Analyser *10 September 2021*

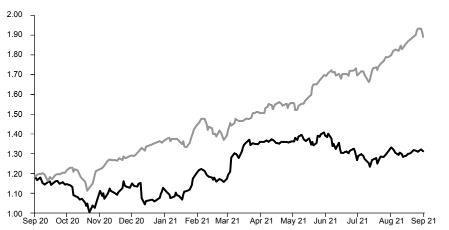
Buy	
Recommendation unchanged	
Share price: EUR	**1.31**
closing price as of 09/09/2021	
Target price: EUR	**1.93**
Target Price unchanged	
Upside/Downside Potential	**47.6%**
Reuters/Bloomberg	DEA.MI/DEA IM

Market capitalisation (EURm)	**340**
Current N° of shares (m)	260
Free float	**33%**
Daily avg. no. trad. sh. 12 mth (k)	246
Daily avg. trad. vol. 12 mth (k)	237.60
Price high/low 12 months	1.41 / 1.00
Abs Perfs 1/3/12 mths (%)	-1.80/-5.90/10.47

Key financials (EUR)	12/20	12/21e	12/22e
Total Revenue (m)	62	73	75
Pre-Provision Profit (PPP) (m)	-1	15	19
Operating profit (OP)	*-1*	*15*	*19*
Earnings Before Tax (m)	-1	15	19
Net Profit (adj.) (m)	*20*	*11*	*14*
Shareholders Equity (m)	446	442	440
Tangible BV (m)	346	342	340
RWA (m)	0	0	0
ROTE	*4.5%*	*2.5%*	*3.1%*
Cost/Income	nm	79.4%	75.2%
P/PPP	-280.5	22.6	18.2
P/E (adj.)	13.5	30.1	24.5
P/BV	0.6	0.8	0.8
P/TBV	0.8	1.0	1.0
Dividend Yield	7.6%	4.6%	4.6%
PPPPS	0.00	0.06	0.07
EPS (adj.)	*0.08*	*0.04*	*0.05*
BVPS	*1.71*	*1.70*	*1.70*
TBVPS	1.33	1.32	1.31
DPS	0.10	0.06	0.06

Shareholders

De Agostini S.p.A. 67%;



Source: FactSet

DEA CAPITAL — FTSE Italy STAR (Rebased)

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H1 21 results are consistent with our FY 21 numbers

The facts: DeA Capital unveiled its H1 21 results yesterday during market hours.

DeA Capital: H1 21 results

	H1 21	Y/Y	H1 20
Net operating result AAM	8.1	8%	7.5
Other AAM	(1.8)	n.m.	(0.9)
Net Result AAM	**6.3**	**-5%**	**6.6**
Alternative investment	12.3	n.m.	(4.1)
Other operating costs	(4.6)	7%	(4.3)
Net Group Result	**14.0**	**n.m.**	**(1.8)**

Source: Company data, Banca Akros estimates

Our analysis: in H1 21 the Combined AUM amounted to EUR 25.6bn, up by c. 14.1% Y/Y (integrating the amounts attributable to Quaestio Capital SGR), mainly thanks to inflows of c. EUR 2bn and to the positive market performance: Real Estate, EUR 11.749bn (+18.6% Y/Y); Credit, EUR 3.149bn (-2.2% Y/Y); Private Equity, EUR 2.385bn (+33.2% Y/Y); Multi-asset/Multi-manager solutions, EUR 8.348bn (+10.5% Y/Y). The group net result close at c. EUR 14m vs EUR -1.8m in H1 20 and mainly thanks to the improvements in both the Alternative Asset Management platform and in the investment portfolio. The NFP closed at c. EUR 124m (ow EUR 95.3m attributable to Holdings), compared to the "adjusted" figure (for the distribution of the extraordinary dividend of EUR 26.1 million in May 2021) of EUR 99.9 million recorded at the end of 2020. The result was mainly due to the divestment of the indirect shareholding in Migros (EUR 19.5m). During H1 21, the group continued to develop the platform in all its business segments. In particular, in the Real Estate segment, new initiatives were finalised for Assets Under Management totalling approximately EUR 1.3bn. In the Credit area, approximately EUR 25m of new assets have been transferred to the CCR II fund, bringing its total size to EUR 680m. In the context of Private Equity, the group has: obtained an investment advisory mandate for selecting closed-end funds in the Infrastructure sector, on a pool of funds totalling EUR 108m as at 30 June 2021; finalised new closings of the IDeA Agro and Sviluppo Sostenibile II funds, for EUR 28m (and therefore up to a total of EUR 110m) and EUR 21m (and therefore up to a total of EUR 91m), respectively: The volumes of a debt fund (under delegation of management) and of the Endowment Fund were increased for a total of EUR 22m.

Conclusion & Action: *this is a good set of results, consistent with our FY 21 numbers. We stick to Buy. 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. 4.5%), 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.*