

Company Note
MID CORPORATE
SICIT Group
4Q/FY20 Results

The pandemic did not halt SICIT's growth process, with double-digit yoy growth recorded at the adj. EBITDA and net income levels in FY20, following the preliminary-reported positive revenues trend. Considering the FY20 results and management's provided outlook, we continue to see solid margins and cash flow generation in FY21-23E, with the planned development in growing markets supported in the medium term by the robust capex plan. We highlight SICIT's positioning in the circular and green economy.

FY20 results

SICIT's operations were dedicated to meeting the increasing demand, improving its production capacity and flexibility. In terms of procurement, the company demonstrated its ability to diversify its raw material sourcing, after the problems encountered in 1H due to the temporary shut-down of tanneries in Vicenza. Overall, SICIT delivered double-digit growth at all levels: i) consolidated revenues grew at a double-digit rate to EUR 63.2M (+11.5% vs. EUR 56.7M in FY19A); ii) adjusted EBITDA of EUR 24.1M (+14% yoy), with a 38.1% margin vs. 38.7% in 9M20; iii) adjusted net profit of EUR 14.6M (vs. EUR 12.6M in FY19A; iv) net cash at 31 December 2020 of EUR 20.5M (EUR 29.3M at end-2019).

Outlook and estimates revision

Based on the company's comments during the FY results' conference call, 1Q21 has shown a good performance, in line with 1Q20. In FY21, we believe SICIT could replicate the path shown in 2020 in terms of demand with reference to the different businesses: i) demand for biostimulants is expected to grow in 2021 with a limited impact from Covid-19; ii) the animal fat selling price is expected slightly above the average level recorded in 2020 and a normalisation is expected at the end of the health emergency; and iii) in the gypsum retardants sector, demand could remain volatile, in our opinion, especially in 1H21. We fine-tuned our estimates now looking for a 10.1% yoy revenues' growth in FY21E that would also positively impact the FY22-23E top line (+1.9% vs. our previous estimates). In FY21E-23E, we expect rising costs (logistics, labour, travel) to partially offset the expected operation leverage from higher volumes. We also see growing D&A reflecting the robust capex plan of 2020 and 2021.

Valuation

Following our estimates' revision and the revision of our parameters, we update our DCF model and obtain **a new target price of EUR 17.2/share** (from EUR 15.3/share). Given the around 12% upside vs. the current market price, **we rate the stock an ADD**.

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Date and time of production

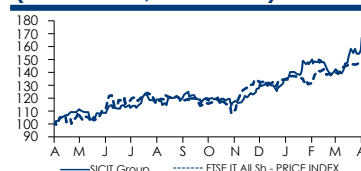
ADD

Target Price: EUR 17.2
(from EUR 15.3)

Italy/Agrochemicals
Update

MTA-STAR

Price Performance
(RIC: SICT.MI, BB: SICT IM)


SICIT Group - Key Data

Price date (market close)	01/04/2021
Target price (EUR)	17.2
Target upside (%)	12.42
Market price (EUR)	15.30
Market cap (EUR M)	346.85
52Wk range (EUR)	15.3/9.2

Price performance %	1M	3M	12M
Absolute	17.2	23.9	67.0
Rel. to FTSE IT All Sh	10.3	11.5	12.2

Y/E Dec (EUR M)	FY20A	FY21E	FY22E
Revenues	63.16	69.55	80.20
Adj. EBITDA	24.07	28.04	32.63
Adj. EBIT	19.25	22.42	26.10
Adj. net income	14.63	17.71	20.62
EPS (EUR)	0.74	0.78	0.91
Net debt/-cash	-20.46	-19.53	-19.87
Adj P/E (x)	14.0	19.6	16.8
EV/EBITDA (x)	7.6	11.7	10.0
EV/EBIT (x)	9.6	14.6	12.5
Div ord yield (%)	4.4	3.4	3.3

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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FY20 Results

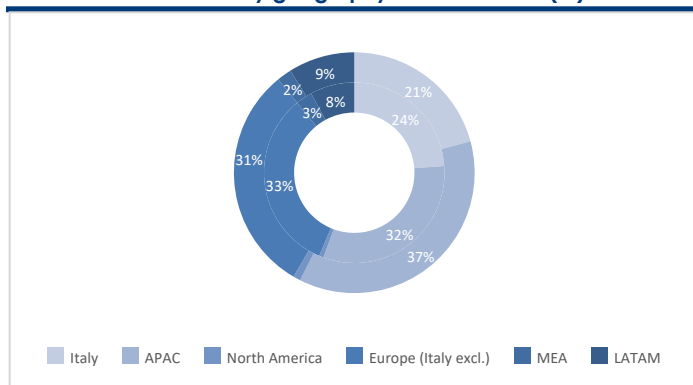
The Covid-19 pandemic did not halt SICIT's growth process. SICIT's operations this year were dedicated to meeting the increasing demand, improving its production capacity and flexibility. In terms of procurement, the company demonstrated its ability to diversify its raw material sourcing, after the problems encountered in 1H due to the temporary shut-down of tanneries in Vicenza. Overall, in FY20 SICIT delivered double-digit growth at all levels

Double-digit growth in revenues and margin

The key take-aways from results were:

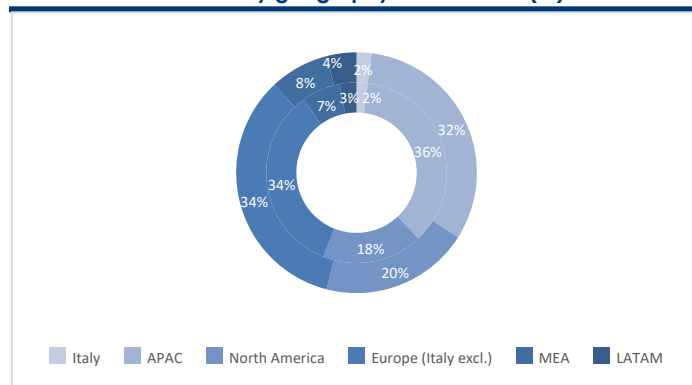
- **Consolidated revenues grew at a double-digit rate to EUR 63.2M** (+11.5% vs. EUR 56.7M in FY19A) already disclosed; Biostimulants was the best-performing business unit (+23.6% yoy). Animal fats recorded +8.8% yoy (+10% yoy in 4Q20), driven by price increases; the retardants business decreased by 8.3% (-7.6% in our estimates). By geographic area, MEA and North America (representing together between 7% and 8% of revenues from products) showed a yoy decrease in 4Q20, translating into a broadly stable performance in FY, while all other geographies posted growth. In particular, LATAM rose by 39.9% yoy in FY20, mainly driven by biostimulants, while Italy was the best performer in 4Q20, with an increase of 35.8% yoy.

Revenues breakdown by geography – Biostimulants (%)



Source: Company data

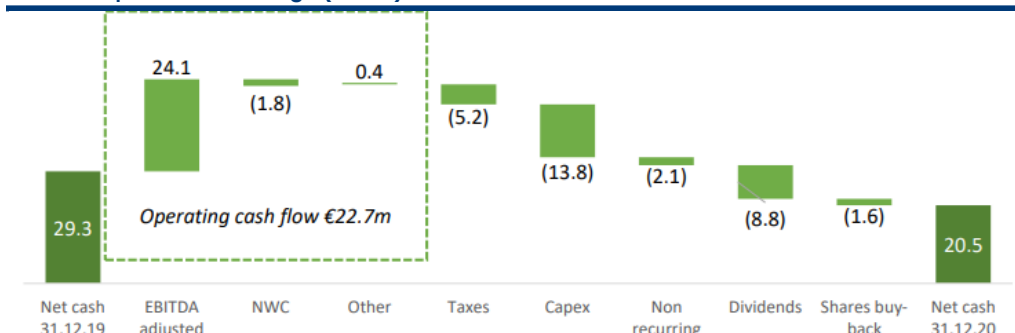
Revenues breakdown by geography – Retardants (%)



Source: Company data

- **Adjusted EBITDA came in at EUR 24.1M** (+14% yoy), with a 38.1% margin vs. 38.7% in 9M20. Higher sale volumes allowed a better absorption of fixed costs and production efficiency activities vs. FY19. However, in 4Q20 the company paid: i) higher maintenance, overtime and extra costs to address the higher volumes of processed materials; and ii) higher performance bonuses.
- **Adjusted net profit of EUR 14.6M** (vs. EUR 12.6M in FY19A), not including EUR 2.1M of non-recurring items; a EUR 13.7M fiscal effect related to warrants; net proceeds of EUR 2.8M of tax benefit related to the merger deficit, following the merger by incorporation with SprintItaly S.p.A; proceeds of EUR 3.8M for the 'Patent Box' tax benefit for 2015-19;
- **Net cash at 31 December 2020 of EUR 20.5M** (EUR 29.3M at end-2019) vs. the EUR 28.1M we had projected.

SICIT Group – Net cash bridge (EUR M)



Source: Company data

SICIT Group - 4Q/FY20 results

EUR M	4Q19A	4Q20A	yoy %	4Q20E	FY19A	FY20A	yoy %	FY20E	A/E %
Revenues	13.4	15.0	11.5	15.0	56.7	63.2	11.5	63.2*	0.0
Adj. EBITDA**	5.1	5.4	5.7	5.8	21.1	24.1	14.0	24.5	-1.7
Adj. EBITDA margin %	38.1	36.1		38.7	37.4	38.1		38.8	-1.7
EBIT	3.9	4.1	5.1	6.2	4.8	17.1	NM	19.3	-11.2
Net income	2.1	3.5	61.6	NA	4.2	9.3	121.4	NA	NA
Adj. net income	3.3	3.2	NM	3.9	12.6	14.6	16.1	15.3	-4.4
Net debt/-cash	-29.3	-21.2	-27.6	-6.9	-29.3	-20.5	NM	-28.1	-24.6

* preliminary data already released by the company; ** equal to EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including SICIT Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019); NA: not available; NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

The BoD proposed a dividend of EUR 0.55/sh. (expected record date 11 May; expected payment date 12 May).

Capex plan: on track excluding the Chinese project

SICIT provided an update on its development plan: in FY20 the company maintained its targets in terms of new projects. Capex was almost EUR 16M, despite a slowdown in 2Q for the Covid effect, and was channeled into:

- Expanding the agronomic, chemical and control laboratories;
- Enlarging the tanks and storage tanks to enhance storage capacity;
- Completing the plant for the production of protein hydrolysates from the treatment of animal hair;
- Upgrading its co-generation plant;
- Completing the plant for the refining and re-esterification of animal fat to obtain a high-quality biofuel; and
- Starting up the new plant for the production of granule products and pills.

However, the Chinese plant project suffered delays and the company is negotiating with local authorities on this front.

2.4% of revenues were invested in R&D, amounting to EUR 1.7M (EUR 1.9M in FY19).

Earnings Outlook

2021 outlook

In our understanding, the 1Q21 has shown a good performance, in line with 1Q20. In FY21E, we believe SICIT could replicate the path seen in 2020 in terms of demand with reference to the different businesses:

- **Demand for biostimulants is expected to grow in 2021.** The Covid-19 pandemic could have, as was the case in 2020, only a local and overall low impact;
- **The animal fat selling price is seen slightly above the 2020 average,** according to the company, due to logistic challenges experienced in importing goods from Asian countries (e.g. palm oil) due to the pandemic. A normalisation is expected at the end of the health emergency;
- **In the gypsum retardants sector, demand could remain volatile,** in our opinion, especially in 1H21, due to the impact of Covid-19 on construction activities and production facilities; in this market context, characterised by weak demand, management flagged a possible increase in competitive pressure. The group is only marginally present in the renovation building sector and, in particular, in the DIY sector, where management stated that an upwards trend could be seen.

On the supply side, the group continues to carefully manage its procurement to reduce the negative impact of a possible interruption to supply from the Vicenza tanning district. We believe rising costs could partially offset the expected operating leverage due to higher volumes: i) an increase in inbound logistic costs for some raw materials (shavings); ii) an increase in labour costs (more shifts/overtime, hiring new technicians for R&D labs and the strengthening of the sales team in North America and China) in line with the company's business plan; iii) increasing travel costs from 2H21; and iv) rising D&A following the robust capex roll-out of 2020 and 2021.

Medium-term growth strategy

Regarding the medium-term growth strategy, the robust capex plan is supporting SICIT's development within its reference markets, which are expected to grow (biostimulants +12.4% 2019-24 CAGR; plasterboards +5.8% 2019-2030 CAGR, according to management) driven by macro trends, o/w: i) the increase in world population and demand for food; ii) the reduction in the amount of arable land per capita; iii) the evolution of the agri-food systems towards sustainability and the growing attention paid to issues linked to the circular economy; and iv) the development of renewable energy with reference to animal fat.

The company is focused on organic growth, based on: 1) attention to its current customers; 2) an expansion of the markets served; and 3) the introduction of innovative products with higher added value. SICIT confirmed its focus on research and development (approx. 2.4% of annual turnover, amounting to EUR 1.7M vs. EUR 1.9M in FY19) and on the development of innovative products. The growth path should be supported by the capex plan, whose aim is to:

- Improve profitability;
- Increase productivity and the product offering; and

Supply and operations

Organic growth supported by around EUR 34M capex by 2023

- Enhance commercial activity, especially abroad. With reference to internationalization, SICIT currently exports its products towards 89 countries (72.7% of revenues abroad). Europe is currently SICIT's main reference market and accounts for 54% of revenues (including revenues for raw materials' collection), it is a mature market for biostimulants and an important market for retardants. SICIT aims at improving its presence in APAC (also thanks to the future investment in China), which is a growing market and is strategical for both biostimulants and retardants. Investments have also been made in the Americas to capture the market potential (new country managers in the US and in China were recently appointed).

SICIT also confirmed its aim to accelerate its growth through an investment in China via a majority owned JV, which we have not yet included in our estimates. The investment could require around EUR 12M of additional capex and generate EUR 10M additional revenues at regime (within 3-4 years, excluding further severe delays), according to management. We would not rule out that the investment could be further delayed due to the pandemic evolution.

Investment in China confirmed with some delays

In addition, SICIT does not exclude the possibility of potential external acquisitions or partnerships with other industrial groups with a significant strategic and industrial similarity in the green and circular economy.

External growth within green & circular economy is not excluded

We highlight that SICIT, as an essential part of the circular economy of the tanning industry, has consistently considered environmental sustainability to be a central theme.

Estimates revision

Given the above outlook, we fine-tuned our estimates to project:

- **A low double-digit revenues growth in FY21 (+10.1% yoy)**, driven by biostimulants and with more limited volumes of plaster retardants sold. We also include an expected limited increase in costs. We therefore project: i) EUR 69.6M revenues; ii) EUR 28M adj. EBITDA (40.3% margin vs. 40.6% in our previous estimates); iii) an increase in D&A due to higher fixed capital and a 21% tax rate leading to EUR 17.7M net income; iv) we see net cash at EUR 19.5M (EUR 29.7M previously) on the back of the FY20A net financial position and due to a projected level of capex similar to FY20 (EUR 15M vs. EUR 12M previously projected); we assume a 60% payout in the FY21E-23E period;
- **EUR 80.2M revenues in FY22E** (+1.9% vs. our previous estimate) with EUR 32.6M EBITDA, EUR 20.6M net income and EUR 19.9M net cash, reflecting lower capex vs. FY20A-FY21E (around EUR 12M excluding those eventually spent relating to the 'China project', not embedded in our forecasts);
- **Around 9% sales increase in FY23E** (in line vs. previously); EBITDA margin at 41.5% (42% previously); stable EUR 23.1M net income due to a slightly increasing D&A and a 21% tax rate also in that year.

SICIT Group – Estimates revision (2021E-23E)

EUR M	FY21E Old	FY21E New	Chg. %	FY22E Old	FY22E New	Chg. %	FY23E Old	FY23E New	Chg. %
Revenues	68.4	69.6	1.7	78.7	80.2	1.9	85.9	87.5	1.9
Adj. EBITDA	27.8	28.0	0.9	32.2	32.6	1.3	36.1	36.3	0.5
Adj. EBITDA margin %	40.6	40.3		40.9	40.7		42.0	41.5	
Adj. EBIT	22.3	22.4	0.5	25.8	26.1	1.2	29.1	29.2	0.3
Adj. EBIT margin %	32.6	32.2		32.8	32.5		33.9	33.4	
Adj. Net Income	17.6	17.7	0.6	20.5	20.6	0.6	23.1	23.1	-0.2
Net debt/-cash	-29.7	-19.5	-34.2	-31.9	-19.9	-37.7	-37.7	-24.6	-34.8

E: estimates; Source: Intesa Sanpaolo Research estimates

SICIT Group – Revenues breakdown and main assumptions (2019A-23E)

EUR M	2019A	2020A	2021E	2022E	2023E
BIOSTIMULANTS	31.0	38.3	42.7	46.2	49.9
Volumes (t)	20.1	24.3	26.5	28.1	29.8
EUR/t	1.542	1.581	1.612	1.644	1.677
Revenues yoy (%)	2.7	23.6	11.4	8.1	8.1
RETARDANTS	15.3	15.3	14.1	13.6	14.2
Volumes (t)	5.6	5.6	5.1	4.9	5.1
EUR/t	2.744	2.758	2.771	2.785	2.799
Revenues yoy (%)	-0.5	-8.3	-3.4	4.5	4.5
FAT	6.5	7.1	8.8	8.9	9.0
Volumes (t)	15.2	14.2	15.7	15.5	15.6
EUR/t	0.428	0.501	0.560	0.570	0.57
Revenues yoy (%)	-2.0	8.8	23.5	2.1	1.0
Other revenue	3.9	3.7	4.5	4.8	5.2
Granules				6	8.5
Total Revenues	56.7	63.2	69.6	80.2	87.5

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

Valuation

As usual, we evaluate SICIT Group with a DCF model. Following the update of our estimates and the periodic revision of our parameters, we derive **a new target price of EUR 17.2/share** (from EUR 15.3/share). Given the current upside of approximately 12%, vs. the market price, **we rate the stock an ADD**.

New TP of EUR 17.2/share; ADD rating

DCF model

The main assumptions in our DCF model are as follows:

- Explicit estimates until 2023E;
- Terminal value growth is set at 1.5% (1% previously) to factor in SICIT's long-term growth potential, while to calculate the LT we apply a EUR 100M target level of revenues and 31% EBIT margin (in line with 2017A-2020A average).

For the WACC calculation, we used a risk-free rate at 0.75% and a risk premium at 6.5%. In line with the current debt structure, we use a 0% target gearing ratio. As a result, we derive a WACC of 6.9%.

SICIT Group - WACC calculation

%	
Gross debt rate	2.6
Tax rate	26.5
Net debt rate	1.9
Gearing	0.0
Beta* relevered (x)	0.9
Risk-free rate	0.75
Equity risk premium	6.5
WACC	6.9

Source: *FactSet and Intesa Sanpaolo Research estimates

SICIT Group – DCF calculation (2021-23E)

EUR M	2021E	2022E	2023E	LT
Adj. EBIT	22.4	26.1	29.2	31.0
Tax	-4.7	-5.5	-6.1	-7.5
NOPAT	17.7	20.6	23.1	23.5
No-cash items	5.6	6.5	7.1	
WC	-0.6	-2.5	-1.6	
Capex	-15.0	-12.0	-10.0	
FCF	9.7	12.7	18.5	23.5
Discounted FCF	9.1	11.1	15.2	18.0
WACC (%)	6.9			
TV growth (%)	1.5			
Sum	35.4			
TV	333.8			
EV	369.2			
Cash @ 2020A	-20.5			
Equity	389.7			
Fully diluted shares	22.7			
TP/share (EUR)	17.2			

Source: Intesa Sanpaolo Research estimates

SICIT Group – Key Data

Rating ADD	Target price (EUR/sh) Ord 17.2	Mkt price (EUR/sh) Ord 15.30	Sector Agrochemicals		
Values per share (EUR)	2019A	2020A	2021E	2022E	2023E
No. ordinary shares (M)	19.65	19.65	22.67	22.67	22.67
Total no. of shares (M)	19.65	19.65	22.67	22.67	22.67
Market cap (EUR M)	199.61	204.42	346.85	346.85	346.85
Adj. EPS	0.61	0.74	0.78	0.91	1.02
CFPS	0.44	0.72	1.0	1.2	1.3
BVPS	4.5	4.5	4.1	4.5	4.9
Dividend ord	0.45	0.55	0.47	0.55	0.61
Income statement (EUR M)	2019A	2020A	2021E	2022E	2023E
Revenues	56.66	63.16	69.55	80.20	87.52
Adj. EBITDA	20.30	24.07	28.04	32.63	36.29
Adj. EBIT	15.79	19.25	22.42	26.10	29.20
Adj. Pre-tax income	15.79	3.25	22.42	26.10	29.20
Net income	4.20	9.30	17.71	20.62	23.06
Adj. net income	12.06	14.63	17.71	20.62	23.06
Cash flow (EUR M)	2019A	2020A	2021E	2022E	2023E
Net income before minorities	4.2	9.3	17.7	20.6	23.1
Depreciation and provisions	4.6	4.8	5.6	6.5	7.1
Others/Uses of funds	0	0	0	0	0
Change in working capital	-2.1	1.4	1.4	-2.4	-1.6
Operating cash flow	14.6	15.6	24.7	24.7	28.5
Capital expenditure	9.4	15.9	15.0	12.0	10.0
Financial investments	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0
Free cash flow	5.2	-0.3	9.7	12.7	18.5
Dividends	-17.7	-8.8	-10.6	-12.4	-13.8
Equity changes & Other non-operating items	27.4	0.3	0	0	0
Net cash flow	14.9	-8.8	-0.9	0.3	4.7
Balance sheet (EUR M)	2019A	2020A	2021E	2022E	2023E
Net capital employed	59.6	67.4	74.5	82.4	86.0
of which associates	0	0	0	0	0
Net debt/-cash	-29.3	-20.5	-19.5	-19.9	-24.6
Minorities	0	0	0	0	0
Net equity	88.9	87.9	94.0	102.3	110.6
Minorities value	0	0	0	0	0
Enterprise value	170.3	184.0	327.3	327.0	322.3
Stock market ratios (x)	2019A	2020A	2021E	2022E	2023E
Adj. P/E	16.6	14.0	19.6	16.8	15.0
P/CFPS	22.9	14.5	14.9	12.8	11.5
P/BVPS	2.2	2.3	3.7	3.4	3.1
Payout (%)	73	74	60	60	60
Dividend yield (% ord)	4.4	5.3	3.1	3.6	4.0
FCF yield (%)	2.5	-0.2	2.8	3.7	5.3
EV/sales	3.0	2.9	4.7	4.1	3.7
Adj. EV/EBITDA	8.4	7.6	11.7	10.0	8.9
Adj. EV/EBIT	10.8	9.6	14.6	12.5	11.0
EV/CE	2.9	2.7	4.4	4.0	3.7
Adj. D/EBITDA	Neg.	Neg.	Neg.	Neg.	Neg.
Adj. D/EBIT	Neg.	Neg.	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2019A	2020A	2021E	2022E	2023E
Adj. EBITDA margin	35.8	38.1	40.3	40.7	41.5
Adj. EBIT margin	27.9	30.5	32.2	32.5	33.4
Tax rate	28.1	NM	21.0	21.0	21.0
Adj. Net income margin	7.4	14.7	25.5	25.7	26.4
ROCE	26.5	28.5	30.1	31.7	33.9
ROE	5.3	10.5	19.5	21.0	21.7
Interest cover	-4.1	1.4	NM	NM	NM
Debt/equity ratio	Neg.	Neg.	Neg.	Neg.	Neg.
Growth (%)		2020A	2021E	2022E	2023E
Sales		11.5	10.1	15.3	9.1
Adj. EBITDA		18.6	16.5	16.4	11.2
Adj. EBIT		21.9	16.5	16.4	11.9
Adj. Pre-tax income		-79.4	NM	16.4	11.9
Net income		NM	90.4	16.4	11.9
Adj. net income		21.3	21.1	16.4	11.9

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Company Snapshot

Company Description

Founded in Chiampo (Vicenza, Italy), the group, through a hydrolysis process of waste from the tanning industry, manufactures and sells value-added products for agriculture (biostimulants) and the industrial market (plaster retardants). The group was the first company to introduce special fertilisers based on amino acids & peptides in the global market in the 1960s and nowadays is a leader in the segment, operating in more than 90 countries. In the collection of raw materials, we highlight that SICIT carries out a paid service for the collection of waste from the tanneries of the Vicenza district.

Key Risks

Company specific risks:

- Dependence to raw material availability from the Arzignano district, mitigated by the possibility to be supplied by other districts in Italy and abroad;
- Limited product diversification in biostimulants;
- Potential dilution and overhang risk due to the conversion of warrants.

Sector generic risks:

- Unfavourable weather conditions;
- Increasing competition from companies which produce biostimulants from other sources, which could jeopardise the company's market share;
- Animal illnesses may affect operations and cause a slowdown in demand of biostimulants from animals.

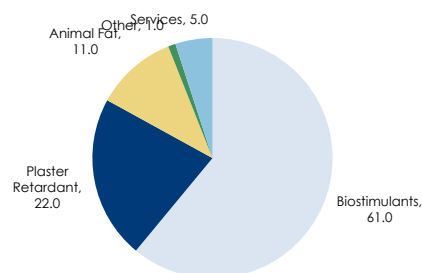
Key data

Mkt price (EUR)	15.30	Free float (%)	44.0
No. of shares	22.67	Major shr	Intesa Holding SpA
52Wk range (EUR)	15.3/9.2	(%)	46.3
Reuters	SICT.MI	Bloomberg	SICT IM
Performance (%)	Absolute	Rel. FTSE IT All Sh	
-1M	17.2	-1M	10.3
-3M	23.9	-3M	11.5
-12M	67.0	-12M	12.2

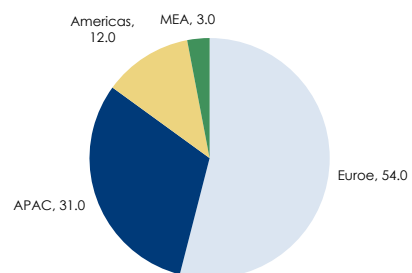
Estimates vs. consensus

EUR M (Y/E Dec)	2020A	2021E	2021C	2022E	2022C	2023E	2023C
Sales	63.16	69.55	NM	80.20	NM	87.52	NM
Adj. EBITDA	24.07	28.04	NM	32.63	NM	36.29	NM
Adj. EBIT	19.25	22.42	NM	26.10	NM	29.20	NM
Pre-tax income	3.25	22.42	NM	26.10	NM	29.20	NM
Net income	9.30	17.71	NM	20.62	NM	23.06	NM
EPS	0.74	0.78	NM	0.91	NM	1.02	NM

FY20A Sales breakdown by product (%)



FY20 sales breakdown by geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 01/04/2021)

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies have revenues ranging from EUR 50M-EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation below EUR 1Bn.

Notes

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

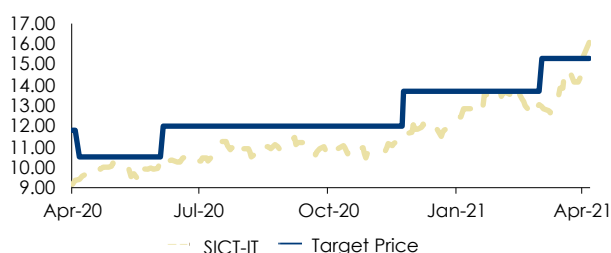
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Equity Rating Key (long-term horizon: 12M)

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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

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

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Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
03-Mar-21	ADD	15.3	13.0
24-Nov-20	BUY	13.7	11.4
05-Jun-20	ADD	12.0	10.5

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at January 2021)**

Number of companies considered: 109	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%) (*)	50	24	26	0	0
of which Intesa Sanpaolo's Clients (%) (**)	89	70	61	0	0

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

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

Short-term rating	Definition
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