FIRST CAPITAL

Company Update | **Buy (maintained)**

02 March 2021 – 5:30 PM | *MARKET PRICE:* ***EUR17.5*** | *TARGET PRICE:* ***EUR22.7 (from EUR17.5)***

Financial Holding

Data

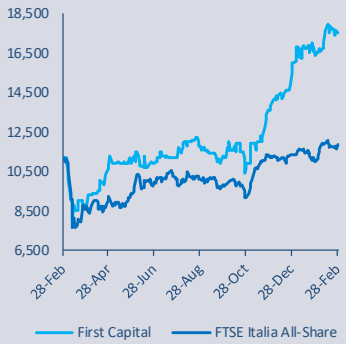
Shares Outstanding (m):	2.5
Market Cap. (EURm):	44.1
NAV (EURm):	61.9
Free Float (%):	30.3%
Av. Daily Trad. Vol. (000):	0.002
Main Shareholders:	Next holding (29.5%), Strategy Invest (28.7%)
Reuters/Bloomberg:	FICM.MI FICM.MI
52-Week Range (EUR)	8.1 18.0

Source: Factset, UbiBanca estimates

Performance

	1m	3m	12m
Absolute	5.4%	26.8%	56.4%
Rel. to FTSE Italy	-0.9%	21.5%	50.5%

Graph area Absolute/Relative 12 M



Source: Factset

Marco Cristofori
Senior Analyst
marco.cristofori@ubibanca.it
Tel. +39 02 6275 3015

Oriana Cardani, CFA
Senior Analyst
oriana.cardani@ubibanca.it
Tel. +39 02 6275 3017

New year, new asset portfolio

In the last few months First Capital started to reshuffle its asset portfolio, exiting from Eukedos (with a capital gain of around EUR0.65 million), entering in Cellularline (investing EUR3.85 million for 4.6% stake), exceeding 5% of Net Insurance and increasing its stake in ICF to 25% with an investment of EUR5 million. Overall, over one third of the strategic assets were changed since our latest report ("Resilient to stock market downturn", 15 October 2020). The portfolio rotation has confirmed the capacity of the management to select resilient investments and the strong share performance (+48% since our latest report and +9.4% since the beginning of the year) upholds the quality of First Capital's portfolio. In addition, we estimate that the company has a fire-power of around EUR30 million ready for new investments (summing up existing liquidity and cash equivalents) which could be realized in the coming months. Pending FY20 results (due out on March, 30), we left unchanged our estimates. Despite the reduction of the discount to NAV, now at 30.5% vs. 40% in our latest report, we believe First Capital remains an attractive buying opportunity. We set a new target price of EUR22.7 per share (from EUR17.5), incorporating a 10% holding discount to NAV. Buy confirmed.

- In the second half of 2020, First Capital's NAV grew by 18% to EUR54.9 million; the main contributors of the EUR8 million increase were Cy4gate (EUR3 million), Intred (EUR2.5 million) and Cellular (EUR1 million). In addition, its NAV incorporated EUR1.4 million increase in value due to Eukedos, which was sold out for EUR5.3 million at the end of December 2020.

- In 2H20 First Capital invested EUR2.3 million in the IPO of Cy4gate (4.3%-stake) and EUR4 million in Labomar and rose the participation in Cellularline (+4.5% to 5.3%-stake) moving it into strategic portfolio. In January 2021 First Capital also increased the stake in ICF by 5% to 25%. In February 2021 the stake in Net Insurance was lifted above 5%.

- NAV is currently at EUR25.2 per share, +30% vs. our previous report of last October. Applying a 10% discount to NAV we come to a target price of EUR22.7 per share (from EUR17.5), which implies a potential upside of 30%. If we consider the target prices of the core assets, our NAV would increase by EUR15 million or by EUR6 per share.

Financials

	2019	2020E	2021E	2022E
Total income (EURm)	15,52	4,52	4,69	4,70
Pre-tax profit (EURm)	12,17	1,96	2,16	2,15
Net Profit (EURm)	12,58	1,51	2,56	2,55
EPS (EUR)	4,924	0,591	1,001	0,996
BVPS (EUR)	18,45	18,85	19,67	20,48
DPS (EUR)	0,185	0,185	0,180	0,180

Source: Company Data, UBI Banca Estimates

Ratios

priced on 1 March 2021

	2019*	2020E	2021E	2022E
P/E(x)	2,2	29,6	17,5	17,6
P/BV(x)	0,58	0,93	0,89	0,85
Dividend Yield (%)	1,7%	1,1%	1,0%	1,0%
ROI (%)	26,8%	3,2%	3,6%	3,5%
ROE (%)	26,7%	3,1%	5,1%	4,9%
Debt/Equity (x)	-0,04	0,26	0,21	0,16

Source: UBI Banca Estimates * based on average 2019 price*

Key Financials

(EURm)	2019	2020E	2021E	2022E
Dividends	0,55	0,09	0,21	0,21
Other financial income	0,05	0,51	0,52	0,53
Trading profit/(loss)	14,91	3,92	3,97	3,96
Total income	15,52	4,52	4,69	4,70
Net Profit	12,58	1,51	2,56	2,55
Capital Employed	45,35	60,57	60,55	60,53
Shareholders' Equity	47,13	48,01	50,10	52,19
Minorities	0,17	48,14	50,24	52,32
Net Financial Position	-1,78	12,43	10,31	8,21

Source: Company data, UBI Banca estimates

Key Profitability Drivers

	2019	2020E	2021E	2022E
Net Debt/Equity (x)	-0,04	0,26	0,21	0,16
Cost/Income (%)	18,7%	32,9%	32,3%	32,6%
ROI (%)	26,8%	3,2%	3,6%	3,5%
ROE (%)	26,7%	3,1%	5,1%	4,9%

Source: Company data, UBI Banca estimates

Key Valuation Ratios

	2019*	2020E	2021E	2022E
P/E (x)	2,2	29,6	17,5	17,6
P/BV (x)	0,58	0,93	0,89	0,85
Dividend Yield (%)	1,7%	1,1%	1,0%	1,0%

Source: Company data, UBI Banca estimates ** Based on 2019 average price*

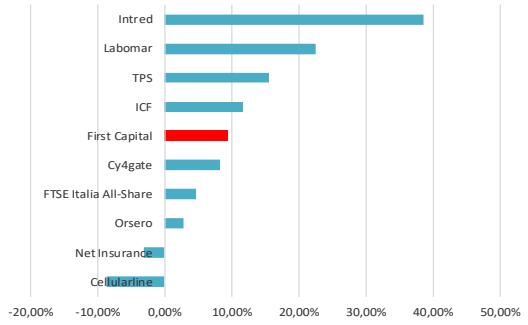
Recent Developments

- On 31 December 2020 First Capital's NAV reached the historical peak of EUR54.9 million, equal to EUR21.8 per share. Considering that in June 2020 the Group had distributed a cash+shares dividend of around EUR1 million, in 2020 the NAV total return was equal to 17.2% compared to the -4.6% performance of FTSE Small Cap and the -5.6% of FTSE All Share. At the end of 2020 total assets amounted to EUR87.3 million, of which EUR55.5 million related to investments and EUR30.5 million cash&equivalents.
- The significant growth of NAV was concentrated in 2H20 and incorporated the increasing value of the portfolio and the capital gains on the disposal of Tinexta and Eukedos. The stake in Tinexta was gradually reduced during 2020 resulting in a EUR7.0 million capital gain. Furthermore, on December 26, 2020 First Capital closed the sale of its 19.85% stake in Eukedos to La Villa SpA at EUR1.17 per share for a total proceed of EUR5.3 million. The capital gain is around EUR0.65 million or around 14%. First Capital started the strategic investment into Eukedos in 2015 after having already invested in the convertible bond of Eukedos which also generated good returns for First Capital. We also highlight that the selling price of Eukedos was 35% above the average price of the six months before the deal and 31% above the average price of the past three months and the cash-on-cash multiple of these investments was 1.2x.
- The proceeds from the disposal of Eukedos were invested into Cellularline: on December 29, 2020 First Capital announced that it had taken part in the private placement of 10.4% of Cellularline, acquiring a 4.6% stake at EUR3.85 per share for a total investment of EUR3.85 million with a discount of >10% on the average ,arket price. Therefore, the stake owned in Cellularline increased to 5.3% and is now considered a core asset.
- On January 26, 2021 First Capital announced that its 100%-controlled vehicle V.F. Adhesives S.r.l. increased its stake in ICF up to 25% in partnership with Riello Investimenti Partners SGR which subscribed EUR5.0 million bond issued by the vehicle, with a 5-years investing time horizon.
- On February 12, 2021 First Capital's main investment, Intred (approximately 24% of NAV), announced that it had achieved the best score in Lot 2 of the tender for the provision of 1 Gbit ultra-broadband internet connectivity for 4,592 schools located in Lombardy. The value of the award is approximately EUR40 million for a 5-year supply. Upon signing of the Framework Agreement, 20% of the total amount will be paid as an advance, while the remaining amount will be paid following the subsequent progress of the work (according to a predefined schedule), which must be completed in 3 years. The signing of the final and binding framework agreement should take place within 35 days. Intred closed FY20 with revenues at EUR35.5 million (+70.3% YoY reported, +16.3% YoY on a like-for-like basis). In 2020, the network continued to expand and increased from 2,900 km as at 31 December 2020 to 3,700 km. The most significant growth was reported in the provinces of Bergamo, Monza and Brianza, Lecco, Milan and Brescia.
- Among other core investments, Cy4gate reported sales FY20 at EUR12.5 million (+68.5% YoY), EBITDA at EUR6.7 million (53.5% EBITDA margin vs 41.5% in 2019) and net profit at EUR5 million. The company confirmed long-term target of sales 2023 at EUR30 million with 40% EBITDA margin. Labomar released preliminary FY20 sales at EUR61,1 million (+26,3% YoY, +27,2% YoY ex forex) and Net Insurance announced that FY20 preliminary premiums increased to EUR117 million, up 40% YoY as a result of the development of both P&C and Life segments.
- Intred and Labomar had a significant share performance jump since the beginning of the

year (+31% and +22% respectively) such strongly outperforming the FTSE Italia All Shares Cap, which has increased by 2.7% YTD. The performance of First Capital's own share price (+10% YTD) reflected the increase of value of core assets and was very positive, too.

Figure 1 – Share performances of First Capital's strategic portfolio since the beginning of the year

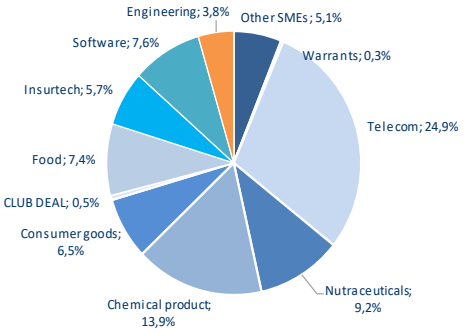
In 2020, Tinexta and Eukedos were sold out and cash in was invested into the IPO of Cy4gate (+196% since IPO) and Labomar (+37% since IPO) and it increased the stake in Cellularline. Triboo was put on sale.



Source: Factset

Figure 2 - AUM breakdown (1 March 2021)

Core assets account for 79% of total AUM. Other small caps represent 5%; all SPACs have been cashed. Intred is by far the most important investment representing 25% of AUM.



Source: UBI Banca estimates

Valuation

- The NAV is currently EUR25.2 per share. Consequently, our target price has been revised to EUR22.7 per share (from EUR17.5), offering potential upside of 30% compared to the current market price. Our target price incorporates a holding company discount of 10% to NAV.
- It is important to underline that the valuation method adopted in our NAV calculation values all listed investments at market value. If we replace market price with consensus target price for the company's strategic portfolio, our NAV would grow by 28% to EUR28.1, with market price trading at 60% discount to NAV.

Figure 3 – NAV at 1 March 2021

(EUR, EUR m, %)	% held on capital	Market value	Value per share	% of total
Intred	9,4%	19,82	7,91	31,4%
ICF	25,0%	11,06	4,42	17,5%
Labomar	4,8%	7,28	2,91	11,5%
Cy4gate	4,3%	6,05	2,42	9,6%
Orsero	5,2%	5,92	2,37	9,4%
Cellularline	5,3%	5,14	2,05	8,2%
Net insurance	5,1%	4,54	1,81	7,2%
TPS	9,7%	3,05	1,22	4,8%
Total strategic assets		**62,87**	**25,11**	**99,7%**
Small caps (non-core)		**4,08**	**1,63**	**6,6%**
Club Deal		**0,36**	**0,14**	**0,6%**
HY Bond		**12,02**	**4,80**	**19,4%**
Warrants		**0,21**	**0,08**	**0,3%**
Total assets		**79,54**	**31,77**	**126,1%**
Minorities&Others		-1,84	-0,73	-3,0%
Net cash (debt)		**-14,62**	**-5,84**	**-23,6%**
Total		**63,08**	**25,19**	
No. of shares (ex-treasury shares)		2.50	**Current price**	**Discount**
NAV per share		**25,19**	**17,50**	**30,5%**

Source: Company data, Factset *Valuation method: all listed investments at market value*

Figure 4 – Value of strategic portfolio based on target prices

If we replace market price with target price for the company's strategic portfolio, our NAV per share would grow by 28% to EUR28, with market price trading at a 60% discount to NAV.

Company	Market price	Target price	Upside	Source	Date	Value at target price (EURm)
Labomar	8,19	8,55	4,4%	CFO/Intesa	Feb 21/Nov 20	7,57
Cellularline	4,43	6,95	56,9%	Intesa/Intermonte	November 20	7,96
ICF	6,16	9,00	46,1%	Alantra	January 21	16,21
Orsero	6,44	8,33	29,4%	Intesa/CFO/Akros	Feb 21/Nov 20	7,67
TPS	4,28	7,25	69,4%	B. Profilo/Integrae	Sep 20/May 20	5,11
Net Insurance	5,10	7,31	43,3%	KT&Partners	February 21	6,51
Cy4gate	9,24	11,00	19,0%	Intermonte	January 21	7,15
Total strategic assets						**58.17**

Source: Borsa Italiana mentioned Equity Researches, UBI Banca estimates

Figure 5 - Share performances of First Capital's main assets (at 1 March 2021)

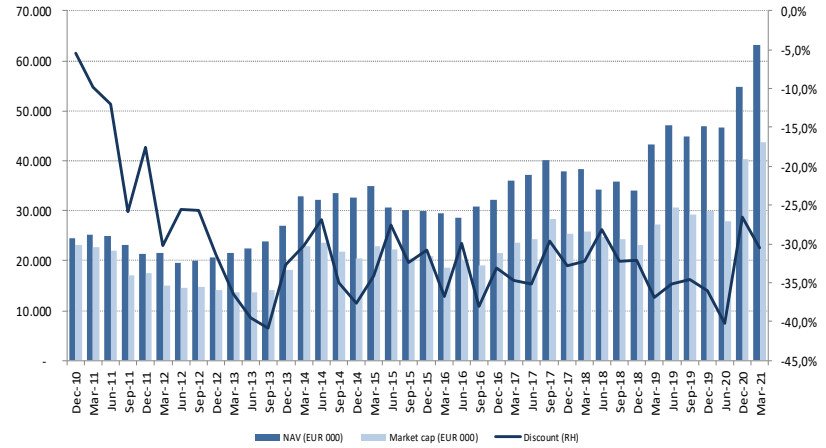
First Capital's core shareholdings, representing about 98% of its NAV, have outperformed the market by 6.3% since the start of 2021.

		Share performance	
(%)	% Weight on NAV	1M	YTD
Intred	31,4%	23,7%	38,5%
Labomar	11,5%	12,7%	22,5%
Cellularline	8,2%	-0,2%	-8,7%
ICF	17,5%	9,6%	11,6%
Orsero	9,4%	5,6%	2,9%
TPS	4,8%	18,0%	15,5%
Net insurance	7,2%	-1,2%	-3,0%
Cy4gate	9,6%	4,1%	8,3%
Total/Average	**99,7%**	**9,1%**	**10,9%**
FTSE Italia All-share		6,3%	4,6%
Over/(under) performance		**2,7%**	**6,3%**

Source: Factset, UBI Banca estimates

Figure 6 - NAV, market cap and trend in discount to NAV

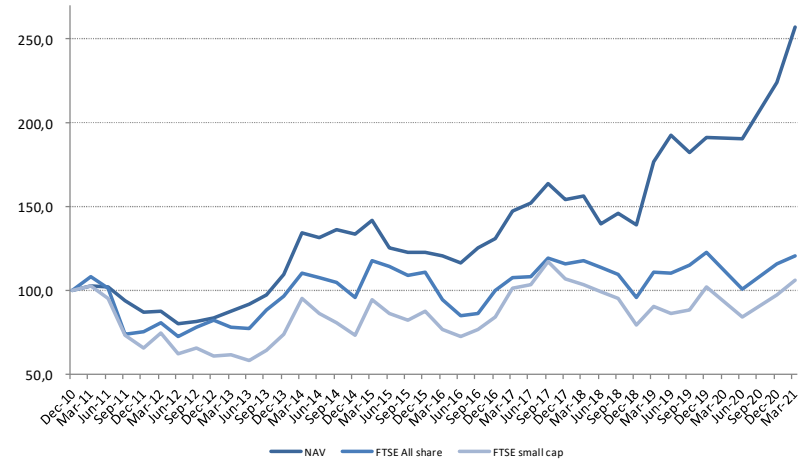
The discount to NAV is now about 30.5% vs 32% historical average discount.



Source: Company data up to 1 March 2021, UBI Banca estimates

Figure 7 - First Capital's NAV vs. the FTSE all share and FTSE small cap indices

First Capital's NAV has strongly outperformed the Italian stock indices



Source: Company data, UBI Banca estimates

Income Statement

(EURm)	2019	2020E	2021E	2022E
Dividends	0,55	0,09	0,21	0,21
Other financial income	0,05	0,51	0,52	0,53
Trading profit/(loss)	14,91	3,92	3,97	3,96
Total income	15,52	4,52	4,69	4,70
D&A	-0,09	-0,10	-0,10	-0,10
Operating (cost)/income	-2,91	-1,49	-1,52	-1,53
Financial charges	-0,34	-0,98	-0,92	-0,92
Pre-tax profit	12,17	1,96	2,16	2,15
Taxes	0,41	-0,52	0,40	0,40
Minorities	0,00	0,08	0,00	0,00
Net profit	12,58	1,51	2,56	2,55

Source: Company data, UBI Banca estimates

Balance Sheet

(EURm)	2019	2020E	2021E	2022E
Net Working Capital	-0,13	-0,13	-0,13	-0,13
Net Fixed Assets	0,33	0,31	0,30	0,28
Net Financial Assets	46,46	60,46	60,46	60,46
M/L term funds	-1,31	-0,07	-0,07	-0,08
Capital employied	45,35	60,57	60,55	60,53
Shareholders' Equity	46,95	48,01	50,10	52,19
Shareholders' Fund	47,13	48,14	50,24	52,32
Net Financial Position (Cash)	-1,78	12,43	10,31	8,21

Source: Company data, UBI Banca estimates

Cash Flow Statement

(EURm)	2019	2020E	2021E	2022E
NFP Beginning of Period	5,35	-1,78	12,43	10,32
Group Net Profit	12,58	1,51	2,55	2,55
Minorities	0,00	0,00	0,00	0,00
D&A	0,09	0,10	0,10	0,10
Change in Funds & TFR	0,68	0,00	0,00	0,00
Gross Cash Flow	13,36	1,61	2,65	2,65
Change In Working Capital	0,00	0,00	0,00	0,00
Other	-8,51	-0,19	-0,01	-0,01
Operating Cash Flow	4,85	1,42	2,64	2,64
Net Capex	1,07	-4,00	6,67	6,67
Other Investments	1,77	-10,00	-6,67	-6,67
Free Cash Flow	7,70	-12,58	2,64	2,64
Dividends Paid	-1,54	-0,46	-0,46	-0,46
Other & Chg in Consolid. Area	0,00	0,00	0,00	0,00
Chg in Net Worth & Capital Incr.	0,96	-1,17	-0,07	-0,07
Change in NFP	7,12	-14,21	2,11	2,11
NFP End of Period	-1,78	12,43	10,31	8,21

Source: Company data, UBI Banca estimates

Financial Ratios

(%)	2019	2020E	2021E	2022E
Debt/Equity	-0,04	0,26	0,21	0,16
Cost/Income	18,7%	32,9%	32,3%	32,6%
ROI	26,8%	3,2%	3,6%	3,5%
ROE	26,7%	3,1%	5,1%	4,9%

Source: Company data, UBI Banca estimates

Per Share Data

(EUR)	2019	2020E	2021E	2022E
EPS	5,07	0,59	1,00	1,00
DPS	0,19	0,19	0,18	0,18
Op. CFPS	1,95	0,55	1,04	1,03
BVPS	18,99	18,85	19,67	20,48

Source: Company data, UBI Banca estimates

Stock Market Ratios

(x)	2019 *	2020E	2021E	2022E
P/E	2,2	29,6	17,5	17,6
P/BV	0,58	0,93	0,89	0,85
Dividend Yield (%)	1,7%	1,1%	1,0%	1,0%

Source: Company data, UBI Banca estimates ** Based on 2019 average price*

Disclaimer

Analyst Declaration

*This research report (the "**Report**") has been prepared by Marco Cristofori and Oriana Cardani (the "**Analysts**") on behalf of UBI Banca S.p.A. ("**UBI Banca**") in the context of the ancillary service provided by UBI Banca named "Investment research and financial analysis or other forms of recommendation relating to transactions in financial instruments" under Paragraph 5), Section B, Annex I of the Directive 2014/65/EU ("MiFID II"). UBI Banca is an Italian bank under art. 4 (1)(27) of MiFID II, it is part of Intesa Sanpaolo group ("**Intesa Group**"), under the direction and control of Intesa Sanpaolo and it is supervised by the European Central Bank and duly authorised to provide investment services pursuant to Article 1, Paragraph 5, letter a), b), c), c-bis), e) and f) of the Legislative Decree 24 February 1998, n° 58 under the supervision of the Italian Authority for the financial markets (Consob). UBI Banca has its head office at Piazza Vittorio Veneto 8, 24122 Bergamo.*

The analysts who prepared the Report, and whose name and role appear on the front page, certifies that:

- *The views expressed on the company, mentioned herein (the "Company") accurately reflect his personal views, but does not represent the views or opinions of UBI Banca, its management or any other company which is part of or affiliated with Intesa Group. It may be possible that some Intesa Group officers may disagree with the views expressed in this Report;*
- *He has not received, and will not receive any direct or indirect compensation in exchange for any views expressed in this Report;*
- *The analyst does not own any securities and/or any other financial instruments issued by the Company or any financial instrument which the price depends on, or is linked to any securities and/or any financial instruments issued by the Company.*
- *Neither the analyst nor any member of the analyst's household serves as an officer, director or advisory board member of the Company.*
- *The remuneration of the analyst is not directly tied to transactions for services for investment firms or other types of transactions it or any legal person, part of the same group performs, or to trading fees it or any legal person that is part of the same group receives.*
- *The analysts named in this document are member of AIAF.*

General disclosure

This Report is for information purposes only. This Report (i) is not, nor may it be construed, to constitute, an offer for sale or subscription or of a solicitation of any offer to buy or subscribe for any securities issued or to be issued by the Company, (ii) should not be regarded as a substitute for the exercise of the recipient's own judgement. In addition, the information included in this Report may not be suitable for all recipients. Therefore the recipient should conduct their own investigations and analysis of the Company and securities referred to in this document, and make their own investment decisions without undue reliance on its contents. Neither UBI Banca, nor any other company belonging to the Intesa Group, nor any of its directors, managers, officers or employees, accepts any direct or indirect liability whatsoever (in negligence or otherwise), and accordingly no direct or indirect liability whatsoever shall be assumed by, or shall be placed on, UBI Banca, or any other company belonging to the Intesa Group, or any of its directors, managers, officers or employees, for any loss, damage, cost, expense, lower earnings howsoever arising from

any use of this Report or its contents or otherwise arising in connection with this Report.

The information provided and the opinions expressed in this Report are based upon information and data provided to the public by the Company or news otherwise public, and refers to the date of publication of the Report. The sources (press publications, financial statements, current and periodic releases, as well as meetings and telephone conversations with the Company's representatives) are believed to be reliable and in good faith, but no representation or warranty, express or implied, is made by UBI Banca as to their accuracy, completeness or correctness. Past performance is not a guarantee of future results. Any opinions, forecasts or estimates contained herein constitute a judgement as of the date of this Report, and there can be no assurance that the future results of the Company and/or any future events involving directly or indirectly the Company will be consistent with any such opinions, forecasts or estimates. Any information herein is subject to change, update or amendment without notice by UBI Banca subsequent to the date of this Report, with no undertaking by UBI Banca to notify the recipient of this Report of such change, update or amendment.

Organizational and administrative arrangements to prevent conflicts of interests

UBI Banca maintains procedures and organizational mechanism (physical and non-physical barriers designed to restrict the flow of information between the unit which performs investment research activity, and other units of UBI Banca) to prevent and professionally manage conflicts of interest in relation to investment research in accordance with art. 23 of Directive 2014/65/EU and under art. 34 (3) and art. 37 of the Regulation 2017/565/EU. UBI Banca is organized in such a way as to minimize conflicts of interest and has within the meaning of art. 20 (1) of the Regulation (EU) No 596/2014/EU and has adequate control procedures in place to counter infringements of the obligations laid down in Article 20 (1) of the Regulation (EU) No 596/2014. More specifically, UBI Banca has established, implements and maintains an effective conflicts of interests policy aimed at preventing and managing the potential conflicts of interest that could occur during the performance of the investment research services.

Insofar as the above mentioned organizational and administrative arrangements established by UBI Banca to prevent or manage potential conflicts of interests are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented, UBI Banca engages to provide a clear disclosure of the specific conflicts of interests arising from the performance of investment research services, including a description of the sources of those conflicts and the steps undertaken to mitigate them, taking into account the nature of the client to whom the disclosure is being made.
For further information please see UBI Banca's website (www.ubibanca.com/equity-research - *"Informativa sintetica sull'attività di ricerca"*) *and* (www.ubibanca.com/Mifid - "*Policy sintetica conflitti di interessi"*). More details about the conflicts of interests policy will be provided by UBI Banca upon request.

Disclosure of interests and conflicts of interests pursuant to Delegated Regulation 2016/958/EU

In relation to the Company the following interest/conflict of interest have been found:

- *UBI Banca acts as Nomad and Specialist for First Capital.*
- *UBI Banca may have long or short positions not exceeding the threshold of 0.5% of the total issued share capital of the issuer.*

On the basis of the checks carried out no other interest/conflict of interest arose.

Frequency of updates

UBI Banca aims to provide continuous coverage of the companies in conjunction with the timing of periodical accounting reports and any exceptional event that occurs affecting the issuer's sphere of operations and in any case at least twice per year. The companies for which UBI Banca acts as Sponsor or Specialist are covered in compliance with regulations of the market authorities.

For further information please refer to www.ubibanca.com/equity-research

Valuation methodology

UBI Banca's analysts value the Company subject to their recommendations using several methods among which the most prevalent are: the Discounted Cash Flow method (DCF), the Economic Value Added method (EVA), the Multiple comparison method, the SOP method and the NAV method.

The analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from their fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (i.e. holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

For further information please refer to www.ubibanca.com/equity-research.

Ranking system

UBI Banca's analysts use an "absolute" rating system, not related to market performance. The explanation of the rating system is listed below:

Buy: if the target price is 15% higher than the market price, over the next 12 months.

Hold: if the target price is 15% below or 15% above the market price, over the next 12 months.

Sell: if the target price is 15% lower than the market price, over the next 12 months.

No Rating: the investment rating and target price have been suspended as there is not sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect. Alternatively, No Rating is assigned in certain circumstances when UBI Banca is acting in any advisory capacity in a strategic transaction involving the Company.

Target price: the market price that the analyst believes that the share may reach within a one-year time horizon.

Market price: closing price on the day before the issue date of the report, appearing on the first page.

Distribution

Italy: This document is intended for distribution in electronic form to "Professional Clients" and "Qualified Counterparties" as defined by Legislative Decree 24 February 1998, n. 58 and by Consob Regulation n. 20307 dated 15 February 2018, as further amended and supplemented.

Spain: This document is intended for distribution in electronic form to "Professional Clients" and "Eligible Counterparties" as defined by Royal Legislative Decree 4/2015, of 23 October, approving the revised text of the Securities Market Act, as further amended and supplemented.

IN THE UNITED KINGDOM, THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT PERSONS WHO (A) ARE (I) PERSONS FALLING WITHIN ARTICLE 19 OR ARTICLE 49 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AND ONLY WHERE THE CONDITIONS CONTAINED IN THOSE ARTICLES HAVE BEEN, OR WILL AT THE RELEVANT TIME BE, SATISFIED) OR (II) ANY OTHER PERSONS TO WHOM IT MAY BE LAWFULLY COMMUNICATED; AND (B) ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC), (ALL SUCH PERSONS BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

IN FRANCE, THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT PERSONS WHO ARE CONSIDERED AS PROFESSIONAL CLIENTS WITHIN THE MEANING OF ARTICLES L. 533-16 AND D. 533-11 ET SEQ. OF THE FRENCH CODE MONETAIRE ET FINANCIER (THE FRENCH FINANCIAL CODE) OR AS ELIGIBLE COUNTERPARTIES, AS DEFINED IN ARTICLES L. 533-20 AND D. 533-13 ET SEQ. OF THE FRENCH FINANCIAL CODE.

IN IRELAND, THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC, AS AMENDED FROM TIME TO TIME, INCLUDING BY DIRECTIVE 2010/73/EC) ("QUALIFIED PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT QUALIFIED PERSONS.

THIS REPORT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF ARTICLE 652A OR ART. 1156 OF THE SWISS CODE OF OBLIGATIONS OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE LISTING RULES OF THE SIX SWISS EXCHANGE OR ANY OTHER TRADING VENUE IN SWITZERLAND, OR A SIMILAR COMMUNICATION WITHIN THE MEANING OF ART. 752 THE SWISS CODE OF OBLIGATIONS, AND HAS BEEN PREPARED WITHOUT REGARD TO SWISS LAWS AND REGULATIONS, AND DOES NOT CONSTITUTE AN OFFER TO SUBSCRIBE FOR, BUY OR OTHERWISE ACQUIRE ANY SECURITIES OF THE COMPANY.

Copyright

This Report is being supplied solely for the recipient's information and may not be reproduced, redistributed or passed on, directly or indirectly to any other person or published, in whole or in part, for any purpose without prior written consent of UBI Banca.

The copyright and intellectual property rights on the data are owned by UBI Banca Group, unless otherwise indicated. The data, information, opinions and valuations contained in this Report may not be subject to further distribution or reproduction, in any form or via any means, even in part, unless expressly consented by UBI Banca.

By accepting this Report the recipient agrees to be bound by all of the forgoing provisions.

Distribution of ratings

Equity rating dispersion in the past 12 months			
Buy	***Hold***	***Sell***	***No Rating***
76.4%	*21.7%*	*0.0%*	*1.9%*

Proportion on issuers to which UBI Banca has supplied investment banking services relating to the last 12 months			
Buy	***Hold***	***Sell***	***No Rating***
58.0%	*8.7%*	*100%*	*100%*

For further information regarding yearly and quarterly rating statistics and descriptions, please refer to www.ubibanca.com/equity-research.

Historical ratings and target prices

Date	*Rating*	*Target Price (EUR)*	*Market Price (EUR)*
05 May 2014	Buy	11.7	10.0
30 October 2014	Buy	11.5	9.0
10 April 2015	Buy	12.8	10.3
22 October 2015	Buy	11.3	8.2
18 April 2016	Buy	11.1	8.8
17 November 2016	Buy	11.2	7.7
4 April 2017	Buy	13.8	9.8
20 November 2017	Buy	13.8	10.3
26 April 2018	Buy	13.6	10.7
18 October 2018	Buy	13.5	10.1
04 April 2019	Buy	17.2	11.3
2 October 2019	Buy	16.8	11.8
23 April 2020	Buy	16.2	10.1
15 October 2020	Buy	17.5	11.8