INTESA SANPAOLO

Equity

Mid Corporate

Event Flash

ISMO Milan - September 2021

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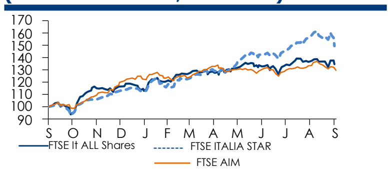
Date and time of production

Italy/ISMO Milan 2021
28-30 September 2021

Feedback from ISMO Virtual Conference

Source: Companies' data

Index Performance (FTSE ITALIA STAR, FTSE AIM)



Source: FactSet

Report priced at market close on 30/09/2021 (except where otherwise indicated within the report).

In this report, we confirm the ratings and target prices assigned in the latest company reports (unless otherwise indicated)

Event

On 28-30 September, we hosted 21 Mid&Small Cap companies at Intesa Sanpaolo's September edition of the Italian Stock Market Opportunities (ISMO Milan - Virtual) conference, attended by 63 investors, with over 190 meetings organised. This conference offers investors the opportunity to meet with the top management of some Italian Mid&Small Cap companies to discuss their latest results, business trends and strategic developments. In this report, we outline the main takeaways from some of the meetings of those companies attending and under our coverage.

Intesa Sanpaolo Research Dept.

Corporate Broking Research Team

Equity Research Team

ISMO attending companies under our coverage – key data

(x)	Price EUR/sh	Market Cap (EUR M)	TP EUR/sh	Rating	EV/EBITDA 2021E	EV/EBITDA 2022E	Adj. P/E 2021E	Adj. P/E 2022E
Agatos	0.97	11.81	1.44	BUY	NM	6.9	Neg.	6.9
Banca Finnat	0.28	101.97	0.47	BUY	-	-	19.0	18.0
COIMA RES	6.91	248.81	9.6	BUY	21.2	24.7	15.5	17.1
Comer Industries	27.40	565.76	29.6	BUY	10.8	7.5	14.5	14.8
EdiliziAcrobatica	19.10	153.42	13.5	BUY	22.7	14.2	49.2	26.0
Energica Motor Company	3.17	97.13	Tender Shares		Neg.	42.4	Neg.	NM
eVISO	2.72	66.83	3.3	BUY	18.4	11.0	43.8	21.5
Grifal	3.75	42.83	4.5	BUY	18.8	11.4	NM	27.6
Growens	4.47	66.92	6.6	BUY	11.3	7.8	61.3	28.2
Labomar	11.65	215.34	U/R	U/R	15.2	13.2	33.9	28.9
LU-VE	21.60	480.26	27.0	ADD	11.2	9.8	26.8	22.4
NB Aurora	8.50	208.28	11.1	BUY	-	-	-	-
Pattern	4.86	67.86	5.5	ADD	10.3	7.6	26.2	18.3
Salcef Group	17.35	973.63	18.6	ADD	9.9	9.1	18.8	18.1
Sanlorenzo	31.55	1088.47	34.0	ADD	11.8	10.0	22.9	19.9
Seri Industrial	7.45	352.34	8.5	BUY	13.2	8.4	27.1	12.6
SeSa*	156.40	2423.35	214.0	BUY	14.5	12.3	31.3	26.2
SIT	10.65	266.33	14.5	BUY	7.2	6.9	14.7	17.1
Toscana Aeroporti	13.20	245.68	13.3	HOLD	29.2	26.7	Neg.	Neg.
TraWell	6.66	16.52	11.9	ADD	22.9	9.7	Neg.	65.0
Valsoia	14.05	149.14	20.0	BUY	9.5	8.7	18.4	17.8

Priced at market close of 30/09/2021; *SeSa's fiscal year ends in April (e.g. 2021 corresponds to SeSa's FY21/22E); Neg.: negative; NM: not meaningful; Source: FactSet and Intesa Sanpaolo Research estimates

See page 21 for full disclosure and analyst certification

1 October 2021: 09:55 CET
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IMI CORPORATE & INVESTMENT BANKING

ISMO Milan - September 2021

In the table below, we recap the main highlights from the meetings of some of our covered companies attending the event.

ISMO Milan - September 2021 wrap-up

Company	Key drivers
Agatos	Agatos is focusing on three sectors: Biomethane, Energy Efficiency and Photovoltaic and, according to management, this strategy is starting to bear fruit with a growing contract pipeline. The news that "Superbonus 110%" should be extended to 2023 offers significant opportunities for the growth of Energy Efficiency business.
Banca Finnat	Banca Finnat reported a good set of results in 1H21, not affected by the pandemic. The 2021-23 plan envisages an increase in AuM from EUR 15.4Bn in 2020 to EUR 18Bn in 2023, maintaining a CET 1 ratio of over 30% throughout the plan.
COIMA RES	Management updated investors on its strategy and operations, providing colour on the evolution of financials in the next years, and reiterated its commitment to regularly distributing dividends as it did in the past. Positive indications from real estate office market in Milan with regard to grade A products located in prestigious/attractive areas, despite the increasingly widespread use of remote working.
Comer Industries	The company gave a positive outlook for the coming years, based on the current rebound of AG industry. Sales could surpass EUR 1Bn in 2022, with an EBITDA margin in line with 2020. Management also highlighted the significant synergies that should come from the integration with WPG.
EdiliziAcrobatica	After a strong 1H21, high July and August backlog data. EdiliziAcrobatica should continue with better 2H21 metrics.
Energica Motor Company	Investors are currently focused on the recently-announced launch by Ideanomics of a voluntary tender offer on 100% of the company's ordinary shares at a price of EUR 3.20.
eVISO	Positive messages from eVISO: the recent electricity price hike should help the company to get new clients, given the peculiarity of eVISO's commercial offer. Gross margin for resellers has grown at a double-digit rate in 2H21 and the first results of the new gas business are positive. The platform for AG commodities should be ready before the end of the year.
Grifal	After reporting 1H21 results above our estimates along with an order intake up 73% by end-August, Grifal is set to deliver a good 2H21. The progressive improvement of the product mix, the upcoming production from the new plants and opportunities on non-packaging products offer a good visibility on both sales and margins.
Growens	Growens is working to finalise an acquisition by the end of the year. In order to support the organic growth of Datatrics and MailUp, they will rely on partnerships and free trial commercial offerings.
LU-VE	LU-VE expects a mid-single digit sales growth in the next few years and thus is thinking about whether to increase its current production capacity in Poland and China. The company does not seem worried about the raw material prices hike, as costumers are ready to accept an increase of the selling prices if the lead time is respected.
NB Aurora	NB Aurora has promptly invested in 2021 the cash coming from the EUR 94M capital increase finalised at the end of 2020. Portfolio companies showed resilience to the pandemic, finalising several acquisitions, and are ready to continue their acquisition phase.
Pattern	In February, Pattern approved a new 2021-24 strategic plan, thanks to which the company is well positioned to face market trends, such as casualisation, the focus on ESG themes, technology and 'absolute quality', in our view. Management continues to screen external growth opportunities for the development of the 'Italian Hub of Luxury Fashion Engineering'.
Salcef Group	Salcef Group is in a good momentum, supported by significant investments in sustainable mobility in general and particularly railway infrastructure. Indeed, management reconfirmed the worldwide positive outlook.
Seri Industrial	Seri Industrial gave further updates on the Teverola 2 Gigafactory and on the contract with Fincantieri and some details on the F&F JV recently signed. The main concern at the moment is the shortage of aluminum which could slow down the production, while the company does not seem worried about the raw material price hike.
SeSa	SeSa is consolidating its positioning as one of the leading companies in the Italian digital sector. The group's healthy organic growth is further boosted by a strong M&A activity: 11 deals since January 2021, with contribution expected by management in FY22 of EUR 145M revenues and EBITDA margin of about 12%. Overall, we expect external growth to remain a key pillar of the group's growth path, also thanks to a very strong cash position.
SIT	In the Heating business, the positive trend of 1H21 should continue also in the first part of 2022, driven by fiscal incentives to replace old boilers. Metering business is more challenging, particularly for the Gas segment. The shortage of electronic components is causing some delays in the ramp up of the production in Tunisia.
Toscana Aeroporti	Traffic recovery continued in September as US and UK travellers returned. The outlook is moderately positive, as restrictions on important key market are being eased while Ryanair's planned capacity above 2019 level bodes well for a nice winter season.
TraWell	Given the current challenging market, TraWell did not provide any specific outlook but it has strongly reduced its fixed and variable costs and is at substantial breakeven at the operating level, ready to catch new opportunities (also M&A) as soon as flights will recover.
Valsoia	Valsoia recently reported solid 1H21 results, showing an increase in turnover and margins yoy and consolidating the very strong performance already achieved in 2020. We continue to appreciate the company's healthy cash generation, the sound balance sheet and the growing weighting of the portion of revenues generated abroad (+14.3% yoy).

Source: Intesa Sanpaolo Research elaboration

Company Feedback: ISMO Milan - September 2021

Agatos (BUY)

Feedback from Event

Agatos is focusing on three sectors: Biomethane, Energy Efficiency and Photovoltaic and, according to management, this strategy is starting to bear fruit with a growing contract pipeline. The news that "Superbonus 110%" should be extended to 2023 offers significant opportunities for the growth of Energy Efficiency business.

- **Biomethane update:** After the start-up of the construction of the plant in Marcallo, which is on schedule, the company has signed 4 contracts (EUR 90M potential revenues) for new BIOSIP projects adopting its innovative process for civil sewage sludge too (not only for urban organic waste). Other projects could come in the coming months and there is a lot of interest from several foreign countries (in this case, Agatos would cash-in royalties for the BIOSIP patent exploitation). According to the company, BIOSIP process is attractive for farmers and cattle breeders, strongly reducing their CO_2 emission and ammonia (thus allowing them to respect the European directive on nitrates); biomethane could be used in the future to replace the incentivised agricultural diesel, which is expected to lose state incentives in the coming years. Last but not least, Agatos believes that the decree for biomethane incentives could be prolonged up to 2025, allowing its utilisation for industrial uses too (currently only for automotive);

- "**Superbonus 110%" extended to Dec-23:** According to newspapers, the coming budget law should extend the "Superbonus 110%" and the other eco-bonuses, which should also be supported by the Next Generation EU funds, up to the end of 2023 (instead of June-22). The news is very positive for the Energy Efficiency business and increases the visibility on this division, which currently has a pipeline of around EUR 40M and could grow strongly in the coming months;

- **Photovoltaic update:** The company sees a recovery of the photovoltaic projects in the next future coming from the rebound of roof installations on large plants (a segment that was stopped in the past 16 months due to Covid-19) and further important projects for the large photovoltaic plants. Agatos should leverage on its knowledge, particularly in finalising the authorisation process, to gain new contracts.

The business plan, based on >EUR 240M from potential projects, is proceeding in line with expectations. **We confirm our positive stance.**

Agatos - Key Data

01/10/2021			Energy
Target Price (EUR)			1.44
Rating			BUY
Mkt price (EUR)			0.97
Mkt cap (EUR M)			12
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	16.15	35.73	43.39
EBITDA	0.19	3.13	4.26
EPS (EUR)	-0.06	0.14	0.23
Net debt/-cash	8.42	8.53	6.35
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	Neg.	6.9	4.2
EV/EBITDA	NM	6.9	4.6
EV/EBIT	Neg.	8.1	5.2
Debt/EBITDA	44.9	2.7	1.5
Div yield (%)	0	0	4.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	5.8	0.6	1.4
Rel. to FTSE IT All Sh	7.4	-1.7	-25.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Agatos

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Banca Finnat (BUY)

Feedback from Event

Banca Finnat reported a good set of results in 1H21, not affected by the pandemic. The 2021-23 plan envisages an increase in AuM from EUR 15.4Bn in 2020 to EUR 18Bn in 2023, maintaining a CET 1 ratio of over 30% throughout the plan.

- In 1H21, net fees rose by 10.4% to EUR 25.8M and earnings margin grew by 2.2% to EUR 33.2M. **Net income was EUR 2.8M, +33.9% yoy**. The CET1 capital ratio was 31.4%;
- Management pointed out the strategic lines of the 2021-23 plan: 1) increasing AUM and revenues from **indirect deposits**, as well as expanding the customers' base; 2) increasing **financing** to customers in support to private banking activity, while maintaining the level of interest margin, also through an increase of volumes, with a low risk profile; 3) developing **services for SMEs** listed or intentioned to be listed on AIM, such as consultancy services focused on corporate finance and minibonds; 4) developing asset management for **institutional customers**, with a focus on insurance; 5) consolidating volumes and profitability of existing funds in **real estate**, and increasing InvestiRE S.G.R.'s AuM, also through acquisitions; and 6) expanding business lines, thanks to new investors and increase in market shares;
- **The targets of the plan may be summarised** as follows: 1) growth of private customers' indirect deposits to exceed EUR 400M by 2023; 2) over EUR 1Bn deposits in 2021-23 coming from the portfolio of new private bankers; 3) non-real estate AuM to increase from EUR 5.5Bn in 2020 to EUR 7.4Bn in 2023, thanks to the development of quality deposits; 4) total AuM to increase from EUR 15.4Bn in 2020 to EUR 18Bn in 2023; 5) earnings margin to increase from EUR 68.2M in 2020 to over EUR 72M in 2023; 6) net income to rise from EUR 5.1M in 2020 to EUR 6M in 2023; 7) a distribution of at least EUR 0.01/share dividend per year in 2021-23, i.e. around EUR 3.6M per year; and 8) a CET 1 ratio of over 30% throughout the plan.

Banca Finnat - Key data

01/10/2021			Banks
Target Price (EUR)			0.47
Rating			BUY
Mkt price (EUR)			0.28
Mkt cap (EUR M)			102
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	69.51	70.74	72.00
Gross op income	16.23	16.94	17.66
EPS (EUR)	0.01	0.02	0.02
TBVPS (x)	0.68	0.68	0.69
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	19.0	18.0	17.0
P/TBV	0.41	0.41	0.41
RoTE (%)	2.3	2.4	2.5
CET1 FL (%)	30.0	30.0	30.0
Div yield (%)	3.6	3.6	3.6
Performance (%)	**1M**	**3M**	**12M**
Absolute	2.6	1.1	39.1
Rel. to FTSE IT All Sh	4.1	-1.3	2.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Banca Finnat

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COIMA RES (BUY)

Feedback from Event

Management updated investors on its strategy and operations, providing colour on the evolution of financials in the next years, and reiterated its commitment to regularly distributing dividends as it did in the past. Positive indications from real estate office market in Milan with regard to grade A products located in prestigious/attractive areas, despite the increasingly widespread use of remote working.

- **Business evolution:** In view of the refurbishment plans of short-WALT assets (Monte Rosa, Tocqueville and Deruta), which should take place in the next 24/30 months, and after the disposal of the Sarca property, the financial profile of the company is expected to take a U-shaped trend in the next years, according to management. The planned investment in Gioia 22 (agreement for a stake acquisition ranging between 10% and 25%) should provide support to EPS starting from 2022, partially counterbalancing the lack of rents amid the re-development projects. Moreover, the current cash availability of more than EUR 100M gives room for new potential investment opportunities, while as far as the asset rotation activity is concerned, management stated that COIMA RES will keep working on reducing bank branches' exposure and will evaluate additional disposals on an opportunity-based approach;
- **Inflationary effect:** According to management, the current inflationary scenario should generate a positive effect on gross rents, as all the rental contracts in place are 100% or 75% inflation linked; this will affect portfolio valuation as a consequence. On the other hand, the increase in construction costs creates an upside risk on development capex linked to the refurbishment activity;
- **Market dynamics:** Office market in Milan should see a positive trend in terms of take-up in the next future, underpinned by the high demand and contextual low supply for grade A properties, with the more attractive business districts (such as Porta Nuova, CityLife or city centre) showing a growing trend also in terms of prime rents and proving to be more resilient compared to other areas.

We have a BUY rating and EUR 9.6/share TP on the stock.

COIMA RES - Key data

01/10/2021			Real Estate
Target Price (EUR)			9.6
Rating			BUY
Mkt price (EUR)			6.91
Mkt cap (EUR M)			249
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	43.42	40.05	36.77
EBITDA	29.47	26.32	23.23
EPRA EPS (EUR)	0.45	0.40	0.32
Net debt/-cash	301.4	326.9	370.3
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	15.5	17.1	21.6
EV/EBITDA	21.2	24.7	29.8
EV/EBIT	23.4	25.4	29.0
LTV (%)	39.56	41.55	44.75
Div yield (%)	4.3	4.3	4.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.3	7.6	24.7
Rel. to FTSE IT All Sh	1.8	5.1	-7.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to COIMA RES

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Comer Industries (BUY)

Feedback from Event

The company gave a positive outlook for the coming years, based on the current rebound of AG industry. Sales could surpass EUR 1Bn in 2022, with an EBITDA margin in line with 2020. Management also highlighted the significant synergies that should come from the integration with WPG.

- **Super cycle ahead in AG:** management expects a strong positive trend for the AG sector. After the tractors and combines sales peak year of 2013, the industry was slowing down, but in the future AG machinery will be replaced, also to increase the productivity. This trend is also supported by growing prices for AG products, which give to farmers the financial resources to invest in new machinery. The outlook of AG players is therefore expected to be upgraded along with 3Q21 results;

- **Outlook 2022:** according to management, revenues could surpass EUR 1Bn in 2022 (our estimate points to EUR 977M), with an EBITDA margin similar to 2020, when it was 13.1% on an adjusted basis. Net debt is expected to be close to 1.5x EBITDA (or below EUR 200M);

- **Synergies with WPG:** Comer Industries expects significant synergies, still not quantified, from the integration with WPG: 1) financial synergies coming from the EUR 220M refinancing finalised with four banks. Savings are expected at around EUR 1M per month; 2) commercial synergies stemming from a common commercial network spread across more countries than before and with a possibility to increase the share of wallet within existing clients; 3) supply chain synergies: the bigger size would give to Comer Industries more bargain power with suppliers, while the introduction of long-term agreements with customers and suppliers should allow to mitigate the impact of raw materials fluctuations; and 4) industrial synergies coming from the enlarged global footprint, which allows the company to be close to the clients' plants in every continent. In this respect, management highlighted the priority to increase the production capacity of WPG in Asia;

- **Update on the WPG acquisition:** Comer Industries already received the antitrust greenlight in WPG's main markets (Germany, Italy, Austria), while approvals are still pending in Russia and Spain. The EGM already approved the capital increase for the deal (stock consideration representing 28% of the combined entity for WPG parent company) and the acquisition should be completed by the end of the year (possibly by November). The WPG parent company will have a lock-up of 6 months on a 14% stake, which means that a stake of 14% could be placed on the market. Management confirmed its target to move to the STAR segment in 2022, after having reached the necessary free float (35% vs. current 20.95%);

- **New CFO:** Comer Industries appointed Mr. Stefano Palmieri as new CFO from November 2021. After several experiences, Mr. Palmieri has been the CFO of Granarolo Group since 2006. The current CFO, Mr. Grillenzoni, should leave the company at the end of September.

Overall, reassuring messages. We confirm our positive stance.

Comer Industries - Key Data

01/10/2021			Engineering
Target Price (EUR)			29.6
Rating			BUY
Mkt price (EUR)			27.40
Mkt cap (EUR M)			566
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	518.8	976.5	1,031.4
EBITDA	71.08	127.5	140.2
EPS (EUR)	1.89	1.85	2.12
Net debt/-cash	201.9	166.8	113.0
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	14.5	14.8	12.9
EV/EBITDA	10.8	7.5	6.4
EV/EBIT	14.9	12.1	9.9
Debt/EBITDA	2.8	1.3	0.81
Div yield (%)	1.8	1.8	1.8
Performance (%)	**1M**	**3M**	**12M**
Absolute	-14.4	37.0	168.6
Rel. to FTSE IT All Sh	-13.1	33.8	98.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Comer Industries

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EdiliziAcrobatica (BUY)

Feedback from Event

After a strong 1H21, high July and August backlog data. EdiliziAcrobatica should continue with better 2H21 metrics.

- **Superbonus 110%,** the bonus related to energy efficiency works should be extended until December 2023. The news came directly from Prime Minister Mario Draghi at the NADEF conference. We remind that last April EdiliziAcrobatica established Energy Acrobatica 110 Srl, which after completing the set-up phase started its first projects in September. We maintain our latest estimates regarding the Superbonus 110%: we believe the company could generate EUR 2M in revenues in these last 4 months of 2021, EUR 15M in FY22 and EUR 23M in FY23;

- **Bonus Facciate 90%**, which is granted when carrying out repairs or the renovation of the external façade of existing buildings, allowing clients to obtain a deduction of up to 90% of the expenses from gross income tax (no amount limit), is driving up volumes in FY21. According to various rumours and political parties' discussions, we believe it should be extended after 31 December but with a lower percentage to be deducted (probably 70%);

- **M&A:** The company is constantly evaluating possible targets to enter in new markets;

- **Technology:** The company is working to enhance its EA Condominio app in order to reach a larger audience, which should be lead to higher requests for EdiliziAcrobatica's services;

- **Nusco Investment:** In August 2021 the company invested in Nusco SpA, which produces and distributes interior doors, armoured doors, and windows (including window frames, shutters and gratings). We think Nusco should be a possible supplier for windows to be used in Superbonus 110% projects.

We believe EdiliziAcrobatica is on the right track to deliver a solid 2H21E. Coming months would be crucial to understand to what extent Superbonus 110% is generating sales.

EdiliziAcrobatica - Key Data

01/10/2021	Building Maintenance		
Target Price (EUR)			13.5
Rating			BUY
Mkt price (EUR)			19.10
Mkt cap (EUR M)			153
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	65.17	90.74	111.0
EBITDA	7.18	11.94	16.05
EPS (EUR)	0.39	0.73	1.07
Net debt/-cash	8.69	9.54	10.37
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	49.2	26.0	17.8
EV/EBITDA	22.7	14.2	11.0
EV/EBIT	31.9	17.6	13.0
Debt/EBITDA	1.2	0.80	0.65
Div yield (%)	1.4	2.7	3.9
Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.3	47.5	247.3
Rel. to FTSE IT All Sh	-1.8	44.1	156.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to EdiliziAcrobatica

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Energica Motor Co. (Tender Shares)

Feedback from Event

Investors are currently focused on the recently-announced launch by Ideanomics of a voluntary tender offer on 100% of the company's ordinary shares at a price of EUR 3.20.

- **Energica Motor Company** has announced that its major shareholders and founders CRP Meccanica, Maison ER & Cie, CRP Technology, Andrea Vezzani and Giampiero Testoni and Energica have entered into a framework agreement with Ideanomics related to the launch, by Ideanomics, of a voluntary tender offer over 100% of the company's ordinary shares at a price of EUR 3.20 per ordinary share. The offer is expected to be promoted in October 2021 and will be aimed at having Energica's shares delisted from trading on AIM Italy;

- **Ideanomics** is a US company (Nasdaq-listed) that facilitates the adoption of commercial electric vehicles and supports next-generation financial services and fintech products. We recall that it had already entered the group's share capital with a 20% stake following the subscription of a tranche of a capital increase;

- The group recently also unveiled its **1H21 results**, with net sales up by about 53.5% yoy (EUR 3.4M); a negative EBITDA of EUR 3.4M, worsening yoy due to investments in new workforce in view of the increase in orders; and a group's net loss stood at EUR 4.0M, in line with last year;

- Overall, we appreciated that despite the global issues related to the procurement of materials, transport times and the various lockdowns imposed on dealers in different areas of the world, **the group was able to continue its activity regularly and to significantly increase orders**. In particular, as of 31 May 2021, the countervalue of the order book reached EUR 4.1M, equal to 66% of the total turnover in 2020. We also appreciated the ongoing focus on the widening of the group's distribution network;

- **In 2021, EMC signed several new commercial agreements around the world**, significantly boosting its sales network. In particular, as of today, the number of dealers is equal to 92 (vs. 72 at 31 December 2020) plus 4 Service Centers, of which 59 in the EU, 16 in the US and 17 in the rest of the world;

- **EMC also continued its investment plan** (mainly related to R&D and production efficiencies) aimed at developing cost savings. Management's goal is to achieve an improvement in the group's average production costs of around 19% by the end of 2H21.

We remind that we had assigned a 'Tender Share' rating to the stock following the abovementioned announcement, as we believe that the deal should facilitate and increase visibility on the company's long-term development.

Energica Motor Co. - Key Data

01/10/2021	Auto & Components		
Rating			Tender Shares
Mkt price (EUR)			3.17
Mkt cap (EUR M)			97
Main Metrics (€ M)	**2021E**	**2022E**	**NA**
Revenues	13.80	31.50	NA
EBITDA	-3.92	2.29	NA
EPS (EUR)	-0.17	0.01	NA
Net debt/-cash	-7.59	-3.85	NA
Ratios (x)	**2021E**	**2022E**	**NA**
Adj. P/E	Neg.	NM	NA
EV/EBITDA	Neg.	42.4	NA
EV/EBIT	Neg.	NM	NA
Debt/EBITDA	1.9	Neg.	NA
Div yield (%)	0	0	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	1.0	-0.3	105.8
Rel. to FTSE AIM	4.9	0.0	58.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Energica Motor Company

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eVISO (BUY)

Feedback from Event

Positive messages from eVISO: the recent electricity price hike should help the company to get new clients, given the peculiarity of eVISO's commercial offer. Gross margin for resellers has grown at a double-digit rate in 2H21 and the first results of the new gas business are positive. The platform for AG commodities should be ready before the end of the year.

- **More comments on 1H21 results:** eVISO highlighted that the sharp increase of the number of users (+214% yoy, now at >95K) should boost the efficiency of its AI platform, improving the gross margin in future. The company also stressed that the gross margin per MWh was substantially stable for direct clients, while increasing at double-digit rate for the resellers segment. Therefore, the margin erosion caused by the strong growth of resellers (+254% in 2021A vs. +18% for direct clients), which typically generate a lower margin, had a limited impact at EBITDA level. In 2H21A EBITDA was also hit by non-recurring legal costs and new hiring (12 people);

- **Update on Gas segment:** eVISO reached 542 users at June-21, but aims to top 1,000 users by year-end, upscaling its direct clients (around 15K). The company's offer seems attractive for potential clients given the current sharp increase of gas prices, as it allows to strictly monitor consumption and reduce gas waste;

- **Electricity price increase:** According to management, eVISO can benefit from the recent electricity price hike as it sells at variable prices giving a monitoring alert, which increases energy efficiency, thus reducing the average energy cost for the client. In addition, energy contracts at fixed cost offered by some competitors are now extremely expensive and therefore several companies are considering to switch to contracts at variable costs, such as those offered by eVISO. Current market conditions are pushing large companies to ask eVISO advisory activities to optimise the energy cost also through hedging policies. This could be a new business, which in our view could generate attractive margins through advisory fees;

- **Update on the apple commodity segment:** In February eVISO launched Smartmele, its proprietary platform for the apple market and in July Borsa Merci (the Italian telematic commodity market place) chose eVISO as a partner for agricultural commodities. In addition, eVISO signed an agreement with Agrion (a foundation for research, innovation and technological development of agriculture in Piedmont) for certifying the quality of the apples to be traded on eVISO's market place, which should be launched next November. Management is still deciding the best business model to adopt for this market (whether direct trading activity or fee-based on trading volumes).

Overall reassuring messages. **We reiterate our positive stance.**

eVISO - Key Data

01/10/2021			Energy
Target Price (EUR)			3.3
Rating			BUY
Mkt price (EUR)			2.72
Mkt cap (EUR M)			67
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	69.60	97.01	134.8
EBITDA	3.37	5.53	7.91
EPS (EUR)	0.06	0.13	0.19
Net debt/-cash	-4.92	-5.85	-8.35
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	43.8	21.5	14.1
EV/EBITDA	18.4	11.0	7.4
EV/EBIT	26.3	14.6	9.6
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0.6	1.2	1.8
Performance (%)	**1M**	**3M**	**12M**
Absolute	-9.0	10.6	NA
Rel. to FTSE IT All Sh	-7.7	8.0	NA

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Grifal (BUY)

Feedback from Event

After reporting 1H21 results above our estimates along with an order intake up 73% by end-August, Grifal is set to deliver a good 2H21. The progressive improvement of the product mix, the upcoming production from the new plants and opportunities on non-packaging products offer a good visibility on both sales and margins.

- **New orders:** the order intake reached EUR 18M at the end of August (73% above 2020 and 41% above 2019), providing a strong visibility on the coming months, while the higher weighting of cArtù should increase profitability in the mid-term. The company stressed that the increase of raw material costs (mostly cardboard and paper) could be a competitive advantage as Grifal's products contains less materials (up to 70%) than traditional packaging products and therefore the company is less impacted;

- **cArtù** represented 23% of 1H21 revenues, however, thanks to a significant demand coupled with attaining full capacity in the Romanian plant by 2Q22, we believe cArtù contribution to total FY22 revenues should reach 40% to 45%, increasing the profitability of the group. We recall that cArtù pricing is similar to molded polystyrene, thus, the switch from costumers to more sustainable product, does not involve any additional costs;

- **Update on the new plants:** the new plant in Romania is now operational and should start to generate revenues in 4Q21. The plant is totally dedicated to one large client, but a second client could be added in the near future, saturating in this way the production capacity (EUR 6M sales, according to the company). As for the extension of the plant in Cologno Al Serio (additional 6.000 sqm or 50% of the current area), the new plant should be operational in fall 2022. The investment should be around EUR 2M for the building and EUR 1.5M per the machinery. The target is to dedicate Cologno Al Serio entirely to the production of cArtù, while the traditional packaging production should move to the plant coming from the acquisition of Cornelli;

- **Non-packaging products:** a large player, namely Knoll (a US furniture producer for office and home), is interested in new corrugated non-packaging products (wall bumpers and aesthetic sound-absorbing corrugated materials). The agreement was delayed due to Covid-19 but could resume in the future. According to management, profitability should be much higher than the cardboard products' one.

Overall reassuring messages. **We reiterate our positive stance.**

Grifal - Key Data

01/10/2021			Packaging
Target Price (EUR)			4.5
Rating			BUY
Mkt price (EUR)			3.75
Mkt cap (EUR M)			43
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	25.95	31.31	36.51
EBITDA	2.81	4.66	5.88
EPS (EUR)	0.03	0.14	0.22
Net debt/-cash	10.16	10.19	9.42
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	NM	27.6	17.2
EV/EBITDA	18.8	11.4	8.9
EV/EBIT	77.7	22.5	14.9
Debt/EBITDA	3.6	2.2	1.6
Div yield (%)	0.8	1.3	2.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.1	9.0	65.9
Rel. to FTSE IT All Sh	-1.6	6.5	22.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Grifal

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Growens (BUY)

Feedback from Event

Growens is working to finalise an acquisition by the end of the year. In order to support the organic growth of Datatrics and MailUp, they will rely on partnerships and free trial commercial offerings.

- **Acquisitions:** the goal remains to finalise an acquisition by the end of the year in the SaaS arena. In 2022, it plans to set up a team dedicated to programmatic acquisitions;
- **Potential uplisting:** it is an independent step from the M&A strategy. The priority is to close the acquisition; subsequently, Growens intends to exit the AIM market (realistically in 2022). Options are dual-listing in the US and/or moving to STAR;
- **PCaaS:** the "SMS Drive-to-Store" business has recovered since June. The strategy for the future is to focus on margin (a normal EBITDA margin level 4-5%) as the business is intended as a cash cow to finance SaaS investments;
- **BEE**: the customer base continues to expand also with large companies; the last contract signed in July was with a big pharmaceutical company for USD 0.5M per year. BEE closed 1H21 with EUR 2.4M VoP (+30% yoy, +42% ex-forex). As of August 2021, ARR (Annual Recurring Revenues, showing the average annual recurring value of existing contracts) exceeded USD 7M. Two new products were recently launched (landing page and popup builder);
- **On 11 October, the company will release its quarterly consolidated gross sales as of 30 September 2021**.

BUY rating, target price at EUR 6.6/share.

Growens - Key Data

01/10/2021			Information
Target Price (EUR)			6.6
Rating			BUY
Mkt price (EUR)			4.47
Mkt cap (EUR M)			67
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	68.92	75.52	83.86
EBITDA	5.64	7.95	9.81
EPS (EUR)	0.07	0.16	0.23
Net debt/-cash	-2.96	-4.87	-8.38
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	61.3	28.2	19.6
EV/EBITDA	11.3	7.8	6.0
EV/EBIT	37.3	16.8	11.3
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0	0	0
Performance (%)	**1M**	**3M**	**12M**
Absolute	0.2	0.7	-10.2
Rel. to FTSE IT All Sh	1.7	-1.7	-33.6

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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LU-VE (ADD)

Feedback from Event

LU-VE expects a mid-single digit sales growth in the next few years and thus is thinking about whether to increase its current production capacity in Poland and China. The company does not seem worried about the raw material prices hike, as costumers are ready to accept an increase of the selling prices if the lead time is respected.

- **Sales expected to grow at a mid-single digit in the coming years:** according to management, revenues should grow at a mid-single digit rate in the future, with a strong positive trend for heat pumps (+70% in 1H21), logistic centres and data centres in the mid-term, while the ho.re.ca channel and glass doors are recovering. Industrial cooling segment continues to be weak, due to the postponement of some large power gen projects, even if the current pipeline (EUR 75M) provides a greater visibility for the coming months. From a geographical standpoint, all the countries are performing well, including Russia, where LU-VE is benefitting from its local production plant, and China. In the US, Mr. Biden has announced an acceleration to move to green fluids for air conditioning devices, a move which should favour LU-VE, a frontrunner in this field;

- **Raw materials:** management highlighted that in the current market environment, the lead time is more important for customers compared with higher prices. In addition, LU-VE has around 70% of heat exchangers sales (50% of consolidated revenues in 1H21) based on pass-through contracts, which protect the company from raw material prices fluctuations. In addition, for products not covered by pass-through contracts, LU-VE has increased three times this year its selling price list (+4% in January, +4% in May and +6% in July) and is planning another increase for January. Therefore, we think that LU-VE is not particularly worried about the raw material prices hike. On the contrary, the main risk remains potential shortage of materials, which could increase the lead time;

- **New production potential capacity:** LU-VE has some production lines already saturated and therefore is thinking about whether to increase its current production capacity. In detail, India, where hiring new employees is easy and there is free space inside the plant, should be used as a backup for European production lines already saturated, the Polish plant could be enlarged adding 5,000 sqm, exploiting the fiscal incentive recently increased to 30% (from 25%), and the Chinese plant could be expanded, adding the production of outdoor air conditioning devices.

Overall, reassuring messages. We reiterate our ADD rating.

LU-VE - Key Data

01/10/2021			Capital Goods
Target Price (EUR)			27.0
Rating			ADD
Mkt price (EUR)			21.60
Mkt cap (EUR M)			480
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	464.7	474.1	486.6
EBITDA	53.50	58.95	65.34
EPS (EUR)	0.81	0.97	1.17
Net debt/-cash	102.9	84.54	70.32
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	26.8	22.4	18.5
EV/EBITDA	11.2	9.8	8.6
EV/EBIT	22.9	19.6	16.0
Debt/EBITDA	1.9	1.4	1.1
Div yield (%)	1.4	1.6	1.9
Performance (%)	**1M**	**3M**	**12M**
Absolute	-4.8	27.1	74.2
Rel. to FTSE IT All Sh	-3.4	24.1	28.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to LU-VE

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NB Aurora (BUY)

Feedback from Event

NB Aurora has promptly invested in 2021 the cash coming from the EUR 94M capital increase finalised at the end of 2020. Portfolio companies showed resilience to the pandemic, finalising several acquisitions, and are ready to continue their acquisition phase.

- Portfolio companies showed resilience to the pandemic and, thanks to the low level of financial leverage, **NB Aurora was able to finalise several acquisitions**. Management expects that this acquisition phase will continue, also sustained by good results in 2021, posted by several portfolio companies;

NB Aurora - Key data

01/10/2021	Holdings
Target Price (EUR)	11.1
Rating	BUY
Mkt price (EUR)	8.50
Mkt cap (EUR M)	208

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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- In the 1H21 pro-forma NAV, **available cash is around EUR 53M**, but considering the further acquisitions announced after 1H21, it should reduce to around EUR 30M;
- **The EUR 94M capital increase finalised at the end of 2020** has been almost totally used, faster than expected. We recall that in 2021 thus far NB Aurora invested in Veneta Cucine (EUR 36M), Comet (EUR 36M), BluVet (EUR 5M) and Farmo Holding (EUR 14.7M);
- **Management is aware that the liquidity of NB Aurora is not optimised and is working to stimulate it**. Based on experience of permanent capital vehicles, it takes 5-6 years to have an optimised liquidity;
- **EUR 1.06 dividends per share were paid in 2019 and 2020**, for a total cash out of around EUR 38M, following the capital gains generated from some disposals of EUR 67M.

Pattern (ADD)

Feedback from Event

In February, Pattern approved a new 2021-24 strategic plan, thanks to which the company is well positioned to face market trends, such as casualisation, the focus on ESG themes, technology and 'absolute quality', in our view. Management continues to screen external growth opportunities for the development of the 'Italian Hub of Luxury Fashion Engineering'.

- **The new strategic plan 2021-24** is based on: 1) E-quality; 2) ecology-ESG; 3) efficiency; 4) excellence and technology; and 5) easiness;
- The market is experiencing a consolidation trend (which was already under discussion before the pandemic) and the search for partnerships has become more pressing. In this regard, **management continues to screen external growth opportunities** to develop the 'Italian Hub of Luxury Fashion Engineering' (e.g. in other segments, such as leather);
- **In 1H21, Pattern's results grew double digit at all levels.** We appreciate the solid yoy growth recorded in 1H21 and in particular the increase in Pattern SpA sales, but wer recall that 1H20 financials were heavily impacted by Covid-19 (the company did not disclose 1H19 data including S.M.T.). The company stated that it experienced a reduction in margins on orders with high weighting of raw materials;
- **Outlook.** Orders for autumn-winter 2021-22 have been acquired in full and deliveries are now being completed, while orders for spring-summer 2022 are being collected; overall, management said that volumes in 2H21 are higher vs. 1H21 and the group's backlog suggests that results could moderately improve in terms of revenues, operating margins and net financial position.

We continue to positively see the company's approach and believe that the company should be well positioned to face any issues on price pressure, sourcing and the supply chain, which could materialise in the medium term.

Pattern - Key Data

01/10/2021			Branded Goods
Target Price (EUR)			5.5
Rating			ADD
Mkt price (EUR)			4.86
Mkt cap (EUR M)			68
Main Metrics (€ M)	**2021E**	**2022E**	**NA**
Revenues	57.65	66.35	NA
EBITDA	5.95	7.61	NA
EPS (EUR)	0.19	0.27	NA
Net debt/-cash	-8.93	-13.29	NA
Ratios (x)	**2021E**	**2022E**	**NA**
Adj. P/E	26.2	18.3	NA
EV/EBITDA	10.3	7.6	NA
EV/EBIT	15.0	9.9	NA
Debt/EBITDA	Neg.	Neg.	NA
Div yield (%)	0.4	0.4	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	-4.7	6.6	35.0
Rel. to FTSE IT All Sh	-3.3	4.1	-0.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Salcef (ADD)

Feedback from Event

Salcef Group is in a good momentum, supported by significant investments in sustainable mobility in general and particularly railway infrastructure. Indeed, management reconfirmed the worldwide positive outlook.

- **New investments in Italy:** Last week, the Italian minister of infrastructures and sustainable mobility signed a decree that unlocked EUR 1.55Bn to be added to the PNRR projects. The investments' objectives are: 1) strengthening of interconnected regional railway lines to improve safety levels; 2) strengthening of the railway system's role as local public transport and 3) interventions to strengthen the connection of regional lines with the national high-speed network;

- **M&A**: Management confirmed its appetite for acquisitions. Targets are companies with revenues between EUR 50M and EUR 100M (higher than the latest operations). The last acquisition (BahnBau Nord Group) was carried out at an implied 2021 EV/EBITDA multiple of 5.6x. We highlight that market conditions improved and at the same time the EV/EBITDA multiple in the reference industry increased to an average of 8.0x. Target activities could relate to track works as well as energy projects, which represent around 13% of total revenues. Equipment companies could be of interest if seen as complementary to SRT technology. Regarding geography, the main markets remain Italy, Germany and the US, but other regions are monitored, namely Australia, which shares many characteristics with the US market. Scandinavian countries also represent an option as, like many others, they are increasing their investments in railway infrastructures. Indeed, management is interested in mature/developed markets with growth potential;

- **Highly specialised workers:** To face the coming challenges, the company is continuously assessing its workforce, training its workers and conducting recruitment processes in advance to eliminate/reduce shortage issues;

- **All sites are operational:** No Covid-19 impact.

We believe Salcef Group is well positioned to capture opportunities arising from various railway infrastructure investment plans, mainly in Italy but also abroad, including the U.S. and Germany, two of the largest markets worldwide. We think that the company should also participate in tenders regarding the EUR 1.55Bn new Italian investment. Related projects should start at the beginning of 2023.

Salcef - Key Data

01/10/2021			Industrials
Target Price (EUR)			18.6
Rating			ADD
Mkt price (EUR)			17.35
Mkt cap (EUR M)			974
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	427.0	451.0	475.0
EBITDA	96.27	101.7	107.1
EPS (EUR)	0.92	0.96	1.00
Net debt/-cash	-79.99	-105.6	-132.4
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	18.8	18.1	17.3
EV/EBITDA	9.9	9.1	8.3
EV/EBIT	13.5	12.4	11.2
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	2.2	2.3	2.3
Performance (%)	**1M**	**3M**	**12M**
Absolute	-4.7	24.4	43.4
Rel. to FTSE IT All Sh	-3.2	21.5	6.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Salcef Group

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Seri Industrial (BUY)

Feedback from Event

Seri Industrial gave further updates on the Teverola 2 Gigafactory and on the contract with Fincantieri and some details on the F&F JV recently signed. The main concern at the moment is the shortage of aluminum which could slow down the production, while the company does not seem worried about the raw material price hike.

- **Update on Teverola 2:** the Gigafactory should start to generate sales from July-24 after a ramp-up phase in 1H24. The construction should start after the publication of the decree or within the end of this year. The total investment of EUR 505M is composed by EUR 360M of capex and EUR 145M of opex, that is, research costs to be capitalised up to 2023 plus further R&D costs up to 2027 to develop the solid-state battery;

- **Raw materials and supply chain:** Seri Industrial highlighted difficulties in the supply of aluminium (around 7% of the battery raw material), which could slow down the lead time in the coming months. In addition, for lead-acid batteries, there are some delays of orders due to the customers which are having a shortage of electronic components and therefore have to stop or reduce the production. This said, the company is not worried about the raw material price hike: in the lithium batteries business clients are ready to accept an increase of the selling price to cover the raw material price hike, while in the lead-acid batteries Seri Industrial could benefit from the price increase of lead (internally recycled) to increase selling prices, improving in this way profitability;

- **Details on the Fincantieri contract:** the contract, signed in August, includes EUR 8.9M for the study and prototyping phase, which would last 18 months. Afterwards, a 10-year exclusive contract for FIB could start. The attractive market is that of the retrofit, that is to change the old submarines motive force to make them electric (replacing the whole powertrain);

- **Focus on F&F:** the JV between FIB (lead-acid and lithium batteries) and Friem (an energy converter producer) recently signed with FIB at 60% and Friem at 40% is key to produce integrated battery energy storage systems without acquiring the energy converter from an external supplier. The target is to sell integrated battery energy storage systems for plants to produce energy from renewable sources, for the stabilisation of electricity grids and serving the Mini Grid (non-domestic) and Off Grid grids.

Overall reassuring messages. **We reiterate our positive stance.**

Seri Industrial - Key Data

01/10/2021			Industrials
Target Price (EUR)			8.5
Rating			BUY
Mkt price (EUR)			7.45
Mkt cap (EUR M)			352
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	206.2	275.0	319.3
EBITDA	34.33	51.49	62.75
EPS (EUR)	0.27	0.59	0.73
Net debt/-cash	89.34	69.58	42.32
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	27.1	12.6	10.2
EV/EBITDA	13.2	8.4	6.4
EV/EBIT	21.6	11.3	8.2
Debt/EBITDA	2.6	1.4	0.67
Div yield (%)	0	0	0
Performance (%)	**1M**	**3M**	**12M**
Absolute	-5.2	2.1	123.7
Rel. to FTSE IT All Sh	-3.8	-0.3	65.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Seri Industrial

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SeSa (BUY)

Feedback from Event

SeSa is consolidating its positioning as one of the leading companies in the Italian digital sector. The group's healthy organic growth is further boosted by a strong M&A activity: 11 deals since January 2021, with contribution expected by management in FY22 of EUR 145M revenues and EBITDA margin of about 12%. Overall, we expect external growth to remain a key pillar of the group's growth path, also thanks to a very strong cash position.

- **SeSa recently reported a solid start to the year** (we recall that 1Q period ending is 31 July). The major positive aspects of the results were: 1) the further boost registered in the group's profitability (+35.7% yoy), which grew significantly above the group's historical average annual growth recorded in the 2011-21 period (a CAGR EBITDA of +13.9%); and 2) the solid operating cash flow generated in the last 12 months;

- **Furthermore, quarterly results also confirmed management's capability to catch new market trends,** in our view. The new 'digital green' business is a notable example. This segment, included in the VAD business unit, is the combination of two recent acquisitions (Service Technology in June 2020 and PM Service in May 2021); from a starting base of EUR 40M in annual revenues, this year 'digital green' should generate EUR 70M in turnover with a 7% EBITDA margin, with solid future opportunities in fast-growing market niches featuring highly-fragmented competition;

- **SeSa is further strengthening its positioning** in the sector of services and solutions for the digital transformation of companies, in the current phase of recovery from the pandemic emergency characterised by the acceleration of the demand for digitalisation. Growth forecasts for the Information Technology reference market point to an annual average of 7.2% for the 2021-23 three-year period (Source: Sirmi);

- In light of the positive results achieved in 1Q in all business sectors, the expected contribution from external leverage thanks to the 11 acquisitions carried out from January 2021 and the expectations of growth in demand for digitalisation in the markets, **management confirmed its favourable outlook for FY**, with a guidance of profitability growth of approximately +30% yoy.

Overall, we reiterate our positive stance on the stock, as we appreciate the group's resilient business profile in this market context, its unique competitive positioning, thanks to its strategic partnerships with global IT players, its focus on value-added business lines and its strong exposure to industrial and service companies. Furthermore, we appreciate the positive projected earnings momentum and healthy cash generation. At our recently updated TP, the stock would trade at a 2023/24E P/E and EV/EBITDA of 29.8x and 14.5x, respectively, thus closing the gap with Bechtle and Cancom, the closer peers to SeSa in terms of business model and IT ecosystem.

SeSa - Key Data

01/10/2021			IT Services Provider
Target Price (EUR)			214.0
Rating			BUY
Mkt price (EUR)			156.40
Mkt cap (EUR M)			2423
Main Metrics (€ M)	**2022E**	**2023E**	**2024E**
Revenues	2,301.0	2,583.3	2,899.5
EBITDA	164.3	189.4	218.1
Adj. EPS (EUR)	5.00	5.97	7.17
Net debt/-cash	-132.6	-178.1	-240.3
Ratios (x)	**2022E**	**2023E**	**2024E**
Adj. P/E	31.3	26.2	21.8
EV/EBITDA	14.5	12.3	10.4
EV/EBIT	21.0	17.4	14.4
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0.8	0.9	1.1
Performance (%)	**1M**	**3M**	**12M**
Absolute	-7.3	10.9	82.5
Rel. to FTSE IT All Sh	-5.9	8.4	35.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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SIT (BUY)

Feedback from Event

In the Heating business, the positive trend of 1H21 should continue also in the first part of 2022, driven by fiscal incentives to replace old boilers. Metering business is more challenging, particularly for the Gas segment. The shortage of electronic components is causing some delays in the ramp up of the production in Tunisia.

- **Outlook for the Heating division:** SIT confirmed that in the Heating business the positive trend already evident in 1H21 (sales up 38%) will continue in the first part of 2022, in rising demand driven by fiscal incentives on the replacement of boilers in all Europe (EU commission recommended to at least double the boilers' replacement rate, currently at 2%, through fiscal incentives to be decided by every country). In this respect, the extension of "Superbonus 110%" in Italy (which represents around 20% of the European market) up to the end of 2023 is good news. The price increase of raw materials is not worrying, as SIT was able to increase selling prices to mitigate the impact. The shortage of electronic components (microchips in particular) remains more worrying as it could increase the lead time;

- **Outlook for the Metering division:** In the second half of the year, the Gas Smart Metering business should suffer from the raw material price hike, mostly for electronic components, which represent around 25% of the COGS; the sale tenders were finalised several months ago, therefore it is not possible to transfer the price increase to customers. This situation should change in 2022, when new tenders have higher selling prices. India and UK remain the main targets and the current delays in the roll-out programmes of these countries (UK is running at 70% of the replacement rate's expected target, while in India meters' installation is proceeding slowly due to Covid-19) should be recovered in 2022. In India, which should generate sales for EUR 1-2M in 2021, SIT has formed a partnership with a local player; the latter will supply the service, while SIT will supply the devices. As for Janz (water metering), the company is devising a new water meter based on ultrasonic technology and tailored for the Italian market, which will be introduced in 2023. Italy represents an attractive opportunity, as 70% of the existing water meters are based on traditional technology;

- **Tunisia update:** Due to the shortage of electronic components, there are some delays in transferring production, in particular for the heating business. Therefore, the expected reduction of fixed costs in Italy and the Netherlands is delayed to 2022.

Overall reassuring messages, particularly on the Heating division. **We reiterate our positive stance.**

SIT - Key Data

01/10/2021			Engineering
Target Price (EUR)			14.5
Rating			BUY
Mkt price (EUR)			10.65
Mkt cap (EUR M)			266
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	383.3	383.4	404.0
EBITDA	52.78	51.76	59.66
EPS (EUR)	0.73	0.62	0.89
Net debt/-cash	113.4	93.09	77.58
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	14.7	17.1	12.0
EV/EBITDA	7.2	6.9	5.8
EV/EBIT	14.1	15.5	11.3
Debt/EBITDA	2.1	1.8	1.3
Div yield (%)	2.8	3.3	3.8
Performance (%)	**1M**	**3M**	**12M**
Absolute	17.5	34.8	137.2
Rel. to FTSE IT All Sh	19.3	31.7	75.5

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

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Toscana Aeroporti (HOLD)

Feedback from Event

Traffic recovery continued in September as US and UK travellers returned. The outlook is moderately positive, as restrictions on important key market are being eased while Ryanair's planned capacity above 2019 level bodes well for a nice winter season.

- **Traffic update & short-term outlook:** positive traffic trend continues in September too, with volumes down vs. 2019 similarly to August (-46%) but with a better traffic mix, as international pax returning (UK and US travellers have been gradually coming back). The outlook for the remainder of the year is encouraging due to the easing travelling restrictions (in the UK and in US), which are expected to sustain the traffic and driving FY21 pax above the previous company forecasts and approx. to 3M, or down 64% vs. 2019 level;

- **Strategic developments:** TA announced some initiatives to increase the group efficiency (i.e. process standardisation for the two airports; streamlining of the organisation) as well as to accelerate the digital transformation and become a fully digital company by 2023;

- **Infrastructure development:** The expansion of the terminals at both Florence (+30k smq) and Pisa (bringing the capacity to 6.5M pax) was confirmed also using the EUR 150M public funds available, of which two thirds dedicated to the construction of the new Florence runway. On this aspect, TA has started the administrative procedure for the construction, cooperating with Regione Toscana and ENAC in order to minimise the risk of future opposition from local communities. The administrative procedures should last 19 months from the starting of the VIA procedure, which has not begun yet. The actions for recovering lost volume should allow traffic to exceed 2019 traffic level by 2024, as pax are forecast at 8.7M (5% above 2019), 10.1M in 2027 (CAGR 2020-2027: +2.5%) and 15.2M by 2035 (CAGR 2020-2035: +3.9%). In 2022, traffic is guided to double vs. 2021 to 6.1M;

- **Sustainability initiatives:** For the first time, TA unveiled specific commitments on ESG targets. The company aims to achieve Level 1 certification of the Airport Carbon Accreditation Programme by 2022. The targeted goals regard energy savings, water consumption monitoring and noise reduction networks with fixed and mobile stations. In addition, the terminal expansion will be executed with a carbon zero approach, using eco-friendly materials while significantly increasing the usage of renewables' energy;

- **State compensation:** TA expects EUR 10-20M compensation for the pandemic-induced losses as part of the EUR 800M aids approved by the Italian government for the whole airport sector over the March-July 2020 timeframe; those compensations are expected to be assigned by year's end.

Overall, the update is positive and the traffic recovery started in mid-June is continuing up to date even above company expectations. The easing of restrictions for the UK, an important market for TA (20% of Pisa traffic on a pre-Covid basis), combined with the symmetric reopening of the US are two important factors supporting a continuation of this trend for the winter season. Reinforcing the positive stance, yesterday Ryanair (60% of total Pisa pax pre-Covid) during a press conference announced an increase on capacity for the 2021/22 winter season at Pisa, which should exceed by 10% the 2019 level. Our current estimates are largely aligned to the company's indications, we thus left unchanged our current forecast both in the short term and in medium-long term.

Toscana Aeroporti - Key Data

01/10/2021			Airport Operators
Target Price (EUR)			13.3
Rating			HOLD
Mkt price (EUR)			13.20
Mkt cap (EUR M)			246
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	68.41	84.74	116.7
EBITDA	11.40	12.28	36.49
EPS (EUR)	-0.25	-0.21	0.69
Net debt/-cash	87.26	81.30	58.62
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	Neg.	Neg.	19.1
EV/EBITDA	29.2	26.7	8.4
EV/EBIT	Neg.	NM	14.7
Debt/EBITDA	7.7	6.6	1.6
Div yield (%)	0	0	4.9
Performance (%)	**1M**	**3M**	**12M**
Absolute	-1.1	-5.4	3.5
Rel. to FTSE IT All Sh	0.4	-7.6	-23.4

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Toscana Aeroporti

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TraWell (ADD)

Feedback from Event

Given the current challenging market, TraWell did not provide any specific outlook but it has strongly reduced its fixed and variable costs and is at substantial breakeven at the operating level, ready to catch new opportunities (also M&A) as soon as flights will recover.

- **Low visibility but some signs of recovery:** TraWell has a low visibility on the potential recovery of the air travel market, being mostly exposed to international flights which are more impacted by Covid-19. However, there are some positive signs: Russia is going well and strongly increased its revenues (+38% in 1H21) and this trend should continue, Miami, after a weak first half of the year, is now improving and the reopening to connection between Europe and South America from November should give further support;

- **Well fit to survive:** the company used all possible levers to reduce costs, renegotiating agreements with airports, reducing staff and closing or limiting the hours of unprofitable selling points also thanks to an effective management control which in real time gives an updated situation at every selling point. The result of all these actions is that TraWell is at substantial operating breakeven and is not stressed from a financial standpoint even if the company received limited Covid-related subsidies. In other words, it appears able to withstand another couple of years of weak market conditions;

- **Ready to catch new opportunities.** The sharp drop of air travel is creating financial difficulties to several competitors of TraWell that generally have a small size and limited financial resources. Therefore, management sees a lot of consolidation opportunities in the industry and is ready for new M&A deals, also exploiting the potential conversion of warrants (now out of the money with a strike price at EUR 8.0/share), which would generate >EUR 27M of new financial resources.

Market conditions would go back at the 2019 levels only in the long run (not before 2024, in our view), but TraWell has already showed to be able to survive and is now in financial equilibrium thanks to a careful management control, ready to catch new opportunities.

TraWell - Key Data

01/10/2021			Airport Services
Target Price (EUR)			11.9
Rating			ADD
Mkt price (EUR)			6.66
Mkt cap (EUR M)			17
Main Metrics (€ M)	**2021E**	**2022E**	**2023E**
Revenues	24.35	32.48	39.78
EBITDA	1.21	2.65	4.95
EPS (EUR)	-0.19	0.10	0.92
Net debt/-cash	8.02	6.36	2.65
Ratios (x)	**2021E**	**2022E**	**2023E**
Adj. P/E	Neg.	65.0	7.2
EV/EBITDA	22.9	9.7	4.4
EV/EBIT	NM	19.7	6.1
Debt/EBITDA	6.6	2.4	0.54
Div yield (%)	0	0	0
Performance (%)	**1M**	**3M**	**12M**
Absolute	2.5	33.2	5.1
Rel. to FTSE IT All Sh	4.0	30.1	-22.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

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Valsoia (BUY)

Feedback from Event

Valsoia recently reported solid 1H21 results, showing an increase in turnover and margins yoy and consolidating the very strong performance already achieved in 2020. We continue to appreciate the company's healthy cash generation, the sound balance sheet and the growing weighting of the portion of revenues generated abroad (+14.3% yoy).

- **Our understanding is that the vegetable alternatives market is benefitting from the greater readability of the offer on the shelf**, consequent to the reduction in assortment decided by the Trade with the delisting of low-rotating products. On the other hand, Valsoia in 1H21 had to absorb and manage higher costs during the period, linked both to Trade (in relation to new commercial agreements and higher sales volumes in promotions) and to the rise in the cost of sales deriving from price increases in some raw materials, food and non-food, of significant importance for production processes;

- In this context, **Valsoia continued its growth trend in 1H21**, registering a 6.8% and 4.5% increase in the top line and EBITDA, respectively. The good performance was also achieved thanks to the group's ongoing investments in consumer marketing and advertising, and the very strong start to the management of Piadina Loriana;

- We underline that **in the last 9 months the group was also able to further strengthen its portfolio of leading brands** in the Food and Health Food markets through several initiatives: i) the signing of an agreement for the exclusive distribution in the Italian territory of Vallé condiments and vegetable bases; ii) the acquisition of the Piadina Loriana brand; iii) the signing of an agreement with Weetabix Ltd. for the exclusive distribution in the Italian territory of breakfast cereals under the OREO O's brand; and iv) the acquisition in Sweden of the Swedish Green Food Company AB, a company specialising in the import and distribution of 100% vegetable products in Sweden;

- Given the strong cash generation and positive NFP, management did not exclude **the possibility of new M&A deals both in Italy and abroad**.

Our understanding is that management will continue the strategic investments focused on product innovation and marketing to retain the premium positioning of its brands and to follow the consumers' evolution trends. **We confirm our positive stance on the stock**.

Valsoia - Key Data

01/10/2021			Food Producers
Target Price (EUR)			20.0
Rating			BUY
Mkt price (EUR)			14.05
Mkt cap (EUR M)			149
Main Metrics (€ M)	**2021E**	**2022E**	**NA**
Revenues	92.00	95.23	NA
EBITDA	13.20	13.80	NA
EPS (EUR)	0.76	0.79	NA
Net debt/-cash	-23.71	-28.71	NA
Ratios (x)	**2021E**	**2022E**	**NA**
Adj. P/E	18.4	17.8	NA
EV/EBITDA	9.5	8.7	NA
EV/EBIT	12.1	11.0	NA
Debt/EBITDA	Neg.	Neg.	NA
Div yield (%)	2.7	2.7	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	-3.8	-9.4	4.5
Rel. to FTSE IT All Sh	-2.3	-11.5	-22.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Valsoia

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

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
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Historical recommendations and target price trends (12M)

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Total Equity Research Coverage relating to last rating (%)*	44	35	21	0	0
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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

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