

Daily Note
Calls from Italy
Company News

AlgoWatt (Suspended) Closing of Sale of Plant at Calimera (LE) 2

8 July 2020: 8:42 CET

Date and time of production

Italy/Equity Market

Stock Markets: Performance

Chg (%)	1D	3M	6M	12M
FTSE All Share	-0.1	15.0	-15.6	-9.1
FTSE MIB	-0.1	14.9	-15.6	-9.0
FTSE IT Star	-0.2	16.9	-8.7	0.5
Euro Stoxx 50	-0.8	9.8	-10.9	-5.4
Stoxx Small 200	-0.5	16.4	-11.8	-3.9
NASDAQ	-0.9	31.1	14.1	26.7
S&P 500	-1.1	18.3	-2.8	5.2

FTSE MIB Best & Worst: 1D% chg

Diasorin	2.2	Telecom Italia	-3.2
Prismian	2.1	Saipem	-2.0
Moncler	1.9	Tenaris	-1.7

Euro Stoxx Best&Worst Sectors -1D %

B Resources	0.3	Real Estate	-1.8
Chemicals	0.2	Banks	-1.4
Ind Goods&Ser	0.0	Telecom	-1.1

FTSE MIB-STAR Performance (-12M)


Source: FactSet;

Upcoming Banca IMI Events

What?	Where?	When?
ISMO	Virtual	2-4 & 22-24 Sept

Report priced at market close on day prior to issue; Ratings and Target Prices as assigned in the latest company reports (unless otherwise indicated)

Intesa Sanpaolo Research Dept
Equity Research Team
Corporate Broking Research Team
Sales & Trading

+39 02 7261 2905

Company News

AlgoWatt (Suspended)

Closing of Sale of Plant at Calimera (LE)

Market Mover **Positive** **Neutral** **Negative**

What's up? The company announced that it had signed a contract for the sale of the business unit relating to the biodigestion and biomethane production plant in Calimera (LE) owned by SPV NewcoEnergy Srl, for a consideration of about EUR 2.8M fully paid in cash.

What we think: The plant disposal, which was included in the TerniEnergia Recovery and Relaunch Plan, was announced in January and therefore expected.

AlgoWatt - Key data

08/07/2020	Multi-Utilities		
Target Price (EUR)	Suspended		
Rating	Suspended		
Mkt price (EUR)	0.43		
Mkt cap (EUR M)	20		
Performance (%)	1M	3M	12M
Absolute	5.9	32.7	12.7
Rel. to FTSE IT All Sh	6.9	15.4	24.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Banca IMI is Specialist to AlgoWatt

Alberto Francese - Research Analyst
+39 02 8794 9815
alberto.francese@intesasanpaolo.com

Disclaimer

Analyst certification

The financial analysts who prepared this report, and whose names and roles appear within the document, certify that:

1. The views expressed on the companies mentioned herein accurately reflect independent, fair and balanced personal views; 2. No direct or indirect compensation has been or will be received in exchange for any views expressed.

Specific disclosures

- Neither the analysts nor any persons closely associated with the analysts have a financial interest in the securities of the Companies.
- Neither the analysts nor any persons closely associated with the analysts serve as an officer, director or advisory board member of the Companies.
- Some of the analysts named in the document are members of AIAF.
- The analysts named in this document are not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Banca IMI Securities Corp. Accordingly, the analysts may not be subject to FINRA Rule 2241 and NYSE Rule 472 with respect to communications with a subject company, public appearances and trading securities in a personal account. For additional information, please contact the Compliance Department of Banca IMI Securities Corp at 212-326-1133.
- The analysts of this report do not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
- The research department supervisors do not have a financial interest in the securities of the Companies.

This research has been prepared by Intesa Sanpaolo SpA and distributed by Banca IMI SpA Milan, Banca IMI SpA-London Branch (a member of the London Stock Exchange) and Banca IMI Securities Corp (a member of the NYSE and FINRA). Intesa Sanpaolo SpA accepts full responsibility for the contents of this report and also reserves the right to issue this document to its own clients. Banca IMI SpA and Intesa Sanpaolo SpA, which are both part of the Intesa Sanpaolo Group, are both authorised by the Banca d'Italia and are both regulated by the Financial Services Authority in the conduct of designated investment business in the UK and by the SEC for the conduct of US business.

Opinions and estimates in this research are as at the date of this material and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this research may not be suitable for all investors. If you are in any doubt you should consult your investment advisor.

This report has been prepared solely for information purposes and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. No Intesa Sanpaolo SpA or Banca IMI SpA entities accept any liability whatsoever for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of Intesa Sanpaolo SpA and Banca IMI SpA.

Intesa Sanpaolo SpA and Banca IMI SpA have in place the Conflicts of Interest Management Rules for managing effectively the conflicts of interest which might affect the impartiality of all investment research which is held out, or where it is reasonable for the user to rely on the research, as being an impartial assessment of the value or prospects of its subject matter. A copy of these Rules is available to the recipient of this research upon making a written request to the Compliance Officer, Intesa Sanpaolo SpA, C.so Matteotti n° 1, 20121 Milan (MI) Italy. Intesa Sanpaolo SpA has formalised a set of principles and procedures for dealing with conflicts of interest ("Rules for Research"). The Rules for Research is clearly explained in the relevant section of Intesa Sanpaolo's web site (www.intesasanpaolo.com).

Member companies of the Intesa Sanpaolo Group, or their directors and/or representatives and/or employees and/or persons closely associated with them, may have a long or short position in any securities mentioned at any time, and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any of the securities from time to time in the open market or otherwise.

This document has been prepared and issued for, and thereof is intended for use by, MiFID II eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies.

Persons and residents in the UK: This document is not for distribution in the United Kingdom to persons who would be defined as private customers under the rules of the Financial Conduct Authority.

US persons: This document is intended for distribution in the United States only to Major US Institutional Investors as defined in SEC Rule 15a-6. US Customers wishing to effect a transaction should do so only by contacting a representative at Banca IMI Securities Corp. in the US (see contact details below).

Intesa Sanpaolo SpA issues and circulates research to Major Institutional Investors in the USA only through Banca IMI Securities Corp., 1 William Street, New York, NY 10004, USA, Tel: (1) 212 326 1150.

Coverage policy and frequency of research reports

The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Banca IMI acts as sponsor or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and the Weekly Preview report the

Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research is available on Banca IMI's web site (www.bancaimi.com or www.intesasanpaolo.com) or by contacting your sales representative.

Distribution Method

This document is for the exclusive use of the person to whom it is delivered by Banca IMI and Intesa Sanpaolo and may not be reproduced, redistributed, directly or indirectly, to third parties or published, in whole or in part, for any reason, without prior consent expressed by Banca IMI and/or Intesa Sanpaolo. The copyright and all other intellectual property rights on the data, information, opinions and assessments referred to in this information document are the exclusive domain of the Intesa Sanpaolo banking group, unless otherwise indicated. Such data, information, opinions and assessments cannot be the subject of further distribution or reproduction in any form and using any technique, even partially, except with express written consent by Banca IMI and/or Intesa Sanpaolo.

Persons who receive this document are obliged to comply with the above indications.

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.intesasanpaolo.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 (i.e. holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

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.
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 (12M)

This report is a compendium report or may include excerpts from previously published reports: in this report, we confirm the ratings and target prices assigned in the latest company reports (or alternatively such ratings and target prices may be placed Under Review). The 12M rating and target price history chart(s) for the companies included in this report can be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history--12-months->

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

Intesa Sanpaolo Research Rating Distribution (at July 2020)

Number of companies considered: 106	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)	50	24	26	0	0
of which Intesa Sanpaolo's Clients (%) (*)	85	72	54	0	0

(*) 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)

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

Company-specific disclosures

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (jointly also the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Modello di Organizzazione, Gestione e Controllo" pursuant to Legislative Decree 8 June, 2001 no. 231 (available at the Intesa Sanpaolo website, webpage

http://www.group.intesasanpaolo.com/script/sir0/si09/governance/eng_wp_governance.jsp, along with a summary sheet, webpage <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/normative>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A..

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, in accordance with the aforesaid regulations, the disclosures of the Intesa Sanpaolo Banking Group's conflicts of interest are available through the above-mentioned webpage. The conflicts of interest published on the internet site are updated to at least the day before the publishing date of this report.

We highlight that disclosures are also available to the recipient of this report upon making a written request to Intesa Sanpaolo – Equity & Credit Research, Via Manzoni, 4 - 20121 Milan - Italy.

Equity Daily

Intesa Sanpaolo Research Dept.

Gregorio De Felice - Head of Research +39 02 8796 2012 gregorio.defelice@intesasnpaolo.com

Equity&Credit Research

Giampaolo Trasi +39 02 8794 9803 giampaolo.trasi@intesasnpaolo.com

Equity Research

Monica Bosio +39 02 8794 9809 monica.bosio@intesasnpaolo.com
 Luca Bacoccoli +39 02 8794 9810 luca.bacoccoli@intesasnpaolo.com
 Eleonora Basso +39 02 8794 2913 eleonora.basso@intesasnpaolo.com
 Davide Candela +39 02 8794 9813 davide.candela@intesasnpaolo.com
 Antonella Frongillo +39 02 8794 9688 antonella.frongillo@intesasnpaolo.com
 Manuela Meroni +39 02 8794 9817 manuela.meroni@intesasnpaolo.com
 Elena Perini +39 02 8794 9814 elena.perini@intesasnpaolo.com
 Bruno Permutti +39 02 8794 9819 bruno.permutti@intesasnpaolo.com
 Roberto Ranieri +39 02 8794 9822 roberto.ranieri@intesasnpaolo.com

Corporate Broking Research

Alberto Francese +39 02 8794 9815 alberto.francese@intesasnpaolo.com
 Gabriele Berti +39 02 8794 9821 gabriele.berti@intesasnpaolo.com
 Arianna Terazzi +39 02 8794 3187 arianna.terazzi@intesasnpaolo.com

Technical Analysis

Corrado Binda +39 02 8021 5763 corrado.binda@intesasnpaolo.com
Sergio Mingolla +39 02 8021 5843 antonio.mingolla@intesasnpaolo.com

Research Clearing & Production

Anna Whatley +39 02 8794 9824 anna.whatley@intesasnpaolo.com
Bruce Marshall +39 02 8794 9816 robert.marshall@intesasnpaolo.com
Annita Ricci +39 02 8794 9823 annita.ricci@intesasnpaolo.com
Wendy Ruggeri +39 02 8794 9811 wendy.ruggeri@intesasnpaolo.com
Elisabetta Bugliesi (IT support) +39 02 8794 9877 elisabetta.bugliesi@intesasnpaolo.com

Banca IMI SpA

Bernardo Bailo - Head of Global Markets Sales +39 02 7261 2308 bernardo.bailo@bancaimi.com

Equity Sales

Giorgio Pozzobon +39 02 72615616 giorgio.pozzobon@intesasnpaolo.com

Institutional Sales

Catherine d'Aragon +39 02 7261 5929 catherine.daragon@bancaimi.com
 Carlo Cavalieri +39 02 7261 2722 carlo.cavalieri@bancaimi.com
 Stefan Gess +39 02 7261 5927 stefan.gess@bancaimi.com
 Francesca Guadagni +39 02 7261 5817 francesca.guadagni@bancaimi.com
 Paolo Maria Lenzi +39 02 7261 5114 paolo.lenzi@bancaimi.com
 Federica Repetto +39 02 7261 5517 federica.repetto@bancaimi.com
 Daniela Stucchi +39 02 7261 5708 daniela.stucchi@bancaimi.com
 Marco Tinessa +39 02 7261 2158 marco.tinessa@bancaimi.com
 Mark Wilson +39 02 7261 2758 mark.wilson@bancaimi.com
 Carlo Castellari (Corporate Broking) +39 02 7261 2122 carlo.castellari@bancaimi.com
 Francesco Riccardi (Corporate Broking) +39 02 7261 5966 francesco.riccardi@bancaimi.com
 Laura Spinella (Corporate Broking) +39 02 7261 5782 laura.spinella@bancaimi.com
 Lorenzo Pennati (Sales Trading) +39 02 7261 5647 lorenzo.pennati@bancaimi.com

Equity Derivatives Institutional Sales

Emanuele Manini +39 02 7261 5936 emanuele.manini@bancaimi.com
 Matteo Buratti +39 02 7261 5335 matteo.buratti@bancaimi.com
 Francesca Dizione +39 02 7261 2759 francesca.dizione@bancaimi.com
 Enrico Ferrari +39 02 7261 2806 enrico.ferrari@bancaimi.com
 Edward Lythe +44 207 894 2456 edward.lythe@bancaimi.com
 Alessandro Monti +44 207 894 2412 alessandro.monti@bancaimi.com

Gherardo Lenti Capoduri – Head of Market Hub +39 02 7261 2051 gherardo.lenticapoduri@bancaimi.com

E-commerce Distribution

Massimiliano Raposio +39 02 7261 5388 massimiliano.raposio@bancaimi.com
 Filippo Besozzi +39 02 7261 5922 filippo.besozzi@bancaimi.com
 Raffaella Bisio +39 02 7261 5481 raffaella.bisio@bancaimi.com
 Michele Galeota +39 02 7261 2193 michele.galeota@bancaimi.com
 Alessia Galluccio +39 02 7261 2339 alessia.galluccio@bancaimi.com
 Serge Alexandre (London office) +44 207 894 2462 serge.alexandre@bancaimi.com
 Natalia Villanueva Beltramini (London office) +44 207 894 2432 natalia.villanuevabeltramini@bancaimi.com
 Lisa Tellia (Market Hub PIT) +39 02 7261 5756 lisa.tellia@bancaimi.com
 Carmine Calamello (Brokerage & Execution) +39 02 7261 2194 carmine.calamello@bancaimi.com

Banca IMI Securities Corp NY

Barbara Leonardi (Equity Institutional Sales) +1 212 326 1232 barbara.leonardi@bancaimi.com
Greg Principe (Equity Institutional Sales) +1 212 326 1233 greg.principe@bancaimi.com