

Daily Note

Calls from Italy

Company News

**AlgoWatt (Suspended)** BoD Approves the Plan and FY20 Results 2

**22 June 2021: 8:40 CET**  
Date and time of production

Italy/Equity Market

**Stock Markets: Performance**

Chg (%)	1D	3M	6M	12M
FTSE All Share	0.6	5.8	19.4	30.4
FTSE MIB	0.7	5.0	18.6	29.5
FTSE IT Star	0.5	16.7	29.5	59.0
Euro Stoxx 50	0.6	8.2	17.5	16.3
Stoxx Small 200	0.3	7.2	19.2	34.4
NASDAQ	0.8	7.0	11.0	42.2
S&P 500	1.4	8.0	14.3	36.4

**FTSE MIB Best & Worst: 1D% chg**

Stellantis	3.4	Snam	-3.7
Prysmian	2.8	Terna	-3.1
Buzzi Unicem	2.0	Poste It.	-1.5

**Euro Stoxx Best&Worst Sectors -1D %**

Auto&Parts	3.0	Health Care	0.0
Chemicals	1.7	Real Estate	0.1
B Resources	1.3	Insurance	0.2

**FTSE MIB-STAR Performance (-12M)**



Source: FactSet;

**Upcoming Intesa Sanpaolo Events**

What?	Where? When?
Sustainability Week*	Virtual 28 June - 2 July

\*Borsa Italiana

**New Credit Research 10**

CNH Industrial 10

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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## Company News

### AlgoWatt (Suspended)

#### BoD Approves the Plan and FY20 Results

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

**What's up?** Algowatt's BoD has approved the Plan aimed at the recovery of the company's debt exposure and the rebalancing of its financial position. We recall that: i) the proposed New Financial Manoeuvre will involve a substantial debt reduction and forward valorisation of AlgoWatt, thanks to a plan of divestments. Italeaf should dispose of its stake in AlgoWatt by 31 December 2025; ii) this proposal also foresees the full conversion of the bond's principal and interest exposure into convertible-like instruments (Strumenti Finanziari Partecipativi, 'SFP'); and iii) the 2021 Plan also requires AlgoWatt to complete the divestment of non-strategical assets, already identified in the 2019 Plan and to date not yet completed (such as photovoltaic plants, plants for the treatment and recovery of end-of-life tyres). The subscription period of the Agreement should start on 22 June and end on 9 July 2021. Management also updated the 2021-24 Industrial Plan, which we recall is focused on GreenTech Solutions (also in the form of software-as-a-service), and the exit from the more capital-intensive sector of Renewable Utilities. Yesterday's BoD also approved FY20 Consolidated Results: i) revenues were EUR 19.2M (vs. EUR 18.2M as at end-FY19); ii) EBITDA was negative for EUR 0.8M (EUR -8.4M in FY19A); and iii) net result was a EUR 6M loss (EUR 33.4M loss in FY19). With reference to the outlook, the company highlighted that some investments in the energy and utilities sector have slowed down, not only because of the pandemic emergency, but also as a result of the issuing authorisations and permits, which threaten to block new projects. A strong slowdown has also affected business services. However, investments should be relaunched by policies such as the European Green Deal and PNRR.

**What we think:** We positively view the approval of the plan, which represents a concrete step in Algowatt's negotiations with its creditors, aimed at guaranteeing the best conditions to relaunch the company. **Our Rating and Target Price are currently Suspended.**

#### AlgoWatt - Key data

22/06/2021	Multi-Utilities		
Target Price (EUR)	Suspended		
Rating	Suspended		
Mkt price (EUR)	0.39		
Mkt cap (EUR M)	18		
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	1.3	-2.8	-1.3
Rel. to FTSE IT All Sh	-0.7	-8.1	-24.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to AlgoWatt

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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.
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.
TENDER SHARES	We advise investors to tender the shares to the offer.
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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(\*) Last rating refers to rating as at end of the previous quarter; (\*\*) 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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