

Daily Note

Calls from Italy

On Our Radar: Today's Newsflow

| Positive | Negative |
|--|----------|
| Telecom Italia; Seri Industrial; SIT; Grifal | - |

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13 July 2021: 8:43 CET
Date and time of production

Italy/Equity Market

Stock Markets: Performance

| Chg (%) | 1D | 3M | 6M | 12M |
|-----------------|-----|------|------|------|
| FTSE All Share | 0.9 | 3.9 | 12.4 | 28.7 |
| FTSE MIB | 0.9 | 3.4 | 11.6 | 27.9 |
| FTSE IT Star | 0.9 | 14.1 | 25.1 | 59.4 |
| Euro Stoxx 50 | 0.6 | 6.1 | 12.2 | 17.5 |
| Stoxx Small 200 | 0.8 | 7.4 | 15.5 | 38.5 |
| NASDAQ | 0.2 | 6.4 | 12.7 | 38.8 |
| S&P 500 | 0.3 | 6.2 | 15.3 | 37.7 |

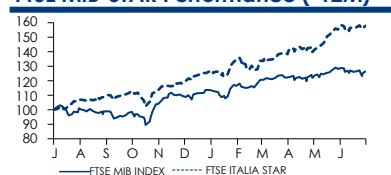
FTSE MIB Best & Worst: 1D% chg

| | | | |
|-----------|-----|---------|------|
| Recordati | 4.8 | Pirelli | -0.8 |
| Amplifon | 2.7 | Saipem | -0.5 |
| Hera | 2.4 | Tenaris | -0.4 |

Euro Stoxx Best&Worst Sectors -1D %

| | | | |
|-----------------|-----|----------------|------|
| Real Estate | 1.6 | Travel/Leisure | -1.3 |
| Financials Serv | 1.4 | B Resources | 0.0 |
| Utilities | 1.4 | Retail | 0.3 |

FTSE MIB-STAR Performance (-12M)



Source: FactSet;

Upcoming Intesa Sanpaolo Events

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

*Borsa Italiana

Report priced at market close on day prior to issue; Ratings and Target Prices as assigned in the latest company reports (unless otherwise indicated)

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New Research

Iniziativa Bresciane (BUY)

Company Note: BUY; New TP EUR 24.2/sh

| | Rating = | TP (€/sh) ▼ | 2021E EPS (€) ▲ | 2022E EPS (€) ▲ | 2021C EPS (€) | 2022C EPS (€) |
|-----------------|----------|-------------|-----------------|-----------------|---------------|---------------|
| Current | BUY | 24.2 | 1.065 | 1.601 | 1.085 | 1.460 |
| Previous | BUY | 24.5 | 1.049 | 1.488 | - | - |

Source: Intesa Sanpaolo Research estimates and FactSet consensus

Iniziativa Bresciane announced the acquisition of three new plants located in Tuscany. We view positively the deal, as it should increase the company's installed capacity to 49.3MW. We think that the location is optimal as it is near its new plants under construction. Management also published its first sustainability report.

Iniziativa Bresciane - Key Data

| 13/07/2021 | | | |
|------------------------|------------------|-------|-------|
| | Renewable Energy | | |
| Target Price (EUR) | | | 24.2 |
| Rating | | | BUY |
| Mkt price (EUR) | | | 18.10 |
| Mkt cap (EUR M) | | | 94 |
| Main Metrics (€ M) | 2021E | 2022E | 2023E |
| Revenues | 24.18 | 30.68 | 31.84 |
| EBITDA | 18.03 | 24.19 | 25.15 |
| EPS (EUR) | 1.07 | 1.60 | 1.67 |
| Net debt/-cash | 83.86 | 99.52 | 102.6 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | 17.0 | 11.3 | 10.8 |
| EV/EBITDA | 9.9 | 8.0 | 7.8 |
| EV/EBIT | 18.6 | 13.5 | 13.0 |
| Debt/EBITDA | 4.7 | 4.1 | 4.1 |
| Div yield (%) | 5.3 | 8.0 | 8.3 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | -2.2 | -0.5 | 21.2 |
| Rel. to FTSE IT All Sh | -0.5 | -4.3 | -5.8 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Iniziativa Bresciane

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Previews

Brunello Cucinelli (ADD)

Results Preview

Possible Surprise Positive Neutral Negative

Results due on 13 July (no conference call scheduled): On 11 March, the group had announced to expect FY21 sales to grow by 15/20% yoy (+3/7% yoy compared to 2019). We believe that the growth path in 2Q21 compared to 2019 should be higher than the FY guidance range, overcoming 10%. In our view, the reopening of the stores in Europe should have led to a significant improvement in the trend compared to what recorded in 1Q21 (+2.6% vs. 1Q19). We expect good performances from both the retail and wholesale channels, although the conversion of some franchises into concessions should have favoured the retail performance.

What we think: We believe that 1H21 sales results (we forecast +6% vs. 1H19) should confirm the strong momentum of the brand.

Brunello Cucinelli - Key Data

| 13/07/2021 | | Branded Goods | | |
|------------------------|-------|---------------|-------|-------|
| Target Price (EUR) | | | | 53.8 |
| Rating | | | | ADD |
| Mkt price (EUR) | | | | 51.40 |
| Mkt cap (EUR M) | | | | 3495 |
| Main Metrics (€ M) | 2021E | 2022E | 2023E | |
| Revenues | 656.3 | 720.8 | 791.5 | |
| EBITDA | 177.0 | 202.5 | 223.4 | |
| EPS (EUR) | 0.53 | 0.78 | 0.95 | |
| Net debt/-cash | 604.6 | 564.3 | 525.1 | |
| Ratios (x) | 2021E | 2022E | 2023E | |
| Adj. P/E | 96.4 | 65.6 | 54.2 | |
| EV/EBITDA | 23.1 | 20.0 | 18.0 | |
| EV/EBIT | 58.5 | 44.0 | 37.1 | |
| Debt/EBITDA | 3.4 | 2.8 | 2.4 | |
| Div yield (%) | 0.5 | 0.8 | 0.9 | |
| Performance (%) | 1M | 3M | 12M | |
| Absolute | 8.3 | 28.8 | 104.0 | |
| Rel. to FTSE IT All Sh | 10.1 | 24.0 | 58.5 | |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Brunello Cucinelli – 2Q/1H21 sales preview

| EUR M | 2Q19A | 2Q20A | 1H20A | FY20A | 2Q21E | 2Q21C | E/C % | yoy % | vs. 2Q19 % | 1H21E | 1H21C | E/C % | FY21E | FY21C |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|------------|-------|-------|-------|-------|-------|
| Net Sales | 131.0 | 48.4 | 205.1 | 544.0 | 144.7 | - | - | 199.0 | 10.5 | 309.3 | - | - | 656.3 | 643.3 |
| Wholesale | 52.3 | 11.9 | 102.6 | 275.4 | 55.0 | - | - | 362.2 | 5.2 | 146.1 | - | - | - | - |
| DOS | 78.7 | 36.5 | 102.5 | 268.6 | 89.7 | - | - | 145.8 | 14.0 | 163.2 | - | - | - | - |

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

Results

Growens (BUY)

2Q21 Gross Sales +3% yoy, Like in 1Q21

| Vs. our estimates | Above | In Line | Below |
|-------------------|-------|---------|-------|
|-------------------|-------|---------|-------|

Results. Growens announced 2Q21 preliminary gross sales up 3.1% yoy to EUR 16.9M, in line with 1Q21 (+3% yoy at EUR 16.8M). Once again, the weakness in "SMS Drive to store" limited the top-line recovery, which was significant in the email business line. The key points of results were:

- **MailUp's growth was good (+13% yoy to EUR 4.4M)** despite the weakness of the SMS business, which we estimate accounts for around 30% of total, confirming the significant recovery of the mail business line;
- **Agile Telecom maintained revenues at EUR 10.2M**, discounting the drop in the SMS Drive to store business, which was deep in April and started to recover only in June after the reopening but at a lower level compared to 2Q19, due to the traffic restrictions within the stores;
- **BEE maintained a strong path of growth** (+41% yoy at constant exchange rate, +25% yoy reported to EUR 1.2M);
- **Datatics** continued to suffer from the high exposure to travel & leisure compared to 2Q20 (-9% yoy gross sales to EUR 0.7M) but **was stable compared to 1Q21 and 4Q20**.

What we think: 1H21 gross sales were consistent with our FY21E forecasts, with the exception of Agile Telecom, which missed 2Q21 reopen take-off. In any case, it is not a major contributor to the group's EBITDA and in the SMS business line, the group's focus is on profitability rather than volumes, as demonstrated by the performance of consolidated EBITDA in 1Q (EUR 1.3M, equal to an 8.3% EBITDA margin vs. 3.4% recorded in 1Q20, with stable sales from Agile Telecom). The stock is trading at a 2021E EV/EBITDA of 11.2x versus an average of 12.5x in 2019-20 and 36.8x of Dotdigital (source: FactSet): the discount of over 60% compared to the direct UK peer is a maximum historical and is much higher than its 30 -40% average historical range. Note that Growen's next event is 1H21 results due on 14 September.

Growens - Key Data

| 13/07/2021 | | | | Information |
|------------------------|-------|-------|--------|-------------|
| Target Price (EUR) | | | | 6.7 |
| Rating | | | | BUY |
| Mkt price (EUR) | | | | 4.53 |
| Mkt cap (EUR M) | | | | 68 |
| Main Metrics (€ M) | 2021E | 2022E | 2023E | |
| Revenues | 77.03 | 93.10 | 98.95 | |
| EBITDA | 5.64 | 9.74 | 11.00 | |
| EPS (EUR) | 0.09 | 0.26 | 0.31 | |
| Net debt/-cash | -4.69 | -7.92 | -12.76 | |
| Ratios (x) | 2021E | 2022E | 2023E | |
| Adj. P/E | 49.9 | 17.1 | 14.6 | |
| EV/EBITDA | 11.2 | 6.1 | 5.0 | |
| EV/EBIT | 30.3 | 10.1 | 8.0 | |
| Debt/EBITDA | Neg. | Neg. | Neg. | |
| Div yield (%) | 0 | 0 | 0 | |
| Performance (%) | 1M | 3M | 12M | |
| Absolute | 4.4 | 5.1 | -17.6 | |
| Rel. to FTSE IT All Sh | 6.1 | 1.2 | -36.0 | |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Growens

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Growens - 2Q/1H21 results

| EUR M | 2Q19A | 2Q20A | 1H20A | FY20A | 2Q21A | 2Q21E | 2Q21C | 2Q A/E % | 2Q A/C % | 2Q yoy % | vs. 2Q19A % | 1H21A | FY21E |
|---------------|-------|-------|-------|-------|-------|-------|-------|----------|----------|----------|-------------|-------|-------|
| Gross sales | 15.7 | 16.4 | 32.1 | 65.1 | 16.9 | - | - | - | - | 3.1 | 7.6 | 33.8 | 78.6 |
| MailUp | 4.0 | 3.9 | 7.8 | 15.8 | 4.4 | - | - | - | - | 13.1 | 9.7 | 8.7 | 17.0 |
| Agile Telecom | 10.3 | 10.5 | 20.7 | 40.7 | 10.2 | - | - | - | - | -2.6 | -0.6 | 20.3 | 48.7 |
| BEE | 0.7 | 1.0 | 1.6 | 4.0 | 1.2 | - | - | - | - | 24.9 | 72.2 | 2.4 | 7.4 |
| Acumbamail | 0.3 | 0.4 | 0.7 | 1.7 | 0.5 | - | - | - | - | 25.3 | 59.9 | 1.0 | 2.2 |
| Datatics | 0.5 | 0.7 | 1.2 | 2.9 | 0.7 | - | - | - | - | -8.9 | 38.2 | 1.4 | 3.4 |

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

SeSa (BUY)**FY20/21 Results**

| Vs. our estimates | Above | In Line | Below |
|-------------------|-------|---------|-------|
|-------------------|-------|---------|-------|

Results. The key figures of the results were:

- **Group revenues rose by 14.7% yoy to EUR 2,037.2M in FY** (we recall that the group had already disclosed preliminary top-line for FY). The contribution to growth arising from M&A was about 25%, mainly related to the SSI sector. On a divisional basis, Value Added Distribution (VAD) grew by 10.3% yoy, benefiting from the expansion of solutions offered to customers in Collaboration, Security, Data Management, Cloud segments. SSI increased by 21.6% yoy (further accelerating in 4Q: +44.3% yoy), thanks to the business development in the areas with the greatest digital transformation growth (Software and Vertical Applications, Digital Cloud, Data Science, Digital Security), supported by acquisitions and investments in human capital development. Lastly, the Business Services (BS) segment launched with the establishment of the JV Base Digitale in March 2020, contributed around EUR 47.3M;
- **EBITDA was EUR 126.0M in FY, up by 33.4% yoy.** The positive EBITDA trend was essentially due to the abovementioned growth in revenues and the increase in the weighting of value-added sales. The contribution of external leverage to EBITDA growth was of approximately 40%, mainly related to the SSI Sector;
- **Adjusted net profit attributable to the group was EUR 57.8M**, up by 40.5% yoy;
- **Net cash amounted to EUR 94.7M**, significantly improving compared to the net cash position of EUR 54.7M posted in FY19/20A, thanks to the strong cash-flow generation (over EUR 130M) and after investments in corporate acquisitions and technological infrastructure for about EUR 90M (we estimate about EUR 75M in acquisitions). The NFP figure was significantly better than our (EUR 74.5M) and consensus projections, due to strong improvement in the NWC management;
- The Board of Directors decided to propose to the Shareholders' Meeting the distribution of a dividend equal to EUR 0.85/share (we had 1.03/share in our forecasts).

What we think: SeSa reported another strong set of results, in line with our projections at the P&L level, while better than forecast in terms of net cash position. We underline that the group significantly outperformed the IT market that according to Sirmi (May 2021) grew by 2.6% in 2020. Furthermore, the group has demonstrated its ability to aggregate many small players, a process that will continue in the coming years targeting international markets as well. Looking at the outlook, management confirmed its positive expectations for FY21/22, also in light of the positive trend of the business during the months of May and June 2021, the pipeline of acquisitions under valuation and the continuous growth of human resources, with a target of over 4,000 employees as of YE21/22. Note that our current FY21/22 and FY22/23 estimates are slightly below market consensus in terms of EBITDA. In light of the favourable sector outlook, which should also be supported by the PNRR implementation (EUR 50Bn investments for digitalisation over the 2021-26 period), we see room to fine-tune upwards our forecasts.

SeSa - Key Data

| 13/07/2021 | | IT Services Provider | | |
|------------------------|---------|----------------------|---------|--|
| Target Price (EUR) | | 130.4 | | |
| Rating | | BUY | | |
| Mkt price (EUR) | | 145.00 | | |
| Mkt cap (EUR M) | | 2247 | | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E | |
| Revenues | 2,027.5 | 2,241.5 | 2,482.8 | |
| EBITDA | 123.9 | 145.9 | 164.4 | |
| Adj. EPS (EUR) | 3.70 | 4.55 | 5.37 | |
| Net debt/-cash | -74.52 | -93.87 | -119.9 | |
| Ratios (x) | 2021E | 2022E | 2023E | |
| Adj. P/E | 39.2 | 31.9 | 27.0 | |
| EV/EBITDA | 18.1 | 15.3 | 13.4 | |
| EV/EBIT | 25.9 | 20.8 | 17.6 | |
| Debt/EBITDA | Neg. | Neg. | Neg. | |
| Div yield (%) | 0.7 | 0.9 | 1.1 | |
| Performance (%) | 1M | 3M | 12M | |
| Absolute | 3.4 | 30.6 | 153.9 | |
| Rel. to FTSE IT All Sh | 5.2 | 25.8 | 97.4 | |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SeSa

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SeSa – 4Q/FY20-21 results

| EUR M | 4Q19/20A | 4Q20/21A | yoy % | 4Q20/21E | FY19/20A | FY20/21A | yoy % | FY20/21E | A/E % | FY20C |
|------------------------------|--------------|--------------|-------------|--------------|---------------|---------------|-------------|---------------|-------------|---------------|
| Revenues | 431.3 | 502.9 | 16.6 | 493.2 | 1776.0 | 2037.2 | 14.7 | 2027.5 | 0.5 | 2033.9 |
| - o/w VAD | 354.6 | 387.4 | 9.3 | 380.3 | 1451.9 | 1601.3 | 10.3 | 1594.2 | 0.4 | - |
| - o/w SSI | 87.8 | 126.7 | 44.3 | 112.5 | 396.3 | 481.9 | 21.6 | 467.6 | 3.0 | - |
| - o/w BS | 8.2 | 13.6 | 67.0 | 17.1 | 8.2 | 47.3 | NM | 50.7 | -6.8 | - |
| - o/w Corporate | 5.4 | 6.2 | 14.2 | 3.6 | 20.2 | 22.8 | 12.7 | 20.2 | 12.7 | - |
| - o/w Eliminations | -24.7 | -31.0 | NM | -20.2 | -100.6 | -115.9 | NM | -105.2 | NM | - |
| EBITDA | 25.0 | 33.8 | 35.1 | 31.7 | 94.5 | 126.0 | 33.4 | 123.9 | 1.7 | 124.9 |
| % margin on revenues | 5.80 | 6.72 | | 6.43 | 5.32 | 6.19 | | 6.11 | | 6.1 |
| - o/w VAD | 13.3 | 16.0 | 20.6 | 14.9 | 53.3 | 64.2 | 20.6 | 63.1 | 1.8 | - |
| % margin on revenues | 3.75 | 4.14 | | 3.93 | 3.67 | 4.01 | | 3.96 | | - |
| - o/w SSI | 10.5 | 15.7 | 49.8 | 14.2 | 37.8 | 55.5 | 46.9 | 54.0 | 2.7 | - |
| % margin on revenues | 11.92 | 12.38 | | 12.63 | 9.53 | 11.52 | | 11.55 | | - |
| - o/w BS | 0.6 | 1.2 | 122.1 | 1.1 | 0.6 | 2.9 | 429.0 | 2.8 | 5.5 | - |
| % margin on revenues | 6.80 | 9.05 | | 6.34 | 6.80 | 6.22 | | 5.50 | | - |
| - o/w Corporate | 0.7 | 1.2 | 75.0 | 1.5 | 2.9 | 3.7 | 27.7 | 4.0 | -7.4 | - |
| EBIT | 14.7 | 20.1 | 37.1 | 22.6 | 63.9 | 84.0 | 31.5 | 86.4 | -2.8 | 86.9 |
| EBIT margin % | 3.40 | 4.00 | | 4.57 | 3.60 | 4.12 | | 4.26 | | 4.3 |
| Group's net profit | 9.2 | 12.3 | 33.7 | 13.0 | 37.9 | 52.3 | 37.9 | 52.9 | -1.3 | 52.6 |
| Adj. Group Net Income | 10.3 | 14.4 | 39.6 | 13.9 | 41.2 | 57.8 | 40.5 | 57.3 | 0.9 | - |
| Net debt/-net cash | -54.7 | -94.7 | NM | -74.5 | -54.7 | -94.7 | NM | -74.5 | NM | -73.2 |

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

SIT (BUY)

Strong Revenues in 2Q21

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

Results. SIT surprisingly reported 2Q21 product revenues. In detail, Heating business was up 53.7% vs. 2Q20, accelerating the positive trend of the first quarter of the year (when revenues increased by 25%), thanks to raising demand from clients stimulated by the fiscal incentives (Eco bonus 110% in Italy). The performance was solid considering that 2Q21 Heating sales were also above 2Q19 (+21.7%), a quarter which was not impacted by the Covid-19 outbreak. Smart Metering more than doubled in 2Q21, but this performance benefitted from the consolidation of Janz (from January 2021), which contributed with EUR 5.3M. Stripping out this acquisition, Smart Metering sales reached EUR 16.7M, or + 55.1% vs. 2Q20 (when the installation activity was stopped due to the Covid-19) but was 32.4% below 2Q19. 1H21 closed with product revenues up 42.6% (+ 13.6% vs. 1H19), a positive result in our view.

What we think: Overall, 2Q21 product revenues confirmed the strong trend of the heating business, which was also better than in 2Q19 when Covid-19 was not present, and the resilience of the Metering business. At this point of the year, our sales forecasts may be overly conservative implying a sales slowdown around 10% in the second half of the year, which seems unlikely considering the current revenues rump-up and the consolidation of Janz which should add EUR 10M sales in 2H21. **We confirm our positive stance on the share and our target price of EUR 12.2/sh. Rating and TP.**

SIT - Key Data

| | 13/07/2021 | Engineering | |
|---------------------------|--------------|--------------|--------------|
| Target Price (EUR) | | 12.1 | |
| Rating | | BUY | |
| Mkt price (EUR) | | 8.10 | |
| Mkt cap (EUR M) | | 203 | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E |
| Revenues | 358.4 | 370.8 | 383.8 |
| EBITDA | 48.24 | 49.32 | 54.34 |
| EPS (EUR) | 0.70 | 0.61 | 0.72 |
| Net debt/-cash | 113.2 | 90.62 | 76.84 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | 11.5 | 13.3 | 11.3 |
| EV/EBITDA | 6.5 | 5.9 | 5.1 |
| EV/EBIT | 14.1 | 14.1 | 11.2 |
| Debt/EBITDA | 2.3 | 1.8 | 1.4 |
| Div yield (%) | 3.7 | 4.3 | 4.9 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | 5.5 | 8.0 | 77.2 |
| Rel. to FTSE IT All Sh | 7.2 | 4.0 | 37.8 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

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SIT- 2Q/1H21 product sale

| EUR M | 2Q19A | 2Q20A | 2Q21A | 2Q yoy % | 2Q vs. 2Q19 % | 1H19A | 1H20A | 1H21A | 1H yoy % | 1H vs. 1H19 % |
|--------------------------------------|-------------|-------------|-------------|-------------|---------------|--------------|--------------|--------------|-------------|---------------|
| Product revenues | 85.8 | 59.1 | 96.2 | 62.9 | 12.2 | 165.5 | 131.8 | 188.0 | 42.6 | 13.6 |
| o/w Heating | 61.0 | 48.3 | 74.2 | 53.7 | 21.7 | 123.1 | 104.7 | 144.7 | 38.2 | 17.5 |
| o/w Smart Metering | 24.8 | 10.8 | 22.0 | 104.2 | -11.1 | 42.4 | 27.2 | 43.3 | 59.5 | 2.0 |
| o/w Smart Metering organic (ex Janz) | 24.8 | 10.8 | 16.7 | 55.1 | -32.4 | 42.4 | 27.2 | 33.2 | 22.3 | -21.8 |

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

Company News

B Mediolanum (BUY)

Launch of Prexta

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? Yesterday, Banca Mediolanum announced the launch of Prexta, born from EuroCQS (the group's company specialised in the salary/pension backed loans' segment) and having a wider mandate in consumer lending.

What we think: The launch of Prexta confirms Banca Mediolanum's commitment to grow in the lending business and go ahead with gradual diversification of the group's revenue basis. We highlight that in slightly more than three years EuroCQS has granted approx. EUR 1.2Bn credit.

B Mediolanum - Key data

| 13/07/2021 | | Asset Gatherers | | |
|------------------------|---------|-----------------|---------|--|
| Target Price (EUR) | | 9.5 | | |
| Rating | | BUY | | |
| Mkt price (EUR) | | 8.30 | | |
| Mkt cap (EUR M) | | 6152 | | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E | |
| Tot net revenues | 1,308.0 | 1,345.7 | 1,420.8 | |
| Operating profit | 658.6 | 666.9 | 715.1 | |
| Net income | 489.9 | 490.0 | 526.7 | |
| Cust assets (€ Bn) | 101.9 | 108.4 | 115.8 | |
| Ratios (%) | 2021E | 2022E | 2023E | |
| Adj. P/E (x) | 13.3 | 12.4 | 11.6 | |
| P/tot cust assets | 6.0 | 5.6 | 5.3 | |
| NP/tot cust assets | 0.47 | 0.47 | 0.47 | |
| Div ord yield | 5.3 | 5.5 | 5.8 | |
| Performance (%) | 1M | 3M | 12M | |
| Absolute | 1.0 | 4.6 | 29.2 | |
| Rel. to FTSE IT All Sh | 2.7 | 0.7 | 0.4 | |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Cattolica Assicurazioni (Tender Shares)

Press on BCC Bancassurance Partnership

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? Today's MF focuses on the bancassurance partnership that Cattolica has with Iccrea through BCC Vita and BCC Assicurazioni, 70% held by the insurance company. The agreement has a deadline in 2022, with automatic renewal for further 12 months unless the agreement is renegotiated. According to the press article, Cattolica has a put option for EUR 190M, corresponding to a total valorisation of EUR 270M (to be adjusted for capital strengthening manoeuvres) for BCC Vita.

What we think: We highlight that the partnership with Iccrea is an important asset for Cattolica, which has a life business mostly driven by bancassurance agreements.

Cattolica Assicurazioni - Key data

| 13/07/2021 | | Insurance | | |
|------------------------|---------|---------------|---------|--|
| Rating | | Tender Shares | | |
| Mkt price (EUR) | | 6.99 | | |
| Mkt cap (EUR M) | | 1596 | | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E | |
| Premiums | 5,208.8 | 5,570.0 | 5,855.7 | |
| PBT | 311.8 | 229.5 | 244.6 | |
| Adj. EPS (EUR) | 0.56 | 0.61 | 0.64 | |
| Net comb ratio (%) | 90.5 | 91.3 | 92.4 | |
| Ratios (%) | 2021E | 2022E | 2023E | |
| Adj. P/E (x) | 12.4 | 11.4 | 10.9 | |
| P/TBV (x) | 0.83 | 0.81 | 0.78 | |
| RoTE | 7.0 | 7.2 | 7.3 | |
| Solvency II ratio | 203.9 | 204.6 | 205.4 | |
| Div ord yield | 3.6 | 3.9 | 4.3 | |
| Performance (%) | 1M | 3M | 12M | |
| Absolute | -1.8 | 37.3 | 31.8 | |
| Rel. to FTSE IT All Sh | -0.1 | 32.2 | 2.4 | |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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D. Campari (HOLD)**Strengthening the e-Commerce Channel**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? Campari has set up a JV equally controlled with Moët Hennessy to create a pan-European player in the premium wine and spirits e-commerce channel. The aim of the JV is to invest in e-commerce players in a sector that is highly fragmented in Europe. Campari will confer its stake in Tannico into the JV and will sell 50% of the JV to Moët Hennessy for EUR 25.6M. We remind that Campari acquired a 49% stake in Tannico for EUR 23M and then become the major shareholder fully underwriting a capital increase for EUR 32M with which Tannico acquired a 68% of the French e-commerce platform Ventealappropriete.com. Both Tannico's and Ventealappropriete.com's turnovers amount to EUR 70M in FY20.

What we think: We welcome Campari's increased commitment in the e-commerce channel given the strong growth potential in light of the changes in consumer habits. We believe the JV will allow to exploit the e-commerce channel's upside while sharing the risk with another renewed sector player. We expect that the deal in the short term will have a neutral impact on Campari (we assume the JV to be accounted among the associates) but it seems to us that the implied 100% valuation of Tannico is lower than what was paid by Campari.

ENAV (HOLD)**June 2021 En-route Traffic Data**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? Yesterday, Eurocontrol released the en-route traffic data for June 2021, which stood at 483,207 service units (SUs) in the month, 2.68x times higher than last year's monthly volumes (131,484 SUs), that were still affected by the tail effect amid the first lockdown in Italy due to the pandemic, while when compared to June 2021 pre-pandemic forecasts (1,090,805 SUs), the actual en-route service units in the month recorded a 56% drop. On a YTD basis, the en-route air traffic in 2021 was down by 17% vs. FY20A data to a total of 1,571,497 service units and was down by 67% vs. January-June 2021 planned volumes (before the pandemic).

What we think: June 2021 en-route traffic volumes stood at 53% of 2019 ones, broadly confirming company-provided air traffic outlook for the summer season of at least approximately 50% of 2019 volumes. Despite the positive trend of air traffic volumes, on the back of the Covid-19 vaccination campaign, we see the rising Delta variant cases in Europe as casting shadows on short-term air traffic recovery. For this reason, **we reiterate our HOLD rating on the stock.**

D. Campari - Key Data

| 13/07/2021 | Beverages & Tobacco | | |
|------------------------|---------------------|---------|---------|
| Target Price (EUR) | 9.4 | | |
| Rating | HOLD | | |
| Mkt price (EUR) | 11.28 | | |
| Mkt cap (EUR M) | 13103 | | |
| 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 | 51.1 | 46.0 | 42.1 |
| EV/EBITDA | 31.0 | 28.2 | 25.8 |
| EV/EBIT | 37.6 | 33.8 | 30.7 |
| Debt/EBITDA | 2.3 | 1.7 | 1.2 |
| Div yield (%) | 0.5 | 0.5 | 0.5 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | 1.1 | 16.5 | 38.5 |
| Rel. to FTSE IT All Sh | 2.8 | 12.2 | 7.7 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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ENAV - Key Data

| 13/07/2021 | Aviation Services | | |
|------------------------|-------------------|-------|-------|
| Target Price (EUR) | 3.8 | | |
| Rating | HOLD | | |
| Mkt price (EUR) | 3.80 | | |
| Mkt cap (EUR M) | 2059 | | |
| Main Metrics (€ M) | 2020E | 2021E | 2022E |
| Revenues | 789.0 | 813.3 | 824.6 |
| EBITDA | 210.2 | 231.3 | 239.7 |
| EPS (EUR) | 0.11 | 0.13 | 0.14 |
| Net debt/-cash | 310.9 | 575.0 | 556.5 |
| Ratios (x) | 2020E | 2021E | 2022E |
| Adj. P/E | 33.9 | 28.8 | 26.3 |
| EV/EBITDA | 11.0 | 11.1 | 10.7 |
| EV/EBIT | 29.2 | 24.5 | 22.3 |
| Debt/EBITDA | 1.5 | 2.5 | 2.3 |
| Div yield (%) | 2.6 | 3.9 | 5.3 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | -6.0 | -7.2 | -5.7 |
| Rel. to FTSE IT All Sh | -4.5 | -10.7 | -26.7 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Eni (HOLD)**JV for Scottish Offshore Wind**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? Through a press release, Scottish offshore wind developer, Red Rock Power Limited and Eni, the Italian energy company, have formed a new 50/50 partnership as they prepare to make a joint bid with the support of transmission company, Transmission Investment in the forthcoming ScotWind offshore leasing round. The companies will also consider future renewable opportunities in Scotland and combine their wind farm development and offshore expertise, harnessing a common desire to support the net zero transition. The partnership's future offshore wind projects would prioritise maximising opportunities for local supply chain growth, the development and deployment of new technologies, and contributing to the decarbonisation of the North Sea and the transfer of skills this will generate.

What we think: The company continues to proceed to achieve the planned targets of renewables capacity development (4GW by 2024).

Eni - Key Data

| 13/07/2021 | | Oil & Gas | |
|------------------------|-------|-----------|-------|
| Target Price (EUR) | | 9.9 | |
| Rating | | HOLD | |
| Mkt price (EUR) | | 10.09 | |
| Mkt cap (EUR M) | | 36419 | |
| Main Metrics (€ Bn) | 2021E | 2022E | 2023E |
| Revenues | 72.65 | 77.37 | 78.78 |
| EBITDA | 13.49 | 15.21 | 16.20 |
| EPS (EUR) | 0.42 | 0.57 | 0.64 |
| Net debt/-cash | 15.82 | 14.79 | 14.55 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | 24.3 | 17.6 | 15.8 |
| EV/EBITDA | 3.3 | 2.9 | 2.7 |
| EV/EBIT | 7.7 | 6.0 | 5.4 |
| Debt/EBITDA | 1.2 | 0.97 | 0.90 |
| Div yield (%) | 5.8 | 7.1 | 7.4 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | -4.6 | -0.7 | 18.9 |
| Rel. to FTSE IT All Sh | -3.0 | -4.4 | -7.6 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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ERG (BUY)**Hydro & Thermal Disposals**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? According to the press (Il Sole 24 Ore), the binding offers have been confirmed and admitted to the first phase: among these there is reportedly the one from the consortium composed by A2A and Ardian and - among other - names in the race include Engie, Enel, Alpiq, Iren and Ascopiave but also the Norwegian hydroelectric group Statkraft. The assets for sale are 19 power plants, 7 dams, 3 reservoirs and a pumping station for a total power of 527 MW divided between Umbria, Lazio and Marche, according to Il Sole 24 Ore, and a cogeneration plant with an installed capacity of 480 MW that powers the industrial plants of the Priolo Gargallo site (in the province of Siracusa). The total value of the transaction could be over EUR 1Bn (around EUR 1.2-1.3Bn all together) and a final decision could be made in the next few days, Il Sole 24 Ore adds.

What we think: We think that the strategic rationale could be for the company to carry out a portfolio re-shuffling in terms of technology and geography, with a higher exposure in wind and solar and a further expansion in Europe. In terms of financials, we value the two assets together at around EUR 1.4Bn-EUR 1.6Bn in an EV/EBITDA and DCF based valuation, in a preliminary simulation.

ERG - Key Data

| 13/07/2021 | | Electricity | |
|------------------------|---------|-------------|---------|
| Target Price (EUR) | | 28.9 | |
| Rating | | BUY | |
| Mkt price (EUR) | | 25.48 | |
| Mkt cap (EUR M) | | 3822 | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E |
| Revenues | 1,074.4 | 1,110.1 | 1,124.9 |
| EBITDA | 507.0 | 524.4 | 534.2 |
| EPS (EUR) | 0.85 | 0.85 | 0.86 |
| Net debt/-cash | 1,473.6 | 1,572.8 | 1,733.9 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | 30.0 | 29.8 | 29.5 |
| EV/EBITDA | 10.5 | 10.4 | 10.5 |
| EV/EBIT | 24.8 | 24.0 | 24.2 |
| Debt/EBITDA | 2.9 | 3.0 | 3.2 |
| Div yield (%) | 2.9 | 2.9 | 2.9 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | 0.7 | 0.9 | 20.3 |
| Rel. to FTSE IT All Sh | 2.4 | -2.9 | -6.5 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Eurotech (BUY)**Leader in Railway IoT**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
| | | | |

What's up? Frost & Sullivan, based on a survey on the European market of IoT solutions for the railways sector, awarded Eurotech the "Europe Strategy Leadership Award 2021".

What we think: This award confirms Eurotech's technological leadership in the railways sector, alongside a flexibility that allows to provide a single component (e.g. an edge computer or an IoT middleware) or the entire infrastructure. We remind that the company has disclosed some important contracts with railways players, such as Deutsche Bahn Cargo and the new Grand Paris Express metro lines 15, 16 and 17. **BUY, EUR 6.8/sh TP.**

Eurotech - Key Data

| 13/07/2021 | Computer Services | | |
|------------------------|-------------------|--------|--------|
| Target Price (EUR) | 6.8 | | |
| Rating | BUY | | |
| Mkt price (EUR) | 4.57 | | |
| Mkt cap (EUR M) | 162 | | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E |
| Revenues | 74.00 | 100.0 | 110.0 |
| EBITDA | 8.62 | 18.29 | 24.54 |
| EPS (EUR) | 0.08 | 0.44 | 0.66 |
| Net debt/-cash | -14.09 | -25.16 | -46.83 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | 54.6 | 10.4 | 6.9 |
| EV/EBITDA | 17.2 | 7.5 | 4.7 |
| EV/EBIT | 32.4 | 9.6 | 5.6 |
| Debt/EBITDA | Neg. | Neg. | Neg. |
| Div yield (%) | 0 | 0 | 0 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | 2.0 | -12.2 | -13.5 |
| Rel. to FTSE IT All Sh | 3.7 | -15.4 | -32.8 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Eurotech

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Grifal (BUY)**New Plant in Romania Starting Production**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
| | | | |

What's up? Grifal announced the start of production in its new plant in Romania entirely dedicated to cArtù packaging. The new plant in Timisoara occupies a total area of 4,200 square meters, of which 2,400 is a production area and 1,200 a warehouse and, when fully operational, the new site will employ about 20 employees, for an annual production of 70,000 cubic meters of cArtù with Grifal targeting a turnover of around EUR 6M (we estimate around EUR 2M sales in 2H21E). The new plant has already passed two quality audits by multinationals operating in the white goods sector, which, after having tested Grifal's products in Italy, need to supply their foreign factories with large volumes of eco-sustainable packaging materials to replace the foam plastics used until now.

What we think: The start of the production in Romania was expected and is in line with the schedule. The two white goods multinational clients of the new plant have long-term supply agreements with Grifal, which should provide a good visibility for the coming years. In our calculations, EUR 6M of additional revenues represent around 36% of Grifal's 2020A sales and should generate a profitability above the average level of the group (we estimate an EBITDA margin of around 20% compared with an average of around 11.5% in 2017-19). **We confirm our BUY rating and our EUR 4.5/sh target price.**

Grifal - Key Data

| 13/07/2021 | Packaging | | |
|------------------------|-----------|-------|-------|
| Target Price (EUR) | 4.5 | | |
| Rating | BUY | | |
| Mkt price (EUR) | 3.57 | | |
| Mkt cap (EUR M) | 41 | | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E |
| Revenues | 25.95 | 31.31 | 36.51 |
| EBITDA | 2.81 | 4.66 | 5.88 |
| EPS (EUR) | 0.03 | 0.14 | 0.22 |
| Net debt/-cash | 10.16 | 10.19 | 9.42 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | NM | 26.3 | 16.4 |
| EV/EBITDA | 18.1 | 10.9 | 8.5 |
| EV/EBIT | 74.7 | 21.6 | 14.3 |
| Debt/EBITDA | 3.6 | 2.2 | 1.6 |
| Div yield (%) | 0.8 | 1.4 | 2.2 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | 1.1 | -5.1 | 52.6 |
| Rel. to FTSE IT All Sh | 2.8 | -8.6 | 18.6 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Grifal

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Seri Industrial (BUY)**Decree for Taverola 2 Published**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? Yesterday the Inter-ministerial Decree enabling the fund to support the implementation of the Important Projects of Common European Interest ("IPCEI") has been published in the Official Gazette. The Fund is making available a comprehensive amount of resources of about EUR 1.7Bn to be granted to companies already selected by the European Commission active in the micro-electronic and batteries business. In particular, the Fund has allocated resources for the support of research, development and production of raw materials, cells, modules, and li-on battery systems for the Italian and European industrial sector. Seri Industrial has presented its Taverola 2 project for an investment of EUR 505M, fully funded through grants, both on capex and operating costs, for the creation of a Gigafactory upon completion of the research, development and industrialisation programme of cells, modules, and next generation li-on battery systems, as well as the recycling of end-of-life lithium batteries. The decree has been signed within the end of April 2021, but the formal verification process from the Court of Audit has taken longer than expected.

What we think: The publication of the decree is a crucial step to start the construction of the Taverola 2 Gigafactory and Seri Industrial confirmed the completion of the investment programme for capex by 2023 and the start-up of production at full operations within the first semester of 2024. The news was long awaited by the market and therefore we believe it should be strongly positive for the shares. In the coming weeks, the company should publish its 2021-25 business plan. **We reiterate our BUY rating.**

Telecom Italia (BUY)**TAR Undoes the Antitrust Fine on the 28-Day Billing**

| Market Mover | Positive | Neutral | Negative |
|--------------|----------|---------|----------|
|--------------|----------|---------|----------|

What's up? According to several press sources (Il Sole 24 Ore, etc.), the Regional Court of Lazio (TAR) undid the fine that the Italian Antitrust Authority imposed to the telecom operators in February 2020 on the 28-day billing. At that time, the Antitrust contested that, when the telecom operators were required to shift their billing system back from 28-days to a monthly basis, they had shared the decision to apply similar price increases of around 8.6% to offset this obligation. The Antitrust issued a total fine of EUR 228M, of which EUR 114M to TIM, EUR 60M to Vodafone, EUR 39M to Wind Tre and EUR 14.8M to Fastweb.

What we think: The news is positive as it removes the risk of a potential cash-out for TIM of EUR 114M, i.e. 1.3% of the market cap. TIM had booked provisions related to this and other pending litigations in its 2019 accounts.

Seri Industrial - Key Data

| 13/07/2021 | Industrials | | |
|------------------------|-------------|-------|-------|
| Target Price (EUR) | 8.5 | | |
| Rating | BUY | | |
| Mkt price (EUR) | 7.51 | | |
| Mkt cap (EUR M) | 355 | | |
| Main Metrics (€ M) | 2021E | 2022E | 2023E |
| Revenues | 206.2 | 275.0 | 319.3 |
| EBITDA | 34.33 | 51.49 | 62.75 |
| EPS (EUR) | 0.27 | 0.59 | 0.73 |
| Net debt/-cash | 89.34 | 69.58 | 42.32 |
| Ratios (x) | 2021E | 2022E | 2023E |
| Adj. P/E | 27.3 | 12.7 | 10.3 |
| EV/EBITDA | 13.3 | 8.4 | 6.5 |
| EV/EBIT | 21.7 | 11.4 | 8.3 |
| Debt/EBITDA | 2.6 | 1.4 | 0.67 |
| Div yield (%) | 0 | 0 | 0 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | -5.8 | 44.4 | 139.2 |
| Rel. to FTSE IT All Sh | -4.2 | 39.0 | 85.9 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Seri Industrial

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Telecom Italia - Key Data

| 13/07/2021 | Telecom Services | | |
|------------------------|------------------|-------|-------|
| Target Price (EUR) | 0.56 | | |
| Rating | BUY | | |
| Mkt price (EUR) | 0.39 | | |
| Mkt cap (EUR M) | 8522 | | |
| 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 | 9.2 | 8.5 | 7.9 |
| EV/EBITDA | 4.6 | 4.6 | 4.4 |
| EV/EBIT | 13.6 | 13.3 | 12.5 |
| Debt/EBITDA | 3.1 | 3.2 | 3.0 |
| Div yield (%) | 2.5 | 2.5 | 2.5 |
| Performance (%) | 1M | 3M | 12M |
| Absolute | -12.9 | -10.2 | 14.1 |
| Rel. to FTSE IT All Sh | -11.5 | -13.6 | -11.3 |

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Sector News

Branded Goods Sector

LVMH Supports Return of Phoebe Philo with Her Own Label

What's up? Yesterday, Phoebe Philo announced that LVMH will support her to launch her own fashion label. The designer was the Creative Director of Céline (LVMH Group) for a decade until 2018; together with CEO Marco Gobbetti she contributed to the success of the brand. She was many times in the shortlist for the appointment of major creative director, including Salvatore Ferragamo.

What we think: While investing in young brands has historically paid little for LVMH, it continues to support new initiatives that help make the appointment of new designers for other groups rather difficult. The hiring of a new Creative Director is a pending step for Salvatore Ferragamo for the relaunch of the brand.

Branded Goods

13/07/2021

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

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

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

Historical recommendations and target price trends (12M)

This report is a compendium report or may include excerpts from previously published reports: in this report, we confirm the ratings and target prices assigned in the latest company reports (or alternatively such ratings and target prices may be placed Under Review). The 12M rating and target price history chart(s) for the companies included in this report can be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history--12-months->. Note: please also refer to

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

Intesa Sanpaolo Research Rating Distribution (at July 2021)

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

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

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

| Short-term rating | Definition |
|-------------------|--|
| LONG | Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event |
| SHORT | Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event |

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