

Company Note

MID CORPORATE

Rosetti Marino

27 April 2022: 7:45 CET  
Date and time of production

FY21 Results

FY21 results were negatively impacted by low orders' acquisition in 2020, due to both the Covid-19 pandemic and the collapse in oil prices, resulting in value of production down by 21.4% yoy. Margins were also penalised by the prolonging of some projects, with an increase in production costs. However, order backlog grew to EUR 544M (EUR 124M at YE20) and the company has a positive outlook with reference to all divisions.

No Rating

Italy/Oil Equipment & Services  
Update

FY21 results

The key points of FY21A results were: 1) total revenues at EUR 161.2M vs. EUR 205M in FY20A (-21.4% yoy); 2) EBITDA negative for EUR 56.6M vs. a EUR -32.7M EBITDA in FY20A; 3) a net loss at EUR 54.7M vs. a EUR 32.6M net loss in FY20A; and 4) the short-term net cash position at EUR 83.2M vs. EUR 65.1M at YE20A.

EGM (ex-AIM)

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



Outlook and estimates revision

The order backlog is growing and at 30 December 2021 it amounted to EUR 544M (vs. EUR 124M at YE20), of which EUR 466M in the Energy division, EUR 38M related to the shipbuilding activities, and EUR 40M to Process Plants. As of today, all divisions are expected to rise, and Energy should benefit from a further boost linked to the Ukraine-Russia war, with an increased interest in projects to reduce the dependence on Russia in terms of energy sources. Overall, notwithstanding a positive outlook, we highlight that the company operates in some markets (e.g. Kazakhstan) characterised by social instability that could potentially have negative effects on production and therefore on the company's financials. We reduce our FY22-23E estimates on revenues by 9.3% and 8%, respectively, but continue to assume that the company should turn to profit (EUR 1.4M) in FY22E, and then improve margins in FY23E (a 6% EBITDA margin vs. 3.8% previously). We also introduce our estimates for FY24E, assuming -2.2% yoy at the top line, but we see a EUR 27M EBITDA (a margin in line with FY23E), a EUR 19.2M EBIT, a EUR 13.4M net profit, and a EUR 66.3M short-term net cash.

Rosetti Marino - Key Data

Price date (market close)	25/04/2022
Market price (EUR)	34.80
Market cap (EUR M)	139.20
52Wk range (EUR)	40.0/34.6

Price performance %	1M	3M	12M
Absolute	-2.2	-5.4	-1.7
Rel. to FTSE IT All Sh	0.1	2.5	0.2

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Revenues	161.2	390.0	460.0
EBITDA	-56.64	10.50	27.50
EBIT	-64.81	2.70	19.70
Net income	-54.73	1.40	13.74
EPS (EUR)	-13.68	0.35	3.44
Net debt/-cash	-83.24	-41.37	-54.31
Adj P/E (x)	Neg.	99.4	10.1
EV/EBITDA (x)	Neg.	9.2	3.1
EV/EBIT (x)	Neg.	35.9	4.3
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

Valuation

In view of Rosetti Marino's stable shareholding structure and limited trading volumes, **we do not assign a rating or target price to the company.**

Intesa Sanpaolo Research Dept.

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## FY21 Results

FY21 results came in below our estimates and were negatively impacted by low order acquisition in 2020, due to both the Covid-19 pandemic and the collapse in oil prices, leading to a sharp drop in the value of production. In addition, margins were penalised by the increase in production costs. In detail:

- **Total revenues came in at EUR 161.2M** (vs. EUR 230M in our projections), **-21.4%** vs. EUR 205M in FY20A, mainly reflecting the weak order backlog as at YE20. The Energy sector's production dropped by around 26% yoy (EUR 122M vs. EUR 165M in FY20); the Process Plant sector accounted for EUR 16M (EUR 34M in FY20), while the Naval sector moved from EUR 6M in FY20 to EUR 23M, including the delivery of the first superyacht produced by the company;
- **EBITDA was negative for EUR 56.6M** vs. EUR -32.7M in FY20A; the company had to sustain additional costs due to the lengthening of some projects due to Covid-19;
- **Net loss stood at EUR 54.7M** (EUR -34.8M in our projections) vs. a EUR 32.6M net loss in FY20A;
- **The (short-term) net cash position stood at EUR 83.2M** vs. EUR 65.1M at YE20A.

### Rosetti Marino – FY21 results

EUR M	2H20A	2H21A	yoy %	FY20A	FY21A	yoy %	FY21E	A/E %
Turnover	93.5	88.9	-4.9	205.0	161.2	-21.4	230.0	-29.9
EBITDA	-17.8	-22.9	NM	-32.7	-56.6	NM	-37.0	NM
EBITDA margin (%)	Neg.	Neg.		Neg.	Neg.		Neg.	
EBIT	-22.1	-27.0	NM	-40.4	-64.8	NM	-44.8	NM
EBIT margin (%)	Neg.	Neg.		Neg.	Neg.		Neg.	
Net profit	-15.5	-26.0	NM	-32.6	-54.7	NM	-34.8	NM

Neg.: negative; NM: not meaningful; A: actual; Source: Company data

## Earnings Outlook

Although 2021 showed an unprecedented negative economic result, we appreciate the robust increase in the order backlog that grew to EUR 544M as at YE21 vs. EUR 124M as at YE20, with all divisions showing solid growth. The order backlog by division was the following:

- The Energy division amounted to EUR 466M (vs. EUR 77M at YE20);
- The Process Plant division was EUR 40M (vs. EUR 21M at YE20);
- The shipbuilding activities amounted to EUR 38M (vs. EUR 26M at YE20).

The company expects an increase in volumes for 2022 in all its division, coupled with a strong increase is also projected from 2H22 from the need of technical services, which usually show higher profitability.

Moreover, the conflict in Ukraine has stimulated the search for alternative sources for the supply of hydrocarbons, in particular by European countries, with a strong acceleration in the launch of projects that had been halted for years, according to the company (e.g. new order was just acquired in Argentina and the company expects at least one additional order in Libya and one in Qatar). We also highlight that the most important project underway in the Energy division is a platform destined to the Russian Baltic Sea area (Offshore Kaliningrad). The project is worth EUR 201M (of which EUR 73M already cashed-in, of which EUR 16M after 24 February 2022) and is not showing critical issues as of today, according to management (the contract has positive cash-flow, protection from forex risk linked to the Russian Rouble and the ongoing work is in line with timeline).

Notwithstanding the abovementioned positive outlook, we highlight that the company operates in some markets (e.g. Kazakhstan) characterised by social instability, which could lead to possibly negative effects on financials.

**Strong order backlog in all divisions**

**Positive effects from Russia-Ukraine war on the Energy division**

### Estimates revision

We revise our estimates, assuming a reduction at the top line but an improvement in margins for FY22-23E, and we introduce FY24E forecasts:

- **For FY22E**, we now expect EUR 390M revenues (+141.9% yoy, -9.3% vs. our previous estimate), EUR 10.5M EBITDA (a 2.7% margin) and EUR 2.7M EBIT, leading to a net profit of EUR 1.4M;
- **For FY23E**, we estimate revenues to reach EUR 460M (-8% vs. previous). The EBITDA margin should improve to 6% and a net profit at EUR 13.7M;
- **For FY24E**, we forecast: 1) EUR 450M revenues; 2) EUR 27M EBITDA (a 6% margin, in line with FY23E); 3) EUR 19.2M EBIT; 4) a EUR 13.4M net profit; and 5) a EUR 66.3M short-term net cash.

### Rosetti Marino – FY22E-24E estimates

EUR M	2022E Old	2022E New	chg %	2023E Old	2023E New	chg %	2024E New	vs. 2023E
Revenues	430.0	390.0	-9.3	500.0	460.0	-8.0	450.0	-2.2
EBITDA	10.6	10.5	-0.9	19.0	27.5	44.7	27.0	-1.8
EBITDA margin (%)	2.5	2.7		3.8	6.0		6.0	
EBIT	3.2	2.7	-15.6	11.6	19.7	69.8	19.2	-2.5
Net profit	1.4	1.4	-14.3	8.1	13.7	69.6	13.4	-2.5
Net debt/-cash	-27.8	-41.4	48.8	-29.7	-54.3	82.8	-66.3	22.1

Source: Intesa Sanpaolo Research estimates

## Valuation

Given the low visibility on FY22E-24E projections, for now, we continue to base our valuation only on a DCF model, to reflect the company's specific long-term prospects.

### DCF Model

Our DCF model points to an **equity value range of EUR 92.5M to EUR 153.3M**. Our key DCF assumptions are:

- Explicit forecasts through 2024E;
- An equity risk premium at 6.25% (6.5% previously) and a risk-free rate at 1.75% (1% prev.);
- A gearing ratio (D/invested capital) of 0.0%;

We derive a WACC at 8% (7.5% previously).

### Rosetti Marino - WACC calculation

%	
Gearing	0.0
Beta* relevered (x)	1.0
Risk-free rate	1.75
Equity risk premium	6.25
<b>WACC</b>	<b>8.0</b>

Source: \*FactSet and Intesa Sanpaolo Research estimates

To calculate the terminal value, we use two approaches:

- We discount to perpetuity the 2024E FCFO at a WACC of 8% (LT1);
- We discount to perpetuity the EBIT mid-cycle 2009A-24E at a WACC of 8% (LT2).

### Rosetti Marino - DCF model

EUR M	2022E	2023E	2024E	LT 1	LT 2
EBIT	2.7	19.7	19.2	19.2	9.7
Tax	-0.6	-5.5	-5.3	-5.8	-2.9
Depreciation	7.8	7.8	7.8	0.0	0.0
NOPAT	9.9	22.0	21.7	13.4	6.8
WC	-41.1	1.4	-0.2	0.0	0.0
Capex	-10.0	-10.0	-9.0	-4.0	-4.0
FCF	-41.2	13.4	12.5	9.4	2.8
Discounted FCF	-38.1	11.5	9.9	6.9	2.1
WACC (%)				8.00	8.00
TV growth (%)				0.0	0.0
Sum				-16.7	-16.7
TV				86.7	25.9
EV				70.1	9.3
Debt 2021A				-83.2	-83.2
<b>Equity</b>				<b>153.3</b>	<b>92.5</b>

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

We also show a sensitivity to TV growth in the LT1 approach.

### Rosetti Marino - Equity Value Sensitivity to g in LT1 approach

g	-2.0	-1.5	-1.0	-0.5	0.0
EUR M	135.9	139.6	143.6	148.2	153.3

Source: Intesa Sanpaolo Research estimates

## Multiples comparison

As a cross check, we identify a sample of comparable companies as shown in the following tables.

We highlight that the profitability of Rosetti Marino, in terms of EBIT margin and net income margin, is below the peers' average.

### Rosetti Marino - Margins comparison (2021A-24E)

%	Mkt cap (EUR M)	EBIT margin				Net income margin			
		FY21A	FY22E	FY23E	FY24E	FY21A	FY22E	FY23E	FY24E
Tenaris SA	16,043	11.2	17.4	17.5	15.3	16.1	15.0	14.7	12.5
Tecnicas Reunidas	414	-5.5	1.8	2.4	2.8	-6.6	0.7	1.3	1.5
Petrofac	780	-4.3	3.9	5.0	6.0	0.0	1.0	2.2	3.5
Nat'l Oilwell Varco	6,743	-2.4	2.6	6.2	7.8	-4.3	1.0	3.7	5.7
<b>Average</b>		<b>-0.2</b>	<b>6.4</b>	<b>7.8</b>	<b>8.0</b>	<b>1.3</b>	<b>4.4</b>	<b>5.5</b>	<b>5.8</b>
Rosetti Marino*	139.2	-40.2	0.7	4.3	4.3	-33.9	0.4	3.0	3.0

A: actual; E: estimates; Data priced at market close on 25/04/2022; Source: FactSet and (\*) Intesa Sanpaolo Research

In terms of FY23E EV/EBIT, the multiples of the selected companies are between 2.3x and 15.6x, with a median of 7.2x, while the FY24E EV/EBIT multiples are between 3.8x and 12.6x, with a median of 8.1x.

Regarding the FY23E P/E, the peers' multiples are within a 7-25.2x range, with a median of 11.3x, while the FY24E P/E multiples are between 5.3x and 15.9x, with a median of 9.7x.

### Rosetti Marino - Multiples comparison (2023E-24E)

x	Price (EUR/share)	EV/EBIT		P/E	
		FY23E	FY24E	FY23E	FY24E
Tenaris	27.8	9.0	11.9	11.7	13.9
Tecnicas Reunidas	7.4	2.3	4.3	7.0	5.4
Petrofac	1.5	5.4	3.8	11.0	5.3
Nat'l Oilwell Varco	17.2	15.6	12.6	25.2	15.9
<b>Median</b>		<b>7.2</b>	<b>8.1</b>	<b>11.3</b>	<b>9.7</b>
Rosetti Marino*	34.8	4.3	3.8	10.1	10.4

Data priced at market close on 25/04/2022; Source: FactSet and (\*) Intesa Sanpaolo Research

Nevertheless, in view of Rosetti Marino's stable shareholding structure and limited trading volumes, **we do not assign a rating or target price to the company.**

## Rosetti Marino – Key Data

Rating	Mkt price (EUR/sh)					Sector
No Rating	Ord 34.80					Oil Equipment & Services
Values per share (EUR)	2019A	2020A	2021A	2022E	2023E	2024E
No. ordinary shares (M)	4.00	4.00	4.00	4.00	4.00	4.00
Total no. of shares (M)	4.00	4.00	4.00	4.00	4.00	4.00
Market cap (EUR M)	159.97	145.79	146.71	139.20	139.20	139.20
Adj. EPS	1.12	-8.15	-13.68	0.35	3.44	3.35
CFPS	3.2	-6.21	-11.64	2.3	5.4	5.3
BVPS	52.6	45.2	31.2	31.9	35.3	38.6
Dividend ord	0	0	0	0	0	0
Income statement (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	338.6	205.0	161.2	390.0	460.0	450.0
EBITDA	33.38	-32.67	-56.64	10.50	27.50	27.00
EBIT	25.23	-40.42	-64.81	2.70	19.70	19.20
Pre-tax income	28.23	-40.87	-65.70	1.20	18.20	17.70
Net income	4.46	-32.60	-54.73	1.40	13.74	13.39
Adj. net income	4.46	-32.60	-54.73	1.40	13.74	13.39
Cash flow (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net income before minorities	15.7	-33.8	-56.9	0.6	12.7	12.4
Depreciation and provisions	8.2	7.8	8.2	7.8	7.8	7.8
Others/Uses of funds	0	23.6	0	0	0	0
Change in working capital	-18.0	-17.3	41.2	-41.1	1.4	-0.2
Operating cash flow	17.1	-20.8	-9.7	-33.5	20.9	19.0
Capital expenditure	-8.0	-10.0	-7.2	-10.0	-10.0	-9.0
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	9.1	-30.8	-16.9	-43.5	10.9	10.0
Dividends	-2.8	0	0	0	0	0
Equity changes & Non-op items	8.4	-27.5	30.7	0	0	0
Net cash flow	14.7	-58.3	13.9	-43.5	10.9	10.0
Balance sheet (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net capital employed	78.8	117.0	43.8	87.1	87.9	89.3
of which associates	0	0	0	0	0	0
Net debt/-cash	-120.2	-65.1	-83.2	-41.4	-54.3	-66.3
Minorities	11.2	-1.1	-2.1	-0.8	-1.0	-1.0
Net equity	199.0	182.1	127.0	128.4	142.2	155.6
Minorities value	0	0	0	0	0	0
Enterprise value	48.3	79.8	61.0	97.0	83.9	72.0
Stock market ratios (x)	2019A	2020A	2021A	2022E	2023E	2024E
Adj. P/E	35.8	Neg.	Neg.	99.4	10.1	10.4
P/CFPS	12.7	Neg.	Neg.	15.1	6.5	6.6
P/BVPS	0.76	0.81	1.2	1.1	0.99	0.90
Payout (%)	63	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0	0
FCF yield (%)	-8.4	-19.6	-8.6	-30.1	9.3	8.6
EV/sales	0.14	0.39	0.38	0.25	0.18	0.16
EV/EBITDA	1.4	Neg.	Neg.	9.2	3.1	2.7
EV/EBIT	1.9	Neg.	Neg.	35.9	4.3	3.8
EV/CE	0.61	0.68	1.4	1.1	0.95	0.81
D/EBITDA	Neg.	2.0	1.5	Neg.	Neg.	Neg.
D/EBIT	Neg.	1.6	1.3	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA margin	9.9	-15.9	-35.1	2.7	6.0	6.0
EBIT margin	7.5	-19.7	-40.2	0.7	4.3	4.3
Tax rate	44.4	17.4	13.4	50.0	30.0	30.0
Net income margin	1.3	-15.9	-33.9	0.4	3.0	3.0
ROCE	32.0	-34.5	-148.0	3.1	22.4	21.5
ROE	2.4	-17.1	-35.4	1.1	10.2	9.0
Interest cover	-8.4	-77.9	-73.0	1.8	13.1	12.8
Debt/equity ratio	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Growth (%)		2020A	2021A	2022E	2023E	2024E
Sales		-39.5	-21.4	NM	17.9	-2.2
EBITDA		NM	-73.4	NM	NM	-1.8
EBIT		NM	-60.3	NM	NM	-2.5
Pre-tax income		NM	-60.8	NM	NM	-2.7
Net income		NM	-67.9	NM	NM	-2.5
Adj. net income		NM	-67.9	NM	NM	-2.5

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

## Company Snapshot

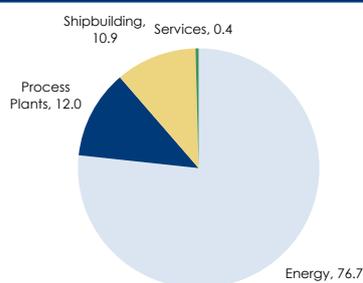
### Company Description

Rosetti Marino is the operating parent company of a leading group whose core business is designing and building off-shore oil and gas platforms under EPC (engineering, procurement and construction) contracts, designing and building service and work vessels and building processing plants. The company has two construction yards in the Port of Ravenna while the third is located a few km away from the city of Aktau, on the Kazakh shore of the Caspian Sea. Its main clients include major oil companies and the leading international contractors active in the industry, in addition to Europe's main builders of service vessels.

### Key data

Mkt price (EUR)	34.80	Free float (%)	0.1
No. of shares	4.00	Major shr	Rosfin
52Wk range (EUR)	40.0/34.6	(%)	56.0
Reuters	YRM.MI	Bloomberg	YRM IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	-2.2	-1M	0.1
-3M	-5.4	-3M	2.5
-12M	-1.7	-12M	0.2

### FY21A Sales Breakdown by BU (%)



### Key Risks

#### Company specific risks:

- The small size of the company, compared to that of its peers, could be a risk in the presence of competitive pressure;
- Customers' concentration.

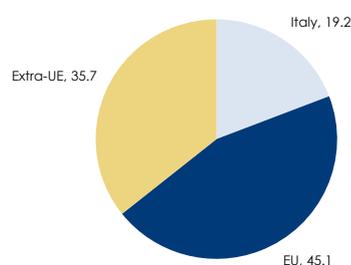
#### Sector generic risks:

- Oil price fluctuations.

### Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2023E	2024E
Sales	161.2	390.0	460.0	450.0
EBITDA	-56.64	10.50	27.50	27.00
EBIT	-64.81	2.70	19.70	19.20
Pre-tax income	-65.70	1.20	18.20	17.70
Net income	-54.73	1.40	13.74	13.39
EPS	-13.68	0.35	3.44	3.35

### FY21A Revenues Breakdown by Geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 25/04/2022)

## Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies 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 below EUR 1Bn.

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### Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

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

### Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

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)

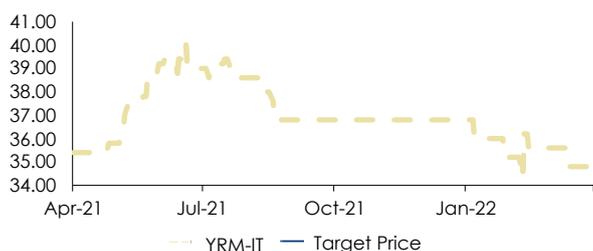
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

**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
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

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

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

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

Date	Rating	TP (EUR)	Mkt Price (EUR)
02-Apr-15	No Rating		36.6

**Equity rating allocations (long-term horizon: 12M)****Intesa Sanpaolo Research Rating Distribution (at April 2022)**

Number of companies considered: 130	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	50	29	21	0	0
of which Intesa Sanpaolo's Clients (%)**	83	66	56	0	0

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

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

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

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

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

<b>Short-term rating</b>	<b>Definition</b>
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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At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

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- Intesa Sanpaolo acts as Specialist, EURONEXT GROWTH ADVISOR relative to securities issued by Rosetti Marino

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