

## Preview Report

### Italian Market: 2Q/1H20 Previews

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Italy/Equity Market

Weekly Report: 27 - 31 Jul.

#### FTSE MIB-STAR Performance (-12M)



Source: FactSet

#### Possible Earnings Surprises

	Positive/Negative
Carraro	+
De' Longhi	+
Leonardo	+
Maire Tecn.	+
Mediobanca	-
Prysmian	+
Recordati	-
Saras	-

Source: Intesa Sanpaolo Research estimates

Report priced at market close on 22/07/2020 to issue.

Ratings and Target Prices as assigned in the latest company reports (unless otherwise indicated).

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## 2Q/1H20 Preview Snapshot: Our Research Universe

All results' dates as at 24 July 2020.

### Weekly Highlights: 27 July – 31 July

Monday 27	Tuesday 28	Wednesday 29	Thursday 30	Friday 31
Italgas Piaggio Sogefi	Cementir Davide Campari	Acea Amplifon Banca Generali Banca Mediolanum Brembo Carraro Enel Fiera Milano Hera Maire Tecnimont Saipem* Terna Webuild	A2A Anima Holding Autogrill Azimut Holding CNH Industrial d'Amico Int'l Ship. De' Longhi DiaSorin Elica Eni* Fincantieri Generali * INWIT Leonardo Mediobanca (4Q) Prysmian Rai Way Recordati Saras Sham*	Banca Sistema Be Blesse COIMA RES* ERG* FCA Fincobank Poste Italiane* RCS Mediagroup Zignago Vetro

### Weekly Highlights: 3 – 7 August

Monday 3	Tuesday 4	Wednesday 5	Thursday 6	Friday 7
AlgoWatt (TBC) Ascopiave ASTM Ferrari Illimity MARR	Atlantia Buzzi Unicem Iren Telecom Italia Tinexta Toscana Aeroporti	Aeffe Cairo Communication Credito Valtellinese Datalogic FLA Pirelli Tenaris	Banca Finnat Banca IFIS Banca MPS Banco BPM Credem IGD MZBG Unicredit*	IMA Panariagroup Unipol* Unipol SAI*

### Weekly Highlights: 31 August - 11 September

Monday 31	Tuesday 1	Thursday 3	Friday 4	Monday 7	Tuesday 8	Wednesday 9	Thursday 10	Friday 11
Sanlorenzo	Interpump Prima Industrie	EXOR	Eurotech	ADB CLI	Guala Closures	Technogym	Esprinet Giglio Group Irce Isagro La Doria	Alkemy Cattolica Assic.i* Cellularline Fidia SICIT Group Techedge

### Weekly Highlights: 14 – 30 September

Monday 14	Monday 15	Tuesday 22	Wednesday 23	Thursday 24	Friday 25	Tuesday 29	Wednesday 30
Orsero SeSa (1Q) Valsoia Wiit	LU-VE	OVS	Triboo	Pattern	Indel B	ENAV	Lucisano Media Group Rosetti Marino

\* Releases before trading hours; Note that the following companies have still not announced their release dates or are not obliged to release quarterly results: Avio, Danielli (3Q), and Juventus (4Q); Source: Companies' data

## Previews

### A2A (ADD)

#### Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** We expect 2Q20E EBITDA to decrease by 15% yoy to EUR 217M, mainly due to the COVID-19 adverse effects on both energy scenario and volumes. The generation division EBITDA should decline, driven by lower electricity prices and demand, which affected both CCGT margins and production, and generated some negative price side-effects on hydroelectric plants' output. We assume ancillary services' contribution to remain positive, although with a more normalised profile in 2Q20 vs. 2Q19. Networks should slightly decline yoy, following lower gas distribution tariffs, as a consequence of the regulatory revision, and lower water distributed and heat margins. Waste segment should grow yoy, thanks to M&A, resilient treatment prices, and less plants' stoppages vs. 2Q19A. We see Market BU EBITDA to decrease yoy, as the positive contribution deriving from the wider customer base should be offset by lower B2B volumes and white certificates sales' postponement in view of the pandemic. We estimate 2Q20E EBIT at EUR 74M, negatively impacted by the operating performance and slightly higher D&A and provisions. We forecast net income in 2Q20E to reach EUR 33M, down by 47% yoy, affected by the top line dynamic. We expect net debt at 30 June to be approx. EUR 3.5Bn (from EUR 3.3Bn in 1Q20A), due to dividends' payment, capex, positive cash generation and a temporary negative working capital effect.

**What we think:** If 2Q results were to confirm our assumptions, we would see them broadly on track with our FY20E EBITDA, which is basically aligned with company indications provided during 1Q20 results.

#### A2A – 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20 yoy %	1H20E	1H20 yoy %	FY20E	FY20C
EBITDA reported	254.1	582.1	1234	217.1	-14.6	548.1	-5.8	1141.3	1151
EBITDA ordinary	252.1	575.1	1192	217.1	-13.9	547.1	-4.9	1141.3	-
o/w Generation & Trading	60.2	117.2	301	37.7	-37.4	95.7	-18.4	226.4	-
o/w Networks	89.2	227.2	472	75.6	-15.2	214.6	-5.5	452.6	-
o/w Waste	57.0	135.0	271	65.5	14.8	143.5	6.3	283.3	-
o/w Market	56.0	116.0	229	47.8	-14.6	110.8	-4.4	205.1	-
o/w Corporate & Services	-8.4	-13.4	-39	9.5	13.6	-16.5	23.5	-26.2	-
D&A	-123.0	-245.0	-502	-133.3	8.3	-264.3	7.9	-533.0	-
Provisions & write-downs	-1.0	-10.0	-45	-10.0	NM	-14.0	40.0	-55.2	-
EBIT	130.1	327.1	687	73.8	-43.2	269.8	-17.5	553.0	573.8
Net financial charges	-41.0	-65.0	-114	-21.1	-48.6	-39.1	-39.9	-104.4	-
Affiliates & extr. Items	0.0	0.0	8	0.0	NM	0.0	NM	0.0	-
EBT	89.1	262.1	581	52.7	-40.8	230.7	-12.0	448.7	463.7
Tax	-28.0	-87.0	-189	-16.9	-39.7	-74.9	-13.9	-143.6	-
Tax rate (%)	31.4	33.2	32.5	32.0	1.8	32.5	-2.3	32.0	-
Net income	61.1	175.1	392	35.9	-41.3	155.9	-11.0	305.1	-
Minorities & disc. operations	1.0	-9.0	-3	-3.0	NM	-11.0	22.2	-20.2	-
Group net income	62.1	166.1	389	32.9	-47.1	144.9	-12.8	284.9	297.5
Group net income adj.	62.0	166.0	378	32.9	-47.0	143.9	-13.3	297.0	301.8
Capex	143	252	627	125	-12.6	248	-1.6	650	652.2
Net debt	3,116	3,116	3154	3,508	12.6	3,508	12.6	3,450	3,337

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

#### A2A - Key Data

23/07/2020	Multi-Utilities		
Target Price (EUR)	1.57		
Rating	ADD		
Mkt price (EUR)	1.31		
Mkt cap (EUR M)	4090		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	7,156.3	7,492.0	8,614.0
EBITDA	1,141.3	1,174.1	1,288.6
EPS (EUR)	0.095	0.095	0.112
Net debt/-cash	3,450.2	3,544.6	3,700.0
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	13.8	13.8	11.7
EV/EBITDA	6.9	6.8	6.3
EV/EBIT	14.1	14.2	12.7
Debt/EBITDA	3.0	3.0	2.9
Div yield (%)	6.1	6.4	6.8
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	0.3	7.1	-18.4
Rel. to FTSE IT All Sh	-5.0	-12.0	-13.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Acea (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** In 2Q20E, we expect Acea's EBITDA to grow by 7% yoy to EUR 273M, thanks to higher regulated activities and M&A, and resilient retail contribution. In detail: 1) the water division should increase, due to higher regulated tariffs and the wider perimeter (Acquedotto del Fiora and Alto Sangro Distribuzione Gas); 2) we assume energy to rise by 5.5% yoy, thanks to higher allowed revenues, driven by the RAB boost, and PV generation (around 29MW acquired in 2H19), despite the negative energy scenario; 3) waste should benefit from M&A for around EUR 4M, although incentives' expiry is expected to more than offset the change in scope of consolidation; and 4) the supply BU should report broadly flattish results yoy, as the wider customer base and higher residential volumes should be offset by lower regulated margins. We estimate 2Q20E EBIT to remain roughly in line yoy, reaching EUR 125M (-2% yoy), due to higher D&A and provisions, the latter affected by COVID-19 negative effects on water and energy bills. We see net income in 2Q20E declining by approx. 7% yoy, mainly driven by minorities' increase, while net debt at end-June should worsen to EUR 3.5Bn, as a consequence of positive cash generation, EUR 200M capex, dividends paid in the quarter and an assumed EUR 150M negative working capital effect.

**What we think:** If 2Q results were to confirm our estimates, we would see them well on track vs. our FY20E forecasts and company-provided guidance in terms of EBITDA (EUR 1,105-1,125M), capex (in line yoy) and net debt (EUR 3.45-3.55Bn). However, our 2Q/1H20E estimates could be conservative at the EBITDA level, due to possible greater regulated contributions, and better on net debt, due to a potential worst working capital impact coming from the pandemic.

## Acea - Key Data

23/07/2020	Multi-Utilities		
Target Price (EUR)	22.0		
Rating	ADD		
Mkt price (EUR)	17.26		
Mkt cap (EUR M)	3676		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	3,364.5	3,507.1	3,794.9
EBITDA	1,105.4	1,172.3	1,249.3
EPS (EUR)	1.30	1.36	1.41
Net debt/-cash	3,539.7	3,672.4	3,734.6
Ratios (x)	2020E	2021E	2022E
Adj. P/E	13.3	12.7	12.3
EV/EBITDA	6.8	6.5	6.2
EV/EBIT	14.6	14.3	14.1
Debt/EBITDA	3.2	3.1	3.0
Div yield (%)	4.6	4.7	4.9
Performance (%)	1M	3M	12M
Absolute	0.6	19.2	0.2
Rel. to FTSE IT All Sh	-4.7	-2.1	5.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Acea - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20 yoy %	1H20E	1H20 yoy %	FY20E	FY20C
<b>EBITDA</b>	<b>254.7</b>	<b>502.6</b>	<b>1042.3</b>	<b>272.7</b>	<b>7.0</b>	<b>549.1</b>	<b>9.3</b>	<b>1105.4</b>	<b>1111</b>
o/w Water	122.4	244.0	505.0	140.6	14.9	285.9	17.2	580.1	-
o/w Energy Infrastructures	97.8	193.3	392.0	103.1	5.5	204.5	5.8	402.6	-
o/w Commercial sales	14.8	31.2	69.1	15.8	7.0	32.9	5.6	71.4	-
o/w Waste	16.6	33.5	52.0	12.9	-22.3	25.4	-24.2	50.6	-
o/w Engineering & Services	4.5	6.5	13.0	2.3	-48.4	3.8	-41.2	13.3	-
o/w Foreign	4.1	7.9	17.0	6.1	48.2	13.1	65.5	18.3	-
o/w Corporate	-5.4	-13.8	-6.0	-8.2	51.8	-16.6	20.3	-30.8	-
D&A	-104.9	-200.1	-409.6	-118.0	12.5	-235.2	17.5	-472.1	-
Provisions	-22.3	-42.3	-114.6	-29.6	32.8	-52.1	23.2	-118.5	-
<b>EBIT</b>	<b>127.5</b>	<b>260.2</b>	<b>518.1</b>	<b>125.0</b>	<b>-2.0</b>	<b>261.9</b>	<b>0.6</b>	<b>514.8</b>	<b>524.6</b>
Net financial charges	-22.7	-42.7	-91.1	-22.3	-1.8	-44.7	4.7	-89.2	-
Affiliates & Others	0.6	3.6	2.6	0.0	-100.0	0.0	-101.1	2.6	-
<b>EBT</b>	<b>105.5</b>	<b>221.0</b>	<b>429.6</b>	<b>102.7</b>	<b>-2.6</b>	<b>217.1</b>	<b>-1.8</b>	<b>428.2</b>	<b>437.3</b>
Tax	-32.2	-66.4	-123.2	-30.3	-5.9	-64.6	-2.7	-124.2	-
Tax rate %	30.5	30.0	28.7	29.5	-3.4	29.8	-0.9	29.0	-
<b>Net income</b>	<b>73.3</b>	<b>154.7</b>	<b>306.4</b>	<b>72.4</b>	<b>-1.2</b>	<b>152.5</b>	<b>-1.4</b>	<b>304.0</b>	<b>-</b>
Minorities	-5.7	-11.7	-23.5	-9.5	66.5	-19.0	62.2	28.2	-
<b>Group net income</b>	<b>67.5</b>	<b>143.0</b>	<b>282.9</b>	<b>62.9</b>	<b>-6.9</b>	<b>133.5</b>	<b>-6.6</b>	<b>275.8</b>	<b>277.0</b>
Capex	191	342	793	200	4.7	390	14.0	780	783
Net debt	2,843	2,843	3,063	3,490	22.8	3,490	22.8	3,540	3,393

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

**Amplifon (HOLD)****Results Preview**

**Possible Surprise**                      **Positive**                      **Neutral**                      **Negative**

**Results due on 29 July:** We expect 2Q20E to be significantly impacted by the lockdown, particularly in Europe and North America and to a lesser extent the Asian Pacific region. This should drive the estimated 2Q20E top line and EBITDA decline. On the latter, we highlight that we expect management to have worked hard in the quarter to reduce fixed costs also getting the chance to make variable part of the labour cost, reduce rents and other services costs and cut marketing expenses. On the cash side, we expect the absence of M&A activity, the cut in other investments and strict control on working capital should have helped the company to significantly limit the net debt increase compared to end-March 2020.

**What we think:** While 2H20 earnings visibility continues to be quite low, we believe that management is doing a good job in cutting costs and investments and we got the feeling that in the last few weeks the shops activity significantly improved. We believe that, at the current price, the stock already factored in a "return to normality" scenario by the next few months.

**Amplifon - Key Data**

23/07/2020	Medical Equipment		
Target Price (EUR)	23.1		
Rating	HOLD		
Mkt price (EUR)	26.10		
Mkt cap (EUR M)	5862		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	1,435.6	1,792.6	1,905.3
EBITDA	271.4	381.6	412.3
EPS (EUR)	0.17	0.51	0.58
Net debt/-cash	729.9	691.3	643.0
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	NM	51.5	45.2
EV/EBITDA	24.5	17.3	15.9
EV/EBIT	86.7	36.1	32.0
Debt/EBITDA	2.7	1.8	1.6
Div yield (%)	0.4	0.6	0.6
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	7.7	29.3	20.5
Rel. to FTSE IT All Sh	2.0	6.2	27.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Amplifon - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	E/C %	yoy %	1H20E	FY20E	FY20C	FY E/C %	FY yoy %
Sales	440.1	832.0	1,732.1	243.5	247.4	-1.6	-44.7	607.0	1,435.6	1,496.3	-4.1	-17.1
Rep. EBITDA with IFRS16	103.2	180.8	370.6	23.3	28.3	-17.7	-77.4	88.1	271.4	284.9	-4.8	-26.8
% on sales	23.4	21.7	21.4	9.6	11.4	-	-	14.5	18.9	19.0	-	-
Rep. EBIT with IFRS16	56.6	89.5	177.1	-25.4	-16.7	NM	NM	-10.9	76.6	93.1	-17.7	-56.8
% on sales	12.9	10.8	10.2	-10.4	-6.8	-	-	-1.8	5.3	6.2	-	-
PBT with IFRS16			150.1	-31.5	-23.2	NM	NM	-24.0	52.0	65.3	-20.3	-65.3
Net profit with IFRS16	36.8	54.5	108.7	-22.8	-17.8	NM	NM	-17.7	37.7	47.0	-19.9	-65.3

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

**Anima Holding (BUY)****Results Preview**

**Possible Surprise**                      **Positive**                      **Neutral**                      **Negative**

**Results due on 30 July:** We estimate a 2Q20E net profit of EUR 31.1M for Anima Holding, -13.6% yoy only due to the fact that 2Q19A bottom line was positively impacted by a EUR 6M tax relief on goodwill, with a basically stable EBITDA (EUR 62.1M in 2Q20E) and EBIT (EUR 48.2M in 2Q20E), thanks to a good cost control and higher performance fees (EUR 10.5M in 2Q20E vs. EUR 5.5M in 2Q19A), offsetting lower net commissions (EUR 72M, -6.1% yoy). The 19.4% qoq decline in net profit should be essentially due to a weaker top line, which should be affected by the unfavourable financial conditions of the first part of the quarter. Our 2Q estimates are close to the quarterly data implied by the average 1H company-provided consensus (EUR 185.9M total net revenues, EUR 105.7M pre-tax profit and EUR 71M net profit). A conference call is scheduled on 30 July at 15:00 CET (Italy: +39 02 805 88 11; UK: +44 121 281 8003; US +1 718 7058794).

**What we think:** We believe that investors should mainly focus on the outlook for 2H20, especially with reference to the retail segment, and potential M&A opportunities.

**Anima Holding - Key data**

23/07/2020	Asset Gatherers		
Target Price (EUR)	4.3		
Rating	BUY		
Mkt price (EUR)	4.11		
Mkt cap (EUR M)	1560		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Tot net revenues	326.8	335.7	348.9
Operating profit	187.6	204.1	218.0
Net income	120.8	132.9	142.6
Cust assets (€ Bn)	176.0	181.8	186.4
<b>Ratios (%)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E (x)	9.5	9.0	8.6
P/tot cust assets	0.9	0.9	0.8
NP/tot cust assets	0.09	0.09	0.10
Div ord yield	5.0	5.0	5.1
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	5.9	52.4	26.7
Rel. to FTSE IT All Sh	0.3	25.2	33.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Anima Holding - 2Q/1H20 preview

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q qoq%	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
Net commissions*	76.7	152.9	79.7	72.0	NA	NA	-9.6	-6.1	151.7	-0.8	305.8	NA
Performance fees	5.5	9.6	23.1	10.5	NA	NA	-54.6	90.9	33.6	250.5	21.0	NA
<b>Total net revenues</b>	<b>82.2</b>	<b>162.5</b>	<b>102.8</b>	<b>82.5</b>	<b>83.1</b>	<b>-0.7</b>	<b>-19.7</b>	<b>0.4</b>	<b>185.3</b>	<b>14.0</b>	<b>326.8</b>	<b>342.2</b>
Total expenses**	20.9	41.6	20.8	20.4	NA	NA	-2.2	-2.6	41.2	-0.9	81.1	NA
<b>EBITDA **</b>	<b>61.3</b>	<b>120.9</b>	<b>82.0</b>	<b>62.1</b>	<b>NA</b>	<b>NA</b>	<b>-24.2</b>	<b>1.4</b>	<b>144.1</b>	<b>19.1</b>	<b>245.7</b>	<b>NA</b>
EBIT	47.8	92.6	61.5	48.2	NA	NA	-21.6	0.9	109.7	18.6	187.6	196.9
Pre-tax profit	44.7	86.8	59.0	45.7	46.7	-2.0	-22.6	2.3	104.8	20.7	177.6	195.3
<b>Net profit</b>	<b>36.0</b>	<b>63.4</b>	<b>38.6</b>	<b>31.1</b>	<b>32.4</b>	<b>-4.2</b>	<b>-19.4</b>	<b>-13.6</b>	<b>69.7</b>	<b>9.9</b>	<b>120.8</b>	<b>127.4</b>

\* net commissions represented by management fees and other commissions; \*\* calculated according to company disclosure. NA: not available; A: actual; E: estimates; C: consensus (2Q: company-provided; FY: FactSet); Source: Company data and Intesa Sanpaolo Research

## Autogrill (HOLD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** After the 40% sales drop reported for the first four months of the year, we expect May and June to further deteriorate and to shrink by approx. 85% yoy, in line with April (88%). May was still affected by the lockdown and June by the lack of air traffic, as air carriers reinstalled the capacity very gradually. Overall, we expect sales down 52% yoy in 1H20E to EUR 1.089M, with the geographies most exposed to the airport channel, such as the US and International, expected to report a more than 90% sales contraction in May-June (-55% and -42% in 1H20E, respectively), as traffic in Schiphol airport (largest contract in International) was down 93% in June and 62% in 1H20, while traffic in the US was still 81% below last year in June. In Europe, more exposed to the motorways traffic (between -17% and -20% in June in France and Italy, respectively, source: Atlantia), we forecast sales falling by around 70%, benefiting from a quicker rebound once travel bans were lifted. Despite the prompt initiatives implemented to mitigate the effects of COVID, notably on rents and labour costs, we expect an EBITDA and EBIT drop through of approx. 25% to EUR 42M and approx. EUR -300M, respectively, vs. EUR 454M and EUR 167M in 1H19, respectively.

**What we think:** We expect Autogrill to report a very weak 1H, still affected by COVID and its repercussions on consumer habits, but we believe that a material deterioration of the business is widely expected by the markets. Saying that, we suggest monitoring the cash burn in May and June and the results of the cost containment measures implemented, which could be more effective than in January-April, leading to a better than expected "fall through" to EBITDA and EBIT. Although traffic recovery has a "V-shape" on motorways, the rebound on airport traffic looks "L-shaped", thus slowing down Autogrill's sales pick-up, as more than 60% of the turnover is exposed to airports. We believe that the sentiment on Autogrill and the stock re-rating depends on a supportive consumer attitude on purchasing and data showing a reliable recovery in air traffic, notably in the US, where traffic was still down 74% during the first three weeks of July (source: TSA).

## Autogrill - Key Data

23/07/2020	Travel&Leisure		
Target Price (EUR)	5.4		
Rating	HOLD		
Mkt price (EUR)	4.94		
Mkt cap (EUR M)	1257		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	3,051.4	3,796.0	4,331.1
EBITDA	52.41	220.5	337.3
EPS (EUR)	-0.76	-0.19	0.17
Net debt/-cash	3,303.6	3,280.6	3,231.8
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	Neg.	Neg.	28.5
EV/EBITDA	89.4	21.2	13.7
EV/EBIT	Neg.	NM	46.3
Debt/EBITDA	63.0	14.9	9.6
Div yield (%)	0	0	2.0
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-0.9	14.4	-47.6
Rel. to FTSE IT All Sh	-6.1	-6.0	-44.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Autogrill – 1H20 preview

EUR M	1H19A	FY19A	1H20E	1H20C	1H E/C %	1H yoy %	FY20E	FY20C
Sales Europe	803.0	1,714.0	389.3	-	-	-51.5	1,022.3	-
Italy	474.4	1,021.7	228.8	-	-	-51.8	618.1	-
RoE	328.6	692.4	160.5	-	-	-51.2	404.2	-
Sales HMSH	1,468.5	3,282.5	699.7	-	-	-52.4	2,029.1	-
North America	1,167.5	2,635.4	524.2	-	-	-55.1	1,593.4	-
Airports	1,002.0	2,257.1	468.6	-	-	-53.2	1,361.1	-
Motorways	157.8	358.9	52.6	-	-	-66.7	218.2	-
Others	7.7	19.4	3.0	-	-	-61.3	14.2	-
International	301.0	647.1	175.5	-	-	-41.7	435.7	-
Group Sales	2,271.5	4,996.5	1,088.9	1,131.0	-3.7%	-52.1	3,051.4	3,239.4
EBITDA Europe (IFRS 16)	117.0	294.0	9.4	-	-	-91.9	127.0	-
on sales %	14.6	17.2	2.4	-	-	-	12.4	-
EBITDA HMSH (IFRS 16)	231.4	581.0	42.1	-	-	-81.8	333.9	-
on sales %	15.8	17.7	6.0	-	-	-	16.5	-
EBITDA North America (IFRS 16)	189.4	471.0	30.2	-	-	-84.1	265.3	-
on sales %	16.2	14.3	5.8	-	-	-	16.6	-
EBITDA International (IFRS 16)	42.0	110.0	11.9	-	-	-71.7	68.6	-
on sales %	14.0	17.0	6.8	-	-	-	15.7	-
Corporate costs	12.0	25.0	10.0	-	-	-16.7	10.5	-
on sales %	0.5	0.5	0.9	-	-	-	0.3	-
Group Underlying EBITDA (IFRS 16)	336.4	849.0	41.5	45.0	-7.8%	-87.7	449.4	-
on sales %	14.8	17.0	3.8	4.0	-	-	14.7	-
stock option costs/extraordinaries	118.4	111.6	0.0	-	-	-	0.0	-
Reported EBITDA (IFRS 16)	454.3	960.6	41.5	-	-	-90.9	449.4	-
on sales %	20.0	19.2	3.8	-	-	-	14.7	-
D&A (IFRS 16)	-287.1	-624.0	-338.9	-	-	18.1	-566.7	-
EBIT Underlying (IFRS 16)	49.3	228.0	-297.4	-271.0	9.8%	NM	-117.2	-
on sales %	2.2	4.6	-27.3	-24.0	-	-	-3.8	-
Reported EBIT (IFRS 16)	167.2	336.6	-297.4	-	-	-277.9	-117.2	-
on sales %	7.4	6.7	-27.8	-	-	-	-3.8	-
Financial Income/-expenses (IFRS 16)	-10.0	-62.6	-50.0	-	-	NM	-101.0	-
PBT (IFRS 16)	157.2	274.0	-347.4	-	-	NM	-218.2	-
Net profit (IFRS 16)	130.2	205.3	NA	-	-	NM	-249.4	-225.2
Adj. net profit (IFRS 16)	NA	85.0	NA	-	-	NM	-249.4	-
Net debt	699.5	2,948.1	NA	-	-	-	3,303.6	1,989.4

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

## Azimut (ADD)

## Results Preview

Possible Surprise      Positive      Neutral      Negative

**Results due on 30 July:** We estimate a 2Q20E net profit of EUR 70.2M for Azimut Holding, down 12.4% yoy due to lower gross revenues (both recurring and performance fees). We instead forecast a 44.7% qoq growth, thanks to a recovery in financial income, combined with stable gross revenues (thanks to performance fees that we estimate at EUR 25M vs. EUR 9.5M in 1Q20A, offsetting weak recurring fees, which we assume at EUR 181.4M from EUR 193.2M in 1Q20A) and a good cost control (distribution costs down 1.4% qoq to EUR 91.6M and EUR 58.5M operating costs and provisions, -1.2% qoq).

**What we think:** We expect investors to be focused on the outlook for 2H20, with particular reference to the trend in private markets and the announced intention by Timone Fiduciaria to strengthen its stake.

## Azimut - Key data

23/07/2020	Asset Gatherers		
Target Price (EUR)	16.0		
Rating	ADD		
Mkt price (EUR)	16.95		
Mkt cap (EUR M)	2428		
Main Metrics (€ M)	2020E	2021E	2022E
Tot net revenues	493.4	544.4	592.2
Operating profit	265.3	311.5	354.4
Net income	192.1	235.0	271.8
Cust assets (€ Bn)	54.22	59.13	64.31
Ratios (%)	2020E	2021E	2022E
Adj. P/E (x)	14.3	11.7	10.1
P/tot cust assets	4.5	4.1	3.8
NP/tot cust assets	0.34	0.41	0.44
Div ord yield	5.9	6.5	7.4
Performance (%)	1M	3M	12M
Absolute	10.0	27.3	-1.5
Rel. to FTSE IT All Sh	4.2	4.5	4.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Azimut Holding - 1H20 preview

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	E/C%	qoq%	yoy%	1H20E	1H yoy%	FY20E	FY20C
Recurring fees	187.7	357.8	193.2	181.4	-	-	-6.1	-3.3	374.6	4.7	754.2	-
Performance fees	29.7	86.8	9.5	25.0	-	-	162.6	-15.9	34.5	-60.2	18.9	-
<b>Total gross revenues</b>	<b>238.4</b>	<b>485.9</b>	<b>228.0</b>	<b>228.4</b>	-	-	<b>0.2</b>	<b>-4.2</b>	<b>456.4</b>	<b>-6.1</b>	<b>860.6</b>	<b>887.5</b>
Distribution costs	92.5	185.7	92.9	91.6	-	-	-1.4	-1.0	184.4	-0.7	367.2	-
<b>Total net revenues</b>	<b>145.9</b>	<b>300.2</b>	<b>135.1</b>	<b>136.8</b>	-	-	<b>1.3</b>	<b>-6.2</b>	<b>271.9</b>	<b>-9.4</b>	<b>493.4</b>	-
Operating costs & provisions	55.6	108.7	59.2	58.5	-	-	-1.2	5.1	117.7	8.3	228.1	-
<b>Pre-tax profit</b>	<b>88.5</b>	<b>193.9</b>	<b>56.7</b>	<b>79.1</b>	-	-	<b>39.3</b>	<b>-10.6</b>	<b>135.8</b>	<b>-30.0</b>	<b>243.3</b>	<b>272.9</b>
<b>Net profit</b>	<b>80.1</b>	<b>171.0</b>	<b>48.5</b>	<b>70.2</b>	-	-	<b>44.7</b>	<b>-12.4</b>	<b>118.7</b>	<b>-30.6</b>	<b>192.1</b>	<b>216.2</b>

A: actual; E: estimates; C: consensus (2Q: company-provided; FY: Factset); Source: Company data and Intesa Sanpaolo Research

## B. Generali (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** We estimate a net profit of EUR 50.1M, down 24.4% yoy and -36.7% qoq, mainly due to lower performance fees (we estimate EUR 19M in 2Q20E vs. EUR 35.6M in 2Q19A and EUR 53.4M in 1Q20A). The qoq comparison is also affected by lower expected management fees: we forecast EUR 161M from EUR 165.8M in 1Q20A, due to the lower average assets related to the strongly negative performance effect recorded in March 2020. We highlight the positive trend expected in net interest income (+6.4% qoq and +21.5% yoy to EUR 21.5M), while the 12.5% yoy increase in operating costs (which we estimate flat vs. 1Q20) should be attributable to the consolidation of Nextam and Valeur. Our estimates are basically in line with the company-provided consensus as regards total net revenues, while we are approx. 5% more conservative on net profit, mainly due to less optimistic projections on non-operating items. A conference call is scheduled for 29 July at 14:00 CET (Europe +39 02 805 88 11; UK +44 121 281 8003; US +1 718 705 8794; US toll-free 1 855 265 6959).

**What we think:** Taking into account the difficult financial context under which 2Q started, we expect an overall solid set of results from Banca Generali in 2Q20, reflecting the quality and the effectiveness of the group's business model.

## B. Generali - Key data

23/07/2020				Asset Gatherers
Target Price (EUR)				25.8
Rating				ADD
Mkt price (EUR)				27.08
Mkt cap (EUR M)				3164
Main Metrics (€ M)	2020E	2021E	2022E	
Tot net revenues	583.1	620.6	666.3	
Operating profit	250.9	277.1	311.9	
Net income	195.1	219.1	248.6	
Cust assets (€ Bn)	69.80	77.64	84.56	
Ratios (%)	2020E	2021E	2022E	
Adj. P/E (x)	16.2	14.4	12.7	
P/tot cust assets	4.5	4.1	3.7	
NP/tot cust assets	0.28	0.30	0.31	
Div ord yield	4.8	5.5	6.3	
Performance (%)	1M	3M	12M	
Absolute	2.1	32.2	2.2	
Rel. to FTSE IT All Sh	-3.3	8.6	7.9	

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Banca Generali - 2Q/1H20 preview

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q qoq%	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
Net interest income	17.7	33.6	20.2	21.5	NA	NA	6.4	21.5	41.7	24.2	85.3	
<b>Total gross commissions</b>	<b>216.5</b>	<b>424.5</b>	<b>248.9</b>	<b>204.0</b>	<b>NA</b>	<b>NA</b>	<b>-18.0</b>	<b>-5.8</b>	<b>452.9</b>	<b>6.7</b>	<b>817.0</b>	
Total net commissions	119.4	233.1	144.5	105.0	NA	NA	-27.3	-12.0	249.5	7.0	416.5	
<b>Total net revenues*</b>	<b>139.1</b>	<b>272.7</b>	<b>168.8</b>	<b>127.5</b>	<b>128.3</b>	<b>-0.6</b>	<b>-24.4</b>	<b>-8.3</b>	<b>296.3</b>	<b>8.7</b>	<b>511.8</b>	<b>538.3</b>
Total operating costs*	50.8	100.8	57.1	57.2	NA	NA	0.1	12.5	114.3	13.4	236.5	
<b>Operating profit*</b>	<b>88.3</b>	<b>171.8</b>	<b>111.6</b>	<b>70.4</b>	<b>71.9</b>	<b>-2.1</b>	<b>-37.0</b>	<b>-20.3</b>	<b>182.0</b>	<b>5.9</b>	<b>275.4</b>	<b>272.3</b>
<b>Pre-tax profit</b>	<b>79.9</b>	<b>161.3</b>	<b>102.3</b>	<b>60.9</b>	<b>64.6</b>	<b>-5.8</b>	<b>-40.5</b>	<b>-23.8</b>	<b>163.2</b>	<b>1.2</b>	<b>245.4</b>	<b>263.2</b>
<b>Net profit</b>	<b>66.2</b>	<b>132.8</b>	<b>79.1</b>	<b>50.1</b>	<b>52.8</b>	<b>-5.2</b>	<b>-36.7</b>	<b>-24.4</b>	<b>129.2</b>	<b>-2.8</b>	<b>195.1</b>	<b>212.9</b>

\* calculated according to company disclosure; NA: not available; A: actual; E: estimates; C: company-provided consensus for 2Q, FactSet for FY; Source: Company data and Intesa Sanpaolo Research



**B Mediolanum (BUY)****Results Preview**

**Possible Surprise**                      **Positive**                      **Neutral**                      **Negative**

**Results due on 29 July:** We estimate a quarterly net profit of EUR 73.9M for Banca Mediolanum, basically in line with 1Q20, thanks to an expected recovery in market effects via net income on investments at fair value, offsetting a qoq decline of 9.1% in the operating margin, due to lower core revenues, particularly net commissions, mainly penalised by lower average AuM in 2Q vs. 1Q. The 25.6% yoy decline we forecast in net profit is essentially due to: 1) an operating margin down 15.7% yoy, penalised by higher distribution costs (+6.9%) and lower net interest income (-8.4%); and 2) the absence of performance fees in 2Q20E. A conference call is scheduled on 29 July at 16:30 CET: Italy +39 02 3216 9860; Italy toll-free +39 800 682772; UK toll-free +44 0800 376 7922; US toll-free 1 866 966 1396; rest of the world +44 08445718892.

**What we think:** We believe that investors should be mainly concentrated on the outlook for 2H20, also considering the acceleration in AuM net inflows in 2Q (EUR +1.68Bn vs. EUR +0.4Bn in 1Q).

**B Mediolanum - Key data**

23/07/2020	Asset Gatherers		
Target Price (EUR)	7.8		
Rating	BUY		
Mkt price (EUR)	6.65		
Mkt cap (EUR M)	4922		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Tot net revenues	1,056.4	1,138.4	1,243.1
Operating profit	420.3	497.0	586.2
Net income	300.4	364.7	438.8
Cust assets (€ Bn)	86.38	92.49	98.47
<b>Ratios (%)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E (x)	16.2	13.4	11.1
P/tot cust assets	5.6	5.3	5.0
NP/tot cust assets	0.35	0.41	0.46
Div ord yield	6.3	6.3	6.8
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	2.6	31.2	0.8
Rel. to FTSE IT All Sh	-2.8	7.8	6.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Banca Mediolanum - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q qoq %	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
Gross fees (excl. perf. fees)	357.7	701.5	372.5	360.0	-	-	-3.4	0.6	732.5	4.4	1,407.1	-
Total distribution costs	151.8	299.6	162.4	162.3	-	-	-0.1	6.9	324.7	8.4	594.1	-
Net fees (excl. perf. fees)	205.9	401.9	210.1	197.6	-	-	-5.9	-4.0	407.7	1.4	813.0	-
Interest spread	60.3	111.7	57.0	55.3	-	-	-3.0	-8.4	112.2	0.5	238.3	-
Contribution margin	269.8	512.4	263.1	252.6	-	-	-4.0	-6.4	515.8	0.7	1,068.7	-
Operating costs & provisions	162.6	316.2	163.6	162.2	-	-	-0.9	-0.2	325.8	3.1	-	-
Operating margin	107.3	196.2	99.5	90.4	-	-	-9.1	-15.7	189.9	-3.2	411.1	426.2
Market effects	20.0	24.5	-11.8	2.0	-	-	NM	-90.0	-9.8	NM	-	-
Pre-tax profit	121.0	214.5	87.7	92.4	89.1	3.7	5.4	-23.6	180.1	-16.0	385.8	380.6
Net profit	99.2	171.3	72.2	73.9	72.9	1.3	2.2	-25.6	146.1	-14.7	300.4	307.6

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

## Banca Sistema (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 31 July:** In 2Q20E, we expect Banca Sistema to report a net income of EUR 6.8M, broadly in line with 2Q19 (EUR 6.6M) and FactSet consensus (EUR 6.9M). We expect a slowdown in the turnover of factoring, due to the lower business activity during the lockdown and lower tax credit, reflecting the postponement of the tax season. We see total revenues down by 8.9% yoy, due to lower LPI accrual and a cost of risk at 40bps (vs. 33bps in 2Q19), offset by lower operating costs (-4.4% yoy) and the capital gain on the disposal of 25% of ProntoPegno to some Italian Fondazioni (EUR 1.1M). We assume CET1 jumping to 14.5% (from 11.2% at March 2020), thanks to the reduction of risk weighting in salary-backed loans from 75% to 35%, which should positively impact on the CET1 ratio by 220bps. Such a positive impact should be almost entirely offset in 3Q20 by the finalisation of the acquisition of the pawn business from Intesa Sanpaolo, which should absorb 207bps of CET1.

**What we think:** We have a positive stance on the stock.

## Banca Sistema - Key data

23/07/2020	Banks		
Target Price (EUR)	2.2		
Rating	BUY		
Mkt price (EUR)	1.85		
Mkt cap (EUR M)	149		
Main Metrics (€ M)	2020E	2021E	NA
Revenues	97.00	115.2	NA
Gross op income	46.13	60.49	NA
EPS (EUR)	0.26	0.38	NA
TBVPS (x)	2.04	2.35	NA
Ratios (x)	2020E	2021E	NA
Adj. P/E	7.1	4.9	NA
P/TBV	0.91	0.79	NA
RoTE (%)	13.0	17.3	NA
CET1 FL (%)	12.4	9.9	NA
Div yield (%)	3.7	5.1	NA
Performance (%)	1M	3M	12M
Absolute	38.6	54.0	53.2
Rel. to FTSE IT All Sh	31.3	26.5	61.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Banca Sistema

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## Banca Sistema - 1H20 preview

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q qoq%	yoy %	1H20E	yoy %	FY20E	FY20C
Net interest income	19.8	34.5	15.9	16.4	17.0	-3.8	2.7	-17.4	32.3	-6.4	79.6	78.8
Commission Income	4.2	8.2	4.2	4.0	4.0	0.2	-4.7	-4.0	8.2	0.4	15.2	16.6
Trading Income	0.6	1.2	1.9	2.5	NA	NM	33.6	325.2	4.4	258.9	2.0	3.0
Total Income	25.1	44.5	22.1	22.9	22.9	-0.2	3.5	-8.9	45.0	1.0	97.0	99.0
Operating Costs	-12.2	-22.7	-12.7	-11.6	5.6	NM	-8.5	-4.4	-24.4	7.3	50.9	38.4
Gross Operating Profit	12.9	21.8	9.4	11.2	17.3	-35.1	19.6	-13.2	20.6	-5.5	46.1	60.6
Loan Loss Provisions	-2.1	-4.8	-1.9	-2.7	2.5	NM	39.7	25.7	-4.6	-3.2	13.2	12.6
Pre-tax Income	9.8	15.8	6.8	9.5	9.8	-2.8	40.3	-3.1	16.3	3.5	32.9	35.0
Net Income	6.6	11.1	4.6	6.8	6.9	-1.6	48.0	2.5	11.4	2.2	21.9	26.0
CoR (bps)	33	37	30	40	NA	NM	31.4	21.1	35	-3.9	54	NA
CET1 FL (%)	10.8	10.8	11.2	14.5	NA	NM	29.1	33.9	14.5	33.9	12.4	NA

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

**Brembo (HOLD)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** On the back of a 2Q car production estimated at -44.5% (-33.2% in 1H20) at the worldwide level, at -65.5% (-41.7% in 1H20) in Europe, and at -69.1% (-39.9% in 1H20) in NAFTA, notwithstanding the recovery of China, we estimate for Brembo a 2Q20E revenues slowdown at around -40% yoy to EUR 395M. We highlight that, at the release of 1Q20 results, the group was expecting to achieve a double-digit profitability and a small bottom-line profit even in the case of a 30% downturn in revenues. On the back of the 40% expected contraction in the top line in 2Q, we expect the EBITDA margin to halve to 10.1%, while we estimate a EUR 12M loss at the EBIT level. Final figures should benefit from some deferred taxes and we expect the group to release a 2Q loss in line with its operating losses: for 1H, we estimate a net profit at EUR 18M, based on revenues down by 26.6% to EUR 971M. Despite the dividend cancellation, we expect the group's net debt to remain penalised by the cash out for the acquisition of Pirelli's stake (finalised in 1Q20) and by WC absorption.

**What we think:** We continue to believe that Brembo will manage to outperform its reference markets, but if our 2Q20 estimates were to be confirmed, we view our FY20E estimates (which position above the most recent consensus) as overly optimistic. Visibility on the effective recovery of the car market in 3Q and 4Q continues to be low.

**Brembo - Key Data**

23/07/2020	Auto & Components		
Target Price (EUR)	7.4		
Rating	HOLD		
Mkt price (EUR)	8.25		
Mkt cap (EUR M)	2753		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	2,289.5	2,472.4	2,547.4
EBITDA	387.4	452.6	472.1
EPS (EUR)	0.38	0.53	0.57
Net debt/-cash	382.3	301.1	173.0
Ratios (x)	2020E	2021E	2022E
Adj. P/E	21.7	15.5	14.5
EV/EBITDA	8.2	6.9	6.2
EV/EBIT	17.2	12.6	11.2
Debt/EBITDA	0.99	0.67	0.37
Div yield (%)	1.8	2.1	2.3
Performance (%)	1M	3M	12M
Absolute	1.8	19.4	-16.1
Rel. to FTSE IT All Sh	-3.6	-1.9	-11.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Brembo - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	657	1324	2592	395	404	-2.2	-39.8	971	979.9	-26.6	2,289	2,206
EBITDA	136	270	515	40	42	-5.4	-70.8	142	144.0	-47.6	387	366
margin %	20.7	20.4	19.9	10.1	10.4	NA	NM	14.6	14.7	NM	16.9	16.6
EBIT	87	174	319	-12	-9	NM	NM	38	41.3	-78.0	186	175
margin %	13.3	13.2	12.3	-3.0	-2.2	NA	NM	3.9	4.2	NM	8.1	7.9
Net Income	59	123	231	-12	NA	NA	NM	18	NA	-85.6	127	113
Net Debt	435	435	346	522	NA	NA	20.1	522	NA	20.1	382	324

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

**Carraro (HOLD)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** After a 15% slowdown in revenues in 1Q, we expect a 43% drop in 2Q20E sales to EUR 87M, due to: 1) the suspension of production activities in April and until the beginning of May; and 2) the more than expected prolonged lockdown in India, which represents for Carraro a core market (accounting about 14% of revenues in 2019). On a monthly basis, we estimate Carraro to reach breakeven at the EBITDA level, with around EUR 34M revenues. On the back of this and given: 1) the resumption in production from May (albeit at a slow production rate) and a positive and sequential (i.e. mom) growing trend of revenues in June; and 2) the cost cutting and savings from personnel costs, due to temporary layoffs, we believe that in 2Q Carraro should manage to exceed the EBITDA breakeven, thus delivering for 1H20E, on the back of EUR 214M revenues (-29% yoy), an EBITDA of EUR 11.6M, implying a 5.4% margin vs. 9% in 1H19. At the bottom line level, we estimate a final loss of EUR 6.5M in 1H20E and a net debt at EUR 150M, which confirms the group's good management in working capital.

**What we think:** While keeping our neutral stance, we highlight that amongst Italian industrial and capital good stocks, Carraro could benefit from the stronger resilience of the AG equipment sector, which represents around 44% of the group's 2019 revenues.

**Carraro - Key Data**

23/07/2020	Auto & Components		
Target Price (EUR)	1.60		
Rating	HOLD		
Mkt price (EUR)	1.44		
Mkt cap (EUR M)	115		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	463.5	493.9	517.3
EBITDA	25.10	34.89	40.90
EPS (EUR)	-0.08	0.02	0.07
Net debt/-cash	159.7	143.2	137.5
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	Neg.	63.4	20.0
EV/EBITDA	11.7	7.9	6.2
EV/EBIT	74.0	21.7	14.2
Debt/EBITDA	6.4	4.1	3.4
Div yield (%)	0	1.4	3.5
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-3.4	-6.5	-27.6
Rel. to FTSE IT All Sh	-8.4	-23.2	-23.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Carraro - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	151.4	301.7	548.8	86.5	NA	NA	-42.9	214.3	NA	NA	463.5	464.0
EBITDA	12.5	27.0	42.7	2.0	NA	NA	NM	11.6	NA	NA	25.1	29.8
margin %	8.3	9.0	7.8	2.3	NA	NA	NM	5.4	NA	NA	5.41	6.4
EBIT	NA	NA	22.5	NA	NA	NA	NA	1.04	NA	NA	4.0	8.7
margin %	NA	NA	4.1	NA	NA	NA	NM	0.5	NA	NA	0.86	1.9
Net Income	NA	NA	8.1	NA	NA	NA	NA	-6.5	NA	NA	-7.5	NM
Net Debt	155.1	153.0	123.6	170.0	NA	NA	9.6	150.0	NA	NA	159.7	165.0

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

**Cementir Holding (ADD)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 28 July:** We expect 2Q20E top line and EBITDA to be affected by the pandemic related lockdowns, particularly in Belgium, North America and Malaysia in addition to the unsurprising downwards cement price pressure and currency depreciation in Turkey. We also expect such negative factors to be partially balanced by the positive demand trend in Denmark and the post-COVID normalisation of the Chinese market. Overall, we estimate 2Q20E consolidated EBITDA to decline by 18.9% yoy, as a result of a slight improvement in China, a substantial stability in the Nordic Baltic area and a decline elsewhere. We estimate net debt to decrease below EUR 300M vs. EUR 322.3M at end-March 2020A.

**What we think:** We believe that the last few weeks confirmed that the Nordic Baltic area and Egypt were less severely impacted by the pandemic and the normalisation trend on the Chinese market. In addition, France and Belgium are showing signs of a gradual return to normality in the cement demand. More uncertainties remain on the recovery of the residential demand in North America and on the outlook in Turkey, which continues to suffer from price war and the currency depreciation. Overall, we believe that, at the current price, the stock already factored in the negative COVID impact.

**Cementir Holding - Key Data**

23/07/2020	Construction		
Target Price (EUR)	5.8		
Rating	ADD		
Mkt price (EUR)	6.07		
Mkt cap (EUR M)	966		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	1,249.5	1,294.8	1,333.8
EBITDA	273.0	292.0	306.5
EPS (EUR)	0.63	0.70	0.78
Net debt/-cash	178.9	100.9	30.61
Ratios (x)	2020E	2021E	2022E
Adj. P/E	9.7	8.6	7.8
EV/EBITDA	4.7	4.2	3.8
EV/EBIT	7.9	6.8	6.0
Debt/EBITDA	0.66	0.35	0.10
Div yield (%)	2.7	3.1	3.4
Performance (%)	1M	3M	12M
Absolute	-4.7	16.7	-4.9
Rel. to FTSE IT. STAR	-7.7	4.0	-9.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Cementir Holding

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**Cementir - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	FY20E	FY20C	FY E/C %	FY yoy %
Revenue	327.5	591.9	1211.8	303.8	NA	NA	-7.2	570.8	1249.5	1146.0	9.0	3.1
EBITDA	76.4	110.1	263.8	61.9	NA	NA	-18.9	94.1	273.0	214	27.6	3.5
% on sales	23.3	18.6	21.8	20.4	-	-	-	16.5	21.8	18.7	-	-
Rec. EBITDA	76.4	110.1	263.8	61.9	NA	NA	-18.9	94.1	273.0	214.0	27.6	3.5
% on sales	23.3	18.6	21.8	20.4	-	-	-	16.5	21.8	18.7	-	-
EBIT	49.7	57.5	151.7	34.6	NA	NA	-30.4	39.7	163.5	105	55.8	7.8
% on sales	15.2	9.7	12.5	11.4	-	-	-	7.0	13.1	9.2	-	-
PBT	42.3	42.0	126.6	29.6	NA	NA	-30.1	24.6	143.6	85.0	69.0	13.4
Net Attrib. Inc.	NA	NA	83.6	NA	NA	NA	NA	NA	99.6	69.0	44.3	19.1

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

## CNH Ind. (HOLD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** Although being the worst quarter of the year, with an estimated adjusted EPS loss of USD 0.14 (worse than FactSet consensus at USD -0.11), due to the impact of lockdown in most of CNH's reference countries, we expect CNH's AG business to show a certain resiliency, which would pave the way for a bit of optimism for the next quarters and above-all for the 2020 exit speed. At the Industrial level, we expect revenues down by 49.6% yoy to USD 3.56Bn. As also indicated by CNH during the Digital Sustainability Week, the AG division should have been more resilient and somewhat better than the indications given for 2Q at the time of 1Q release. We estimate a 30% downturn in revenues for the AG division, better than the group's average. On the flip side, the CE and CV segments should be materially down. At the operating level, we assume an adjusted industrial EBIT loss of USD 240M. Our estimates look more conservative than consensus, which we think show a high dispersion. As for the different business lines, we expect a slightly positive result for AG and PT, while CE and CV should end the quarter with heavy losses. Due to the better than initially expected trend of AG, we expect a bit more contained than 1Q20 (USD 1.5Bn) FCF absorption and we estimate a net industrial debt a bit above USD 3.4Bn.

**What we think:** At the release of 2Q results, we believe CNH will release its FY20 guidance or at least some useful information on the full year. We also expect some newsflow on the research of the new CEO and an update on the spin-off time table. Our current target price still does not factor the mark to market valorisation of 7.1% CNH's stake in Nikola.

## CNH Ind. - Key Data

23/07/2020	Capital Goods		
Target Price (EUR)	5.8		
Rating	HOLD		
Mkt price (EUR)	6.35		
Mkt cap (EUR M)	8579		
<b>Main Metrics (\$ Bn)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	20.97	22.11	22.77
EBITDA	1.24	2.31	2.81
EPS (USD)	-0.14	0.43	0.66
Net debt/-cash	1.95	1.68	1.36
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	Neg.	17.2	11.2
EV/EBITDA	9.6	5.0	4.0
EV/EBIT	NM	11.1	7.4
Debt/EBITDA	1.6	0.73	0.48
Div yield (%)	0	1.4	2.7
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	1.1	13.8	-30.9
Rel. to FTSE IT All Sh	-4.2	-6.5	-27.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## CNH Industrial - 2Q/1H20 preview

USD M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Group revenues	7,567	14,024	28,079	3,808	4,147	-8.2	-49.7	9,269	9,608	-3.5	20,970	21,527
<b>Industrial Revenues</b>	<b>7,068</b>	<b>13,074</b>	<b>26,149</b>	<b>3,565</b>	<b>4,007</b>	<b>-11.0</b>	<b>-49.6</b>	<b>8,558</b>	<b>9,000</b>	<b>-4.9</b>	<b>19,419</b>	<b>19,914</b>
<b>-AG Revenues</b>	<b>3,095</b>	<b>5,585</b>	<b>10,959</b>	<b>2,167</b>	<b>2,211</b>	<b>-2.0</b>	<b>-30.0</b>	<b>4,411</b>	<b>4,455</b>	<b>-1.0</b>	<b>9,125</b>	<b>9,127</b>
-CE Revenues	757	1,397	2,768	379	322	17.5	-50.0	801	744	7.6	1,968	1,847
-CV Revenues	2,698	5,112	10,439	787	996	-21.0	-70.8	2,808	3,017	-6.9	7,369	7,394
-PT Revenues	1,133	2,169	4,117	680	780	-12.8	-40.0	1,433	1,533	-6.5	3,092	3,293
Group adj. EBIT	651	1,060	1,880	-160	-54	196.3	-124.6	-198		NM	-7	399
<b>Industrial adj. EBIT</b>	<b>527</b>	<b>805</b>	<b>1,390</b>	<b>-240</b>	<b>-78</b>	<b>207.7</b>	<b>-145.5</b>	<b>-388</b>	<b>-226</b>	<b>NM</b>	<b>-388</b>	<b>6</b>
<b>-AG adj. EBIT</b>	<b>341</b>	<b>509</b>	<b>897</b>	<b>50</b>	<b>42</b>	<b>19.0</b>	<b>-85.3</b>	<b>74</b>	<b>66</b>	<b>12.1</b>	<b>302</b>	<b>359</b>
-CE adj. EBIT	25	38	51	-100	-74	35.1	NM	-183	-157	NM	-309	-197
-CV adj. EBIT	100	151	224	-155	-54	187.0	NM	-211	-110	NM	-266	-174
-PT adj. EBIT	102	198	363	15	8	87.5	-85.3	46	39	17.9	99	146
<b>Industrial adj. EBIT margin %</b>	<b>7.5</b>	<b>6.2</b>	<b>5.3</b>	<b>-6.7</b>	<b>-1.9</b>	<b>NM</b>	<b>NM</b>	<b>-4.5</b>	<b>-2.5</b>	<b>NM</b>	<b>-2.0</b>	<b>0.0</b>
<b>-AG adj. EBIT margin %</b>	<b>11.0</b>	<b>9.1</b>	<b>8.2</b>	<b>2.3</b>	<b>1.9</b>	<b>NM</b>	<b>NM</b>	<b>1.7</b>	<b>1.5</b>	<b>NM</b>	<b>3.3</b>	<b>3.9</b>
-CE adj. EBIT margin %	3.3	2.7	1.8	-26.4	-23.0	NM	NM	-22.9	-21.1	NM	-15.7	-10.7
-CV adj. EBIT margin %	3.7	3.0	2.1	-19.7	-5.4	NM	NM	-7.5	-3.6	NM	-3.6	-2.4
-PT adj. EBIT margin %	9.0	9.1	8.8	2.2	1.0	NM	NM	3.2	2.5	NM	3.2	4.4
Group net income	427	691	1,454	-264	-158	67.1	NM	-318	-212	1	-329	-29
Attributable net income	414	671	1,422	-264	-140	88.6	NM	-318	-205	1	-334	39
<b>Adj. EPS (USD)</b>	<b>0.32</b>	<b>0.50</b>	<b>0.84</b>	<b>-0.14</b>	<b>-0.11</b>	<b>30.6</b>	<b>NM</b>	<b>-0.19</b>	<b>-0.16</b>	<b>0</b>	<b>-0.14</b>	<b>-0.04</b>
<b>Net industrial debt</b>	<b>1524</b>	<b>1524</b>	<b>854.4</b>	<b>3,424.0</b>	<b>NA</b>	<b>NA</b>	<b>NM</b>	<b>3,424.0</b>	<b>NA</b>	<b>NA</b>	<b>1,947.4</b>	<b>NA</b>

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



## COIMA RES (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 31 July (before trading hours):** We expect COIMA RES 2Q20E gross rents to increase by 20.2% yoy to EUR 11M, due to the wider perimeter, with the NOI margin expected at 90% vs. 90.5% of 2Q19A. We estimate 2Q20E EBITDA to grow to EUR 7.5M, up by 32% yoy, thanks to the higher rental revenues and lower G&A, resulting from the asset management fee agreement renewal. We conservatively assume a further slight negative valuation revision at the hotel portion of Gaiotto asset for a total of EUR 2.9M (10% of end-March 2020 GAV), due to the change in future cash flows. We see 2Q20E EPRA EPS broadly in line yoy at EUR 0.09/share, as our assumed provision related to the hotel's invoices and the minorities' increase should compensate the higher operating performance. Net debt at end-June should slightly worsen qoq to EUR 284M (consolidated LTV at 37.1%), mainly due to dividends' payment, as we do not expect any material issue at the rents' collection activity.

**What we think:** If the results were to meet our estimates, we would see them aligned to both our 2020E forecasts and company-provided guidance on EPRA EPS (EUR 0.40/share to be revised in the case of a meaningful update, according to the company). We believe the stock is underrated, as current prices do not factor in the resiliency of the COIMA RES portfolio and the positive office market signals in Milan (slightly lower investment volumes yoy and prime net yield and rents stability yoy), despite the current adverse scenario, in our view.

## COIMA RES - Key data

23/07/2020	Real Estate		
Target Price (EUR)	10.5		
Rating	BUY		
Mkt price (EUR)	6.14		
Mkt cap (EUR M)	221		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	43.82	43.45	39.40
EBITDA	29.30	29.36	25.49
EPRA EPS (EUR)	0.41	0.45	0.34
Net debt/-cash	276.8	262.4	270.1
Ratios (x)	2020E	2021E	2022E
Adj. P/E	14.8	13.7	18.2
EV/EBITDA	19.6	19.0	22.2
EV/EBIT	16.0	15.8	18.3
LTV (%)	33.69	30.64	30.00
Div yield (%)	5.0	5.1	5.2
Performance (%)	1M	3M	12M
Absolute	-1.0	0.7	-25.5
Rel. to FTSE IT All Sh	-6.2	-17.3	-21.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to COIMA RES

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## COIMA RES – 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
Gross rents	9.1	17.8	37.3	11.0	20.2	22.1	23.8	43.8	42.9
NOI	8.3	16.0	33.4	9.9	19.6	19.9	24.6	39.0	NA
NOI margin %	90.5	89.5	89.6	90.0	-0.5	90.1	0.6	89.1	NA
EBITDA	5.7	11.2	23.5	7.5	32.2	15.1	35.2	29.3	28.8
EBIT	10.6	17.2	33.7	3.6	-65.5	10.2	-40.9	35.8	NA
Net profit	8.8	13.6	32.0	0.2	-97.5	3.6	-73.7	27.0	NA
EPRA earnings	3.8	7.3	14.0	3.1	-17.9	7.4	0.9	15.0	NA
EPRA EPS/sh. (EUR)	0.11	0.20	0.39	0.09	-17.9	0.20	0.9	0.41	0.38
EPRA NTA	428.8	428.8	440.1	440.2	2.7	440.2	2.7	468.6	NA
EPRA NTA/sh. (EUR)	11.9	11.9	12.2	12.19	2.7	12.19	2.7	12.98	NA
FFO adj.	4.1	8.0	17.6	6.0	45.9	12.3	53.6	21.9	NA
FFO adj./sh. (EUR)	0.11	0.22	0.49	0.17	45.9	0.34	53.6	0.61	NA
Net debt/-cash	170.2	170.2	297.5	283.7	66.7	283.7	66.7	276.8	NA
GAV	675.8	675.8	767.7	764.3	13.1	764.3	13.1	770.2	NA
LTV (consolidated, %)	28.3	28.3	38.8	37.1	31.1	37.1	31.1	35.9	NA

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

## D. Campari (HOLD)

## Results Preview

Possible Surprise      Positive      Neutral      Negative

**Results due on 28 July:** We expect Davide Campari 2Q20E LFL dropping 25%, mirroring the effects of the lockdown, which affected the on-premise channel across the board, notably on SEMEA (-48% LFL) being the region most exposed to that channel (70% of region sales). We anticipate a lower drop in the Americas (-15.5% LFL), due to a more contained exposure to the on-premise and benefiting from an increased home consumption. With the sales contraction mainly affecting the high-profitable aperitifs brands, such as Campari, Aperol but also CampariSoda and Crodino (overall, more than 30% of group sales), we look for a material gross margin contraction, largely compensated by A&P expenses reduction and a different phasing. However, we expect 2Q20E EBIT halving vis-à-vis last year and shrinking to EUR 54M, given the predominant portion of SG&A expenses being fixed.

**What we think:** A sharp LFL and margin contraction is widely expected, as indicated by management during 1Q20 results. The key question is the sales recovery from 3Q20, when lifted restrictions in most of company geographies should normalise the demand trend. However, we fear that with several bars and restaurants still closed in big cities in Italy (16% of group sales) and consumer habits being impacted by the extensively usage of the smart working, demand may regain momentum slower than expected. In addition, the rapid diffusion of the pandemic in the US (34% of group sales), where several states are failing to control the virus, represent a serious threat on 2H20 performance. The Campari stock price has shown a strong resiliency ahead of the business and now trades at 33.5x on 2021E P/E vs. a 5Y year avg. of 29x. Thus, given the high uncertainty over the demand evolution and the progression of the contagion, we reiterate **our HOLD recommendation**.

## D. Campari - Key Data

23/07/2020	Beverages & Tobacco		
Target Price (EUR)	6.5		
Rating	HOLD		
Mkt price (EUR)	8.15		
Mkt cap (EUR M)	9469		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	1,628.8	1,840.3	1,948.4
EBITDA	350.6	482.1	516.7
EPS (EUR)	0.16	0.24	0.27
Net debt/-cash	838.1	679.7	468.5
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	52.3	33.5	30.7
EV/EBITDA	29.4	21.1	19.2
EV/EBIT	37.0	24.9	22.6
Debt/EBITDA	2.4	1.4	0.91
Div yield (%)	0.7	0.7	0.7
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	5.8	22.4	-4.8
Rel. to FTSE IT All Sh	0.2	0.6	0.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Davide Campari - 2Q/1H20 preview

EUR M	2Q19A	FY19A	2Q20E	2Q20C	E/C %	yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
<b>Sales</b>	<b>478.1</b>	<b>1,842.5</b>	<b>358.5</b>	<b>359.8</b>	<b>-0.4</b>	<b>-25.0</b>	<b>718.7</b>	<b>720.0</b>	<b>-0.2</b>	<b>1,628.8</b>	<b>1,660.0</b>
LFL	6.9	5.9	-24.8	-25.2	-	-	-16.3	-17.0	-	-14.4	-
FX	2.1	2.1	-1.2	-	-	-	-0.4	-	-	-0.6	-
Perimeter	-0.8	0.4	1.0	-	-	-	1.4	-	-	3.3	-
<b>Gross Margin</b>	<b>302.0</b>	<b>1,121.2</b>	<b>184.6</b>	-	-	<b>-38.9</b>	<b>393.6</b>	-	-	<b>958.2</b>	-
on sales %	63.2	60.9	51.5	-	-	-	54.8	-	-	58.8	-
<b>CAAP</b>	<b>209.2</b>	<b>801.3</b>	<b>147.5</b>	-	-	<b>-29.5</b>	<b>299.3</b>	-	-	<b>673.0</b>	-
on sales %	43.8	43.5	41.2	-	-	-	41.7	-	-	41.3	-
<b>SG&amp;A</b>	<b>101.4</b>	<b>393.3</b>	<b>94.0</b>	-	-	<b>-7.3</b>	<b>198.0</b>	-	-	<b>388.2</b>	-
on sales %	21.2	21.3	26.2	-	-	-	27.5	-	-	23.8	-
<b>EBIT pre-one offs</b>	<b>107.9</b>	<b>408.0</b>	<b>53.6</b>	<b>55.1</b>	<b>-2.8</b>	<b>-50.4</b>	<b>101.5</b>	<b>103.0</b>	<b>-1.5</b>	<b>284.8</b>	<b>303.6</b>
on sales %	22.6	22.1	14.9	15.3	-	-	14.1	14.3	-	17.5	18.3
<b>EBIT post-one offs</b>	<b>100.0</b>	<b>386.3</b>	<b>53.6</b>	-	-	<b>-46.4</b>	<b>95.9</b>	-	-	<b>137.2</b>	-
on sales %	20.9	21.0	14.9	-	-	-	13.3	-	-	8.4	-
<b>PBT Post Minorities</b>	<b>90.5</b>	<b>354.6</b>	<b>42.6</b>	<b>49.3</b>	<b>-13.6</b>	<b>-53.0</b>	<b>73.1</b>	<b>84.0</b>	<b>-13.0</b>	<b>354.5</b>	-
on sales %	18.9	19.2	11.9	13.7	-	-	10.2	11.7	-	21.8	-
Net Profit	NA	308.40	NM	-	-	-	NM	-	-	181.11	-
Adj. Net Profit	NA	267.4	NM	-	-	-	NM	-	-	181.0	181.0
<b>EBITDA pre-one offs</b>	<b>125.5</b>	<b>479.8</b>	<b>53.6</b>	<b>NM</b>	-	<b>-57.3</b>	<b>121.1</b>	<b>NM</b>	-	<b>372.5</b>	<b>370.6</b>
on sales %	26.2	26.0	14.9	-	-	-	16.8	-	-	22.9	22.3
<b>EBITDA post-one offs</b>	<b>117.7</b>	<b>458.1</b>	<b>53.6</b>	<b>NM</b>	-	<b>-54.5</b>	<b>115.5</b>	<b>NM</b>	-	<b>366.5</b>	-
on sales %	18.9	24.9	14.9	-	-	-	16.1	-	-	22.5	-

\*pre one-offs; A: actual; E: estimates; C: FactSet consensus; Source: Company data and Intesa Sanpaolo Research

## De' Longhi (HOLD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** We expect De' Longhi to deliver a mid-single sales growth in 2Q20, despite the store closures for the entire month of April and a portion of May. We thus expect 2Q20 sales to grow by 5.6% (+6% LFL and -0.4% FX) to EUR 495M and adjusted EBITDA to rise more than proportionally (+9%) to EUR 67M, with the margin expanding by 40bps in the wake of the operating leverage, a disciplined pricing policy, the strong sales mix and state aid cost reductions, almost entirely offsetting production inefficiencies.

**What we think:** We reiterate **our HOLD recommendation** on the stock, mainly due to valuation ground.

## De' Longhi - Key Data

23/07/2020	H.Goods & Textiles		
Target Price (EUR)	22.7		
Rating	HOLD		
Mkt price (EUR)	24.94		
Mkt cap (EUR M)	3729		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	2,174.4	2,267.9	2,386.4
EBITDA	316.7	338.6	367.1
EPS (EUR)	1.09	1.19	1.31
Net debt/-cash	-358.3	-474.6	-603.7
Ratios (x)	2020E	2021E	2022E
Adj. P/E	22.8	21.0	19.0
EV/EBITDA	10.6	9.6	8.5
EV/EBIT	15.0	13.3	11.7
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	2.3	2.4	2.5
Performance (%)	1M	3M	12M
Absolute	7.5	60.9	47.1
Rel. to FTSE IT All Sh	1.8	32.2	55.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## De' Longhi - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	469.1	845.5	2101.1	495.4	-	-	5.6	891.8	-	-	2,006.20	1,928.50
Gross Margin	217.8	399.5	990.2	231.3	-	-	6.2	432.6	-	-	943.5	-
on sales %	46.4	47.3	47.1	46.7	-	-	-	48.5	-	-	47.0	-
Adj. EBITDA	61.3	97.8	295.3	66.9	-	-	9.2	112.1	-	-	280.1	-
on sales %	13.1	11.6	14.1	13.5	-	-	-	12.6	-	-	14.0	-
EBITDA	60.4	95.5	289.2	64.4	-	-	6.7	108.7	-	-	280.1	NM
on sales %	12.9	11.3	13.8	13.0	-	-	-	12.2	-	-	14.0	-
EBIT	41.4	58	210.9	44.7	-	-	8.1	69.9	-	-	193.7	-
on sales %	8.8	6.9	10.0	9.0	-	-	-	7.8	-	-	9.7	-
PBT	38.2	49.8	195.8	40.7	-	-	6.7	61.4	-	-	186.9	-
Net profit	NM	NM	161	NM	-	-	-	NM	-	-	140.2	148.3

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

## Diasorin (Under Review)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** We expect the top line to benefit from both the launch at the end of March of the molecular COVID-19 test and of the commercialisation since the end of April of the COVID-19 serological test, which should have more than offset the decline in the routine business. We also expect the new molecular test to have a positive impact on the group's operating profitability, also thanks to the excess demand on the market. We see the consolidated net cash position remaining broadly stable vs. end-March (EUR 215M), as the gross cash flow of the quarter should have been entirely absorbed by the capital expenditure and the dividend distribution in June 2020 (approx. EUR 52M).

**What we think:** We believe that at the current price the stock has factored in the potential benefits from the pandemic.

## Diasorin - Key data

23/07/2020	Medical Equipment		
Target Price (EUR)	Under Review		
Rating	Under Review		
Mkt price (EUR)	175.00		
Mkt cap (EUR M)	9791		
Performance (%)	1M	3M	12M
Absolute	2.5	6.1	70.4
Rel. to FTSE IT All Sh	-2.9	-12.9	80.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Diasorin - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	FY20C	FY yoy %
Sales	179.5	350.3	706.3	194.8	183.0	6.4	8.5	369.4	853.9	20.9
EBITDA	71.7	139.3	276.8	76.9	76.2	1.0	7.2	141.4	344.4	24.4
% on sales	40.0	39.8	39.2	39.5	41.6	-	-	38.3	40.3	-
EBIT	57.3	110.2	217.9	61.0	62.3	NA	6.4	110.4	285.9	31.2
% on sales	31.9	31.5	30.9	31.3	34.0	-	-	29.9	33.5	-
Pre-tax profit	56.5	109.1	216.3	61.3	56.6	NA	8.4	110.3	285.6	32.0
Net profit	43.6	84.0	175.7	48.4	46.9	NA	10.9	84.0	220.6	25.6

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

## Enel (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** We expect a decline in 2Q20E EBITDA due to the weaker performance in all the divisions, with the exception of Italy. Globally, we expect a weaker performance by the retail business and infrastructure, the latter mainly in Latam, affected by lower volumes, forex and one-off positive items. These negatives should be partially offset by higher EBITDA from renewables, driven by the enlarged capacity. In terms of operations, Enel increased its renewables capacity by around 3.5GW yoy (mostly in Iberia, Latam and North America), and reduced its coal installed capacity by more than 6GW. Italy's performance should be mostly driven by a positive thermal power generation, which benefitted from price hedging policies, networks resilience to the lower volumes related to the lockdown, partially offset by the declining domestic retail sales volumes. Iberia should mainly suffer from lower thermal power generation volumes, due to the lockdown-related lower demand and prices, partially offset by higher renewables volumes, supported by the capacity increase in Spain. The Retail business is seen as stable yoy. Latam's 2Q20 EBITDA should be slightly down due a slightly lower performance by networks, partially offset by renewables, with the main negative drivers being the lower volumes and forex. We expect 2Q20E adj. net income to decline reflecting the lower EBITDA, with 2H20E adj. net income broadly flat yoy. Net debt should increase due to capex and an increase of working capital related to the COVID-19 effect, already announced at the time of 1Q20 results.

**What we think:** Overall, we see 2Q20 financials as impacted by the lockdown effect, mostly in Latam, driving lower volumes, and unfavorable forex, partially offset by the higher renewable power contribution. We see the COVID-19 effect should be temporary, as we expect a recovery in 2H20.

## Enel - Key Data

23/07/2020	Electricity		
Target Price (EUR)	8.8		
Rating	ADD		
Mkt price (EUR)	8.19		
Mkt cap (EUR M)	83308		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	83.47	86.82	89.46
EBITDA	18.43	19.49	20.27
EPS (EUR)	0.52	0.57	0.60
Net debt/-cash	47.29	46.87	47.74
Ratios (x)	2020E	2021E	2022E
Adj. P/E	15.6	14.5	13.7
EV/EBITDA	8.6	8.0	7.7
EV/EBIT	13.7	12.6	12.0
Debt/EBITDA	2.6	2.4	2.4
Div yield (%)	4.5	4.8	5.1
Performance (%)	1M	3M	12M
Absolute	7.8	36.9	30.6
Rel. to FTSE IT All Sh	2.1	12.4	38.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Enel – 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C	2Q yoy	1H20E	1H20C	1H E/C	FY20E	FY20C
EBITDA reported	4,358	8,907	17,704	3,866			-11	8,579			18,360	18,121
EBITDA ordinary	4,308	8,763	17,905	3,866	3,877	0	-10	8,607	8,618	0	18,360	
ITALY	1,797	3,719	7,689	1,899			6	3,907			7,883	
IBERIA	949	1,857	3,895	871			-8	2,325			4,208	
LATAM	1,335	2,657	5,303	860			-36	1,932			5,224	
EUROPE & North Africa	120	226	485	111			-7	241			504	
North AMERICA	175	415	799	139			-21	246			604	
AFRICA, ASIA & Oceania	9	25	61	20			124	36			86	
Other	-77	-136	-327	-34				-80			-150	
EBIT Reported	2,231	5,213	6,878	2,236	2,212	1	0	5,344	5,353	0	11,487	11,539
EBIT Ordinary	2,528	5,416		2,236			-12	5,724				
Pre-tax Income	1,615	3,887	4,312	1,669	1,908	-13	3	4,174	4,396	-5	9,430	9,315
Tax rate	23%	26%	19%	26%				30			28	
Net Income	958	2,215	2,174	989	985	0	3	2,253		!	5,273	
Net Income (ordinary, adj.)	1,118	2,277	4,767	995	1,010	-1	-11	2,276	2,291	-1	5,273	5,169
EPS (EUR)	0.11	0.22	0.47	0.10			-11	0.22			0.52	0.51
Net Debt (EUR Bn)	45,391	45,391	45,175	49,836	49,209	1	10	49,836			47,339	48,016

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

## Eni (BUY)

## Results Preview

Possible Surprise      Positive      Neutral      Negative

**Results due on 30 July (before trading hours):** We expect 2Q20E adjusted EBIT to decline materially yoy, reflecting the lower oil price scenario, gas price and volumes. These negatives are largely tied to the COVID-19 effect, which drastically reduced energy demand and supply, should lead to a lower E&P performance. We expect that this could be partially offset by a better G&P performance, despite lower gas volumes. We assume refining to have suffered from lower fuels demand, mostly due to aviation and transportation. We see net debt increasing due to the lower operating cash flow and dividend distribution (EUR 0.43/share final tranche related to 2019).

**What we think:** If 1H20 results confirm our estimates, we would see our FY20E as optimistic. We view the announcement on interim dividend proposal for fiscal 2020 could be the main issue, with market consensus already factoring in a 30% cut vs. last year's tranche.

## Eni - Key Data

23/07/2020	Oil & Gas		
Target Price (EUR)	11.2		
Rating	BUY		
Mkt price (EUR)	8.71		
Mkt cap (EUR M)	31415		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	63.23	75.64	81.85
EBITDA	10.06	14.00	16.37
EPS (EUR)	0.15	0.61	0.86
Net debt/-cash	17.99	16.76	15.83
Ratios (x)	2020E	2021E	2022E
Adj. P/E	58.4	14.3	10.1
EV/EBITDA	3.9	2.7	2.3
EV/EBIT	20.0	6.3	4.6
Debt/EBITDA	1.8	1.2	0.97
Div yield (%)	10.2	10.5	10.8
Performance (%)	1M	3M	12M
Absolute	-1.1	4.3	-39.2
Rel. to FTSE IT All Sh	-6.3	-14.3	-35.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Eni – 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
EBIT adj.	2,279	4,944	8,597	-655	-900	37	NM	652	407	60	1,972	1,843
Exploration & Production	2,140	4,827	8,640	-561	-	-	NM	476	-	-	1,534	-
Gas & Power	46	430	654	216	-	-	NM	647	-	-	416	-
Refining & Marketing	76	79	220	-40	-	-	NM	41	-	-	481	-
Petchem	-28	65	-268	-100	-	-	NM	-165	-	-	-9	-
Others	45	-457	-649	-170	-	-	NM	-347	-	-	-450	-
Pre-tax income	2,032	4,375	5,892	-4,555	-640	-86	NM	-6,183	134	NM	1,505	346
Tax rate (%)	73	62	64	NM	-	-	-	-16	-	-	64	-
Adj. Net Income (attributable)	562	1,745	2,876	-1,359	-1,038	-24	NM	-1,300	-979	33	1,979	-339
Net debt	13,591	9,897	17,125	21,100	21,032	0.3	55	21,100	-	NM	17,993	-
Dvd paid	1,479	1,443	2,995	1,551	-	-	5	1,551	-	NM	3,103	-
Interim dvd /FY dvd (EUR/sh)	0.43	-	-	0.43	0.30	43	0	-	-	-	0.89	-
Oil production (kboepd)	1,825	1,829	1,871	1,685	-	-	-8	1,730	-	-5	1,758	-
Avg. realisation price (USD/boe)	45.2	45.00	43.5	22.8	-	-	-50	28.2	-	-37	27.8	-
EUR/USD	1.12	1.13	1.12	1.10	-	-	-	1.10	-	-3	1.12	-
Brent price (USD/bbl)	68.8	66.01	64.3	31.4	-	-	-	40.9	-	-38	40.0	-

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

## ERG (BUY)

## Results Preview

Possible Surprise Positive Neutral Negative

**Results due on 31 July (before trading hours):** We expect 2Q20E EBITDA to decline yoy, mostly due to the lower hydroelectric performance. In detail, we estimate hydroelectric and wind power generation 2Q20E EBITDA to decrease, mainly due to lower volumes. In the case of wind power, it should be partially offset by the capacity increase. Thermal power generation EBITDA should be resilient and slightly declining, as it could have suffered from lower demand, partially offset by the hedging of prices. PV power generation should be stable yoy. We estimate net income down yoy, mostly due to the lower EBITDA, partially offset by a lower tax rate. Net debt should be broadly stable, as the operating cash flow should have offset dividends (EUR 112M) and capex (we assume around EUR 40M).

**What we think:** Overall, we expect 2Q20E financials to reveal broadly resilient to the COVID-19 effect. In terms of volumes, we expect that the major effects should relate to the resource availability. Sales prices should reveal to be relatively resilient vs. a tough domestic power price scenario (mostly affected by the COVID-related lockdown), thanks to the natural hedging of incentives. If 2Q results were to confirm our estimates, we would see them broadly on track with the company guidance of a FY20 EBITDA in the range of EUR 480-500M.

## ERG - Key Data

23/07/2020	Electricity		
Target Price (EUR)	22.0		
Rating	BUY		
Mkt price (EUR)	21.00		
Mkt cap (EUR M)	3150		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	1,033.5	1,140.1	1,159.2
EBITDA	486.4	554.7	567.6
EPS (EUR)	0.67	0.95	1.01
Net debt/-cash	1,389.0	1,505.8	1,458.6
Ratios (x)	2020E	2021E	2022E
Adj. P/E	31.3	22.2	20.9
EV/EBITDA	9.4	8.4	8.1
EV/EBIT	24.5	18.7	17.6
Debt/EBITDA	2.9	2.7	2.6
Div yield (%)	3.6	3.6	3.6
Performance (%)	1M	3M	12M
Absolute	9.9	24.3	16.0
Rel. to FTSE IT All Sh	4.2	2.1	22.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## ERG – 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
EBITDA	110	274	504	98	-	-	-10.9	254	-	-	486	493
<b>Breakdown of EBITDA</b>												
Wind Power	56	171	301	54	-	-	-3.3	163	-	-	289	NA
Hydro	21	44	87	12	-	-	-41.5	36	-	-	109	NA
PV gen	21	34	63	21	-	-	0.0	33	-	-	51	NA
Thermal	17	34	69	15	-	-	-14.5	30	-	-	53	NA
Corp.&Others	-5	-9	-16	-4	-	-	NM	-8	-	-	-15	NA
EBIT	36	128	205	24	-	-	-33.4	106	-	-	186	187
Pre-tax Income	21	95	144	12	-	-	-	80	-	-	137	135
Tax rate (%)	33	30	27	22	-	-	-	22	-	-	26	NA
Net income	13	67	104	9	-	-	-28.9	62	-	-	100	NA
Adj. Net income	13	67	104	9	-	-	-28.9	62	-	-	100	101
Net debt / -cash	1,662	1,662	1,477	1,484	-	-	-11.0	-1,484	-	-	1,389	1,427

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



## FCA (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 31 July:** As also indicated by the CEO at the release of 1Q20 results, the impact of the COVID outbreak is expected to be much more material in the second quarter, leading to operating adjusted losses across all the areas with a sequentially higher negative FCF reflecting the higher NWC absorption. For 2Q20E, we estimate total shipments down by 48% yoy to 577k, with NAFTA down by 38%, LATAM by 57% and Europe by 60%. Based on total revenues slowing by 45% yoy to EUR 14.8Bn, we estimate a 2Q20E consolidated adjusted EBIT loss of EUR 1.9Bn. By geographic area, we expect NAFTA to limit the losses to EUR 611M, better than FactSet consensus, thanks to a positive product mix (in high value-added brands, Jeep and Ram, shipments slowdown was more contained than the overall volumes drop in the region) and to a favourable channel mix more skewed towards the private segment, usually more profitable than the fleet channel. We also highlight that even during the lockdown part (around 50%) of the US dealers were open. On the flip side, for EMEA, we expect much higher operating losses in the region of EUR 1Bn. Overall, we estimate a 2Q20E net loss of EUR 1.6Bn. At the industrial FCF level, we assume a higher cash absorption vs. 1Q (FCA was negative for around EUR 5Bn) in the region of EUR 6Bn.

**What we think:** With low visibility on the exit speed of the car market in June and on the potential market demand in 2H, we would not be surprised if FCA decides to not release precise FY20 guidance. However, we expect management to give some helpful indications for year-end and more highlights on the execution of the EUR 2Bn cost savings plan expected for the year, EUR 600M of which should be retained beyond 2020. More than group fundamentals, our BUY rating relies so far on the execution of the merger plan with PSA expected by the end of 1Q21.

## FCA - Key Data

23/07/2020 Auto & Components			
Target Price (EUR)	9.4		
Rating	BUY		
Mkt price (EUR)	9.16		
Mkt cap (EUR M)	14200		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	78.70	88.68	95.02
EBITDA	6.00	8.87	10.84
EPS (EUR)	-0.27	1.41	2.21
Net debt/-cash	0.98	-0.09	0.69
Ratios (x)	2020E	2021E	2022E
Adj. P/E	Neg.	6.5	4.1
EV/EBITDA	2.6	1.6	1.4
EV/EBIT	17.4	4.2	3.0
Debt/EBITDA	0.16	Neg.	0.06
Div yield (%)	7.8	7.9	9.1
Performance (%)	1M	3M	12M
Absolute	6.9	26.3	-23.7
Rel. to FTSE IT All Sh	1.3	3.7	-19.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## FCA - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	E/C %	yoy %	1H20E	1H20C	E/C %	FY20E	FY20C
Total group revenues	26,741	51,222	108,187	14,817	13,909	6.5	-45	35,384	34,476	2.6	78,702	85,544
-NAFTA	17,639	33,696	73,357	10,647	8,248	29.1	-40	25,188	22,789	10.5	54,421	58,189
-LATAM	2,050	3,982	8,461	748	899	-16.8	-63	2,070	2,221	-6.8	5,657	5,465
-APAC	762	1,354	2,814	600	570	5.3	-21	1,066	1,036	2.9	2,322	2,380
-EMEA	5,564	10,634	20,571	2,409	2,692	-10.5	-57	6,141	6,424	-4.4	14,568	15,456
-Maserati	343	814	1,603	172	211	-18.7	-50	426	465	-8.5	1,378	1,285
-Others & eliminations	383	742	3,413	241	559	-56.8	-37	493	811	-39.2	2,389	2,590
Adj EBIT	1,527	2,594	6,668	-1,902	-1,969	-3.4	NM	-1,850	-1,917	-3.5	1,613	530
-NAFTA	1565.0	2609.0	6690.0	-610.7	-914	-33.2	NM	-62.7	-366	NM	3537.3	2,712
-LATAM	110.0	215.0	501.0	-100.0	-227	-55.9	NM	-127.0	-254	NM	141.4	-238
-APAC	-12.0	-21.0	-36.0	-40.0	-60	-33.3	NM	-99.0	-119	NM	-197.3	-122
-EMEA	22.0	3.0	-6.0	-1001.1	-608	64.7	NM	-1271.1	-878	NM	-1311.1	-1155
-Maserati	-119.0	-108.0	-199.0	-100.0	-110	-9.1	NM	-175.0	-185	NM	-165.4	-235
-Comp. & Prod. systems and elision	-39.0	-104.0	-282.0	-50.0	-20	150.0	NM	-115.0	-85	NM	-391.8	-287
Adj EBIT margin %	5.7	5.1	6.2	-12.8	-14.2	NM	NM	-5.2	-5.6	NM	2.0	0.6
-NAFTA margin %	8.9	7.7	9.1	5.5	-11.1	NM	NM	5.5	-1.6	NM	6.5	4.7
-LATAM margin %	5.4	5.4	5.9	4.0	-25.3	NM	NM	4.0	-11.4	NM	2.5	-4.4
-APAC margin %	-1.6	-1.6	-1.3	-8.0	-10.5	NM	NM	-8.0	-11.5	NM	-8.5	-5.1
-EMEA margin %	0.4	0.0	0.0	-6.0	-22.6	NM	NM	-6.0	-13.7	NM	-9.0	-7.5
-Maserati margin %	-34.7	-13.3	-12.4	-58.3	-52.1	NM	NM	-41.1	-39.8	NM	-12.0	-18.3
-Comp. & Prod. systems margin %	-10.2	-14.0	-8.3	-20.7	-3.6	NM	NM	-23.3	-10.5	NM	-16.4	-11.1
Pre-tax profit	1,110	1,823	4,021	-2,152	-2,315	NM	NM	-3,021	-3,184	NM	-312	-506
Net Profit	4,652	5,270	6,630	-1,652	-1,640	0.7	NM	-3,346	-3,334	0.4	-1,137	-1497
Net Adj profit	928	1,499	4,297	-1,652	-2,100	-21.3	NM	-2,123	-3,794	-44.0	-429	-1230
Net Industrial debt/-cash	-3,314	-3,314	-4,901	6,003	6,238	-3.8	NM	6,003	6,238	-3.8	981	889

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

## Fincantieri (HOLD)

## Results Preview

Possible Surprise      Positive      Neutral      Negative

**Results due on 30 July:** Fincantieri 2Q figures are expected to be materially impacted by the COVID lockdown, which caused four weeks of complete shutdown in production. In comparison with our initial 1H20 projections (as published in our report of 29 May), we believe that, after an initial phase of very low production rate (just immediately after the lockdown lift), the group managed to resume a normalised production rate in a relatively short time. On the back of a 44% revenues slowdown in 2Q20E, 1H20E top line should come in at around EUR 2.1Bn, down by 25% yoy (vs. our previous -30% expectation). The shutdown in activity production is obviously expected to affect 2Q EBITDA, which we estimate to slowdown from EUR 125M in 2Q19 to EUR 35M, leading to an EBITDA of EUR 107M in 1H20E (a bit better than our end of May expectations, thanks to some costs containment from temporary layoffs), and an EBIT at EUR 23.3M. At the operating level, we estimate a negative impact from the lower volumes' activity in the region of EUR 50M for 1H20E. Below the EBIT line, we expect the group to account significant extraordinary costs from COVID (around EUR 98M in 1H20). We estimate a 1H20E net loss in the region of EUR 153M (EUR -128.5M adjusted). We assume a EUR 1Bn net debt, which should be impacted by the lack of the deliveries in cruise ships scheduled for 2Q.

**What we think:** Fincantieri is now strongly focused on preserving its backlog and the negotiations with shipowners for the arrangement of a new cruise delivery schedule. Due to the current situation, while the group's business plan update was expected at 2Q, we would not be surprised if the company decides to postpone it when negotiations with shipowners will be over.

## Fincantieri - Key Data

23/07/2020	Shipbuilding		
Target Price (EUR)	0.63		
Rating	HOLD		
Mkt price (EUR)	0.63		
Mkt cap (EUR M)	1060		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	4,992.7	5,571.9	6,014.3
EBITDA	251.9	322.2	423.7
EPS (EUR)	-0.07	0.02	0.05
Net debt/-cash	1,315.9	1,178.9	948.4
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	Neg.	30.9	11.5
EV/EBITDA	9.3	6.8	4.6
EV/EBIT	27.7	16.4	9.1
Debt/EBITDA	5.2	3.7	2.2
Div yield (%)	0	0	1.0
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-0.8	0.7	-37.3
Rel. to FTSE IT All Sh	-6.0	-17.3	-33.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Fincantieri - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
<b>Revenues</b>	<b>1,452</b>	<b>2,837</b>	<b>5,849</b>	<b>819</b>	<b>NA</b>	<b>NA</b>	<b>-44</b>	<b>2,126</b>	<b>NA</b>	<b>NA</b>	<b>4,993</b>	<b>5,875.0</b>
-Shipbuilding	1,297.0	2,410.0	5,088.0	717.4	NA	NA	-45	1,850.4	NA	NA	4,385.1	NA
-Offshore	90.0	314.0	440.0	100.0	NA	NA	11	226.0	NA	NA	341.5	NA
-E,S&S	201.0	371.0	899.0	101.1	NA	NA	-50	306.1	NA	NA	825.1	NA
<b>EBITDA</b>	<b>125.0</b>	<b>215.0</b>	<b>320.0</b>	<b>35.1</b>	<b>NA</b>	<b>NA</b>	<b>-72</b>	<b>107.1</b>	<b>NA</b>	<b>NA</b>	<b>251.9</b>	<b>273.7</b>
-Shipbuilding	163.0	246.0	375.0	42.1	NA	NA	-74	114.1	NA	NA	234.6	NA
-Offshore	-50.0	-52.0	-107.0	-5.0	NA	NA	-90	-6.0	NA	NA	-7.0	NA
-E,S&S	21.0	39.0	90.0	10.0	NA	NA	-52	22.0	NA	NA	66.3	NA
<b>EBITDA margin %</b>	<b>8.6</b>	<b>7.6</b>	<b>5.5</b>	<b>4.3</b>	<b>NA</b>	<b>NM</b>	<b>NM</b>	<b>5.0</b>	<b>NA</b>	<b>NM</b>	<b>5.0</b>	<b>4.7</b>
-Shipbuilding	12.6	10.2	7.4	5.9	NA	NM	NM	6.2	NA	NM	5.4	NA
-Offshore	-55.6	-16.6	-24.3	-5.0	NA	NM	NM	-2.7	NA	NM	-2.1	NA
-E,S&S	10.4	10.5	10.0	9.9	NA	NM	NM	7.2	NA	NM	8.0	NA
<b>EBIT</b>	<b>NA</b>	<b>137.0</b>	<b>153.0</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>23.3</b>	<b>NA</b>	<b>NA</b>	<b>91.0</b>	<b>137.3</b>
<b>Net attributable income</b>	<b>NA</b>	<b>16.0</b>	<b>-139.9</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>-153.5</b>	<b>NA</b>	<b>NA</b>	<b>-164.7</b>	<b>NM</b>
<b>Adj. net attributable</b>	<b>NA</b>	<b>39.0</b>	<b>-86.9</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>-128.5</b>	<b>NA</b>	<b>NA</b>	<b>-114.7</b>	<b>NM</b>
<b>Net debt</b>	<b>724.0</b>	<b>724.0</b>	<b>736.0</b>	<b>1,010.7</b>	<b>NA</b>	<b>NA</b>	<b>39.6</b>	<b>1,010.7</b>	<b>NA</b>	<b>NA</b>	<b>1,315.9</b>	<b>1,055.0</b>

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

**Finecobank (HOLD)****Results Preview**

**Possible Surprise**                      **Positive**                      **Neutral**                      **Negative**

**Results due on 31 July:** We estimate a 2Q20E net profit of EUR 87.4M for Finecobank, +21.7% yoy, driven by an expected increase of 22.7% in total net revenues (thanks to net commissions, which we forecast at EUR 102M, up 25.5% yoy), more than offsetting an 8% estimated growth to EUR 67.3M in operating expenses (which takes into account the costs related to the UK project). As regards the business mix, the EUR 197.7M estimated total net revenues benefit from EUR 64.7M contribution from Brokerage (a level of approx. EUR 128M of revenues for the business segment in 1H was already indicated by the company in the press release on June net inflows). The 4.4% expected qoq decline in net profit is essentially due to a decrease in total net revenues, related to Investing net commissions, affected by lower average AuM in 2Q vs. 1Q. A conference call is scheduled at 13:30 CET (Italy: +39 02 805 88 11; UK: +44 121 281 8003; US +1 718 7058794; US toll-free +1 855 2656959).

**What we think:** We believe that 2Q20 results should confirm Finecobank's resilience in the difficult market environments, also leveraging on its counter-cyclical brokerage business, which benefits from volatility. We expect investors to be interested in the outlook for 2H, with particular reference to the Investing business, considering the acceleration in AuM net inflows in 2Q (EUR +1.84Bn vs. EUR -0.23Bn in 1Q), and in an update on the UK business.

**Finecobank - Key data**

23/07/2020	Asset Gatherers		
Target Price (EUR)	9.8		
Rating	HOLD		
Mkt price (EUR)	13.18		
Mkt cap (EUR M)	8019		
Main Metrics (€ M)	2020E	2021E	2022E
Tot net revenues	716.0	708.4	766.7
Operating profit	451.4	438.4	491.4
Net income	290.4	284.3	321.3
Cust assets (€ Bn)	79.95	87.00	94.12
Ratios (%)	2020E	2021E	2022E
Adj. P/E (x)	29.5	30.1	26.5
P/tot cust assets	10.0	9.2	8.5
NP/tot cust assets	0.34	0.32	0.33
Div ord yield	2.5	2.6	2.8
Performance (%)	1M	3M	12M
Absolute	8.8	50.5	35.5
Rel. to FTSE IT All Sh	3.1	23.6	43.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Finecobank - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q qoq %	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
Net interest income	71.4	141.8	68.1	68.5	69.4	-1.2	0.7	-4.0	136.6	-3.6	281.1	NA
Net fees	81.3	158.6	105.0	102.0	NA	NA	-2.9	25.5	207.0	30.5	366.8	NA
<b>Total net revenues</b>	<b>161.1</b>	<b>318.8</b>	<b>200.1</b>	<b>197.7</b>	<b>NA</b>	<b>NA</b>	<b>-1.2</b>	<b>22.7</b>	<b>397.7</b>	<b>24.8</b>	<b>716.0</b>	<b>742.0</b>
Banking	74.3	146.4	74.6	75.5	NA	NA	1.2	1.6	150.1	2.5	303.4	NA
Investing	57.6	111.8	60.9	56.5	NA	NA	-7.2	-1.9	117.4	5.0	232.6	NA
Brokerage	31.6	61.8	63.4	64.7	NA	NA	2.0	104.3	128.1	107.0	183.5	NA
Operating costs	62.3	127.5	66.5	67.3	NA	NA	1.1	8.0	133.8	4.9	264.6	NA
<b>Operating profit</b>	<b>98.8</b>	<b>191.3</b>	<b>133.6</b>	<b>130.4</b>	<b>NA</b>	<b>NA</b>	<b>-2.4</b>	<b>32.0</b>	<b>264.0</b>	<b>38.0</b>	<b>451.4</b>	<b>NA</b>
<b>Pre-tax profit</b>	<b>103.5</b>	<b>193.0</b>	<b>131.4</b>	<b>124.9</b>	<b>124.9</b>	<b>0.0</b>	<b>-4.9</b>	<b>20.7</b>	<b>256.3</b>	<b>32.8</b>	<b>413.2</b>	<b>437.2</b>
<b>Net profit</b>	<b>71.8</b>	<b>134.1</b>	<b>91.4</b>	<b>87.4</b>	<b>87.4</b>	<b>0.0</b>	<b>-4.4</b>	<b>21.7</b>	<b>178.9</b>	<b>33.4</b>	<b>290.4</b>	<b>305.8</b>

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

## Generali (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July (before trading hours):** We expect a 2Q20E net profit of EUR 692M, a 33.8% yoy decline, also impacted by EUR -183M net of taxes (to be recorded under results from discontinued operations) related to the end of the arbitration with BTG Pactual on BSI's disposal vs. a 2Q19A that benefitted from a significant positive impact from results from discontinued operations. We forecast a quarterly consolidated operating profit of EUR 1,182M, -14.2% yoy, penalised by life (-19% yoy to EUR 653M, according to our projections), with non-life basically flat at EUR 578M, helped by an expected strong technical profitability (we see a 1H20E combined ratio of 89.8%, not far from the 89.5% recorded in 1Q20A, and better than 91.8% of 1H19A), offsetting lower contribution from rentals and dividends. We also expect a flattish contribution vs. 2Q19A from asset management, with EUR 115M in 2Q20E, leading to EUR 208M in 1H20E, an almost 12% yoy growth. We estimate an economic Solvency ratio of 198% at end-June vs. 196% at end-March. A Q&A conference call is scheduled on 30 July at 12:00 CET (Italy: +39 02 805 88 11; UK +44 121 281 8003; US +1 718 7058794).

**What we think:** We expect a significant recovery in 2Q net profit vs. 1Q, driven by the recoveries in net impairments on investments, which significantly penalised 1Q20A (EUR -655M net). We believe that in the conference call investors' focus will be on the group's strategic developments, starting from the partnership with Cattolica.

## Generali - Key data

23/07/2020	Insurance		
Target Price (EUR)	15.6		
Rating	ADD		
Mkt price (EUR)	13.91		
Mkt cap (EUR M)	21923		
Main Metrics (€ Bn)	2020E	2021E	2022E
Premiums	68.83	70.64	72.85
Operating profit	4.90	5.26	5.50
Adj. EPS (EUR)	1.18	1.68	1.75
Net comb ratio (%)	91.5	92.2	92.6
Ratios (%)	2020E	2021E	2022E
Adj. P/E (x)	11.7	8.3	8.0
P/TBV (x)	1.07	1.04	1.00
RoTE	8.8	12.7	12.8
Solvency II ratio	206.4	214.4	222.2
Div ord yield	6.9	7.2	7.5
Performance (%)	1M	3M	12M
Absolute	3.6	12.5	-17.9
Rel. to FTSE IT All Sh	-1.9	-7.6	-13.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Generali - 2Q/1H20 preview

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q qoq%	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
<b>GWP</b>	<b>16,855</b>	<b>35,728</b>	<b>19,164</b>	<b>16,500</b>	-	-	-13.9	-2.1	<b>35,664</b>	<b>-0.2</b>	<b>68,830</b>	-
Non-life	5,036	11,407	6,841	5,350	-	-	-21.8	6.2	12,191	6.9	21,510	-
Life	11,819	24,321	12,323	11,150	-	-	-9.5	-5.7	23,473	-3.5	47,320	-
<b>Operating profit</b>	<b>1,378</b>	<b>2,724</b>	<b>1,448</b>	<b>1,182</b>	-	-	-18.4	-14.2	<b>2,630</b>	<b>-3.5</b>	<b>4,900</b>	-
Non-life	573	1,121	627	578	-	-	-7.9	0.8	1,205	7.5	2,055	-
Life	807	1,611	799	653	-	-	-18.2	-19.0	1,452	-9.9	2,999	-
Combined ratio %	91.8	91.8	89.5	90.1	-	-	-	-	89.8	-	91.5	-
<b>Net profit</b>	<b>1,045</b>	<b>1,789</b>	<b>113</b>	<b>692</b>	-	-	<b>673.2</b>	<b>-33.8</b>	<b>805</b>	<b>-55.0</b>	<b>1,809</b>	-

NA: not available; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Hera (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** We expect EBITDA in 1H20E to increase by around 4% yoy mostly thanks to the better performance by the gas and electricity divisions. They both benefitted from the full consolidation of the JV EstEnergy clients, which should more than offset the lower gas and power volumes per client. We also expect a positive performance by the waste sector, mostly thanks to the solid price for special waste treatment, new plant capacity, and additional landfill capacity from M&A. We believe that these positives could offset the incentives phase-off. The water business should remain broadly stable as efficiency should offset lower tariffs. We see 1H20E EBIT up by around 3% yoy as the EBITDA increase should be partially offset by higher D&A. We see 1H20 net income as broadly stable yoy as the higher net financial charges should be offset by a lower tax rate. Net debt should increase due to capex and a working capital increase.

**What we think:** If the results confirm our estimates, we would see this set of results as well on track with our FY20E estimates. The company should confirm its resilience to the lower gas and power demand during the lockdown. In the medium term, we expect Estenergy to give a more material contribution to earnings. In the long term, we expect the company to benefit from the circular economy policies.

## Hera - Key Data

23/07/2020	Multi-Utilities		
Target Price (EUR)	4.7		
Rating	BUY		
Mkt price (EUR)	3.37		
Mkt cap (EUR M)	5017		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	6,500.8	6,632.3	6,751.9
EBITDA	1,136.6	1,198.9	1,229.5
EPS (EUR)	0.21	0.22	0.23
Net debt/-cash	3,349.9	3,457.7	3,549.7
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	16.3	15.2	15.0
EV/EBITDA	7.6	7.3	7.3
EV/EBIT	14.1	13.2	13.2
Debt/EBITDA	2.9	2.9	2.9
Div yield (%)	3.1	3.3	3.4
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-2.7	3.6	-2.7
Rel. to FTSE IT All Sh	-7.8	-14.9	2.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Hera - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
<b>EBITDA</b>	<b>215.1</b>	<b>545.9</b>	<b>1,085.0</b>	<b>223.6</b>	-	-	<b>4</b>	<b>572.8</b>	-	-	<b>1,136.6</b>	<b>1,123</b>
Gas	44.6	195.6	341.6	45.7	-	-	-	206.6	-	-	348.3	-
Electricity	41.3	86.3	178.5	42.5	-	-	-	94.7	-	-	191.7	-
Water	63.8	122.8	265.3	65.0	-	-	-	122.2	-	-	278.6	-
Waste	59.0	126.3	264.2	62.0	-	-	-	132.2	-	-	283.0	-
Others	6.4	14.9	35.4	8.5	-	-	-	17.2	-	-	35.0	-
Total D&A	-131.2	-257.0	-542.6	-138.0	-	-	-	-275.5	-	-	-523.8	-
<b>EBIT</b>	<b>83.9</b>	<b>288.9</b>	<b>542.5</b>	<b>85.6</b>	-	-	<b>2</b>	<b>297.3</b>	-	-	<b>612.7</b>	-
EBIT margin %	6.4	8.6	8.8	6.5	-	-	-	16.8	-	-	9.4	-
NFC	-23.8	-44.9	-100.0	-26.0	-	-	-	-54.7	-	-	-109.0	-
<b>EBT</b>	<b>60.1</b>	<b>244.0</b>	<b>442.5</b>	<b>59.6</b>	-	-	<b>-1</b>	<b>242.6</b>	-	-	<b>503.7</b>	-
tax rate	26.5	30.0	28.3	27.0	-	-	-	28.4	-	-	29.8	-
Tax	-15.9	-70.1	-125.4	-16.1	-	-	-	-68.8	-	-	-150.1	-
Discontinued/One-offs	0.0	0.0	84.9	0.0	-	-	-	0.0	-	-	0.0	-
Net income	44.2	173.9	401.9	43.5	-	-	-	173.8	-	-	353.6	-
Minorities	2.2	7.7	16.3	2.0	-	-	-	7.9	-	-	46.0	-
Group net income reported	42.0	166.2	385.6	41.5	-	-	-1	165.9	-	-	307.6	-
<b>Group net income adj.</b>	<b>42.0</b>	<b>166.2</b>	<b>300.7</b>	<b>41.5</b>	-	-	<b>-1</b>	<b>165.9</b>	-	-	<b>307.6</b>	<b>301</b>
Capex	119	215	533.8	140.0	-	-	-	271.0	-	-	600.0	-
Net debt	2685.2	2685.2	3,274.2	3,341.6	-	-	-	3,341.6	-	-	3,349.9	3,324

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

## Italgas (ADD)

## Results Preview

Possible Surprise      Positive      Neutral      Negative

**Results due on 27 July:** We expect revenues to rise, mostly due to the consolidation of Toscana Energia (from 4Q19A), which should have a positive effect of around EUR 35M yoy. This positive should be partially offset by negative effect of lower other distribution revenues. Opex should increase due to the above mentioned change of perimeter (EUR +10M yoy), partially offset by around EUR 2M efficiencies. Despite COVID-19 contagion, 1H20E capex should be mostly in line with the FY20 company guidance. Net debt should increase mostly due to the payment of dividends.

**What we think:** If the results were to confirm our estimates, we would see broadly on track with our FY20E estimates. From the conference call, we expect an update on development capex and M&A activities, especially in Greece.

## Italgas - Key Data

23/07/2020	Gas Transportation		
Target Price (EUR)	5.9		
Rating	ADD		
Mkt price (EUR)	5.32		
Mkt cap (EUR M)	4304		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	1,330.1	1,399.3	1,447.0
EBITDA	964.8	1,018.2	1,050.9
EPS (EUR)	0.42	0.44	0.45
Net debt/-cash	4,573.9	4,721.7	5,149.0
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	12.7	12.0	11.8
EV/EBITDA	9.4	9.1	9.2
EV/EBIT	16.9	16.3	16.3
Debt/EBITDA	4.7	4.6	4.9
Div yield (%)	4.7	5.0	5.1
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	1.1	8.1	-11.9
Rel. to FTSE IT All Sh	-4.2	-11.2	-6.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Italgas - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Qyoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	299	609	1,258	324	320	1	9	651	647	1	1,330	1,341
EBITDA	215	434	908	233	245	-5	9	460	472	-2	965	971
% of sales	71.9	71.2	72.1	71.9	76.6			70.7	73.0		72.5	72.4
EBIT	118	242	516	128	116	10	8	251	239	5	540	549
% of sales	39.5	39.6	41.0	39.5	36.3			38.5	36.9		40.6	40.9
Pre-tax income	112	229	548	115	NA	NA	3	225	NA	NA	492	497
Tax rate (%)	28.7	27.5	22.6	29.5				28.4	NA	NA	27.2	NA
Net income	80	166	417	76	72	6	-5	151	147	2	338	346
Adj. net income	80	166	345	76	72	6	-5	151	147	2	338	346
Net debt/-cash	3,859	3,859	4,485	4,700	NA	NA	22	4,700	NA	NA	4,574	4,672
Capex	165	318	700	140	NA	NA	-15	346	NA	NA	720	704
Dividend (cash)	189	189	189	207	NA	NA	10	207	NA	NA	207	207

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



## Leonardo (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** Despite being affected by the downturn of the civil business, we expect a certain resilience of Leonardo in 2Q, contrary to most of the Italian industrial stocks. The group's strong positioning in the military side, which accounted for around 18% in 2019 at the group level, should allow it to better contain the order intake and revenues slowdown. Due to the accounting of milestones on the military side, we estimate just a 10.4% slowdown in 2Q20E revenues to EUR 2.9Bn. At the EBITA level, we believe the group to be penalised by the weak results of the aerostructure, ATR and Space segments. However, for Helicopters, net of the positive one-off effect accounted in 2Q19, we expect a fairly sound result. We think that the military business in helicopters may compensate for a large part of the downturn in the civil side. At the same time, we expect Leonardo to have been effective in its costs savings programme, whose effects should already be visible in 2Q. This, together with the profitability contribution of the military business, should lead to a 2Q EBITA at EUR 155M (EUR 324M in 2Q19), implying a 1H20E EBITA at almost EUR 200M. Our estimates are positioned above company-provided consensus. However, we believe that there is a rather high dispersion on market projections. At the FOCF level, due to the COVID outbreak, we assume a higher WC cash absorption: we estimate a negative FOCF at EUR 585M, in any case better than 1Q20. We forecast a net debt at EUR 5.06Bn.

**What we think:** While the group suspended its FY20 guidance due to the lockdown, we expect management to give some indications for year-end during the conference call. While not excluding some FY estimates revisions related mainly on Leonardo's civil side, especially for aerostructure and ATR, we remain confident on a recovery in fundamentals in 2H and in the good execution of the savings plan.

## Leonardo - Key Data

23/07/2020	Aerospace&Defence		
Target Price (EUR)	9.0		
Rating	BUY		
Mkt price (EUR)	6.22		
Mkt cap (EUR M)	3597		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	13.22	13.76	14.43
EBITDA	1.55	1.70	1.83
EPS (EUR)	0.69	0.91	1.11
Net debt/-cash	3.19	2.83	2.38
Ratios (x)	2020E	2021E	2022E
Adj. P/E	9.0	6.8	5.6
EV/EBITDA	4.4	3.8	3.3
EV/EBIT	7.9	6.3	5.2
Debt/EBITDA	2.1	1.7	1.3
Div yield (%)	2.3	2.3	2.3
Performance (%)	1M	3M	12M
Absolute	-0.2	4.4	-44.9
Rel. to FTSE IT All Sh	-5.4	-14.3	-41.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Leonardo - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Revenues	3,237	5,962	13,784	2,900	2,808	3.3	-10.4	5,491	5,399	1.7	13,217	12,919
EBITA	324	487	1,251	155	123	26.0	-52.2	196	164	19.5	980	884
EBITA margin %	10.0	8.2	9.1	5.3	4.4	NM	NM	3.6	3.0	NM	7.4	6.8
EBIT	306	462	1,153	144	107	34.6	-52.9	174	137	27.0	860	775
EBIT margin %	9.5	7.7	8.4	5.0	3.8	NM	NM	3.2	2.5	NM	6.5	6.0
Net attr. profit	272	349	821	75	35	NM	-72.4	16	-24	NM	429	383
FOCF	64	-1,050	241	-585	-543	7.7	NM	-2,180	-2,138	1.9	37	-6
Net debt	4,098	4,098	2,847	5,061	5,140	-1.5	23.5	5,061	5,140	-1.5	3,191	3,076
Orders	3,627	6,145	14,105	2,629	2,632	-0.1	-27.5	6,050	6,053	0.0	10,990	12,842

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

## Maire Tecnimont (HOLD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** We expect 2Q20E revenues to decline (-26% yoy), due to the negative effects from the COVID-19 lockdown, which could have dampened regular operations. Despite this effect on volumes, we expect an around 6% EBITDA margin, in line with company guidance. Lower net financial charges vs. 1Q20A (as these were affected by one-off negative derivatives) should lead to an adjusted net income 23% yoy lower. New order should increase by approx. 16% yoy in 2Q20E. Net debt should decline mostly reflecting the positive effect of down-payments related to the new contracts and cash-in related to the projects execution, which suffered from delays in 1Q20.

**What we think:** The main issues on the stock continue to be the potential delays in project execution and the outlook in terms of capex spending in the oil&gas, albeit we expect the relatively low gas price to enhance petrochemicals investments to gas monetisation in the medium term.

## Maire Tecnimont - Key Data

23/07/2020	Oil Equip. & Services		
Target Price (EUR)	1.50		
Rating	HOLD		
Mkt price (EUR)	1.66		
Mkt cap (EUR M)	546		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	3,011.5	3,349.7	3,315.2
EBITDA	180.4	194.3	198.0
EPS (EUR)	0.24	0.28	0.29
Net debt/-cash	119.2	225.7	251.7
Ratios (x)	2020E	2021E	2022E
Adj. P/E	6.9	6.0	5.7
EV/EBITDA	3.9	4.1	4.2
EV/EBIT	5.1	5.3	5.3
Debt/EBITDA	0.66	1.2	1.3
Div yield (%)	5.1	5.8	6.1
Performance (%)	1M	3M	12M
Absolute	-0.7	-6.4	-31.3
Rel. to FTSE IT All Sh	-5.9	-23.1	-27.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Maire Tecnimont - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	794	1,683	3,338	585	571	2	-26	1,291	NA	NA	3,011	3,074
<b>Breakdown of sales (core)</b>												
Hydrocarbons	759	1,615	3,219	570	NA	NA	-25	1,259	NA	NA	2,844	NA
Green Energy	35	68	119	15	NA	NA	-57	32	NA	NA	168	NA
<b>EBITDA</b>	<b>50</b>	<b>107</b>	<b>236</b>	<b>36</b>	<b>34</b>	<b>5</b>	<b>-29</b>	<b>78</b>	<b>NA</b>	<b>NA</b>	<b>180</b>	<b>190</b>
% of sales	6.3	6.4	7.1	6.1	6.0			6.0	NA	NA	6.0	6.2
Hydrocarbons	49	105	234	37	NA	NA	-25	81	NA	NA	177	NA
Green Energy	1	2	2	-1	NA	NA	NM	-2	NA	NA	3	NA
<b>EBIT</b>	<b>37</b>	<b>83</b>	<b>189</b>	<b>24</b>	<b>23</b>	<b>6</b>	<b>-34</b>	<b>56</b>	<b>NA</b>	<b>NA</b>	<b>138</b>	<b>146</b>
% of sales	4.7	4.9	5.7	4.2	4.0			4.3	NA	NA	4.6	4.7
Pre-tax income	31	77	167	23	NA	NA	-26	39	NA	NA	123	NA
Tax rate (%)	30.9	31.1	31.3	32.0	NA	NA		31.5	NA	NA	33.0	NA
<b>Net income</b>	<b>20</b>	<b>51</b>	<b>113</b>	<b>16</b>	<b>NA</b>	<b>NA</b>	<b>-23</b>	<b>26</b>	<b>NA</b>	<b>NA</b>	<b>79</b>	<b>NA</b>
<b>Adj. net income</b>	<b>20</b>	<b>51</b>	<b>113</b>	<b>16</b>	<b>10</b>	<b>55</b>	<b>-23</b>	<b>26</b>	<b>NA</b>	<b>NA</b>	<b>79</b>	<b>82</b>
Net debt/-cash	119	119	79	228	NA	NA	NM	228	NA	NA	119	146
Backlog	6,636	6,636	6,373	6,559	NA	NA	-1	6,559	NA	NA	6,512	NA
New order intake	875	1,473	3,210	1,018	NA	NA	16	1,477	NA	NA	3,150	NA

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

**Mediobanca (ADD)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** In 4Q19/20E, we expect Mediobanca to report a net income of EUR 43M, above FactSet consensus (EUR 38M). We expect the quarter to be penalised by weak NII (-4.5% qoq), due to low new lending in consumer credit business during the lockdown, weak commission income (-9.1% yoy), due to the freeze of activities during the lockdown, and high loan loss provisions (cost of risk at 154bps) due to higher provisions in the consumer credit business and lower write-backs in CIB. On the other hand, we expect a partial recovery of losses on the seed capital reported in 3Q19/20. We expect the decision on the dividend to be postponed until after October.

**What we think:** We have a positive stance on the stock.

**Mediobanca - Key data**

23/07/2020	Banks		
Target Price (EUR)	8.0		
Rating	ADD		
Mkt price (EUR)	7.29		
Mkt cap (EUR M)	6468		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	2,413.4	2,423.0	2,594.0
Gross op income	1,212.1	1,167.9	1,297.3
EPS (EUR)	0.68	0.61	0.80
TBVPS (x)	10.8	11.4	11.7
Ratios (x)	2020E	2021E	2022E
Adj. P/E	10.8	12.0	9.1
P/TBV	0.67	0.64	0.62
RoTE (%)	6.4	5.5	6.9
CET1 FL (%)	13.5	13.8	13.4
Div yield (%)	0	6.4	7.1
Performance (%)	1M	3M	12M
Absolute	6.9	51.2	-21.1
Rel. to FTSE IT All Sh	1.3	24.2	-16.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Mediobanca - 4Q19/20 results**

EUR M	4Q19A	1Q20A	2Q20A	3Q20A	4Q20E	4Q20C	4Q E/C %	4Q qoq %	4Q yoy %	FY20E	FY20C
Net Interest Income	349	359	362	360	344	341	0.9	-4.5	-1.3	1,426	1,407
Commission income	150	155	174	159	136	135	0.8	-14.3	-9.1	623	623
Trading income	46	35	57	-3	43	30	42.0	NM	-7.8	131	NA
Income from assoc.	96	136	48	66	14	NM	NA	-79.2	-85.8	263	NA
Total income	641	684	641	582	536	524	2.3	-7.8	-16.3	2,443	2,443
Operating Costs	309	283	309	300	305	318	-4.0	1.9	-1.2	1,196	1,208
Gross Operating Inc.	332	402	333	282	231	206	12.1	-18.2	-30.4	1,247	1,235
LLP	61	65	44	100	181	177	2.5	80.9	195.6	390	382
Pre-tax Income	258	341	277	101	58	55	6.2	-41.9	-77.3	777	775
Net income	197	271	197	85	43	38	14.3	-49.3	-78.2	595	591
CoR (bps)	56	58	39	85	154	NA	NA	79.8	175.0	86	NM
CET1 (%)	12.8	13.0	12.9	12.7	13.4	NA	NA	6.1	4.9	13.4	NM

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

**Piaggio (BUY)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 27 July:** Despite overall healthy 2W market figures in May and the very robust resumption growth of the 2W market in Europe in June, 2Q Piaggio figures should be impacted by the April lockdown in Europe and, in particular, by the more than expected prolonged lockdown of India. We estimate 2Q20E revenues to be down by 38.7% to EUR 288.7M. At the same, we expect the group to have managed to contain its opex in Europe and the negative impact of the volumes' slowdown in India, where the group's cost structure is more skewed towards variable costs. Despite 2Q revenues below 1Q, we expect Piaggio to maintain a flat EBITDA vs. 1Q at EUR 40M. As also indicated during our last virtual roadshow with the group, we assume in 2Q a peak in net debt to EUR 535M.

**What we think:** We do not believe the market will be particularly surprised by the group's weak 2Q figures. We expect market attention to focus more on the group's indication about the trend of the 2W market demand in Europe, which is resuming its sound growth path shown before the COVID outbreak, and above-all, on the evolution of the Indian market, which still represents a risk factor. For this reason, we do not exclude some consensus downgrades on 2020 figures, but we remain positive on the group's equity story, as we believe that Piaggio should confirm to be as one of the winners in the post COVID era.

**Piaggio - Key Data**

23/07/2020 Auto & Components			
Target Price (EUR)	2.8		
Rating	BUY		
Mkt price (EUR)	2.48		
Mkt cap (EUR M)	888		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	1,376.5	1,549.5	1,708.5
EBITDA	196.2	230.4	255.5
EPS (EUR)	0.09	0.15	0.18
Net debt/-cash	471.4	451.7	415.1
Ratios (x)	2020E	2021E	2022E
Adj. P/E	26.8	16.9	13.9
EV/EBITDA	6.9	5.8	5.1
EV/EBIT	17.8	12.1	10.1
Debt/EBITDA	2.4	2.0	1.6
Div yield (%)	3.2	4.0	4.4
Performance (%)	1M	3M	12M
Absolute	15.5	32.6	-5.0
Rel. to FTSE IT All Sh	9.4	8.9	0.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Piaggio - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	470.8	817.0	1521.3	288.7	291.7	-1.0	-38.7	600.1	603.0	-0.5	1,376.5	1,366.0
EBITDA	84.8	134.3	227.8	39.8	39.5	0.8	-53.1	79.6	79.3	0.4	196.2	192
margin %	18.0	16.4	15.0	13.8	13.5	NM	NM	13.3	13.1	NM	14.3	14.1
EBIT	54.4	75.1	104.5	10.0	9.2	8.3	-81.6	20.0	19.2	4.0	76.2	71
margin %	11.6	9.2	6.9	3.5	3.2	NM	NM	3.3	3.2	NM	5.5	5.2
Net Income	26.7	34.6	46.7	2.7	2.1	31.1	-89.9	5.8	5.2	12.3	33.1	28
Net debt/-net cash	418.0	418.0	429.7	535.4	514.0	4.2	28.1	535.4	514.0	4.2	471.4	468

NA: not available; NM: not meaningful; A: actual; E: estimates; C: company-provided consensus and Bloomberg for 2Q20; Source: Company data and Intesa Sanpaolo Research

## Poste It. (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 31 July:** In 2Q20E, we expect Poste Italiane to report revenues at EUR 2,303M (-14.1% yoy), EBIT at EUR 284M (-38.8% yoy) and net income at EUR 194M (-40.3% yoy). Our quarterly estimates are basically in line with the average 2Q company-provided consensus. In detail:

**MP&D.** In MP&D, we expect an EBIT of EUR -171M (from EUR -67M in 2Q19), penalised by a significant drop in Mail revenues (-35% yoy), only partially offset by the increase in Parcel revenues (+27% yoy) and a reduction in operating costs (-9%);

**Financial Services.** In Financial Services, we expect an EBIT of EUR 162M (-6.4% yoy), penalised by a lower distribution of third-party products (-19% yoy) and lower transaction banking (-60% yoy);

**Insurance Services.** In Insurance Services, we estimate an EBIT of EUR 230M (-24.2% yoy), due to lower expected revenues (EUR 373M, -18.7% yoy), penalised by the lockdown period. We expect a Solvency II ratio of approximately 215% from 226% at end-March;

**PM&D.** In PM&D, we expect an EBIT of EUR 62M, up by 15% yoy, thanks to external revenues up by 3% yoy and operating costs down by 7% yoy.

**What we think:** We have a positive stance on the stock.

## Poste It. - Key Data

23/07/2020	Logistics & Financial		
Target Price (EUR)	9.0		
Rating	ADD		
Mkt price (EUR)	8.32		
Mkt cap (EUR M)	10866		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	10.50	10.75	10.87
EBITDA	2.21	2.57	2.73
EPS (EUR)	0.84	1.03	1.06
Net debt/-cash	-5.84	-6.62	-6.99
Ratios (x)	2020E	2021E	2022E
Adj. P/E	9.9	8.1	7.8
EV/EBITDA	2.9	2.2	1.9
EV/EBIT	4.6	3.2	2.8
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	5.8	6.7	7.2
Performance (%)	1M	3M	12M
Absolute	3.0	9.9	-11.9
Rel. to FTSE IT All Sh	-2.4	-9.7	-6.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Poste Italiane - 2Q/1H20 preview

EUR M	2Q19A	1H19A	1Q20A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
<b>Total Revenues</b>	<b>2,679</b>	<b>5,521</b>	<b>2,755</b>	<b>2,303</b>	<b>2,310</b>	<b>-0.3</b>	<b>-14.1</b>	<b>5,058</b>	<b>5,065</b>	<b>-0.1</b>	<b>10,503</b>	<b>10,506</b>
MP&D	875	1,755	771	692	686	0.9	-20.9	1,464	1,457	0.4	3,210	3,190
PM&D	167	306	165	172	169	1.5	3.0	337	334	0.8	730	692
Financial Services	1,180	2,665	1,464	1,066	1,081	-1.4	-9.6	2,531	2,545	-0.6	4,931	4,956
Insurance Services	458	795	355	373	374	-0.4	-18.7	727	729	-0.2	1,631	1,668
<b>EBIT</b>	<b>463</b>	<b>1,081</b>	<b>441</b>	<b>284</b>	<b>282</b>	<b>0.6</b>	<b>-38.8</b>	<b>724</b>	<b>723</b>	<b>0.2</b>	<b>1,396</b>	<b>1,416</b>
MP&D	-67	81	-36	-171	175	-2.6	NM	-207	-211	-2.1	-554	-532
PM&D	54	111	67	62	59	4.8	15.2	129	126	2.2	274	255
Financial Services	174	435	223	162	173	-6.1	-6.4	385	396	-2.7	742	764
Insurance Services	303	454	187	230	232	-0.9	-24.2	417	419	-0.5	934	939
<b>Net income</b>	<b>324</b>	<b>763</b>	<b>306</b>	<b>194</b>	<b>199</b>	<b>-2.7</b>	<b>-40.3</b>	<b>500</b>	<b>505</b>	<b>-1.1</b>	<b>942</b>	<b>989</b>

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

## Prysmian (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** We expect the COVID outbreak to have impacted Prysmian's 2Q20 figures to a lesser extent than other industrial Italian companies. Overall, we project a rather healthy set of figures considering the current situation. For the group's different business lines, we expect a performance similar to 1Q20 (with slightly better sequential figures for TLC cables due to a small positive contribution from YOYCF). On top of this, we believe the company has been effective on the cost and efficiency side. Overall, due to the impact of the lockdown in Southern Europe and partially in Northern Europe and US, we expect revenues down by 21.6% to EUR 2.47Bn, leading to EUR 5Bn in 1H20. At the adjusted operating level, we expect an adj. EBITDA at EUR 175M for 2Q20, leading to a 1H20 adj. EBITDA at EUR 372M (implying a 7.4% margin) vs. EUR 521M in 1H19, with an 8.9% margin. We expect a healthy trend in FCF and, also reflecting some advance payments from the German Corridor awards and the lower dividend paid, we assume net debt at EUR 2.67Bn in 1H20.

**What we think:** At the release of 2Q20 results, the market's attention should be on the potential announcement of the group's FY20 guidance. Our estimates for the FY20 now stand slightly above the company-provided consensus. Our positive view on the group relies on the fact that we envisage secular growth ahead for Prysmian in the Energy Project business. Given the pandemic, we do not exclude a progressive acceleration in the 5G plan from China: over the medium term, this could accelerate the recovery of the still suffering TLC segment but we think looks well set to post secular growth as well. The group's geographical diversification and now higher focus in the US offers, in our view, solid support, especially as for the group's power distribution operations.

## Prysmian - Key Data

23/07/2020	Capital Goods		
Target Price (EUR)	Under Review		
Rating	ADD		
Mkt price (EUR)	23.00		
Mkt cap (EUR M)	6167		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	10.14	10.37	10.58
EBITDA	0.710	0.886	0.922
EPS (EUR)	0.95	1.28	1.39
Net debt/-cash	2.04	1.92	1.66
Ratios (x)	2020E	2021E	2022E
Adj. P/E	24.3	17.9	16.5
EV/EBITDA	12.2	9.6	8.7
EV/EBIT	22.2	15.1	13.4
Debt/EBITDA	2.9	2.2	1.8
Div yield (%)	2.0	2.2	2.4
Performance (%)	1M	3M	12M
Absolute	12.4	45.9	22.3
Rel. to FTSE IT All Sh	6.5	19.8	29.2

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Prysmian - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Net Revenues	3,078	5,849	11,519	2,413	2,471	-2.3	-21.6	5,000	5,058	-1.1	10,138	10,260
Adjusted EBITDA	290	521	1,007	175	176	-0.6	-39.7	372	373	-0.3	800	785
Adj. EBITDA margin %	9.4	8.9	8.7	7.3	7.1	NM	NM	7.4	7.4	NM	7.9	7.7
EBITDA	272	492	907	150	183	-18.2	-45.0	333	366	-9.1	710	NA
EBITDA margin %	8.8	8.4	7.9	6.2	7.4	NM	NM	6.7	7.2	NM	7.0	NA
Adj. EBIT	211	366	689	95	117	-18.8	-55.0	212	234	-9.4	480	NA
Adj. EBIT margin %	6.9	6.3	6.0	3.9	4.7	NM	NM	4.2	4.6	NM	4.7	NA
EBIT	175	335	569	70	NA	NA	-60.2	128	NA	NA	390	NA
EBIT margin %	5.7	5.7	4.9	2.9	NA	NM	NM	2.6	NA	NM	3.8	NA
Net Profit	102	190	292	39	44	-12.1	-62.1	62	67	-8.0	189	NA
Adj. Net Profit	120	188	360	64	45	42.2	-46.7	101	82	23.2	254	NA
Net Debt/-cash	2,819	2,819	2,140	2,678	2,535	5.7	-5.0	2,678	2,535	5.7	2,039	1,975

NA: not available; NM: not meaningful; A: actual; E: estimates; C: FY20C company-provided consensus except as for adj. net profit (Bloomberg), 2Q20C FactSet consensus; Source: Company data and Intesa Sanpaolo Research



## Rai Way (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** As a result of the lockdown, in 2Q20, we expect a sequential slowdown in the ramp-up of new services and lower G&A expenses. This should translate into flat revenues and an EBITDA up by 2.0% yoy in 2Q20E. We forecast a net profit down by 4.8% yoy, due to last year's release of provisions. Lastly, we estimate a net cash of EUR 25.2M at end-June vs. a net debt of EUR 2.6M at end-March, implying a cash generation before dividends of EUR 27.9M in 2Q20E vs. EUR 24.2M in 2Q19, reflecting a higher development capex (EUR 9.1M vs. EUR 2.4M in 2Q19) and a higher working capital generation (EUR 12.2M vs. EUR 3.7M in 2Q19). We also point out that the dividend payment should be in July vs. June last year.

**What we think:** Overall, we expect Rai Way to be quite immune to the CV impact, thus confirming its defensive profile, which supports our positive stance on the stock together with its consolidation upside.

## Rai Way - Key Data

23/07/2020		Media Services		
Target Price (EUR)		6.3		
Rating		BUY		
Mkt price (EUR)		5.90		
Mkt cap (EUR M)		1605		
Main Metrics (€ M)	2020E	2021E	2022E	
Revenues	223.2	229.7	240.8	
EBITDA	131.9	137.6	147.2	
EPS (EUR)	0.23	0.24	0.25	
Net debt/-cash	31.71	72.24	121.4	
Ratios (x)	2020E	2021E	2022E	
Adj. P/E	25.7	25.0	23.4	
EV/EBITDA	12.5	12.3	11.8	
EV/EBIT	18.8	18.6	17.9	
Debt/EBITDA	0.24	0.52	0.82	
Div yield (%)	3.9	4.0	4.3	
Performance (%)	1M	3M	12M	
Absolute	4.1	18.0	9.3	
Rel. to FTSE IT All Sh	-1.4	-3.1	15.4	

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Rai Way - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20A	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales from RAI	45.1	90.2	180.4	44.9	-	-	-0.3	90.1	-	-	180.6	-
Sales from new services to RAI	1.8	3.4	7.8	2.2	-	-	22.2	4.4	-	-	9.8	-
Sales from third parties	8.5	16.8	33.2	8.2	-	-	-3.6	16.4	-	-	32.8	-
Core Sales	55.4	110.4	221.4	55.3	-	-	-0.1	110.9	110.9	0.0	223.2	225.6
Adj. EBITDA	32.8	65.6	131.2	33.4	-	-	2.0	66.5	66.4	0.2	131.9	-
Adj. EBITDA margin %	59.2	59.4	59.3	60.4	-	-	+1.2pp	60.0	59.8	+0.2	59.1	-
EBITDA	32.8	65.6	131.1	33.4	-	-	2.0	66.5	-	-	131.9	133.7
EBIT	23.8	46.2	90.2	22.6	-	-	-5.0	45.1	-	-	88.0	86.3
Net profit	17.0	32.6	63.4	16.1	-	-	-4.8	32.1	31.7	1.4	62.4	61.1
Net debt/-cash	46.5	46.5	9.6	-25.2	-	-	NM	-25.2	-18.6	35.6	31.7	48.2

NA: not available; NM: not meaningful; A: actual; E: estimates; C: Company provided consensus for 1H20C and Bloomberg consensus for FYC; Source: Company data and Intesa Sanpaolo Research

## Recordati (HOLD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** We expect a weak 2Q top line, due to several factors: the announced destocking of the purchases anticipated by wholesalers and pharmacies in the first quarter (approx. EUR 20M), the pandemic related slowdown in the general practitioners/specialists prescriptions and in the hospital routine activity, the Turkish Lira and Russian rouble depreciation, the introduction of the generic version of Urorec in some countries and the prescription regulation changes in France. In spite of the lower top line, we expect an EBITDA margin at 39%, benefiting from the consolidation of Signifir (acquired from Novartis at end-October 2019) and the cost savings actions implemented to face the health emergency. We do not expect any significant surprises to emerge below the EBIT line. Considering that approx. EUR 60M milestone payments were made in 2Q20 for Osilodrostat and the dividend distribution in May 2020 (approx. EUR 110M), we expect the group's net debt to increase to around EUR 950M vs. EUR 880.7M at end-March 2020.

**What we think:** Overall, we believe that 2H20 earnings visibility continues to be very limited and that if our 2Q20E forecasts will prove to be correct, the current FY20 FactSet consensus forecasts could turn out to be a little bit challenging.

## Recordati - Key Data

23/07/2020	Pharmaceuticals		
Target Price (EUR)	41.8		
Rating	HOLD		
Mkt price (EUR)	47.66		
Mkt cap (EUR M)	9967		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	1,546.0	1,703.5	1,754.6
EBITDA	572.2	656.8	684.3
EPS (EUR)	1.69	1.92	1.99
Net debt/-cash	838.7	1,095.1	880.1
Ratios (x)	2020E	2021E	2022E
Adj. P/E	28.1	24.8	24.0
EV/EBITDA	18.9	16.8	15.9
EV/EBIT	22.5	20.3	19.3
Debt/EBITDA	1.5	1.7	1.3
Div yield (%)	2.1	2.2	2.3
Performance (%)	1M	3M	12M
Absolute	5.0	23.4	19.8
Rel. to FTSE IT All Sh	-0.6	1.4	26.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Recordati - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	FY20E	FY20C	FY E/C %	FY yoy %
Sales	360.3	743.3	1,481.8	330.8	364.0	-9.1	-8.2	760.0	1,546.0	1,555.0	-0.6	4.3
EBITDA	135.4	279.3	544.0	129.0	138.0	-6.5	-4.7	301.9	572.2	582.0	-1.7	5.2
% on sales	37.6	37.6	36.7	39.0	37.9	-	-	39.7	37.0	37.4	-	-
EBIT	116.5	242.6	465.2	106.2	113.0	-6.0	-8.9	254.6	481.0	510.0	-5.7	3.4
% on sales	32.4	32.6	31.4	32.1	31.0	-	-	33.5	31.1	32.8	-	-
Pre-tax profit	109.6	231.6	444.1	101.0	114.0	-	-7.9	246.5	460.3	471.0	-2.3	3.6
Net profit	82.2	174.3	341.9	77.8	83.0	-6.3	-5.3	189.0	354.4	366.0	-3.2	3.7

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

## Saipem (BUY)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July (before trading hours):** We expect 2Q20E revenues to decline, mostly due to lower operations of drilling (offshore and onshore) and Offshore E&C, as being affected by the COVID-19 contagion and consequent safety restrictions. We expect the Onshore E&C volumes to be broadly flat yoy. We see the EBITDA margin to decrease yoy, mainly due to the lower activities and higher negative impact from fixed costs on margins. We estimate 2Q20E adj. net income to decrease yoy, following the lower operating performance. Net debt should increase, mostly due to the lower operating cash flow. We estimate backlog to decline vs. end-2019, reflecting the lower new orders intake (EUR 3.7Bn vs. EUR 9.5Bn in 1H19A), which partially covered 1H20 revenues. Despite declining yoy, the backlog value remains solid and provides visibility in a normalising operations condition.

**What we think:** If 2Q results were to confirm our estimates, we would see our FY20E earnings estimate as optimistic. However, we do not see a major impact from results on the stock price, as we do not expect major revisions in FY20 EBITDA consensus.

## Saipem - Key Data

23/07/2020	Oil Equip. & Services		
Target Price (EUR)	3.4		
Rating	BUY		
Mkt price (EUR)	2.24		
Mkt cap (EUR M)	2267		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	9.81	11.07	11.87
EBITDA	1.00	1.25	1.58
EPS (EUR)	0.10	0.21	0.35
Net debt/-cash	1.20	1.23	0.987
Ratios (x)	2020E	2021E	2022E
Adj. P/E	22.0	10.5	6.5
EV/EBITDA	3.5	2.9	2.2
EV/EBIT	8.8	6.3	4.4
Debt/EBITDA	1.2	0.99	0.63
Div yield (%)	1.5	3.1	5.1
Performance (%)	1M	3M	12M
Absolute	-4.4	0.7	-47.8
Rel. to FTSE IT All Sh	-9.5	-17.3	-44.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Saipem - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	E/C %	yoy %	1H20E	1H20C	E/C %	FY20E	FY20C
Sales	2368	4524	9138	2185	2049	6.6	-7.7	4358	4221	3.2	9806	8,532
<b>Breakdown of sales (core)</b>												
Offshore E&C & Floaters	1076	1990	3841	790	-	-	-26.6	1616	-	-	3841	-
Onshore E&C	1032	2000	4199	1170	-	-	13.4	2259	-	-	4199	-
Drilling Offshore	116	256	555	115	-	-	-0.9	245	-	-	555	-
Drilling Onshore	139	273	538	110	-	-	-20.9	237	-	-	538	-
<b>EBITDA</b>	<b>308</b>	<b>574</b>	<b>1146</b>	<b>233</b>	<b>189</b>	<b>23.1</b>	<b>-24.5</b>	<b>473</b>	<b>429</b>	<b>10.2</b>	<b>1004</b>	<b>874</b>
% of Sales	13.0	12.7	12.5	10.6	9.2			10.8	10.2		10.2	
EBIT Reported	158	276	456	73	46	57.9	-54.0	-104	102	-202.3	399	215
% of Sales	6.7	6.1	5.0	3.3	2.2			-2.4	2.4		4.1	
EBIT Adjusted	182	308	609	73	46	57.9	-60.1	156	189	-17.7	399	-
Offshore E&C & Floaters	107	180	338	25	-	-	-76.3	54	-	-	180	-
Onshore E&C	49	73	144	27	-	-	-44.6	58	-	-	93	-
Drilling Offshore	23	49	123	27	-	-	17.9	58	-	-	120	-
Drilling Onshore	3	6	4	-7	-	-	-333.3	-15	-	-	6	-
Pre-tax Income	77	137	228	8	-	-	NM	-237	-	-	228	-
Tax Rate (%)	NM	NM	NM	NM	-	-	NM	NM	-	-	33.0	-
Net Income	7	28	12	4	-	-	NM	-265	-	-	103	-
<b>Adj Net Income</b>	<b>60</b>	<b>89</b>	<b>165</b>	<b>4</b>	<b>-12</b>	<b>-136.2</b>	<b>-92.8</b>	<b>-5</b>	<b>-12</b>	<b>-59.5</b>	<b>103</b>	<b>-22</b>
Net Debt / -cash	1,574	1,574	1,082	1,324	-	NA	-16	1,324	NA	NA	1,204	1,404
Backlog	17,637	17,637	21,153	20,575	-	NA	17	20,575	NA	NA	23,747	

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

## Saras (HOLD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July:** We expect 2Q20E adj. EBITDA to materially decrease yoy due to the poor performance by the refinery business. We believe refining could be weaker than last year due to both lower volumes following the COVID-related lockdown and weaker margins on aviation and transportation fuels. Thermal power generation should also be weaker due to the lower power tariffs, following the lower gas reference price. The marketing business should suffer from the lower volumes demand. Adj.net income should decline reflecting the poor operating performance. Net debt should increase mostly due to the operating cash flow reduction.

**What we think:** If the results confirm our estimates, we would see our FY20E EBITDA as optimistic. The EMC benchmark refining margin remains weak in July (average USD -2.3/bbl), following a USD -0.7/bbl average in 2Q20A, due to the low fuels demand.

## Saras - Key Data

23/07/2020	Oil & Gas		
Target Price (EUR)	0.87		
Rating	HOLD		
Mkt price (EUR)	0.63		
Mkt cap (EUR M)	586		
Main Metrics (€ M)	2020E	2021E	2022E
Revenues	4,159.5	5,697.4	6,035.5
EBITDA	168.3	278.2	291.4
EPS (EUR)	-0.08	0.02	0.03
Net debt/-cash	295.9	197.1	107.4
Ratios (x)	2020E	2021E	2022E
Adj. P/E	Neg.	35.6	17.9
EV/EBITDA	5.2	2.8	2.4
EV/EBIT	Neg.	12.1	8.9
Debt/EBITDA	1.8	0.71	0.37
Div yield (%)	-6.4	1.4	2.8
Performance (%)	1M	3M	12M
Absolute	-15.6	-24.4	-56.9
Rel. to FTSE IT All Sh	-20.0	-37.9	-54.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Saras - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	E/C %	yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
EBITDA	55	109	314	-17	-	-	-181	40	-	-	168	214
Breakdown of EBITDA												
Refining	-5	5	124	-49	-	-	NM	-30	-	-	27	-
Marketing	8	9	22	1	-	-	-87	6	-	-	18	-
Sarlux	49	86	152	30	-	-	-39	60	-	-	117	-
Wind Power	3	6	10	2	-	-	-40	4	-	-	6	-
Corporate & Others	1	3	6	-1	-	-	-	-1	-	-	0	-
EBIT	7	15	115	-66	-	-	NM	-59	-	-	-38	43
Adj. Net Income	5	3	67	-46	-	-	NM	-46	-	-	-75	-6
Net debt/-cash*	-28	-28	-30	349	-	-	NM	349	-	-	296	186
Ref. Margin (USD/bbl)	3.3	2.9	4.5	0.2	-	-	-	2.0	-	-	2.8	-
Throughput (mmbbls)	26.1	45.5	97.7	17.2	-	-	-	40.1	-	-	95.4	-

\*post-IFRS16 from 2019; NA: not available; NM: not meaningful; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

**Snam (BUY)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 30 July (before trading hours):** We expect Snam to report slightly lower 2Q20E revenues yoy (-1% yoy), due to: i) the lower volumes injected (we estimate by around EUR 6M); and ii) the lower non-regulated revenues, both as a result of the lockdown-related lower demand and activities. These negatives were broadly offset by the tariff-RAB increase. 2Q20E EBITDA should be down by 6% yoy, due to higher costs related to the COVID-19 effect. EBIT should decline by roughly 11% yoy, reflecting the lower EBITDA and higher D&A, related to new investments. We see adjusted net income moving slightly below last year's figures, as the decrease in the operating performance and equity investments should be positively compensated by lower financial charges. We see net debt at 30 June rising to approx. EUR 12.7Bn (vs. EUR 11.9Bn in FY19A), reflecting the higher capex in the semester (EUR 480M), interim and final dividends' distribution (paid respectively in January and June 2020), the OLT acquisition carried out in 1Q20A (EUR 332M), share buybacks and positive cash generation.

**What we think:** If the results confirm our estimates, we would see our FY20E assumptions as conservative at the EBITDA level and well on track with our revenues and net income forecasts for the year.

**Snam - Key Data**

23/07/2020	Gas Transportation		
Target Price (EUR)	5.1		
Rating	BUY		
Mkt price (EUR)	4.75		
Mkt cap (EUR M)	16471		
<b>Main Metrics (€ Bn)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	2.76	2.83	2.98
EBITDA	2.18	2.26	2.40
EPS (EUR)	0.33	0.34	0.36
Net debt/-cash	12.45	12.91	13.29
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	14.4	14.0	13.1
EV/EBITDA	11.8	11.6	11.1
EV/EBIT	18.2	18.0	17.0
Debt/EBITDA	5.7	5.7	5.5
Div yield (%)	5.3	5.5	5.8
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	9.3	23.3	3.6
Rel. to FTSE IT All Sh	3.5	1.3	9.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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**Snam - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	678	1,332	2,665	670	678	-1.2	-1	1,361	1,368	-0.5	2,759	2,716
EBITDA	569	1,111	2,169	533	551	-3.3	-6	1,100	1,118	-1.6	2,175	2,181
% of sales	84	83	81	80	81			81	82	-	79	80
EBIT	390	756	1,417	347	387	-10.3	-11	727	NA	-	1,414	1,425
% of sales	58	57	53	52	57			53			51	52
Net Income	298	581	1,093	272	NA	--	-9	570	590	-	1,087	1,087
Adj Net Income	298	575	1,093	272	295	-7.7	-9	570	590	-3.3	1,087	1,087
Net debt/-cash	11,523	11,523	11,923	12,730	12,746	-0.1		12,730	12,746	-0.1	12,448	12,342
Capex	242	408	1,040	250	NA	-		481	NA	-	1,090	1,094
Interim dvd/FY dvd paid	448	747	785	471	NA	-		769	NA	-	784	825

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

**Sogefi (HOLD)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Results due on 27 July:** On the back of a 2Q car production estimated at -44.5% (-33.2% in 1H20) at the worldwide level and at -65.5% (-41.7% in 1H20) in Europe, we expect that after having outperformed the market in 1Q20, Sogefi in 2Q should underperform the overall market, due to its unfavourable geographical mix more skewed towards Europe, which accounts for 63% of the group's total revenues. We estimate a 55% yoy contraction in 2Q revenues to around EUR 175M, a 3.7% EBITDA margin and an EBIT loss of approx. EUR 24M. Overall, in 1H20E, we expect a 32.5% drop in revenues, almost aligned to the worldwide car production fall. Despite strong cost-cutting actions, we estimate a 1H20E net loss at EUR 33.7M and a net debt rising from EUR 332M to around EUR 378M.

**What we think:** For 2Q figures, we expect the group to give some updates on its cost-cutting actions and its liquidity situation. We highlight that in 1Q20 Sogefi had an around EUR 298M of financing in excess (of which EUR 125M of non-utilised bank lines). In 2Q, Sogefi had to repay maturity for EUR 37.5M. We expect some further highlights about potential future financing from banks and other institutions, such as SACE.

**Sogefi - Key Data**

23/07/2020	Auto & Components		
Target Price (EUR)	0.88		
Rating	HOLD		
Mkt price (EUR)	0.89		
Mkt cap (EUR M)	105		
<b>Main Metrics (€ M)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	1,235.4	1,313.7	1,367.1
EBITDA	99.65	152.0	174.0
EPS (EUR)	-0.49	-0.03	0.13
Net debt/-cash	427.9	427.2	407.8
<b>Ratios (x)</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Adj. P/E	Neg.	Neg.	6.8
EV/EBITDA	5.5	3.5	3.0
EV/EBIT	Neg.	24.2	11.7
Debt/EBITDA	4.3	2.8	2.3
Div yield (%)	0	0	5.6
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	0.2	-2.7	-29.9
Rel. to FTSE IT All Sh	-5.1	-20.1	-26.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Sogefi

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**Sogefi - 2Q/1H20 preview**

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H20C	1H E/C %	FY20E	FY20C
Sales	387.9	777.8	1519.20	174.6	NA	NA	-55	524.8	NA	NA	1235.4	1229.0
EBITDA reported	45.1	86.4	174.31	6.5	NA	NA	-86	41.4	NA	NA	99.6	102.5
EBITDA reported margin %	11.6	11.1	11.5	3.7	NA	NM	NM	7.9	NA	NM	8.1	8.3
EBIT reported	13.1	24.4	39.61	-23.8	NA	NA	NM	-20.1	NA	NA	-30.4	-21.2
EBIT margin %	3.4	3.1	2.6	-13.7	NA	NM	NM	-3.8	NA	NM	-2.5	-1.7
Net income	5.3	6.9	3.21	-28.1	NA	NA	NM	-33.7	NA	NA	-57.6	-58.5
Net debt (including IFRS16)	332.1	332.1	328.90	377.5	NA	NA	14	377.5	NA	NA	427.9	408.2

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



## Terna (ADD)

## Results Preview

Possible Surprise	Positive	Neutral	Negative
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**Results due on 29 July:** We expect Terna's sales to increase by 7% yoy, thanks to: i) the consolidation of Brugg Cable (+EUR 35M assumed); and ii) higher regulated revenues, partially offset by iii) a 2% negative impact, due to lower electricity demand, related to the health emergency restrictions; and iv) a slightly lower Tamini contribution (EUR 25M vs. EUR 31M in 2Q19A). We see 2Q20E EBITDA to be slightly above last year's figure at EUR 430M (+0.8% yoy), as we see broadly stable opex, while EBIT should be in line yoy. Net income should remain stable as well yoy, following slightly higher taxes and lower financial charges. Net debt at end-June should worsen, reflecting capex, the dividends' payment and a working capital increase.

**What we think:** We acknowledge that the sound YTD stock price performance has filled the gap with our TP. However, we think that the stock price could be supported by the company's exposure to the ongoing electrification process, underpinned by increasing renewables, e-mobility development, country digitisation and the planned streamlining of the authorisation procedures for energy infrastructures' projects.

## Terna - Key Data

23/07/2020	Electricity		
Target Price (EUR)	6.2		
Rating	ADD		
Mkt price (EUR)	6.39		
Mkt cap (EUR M)	12852		
Main Metrics (€ Bn)	2020E	2021E	2022E
Revenues	2.45	2.52	2.62
EBITDA	1.79	1.84	1.92
EPS (EUR)	0.38	0.38	0.39
Net debt/-cash	9.00	9.56	10.14
Ratios (x)	2020E	2021E	2022E
Adj. P/E	16.8	16.6	16.2
EV/EBITDA	12.0	12.0	11.8
EV/EBIT	18.2	18.3	18.1
Debt/EBITDA	5.0	5.2	5.3
Div yield (%)	4.2	4.6	4.9
Performance (%)	1M	3M	12M
Absolute	3.9	18.4	13.6
Rel. to FTSE IT All Sh	-1.6	-2.8	20.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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## Terna - 2Q/1H20 preview

EUR M	2Q19A	1H19A	FY19A	2Q20E	2Q20C	2Q E/C %	2Q yoy %	1H20E	1H yoy %	FY20E	FY20C
Sales	561	1,098	2,295	600	586	2.4	6.9	1,167	6.3	2,449	2,495
EBITDA	426	846	1,741	430	430	-0.1	0.8	864	2.1	1,791	1,785
% of Sales	76	77	76	72				74		73	
EBIT	277	557	1,155	277			0.0	559	0.4	1,182	1,179
% of Sales	49	51	50	46				48		48	
Pre-tax Income	255	519	1,077	258	264	-2.2	1.3	521	0.4	1,094	1,090
Tax Rate (%)	28.3	28.9	29.1	29			2.6	29	0.4	29.6	
Net Income	183	368	757	183	187	-1.9	0.5	370	0.6	765	766
Adj Net Income	183	368	757	183	187	-1.9	0.5	370	0.6	765	766
Net Debt / (Cash)	8,294	8,294	8,259	8,856	8,848	0.1	6.8	8,856	6.8	9,000	8,775
EPS	0.091	0.183	0.377	0.091			0.5	0.184	0.6	0.381	0.381
capex	232	396	1,264	200			-13.6	418	5.4	1,360	1,299
DPS	0.1545	0.1545	0.2387	0.1653			7.0	0.1653	7.0	0.269	0.272

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

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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.

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Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
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TARGET PRICE	The market price that the analyst believes the share may reach within a one-year 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

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**Equity rating allocations (long-term horizon: 12M)****Intesa Sanpaolo Research Rating Distribution (at July 2020)**

Number of companies considered: 106	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)	50	24	26	0	0
of which Intesa Sanpaolo's Clients (%) (*)	85	72	54	0	0

(\*) 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

**Valuation methodology (short-term horizon: 3M)**

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

**Equity rating key (short-term horizon: 3M)**

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

**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.intesasnpaolo.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.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

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

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

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