

Calls From Italy

Company News

TerniEnergia (Suspended)

Bondholders Approval of the Plan

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FTSE MIB & Euro Stoxx Best Performers

Italian FTSE MIB	Price	chg %
Davide Campari	8.51	0.65
Amplifon	21.14	0.28
Recordati	39.79	-0.87
Juventus FC	1.52	-0.91
Diasorin	101.30	-1.07

Euro Stoxx Sectors

	Price	chg %
Food & Beverages	790.3	-0.29
Oil & Gas	319.8	-1.07
Basic Resources	442.4	-1.10
Health Care	815.6	-1.12
Financials Services	512.3	-1.27

Source: FactSet

FTSE MIB & Euro Stoxx Worst Performers

Italian FTSE MIB	Price	chg %
Fincobank	8.88	-4.76
FCA	11.70	-4.32
Buzzi Unicem	18.34	-4.06
BPER	3.39	-3.91
Telecom Italia	0.51	-3.47

Euro Stoxx Sectors

	Price	chg %
Banks	130.3	-2.38
Automobiles & Parts	481.6	-2.30
Construction & Materials	452.5	-2.28
Retail	308.9	-1.98
Utilities	318.8	-1.94

Source: FactSet

Equity Indices Performances

Italy	Price	chg %
FTSE It. All Share	23194	-1.93
FTSE MIB	21278	-1.99
FTSE It. Star	34430	-1.14
Europe	Price	chg %
DAX 30	12147	-2.18
CAC 40	5511	-1.61
IBEX 35	8987	-2.48
FTSE 100	7647	-0.52
US	Price	chg %
Dow Jones	27198	-0.09
NASDAQ	8274	-0.24
S&P 500	3013	-0.26

Source: FactSet

Priced at market close on day prior to issue or two days prior to issue in the case of preview comments (except where otherwise indicated). In this report we confirm the ratings and target prices assigned in the latest company reports (unless otherwise indicated).

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INTESA  SANPAOLO

TerniEnergia (Suspended)

Bondholders Approval of the Plan

News: TerniEnergia has announced that the Bondholders' Meeting, related to the EUR 25M notes due 2019, resolved upon the bondholders' participation in the Recovery and Relaunch Plan. In particular, the following points were discussed and confirmed:

- The postponement of the final maturity date of the Bond from 30 September 2019 to 31 December 2027, in order to allow the company to repay in full the Bond, as this new timeline is compliant with the cash flows generated by the disposal of the assets envisaged under the plan;
- The mandatory prepayment of the Bond utilising the proceeds deriving from the disposal of the assets;
- An amendment to the interest calculation period, specifying that the new interest calculation period will be on a semi-annual basis and that the first interest calculation period has started on 6 February 2018 and will end on 31 December 2019;
- An amendment to the actual fixed interest rate to a floating rate equal to 6 Months EURIBOR plus 150 bps (starting from 1 July 2018);
- The introduction of an amortisation plan for the redemption of the Notes;
- The introduction of certain mechanisms that may grant an acceleration of the repayment of the Bond in the case of an outperformance by the company compared to the results provided under the Plan (i.e. mandatory prepayment; step-up; excess cash).

Our view: The approval of the agenda by the Bondholders' Meeting represents an important step in the process of the industrial turnaround undertaken by TerniEnergia. While awaiting the approval of the draft financial statements and the consolidated financial statements as of 31 December 2018 (deferred within 31 August 2019), **our recommendation and target price are SUSPENDED.**

TerniEnergia - Key data

31/07/19	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	5.3	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	1.1	-1.0	-22.4
Rel. to FTSE IT All Sh	0.9	2.1	-19.0

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to TerniEnergia

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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.
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

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Intesa Sanpaolo Research Rating Distribution (at May 2019)					
Number of companies considered: 108	BUY	ADD	HOLD	REDUCE	SELL
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of which Intesa Sanpaolo's Clients (%) (*)	80	43	40	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

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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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