

**Quarterly Report**
**Italian Credit Handbook**
**23 September 2021: 15:36 CET**

Date and time of production

**Macro Scenario**

The growth outlook has improved significantly, signalling the possibility of a rebound of Italian GDP of close to 6% this year and our view is that GDP growth may stay well above potential for several years.

Our scenario on sovereign bond markets remains moderately bearish.

**Italian Corporates**

Year to date in 2021, the performance of Italian NFI corporate bonds has generally been positive, in both the senior and hybrid spaces. In detail, Italian IG bonds have tightened, on average, almost in line with the iBoxx EUR NFI IG indices, except for ADR, CNHI, Exor and Stellantis' notes, which outperformed. Italian HY and unrated bonds also outperformed, on average, versus the iBoxx EUR NFI HY indices, except for Kedrion, Prysmian, Saipem and Sisal's notes, which underperformed. In terms of hybrids, Enel's bonds outperformed, while Eni's bonds performed almost in line with the iBoxx NFI hybrid index.

Results for Italian corporates in 2Q21/1H21 were solid on average, beating Bloomberg consensus expectations for 11 of the companies we cover. They were in line with estimates for seven issuers, and below consensus only for Saipem and Telecom Italia. The recovery in operating performances was widespread in 1H21 for covered companies, which recorded improving fundamentals vs 1H20 (affected by COVID-19-related impacts), except for ADR, Enel, Kedrion, and Saipem. 2021 guidance was confirmed by 11 companies we cover, and even upgraded by 10 issuers, with only Telecom Italia downgrading it. 2021 guidance points to a generalised improvement in operating performances versus 2020, except for Buzzi, Saipem, and Telecom Italia.

Recent rating actions. In June, Fitch put the ratings of Atlantia, ASPI, and ADR on Watch Positive from Watch Evolving, while Moody's raised its Outlook to Positive from Developing on ASPI and Atlantia, and from Negative on ADR.

**Italian Financials**

Euro-denominated benchmark bonds of Italian banks under our coverage have had a positive run so far this year, with the exception of Banca MPS' bonds. The tightening has been widespread across issuers and segments, on average, with riskier bonds, such as hybrids and subordinated bonds, outperforming, on average. Bonds (excluding MPS' ones) overperformed on average related iBoxx EUR Financial cash indices, in comparison to which they currently trade expensive on average, with the exception of Banco BPM in the hybrid and subordinated segments, and MPS in the subordinated space.

In this past earnings season (2Q21 for Unicredit, Banco BPM, Banca MPS and BPER Banca, and 4Q21 for Mediobanca), all five major Italian banks we cover beat market consensus estimates. In general, on a yearly comparison, operating profitability in the quarter benefited from revenues growth, mainly driven by fee income, whilst operating costs were kept under control and the cost of risk trended downwards. At end-June 2021, asset quality indicators were overall little unchanged versus YE20, with COVID-19-related moratoria on a steadily declining path. Liquidity was confirmed as healthy and capital solidity broadly stable, on average, with both indicators confirmed above regulatory requirements. Within this scenario, fragmentation among individual banks continued to be high.

Fitch (on 1 September 2021) raised the LT rating on BPER Banca's senior debt by 1n to BB+.

Italy/2Q21/1H21

**Investment recommendation and report contents**

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Zi Rete Gas	HOLD	6
A2A	HOLD	8
Acea	BUY	10
ADR	HOLD	12
ASPI	BUY	14
Atlantia	BUY	16
Buzzi Unicem	SELL	18
CNH Ind.	HOLD	20
Enel	HOLD	22
Eni	HOLD	24
ERG	BUY	26
EXOR	HOLD	28
Hera	HOLD	30
IGT	BUY	32
Iren	BUY	34
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Kedrion	HOLD	38
Leonardo	HOLD	40
Prysmian	HOLD	42
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Issuer	Recommendation*	Pg
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NC=Not Covered

Notes: \*Senior bond; Source: Intesa Sanpaolo Research elaboration

Report priced at market close on day prior to the issue (except where otherwise indicated)

In this report, we confirm the company views and recommendations assigned in the latest company reports (unless otherwise indicated)

**Intesa Sanpaolo Research Dept.**
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## Italy: outlook for growth and public finances improving more than expected

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In the past few months, data on the economic cycle and on public finances have repeatedly surprised to the upside: over the next few weeks, we expect to see widespread upward revisions of growth forecasts, rather than downward revisions of deficit and debt. We estimate GDP growth at close to 6% this year, and at 4% next year, driven by both a further recovery in consumption of services, and by the effects of the NRRP on investments. In our view, risks to growth forecasts are currently skewed upwards, as are also risks to the path of inflation (which we expect to moderate next year). The assumptions underlying the scenario are the containment of new pandemic waves, and political stability.

In Italy, the evolution of the so-called "fourth wave" of the pandemic has hitherto been consistent with our assumption of a **clearer decoupling** than was the case with previous waves **between the COVID-19 infection curve and the curve of the most serious cases** (hospitalisations, intensive care unit admissions, deaths). This could be considered as an effect of the advancement of the vaccination campaign, which seems to be capable of shielding the healthcare system from coming under the intense pressure observed during the previous wave alone. However, geographically the situation remains mixed: **risks are mostly concentrated in the regions at a less advanced stage in the vaccination campaign**, such as Sicily. We believe the continued increase in the number of "immunised" individuals (the share of the population aged over 12 fully vaccinated was 77.4% as at 21 September, and is expected to rise above 80% by the end of the month), and the extension of "green pass" requirements, will prove to be effective in preventing the need for the reintroduction of widespread lockdown measures in the next few months such as those imposed during the previous waves. Nonetheless, **a certain degree of uncertainty is likely to persist over the medium term**.

The growth outlook has improved significantly compared to a few months ago, mostly thanks to a **swift recovery of activity in the business sectors worst-hit by the COVID crisis**. Indeed, the much stronger than expected surge of GDP observed in 2Q (2.7% q/q) was driven by services, on both the supply side (value-added in services increased by 2.9% q/q) and on the demand side (household spending on services increased by 9.4% q/q). Furthermore, growth would have been even stronger net of inventories, which curbed growth by almost one per cent: in all likelihood, businesses were unable to adequately replenish warehouse stocks due to the now all too familiar supply-side bottlenecks that are hindering raw materials and component procurement at an international level: in our view, this signals that **the inventories cycle has not yet begun, and could support GDP over the coming quarters**.

Thus, all things considered, the growth relay baton has already been passed from industry to services. Indeed, we believe we could see a (moderate) deceleration in **manufacturing and construction activity in the coming months**, due to the worsening of supply-side bottlenecks. In the business sectors where activity levels have already recovered to above pre-pandemic levels - such as construction (+12.2% vs. the end of 2019), some industrial sectors, but also the IT and communication services sector (+6.8% compared to pre-COVID levels) - companies could face recruitment problems, as signalled by the recent increase in job vacancies. However, **in the present phase the contribution of the services segments previously subject to restrictions seems strong enough to more than compensate for a potentially blander dynamic in other sectors**: there is still a substantial margin for recovery after the dramatic effects of the pandemic (value-added in 2Q 2021 was still 5% lower than at the end of 2019 in the services sector as a whole, by 9.4% in retail, transport, and the hospitality sector, and by 14.4% in the other services segments).

Given this scenario, **we have lifted our Italian GDP growth forecast for this year to 5.7%**. The improvement is mostly justified by the stronger than expected reading for 2Q (2.7% q/q). This estimate is consistent with still vibrant growth in 3Q (1.5% q/q), and with a sharper slowdown in the closing quarter of the year (to 0.8% q/q). We believe **risks to these forecasts are skewed upwards** and will depend on the extent of the further recovery in the summer quarter; for the time being, services-sector companies are not signalling any significant dampening of expectations on business. What will be crucial, in particular for consumption on the demand side, and for services on the supply side, will be the evolution of the epidemiological picture

To date, the "fourth wave" of the pandemic does not seem serious enough to prompt restrictive measures similar to those imposed during the previous waves

The growth outlook has improved significantly...

...mostly supported by services...

...signalling the possibility of a rebound of GDP of close to 6% this year

in the next few months. **In contrast, we have left unchanged at 4% our growth forecast for next year:** while on the one hand any upside surprises this year could have a positive spill-over effect on 2022, on the other hand a faster than expected post-COVID rebound would leave less margin for recovery next year. **However, we confirm our view that GDP growth may stay well above potential for several years.** One of the main drivers of growth in the next few years will be the **extra savings accumulated since the outbreak of the pandemic.** Albeit gradually and only partially (being concentrated among the richest households), these could translate into stronger consumption (we think the potential impact could be worth as much as 3.5% of GDP). **We believe consumer spending will in fact be the main driver of growth** in the present biennium (and we expect it to accelerate in 2022 compared to 2021). **The investment cycle should also continue in the next few years,** albeit probably at a slower pace than the double-digit jump we expect this year. The investment trend has already returned to pre-crisis levels, but is set to benefit from easing uncertainty, still favourable final demand, accommodative financing conditions, and from the abundant liquidity available to businesses (as well as from the direct and indirect effects of the National Recovery and Resilience Plan). Overall, we expect **GDP to be driven by domestic demand,** as opposed to neutral or slightly negative contributions from foreign trade and inventories.

The most important date on the political agenda in the next six months (after the round of municipal elections at the beginning of October, which should not have any national implications) will be **the parliamentary election of the next President of the Republic** (President Sergio Mattarella's term will end on 3 February 2022). Although some turbulence cannot be entirely ruled out in the course of 2022, **our baseline scenario assumes the Government led by Mario Draghi will stay in office until the end of its term (2023), with the main task of managing the National Recovery and Resilience Plan,** notoriously worth 191.5 billion euros in grants (68.9 billion euros) and loans (122.6 billion euros) on a horizon up to 2026; in addition, a further 13 billion euros and more will come from the React-EU programme, and over 30 billion euros made available by the Draghi Government through a Complementary Fund comprising national resources, bringing the overall total to over 235 billion euros. **On 13 August 2021, the European Commission released to Italy a pre-financing of 24.9 billion euros;** the residual instalments will be paid on a half-yearly basis. The Italian NRRP seems well "hinged", and the first deadlines set at the end of 2Q and 3Q this year have been met or are in the process of being completed. The timeline agreed with the Commission includes an impressive 528 "targets" and "milestones" up to 2026, although requirements seem slacker in the initial part of the programme. All the same, **the sheer volume of the legislation that needs to be passed between now and the end of 2021 is considerable, in particular for what concerns reforms,** both in terms of the subject matter itself (this is particularly true for the criminal and civil procedure reforms, and for the rules on insolvency), and for the number of legislative measures required in several specific sectors. However, we stick to our view that **the impact of the NRRP on GDP growth will be strongest in 2022-23** (on average, over half a percentage point in additional growth per year in the biennium).

**Under the baseline scenario, the present Government will stay in office to manage the NRRP**

#### Macro forecast

	2020	2021f	2022f	2020			2021			2022p			
				2	3	4	1	2	3	4	1	2	3
GDP (constant prices, y/y)	-8.9	5.7	4.0	-18.2	-5.2	-6.5	-0.7	17.3	2.6	5.3	6.0	4.0	3.2
- q/q change				-13.1	16.0	-1.8	0.2	2.7	1.5	0.8	0.8	0.8	0.7
Private consumption	-10.7	5.2	5.8	-11.9	13.1	-2.7	-1.1	5.0	2.8	1.2	1.1	0.9	0.7
Fixed investment	-9.2	15.1	6.5	-17.2	29.5	0.4	3.8	2.4	0.4	1.7	1.9	1.7	1.5
Government consumption	1.6	0.2	-0.2	-1.0	1.4	1.6	-0.5	-0.9	-0.5	0.0	0.1	0.1	0.1
Export	-14.5	11.7	5.3	-24.6	31.0	1.8	0.6	3.2	1.4	1.3	1.2	1.1	1.0
Import	-13.1	12.3	7.1	-18.5	14.7	5.8	2.5	2.3	2.5	2.0	1.8	1.4	1.0
Inventory building (% contrib. to GDP)	-0.2	-0.2	-0.2	-0.4	-1.5	0.5	0.7	-0.8	0.1	0.0	0.0	0.0	0.0
Current account (% of GDP)	3.4	2.5	1.7										
Government Balance (% of GDP)	-9.7	-8.7	-3.3										
Government Debt (% of GDP)	155.6	154.0	149.0										
HICP (y/y)	-0.1	1.6	1.5	-0.2	-0.2	-0.4	0.7	1.2	2.0	2.5	2.0	1.6	1.3
Industrial production (y/y)	-11.0	11.1	2.8	-26.0	-4.3	-2.4	9.0	32.7	3.5	3.9	3.2	2.7	2.7
Unemployment (%)	9.3	9.7	9.5	8.4	10.0	9.8	10.1	9.8	9.4	9.5	9.5	9.5	9.4
10-year yield	1.11	0.73	1.10	1.62	0.98	0.61	0.59	0.80	0.67	0.87	0.93	1.03	1.17

Annualised percentage changes on the previous period – unless otherwise indicated. Source: Refinitiv-Datastream, Intesa Sanpaolo

## Sovereign bond market on a mildly bearish trend

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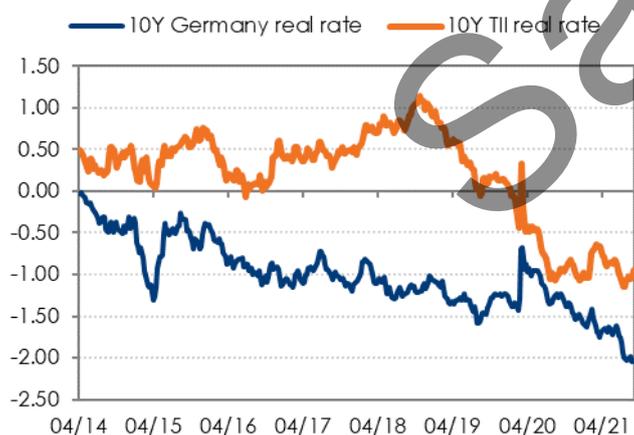
**Our scenario on sovereign bond markets remains moderately bearish: we expect the inflation component to remain high on the horizon of the next 6 months and real rates will return to levels more consistent with the pace of growth.**

**The risk on the European peripherals will remain limited as the ECB is expected to continue to drain much of the net supply needed to finance still high deficit levels.**

Government bond yields have moved gradually higher since the end of August thanks to a less dovish stance of central banks, which are facing the risks of exiting the pandemic crisis phase together with a generalized rise in prices. In the US, the Fed is communicating to the market its exit strategy in terms of rate hikes and *quantitative easing*:

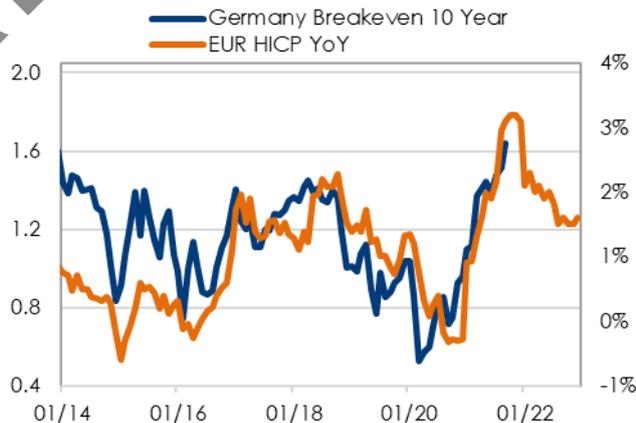
- 1) The short-end of the curve discounts on the horizon of the end of 2023 about 4 increases in Fed funds from 25bps and a point of arrival of the monetary tightening cycle at around 1.5%, a level still very low compared to the expectation of growth well above potential;
- 2) On the long-end of the curve, after a period of rising yields due to tapering concerns fell from highs in the 1.7% area to the current range of 1.2%-1.3%. This movement is explained by the fall in real rates, which went from a high of -0.65% in April close to -1%.

**10-year Bund and US Treasury real yield (%)**



Source: Bloomberg, Intesa Sanpaolo

**10-year Bund breakeven inflation and Eurozone inflation**



Source: Bloomberg, Intesa Sanpaolo

Also on the European core curve, the improvement of the macroeconomic outlook, the reduction of risks linked to the pandemic and the increase in inflation have led the ECB to adopt a less expansionary stance, even within the framework of the new monetary policy strategy. The euro money market discount a first rate hike of 10bps already at the end of 2022 and of 30bps over a longer horizon at the end of 2024, but the expected rates remain negative until the end of 2026.

On the long-end of the core curves, the rise in the expected inflation component was offset by a fall in real rates: the real rate on the 10-year Bund is now at an absolute low of -2% while breakeven inflation has risen to around 1.6%.

On the next 6-month horizon, we believe that the upward correction on the medium-long end of the curves should continue, driven not by the inflation component, which will still remain high, but by a rise in real rates towards levels more consistent with the expected pace of growth.

On the dynamics of European peripherals, the rise in core rates will be a risk factor, given the high level of debt accumulated during the pandemic. The ECB should, however, provide support to the market through its purchase programmes, albeit in a scenario of tapering.

According to our growth and public finance forecasts, the deficit to be financed in the Eurozone will shrink to EUR 500 billion in 2022 from EUR 820 billion in 2021. The NGEU programmes will contribute around 25 billion euros to 2022 funding.

As for ECB purchases, we believe that the closure of the Pandemic programme will be followed by an increase in purchases under the APP (from actual 20Bn/m), as monthly purchases under both programmes are expected to be close to 55 billion euros from 85 billion in 2021. Given these assumptions, the ECB would buy about 480 billion euros of government bonds next year, almost completely absorbing net issuances (see the breakdown by issuer in the table below).

#### 2022 – Net issuance and ECB purchases of Government bonds under PEPP and APP (ISP forecast, EUR Bn)

	Gross issuance a	Net issuance b	ECB purchases c	RRF Loans d	Net issuance net ECB net purchases e=b-c-d	Rollover of PSPP redemptions f	Gross issuance net ECB purch.&rollover g=a-c-d-f
AT	39	13	13	-	-1	8	18
BE	53	25	18	-	7	9	26
CY	1	0	1	0.3	-1	1	-1
DE	263	95	133	-	-38	68	62
EE	1	1	2	-	-1	1	-1
ES	131	68	56	-	13	31	44
FI	16	5	9	-	-4	5	2
FR	274	123	97	-	26	52	124
IE	24	12	8	-	4	4	12
IT	344	114	80	22.0	12	44	198
LT	4	3	3	-	0	1	0
LU	1	0	2	-	-2	1	-1
LV	1	1	2	-	-1	1	-2
MT	0	0	0	-	0	0	0
NL	46	16	27	-	-12	15	4
PT	20	8	11	0.4	-3	6	3
SI	5	3	2	-	0	1	1
SK	4	4	6	-	-1	3	-4
GR (*)	10	6	12	1.8	-8	6	-10
<b>Total</b>	<b>1238</b>	<b>498</b>	<b>483</b>	<b>24</b>	<b>-10</b>	<b>257</b>	<b>499</b>

Source: Bloomberg, Intesa Sanpaolo

## 2i Rete Gas: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch )

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2i Rete Gas reported resilient 2020 results (latest available). Lower operating costs (-4% yoy on an adjusted basis) allowed the company to limit the negative impact of regulatory changes applied at the start of 2020. According to 2i Rete Gas, the health emergency had only marginal impacts, thanks to the insulation of gas distribution from changes in demand.
- As we do for other Italian regulated companies, we consider the ongoing regulatory review (new allowed WACCs – to be applied starting from 2022) to be one of the current main catalysts for 2i Rete Gas. The Italian regulator, ARERA, should publish a second consultation paper by end-October and the final version in December.
- HOLD recommendation on 2i Rete Gas' bonds in light of current spreads and a low-risk business profile.

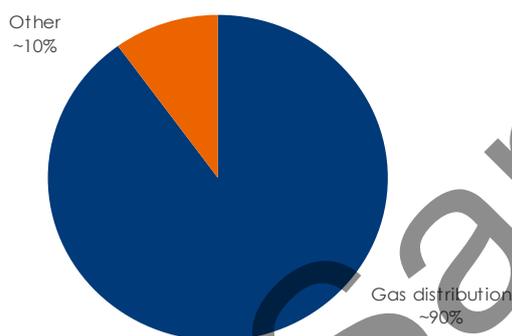
### Strengths

- Second-largest gas distributor in Italy (c.19% market share in terms of redelivery points).
- High contribution from regulated activities (around 90% of total revenues).
- Revenues from gas distribution not exposed to changes in gas demand.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

FIREIT 1 3/4 08/28/26 -30

### Sales breakdown (2020)



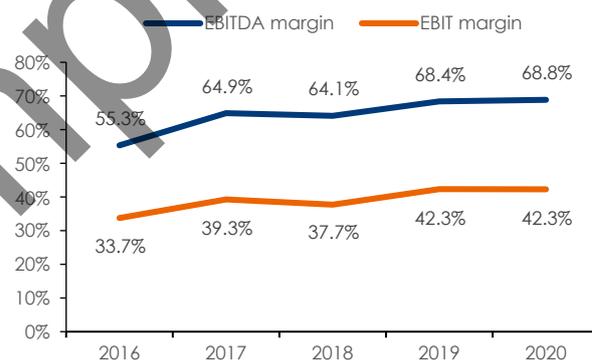
### Weaknesses

- Expected lower remuneration for regulated activities from 2022.
- Gas concessions retendering process and M&A could stretch financial flexibility.
- Uncertainties about gas concession retendering process development.

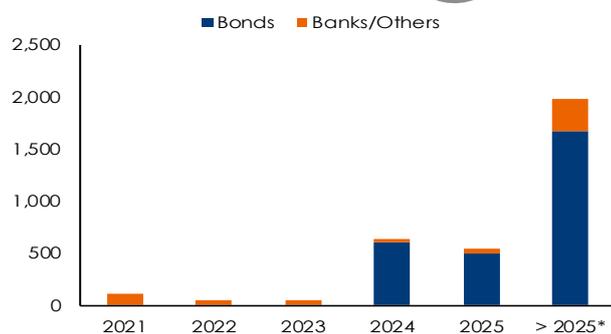
### Underperformance<sup>1</sup> YTD - Senior Unsecured

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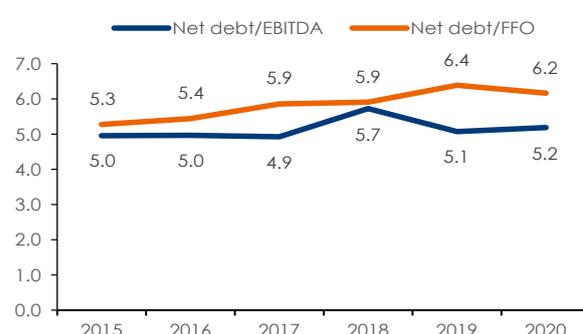
### Trend in profitability



### Debt maturity profile (EUR M, 31.12.20)



### Leverage trend (x)



\*includes EUR 500M bond due 2031, issued in January 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of 2i Rete Gas bonds in Appendix 1 (page 70)

## 2i Rete Gas in Brief

2i Rete Gas S.p.A. offers oil and gas distribution services. The company provides gas connection installation, monitoring, electronic metering, safety assessments, and water distribution services. 2i Rete Gas conducts its business entirely in Italy.

### Consolidated income statement - main items

(EUR M)	2018	2019	Chg %	2020	Chg %
Sales	720	772	7.3	742	-3.9
EBITDA	461	528	14.5	511	-3.2
Adjusted EBITDA	NA	NA	NA	NA	NA
EBIT	271	327	20.4	314	-4.0
Adjusted EBIT	NA	NA	NA	NA	NA
Net interest expense	-57	-61	6.6	-55	-10.3
Income (loss) on equity investments	2	1	-63.7	-0	-131.8
Profit before tax	217	266	22.9	259	-2.7
Net profit (loss)	155	207	32.9	184	-11.0
Net profit (loss) attributable to the Group	155	207	32.9	183	-11.2

### Consolidated cash flow statement - main items

(EUR M)	2018	2019	Chg %	2020	Chg %
FFO	447	419	-6.2	430	2.6
Net change in working capital	54	-24	-144.6	22	-191.9
CFO	501	395	-21.1	452	14.4
Capex	-283	-243	-14.1	-307	26.2
FCF	217	152	-30.1	145	-4.6
Dividends	-85	-93	9.4	-50	-46.2
Discretionary FCF	132	59	-55.5	95	61.0
RCF	-646	0	-100.1	23	NM
Change in equity	0	0	NM	0	NM
Change in debt	516	-333	-164.6	-189	-43.4
CFF	516	-333	-164.6	-189	-43.4
RCF + CFF	-130	-333	156.6	-166	-50.1
Change in liquidity	-130	-333	156.6	-166	-50.1

### Consolidated balance sheet - main items

(EUR M)	31.12.18	31.12.19	Chg %	31.12.20	Chg %
Intangible assets	3,682	3,761	2.1	3,880	3.2
Property, plant & equipment	39	37	-5.3	36	-4.1
Financial and equity investments	4	5	9.2	4	-11.3
<b>Total non-current assets</b>	<b>3,866</b>	<b>4,015</b>	<b>3.9</b>	<b>4,134</b>	<b>2.9</b>
Trade receivables	233	251	7.8	235	-6.3
Cash and current financial assets	687	354	-48.4	187	-47.2
<b>Total current assets</b>	<b>1,167</b>	<b>837</b>	<b>-28.2</b>	<b>663</b>	<b>-20.9</b>
<b>Total assets</b>	<b>5,066</b>	<b>4,856</b>	<b>-4.2</b>	<b>4,796</b>	<b>-1.2</b>
Long-term debt	2,944	2,661	-9.6	2,744	3.1
Provisions for risks and charges	10	8	-18.1	7	-9.5
<b>Total non-current liabilities</b>	<b>3,308</b>	<b>3,062</b>	<b>-7.4</b>	<b>3,180</b>	<b>3.9</b>
Short-term debt	363	307	-15.3	36	-88.1
Trade payables	208	186	-10.2	216	15.9
<b>Total current liabilities</b>	<b>919</b>	<b>859</b>	<b>-6.5</b>	<b>575</b>	<b>-33.0</b>
Minorities	1	1	-0.4	0	-73.4
Shareholders' equity	824	934	13.3	1,039	11.3
<b>Total equity</b>	<b>826</b>	<b>935</b>	<b>13.2</b>	<b>1,041</b>	<b>11.4</b>
<b>Total liabilities and equity</b>	<b>5,066</b>	<b>4,856</b>	<b>-4.2</b>	<b>4,796</b>	<b>-1.2</b>
<b>Net debt</b>	<b>2,641</b>	<b>2,678</b>	<b>1.4</b>	<b>2,650</b>	<b>-1.0</b>
<b>Adjusted Net Debt</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

### Key consolidated economic data - financial indicators

	Profitability and coverage ratio (%)	2018	2019	2020
EBITDA margin		64.1	68.4	68.8
Adjusted EBITDA margin		-	-	-
EBIT margin		37.7	42.3	42.3
Adjusted EBIT margin		-	-	-
EBITDA/net interest expense (x)		8.4	8.7	9.3
EBIT/net interest expense (x)		4.9	5.4	5.7
	Leverage ratio (x)	31.12.18	31.12.19	31.12.20
Net debt/EBITDA		5.7	5.1	5.2
Adjusted Net Debt/Adjusted EBITDA (x)		-	-	-
Net debt/FFO		5.9	6.4	6.2
Net debt/equity		3.2	2.9	2.5

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## A2A: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch )

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- A2A reported positive H1 results, above Bloomberg consensus (EBITDA +2%). The positive performance was spread across all its business units, driven by both organic growth and M&A. Net debt rose by 8% versus year-end 2020, with higher capex (+65% yoy) counterbalanced by solid cash generation, which also benefitted some temporary positive effects.
- Outlook 2021. EBITDA guidance was increased to EUR 1.27-1.30Bn (EUR 1.2Bn in 2020) from the previous EUR 1.23-1.25Bn. Total investments were confirmed at more than EUR 1Bn. Current Bloomberg consensus points to net debt of around EUR 4.1Bn by year-end, factoring in an acceleration of investments and reabsorption of the above-mentioned positive temporary items, with an implicit net debt/EBITDA ratio at 3.1-3.2x.
- HOLD recommendation, as the bonds are currently trading overall in line with those of other Italian local multi-utilities we cover.

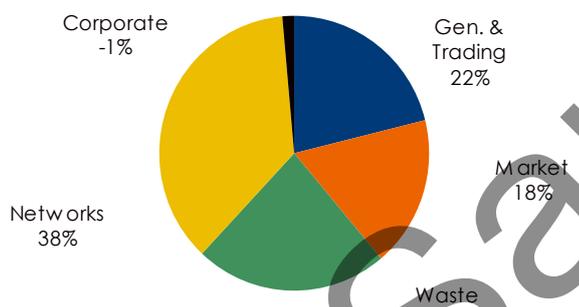
### Strengths

- Diversified and resilient business mix.
- Significant share of regulated activities (around 40% of 2020 EBITDA).
- 2021-2030 BP focused on the Energy Transition (ie, renewables) and circular economy.
- Good financial flexibility

### Outperformer<sup>1</sup> YTD - Senior Unsecured

AEMSPA 4 12/04/23 -48

### EBITDA breakdown (1H21)



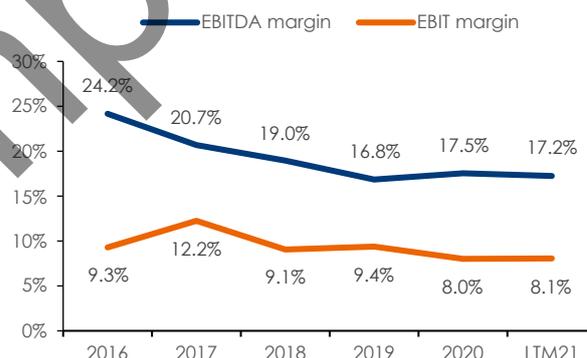
### Weaknesses

- Sizeable investment plan and M&A activity will weigh on financial profile.
- Significant exposure to electricity generation and energy markets in Italy.
- Expected lower remuneration for regulated activities (gas and electricity distribution) from 2022.

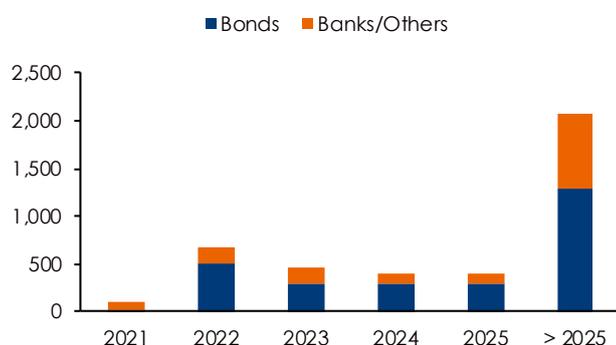
### Underperformance<sup>1</sup> YTD - Senior Unsecured

AEMSPA 1 07/16/29 0

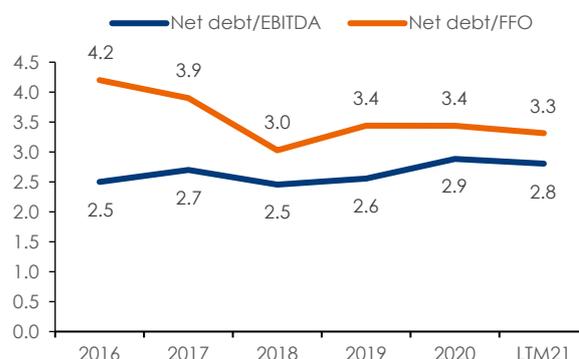
### Trend in profitability



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of A2A bonds in Appendix 1 (page 70)

## A2A in Brief

A2A S.p.A. is an Italian utility company. It is active in electricity (production, distribution, trading and sales), gas (supply, distribution, trading and sales), district heating, waste (collection, treatment and disposal), integrated water cycle, public lighting and other activities. A2A has a strong presence in the north of Italy.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	6,862	7,741	12.8	3,181	4,060	27.6	1,474	1,886	28.0
EBITDA	1,204	1,335	10.9	559	690	23.4	228	291	27.6
Adjusted EBITDA	1,191	1,324	11.2	553	686	24.1	223	287	28.7
EBIT	550	624	13.5	281	355	26.3	85	118	38.8
Adjusted EBIT	NA								
Net interest expense	-81	-71	-12.3	-39	-29	-25.6	-21	-16	-23.8
Income (loss) on equity investments	0	2	NM	1	3	NM	1	2	100.0
Profit before tax	469	555	18.3	243	329	35.4	65	104	60.0
Net profit (loss)	368	575	56.3	163	370	127.0	43	217	NM
Net profit (loss) attributable to the Group	364	550	51.1	154	340	120.8	42	204	NM

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	1,010	1,130	11.9	507	627	23.7	181	274	51.4
Net change in working capital	-161	135	-183.9	-157	139	-188.5	64	97	51.6
CFO	849	1,265	49.0	350	766	118.9	245	371	51.4
Capex	-738	-901	22.1	-250	-413	65.2	-127	-258	103.1
FCF	111	364	NM	100	353	NM	118	113	-4.2
Dividends	-256	-264	3.1	-250	-258	3.2	-250	-258	3.2
Discretionary FCF	-145	100	-169.0	-150	95	-163.3	-132	-145	9.8
RCF	-241	-35	-85.5	-239	-33	-86.2	-114	-278	143.9
Change in equity	NA	NA	NA	0	0	NM	0	128	NM
Change in debt	783	205	-73.8	5	-573	NM	21	-158	NM
CFF	783	205	-73.8	5	-573	NM	21	-30	NM
RCF + CFF	542	61	-88.7	-234	-715	NM	-93	-417	NM
Change in liquidity	542	61	-88.7	-234	-715	NM	-93	-417	NM

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	2,503	2,737	9.3	2,851	4.2	2,911	2.1
Property, plant & equipment	4,934	5,162	4.6	5,337	3.4	5,387	0.9
Financial and equity investments	60	53	-11.7	64	20.8	86	34.4
<b>Total non-current assets</b>	<b>7,790</b>	<b>8,245</b>	<b>5.8</b>	<b>8,539</b>	<b>3.6</b>	<b>8,816</b>	<b>3.2</b>
Inventory	155	139	-10.3	102	-26.6	162	58.8
Trade receivables	1,660	2,030	22.3	2,136	5.2	1,806	-15.4
Cash and current financial assets	836	1,023	22.4	753	-26.4	334	-55.6
<b>Total current assets</b>	<b>2,731</b>	<b>3,953</b>	<b>44.7</b>	<b>3,817</b>	<b>-3.4</b>	<b>4,329</b>	<b>13.4</b>
<b>Total assets</b>	<b>10,541</b>	<b>12,226</b>	<b>16.0</b>	<b>12,358</b>	<b>1.1</b>	<b>13,147</b>	<b>6.4</b>
Long-term debt	3,093	3,909	26.4	3,445	-11.9	3,377	-2.0
Provisions for risks and charges	683	752	10.1	751	-0.1	734	-2.3
<b>Total non-current liabilities</b>	<b>4,215</b>	<b>5,085</b>	<b>20.6</b>	<b>4,613</b>	<b>-9.3</b>	<b>4,515</b>	<b>-2.1</b>
Short-term debt	1,369	1,454	6.2	2,001	37.6	2,907	45.3
Trade payables	1,249	1,552	24.3	1,415	-8.8	1,454	2.8
<b>Total current liabilities</b>	<b>2,685</b>	<b>3,011</b>	<b>12.1</b>	<b>3,466</b>	<b>15.1</b>	<b>4,453</b>	<b>28.5</b>
Minorities	366	579	58.2	591	2.1	594	0.5
Shareholders' equity	3,275	3,537	8.0	3,688	4.3	3,585	-2.8
<b>Total equity</b>	<b>3,641</b>	<b>4,116</b>	<b>13.0</b>	<b>4,279</b>	<b>4.0</b>	<b>4,179</b>	<b>-2.3</b>
<b>Total liabilities and equity</b>	<b>10,541</b>	<b>12,226</b>	<b>16.0</b>	<b>12,358</b>	<b>1.1</b>	<b>13,147</b>	<b>6.4</b>
Net debt	3,381	3,472	2.7	3,472	0.0	3,745	7.9
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	17.5	17.2	17.6	17.0	15.5	15.4
Adjusted EBITDA margin	17.4	17.1	17.4	16.9	15.1	15.2
EBIT margin	8.0	8.1	8.8	8.7	5.8	6.3
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	14.9	18.8	14.3	23.8	10.9	18.2
EBIT/net interest expense (x)	6.8	8.8	7.2	12.2	4.0	7.4
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	2.9	2.9	2.7	2.8		
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-		
Net debt/FFO	3.8	3.4	3.2	3.3		
Net debt/equity	0.9	0.8	0.8	0.9		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Acea: Credit View NEUTRAL

(Moody's Baa2 / Stable, Fitch BBB+ / Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	BUY	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Positive 1H21 results that were broadly in line with Bloomberg consensus. The performance was driven by regulated activities, which contributed for around 82% of total EBITDA. Working capital absorption amounted to EUR 177M, partly due to seasonality.
- Outlook. Based on H1 results, Acea improved its 2021 guidance, with: i) EBITDA now expected to grow by more than 8% compared with 2020, up from the previous forecast of +6-8%; ii) capex confirmed at c.EUR 900M; and iii) net debt in a EUR 3.850-3.950M range (including a total of EUR 1Bn between capex and M&A). Implied net debt/EBITDA ratio at c.3.1x.
- BUY recommendation on Acea's bonds in light of the higher share of regulated EBITDA (c.80% of total) vs other Italian multi-utilities.

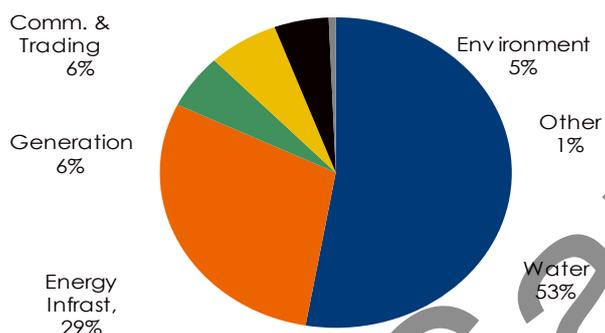
### Strengths

- High contribution from regulated activities (85% of FY20 EBITDA) provides predictable revenues and cash flows.
- 2020-2024 BP strongly focused on regulated activities, with around 75% of total capex devoted to water services and energy networks.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

ACEIM 1 1/2 06/08/27 -21

### EBITDA breakdown (1H21)



### Weaknesses

- Expected lower remuneration for regulated activities from 2022 (electricity and gas distribution).
- Exposure to Italy country risk, given entirely domestic operations.
- Increasing competition in energy supply business.

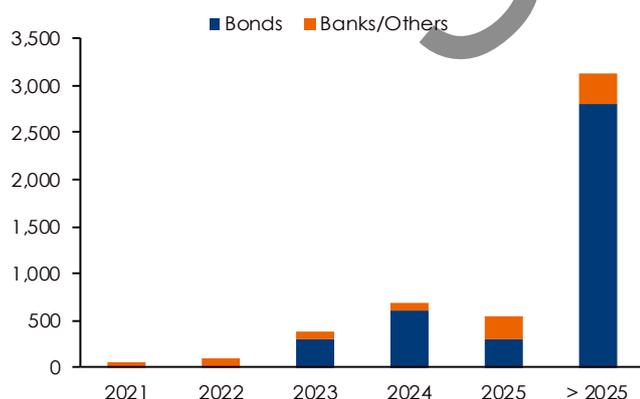
### Underperformance<sup>1</sup> YTD - Senior Unsecured

ACEIM 0 09/28/25 -13

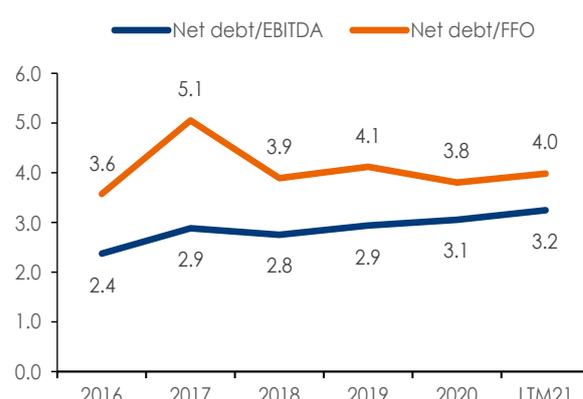
### Trend in profitability



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Acea bonds in Appendix 1 (page 70)

## Acea in Brief

Acea is a multi-utility company that manages and develops networks and services in the water, energy and environmental sectors. Activities include integrated water services, energy production, the sale and distribution of electricity, public lighting and floodlighting, and waste-to-energy production.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	3,379	3,582	6.0	1,622	1,825	12.5	789	886	12.3
EBITDA	1,155	1,206	4.3	569	619	8.8	292	298	2.1
Adjusted EBITDA	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBIT	535	564	5.4	281	310	10.3	141	145	3.4
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-88	-85	-3.6	-47	-43	-6.8	-21	-21	0.6
Income (loss) on equity investments	14	14	1.2	3	3	6.4	3	3	2.9
Profit before tax	461	493	7.0	237	269	13.6	123	127	3.8
Net profit (loss)	327	351	7.4	165	189	14.8	85	87	2.8
Net profit (loss) attributable to the Group	285	307	7.7	144	166	15.3	73	74	0.9

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	928	983	5.9	448	503	12.3	211	231	9.3
Net change in working capital	-158	-95	-39.8	-269	-206	-23.4	-99	-92	-6.6
CFO	769	887	15.3	179	297	65.8	112	138	23.2
Capex	-907	-978	7.8	-411	-482	17.3	-221	-251	13.9
FCF	-138	-91	-34.2	-231	-184	-20.3	-108	-113	4.1
Dividends	-93	-102	9.4	-82	-91	10.7	-72	-91	25.5
Discretionary FCF	-231	-192	-16.6	-313	-275	-12.2	-181	-203	12.7
RCF	-403	-233	-42.1	-505	-336	-33.6	-373	-211	-43.6
Change in equity	0	0	NM	0	0	NM	0	0	NM
Change in debt	176	607	NM	116	547	NM	0	-212	NM
CFF	176	607	NM	116	547	NM	0	-212	NM
RCF + CFF	-227	373	NM	-389	211	-154.3	-373	-422	13.2
Change in liquidity	-227	373	NM	-389	211	-154.3	-373	-422	13.2

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	3,202	3,446	7.6	3,465	0.5	3,506	1.2
Property, plant & equipment	2,472	2,787	12.7	2,882	3.4	2,898	0.5
Financial and equity investments	337	318	-5.6	321	0.8	323	0.7
<b>Total non-current assets</b>	<b>6,866</b>	<b>7,311</b>	<b>6.5</b>	<b>7,436</b>	<b>1.7</b>	<b>7,592</b>	<b>2.1</b>
Inventory	80	92	14.4	88	-4.7	89	1.5
Trade receivables	1,251	982	-21.5	1,073	9.3	1,046	-2.5
Cash and current financial assets	922	1,022	10.9	1,708	67.1	1,292	-24.3
<b>Total current assets</b>	<b>2,580</b>	<b>2,363</b>	<b>-8.4</b>	<b>3,120</b>	<b>32.1</b>	<b>2,748</b>	<b>-11.9</b>
<b>Total assets</b>	<b>9,447</b>	<b>9,674</b>	<b>2.4</b>	<b>10,556</b>	<b>9.1</b>	<b>10,340</b>	<b>-2.1</b>
Long-term debt	4,147	4,154	0.2	4,949	19.1	4,856	-1.9
Provisions for risks and charges	240	157	-34.6	187	18.9	237	26.9
<b>Total non-current liabilities</b>	<b>4,885</b>	<b>4,839</b>	<b>-0.9</b>	<b>5,654</b>	<b>16.8</b>	<b>5,605</b>	<b>-0.9</b>
Short-term debt	340	420	23.3	413	-1.6	368	-10.8
Trade payables	1,599	1,627	1.8	1,581	-2.8	1,489	-5.9
<b>Total current liabilities</b>	<b>2,341</b>	<b>2,511</b>	<b>7.3</b>	<b>2,487</b>	<b>-1.0</b>	<b>2,394</b>	<b>-3.7</b>
Minorities	314	358	14.3	362	1.0	375	3.7
Shareholders' equity	1,907	1,965	3.0	2,053	4.5	1,965	-4.3
<b>Total equity</b>	<b>2,220</b>	<b>2,323</b>	<b>4.6</b>	<b>2,415</b>	<b>4.0</b>	<b>2,340</b>	<b>-3.1</b>
<b>Total liabilities and equity</b>	<b>9,447</b>	<b>9,674</b>	<b>2.4</b>	<b>10,556</b>	<b>9.1</b>	<b>10,340</b>	<b>-2.0</b>
<b>Net debt</b>	<b>3,535</b>	<b>3,528</b>	<b>-0.2</b>	<b>3,634</b>	<b>3.0</b>	<b>3,913</b>	<b>7.7</b>
<b>Adjusted net debt</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	34.2	33.7	35.1	33.9	37.1	33.7
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	15.8	15.7	17.3	17.0	17.8	16.4
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	13.1	14.2	12.2	14.3	14.2	14.4
EBIT/net interest expense (x)	6.1	6.6	6.0	7.1	6.8	7.0
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	3.1	3.1	3.0	3.2		
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-		
Net debt/FFO	4.2	3.8	3.8	4.0		
Net debt/equity	2.3	1.5	1.5	1.7		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## ADR: Credit View **NEGATIVE**

(Moody's Baa3 / Positive , Fitch BBB-/\*+)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- ADR's performance deteriorated further in 1H21, driven by the adverse COVID-19 impacts on airport traffic (-56.5%, to 3.2M passengers: -54.6%, to 2.8M, at Fiumicino and -68.5%, to 0.3M, at Ciampino airports). Revenues fell by 30%, to EUR 152M, driven by aviation revenues (-53%, to EUR 50M), with losses reported at both the EBITDA and EBIT levels. Net debt increased by 12% vs YE20, to EUR 1.6Bn, after EUR -200M FCF in 1H21 (EUR -145M in 1H20), driven by negative FFO and higher capex (+33%, to EUR 95M).
- The 2021 outlook continues to be penalised by the COVID-19 pandemic, with traffic expected to decline by 70% vs 2019 (-16.6% YTD vs 2020 and -77.6% YTD vs 2019). Around EUR 157M in government subsidies should be cashed in by YE21 (up vs EUR 90M previously).
- In June, Fitch put the rating of ADR under Watch Positive and Moody's raised its Outlook to Positive from Negative, after Atlantia agreed to dispose of its 88% stake in ASPI to the CDP-led consortium and reflecting ADR's rating linkage with its parent company.
- HOLD recommendation confirmed, balancing, on the one hand, ADR's rating upgrade potential, with, on the other, deteriorating fundamentals, driven by the airport traffic decline due to the COVID-19 pandemic.

### Strengths

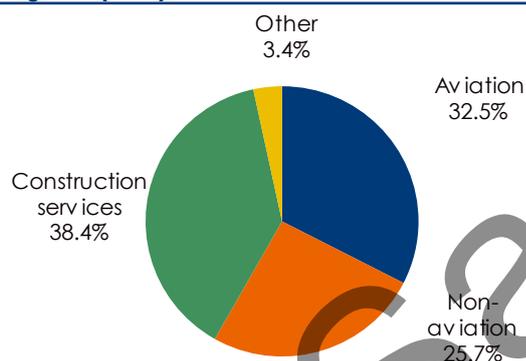
- Largest airport in Italy and seventh-largest in Europe in terms of passenger traffic. Consistent leadership in airport quality.
- Long-term concession expiring in June 2046.
- Supportive concession framework.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

ADRIT 1 5/8 06/08/27

-88

### Sales by segment (1H21)



### Weaknesses

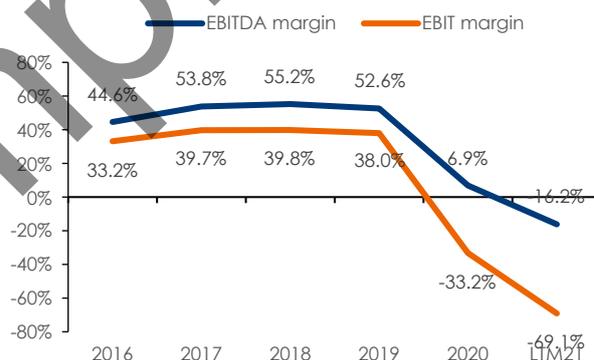
- Sharp deleveraging, driven by adverse COVID-19 impacts on airport traffic.
- Difficult Alitalia situation (39% of Fiumicino's traffic in 2019).
- Exposure to regulatory and fiscal changes.

### Underperformance<sup>1</sup> YTD - Senior Unsecured

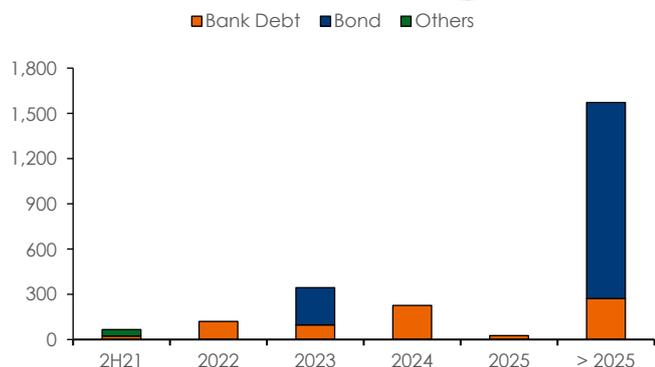
ADRIT 1 3/4 07/30/31

-50

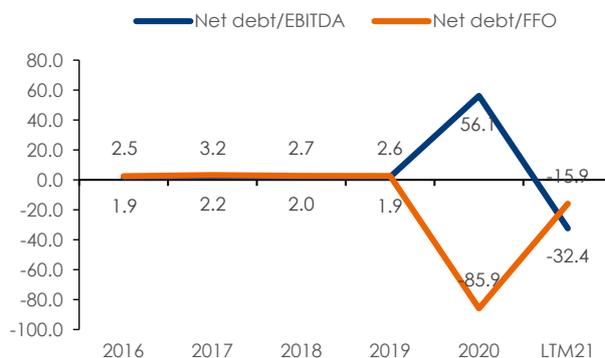
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of ADR bonds in Appendix 1 (page 70)

## ADR in Brief

Aeroporti di Roma S.p.A. (ADR) develops, constructs, operates and maintains airports. ADR serves airlines and travellers in Italy.

<b>Consolidated income statement - main items</b>								
(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
Sales	1,129	372	-67.1	308	-17.3	217	152	-29.8
EBITDA	594	26	-95.7	-50	NM	42	-34	-180.7
Adjusted EBITDA	NA	NA	NA	NA	NA	NA	NA	NA
EBIT	429	-124	-128.8	-213	71.9	-35	-124	NM
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-52	-58	12.0	-60	2.6	-28	-30	5.4
Income (loss) on equity investments	-9	0	-104.0	1	120.2	-1	-0	-49.6
Profit before tax	368	-182	-149.3	-272	49.6	-64	-154	140.8
Net profit (loss)	245	-144	-158.6	-223	55.1	-47	-126	169.8
Net profit (loss) attributable to the Group	245	-144	-158.6	-223	55.1	-47	-126	169.8
<b>Consolidated cash flow statement - main items</b>								
(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
FFO	428	-17	-103.9	-101	NM	37	-47	NM
Net change in working capital	71	-112	NM	-58	-47.8	-111	-58	-48.1
CFO	498	-129	-125.8	-160	24.3	-74	-105	42.4
Capex	-280	-154	-45.1	-177	15.4	-71	-95	33.1
FCF	218	-282	NM	-337	19.4	-145	-200	37.8
Dividends	-131	0	-100.0	0	NM	0	0	NM
Discretionary FCF	88	-282	NM	-337	19.4	-145	-200	37.8
RCF	103	-270	NM	-344	27.5	-134	-208	55.5
Change in equity	0	0	NM	0	NM	0	0	NM
Change in debt	70	866	NM	537	-38.0	170	-159	-193.6
CFF	70	866	NM	537	-38.0	170	-159	-193.6
RCF + CFF	173	596	NM	193	-67.6	36	-367	NM
Change in liquidity	173	596	NM	193	-67.6	36	-367	NM
<b>Consolidated balance sheet - main items</b>								
(EUR M)	31.12.19	30.06.20	Chg %	31.12.20	Chg %	30.06.21	Chg %	
Intangible assets	2,478	2,473	-0.2	2,481	0.3	2,478	-0.1	
Property, plant & equipment	54	53	-1.4	52	-2.4	54	4.6	
Financial and equity investments	64	47	-26.6	37	-21.1	33	-10.3	
Total non-current assets	2,649	2,630	-0.7	2,663	1.3	2,651	-0.4	
Trade receivables	305	252	-17.3	257	1.8	292	13.7	
Cash and current financial assets	502	538	7.1	1,099	104.1	732	-33.4	
Total current assets	836	850	1.7	1,400	64.7	1,117	-20.2	
Total assets	3,484	3,480	-0.1	4,063	16.8	3,768	-7.3	
Long-term debt	1,465	1,255	-14.3	2,043	62.9	2,280	11.6	
Provisions for risks and charges	167	174	3.9	182	4.8	182	0.0	
Total non-current liabilities	1,640	1,431	-12.7	2,225	55.6	2,447	10.0	
Short-term debt	165	574	NM	491	-14.5	66	-86.6	
Trade payables	216	160	-25.9	170	6.3	172	1.2	
Total current liabilities	660	947	43.4	846	-10.7	446	-47.2	
Minorities	0	0	NM	0	NM	0	NM	
Shareholders' equity	1,184	1,102	-6.9	992	-10.0	875	-11.8	
Total equity	1,184	1,102	-6.9	992	-10.0	875	-11.8	
Total liabilities and equity	3,484	3,480	-0.1	4,063	16.8	3,768	-7.3	
Net debt	1,126	1,289	14.5	1,435	11.3	1,614	12.5	
Adjusted Net Debt	1,128	1,291	14.5	1,436	11.2	1,615	12.5	
<b>Key consolidated economic data - financial indicators</b>								
Profitability and coverage ratio (%)	2019	2020	LTM21	1H20	1H21			
EBITDA margin	52.6	6.9	-16.2	19.2	-22.1			
Adjusted EBITDA margin	-	-	-	-	-			
EBIT margin	38.0	-33.2	-69.1	-16.1	-81.2			
Adjusted EBIT margin	-	-	-	-	-			
EBITDA/net interest expense (x)	11.4	0.4	-0.8	1.5	-1.1			
EBIT/net interest expense (x)	8.2	-2.1	-3.6	-1.2	-4.2			
Leverage ratio (x)	31.12.19	30.06.20	31.12.20	30.06.21				
Net debt/EBITDA	1.9	3.5	56.1	-32.4				
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-				
Net debt/FFO	2.6	4.9	-85.9	-15.9				
Net debt/equity	1.0	1.2	1.4	1.8				

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## ASPI: Credit View UNDER REVIEW

(Moody's Ba3 / Positive , Fitch BB+/\*+)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	BUY	-	-
Unrated	-	-	-	-

### Key credit drivers

- 1H21 results improved yoy, driven by a rebound in motorway traffic in Italy (+25% vs 1H20), though still below pre-COVID levels (-22% vs 1H19). The net debt/adjusted EBITDA ratio improved to 5.7x from 9x at YE20, benefitting from the turnaround in EBITDA, despite higher net debt (+2% vs YE20, to EUR 8.8Bn), driven by negative FCF (due to higher investments) and EUR 160M of acquisitions.
- 2021 guidance improved, estimating a traffic increase of 15-25% vs 2020 (vs 10-25% growth previously), though still declining by 10-15% vs 2019 (vs a 10-20% decline previously), with toll revenues up to EUR 2.6-2.8Bn (vs EUR 2.4-2.7Bn previously).
- In June, Fitch put ASPI's rating under Watch Positive and Moody's revised its Outlook to Positive from Developing, following Atlantia's signing of a binding agreement to sell its 88% stake in ASPI to the CDP-led consortium for approximately EUR 8Bn.
- BUY recommendation confirmed based on ratings upgrade potential on expectations of a favourable resolution with the Italian government regarding the long-term dispute on ASPI's concession, which would support the removal of liquidity and legal risks.

### Strengths

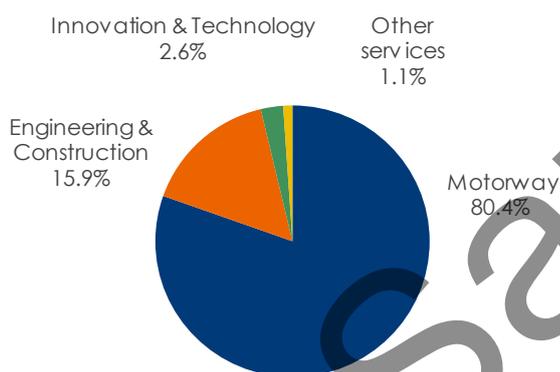
- Largest toll road operator in Italy, managing 3,020km of motorways, with ASPI's concession (2,855km) expiring in 2038.
- Ratings upgrade potential after Atlantia agreed to sell its 88% ASPI stake to the CDP-led consortium by March 2022.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

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### Sales by segment (1H21)



### Weaknesses

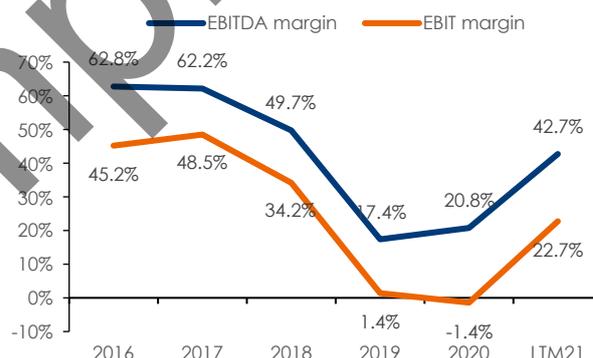
- Fully exposed to Italy. Traffic affected by COVID-19 restrictions.
- Regulatory framework of concession being revised.
- Ratings at risk of downgrade in case of failure to reach a definitive settlement agreement with the Italian government.

### Underperformance<sup>1</sup> YTD - Senior Unsecured

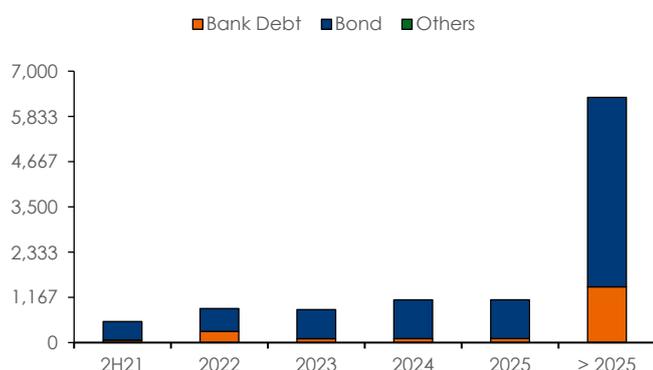
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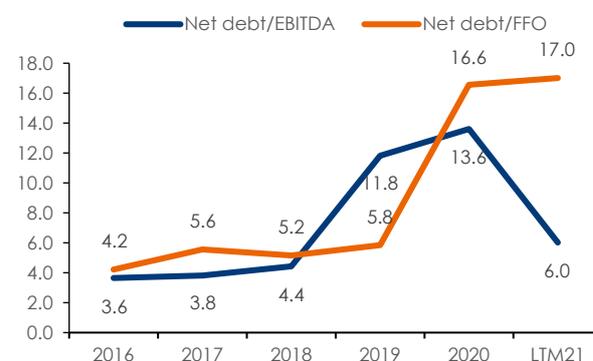
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of ASPI bonds in Appendix 1 (page 73)

## ASPI in Brief

Autostrade per l'Italia (ASPI) provides infrastructure construction services. The company constructs, manages and maintains toll motorways. It provides its services primarily in Italy.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	3,030	3,404	12.3	1,263	1,637	29.6	535	915	71.0
EBITDA	629	1,454	131.2	-62	763	NM	-453	442	-197.6
Adjusted EBITDA	947	1,544	63.0	152	749	NM	-243	424	NM
EBIT	-43	774	NM	-392	425	NM	-622	269	-143.2
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-479	-376	-21.5	-254	-151	-40.6	-138	-91	-34.1
Income (loss) on equity investments	-8	-5	-37.5	-4	-1	-75.0	-1	0	-100.0
Profit before tax	-538	397	-173.8	-654	281	-143.0	-765	186	-124.3
Net profit (loss)	-409	256	-162.6	-479	186	-138.8	-548	133	-124.3
Net profit (loss) attributable to the Group	-407	249	-161.2	-476	180	-137.8	-544	131	-124.1

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	517	514	-0.5	218	216	-1.1	-6	169	NM
Net change in working capital	-165	353	NM	-451	67	-114.8	-382	212	-155.4
CFO	352	867	146.3	-232	283	NM	-387	381	-198.3
Capex	-574	-735	28.0	-215	-376	74.5	-110	-211	91.1
FCF	-222	132	-159.5	-448	-93	-79.2	-498	170	-134.1
Dividends	0	NA	NM	NA	-5	NA	0	-5	NM
Discretionary FCF	-222	127	-157.2	-448	-99	-78.0	-498	164	-133.0
RCF	-205	-36	-82.5	-414	-245	-40.8	-474	191	-140.2
Change in equity	NA	NA	NA	0	0	NM	0	0	NM
Change in debt	567	975	71.8	-228	179	-178.6	350	-96	-127.4
CFF	567	975	71.8	-228	179	-178.6	350	-96	-127.4
RCF + CFF	363	939	158.9	-642	-66	-89.7	-124	95	-176.3
Change in liquidity	363	939	158.9	-642	-66	-89.7	-124	95	-176.3

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	17,422	17,432	0.1	17,376	-0.3	17,362	-0.1
Property, plant & equipment	82	88	6.5	151	71.9	153	1.5
Financial and equity investments	443	408	-7.8	430	5.3	431	0.2
<b>Total non-current assets</b>	<b>18,063</b>	<b>18,060</b>	<b>0.0</b>	<b>18,083</b>	<b>0.1</b>	<b>18,098</b>	<b>0.1</b>
Inventory	NA	71	NA	NA	NA	108	NA
Trade receivables	570	470	-17.5	650	38.2	556	-14.4
Cash and current financial assets	1,833	2,445	33.4	2,352	-3.8	2,411	2.5
<b>Total current assets</b>	<b>2,610</b>	<b>3,220</b>	<b>23.4</b>	<b>3,236</b>	<b>0.5</b>	<b>3,312</b>	<b>2.3</b>
<b>Total assets</b>	<b>20,673</b>	<b>21,279</b>	<b>2.9</b>	<b>21,319</b>	<b>0.2</b>	<b>21,409</b>	<b>0.4</b>
Long-term debt	7,550	7,706	2.1	9,061	17.6	8,268	-8.7
Provisions for risks and charges	3,316	3,173	-4.3	3,083	-2.8	2,947	-4.4
<b>Total non-current liabilities</b>	<b>10,932</b>	<b>10,939</b>	<b>0.1</b>	<b>12,220</b>	<b>11.7</b>	<b>11,319</b>	<b>-7.4</b>
Short-term debt	3,037	3,631	19.6	2,562	-29.4	3,250	26.8
Trade payables	1,312	1,320	0.6	1,128	-14.6	1,306	15.8
<b>Total current liabilities</b>	<b>7,800</b>	<b>8,498</b>	<b>9.0</b>	<b>7,171</b>	<b>-15.6</b>	<b>8,036</b>	<b>12.1</b>
Minorities	354	355	0.2	358	0.9	350	-2.2
Shareholders' equity	1,587	1,488	-6.3	1,570	5.5	1,704	8.5
<b>Total equity</b>	<b>1,941</b>	<b>1,842</b>	<b>-5.1</b>	<b>1,928</b>	<b>4.6</b>	<b>2,054</b>	<b>6.5</b>
<b>Total liabilities and equity</b>	<b>20,673</b>	<b>21,279</b>	<b>2.9</b>	<b>21,319</b>	<b>0.2</b>	<b>21,409</b>	<b>0.4</b>
Net debt	8,388	8,557	2.0	8,916	4.2	8,750	-1.9
Adjusted net debt	8,754	8,893	1.6	9,271	4.3	9,107	-1.8

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	20.8	42.7	-4.9	46.6	-84.7	48.3
Adjusted EBITDA margin	31.3	45.4	12.0	45.8	-45.4	46.3
EBIT margin	-1.4	22.7	-31.0	26.0	-116.3	29.4
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	1.3	3.9	-0.2	5.1	-3.3	4.9
EBIT/net interest expense (x)	-0.1	2.1	-1.5	2.8	-4.5	3.0
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	-11.9	13.6	15.9	6.0		
Adjusted Net Debt/Adjusted EBITDA (x)	8.5	9.4	10.6	5.9		
Net debt/FFO	14.1	16.6	26.2	17.0		
Net debt/equity	4.3	4.6	4.6	4.3		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Atlantia: Credit View UNDER REVIEW

(Moody's Ba2 / Positive , Fitch BB+/\*+)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	BUY	-	-
Unrated	-	-	-	-

### Key credit drivers

- 1H21 consolidated results improved yoy, reflecting a traffic recovery in motorway networks (primarily operated by Abertis, as ASPI was accounted for as a discontinued operation), partly offset by a decline in airports networks (-56% ADR, -28% ACA). Excluding ASPI, net debt declined by 8% versus YE20PF, to EUR 28Bn, with net leverage down from around 11x to 8x, on our estimates.
- 2021 guidance confirmed, with revenues of EUR 5.7Bn and FFO of EUR 2.1Bn (EUR 9.4Bn and EUR 3Bn respectively, including ASPI), pointing to a recovery in operating performance vs 2020, but still below 2019 levels, as traffic is expected to decline by 10% in motorway, and by 70% in airport networks vs 2019 (-14% and -80% respectively in 7M21 vs 7M19).
- In June, Fitch put Atlantia's rating on Watch Positive and Moody's revised its Outlook to Positive from Developing, following Atlantia's signing of a binding agreement to sell its 88% stake in ASPI to the CDP-led consortium by no later than June 2022.
- BUY Atlantia's bonds on the expectation of ratings upgrade potential, driven by approx. EUR 8Bn in proceeds from the sale of ASPI.

### Strengths

- Global leader in the infrastructure management industry.
- Higher financial flexibility after ASPI disposal for around EUR 8Bn.
- Ratings upgrade potential if a settlement is reached with the Italian government on ASPI's concession, following its disposal.

### Weaknesses

- Traffic trends affected by COVID-19 mobility restrictions.
- 3-5% dividend growth and EUR 1-2Bn share buyback in 2022.
- Ratings at risk of downgrade in case of liquidity event driven by a failure to reach a settlement on ASPI's concession.

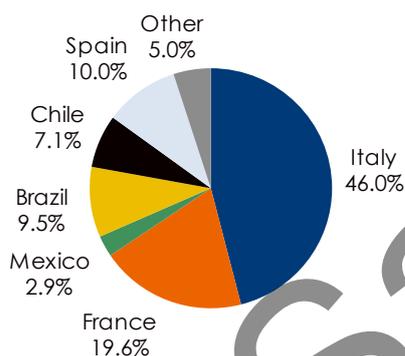
### Outperformer<sup>1</sup> YTD - Senior Unsecured

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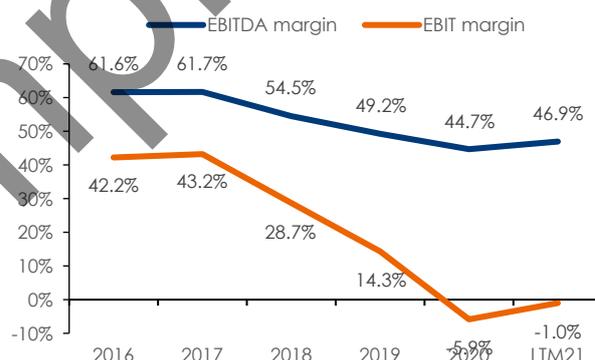
### Underperformance<sup>1</sup> YTD - Senior Unsecured

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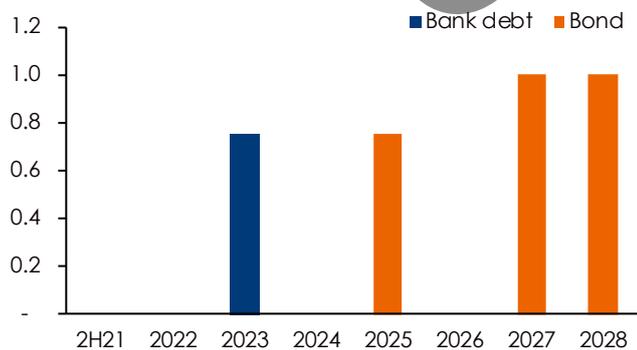
### Sales by geographic area (2020)



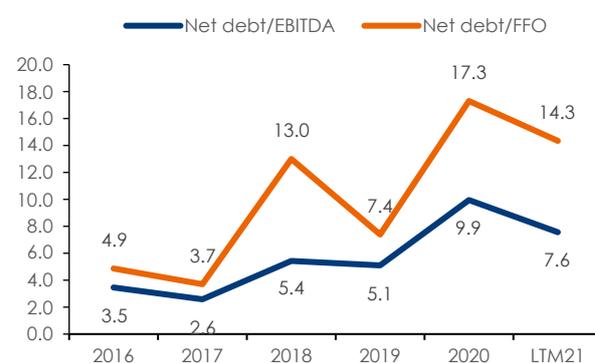
### Trend in profitability



### Debt maturity profile (EUR Bn, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Atlantia bonds in Appendix 1 (page 73)

## Atlantia In Brief

Atlantia manages transport infrastructure based on concessions. The group manages 14,000km of toll motorways in Europe, the Americas and India. Atlantia also operates electronic tolling systems and airports in Rome and Nice.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	8,284	8,633	4.2	2,440	2,789	14.3	1,504	NA	NA
EBITDA	3,701	4,052	9.5	1,370	1,721	25.6	29	NA	NA
Adjusted EBITDA	3,944	4,225	7.1	1,297	1,578	21.7	454	NA	NA
EBIT	-485	-87	-82.1	-323	75	-123.2	-1,087	NA	NA
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-1,670	-1,677	0.4	-403	-410	1.7	-434	NA	NA
Income (loss) on equity investments	-19	10	-152.6	-26	3	-111.5	-26	NA	NA
Profit before tax	-2,166	-1,746	-19.4	-752	-332	-55.9	-1,427	NA	NA
Net profit (loss)	-1,641	-573	-65.1	-1,054	14	-101.3	-1,027	NA	NA
Net profit (loss) attributable to the Group	-1,177	-371	-68.5	-772	34	-104.4	-762	NA	NA

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	2,268	2,575	13.5	1,112	1,419	27.6	322	838	160.2
Net change in working capital	167	92	-44.9	-141	-216	53.2	-650	1	-100.2
CFO	2,435	2,667	9.5	971	1,203	23.9	-328	839	NM
Capex	-1,534	-1,728	12.6	-633	-827	30.6	-272	-443	-62.9
FCF	901	939	4.2	338	376	11.2	-600	396	-166.0
Dividends	-57	NA	NA	-16	NA	NA	-5	7	NM
Discretionary FCF	844	898	6.4	322	376	16.8	-605	403	-166.6
RCF	-799	1,222	NM	-937	1,084	NM	-1,790	1,147	-164.1
Change in equity	742	2,356	NM	-236	1,378	NM	-232	644	NM
Change in debt	3,228	-4,779	NM	4,652	-3,355	-172.1	1,324	-1,580	NM
CFF	3,970	-2,423	-161.0	4,416	-1,977	-144.8	1,092	-936	-185.7
RCF + CFF	3,171	-1,201	-137.9	3,479	-893	-125.7	-698	211	-130.2
Change in liquidity	3,116	-1,155	-137.1	3,410	-861	-125.2	-688	254	-136.9

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	61,214	62,497	2.1	61,767	-1.2	45,991	-25.5
Property, plant & equipment	758	774	2.1	759	-1.9	646	-14.9
Financial and equity investments	2,634	2,841	7.9	2,787	-1.9	2,132	-23.5
<b>Total non-current assets</b>	<b>71,789</b>	<b>73,368</b>	<b>2.2</b>	<b>72,614</b>	<b>-1.0</b>	<b>53,644</b>	<b>-26.1</b>
Inventory	NA	114	NA	118	3.5	24	-79.7
Trade receivables	2,622	2,276	-13.2	2,384	4.7	2,159	-9.4
Cash and current financial assets	11,676	9,651	-17.3	8,526	-11.7	6,880	-19.3
<b>Total current assets</b>	<b>15,460</b>	<b>13,192</b>	<b>-14.7</b>	<b>12,187</b>	<b>-7.6</b>	<b>30,807</b>	<b>152.8</b>
<b>Total assets</b>	<b>87,249</b>	<b>86,560</b>	<b>-0.8</b>	<b>84,801</b>	<b>-2.0</b>	<b>84,451</b>	<b>-0.4</b>
Long-term debt	49,758	46,209	-7.1	46,057	-0.3	35,794	-22.3
Provisions for risks and charges	5,131	5,011	-2.3	4,931	-1.6	1,874	-62.0
<b>Total non-current liabilities</b>	<b>61,969</b>	<b>57,855</b>	<b>-6.6</b>	<b>57,509</b>	<b>-0.6</b>	<b>44,051</b>	<b>-23.4</b>
Short-term debt	5,169	7,437	43.9	5,623	-24.4	3,071	-45.4
Trade payables	2,030	2,160	6.4	1,916	-11.3	890	-53.5
<b>Total current liabilities</b>	<b>11,974</b>	<b>14,441</b>	<b>20.6</b>	<b>12,351</b>	<b>-14.5</b>	<b>24,498</b>	<b>98.3</b>
Minorities	7,627	8,074	5.9	8,413	4.2	8,310	-1.2
Shareholders' equity	5,679	6,190	9.0	6,528	5.5	7,592	16.3
<b>Total equity</b>	<b>13,306</b>	<b>14,264</b>	<b>7.2</b>	<b>14,941</b>	<b>4.7</b>	<b>15,902</b>	<b>6.4</b>
<b>Total liabilities and equity</b>	<b>87,249</b>	<b>86,560</b>	<b>-0.8</b>	<b>84,801</b>	<b>-2.0</b>	<b>84,451</b>	<b>-0.4</b>
Net debt	38,483	39,238	2.0	38,264	-2.5	36,932	-3.5
Adjusted net debt	43,251	43,995	1.7	43,154	-1.9	40,168	-6.9

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	44.7	46.9	56.1	61.7	1.9	-
Adjusted EBITDA margin	47.9	48.9	53.2	56.6	30.2	-
EBIT margin	-5.9	-1.0	-13.2	2.7	-72.3	-
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	2.2	2.4	3.4	4.2	0.1	-
EBIT/net interest expense (x)	-0.3	-0.1	-0.8	0.2	-2.5	-
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	8.8	9.9	10.2	7.6		
Adjusted Net Debt/Adjusted EBITDA (x)	9.9	11.2	11.5	8.2		
Net debt/FFO	13.7	17.3	18.6	14.3		
Net debt/equity	2.9	2.8	2.6	2.3		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Buzzi Unicem: Credit View NEUTRAL

(Moody's -, Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	SELL	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- In 1H21, a demand-led recovery in volumes and positive price effects offset cost inflation and negative forex effects, with 5.8% growth in revenues and margin improvement. Italy represented a key driver of the solid performance. Net of the CNC receivables, net debt and leverage ticked up, although they remained at very modest levels.
- No formal guidance has been provided, with the outlook limited to "recurring EBITDA for 2021 to be confirmed at a highly satisfactory level and probably not above the result achieved in the previous year".
- SELL investment recommendation. With a softer EBITDA outlook and cost inflation pressures, already very low leverage, and a substantial cash pile that needs to be employed in some manner and at some point, we take the view the Buzzi has run out of road in terms of its credit story. We see the potential for relative underperformance.

### Strengths

- Good market positions with high entry barriers.
- Very strong liquidity buffer with no debt maturity pressure.
- Demand-led recovery feeding through but cost inflation pressures increasing.
- Buzzi could benefit from the substantial EU (and expected US) investment programmes, notably in Italy.
- Positive price effects partly mitigating cost pressures.
- Future acquisition in Brazil could provide medium-term growth opportunities. The Brazilian associate is recording a solid underlying performance.

### Weaknesses

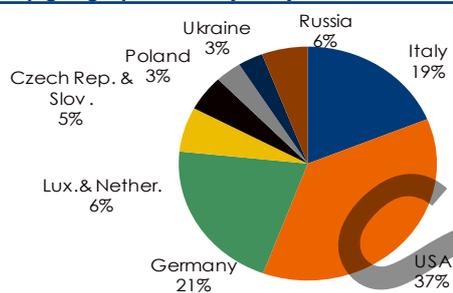
- Notable FX exposure, particularly USD/EUR.
- Energy cost inflation expected in 2021 to affect the cost base in 2021.
- Some cash calls from 2023+ in relation to the put/call options for the acquisition of the remaining stake in BCPAR in Brazil. BCPAR's acquisition of CRH is being funded by Buzzi.
- The high cash balance raises questions over further potential M&A and/or greater shareholder distributions.
- Challenging CO<sub>2</sub> emissions reduction targets could increase capex.

### Performer<sup>1</sup> YTD - Senior Unsecured

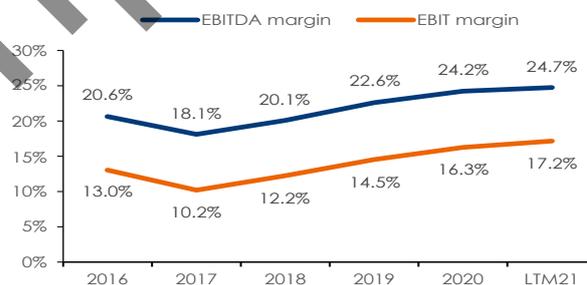
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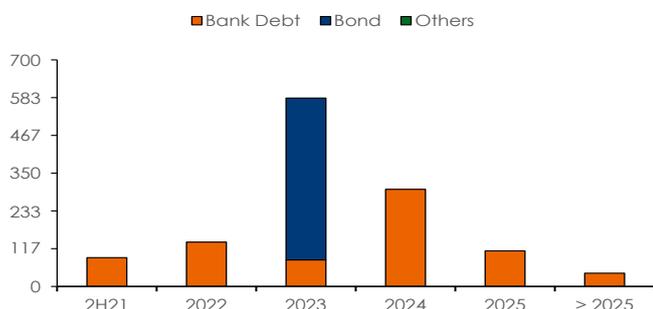
### Sales by geographic area (1H21)



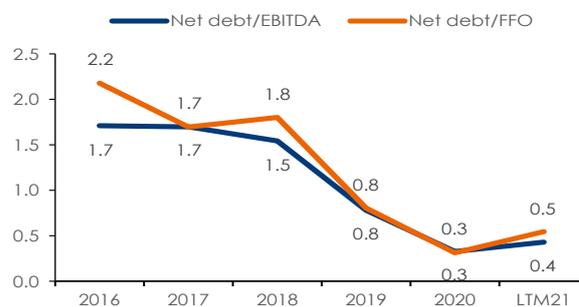
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21, Estimated)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Buzzi Unicem bonds in Appendix 1 (page 70)

## Buzzi Unicem In Brief

Buzzi Unicem S.p.A., through a number of subsidiaries, produces and markets cement and ready-mix concrete in Italy, the United States, and other countries.

### Consolidated income statement - main items

(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
Sales	3,221	3,222	0.0	3,311	2.8	1,520	1,609	5.8
EBITDA	728	781	7.2	819	4.9	314	352	12.3
Adjusted EBITDA	732	785	7.2	NA	NA	NA	NA	NA
EBIT	468	524	11.9	568	8.4	185	230	23.8
Adjusted EBIT	NA							
Net interest expense	-39	-38	-2.0	-34	-11.2	-13	-9	-32.1
Income (loss) on equity investments	74	173	134.4	76	-56.0	145	48	-66.7
Profit before tax	482	700	45.3	683	-2.5	279	262	-6.2
Net profit (loss)	386	560	45.2	554	-1.2	217	210	-3.2
Net profit (loss) attributable to the Group	386	560	45.3	553	-1.2	217	210	-3.2

### Consolidated cash flow statement - main items

(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
FFO	714	817	14.5	646	-21.0	427	255	-40.2
Net change in working capital	-41	-20	-51.4	14	-170.1	-35	-1	-96.2
CFO	673	797	18.4	660	-17.3	392	254	-35.2
Capex	-257	-228	-11.3	-220	-3.4	-108	-100	-7.2
FCF	416	569	36.8	439	-22.9	284	154	-45.8
Dividends	-27	-39	46.4	-191	NM	-39	-191	NM
Discretionary FCF	389	530	36.1	248	-53.1	245	-37	-114.9
RCF	329	541	64.4	34	-93.7	254	-253	NM
Change in equity	-2	-29	NM	-10	-65.8	-19	0	-100.0
Change in debt	63	-65	NM	NA	NA	-11	NA	NA
CFF	61	-94	NM	-129	36.9	-30	-65	115.0
RCF + CFF	390	447	14.4	-95	-121.3	224	-318	NM
Change in liquidity	390	447	14.4	-95	-121.3	224	-318	NM

### Consolidated balance sheet - main items

(EUR M)	31.12.19	30.06.20	Chg %	31.12.20	Chg %	30.06.21	Chg %
Intangible assets	690	678	-1.7	664	-2.0	667	0.4
Property, plant & equipment	3,150	3,108	-1.3	2,909	-6.4	2,975	2.2
Financial and equity investments	551	447	-18.9	439	-1.7	471	7.3
<b>Total non-current assets</b>	<b>4,585</b>	<b>4,439</b>	<b>-3.2</b>	<b>4,214</b>	<b>-5.1</b>	<b>4,505</b>	<b>6.9</b>
Trade receivables	414	438	5.7	399	-8.9	503	25.9
Cash and current financial assets	837	1,042	24.4	1,218	16.9	923	-24.2
<b>Total current assets</b>	<b>1,812</b>	<b>2,045</b>	<b>12.9</b>	<b>2,159</b>	<b>5.6</b>	<b>1,951</b>	<b>-9.7</b>
<b>Total assets</b>	<b>6,403</b>	<b>6,485</b>	<b>1.3</b>	<b>6,387</b>	<b>-1.5</b>	<b>6,461</b>	<b>1.2</b>
Long-term debt	1,312	1,365	4.0	1,235	-9.5	1,149	-6.9
Provisions for risks and charges	530	548	3.5	533	-2.8	501	-6.1
<b>Total non-current liabilities</b>	<b>2,217</b>	<b>2,278</b>	<b>2.8</b>	<b>2,111</b>	<b>-7.3</b>	<b>2,010</b>	<b>-4.8</b>
Short-term debt	63	58	-6.9	87	49.6	119	36.7
Trade payables	235	203	-13.8	229	12.9	253	10.5
<b>Total current liabilities</b>	<b>495</b>	<b>509</b>	<b>2.9</b>	<b>672</b>	<b>32.1</b>	<b>543</b>	<b>-19.2</b>
Minorities	6	6	-3.4	5	-0.2	5	-0.7
Shareholders' equity	3,685	3,692	0.2	3,598	-2.6	3,902	8.5
<b>Total equity</b>	<b>3,691</b>	<b>3,697</b>	<b>0.2</b>	<b>3,603</b>	<b>-2.6</b>	<b>3,907</b>	<b>8.4</b>
<b>Total liabilities and equity</b>	<b>6,403</b>	<b>6,485</b>	<b>1.3</b>	<b>6,387</b>	<b>-1.5</b>	<b>6,461</b>	<b>1.2</b>
Net debt	574	391	-32.0	255	-34.7	352	37.9
Adjusted Net Debt	568	385	-32.2	242	-37.3	109	-55.0

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2019	2020	LTM21	1H20	1H21
EBITDA margin	22.6	24.2	24.7	20.7	21.9
Adjusted EBITDA margin	22.7	24.4	-	-	-
EBIT margin	14.5	16.3	17.2	12.2	14.3
Adjusted EBIT margin	-	-	-	-	-
EBITDA/net interest expense (x)	18.7	20.4	24.1	23.5	38.9
EBIT/net interest expense (x)	12.0	13.7	16.7	13.9	25.3
Leverage ratio (x)	31.12.19	30.06.20	31.12.20	30.06.21	
Net debt/EBITDA	0.8	0.5	0.3	0.4	
Adjusted Net Debt/Adjusted EBITDA (x)	0.8	0.5	0.3	0.1	
Net debt/FFO	0.8	0.5	0.3	0.5	
Net debt/equity	0.2	0.1	0.1	0.1	

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## CNH Ind.: Credit View NEUTRAL

(Moody's Baa3 / Stable , Fitch BBB- /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 results improved versus both 2Q20 and 2Q19, driven by continued robust demand across CNHI's end-markets. Industrial Activities' adjusted EBIT turned around to USD 0.7Bn, driven by favourable volume and positive price realisation, partly offset by higher raw material and freight costs. The industrial net cash position climbed by 136% qoq to USD 1.4Bn, driven by USD 1.2Bn FCF.
- 2021 guidance on Industrial Activities was raised again as follows: 1) net sales up 24-28% yoy from up 14-18%; and 2) FCF above USD 1Bn from USD 0.6-1Bn. The new guidance implies an improvement in credit metrics vs both 2020 and 2019. However, a slight re-leveraging is possible, after the closing of the USD 2.1Bn acquisition of Raven Industries by YE21, to be funded with cash on hand.
- We expect stable ratings for CNHI in 2021, as all agencies have assigned Stable outlooks based on an expected industry recovery.
- HOLD recommendation confirmed, as CNHI's bonds trade almost in line, on average, vs the iBoxx NFI index for BBB-rated bonds.

### Strengths

- World's fourth-largest capital goods group and second-largest player globally in AG.
- Favourable long-term demand fundamentals in AG.
- Committed to maintaining an IG rating for both the Off-Highway and On-Highway entities after the spin-off.

### Weaknesses

- Cyclical and highly capital-intensive businesses.
- Weak profitability in CE and CV segments.
- Slight re-leveraging expected after the acquisition of Raven.
- Lower scale and diversification expected after the spin-off of the On-Highway segment, planned for 1Q22.

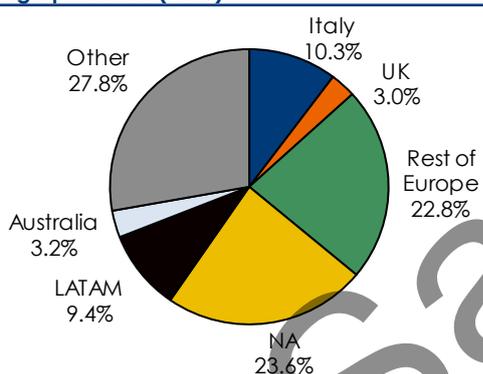
### Outperformer<sup>1</sup> YTD - Senior Unsecured

CNHI 1 5/8 07/03/29 -51

### Underperformance<sup>1</sup> YTD - Senior Unsecured

CNHI 2 7/8 05/17/23 -18

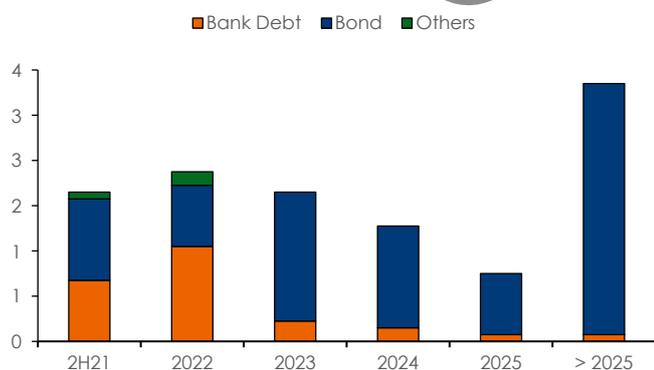
### Sales by geographic area (2020)



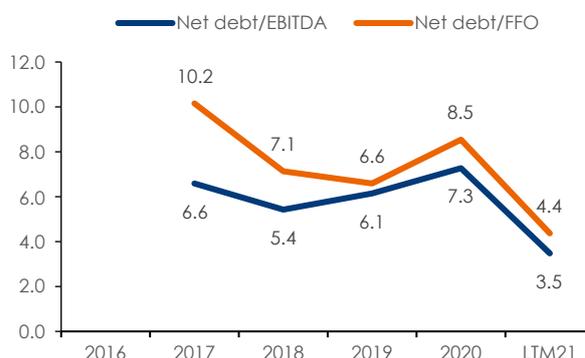
### Trend in profitability



### Debt maturity profile (USD Bn, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of CNH Ind. bonds in Appendix 1 (page 70)

## CNH Ind. In Brief

CNH Industrial N.V. – through its various brands – designs, produces and sells trucks, commercial vehicles, buses, special vehicles, and agricultural and construction equipment as well as engines and transmission systems for those vehicles.

### Consolidated income statement - main items

(USD M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	24,285	29,675	22.2	10,143	15,533	53.1	5,150	8,490	64.9
EBITDA	1,611	4,758	195.3	-324	2,823	NM	-712	1,349	NM
Adjusted EBITDA	2,245	4,535	102.0	543	2,833	NM	298	1,357	NM
EBIT	439	3,575	NM	-890	2,246	NM	-995	1,059	NM
Adjusted EBIT	1,073	3,354	NM	-25	2,256	NM	13	1,067	NM
Net interest expense	1,069	1,067	-0.2	545	543	-0.4	258	274	6.2
Income (loss) on equity investments	17	62	NM	10	55	NM	11	30	172.7
Profit before tax	-222	1,527	NM	244	1,993	NM	321	942	193.5
Net profit (loss)	-172	1,169	NM	307	1,648	NM	361	754	108.9
Net profit (loss) attributable to the Group	-227	1,110	NM	285	1,622	NM	350	745	112.9

### Consolidated cash flow statement - main items

(USD M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	1,911	3,609	88.9	188	1,886	NM	97	1,005	NM
Net change in working capital	3,618	2,756	-23.8	347	-515	NM	970	-6	-100.6
CFO	5,529	6,365	15.1	535	1,371	156.3	1,067	999	-6.4
Capex	-484	-555	14.7	-132	-203	53.8	-69	-132	91.3
FCF	3,679	4,320	17.4	-79	562	NM	772	558	-27.7
Dividends	-8	-188	NM	-3	-183	NM	-2	-182	NM
Discretionary FCF	3,671	4,132	12.6	-82	379	NM	996	376	-62.2
RCF	2,771	3,297	19.0	-103	423	NM	508	242	-52.4
Change in equity	0	0	NM	0	0	NM	0	0	NM
Change in debt	667	-1,003	NM	372	-1,298	NM	567	295	-48.0
CFF	667	-1,003	NM	372	-1,298	NM	567	295	-48.0
RCF + CFF	3,438	2,294	-33.3	269	-875	NM	1,075	537	-50.0
Change in liquidity	3,856	2,716	-29.6	95	-1,045	NM	1,165	617	-47.0

### Consolidated balance sheet - main items

(USD M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	2,656	2,696	1.5	2,675	-0.8	2,688	0.5
Property, plant & equipment	4,538	4,923	8.5	4,574	-7.1	4,667	2.0
Financial and equity investments	1,034	921	-10.9	856	-7.1	968	13.1
<b>Total non-current assets</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Inventory	6,744	6,022	-10.7	6,880	14.2	7,471	8.6
Trade receivables	421	506	20.2	493	-2.6	522	5.9
Cash and current financial assets	7,133	9,629	35.0	7,967	-17.3	8,584	7.7
<b>Total current assets</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total assets</b>	<b>45,069</b>	<b>48,719</b>	<b>8.1</b>	<b>46,705</b>	<b>-4.1</b>	<b>49,222</b>	<b>5.4</b>
Long-term debt	24,670	26,053	5.6	23,805	-8.6	24,512	3.0
Provisions for risks and charges	1,502	1,617	7.7	1,556	-3.8	1,531	-1.6
<b>Total non-current liabilities</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Short-term debt	NA	NA	NA	NA	NA	NA	NA
Trade payables	5,112	6,357	24.4	6,465	1.7	7,103	9.9
<b>Total current liabilities</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Minorities	41	40	-2.4	41	2.5	44	7.3
Shareholders' equity	4,799	4,989	4.0	5,465	9.5	6,030	10.3
<b>Total equity</b>	<b>4,840</b>	<b>5,029</b>	<b>3.9</b>	<b>5,506</b>	<b>9.5</b>	<b>6,074</b>	<b>10.3</b>
<b>Total liabilities and equity</b>	<b>45,069</b>	<b>48,719</b>	<b>8.1</b>	<b>46,705</b>	<b>-4.1</b>	<b>49,222</b>	<b>5.4</b>
Net debt	17,387	16,322	-6.1	15,676	-4.0	15,765	0.6
Adjusted net debt	1,544	-786	-150.9	-591	-24.8	-1,393	135.7

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	6.6	16.0	-3.2	18.2	-13.8	15.9
Adjusted EBITDA margin	9.2	15.3	5.4	18.2	5.8	16.0
EBIT margin	1.8	12.0	-8.8	14.5	-19.3	12.5
Adjusted EBIT margin	4.4	11.3	-0.2	14.5	0.3	12.6
EBITDA/net interest expense (x)	3.3	-4.5	1.5	9.2	1.8	9.2
EBIT/net interest expense (x)	1.6	-3.4	-0.1	7.3	0.1	7.3
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	8.9	7.3	4.5	3.5		
Adjusted Net Debt/Adjusted EBITDA (x)	1.3	-0.4	-0.2	-0.4		
Net debt/FFO		11.0	8.5	5.8		4.4
Net debt/equity		3.6	3.2	2.8		2.6

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Enel: Credit View NEUTRAL

(Moody's Baa1 / Stable , Fitch A- /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	BUY
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Enel reported weak H1 ordinary results (EBITDA -5% yoy), but broadly in line with consensus, with Q2 EBITDA improving versus the same period in 2020. Better margins in Retail Markets (Italy), and Thermal Generation and Trading (Spain), offset by negative FX in Latin America and 2020 one-off. Higher net debt (+11% vs YE20), due to capex, dividends, extraordinary transactions on non-controlling interests, and negative FX effects (EUR 0.95Bn).
- Outlook. 2021 guidance confirmed, with: i) "ordinary" EBITDA at c.EUR 18.7-19.3Bn; and ii) "ordinary" net income at EUR 5.4-5.6Bn. Management expects the H1 working capital absorption (EUR 2.7Bn vs EUR 3.5Bn in 1H20) to be fully reabsorbed by year-end. A new strategic plan scheduled to be presented in November.
- BUY recommendation on the hybrid bonds, in light of the group's solid financial profile and a credit-supportive strategy.

### Strengths

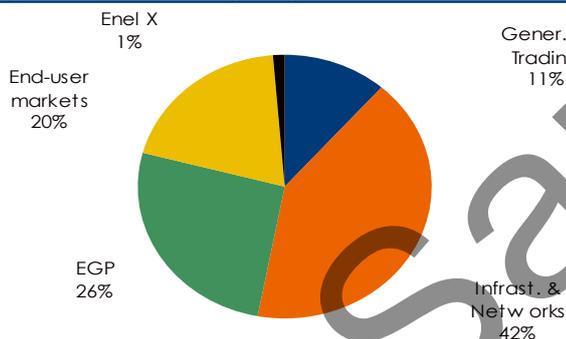
- Strong contribution from both regulated and contracted activities (almost 70% of FY20 EBITDA).
- 2021-2023 plan confirms industrial growth in low-risk activities (network and renewables).
- Solid financial position.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

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### Ordinary EBITDA breakdown (1H21)



### Weaknesses

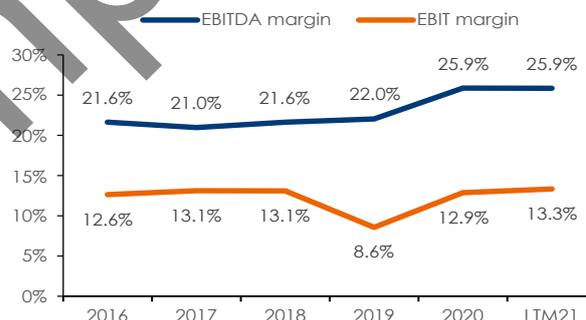
- High exposure to Italy (roughly 40% of EBITDA).
- Potential negative impact from adverse exchange rate development, mainly in Latam.
- Generous dividend policy, with 7% CAGR over 2020-2023.
- Regulatory risk in some countries (eg, Spain).

### Underperformance<sup>1</sup> YTD - Senior Unsecured

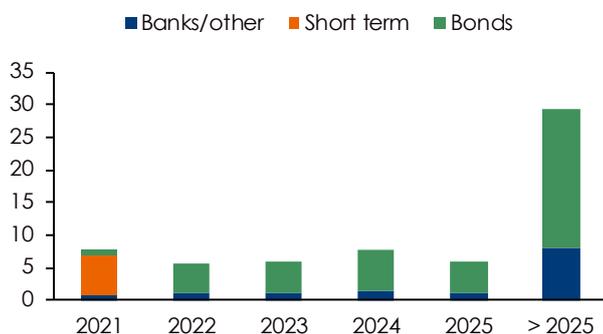
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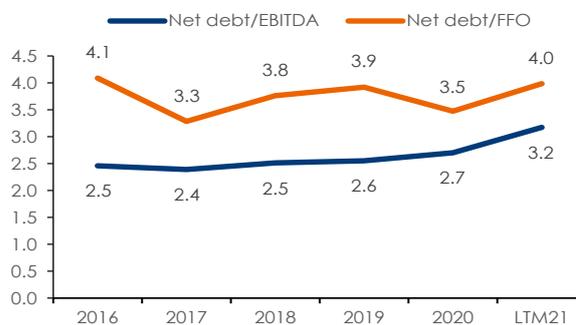
### Trend in profitability



### Debt maturity profile (EUR Bn, 30.6.21)



### Leverage trend (x)\*



\*calculated on EBITDA "reported" and net debt "reported" Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Enel bonds in Appendix 1 (page 70, 71, 78)

## Enel in Brief

Enel S.p.A. is a multinational power company and an integrated operator in the electricity and gas sectors, with a particular focus on Europe and Latin America. The company is active in the generation and distribution of energy from conventional and renewable sources. It also provides integrated solutions for electricity and gas products.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	64,985	61,463	-5.4	33,375	29,853	-10.6	13,390	12,746	-4.8
EBITDA	16,816	15,890	-5.5	8,645	7,719	-10.7	3,937	3,628	-7.8
Adjusted EBITDA	17,940	17,506	-2.4	8,794	8,360	-4.9	4,053	4,201	3.7
EBIT	8,368	8,196	-2.1	4,543	4,371	-3.8	1,434	1,846	28.7
Adjusted EBIT	11,284	11,027	-2.3	5,455	5,198	-4.7	2,321	2,600	12.0
Net interest expense	-1,582	-1,527	-3.5	-1,149	-1,094	-4.8	-513	-658	28.3
Income (loss) on equity investments	-299	-174	-41.8	13	138	NM	16	104	NM
Profit before tax	5,463	5,474	0.2	3,437	3,448	0.3	949	1,310	38.0
Net profit (loss)	3,622	3,490	-3.6	2,403	2,271	-5.5	716	776	8.4
Net profit (loss) attributable to the Group	2,610	2,441	-6.5	1,947	1,778	-8.7	700	602	-14.0

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	13,075	12,652	-3.2	5,873	5,450	-7.2	2,381	1,929	-19.0
Net change in working capital	-1,567	-510	-67.5	-3,831	-2,774	-27.6	-2,392	-1,794	-25.0
CFO	11,508	12,142	5.5	2,042	2,676	31.0	-11	135	NM
Capex	-9,548	-10,240	7.2	-3,827	-4,519	18.1	-1,957	-2,464	25.9
FCF	1,960	1,902	-3.0	-1,785	-1,843	3.2	-1,968	-2,329	18.3
Dividends	-4,742	-4,513	-4.8	-2,629	-2,400	-8.7	-447	-352	-21.3
Discretionary FCF	-2,782	-2,611	-6.1	-4,414	-4,243	-3.9	-2,415	-2,681	11.0
RCF	-4,431	-4,799	8.3	-5,679	-6,047	6.5	-3,597	-4,355	21.1
Change in equity	0	0	NM	0	0	NM	0	0	NM
Change in debt	1,850	3,794	105.1	2,896	4,840	67.1	1,906	3,904	104.8
CFF	1,850	3,794	105.1	2,896	4,840	67.1	1,906	3,904	104.8
RCF + CFF	-2,581	-1,005	-61.1	-2,783	-1,207	-56.6	-1,691	-451	-73.3
Change in liquidity	-3,078	-1,106	-64.1	-3,157	-1,185	-62.5	-1,778	-417	-76.5

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	NA	17,668	NA	NA	NA	101	NA
Property, plant & equipment	NA	78,821	NA	NA	NA	81,499	NA
Financial and equity investments	1,682	861	-48.8	848	-1.5	795	-6.3
<b>Total non-current assets</b>	<b>129,311</b>	<b>128,900</b>	<b>-0.3</b>	<b>130,107</b>	<b>0.9</b>	<b>134,463</b>	<b>3.3</b>
Inventory	2,647	2,401	-9.3	2,702	12.5	3,065	13.4
Trade receivables	11,527	12,046	4.5	12,257	1.8	12,175	-0.7
Cash and current financial assets	5,568	5,906	6.1	5,138	-13.0	4,721	-8.1
<b>Total current assets</b>	<b>33,831</b>	<b>33,137</b>	<b>-2.1</b>	<b>36,293</b>	<b>9.5</b>	<b>43,756</b>	<b>20.6</b>
<b>Total assets</b>	<b>163,149</b>	<b>163,453</b>	<b>0.2</b>	<b>167,814</b>	<b>2.7</b>	<b>179,733</b>	<b>7.1</b>
Long-term debt	51,073	49,519	-3.0	50,415	1.8	51,651	2.5
Provisions for risks and charges	15,450	16,535	7.0	16,210	-2.0	16,892	4.2
<b>Total non-current liabilities</b>	<b>79,337</b>	<b>79,309</b>	<b>0.0</b>	<b>79,665</b>	<b>0.4</b>	<b>82,590</b>	<b>3.7</b>
Short-term debt	11,122	3,168	-71.5	7,889	149.0	10,465	32.7
Trade payables	10,001	12,859	28.6	12,726	-1.0	11,302	-11.2
<b>Total current liabilities</b>	<b>40,396</b>	<b>40,979</b>	<b>1.4</b>	<b>42,615</b>	<b>4.0</b>	<b>51,494</b>	<b>20.8</b>
Minorities	13,968	14,032	0.5	13,351	-4.9	13,483	1.0
Shareholders' equity	29,446	28,325	-3.8	31,357	10.7	30,931	-1.4
<b>Total equity</b>	<b>43,414</b>	<b>42,357</b>	<b>-2.4</b>	<b>44,708</b>	<b>5.6</b>	<b>44,414</b>	<b>-0.7</b>
<b>Total liabilities and equity</b>	<b>163,149</b>	<b>163,453</b>	<b>0.2</b>	<b>167,814</b>	<b>2.7</b>	<b>179,733</b>	<b>7.1</b>
Net debt	48,953	45,415	-7.2	45,884	1.0	50,418	9.9
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	25.9	25.9	25.9	25.9	29.4	28.5
Adjusted EBITDA margin	27.6	28.5	26.3	28.0	30.3	33.0
EBIT margin	12.9	13.3	13.6	14.6	10.7	14.5
Adjusted EBIT margin	17.4	17.9	16.3	17.4	17.3	20.4
EBITDA/net interest expense (x)	10.6	10.4	7.5	7.1	7.7	5.5
EBIT/net interest expense (x)	5.3	5.4	4.0	4.0	2.8	2.8
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA		2.8	2.7	2.8		3.2
Adjusted Net Debt/Adjusted EBITDA (x)		-	2.7	2.9		3.1
Net debt/FFO		4.2	3.5	3.5		4.0
Net debt/equity		1.1	1.1	1.0		1.1

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Eni: Credit View NEUTRAL

(Moody's Baa1 / Stable , Fitch A- /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	BUY
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 results improved yoy (but were still below 2Q19), supported by a strong rebound in energy prices. Adjusted EBIT turned around to EUR 2Bn, mostly in upstream (96% of the total), due to higher hydrocarbon prices and despite lower production (-8%). Net debt declined by 12% qoq, to EUR 15Bn, driven by higher FCF and EUR 2Bn in hybrid bonds placement, with adjusted leverage down to 1.3x from 1.4x.
- 2021 guidance raised again, driven by improved Brent price assumptions to USD 65/bbl from USD 60/bbl, as follows: 1) CFO before NWC up to above EUR 10Bn from EUR 9Bn (EUR 6.7Bn in 2020); and 2) renewable installed capacity up to 1.2GW from 0.7GW.
- Eni's ratings should remain stable in 2H21, in our view, reflecting a recovery in credit metrics amid the oil price rebound.
- HOLD the senior bonds, as they are supported by the ECB's CSPP. BUY the hybrid bonds, as they are still attractive.

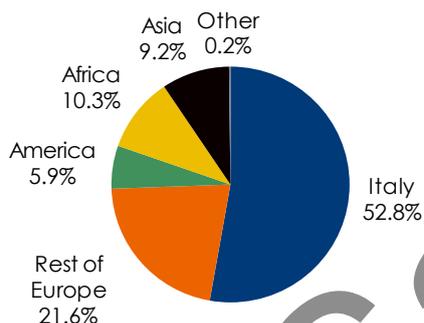
### Strengths

- Fourth-largest oil and gas producer worldwide, and one of Europe's largest gas suppliers.
- Committed to its 2050 decarbonisation strategy in order to reduce its exposure to hydrocarbon price volatility.
- Low refinancing risk in 2H21-2023.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

ENIIM 5.441 04/18/28 -45

### Sales by geographic area (1H21)



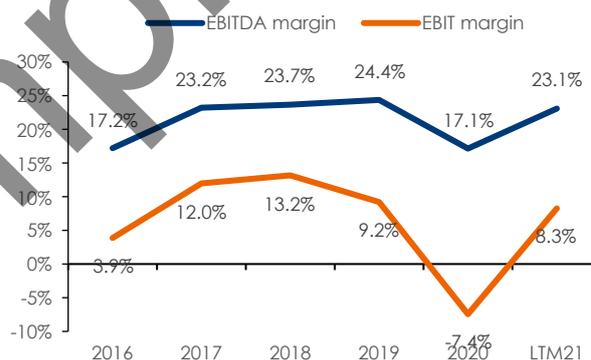
### Weaknesses

- E&P division highly dependent on high-risk non-OECD countries; moderate exposure to Italy country risk.
- High exposure to oil and gas prices and EUR/USD forex rate.
- Risks related to the energy transition strategy.
- Progressive dividend policy and EUR 400M share buyback.

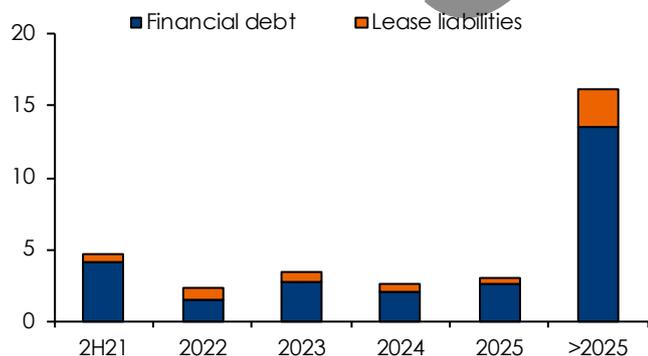
### Underperformance<sup>1</sup> YTD - Senior Unsecured

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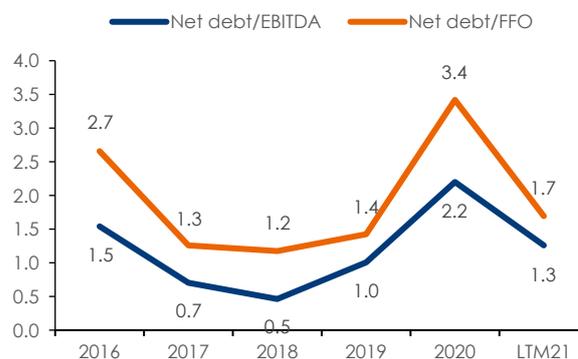
### Trend in profitability



### Debt maturity profile (EUR Bn, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Eni bonds in Appendix 1 (page 71)

## Eni in Brief

Eni S.p.A. explores for and produces hydrocarbons in Italy, Africa, the North Sea, the Gulf of Mexico, Kazakhstan and Australia. Eni also generates and trades electricity, refines oil, and operates petrol stations.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	43,987	52,745	19.9	22,030	30,788	39.8	8,157	16,294	99.8
EBITDA	7,541	12,173	61.4	3,178	7,810	145.8	1,934	4,210	117.7
Adjusted EBITDA	12,714	12,207	-4.0	7,826	7,319	-6.5	4,180	4,260	1.9
EBIT	-3,275	4,357	NM	-3,775	3,857	NM	-2,680	1,995	-174.4
Adjusted EBIT	1,898	4,391	131.3	873	3,366	NM	-434	2,045	NM
Net interest expense	-1,045	-992	-5.1	-526	-473	-10.1	-118	-300	154.2
Income (loss) on equity investments	-1,658	-706	-57.4	-1,379	-427	-69.0	-489	-499	2.0
Profit before tax	-5,978	2,659	-144.5	-5,680	2,957	-152.1	-3,287	1,196	-136.4
Net profit (loss)	-8,628	-184	-97.9	-7,332	1,112	-115.2	-4,405	252	-105.7
Net profit (loss) attributable to the Group	-8,635	-197	-97.7	-7,335	1,103	-115.0	-4,406	247	-105.6

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	4,852	9,052	86.6	1,690	5,890	NM	1,400	3,323	137.4
Net change in working capital	-30	-2,515	NM	688	-1,797	NM	3	-606	NM
CFO	4,822	6,537	35.6	2,378	4,093	72.1	1,403	2,717	93.7
Capex	-4,644	-4,465	-3.9	-2,568	-2,389	-7.0	-978	-1,250	27.8
FCF	178	2,072	NM	-190	1,704	NM	425	1,467	NM
Dividends	-1,968	-1,275	-35.2	-1,537	-844	-45.1	-1,537	-844	-45.1
Discretionary FCF	-1,790	797	-144.5	-1,727	860	-149.8	-1,112	623	-156.0
RCF	-1,733	-717	-58.6	-1,900	-884	-53.5	-978	-775	-20.8
Change in equity	2,975	4,950	66.4	0	1,975	NM	0	1,985	NM
Change in debt	2,246	-1,005	-144.7	2,445	-806	-133.0	3,881	60	-98.5
CFF	5,221	3,945	-24.4	2,445	1,169	-52.2	3,881	2,045	-47.3
RCF + CFF	3,488	3,228	-7.5	545	285	-47.7	2,903	1,270	-56.3
Change in liquidity	3,419	3,193	-6.6	533	307	-42.4	2,886	1,256	-56.5

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	3,025	2,936	-2.9	3,117	6.2	3,398	9.0
Property, plant & equipment	60,676	58,586	-3.4	60,673	3.6	58,608	-3.4
Financial and equity investments	8,130	7,706	-5.2	8,153	5.8	7,372	-9.6
<b>Total non-current assets</b>	<b>79,701</b>	<b>76,746</b>	<b>-3.7</b>	<b>79,673</b>	<b>3.8</b>	<b>77,365</b>	<b>-2.9</b>
Inventory	4,031	3,893	-3.4	4,414	13.4	4,593	4.1
Trade receivables	10,763	10,926	1.5	13,391	22.6	13,580	1.4
Cash and current financial assets	12,914	15,169	17.5	14,837	-2.2	16,683	12.4
<b>Total current assets</b>	<b>30,383</b>	<b>32,858</b>	<b>8.1</b>	<b>35,807</b>	<b>9.0</b>	<b>42,488</b>	<b>18.7</b>
<b>Total assets</b>	<b>110,102</b>	<b>109,648</b>	<b>-0.4</b>	<b>115,634</b>	<b>5.5</b>	<b>119,989</b>	<b>3.8</b>
Long-term debt	27,628	26,064	-5.7	26,748	2.6	25,402	-5.0
Provisions for risks and charges	14,334	14,639	2.1	14,916	1.9	13,959	-6.4
<b>Total non-current liabilities</b>	<b>50,034</b>	<b>48,464</b>	<b>-3.1</b>	<b>49,845</b>	<b>2.8</b>	<b>48,046</b>	<b>-3.6</b>
Short-term debt	5,065	5,640	11.4	5,546	-1.7	6,558	18.2
Trade payables	12,054	12,936	7.3	13,754	6.3	14,302	4.0
<b>Total current liabilities</b>	<b>23,535</b>	<b>23,691</b>	<b>0.7</b>	<b>25,723</b>	<b>8.6</b>	<b>31,257</b>	<b>21.5</b>
Minorities	73	78	6.8	82	5.1	84	2.4
Shareholders' equity	36,460	37,415	2.6	39,875	6.6	40,496	1.6
<b>Total equity</b>	<b>36,533</b>	<b>37,493</b>	<b>2.6</b>	<b>39,957</b>	<b>6.6</b>	<b>40,580</b>	<b>1.6</b>
<b>Total liabilities and equity</b>	<b>110,102</b>	<b>109,648</b>	<b>-0.4</b>	<b>115,634</b>	<b>5.5</b>	<b>119,989</b>	<b>3.8</b>
Net debt	19,853	16,586	-16.5	17,507	5.6	15,323	-12.5
Adjusted net debt	19,779	16,535	-16.4	17,457	5.6	15,277	-12.5

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	17.1	23.1	14.4	25.4	23.7	25.8
Adjusted EBITDA margin	28.9	23.1	35.5	23.8	51.2	26.1
EBIT margin	-7.4	8.3	-17.1	12.5	-32.9	12.2
Adjusted EBIT margin	4.3	8.3	4.0	10.9	-5.3	12.6
EBITDA/net interest expense (x)	7.2	12.3	6.0	16.5	16.4	14.0
EBIT/net interest expense (x)	-3.1	4.4	-7.2	8.2	-22.7	6.7
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA			2.2	2.2	1.8	1.3
Adjusted Net Debt/Adjusted EBITDA (x)			1.5	1.3	1.4	1.3
Net debt/FFO			3.5	3.4	2.5	1.7
Net debt/equity			0.5	0.4	0.4	0.4

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## ERG: Credit View NEUTRAL

(Moody's -, Fitch BBB- /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	BUY	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Positive H1 results, slightly above Bloomberg consensus. The performance confirmed the trend seen in Q1 and was mainly driven by: i) higher volumes for hydro production; and ii) the rise in unitary incentive value. These positives were partially offset by both the poor wind conditions outside Italy and the lower thermal power performance due to the end of the first 10 years of energy efficiency certificates for the CCGT plant.
- Outlook. 2021 guidance raised slightly, with: i) adjusted EBITDA at EUR 505-525M (previously EUR 490-510M); ii) investments of EUR 450-500M (previously EUR 285-325M; and iii) adjusted net debt in a range of EUR 1.55-1.65Bn vs the previous EUR 1.39-1.49Bn. These figures should result in a net debt/EBITDA ratio of around 3.1x. After having announced the disposal of its hydro assets, ERG has said it expects to complete the sale of its thermo assets in the coming months.
- BUY recommendation on ERG's bonds in light of the solid business mix and the strong focus on the renewables sector.

### Strengths

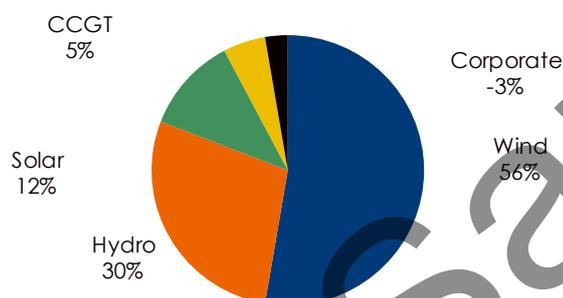
- Leading Italian player in wind generation and one of the top players in hydro.
- High contribution from quasi-regulated activities: around 75% of EBITDA in 2020 and targeted at 80% in 2025.
- Increasing geographical diversification.
- Prudent approach to external growth through M&A.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

ERGIM 0 1/2 09/11/27

-12

### EBITDA adjusted breakdown (1H21)



### Weaknesses

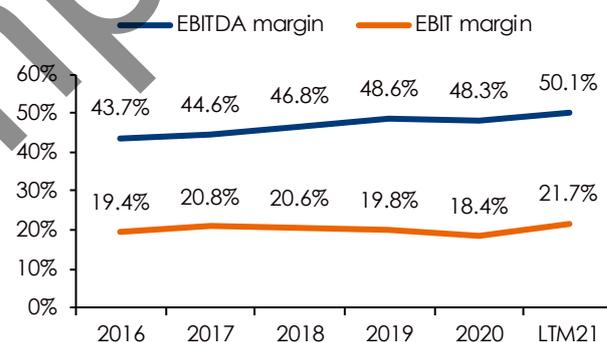
- Sizeable investment plan over 2021-2025, but with limited mandatory capex.
- Exposure to electricity price trends.
- Declining share of incentives in the medium term, assuming unchanged assets portfolio.
- Increasing competition in renewables business.

### Underperformance<sup>1</sup> YTD - Senior Unsecured

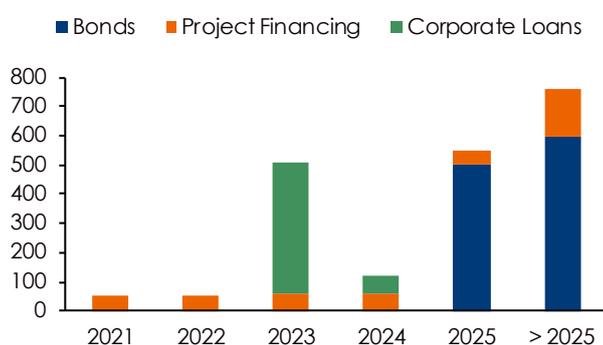
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### Trend in profitability (adjusted data) \*



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x) (adjusted data) \*



\*reported company-adjusted data. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of ERG bonds in Appendix 1 (page 71)

## ERG in Brief

ERG S.p.A. is a producer of energy from renewable sources (wind, solar, hydroelectric and thermoelectric) in Europe. It operates mainly in Italy, France and Germany.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	996	996	0.0	1,000	1,000	0.0	1,000	1,000	0.0
EBITDA	468	484	3.4	265	281	6.0	109	118	8.7
Adjusted EBITDA	480	498	3.7	263	281	6.8	107	121	13.4
EBIT	155	186	20.0	112	143	27.7	32	49	51.4
Adjusted EBIT	183	216	18.0	114	147	28.9	32	54	70.3
Net interest expense	-47	-38	-19.1	-25	-16	-36.0	-12	-8	-31.0
Income (loss) on equity investments	0	0	-50.0	0	0	-100.0	0	0	NM
Profit before tax	137	180	31.5	88	131	48.9	20	46	128.9
Net profit (loss)	107	136	26.9	71	100	40.6	18	35	96.6
Net profit (loss) attributable to the Group	106	136	28.4	70	100	42.9	17	35	110.8

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	329	272	-17.3	234	177	-24.3	91	24	-73.4
Net change in working capital	-8	16	NM	-47	-24	-49.7	-17	-27	57.1
CFO	321	288	-10.4	187	154	-17.9	74	-5	-107.3
Capex	-111	-192	72.7	-42	-123	192.6	-25	-90	NM
FCF	210	95	-54.6	145	30	-79.0	49	-96	NM
Dividends	-115	-114	-0.7	-114	-113	-0.8	-114	-113	-0.8
Discretionary FCF	94	-19	-120.4	31	-83	NM	-65	-209	NM
RCF	-60	-92	55.2	-17	-50	193.1	-68	-176	157.4
Change in equity	0	0	NM	0	0	NM	NA	NA	NA
Change in debt	64	150	134.3	19	105	NM	NA	NA	NA
CFF	64	150	134.3	19	105	NM	NA	NA	NA
RCF + CFF	4	58	NM	2	55	NM	NA	NA	NA
Change in liquidity	2	10	NM	-10	-2	-79.9	NA	NA	NA

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	1,068	1,050	-1.7	1,021	-2.8	1,103	8.1
Property, plant & equipment	2,177	2,159	-0.8	2,145	-0.7	2,290	6.8
Financial and equity investments	53	52	-1.8	49	-7.2	44	-10.3
<b>Total non-current assets</b>	<b>3,471</b>	<b>3,465</b>	<b>-0.2</b>	<b>3,428</b>	<b>-1.1</b>	<b>3,672</b>	<b>7.1</b>
Inventory	23	49	113.8	46	-6.8	42	-8.0
Trade receivables	287	273	-4.8	257	-5.6	302	17.5
Cash and current financial assets	976	740	-24.1	741	0.1	741	-0.1
<b>Total current assets</b>	<b>1,285</b>	<b>1,062</b>	<b>-17.3</b>	<b>1,135</b>	<b>6.9</b>	<b>1,085</b>	<b>-4.4</b>
<b>Total assets</b>	<b>4,756</b>	<b>4,527</b>	<b>-4.8</b>	<b>4,563</b>	<b>0.8</b>	<b>4,757</b>	<b>4.3</b>
Long-term debt	2,055	2,015	-2.0	1,964	-2.5	2,077	5.8
Provisions for risks and charges	139	137	-1.3	138	0.2	141	2.4
<b>Total non-current liabilities</b>	<b>2,501</b>	<b>2,405</b>	<b>-3.9</b>	<b>2,384</b>	<b>-0.9</b>	<b>2,478</b>	<b>4.0</b>
Short-term debt	342	151	-55.9	109	-27.9	297	172.9
Trade payables	62	74	18.9	83	11.5	93	12.9
<b>Total current liabilities</b>	<b>521</b>	<b>355</b>	<b>-32.0</b>	<b>349</b>	<b>-1.4</b>	<b>574</b>	<b>64.2</b>
Minorities	11	10	-15.2	10	-1.7	9	-0.2
Shareholders' equity	1,722	1,758	2.1	1,821	3.6	1,696	-6.8
<b>Total equity</b>	<b>1,734</b>	<b>1,758</b>	<b>1.4</b>	<b>1,830</b>	<b>4.1</b>	<b>1,706</b>	<b>-6.8</b>
<b>Total liabilities and equity</b>	<b>4,756</b>	<b>4,527</b>	<b>-4.8</b>	<b>4,563</b>	<b>0.8</b>	<b>4,757</b>	<b>4.3</b>
<b>Net debt</b>	<b>1,496</b>	<b>1,540</b>	<b>2.9</b>	<b>1,415</b>	<b>-8.1</b>	<b>1,804</b>	<b>27.5</b>
<b>Adjusted net debt</b>	<b>1,421</b>	<b>1,439</b>	<b>1.3</b>	<b>1,316</b>	<b>-8.5</b>	<b>1,692</b>	<b>28.6</b>

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	47.0	48.7	26.5	28.1	10.9	11.8
Adjusted EBITDA margin	48.3	50.1	51.8	53.1	47.5	49.0
EBIT margin	15.6	18.7	11.2	14.3	3.2	4.9
Adjusted EBIT margin	18.4	21.7	22.4	27.8	14.1	21.9
EBITDA/net interest expense (x)	10.2	12.7	10.5	17.6	9.2	15.1
EBIT/net interest expense (x)	3.9	4.9	4.6	9.2	2.7	6.8
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	3.2	3.3	3.0	3.0		3.7
Adjusted Net Debt/Adjusted EBITDA (x)	2.9	3.0	2.7	2.7		3.4
Net debt/FFO	3.6	4.7	4.2	4.2		6.6
Net debt/equity	0.8	0.8	0.7	0.7		1.0

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## EXOR: Credit View NEUTRAL

(Moody's -, Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- 1H21 results improved, with net profit of EUR 0.8Bn (vs a loss of EUR 1.3Bn in 1H20), driven by the recovery in operating performances by EXOR's subsidiaries, which were penalised by pandemic-related effects in 1H20. Net debt improved to EUR 3.1Bn from EUR 3.2Bn at YE20, mainly due to EUR 1.1Bn of dividends received, despite EUR 0.9Bn of investments and EUR 0.1Bn of dividends paid.
- Exor has ample financial flexibility, given EUR 1Bn in total financial assets and EUR 0.4Bn of available committed credit lines at 30.06.21. However, we highlight that Exor is committed to subscribe to its 63.8% share of a EUR 0.4Bn capital increase by Juventus (EUR 255M, of which EUR 75M already paid) and its 50% share of a EUR 0.3Bn capital injection in NOU, a JV created in partnership with WWICL.
- Committed to maintaining the current IG rating, with a loan/value (LTV) below 20%.
- Recommendation recently downgraded to HOLD from BUY, as after the outperformance recorded YTD in 2021, Exor's bonds are currently trading almost in line with the iBoxx Corporate BBB index.

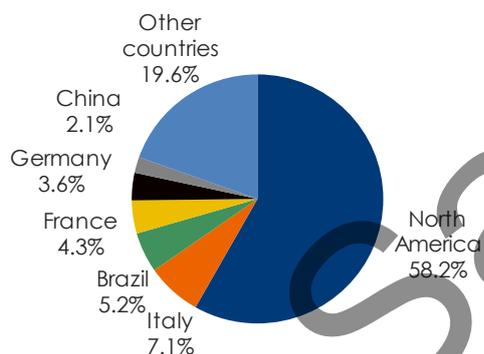
### Strengths

- One of Europe's leading investment companies, 53%-owned by the Agnelli family.
- NAV could benefit from Stellantis' rerating and CNHI's spin-off.
- Operating subsidiaries' debt is non-recourse and not cross-defaulted with Exor's debt.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

EXOIM 1 3/4 10/14/34 -54

### Sales by geographic area (2020)



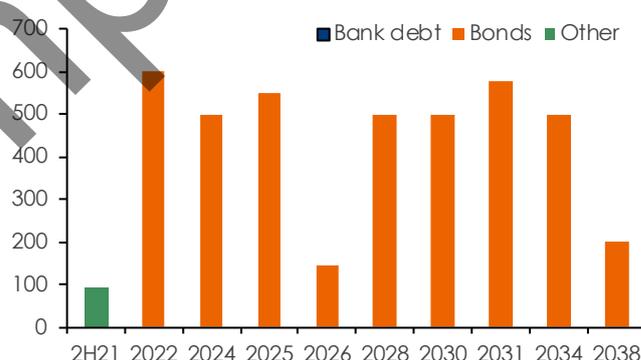
### Weaknesses

- Presence in cyclical and capital-intensive businesses, mitigated by reinsurance business (PRE).
- High exposure to North America.
- M&A risk, but proven track record of disciplined use of capital.
- Equity market volatility could result in LTV above 20%.

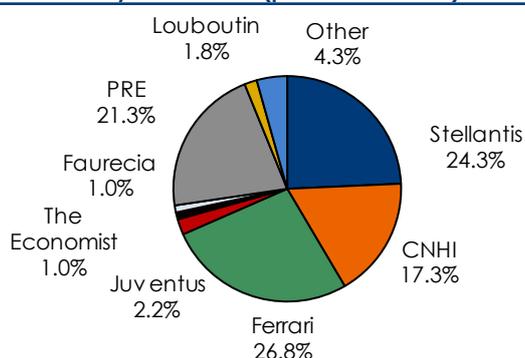
### Underperformance<sup>1</sup> YTD - Senior Unsecured

EXOIM 0 7/8 01/19/31 -21

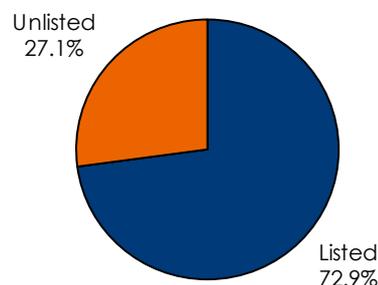
### Holdings' debt repayment schedule (EUR M, 30.06.21)



### Estimated GAV by investments (prices at 22.09.21)



### Estimated GAV by listed investments (prices at 22.09.21)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of EXOR bonds in Appendix 1 (page 71)

## EXOR in Brief

Exor N.V. operates as an investment firm. The company makes medium- to long-term investments focused on global companies in diversified sectors.

### Consolidated income statement - main items

(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
Shares of profit/loss in equity investments	3,033	79	-97.4	2,715	NM	-1,261	1,375	NM
Dividends from investments	0	0	NM	0	NM	0	0	NM
Net gains/losses on disposals and write-downs	0	-31	NM	-23	-25.8	0	8	NM
Net financial charges/income (NFC)	44	-105	NM	-37	-64.8	-87	-19	-78.2
Non-recurring other income/expenses	-1	50	NM	-495	NM	38	-507	NM
Net general expenses and other taxes/duties	-21	-19	-9.5	-19	0.0	-8	-8	0.0
<b>Consolidated profit before income taxes</b>	<b>3,055</b>	<b>-26</b>	<b>-100.9</b>	<b>2,141</b>	<b>NM</b>	<b>-1,318</b>	<b>849</b>	<b>-164.4</b>
<b>Consolidated net profit</b>	<b>3,053</b>	<b>-30</b>	<b>-101.0</b>	<b>2,126</b>	<b>NM</b>	<b>-1,318</b>	<b>838</b>	<b>-163.6</b>

### Consolidated cash flow statement - main items

(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
Dividends received	1,179	94	-92.0	1,100	NM	95	1,101	NM
Investments	-274	-500	82.5	-971	94.2	-391	-862	120.5
Sales/redemption	NA	39	NA	51	30.8	0	12	NM
Reimbursements of reserves	NA	NA	NA	NA	NA	0	0	NM
Dividends distributed	-100	-100	0.0	-100	0.0	-100	-100	0.0
Shares buy-back	-207	-29	-86.0	-29	0.0	0	0	NM
Interest income on FCA's MCB	NA	NA	NA	NA	NA	0	0	NM
Net financial charges	44	-105	NM	-105	0.0	0	0	NM
Net general expenses	-15	-13	-13.3	-13	0.0	0	0	NM
Other	-3	-6	100.0	19	NM	-54	-29	-46.3
<b>Change in NFP</b>	<b>624</b>	<b>-620</b>	<b>NM</b>	<b>-48</b>	<b>-92.3</b>	<b>-450</b>	<b>122</b>	<b>-127.1</b>
Initial NFP	-3,255	-2,631	-19.2	-3,081	17.1	-2,631	-3,251	23.6
<b>Final NFP</b>	<b>-2,631</b>	<b>-3,251</b>	<b>23.6</b>	<b>-3,129</b>	<b>-3.8</b>	<b>-3,081</b>	<b>-3,129</b>	<b>1.6</b>

### Consolidated balance sheet statement - main items

(EUR M)	31.12.19	30.06.20	Chg %	31.12.20	Chg %	30.06.21	Chg %
Equity investments at equity method	17,551	16,271	-7.3	16,099	-1.1	17,437	8.3
Equity investments at fair value	78	241	NM	191	-20.7	663	NM
Other financial assets	NA	NA	NA	NA	NA	NA	NA
<b>Total non-current assets</b>	<b>17,656</b>	<b>16,484</b>	<b>-6.6</b>	<b>16,341</b>	<b>-0.9</b>	<b>18,151</b>	<b>11.1</b>
Cash and current financial assets	789	1,370	73.6	859	-37.3	1,029	19.8
<b>Total current assets</b>	<b>789</b>	<b>1,370</b>	<b>73.6</b>	<b>859</b>	<b>-37.3</b>	<b>1,029</b>	<b>19.8</b>
<b>Total assets</b>	<b>18,445</b>	<b>17,854</b>	<b>-3.2</b>	<b>17,200</b>	<b>-3.7</b>	<b>19,180</b>	<b>11.5</b>
Medium/long-term financial debt	3,391	3,883	14.5	3,855	-0.7	4,064	5.4
Short-term financial debt	29	568	NM	255	-55.1	94	-63.1
<b>Total financial debt</b>	<b>3,420</b>	<b>4,451</b>	<b>30.1</b>	<b>4,110</b>	<b>-7.7</b>	<b>4,158</b>	<b>1.2</b>
<b>Equity</b>	<b>15,025</b>	<b>13,403</b>	<b>-10.8</b>	<b>13,090</b>	<b>-2.3</b>	<b>15,022</b>	<b>14.8</b>
<b>Net financial debt</b>	<b>2,631</b>	<b>3,081</b>	<b>17.1</b>	<b>3,251</b>	<b>5.5</b>	<b>3,129</b>	<b>-3.8</b>
<b>Total liabilities and equity</b>	<b>18,445</b>	<b>17,854</b>	<b>-3.2</b>	<b>17,200</b>	<b>-3.7</b>	<b>19,180</b>	<b>11.5</b>

### Gross asset value and net asset value

(EUR M)	31.12.19	30.06.20	Chg %	31.12.20	Chg %	30.06.21	Chg %
Equity investments	25,746	21,643	-15.9	27,128	25.3	30,031	10.7
Financial investments	NA	NA	NA	NA	NA	NA	NA
Cash and cash equivalents	789	1,370	73.6	859	-37.3	1,029	19.8
Treasury shares	167	151	-9.6	164	8.6	157	-4.3
<b>Gross asset value (GAV)</b>	<b>26,702</b>	<b>23,164</b>	<b>-13.2</b>	<b>28,151</b>	<b>21.5</b>	<b>31,217</b>	<b>10.9</b>
Gross financial debt	3,420	4,451	30.1	4,110	-7.7	4,158	1.2
<b>Net asset value (NAV)</b>	<b>23,282</b>	<b>18,713</b>	<b>-19.6</b>	<b>24,041</b>	<b>28.5</b>	<b>27,059</b>	<b>12.6</b>
Loan-to-value (%)	10.2	14.1	-	11.9	-	10.4	-

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Hera: Credit View POSITIVE

(Moody's Baa2 / Stable , Fitch )

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Positive H1 results, which were better than Bloomberg consensus. The performance was mainly driven by organic growth (+EUR 24.5M) and the recovery from last year's lockdown (+EUR 30M) while M&A contributed EUR 3.5M. Net debt further improved vs year-end 2020, benefitting from strong cash generation, which allowed Hera to recover a solid level of financial flexibility after the deterioration due to the acquisition of Ascopiave's assets, which took place in 2019.
- Outlook 2021. According to management, in H2, the current trend of higher prices for commodities and waste treatment, and the economic recovery phase after the pandemic, will continue to support the company's growth, which will also benefit from the contribution from recent acquisitions in the waste and energy businesses.
- HOLD recommendation confirmed on Hera's bonds in light of current spreads and solid 1H21 results.

### Strengths

- Diversified business mix.
- Predictable and stable cash flows from regulated activities (above 40% of total FY20 EBITDA).
- Positive results in working capital management.
- 2020-2024 BP focuses on regulated activities (74% of total capex devoted to this area).

### Weaknesses

- Margins under pressure in liberalised business: eg, energy sales.
- Expected lower remuneration for regulated activities from 2022 (gas and electricity distribution).
- Exposure to Italy country risk, given entirely domestic operations.

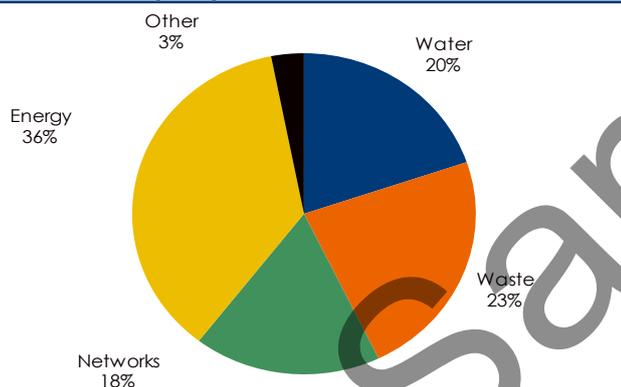
### Outperformer<sup>1</sup> YTD - Senior Unsecured

HERIM 2 3/8 07/04/24 -26

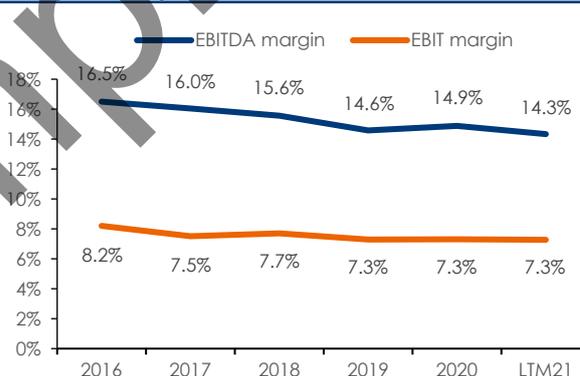
### Underperformance<sup>1</sup> YTD - Senior Unsecured

HERIM 0 1/4 12/03/30 3

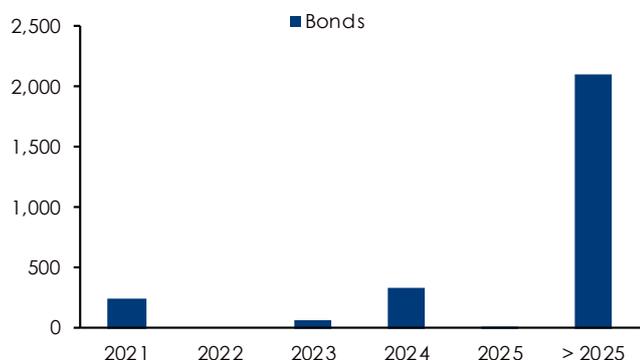
### EBITDA breakdown (1H21)



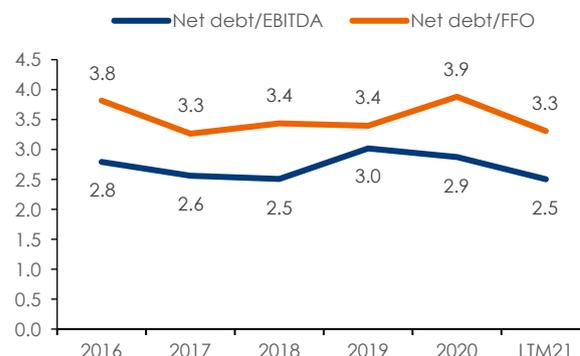
### Trend in profitability



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Hera bonds in Appendix 1 (page 72)

## Hera in Brief

Hera S.p.A. owns municipal utility companies in northern Italy. The company distributes electricity, methane gas and water, operates sewers and treats wastewater, offers district heating, manages public lighting, and collects and disposes of municipal waste.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	7,547	8,242	9.2	3,625	4,320	19.2	1,460	1,947	33.4
EBITDA	1,123	1,181	5.2	560	618	10.4	211	256	21.6
Adjusted EBITDA	NA								
EBIT	551	599	8.7	296	344	16.2	84	121	43.5
Adjusted EBIT	NA								
Net interest expense	-125	-154	23.3	-60	-89	48.6	-28	-57	102.1
Income (loss) on equity investments	8	10	20.7	4	5	45.9	1	2	NM
Profit before tax	435	455	4.7	240	260	8.6	57	66	16.3
Net profit (loss)	323	384	19.0	175	236	35.0	45	96	115.0
Net profit (loss) attributable to the Group	303	353	16.5	166	216	30.0	42	84	100.7

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	832	894	7.5	402	464	15.5	119	171	43.2
Net change in working capital	38	92	142.1	85	139	63.0	202	167	-17.5
CFO	869	985	13.3	487	603	23.8	322	338	5.0
Capex	-506	-550	8.6	-203	-247	21.4	-108	-131	20.6
FCF	363	435	20.0	284	356	25.5	213	207	-2.9
Dividends	-163	-165	0.9	-3	-4	55.6	-3	-4	55.6
Discretionary FCF	200	271	35.5	281	352	25.2	211	203	-3.7
RCF	186	251	34.8	259	324	25.0	227	166	-26.8
Change in equity	-55	-18	-67.9	-22	15	-168.3	-14	26	NM
Change in debt	492	102	-79.3	105	-286	NM	-10	-354	NM
CFF	437	84	-80.8	82	-271	NM	-24	-329	NM
RCF + CFF	623	335	-46.2	342	54	-84.3	203	-163	-180.1
Change in liquidity	623	335	-46.2	342	54	-84.3	203	-163	-180.1

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	4,675	4,737	1.3	4,763	0.5	4,830	1.4
Property, plant & equipment	1,945	1,927	-0.9	1,914	-0.6	1,923	0.4
Financial and equity investments	315	329	4.3	330	0.3	328	-0.7
<b>Total non-current assets</b>	<b>7,222</b>	<b>7,259</b>	<b>0.5</b>	<b>7,265</b>	<b>0.1</b>	<b>7,377</b>	<b>1.6</b>
Inventory	184	172	-6.8	125	-27.2	236	89.0
Trade receivables	1,689	1,972	16.7	2,189	11.0	1,756	-19.8
Cash and current financial assets	578	1,020	76.4	1,228	20.4	1,072	-12.8
<b>Total current assets</b>	<b>3,014</b>	<b>3,776</b>	<b>25.3</b>	<b>4,177</b>	<b>10.6</b>	<b>3,984</b>	<b>-4.6</b>
<b>Total assets</b>	<b>10,236</b>	<b>11,035</b>	<b>7.8</b>	<b>11,442</b>	<b>3.7</b>	<b>11,361</b>	<b>-0.7</b>
Long-term debt	3,522	3,752	6.5	3,706	-1.2	3,585	-3.3
Provisions for risks and charges	527	538	2.2	543	0.9	555	2.2
<b>Total non-current liabilities</b>	<b>4,315</b>	<b>4,548</b>	<b>5.4</b>	<b>4,505</b>	<b>-0.9</b>	<b>4,404</b>	<b>-2.3</b>
Short-term debt	486	637	31.0	737	15.6	575	-22.0
Trade payables	1,128	1,498	32.8	1,464	-2.2	1,300	-11.2
<b>Total current liabilities</b>	<b>2,855</b>	<b>3,332</b>	<b>16.7</b>	<b>3,634</b>	<b>9.1</b>	<b>3,657</b>	<b>0.6</b>
Minorities	188	195	3.3	203	4.1	197	-2.8
Shareholders' equity	2,878	2,961	2.9	3,100	4.7	3,104	0.1
<b>Total equity</b>	<b>3,067</b>	<b>3,155</b>	<b>2.9</b>	<b>3,303</b>	<b>4.7</b>	<b>3,301</b>	<b>-0.1</b>
<b>Total liabilities and equity</b>	<b>10,236</b>	<b>11,035</b>	<b>7.8</b>	<b>11,442</b>	<b>3.7</b>	<b>11,361</b>	<b>-0.7</b>
Net debt	3,285	3,227	-1.8	3,078	-4.6	2,957	-3.9
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	14.9	14.3	15.4	14.3	14.4	13.1
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	7.3	7.3	8.2	8.0	5.8	6.2
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	9.0	7.7	9.3	6.9	7.5	4.5
EBIT/net interest expense (x)	4.4	3.9	4.9	3.9	3.0	2.1
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	3.0	2.9	2.7	2.5		
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-		
Net debt/FFO	3.6	3.9	3.7	3.3		
Net debt/equity	1.1	1.0	0.9	0.9		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## IGT: Credit View NEUTRAL

(Moody's Ba3 / Stable , Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	BUY	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 results improved significantly yoy, fuelled by the strong growth in Global Lottery, the progressive recovery in land-based gaming, stronger digital and betting activities, cost savings and a USD 0.4Bn capital gain. Net debt declined by 11% qoq, to USD 6.3Bn, and leverage from continuous operations improved to 4.3x from 5.4x (6.4x at YE20), due to the cash-in of USD 750M of proceeds from the sale of the Italian B2C gaming business (EUR 950M total) and USD 0.2Bn in FCF (+62% yoy).
- 2021 guidance was improved, implying FY21 revenues of approx USD 4Bn (+30% vs 2020, almost in line with 2019PF) and operating income of around USD 0.8Bn (USD -0.1Bn in 2020 and USD 0.5Bn in 2019PF), with the margin up to around 20% from 12% in 2019.
- Ratings upgrade potential in case of a continued recovery in operating performance, with leverage sustained below 4.5x.
- BUY IGT's bonds in view of the company's commitment to restoring pre-pandemic ratings. Investor Day planned for 16 November.

### Strengths

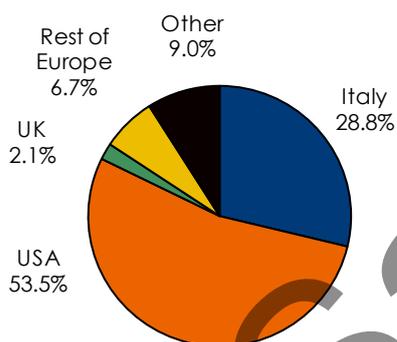
- Global leader in lottery and gaming equipment.
- Well-established government relationship, high level of contract retention, and high entry barriers. Approximately 85% of the company's sales are recurring in nature.

### Outperformer<sup>1</sup> YTD - Senior Secured

IGT 3 1/2 07/15/24

-87

### Sales by geographic area (2020)



### Weaknesses

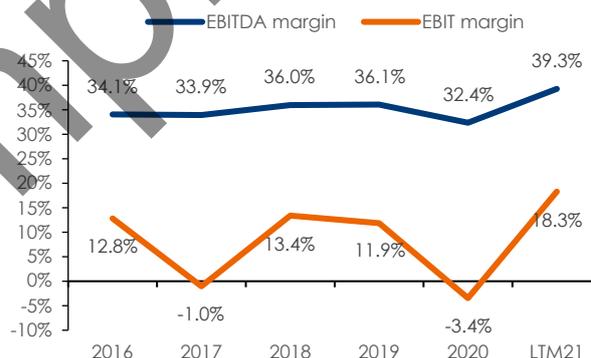
- Global Gaming affected by COVID-19-related restrictions.
- Some profit concentration in Italy, though declining after the sale of B2C gaming activities in 2Q21.
- Weak VLT replacement cycle in the US.

### Underperformance<sup>1</sup> YTD - Senior Secured

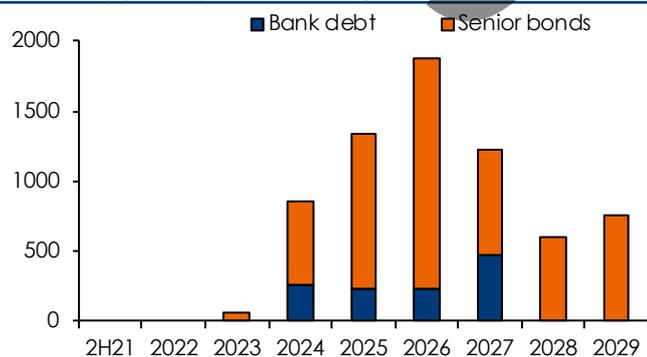
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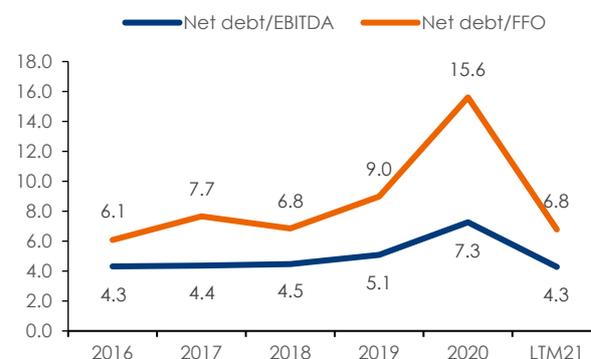
### Trend in profitability



### Debt maturity profile (USD M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of IGT bonds in Appendix 1 (page 76)

## IGT in Brief

International Game Technology PLC designs, develops, manufactures and distributes computerised gaming equipment, software and network systems. The company also provides maintenance services.

<b>Consolidated income statement - main items</b>									
(USD M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	3,115	3,756	20.6	1,414	2,055	45.3	600	1,041	73.5
EBITDA	1,008	1,475	46.3	425	892	109.9	164	442	169.5
Adjusted EBITDA	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBIT	-107	687	NM	-291	504	NM	-72	244	NM
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-398	-387	-2.8	-196	-185	-5.7	-96	-91	-5.2
Income (loss) on equity investments	NA	NA	NA	NA	NA	NA	NA	NA	NA
Profit before tax	-848	-48	-94.4	-520	280	-153.8	-270	-7	-97.4
Net profit (loss)	-839	192	-122.9	-517	514	NM	-282	365	NM
Net profit (loss) attributable to the Group	-898	27	-103.0	-528	397	-175.2	-280	306	NM
<b>Consolidated cash flow statement - main items</b>									
(USD M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	469	931	98.5	157	619	NM	22	306	NM
Net change in working capital	126	11	-91.4	-4	-119	NM	105	-57	-154.3
CFO	866	1,010	16.6	325	469	44.3	167	254	52.1
Capex	-255	-236	-7.5	-140	-121	-13.6	-55	-73	32.7
FCF	611	774	26.7	185	348	88.1	112	181	61.6
Dividends	-41	0	-100.0	-41	0	-100.0	0	0	NM
Discretionary FCF	570	774	35.8	144	348	141.5	112	181	61.6
RCF	556	1,510	171.5	140	1,094	NM	105	931	NM
Change in equity	-161	-211	31.1	-89	-139	56.2	-75	-69	-8.0
Change in debt	-236	-2,065	NM	576	-1,253	NM	-139	-1,022	NM
CFF	-397	-2,276	NM	487	-1,392	NM	-214	-1,091	NM
RCF + CFF	159	-766	NM	627	-298	-147.5	-109	-160	46.8
Change in liquidity	235	-711	NM	635	-311	-149.0	-91	-137	50.5
<b>Consolidated balance sheet - main items</b>									
(USD M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %		
Intangible assets	6,861	6,291	-8.3	6,210	-1.3	6,187	-0.4		
Property, plant & equipment	1,642	1,488	-9.4	1,420	-4.6	1,385	-2.5		
Financial and equity investments	NA	NA	NA	NA	NA	NA	NA		
<b>Total non-current assets</b>	<b>10,283</b>	<b>9,552</b>	<b>-7.1</b>	<b>9,252</b>	<b>-3.1</b>	<b>9,300</b>	<b>0.5</b>		
Inventory	183	169	-7.6	167	-1.3	167	0.0		
Trade receivables	828	846	2.1	912	7.8	974	6.8		
Cash and current financial assets	943	907	-3.9	748	-17.5	639	-14.6		
<b>Total current assets</b>	<b>2,708</b>	<b>3,440</b>	<b>27.0</b>	<b>3,308</b>	<b>-3.8</b>	<b>2,591</b>	<b>-21.7</b>		
<b>Total assets</b>	<b>12,991</b>	<b>12,992</b>	<b>0.0</b>	<b>12,560</b>	<b>-3.3</b>	<b>11,891</b>	<b>-5.3</b>		
Long-term debt	8,128	8,123	-0.1	7,697	-5.2	7,213	-6.3		
Provisions for risks and charges	NA	NA	NA	NA	NA	NA	NA		
<b>Total non-current liabilities</b>	<b>8,773</b>	<b>8,816</b>	<b>0.5</b>	<b>8,457</b>	<b>-4.1</b>	<b>7,940</b>	<b>-6.1</b>		
Short-term debt	375	393	4.9	375	-4.6	NA	NA		
Trade payables	1,117	1,126	0.8	1,201	6.7	1,113	-7.3		
<b>Total current liabilities</b>	<b>2,498</b>	<b>2,615</b>	<b>4.7</b>	<b>2,554</b>	<b>-2.3</b>	<b>2,021</b>	<b>-20.9</b>		
Minorities	NA	784	NA	714	-9.0	714	0.0		
Shareholders' equity	NA	777	NA	835	7.5	1,216	45.6		
<b>Total equity</b>	<b>1,721</b>	<b>1,561</b>	<b>-9.3</b>	<b>1,549</b>	<b>-0.8</b>	<b>1,930</b>	<b>24.6</b>		
<b>Total liabilities and equity</b>	<b>12,991</b>	<b>12,992</b>	<b>0.0</b>	<b>12,560</b>	<b>-3.3</b>	<b>11,891</b>	<b>-5.3</b>		
Net debt	7,253	7,319	0.9	7,069	-3.4	6,312	-10.7		
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA		
<b>Key consolidated economic data - financial indicators</b>									
Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21			
EBITDA margin	32.4	39.3	30.1	43.4	27.3	42.5			
Adjusted EBITDA margin	-	-	-	-	-	-			
EBIT margin	-3.4	18.3	-20.6	24.5	-12.0	23.4			
Adjusted EBIT margin	-	-	-	-	-	-			
EBITDA/net interest expense (x)	2.5	3.8	2.2	4.8	1.7	4.9			
EBIT/net interest expense (x)	-0.3	1.8	-1.5	2.7	-0.8	2.7			
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21					
Net debt/EBITDA	5.7	7.3	5.9	4.3					
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-					
Net debt/FFO	14.5	15.6	10.9	6.8					
Net debt/equity	4.2	4.7	4.6	3.3					

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Iren: Credit View NEUTRAL

(Moody's -, Fitch BBB /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	BUY	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Positive H1, with EBITDA in line with Bloomberg consensus. The performance was driven by both organic growth and M&A. Negative impacts related to COVID-19 were limited to -EUR 6M. Iren slightly improved its 2021 EBITDA guidance (by roughly 2%), mainly reflecting a better and more visible energy scenario.
- Outlook 2021. Iren expects the pandemic to have impacts of EUR 10M on EBITDA, c.EUR 40M on working capital (EUR 60M in 2020), and c.EUR 10M in terms of credit losses. Based on these assumptions, Iren's 2021 guidance envisages: i) EBITDA of c.EUR 990M vs the previous EUR 970-980M; ii) capex of c.EUR 800M; and iii) a net debt/EBITDA ratio of c. 3.3x vs the previous 3.3-3.4x.
- BUY recommendation on Iren's bonds in light of current wider spreads compared to other Italian multi-utilities.

### Strengths

- One of the largest local multi-utilities in Italy; among the leading players in district heating and waste and water services.
- High contribution from regulated (c.45% of EBITDA) and quasi-regulated (c.26% of EBITDA) activities.

### Weaknesses

- Higher capex and external growth expected to weigh on cash generation in the short/medium term.
- Expected lower remuneration for regulated activities from 2022 (gas and electricity distribution).
- Exposure to Italy country risk, given entirely domestic operations.

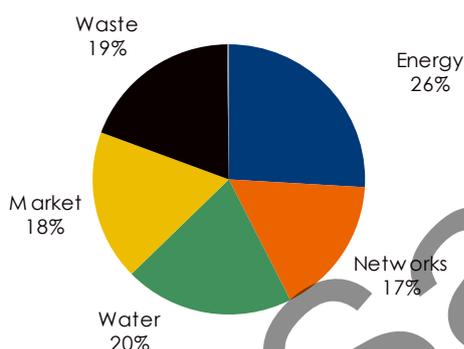
### Outperformer<sup>1</sup> YTD - Senior Unsecured

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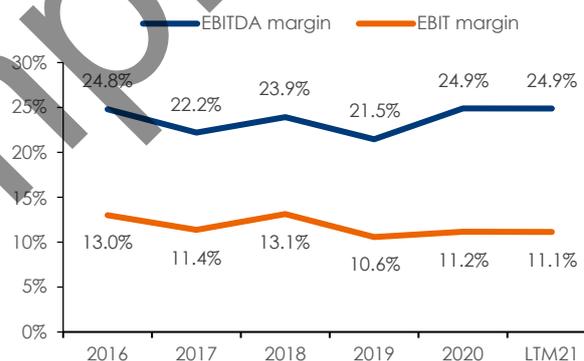
### Underperformance<sup>1</sup> YTD - Senior Unsecured

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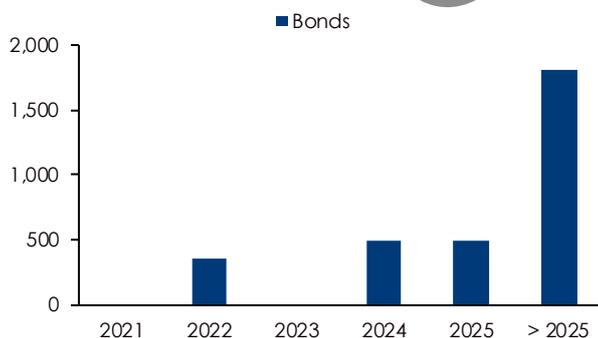
### EBITDA breakdown (1H21)



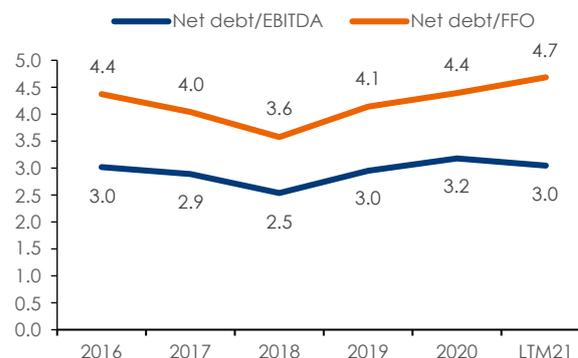
### Trend in profitability



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Iren bonds in Appendix 1 (page 72)

## Iren in Brief

Iren S.p.A. generates, distributes and sells electricity and district heating. The company manages natural gas distribution networks, markets and sells natural gas and electricity, and manages water services.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	3,725	3,905	4.8	1,826	2,005	9.8	749	865	15.5
EBITDA	927	972	4.8	473	517	9.3	199	205	2.9
Adjusted EBITDA	907	NA	NA	NA	NA	NA	NA	NA	NA
EBIT	416	435	4.6	232	251	8.2	86	67	-22.6
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-55	-40	-28.5	-30	-15	-51.8	-12	-11	-11.6
Income (loss) on equity investments	7	8	17.3	5	6	22.0	5	6	29.7
Profit before tax	365	401	9.9	207	243	17.5	80	63	-21.2
Net profit (loss)	265	328	23.7	146	209	43.2	56	81	43.7
Net profit (loss) attributable to the Group	235	296	25.7	133	193	45.6	49	73	48.3

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	671	632	-5.9	475	435	-8.3	187	129	-31.1
Net change in working capital	73	253	NM	-220	-40	-81.7	-2	90	NM
CFO	744	885	18.9	254	395	55.2	184	218	18.4
Capex	-685	-712	3.9	-254	-281	10.5	-124	-159	27.7
FCF	59	173	192.9	0	114	NM	60	60	-0.9
Dividends	-149	-156	4.7	-140	-147	5.0	-140	-143	2.2
Discretionary FCF	-90	17	-118.6	-140	-33	-76.2	-80	-84	4.6
RCF	-225	-452	101.2	169	-58	-134.1	-20	-82	NM
Change in equity	0	7	NM	-11	-4	-62.0	-9	0	-100.0
Change in debt	769	787	2.4	-126	-107	-14.5	-119	-86	-27.8
CFF	769	794	3.2	-136	-111	-18.2	-128	-86	-33.1
RCF + CFF	544	343	-37.0	32	-169	NM	-148	-168	13.2
Change in liquidity	544	343	-37.0	32	-169	NM	-148	-168	13.2

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	2,404	2,569	6.9	2,621	2.1	2,576	-1.7
Property, plant & equipment	3,675	3,835	4.3	3,847	0.3	3,868	0.6
Financial and equity investments	153	178	15.9	176	-0.7	180	2.1
<b>Total non-current assets</b>	<b>6,859</b>	<b>7,299</b>	<b>6.4</b>	<b>7,400</b>	<b>1.4</b>	<b>7,380</b>	<b>-0.3</b>
Inventory	74	67	-9.5	55	-17.2	84	52.5
Trade receivables	769	876	13.9	1,009	15.2	791	-21.6
Cash and current financial assets	940	986	4.9	981	-0.4	862	-12.2
<b>Total current assets</b>	<b>2,151</b>	<b>2,254</b>	<b>4.8</b>	<b>2,380</b>	<b>5.6</b>	<b>2,038</b>	<b>-14.4</b>
<b>Total assets</b>	<b>9,012</b>	<b>9,554</b>	<b>6.0</b>	<b>9,781</b>	<b>2.4</b>	<b>9,419</b>	<b>-3.7</b>
Long-term debt	3,543	3,825	8.0	3,819	-0.2	3,747	-1.9
Provisions for risks and charges	383	405	5.9	406	0.2	407	0.3
<b>Total non-current liabilities</b>	<b>4,709</b>	<b>5,031</b>	<b>6.8</b>	<b>5,027</b>	<b>-0.1</b>	<b>4,931</b>	<b>-1.9</b>
Short-term debt	464	275	-40.7	283	2.9	274	-3.1
Trade payables	691	978	41.5	919	-6.0	846	-8.0
<b>Total current liabilities</b>	<b>1,632</b>	<b>1,760</b>	<b>7.8</b>	<b>1,859</b>	<b>5.7</b>	<b>1,644</b>	<b>-11.6</b>
Minorities	359	372	3.7	381	2.4	361	-5.4
Shareholders' equity	2,312	2,391	3.4	2,514	5.1	2,483	-1.2
<b>Total equity</b>	<b>2,672</b>	<b>2,764</b>	<b>3.4</b>	<b>2,895</b>	<b>4.7</b>	<b>2,843</b>	<b>-1.8</b>
<b>Total liabilities and equity</b>	<b>9,012</b>	<b>9,554</b>	<b>6.0</b>	<b>9,781</b>	<b>2.4</b>	<b>9,419</b>	<b>-3.7</b>
Net debt	2,915	2,948	1.1	2,915	-1.1	2,959	1.5
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	24.9	24.9	25.9	25.8	21.4	21.4
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	11.2	11.1	12.7	12.5	11.5	11.5
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	16.8	24.6	15.6	35.3	17.1	17.1
EBIT/net interest expense (x)	7.5	11.0	7.6	17.2	9.2	9.2
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	3.3	3.2	3.0	3.0		
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-		
Net debt/FFO	4.0	4.4	4.2	4.7		
Net debt/equity	1.1	1.1	0.9	1.0		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Italgas: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch BBB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Italgas reported positive 1H21 results, in line with Bloomberg consensus. Cost efficiencies were confirmed as a key driver of the first-half results. Net debt was overall in line with year-end 2020, benefitting from positive seasonality on working capital. The company confirmed its full-year 2021 guidance.
- Recently presented 2021-2027 BP envisages total capex of EUR 7.9Bn, with EUR 2Bn for gas tenders. For 2021, Italgas targets revenues of above EUR 1.35Bn, EBITDA of around EUR 1Bn, EBIT of EUR 560-580M, and capex in a range of EUR 850-900M. Net debt is seen at around EUR 5Bn, with a net debt/RAB ratio of around 61%. These targets do not include any figures related to the DEPA Infrastructure acquisition.
- As for other Italian regulated companies, we consider the ongoing regulatory review to be one of the main current catalysts for Italgas. The Italian regulator, ARERA, is set to publish a second consultation paper by end-October, and the final version in December.

### Strengths

- Largest gas distributor in Italy (c.35% market share in terms of redelivery points).
- Regulated businesses account for above 90% of total revenues and are not exposed to changes in demand volumes.
- Solid financial position and low cost of debt (c.1%).

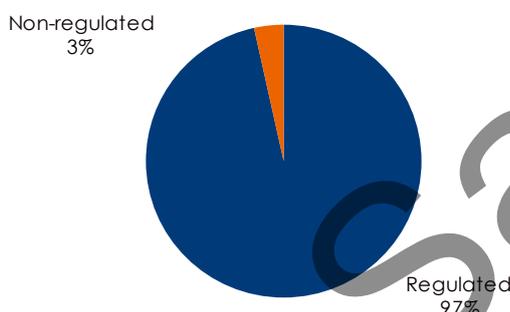
### Weaknesses

- Expected lower remuneration for regulated activities from 2022.
- Gas concession retendering process and M&A could stretch financial flexibility.
- Uncertainty about gas concession retendering process development.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

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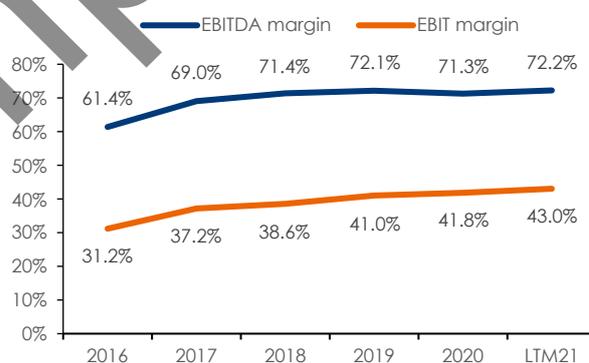
### Sales breakdown (1H21)



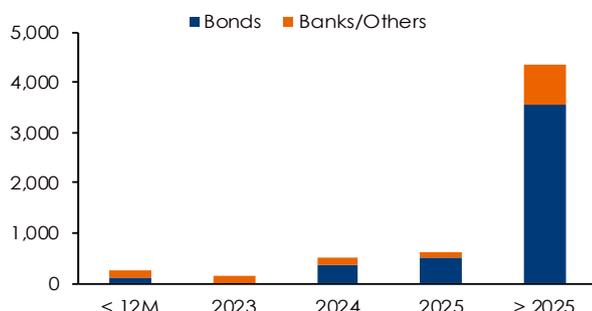
### Underperformance<sup>1</sup> YTD - Senior Unsecured

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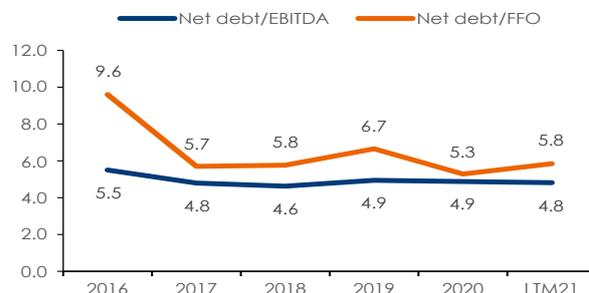
### Trend in profitability



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Italgas bonds in Appendix 1 (page 72)

## Italgas In Brief

Italgas S.p.A. provides gas distribution services. The company offers delivery point management, pressure reduction plants, withdrawal cabins, fault reporting, and laboratory testing services. Italgas conducts its business entirely in Italy.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	1,442	1,461	1.3	647	665	2.9	320	332	3.9
EBITDA	1,028	1,055	2.7	462	489	5.9	235	255	8.4
Adjusted EBITDA	971	999	2.8	462	489	5.9	462	489	5.9
EBIT	603	629	4.2	254	279	10.0	131	150	14.6
Adjusted EBIT	547	572	4.6	254	279	10.0	254	279	10.0
Net interest expense	-49	-55	11.0	-26	-32	20.5	-13	-12	-9.2
Income (loss) on equity investments	2	2	6.7	1	1	10.0	0	1	NM
Profit before tax	556	576	3.6	229	249	8.8	118	138	17.5
Net profit (loss)	404	420	4.0	164	180	10.0	83	99	19.6
Net profit (loss) attributable to the Group	383	400	4.4	154	171	11.0	79	95	20.1

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	896	823	-8.2	397	323	-18.6	189	109	-42.2
Net change in working capital	-133	93	-170.0	4	230	NM	39	135	NM
CFO	764	916	19.9	401	553	38.0	228	244	7.2
Capex	-749	-807	7.8	-355	-413	16.4	-147	-210	43.4
FCF	15	109	NM	46	140	NM	82	34	-57.9
Dividends	-221	-234	6.1	-206	-219	6.5	-206	-219	6.5
Discretionary FCF	-206	-126	-39.0	-159	-79	-50.5	-124	-185	48.7
RCF	-245	-122	-50.2	-216	-93	-57.1	-168	-214	27.5
Change in equity	0	0	NM	0	0	NM	NA	NA	NA
Change in debt	647	464	-28.3	297	114	-61.7	NA	NA	NA
CFF	647	464	-28.3	297	114	-61.7	NA	NA	NA
RCF + CFF	402	342	-15.0	81	21	-74.2	NA	NA	NA
Change in liquidity	402	342	-15.0	81	21	-74.2	NA	NA	NA

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	6,405	7,060	10.2	6,614	-6.3	7,246	9.6
Property, plant & equipment	357	370	3.7	368	-0.6	375	1.9
Financial and equity investments	34	34	1.4	34	-0.5	34	-0.8
<b>Total non-current assets</b>	<b>NA</b>	<b>7,635</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>7,834</b>	<b>NA</b>
Inventory	97	101	4.9	108	6.7	115	6.1
Trade receivables	292	635	117.8	NA	NA	377	NA
Cash and current financial assets	NA	669	NA	897	34.1	690	-23.1
<b>Total current assets</b>	<b>NA</b>	<b>1,494</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>1,259</b>	<b>NA</b>
<b>Total assets</b>	<b>NA</b>	<b>9,129</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>9,095</b>	<b>NA</b>
Long-term debt	NA	4,707	NA	NA	NA	5,301	NA
Provisions for risks and charges	160	203	26.5	200	-1.5	186	-7.0
<b>Total non-current liabilities</b>	<b>NA</b>	<b>5,637</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>6,185</b>	<b>NA</b>
Short-term debt	NA	698	NA	NA	NA	196	NA
Trade payables	238	768	NM	NA	NA	772	NA
<b>Total current liabilities</b>	<b>NA</b>	<b>1,511</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>985</b>	<b>NA</b>
Minorities	234	240	2.6	NA	NA	228	NA
Shareholders' equity	1,605	1,741	8.5	NA	NA	1,691	NA
<b>Total equity</b>	<b>1,839</b>	<b>1,981</b>	<b>7.7</b>	<b>2,062</b>	<b>4.1</b>	<b>1,919</b>	<b>-6.9</b>
<b>Total liabilities and equity</b>	<b>NA</b>	<b>9,129</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>9,095</b>	<b>NA</b>
Net debt	4,841	4,737	-2.2	4,618	-2.5	4,807	4.1
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	71.3	72.2	71.4	73.5	73.5	76.7
Adjusted EBITDA margin	-	68.4	-	-	-	-
EBIT margin	41.8	43.0	39.3	42.0	40.8	45.0
Adjusted EBIT margin	-	39.2	-	-	-	-
EBITDA/net interest expense (x)	20.9	19.3	17.5	15.4	18.1	21.6
EBIT/net interest expense (x)	12.3	11.5	9.6	8.8	10.0	12.7
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21	30.06.21	30.06.21
Net debt/EBITDA	5.0	4.9	4.7	4.8	4.8	4.8
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-	-	-
Net debt/FFO	6.7	5.3	5.1	5.8	5.8	5.8
Net debt/equity	2.6	2.4	2.2	2.5	2.5	2.5

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Kedrion: Credit View NEUTRAL

(Moody's B1 / Stable , Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	HOLD	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 revenues contracted 16% yoy to EUR 144M reflecting lower plasma sales due to reduced collection volumes and the shift in the mix yoy. EBITDA shrank 42%, affected by negative forex effects and Covid-related costs. Net debt was EUR 30M higher vs YE20 and EUR 63M higher vs 1Q21, pushing LTM leverage up to 7.4x from 6.2x at YE20 and from 5.6x at 1Q21. Adjusted LTM leverage stood at 3.9x, up from 3.7x at YE20 and 3.3x at 1Q21.
- Guidance. Kedrion does not provide formal guidance.
- Rating. We do not anticipate any rating actions over the short term.
- Our HOLD recommendation reflects recent refinancing transactions, and the potential for a shift in the mix back toward plasma sales as plasma collection normalizes post pandemic. We currently see limited potential for meaningful relative outperformance.

### Strengths

- Potential for EBITDA improvement and margin enhancement over the medium term from a planned expansion of owned collection centres in the US and resulting vertical integration.
- Closure of the issues related to the costly refit of the Melville facility in the US, which had acted as a material drag over previous years.
- Working on developing potential therapies for Covid-19 from convalescent plasma.
- Relatively counter-cyclical demand dynamics given the nature of the business.
- After recent refinancing transactions, refinancing risk has been materially pushed back.

### Weaknesses

- Kedrion ranks as a small, fourth player, in an Industry that is highly concentrated among the top three players.
- Social distancing measures have been affecting plasma availability.
- EBITDA have been supported by collection centre disposals over recent years. Any future absence of these proceeds would need to be mitigated by lower non-recurring costs and higher margins.
- Highly working capital-intensive which can result in notable working capital swings.
- Plasma prices tend to be volatile, with the pandemic influencing supply dynamics.

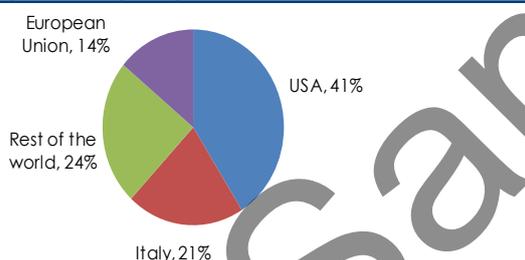
### Outperformer<sup>1</sup> YTD - Senior Secured

KEDRIM 3 07/12/22 -222

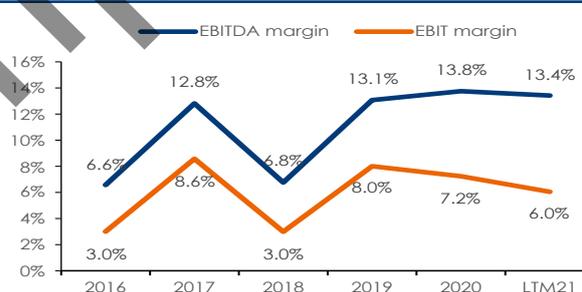
### Underperformance<sup>1</sup> YTD - Senior Secured

KEDRIM 3 3/8 05/15/26 -3

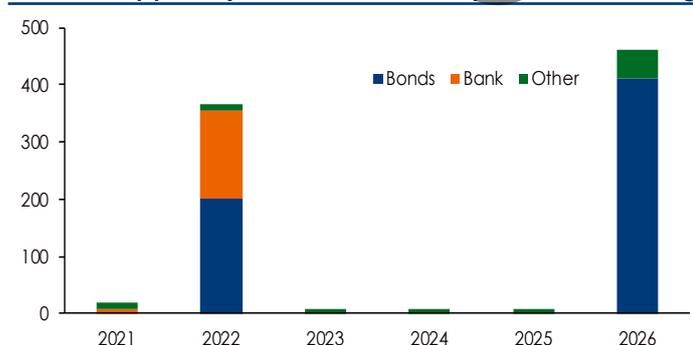
### Sales by geographic area (1H21)



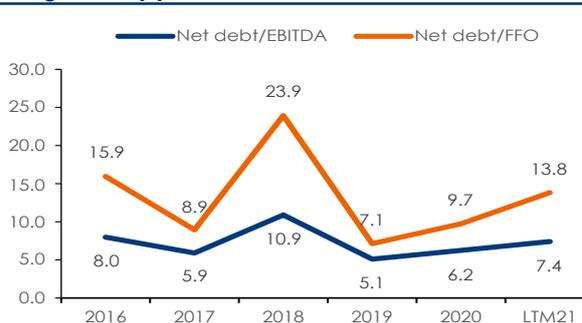
### Trend in profitability



### Debt maturity profile (EUR M, YE20, estimates prof. 2021 refinancing)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Kedrion bonds in Appendix 1 (page 74, 76)

## Kedrion In Brief

Kedrion S.p.A. develops and distributes plasma and plasma-derived medicinal products, and markets these internationally.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	697	627	-10.0	337	267	-20.8	171	144	-16.0
EBITDA	96	84	-12.2	58	46	-20.1	39	23	-42.3
Adjusted EBITDA	160	160	-0.1	74	74	-0.1	50	40	-19.8
EBIT	50	38	-24.8	37	24	-34.1	29	12	-59.2
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-23	-13	-43.2	-24	-14	-42.1	-10	-16	54.9
Income (loss) on equity investments	NA	NA	NA	0	NA	NM	NA	NA	NA
Profit before tax	-3	-6	78.2	13	11	-20.0	19	-4	-121.3
Net profit (loss)	6	2	-59.7	11	7	-33.7	14	-1	-110.3
Net profit (loss) attributable to the Group	5	1	-84.0	12	8	-36.8	15	-1	-110.0

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	62	45	-26.7	49	33	-33.5	36	15	-59.8
Net change in working capital	11	14	23.7	-52	-50	-5.0	-31	-62	103.0
CFO	73	59	-19.1	-3	-17	NM	5	-48	NM
Capex	-69	-73	4.8	-20	-24	16.6	0	-13	NM
FCF	3	-14	NM	-24	-41	73.1	6	-61	NM
Dividends	-3	-11	NM	-1	-9	NM	-1	0	-100.0
Discretionary FCF	-0	-25	NM	-24	-49	104.2	5	-61	NM
RCF	-30	-35	14.9	-35	-39	13.0	-12	-102	NM
Change in equity	1	NA	NA	NA	NA	NA	0	0	NM
Change in debt	5	133	NM	2	130	NM	NA	NA	NA
CFF	10	32	NM	-9	13	NM	-16	24	NM
RCF + CFF	-21	-3	-83.3	-44	-27	-39.6	-28	-79	180.3
Change in liquidity	-21	-5	-77.8	-43	-27	-37.4	-28	-79	180.3

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	NA	376	NA	386	2.9	366	-5.3
Property, plant & equipment	NA	299	NA	303	1.6	307	1.0
Financial and equity investments	NA	0	NA	0	-100.0	0	NM
<b>Total non-current assets</b>	<b>NA</b>	<b>784</b>	<b>NA</b>	<b>787</b>	<b>0.3</b>	<b>774</b>	<b>-1.6</b>
Inventory	NA	284	NA	301	5.9	305	1.6
Trade receivables	NA	194	NA	123	-36.6	126	2.6
Cash and current financial assets	NA	101	NA	152	51.4	74	-51.7
<b>Total current assets</b>	<b>NA</b>	<b>601</b>	<b>NA</b>	<b>614</b>	<b>2.2</b>	<b>573</b>	<b>-6.7</b>
<b>Total assets</b>	<b>NA</b>	<b>1,385</b>	<b>NA</b>	<b>1,400</b>	<b>1.1</b>	<b>1,347</b>	<b>-3.8</b>
Long-term debt	NA	593	NA	557	-6.1	693	24.5
Provisions for risks and charges	NA	NA	NA	NA	NA	NA	NA
<b>Total non-current liabilities</b>	<b>NA</b>	<b>599</b>	<b>NA</b>	<b>562</b>	<b>-6.1</b>	<b>699</b>	<b>24.3</b>
Short-term debt	NA	122	NA	172	41.1	20	-88.2
Trade payables	NA	150	NA	113	-24.5	115	1.6
<b>Total current liabilities</b>	<b>NA</b>	<b>324</b>	<b>NA</b>	<b>359</b>	<b>10.8</b>	<b>179</b>	<b>-50.2</b>
Minorities	NA	4	NA	4	-2.2	4	-2.9
Shareholders' equity	NA	458	NA	475	3.7	465	-2.1
<b>Total equity</b>	<b>NA</b>	<b>462</b>	<b>NA</b>	<b>479</b>	<b>3.7</b>	<b>469</b>	<b>-2.1</b>
<b>Total liabilities and equity</b>	<b>NA</b>	<b>1,385</b>	<b>NA</b>	<b>1,400</b>	<b>1.1</b>	<b>1,347</b>	<b>-3.8</b>
Net debt	NA	599	NA	566	-5.5	623	10.1
Adjusted net debt	NA	607	NA	574	-5.4	637	10.9

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	13.8	13.4	17.3	17.4	22.8	15.6
Adjusted EBITDA margin	23.0	25.5	22.1	27.9	28.9	27.6
EBIT margin	7.2	6.0	10.9	9.1	16.8	8.1
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	4.2	6.5	2.5	3.4	3.9	1.4
EBIT/net interest expense (x)	2.2	2.9	1.6	1.8	2.8	0.7
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	-	6.2	5.6	7.4		
Adjusted Net Debt/Adjusted EBITDA (x)	-	3.8	3.4	3.9		
Net debt/FFO	-	9.7	8.5	13.8		
Net debt/equity	-	1.3	1.2	1.3		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Leonardo: Credit View NEUTRAL

(Moody's Ba1 / Stable , Fitch BBB- /Negative)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	HOLD	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 results were solid (above company-provided consensus), with ROS improving to 8.6% from 7.6% in 2Q20, supported by robust military and governmental business, partly offset by persistent weakness in civil markets. Net debt decreased by 1% qoq, to EUR 4.6Bn, after a turnaround in FOCF driven by lower NWC outflow, with leverage down qoq to 3x from 3.1x at YE20.
- 2021 guidance confirmed, pointing to a slight recovery in credit metrics vs 2020 (ROS up to around 7.8% from 7% in 2020 and leverage down to c.2x from 2.3x at YE20), though still below 2019 pre-pandemic levels, due to continued weakness expected in Aerostructures and GIE-ATR. In April, Leonardo acquired a 25.1% stake in the German company Hensoldt for EUR 606M (closing by YE21), a leading European sensor producer. Leonardo plans to fund this acquisition via asset disposals to maintain a solid capital structure.
- The rating is at risk of downgrade by Fitch in case of failure to achieve a deleveraging trend in line with the agency's expectations.
- HOLD recommendation confirmed as Leonardo's bonds risk losing ECB CSPP eligibility in case of Fitch's rating downgrade to HY.

### Strengths

- Among the top 10 global A&D players.
- High geographic diversification, with a strong presence in the US defence market.
- Committed to regaining an IG rating.

### Weaknesses

- Civil aeronautics still impacted by COVID-19-related market downturn.
- Weak FOCF expected in 2021 (EUR 100M), due to heavy cash absorption by Aerostructures (approx EUR 300-400M).

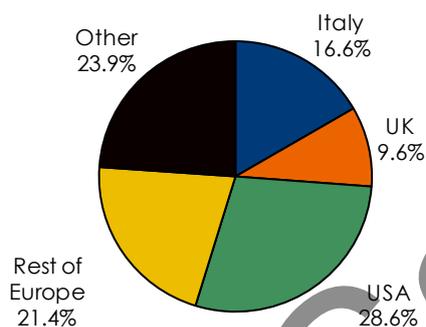
### Outperformer<sup>1</sup> YTD - Senior Unsecured

LDOIM 4 7/8 03/24/25 -78

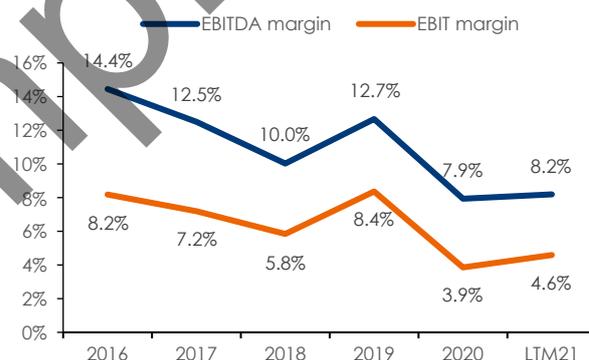
### Underperformance<sup>1</sup> YTD - Senior Unsecured

LDOIM 1 1/2 06/07/24 -51

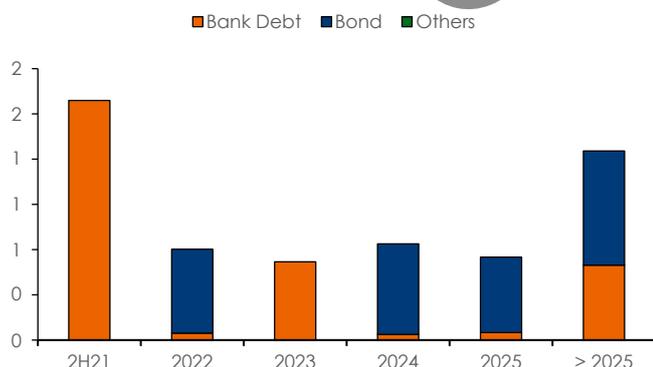
### Sales by geographic area (2020)



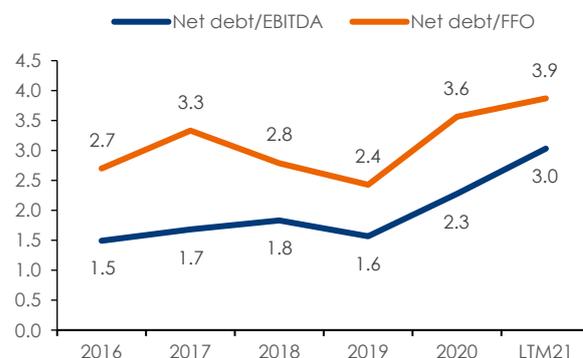
### Trend in profitability



### Debt maturity profile (EUR Bn, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Leonardo bonds in Appendix 1 (page 74)

## Leonardo in Brief

Leonardo provides services to the aerospace, defence and security sectors globally. The company produces and sells helicopters, aircraft, aerostructures, airborne and space systems, land and naval defence electronics, and defence systems.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	13,410	13,877	3.5	5,878	6,345	7.9	3,287	3,555	8.2
EBITDA	1,064	1,137	6.9	492	565	14.8	337	378	12.2
Adjusted EBITDA	1,458	1,522	4.4	543	607	11.8	384	405	5.5
EBIT	517	637	23.2	227	347	52.9	197	272	38.1
Adjusted EBIT	911	1,022	12.2	278	389	39.9	244	299	22.5
Net interest expense	-264	-213	-19.3	-139	-88	-36.7	-58	-42	-27.6
Income (loss) on equity investments	23	76	NM	-24	29	NM	-12	28	NM
Profit before tax	253	424	67.6	88	259	194.3	139	230	65.5
Net profit (loss)	243	360	48.1	60	177	195.0	119	179	50.4
Net profit (loss) attributable to the Group	241	358	48.5	59	176	198.3	118	178	50.8

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	931	1,192	28.0	103	364	NM	NA	NA	NA
Net change in working capital	-656	-185	-71.8	-1,981	-1,510	-23.8	NA	NA	NA
CFO	275	1,007	NM	-1,878	-1,146	-39.0	-388	166	-142.8
Capex	-311	-508	63.3	-73	-270	NM	32	-160	NM
FCF	-36	499	NM	-1,951	-1,416	-27.4	-356	6	-101.7
Dividends	-81	NA	NA	-81	NA	NA	-81	0	-100.0
Discretionary FCF	-117	499	NM	-2,032	-1,416	-30.3	-437	6	-101.4
RCF	-244	541	NM	-2,165	-1,380	-36.3	-572	40	-107.0
Change in equity	NA	NA	NA	NA	NA	NA	0	0	NM
Change in debt	541	-550	NM	631	-460	-172.9	292	-58	-119.9
CFF	541	-550	NM	631	-460	-172.9	292	-58	-119.9
RCF + CFF	297	-9	-103.0	-1,534	-1,840	19.9	-280	-18	-93.6
Change in liquidity	251	-42	-116.7	-1,533	-1,826	19.1	-285	-21	-92.6

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	NA	7,174	NA	NA	NA	7,392	NA
Property, plant & equipment	NA	2,085	NA	NA	NA	2,055	NA
Financial and equity investments	NA	1,087	NA	NA	NA	1,233	NA
<b>Total non-current assets</b>	<b>12,109</b>	<b>11,883</b>	<b>-1.9</b>	<b>12,186</b>	<b>2.5</b>	<b>12,313</b>	<b>1.0</b>
Inventory	NA	5,882	NA	NA	NA	5,921	NA
Trade receivables	2,992	3,033	1.4	2,866	-5.5	3,137	9.5
Cash and current financial assets	405	2,213	NM	408	-81.6	387	-5.1
<b>Total current assets</b>	<b>NA</b>	<b>15,118</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>13,773</b>	<b>NA</b>
<b>Total assets</b>	<b>NA</b>	<b>27,073</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>26,086</b>	<b>NA</b>
Long-term debt	3,879	3,880	0.0	3,546	-8.6	3,522	-0.7
Provisions for risks and charges	NA	984	NA	NA	NA	951	NA
<b>Total non-current liabilities</b>	<b>6,025</b>	<b>5,876</b>	<b>-2.5</b>	<b>5,532</b>	<b>-5.9</b>	<b>5,523</b>	<b>-0.2</b>
Short-term debt	2,596	1,824	-29.7	1,629	-10.7	1,589	-2.5
Trade payables	3,179	3,619	13.8	3,164	-12.6	2,998	-5.2
<b>Total current liabilities</b>	<b>NA</b>	<b>15,894</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>14,779</b>	<b>NA</b>
Minorities	11	11	0.0	11	0.0	9	-18.2
Shareholders' equity	5,068	5,267	3.9	5,491	4.3	5,775	5.2
<b>Total equity</b>	<b>5,079</b>	<b>5,278</b>	<b>3.9</b>	<b>5,502</b>	<b>4.2</b>	<b>5,784</b>	<b>5.1</b>
<b>Total liabilities and equity</b>	<b>NA</b>	<b>27,073</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>26,086</b>	<b>NA</b>
Net debt	5,884	3,318	-43.6	4,652	40.2	4,613	-0.8
Adjusted net debt	6,070	3,491	-42.5	4,767	36.6	4,724	-0.9

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	7.9	8.2	8.4	8.9	10.3	10.6
Adjusted EBITDA margin	10.9	11.0	9.2	9.6	11.7	11.4
EBIT margin	3.9	4.6	3.9	5.5	6.0	7.7
Adjusted EBIT margin	6.8	7.4	4.7	6.1	7.4	8.4
EBITDA/net interest expense (x)	4.0	5.3	3.5	6.4	5.8	9.0
EBIT/net interest expense (x)	2.0	3.0	1.6	3.9	3.4	6.5
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	3.6	2.3	3.1	3.0		
Adjusted Net Debt/Adjusted EBITDA (x)	3.7	2.4	3.2	3.1		
Net debt/FFO	-	3.6	-	3.9		
Net debt/equity	1.2	0.7	0.9	0.8		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Prysmian: Credit View UNDER REVIEW

(Moody's -, Fitch-)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	-	-	-
Unrated	-	HOLD	-	-

### Key credit drivers

- 2Q21 saw a solid recovery, particularly in Energy, which was driven by the construction sector with further recovery in Telecom and some improvement in Projects, although forex effects and higher metal prices acted as a drag on EBITDA. Net debt was slightly higher, but contained, while leverage improved yoy to 3.1x (3.2x at 1H20).
- 2021 guidance was upgraded, with the adjusted EBITDA target increased to EUR 920-970M from EUR 870M-940M, although FCF guidance remained unchanged at EUR 300M +/- 20%. Forex effects are expected to have a negative impact of about EUR 20-25M.
- HOLD recommendation confirmed. Any impact from anti-trust fines could undermine expected deleveraging potential. Any immediate term increase in working capital demands, deriving from the recovery process, could also act as a temporary drag, in our view. We see limited potential for relative outperformance over the short term.

### Strengths

- World's largest manufacturer of cables in revenue terms.
- Solid defence of credit metrics in 2020, in our view, despite the challenging environment. This partly reflected reduced working capital demands yoy deriving from the business contraction.
- Well positioned to benefit from both the energy transition and the digitalisation process. Solid growth prospects.
- Reasonable liquidity buffer with maturities covered through 2022.

### Weaknesses

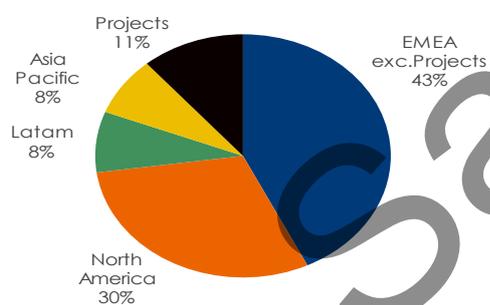
- The cable industry is highly fragmented and cyclical.
- Project execution risk.
- Exposure to volatile metal prices (copper, aluminium and lead) and to FX volatility
- Large German corridor contracts could imply some risk concentration over coming years (particularly in terms of project execution risk).
- Cash flow evidences highly seasonal characteristics, with material unwinding in 4Q.

### Performer<sup>1</sup> YTD - Senior Unsecured

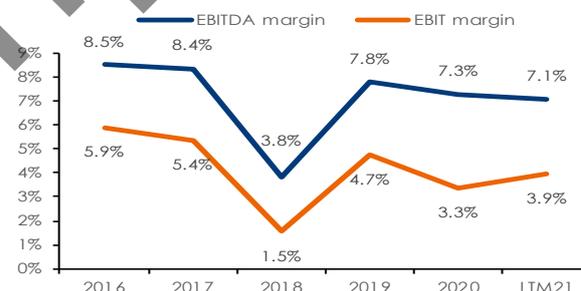
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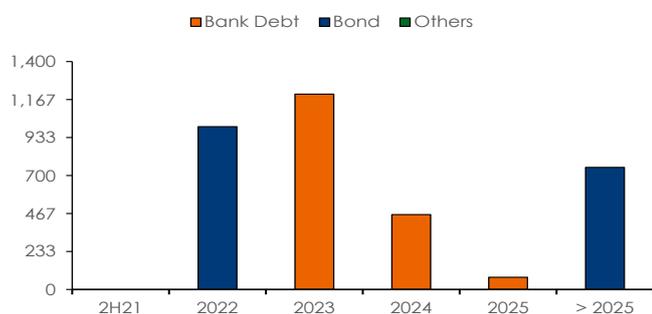
### Sales by geographic area (1H21)



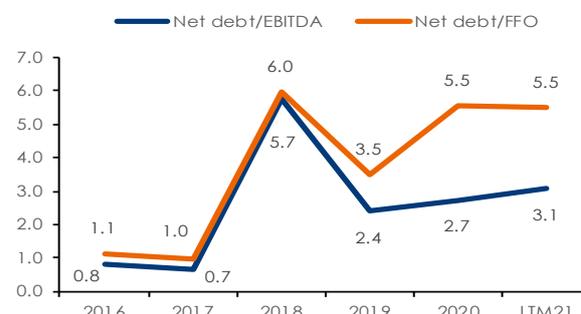
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Prysmian bonds in Appendix 1 (page 75)

## Prysmian In Brief

Prysmian S.p.A develops, designs, produces, supplies, and installs a wide range of cables for applications in the energy and telecommunications industries, including sub-marine, power and fibre optical cables, throughout the world.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	10,016	11,065	10.5	4,985	6,034	21.0	2,398	3,224	34.4
EBITDA	728	784	7.7	377	433	14.9	240	238	-0.8
Adjusted EBITDA	840	891	6.1	419	470	12.2	222	257	15.8
EBIT	335	436	30.1	168	269	60.1	111	152	36.9
Adjusted EBIT	515	574	11.5	253	312	23.3	136	177	30.1
Net interest expense	-101	-86	-14.9	-55	-40	-27.3	-28	-27	-3.6
Income (loss) on equity investments	18	22	22.2	5	9	80.0	4	3	-25.0
Profit before tax	252	372	47.6	118	238	101.7	87	128	47.1
Net profit (loss)	174	262	50.6	76	164	115.8	56	86	53.6
Net profit (loss) attributable to the Group	178	262	47.2	78	162	107.7	55	86	56.4

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	360	437	21.4	233	310	33.0	117	147	25.6
Net change in working capital	259	123	-52.5	-378	-514	36.0	95	-37	-138.9
CFO	619	560	-9.5	-145	-204	40.7	212	110	-48.1
Capex	-262	-236	-9.9	-100	-74	-26.0	-48	-44	-8.3
FCF	357	324	-9.2	-245	-278	13.5	164	66	-59.8
Dividends	-70	-127	81.4	-69	-126	82.6	-69	-126	82.6
Discretionary FCF	287	197	-31.4	-314	-404	28.7	95	-60	-163.2
RCF	299	-67	-122.4	-302	-668	121.2	100	-63	-163.0
Change in equity	1	NA	NA	0	NA	NM	0	0	NM
Change in debt	-170	431	NM	-32	569	NM	-7	-18	157.1
CFF	-169	432	NM	-32	569	NM	-7	-18	157.1
RCF + CFF	130	365	180.8	-334	-99	-70.4	93	-81	-187.1
Change in liquidity	94	347	NM	-349	-96	-72.5	90	-86	-195.6

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	2,052	1,997	-2.7	2,101	5.2	2,073	-1.3
Property, plant & equipment	2,657	2,648	-0.3	2,669	0.8	2,648	-0.8
Financial and equity investments	311	312	0.3	326	4.5	328	0.6
<b>Total non-current assets</b>	<b>5,279</b>	<b>5,255</b>	<b>-0.5</b>	<b>5,414</b>	<b>3.0</b>	<b>5,380</b>	<b>-0.6</b>
Inventory	1,505	1,531	1.7	1,802	17.7	1,979	9.8
Trade receivables	1,668	1,374	-17.6	1,755	27.7	1,970	12.3
Cash and current financial assets	474	1,194	151.9	1,163	-2.6	1,077	-7.4
<b>Total current assets</b>	<b>4,506</b>	<b>4,673</b>	<b>3.7</b>	<b>5,605</b>	<b>19.9</b>	<b>5,854</b>	<b>4.4</b>
<b>Total assets</b>	<b>9,789</b>	<b>9,930</b>	<b>1.4</b>	<b>11,021</b>	<b>11.0</b>	<b>11,240</b>	<b>2.0</b>
Long-term debt	3,048	3,045	-0.1	3,328	9.3	2,578	-22.5
Provisions for risks and charges	527	545	3.4	547	0.4	529	-3.3
<b>Total non-current liabilities</b>	<b>3,798</b>	<b>3,804</b>	<b>0.2</b>	<b>4,105</b>	<b>7.9</b>	<b>3,318</b>	<b>-19.2</b>
Short-term debt	159	173	8.8	416	140.5	1,148	176.0
Trade payables	1,671	1,958	17.2	2,155	10.1	2,465	14.4
<b>Total current liabilities</b>	<b>3,545</b>	<b>3,703</b>	<b>4.5</b>	<b>4,168</b>	<b>12.6</b>	<b>5,176</b>	<b>24.2</b>
Minorities	171	164	-4.1	171	4.3	168	-1.8
Shareholders' equity	2,273	2,259	-0.6	2,748	21.6	2,740	-0.3
<b>Total equity</b>	<b>2,444</b>	<b>2,423</b>	<b>-0.9</b>	<b>2,748</b>	<b>13.4</b>	<b>2,740</b>	<b>-0.3</b>
<b>Total liabilities and equity</b>	<b>9,789</b>	<b>9,930</b>	<b>1.4</b>	<b>11,021</b>	<b>11.0</b>	<b>11,240</b>	<b>2.0</b>
Net debt	2,669	1,986	-25.6	2,325	17.1	2,387	2.7
Adjusted net debt	2,678	1,995	-25.5	2,333	16.9	2,400	2.9

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	7.3	7.1	7.6	7.2	10.0	7.4
Adjusted EBITDA margin	8.4	8.1	8.4	7.8	9.3	8.0
EBIT margin	3.3	3.9	3.4	4.5	4.6	4.7
Adjusted EBIT margin	5.1	5.2	5.1	5.2	5.7	5.5
EBITDA/net interest expense (x)	7.2	9.1	6.9	10.8	8.6	8.8
EBIT/net interest expense (x)	3.3	5.1	3.1	6.7	4.0	5.6
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA			3.5	2.7	3.0	3.1
Adjusted Net Debt/Adjusted EBITDA (x)			2.7	2.4	2.8	2.8
Net debt/FFO			5.1	5.5	5.7	5.5
Net debt/equity			1.1	0.8	0.8	0.9

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Saipem: Credit View NEGATIVE

(Moody's Ba2 / Negative , Fitch )

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	SELL	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 results saw a slight pick-up in sales but materially negative EBITDA, with the latter influenced by specific operational issues. Net debt was slightly lower (-EUR 51M to EUR 1.4Bn) but this was entirely due to positive working capital effects. Saipem stated it would negotiate with banks regarding its debt covenant (tested at YE). EBITDA once more missed Bloomberg consensus estimates. New orders were lower yoy, although the backlog increased QoQ.
- Guidance. Updated guidance envisages revenues of EUR 4-5Bn in 2H21, capex of EUR 200-300M and adjusted EBITDA becoming positive again with net debt at around EUR 1.6Bn. A strategic review has been launched and will be presented in the autumn.
- In the absence of a stabilisation in the operating environment, the credit rating could face downward pressure, in our view.
- Our SELL recommendation reflects our view that Saipem could underperform in relative terms. Saipem stated that a recovery in oil and gas investment was still being held back due to conservative strategies of operators pressured to maintain financial stability and to diversify investment portfolios vis à vis the energy transition. We also note the issues pertaining to the Mozambique and North Sea wind farm projects. We see limited potential for relative outperformance over the short-term and see the risk of repricing should the 3Q21 results again disappoint.

### Strengths

- Backlog run-off provides some visibility going forward.
- Increasing diversification away from traditional oil and gas.
- Potential to tap opportunities in the energy transition.
- Covid vaccine potential and oil price recovery could help feed a pick-up in client investment.
- Maturities covered to 2025 based on 1H21 figures and assuming continued RCF availability, or 2023 on a cash only basis.

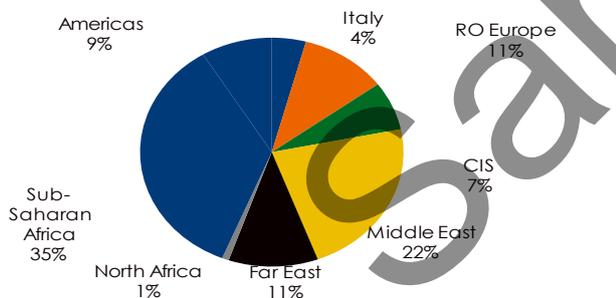
### Weaknesses

- Exposed to volatile oil and gas markets and cuts to client capex budgets.
- Litigation risk.
- Pressure on cash flows and weak profitability is increasing refinancing risk.
- High vessel idleness but some signs of improvement of late.
- Force majeure on the Mozambique project adds to uncertainty vis à vis the value of the project.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

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### Sales by geographic area (1H21)

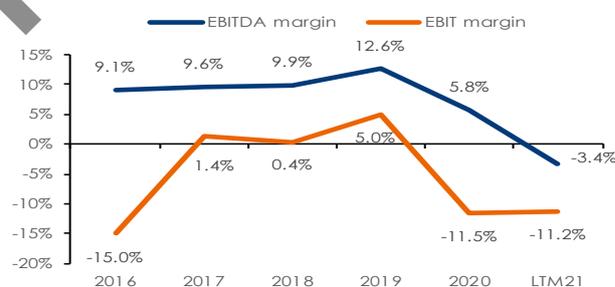


### Underperformance<sup>1</sup> YTD - Senior Unsecured

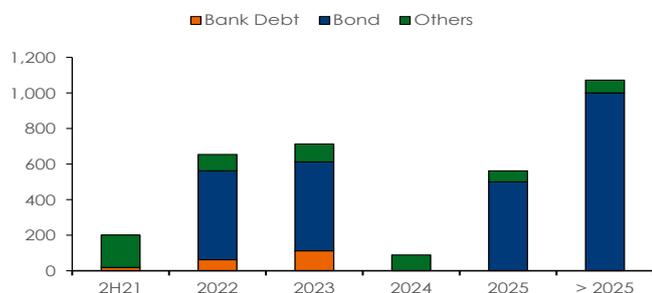
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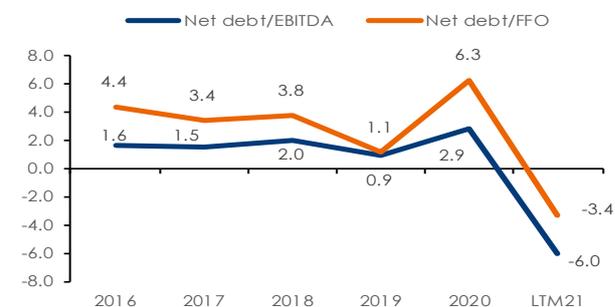
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Saipem bonds in Appendix 1 (page 75)

## Saipem In Brief

Saipem SpA offers construction and offshore drilling services. It installs sub-sea pipelines and fixed platforms, manages complete offshore projects, and drills for oil.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	7,342	6,867	-6.5	3,675	3,200	-12.9	1,503	1,582	5.3
EBITDA	428	-232	-154.2	271	-389	NM	31	-462	NM
Adjusted EBITDA	614	-7	-101.1	355	-266	-174.9	115	-354	NM
EBIT	-845	-772	-8.6	-711	-638	-10.3	-534	-589	10.3
Adjusted EBIT	23	-534	NM	42	-515	NM	-41	-481	NM
Net interest expense	-166	-127	-23.5	-95	-56	-41.1	-35	-25	-28.6
Income (loss) on equity investments	37	2	-94.6	10	-25	NM	18	-15	-183.3
Profit before tax	-974	-897	-7.9	-796	-719	-9.7	-551	-629	14.2
Net profit (loss)	-1,117	-1,026	-8.1	-870	-779	-10.5	-603	-659	9.3
Net profit (loss) attributable to the Group	-1,136	-1,030	-9.3	-885	-779	-12.0	-616	-659	7.0

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	195	-414	NM	67	-542	NM	-16	-509	NM
Net change in working capital	-72	687	NM	-203	556	NM	-68	654	NM
CFO	123	273	122.0	-136	14	-110.3	-84	133	NM
Capex	-322	-262	-18.6	-195	-135	-30.8	-136	-66	-51.5
FCF	-199	11	-105.5	-331	-121	-63.4	-220	65	-129.5
Dividends	-69	-69	0.0	-26	-26	0.0	0	-26	NM
Discretionary FCF	-268	-58	-78.4	-357	-147	-58.8	-220	39	-117.7
RCF	-409	-332	-18.8	-370	-293	-20.8	-219	-109	-50.2
Change in equity	0	NA	NM	NA	NA	NA	-10	NA	NA
Change in debt	-153	562	NM	-458	257	-156.1	87	NA	NA
CFF	-169	546	NM	-458	257	-156.1	77	NA	NA
RCF + CFF	-578	214	-137.0	-828	-36	-95.7	-142	NA	NA
Change in liquidity	-585	208	-135.6	-827	-34	-95.9	-138	NA	NA

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	697	701	0.6	699	-0.3	698	-0.1
Property, plant & equipment	3,363	3,284	-2.3	3,277	-0.2	3,242	-1.1
Financial and equity investments	119	166	39.5	121	-27.1	128	5.8
<b>Total non-current assets</b>	<b>4,535</b>	<b>4,851</b>	<b>7.0</b>	<b>4,413</b>	<b>-9.0</b>	<b>4,746</b>	<b>7.5</b>
Inventory	NA	1,575	NA	NA	NA	1,692	NA
Trade receivables	NA	2,351	NA	NA	NA	2,345	NA
Cash and current financial assets	2,000	1,687	-15.7	1,500	-11.1	1,653	10.2
<b>Total current assets</b>	<b>NA</b>	<b>6,411</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>6,318</b>	<b>NA</b>
<b>Total assets</b>	<b>NA</b>	<b>11,262</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>11,064</b>	<b>NA</b>
Long-term debt	NA	2,577	NA	NA	NA	2,513	NA
Provisions for risks and charges	NA	NA	NA	NA	NA	NA	NA
<b>Total non-current liabilities</b>	<b>NA</b>	<b>3,411</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>3,534</b>	<b>NA</b>
Short-term debt	NA	609	NA	NA	NA	979	NA
Trade payables	NA	4,079	NA	NA	NA	4,130	NA
<b>Total current liabilities</b>	<b>NA</b>	<b>4,903</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>5,375</b>	<b>NA</b>
Minorities	48	25	-47.9	25	0.0	25	0.0
Shareholders' equity	3,025	2,923	-3.4	2,776	-5.0	2,130	-23.3
<b>Total equity</b>	<b>3,073</b>	<b>2,948</b>	<b>-4.1</b>	<b>2,801</b>	<b>-5.0</b>	<b>2,155</b>	<b>-23.1</b>
<b>Total liabilities and equity</b>	<b>NA</b>	<b>11,262</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>11,064</b>	<b>NA</b>
Net debt	1,399	1,226	-12.4	1,448	18.1	1,397	-3.5
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	5.8	-3.4	7.4	-12.2	2.1	-29.2
Adjusted EBITDA margin	8.4	-0.1	9.7	-8.3	7.7	-22.4
EBIT margin	-11.5	-11.2	-19.3	-19.9	-35.5	-37.2
Adjusted EBIT margin	0.3	-7.8	1.1	-16.1	-2.7	-30.4
EBITDA/net interest expense (x)	2.6	-1.8	2.9	-6.9	0.9	-18.5
EBIT/net interest expense (x)	0.1	-6.1	0.4	-9.2	-1.2	-19.2
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21	30.06.21	30.06.21
Net debt/EBITDA	2.2	2.9	5.5	-	-	-6.0
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-	-	-
Net debt/FFO	2.9	6.3	72.4	-	-	-3.4
Net debt/equity	0.5	0.4	0.5	-	-	0.6

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Sisal Group: Credit View NEUTRAL

(Moody's B1 / Stable , Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	HOLD	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- 1H21 results improved, reflecting both the strong growth in the Online gaming segment and a favourable performance in the International business, partly offset by the full shutdown of the retail channel in Italy in 5M21 (vs only from mid-March in 2020), as well as some activity restrictions in Morocco and Turkey. Adjusted leverage declined to 1.44x from 1.77x at YE20 (1.84x at 1Q21), driven by both lower adjusted net debt (-3%, to EUR 302M) and higher LTM EBITDA (+18%, to EUR 209M).
- Outlook: Sisal expects a resumption in volumes in the Retail segment in 2H21, as starting from June 2021 there was a progressive reopening in the retail channel in Italy (fully operational from July), with VLTs already recovering pre-Covid levels, whilst AWP and betting still below. However, the introduction of a mandatory green pass in Italy from August could affect retail volumes somewhat.
- Stable outlook assigned by Moody's, based on its expectations that adjusted leverage will improve in 2021.
- HOLD recommendation confirmed on Sisal's bonds, as they trade in line with their call price (at par from July), giving the company the opportunity to refinance them.

### Strengths

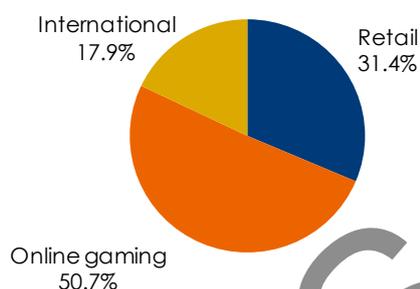
- A diversified product range across the gaming business. Strong growth in the Online segment, with market leadership in Italy.
- Award of the nine-year NTNG licence renewal till 12/2030.
- Geographical expansion in Spain, Turkey and Morocco.

### Performer<sup>1</sup> YTD - Senior Secured

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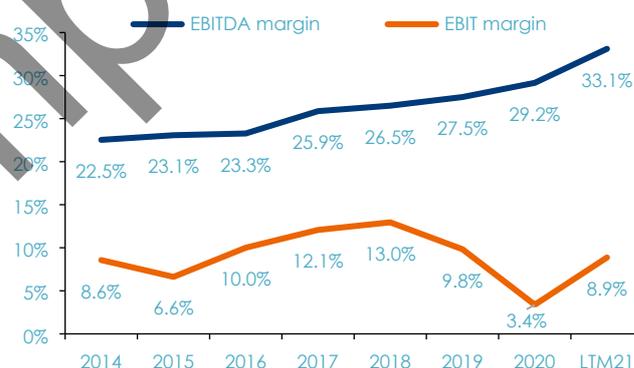
### Sales by segment (1H21)



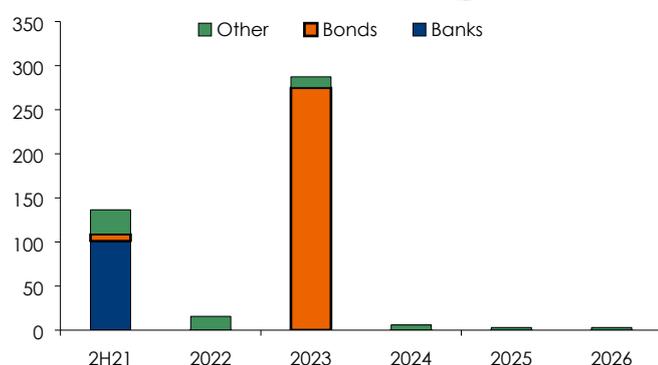
### Weaknesses

- Retail gaming volumes could be affected by new pandemic waves and the introduction of mandatory green pass in Italy.
- Exposure to fiscal and regulatory changes.
- High capex due to new contracts (Italy, Spain, Turkey).

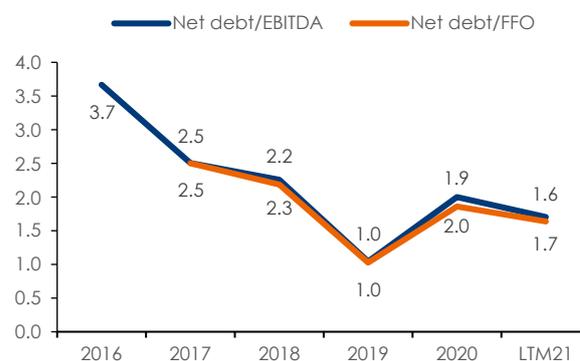
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Sisal Group bonds in Appendix 1 (page 77)

## Sisal Group In Brief

Sisal Group offers a wide range of on- and offline games, lotteries, bets, casino games and ADI. Sisal Group serves clients mostly in Italy, but also in Spain, Turkey and Morocco.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	524	578	10.4	209	264	26.2	62	137	119.5
EBITDA	153	192	25.4	53	92	73.2	5	43	NM
Adjusted EBITDA	176	209	18.6	67	100	49.2	17	48	190.9
EBIT	18	51	189.9	-7	26	NM	-23	11	-146.1
Adjusted EBIT	NA	NA	NA	-1	32	NM	NA	NA	NA
Net interest expense	-19	-21	9.7	-9	-11	20.9	-5	-5	1.2
Income (loss) on equity investments	NA	NA	NA	0	0	NM	0	0	NM
Profit before tax	-2	30	NM	-16	16	-197.2	-29	5	-118.5
Net profit (loss)	-9	20	NM	-15	15	-196.9	-23	7	-131.2
Net profit (loss) attributable to the Group	NA	NA	NA	-13	13	-194.4	-22	6	-127.4

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	164	199	21.3	60	95	58.5	11	46	NM
Net change in working capital	-69	-69	-0.7	-17	-17	-2.6	-37	17	-146.0
CFO	95	130	37.4	43	78	83.0	-25	63	NM
Capex	-123	-111	-9.5	-66	-54	-17.7	-33	-30	-6.9
FCF	-28	19	-166.6	-23	24	NM	-58	33	-156.4
Dividends	0	0	NM	0	0	NM	0	0	NM
Discretionary FCF	-28	19	-166.6	-23	24	NM	-58	33	-156.4
RCF	-28	21	-174.5	-26	23	-187.0	-60	32	-153.0
Change in equity	0	-4	NM	4	0	-100.0	4	0	-100.0
Change in debt	72	-69	-196.0	91	-51	-155.9	4	-30	NM
CFF	72	-74	NM	95	-51	-153.4	9	-30	NM
RCF + CFF	44	-53	NM	69	-28	-140.5	-51	1	-102.2
Change in liquidity	44	-53	NM	69	-28	-140.5	-51	1	-102.2

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	677	680	0.5	676	-0.5	670	-1.0
Property, plant & equipment	168	182	8.5	174	-4.4	173	-0.8
Financial and equity investments	150	150	0.0	150	0.0	150	0.0
<b>Total non-current assets</b>	<b>1,139</b>	<b>1,140</b>	<b>0.1</b>	<b>1,131</b>	<b>-0.8</b>	<b>1,126</b>	<b>-0.5</b>
Inventory	8	8	4.0	8	3.1	8	-3.8
Trade receivables	109	75	-30.9	22	-71.1	29	33.8
Cash and current financial assets	143	147	2.4	118	-19.8	119	1.0
<b>Total current assets</b>	<b>703</b>	<b>675</b>	<b>-3.9</b>	<b>666</b>	<b>-1.4</b>	<b>703</b>	<b>5.5</b>
<b>Total assets</b>	<b>1,842</b>	<b>1,816</b>	<b>-1.4</b>	<b>1,797</b>	<b>-1.0</b>	<b>1,828</b>	<b>1.8</b>
Long-term debt	322	322	0.0	311	-3.4	308	-0.7
Provisions for risks and charges	16	27	64.5	26	-1.3	27	1.2
<b>Total non-current liabilities</b>	<b>448</b>	<b>446</b>	<b>-0.4</b>	<b>435</b>	<b>-2.6</b>	<b>441</b>	<b>1.5</b>
Short-term debt	125	131	5.1	142	8.1	137	-3.7
Trade payables	170	150	-12.0	92	-38.5	88	-4.6
<b>Total current liabilities</b>	<b>656</b>	<b>634</b>	<b>-3.4</b>	<b>620</b>	<b>-2.2</b>	<b>638</b>	<b>2.9</b>
Minorities	2	4	67.7	4	11.7	5	21.8
Shareholders' equity	735	731	-0.5	737	0.8	743	0.8
<b>Total equity</b>	<b>737</b>	<b>735</b>	<b>-0.3</b>	<b>742</b>	<b>0.9</b>	<b>748</b>	<b>0.9</b>
<b>Total liabilities and equity</b>	<b>1,842</b>	<b>1,816</b>	<b>-1.4</b>	<b>1,797</b>	<b>-1.0</b>	<b>1,828</b>	<b>1.8</b>
Net debt	303	305	0.9	322	5.4	326	1.3
Adjusted net debt	309	311	0.8	327	5.1	302	-7.7

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	29.2	33.1	25.4	34.8	7.8	31.5
Adjusted EBITDA margin	33.7	36.2	31.9	37.7	26.5	35.1
EBIT margin	3.4	8.9	-3.4	10.0	-37.2	7.8
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	7.9	9.0	5.9	8.5	0.9	7.9
EBIT/net interest expense (x)	0.9	2.4	-0.8	2.4	-4.3	2.0
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	1.8	2.0	2.1	1.7		
Adjusted Net Debt/Adjusted EBITDA (x)	1.6	1.8	1.8	1.4		
Net debt/FFO	1.8	1.9	2.0	1.6		
Net debt/equity	0.4	0.4	0.4	0.4		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Snam: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch BBB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Snam reported positive 1H21 results, which were overall in line with Bloomberg consensus. The performance included growing contributions from new businesses related to the energy transition. Net debt rose to EUR 14,1Bn from EUR 12,9Bn at YE20, due to investments (technical investments +23% yoy), M&A activity, and dividend payments.
- Outlook. Snam confirmed its previously provided 2021 guidance, with: i) a net profit of EUR 1.17Bn; ii) investments of around EUR 1.4Bn; and iii) net debt of around EUR 14Bn, including the effect of the De Nora acquisition (EUR 400M). Snam has said it plans to release its new business plan in November.
- As we do for other Italian regulated companies, we consider the ongoing regulatory review to be one of the current main catalysts for Snam. The Italian regulator, ARERA, should publish a second consultation paper by end-October and the final version in December.
- HOLD recommendation confirmed on Snam's bonds, based on current spreads and the company's low-risk business profile.

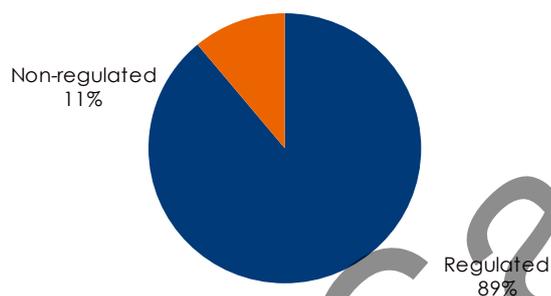
### Strengths

- Solid operating profile, given fully regulated business.
- Supportive regulatory framework, with negligible exposure of revenues to changes in gas demand.
- Commitment to preserving current rating and risk profile.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

SRGIM 1 09/18/23 -17

### Sales breakdown (1H21)



### Weaknesses

- Expected lower remuneration for regulated activities from 2022.
- Capex plan and dividends limit cash generation.

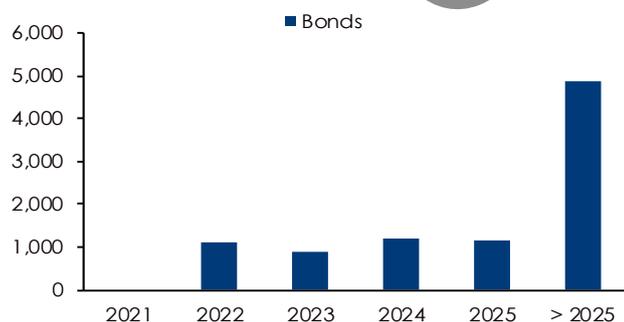
### Underperformance<sup>1</sup> YTD - Senior Unsecured

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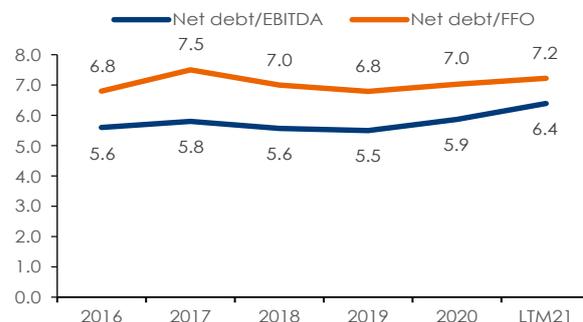
### Trend in profitability



### Debt maturity profile (EUR M, 31.12.20)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Snam bonds in Appendix 1 (page 72)

## Snam in Brief

Snam S.p.A. owns and operates Italy's natural gas distribution network. The company transports gas on behalf of importers, distributors and companies supplying Italian households. Snam owns a network of high and medium pressure pipes, including trunk lines connected to production and importation sites in Italy.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	2,770	2,951	6.5	1,346	1,527	13.4	655	810	23.7
EBITDA	2,153	2,214	2.8	1,098	1,159	5.6	531	600	13.0
Adjusted EBITDA	2,197	2,253	2.5	1,107	1,163	5.1	NA	604	NA
EBIT	1,380	1,414	2.5	724	758	4.7	344	399	16.0
Adjusted EBIT	1,424	1,453	2.0	733	762	4.0	365	403	10.4
Net interest expense	-158	-141	-10.8	-67	-50	-25.4	0	0	NM
Income (loss) on equity investments	249	NA	NA	107	NA	NA	55	-69	NM
Profit before tax	1,471	1,551	5.4	767	847	10.4	370	444	20.0
Net profit (loss)	1,101	1,409	28.0	572	880	53.8	274	567	106.9
Net profit (loss) attributable to the Group	1,101	1,407	27.8	572	878	53.5	274	565	106.2

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	1,834	1,959	6.8	920	1,045	13.6	382	490	28.3
Net change in working capital	-237	-545	130.0	-171	-479	180.1	-315	-167	-47.0
CFO	1,597	1,414	-11.5	749	566	-24.4	67	323	NM
Capex	-1,166	-930	-20.2	-789	-553	-29.9	-558	-333	-40.3
FCF	431	484	12.3	-40	13	-132.5	-491	-10	-98.0
Dividends	-779	-804	3.2	-770	-795	3.2	-770	-795	3.2
Discretionary FCF	-462	-323	-30.1	-921	-782	-15.1	-948	-514	-45.8
RCF	-940	-1,207	28.4	-967	-1,234	27.6	-633	-414	-34.6
Change in equity	0	0	NM	0	0	NM	0	0	NM
Change in debt	1,133	-272	-124.0	1,220	-185	-115.2	949	-616	-164.9
CFF	1,133	-272	-124.0	1,220	-185	-115.2	949	-616	-164.9
RCF + CFF	193	-1,479	NM	253	-1,419	NM	316	-1,030	NM
Change in liquidity	193	NA	NA	253	NA	NA	316	0	-100.0

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	1,045	1,125	7.7	1,131	0.5	1,144	1.1
Property, plant & equipment	16,600	16,815	1.3	16,775	-0.2	16,886	0.7
Financial and equity investments	2,103	1,923	-8.6	2,493	29.6	2,447	-1.8
<b>Total non-current assets</b>	<b>NA</b>	<b>20,717</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>21,548</b>	<b>NA</b>
Inventory	NA	98	NA	NA	NA	110	NA
Trade receivables	NA	1,676	NA	NA	NA	1,857	NA
Cash and current financial assets	3,157	3,184	0.9	2,656	-16.6	1,822	-31.4
<b>Total current assets</b>	<b>NA</b>	<b>4,958</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>3,789</b>	<b>NA</b>
<b>Total assets</b>	<b>NA</b>	<b>25,675</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>25,337</b>	<b>NA</b>
Long-term debt	NA	10,332	NA	NA	NA	10,408	NA
Provisions for risks and charges	NA	798	NA	NA	NA	707	NA
<b>Total non-current liabilities</b>	<b>NA</b>	<b>11,497</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>11,391</b>	<b>NA</b>
Short-term debt	NA	5,605	NA	NA	NA	5,365	NA
Trade payables	NA	2,029	NA	NA	NA	1,511	NA
<b>Total current liabilities</b>	<b>NA</b>	<b>7,706</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>7,018</b>	<b>NA</b>
Minorities	3	3	0.0	24	NM	26	8.3
Shareholders' equity	6,507	6,469	-0.6	6,821	5.4	6,902	1.2
<b>Total equity</b>	<b>6,510</b>	<b>6,472</b>	<b>-0.6</b>	<b>6,845</b>	<b>5.8</b>	<b>6,928</b>	<b>1.2</b>
<b>Total liabilities and equity</b>	<b>NA</b>	<b>25,675</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>25,337</b>	<b>NA</b>
Net debt	12,805	12,887	0.6	13,709	6.4	14,148	3.2
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	77.7	75.0	81.6	75.9	81.1	74.1
Adjusted EBITDA margin	79.3	76.3	82.2	76.2	0	74.6
EBIT margin	49.8	47.9	53.8	49.6	52.5	49.3
Adjusted EBIT margin	51.4	49.2	54.5	49.9	55.7	49.8
EBITDA/net interest expense (x)	13.6	15.7	16.4	23.2	16.6	24.0
EBIT/net interest expense (x)	8.7	10.0	10.8	15.2	10.8	16.0
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	5.8	5.9	6.2	6.4		
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-		
Net debt/FFO	7.3	7.0	7.4	7.2		
Net debt/equity	2.0	2.0	2.0	2.0		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Stellantis: Credit View NEUTRAL

(Moody's Baa3 / Stable , Fitch BBB- /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Solid 1H21 results, with improved profitability on all segments (record margin of 16.1% in NA), reflecting both robust consumer demand and improved pricing and mix across most regions, despite production losses due to unfilled semiconductor orders. Industrial net cash position fell to EUR 11.5Bn from EUR 17.8Bn pro-forma at YE20, after EUR 4.2Bn extraordinary dividends and EUR 1.2Bn negative FCF.
- 2021 guidance was improved, expecting a 10% adjusted operating margin from 5.5-7.5% previously, pointing to a recovery in profitability versus both 2020 (5.3% pro-forma) and even 2019 (7% pro-forma). New 2021 guidance assumes both no further deterioration of semiconductor supply and no further significant lockdowns in Europe and the US.
- Stable ratings expected in the short term, given the recent creation of Stellantis (merger of PSA with and into FCA on 16 January 2021).
- HOLD Stellantis' bonds as they trade almost in line with the iBoxx NFI index for BBB-rated bonds.

### Strengths

- The world's fourth-largest car maker, a leader in Europe and South America, and the fourth-largest in the US.
- Sizeable merger synergies potential and good track record in integration with other players and cost discipline.
- Solid net cash position and ample available liquidity.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

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### Weaknesses

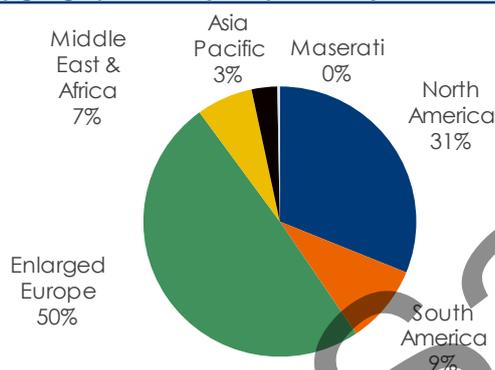
- Weak presence in Asia, especially in China.
- Profit concentration in North America.
- Execution risks and long time needed to achieve synergies.
- Cyclical demand, high price competition and cost pressures.
- Heavy investment in new technologies/low emissions vehicles.

### Underperformance<sup>1</sup> YTD - Senior Unsecured

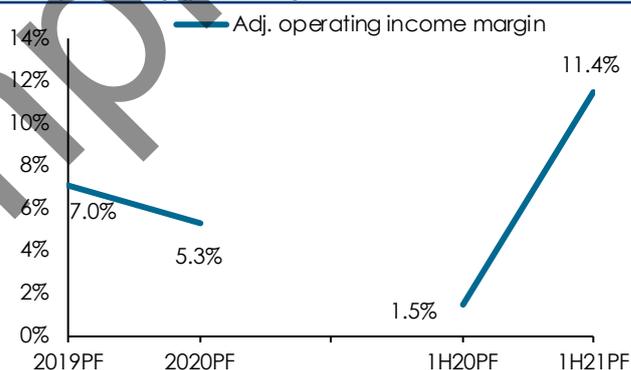
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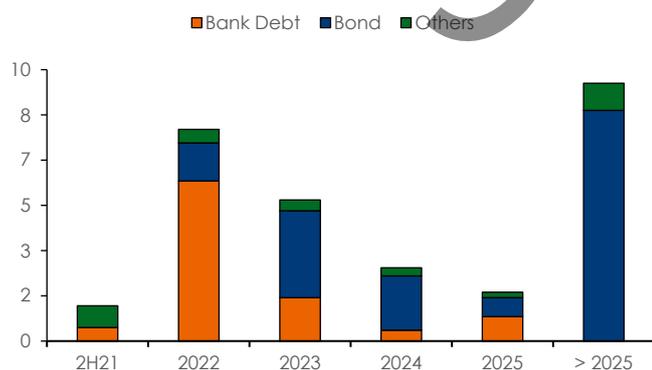
### Sales by geographic area (2020 pro-forma)



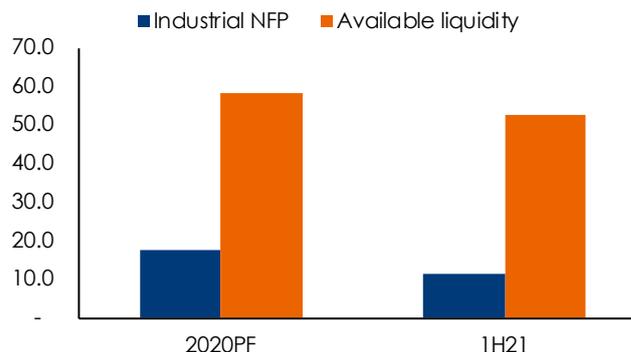
### Trend in profitability (pro-forma)



### Debt maturity profile (EUR Bn, 30.06.21)



### Industrial net cash position and total liquidity (EUR Bn, pro-forma)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Stellantis bonds in Appendix 1 (page 72, 73)

## Stellantis In Brief

The merger between FCA NV and Peugeot SA became effective on 16 January, leading to the creation of Stellantis NV. Stellantis manufactures and markets automobiles, commercial vehicles, and production systems for the automobile industry.

<b>Consolidated income statement - main items</b>								
(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
Sales	NA	NA	NA	NA	NA	51,668	75,310	45.8
EBITDA	NA	NA	NA	NA	NA	NA	10,164	NA
Adjusted EBITDA	NA	NA	NA	NA	NA	NA	11,269	NA
EBIT	NA	NA	NA	NA	NA	65	7,517	NM
Adjusted EBIT	NA	NA	NA	NA	NA	752	8,622	NM
Net interest expense	NA	NA	NA	NA	NA	-91	-229	151.6
Income (loss) on equity investments	NA	NA	NA	NA	NA	149	405	171.8
Profit before tax	NA	NA	NA	NA	NA	-26	7,288	NM
Net profit (loss)	NA	NA	NA	NA	NA	-1,234	6,926	NM
Net profit (loss) attributable to the Group	NA	NA	NA	NA	NA	-1,015	6,916	NM
<b>Consolidated cash flow statement - main items</b>								
(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
FFO	NA	NA	NA	NA	NA	678	6,380	NM
Net change in working capital	NA	NA	NA	NA	NA	-3,417	-765	-77.6
CFO	NA	NA	NA	NA	NA	-2,739	5,615	NM
Capex	NA	NA	NA	NA	NA	-1,217	-4,623	NM
FCF	NA	NA	NA	NA	NA	-3,956	992	-125.1
Dividends	NA	NA	NA	NA	NA	-1	-4,199	NM
Discretionary FCF	NA	NA	NA	NA	NA	-3,957	-3,207	-19.0
RCF	NA	NA	NA	NA	NA	-4,653	15,223	NM
Change in equity	NA	NA	NA	NA	NA	-1	240	NM
Change in debt	NA	NA	NA	NA	NA	2,839	2,158	-24.0
CFF	NA	NA	NA	NA	NA	2,838	2,398	-15.5
RCF + CFF	NA	NA	NA	NA	NA	-1,815	17,621	NM
Change in liquidity	NA	NA	NA	NA	NA	-2,050	17,919	NM
<b>Consolidated balance sheet - main items</b>								
(EUR M)	31.12.19	30.06.20	Chg %	31.12.20	Chg %	30.06.21	Chg %	
Intangible assets	NA	NA	NA	15,021	NA	44,228	194.4	
Property, plant & equipment	NA	NA	NA	15,983	NA	34,658	116.8	
Financial and equity investments	NA	NA	NA	3,983	NA	6,521	63.7	
<b>Total non-current assets</b>	NA	NA	NA	<b>37,734</b>	NA	<b>91,619</b>	<b>142.8</b>	
Trade receivables	NA	NA	NA	4,923	NA	3,117	-36.7	
Cash and current financial assets	NA	NA	NA	23,583	NA	41,795	77.2	
<b>Total current assets</b>	NA	NA	NA	<b>37,544</b>	NA	<b>66,417</b>	<b>76.9</b>	
<b>Total assets</b>	NA	NA	NA	<b>75,285</b>	NA	<b>158,542</b>	<b>110.6</b>	
Long-term debt	NA	NA	NA	11,085	NA	25,008	125.6	
Provisions for risks and charges	NA	NA	NA	3,073	NA	15,476	NM	
<b>Total non-current liabilities</b>	NA	NA	NA	<b>19,952</b>	NA	<b>52,121</b>	<b>161.2</b>	
Short-term debt	NA	NA	NA	2,644	NA	6,767	155.9	
Trade payables	NA	NA	NA	15,955	NA	27,402	71.7	
<b>Total current liabilities</b>	NA	NA	NA	<b>31,460</b>	NA	<b>59,410</b>	<b>88.8</b>	
Minorities	NA	NA	NA	2,580	NA	406	-84.3	
Shareholders' equity	NA	NA	NA	21,293	NA	46,332	117.6	
<b>Total equity</b>	NA	NA	NA	<b>23,873</b>	NA	<b>46,738</b>	<b>95.8</b>	
<b>Total liabilities and equity</b>	NA	NA	NA	<b>75,285</b>	NA	<b>158,542</b>	<b>110.6</b>	
Net debt	NA	NA	NA	-9,854	NA	-10,020	1.7	
Adjusted Net Debt	NA	NA	NA	-17,826	NA	-11,506	-35.5	
<b>Key consolidated economic data - financial indicators</b>								
Profitability and coverage ratio (%)	2019	2020	LTM21	1H20	1H21			
EBITDA margin	-	-	-	-	13.5			
Adjusted EBITDA margin	-	-	-	-	15.0			
EBIT margin	-	-	-	0.1	10.0			
Adjusted EBIT margin	-	-	-	1.5	11.4			
EBITDA/net interest expense (x)	-	-	-	-	44.4			
EBIT/net interest expense (x)	-	-	-	0.7	32.8			
Leverage ratio (x)	31.12.19	30.06.20	31.12.20	30.06.21				
Net debt/EBITDA	-	-	-	-				
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-				
Net debt/FFO	-	-	-	-				
Net debt/equity	-	-	-0.4	-0.2				

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Telecom Italia: Credit View NEUTRAL

(Moody's Ba2 / Negative , Fitch BB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	HOLD	-	-
Unrated	-	-	-	-

### Key credit drivers

- 2Q21 sales were marginally higher yoy but organic EBITDA were nevertheless lower yoy. Negative working capital effects and higher capex and spectrum costs contributed to an increase in net debt in 2Q21, driving leverage (based on reported figures) higher on 1Q21 (slightly lower organically on YE20).
- 2021 organic EBITDA AL guidance was downgraded for domestic operations from stable to a mid-single-digit decrease with group organic EBITDA AL guidance lowered from stable to low-single-digit growth to low to mid-single-digit decrease. 2021 capex was increased from c. EUR 2.9Bn to c. EUR 3-3.1Bn with a EUR 0.3Bn increase in net debt AL to EUR 16.8Bn (for 2023). The leverage target however remained unchanged for 2023 at 2.6x (net debt AL / organic EBITDA AL).
- Downward rating pressure could build, in our view, if operating fundamentals fail to stabilise. Rating agencies also underscore issues due to the partial monetisation of infrastructure assets and the impact on proportional EBITDA and the business profile.
- HOLD recommendation. With most of the key strategic initiatives in the bag, the focus now shifts to organic deleveraging. This looks challenging given the softer EBITDA outlook, potential fixed disruption from Iliad, limited clarity on the single network, and the potential future competitive threat from OF if no deal emerges. We see little potential for relative outperformance at current levels.

### Strengths

- TIM has some of the most valuable 5G spectrum in Italy.
- Strategic initiatives (also with partners) offer some potential: DAZN Serie A; PSN public cloud hub; IoT; cybersecurity; Sparkle.
- Could benefit from the EU Next Generation funding to drive UBB take-up and the digitalisation process (also from the DAZN partnership and TIMVISION platform over time).
- Oi integration (expected 1H22) likely to be accretive after the initial impact, reflecting Brazilian market consolidation.

### Weaknesses

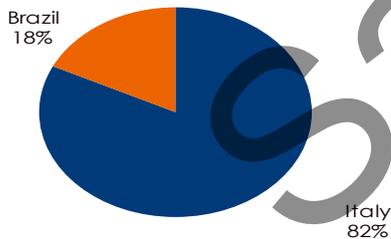
- Uncertainty remains over the single fibre network, but changes to OF's shareholding structure could facilitate dialogue.
- A material portion of 5G spectrum costs are due in 2022.
- Domestic EBITDA still under pressure. Potential disruption from Iliad's entry into the fixed market.
- Purchase of Oi's mobile assets (Brazil) is likely to feed an uptick in leverage until synergies kick-in.
- Rating agencies penalizing TIM for partial monetisation of infrastructure assets and applying proportional EBITDA criteria.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

TITIM 3 5/8 01/19/24

-62

### Sales by geographic area (1H21)

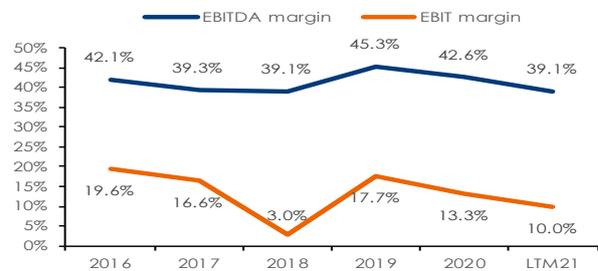


### Underperformance<sup>1</sup> YTD - Senior Unsecured

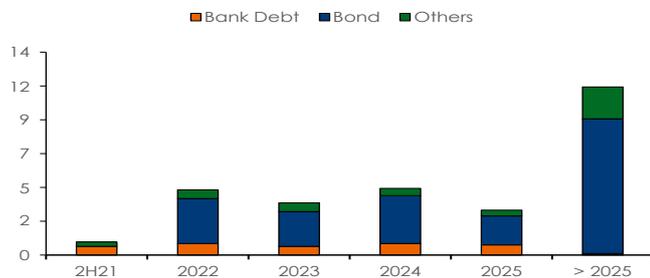
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-16

### Trend in profitability



### Debt maturity profile (EUR Bn, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Telecom Italia bonds in Appendix 1 (page 75)

## Telecom Italia In Brief

Telecom Italia S.p.A, both directly and through subsidiaries, offers fixed-line and mobile telephony and data transmission services in Italy and Brazil.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	15,805	15,613	-1.2	7,759	7,567	-2.5	3,795	3,815	0.5
EBITDA	6,739	6,111	-9.3	3,398	2,770	-18.5	1,663	1,593	-4.2
Adjusted EBITDA	7,063	6,920	-2.0	3,360	3,217	-4.3	1,761	1,639	-6.9
EBIT	2,104	1,563	-25.7	1,042	501	-51.9	509	456	-10.4
Adjusted EBIT	NA	NA	NA	572	NA	NA	NA	NA	NA
Net interest expense	-1,179	-1,158	-1.8	-603	-582	-3.5	-302	-294	-2.6
Income (loss) on equity investments	472	56	-88.1	450	34	-92.4	9	23	155.6
Profit before tax	1,397	461	-67.0	889	-47	-105.3	216	185	-14.4
Net profit (loss)	7,352	6,584	-10.4	723	-45	-106.2	132	149	12.9
Net profit (loss) attributable to the Group	7,224	6,409	-11.3	678	-137	-120.2	118	79	-33.1

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	4,494	4,253	-5.4	1,839	1,598	-13.1	938	870	-7.2
Net change in working capital	1,241	-733	-159.1	1,753	-221	-112.6	705	-379	-153.8
CFO	5,735	3,520	-38.6	3,592	1,377	-61.7	1,643	491	-70.1
Capex	-3,477	-3,463	-0.4	-1,974	-1,960	-0.7	-838	-1,086	29.6
FCF	2,258	57	-97.5	1,618	-583	-136.0	805	-595	-173.9
Dividends	-390	-370	-5.1	-356	-336	-5.6	-316	-312	-1.3
Discretionary FCF	1,868	-313	-116.8	1,262	-919	-172.8	489	-907	NM
RCF	3,084	394	-87.2	2,058	-632	-130.7	846	-1,028	NM
Change in equity	1,164	1,156	-0.7	8	0	-100.0	8	0	-100.0
Change in debt	-2,781	-1,980	-28.8	-1,515	-714	-52.9	-450	-193	-57.1
CFF	-1,619	933	-157.6	-1,508	1,044	-169.2	-442	1,565	NM
RCF + CFF	1,465	1,327	-9.4	550	412	-25.1	405	537	32.6
Change in liquidity	1,306	1,366	4.6	400	460	15.0	338	599	77.2

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	29,452	29,587	0.5	29,297	-1.0	29,395	0.3
Property, plant & equipment	12,800	13,141	2.7	12,980	-1.2	13,049	0.5
Financial and equity investments	5,516	5,049	-8.5	4,875	-3.4	4,975	2.1
<b>Total non-current assets</b>	<b>55,819</b>	<b>62,422</b>	<b>11.8</b>	<b>61,667</b>	<b>-1.2</b>	<b>62,218</b>	<b>0.9</b>
Inventory	272	287	5.5	331	15.3	340	2.7
Trade receivables	4,580	4,366	-4.7	4,328	-0.9	4,391	1.5
Cash and current financial assets	2,858	4,829	69.0	4,370	-9.5	4,969	13.7
<b>Total current assets</b>	<b>9,036</b>	<b>10,791</b>	<b>19.4</b>	<b>12,059</b>	<b>11.8</b>	<b>11,221</b>	<b>-6.9</b>
<b>Total assets</b>	<b>64,855</b>	<b>73,213</b>	<b>12.9</b>	<b>73,726</b>	<b>0.7</b>	<b>73,804</b>	<b>0.1</b>
Long-term debt	27,873	27,854	-0.1	21,357	-23.3	25,818	20.9
Provisions for risks and charges	750	770	2.7	769	-0.1	689	-10.4
<b>Total non-current liabilities</b>	<b>33,002</b>	<b>33,227</b>	<b>0.7</b>	<b>30,876</b>	<b>-7.1</b>	<b>30,845</b>	<b>-0.1</b>
Short-term debt	4,416	4,308	-2.4	5,742	33.3	5,242	-8.7
Trade payables	5,964	6,838	14.7	7,286	6.6	7,051	-3.2
<b>Total current liabilities</b>	<b>10,380</b>	<b>11,146</b>	<b>7.4</b>	<b>13,028</b>	<b>16.9</b>	<b>12,293</b>	<b>-5.6</b>
Minorities	1,246	2,625	110.7	4,439	69.1	4,592	3.4
Shareholders' equity	20,227	26,215	29.6	25,383	-3.2	26,006	2.5
<b>Total equity</b>	<b>21,473</b>	<b>28,840</b>	<b>34.3</b>	<b>29,822</b>	<b>3.4</b>	<b>30,598</b>	<b>2.6</b>
<b>Total liabilities and equity</b>	<b>64,855</b>	<b>73,213</b>	<b>12.9</b>	<b>73,726</b>	<b>0.7</b>	<b>73,804</b>	<b>0.1</b>
Net debt	25,469	23,326	-8.4	21,155	-9.3	22,072	4.3
Adjusted net debt	20,741	18,594	-10.4	16,591	-10.8	17,415	5.0

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	42.6	39.1	43.8	36.6	43.8	41.8
Adjusted EBITDA margin	44.6	44.3	43.3	42.5	46.4	43.0
EBIT margin	13.3	10.0	13.4	6.6	13.4	12.0
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	5.7	5.3	5.6	4.8	5.5	5.4
EBIT/net interest expense (x)	1.8	1.3	1.7	0.9	1.7	1.6
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	3.9	3.3	3.0	3.2		
Adjusted Net Debt/Adjusted EBITDA (x)	3.8	3.5	3.4	3.6		
Net debt/FFO	5.4	5.2	4.9	5.2		
Net debt/equity	1.2	0.8	0.7	0.7		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Terna: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

### Key credit drivers

- Positive H1 results, in line with Bloomberg consensus. The performance was driven by both: i) regulated revenues (+7% yoy, to EUR 1,09Bn); and ii) non-regulated and international revenues (EUR 165M, +5% yoy). Net debt rose by +6% vs YE20, mainly due to higher capex (+40% yoy) and dividend payments.
- Outlook. Terna's 2021 guidance envisages the following targets: i) revenues of around EUR 2.57Bn (EUR 2.51Bn in 2020); ii) EBITDA of approximately EUR 1.84Bn (from EUR 1.83Bn); and iii) capex increasing to roughly EUR 1.4Bn (from EUR 1.35Bn). As we do for other Italian regulated companies, we consider the ongoing regulatory review to be one of the current main catalysts for Terna. The Italian regulator, ARERA, should publish a second consultation paper by end-October and the final version in December.
- HOLD recommendation confirmed, based on current spreads and the company's centrality in the energy transition in Italy.

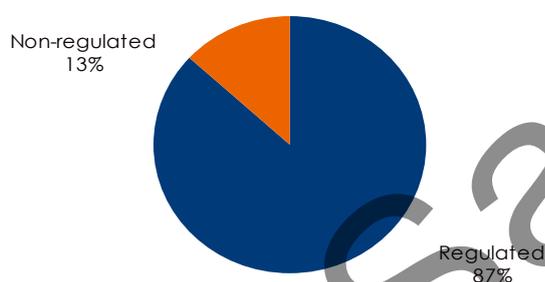
### Strengths

- Monopolist in Italy, owning c.99% of the country's electricity transportation grid.
- Almost fully regulated business (c.90% of total revenues). Limited exposure of revenues to changes in electricity demand.
- Committed to the current rating and a low-risk business profile.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

TRNIM 1 07/03/23 -15

### Sales breakdown (1H21)



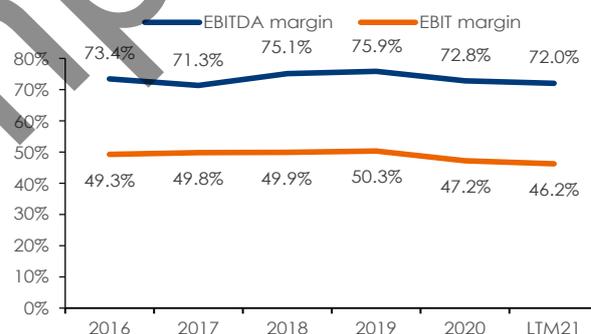
### Weaknesses

- Expected lower remuneration for regulated activities from 2022.
- Leverage ratios expected to rise, due to higher capex envisaged in the 2021-2025 strategic plan.

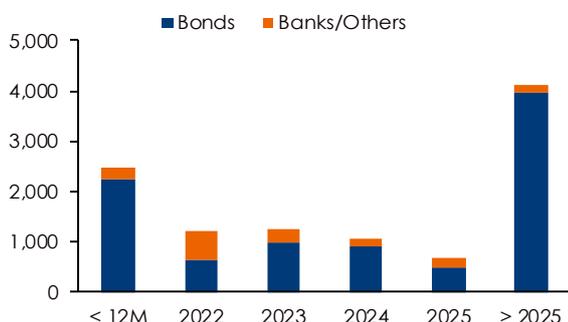
### Underperformance<sup>1</sup> YTD - Senior Unsecured

TRNIM 0 3/4 07/24/32 4

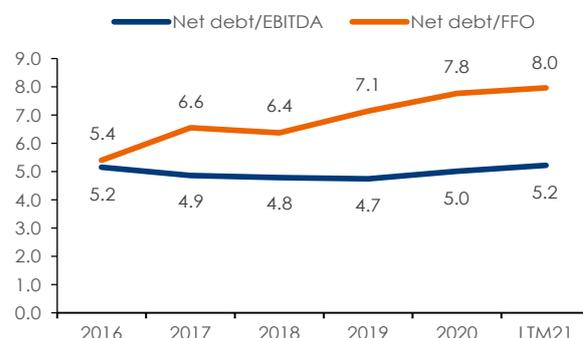
### Trend in profitability



### Debt maturity profile (EUR M, 30.6.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Terna bonds in Appendix 1 (page 73)

## Terna in Brief

Terna — Rete Elettrica Nazionale S.p.A. — transmits electricity over the high-voltage and extra-high-voltage grid in Italy. Through its subsidiaries, the company owns a substantial share of the national electricity transmission grid.

### Consolidated income statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
Sales	2,514	2,589	3.0	1,183	1,259	6.4	616	637	3.5
EBITDA	1,830	1,865	1.9	876	911	3.9	442	457	3.4
Adjusted EBITDA	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBIT	1,187	1,197	0.9	574	584	1.9	292	294	0.7
Adjusted EBIT	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net interest expense	-89	-91	2.3	-39	-41	5.1	-20	-19	-2.5
Income (loss) on equity investments	-4	-7	66.7	2	-0	-118.2	NA	NA	NA
Profit before tax	1,008	1,017	0.9	535	544	1.7	272	275	1.0
Net profit (loss)	795	802	0.8	380	386	1.7	193	195	1.0
Net profit (loss) attributable to the Group	786	791	0.6	380	385	1.3	193	194	0.6

### Consolidated cash flow statement - main items

(EUR M)	2020	LTM21	Chg %	1H20	1H21	Chg %	2Q20	2Q21	Chg %
FFO	1,181	1,222	3.5	631	672	6.6	325	339	4.5
Net change in working capital	NA	NA	NA	-406	-297	-26.9	-186	-27	-85.7
CFO	941	1,092	16.0	225	376	66.7	139	313	125.4
Capex	-1,187	-1,361	14.7	-428	-602	40.6	-211	-360	71.2
FCF	-245	-269	9.6	-203	-226	11.6	-72	-48	-33.6
Dividends	-526	-553	5.1	-332	-359	8.0	-332	-359	8.0
Discretionary FCF	-771	-822	6.5	-535	-585	9.4	-404	-407	0.6
RCF	-859	-833	-3.0	-588	-562	-4.4	-438	-421	-3.8
Change in equity	NA	NA	NA	0	0	NM	NA	NA	NA
Change in debt	2,491	NA	NA	760	NA	NA	NA	NA	NA
CFF	2,491	NA	NA	760	NA	NA	NA	NA	NA
RCF + CFF	1,632	245	-85.0	172	-1,215	NM	NA	NA	NA
Change in liquidity	1,632	245	-85.0	172	-1,215	NM	NA	NA	NA

### Consolidated balance sheet - main items

(EUR M)	30.09.20	31.12.20	Chg %	31.03.21	Chg %	30.06.21	Chg %
Intangible assets	547	578	5.6	577	-0.2	555	-3.7
Property, plant & equipment	14,147	14,560	2.9	14,634	0.5	14,825	1.3
Financial and equity investments	NA	695	NA	NA	NA	666	NA
<b>Total non-current assets</b>	<b>NA</b>	<b>15,852</b>	<b>NA</b>	<b>15,714</b>	<b>-0.9</b>	<b>16,092</b>	<b>2.4</b>
Inventory	NA	66	NA	NA	NA	65	NA
Trade receivables	NA	1,245	NA	NA	NA	1,725	NA
Cash and current financial assets	2,998	3,328	11.0	2,250	-32.4	2,019	-10.2
<b>Total current assets</b>	<b>NA</b>	<b>4,777</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>3,936</b>	<b>NA</b>
<b>Total assets</b>	<b>NA</b>	<b>20,630</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>20,030</b>	<b>NA</b>
Long-term debt	NA	9,860	NA	NA	NA	9,573	NA
Provisions for risks and charges	NA	171	NA	NA	NA	142	NA
<b>Total non-current liabilities</b>	<b>NA</b>	<b>11,184</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>10,819</b>	<b>NA</b>
Short-term debt	NA	2,390	NA	NA	NA	1,942	NA
Trade payables	550	2,217	NM	NA	NA	2,281	NA
<b>Total current liabilities</b>	<b>NA</b>	<b>5,031</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>4,735</b>	<b>NA</b>
Minorities	44	46	5.5	39	-15.7	40	3.6
Shareholders' equity	4,334	4,370	0.8	4,593	5.1	4,436	-3.4
<b>Total equity</b>	<b>4,377</b>	<b>4,416</b>	<b>0.9</b>	<b>4,632</b>	<b>4.9</b>	<b>4,476</b>	<b>-3.4</b>
<b>Total liabilities and equity</b>	<b>NA</b>	<b>20,630</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>20,030</b>	<b>NA</b>
Net debt	8,825	9,173	3.9	9,321	1.6	9,735	4.4
Adjusted net debt	NA	NA	NA	NA	NA	NA	NA

### Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2020	LTM21	1H20	1H21	2Q20	2Q21
EBITDA margin	72.8	72.0	74.0	72.3	71.8	71.7
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	47.2	46.2	48.5	46.4	47.4	46.1
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	20.6	20.5	22.4	22.2	22.3	23.7
EBIT/net interest expense (x)	13.4	13.2	14.7	14.2	14.7	15.2
Leverage ratio (x)	30.09.20	31.12.20	31.03.21	30.06.21		
Net debt/EBITDA	4.9	5.0	5.0	5.2		
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-		
Net debt/FFO	6.7	7.8	7.7	8.0		
Net debt/equity	2.0	2.1	2.0	2.2		

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Webuild: Credit View NOT ASSIGNED

(Moody's -, Fitch BB /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	-	-	-
HY	-	NA	-	-
Unrated	-	-	-	-

### Key credit drivers

- 1H21 saw a notable increase in both sales and EBITDA yoy, with margin improvement that largely reflected the consolidation of Astaldi but also the resumption of activities at work sites. Italy was a key driver of the improvement. Cash flow improved from the very low base at 1H20, helped by positive working capital effects. Although net debt increased on YE20, the improvement in profitability drove leverage lower to 4x from 5.2x at YE20 and from 4.7x at 1H20. Refinancing risk emerges in 2025 after the refinancing operations carried out earlier this year.
- Guidance was confirmed at the 1H21 stage: 2021 revenue EUR 6.5-EUR 7.2Bn, EBITDA margin to recover to approximately 8%, supported by a cost efficiency programme, with net debt (company basis) of EUR 0.5-0.3Bn.
- Any Credit Rating developments will be driven, in our view, by stabilisation of the operating environment, as well as any benefits from pick-ups in Italian and global investment in infrastructure assets that feed through over time.

### Strengths

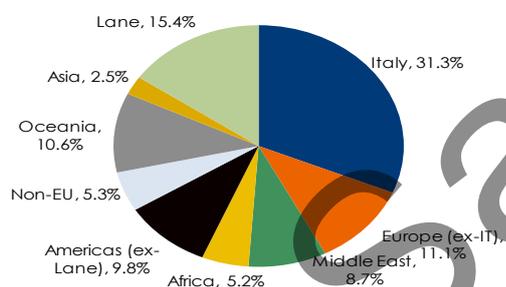
- Major global player with broad geographic diversification, that was further enhanced after the Astaldi transaction.
- Well-positioned to benefit from an increase in infrastructure investment in the EU, US and globally, and in particular from the Italy's National Recovery and Resilience Plan (infrastructure investments, sustainable mobility and water infrastructure).
- Focus on de-risking and on UN SDG projects; shift to lower-risk geographic areas emerging through the revenue mix. Focus on lower project concentration risk.

### Outperformer<sup>1</sup> YTD - Senior Unsecured

IPGIM 5 7/8 12/15/25

-240

### Sales by geographic area (1H21)



### Weaknesses

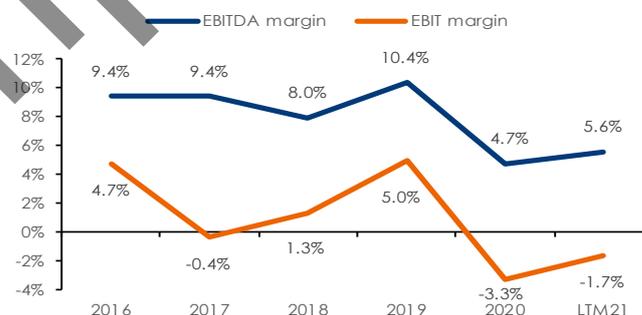
- Industry-specific business risk on long-term projects.
- Some remaining exposure to higher-risk countries, some of which had led to material write-downs in the past.
- Litigation risks.
- Exposure to FX and to some off-balance-sheet JV debt.
- Integration risks relating to Astaldi.
- Some ongoing uncertainty regarding developments relating to the Coronavirus pandemic in certain regions.

### Underperformance<sup>1</sup> YTD - Senior Unsecured

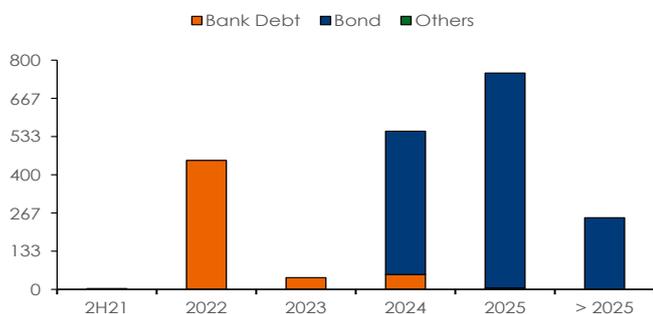
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-204

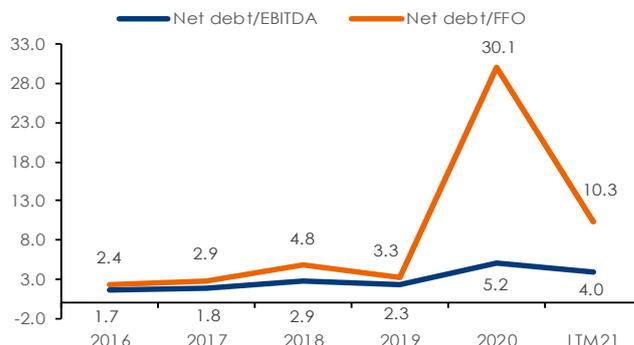
### Trend in profitability



### Debt maturity profile (EUR M, 30.06.21)



### Leverage trend (x)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Webuild bonds in Appendix 1 (page 75)

## Webuild In Brief

Webuild S.p.A. constructs dams, hydroelectric plants, roads and motorways, railways and subway systems, maritime projects, irrigation systems, waste treatment plants, desalination plants, and thermal and nuclear power stations.

<b>Consolidated income statement - main items</b>								
(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
Sales	5,130	4,474	-12.8	5,488	22.7	2,033	3,047	49.9
EBITDA	531	212	-60.1	308	45.4	87	183	110.4
Adjusted EBITDA	423	779	84.2	866	11.1	111	198	78.1
EBIT	257	-147	-157.2	-91	-38.1	-9	47	NM
Adjusted EBIT	184	563	NM	589	4.6	35	61	73.8
Net interest expense	-77	-75	-3.7	-114	52.4	-34	-73	114.6
Income (loss) on equity investments	-128	-109	-14.8	-111	1.8	-2	-4	116.1
Profit before tax	56	174	NM	223	28.0	-59	-10	-82.4
Net profit (loss)	-1	142	NM	160	12.6	-86	-68	-20.8
Net profit (loss) attributable to the Group	-22	147	NM	171	16.5	-84	-59	-29.0
<b>Consolidated cash flow statement - main items</b>								
(EUR M)	2019	2020	Chg %	LTM21	Chg %	1H20	1H21	Chg %
FFO	375	37	-90.2	120	NM	-31	53	NM
Net change in working capital	-289	159	-155.2	605	NM	-330	115	-134.8
CFO	87	196	125.9	725	NM	-361	168	-146.4
Capex	-99	-184	85.9	-242	31.4	-68	-126	84.5
FCF	-12	12	NM	483	NM	-430	42	-109.7
Dividends	-6	-30	NM	-54	82.9	-27	-52	90.7
Discretionary FCF	-18	-17	-4.0	429	NM	-457	-10	-97.8
RCF	-209	388	NM	777	100.3	-456	-67	-85.3
Change in equity	593	0	-100.0	4	NM	0	4	NM
Change in debt	-382	977	NM	-414	-142.4	765	-626	-181.7
CFF	212	1,098	NM	-289	-126.3	766	-622	-181.2
RCF + CFF	3	1,486	NM	488	-67.2	310	-688	NM
Change in liquidity	13	1,446	NM	465	-67.8	304	-677	NM
<b>Consolidated balance sheet - main items</b>								
(EUR M)	31.12.19	30.06.20	Chg %	31.12.20	Chg %	30.06.21	Chg %	
Intangible assets	261	250	-4.5	656	163.1	616	-6.2	
Property, plant & equipment	334	353	5.7	477	35.4	536	12.3	
Financial and equity investments	642	667	3.7	640	-4.0	747	16.7	
<b>Total non-current assets</b>	<b>2,013</b>	<b>2,079</b>	<b>3.3</b>	<b>2,630</b>	<b>26.5</b>	<b>2,665</b>	<b>1.3</b>	
Trade receivables	1,827	1,972	7.9	1,890	-4.2	2,328	23.2	
Cash and current financial assets	1,021	1,332	30.5	2,455	84.3	1,715	-30.2	
<b>Total current assets</b>	<b>6,194</b>	<b>6,568</b>	<b>6.0</b>	<b>8,989</b>	<b>36.9</b>	<b>8,480</b>	<b>-5.7</b>	
<b>Total assets</b>	<b>8,219</b>	<b>8,647</b>	<b>5.2</b>	<b>11,629</b>	<b>34.5</b>	<b>11,154</b>	<b>-4.1</b>	
Long-term debt	1,942	1,570	-19.1	2,155	37.3	2,363	9.6	
Provisions for risks and charges	200	200	0.2	196	-1.9	197	0.3	
<b>Total non-current liabilities</b>	<b>2,149</b>	<b>1,775</b>	<b>-17.4</b>	<b>2,552</b>	<b>43.8</b>	<b>2,680</b>	<b>5.0</b>	
Short-term debt	309	1,537	NM	1,404	-8.7	600	-57.3	
Trade payables	2,613	2,262	-13.4	2,707	19.7	2,905	7.3	
<b>Total current liabilities</b>	<b>4,566</b>	<b>5,471</b>	<b>19.8</b>	<b>6,977</b>	<b>27.5</b>	<b>6,452</b>	<b>-7.5</b>	
Minorities	109	132	21.3	656	NM	652	-0.6	
Shareholders' equity	1,395	1,269	-9.1	1,429	12.6	1,355	-5.2	
<b>Total equity</b>	<b>1,504</b>	<b>1,401</b>	<b>-6.9</b>	<b>2,085</b>	<b>48.8</b>	<b>2,007</b>	<b>-3.7</b>	
<b>Total liabilities and equity</b>	<b>8,219</b>	<b>8,647</b>	<b>5.2</b>	<b>11,629</b>	<b>34.5</b>	<b>11,154</b>	<b>-4.1</b>	
Net debt	1,229	1,774	44.3	1,101	-37.9	1,242	12.8	
Adjusted Net Debt	1,466	NA	NA	1,427	NA	NA	NA	
<b>Key consolidated economic data - financial indicators</b>								
Profitability and coverage ratio (%)	2019	2020	LTM21	1H20	1H21			
EBITDA margin	10.4	4.7	5.6	4.3	6.0			
Adjusted EBITDA margin	7.9	14.7	15.8	5.0	6.3			
EBIT margin	5.0	-3.3	-1.7	-0.4	1.5			
Adjusted EBIT margin	3.5	10.6	10.7	1.6	2.0			
EBITDA/net interest expense (x)	6.9	2.8	2.7	2.6	2.5			
EBIT/net interest expense (x)	3.3	-2.0	-0.8	-0.3	0.6			
Leverage ratio (x)	31.12.19	30.06.20	31.12.20	30.06.21				
Net debt/EBITDA	2.3	4.7	5.2	4.0				
Adjusted Net Debt/Adjusted EBITDA (x)	2.9	6.0	1.4	1.4				
Net debt/FFO	3.3	12.0	30.1	10.3				
Net debt/equity	0.8	0.8	0.5	0.3				

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

## Banca MPS: Credit View NEUTRAL

(Moody's Caa1/\*+ / - , Fitch B/\*-)

	CB	GGB	Sen Uns	SNP	Sub	Hybrid
IG	BUY	-	-	-	-	-
HY	-	-	BUY	-	HOLD	-
Unrated	-	-	-	-	-	-

### Key credit drivers

- MPS returned to the black in 1H21, benefiting from both an improved operating performance and lower cost of risk. Asset quality was broadly stable at end-2Q21, with capital ratios also relatively flat.
- A potential business combination with Unicredit is under negotiation, whilst a hypothetical capital increase is not being worked on, as a structural solution remains the priority.

### Strengths

- Fifth-largest Italian banking group by total assets.
- Healthy liquidity position, with ample support from ECB funding.
- Following strong de-risking of recent years, asset quality compares well with the average for domestic banks.

### Outperformer<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB (fx)	MONTE 2 01/29/24	T2 (vr)	NM
Senior (fx)	MONTE 1 7/8 01/09/26	T1/AT1	-

### Cost/income ratio (trend)



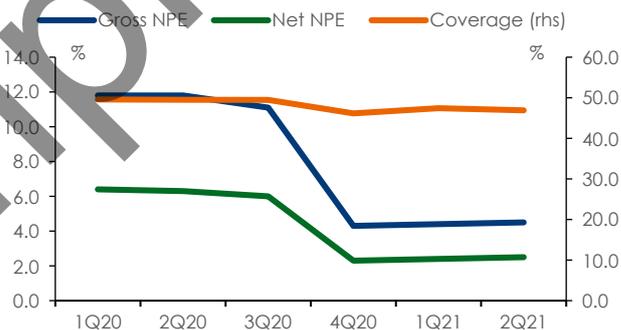
### Weaknesses

- Weak profitability.
- Low capitalisation.
- Sizable number of legal claims against it.
- Significant exposure to Italian government bonds.

### Underperformance<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB (fx)	MONTE 2 1/8 11/26/25	T2 (vr)	NM
Senior (fx)	MONTE 4 07/10/22	T1/AT1	-

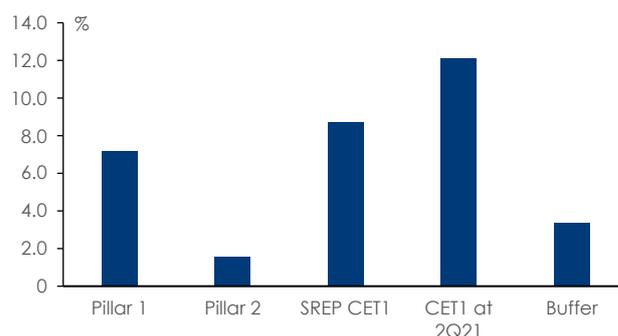
### Gross and net NPE ratios and coverage ratios (trend)



### Bond maturity profile, 2021-23 (FY)\*



### CET1 ratio 2Q21 vs SREP targets for 2021 (phased-in)



(\*) Institutional benchmark bonds. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Banca MPS bonds in Appendix 2 (page 79, 82, 84)  
NM = Not Meaningful

## Banca MPS In Brief

Banca Monte dei Paschi di Siena S.p.A. provides credit, asset management services, insurance, mutual funds, internet banking, and investment banking services. It mainly serves customers in Italy.

### Consolidated income statement - Main items

EUR M	2Q20	1Q21	2Q21	qoq %	yoy %	1H20	1H21	yoy %
Net Interest Income	320	280	306	9.3	-4.4	647	585	-9.5
Net Commission/Fee Income	324	372	383	2.8	17.9	694	755	8.7
<b>Core Revenues</b>	<b>644</b>	<b>652</b>	<b>688</b>	<b>5.6</b>	<b>6.8</b>	<b>1,341</b>	<b>1,340</b>	<b>-0.1</b>
Net Trading Income	66	161	20	-87.7	-69.7	93	181	95.8
<b>Total Income</b>	<b>723</b>	<b>824</b>	<b>740</b>	<b>-10.1</b>	<b>2.4</b>	<b>1,453</b>	<b>1,564</b>	<b>7.7</b>
<b>Operating Costs</b>	<b>533</b>	<b>540</b>	<b>533</b>	<b>-1.4</b>	<b>0.0</b>	<b>1,077</b>	<b>1,073</b>	<b>-0.4</b>
<b>Gross Operating Profit</b>	<b>190</b>	<b>283</b>	<b>207</b>	<b>-26.8</b>	<b>9.1</b>	<b>376</b>	<b>491</b>	<b>30.7</b>
Net loan-losses provisions (LLPs)	205	77	89	15.8	-56.6	519	166	-68.1
<b>Pre-tax income</b>	<b>-403</b>	<b>114</b>	<b>31</b>	<b>-72.7</b>	<b>-107.7</b>	<b>-642</b>	<b>145</b>	<b>-122.6</b>
<b>Net income (Loss)</b>	<b>-842</b>	<b>119</b>	<b>83</b>	<b>-30.6</b>	<b>-109.8</b>	<b>-1,081</b>	<b>202</b>	<b>-118.7</b>
<b>Net income (loss) adjusted<sup>1</sup></b>	<b>-842</b>	<b>119</b>	<b>83</b>	<b>-30.6</b>	<b>-109.8</b>	<b>-1,080</b>	<b>202</b>	<b>-118.7</b>

### Consolidated balance sheet - Main items

ASSETS (EUR M)	30.06.20	31.12.20	30.06.21	YTD %	yoy %
Cash and cash equivalents	680	764	587	-23.1	-13.6
Financial assets and hedging derivatives	28,699	24,642	25,811	4.7	-10.1
Due from banks	20,795	33,978	29,863	-12.1	43.6
Loans to customers	82,511	82,632	81,356	-1.5	-1.4
Equity investments	954	1,108	1,028	-7.2	7.7
Tangible and intangible assets	2,560	2,520	2,760	9.5	7.8
Tax assets	2,196	1,992	1,800	-9.6	-18.0
Other assets	3,256	2,710	2,545	-6.1	-21.8
<b>Total Assets</b>	<b>141,650</b>	<b>150,345</b>	<b>145,750</b>	<b>-3.1</b>	<b>2.9</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY (EUR M)</b>	<b>30.06.20</b>	<b>31.12.20</b>	<b>30.06.21</b>	<b>YTD %</b>	<b>yoy %</b>
Due to banks	26,185	28,418	33,160	16.7	26.6
Due to customers and debt securities in issue	97,585	103,719	94,037	-9.3	-3.6
Trading liabilities and hedging derivatives	5,611	7,799	6,549	-16.0	16.7
Tax liabilities	3	4	8	95.1	166.7
Other liabilities	5,112	4,632	5,929	28.0	16.0
Minorities	1	1	1	7.7	16.7
<b>Shareholders' equity</b>	<b>7,152</b>	<b>5,772</b>	<b>6,065</b>	<b>5.1</b>	<b>-15.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>141,650</b>	<b>150,345</b>	<b>145,750</b>	<b>-3.1</b>	<b>2.9</b>

### Key consolidated economic - financial indicators (historical trend)

Profitability ratios (%)	2017	2018	2019	2020	1H21
ROE Adjusted <sup>1</sup>	NM	3.2	NM	NM	6.9
ROA Adjusted <sup>1</sup>	NM	0.2	NM	NM	0.3
Cost/income ratio (excl. Systemic charges)	63.2	71.5	69.7	74.9	68.6
Asset Quality ratios (%)	2017	2018	2019	2020	2Q21
Net bad debt ratio	8.3	3.7	3.3	0.6	0.6
Bad debt coverage ratio	75.7	62.4	53.6	62.3	64.5
Net NPEs ratio	16.3	9.0	6.8	2.3	2.5
Cost of risk* (bps)	616	72	73	90	41
Cost of risk ordinary* (bps)	167	72	73	48	41
Liquidity ratios (%)	2017	2018	2019	2020	2Q21
Loan/deposit ratio	88.4	96.0	85.1	79.7	86.5
LCR (Liquidity Coverage Ratio)	199.5	190.2	152.4	196.7	194.2
NSFR (Net Stable Funding Ratio)	110.0	112.3	112.6	123.8	135.1
Capital Structure and Solvency ratios (%)	2017	2018	2019	2020	2Q21
CET1 phase-in ratio	14.8	13.7	14.7	12.1	12.1
CET1 fully-loaded	14.2	11.3	12.7	9.9	10.6
SREP CET1	10.8	9.4	10.0	8.8	8.7
Tier 1 ratio	14.8	13.7	14.7	12.1	12.1
TC ratio	15.0	15.2	16.7	15.8	15.5
Leverage phase-in ratio	6.0	5.5	6.1	4.4	4.7
Leverage fully-loaded ratio	NA	4.5	5.3	3.6	4.1
Operating structure	2017	2018	2019	2020	2Q21
Branches	1,745	1,529	1,422	1,418	1,418
of which in Italy	1,745	1,529	1,422	1,418	1,418
Employees	23,463	23,129	22,040	21,432	21,388

Notes: NA=not available, NM=not meaningful; 1) Before Public cash contribution, impairment on goodwill and badwill; (\*) 2021 data: Annualised CoR for 1H21. Source: Intesa Sanpaolo Research elaboration on company data

## Banco BPM: Credit View NEUTRAL

(Moody's Ba2 / Stable , Fitch -)

	CB	GGB	Sen Uns	SNP	Sub	Hybrid
IG	HOLD	-	-	-	-	-
HY	-	-	HOLD	HOLD	HOLD	BUY
Unrated	-	-	-	-	-	-

### Key credit drivers

- Banco BPM reported solid results for 1H21, driven by the positive trend in revenues that we saw as distinctive in the current operating scenario. Asset quality indicators improved at end-2Q21, with both liquidity and capital position being further enhanced.
- Management guidance for FY21 confirmed a positive trend in operating profitability, with a positive guidance on revenues, and the focus on cost discipline continued. Banco BPM is to present its new strategic plan by the 3Q21 earnings release.
- Strategy-wise, within the ongoing consolidation of the domestic sector, Banco BPM has said it will continue to seek opportunities in the interest of all its stakeholders, but no deal was reported to be currently on the table.

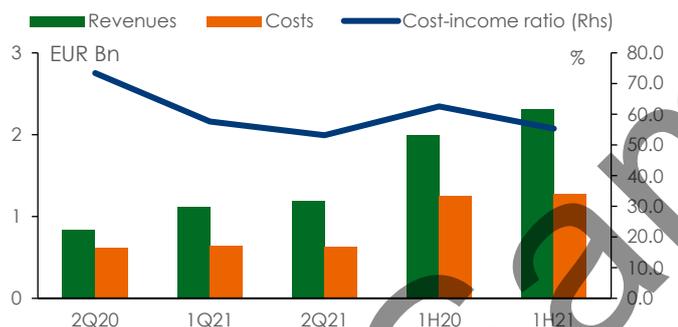
### Strengths

- Third-largest Italian bank by total assets, located mainly in the wealthiest area of northern Italy.
- Healthy liquidity and capital positions above prudential targets.

### Outperformer<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	BAMIIM 1 1/2 12/02/25	T2 (vr)	BAMIIM 4 3/8 9/21/27
Senior (fx)	BAMIIM 2 1/2 06/21/24	T1/AT1	BAMIIM 6 1/8 PERP

### Cost/income ratio (trend)



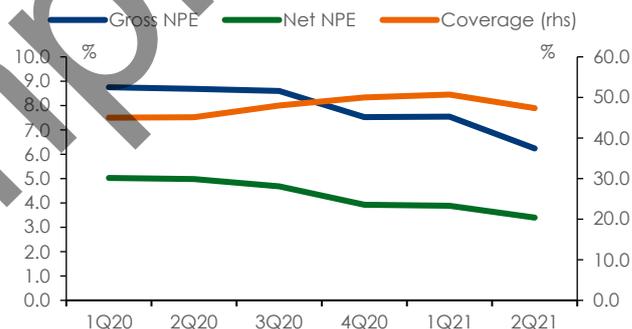
### Weaknesses

- Asset quality indicators weaker than peers' average, despite improving.
- Sizeable exposure to Italian government bonds.

### Underperformance<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	BAMIIM 0 5/8 6/08/23	T2 (vr)	BAMIIM 3 1/4 1/14/31
Senior (fx)	BAMIIM 1 3/4 4/24/23	T1/AT1	BAMIIM 8 3/4 PERP

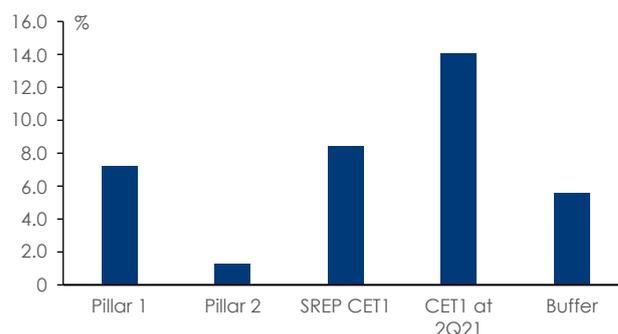
### Gross and net NPE ratios and coverage ratios (trend)



### Bond maturity profile, 2021-23 (FY)



### CET1 ratio 2Q21 vs SREP targets for 2021 (phased-in)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Banco BPM bonds in Appendix 2 (page 80, 81, 82, 83, 84)

## Banco BPM In Brief

Banco BPM S.p.A. operates as a bank. It offers private and corporate banking, loans, e-banking, investment and other related services. It serves customers in Italy.

### Consolidated income statement - Main items

EUR M	2Q20	1Q21	2Q21	qoq %	yoy %	1H20	1H21	yoy %
Net Interest Income	480	497	522	5.2	8.9	954	1,019	6.9
Net Commission/Fee Income	376	471	479	1.5	27.2	817	950	16.3
<b>Core Revenues</b>	<b>856</b>	<b>968</b>	<b>1,001</b>	<b>3.4</b>	<b>17.0</b>	<b>1,771</b>	<b>1,969</b>	<b>11.2</b>
Net Trading Income	-83	90	109	21.7	NM	124	198	59.9
<b>Total Income</b>	<b>836</b>	<b>1,117</b>	<b>1,188</b>	<b>6.3</b>	<b>42.1</b>	<b>1,997</b>	<b>2,306</b>	<b>15.5</b>
<b>Operating Costs</b>	<b>614</b>	<b>644</b>	<b>632</b>	<b>-1.9</b>	<b>2.9</b>	<b>1,249</b>	<b>1,276</b>	<b>2.1</b>
<b>Gross Operating Profit</b>	<b>222</b>	<b>474</b>	<b>557</b>	<b>17.6</b>	<b>150.4</b>	<b>748</b>	<b>1,030</b>	<b>37.8</b>
Net loan-losses provisions (LLPs)	263	217	256	17.7	-2.9	476	473	-0.8
<b>Pre-tax income</b>	<b>-59</b>	<b>249</b>	<b>260</b>	<b>4.6</b>	<b>NM</b>	<b>250</b>	<b>508</b>	<b>103.1</b>
<b>Net income (Loss)</b>	<b>-46</b>	<b>100</b>	<b>261</b>	<b>162.3</b>	<b>NM</b>	<b>105</b>	<b>361</b>	<b>NM</b>
<b>Net income (loss) adjusted<sup>1</sup></b>	<b>-46</b>	<b>100</b>	<b>261</b>	<b>162.3</b>	<b>NM</b>	<b>105</b>	<b>361</b>	<b>NM</b>

### Consolidated balance sheet - Main items

ASSETS (EUR M)	30.06.20	31.12.20	30.06.21	YTD %	yoy %
Cash and cash equivalents	838	8,858	20,718	133.9	NM
Financial assets and hedging derivatives	43,885	41,176	45,955	11.6	4.7
Due from banks	12,825	11,121	8,574	-22.9	-33.1
Loans to customers	108,389	109,335	109,374	0.0	0.9
Equity investments	1,577	1,665	1,689	1.5	7.1
Tangible and intangible assets	4,783	4,771	4,656	-2.4	-2.7
Tax assets	4,628	4,704	4,680	-0.5	1.1
Other assets	2,490	2,056	2,884	40.3	15.8
<b>Total Assets</b>	<b>179,415</b>	<b>183,685</b>	<b>198,530</b>	<b>8.1</b>	<b>10.7</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY (EUR M)</b>	<b>30.06.20</b>	<b>31.12.20</b>	<b>30.06.21</b>	<b>YTD %</b>	<b>yoy %</b>
Due to banks	32,930	33,938	44,269	30.4	34.4
Due to customers and debt securities in issue	115,234	116,937	120,146	2.7	4.3
Trading liabilities and hedging derivatives	12,181	14,776	13,406	-9.3	10.1
Tax liabilities	612	465	312	-32.8	-49.0
Other liabilities	6,224	5,344	7,478	39.9	20.1
Minorities	25	2	1	-47.2	-95.9
<b>Shareholders' equity</b>	<b>12,211</b>	<b>12,225</b>	<b>12,918</b>	<b>5.7</b>	<b>5.8</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>179,416</b>	<b>183,685</b>	<b>198,530</b>	<b>8.1</b>	<b>10.7</b>

### Key consolidated economic - financial indicators (historical trend)

Profitability ratios (%)	2017	2018	2019	2020	1H21
ROE Adjusted <sup>1</sup>	6.0	NM	7.2	NM	5.8
ROA Adjusted <sup>1</sup>	0.3	NM	0.5	NM	0.4
Cost/income ratio (excl. Systemic charges)	64.7	59.5	60.4	58.8	55.3
Asset Quality ratios (%)	2017	2018	2019	2020	2Q21
Net bad debt ratio	6.0	1.5	1.5	1.3	0.9
Bad debt coverage ratio	58.9	59.6	56.2	59.1	55.4
Net NPEs ratio	12.1	6.5	5.2	3.9	3.4
Cost of risk* (bps)	172	187	74	122	86
Cost of risk ordinary* (bps)	172	118	74	72	52
Liquidity ratios (%)	2017	2018	2019	2020	2Q21
Loan/deposit ratio	100.2	98.9	96.7	93.5	91.0
LCR (Liquidity Coverage Ratio)	125.6	150.0	165.0	191.0	216.0
NSFR (Net Stable Funding Ratio)	NA	NA	NA	NA	NA
Capital Structure and Solvency ratios (%)	2017	2018	2019	2020	2Q21
CET1 phase-in ratio	12.4	12.1	14.6	14.6	14.1
CET1 fully-loaded	11.9	11.5	12.8	13.3	12.9
SREP CET1	8.2	8.9	9.3	8.4	8.5
Tier 1 ratio	12.7	12.3	15.2	15.8	15.8
TC ratio	15.2	14.7	17.5	18.8	18.8
Leverage phase-in ratio	NA	NA	NA	5.2	5.7
Leverage fully-loaded ratio	NA	NA	NA	4.9	5.2
Operating structure	2017	2018	2019	2020	2Q21
Branches	2,320	1,804	1,808	1,808	1,510
of which in Italy	2,320	1,804	1,808	1,808	1,510
Employees	23,263	22,247	21,941	21,663	20,551

Notes: NA=not available, NM=not meaningful; 1) Before Public cash contribution, impairment on goodwill and badwill; (\*) 2021 data: Annualised CoR for 1H21. Source: Intesa Sanpaolo Research elaboration on company data

## BPER Banca: Credit View NEUTRAL

(Moody's Ba3 / Stable , Fitch BB+ /Stable)

	CB	GGB	Sen Uns	SNP	Sub	Hybrid
IG	HOLD	-	-	-	-	-
HY	-	-	HOLD	-	HOLD	-
Unrated	-	-	-	-	-	-

### Key credit drivers

- BPER Banca in 1H21 confirmed a rising trend in profitability, despite operating costs remaining structurally high. Asset quality improved further at and-2Q21, as did liquidity and capital positions.
- BPER Banca confirmed a rather positive guidance for 2H21, expecting higher NII and fee income and a downtrend in operating costs. A new business plan is set to be announced by YE21/beginning of 2022.
- Strategy-wise, BPER Banca remains open to participating in potential M&A if it is, in its view, value-accretive, but its priority is now exploiting synergies related to the recently-acquired activities.
- Fitch (01.09.2021) upgraded Banca BPER's LT rating on senior unsecured debt by 1 to BB+.

### Strengths

- Sixth-largest Italian bank by total assets, nationwide spread. Deeply rooted in its home region of northern Italy.
- Ample liquidity, driven by retail funding.
- Capital ratios at comfortable buffers over SREP targets.

### Weaknesses

- High level of operating costs.
- Exposure to SME's and to more fragile economies of Italy's southern regions.

### Outperformer<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	BPEIM 1 1/8 4/22/26	T2 (fx)	BPEIM 5 1/8 05/31/27
Senior (fx)	NA	T1/AT1	-

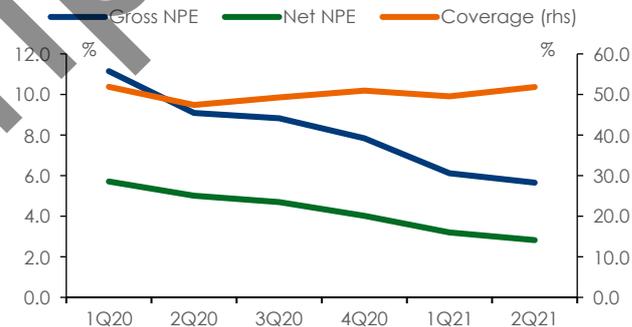
### Underperformance<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	BPEIM 1 7/22/23	T2 (fx)	BPEIM 3 5/8 11/30/30
Senior (fx)	NA	T1/AT1	-

### Cost/income ratio (trend)



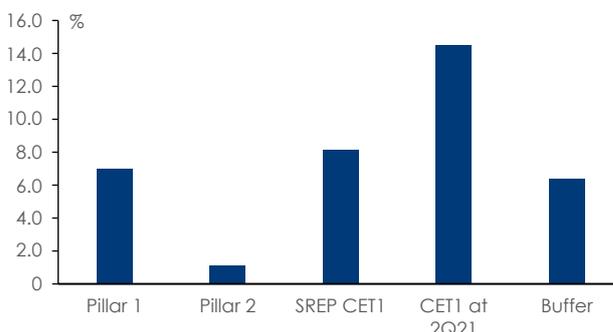
### Gross and net NPE ratios and coverage ratios (trend)



### Bond maturity profile, 2021- 23 (FY)



### CET1 ratio 2Q21 vs SREP targets for 2021 (phased-in)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of BPER bonds in Appendix 2 (page 80, 82, 84)  
 2. NA = Not Applicable for only one benchmark bond

## BPER In Brief

BPER Banca S.p.A. operates as a retail and corporate bank. It offers loans, credit cards, pension plans, investment funds, insurance, asset management, and online trading services. BPER serves customers in Italy alone.

### Consolidated income statement - Main items

EUR M	2Q20	1Q21	2Q21	qoq %	yoy %	1H20	1H21	yoy %
Net Interest Income	310	344	385	12.0	24.0	618	728	17.8
Net Commission/Fee Income	245	328	406	23.7	65.6	513	734	43.2
<b>Core Revenues</b>	<b>555</b>	<b>672</b>	<b>791</b>	<b>17.7</b>	<b>42.4</b>	<b>1,131</b>	<b>1,462</b>	<b>29.3</b>
Net Trading Income	47	76	43	-43.0	-7.2	52	120	128.1
<b>Total Income</b>	<b>624</b>	<b>758</b>	<b>841</b>	<b>11.0</b>	<b>34.7</b>	<b>1,221</b>	<b>1,598</b>	<b>31.0</b>
<b>Operating Costs</b>	<b>407</b>	<b>546</b>	<b>565</b>	<b>3.4</b>	<b>38.7</b>	<b>817</b>	<b>1,111</b>	<b>36.0</b>
<b>Gross Operating Profit</b>	<b>217</b>	<b>211</b>	<b>276</b>	<b>30.6</b>	<b>27.4</b>	<b>403</b>	<b>487</b>	<b>20.8</b>
Net loan-losses provisions (LLPs)	154	418	159	-61.9	3.5	294	577	96.3
<b>Pre-tax income</b>	<b>28</b>	<b>-300</b>	<b>91</b>	<b>-130.3</b>	<b>NM</b>	<b>45</b>	<b>-209</b>	<b>NM</b>
<b>Net income (Loss)</b>	<b>96</b>	<b>400</b>	<b>101</b>	<b>-74.6</b>	<b>5.6</b>	<b>102</b>	<b>502</b>	<b>NM</b>
<b>Net income (loss) adjusted<sup>1</sup></b>	<b>96</b>	<b>-151</b>	<b>49</b>	<b>-132.7</b>	<b>-48.7</b>	<b>102</b>	<b>-102</b>	<b>NM</b>

### Consolidated balance sheet - Main items

ASSETS (EUR M)	30.06.20	31.12.20	30.06.21	YTD %	yoy %
Cash and cash equivalents	461	482	665	37.8	44.2
Financial assets and hedging derivatives	22,330	24,746	27,244	10.1	22.0
Due from banks	5,101	9,857	24,434	147.9	NM
Loans to customers	52,884	53,006	76,290	43.9	44.3
Equity investments	218	226	228	1.3	4.6
Tangible and intangible assets	2,005	2,070	2,538	22.6	26.6
Tax assets	NA	NA	NA	NA	NA
Other assets	2,937	2,676	3,403	27.2	15.9
<b>Total Assets</b>	<b>85,936</b>	<b>93,062</b>	<b>134,802</b>	<b>44.9</b>	<b>56.9</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY (EUR M)</b>	<b>30.06.20</b>	<b>31.12.20</b>	<b>30.06.21</b>	<b>YTD %</b>	<b>yoy %</b>
Due to banks	16,601	20,181	22,710	12.5	36.8
Due to customers and debt securities in issue	59,815	63,141	98,498	56.0	64.7
Trading liabilities and hedging derivatives	611	639	466	-27.0	-23.7
Tax liabilities	NA	NA	NA	NA	NA
Other liabilities	3,554	2,767	6,253	126.0	75.9
Minorities	139	134	146	9.2	5.0
<b>Shareholders' equity</b>	<b>5,216</b>	<b>6,200</b>	<b>6,728</b>	<b>8.5</b>	<b>29.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>85,936</b>	<b>93,062</b>	<b>134,802</b>	<b>44.9</b>	<b>56.9</b>

### Key consolidated economic - financial indicators (historical trend)

Profitability ratios (%)	2017	2018	2019	2020	1H21
ROE Adjusted <sup>1</sup>	NM	10.1	0.8	4.7	NM
ROA Adjusted <sup>1</sup>	NM	0.6	0.0	0.3	NM
Cost/income ratio (excl. Systemic charges)	63.6	66.4	74.1	64.9	69.5
Asset Quality ratios (%)	2017	2018	2019	2020	2Q21
Net bad debt ratio	6.1	3.1	2.3	1.4	1.2
Bad debt coverage ratio	59.3	66.6	66.0	65.0	60.9
Net NPEs ratio	11.3	6.8	5.8	4.0	2.8
Cost of risk* (bps)	113	48	86	101	151
Cost of risk ordinary* (bps)	113	48	86	81	70
Liquidity ratios (%)	2017	2018	2019	2020	2Q21
Loan/deposit ratio	94.8	94.1	89.6	83.9	77.5
LCR (Liquidity Coverage Ratio)	113.7	154.3	158.9	200.1	215.9
NSFR (Net Stable Funding Ratio)	105.2	106.8	114.0	123.7	NA
Capital Structure and Solvency ratios (%)	2017	2018	2019	2020	2Q21
CET1 phase-in ratio	13.9	14.3	13.9	17.7	14.5
CET1 fully-loaded	13.7	12.0	12.0	15.8	13.5
SREP CET1	7.3	8.1	9.0	8.1	8.1
Tier 1 ratio	14.0	14.4	14.4	18.2	14.9
TC ratio	16.7	17.2	16.8	21.2	17.2
Leverage phase-in ratio	6.1	6.0	6.1	6.9	NA
Leverage fully-loaded ratio	6.0	5.0	5.3	6.1	NA
Operating structure	2017	2018	2019	2020	2Q21
Branches	1,219	1,218	1,349	1,237	1,852
of which in Italy	1,218	1,218	1,349	1,237	1,852
Employees	11,653	11,615	13,805	13,177	18,100

Notes: NA=not available, NM=not meaningful; 1) Before Public cash contribution, impairment on goodwill and badwill; (\*) 2021 data: Annualised CoR for 1H21. Source: Intesa Sanpaolo Research elaboration on company data

## Mediobanca: Credit View POSITIVE

(Moody's Baa1 / Stable , Fitch BBB- /Stable)

	CB	GGB	Sen Uns	SNP	Sub	Hybrid
IG	HOLD	-	BUY	BUY	-	-
HY	-	-	-	-	HOLD	-
Unrated	-	-	-	-	-	-

### Key credit drivers

- Mediobanca confirmed its solid set of results in FY21 and being well on track to achieve its 2019-2023 business plan targets. Asset quality improved further as at end-June 2021, and its capital position was further enhanced at very high levels.
- Management's outlook for FY22 is positive, guiding for increasing revenues, operating costs under control and cost of risk flattish.
- Strategy-wise, Mediobanca is establishing itself as a noteworthy domestic player in wealth management through organic growth as well opportunistic mid-sized M&A deals.

### Strengths

- Specialised, diversified and integrated Italian financial player, active in CIB, consumer credit and wealth management.
- Solid capital and liquidity positions.
- Healthy asset quality, better than domestic system average.

### Weaknesses

- High reliance on wholesale funding.
- Idiosyncratic risks related to its still-large stake in Assicurazioni Generali.

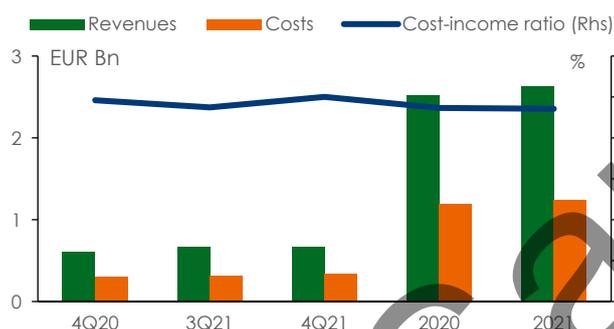
### Outperformer<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	BACRED 1 3 /8 11//25	T2 (vr)	NA
Senior (fx)	BACRED 0 3/4 07/15/27	T1/AT1	-

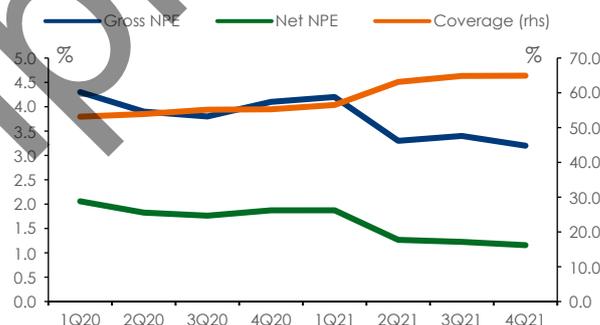
### Underperformance<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	BACRED 1 1/8 8/12/24	T2 (vr)	NA
Senior (fx)	BACRED 0 5/8 09/27/22	T1/AT1	-

### Cost/income ratio (trend)



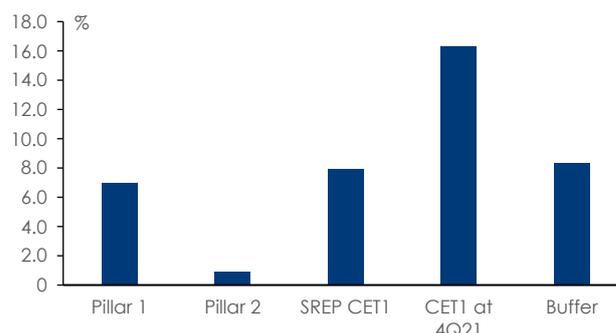
### Gross and net NPE ratios and coverage ratios (trend)



### Bond maturity profile, 2022- 23 (FY)\*



### CET1 ratio 4Q21 vs SREP targets for 2021 (phased-in)



(\*) as at end-June 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Mediobanca bonds in Appendix 2 (page 79, 81, 82, 85)  
NA = Not Applicable for only one benchmark bond

## Mediobanca In Brief

Mediobanca S.p.A. operates as a European investment banking boutique. The Mediobanca Group offers financial advice, consumer credit, and wealth management services through CheBanca S.p.A., Mediobanca Private Banking and CMB Monaco.

### Consolidated income statement - Main items

EUR M	4Q20	3Q21	4Q21	qoq %	yoy %	FY20	FY21	yoy %
Net Interest Income	361	351	344	-2.1	-4.7	1,442	1,415	-1.9
Net Commission/Fee Income	143	188	174	-7.9	21.4	630	745	18.2
<b>Core Revenues</b>	<b>503</b>	<b>539</b>	<b>517</b>	<b>-4.1</b>	<b>2.7</b>	<b>2,072</b>	<b>2,160</b>	<b>4.2</b>
Net Trading Income	48	65	45	-30.0	-4.8	136	197	44.5
<b>Total Income</b>	<b>606</b>	<b>663</b>	<b>665</b>	<b>0.3</b>	<b>9.7</b>	<b>2,513</b>	<b>2,628</b>	<b>4.6</b>
<b>Operating Costs</b>	<b>298</b>	<b>315</b>	<b>333</b>	<b>5.7</b>	<b>11.6</b>	<b>1,189</b>	<b>1,238</b>	<b>4.1</b>
<b>Gross Operating Profit</b>	<b>308</b>	<b>348</b>	<b>332</b>	<b>-4.6</b>	<b>7.9</b>	<b>1,324</b>	<b>1,390</b>	<b>5.0</b>
Net loan-losses provisions (LLPs)	165	64	67	5.8	-59.3	375	249	-33.6
<b>Pre-tax income</b>	<b>77</b>	<b>261</b>	<b>271</b>	<b>3.8</b>	<b>NM</b>	<b>795</b>	<b>1,104</b>	<b>38.9</b>
<b>Net income (Loss)</b>	<b>48</b>	<b>193</b>	<b>204</b>	<b>5.4</b>	<b>NM</b>	<b>600</b>	<b>808</b>	<b>34.5</b>
<b>Net income (loss) adjusted<sup>1</sup></b>	<b>48</b>	<b>193</b>	<b>204</b>	<b>5.4</b>	<b>NM</b>	<b>600</b>	<b>808</b>	<b>34.5</b>

### Consolidated balance sheet - Main items

ASSETS (EUR M)	30.06.20	30.06.21	yoy %
Cash and cash equivalents	NA	NA	NA
Financial assets and hedging derivatives	24,900	26,496	6.4
Due from banks	NA	NA	NA
Loans to customers	46,685	48,444	3.7
Equity investments	4,010	4,579	14.2
Tangible and intangible assets	1,312	1,254	-4.4
Tax assets	NA	NA	NA
Other assets	2,043	1,855	-9.2
<b>Total Assets</b>	<b>78,950</b>	<b>82,599</b>	<b>4.6</b>
LIABILITIES & SHAREHOLDERS' EQU	30.06.20	30.06.21	yoy %
Due to banks	12,359	12,535	1.4
Due to customers and debt securities in issue	42,558	43,621	2.5
Trading liabilities and hedging derivatives	11,945	12,954	8.5
Tax liabilities	NA	NA	NA
Other liabilities	2,348	NA	NA
Minorities	92	88	-3.5
<b>Shareholders' equity</b>	<b>9,649</b>	<b>11,013</b>	<b>14.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>78,950</b>	<b>82,599</b>	<b>4.6</b>

### Key consolidated economic - financial indicators (historical trend)

Profitability ratios (%)	2018	2019	2020	2021
ROE Adjusted <sup>1</sup>	9.8	9.2	6.6	7.9
ROA Adjusted <sup>1</sup>	1.2	1.1	0.8	1.0
Cost/income ratio (excl. Systemic charges)	46.1	46.0	47.3	47.1
Asset Quality ratios (%)	2018	2019	2020	2021
Net bad debt ratio	0.3	0.2	0.2	0.1
Bad debt coverage ratio	73.5	79.6	81.6	85.9
Net NPEs ratio	2.0	1.8	1.9	1.2
Cost of risk* (bps)	60	50	80	51
Cost of risk ordinary* (bps)	60	50	80	51
Liquidity ratios (%)	2018	2019	2020	2021
Loan/deposit ratio	107.5	108.3	109.7	111.0
LCR (Liquidity Coverage Ratio)	204.0	177.0	165.0	158.0
NSFR (Net Stable Funding Ratio)	108.0	107.0	109.0	116.0
Capital Structure and Solvency ratios (%)	2018	2019	2020	2021
CET1 phase-in ratio	14.2	14.1	16.1	16.3
CET1 fully-loaded	13.1	12.8	14.5	15.1
SREP CET1	7.7	8.3	7.9	7.9
Tier 1 ratio	14.2	14.1	16.1	16.3
TC ratio	18.1	17.5	18.8	18.9
Leverage phase-in ratio	8.8	8.4	9.7	NA
Leverage fully-loaded ratio	8.7	8.2	9.6	NA
Operating structure	2018	2019	2020	2021
Branches	181	199	213	231
of which in Italy	NA	NA	NA	NA
Employees	4,717	4,805	4,920	4,921

Notes: NA=not available, NM=not meaningful; 1) Before Public cash contribution, impairment on goodwill and badwill; (\*) Annualised CoR. Source: Intesa Sanpaolo Research elaboration on company data

## Unicredit: Credit View NEUTRAL

(Moody's Baa1 / Stable , Fitch BBB- /Stable)

	CB	GGB	Sen Uns	SNP	Sub	Hybrid
IG	HOLD	-	HOLD	BUY	-	-
HY	-	-	-	-	HOLD	BUY
Unrated	-	-	-	-	-	-

### Key credit drivers

- Delivered a good set of results in 1H21, with balance sheet solidity confirmed.
- Guidance for FY21 has also been confirmed, with some improvements on the cost of risk. The new strategic plan is set to be presented at the next Capital Markets Day scheduled in 4Q21, with digital transformation seen as a key pillar.
- We monitor the developments on the M&A process with MPS, bearing in mind that capital neutrality and EPS accretion are prerequisites for Unicredit to go ahead with the deal (together with de-risking and exclusion of legal claims from the perimeter).

### Strengths

- A leading pan-European bank, with high geographic and product diversification.
- Sound liquidity and flexible funding base.
- Adequate capital buffers over prudential requirements.

### Weaknesses

- High correlation with Italian home market, despite geographic diversification.
- NII under pressure, negatively weighing on profitability.

### Outperformer<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB (FX)	UCGIM 0 3/8 10/31/26	T2 (VR)	UCGIM 2 9/23/29
Senior (fx)	UCGIM 0.325 01/19/26	T1/AT1	UCGIM 3 7/8 PERP

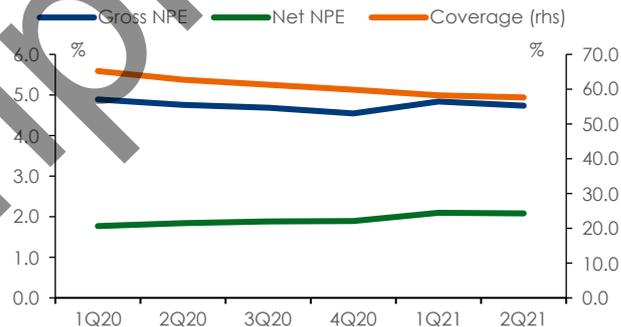
### Underperformance<sup>1</sup> YTD (based on credit spread change, price for T1/AT1)

CB	UCGIM 5 1/4 04/30/23	T2 (VR)x	UCGIM 4 3/8 1/3/27
Senior (fx)	UCGIM 2 1/8 10/24/26	T1/AT1	UCGIM 9 1/4 PERP

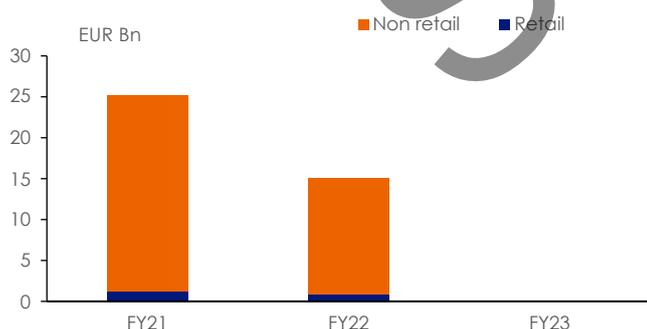
### Cost/income ratio (trend)



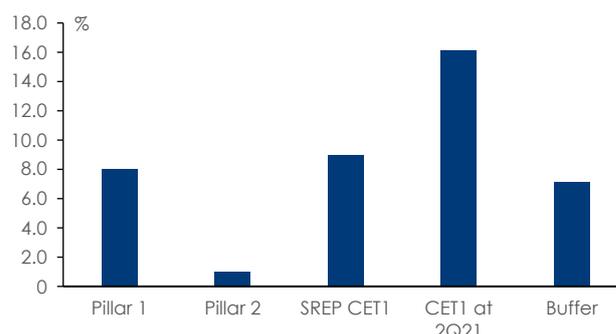
### Gross and net NPE ratios and coverage ratios (trend)



### Bond maturity profile, 2021-22 (FY)\*



### CET1 ratio 2Q21 vs SREP targets for 2021 (phased-in)



(\* FY23 not available. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Unicredit bonds in Appendix 2 (page 79, 81, 82, 83,85)

## Unicredit In Brief

Unicredit S.p.A. offers consumer credit, mortgages, life insurance, business loans, investment banking, asset management, and other financial services. It operates on a worldwide basis.

### Consolidated income statement - Main items

EUR M	2Q20	1Q21	2Q21	qoq %	yoy %	1H20	1H21	yoy %
Net Interest Income	2,393	2,180	2,203	1.1	-7.9	4,887	4,383	-10.3
Net Commission/Fee Income	1,380	1,688	1,674	-0.8	21.3	3,000	3,362	12.1
<b>Core Revenues</b>	<b>3,773</b>	<b>3,868</b>	<b>3,877</b>	<b>0.2</b>	<b>2.8</b>	<b>7,887</b>	<b>7,745</b>	<b>-1.8</b>
Net Trading Income	357	639	425	-33.5	19.0	530	1,064	100.8
<b>Total Income</b>	<b>4,170</b>	<b>4,687</b>	<b>4,398</b>	<b>-6.2</b>	<b>5.5</b>	<b>8,548</b>	<b>9,085</b>	<b>6.3</b>
<b>Operating Costs</b>	<b>2,444</b>	<b>2,413</b>	<b>2,461</b>	<b>2.0</b>	<b>0.7</b>	<b>4,938</b>	<b>4,874</b>	<b>-1.3</b>
<b>Gross Operating Profit</b>	<b>1,726</b>	<b>2,274</b>	<b>1,937</b>	<b>-14.8</b>	<b>12.2</b>	<b>3,610</b>	<b>4,211</b>	<b>16.6</b>
Net loan-losses provisions (LLPs)	937	167	360	115.4	-61.6	2,198	527	-76.0
<b>Pre-tax income</b>	<b>506</b>	<b>1,209</b>	<b>1,371</b>	<b>13.4</b>	<b>171.1</b>	<b>-2,007</b>	<b>2,580</b>	<b>NM</b>
<b>Net income (Loss)</b>	<b>420</b>	<b>889</b>	<b>1,034</b>	<b>16.3</b>	<b>146.4</b>	<b>-2,286</b>	<b>1,923</b>	<b>-184.1</b>
<b>Net income (loss) adjusted<sup>1</sup></b>	<b>428</b>	<b>889</b>	<b>1,034</b>	<b>16.3</b>	<b>141.8</b>	<b>-2,278</b>	<b>1,923</b>	<b>-184.4</b>

### Consolidated balance sheet - Main items

ASSETS (EUR M)	30.06.20	31.12.20	30.06.21	YTD %	yoy %
Cash and cash equivalents	17,342	101,707	122,819	20.8	NM
Financial assets and hedging derivatives	234,565	233,741	243,489	4.2	3.8
Due from banks	126,541	111,814	113,436	1.5	-10.4
Loans to customers	479,253	450,550	438,401	-2.7	-8.5
Equity investments	NA	NA	NA	NA	NA
Tangible and intangible assets	13,077	12,056	11,844	-1.8	-9.4
Tax assets	12,978	13,097	12,484	-4.7	-3.8
Other assets	8,978	8,490	7,573	-10.8	-15.7
<b>Total Assets</b>	<b>892,735</b>	<b>931,456</b>	<b>950,046</b>	<b>2.0</b>	<b>6.4</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY (EUR M)</b>	<b>30.06.20</b>	<b>31.12.20</b>	<b>30.06.21</b>	<b>YTD %</b>	<b>yoy %</b>
Due to banks	164,843	172,465	186,742	8.3	13.3
Due to customers and debt securities in issue	564,217	600,964	601,689	0.1	6.6
Trading liabilities and hedging derivatives	73,236	72,438	69,852	-3.6	-4.6
Tax liabilities	1,454	1,358	1,151	-15.2	-20.8
Other liabilities	27,801	24,290	28,809	18.6	3.6
Minorities	437	435	447	2.8	2.3
<b>Shareholders' equity</b>	<b>60,748</b>	<b>59,507</b>	<b>61,356</b>	<b>3.1</b>	<b>1.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>892,735</b>	<b>931,456</b>	<b>950,046</b>	<b>2.0</b>	<b>6.4</b>

### Key consolidated economic - financial indicators (historical trend)

Profitability ratios (%)	2017	2018	2019	2020	1H21
ROE Adjusted <sup>1</sup>	10.2	7.9	5.8	NM	6.5
ROA Adjusted <sup>1</sup>	0.7	0.5	0.4	NM	0.4
Cost/income ratio (excl. Systemic charges)	56.9	54.3	52.7	57.2	53.6
Asset Quality ratios (%)	2017	2018	2019	2020	2Q21
Net bad debt ratio	2.2	1.2	0.6	0.4	0.4
Bad debt coverage ratio	65.9	72.6	76.3	78.4	77.6
Net NPEs ratio	4.8	3.2	1.8	1.9	2.1
Cost of risk* (bps)	67	55	70	111	24
Cost of risk ordinary* (bps)	67	55	43	49	26
Liquidity ratios (%)	2017	2018	2019	2020	2Q21
Loan/deposit ratio	78.2	84.2	85.1	75.0	72.9
LCR (Liquidity Coverage Ratio)	185.0	151.0	143.0	178.0	NA
NSFR (Net Stable Funding Ratio)	NA	NA	NA	NA	NA
Capital Structure and Solvency ratios (%)	2017	2018	2019	2020	2Q21
CET1 phase-in ratio	13.7	12.1	13.2	16.0	16.1
CET1 fully-loaded	13.6	12.1	13.2	15.1	15.5
SREP CET1	8.8	9.2	10.1	9.0	9.0
Tier 1 ratio	15.4	13.6	14.9	18.2	18.0
TC ratio	18.1	15.8	17.7	20.7	20.6
Leverage phase-in ratio	5.7	5.1	5.5	6.2	NA
Leverage fully-loaded ratio	5.6	4.9	5.3	5.7	NA
Operating structure	2017	2018	2019	2020	2Q21
Branches	4,817	4,591	3,717	3,490	3,364
of which in Italy	2,663	2,466	2,387	2,229	2,118
Employees	91,952	85,662	84,245	82,107	80,879

Notes: NA=not available, NM=not meaningful; 1) Before Public cash contribution, impairment on goodwill and badwill; (\*) 2021 data: Annualised CoR for 1H21. Source: Intesa Sanpaolo Research elaboration on company data

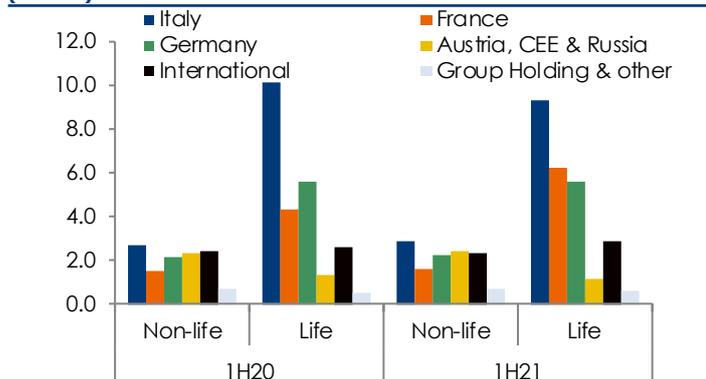
## Assicurazioni Generali

(Moody's Baa1 / Stable, Fitch A- /Stable)

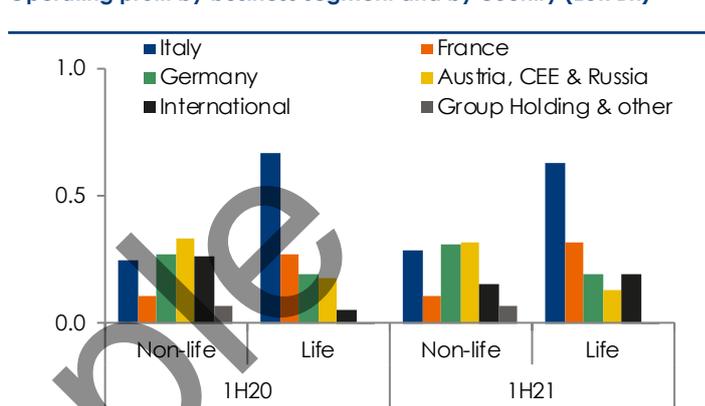
### Performance<sup>1</sup> YTD (based on credit spread change)

Senior	ASSGEN 5 1/8 09/16/24	Hybrid	ASSGEN 5 1/2 10/27/47
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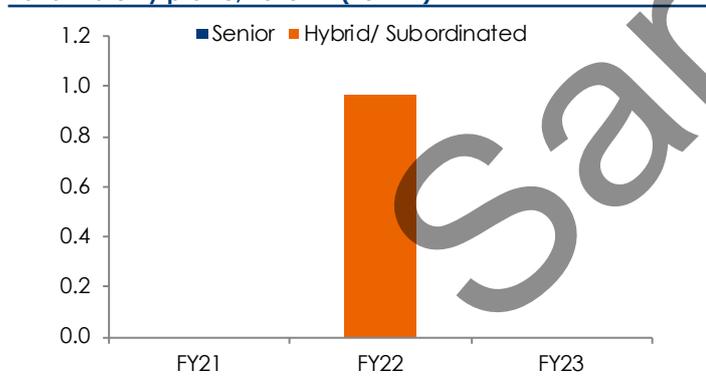
Gross written premiums by business segment and by country (EUR Bn)



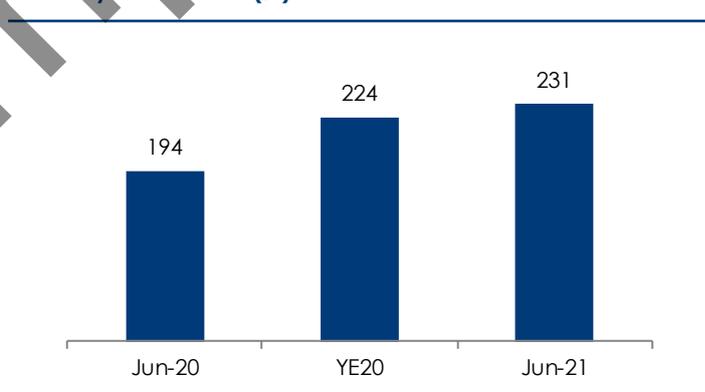
Operating profit by business segment and by country (EUR Bn)



Bond maturity profile, 2020-21 (EUR Bn)



Solvency II ratio trend (%)



Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of Generali bonds in Appendix 2 (page 86, 87)

## Assicurazioni Generali in Brief

Assicurazioni Generali S.p.A. offers life and non-life insurance and reinsurance throughout the world. The company offers life, health, accident, automobile, marine, aviation, transport, fire, general liability, and credit insurance and reinsurance.

### Consolidated Income Statement – Main items (EUR M)

EUR M	2Q20	1Q21	2Q21	qoq %	yoy %	1H20	1H21	yoy %
GWP	17,314	19,714	18,378	-6.8	6.1	36,478	38,093	5.5
Life	12,322	12,829	12,962	1.0	5.2	24,645	25,791	5.8
Non-life	4,992	6,885	5,416	-21.3	8.5	11,833	12,301	4.9
<b>Operating result</b>	<b>1,266</b>	<b>1,608</b>	<b>1,388</b>	<b>-13.7</b>	<b>9.6</b>	<b>2,714</b>	<b>2,996</b>	<b>10.4</b>
Life operating result	570	785	657	-16.3	15.3	1,369	1,442	5.3
Non-life operating result	675	690	566	-18.0	-16.1	1,302	1,256	-3.5
Asset management	126	136	170	25.0	34.9	219	306	39.7
Holding and other bus. op. result	64	63	188	198.4	193.8	38	251	560.5
<b>Net profit (loss) attributable to the Group</b>	<b>661</b>	<b>802</b>	<b>738</b>	<b>-8.0</b>	<b>11.6</b>	<b>774</b>	<b>1,540</b>	<b>99.0</b>

Note: Company data and Intesa Sanpaolo Research elaboration on Company data.

### Consolidated Balance Sheet – Main items (EUR M)

ASSETS EUR M	30.06.2020	31.12.2020	30.06.2021	YTD %	yoy %
Intangible assets	9,677	9,612	9,673	0.6	0.0
Tangible assets	4,114	3,804	3,786	-0.5	-8.0
Amounts ceded to reinsurers from insurance provisions	4,511	5,107	5,613	9.9	24.4
Investments	463,018	492,522	494,177	0.3	6.7
of which AFS assets	313,499	337,005	329,900	-2.1	5.2
Receivables	13,310	12,101	13,796	14.0	3.7
Other assets	14,407	13,664	13,482	-1.3	-6.4
Cash and cash equivalents	7,647	7,900	7,401	-6.3	-3.2
<b>TOTAL ASSETS</b>	<b>516,684</b>	<b>544,710</b>	<b>547,928</b>	<b>0.6</b>	<b>6.0</b>
LIABILITIES EUR M	30.06.2020	31.12.2020	30.06.2021	YTD %	yoy %
Insurance provisions	420,415	442,330	447,143	1.1	6.4
Other provisions	1,664	1,772	1,981	11.8	19.1
Financial liabilities	42,712	44,068	44,142	0.2	3.3
of which Financial liabilities at fair value through P&L	6,800	7,198	8,002	11.2	17.7
Payables	13,024	13,184	13,571	2.9	4.2
Other liabilities	11,250	11,561	10,925	-5.5	-2.9
Sahreholders' equity	26,143	30,029	28,412	-5.4	8.7
Minority interests	1,475	1,765	1,753	-0.7	18.8
<b>TOTAL LIABILITIES</b>	<b>516,684</b>	<b>544,710</b>	<b>547,928</b>	<b>0.6</b>	<b>6.0</b>

Company data and Intesa Sanpaolo Research elaboration on Company data

### Key consolidated economic-financial indicators (trend)

Profitability and financial ratios (%)	2019	1H20	2020	1H21
Gross premiums life / total premiums	69.2	67.6	69.9	67.7
Net loss ratio (non-life)	64.2	61.5	59.4	61.2
Net expense ratio (non-life)	28.4	27.9	28.1	28.5
Net combined ratio (non-life)	92.6	89.5	89.1	89.5
Net loss ratio (Italy)	66.1	64.7	61.9	62.8
Net expense ratio (Italy)	25.9	25.8	26.4	26.8
Net combined ratio (Italy)	91.9	90.5	88.3	89.5
Life expense ratio	10.2	9.8	10.3	10.4
Life expense ratio (Italy)	6.1	5.2	5.5	6.2
Solvency and leverage ratios (%)				
<b>Solvency II regulatory ratio</b>	<b>224</b>	<b>194</b>	<b>224</b>	<b>231</b>
Leverage ratio	27.0	26.1	18.9	20.4
Operating structure				
<b>Headcount - Italy</b>	<b>13,150</b>	NA	13,446	NA
Headcount - total	71,936	NA	72,644	NA

Note: NA = Not Available. Company data and Intesa Sanpaolo Research elaboration on Company data

## Appendix - Italian Corporate Bonds

### Italian non-financial corporate bonds

#### Italian corporate bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>2i Rete Gas SpA</b>															
FIREIT 3 07/16/24	-	FX	600	108.6	-0.1	ASW	35	-1	-1	-13.1	57	31	Baa2	-	BBB
FIREIT 2.195 09/11/25	06/25	FX	500	107.9	0.2	ASW	41	-2	0	-18.9	74	37	Baa2	-	BBB
FIREIT 1 3/4 08/28/26	05/26	FX	435	107.5	0.2	ASW	43	-2	1	-30.5	88	39	Baa2	-	BBB
FIREIT 1.608 10/31/27	07/27	FX	730	107.3	0.4	ASW	56	-1	1	-15.4	87	52	Baa2	-	BBB
FIREIT 0.579 01/29/31 <sup>1</sup>	10/30	FX	500	98.7	0.7	ASW	68	-	-	-			Baa2	-	BBB
<b>A2A SpA</b>															
AEMSPA 3 5/8 01/13/22	-	FX	500	101.2	-0.4	ASW	14	0	1	-21.9	50	9	Baa2	-	BBB
AEMSPA 4 12/04/23	-	FX	300	109.5	-0.3	ASW	16	-5	-4	-48.1	84	14	Baa2	-	-
AEMSPA 1 1/4 03/16/24	-	FX	300	103.6	-0.2	ASW	23	-3	-2	-12.8	50	21	-	-	-
AEMSPA 1 3/4 02/25/25	11/24	FX	300	105.7	0.1	ASW	34	-3	1	-9.0	64	29	Baa2	-	BBB
AEMSPA 1 5/8 10/19/27	07/27	FX	300	108.2	0.3	ASW	43	-2	1	-3.7	76	39	Baa2	-	BBB
AEMSPA 1 07/16/29	04/29	FX	400	105.1	0.3	ASW	42	-2	1	0.3	67	36	Baa2	-	BBB
AEMSPA 0 5/8 07/15/31 <sup>1</sup>	04/31	FX	500	100.5	0.6	ASW	53	-1	3	-8.8	62	47	Baa2	-	BBB
AEMSPA 0 5/8 10/28/32	07/32	FX	500	98.2	0.8	ASW	65	-	-	-			Baa2	-	BBB
<b>ACEA SpA</b>															
ACEIM 2 5/8 07/15/24	04/24	FX	600	107.1	0.1	ASW	27	-2	0	-14.7	61	23	Baa2	BBB+	BBB
ACEIM 0 09/28/25 <sup>1</sup>	06/25	FX	300	100.3	-0.1	ASW	26	-2	0	-12.8	40	22	Baa2	BBB+	BBB
ACEIM 1 10/24/26	07/26	FX	500	104.2	0.2	ASW	40	-2	0	-18.0	82	38	Baa2	BBB+	BBB
ACEIM 1 1/2 06/08/27	03/27	FX	700	107.0	0.3	ASW	44	-2	0	-21.4	87	41	Baa2	BBB+	BBB
ACEIM 1 3/4 05/23/28	02/28	FX	500	109.2	0.3	ASW	48	-2	0	-18.8	97	45	Baa2	BBB+	BBB
ACEIM 0 1/2 04/06/29	01/29	FX	500	100.2	0.5	ASW	57	0	1	-16.1	99	51	Baa2	BBB+	BBB
ACEIM 0 1/4 07/28/30 <sup>1</sup>	04/30	FX	600	97.9	0.5	ASW	48	0	2	-13.1	63	41	Baa2	BBB+	BBB
ACEIM Float 02/08/23	-	FL	300	100.3	-0.2	DISC	31	0	0	-11.2	89	27	Baa2	BBB+	BBB
<b>Aeroporto di Roma SpA</b>															
ADRI 1 5/8 06/08/27	03/27	FX	500	105.4	0.7	ASW	87	0	4	-88.0	223	79	Baa3	BBB- *	BBB-
ADRI 1 5/8 02/02/29	11/28	FX	300	105.5	0.9	ASW	97	-1	2	-87.9	188	91	Baa3	BBB- *	BBB-
ADRI 1 3/4 07/30/31 <sup>1</sup>	04/31	FX	500	105.0	1.2	ASW	118	-2	0	-50.3	168	113	Baa3	BBB- *	BBB-
<b>Buzzi Unicem SpA</b>															
BZUIM 2 1/8 04/28/23	01/23	FX	500	103.2	0.1	ASW	24	-1	-2	-8.9	62	18	-	-	-
<b>CNH Industrial Finance Europe SA</b>															
CNHI 2 7/8 09/27/21	-	FX	367	100.1	NM	ASW	NM	NM	NM	NM	NM	NM	Baa3	BBB-	BBB-
CNHI 2 7/8 05/17/23	-	FX	369	105.0	-0.2	ASW	32	-2	-2	-18.5	79	32	Baa3	BBB-	BBB-
CNHI 0 04/01/24	03/24	FX	750	100.2	-0.1	ASW	35	-2	-1	-20.2	55	31	Baa3	BBB-	BBB-
CNHI 1 3/4 09/12/25	06/25	FX	650	106.3	0.2	ASW	42	-3	-2	-28.7	135	40	Baa3	BBB-	BBB-
CNHI 1 7/8 01/19/26	10/25	FX	500	107.1	0.2	ASW	47	-1	0	-34.9	163	43	Baa3	BBB-	BBB-
CNHI 1 3/4 03/25/27	12/26	FX	600	107.3	0.4	ASW	61	-2	0	-50.2	183	58	Baa3	BBB-	BBB-
CNHI 1 5/8 07/03/29	04/29	FX	500	107.2	0.7	ASW	76	-1	0	-51.0	192	73	Baa3	BBB-	BBB-
<b>Enel Finance International NV</b>															
ENELIM 5 09/14/22	-	FX	1,949	105.3	-0.4	ASW	7	-1	-2	-21.3	31	5	Baa1	A-	BBB+
ENELIM 4 7/8 04/17/23	-	FX	585	108.4	-0.4	ASW	3	-2	-3	-20.6	29	3	Baa1	A-	BBB+
ENELIM 5 1/4 09/29/23	-	FX	300	111.3	-0.3	ASW	11	-2	-3	-26.6	44	11	Baa1	A-	BBB+
ENELIM 0 06/17/24	05/24	FX	1,000	100.7	-0.2	ASW	16	-1	1	-18.6	47	9	Baa1	A-	BBB+
ENELIM 1 09/16/24	-	FX	1,250	103.5	-0.2	ASW	22	-2	0	-14.0	45	17	Baa1	A-	BBB+
ENELIM 1.966 01/27/25	-	FX	985	107.0	-0.1	ASW	25	-2	-1	-17.4	54	21	Baa1	A-	BBB+
ENELIM 1 1/2 07/21/25	04/25	FX	1,000	105.9	0.0	ASW	21	-3	-1	-15.8	46	16	Baa1	A-	BBB+
ENELIM 1 3/8 06/01/26	-	FX	882	106.4	0.0	ASW	30	-2	1	-13.2	55	22	Baa1	A-	BBB+

## Italian corporate bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD		-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21	4.1.21				max	min	Mdy	Fitch	BBG
ENELIM 1 1/8 09/16/26	06/26	FX	1,250	105.4	0.0	ASW	27		-2	1	-6.4	45	22	Baa1	A-	BBB+
ENELIM 0 3/8 06/17/27	03/27	FX	1,000	101.3	0.1	ASW	35		-1	2	-9.9	67	26	Baa1	A-	BBB+
ENELIM 0 06/17/27 <sup>1</sup>	03/27	FX	1,000	99.3	0.1	ASW	33		-1	-2	-2.9	38	31	Baa1	A-	BBB+
ENELIM 0 1/2 06/17/30 <sup>1</sup>	03/30	FX	1,250	100.4	0.4	ASW	47		1	3	-0.5	49	40	Baa1	A-	BBB+
ENELIM 1 1/8 10/17/34	07/34	FX	500	104.5	0.8	ASW	56		2	6	-1.7	91	40	Baa1	A-	BBB+
ENELIM 0 7/8 06/17/36 <sup>1</sup>	03/36	FX	1,000	99.2	0.9	ASW	63		2	5	4.8	63	53	Baa1	A-	BBB+
<b>Enel SpA</b>																
ENELIM 5 1/4 05/20/24	-	FX	750	114.7	-0.3	ASW	15		-2	-5	-19.0	44	15	Baa1	A-	BBB+
ENELIM 5 5/8 06/21/27	-	FX	850	131.2	0.2	ASW	45		-1	6	-8.6	72	34	Baa1	A-	BBB+
<b>Eni Finance International SA</b>																
ENIIM 5.441 04/18/28	-	FX	100	127.9	1.0	ASW	137		0	2	-45.2	225	130	Baa1	A-	BBB+
<b>Eni SpA</b>																
ENIIM 2 5/8 11/22/21	-	FX	800	100.5	-0.5	ASW	1		0	2	-11.1	38	-5	Baa1	A-	BBB+
ENIIM 0 3/4 05/17/22	-	FX	700	100.8	-0.4	ASW	9		-1	0	-15.2	37	8	Baa1	A-	BBB+
ENIIM 3 1/4 07/10/23	-	FX	1,000	106.5	-0.4	ASW	10		-2	-2	-18.0	37	10	Baa1	A-	BBB+
ENIIM 1 3/4 01/18/24	-	FX	750	104.7	-0.3	ASW	18		-2	-2	-18.0	45	17	Baa1	A-	BBB+
ENIIM 0 5/8 09/19/24	-	FX	900	102.4	-0.2	ASW	22		-1	1	-12.1	50	17	Baa1	A-	BBB+
ENIIM 1 03/14/25	-	FX	650	103.8	-0.1	ASW	26		-2	0	-12.3	56	22	Baa1	A-	BBB+
ENIIM 3 3/4 09/12/25	-	FX	1,200	115.3	-0.1	ASW	25		-3	-6	-18.1	60	25	Baa1	A-	BBB+
ENIIM 1 1/2 02/02/26	-	FX	1,000	106.8	-0.1	ASW	25		-2	-2	-21.9	65	22	Baa1	A-	BBB+
ENIIM 1 1/4 05/18/26	-	FX	1,000	105.8	0.0	ASW	30		-2	1	-23.8	67	24	Baa1	A-	BBB+
ENIIM 1 1/2 01/17/27	-	FX	750	107.5	0.1	ASW	34		-2	1	-20.5	71	29	Baa1	A-	BBB+
ENIIM 1 5/8 05/17/28	-	FX	800	109.5	0.2	ASW	36		-2	-2	-20.2	76	32	Baa1	A-	BBB+
ENIIM 0 3/8 06/14/28	-	FX	1,000	100.8	0.3	ASW	40		-1	1	-6.4	46	36	Baa1	A-	A-
ENIIM 1 1/8 09/19/28	-	FX	600	106.0	0.3	ASW	40		-1	-1	-14.1	73	35	Baa1	A-	BBB+
ENIIM 3 5/8 01/29/29	-	FX	1,000	124.1	0.3	ASW	48		-2	-11	-15.9	88	35	Baa1	A-	BBB+
ENIIM 0 5/8 01/23/30	-	FX	1,000	101.3	0.5	ASW	51		-1	2	-2.2	80	41	Baa1	A-	BBB+
ENIIM 2 05/18/31	-	FX	1,000	113.5	0.6	ASW	56		-2	0	-5.5	94	51	Baa1	A-	BBB+
ENIIM 1 10/11/34	-	FX	750	104.3	0.7	ASW	45		-2	0	-12.8	87	41	Baa1	A-	BBB+
<b>ERG SpA</b>																
ERGITM 1 7/8 04/11/25	01/25	FX	500	106.0	0.2	ASW	43		-3	1	-5.0	66	38	-	BBB-	-
ERGITM 0 1/2 09/11/27	06/27	FX	600	100.5	0.4	ASW	61		-2	-1	-12.3	88	59	-	BBB-	-
ERGITM 0 7/8 09/15/31	06/31	FX	500	100.4	0.8	ASW	77		-1	-	-2.4	80	76	-	BBB-	-
<b>EssilorLuxottica SA</b>																
EFFP 2 5/8 02/10/24	-	FX	500	107.3	-0.4	ASW	2		-3	-2	-30.7	40	0	-	-	-
<b>EXOR NV</b>																
EXOIM 2 1/8 12/02/22	09/22	FX	602	102.3	0.2	ASW	17		0	0	-26.9	68	15	-	-	-
EXOIM 2 1/2 10/08/24	-	FX	500	108.2	-0.2	ASW	21		-2	-1	-47.8	109	19	-	-	-
EXOIM 1 3/4 01/18/28	10/27	FX	500	108.0	0.5	ASW	63		-1	0	-33.5	142	60	-	-	-
EXOIM 2 1/4 04/29/30	01/30	FX	500	111.7	0.8	ASW	89		-2	0	-50.8	199	86	-	-	-
EXOIM 0 7/8 01/19/31 <sup>1</sup>	10/30	FX	500	100.0	0.9	ASW	84		-2	-2	-21.4	105	80	-	-	-
EXOIM 1 3/4 10/14/34	07/34	FX	500	107.0	1.2	ASW	98		-1	-2	-53.6	202	95	-	-	-
<b>Ferrovie dello Stato Italiane SpA</b>																
FERROV 3 1/2 12/13/21	-	FX	600	100.8	-0.3	ASW	21		0	1	-31.6	74	-8	-	BBB-	BBB-
FERROV 0 7/8 12/07/23	-	FX	600	102.6	-0.3	ASW	15		-2	-1	-33.7	74	12	-	BBB-	BBB-
FERROV 0 12/15/23	-	FX	80	100.8	-0.4	ASW	8		-2	-5	-28.5	42	8	-	BBB-	BBB-
FERROV 1 1/2 06/27/25	-	FX	1,000	105.8	-0.1	ASW	30		-2	-2	-42.5	101	28	-	BBB-	BBB-
FERROV 1 1/8 07/09/26	-	FX	700	105.6	0.0	ASW	24		-2	-2	-34.5	98	18	-	BBB-	BBB-
FERROV 0 3/8 03/25/28 <sup>1</sup>	-	FX	1,000	101.2	0.2	ASW	36		-1	0	-20.0	56	33	-	BBB-	BBB-
FERROV 1.035 08/07/29	-	FX	100	102.9	0.7	ASW	73		-3	-6	-14.4	132	53	-	BBB-	BBB-
FERROV Float 07/18/22	-	FL	350	100.2	-0.1	DISC	45		2	2	-15.2	108	42	-	BBB-	BBB-
FERROV Float 06/23/24	-	FL	190	99.7	0.1	DISC	63		1	40	20.2	95	18	-	BBB-	BBB-
FERROV Float 12/22/25	-	FL	100	98.3	0.7	DISC	118		-1	2	45.1	131	48	-	BBB-	BBB-

## Italian corporate bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
											max	min	Mdy	Fitch	BBG
FERROV Float 12/31/25	-	FL	300	99.8	0.7	DISC	119	1	3	22.9	148	93	-	BBB-	BBB-
FERROV Float 12/23/29	-	FL	140	103.2	0.0	DISC	52	-1	-1	-21.2	173	39	-	BBB-	BBB-
FERROV Float 03/26/30	-	FL	200	99.2	0.5	DISC	107	-3	-9	23.2	181	77	-	BBB-	BBB-
FERROV Float 04/23/41 <sup>1</sup>	-	FL	250	NA	-	DISC	NA	-	-	-	-	-	-	-	-
<b>Fiat Chrysler Finance Europe SENC</b>															
STLA 4 3/4 07/15/22	-	FX	1,350	104.1	-0.3	ASW	21	0	-5	-51.1	188	20	Baa3	BBB-	BBB-
<b>Hera SpA</b>															
HERIM 3 1/4 10/04/21	-	FX	250	100.1	-0.4	ASW	15	1	-2	-29.1	69	10	Baa2	-	BBB
HERIM 2 3/8 07/04/24	-	FX	329	107.1	-0.2	ASW	24	-3	-5	-25.8	69	23	Baa2	-	BBB
HERIM 0 7/8 10/14/26	-	FX	400	103.7	0.1	ASW	39	-2	0	-13.2	66	36	Baa2	-	BBB
HERIM 0 7/8 07/05/27	04/27	FX	500	104.3	0.1	ASW	33	-1	0	-9.4	64	28	Baa2	-	BBB
HERIM 5.2 01/29/28	-	FX	641	131.9	0.1	ASW	39	0	-5	-25.3	99	36	Baa2	-	BBB
HERIM 0 1/4 12/03/30	09/30	FX	500	97.6	0.5	ASW	49	-1	1	2.7	56	40	Baa2	-	BBB
<b>Iren SpA</b>															
IREIM 2 3/4 11/02/22	-	FX	360	103.4	-0.4	ASW	15	-2	-2	-31.2	69	9	-	BBB	-
IREIM 0 7/8 11/04/24	-	FX	500	103.0	-0.1	ASW	30	-2	-1	-19.6	69	27	-	BBB	-
IREIM 1.95 09/19/25	06/25	FX	500	107.1	0.2	ASW	40	-3	0	-13.0	70	36	-	BBB	-
IREIM 1 1/2 10/24/27	07/27	FX	500	107.1	0.3	ASW	50	-2	1	-2.4	73	40	-	BBB	-
IREIM 0 7/8 10/14/29	07/29	FX	500	102.8	0.5	ASW	59	-2	1	6.6	74	40	-	BBB	-
IREIM 1 07/01/30	04/30	FX	500	103.1	0.6	ASW	65	-1	1	2.3	97	47	-	BBB	-
IREIM 0 1/4 01/17/31	10/30	FX	300	96.6	0.6	ASW	58	-1	1	0.0	62	42	-	BBB	-
<b>Italgas SpA</b>															
IGIM 0 1/2 01/19/22	-	FX	112	100.3	-0.4	ASW	7	0	0	-25.3	46	7	Baa2	BBB+	BBB
IGIM 1 1/8 03/14/24	-	FX	381	103.3	-0.2	ASW	24	-4	-2	-16.6	53	21	Baa2	BBB+	BBB
IGIM 0 1/4 06/24/25	-	FX	500	100.9	0.0	ASW	36	-4	-1	-2.8	52	33	Baa2	BBB+	BBB
IGIM 1 5/8 01/19/27	-	FX	750	108.0	0.1	ASW	37	-2	-1	-0.1	54	34	Baa2	BBB+	BBB
IGIM 0 02/16/28 <sup>1</sup>	-	FX	500	98.0	0.3	ASW	47	-2	0	1.7	53	44	Baa2	BBB+	BBB
IGIM 1 5/8 01/18/29	-	FX	750	109.1	0.4	ASW	49	-2	-1	7.7	61	38	Baa2	BBB+	BBB
IGIM 0 7/8 04/24/30	-	FX	600	103.0	0.5	ASW	55	-2	-1	13.8	63	37	Baa2	BBB+	BBB
IGIM 1 12/11/31	-	FX	500	103.1	0.7	ASW	62	-2	-1	18.0	68	40	Baa2	BBB+	BBB
IGIM 0 1/2 02/16/33 <sup>1</sup>	-	FX	500	96.7	0.8	ASW	63	-1	0	5.2	67	54	Baa2	BBB+	BBB
<b>PSA Tesorerie GIE</b>															
PEUGOT 6 09/19/33	-	FX	600	151.8	1.3	ASW	149	-2	-3	-67.7	290	149	Baa3	BBB-	BBB-
<b>RAI-Radiotelevisione Italiana SpA</b>															
RATEIT 1 3/8 12/04/24	09/24	FX	300	103.8	0.2	ASW	48	-2	-6	-51.3	130	46	Baa3	-	-
<b>Snam SpA</b>															
SRGIM 5 1/4 09/19/22	-	FX	582	105.8	NM	ASW	NM	NM	NM	NM	NM	NM	Baa2	BBB+	BBB
SRGIM 1 1/2 04/21/23	-	FX	190	103.0	-0.4	ASW	7	0	1	-12.9	45	6	Baa2	BBB+	BBB
SRGIM 1 09/18/23	06/23	FX	522	102.6	-0.3	ASW	0	-2	0	-17.1	44	-3	Baa2	BBB+	BBB
SRGIM 1 3/8 11/19/23	-	FX	167	103.7	-0.3	ASW	10	-3	-2	-15.4	44	9	Baa2	BBB+	BBB
SRGIM 3 1/4 01/22/24	-	FX	385	108.6	-0.4	ASW	3	-2	-4	-16.9	43	1	Baa2	BBB+	BBB
SRGIM 0 05/12/24	02/24	FX	700	100.5	-0.2	ASW	20	-2	0	-4.9	42	16	Baa2	BBB+	BBB
SRGIM 1 1/4 01/25/25	-	FX	339	104.7	-0.1	ASW	22	-3	-2	-2.0	46	19	Baa2	BBB+	BBB
SRGIM 0 08/15/25 <sup>1</sup>	05/25	FX	500	100.2	-0.1	ASW	29	-3	0	-6.7	37	25	Baa2	BBB+	BBB
SRGIM 1 1/4 08/28/25	05/25	FX	500	105.0	0.0	ASW	26	-3	0	-5.2	46	21	Baa2	BBB+	BBB
SRGIM 0 7/8 10/25/26	-	FX	1,250	103.9	0.1	ASW	37	-2	0	-3.9	52	30	Baa2	BBB+	BBB
SRGIM 1 3/8 10/25/27	07/27	FX	650	106.8	0.2	ASW	41	-3	0	2.4	53	29	Baa2	BBB+	BBB
SRGIM 0 12/07/28	09/28	FX	600	97.5	0.4	ASW	46	-2	0	4.5	50	37	Baa2	BBB+	BBB
SRGIM 1 5/8 01/07/30	10/29	FX	250	110.1	0.4	ASW	43	-	-1	10.6	74	19	Baa2	BBB+	BBB
SRGIM 0 3/4 06/17/30	03/30	FX	750	102.4	0.5	ASW	49	-2	0	2.8	67	42	Baa2	BBB+	BBB
SRGIM 0 5/8 06/30/31 <sup>1</sup>	03/31	FX	500	100.7	0.6	ASW	51	-2	0	-10.5	62	50	Baa2	BBB+	BBB
SRGIM 1 09/12/34	06/34	FX	600	102.3	0.8	ASW	60	-1	0	7.6	75	47	Baa2	BBB+	BBB
SRGIM Float 02/21/22	-	FL	151	100.2	-0.4	DISC	13	2	0	-12.8	58	5	Baa2	BBB+	BBB

## Italian corporate bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings				
											max	min	Mdy	Fitch	BBG		
													22.9.21	4.1.21			
<b>Societa Metropolitana Acque Torino SpA</b>																	
SOMTAT 1.95 04/13/24	-	FX	135	105.3	-0.1	ASW	31	-1	-2	-20.2	66	29	-	-	-		
<b>Stellantis NV</b>																	
STLA 2 3/8 04/14/23	-	FX	500	104.1	-0.2	ASW	25	0	0	-33.0	137	23	Baa3	BBB-	BBB-		
STLA 3 3/8 07/07/23	04/23	FX	1,250	105.5	0.3	ASW	29	-2	-4	-52.2	249	28	Baa3	BBB-	BBB-		
STLA 2 03/23/24	-	FX	700	105.3	-0.1	ASW	31	-3	-3	-44.1	136	29	Baa3	BBB-	BBB-		
STLA 3 3/4 03/29/24	-	FX	1,250	109.5	0.0	ASW	42	-2	-3	-66.9	256	41	Baa3	BBB-	BBB-		
STLA 2 03/20/25	12/24	FX	650	106.2	0.2	ASW	46	-3	-2	-36.8	157	44	Baa3	BBB-	BBB-		
STLA 3 7/8 01/05/26	10/25	FX	1,250	114.7	0.4	ASW	58	-3	-7	-71.1	267	57	Baa3	BBB-	BBB-		
STLA 2 3/4 05/15/26	02/26	FX	1,000	111.1	0.3	ASW	53	-3	-6	-36.1	180	52	Baa3	BBB-	BBB-		
STLA 0 5/8 03/30/27 <sup>1</sup>	12/26	FX	1,250	101.3	0.4	ASW	61	-2	-3	-34.9	96	60	Baa3	BBB-	BBB-		
STLA 4 1/2 07/07/28	04/28	FX	1,000	125.0	0.7	ASW	85	-1	-4	-82.3	302	84	Baa3	BBB-	BBB-		
STLA 0 3/4 01/18/29 <sup>1</sup>	10/28	FX	1,250	100.3	0.7	ASW	81	-1	-3	-6.1	89	80	Baa3	BBB-	BBB-		
STLA 1 1/8 09/18/29	06/29	FX	600	103.2	0.7	ASW	78	-1	3	-4.4	157	60	Baa3	BBB-	BBB-		
STLA 1 1/4 06/20/33 <sup>1</sup>	03/33	FX	1,250	100.2	1.2	ASW	107	-1	-7	-9.2	118	104	Baa3	BBB-	BBB-		
<b>Terna - Rete Elettrica Nazionale</b>																	
TRNIM 0 7/8 02/02/22	-	FX	1,000	100.5	-0.5	ASW	8	-1	0	-16.2	37	8	Baa2	-	BBB		
TRNIM 1 07/23/23	-	FX	1,000	102.5	-0.4	ASW	9	-2	-1	-15.0	33	7	Baa2	-	BBB		
TRNIM 4.9 10/28/24	-	FX	800	115.8	-0.2	ASW	21	-2	-3	-8.5	39	20	Baa2	-	BBB		
TRNIM 0 1/8 07/25/25	-	FX	500	100.9	-0.1	ASW	23	-3	-2	-5.8	38	21	Baa2	-	BBB		
TRNIM 1 04/10/26	-	FX	500	104.6	0.0	ASW	27	-3	-1	-10.8	49	24	Baa2	-	BBB		
TRNIM 1 3/8 07/26/27	-	FX	1,000	107.0	0.2	ASW	38	-2	-1	1.1	48	31	Baa2	-	BBB		
TRNIM 1 10/11/28	-	FX	750	105.4	0.2	ASW	36	-2	-3	-3.4	51	32	Baa2	-	BBB		
TRNIM 0 3/8 06/23/29 <sup>1</sup>	03/29	FX	600	101.0	0.2	ASW	34	-	-	-			Baa2	-	BBB		
TRNIM 0 3/8 09/25/30	06/30	FX	500	99.3	0.5	ASW	44	-2	-2	2.3	67	38	Baa2	-	BBB		
TRNIM 0 3/4 07/24/32	-	FX	500	101.5	0.6	ASW	49	-3	-3	3.9	71	39	Baa2	-	BBB		
<b>High Yield and Unrated</b>																	
<b>Alerion Cleanpower SpA</b>																	
ARNIM 3 3/4 12/29/24	10/21	FX	150	104.7	NM	ASW	NM	NM	NM	NM	NM	NM	-	-	-		
ARNIM 3 1/8 12/19/25	12/22	FX	200	104.3	2.1	ASW	144	-	-	-137.9	323	144	-	-	-		
<b>Alperia SpA</b>																	
ALPERI 1.41 06/30/23	-	FX	100	99.4	1.8	ASW	218	-9	-16	-92.5	325	50	-	-	-		
ALPERI 1.68 06/28/24	-	FX	125	98.9	2.1	ASW	246	-6	-13	-73.2	330	63	-	-	-		
ALPERI 2 1/2 12/23/26	-	FX	150	99.8	2.5	ASW	275	-3	-12	-63.7	341	191	-	-	-		
<b>Amplifon SpA</b>																	
AMPIM 1 1/8 02/13/27	11/26	FX	350	102.4	0.7	ASW	91	-3	-23	-65.6	172	91	-	-	-		
<b>Ansaldo Energia SpA</b>																	
ANSALD 2 3/4 05/31/24	-	FX	350	102.1	1.9	ASW	234	11	-7	-96.5	384	222	-	-	-		
<b>Atlantia SpA</b>																	
ATLIM 1 5/8 02/03/25	-	FX	750	103.3	0.6	ASW	101	-1	-11	-105.8	324	99	Ba3	BB **	BB-		
ATLIM 1 7/8 07/13/27	04/27	FX	1,000	104.9	1.0	ASW	120	-2	-20	-118.9	321	118	Ba3	BB **	BB-		
ATLIM 1 7/8 02/12/28 <sup>1</sup>	11/27	FX	1,000	104.9	1.1	ASW	126	-1	-23	-92.0	233	123	Ba3	BB **	BB-		
<b>Autostrade per l'Italia SpA</b>																	
ATOSTR 1 1/8 11/04/21	-	FX	480	100.2	-0.3	ASW	22	44	21	-189.8	421	-24	Ba3	BB+ **	BB		
ATOSTR 1 5/8 06/12/23	-	FX	750	102.2	0.3	ASW	80	0	-9	-127.3	338	79	Ba3	-	BB-		
ATOSTR 5 7/8 06/09/24	-	FX	1,000	115.0	0.3	ASW	77	-2	-13	-136.0	322	76	Ba3	BB+ **	BB		
ATOSTR 4 3/8 09/16/25	-	FX	500	115.0	0.5	ASW	95	-2	-12	-119.1	301	93	Ba3	BB+ **	BB		
ATOSTR 1 7/8 11/04/25	-	FX	500	104.8	0.7	ASW	102	0	-11	-114.7	317	100	Ba3	BB+ **	BB		
ATOSTR 1 3/4 06/26/26	-	FX	750	104.2	0.8	ASW	114	0	-14	-107.0	322	111	Ba3	BB+ **	BB		
ATOSTR 1 3/4 02/01/27	-	FX	600	104.4	0.9	ASW	116	-1	-20	-97.8	319	115	Ba3	BB+ **	BB		
ATOSTR 2 12/04/28	09/28	FX	1,250	106.4	1.1	ASW	121	-2	-27	-103.7	230	119	Ba3	BB+ **	BB		
ATOSTR 1 7/8 09/26/29	06/29	FX	700	105.5	1.2	ASW	123	-2	-27	-98.3	302	121	Ba3	BB+ **	BB		
ATOSTR 2 01/15/30 <sup>1</sup>	10/29	FX	1,000	106.5	1.2	ASW	124	-2	-30	-112.1	241	122	Ba3	BB+ **	BB		

## Italian corporate bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	22.9.21			4.1.21			Ratings		
							SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range max	52-week range min	Mdy	Fitch	BBG
<b>Carraro International SE</b>															
CARRAR 3 1/2 01/31/25	10/21	FX	180	103.5	NM	ASW	NM	NM	NM	NM	NM	NM	-	-	-
<b>Coesia SpA</b>															
COESIA 3 10/01/21	-	FX	100	100.2	NM	ASW	NM	NM	NM	NM	NM	NM	-	-	-
<b>Davide Campari-Milano NV</b>															
CPRIM 2.165 04/05/24	-	FX	150	103.6	0.7	ASW	114	-33	-51	-18.7	314	86	-	-	-
CPRIM 1.655 04/30/24	-	FX	150	101.6	1.0	ASW	142	-2	7	23.8	309	108	-	-	-
CPRIM 1 1/4 10/06/27	07/27	FX	550	102.7	0.8	ASW	99	-3	0	-8.8	152	96	-	-	-
<b>Enav SpA</b>															
ENAVIT 1.93 08/04/22	-	FX	180	101.8	-0.1	ASW	39	-1	-3	-8.2	61	19	-	-	-
<b>Esercizi Aeroportuali SEA SpA</b>															
SEASPA 3 1/2 10/09/25	07/25	FX	300	107.0	1.7	ASW	199	-2	1	-63.2	381	197	-	-	-
<b>Esselunga SpA</b>															
ESSLNG 0 7/8 10/25/23	07/23	FX	500	101.7	0.1	ASW	44	0	-2	-61.9	154	41	Ba1	-	BB+
ESSLNG 1 7/8 10/25/27	07/27	FX	500	106.6	0.8	ASW	95	-5	-8	-58.0	186	94	Ba1	-	BB+
<b>Estra SpA</b>															
ESTRAS 3 3/4 07/13/22	-	FX	100	101.3	2.1	ASW	261	10	-9	-56.9	328	68	-	-	-
<b>Ferrari NV</b>															
RACE 1 1/2 03/16/23	-	FX	385	102.4	-0.1	ASW	37	0	0	-37.9	85	36	-	-	-
RACE 1 1/2 05/27/25	-	FX	650	104.2	0.3	ASW	69	-5	-5	-54.7	154	69	-	-	-
<b>IMA Industria Macchine Automatiche SpA</b>															
IMAIM 1.923 06/25/26	-	FX	50	107.2	0.4	ASW	69	-4	-3	-30.9	133	66	-	-	-
<b>Immobiliare Grande Distribuzione SIIQ SpA</b>															
IGDIM 2 1/8 11/28/24	08/24	FX	400	101.0	1.8	ASW	214	-3	-10	-168.5	608	209	-	BBB-	BB+
<b>Infrastrutture Wireless Italiane SpA</b>															
INWIM 1 7/8 07/08/26	04/26	FX	1,000	104.4	0.9	ASW	118	-3	-8	-21.2	200	109	-	BBB-	BB+
INWIM 1 5/8 10/21/28	07/28	FX	750	102.4	1.3	ASW	139	-2	-6	-19.6	198	136	-	BBB-	BB+
INWIM 1 3/4 04/19/31 <sup>1</sup>	01/31	FX	500	100.9	1.7	ASW	161	-	-	-	-	-	-	BBB-	BB+
<b>Italian Wine Brands SpA</b>															
IWBIM 2 1/2 05/13/27 <sup>1</sup>	05/23	FX	130	102.3	2.1	ASW	229	6	-	-27.5	265	196	-	-	-
<b>IVS Group SA</b>															
IVSIM 3 10/18/26	10/22	FX	300	102.2	2.5	ASW	272	6	-	-81.1	453	263	-	-	-
<b>Juventus Football Club SpA</b>															
JUVEIM 3 3/8 02/19/24	11/23	FX	175	102.0	2.5	ASW	287	6	15	-99.2	440	270	-	-	-
<b>Kedrion SpA</b>															
KEDRIM 3 07/12/22	04/22	FX	200	101.3	1.3	ASW	110	4	-9	-221.9	501	64	-	-	-
<b>Leonardo SpA</b>															
LDOIM 5 1/4 01/21/22	-	FX	556	101.6	0.2	ASW	77	30	37	-5.6	142	27	Ba1	BBB-	BB+
LDOIM 1 1/2 06/07/24	03/24	FX	600	102.7	0.5	ASW	83	1	-2	-51.2	203	78	Ba1	BBB-	BB+
LDOIM 4 7/8 03/24/25	-	FX	500	114.5	0.7	ASW	112	-3	-13	-78.2	266	112	Ba1	BBB-	BB+
LDOIM 2 3/8 01/08/26	10/25	FX	500	105.3	1.1	ASW	138	-2	-11	-57.0	290	137	Ba1	BBB-	BB+
<b>Lkq Italia Bondco Di Lkq Italia Bondco Gp SRL E C SAPA</b>															
LKQ 3 7/8 04/01/24	01/24	FX	500	108.2	0.6	ASW	71	-1	-14	-88.4	277	69	Ba2	BBB-	BB+
<b>Maire Tecnimont SpA</b>															
MTIM 2 5/8 04/30/24	10/21	FX	165	102.6	NM	ASW	NM	NM	NM	NM	NM	NM	-	-	-
<b>Newlat Food SpA</b>															
NEWFOD 2 5/8 02/19/27 <sup>1</sup>	02/24	FX	200	102.6	2.1	ASW	238	0	-6	-29.2	273	237	-	-	-
<b>Piaggio &amp; C SpA</b>															
PIAGIM 3 5/8 04/30/25	10/21	FX	250	102.1	NM	ASW	NM	NM	NM	NM	NM	NM	Ba3	-	B+
<b>Pirelli &amp; C SpA</b>															
PCIM 1 3/8 01/25/23	10/22	FX	553	101.5	0.3	ASW	53	2	1	-83.5	201	46	-	-	-
<b>Pro-Gest SpA</b>															
PROGST 3 1/4 12/15/24	10/21	FX	250	98.0	3.9	ASW	419	3	-48	-97.6	854	414	Caa2	-	CCC

## Italian corporate bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	22.9.21			YTD (bps)	52-week range		Ratings		
							SPRD	-1W (bps)	-1M (bps)		4.1.21	max	min	Mdy	Fitch
<b>Prysmian SpA</b>															
PRYIM 2 1/2 04/11/22	-	FX	750	101.4	-0.1	ASW	47	3	-9	-28.9	149	41	-	-	-
<b>Saipem Finance International BV</b>															
SPMIM 2 3/4 04/05/22	-	FX	500	101.2	0.4	ASW	94	4	12	-2.1	264	68	Ba2	-	BB
SPMIM 3 3/4 09/08/23	-	FX	500	105.7	0.8	ASW	130	-3	-15	-47.1	356	123	Ba2	-	BB
SPMIM 2 5/8 01/07/25	-	FX	500	103.3	1.6	ASW	199	-6	-17	-18.0	409	179	Ba2	-	BB
SPMIM 3 3/8 07/15/26	04/26	FX	500	103.0	2.7	ASW	296	-4	-16	10.5	453	246	Ba2	-	BB
SPMIM 3 1/8 03/31/28 <sup>1</sup>	12/27	FX	500	101.7	2.8	ASW	299	-3	-22	-16.8	329	279	Ba2	-	BB
<b>Saras SpA</b>															
SRSIM 1.7 12/28/22	-	FX	200	100.5	1.3	ASW	173	-18	-26	-73.4	293	173	-	-	-
<b>Societa Elettrica Trentina Per La Distribuzione di Energia Elettrica SpA</b>															
SETDIS 4.6 08/01/29	-	FX	110	129.8	0.7	ASW	90	-2	-1	-18.0	129	82	-	-	-
<b>Telecom Italia Finance SA</b>															
TITIM 7 3/4 01/24/33	-	FX	1,015	147.3	2.8	ASW	340	-2	-21	-57.5	434	331	Ba2	BB+	BB
<b>Telecom Italia SpA/Milano</b>															
TITIM 5 1/4 02/10/22	-	FX	884	102.0	-0.1	ASW	50	-1	0	12.1	104	26	Ba2	BB+	BB
TITIM 3 1/4 01/16/23	-	FX	1,000	104.1	0.1	ASW	64	3	6	-43.7	163	56	Ba2	BB+	BB
TITIM 2 1/2 07/19/23	-	FX	1,000	104.1	0.3	ASW	73	-1	-10	-36.6	193	73	Ba2	BB+	BB
TITIM 3 5/8 01/19/24	-	FX	750	107.0	0.6	ASW	107	0	-3	-62.2	248	105	Ba2	BB+	BB
TITIM 4 04/11/24	01/24	FX	1,250	107.3	1.1	ASW	128	2	-1	-39.3	253	122	Ba2	BB+	BB
TITIM 2 3/4 04/15/25	01/25	FX	1,000	105.4	1.2	ASW	148	0	0	-48.0	241	145	Ba2	BB+	BB
TITIM 3 09/30/25	-	FX	1,000	106.8	1.3	ASW	163	-1	-6	-35.5	254	153	Ba2	BB+	BB
TITIM 2 7/8 01/28/26	10/25	FX	750	106.2	1.4	ASW	167	-1	-8	-36.5	260	166	Ba2	BB+	BB
TITIM 3 5/8 05/25/26	-	FX	1,000	111.0	1.2	ASW	154	-1	-9	-57.4	273	153	Ba2	BB+	BB
TITIM 2 3/8 10/12/27	07/27	FX	1,250	104.4	1.6	ASW	181	0	-12	-27.2	265	175	Ba2	BB+	BB
TITIM 1 5/8 01/18/29 <sup>1</sup>	10/28	FX	1,000	98.7	1.8	ASW	187	-1	-15	-16.0	206	177	Ba2	BB+	BB
TITIM 5 1/4 03/17/55	-	FX	670	123.8	4.0	ASW	406	0	-21	-39.6	477	386	Ba2	BB+	BB
TITIM Float 01/01/22	-	FL	217	100.1	-0.5	DISC	7	-7	-33	35.0	41	-98	-	-	-
<b>Trasporto Passeggeri Emilia-Romagna SpA</b>															
TRPAER 1.85 09/15/24	-	FX	95	103.8	NM	ASW	NM	NM	NM	NM	NM	NM	-	-	-
<b>Webuild SpA</b>															
IPGIM 1 3/4 10/26/24	-	FX	500	101.0	1.4	ASW	179	-1	-13	-229.1	560	179	-	-	-
IPGIM 5 7/8 12/15/25	06/25	FX	750	111.7	2.9	ASW	307	-3	-23	-240.0	619	306	-	BB	BB-
IPGIM 3 5/8 01/28/27	-	FX	250	104.6	2.7	ASW	297	-2	-19	-204.0	683	296	-	-	-

Type: FX = Fixed, YTM: yield to maturity or yield to call for callable bonds. SPRD TYPE: ASW=Asset Swap. Ratings: reported in the table refer to individual issues; Rating on credit watch if \*, Rating on credit watch positive if \*+, Rating on credit watch negative if \*-; BBG: Bloomberg Composite. NA: Not Available. NM: Not Meaningful related to YTM and Spread if Spread < 0 and > 1,000 bps whilst related to change (-1W, -1M, -YTD) when the reference data is NA. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian corporate bonds denominated in euro - Senior Secured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>ASTM SpA</b>															
ATIM 3 3/8 02/13/24	-	FX	500	108.0	0.0	ASW	49	-3	-5	-61.9	174	48	Baa3	BBB-	BBB-
ATIM 1 5/8 02/08/28	11/27	FX	550	103.9	1.0	ASW	116	-4	-4	-30.9	196	112	Baa3	BBB-	BBB-
<b>High Yield and Unrated</b>															
<b>Almaviva-The Italian Innovation Co SpA</b>															
ALMAIN 7 1/4 10/15/22	10/21	FX	250	100.6	NM	ASW	NM	NM	NM	NM	NM	NM	B2	-	B
<b>ASR Media and Sponsorship SpA</b>															
ASRMED 5 1/8 08/01/24	10/21	FX	269	98.6	5.7	ASW	597	-	-	2.8	629	518	-	-	-
<b>Azzurra Aeroporti SpA</b>															
AZZAER 2 1/8 05/30/24	02/24	FX	360	102.6	1.1	ASW	145	-2	-1	-51.6	249	144	Ba1	-	-
AZZAER 2 5/8 05/30/27	02/27	FX	300	105.1	1.7	ASW	190	-2	-4	-113.3	343	190	Ba1	-	-
<b>Bormioli Pharma Spa</b>															
BORMPH Float 11/15/24	10/21	FL	280	98.3	4.1	DISC	460	5	14	-1.0	537	409	B3	-	B-
<b>Brunello Bidco SpA</b>															
TITANL 3 1/2 02/15/28 <sup>1</sup>	02/24	FX	300	100.2	3.5	ASW	370	5	-5	-0.8	376	352	B3	B+	B-
TITANL Float 02/15/28 <sup>1</sup>	02/22	FL	850	100.2	3.7	DISC	367	3	-64	30.6	435	325	B3	B+	B-
<b>Cedacri Mergesco SPA</b>															
CEDCRI Float 05/15/28 <sup>1</sup>	05/22	FL	650	100.8	4.5	DISC	385	-4	-41	-36.4	484	262	B3	B+(EXP)	B
<b>Diocle Spa</b>															
DOCGEN Float 06/30/26	10/21	FL	373	100.5	NM	DISC	NM	NM	NM	NM	NM	NM	B2	-	B
<b>EVOCA SpA</b>															
NWGLOV Float 11/01/26	10/21	FL	550	98.4	4.6	DISC	515	2	-71	-84.7	853	511	B3	-	B-
<b>Fabric BC SpA</b>															
FBRICC Float 11/30/24	10/21	FL	520	100.4	NM	DISC	NM	NM	NM	NM	NM	NM	B2	-	B
FBRICC Float 08/31/26	10/21	FL	225	100.8	3.9	DISC	285	8	-88	-185.5	544	273	B2	-	B
<b>Gamma Bidco SpA</b>															
GAMMAB 6 1/4 07/15/25	07/22	FX	340	105.2	4.7	ASW	412	5	-32	-130.2	748	377	B1	-	B
GAMMAB 5 1/8 07/15/25 <sup>1</sup>	07/22	FX	575	103.0	4.3	ASW	440	2	-19	-95.4	542	425	B1	-	B
GAMMAB Float 07/15/25	10/21	FL	300	101.2	NM	DISC	NM	NM	NM	NM	NM	NM	B1	-	B
<b>Golden Goose SpA</b>															
GOLGOO Float 05/14/27 <sup>1</sup>	11/22	FL	480	99.6	4.9	DISC	549	10	-32	-23.9	584	535	B2	B+	B
<b>Guala Closures SpA</b>															
GCLIM 3 1/4 06/15/28 <sup>1</sup>	06/24	FX	500	100.7	3.1	ASW	332	0	-19	-8.1	352	328	B1	-	B+
<b>IMA Industria Macchine Automatiche SpA</b>															
IMAIM 3 3/4 01/15/28	01/23	FX	830	101.1	3.5	ASW	363	-2	-14	-3.8	408	362	B2	-	-
<b>Inter Media and Communication SpA</b>															
INTERM 4 7/8 12/31/22	10/21	FX	280	100.0	4.9	ASW	528	-	-	-0.7	532	528	-	BB-	-
<b>International Design Group SPA</b>															
INTDGP 6 1/2 11/15/25	11/21	FX	400	104.1	5.4	ASW	133	-19	-155	-414.3	781	123	B2	B	B
<b>International Game Technology PLC</b>															
IGT 3 1/2 07/15/24	01/24	FX	500	105.4	1.5	ASW	160	2	-9	-87.3	465	155	Ba3	-	BB-
IGT 3 1/2 06/15/26	06/22	FX	750	102.8	2.9	ASW	251	-9	-21	-18.3	487	195	Ba3	-	BB-
IGT 2 3/8 04/15/28	04/23	FX	500	99.0	2.5	ASW	264	-5	-24	-12.1	442	254	Ba3	-	BB-
<b>Italmatch Chemicals SpA</b>															
FIREBC Float 09/30/24	10/21	FL	650	98.4	5.3	DISC	588	4	-5	-53.9	843	580	Caa1	-	CCC+
<b>Kedrion SpA</b>															
KEDRIM 3 3/8 05/15/26 <sup>1</sup>	05/23	FX	410	100.1	3.3	ASW	364	1	-14	-3.0	379	358	B1	-	B
<b>Libra Groupco SpA</b>															
LBRGRP 5 05/15/27 <sup>1</sup>	05/23	FX	275	103.1	4.4	ASW	445	-	-	-	-	-	B2	-	B
<b>Limacorporate SpA</b>															
LIMACO Float 08/15/23	10/21	FL	275	100.2	NM	DISC	NM	NM	NM	NM	NM	NM	B3	-	B-
<b>Marcolin SpA</b>															

## Italian corporate bonds denominated in euro - Senior Secured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
											max	min	Mdy	Fitch	BBG
MCLIM 6 1/8 11/15/26 <sup>1</sup>	05/23	FX	350	103.3	5.4	ASW	550	0	-19	-63.8	614	547	B3	-	B-
<b>Moby SpA</b>															
MOBYIT 7 3/4 02/15/23	10/21		300	40.6	91.0	ASW	NA	-	-	-			-	-	-
<b>Mooney Group SpA</b>															
MOONEY Float 12/17/26	10/21	FL	530	100.4	3.8	DISC	249	-9	-79	-171.6	499	238	B2	-	B+
<b>Rekeep SpA</b>															
MANTEN 7 1/4 02/01/26 <sup>1</sup>	02/23	FX	370	108.2	5.1	ASW	430	1	-33	-259.1	709	421	B2	-	B
<b>Rossini Sarl</b>															
ROSINI 6 3/4 10/30/25	10/21	FX	650	104.0	5.6	ASW	73	68	-71	-209.3	567	-73	B3	-	B-
ROSINI Float 10/30/25	10/21	FL	650	100.5	NM	DISC	NM	NM	NM	NM	NM	NM	B3	-	B-
<b>Sisal Group SpA</b>															
SCHMAN 7 07/31/23	10/21	FX	275	100.2	6.9	ASW	38	269	1,332	-403.7	813	-3,697	B1	-	B
<b>Societa di Progetto Brebemi SpA</b>															
SOCPRO 0 01/22/40	-		1,205	50.4	3.8	ASW	234	-1	-6	1.1	243	189	-	BB+	BB+
<b>Superstrada Pedemontana Veneta SpA</b>															
SPRPED 8 06/30/27	-	FX	350	106.1	6.7	ASW	707	22	-4	198.1	838	509	-	-	-
<b>Verde Bidco SpA</b>															
ITLYUM 4 5/8 10/01/26 <sup>1</sup>	10/23	FX	450	101.8	4.2	ASW	443	-	-	-2.6	445	443	B2	-	-

Type: FX = Fixed; FL=Floating. YTM: yield to maturity or yield to call for callable bonds. SPRD TYPE: ASW=Asset Swap. Ratings: reported in the table refer to individual issues. BBG: Bloomberg Composite. NA: Not Available. NM: Not Meaningful related to YTM and Spread if Spread < 0 and > 1,000 bps whilst related to change (-1W, -1M, -YTD) when the reference data is NA. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian corporate bonds denominated in euro - Hybrids

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (pts)1	-1M (pts)1	YTD (pts)1	52-week range1		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Enel SpA</b>															
ENELIM 5.451 PERP	01/24	VR	297	112.1	0.2	ASW	66	0	-1	-0.80	113	111	Baa3	BBB	BBB-
ENELIM 3 3/8 PERP	08/26	VR	750	111.5	1.0	ASW	140	0	0	0.30	112	106	Baa3	BBB	BBB-
ENELIM 2 1/2 PERP	08/23	VR	750	104.5	0.2	ASW	87	0	0	-0.15	105	102	Baa3	BBB	BBB-
ENELIM 2 1/4 PERP	12/26	VR	600	105.5	1.2	ASW	146	0	0	0.83	106	99	Baa3	BBB	BBB-
ENELIM 1 3/8 PERP <sup>1</sup>	06/27	VR	1,250	99.9	1.4	ASW	156	0	0	1.46	101	97	Baa3	BBB	BBB-
ENELIM 1 7/8 PERP <sup>1</sup>	06/30	VR	1,000	100.2	1.9	ASW	183	0	-1	1.97	101	97	Baa3	BBB	BBB-
ENELIM 3 1/2 05/24/80	02/25	VR	900	109.3	0.7	ASW	114	0	0	-0.29	110	106	Baa3	BBB	BBB-
<b>Eni SpA</b>															
ENIIM 2 5/8 PERP	10/25	VR	1,500	105.5	1.2	ASW	158	0	0	0.61	106	99	Baa3	BBB	BBB-
ENIIM 3 3/8 PERP	07/29	VR	1,500	108.2	2.2	ASW	238	0	0	0.16	109	99	Baa3	BBB	BBB-
ENIIM 2 PERP <sup>1</sup>	02/27	VR	1,000	101.8	1.7	ASW	188	0	0	2.09	102	99	Baa3	BBB	BBB-
ENIIM 2 3/4 PERP <sup>1</sup>	02/30	VR	1,000	102.9	2.4	ASW	241	0	0	3.45	104	99	Baa3	BBB	BBB-

Type: VR = Variable. YTM: yield to maturity or yield to call for callable bonds. SPRD TYPE: ASW=Asset Swap. Ratings: reported in the table refer to individual issues. BBG: Bloomberg Composite. Notes: 1) Change in prices; min and max are calculated on prices 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian bank corporate bonds

## Italian bank bonds denominated in euro (institutional) - Senior Unsecured

Bond	First call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21				4.1.21	max	min	Mdy	Fitch
<b>Investment Grade</b>															
<b>Cassa Centrale Raiffeisen dell'Alto Adige SpA</b>															
CACENR 1 1/8 09/27/24	-	FX	150	101.9	0.5	ASW	87	0	2	-57.3	153	59	Baa2	-	-
CACENR 1 12/01/25	-	FX	150	102.1	0.5	ASW	81	-1	-3	-56.1	140	80	Baa2	-	-
<b>Intesa Sanpaolo SpA</b>															
ISPIM 3 1/2 01/17/22	-	FX	750	101.3	-0.5	ASW	7	0	0	-21.9	49	7	Baa1	BBB-	BBB
ISPIM 1 1/8 03/04/22	-	FX	1,500	100.7	-0.4	ASW	10	0	-2	-26.1	60	10	Baa1	BBB-	BBB
ISPIM 0 7/8 06/27/22	-	FX	500	101.0	-0.4	ASW	12	0	-1	-26.3	62	8	Baa1	BBB-	BBB
ISPIM 1 07/22/22	-	FX	750	101.2	-0.4	ASW	11	0	-3	-26.6	70	11	Baa1	BBB-	BBB
ISPIM 0 3/4 10/17/22	-	FX	750	101.2	-0.4	ASW	13	0	-1	-24.4	75	13	Baa1	BBB-	BBB
ISPIM 2 1/8 08/30/23	-	FX	1,100	104.6	-0.3	ASW	20	-1	-2	-33.9	82	20	Baa1	BBB-	BBB
ISPIM 4 10/30/23	-	FX	1,000	109.0	-0.3	ASW	17	-3	-4	-36.2	94	17	Baa1	BBB-	BBB
ISPIM 1 3/8 01/18/24	-	FX	1,000	103.6	-0.2	ASW	25	-2	-2	-32.8	100	24	Baa1	BBB-	BBB
ISPIM 1 1/2 04/10/24	-	FX	500	104.2	-0.1	ASW	29	-1	-2	-18.9	100	28	Baa1	BBB-	BBB
ISPIM 1 07/04/24	-	FX	1,250	103.0	-0.1	ASW	32	-1	-1	-28.7	99	30	Baa1	BBB-	BBB
ISPIM 0 3/4 12/04/24	-	FX	750	102.7	-0.1	ASW	29	-2	-1	-26.9	88	28	Baa1	BBB-	BBB
ISPIM 2 1/8 05/26/25	-	FX	1,250	107.5	0.1	ASW	45	-2	-3	-28.6	124	44	Baa1	BBB-	BBB
ISPIM 1 11/19/26	-	FX	1,250	103.5	0.3	ASW	56	-2	-2	-19.8	125	56	Baa1	BBB-	BBB
ISPIM 0 3/4 03/16/28 <sup>1</sup>	-	FX	1,250	101.7	0.5	ASW	64	-2	-3	-22.8	90	64	Baa1	BBB-	BBB
ISPIM 1 3/4 03/20/28	-	FX	1,250	107.7	0.5	ASW	73	-2	-3	-21.0	141	72	Baa1	BBB-	BBB
ISPIM 1 3/4 07/04/29	-	FX	1,000	108.4	0.6	ASW	74	-1	-4	-22.8	145	74	Baa1	BBB-	BBB
ISPIM Float 04/19/22	-	FL	1,500	100.5	-0.5	DISC	2	0	-2	-28.9	58	1	Baa1	BBB-	BBB
<b>Mediobanca Banca di Credito Finanziario SpA</b>															
BACRED 0 5/8 09/27/22	-	FX	750	101.0	-0.4	ASW	15	0	-3	-19.5	60	14	-	BBB-	BBB-
BACRED 1 5/8 01/07/25	-	FX	500	105.1	0.1	ASW	45	-2	-2	-24.4	113	44	Baa1	BBB-	BBB
BACRED 1 1/8 07/15/25	-	FX	500	103.7	0.2	ASW	50	-2	-2	-23.1	114	48	Baa1	BBB-	BBB
BACRED 0 7/8 01/15/26	-	FX	500	102.6	0.3	ASW	57	-2	1	-21.5	122	54	Baa1	BBB-	BBB
BACRED 0 3/4 07/15/27	-	FX	300	101.3	0.5	ASW	73	-1	0	-26.6	129	72	Baa1	BBB-	BBB
BACRED 1 09/08/27	-	FX	500	103.3	0.4	ASW	64	-1	0	-19.5	132	61	Baa1	BBB-	BBB
BACRED Float 05/18/22	-	FL	1,000	100.4	-0.4	DISC	16	-1	-2	-18.4	87	15	-	BBB-	BBB-
<b>UniCredit SpA</b>															
UCGIM 2 03/04/23	-	FX	1,100	103.2	-0.2	ASW	25	0	-1	-12.2	68	24	Baa1	BBB-	BBB
UCGIM 0 1/2 04/09/25	-	FX	1,000	101.4	0.1	ASW	45	-4	-3	-18.6	111	45	Baa1	BBB-	BBB
UCGIM 0.325 01/19/26 <sup>1</sup>	-	FX	1,000	100.2	0.3	ASW	57	-3	-4	-28.7	88	57	Baa1	BBB-	BBB
UCGIM 2 1/8 10/24/26	-	FX	1,000	109.0	0.3	ASW	62	0	-1	-7.3	123	61	Baa1	BBB-	BBB
UCGIM 0.85 01/19/31 <sup>1</sup>	-	FX	1,000	99.4	0.9	ASW	87	-1	-2	-23.8	113	87	Baa1	BBB-	BBB
UCGIM 1 1/4 06/25/25	06/24	VR	1,250	103.1	0.1	ASW	51	-2	-4	-26.3	133	51	Baa1	BBB-	BBB
UCGIM 1 1/4 06/16/26	06/25	VR	1,250	103.7	0.3	ASW	61	-2	-2	-21.8	142	61	Baa1	BBB-	BBB
UCGIM 0.8 07/05/29 <sup>1</sup>	07/28	VR	1,000	101.7	0.6	ASW	69	-2	-5	-17.1	86	69	Baa1	BBB-	BBB
<b>High Yield and Unrated</b>															
<b>Banca Carige SpA</b>															
BANCAR 5 12/22/22	-	FX	189	103.5	2.1	ASW	264	-	-	-121.6	411	263	-	CCC	-
<b>Banca IFIS SpA</b>															
IFIM 2 04/24/23	-	FX	300	101.6	1.0	ASW	144	-	-	-	323	144	-	BB+	-
IFIM 1 3/4 06/25/24	-	FX	400	101.2	1.3	ASW	170	2	-10	-114.5	362	166	-	BB+	-
<b>Banca Monte dei Paschi di Siena SpA</b>															
MONTE 4 07/10/22	-	FX	500	101.0	2.6	ASW	317	63	130	145.6	376	120	Caa1 *+	B *-	B-
MONTE 3 5/8 09/24/24	-	FX	750	104.2	2.2	ASW	261	45	67	22.9	415	173	Caa1 *+	B *-	B-
MONTE 2 5/8 04/28/25	-	FX	750	102.2	2.0	ASW	234	35	51	8.6	362	171	Caa1 *+	B *-	B-
MONTE 1 7/8 01/09/26	-	FX	750	100.3	1.8	ASW	209	28	38	-19.2	278	166	Caa1 *+	B *-	B-
<b>Banca Popolare di Sondrio SCPA</b>															

## Italian bank bonds denominated in euro (institutional) - Senior Unsecured

Bond	First call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD		-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21					4.1.21	max	min	Mdy	Fitch
BPSOIM 2 3/8 04/03/24	-	FX	500	104.4	0.6	ASW	103		-1	-6	-59.0	248	103	-	BB+	BB+
BPSOIM 1 1/4 07/13/27 <sup>1</sup>	07/26	VR	500	99.9	1.3	Z-SPR	154		-1	-2	-9.1	163	154	-	BB+	BB+
<b>Banco BPM SpA</b>																
BAMIIM 2 03/08/22	-	FX	750	100.9	0.0	ASW	49		0	-2	-31.1	152	48	Ba2	-	BB+
BAMIIM 1 3/4 04/24/23	-	FX	500	102.6	0.1	ASW	56		0	2	-47.2	173	54	Ba2	-	BB+
BAMIIM 2 1/2 06/21/24	-	FX	500	105.7	0.4	ASW	82		0	0	-56.3	227	82	Ba2	-	BB+
BAMIIM 1 3/4 01/28/25	-	FX	500	103.9	0.6	ASW	95		-1	-2	-51.0	229	95	Ba2	-	BB+
BAMIIM 0 7/8 07/15/26 <sup>1</sup>	-	FX	500	100.0	0.9	ASW	112		-	-	-			Ba2	-	BB+
<b>BPER Banca</b>																
BPEIM 1 7/8 07/07/25	-	FX	500	104.4	0.7	ASW	105		-3	-5	-58.4	228	105	Ba3	BB+	BB
BPEIM 1 3/8 03/31/27 <sup>1</sup>	03/26	VR	500	101.1	1.1	ASW	141		-1	-2	-24.7	166	141	Ba3	BB+	BB
<b>Credito Valtellinese SpA</b>																
CVALIM 2 11/27/22	-	FX	300	102.6	-0.2	ASW	27		-	-	-69.9	222	27	Baa1	-	A-
<b>Iccrea Banca SpA</b>																
ICCREA 1 1/2 10/11/22	-	FX	600	101.4	0.1	ASW	64		-2	-7	-71.2	160	61	-	BB-	BB
ICCREA 2 1/4 10/20/25	10/24	VR	500	103.1	1.2	ASW	161		-1	-9	-96.5	317	161	-	BB-	BB-
<b>Illimity Bank SpA</b>																
ILTYIM 3 3/8 12/11/23	-	FX	300	104.6	1.3	ASW	174		-3	-8	-137.1	326	172	-	B	-
<b>Mediocredito Trentino Alto Adige SpA</b>																
MEDTRE 2 3/8 07/29/22	-	FX	100	102.0	0.0	ASW	55		-21	-24	-61.3	291	55	Ba1	-	-

TYPE: FX=Fixed; FL=Floating. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity. Ratings: reported in the table refer to individual issues; Rating on credit watch if \*, Rating on credit watch positive if \*+, Rating on credit watch negative if \*-; BBG: Bloomberg Composite. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian bank bonds denominated in euro (institutional) - Senior non-Preferred

Bond	First call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Intesa Sanpaolo SpA</b>															
ISPIM 1 3/4 04/12/23	-	FX	500	103.1	-0.2	ASW	26	0	1	-53.3	133	24	Baa3	BB+	BBB-
ISPIM 2 5/8 06/20/24	-	FX	500	107.1	0.0	ASW	46	-2	-3	-64.2	171	46	Baa3	BB+	BBB-
ISPIM 1 5/8 04/21/25	-	FX	500	104.8	0.3	ASW	63	-2	-3	-51.1	178	62	Baa3	BB+	BBB-
ISPIM 0 5/8 02/24/26 <sup>1</sup>	-	FX	1,000	100.8	0.4	ASW	73	-1	-5	-27.2	118	73	Baa3	BB+	BBB-
ISPIM 1.35 02/24/31 <sup>1</sup>	-	FX	750	101.1	1.2	ASW	119	-1	-5	-14.6	157	118	Baa3	BB+	BBB-
<b>Mediobanca Banca di Credito Finanziario SpA</b>															
BACRED 1 1/8 04/23/25	-	FX	500	103.2	0.2	ASW	58	-2	-3	-44.0	158	57	Baa3	BB+	BB+
BACRED 0 3/4 11/02/28	11/27	VR	500	100.2	0.7	ASW	90	0	-	-6.0	96	88	Baa3	-	BBB-
<b>High Yield and Unrated</b>															
<b>Banco BPM SpA</b>															
BAMIIM 1 5/8 02/18/25	-	FX	750	102.0	1.0	ASW	140	-3	-4	-83.3	311	139	Ba3	-	BB
<b>Credito Emiliano SpA</b>															
CRDEM 1 1/2 10/25/25	10/24	VR	500	103.4	0.4	ASW	80	-2	-7	-58.7	194	79	Ba1	BB+	BB+
<b>UniCredit SpA</b>															
UCGIM 1 01/18/23	-	FX	1,500	101.6	-0.2	ASW	31	-2	-4	-23.3	121	30	Baa3	BB+	BB+
UCGIM 1.8 01/20/30	-	FX	750	105.1	1.1	ASW	121	-1	-5	-32.3	217	120	Baa3	BB+	BB+
UCGIM 1 5/8 07/03/25	07/24	VR	750	103.7	0.3	ASW	69	-4	-9	-39.4	192	69	Baa3	BB+	BB+
UCGIM 1.2 01/20/26	01/25	VR	1,250	102.5	0.4	ASW	80	-3	-7	-44.2	205	80	Baa3	BB+	BB+
UCGIM 2.2 07/22/27	07/26	VR	1,250	107.2	0.7	ASW	99	-2	-8	-49.0	225	98	Baa3	BB+	BB+

TYPE: FX=Fixed; FL=Floating. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds. SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity. Ratings: reported in the table refer to individual issues. BBG: Bloomberg Composite. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian bank bonds denominated in euro (institutional) - Subordinated (T2 and LT2)

Bond	First call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD 22.9.21	-1W (bps)	-1M (bps)	YTD (bps) 4.1.21	52-week range		Ratings		
											max	min	Mdy	Fitch	BBG
<b>High Yield and Unrated</b>															
<b>Banca IFIS SpA</b>															
IFIM 4 1/2 10/17/27	10/22	VR	400	102.0	2.6	Z-SPR	307	8	-9	-434.1	1,288	294	-	BB-	-
<b>Banca Monte dei Paschi di Siena SpA</b>															
MONTE 10 1/2 07/23/29	-	FX	300	99.9	NM	Z-SPR	NM	NM	NM	NM	NM	NM	Caa1 *+	CCC+ *-	CCC+
MONTE 5 3/8 01/18/28	01/23	VR	750	74.3	NM	Z-SPR	NM	NM	NM	NM	NM	NM	Caa1 *+	CCC+ *-	CCC+
MONTE 8 01/22/30	01/25	VR	400	79.2	NM	Z-SPR	NM	NM	NM	NM	NM	NM	Caa1 *+	CCC+ *-	CCC+
MONTE 8 1/2 09/10/30	09/25	VR	300	81.0	NM	Z-SPR	NM	NM	NM	NM	NM	NM	Caa1 *+	CCC+ *-	CCC+
<b>Banca Popolare dell'Alto Adige SpA</b>															
BPOPA 5 5/8 10/06/27	10/22	VR	100	103.1	2.5	Z-SPR	305	-	-	-	754	305	-	BB-	BB-
<b>Banca Popolare di Sondrio SCPA</b>															
BPSOIM 6 1/4 07/30/29	07/24	VR	200	110.8	2.3	Z-SPR	268	-1	-18	-261.2	653	266	-	BB-	-
<b>Banca Sella SpA</b>															
BNSSELL 5 1/2 09/22/27	09/22	VR	100	105.0	0.5	Z-SPR	97	4	-17	-243.4	413	90	-	-	-
BNSSELL 5 1/4 07/23/29	07/24	VR	50	106.0	3.0	Z-SPR	342	-2	4	-161.0	528	334	-	-	-
<b>Banco BPM SpA</b>															
BAMIIM 4 3/8 09/21/27	09/22	VR	500	103.7	0.6	Z-SPR	112	7	-20	-168.9	489	103	B1	-	BB-
BAMIIM 4 1/4 10/01/29	10/24	VR	350	106.6	2.0	Z-SPR	235	-2	-20	-118.8	519	235	B1	-	BB-
BAMIIM 5 09/14/30	09/25	VR	500	109.3	2.5	Z-SPR	285	0	-15	-81.1	562	282	B1	-	BB-
BAMIIM 3 1/4 01/14/31	01/26	VR	350	102.4	2.7	Z-SPR	297	-1	-15	-79.2	403	293	B1	-	BB-
BAMIIM 2 7/8 06/29/31	06/26	VR	300	100.3	2.8	Z-SPR	309	0	-15	-7.8	328	305	B1	-	-
<b>BPER Banca</b>															
BPEIM 5 1/8 05/31/27	05/22	VR	500	103.4	0.1	Z-SPR	65	4	19	-176.4	407	32	Ba3	BB-	BB-
BPEIM 3 5/8 11/30/30	11/25	VR	400	104.9	2.4	Z-SPR	270	-1	-14	-78.6	401	268	Ba3	BB-	BB-
<b>Credito Emiliano Holding SpA</b>															
CRDEM 3 1/2 12/16/30	09/25	VR	200	104.6	2.3	Z-SPR	260	-2	-11	-58.2	361	259	Ba1	-	-
<b>Credito Emiliano SpA</b>															
CRDEM 4.191 10/21/26	10/21	VR	50	105.0	NM	Z-SPR	NM	NM	NM	NM	NM	NM	Ba1	BB	BB
CRDEM 3 5/8 07/10/27	07/22	VR	100	102.8	0.1	Z-SPR	65	-6	-11	-208.5	399	54	-	BB	-
<b>Credito Valtellinese SpA</b>															
CVALIM 8 1/4 04/12/27	04/22	VR	150	104.6	-0.2	Z-SPR	33	2	33	-159.5	602	-7	-	-	-
<b>Iccrea Banca SpA</b>															
ICCREA 4 1/8 11/28/29	11/24	VR	400	102.8	3.2	Z-SPR	357	-2	-16	-220.0	741	352	-	B	-
<b>Illimity Bank SpA</b>															
ILTYIM 4 3/8 10/07/31	07/26	VR	200	102.7	3.7	Z-SPR	402	-6	-29	-22.1	443	401	-	B-	-
<b>Intesa Sanpaolo SpA</b>															
ISPIM 2.855 04/23/25	-	FX	500	107.7	0.7	Z-SPR	102	-2	-9	-97.1	257	101	Ba1	BB	BB
ISPIM 3.928 09/15/26	-	FX	1,000	113.6	1.1	Z-SPR	137	-3	-18	-67.4	292	136	Ba1	BB	BB
ISPIM 2.925 10/14/30	-	FX	500	108.3	1.9	Z-SPR	194	-2	-11	-57.8	332	192	Ba1	BB	BB+
ISPIM Float 09/26/24	-	FL	724	102.8	0.4	DISC	97	-9	-28	-74.5	207	96	-	-	-
ISPIM 4.45 09/15/27	09/22	VR	500	104.2	0.2	Z-SPR	67	1	-4	-103.4	275	64	Ba1	BB	BB+
ISPIM 5 7/8 03/04/29	03/24	VR	500	112.1	0.8	Z-SPR	126	-2	-16	-110.4	331	126	Ba1	BB	BB+
ISPIM 4 3/8 07/12/29	07/24	VR	300	109.5	0.9	Z-SPR	134	-3	-19	-122.0	338	133	Ba1	BB	BB+
<b>Mediobanca Banca di Credito Finanziario SpA</b>															
BACRED 5 3/4 04/18/23	-	FX	497	108.7	0.2	Z-SPR	66	3	4	-70.1	224	58	-	-	-
BACRED 2.3 11/23/30	11/25	VR	250	102.6	1.7	Z-SPR	197	-3	-19	-53.9	267	196	Ba1	BB	BB
<b>UniCredit SpA</b>															
UCGIM 6.95 10/31/22	-	FX	1,500	107.6	0.1	Z-SPR	57	0	-3	-58.4	194	55	Baa3	BB	BB+
UCGIM 4 3/8 01/03/27	01/22	VR	750	101.2	0.1	Z-SPR	67	7	5	-42.3	226	41	Baa3	BB	BB+
UCGIM 4 7/8 02/20/29	02/24	VR	1,000	109.0	1.1	Z-SPR	151	-1	-18	-73.9	358	148	Baa3	BB	BB+
UCGIM 2 09/23/29	09/24	VR	1,250	102.1	1.3	Z-SPR	166	-1	-33	-91.7	442	162	Baa3	BB	BB+
UCGIM 2.731 01/15/32	01/27	VR	1,250	104.4	1.9	Z-SPR	210	0	-32	-71.0	447	204	Baa3	-	BB+

TYPE: FX = Fixed; FL = Floating; VR = Variable; FT = Flat Trading. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues: Rating on credit watch if \*, Rating on credit watch positive if \*+, Rating on credit watch negative if \*- . BBG: Bloomberg Composite. NM: Not Meaningful related to YTM and Spread if Spread < 0 and > 1,000 bps whilst related to change (-1W, -1M, -YTD) when the reference data is NA. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian bank bonds denominated in euro (institutional) - Junior subordinated (UT2)

Bond	First call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD 22.9.21	-1W (bps)	-1M (bps)	YTD (bps) 4.1.21	52-week range		Ratings		
											max	min	Mdy	Fitch	BBG
<b>High Yield and Unrated</b>															
<b>Intesa Sanpaolo SpA</b>															
ISPIM 6 5/8 09/13/23	-	FX	1,446	112.4	0.3	Z-SPR	78	-1	-6	-94	227	77	Ba1	BB	BB

TYPE: FX = Fixed; FL = Floating; VR = Variable; FT = Flat Trading. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian bank bonds denominated in euro (institutional) - Hybrids (T1 and AT1)

Bond	First call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (pts)1	-1M (pts)1	YTD (pts)1	52-week range1		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>High Yield and Unrated</b>															
<b>Banco BPM SpA</b>															
BAMIIM Float PERP <sup>3</sup>	06/17	VR	105	97.9	1.4	Z-SPR	196	0	0	6.1	98	83	B3	-	-
BAMIIM 8 3/4 PERP	06/24	VR	300	113.5	3.5	Z-SPR	395	0	0	4.4	115	95	B3	-	B-
BAMIIM 6 1/8 PERP	01/25	VR	400	106.2	4.1	Z-SPR	449	0	0	5.6	107	85	B3	-	B-
BAMIIM 6 1/2 PERP <sup>2</sup>	01/26	VR	400	110.4	3.9	Z-SPR	418	0	1	10.4	111	99	B3	-	B-
<b>FincoBank Banca Finco SpA</b>															
FINBAN 5 7/8 PERP	12/24	VR	300	109.9	2.6	Z-SPR	301	0	1	3.2	110	99	-	-	-
<b>Intesa Sanpaolo SpA</b>															
ISPIM 7 3/4 PERP	01/27	VR	1,250	124.2	2.8	Z-SPR	306	-1	0	3.4	125	111	Ba3	B+	B+
ISPIM 6 1/4 PERP	05/24	VR	750	110.5	2.1	Z-SPR	255	0	0	0.7	111	98	Ba3	B+	B+
ISPIM 5 7/8 PERP	01/25	VR	400	111.1	2.4	Z-SPR	308	0	0	3.2	112	97	Ba3	-	BB-
ISPIM 3 3/4 PERP	02/25	VR	750	100.5	3.6	Z-SPR	395	-1	-1	4.1	102	81	Ba3	B+	B+
ISPIM 4 1/8 PERP	02/30	VR	750	100.7	4.0	Z-SPR	409	-1	0	4.8	102	80	Ba3	B+	B+
ISPIM 5 7/8 PERP	09/31	VR	750	119.1	3.6	Z-SPR	357	0	2	5.8	120	96	Ba3	B+	B+
ISPIM 5 1/2 PERP	03/28	VR	750	112.6	3.3	Z-SPR	350	0	1	5.3	113	93	Ba3	B+	B+
<b>UniCredit SpA</b>															
UCGIM 9 1/4 PERP	06/22	VR	500	105.9	0.7	Z-SPR	122	0	-1	-4.3	111	106	-	B+	-
UCGIM 6 5/8 PERP	06/23	VR	1,250	107.1	2.3	Z-SPR	280	-1	0	1.1	109	97	Ba3u	B+	-
UCGIM 5 3/8 PERP	06/25	VR	1,000	108.4	3.0	Z-SPR	332	-1	1	5.5	109	90	Ba3u	B+	-
UCGIM 7 1/2 PERP	06/26	VR	1,000	119.6	3.0	Z-SPR	329	-1	0	2.6	120	107	Ba3	B+	B+
UCGIM 3 7/8 PERP	06/27	VR	1,250	99.0	4.1	Z-SPR	430	-1	1	8.3	100	77	Ba3	B+	B+
UCGIM 4.45 PERP <sup>1</sup>	12/27	VR	750	105.0	3.5	Z-SPR	374	-1	2	4.4	106	100	Ba3	-	-

TYPE: FX = Fixed; FL = Floating; VR = Variable; FT = Flat Trading. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. Notes: 1) change in prices 1) YTD from launch date for bonds issued in 2021 2) YTD from launch date for bonds issued in 2021 3) Bond not called. Source: Intesa Sanpaolo Research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian bank bonds denominated in euro (institutional) - Covered

Bond	Type	Outst. EUR M	Price	YTM %	Spread over	SPRD	SPRD	-1W	-1M	YTD	52-week		Ratings		
					ASW (bps)	TYPE	22.9.21	(bps)	(bps)	(bps)	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Banca Monte dei Paschi di Siena SpA</b>															
MONTE 1 1/4 01/20/22	FX	750	100.6	-0.5	9	ASW	5	0	-2	-19.6	38	4	Aa3	A+ *	A+
MONTE 2 01/29/24	FX	1,000	105.5	-0.3	3	ASW	9	0	-2	-17.7	49	9	Aa3	A+ *	A+
MONTE 2 7/8 07/16/24	FX	1,500	108.9	-0.3	2	ASW	13	0	-3	-16.4	52	13	Aa3	A+ *	A+
MONTE 2 1/8 11/26/25	FX	1,000	109.5	-0.1	-2	ASW	18	0	-1	-10.4	46	18	Aa3	A+ *	A+
MONTE 0 7/8 10/08/26	FX	1,000	104.6	0.0	19	ASW	21	-1	-4	-12.4	65	21	Aa3	A+ *	A+
<b>Banca Popolare dell'Alto Adige SpA</b>															
BPOPA 0 1/4 10/28/26	FX	300	101.6	-0.1	-6	ASW	19	0	0	-7.7	34	18	-	AA-	-
<b>Banca Popolare di Sondrio SCPA</b>															
BPSOIM 0 3/4 04/04/23	FX	500	101.3	-0.1	38	ASW	35	-1	-1	-12.2	59	35	-	AA-	-
<b>Banco BPM SpA</b>															
BAMIIM 0 3/4 03/31/22	FX	1,000	100.6	-0.5	8	ASW	6	0	1	-3.4	18	4	Aa3	-	A+
BAMIIM 0 7/8 09/14/22	FX	1,000	101.3	-0.5	7	ASW	4	-2	-3	-4.8	21	4	Aa3	-	-
BAMIIM 0 5/8 06/08/23	FX	750	101.7	-0.4	11	ASW	8	-1	-2	-2.7	26	8	Aa3	-	-
BAMIIM 1 1/8 09/25/23	FX	500	103.2	-0.4	2	ASW	1	-1	-1	-3.4	17	1	Aa3	-	-
BAMIIM 1 01/23/25	FX	750	104.4	-0.3	-6	ASW	7	0	-1	-5.2	20	7	Aa3	-	-
BAMIIM 1 1/2 12/02/25	FX	750	107.4	-0.3	-14	ASW	6	0	-1	-5.7	21	6	Aa3	-	-
<b>Banco di Desio e della Brianza SpA</b>															
BANDES 0 7/8 09/12/24	FX	575	103.4	-0.3	3	ASW	13	0	-2	-7.4	27	13	-	AA-	-
BANDES 0 3/8 07/24/26	FX	500	102.8	-0.2	-20	ASW	7	0	-1	-6.1	21	7	-	AA-	-
<b>BPER Banca</b>															
BPEIM 0 7/8 01/22/22	FX	750	100.4	-0.5	9	ASW	5	-1	-2	-9.4	20	5	Aa3	-	-
BPEIM 1 07/22/23	FX	500	102.5	-0.4	13	ASW	9	-1	-2	-5.7	20	9	Aa3	-	-
BPEIM 1 1/8 04/22/26	FX	600	106.1	-0.2	-12	ASW	9	0	-1	-11.6	29	9	Aa3	-	-
<b>Credit Agricole Italia SpA</b>															
CARPP 0 7/8 01/31/22	FX	1,000	100.5	-0.5	9	ASW	7	1	1	-1.8	12	6	Aa3	-	-
CARPP 0 7/8 06/16/23	FX	1,000	102.2	-0.4	9	ASW	5	0	-1	-3.7	12	5	Aa3	-	-
CARPP 0 1/4 09/30/24	FX	750	101.8	-0.3	-5	ASW	4	0	-1	-3.7	13	4	Aa3	-	-
CARPP 1 1/8 03/21/25	FX	750	105.1	-0.3	-14	ASW	3	0	-1	-4.3	12	3	Aa3	-	-
CARPP 0 5/8 01/13/26	FX	750	103.9	-0.3	-20	ASW	3	0	-1	-5.0	12	3	Aa3	-	-
CARPP 1 03/25/27	FX	750	106.6	-0.2	-30	ASW	4	0	0	-4.0	13	4	Aa3	-	-
CARPP 0 1/4 01/17/28	FX	500	102.5	-0.1	-36	ASW	3	0	-1	-5.0	12	3	Aa3	-	-
CARPP 1 5/8 03/21/29	FX	750	112.7	-0.1	-39	ASW	3	0	-1	-5.6	15	3	Aa3	-	-
CARPP 1 09/30/31	FX	750	109.0	0.1	-51	ASW	4	0	-1	-5.7	16	4	Aa3	-	-
CARPP 0 1/8 03/15/33 <sup>1</sup>	FX	500	99.2	0.2	-61	ASW	4	0	-1	-4.8	9	3	Aa3	-	-
CARPP 1 3/4 01/15/38	FX	500	121.3	0.4	-87	ASW	10	0	-1	-4.9	20	10	Aa3	-	-
CARPP 1 01/17/45	FX	750	109.9	0.5	-94	ASW	14	0	-1	-6.4	26	14	Aa3	-	-
<b>Credito Emiliano SpA</b>															
CRDEM 0 7/8 11/05/21	FX	750	100.2	-0.5	11	ASW	4	0	-1	-10.5	19	4	Aa3	AA-	AA-
CRDEM 1 1/8 01/17/24	FX	750	103.4	-0.3	-30	ASW	8	-1	-2	-9.6	24	8	Aa3	AA-	AA-
CRDEM 0.01 07/07/28 <sup>1</sup>	FX	750	100.8	-0.1	-42	ASW	3	0	-1	-6.9	10	3	Aa3	AA-	AA-
<b>Intesa Sanpaolo SpA</b>															
ISPIM 0 5/8 01/20/22	FX	1,000	100.4	-0.5	3	ASW	0	-1	-1	-4.2	5	0	Aa3	-	-
ISPIM 3 5/8 12/05/22	FX	1,250	105.0	-0.5	2	ASW	-2	-1	-2	-5.6	6	-2	Aa3	-	-
ISPIM 1 01/27/23	FX	1,250	102.0	-0.5	0	ASW	-1	-2	-3	-9.7	16	-1	Aa3	-	AA-
ISPIM 0 5/8 03/23/23	FX	1,250	101.7	-0.5	1	ASW	-1	-1	-1	-3.7	9	-1	Aa3	-	-
ISPIM 3 1/8 02/05/24	FX	1,000	108.5	-0.4	-9	ASW	-2	-1	-2	-8.3	16	-2	Aa3	-	AA-
ISPIM 0 1/2 03/05/24	FX	1,000	102.3	-0.5	91	ASW	-3	-1	-1	-3.8	7	-3	Aa3	-	-
ISPIM 0 1/2 07/15/24	FX	750	102.6	-0.4	-12	ASW	-1	-1	-1	-10.9	18	-1	Aa3	-	AA-
ISPIM 3 3/8 01/24/25	FX	1,000	112.8	-0.4	-18	ASW	-5	-1	-1	-7.2	8	-5	Aa3	-	-
ISPIM 1 1/4 02/07/25	FX	1,000	105.6	-0.4	-10	ASW	-3	-1	-2	-13.4	19	-3	Aa3	-	AA-
ISPIM 1 09/25/25	FX	500	105.4	-0.3	-21	ASW	-1	0	-1	-9.0	17	-1	Aa3	-	AA-

## Italian bank bonds denominated in euro (institutional) - Covered

Bond	Type	Outst. EUR M	Price	YTM %	Spread over	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
					ASW (bps)						BTP	22.9.21	4.1.21	max	min
<b>Mediobanca Banca di Credito Finanziario SpA</b>															
ISPIM 1 3/8 12/18/25	FX	1,250	107.4	-0.3	-23	ASW	-4	0	-1	-6.1	7	-4	Aa3	-	-
ISPIM 3 1/4 02/10/26	FX	1,250	115.8	-0.3	-25	ASW	-3	-1	-1	-4.8	6	-3	Aa3	-	-
ISPIM 0 3/8 09/14/26	FX	1,000	103.1	-0.2	-22	ASW	1	0	-2	-13.7	22	1	Aa3	-	AA-
ISPIM 1 1/8 06/16/27	FX	1,000	107.8	-0.2	-34	ASW	-2	0	-1	-5.9	8	-2	Aa3	-	-
ISPIM 1 1/8 10/04/27	FX	1,250	107.6	-0.1	-33	ASW	6	0	-2	-11.1	23	6	Aa3	-	AA-
ISPIM 1 1/4 01/15/30	FX	500	110.1	0.0	-45	ASW	9	0	-2	-11.4	25	9	Aa3	-	AA-
BACRED 3 5/8 10/17/23	FX	750	108.5	-0.5	0	ASW	-4	-1	-1	-10.8	18	-4	-	AA-	-
BACRED 1 1/8 08/12/24	FX	750	104.5	-0.4	-12	ASW	-2	-1	-1	-7.2	24	-2	-	AA-	-
BACRED 1 3/8 11/10/25	FX	750	107.1	-0.3	-21	ASW	-1	0	-1	-12.9	25	-1	-	AA-	-
BACRED 0 1/2 10/01/26	FX	750	104.0	-0.3	-28	ASW	-3	0	0	-11.4	30	-3	-	AA-	-
BACRED 1 1/4 11/24/29	FX	750	110.6	0.0	-45	ASW	2	0	-1	-11.0	32	2	-	AA-	-
BACRED 0.01 02/03/31 <sup>1</sup>	FX	750	99.5	0.1	-59	ASW	3	0	-1	-8.9	12	3	-	AA-	-
<b>UniCredit SpA</b>															
UCGIM 5 10/31/21	FX	1,000	100.6	-0.5	-1	ASW	-1	0	-2	-6.4	6	-4	Aa3	AA-	AA-
UCGIM 4 3/8 01/31/22	FX	1,000	101.7	-0.5	1	ASW	-1	-1	0	-4.0	4	-3	Aa3	AA-	AA-
UCGIM 5 1/4 04/30/23	FX	1,250	109.2	-0.5	-1	ASW	-3	-1	-1	-4.8	7	-4	Aa3	AA-	AA-
UCGIM 3 01/31/24	FX	1,000	108.1	-0.4	-7	ASW	-1	-1	-2	-6.6	12	-1	Aa3	AA-	AA-
UCGIM 0 3/4 04/30/25	FX	1,000	103.7	-0.3	-2	ASW	9	-1	-3	-11.3	28	9	Aa3	-	-
UCGIM 0 3/8 10/31/26	FX	1,000	102.6	-0.1	-10	ASW	12	-1	-1	-11.6	29	12	Aa3	-	-
<b>High Yield and Unrated</b>															
<b>Iccrea Banca SpA</b>															
ICCREA 0.01 09/23/28 <sup>1</sup>	FX	500	100.4	0.0	49	ASW	8	-	-	-	-	-	-	-	-

TYPE: FX = Fixed; FL = Floating; VR = Variable; FT = Flat Trading. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues; Rating on credit watch if \*, Rating on credit watch positive if +, Rating on credit watch negative if -. BBG: Bloomberg Composite. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Bloomberg BGN data on 22/09/21 at 08:54.

## Italian insurance bonds

## Italian insurance bonds denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Assicurazioni Generali SpA</b>															
ASSGEN 5 1/8 09/16/24	-	FX	1,750	116.9	NM	ASW	NM	NM	NM	NM	NM	NM	Baa2	BBB+	BBB
<b>High Yield and Unrated</b>															
<b>Unipol Gruppo SpA</b>															
UNIIM 3 03/18/25	-	FX	1,000	109.6	0.2	ASW	61	-3	-46	-117	263	60	Ba2	BBB-	BB+
UNIIM 3 1/2 11/29/27	08/27	FX	500	116.2	0.7	ASW	98	-7	-66	-166	325	98	Ba2	BBB-	BB+
UNIIM 3 1/4 09/23/30	06/30	FX	1,000	117.7	1.1	ASW	124	-7	-71	-155	338	124	Ba2	BBB-	BB+

TYPE: FX=Fixed. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. NM: Not Meaningful related to YTM and Spread if Spread < 0 and > 1,000 bps whilst related to change (-1W, -1M, -YTD) when the reference data is NA. Source: Intesa Sanpaolo research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian insurance bonds denominated in euro - Senior subordinated

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Assicurazioni Generali SpA</b>															
ASSGEN 3 7/8 01/29/29	-	FX	500	119.3	1.1	ASW	136	1	-15	-49	259	131	Baa3	BBB-	BBB-
ASSGEN 2.124 10/01/30	-	FX	750	107.4	1.2	ASW	129	1	-17	-44	235	125	Baa3	BBB-	BBB-
ASSGEN 2.429 07/14/31	01/31	FX	600	109.2	1.4	ASW	141	1	-14	-31	256	137	Baa3	BBB-	BBB-
ASSGEN 4.596 PERP	11/25	VR	1,500	113.0	1.4	Z-SPR	168	3	-10	-65	376	163	Ba1	BBB-	BB+
ASSGEN 10 1/8 07/10/42	07/22	VR	302	108.1	-0.1	Z-SPR	40	3	4	15	141	15	Baa3	BBB-	BBB-
ASSGEN 7 3/4 12/12/42	12/22	VR	468	109.5	-0.1	Z-SPR	44	4	0	-14	167	37	Baa3	BBB-	BBB-
<b>High Yield and Unrated</b>															
<b>Societa Cattolica Di Assicurazione SPA</b>															
CASSIM 7 1/4 12/17/43	12/23	VR	100	114.7	0.6	Z-SPR	103	-5	-33	-226	439	103	-	-	-
CASSIM 4 1/4 12/14/47	12/27	VR	500	115.2	1.7	Z-SPR	185	-5	-36	-171	457	182	-	-	-
<b>UnipolSai Assicurazioni SpA</b>															
USIMIT 3 7/8 03/01/28	-	FX	500	110.1	2.2	ASW	245	-1	-23	-78	376	242	Ba2	BB+	BB
USIMIT 6 3/8 PERP	04/30	VR	500	117.6	3.9	Z-SPR	401	-	-	-			B1	BB-	B+
<b>Vittoria Assicurazioni SpA</b>															
VITAS 5 3/4 07/11/28	-	FX	250	117.2	2.9	ASW	333	-3	-33	-119	493	330	-	BB+	-

TYPE: FX=Fixed; VR=Variable. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. Source: Intesa Sanpaolo research elaboration on Bloomberg data on 22/09/21 at 08:54.

## Italian insurance bonds denominated in euro - Hybrids

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Assicurazioni Generali SpA</b>															
ASSGEN 5 1/2 10/27/47	10/27	VR	1,250	124.1	1.4	Z-SPR	156	0	0	0	124	117	Baa3	BBB-	BBB-
<b>High Yield and Unrated</b>															
<b>Intesa Sanpaolo Vita SpA</b>															
ISPVIT 4 3/4 PERP	12/24	VR	750	110.8	1.3	Z-SPR	170	0	0	1	111	104	-	BB	-
<b>UnipolSai Assicurazioni SpA</b>															
USIMIT 5 3/4 PERP	06/24	VR	750	110.8	1.7	Z-SPR	208	0	0	2	111	103	Ba3	BB+	BB

TYPE: VR=Variable. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. Source: Intesa Sanpaolo research elaboration on Bloomberg data on 22/09/21 at 08:54.

Sample

## Italian other financial institutions bond

## Italian other financial institutions bond denominated in euro - Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Anima Holding SpA</b>															
ANIMIM 1 3/4 10/23/26	07/26	FX	284	103.6	1.0	ASW	125	-1	-1	-70	271	125	-	BBB-	-
ANIMIM 1 1/2 04/22/28 <sup>1</sup>	-	FX	300	100.9	1.4	ASW	149	-2	-3	-21	171	149	-	BBB-	-
<b>Azimut Holding SpA</b>															
AZMIM 2 03/28/22	-	FX	350	101.0	0.0	ASW	58	3	6	-42	156	48	-	BBB-	-
AZMIM 1 5/8 12/12/24	-	FX	500	104.3	0.3	ASW	67	-3	-7	-104	224	67	-	BBB-	-
<b>FCA Bank SpA/Ireland</b>															
FCABNK 1 11/15/21	-	FX	800	100.2	-0.5	ASW	4	1	-1	-18	69	1	Baa1	BBB+	BBB
FCABNK 1 02/21/22	01/22	FX	600	100.5	-0.4	ASW	14	0	-1	-18	73	13	Baa1	BBB+	BBB
FCABNK 1 1/4 06/21/22	05/22	FX	650	101.1	-0.4	ASW	17	-1	-2	-26	72	17	Baa1	BBB+	BBB
FCABNK 0 5/8 11/24/22	10/22	FX	800	100.9	-0.2	ASW	25	-1	-4	-27	77	25	Baa1	BBB+	BBB
FCABNK 0 1/4 02/28/23	01/23	FX	850	100.6	-0.2	ASW	28	-2	-3	-28	90	28	Baa1	BBB+	BBB
FCABNK 0 1/2 09/18/23	06/23	FX	800	101.1	-0.1	ASW	33	-	-	-			Baa1	BBB+	BBB
FCABNK 0 1/8 11/16/23	08/23	FX	850	100.5	-0.1	ASW	34	-2	-2	-30	66	33	Baa1	BBB+	BBB
FCABNK 0 04/16/24 <sup>1</sup>	01/24	FX	850	100.2	-0.1	ASW	36	-1	0	-11	47	31	Baa1	BBB+	BBB
FCABNK 0 1/2 09/13/24	06/24	FX	850	101.5	0.0	ASW	36	-3	-1	-31	105	33	Baa1	BBB+	BBB
<b>Poste Italiane SpA</b>															
POSIM 0 12/10/24	11/24	FX	500	100.1	0.0	ASW	36	-3	-2	-14	54	33	Baa3	-	BBB-
POSIM 0 1/2 12/10/28	09/28	FX	500	99.6	0.6	ASW	66	-3	-2	-10	81	53	Baa3	-	BBB-
<b>UniCredit Leasing Corp IFN SA</b>															
UCGIM 0.502 10/18/22	09/22	FX	300	100.7	-0.2	ASW	35	1	1	-29	105	30	-	-	-
<b>High Yield and Unrated</b>															
<b>BFF Bank SpA</b>															
BFFIM 2 06/29/22	-	FX	45	101.9	-0.4	ASW	8	-22	-41	-141	259	8	-	-	-
BFFIM 1 3/4 05/23/23	-	FX	39	102.5	0.2	ASW	70	-1	1	-63	242	62	Ba2	-	-
<b>Nexi SpA</b>															
NEXIIM 1 3/4 10/31/24	07/24	FX	825	102.8	0.8	ASW	115	0	-10	-65	256	112	Ba3	BB-*	BB-
NEXIIM 1 5/8 04/30/26 <sup>1</sup>	01/26	FX	1,050	101.2	1.3	ASW	164	-2	-13	-37	201	161	Ba3	BB-*	BB-
NEXIIM 2 1/8 04/30/29 <sup>1</sup>	01/29	FX	1,050	100.4	2.1	ASW	214	-2	-18	-17	235	211	Ba3	BB-*	BB-
<b>Tamburi Investment Partners SpA</b>															
TIPIIM 2 1/2 12/05/24	09/24	FX	300	100.6	2.3	ASW	265	-	-	-54	376	234	-	-	-

TYPE: FX=Fixed. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues; Rating on credit watch if \*, Rating on credit watch positive if +, Rating on credit watch negative if -. BBG: Bloomberg Composite. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo research elaboration on Bloomberg BGN data on 22/09/21 at 08:54.

## Italian other financial institutions bond denominated in euro - Senior Secured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W (bps)	-1M (bps)	YTD (bps)	52-week range		Ratings		
							22.9.21			4.1.21	max	min	Mdy	Fitch	BBG
<b>High Yield and Unrated</b>															
<b>doValue SpA</b>															
DOBIM 5 08/04/25	08/22	FX	265	104.9	2.1	ASW	265	13	-33	-104	560	231	-	BB	BB

TYPE: FX=Fixed. YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. Source: Intesa Sanpaolo research elaboration on Bloomberg BGN data on 22/09/21 at 08:54.

## Italian other financial institutions bond denominated in euro - Subordinated (T2 and LT2)

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W	-1M	YTD	52-week range		Ratings		
							22.9.21	(bps)	(bps)	(bps)	max	min	Mdy	Fitch	BBG
<b>High Yield and Unrated</b>															
<b>BFF Bank SpA</b>															
BFFIM 5 7/8 03/02/27	03/22	VR	100	102.2	0.7	Z-SPR	122	62	35	-243	535	42	-	-	-

TYPE: FX=Fixed, YTM: yield to maturity or yield to call for callable bonds excluding "not called bonds". SPRD TYPE: ASW=Asset Swap, DISC=Discount Margin, Z-SPR=Z-Spread. SPRD: spread to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues. BBG: Bloomberg Composite. Source: Intesa Sanpaolo research elaboration on Bloomberg BGN data on 22/09/21 at 08:54.

## Italian Sovereigns, Supranational and Agencies bond (SSA)

## Italian Sovereigns, Supranational and Agencies bonds denominated in euro – Senior Unsecured

Bond	Next call	Type	Outst. EUR M	Price	YTM %	SPRD TYPE	SPRD	-1W	-1M	YTD	52-week range		Ratings		
							22.9.21	(bps)	(bps)	(bps)	max	min	Mdy	Fitch	BBG
<b>Investment Grade</b>															
<b>Acquirente Unico SpA</b>															
ACQUIU 2.8 02/20/26	-	FX	500	110.4	0.4	ASW	74	-1	1	-40	162	71	-	-	-
<b>Agenzia Nazionale per l'Attrazione degli Investimenti e lo Sviluppo d'Impresa</b>															
INVITA 1 3/8 07/20/22	-	FX	350	101.2	-0.1	ASW	42	-	-	-	77	42	Baa3	-	-
<b>AMCO - Asset Management Co SpA</b>															
AMCOSP 1 1/2 07/17/23	-	FX	1,250	103.2	-0.3	ASW	20	-3	-5	-37	102	20	-	BBB-	BBB-
AMCOSP 2 5/8 02/13/24	-	FX	250	106.5	-0.1	ASW	35	0	-2	-42	130	35	-	BBB-	BBB-
AMCOSP 1 3/8 01/27/25	-	FX	600	104.5	0.0	ASW	40	-2	-5	-44	136	40	-	BBB-	BBB-
AMCOSP 2 1/4 07/17/27	-	FX	750	110.1	0.5	ASW	73	-1	-7	-54	177	73	-	BBB-	BBB-
AMCOSP 0 3/4 04/20/28 <sup>1</sup>	-	FX	750	100.7	0.6	ASW	79	-2	-5	-16	110	79	-	BBB-	BBB-
<b>Cassa Depositi e Prestiti SpA</b>															
CDEP 5.242 03/23/22	-	FX	340	102.7	-0.2	ASW	40	-2	-1	-7	72	27	Baa3u	BBB-	-
CDEP 0 3/4 11/21/22	-	FX	500	101.3	-0.4	ASW	10	-3	-3	-18	52	10	Baa3u	BBB-	BBB-
CDEP 1 1/2 04/20/23	-	FX	500	103.0	-0.4	ASW	11	-1	-1	-23	59	10	-	BBB-	BBB-
CDEP 2 1/8 09/27/23	-	FX	500	105.0	-0.3	ASW	11	-2	-4	-27	68	11	Baa3u	BBB-	BBB-
CDEP 4 1/8 11/08/23	-	FX	250	109.3	-0.2	ASW	22	-2	-5	-12	81	22	Baa3u	BBB-	BBB-
CDEP 4 1/8 11/15/23	-	FX	250	109.4	-0.2	ASW	21	-3	-4	-16	67	21	Baa3u	BBB-	BBB-
CDEP 4.164 12/27/23	-	FX	305	109.7	-0.1	ASW	34	-3	-5	-15	88	33	Baa3u	BBB-	BBB-
CDEP 1 1/2 06/21/24	-	FX	1,000	104.7	-0.2	ASW	20	-1	-2	-28	78	19	Baa3u	BBB-	BBB-
CDEP 1 1/2 04/09/25	-	FX	750	105.5	0.0	ASW	32	-3	-4	-29	96	32	Baa3u	BBB-	BBB-
CDEP 1 7/8 02/07/26	-	FX	750	108.0	0.0	ASW	36	-1	-7	-32	101	36	Baa3u	BBB-	BBB-
CDEP 2 1/8 03/21/26	-	FX	750	109.6	0.0	ASW	31	-	-	-39	103	31	Baa3u	BBB-	BBB-
CDEP 2 04/20/27	-	FX	500	109.9	0.2	ASW	45	-1	-7	-38	121	44	-	BBB-	BBB-
CDEP 1 09/21/28	-	FX	750	104.2	0.4	ASW	53	-2	-7	-38	124	53	-	BBB-	BBB-
CDEP 4 1/2 12/11/28	-	FX	200	127.3	0.6	ASW	85	-4	-6	-54	173	85	Baa3u	BBB-	BBB-
CDEP 0 3/4 06/30/29 <sup>1</sup>	-	FX	500	101.8	0.5	ASW	59	-3	-6	-18	77	59	-	BBB-	BBB-
CDEP 1 02/11/30	-	FX	750	103.2	0.6	ASW	65	-3	-6	-31	125	65	-	BBB-	BBB-
CDEP Float 07/26/22	-	FL	250	100.1	0.1	DISC	64	2	3	13	77	30	Baa3u	BBB-	BBB-
CDEP Float 03/09/23	-	FL	300	101.4	-0.3	DISC	20	-4	-7	-35	90	19	Baa3u	-	-
CDEP Float 03/25/24	-	FL	400	101.3	0.0	DISC	-41	-	-	-	-	-	Baa3u	BBB-	BBB-
CDEP Float 03/20/22	-	VR	1,500	100.2	-0.4	DISC	11	-11	-9	-20	55	10	-	BBB-	-
CDEP 2 1/2 03/13/27	-	VR	150	100.3	0.4	DISC	36	-	-	-	-	-	Baa3u	BBB-	BBB-
<b>CDP Reti SpA</b>															
CDPRTI 1 7/8 05/29/22	-	FX	750	101.4	-0.2	ASW	34	-2	-3	-46	105	34	Baa3u	BBB-	-
<b>High Yield and Unrated</b>															
<b>Banca del Mezzogiorno-MedioCredito Centrale SpA</b>															
BNCMCC 1 1/2 10/24/24	-	FX	300	102.8	0.6	ASW	97	-	-	-	-	-	Ba1 *	-	BB+

to maturity or spread to first call date for callable bonds. Ratings reported in the table on individual issues; Rating on credit watch if \*, Rating on credit watch positive if +\*, Rating on credit watch negative if \*-; BBG: Bloomberg Composite. Notes: 1) YTD from launch date for bonds issued in 2021. Source: Intesa Sanpaolo research elaboration on Bloomberg BGN data on 22/09/21 at 08:54.

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### Credit Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

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### Valuation methodology

Intesa Sanpaolo's credit views are based on the expected trend of the company's fundamentals. The view reflects the sector trend and the competitive scenario, the company's financial strength, as well as its profitability outlook and competitive positioning. In our credit quality valuation, we consider management's intention and ability to meet debt obligations, the company's dividend policy and, in general, its attention to bondholders' interests. Among key financial ratios, for those sectors where relevant, we assess the company's ability to generate operating cash flow, its capacity to repay maturing debt through cash flow, its net interest coverage ratio and capital ratios. In the case of significant events, which could determine a change in our credit view, we may place our recommendation under review. This review does not necessarily imply a change in the credit view.

### Corporate credit view key

#### Credit rating key

Credit view	Definition
POSITIVE	We expect an improvement in fundamentals over the next six months
NEUTRAL	We expect substantially stable fundamentals over the next six months
NEGATIVE	We expect a deterioration in fundamentals or visibility on fundamentals over the next six months
SUSPENDED	The credit view and investment recommendation for this company have been suspended as there is not a sufficient investment view. The previous credit view, if any, is no longer in effect for this company
NOT ASSIGNED	The company is or may be covered by the Research Department but no credit view and investment recommendation to comply with applicable regulations and/or firm policies in certain circumstances.

### Historical Credit View and Investment Recommendation Changes

2i Rete Gas - Historical Credit View (-1Y)		2i Rete Gas - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	Investment Grade	Senior Unsecured
		03-Feb-21		BUY
A2A - Historical Credit View (-1Y)		A2A - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	Investment Grade	Senior Unsecured
Acea - Historical Credit View (-1Y)		Acea - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	Investment Grade	Senior Unsecured
ADR - Historical Credit View (-1Y)		ADR - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	Investment Grade	Senior Unsecured
23-Jun-21	NEGATIVE	Atlantia - Historical Investment Recommendations (-1Y)		
Atlantia - Historical Credit View (-1Y)		Date	High Yield	Senior Unsecured
Date	Credit View	01-Mar-21		BUY
ASPI - Historical Credit View (-1Y)		ASPI - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	High Yield	Senior Unsecured
		01-Apr-21		BUY
Buzzi Unicem - Historical Credit View (-1Y)		Buzzi Unicem - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	Investment Grade	Senior Unsecured
11-Nov-20	NEUTRAL	30-Mar-21		SELL
CNH Ind. - Historical Credit View (-1Y)		CNH Ind. - Historical Investment Recommendations (-1Y)		
Date	Credit View	Date	Investment Grade	Senior Unsecured
01-Dec-20	NEUTRAL			

**Enel - Historical Credit View (-1Y)**

Date	Credit View
14-Jan-21	NEUTRAL

**Enel - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Hybrids
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**Eni - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**ERG - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**EXOR - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**Hera - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**IGT - Historical Credit View (-1Y)**

Date	Credit View
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**Iren - Historical Credit View (-1Y)**

Date	Credit View
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**Italgas - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**Kedrion - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**Leonardo - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**Prysmian - Historical Credit View (-1Y)**

Date	Credit View
02-Aug-21	UNDER REVIEW
10-Dec-20	NEUTRAL

**Saipem - Historical Credit View (-1Y)**

Date	Credit View
14-Oct-20	NEGATIVE

**Sisal Group - Historical Credit View (-1Y)**

Date	Credit View
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**Snam - Historical Credit View (-1Y)**

Date	Credit View
------	-------------

**Stellantis - Historical Credit View (-1Y)**

Date	Credit View
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**Telecom Italia - Historical Credit View (-1Y)**

Date	Credit View
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**Enel - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**Eni - Historical Credit View (-1Y)**

Date	Credit View
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**Eni - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Hybrids
07-Oct-20	BUY

**ERG - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**EXOR - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
10-Sep-21	HOLD
05-Jan-21	BUY

**Hera - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**IGT - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Secured
12-May-21	BUY
09-Dec-20	HOLD

**Iren - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**Italgas - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
20-Sep-21	HOLD
22-Jun-21	BUY
29-Jan-21	HOLD

**Kedrion - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
16-Sep-21	HOLD

**Leonardo - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
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**Prysmian - Historical Investment Recommendations (-1Y)**

Date	Unrated Senior Unsecured
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**Saipem - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
14-May-21	SELL

**Sisal Group - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Secured
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**Snam - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**Stellantis - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
22-Jan-21	HOLD
29-Oct-20	BUY

**Telecom Italia - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
21-Dec-20	HOLD

**Terna - Historical Credit View (-1Y)**

Date	Credit View
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**Webuild - Historical Credit View (-1Y)**

Date	Credit View
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**Banca MPS - Historical Credit View (-1Y)**

Date	Credit View
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**Banca MPS - Historical Investment Recommendations (-1Y)**

Date	High Yield Subordinated
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**Banco BPM - Historical Credit View (-1Y)**

Date	Credit View
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15-Jan-21	NEUTRAL
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**Banco BPM - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured Not Preferred
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**Banco BPM - Historical Investment Recommendations (-1Y)**

Date	High Yield Hybrids
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15-Jan-21	BUY
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**BPER - Historical Credit View (-1Y)**

Date	Credit View
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22-Dec-20	NEUTRAL
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**BPER - Historical Investment Recommendations (-1Y)**

Date	High Yield Subordinated
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**Mediobanca - Historical Credit View (-1Y)**

Date	Credit View
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12-Apr-21	POSITIVE
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**Mediobanca - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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12-Apr-21	BUY
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**Mediobanca - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Covered
------	--------------------------

12-Apr-21	HOLD
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**Unicredit - Historical Investment Recommendations (-1Y)**

Date	High Yield Subordinated
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**Unicredit - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
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**Unicredit - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Covered
------	--------------------------

**Terna - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured
------	-----------------------------------

24-Nov-20	HOLD
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**Webuild - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
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**Banca MPS - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
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15-Jun-21	BUY
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**Banca MPS - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Covered
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11-Aug-21	BUY
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**Banco BPM - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
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**Banco BPM - Historical Investment Recommendations (-1Y)**

Date	High Yield Subordinated
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**Banco BPM - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Covered
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**BPER - Historical Investment Recommendations (-1Y)**

Date	High Yield Senior Unsecured
------	-----------------------------

**BPER - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Covered
------	--------------------------

**Mediobanca - Historical Investment Recommendations (-1Y)**

Date	High Yield Subordinated
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12-Apr-21	HOLD
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**Mediobanca - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured Not Preferred
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12-Apr-21	BUY
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**Unicredit - Historical Credit View (-1Y)**

Date	Credit View
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13-May-21	NEUTRAL
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12-Feb-21	UNDER REVIEW
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**Unicredit - Historical Investment Recommendations (-1Y)**

Date	High Yield Hybrids
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13-May-21	BUY
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**Unicredit - Historical Investment Recommendations (-1Y)**

Date	Investment Grade Senior Unsecured Not Preferred
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30-Jul-21	BUY
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**Credit View allocations**

Intesa Sanpaolo Research Credit View distribution at July 2021

Number of Companies subject to credit views: 29\*

	Positive	Neutral	Negative
Total Credit Research coverage - last credit view** (%)	6.9	86.2	6.9
of which Intesa Sanpaolo's clients*** (%)	100	80	50

\* Total number of companies covered is 33; \*\*Last credit view refers to credit view as at end of the previous quarter; \*\*\*Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category.

## Investment recommendations

Intesa Sanpaolo's recommendations on the issuer(s) bonds or relative CDS are based on the following rating system:

### Investment recommendation

Recommendation	Definition
BUY	We expect the bond or CDS subject to the recommendation to outperform the reference index, sector or benchmark in a period up to six months
HOLD	We expect the bond or CDS subject to the recommendation to perform in line with the reference index, sector or benchmark in a period up to six months
SELL	We expect the bond or CDS subject to the recommendation to underperform the reference index, sector or benchmark in a period up to six months

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Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the FCA Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A..

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, in accordance with the aforesaid regulations, the disclosures of the Intesa Sanpaolo Banking Group's conflicts of interest are available through the above-mentioned webpage. The conflicts of interest published on the internet site are updated to at least the day before the publishing date of this report.

We highlight that disclosures are also available to the recipient of this report upon making a written request to Intesa Sanpaolo – Equity & Credit Research, Via Manzoni, 4 - 20121 Milan - Italy.

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