

Informative Note

Equity Research New Rating Key

22 November 2024: 8:00 CET
Date and time of production

On 22 November 2024, Intesa Sanpaolo will change its equity rating key definition to a relative rating system. Intesa Sanpaolo's new investment ratings on a 12M horizon reflect the analyst's/analyst's team assessment of the stock's total return (the upside or downside differential between the current share price and the target price plus projected dividend yield in a 12M view) as well as its attractiveness for investment relative to other stocks within its coverage cluster.

Intesa Sanpaolo Research Dept.
Equity Research Team
Corporate Broking Research Team

Thus, from 22 November 2024 onwards, in its research reports Intesa Sanpaolo's Equity Research department will review and assign ratings to the stocks under its coverage on the basis of the new rating key.

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

Long-term rating	Definition
BUY	BUY stocks are expected to have a total return of at least 10% 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 of at least 0% and are less attractive stocks than BUY rated stocks in the analyst's/analyst's team cluster in a 12M period.
SELL	SELL stocks are the least attractive in a coverage cluster in a 12M period.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
NOTES:	Intesa Sanpaolo assigns ratings to stocks as outlined above on a 12M horizon based on a number of fundamental drivers including among others, updates to earnings and valuation models. Exceptions to the bands above may occur during specific periods of market, sector or stock volatility or in special situations. Short-term price movements alone do not imply a reassessment of the rating by the analyst.

Disclaimer

Analyst certification

The financial analysts who prepared this report, and whose names and roles appear on the first page, certifies that:

1. The views expressed on the company mentioned herein accurately reflect independent, fair and balanced personal views; 2. No direct or indirect compensation has been or will be received in exchange for any views expressed.

Specific disclosures

- Neither the analysts nor any person closely associated with the analysts has a financial interest in the securities of the company.
- Neither the analysts nor any persons closely associated with the analysts serves as an officer, director or advisory board member of the company.
- Some of the analysts named in the document are members of AIAF.
- The analysts named in this document is not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Intesa Sanpaolo IMI Securities Corp. Accordingly, the analyst may not be subject to FINRA Rule 2241 or FINRA Rule 2242 as applicable with respect to communications with a subject company, public appearances and trading securities in a personal account. For additional information, please contact the Compliance Department of Intesa Sanpaolo IMI Securities Corp. at 212-326-1133.
- The analysts of this report does not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
- The research department supervisors do not have a financial interest in the securities of the company.

This research has been prepared by Intesa Sanpaolo SpA, and is distributed by Intesa Sanpaolo SpA, Intesa Sanpaolo-London Branch (a member of the London Stock Exchange) and Intesa Sanpaolo IMI Securities Corp. (a member of the NYSE and FINRA). Intesa Sanpaolo SpA accepts full responsibility for the contents of this report and also reserves the right to issue this document to its own clients. Intesa Sanpaolo SpA, is authorised by the Banca d'Italia and is regulated by the Financial Services Authority in the conduct of designated investment business in the UK and by the SEC for the conduct of US business.

Opinions and estimates in this research are as at the date of this material and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this research may not be suitable for all investors. If you are in any doubt you should consult your investment advisor.

This report has been prepared solely for information purposes and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. No Intesa Sanpaolo SpA entity accepts any liability whatsoever for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published with the name of Intesa Sanpaolo SpA.

Member companies of the Intesa Sanpaolo Group, or their directors and/or representatives and/or employees and/or persons closely associated with them, may have a long or short position in any securities mentioned at any time, and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any of the securities from time to time in the open market or otherwise.

This document has been prepared and issued for, and thereof is intended for use by, MiFID II eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies.

Persons and residents in the UK: This document is not for distribution in the United Kingdom to persons who would be defined as private customers under the rules of the Financial Conduct Authority.

CH: This information is an advertisement in relation to the issuer/issuers' shares and is not a prospectus pursuant to the Swiss Financial Services Act ("FinSA") and no such prospectus has been or will be prepared for or in connection with the offering of the issuers' shares. This information does not constitute an offer to sell nor a solicitation to buy the issuer/issuers' shares.

The issuer/issuers' shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA and no application has or will be made to admit the issuer/issuers' shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this information nor any other offering or marketing material relating to the issuers' shares may be publicly distributed or otherwise made publicly available in Switzerland.

US persons: This document is intended for distribution in the United States only to Major US Institutional Investors as defined in SEC Rule 15a-6. US Customers wishing to effect a transaction should do so only by contacting a representative at Intesa Sanpaolo IMI Securities Corp. in the US (see contact details below).

Intesa Sanpaolo SpA issues and circulates research to Major Institutional Investors in the USA only through Intesa Sanpaolo IMI Securities Corp., 1 William Street, New York, NY 10004, USA, Tel: (1) 212 326 1150.

Distribution Method

This document is for the exclusive use of the person to whom it is delivered by Intesa Sanpaolo and may not be reproduced, redistributed, directly or indirectly, to third parties or published, in whole or in part, for any reason, without prior consent expressed by Intesa Sanpaolo. The copyright and all other intellectual property rights on the data, information, opinions and assessments referred to in this information document are the exclusive domain of the Intesa Sanpaolo banking group, unless otherwise indicated. Such data, information, opinions and assessments cannot be the subject of further distribution or reproduction in any form and using any technique, even partially, except with express written consent by Intesa Sanpaolo. Persons who receive this document are obliged to comply with the above indications.

Coverage policy and frequency of research reports

The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Intesa Sanpaolo SpA acts as listing agent or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EUR) 2017/593 is freely available on the IMI Corporate & Investment Banking Division website (www.imi.intesasanpaolo.com); all other research is available by contacting your sales representative.

Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows: We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (i.e. holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

Equity rating key: (long-term horizon: 12M)

From 22 November 2024, in its recommendations, Intesa Sanpaolo SpA uses a relative rating system on a 12M horizon, whose key is reported below. Intesa Sanpaolo's investment ratings reflect the analyst's/analyst's team assessment of the stock's total return (the upside or downside differential between the current share price and the target price plus projected dividend yield in a 12M view) as well as its attractiveness for investment relative to other stocks within its coverage cluster.

A stock's coverage cluster is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector or other classification. The list of all stocks in each coverage cluster is available on request.

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

Long-term rating	Definition
BUY	BUY stocks are expected to have a total return of at least 10% 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 of at least 0% and are less attractive stocks than BUY rated stocks in the analyst's/analyst's team cluster in a 12M period.
SELL	SELL stocks are the least attractive in a the analyst's/analyst's team coverage cluster in a 12M period.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING (NR)	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES (TS)	We advise investors to tender the shares to the offer.
TARGET PRICE (TP)	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE (MP)	Closing price on day prior to issue date of the report, as indicated on the first page, except where otherwise indicated.
NOTE	Intesa Sanpaolo assigns ratings to stocks as outlined above on a 12M horizon based on a number of fundamental drivers including among others, updates to earnings and valuation models. Exceptions to the bands above may occur during specific periods of market, sector or stock volatility or in special situations. Short-term price movements alone do not imply a reassessment of the rating by the analyst.

Important Note: The current rating system has been in place since 22 November 2024. Please refer to the ISP Equity Rating informative note for more 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 22 November 2024, analysts will review and assign ratings on their coverage based on 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.

Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history--12-months->. Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity---credit-research>.

Equity rating allocations (long-term horizon: 12M)

Intesa Sanpaolo Research Rating Distribution (at October 2024)

Number of companies considered: 158	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	69	31	0
of which Intesa Sanpaolo's Clients (%)**	64	41	0

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

Equity Research Publications in Last 12M

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

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Company-specific disclosures

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

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

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations. The conflicts of interest published on the internet site are updated to at least the day before the publishing date of this report.

Intesa Sanpaolo Research Dept.

Gregorio De Felice - Head of Research +39 02 8796 2012 gregorio.defelice@intesasnpaolo.com

Equity&Credit Research

Alberto Cordara +39 02 4127 8647 alberto.cordara@intesasnpaolo.com

Giampaolo Trasi +39 02 8794 9803 giampaolo.trasi@intesasnpaolo.com

Equity Research

Monica Bosio (Head)

Luca Bacoccoli monica.bosio@intesasnpaolo.com
luca.bacoccoli@intesasnpaolo.com

Davide Candela davide.candela@intesasnpaolo.com

Oriana Cardani oriana.cardani@intesasnpaolo.com

Marco Cristofori marco.cristofori@intesasnpaolo.com

Antonella Frongillo antonella.frongillo@intesasnpaolo.com

Manuela Meroni manuela.meroni@intesasnpaolo.com

Elena Perini elena.perini@intesasnpaolo.com

Bruno Permutti bruno.permutti@intesasnpaolo.com

Corporate Broking Research

Alberto Francese (Head)

Gabriele Berti alberto.francese@intesasnpaolo.com
gabriele.berti@intesasnpaolo.com

Giada Cabrino giada.cabrino@intesasnpaolo.com

Davide Rimini davide.rimini@intesasnpaolo.com

Arianna Terazzi arianna.terazzi@intesasnpaolo.com

Credit Research

Maria Grazia Antola (Head)

Alessandro Chiodini maria.antola@intesasnpaolo.com
alessandro.chiodini@intesasnpaolo.com

Dario Fasani dario.fasani@intesasnpaolo.com

Melanie Gavin melanie.gavin@intesasnpaolo.com

Maria Gabriella Tronconi maria.tronconi@intesasnpaolo.com

Barbara Pizzarelli (Research Support) barbara.pizzarelli@intesasnpaolo.com

Technical Analysis

Corrado Binda corrado.binda@intesasnpaolo.com

Sergio Mingolla antonio.mingolla@intesasnpaolo.com

Clearing & Data Processing

Anna Whatley (Head)

Stefano Breviglieri anna.whatley@intesasnpaolo.com
stefano.breviglieri@intesasnpaolo.com

Annita Ricci annita.ricci@intesasnpaolo.com

Wendy Ruggeri wendy.ruggeri@intesasnpaolo.com

Elisabetta Bugliesi (IT support) elisabetta.bugliesi@intesasnpaolo.com

Intesa Sanpaolo – IMI Corporate & Investment Banking Division

Bernardo Bailo - Head of Global Markets Sales +39 02 7261 2308 bernardo.bailo@intesasnpaolo.com

Equity Sales

Giorgio Pozzobon +39 02 7261 5616 giorgio.pozzobon@intesasnpaolo.com

Institutional Sales

Catherine d'Aragon +39 02 7261 5929 catherine.daragon@intesasnpaolo.com

Carlo Cavaliere carlo.cavaliere@intesasnpaolo.com

Francesca Guadagni francesca.guadagni@intesasnpaolo.com

Laurent Kieffer +44 20 7651 3653 laurent.kieffer@intesasnpaolo.com

Federica Repetto federica.repetto@intesasnpaolo.com

Fabrizio Tito fabrizio.tito@intesasnpaolo.com

Mark Wilson mark.wilson@intesasnpaolo.com

Paola Parenti (Corporate Broking) +39 02 7265 6530 paola.parenti@intesasnpaolo.com

Roberta Papeschi (Corporate Broking) +39 02 7261 6363 roberta.papeschi@intesasnpaolo.com

Francesco Riccardi (Corporate Broking) +39 02 7261 5966 francesco.riccardi@intesasnpaolo.com

Laura Spinella (Corporate Broking) +39 02 7261 5782 laura.spinella@intesasnpaolo.com

Alessandro Bevacqua +39 02 7261 5114 alessandro.bevacqua@intesasnpaolo.com

Lorenzo Pennati (Sales Trading) +39 02 7261 5647 lorenzo.pennati@intesasnpaolo.com

Equity Derivatives Institutional Sales

Emanuele Manini +39 02 7261 5936 emanuele.manini@intesasnpaolo.com

Enrico Ferrari enrico.ferrari@intesasnpaolo.com

Stefan Gess stefan.gess@intesasnpaolo.com

Edward Lythe edward.lythe@intesasnpaolo.com

Ferdinando Zamprota +39 02 7261 5577 ferdinando.zamprota@intesasnpaolo.com

Gherardo Lenti Capoduri – Head of Market Hub +39 02 7261 2051 gherardo.lenticapoduri@intesasnpaolo.com

E-commerce Distribution

Massimiliano Raposio massimiliano.raposio@intesasnpaolo.com

Intesa Sanpaolo IMI Securities Corp.

Greg Principe (Equity Institutional Sales) +1 212 326 1233 greg.principe@intesasnpaolo.com