

Daily Note

Calls from Italy

On Our Radar: Today's Newsflow

Positive	Negative
FUM	-

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Sector News

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Banks Sector Today ECB Decision on Dividends

15 December 2020: 8:46 CET
 Date and time of production

Italy/Equity Market

Stock Markets: Performance

Chg (%)	1D	3M	6M	12M
FTSE All Share	0.3	9.5	14.9	-7.0
FTSE MIB	0.3	9.9	15.2	-6.7
FTSE IT Star	1.3	8.9	25.8	10.1
Euro Stoxx 50	-0.1	2.9	4.8	-8.6
Stoxx Small 200	1.0	8.2	16.4	0.0
NASDAQ	0.5	12.5	29.7	42.4
S&P 500	-0.4	7.8	19.9	15.1

FTSE MIB Best & Worst: 1D% chg

Azimut	2.5	Atlantia	-6.2
Interpump	2.1	Unicredit	-1.7
Pirelli	1.8	Eni	-1.5

Euro Stoxx Best&Worst Sectors -1D %

Retail	2.7	Oil & Gas	-0.9
Banks	1.5	Health Care	-0.3
Travel/Leisure	1.4	B Resources	0.0

FTSE MIB-STAR Performance (-12M)



Source: FactSet;

Upcoming Intesa Sanpaolo Events

What?	Where?	When?
IEC* UK (B.Italiana)	Virtual	12-14 January
ISMO Milan	Virtual	13-14 January

*Italian Equity Conference

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

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New Research

Italian Small Caps: ISMO Paris

Feedback from ISMO Virtual Conference

On 10-11 December, we hosted 23 Mid&Small Cap companies during the XIII edition of the Italian Stock Market Opportunities (ISMO Paris - Virtual) conference, attended by 62 investors, with around 250 meetings organised. This conference offers investors the opportunity to meet with the top management of some Italian Mid&Small Cap companies to discuss their latest results, business trends and strategic developments. In this report, we outlined the main takeaways from some of the meetings of those companies attending and under our coverage.

ISMO Paris

15/12/2020

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Company News

AlgoWatt (Suspended)

Sale of Biodigestion and Composting Plant

Market Mover Positive **Neutral** Negative

What's up? Two preliminary contracts were signed for the sale of the GreenASM biodigestion and composting plant, located in Nera Montoro (TR), to the Buttol Group, which operates in the high-quality environmental services sector through sustainable development. The total consideration of the purchase transaction by Buttol amounts to EUR 3.9M and includes the debt of the leasing for over EUR 7M. The signing of the preliminary contracts provides for the payment of a deposit of EUR 0.1M to AlgoWatt and a deposit of EUR 0.6M to a notary's public office. The closing will be subject to certain conditions, including the terms and conditions set out in the Recovery and Relaunch Plan pursuant to Article 67 of AlgoWatt, the completion of due diligence by the buyer and the obtaining of the leasing company's authorisation to transfer the contract.

What we think: Our rating and target price on the stock are currently Suspended.

AlgoWatt - Key data

15/12/2020	Multi-Utilities		
Target Price (EUR)	Suspended		
Rating	Suspended		
Mkt price (EUR)	0.36		
Mkt cap (EUR M)	17		
Performance (%)	1M	3M	12M
Absolute	-0.3	-5.8	-20.0
Rel. to FTSE IT All Sh	-4.4	-14.0	-14.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to AlgoWatt

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Sector News

Asset Gatherers

Today ECB Decision on Dividends

What's up? Today, the ECB is expected to unveil its decision on the possibility for EU banks to pay dividends in 2021. Yesterday, the BOE allowed UK banks to pay dividends up to the maximum of 25% of cumulated 2019-20 net income or 0.2% of RWA. According to Bloomberg, the ECB could allow banks to pay up to 10-20% of cumulated 2019-20 dividends; according to La Stampa, the ECB could limit the dividend payment to 15% of 2020 net income.

What we think: It is uncertain, in our view, whether potential decisions on banks would be fully extended to Italian banking asset gatherers (Banca Generali, Banca Mediolanum and Finecobank), considering that have very limited credit exposure (which should allow higher distribution to their shareholders). Our current estimates do not include the distribution of the frozen 2019 dividends, while they incorporate a 2020E dividend payout of 64.5% for Banca Generali, 81.7% for Banca Mediolanum and 67% for Finecobank, with CET 1 ratios all above 20% at end-September 2020.

Asset Gatherers

15/12/2020

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Banks Sector

Today ECB Decision on Dividends

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What we think: We believe that the decision of the BOE may put pressure on the ECB to allow EU banks to pay dividends, but the size of the dividends allowed remains uncertain (payout of 10-20% according to 14/12/20 FT and 15% according to today's La Stampa).

Banks

15/12/2020

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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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Number of companies considered: 103	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)	44	26	30	0	0
of which Intesa Sanpaolo's Clients (%) (*)	84	70	61	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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Short-term rating	Definition
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Equity Daily

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