



## Company Update

Reason: Company results (post view)

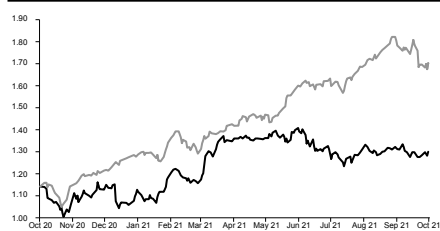
11 October 2021

<b>Buy</b>	
Recommendation unchanged	
<b>Share price: EUR</b>	<b>1.30</b>
closing price as of 08/10/2021	
<b>Target price: EUR</b>	<b>1.93</b>
Target Price unchanged	
<b>Upside/Downside Potential</b>	<b>48.7%</b>
Reuters/Bloomberg	DEA.MI/DEA.IM
<b>Market capitalisation (EURm)</b>	<b>337</b>
Current N° of shares (m)	260
<b>Free float</b>	<b>33%</b>
Daily avg. no. trad. sh. 12 mth (k)	249
Daily avg. trad. vol. 12 mth (k)	104.52
Price high/low 12 months	1.41 / 1.00
Abs Perfs 1/3/12 mths (%)	-1.07/2.37/13.66

Key financials (EUR)	12/20	12/21e	12/22e
Total Revenue (m)	62	92	76
Pre-Provision Profit (PPP) (m)	-1	30	17
Operating profit (OP)	-1	30	17
Earnings Before Tax (m)	-1	30	17
Net Profit (adj.) (m)	20	27	12
Shareholders Equity (m)	446	457	454
Tangible BV (m)	346	357	354
RWA (m)	0	0	0
ROTE	4.5%	5.9%	2.7%
Total Capital Ratio (B3)			
Cost/Income	nm	67.7%	78.2%
Price/Pre-Prov Prof	-280.5	11.3	20.2
P/E (adj.)	13.5	12.7	27.1
P/BV	0.6	0.7	0.7
P/TBV	0.8	0.9	1.0
Dividend Yield	7.7%	4.6%	4.6%
Pre-Prov Prof per share	0.00	0.11	0.06
EPS (adj.)	0.08	0.10	0.05
BVPS	1.71	1.76	1.75
TBVPS	1.33	1.38	1.37
DPS	0.10	0.06	0.06

## Shareholders

De Agostini S.p.A. 67%;



Source: FactSet

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## H1 21: cash and the fee-based business are still the main drivers

After the H1 21 numbers, we confirm our investment idea on the stock. DeA Capital 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 25.6bn in H1 21, +14% Y/Y (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. 4.6%), which can be improved through the distribution of an extraordinary dividend, just as DeA Capital has already 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 business portfolio internationalisation. We confirm our TP of EUR 1.93 and we stick to Buy.

- ✓ 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 H1 21, the **combined AuM** amounted to EUR 25.6bn, up by c. 14% Y/Y. **Almost all the investment strategies have contributed to growth**: 1) Real Estate, EUR 11.7bn (+18.6% Y/Y); 2) Credit, EUR 3.1bn (-2.2% Y/Y); 3) Private Equity, EUR 2.4bn (+33.2% Y/Y); 4) Multi-asset/Multi-manager Solutions, EUR 8.3bn (not consolidated; +10.5% Y/Y). The **combined revenues** closed at c. EUR 50m up by c. 9.9% mainly thanks to the Private Equity segment.
- ✓ The **net operating result** increased by c. 8.0% Y/Y to EUR 8.1m vs EUR 7.5m in H1 20. The group's **net result** increased to EUR 14m, from EUR -1.8m in H1 20, mainly thanks to the improvements in both the Alternative Asset Management platform and in the investment portfolio. After the divestment in Migros (EUR 19.5m), the **NFP** was EUR 124m in H1 21, from EUR 100m at the end of 2020, which has been adjusted to account for the distribution of the extraordinary dividend of EUR 26m in May 2021.



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## 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, unchanged. We stick to Buy.**

It is worth noting that c. 64% (vs 57%) of our fair value is related to the more predictable and less volatile **fee-based business** and another 16% consists of **cash**. DeA Capital is continuing to **redirect its business model** towards the more **value accretive asset management business** and we are convinced that 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. 4.6%), 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 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 stable net profit margin of 0.07% (vs a gradual decrease from 0.08% to 0.07%) and a gradual decrease in the growth rate of assets to a sustainable level in the medium-long term (1.0% vs 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	24,890	26,212	27,463	28,625	29,683	30,620	31,421	32,074	32,568	32,894
Growth %	-	45.0%	34.6%	7.2%	5.3%	4.8%	4.2%	3.7%	3.2%	2.6%	2.1%	1.5%	1.0%
Net Op. result AAM	15.3	14.6	18.6	17.4	18.3	19.2	20.0	20.8	21.4	22.0	22.5	22.8	23.0
Margin on avg. Assets	0.13%	0.08%	0.08%	0.070%	0.070%	0.070%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
NPV of Net Op. result AAM				17.1	16.6	16.1	15.6	15.0	14.3	13.6	12.8	12.1	11.3
Sum of NPV				144									
Terminal Value				354									
Discounted Terminal Value				173									
<b>Value</b>				<b>318</b>									

Source: Banca Akros & company data

In our calculation, we have also used the **market value** and/or the **book value** for the other assets and liabilities and 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	318	64%
Financial investments; Other assets/liabilities	102	20%
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 stick to Buy.

We remind readers that on 9 February 2021, DeA Capital announced that Kenan Investments (DeA has a 17% stake) had sold its **residual stake in Migros** (around 12% of its share capital) for **c. EUR 20m**. 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 competitors** as they have the closest similarities with DeA, i.e. 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.

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.

Peers	Country	Mkt. Cap	CR	P/E Adj.		P/BV		Div. Yield %	
				2021	2022	2021	2022	2021	2022
PARTNERS GROUP	SWITZERLAND	38,274	CHF	29.3	32.3	14.1	12.9	2.4	2.4
EQT AB	SWEDEN	357,284	SEK	44.5	40.0	14.2	11.8	1.0	1.2
INTERMEDIATE CAPITAL	BRITAIN	6,055	GBP	19.4	18.5	416.8	330.8	2.6	3.0
TIKEHAU CAPITAL	FRANCE	4,532	EUR	17.4	17.3	1.6	1.5	2.0	2.2
<b>Median</b>				<b>24.4</b>	<b>25.4</b>	<b>14.1</b>	<b>12.4</b>	<b>2.2</b>	<b>2.3</b>

Source: Bloomberg as at 08/10/2021

We believe that the **P/E ratio** is the most suitable multiple to compare DeA with its peers. On the base of this metric and our estimates, DeA Capital is currently trading at an average 2021 - 2022 P/E multiple of c. 21x, which is cheaper than the main peers. It is also worth mentioning that DeA has a **dividend yield**, we estimate, around double (c. 4.6%) 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 have calculated for 2022, doesn't incorporate all the potential **performance from DeA's investment portfolio**, which, under normal market conditions, is likely to be positive. Although any **conclusion could be misleading**, it does suggest there could be **value potential** for the market still 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.

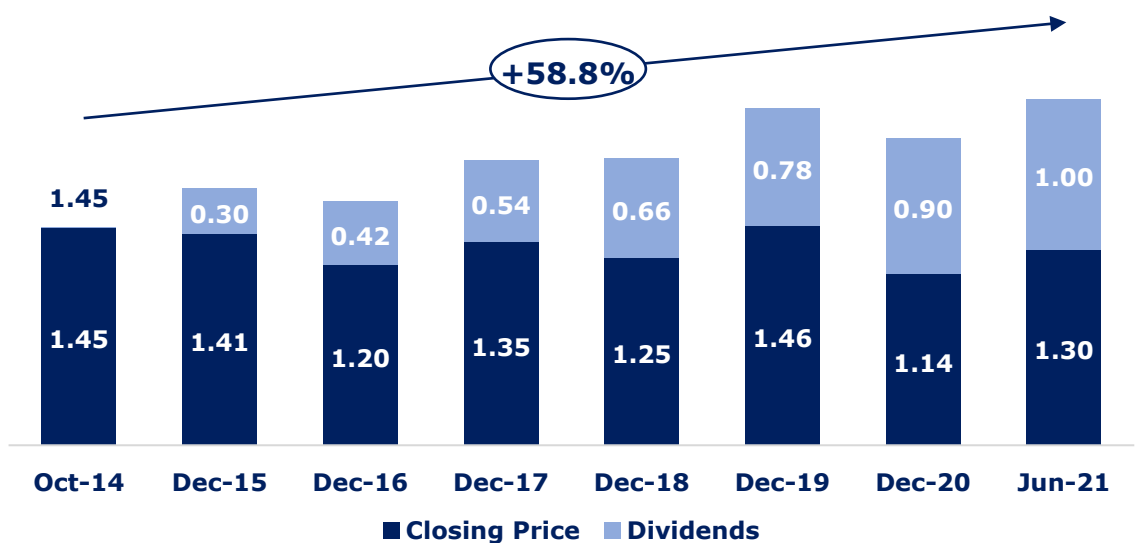
#### DeA Capital 1Y Relative Performance



Source: Bloomberg as of 08/10/2021

The following chart summarises the **stock's total performance**, including the dividends, from October 2014 to June 2021. The annualised 2014-2021 IRR has been c. 10%

#### Stock's total return from Oct 2014



Source: Banca Akros on company data



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 above-mentioned 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. 4.6%, 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, thus 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.





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- ✓ **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.



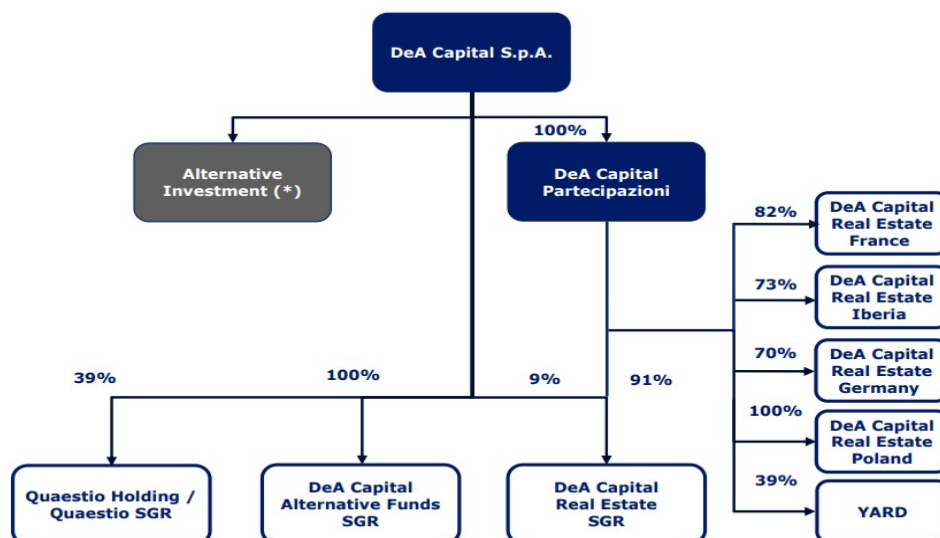
## Company Profile and main shareholders

### 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 25.6bn at the end of June 2021. 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**, which 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:

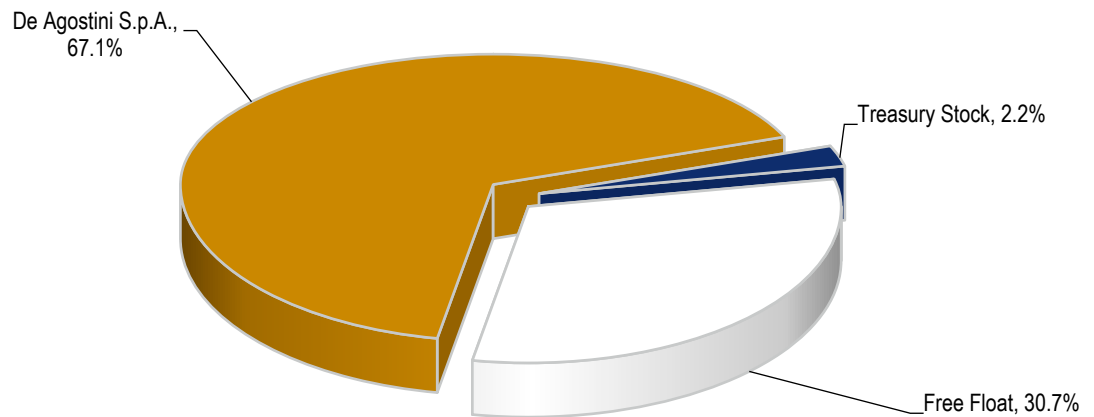
### DeA Group's corporate structure at a glance



Source: company presentation as at 30 June 2021 - (\*) 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 30.7% as the company holds c. 2.2% 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** it initiated in 1997. Nowadays, the group's businesses range from the traditional publishing sector to other sectors, each belonging to an independent **sub-holding**.



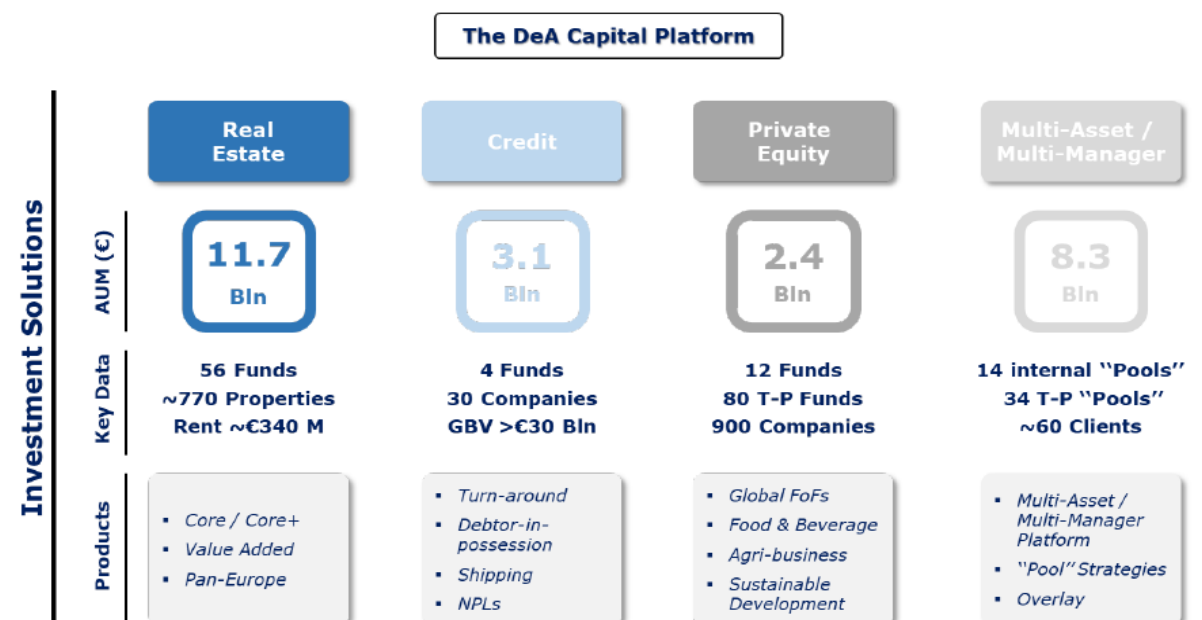
## The business model: four key investment solutions

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 and 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 manager, 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 – H1 21



Source: company presentation

DeA's alternative asset management platform has **four main investment solutions** and is concentrated in **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.

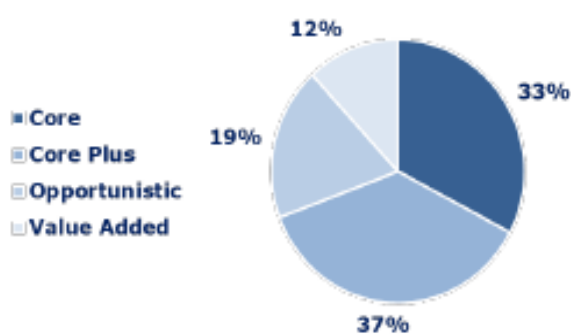


## Alternative Asset Management

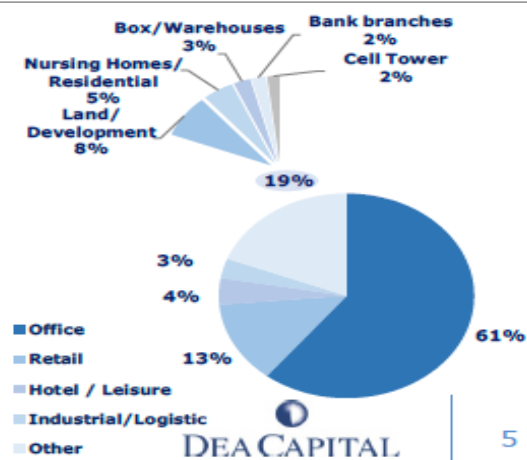
### 1. DeA Capital Real Estate SGR; 100% stake - Real Estate (AuM EUR 11.7bn)

DeA Capital Real Estate SGR is **Italy's largest independent real estate asset management company**, with AuM of c. EUR 11.7bn at the end of June 2021 and 56 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.

Over the last couple of years, DeA Capital has successfully pursued some Real Estate **internationalisation 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** (82%) and DeA Capital Real Estate **Iberia** (73.0%), as well as a co-controlling stake in DeA Capital Real Estate **Poland** (100%). 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 fund 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**.

**Credit (AuM EUR 3.1bn):** 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 for 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).

**Private Equity (AuM EUR 2.4bn):** 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: Gelato d’Italia, Stalam, La Piodineria. 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 for specific investors (e.g. Foundations).

### 3. **Quaestio Capital Management SGR, 39% stake - Multi-Asset/Manager (AuM EUR 8.3bn)**

With AuM of c. EUR 8.3bn at the end of June 2021, 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** (14 internal pools; 34 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**.

### 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	H1 21
IDeA I FoF	15.2	14.5
ICF II	23.7	31.8
ICF III	11.9	14.6
IDeA OF I	14.9	15.9
IDeA EESS	3.5	3.5
IDeA Tol	16.3	13.8
IDeA Tol 2	2.4	3.2
IDeA CCR I	1.0	0.6
IDeA CCR II	6.3	6.3
IDeA Agro	1.7	2.4
Santa Palomba	0.7	0.7
DeA Capital Real Estate SGR funds	43.2	42.5
Other funds	0.5	0.5
<b>Total</b>	<b>141.3</b>	<b>150.4</b>

Source: Banca Akros on company data

**Holdings** – the group also holds **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 Seine-Saint Denis.

### 2 AI Other Investments

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

- ✓ 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.





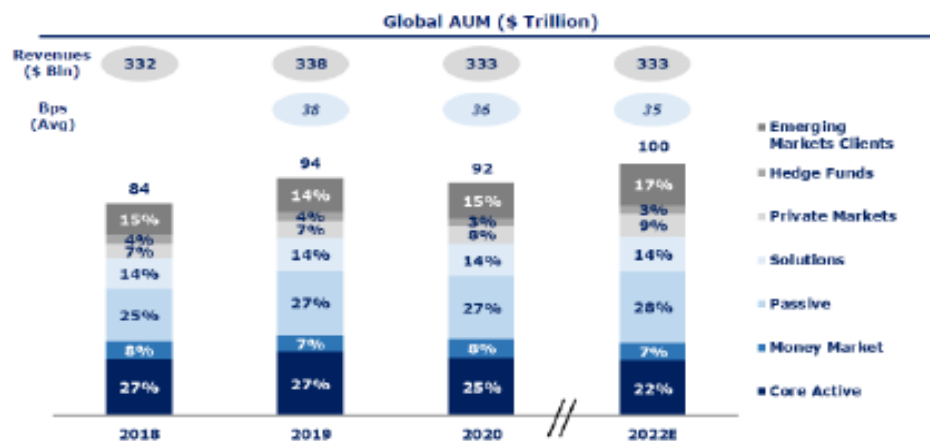
<b>AI Other Investments - BS Value</b>	<b>FY 20</b>	<b>H1 21</b>
Kenan Investments (Migros) – Divested in Feb 2021	19.7	0.0
Minority interests (Cellularline)	4.7	4.2
Venture capital funds	0.6	0.5
<b>Total</b>	<b>24.2</b>	<b>4.7</b>

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 actions, increased their risk aversion and thus 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**.

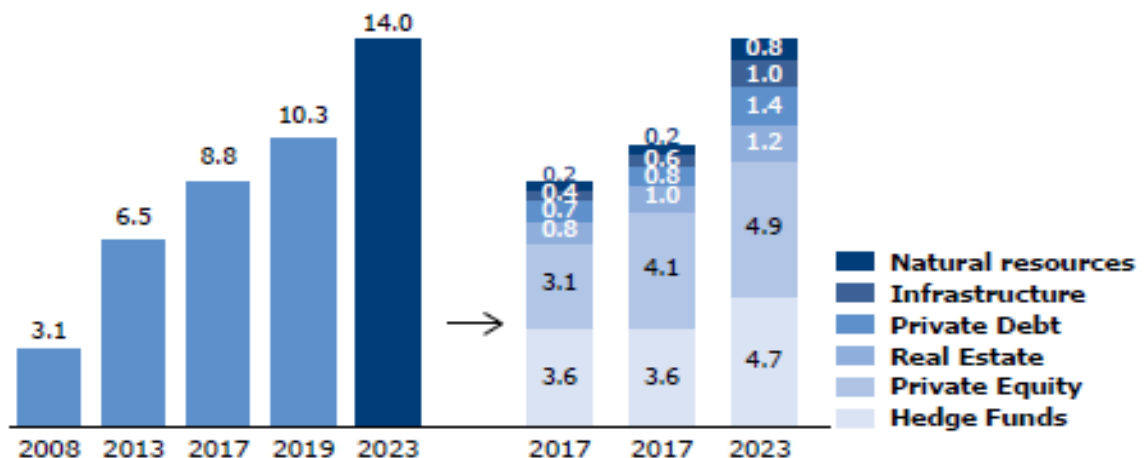
### Asset Management global AuM



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



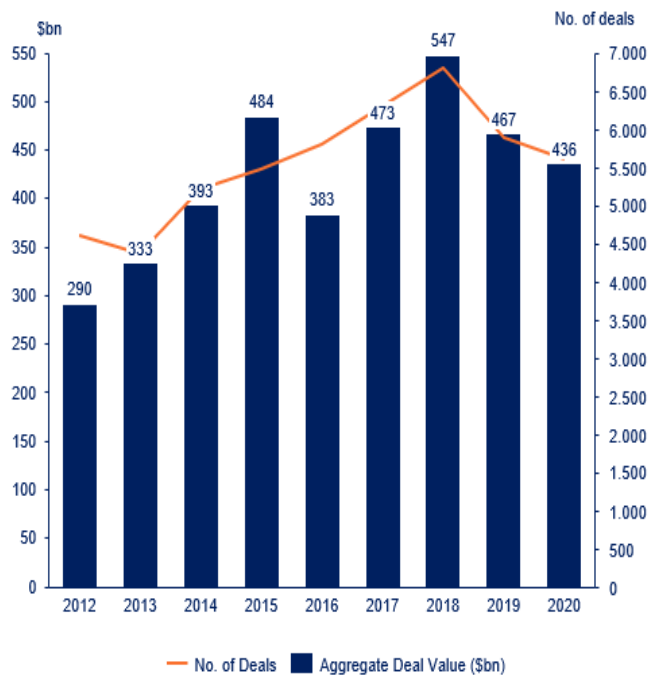
Source: company data; Preqin

Alternative Assets Under Management marked USD 10.3trl in 2019, with an **increase 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.

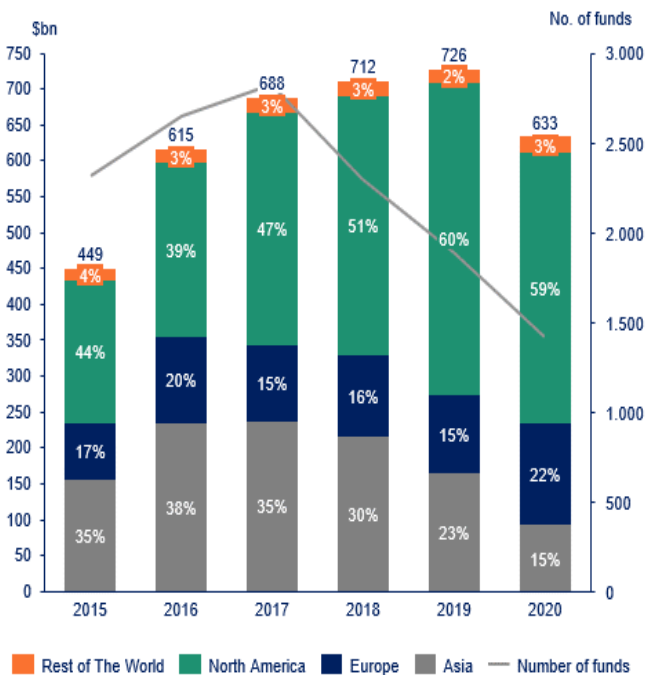
The **Private Capital** segment, which does not include hedge funds, seems to be the main development sector. At the end of 2019, it accounted for USD 6.7trl compared with a total of USD 10.3trl, with an estimate for 2023 of about USD 9.3trl. More in detail, Private Capital is seen growing by c. 36% by 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 2020, the collection of PE funds **recorded the first negative trend globally since 2010**, largely driven by the decrease in the funds raised in **Asia**. The **total value of investments** went from USD 547bn in 2018 (c. 7,000 transactions concluded) to USD 436bn in 2020 (5,500 transactions), a decrease of almost 25%.

Value of Private Equity globally – USD bn



Global fundraising by region – USD bn



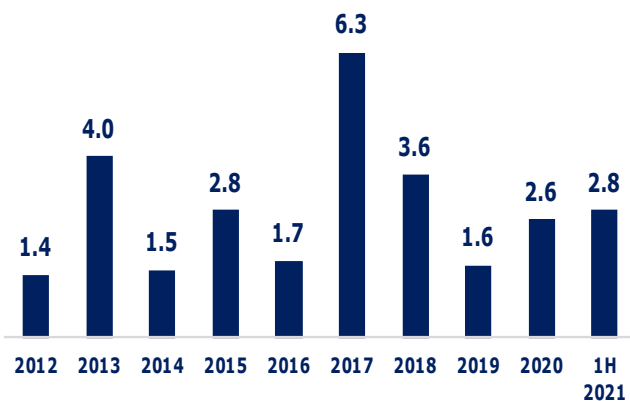
Source: company data; Preqin – January 2021

Source: company data; Preqin – January 2021

The **inflows** deteriorated in the main economic areas from USD 726bn in 2019 to USD 633bn in 2020, the only exclusion being **Europe**, which reached c. USD 139bn in 2020 (22% of the total), +27.5% Y/Y, partially reducing the gap with America. This overall negative trend was mainly due to the **pandemic**, but also **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**.

**As regards the Italian market**, private equity and venture capital investors invested c. EUR 6.6bn in 2020, -8% Y/Y, after the highest volumes ever (EUR 9.8bn) which was recorded in 2018. In H1 21, investments reached EUR 4.5bn, while the value of disposals was c. EUR 0.7bn vs. EUR 1.6bn in 2020.

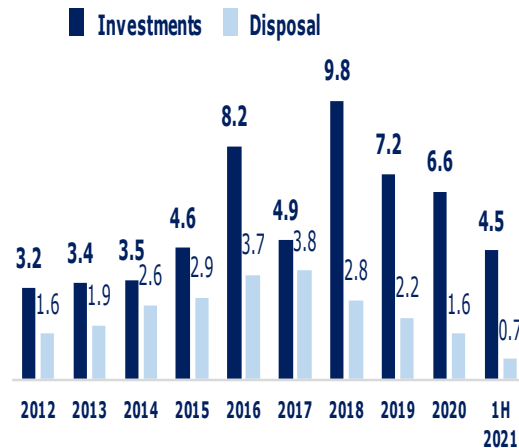
## Italy PE fundraising (1)



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

Source: company presentation

## Italy investments and disposals



Source: company presentation

In 2020, **fundraising** on private equity and venture capital markets amounted to EUR 2.6 bn, vs EUR 1.6bn in 2019; in H1 21, the trend registered a remarkable improvement and fundraising achieved c. EUR 2.8bn.

- ✓ **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 reached c. EUR 277bn in Europe, -12% Y/Y. The impact of the Covid-19 pandemic can still be seen in 2021 (EUR 124bn invested in H1 21). The three most active **European countries** in terms of investments were Germany, Great Britain and France, representing about 73% of the total in Q2 21. **Germany**, with c. EUR 17.8.bn in transactions, was confirmed the top market (+27% Y/Y in Q2 21), while **Great Britain** recorded an increase of c. 267% Y/Y to EUR 16.3bn in Q2 21.

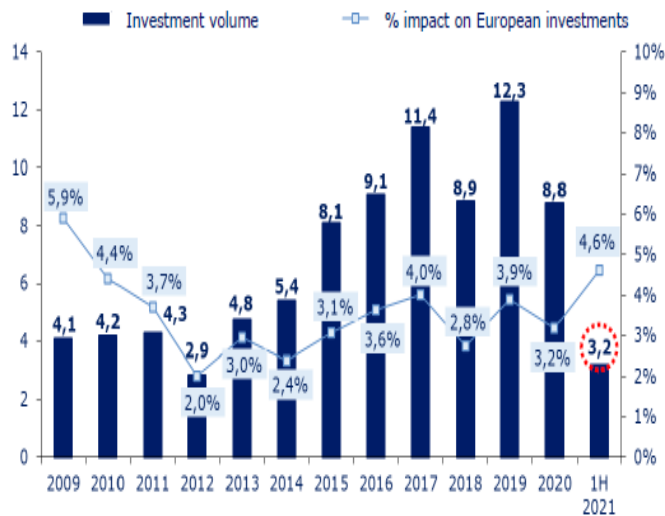
## Real Estate Investments in Europe – EUR bn



Source: company presentation; CBRE, European Investment Market Snapshot Q2 2021 and Q2 2020

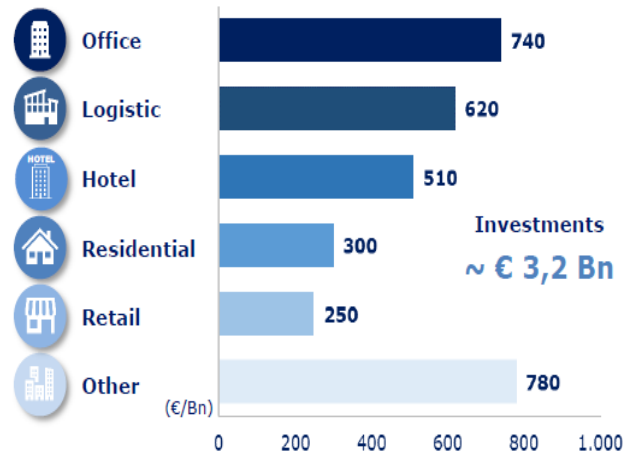
In H1 21, with investments of c. EUR 740m, the **office segment**, was once again in top position, followed by the **logistics sector** (EUR 620m) and by the **hotel segment** (EUR 510m). Despite the high liquidity, the **uncertainty over the spread of COVID-19** limited the financial leverage, while investors kept a cautious approach overall.

## Real Estate Investments in Italy – EUR bn



Source: company presentation; CBRE Research

## Breakdown of RE Investments in Italy – H121



Source: company presentation; CBRE Research

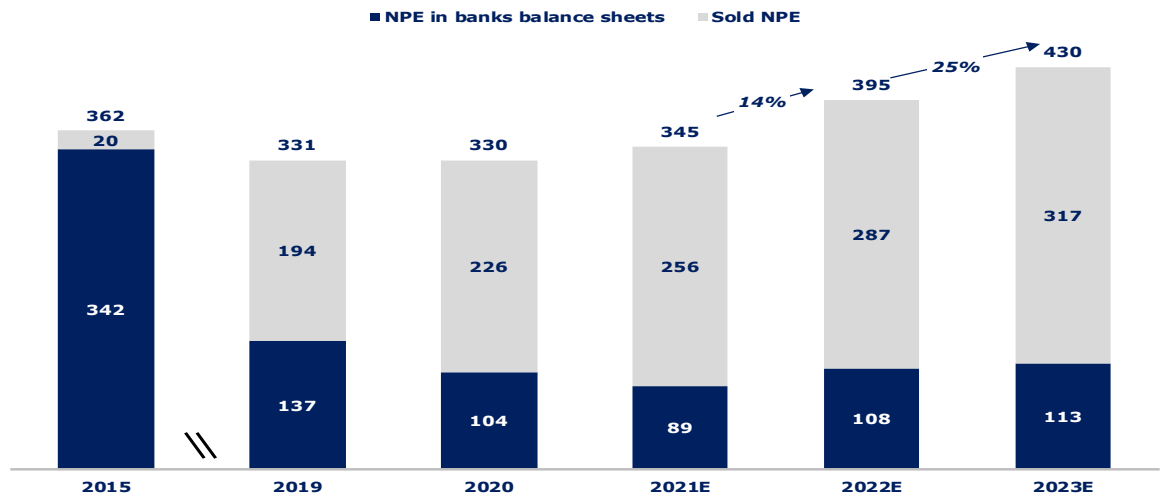
- **NPE market: further NPE inflows ahead** – The **European Union** has the highest non-performing loans ratio (NPL Ratio) in the world. It grew from 5% in 2009 to a maximum of 7% in 2012, only to begin to decrease, which is still ongoing nowadays. The NPL Ratio hovered below 2% in Asia and in America 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) was 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** peaked in 2015 (more than EUR 340bn), but then fell steadily to c. EUR 104bn 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 and it was c. EUR 330bn at the end of 2020, of which only c. EUR 104bn was still on 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 the banks' new NPE flows** in the coming few years. Indeed, the **Italian non-performing exposure market is seen growing** by c. 4% to EUR 345bn in 2021 and by c. 25% to EUR 430bn in 2023.

## Italian Non-Performing Exposure Market



Source: company presentation; Banca IFIS

## 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 believe 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' appetite for 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 protect itself 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 seize new **investment opportunities**.

Though there may be a slowdown in the development of RE and Private Equity transactions, 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 the 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 institutions, as well as DeA's improving **international presence** and **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.

**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 a 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 specific 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 2021**, the group has continued developing and rebalancing the business portfolio. In more detail:

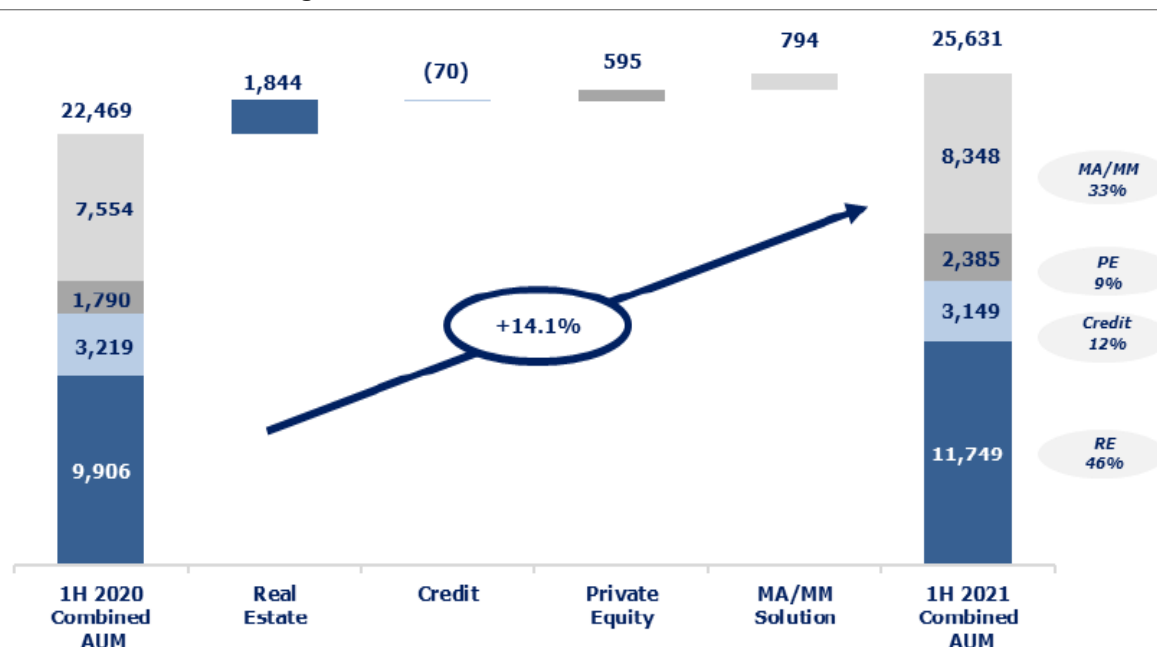
- ✓ In February 2021, **Kenan Investments** (DeA holds a 17% stake ) finalised the sale of the remaining stake (c. 12% of its capital) held in **Migros** for a total consideration of c. EUR 20m. Overall, DeA Capital received c. EUR 249m from Kenan Investments, with a cumulative capital gain of c. EUR 74m.
- ✓ In March 2021, DeA acquired the management of a **closed-end real estate fund** focused on the **Italian logistics market** with AuM of over EUR 700m.
- ✓ In the **Real Estate segment**, new initiatives for Assets under Management totalling c. EUR 1.3bn have been finalised.
- ✓ In terms of **Credit**, c. EUR 25m of new assets have been transferred to the CCR II fund, bringing it to a total of over EUR 680m.
- ✓ In the context of **Private Equity**: a) an investment advisory mandate was initiated to select closed-end funds in the **Infrastructure sector**, on a pool of funds totalling EUR 108m at the end of June 2021; b) new closings of the **IDeA Agro and Sviluppo Sostenibile II funds** were finalised, 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; c) the



volumes of a debt fund (under delegation of the management) and of the Endowment Fund were increased for a total of EUR 22m.

In August 2021, **DeA Capital, De Agostini, DeA Capital Real Estate SGR, CPI Property Group S.A.** and the subsidiary of the latter, **Nova Re SIIQ**, signed a strategic agreement aimed at establishing a potential real estate partnership. CPI is a leading European property company, listed on the Frankfurt Stock Exchange, with a property portfolio valued at over EUR 10bn. Nova RE is a real estate operator listed on the Italian Stock Exchange, with a portfolio of properties valued at c. EUR 120m at the end of 2020. The agreement envisages that the parties create a partnership in the Italian real estate market, also involving the assignment by Nova RE to DeA Capital RE the advisor role for the performance of some asset advisory services for Nova RE. The partnership also provides for a co-investment commitment covered 50/50 by DeA Capital and the parent company De Agostini, for an amount equal to the lesser of (i) 5% of the capital / future capital increases of Nova RE and (ii) EUR 50m (including the purchase of 5% of Nova RE, to be realised on spot, for about EUR 3.5m) to be deployed in the context of a Nova RE capital increase to at least EUR 1bn by the end June 2022.

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



Source: company presentation





## 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**.

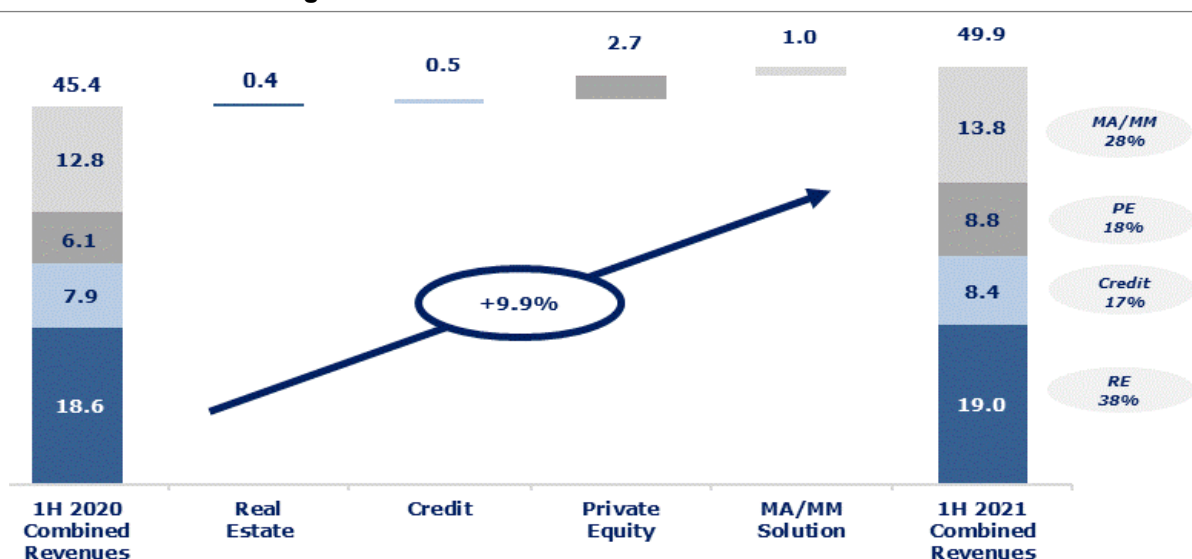
**At the end of 2019**, DeA Capital's acquisition of Quaestio SGR's NPL AM business increased the combined AuM to c. EUR 22.6bn, leading to an increase in the **management fees** to EUR 64.9m (+2.5% Y/Y) **and a net operating result** of EUR 14.6m, slightly lower than in 2018 due to some non-recurring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

In **FY 20**, 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).

At the end of **June 2021**, 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 11.7bn (+18.6% Y/Y); **Credit**, EUR 3.1bn (-2.2% Y/Y); **Private Equity**, EUR 2.4bn (+33.2% Y/Y); **Multi-asset/Multi-manager solutions**, EUR 8.3bn (+10.5% 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 50m (ow c. EUR 14m not consolidated) up by c. 10% Y/Y in H1 21 and mainly thanks to the Private Equity segment.

### Alternative Asset Management Platform – H1 21 Combined revenues - EURm



Source: company presentation

The group's net result reached EUR 14m, up from EUR -1.8m recorded in H1 20, mainly thanks to the improvements in both the Alternative Asset Management platform and in the investment portfolio.

**DeA Capital: H1 21 results**

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

Source: Company data, Banca Akros estimates

The **NFP** has been positive for c. EUR 124m (ow EUR 95.3m is attributable to the holding company), compared to the “adjusted” figure (for the distribution of the extraordinary dividend of EUR 26.1 million in May 2021) of EUR 99.9m recorded at the end of 2020. The improvement was mainly due to the **divestment of the indirect shareholding in Migros (EUR 19.5m)**.



## 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.

After the H1 21 result, we have **updated our estimates** in order to incorporate the asset development recorded in the first half of the year. To derive our estimates, we assumed an **AUM 2021-2022 average growth** of c. 5.5% (vs 2.4%) and a net operating margin on average AUM in 2021 and 2022 of c. 0.07% (vs 0.08%; 2019-2020 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 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	11,918	12,156
Private Equity / Credit business	2,430	4,942	5,490	5,600	5,712
<b>Total consolidated AuM</b>	<b>11,881</b>	<b>15,018</b>	<b>15,944</b>	<b>17,517</b>	<b>17,868</b>
Multi-asset / Multi-manager (Quaestio SGR)	n.a.	7,591	7,883	8,435	8,604
<b>Total combined AuM</b>	<b>11,881</b>	<b>22,609</b>	<b>23,827</b>	<b>25,952</b>	<b>26,471</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	40.4	41.2
Private Equity / Credit business	23.5	24.5	32.5	32.7	33.3
<b>Total consolidated revenues</b>	<b>62.4</b>	<b>66.4</b>	<b>71.3</b>	<b>73.0</b>	<b>74.5</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>102.8</b>	<b>104.6</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>73.0</b>	<b>74.5</b>
Total operating costs	-40.1	-45.0	-44.6	-45.0	-45.2
Taxes	-7.0	-6.8	-8.1	-10.6	-11.0
<b>Net operating result AAM</b>	<b>15.3</b>	<b>14.6</b>	<b>18.6</b>	<b>17.4</b>	<b>18.3</b>
Other AAM	-6.2	-2.9	13.0	-2.0	0.0
Alternative investment	9.0	5.3	-6.4	17.0	0.0
Holding costs	-6.1	-6.3	-8.5	-8.8	-8.9
Taxes	-0.9	1.6	3.6	-1.2	3.0
<b>Net Group Result</b>	<b>11.1</b>	<b>12.3</b>	<b>20.4</b>	<b>22.4</b>	<b>12.5</b>

Source: Banca Akros and company data



- ✓ **Net operating result AAM** – this item represents the group’s core operating and less volatile result, which is 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 assumed zero contribution in 2021 and 2022 considering the company is still being reorganised.
- ✓ **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 assumption considering that the magnitude and timing of the portfolio performance are unpredictable. This item was equal to c. EUR 17.8m in H1 21.
- ✓ **Holding costs** – we have not made any specific assumption on the holding costs, though we have estimated an average growth rate of c. 2.7% in the 2021-2022 period (unchanged).
- ✓ **Net Group result** – after an estimated average group tax rate of c. 34% in 2021 and 2022, we calculate that net profit ought to be c. EUR 12.5m in 2022 (vs EUR 13.9m), down from 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>73.0</b>	<b>74.5</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	17.0	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	-62.2	-59.7
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>29.7</b>	<b>16.6</b>
Income tax	-5.8	-5.0	14.9	-7.6	-4.6
<b>Net profit from continuing operations</b>	<b>41.3</b>	<b>11.1</b>	<b>13.9</b>	<b>22.1</b>	<b>12.0</b>
Profit (Loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net profit	41.3	11.1	13.9	22.1	12.0
Minority interests	-30.3	1.2	6.5	0.4	0.4
<b>Net Group Result</b>	<b>11.1</b>	<b>12.3</b>	<b>20.4</b>	<b>22.4</b>	<b>12.5</b>
<b>- ow Net operating result AAM</b>	<b>15.3</b>	<b>14.6</b>	<b>18.6</b>	<b>17.4</b>	<b>18.3</b>

Source: Banca Akros and company data

Our **NFP** estimates are consistent with the expectations in terms of dividend payment and net profit shown above.

On the other hand, we cannot make **any calculation 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	60.0	60.0
Cash & cash equivalents	143.8	99.5	123.6	127.6	124.6
<b>Total Assets</b>	<b>576.0</b>	<b>592.6</b>	<b>540.9</b>	<b>537.1</b>	<b>533.9</b>
<b>Equity</b>	<b>466.5</b>	<b>457.5</b>	<b>446.4</b>	<b>442.7</b>	<b>439.6</b>
Minority interests	39.3	23.6	16.7	16.6	16.5
<b>Shareholders' equity</b>	<b>505.8</b>	<b>481.1</b>	<b>463.1</b>	<b>459.3</b>	<b>456.0</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>537.1</b>	<b>533.9</b>
<b>Consolidated NFP</b>	<b>101.0</b>	<b>105.6</b>	<b>126.0</b>	<b>131.6</b>	<b>125.0</b>

Source: Banca Akros and company data

Given the foregoing, we expect an almost stable positive NFP, c. EUR 125m in 2022, from EUR 126m reported in 2020.

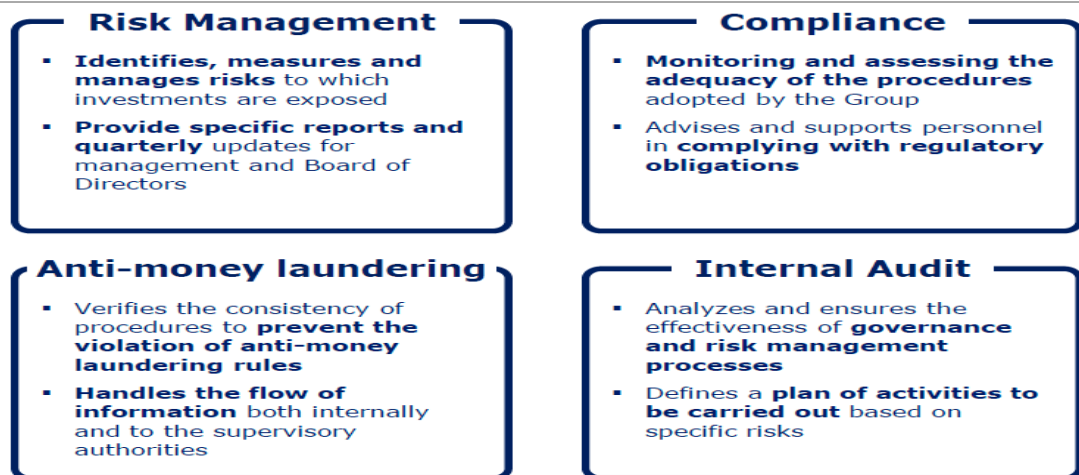


## The ESG approach

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**.

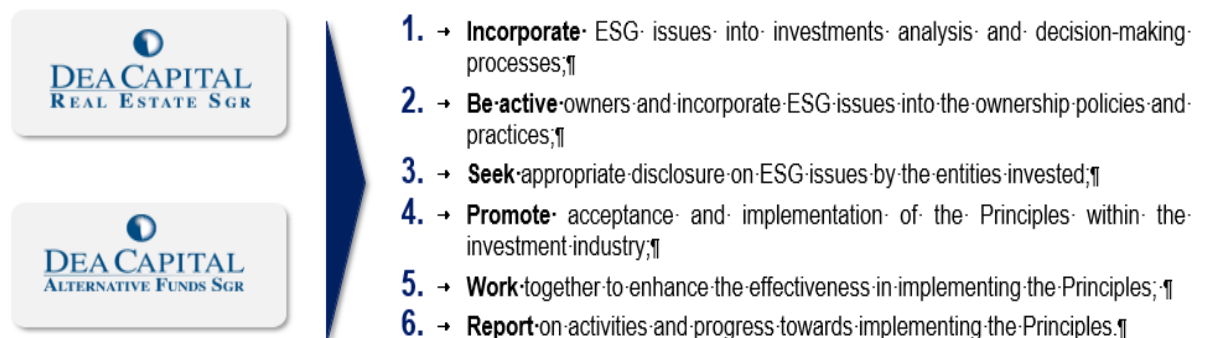
### Operating governance



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 and indirect investments (including funds of funds) and aiming to enhance the communication with all of its stakeholders.

### Integrating 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 divestment 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.



## Fully integrated ESG framework

 <p><b>ESG Policy</b></p> <p><i>Investment processes &amp; Corporate Governance incorporating ESG guidelines</i></p>	 <p><b>ESG Rating</b></p> <p><i>ESG Rating by Sustainalytics ranking DeA Capital among the TOP 20 companies worldwide in the AAM industry</i></p>	 <p><b>PRI Signatory</b></p> <p><i>All the AM entities of the Group are PRI signatory</i></p>
 <p><b>Proprietary Tool</b></p> <p><i>Developed a proprietary ESG Tool for investment screening and monitoring</i></p>	 <p><b>GRESB Certification</b></p> <p><i>Development, refurbishment and management of highly efficient and sustainable properties</i></p>	 <p><b>UN Global Compact</b></p> <p><i>Active member of the UN Global Compact, promoting long-term sustainability values</i></p>

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.



## Upcoming Corporate Events Calendar

Date	Event Type	Description	Period
11/11/21	Results	Q3 2021 Results	2021Q3

Source: *Precise*





## 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	73.0	74.5
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>18.9</b>	<b>1.9</b>
<b>Non-Interest Income</b>	<b>103</b>	<b>75.8</b>	<b>61.5</b>	<b>91.9</b>	<b>76.4</b>
<b>Total Income from Banking Business</b>	<b>103</b>	<b>75.8</b>	<b>61.5</b>	<b>91.9</b>	<b>76.4</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>91.9</b>	<b>76.4</b>
Operating Costs	-56.2	-59.8	-62.5	-62.2	-59.7
-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>29.7</b>	<b>16.6</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>29.7</b>	<b>16.6</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>29.7</b>	<b>16.6</b>
Tax	-5.8	-5.0	14.9	-3.5	-4.6
<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	0.4
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>26.6</b>	<b>12.5</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	26.6	12.5

BALANCE SHEET (EURm)	12/2018	12/2019	12/2020	12/2021e	12/2022e
Due from Banks	144	99.5	124	133	130
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>311</b>	<b>308</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	141	141
<b>Total Assets</b>	<b>576</b>	<b>593</b>	<b>541</b>	<b>552</b>	<b>549</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>457</b>	<b>454</b>
Minorities Equity	39.3	23.6	16.7	17.1	17.0
<b>Total Liabilities</b>	<b>576</b>	<b>593</b>	<b>541</b>	<b>552</b>	<b>549</b>
<b>Tangible Book Value (2)</b>	<b>373</b>	<b>353</b>	<b>346</b>	<b>357</b>	<b>354</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%	64.7%	64.5%



## DeA Capital: Summary tables

GROWTH RATES %	12/2018	12/2019	12/2020	12/2021e	12/2022e
Revenue Growth		-26.6%	-18.9%	49.4%	-16.9%
Operating Cost Growth		6.3%	4.6%	-0.5%	-4.0%
Interest Income Growth					
Non Interest Income Growth		-26.6%	-18.9%	49.4%	-16.9%
<b>Pre-Provision Profit Growth</b>		<b>-65.9%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>-44.0%</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>67.7%</b>	<b>78.2%</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%	5.9%	2.7%
ROTE or ROE (adj.) (5)	2.4%	2.7%	4.5%	5.9%	2.7%
Payout Ratio	n.m.	n.m.	127.9%	58.5%	125.1%
Dividend Yield (gross)	11.4%	8.9%	7.7%	4.6%	4.6%

VALUATION (x)	12/2018	12/2019	12/2020	12/2021e	12/2022e
P/Pre-Provision Profit per Share	5.7	21.7	-280.5	11.3	20.2
P/E (reported)	24.2	28.5	13.5	12.7	27.1
<b>P/E (adj.)</b>	<b>24.2</b>	<b>28.5</b>	<b>13.5</b>	<b>12.7</b>	<b>27.1</b>
P/BV	0.6	0.8	0.6	0.7	0.7
P/TBV	0.7	1.0	0.8	0.9	1.0

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	0.11	0.06
EPS (reported)	0.04	0.05	0.08	0.10	0.05
<b>EPS (adj.)</b>	<b>0.04</b>	<b>0.05</b>	<b>0.08</b>	<b>0.10</b>	<b>0.05</b>
BVPS	1.84	1.76	1.71	1.76	1.75
TBVPS (2)	1.47	1.36	1.33	1.38	1.37
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	1.3	1.3
Outstanding number of ordinary shares (m)	254	260	261	260	260
<b>Total Market Cap (8)</b>	<b>267</b>	<b>349</b>	<b>276</b>	<b>337</b>	<b>337</b>
Assets Under Management (bn)	11,900.0	22,609.0	23,827.0	25,952.2	26,471.2

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>Automobiles &amp; Parts</b>	<b>Mem(*)</b>	Kaufman & Broad	IAC	Banca Generali	BAK	Bollore	CIC
Brembo	BAK	Kering	CIC	Banca Ifis	BAK	Bureau Veritas	CIC
Faurecia	CIC	L'Oreal	CIC	Banca Mediolanum	BAK	Caf	GVC
Ferrari	BAK	Lvmh	CIC	Banca Sistema	BAK	Catenon	GVC
Gestamp	GVC	Maisons Du Monde	CIC	Bff Bank	BAK	Cellnex Telecom	GVC
Indelb	BAK	Moncler	BAK	Dea Capital	BAK	Cembre	BAK
Michelin	CIC	Monnalisa	BAK	Finecobank	BAK	Clasquin	IAC
Pirelli & C.	BAK	Ovs	BAK	Mediobanca	BAK	Cnh Industrial	BAK
Plastic Omnium	CIC	Piaggio	BAK	Poste Italiane	BAK	Corticeira Amorim	CBI
Sogefi	BAK	Richemont	CIC	Rothschild & Co	CIC	Ctt	CBI
Stellantis	BAK	Safilo	BAK	<b>Food &amp; Beverage</b>	<b>Mem(*)</b>	Danieli	BAK
Valeo	CIC	Salvatore Ferragamo	BAK	Advini	CIC	Datalogic	BAK
<b>Banks</b>	<b>Mem(*)</b>	Smcp	CIC	Bonduelle	CIC	Enav	BAK
Banca Mps	BAK	Swatch Group	CIC	Campari	BAK	Exel Industries	CIC
Banco Sabadell	GVC	Technogym	BAK	Danone	CIC	Fiera Milano	BAK
Banco Santander	GVC	Tod'S	BAK	Diageo	CIC	Fincantieri	BAK
Bankinter	GVC	Trigano	CIC	Ebro Foods	GVC	Getlink	CIC
Bbva	GVC	Ubisoft	CIC	Enervit	BAK	Global Dominion	GVC
Bnp Paribas	CIC	<b>Energy</b>	<b>Mem(*)</b>	Fleury Michon	CIC	Haulotte Group	CIC
Bper	BAK	Cgg	CIC	Italian Wine Brands	BAK	Interpump	BAK
Caixabank	GVC	Ecoslops	CIC	Lanson-Bcc	CIC	Inwit	BAK
Credem	BAK	Eni	BAK	Laurent Perrier	CIC	Leonardo	BAK
Credit Agricole Sa	CIC	Galp Energia	CBI	Ldc	CIC	Logista	GVC
Intesa Sanpaolo	BAK	Gas Plus	BAK	Nestle	CIC	Manitou	CIC
Liberbank	GVC	Gtt	CIC	Orsero	BAK	Nicolas Correa	GVC
Natixis	CIC	Maurel Et Prom	CIC	Pernod Ricard	CIC	Openjobmetis	BAK
Societe Generale	CIC	Plc	BAK	Remy Cointreau	CIC	Osai	BAK
Unicredit	BAK	Repsol	GVC	Tipiak	CIC	Prima Industrie	BAK
<b>Basic Resources</b>	<b>Mem(*)</b>	Rubis	CIC	Vilmorin	CIC	Prosegur	GVC
Acerinox	GVC	Saipem	BAK	Viscofan	GVC	Prosegur Cash	GVC
Altri	CBI	Siemens Gamesa Re	GVC	Vranken	CIC	Prysmian	BAK
Arcelormittal	GVC	Technip Energies	CIC	<b>Healthcare</b>	<b>Mem(*)</b>	Rai Way	BAK
Ence	GVC	Technipfmc Plc	CIC	Abionyx Pharma	CIC	Rexel	CIC
Imerys	CIC	Tecnicas Reunidas	GVC	Amplifon	BAK	Saes	BAK
Semapa	CBI	Tenaris	BAK	Atrys Health	GVC	Salcef	BAK
The Navigator Company	CBI	Totalenergys	CIC	Crossject	CIC	Talgo	GVC
Tubacex	GVC	Vallourec	CIC	Diasorin	BAK	Teleperformance	CIC
<b>Chemicals</b>	<b>Mem(*)</b>	<b>Fin. Serv. Holdings</b>	<b>Mem(*)</b>	El.En.	BAK	Verallia	CIC
Air Liquide	CIC	Cir	BAK	Fermentalg	CIC	Vidrala	GVC
Arkema	CIC	Corp. Financiera Alba	GVC	Fine Foods	BAK	Zardoya Otis	GVC
Plasticos Compuestos	GVC	Digital Magics	BAK	Genfit	CIC	<b>Insurance</b>	<b>Mem(*)</b>
<b>Consumer Products &amp; Services</b>	<b>Mem(*)</b>	Eurazeo	CIC	Gpi	BAK	Axa	CIC
Abeo	CIC	Gbl	CIC	Guerbet	CIC	Catalana Occidente	GVC
Basicnet	BAK	Peugeot Invest	CIC	Korian	CIC	Cattolica Assicurazioni	BAK
Beneteau	CIC	Rallye	CIC	Oncodesign	CIC	Generali	BAK
Brunello Cucinelli	BAK	Tip Tamburi Investment Partners	BAK	Orpea	CIC	Mapfre	GVC
Capelli	CIC	Wendel	CIC	Prim Sa	GVC	Net Insurance	BAK
De Longhi	BAK	<b>Fin. Serv. Industrials</b>	<b>Mem(*)</b>	Recordati	BAK	Unipolsai	BAK
Europcar	CIC	Abitare In	BAK	Shedir Pharma	BAK	<b>Materials, Construction</b>	<b>Mem(*)</b>
Fila	BAK	Dovalue	BAK	Theraclion	CIC	Acs	GVC
Geox	BAK	Nexi	BAK	Vetoquinol	CIC	Aena	GVC
Givaudan	CIC	Tinexta	BAK	Virbac	CIC	Atlantia	BAK
Groupe Seb	CIC	<b>Financial Services Banks</b>	<b>Mem(*)</b>	<b>Industrial Goods &amp; Services</b>	<b>Mem(*)</b>	Buzzi Unicem	BAK
Hermes Intl.	CIC	Amundi	CIC	Applus	GVC	Cementir	BAK
Hexaom	CIC	Anima	BAK	Avio	BAK	Cementos Molins	GVC
Interparfums	CIC	Azimut	BAK	Biesse	BAK	Clerhp Estructuras	GVC



Eiffage	CIC	Inditex	GVC	<b>Utilities</b>	<b>Mem(*)</b>
Fcc	GVC	Unieuro	BAK	A2A	BAK
Ferrovial	GVC	<b>Technology</b>	<b>Mem(*)</b>	Acciona	GVC
Groupe Adp	CIC	Agile Content	GVC	Acea	BAK
Groupe Poujoulat	CIC	Akka Technologies	CIC	Albioma	CIC
Groupe Sfp S.A.	CIC	Almawave	BAK	Alerion Clean Power	BAK
Herige	CIC	Alten	CIC	Audax	GVC
Holcim	CIC	Amadeus	GVC	Derichebourg	CIC
Maire Tecnimont	BAK	Atos	CIC	Edp	CBI
Mota Engil	CBI	Axway Software	CIC	Edp Renováveis	CBI
Obrascon Huarte Lain	GVC	Cappgemini	CIC	Enagas	GVC
Sacyr	GVC	Cast	CIC	Encavis Ag	CIC
Saint Gobain	CIC	Esi Group	CIC	Endesa	GVC
Sergeferrari Group	CIC	Exprivia	BAK	Enel	BAK
Sonae Industria	CBI	Gigas Hosting	GVC	Erg	BAK
Spie	CIC	Indra Sistemas	GVC	Falck Renewables	BAK
Tarkett	CIC	Lleida.Net	GVC	Greenalia	GVC
Thermador Groupe	CIC	Memscap	IAC	Hera	BAK
Vicat	CIC	Neurones	CIC	Holaluz	GVC
Vinci	CIC	Reply	BAK	Iberdrola	GVC
Webuild	BAK	Sii	CIC	Iren	BAK
<b>Media</b>	<b>Mem(*)</b>	Sopra Steria Group	CIC	Italgas	BAK
Arnoldo Mondadori Editore	BAK	Stmicroelectronics	BAK	Naturgy	GVC
Atresmedia	GVC	Tier 1 Technology	GVC	Red Electrica Corporacion	GVC
Cairo Communication	BAK	Visiativ	CIC	Ren	CBI
Digital Bros	BAK	Vogo	CIC	Snam	BAK
GI Events	CIC	<b>Telecommunications</b>	<b>Mem(*)</b>	Solaria	GVC
Il Sole 24 Ore	BAK	Bouygues	CIC	Terna	BAK
Ipsos	CIC	Ekinops	CIC	Volitalia	CIC
Jcdecaux	CIC	Euskaltel	GVC		
Lagardere	CIC	Ezentis	GVC		
M6	CIC	Iliad	CIC		
Mediaset	BAK	Nos	CBI		
Mediaset Espana	GVC	Orange	CIC		
Nrj Group	CIC	Retelit	BAK		
Publicis	CIC	Telecom Italia	BAK		
Rcs Mediagroup	BAK	Telefonica	GVC		
Tf1	CIC	Tiscali	BAK		
Vivendi	CIC	Unidata	BAK		
<b>Personal Care, Drug, Grocery Stores</b>	<b>Mem(*)</b>	Vodafone	BAK		
Carrefour	CIC	<b>Travel &amp; Leisure</b>	<b>Mem(*)</b>		
Casino	CIC	Accor	CIC		
Jeronimo Martins	CBI	Autogrill	BAK		
Marr	BAK	Compagnie Des Alpes	CIC		
Sonae	CBI	Edreams Odigeo	GVC		
Unilever	CIC	Elior	CIC		
Winfarm	CIC	Fdj	CIC		
<b>Real Estate</b>	<b>Mem(*)</b>	Groupe Partouche	IAC		
Almagro Capital	GVC	I Grandi Viaggi	BAK		
Igd	BAK	Ibersol	CBI		
Lar España	GVC	Int. Airlines Group	GVC		
Merlin Properties	GVC	Melia Hotels International	GVC		
Realia	GVC	Nh Hotel Group	GVC		
<b>Retail</b>	<b>Mem(*)</b>	Pierre Et Vacances	CIC		
Burberry	CIC	Sodexo	CIC		
Fnac Darty	CIC				

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

as at 14 July 2021



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



Il presente documento è stato redatto da Enrico Esposti (socio AIAF) che svolge funzioni di analista presso Banca Akros SpA ("Banca Akros"), soggetto responsabile della produzione del documento stesso. **Esso è prodotto e distribuito dal giorno 11 October 2021, ore 08:54 italiane.**

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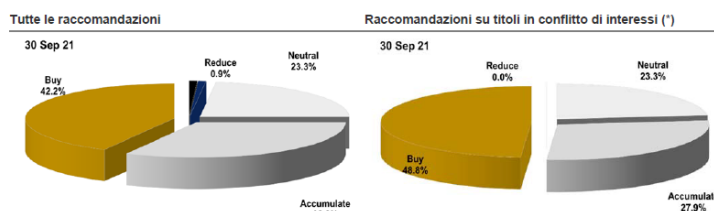
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#### Percentuale delle raccomandazioni al 30 settembre 2021



(\*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 37.07% del totale degli emittenti oggetto di copertura

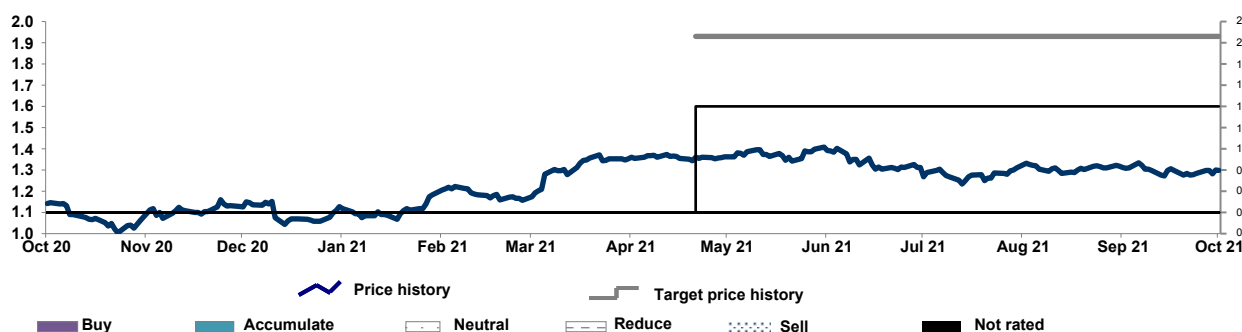
#### Recommendation history for DEA CAPITAL

Date	Recommendation	Target price	Price at change date
28-Apr-21	Buy	1.93	1.36

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 01/12/2018)





## ESN Recommendation System

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.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

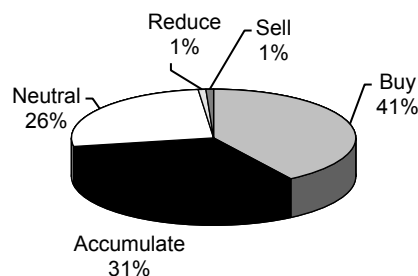
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### 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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