

Calls From Italy

Recent Research		2
De' Longhi (HOLD)	Equity Flash: HOLD; TP EUR 20.1/share	2
Company News		3
Diasorin (HOLD)	2019-22 Industrial Plan Approved	3
Enel (BUY)	TIM Interest in CDP's 50% of Open Fiber	3
Eni (BUY)/Maire Tecnimont (BUY)	Agreement for a New WTE Technology	4
Mediaset (No Rating)	Feedback from Sell-Side Meeting	4
Orsero (BUY)	Acquisition of Remaining 75% of Fruttital Cagliari	6
Poste Italiane (ADD)	Partnership with Amazon Strengthened	6
Telecom Italia (BUY)	Network Deal with Open Fiber in Sight	7
TerniEnergia (Suspended)	Transfer of an Energy Efficiency Project	7
Wit (BUY)	New Partnership with Viasat Group	8
Sector News		9
Media Sector	April Advertising Data	9

11 June 2019: 8:52 CET
Date and time of production

Italy
Equity Daily

Intesa Sanpaolo
Research Department

Equity Research Team

Corporate Broking
Research Team

Sales & Trading
+39 02 7261 2905

Date and time of first circulation:
11 June 2019: 8:53 CET

FTSE MIB & Euro Stoxx Best Performers			
Italian FTSE MIB	Price	chg %	
Banco BPM	1.69	3.74	
UBI Banca	2.40	3.32	
Tenaris	11.08	3.21	
Telecom Italia	0.46	3.19	
BPER	3.41	3.14	
Euro Stoxx Sectors			
	Price	chg %	
Basic Resources	431.2	1.20	
Banks	133.3	1.10	
Automobiles & Parts	471.1	0.67	
Oil & Gas	323.7	0.54	
Financials Services	489.9	0.42	

Source: FactSet

FTSE MIB & Euro Stoxx Worst Performers			
Italian FTSE MIB	Price	chg %	
Enel	5.83	-1.07	
Moncler	34.33	-1.07	
Davide Campari	8.69	-1.03	
Italgas	5.89	-0.84	
Terna	5.70	-0.63	
Euro Stoxx Sectors			
	Price	chg %	
Utilities	321.0	-0.66	
Personal & Household Goo	843.8	-0.22	
Insurance	294.9	-0.02	
Food & Beverages	754.6	-0.01	
Health Care	778.3	0.00	

Source: FactSet

Equity Indices Performances			
Italy	Price	chg %	
FTSE It. All Share	22433	0.61	
FTSE MIB	20485	0.61	
FTSE It. Star	34858	0.64	
Europe			
	Price	chg %	
DAX 30	12045	0.77	
CAC 40	5382	0.34	
IBEX 35	9294	0.63	
FTSE 100	7376	0.59	
US			
	Price	chg %	
Dow Jones	26062	0.30	
NASDAQ	7823	1.05	
S&P 500	2887	0.47	

Source: FactSet

Priced at market close on day prior to issue (except where otherwise indicated)
In this report we confirm the ratings and target prices assigned in the latest company reports (unless otherwise indicated)

Telecom Italia (BUY)

Network Deal with Open Fiber in Sight

News: Today, some press sources (Il Sole 24 Ore, La Repubblica) report the same rumours published by Il Messaggero on 25 May: CDP would contribute its 50% stake in Open Fiber, valued at EUR 1Bn (implying a total equity value of EUR 2Bn), in exchange for a stake in TIM, thus reaching a stake broadly in line with Vivendi's 23.9% depending on TIM's share price at the time of the deal. The same sources report that the deal could be finalised on 1 August, when TIM's Board is scheduled to approve 2Q19 results. Enel is rumoured to request a higher valuation and therefore could be involved at a later stage, maybe beg-2020.

Our view: The rumoured deal structure makes sense in our view and would be positive for TIM. Open Fiber's implied valuation of EUR 2Bn compares with EUR 800M in the 2015 transaction between F2i and Enel. While Vivendi is said to be supportive of such a deal, we highlight that the network company would be a vertically integrated player (as it would be controlled by TIM), which could represent a regulatory issue.

TerniEnergia (Suspended)

Transfer of an Energy Efficiency Project

News: TerniEnergia has announced that it has reached an agreement for the transfer of an energy efficiency project built in Tuscany to a leading national consortium active in the construction, maintenance and management of real estate and industrial plants. As part of the transaction, the consortium would acquire financial debt linked to the plants for around EUR 0.5M.

Our view: While waiting to better understand the recovery and relaunch plan, which should be approved and finalised by the end of June 2019, **our recommendation and TP are SUSPENDED.**

Telecom Italia - Key data

11/06/19	Telecom Services		
Target Price (EUR)	0.61		
Rating	BUY		
Mkt price (EUR)	0.46		
Mkt cap (EUR M)	9613		
Ratios (x)	2018E	2019E	2020E
P/E	6.3	7.0	7.0
EV/Sales	2.0	1.9	1.9
EV/EBITDA	4.8	4.7	4.5
Performance (%)	1M	3M	12M
Absolute	-1.1	-17.0	-31.3
Rel. to FTSE IT All	0.7	-16.6	-27.8

Source: FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept. is currently subject to some compliance restrictions on Telecom Italia.

Antonella Frongillo - Research Analyst

+39 02 8794 9688

antonella.frongillo@intesasanpaolo.com

TerniEnergia - Key data

11/06/19	Multi-Utilities		
Target Price (EUR)	Suspended		
Rating	Suspended		
Mkt price (EUR)	0.38		
Mkt cap (EUR M)	18		
Ratios (x)	2018E	2019E	2020E
P/E	5.2	2.0	1.4
EV/Sales	0.89	0.59	0.46
EV/EBITDA	5.8	4.0	2.9
Performance (%)	1M	3M	12M
Absolute	0.3	-6.7	1.2
Rel. to FTSE IT All	2.1	-6.2	6.3

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to TerniEnergia

Alberto Francese - Research Analyst

+39 02 8794 9815

alberto.francese@intesasanpaolo.com

Sebastiano Grisetti - Research Analyst

+39 02 8794 3187

sebastiano.grisetti@intesasanpaolo.com