to its business. According to Il Messaggero, Unicredit would not be interested in 10-20 branches in the North-East, Siena and a significant portion of Southern Italy.

The technicalities of the potential transaction have not been defined either (cash, share swap or a mix of the two); we consider a share swap unlikely (also in combination with a cash offer), in order to avoid MEF ending up with a stake in Unicredit, which would not be welcomed by the market.

Unicredit - Key data

30/07/2021	Banks		
Target Price (EUR)	10.7		
Rating	ADD		
Mkt price (EUR)	9.83		
Mkt cap (EUR M)	21927		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	17.41	17.40	17.68
Gross op income	7.50	7.51	7.75
EPS (EUR)	0.86	1.04	1.34
TBVPS (x)	24.9	26.1	27.7
Ratios (x)	2021E	2022E	2023E
Adj. P/E	11.5	9.5	7.4
P/TBV	0.40	0.38	0.36
RoTE (%)	4.5	5.3	6.3
CET1 FL (%)	14.6	14.1	13.8
Div yield (%)	3.7	4.4	5.3
Performance (%)	1M	3M	12M
Absolute	-2.6	14.4	19.6
Rel. to FTSE IT All Sh	-3.3	8.6	-7.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Banca MPS - Key data

30/07/2021	Banks		
Target Price (EUR)	Under Review		
Rating	HOLD		
Mkt price (EUR)	1.13		
Mkt cap (EUR M)	1292		
Performance (%)	1M	3M	12M
Absolute	-2.4	0.1	-29.3
Rel. to FTSE IT All Sh	-3.1	-5.0	-45.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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What we think: We believe the prerequisites set to assess the feasibility of the deal are coherent with what we expected to make a potential deal with MPS positive for Unicredit: capital neutrality, EPS accretion, exclusion of legal risks and NPLs, and the possibility to leave behind activities. We believe that a potential deal carried out under the abovementioned principles could be positive for Unicredit as it would improve the complete positioning of the bank and its profitability, with no compromise on asset quality and capital. We confirm our positive stance on the stock. **ADD and TP EUR 10.7/sh.**

Sample

Sector News

Insurance Sector

June and 1H New Life Business

What's up? According to ANIA data, new life business in June 2021 amounted to EUR 7.1Bn, +7.7% yoy, up to EUR 8.43Bn including EU companies operating in Italy (+13.4% yoy). The 1H new life business was EUR 46.09Bn, +26.6% yoy, up to EUR 54.26Bn including EU companies operating in Italy (+32.8% yoy).

What we think: June new life business was driven by linked products (+72.1% yoy to EUR 2.98Bn), while Class I policies were down 15.8% to EUR 4.05Bn. As regards 1H trend, linked policies were up by 71.4% yoy to EUR 17.88Bn, while traditional policies were up by 9.5% yoy to EUR 27.81Bn, representing 60.3% of the total (38.8% for linked products).

Insurance

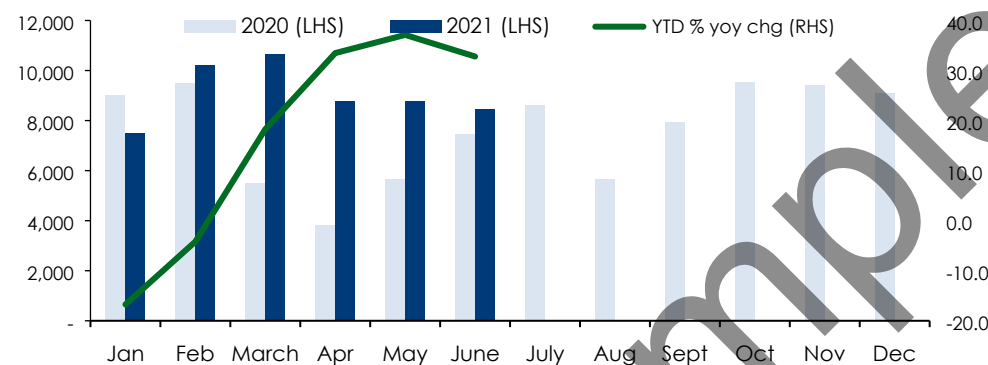
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Insurance sector - New life business 2021 vs. 2020 (EUR M)



Source: ANIA data (including EU-companies operating in Italy)

New Credit Research

Banks Sector

M&A at the Fore

Credit View Neutral. We upgrade our Credit View on the Italian Banking system to NEUTRAL from NEGATIVE. The banks have proven resilient during the hard recession in 2020, and they now have to address a number of challenges as the country moves into recovery mode. Consolidation of the Italian banking system remains at forefront, with MPS looking to be the one to tip the balance, in our view.

Credit Research

29/07/2021

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Sample

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

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

Historical recommendations and target price trends (12M)

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

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Number of companies considered: 126	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%) (*)	44	35	21	0	0
of which Intesa Sanpaolo's Clients (%) (**)	82	73	39	0	0

(*) Last rating refers to rating as at end of the previous quarter; (**) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

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

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

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

Company-specific disclosures

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

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At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

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We highlight that disclosures are also available to the recipient of this report upon making a written request to Intesa Sanpaolo – Equity & Credit Research, Via Manzoni, 4 - 20121 Milan - Italy.

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