



## Full Company Report

## Reason: Initiation of coverage

28 April 2021

## Buy

Initiation of coverage

Share price: EUR 1.44

closing price as of 27/04/2021

Target price: EUR 1.93

Upside/Downside Potential 33.8%

Reuters/Bloomberg

DEA.MI/DEA IM

Market capitalisation (EURm) 374

Current N° of shares (m) 260

Free float 33%

Daily avg. no. trad. sh. 12 mth (k) 227

Daily avg. trad. vol. 12 mth (k) 222.36

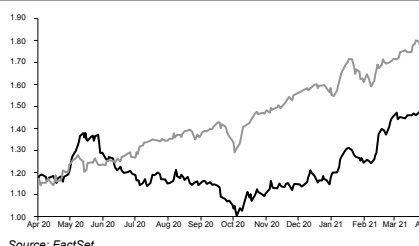
Price high/low 12 months 1.47 / 1.00

Abs Perfs 1/3/12 mths (%) -0.96/21.18/22.95

Key financials (EUR)	12/19	12/20	12/21e
Total Revenue (m)	76	62	73
Pre-Provision Profit (PPP) (m)	16	-1	15
Operating profit (OP)	16	-1	15
Earnings Before Tax (m)	16	-1	15
Net Profit (adj.) (m)	12	20	11
Shareholders Equity (m)	457	446	442
Tangible BV (m)	353	346	342
RWA (m)	0	0	0
ROTE	2.7%	4.5%	2.5%
Total Capital Ratio (B3)			
Cost/Income	78.8%	nm	79.4%
Price/Pre-Prov Prof	21.7	-301.1	24.9
P/E (adj.)	28.5	14.5	33.1
P/BV	0.8	0.7	0.8
P/TBV	1.0	0.9	1.1
Dividend Yield	8.9%	6.9%	4.2%
Pre-Prov Prof per share	0.06	0.00	0.06
EPS (adj.)	0.05	0.08	0.04
BVPS	1.76	1.71	1.70
TBVPS	1.36	1.33	1.32
DPS	0.12	0.10	0.06

## Shareholders

De Agostini S.p.A. 67%;



Source: FactSet

DEA CAPITAL FTSE Italy STAR (Rebased)

## Analyst(s)

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## Cash and re-focus on the fee-based business as main drivers

DeA Capital S.p.A. is the leading Italian provider of alternative asset management solutions for professional investors, offering best-in-class investment services and products with AUM of c. EUR 24bn at the end of 2020. The group is continuing to redirect its business model towards the more value accretive asset management business. We are convinced the company is investible thanks to: 1) the still attractive alternative investment sector growth prospects; 2) its solid and straightforward cash position; 3) its experienced and committed management team; 4) its attractive dividend yield (2021-2022 average yield of c. 4%), which can be improved through the distribution of an extraordinary dividend, just as DeA Capital has done in the last few years; 5) the capability of the commission-based business to smooth out the P&L volatility going forward, mainly thanks to the growing AuM we see and the broadly stable margins we assume in the next few years; 6) its defensive profile, alongside the improvement in the business portfolio internationalisation. Based on our FCFE (Free Cash Flow to Equity) model, we come to an equity value of EUR 500m. We obtain a TP of EUR 1.93 per share. We start the coverage of the stock with a Buy rating.

- ✓ DeA's alternative asset management platform has **four main investment solutions** (Real Estate, Credit, Private Equity, Multi Asset / Multi Manager) and is concentrated in the **two subsidiaries**, DeA Capital Real Estate SGR (100%) and DeA Capital Alternative Funds SGR (100%) as well as in the indirect holding in **Quaestio Capital Management SGR** (39%; acquired in Q4 19).
- ✓ **The current scenario could offer some business opportunities** for DeA Capital. Indeed, the extremely **low interest rates** could be a boost for alternative investments as a whole in order to underpin the more traditional portfolio yield. Furthermore, an increasing number of Italian SMEs may be **interested in capital markets** as they look for financial and industrial partners to help them grow. At the same time, the NPL market needs more players and/or services in order to manage the **increase in the NPL bulk** expected in the next few years.
- ✓ The **wide and solid relationships** with the main Italian banks and financial companies, as well as DeA's improving **international presence** and its **innovative DNA**, are likely to open up some new investment initiatives. In 2020, the **combined AuM** amounted to EUR 23.8bn, up by c. 5.4% Y/Y. **All the investment strategies** have contributed to the growth: 1) Real Estate, EUR 10.4bn (+4% Y/Y); 2) Credit, EUR 3.3bn (+4% Y/Y); 3) Private Equity, EUR 2.2bn (+24% Y/Y); 4) Multi-asset/Multi-manager Solutions, EUR 7.9bn (not consolidated; +4% Y/Y). The **combined revenues** closed at c. EUR 101m up by c. 36.7% mainly thanks to the integration of the amounts attributable to Quaestio Capital SGR, which was acquired in November 2019 and not consolidated.
- ✓ The **net operating result** increased by c. 28.7% Y/Y to EUR 18.6m vs EUR 14.4m in 2019. The group's **net result** achieved EUR 20.4m, up from EUR 12.3m recorded in 2019, after the negative impact of the mark-to-market on the investment portfolio (EUR -10.4m) and the positive effect of the fiscal readjustment of the goodwill of DeA Capital Real Estate SGR (EUR 16.2m).

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## Investment Case

DeA Capital S.p.A. is listed on the STAR segment of the FTSE Italia stock exchange index. It is the leading Italian provider of **alternative asset management solutions** for professional investors, offering best-in-class investment services and products with AUM of c. EUR 24bn at the end of 2020. Over time, thanks to its **solid capital and cash position**, DeA Capital has also built up an **alternative investment portfolio** that is managed by its two asset management subsidiaries, combining the **asset management business** with that of **investments** to create value in a unique way in **Italy's alternative investment sector**.

DeA's alternative asset management platform has **four main investment solutions** (Real Estate, Credit, Private Equity, Multi Asset / Multi Manager) and is concentrated in the **two subsidiaries**, DeA Capital Real Estate SGR (100%) and DeA Capital Alternative Funds SGR (100%) as well as in the indirect holding in **Quaestio Capital Management SGR** (39%; acquired in Q4 19).

Though a slowdown in the development of RE and Private Equity transactions seems to be on the cards, and an extension of the recovery period in the NPL segment is likely, on the other hand **the current scenario could offer some business opportunities** for DeA Capital. Indeed, the extremely **low interest rates** could be a boost for alternative investments as a whole in order to underpin the more traditional portfolio yield. Furthermore, an increasing number of Italian SMEs may be **interested in capital markets** as they look for financial and industrial partners to help them grow. At the same time, the NPL market needs more players and/or services in order to manage the **increase in the NPL bulk** expected in next few years.

Despite the challenging context, the group could take advantage of the likely **increase in the demand for services and products** in all the fields in which it can rely on consolidated skills and distinctive competencies. The **wide and solid relationships** with the main Italian banks and financial companies, as well as DeA's improving **international presence** and its **innovative DNA**, are likely to open up some new investment initiatives, which could spur the group's further **diversification** in the alternative investment world.

In 2020, the **combined AuM** amounted to EUR 23.8bn, up by c. 5.4% Y/Y. **All the investment strategies** have contributed to the growth: 1) Real Estate, EUR 10.4bn (+4% Y/Y); 2) Credit, EUR 3.3bn (+4% Y/Y); 3) Private Equity, EUR 2.2bn (+24% Y/Y); 4) Multi-asset/Multi-manager Solutions, EUR 7.9bn (not consolidated; +4% Y/Y).

The **combined revenues**, i.e. the revenues of the asset management companies in which the group holds an absolute/relative majority (non-consolidated) interest, as well as the corresponding amounts recorded by international subsidiaries, closed at c. EUR 101m (o/w c. EUR 29.5m not consolidated) up by c. 36.7% mainly thanks to the integration of the amounts attributable to Quaestio Capital SGR, which was acquired in November 2019 and not consolidated.

The **net operating result** increased by c. 28.7% Y/Y to EUR 18.6m vs EUR 14.4m in 2019. The group's **net result** achieved EUR 20.4m, up from EUR 12.3m in 2019, after the negative impact of the mark-to-market on the investment portfolio (EUR -10.4m) and the positive effect of the fiscal readjustment on the goodwill of DeA Capital Real Estate SGR (EUR 16.2m).

The **NFP** was positive at c. EUR 126m (of which EUR 79.3m related to the holding company) and it recorded a significant improvement Y/Y (EUR 74.3m in 2019) mainly thanks to the Alternative Asset Management business operating cash flow and to the proceeds from the liquidation of portfolio assets.

**Based on our FCFE (Free Cash Flow to Equity) model, we come to an equity value of EUR 500m. We obtain a TP of EUR 1.93 per share. We start the coverage of the stock with a Buy rating.**



## Valuation

**Based on our FCFE (Free Cash Flow to Equity) model, we come to an equity value of EUR 500m. We obtain a TP of EUR 1.93 per share. We start the coverage of the stock with a Buy rating.**

It is worth noting that c. 57% of our fair value is related to the more predictable and less volatile **fee-based business** and another 16% consist of **cash**. DeA Capital is continuing to **redirect its business model** towards the more **value accretive asset management business** and we are convinced the company is investible thanks to:

- 1) the still **attractive alternative investment sector growth prospects thanks** to the economy, the abundant liquidity and the lower-for-longer interest rates.
- 2) its **solid and straightforward cash position**, which can easily support any further **diversification and growth projects** as well as the **shareholder's remuneration**;
- 3) its **experienced and committed management team**, which is essential to continue the strategy and manage DeA's added-value investment solutions;
- 4) its **attractive dividend yield** (2021-2022 average yield of c. 4%), which can be improved through the distribution of an **extraordinary dividend**, just as DeA Capital did in 2020 (extraordinary DPS of EUR 0.10), if the company doesn't find value accretive opportunities;
- 5) the **capability of the commission-based business to smooth out the P&L volatility going forward**, mainly thanks to the **growing AuM** we see and the **broadly stable margins** we assume for the next few years as an effect of the transition towards the alternative asset management business model, which can **generate more visible value over time**;
- 6) its **defensive profile**, alongside the improvement in the business portfolio **internationalisation** (in RE estate business for instance) and with the possible **expansion towards other counter cyclical business lines like credit**.

## FCFE

To value DeA Capital, we have applied an **FCFE (Free Cash Flow to Equity) model**. In more detail, we have used our 2021-2022 estimates to derive the fair value of the **Core Alternative Asset Management business**, which is the main value driver behind DeA's business transformation from an investment company to an alternative asset management player that is characterised by a **recurring fee-based revenue structure**.

Our assumptions, as we explain in more detail in the "Financials" section, envisage **stable margins** and **slightly growing 2021-2022 AuM**. We have used our valuation approach (FCFE) by discounting the **future net operating profit of the Alternative Asset Management business** as a fair approximation of cash generation of the core business.

We have assumed a **three-stage model**: an initial period of explicit estimates (2 years, 2021-2022); a second one of semi-explicit estimates (8 years, 2023-30) and a terminal value determined on 1.5% growth to perpetuity. More in detail, starting from the last year of explicit estimates, we have assumed a gradual decrease in the net profit margin (from 0.08% to 0.07%) and in the growth rate of assets to a sustainable level in the medium-long term (2%). For each year, we have discounted back the net profit.

We have used a **cost of equity** of 8% (risk free = 3.5%; beta = 0.90; market risk premium = 5%).



Valuation	2018	2019	2020	2021 E	2022 E	2023 E	2024 E	2025 E	2026 E	2027 E	2028 E	2029 E	2030 E
Avg. Combined AUM	11,900	17,255	23,218	24,118	24,708	25,299	25,891	26,481	27,070	27,657	28,241	28,822	29,398
Growth %	-	45.0%	34.6%	3.9%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%
Net Op. result AAM	15.3	14.6	18.6	18.1	19.8	19.9	20.1	20.2	20.3	20.4	20.5	20.5	20.6
Margin on avg. Assets	0.13%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.07%	0.07%	0.07%	0.07%
NPV of Net Op. result AAM				17.1	17.3	16.2	15.1	14.1	13.1	12.2	11.3	10.5	9.8
Sum of NPV				137									
Terminal Value				317									
Discounted Terminal Value				150									
<b>Value</b>				<b>287</b>									

Source: Banca Akros & company data

We have also used the **market value** and/or the **book value** for the other assets and liabilities; in our calculation we have also considered the **holding costs** as well as the holding's 2020 positive **NFP of c. EUR 79m**.

VALUATION	EUR m	%
Total Core Alternative Asset Management Business	287	57%
Financial investments; Other assets/liabilities	134	27%
Holding NFP	79	16%
<b>Fair value</b>	<b>500</b>	<b>100%</b>
N. of shares net of treasury shares	259.6	
<b>Target price</b>	<b>1.93</b>	

Source: Banca Akros

We have obtained a TP of EUR 1.93 per share. We initiate the coverage of the stock with a Buy rating.

We remind readers that on 9 February 2021, DeA Capital announced that Kenan Investments (DeA has a 17% stake) had sold the **residual stake in Migros** (around 12% of its share capital) for **c. EUR 17m**. DeA is also expected to receive **further proceeds** of up to EUR 3m. Following the closing of this investment, DeA is going to **bolster its commitment to continue to develop its Alternative Asset Management business**.



## Multiple comparison

DeA's business cannot simply be compared with others; this is also due to its transition towards a fee-based model. We have chosen the following **European and North American competitors** that could have the closest similarities with DeA. You can find their recent market performances in the following table.

DeA Capital's performance shows how the stock is overall **defensive** and able to **recover much better** than the main indexes and its competitors during uptrend periods.

Indexes	Country	Mkt. Cap	CR	Last	% YTD	% 1M	% 3M	% 6M	% 1Yr
LPX Cmp Listed PE EUR TR	N.A.	N.A.	EUR	377.7	23.4	6.9	20.5	44.9	65.9
FTSE Italia Mid Cap Ind	N.A.	N.A.	EUR	44,600.6	17.1	4.0	17.6	37.4	44.3
Euro Stoxx 50 Pr	N.A.	N.A.	EUR	4,014.0	13.0	3.8	11.7	29.3	42.9
FTSE MIB INDEX	N.A.	N.A.	EUR	24,398.7	9.7	0.0	11.0	28.8	44.7
FTSE ALL-SHARE INDEX	N.A.	N.A.	GBP	3,955.8	7.7	3.0	5.2	20.9	24.8
Competitors	Country	Mkt. Cap	CR	Last	% YTD	% 1M	% 3M	% 6M	% 1Yr
PARTNERS GROUP HOLDING AG	SWITZERLAND	34,577	CHF	1,288.5	23.9	5.6	18.9	54.0	79.3
EQT AB	SWEDEN	281,378	SEK	276.9	31.6	3.2	8.2	62.7	113.2
INTERMEDIATE CAPITAL GROUP	BRITAIN	5,684	GBP	2,050.0	18.8	9.3	16.7	63.2	99.0
TIKEHAU CAPITAL	FRANCE	3,473	EUR	26.0	1.2	2.4	6.6	29.4	28.1
3I GROUP PLC	BRITAIN	12,062	GBP	1,243.5	7.4	6.3	7.6	18.8	68.5
BLACKSTONE GROUP INC/THE-A	UNITED STATES	92,099	USD	87.2	34.6	17.4	34.4	65.1	80.1
APOLLO GLOBAL MANAGEMENT INC	UNITED STATES	20,300	USD	53.2	8.6	13.9	8.2	32.4	36.6
KKR & CO INC	UNITED STATES	44,745	USD	55.1	36.1	13.7	40.7	51.0	133.4
CARLYLE GROUP INC/THE	UNITED STATES	13,442	USD	41.5	32.1	12.9	28.1	58.2	83.9
ARES MANAGEMENT CORP - A	UNITED STATES	15,120	USD	55.4	17.7	2.7	20.5	27.6	64.4
ONEX CORPORATION	CANADA	7,154	CAD	81.0	10.9	2.3	16.8	33.4	30.7
<b>Median</b>					<b>18.8</b>	<b>6.3</b>	<b>16.8</b>	<b>51.0</b>	<b>79.3</b>
<b>DEA CAPITAL SPA</b>	<b>ITALY</b>	<b>388</b>	<b>EUR</b>	<b>1.5</b>	<b>28.0</b>	<b>(0.1)</b>	<b>23.9</b>	<b>38.2</b>	<b>23.6</b>

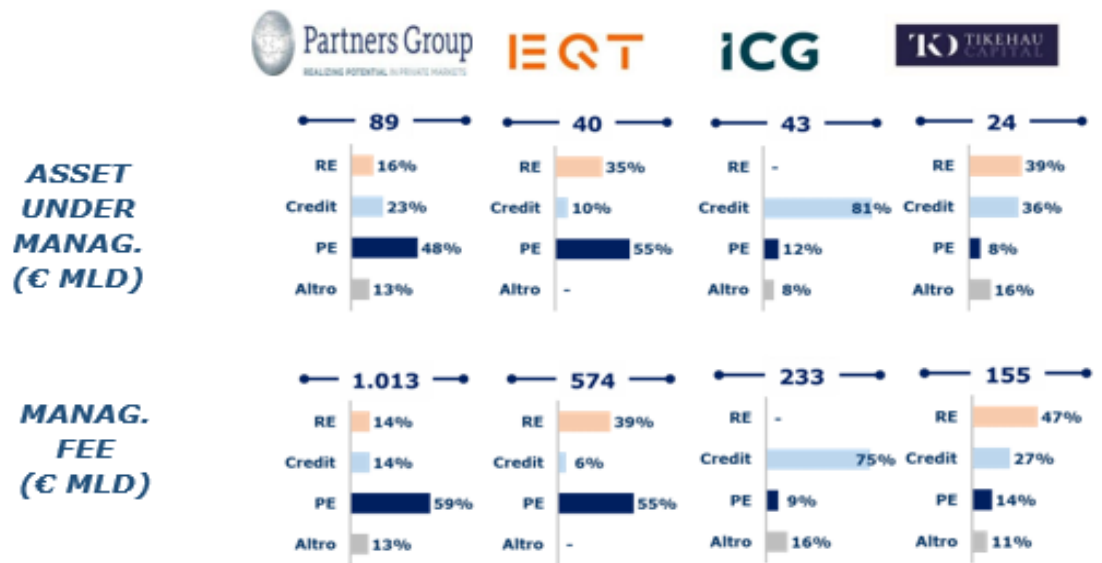
Source: Bloomberg as at 26/04/2021

It must be underlined that a peer **comparison is not simple** and could even be misleading. Each company has its own peculiarities in terms of products, asset mix, strategy, network structure and so on. After a more in-depth analysis, and based on the company's view, we have decided to **focus our attention on four European groups** that have a business model based both on direct investments and co-investments in own funds, as well as on the fee-based alternative asset management business for third parties.

Indeed, we have not included **3i Group** in our comparison as its business model envisages a significant portion of direct investments, nor the **North American groups**, which have a worldwide presence that is not comparable with DeA Capital's almost entirely Italian business, so far.



## Main European Peers



Source: Banca Akros

- ✓ **Partners Group Holding AG** - Partners Group is a global private market investment manager; it is part of the Swiss Market Index and serves around 900 institutional investors. As of 2016, Partners Group has been one of the most valuable publicly listed private market firms in the world by market capitalisation, after Blackstone Group and KKR. In 2020, the company had USD 109bn in assets under management and more than 1500 professionals across 20 offices worldwide. It reaches its potential in private markets by financing and developing large companies, desirable real estate and essential infrastructure. As of 31 December 2020, Partners Group AUM has been divided into: private infrastructure, 14%; private real estate, 15%; private debt, 23% and private equity, 48%. The company creates value in investments through active and long-term responsible ownership and it has invested over USD 145bn on behalf of its clients since its inception. The group posted revenues of c. CHF 1.610bn in 2019, while in H1 20 revenues were c CHF 623m, -9% Y/Y. EBIT closed at c. CHF 1.008bn in 2019 (CHF 390m in H1 2020, -10% Y/Y), whereas profit was CHF 900m in 2019 (CHF 313m in H1 20, -21% Y/Y). The market volatility sparked by the COVID-19 pandemic has impacted the exit environment and caused companies to postpone several exit activities originally tabled for H1, which led to a corresponding decline in performance fees and, in H1 20, the main P&L items.
- ✓ **EQT AB** - founded in 1994 in Stockholm and listed on Nasdaq Stockholm, EQT is a purpose driven global investment organisation with nearly three decades of consistent investment performance across multiple geographies, sectors, and strategies. EQT has raised more than EUR 84bn since its founding and has, as at December 2020, more than EUR 52bn (EUR 36bn in 2019) in assets under management across 17 active funds in two business segments – Private Capital and Real Assets. The most tangible result of the EQT business model is that the portfolio companies have increased revenue growth by 10% on average, earnings growth by 12% and employees by 7% annually during EQT funds' ownership. The group has a long-term business model founded on a promise to its fund investors that it would invest capital, drive value creation and create consistent attractive returns over a 5- to-10-year horizon. In 2020, the company had total revenues of EUR 709m (EUR 564m in 2019), with total operating expenses of EUR -369m, almost stable Y/Y. EBITDA and EBIT closed at EUR 340m (EUR 197m in 2019) and EUR 305m (EUR 167m in 2019) respectively. The company posted a net income of EUR 379m, higher than the EUR 160m in 2019. The group's financial performance has been



underpinned mainly by the size of its fee-generating AuM business and by fund performances.

- ✓ **Intermediate Capital Group** - Headquartered in London, with offices in 13 other countries, and listed on the FTSE 100 Index, ICG is a global alternative asset manager focused on providing capital to help companies grow through private and public markets. The group offers strategies and funds for institutional investors, combining flexible capital solutions, local access and strategic ideas with the aim to give the companies it has invested in a competitive edge in their respective markets. ICG operates across four asset classes: corporate, capital markets, real assets and private equity solutions. AUM has increased over the years with record fundraising outstripping the pace of returns from older funds: third party AUM closed at c. EUR 44.5bn, with an increase of c. 12% Y/Y. The fundraising activity is expected to slow down in the coming financial years due to the impact of Covid-19, although the perspectives remain favourable in the longer-term. ICG, which closes its fiscal year at the end of June, recorded total revenues of GBP 368m in 2020, much lower than the GBP 529m posted in 2019 and due to the lower return on investment. As a matter of fact, the net profit closed at GBP 109m vs GBP 269m in 2019.
- ✓ **Tikehau Capital** - Tikehau Capital is an alternative asset management and investment group listed on the Euronext stock exchange in Paris. By providing long-term financing solutions to its investor clients, the group acts as a bridge between the world's savings and the financing needs of the real economy. Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies. The group's AuM closed at EUR 28.5bn in 2019 (+10.5% Y/Y) mainly thanks to the EUR 4.2bn net inflows in the asset management business, of which c. 40% in private equity. The H1 20, the net result was c. EUR -241m vs EUR 97m in H1 19, mainly due to the negative net operating profit in the investment activity (EUR -290m vs EUR 119m in H1 19) while the AM net operating profit was EUR 28.6m (+39.5% Y/Y).

Peers	Country	Mkt. Cap	CR	P/E Adj.		P/BV		Div. Yield	
				2021	2022	2021	2022	2021	2022
PARTNERS GROUP	SWITZERLAND	34,403	CHF	35.2	31.5	13.6	12.3	2.2	2.4
EQT AB	SWEDEN	266,280	SEK	42.9	37.2	14.7	12.0	1.2	1.4
INTERMEDIATE CAPITAL	BRITAIN	5,956	GBP	20.5	19.4	410.0	366.1	2.6	3.0
TIKEHAU CAPITAL	FRANCE	3,541	EUR	24.6	15.1	1.1	1.1	2.2	2.6
<b>Median</b>				<b>29.9</b>	<b>25.4</b>	<b>14.2</b>	<b>12.2</b>	<b>2.2</b>	<b>2.5</b>

Source: Bloomberg as at 26/04/2021

We believe that the **P/E ratio** is the most appropriate multiple to compare DeA with its peers. On the base on this metric and on our estimates, DeA Capital is currently trading at an average 2021 - 2022 P/E multiple of c. 30x, which is almost in line with the main peers but with a dividend yield, we estimate, around double (c. 4%) and with a solid and straightforward cash position, which is likely to support any further **diversification and growth projects** as well as the **shareholder's remuneration** through an extraordinary dividend, just as the group has done in the past few years.

It is also worth underlining that DeA's bottom line, which we calculate for 2021 and 2022, doesn't incorporate **any performance of DeA's investment portfolio**, which, under normal market conditions, is likely to be positive. Although any **conclusion could be misleading**, this could suggest there could be **value potential** for the market yet to capture.

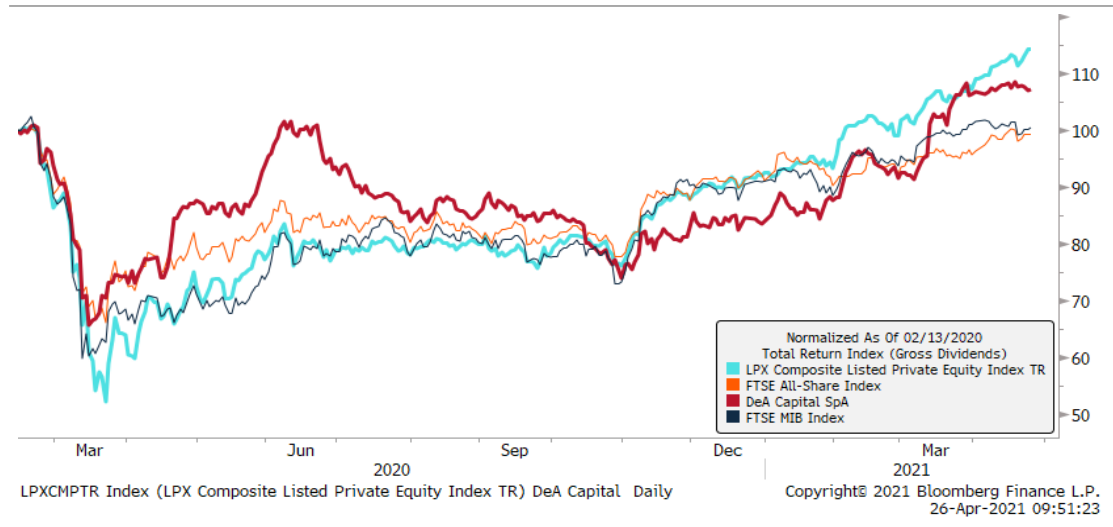




## Share performance: dividends and total return

In 2008, DeA Capital joined the **LPX® indices**, specifically the LPX Composite® and LPX Europe®, which measure the **performance of the main listed private equity companies** and which have become one of the most popular benchmarks for this asset class.

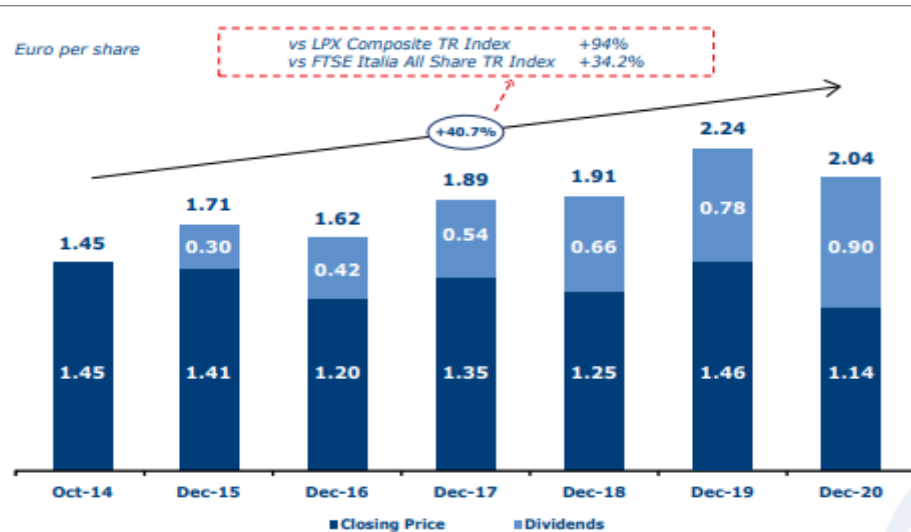
### DeA Capital 1Y Relative Performance



Source: Bloomberg

The following chart summarises the **stock's total performance**, including the dividends, from October 2014 to December 2020, compared with the **European Listed Private Equity Index** and with the **FTSE Italia All Share Index**.

### Stock's total return from Oct 2014 to December 2020



Source: company presentation

DeA's BoD proposed an extraordinary DPS of EUR 0.10, which is a tad lower than in 2020. In the last three years, DeA distributed a **DPS** of EUR 0.12, corresponding to a **total dividend** of c. EUR 31m. This dividend pay-out was much higher than the company's bottom line and was underpinned by DeA's divestments, which were necessary to strategically redirect its competitive position from an investment company to the **less capital-intensive asset management business**.



These non-recurring cash flows have also been **used to remunerate** the shareholders through **share buybacks**. It is reasonable to assume that the current level of shareholder remuneration through dividends is **unsustainable** going forward, although DeA's **positive net financial position is seen to continue to be very strong** in the next few years, thanks also to the abovementioned business refocusing and the possible liquidation and/or runoff of the older alternative funds.

We expect an average 2021 – 2022 DPS of EUR 0.06, corresponding to a yield of c. 4%, although we can't rule out the distribution of further extraordinary dividends, as in the past few years.

DeA also has a stock **buy-back and disposal plan** in place that includes the authorisation to purchase, in single or multiple transactions, 53,322,420 ordinary shares, representing no more than 20% of the share capital. Among the various purposes of the plan, we underline the company's desire to support the management incentive scheme, to signal its strong commitment in the group's prospects and to **stabilise the share price**, in so doing allocating the excess liquidity, thereby contributing to **smooth out the discount on NAV** at the same time.



## SWOT analysis & risks

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Wide range of products, with diversified risk profiles;</li> <li>▪ Stable and strong positioning in the core businesses;</li> <li>▪ Diversified and outstanding partnerships with some of the most important financial intermediaries;</li> <li>▪ Experienced, skilled and motivated management team;</li> <li>▪ Extensive knowledge of the Italian market with a consolidated national and international relationship network;</li> <li>▪ Solid and resilient balance sheet with positive NFP to support further development of the platform or the shareholders' remuneration;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low visibility on the main business drivers in the short term mainly due to the pandemic;</li> <li>▪ High P&amp;L volatility mainly due to the income and losses from investments in own funds;</li> <li>▪ Misleading and lower RoE than peers, mainly due to the long-term nature of the alternative businesses and to the dilutive high liquidity;</li> <li>▪ DeA's value proposition is still not really clear to the market</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>▪ Attractiveness and profitability of the alternative investments, mainly in the current lower-for-longer interest rates scenario;</li> <li>▪ Business diversification in other complementary businesses or abroad;</li> <li>▪ Increasing share of recurring fee business able to smooth out the financial market volatility effects;</li> <li>▪ Expansion of the NPL market favoured by the post-pandemic normalisation;</li> </ul>	<ul style="list-style-type: none"> <li>▪ More aggressive competition with pressure on pricing;</li> <li>▪ Changes in industry regulation and in fiscal rules;</li> <li>▪ Deterioration in the macroeconomic scenario;</li> <li>▪ Contraction in some RE segments due to the pandemic;</li> <li>▪ Credit market deterioration worse than expected;</li> </ul>

### Main investment risks

Here we underline what we consider are the most significant risks:

- ✓ **Macroeconomic risk:** any deterioration in the macroeconomic scenario could affect all the group's main business areas (i.e. Real Estate, Credit, Private Equity and Investments).
- ✓ **Financial market risk:** the financial markets prospects could affect DeA's short-medium-term results, despite the increasing weight of the recurring fee business. Without regard to the valuation of the investments in its balance sheet, the financial market swings could influence the business development, slowing down the launch of new products and/or delaying the divestment phase in the private equity business, as well as influencing the diversification and the improvement of its business profile.



- 
- ✓ **Execution risk:** the reshaping and the enlargement of the offer in the alternative asset management business could take longer than planned, due to possible delays in signing and/or in implementing the new agreements and/or acquisitions;
  - ✓ **Digitalisation and increased competition:** the new technologies could support the entrance of new competitors. The competitive pressure could also increase in the alternative investment business, mainly from consolidated and bigger asset managers and financial groups, with possible pressure on margins in the medium-long term;
  - ✓ **Regulatory risks:** the group is indirectly exposed to any possible change in the legal and regulatory framework of all the alternative asset classes, which could be penalised by a more stringent or less favourable environment.



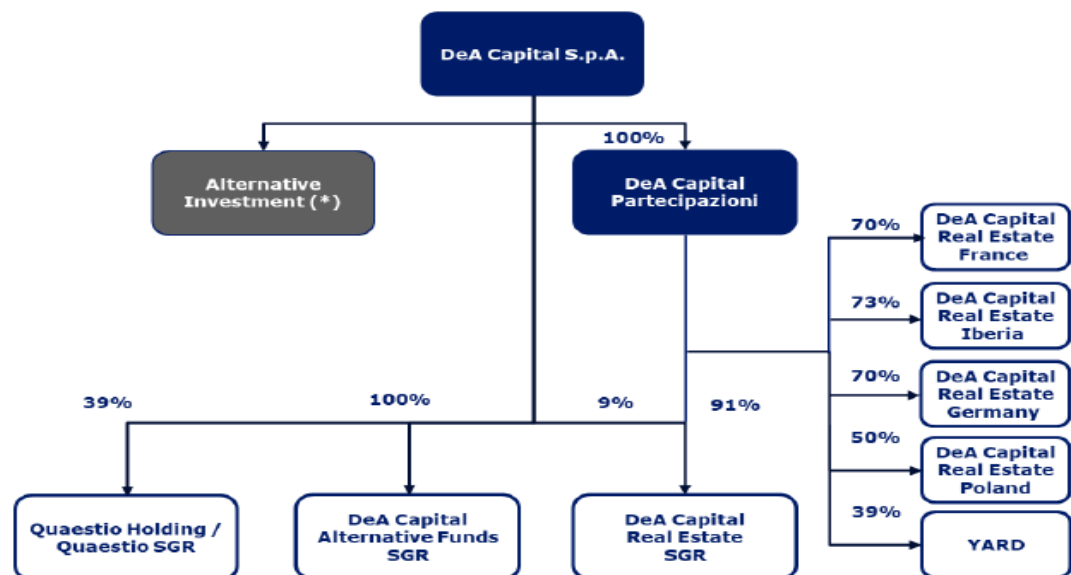
## Company Profile and main shareholders

### Company overview

DeA Capital S.p.A. is listed on the STAR segment of the FTSE Italia stock exchange index and is the vehicle through which the De Agostini Group conducts financial investments. The group is the leading Italian provider of **alternative asset management solutions** for professional investors, offering best-in-class investment services and products with AUM of c. EUR 24bn at the end of 2020. In more detail, it is engaged in the promotion, management and development of real estate, private equity and credit investment funds for institutional investors.

Over time, thanks to its **solid capital and cash position**, DeA Capital has also built up an **alternative investment portfolio** that is managed by its two asset management subsidiaries, combining the asset management business with that of investments to create value in a unique way in Italy's alternative investment sector; it also carries out structurally very complex initiatives. The corporate structure is summarised below:

### DeA Group's corporate structure at a glance

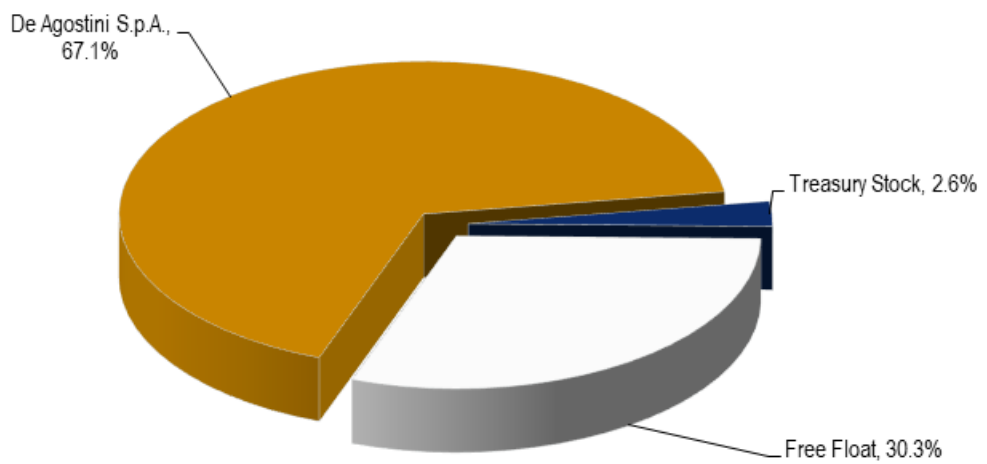


Source: company presentation as at 31 December 2020 - (\*) Alternative Investment mainly includes the portfolio of investments supporting the Platform ("Platform Investments"), relating to fund units (Real Estate, Credit, Private Equity) and co-investments (Real Estate, Private Equity).

De Agostini S.p.A. owns the majority stake (67.1%) of DeA Capital S.p.A., while the free float is around 30.3% as the company has c. 2.6% in treasury shares.



### DeA's main shareholders



Source: Banca Akros on company data

De Agostini Group has gradually expanded its activities through a **diversification and internationalisation strategy** initiated in 1997. Nowadays, the group's businesses range from the traditional publishing sector to other sectors, each belonging to an independent **sub-holding**.





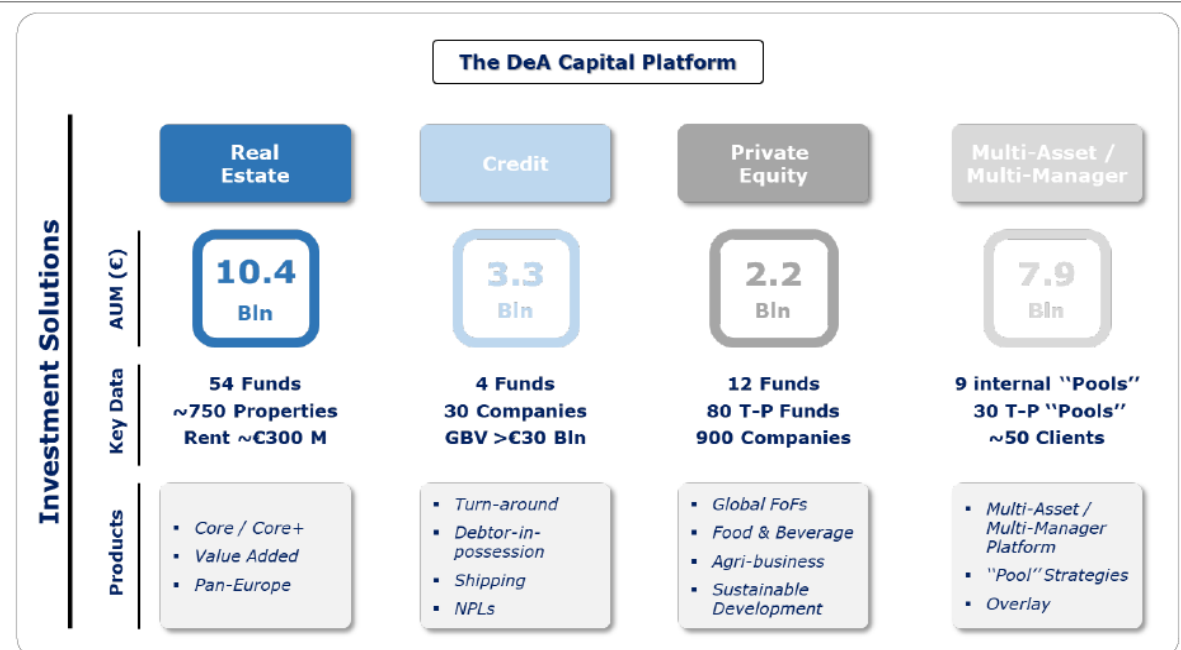
## The business model: four key investment solutions

DeA Capital is one of the **most important Italian operators in the alternative investment field**. It is active in alternative **investments and asset management** (Real Estate, Credit, Private Equity e Multi-asset / Multi-manager) in **Italy** through DeA Capital Alternative Funds SGR S.p.A. and DeA Capital Real Estate SGR S.p.A., and **abroad** through DeA Capital Real Estate **France**, DeA Capital Real Estate **Iberia**, DeA Capital Real Estate Poland e DeA Capital Real Estate Germany.

In 2020, DeA Capital increased its **platform's AuM** to around EUR 24bn, reaffirming its position as the largest Italian alternative asset management player, with a wide range of investment solutions. It has **completed its transformation from a pure investment company to one of the most important diversified alternative asset management players** in Italy.

Asset development was particularly strong in 2019 with an increase of c. 90% Y/Y from EUR 11.9bn in 2018. The result was mainly due to a combination of **organic growth and to some acquisitions** (**Quaestio's NPL** business was acquired in Q4 19) to consolidate new management skills, firstly in NPE and in investment solutions for institutional investors.

### DeA's capital platform in a nutshell



Source: company presentation

DeA's alternative asset management platform has **four main investment solutions** and is concentrated in the **two subsidiaries**, DeA Capital Real Estate SGR (100%) and DeA Capital Alternative Funds SGR (100%) as well as in the indirect holding in **Quaestio Capital Management SGR** (39%; acquired in Q4 19).

Over time, DeA Capital has also built up an **alternative investment portfolio**, consisting mainly of funds managed by these two asset management subsidiaries.

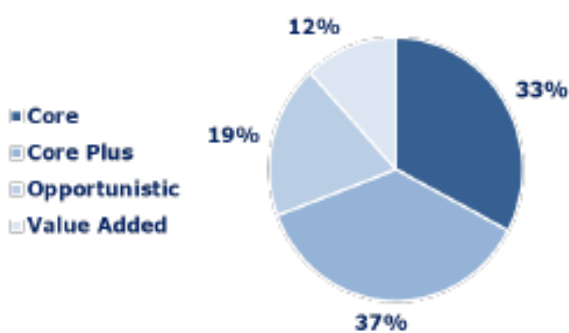


## Alternative Asset Management

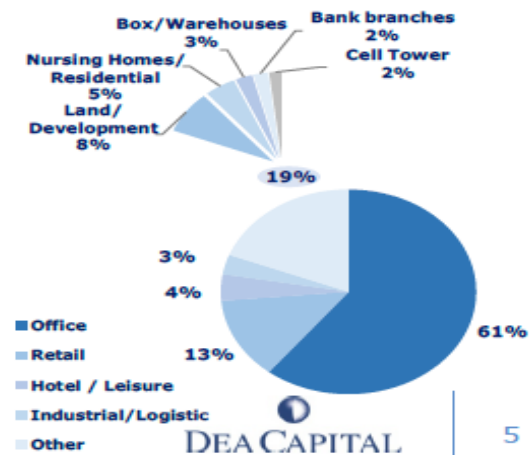
### 1. DeA Capital Real Estate SGR; 100% stake - Real Estate (AuM EUR 10.4bn)

With c. EUR 4.7bn capital deployed in the last five years, DeA Capital Real Estate SGR is **Italy's largest independent real estate asset management company**, with AuM of c. EUR 10.4bn at the end of December 2020 and 51 managed funds (including 2 listed funds). Thanks mainly to the successful transactions concluded in recent years, the **investor base** (c. 90%) is composed mainly of more than **100 high standing institutional investors**, such as insurance and banking groups, as well as sovereign and pension funds. Indeed, DeA Capital RE is a sort of benchmark for Italian and international institutional investors in the promotion, creation and management of mutual real estate investment funds.

#### RE portfolio breakdown – risk profile



#### RE portfolio breakdown – main use



Source: company presentation; data as at 31/12/2019

Source: company presentation; data as at 31/12/2019

About 70% of the managed funds has a **low risk profile** and is invested in high standing, income-producing properties in the **main Italian cities** ("core" and "core plus" properties). Indeed, the RE company manages c. 750 assets with a strong presence in more liquid locations, of which c. 85% is in **Lazio** and **Lombardy** (EUR 3.3bn and EUR 3.6bn respectively), of which approx. 70% in Rome and Milan.

As far as the main use is concerned, c. 61% of the portfolio is invested in **offices**, while the exposure to the riskier **Hotel and Leisure segment** (c. 4%) is non-core.

DeA Capital Real Estate SGR – EUR m	2017	2018	2019	2020**
AUM	9,542	9,451	9,888	10,454
Y/Y	10%	-1%	5%	6%
Management fees	41.4	39.8	40.4	38.8
Net operating profit *	10.3	9.2	9.7	n.a.
Margin on AUM	0.11%	0.10%	0.10%	n.a.
Margin on Management fees	24.9%	23.1%	24.0%	n.a.
<b>Net profit</b>	<b>-25.0</b>	<b>3.7</b>	<b>9.4</b>	<b>n.a.</b>

Source: Banca Akros on company data - \*Before the impact of Purchase Price Allocation ("PPA"), impairment, other non-recurring items; \*\*including the RE abroad

Over the last couple of years, DeA Capital has successfully pursued some **internationalisation Real Estate projects** in the main European markets, with the aim to



develop the real estate advisory and management businesses as well as the fund-raising activities.

After some company incorporations between 2018 and 2019, the group is now present in the **French, Iberian and Polish markets**, respectively controlling interests in DeA Capital Real Estate **France** (70.0%) and DeA Capital Real Estate **Iberia** (73.0%), as well as a co-controlling stake in DeA Capital Real Estate **Poland** (50.0%).

Since October 2020, the group has also entered **Germany, Switzerland and Austria** thanks to the controlling interest in DeA Capital Real Estate **Germany** (70%).

## 2. DeA Capital Alternative Funds SGR, 100% stake – Credit & Private Equity (AuM EUR 5.5bn)

This asset management company manages 14 closed-ended funds in some alternative asset classes (**private equity, credit funds and fund of funds**; AuM of c. EUR 5.2bn) of which there are: **5 funds of funds** (IDeA I FoF, ICF II, ICF III, IDeA Crescita Globale and DeA Endowment Fund); **5 theme funds** (IDeA EESS, IDeA ToI, IDeA Agro, TOI 2 and Sviluppo Sostenibile); the **“direct” co-investment fund** (IDeA OFI); **4 NPE funds** (IDeA CCR I and II, with a focus on debtor-in-possession financing funds; the NPL fund Atlante; the Italian Recovery Fund - “IRF”); the **Investitori Associati IV fund** (in liquidation).

The asset management company also manages a portion of the closed-ended, non-reserved AIF called “Azimut Private Debt” set up/established by Azimut Capital Management SGR.

In Q4 19, DeA Capital Alternative Funds SGR acquired the **NPL Management business** unit run by **Quaestio SGR**, essentially consisting of the management mandates for the **“Atlante”** and **“Italian Recovery Fund”** funds (AuM over EUR 2.3bn), thus extending its operations to the **small-ticket NPL/UTP** market segment, which is complementary to its **Corporate Credit Recovery (CCR)** funds. The group has therefore expanded its potential investor base to a number of leading institutional players, in so doing acquiring an investment & work-out team with proven and consolidated **experience in managing large portfolios**.

DeA Capital Alternative Funds SGR – EUR m	2017	2018	2019	2020
AUM	2,190	2,430	4,942	5,490
Y/Y	15%	11%	103%	11%
Management fees	18.4	23.5	24.5	32.5
Net operating profit *	3.1	6.1	4.9	n.a.
Margin on AUM	0.14%	0.25%	0.10%	n.a.
Margin on Management fees	16.8%	26.0%	20.0%	n.a.
<b>Net profit</b>	<b>3.1</b>	<b>6.1</b>	<b>4.9</b>	<b>n.a.</b>

Source: Banca Akros on company data - \*Before the impact of Purchase Price Allocation (“PPA”), impairment, other non-recurring items

**Credit (AuM EUR 3.3bn):** DeA is the preferred **partner of the key Italian banking groups** to address SME’s UTP restructuring. The group set up the first debtor-in-possession financing fund in 2016 (Corporate Credit Recovery programmes) and, after the transaction with Quaestio SGR in 2019, now manages the first NPL fund in Italy per GBV. DeA Alternative Funds SGR manages 4 funds, with a total GBV of more than EUR 30bn and AuM of c. EUR 3.2bn. It has invested in c. 30 companies (main investments in Snaidero, Util Industries, Calvi, Virgilio and Rummo).

- ✓ **Italian Recovery Fund - IRF (AuM EUR 2.4bn)** – The IRF is the main Italian NPL fund with AuM of c. EUR 2.4bn. The fund was acquired in November 2019 along with the NPL Management Branch of Quaestio SGR. It invests in c. 100k debtors and has



c. 400k credit exposures under management, with a total GBV of more than 30bn. The fund has a network of over 70 investors, including some of the main Italian financial institutions. During 2020, the IRF's management mandate was extended to the end of 2026, with the possibility of three more extensions of one year each.

- ✓ **Corporate Credit Recovery Funds (CCR Funds; AuM EUR 800m)** – the CCR programmes are “multi comparto” Debtor-in-possession funds aimed at helping Italian SMEs in financial stress but with resilient industrial metrics by way of a possible equity injection. The funds (CCR I; CCR II) manage c. EUR 800m; there are c. 32 underlying companies.

**Private Equity (AuM EUR 2.2bn):** the private equity offer is composed of 11 funds and 80 third-party funds that manage c. EUR 2bn and have invested in c. 900 companies. DeA is the sponsor of the **biggest Italian Fund of Funds** as regards AUM (vintage 2007) and in 2020 it launched 2 PE thematic funds - with a c. EUR 400m commitment target - that are dedicated to the **food industry and to sustainable development**.

The segment also has a particular focus on the **Italian excellence sectors** (Food & Beverage and Agriculture). The group is active both in **multi-manager** and **single-manager** programmes and has designed a **multi-bank retail network** fund of funds which favours the “democratisation” of private equity investments. A **Spanish branch** is in the start-up phase.

As far as **single manager** products are concerned, the fund focuses on the Italian excellence industries (Food & Beverage) as well as Sustainable Development; the main investments are in: Botter, Gelato d'Italia, Stalam, La Piadineria. On the other hand, the **multi-manager** funds of funds offer exposure to the major global managers (Blackstone, Apollo, Apax, CVC, BC Partners) and also envisage some dedicated products to specific investors (e.g. Foundations).

### 3. **Quaestio Capital Management SGR, 39% stake - Multi-Asset/Manager (AuM EUR 7.9bn)**

With AuM of c. EUR 7.9bn at the end of December 2020, Quaestio SGR (38.8% stake, held indirectly through Quaestio Holding), which is **strategically very important** in DeA's offer, manages funds, **mainly reserved funds**, through a **multi-asset/multi-manager platform** for the structuring of **customised best-in-class investment solutions for institutional investors**, mainly banking foundations and social security institutions.

More specifically, the platform operates mainly through **management mandates** (8 internal pools; 30 external pools) that allow investors' assets to be allocated on the basis of **specific risk/return targets**, with full visibility (look-through) and risk management of the individual components of the portfolio, as well as with significant administrative, accounting and tax simplifications.



## Quaestio SGR's customised offering key pillars

	<b>Flexibility in Vehicles Set up</b>	<ul style="list-style-type: none"> <li>▪ Flexibility in terms of depositary bank, governance and investment vehicle</li> </ul>
	<b>Liquid – Illiquid Integration</b>	<ul style="list-style-type: none"> <li>▪ Capabilities of building mixed portfolios</li> <li>▪ Analysis, risk management and detailed reporting</li> </ul>
	<b>Advanced Reporting</b>	<ul style="list-style-type: none"> <li>▪ Interactive Dashboard</li> <li>▪ Look-through</li> <li>▪ Non-Man.Co assets aggregation</li> </ul>
	<b>Active Risk Overlay</b>	<ul style="list-style-type: none"> <li>▪ Risk-overlay services</li> <li>▪ Funds with look-through</li> </ul>
	<b>Pro Active ESG Approach</b>	<ul style="list-style-type: none"> <li>▪ Screening services</li> <li>▪ Tailor-made ESG Policy implementation</li> </ul>
	<b>Stress testing</b>	<ul style="list-style-type: none"> <li>▪ Interactive stress testing simulations</li> </ul>

Source: company presentation

Among the **services, products and investments** Quaestio SGR **offers**, it is worth mentioning: 1) **pre-investment services**, like investment strategies, asset allocation, manager and fund selection; 2) **investment products**, like managed accounts, investment vehicles, funds and investment solutions, also by combining and integrating liquid and illiquid products; 3) **structured and administrative solutions**, like accounting management, reporting and risk monitoring.



## Alternative Investment

The final purpose of the Alternative Investment segment is to strengthen the group's commitment in the **development of the Alternative AM business**, favouring the launch of new funds and/or investment initiatives as well as trying to enhance, if possible, the shareholders' return. The focus is mainly **on the Platform's investments** although there are still long-standing direct stakes in some companies.

### 1 AI Platform Investments

**Funds** - DeA Capital holds units in **9 funds managed by its subsidiary DeA Capital Alternative Funds SGR**. In more detail, in: **3 funds of funds**, IDeA I FoF, ICF II and ICF III; the **co-investment fund** IDeA Opportunity Fund I; **3 theme funds**, IDeA Efficienza Energetica e Sviluppo Sostenibile, IDeA Taste of Italy and IDeA Agro; **2 credit funds**, IDeA Corporate Credit Recovery I and II.

AI Platform Investments - BS Value	FY 20
IDeA I FoF	15.2
ICF II	23.7
ICF III	11.9
IDeA OF I	7.7
IDeA EESS	5.2
IDeA Tol	16.3
IDeA Tol 2	2.4
IDeA CCR I	1.0
IDeA CCR II	6.3
IDeA Agro	1.7
Santa Palomba	0.7
<b>Total</b>	<b>92.1</b>

Source: Banca Akros on company data

- ✓ **IDeA I FoF – Fund size: EUR 646m; DeA's commitment, EUR 165m; stake 25.5%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operations in 2007. IDeA I FoF has invested in **units of unlisted closed-ended funds** that are mainly active in the local private equity sector of various countries. It has a **careful optimisation of the risk-return profile** through diversification of managers with a proven track record, different investment approaches, geographical areas and maturities. The fund has invested in **more than 30 funds**, using different investment strategies. The funds are also diversified in the buy-out (control) and expansion (minorities) categories, with overweighting towards **medium and small-scale transactions and special situations** (distressed debt/equity and turnaround).
- ✓ **ICF II – Fund size: EUR 281m; DeA's commitment, EUR 51m; stake 18.5%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operations in 2009. ICF II FoF has invested in **units of unlisted closed-ended funds** that are mainly active in the private equity sector of various countries. It has a **careful optimisation of the risk-return profile** through diversification of managers with a proven track record, different investment approaches, geographical areas and maturities. The fund has invested in c. **25 funds**, using different investment strategies. The construction of the fund's portfolio is focused on funds in the area of mid-market buy-outs, distressed and special situations, loans, turnarounds, and on funds with a specific sector slant, targeting, in particular, opportunities offered in the secondary market.





- ✓ **ICF III – Fund size: EUR 67m; DeA’s commitment, EUR 12.5m; stake 18.67%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operations in 2014. ICF III FoF has invested in **units of closed-ended private equity funds or in schemes** that replicate that financial model, either as the lead investor or with other co-investors. The fund is **divided into three parts**: 1) **Core**, with a focus on buyouts, expansion capital and special situations; 2) **Credit & Distressed**, which invests in special credit operations (preferred equity, mezzanine, senior loans), turnarounds and other credit strategies; 3) **Emerging Markets**, which focuses on expansion capital, buyouts, distressed assets and venture capital operations in emerging markets.
- ✓ **IDeA Opportunity Fund I (OF I) - Fund size: EUR 197m; DeA’s commitment, EUR 92m; stake 46.9%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operations in 2008. IDeA OF I is a **co-investment fund** that has invested, independently or via syndicates with a lead investor, by purchasing **qualified minority stakes**. At the end of 2019, there were two investments in the portfolio: Iacobucci HF Electronics; Pegaso Transportation Investments.
- ✓ **IDeA Efficienza Energetica e Sviluppo Sostenibile (EESS) - Fund size: EUR 100m; DeA’s commitment, EUR 30.4m; stake 30.4%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operating in 2011 and has sought to **acquire minority and controlling shareholdings**. The fund is dedicated to investing in **small and medium-sized manufacturing and service companies** operating in the field of **energy saving and the efficient use of natural resources**. It focuses on the development of solutions that make faster and cheaper use of **renewable energy sources** without compromising the effectiveness in reducing CO2 emissions. At the end of 2019, there were two investments in the portfolio: Tecnomeccanica; Stalam.
- ✓ **IDeA Tol - Taste of Italy - Fund size: EUR 218m; DeA’s commitment, EUR 25.2m; stake 11.6%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operating in 2014. IDeA Tol has sought to **acquire minority and controlling stakes** mainly in **small and medium-sized** enterprises in Italy, either independently or with other co-investors. The fund invests in companies operating in the **Agri-food sector**.
- ✓ **IDeA Corporate Credit Recovery I (CCR I) - Fund size: EUR 245m; DeA’s commitment, EUR 7.7m; stake 3.12%.** Under Italian law, this is a **closed-ended fund** for qualified investors; it began operating in 2016. IDeA CCR I aims to help relaunch **medium-sized Italian companies** (Target Companies) that have solid business fundamentals but are facing **financial difficulties**. The fund can invest by sharing the profits between creditors and new investors through **proactive management of the loans** to the Target Companies, a potential investment to be carried out via **debtor-in-possession financing transactions**, which means that the new investments have greater seniority than existing financial debt, or through an **equity-style involvement in the management** of the debtor companies. The fund is divided into **two segments**: 1) **Loans Segment**, which acquires loans and financial equity instruments of the Target Companies; 2) **New Finance Segment**, which obtains commitments for new finance.
- ✓ **IDeA Corporate Credit Recovery II (CCR II) - Fund size: EUR 576m; DeA’s commitment, EUR 15.2m; stake 2.6%.** Under Italian law, this fund is a **closed-ended fund** for qualified investors; it began operations in 2017. IDeA CCR II aims to help relaunch **medium-sized Italian companies** (Target Companies) that have solid business fundamentals but are facing **financial difficulties**. The fund can invest by sharing the profits between creditors and new investors with an approach similar to that of the IDeA CCR I fund described above. The fund is divided into **three segments**: 1) **Loans Segment**; 2) **New Finance Segment**; 3) **Shipping Segment**, which obtains loans related to shipping management target companies.



DeA Capital also holds units in **2 funds** managed by the subsidiary **DeA Capital Real Estate SGR**.

**Holdings** – the group also has **direct investments** in companies that have co-invested as part of initiatives promoted by the group's two asset management companies, mainly attributable to: **Tol Due**, which has a controlling interest in the Alice Pizza Group; **Paris R2**, a French vehicle that owns an office property near Paris; **Bobigny Irrigo**, a French vehicle that owns an office property in Bobigny in the Department of Senna-Saint Denis.

## 2 AI Other Investments

DeA Capital also has some **minority stakes** in the following companies:

- ✓ 2% stake in **Migros** - Turkey's leading food retail chain operator - whose shares are listed on the Istanbul Stock Exchange; the company owns and operates supermarkets and shopping malls, selling food, household items and other consumer goods at stores as well as on-line. Migros also rents out shop space in its shopping malls. The company operates in Turkey, Kazakhstan and Macedonia. The holding is held through the 17.1% stake in the Luxembourg company Kenan Investments S.A. The stake has already been gradually reduced over the past few years. **The stake was sold in February 2021.**
- ✓ 4.4% stake in **Cellularline**, a leading Italian company in accessories for smartphones and tablets; it is listed on the Milan Stock Exchange. This company designs, manufactures and distributes accessories for connectivity devices, e.g. battery chargers, power banks, cases, screen protectors, earphones and sports accessories. Cellularline serves customers worldwide.
- ✓ - 5 units in some externally managed venture capital funds.

AI Other Investments - BS Value	FY 20
Kenan Investments (Migros) – Divested in Feb 2021	19.7
Minority interests (Cellularline)	4.7
Venture capital funds	0.6
<b>Total</b>	<b>24.2</b>

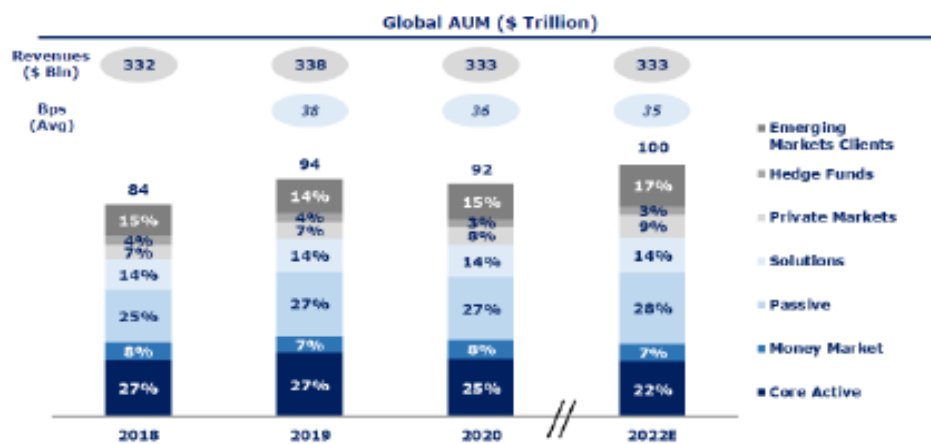
Source: Banca Akros on company data



## Reference markets: a still favourable scenario ahead

2020 global AUM revenues amounted to c. USD 333trl vs USD 338trl in 2019. The slowdown was mainly due to the **COVID-19** pandemic, which conditioned investors habits, increased their risk aversion as well as market performances. The perspectives suggest there will be an **almost stable scenario going forward**, but some asset classes, like private markets and alternatives in general, could be bolstered by the current **lower-for-longer interest rate environment**.

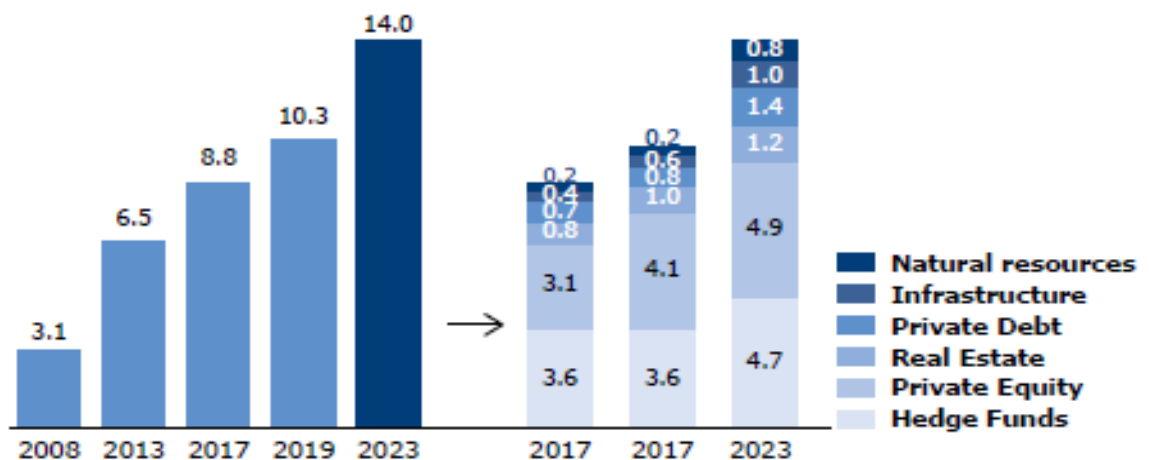
### Asset Management global AuM



Source: company presentation; Morgan Stanley & Oliver Wyman – Global Asset Managers Report 2020

**Alternative Asset Management: attractive perspectives** – Alternative Asset Management is playing an increasingly fundamental role in the asset management industry. It offers investors new opportunities for **diversification and profit** through its main asset classes: **private equity, private debt, real estate, infrastructure, natural resources and hedge funds**. Indeed, investors could obtain diversified and potentially higher returns, even more sustainable, in the long term.

### Alternative AuM global development



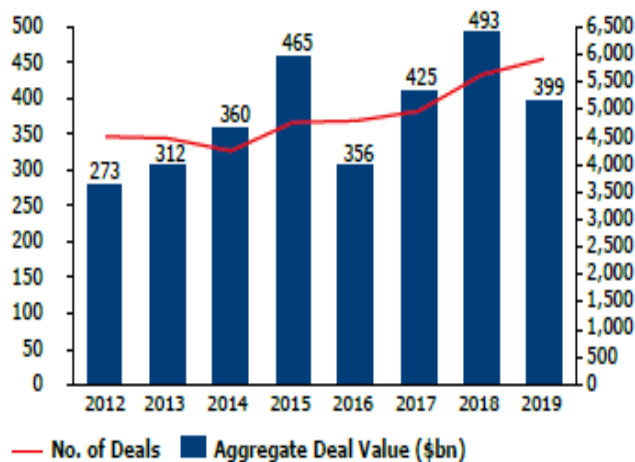
Source: company data; Preqin

Alternative Assets Under Management marked USD 10.3trl in 2019, with a **development of c. 58% in the period 2013-2019**; when we extend the time-horizon we see that the CAGR has been c.11.% since 2008 (AuM c. USD 3.1trl in 2008). The **expectations seem promising also for the next four years**, with estimated alternative AuM of c. USD 14trl in 2023.

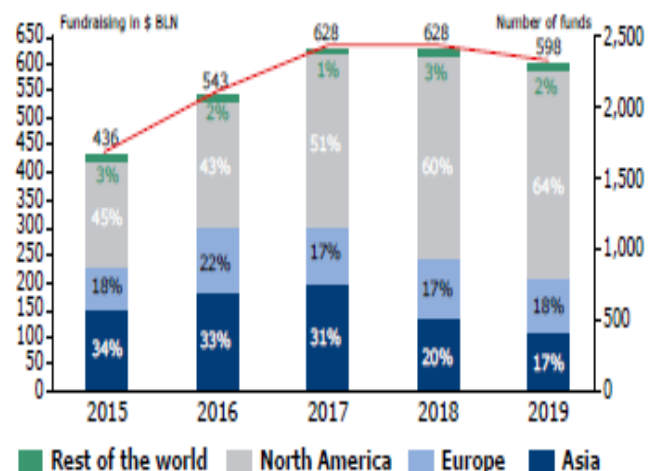
The **Private Capital** segment, which does not include hedge funds, seems to be the main development sector. At the end of 2019, it accounted for USD 6.7trl compared with a total of USD 10.3trl, with an estimate for 2023 of about USD 9.3trl. More in detail, Private Capital is seen growing by c. 36% in 2023, of which +20% for **Private Equity** (from USD 4.1trl to USD 4.9trl) and +20% for **Real Estate** (from USD 1trl to USD 1.2trl).

- ✓ **Private Equity: increasing competition in the market** – During 2019, the collection of PE funds **recorded the first negative trend globally since 2010**, largely driven by the decrease in the funds raised in **Asia**, despite the moderate increase in the funds raised in **North America**. There was a reduction in the **total value of investments**, which went from USD 493bn in 2018 (approximately 6,500 transactions concluded) to USD 399bn in 2019 (5,000 transactions), a decrease of almost 20%.

Value of Private Equity globally – USD bn



Global fundraising by region – USD bn



Source: company data; Preqin – January 2020

Source: company data; Preqin – January 2020

The **inflows** deteriorated in the main economic areas to USD 598bn in 2019 from USD 628bn in 2018, the only exclusion being **North America** where the market was the strongest globally, with around 64% of aggregate funding in 2019. Inflows in **Europe** reached c. USD 108bn in 2019 (18% of the total), almost stable Y/Y but expanding the gap with America. This overall negative trend was **the result of multiple factors**, largely due to the greater difficulty in finding interesting investment opportunities, due in part to the **increase in market valuations**.

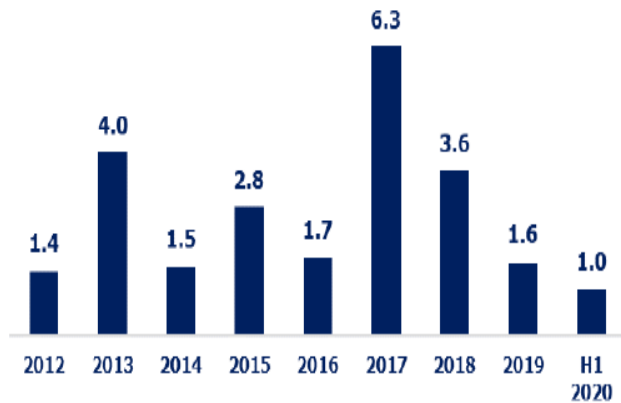
The latter, alongside the moderate **economic growth** and some **geopolitical uncertainties**, also had a negative effect on the **divestment activities**, which slowed down to USD 319bn in 2019 from USD 400bn in 2018 (USD 339bn in 2017).

**As regards the Italian market**, private equity and venture capital traders invested c. EUR 7.2bn in 2019, down by c. 36% from EUR 9.8bn in 2018, which had recorded the highest volumes ever. This **negative performance** went on **into the first part of 2020**. The

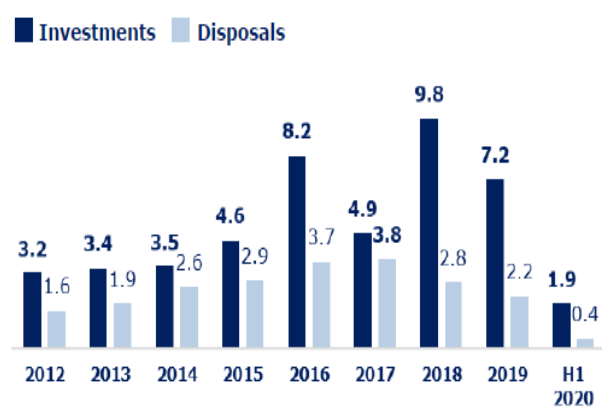


investments reached EUR 1.9bn in H1 20 from EUR 7.2bn in 2019, while the value of disposals was c. EUR 0.4bn, vs. EUR 2.2bn in 2019.

### Italy PE fundraising (1)



### Italy investments and disposals



(1) Does not include CCR Funds of DeA Capital Alternative Funds SGR

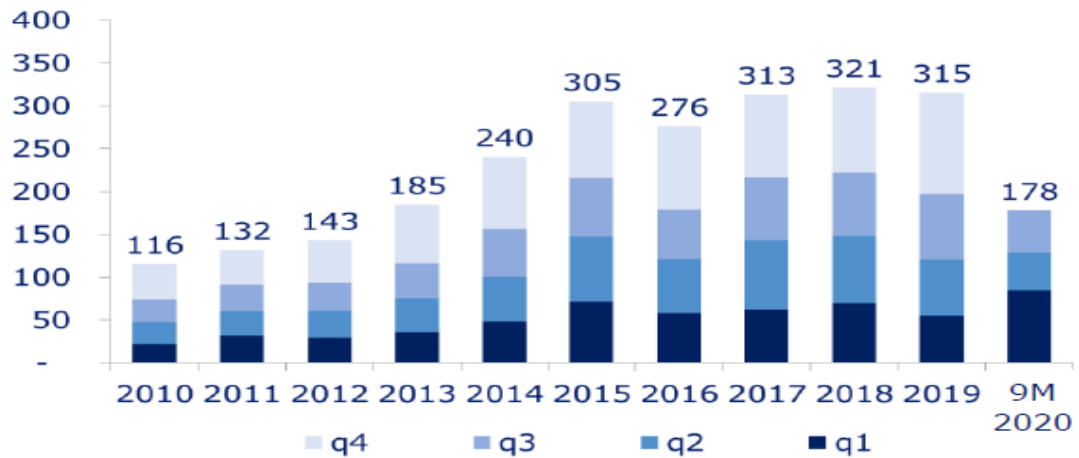
Source: company presentation

Source: company presentation

In 2019, **fundraising** on private equity and venture capital markets amounted to EUR 1.6 bn, down by c. 54% from the EUR 3.6bn in 2018, but in H1 20 the trend registered some improvements and fundraising rose to c. EUR 1bn.

- ✓ **Real Estate: uncertainties ahead** – In 2019, the **Italian real estate market** invested around EUR 12.3bn (EUR 315bn in Europe), +40% Y/Y. On the other hand, the Italian investments declined to c. EUR 8.8bn in 2020, c. -40% Y/Y, due to the **pandemic**, while they were c. EUR 178bn in Europe at the end of November 2020 compared with c. EUR 315bn at the end of 2019. Although the **volumes invested generally decreased within the various European countries**, the impact of the Covid-19 pandemic are not yet fully visible thanks to the sizeable transactions recorded in the first quarter of 2020. The three most active **European countries** in terms of investments were Germany, Great Britain and France, representing about 60% of the total. **Germany**, with c. EUR 89bn in transactions, was confirmed the top market (+24 Y/Y); **Great Britain** recorded a decline of c. 4% Y/Y to EUR 54bn, while France marked a decline of c. 11% Y/Y to EUR 54bn.

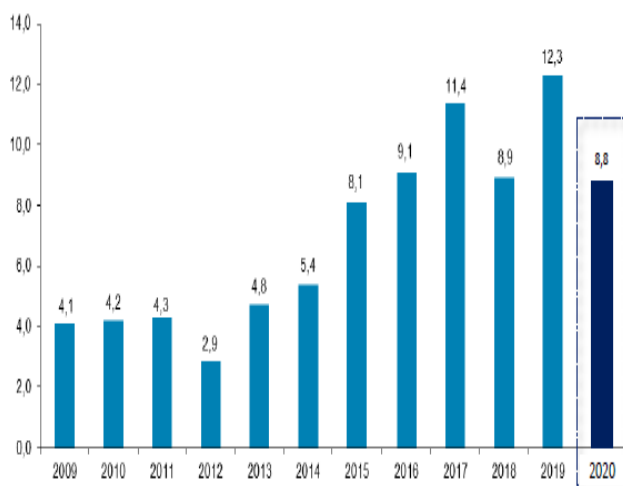
### Real Estate Investments in Europe – EUR bn



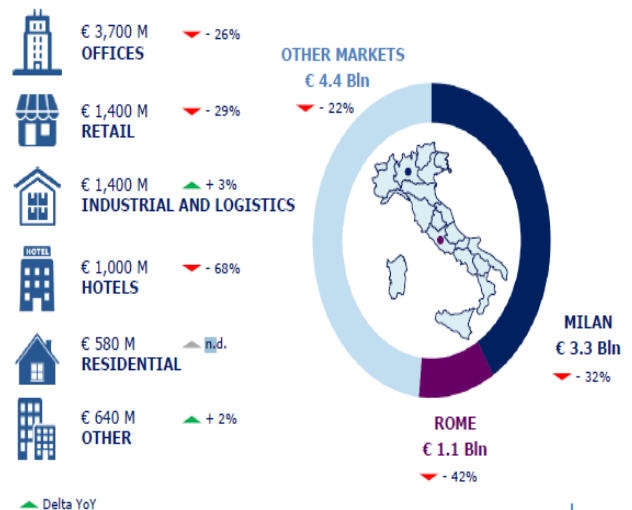
Source: company presentation

In 2020, the **office segment**, with investments of c. EUR 3.7bn (-26% Y/Y), was once again in top position, followed by the **retail sector** (EUR 1.4bn; -29% Y/Y) and by the **industrial and logistics** branches (EUR 1.4bn), up by c. 3% Y/Y mainly thanks to foreign investments. **Hotels** are paying the highest price, with a decline of c. 68% Y/Y to EUR 1bn. Despite the high liquidity, the **uncertainty over the spread of COVID-19** limited financial leverage, while investors maintained a cautious approach on the retail segment. The **residential business** still performed well, attracting investors' interest, which was guided by the perception of the low-risk profile of this asset class in a still uncertain context.

### Real Estate Investment in Italy – EUR bn



### Breakdown of Real Estate Investment in Italy



Source: company presentation; CBRE Research

Source: company presentation; CBRE Research

- **NPE market: further NPE inflows ahead** – The European Union has the highest non-performing loans ratio (NPL Ratio) compared with other areas. It grew from 5% in 2009 to a maximum of 7% in 2012, only to begin to decrease, which is still ongoing nowadays. The NPL Ratio hovered below 2% in Asia and in America from 2011 onwards.

**Italy** has undergone one of the largest reductions in Europe. The NPL Ratio slid from 17% in 2015 to 8% in June 2019, although it is still well above other European



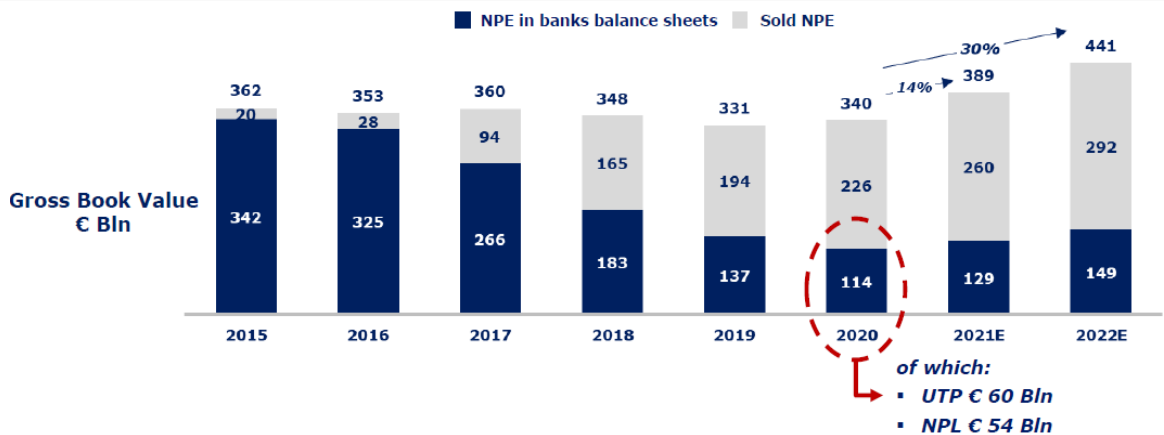


countries (lower than 4% on average). In the same period, the performance of the non-performing exposure (NPE Ratio) is very similar to that of the NPL Ratio. Indeed, in June 2019 the NPE Ratio was 6% in Italy compared with a European average of 3%.

**Italian banks' NPE stocks** reached their peak in 2015 (more than EUR 340bn), but they fell steadily to c. EUR 115bn in 2020. The positions sold have been taken over by specialised players (e.g. Quaestio, Banca IFIS, Fortress), which have, however, achieved limited recovery rates so far. More in detail, the gross NPE book value was c. EUR 331bn in 2019, while it was c. EUR 340bn at the end of 2020, of which c. EUR 114bn was still in Italian banks' balance sheets.

Although it still seems premature to estimate the impact of the COVID-19 pandemic on the NPE market in Italy, it is reasonable to assume there will be a **recovery in banks' new NPE flows** in the coming few years. Indeed, the **Italian non-performing exposure market is seen growing** by c. 14% to EUR 389bn in 2021 and by c. 13% to EUR 441bn in 2022.

### Italian Non-Performing Exposure Market



Source: company presentation; Banca IFIS, Jan 2021

## COVID-19: able to face possible choppy waters ahead

Although it is **possibly still premature** to predict what the effects of the COVID-19 pandemic might be on private capital investments in the next few years, we deem the **perspectives could be positive**. As a matter of fact, although the risks may already be behind the curve, we believe the current **lower-for-longer interest rate environment** and the **need to find an appropriate risk-reward investment profile** could increase institutional investors' exposure to alternative funds, which represent c. 5% of their asset allocation in Italy nowadays compared with c. 10% worldwide.

Although DeA Capital operates in a large number of segments that may have suffered from the COVID-19 pandemic in one way or another, the group has shown it can keep itself safe from any financial and market issues and remain **operationally and financially resilient**. Indeed, DeA's positive **cash** position, its skilled and experienced **management** team, the wide Italian and international **network**, the company's significant **track-record**, along with its rock-solid main **shareholder**, are among the main resources the group can count on to tackle these **trouble times** and to seize new **investment opportunities**.

Though a slowdown in the development of RE and Private Equity transactions seems to be on the cards, and an extension of the recovery period in the NPL segment is likely, on the other hand **the current scenario could offer some business opportunities** for DeA



Capital. Indeed, the extremely **low interest rates** could be a boost for alternative investments as a whole in order to underpin the more traditional portfolio yield. Furthermore, an increasing number of Italian SMEs may be **interested in capital markets** as they look for financial and industrial partners to help them grow. At the same time, the NPL market needs more players and/or services in order to manage the **increase in the NPL bulk** expected in next few years.

Despite the challenging context, the group could take advantage of the likely **increase in the demand for services and products** in all the fields in which it can rely on consolidated skills and distinctive competencies.

The **wide and solid relationships** with the main Italian banks and financial companies, as well as DeA's improving **international presence** and its **innovative DNA**, are likely to open up some new investment initiatives, which could spur the group's further **diversification** in the alternative investment world.



## Main recent events: ongoing platform development

2019 was a very important year for DeA Capital's platform development, both in terms of products and markets. The group **launched and acquired the management of new AuM funds** totalling c. EUR 3bn.

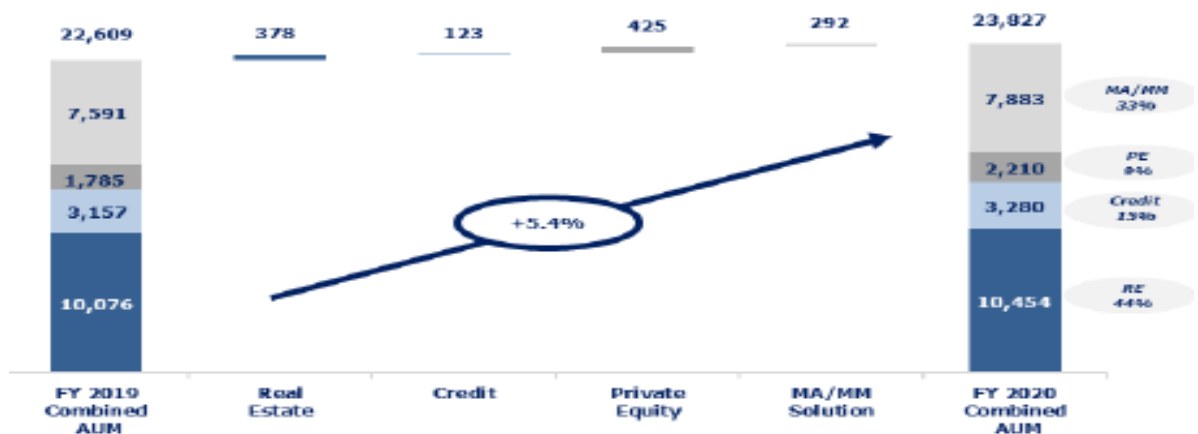
In more detail, in Q4 19 DeA's subsidiary DeA Capital Alternative Funds SGR incorporated the NPL Management business unit **of Quaestio SGR**, including the management of the Italian Recovery Fund, with AuM of over EUR 2.3bn.

That same year, the subsidiary DeA Capital Real Estate SGR started **6 new real estate funds**, worth over EUR 400m in new assets.

As far as the **internationalisation** process is concerned, the group set up **DeA Capital Real Estate Iberia and Poland** as part of the ongoing process to develop and expand the RE platform on a pan-European basis, after it established DeA Capital Real Estate France at the end of 2018.

In Q4 19, DeA Capital also finalised the **acquisition of a 38.8% stake in Quaestio Holding**, the 100% owner of Quaestio Capital Management SGR (AuM of over EUR 7.5bn), whose focus is on investment solutions for institutional investors.

### Alternative Asset Management Platform: AuM evolution – EUR m



Source: company presentation

In 2020, the platform development continued:

- ✓ in the **Private Equity** segment, the Platform launched **two new funds** with a total commitment target of over EUR 400m (EUR 330m relating to Taste of Italy 2, with focus on the agri-food sector in Italy and Spain; EUR 70m for "Sviluppo Sostenibile II, with a focus on ESG compliant companies), of which DeA Capital's commitment was c. EUR 25m. In October 2020, the group collected further EUR 20m related to the **multi-manager DeA Endowment Fund**, specifically for Foundations.
- ✓ in the **Credit area**, the Platform completed the VII and VIII closing of the CCR II fund for c. EUR 100m, bringing the overall size of the fund to c. EUR 650m.
- ✓ It is also worth mentioning the **further step in the Real Estate internationalisation process**. DeA Capital established **DeA Capital Real Estate Germany** (a company set up under German law) of which 70% is owned by the group and the remaining stake by a local key manager. In line with the group's other European subsidiaries, the company will aim to develop the real estate advisory business for fund raising and real estate advisory and management activities, with a special focus on the core plus, value-added and opportunistic sub-sectors, in **Germany, Austria and**



**Switzerland.** Overall, DeA has finalised new initiatives for AuM totalling EUR 900m in the Real Estate segment in 2020.

In the **first months of 2021**, the group went on developing and rebalancing the business portfolio. In more detail:

- ✓ In February 2021, **Kenan Investments** (DeA has a 17% stake in its capital) finalised the sale of the remaining stake (c. 12% of its capital) held in **Migros** for a total consideration of c. EUR 17m. DeA is also expected to receive further distributions of up to EUR 3m as part of the scheduled liquidation of Kenan Investments. Overall, against the investment made in 2008 for c. EUR 175m, DeA Capital received from Kenan Investments c. EUR 246m with a cumulative capital gain of c. EUR 71m;
- ✓ In March 2021, DeA acquired the management of a **closed-end real estate fund** focused on the **Italian logistic market** with AuM of over EUR 700m.

## Financials

During the last couple of years, DeA Capital has **started reshaping its business** by honing its alternative asset management model and downsizing its historical investment company role. The aim is to **invest strategically in the recurring fee business**, which has more visibility and is likely to smooth out the P&L volatility in favour of the **company's value perception**.

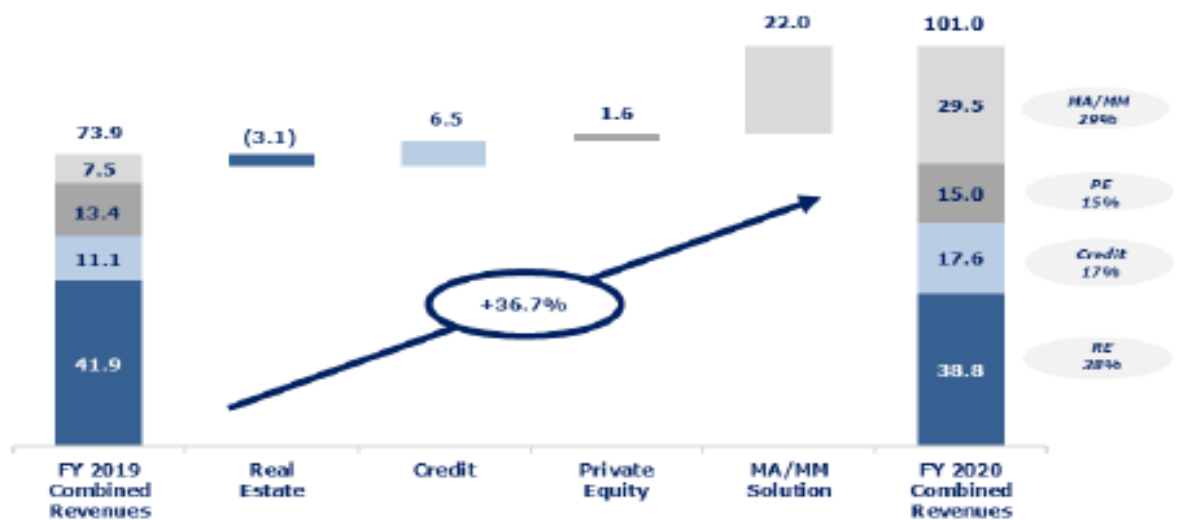
**At the end of 2019**, DeA Capital's acquisition of Quaestio SGR's NPL AM business increased the combined AuM to c. EUR 22.6bn, leading to an increase in the **management fees** to EUR 64.9m (+2.5% Y/Y) **and a net operating result** of EUR 14.6m, slightly lower than in 2018 due to some non-recurring negative items related to the acquisition of the NPL Management assets and to the development of new products.

In more detail, **Credit & Private Equity funds** recorded an increase in AuM of over EUR 2.5bn, mainly due to the above purchase of the NPL Management business unit of Quaestio SGR including the management of the IRF fund, (with AUM of more than EUR 2.3bn, consolidated only for the last two months of 2019).

On the other hand, **Real Estate funds** increased AuM by approximately EUR 430m Y/Y thanks to the launch of 6 new funds. The **investment portfolio** reached c. EUR 387m, up from EUR 367m at the end of 2018, thanks to the assets' positive performance and to the acquisitions completed during the year, which were substantially financed by the proceeds from the investment portfolio itself. All in all, the group's net profit closed at c. EUR 12.3m up by c. 10.8% Y/Y.

DeA published its **FY 20 results** on 12 March 2021. The **combined AuM** amounted to EUR 23.8bn, up by c. 5.4% Y/Y. **All the investment strategies** have contributed to the growth: 1) Real Estate, EUR 10.4bn (+4% Y/Y); 2) Credit, EUR 3.3bn (+4% Y/Y); 3) Private Equity, EUR 2.2bn (+24% Y/Y); 4) Multi-asset/Multi-manager Solutions, EUR 7.9bn (not consolidated; (+4% Y/Y).

### Alternative Asset Management Platform – Combined revenues



Source: company presentation

The **combined revenues**, i.e. the revenues of the asset management companies in which the group holds an absolute/relative majority (non-consolidated) interest, as well as the corresponding amounts recorded by international subsidiaries, closed at c. EUR 101m (ow c. EUR 29.5m not consolidated) up by c. 36.7% Y/Y mainly thanks to the integration of the amounts attributable to Quaestio Capital SGR, which was acquired in November 2019 and not consolidated.



The **net operating result** increased by c. 28.7% Y/Y to EUR 18.6m vs EUR 14.4m in 2019.

The group's **net result** reached EUR 20.4m, up from EUR 12.3m recorded in 2019, after the negative impact of the mark-to-market on the investment portfolio (EUR -10.4m) and the positive effect of the fiscal readjustment of the goodwill of DeA Capital Real Estate SGR (EUR 16.2m).

The **NFP** has been positive for c. EUR 126m (of which EUR 79.3m related to the holding company) and it has recorded a significant improvement Y/Y (EUR 74.3m in 2019) mainly thanks to the Alternative Asset Management business operating cash flow and to the proceeds from the liquidation of portfolio assets.



## Our 2021-2022 estimates

We remind readers that DeA's **net profit** comes from the performance of the **Alternative Asset Management** segment and the contribution from the portfolio invested in DeA's own funds as well as direct investments that are managed by the **Alternative Investment** business units. In order to reach the consolidated bottom line, we must also consider the negative contribution from the **holding costs** and **taxes**. We have focused our estimates on the **Alternative Asset Management** business unit, which we believe **is the real driver behind DeA's recurring results and value generation** in the medium-long term.

To derive our estimates, we assumed an **AUM** 2021-2022 average growth of c. 2.4% and a stable net operating margin on average AUM in 2021 and 2022 (2021-2022 average of c. 0.08%).

Indeed, although DeA Capital has increased its line of businesses in the last couple of years, we believe that **more accurate predictions are very difficult** considering the current still uncertain scenario and **DeA's development plans, for which we currently have no visibility** despite the **abundant cash** in the company's hands and the fund run-offs over time.

Combined AUM - EUR m	2018	2019	2020	2021 E	2022 E
Real Estate business	9,451	10,076	10,454	10,768	10,983
Private Equity / Credit business	2,430	4,942	5,490	5,600	5,824
<b>Total consolidated AuM</b>	<b>11,881</b>	<b>15,018</b>	<b>15,944</b>	<b>16,367</b>	<b>16,807</b>
Multi-asset / Multi-manager (Quaestio SGR)	n.a.	7,591	7,883	8,041	8,201
<b>Total combined AuM</b>	<b>11,881</b>	<b>22,609</b>	<b>23,827</b>	<b>24,408</b>	<b>25,008</b>

Source: Banca Akros and company data

Combined revenues - EUR m	2018	2019	2020	2021 E	2022 E
Real Estate business	38.9	41.9	38.8	38.1	38.9
Private Equity / Credit business	23.5	24.5	32.5	33.2	34.5
<b>Total consolidated revenues</b>	<b>62.4</b>	<b>66.4</b>	<b>71.3</b>	<b>71.3</b>	<b>73.3</b>
Multi-asset / Multi-manager (Quaestio SGR)	n.a.	7.5	29.5	29.8	30.1
<b>Total combined revenues</b>	<b>n.a.</b>	<b>73.9</b>	<b>101.0</b>	<b>101.1</b>	<b>103.4</b>

Source: Banca Akros and company data

Managerial Income Statement - EUR m	2018	2019	2020	2021 E	2022 E
<b>Total Alternative AM fees</b>	<b>62.4</b>	<b>66.4</b>	<b>71.3</b>	<b>71.3</b>	<b>73.3</b>
Total operating costs	-40.1	-45.0	-44.6	-45.0	-45.2
Taxes	-7.0	-6.8	-8.1	-8.2	-8.4
<b>Net operating result AAM</b>	<b>15.3</b>	<b>14.6</b>	<b>18.6</b>	<b>18.1</b>	<b>19.8</b>
Other AAM	-6.2	-2.9	13.0	-1.0	0.0
Alternative investment	9.0	5.3	-6.4	0.0	0.0
Holding costs	-6.1	-6.3	-8.5	-8.8	-8.9
Taxes	-0.9	1.6	3.6	3.0	3.0
<b>Net Group Result</b>	<b>11.1</b>	<b>12.3</b>	<b>20.4</b>	<b>11.3</b>	<b>13.9</b>

Source: Banca Akros and company data





- ✓ **Net operating result AAM** – this item represents the group’s core operating and less volatile result, which are mainly linked to the development of the recurring management fees. It includes the net result before PPA and the other non-recurring items generated by the three asset management companies on the platform, i.e. DeA Capital RE SGR, DeA Capital Alternative Funds SGR and Quaestio SGR (@ 38.8%, incl. Quaestio Holding).
  - As far as **Quaestio SGR** is concerned, we have considered zero contribution in 2021 and 2022 considering the company is still being reorganised. On the back of these considerations, we estimate a net operating result of c. EUR 19.8m in 2022 from EUR 18.6m in 2020.
- ✓ **Other AAM** – this item includes the non-recurring effects in DeA’s three AM companies’ P&L, the contribution from the real estate subsidiaries and/or associates abroad (i.e. France, Spain, Germany and Poland) and the net result from the c. 39% stake held in YARD. Considering the limited contribution that we estimate from **YARD** (c. EUR 0.5m) and the **RE pan-European platform start-up phase**, we estimate this P&L line is still not material in 2021 and 2022, after c. EUR 13m registered in 2020 and mainly due to the positive effect of the fiscal readjustment of the goodwill of DeA Capital Real Estate SGR.
- ✓ **Alternative investment** – this item regards the **positive or negative performance of DeA’s investment portfolio**, for which we have avoided making any assumptions considering that the magnitude and timing of the portfolio performance are unpredictable in advance.
- ✓ **Holding costs** – we have not made any specific assumptions on the holding costs, though we have estimated an average growth rate of c. 2.7% in the 2021-2022 period.
- ✓ **Net Group result** – after an estimated group tax rate of c. 34% on average in 2021 and 2022, we calculate the net profit ought to be c. EUR 13.9m in 2022 from the group’s net profit of c. EUR 20.4m in 2020 (impacted by the positive effect of the fiscal readjustment of the goodwill of DeA Capital Real Estate SGR).

P&L – EUR m	2018	2019	2020	2021 E	2022 E
<b>Total Alternative AM fees</b>	<b>62.4</b>	<b>66.4</b>	<b>71.3</b>	<b>71.3</b>	<b>73.3</b>
Income (loss) from investments at equity	-0.1	-0.6	0.1	0.0	0.0
Other investment income/expense	37.8	6.8	-9.2	0.0	0.0
Other revenues and income	2.6	0.4	0.9	1.1	1.1
Other expenses and charges	-56.2	-59.8	-62.5	-58.1	-56.6
Financial income and expenses	0.5	2.8	-1.6	0.7	0.7
<b>EBT</b>	<b>47.1</b>	<b>16.1</b>	<b>-1.0</b>	<b>15.0</b>	<b>18.6</b>
Income tax	-5.8	-5.0	14.9	-4.2	-5.2
<b>Net profit from continuing operations</b>	<b>41.3</b>	<b>11.1</b>	<b>13.9</b>	<b>10.9</b>	<b>13.4</b>
Profit (Loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net profit	41.3	11.1	13.9	10.9	13.4
Minority interests	-30.3	1.2	6.5	0.4	0.5
<b>Net Group Result</b>	<b>11.1</b>	<b>12.3</b>	<b>20.4</b>	<b>11.3</b>	<b>13.9</b>
<b>- ow Net operating result AAM</b>	<b>15.3</b>	<b>14.6</b>	<b>18.6</b>	<b>18.1</b>	<b>19.8</b>

Source: Banca Akros and company data

As far as the **NFP** is concerned, we have incorporated in our assumptions the **dividend payment** we expect as well as the **net profit** we have estimated on the basis of the assumptions mentioned above.



On the other hand, we cannot make **any calculations concerning the investments planned** and the **portfolio movements**, nor on the **reimbursements** scheduled or on the calls on the older fund commitments in 2021, 2022 and beyond.

<b>Balance Sheet – EUR m</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021 E</b>	<b>2022 E</b>
Goodwill	93.7	104.6	99.9	99.9	99.9
Intangible assets	21.0	42.9	26.0	26.0	26.0
Property, plant and equipment	16.9	14.3	11.8	11.5	11.2
Financial investments	248.9	247.6	195.2	178.2	178.2
Other non-current assets	9.6	11.2	33.9	33.9	33.9
Current assets	41.9	72.4	50.5	50.5	50.5
Cash & cash equivalents	143.8	99.5	123.6	136.4	134.9
<b>Total Assets</b>	<b>576.0</b>	<b>592.6</b>	<b>540.9</b>	<b>536.5</b>	<b>534.7</b>
<b>Equity</b>	<b>466.5</b>	<b>457.5</b>	<b>446.4</b>	<b>442.1</b>	<b>440.4</b>
Minority interests	39.3	23.6	16.7	16.5	16.5
<b>Shareholders' equity</b>	<b>505.8</b>	<b>481.1</b>	<b>463.1</b>	<b>458.6</b>	<b>456.9</b>
Financial liabilities	17.9	13.5	11.9	11.9	11.9
Other non-current liabilities	11.6	13.0	14.7	14.7	14.7
Short term financial payables	3.0	19.6	3.7	3.7	3.7
Other current liabilities	37.7	65.5	47.5	47.5	47.5
<b>Total shareholders' equity and liabilities</b>	<b>576.0</b>	<b>592.6</b>	<b>540.9</b>	<b>536.5</b>	<b>534.7</b>
<b>Consolidated NFP</b>	<b>101.0</b>	<b>105.6</b>	<b>126.0</b>	<b>136.1</b>	<b>134.6</b>

Source: Banca Akros and company data

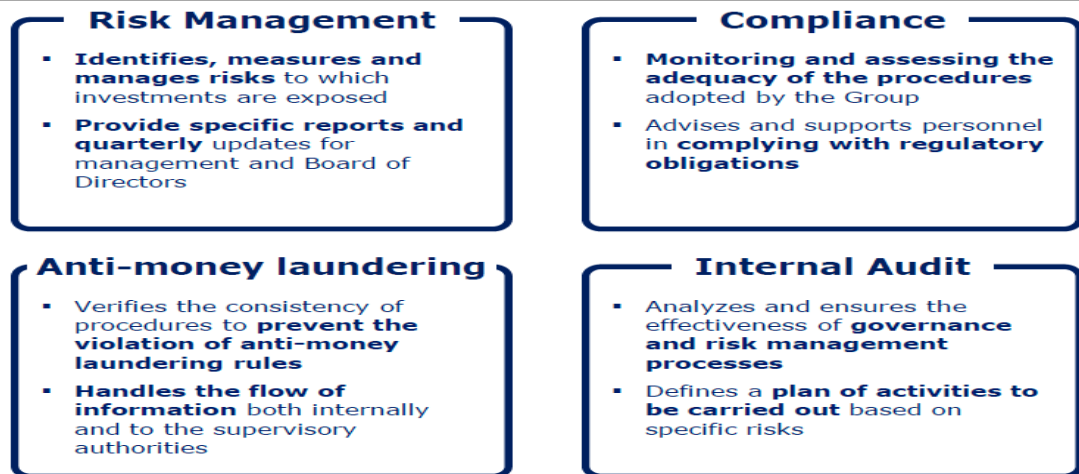
Given the foregoing, we expect an almost stable positive NFP, equal to c. EUR 135m in 2022 from EUR 126m reported in 2020.

## The management team and the ESG approach

The group has adopted a **modern corporate governance system** that provides effective management of the complexities of its operations and enables both individual companies and the entire group to achieve their strategic objectives.

The group's platform relies on technological infrastructure, it has a state-of-the-art back-office, compliance and risk management, as well as an integrated **ESG investment policy**.

### Operating governance



Source: company presentation

As far as the **ESG approach** is concerned, in January 2019 the group became a signatory to the United Nation Principles of Responsible Investment (UN PRI), thereby **starting the integration of the ESG principles** into its processes for both direct investments and indirect investments (including funds of funds) and aiming to enhance the communication with all of its stakeholders.

### Integrating the ESG policies in the investment process



Source: company presentation

DeA's ESG policy governs the principles and procedures applicable in the **various steps of the investment process**, i.e. the pre-investment, the acquisition, the management and the disinvestment phase. All the potential **investments are subject to a selection method based on ESG factors** in order to exclude investments that are not compatible with the eligibility criteria established by the DeA Capital framework.



## ESG approach roadmap

	2019	2020	2021 target
	<ul style="list-style-type: none"> <li>• PRI membership</li> <li>• ESG Roadmap approved</li> <li>• ESG Team activation</li> <li>• Adoption of ESG Policy and integration of investment procedures</li> <li>• Set up Value Creation Tool</li> <li>• ESG training</li> </ul>	<ul style="list-style-type: none"> <li>• Rating "A" UN PRI</li> <li>• Value Creation Tool operation</li> <li>• Start of ESG Action Plan in PCs</li> <li>• ESG training</li> <li>• First ESG Annual Report</li> <li>• Start of the dedicated SS Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Confirm UN PRI Rating</li> <li>• Consolidate using Value Creation Tool</li> <li>• ESG Action Plan extension in PCs</li> <li>• ESG training</li> <li>• ESG Annual Report</li> <li>• Engagement with Opinion Maker and Investors</li> <li>• ESG Committee in Fondo SS</li> </ul>
	<ul style="list-style-type: none"> <li>• PRI membership</li> </ul>	<ul style="list-style-type: none"> <li>• GRESB participation (2F)</li> <li>• Appoint ESG Manager</li> <li>• Adoption of ESG Policy and integration of investment procedures and Ethical Code</li> <li>• ESG training</li> <li>• Development of Tool screening and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• First Rating UN PRI</li> <li>• Extend GRESB perimeter</li> <li>• Extend ESG Training</li> <li>• Start using Tool Screening and Reporting</li> <li>• Engagement with Opinion Maker, Investors, tenants</li> <li>• ESG Annual Report</li> </ul>
		<ul style="list-style-type: none"> <li>• PRI membership</li> <li>• Adherence to CEI principles</li> <li>• Launch of ESG Committee set up and policy framework</li> </ul>	<ul style="list-style-type: none"> <li>• First Rating UN PRI</li> <li>• Violator Swap implementation and exclusion lists</li> <li>• Active ownership</li> <li>• Regular start of ESG Committee</li> </ul>

Source: company presentation

DeA has an **experienced and committed** management team with a **deep knowledge** of the Italian market, distinctive industrial skills and which is **fully aligned** with DeA Capital & investors' interest. Indeed, in addition to DeA's balance sheet **support for the platform**, DeA' management team is involved directly with a **significant investment in the stock** as the members own c. 3% of the share capital.



**Lorenzo Pellicoli**  
*Chairman DeA Capital*

**Mr Lorenzo Pellicoli** is Chairman of the Board of Directors of DeA Capital. He started his career as a journalist for the newspaper Giornale Di Bergamo and later became Vice President of Bergamo TV Programmes. From 1978 to 1984, he held various posts in the Italian private television sector: Manzoni Pubblicità, Publikompass, up to his appointment as Rete 4 General Manager. In 1984, he joined Gruppo Mondadori, the leading Italian publishing group. He was initially appointed General Manager for Advertising Sales and Deputy General Manager of Mondadori Periodici (magazines) and then President and CEO of Manzoni & C. S.p.A, the group's advertising representative. From 1990 to 1997, he served first as Chairman and CEO of Costa Cruise Lines in Miami, which is part of the Costa Crociere Group operating in the North American market (USA, Canada and Mexico) and then became General Manager of Costa Crociere S.p.A., based in Genoa. From 1995 to 1997 he was also Chairman and CEO of Compagnie Française de Croisières (Costa-Paquet), the Paris-based subsidiary of Costa Crociere. From 1997 onwards, he participated in the privatisation of SEAT Pagine Gialle, which was purchased by a group of financial investors. After the acquisition, he was appointed CEO of SEAT. In February 2000 he also took charge of the Internet Business unit of Telecom Italia, subsequent to the sale of SEAT. In September 2001, following the acquisition of Telecom Italia by the Pirelli Group, he resigned. From November 2005, he became CEO of the De Agostini Group. He was Chairman of Gtech from August 2006 until April 2015 and, after the merger with IGT, he became Vice Chairman of IGT and, since November 2018, he is Chairman of the company. He is a member of the Board of Directors of Assicurazioni Generali S.p.A.. He is also a member of the Advisory Board of Palamon Capital Partners. He was formerly also a member of the boards of Enel, INA-Assitalia and Toro Assicurazioni, and of the Advisory Board of Lehman Brothers Merchant Banking. On 3 April 2017 he was honoured with the title of Chevalier dans l'ordre de la Légion d'Honneur (Knight of the French Legion of Honour).



 <p><b>Paolo Ceretti</b> <i>CEO DeA Capital</i></p>	<p><b>Mr Paolo Ceretti</b> was appointed Chief Executive Officer of DeA Capital on 11 January 2007. He gained his professional experience with the Agnelli Group, holding from 1979 positions of increasing importance at Fiat SpA (Internal Auditing and Finance) and in the Financial Services Sector (Planning, Credit and Control) and subsequently assuming the position of Head of Strategic Planning and Development of Ifil (now EXOR). After assuming responsibility for the internet B2C sector of Fiat/Ifil in 1999 as CEO of Ciao Holding and Ciao Web, he was appointed CEO of Global Value SpA, a Fiat/IBM joint venture in the Information Technology sector. Since 2004, he has been General Manager of De Agostini S.p.A., the holding company of the De Agostini Group. He is also Chairman of DeA Capital Alternative Funds and a member of the Board of Directors of Quaestio Holding and other companies in the group.</p>
 <p><b>Emanuele Caniggia</b> <i>CEO DeA Capital Real Estate</i></p>	<p><b>Mr Emanuele Caniggia</b>, CEO of DeA Capital Real Estate SGR, is 54 years old, married with two children and lives in Rome. During his business career, he has established numerous companies in which he has held various positions, beginning with Ar. Co. Graph in 1988. In 1996, he founded Abaco Servizi, a property services company, which contributed, through acquisitions in Italy and abroad, to the creation of Abaco Team, a leader in real-estate services. In 2006, he sold a 65% stake in Abaco Team to Gabetti Property Solutions, while continuing as the CEO until 2009, when he sold the remaining 35% of the company and became a shareholder in Gabetti, which he left in August 2012. From 2009 to 2012, he was a member of the Boards of Directors of Gabetti Property Solutions, Gabetti Agency, Patrigest and Tree Re. In October 2012, he set up Innovation Real Estate - formerly First Atlantic RE, which he took over, together with DeA Capital - and was the CEO until 2014. Since 28 April 2014, Emanuele Caniggia has been the CEO of the asset management company Dea Capital Real Estate SGR, which has assets under management of approximately EUR 10 billion, and whose main shareholder is the De Agostini Group. Emanuele Caniggia is a member of the Scientific Committee of EIRE, Quotidiano Immobiliare, and sits on the Governing Council of Assoimmobiliare, and heads the association's Real-Estate Services Committee.</p>
 <p><b>Gianandrea Perco</b> <i>CEO DeA Capital Alternative Funds</i></p>	<p><b>Mr Gianandrea Perco</b>, already member of the Board of Directors at DeA Capital Alternative Funds since April 2017, was appointed Chief Executive Officer and General Manager on 28 June 2017. He started his professional experience in 1997 in Mediobanca, in the equity capital market team, and in 2000 he moved to Lehman Brothers Investment Banking team. In 2001, he started joined UniCredit where he has worked for 10 years in the Corporate and Investment Banking division, heading the Italian Corporate Finance Advisory team and the Multinational Financing team. In 2011, he joined FondiariaSai as Deputy General Manager where he was responsible for the Real Estate business, the diversified businesses and the M&amp;A team. From 2013 to July 2015, he was a Partner at PwC Italy, heading the M&amp;A team. From August 2015 to June 2017 he was Director of Strategy and Management of existing shareholdings at DeA Capital S.p.A. supporting the top management in strategic investments, divestments and management of the portfolio. He graduated with full marks with honours in Business Administration at Università Commerciale Luigi Bocconi in Milan.</p>
 <p><b>Manolo Santilli</b> <i>COO DeA Capital</i></p>	<p><b>Mr Manolo Santilli</b> has been Chief Operating Officer of DeA Capital S.p.A. since July 2020, after holding the position of Chief Financial Officer for over ten years; he is also a Board Member of the three Group Asset Management Companies - DeA Capital RealEstate SGR, DeA Capital Alternative Funds SGR and Quaestio Capital SGR - as well as on the three companies belonging to the International Real Estate Platform (respectively in France, Spain/Portugal and Poland). He gained his professional experience starting in 1996 in STET International (Telecom Italia Group, in the Planning, Controlling and Initiative Evaluation area), subsequently in 2000 at IFIL/FIAT. In 2002, he became Investment Manager in Finmeccanica and since 2004 he has been with the De Agostini Group. Born in Pescara on 23 December 1969, he graduated in Economics at the Università Commerciale L. Bocconi of Milan in 1994; he is an Auditor and member of the Professional Accountants register in Pescara.</p>





## DeA Capital: Summary tables

PROFIT & LOSS (EURm)	12/2018	12/2019	12/2020	12/2021e	12/2022e
<b>Net Interest Income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Commissions	62.4	66.4	71.3	71.3	73.3
Trading income	0.0	0.0	0.0	0.0	0.0
Dividends	-0.1	-0.6	0.1	0.0	0.0
Other Operating Income	<b>41.0</b>	<b>10.1</b>	<b>-9.9</b>	<b>1.9</b>	<b>1.9</b>
<b>Non-Interest Income</b>	<b>103</b>	<b>75.8</b>	<b>61.5</b>	<b>73.1</b>	<b>75.2</b>
<b>Total Income from Banking Business</b>	<b>103</b>	<b>75.8</b>	<b>61.5</b>	<b>73.1</b>	<b>75.2</b>
<b>Revenues from Insurance Business</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Revenue</b>	<b>103</b>	<b>75.8</b>	<b>61.5</b>	<b>73.1</b>	<b>75.2</b>
Operating Costs	-56.2	-59.8	-62.5	-58.1	-56.6
-of which Personnel Expenses	0.0	0.0	0.0	0.0	0.0
Other Operating Provisions	0.0	0.0	0.0	0.0	0.0
<b>Pre-Provision Profit (PPP)</b>	<b>47.1</b>	<b>16.1</b>	<b>-1.0</b>	<b>15.0</b>	<b>18.6</b>
Loan Impairment Charge (LIC)	0.0	0.0	0.0	0.0	0.0
<b>Operating profit (OP)</b>	<b>47.1</b>	<b>16.1</b>	<b>-1.0</b>	<b>15.0</b>	<b>18.6</b>
Associates	0.0	0.0	0.0	0.0	0.0
Other Income/Loss(Exceptional)	0.0	0.0	0.0	0.0	0.0
Results from Financial Investments	0.0	0.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>47.1</b>	<b>16.1</b>	<b>-1.0</b>	<b>15.0</b>	<b>18.6</b>
Tax	-5.8	-5.0	14.9	-4.2	-5.2
<i>Tax rate</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0
Minorities	-30.3	1.2	6.5	0.4	0.5
Preference Dividends	0.0	0.0	0.0	0.0	0.0
<b>Net Profit (Reported)</b>	<b>11.1</b>	<b>12.3</b>	<b>20.4</b>	<b>11.3</b>	<b>13.9</b>
Earnings Before Tax (Adj.) (1)	0.0	0.0	0.0	0.0	0.0
Net Profit (Adj.)	11.1	12.3	20.4	11.3	13.9

BALANCE SHEET (EURm)	12/2018	12/2019	12/2020	12/2021e	12/2022e
Due from Banks	144	99.5	124	136	135
Customer Loans	0.0	0.0	0.0	0.0	0.0
Securities	249	248	195	178	178
<b>Interest Earning Assets (IEA)</b>	<b>393</b>	<b>347</b>	<b>319</b>	<b>315</b>	<b>313</b>
Unit Linked Investments	0.0	0.0	0.0	0.0	0.0
Goodwill	93.7	105	99.9	99.9	99.9
Other Assets	89.5	141	122	122	122
<b>Total Assets</b>	<b>576</b>	<b>593</b>	<b>541</b>	<b>536</b>	<b>535</b>
Due to Banks	20.9	33.0	15.6	15.6	15.6
Customer Deposits	0.0	0.0	0.0	0.0	0.0
Bonds & Debt Capital	0.0	0.0	0.0	0.0	0.0
Technical Provisions Insurance (Life and Non-Life)	0.0	0.0	0.0	0.0	0.0
Other Liabilities	49.3	78.5	62.2	62.2	62.2
<b>Shareholders Equity</b>	<b>466</b>	<b>457</b>	<b>446</b>	<b>442</b>	<b>440</b>
Minorities Equity	39.3	23.6	16.7	16.5	16.5
<b>Total Liabilities</b>	<b>576</b>	<b>593</b>	<b>541</b>	<b>536</b>	<b>535</b>
<b>Tangible Book Value (2)</b>	<b>373</b>	<b>353</b>	<b>346</b>	<b>342</b>	<b>340</b>

REGULATORY CAPITAL (EURm)	12/2018	12/2019	12/2020	12/2021e	12/2022e
Risk Weighted Assets	0	0	0	0	0
<b>CT1 ratio (B3 fully loaded)</b>					
<b>CT1 ratio (B3 phased-in)</b>					
<b>Total Capital Ratio (B3)</b>					
<b>Leverage Ratio (fully loaded)</b>					
<i>Tangible equity as % of Assets</i>	64.7%	59.5%	64.0%	63.8%	63.7%



## DeA Capital: Summary tables

GROWTH RATES %	12/2018	12/2019	12/2020	12/2021e	12/2022e
Revenue Growth		-26.6%	-18.9%	18.8%	2.9%
Operating Cost Growth		6.3%	4.6%	-7.1%	-2.6%
Interest Income Growth					
Non Interest Income Growth		-26.6%	-18.9%	18.8%	2.9%
<b>Pre-Provision Profit Growth</b>		<b>-65.9%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>23.8%</b>
Customer Loan Growth					
Deposits Growth					
Change in NPLs					

KEY RATIOS %	12/2018	12/2019	12/2020	12/2021e	12/2022e
Interest Income/Avg. IEA		0.0%	0.0%	0.0%	0.0%
Interest Income/Avg. RWA					
Total Revenue/Avg. RWA					
<b>Cost/Income ratio (4)</b>	<b>54.4%</b>	<b>78.8%</b>	<b>101.6%</b>	<b>79.4%</b>	<b>75.2%</b>
LIC/Avg. Customer Loans					
LIC/Avg.RWA					
Loan Loss Provisions (Balance Sheet)/Loans					
NPL Ratio (gross)					
NPL Coverage					
Loans/Deposits Ratio	n.m.	n.m.	n.m.	n.m.	n.m.
ROE		2.7%	4.5%	2.5%	3.1%
ROTE or ROE (adj.) (5)	2.4%	2.7%	4.5%	2.5%	3.1%
Payout Ratio	n.m.	n.m.	127.9%	137.9%	112.3%
Dividend Yield (gross)	11.4%	8.9%	6.9%	4.2%	4.2%

VALUATION (x)	12/2018	12/2019	12/2020	12/2021e	12/2022e
P/Pre-Provision Profit per Share	5.7	21.7	-301.1	24.9	20.1
P/E (reported)	24.2	28.5	14.5	33.1	27.0
<b>P/E (adj.)</b>	<b>24.2</b>	<b>28.5</b>	<b>14.5</b>	<b>33.1</b>	<b>27.0</b>
P/BV	0.6	0.8	0.7	0.8	0.8
P/TBV	0.7	1.0	0.9	1.1	1.1

PER SHARE DATA (EUR)(6)	12/2018	12/2019	12/2020	12/2021e	12/2022e
Average diluted number of shares	253.8	260.0	261.1	259.6	259.6
Pre-Provision Profit per Share	0.19	0.06	0.00	0.06	0.07
EPS (reported)	0.04	0.05	0.08	0.04	0.05
<b>EPS (adj.)</b>	<b>0.04</b>	<b>0.05</b>	<b>0.08</b>	<b>0.04</b>	<b>0.05</b>
BVPS	1.84	1.76	1.71	1.70	1.70
TBVPS (2)	1.47	1.36	1.33	1.32	1.31
DPS	0.12	0.12	0.10	0.06	0.06

PRICE & SHARES & MKT CAP (EURm)	12/2018	12/2019	12/2020	12/2021e	12/2022e
Price** (EUR) (7)	1.1	1.3	1.1	1.4	1.4
Outstanding number of ordinary shares (m)	254	260	261	260	260
<b>Total Market Cap (8)</b>	<b>267</b>	<b>349</b>	<b>297</b>	<b>374</b>	<b>374</b>
Assets Under Management (bn)	11,900.0	22,609.0	23,827.0	24,408.1	25,008.2

Source: Company, Banca Akros estimates.

Notes

(1) Earnings Before Tax (adj.) = EBT +/- Exceptional Items

(2) Tangible Book Value = Shareholders Equity less Goodwill

(3) Core Tier1 Ratio (ESN adj.) = Tier1 capital less Tier1 Hybrid capital and less preference capital divided by risk weighted assets

(4) Cost/Income = Operating Costs divided by Banking Revenues

(5) ROTE or ROE (adj.) = Net Profit (adj.) divided by the two-years (according to fiscal year end) average of Shareholders Equity excluding Goodwill

(6) EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

(7) Price (in local currency): Historical Price for Historical Years and Current Price for current and forecast years

(8) Total Market Cap includes also other categories of shares (preferred and/or savings)

Sector: Financial Services Banks/Fin Svcs Banks

Company Description: DeA Capital S.p.A., through its subsidiaries, offers private equity investments and alternative asset management services. The Company's private equity investment portfolio focuses on companies belonging to the services sector and located in southern Europe and emerging Europe. DeA Capital also makes indirect investments in private equity funds of funds and co-investment funds.





## European Coverage of the Members of ESN

<b>Aerospace &amp; Defense</b>	<b>Mem(*)</b>	<b>Fin. Serv. Holdings</b>	<b>Mem(*)</b>	<b>General Retailers</b>	<b>Mem(*)</b>	Generali	BAK
Avio	BAK	Cir	BAK	Emova Group	IAC	Mapfre	GVC
Leonardo	BAK	Corp. Financiera Alba	GVC	Fnac Darty	CIC	Net Insurance	BAK
<b>Alternative Energy</b>	<b>Mem(*)</b>	Digital Magics	BAK	Inditex	GVC	Unipolsai	BAK
Encavis Ag	CIC	Eurazeo	CIC	Maisons Du Monde	CIC	<b>Materials, Construction</b>	<b>Mem(*)</b>
Plc	BAK	Ffp	CIC	Ovs	BAK	Acs	GVC
Siemens Gamesa Re	GVC	Gbl	CIC	Unieuro	BAK	Aena	GVC
Voltaia	CIC	Rallye	CIC	<b>Healthcare</b>	<b>Mem(*)</b>	Astm	BAK
<b>Automobiles &amp; Parts</b>	<b>Mem(*)</b>	Tip Tamburi Investment Partners	BAK	Abionyx Pharma	CIC	Atlantia	BAK
Brembo	BAK	Wendel	CIC	Amplifon	BAK	Buzzi Unicem	BAK
Faurecia	CIC	<b>Fin. Serv. Industrials</b>	<b>Mem(*)</b>	Atrys Health	GVC	Capelli	CIC
Ferrari	BAK	Abitare In	BAK	Crossject	CIC	Cementir	BAK
Fiat Chrysler Automobiles	BAK	Dovalue	BAK	Diasorin	BAK	Clerhp Estructuras	GVC
Gestamp	GVC	Nexi	BAK	Ei.En.	BAK	Eiffage	CIC
Indelb	BAK	Tinexta	BAK	Fermentalg	CIC	Ezentis	GVC
Landi Renzo	BAK	<b>Financial Services Banks</b>	<b>Mem(*)</b>	Fine Foods	BAK	Fcc	GVC
Piaggio	BAK	Amundi	CIC	Genfit	CIC	Ferrovial	GVC
Plastic Omnium	CIC	Anima	BAK	Guerbet	CIC	Groupe Adp	CIC
Sogefi	BAK	Azimut	BAK	Korian	CIC	Groupe Poujoulat	CIC
Valeo	CIC	Banca Farmafactoring	BAK	Oncodesign	CIC	Groupe Sfpj S.A.	CIC
<b>Banks</b>	<b>Mem(*)</b>	Banca Generali	BAK	Orpea	CIC	Herige	CIC
Banca Mps	BAK	Banca Ifis	BAK	Recordati	BAK	Hexaom	CIC
Banco Sabadell	GVC	Banca Mediolanum	BAK	Shedir Pharma	BAK	Imerys	CIC
Banco Santander	GVC	Banca Sistema	BAK	Theracilon	CIC	Kaufman & Broad	IAC
Bankia	GVC	Finecobank	BAK	Vetoquinol	CIC	Lafargeholcim	CIC
Bankinter	GVC	Poste Italiane	BAK	<b>Household Goods</b>	<b>Mem(*)</b>	Maire Tecnimont	BAK
Bbva	GVC	<b>Food &amp; Beverage</b>	<b>Mem(*)</b>	Abeo	CIC	Mota Engil	CBI
Bnp Paribas	CIC	Advini	CIC	De Longhi	BAK	Obrascon Huarte Lain	GVC
Bper	BAK	Bonduelle	CIC	Fila	BAK	Sacyr	GVC
Caixabank	GVC	Campari	BAK	Groupe Seb	CIC	Saint Gobain	CIC
Credem	BAK	Danone	CIC	<b>Industrial Engineering</b>	<b>Mem(*)</b>	Salcef	BAK
Credit Agricole Sa	CIC	Ebro Foods	GVC	Biesse	BAK	Sonae Industria	CBI
Creval	BAK	Enervit	BAK	Caf	GVC	Tarkett	CIC
Intesa Sanpaolo	BAK	Fleury Michon	CIC	Carraro	BAK	Thermador Groupe	CIC
Liberbank	GVC	Italian Wine Brands	BAK	Cnh Industrial	BAK	Vicat	CIC
Mediobanca	BAK	Lanson-Bcc	CIC	Danieli	BAK	Vinci	CIC
Natixis	CIC	Laurent Perrier	CIC	Datalogic	BAK	Webuild	BAK
Rothschild & Co	CIC	Ldc	CIC	Exel Industries	CIC	<b>Media</b>	<b>Mem(*)</b>
Societe Generale	CIC	Orsero	BAK	Fincantieri	BAK	Arnoldo Mondadori Editore	BAK
Unicredit	BAK	Pernod Ricard	CIC	Haulotte Group	CIC	Atresmedia	GVC
<b>Basic Resources</b>	<b>Mem(*)</b>	Remy Cointreau	CIC	Ima	BAK	Cairo Communication	BAK
Acerinox	GVC	Tipiak	CIC	Interpump	BAK	Digital Bros	BAK
Altri	CBI	Vidrala	GVC	Manitou	CIC	GI Events	CIC
Arcelormittal	GVC	Vilmorin	CIC	Prima Industrie	BAK	Il Sole 24 Ore	BAK
Corticeira Amorim	CBI	Viscofan	GVC	Prysmian	BAK	Ipsos	CIC
Ence	GVC	Vranken Pommery Monopole	CIC	Saes	BAK	Jcdecaux	CIC
Semapa	CBI	<b>Food &amp; Drug Retailers</b>	<b>Mem(*)</b>	Talgo	GVC	Lagardere	CIC
The Navigator Company	CBI	Carrefour	CIC	Zardoya Otis	GVC	M6-Metropole Television	CIC
Tubacex	GVC	Casino Guichard-Perrachon	CIC	<b>Industrial Transportation</b>	<b>Mem(*)</b>	Mediaset	BAK
Verallia	CIC	Jeronimo Martins	CBI	Bollore	CIC	Mediaset Espana	GVC
<b>Chemicals</b>	<b>Mem(*)</b>	Marr	BAK	Clasquin	IAC	Nrj Group	CIC
Air Liquide	CIC	Sonae	CBI	Ctt	CBI	Publicis	CIC
Arkema	CIC	<b>General Industrials</b>	<b>Mem(*)</b>	<b>Insurance</b>	<b>Mem(*)</b>	Rcs Mediagroup	BAK
Plasticos Compuestos	GVC	Cembre	BAK	Axa	CIC	Teleperformance	CIC
<b>Electronic &amp; Electrical Eq.</b>	<b>Mem(*)</b>	Sergeferrari Group	CIC	Catalana Occidente	GVC	Tf1	CIC
Rexel	CIC	Spie	CIC	Cattolica Assicurazioni	BAK	Ubisoft	CIC



Vivendi	CIC	Ekinops	CIC	Fdj	CIC
Vogo	CIC	Esi Group	CIC	Groupe Partouche	IAC
<b>Oil &amp; Gas Producers</b>	<b>Mem(*)</b>	Exprivia	BAK	I Grandi Viaggi	BAK
Ecoslops	CIC	Gigas Hosting	GVC	Ibersol	CBI
Eni	BAK	Gpi	BAK	Int. Airlines Group	GVC
Galp Energia	CBI	Groupe Open	CIC	Melia Hotels International	GVC
Gas Plus	BAK	Indra Sistemas	GVC	Nh Hotel Group	GVC
Maurel Et Prom	CIC	Lleida.Net	GVC	Pierre Et Vacances	CIC
Repsol	GVC	Neurones	CIC	Sodexo	CIC
Total	CIC	Reply	BAK	Sonae Capital	CBI
<b>Oil Services</b>	<b>Mem(*)</b>	Sii	CIC	Trigano	CIC
Cgg	CIC	Sopra Steria Group	CIC	<b>Utilities</b>	<b>Mem(*)</b>
Gtt	CIC	Visiativ	CIC	A2A	BAK
Rubis	CIC	Worldline	CIC	Acciona	GVC
Saipem	BAK	<b>Support Services</b>	<b>Mem(*)</b>	Acea	BAK
Technipfmc Plc	CIC	Applus	GVC	Albioma	CIC
Tecnicas Reunidas	GVC	Bureau Veritas	CIC	Audax	GVC
Tenaris	BAK	Cellnex Telecom	GVC	Derichebourg	CIC
Vallourec	CIC	Edenred	CIC	Edp	CBI
<b>Personal Goods</b>	<b>Mem(*)</b>	Enav	BAK	Edp Renováveis	CBI
Basinet	BAK	Fiera Milano	BAK	Enagas	GVC
Brunello Cucinelli	BAK	Inwit	BAK	Endesa	GVC
Cellularline	BAK	Openjobmetis	BAK	Enel	BAK
Cie Fin. Richemont	CIC	Prosegur	GVC	Erg	BAK
Geox	BAK	Prosegur Cash	GVC	Falck Renewables	BAK
Hermes Intl.	CIC	Rai Way	BAK	Greenalia	GVC
Interparfums	CIC	<b>Technology Hardware &amp; Eq.</b>	<b>Mem(*)</b>	Hera	BAK
Kering	CIC	Adeunis	CIC	Holaluz	GVC
L'Oreal	CIC	Evolis	CIC	Iberdrola	GVC
Lvmh	CIC	Hf Company	CIC	Iren	BAK
Moncler	BAK	Ingenico	CIC	Italgas	BAK
Monnalisa	BAK	Memscap	IAC	Naturgy	GVC
Safilo	BAK	Osmozis	CIC	Red Electrica Corporacion	GVC
Salvatore Ferragamo	BAK	Stmicroelectronics	BAK	Ren	CBI
Smcp	CIC	Tier 1 Technology	GVC	Snam	BAK
Swatch Group	CIC	<b>Telecommunications</b>	<b>Mem(*)</b>	Solaria	GVC
Technogym	BAK	Altice Europe	CIC	Terna	BAK
Tod'S	BAK	Bouygues	CIC		
<b>Real Estate</b>	<b>Mem(*)</b>	Euskaltel	GVC		
Igd	BAK	Iliad	CIC		
Lar España	GVC	Nos	CBI		
Meriin Properties	GVC	Orange	CIC		
Quabit Inmobiliaria	GVC	Retelit	BAK		
Realia	GVC	Telecom Italia	BAK		
<b>Software &amp; Computer Ser.</b>	<b>Mem(*)</b>	Telefonica	GVC		
Agile Content	GVC	Tiscali	BAK		
Akka Technologies	CIC	Vodafone	BAK		
Alten	CIC	<b>Travel &amp; Leisure</b>	<b>Mem(*)</b>		
Amadeus	GVC	Accor	CIC		
Assystem	CIC	Autogrill	BAK		
Atos	CIC	Beneteau	CIC		
Axway Software	CIC	Codere	GVC		
Cappemini	CIC	Compagnie Des Alpes	CIC		
Cast	CIC	Edreams Odigeo	GVC		
Catenon	GVC	Elior	CIC		
Econocom	CIC	Europcar	CIC		

LEGEND: BAK: Banca Akros; CIC: CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Valores, SV, SA

as at 30 November 2020



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(\*\*) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts



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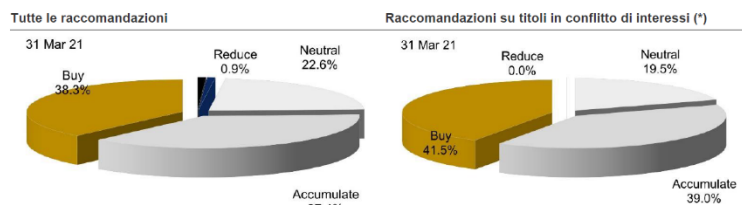
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#### Percentuale delle raccomandazioni al 31 marzo 2021



(\*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 35.65% del totale degli emittenti oggetto di copertura

#### Recommendation history for DEA CAPITAL

Date	Recommendation	Target price	Price at change date
28-Apr-21	Buy	1.93	1.44

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Enrico Esposti, CIIA (since 28/04/2021)





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The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



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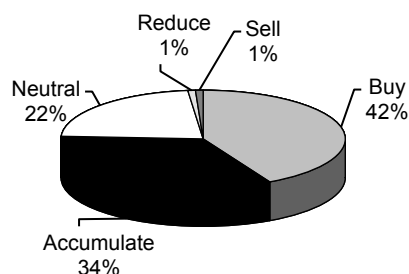
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### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12-month
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12-month
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12-month
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12-month
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12-month
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Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

### Banca Akros Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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