

Digital Value

Bottom Line & NFP Impacted by Accounting Effects of Two Deals

The 1H23 revenue and EBITDA results confirmed the group's positive trend, its capacity for continuous and sustainable development and its ability to manage operating costs in an inflationary environment. For 2H23, the company still sees a solid revenue trend, albeit more 'normalised' than in 1H23 (FY top line should land in the 'mid-high teens' range). As for the two 'special deals' closed in the semester, while they had an accounting impact on the bottom line and OFCF, we appreciate the company's ability to selectively adapt its business model to meet the needs of strategic customers, while we expect the benefits to be visible in the long term. Digital Value trades at a 2023E (2024E) EV/EBITDA of 6.8x (5.5x), i.e. an average discount of about 35% vs. peers, despite its above average growth profile and resilient business model.

Growth was driven by 'Next Generation Data Centre' segment and by PA vertical

1H23 top line was EUR 415.5M (+23% yoy, fully organic growth). At the divisional level, growth was driven by the Next Generation Data Centre division (EUR 222M or +56% yoy). The other two divisions were flattish. In terms of end customers, the boost came from PA, thanks also to some digitalisation projects supported by the NRRP. In 1H23 PA accounted for almost 53.6% of revenues vs. 33.5% in 1H22 (with a growth in PA revenues of almost 100% yoy). On the other hand, the Telecom & Media segment saw volumes decline by more than 40% yoy. This slowdown was due to the postponement of some investment programs by Telco companies. Management expects a rebound on this side already from 2H.

D&A and OFCF were impacted by the accounting effects related to two special deals

One of the two deals was in the IaaS model, the group purchases technologies and installs them on the customers' premises, while offering solutions and services in a multi-year contract. This approach requires a higher amount of upfront capex for Digital Value, however it allows the company to: a) Have a multi-year relation with the Tier 1 customer; b) provide the client with a variety of services; c) Increase the overall marginality of the relationship with the client (as the profitability of this approach is above the group's average); and d) be in the best position to offer a wide range of new services to the customers. This deal, together with a 'deferred sale', impacted OFCF by EUR 41.1M (mostly due to IFRS 16 impact and deferred receivables, while all financial cash inflows match outflows). As a result, net debt was EUR 30.4M vs. a net cash position of EUR 16.4M posted at YE22. Also bottom line was impacted as the deals had an accounting impact on the level of D&A (IFRS 16 related).

New TP at EUR 115.0; BUY reiterated

Following 1H23 results, we left almost unchanged our top line and profitability projections, while we incorporated the accounting and financial impacts arising from the two above mentioned deals. Our updated DCF model points to a new target price of EUR 115.0 (from EUR 122.5), over 90% above the current share price. Therefore, we reiterate our positive stance and BUY rating. We continue to expect Digital Value to outperform the reference market growth, based on: i) its direct relationship with the principal international IT vendors, which allows it to offer independent choice of specific technologies to design the best solutions for customers; ii) margin expansion, by internalising activities provided by third parties and by including more services to its offering; iii) M&A opportunities, aimed at increasing its portfolio of clients and/or its offering. M&A remains an important growth driver to acquire skilled personnel; iv) relevant exposure to NRRP funds; and v) in terms of risk profile, we believe the high standing client base, combined with the company's direct contact with top vendors, should ensure business resilience also in a more adverse economic scenario. Overall, we think Digital Value's business model allows investors to gain exposure to digitalisation trends without being dependent on the performance of a single IT titan or product.

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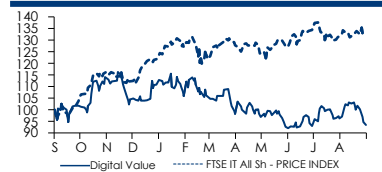
BUY

Target Price: EUR 115.0
(from EUR 122.5)

Italy/IT Services Provider
Company Results

EXM

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



Digital Value - Key Data

Price date (market close)	25/09/2023
Target price (€)	115.0
Target upside (%)	92.31
Market price (€)	59.80
Market cap (EUR M)	596.18
52Wk range (€)	74.4/58.5

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Revenues	708.5	828.2	943.4
EBITDA	73.57	87.70	101.7
EBIT	51.06	57.46	74.23
Net income	33.95	37.02	50.63
EPS (EUR)	3.41	3.71	5.08
Net debt/-cash	-16.42	0.07	-35.55
Adj P/E (x)	21.7	16.1	11.8
EV/EBITDA (x)	9.8	6.8	5.5
EV/EBIT (x)	14.1	10.4	7.6
Div ord yield (%)	1.1	1.6	2.1

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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Corporate Broking Research

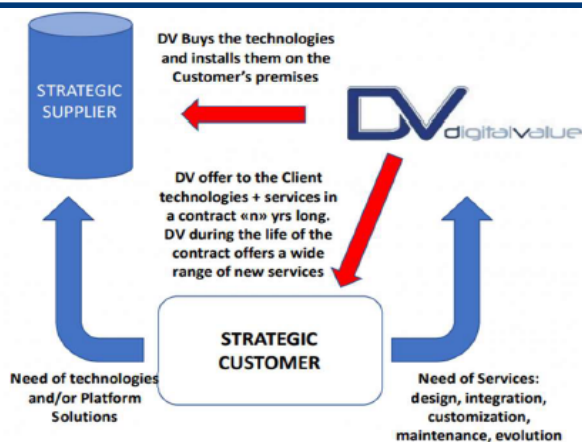
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1H23A Results

The key points of results were (we recall that Digital Value had already announced its preliminary 1H23 sales on 2 August and that our 1H23 results preview dates prior to the publication of preliminary sales):

- 1H23 top line was EUR 415.5M (+23% yoy, fully organic growth). In terms of revenue breakdown by Line of Business, we underline that: i) Digital Business Transformation grew by 1.3%, mainly due to Cloud and Software platforms delivered as a service, as well as Integration and cybersecurity services; ii) Next Generation Data Centre was particularly strong (up by 55.6% yoy). We recall that this line of business represents Digital Value's historical market and that the group has a leading position in the segment in Italy; and iii) Smart Workplace Transformation was down by 3.2% yoy. We emphasise that the strong performance in the Next Generation Data Centre could create new opportunities in the area of Digital Business Transformation. In terms of industry verticals, Digital Value generated 53.6% of revenues in Public Administration thanks to an acceleration of NRRP projects (33.5% in 1H22); 22.6% in Industry (19.8% last year); 7.7% in Finance (12.4% in 1H22, affected by postponement of big tender to 2H but registering an improved backlog) and 16.1 % in Telco & Media (vs. 34.3% in 1H22);
- EBITDA stood at EUR 44.9M (+29.4% yoy); the EBITDA margin was 10.8% vs. 10.3% last year thanks to: i) a better revenue mix; ii) a persistent control of operating costs; and iii) an inflationary effect on operating costs co-shared with vendors and customers;
- D&A, OFCF and NFP were impacted by the accounting effects related to the two special deals with Tier-1 customers, that involved a different contract approach (a deferred sale and the development of a relevant IaaS project). In detail, as regards the IaaS, the group purchases technologies and installs them on the customers' premises, while offering solutions and services in a multi-year contract. This approach requires a higher amount of upfront capex for Digital Value, however it allows the company to: a) Have a multi-year relation with the Tier 1 customers; b) Provide the client with a variety of services; c) Increase the overall marginality of the relationship with the client (as the profitability of this approach is above the group's average); and d) be in the best position to offer a wide range of new services to the customers;

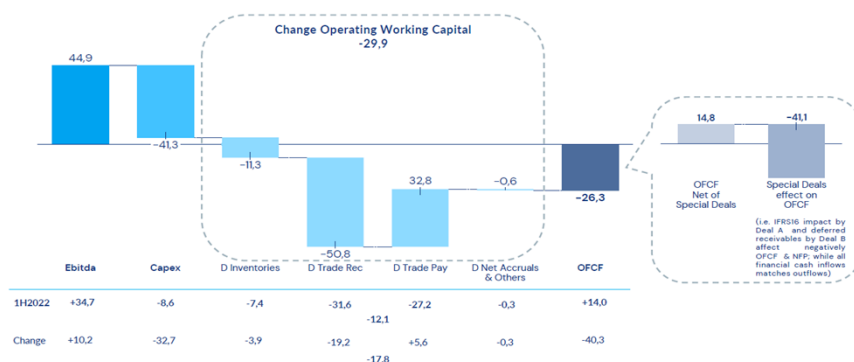
Digital Value – On Premise IaaS



Source: Company data

- These two deals impacted OCF by EUR 41.1M (mostly due to IFRS 16 and deferred receivables, while all financial cash inflows match outflows). As a result, net debt was EUR 30.4M vs. a net cash position of EUR 16.4M posted at YE22;

Digital Value – OCF calculation (including Special deals)



Source: Company data

- Bottom line was flattish yoy due to: i) bigger D&A/IFRS 16 impact; ii) higher financial expenses related to the increase in interest rates and new loans taken out to support investments on behalf of customers (this incremental portion of higher D&A is included in the value of the contract with the customers); and iii) EUR 1M of non-recurring costs due to the trans-listing.

Digital Value – 1H23A results

EUR M	1H22A	1H23A	yoy %	1H23E	A/E %
Digital Business Transformation	112.3	113.8	1.3	125.8	-9.5
% of total revenues	33.3	27.4		31.4	
Next Generation Data Center	142.7	222.1	55.6	191.5	16.0
% of total revenues	42.3	53.5		47.8	
Smart Workplace Transformation	82.2	79.6	-3.2	83.3	-4.5
% of total revenues	24.4	19.2		20.8	
Total Revenues	337.2	415.5	23.2	400.5	3.7
EBITDA	34.7	44.9	29.4	41.3	8.7
EBITDA margin %	10.3	10.8		10.3	
EBIT	24.6	28.1	14.0	NA	
EBIT margin %	7.3	6.8		NA	
Group's net income	16.9	17.1	1.3	NA	

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

Estimates Revision

Digital Value – Estimates fine-tuning (2023E-25E)

EUR M	FY23E			FY24E			FY25E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Revenues	820.2	828.2	1.0	937.4	943.4	0.6	1081.6	1087.6	0.6
EBITDA	85.2	87.7	2.9	99.6	101.7	2.1	120.4	121.0	0.5
margin %	10.4	10.6		10.6	10.8		11.1	11.1	
EBIT	62.7	57.5	-8.4	76.6	74.2	-3.1	97.4	93.5	-4.0
margin %	7.6	6.9		8.2	7.9		9.0	8.6	
Group's net profit	43.2	37.0	-14.3	53.8	50.6	-5.9	69.0	64.4	-6.6
Net debt/ - cash	-28.6	0.1		-55.8	-35.6		92.9	-79.0	

Source: Intesa Sanpaolo Research estimates

Valuation

Considering Digital Value's sustainable organic growth path and the current high volatility of market multiples, we think that a DCF model is the most appropriate valuation methodology. Our updated DCF-based valuation points to a new target price of EUR 115.0 (from EUR 122.5), implying an approximate 92% potential upside vs. the current market price. As a result, we confirm our BUY recommendation on the stock. We also carried out a peers' multiples comparison as a cross-check analysis.

DCF model

Our key DCF assumptions are reported below together with our WACC calculation:

- For the WACC calculation, a risk-free rate of 4.0%, a risk premium of 6.5%; a Beta of 0.82x; and a target gearing ratio (D/invested capital) of 20%, to partially incorporate the potential upside that should arise from M&A activity. We underline that, assuming a theoretical maximum leverage of 3x NFP/EBITDA, we estimate a potential firepower of over EUR 300M to finance new M&A deals by YE24E;
- Explicit forecasts through 2025E;
- To calculate the LT, we use 2025E NOPAT, while we assume capex equal to depreciation and a stable working capital to revenue ratio. Given the group's solid track record and the favourable sector outlook, we use a perpetuity growth rate of 2.5% (in line with the one we use for SeSa and Tinexta).

Digital Value - WACC calculation (%)

Risk-free rate	4.0
Equity risk premium	6.5
Beta (x)	0.82
Cost of equity	9.3
Net Cost of Debt	2.5
Gross Cost of Debt	3.5
Tax rate	30
Gearing	20
WACC	7.92

Source: Intesa Sanpaolo Research estimates

Digital Value - DCF calculation

EUR M	2023E	2024E	2025E	LT
Revenues	828.2	943.4	1087.6	
EBIT	57.5	74.2	93.5	
EBIT margin (%)	6.9	7.9	8.6	
Taxes	-14.8	-19.8	-25.2	
NOPAT	42.6	54.4	68.3	68.3
Non-cash items	24.2	24.5	24.5	
Capex	-25.0	-25.0	-25.0	
NWC changes	-28.8	-7.2	-9.8	
FCF	13.1	46.7	58.0	68.3
Discounted FCF	13.1	44.1	50.7	55.4
WACC (%)	7.92			
Perpetuity growth rate (%)	2.5			
NPV of cash flows	107.9			
NPV of terminal value	1,022.3			
EV	1,130.2			
NFP @ 2022A	-16.4			
Equity value	1,146.6			
No. of shares (M)	10.0			
Value per share (EUR)	115.0			

Source: Intesa Sanpaolo Research estimates

Digital Value - Sensitivity analysis

EUR/share			% growth		
WACC %	1.5	2.0	2.5	3.0	3.5
6.92	117.8	128.5	141.6	158.0	179.3
7.42	107.6	116.4	126.9	139.9	156.1
7.92	99.0	106.4	115.0	125.4	138.2
8.42	91.7	97.9	105.1	113.7	123.9
8.92	85.4	90.7	96.8	103.9	112.3

Source: Intesa Sanpaolo Research estimates

Peers' Multiples Comparison

Digital Value - Peers multiples comparison

x	Country	Market		EV/sales			EV/EBITDA			EV/EBIT			P/E		
		Price	Cap	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Accenture	US	299.7	199,083	3.1	3.0	2.8	16.9	15.9	14.3	20.7	19.1	17.2	27.4	25.5	23.4
Bechtle	DE	44.9	5,662	0.9	0.8	0.7	11.6	10.4	9.4	15.1	13.5	12.1	21.4	19.5	17.9
CANCOM	DE	25.7	997	0.5	0.4	0.4	6.7	5.4	4.8	12.2	9.3	8.0	21.8	17.4	15.7
Capgemini	FR	165.7	28,754	1.3	1.2	1.1	8.4	7.5	6.6	10.2	9.0	7.7	14.7	13.4	12.2
CDW Corp	US	193.8	25,979	1.5	1.4	1.3	15.8	14.4	13.5	16.4	15.3	14.4	21.0	19.3	17.1
Computacenter	UK	29.8	3,401	0.4	0.4	0.3	7.4	6.8	6.1	9.6	8.8	8.1	15.0	14.4	13.6
Reply	IT	86.5	3,236	1.4	1.2	1.0	9.2	7.8	6.7	11.3	9.5	8.0	17.5	15.2	13.7
SeSa	IT	99.2	1,537	0.5	0.4	0.3	6.3	5.3	4.4	8.4	7.0	5.8	14.1	12.3	10.9
Peers average				1.2	1.1	1.0	10.3	9.2	8.2	13.0	11.4	10.2	19.1	17.1	15.6
Digital Value*	IT	59.8	596	0.7	0.6	0.5	6.8	5.5	4.3	10.4	7.6	5.5	16.1	11.8	9.3
vs. Peers				-40.0	-45.1	-51.5	-33.9	-40.2	-47.7	-20.0	-33.6	-45.9	-15.8	-31.1	-40.3

Priced at market price of 25/09/2023; E: estimates; Source: *Intesa Sanpaolo Research estimates and FactSet

Digital Value - Peers growth and profitability comparison

%	2022A-25E CAGR			EBITDA Margin (%)		
	Revenues	EBITDA		2023E	2024E	2025E
Accenture	2.7	3.8		18.6	18.6	19.2
Bechtle	8.2	7.3		7.6	7.6	7.6
CANCOM	14.9	13.8		7.8	7.7	7.9
Capgemini	5.6	7.1		15.9	16.1	16.5
CDW Corp	2.3	4.2		9.5	9.6	9.6
Computacenter	5.8	4.5		4.9	5.3	5.4
Reply	11.1	5.6		15.3	15.5	15.5
SeSa	9.2	11.5		7.4	7.5	7.7
Peers median	7.0	6.4		8.6	8.6	8.8
Digital Value*	15.4	18.1		10.6	10.8	11.1
vs. Peers	119.8	184.8		23.1	24.9	26.8

Priced at market price of 25/09/2023; E: estimates; Source: *Intesa Sanpaolo Research estimates and FactSet

Valuation and Key Risks

Valuation basis

Our EUR 115.0 TP is derived with a DCF model, using a 7.92% WACC (RFR at 4%; ERP at 6.5%), a 2.5% terminal growth rate and a gearing of 20%.

Key Risks

Company specific risks:

- Dependence on key talents
- Exposure to one single country

Sector generic risks:

- Increasing competition, especially in hiring talents in new technologies, may put pressure on profitability
- Current geopolitical issues may impact global economy potentially slowing market demand
- M&A execution risk

Company Snapshot

Company Description

Digital Value S.p.A., with offices in Rome and Milan and operating throughout the national territory, is the parent company of a group including Italy's leading operators in the ICT services and solutions sector, with consolidated revenues of EUR 709M and over 300 employees. The group works in the research, design, development and sales of ICT services and solutions for the digitalisation of large account clients working in strategic sectors of the country's economy - Telecommunications, Transport, Utilities, Finance, Industry and Public Administration - which represent the driving segment of the ICT market (over 50% of total national demand). In result of its significant constant growth, Digital Value embodies a unique range of specialist skills, providing complete coverage of all technological innovation requirements in key market segments. The group's success is the result of the unique combination of skills, know-how and the specialisation of its human resources, as well as its acknowledged ability to plan, implement and manage innovative design solutions that are functional to the digitalisation needs of its clients.

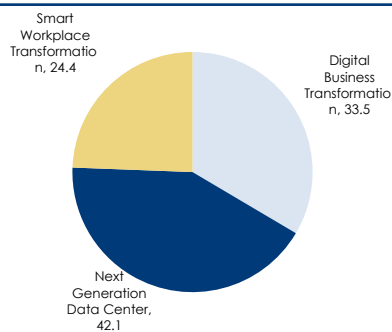
Key data

Mkt price (€)	59.80	Free float (%)	35.3
No. of shares	9.97	Major shr	DV Holding SpA
52Wk range (€)	74.4/58.5	(%)	64.7
Reuters	DGV.MI	Bloomberg	DGV IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-2.9	-1M	-3.1
-3M	0.8	-3M	-2.4
-12M	-4.3	-12M	-27.6

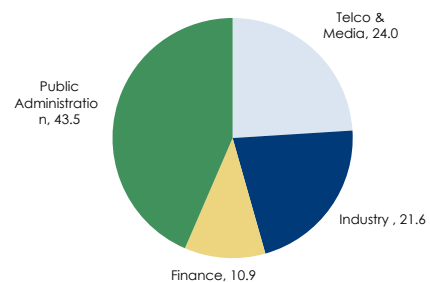
Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Sales	708.5	828.2	824.2	943.4	935.7	1,087.6	1,054.2
EBITDA	73.57	87.70	86.71	101.7	99.66	121.0	116.1
EBIT	51.06	57.46	61.03	74.23	72.06	93.55	84.80
Pre-tax income	47.97	52.06	57.27	70.73	68.69	90.05	81.55
Net income	33.95	37.02	38.77	50.63	48.10	64.43	57.15
Adj. EPS	3.41	3.71	4.03	5.08	4.98	6.46	6.36

FY22 revenues breakdown by line of business (%)



FY22 revenues breakdown by Industry vertical (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 25/09/2023)

Digital Value – Key Data

Rating BUY	Target price (€/sh) Ord 115.0		Mkt price (€/sh) Ord 59.80			Sector IT Services Provider
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. ordinary shares (M)	9.97	9.97	9.97	9.97	9.97	9.97
Total no. of shares (M)	9.97	9.97	9.97	9.97	9.97	9.97
Market cap (EUR M)	256.77	713.49	737.22	596.18	596.18	596.18
Adj. EPS	2.42	3.07	3.41	3.71	5.08	6.46
BVPS	9.4	13.0	15.8	20.4	26.4	34.2
Dividend ord	0	0	0.85	0.93	1.27	1.62
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	442.3	557.8	708.5	828.2	943.4	1,087.6
EBITDA	45.37	57.48	73.57	87.70	101.7	121.0
EBIT	34.01	44.52	51.06	57.46	74.23	93.55
Pre-tax income	33.56	43.42	47.97	52.06	70.73	90.05
Net income	24.10	30.13	33.95	37.02	50.63	64.43
Adj. net income	24.12	30.62	34.03	37.02	50.63	64.43
Cash flow (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net income before minorities	24.1	30.6	34.0	37.2	50.9	64.8
Depreciation and provisions	11.4	13.0	22.5	30.2	27.5	27.5
Others/Uses of funds	1.4	1.1	0.9	-0.2	-0.3	-0.4
Change in working capital	-18.8	-29.9	-6.1	-28.8	-7.2	-9.8
Operating cash flow	18.1	14.7	51.3	38.5	70.9	82.1
Capital expenditure	-13.0	-27.4	-32.1	-44.5	-25.0	-25.0
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	-4.3	-4.0	0	0	0
Free cash flow	5.1	-16.9	15.2	-6.0	45.9	57.1
Dividends	0	0	0	-8.5	-9.3	-12.7
Equity changes & Non-op items	-0.2	-11.8	-3.0	-2.0	-1.0	-1.0
Net change in cash	4.9	-28.7	12.2	-16.5	35.6	43.4
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net capital employed	60.9	124.3	141.4	203.5	228.1	262.1
of which associates	0	0	0	0	0	0
Net debt/-cash	-32.9	-4.9	-16.4	0.1	-35.6	-79.0
Minorities	0.2	5.5	0.9	1.1	1.4	1.8
Net equity	93.5	123.7	156.9	202.4	262.2	339.3
Minorities value	0.2	5.5	0.9	1.1	1.4	1.8
Enterprise value	224.1	714.1	721.7	597.4	562.0	519.0
Stock market ratios (x)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	10.6	23.3	21.7	16.1	11.8	9.3
P/CFPS	7.5	16.9	13.3	8.9	7.7	6.5
P/BVPS	2.7	5.5	4.7	2.9	2.3	1.7
Payout (%)	0	0	25	25	25	25
Dividend yield (% ord)	0	0	1.1	1.6	2.1	2.7
FCF yield (%)	2.0	-2.4	2.1	-1.0	7.7	9.6
EV/sales	0.51	1.3	1.0	0.72	0.60	0.48
EV/EBITDA	4.9	12.4	9.8	6.8	5.5	4.3
EV/EBIT	6.6	16.0	14.1	10.4	7.6	5.5
EV/CE	3.7	5.7	5.1	2.9	2.5	2.0
D/EBITDA	Neg.	Neg.	Neg.	0.00	Neg.	Neg.
D/EBIT	Neg.	Neg.	Neg.	0.00	Neg.	Neg.
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA margin	10.3	10.3	10.4	10.6	10.8	11.1
EBIT margin	7.7	8.0	7.2	6.9	7.9	8.6
Tax rate	28.1	29.5	29.1	28.5	28.0	28.0
Net income margin	5.4	5.4	4.8	4.5	5.4	5.9
ROCE	55.9	35.8	36.1	28.2	32.5	35.7
ROE	29.6	27.7	24.2	20.6	21.8	21.4
Interest cover	74.9	61.7	29.8	13.1	21.2	26.7
Debt/equity ratio	Neg.	Neg.	Neg.	0.0	Neg.	Neg.
Growth (%)		2021A	2022A	2023E	2024E	2025E
Sales		26.1	27.0	16.9	13.9	15.3
EBITDA		26.7	28.0	19.2	16.0	19.0
EBIT		30.9	14.7	12.5	29.2	26.0
Pre-tax income		29.4	10.5	8.5	35.9	27.3
Net income		25.0	12.7	9.1	36.7	27.3
Adj. net income		26.9	11.1	8.8	36.7	27.3

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

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

Equity Research Publications in Last 12M

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

Valuation methodology (long-term horizon: 12M)

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

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

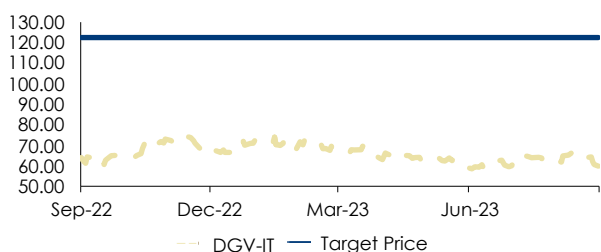
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Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
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RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
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Historical recommendations and target price trends (long-term horizon: 12M)

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

Date	Rating	TP (EUR)	Mkt Price (EUR)
23-May-22	BUY	122.5	72.0

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at July 2023)**

Number of companies considered: 126	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	77	23	0
of which Intesa Sanpaolo's Clients (%)**	71	52	0

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

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