BANCA IMI

Equity Daily

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Italy
Equity Daily

Intesa Sanpaolo
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Calls From Italy

FTSE MIB & Euro Stoxx Best Performers

Italian FTSE MIB	Price	chg %
Moncler	17.69	9.13
UBI Banca	7.43	4.87
Buzzi Unicem	14.33	2.65
S. Ferragamo	29.35	2.59
Intesa Sanpaolo S.p.A	3.27	2.19
Euro Stoxx Sectors	**Price**	**chg %**
Basic Resources	197.6	1.05
Real Estate	222.2	1.03
Banks	156.0	0.49
Oil & Gas	327.1	0.17
Insurance	245.0	0.08

Source: FactSet

FTSE MIB & Euro Stoxx Worst Performers

Italian FTSE MIB	Price	chg %
Mediaset	4.40	-4.93
Autogrill	8.15	-2.92
Luxottica	57.25	-2.47
YOOX	28.52	-2.33
STMicroelectronics NV	7.11	-1.80
Euro Stoxx Sectors	**Price**	**chg %**
Chemicals	1077.6	-1.09
Personal & Household Goo	626.2	-1.02
Automobiles & Parts	603.4	-0.93
Health Care	805.5	-0.72
Food & Beverages	574.7	-0.64

Source: FactSet

Equity Indices Performances

Italy	Price	chg %
FTSE It. All Share	24792	0.41
FTSE MIB	23211	0.46
FTSE It. Star	24898	0.03
Europe	**Price**	**chg %**
DAX 30	11351	-1.05
CAC 40	4962	-0.26
IBEX 35	11325	0.02
FTSE 100	6950	0.23
US	**Price**	**chg %**
Dow Jones	18060	-0.04
NASDAQ	4982	0.11
S&P 500	2098	-0.03

Source: FactSet

Priced at market close on day prior to issue (except where otherwise indicated)

See page 27 for full disclosures and analyst certification

Recent Research

DeLclima (ADD)

ADD; TP EUR 2.78/share

ADD rating confirmed; target price confirmed at EUR 2.78/share: During the results conference call, management confirmed an overall positive outlook ahead, also highlighting the positive value of orders and the backlog achieved, both slightly improved vs. the same period in 2014. We believe that the good news came from the update on M&A activity. Indeed management stated that it had made a non-binding offer to acquire a manufacturer of 'significant' dimension and that they are starting the due diligence process. As regards the Radiators business disposal, management disclosed that it could open the 'data room' very soon accepting 2 or 3 non-binding offers recently received. Following the 1Q15A results (broadly in line with our estimates) and management's reiterate positive outlook, we confirmed our FY15E-16E forecasts.

DeLclima - Key data			
14/05/15			Industrials
Target Price (EUR)			2.78
Rating			ADD
Mkt price (EUR)			2.37
Mkt cap (EUR M)			355
Ratios (x)	2015E	2016E	2017E
P/E	15.7	14.3	13.4
EV/Sales	1.0	0.93	0.84
EV/EBITDA	7.9	7.0	6.3
Performance (%)	1M	3M	12M
Absolute	-1.9	10.9	66.5
Rel. to FTSE IT All	1.6	0.9	52.0

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to DeLclima

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Unipol (BUY)

BUY; New TP EUR 5.75/share

BUY rating confirmed; target price lowered to EUR 5.75/share (from EUR 6.10/share): We continue to believe that the streamlining of the share categories, envisaged by the mandatory conversion proposal of UnipolSai savings shares and UGF preferred shares into ordinary (to be finalised by the end of June and expected to increase the weighting of Unipol shares in market indices), together with the potential valorisation of the banking business in the sector's consolidation process, should help to reduce the holding discount applied by the market to Unipol's fair value. As a result, we maintained a holding discount of 15% in our valuation model vs. the 25% expressed by the current market prices and we confirm our positive view. The downgrade of our target prices on Unipol ordinary and preferred shares was essentially related to the lower UnipolSai ordinary and savings B target prices factored in our SOP model with the holding discount.

Unipol - Key data			
14/05/15			Insurance
Target Price (EUR)			5.75
Rating			BUY
Mkt price (EUR)			4.71
Mkt cap (EUR M)			3378
Ratios (x)	2015E	2016E	2017E
P/E	9.3	7.3	6.6
P/BV	0.55	0.53	0.51
Performance (%)	1M	3M	12M
Absolute	-10.8	10.3	-4.3
Rel. to FTSE IT All	-7.6	0.3	-12.6

Source: FactSet and Intesa Sanpaolo Research estimates

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UnipolSai (HOLD)

HOLD(from Add); New TP EUR 2.65/share

HOLD rating confirmed; target price lowered to EUR 2.65/share (from EUR 2.82/share):1Q15 results highlighted a worse than expected net combined ratio (97.5% reported, or 96.1% net of the effects arising from the transfer of the disposed portfolio to Allianz, vs. 94.7% expected), also affected by adverse climatic events in Tuscany. We thus take a more cautious stance on Non-life technical profitability, leading us to new net combined ratio estimates of 95.9% in FY15E (basically in line with company guidance), 95.6% in FY16E and 95.4% in FY17E (from 94.4% in 2015E and 94.2% in 2016E-17E, previously). As a result, we downgraded our FY15E-17E adj. EPS estimates by an average 5.7%. Given the upside potential of approx. 8.6% implied by our new target prices on ordinary, sav. A and sav. B shares, and taking into account the pressure on P&C technical profitability, **we downgrade our recommendation to HOLD from Add on all three categories of shares**. On the positive side, we highlight that UnipolSai still offers an attractive 2015E dividend yield of approximately 6.8%, which we consider to be sustainable, based on our estimates and the company's payout ratio guidance.

UnipolSai - Key data			
14/05/15			Insurance
Target Price (EUR)			2.65
Rating			HOLD
Mkt price (EUR)			2.41
Mkt cap (EUR M)			6707
Ratios (x)	2015E	2016E	2017E
P/E	9.9	9.2	8.2
P/BV	0.97	0.94	0.91
Performance (%)	1M	3M	12M
Absolute	-13.5	-3.4	-2.0
Rel. to FTSE IT All	-10.4	-12.2	-10.5

Source: FactSet and Intesa Sanpaolo Research estimates

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Zignago Vetro (ADD)

ADD; TP EUR 6.37/share

ADD rating confirmed; target price confirmed at EUR 6.37/share: Zignago Vetro's 1Q15 results were in line with our estimates and benefited from an improved market context, which recorded a recovery in the Food and Beverage sector and an ongoing positive performance in the Perfumery and Cosmetics sector. Management's disclosed outlook confirms an improvement in the group's reference sectors, which should continue throughout the year and support the FY15E top line. Management guidance for the current year is for an increase in revenues and net profit. Overall, we expect 2015E to show a profitability improvement also due to energy cost savings and an improved production efficiency. Furthermore, according to management, a potential easing in the competitive scenario could occur after two years of difficult market conditions. We confirmed our FY15E-17E estimates which we recently upgraded to incorporate management's disclosed outlook.

Zignago Vetro - Key data			
14/05/15			Packaging
Target Price (EUR)			6.37
Rating			ADD
Mkt price (EUR)			5.35
Mkt cap (EUR M)			470
Ratios (x)	2015E	2016E	2017E
P/E	17.8	15.9	14.3
EV/Sales	1.8	1.7	1.6
EV/EBITDA	7.8	7.0	6.5
Performance (%)	1M	3M	12M
Absolute	-9.9	-3.5	-5.0
Rel. to FTSE IT All	-6.6	-12.2	-13.2

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to Zignago Vetro

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Company News

Banca MPS (HOLD)

Green Light to Rights Issue & Reverse Stock Split

News: The ECB authorised the EUR 3Bn rights issue and the reimbursement of the remaining EUR 1.07Bn of NFIs. The company announced a reverse stock split of 1 new share for each 20 held, taking place on 18 May.

Our view: Coherently with the company comment during the conference call, we expect the rights issue to start on 25 May.

Banca MPS - Key data			
14/05/15			Banks
Target Price (EUR)			0.55
Rating			HOLD
Mkt price (EUR)			0.56
Mkt cap (EUR M)			2868
Ratios (x)	2015E	2016E	2017E
P/E f.d.	30.8	15.8	9.8
P/TBV f.d.	0.71	0.68	0.65
Performance (%)	1M	3M	12M
Absolute	-7.3	16.5	-62.7
Rel. to FTSE IT All	-3.9	6.0	-65.9

Source: FactSet and Intesa Sanpaolo Research estimates

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Banca Pop Milano (BUY)

Conference Call Feedback

News: The key points from the conference call held yesterday were:

- **Positive FY15 outlook on revenues;**
- **Net interest income should benefit from the further reduction of the cost of funding that is expected to offset the decline in the asset spread:** expensive maturing retail bonds (320bps cost) will be substituted with cheaper covered bonds (100bps cost). Customer loans are expected to increase by 3.5% (guidance confirmed) and the company seems well on track to achieve or overcome this guidance after the +1.6% qoq reported in 1Q15, in our view;
- **Strong fee income reported in 1Q15 is repeatable (positive seasonality for BPM in 4Q)**. We believe that asset management fees may benefit from the switch of customer bonds (not expected to be renewed) into asset management products. We also believe that the economic recovery may help traditional banking fees (-4% yoy in 1Q15) to start improving;
- BPM did not dispose its government bond portfolio in order to sustain the NII, therefore, the **capital gains embedded in its portfolio are still significant: EUR 435M (gross)**, i.e. 7% of the current market capitalisation;
- BPM is available to discuss mergers with other popolari banks and it may transform into a joint-stock company before a merger takes place.

Our view: 1Q15 results were above our expectations and the outlook on the P&L for FY15 is rather positive. We believe that the speculation on possible M&A will sustain the stock.

Banca Pop Milano - Key data			
14/05/15			Banks
Target Price (EUR)			0.95
Rating			BUY
Mkt price (EUR)			0.94
Mkt cap (EUR M)			4135
Ratios (x)	2015E	2016E	2017E
P/E	20.1	17.1	15.2
P/TBV	0.91	0.88	0.85
Performance (%)	1M	3M	12M
Absolute	-2.2	19.9	54.3
Rel. to FTSE IT All	1.3	9.1	41.0

Source: FactSet and Intesa Sanpaolo Research estimates

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Cattolica Ass. (ADD)

1Q15 Net Profit Above Expectations

News: The key points of the results were:

- **Pre-tax profit and net profit after minorities (EUR 59M and EUR 30M) approx. 20% above our estimates;**
- **Total gross direct premiums (EUR 1.7Bn) 7% higher than expected**, thanks to both Non-life (+2.3% vs. our projections, coming from Cattolica old perimeter, as the EUR 90M of Fata were in line with our forecast) and Life (EUR 1.21Bn, 9% above our expectations), whose growth was mainly driven by unit-linked;
- **Combined ratio in line with our estimate of 93%**;
- **Solvency I ratio 191% at end-March**.

Our View: The group's bottom line was supported by better than expected financial results, including capital gains. As regards Non-life premiums, Cattolica old perimeter (EUR 398M) recorded a decline of 4.9% yoy in Motor GDP to EUR 235M (average Motor premium level down 2.8% vs. end-2014 with number of policies growing by 1.8% in the same period), partially offset by a 4.1% yoy increase in Non-motor to EUR 163M.

Cattolica – 1Q15 results

(EUR M)	1Q14A	4Q14A	1Q15A	1Q15E	A/E %	yoy %	qoq %
GDP	1,391.0	1,483.0	1,699.0	1,585.8	7.1	22.1	14.6
Non-life	404.0	606.8	487.0	475.8	2.3	20.5	-19.7
Life	987.0	876.2	1,212.0	1,110.0	9.2	22.8	38.3
Combined ratio (%)	92.5	90.5	93.0	93.0			
Pre-tax profit	48.0	56.0	59.0	49.0	20.5	22.9	5.4
Consolidated net profit	25.0	24.0	33.0	28.6	15.2	32.0	37.5
Net profit after minorities	23.0	20.0	30.0	25.1	19.3	30.4	50.0

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

Cattolica Ass. - Key data

14/05/15			Insurance
Target Price (EUR)			8.10
Rating			ADD
Mkt price (EUR)			7.62
Mkt cap (EUR M)			1312
Ratios (x)	2015E	2016E	2017E
P/E	13.1	10.8	9.2
P/BVPS	0.68	0.65	0.63
Performance (%)	1M	3M	12M
Absolute	-9.5	10.7	-56.9
Rel. to FTSE IT All Sh	-6.2	0.7	-60.6

Source: FactSet and Intesa Sanpaolo Research estimates

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DADA (BUY)

1Q15 Results

News: Following the recent agreement with Italiaonline for the disposal of 100% of Moqu (the group's performance advertising division), we highlight that in 1Q15 all the income statement items relating to the disposed company have been grouped separately on the line "Profit/-loss from discontinued operations". Therefore, for comparison purposes, 1Q14 figures have been restated to consider continuing operations. The key points of the 1Q15 results were:

- **Consolidated revenues were broadly in line with 1Q14A to EUR 16.0M,** positively affected by about EUR 0.6M for the depreciation of the EUR against the GBP and by the change in the consolidation perimeter related to the disposal of the UK ADSL business (disposed of at the end of May 2014), which contributed EUR 0.2M to revenues in 1Q14. Foreign-based activities accounted for 54% of consolidated revenues in 1Q15 (55% in 2014);
- **EBITDA came in at EUR 2.8M** vs. EUR 2.3M in 1Q14A, with the EBITDA margin at 17.7% vs. 14.2% in 1Q14A;
- **DADA returned to a positive net result of EUR 11k in 1Q15** vs. a net loss of EUR -0.5M in 1Q14A;
- **Net debt stood at EUR 26.9M in 1Q15A,** improving by around EUR 6.7M vs. YE14, positively impacted by the effects arising from the Moqu sale.

Our View: Following the disposal of Moqu and the recently-announced strategic agreement to aggregate the group's programmatic advertising business unit (ProAdv/Simply) with 4w MarketPlace, management's resources and investments are to fully focus on the D&H business. In particular, according to management, the group's strategic priorities to retain the existing clients and gain new ones are: 1) to develop new products in the portfolio of offerings; 2) to provide customers with a full-circle support in the management of their online presence; 3) to enhance focus on the business client segment of SMEs and SOHOs, traditionally those boasting the highest retention rates and ARPU; and 3) to increase the ability to acquire and serve new customers also through offline channels.

DADA – 1Q15 results

EUR M	1Q14A	1Q15A	yoy %
Revenues	16.0	16.0	0.1
EBITDA	2.3	2.8	25.1
EBITDA margin (%)	14.2	17.7	
EBIT	0.5	1.1	103.8
EBIT margin (%)	3.3	6.6	
Net profit from continuing operations	-0.5	0.3	NM
Group net profit	-0.5	0.0	NM

NM: not meaningful; A: actual; Source: Company data

DADA - Key data

14/05/15			Computer Services
Target Price (EUR)			4.40
Rating			BUY
Mkt price (EUR)			2.92
Mkt cap (EUR M)			49
Ratios (x)	2015E	2016E	2017E
P/E	Neg.	40.6	26.7
EV/Sales	1.2	1.2	1.1
EV/EBITDA	7.1	6.3	5.7
Performance (%)	1M	3M	12M
Absolute	-1.4	1.3	-15.4
Rel. to FTSE IT All	2.1	-7.8	-22.7

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to DADA

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Engineering (ADD)

1Q15 Results

News: Engineering reported a good set of 1Q15 results, confirming our FY15E trend expectations. We highlight that the 1Q is not the strongest quarter for Engineering (2Q and 4Q are usually the strongest). The key points of the 1Q15 results were:

- **Value of production** up by 1% to EUR 200.6M;
- **EBITDA** at EUR 17.6M, 6.1% increase with the EBITDA margin improving from 8.6% in 1Q14A to 9.1% in 1Q15A and EBIT +27.9% to EUR 13.2M, with the EBIT margin improving by 140bps to 6.8%;
- **1Q15 net cash position** came in at EUR 106.2M (vs. EUR 36.7M in 1Q14A and vs. EUR 121.4M in FY14A and EUR 133M in FY15E).

Our view: Management gave no guidance, but recently stated that they expect FY15 to deliver a strong acceleration in foreign countries (currently 85% of total revenues are derived from Italy) and in the Cloud segment. In this context, the group increased its foreign activities in Norway by opening a new subsidiary, Engnor AS, in 1Q15. In the US, the group increased its activities in the Industry and Public Administration segments. In Europe, the group created an international open source with Telefonica, Orange and Atos. Lastly, we highlight that in view of the reported solid net cash position, foreign acquisitions remain a key strategic direction (i.e. in Northern Europe). We highlight that Engineering has a strong historic track record in cash flow generation and acquisition integration. Our current FY15E forecast is for a 2% revenues growth and a 4.6% increase in EBITDA.

Engineering - 1Q15 results

EUR M	1Q14A	1Q15A	yoy %
Total revenues	192.0	193.2	0.6
Other revenues	6.5	7.3	12.3
Value of production	198.6	200.6	1.0
EBITDA	16.6	17.6	6.0
EBITDA margin (%)	8.6	9.1	
EBIT	10.3	13.2	27.9
EBIT margin (%)	5.4	6.8	
Pre-tax profit	9.9	13.0	31.3

A: actual; Source: Company data

Engineering - Key data

14/05/15			IT System Integrators
Target Price (EUR)			63.00
Rating			ADD
Mkt price (EUR)			55.80
Mkt cap (EUR M)			698
Ratios (x)	2015E	2016E	2017E
P/E	14.2	13.4	12.8
EV/Sales	0.69	0.68	0.66
EV/EBITDA	5.0	4.8	4.6
Performance (%)	1M	3M	12M
Absolute	-1.8	23.9	15.6
Rel. to FTSE IT All	1.8	12.7	5.6

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to Engineering

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Fincantieri (BUY)

Conference Call Feedback

News: The conference call reinforced our positive view on Fincantieri's future order intake growth, in detail:

- **In 2Q15, roughly EUR 3Bn contracts currently present in the soft backlog should convert into firm orders**, mostly attaining to the renewal of the Italian Navy fleet. We expect further conversions in the next quarter thanks to the MoU with Carnival (for the five cruise ships already signed in the MoU). Overall, according to Fincantieri's CFO, the MoU (5 cruise plus the options) could guarantee between EUR 4Bn and EUR 5Bn of future orders. The first deliveries from the MoU with Carnival are scheduled between 2019 and 2022, while the construction of the first cruise ship should start in 2017;
- **In the cruise segment based on the current backlog, the group has a very high visibility up to 2018**. Furthermore, in this segment, we understood that new contracts on average enjoy a 10% price increase versus the old ones. This should translate into higher margins starting from 2017. In the naval segment, we also see high visibility. Management confirmed an 80% level In terms of capacity utilisation of the shipbuilding yards, while full capacity utilisation should be achieved by the end of 2016 with positive spill-over effects on the margins;
- **In the Offshore segment, in March, the group terminated two contracts** (not covered by construction loans), which were excluded from the backlog. The production schedule has been adjusted following the extension of delivery dates: in any case, while visibility is high in 2015, it should significantly reduce in 2017 even if no further cancelations are in sight so far. In addition, Vard will continue to be involved in the improvement of the operational efficiency of its Brazilian yards, especially at Promar;
- **The Equipment, Systems and Services business unit is proceeding well,** both in terms of revenues and margins;
- **Amongst the negatives, we highlight that below the EBIT line, the group could show a higher volatility due to a potential increase in financial charges related to non-cash unrealised forex losses.** These losses attain to a construction loan of Vard signed in USD before the acquisition of the Norwegian company. Due to the weakening of the BRL vs. the USD, the loan generated EUR 20M of forex losses, half of which have now been recovered thanks to the partial reversal of the BRL. In any case, we acknowledge that visibility on the bottom line is now reduced;
- **On the group's NFP,** the company confirmed that, due to the cruises under construction and the deliveries scheduled, WC may experience significant swings during the year, resulting in a year-end net debt from a cash position in 1Q15.

Our view: While expressing some concerns related to the higher volatility in the group's results and the deterioration of the offshore outlook, we remain positive on the group as, after a still transitional 2015, we expect significant improvement in the group's margin from 2016E.

Fincantieri - Key data

14/05/15			Shipbuilding
Target Price (EUR)			U/R
Rating			BUY
Mkt price (EUR)			0.79
Mkt cap (EUR M)			1328
Ratios (x)	2014E	2015E	2016E
P/E	22.0	13.5	9.6
EV/Sales	0.37	0.31	0.29
EV/EBITDA	5.2	4.3	3.6
Performance (%)	1M	3M	12M
Absolute	-7.2	8.6	NA
Rel. to FTSE IT All	-3.8	-1.2	NA

Source: FactSet and Intesa Sanpaolo Research estimates

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Generali (BUY)

1Q15 Operating Profit Above Expectations

News: The key points of the results were:

- **Total operating profit came in at EUR 1.33Bn, above our estimate and consensus**, mainly due to Life business, whose operating result was supported by capital gains, while P&C was basically in line (combined ratio 93.3% vs. 93.2% expected and 93.1% for consensus);
- **Net profit (EUR 682M) was in line with our estimate**, but above company-provided consensus;
- **Total gross written premiums (GWP) of EUR 20.15Bn, above both our and consensus estimates, driven by Life** (EUR 13.67Bn vs. EUR 12.7Bn expected);
- **Solvency I 168% vs. our estimate of 163% (consensus at 164%),** up to 177% including the impact of BSI disposal.

Our View: Generali's 1Q15 results were better than expected, both in terms of operating profitability and Solvency I trend, although mainly driven by favourable market conditions. We believe that in today's conference call (12:00 CET Italy: +3902 36009869; UK: +4420 3427 1903; US: +1212 444 0896) investors should mainly focus on the trend for economic solvency.

Generali – 1Q15 results

EUR M	1Q14PF	4Q14A	1Q15A	1Q15E	1Q15 C	A/E %	A/C %	yoy %	qoq %
GWP	18,441	19,255	20,149	19,138	18,981	5.3	6.1	9.3	4.6
Non-life	6,416	5,053	6,483	6,442	6,401	0.6	1.3	1.0	28.3
Life	12,025	14,202	13,666	12,695	12,617	7.6	8.3	13.6	-3.8
Combined ratio (%)	92.5	94.8	93.3	93.2	93.1				
Operating profit	1,251	840	1,326	1,250	1,247	6.1	6.3	6.1	57.9
Non-life	529	300	505	497	513	1.6	-1.6	-4.5	68.3
Life	761	727	823	763	775	7.9	6.2	8.1	13.2
Holding & other	24	-92	54	50	-2	8.0	NM	125.0	NM
Net profit	660	81	682	680	631	0.3	8.1	3.3	742.0

NM: not meaningful; A: actual; E: estimates; C: company-provided consensus; Source: Company data and Intesa Sanpaolo Research

Generali - Key data

14/05/15			Insurance
Target Price (EUR)			20.60
Rating			BUY
Mkt price (EUR)			17.35
Mkt cap (EUR M)			27012
Ratios (x)	**2015E**	**2016E**	**NA**
P/E	10.8	10.2	NA
P/BVPS	1.1	1.0	NA
Performance (%)	**1M**	**3M**	**12M**
Absolute	-6.1	-5.4	5.3
Rel. to FTSE IT All Sh	-2.7	-13.9	-3.9

Source: FactSet and Intesa Sanpaolo Research estimates

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Hera (BUY)

Sound 1Q15 Results

News: Hera's 1Q15A results were broadly in line with our estimates and Factset consensus, with a yoy growth penalised by last year's non-recurring items and a weaker than expected performance at the waste division. The highlights of the results were:

- **EBITDA up by 1.1% to EUR 277.2M,** from EUR 274.3M last year, only slightly below our estimate and market consensus (EUR 281M). However, we highlight that stripping out EUR 14M non-recurring items (past tariff adjustments and revaluation of white certificates for regulated electricity and gas activities), FY14A EBITDA would have stood at EUR 260M with a 6.6% lfl growth. The lack of positive one-offs was offset by organic growth, especially in gas and electricity sales (EUR 7M), and by the AMGA Udine consolidation (EUR 10M);
- **By division**: i) the waste division had the weakest margins, with an EBITDA down by 7% to EUR 64.9M due to the temporary halt to 4 WTE plants for maintenance activities and the closure of exhausted landfills, with a decrease in special waste volume treated, although the problems should be resolved according to management; ii) despite a EUR 4.7M lower contribution from the MSD service, the energy division EBITDA grew by 18.6% to EUR 83M mainly thanks to a steady enlargement in the electricity customer base and better climatic conditions for gas sales; iii) the network division EBITDA was down by 3.1% to EUR 130M but up 8.6% on a lfl basis, excluding last year's positive one-offs;
- **Net income post-minorities grew by 4.1%** to EUR 86.6M, slightly above our EUR 84M estimate, also thanks to a lower tax rate;
- **Net debt wass down to EUR 2,556.7M** from EUR 2,640M at YE14A, thanks to the positive WC evolution related to the cash-in of Salvaguardia receivables.

During the conference call, management gave no guidance on FY15 EBITDA (current consensus at around EUR 900M), pointing to a tax rate below 40% and a stable gross cost of debt at around 4%. Questioned about M&A and the controversial AIMAG consoliation (expected to be closed by this year), management stated they continue to be interested in the deal but are seeking potential value accretive deals in reference territories.

Our View: While not exciting, results continued to once again show the group's resilient business mix. We also continue to feel confident on the group's ability to act as a consolidator in it reference area. **We confirm our BUY rating and our EUR 2.70/share target price.**

Hera – 1Q15A results

EUR M	1Q14R(*)	1Q15A	yoy %	1Q15E	% chg.
Revenues	1227	1312	7.0	1185	-3.4
EBITDA	274	277	1.1	281	2.4
% of sales	22	21		24	
Gas	117	128	10.1	128	9.8
Electricity	36	29	-19.1	31	-14.4
Water	49	51	4.1	51	5.2
Waste	70	65	-7.0	65	-6.9
Other Business	3	4	28.1	6	87.5
EBIT	173	170	-1.6	173	-0.2
EBT	141	141	0.1	144	2.1
Group net income	83	87	4.0	84	1.4
Capex	56	64	13.9	65	15.7
Net debt	2640	2557	-3.2	2560	

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

Hera - Key data

14/05/15			Multi-Utilities
Target Price (EUR)			2.70
Rating			BUY
Mkt price (EUR)			2.37
Mkt cap (EUR M)			3524
Ratios (x)	2014E	2015E	2016E
P/E	22.9	19.0	19.5
EV/Sales	1.3	1.3	1.3
EV/EBITDA	7.1	6.7	6.8
Performance (%)	1M	3M	12M
Absolute	4.4	8.2	15.5
Rel. to FTSE IT All	8.2	-1.5	5.5

Source: FactSet and Intesa Sanpaolo Research estimates

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Isagro (BUY)

1Q15 Results

News: In 1Q15A Isagro posted the following key items:

- **Total revenues of EUR 44.7M,** up by around 8.0% yoy. The growth was mainly attributable to both copper products (especially in Italy) and to a higher turnover generated by the controlled company Isagro Asia, also thanks to the strengthening of the Indian Rupee;
- **EBITDA was EUR 5.6M** vs. a EUR 5.2M EBITDA in 1Q14A;
- **Net profit was EUR 0.8M** vs. EUR 1.0M in 1Q14A, negatively affected by the impact of net losses from non-speculative derivative financial instruments, with exchange-risk hedging purposes for EUR 1.8M;
- **Net financial position amounted to EUR 38.9M** (a 39% net debt to equity ratio), increasing vs. EUR 29.7M at YE14;

Our View: We highlight that the first quarter is historically not fully representative of the FY results because of Isagro's business seasonality. However, we positively view the revenues growth registered in the period. Overall, management reiterated its positive outlook ahead and confirmed the growth targets outlined by the group's 2014-18 business plan. A conference call in Italian is scheduled for today at 10:00 CET and one in English at 12:00 CET.

Isagro – 1Q15 results

EUR M	1Q14A	1Q15A	yoy %
Revenues	41.4	44.7	8.0
EBITDA	5.2	5.6	7.1
EBITDA margin %	12.7	12.6	
EBIT	3.1	3.5	13.6
EBIT margin %	7.5	7.9	
Net income	1.0	0.8	-18.7

A: actual; Source: Company data

Isagro - Key data

14/05/15			Agrochemicals
Target Price (EUR)			2.64
Rating			BUY
Mkt price (EUR)			1.79
Mkt cap (EUR M)			62
Ratios (x)	2015E	2016E	2017E
P/E	21.1	10.4	9.8
EV/Sales	0.61	0.56	0.53
EV/EBITDA	5.5	4.1	3.8
Performance (%)	1M	3M	12M
Absolute	-13.4	7.3	-16.5
Rel. to FTSE IT All	-10.3	-2.4	-23.8

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to Isagro

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La Doria (BUY)

1Q15 Results

News: La Doria reported strong 1Q15 results and confirmed its disclosed FY15 business targets. 1Q15 results are not homogeneous as they incorporate the recently-acquired Pafial Group. The key 1Q15 results were:

- **Revenues up by 19.5% yoy to EUR 185.5M**, of which 8.8% was organic growth and 10.7% the Pafial contribution (+12.6% on a same currency basis). The 1Q15 top line was driven by both Italy (+14.4%), which accounted for 19.7% of total sales, and abroad (+20.8%), which accounted for 80.3% of total sales;
- **1Q15 EBITDA rose by 37.2% yoy**, of which 20.7% thanks to external growth. The 1Q15 EBITDA margin reached 8.9% vs. 7.8% in 1Q14;
- **1Q15 net profit was up by 94% to EUR 7.3M**, of which 21% thanks to external growth;
- **1Q15 net debt stood at EUR 129M** vs. EUR 138.2M in FY14A and EUR 116.8M in 1Q14A.

Our view: 1Q15A results shed light on the full consolidation of the Pafial acquisition and confirmed our FY15E forecasts, which are in line with management's disclosed business plan targets. We expect a 14.8% increase in revenues to EUR 725M for FY15E, the EBITDA margin to improve to 9.7% vs. 9.5% in FY14A, and a net debt at EUR 113.1M. We believe La Doria is set to increase its domestic and international market share in the private labels market and should benefit from the increasing demand internationally for 'Made in Italy' food. Overall, the FY15-17 BP envisages a 7.2% revenues CAGR and an EBITDA margin improving from 9.5% in FY14A to 10.2% in FY17, thanks to a growing focus on higher value-added products, such as the recently-acquired ready-to-use sauces. We highlight that the recently-acquired Pafial, consolidated from November 2014, should be a key FY15-17 growth driver, contributing approximately 40% of the group's total EBITDA growth.

La Doria – 1Q15 results

EUR M	1Q14A	1Q15A	yoy %
Revenues	155.3	185.5	19
Value added	20.6	28.2	37
EBITDA	12.1	16.6	37
EBIT	9.3	13.3	42
Pre-tax profit	7.6	12.6	66
Net profit	3.8	7.3	94
Value added margin %	13.3	15.2	
EBITDA margin %	7.8	8.9	
EBIT margin %	6.0	7.2	
Net margin %	2.4	3.9	

A: actual; Source: Company data

La Doria - Key data

14/05/15			Food Producers
Target Price (EUR)			14.40
Rating			BUY
Mkt price (EUR)			13.75
Mkt cap (EUR M)			426
Ratios (x)	2015E	2016E	2017E
P/E	15.1	13.2	12.0
EV/Sales	0.89	0.86	0.83
EV/EBITDA	9.1	8.7	8.1
Performance (%)	1M	3M	12M
Absolute	-13.0	20.2	128.8
Rel. to FTSE IT All	-9.8	9.3	108.9

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to La Doria

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Molmed (BUY)

Three Studies Will Be Presented to ASCO 2015

News: Molmed will present three studies on the progress of NGRhTNF therapy in mesothelioma to the Annual Meeting of the American Society of Clinical Oncology (ASCO), which will take place in the US from 29 May to 2 June. Among these three studies, the double-blind randomised Phase III study results with NGR-hTNF in mesothelioma, already released in 2014, has been selected for an oral presentation. This study will highlight the results achieved in a large proportion of patients with a more aggressive disease (corresponding to 50% of patients), defined on the basis of the treatment-free interval after first-line chemotherapy, though the primary endpoint was not met for the whole population. These patients with a poorer prognosis of the disease had a statistically significant improvement of overall survival, coupled with a favourable drug tolerability profile. Two additional studies related to data from the Phase III study were selected for poster presentations, confirming the clinical relevance of the results obtained in mesothelioma, which sustains the efficacy of using NGR-hTNF in combination with gemcitabine reported in the randomised Phase II study in first line treatment of squamous non-small cell lung cancer. Moreover, these data are consistent with the hypothesised mechanism of action, based on the increased penetration of the chemotherapeutic agent thanks to the activity of NGR-hTNF on the newly-formed tumour vasculature.

Our view: We rate the company a BUY with a EUR 0.90/share target price.

Molmed - Key data			
14/05/15			Biotechnology
Target Price (EUR)			0.90
Rating			BUY
Mkt price (EUR)			0.44
Mkt cap (EUR M)			184
Ratios (x)	2014E	2015E	2016E
P/E	Neg.	9.7	1.5
EV/Sales	7.3	2.3	0.11
EV/EBITDA	Neg.	4.2	0.15
Performance (%)	1M	3M	12M
Absolute	-2.7	10.6	-22.1
Rel. to FTSE IT All	0.8	0.6	-28.8

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to Molmed

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S. Ferragamo (HOLD)

1Q15 Results

News: The key points of the results were:

- **Sales up 10% in line with our estimates**. A lower than expected like-for-like performance (flattish vs. a low single-digit expectation) affected the retail performance. The tough comparison basis and some stabilisation in tourist flows impacted less than expected on the wholesale channel, posting a 6% sales increase in the period (flattish ex. FX) with Europe confirmed as the volatile region;
- As expected, the regional and channel mix effect, coupled with positive forex, translated into a **gross margin expansion** (to 64.7% vs. 61.3% in 1Q14), which was partly absorbed by opex and a slightly higher D&A related to the past year's investment activity. A temporary lower taxation led to a net income of EUR 31M vs. our EUR 28M estimated;
- Capex in line at EUR 12M and seasonal NWC weighting were in line with our assumptions, leading to a reduction in **group debt** from EUR 49M at YE14 to EUR 34M (our estimate of EUR 32M).

Our View: Management confirmed a 10% sales increase for the current year as a reasonable assumption with an EBITDA in the region of EUR 320M. We do not see any particular issues to prevent the company from reaching this target and we could fine-tune our estimates. At current multiples, we continue to see limited upside potential. We have a **HOLD rating, while our target price is currently Under Review**.

S. Ferragamo - Key data			
14/05/15			Branded Goods
Target Price (EUR)			U/R
Rating			HOLD
Mkt price (EUR)			29.35
Mkt cap (EUR M)			4943
Ratios (x)	2014E	2015E	2016E
P/E	34.2	32.2	29.3
EV/Sales	3.8	3.6	3.3
EV/EBITDA	18.1	16.8	15.1
Performance (%)	1M	3M	12M
Absolute	-7.6	10.2	28.7
Rel. to FTSE IT All	-4.3	0.3	17.6

Source: FactSet and Intesa Sanpaolo Research estimates

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S. Ferragamo – 1Q15 results					
EUR M	1Q14A	1Q15E	1Q15A	A/E %	yoy %
Sales	**298.7**	**330.6**	**327.2**	**-1.0**	**9.5**
DOS	178.3	205.1	198.8	-3.1	11.5
% on full-year result	21.4	21.0	20.4	-64bps	-104bps
Wholesale	115.7	119.6	122.9	2.8	6.2
% on full-year result	24.2	24.0	24.7	67bps	48bps
EBITDA	**52.8**	**59.6**	**61.1**	**2.4**	**15.7**
EBITDA margin (%)	17.7	18.0	18.7	63bps	100bps
EBIT	**41.7**	**46.1**	**46.9**	**1.7**	**12.5**
EBIT margin (%)	14.0	13.9	14.3	39bps	37bps
Net income	**26.0**	**28.3**	**31.2**	**10.3**	**20.0**

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

Snam (HOLD)

1Q15 Results

News: The key points of the results were:

- **Revenues slightly increased,** mainly thanks to the higher regulated revenues of the transmission and distribution businesses; distribution revenues increased also thanks to the consolidation of AES, which contributed by around EUR 17M; these items were partially offset by the lower regulated storage (EUR -19M yoy) and non-regulated revenues (EUR -14M);
- **EBITDA decreased by around 2% yoy**, mainly due to the negative storage business performance (EUR -33M EBITDA yoy) and the higher costs related to the AES consolidation; these negatives were partially offset by the higher performance from transmission and distribution;
- **Adjusted net income increased** and was above our estimates by around 11% yoy, mainly thanks to a higher-than expected contribution from equity investments and lower taxes; **net debt decreased from the end-2014 EUR 13.6Bn**, thanks to the operating cash flow.

Our View: Results were positive on the bottom line and overall in line with our estimates and consensus; the weaker result from storage on EBIT could be partially recovered during the year, in our view.

Snam – 1Q15						
EUR M	1Q14A	1Q15E	1Q15A	%Chg	Cons (*)	FY15E
Sales	907	916	929	2.4	920	3,961
EBITDA	732	722	717	-2.0	719	2,859
% of sales	80.7	78.8	77.2			72.2%
EBIT	542	512	510	-5.9	512	2,020
% of sales	59.8	55.9	54.9			51.0%
Pre-tax Income	515	447	456	-11.5		1,744
Tax rate	33.2	30.8	28.7			32.6%
Net Income	344	309	325	-5.5	307	1,176
Adj net Income	292	309	325	11.3	307	1,176
Net financial position		-13,295	-13,217		-13,284	-13,805

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research. (*) Bloomberg

Snam - Key data			
14/05/15	Gas Transportation		
Target Price (EUR)			4.70
Rating			HOLD
Mkt price (EUR)			4.66
Mkt cap (EUR M)			15774
Ratios (x)	2015E	2016E	2017E
P/E	13.9	17.9	17.4
EV/Sales	7.2	8.1	8.1
EV/EBITDA	9.8	11.5	11.5
Performance (%)	1M	3M	12M
Absolute	-3.3	9.6	5.4
Rel. to FTSE IT All	0.2	-0.3	-3.7

Source: FactSet and Intesa Sanpaolo Research estimates

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Tod's Group (HOLD)

Tod's Group - Key data			
14/05/15			Branded Goods
Target Price (EUR)			79.85
Rating			HOLD
Mkt price (EUR)			83.60
Mkt cap (EUR M)			2559
Ratios (x)	2014E	2015E	2016E
P/E	25.2	24.3	22.1
EV/Sales	2.5	2.5	2.3
EV/EBITDA	12.8	12.4	11.2
Performance (%)	1M	3M	12M
Absolute	-4.9	-9.3	-17.7
Rel. to FTSE IT All	-1.5	-17.5	-24.9

Source: FactSet and Intesa Sanpaolo Research estimates

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1Q15 Results

News: The key points of the results were:

- **Sales were in line with our and consensus estimates** (see Inquiry Financial). As expected, the completed rationalisation of the Italian wholesale distribution translated into a reversal in sales, which returned to growth in 1Q15 in line with our assumptions for all the quarters this year. DOS performance was weaker than expected due to a like-for-like contraction of 7.8% in the first 19 weeks of the year (from 1 January to 10 May, 2015),a still negative same store sales growth and lower Chinese purchases;
- A still weak leather goods division in terms of profitability, coupled with rents and labour costs, **put pressure on profitability** to a slightly higher extent than expected, resulting in an EBIT of EUR 35M (EUR 42M according to consensus) or a 24% contraction yoy;
- As a result of 11 new openings, capex stand at EUR 16M, in line with our assumption. Tods reduced NWC needs in the period, **reporting a good cash position of EUR 94M** vs. EUR 84M expected.

Our View: Mr Della Valle's scenario is for an improving business qoq. In the short run, we (and management) consider the FY15 FactSet consensus for a mid-single digit sales increase as feasible. We view the 15/20bps EBITDA margin improvement as more challenging and we believe a potential fine-tuning of consensus estimates could put some pressure on the shares. **We confirm our EUR 79.85/share target price and HOLD rating.**

Tod's Group - 1Q15 results

EUR M	1Q14A	1Q15E	1Q15A	A/E %	yoy %
Sales	**253.8**	**258.9**	**257.7**	**-0.5**	**1.5**
% on full-year result	26.3	25.0	24.9	-12bps	-141bps
DOS	135.3	139.0	137.6	-1.0	1.7
% on full-year result	22.0	20.5	20.3	-20bps	-167bps
Franchises & Independent	118.5	120.0	120.1	0.1	1.4
% on full-year result	33.9	33.5	33.5	4bps	-36bps
EBITDA	**56.8**	**56.4**	**47.0**	**-16.8**	**-17.3**
EBITDA margin (%)	22.4	21.8	18.2	-357bps	-415bps
EBIT	**46.3**	**45.4**	**35.1**	**-22.6**	**-24.2**
EBIT margin (%)	18.2	17.5	13.6	-389bps	-462bps

UBI Banca (ADD)

UBI Banca - Key data			
14/05/15			Banks
Target Price (EUR)			7.79
Rating			ADD
Mkt price (EUR)			7.43
Mkt cap (EUR M)			6700
Ratios (x)	2015E	2016E	2017E
P/E	23.1	17.1	13.9
P/TBV	0.82	0.79	0.76
Performance (%)	1M	3M	12M
Absolute	-1.2	12.2	16.5
Rel. to FTSE IT All	2.4	2.1	6.4

Source: FactSet and Intesa Sanpaolo Research estimates

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Working on Shareholdings' Minorities Buyout

News: During the conference call, UBI Banca stated that it is working on the buyout of the minorities in its shareholdings (16% of Banca Popolare Commercio & Induistria, 25% of Banca Regionale Europea, and 16% Banca di Valle Camonica).
Our view: We estimate that the buyout could have a potential impact on the CET1 FL of about 50bps, thanks to the lower deductions, further improving the already strong capital base (CET1 FL at 12.20% as of March 2015). We calculate an EPS dilution to be limited to a 3% average in the 2015-17 period.

Unicredit (BUY)

Shareholder Meeting and Script Dividend

News: No surprises from yesterday' shareholders meeting, which confirmed both Mr Ghizzoni (CEO) and Mr Vita (Chairman).

The company announced the terms of the script dividend: 1 new ordinary share for each 50 ordinary shares held; 1 savings share for each 72 savings shares held. Ex-date is 18 May. Shareholders may ask for the payment of the dividend in cash (EUR 12 cent per ordinary share) from 19 to 29 May.

Our view: Terms of the script dividend are in line with our expectations.

Unicredit - Key data

14/05/15			Banks
Target Price (EUR)			6.65
Rating			BUY
Mkt price (EUR)			6.30
Mkt cap (EUR M)			36962
Ratios (x)	2015E	2016E	2017E
P/E	13.9	10.3	8.4
P/TBV	0.82	0.78	0.74
Performance (%)	1M	3M	12M
Absolute	-2.9	13.9	1.0
Rel. to FTSE IT All	0.6	3.6	-7.8

Source: FactSet and Intesa Sanpaolo Research estimates

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Sector News

Utilities Sector

14/05/2015 Utilities

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UE OK to Domestic Motorways Extension

News: According to Milano Finanza, after a meeting held on Tuesday, the European Authority would have released the preliminary green light to the Italian request for a lengthening of motorways concessions in exchange of additional capex and limited tariff increases. An official letter would be expected by tomorrow. The beneficiaries' concessionaries would be Gruppo Gavio, Autovie Venete e Autobrennnero. However, Sias requested a lengthening of concessions up to 2043 in exchange of consolidation in Western motorways concessions, EUR 5Bn additional investments and annual tariff increase equal to 1.5%. The EU regulator would have agreed a lower extension on concession only up to 2025 that would imply: i) same capex but higher tariff increases or terminal value at the concession-end; ii) lower capex and the same tariff increases; and iii) a mixture of the two previous solutions.

Our View: In our view, the news would have no impact for Atlantia whose concession is expiring in 2038.

Previews

Acea (ADD)

Results Preview

Preview: We forecast 1Q15E EBITDA up by 5.2% yoy to EUR 175M, under new consolidation rules, mainly driven by the positive performance of the water and waste divisions. For water, we forecast divisional EBITDA up by 10.6% yoy to EUR 75M, benefiting from a 9% tariff hike applied in Acea's two major water concessions (ATO2 and ATO5), on top of additional efficiency extractions. For waste, we expect EBITDA to rise to EUR 16M (+9.9%) mainly thanks to the additional Terni plant contribution, after its revamping. We also expect net income to grow by 21.1% to EUR 54M, benefiting from a lower tax rate and lower D&A. After the strong WC release in 4Q14A, we see net debt increasing modestly to EUR 2,165M vs. EUR 2,089M at YE14A, also in light of higher assumed capex.

Outlook and Our View: We continue to appreciate the group given: 1) its highly regulated business mix (approximately 80% of total EBITDA), mainly focused on water activities; 2) potential M&A upside, due to Acea's willingness to consolidate its presence in Tuscany, where it already operates water services through several subsidiaries, albeit subject to some political risks; and 3) the forthcoming strategic update expected by end-May. **We reiterate our ADD rating and target price of EUR 13.60/share.**

Acea -1Q15 preview

EUR M	1Q14A	1Q15E	1Q yoy %	FY14A	FY15E	FY yoy %
Revenues	780	734	-5.9	3,038	3,359	10.6
EBITDA	166	175	5.2	718	728	1.5
% of sales	21.3	23.8	-	23.6	21.7	-
Electricity Networks	62	63	1.3	253	261	3.2
Energy Sales and Generation	25	23	-6.5	112	88	-20.8
Water	68	75	10.6	292	317	8.6
WTE	14	16	9.9	55	61	11.3
Holding costs	-3	-2	-28.6	6	0	-92.8
EBIT	100	113	12.7	390	419	7.3
% of sales	12.8	15.3	-	12.9	12.5	-
Group net profit	44	54	21.1	162	210	29.2
Net debt	2,089 (*)	2,165	3.6	2,089	2,186	4.7
Capex	81	115	42.5	319	397	24.6

(*) FY14A; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Acea - Key data

13/05/15			Multi-Utilities
Target Price (EUR)			13.60
Rating			ADD
Mkt price (EUR)			11.89
Mkt cap (EUR M)			2532
Ratios (x)	2015E	2016E	2017E
P/E	13.0	12.9	12.2
EV/Sales	1.4	1.4	1.4
EV/EBITDA	6.3	6.4	6.3
Performance (%)	1M	3M	12M
Absolute	-4.9	11.3	18.9
Rel. to FTSE IT All	-1.6	0.8	10.3

Source: FactSet and Intesa Sanpaolo Research estimates

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Astaldi (ADD)

Results Preview

Preview: We expect 1Q15E consolidated revenues to rise by 8.2% yoy, mainly as a result of the advancement of construction works in: i) Turkey (Gebze-Orhangazi-Izmir Motorway Phase 1 and the Third Bosphorus Bridge); ii) Canada (Muskrat Falls hydroelectric project); iii) Russia (Western High Speed Diameter in St. Petersburg); iv) Poland; v) Peru (Cerro de Aguila hydroelectric project); and vi) Chile (Chuquicamata mining project). We estimate a 1Q15E EBIT margin at 8.9%, lower than the high level reached in 1Q14, but in line with the company's full-year guidance. We forecast a consolidated net debt of around EUR 1Bn, significantly higher than end-2014 net debt of EUR 798M, due to the seasonal increase in NWC. Based on the order inflow announced in the January-March period, we project the group's construction order backlog at approximately EUR 7.8Bn (substantially stable compared to EUR 7.9Bn at end-December 2014).

Outlook and Our View: We believe that 1Q15 results should be supportive of our current FY15 estimates. **ADD rating**.

Astaldi - Key data			
13/05/15			Construction
Target Price (EUR)			9.40
Rating			ADD
Mkt price (EUR)			7.24
Mkt cap (EUR M)			713
Ratios (x)	2015E	2016E	2017E
P/E	7.5	6.5	NA
EV/Sales	0.54	0.51	NA
EV/EBITDA	4.7	4.6	NA
Performance (%)	1M	3M	12M
Absolute	-9.5	21.0	-3.9
Rel. to FTSE IT All	-6.4	9.6	-10.9

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to Astaldi

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Astaldi – 1Q15 preview

EUR M	1Q15E	1Q14A	1Q yoy %
Value of production	596.7	551.6	8.2
EBITDA	71.7	73.4	-2.4
Margin (%)	12.0	13.3	
EBIT	53.1	57.9	-8.3
Margin (%)	8.9	10.5	
Pre-tax income	37.2	32.5	14.4
Net Income Cont. Assets	23.1	20.2	14.5
Result from disc. Assets	0.0	-1.0	NM
Net income	23.1	19.2	20.5

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Brembo (BUY)

Results Preview

Preview: Despite the company's conservative targets for year-end, in 1Q15E, we expect Brembo to deliver another sound and potentially surprising set of results. We expect a solid organic growth on top of forex support, due to the company's exposure to the USD area. Overall, despite a tough quarterly comparison, we see a 1Q15E top-line increase of 13% (above the FY15 guidance) and net revenues up at a high single digit. Even accounting for potential ramp-up costs, we estimate an EBITDA margin at 16%, above the group's FY target which envisages a flat EBITDA margin (15.5%) versus 2014. This sound trend should be supported not only by the car division, but also by the motorcycle segment thanks to a positive seasonal impact.

Outlook and Our View: If our estimates were confirmed, we would positively view the quarter that would significantly enhance the visibility ahead. We acknowledge that the company might not be able to maintain a similar growth pace in each quarter, but we are convinced that once again management's FY targets could prove to be overly conservative.

Brembo - Key data			
13/05/15			Auto & Components
Target Price (EUR)			45.00
Rating			BUY
Mkt price (EUR)			36.72
Mkt cap (EUR M)			2452
Ratios (x)	2015E	2016E	2017E
P/E	16.4	14.6	12.9
EV/Sales	1.4	1.2	1.1
EV/EBITDA	8.8	7.8	6.9
Performance (%)	1M	3M	12M
Absolute	-5.1	14.6	37.0
Rel. to FTSE IT All	-1.8	3.8	27.0

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to Brembo

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Brembo – 1Q15 preview						
EUR M	1Q14A	FY14A	1Q15E	FY15E	1Q yoy %	FY yoy %
Sales	446.90	1,803.3	505.00	1,980.8	13.00	9.84
EBITDA	69.10	279.8	80.99	307.9	17.20	10.02
Margin (%)	15.46	15.5	16.04	15.5		
EBIT	45.90	178.5	54.65	202.5	19.06	13.47
Margin (%)	10.27	9.90	10.82	10.22		
Net income	35.90	129.2	41.41	149.5	15.36	15.73
Net debt	340.00	270	272.65	242	-19.81	-10.61

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

Elica (BUY)

Results Preview

Preview: Some macro trends characterised Elica's reference market in 1Q15, namely a weaker than expected GDP in the US and a weak consumption in Japan (March retail sales decreased by 9.7%; wholesale sales by 13%), partially offset by a positive forex impact. We therefore expect a slight contraction in revenues of 0.5% to EUR 96.2M. On profitability, we expect a good contribution from the price/mix, driven by the positive sales trend of the high value-added own brand segment. Thus, we project an improvement in the EBITDA margin, post-restructuring costs, of around 30bps to 6.4%. We see net debt at around EUR 65M, incorporating the first quarter seasonality and the full payment of restructuring costs, which we estimate at around EUR 7M. A conference call will be held today at 15:00 CET, calling numbers are: Italy +39 02 8020911, UK +44 1 212818004, US (Black number) +1 718 7058796, US (Green number) +1 855 2656958.

Outlook and Our View: **We rate the company a BUY with a target price of EUR 2.82/sh.**

Elica – 1Q15 preview			
EUR M	1Q14A	1Q15E	yoy %
Revenues	96.7	96.2	-0.5
EBITDA adjusted	5.9	6.1	5.0
EBITDA adjusted margin (%)	6.1	6.4	
EBIT	1.7	1.9	16.5
Net debt	62.0	65	4.9

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

Elica - Key data			
13/05/15	Household Goods & Textiles		
Target Price (EUR)			2.82
Rating			BUY
Mkt price (EUR)			2.09
Mkt cap (EUR M)			132
Ratios (x)	2015E	2016E	2017E
P/E	18.1	13.3	NM
EV/Sales	0.48	0.45	NA
EV/EBITDA	5.6	4.7	NA
Performance (%)	1M	3M	12M
Absolute	-9.9	5.0	8.7
Rel. to FTSE IT All	-6.8	-4.9	0.8

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Corporate Broker to Elica

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Geox (HOLD)

Results Preview

Preview: We expect the good results in 2014 to continue in 1Q15, thanks to the reorganisation plan focused on Directly Operated Stores (DOS) and third parties' business rationalisation. The Italian and European markets should continue to grow at a high single-digit pace, while a similar trend is expected outside of Europe supported by positive forex effects. The effectiveness of the ongoing re-launch plan, which includes an improved commercial policy (markdown reduction of 1% and 2% for DOS and Franchising, respectively, in 2015) and reduced COGS, should continue to translate into a gross margin expansion, which will be partially reabsorbed by a stable opex weighting. We envisage no particular issues at the bottom part of the P&L and we estimate a net income of EUR 11.6M in the quarter (or +15% yoy). After EUR 9M capex and still non-optimal NWC needs, we estimate a net debt at EUR 35M.

Outlook and Our View: Management expects another positive year in terms of growth and profitability in 2015, but also flagged some challenges due to: 1) ongoing problems in the international macroeconomic environment; and 2) difficulties with the current partner in China. The ongoing arbitration with the current partner and negotiations with new partners means that this area is unlikely to meet the targeted contribution. Thus, we do not expect the quarterly results to be a significant driver of the share price. We have a **EUR 3.72/share target price and HOLD rating**.

Geox - 1Q15 preview

EUR M	1Q14A	1Q15E	yoy %	2014A	2015E	yoy %
Sales	**268.5**	**283.0**	**5.4**	**824.3**	**885.2**	**7.4**
DOS	77.2	85.0	10.1	345.7	389.4	12.7
Franchising	58.5	58.0	-0.9	148.6	147.0	-1.1
Multi-Brand	132.7	140.0	5.5	329.9	348.7	5.7
EBITDA	**27.8**	**30.5**	**9.7**	**42.6**	**72.4**	**70.1**
EBITDA margin %	10.4	10.8	42bps	5.2	8.2	302bps
EBIT	**17.4**	**19.5**	**12.1**	**4.9**	**28.5**	**482.7**
EBIT margin %	6.5	6.9	41bps	0.6	3.2	262bps
Net income	**10.1**	**11.6**	**15.3**	**-2.8**	**14.8**	**NM**
Margin %	3.8	4.1	35bps	-0.3	1.7	202bps

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Geox - Key data

13/05/15			Branded Goods
Target Price (EUR)			3.72
Rating			HOLD
Mkt price (EUR)			3.15
Mkt cap (EUR M)			816
Ratios (x)	2015E	2016E	2017E
P/E	55.2	20.9	15.6
EV/Sales	0.92	0.83	0.76
EV/EBITDA	11.2	7.5	6.2
Performance (%)	1M	3M	12M
Absolute	-13.5	7.4	0.4
Rel. to FTSE IT All	-10.6	-2.7	-6.9

Source: FactSet and Intesa Sanpaolo Research estimates

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Iren (BUY)

Results Preview

Preview: We expect Iren's 1Q15E EBITDA to rise by 4.2% to EUR 212M, due to: i) a better contribution from the Generation and Heating division (+12.2%), with lower domestic margins following the decrease in power prices, offset by the absence of last year's negative climatic effect and normalised hydro volumes; ii) waste activities up by 36.9% to EUR 18M, also thanks to the AMIAT consolidation (EUR 20M EBITDA in FY15E); iii) an almost stable contribution in the networks division (+3.7%); and iv) higher water margins following recognised tariff hikes (4% estimate). We expect adjusted net income to stand at EUR 59M, up by 15.3% yoy, mainly benefiting from a lower tax rate (41% vs. 46% last year). Given our estimate for almost stable capex, we see net debt decreasing modestly to EUR 2,198M in 1Q15E from EUR 2,286M at YE14A.

Outlook and Our View: Whilst not expecting major surprises from 1Q15E results, we believe that a better 2015 outlook and new BP (due out by June) could be positive catalysts for the stock. **We reiterate our BUY rating and target price of EUR 1.58/share.**

Iren - Key data			
13/05/15			Multi-Utilities
Target Price (EUR)			1.58
Rating			BUY
Mkt price (EUR)			1.31
Mkt cap (EUR M)			1548
Ratios (x)	2015E	2016E	2017E
P/E	11.7	11.6	11.1
EV/Sales	1.1	1.0	0.95
EV/EBITDA	5.2	5.0	4.7
Performance (%)	1M	3M	12M
Absolute	-2.2	18.0	10.5
Rel. to FTSE IT All	1.1	6.9	2.5

Source: FactSet and Intesa Sanpaolo Research estimates

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Iren - 1Q15 preview

EUR M	1Q14A	1Q15E	yoy %	FY14A	FY15E	yoy %
Revenues	903	869	-3.8	2,902	3,172	9.3
EBITDA	203	212	4.2	623	669	7.5
% of sales	22.5	24.4		21.5	21.1	
Generation & Heat	70	78	12.2	199	195	-2.3
Energy infrastructure	33	34	3.7	152	153	0.6
Market	41	45	11.1	91	97	6.8
Water	35	37	6.9	150	150	0.4
Waste	13	18	36.9	47	64	34.4
Other services	13	0	-100.0	11	15	38.9
EBIT	129	133	3.1	325	348	6.9
% of sales	14.3	15.3		11.2	11.0	
Group net income	51	59	15.3	69	132	91.6
Net debt	2,286 (*)	2,198		2,286	2,164	-5.3
Capex	43.0	55		258	260	0.8

(*) YE14A data, A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

MARR (ADD)

Results Preview

Preview: 1Q15 results should show the effect of the Alisea deconsolidation, which contributed EUR 3.7M revenues and EUR 0.5M EBITDA in 1Q14A. We forecast a 1.4% increase in revenues in 1Q15E, driven by a 4.0% growth in the Street Market and a 3.7% decrease in the National Account, incorporating the sale of the Alisea subsidiary (from 1 April) and a more selective approach towards the public administration to safeguard the group's profitability. We expect Wholesale to show a 2.0% increase in revenues. We forecast 1Q15E EBITDA margin stable at 4.6% and we expect 1Q15E net profit to rise by 2.5%.

Outlook and Our View: In 2H15E we expect a stabilisation of the National Account trend thanks to the contribution of Bolzano following the awarding of the tender to MARR for the supply agreement of food products to the Public Administration. At regime, the contract could potentially contribute EUR 10M sales. Management's latest group guidance pointed to a slightly recovering market trend and a 3% organic growth in FY15. In addition, we highlight that MARR is preparing to exploit the EXPO 2015 opportunity and the potential related to the increase in tourists in Lombardy, by expanding its service level in the region for existing and new clients.

MARR - Key data			
13/05/15			Food Distribution
Target Price (EUR)			17.00
Rating			ADD
Mkt price (EUR)			17.31
Mkt cap (EUR M)			1152
Ratios (x)	2015E	2016E	2017E
P/E	20.7	20.1	19.4
EV/Sales	0.90	0.88	0.87
EV/EBITDA	12.4	12.2	11.9
Performance (%)	1M	3M	12M
Absolute	-1.0	12.6	24.6
Rel. to FTSE IT All	2.4	2.0	15.6

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to MARR

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MARR - 1Q15 preview			
EUR M	1Q14A	1Q15E	yoy %
Revenues	290.1	294.1	1.4
EBITDA	13.4	13.5	0.6
EBIT	10.2	10.3	1.2
Net profit	5.1	5.2	2.5
EBITDA margin %	4.6	4.6	
EBIT margin %	3.5	3.5	
Net margin %	1.7	1.8	
Tax rate %	37.0	37.2	

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

Salini Impregilo (BUY)

Results Preview

Preview: We highlight that the comparison in the table below is with published 1Q14A results, which are not perfectly comparable due to some changes in accounting principles. We expect 1Q15E revenues of EUR 947M, driven by foreign markets, particularly Africa (Ethiopia), Europe ex-Italy (Denmark and Poland) and the Middle East (Saudi Arabia and Qatar), which should more than offset the decline expected in Asia and the slow domestic market. We expect a 1Q15E consolidated EBITDA margin at 10.1% and an EBIT margin of 5%, which would be consistent with the company's FY target of around 10.5% and 5.5%, respectively. We estimate a net debt at EUR 200M at end-March vs. EUR 89M posted at end-December 2014, mainly due to some seasonal NWC absorption.

Our View: Overall, we expect 1Q15E results to support our current full-year forecasts. **Our rating is BUY with a target price of EUR 4.50/share.**

Salini Impregilo - Key data			
13/05/15			Construction
Target Price (EUR)			4.50
Rating			BUY
Mkt price (EUR)			3.79
Mkt cap (EUR M)			1866
Ratios (x)	2014E	2015E	2016E
P/E	35.8	14.5	9.7
EV/Sales	0.49	0.43	0.36
EV/EBITDA	5.2	4.3	3.4
Performance (%)	1M	3M	12M
Absolute	-10.4	3.8	-17.7
Rel. to FTSE IT All	-7.3	-5.9	-23.7

Source: FactSet and Intesa Sanpaolo Research estimates

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Salini Impregilo – 1Q15 preview			
EUR M	1Q14A	1Q15E	yoy %
Value of production	859.0	947.5	10.3
EBITDA	88.3	95.3	8.0
% margin	10.3	10.1	
Depreciation/write-offs	43.2	48.4	11.9
EBIT	45.1	47.0	4.2
% margin	5.2	5.0	
Net financials	-19.8	-23.9	20.9
Net gains on investments	3.8	0.0	NM
Profit before taxes	29.1	23.1	-20.7
Taxes	9.6	7.6	-20.7
Net profit from cont. ops.	19.5	15.5	-20.7
Results from discontinued activities	0.7	0.0	NM
Net income	20.2	15.5	-23.5
Minority interests	4.9	1.1	-77.5
Attributable net income	15.3	14.3	-6.2

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Saras (HOLD)

Results Preview

Preview: We expect materially better performances yoy in the refining and power generation activities. The refining division could benefit from higher margins (EMC benchmark of around USD 4.0/bbl in 1Q15E vs. USD 0.9/bbl in 4Q14 and vs. a negative USD -1.9/bbl in 1Q14A). Including an expected premium on EMC, we see Saras' refining margin growing to USD 7.0/bbl in the quarter. Thermal power generation EBITDA (Sarlux) should increase mainly due to higher tariffs and reduced raw material costs. Wind power should be slightly down due to lower production. We expect a slightly lower positive net financial position vs. YE14, resulting from the cash generation being partially offset by an increase in working capital. A conference call should be held today at 16:00 CET.

Outlook and Our View: Should the results confirm our 1Q15E estimates, we would not completely carry them across to our FY15E estimates, as we think that the refining performance could slow down in the coming quarters.

Saras – 1Q15 preview

EUR M	4Q14A	1Q14A	1Q15E	yoy %	Consensus (*)	2015E
EBITDA	74	7	137	NM	153	361
Refining	-24	-51	70	NM	87	98
Marketing	3	-1	3	NM	2	22
Sarlux	87	52	58	11	53	219
Wind Power	5	9	7	-19	8	22
Corporate & Others	2	-1	0			0
EBIT	19	-41	77	NM	103	177
Adj. net income	18	-40	44	NM	60	114
Net financial position	107		101			149
EPS	0.019	-0.043	0.047		0.063	
Ref. margin (USD/bbl)	1.1	0.5	7.0			
Throughput (mmbbls)	22.9	24.1	22.9			

NM: not meaningful; (*) Company-provided; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Saras - Key data

13/05/15			Oil & Gas
Target Price (EUR)			1.36
Rating			HOLD
Mkt price (EUR)			1.61
Mkt cap (EUR M)			1490
Ratios (x)	2015E	2016E	2017E
P/E	13.0	13.0	13.2
EV/Sales	0.24	0.17	0.11
EV/EBITDA	3.7	3.2	2.8
Performance (%)	1M	3M	12M
Absolute	-14.0	55.6	26.3
Rel. to FTSE IT All	-11.0	41.0	17.1

Source: FactSet and Intesa Sanpaolo Research estimates

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Trevi (HOLD)

Results Preview

Preview: We expect 1Q15E revenues to show a 5.3% increase yoy, as lower Drillmec sales should be offset by the improvements expected for the other business divisions. We see the consolidated 1Q15E EBIT margin declining to 4.8% vs. 6.4%% in 1Q14A, mainly as a result of the margin pressure expected in the oil services business (Petreven) and of a normalised operating profitability of the ground engineering business (compared to the exceptionally high level reached in the corresponding period of last year). We expect consolidated net debt to increase to around EUR 450M vs. EUR 379M at end-2014 mainly due to seasonal NWC absorption. If our top-line forecast is confirmed and considering that no significant new orders were announced in the last few months, we see a consolidated order backlog of around EUR 1Bn at 31 March 2015 vs. EUR 1.1Bn at end-December.

Outlook and Our View: Cuts in the investments planned by the oil companies and the downwards price pressure in the oil services business are reducing the earnings visibility of the oil related businesses (Drillmec and Petreven). In addition, NWC needs make it difficult for the group to reduce the debt level. We believe that 2015 is going to be a challenging year while 2016 earnings visibility is still low. We are therefore cautious on the stock.

Trevi - 1Q15 preview

EUR M	1Q15E	1Q14A	yoy %
Revenues	279.9	265.7	5.3
EBITDA	29.8	31.1	-4.0
Margin (%)	10.7	11.7	
EBIT	13.4	17.0	-21.3
Margin (%)	4.8	6.4	
Pre-tax income	6.7	6.6	1.8
Net income	4.1	-0.3	NM

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Trevi - Key data

13/05/15			Engineering
Target Price (EUR)			3.10
Rating			HOLD
Mkt price (EUR)			2.46
Mkt cap (EUR M)			406
Ratios (x)	2015E	2016E	2017E
P/E	18.5	15.2	NA
EV/Sales	0.64	0.62	NA
EV/EBITDA	6.3	5.9	NA
Performance (%)	1M	3M	12M
Absolute	-18.7	-26.6	-56.7
Rel. to FTSE IT All	-16.0	-33.5	-59.8

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Corporate Broker to Trevi Group

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Recent Credit Research

EXOR

13/05/2015 Credit Research

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Offer to Buy PartnerRe Raised to USD 6.8Bn

Credit View UNDER REVIEW. Whilst improved, EXOR's 1Q15 results were overshadowed by the holding company's announcement that it has raised its binding offer to buy PartnerRe (PRE) to USD 6.8Bn from USD 6.4Bn. EXOR also declared that it is now PRE's largest shareholder, after the acquisition of a 9.32% stake for USD 572M. We maintain our Credit View on EXOR Under Review and our HOLD recommendation on EXOR's bonds, given the increased offer to buy PRE and the still uncertain outcome.

Unicredit

13/05/2015 Credit Research

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Italian Turnaround is the Main Consolidation Driver

NEUTRAL Credit View Confirmed. In 1Q15, Unicredit delivered a positive set of results that were broadly in line with market consensus. The main strengths were higher operating pre-provisions profit and reduced cost of risk, domestic recovery trend, with Commercial Bank Italy as the main profit contributor, followed by CIB and CEE & Poland and asset quality improvement, with stock and new inflows of non-performing exposures declining. On the negative side, capitalisation, while exceeding ECB SREP requirements, remained below peers both in Italy and in the EU. Unicredit management guided for a positive outlook in 2015. We confirm our Neutral Credit View on Unicredit and our BUY recommendation on Unicredit bonds.

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TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

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

Intesa Sanpaolo Research Rating Distribution (at May 2015)					
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Equity rating key (short-term horizon: 3M)

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
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