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FTSE MIB & Euro Stoxx Best Performers			
Italian FTSE MIB	Price	chg %	
CNH Industrial	10.16	3.62	
Moncler	36.95	1.51	
Italgas	5.34	1.44	
UnipolSai	2.21	1.24	
Unipol	4.42	0.80	
Euro Stoxx Sectors			
	Price	chg %	
Personal & Household Goods	856.4	1.28	
Technology	505.8	1.03	
Chemicals	1083.5	1.01	
Retail	501.5	0.83	
Real Estate	246.0	0.68	

Source: FactSet

FTSE MIB & Euro Stoxx Worst Performers			
Italian FTSE MIB	Price	chg %	
FCA	18.98	-2.81	
Unicredit	17.90	-1.51	
EXOR	61.58	-1.47	
Mediaset	3.31	-1.43	
Banco BPM	3.02	-1.34	
Euro Stoxx Sectors			
	Price	chg %	
Food & Beverages	583.3	-0.36	
Banks	129.6	-0.19	
Automobiles & Parts	601.3	-0.09	
Basic Resources	275.0	-0.04	
Insurance	278.2	-0.01	

Source: FactSet

Equity Indices Performances			
Italy	Price	chg %	
FTSE It. All Share	26198	-0.36	
FTSE MIB	23928	-0.47	
FTSE It. Star	37587	-0.05	
Europe			
	Price	chg %	
DAX 30	12581	0.64	
CAC 40	5483	0.54	
IBEX 35	9925	0.23	
FTSE 100	7502	1.09	
US			
	Price	chg %	
Dow Jones	24311	-0.05	
NASDAQ	7120	0.02	
S&P 500	2670	0.11	

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)

TerniEnergia (U/R)

FY17A Results

News: The key points of FY17A results were: 1

- **Revenue** was down by 24% to EUR 64M (EUR 70M in our FY17E estimate), mainly due to the suspension of the EPC activity in the second part of the year;
- **EBITDA** came in at EUR 2.2M vs. EUR 17.3M in FY16A and EUR 12.3M in our FY17E estimate;
- **Net loss** was EUR 39.6M vs. a EUR 1.2M profit in FY16A (a EUR 8M loss in our FY17E estimate), reflecting the operating trend and write-offs related to the valuation of some assets for sale at fair value;
- **Net debt** was EUR 89.8M vs. EUR 93.9M in FY16A and our EUR 78.7M FY17E estimate.

The board requested the voluntary exit from the STAR segment to focus on the restructuring plan.

Our view: FY17A results were worse than our expectations. We regard the finalisation of the sale of photovoltaic and cleantech assets and the contribution in kind of the EPC and O&M branch into a new company with a new shareholder as key steps in the restructuring plan.

TerniEnergia - Key data

30/04/18	Multi-Utilities		
Target Price (EUR)	U/R		
Rating	U/R		
Mkt price (EUR)	0.38		
Mkt cap (EUR M)	18		
Ratios (x)	2017E	2018E	2019E
P/E	Neg.	4.4	1.8
EV/Sales	1.4	0.73	0.48
EV/EBITDA	7.8	4.7	3.2
Performance (%)	1M	3M	12M
Absolute	-35.0	-42.0	-64.7
Rel. to FTSE IT All	-39.4	-41.7	-69.3

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to TerniEnergia

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

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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.
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TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
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Equity rating allocations (long-term horizon: 12M)

Intesa Sanpaolo Research Rating Distribution (at February 2018)					
Number of companies considered: 109	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)	34	34	29	2	1
of which Intesa Sanpaolo's Clients (%) (*)	70	70	44	50	100

(*) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and Investment banking services in the last 12 months; percentage of clients in each rating category

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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
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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