

DeA Capital

Sponsored Research

Italy | Financial Services Banks



Analysar

13 May 2022

Buy

Recommendation unchanged

Share price: EUR 1.32

closing price as of 12/05/2022

Target price: EUR 1.93

Target Price unchanged

Upside/Downside Potential 46.2%

Reuters/Bloomberg DEAM/IDEA IM

Market capitalisation (EURm) 344

Current N° of shares (m) 261

Free float 33%

Daily avg. no. trad. sh. 12 mth (k) 221

Daily avg. trad. vol. 12 mth (k) 329.55

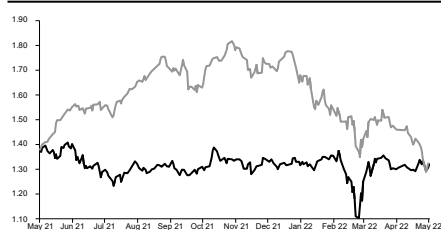
Price high/low 12 months 1.41 / 1.10

Abs Perfs 1/3/12 mths (%) 0.92/-2.51/-4.27

Key financials (EUR)	12/21	12/22e	12/23e
Total Revenue (m)	107	76	78
Pre-Provision Profit (PPP) (m)	37	16	16
Operating profit (OP)	37	16	16
Earnings Before Tax (m)	37	16	16
Net Profit (adj.) (m)	24	10	10
Shareholders Equity (m)	446	430	424
Tangible BV (m)	346	330	324
RWA (m)	0	0	0
ROTE	5.3%	2.2%	2.2%
Cost/Income	65.4%	79.0%	79.4%
P/PPP	9.2	21.5	21.5
P/E (adj.)	14.4	35.4	35.9
P/BV	0.8	0.8	0.8
P/TBV	1.0	1.0	1.1
Dividend Yield	7.6%	4.5%	4.5%
PPPPS	0.14	0.06	0.06
EPS (adj.)	0.09	0.04	0.04
BVPS	1.71	1.65	1.62
TBVPS	1.33	1.26	1.24
DPS	0.10	0.06	0.06

Shareholders

De Agostini S.p.A. 67%;



Source: FactSet

DEA CAPITAL FTSE Italy STAR (Rebased)

Analyst(s)

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Q1 22 results

The facts: DeA Capital unveiled its Q1 22 results yesterday during market hours.

DeA Capital: Q1 22 results

	Q1 22	Y/Y	Q1 21
Net operating result AAM	4.0	-9%	4.4
Other AAM	(1.8)	n.m.	(1.1)
Net Result AAM	2.2	-33%	3.3
Alternative investment	0.2	n.m.	9.7
Other net operating costs	(1.8)	-25%	(2.4)
Net Group Result	0.6	n.m.	10.6

Source: Company data, Banca Akros estimates

Our analysis: in Q1 22 the Combined AUM amounted to EUR26.2bn (EUR 26.5bn in FY 21) up by c. 5.9% Y/Y (integrating the amounts attributable to Quaestio Capital SGR), mainly thanks to the inflows: Real Estate, EUR 11.928bn (+7% Y/Y; -1% vs FY 21); Credit, EUR 3.078bn (-2% Y/Y; -3% vs FY 21); Private Equity, EUR 2.501bn (+9% Y/Y; +4% vs FY 21); Multi-asset/Multi-manager solutions, EUR 8.865bn (+7% Y/Y; -1% Y/Y vs FY 21). The group net result close at c. EUR 0.6m vs EUR 10.6m in Q1 21, the latter of which included the significant positive effects of the revaluation of funds in the portfolio. The NFP closed at c. EUR 140.8m (of which EUR 93.4m attributable to Holdings Companies) vs EUR 135.9m in FY 21, mainly thanks to the contribution of the Alternative Asset Management platform. During Q1 22, DeA continued its platform development activities, particularly: in the Real Estate segment, new initiatives for AuM of over EUR 100m were finalised; with respect to Private Equity, new AuM were raised to a total of c. EUR 100m.

Conclusion & Action: we stick to Buy. We believe that the group could cope with the current uncertain situation thanks to its solid NFP and the quality of the assets in the portfolio. 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; 2) its solid and straightforward cash position; 3) its experienced and committed management team; 4) its attractive dividend yield, 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.