

DEA CAPITAL

OUTPERFORM

SECTOR: Holdings & RE

Price (Eu): **1.09**
 Target Price (Eu): **1.70**

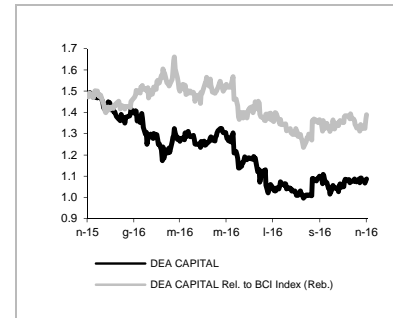
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3Q16 Results Confirm Cash Generation and AuM Stabilization

- 3Q16 NAV slightly up.** DeA Capital's NAV came to Eu2.03ps (or Eu530.8mn) in 3Q16, slightly better than the Eu1.98ps posted in 2Q. AAM, Indirect PE investments and investments in Migros/ Sigla accounted for 31.7%, 36.2% and 16.4% of total NAV respectively. The holding company's net cash position stood at Eu83.4mn, improving from Eu78.2mn in 2Q16, with net distributions from PE funds generating Eu5.4mn (Eu11.0mn in 9M16), partly offset by a Eu1.1mn buyback (Eu3.3mn in 9M16). Between 30th September and the results release on 3rd November, net distributions from PE came to Eu5.3mn, thus bringing the total for the period to Eu16.3mn. Consolidated net cash came to Eu116.3mn. Lastly, 3Q16 group net profit was positive at Eu7.9mn.
- In light of 9M performance we confirm our assumption on cash distribution.** In 9M16 the holding company already cashed-in Eu28.7mn (of which Eu9.2mn from the sale of 55% of IRE's capital / extraordinary dividend payment). We therefore expect the company to maintain a stable dividend policy (FY16E: Eu32mn or Eu0.12ps) and to continue its buyback programme (FY16E: Eu5mn). A scenario of Eu10mn cash generation from the AAM business, and a Eu15-20mn net distribution from funds (Eu35mn in FY15 and Eu12mn in FY14) should guarantee visibility on these assumptions, even going forward. Further minor disposals could allow additional cash-ins: Sigla Credit has been classified as an asset held for sale with a book value of Eu11.5mn.
- Combined AuM at IDeA CF and IDeA FIMIT reaches Eu10bn.** Both companies posted QoQ increases in AuM thanks to the recent closings of new funds. IDeA Capital Funds recently launched the IDeA Corporate Credit Recovery Fund, which has already gathered Eu260mn in the first closing, above our expectations. As for IDeA FIMIT, in 9M AuM from new initiatives was up by roughly Eu300mn, an amount that we expect will increase in the next quarters. Management is now focusing its efforts on the NPLs sector, with plans to launch new products. Indeed, DeA Capital, through the recently acquired NPL platform "SPC", is currently managing up to Eu0.9bn in AuM, bringing total AuM to Eu10.8bn. In May 2016 IDeA FIMIT also launched the IDeA NPL Fund, a real estate fund that is set to reach a maximum of Eu500mn in AuM over the next 12 months, and which will invest in distressed real estate. These new initiatives, focused on the promising NPL market and relying on the real estate management expertise of IDeA FIMIT, could generate higher fees than traditional real estate funds.
- OUTPERFORM and target price confirmed, stock at a 43% discount to NAV.** DeA Capital is offering an appealing 13.1% dividend yield on the back of quite visible cash generation, coming both from the core business and rich net distributions from past investments in PE FoF. AAM's AuM seems to have reached its low point in recent months and we now assume AuM will remain stable / increase slightly on the back of the launch of new funds. Finally, the increase in AAM's weight on NAV could change investors' attitudes to DeA Capital in the future, and the large discount at which the stock currently trades on its NAV (43%) may well shrink. At our fair value the stock would trade at an implied discount on NAV of around 15%.

DEA CAPITAL - 12m Performance


RATING: Unchanged
TARGET PRICE (Eu): Unchanged

Change in EPS est:	2016E	2017E
	nm	nm

STOCK DATA

Reuters code:	DEA.MI
Bloomberg code:	DEA IM

Performance	1m	3m	12m
Absolute	3.4%	7.6%	-26.5%
Relative	2.8%	5.7%	-4.7%
12 months H/L:	1.49/1.00		

SHAREHOLDER DATA

No. of Ord. shares (mn):	307
Total No. of shares (mn):	307
Mkt Cap Ord (Eu mn):	282
Total Mkt Cap (Eu mn):	282
Mkt Float - ord (Eu mn):	74
Mkt Float (in %):	22.2%
Main shareholder:	
De Agostini	58.3%

BALANCE SHEET DATA

Book value (Eu mn):	594
BVPS (Eu):	1.94
P/BV:	0.6
Net Debt (Eu mn):	-117
NAV (Eu mn)	500

Please see important disclaimer on the last page of this report

Key Figures	2014A	2015A	2016E	2017E	2018E
EBIT (Eu mn)	(18)	5	17	17	17
Net profit (Eu mn)	-58	41	9	11	12
EPS - New (Eu)	-0.023	0.029	0.029	0.036	0.040
EPS - Old (Eu)		0.029	0.018	0.028	0.030
DPS (Eu)	0.300	0.121	0.122	0.122	0.122
NAVPS (Eu)	2.498	2.029	1.911	1.911	1.911

Ratios & Multiples	2014A	2015A	2016E	2017E	2018E
P/E	nm	37.9	37.1	30.2	27.5
Div. Yield	27.6%	11.1%	11.2%	11.2%	11.2%
P/NAVPS	0.4	0.5	0.6	0.6	0.6
ROCE					

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DeA Capital 3Q16 Results

DeA Capital NAV at Pro-forma Book Value (as of 30/09/2016)

Asset	Activity	Stake	3Q16 Book Value (Eu mn)	per share Eu	% of NAV	2Q16 Book Value (Eu mn)	per share Eu	% of NAV	vs. OLD Value
IDEA FIMIT	Alternative AM	64.3%	123.4	0.47	23.2%	121.2	0.46	23.3%	1.8%
IDeA Capital Funds SGR	Alternative AM	100.0%	38.7	0.15	7.3%	36.7	0.14	7.1%	5.4%
IRE / SPC	Alternative AM	45.0%	5.9	0.02	1.1%	4.7	0.02	0.9%	25.5%
Sigla&other	Consumer Credit	41.4%	11.7	0.04	2.2%	11.7	0.04	2.3%	0.0%
IDeA Funds (FoF & CoInv)	Private Equity	n.m.	192.4	0.74	36.2%	191.8	0.73	36.9%	0.3%
Kenan (Migros)	Food Retailer	17,1% (6,9%)	75.3	0.29	14.2%	74.1	0.28	14.3%	1.6%
NFP and other*	Net Debt		83.4	0.32	15.7%	79.8	0.30	15.3%	nm
Total ex-treasury shares			530.8	2.03	100%	520.0	1.98	100%	2.1%
# shares (mln) net of Buy Back				261.6		262.1			

*includes NFP and other liabilities

Source: Company Data

* updated quarterly by fund managers

DeA Capital – AAM 9M16 results and FY16 Estimates

IDeA Capital Funds SGR

EU mn	9M15	9M16	YoY	FY15	FY16E	YoY
AUM	1652	1937	17.3%	1643	2000	21.7%
Commissions	12.8	15.1	18.0%	16.9	18.5	9.5%
on AuM				1.06%	0.99%	
EBITDA	6.5	6.0	-7.7%	6.6	6.3	-4.5%
Margin	50.8%	39.7%		39.1%	34.1%	
Net income	4.1	3.8	-7.3%	4.2	3.8	-10.2%
Margin	32.0%	25.2%		24.9%	20.4%	

Source: Company Data & Intermonte SIM Estimates

IDeA FIMIT

EU mn	9M15A	9M16	YoY	FY15	FY16E	YoY
AUM	8,599	8000	-7.0%	7,884	8,000	1.5%
Revenues	37.1	30.3	-18.3%	47.7	39.6	-17.1%
on AuM				0.56%	0.50%	
EBITDA	15.7	11.5	-26.8%	21.8	15.2	-30.5%
Margin	42.3%	38.0%		46%	38%	
Net income	6.5	3.9	-40.0%	6.7	5.5	-18.3%
Margin	17.5%	12.9%		14.0%	13.8%	

Source: Company Data & Intermonte SIM Estimates

DeA Capital Valuation – Adjusted NAV

Asset	Stake	Value (€ mn)	per share €	%	Valuation Method
IDEA FIMIT	64.3%	107.0	0.41	21.4%	2016 -17 MULTIPLE & NAV
IDeA Capital Funds SGR	100.0%	48.3	0.18	9.6%	2016 -17 MULTIPLE & NAV
IRE / SPC	n.m.	5.9	0.02	1.2%	NAV
Sigla	41.4%	11.7	0.04	2.3%	Fair value
IDeA Funds (FoF & Colnv)	n.m.	192.4	0.74	38.4%	Fair value*
Kenan (Migros)	6.9%	72.4	0.28	14.4%	Fair value
NFP and other* (adj for dvd received and paid)		83.4	0.32	16.6%	NAV
Holding Costs and Tax Assets		-20.0	-0.08	-4.0%	Fair Value
Total ex-treasury shares		501.1	1.92	100%	
Fair % discount			15%		
Fair value (Eu p.s.)			1.63		
Current Mkt Price			1.09		
% Upside/downside			49.8%		
# shares (mln) net of Buy Back			261.6		

* quarterly updated by fund managers

Discount to NAV -43%

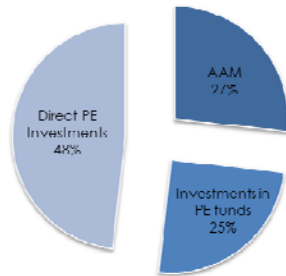
Discount to investment value -50%

Source: Intermonte SIM and Company Data

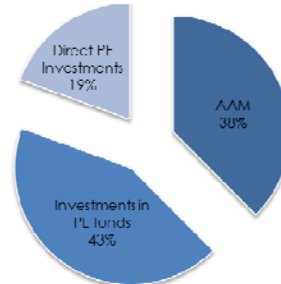
New Initiatives Aim to transform DeA Capital into Leading Italian Alternative Asset Management Player

DeA Capital is focusing on the development of its alternative asset management platform. The recent initiatives listed below are part of a strategy to increase the weight of recurring business segments with low capital requirements and visible cashflow streams, shifting away from the past focus on private equity initiatives. The transformation is already clearly evident, but is due to accelerate further in the future as the company reaps the benefits of recently launched initiatives. AAM assets already represent around 30% of NAV or 38% ex-NFP. DeA Capital has been pretty active lately in reshuffling its investment portfolio, thereby grasping opportunities arising on the market to exit some investments and to increase focus on core segments.

Weight on NAV excluding NFP - As of 31/12/2013



Weight on NAV excluding NFP - As of 30/09/2016



If this strategy of growing the weight and size of AAM succeeds, we believe investors' attitudes towards DeA Capital will change in the future, and the discount at which the stock is trading on NAV (one of the largest in the sector) will probably shrink. This is the main reason why we think the stock is currently undervalued, and the market is underestimating the potential upside embedded in the opportunities offered by recent investments. Unfortunately, DeA Capital recently left the MID CAPS index, which will reduce investor interest in the short term. We nevertheless expect the company to increase its profile with investors by beefing up its financial communication, and the improving newsflow expected from new initiatives should be a positive catalyst for the stock.

New funds launched

Corporate Credit Recovery I (IDeA CCR I) Fund: In June 2016, IDeA Capital Funds SGR launched the IDeA Corporate Credit Recovery I fund, which has total assets of Eu262.8mn, of which Eu177.6mn relates to the credit segment and Eu85.2mn to the new finance segment. As the first Italian debtor-in-possession financing fund, IDeA CCR I aims to help relaunch medium-sized Italian companies that are facing financial difficulties but have solid business fundamentals. DeA Capital has subscribed total commitments of Eu15.1mn. Seven banks contributed to the credit segment, namely UniCredit, BNL and BNP Paribas, Banca Popolare di Vicenza, MPS, BPM and Biverbanca, which sold loans granted to eight previously identified companies to the fund in exchange for units in the fund. The new finance segment has obtained a commitment for the financial resources to support the plans to relaunch the companies from both Italian investors (institutional investors and some family offices) and international investors. This includes a partnership with American group H.I.G. Capital which, via its affiliated company Bayside Capital, is providing a contribution of 50% of the new finance segment.

Trophy Value Added Fund: a real estate alternative investment fund, restricted to professional investors, which launched its activities in April 2016 via the purchase/contribution of two trophy assets located in the heart of Rome's historic centre.

IDeA NPL: a real estate closed-end mutual investment fund, restricted to professional investors, which launched its activities in May 2016. The Fund, which is set to reach a maximum of Eu500mn over the next 12 months, will primarily invest in securities resulting from securitisations of non-performing bank mortgage loans, and in equity instruments of real estate companies created to participate, where the opportunity arises and with a defensive strategy, in judicial auctions in order to acquire property assets to serve as collateral for non-performing loans.

Potential Disposals

Sigla Credit.

DeA Capital currently holds a 41.39% stake in Sigla Luxembourg, the holding company that fully controls Sigla, which operates in Italy and provides consumer credit for non-specific purposes.

Sigla specialises in salary-backed loans and personal loans. The company's product range of salary-backed loans and personal loans includes the servicing of portfolios of unsecured non-performing loans (personal loans and credit cards).

The investment in Sigla Luxembourg, which was reclassified under "assets held for sale" is reported as the lower of the initial carrying value and the estimated realisable value; its value at 9M16 was Eu11.5mn.

In terms of operating performance, Sigla recorded a net profit in 2015, a marked improvement on the 2014 result (non-recurring items for Eu-2.0mn). This was thanks to growth in salary-backed loans in connection with new funding raised in the second half of 2014 (totalling over Eu500mn), the full impact of which was felt as of second quarter of 2015.

Sigla (Eu mn)	2014	2015
Loans to customers	41.5	35.0
Revenues from loans	0.8	0.4
CQS granted	96.7	152.5
Revenues from CQS	5.0	9.6
Group net profit	-2.2	1.2

Source: Company data

Current investments in PE funds*

As at 30th June 2016, DeA Capital held investments in PE of about Eu191.8mn. Residual commitments for all the funds in the portfolio, including the above-mentioned IDeA CCR I, were approximately Eu101.6mn.

Asset	Eu mn	% on NAV
IDeA I FoF	71.8	13.6%
ICF II	43.6	7.8%
ICF III	5.1	0.8%
IDeA OF I	44.9	8.0%
IDeA EESS	10.8	1.3%
IDeA Tol	2.6	0.2%
AVA (FIMIT)	3.7	0.7%
VCs	9.3	1.8%
Indirect PE Investments	191.8	34.2%

IDeA I Fund of Funds: IDeA I FoF (vintage year 2007), which has total assets of approximately Eu681mn, invests its assets in units of unlisted closed-end funds that are mainly active in the local private equity sector in various countries. According to the latest available report, the IDeA I FoF portfolio was invested in 41 funds with different investment strategies; these funds in turn hold 369 positions, with varying maturities, in companies active in geographical regions with different growth rates. The funds are diversified in the buy-out (control) and expansion (minorities) categories, with overweighting towards medium- and small-scale transactions and special situations (distressed debt/equity and turnaround). As at 30th June 2016, IDeA I FoF had called up 85.1% of its total commitment and had made distributions totalling 69.5% of that commitment.

ICF II: ICF II (vintage year 2009), with total assets of Eu281mn, the fund invests in units of unlisted closed-end funds that are mainly active in the local private equity sector of various countries. It started building its portfolio by focusing on funds in the area of mid-market buy-outs, distressed and special situations, loans, turnarounds and funds with a specific sector slant, targeting, in particular, opportunities arising on the secondary market. According to the latest available report, the ICF II portfolio was invested in 27 funds with different investment strategies; these funds in turn hold positions, with varying maturities, in around 348 companies active in various geographical regions. As at 30th June 2016, ICF II had called up around 71.4% of its total commitment and had made distributions totalling 21.6% of that commitment.

IDeA Opportunity Fund I: IDeA OF I (vintage year 2008), with total assets of Eu217mn, invests independently or via syndicates with a lead investor, by purchasing qualified minority interests. As at 30th June 2016, IDeA OF I had called up 82.8% of the total commitment and distributed 27.0% of that commitment, after making nine investments (of which eight were still in the portfolio at that date).

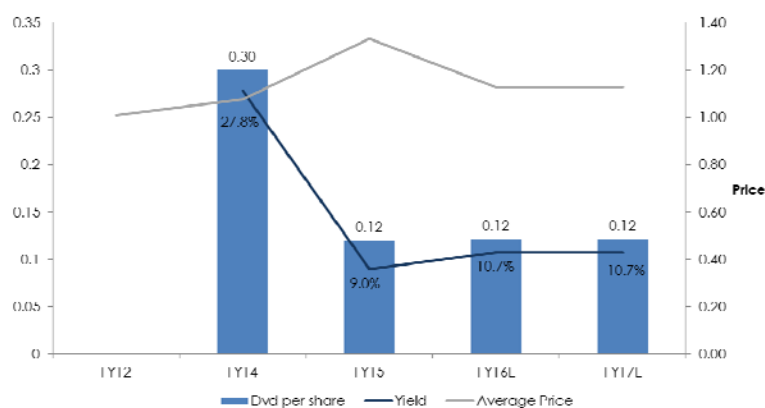
* Data at 30/09/2016 not available

From Investment to Cash Distribution

DeA Capital started a capital management process once the bulk of the investment phase had been accomplished, with the holding company starting to repay shareholders and divest from some of its assets. The two largest disposals so far have involved Générale de Santé and Migros in Turkey.

The graphs below show the recent achievements in terms of capital management and our expectations in terms of dividends for the next two years. Our cumulative assumption for 2016/17 dividends amounting to Eu64mn would imply more than 20% of the current market capitalisation will be paid to shareholders. Furthermore, we expect DeA to continue to actively buy back shares in the future. The 9M16 buyback was in the region of Eu3.3mn, bringing total treasury shares to around 14.7% of outstanding shares. We are assuming the total 2016 buyback could be in the region of Eu5mn. Adding together dividends and the buyback, capital management actions in 2016 are expected to reach 13.1% of the current market cap.

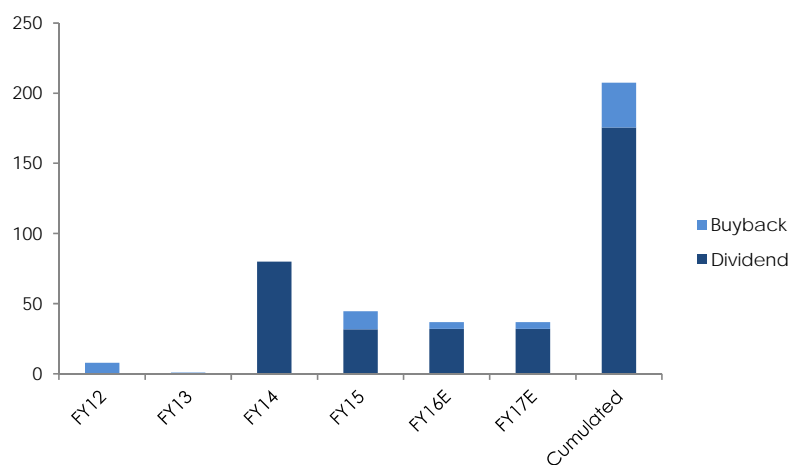
Dividends from FY12 (Eu ps)



(Eu)	FY12	FY14	FY15	FY16E	FY17E
Average Price	1.01	1.08	1.33	1.13	1.13
Dvd per share	0.30	0.12	0.12	0.12	0.12
Yield		27.8%	9.0%	10.7%	10.7%

Source: Intermonte SIM Estimates

Dividend & buyback from FY12 (Eu mn)



(Eu mn)	FY12	FY13	FY14	FY15	FY16E	FY17E	Cumulated
Dividend	-	-	79.9	31.6	32.0	32.0	175.5
Buyback	8.0	0.9	-	13.0	5.0	5.0	31.9
Total Cash-out	8.0	0.9	79.9	44.6	37.0	37.0	207.4

Alternative Asset Management Peer Group

IDEA Fimit / IDEA CF - Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
Traditional Asset Managers									
Aberdeen Asset Management PLC	3.1	GBP	4,046	-5.9%	-0.3%	2.8%	6.1%	-11.1%	-29.3%
Azimut Holding Spa	14.2	EU	2,028	8.1%	6.2%	-34.4%	-38.6%	-35.0%	-24.0%
Henderson Group PLC Shs Chess De	3.5	GBP	4,043	-8.1%	-14.8%	-28.7%	-44.5%	-41.4%	-6.4%
Rathbone Brothers Plc	17.9	GBP	906	-2.1%	0.2%	-11.9%	-18.5%	-19.7%	-7.3%
Schroders PLC	28.0	GBP	7,503	3.9%	8.4%	11.4%	-5.9%	-6.1%	16.2%
Alternative Asset Managers									
Blackstone Group L.P.	24.0	USD	15,054	-6.1%	-7.6%	-13.3%	-18.0%	-29.8%	-18.9%
Fortress Investment Group LLC Class	5.0	USD	1,078	0.8%	1.4%	0.4%	-2.2%	-14.1%	-33.8%
Man Group Plc	1.2	GBP	2,052	7.2%	6.6%	-18.2%	-31.2%	-26.8%	-2.5%
Partners Group Holding AG	491.3	CH	13,116	0.3%	10.6%	23.2%	36.0%	35.9%	92.1%
Ashmore Group plc	3.4	GBP	2,414	-3.5%	4.4%	11.1%	33.1%	27.4%	7.1%
Hargreaves Lansdown plc	11.7	GBP	5,540	-8.2%	-9.6%	-9.2%	-22.4%	-19.2%	17.6%
Simple mean performance				-1.6%	0.5%	-6.1%	-9.7%	-12.7%	1.0%
RE service Co									
Savills plc	6.7	GBP	935	-6.6%	-3.5%	-9.8%	-24.5%	-27.1%	3.9%
Euro STOXX	320.3	EU		-1.5%	2.1%	0.6%	-7.2%	-10.6%	3.1%

Source: Factset

IDEA Fimit / Idea CF Peer Group - Multiple Comparison

Stock	Price	Ccy	Mkt cap	EV/Ebitda 2016	EV/Ebitda 2017	EV/Ebitda 2018	P/E 2016	P/E 2017	P/E 2018	Div Yield 2015	Div Yield 2016	Div Yield 2017
Traditional Asset Managers												
Aberdeen Asset Management PLC	3.1	GBP	4,046	10.6	9.1	8.4	15.8	14.1	12.9	6.4%	6.4%	6.5%
Azimut Holding Spa	14.2	EU	2,028	10.7	8.1	7.2	14.9	12.5	11.3	6.9%	7.8%	8.7%
Henderson Group PLC Shs Chess De	3.5	GBP	4,043	10.7	9.3	8.1	15.3	13.2	11.8	4.6%	4.9%	5.4%
Rathbone Brothers Plc	17.9	GBP	906	3.6	2.4	1.3	16.0	14.3	12.7	3.2%	3.4%	3.7%
Schroders PLC	28.0	GBP	7,503	9.4	8.4	8.0	16.2	15.0	14.0	3.2%	3.4%	3.6%
Alternative Asset Managers												
Blackstone Group L.P.	24.0	USD	15,054	6.8	5.8	4.5	12.5	8.7	7.4	6.4%	8.9%	10.1%
Fortress Investment Group LLC Class	5.0	USD	1,078				5.3	4.7	6.0	13.0%	13.7%	10.4%
Man Group Plc	1.2	GBP	2,052	8.1	5.7	4.6	13.9	9.4	7.4	5.7%	6.2%	7.2%
Partners Group Holding AG	491.3	CH	13,116	23.9	22.1	20.1	26.2	24.7	22.6	2.8%	3.0%	3.2%
Ashmore Group plc	3.4	GBP	2,414	15.1	12.7	11.7	19.2	19.0	17.7	4.8%	4.9%	4.9%
Median				10.6	8.4	8.0	15.6	13.7	12.3	5.3%	5.6%	6.4%
RE service Co												
Savills plc	6.7	GBP	935				10.6	10.1	9.5	3.9%	4.3%	4.5%

Source: Factset consensus estimates for peer group

Migros Peer Group

MIGROS Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
Royal Ahold Delhaize N.V.	20.3	Euro	25,985	0.0%	-4.6%	6.5%	4.0%	9.5%	51.8%
Carrefour SA	23.8	Euro	18,014	3.3%	10.3%	-4.3%	-10.6%	-19.9%	1.9%
Casino Guichard-Perrachon	45.9	Euro	5,089	5.9%	2.3%	-11.1%	8.1%	-13.3%	-43.9%
Etablissements Franz Colruyt	48.7	Euro	7,279	-1.4%	-1.2%	-4.3%	2.6%	8.2%	33.9%
Delhaize Group SA		Euro							
METRO AG	26.8	Euro	8,763	1.3%	3.1%	-4.4%	-9.2%	-4.2%	5.5%
Tesco PLC	2.1	British Pounds	17,166	14.8%	35.7%	22.0%	40.5%	14.2%	21.0%
Costco Wholesale Corporation	145.2	U.S. Dollar	63,449	-4.8%	-12.8%	-3.8%	-10.1%	-8.8%	8.8%
Jeronimo Martins, SGPS S.A.	15.7	Euro	9,896	1.9%	4.5%	9.0%	31.1%	25.4%	125.3%
Grupo Famsa SAB de CV Class A	7.7	Mexican Peso	4,382	-7.3%	-14.4%	-40.5%	-45.1%	-40.7%	-43.9%
X5 Retail Group N.V. Sponsored G	27.4	U.S. Dollar	7,445	-5.4%	32.5%	38.5%	44.7%	30.6%	50.2%
Magnit PJSC Sponsored GDR Reg	38.2	U.S. Dollar	15,374	-8.3%	-1.1%	10.5%	-4.9%	-15.6%	-42.9%
Organizacion Soriana S.A.B.	50.5	Mexican Peso	90,900	5.1%	8.5%	21.8%	27.8%	26.5%	14.7%
Eurocash S.A.	37.4	Polish Zloty	5,202	-12.0%	-26.2%	-30.9%	-22.9%	-27.1%	12.7%
Wal-Mart de Mexico	40.4	Mexican Peso	706,139	-5.0%	-5.0%	-4.3%	-7.0%	-7.2%	29.9%
Migros Ticaret A.S.	17.3	Turkish Lira	3,073	-5.6%	6.5%	-10.5%	-1.1%	-8.7%	-16.4%
BIM Birlesik Magazalar A.S.	48.2	Turkish Lira	14,640	-3.7%	-14.3%	-20.1%	-6.1%	-20.4%	-5.1%
CarrefourSA Carrefour Sabanci Tic	6.6	Turkish Lira	4,585	9.9%	2.0%	-7.0%	3.8%	-6.4%	134.8%
Simple mean performance				2.6%	4.7%	1.2%	7.0%	1.4%	25.5%

Source: Factset

MIGROS Peer Group - Multiple Comparison

Stock	Price	Ccy	Mkt cap	EV/Sales 2016	EV/Sales 2017	EV/Ebitda 2016	EV/Ebitda 2017	P/E 2015	P/E 2016	Div Yield 2014	Div Yield 2015
Royal Ahold Delhaize N.V.	20.3	Euro	25,985	0.5	0.4	7.2	6.4	16.8	15.2	2.7%	3.1%
Carrefour SA	23.8	Euro	18,014	0.3	0.3	5.7	5.3	14.7	12.9	3.1%	3.5%
Casino, Guichard-Perrachon SA	45.9	Euro	5,089	0.2	0.2	4.4	3.9	19.3	14.0	6.9%	6.9%
Etablissements Franz Colruyt N.V.	48.7	Euro	7,279	0.7	0.7	9.1	8.7	19.2	18.6	2.3%	2.3%
Delhaize Group SA		Euro									
METRO AG	26.8	Euro	8,763	0.2	0.2	4.8	4.6	15.0	13.1	3.8%	4.1%
Tesco PLC	2.1	British Pounds	17,166	0.4	0.4	8.3	7.3	28.0	20.8	0.0%	1.3%
Costco Wholesale Corporation	145.2	U.S. Dollar	63,449	0.6	0.5	13.3	12.0	27.4	24.6	1.1%	1.2%
Jeronimo Martins, SGPS S.A.	15.7	Euro	9,896	0.7	0.6	11.3	10.1	25.0	22.1	2.1%	2.3%
Median				0.4	0.4	7.8	6.8	19.2	16.9	2.5%	2.7%
Grupo Famsa SAB de CV Class A	7.7	Mexican Peso	4,382					10.1	11.3		
X5 Retail Group N.V. Sponsored G	27.4	U.S. Dollar	7,445	0.6	0.5	8.4	7.0	17.5	13.3	0.0%	0.0%
Organizacion Soriana SAB de CV	50.5	Mexican Peso	90,900	0.8	0.7	10.2	9.0	22.6	19.0	0.0%	0.1%
Eurocash S.A.	37.4	Polish Zloty	5,202	0.3	0.2	10.9	9.7	21.0	18.8	2.8%	3.0%
Wal-Mart de Mexico SAB de CV	40.4	Mexican Peso	706,139	1.3	1.2	13.1	12.2	23.5	22.0	4.3%	4.5%
Median				0.8	0.7	10.2	9.0	20.2	17.1	2.3%	2.9%
Migros Ticaret A.S. (consensus)	17.3	TRY	3,073	0.4	0.4	8.1	6.6	48.2	18.3	0.0%	0.4%
BIM Birlesik Magazalar A.S.	48.2	TRY	14,640	0.7	0.6	14.9	12.5	23.2	19.8	2.5%	2.8%
CarrefourSA Carrefour Sabanci Tic	6.6	TRY	4,585								
Median				0.6	0.5	11.5	9.6	35.7	19.0	2.5%	3.2%

Source: Factset consensus estimates

DEA CAPITAL Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
DEA CAPITAL	1.09	EUR	333	3.4%	7.6%	-15.7%	-23.1%	-26.5%	-12.8%
3I	6.53	GBP	6,352	0.2%	6.1%	39.8%	35.6%	30.2%	67.6%
CIR	0.97	EUR	771	5.9%	2.0%	-11.1%	0.1%	-6.9%	14.9%
COFIDE	0.37	EUR	264	8.4%	-1.0%	-10.5%	-11.8%	-20.4%	-6.2%
EURAZEO	50.77	EUR	3,510	-2.1%	-6.9%	-12.3%	-16.0%	-17.0%	7.3%
EXOR	35.72	EUR	8,795	-0.1%	5.3%	9.1%	-15.1%	-20.4%	7.2%
IMMSI	0.37	EUR	126	-1.9%	-4.8%	-11.8%	-20.8%	-26.1%	-26.3%
ITALMOBILIARE	42.14	EUR	1,000	-4.3%	8.7%	12.5%	0.1%	3.6%	121.8%
NMAS1 DINAMIA	8.27	EUR	278	3.4%	8.8%	11.6%	13.0%	16.0%	26.4%
SVG	7.02	GBP	1,096	3.2%	28.9%	36.6%	42.5%	46.5%	63.6%
TIP	3.58	EUR	529	-0.7%	-0.1%	16.9%	5.6%	2.0%	42.5%
Mean performance				1.4%	5.0%	5.9%	0.9%	-1.7%	27.8%
Italy FTSE Mib	16,419.9	EUR	236,024	0.9%	1.8%	-8.6%	-23.3%	-26.9%	-15.2%

Source: FactSet

Italian Holdings - Average P/NAVPS (@ current mkt price)

Stock	Price (Eu)	Mkt cap (Eu mn)	NAV (Eu ps)	Premium (Discount)	P/NAV
EXOR S.p.A.	38.26	9,221	48.0	-20.2%	0.80
Compagnie Industriali Riunite S.p.A.	1.01	803	1.3	-19.7%	0.80
ASTM S.p.A.	9.74	862	17.6	-44.6%	0.55
Italmobiliare S.p.A.	42.84	1,020	67.3	-36.4%	0.64
DeA Capital S.p.A.	1.09	327	1.91	-43.1%	0.57
COFIDE-Gruppo De Benedetti S.p.A.	0.38	277	0.7	-46.8%	0.53
Immsi S.p.A.	0.39	131	0.9	-59.0%	0.41
TIP S.p.A.	3.67	542	4.2	-12.2%	0.88
Average Italian Holdings				-36.8%	0.63
Adjusted average*				-38.9%	0.61

*Note: excluding Cofide and TIP

**Note: excluding see-through NAV for Cofide

Source: Company data and Intermonte SIM Estimates

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	DEA CAPITAL		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	1.70	Previous Target (Eu):	1.70
Current Price (Eu):	1.09	Previous Price (Eu):	1.05
Date of report:	04/11/2016	Date of last report:	23/09/2016

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WASTE ITALIA	0.91	SHORT
ZEPHYRO SPA	1.38	LONG

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