Morning Watch

26 March 2025: 8:52 CET
Date and time of production

Equity Market/Daily

On Our Radar: Today's Newsflow

Italy	Positive/Negative
Reply	+
Fincantieri	+
NB Aurora	+
doValue	+
Equi[illegible]oup	-
[illegible]ope	**Positive/Negative**
[illegible]hell	+
[illegible]rm H[illegible]ings	-

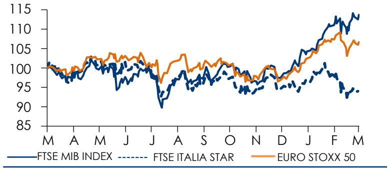
[illegible] Markets [illegible]erformance

C[illegible]%)	1D	3M	6M	12M
FTSE [illegible]	1.0	16.0	15.8	13.1
[illegible]TSE MIB	1.1	16.7	16.4	13.7
[illegible]E IT Star	0.3	-0.3	-1.8	-5.7
E[illegible]Stoxx 50	0.7	9.9	6.1	6.7
Stoxx Small 200	0.5	5.9	2.1	4.2
NASDAQ	0.5	-8.8	1.0	11.5
S&P 500	0.2	-4.4	1.0	10.7

FTSE MIB Best & Worst: 1D% chg

Unicredit	3.3	Pirelli	-2.5
B Mediolanum	2.3	Prysmian	-1.3
Banco BPM	2.1	Saipem	-1.2

Index Performance (-12M)



Source: FactSet

Upcoming Intesa Sanpaolo Events

What?	Where?	When?
STAR Conference*	Milan	25-27 Mar
Financial Conference	Milan	9 Apr
ISMO	Lugano	27 May
ISMO	Milan	29 May

*Borsa Italiana

Report priced at market close on day prior to issue (unless otherwise indicated); Ratings and Target Prices as assigned in the latest company reports (unless otherwise indicated)

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New Research

F.I.L.A. (BUY)

FILA IM; FILA-IT

BUY; New TP EUR 15.8/sh

	Rating =	TP (€/sh) ▲	2025E EPS (€) ▼	2026E EPS (€) ▲	2025C EPS (€)	2026C EPS (€)
Current	**BUY**	**15.8**	**0.981**	**1.086**	**-**	**-**
Previous	BUY	15.3	0.982	1.082	-	-

Source: Intesa Sanpaolo Research estimates

Despite the slowdown in sales, we think that the FY24 marked a turning point in terms of F.I.L.A.'s financial efficiency improvement. Net debt decreased by EUR 122.3M, to EUR 181.1M (1.5x on adj. EBITDA). This reflected the higher-than-expected free cash flow generation and EUR 80.7M proceeds from the DOMS stake sale, which were higher than those from the DOMS IPO (EUR 69M). The stronger than expected profitability increase and NWC management supported cash generation. A dividend for a total of EUR [illegible]8M was proposed (DPS EUR 0.8).

F.I.L.A. - Key Data

25/03/2025			Consumer Services
Target Price (€)			15.8
Rating			BUY
Mkt price (€)			10.9
Mkt cap (EUR M)			534.0
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues (core)	630.8	641.1	656.5
Adj. EBITDA	106.5	110.6	115.3
Adj. EPS (EUR)	0.98	1.09	1.15
Net debt/-cash	170.5	146.7	111.4
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	11.1	10.0	9.4
[illegible]	5.9	5.5	5.0
[illegible]/EBIT	8.3	7.7	7.0
Debt/EB[illegible]	1.4	1.2	0.86
Div yi[illegible] (%)	2.3	2.3	2.3
[illegible]mance (%)	**1M**	**3M**	**12M**
A[illegible]ute	6.3	5.8	38.2
Rel. [illegible] All Sh	5.0	-7.8	22.4

[illegible]urce: FactSet, Company data, Intesa Sanpaolo [illegible]arch estimates

Intesa Sanpaolo is Specialist to F.I.L.A.

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Iren (BUY)

[illegible]RE IM; IRE-IT

BUY (from HOLD); New TP EUR 2.7/sh

	Rating ▲	TP (€/sh) ▲	2025E EPS (€) [illegible]	[illegible]26E EPS [illegible]	2025C EPS (€)	2026C EPS (€)
Current	**BUY**	**2.7**	**0.22[illegible]**	**[illegible].235**	**0.231**	**0.237**
Previous	HOLD	2.2	0.2[illegible]	[illegible]7	-	-

Source: Intesa Sanpaolo Research estimates and Bloomberg c[illegible]ensus

We revise our model, i[illegible]easing our estimate[illegible]nd TP [illegible] Iren after a solid FY24 and in view of a positive outlook [illegible]pported by M&A. We u[illegible] our rating to BUY as we see the stock trading at undem[illegible]ding fun[illegible] with rating and leverage commitment by management serving [illegible]nce for c[illegible]ital structure equilibrium. Easing governance risk is also a supportive fact[illegible] our view afte[illegible]st year's turmoil.

Iren - Key Data

25/03/2025			Multi-Utilities
Target Price (€)			2.7
Rating			BUY
Mkt price (€)			2.2
Mkt cap (EUR M)			2,909
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues	6,807.8	6,416.3	6,313.8
EBITDA	1,341.6	1,407.3	1,484.2
EPS (EUR)	0.23	0.23	0.25
Net debt/-cash	4,249.4	4,448.0	4,687.9
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	9.8	9.5	9.1
EV/EBITDA	5.8	5.7	5.5
EV/EBIT	14.4	14.0	13.6
Debt/EBITDA	3.2	3.2	3.2
Div yield (%)	6.2	6.7	7.2
Performance (%)	**1M**	**3M**	**12M**
Absolute	7.2	17.5	19.1
Rel. to FTSE IT All Sh	5.9	2.4	5.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Prada (BUY) 1913 HK; 1913-HK

BUY; TP HKD 81.0/sh

	Rating =	TP (HKD/sh) =	2025E EPS (€) =	2026E EPS (€) =	2025C EPS (€)	2026C EPS (€)
Current	**BUY**	**81.0**	**0.377**	**0.426**	**0.375**	**0.426**
Previous	BUY	79.5	0.377	0.426	-	-

Source: Intesa Sanpaolo Research estimates and FactSet consensus

We expect solid retail sales in 1Q25 for both Miu Miu and Prada brands, bringing consolidated organic growth to 11% yoy, in line with our FY25E estimate.

Prada - Key Data

25/03/2025			Branded Goods
Target Price (HK$)			81.0
Rating			BUY
Mkt price (HK$)			54.8
Mkt cap (HKD M)			140,224
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues	6,010.4	6,554.0	7,145.6
EBITDA	2,267.2	2,496.7	2,734.2
EPS (EUR)	0.38	0.43	0.48
Net debt/-cash	1,651.2	1,440.6	1,098.0
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	17.3	15.3	13.6
EV/EBITDA	8.1	7.3	6.5
EV/EBIT	12.6	11.2	9.8
Debt/EBITDA	0.73	0.58	0.40
Div. yield (%)	2.9	3.3	3.7
Performance (%)	**1M**	**3M**	**12M**
Absolute	-19.1	-12.6	-6.4
Rel. to Hang Seng	-21.0	-26.5	-35.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Event: Italy's STAR Conference 2025

This week (25-27 March) the Italian Stock Exchange is holding its STAR Conference.

Banca Sistema (HOLD) BST IM; BST-IT

Feedback from Event

Solid business momentum envisaged at YE24 should continue this year, helped by the lower cost of funding. The BoD has approved the 3Y Capital Plan to be presented to the Bank of Italy by end of March, confirming 2024-26 BP profitability and capital ratio targets.

- **Total amount of past due loans at the end of 1Q25 at EUR 337M** (vs. EUR 256M pro forma at YE24), following the reclassification of default required by the Bank of Italy's inspection, has not caused that much of a deviation on the capital ratios from the pro forma levels communicated at YE24, even considering the more stringent RWA requirements for non-bullion gold in compliance with CRR III;
- **The 3Y 2025-27 Capital Plan will be delivered to the Bank of Italy by the end of March,** describing the main actions requested by the Supervisory Authority to handle the audit findings communicated on 20 December. The Capital Plan confirms th[illegible]ome targets and capital ratios announced in the 2024-26 Business Plan approved last [illegible]y, assuming the benefits from SRT initiatives and the positive ruling from [illegible] European Court of Human Rights (ECHR);
- **Average cost of funding in 2025 is expected to be lower th[illegible]24** and only 2[illegible]ps lower than what was assumed in the 2024-26 Business Plan, which was built on an annual average 3M EURIBOR assumption of 2.5%. We recall that the average residual maturity of term deposits stands at approx. 16 months, with Retail funding representing 70% of the overall funding at YE24;
- **FY24 ends with a positive tone on revenue performance**, with 4Q24 [illegible] yoy growth turning positive, accelerating growth in commissions and s[illegible]olid trading income from the Superbonus. Even when not accounting for [illegible] EUR 8M one-off writeback, FY24 net income grew by +20% yoy, with a 30bps cost [illegible] in line with the historical track record (2015-2023 average of 35bps).

Banca Sistema - Key Data

26/03/2025			Banks
Target Price (€)			1.97
Rating			HOLD
Mkt price (€)			1.8
Mkt cap (EUR M)			142.3
Main Metrics (€ M)		**2025E**	**2026E**
Revenues		121.3	131.8
Gross op income		45.27	52.66
EPS (EUR)		0.24	0.31
TBV[illegible]		2.73	3.01
[illegible]os (x)		**2025E**	**2026E**
Adj. P/E		7.3	5.7
[illegible]/TBV		0.65	0.59
[illegible]oTE[illegible]		10.6	12.1
[illegible]FL (%)		11.9	12.2
D[illegible]		4.1	5.2
Performance (%)	**1M**	**3M**	**12M**
Absolute	-2.1	45.8	36.6
[illegible] to FTSE IT All Sh	-3.7	25.7	20.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Banca Sistema

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d'Amico Int'l Shipping (BUY)

DIS IM; DIS-IT

Feedback from Event

4Q/FY24 results were solid, despite the softening in the spot market, which was seen from 2Q24. We recall that DIS has expanded its fixed contract coverage in the past months, improving earnings visibility for 1Q25 in a context with softer rates vs. 2023-24, while charterers' appetite for longer-term contracts is improving vs. past weeks, even in a volatile context, given the numerous sources of uncertainties related to the geopolitical scenario, which are expected to play a mixed impact.

- **TCE earnings down on lower spot rates, net debt improved.** Results were solid, despite the softening in the spot market, which was seen from 2Q24. TCE earnings were USD 72.5M in 4Q24, -23.8% yoy. Spot rates were -24% vs. a strong 4Q23, -20.7% qoq. DIS secured 38.7% coverage ratio vs. its usual 40-60% policy, at very profitable levels. Net debt (ex IFRS16)/fleet market value ratio was 9.7%, improving vs. 18% as at 31 December 2023. The BoD resolved for a dividend to be paid on 7 May 2025 (USD 0.249/[illegible] net of withholding taxes) to be approved by AGM. Payout on net income, including [illegible]erim dividends and share buybacks, was 40%;
- **Looking to boost coverage...** DIS has expanded its fixed contract coverag[illegible] the pas[illegible] months, improving earnings visibility for 1Q25 (blended daily TCE of USD [illegible]2,373/[illegible] on 89% of available vessel days) and FY26 (18% of available vessel days at [illegible] average d[illegible]y TCE rate of around USD 24,914). In this context, characterised by in[illegible]asing rates [illegible] some weeks ago (albeit still lower vs. the record seen in 2023-24), d'Am[illegible] is looking [illegible] increase its coverage (target of 40-60%);
- **...amid mixed impact from geopolitical scenario.** The geo[illegible]olitical sc[illegible]rio is ex[illegible]cted to play a mixed impact. This includes potential fe[illegible]hinese-buil[illegible]ssels (s[illegible]at proposal phase as of now) and potential inefficien[illegible]ies fro[illegible]S tariffs, which could be positive for product tankers at the market leve[illegible] oil dema[illegible] despite tepid global economic growth, oil demand and refining throug[illegible]uts continue[illegible]rise. Naphtha and Jet fuel are expected to drive oil deman[illegible]wth in 2[illegible]

d'Amico Int'l Shipping - Key Data

26/03/2025			Shipping
Target Price (€)			8.4
Rating			BUY
Mkt price (€)			3.6
Mkt cap (EUR M)			443.7
Main Metrics ($ M)		**2024E**	**2025E**
TCE Earnings		379.7	273.5
EBITDA		263.7	157.6
EPS (USD)		1.53	0.71
Net debt/-cash		125.8	47.85
Ratios (x)		**2024E**	**2025E**
Adj. P/E		2.5	5.5
EV/EBITDA		2.3	3.3
EV/EBIT		3.0	5.2
Deb[illegible]DA		0.48	0.30
D[illegible]ield ([illegible]		11.1	5.4
[illegible]erforman[illegible] (%)	**1M**	**3M**	**12M**
[illegible]bsolut[illegible]	-6.8	-9.8	-46.4
[illegible]el. t[illegible]SE IT All [illegible]	-8.3	-22.3	-52.6

S[illegible] FactSet, Co[illegible]any data, Intesa Sanpaolo Res[illegible]stimat[illegible]

Intesa Sanpaolo is Specialist to d'Amico International [illegible]ping

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Esprinet (BUY)

PRT IM; PRT-IT

Feedback from Event

The stock trades at a compressed FY25E EV/EBITDA multiple of 5.7x, which we believe does not yet reflect the full potential of the consumer recovery and the progressive shift towards the more added-value activities. All in all, we continue to view Esprinet as a value stock with an appealing dividend yield, while offering a leading positioning in the ICT distribution market in Italy and Spain and the ability to capture new market opportunities also coming from the launch of devices with AI features.

- FY results were in line with our estimates. Growth accelerated significantly in the fourth quarter, confirming the first signs of recovery in household demand and a positive development in the corporate sector. The recently-established 'green tech' sales division named Zeliatech also performed well. All in all, growth was registered across all product and customer segments, benefitting from an improved IT spending environment and market share gains both in Italy and Spain;
- Guidance for 2025 should be released with 1Q results in May. However, qual[illegible]ive indications on the market outlook are positive: i) Looking at current trading, [illegible] management stated that the first two months of the year were strong in [illegible]in (also benefitting from a favourable comparison base), while weaker in Italy, m[illegible]ly du[illegible] the performance of PCs and smartphones. On the other hand, March shou[illegible] be positiv[illegible] As regards the Esprinet division, the strategy remains focused on a [illegible]ctive reven[illegible] approach and favourable NWC management, with a key growth drive[illegible]eing the [illegible] renewal cycle. Indeed, 2025 should be the year of the tec[illegible]ical ren[illegible]s favoured by innovation related to AI and the end of suppo[illegible] for Wi[illegible]ws 10 ([illegible]ected in October 2025); iii) Positive outlook for V-Valley, driv[illegible] the Infras[illegible]ture seg[illegible]ent and cybersecurity-focused services; iv) The Zeliatec[illegible]ivis[illegible] set up in 20[illegible] as a gr[illegible]n tech distributor, is performing very well. Manageme[illegible] plans to [illegible]anise soon a 'Zeliatech day' where they will provide more indications on [illegible]egment. W[illegible] a higher profitability profile than Esprinet standalone, Zeliatech is positio[illegible] as a key growth driver for the group over the next years; v) Looking [illegible]ability, [illegible]A expenses should increase due to the higher labour costs associ[illegible]d with [illegible]ctive b[illegible]aining agreements; vi) On the other hand, the bottom line sho[illegible] bene[illegible] fro[illegible]e declining interest rates; and vii) The management wil[illegible] focuse[illegible] on s[illegible]uting [illegible] selected M&A opportunities.

Esprinet - Key Data

26/03/2025			IT Distributors
Target Price (€)			6.6
Rating			BUY
Mkt price (€)			5.3
Mkt cap (EUR M)			269.2
Main Metrics (€ M)		**2025E**	**2026E**
Revenues		4,300.0	4,450.0
Gross Profit		236.5	245.6
EPS (EUR)		0.56	0.66
Net debt/-cash		33.12	19.19
Ratios (x)		**2025E**	**2026E**
Adj. P/E		9.5	8.1
EV/EBITDA		5.7	5.0
EV/EBIT		8.5	7.2
Debt/EBITDA		0.45	0.24
D[illegible]ield ([illegible]		5.3	6.2
[illegible]erforman[illegible] (%)	**1M**	**3M**	**12M**
Absolut[illegible]	9.3	23.8	0.7
[illegible]el. t[illegible]SE IT All [illegible]	7.6	6.7	-11.0

S[illegible] FactSet, Co[illegible]any data, Intesa Sanpaolo Res[illegible]stimat[illegible]

Intesa Sanpaolo is Specialist to Esprinet

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F.I.L.A. (BUY)

FILA IM; FILA-IT

Feedback from Event

Profitability and cash remain priorities for 2025. The flexibility of F.I.L.A.'s supply chain is crucial to face potential tariffs.

- **F.I.L.A. confirmed its FY25 guidance** for a low-to-mid single-digit revenue growth, mid-single-digit adjusted EBITDA growth at constant currencies and tariffs and free cash flow to equity of between EUR 40M and EUR 50M. Back-to-school orders in the US are currently strong, in a consumption environment that looks relatively weak and could deteriorate. F.I.L.A. should increase prices in the US starting from April to counterbalance the potential tariffs' effects (however prices should be increased even with no tariffs in place following competitors' price increases in January). F.I.L.A. expects to recover around EUR 10M out of around EUR 15/18M lost in the US in 1Q24 due to the issue related to EWM SAP module's implementation. Europe should deliver good growth in FY25, and Mexico should maintain a growth path (F.I.L.A. has almost fully repaid the expensive credit lines it had in Mexico). 1Q25 is expected to be strong (high single-digit / low double-digit revenue increase), also given the easy comparison base in the US, but management has stated that it shouldn't be considered as a trend. 4Q is usually a small quarter for the overall sector and in 2025 it could be weak for F.I.L.A.;
- **Tariffs:** The company's supply chain is complex and represents a competitive advantage. If tariffs are implemented in Mexico and Canada and the US on goods imported from China, it would be a positive scenario for F.I.L.A. The worst-case scenario would be tariffs on goods imported from especially Canada and Mexico to the US and in this case production would be moved to the US or India. If tariffs are applied to European products, some production could be moved to India. The company is closing its production plant in China (from April) as already communicated;
- **Capex** is projected in the range of EUR 20M, a portion of which will be allocated to increase efficiencies;
- The company said that it was premature to consider a possible sale of a 6% stake in **DOMS**, which F.I.L.A. should keep for at least 1 year and a half, given the industrial and commercial synergies.

F.I.L.A. - Key Data

26/03/2025			Consumer Services
Target Price (€)			15.8
Rating			BUY
Mkt price (€)			10.9
Mkt cap (EUR M)			534.9
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues (core)	630.8	641.1	656.5
Adj. EBITDA	106.5	110.6	115.3
Adj. EPS (EUR)	0.98	1.09	1.15
Net debt/-cash	170.5	146.7	111.4
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	11.1	10.0	9.4
EV/EBITDA	5.9	5.5	5.0
EV/EBIT	8.3	7.7	7.0
Debt/EBITDA	1.4	1.2	0.86
Div. yield (%)	2.3	2.3	2.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	6.5	6.0	37.4
Rel. to FTSE IT All Sh	4.8	-8.6	21.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to F.I.L.A.

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illimity (BUY) ILTY IM; ILTY-IT

Feedback from Event

Investors were mainly focused on the extra provisions that have penalised FY24 results, the FY25 outlook and the offer from Banca IFIS.

- **EUR 113M extra provisions on senior notes and unit funds in FY24.** FY24 results, when the company reported a net loss of EUR 38M, were negatively impacted by EUR 113M of extra provisions on the senior notes and unit funds with underlying NPE portfolios. Such extra provisions followed the classification in Stage 2 of the two notes due to: 1) the deterioration of the expected recovery plans of some NPLs with underlying real estate assets, negatively impacted by the increase in rates; 2) the new information regarding the potential outcome of the Court of Appeal's judgment in relation to a legal proceeding about a specific position underlying a senior note that negatively affected the recovery prospects. The reclassification to Stage 2 of such notes required the bank to account for the life-time expected losses (instead of 12-months expected losses), generating the need for the extra provisions;
- **Subdued outlook and no visibility on the new business plan.** We think that the outlook for 2025 is subdued, as the company expects the operating profit [illegible] to be characterised by margin pressure due to the falling interest rates, only partially offset by the reduction in the cost of funding which should have peaked at the end of 2024 [illegible] 2025, the company will focus on containing operating costs. The asset value-enhancement process planned for early 2025 has been slowed down by the announced offer from Banca IFIS, also causing a postponement of the new business plan presentation.
- **Opinion on Banca IFIS offer expected after the offer document's publication.** The Board of Directors (due to be renewed in April) will communicate its opinion [illegible] Banca IFIS' offer after the publication of the offering document, with the support of its advisors. Meanwhile, the company continues its activities [illegible] planned, without neglecting any strategic options that could contribute to the objective of creating value for the shareholders.

illimity - Key Data

25/03/2025			Financials
Target Price (€)			4.3
Rating			BUY
Mkt price (€)			3.6
Mkt cap (EUR M)			297.8
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Revenues	291.8	276.9	308.6
Gross op income	83.89	78.99	111.8
EPS (EUR)	0.38	0.38	0.65
TBVPS (x)	9.54	9.78	10.3
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	9.3	9.3	5.5
P/TBV	0.37	0.36	0.34
RoTE (%)	6.8	4.0	6.5
CET1 FL (%)	14.0	13.8	13.4
Div. Yield (%)	3.6	2.1	3.7
Performance (%)	**1M**	**3M**	**12M**
Absolute	-5.7	15.7	-21.4
Rel. to FTSE IT All S	-6.8	0.8	-30.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to illimity

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LU-VE (BUY) LUVE IM; LUVE-IT

Feedback from Event

Mid-single-digit revenues growth in 2025, with 2H25 in acceleration towards 2026 which will benefit from the new capacity, focused on data centres in China and the US.

- Management sees 2025 revenues growing at mid-single digit and an EBITDA margin at around 14%, in line with our and consensus' estimates. Looking at sales, management expects a softer 1H25 and an acceleration in 2H25, with a visibility of 3-4 months;
- The gradual recovery in commercial refrigeration that started in 2H24 should continue in 2025, with retailers benefitting from an acceleration in consumption in Italy and Europe in the second part of the year;
- Heat pumps were strongly affected by the halt to incentives from 2H23 onwards. The management expects 2025 revenues in this segment in line with 2024, but in the first months of 2025 orders are increasing 2-digits;
- The management continues to see a strong trend for the data centres' refrigeration, and accordingly has increased production capacity in the two most important geographies for the segment, i.e., China (plant already opened) and the US (the plant expected to open in 1Q26), with the full benefit from the additional capacity supporting 2026 revenues;
- Having been certified to supply the cooling systems for emergency [illegible] generators [illegible] the Hinkley Point C power station in Somerset (England), the company [illegible] receiving a number of requests for quotation in nuclear applications;
- The revenues mix should evolve towards a higher weighting of large projects, which should grant a better profitability and have a positive impact on the working capital, considering the advance payment of at least 20% of an order. On the other hand, the quarterly comparison could be misleading, depending on whether the revenues relative to a large project are booked.

LU-VE - Key Data

26/03/2025		Capital Goods
Target Price (€)		33.5
Rating		BUY
Mkt price (€)		28.8
Mkt cap (EUR M)		640.3
Main Metrics (€ M)	**2025E**	**2026E**
Revenues	618.5	668.0
EBITDA	87.21	95.53
EPS (EUR)	1.71	1.97
Net debt/-cash	78.79	43.60
Ratios (x)	**2025E**	**2026E**
Adj. P/E	16.8	14.6
EV/EBITDA	8.5	7.4
EV/EBIT	13.7	11.5
Debt/EBITDA	0.90	0.46
[illegible]	1.6	1.6

Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.4	3.2	20.3
Rel. to FTSE IT All S[illegible]	-4.9	-11.0	6.3

[illegible] FactSet, Company data, Intesa Sanpaolo Research estimates

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Moltiply (BUY)

MOL IM; MOL-IT

Feedback from Event

Boost from Verivox, while the remaining business is seen in continuity with the 4Q24 trend.

- **Verivox** is a leading player in the German online comparison and intermediation market. It is the second player after CHECK24 but while the leader is a generalist, active also in travel and other services, Verivox is specialised in energy and telco (not far from the leader) and insurance. Specialisation and a strongly focused communication are the main competitive advantages for Verivox. The main Verivox' business is energy: it has benefitted from the normalisation in the energy sector in Germany at the end of 2023-beginning of 2024 (in 2022 online energy comparators in Germany were under pressure due to energy price increases and market volatility and the lack of traditional fixed-rate plans in favor of the variable rate, which were sometimes difficult to reflect on online platforms and also became a more complex choice for consumers). Usually, customers make their choices of online comparators among 1-2 year fixed-term contracts and then go back to the platform to look for another contract. Therefore, FY24 with EUR [illegible]5M sales and EUR 34M EBITDA was a strong year for Verivox. The management stated that in the normalised business conditions, Verivox EBITDA stood in the range of EUR 25M. Verivox' profitability could improve with MOL's best practices already implemented in the other international countries where MOL is present, according to the management;
- **Both Divisions are expected to grow in FY25,** reflecting the business line trend of 4Q2[illegible]. We recall that FY24 was a strong year, with an acceleration in 4Q24 yoy, and a positive surprise on the Moltiply BPO division, which recorded a 24% EBITDA margin. [illegible] division benefitted from the mortgage market's recovery (Moltiply mortgages) and claims' management (also this business line is expected to [illegible] up well despite the tough comparison base – revenues are expected to be between [illegible]3 and FY24 level);
- **The management sees a recovery in mortgages [illegible]ly and** 3% household fixed rate is an attractive cost for consumers, while above 4%, there can be a slowdown in mortgage requests;
- **The recent preliminary findings of the European Commission** on the investigation it was conducting on Alphabet for failing to comply with the Digital Markets Act (DMA) could pave the way for the [illegible] of healthier business conditions for Trovaprezzi and unlock its strong potential. We point out that Trovaprezzi usually has a high margin, supported by volumes.

Moltiply - Key Data

25/03/2025			IT Services Provider
Target Price (€)			44.7
Rating			BUY
Mkt price (€)			42.7
Mkt cap (EUR M)			1,708
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Revenues	440.7	481.6	508.4
EBITDA	118.6	135.0	149.4
EPS (EUR)	1.08	1.44	1.72
Net debt/-cash	291.5	222.0	141.9
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	39.6	29.6	24.8
EV/EBITDA	16.2	13.7	11.8
EV/EBIT	27.2	21.8	18.0
Debt/EBITDA	2.5	1.6	0.95
D[illegible]ield ([illegible]	0.3	0.9	0.9
Performance (%)	**1M**	**3M**	**12M**
Absolute	17.6	15.9	14.2
Rel. to FTSE IT All S[illegible]	16.3	0.9	1.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Mondadori (BUY)

MN IM; MN-IT

Feedback from Event

The group's profile remains characterised by the limited organic growth potential, continued small M&A scouting and stable cash flow generation. The FCF yield is close to 10% and the dividend floor ensures a yield of at least 8% by 2026E.

- **Confident on the schoolbooks' resilience to the demographic headwinds.** The schoolbooks' market has been fairly stable in recent years, with the exception of 2020 (Covid-driven low) and 2024 (worsening ratio of books sold to books adopted, implying an increase in second-hand and photocopied books). In the future, the structurally shrinking student population will be a challenge that MND (leader with 32% of the market) is confident of managing with a rising price trend (CPI indexation of the annual spending cap since last July) and potential levers to reduce the second-hand market (innovation, detaxation and a more efficient use of public funds for the households' spending on schoolbooks);
- **Trade books are considered counter-cyclical.** The trade books' market has grown consistently over the past decade, with a peak growth rate in 2021 (driven [illegible] the pandemic) and a decline in 2024 due to the loss of around EUR 63M subsidies ([illegible] configuration of the bonus for 18-year-olds and a EUR 30M shortfall in library funding). The management reiterated that the first two months of 2025 are in [illegible] territory due to the drag from these factors, but they expect a reversal in 2H25 thanks to a [illegible] editorial pipeline and the reintroduction of public funding for libraries.
- **Retail network is functional to the core activities of publishing,** providing brand visibility and direct monitoring/managing of the end-user preferences. This is even more significant when considering that according to management [illegible] estimates [illegible] GFK, Amazon's market share declined by 4.5pp yoy in 2024, mostly to the benefit of physical retail chains. MND aims to maintain a network of 530-[illegible] stores, with an increasing [illegible] of DOS (54 at YE24) versus franchisees (474 at YE[illegible]), a smaller size than in the past (~350sqm) and a continued focus on books versus the other product categories. The retail division's adj. EBITDA margin (7.8% in FY24) is [illegible] than that [illegible] trade books (15.6%) but has consistently improved since 2019 (2.7%);
- **Digital Media: growing and profitable** [illegible], digital media sales have more than doubled (both organically and through small [illegible]), with an adj. EBITDA margin of ≥20% and a very low capital intensity. When asked about possible scenarios to fully unlock the value of this division ([illegible] of a minority stake or f[illegible]vestment), MND's management has argued that [illegible] of these seem reasonable [illegible] feasible at this stage. Moreover, it is considered strategic to spread the [illegible] in the group's more traditional businesses;
- **M&A strategy [illegible] principle [illegible] in practice.** In principle, MND remains open to any M&A options, both in Italy and abroad, if it is accretive and financially sustainable. In practice, its leading position [illegible] room for only small deals in Italy (due to the antitrust hurdles), while the [illegible] remains cautious and selective about cross-border expansion due to higher [illegible], language barriers and different regulatory regimes.

MND trades at a 2025E adj. P/E of 8.7x vs. 16.2x for UK peers and 16.1x for EU conglomerates. While in the past this discount was attributed to its presence in print magazines (a business that has been greatly reduced in recent years), it now seems motivated by its purely domestic profile, low digital exposure and lack of takeover appeal. Given its dividend policy (the highest between 50% of the ord. cash flow/share and the previous year's DPS +10%), MND can be considered as a bond-like stock, guaranteeing a yield of at least 8% by 2026. With a leverage of ≤1.0x and no transformational deal in sight, there could be room for an even more generous dividend if the small M&A scouting slows down.

Mondadori - Key Data

25/03/2025			Media
Target Price (€)			2.8
Rating			BUY
Mkt price (€)			2.1
Mkt cap (EUR M)			550.4
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues	946.0	954.8	961.5
EBITDA	157.3	159.0	159.5
EPS (EUR)	0.24	0.25	0.25
Net debt/-cash	160.6	144.8	130.2
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	8.7	8.5	8.5
EV/EBITDA	4.8	4.7	4.6
EV/EBIT	8.1	7.9	7.8
Debt/EBITDA	1.0	0.91	0.82
[illegible]	7.3	8.0	8.9
Performance (%)	**1M**	**3M**	**12M**
Absolute	-2.3	0.0	-7.7
Rel. t[illegible]SE IT All [illegible]	-3.5	-12.9	-18.2

[illegible] FactSet, Company data, Intesa Sanpaolo Research estimates

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Newlat Food (BUY)

NWL IM; NWL-IT

Feedback from Event

Management reiterated its positive tone on the integration of Princes, confirming its 2025 and 2030 targets, and we expect more synergies from a purchasing, production and commercial standpoint on top of some costs and structure savings from FY25. M&A continues to represent a catalyst, with the company in advanced stages to buy Plasmon.

- **FY24 results** included Princes from 01/01/2024 and were in line with the company's guidance on revenues and EBITDA, while they surprised positively on cash generation, beating our and consensus estimates;
- **Value extraction from Princes' integration.** Management reiterated its positive tone on the integration of Princes and we expect more synergies from a purchasing, production, and commercial standpoint, on top of some costs and structure savings from FY25. Further net working capital harmonisation should support cash flow generation. Indeed, the company confirmed its FY25 guidance of: i) EUR 2.8Bn revenues; ii) EUR 2[illegible]220M EBITDA; iii) adj. consolidated net debt between EUR 300M and EUR 330M, implying D/EBITDA between 1.36x and 1.57x at the lower end of EBITDA (excl. EUR 20[illegible] shareholder loan). 2030 targets were also confirmed, with several levers already identified to organically support turnover growth;
- **M&A strategy.** Newlat is already working on several dossiers, on b[illegible] potentially n[illegible] products and categories already in New Princes' portfolio. These inc[illegible] a EUR 200[illegible] revenues target operating in Baby Food in Italy (thus in line w[illegible] rumours [illegible] Plasmo[illegible] newspapers in the recent weeks).

Newlat Food - Key Data

26/03/2025			Food Producers
Target Price (€)			15.1
Rating			BUY
Mkt price (€)			15.3
Mkt cap (EUR M)			674.0
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Revenues	2,687.9	2,808.8	2,907.1
EBITDA	177.3	211.0	236.8
EPS (EUR)	0.41	1.07	1.52
Net debt/-cash	620.8	511.1	390.6
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	37.1	14.3	10.1
EV/EBITDA	7.4	5.7	4.6
EV/EBIT	5.6	11.1	8.2
Debt/EBITDA	3.5	2.4	1.6
Div yield (%)	0	0	0
Performance (%)	**1M**	**3M**	**12M**
Absolute	35.5	25.7	157.4
Rel. to FTSE IT All Sh	33.3	8.4	127.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Newlat Food

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Orsero (BUY)

ORS IM; ORS-IT

Feedback from Event

Orsero's shares currently trade at a 2025E [illegible]/EBITDA of 4.2x a[illegible] a P/E of 7.8x, multiples that we consider attractive for a healthy company w[illegible] solid cash generation profile and a resilient business model. Overall, we believe tha[illegible] Orsero [illegible] rely on a diversified and value-added product portfolio, [illegible] exposure to commodities and a good balance in terms of distribution channels [illegible] geographical area[illegible] served. All this while maintaining a sound financial and capit[illegible] structure that [illegible] a[illegible] to take advantage of further growth opportunities.

- The company reported another solid [illegible] of results in FY24, which reached the high-end of management's guidance range[illegible]he Distribution segment continued to deliver solid profitability in 4Q, with r[illegible]wth of around 11% and EBITDA growth of 12% yoy. Overall, in 2024 the business benefitted from a better product mix and, in particular, from a higher weighting of the exotic product line, which offset the less favourable trading conditions for the banana business. Geographically, growth was particularly strong in France, Greece and Portugal. As regards Shipping, 4Q still showed signs of normalisation after the spike in 2023, but less than in the other quarters of the year. We stress that from 2025 onwards, the comparison base for the division should be less demanding;
- Cash generation was stronger than expected (and above the company's guidance) leaving room to finance new potential M&A. NFP (excl. IFRS 16) was EUR 54.8M vs. EUR 67.1M at YE23 (and EUR 64.5M in our estimates), showing a strong cash generation offsetting investments made in the dry docking of two ships and improvements to some of the group's warehouses (operating cash flow was EUR 49.9M). DPS stood at EUR 0.50 (in line with our projection);

Orsero - Key Data

25/03/2025		Food Producers
Target Price (€)		24.6
Rating		BUY
Mkt price (€)		12.2
Mkt cap (EUR M)		215.0
Main Metrics (€ M)	**2025E**	**2026E**
Revenues	1,607.2	1,639.0
Adj. EBITDA	78.87	83.59
Adj. EPS (EUR)	1.56	1.72
Net debt/-cash	106.5	83.66
Ratios (x)	**2025E**	**2026E**
Adj. P/E	7.8	7.1
EV/EBITDA	4.2	3.7
EV/EBIT	7.5	6.5
Debt/EBITDA	1.4	1.0
Div yield (%)	4.9	4.9

Performance (%)	**1M**	**3M**	**12M**
Absolute	-0.5	-2.3	-14.7
Rel. to FTSE IT All Sh	-1.6	-14.8	-24.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Orsero

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- We recall that Orsero has also recently communicated its FY25 guidance, to which our estimates are aligned. However, we see some potential upside risks to both our NFP and profitability forecasts, given the strong cash flow generation in 4Q24 and the more favourable USD/EUR exchange rate in recent weeks. All in all, the Distribution BU is expected to grow at around mid-single digit in FY25, benefitting from the higher volumes. Profitability should be slightly impacted by the higher purchasing costs. The Shipping BU is projected to slightly improve in terms of the EBITDA margin, benefitting from the higher transported volumes;
- Capital expenditure dedicated to organic expansion is set to remain under control. As a result, free cash flow generation should remain solid in FY25, allowing the company to rapidly deleverage and continue its M&A programme. The focus remains on growth in new markets, including the US. We underline that Orsero is today a European leader in the fresh produce market, with a diversified and value-added product portfolio, low exposure to commodities and a good balance in terms of distribution channels and geographical areas served. We therefore believe that growth outside of Europe could be a potential next step in the group's growth path. We note that Orsero already produces in Mexico and sells about USD 50M worth of avocados in the US.

SECO (BUY) [illegible]OT IM; IOT

Feedback from Event

A strong pipeline of new products for the Edge division [illegible] an increasing penetration of the IoT software CLEA are expected to be the main growth drivers for the company, in an anticipated backdrop with a normalisation of interest rates, strong signs of the beginning of a new cycle of corporate capex according to management, and an acceleration in the adoption of edge computing systems (HMIs) and AI on the edge.

- **FY24 results** were impacted by unprecedented destocking across broadly all verticals and geographies. However, SECO has taken advantage of this situation to implement some optimisation measures on costs and net working capital, which led to an adj. net debt ahead of our and consensus expectations:
- **Inflection point reached.** Based [illegible] KPIs monitored by the company (backlog growing strongly, book to bill >1), [illegible] think the inflection point of the negative trend seen in the recent quarters [illegible] been reached. The company expects the revenue growth trajectory to be back on track from [illegible]25 (guidance: broadly flat at EUR 47M revenues) and quarterly revenues to be at their historical levels by the summer;
- 2024 was nonetheless rich in terms of **partnerships** signed (Qualcomm, Raspberry PI, Nayax) to reinforce the ecosystem and boosting growth amongst own and third party users to boost growth in the medium term;
- **CLEA** platform is getting increasing traction with historical OEM clients and represented in FY24 around 12% of revenues (EUR 21.3M). We also highlight the multi-year agreements signed in the energy and vending machines sector, which should fuel visible recurring revenues stream.

We continue to like SECO's competitive advantage of providing an end-to-end hardware+software offering, in a market supported by medium-term drivers.

SECO - Key Data

26/03/2025			Information
Target Price (€)			3.7
Rating			BUY
Mkt price (€)			2.0
Mkt cap (EUR M)			262.1
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues	208.2	239.4	263.3
EBITDA	46.75	56.23	65.17
EPS (EUR)	0.08	0.11	0.16
Net debt/-cash	42.46	30.55	8.41
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	26.1	17.2	12.4
EV/EBITDA	7.0	5.7	4.2
EV/EBIT	14.1	9.7	6.5
Debt/EBITDA	0.91	0.54	0.13
Div yield (%)	0	0	0
Performance (%)	**1M**	**3M**	**12M**
Absolute	8.6	11.1	-41.6
Rel. to FTSE IT All Sh	6.8	-4.2	-48.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Tinexta (BUY)

TNXT IM; TNXT-IT

Feedback from Event

Management reiterated the reassuring messages already provided during the CMD on the restructuring measures and performance of the recently-acquired businesses. We believe that the targets' delivery should be the main catalyst for a potential multiples' rerating. As usual, revenue and EBITDA generation should be back-end loaded towards 2H. The stock currently trades at compressed 2025E multiples of 7.1x EV/EBITDA and 7.4x P/E.

- **2024 performance.** The Digital Trust division confirmed its steady and sustainable growth path (+13.8% yoy or +8.3% organically). During the year, the BU invested EUR 21.1M (vs. EUR 13.1M in 2023) in certain services' streamlining and migration, as well as the integration of Artificial Intelligence, which is essential for enhancing the product and services' portfolio. Business Innovation (BI) profitability has suffered in FY24, mainly due to the lack of contribution from the recently-acquired French company ABF and a soft domestic market affected by delays in the Transition 5.0's implementation, Transition 4.0's lower deductible rates and higher revenues from the lower margin activities. The Cybersecurity segment has also suffered from an unfavourable business mix and the projects/contracts' postponement by some customers due to the reference market weakening and a temporary drop in the operating efficiency. On the other [illegible], the recently-acquired Defence Tech (DTH) is performing well also due to the continuation of the main programmes for Defence, Space, and National Security.
- **FY25: a year of recovery and integration.** The recently announced guidance includes the impact of the DTH and Lenovys' full consolidation. The main targets are: [illegible] revenue growth of between 11% and 13% (around 7-9% organic); b) adj. EBITDA growth of between 15% and 17% (around 10-12% organic); and [illegible]FP/adj. EBITDA of 2.2[illegible]4x, also benefitting from the lower capex vs. 2024 peak. Overall, we believe that the target assumptions are not that aggressive. In particular:
  - ☐ Digital Trust should maintain its solid and steady levels of the organic growth, both in Italy and abroad. Revenues in 20[illegible] are expected to grow at between 7% and 9% compared to 2024, with adjusted EBITDA also increasing between 7% and 9%. Operating leverage should be offset by investments in generative AI (launch of LextelAI);
  - ☐ As regards Business Innovation BU, 2[illegible]5 revenues are expected to grow between 10% and 12[illegible] driven in part by the re[illegible] activities related to the Transition 5.0 programm[illegible] as well as [illegible] the ABF activities (around 50%), assuming a gradual stabilisation [illegible] political landscape in France. The adjusted EBITDA is consequently expected to grow by more than 15%, driven by the significant increase in revenues;
  - ☐ Cybersecurity revenues are expected to grow by more than 20%, while adjusted EBITDA is seen increasing by over 50%. Defence Tech's pro-forma revenues are expected to grow more than 25% (adj. EBITDA increasing by over 15%). Tinexta Cyber expects revenue growth of approx. 5%, in line with the market segments in which it operates, while adj. EBITDA is projected to rise by more than 25%, supported by the operational efficiency measures already implemented, resuming its expected growth trajectory.

Tinexta - Key Data

25/03/2025		Information
Target Price (€)		17.5
Rating		BUY
Mkt price (€)		8.5
Mkt cap (EUR M)		401.0
Main Metrics (€ M)	**2025E**	**2026E**
Revenues	510.1	557.5
EBITDA	118.4	132.4
EPS (EUR)	1.14	1.46
Net debt/-cash	297.0	259.6
Ratios (x)	**2025E**	**2026E**
Adj. P/E	7.4	5.8
EV/EBITDA	7.1	6.1
EV/EBIT	14.4	9.8
Debt/EBITDA	2.5	2.0
D[illegible]yield ([illegible]	3.7	5.4

Performance (%)	**1M**	**3M**	**12M**
Absolute	7.0	8.8	-54.5
Rel. to FTSE IT All S[illegible]	5.7	-5.2	-59.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Italy: Today's News

Azimut (BUY)

AZM IM; AZM-IT

Expansion into Morocco

Market Mover (AZM-IT)	Positive	Neutral	Negative

What's up? Yesterday, during market hours, Azimut announced its entry into the Moroccan market through the acquisition of a minority stake in two subsidiaries of Red Med Capital, a leading independent investment bank in Morocco. The transaction entails for Azimut the acquisition of a 29% stake in Red Med Asset Management and a 25% stake in Red Med Securities. Red Med Asset Management manages approximately MAD 18Bn in AuM (EUR 1.7Bn / USD 1.9Bn) at end-2024 and is among the largest independent asset managers in Morocco with a 3% market share, after a 30% average annual increase in AuM since the end of 2017. Meanwhile, Red Med Securities offers a wide range of investment solutions, including securities trading, IPOs, and capital market transactions, with a market share of 4.4% in 2024, compared to 2.3% in 2023.

Azimut's expansion into Morocco aims at bringing together Red Med Capital's local m[illegible]t leadership and Azimut's global product suite, particularly in fixed-income solutions. Azimu[illegible] press release points out that Morocco's asset management industry has sho[illegible]sistent growth since the introduction of mutual funds (OPCVM) in 1995, achievi[illegible] an av[illegible]ge annual growth rate of 33.5%. With over MAD 640Bn (EUR 61Bn / USD 66[illegible]n assets un[illegible]r management as of December 2024, the market is underpinned by the reg[illegible]ory framewo[illegible] led by the Moroccan Capital Market Authority (Autorité Marocaine D[illegible]Marché D[illegible] Capitaux).

What we think: The expansion into Morocco (which was ant[illegible]ipated by[illegible]sterda[illegible]MF) continues the geographic diversification and internat[illegible]wth of Az[illegible]t group[illegible]n particular strengthening its presence in the MENA re[illegible]on an[illegible]rkey, where the group already oversees over EUR 5.8Bn in total assets. **BUY, [illegible]28.6 TP.**

Azimut - Key Data

26/03/2025			Asset Gatherers
Target Price (€)			28.6
Rating			BUY
Mkt price (€)			27.0
Mkt cap (EUR M)			3,864
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Tot net revenues	1,007.3	991.5	1,071.3
Operating profit	627.1	656.9	717.5
Net income	588.7	480.1	526.9
Cust assets (€ Bn)	104.9	113.3	122.0
Ratios (%)	**2024E**	**2025E**	**2026E**
Adj. P/E (x)	9.9	9.2	8.4
P[illegible]ts	3.7	3.4	3.2
[illegible]/tot cust[illegible]ets	0.46	0.44	0.45
[illegible]iv ord y[illegible]	5.6	5.7	5.9
[illegible]erfor[illegible]nce (%)	**1M**	**3M**	**12M**
[illegible]ute	5.0	13.6	8.2
R[illegible]FTSE IT A[illegible]n	3.3	-2.0	-4.3

Source: [illegible] Company data, Intesa Sanpaolo [illegible]esearch estimates

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Brunello Cucinelli (BUY)

BC IM; BC-IT

1Q25 Sales Preview: Ou[illegible]pril

Possible Surprise	Positive	[illegible]eutral	Negative

Results due on 16 Ap[illegible] We ex[illegible]sales [illegible]increase by 10.4% yoy to EUR 341M (+10.2% yoy ex-forex), supported [illegible]ail (we est[illegible]ate +12% yoy to EUR 211M sales) and wholesale (we forecast +7.9% yoy to EUR 130M). W[illegible]ssume that retail has slowed compared to the 4Q24 trend (+15.5% yoy), which was the[illegible]st quarter of the year in terms of growth together with 1Q24 (+15% yoy vs. +14[illegible]24). In terms of geography, we expect balanced growth across all regions.

What we think: Our estimates are consistent with the outlook provided at the time of the release of FY24 results, which specified that 1Q25 was very positive with a very interesting sell-out of the S/S25, with all geographical areas (Europe, North America and APAC) contributing equally to growth. We confirm our FY25E sales' growth forecast of 11.2% yoy. We expect that management will confirm the FY25 and FY26 target for 10% sales growth per year.

Brunello Cucinelli - Key Data

25/03/2025			Branded Goods
Target Price (€)			136.0
Rating			BUY
Mkt price (€)			106.9
Mkt cap (EUR M)			7,269
Main Metrics (€ M)	**2025E**	**2026E**	**2027E**
Revenues	1,421.7	1,570.2	1,734.3
EBITDA	403.3	446.3	491.7
EPS (EUR)	2.11	2.40	2.71
Net debt/-cash	789.9	790.3	787.3
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	50.8	44.5	39.4
EV/EBITDA	20.0	18.1	16.4
EV/EBIT	33.6	30.1	27.1
Debt/EBITDA	2.0	1.8	1.6
Div yield (%)	1.0	1.2	1.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	-14.1	2.3	5.5
Rel. to FTSE IT All Sh	-15.1	-10.9	-6.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Market Mover: The indicators Positive/Neutral/Negative are the analysts' view on the market's possible reaction to the news in question.
Intesa Sanpaolo's fundamentals-based 12-month rating can be found in the key data table in the comment.

Brunello Cucinelli – 1Q25 sales preview

EUR M	1Q24A	FY24A	1Q25E	1Q25C	E/C %	yoy %	FY25E	FY25C
Net sales	309.1	1278.5	341.1	-	-	10.4%	1421.7	1415.4
Wholesale	120.5	427.3	130.0	-	-	7.9%	448.7	-
DOS	188.6	851.2	211.1	-	-	12.0%	973.2	-
Franchising								
Italy	34.9	140.9	38.3	-	-	9.7%	146.6	-
Europe	73.8	315.7	81.6	-	-	10.5%	334.6	-
North America	114.2	476.6	125.8	-	-	10.2%	538.5	-
Asia	86.1	345.4	95.4	-	-	10.7%	402.2	-

A: actual; E: estimates; C: Factset consensus; Source: Company data and Intesa Sanpaolo Research

Danieli (Under Review)

DAN IM; DAN-IT

1H24/25 1st Take: EBIT in Line with Consensus

Results. The key points of results were:

- **1H24/25 results**: the group released 1H24/25 results yesterday after market [illegible] Bloomberg consensus was met at the EBIT level (EUR 108.5M vs. EUR 110M consensus), which we see as the most significant indicator of the group's operating performance. 1H24/25A revenues were EUR 2.0Bn vs. EUR 2.07Bn in 1H23/24 (-3.6% yoy). EBITDA was EUR 163.4M vs. EUR 160.6M in 1H23/24 (EBITDA margin of 8.2%, up 40bp [illegible] 1H23/24) and 1H24/25 EBIT was EUR 108.5M vs. EUR 90.4M in 1H23/24 mainly thank to lower D&A and provisions (EBIT margin of 5.4% vs. 4.4% in 1H23/24). The Plant Making business revenues rose by 3% yoy, while the Steel Making business showed a sales decrease of [illegible]% yoy, mostly due to the lower average selling prices, with stable volumes. The group's EBIT margin yoy increase was the result of a positive performance of the Plant Making business (8.9% vs. 6.1% in 1H23/24), partially offset by a sharp decline in Steel Making, which registered a loss at the EBIT level of EUR 25.[illegible] vs. +1.1M in 1H23/24) suffering from increased energy costs and an unfavourable price environment. Below the EBIT line, the group benefitted from a significant increase in net financial income driven by the FX gains. The consolidated order backlog at 31 December [illegible]5 amounted to EUR 5.39Bn (out of which EUR 265M in Steel Making) vs. EUR 5.[illegible] at 30 June 2024 (EUR 296M in SM) and EUR 6.034Bn at 31 December 20[illegible]. Net cash position at 31 December 2024 was EUR 1.75Bn vs. EUR 1.70[illegible] at 30 June 2024, out of which EUR 1.077Bn related to advance payments from customers (EUR 1.043Bn at 30 June 2024);
- **2024/25 outlook**: management highlighted that FY25 should see a positive outlook for the steel production and prices worldwide. As for the group, management said that it can be assumed that the next six months will be characterised by the current trend of better profitability for the Plant Making business, partly offset by a still weak but improving Steel Making segment and confirmed the guidance for the 2024/25 financial year (FY24/25 revenue of EUR 4-4.2Bn slightly below the FY23/24 level and an EBITDA result in the EUR 380-420M range or 9.5% EBITDA margin). Management also said that for the 2025/26 financial year it aims to maintain and possibly improve the results now forecasted for the current one.

What we think: we note that current BBG consensus is currently in line with the company guidance and sees for FY25/26 sales increasing to EUR 4.56Bn (vs. EUR 4.32Bn cons. for FY24/25) and EBIT increasing to EUR 289M (vs. EUR 247.7M cons. for FY24/25). Our rating and target price are Under Review.

Danieli - Key data

26/03/2025			Capital Goods
Target price (€)			Under Review
Rating			Under Review
Mkt price (€)			29.3
Mkt cap (EUR M)			2,119
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.5	21.1	-11.1
Rel. [illegible] Sh	-1.1	4.4	-21.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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doValue (BUY) DOV IM; DOV-IT

New EUR 0.7Bn GBV Agreement Signed with NBG

Market Mover (DOV-IT)	Positive	Neutral	Negative

What's up? The company announced this morning to have signed an agreement with NBG as a servicer of a Greek portfolio consisting primarily of secured non-performing loans for a Gross Book Value (GBV) of approx. EUR 0.7Bn. doValue subsidiary Greece RES will also provide REO services for the entire perimeter. The agreement is subject to the completion of securitisation process of such portfolio by NBG under the Hellenic Asset Protection Scheme (HAPS), expected to be finalised within 2Q25. With this mandate, the company reaches EUR 6.1Bn GBV from new business YTD, surpassing 2024-26 BP Annual Target of EUR 6Bn for new mandates, and reaching 75% of the target in terms of new business for 2025.

What we think: The new contract announced confirms how strategically important the Hellenic market is for the Group, with over 60% of overall new mandates acquired so far this year. Last year, the company was able to secure over 70% market shares in new NPL transactions in the region. We recall the country shows the highest profitability margin within the Group (with over 50% EBITDA margin recorded last year). **BUY rating and EUR 2.6/share TP confirmed.**

doValue - Key Data

26/03/2025		Financial Services
Target Price (€)		2.6
Rating		BUY
Mkt price (€)		1.7
Mkt cap (EUR M)		322.5
Main Metrics (€ M)	**2025E**	**2026E**
Revenues	612.0	618.1
EBITDA	212.0	243.9
EPS (EUR)	0.16	0.28
Net debt/-cash	461.1	381.8
Ratios (x)	**2025E**	**2026E**
Adj. P/E	10.6	6.0
EV/EBITDA	4.1	3.3
EV/EBIT	7.8	5.7
Debt/EBITDA	2.2	1.6
Div yield (%)	4.7	8.4

Performance (%)	**1M**	**3M**	**12M**
Absolute	-0.2	25.4	-53.4
Rel. to FTSE IT. STA	3.1	25.8	-50.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to doValue

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Equita Group (BUY) EQUI IM; EQUI-IT

4Q 1st Take: Weaker on Revenue and Net Income, EUR 0.[illegible] DPS Confirmed

Vs. our estimates	Above	In Line	Below

Results. In 4Q24 Equita reported a net profit of EUR 4.[illegible], below our EUR 5.3M assumption, due to lower-than-expected [illegible] deceleration of revenue growth in the most relevant quarter of the year, which fell by [illegible]% yoy across all business units. The proposed dividend was EUR 0.35/share (payable in two tranches: EUR 0.20/sh. in May and EUR 0.15/sh. in November), in line with our estimates and implying an attractive yield of 8% at the current share price. The key points of results were:

- **4Q total net revenues fell by -15.4% yoy to EUR 23.7M**, lower than our EUR 27.3M assumption, mainly due to weaknesses within Alternative Asset Management (EUR 2.7M vs. EUR 3.9M in 4Q23A, but [illegible] than our EUR 2.0M estimate), followed by Investment Banking (EUR 10.4M vs. EUR 12.3M in 4Q23A and our forecast of EUR 15.4M) and by Global Markets (EUR 10.7M vs. EUR 11.9M in 4Q23A, better than our EUR 9.8M estimate);
- **Quarterly operating costs were EUR 17.6M**, more than 12% below our EUR 20M forecast, due to staff costs' containment (which fell by 12% yoy to EUR 12.1M, better than our EUR 14.2M estimate) and administrative expenses broadly unchanged yoy (EUR 5.4M vs. EUR 5.3M in 4Q23A, better than our EUR 5.8M estimate);
- **Solid capital position, with an IFR ratio approx. 3.7x** above the minimum requirements, vs. 3.6x recorded at YE23;
- **2025 outlook**: Despite persistent soft trading volumes registered at the start of the year within mid & small caps, management released a positive outlook for the year, thanks to good momentum in M&A activity, a solid pipeline in capital markets and rising

Equita Group - Key Data

26/03/2025			Brokerage&Inv.Bank.
Target Price (€)			4.5
Rating			BUY
Mkt price (€)			4.4
Mkt cap (EUR M)			224.6
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Revenues	83.05	95.28	103.2
Gross op income	21.36	27.92	30.88
EPS (EUR)	0.31	0.40	0.45
TBVPS (x)	1.56	1.60	1.67
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	14.3	11.0	9.6
P/TBV	2.8	2.7	2.6
RoTE (%)	19.1	25.2	27.7
CET1 FL (%)	27.8	24.3	22.9
Div yield (%)	8.0	8.9	10.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	-0.5	7.9	11.5
Rel. to FTSE IT All Sh	-2.0	-7.0	-1.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Equita Group

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management fees from new EPD III and EGIF funds launched in 2H24, expecting 1Q25 to show revenue growth in all business units, with one of the best first quarter results in terms of revenue and Net Income since listing.

What we think: Equita Group's 4Q/FY24 results were weaker than our estimates, with top line falling double digit yoy partially offset by stronger operating costs containment. Divisionally we flag weaker than expected development in Investment Banking, while Global Markets and AAM maintained a solid contribution to the Group (albeit yoy lower from an exceptionally strong 4Q23A). Stable DPS EUR 0.35 and a positive start of the year should mitigate potential disappointment on earnings' results.

Equita Group - 4Q/FY24 results

EUR M	4Q23A	FY23A	3Q24A	4Q24A	4Q24E	4Q A/E (%)	4Q qoq %	4Q yoy %	FY24A	FY24E	FY24C
Global Markets	11.9	40.9	8.6	10.7	9.8	8.7	23.5	-10.2	[illegible]	39.8	NA
Inv Banking	12.3	36.3	4.3	10.4	15.4	-32.9	139.6	[illegible]	[illegible]	35.2	NA
AAM	3.9	10.4	1.9	2.7	2.0	32.5	42.2	[illegible]	[illegible]	8.1	NA
Net Revenues	**28.0**	**87.5**	**14.8**	**23.7**	**27.3**	**-13.1**	**59.7**	[illegible]	[illegible]	**83.0**	**81.9**
Personnel Costs	13.8	41.9	7.5	12.1	14.2	-14.5	[illegible]	[illegible]	38.5	40.6	NA
Adm. expenses	5.3	21.5	4.9	5.4	5.8	-6.4	[illegible]	[illegible]	20.7	21.1	NA
Total operating costs	**19.1**	**63.4**	**12.4**	**17.6**	**20.0**	**-12.2**	[illegible]	[illegible]	[illegible]	**61.7**	**63.5**
Profit before Taxes	9.0	24.1	2.5	6.2	7.3	-15.5	147.1	-32.0	[illegible]	21.4	23.6
Group Net profit	**6.9**	**16.9**	**1.8**	**4.1**	**5.3**	**-23.3**	**122.7**	[illegible]	[illegible]	**15.3**	**16.1**

A: actual; E: estimates; C: Factset consensus; Source: Company data and Intesa Sanpaolo Research

ErreDue (BUY)

RD[illegible]IM; RDUE[illegible]

2H/FY24 1st Take: Touch Softer on Revenue, Solid Operating [illegible]

Results. In a challenging macroeconomic environment [illegible]reDue [illegible]orted FY24 [illegible]esults which were slightly softer than our estimates on the top li[illegible]hile bett[illegible]n the operating profit performance (EBITDA) and net income level. The key [illegible]ts of results [illegible]e:

- **2H24 core (Sales & Services) revenue d[illegible]y -4.9%[illegible]y to EUR 8.2M** vs. EUR 8.6M in 2H23, a touch softer than our EUR 8.[illegible] estim[illegible]eading [illegible]FY24 core revenue of EUR 15.9M, down by -4% yoy, with weak[illegible]ess in [illegible]e o[illegible]nerators for technical gas on-site production more tha[illegible]ing go[illegible]d m[illegible]entum [illegible]ydrogen (which grew by +56% yoy in 2H, represe[illegible]g 70% of 2H core re[illegible]enue). [illegible]H24 Generators' sales declined -7% yoy, in line with [illegible]er sales, while [illegible] ren[illegible]nerators improved by +5% yoy;
- **2H24 EBITDA wa[illegible]oadly[illegible]e at EU[illegible]1M**, better than our EUR 3.0M estimate, leading to FY24 EBITDA of [illegible]M, down by [illegible]3% yoy, with a corresponding EBITDA margin of 32.1%, down by over 350bps yoy (wi[illegible]8% in 2H24 vs. 35.5% in 2H23). The margin decline was mainly due to (i) [illegible]hange[illegible] products' mix in favor of larger size; (ii) rising development costs; (iii) hig[illegible]ersonnel costs linked to new hiring to support stronger production over the coming years;
- **2H24 EBIT declined by -11% yoy to EUR 1.9M** vs. EUR 2.1M EUR in 2H23, beating our EUR 1.0M estimate, with a corresponding EBIT margin of 23.1% vs. 24.7% in 2H23;
- **2H24 net income declined by -10% yoy to EUR 1.7M** vs. EUR 1.9M in 2H23, better than our EUR 0.5M estimate, leading to EUR 2.7M in FY24, down by 21% yoy;
- **Total backlog stood at EUR 22.5M at YE24**, with approx. 80% attributed to the current year, of which approx. EUR 15.9M from sales and rentals of generators, about EUR 6.6M from spare parts, maintenance services and leases;

ErreDue - Key Data

26/03/2025			Capital Goods
Target Price (€)			10.5
Rating			BUY
Mkt price (€)			8.2
Mkt cap (EUR M)			51.3
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Revenues	19.49	30.32	49.23
EBITDA	4.93	7.82	14.54
EPS (EUR)	0.25	0.58	1.38
Net debt/-cash	-7.96	-10.79	-19.38
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	32.8	14.2	5.9
EV/EBITDA	8.8	5.2	2.2
EV/EBIT	21.0	8.5	2.8
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	2.7	0.6	1.4
Performance (%)	**1M**	**3M**	**12M**
Absolute	5.1	8.6	-3.5
Rel. to FTSE IT All Sh	3.4	-6.3	-14.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to ErreDue

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- **NFP at YE24 was positive for EUR 17.3M** vs. EUR 16.3M at YE23. Working capital was stable at EUR 4.2M (vs EUR 4.3M at YE23), with overall investments for EUR 2M in fixed assets, with EUR 0.9M financing from SIMEST;
- **BoD proposed a DPS of EUR 0.16**, implying a dividend yield of 2%, based on the 25 March closing price, with a payout of 37%;
- **Outlook**. The management confirmed its own target to expand production to H2 plants of bigger size (from 1MW onwards), investing in R&D and strengthening partnerships with universities and research laboratories. To meet the rising demand for H2 larger scale generators, the management aims to bring forward the first step of expansion to June 2025, while still expecting full completion of the new production site in 1Q26.

What we think: We see ErreDue's FY24 results as a solid confirmation of the financial discipline adopted by the company while expanding the business. Despite some softness in the revenue performance, 2H24 showed a profitability margin expansion both on a sequential and yoy basis. Orders' Backlog did not improve since end of August, yet it offers some visibility on the 2025 revenue, given 80% of the orders will be delivered in 2025.

ErreDue – FY24 results

EUR M	1H23A	2H23A	FY23A	1H24A	2H24A	2H24E	A/E (%)	yoy %	FY24A	FY24E	yoy %
Value of Production	9.1	10.2	19.3	9.1	10.0	[illegible]	-4	-1.9	19.1	19.5	-1
Core Revenue	7.9	8.6	16.5	7.7	8.2	[illegible]	-6	-4.9	15.9	16.5	-4
EBITDA	2.8	3.1	5.9	2.0	3.1	[illegible]	6	1.9	5.1	4.9	-13
EBITDA margin (%)	35.9	35.5	35.7	25.7	[illegible]	[illegible]			32.1	29.9	-361
EBIT	1.9	2.1	4.1	1.1	[illegible]	1.0	[illegible]	-11.0	3.0	2.1	-26
EBIT Margin	24.4	24.7	24.6	14.3	[illegible]	[illegible]			18.9	12.5	
Net income	1.5	1.9	3.4	1.0	1.7	[illegible]	[illegible]	-10.3	2.7	1.6	-21
Net Debt	-14.9		-16.3	[illegible]					-17.3	-8.0	

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

EuroGroup (BUY)

EGLA IM; EGLA-IT

Feedback from Conference Call

Market Mover (EGLA-IT)	Positive	Neutral	Negative

What's up? During yesterday's FY conference call, EGLA's management provided an update on the current business environment [illegible] later explained the drivers behind the cautious FY25 outlook. The main takeaways from the call were:

- FY25 outlook: most of the projected FY25 organic sales growth should come from the EV & Auto division; the targeted revenue increase in the Industrial segment should mostly derive from the consolidation [illegible] the recently-acquired Kumar (for >EUR 50M sales), while organic sales should be approx. flat yoy; from a geographical standpoint, both China and USMCA should report a strong performance, partly offset by a sales decrease in Europe;
- Orders pipeline has recently been seeing a positive evolution in China, with a softer trend in Europe/North America; Chinese OEMs are representing c. EUR 1Bn of the group's total order backlog (as of 28 February 2025, at around EUR 5.3Bn) and should generate c.4% of annual EV & Auto sales this year. According to the new plan, going forward the company should focus on high-potential regions (China, India), client base expansion, together with a rising penetration in new segments (i.e. transformers);
- FY25 adj. EBITDA margin guidance (at around 12%): management clarified that the gap in the EBITDA target vs. previous consensus expectations should be mostly attributable

EuroGroup - Key Data

25/03/2025	Auto & Components
Target Price (€)	3.8
Rating	BUY
Mkt price (€)	2.5
Mkt cap (EUR M)	420.2

Performance (%)	1M	3M	12M
Absolute	-17.6	-9.7	-35.4
Rel. to FTSE IT All Sh	-18.5	-21.4	-42.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to EuroGroup Laminations

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to volumes (by EUR 14M) and to price/mix (by c.EUR 11M); in light of the uncertain scenario, the company made cautious assumptions both on pricing conditions to remain competitive in Europe and on the potential impact from tariffs. In the medium term, profitability is expected to be back at c.13%, also thanks to cost optimization across plants and the supply chain;

- FY25 capex is expected at around EUR 70M, including EUR 20M investments in Europe (2 main SOP in Europe, expected to start in 4Q25) and slightly less than EUR 20M in Mexico (new project), together with new investments in China; going forward, the approach on investments should remain selective, with capex as a % of sales at around 4-5%;
- US tariffs: while not having a direct impact for the group, higher tariffs could have a negative effect on projected volumes for the company's main customers;

What we think: Management's indications confirmed that the macro scenario remains somewhat uncertain (potentially impacted by geopolitical risks): the group's FY25 guidance was thus factoring in cautious assumptions on volumes growth and including a potentially rising pricing pressure (particularly in the European market). Following yesterday[illegible] weaker than expected FY25 targets and based on management's outlook, we would [illegible]ect consensus estimates to move downwards by around -18% at FY25 adj. EBITDA level.

Fincantieri (BUY)

FCT IM; FC[illegible]

Reportedly Negotiating for Another 8 Cruise Ships with Marella, Carnival

Market Mover (FCT-IT)	Positive	Neutral	Ne[illegible]

What's up? According to Shipping Italy, Marella Cruises is i[illegible] with FCT to [illegible] two 1[illegible]000 GTT cruise ships. The announcement was made durin[illegible] [illegible]apital Mark[illegible] Day 20[illegible]; negotiations involve 2 ships with delivery "from fiscal ye[illegible] 2031 on[illegible]ds".

In addition, Shipping Italy reiterated the rumours circula[illegible] last summer, according to which FCT is about to announce an agreement wit[illegible]ival Co[illegible]ation for the construction of a new series of 150,000 GTT ships to be us[illegible] for [illegible]ands A[illegible] Cruises, P&O Cruises and Carnival Cruise Line. The order could con[illegible]ern 6 n[illegible] (+2 more in option) with deliveries expected from 2029 onwards. **The value [illegible] the [illegible]er w[illegible] be around EUR 8Bn for the block of the first six.**

What we think: the [illegible]ws confirms th[illegible]ery go[illegible]ape of the cruise ship market; we will monitor how the neg[illegible]iations [illegible] wi[illegible] particular focus on pricing.

Fincantieri - Key Data

26/03/2025			Shipbuilding
Target Price (€)			10.2
Rating			BUY
Mkt price (€)			10.1
Mkt cap (EUR M)			3,487
Main Metrics (€ M)	**2024E**	**2025E**	**2026E**
Revenues	8,082.7	9,021.2	9,737.3
EBITDA	499.4	649.0	739.8
EPS (EUR)	0.12	0.22	0.44
Net debt/-cash	2,053.6	2,249.8	2,170.6
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	84.2	45.1	23.3
EV/EBITDA	11.1	8.8	7.6
EV/EBIT	22.4	15.8	12.6
Debt/EBITDA	4.1	3.5	2.9
Div yield (%)	0	0	0
Performance (%)	**1M**	**3M**	**12M**
Absolute	6.7	48.3	51.9
Rel. to FTSE IT All Sh	5.0	27.9	34.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Generali (BUY)

G IM; G-IT

Full Ownership of P&C Business in China

Market Mover (G-IT)	Positive	Neutral	Negative

What's up? Yesterday Generali, after obtaining all the necessary regulatory approvals, announced the completion of the share acquisition of Generali China Insurance Company Limited (GCI). As a result of the transaction, which, according to the company's press release, has a negative impact of around -1pp on the group's solvency ratio, Generali now has full ownership of its P&C insurance business in China.

What we think: We highlight that in January 2024 Generali announced having signed an agreement for the acquisition of 51% of GCI for a consideration of approx. EUR 99M, a transaction which has now been completed. **BUY, EUR 33.1 TP.**

Generali - Key Data

26/03/2025			Insurance
Target Price (€)			33.1
Rating			BUY
Mkt price (€)			32.5
Mkt cap (EUR M)			50,975
Main Metrics (€ Bn)	**2024E**	**2025E**	**2026E**
Premiums	93.11	97.82	103
Operating profit	7.29	7.80	8.31
Adj. EPS (EUR)	2.39	2.66	2.90
Net comb ratio (%)	93.8	93.6	93.3
Ratios (%)	**2024E**	**2025E**	**2026E**
Adj. P/E (x)	13.6	12.2	11.2
P/TBV (x)	2.46	2.29	2.09
RoTE	18.8	19.4	19.5
Solvency II ratio	210.2	212.8	215.0
[illegible]	4.3	4.7	5.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	3.7	20.0	38.4
[illegible]	-3.5	2.2	10.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Hera (BUY)

[illegible]

4Q/FY24 Preview: Out on 26 March

Possible Surprise	Positive	Neutral	Negative

Results due on 26 March: We estimate Hera to post [illegible] EBITDA [illegible] of EUR 1.556Bn, up by 4% yoy, in line with the preliminary figures provided [illegible] the 2024 [illegible] BP at end-January 2025 (EUR >1.55Bn), with 4Q24 implied result rising by 6% [illegible] at EUR 519M. At the divisional level for the full year: 1) Water should record [illegible] in the [illegible]-teen level supported by the RAB increase and positive regulatory update; 2) Waste should [illegible] up by 6% yoy thanks to the increase in special waste treated and collection [illegible], despite lower energy prices at WTEs; 3) Electricity should [illegible] up thanks to a higher [illegible] from power distribution networks due to expansion of RAB and allowed returns while power supply margins should remain resilient as the free market increase should [illegible] compensated by discounts on 1M clients awarded this year; 4) [illegible] basically reflecting a normalisation of energy efficiency services [illegible] expiry, whereas supply margins should prove solid.

4Q24E EBIT adj. is assumed at EUR 302M ([illegible]3% yoy) driven by the EBITDA increase and lower provisions, thus leading to a [illegible] result at EUR 825M (+11% yoy). Bottom line, we estimate 4Q24E net income [illegible] at EUR 163M (+17% yoy), with the operating performance being partly sterilised by higher financial costs, taxes and minorities. FY24E net income adjusted should therefore come in at EUR 446M (+19% yoy), with financial charges overall declining on a FY basis on the back of lower factoring activities.

Net debt at YE24E should land at EUR 4Bn, increasing by 4% due to dividends and M&A, whereas operating cash flows should cover organic net investments (approx. EUR 0.9Bn or +10% yoy) and negative working capital impact. DPS and D/EBITDA for 2024 have been respectively already disclosed at EUR 0.15 (+7% yoy) and <2.6x.

What we think: Given the FY24 preliminary indications provided last end-January, we do not expect the results' release to be a major driver. Conversely, any positive indications on the 2025 outlook, 1Q25 operating trends and/or M&A might be supportive for the stock.

Hera - Key Data

25/03/2025			Multi-Utilities
Target Price (€)			4.0
Rating			BUY
Mkt price (€)			3.9
Mkt cap (EUR M)			5,824
Main Metrics (€ Bn)	**2024E**	**2025E**	**2026E**
Revenues	14.43	14.74	14.20
EBITDA	1.56	1.57	1.61
EPS (EUR)	0.30	0.31	0.31
Net debt/-cash	4.00	4.29	4.45
Ratios (x)	**2024E**	**2025E**	**2026E**
Adj. P/E	13.1	12.7	12.6
EV/EBITDA	6.5	6.7	6.6
EV/EBIT	12.2	12.4	12.4
Debt/EBITDA	2.6	2.7	2.8
Div yield (%)	3.8	4.0	4.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	8.3	15.9	18.8
Rel. to FTSE IT All Sh	7.1	1.0	5.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Hera – 4Q/FY24 preview

EUR M	4Q23A	4Q24E	4Q24C	E/C %	yoy %	FY23A	FY24E	FY24C	E/C %	yoy %
Revenues	4169	5853	5938	-1%	40%	15565	14430	14515	-1%	-7%
EBITDA reported	488	519	518	0%	6%	1588	1556	1556	0%	-2%
EBITDA adjusted	**488**	**519**	**518**	**0%**	**6%**	**1495**	**1556**	**1556**	**0%**	**4%**
o/w Gas adj.	198	180	-	-	-9%	532	489	-	-	-8%
o/w Electricity adj.	117	134	-	-	15%	294	335	-	-	14%
o/w Water adj.	62	78	-	-	26%	271	313	-	-	15%
o/w Waste adj.	95	103	-	-	8%	353	375	-	-	6%
o/w Others adj.	15	23	-	-	49%	44	45	-	-	2%
Total D&A & Provisions	-252	-216	-	-	-14%	-754	-731	-	-	-3%
EBIT reported	236	302	286	6%	28%	834	825	808	2%	-1%
EBIT adjusted	**236**	**302**	**286**	**6%**	**28%**	**741**	**825**	**808**	**2%**	**11%**
Fin. Charges	-40	-61	-	-	52%	-188	-160	-	-	-15%
Eq. investments	2	1	-	-	-35%	10	11	-	-	10%
PBT reported	199	243	245	-1%	22%	656	[illegible]	679	0%	3%
PBT adjusted	**199**	**243**	**245**	**-1%**	**22%**	**563**	[illegible]	[illegible]	**0%**	**20%**
Tax rate %	24%	27%	-	-	10%	26%	[illegible]	-	-	5%
Taxes	-49	-65	-	-	35%	[illegible]	[illegible]	[illegible]	-	8%
Discontinued/One-offs	0	0	-	-	NM	[illegible]	[illegible]	[illegible]	-	NM
Minorities	10	14	-	-	36%	[illegible]	[illegible]	[illegible]	-	3%
Net income reported	140	163	157	4%	17%	441	[illegible]	[illegible]	1%	1%
Net income adjusted	**140**	**163**	**156**	**5%**	**17%**	**375**	**446**	**439**	**2%**	**19%**
Capex	300	360	316	14%	20%	[illegible]	[illegible]	877	2%	10%
Net debt	3828	4000	4040	-1%	[illegible]	[illegible]	[illegible]	4040	-1%	4%

NA: not available; NM: not meaningful; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

Innovatec (Under Review) INC [illegible]NC-IT

EUR 3M Minibond Issuance Announced

Market Mover (INC-IT)	Positive	Neutral	Negative

What's up? Yesterday during market hours the company announced to have issued EUR 3M minibond to finance investments aimed at developing the company 250MW pipeline in photovoltaic assets (o.w. 40MW have already completed the authorisation process). The minibond issued will mature on 30 November 2026 and bears [illegible] interest. The press release reminds that company has reached a pro-forma (after [illegible]iki+ demerger) positive NFP of EUR 1M at YE24.

What we think: While we wait for further details on Innovatec's pro-forma performance, we see its pro-forma low leverage [illegible]rtive [illegible] the significant investments needed to develop a sizeable [illegible] pipeline. **Our rating and TP are Under Review.**

Innovatec - Key data

26/03/2025			Industrials
Target Price (€)			Under Review
Rating			Under Review
Mkt price (€)			0.2
Mkt cap (EUR M)			22.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.9	-39.6	-42.3
Rel. to FTSE IT All Sh	-0.7	-47.9	-49.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Innovatec

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NB Aurora (BUY) NBA IM; AUR-IT

Transformation Approved, Next Step Delisting

Market Mover (AUR-IT)	Positive	Neutral	Negative

What's up? NB Aurora extraordinary general meeting has approved the transformation into a semi-liquid ever-green fund, granting shareholders the possibility to redeem class A shares and setting a shorter fund's duration.

What we think: We recall that such a transformation will trigger the delisting of the class A shares from the Euronext MIV Milan – Professional Segment, due to incompatibility with the status of a listed company.

NB Aurora - Key data

26/03/2025	Holdings
Target Price (EUR)	13.5
Rating	BUY
Mkt price (EUR)	10.00
Mkt cap (EUR M)	334

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist and Corporate Broker to NB Aurora

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OSAI (Suspended)

OSA IM; OSA-IT

Eiffel Investment Group Now Below 5% of Capital

What's up? The company issued a press release to communicate that its shareholder Eiffel Investment Group's stake is now below the 5% threshold, after the sale of a part of their shares.

What we think: Our estimates, TP and Rating on OSAI are suspended.

OSAI - Key data

26/03/2025			Engineering
Target Price (€)			Suspended
Rating			Suspended
Mkt price (€)			0.2
Mkt cap (EUR M)			3.7
Performance (%)	**1M**	**3M**	**12M**
Absolute	-12.5	-59.6	-82.8
Rel. to FTSE Italia G	-10.6	-58.2	-81.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to OSAI Automation System

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Prysmian (BUY)

PRY IM; PRY-IT

New 2028 Financial Targets

Market Mover (PRY-IT)	**Positive**	**Neutral**	**Negative**

What's up? PRY released its new 2028 financial targets and will hold a Capital Markets Day this afternoon. The following table shows the main 2028 targets with a comparison with Bloomberg consensus' 2028 estimates (our estimates are a bit below consensus in terms of adjusted EBITDA and imply a 17.2% 2024-2028 EPS CAGR).

Prysmian – 2028 Targets vs. Bloomberg consensus

		New Targets		Bloomberg	
	2024A	**2028T**	**2024-2028 CAGR**	**2028C**	**2024-2028 CAGR**
Adjusted EBITDA (EUR M)	1,927	2,950 - 3,[illegible]	[illegible]2.2[illegible]	2,839	10.2%
FCF (EUR M)	1,01[illegible]	1,500 - 1,[illegible]	+12.2%	1,444	9.3%
EPS (EUR)	[illegible]	4.6 - 5.2	+15/+19[illegible]	5.353	17.5%

A: actual; T: targets; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

We highlight that the FY28 targets set by PRY include the recently-acquired Channel (the deal was announced [illegible]), expected to add EUR 150M to the 2028T Adjusted EBITDA; if we add the Channel contribution to the Bloomberg 2028 estimates, the consensus estimate grows to EUR 2,989M, implying a ~12% 20[illegible]-2028E CAGR, in line with the company's average target.

Additional targets: PRY is targeting a ROCE between 20% and 22%, up from 16% in 2024; the cumulated level of capex over the 2025-2028 period will total EUR 2.6Bn (EUR 650M per year on average), led by the investment in the Transmission business. PRY will also continue its transformation from cable manufacturer to solutions provider, with the percentage of revenues coming from solutions to rise to more than 55%, up from 18% in 2010 and 28% in 2024.

Capital allocation: over the period 2025-2028, PRY is expected to generate ~EUR 5Bn in cumulative FCF and identified three main priorities:

Prysmian - Key Data

26/03/2025			Capital Goods
Target Price (€)			73.0
Rating			BUY
Mkt price (€)			56.8
Mkt cap (EUR M)			16,784
Main Metrics (€ Bn)	**2025E**	**2026E**	**2027E**
Revenues	19.37	20.51	21.55
EBITDA	2.17	2.39	2.58
EPS (EUR)	4.02	4.38	4.79
Net debt/-cash	3.84	3.20	2.41
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	14.1	13.0	11.8
EV/EBITDA	9.6	8.6	7.5
EV/EBIT	12.5	11.0	9.5
Debt/EBITDA	1.8	1.3	0.93
Div yield (%)	1.8	2.0	2.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	-10.7	-7.8	14.0
Rel. to FTSE IT All Sh	-12.1	-20.5	0.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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- ☐ Dividend increase: PRY envisages a progressive increase in the DPS distributed to shareholders by ~12% yoy, starting from the dividend paid in 2024. Around EUR 1.1Bn of the 2025-2028 cumulated FCF will be allocated to dividends;
- ☐ Deleverage: PRY expects to continue to deleverage, aimed at reaching a run-rate of 1.0x - 1.5x net debt/Adj. EBITDA ratio strengthening its financial structure further. Around EUR 1.3Bn of the expected 2025-2028 cumulated FCF will be used for further debt reduction;
- ☐ M&A and/or enhanced shareholder return: ~EUR 2.6Bn of the cash generated is expected to be deployed mostly in M&A and/or enhanced shareholder cash returns, mainly starting from 2027. The split between the two options will depend on the M&A opportunities that will arise in the period considered.

What we think: The 2028 targets are almost in line with consensus once the newly-acquired Channel is considered; we believe that the market reaction can be Neutral/Positive; the company is going to hold a CMD this afternoon, when further details are likely to be shared. We keep our positive stance on the stock even in light of the recent weak share price performance.

Reply (BUY)

REY IM; REY IT

AI Collaboration with AWS

Market Mover (REY-IT)	Positive	Neutral	Negative

What's up? Reply has announced a multi-year agreement with Amazon Web Services (AWS) to accelerate innovation in GenAI by leveraging advanced cloud infrastructure and AI-driven capabilities. Through its Data Reply and Storm Reply companies, Reply will enable its customers to adopt the AI and machine learning services of AWS (including Amazon SageMaker, Amazon Bedrock, and Amazon Q) for various use cases (including software engineering optimization, hyper-personalized customer experiences, operational efficiency, AI-driven operations, and sales and marketing automation. As part of the agreement, Data Reply and Storm Reply will gain access to specialized training and resources, empowering them to deliver tailored AI solutions to clients across markets, with a particular focus on Automotive, FSI and Energy.

What we think: The collaboration builds on a long-standing relationship between Reply and AWS. The economics of the agreement were not disclosed. However, it supports our view that, as AI becomes more widely adopted, AI enablers like Reply should gain momentum.

Reply - Key Data

26/03/2025			IT Services Provider
Target Price (€)			172.0
Rating			BUY
Mkt price (€)			163.7
Mkt cap (EUR M)			6,124
Main Metrics (€ Bn)	**2025E**	**2026E**	**2027E**
Revenues	2.56	2.80	3.05
EBITDA	0.453	0.495	0.539
EPS (EUR)	7.01	7.83	8.68
Net debt/-cash	-0.51	-0.72	-1.00
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	23.3	20.9	18.9
EV/EBITDA	12.6	11.1	9.7
EV/EBIT	15.1	13.2	11.3
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0.9	1.0	1.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	3.7	6.6	26.4
Rel. to FTSE IT All Sh	2.0	-8.1	11.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Europe: Today's News

Arm Holdings (HOLD) ARM US; ARM-US

Antitrust Complaints by Qualcomm

Market Mover (ARM-US)	Positive	Neutral	Negative

What's up? Qualcomm (one of Arm's biggest customers) has filed complaints with the European Commission, the US Federal Trade Commission and the Korea Fair Trade Commission, alleging that Arm is restricting access to its technology and harming competition. Arm responded that it remains focused on "enhancing innovation, promoting competition, and respecting contractual rights and obligations," adding that "any allegation of anticompetitive conduct is nothing more than a desperate attempt by Qualcomm to detract from the merits and expand the parties' ongoing commercial dispute for its own competitive benefit."

What we think: This new fight follows a long-running legal battle in Delaware, won last December by Qualcomm, which successfully argued that it didn't need a new license to use Arm's technology for a chip startup it had acquired. Arm responded by announcing a retrial. Then, in late January, the two companies talked about mediation talks ordered by the Delaware judge before a decision was made on whether a retrial would be allowed. These disputes appear to be aimed at negotiating the terms of their commercial collaboration.

Arm Holdings - Key data

26/03/2025			Semiconductors
Target Price ($)			Under Review
Rating			HOLD
Mkt price ($)			124.3
Mkt cap (USD M)			127,517
Performance (%)	**1M**	**3M**	**12M**
Absolute	-9.1	-5.7	-10.1
Rel. to NASDAQ	-5.3	3.4	-19.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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European Telecoms

Poland Finalises 5G Spectrum Auction

What's up? According to Bloomberg, the Polish government completed the auction of 5G spectrum which includes six licenses 2x5Mhz in the 700MHz bands and 2x5MHz in 800Mhz, valid until 31 May 2040. The offers were worth PLN 2.58B (EUR 620M), just 4% above the reservation price.

Orange Polska obtained two lots with an offer of PLN [illegible]M (EUR 171M); P4 (Iliad) obtained two blocks for PLN 726M (EUR [illegible]4M), T-Mobile two blocks for PLN 781M; (EUR 187M)) and Polkomtel one block for PLN 363M (EUR 87M)

What we think: Neutral implications, given the auction ended just above the reservation price and with no new entrants. The unitary price is EUR 22c/MHz/POP, which is less than half of the average we calculate for recent auctions. The involved values account for around 0.5% of ORA and 0.1% of DT's market cap respectively.

Telecom Services

26/03/2025

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European Telecoms

Iliad Slowdown Continued into 4Q24

Telecom Services
26/03/2025

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What's up? Iliad released FY24 results yesterday morning and held a conference call in the afternoon. The main highlights of the release were:

- **Group figures**: Iliad delivered EUR 10.02Bn revenues in FY24 (+8.5%), meeting its guidance of EUR 10Bn. Growth in 4Q slowed down to +5.1% yoy (+8.5% in 3Q, +9.5% in 2Q). Iliad mentioned the increased competitive pressure in both France and Italy as they look for the right balance between volumes and value. Since 2Q, ILD has reached number 5 position in Europe and now counts 50.52M subs (incl.10.03M in fixed). FY24 EBITDAaL was up by 11.8% to EUR 3.85Bn (margin +1.1pp yoy to 38.4%, up in all three countries), capex was flat yoy at EUR 2.02Bn (20% of sales, -1.6pp yoy). opFCF was up by 28% to EUR 1.83Bn. With EUR 10.30Bn net debt, leverage is down to 2.7x EBITDA, from 3.0x at the end of last year. Iliad expects for FY25 an OpFCF of EUR 2Bn, with broadly stable group capex. The target leverage remains 3x (4x at holding level, form the current 3.8x);
- **France**: Service revenue growth rate slowed down from >8% yoy of the previous three quarters to +4.6% in 4Q, with a deceleration in both fixed and mobile. Net adds were +50K in the quarter (+213K in 4Q23); ARPU growth slightly accelerated sequentially to +1.6% yoy. Iliad claimed it was once again France's market leader in terms of net adds with 513K in 2024, "in a fiercely competitive environment during the second half of the year". In fixed customers' growth has halted in 4Q, while ARPU has kept increasing. Iliad said it got 155K FBB net adds in FY24 in a market growing by [illegible]K. EBITDAaL was broadly stable yoy vs. +12% in 9M. 4Q capex spiked by 52% yoy, leading to [illegible]% for the full year;
- **Italy**: Service revenue growth slowed down to +1.7% yoy from +8.7% in 3Q and +[illegible]% in 9 months. Iliad said that excluding EUR 20.7M non-recurring revenues recorded in 4[illegible], the growth figure would have been 10.1% for FY24 and +9.[illegible]% for 4Q. In mobile, +189K net adds in 4Q (+255K in 4Q23) have led to 11.[illegible] subs. Iliad continues to be the net-adds leader (7 years in a row) in Italy and estimates to have reached 14.8% market share. Management said that "this performance is particularly impressive in view of the intense competition that characterized the Italian mobile market throughout the year". The management has also mentioned a massive advertising by a competitor for the aggressive win-back offers in 4Q24 and while advertising pressure decreased, the offers persisted. Fiber broadband growth was stable with +33K net adds (in line with the past three quarters [illegible] 4Q23) to 349K. It seems that the promised acceleration has not materialised yet. In any case [illegible] remains the net-adds leader in this market as well and believes it can obtain a [illegible] growth this year. EBITDAaL growth was +31% yoy in 4Q and +24.6% in the FY. EBITDAaL-Capex was slightly negative in 4Q and positive for EUR 37M in the full year. Management said that the Mobile business delivered a positive FY24 opFCF of EUR 103M vs. EUR 74M in FY23 (implying a EUR 66M negative impact of fiber, vs. EUR. 70M the previous year);
- **Consolidation**. Management noted that there was a "consensus on the merits of 4 to 3 consolidations", as it makes "a lot of sense from an industrial perspective". But for Italy, they noted that "the window to do it could close soon" and they remained "super-pragmatic". In France, should the occasion occur, they would also consider the opportunity.

What we think: Neutral implications from the results which confirm an ongoing slowdown in France and Italy in a tough competitive environment. The company's official stance was unchanged regarding potential consolidation.

Iliad France – 4Q24 results

EUR M	FY23	1Q24	2Q24	1H24	3Q24	9M24	4Q24	2H24	FY24
Revenues	**6,040**	**1,586**	**1,611**	**3,197**	**1,668**	**4,865**	**1,669**	**3,337**	**6,534**
total services	**5,721**	**1,489**	**1,527**	**3,016**	**1,571**	**4,587**	**1,550**	**3,121**	**6,137**
yoy	7.5%	8.2%	8.3%	8.0%	8.5%	8.2%	4.7%	6.6%	7.3%
ow fixed	3,300	871	900	1,771	927	2,698	912	1,839	3,610
yoy	NA	9.4%	10.4%	9.9%	11.4%	10.4%	6.8%	8.9%	9.4%
ow mobile	2,422	618	627	1,245	644	1,889	638	1,282	2,527
yoy	NA	6.6%	5.4%	6.0%	3.4%	5.1%	2.4%	2.%	4.3%
devices/Intragroup	319	99	84	183	267	450	717	214	397
Opex	-1,501	-278	-353	-631	-450	-1,081	-363	-813	-1,444
EBITDAaL	**2,392**	**573**	**662**	**1,235**	**712**	**1,947**	**657**	**1,369**	**2,604**
Margin	39.6%	36.1%	41.1%	38.6%	42.7%	40.0%	[illegible]	41.0%	39.9%
Capex /sales	-24.9%	-17.5%	-21.9%	-19.7%	-27.0%	-22.2%	[illegible]	-24.4%	-22.1%
EBITDAaL-Capex	891	295	309	604	262	[illegible]	[illegible]	556	1,160
Mobile customers	**15,005**	**15,217**	**15,337**	**15,337**	**15,468**	[illegible]	**15,518**	**15,518**	**15,518**
Net adds	787	212	120	332	131	463	50	181	513
Mobile ARPU	NA	12.2	12.3	NA	12.5	NA	[illegible]	NA	NA
yoy	NM	3.3%	2.1%	NA	0.5%	[illegible]	[illegible]	NM	NM
Fixed BB customers	**7,414**	**7,499**	**7,539**	**7,539**	[illegible]	[illegible]	**7,569**	**7,569**	**7,569**
net adds	234	85	40	125	[illegible]	[illegible]	5	30	155
fixed ARPU	NA	36.3	36.4	NA	36.6	NA	37.0	NA	NA
yoy	NM	5.6%	5.3%	NA	3.7%	NA	3.7%	NM	NM

Source: Company data and Intesa Sanpaolo Research

Iliad Italy – 4Q24 results

EUR M	FY23	1Q24	[illegible]	1H24	[illegible]	[illegible]	4Q24	2H24	FY24
Revenues	**1,061**	**272**	[illegible]	**552**	[illegible]	**843**	**302**	**593**	**1,145**
yoy	14.5%	12.9%	[illegible]	[illegible]	8.2%	10.3%	1.7%	5.0%	7.9%
Billed to customers	846	228	[illegible]	[illegible]	240	701	246	486	947
wholesale and other	200	42	[illegible]	[illegible]	48	134	53	100	187
Total Services	**1,046**	**270**	[illegible]	**547**	**288**	**835**	**299**	**587**	**1,134**
yoy		[illegible]	11.6%	12.1%	8.7%	10.9%	1.7%	5.2%	8.4%
handsets	15	[illegible]	3	5	3	8	3	6	11
Opex	-814	-201	[illegible]	-405	-206	-611	-226	-361	-837
EBITDAAL	**247**	**71**	[illegible]	**147**	**85**	**232**	**76**	**232**	**308**
margin	[illegible]	[illegible]	[illegible]	26.6%	29.2%	27.5%	25.2%	39.1%	26.9%
Capex ex spectrum	[illegible]	[illegible]	[illegible]	-124	-67	-191	-80	-191	-271
on sales	-22.9%	[illegible]	[illegible]	-22.5%	-23.0%	-22.7%	-26.5%	-32.2%	-23.7%
EBITDAaL-Capex	**4**	[illegible]	**32**	**23**	**18**	**41**	**-4**	**41**	**37**
Mobile Customers	[illegible]	[illegible]	**11,285**	**11,285**	**11,447**	**11,447**	**11,636**	**11,636**	**11,636**
Net Adds	[illegible]	[illegible]	279	555	162	717	189	351	906
Fixed BB Customers	**205**	[illegible]	**280**	**280**	**316**	**316**	**349**	**349**	**349**
Net Adds	96	40	35	75	36	111	33	69	144

A: actual; E: estimates; Source: Company data an[illegible]esa Sanpaolo Research

Iberdrola (HOLD)

IBE SM; IBE-ES

New Share Buyback Programme

Market Mover (IBE-ES)	Positive	Neutral	Negative

What's up? The Board of Directors has agreed to implement a new share buyback programme, which is scheduled to begin on 29 April 2025. The purpose is to keep the number of shares in circulation stable at around 6.24Bn. To this end, subject to the agreement of the General Shareholders' Meeting on 30 May 2025, Iberdrola will redeem a maximum of EUR 200M of its own shares, representing 3.114% of the company's current share capital, which will include those acquired under the buyback programme.

Furthermore, the Board of Directors has proposed to distribute a dividend of EUR 0.005 per share to all shareholders entitled to participate in the General Shareholders' Meeting, if a quorum of at least 70% is reached.

What we think: Iberdrola has been consistently bringing back the number of outstanding shares to 6.24Bn by capital returns and increases following operations such as dividends in new paid-up shares and employee share plans. As such, this new buyback programme should not be a surprise to the market. The proposed engagement dividend is equal to that of last year, as assumed in our estimates. We do not anticipate a share price reaction to this news.

Iberdrola - Key Data

26/03/2025			Utilities
Target Price (€)			14.7
Rating			HOLD
Mkt price (€)			14.4
Mkt cap (EUR M)			92,873
Main Metrics (€ Bn)	**2025E**	**2026E**	**2027E**
Revenues	47.84	50.15	50.46
EBITDA	16.03	17.63	18.38
EPS (EUR)	0.92	0.96	1.04
Net debt/-cash	56.30	58.28	60.02
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	15.7	15.0	13.9
EV/EBITDA	9.9	9.2	9.0
EV/EBIT	15.4	14.7	14.1
Debt/EBITDA	3.5	3.3	3.3
Div yield (%)	4.3	4.5	4.4
Performance (%)	**1M**	**3M**	**12M**
Absolute	3.9	9.7	26.7
Rel. to EURO STOXX	0.6	2.1	14.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Shell (BUY)

SHEL LN; SHEL-GB

Consistent Strategy to Further FCF Growth

Market Mover (SHEL-GB)	Positive	Neutral	Negative

What's up? Yesterday Shell held its CMD in New York. We follow the main takeaways:

- **Strategy:** the strategic path undertaken by Shell in 2023 will continue in the coming years based on three guiding principles: performance, discipline (strict hurdle rates for any new investment) and simplification. The update of the business plan strongly increased structural cost-cutting actions and also sets a new capital allocation more focused on upstream with reshaping of chemical business and reducing capex in low carbon activities, particularly RES. The company also ruled out potential valorisation of single assets (a business model adopted by Eni for example) unless it would be able to extract value form the business. At group level the target is to uplift the ROACE by 2-4% p.a. and FCF per share by >10% p.a.;
- **Upstream:** Shell plans continuous investments in upstream and LNG (70% of FCF together in 2024). Upstream production should grow by 1% p.a. (or >1M boe/d between 2025 and 2030) thanks to investments both organic and inorganic to 2030, with stable liquid at 1.4M bbl/d, thus implying a strong growth in gas. All new projects have high margin with and average breakeven at USD 35/bbl. LNG is set to grow by 4-5% p.a. thanks to new projects in Middle East (Qatar and Emirates), Canada, and Nigeria. According to Shell, LNG demand should be growing in the coming years with price remaining at USD 9-10/Mbtu despite increased medium-term supply. LNG margins should remain healthy, as sales are mostly based on Brent prices while supply has a huge weight of HH and this is pushing up margins. Overall, in upstream Shell should report higher CFFO despite lower volumes and prices thanks to large position in high margin basins, technical capabilities and partnerships (for example Brazil is the most profitable country, with a FCF neutrality at around USD 20/bbl vs. USD 40/bbl for the Group);

Shell - Key Data

26/03/2025			Oil & Gas
Target Price (GBp)			3383.0
Rating			BUY
Mkt price (GBp)			2,765
Mkt cap (GBP M)			174,300
Main Metrics ($ Bn)	**2025E**	**2026E**	**2027E**
Revenues	278	277	277
EBITDA	57.96	57.74	57.64
EPS (USD)	3.94	4.37	4.95
Net debt/-cash	37.49	34.40	30.49
Ratios (x)	**2025E**	**2026E**	**2027E**
Adj. P/E	9.1	8.2	7.2
EV/EBITDA	3.8	3.6	3.3
EV/EBIT	6.5	6.3	6.0
Debt/EBITDA	0.65	0.60	0.53
Div yield (%)	4.0	4.3	4.5
Performance (%)	**1M**	**3M**	**12M**
Absolute	5.2	13.8	4.3
Rel. to EURO STOXX	6.0	3.5	-2.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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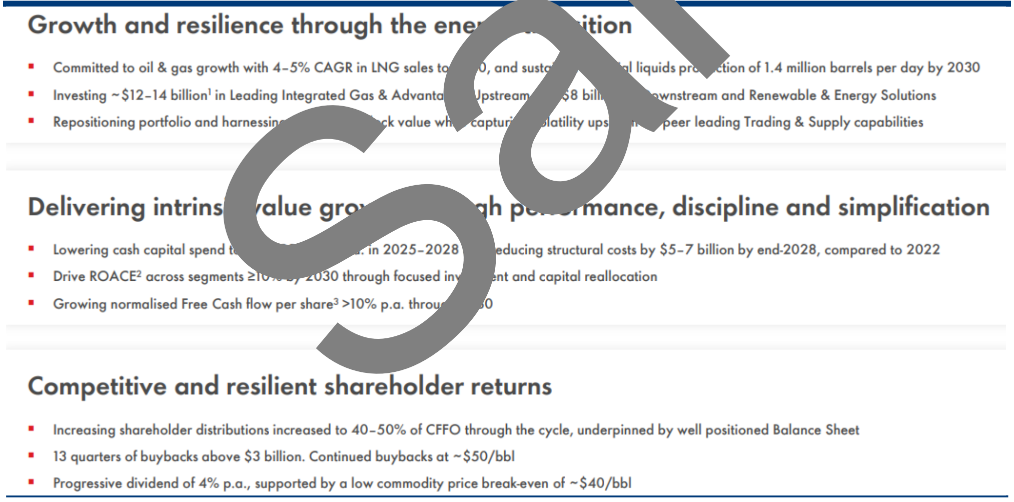
- **Downstream:** While refining business has already been optimised, reducing the refinery footprint while increasing capacity, chemical business remains challenging. Shell aims to unlock value by repositioning its portfolio; this means exploring strategic and partnership opportunities in the US and both high-grading and selective closures in Europe, while in China their strategy is unchanged. Premium lubricants and the good performance of mobility should assure cash flow longevity in the coming years. The target for downstream (including low carbon businesses and power) is to reduce capital employed by 2030 from the current 20% to <10%;
- **Low carbon businesses and power**: Shell will continue to invest only in the most profitable projects prioritising investments in flexible power generation (i.e. gas-fired generation) while divesting non-strategic assets. Out of USD 15Bn of capital employed, RES should decline to 20% of total by 2030 vs. 50% in 2024 with ROACE growing from 3% to 10%;
- **Financial targets**: 1) free cash flow per share should grow by more than 10% per year through to 2030 (vs. >6% expected before); 2) structural cost reduction target has been increased from USD 2-3Bn by the end of 2025, to a cumulative USD 5-7Bn by [illegible] end of 2028, compared to 2022; 3) total investments have been lowered to between [illegible] 20-22Bn per year in 2025-28, down from USD 22-25Bn in the 2024-25 period; 4) climate ta[illegible]ts and ambitions set out in its energy transition strategy last year have been confirmed;
- **Shareholder distribution:** Shell aims to increase shareholder distributions [illegible]om be[illegible]een 30% and 40% to between 40% and 50% of cash flow from operations, [illegible]rioritising s[illegible]e buybacks while maintaining a 4% per annum progressive dividen[illegible]licy. Divide[illegible] breakeven has been set at USD 40/bbl and buyback breakeven at USD [illegible]/bbl.

What we think: In our view Shell's clear strategy, focused on struc[illegible] reduc[illegible]ing upstream production (mostly LNG) and a disciplined capit[illegible] alloca[illegible] shoul[illegible]nsure growing CFFO even in front of high volatility in oil & gas pric[illegible] confirm ou[illegible]sitive s[illegible]ce.

Shell – Business plan strategy and targets



Growth and resilience through the ener[illegible]ition

- Committed to oil & gas growth with 4–5% CAGR in LNG sales to [illegible]0, and susta[illegible]al liquids pr[illegible]ction of 1.4 million barrels per day by 2030
- Investing ~$12–14 billion[1] in Leading Integrated Gas & Advanta[illegible]Upstream [illegible]$8 bill[illegible]ownstream and Renewable & Energy Solutions
- Repositioning portfolio and harnessin[illegible]ck value wh[illegible] captur[illegible]latility ups[illegible]peer leading Trading & Supply capabilities

Delivering intrins[illegible]value gro[illegible]gh pe[illegible]rmance, discipline and simplification

- Lowering cash capital spend t[illegible]. in 2025–2028 [illegible]educing structural costs by $5–7 billion by end-2028, compared to 2022
- Drive ROACE[2] across segments ≥1[illegible]2030 through focused inv[illegible]ent and capital reallocation
- Growing normalised Free Cash flow per share[3] >10% p.a. throu[illegible]0

Competitive and resilient shareholder returns

- Increasing shareholder distributions increased to 40–50% of CFFO through the cycle, underpinned by well positioned Balance Sheet
- 13 quarters of buybacks above $3 billion. Continued buybacks at ~$50/bbl
- Progressive dividend of 4% p.a., supported by a low commodity price break-even of ~$40/bbl

Source: Company data

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Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	BUY stocks are expected to have a total return of at least [illegible]% and are considered the most attractive stocks in the analyst's/analyst's team cluster in a 12M period.
HOLD	HOLD stocks are expected to have a total return [illegible] least 0% [illegible] less attractive stocks than BUY rated stocks in the analyst's/analyst's team cluster in a 12M period.
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MARKET PRICE	Closing price on day prior to issue date of the report, as indicated on the first page, except where otherwise indicated.
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Important Note: The [illegible] rating system has been in place since 22 November 2024. Please refer to the ISP Equity Rating informative note for further details at the following link: https://group.intesasanpaolo.com/it/research/equity---credit-research. Previously Intesa Sanpaolo used an absolute rating system based on the following ratings: BUY (if the target price is 10% higher than the market price), HOLD (if the target price is in the range 10% below or 10% above the market price), SELL (if the target price is 10% lower than the market price). After the 22 November 2024, analysts will review and assign ratings on their coverage according to the rating system presented above. For additional details about the old ratings system, please access research reports dated before 22 November at https://cardea.intesasanpaolo.com/homepage/#/public or contact the research department.

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Total Equity Research Coverage relating to last rating (%)*	69	31	0
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