

## Company update

**BUY** (Unchanged)

**Target: € 1.95** (Unchanged)

Risk: High

### STOCK DATA

Price €	1.4
Bloomberg code	DEA IM
Market Cap. (€ mn)	395
Free Float	31%
Shares Out. (mn)	274.0
52-week range	1.19 - 1.5
Daily Volumes (mn)	0.73

### PERFORMANCE

	1M	3M	12M
Absolute	6.7%	13.7%	0.3%
Rel. to FTSE all shares	12.8%	14.2%	-16.2%

### MAIN METRICS

	2013	2014E	2015E
EPS - € cents	-25.4	-13.7	3.7
DPS ord - € cents	0.0	0.0	0.0

### NAV

	2013	2014E	2015E
Nav (Equita) ps ord - €	2.0	2.2	2.2
Nav (Reported) ps ord - €	2.30	2.23	2.23
BVPS - € cents	2.05	1.93	1.96

### MULTIPLES

	2013	2014E	2015E
P/NAV (Equita)	0.7 x	0.7 x	0.7 x
P/NAV Reported	0.6 x	0.6 x	0.6 x
P/BV	0.6 x	0.7 x	0.7 x

### INDEBTNESS

	2013	2014E	2015E
NFP	-128	-114	-101
Debt to assets ratio	0.2 x	0.2 x	0.1 x
D/E	0.2 x	0.2 x	0.1 x

### PRICE ORD LAST 365 DAYS



### ANALYSTS

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May 19, 2014

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## IN EXCLUSIVE TALKS TO DISPOSE GDS

*Following years of no newsflow on the disposal front, GDS is close to leave the portfolio: Ramsay has entered into exclusive negotiations to purchase the asset for €16.75 PS. If the due diligence goes well, DEA would cash-in ~€180 mn and it would have the possibility to pay out a significant dividend (our assumption: €0.25 PS). The still strong discount to NAV (~33%) underpins our positive view.*

### ■ Exclusive talks to dispose of GDS

Last week, Ramsay Santè entered into exclusive talks to acquire GDS at €16.75 PS (Equity Value 100% = €945 mn, cash in for DEA = €177 mn). The bid is subject to a due-diligence period (until 6th June) as well as to the approval by the antitrust authority and the trade unions.

The deal is a good news for DEA since:

- It would be the first exit from an important PE direct participation;
- It would happen at a "fair" value (2014 EV/EBITDA = 7.5x), slightly above our estimate (€16.0 PS);
- It would reduce the complexity of the holding structure thus accelerating the company's conversion process towards a pure Alternative AM;
- It would dispel market fears concerning the exposure to a still leveraged asset (2014 NFP/EBITDA tot. structure = 4.3x).

### ■ Sound operating results for Migros

Migros' 1Q14 was sound and outperformed market expectations at operating level, but FX penalised both bottom line and Net Debt. Main dynamics:

- **A solid underlying top-line trend:** Sales grew by +11.3%, even in a "challenging" environment hit by decreasing consumer confidence;
- **Resilient margins** flattish YoY (6.5% vs. 6.6% 1Q13)

We believe that these results confirm the asset quality and speculative appeal once again. However, we still argue that a disposal depends on the actual stabilisation of the political scenario in Turkey.

### ■ A mixed quarter for the Alternative Asset Manager Division

Idea Fimit reported lower than expected results (sales = €14.3 vs. €15.4 mn exp.) due to pressure on commissions (0.62% vs 0.67% exp.), thus prompting us to cut estimates (2014 Adj. NI -13%) and valuation (€116 vs. €130). On the other hand, Idea Capital Funds reported solid results and has a good new funds pipeline. All in all, the AAM remains a very cash generative business (Operating cash flow in 1Q14 = €11.7 mn).

### ■ A Still high discount to NAV supports our BUY

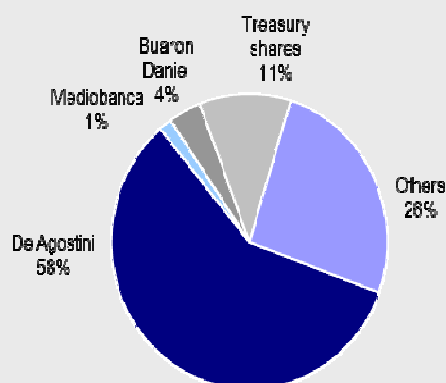
We confirm our Target price = €1.95 PS (on May 13<sup>th</sup> we revised our TP upward from €1.6 to €1.95 incorporating a higher valuation both for Migros and GDS and a lower Holding discount) because the decreasing valuation for Idea Fimit (to €116 mn from €130 mn) is broadly offset by a higher value of PE funds (to €204 mn from €191 mn). BUY in light of:

- **High discount on NAV** (~33%) and its **exposure to defensive sectors** with solid financials (2014E Holding NFP = €-127 mn). At current market prices, it is as if the market was valuing the AAM division negatively (avg. 2014-2015 Adj. Net Income = €18 mn).
- **Potential upside in case of exit from Migros** (27% of NAV), which would result in another "jumbo" dividend (our exp. >€0.45 PS).

MAIN FIGURES € mn	2010	2011	2012	2013	2014E	2015E
AM Commissions	27.8	47.8	82.0	78.8	71.5	72.6
Profit (Loss) on equity	-15.5	-55.5	-18.4	1.9	-2.0	-2.0
Other investment						
income (charges)	-3.4	13.5	-7.9	-18.2	-44.6	0.0
Other income	10.5	10.7	12.5	20.2	18.8	19.5
Other expenses	-36.8	-51.4	-81.3	-128.2	-68.8	-63.0
<b>Tot. Income &amp; exp.</b>	<b>-17.3</b>	<b>-34.9</b>	<b>-13.1</b>	<b>-45.5</b>	<b>-25.1</b>	<b>27.1</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Financial Income	-4.6	-2.8	-6.8	-0.4	-1.0	-1.0
<b>Profit before tax</b>	<b>-22.0</b>	<b>-37.7</b>	<b>-19.8</b>	<b>-45.9</b>	<b>-26.1</b>	<b>26.1</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Results from						
Discontinued op	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.9	-2.1	-8.1	-19.2	-3.7	-5.1
<b>Net Income</b>	<b>-26.3</b>	<b>-43.6</b>	<b>-26.3</b>	<b>-69.5</b>	<b>-37.6</b>	<b>10.0</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Net income adjusted</b>	<b>-26.3</b>	<b>-43.6</b>	<b>-26.3</b>	<b>-69.5</b>	<b>-37.6</b>	<b>10.0</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>SHARE DATA</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>
Nav (Reported) ps ord - €	2.60	2.60	2.63	2.30	2.23	2.23
Nav (Equita) ps ord - €	2.0	2.1	2.2	2.0	2.2	2.2
EPS - € cents	-8.8	-15.5	-9.6	-25.4	-13.7	3.7
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-9.1	-15.1	-9.6	-25.4	-13.7	3.7
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
DPS ord - € cents	0.00	0.00	0.00	0.00	0.00	0.00
<b>MARKET RATIOS</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>
P/NAV Reported	0.44 x	0.49 x	0.50 x	0.55 x	0.65 x	0.65 x
P/NAV (Equita)	0.57 x	0.61 x	0.62 x	0.65 x	0.67 x	0.67 x
P/BV	0.5 x	0.6 x	0.6 x	0.6 x	0.7 x	0.7 x
P/E	n.m.	n.m.	n.m.	n.m.	n.m.	39.5 x
P/E Adj	n.m.	n.m.	n.m.	n.m.	n.m.	39.5 x
<b>REMUNERATION</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	-3.4%	-6.5%	-3.6%	-11.0%	-6.4%	1.7%
<b>INDEBTNESS - €mn</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>
NFP	-20.4	-102.5	-123.6	-127.7	-114.5	-101.3
Holding system NFP	20.9	-40.7	-113.5	-138.7	-127.1	-118.8
Debt to assets ratio	n.m.	0.07	14.6%	17.3%	15.9%	14.9%
D/E	0.03	0.13	14.4%	17.2%	16.2%	14.2%

Source: company data and EQUITA SIM estimate

## SHAREHOLDER STRUCTURE - 2013



**MIGROS**



**IDeA FIMIT<sub>sgr</sub>**

## BUSINESS DESCRIPTION

Dea Capital (DEA) is a STAR listed investment company which started-up in 2007 through the takeover of a listed entity – CdB Web Tech – by the De Agostini Family.

The company is a best-in class player in Italian PE, focusing on 2 areas:

- **Private Equity Investments:**
  - **Direct investments in the services sector** (healthcare, retail, and financial services) **in Europe mainly via stakes in one of the main Turkish food retailer Migros** and in the leader in private healthcare in France, **Générale de Santé**;
  - **Indirect investments** in private equity funds, funds of funds, and venture capital funds.
- **Alternative asset management (29% of NAV): circa €10bn of AUM** between real estate funds (€ 9.1 bn – through Idea Fimit) and PE funds (€ 1.3 bn – through Idea Capital Funds), which assure stable cash flow generation (around €95mn of revenues and €18mn of net income in 2013 including the contribution of IRE which operates in project, property and facility management). Idea Fimit e Idea Capital Funds are leaders in their respective industries.

The **De Agostini Group** is the **main shareholder** of DEA Capital, with a 58.3% stake, followed by Daniel Buaron with 3.8% and Mediobanca with <2%. The De Agostini Group is owned by the Boroli and Drago families and is active in many industries (i.e Publishing, Media & Communications, Gaming and Financials).

DEA Capital is characterised by its exposure to typically defensive sectors: around 60-70% of its NAV pertains to the following sectors:

- Healthcare (**Générale de Santé**);
- Food&Beverage (**Migros**);
- Asset Management (**Idea Fimit e Idea Capital Funds**).

DEA Capital's main goal in the short to medium term is to finally exit from direct investments in PE (i.e Migros and GDS). This would enable the company:

- To give more visibility to the P&L of its Alternative Asset Management activities (~€95 mn revenues) in order to gradually reduce the discount on the NAV;
- To consider dividend pay-out.

In our opinion, future challenges are the following:

- **To Exit from from PE investments** with reasonable valuations and in the short-medium terms;
- **Idea Fimit:** to focus on domestic consolidation and to gradual start-up of international business;
- **Idea Capital Funds:** to launch new funds to enrich offer: thematic funds, managed account.

Strengths / Opportunities	Weaknesses /Threats
<ul style="list-style-type: none"> <li>• Exposure to defensive sectors</li> <li>• Sound holding-system financial structure</li> <li>• Focus on Alternative Asset Management</li> <li>• Experienced management</li> </ul>	<ul style="list-style-type: none"> <li>• Volatile macroeconomic environment in Turkey</li> <li>• High financial leverage in GDS</li> <li>• Potential write-downs in PE/RE businesses</li> </ul>

## VALUATION: MIGROS LED THE NAV'S APPRECIATION. DISCOUNT TO OUR NAV @ 33%

Following the announcement that Ramsay Santé entered into exclusive talks to acquire GDS and following 1Q14 results, we have revised our Target PS upward from €1.6 PS to €1.95 PS factoring in the following main elements:

- A higher valuation for Migros (+40%) thanks both to the stock's good performance and the appreciation of TL against the Euro
- Ramsay Santé's offering price for GDS was slightly higher than our valuation (€16.75 PS vs. €16.0 PS);
- A more cautious view on Idea Fimit (valuation of DEA's pro-quota at €116 mn from €130 mn) offset by an appreciation of PE funds (to €204 mn from €191 mn);
- A target discount on the NAV to 10% from 15% to take into account the more streamlined holding structure following the likely disposal of GDS.

### DEA CAPITAL AT A GLANCE



Source: Company Presentation

### DEA CAPITAL: NAV (@ target price)

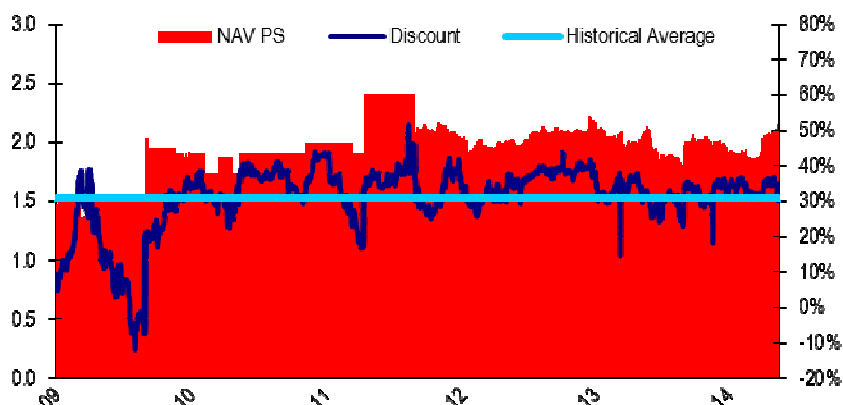
Asset	Sector	Stake %	Shares (mn)	PS	€ mn	%	Valuation method
Santé (Générale de Santé)	Healthcare	43%		16.8	177	28%	Bid price @ 16.75 PS
Migros Turk (via Kenan)	Food retail	13.7%	24.4	20.2	171	27%	Market Price
Dea Capital	Treasury shares	10.6%	32.6	1.4	47	7%	Market Price
<b>TOTAL LISTED SHAREHOLDINGS (1)</b>					<b>395</b>	<b>62%</b>	
Idea-Fimit	Real Estate Asset Management	64.3%			116	18%	P/E 14E 11.5x - P/AUM 2%
Sigla	Consumer credit	41.0%			12	2%	P/BV 1Q14 1x
IdEA Capital Funds SGR	Altern. Asset Mgmt	100.0%			48	8%	P/E 14E ~10x - P/AUM 3%
PE funds and Fund of Funds	Funds	n.m			204	32%	Book Value 1Q14
Innovation Real Estate	Funds	83.7%			23	4%	P/E 2014E 8x
Other investments	-				1	0%	Book Value 1Q14
<b>TOTAL UNLISTED SHAREHOLDINGS (2)</b>					<b>404</b>	<b>63%</b>	
<b>ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)</b>					<b>-143</b>	<b>-22%</b>	
<b>CAPITALISED HOLDING COSTS (4)</b>					<b>-29</b>	<b>-5%</b>	Perpetuity @ 10% net of tax effect
<b>TAXES / TAX CREDITS (5)</b>					<b>10</b>	<b>2%</b>	5yr PV of tax loss carry forwards
<b>STOCK OPTIONS DILUTION (6)</b>					<b>0</b>	<b>0%</b>	
<b>TOTAL NAV (1+2+3+4+5+6)</b>					<b>637</b>	<b>100%</b>	
<b>TOTAL NAV ex treasury shares</b>					<b>590</b>		
Nr. Shares (mn)					306.6		
Nr. Shares (mn) ex treasury shares					274.0		
<b>NAV per share</b>					<b>2.16</b>		
Current discount / (premium)					33%		
<b>P/NAV</b>					<b>0.67</b>		

Source: company data and EQUITA SIM estimates

NAV REVISION (€ mn)				
Asset	Previous € mn	Current € mn	Change %	Change abs
Santé (Générale de Santé)	167	177	6%	10
Kenan (Migros Turk)	123	171	40%	49
Dea Capital	42	47	12.1%	5
<b>TOTAL LISTED SHAREHOLDINGS (1)</b>	<b>332</b>	<b>395</b>	<b>19%</b>	<b>63</b>
Idea-Fimit	130	116	-11%	-14
Sigla	12	12	0%	0
IdeA Capital Funds SGR	48	48	0%	0
PE funds and Fund of Funds	191	204	7%	13
Innovation Real Estate	18	23	26%	5
Other investments*	2	1	-19%	0
<b>TOTAL UNLISTED SHAREHOLDINGS (2)</b>	<b>401</b>	<b>404</b>	<b>1%</b>	<b>3</b>
<b>ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)</b>	<b>-139</b>	<b>-143</b>	<b>3%</b>	<b>-4</b>
<b>CAPITALISED HOLDING COSTS (4)</b>	<b>-29</b>	<b>-29</b>	<b>0%</b>	<b>0</b>
<b>TAXES / TAX CREDITS (5)</b>	<b>10</b>	<b>10</b>	<b>0%</b>	<b>0</b>
<b>STOCK OPTIONS DILUTION (6)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>
<b>TOTAL (1+2+3+4+5+6)</b>	<b>575</b>	<b>637</b>	<b>11%</b>	<b>62</b>
<b>TOTAL NAV ex treasury shares</b>	<b>533</b>	<b>590</b>		<b>57</b>
Nr. Shares (mn)	306.6	306.6		
Nr. Shares (mn) ex treasury shares	274.0	274.0		
<b>NAV per share</b>	<b>1.95</b>	<b>2.16</b>	<b>10.7%</b>	<b>0.2</b>
Current discount / (premium)	26%	33%		
<b>P/NAV</b>	<b>0.74</b>	<b>0.67</b>		

Source: EQUITA SIM estimates

## DEA HISTORICAL DISCOUNT TO NAV



Source: Equita SIM

## DEA CAPITAL: EQUITA VS REPORTED NAV (1Q14)

Asset	Sector	Stake %	Target Price € mn	Book value € mn
Santé (Générale de Santé)	Healthcare	43%	177	177
Kenan (Migros Turk)	Food retail	13.7%	171	146
Dea Capital	Treasury shares	10.6%	47	47
<b>TOTAL LISTED SHAREHOLDINGS (1)</b>			<b>395</b>	<b>370</b>
Idea-Fimit	Real Estate Asset Management	64.3%	116	148
Sigla	Consumer credit	41.0%	12	12
IdeA Capital Funds SGR	Altern. Asset Mgmt	100.0%	48	52
PE funds and Fund of Funds	Funds	n.m.	204	204
Innovation Real Estate	Funds	83.7%	23	7
Other investments*	-		1	1
<b>TOTAL UNLISTED SHAREHOLDINGS (2)</b>			<b>404</b>	<b>425</b>
<b>ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)</b>			<b>-143</b>	<b>-143</b>
<b>CAPITALISED HOLDING COSTS (4)</b>			<b>-29</b>	<b>0</b>
<b>TAXES / TAX CREDITS (5)</b>			<b>10</b>	<b>0</b>
<b>STOCK OPTIONS DILUTION (6)</b>			<b>0</b>	<b>0</b>
<b>TOTAL NAV (1+2+3+4+5+6)</b>			<b>637</b>	<b>652</b>
<b>TOTAL NAV ex treasury shares</b>			<b>590</b>	<b>605</b>
Nr. Shares (mn)			306.6	306.6
Nr. Shares (mn) ex treasury shares			274.0	274.0
<b>NAV per share</b>			<b>2.2</b>	<b>2.2</b>
Current discount / (premium)			33%	35%
<b>P/NAV</b>			<b>0.67</b>	<b>0.65</b>

Source: EQUITA SIM estimates

The tables below show the current and historical discount (premium) to NAV of the main Italian holding companies.

## ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method listed assets	NAV (€ PS) *									Disc. / (Prem.) to NAV									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2006	2007	2008	2009	2010	2011	2012	2013	Avg.**	2014
Astm	market price	n.a.	20.9	10.7	12.5	14.5	11.7	14.5	17.5	<b>19.7</b>	n.a.	31%	50%	23%	33%	38%	48%	36%	37%	<b>43%</b>
Camfin	(1) market price	1.79	2.37	0.49	0.65	0.56	0.56	0.90	1.02	<b>1.34</b>	20%	40%	40%	54%	34%	58%	39%	n.a.	36%	-
Cir	market price	3.05	3.28	2.15	2.50	2.18	2.20	1.75	1.85	<b>1.61</b>	18%	24%	65%	30%	36%	44%	54%	38%	37%	<b>37%</b>
Cofide	see through	1.52	1.64	1.03	1.21	1.06	1.08	0.81	0.87	<b>0.75</b>	28%	35%	68%	48%	38%	49%	51%	38%	43%	<b>33%</b>
Dea capital	market price	2.61	2.40	1.64	1.88	1.99	2.10	2.15	2.00	<b>2.16</b>	-8%	10%	22%	33%	43%	39%	38%	35%	26%	<b>33%</b>
Exor ord.	(2) market price	8.2	9.2	15.9	25.2	36.6	25.8	31.8	33.0	<b>36.3</b>	25%	28%	50%	48%	36%	42%	40%	16%	35%	<b>14%</b>
Immsi	market price	2.88	2.12	1.16	1.57	1.86	1.30	0.87	0.86	<b>1.05</b>	25%	35%	40%	47%	55%	56%	50%	45%	44%	<b>35%</b>
Italmobiliare	(3) market price	122.3	93.1	53.1	56.4	42.3	46.3	25.8	34.1	<b>40.6</b>	36%	32%	49%	47%	41%	69%	53%	29%	44%	<b>27%</b>
Mediobanca	(4) market price	17.4	16.4	14.3	11.1	10.1	7.9	6.0	7.4	<b>7.4</b>	13%	10%	40%	36%	35%	15%	32%	37%	26%	<b>9%</b>
Mittel	market price	n.a.	5.0	4.5	5.0	4.2	3.3	3.3	3.4	<b>3.4</b>	n.a.	-5%	49%	27%	20%	51%	61%	49%	36%	<b>53%</b>
Vianini Lavori	market price	n.a.	13.44	10.86	11.22	11.32	8.29	7.69	11.63	<b>13.69</b>	n.a.	n.a.	63%	58%	65%	60%	60%	56%	61%	<b>60%</b>
<b>AVERAGE</b>											<b>19%</b>	<b>24%</b>	<b>38%</b>	<b>30%</b>	<b>27%</b>	<b>46%</b>	<b>45%</b>	<b>38%</b>	<b>32%</b>	<b>35%</b>

(1) see-through until 2009; at market price starting from 2010

(2) IFIL ord. until 2007 (assuming total n. shares ord+sav). EXOR ord. (IFIL+IFI) since merger announcement (Sep-08)

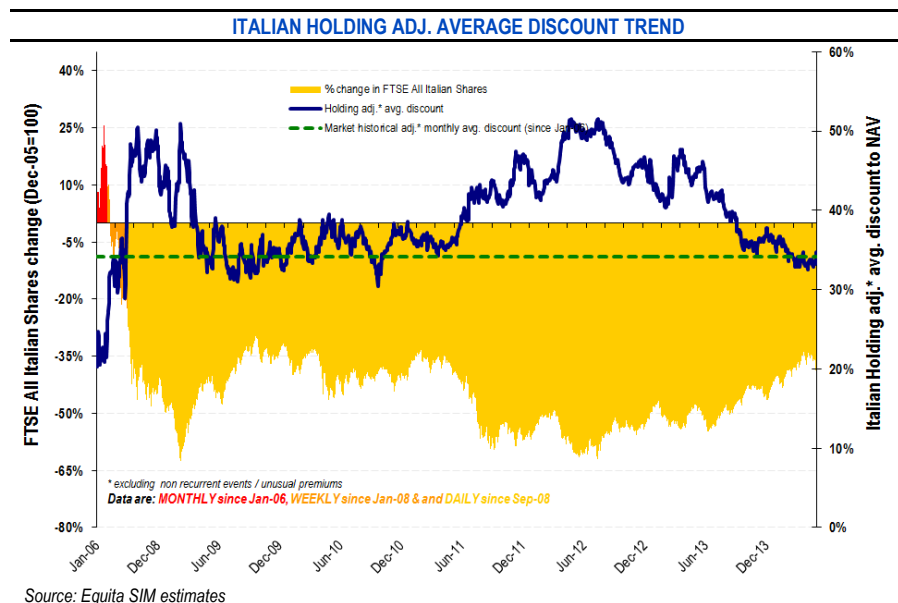
(3) adj. number shares: before Nov-07 based on market discount; after Nov-07 applying avg. between 3-month and market discounts

(4) year-end: June

\* based on estimated year-end net debt and listed assets valued at December avg. market price

\*\* historical 9-year arithmetical average (2004-12 when available)

Source: EQUITA SIM estimates



## SECTOR PERFORMANCE



The stock has enjoyed a positive performance YTD (+15.3%) over-performing both the FTSE Italia Mid Cap Index and the Italian holding sector. Noteworthy this performance is quite sizeable taking into consideration that Mediobanca has sold part of its stake during the period.

In fact, on May 9th Mediobanca announced the disposal of some of its stake (now <2% from 4.8%).

## ITALIAN HOLDING COMPANIES: STOCK PERFORMANCE

Company	DESCRIPTION			PERFORMANCE				
	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	YTD
ASTM SPA	EUR	11.1	972	-7.1	-9.2	-4.7	14.0	-3.9
CIR SPA	EUR	1.0	791	-15.8	-9.5	-19.1	14.6	-12.9
COFIDE SPA	EUR	0.5	360	-8.1	-7.9	-13.4	14.8	-10.7
DEA CAPITAL SPA	EUR	1.4	442	6.7	12.4	10.4	-0.1	13.4
EXOR	EUR	31.1	7,668	-2.8	3.8	13.3	26.7	7.7
IMMSI SPA	EUR	0.7	227	-9.8	36.0	44.1	37.6	42.9
ITALMOBILIARE	EUR	29.4	984	-10.9	-0.7	18.4	87.0	19.6
MEDIOBANCA	EUR	6.7	5,759	-16.6	-8.0	8.2	30.1	5.1
CAM FINANZIARA	EUR	5.4	238	-13.8	-2.2	19.9	62.6	5.0
TAMBURI INVESTME	EUR	1.6	142	-8.3	-4.4	-14.3	-4.5	-7.5
VIANINI LAVORI	EUR	11.1	972	-7.1	-9.2	-4.7	14.0	-3.9
MITTEL SPA	EUR	1.0	791	-15.8	-9.5	-19.1	14.6	-12.9
<b>Average</b>				<b>-8.7</b>	<b>1.0</b>	<b>6.3</b>	<b>28.3</b>	<b>5.9</b>
<b>Median</b>				<b>-9.0</b>	<b>-3.3</b>	<b>9.3</b>	<b>20.7</b>	<b>5.1</b>

Source: EQUITA SIM estimates

## EUROPEAN PRIVATE EQUITY AND INVESTMENT COMPANIES: PERFORMANCE AND DISCOUNT TO REPORTED NAV

Company	DESCRIPTION			PERFORMANCE				NAV		Last reported
	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	NAV PS (Reported)	Discount (Premium) to NAV	
DEA CAPITAL SPA	EUR	1.43	438	5.8	11.5	9.5	-0.9	2.16	34%	as today
MITTEL SPA	EUR	1.58	139	-10.0	-6.2	-15.9	-6.3	3.28	52%	as today
TAMBURI INVESTME	EUR	2.57	367	-6.3	9.0	14.8	61.0	2.42	-6%	as today
3I GROUP PLC	GBp	380.0	4,533	0.2	-6.9	8.9	8.2	348	-9%	March 31, 2014
CANDOVER INVEST	GBp	562.0	150	8.3	22.2	37.7	45.6	715	21%	December 31, 2013
ELECTRA PRIVATE	GBp	2,689.0	1,167	2.2	9.0	16.1	18.2	2,764	3%	Sept. 30, 2013
SVG CAPITAL PLC	GBp	424.0	1,169	0.4	-2.0	6.0	3.1	517	18%	March 31, 2014
EURAZEO	EUR	56.4	3,865	-6.2	4.7	5.2	46.7	71	20%	March 31, 2014
GIMV NV	EUR	37.4	924	1.3	1.0	0.7	-6.1	40	6%	December 31, 2013
RATOS AB-B SHS	SEK	63.4	2,536	-0.1	-0.5	7.9	6.6	35	-81%	March 31, 2014
WENDEL	EUR	109.9	5,341	2.2	3.5	7.5	25.2	144	24%	March 17, 2014
<b>AVERAGE</b>			<b>1,875</b>	<b>-0.2</b>	<b>4.1</b>	<b>9.0</b>	<b>18.3</b>		<b>7.4%</b>	
<b>MEDIAN</b>			<b>1,167</b>	<b>0.4</b>	<b>3.5</b>	<b>7.9</b>	<b>8.2</b>		<b>18.0%</b>	
<b>AVERAGE EX RATOS</b>				<b>-0.2</b>	<b>4.6</b>	<b>9.1</b>	<b>19.5</b>		<b>16%</b>	

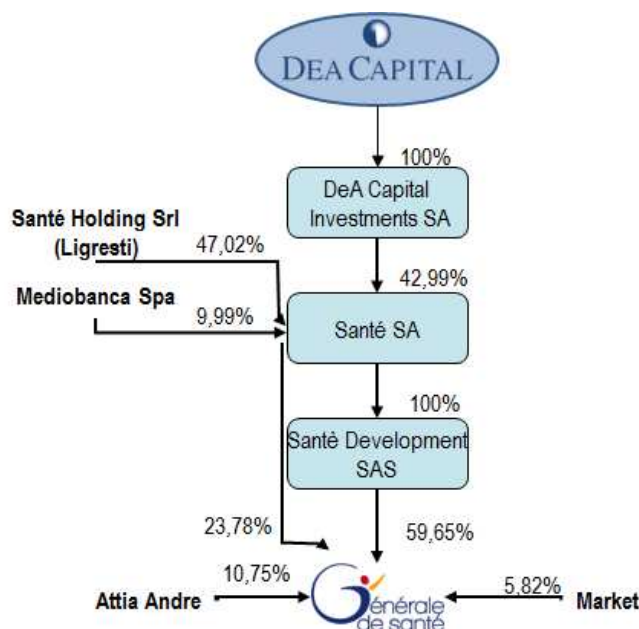
Source: EQUITA SIM estimates, Bloomberg prices.



**Générale de Santé (French private healthcare – 28% of our NAV): Ramsay Healthcare entered into exclusive talks to acquire GDS.**

DEA controls 43% of Santé, a holding company that in turn owns ~84% of Générale de Santé (GDS), a leader in private healthcare. Most of the remainder of Santé is owned by Antonio Ligresti (40%), Mediobanca (7%) and Generali (7%). DEA therefore indirectly controls 36% of GDS.

**GENERALE DE SANTE: SHAREHOLDER STRUCTURE**



Source: Equita SIM elaborations on company data \*stakes ex-treasury shares in GDS (419k treasury shares or 0.7% of capital)

**■ Exiting the asset at a good valuation**

Last week, Ramsay Santé (a company invested in by Ramsay Health Care and Credit Agricole Assurances) entered into exclusive talks to acquire GDS at a price of €16.75 PS (Equity Value 100% = €945 mn). The details of the bid would imply the following:

- It would result in a cash-in amounting to €177 mn for DEA;
- It is not binding and it is subject to the usual due-diligence period (until 6th June) as well as to the approval by the antitrust authority and the trade unions.

Who is Ramsay Santé? Ramsay Santé is a player operating in the hospital business where Ramsay Health Care (an Australian company with market cap = €6.3 bn) and Credit Agricole Assurances hold a stake. It “knows” GDS well having just acquired its psychiatric unit (“Medipsy”) for €162 mn and it is particularly committed to gaining market shares in France: post deal it would hold some 20/25% market share in the French private healthcare system.

We view the deal positively for DEA for the following reasons:

- It would be the first exit from an important PE direct participation;
- It would happen at a “fair” value (2014 EV/EBITDA = 7.5x), slightly above our estimate (€16.0 PS);
- It would reduce the complexity of the Holding structure thus accelerating the company’s conversion process towards a pure Alternative Asset Manager through Idea Fimit and Idea Capital Funds. Migros (26% of NAV) is now the only relevant PE direct participation left;
- It would dispel market fears concerning the exposure to a still leveraged asset (2014 NFP/EBITDA tot. structure = 4.3x) and with a complex shareholding structure;

- It would reduce debt at holding level (€-127 mn FY14) and it would result in the pay-out of an extraordinary dividend of € 0.25 PS (our estimate assuming 40% of the total cash-in).

We argue that the above-mentioned factors could drive DEA to be traded at a significantly lower discount to the current one (33%).

### ■ Resilient 1Q results

Before the announcement of the deal with Ramsay Santé, GDS reported a positive 1Q that went beyond expectations, thus confirming the good trend experienced in 1H14.

Main highlights:

- Good top-line performance despite the tough context, with a like-for-like growth of +2.1% thanks to a positive trend in all specialties;
- YoY margins increasing more than we expected (16.3% vs. 15.8% 1Q13 and 15.7% exp.) thanks to cost control, in particular on the labour cost front;
- Net Debt better than our forecasts, mainly thanks to lower tax-related cash-out as well as a better operating performance.

GÉNÉRALE DE SANTÉ: MAIN FIGURES (€ MN)								
P&L account (€ mn.)	2012	%	2013	%	2014E	%	2015E	%
<b>Revenues</b>	<b>1,928.6</b>		<b>1,869.7</b>		<b>1,720.7</b>		<b>1,755.2</b>	
Change%*	-1.4%		-3.1%		-8.0%		2.0%	
Labour cost	-873.5	-45.3%	-826.8	-44.2%	-761.2	-44.2%	-772.6	-44.0%
Purchases of consumables	-362.0	-18.8%	-347.2	-18.7%	-315.8	-18.4%	-321.2	-18.3%
Taxes and duties	-85.1	-4.4%	-83.3	-4.5%	-75.7	-4.4%	-76.3	-4.4%
Other op. income and expenses	-214.5	-11.1%	-229.8	-12.3%	-214.2	-12.4%	-217.2	-12.4%
<b>EBITDAR</b>	<b>393.5</b>	<b>20.4%</b>	<b>382.6</b>	<b>20.5%</b>	<b>353.9</b>	<b>20.6%</b>	<b>367.9</b>	<b>21.0%</b>
Change%	-1.2%		-2.8%		-7.5%		3.9%	
Rental expenses	-153.8	-8.0%	-156.8	-8.4%	-145.6	-8.5%	-149.5	-8.5%
Change%	3.1%		2.0%		-7.1%		2.7%	
<b>EBITDA</b>	<b>239.7</b>	<b>12.4%</b>	<b>225.8</b>	<b>12.1%</b>	<b>208.3</b>	<b>12.1%</b>	<b>218.3</b>	<b>12.4%</b>
Change%	-3.7%	<b>-0.9%</b>	-5.8%	205	-7.7%	1.7%	4.8%	
Depreciation and amortization	-124.5	-6.5%	-121.4	-6.5%	-112.0	-6.5%	-107.0	-6.1%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>EBIT recurring</b>	<b>115.2</b>	<b>6.0%</b>	<b>104.4</b>	<b>5.6%</b>	<b>96.3</b>	<b>5.6%</b>	<b>111.3</b>	<b>6.3%</b>
Change%	-8.1%		-9.4%		-7.7%		15.6%	
Others income and expenses	19.1	1.0%	58.9	3.2%	0.0	0.0%	0.0	0.0%
<b>EBIT</b>	<b>134.3</b>	<b>7.0%</b>	<b>163.3</b>	<b>8.7%</b>	<b>96.3</b>	<b>5.6%</b>	<b>111.3</b>	<b>6.3%</b>
Change%	167.0%		21.6%		-41.0%		15.6%	
Financial charges	-32.8	-1.7%	-31.4	-1.7%	-28.7	-1.7%	-27.7	-1.6%
Other financial expenses	-5.9	-0.3%	-3.9	-0.2%	-3.0	-0.2%	-3.0	-0.2%
Associates	0.2	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>Pre tax profit</b>	<b>95.8</b>	<b>5.0%</b>	<b>128.0</b>	<b>6.8%</b>	<b>64.6</b>	<b>3.8%</b>	<b>80.6</b>	<b>4.6%</b>
Change%	n.m.		33.6%		-49.5%		24.8%	
Taxes	-36.5	-1.9%	-13.2	-0.7%	-27.8	-1.6%	-34.7	-2.0%
Minorities	-3.6	-0.2%	-3.5	-0.2%	-3.5	-0.2%	-3.5	-0.2%
<b>Net Profit</b>	<b>55.7</b>	<b>2.9%</b>	<b>111.3</b>	<b>6.0%</b>	<b>33.3</b>	<b>1.9%</b>	<b>42.5</b>	<b>2.4%</b>
Change%	n.m.		99.8%		-70.0%		27.4%	
<b>Adjusted Net Profit</b>	<b>36.6</b>	<b>1.9%</b>	<b>58.5</b>	<b>3.1%</b>	<b>33.3</b>	<b>1.9%</b>	<b>42.5</b>	<b>2.4%</b>
Change%	-21.5%		59.8%		-43.0%		27.4%	
<b>Cash-flow</b>	<b>180.2</b>	<b>9.3%</b>	<b>232.7</b>	<b>12.4%</b>	<b>145.3</b>	<b>8.4%</b>	<b>149.5</b>	<b>8.5%</b>
Change%	89.7%		29.1%		-37.5%		2.8%	
<b>Adjusted Cash-Flow</b>	<b>161.1</b>	<b>8.4%</b>	<b>179.9</b>	<b>9.6%</b>	<b>145.3</b>	<b>8.4%</b>	<b>149.5</b>	<b>8.5%</b>
Change%	1,928.6		1,869.7		1,720.7		1,755.2	
<b>NFP</b>	<b>-769</b>		<b>-610.3</b>		<b>-586.7</b>		<b>-568.9</b>	

Source: Equita SIM estimates and company data

**Migros (Turkish mass-market retailing – 27% of our NAV): supportive 1Q results. Guidance 2014 confirmed**

Main metrics:

- Sales at TL 1773 mn (+11.4%) vs TL 1762 mn (consensus)
- EBITDA at TL 115.2 (+10.3%) vs TL 104.2 mn (consensus)
- Net Income at TL -61.2 vs TL -39.8 mn (consensus)
- NFP at TL -1.9 bn (TL -1.87 bn FY13).

1Q14 was sound and outperformed market expectations at operating level, but forex penalised both bottom line (TRL -60 mn) and Net Debt.

1Q showed the following dynamics:

**A solid underlying top-line trend**

Sales grew by +11.3%, even in a “challenging” environment hit by decreasing consumer confidence.

The company keeps gaining mkt share, opening new supermarkets (17 in 1Q reaching 1017 stores) and working well on the commercial side (i.e. pricing, merchandising).

During the call the management:

- Communicated some recovery of the Food Retail market (1Q was however positive for the market) in April/May on the back of improving consumer confidence (i.e. thanks to diminishing geopolitical tensions in Turkey);
- Announced the start of a collaboration with a petrol station company (the leader in the market) to open forecourt stores in selected locations. This project is currently in its testing phase but, if successful, it could add an important contribution to the top-line.

**Resilient margins**

EBITDA margins were broadly flat YoY (6.5% vs 6.6% 1Q14): the company was able to compensate higher rents (also due to FX) and labour costs (higher minimum wages) with a good job at the gross margin level (+40bps YoY also thanks to improving supply chain).

We believe that these numbers can **increase visibility on the FY14 guidance** (confirmed): top-line reporting a double digit growth (cons. +12%), EBITDA margin range 6.0%-6.5% (cons. 6.1%) with 100-150 new supermarkets (until April =#29) and 2-3 hypermarkets.

We believe that after the eventual GDS disposal, the exit from Migros is the most important catalyst for the stock with the potential pay-out of a staggering jumbo dividend.

We however maintain that any M&A deal for Migros is subject to the actual stabilisation of the macro-political scenario in Turkey.

## MIGROS TURK: MAIN FIGURES (YTL, mn)

P&L account (TRY mn.)	2012	%	2013	%	2014E	%	2015E	%
<b>Revenues</b>	<b>6,482</b>		<b>7,127</b>		<b>7,875</b>		<b>8,702</b>	
Change%	12.7%		9.9%		10.5%		10.5%	10%
Cost of sales	-4,777.1	-73.7%	-5,232.2	-73.4%	-5,796.2	-73.6%	-6,404.8	-73.6%
<b>Gross Profit</b>	<b>1,705.3</b>	<b>26.3%</b>	<b>1,894.7</b>	<b>26.6%</b>	<b>2,079.1</b>	<b>26.4%</b>	<b>2,297.4</b>	<b>26.4%</b>
Change%	14.1%		11.1%		9.7%		10.5%	
Operating expense	-1,275	-19.7%	-1,425	-20.0%	-1,575	-20.0%	-1,749	-20.1%
<b>EBITDA</b>	<b>430.0</b>	<b>6.6%</b>	<b>469.3</b>	<b>6.6%</b>	<b>504.0</b>	<b>6.4%</b>	<b>548.2</b>	<b>6.3%</b>
Change%	11.4%		9.1%		7.4%		8.8%	
Depreciation and amortization	-131.1	-2.0%	-143.3	-2.0%	-157.0	-2.0%	-165.0	-1.9%
Others	-101.3	-1.6%	-90.0	-1.3%	-90.0	-1.1%	-85.0	-1.0%
<b>EBIT</b>	<b>197.6</b>	<b>3.0%</b>	<b>236.0</b>	<b>3.3%</b>	<b>257.0</b>	<b>3.3%</b>	<b>298.2</b>	<b>3.4%</b>
Change%	-15.0%		19.4%		8.9%		16.0%	
Net financial income	-116.6	-1.8%	-120.0	-1.7%	-120.0	-1.5%	-110.0	-1.3%
Due date difference on sale (purchase)	0.0	-1.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%
FX	78.6	1.2%	-500.1	-7.0%	69.1	0.9%	0.0	0.0%
Net other income/expense	-30.6	-0.5%	-0.7	0.0%	0.0	0.0%	0.0	0.0%
<b>Pre tax profit</b>	<b>128.9</b>	<b>2.0%</b>	<b>-384.7</b>	<b>-5.4%</b>	<b>206.2</b>	<b>2.6%</b>	<b>188.2</b>	<b>2.2%</b>
Change%	-140.8%		-398.4%		-153.6%		-8.7%	
Taxes	-40.8	-0.6%	-78.4	-1.1%	-41.1	-0.5%	-56.5	-0.6%
<b>Profit on continuing operations</b>	<b>88.1</b>		<b>-463.1</b>		<b>165.1</b>		<b>131.8</b>	
Change%	-123.9%		-625.4%		-135.6%		-20.2%	
Profit/(loss) on disc. operations	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Minorities	-0.1	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>Net Profit</b>	<b>88.1</b>	<b>1.4%</b>	<b>-463.1</b>	<b>-6.5%</b>	<b>165.1</b>	<b>2.1%</b>	<b>131.8</b>	<b>1.5%</b>
Change%	-153.9%		-625.9%		-135.6%		-20.2%	
<b>NFP</b>	<b>-1477</b>		<b>-1870</b>		<b>-1635</b>		<b>-1404</b>	

## MIGROS: STOCK PRICE PERFORMANCE (2014 YTD)



Source: Bloomberg data

The stock has performed well YTD (+30% in Euro) thanks to: 1) Good and resilient operating results, 2) Speculative appeal linked to a potential aggregation with Tesco Kipa (~€600 mn market cap) and 3) Macro political tension in Turkey starting to cool off.

## EMERGING MARKETS FOOD RETAILERS ANALYSIS

Company	Country	Mkt Cap (€ mn)	EV / Sales		EV / EBITDA		P/E Adj		EBITDA Margin		ND / EBITDA 2014
			2014	2015	2014	2015	2014	2015	2014	2015	
EUROCASH	Poland	1,337	0.3	0.3	13.2	11.3	21.9	18.2	2.6%	2.7%	1.0
WUMART STORES	China	783	0.3	0.3	5.3	4.4	14.9	13.4	6.3%	6.3%	-1.3
WOOLWORTHS LTD	Australia	31,681	0.8	0.8	10.6	9.9	18.8	17.7	7.8%	7.9%	0.8
LOTTE SHOPPING	South Korea	6,987	0.4	0.3	4.7	4.0	10.4	9.0	8.4%	8.7%	0.8
SHOPRITE HLDGS	South Africa	6,722	0.9	0.8	12.6	10.9	22.6	19.9	7.2%	7.3%	-0.3
WALMART DE MEX-V	Mexico	32,811	1.3	1.2	13.1	11.7	24.0	21.4	9.7%	9.9%	-0.3
SORIANA-B	Mexico	3,907	0.6	0.6	8.9	8.0	18.4	16.4	7.1%	7.3%	-0.2
LOJAS AMERIC-PRF	Brazil	5,214	1.3	1.2	9.8	8.3	28.2	21.7	12.8%	14.1%	1.9
BIM BIRLESİK MAG	Turkey	5,035	1.0	0.8	19.8	16.6	29.9	25.1	5.0%	5.0%	-0.7
X 5 RETAIL-GDR	Russia	3,413	0.5	0.4	6.5	5.7	14.5	11.1	7.2%	7.0%	2.7
JERONIMO MARTINS	Portugal	8,143	0.7	0.6	10.5	9.2	19.6	17.2	6.4%	6.5%	0.4
<b>Average</b>			<b>0.7</b>	<b>0.7</b>	<b>10.4</b>	<b>9.1</b>	<b>20.3</b>	<b>17.4</b>	<b>7.3%</b>	<b>7.5%</b>	<b>0.4</b>
<b>Median</b>			<b>0.7</b>	<b>0.6</b>	<b>10.5</b>	<b>9.2</b>	<b>19.6</b>	<b>17.7</b>	<b>7.2%</b>	<b>7.3%</b>	<b>0.4</b>
Min			0.3	0.3	4.7	4.0	10.4	9.0	2.6%	2.7%	-1.3
Max			1.3	1.2	19.8	16.6	29.9	25.1	12.8%	14.1%	2.7
<b>Migros (Consensus)</b>		<b>1,246</b>	<b>0.7</b>	<b>0.6</b>	<b>10.8x</b>	<b>9.2x</b>	<b>25.5x</b>	<b>25.4x</b>	<b>6.1%</b>	<b>6.1%</b>	<b>3.3x</b>
<b>Migros (Equita)</b>		<b>1,246</b>	<b>0.7</b>	<b>0.6</b>	<b>10.4x</b>	<b>9.2x</b>	<b>37.4x</b>	<b>27.2x</b>	<b>6.4%</b>	<b>6.3%</b>	<b>3.2x</b>

Source: Bloomberg and Equita SIM

■ **Idea Fimit (Real Estate Asset Management – 18% of our NAV): Results below expectations. Cut in 2013-2014 estimates and valuation**

Idea Fimit reported 1Q results which were below our expectations mainly due to lower commissions (% on AUM).

As a matter of fact, AUM were in line with expectations and flat vs. FY13, but commissions were hit by some pricing renegotiations (in order to maintain the mandate) at two important funds.

More in details:

- Net Commissions at €14.3 mn vs €15.4 expected (0.62% vs 0.67% exp.);
- Adj. Net Income at €3.9 mn vs. €4.7mn expected;
- AUM 9.1bn vs 9.1bn expected.

IDEA-FIMIT: 1Q14 RESULTS			
	1Q13	1Q14 Exp.	1Q14 Act.
Net commission	16.5	15.4	14.3
% change	1.9%	-6.8%	-13.3%
Adj. Net Income	5.9	4.7	3.9
% change	+1%	n.m	n.m
Total AUM (€ mn)	9410	9179	9179
% change	-0.7%	-2.4%	-2.4%

Source: EQUITA SIM estimates and company data

**Trimming 2014-2015 estimates and valuation**

As to 2014-2015 estimates, we trim revenues and Net Income Adj. estimates in order to factor in a more cautious development in AUM and fees (%).

2014 will be a challenging year for the new management (see the following paragraph) because of pressure on fees (now at 0.63% from 0.67% estimated earlier) and a slowdown affecting the launch of new initiatives (AUM currently -1% vs. 0% estimated earlier).

On the other hand, we believe that the following could occur in 2015:

- A mild improvement of managed assets (+2.5%) on the back of the numerous commercial initiatives the management is planning to launch in order to offset maturing funds;
- A stabilisation of management fees: in this regard, the announcement of a merger between Investire Immobiliare SGR, Beni Stabili Gestioni SGR and Polaris Real Estate SGR (total AUM ~€7 bn – 2nd player in Italy) is likely to result in lower competitive pressure .

IDEA FIMIT AUM BREAKDOWN (March-14)		
Funds	AUM (€, mn)	Maturity
<b>Listed Funds</b>	<b>2022</b>	
Atlantic 1	637	31-dic-16
Atlantic 2, Berenice	399	31-dic-15
Alpha	449	27-giu-30
Beta	203	18-feb-15
Delta	334	31-dic-14
<b>Reserved Funds</b>	<b>7157</b>	
<b>Idea Fimit</b>	<b>9179</b>	

Source: Company data

CHANGE IN ESTIMATES (2014-2015)						
	2014E Prev.	2014E Curr.	Chg. Abs.	2015E Prev.	2015A Curr.	Chg. Abs.
<b>Net Commissions</b>	<b>61.5</b>	<b>57.5</b>	<b>-4.0</b>	<b>60.9</b>	<b>57.0</b>	<b>-3.9</b>
Incr. YoY	-4.8%	-10.9%		-1.0%	-0.9%	
EBIT Adj.	31.8	27.8	-4.0	31.4	27.5	-3.9
Incr. YoY	-5.1%	-16.9%		-1.3%	-1.1%	
Net Income	13.7	10.5	-3.2	16.7	14.4	-2.3
Incr. YoY	n.m	n.m		21.9%	37.3%	
<b>Net Income Adj.</b>	<b>18.5</b>	<b>16.1</b>	<b>-2.4</b>	<b>18.4</b>	<b>16.0</b>	<b>-2.4</b>
Incr. YoY	0.1%	-13.1%		-0.5%	-0.3%	
Total AUM (€ mn)	9179	9087	-92	9546	9314	-232
Incr. YoY	0.0%	-1.0%		4.0%	2.5%	

Source: Equita SIM Estimates

IDEA-FIMIT: MAIN FIGURES					
	2012	2013	2014E	2015E	2016E
Management fees	65.4	64.6	57.5	57.0	58.2
Variable fees and others	0.0	0.0	0.0	0.0	0.0
<b>Net commission</b>	<b>65.4</b>	<b>64.6</b>	<b>57.5</b>	<b>57.0</b>	<b>58.2</b>
%change	12%	-1.2%	-10.9%	-0.9%	2.0%
Operating costs	-31.5	-29.7	-29.7	-29.5	-29.2
Other	0.0	0.0	-1.5	-1.5	-1.5
PPA amortization	-11.6	-11.4	-9.2	-2.7	-2.3
<b>EBIT</b>	<b>22.3</b>	<b>23.5</b>	<b>17.1</b>	<b>23.3</b>	<b>25.2</b>
margin%	34%	36%	30%	41%	43%
<b>EBIT adj.</b>	<b>33.9</b>	<b>33.5</b>	<b>27.8</b>	<b>27.5</b>	<b>29.0</b>
margin%	52%	52%	48%	48%	50%
Interest charges	1.0	-1.9	0.0	0.0	0.0
Others and extraord.	0.0	-15.4	0.0	0.0	0.0
<b>Pre tax</b>	<b>23.3</b>	<b>6.2</b>	<b>17.1</b>	<b>23.3</b>	<b>25.2</b>
taxes	-3.9	-5.0	-6.7	-9.0	-9.7
tax rate	17%	81%	39%	39%	39%
<b>Net Income</b>	<b>19.4</b>	<b>1.2</b>	<b>10.5</b>	<b>14.4</b>	<b>15.5</b>
%change	40%	-94%	771%	37%	8%
<b>Adj. Net Income</b>	<b>21.6</b>	<b>18.5</b>	<b>16.1</b>	<b>16.0</b>	<b>16.9</b>
%change	21%	-15%	-13%	0%	6%
<b>Total AUM (€ mn)</b>	<b>9,410</b>	<b>9,179</b>	<b>9,087</b>	<b>9,314</b>	<b>9,454</b>
%change	-1%	-2%	-1.0%	2.5%	1.5%
<b>P/E</b>	<b>n.m</b>	<b>9.7</b>	<b>11.2</b>	<b>11.2</b>	<b>10.6</b>
<b>P/AUM</b>	<b>n.m</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.9%</b>

Source: EQUITA SIM estimates and company data

To evaluate the stake in Idea Fimit in our NAV we apply a P/E multiple = 11x to 2014-16E adj. profits, resulting in a € 116mn valuation (from € 130mn previously expected).

This value is around 20% below the BV (recently write-down by the company).

IDEA FIMIT RESULTING VALUATION				
	2014	2015	2016	AVG
Equity Value	177	176	186	180
P/E Adj.	11.0	11.0	11.0	
<b>Avg. Equity Value (€ mn) 100%</b>				<b>180</b>
Implied P/AUM				2.0%
<b>DEA stake</b>				<b>64%</b>
<b>Avg. Equity Value (€ mn) 64%</b>				<b>116</b>

Source: EQUITA SIM estimates

### **A new management team at the lead**

Idea Fimit has recently replaced both the CEO and the president:

- **Emanuele Caniggia** replacing Massimo Brunelli (end of term);
- **Gualtiero Tamburini** replacing Antonio Mastrapasqua.

We believe this decision is a good one, considering the two managers' strong reputation, their thorough knowledge of the company (in Caniggia's case) and their experience in the sector:

- Emanuele Caniggia is IRE's (in which Dea Capital holds a ~83% stake) founder and minority shareholder and has acquired experience at the Gruppo Gabetti (founder of Abaco);
- Gualtiero Tamburini is the president of Assoimmobiliare and founder of the Nomisma's "Osservatorio sul mercato immobiliare", which was set up in 1988.

We believe that they will focus both on re-launching the top-line and on streamlining the structure, where some work can still be done following the merger with Fare Sgr.



■ **IDeA Capital Funds Sgr (Alternative Asset Management - 8% of our NAV):**  
**Resilient operations and good pipeline of new funds**

**IDeA Capital Funds** reported 1Q14 results in line with our expectations (Net income at € 0.9mn vs € 0.8mn exp.)

AUM was in line with last year at € 1.33bn (€1.33 mnFY13).

The annualized management fee amounts to 96bps (in line with our expectations).

The table below shows AUM value for IDeA Capital Funds as of end FY13/3M14.

IDEA CAPITAL FUNDS: AUM AND MANAGEMENT FEES (€ MN)		
	FY13	3M14
ICF II	281	281
IDeA EESS	100	100
IDeA I FoF	681	681
IDeA OF I	216	216
AVA	55	55
<b>Total AUM</b>	<b>1334</b>	<b>1333</b>
ICF II	2.8	0.6
IDeA EESS*	3.5	0.5
IDeA I FoF	5.1	1.1
IDeA OF I	2.5	0.6
AVA	0.4	0.4
<b>Management fees</b>	<b>14.3</b>	<b>3.2</b>
ICF II	1.0%	0.9%
IDeA EESS	3.5%	2.0%
IDeA I FoF	0.7%	0.6%
IDeA OF I	1.2%	1.1%
AVA	0.7%	2.9%
<b>Management fees as % of AUM</b>	<b>1.1%</b>	<b>1.0%</b>

Source: Company data

\* In 2013, the Idea EEMS benefited from €1.9 mn of star-up commissions

IDEA CAPITAL FUNDS SGR: DETAILS OF THE FUNDS						
	% capital called-down	Paid-in capital	% distribution	Distributions	Residual commitments funds	DEA Capital's Stake
ICF II	51%	143	6.7%	19	138	18.15%
IDeA EESS	33.9%	34	0%	0	66	15.3%
IDeA I FoF	78.6%	535	34.7%	236	146	25.5%
IDeA OF I	77%	166	1%	2	50	47.0%
AVA	75.5%	42	0%	0	14	9.1%

Source: Company data

We think that the company is doing a good job from the commercial point of view; it boasts a good pipeline of new funds that are currently under fund-raising and enjoying an excellent feedback from investors:

- ICF III: third fund of funds focusing on Buy-outs, credit distressed and emerging markets; it is actually finalising its first closing. Fund-raising target = €250 mn;
- Taste of Italy: PE fund focusing on investments in Italian companies operating in the agri-foods sector. Fund-raising target = €200 mn.

We leave FY14/FY16 estimates unchanged assuming an acceleration in 2H14.

IDEA CAPITAL FUNDS SGR					
	2012	2013	2014E	2015E	2016E
Management fees	12.2	12.3	14.0	15.5	16.2
Variable fees and others	1.3	1.9	0.0	0.0	0.0
<b>Net commission</b>	<b>13.5</b>	<b>14.2</b>	<b>14.0</b>	<b>15.5</b>	<b>16.2</b>
%change	5%	5%	-1%	11%	5%
<b>Costs</b>	<b>-6.6</b>	<b>-7.0</b>	<b>-7.7</b>	<b>-7.7</b>	<b>-7.7</b>
Extraordinary costs (restructuring costs)	0.0	0.0	0.0	0.0	0.0
<i>total costs ex extr</i>	<i>-6.6</i>	<i>-7.0</i>	<i>-7.7</i>	<i>-7.7</i>	<i>-7.7</i>
<b>EBIT</b>	<b>6.9</b>	<b>7.2</b>	<b>6.3</b>	<b>7.8</b>	<b>8.5</b>
margin%	51%	51%	45%	50%	53%
Interest charges	0.0	0.0	0.4	0.4	0.4
Others and extraord.	0.0	0.0	0.0	0.0	0.0
<b>Pre tax</b>	<b>6.9</b>	<b>7.2</b>	<b>6.7</b>	<b>8.2</b>	<b>8.9</b>
taxes	-2.4	-3.2	-2.6	-3.2	-3.5
tax rate	35%	44%	39%	39%	39%
<b>Net Income</b>	<b>4.5</b>	<b>4.0</b>	<b>4.1</b>	<b>5.0</b>	<b>5.4</b>
%change	-8%	-11%	2%	23%	9%
<b>Adj. Net Income</b>	<b>4.5</b>	<b>4.0</b>	<b>4.1</b>	<b>5.0</b>	<b>5.4</b>
%change	-8%	-11%	2%	23%	9%
<b>Total AUM (€ mn)</b>	<b>1,238</b>	<b>1,333</b>	<b>1,583</b>	<b>1,683</b>	<b>1,733</b>
%change	0%	8%	18.8%	6.3%	3.0%

Source: EQUITA SIM estimates and company data

## CONCLUSIONS

We confirm our positive view on the stock in light of the:

- **High discount on Equita NAV** (~33%) and its **exposure to defensive sectors** (i.e food retailing) with a solid financial structure (2014E Holding NFP pre-disposal GDS = €-127 mn).

At current market prices, it is as if the market was valuing the AAM division negatively (avg. 2014-2015 Adj. Net Income = €18 mn).

### DEA CAPITAL: IMPLIED AAM VALUATION

Name	Value
Listed Assets (GDS, Migros)	348
PE Funds	204
Other Assets (i.e Sigla, Capitalized Holding Costs)	-6.0
<b>Total</b>	<b>546</b>
Holding NFP	-143
<b>NAV ex AAM</b>	<b>404</b>
DEA Capital Market Cap	395
Implied AAM valuation (Idea Fimit, Idea Capital Funds and IRE)	-9

Source: EQUITA SIM estimates

We note that DEA's ultimate objective is to convert into a pure Alternative Asset manager and to "streamline" its holding structure.

- **Potential upside in case of exit from the remaining direct PE investments:**

We believe that after the eventual GDS disposal, the next catalyst is the final exit from the last PE direct holdings: Migros and Sigla.

The exit from Migros is definitely an important catalyst, considering the large scale of the disposal and the likely pay-out of a "jumbo dividend" (our assumption >€ 0.45 PS assuming >70% of the total cash-in).

BC Partners is actively seeking a buyer and we are convinced that the asset could be attractive both to industrial (i.e. Wal-Mart, Tesco) and financial players.

We however argue that it will be difficult to perform an exit in the short term, considering the persisting uncertainty about the political picture in Turkey (elections in August).

On the other hand, Sigla (Italian player operating in the consumer credit industry) is a small non-strategic holding (BV = €12 mn) that could be disposed given the DEA management's strong intention to put its efforts into becoming a pure Alternative Asset Manager.

## STATEMENT OF RISK

The primary elements that **could negatively impact DEA include:**

- Significant deterioration in the main assets reference macroeconomic scenario
- Significant increase in short term interest rates
- Eventual participation to rights issue of main controlled assets just to restore Financial flexibility.
- Depreciation of the Turkish lira
- Deterioration of private equity and alternative AM portfolio valuation

**INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999**

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In the past EQUITA SIM has published studies on Dea Capital.

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**EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE**

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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Date	Rec.	Target Price (€)	Risk	Comment
13 May 2014	BUY (BUY)	1.95 (1.6)	High	M&A and market price update

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	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	41.1%	50.9%
HOLD	52.0%	43.4%
REDUCE	6.9%	5.7%
NOT RATED	0.0%	0.0%