

Preview Report

Italian Market: 2Q/1H21 Previews

23 July 2021: 8:04 CET

Date and time of production

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Italy/Equity Market

Weekly Report: 26 - 30 Jul.

FTSE MIB-STAR Performance (-12M)



Source: FactSet

Possible Earnings Surprises

	Positive/Negative
Biesse	+
Brembo	+
Cementir	+
Unicredit	+

Source: Intesa Sanpaolo Research estimates

Report priced at market close on 21/07/2021 to issue.

Ratings and Target Prices as assigned in the latest company reports (unless otherwise indicated).

Intesa Sanpaolo Research Dept

Equity Research Team

Corporate Broking Research Team

Sales & Trading

+39 02 7261 2905

Highlights: 26- 30 July

Monday 26 July	Tuesday 27 July	Wednesday 28 July	Thursday 29 July	Friday 30 July
	Banca Generali	Acea	Amplifon	A2A
	Davide Campari	Cementir	Azimut Holding	Aeffe
	Italgas*	Fiera Milano	Banca Mediolanum	Anima Holding
	Moncler	Hera	Brembo	Autogrill
	Telecom Italia	Prysmian	d'Amico Int'l Shipping	Banca Sistema
		Rai Way	De' Longhi	Be
			Enel	Biesse
			Fincantieri	CNH Industrial
			Geox	COIMA RES*
			INWIT	Diasorin
			Leonardo	Elica
			Maire Tecnimont	Eni*
			Mediobanca (4Q)	ERG
			Prima Industrie	FNM
			Recordati	Piaggio
			Snam*	RCS Mediagroup
			Terna	Saipem*
			Webuild	Unicredit*
				Zignago Vetro

* Releases before trading hours; Source: Companies' data

2Q/1H21 Preview Snapshot: Our Research Universe

All results' dates as at 23 July 2021.

Weekly Highlights: 12 – 23 July

Mon 12	Tues 13	Thurs 15	Mon 19	Tues 20	Wed 21	Thurs 22	Fri 23
Growens# SeSa (FY)	B. Cucinelli#	LU-VE*		Salvatore Ferragamo			BB Biotech* Sogefi

Weekly Highlights: 26 – 30 July

Monday 26	Tuesday 27	Wednesday 28	Thursday 29	Friday 30
	Banca Generali Davide Campari Italgas* Moncler Telecom Italia	Acea Cementir Fiera Milano Hera Prysmian Rai Way	Amplifon Azimut Holding Banca Mediolanum Brembo d'Amico Int'l Shipping De' Longhi Enel Fincantieri Geox INWIT Leonardo Maire Tecnimont Mediobanca (4Q) Prima Industrie Recordati Snam* Terna Webuild	A2A Aeffe Anima Holding Autogrill Banca Sistema Be Biesse CNH Industrial COIMA RES* DiaSorin Elica Eni* ERG FNM Piaggio RCS Mediagroup Saipem* Unicredit* Zignago Vetro

Weekly Highlights: 2 – 14 August

Monday 2	Tuesday 3	Wednesday 4	Thursday 5	Friday 6
Ferrari RenoDe Medici Saras Technogym	Buzzi Unicem Cairo Comm. EdiliziaAcrobatica* ENAV Fincobank Generali* Iren MARR Reply Safilo Group Stellantis Tinexta	Atlantia Comer Industries Poste Italiane* Toscana Aeroporti	Abitare In (3Q) Banca Finnat* Banca IFIS Banca MPS Banco BPM Credem Datalogic FILA IGD Interpump Openjobmetis Pirelli Salcef Group Tenaris*	Ascopiave Cattolica Assi.i* Illimity* Panariagroup Unipol* Unipol SAI*

Weekly Highlights: 26 August – 10 September

26 Mon	Wed 1	Thurs 2	Fri 3	Mon 6	Tues 7	Wed 8	Thurs 9	Fri 10
B. Cucinelli	FUM	Valsoia	Allfunds Eurotech	ADB NB Aurora*	Esprinet EXOR LU-VE S. Ferragamo	SIT Tod's Group	Equita	Avio Banca Finnat InBre (1Q) Irce Isagro La Doria Newlat / CLI

Highlights: 13 – 30 September

13	14	16	17	20	21	27	28	29	30
Alkemy Cellularline Orsero Sanlorenzo Wiit	Growens SeSa (FY)	Triboo	Indel B	Danieli (4Q)	Seri Industrial	Labomar EdiliziaAcrobatica Pattern	Mediaset eViso (1Q) Grifal Leone FG Trawell	Energica MC LMG First Capital TraWell Vetria	Agatos Autogrill R.Marino

* Releases before trading hours; #Preliminary results; Note that the following companies have still not announced their release dates or are not obliged to release quarterly results: Juventus and OVS Source: Companies' data

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 – 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. Operations	1	-3	-11	-6	-8	-	-	150.0	-850.0	-25	-	-	-24	
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

A2A - Key Data

22/07/2021	Multi-Utilities		
Target Price (EUR)	1.68		
Rating	BUY		
Mkt price (EUR)	1.70		
Mkt cap (EUR M)	5323		
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	17.9	15.6	15.0
EV/EBITDA	8.0	7.5	7.2
EV/EBIT	17.3	16.0	16.1
Debt/EBITDA	3.2	3.2	3.2
Div yield (%)	4.8	5.0	5.2
Performance (%)	1M	3M	12M
Absolute	-5.0	8.9	33.7
Rel. to FTSE IT All Sh	-2.2	6.3	11.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Davide Candela - Research Analyst
+39 02 8794 9823
davide.candela@intesasnpaolo.com

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Acea (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 28 July: In 2Q21E, we expect Acea to post growing results yoy thanks to both organic growth and M&A. Reported EBITDA in the quarter should improve to EUR 308M, up by 5.5% yoy, thanks to: 1) a 3% yoy increase in the water business attributable to higher regulated tariffs and the line-by-line consolidation of SII Terni; 2) a greater contribution of the energy infrastructures' division amid higher electricity prices and production, both from hydro and photovoltaic plants, with electricity distribution networks posting a broadly stable performance; 3) growing EBITDA on Commercial sale as a result of clients' acquisition and higher margins following the wider free market customer base, which more than offset the increasing costs; 4) a better Waste segment operating performance attributable to the higher volumes managed and better electricity prices; and 5) the contribution from Simam, which was acquired in May 2020, in the Engineering services' segment. 2Q21E EBIT is expected to grow by 6% yoy to EUR 149M, benefitting from the higher EBITDA and despite a slight increase in D&A and provisions, whilst group net income should come in at EUR 77M in 2Q21E, up by 6% yoy, in a context of a steady tax environment, growing minorities and higher financial charges amid the debt expansion. Following assumed capex for EUR 250M in the quarter, dividends paid in June for EUR 170M and a negative working capital effect, we assumed net debt at end-June in the region of EUR 3.89Bn (from EUR 3.53Bn as of 2020A and from EUR 3.63M as of 1Q21A).

What we think: If the results confirm our preview estimates, we would view them as well on track with our updated FY21E forecasts, though we do not exclude a potential upwards revision of 2021E targets, as stated by the CEO in a late May interview with Il Sole 24 Ore (29.05.2021).

Acea – 2Q21/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	2Q yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	1H yoy %
EBITDA	254.7	292.2	568.7	1155.5	308.4	-	-	5.5	21.1	619.9	-	-	9.0
o/w Water	122.4	160.1	305.4	614.4	165.4	-	-	3.3	35.1	328.4	-	-	7.5
o/w Energy Infrastr.	97.8	104.7	206.1	421.9	110.0	-	-	5.1	12.5	217.4	-	-	5.5
o/w Commercial sales	14.8	12.7	29.8	72.4	15.0	-	-	18.1	1.4	39.7	-	-	33.2
o/w Waste	16.6	13.7	26.2	50.3	16.0	-	-	17.0	-3.4	31.0	-	-	18.4
o/w other / corporate	3.2	1.1	1.2	5.4	2.0	-	-	82.7	-38.9	3.4	-	-	187.8
D&A	-104.9	-130.3	-247.4	-498.3	-134.1	-	-	2.9	27.8	-264.5	-	-	6.9
Provisions	-22.3	-21.3	-43.8	-122.2	-25.0	-	-	17.2	12.1	-50.6	-	-	15.6
EBIT	127.5	140.6	277.4	535.0	149.3	-	-	6.2	17.1	304.8	-	-	9.9
Net financial charges	-22.7	-20.6	-43.0	-88.0	-23.8	-	-	15.4	4.7	-46.4	-	-	7.8
Affiliates & Others	0.6	2.6	2.6	14.2	2.4	-	-	-7.7	NM	2.5	-	-	-5.0
EBT	105.5	122.6	237.0	461.2	127.9	-	-	4.3	21.3	260.8	-	-	10.1
Tax	-32.2	-38.0	-72.3	-134.6	-37.1	-	-	-2.4	15.2	-77.0	-	-	6.4
Tax rate %	30.5	31.0	30.5	29.2	29.0	-	-	-6.5	-5.0	29.5	-	-	-3.3
Net income	73.3	84.6	164.7	326.6	90.8	-	-	7.4	24.0	183.9	-	-	11.7
Minorities	-5.7	-11.5	-20.9	-41.6	-13.5	-	-	17.3	NM	-23.4	-	-	12.2
Group net income	67.5	73.1	143.8	284.9	77.4	-	-	5.8	14.6	160.4	-	-	11.6
Capex	191	221	411	907	250	-	-	13.3	30.9	481	-	-	17.1
Net Debt	2842.5	2960.3	2960.3	3528.0	3893.0	-	-	31.5	37.0	3893.0	-	-	31.5

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

Acea - Key Data

22/07/2021	Multi-Utilities		
Target Price (EUR)	23.6		
Rating	BUY		
Mkt price (EUR)	19.27		
Mkt cap (EUR M)	4104		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	3,375.1	3,590.9	3,926.2
EBITDA	1,118.8	1,187.1	1,250.0
EPS (EUR)	1.37	1.42	1.46
Net debt/-cash	3,581.3	3,864.6	4,069.2
Ratios (x)	2020E	2021E	2022E
Adj. P/E	14.1	13.6	13.2
EV/EBITDA	7.1	7.0	6.8
EV/EBIT	14.4	14.3	14.2
Debt/EBITDA	3.2	3.3	3.3
Div yield (%)	4.1	4.3	4.4
Performance (%)	1M	3M	12M
Absolute	-4.9	2.5	13.2
Rel. to FTSE IT All Sh	-2.1	0.0	-5.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Davide Candela - Research Analyst
+39 02 8794 9823
davide.candela@intesasnpaolo.com

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

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

22/07/2021		Branded Goods	
Target Price (EUR)		1.65	
Rating		ADD	
Mkt price (EUR)		1.44	
Mkt cap (EUR M)		155	
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	12.5	9.2	NA
EV/EBIT	NM	50.7	NA
Debt/EBITDA	5.2	3.6	NA
Div yield (%)	0	0	NA
Performance (%)	1M	3M	12M
Absolute	-14.0	24.3	46.8
Rel. to FTSE IT All Sh	-11.4	21.3	22.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Aeffe

Arianna Terazzi - Research Analyst
+39 02 8794 3187
arianna.terazzi@intesanpaolo.com

Oriana Cardani, CFA - Research Analyst
+39 02 6275 3017
oriana.cardani@intesanpaolo.com

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	-	-	NM	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	-	-	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

Amplifon (HOLD)**Results Preview**

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

Results due on 29 July: We recall that in 2Q20 the group had suffered a sharp sales decline related to the lockdown measures in its most relevant markets. Therefore, for a more meaningful comparison, we show in the table below the 2Q19 results as well. We expect the 2Q21E consolidated top line to show a significant improvement compared to 2Q19, thanks to both organic growth and acquisitions (mainly the PJC consolidation in the US since January 2021 and bolt-on acquisitions in France and Germany), driven by EMEA and the USA. We see the 2Q21E EBITDA margin increasing by 190bps vs. 2Q19 as a result of the better fixed costs absorption and the cost savings implemented in response to the pandemic, mainly those related to higher labour productivity and the renegotiation of suppliers' contracts. We would not expect significant issues to emerge below the EBIT line. On net debt (before lease liabilities, which amount to EUR 427.8M at 31 March), we would expect a slight decline compared to both end-March 2021 (EUR 625M) and end-December 2020 (EUR 633M).

What we think: We believe the 2Q21 results should support the current whole year consensus forecasts, which are a little more optimistic than ours. Looking at the second half of 2021, we believe that the main factor of uncertainty is represented by the evolution of the pandemic.

Amplifon - Key Data

22/07/2021	Medical Equipment		
Target Price (EUR)	34.3		
Rating	HOLD		
Mkt price (EUR)	40.85		
Mkt cap (EUR M)	9175		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	1,557.6	1,827.9	1,951.3
EBITDA	359.9	435.8	475.1
EPS (EUR)	0.45	0.68	0.78
Net debt/-cash	691.2	598.0	505.6
Ratios (x)	2020E	2021E	2022E
Adj. P/E	90.8	60.0	52.4
EV/EBITDA	27.6	22.6	20.5
EV/EBIT	60.2	41.6	36.5
Debt/EBITDA	1.9	1.4	1.1
Div yield (%)	0.2	0.4	0.4
Performance (%)	1M	3M	12M
Absolute	1.2	16.0	55.6
Rel. to FTSE IT All Sh	4.1	13.2	29.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Bruno Permutti - Research Analyst
+39 02 8794 9819
bruno.permutti@intesanpaolo.com

Amplifon - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	2Q19 yoy%	FY21E	FY21C	FY E/C %	FY yoy %
Sales	440.1	250.4	1,555.5	500.3	496.0	0.9	99.8	13.7	1,827.9	1,938.0	-5.7	17.5
Rep. EBITDA	103.2	66.4	371.0	126.9	110.1	15.2	91.0	22.9	435.7	473.0	-7.9	17.4
% on sales	23.5	26.5	23.9	25.4	22.2	-	-	-	23.8	24.4	-	-
Rep. EBIT	56.6	17.0	168.5	77.1	67.3	14.6	352.8	36.2	236.7	266.3	-11.1	40.5
% on sales	12.9	6.8	10.8	15.4	13.6	-	-	-	13.0	13.7	-	-
PBT	50.4	10.3	139.3	71.1	60.6	17.4	591.7	41.1	212.7	241.7	-12.0	52.7
Net profit	36.8	7.4	101.1	51.4	40.0	28.6	591.9	39.9	153.8	167.8	-8.3	52.1

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

22/07/2021	Asset Gatherers		
Target Price (EUR)	5.3		
Rating	BUY		
Mkt price (EUR)	3.98		
Mkt cap (EUR M)	1467		
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)	7.4	7.5	7.4
P/tot cust assets	0.7	0.7	0.7
NP/tot cust assets	0.10	0.10	0.10
Div ord yield	5.5	5.5	5.5
Performance (%)	1M	3M	12M
Absolute	-8.8	-6.2	-0.2
Rel. to FTSE IT All Sh	-6.1	-8.5	-17.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Elena Perini, CFA - Research Analyst
+39 02 8794 9814
elena.perini@intesasnpaolo.com

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 – 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

Autogrill - Key Data

22/07/2021	Travel&Leisure		
Target Price (EUR)	4.5		
Rating	HOLD		
Mkt price (EUR)	5.70		
Mkt cap (EUR M)	1450		
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	24.8	12.0	9.8
EV/EBIT	Neg.	Neg.	NM
Debt/EBITDA	16.7	7.8	5.2
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	-11.0	-15.0	12.7
Rel. to FTSE IT All Sh	-8.3	-17.1	-6.2

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

Luca Bacoccoli - Research Analyst
+39 02 8794 9810
luca.bacoccoli@intesasanpaolo.com

Azimut (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We estimate a quarterly net profit of EUR 84.5M, -10.6% yoy and -12.7% qoq, essentially due to lower performance fees. In particular, the 10.6% decline vs. 2Q20A, beyond performance fees (which, starting from this year are mainly recorded in 4Q) is also related to higher operating costs and provisions (+6.8% yoy), while we expect total net revenues to remain stable due to both increasing management fees (EUR 219M, +18.1% yoy) and distribution costs (EUR 97.9M, +19.1% yoy). Our 2Q net profit estimate is bang in line with company-provided consensus, despite gross revenues being 3.6% lower. A conference call is scheduled on 29 July at 15:00 CET (Italy: +39 02 805 88 11; UK: +44 121 281 8003; US: +1 718 705 8794).

What we think: We expect another strong quarter for Azimut, relying on strong net inflow results recorded in 2Q.

Azimut - Key data

21/07/2021	Asset Gatherers		
Target Price (EUR)	24.2		
Rating	ADD		
Mkt price (EUR)	20.60		
Mkt cap (EUR M)	2951		
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)	9.9	9.8	9.2
P/tot cust assets	3.9	3.7	3.5
NP/tot cust assets	0.50	0.44	0.44
Div ord yield	4.9	4.9	4.9
Performance (%)	1M	3M	12M
Absolute	1.5	5.1	20.9
Rel. to FTSE IT All Sh	6.2	4.6	2.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Elena Perini, CFA - Research Analyst
+39 02 8794 9814
elena.perini@intesasampaolo.com

Azimut – 2Q/1H21 preview

EUR M	2Q20A	1H20A	1Q21A	2Q21E	2Q21C	2Q E/C %	2Q qoq%	2Q yoy %	1H21E	1H yoy %	FY21E	FY21C
Management fees	185.4	378.6	218.6	219.0	NA	NA	0.2	18.1	437.6	15.6	845.0	
Performance fees	30.4	39.9	11.0	7.0	NA	NA	-36.1	-76.9	18.0	-55.0	79.6	
Total gross revenues	248.0	476.0	273.5	264.0	274.0	-3.6	-3.5	6.4	537.5	12.9	1,059.2	1,073.9
Distribution costs	82.2	175.0	95.6	97.9	NA	NA	2.4	19.1	193.5	10.5	390.0	
Total net revenues	165.9	301.0	178.0	166.1	NA	NA	-6.7	0.2	344.1	14.3	669.2	
Operating costs & provisions	58.5	117.8	64.0	62.5	NA	NA	-2.3	6.8	126.5	7.4	252.1	
Pre-tax profit	110.5	167.3	114.8	101.8	NA	NA	-11.3	-7.9	216.6	29.5	402.1	429.8
Net profit	94.5	143.0	96.8	84.5	84.0	0.6	-12.7	-10.6	181.3	26.8	339.7	352.6

A: actual; E: estimates; C: consensus (2Q: company-provided; FY: FactSet); Source: Company data and Intesa Sanpaolo Research

B. Generali (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 27 July: We estimate a net profit of EUR 75.1M, up 41.9% yoy, thanks to gross commissions (for which we have a projection of a 25.4% yoy growth), boosted both by management fees (estimated at EUR 190.5M vs. EUR 160.6M in 2Q20A and EUR 187.4M in 1Q21A) and performance fees (we forecast EUR 36.5M in 2Q21E vs. EUR 19.8M in 2Q20A), with banking fees also showing a yoy progress (EUR 23.8M in 2Q21E vs. EUR 18.7M in 2Q20A). The estimated 44.6% qoq drop in net profit is essentially due to significantly lower expected performance fees (EUR 36.5M vs. EUR 111M in 1Q21A). Our estimates are basically in line with the average company-provided consensus. A conference call is scheduled for 27 July at 14:00 CET (Europe +39 02 805 88 11; UK +44 121 281 8003; US +1 718 705 8794; US toll-free 1 855 265 6959).

What we think: We expect a solid set of results for Banca Generali in 2Q21, leading to a 1H21E net profit of EUR 210.5M (+59.4% yoy) and confirming the quality and effectiveness of the group's business model, in our view.

B. Generali - Key data

22/07/2021	Asset Gatherers		
Target Price (EUR)	35.8		
Rating	ADD		
Mkt price (EUR)	35.16		
Mkt cap (EUR M)	4109		
Main Metrics (€ M)	2021E	2022E	2023E
Tot net revenues	735.0	710.5	753.0
Operating profit	376.1	338.4	368.9
Net income	296.9	263.4	286.9
Cust assets (€ Bn)	82.14	89.12	96.26
Ratios (%)	2021E	2022E	2023E
Adj. P/E (x)	13.8	15.5	14.3
P/tot cust assets	5.0	4.6	4.3
NP/tot cust assets	0.38	0.31	0.31
Div ord yield	4.4	4.4	4.8
Performance (%)	1M	3M	12M
Absolute	-0.3	15.2	29.7
Rel. to FTSE IT All Sh	2.7	12.4	7.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Elena Perini, CFA - Research Analyst
+39 02 8794 9814
elena.perini@intesasampaolo.com

Banca Generali - 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	22.2	42.4	21.7	22.0	NA	NA	1.4	-0.9	43.7	3.1	87.9	
Total gross commissions	206.3	455.2	332.2	258.8	NA	NA	-22.1	25.4	591.0	29.8	1,029.8	
Total net commissions	106.9	251.4	215.1	142.1	NA	NA	-34.0	32.9	357.2	42.1	563.1	
Total net revenues*	133.5	302.3	239.9	167.1	165.2	1.1	-30.3	25.1	406.9	34.6	658.5	682.6
Total operating costs*	55.3	109.4	56.0	60.3	NA	NA	7.8	9.0	116.3	6.3	231.4	
Operating profit*	78.2	192.9	183.9	106.8	107.2	-0.4	-41.9	36.5	290.7	50.7	427.1	417.0
Pre-tax profit	67.4	169.7	166.4	92.7	94.9	-2.4	-44.3	37.5	259.1	52.7	371.1	393.9
Net profit	52.9	132.0	135.4	75.1	74.9	0.2	-44.6	41.9	210.5	59.4	296.9	310.0

* 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

B Mediolanum (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We estimate a quarterly net profit of EUR 124.9M for Banca Mediolanum, only slightly lower than 1Q21A, due to a lower expected Market effects' contribution (EUR 41M in 2Q21E vs. EUR 49.3M 1Q21A), including net income on investments at fair value and higher operating costs. On the other hand, we forecast a 59.6% yoy progression in net profit, boosted by net revenues (contribution margin EUR 302.5M vs. EUR 254.4M in 2Q20A, driven by both gross commissions - management fees in particular - and net interest income, which we expect at EUR 66M) and Market effects. A conference call is scheduled on 29 July at 16:30 CET; Italy toll-free +39 800 682772; UK toll-free 0800 376 7922; US toll-free 1 866 966 1396; rest of the world +44 2071928000.

What we think: Ahead of 2Q21 results, we believe that investors should be mainly concentrated on the outlook for 2H21, also considering the acceleration in AuM net inflows in 2Q (EUR +1.9Bn vs. EUR +1.4Bn in 1Q), driven by mutual funds and unit-linked.

B Mediolanum - Key data

22/07/2021	Asset Gatherers		
Target Price (EUR)	9.5		
Rating	BUY		
Mkt price (EUR)	8.08		
Mkt cap (EUR M)	5993		
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)	12.9	12.1	11.3
P/tot cust assets	5.8	5.5	5.1
NP/tot cust assets	0.47	0.47	0.47
Div ord yield	5.4	5.7	5.9
Performance (%)	1M	3M	12M
Absolute	-1.7	4.4	20.6
Rel. to FTSE IT All Sh	1.2	1.9	0.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Elena Perini, CFA - Research Analyst
+39 02 8794 9814
elena.perini@intesasnpaolo.com

Banca Mediolanum - 2Q/1H21 preview

EUR M	2Q20A	1H20A	1Q21A	2Q21E	2Q21C	2Q E/C %	2Q qoq %	2Q yoy %	1H21E	1H yoy %	FY21E	FY21C
Gross fees (excl. perf. fees)	361.2	733.7	415.9	433.6		-	4.3	20.1	849.4	15.8	1,657.6	NM
Total distribution costs	158.7	321.3	181.3	191.4		-	5.6	20.6	372.7	16.0	724.2	-
Net fees (excl. perf. fees)	202.5	412.4	234.5	242.2		-	3.3	19.6	476.7	15.6	933.4	-
Interest spread	56.1	113.1	64.8	66.0		-	1.8	17.7	130.9	15.7	254.5	-
Contribution margin	254.4	516.5	296.3	302.5		-	2.1	18.9	598.8	15.9	1,190.7	-
Operating costs & provisions	160.7	323.3	171.0	182.5		-	6.7	13.5	353.5	9.3	686.6	-
Operating margin	93.7	193.2	125.3	120.0		-	-4.2	28.1	245.3	27.0	504.1	NM
Market effects	6.1	-5.7	49.3	41.0		-	NM	NM	90.3	NM	117.2	-
Pre-tax profit	97.2	184.9	174.6	161.0	-		-7.8	65.6	335.6	81.5	616.3	641.9
Net profit	78.3	150.5	133.4	124.9	120.4	3.7	-6.4	59.6	258.3	71.6	489.9	498.0

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

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

22/07/2021	Banks		
Target Price (EUR)	3.0		
Rating	BUY		
Mkt price (EUR)	2.00		
Mkt cap (EUR M)	161		
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	6.0	5.5	4.5
P/TBV	0.83	0.74	0.66
RoTE (%)	15.0	14.2	15.4
CET1 FL (%)	11.7	12.0	12.0
Div yield (%)	4.2	4.5	5.5
Performance (%)	1M	3M	12M
Absolute	-3.8	-0.2	12.0
Rel. to FTSE IT All Sh	-1.0	-2.7	-6.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Banca Sistema

Manuela Meroni - Research Analyst
+39 02 8794 9817
manuela.meroni@intesasnpaolo.com

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

22/07/2021	Engineering		
Target Price (EUR)	28.4		
Rating	ADD		
Mkt price (EUR)	28.74		
Mkt cap (EUR M)	787		
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	29.5	24.9	21.3
EV/EBITDA	9.3	8.2	7.2
EV/EBIT	17.3	14.2	11.8
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	1.0	1.2	1.4
Performance (%)	1M	3M	12M
Absolute	2.4	15.7	128.8
Rel. to FTSE IT All Sh	5.4	12.9	90.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Biesse

Alberto Francese - Research Analyst

+39 02 8794 9815

alberto.francese@intesasanpaolo.com

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

Brembo (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We expect an overall strong 2Q21 for Brembo, characterised by the company's ongoing outperformance vs. its reference market and by strong margins, albeit lower than in 1Q21. With worldwide car production seen up by 50% in 2Q21 and by about 30% in 1H21, we estimate for Brembo a 2Q21 and 1H21 top line increase respectively equal to 66.5% (to EUR 625M, i.e. just 4.9% below 2Q19) and to 36.6% (to EUR 1.3Bn). The group's premium price positioning should have allowed Brembo to keep its margins at least at 19%. At the bottom line level, we expect a 2Q21 net profit at EUR 49M, leading to a 1H21 net income at EUR 110M. Given the group's strong operating trend, at the FCF level we do not exclude some working capital pressure as a result of inventories' management within the current market scenario, characterised by cost inflation and supply chain bottlenecks; we overall estimate a net debt at EUR 495M vs. EUR 435M in 2Q19.

What we think: During the company's usual conference call, we expect the market to focus mainly on: 1) the group's FY21 guidance currently pointing to an overall conservative (in our view) 18.5%/19% EBITDA margin; 2) the group's progressive transformation into a system integrator and solution provider player in the automotive market; and 3) the company's Brake By Wire next market introduction.

Brembo - Key Data

22/07/2021	Auto & Components		
Target Price (EUR)	12.2		
Rating	ADD		
Mkt price (EUR)	10.46		
Mkt cap (EUR M)	3493		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	2,557.6	2,770.8	2,900.5
EBITDA	493.0	549.8	584.1
EPS (EUR)	0.62	0.74	0.79
Net debt/-cash	365.0	266.0	183.5
Ratios (x)	2021E	2022E	2023E
Adj. P/E	16.8	14.2	13.2
EV/EBITDA	8.0	6.8	6.3
EV/EBIT	14.0	11.3	10.2
Debt/EBITDA	0.74	0.48	0.31
Div yield (%)	2.3	2.5	2.7
Performance (%)	1M	3M	12M
Absolute	-1.4	1.6	24.5
Rel. to FTSE IT All Sh	1.5	-0.9	3.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Monica Bosio - Research Analyst
+39 02 8794 9809
monica.bosio@intesasnpaolo.com

Brembo - 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Sales	657	375	951	2,209	625	-	-	66.5	-4.9	1,300	-	-	2,558	2,542
EBITDA	136	41	143	389	119	-	-	187.4	-12.9	254	-	-	493	487
margin %	20.7	11.0	15.1	17.6	19.0	-	-	NM	NM	19.6	-	-	19.3	19.2
EBIT	87	-12	39	181	66	-	-	NM	-25.0	149	-	-	280	276
margin %	13.3	-3.1	4.1	8.2	10.5	-	-	NM	NM	11.5	-	-	11.0	10.9
Net income	59	-10	20	137	49	-	-	NM	-17.2	110	-	-	208	203
Net debt	435	598	598	385	495	-	-	-17.1	14.0	495	-	-	365	273

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

Cementir Holding (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 28 July: We expect the 2Q21E top line to show an 11.7% yoy increase, as a result of an overall positive price and volumes environment, partially offset by a negative forex impact, mainly due to the Turkish Lira and USD depreciation. As for the recurring EBITDA margin, we estimate an increase of 200bps yoy; the result should mainly be driven by a significant improvement in Turkey, thanks to the higher production capacity utilisation rate and by the recovery in Belgium/France and in the Asia Pacific area, which had suffered from the negative pandemic impact in 2Q20. We would not expect surprises to emerge below the EBIT line. As for net debt, we would expect a slight reduction to around EUR 160M vs. EUR 167.8M at end-March 2021.

What we think: We believe that the group is well on track to reach its 2021 financial targets. Should our 2Q21E estimates be confirmed by the results, we would not exclude that our current whole year forecasts could prove to be a little conservative.

Cementir Holding - Key Data

22/07/2021	Construction		
Target Price (EUR)	9.7		
Rating	ADD		
Mkt price (EUR)	8.87		
Mkt cap (EUR M)	1411		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	1,224.8	1,298.1	1,389.7
EBITDA	263.8	286.0	312.1
EPS (EUR)	0.60	0.70	0.81
Net debt/-cash	122.7	38.59	-49.29
Ratios (x)	2020E	2021E	2022E
Adj. P/E	14.9	12.6	10.9
EV/EBITDA	6.4	5.6	4.9
EV/EBIT	10.7	9.0	7.6
Debt/EBITDA	0.47	0.13	Neg.
Div yield (%)	1.6	1.6	1.6
Performance (%)	1M	3M	12M
Absolute	-2.0	-2.7	48.1
Rel. to FTSE IT. STAR	-1.6	-12.5	-3.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Cementir Holding

Bruno Permutti - Research Analyst
+39 02 8794 9819
bruno.permutti@intesasanpaolo.com

Cementir Holding – 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2QE/C	2QE yoy	1H21E	FY21E	FY21C	FYE/C	FY21E yoy
Revenue	327.5	303.4	570.4	1,224.8	338.9	NA	NA	11.7	639.4	1,298.1	1,292.0	0.5	6.0
EBITDA	76.4	65.6	97.8	263.8	82.6	NA	NA	26.0	130.7	286.0	285.0	0.3	8.4
% on sales	23.3	21.6	17.1	21.5	24.4	-	-	-	20.4	22.0	22.1	-	-
Rec. EBITDA	78.9	68.1	100.3	263.2	82.6	NA	NA	21.3	0.0	286.0	285.0	0.3	8.7
% on sales	24.1	22.4	17.6	21.5	24.4	-	-	-	0.0	22.0	22.1	-	-
EBIT	49.7	38.1	43.2	157.2	55.6	NA	NA	46.0	76.6	177.8	177	0.5	13.1
% on sales	15.2	12.5	7.6	12.8	16.4	-	-	-	12.0	13.7	13.7	-	-
PBT	42.3	37.0	32.0	142.6	51.5	NA	NA	39.1	67.1	161.5	163.0	-0.9	13.3
Net Attrib. Inc.	NA	NA	NA	102.0	NA	NA	NA	NA	NA	111.9	113.0	-1.0	9.7

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

22/07/2021	Capital Goods		
Target Price (EUR)	17.2		
Rating	BUY		
Mkt price (EUR)	13.55		
Mkt cap (EUR M)	18287		
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	14.9	13.7	12.3
EV/EBITDA	7.3	6.5	5.9
EV/EBIT	10.9	9.4	8.3
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	1.6	1.9	2.2
Performance (%)	1M	3M	12M
Absolute	-1.9	8.9	111.3
Rel. to FTSE IT All Sh	1.0	6.2	75.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Monica Bosio - Research Analyst
+39 02 8794 9809
monica.bosio@intesasnpaolo.com

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	632	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

COIMA RES (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July (before trading hours): In 2Q21E, we estimate COIMA RES' gross rents to settle at EUR 10.6M, down by roughly 5% yoy, mainly attributable to the lower rents coming from the Monte Rosa property following the PwC building release in the first quarter. The NOI margin should slightly decline yoy at 89.6%, while 2Q21E EBITDA should lower as well to EUR 7.3M (-8% yoy) as a result of the lower gross rents and marginally higher rental costs yoy. We assume 2Q21E net profit improves to EUR 7.6M (from EUR 0.2M) as we factored into our estimates a 0.5% revaluation of the entire portfolio compared to 1Q21A, whilst EPRA earnings in the quarter should reach EUR 4.1M (or EUR 0.11/share), lowering by 11% yoy as per the higher minorities and lower EBITDA, despite marginally lower financial charges. We see the net debt at end-June 2021 at EUR 284M, down by 4% yoy, with the consolidated LTV at 37.3%, while the NAV should top EUR 12.46/share, up by 3% yoy and broadly stable qoq, as dividends' payment in the quarter should be completely offset by the portfolio's net revaluations and by the positive EPRA EPS.

What we think: If the results confirm our preview estimates, we would see them as on track with our 2021E expectations. As such, we consider the results' release as not being a driver in the short-term for the stock, which currently trades at approximately a 48% discount vs. 2021E assumed NAV of EUR 12.65/share and at a 29% discount vs. our TP.

COIMA RES - Key data

22/07/2021	Real Estate		
Target Price (EUR)	9.3		
Rating	BUY		
Mkt price (EUR)	6.67		
Mkt cap (EUR M)	240		
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	15.9	17.3	21.9
EV/EBITDA	21.6	24.9	29.3
EV/EBIT	25.6	26.3	29.1
LTV (%)	39.71	41.63	44.21
Div yield (%)	4.5	4.5	4.5
Performance (%)	1M	3M	12M
Absolute	-1.9	-2.2	7.2
Rel. to FTSE IT All Sh	1.0	-4.6	-10.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to COIMA RES

Davide Candela - Research Analyst
+39 02 8794 9823
davide.candela@intesasnpaolo.com

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

COIMA RES – 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	vs. 2Q19A %	1H21E	1H21C	1H E/C %	FY21E	FY21C
Gross rents	9.1	11.1	22.2	44.4	10.6	-	-	-4.7	15.7	21.3	-	-	42.3	42.2
NOI	8.3	10.2	20.2	40.3	9.5	-	-	-7.1	14.6	19.1	-	-	37.6	-
NOI margin	90.5	91.9	91.0	90.8	89.6	-	-	-2.5	-1.0	89.7	-	-	89.0	-
EBITDA	5.6	7.9	15.5	31.5	7.3	-	-	-7.9	30.6	14.5	-	-	28.5	28.9
Net profit	8.7	0.2	3.6	15.6	7.6	-	-	NM	-13.5	11.5	-	-	15.5	-
EPRA earnings	3.8	4.6	8.8	17.5	4.1	-	-	-11.0	7.7	8.0	-	-	15.1	-
EPRA EPS/sh. (EUR)	0.11	0.13	0.24	0.49	0.11	-	-	-11.0	7.7	0.22	-	-	0.42	0.42
FFO recurring	4.1	5.6	12.0	24.2	5.4	-	-	-4.0	29.8	10.9	-	-	20.1	-
FFO recurring/sh. (EUR)	0.11	0.16	0.33	0.67	0.15	-	-	-4.0	29.8	0.30	-	-	0.56	-
Net debt/-cash	191.3	296.5	296.5	290.4	283.7	-	-	-4.3	48.3	283.7	-	-	302.1	295.6
GAV	675.8	761.1	761.1	758.1	761.0	-	-	0.0	12.6	761.0	-	-	760.6	-
NAV	424.8	436.7	436.7	445.5	449.8	-	-	3.0	5.9	449.8	-	-	456.6	-
NAV/sh. (EUR)	11.77	12.09	12.09	12.34	12.46	-	-	3.0	5.9	12.46	-	-	12.65	-
LTV (consolidated)	28.3	39.0	39.0	38.3	37.3	-	-	-4.3	31.7	37.3	-	-	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)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: In our 2Q21E assumptions, we factored in an average number of 38 operating vessels (based on available days) and a fleet contract coverage at 47% at an average daily rate of USD 15,300. Lastly, we forecast an average daily spot rates result at USD 11,900, +19.9% vs. 1Q21A. As a result, we project TCE earnings at around USD 45.4M and an EBITDA of USD 17.4M, while we project DIS' bottom line to show a USD 6.6M net loss.

What we think: We underline that the yoy comparison is very tough (we project -52.6% in 2Q21) as last year in 2Q the market was impacted by a mix of temporary and extraordinary factors which pushed large quantities of crude and petroleum products into tankers as floating storage. This situation was extremely beneficial for product tankers. Our understanding is that the overall short-term market outlook remains very uncertain, also because of the risk of new potential lockdowns and travel restrictions. However, in 2Q21 we expect some initial positive signs such as a higher spot rate result qoq (around +20%) and a slight improvement in the fleet market value. Furthermore, we believe that the company is favourably positioned to confront the ongoing near-term soft patch in the market thanks to its liquidity position and to the group's prudent strategy of maintaining a high level of contract coverage (as of 6 May 2021, the company had 34% on average for March-December 2021). Longer term, we remain positive on the product tanker market since the industry fundamentals still appear strong: i) the closure of the older and less competitive refineries, located mainly in Europe, the US, Australia and New Zealand could lead the lost output from these refineries to new more efficient units, mainly in Asia and the Middle East, probably resulting in an increase in ton-mile demand for product tankers; and ii) on the supply side, growth is expected to be extremely constrained with a pick-up in demolitions expected in 2021 and very limited newbuild orders. 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

22/07/2021	Shipping		
Target Price (EUR)	0.10		
Rating	HOLD		
Mkt price (EUR)	0.10		
Mkt cap (EUR M)	119		
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.	8.1	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	-11.2	-7.0	3.4
Rel. to FTSE IT All Sh	-8.5	-9.3	-14.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to d'Amico International Shipping

Arianna Terazzi - Research Analyst
+39 02 8794 3187
arianna.terazzi@intesasnpaolo.com

Gabriele Berti - Research Analyst
+39 02 8794 9821
gabriele.berti@intesasnpaolo.com

DIS - 2Q/1H21 preview

USD M	2Q19A	2Q20A	1H20A	FY20A	1Q21A	2Q21E	yoy %	vs. 2Q19 %	qoq %	1H21E	1H21C	FY21E	FY21C
Avg. No. of Vessels	49.8	44.4	45.2	43.2	38.8	38.0	-14.4	-23.7	-2.1	38.4	-	38.2	-
Daily TCE Spot (USD/d)	13,074	25,118	21,238	16,771	9,923	11,900	-52.6	-9.0	19.9	10,912	-	12,000	-
Daily TCE Covered (USD/d)	14,398	16,236	16,042	16,429	15,842	15,300	-5.8	6.3	-3.4	15,571	-	15,000	-
Fleet contract coverage %	48.0	62.6	63.7	61.9	49.5	47.0	-24.9	-2.1	-5.1	48.3	-	38	-
Daily TCE Earnings (USD/d)	13,710	19,555	17,930	16,560	12,853	13,286	-32.1	-3.1	3.4	13,070	-	13,140	-
TCE earnings	62.4	78.7	150.1	257.8	42.8	45.4	-42.3	-27.2	6.2	88.2	-	183.2	188.6
EBITDA	25.5	46.5	79.5	127.3	14.2	17.4	-62.6	-31.8	22.4	31.6	-	73.7	79.1
% on TCE earnings	40.9	59.1	53.0	49.4	33.1	38.2				35.8	-	40.2	41.9
EBIT	-6.6	25.1	38.9	55.5	-2.3	1.0	NM	NM	NM	-1.3	-	4.7	8.3
% on TCE earnings	NM	31.9	25.9	21.5	NM	2.2				NM	-	2.6	4.4
Net profit	-18.8	15.6	17.1	16.6	-9.8	-6.6	NM	NM	NM	-16.4	-	-26.0	-19.6

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

D. Campari (HOLD)

Results Preview

Possible Surprise Positive Neutral Negative

Results due on 27 July: We expect a very positive 2Q21E lfl sales growth of 28% for Campari, as it should benefit from an easy-comps, notably on the highly-skewed on-premise channel, namely Italy, compounded with a still robust expansion of the off-premise channel. In detail, we see 2Q21E sales at EUR 505M, up 23.7%, as the organic growth is partially limited by FX headwinds. The positive sales mix led by the highly-profitable aperitifs (Aperol and Campari) should boost the gross margin and more than offset the increased A&P expenditure mirroring the gradual reopening as contagions come more under control. All in all, we see 2Q21E EBIT at EUR 117M, corresponding to an EBIT margin at 23.2%, well ahead of the 20.2% reported in 2Q20, but fractionally above the 2019 level.

What we think: The progressive easing of restrictions followed by the effective vaccination rollouts, the easy comps and the healthy off-premise trend are the three drivers of Campari's strong lfl growth expected in 2Q21, which should allow the company to more than offset what it lost last year due to the lockdown. If Campari delivers as envisaged, the 2H21 organic growth embedded in our FY21E forecasts, pointing to a +9.6% (lfl) would appear to be too conservative (-2.2% vs. +5.5% embedded in company-gathered consensus). However, we point out that the comps in 3Q becomes tougher (3Q20A lfl was strong at +12.9%, notably in Italy at +35.4%) and contagions are on the rise again, potentially triggering renewed restrictions in certain geographies. Saying that, we leave unchanged our estimates while awaiting 2Q21 results and the trading update provided by the company in July, which may shed more light on the summer trend as well as on the increasing logistic costs as flagged recently by some competitors (Remy-Cointreau). On the back of the recent positive indications provided by Campari's competitors, the stock rallied and now trades at 50.5x and 45.4x 2021-22 P/E (or a premium of 35% vs. sector average; source: FactSet) and with a free cash flow yield of 2%.

D. Campari - Key Data

22/07/2021	Beverages & Tobacco		
Target Price (EUR)	9.4		
Rating	HOLD		
Mkt price (EUR)	11.15		
Mkt cap (EUR M)	12952		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	1,862.1	1,984.3	2,109.3
EBITDA	457.0	496.0	532.6
EPS (EUR)	0.22	0.25	0.27
Net debt/-cash	1,041.5	866.4	646.6
Ratios (x)	2021E	2022E	2023E
Adj. P/E	50.5	45.4	41.6
EV/EBITDA	30.6	27.9	25.5
EV/EBIT	37.2	33.4	30.4
Debt/EBITDA	2.3	1.7	1.2
Div yield (%)	0.5	0.5	0.5
Performance (%)	1M	3M	12M
Absolute	0.8	11.2	34.9
Rel. to FTSE IT All Sh	3.7	8.5	12.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Luca Bacoccoli - Research Analyst
+39 02 8794 9810
luca.bacoccoli@intesasnpaolo.com

Davide Campari – 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs 2Q19%	1H21E	1H21C	E/C %	FY21E	FY21C
Sales	478.1	408.5	768.7	1,772.0	505.3	497.0	1.7	23.7	5.7	903.1	894.9	0.9	1,862.1	1,941.0
LFL	6.9	-15.9	-11.3	-4.1	28.5	27.6	-	-	-	23.6	23.0	-	9.6	-
FX	2.1	2.2	-0.2	-2.7	-4.3	-	-	-	-	-5.4	-	-	-2.7	-
Perimeter	-0.8	-0.9	2.1	3.0	-0.5	-	-	-	-	-0.7	-	-	-1.8	-
Gross Margin	302.0	243.9	452.9	1,025.9	315.4	-	-	29.3	4.4	547.0	-	-	1,108.4	-
on sales %	63.2	59.7	58.9	57.9	62.4	-	-	-	-	60.6	-	-	59.5	-
CAAP	209.2	179.3	331.1	716.1	224.5	-	-	25.2	7.3	393.5	-	-	781.8	-
on sales %	43.8	43.9	43.1	40.4	44.4	-	-	-	-	43.6	-	-	42.0	-
SG&A	101.4	96.7	200.7	394.2	107.1	-	-	10.8	5.6	207.6	-	-	405.2	-
on sales %	21.2	23.7	26.1	22.2	21.2	-	-	-	-	23.0	-	-	21.8	-
EBIT pre-one offs	107.9	82.5	130.4	321.9	117.4	117.0	0.3	42.2	8.8	185.9	185.5	0.2	376.6	392.1
on sales %	22.6	20.2	17.0	18.2	23.2	23.5	-	-	-	20.6	20.7	-	20.2	20.2
EBIT post-one offs	100.0	60.7	103.0	231.8	117.4	-	-	93.3	17.4	183.8	-	-	376.6	-
on sales %	20.9	14.9	13.4	13.1	23.2	-	-	-	-	20.3	-	-	20.2	-
PBT post minorities	90.5	70.5	101.0	209.9	112.2	-	-	59.1	23.9	177.0	-	-	350.5	-
on sales %	18.9	17.3	13.1	11.8	22.2	-	-	-	-	19.6	-	-	18.8	-
Net Profit	NA	38.30	73.00	1.87	NA	-	-	-	-	NA	-	-	256.15	-
Adj. Net Profit	NA	NM	77.6	202.1	NA	-	-	-	-	NA	-	-	256.5	269.6
EBITDA pre-one offs	125.5	102.2	169.7	399.9	136.8	-	-	33.8	9.0	224.4	-	-	457.0	482.8
on sales %	26.2	25.0	22.1	22.6	27.1	-	-	-	-	24.8	-	-	24.5	24.9
EBITDA post-one offs	117.7	80.5	142.4	309.8	136.8	-	-	69.9	16.2	222.3	-	-	457.0	-
on sales %	18.9	19.7	18.5	17.5	27.1	-	-	-	-	24.6	-	-	24.5	-
Net debt	NM	NM	1,061.5	1,103.8	NA	-	-	-	-	NM	NA	-	1,041.5	966.2

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

De' Longhi (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: After the 60% lfl sales growth delivered in 1Q21, we expect another solid performance in 2Q21 with organic growth up 30%, mirroring a strong growth in coffee makers as well as a supportive trend of food processors. Taking into account the consolidation of Capital Brands (EUR 59M) and the first-time consolidation of Eversys (EUR 10M), we expect 2Q21 sales up 43% to EUR 724M, including 1% FX headwinds. On the back of the strong volumes growth, we see the operating leverage, together with initial price increases, fully offsetting the input cost inflation (sales fall through to EBITDA of 17% vs. 30%+ in 1Q21) and leading the 2Q21 EBITDA margin to the 2Q20 level at the same perimeter, or 130bps above including the counter-dilutive impact of the perimeter, with Capital Brands and Eversys adding EUR 12M and EUR 2M, respectively. Overall, DLG 2Q21 EBITDA should expand by 56% to EUR 115M.

What we think: Should DLG report as previewed, the 2H21E EBITDA embedded in our and consensus estimates of EUR 474M would point to a sharp lfl fall of 20% yoy which, even taking into account the tough comps in 3Q20 (we expect the 3Q21E lfl to materially slow down as we assume flat organic sales growth), seems a fairly cautious assumption. We reiterate our BUY recommendation on the stock as DLG trades at an appealing 5.1%-5.9% 21E-22E free cash flow yield.

De' Longhi - Key Data

22/07/2021	H.Goods & Textiles		
Target Price (EUR)	43.7		
Rating	BUY		
Mkt price (EUR)	36.20		
Mkt cap (EUR M)	5412		
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	19.6	17.7	16.4
EV/EBITDA	10.8	9.6	8.6
EV/EBIT	13.4	11.9	10.7
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	2.1	2.3	2.5
Performance (%)	1M	3M	12M
Absolute	-5.4	0.1	46.4
Rel. to FTSE IT All Sh	-2.6	-2.3	21.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Luca Bacoccoli - Research Analyst
+39 02 8794 9810
luca.bacoccoli@intesasnpaolo.com

De' Longhi - 2Q/1H21 preview

EUR M	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	1H21E	1H21C	E/C %	FY21E	FY21C
Sales	507.3	903.7	2,368.1	724.3			42.8%	1,403.0			3,044.8	3,021.6
Gross margin	238	436.3	1157.1	361.5			51.9%	716.6			1,509.2	
on sales	46.9%	48.3%	48.9%	49.9%				51.1%			49.6%	
Adj. EBITDA	69.7	111.8	366.5	114.6			64.4%	243.2			473.9	473.1
on sales	13.7%	12.4%	15.5%	15.8%				17.3%			15.6%	15.7%
EBITDA	68.9	105.5	343.0	114.6			66.3%	242.2			473.9	
on sales	13.6%	11.7%	14.5%	15.8%				17.3%			15.6%	
EBIT	49.3	66.9	262.0	93.6			89.9%	201.8			382.8	373.2
on sales	9.7%	7.4%	11.1%	12.9%				14.4%			12.6%	12.4%
PBT	48.9	65	256.3	88.6			81.2%	193.3			370.2	NA
Net profit	32.1	32.1	200.10	NA				NM			277.6	277.0
Net debt	335.0	388.7	232.0	NM			NM	NM			321.2	290.0

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
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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

22/07/2021	Medical Equipment		
Target Price (EUR)	183.5		
Rating	ADD		
Mkt price (EUR)	169.45		
Mkt cap (EUR M)	9480		
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	30.1	30.8	28.0
EV/EBITDA	21.3	20.1	18.1
EV/EBIT	24.9	24.4	21.8
Debt/EBITDA	2.0	1.5	0.89
Div yield (%)	0.7	0.7	0.8
Performance (%)	1M	3M	12M
Absolute	10.5	8.8	-5.0
Rel. to FTSE IT All Sh	13.7	6.1	-20.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Bruno Permutti - Research Analyst
+39 02 8794 9819
bruno.permutti@intesasanpaolo.com

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

Enel (ADD)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We expect the 1H21 operating and financial performance to suffer from the pandemic headwinds and the unfavourable forex in 1Q21A, with 2Q21 possibly pointing to some signs of a recovery. We expect 2Q21E ordinary EBITDA to slightly improve yoy, mostly driven by Rest of Europe, North America and the recovery of LATAM. In terms of business, we expect Europe to benefit from higher power sales volumes to retail, with the easing of the pandemic. We believe that the effect of the higher prices could have been mitigated by the hedging policies. LATAM EBITDA should benefit from a recovery in volumes, thanks to higher renewables capacity and higher retail demand. North America's performance should benefit from higher power demand and renewables capacity growth in our assumptions. We believe ordinary net income could benefit from the higher EBIT and lower financial charges, the latter following the effective liability management, and lower minorities contribution due to the forex effect. Net debt as of June 2021E should increase vs. YE20A due to the dividend payment, capex, forex and working capital, and the cash-out for the tender offer on Enel Americas shares.

What we think: If the results confirm our estimates, we would view the 2Q21 as the start of a post-pandemic recovery. However, our FY21E EBITDA estimates would be optimistic unless we see an acceleration in 2H21. Awaiting more visibility on 2H21 from the conference call, we maintain our estimates.

Enel - Key Data

22/07/2021	Electricity		
Target Price (EUR)	9.7		
Rating	ADD		
Mkt price (EUR)	7.81		
Mkt cap (EUR M)	79404		
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	14.6	13.4	13.0
EV/EBITDA	7.6	7.3	7.1
EV/EBIT	12.0	11.5	11.1
Debt/EBITDA	2.5	2.5	2.5
Div yield (%)	4.9	5.1	5.5
Performance (%)	1M	3M	12M
Absolute	-3.8	-8.0	-6.2
Rel. to FTSE IT All Sh	-1.0	-10.2	-22.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasanpaolo.com

Enel - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C%	2Q yoy%	vs. 2019%	1H21E	1H21C	1H E/C%	FY21E	FY21C
EBITDA reported	4,358	4,048	8,645	16,816	4,135	-	-	2	NM	8,226	-	NM	18,841	18,757
EBITDA ordinary	4,308	4,053	8,794	17,940	4,135	3,877	7	2	-4	8,294	8,036	3	18,841	
ITALY	1,797	2,060	4,068	8,204	2,020	-	-	-2	-	4,118	-	-	8,032	
IBERIA	949	841	2,295	4,413	810	-	-	-4	-	1,809	-	-	3,968	
LATAM	1,335	879	1,951	4,120	925	-	-	5	-	1,822	-	-	5,583	
EUROPE & North Africa	120	127	257	512	155	-	-	22	-	281	-	-	526	
North & Central AMERICA	175	188	295	781	265	-	-	41	-	328	-	-	775	
AFRICA & ASIA	9	5	21	56	10	-	-	NM	-	26	-	-	107	
Other	-77	-47	-93	-146	-50	-	-	0	-	-90	-	-	-150	
EBIT reported	2,231	1,434	4,543	10,160	2,515	2,212	14	75	13	5,040	4,810	5	11,941	11,757
EBIT ordinary	2,528	2,314	5,455	11,284	2,515	-	9	-1	-1	5,113	4,046	1	9,913	9,464
Pre tax income	1,615	953	3,459	8,097	1,960	1,908	3	106	21	4,098	4,046	1	9,913	9,464
Tax rate (%)	23	51	37	31	30	-	-	-	-	30	-	-	29	
Net income	958	228	1,493	2,610	1,132	985	15	396	18	2,308	-	-	5,451	
Net income (ord. adj.)	1,118	1,124	2,405	5,197	1,132	1,010	12	1	1	2,346	2,224	5	5,451	5,543
EPS (EUR)	0.11	0.11	0.24	0.51	0.11	0.10	-	1	1	0.23	-	-	0.54	0.55
Net debt	45,391	50,411	50,411	45,415	50,132	49,209	2	-1	10	50,132	-	-	46,525	49,161

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

Eni (HOLD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July (before trading hours): We expect 2Q21E adj. EBIT to materially improve vs. 2Q20A, mostly driven by a much better oil price scenario. The E&P division should show a better performance reflecting the higher oil price, which more than offset the negative effects of a weaker USD vs. EUR and lower production. G&P activities should decline due for the lower performance from GGP, which should suffer from a margin squeeze in the gas wholesale market. Refining & Marketing should suffer from weaker refining margins partially offset by a recovery at the marketing activities, while Petrochemicals activities should still benefit from the higher cracker margin. The company will also announce the oil price reference scenario for the second part of this year, and its dividend policy for 2021E fiscal year. We assume that the company could announce an interim DPS to be paid in September of around EUR 0.44.

What we think: if the results confirm our estimates, we would see our FY21E estimates as conservative. In addition, we believe that the current YTD oil price average (ca. USD 65/bbl) could lead Eni to update its FY21 average oil price reference scenario to USD 65/bbl to USD 70/bbl, i.e. above our current oil price assumptions of USD 55/bbl, again suggesting that our FY21E estimates could be prudent.

Eni - Key Data

21/07/2021	Oil & Gas		
Target Price (EUR)	9.9		
Rating	HOLD		
Mkt price (EUR)	9.50		
Mkt cap (EUR M)	34287		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	72.65	77.37	78.78
EBITDA	13.49	15.21	16.20
EPS (EUR)	0.42	0.57	0.64
Net debt/-cash	15.82	14.79	14.55
Ratios (x)	2021E	2022E	2023E
Adj. P/E	22.9	16.5	14.9
EV/EBITDA	3.1	2.7	2.5
EV/EBIT	7.3	5.7	5.1
Debt/EBITDA	1.2	0.97	0.90
Div yield (%)	6.2	7.5	7.9
Performance (%)	1M	3M	12M
Absolute	-7.9	-5.7	8.2
Rel. to FTSE IT All Sh	-3.6	-6.1	-8.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Eni - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2QE/C %	2Qyoy %	vs.2Q19 %	1H21E	1H21C	1HE/C %	FY21E	FY21C
EBIT adj current value	2,279	-434	873	1,898	1,672	1,602	4	NM	NM	2,993	2,923	2	5,803	7,113
Exploration & Production	2,140	-807	230	1,547	1,657	-	-	NM	NM	3,035	-	-	4,657	
Gas & Power	46	218	649	791	169	-	-	-22	268	341	-	-	1,029	
o/w GGP					23	-	-	-		-7	-	-	NA	
o/w EGL + Renew					126	-	-	-		309	-	-	NA	
o/w Thermal Power					20	-	-	-		39	-	-	NA	
Refining & Marketing	76	139	220	235	-105	-	-	NM	NM	-264	-	-	502	
Petchem	-28	-66	-131	-229	60	-	-	NM	NM	99	-	-	65	
Others	45	82	-95	-446	-110	-	-	-		-219	-	-	-450	
Pre-tax Income	2,032	-2,713	-4,341	-4,158	1,462	1,673	-13	-154	-28	2,558	2,769	NM	4,996	6,433
Tax Rate %	73	-9	-22	-42	60	-	-	-		66	-	-	70	
Adj. Net Inc. (attrib.)	562	-714	-655	-742	581	605	-4	NM	3	851	875	-3	1,499	2,777
Net debt	13,591	19,971	19,971	16,586	16,340	16,820				16,340	16,820		15,818	16,349
CFFO (EUR Bn)	-	-	-	-	2.4					4.4	-	-	8.7	
Dvd paid	1,479	1,551	1,551	3,103	1,551	-	-	0	5	1,551	-	-		
Int. dvd /FY dvd (EUR/sh)	0.43	0.12	0.12	0.36	0.44	0.39				0.44	0.39		0.59	0.74
Oil production (kboepd)	1,825	1,713	1,744	1,871	1,600	-	-	-7	-12	1,652	-	-	1,727	
Avg. real. price (USD/boe)	45.2	21.6	27.63	43.5	48.7	-	-	126	8	44.7	-	-	36.4	
EUR/USD	1.12	1.10	1.10	1.12	1.21	-	-			1.21	-	-	1.15	
Brent price (USD/bbl)	68.8	29.2	39.75	64.3	68.6	-	-			64.8	-	-	55.0	

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

ERG (BUY)**Results Preview**

Possible Surprise Positive Neutral Negative

Results due on 30 July (during trading hours): 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

22/07/2021	Electricity		
Target Price (EUR)	28.9		
Rating	BUY		
Mkt price (EUR)	24.50		
Mkt cap (EUR M)	3675		
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	28.8	28.7	28.4
EV/EBITDA	10.2	10.1	10.2
EV/EBIT	24.2	23.3	23.6
Debt/EBITDA	2.9	3.0	3.2
Div yield (%)	3.1	3.1	3.1
Performance (%)	1M	3M	12M
Absolute	-3.5	0.7	16.2
Rel. to FTSE IT All Sh	-0.7	-1.7	-3.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

ERG - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	vs 2019%	1H21E	1H21C	1H 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

Fincantieri (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We expect a 2Q21 fully consistent with the group's FY guidance, pointing to a 25-30% revenues (ex pass-through) increase, an EBITDA margin at 7% and a flat yoy net debt. While the comparison with 2Q20 is not meaningful, following the rescheduling of the cruise deliveries during the pandemic and considering the return of volumes production, we expect 2Q21 revenues at EUR 1.65Bn, leading to a 1H21E top line at EUR 3.3Bn (i.e. EUR 3Bn excluding the pass-through activities). At the EBITDA level, we estimate a 2Q almost in line with the pre-Covid level: thus, for 1H21E, we forecast an EBITDA at EUR 220M (vs. EUR 119M in 1H20 and EUR 215M in 1H19), implying a 7.3% margin ex pass through activities. We believe that net income should remain penalised by some further extraordinary Covid costs (EUR 30M expected at the end of 1H21). While at the end of 1H21 net debt should be flat vs. 1Q21, we expect a decrease in construction loans: more importantly, we highlight that, following Fincantieri's scheduled deliveries in July, the company can now count on around EUR 1.5Bn of cash-in, which would support the achievement of its FY net debt target.

What we think: As well as the group's deleveraging path, which continues to represent an issue amongst investors, during the conference call we expect the market to focus on the potential cost inflation effects (especially from 2022) and the group's further business opportunities in the Naval segment. We would also expect some further highlights on the group's diversification strategy and the recent finalisation of the INSO acquisition.

Fincantieri - Key Data

22/07/2021	Shipbuilding		
Target Price (EUR)	0.93		
Rating	ADD		
Mkt price (EUR)	0.73		
Mkt cap (EUR M)	1231		
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	14.2	5.4	4.6
EV/EBITDA	4.5	3.0	2.5
EV/EBIT	7.2	4.2	3.5
Debt/EBITDA	1.9	1.1	0.85
Div yield (%)	0.8	3.0	3.7
Performance (%)	1M	3M	12M
Absolute	-8.6	9.8	14.3
Rel. to FTSE IT All Sh	-5.9	7.1	-4.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Monica Bosio - Research Analyst
+39 02 8794 9809
monica.bosio@intesasnpaolo.com

Fincantieri - 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Revenues	1,452	1,062	2,369	5,879	1,652	-	-	56	14	3,300	-	-	6,773	6,600
Rev. ex pass through	1,452	1,062.0	2,369.0	5,879	1,602	-	-	51	10	3,028	-	-	6,501	-
-Shipbuilding	1,297	898.0	2,031	5,226	1,412	-	-	57	9	2,912	-	-	5,797	-
-Shipbuilding revenues ex pass through	1,297	898.0	2,031	5,226	1,362	-	-	52	5	2,590	-	-	5,525	-
-Offshore	90.0	102.0	228.0	389.0	120.0	-	-	18	33	216.0	-	-	499.4	-
-E,S&S	201.0	187.0	392.0	937.0	300.0	-	-	60	49	532.0	-	-	1,149	-
EBITDA (pre ex-Covid costs)	125.0	47.0	119.0	314.0	119.0	-	-	153	-5	220.0	-	-	475.6	441.7
-Shipbuilding	163.0	43.0	115.0	285.0	115.0	-	-	167	-29	215.0	-	-	417.4	-
-Offshore	-50.0	0.0	-1.0	-5.0	2.0	-	-	NM	-104	4.0	-	-	7.1	-
-E,S&S	21.0	12.0	24.0	76.0	12.0	-	-	0	-43	22.0	-	-	93.1	-
EBITDA %	8.6	4.4	5.0	5.3	7.2	-	-	-	-	6.7	-	-	7.0	6.7
EBITDA % ex Pass thru	8.6	4.4	5.0	5.3	7.4	-	-	-	-	7.3	-	-	7.3	-
-Shipbuilding	12.6	4.8	5.7	5.5	8.1	-	-	-	-	7.4	-	-	7.2	-
-Shipbuild. ex pass through	12.6	4.8	5.7	5.5	8.4	-	-	-	-	8.3	-	-	7.6	-
-Offshore	-55.6	0.0	-0.4	-1.3	1.7	-	-	-	-	1.9	-	-	1.4	-
-E,S&S	10.4	6.4	6.1	8.1	4.0	-	-	-	-	4.1	-	-	8.1	-
EBIT	NA	NA	54.4	148.0	NA	-	-	NA	NA	130.5	-	-	296.6	263.2
Net attri. Income	NA	NA	-140.5	-240.0	NA	-	-	NA	NA	5.4	-	-	47.5	26.9
Adj. Net Attri.	NA	NA	-115.5	-192.0	NA	-	-	NA	NA	30.4	-	-	86.5	72.3
Net debt	724.0	980.0	980.0	1,062	1,600	-	-	63	121	1,600	-	-	919.8	980.0
Construction Loans	492.0	1,001	1,001	1,325	1,300	-	-	30	164	1,300	-	-	1,366	NA

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

Geox (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July (after market close): Compared to 2Q19, in 2Q21 we believe that the retail business will again have been hurt by the still significant temporary closure of shops (we estimate around 20% of total on average after the 34% in 1Q21); on the other hand, we assume a good performance of the wholesale channel supported by the shipment calendar and online sales. Overall, we estimate 2Q21 consolidated sales at EUR 113M (>85% yoy growth, -18% vs 2Q19), which brings 1H21 sales to around EUR 261M: +7.4% yoy, in line with the outlook for a high-single digit growth provided by the company in May. We forecast an improvement in the gross margin to 48.5% vs. 47% adjusted gross margin recorded in 1H20 (41% after write-offs) thanks to lower markdowns, which should have offset the unfavourable channel mix. We incorporate net savings of EUR 8M and reach an EBIT loss at EUR 49M vs. an EUR 84M loss in 1H20. We forecast net debt in line with the end of March.

What we think: We expect 1H21 sales and the trading update to support the guidance for a low-to-mid double-digit growth in FY21 sales (+14.8% yoy our forecast).

Geox - Key Data

22/07/2021		Branded Goods		
Target Price (EUR)		1.35		
Rating		ADD		
Mkt price (EUR)		0.99		
Mkt cap (EUR M)		257		
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.	23.7	
EV/EBITDA	9.8	5.6	4.6	
EV/EBIT	Neg.	89.9	24.0	
Debt/EBITDA	5.9	3.2	2.4	
Div yield (%)	0	0	0	
Performance (%)	1M	3M	12M	
Absolute	-15.9	12.6	34.1	
Rel. to FTSE IT All Sh	-13.4	9.9	11.6	

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Oriana Cardani, CFA - Research Analyst
+39 02 6275 3017
oriana.cardani@intesasanpaolo.com

Geox - 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Net sales	138.4	60.6	243.6	534.9	113.2	114.0	-0.7	86.7	-18.2	261.5	262.3	-0.30	614.1	615.0
Wholesale	45.8	18.4	121.4	258.3	42.2	44.3	-4.7	128.8	-7.8	134.1	136.2	-1.52	305.3	-
Retail	91.8	37.4	104.4	233.5	63.3	62.0	+2.0	69.4	-31.0	109.3	108.0	+1.16	272.6	-
Franchising	0.9	4.8	17.8	43.1	7.7	7.5	+2.0	59.4	755.4	18.2	18.0	+0.84	36.1	-
Europe	61.8	25.8	113.8	250.3	51.0	-	-	97.7	-17.5	121.1	-	-	265.3	-
North America	11.1	2.8	11.8	24.8	8.0	-	-	189.0	-27.6	12.6	-	-	35.9	-
Italy	36.2	16.9	59.9	124.9	30.0	-	-	77.5	-17.2	59.9	-	-	144.9	-
RoW	28.3	15.1	58.1	134.9	24.2	-	-	59.9	-14.6	67.9	-	-	167.9	-
EBITDA			-20.6	-13.7						0.4	NA	-	62.3	66.0
EBITDA margin (%)			-8.5	-2.6						0.2		-	10.1	10.7
EBIT			-84.0	-124.5						-49.3	-45.6	-	-37.1	-35.0
EBIT margin (%)			-34.5	-23.3						-18.8	-17.4	-	-6.0	-5.7
Net income			-82.0	-128.3						-49.3	-44.6	-	-44.6	-33.5
Net margin (%)			-33.7	-24.0						-18.8	-17.0%	-	-7.3	-5.4
Net debt/-cash			372.8	367.7						377.0	378.0	-	366.0	366.0

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

Hera (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 28 July: In 2Q21, we expect Hera to report an EBITDA up by 15% yoy to EUR 242M, underpinned by: 1) a sound performance of the Gas activities reflecting the higher volumes sold, due to colder temperatures and a recovery of industrial activity, and a greater contribution from the last resort market, as well as thanks to positive results from energy efficiency services; 2) broadly stable Electricity, as the lower volumes in the safeguard market should be offset by higher volumes sold to B2C and B2B customers amid cross-selling commercial activity and the industrial recovery; 3) marginally increasing Water reflecting costs' efficiencies; 4) solid Waste EBITDA, positively affected by a better price/volume mix yoy and higher electricity prices at WTEs. 2Q21E EBIT should rise to EUR 99M, up by 18% yoy, as a result of the higher EBITDA and despite higher D&A. Bottom line, we estimate 2Q21E net income growing by 15% yoy to EUR 48M as the stronger operating performance is likely to be partially counterbalanced by higher financial charges and taxes. Net debt as of end-June 2021 is expected to reduce further to EUR 3.03Bn (from EUR 3.08Bn at 1Q21A) thanks to the solid operating cash generation, despite capex in the quarter of EUR 130M.

What we think: If the results confirm our estimates, we would see them as well on track with our and Bloomberg FY21 EBITDA assumptions, while our net debt expectations for end-2021 might prove to be conservative. We believe that the market will focus on management's indications in terms of Hera's business evolution and strategy implementation. Following the first consultation document on the new WACC regulatory period for electricity and gas activities, in a preliminary simulation, we calculated that a potential 100bps cut in regulated WACC should imply around EUR 15-20M lower EBITDA per year starting from 2022E onwards (or rather 1-2% per year of consolidated EBITDA).

Hera - Key Data

22/07/2021	Multi-Utilities		
Target Price (EUR)	4.7		
Rating	BUY		
Mkt price (EUR)	3.42		
Mkt cap (EUR M)	5090		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	7,965.0	8,228.8	8,467.5
EBITDA	1,161.0	1,203.8	1,256.2
EPS (EUR)	0.20	0.21	0.22
Net debt/-cash	3,310.5	3,305.6	3,256.7
Ratios (x)	2021E	2022E	2023E
Adj. P/E	16.8	16.3	15.8
EV/EBITDA	7.4	7.1	6.8
EV/EBIT	15.2	14.8	14.3
Debt/EBITDA	2.9	2.7	2.6
Div yield (%)	3.4	3.5	3.7
Performance (%)	1M	3M	12M
Absolute	-6.2	3.3	2.6
Rel. to FTSE IT All Sh	-3.4	0.8	-14.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Davide Candela - Research Analyst
+39 02 8794 9823
davide.candela@intesasnpaolo.com

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Hera - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	2Q yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Revenues	1431.6	1568.8	3624.6	7546.8	1668.5	-	-	6.4	16.5	3940.3	-	-	7965.0	-
Opex	-1216.5	-1358.3	-3064.9	-6423.7	-1426.6	-	-	5.0	17.3	-3336.4	-	-	-6803.9	-
EBITDA	215.1	210.5	559.7	1123.1	241.9	-	-	14.9	12.5	603.9	-	-	1161.0	1161.0
Gas	44.6	39.9	200.8	374.4	55.8	-	-	39.9	25.2	234.3	-	-	411.2	-
Electricity	41.3	44.8	97.0	188.2	42.7	-	-	-4.6	3.5	89.9	-	-	167.2	-
Water	63.8	65.5	122.7	265.8	66.4	-	-	1.3	4.0	121.4	-	-	273.4	-
Waste	59.0	52.2	122.4	258.0	66.7	-	-	27.7	13.0	137.5	-	-	271.8	-
Others	6.4	8.1	16.8	36.7	10.4	-	-	27.9	61.9	20.9	-	-	37.4	-
Total D&A	-131.2	-126.5	-264.0	-571.8	-142.6	-	-	12.7	8.7	-281.5	-	-	-599.1	-
EBIT	83.9	84.0	295.7	551.3	99.3	-	-	18.3	18.4	322.4	-	-	561.9	574.7
EBIT margin %	5.9	5.4	15.7	7.3	6.0	-	-	11.2	1.6	15.8	-	-	7.1	-
Fin. Charges	-26.1	-23.3	-55.0	-124.9	-31.1	-	-	33.6	19.2	-63.1	-	-	-127.5	-
Eq. investments	2.3	2.0	5.0	8.2	2.1	-	-	5.6	-8.2	5.3	-	-	8.4	-
EBT	60.1	56.5	239.5	434.6	70.3	-	-	24.5	17.0	264.6	-	-	442.9	472.4
tax rate	0.3	21.1	27.0	25.7	27.0	-	-	28.2	2.4	27.6	-	-	27.0	-
Tax	-15.9	-11.9	-64.6	-111.8	-19.0	-	-	59.6	19.8	-73.0	-	-	-119.6	-
Disc./One-offs	0.0	0.0	0.0	0.0	0.0	-	-	NM	NM	0.0	-	-	0.0	-
Net income	44.3	44.6	174.9	322.8	51.3	-	-	15.1	16.0	191.6	-	-	323.3	-
Minorities	2.2	2.8	8.7	20.1	3.2	-	-	12.5	43.2	11.3	-	-	20.7	-
Group net income	42.1	41.8	166.2	302.7	48.2	-	-	15.3	14.6	180.4	-	-	302.6	321.0
Capex	119	110	241	529	130	-	-	18.2	9.2	243	-	-	650	574
Net debt	2685	3084	3084	3227	3,027	-	-	-1.9	12.7	3,027	-	-	3310	3276

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

INWIT (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We estimate a sales growth of 4.7% yoy and 1.8% qoq, which reflects 100 new sites and the new PoPs added in 4Q20. There is, indeed, a time lag of one quarter between new contracts and their economic impact, an operational factor that the company aims to optimise going forward. We then forecast a 91% EBITDA margin at the reported level, lower than 93% in 2Q20 and in line with FY21 guidance. By assuming lease costs broadly unchanged compared to 1Q21 (leases related to new sites should offset ongoing efficiencies), we estimate an EBITDA after lease up by 6.6% yoy and 2.3% qoq. After accounting for the seasonality of working capital and tax payments (50% of yearly taxes are paid in 2Q), we forecast a recurring free cash flow of EUR 73M (vs. EUR 79.5M in 2Q20). Then, considering the EUR 288M dividend payment and EUR 334M cash-out for the goodwill enfranchisement, we expect a net debt post-IFRS 16 peaking at EUR 4.2Bn at end-June 2021 with an implied leverage slightly lower than 6x. In terms of KPIs, for 2Q21E we expect 1,320 new PoPs (1,200 in 1Q21), of which 900 anchors (860 in 1Q21) and 420 third parties (360 in 1Q21), and 350 new small cells/DAS (in line with the +300/400 quarterly run-rate).

What we think: We think that investors' focus will remain on the deployment of new PoPs, which should remain below the expected run-rate of 1.5/1.6k per quarter pending the long-awaited agreement with Iliad on the sites involved in the remedy package required by the Antitrust following the INW-VOD merger. Our FY21 estimates remain unchanged, broadly in line with company-provided consensus and company guidance, implying an acceleration in 2H21.

INWIT - Key Data

22/07/2021	Telecom Services		
Target Price (EUR)	12.6		
Rating	BUY		
Mkt price (EUR)	9.91		
Mkt cap (EUR M)	9514		
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	61.9	50.3	33.8
EV/EBITDA	22.0	19.0	17.5
EV/EBIT	46.9	39.5	33.7
Debt/EBITDA	6.2	5.8	5.3
Div yield (%)	9.0	3.3	3.5
Performance (%)	1M	3M	12M
Absolute	0.0	3.9	7.5
Rel. to FTSE IT All Sh	3.0	1.4	-10.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Antonella Frongillo - Research Analyst
+39 02 8794 9688
antonella.frongillo@intesasanpaolo.com

INWIT - 2Q/1H21 preview

EUR M	2Q20A	1H20A*	FY20A*	2Q21E	2Q21C	E/C %	yoy %	1H21E	1H21C	E/C %	FY21E	FY21C
Anchor MSA	161.3	227.6	554.4	165.4	-	-	2.6	329.5	-	-	670.6	-
Third-party revenues	21.1	45.5	89.4	24.1	-	-	14.3	47.0	-	-	104.8	-
New services	2.1	14.4	19.6	3.7	-	-	75.9	7.0	-	-	15.2	-
Rep. revenues	184.5	287.4	663.4	193.2	193.0	0.1	4.7	383.5	383.3	0.1	790.6	787
Rep. EBITDA	171.6	259.6	603.8	175.8	176.0	-0.1	2.5	348.8	349.0	-0.1	721.1	718
Rep. EBITDA AL	118.9	175.9	418.7	126.7	126.0	0.6	6.6	250.6	249.9	0.3	515.1	516
Net profit	38.2	71.7	156.7	47.8	47.0	1.7	25.2	91.3	90.5	0.9	189.3	195
Net debt/-cash post IFRS 16	3,977	3,977	3,706	4,215	4,188	0.7	6.0	4,215	4,188	0.7	4,192	4,133

*The merger between INWIT and Vodafone's Italian towers became effective from 2Q20; AL: after lease; A: actual; E: estimates; C: company-provided consensus; Source: Company data and Intesa Sanpaolo Research

Italgas (ADD)**Results Preview**

Possible Surprise Positive Neutral Negative

Results due on 27 July (before trading hours): We expect revenues to improve mostly thanks to RAB-driven regulated revenues and LPG sales in Sardinia. 1H21 EBITDA should improve reflecting the higher top line, coupled with a slight reduction in operating costs. Higher EBIT, together with D&A and broadly flat financial charges yoy, should lead to a higher net income. Net debt should increase as a result of the higher capex, a negative working capital effect and dividends, partially offset by cash generation.

What we think: If results broadly confirm our estimates, we would see them as in line with our FY21E estimates. We see capex for network refurbishment and gas tenders as the main drivers for the company's financials growth. The main risk is related to the effect of the ongoing regulated WACC revision. On a preliminary sensitivity, we estimate that a 100bp reduction, which we consider highly conservative, of allowed remuneration could lead to results roughly EUR 80M lower than our 2022E EBITDA.

Italgas - Key Data

22/07/2021	Gas Transportation		
Target Price (EUR)	6.4		
Rating	ADD		
Mkt price (EUR)	5.41		
Mkt cap (EUR M)	4379		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	1,403.1	1,449.7	1,547.5
EBITDA	1,000.2	1,032.8	1,118.6
EPS (EUR)	0.43	0.43	0.49
Net debt/-cash	4,923.5	5,475.8	6,070.9
Ratios (x)	2021E	2022E	2023E
Adj. P/E	12.5	12.5	11.0
EV/EBITDA	9.5	9.8	9.5
EV/EBIT	17.1	17.6	16.7
Debt/EBITDA	4.9	5.3	5.4
Div yield (%)	5.2	5.2	5.9
Performance (%)	1M	3M	12M
Absolute	-3.8	-0.6	1.3
Rel. to FTSE IT All Sh	-1.0	-3.0	-15.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Italgas – 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C	2Q yoy	vs. 2019	1H21E	1H21C	1H E/C	FY21E	FY21C
							%	%	%			%		
Sales	299	320	647	1,334	333	329	1	4	12	666	662	1	1,403	1,377
EBITDA	215	235	463	971	250	-	NM	6	16	484	-	-	1,000	1,008
% of Sales	71.9	73.6	71.5	72.8	75.1	NA	-	-	-	72.7	-	-	71.3	73.2
EBIT	118	130	253	547	144	133	8	11	22	274	263	4	557	573
% of Sales	39.5	40.6	39.1	41.0	43.2	40.4	-	-	-	41.1	39.7	-	39.7	41.6
Pretax Income	112	117	227	499	132	-	-	13	17	248	-	-	508	518
Tax Rate %	28.7	29.7	28.4	27.1	29.5	-	-	-	-	27.5	-	-	27.2	NA
Net Income	80	78	153	345	90	89	1	15	12	166	165	-	351	356
Adj net income	80	78	154	345	90	89	1	15	12	171	170	0	351	356
Net debt / -cash	3,859	4,701	4,701	4,737	4,872	-	-	4	26	4,872	-	-	4,924	4,921
Capex	165	164	370	742	220	-	-	35	33	427	-	-	860	864
DPS (EUR/sh)	0.256	0.277	0.277	0.277	0.282	-	-	2	10	0.282	-	-	0.282	0.287

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

Leonardo (ADD)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: In 2Q21, we expect Leonardo to have replicated the same trends seen in 1Q21. The quarter should thus be characterised by a robust order intake, supported by the military business. At the P&L level, the military business should have continued to support the group's results, which were nonetheless still penalised by the weakness of the civil business, particularly for Aerostructures (Avionic division). We expect a sound operating trend in the Helicopters and Défense Electronics and Security areas. Overall, with 2Q21 revenues up by 6.8% (+8.4% vs. 2Q19) to EUR 3.5Bn, we expect an EBITA at EUR 255M, slightly ahead of 2020 and still far from the pre-pandemic levels. With an expected 1H21 income at EUR 130M, we see some progression in terms of FOCF absorption, expected to be negative for EUR 1.7Bn in 1H21 (- EUR 281M in 2Q21).

What we think: While the group is expected to give a more in-depth view of its Aerostructure activities by the end of the year, we expect LDO to leave its FY guidance unchanged, pointing to orders at EUR 14Bn, revenues in the range of EUR 13.8/14.3Bn, an EBITA at EUR 1,075/1,125M and around EUR 100M of FCF (net debt at EUR 3.2Bn). We also remind that the CEO recently reiterated the group's commitment in generating a 2021-25 FCF of EUR 3Bn.

Leonardo - Key Data

22/07/2021	Aerospace&Defence		
Target Price (EUR)	8.2		
Rating	ADD		
Mkt price (EUR)	6.40		
Mkt cap (EUR M)	3700		
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	7.8	5.6	4.9
EV/EBITDA	4.3	3.9	3.5
EV/EBIT	7.9	6.2	5.3
Debt/EBITDA	2.0	1.8	1.5
Div yield (%)	2.2	2.2	17.8
Performance (%)	1M	3M	12M
Absolute	-9.3	-7.3	1.6
Rel. to FTSE IT All Sh	-6.7	-9.6	-15.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Monica Bosio - Research Analyst
+39 02 8794 9809
monica.bosio@intesasnpaolo.com

Leonardo - 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Revenues	3,237	3,287	5,878	13,410	3,510	3,400	3.24	6.79	8.44	6,300	6,190	1.8	14,094	13,993
EBITA	324	251	292	938	255	252	1.19	1.59	-21.30	350	347	0.9	1,099	1,094
EBITA%	10.0	7.6	5.0	7.0	7.3	7.4	NM	NM	NM	5.6	5.6	NM	7.8	7.8
EBIT	306	197	227	517	205	213	-3.76	4.06	-33.01	280	288	-2.8	874	895
EBIT%	9.5	6.0	3.9	3.9	5.8	6.3	NM	NM	NM	4.4	4.7	NM	6.2	6.4
Net Attri. Profit	272	118	59	241	132	134	-1.68	11.65	-51.56	130	132	-1.7	451	485
FOCF	64	-294	-1,889	40	-281	-211	32.97	-4.57	NM	-1,703	-1,633	4.3	100	113
Net Debt	4,098	5,074	5,074	3,318	4,921	4,640	6.05	-3.02	20.07	4,921	4,640	6.0	3,218	3,390
Orders	3,627	2,683	6,104	13,754	3,031	3,118	-2.78	12.98	-16.43	6,431	6,518	-1.3	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)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We expect the company to show an improving financial performance vs. 2020, thanks to higher volumes. We see revenues improving yoy thanks to: i) a rebound of the operating performance vs. 2Q20, which was affected by the pandemic; and ii) the recent backlog improvement. We see 2Q21 EBITDA increasing by 25% yoy thanks to the higher revenues and we continue to assume a margin in the region of 6%, in line with the company's guidance. 2Q21E adjusted net income could increase by 57% yoy, largely reflecting the better operating performance. The backlog should improve to about EUR 7.1Bn vs. EUR 6.0Bn as of December 2020, thanks to effective new commercial activities, which led to approx. EUR 2.1Bn new contracts in 2Q21. We also see an improving net debt, declining to around EUR 55M.

What we think: if the results confirm our estimates, we would see them as well on track with our FY21E assumptions and the company's guidance. Among the new awards, we highlight a number of projects relating to the biorefineries and green-chem initiatives. In addition to the traditional petchem activities, we believe that this field could put the stock onto investors' radar..

Maire Tecnimont - Key Data

22/07/2021	Oil Equip. & Services		
Target Price (EUR)	2.6		
Rating	HOLD		
Mkt price (EUR)	2.94		
Mkt cap (EUR M)	967		
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	12.3	10.9	10.3
EV/EBITDA	6.3	5.5	5.0
EV/EBIT	8.3	7.1	6.4
Debt/EBITDA	0.49	0.07	Neg.
Div yield (%)	2.9	3.2	3.4
Performance (%)	1M	3M	12M
Absolute	-4.4	17.9	77.3
Rel. to FTSE IT All Sh	-1.6	15.0	47.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Maire Tecnimont – 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	vs. 2019 %	1H21E	1H21C	1H E/C %	FY21E	FY21C
Sales	794	510	1,216	2,631	660	692	-5	29	-17	1,286	1,318	-2	2,963	2,980
B.d. of sales (core)														
Hydrocarbons	759	505	1,194	2,557	640					1,249			2,785	
Green energy	35	6	23	74	20					37			179	
EBITDA	50	31	73	172	38	42	-9	25	-23	76	80	-5	176	181
% of sales	6.3	6.0	6.0	6.5	5.8					5.9			6.0	
Hydrocarbons	49	31	75	173	38					77			174	
Green energy	1	0	-1	-1	0					-1			3	
EBIT	37	18	50	124	27	31	-12	50	-26	55	59	-6	134	135
% of sales	4.7	3.6	4.1	4.7	4.2					4.3			4.5	
Pretax income	31	12	28	79	21			82	-31	47			122	
Tax rate	30.9	33.2	31.8	31.2	33.0					31.1			33.0	
Net income	20	9	20	58	14	18		57	-29	32	33	-11	79	76
Adj net income	20	9	20	69	14	18	-20	57	-29	29	33	-11	79	76
Net debt/-cash	119	261	261	117	55	195				55	195		86	119
Backlog	6,636	6,703	6,636	6,002	7,154			7	8	7,154			6,218	
New order intake	875	1,309	1,768	2,732	2,092			60	139	2,314			3,180	

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

Mediobanca (BUY)**Results Preview**

Possible Surprise Positive Neutral Negative

Results due on 29 July: In 4Q20/21E, we expect Mediobanca to report a net income of EUR 154M, below FactSet market consensus of EUR 178M, In FY20/21E. We forecast Mediobanca NII to decline by 0.6% qoq, penalised by Consumer Finance new production still below the pre-Covid levels. We estimate fee income to increase by 17.7% yoy, remaining 10.7% below the very strong level of 3Q20/21, due to lower CIB fees. We assume the cost of risk to seasonally increase to 65bps, or 54bps in FY20/21E. We expect the CET1 to remain at a strong 14.5% level, embedding the payment of a EUR 64/cent DPS, based on a 70% payout ratio, for a dividend yield of 6.5%.

What we think: We have a positive stance on the stock. **BUY, TP EUR 11.6/share.**

Mediobanca - Key data

22/07/2021	Banks		
Target Price (EUR)	11.6		
Rating	BUY		
Mkt price (EUR)	9.85		
Mkt cap (EUR M)	8741		
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	10.7	11.2	10.8
P/TBV	0.89	0.87	0.85
RoTE (%)	8.7	7.9	7.9
CET1 FL (%)	14.5	14.7	14.6
Div yield (%)	6.5	5.8	6.0
Performance (%)	1M	3M	12M
Absolute	0.1	8.2	36.7
Rel. to FTSE IT All Sh	3.1	5.5	13.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Manuela Meroni - Research Analyst
+39 02 8794 9817
manuela.meroni@intesasanpaolo.com

Mediobanca - 4Q20/21 preview

EUR M	4Q20A	1Q21A	2Q21A	3Q21A	4Q21E	4Q21C	4Q E/C %	4Q qoq %	4Q yoy %	FY21E	FY21C
Net Interest Income	361	357	363	351	349	346	0.9	-0.6	-3.2	1,420	1,417
Commission and fee income	143	189	194	188	168	171	-1.6	-10.7	17.7	739	745
Trading income	48	36	51	65	57	34	66.2	-12.9	18.4	208	186.75
Income from associated	55	44	67	59	58	NM	NA	-1.4	5.2	227	NA
Total income	606	626	675	663	631	654	-3.5	-4.7	4.2	2,595	2,618
Operating Costs	298	288	303	315	312	325	-4.1	-0.9	4.5	1,217	1,232
Gross Operating Income	308	338	372	348	320	329	-2.8	-8.2	3.9	1,378	1,386
LLP	165	72	46	64	76	71	6.9	19.1	-54.1	257	255
Pre tax Income	77	280	292	261	212	246	-13.9	-20.3	219.6	1,045	1,071
Net income	48	200	211	193	154	178	-13.4	21.7	-53.9	758.0	776
CoR (bps)	141	61	39	53	65	NA	NA	21.7	-53.9	54	NM
CET1 (%)	14.5	14.6	14.5	14.6	14.5	NA	NA	-0.8	-0.1	14.5	NM

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

Moncler (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 27 July: Since 1 April 2021, Stone Island has entered into the consolidation perimeter. We highlight that it is deeply exposed to the wholesale channel (75-80% of sales) and Europe (80% of sales) and that it concentrates its shipments in 1Q. Therefore, 2Q is normally a weak quarter (around 20% of FY sales). Considering that the positive effect of the re-openings is expected to boost the 2H21 performance, we incorporate a contribution of 2Q21 to FY21 sales results at around 18%, which means EUR 52M sales forecast; we assume EBIT in 2Q21E at EUR 3M. Regarding Moncler alone, we expect the sales trend in 2Q21E to be similar to 1Q21 and we assume a flat top line compared to 2Q19 (EUR 191M), with Japan limiting the growth of Asia Pacific to a 20% jump compared to 2Q19. As for costs, compared to 1H19, we incorporate higher figures mainly due to network expansion; overall, we forecast consolidated EBIT at EUR 75M in 1H21E vs. a negative EBIT at EUR 35.5M in 1H20 and EUR 102.6M positive EBIT in 1H19. We forecast a net profit above EUR 45M and net cash ex-IFRS 16 at EUR 234M.

What we think: In our model, the contribution of 1H21 results is estimated at 31% in total sales vs. 34.5% recorded on average in 2017-19 and 28% in 2020.

Moncler - Key Data

22/07/2021		Branded Goods		
Target Price (EUR)		65.2		
Rating		ADD		
Mkt price (EUR)		57.78		
Mkt cap (EUR M)		15813		
Main Metrics (€ M)	2021E	2022E	2023E	
Revenues	1,976.2	2,287.6	2,524.5	
EBITDA	802.8	927.1	1,027.3	
EPS (EUR)	1.46	1.76	1.99	
Net debt/-cash	252.9	110.1	-72.60	
Ratios (x)	2021E	2022E	2023E	
Adj. P/E	39.7	32.8	29.0	
EV/EBITDA	20.0	17.1	15.3	
EV/EBIT	27.5	22.9	20.2	
Debt/EBITDA	0.31	0.12	Neg.	
Div yield (%)	1.0	1.2	1.4	
Performance (%)	1M	3M	12M	
Absolute	-0.8	10.4	67.5	
Rel. to FTSE IT All Sh	2.1	7.7	39.3	

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Oriana Cardani, CFA - Research Analyst
+39 02 6275 3017
oriana.cardani@intesasanpaolo.com

Moncler - 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	1H E/C %	FY21E	FY21C
Net sales	191.7	93.2	403.3	1440.4	242.8	247.8	-2.0	160.5	26.6	608.3	613.0	-0.8	1976.2	1936.0
Moncler sales	191.7	93.2	403.3	1440.4	190.8	191.8	-0.5	104.7	-0.5	556.3	557.0	-0.1	1756.3	-
Retail	145.6	64.2	300.5	1089.5	139.6	143.8	-2.9	117.4	-4.1	418.8	423.0	-1.0	1353.4	-
Wholesale	46.1	29.0	102.8	350.9	51.2	47.7	7.2	76.4	11.0	137.5	134.0	2.6	402.8	-
Italy	22.7	7.4	41.9	122.3	20.1	-	-	171.2	-11.6	49.1	-	-	139.5	-
EMEA	60.8	28.8	130	379.5	46.7	-	-	62.2	-23.2	131.6	-	-	440.3	-
Asia Pac. & RoW	78.2	49.0	181.7	717.9	93.8	-	-	91.5	20.0	291.9	-	-	883	-
Americas	30	8.1	49.8	220.7	30.1	-	-	271.9	0.4	83.5	-	-	293.6	-
Stone Island sales	-	-	-	-	52.0	56.0	-7.1	-	-	52.0	56.0	-7.1	220	-
Gross profit	-	-	279.6	1089.6	-	-	-	-	-	456.2	462.0	-1.3	1488.7	1457.8
Gross margin (%)	-	-	69.3	75.6	-	-	-	-	-	75.0	75.0	-	75.3	75.3%
EBIT	-	-	-35.5	368.8	-	-	-	-	-	75.0	82.0	-8.6	583.0	557.0
EBIT margin (%)	-	-	0.0	25.6	-	-	-	-	-	12.3	13.4	-	29.5	28.8%
Net income	-	-	-31.6	300.4	-	-	-	-	-	45.5	47.0	-3.3	398.7	372.0
Net margin (%)	-	-	-7.8	20.9	-	-	-	-	-	7.5	7.7	-	20.2	19.2%
Net debt/-cash	-	-	27.8	-215.0	-	-	-	-	-	405.7	-	-	252.8	-
Net -cash pre IFRS 16	-	-	-595.1	-855.3	-	-	-	-	-	-234.3	-	-	-387.2	-

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

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

22/07/2021	Auto & Components		
Target Price (EUR)	4.0		
Rating	BUY		
Mkt price (EUR)	3.16		
Mkt cap (EUR M)	1130		
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	19.5	13.6	11.6
EV/EBITDA	6.2	5.3	4.8
EV/EBIT	13.2	9.6	8.3
Debt/EBITDA	1.6	1.3	1.1
Div yield (%)	3.6	3.8	4.4
Performance (%)	1M	3M	12M
Absolute	-8.7	-3.6	32.1
Rel. to FTSE IT All Sh	-6.0	-6.0	9.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Monica Bosio - Research Analyst
+39 02 8794 9809
monica.bosio@intesasnpaolo.com

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

Prima Industrie (BUY)**Results Preview**

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

Results due on 29 July: We expect 2Q21 revenues at EUR 99.7M, +20.8% vs. 2Q20A (which was affected by the lockdown) and sustained by the order intake, which amounted to EUR 104.6M in 1Q21A and further increased in April and May. We project a 2Q21 adj. EBITDA margin at 8%, better than 1Q21A (6.9%). Therefore, 1H21E revenues should reach EUR 182M, +15.5% yoy, and the EBITDA margin at 7.5%. We see net debt, in line with our FY21E estimates, at EUR 90.7M.

What we think: Should our 1H21E estimates be met, we would regard our FY21E estimates as feasible.

Prima Industrie - Key Data

22/07/2021	Engineering		
Target Price (EUR)	25.0		
Rating	BUY		
Mkt price (EUR)	20.75		
Mkt cap (EUR M)	218		
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	29.5	12.8	8.6
EV/EBITDA	8.9	6.2	4.5
EV/EBIT	21.9	10.6	6.6
Debt/EBITDA	2.6	1.4	0.59
Div yield (%)	0.7	1.6	2.3
Performance (%)	1M	3M	12M
Absolute	-9.8	-2.4	57.9
Rel. to FTSE IT All Sh	-7.1	-4.7	31.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Prima Industrie

Alberto Francese - Research Analyst
+39 02 8794 9815
alberto.francese@intesasanpaolo.com

Prima Industrie – 2Q/1H21 preview

EUR M	2Q20A	2Q21E	2QE yoy%	1H20A	1H21E	1HE yoy%	FY20A	FY21E	FY21C
Revenues	82.5	99.7	20.8	157.6	182.0	15.5	333.0	382.9	386.0
EBITDA adj.	8.4	8.0	-4.9	12.2	13.7	11.9	28.4	34.5	35.4
EBITDA adj. margin (%)	10.2	8.0		7.7	7.5		8.5	9.0	9.2
Net income	0.5	1.2	NM	-2.8	-0.4	NM	-7.2	7.4	9.0
Net debt	123.2	90.7	NM	123.2	90.7	NM	96.3	89.3	89.9

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

Prysmian (ADD)

Results Preview

Possible Surprise Positive Neutral Negative

Results due on 28 July: We expect a solid set of figures in 2Q for Prysmian which, thanks to the very favourable comparison base, is expected to deliver a double-digit organic growth. With revenues up by 27.2% to EUR 3.05Bn, we estimate an adj. EBITDA at EUR 249M, still supported by the Energy Products and Telecom divisions, while negatively impacted by the forex effect. As also stated by management several times, we expect a higher contribution from the Energy Projects business from 3Q21.

What we think: If our estimates are confirmed, we believe that market consensus would move towards the very high range of Prysmian's adj. EBITDA guidance, pointing to EUR 870/940M in 2021 and a FCF at EUR 300M $\pm$ 20%. We continue to keep a very positive view on the company, on the back of the solid Energy projects pipeline ahead and the strength of the group's E&I segment. As for Telecom, we expect the market's attention to focus on the forthcoming China Mobile tender, which will outline the pricing scenario ahead, and on the EU antidumping decision.

Prysmian - Key Data

22/07/2021	Capital Goods		
Target Price (EUR)	34.5		
Rating	ADD		
Mkt price (EUR)	29.83		
Mkt cap (EUR M)	7999		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	10.79	11.43	11.81
EBITDA	0.911	1.00	1.07
EPS (EUR)	1.24	1.55	1.77
Net debt/-cash	1.82	1.68	1.49
Ratios (x)	2021E	2022E	2023E
Adj. P/E	24.0	19.2	16.9
EV/EBITDA	11.5	9.8	9.0
EV/EBIT	17.9	14.6	12.8
Debt/EBITDA	2.0	1.7	1.4
Div yield (%)	1.8	2.0	2.2
Performance (%)	1M	3M	12M
Absolute	0.0	13.0	30.9
Rel. to FTSE IT All Sh	2.9	10.2	8.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Monica Bosio - Research Analyst
+39 02 8794 9809
monica.bosio@intesasnpaolo.com

Prysmian – 2Q/1H21 preview

EUR M	2Q19	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	vs. 2Q19 %	1H21E	1H21C	E/C %	FY21E	FY21C
Revenues	3,078	2,398	4,985	10,016	3,051	3,000	1.7	27.2	-0.9	5,861	5,810	0.9	10,792	11,150
Adj. EBITDA	290	222	419	840	249	248	0.4	12.2	-14.1	462	461	0.2	936	938
Adj EBITDA %	9.4	9.3	8.4	8.4	8.2	8.3	NM	NM	NM	7.9	7.9	NM	8.7	8.4
EBITDA	272	224	407	781	239	244	-2.0	6.7	-12.1	438	443	-1.1	911	907
EBITDA%	8.8	9.3	8.2	7.8	7.8	8.1	NM	NM	NM	7.5	7.6	NM	8.4	8.1
Adj EBIT	211	136	253	515	167	160	4.4	22.8	-20.9	302	295	2.4	608	620
Adj EBIT%	6.9	5.7	5.1	5.1	5.5	5.3	NM	NM	NM	5.2	5.1	1.5	5.6	5.6
EBIT	175	115	173	353	157	152	3.3	36.5	-10.3	280	275	1.8	583	572
EBIT%	5.7	4.8	3.5	3.5	5.1	5.1	NM	NM	NM	4.8	4.7	NM	5.4	5.1
Net Profit	102	55	78	178	91	90	1.3	65.8	-10.6	167	166	0.7	313	346
Adj Net Profit	120	53	90	221	101	95	6.5	90.9	-15.7	191	185	3.3	333	356
Net Debt (Cash)	2,819	2,516	2,516	1,986	2,381	2,360	0.9	-5.4	-15.5	2,381	2,360	0.9	1,821	1,820

NM: not meaningful; A: actual; E: estimates; C: Company-provided consensus; Source: FactSet, FY21 company provided as for revenues, adj EBITDA and net debt, and Intesa Sanpaolo Research

Rai Way (BUY)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 28 July: For 2Q21, we estimate sales up by 1.6% yoy, mostly driven by the new services to RAI more than offsetting a negative inflation impact (-0.3% yoy) and a decline of third-party revenues (-5.3% yoy driven by lower volumes with MNOs as envisaged by the business plan). We then forecast an adj. EBITDA flattish yoy, as the sales increase should be offset by higher operating costs given that 2Q20 benefitted from some temporary savings driven by the lockdown. At the bottom line, we expect a 2.7% yoy decrease due to higher D&A (due to the ongoing capex plan) partly offset by a one-off Covid-related tax relief (as in 1Q21). By assuming EUR 17M capex (of which EUR 15M for development) and tax payment delayed to 3Q (as in 2020), we estimate an organic free cash flow of EUR 42M in 2Q21, flat yoy, implying a post IFRS 16 net debt of EUR 74M at end-June 2021 after accounting for the dividend payment in 2Q21.

What we think: In our opinion, the key points to monitor are: 1) the debate on the delay in the refarming timetable, which however we do not think will put at risk the final deadline of July 2022; 2) the potential revision of the limits to electromagnetic emissions, which remain uncertain and, if realised, should benefit pure telecom tower operators more than broadcasting tower players; and 3) the implications from the renewal of Rai's BoD, especially in terms of potential combination between Rai Way and El Towers. The latter remains the key catalyst for the stock whereas the exposure to rising interest rates is the main headwind, in our view.

Rai Way - Key Data

22/07/2021	Media Services		
Target Price (EUR)	6.5		
Rating	BUY		
Mkt price (EUR)	5.03		
Mkt cap (EUR M)	1368		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	223.2	229.7	240.8
EBITDA	133.1	138.8	148.4
EPS (EUR)	0.23	0.24	0.26
Net debt/-cash	47.86	91.06	138.5
Ratios (x)	2020E	2021E	2022E
Adj. P/E	22.0	21.0	19.5
EV/EBITDA	10.6	10.5	10.1
EV/EBIT	16.3	16.0	15.3
Debt/EBITDA	0.36	0.66	0.93
Div yield (%)	4.5	4.8	5.1
Performance (%)	1M	3M	12M
Absolute	-3.5	0.2	-14.7
Rel. to FTSE IT All Sh	-0.6	-2.2	-29.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Antonella Frongillo - Research Analyst
+39 02 8794 9688
antonella.frongillo@intesasanpaolo.com

Rai Way - 2Q/1H21 preview

EUR M	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	1H21E	1H21C	E/C %	FY21E	FY21C
Sales from RAI	45.1	90.2	180.4	45.0	-	-	-0.3	89.9	-	-	180.6	-
Sales from new services to RAI	2.5	4.7	10.9	3.9	-	-	56.0	7.5	-	-	17.8	-
Sales from third parties	8.0	16.2	33.2	7.6	-	-	-5.3	15.5	-	-	31.3	-
Core Sales	55.6	111.1	224.5	56.5	56.2	0.5	1.6	112.9	112.6	0.3	229.7	229.6
Adj. EBITDA	34.8	68.0	136.1	34.8	33.8	2.9	-0.1	69.1	68.0	1.6	138.8	137.5
margin %	62.7	61.1	60.6	61.7	61.7	0.0pp	-1.0pp	61.2	60.4	+0.8pp	60.4	59.9
EBITDA	33.8	67.0	135.1	34.8	-	-	2.9	69.1	-	-	138.8	-
EBIT	22.9	45.4	89.4	22.0	-	-	-4.1	44.3	-	-	90.7	-
Net profit	16.8	32.8	64.0	16.3	15.5	5.3	-2.7	33.1	32.3	2.6	64.2	62.4
Net debt/-cash	32.5	32.5	46.1	74.2	87.0	-14.7	128.4	74.2	87.0	-14.7	91.1	98.0

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

22/07/2021	Media		
Target Price (EUR)	Under Review		
Rating	HOLD		
Mkt price (EUR)	0.66		
Mkt cap (EUR M)	345		
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	11.5	7.9	8.2
EV/EBITDA	7.8	5.4	5.0
EV/EBIT	17.7	9.3	8.9
Debt/EBITDA	3.2	1.9	1.5
Div yield (%)	2.2	3.8	3.8
Performance (%)	1M	3M	12M
Absolute	-14.2	-12.8	3.1
Rel. to FTSE IT All Sh	-11.6	-14.9	-14.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Antonella Frongillo - Research Analyst
+39 02 8794 9688
antonella.frongillo@intesasanpaolo.com

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

Recordati (HOLD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July: We expect the group's revenues to rebound compared to 2Q20, driven by both the favourable yoy comparison and the contribution of Eligard (approx. EUR 17M estimated) consolidated since January 2021, which should more than offset the negative FX impact and the adverse effect related to the loss of exclusivity on pitavastatin (3Q20). On a sequential basis, we expect a slight decline in sales (EUR 384M in 1Q21), mainly attributable to business seasonality. We would also expect a yoy decline in the group's EBITDA margin, mainly reflecting the reduced 2Q20 expenses 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 EBIT line we would only highlight that in 2Q21 the group should post a fiscal benefit of approx. EUR 12M related to the reverse merger of Rossini Investimenti Spa and Fimei Spa in Recordati Spa (closed in April 2021). We expect net debt at 30 June to amount to approx. EUR 860M vs. EUR 852.6M at 31 March, with the increase entirely due to the dividend payment for approx. EUR 115M in May 2021. No milestones payments were made in 2Q21.

What we think: We would expect 2Q21 results to support our current whole year forecasts and medium-term company outlook.

Recordati - Key Data

22/07/2021		Pharmaceuticals		
Target Price (EUR)		50.3		
Rating		HOLD		
Mkt price (EUR)		50.62		
Mkt cap (EUR M)		10586		
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	28.0	25.9	24.3	
EV/EBITDA	19.0	17.5	16.3	
EV/EBIT	22.8	21.0	19.4	
Debt/EBITDA	1.4	1.2	0.94	
Div yield (%)	2.2	2.3	2.4	
Performance (%)	1M	3M	12M	
Absolute	5.1	7.4	4.7	
Rel. to FTSE IT All Sh	8.2	4.8	-12.9	

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Bruno Permutti - Research Analyst
+39 02 8794 9819
bruno.permutti@intesanpaolo.com

Recordati - 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	331.0	760.2	1,448.9	374.7	375.0	-0.1	13.2	759.5	-0.1	1,580.9	1,584.0	-0.2	9.1
EBITDA	136.2	307.1	562.7	145.1	143.5	1.1	6.5	295.1	-3.9	601.6	606.7	-0.8	6.9
% on sales	41.2	40.4	38.8	38.7	38.3	-	-	38.9	-	38.1	38.3	-	-
EBIT	113.1	261.5	469.0	119.9	122.5	-2.1	6.0	244.8	-6.4	500.9	511.5	-2.1	6.8
% on sales	34.2	34.4	32.4	32.0	32.7	-	-	32.2	-	31.7	32.3	-	-
Pre-tax profit	108.9	254.4	455.7	115.9	NA	-	6.4	231.9	-8.9	484.9	487.8	-	6.4
Net profit	85.7	196.9	355.0	102.4	109.0	-6.1	19.4	192.3	-2.3	377.8	390.8	-3.3	6.4

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

Saipem (ADD)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July (before trading hours): We expect Saipem to report a weaker 2Q21 vs. 2Q20. Revenues should increase yoy thanks to a recovery in volumes of activity while EBITDA in the quarter should continue to suffer from a slower recovery of efficiency, as we see it as still being affected by the pandemic-related issues on projects development, not completely returned to the pre-pandemic normality. We see 2Q21E adjusted net income increasing yoy, but still below the 2019 pre-pandemic level. The backlog should remain broadly stable vs. December 2020A thanks to our assumption of EUR 2Bn new orders and representing around 2.7x FY21E revenues (this backlog excludes the JVs' pro-quota backlog). We expect net debt to slightly increase vs. YE20A.

What we think: We assume an operating and financial performance in a slight recovery mode vs. 2Q20A, although this quarter should still be a transitional one towards the pre-pandemic normality. If the results confirm our estimates, we would see them as standing slightly below our FY21E estimates. Our positive stance on the stock continues to imply a 12-18-month investment horizon, as we believe that a full performance recovery could be visible from 2022E thanks to the material backlog to be executed.

Saipem - Key Data

22/07/2021		Oil Equip. & Services		
Target Price (EUR)		2.4		
Rating		ADD		
Mkt price (EUR)		1.90		
Mkt cap (EUR M)		1916		
Main Metrics (€ M)	2021E	2022E	2023E	
Revenues	8,320.6	9,550.7	9,842.4	
EBITDA	559.8	834.0	1,004.5	
EPS (EUR)	-0.19	0.02	0.08	
Net debt/-cash	1,588.0	1,476.5	1,394.4	
Ratios (x)	2021E	2022E	2023E	
Adj. P/E	Neg.	NM	24.5	
EV/EBITDA	6.1	4.0	3.3	
EV/EBIT	NM	14.8	9.6	
Debt/EBITDA	2.8	1.8	1.4	
Div yield (%)	0	0.3	1.3	
Performance (%)	1M	3M	12M	
Absolute	-12.0	-14.6	-15.7	
Rel. to FTSE IT All Sh	-9.4	-16.7	-29.9	

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasanpaolo.com

Saipem - 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	vs. 2019%	1H21E	1H21C	1H E/C %	FY21E	FY21C
Sales	2368	1503	4524	7342	1755	1623	8.1	16.8	-25.9	3373	3241	4.1	8321	7,435
Drilling Onshore	139	109	236	417	85	-	NA	-22.0	-38.8	163	-	-	538	-
Drilling Offshore	116	55	185	294	90	-	NA	63.6	-22.4	168	-	-	555	-
Onshore E&C	1032	680	1769	3882	980	-	NA	44.1	-5.0	1885	-	-	4199	-
Offshore E&C	1076	659	1485	2749	600	-	NA	-9.0	-44.2	1157	-	-	3841	-
EBITDA Adjusted	332	115	355	614	97	78	25.0	-15.7	-70.8	185	166	11.7	560	507
% sales	14.0	7.7	7.8	8.4	5.5	4.8	-	-	-	5.5	5.1	-	6.7	6.8
Drilling Onshore	34	31	55	113	16	-	NA	NM	-51.9	31	-	-	112	-
Drilling Offshore	46	4	63	73	25	-	NA	NM	-44.8	47	-	-	48	-
Onshore E&C	67	13	64	193	47	-	NA	NM	-30.5	90	-	-	143	-
Offshore E&C	185	67	173	235	9	-	NA	-87.1	-95.3	17	-	-	256	-
Pretax income	77	-551	-796	-974	60	-83	NM	NM	-22.2	120	-	-	-166	-183
Tax rate %	NM	NM	NM	NM	40	-	NM	NM	-	45	-	NM	NM	NM
Net income	7	-616	-885	-1136	24	-124	NM	NM	NM	54	-	-	-	-
Adj net income	60	-123	-132	-268	24	-124	NM	NM	-60.1	54	-229	NM	-191	-289
Net debt/-cash	1,574	1,360	1,360	1,226	1,375	NA	-	-	-	1,375	NA	NM	1,588	-
Backlog	17,637	22,245	22,245	22,400	22,421	NA	-	-	-	22,421	NA	NM	25,879	-

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

Snam (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 July (before trading hours): We expect revenues to increase due to the higher new business revenues and to the regulated business to a lesser extent. We expect opex to remain broadly flat yoy, thus leading to an EBITDA improvement of 3% yoy. We see EBIT as broadly unchanged due to higher D&A. Lower net financial charges and a higher equity contribution from associates should support 2Q/1H21E net income vs. 2020A, with this positive effect partially offset by a higher tax rate. Net debt at end-June 2021E should increase, mostly reflecting capex and dividend payments.

What we think: if the results confirm our estimates, we will see these as well on track with our FY21E estimates. Overall, we see a recovery of new business' EBITDA as a main driver of operating results growth. At the net income level, we expect the associates' contribution and liability management to support EPS growth. The main risk relates to the ongoing allowed (regulated) WACC process, to be effective from next year. As a preliminary sensitivity, we estimate that a 100bps reduction in the allowed WACC could lead to a reduction of around EUR 200M in our 2022E EBITDA estimate, which we would view as a highly conservative scenario. While awaiting the Regulator's 1st 2nd consultation document, expected in October, we maintain our current estimates.

Snam - Key Data

22/07/2021 Gas Transportation			
Target Price (EUR)	5.4		
Rating	ADD		
Mkt price (EUR)	4.93		
Mkt cap (EUR M)	17088		
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	13.9	13.2	13.2
EV/EBITDA	12.2	11.5	11.5
EV/EBIT	18.9	17.7	18.1
Debt/EBITDA	6.2	5.9	6.0
Div yield (%)	5.3	5.6	5.7
Performance (%)	1M	3M	12M
Absolute	0.8	5.1	3.7
Rel. to FTSE IT All Sh	3.7	2.5	-13.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Snam - 2Q/FY21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2QE/C %	2Qyoy %	vs. 2019%	1H21E	1H21C	1HE/C %	FY21E	FY21C
Sales	678	655	1,346	2,770	699	727	-4	7	3	1,416	1,444	-2	2,888	2,852
EBITDA	569	540	1,107	0	555	-	-	3	-2	1,114	-	-	2,257	2,237
% of Sales	84	82	82	0	79	-	-			79	-	-	78	78
EBIT	390	353	733	1,424	355	-	-	0	-9	714	-	-	1,456	1,435
% of Sales	58	54	54	51	51	-	-			50	-	-	50	50
Pretax Income	403	379	776	1,547	395	-	-	4	-2	798	-	-	1,559	1,556
Tax Rate	26	26	26	25	27	-	-	NM	NM	25	-	-	26	
Net Income	298	280	578	1,164	287	-	-	2	-4	600	-	-	1,172	1,164
Adj Net Income	298	280	578	1,164	287	-	-	2	-4	600	-	-	1,172	1,164
Net debt/-cash	11,523	12,888	12,888	12,887	14,288	-	-			14,288	-	-	13,975	13,800
Capex	242	226	457	1,166	380	-	-			600	-	-	1,440	1,416
Int. dvd(cash)-FY dvd (fiscal)	448	471	784	824	494	-	-			824	-	-	865	858
DPS (EUR)	0.136	0.143	0.238	0.250	0.150	-	-			0.250	-	-	0.262	0.260

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

Telecom Italia (BUY)

Results Preview

Possible Surprise	Positive	Neutral	Negative
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Results due on 27 July: Our 2Q21 preview is based on the following assumptions: 1) Domestic fixed-line service revenues -2.5% yoy vs. -0.7% yoy in 1Q21, which reflect a tough comps-base in wholesale non-regulated activities and a decreasing consumer ARPU more than offsetting the stabilisation of line losses, an increase of UBB retail lines, a positive mix of wholesale lines (VULA net adds higher than ULL line losses) and the growth of ICT services; 2) Domestic mobile service revenues -7.3% yoy, implying a sequential improvement vs. -11.3% yoy in 1Q21 on a comparable base, thanks to a lighter drag from several factors such as CSP cleaning and Consip renegotiation as well as a better comps-base on roaming, but still reflecting a persisting negative impact from customer base contraction, MTR reduction and other Covid related issues (out-of-bundle traffic and Giga-free revenues); 3) Domestic organic EBITDA after lease -10.0% yoy vs. -2.6% yoy in 1Q21 on a comparable base, due to the decline of service revenues and an unfavourable comps-base on labour costs (last year the solidarity impact related to three quarters was concentrated in 2Q); 4) An acceleration in service revenues in Brazil (+5.0% yoy vs. +3.3% yoy in 1Q21) and a margin of 48.5% (vs. 49.4% in 2Q20) due to lower operating savings; 5) An acceleration of the capex plan, a negative working capital seasonality, the dividend payment and some one-off cash-outs (EUR 230M for goodwill realignment and EUR 240M for spectrum renewal), overall leading to an adj. net debt after lease of EUR 17.5Bn (+EUR 0.9Bn qoq).

What we think: Following TIM's recent revision of its 2021-23 targets, 2Q21 results should be a non-event. The equity story still represents a tricky balance between a number of value options (such as the Serie A shift to fiber, the benefits from country's digitalisation, the unexploited potential of the cloud business and the integration of Oi in Brasil) and a strongly competitive environment in the domestic business (both fixed and mobile). The long-debated single network plan with Open Fiber also remains fluid and uncertain.

Telecom Italia - Key Data

22/07/2021 Telecom Services			
Target Price (EUR)	0.56		
Rating	BUY		
Mkt price (EUR)	0.37		
Mkt cap (EUR M)	8084		
Main Metrics (€ Bn)	2021E	2022E	2023E
Revenues	15.66	15.90	16.03
EBITDA	6.82	6.92	6.99
EPS (EUR)	0.04	0.05	0.05
Net debt/-cash	21.45	22.04	20.95
Ratios (x)	2021E	2022E	2023E
Adj. P/E	8.8	8.1	7.6
EV/EBITDA	4.5	4.5	4.3
EV/EBIT	13.4	13.1	12.3
Debt/EBITDA	3.1	3.2	3.0
Div yield (%)	2.7	2.7	2.7
Performance (%)	1M	3M	12M
Absolute	-14.1	-14.3	-3.4
Rel. to FTSE IT All Sh	-11.6	-16.4	-19.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Antonella Frongillo - Research Analyst
+39 02 8794 9688
antonella.frongillo@intesasanpaolo.com

Telecom Italia - 2Q/1H21 preview

EUR M	2Q20A	1H20A	FY20A	2Q21E	2Q21C	E/C %	yoy %	1H21E	1H21C	E/C %	FY21E	FY21C
Organic revenues	3,795	7,761	15,805	3,800	-	-	0.1%	7,552	-	-	15,896	-
o/w Domestic	3,166	6,298	12,943	3,147	-	-	-0.6%	6,249	-	-	12,991	-
o/w wireline	2,364	4,652	9,530	2,368	-	-	0.2%	4,720	-	-	9,603	-
o/w service	2,212	4,365	8,785	2,158	-	-	-2.5%	4,296	-	-	8,702	-
o/w mobile	938	1,929	3,971	911	-	-	-2.9%	1,803	-	-	3,916	-
o/w service	841	1,712	3,411	780	-	-	-7.3%	1,537	-	-	3,312	-
o/w Brazil	3,987	8,202	17,268	4,212	-	-	5.6%	8,552	-	-	18,215	-
o/w service	3,926	8,017	16,665	4,122	-	-	5.0%	8,350	-	-	17,582	-
Organic EBITDA	1,762	3,535	7,063	1,626	-	-	-7.7%	3,204	-	-	6,768	-
o/w Domestic	1,436	2,821	5,658	1,308	-	-	-8.9%	2,584	-	-	5,350	-
o/w Brazil	328	718	1,412	320	-	-	-2.4%	624	-	-	1,426	-
Organic EBITDA AL	1,564	3,104	6,249	1,429	-	-	-8.6%	2,812	-	-	5,969	-
o/w Domestic	1,309	2,548	5,135	1,178	-	-	-10.0%	2,329	-	-	4,827	-
o/w Brazil	257	560	1,121	253	-	-	-1.7%	487	-	-	1,149	-
Net profit	118	678	7,224	195	-	-	64.3%	-21	-	-	776	-
Equity free cash flow AL	336	531	1,615	-319	-	-	-194.9%	-11	-	-	703	-
Adj. net debt/-cash AL	21,095	21,095	18,596	17,454	-	-	-17.3%	17,454	-	-	16,794	-

AL: after lease; A: actual; E: estimates; C: company-provided consensus; Source: Company data and Intesa Sanpaolo Research

Terna (ADD)**Results Preview**

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

Results due on 29 July: We expect 1H21 revenues to increase, mostly thanks to RAB-based higher revenues and the consolidation of Brugg Cables from 2Q20. Opex should increase, mostly due to consolidation perimeter changes related to Brugg Cables, with the like-for-like opex to remain broadly flat yoy, leading to a slightly higher EBITDA yoy (about +2%), mostly driven by regulated activities. Slightly increasing D&A and net financial charges should lead to a broadly flat 1H21E net income vs. 2020. Net debt should increase reflecting the capex and dividends, partially offset by cash generation.

What we think: If the results confirm our estimates, we would see them as on track with our FY21E estimates. The main risk for the stock, in our view, relates to the WACC revision process. The first consultation document was a proposal of a new approach for WACC calculation. A second consultation document is expected by the end of October. On our preliminary simulation, a 100bp lower WACC could translate into a roughly EUR 80M lower EBITDA.

Terna - Key Data

22/07/2021	Electricity		
Target Price (EUR)	7.1		
Rating	ADD		
Mkt price (EUR)	6.52		
Mkt cap (EUR M)	13113		
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	16.7	16.3	15.2
EV/EBITDA	12.1	12.1	11.7
EV/EBIT	18.6	18.5	17.6
Debt/EBITDA	5.2	5.4	5.4
Div yield (%)	4.5	4.8	4.9
Performance (%)	1M	3M	12M
Absolute	3.4	6.3	2.3
Rel. to FTSE IT All Sh	6.4	3.7	-14.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Roberto Ranieri - Research Analyst
+39 02 8794 9822
roberto.ranieri@intesasnpaolo.com

Terna – 2Q/1H21 preview

EUR M	2Q19A	2Q20A	1H20A	FY20A	2Q21E	2Q21C	2Q E/C %	2Q yoy %	vs 2019 %	1H21E	1H21C	1H E/C %	FY21E	FY21C
Sales	561	616	1,183	2,514	626	619	1.1	1.7	11.6	1,246	1,248	-0.2	2,583	2,569
EBITDA	426	442	442	1,830	451	-	-	2.1	5.9	905	906	-0.1	1,850	1,844
% of sales	76	72	37	73	72	-	-	-	-	73	-	-	72	-
EBIT	277	292	292	1,187	285	-	-	-2.3	2.7	576	578	-0.3	1,200	1,208
% of sales	49	47	25	47	46	-	-	-	-	46	-	-	46	-
Pre-tax income	255	272	272	1,093	263	-	-	-3.3	3.1	532	535	-0.6	1,108	1,116
Tax rate %	28.3	28.9	28.9	27.2	29	-	-	-0.2	2.2	29	-	-	28.4	-
Net income	183	191	191	786	186	-	-	-2.7	2.1	377	-	-	786	787
Adj Net income	183	176	176	786	186	-	-	5.6	2.1	377	379	-0.6	786	787
Net debt/(cash)	8,294	8,846	8,846	9,173	9,852	9,721	1.3	11.4	18.8	9,852	9,721	1.3	9,584	9,698
EPS (EUR)	0.091	0.088	0.088	0.391	0.093	-	-	5.6	2.1	0.187	-	-	0.391	0.391
Capex	232	211	211	1,351	360	-	-	71.0	55.4	600	-	-	1,360	1,401
DPS (EUR)	0.155	0.165	0.165	0.256	0.179	-	-	8.0	15.6	0.179	-	-	0.291	0.290

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

Unicredit (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 30 July (before trading hours): In 2Q21, we expect Unicredit to report a net income of EUR 821M, above the company-gathered market consensus of EUR 720M, thanks to lower loan loss provisions. We expect a flat NII on a quarterly basis, as one more calendar day, the benefits from the additional EUR 12.7Bn TLTRO III take up in March 2021 and encouraging volumes on residential mortgages in Italy should be offset by weak corporate volumes (negatively impacted by pre-payments) and customer rates still under pressure (with front-book rates below back-book rates). We estimate still strong fee income in the quarter (+17.9% yoy), driven by investment fees (although weaker than the upbeat 1Q21), while we expect a stronger contribution from transaction fees and financing fees in 2H21. We assume a cost of risk at 49bps in the quarter, i.e. well above the very low level of 1Q21 of 16bps, but below the 60bps company guidance for FY21 (excluding regulatory headwinds) that we believe could be improved. We forecast the CET1 to decline by 30bps qoq to 15.6%, impacted by approximately 50bps regulatory headwinds (out of total <140bps in FY21).

What we think: We expect NII to remain uninspiring in 2Q21 too. On the other hand, we believe that overlay provisions accounted for in FY20 (46bps) and only partially absorbed by FY21 COR guidance may be written back in the future, if the economy and default rate trends are better than anticipated in 2020 (based on 3-year rolling macro assumptions updates in 2Q and 4Q of each year). **ADD and TP EUR 10.7/sh.**

Unicredit - Key data

22/07/2021	Banks		
Target Price (EUR)	10.7		
Rating	ADD		
Mkt price (EUR)	9.47		
Mkt cap (EUR M)	21112		
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	11.0	9.1	7.1
P/TBV	0.38	0.36	0.34
RoTE (%)	4.5	5.3	6.3
CET1 FL (%)	14.6	14.1	13.8
Div yield (%)	3.9	4.6	5.5
Performance (%)	1M	3M	12M
Absolute	-7.3	16.6	5.6
Rel. to FTSE IT All Sh	-4.5	13.8	-12.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Manuela Meroni - Research Analyst
+39 02 8794 9817
manuela.meroni@intesasanpaolo.com

Unicredit - 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	2,393	4,887	2,180	2,186	2,187	-0.1	0.3	-8.7	4,366	-10.7	9,318	8,857
Commission Income	1,380	3,000	1,689	1,626	1,626	0.0	-3.7	17.9	3,315	10.5	6,404	6,455
Trading Income	357	530	639	353	350	0.7	-44.8	-1.3	992	87.1	1,400	1,621
Total Income	4,170	8,548	4,687	4,269	4,258	0.3	-8.9	2.4	8,956	4.8	17,559	17,343
Operating Costs	2,444	4,937	2,415	2,473	2,471	0.1	2.4	1.2	4,888	-1.0	9,909	9,856
Gross Operating Profit	1,726	3,611	2,272	1,796	1,792	0.2	-21.0	4.1	4,068	12.7	7,651	7,477
Loan Loss Provisions	937	2,198	167	551	632	-12.8	230.2	-41.2	718	-67.3	3,222	2,876
Pre-tax Income	505	-2,007	1,207	1,033	919	12.4	-14.5	104.5	2,240	NM	3,221	3,152
Net Income	420	-2,286	887	821	720	14.0	-7.4	95.5	1,708	NM	2,583	2,517
CoR (bps)	77	103	16	49	NA	NA	227.9	-36.9	32	-69.2	70	NA
CET1 FL (%)	13.9	13.9	15.9	15.6	15.7	NA	-2.3	12.3	15.6	12.3	14.1	14.4

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

Zignago Vetro (ADD)**Results Preview**

Possible Surprise Positive Neutral Negative

Results due on 30 July: We expect a positive quarter, with an increase of both sales and profitability. The main reasons behind our assumptions are the following:

- **Revenues should increase by >27%** mostly thanks to a favorable comparison with 2Q20, which was strongly affected by the Covid-19 outbreak. We expect revenues at EUR 112M (even slightly above 2Q19), with a strong rebound of Zignago Brosse, which was very weak in 2Q20 due to the drop in perfumery products. Zignago Vetro, Polska and Vetri Speciali should all grow at around 20% driven by the growing demand for food and beverages glass containers;
- **The EBITDA margin is expected to improve reaching 26.7% vs. 25.6% in 2Q20**, thanks to: 1) a favourable comparison as in 2Q20 Zignago Brosse reported a negative EBITDA; and 2) higher production efficiencies and further cost reductions;
- **The net result is expected at EUR 12.5M (+53%);**
- **Net debt is expected to increase to EUR 280M** (from EUR 257M at Dec-20 and EUR 249M at March-2021) due to the seasonal NWC absorption. We recall that in July the company signed a 5-years "green" financing agreement for EUR 45M. In particular, the cost of the financing is based on the achievement of specific targets in the circular economy, such as the amount of raw materials from recycled sources and, at the same time, the reduction of water consumption per ton of glass produced.

What we think: We believe that Zignago Vetro will confirm its 2021 outlook, which points to a demand recovery to strengthen in all the sectors in which the group operates, with positive effects on results.

Zignago Vetro – 2Q/1H21 preview

EUR M	2Q20A	1H20A	FY20A	2Q21E	2Q yoy %	1H21E	1H yoy %
Revenues	87.5	196.4	406.6	111.8	27.8	222.0	13.0
EBITDA	22.4	48.9	106.5	29.8	33.4	58.0	18.6
Margin (%)	25.6	24.9	26.2	26.7		26.1	
EBIT	9.4	21.9	53.8	16.3	73.3	31.0	41.5
Margin (%)	10.7	11.2	13.2	14.5		14.0	
Pre tax	11.0	20.4	47.0	15.9	45.2	30.4	48.7
Net Result attr.	8.1	15.7	45.6	12.5	53.2	23.9	52.5
Net debt	266.8	266.8	257.2	280.0	4.9	280.0	4.9

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

Zignago Vetro - Key Data

22/07/2021	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	0.2	-0.1	20.5
Rel. to FTSE IT All Sh	3.2	-2.6	0.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Zignago Vetro

Alberto Francese - Research Analyst
+39 02 8794 9815
alberto.francese@intesasnpaolo.com

Marco Cristofori - Research Analyst
+39 02 6275 3015
marco.cristofori@intesasnpaolo.com

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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
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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

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Short-term rating	Definition
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Intesa Sanpaolo Research Dept.

Gregorio De Felice - Head of Research	+39 02 8796 2012	gregorio.defelice@intesasnpaolo.com
Equity & Credit Research		
Giampaolo Trasi	+39 02 8794 9803	giampaolo.trasi@intesasnpaolo.com
Equity Research		
Monica Bosio	+39 02 8794 9809	monica.bosio@intesasnpaolo.com
Luca Bacoccoli	+39 02 8794 9810	luca.bacoccoli@intesasnpaolo.com
Davide Candela	+39 02 8794 9813	davide.candela@intesasnpaolo.com
Oriana Cardani	+39 02 6275 3017	oriana.cardani@intesasnpaolo.com
Antonella Frongillo	+39 02 8794 9688	antonella.frongillo@intesasnpaolo.com
Manuela Meroni	+39 02 8794 9817	manuela.meroni@intesasnpaolo.com
Elena Perini	+39 02 8794 9814	elena.perini@intesasnpaolo.com
Bruno Permutti	+39 02 8794 9819	bruno.permutti@intesasnpaolo.com
Roberto Ranieri	+39 02 8794 9822	roberto.ranieri@intesasnpaolo.com
Corporate Broking Research		
Alberto Francese	+39 02 8794 9815	alberto.francese@intesasnpaolo.com
Gabriele Berti	+39 02 8794 9821	gabriele.berti@intesasnpaolo.com
Marco Cristofari	+39 02 6275 3015	marco.cristofari@intesasnpaolo.com
Youness Nour El Alaoui	+39 02 8794 9812	youness.alaoui@intesasnpaolo.com
Arianna Terazzi	+39 02 8794 3187	arianna.terazzi@intesasnpaolo.com
Credit Research		
Maria Grazia Antola (Banks)	+39 02 8794 1114	maria.antola@intesasnpaolo.com
Alessandro Chiodini (Utilities)	+39 02 8794 1115	alessandro.chiodini@intesasnpaolo.com
Dario Fasani (Industrials)	+39 334 1189282	dario.fasani@intesasnpaolo.com
Melanie Gavin (Telecoms, Industrials)	+39 02 8794 1118	melanie.gavin@intesasnpaolo.com
Maria Gabriella Tronconi (Industrials)	+39 02 8794 1117	maria.tronconi@intesasnpaolo.com
Barbara Pizzarelli (Clearing & Data Processing)	+39 02 8794 1116	barbara.pizzarelli@intesasnpaolo.com
Technical Analysis		
Corrado Binda	+39 02 8021 5763	corrado.binda@intesasnpaolo.com
Sergio Mingolla	+39 02 8021 5843	antonio.mingolla@intesasnpaolo.com
Clearing & Data Processing		
Anna Whatley	+39 02 8794 9824	anna.whatley@intesasnpaolo.com
Stefano Breviglieri	+39 02 8794 9816	stefano.breviglieri@intesasnpaolo.com
Anita Ricci	+39 02 8794 9823	anita.ricci@intesasnpaolo.com
Wendy Ruggeri	+39 02 8794 9811	wendy.ruggeri@intesasnpaolo.com
Elisabetta Bugliesi (IT support)	+39 02 8794 9877	elisabetta.bugliesi@intesasnpaolo.com

Intesa Sanpaolo – IMI Corporate & Investment Banking Division

Bernardo Bailo - Head of Global Markets Sales	+39 02 7261 2308	bernardo.bailo@intesasnpaolo.com
Equity Sales		
Giorgio Pozzobon	+39 02 7261 5616	giorgio.pozzobon@intesasnpaolo.com
Institutional Sales		
Catherine d'Aragon	+39 02 7261 5929	catherine.daragon@intesasnpaolo.com
Carlo Cavalieri	+39 02 7261 2722	carlo.cavalieri@intesasnpaolo.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@intesasnpaolo.com
Paolo Maria Lenzi	+39 02 7261 5114	paolo.lenzi@intesasnpaolo.com
Stefano Ottavi	+39 02 7261 2095	stefano.ottavi@intesasnpaolo.com
Federica Repetto	+39 02 7261 5517	federica.repetto@intesasnpaolo.com
Daniela Stucchi	+39 02 7261 5708	daniela.stucchi@intesasnpaolo.com
Mark Wilson	+39 02 7261 2758	mark.wilson@intesasnpaolo.com
Carlo Castellari (Corporate Broking)	+39 02 7261 2122	carlo.castellari@intesasnpaolo.com
Roberta Pupeschi (Corporate Broking)	+39 02 7261 6363	roberta.pupeschi@intesasnpaolo.com
Francesco Riccardi (Corporate Broking)	+39 02 7261 5966	francesco.riccardi@intesasnpaolo.com
Laura Spinella (Corporate Broking)	+39 02 7261 5782	laura.spinella@intesasnpaolo.com
Alessandro Bevacqua	+39 02 7261 5114	alessandro.bevacqua@intesasnpaolo.com
Lorenzo Pennati (Sales Trading)	+39 02 7261 5647	lorenzo.pennati@intesasnpaolo.com
Equity Derivatives Institutional Sales		
Emanuele Manini	+39 02 7261 5936	emanuele.manini@intesasnpaolo.com
Francesca Dizione	+39 02 7261 2759	francesca.dizione@intesasnpaolo.com
Enrico Ferrari	+39 02 7261 2806	enrico.ferrari@intesasnpaolo.com
Stefan Gess	+39 02 7261 5927	stefan.gess@intesasnpaolo.com
Edward Lythe	+44 207 894 2456	edward.lythe@intesasnpaolo.com
Ferdinando Zamprotta	+39 02 7261 5577	ferdinando.zamprotta@intesasnpaolo.com
Gherardo Lenti Capoduri – Head of Market Hub	+39 02 7261 2051	gherardo.lenticapoduri@intesasnpaolo.com
E-commerce Distribution		
Massimiliano Raposio	+39 02 7261 5388	massimiliano.raposio@intesasnpaolo.com
Intesa Sanpaolo IMI Securities Corp.		
Barbara Leonardi (Equity Institutional Sales)	+1 212 326 1232	barbara.leonardi@intesasnpaolo.com
Greg Principe (Equity Institutional Sales)	+1 212 326 1233	greg.principe@intesasnpaolo.com