

DEA CAPITAL

OUTPERFORM

Price (Eu):

1.41

Target Price (Eu):

1.65

SECTOR: Holdings & RE

Alberto Villa

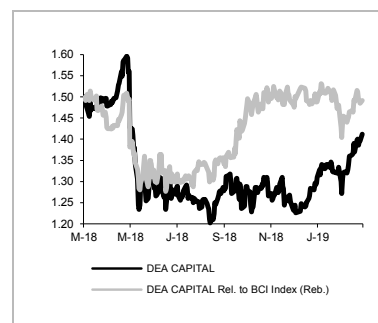
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RE SGR Stake to 100% & Expansion Abroad Ahead, Discount on NAV Too High

- FY18 results driven by PE and AAM performance.** DeA Capital reported FY18 results that showed profit of Eu11mn, net cash of Eu100mn thanks to Eu80mn in fund distribution from private equity funds, the Eu30mn dividend cash-out, and Eu40mn for the increase in the DeA Capital Real Estate stake. AuM at YE18 remained stable compared to last year at Eu11.9bn. Adjusted net income from the AAM platform reached Eu15.3mn, of which Eu6.1mn from Alternative Funds SGR, and Eu9.2 from the Real Estate SGR. In terms of AuM, Alternative Assets increased to Eu2.4bn from €2.2bn, while Real Estate assets remained stable YoY at €9.5bn. The NAV announced by the company is stable at Eu1.84 p.s. or Eu466mn, in line with September. Payment was announced of an extraordinary dividend stable at Eu12c (payout date 22nd May) plus the cancellation of Eu40mn in treasury shares (13% of share capital) through the reduction of equity capital. Finally, AAM is expected to boost international expansion with the entry into France and Spain via the setting-up of companies involving local managers of high standing focused on advisory for fund gathering and asset management in the real estate sector.
- Acquisition of 100% of Italian RE platform.** DeA remains committed to real estate asset management: DeA has increased its stake in Real Estate SGR in two steps to reach 100% of the Italian RE SGR. The group therefore now has full control of RE operations and is committed to delivering future AuM and profitability gains despite the challenging market environment.
- Update on NAV, NFP and new initiatives.** Our NAV has been updated to include the latest movements in investments, payment of the dividend, the new number of shares, and the updated fair value of the AAM and real estate platforms in light of new ownership values and revised estimates. Net cash at the holding level was €101mn as at YE18 (21% of NAV): the change in cash mainly results from the cash-in from PE fund distribution, which was ca. Eu80mn, net of the €40mn outlay to acquire the 30% minority stakes in DeA Capital Real Estate SGR.
- OUTPERFORM reiterated as discount remains high; target at Eu1.65.** We have looked at other European listed companies operating in both AAM and direct investing such as Tikehau, *Deutsche Beteiligungs AG*, 3i, ICG and *Onex Corporation*. Most of these are larger than DeA Capital but trade at significant premiums to their NAV. We think investors are not yet fully focusing on the new company structure, nor do they appreciate the transformation from a diversified holding with sizable direct investments into a company that is increasingly exposed to alternative asset management. Its distinctive skill in structuring complex deals in credit recovery, real estate and club deals places DeA Capital at the heart of this business community in Italy, acting as the interface between institutional investors, Italian corporate entities, and banks. Delivery on expectations for active portfolio management and growth in AAM and RE platforms is expected to act as a positive catalyst for the stock. Finally, the company is expected to continue to pay high dividends (yield around 8/9%); we therefore confirm our OUTPERFORM rating and target of €1.65ps.

DEA CAPITAL - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): Unchanged

STOCK DATA

Reuters code: DEA.MI
Bloomberg code: DEA IM

Performance	1m	3m	12m
Absolute	8.6%	14.6%	-5.9%
Relative	4.6%	0.6%	-0.1%
12 months H/L:	1.60/1.20		

SHAREHOLDER DATA

No. of Ord. shares (mn):	267
Total No. of shares (mn):	267
Mkt Cap Ord (Eu mn):	377
Total Mkt Cap (Eu mn):	377
Mkt Float - ord (Eu mn):	113
Mkt Float (in %):	30.1%
Main shareholder:	
De Agostini	67.1%

BALANCE SHEET DATA

	2019
Book value (Eu mn):	455
BVPS (Eu):	1.70
P/BV:	0.8
Net Debt (Eu mn): NAV	100
(Eu mn)	428

2H18 Key facts

DeA Capital reported FY18 results that showed profit of Eu11mn, net cash of Eu100mn thanks to the Eu80mn in fund distribution from private equity funds, the Eu30mn dividend cash-out, and Eu40mn for the increase in the DeA Capital Real Estate stake. AuM stable at Eu11.9bn. Net operating profit from the AAM platform increased to Eu15.3mn, also thanks to Eu2.5mn related to carried interest. The NAV announced by the company is stable at Eu1.84 p.s., or Eu466mn in line with September. Payment announced of an extraordinary dividend stable at Eu12c (payout date 22nd May) and the cancellation of 40mn treasury shares through the reduction of equity capital. The international expansion continues with entry to France and Spain via the setting-up of companies focused on advisory for fund gathering and asset management in real estate.

Alternative Asset Management – Real Estate. DeA Capital has initiated the internationalisation process of the real estate division by setting up new companies abroad in which it holds control and shares ownership with local senior management. To this end, DeA Capital Real Estate France and DeA Capital Real Estate Iberia were established at the end of September 2018 and in February 2019 respectively. These companies will develop real estate advisory activities for fundraising, as well as management and consulting on properties in the French, Spanish and Portuguese markets.

DeA Capital Real Estate SGR. Between the end of 2018 and the beginning of 2019, the Group acquired the remainder of the stake in DeA Capital Real Estate SGR in two steps: on November 21st 2018, the company increased its stake from 64.3% to 94% for Eu40mn, and on March 1st 2019 it reached 100% for Eu8mn. In particular, the first transaction was paid in cash, while the second was paid in DEA shares (#5,174,172), implying a valuation of Eu1.55, on which the seller (Fondazione Carispezia) has a lock-up of six months. Both transactions include an earn-out clause linked to company AuM targets for the 2019-2021 period.

Cancellation of shares

As announced on November 8th 2018, the company will cancel 40,000,000 shares in order to comply with the STAR Index requirement in terms of minimum float, which is equal to 20%. The cancellation of treasury shares (13% of share capital) through the reduction of equity capital will not affect NAV and NFP.

Buy-back program

The buy-back program, which expired at the end of 2018, will be renewed; it enables the buy-back of a maximum of 20% of share capital (post cancellation), or 53.5mn ordinary shares.

As at the end of 2018, treasury shares totalled 52,858,542 (17.2% of share capital), while as of March 7th 2019 the figure was 47,367,141 (15.4% of share capital). After the cancellation, assuming no further transactions, treasury shares will total 7,367,141, or 2.8% of share capital.

Alternative asset management

DeA Capital Alternative Funds SGR

Active in managing private equity funds, i.e. fund of funds, co-investment funds, and thematic funds. The company currently manages 11 private equity closed-end funds as shown in the table below. The evidence of the recent disposals of La Piedad and Corin shows that the group is able to generate significant positive returns on investments and we estimate that the group today has positive returns on almost all the funds in which the company has invested.

DeA Capital Alternative Funds SGR – Funds description

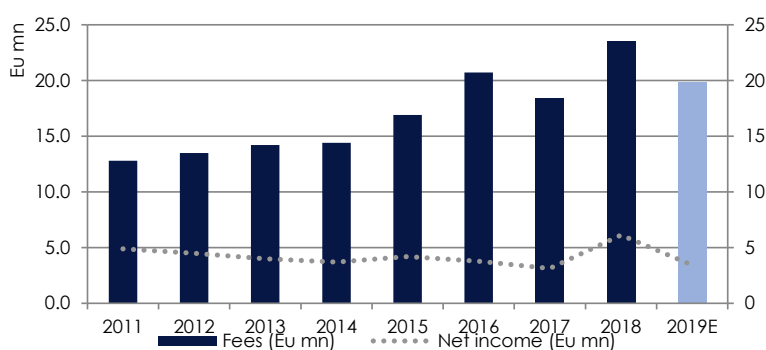
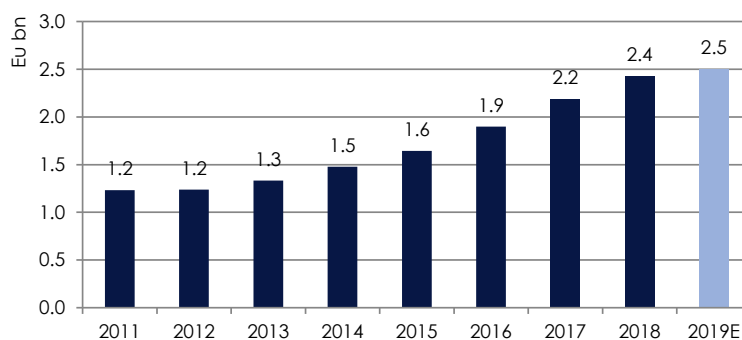
	Fund	Description	Vintage	Commitment (Eu mn)
Multi Manager	IDeA FoF I		2007	675
	ICF II	<i>Italian closed end funds of private equity funds</i>	2009	280
	IDeA Global Growth	<i>with a global focus</i>	2013	55
	ICF III		2014	65
Total Multi Manager				1,075
Single Manager	IDeA OF I		2008	210
	IDeA EESS		2011	100
	IDeA Taste of Italy	<i>Thematic Italian Closed end funds</i>	2014	210
	Inv. Ass. IV		2004	55
	IDeA Agro		2018	80
Total Single Manager				655
Credit Funds	Corporate Credit Recovery I	<i>Italian Closed end funds investing in UTP from mid-sized Italian companies and in Debtor-in-possession proceedings</i>	2016	200
	Corporate Credit Recovery II		2017	500
	Total Single Manager			
Total AuM				2,430

Source: Intermonte SIM estimates

Total AuM were €2.4bn as at the end of 2018, up +11% YoY thanks to the launch of IDeA CCR II, its Shipping sub-fund that accounts for €170mn, and the IDeA Agro fund. Commissions were up YoY to €23.5mn from €18.4mn with increased net profit at €6.1mn from €3.1mn for FY17.

We think the company's experience in credit funds is a unique feature, and the strong relationships with Italian retail banks on the one hand as well as international institutional investors on the other will be a key success driver for the company in this promising sector. In aggregate, the credit funding business exceeds €0.6bn, and we expect it to contribute to revenues and operating margin in this segment in the years to come.

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



Source: Intermonte SIM and company data

DeA Capital Real Estate SGR

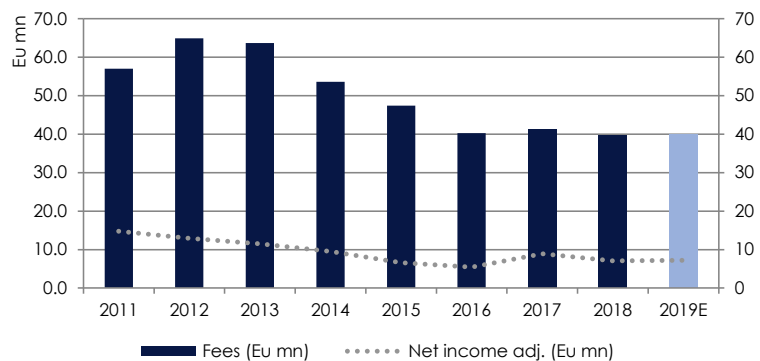
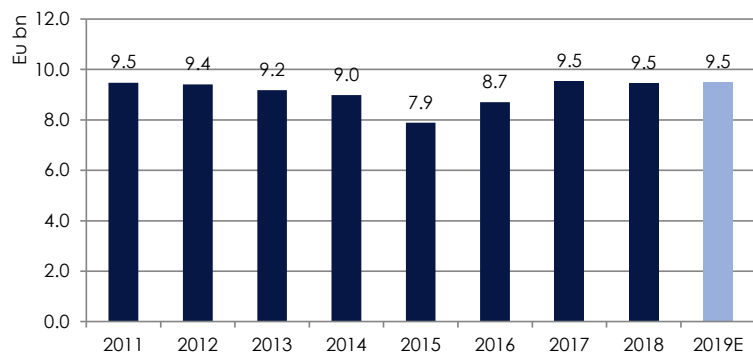
By far the largest Italian real estate asset management company, DeA Capital RE SGR manages 47 funds, of which 2 are listed. Established in October 2011 as a result of the merger of the main Italian market players, FIMIT SGR and FARE SGR, the company is one of the top European players with €9.5bn in assets under management. DeA Capital Real Estate SGR has a wide spectrum of investors and is the privileged partner of the most important Italian pension funds: it has approximately 80 institutional investors. The presence of institutional partners in the shareholding base provides significant support for the development of new products, enabling DeA Capital Real Estate SGR to position itself as a privileged counterparty for Italian and international institutional investors in the promotion, creation and management of real estate investment funds. The company has been involved in some of the most important real estate portfolio developments in Italy, such as the Scarpellini property assets in Rome, and a number of iconic properties in Milan such as the Edison headquarters and the Broggi Building.

The company mostly invests in Italian real estate with significant exposure to the core markets of Milan and Rome.

As at the end of 2018, AuM were stable on the previous year at €9.5bn, including the launch of 8 new funds that account for ca. €1bn, compensating redemptions of existing portfolios. In terms of fees, the sector is experiencing significant margin pressure triggered by intense competition and exacerbated by the prolonged downturn in the Italian real estate market. Revenues were therefore slightly lower YoY at €39.8mn. The company has improved its personnel expenses, and credit write-offs were €6.6mn, lower compared to 2017, translating into €2.6mn of net profit.

Margin pressure is unlikely to fade but we think that the development of the fund portfolio towards more sophisticated and complex products will limit the negative impact of competitive pressure on margins.

DeA Capital Real Estate SGR – AuM and operating trend



Source: Intermonte SIM and company data

Private equity

As at the end of 2018, DeA Capital held the following direct and indirect stakes in its portfolio accounting a total amount of Eu51mn:

- Migros;
- Cellularline;
- IDeAMI SPAC;

Other private equity/real estate funds (fair value Eu125mn).

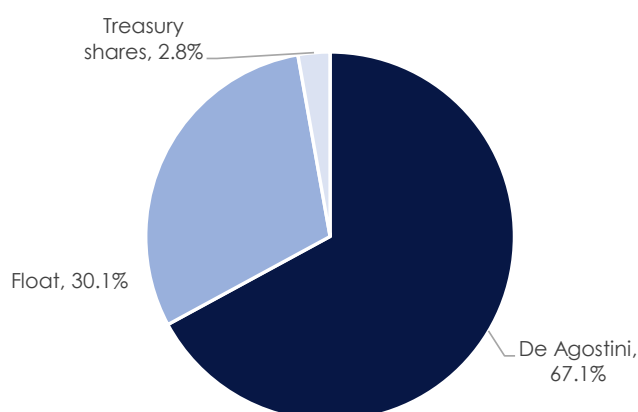
A significant portion of the NAV consists of FoFs, which are expected to become cash in the next few years; this will enable an acceleration in the repositioning of the investment portfolio and increase visibility on cash to sustain cash repatriation through dividends and share buybacks, as well as allowing the aforementioned strategy to sponsor new initiatives for the AAM business, with the average size expected not to exceed €25-35mn.

Capital management

DeA closed FY18 with net cash at holding level of €101mn (22% of NAV), up from €62mn as at YE17 (restated for the extraordinary dividend paid on May 2018 of Eu30.5mn): the increase mainly results from the cash-in from PE funds, which was ca. Eu80mn, net of €40mn outlay to acquire 30% minority stakes in DeA Capital Real Estate SGR.

As concerns the plan for purchasing treasury shares up to the regulatory limit of 20% of outstanding capital, DeA now owns 15.4% of its own capital.

DeA Capital – Ownership post-cancellation



Source: Intermonte SIM estimates

Peer analysis

We have carried out a peer analysis based on key comparables.

Tikehau Capital

Tikehau Capital Partners SAS is a long-term strategy fund that invests primarily in the service and real estate industries. The fund can invest between Eu5mn and Eu60mn per company. It invests through growth or buyout operations and mostly as a majority shareholder.

AuM (Eu Bn)	NAV (Eu mn)	NAV Per Share (Eu)	Premium
18	2300	22.23	(3.3%)

Deutsche Beteiligungs AG

Deutsche Beteiligungs AG is a private equity company that provides equity and financial instruments, predominantly to non-quoted companies. It operates in the private equity investment and fund investment services segments. Its investments include funds in companies operating in automotive supplies, industrial services, and industrial components as well as mechanical and plant engineering, information technology, media and telecommunications, and consumer goods.

AuM (Eu Bn)	NAV (Eu mn)	NAV Per Share (Eu)	Premium
1.8	475	31.58	8.1%

Intermediate Capital Group

Intermediate Capital Group Plc is a fund management and investment company, which provides mezzanine finance, leveraged credit, minority equity, and management of third-party funds. It operates in the following segments: corporate investments, capital market investments, real asset investments, and secondary investments.

AuM (GBP Bn)	NAV (GBP mn)	NAV Per Share (P)	Premium
33.6	1370	4.82	118.4%

3i Group PLC

3i Group Plc is an investment manager providing private equity and infrastructure. It operates in the following segments: private equity, infrastructure, and others. The private equity segment involves investment and asset management to generate capital returns. The infrastructure segment includes investing in economic infrastructure and greenfield projects in developed economies. The others segment refers to the residual debt management investments.

AuM (GBP Bn)	NAV (GBP mn)	NAV Per Share (P)	Premium
11.7	7548	7.76	24.0%

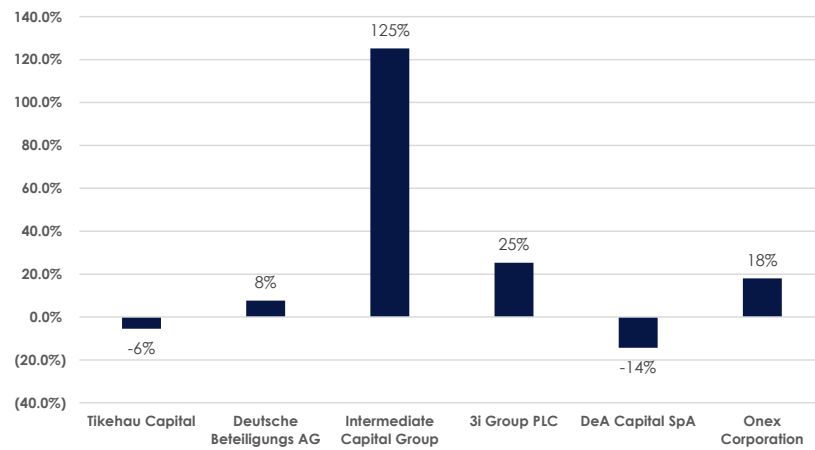
Onex Corporation

Onex Corp. is a private equity company with investments in other industries. The company operates in the following: electronics manufacturing services, healthcare imaging, and health & human services. The electronics manufacturing services segment consists of Celestica Inc. and its subsidiaries. Celestica is a global provider of manufacturing services for electronic. The healthcare imaging segment consists of Carestream Health, a global provider of medical and dental imaging, and healthcare information technology solutions.

AuM (USD Bn)	NAV (USD mn)	NAV Per Share (USD)	Premium
33	6863	61.83	26.3%

Peer analysis indicates that DeA Capital is trading at a discount to the NAV per share while the comparable companies are trading at an **average premium of 34%** in the figure below, compared to a **discount of 14%** for DeA Capital based on our adjusted NAV. This is probably due to their size and liquidity compared to DeA Capital.

DeA Capital – Premium/discount to NAV



Source: Intermonte SIM on public data

Valuation

Services Platform: 52% of NAV ex-cash

We have approached the valuation of the Private Equity and Real Estate platforms by using average sector market multiples. We have moved our selection of peers from the traditional asset managers' panel towards a more specialised selection of alternative asset managers. It is also worth noting that some competitors are much bigger and more diversified than DeA, and feature higher margins; for this reason, we are not expecting DeA to close the price-to-book gap on this peer group. The new peer group includes Intermediate Capital Group PLC, Tikehau Capital SA, 3i Group PLC, Deutsche Beteiligungs AG, Partners Group Holding AG. and Onex Corporation.

DeA Capital Alternative Funds SGR

		2019E
AuM	Eu mn	2,503
Peers P/AUM	x	3.2%
DeA Capital stake	%	100.0%
DeA Capital stake	Eu mn	80.1
Peers PE	x	13.8x
Net income	Eu mn	3.4
DeA Capital stake	%	100.0%
DeA Capital stake	Eu mn	47.2
Average Valuation	Eu mn	63.6

Source: Intermonte SIM and company data

DeA Capital – DeA Capital Real Estate SGR

		2019E
AuM	Eu mn	9,500
Peers P/AUM	x	1.1%
Dea RE SGR v aluation	Eu mn	108.3
DeA Capital stake	%	100.0%
Peers PE	x	13.6x
Net income (adj. PPA)	Eu mn	7.2
Dea RE SGR v aluation	Eu mn	98
DeA Capital stake	%	100.0%
DeA Capital stake net of minorities	Eu mn	97.8
DeA Capital stake average valuation	Eu mn	103.1
Investment in funds	Eu mn	50.0
Discount		-30%
Estimated v alue		35
Fair Value net of minorities		35
DeA RE SGR	Eu mn	138.1

Source: Intermonte SIM and company data

Private equity investments: 48% of NAV ex-cash

The valuation of private equity assets is mostly based on the updated quarterly valuation of DeA investments in FoF and co-investments, while the Kenan (Migros), Cellularline and IDEaMI stake values are based on the market value.

Investment conclusion

The prospects for the alternative asset management platform are appealing, although some obstacles stand in the way of improving margins in real estate. Portfolio management of non-core investments is expected to continue. New initiatives, such as the launch of a new real estate platform in France, are expected to work towards sustaining AM platform revenues and operating margins.

DeA is trading at a discount of around 15% to our adjusted NAV. We think that in the future investors will increasingly look at the company as an alternative asset management player rather than as a holding company, following the ongoing business repositioning by the group. Considering the hefty dividend yield - above 8/9% at the current stock price - the buyback plan, and the expected increase in DeA NAV, we expect an attractive total return for investors. We confirm our positive view of the stock: OUTPERFORM, TP €1.65.

DeA Capital – Valuation, adjusted NAV

Asset	Stake	Value (€ mn)	per share €	%	Valuation Method
DeA Capital Real Estate SGR	100.0%	138.1	0.53	37.9%	Intermonte Fair Value
DeA Capital Alternative Funds SGR	100.0%	63.6	0.24	17.5%	Intermonte Fair Value
YARD SpA	n.m.	6.0	0.02	1.6%	NAV
Other minor investments	n.m.	0.2	0.00	0.1%	NAV
IDeA Funds (FoF & CoInv)	n.m.	125.0	0.48	34.4%	Fair Value*
Others (Cellularline; SPAC: IDeaMI)	n.m.	32.4	0.12	8.9%	Market Price
Kenan (Migros)	4.0%	18.5	0.07	5.1%	Market Price
Holding Costs and Tax Assets		-20.0	-0.08	-5.5%	Intermonte Estimates
* quarterly updated by fund managers					
Adjusted NAV ex cash		363.8	1.40	100%	
Fair % discount		10%	10%		
Discounted Adjusted NAV ex cash		327.4	1.26		
NFP		101.0	0.39		
Intermonte Fair Value		428.4	1.65		
# shares (mln) net of Buy Back			260		

Source: Intermonte SIM and company data

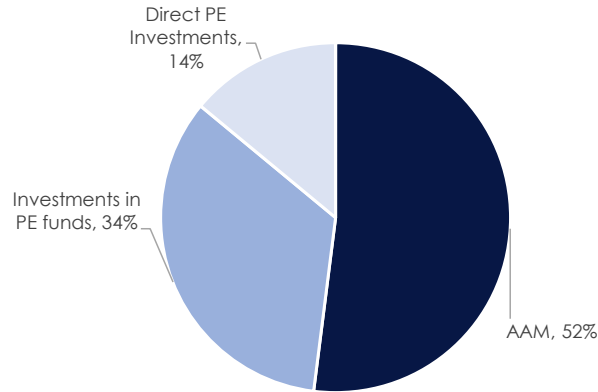
DeA Capital in a nutshell

The group operates in two main segments:

1. Alternative asset management
2. Private equity

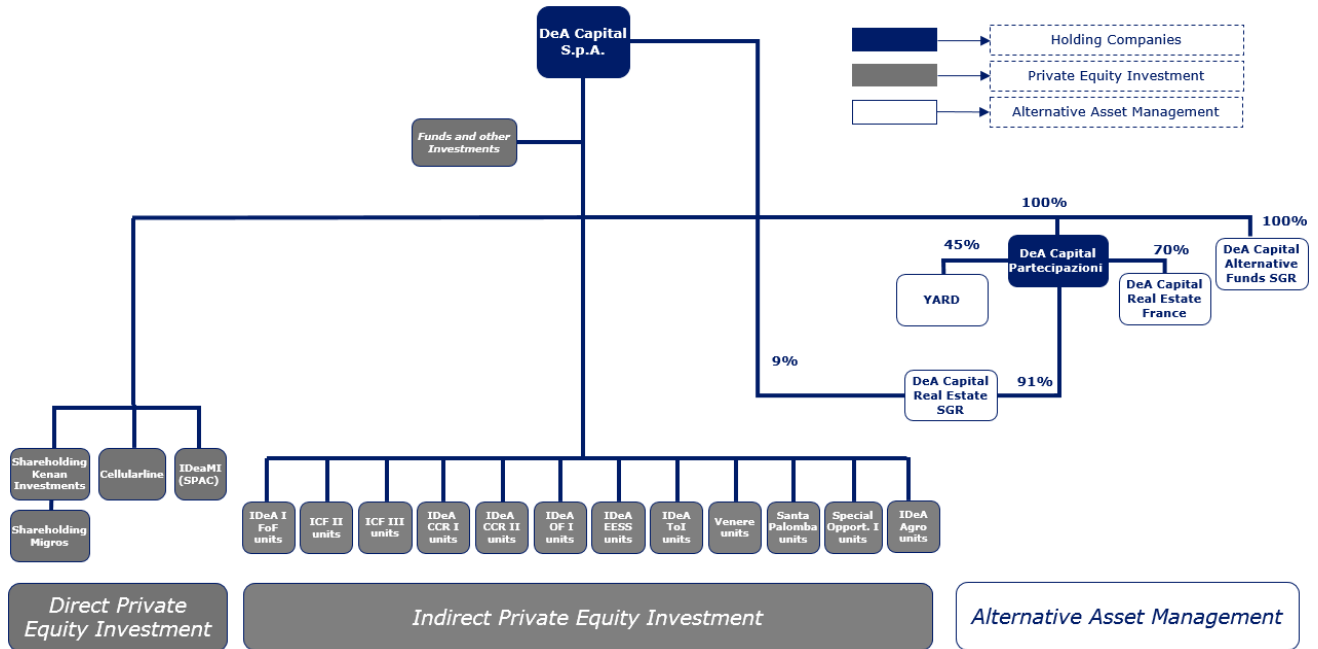
The graphs below show the relevance of each segment in terms of company NAV and the group structure below.

DeA Capital – NAV breakdown by business (ex-NFP)



Source: Intermonte SIM and company data

DeA Capital – Group structure



Source: Company data

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

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
DeA Capital S.p.A.	1.41	Euro	433	5.8%	14.6%	10.5%	13.1%	2.0%	22.8%
Alternative Asset Managers									
Tikehau Capital SCA	21.0	Euro	2,173	(0.9%)	2.9%	(21.3%)	6.9%	(19.8%)	(13.8%)
Intermediate Capital Group plc	10.9	GBP	3,150	6.6%	15.1%	0.5%	16.0%	5.4%	50.7%
3i Group plc	9.7	GBP	9,458	2.6%	26.5%	2.6%	25.7%	7.1%	34.8%
Partners Group Holding AG	734.5	CHF	19,611	4.3%	22.1%	(4.9%)	23.2%	5.2%	38.2%
Traditional Asset Managers									
Azimut Holding Spa	14.9	EU	2,132	23.4%	47.6%	6.5%	56.1%	(12.7%)	(2.0%)
Janus Henderson Group PLC Shs Cf	35.0	GBP	7,046	7.2%	29.5%	(8.5%)	20.5%	(22.0%)	(7.1%)
Rathbone Brothers Plc	23.8	GBP	1,314	5.4%	0.0%	(6.4%)	1.6%	(8.1%)	(0.6%)
Schroders PLC	27.4	GBP	7,382	1.6%	14.9%	(9.5%)	12.2%	(19.6%)	(12.9%)
Blackstone Group L.P.	35.5	USD	40,677	6.4%	23.6%	(5.5%)	19.0%	5.0%	16.0%
Man Group Plc	1.4	GBP	2,159	(0.4%)	8.1%	(21.8%)	4.8%	(19.8%)	(4.6%)
Partners Group Holding AG	734.5	CH	19,611	4.3%	22.1%	(4.9%)	23.2%	5.2%	38.2%
Ashmore Group plc	4.2	GBP	3,026	6.7%	17.4%	16.6%	16.1%	9.1%	20.3%
Hargreaves Lansdown plc	18.1	GBP	8,588	8.7%	1.5%	(18.3%)	(2.1%)	4.4%	37.4%
Simple mean performance				5.1%	18.3%	(5.8%)	16.8%	(6.5%)	9.4%
RE service Co									
Savills plc	9.3	GBP	1,323	12.7%	34.1%	19.9%	30.9%	(5.6%)	5.3%
CBRE Group, Inc. Class A	50.9	CHF	17,091	1.7%	23.7%	11.3%	27.1%	7.3%	41.2%
Euro STOXX	371.3	EU		3.7%	11.6%	(1.4%)	13.0%	(2.7%)	0.8%

Source: Intermonete SIM and company data

DeA Capital Alternative AM business – Multiple comparison

Stock	Price	Ccy	Mkt cap	EV/Ebitda 2019	EV/Ebitda 2020	P/E 2019	P/E 2020	Div Yield 2019	Div Yield 2020
Alternative Asset Managers									
Tikehau Capital SCA	21.00	Euro	2,173	10.4x	12.1x	14.0x	11.4x	4.4%	4.4%
Intermediate Capital Group plc	10.85	GBP	3,150	19.2x	21.0x	13.6x	13.3x	3.6%	4.0%
3i Group plc	9.72	GBP	9,458	6.7x	6.1x	7.6x	7.0x	3.4%	3.5%
Partners Group Holding AG	734.50	CHF	19,611	20.1x	17.9x	23.5x	21.3x	3.1%	3.5%
Traditional Asset Managers									
Azimut Holding Spa	14.89	EU	2,132	8.3x	8.3x	10.8x	11.0x	7.0%	7.3%
Janus Henderson Group PLC Shs C	35.01	GBP	7,046	6.6x	6.3x	9.8x	9.3x	5.9%	6.3%
Rathbone Brothers Plc	23.80	GBP	1,314	-0.1x	-1.2x	17.5x	15.8x	2.9%	3.1%
Schroders PLC	27.41	GBP	7,382	6.9x	6.4x	13.5x	12.5x	4.2%	4.3%
Blackstone Group L.P.	35.47	USD	40,677	14.8x	10.9x			6.3%	7.7%
Man Group Plc	1.39	GBP	2,159	7.6x	6.1x	11.6x	9.4x	5.2%	6.0%
Partners Group Holding AG	734.50	CH	19,611	20.1x	17.9x	23.5x	21.3x	3.1%	3.5%
Ashmore Group plc	4.25	GBP	3,026	12.6x	10.8x	18.4x	16.1x	4.0%	4.2%
Hargreaves Lansdown plc	18.11	GBP	8,588	25.1x	22.9x	35.0x	32.0x	2.3%	2.5%
Median Alternative and Traditional AM				10.4	10.8	13.8	14.2	4.2%	4.3%
RE service Co									
Savills plc	9.3	GBP	1,323	7.5	6.8	12.9	12.0	3.4%	3.6%
CBRE Group, Inc. Class A	50.9	CHF	17,091	8.6	7.8	14.4	14.0	0.0%	0.0%
Average RE Services				8.1	7.3	13.6	13.0	1.7%	1.8%

Source: Intermonete SIM and company data

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	DEA CAPITAL		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	1.65	Previous Target (Eu):	1.65
Current Price (Eu):	1.41	Previous Price (Eu):	1.31
Date of report:	19/03/2019	Date of last report:	05/10/2018

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GUIDE TO FUNDAMENTAL RESEARCH

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

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

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

Frequency of research: quarterly.

Reports on all companies listed on the S&P/IB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

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

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

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

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

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

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

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BUY:	11.49 %
OUTPERFORM:	46.62 %
NEUTRAL:	34.46 %
UNDERPERFORM	07.43 %
SELL:	00.00 %

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

BUY:	20.83 %
OUTPERFORM:	56.25 %
NEUTRAL:	22.92 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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EPS EQUITA PEP2	0.81	LONG
Gambero Rosso	0.58	LONG
LIFE CARE CAPITAL	0.57	LONG
SPACTIV	0.69	LONG
THESPAC	1.34	LONG
VEI 1	0.72	LONG
WASTE ITALIA	0.65	SHORT

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