

# DEA CAPITAL

STAR Conference –  
London, 23 October 2018



DEA CAPITAL

# DEA CAPITAL AT A GLANCE

DeA Capital is the #1 Alternative Asset Manager of private equity and real estate funds in Italy, with over € 11.2 Bln of AUM and € 473 Mln of NAV

## AAM Platform

<b>Real Estate</b>	<b>Private Equity</b>
<b>AUM</b> 9.0 Bln DEA CAPITAL REAL ESTATE SGR	<b>AUM</b> 2.2 Bln DEA CAPITAL ALTERNATIVE FUNDS SGR

## Investments

<b>Indirect</b>	<b>Direct</b>
DEA CAPITAL REAL ESTATE SGR DEA CAPITAL ALTERNATIVE FUNDS SGR	IDEAMI cellularline MORE OF YOU MiGROS

## Key Aspects

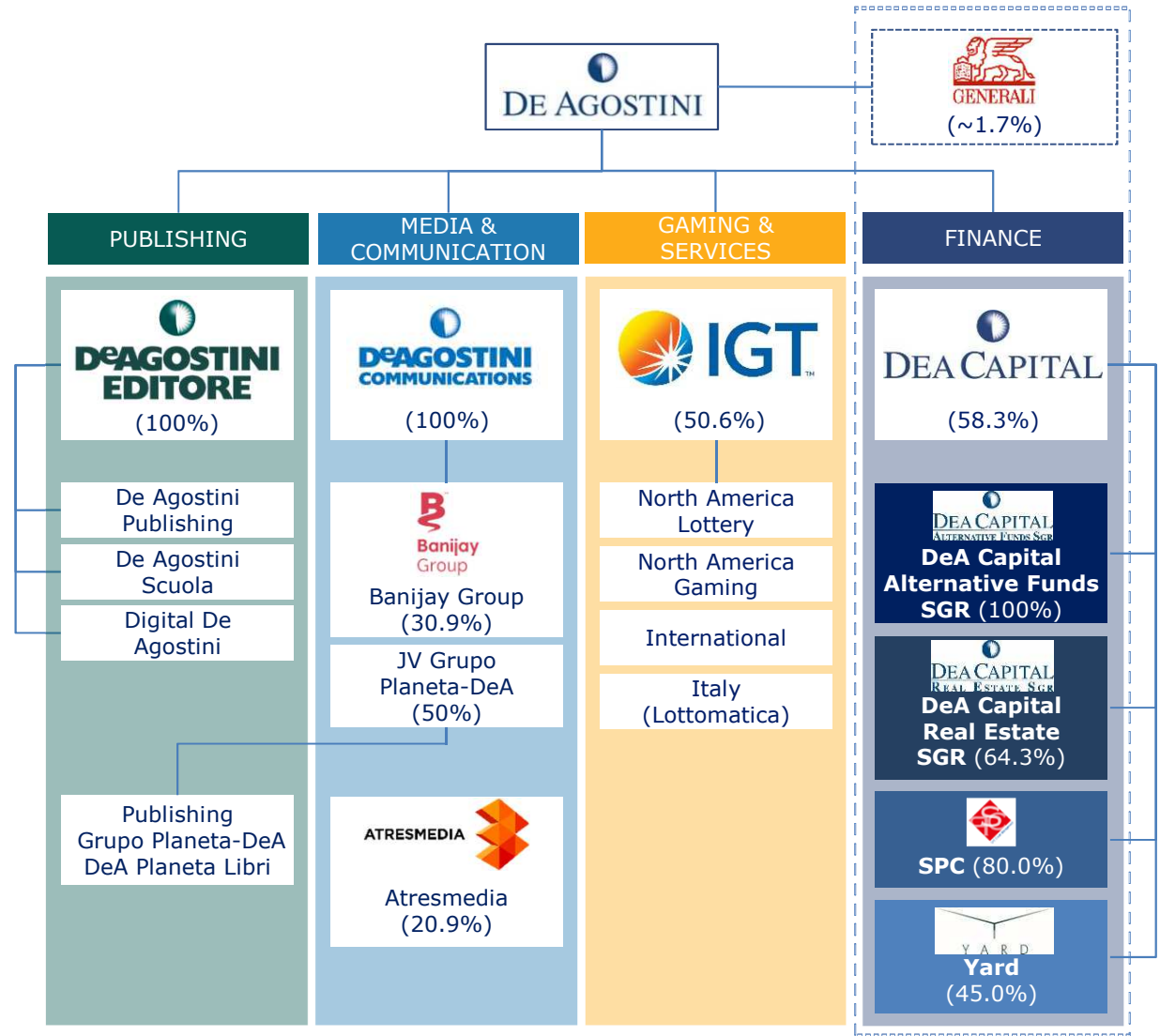
- ❖ ~200 Professionals
  - Wide range of products in the most promising asset classes: Real Estate, Private Equity and NPL
  - Capability to structure and launch innovative products
  - Deep knowledge of the Italian market
  - Independent platform and state-of-the-art compliance and risk management
- ❖ Large international investors' network
- ❖ Experienced management team and reputable long term shareholders
- ❖ Strong balance sheet
- ❖ Listed company on the Milan Stock Exchange

Data as of 30.06.2018

# DE AGOSTINI GROUP

## DE AGOSTINI GROUP

- ❖ De Agostini is a family-owned private group founded in 1901 and active worldwide with € 4.8 Bln in revenues
- ❖ During the last two decades, the De Agostini Group has gradually diversified its activities from the traditional publishing sector to other sectors and significantly expanded its operations in markets outside of Italy
- ❖ Today, the De Agostini Group, led by the holding De Agostini S.p.A., operates in four sectors through four sub-holdings:
  - **De Agostini Editore** – coordination and strategic management of all the Group's activities in the publishing sector, active in 30 countries with publications in 13 languages
  - **De Agostini Communications** – active in the media and communication sector, focused in production, broadcasting, and distribution of content for television, new media, and cinema
  - **IGT** – worldwide leader in the gaming and services, listed on the New York Stock Exchange
  - **DeA Capital** – De Agostini Group's vehicle for alternative investments, listed on the Milan Stock Exchange



# KEY FINANCIALS @ GROUP LEVEL

## Alternative Asset Management

- ❖ Total AUM of € 11.2 Bln (of which € 9.0 Bln in Real Estate and € 2.2 Bln in Private Equity)
- ❖ Management Fees RE-PE of ~ € 60 Mln (> 50 bps on AUM)
- ❖ EBITDA RE-PE of ~ 20 Mln (35% on Management fees)
- ❖ Book value of AAM Platform of € 137 Mln (2017 P/E 13.9x)

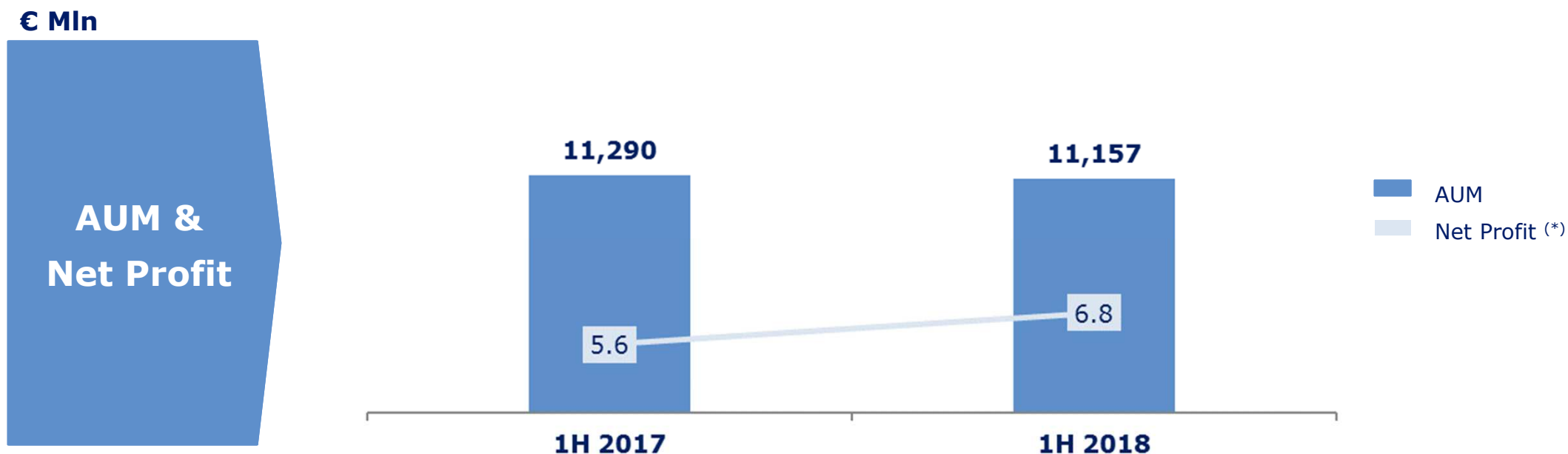
## Direct / Indirect Investments

- ❖ Aggregate investments of € 243 Mln, including:
  - Indirect € 181 Mln
  - Direct € 62 Mln

## Corporate

- ❖ Net Cash Position at holding level of ~ € 90 Mln

# AAM PLATFORM - KEY FINANCIALS



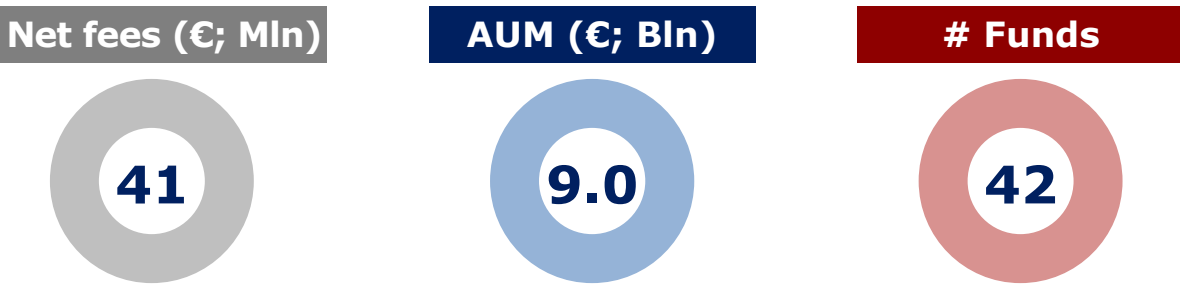
- ❖ Stable AUM due to a strong fund raising activity balancing disposals from old vintage funds
- ❖ 2018 Dividends to DeA Capital S.p.A. over € 7 Mln (Yield 5%)

# DEA CAPITAL REAL ESTATE

## THE COMPANY

- ❖ #1 manager of Real Estate funds in Italy
- ❖ High quality portfolio, focused on large Italian cities (about 66% in Milan and Rome) and on offices/bank branches (~70% of total)<sup>(1)</sup>
- ❖ A diversified investor base: approx. 100 institutional investors, more than 70,000 retail investors<sup>(2)</sup> – Institutional investors account for more than 90%<sup>(3)</sup> of the funds' investor base

## KPI



## TROPHY ASSETS



## MAIN INVESTORS

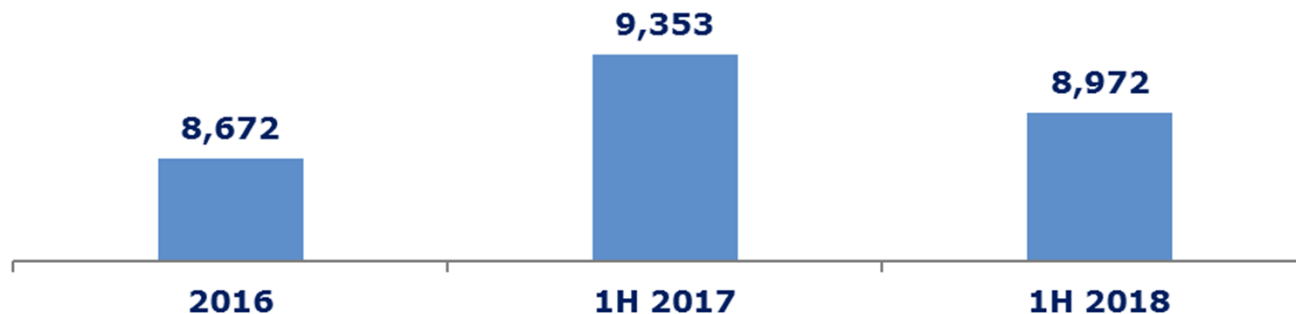
<b>Pension Funds</b>	
<b>Banks / Insurance Companies</b>	
<b>Foreign Investors</b>	

Data as of 30.06.2018 for AUM and funds; Data as of 31.12.2017 for fees  
 (1) By value  
 (2) Data on listed funds refer to the initial placement  
 (3) Includes: Pension Funds, Insurance Companies, Sovereign Funds, Corporations and Banks

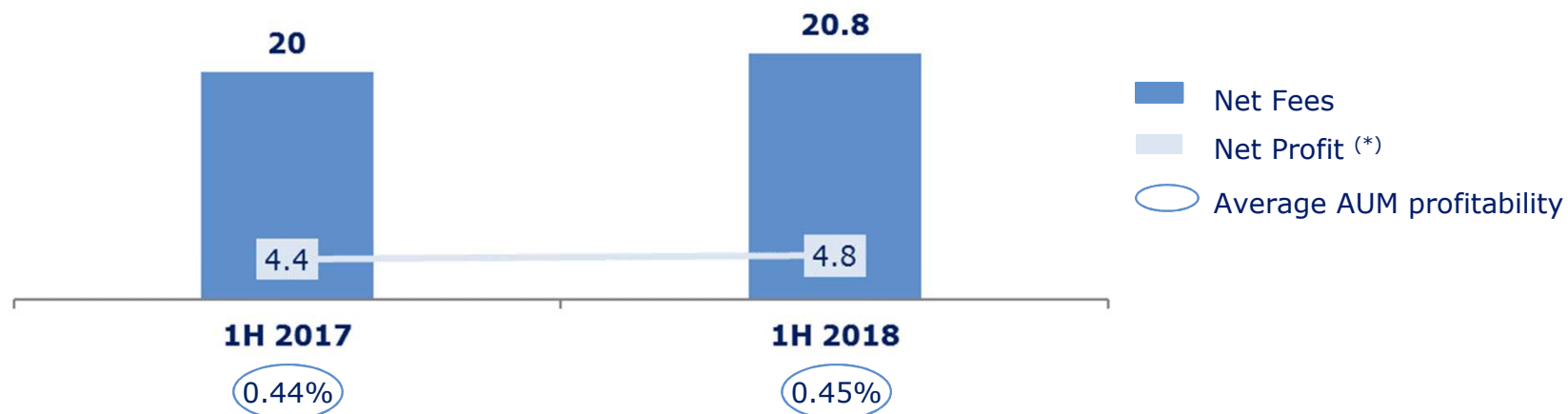
# DEA CAPITAL REAL ESTATE AUM & FEES EVOLUTION

€ Mln

AUM



Net Fees & Net Profit



Key Development Drivers

- ❖ Business development focused on:
  - Existing funds expansion
  - New core & value added initiatives
  - Product range expansion (e.g. NPL funds like Special Opportunities Fund I)
  
- ❖ Profitability improvement through funds portfolio rationalization and balanced mix between traditional funds and innovative products

(\*) Before the impact of Purchase Price Allocation («PPA»), impairment, other non-recurring items («NRI»)

# DEA CAPITAL ALTERNATIVE FUNDS

## THE COMPANY

- DeA Capital Alternative Funds is the leading Italian private equity asset manager which manages single-manager, multi-manager investment programs and, starting from 2016, non performing corporate credit funds
- With € 2.2 Bln of AUM, over 35 professionals work daily to deserve investors' trust both by maintaining timely relationships with international General Partners invested in ca. 700 companies through 80 funds worldwide, and by supporting management and entrepreneurs of 30 directly-participated companies, which employ more than 30,000 people and generate revenues for about € 5 Bln
- More than 260 Limited Partners including both sophisticated institutional investors and successful entrepreneurs repeatedly granted DeA Capital AF their trust
- A detailed reporting system, as well as direct access to the investment teams, allow LPs to constantly track their investments

## KPI

Net fees (€; Mln)

AUM (€; Bln)

# Funds

18

2.2

10

## MAIN INVESTMENTS



## MANAGED FUNDS

Multi Manager	€ Mln	Description	Vintage	Commitment
	IDEA I FoF		2007	646
	ICF II	Italian closed-end funds of PE funds with a global focus	2009	281
	IDEA Global Growth		2013	55
	ICF III		2014	67
<b>Total Multi Manager</b>				<b>1,049</b>

Single Manager	€ Mln	Description	Vintage	Commitment
	IDEA Opportunity Fund I	Italian closed-end fund invested in minority stakes of Italian companies across different industries	2008	217
	IDEA EESS	Italian closed-end fund dedicated to energy efficiency and sustainable growth	2011	100
	IDEA Taste of Italy	Italian closed-end fund dedicated to the Italian food and beverage industry	2014	218
	Investitori Associati IV	Italian closed-end fund originally promoted by Investitori Associati SGR and managed by DeA CAF starting from 2015	2004	53 <sup>(1)</sup>
<b>Total Single Manager</b>				<b>588</b>

Credit Funds	€ Mln	Description	Vintage	Commitment
	CCR I	Italian closed-end funds investing in NPL of mid Italian companies and in DIP (Debtor-in-possession) proceedings	2016	222
	CCR II		2017	326
<b>Total Credit Funds</b>				<b>548</b>
<b>Total AUM</b>				<b>2,185<sup>(2)</sup></b>

(1) Residual NAV after disposals

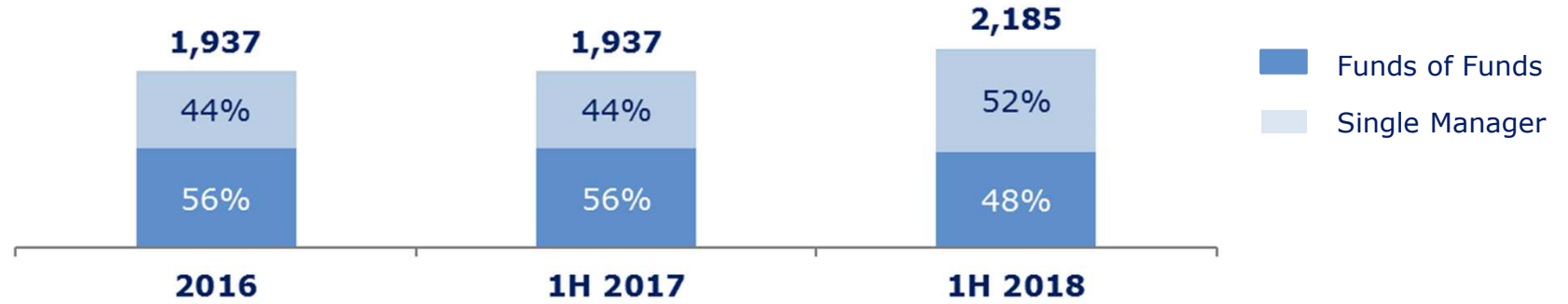
(2) 2,265 after the launch of the IDEA Agro Fund in July 2018



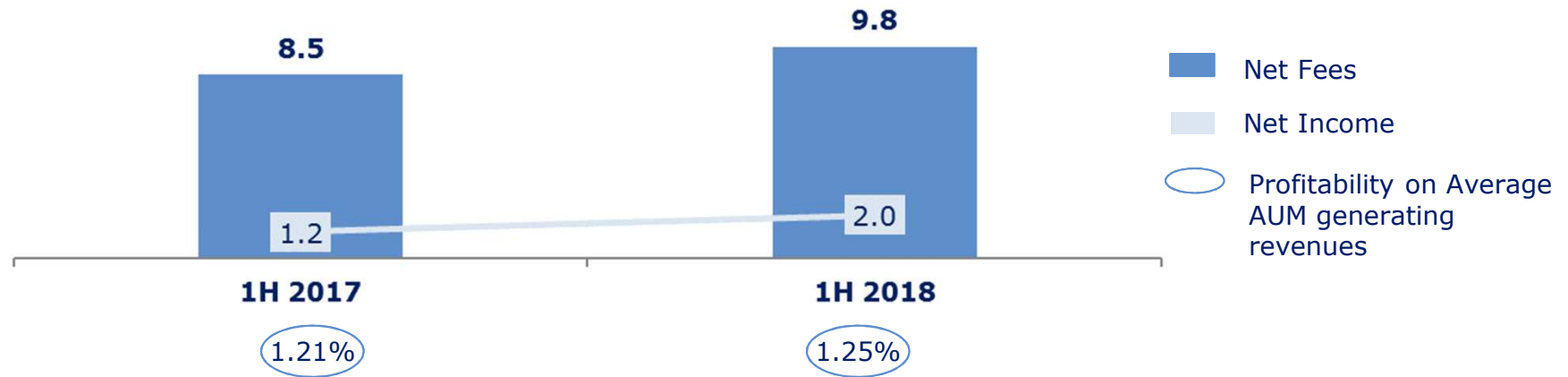
# DEA CAPITAL FUNDS AUM & FEES EVOLUTION

€ Mln

## AUM



## Net Fees & Net Profit



## Key Development Drivers

- ❖ Shift of AUM mix from funds of funds to thematic funds and credit funds
- ❖ DeA Capital seed funding set in the 10% region for the new funds

# DEA CAPITAL "OLDEST VINTAGE" FUNDS – AS AT JUNE 30<sup>TH</sup> 2018

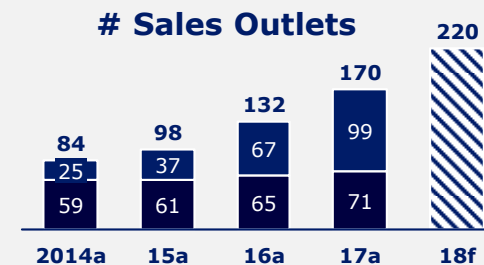
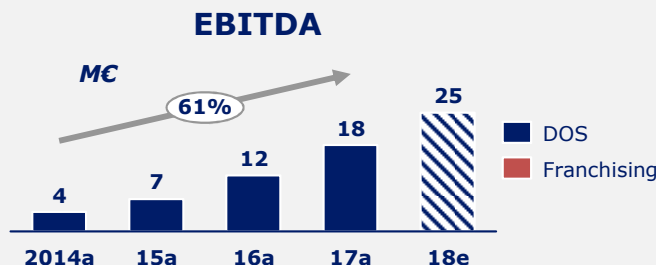
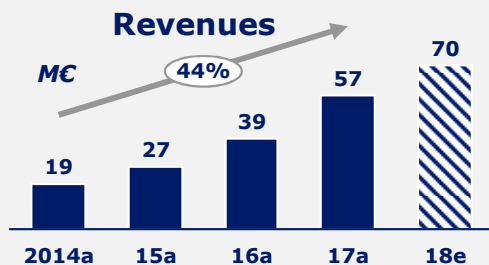
(DEA CAPITAL S.P.A. STAKE)

M€

Fund	Capital call	NAV	DPI	TVPI
<b>IDeA I FoF (2007)</b>	149,7	42,3	1,04x	1,33x
<b>ICF II (2009)</b>	37,4	37,4	0,77x	1,77x
<b>IDeA OF I (2008)</b>	87,3	51,9	0,58x	1,17x
<b>IDeA EESS (2011)</b>	24,0	15,6	0,67x	1,32x
<b>Total</b>	<b>298,4</b>	<b>147,2</b>	<b>0,84x</b>	<b>1,33x</b>

# 2018 LA PIADINERIA DISPOSAL BY IDEA TASTE OF ITALY

Leading chain in the fast casual food segment in Italy with over 180 sales outlets

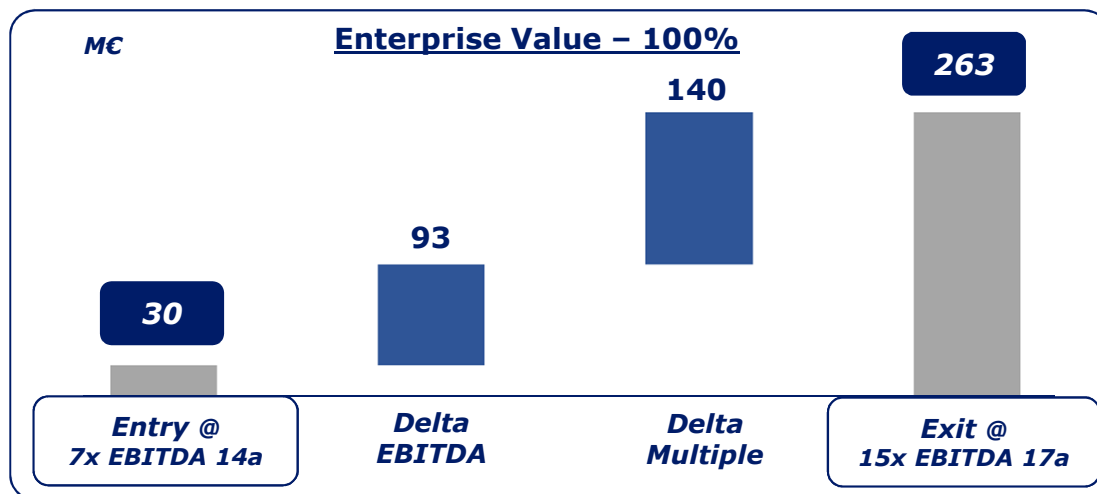


## ToI Key Financials

Invested Equity:	10.6 M€
Net Proceeds:	104.6 M€
Net cash multiple:	9.9x
Net IRR:	128%

## DeA Capital investment

Commitment to the Fund:	11.6%
Net Cash-in pro quota:	12.0 M€
Capital Gain pro quota:	10.8 M€

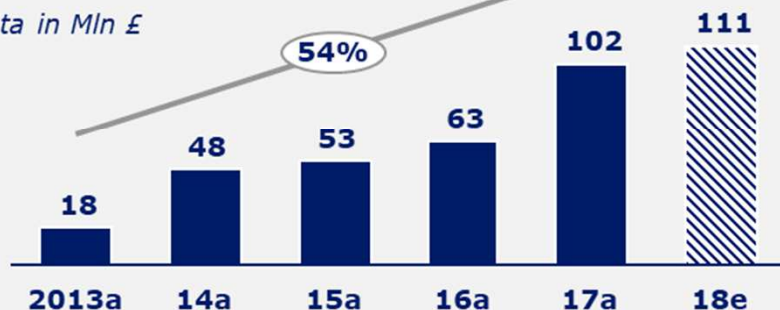


# 2018 CORIN DISPOSAL BY IDEA OPPORTUNITY FUND I

International Player in the production/distribution of hip and knee orthopaedic implants

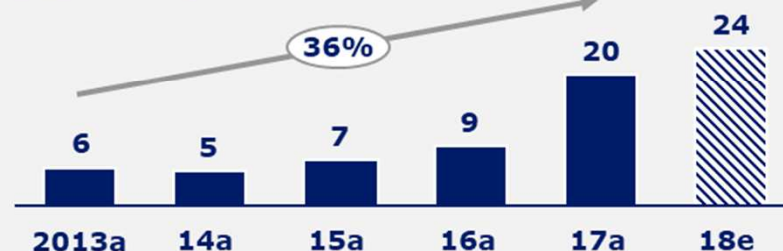
## Revenues

Data in Mln £



## EBITDA

Data in Mln £



### Opportunity Fund I Key Financials

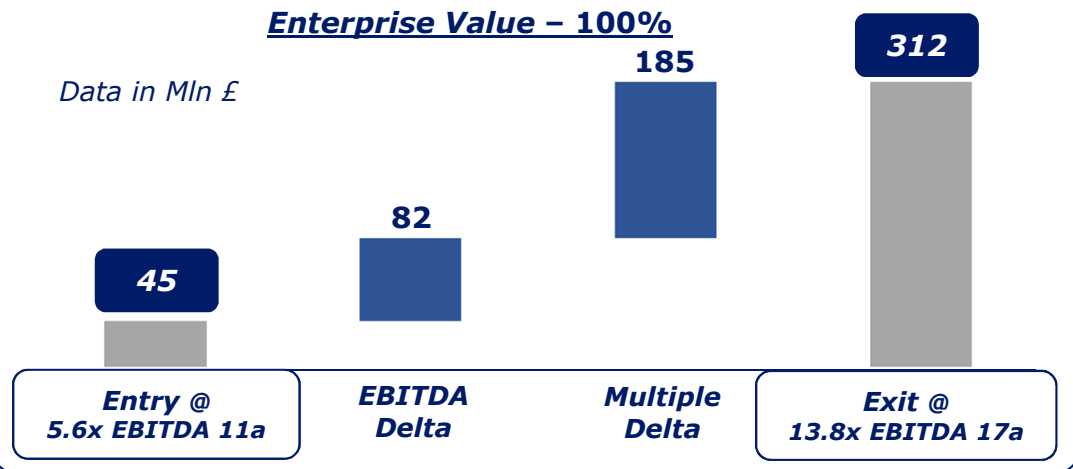
Purchase price:	15.8 M€
Net Cash In:	65.6 M€
Net cash multiple:	4.2x
Net IRR:	35%

### DeA Capital investment

Commitment to the Fund:	47%
Net Cash-in pro quota:	30.8 M€
Capital Gain pro quota:	23.4 M€

## Enterprise Value – 100%

Data in Mln £



# DEA CAPITAL STRATEGY

## ❖ Growth of the AAM business

- Focus on consolidation of domestic leadership
- Launch of innovative products
- Focus on developing foreign investor base
- International growth (DeA Capital Real Estate France)
- Business model optimization (coordination of investor coverage functions)

## ❖ Remodeling of the Private Equity Investment business

- Sponsorship of new SPAC initiatives on the Italian Stock Exchange
- Sponsorship of new initiatives of the AAM platform
- New direct Private Equity deals with a co-investor/club-deal approach (average size € 25/30 Mln per ticket)

- ❖ Expected **significant cash returns** to Shareholders through dividends/buyback

DeA Capital NAV	NAV (€ Mln)	NAV per share	Stock Price <sup>(1)</sup>
NAV	473	1.87	1,29
Cash	87	0.34	0.34
NAV net of Cash	<b>386</b>	<b>1.53</b>	<b>0,95</b>

Of which:

AAM	144	0.57	@ BV
Indirect Inv.	181	0.71	@ NAV
Direct Inv.	62	0.25	@ FMV

38 % Discount to Assets

(1) Data as of 18.10.2018

# Disclaimer

This presentation contains statements that constitute forward-looking statements regarding the intent, belief or current expectations of the DeA Capital ("the Company") with respect to the financial results and other aspects of the Company's activities and strategies

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors

Analysts and investors are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation – DeA Capital S.p.A. undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in the Company's business or investment strategy or to reflect the occurrence of unanticipated events

Analysts and investors are encouraged to consult the Company's Annual Report and periodic filings for accounting information, as well as press releases and all documentation made publicly available on the website [www.deacapital.com](http://www.deacapital.com)

The Manager responsible for the preparation of company accounting statements, Manolo Santilli, declares in accordance with paragraph 2 of article 154 of the Consolidated Finance Act that any accounting information on DeA Capital included in this document corresponds to registered company accounts, books and records