

DEA CAPITAL

OUTPERFORM

SECTOR: Holdings & RE

Price (Eu):

1.10

Alberto Villa

+39-02-77115.431

Target Price (Eu):

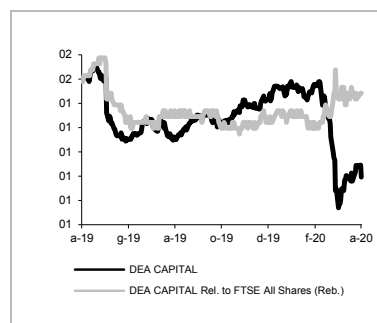
1.55

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AAM Transformation Continued in 2019. Net Cash Helps in Uncertain Times

- FY19 results confirmed ongoing trends.** In 2019, DeA Capital increased total AuM to over Eu22bn, completing its transformation from an investment company to one of the most important Italian Alternative Asset Management operators, with a wide range of investment solutions, ranging from Real Estate to Private Equity to Non-Performing Exposure, including some of the most innovative proposals available on the Italian market. As for FY19 financial results, the alternative asset management (AAM) platform reported management fees at Eu65mn (+2.5% YoY) and a slightly lower operating result at Eu14.6mn, as last year benefited from some extraordinary positive items (real estate 45% / investment solutions 33%, NPE 14% and private equity 8%). Net profit came to Eu12mn, up 10% YoY, with a Eu0.12ps extraordinary dividend, flat YoY and in line with expectations; net cash was broadly stable at Eu65.8mn thanks to some asset disposals and the cash-in of investments compensating investment activity and the Eu31mn dividend payout. NAVps was Eu1.76, up slightly YoY confirming the stable nature of the assets – management companies and investments – included in the portfolio.
- Early to predict impact of current environment on DeA Capital.** The company's track record, skilled management team, extensive network of domestic and international relations and net cash position, as well as the backing from the main shareholders, put it in a solid position to confront the very challenging environment and the uncertainty that prevails in this early part of 2020. While the time and pace of recovery is difficult to predict, DeA Capital is in an enviable position as the situation develops, and is well placed to size up any new investment opportunities that may arise. We can expect a slowdown in private equity and real estate deal flows, while there might be interesting developments in the credit recovery segment, which could play a major role amid the current uncertainty.
- DeA Capital SOP more and more related to recurrent fee business. Resilient businesses, net cash and hefty dividend support the stock in a challenging environment: OUTPERFORM, tp Eu1.55ps.** We believe that the market does not yet fairly consider the increasing weight of recurring fee business in the company's total value. We have to face a period of high uncertainty but think that, thanks to the resilience of the stream of recurrent fees, DeA Capital is well positioned to address these challenges and potentially consider growth opportunities given the healthy financial situation at holding company level and the additional cash to be repatriated from the liquidation of IDEA MI (c.Eu22mn by 3Q20). In spite of this, DeA Capital is currently trading at a discount of around 36% to NAV, which is slightly wider than the average historical discount. We appreciate the company's many defensive features, such as the solid balance sheet, high dividend yield, transformation from an investment-based holding to a recurring fees play on alternative assets and the countercyclical features of some of its businesses, such as the credit recovery funds that have been successfully promoted by the company in the last few years. The company has confirmed a Eu0.12ps extraordinary dividend for this year, with an implied yield of 10%. We think DeA Capital's business model should prove quite resilient in the uncertain times ahead. We therefore confirm out OUTPERFORM rating on the stock with a target price at Eu1.55.

DEA CAPITAL - 12m Performance



RATING: OUTPERFORM unchanged

TARGET PRICE (Eu): from 1.60 to 1.55

STOCK DATA

Reuters code: DEA.MI
Bloomberg code: DEA IM

Performance	1m	3m	12m
Absolute	4,6%	-25,7%	-26,4%
Relative	-0,6%	3,6%	-2,9%
12 months H/L:	1.56/0.97		

SHAREHOLDER DATA

No. of Ord. shares (mn):	267
Total No. of shares (mn):	267
Mkt Cap Ord (Eu mn):	293
Total Mkt Cap (Eu mn):	293
Mkt Float - ord (Eu mn):	88
Mkt Float (in %):	30,1%
Main shareholder:	
De Agostini	67,1%

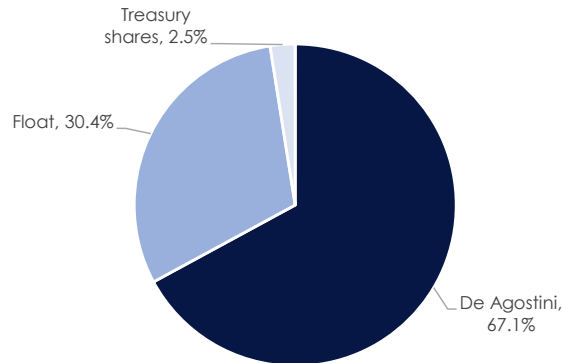
BALANCE SHEET DATA

	2020
Book value (Eu mn):	
BVPS (Eu):	
P/BV:	
Net Debt (Eu mn):	
NAV (Eu mn)	

DeA Capital at a Glance

DeA Capital group is a leading Italian Alternative Asset management Company and is listed on the STAR segment of the Italian stock exchange. The company's main shareholder is the Italian industrial group De Agostini (67.1% of capital), for which DeA Capital is the investment arm, while the float is just above 30% of the capital as the company has 2.5% in treasury shares.

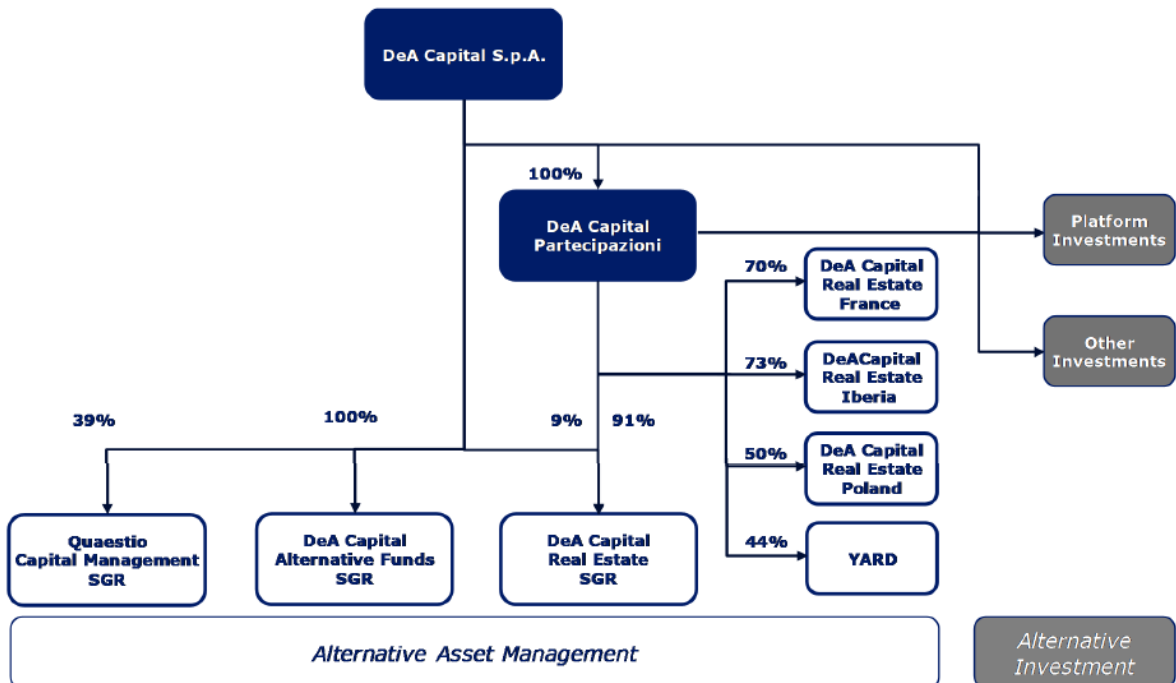
DeA Capital – Ownership post-treasury shares cancellation



Source: Intermonte SIM estimates

In 2019, DeA Capital increased total AuM to over Eu22bn, completing its transformation from an investment company to one of most important Italian Alternative Asset Management operators, with a wide range of investment solutions, ranging from Real Estate to Private Equity to Non-Performing Exposure, including some of the most innovative proposals available on the Italian market. Its track record, skilled management team, extensive network of domestic and international relations and net cash position, as well as the backing from the main shareholders, put the company in a solid position to confront the very challenging environment and the uncertainty that is dominating the early part of 2020. While the time and pace of recovery is difficult to predict, DeA Capital is in an enviable position as the situation develops, and is well placed to size up new investment opportunities.

The group structure as at YE19 is shown below.



DeA Capital's combined Assets Under Management - essentially the AuM of the asset management companies in which DeA Capital has an absolute or relative majority stake - increased to approximately Eu22.6bn, +90% YoY from Eu11.9bn at YE18. The result is attributable to a combination of organic growth in all the main business areas of Real Estate, Private Equity and NPLs, and the acquisitions carried out in 4Q19, most notably in the Non-Performing Exposure segment and in investment solutions for institutional investors. The main acquisition, completed in 4Q19, related to Quaestio's NPL business.

At YE19 the investment portfolio was worth Eu387mn, up from Eu367mn last year as the company completed some acquisitions and asset disposals during the year.

Alternative Asset Management (AAM) Platform: broadly stable results in FY19

As at YE19 DeA Capital's AAM activity is carried out through two subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as on the indirect holding in Quaestio Capital Management SGR. The areas of activity range from promotion, management and development of real estate to private equity and credit investment funds, as well as investment solutions for institutional investors. In support of AAM activity, over time DeA Capital has also used its available capital to build up an Alternative Investment portfolio, consisting mainly of funds managed by the two captive asset management companies.

FY19 closed with a slight increase in management fees to Eu65mn (+2.5% YoY) and slightly lower operating profit of Eu14.6mn, as last year benefited from some extraordinary positive items.

DeA Capital – AAM Platform FY Results

DeA Capital Alternative Funds SGR				
EU mn	FY16	FY17	FY18	FY19
AUM	1900	2190	2430	4906
YoY	16%	15%	11%	102%
Commissions	20,7	18,4	23,6	24,5
on AuM	1,13%	0,84%	0,97%	0,75%
EBITDA	6,2	5,0	9,4	8,0
Margin	29,8%	27,0%	39,9%	32,6% ¹
Net income	3,8	3,1	6,1	4,9
Margin	18,2%	17,0%	26,0%	19,9% ¹

DeA Capital Real Estate SGR				
EU mn	FY16	FY17	FY18	FY19
AUM	8.700	9.542	9.451	9.900
YoY	10%	10%	-1%	5%
Revenues	40,3	41,4	39,8	40,4
on AuM	0,51%	0,43%	0,42%	0,42%
EBITDA	15,5	18,1	11,1	20,6
Margin	39%	44%	28%	51% ¹
Net income	5,4	25,0	7,1	9,4
Margin	13%	-60%	18%	23% ¹

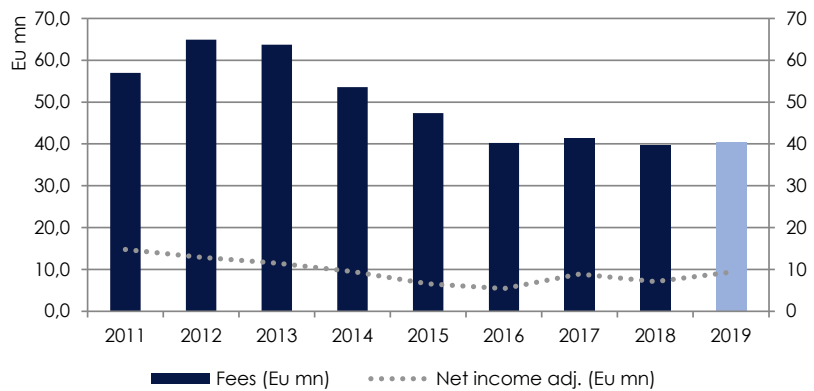
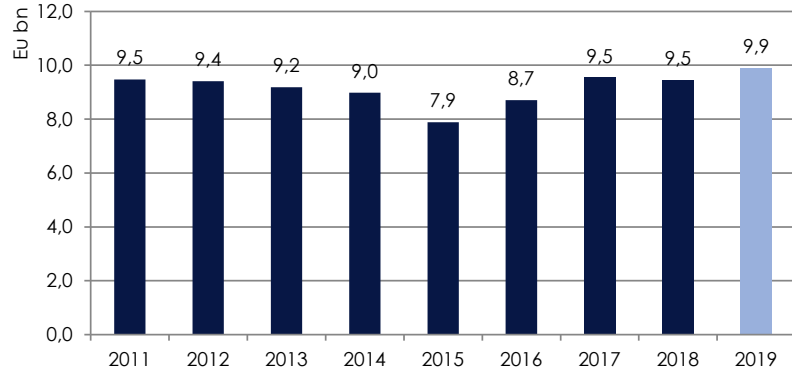
Source: Intermonte SIM on Company Data

The three operating units are better described below.

DeA Capital Real Estate SGR (100% stake)

Italy's largest independent real estate asset management company, with Eu9.9bn of assets under management and 51 managed funds (including 2 listed funds). This makes it a benchmark operator for Italian and international institutional investors in the promotion, creation and management of mutual real estate investment funds. The asset management company specialises in "core" and "core plus" properties, despite also including "value added" transactions. The panel of investors consists of Italian and international high standing institutional investors such as pension funds, banking and insurance groups and sovereign funds.

DeA Capital Real Estate SGR – AuM and operating trend

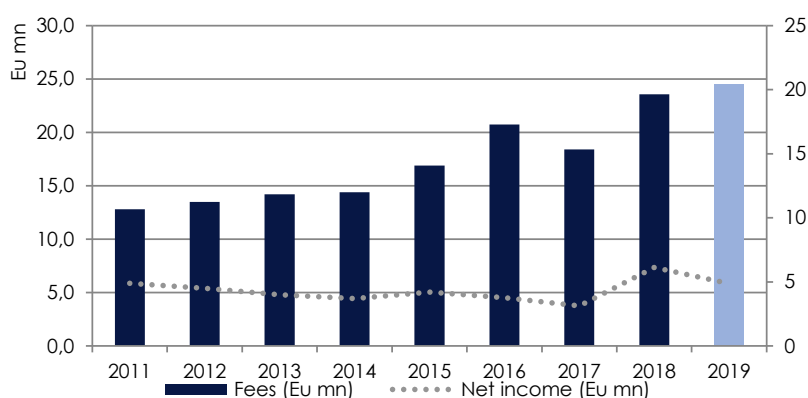
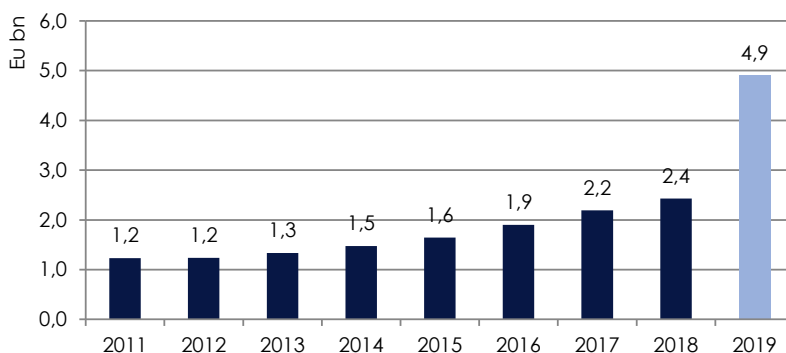


Source: Intermonte SIM and company data

DeA Capital Alternative Funds SGR (100% stake)

Manages alternative investment funds (funds of funds, private equity theme funds, as well as credit funds) with Eu4.9bn of AuM. As at 31st December 2019, the asset management company managed 14 closed-end funds, of which there are 5 funds of funds (IDeA I FoF, ICF II, ICF III, IDeA Crescita Globale and DeA Endowment Fund), 3 theme funds (IDeA EESS, IDeA Tol, IDeA Agro), the "direct" co-investment fund (IDeA OF I), 4 NPE funds (IDeA CCR I and II, with a focus on debtor-in-possession financing funds, and the NPL funds Atlante and Italian Recovery Fund - "IRF") and the Investitori Associati IV fund (in liquidation). The asset management company also has management delegations for a portion of the closed-end, non-reserved AIF called "Azimut Private Debt" instituted by Azimut Capital Management SGR.

DeA Capital Alternative Funds SGR– AuM (above) and operating trend (below)



Source: Intermonte SIM and company data

Quaestio Capital Management SGR (38.8%, held indirectly through Quaestio Holding)

It is a company acquired in 2019 and mainly active in investment solutions for institutional investors, with c.Eu7.6bn in AuM. Through a multi-asset/multi-manager platform, Quaestio SGR is able to structure customised investment solutions for institutional investors. Its main clients are banking foundations and social security institutions. It mainly operates through management mandates, allowing investors' assets to be allocated on the basis of specific risk/return objectives, with full visibility (look-through) and risk management of the individual components of the portfolio.

The other components of the AAM business are the controlling interests in **DeA Capital Real Estate France** (70.0%) and **DeA Capital Real Estate Iberia** (73.0%), as well as a co-controlling holding in **DeA Capital Real Estate Poland** (50.0%): these companies focus on the French, Iberian and Polish real estate markets, respectively.

YARD (43.6% stake): real estate company active in project, property and facility management, appraisals and due diligence, as well as in real estate brokerage.

Alternative Investments Segment

DeA Capital holds units in 9 funds managed by the subsidiary DeA Capital Alternative Funds SGR: 3 funds of funds, 1 co-investment fund, 3 theme funds and 2 credit investment funds. The funds are listed below:

- **IDeA I** Fund of Funds, closed-end fund under Italian law for qualified investors, which began operations on 30th January 2007 and has a total commitment of up to Eu164.6mn. The portfolio is invested in 34 funds with different investment strategies; these funds in turn hold positions, with varying maturities, in 181 companies active in geographical regions with different growth rates. DeA Capital has a 25.5% stake in the fund.
- **ICF II** (FoFs): is focused on funds in the area of mid-market buyouts, distressed and special situations, loans, and turnarounds. The ICF II portfolio is currently invested in 25 funds with different investment strategies; DeA Capital's commitment is Eu51mn for an 18.15% stake in the fund.
- **ICF III** (FoFs): it has total assets of approximately Eu67mn invested into three different strategies: Core, Credit & Distressed, Emerging Markets. DeA Capital's commitment is Eu12.5mn for a 18.67% interest in the fund.
- **IDeA Opportunity Fund I** (co-investment fund): the fund has invested, independently or via syndicates with a lead investor, in the purchase of qualified minority interests in 9 companies, of which 2 are still in the portfolio: Iacobucci HI Electronics and Pegaso Transportation. DeA Capital's commitment is Eu92.4mn for a 67% interest in the fund.
- **IDeA Efficienza Energetica e Sviluppo Sostenibile (EESS)**, The fund was dedicated to investing in small and medium-sized manufacturing and service companies operating in the energy saving and efficient use of natural resources fields. The residual commitment for DeA Capital is Eu5.6mn.
- **IDeA Taste of Italy (ToI)**: is a closed-end mutual fund under Italian law for qualified investors, which has sought to acquire minority and controlling interests mainly in small and medium-sized enterprises in Italy. DeA Capital's commitment is Eu25.2mn for a 11.5% stake in the fund.
- **IDeA Agro credit funds;**
- **IDeA Corporate Credit Recovery I** : it has total AuM of Eu245mn at YE19. It aims to help relaunch medium-sized Italian companies that are facing financial difficulties through proactive management of loans to the Target Companies; potential investments to be carried out via debtor-in-possession financing transactions, which means that the new investments have greater seniority than existing financial debt; equity-style involvement in the management of debtor companies. The fund is divided into two segments: loans and new finance. DeA Capital's total residual commitment was Eu7mn.
- **IDeA Corporate Credit Recovery II**: † has total AuM of Eu576mn at YE19. The fund is divided into three segments: loans, new finance and shipping. DeA Capital total residual commitment was Eu15mn.

DeA Capital also holds units in 2 funds managed by the subsidiary DeA Capital Real Estate SGR and other direct investments in companies that have co-invested as part of initiatives promoted by the two asset management companies mentioned above.

During 2019, the AAM Platform launched/acquired the management of new funds with c.Eu3bn in AuM. In particular, on 5th November 2019 the subsidiary DeA Capital Alternative Funds SGR assimilated the business unit formed by Quaestio SGR's NPL Management assets, including management of the Italian Recovery Fund, with AuM of Eu2.3bn. During 2019, the company also launched the "DeA Endowment Fund" fund of funds, obtained a mandate for the management of a portion of the non-reserved closed-end AIF called "Azimut Private Debt" and completed further closings of the IDeA CCR I and IDeA CCR II funds (for more than Eu200mn). In the same period, i.e. during 2019, the subsidiary DeA Capital Real Estate SGR launched 6 new real estate funds (over Eu400mn of new assets under management).

Internationalisation of the AAM platform continued. In Spain, DeA Capital Real Estate Iberia was established on 27th February 2019. The DeA Capital Group holds 73%, with the remainder owned by key local managers. The company is designed to develop real estate advisory businesses for raising funds and real estate advisory and management activities in Spain and Portugal, with a special focus on core+, value-added and opportunistic investments. On 18th December 2019 DeA Capital Real Estate Poland was formed, aimed at the management of real estate assets on the Polish market. The company is 50% owned by the DeA Capital Group, with the other 50% held by Ksiazek Holding, which, in turn, controls Marvipol Development, a company listed on the Warsaw Stock Exchange (active in real estate services and with which a collaboration agreement has also been signed).

Through these initiatives DeA Capital S.p.A. is continuing the project of developing its real estate platform on a pan-European basis, through subsidiaries and jointly-controlled companies, and with the involvement of local senior management teams (already launched through the establishment in 2018 of DeA Capital Real Estate France).

Other Investments Segment

DeA Capital holds the following minority stakes:

- 2% minority holding in **Migros Turkey** (17.1% stake in Kenan Investments equal to a 2% fully-diluted interest in Migros), Turkey's leading food retail chain operator, whose shares are listed on the Istanbul Stock Exchange.
- 4.4% stake in **Cellularline** (4.4% of the total shares issued), a combined entity of Crescita SPAC and the Cellular Group, listed on the Milan Stock Exchange and owner of the Cellularline brand, an Italian leader in accessories for smartphones and tablets ⇒
- 9.7% stake in the SPAC **IDeaMI** which is currently in the process of liquidation
- units in **5 venture** capital funds

Capital Management and Dividends

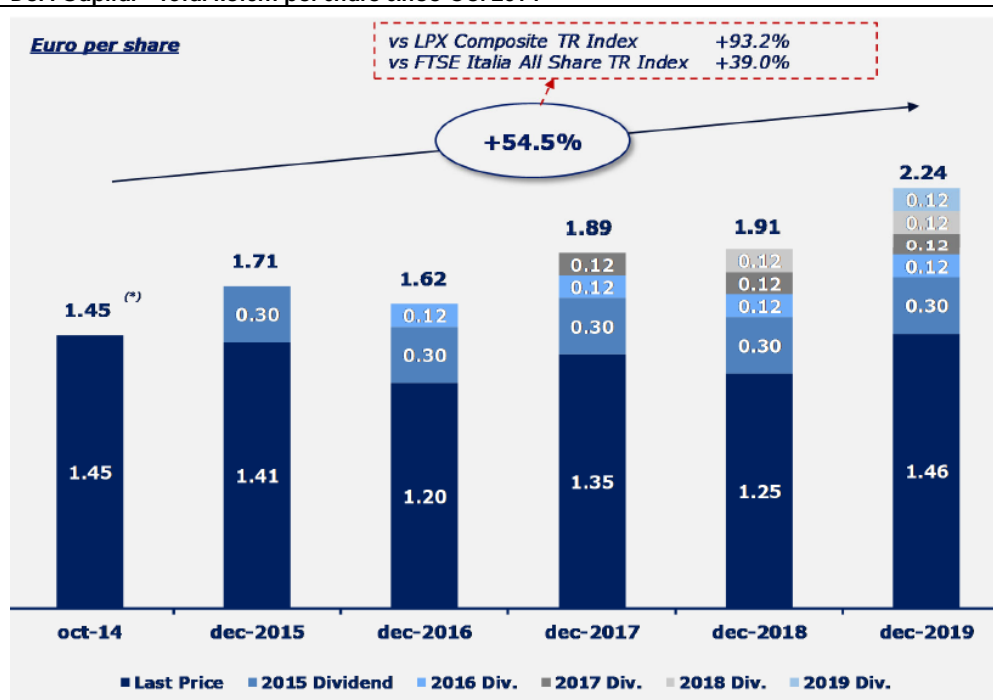
The capital structure is straightforward. The net cash position of the holding was Eu66mn at YE19, up slightly on YE18 thanks to the proceeds from some asset disposals and despite the payment of the Eu0.12ps extraordinary dividend for a total outlay of Eu31.2mn. The company's BoD proposed a flat dividend of Eu0.12 for 2019, subject to AGM approval on April 20, 2022.

As for AAM activity during 2019, the Alternative Asset Management business distributed Eu22.9mn in dividends to the holding companies, compared to Eu7.5mn in 2018, of which Eu17.8mn related to DeA Capital Real Estate, Eu5mn DeA Capital Alternative Funds and Eu0.1mn to YARD. During 2019, the balance between invested funds and proceeds resulted in a net positive cash balance of Eu2.6mn following Eu11.8mn of investments and Eu14.4mn of capital reimbursements.

On 18th April 2019 the AGM also approved the cancellation of 40mn ordinary shares, bringing total outstanding shares to the current amount of 266.6mn.

Including dividends the total return of DeA Capital is summarized in the chart below as of end 2019 and compared with the index of European listed Private Equities and to the Italian FTSE All Share index.

DeA Capital – Total Return per share since Oct 2014



Based on the closing price on 31 December 2019.

Source: Company Presentation

Outlook: Covid-19 Impact still Difficult to Assess

DeA Capital operates in a variety of segments which could suffer varying impacts from the current situation stemming from the Covid-19 outbreak. As things stand, the real impact on economic growth and the full financial implications of this health, social and economic crisis that is hitting the global economy are still highly unpredictable. Our expectations are for DeA Capital to face this challenge with a solid financial situation, keeping the company safe from major disruptions or financial issues. Having said that, the businesses in which it operates are expected to suffer from reduced transactions, especially in private equity and real estate, and longer recovery timelines for NPLs than previously forecast. In the longer run we also expect opportunities for groups like DeA Capital. There might be additional demand for its services in all business lines, with clear further room for growth in segments where the company has developed distinctive skills. We expect opportunities for the credit recovery business as DeA Capital can lever on long-established relationships with Italian banks to support smart and innovative ways to deal with doubtful credit recovery. We may also expect reduced competition in private equity and real estate from players that rely heavily on financial leverage.

The value of Italian private equity market transactions in 2019 was Eu7.2bn, down from the record level of Eu9.8bn recorded in 2018, with 370 transactions completed, while exits amounted to Eu2.2bn (source: AIFI). These positive trends in transactions and exits are very likely to suffer a significant slowdown in 2020 following months of standstill and the need for both buyers and sellers to reassess the situation.

2019 was a positive year for real estate investments as well, with 9M19 volumes of non-residential transactions up 40% YoY to Eu7.4bn (source: CBRE) while the positive trend was also notable for real estate funds, whose NAV should have grown by around 12% YoY in 2019 to Eu68.5bn according to research by Scenari Immobiliari.

In conclusion, it seems too early to be able to forecast short-term developments in DeA Capital's operations. We might expect a quite complex 2020 in terms of launching new initiatives to enrich the existing AuM platform but it does seem possible to expect that the recurring component of the business related to management fees could be relatively resilient even in a challenging environment. It is also worth noting that some areas such as real estate funds have already undergone painful downward revisions in average fees, and should therefore only endure a reduced impact from the current situation.

We may expect AAM platform revenues to remain broadly stable in 2020, with operating results that are consistent with recent trends excluding any major negative implications from potential investment write-downs.

We think the group's positioning suggests the company can grow further thanks to the launch of new investment initiatives in the future, and we therefore await visibility on how the situation will develop on the main markets in which it operates before assessing when and how the crisis is delaying expected future organic and external growth.

DeA Capital SoP Update

DeA Capital reported a broadly stable NAV of Eu1.76ps at the end of 2019 compared to Eu1.72ps at YE18.97mn that the value of the company is more and more related to the its recurring fee business thanks to the transformation from an investment company into an alternative asset management company. We value both DeA Capital AAM and DeA Capital Real Estate through a multiples comparison. The growth of the AuM and the stabilization of management fees margins are two key elements for the value generation of the company over time. According to our calculations the recurrent fees business as a fair value of Eu197mn and well above 50% of the sum of the parts of the company before net financial position is considered.

We report DeA Capital's NAV based on our calculation of fair value for DeA Capital Real Estate and DeA Capital Alternative AM, while we use market value for minority stakes in listed assets and book value for other investments. The updated NAV as things stand, according to our calculations, is reported below.

DeA Capital – Intermonte Sum of the Parts

Asset	Stake	Value (€ mn)	per share €	%	Valuation Method
DeA Capital Real Estate SGR	100,0%	140,2	0,54	41,8%	Intermonte Fair Value
DeA Capital Alternative Funds SGR	100,0%	53,0	0,20	15,8%	Intermonte Fair Value
Total fee business		193,2	0,74	57,7%	
Quaestio Holding	38,8%	14,3	0,06	4,3%	Carry Value
YARD SpA	43,6%	6,0	0,02	1,8%	NAV
IDeA Funds (FoF & Colnv)	n.m.	118,0	0,45	35,2%	Fair Value*
Others (4.4% Cellularline; 9.7% IDEAMI & venture capital funds)	n.m.	35,5	0,14	10,6%	Market Price
Kenan (Migros)	2,0%	14,4	0,06	4,3%	Market Price
Total investments		188,2	0,72		
Fair % discount		15%			
Investments net of discount		159,9	0,62	47,7%	
Holding Costs and Tax Assets		-18,0	-0,07	-5,4%	Intermonte Estimates
Adjusted SOP ex cash		335,2	1,29		
NFP		65,8	0,25		YE'19
Intermonte Fair Value		401,0	1,54		
# shares (mln) net of Buy Back			260		

Source: Intermonte SIM and company data

We believe that the market does not yet consider fairly the increasing weight of recurrent fee business in the company total value. We have to face a period of high uncertainty but we think DeA Capital is well positioned thanks to the resiliency of the stream of recurrent fees to face these challenges and potentially consider growth opportunities given the healthy financial situation at holding level and the additional cash to be repatriated from the liquidation of IDEA MI (ca. Eu22mn by 3Q'20).

Nonetheless, even looking at the discount on NAV, DeA Capital is currently trading at a discount of around 36% which is slightly wider than the average historical discount.

We appreciate some defensive features of the company, such as the solid balance sheet, high dividend yield, transformation from an investment-based holding to a recurring fees play on alternative assets and the countercyclical features of some of its businesses, such as the credit recovery funds that have been successfully promoted by the company in the last few years.

DeA Capital – Discount to SoP / adj. NAV

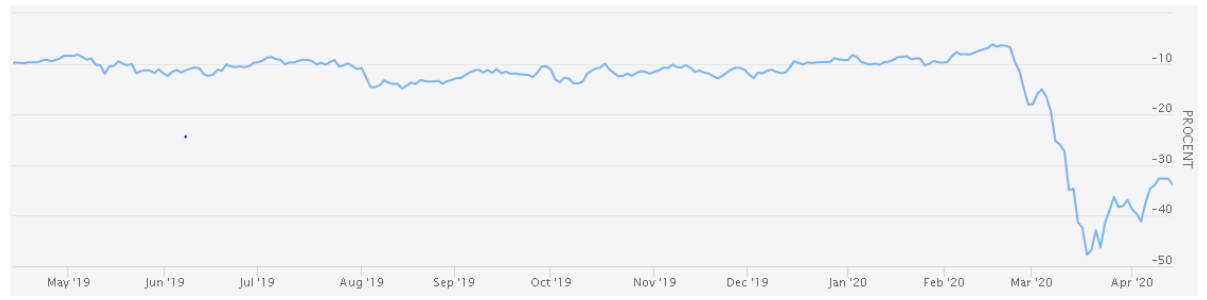
Adjusted NAV pre-discount & holding costs	381,4	1,47
NFP	65,8	0,25
Adjusted NAV	447,2	1,72
Current Mkt Price		1,10

Discount to Intermonte Adjusted NAV -36%

Source: Intermonte SIM and company data

The discount to NAV for current listed European private equities is currently slightly lower to DeA Capital at 32.6% as of April 14, 2020, as shown in the graph below (source: LPX Group). However looking at the evolution of the index in the last 12 months, the average discount has been swinging around 10% for most part of 2019, widening sharply with the Covid-19 outbreak related market volatility.

DeA Capital – 1Y discount on BV of European listed Private Equity (LPX Index)



Source: LPX group

The performance of the companies included in the panel in the last 12 months is shown below. It shows a good tenure of the segment even through the recent market volatility compared with the rest of the market.

DeA Capital - LPX - Listed Private Equity Index Performance (12 months)



Source: LPX group

DeA Capital Alternative AM business – Absolute performance of the peer group

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
DeA Capital S.p.A.	1,12	Euro	298	6,5%	(25,1%)	(14,8%)	(23,6%)	(17,0%)	(11,6%)
Alternative Asset Managers									
Tikehau Capital SCA	21,4	Euro	2.927	17,9%	(4,9%)	(2,7%)	(2,7%)	(4,9%)	(24,1%)
Intermediate Capital Group plc	9,2	GBP	2.681	(12,1%)	(44,1%)	(33,0%)	(42,7%)	(21,2%)	(13,0%)
3i Group plc	7,3	GBP	7.154	0,5%	(33,2%)	(31,4%)	(33,1%)	(30,7%)	(18,1%)
Partners Group Holding AG	726,6	CHF	19.406	13,0%	(20,7%)	(4,6%)	(18,1%)	(2,5%)	1,3%
Traditional Asset Managers									
Azimut Holding Spa	13,3	EU	1.939	(2,1%)	(44,2%)	(20,4%)	(37,5%)	(15,7%)	(16,8%)
Janus Henderson Group PLC Shs Cr	24,6	GBP	4.504	0,8%	(32,6%)	(23,5%)	(30,0%)	(28,1%)	(40,0%)
Rathbone Brothers Plc	14,2	GBP	801	4,4%	(32,4%)	(38,5%)	(33,3%)	(40,2%)	(41,2%)
Schroders PLC	24,7	GBP	6.677	11,0%	(24,5%)	(15,6%)	(25,9%)	(19,4%)	(24,3%)
Blackstone Group Inc. Class A	46,8	USD	53.538	0,1%	(19,5%)	0,5%	(16,4%)	31,6%	52,2%
Man Group PLC	1,2	GBP	1.834	21,6%	(20,2%)	(21,6%)	(22,4%)	(16,7%)	(34,6%)
Partners Group Holding AG	726,6	CH	19.406	13,0%	(20,7%)	(4,6%)	(18,1%)	(2,5%)	1,3%
Ashmore Group plc	3,3	GBP	2.369	(1,5%)	(39,2%)	(31,3%)	(35,8%)	(26,9%)	(15,0%)
Hargreaves Lansdown plc	14,8	GBP	7.039	12,3%	(18,1%)	(17,1%)	(23,3%)	(30,3%)	(13,3%)
Simple mean performance				9,1%	(27,9%)	(19,1%)	(27,0%)	(16,5%)	(14,6%)
RE service Co									
Savills plc	7,7	GBP	1.108	(4,5%)	(34,8%)	(16,3%)	(31,8%)	(15,6%)	(20,7%)
CBRE Group, Inc. Class A	42,3	CHF	14.219	(8,8%)	(29,8%)	(18,6%)	(31,0%)	(18,9%)	(9,3%)
Euro STOXX	308,4	EU		8,6%	(24,4%)	(20,4%)	(23,7%)	(18,6%)	(19,4%)

Source: Intermonite SIM and company data

DeA Capital Alternative AM business – Multiple comparison

Stock	Price	Ccy	Mkt cap	EV/Ebitda 2019	EV/Ebitda 2020	P/E 2019	P/E 2020	Div Yield 2019	Div Yield 2020
Alternative Asset Managers									
Tikehau Capital SCA	21,40	Euro	2.927	10,3x	18,6x	16,2x	106,0x	2,4%	2,0%
Intermediate Capital Group plc	9,23	GBP	2.681	27,3x	20,1x	12,3x	14,6x	4,8%	5,3%
3i Group plc	7,35	GBP	7.154		5,5x	6,2x	5,0x	5,0%	5,2%
Partners Group Holding AG	726,60	CHF	19.406	23,1x	21,8x	23,9x	26,4x	3,3%	3,1%
Traditional Asset Managers									
Azimut Holding Spa	13,30	EU	1.939	7,3x	6,3x	6,0x	9,8x	7,1%	7,9%
Janus Henderson Group PLC Shs C	24,55	GBP	4.504	5,8x	4,0x	6,9x	8,1x	8,5%	8,9%
Rathbone Brothers Plc	14,20	GBP	801	28,9x	29,5x	11,2x	13,5x	4,9%	5,0%
Schroders PLC	24,72	GBP	6.677	9,0x	6,8x	13,1x	15,7x	4,4%	4,4%
Blackstone Group Inc. Class A	46,75	USD	53.538	21,2x	19,0x			4,1%	4,2%
Man Group PLC	1,23	GBP	1.834	6,7x	7,7x	7,6x	11,8x	6,1%	5,1%
Partners Group Holding AG	726,60	CH	19.406	23,1x	21,8x	23,9x	26,4x	3,3%	3,1%
Ashmore Group plc	3,32	GBP	2.369	15,8x	9,0x	14,6x	13,7x	4,7%	4,7%
Hargreaves Lansdown plc	14,84	GBP	7.039	28,9x	21,2x	29,4x	26,9x	2,7%	2,8%
Median Alternative and Traditional AM				18,5	18,6	12,7	13,6	4,7%	4,7%
RE service Co									
Savills plc	7,7	GBP	1.108	7,8	5,9	10,9	10,8	3,8%	4,0%
CBRE Group, Inc. Class A	42,3	CHF	14.219	10,6	8,9			0,0%	0,0%
Average RE Services				9,2	7,4	10,9	10,8	1,9%	2,0%

Source: Intermonite SIM and company data

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	DEA CAPITAL		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	1.55	Previous Target (Eu):	1.60
Current Price (Eu):	1.10	Previous Price (Eu):	1.36
Date of report:	16/04/2020	Date of last report:	30/09/2019

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed; among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

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NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	08,73 %
OUTPERFORM:	49,21 %
NEUTRAL:	37,30 %
UNDERPERFORM	04,76 %
SELL:	00,00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (48 in total) is as follows:

BUY:	14,58 %
OUTPERFORM:	66,67 %
NEUTRAL:	18,75 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

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OLIDATA	0,74	SHORT
SPACTIV	1,08	LONG
THESPAC	0,89	LONG
VEI 1	0,87	LONG

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