

Investment Research

Buy

from Accumulate

Share price: EUR 0.75

closing price as of 02/12/2015

Target price: EUR 0.95

Target Price unchanged

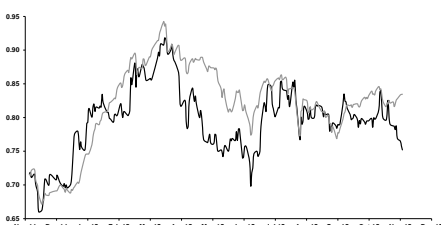
Reuters/Bloomberg

XPR.MI/XPR.IM

| | |
|----------------------------------|--------|
| Daily avg. no. trad. sh. 12 mth | 75,334 |
| Daily avg. trad. vol. 12 mth (m) | 56.96 |
| Price high 12 mth (EUR) | 0.92 |
| Price low 12 mth (EUR) | 0.66 |
| Abs. perf. 1 mth | -5.8% |
| Abs. perf. 3 mth | -5.8% |
| Abs. perf. 12 mth | 5.2% |

| | |
|------------------------------|-----|
| Market capitalisation (EURm) | 39 |
| Current N° of shares (m) | 52 |
| Free float | 43% |

| Key financials (EUR) | 12/14 | 12/15e | 12/16e |
|----------------------------|-------|--------|--------|
| Sales (m) | 147 | 150 | 165 |
| EBITDA (m) | 14 | 15 | 19 |
| EBITDA margin | 9.8% | 10.2% | 11.4% |
| EBIT (m) | 10 | 10 | 14 |
| EBIT margin | 6.7% | 7.0% | 8.3% |
| Net Profit (adj.)(m) | 4 | 4 | 7 |
| ROCE | 5.1% | 5.7% | 6.7% |
| Net debt/(cash) (m) | 30 | 28 | 33 |
| Net Debt Equity | 0.4 | 0.4 | 0.4 |
| Net Debt/EBITDA | 2.1 | 1.8 | 1.8 |
| Int. cover(EBITDA/Fin.int) | 5.0 | 6.5 | 8.4 |
| EV/Sales | 0.6 | 0.6 | 0.6 |
| EV/EBITDA | 6.2 | 5.8 | 5.0 |
| EV/EBITDA (adj.) | 6.2 | 5.8 | 5.0 |
| EV/EBIT | 9.1 | 8.4 | 6.9 |
| P/E (adj.) | 10.6 | 8.9 | 5.9 |
| P/BV | 0.5 | 0.5 | 0.5 |
| OpFCF yield | 7.4% | 9.5% | -10.2% |
| Dividend yield | 0.0% | 3.7% | 4.0% |
| EPS (adj.) | 0.07 | 0.08 | 0.13 |
| BVPS | 1.44 | 1.49 | 1.59 |
| DPS | 0.00 | 0.03 | 0.03 |



Source: Factset —EXPR.MI —FTSE Italy SmallCaps (Rebased)

Shareholders: Abaco Spa 49%; Merula Srl 5%; Data Management Spa 2%; Own Shares 1.83%;

For company description please see summary table footnote

Reason: Company Newsflow

3 December 2015

New 5 year plan: serious ambitions

Exprivia presented on November 18 its new 5-year plan, which projects 16% revenue CAGR to 2020 coming from organic growth and M&A. The target size is EUR 360m, yielding 12% EBITDA margin or EUR 44m. The presentation hardly moves our short-term forecasts, while it bodes well for the long term perspectives for the company supporting our positive investment case. We confirm our EUR 0.95 Target Price and move the recommendation back to BUY.

- ✓ The plan is built on **three temporal stages**, characterized by different focus and actions, implying acceleration of growth and international projection 2/5/10% organic growth expected in the three period respectively.
- ✓ The **broad figures for FY 2020** include EUR 360m revenues, EUR 44m EBITDA (implying just above 12% margin), with annual investments below EUR 1.7m a leverage below 2x the EBITDA until the end of the period, thanks to NWC remaining below 20% of sales.
- ✓ The **organic targets** include 6% revenue CAGR according to the above acceleration, reaching EUR 205m (+EUR 58m vs. FY 2014) in the FY 2020. There is no detail on technologies nor on client industry, Exprivia said that the most promising verticals are finance, healthcare and telecom services. The EBITDA margin is seen improving from 9.9% to 11.3% this year and further 0.3pp in 2016, to reach 13.3% at the end of the forecast period. Exprivia believes it can increase the gross margin by 2pp in spite of new personnel incentives plans for personnel, which would impact EUR 3.5m in 2016, EUR 5m in 2020. Operating leverage should also help reduce the impact of G&A costs by 3pp (from 24% to 21% by 2020) while these should be flat in absolute value in 2015/2016.
- ✓ **Acquisitions** should provide further EUR 155m incremental revenues in 6 years, with a margin below established operations, as the implied dilution is still 1pp in 2020. Exprivia said the parameters for potential targets include financial gearing below 1, Net debt/EBITDA below 3x, NWC/sales of below 30%. The management said the expected valuation level is below 5x EV/EBITDA. The just announced ACS deal is part of the M&A program, it will provide c EUR 11m top-line contribution from next year, costing EUR 6.2m between the take-over of the target debt and EUR 1.8m capital increase.
- ✓ **Overall impression: realistic short-term targets, legitimate long-term ambitions to play a larger role in the Italian ICT ecosystem.** We take away a generally positive view from the presentation, even if the actual impact on estimates 2015/17 is limited for the time being (apart from the inclusion of the contribution from the just announced acquisition). The organic growth is definitely back-end loaded, so that the 2019/20 targets should be taken with some caution. We believe it is in any case positive to have a road map which includes intermediate targets and some hints on cost evolution. The expected margin trend exceeds our forecasts which had been put at a conservative level of 11.5%. We also appreciate the M&A strategy, which is based on sensible ratios and strict constraints on the target's financial structure.

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For important disclosure information, please refer to the disclaimer page of this report



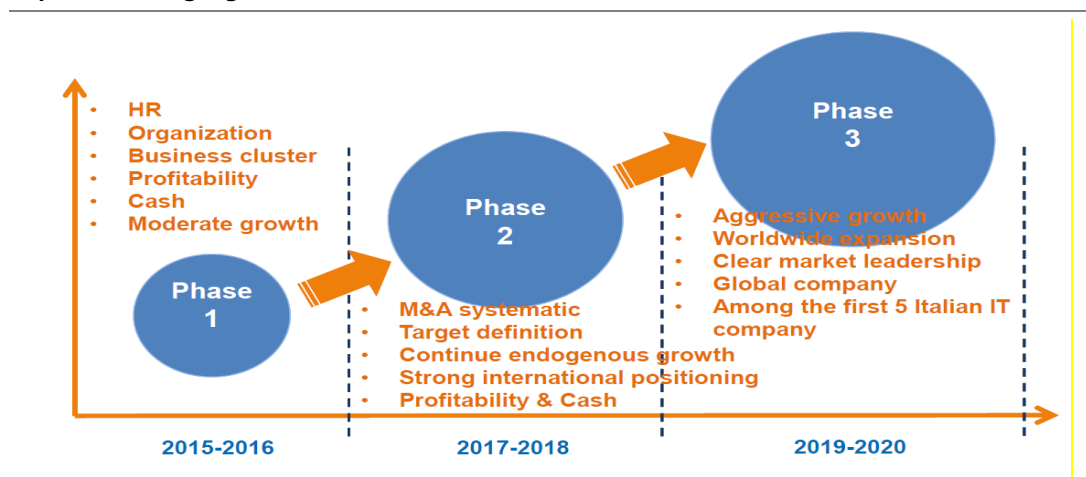
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Sketching the path to 2015

In the Star Conference, held last March by Borsa Italiana in Milan, the management had already mentioned the main guidelines that would shape the company's strategy until 2020. As we had commented in our previous report (an interesting entry point with a safer balance sheet/June 16) on a more qualitative basis, the plan consists of three two-year phases; the first step, which is currently ongoing is based on the past management actions to streamline the corporate structure (alignment of legal entities with business lines), strengthen the balance sheet and improve profitability and cash generation. Growth should be reinstated in "phase 2" also on the back of "selective M&A", likely in the already covered geographies. The 2020 ambitions would push Exprivia among the Italian top-5 (it was number 21 in FY 2014 according to Data Manager ranking) and project the group to a worldwide presence.

Exprivia: strategic guidelines



Source: Company Presentation/Star Conference March 2015

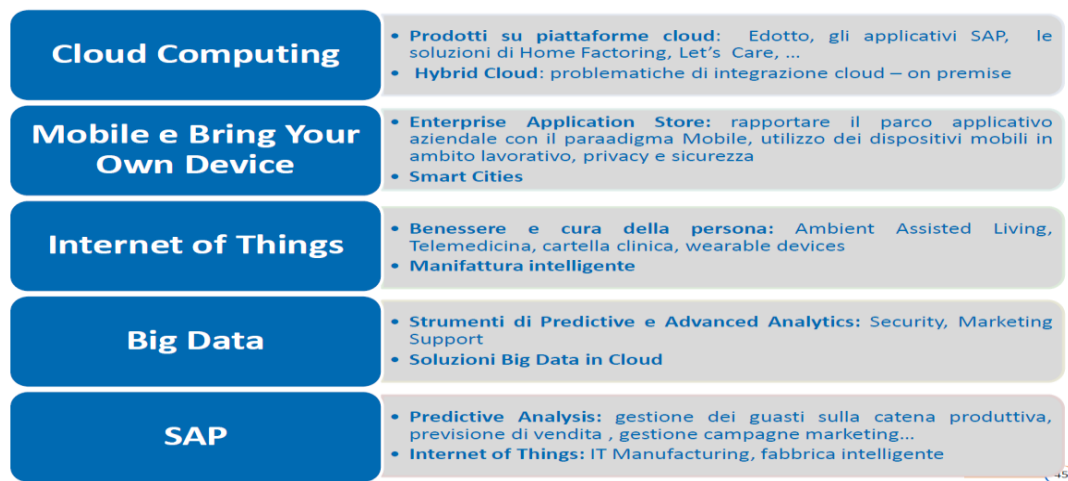
Exprivia is now providing the quantitative framework for these guidelines, which includes:

- Revenue ambition EUR 360m in FY 2020. Exprivia expects organic growth to accelerate throughout the three phases, from 2% to 5% to 10%, contributing around EUR 58m from the FY 2014 level (EUR 147m). The M&A should add further EUR 155m in six years. Note that the plan was prepared before the ACS acquisition, which already assures EUR 11m revenue contribution from 2016.
- EBITDA ambition EUR 44m, implying 12% margin vs. the 9.8% of FY 2014 and expected 10.4% of the current year. This target includes the contribution of new M&A, while the "as is" profitability should achieve 13.3% at the end of the forecast period. We note the new targets are more conservative than the previous 5-year plan which entailed a 15% margin (more in line with the 2008/2010 performance) while they are more in line with the actual profitability of 2011. The organic improvements are driven by 1/1.5pp increase in gross profit (in spite of incentives plan) and operating leverage, as SG&A will be flat in 2015/16 and growing less than revenues (75%) in 2017/20.
- Capex EUR 1.5/1.7m pa (1% capital intensity with the current business perimeter). This capex is related to just intangible assets, especially in the finance and medical areas.
- Net Financial Position: 2 times EBITDA by the end of FY 2015 and improving going forward, keeping DSO at 175 throughout the period and NWC / sales below 20% (18% at the end of 2014 starting from 2017). The dividend policy is not specified; Exprivia has historically paid out 40% of its net income, with EUR 1.5m cash payment in 2015.

Strategic guidelines

On a broad level, the underlying technological pillars are based on the most promising, already ongoing trends in the ICT world "the third platform" which includes big data, cloud, mobile, social media, new devices and Internet of things.

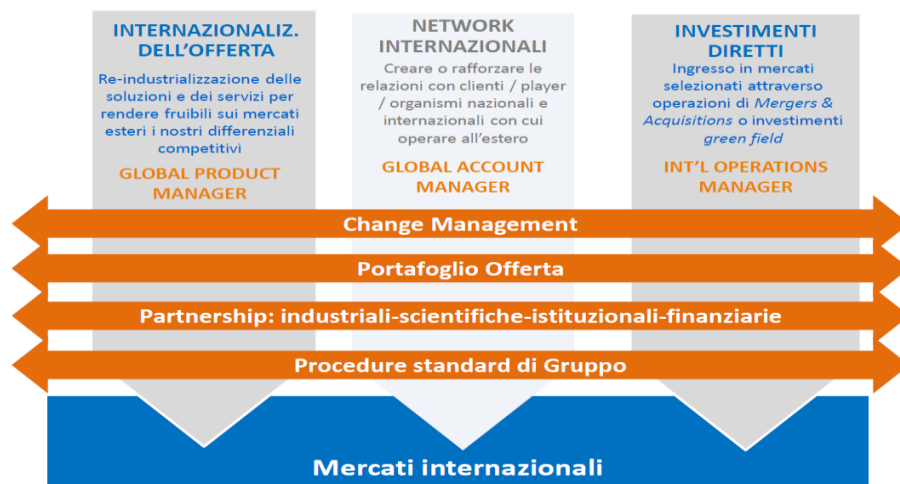
Exprivia: drivers of market growth



Source: Company Presentation/ Nov 2015

The organic and external growth is also reliant on international projection, as Exprivia is currently generating (9m 2015) below 8% revenues abroad, while it targets to reach 20%. Exprivia is currently present in Spain (Prosap, acquired in 2010) and Latin America (Mexico, Brazil and Guatemala) and has opened representative offices in the US and China. The growth strategy is based on three lines involving direct investments (including acquisitions), partnerships (eg with SAP) and agreements with local distributors or more simply localization/re-industrialization of existing products/re-engineering of current processes (group best practices) to leverage in new geographies.

Exprivia: International Strategy



Source: Company Presentation/Star Conference March 2015

The target markets include the countries already served with some products, the recently entered areas (Asia, Middle East) and main European countries and opportunistic entries.

M&A approach

Exprivia has been already created as a combination (year 2005) of two entities, namely the listed Co AlSoftware (a developer of innovative technologies in finance, medical imaging, and knowledge-management) and Abaco (consulting on relational database and object-oriented SW which later evolved as a system integrator). Since then, Exprivia grew mainly through M&A, having acquired a dozen companies since inception.

The previous industrial plan (2010/2014) was contemplating EUR 60m revenues from abroad by 2014, Exprivia delivered EUR 40m with EUR 10m investment. Exprivia was probably more cautious given the macro deterioration and its increased focus on cash generation and debt reduction; however the management also admitted that some of the past deal lagged in synergy generation.

As said above, the new M&A wave, which is due to be deployed more in phase 2 and 3 of the plan, should contribute 50% of the planned growth or EUR 105m revenues by 2020. Exprivia set out its M&A parameters in terms of

- a) Target capital structure: debt/equity ≤ 1 , net debt EBITDA < 3 , NWC/sales $\leq 30\%$.
- b) Total commitment of EUR 35m in equity, which would double the total deal size considering the above targets' leverage.
- c) Implied EV/EBITDA ratio at below 5x, which is below the level Exprivia is currently trading at.

ACS: a logical step in the external growth project

Just a few days before the plan presentation, Exprivia had announced the acquisition of majority stake (building on the original 16.2%, to 70.5%) of ACS Spa, a leading Italian and international company developing ground stations for receiving and processing satellite data ("Ground Station"). ACS operates in wider fields including new technologies for the study of the Earth geospatial data processing and software for monitoring and management of environmental risks and infrastructure, as well as support systems to marine traffic control.

Exprivia announced yesterday that it has signed a preliminary agreement for the acquisition of control of ACS Spa, a company operating in the field of Space systems and application software. Exprivia, which already owns 16.2% of the ACS capital, will increase its ownership up to 70.5%.

Exprivia said that the implied EV in the deal for 100% in the capital is EUR 4.4m, and that it committed to subscribe a capital increase for up to EUR 1.8m to finance a new growth phase. In the last four years, the company generated average revenues of around EUR 11m, mostly with contracts with the European (ESA) and Italian (ASI) Space Agencies.

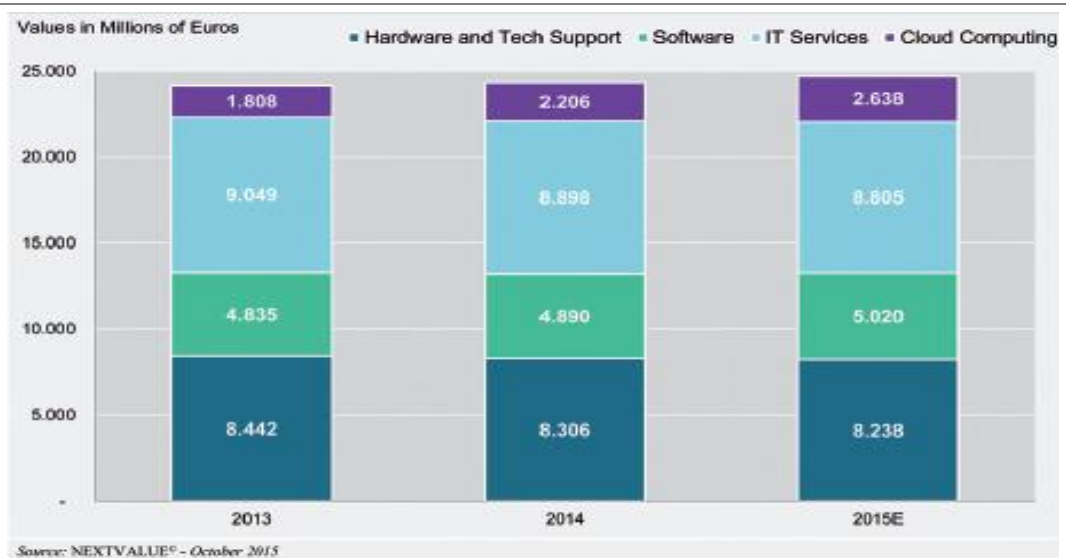
The FY 2014 EBITDA was EUR 1.3m and a net bank debt was 4.4m euro at December 31, 2014. Given the targets' financial position, the cash outflow is initially zero, as Exprivia will simply take over ACS' debt. The purchase price seems very reasonable at just above 4x last year's EBITDA (compared to c 6x for Exprivia). Today Exprivia will present its new industrial plan and explain how this deal fits into its long-term growth ambitions.

Market trends

Exprivia acknowledges the ongoing transformations in the way the information is generated, stored, processed, analysed and distributed, and points to the new central figures of a "digital renaissance" namely people, cities and relationships, and to the new IT ecosystem based on entities (IoT at the unitary element), techniques (big data/analytics), sites (clouds, for data storage and transformation) and platforms (CRM).

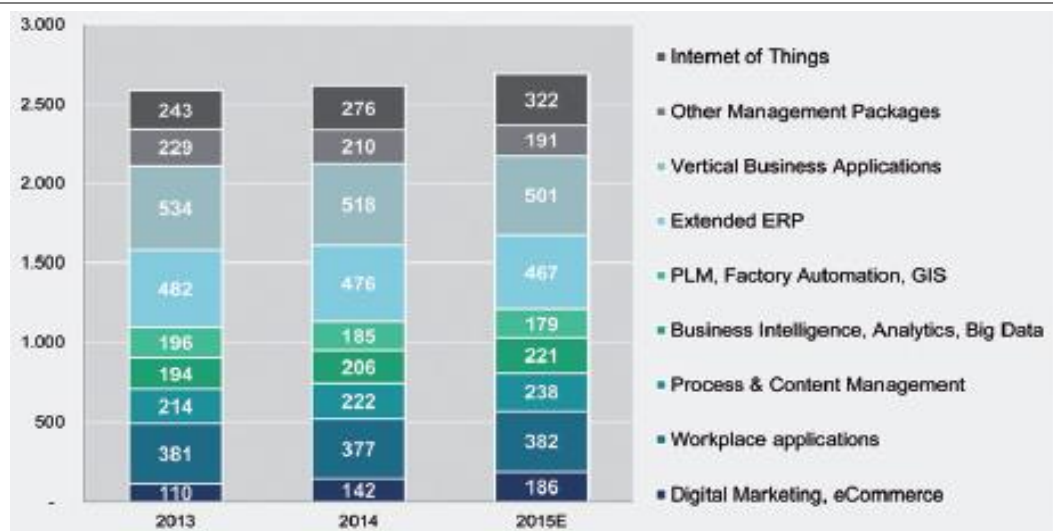
The plan does not elaborate on a detailed level for the above drivers which should offer strong growth rates for the next few years, as opposed to flattish trend for the IT market as a whole and the IT services segment (-1% in 2015e, see below).

Italian IT market 2013/2015



Source: Assintel/NextValue, October 2015

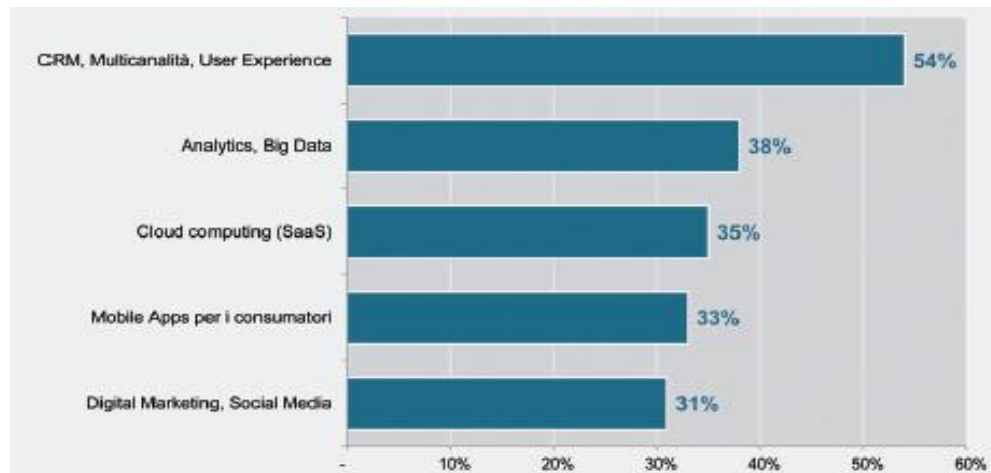
Italian software market detail 2013/2015



Source: Assintel/NextValue, October 2015

Assintel survey (see below) confirms these projects are high on the agenda of corporates' CIOs and IT managers (firms above EUR 100m turnover). Compared to the previous survey, mobile consumer leaves the top spot to CRM/user experience as main innovation driver, while cloud is now separately identified and takes a third place being the facilitating factor for the items (platform and techniques respectively) in #1 and #2 positions.

Italian top/medium firms: ongoing Innovation Projects

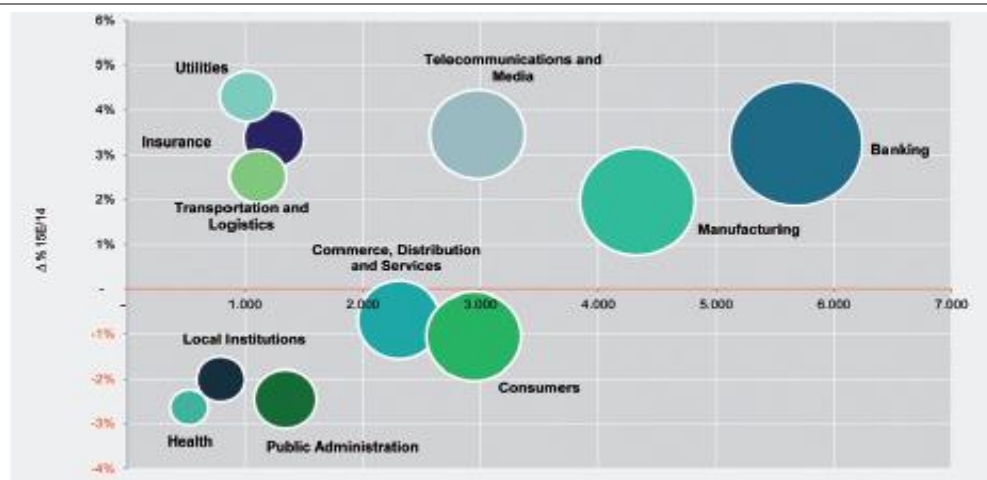


Source: Assintel

Per segment, the largest vertical remains the financial industry, which accounts for 29% of the total including Banks (EUR 5.89bn) and Insurance (EUR 1.29bn). Network Services (Telco/Utilities/Transportations) account for 21%, Manufacturing 18%. Services represent around 9%, Public Administrations (local + central) just above 5%. Healthcare is the smallest vertical with just EUR 520m size and 2.1% of the total.

On a dynamic basis, the total market is accelerating to +1.7% growth this year from +0.7% in 2014, with the most significant performances posted by the transportation segment, which should grow by 2.5% compared with -0.4% in 2014, and manufacturing (from -0.2% to +2%) while the finance sector even accelerates (+0.3pp, banks +3.7%, insurance +3.4%) and utilities keep strong with above 4% growth.

Italian IT market by industry: 2015/14 Y/Y growth and market size



Source: Assintel

Exprivia offers vs. market dynamics

Exprivia said it expects the best performing segments will be banks and finance, healthcare and telecoms.

The above Assintel survey suggests the **financial sector** is offering an interesting growth in 2015 (>3.4%). Exprivia suffered a sudden halt in Q3 however it mainly blamed one-off impact (third party HW/SW sales reduction) and the postponed of new projects to Q4. The full year outlook remains positive, longer term the drivers include regulation with QE, bad bank, payment traceability, data storage in clouds, as well as market dynamics (M&A), globalization and digital transformation.

Healthcare does not seem a growing segment in the Italian market, and Exprivia is still 4% below last year's level in the 9m 2015. The expectations for a recovery are based on the delivery of ongoing projects (eg SAP in the hospital segment), the extension of the regional product Edotto and the introduction of new product categories at both the regional and institution level. It appears the ecosystem is being redesigned among users, public and private institutions, local and central PA; the software layer has a leading role.

Telecom and media are a relatively new business focus for Exprivia, following the acquisition of Ausystem 20 months ago. The segment is large and still growing, with the local concentration offset by globalization and specialization of process.

In the **industrial and PA segments** Exprivia does not expect a strong growth going forward, Exprivia blames the limited effect of the digital agenda to date, along with the persisting impact of the macro-economic crisis. In such a scenario, Exprivia' strategy includes a focus on specific segments (machinery, retail), large corporates also following them abroad, specific regions (such as Veneto, Emilia, Piemonte) and increase volumes in the consulting activity.

Energy and Utilities suffered a strong decline in the 9m 2015, due to the loss of an outsourcing contract with a large customer. The hand-over has been completed on November 30, so a further impact is expected in Q4 2015. Going forward, the segment could offer new revenue opportunities in the smart metering/smart grid area, as well as in the customer care and analytics.

Exprivia offering across verticals

| Demand / Offer | Topic |
|-----------------------------------|---|
| Energy and Utilities | Efficient energy |
| Industrial: Defence and aerospace | Tactic tables and augmented reality for simulation and war games, software resilient in mission-critical contexts |
| Industrial, Finance and PA | BYOD and mobile in banking field, experts system for risk assessment; Orchestration and WEB automatic configurations |
| Healthcare | ICT for genomic, proteomics , "transcriptomics", IoT for Health; Flexible environments for clinical decisions, house assistance, vocal and images recognition |
| All Markets | Big Data, Service robot, Predictive analysis, Smart robots |

Source: Exprivia presentation

Latest results/estimate updates

The first part of 2015 was generally positive and in line with expectations, as the top-line reflected the positive contribution of M&A (auSystems, consolidated since April 2014) while EBITDA margin was up by 2.8pp Y/Y thanks to corporate restructuring and operating leverage. On the other hand, Q3 results were below our expectations on both revenues and margins, and unexpectedly down on a Y/Y basis, as the comparison was now organic and the underlying trend disappointed on a couple of segments.

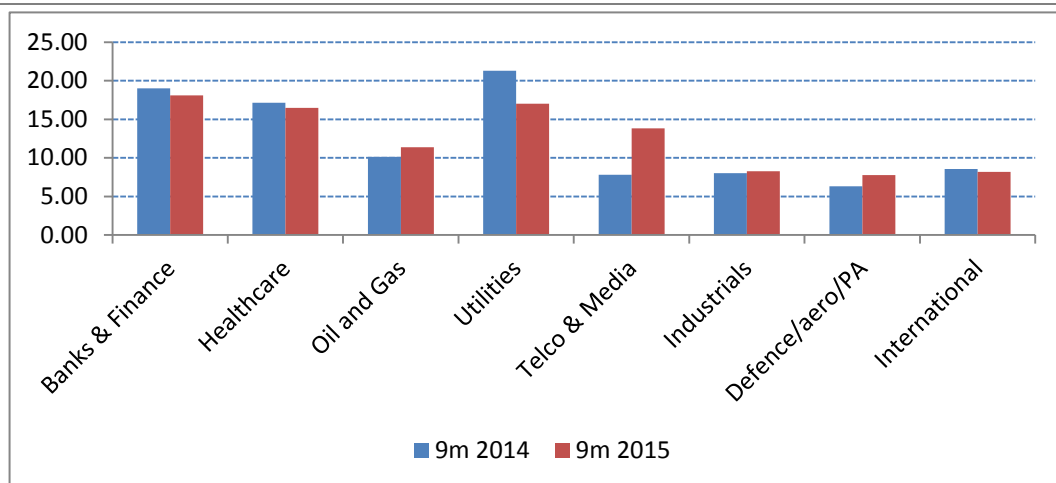
FY 2014 and 9m 2015 results (EUR m)

| | FY 2013 | FY 2014a | Q3 2014 | Q3 2015e | Q3 2015a | Y/Y | 9M 2014 | 9M 2015a | Y/Y |
|-----------------|------------|-------------|------------|-------------|-------------|--------|------------|-------------|-------|
| Total Turnover | 131.1 | 147.2 | 34.6 | 35.0 | 32.5 | -6.2% | 102.9 | 106.1 | 3.1% |
| EBITDA | 13.1 | 14.5 | 4.26 | 3.90 | 3.13 | -27% | 8.80 | 10.03 | 14% |
| Margin | 10.0% | 9.8% | 12.3% | 11.1% | 9.6% | -2.7pp | 8.6% | 9.5% | 0.9pp |
| EBIT | 8.71 | 9.86 | 3.19 | 2.90 | 2.05 | -36% | 5.74 | 5.88 | 2.4% |
| Margin | 6.8% | 7.0% | 9.2% | 8.3% | 6.3% | -2.9pp | 5.6% | 5.5% | 0pp |
| EBT | 6.03 | 6.97 | 2.51 | 2.30 | 1.47 | -41% | 3.90 | 4.07 | 4.5% |
| Net Income | 2.42 | 3.50 | 1.25 | 1.48 | 0.59 | -53% | 1.62 | 1.89 | 16% |
| Net Debt (Cash) | 37.4 | 29.7 | 37.2 | 31.0 | 31.2 | -16% | 37.2 | 31.2 | -16% |

Source: Company data, Banca Akros estimates

In particular, the utilities segment dropped by 29% (-16% in H1), defence and aerospace turned negative (-22%) from +70% growth. Banks, the largest revenue contributor, also gyrated on negative with -21% following a string of three positive quarters. Exprivia said this drop is related to 0.9m lower revenues from third party SW/HW, as well as to the postponement of new projects' start into Q4. The international segment was down by 20%, vs. +5% in H1. The strong depreciation of LatAm currencies also played a role. Given the sales shortfall, margins fell accordingly, however still in the region of 10% at the EBITDA level. Labour costs were down 1% Y/Y. Net debt was in line with our expectations, increasing by EUR 1.2m in Q3 and by EUR 1.5m in the nine months, which is basically equal to the dividend paid.

Exprivia 9M results: revenues by segment



Source: Company Data

We made some rough adjustments to full-year estimates

- a) Worse-than-expected Q3 performance prompted a cut in finance and international revenues and more modest estimates in the aerospace division.
- b) The acquisition of ACS contributes c EUR 11m revenues, at a margin comparable to Exprivia group and implies EUR 6.2m investment in FY 2016.
- c) The actual impact on estimates 2015/17 is rather limited for the time being (apart from the inclusion of the contribution from ACS). The organic growth is definitely back-end loaded, so that the 2017/20 targets should be taken with some caution. We are not including further M&A, so that the starting point for FY 2015e pro-forma is in the region of EUR 155m revenues, EUR 16.5m EBITDA.

We are in line with company's expectations of 2% organic growth in FY 2015 (although including auSystems) and 2016. On a mid-to-long-term basis, we are definitely more cautious than the company targets. In particular, we project just above 3.5% top-line growth in the subsequent two years, against the 5% planned by Exprivia, while we conservatively set a similar growth trend for the final two years. We believe the company expects a kind of "virtuous cycle" of organic growth (to 10%) as it builds on new product lines and new geographies also acquired through M&A. The gap between short-term performance and long-term ambitions is too wide to adopt strong growth assumptions for the time being. At the EBITDA level, the target profitability appears realistic, based on sound assumptions on gross margin development and operating leverage, and not far from actual performance of the company in the average year. The previous 15% margin target was definitely too ambitious even assuming significant top-line growth.

EXP: 2015/2020 estimates (EUR m)

| | FY 13a | FY 14a | FY 15e | FY 16e | FY 17e | FY 18e | FY 19e | FY 20e |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Turnover | 131 | 147 | 150 | 165 | 171 | 177 | 182 | 188 |
| Growth | -1.0% | 12.3% | 1.9% | 9.8% | 3.6% | 3.5% | 3.2% | 3.0% |
| EBITDA | 13.1 | 14.5 | 15.3 | 18.8 | 19.8 | 20.7 | 21.4 | 22.8 |
| Margin | 10.0% | 9.8% | 10.2% | 11.4% | 11.6% | 11.7% | 11.7% | 12.2% |
| EBIT | 8.7 | 9.9 | 10.5 | 13.7 | 14.4 | 14.9 | 15.6 | 17.0 |
| Margin | 6.8% | 7.0% | 7.3% | 8.6% | 8.7% | 8.7% | 8.8% | 9.4% |
| EBT | 6.0 | 7.0 | 8.1 | 11.4 | 12.4 | 13.7 | 14.6 | 17.0 |
| Net Income | 2.4 | 3.5 | 4.4 | 6.6 | 7.3 | 8.3 | 8.8 | 10.7 |
| Capex | -4.9 | -3.9 | -6.3 | -8.0 | -3.0 | -3.0 | -3.0 | -3.0 |
| Net Debt (Cash) | 37.4 | 29.7 | 27.9 | 33.1 | 24.4 | 15.5 | 6.3 | -4.2 |

Source: Company data, Banca Akros estimates

Valuation/Conclusions

We value Exprivia with a DCF analysis, with Peers' Comparison pointing to a clear undervaluation. We have kept our valuation parameters unchanged since our June review. The FV is also unchanged since the current trading conditions have deteriorated, short-term guidance is in line with our expectations and medium-term projections have prompted only minor upgrades. Finally, we remain much more cautious on long-term growth. Exprivia shares lost 10% from 9m results publication (we downgraded by one notch our reco in that occasion). **We keep our TP of EUR 0.95 and we move our reco back to BUY.**

DCF analysis

Our analysis is based on the following assumptions: A) Detail forecast period for the five years to 2020 (see above). Terminal EBITDA margin still at 11.5% which is conservatively based on recent performance rather than on potential medium-term improvements and lower than the 12%-plus long-term target. B) Terminal growth (g): 1/2.0%, o/w 1% real growth, 1% expected long-term inflation rate. C) WACC of 9% (it was lowered from 9.5% back in June). We consider the lower company-specific financial risk and the better credit market conditions. We assume in any case a leveraged terminal capital structure, which will provide a fiscal benefit, in presence of recurring positive profit. D) Normative tax rate of 40%

The Fair Value remains in the range of EUR 0.9/1.0ps.

Exprivia DCF valuation: sensitivity to WACC and terminal growth rate

| WACC | Perpetual growth rate (g) | | | | | | |
|-------|---------------------------|------|------|------|------|------|------|
| | 0.0% | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| 7.5% | 1.07 | 1.17 | 1.29 | 1.42 | 1.58 | 1.78 | 2.01 |
| 8.0% | 0.95 | 1.03 | 1.13 | 1.25 | 1.38 | 1.54 | 1.73 |
| 8.5% | 0.84 | 0.92 | 1.00 | 1.10 | 1.21 | 1.34 | 1.49 |
| 9.0% | 0.75 | 0.81 | 0.88 | 0.97 | 1.06 | 1.17 | 1.30 |
| 9.5% | 0.66 | 0.72 | 0.78 | 0.85 | 0.94 | 1.03 | 1.13 |
| 10.0% | 0.59 | 0.64 | 0.69 | 0.76 | 0.83 | 0.90 | 0.99 |
| 10.5% | 0.52 | 0.57 | 0.61 | 0.67 | 0.73 | 0.80 | 0.87 |

Exprivia DCF valuation: sensitivity to WACC and Normalised EBITDA Margin

| WACC | Normalised EBITDA Margin | | | | | | |
|-------|--------------------------|-------|-------|-------|-------|-------|-------|
| | 10.0% | 10.5% | 11.0% | 11.5% | 12.0% | 12.5% | 13.0% |
| 7.5% | 0.87 | 0.97 | 1.07 | 1.17 | 1.27 | 1.37 | 1.47 |
| 8.0% | 0.81 | 0.91 | 1.00 | 1.10 | 1.19 | 1.28 | 1.38 |
| 8.5% | 0.76 | 0.85 | 0.94 | 1.03 | 1.12 | 1.21 | 1.30 |
| 9.0% | 0.71 | 0.80 | 0.88 | 0.97 | 1.05 | 1.14 | 1.22 |
| 9.5% | 0.66 | 0.75 | 0.83 | 0.91 | 0.99 | 1.07 | 1.15 |
| 10.0% | 0.62 | 0.70 | 0.78 | 0.85 | 0.93 | 1.01 | 1.09 |
| 10.5% | 0.58 | 0.65 | 0.73 | 0.80 | 0.88 | 0.95 | 1.03 |

Source: Banca Akros estimates

On a relative basis, Exprivia has clearly underperformed its Italian peers in the past three months, being down by 5% against +8% of Engineering and +20% of Reply. On a 12m basis, the diverging fortunes are astounding, with c +5%/+55/+115% respectively. The respective paths of earnings upgrade and different growth perspectives only partially justify these performances. As a result, at 5.0x EV/EBITDA 2016, Exprivia trades at above 10% discount on ENG and basically 50% against the industry benchmark, Reply.

Exprivia: Summary tables

| PROFIT & LOSS (EURm) | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Sales | 132 | 131 | 147 | 150 | 165 | 171 |
| Cost of Sales & Operating Costs | -120 | -118 | -133 | -135 | -146 | -151 |
| Non Recurrent Expenses/Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 12.4 | 13.1 | 14.5 | 15.3 | 18.8 | 19.8 |
| EBITDA (adj.)* | 12.4 | 13.1 | 14.5 | 15.3 | 18.8 | 19.8 |
| Depreciation | -4.3 | -3.9 | -3.9 | -4.3 | -4.5 | -4.8 |
| EBITA | 8.1 | 9.2 | 10.5 | 11.1 | 14.3 | 15.0 |
| EBITA (adj)* | 8.1 | 9.2 | 10.5 | 11.1 | 14.3 | 15.0 |
| Amortisations and Write Downs | -0.9 | -0.5 | -0.7 | -0.6 | -0.6 | -0.6 |
| EBIT | 7.2 | 8.7 | 9.9 | 10.5 | 13.7 | 14.4 |
| EBIT (adj.)* | 7.2 | 8.7 | 9.9 | 10.5 | 13.7 | 14.4 |
| Net Financial Interest | -3.0 | -2.7 | -2.9 | -2.4 | -2.3 | -2.0 |
| Other Financials | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Non Recurrent Items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings Before Tax (EBT) | 4.2 | 6.0 | 7.0 | 8.1 | 11.4 | 12.4 |
| Tax | -1.8 | -3.2 | -3.9 | -3.8 | -4.9 | -5.1 |
| <i>Tax rate</i> | <i>42.6%</i> | <i>52.7%</i> | <i>56.4%</i> | <i>46.2%</i> | <i>42.5%</i> | <i>41.2%</i> |
| Discontinued Operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | -0.3 | -0.4 | 0.5 | 0.0 | 0.0 | 0.0 |
| Net Profit (reported) | 2.2 | 2.4 | 3.5 | 4.4 | 6.6 | 7.3 |
| Net Profit (adj.) | 2.2 | 2.4 | 3.5 | 4.4 | 6.6 | 7.3 |
| CASH FLOW (EURm) | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| Cash Flow from Operations before change in NWC | 7.6 | 7.3 | 7.6 | 9.2 | 11.7 | 12.7 |
| Change in Net Working Capital | 2.5 | 5.1 | 3.2 | 0.8 | -1.5 | 1.1 |
| Cash Flow from Operations | 10.1 | 12.3 | 10.8 | 10.0 | 10.2 | 13.8 |
| Capex | -4.1 | -4.9 | -8.1 | -6.3 | -14.2 | -3.0 |
| Net Financial Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Free Cash Flow | 6.0 | 7.4 | 2.7 | 3.7 | -4.0 | 10.8 |
| Dividends | -1.6 | 0.0 | 0.0 | -1.5 | -1.6 | -1.7 |
| Other (incl. Capital Increase & share buy backs) | -4.1 | -0.8 | 4.9 | -0.4 | 0.4 | -0.3 |
| Change in Net Debt | 0.3 | 6.6 | 7.6 | 1.8 | -5.2 | 8.7 |
| NOPLAT | 4.3 | 5.2 | 5.9 | 6.6 | 8.6 | 9.1 |
| BALANCE SHEET & OTHER ITEMS (EURm) | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| Net Tangible Assets | 11.7 | 13.1 | 17.3 | 19.3 | 29.0 | 27.2 |
| Net Intangible Assets (incl. Goodwill) | 74.1 | 74.3 | 72.3 | 72.3 | 72.3 | 72.3 |
| Net Financial Assets & Other | 4.5 | 4.3 | 2.1 | 2.1 | 2.1 | 2.1 |
| Total Fixed Assets | 90.3 | 91.7 | 91.7 | 93.7 | 103 | 102 |
| Inventories | 0.2 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 |
| Trade receivables | 62.6 | 56.2 | 62.3 | 63.4 | 69.9 | 72.5 |
| Other current assets | 28.7 | 29.3 | 22.7 | 21.6 | 22.2 | 22.7 |
| Cash (-) | -5.3 | -7.3 | -12.5 | -12.9 | -11.6 | -13.4 |
| Total Current Assets | 96.8 | 93.0 | 97.6 | 98.0 | 104 | 109 |
| Total Assets | 187 | 185 | 189 | 192 | 207 | 210 |
| Shareholders Equity | 68.7 | 71.2 | 74.6 | 77.5 | 82.5 | 88.1 |
| Minority | 1.5 | 1.9 | 1.6 | 1.6 | 1.6 | 1.6 |
| Total Equity | 70.2 | 73.1 | 76.2 | 79.2 | 84.2 | 89.7 |
| Long term interest bearing debt | 9.6 | 8.5 | 11.0 | 10.6 | 11.7 | 9.8 |
| Provisions | 8.7 | 8.7 | 10.2 | 10.4 | 11.2 | 11.4 |
| Other long term liabilities | 1.6 | 1.6 | 1.4 | 1.4 | 1.6 | 1.6 |
| Total Long Term Liabilities | 19.9 | 18.8 | 22.6 | 22.4 | 24.4 | 22.9 |
| Short term interest bearing debt | 39.8 | 36.1 | 31.2 | 30.2 | 33.1 | 27.9 |
| Trade payables | 18.3 | 20.5 | 22.5 | 22.8 | 25.0 | 26.6 |
| Other current liabilities | 39.0 | 36.1 | 36.7 | 37.2 | 40.7 | 43.3 |
| Total Current Liabilities | 97.1 | 92.7 | 90.4 | 90.2 | 98.7 | 97.8 |
| Total Liabilities and Shareholders' Equity | 187 | 185 | 189 | 192 | 207 | 210 |
| Net Capital Employed | 125 | 121 | 118 | 119 | 130 | 127 |
| Net Working Capital | 34.2 | 29.1 | 25.9 | 25.1 | 26.6 | 25.5 |
| GROWTH & MARGINS | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| <i>Sales growth</i> | <i>10.2%</i> | <i>-1.0%</i> | <i>12.3%</i> | <i>1.9%</i> | <i>9.8%</i> | <i>3.6%</i> |
| EBITDA (adj.)* growth | -8.0% | 5.6% | 10.3% | 6.0% | 22.8% | 5.1% |
| <i>EBITA (adj.)* growth</i> | <i>-23.6%</i> | <i>12.9%</i> | <i>14.6%</i> | <i>5.2%</i> | <i>28.9%</i> | <i>5.1%</i> |
| <i>EBIT (adj)* growth</i> | <i>-31.0%</i> | <i>20.2%</i> | <i>13.3%</i> | <i>6.2%</i> | <i>30.5%</i> | <i>5.3%</i> |

Exprivia: Summary tables

| GROWTH & MARGINS | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Net Profit growth | -36.6% | 12.3% | 44.8% | 24.7% | 50.3% | 11.0% |
| EPS adj. growth | -36.6% | 12.3% | 44.8% | 24.7% | 50.3% | 11.0% |
| DPS adj. growth | -22.5% | n.m. | | n.m. | 7.1% | 10.0% |
| EBITDA (adj)* margin | 9.4% | 10.0% | 9.8% | 10.2% | 11.4% | 11.6% |
| EBITA (adj)* margin | 6.1% | 7.0% | 7.1% | 7.4% | 8.7% | 8.8% |
| EBIT (adj)* margin | 5.5% | 6.6% | 6.7% | 7.0% | 8.3% | 8.4% |
| RATIOS | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| Net Debt/Equity | 0.6 | 0.5 | 0.4 | 0.4 | 0.4 | 0.3 |
| Net Debt/EBITDA | 3.5 | 2.9 | 2.1 | 1.8 | 1.8 | 1.2 |
| Interest cover (EBITDA/Fin.interest) | 4.1 | 4.9 | 5.0 | 6.5 | 8.4 | 9.9 |
| Capex/D&A | 78.4% | 110.9% | 176.8% | 129.9% | 275.9% | 55.8% |
| Capex/Sales | 3.1% | 3.7% | 5.5% | 4.2% | 8.6% | 1.8% |
| NWC/Sales | 25.8% | 22.2% | 17.6% | 16.8% | 16.2% | 14.9% |
| ROE (average) | 3.1% | 3.5% | 4.8% | 5.7% | 8.2% | 8.5% |
| ROCE (adj.) | 3.6% | 4.5% | 5.1% | 5.7% | 6.7% | 7.3% |
| WACC | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| ROCE (adj.)/WACC | 0.4 | 0.5 | 0.6 | 0.6 | 0.7 | 0.8 |
| PER SHARE DATA (EUR)*** | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| Average diluted number of shares | 51.9 | 51.9 | 51.9 | 51.9 | 51.9 | 51.9 |
| EPS (reported) | 0.04 | 0.05 | 0.07 | 0.08 | 0.13 | 0.14 |
| EPS (adj.) | 0.04 | 0.05 | 0.07 | 0.08 | 0.13 | 0.14 |
| BVPS | 1.32 | 1.37 | 1.44 | 1.49 | 1.59 | 1.70 |
| DPS | 0.03 | 0.00 | 0.00 | 0.03 | 0.03 | 0.03 |
| VALUATION | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| EV/Sales | 0.7 | 0.8 | 0.6 | 0.6 | 0.6 | 0.5 |
| EV/EBITDA | 7.7 | 7.6 | 6.2 | 5.8 | 5.0 | 4.3 |
| EV/EBITDA (adj.)* | 7.7 | 7.6 | 6.2 | 5.8 | 5.0 | 4.3 |
| EV/EBITA | 11.7 | 10.9 | 8.5 | 8.0 | 6.6 | 5.7 |
| EV/EBITA (adj.)* | 11.7 | 10.9 | 8.5 | 8.0 | 6.6 | 5.7 |
| EV/EBIT | 13.2 | 11.5 | 9.1 | 8.4 | 6.9 | 5.9 |
| EV/EBIT (adj.)* | 13.2 | 11.5 | 9.1 | 8.4 | 6.9 | 5.9 |
| P/E (adj.) | 15.0 | 17.8 | 10.6 | 8.9 | 5.9 | 5.4 |
| P/BV | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 |
| Total Yield Ratio | 0.0% | 0.0% | 3.7% | 4.0% | 4.4% | |
| EV/CE | 0.8 | 0.9 | 0.8 | 0.8 | 0.7 | 0.7 |
| OpFCF yield | 18.7% | 17.3% | 7.4% | 9.5% | -10.2% | 27.6% |
| OpFCF/EV | 6.3% | 7.4% | 3.0% | 4.2% | -4.2% | 12.6% |
| Payout ratio | 74.7% | 0.0% | 0.0% | 33.3% | 23.7% | 23.5% |
| Dividend yield (gross) | 5.0% | 0.0% | 0.0% | 3.7% | 4.0% | 4.4% |
| EV AND MKT CAP (EURm) | 12/2012 | 12/2013 | 12/2014 | 12/2015e | 12/2016e | 12/2017e |
| Price** (EUR) | 0.62 | 0.83 | 0.71 | 0.75 | 0.75 | 0.75 |
| Outstanding number of shares for main stock | 51.9 | 51.9 | 51.9 | 51.9 | 51.9 | 51.9 |
| Total Market Cap | 32 | 43 | 37 | 39 | 39 | 39 |
| Net Debt | 44 | 37 | 30 | 28 | 33 | 24 |
| <i>o/w Cash & Marketable Securities (-)</i> | <i>-5</i> | <i>-7</i> | <i>-12</i> | <i>-13</i> | <i>-12</i> | <i>-13</i> |
| <i>o/w Gross Debt (+)</i> | <i>49</i> | <i>45</i> | <i>42</i> | <i>41</i> | <i>45</i> | <i>38</i> |
| Other EV components | 19 | 19 | 23 | 21 | 22 | 22 |
| Enterprise Value (EV adj.) | 96 | 100 | 90 | 88 | 94 | 86 |

Source: Company, Banca Akros estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Software & Computer Services/Software

Company Description: Exprivia is an Italian player in the IT sector, created in 2005 through the merger of a listed SW vendor (AISoftware) with a IT service provider (Abaco). The Group employs almost 2,000 people, is headquartered in the South of Italy, has 10 offices across the country and has started an international expansion (foreign activities account for above 10% of sales). The group operates in several verticals including Finance (22% of FY 2013e sales), Utilities (20%), Healthcare (18%), Manufacturing (13%), Telecoms and Energy (10%) and Public Administrations (5%).

European Coverage of the Members of ESN

| | | | | | | | | | |
|--------------------------------|---------------|-------------------------|---------------|--|---------------|----------------------------------|---------------|----------------------|-----|
| Aerospace & Defense | Mem(*) | Bper | BAK | Zeltia | BKF | Mlp | EQB | Ahlistrom | POH |
| Airbus Group | CIC | Bpi | CBI | Chemicals | Mem(*) | Ovb Holding Ag | EQB | Arcadis | SNS |
| Carbures Europe Sa | BKF | Caixabank | BKF | Air Liquide | CIC | Patrizia Ag | EQB | Aspo | POH |
| Dassault Aviation | CIC | Commerzbank | EQB | Basf | EQB | Food & Beverage | Mem(*) | Evolis | CIC |
| Finmeccanica | BAK | Credem | BAK | Evonik | EQB | Acomo | SNS | Frigoglass | IBG |
| Latecoere | CIC | Credit Agricole Sa | CIC | Fuchs Petrolub | EQB | Atria | POH | Huhtamäki | POH |
| Lisi | CIC | Creval | BAK | Henkel | EQB | Baywa | EQB | Kendrion | SNS |
| Mtu | EQB | Deutsche Bank | EQB | Holland Colours | SNS | Bonduelle | CIC | Nedap | SNS |
| Ohb Se | EQB | Eurobank | IBG | K+S Ag | EQB | Campari | BAK | Neopost | CIC |
| Rheinmetall | EQB | Ing Group | SNS | Kemira | POH | Coca Cola Hbc Ag | IBG | Pöyry | POH |
| Safran | CIC | Intesa Sanpaolo | BAK | Lanxess | EQB | Corbion | SNS | Prelios | BAK |
| Thales | CIC | Mediobanca | BAK | Linde | EQB | Danone | CIC | Saf-Holland | EQB |
| Zodiac Aerospace | CIC | National Bank Of Greece | IBG | Nanogate Ag | EQB | Ebro Foods | BKF | Saft | CIC |
| Airlines | Mem(*) | Natixis | CIC | Symrise Ag | EQB | Enervit | BAK | Serge Ferrari Group | CIC |
| Air France Klm | CIC | Nordea | POH | Tikkurila | POH | Fleury Michon | CIC | Siegfried Holding Ag | EQB |
| Finnair | POH | Piraeus Bank | IBG | Electronic & Electrical Equipment | Mem(*) | Forfarmers | SNS | Tessi | CIC |
| Lufthansa | EQB | Societe Generale | CIC | Alstom | CIC | Heineken | SNS | Wendel | CIC |
| Automobiles & Parts | Mem(*) | Ubi Banca | BAK | Areva | CIC | Hkscan | POH | | |
| Bitium Corporation | POH | Unicredit | BAK | Euromicron Ag | EQB | Ktg Agrar | EQB | | |
| Bmw | EQB | Basic Resources | Mem(*) | Gemalto | CIC | Lanson-Bcc | CIC | | |
| Brembo | BAK | Acerinox | BKF | Ingenico | CIC | Laurent Perrier | CIC | | |
| Continental | EQB | Altri | CBI | Jenoptik | EQB | Ldc | CIC | | |
| Daimler Ag | EQB | Arcelormittal | BKF | Kontron | EQB | Naturex | CIC | | |
| Elingklinger | EQB | Corticeira Amorim | CBI | Legrand | CIC | Olvi | POH | | |
| Fiat Chrysler Automobiles | BAK | Ence | BKF | Neways Electronics | SNS | Parmalat | BAK | | |
| Landi Renzo | BAK | Europac | BKF | Nexans | CIC | Perno d Ricard | CIC | | |
| Leoni | EQB | Metka | IBG | P'kc Group | POH | Raisio | POH | | |
| Michelin | CIC | Metsä Board | POH | Rexel | CIC | Refrescogerber | SNS | | |
| Nokian Tyres | POH | Mytilineos | IBG | Schneider Electric Se | CIC | Remy Cointreau | CIC | | |
| Piaggio | BAK | Outokumpu | POH | Vaisala | POH | Unilever | SNS | | |
| Pirelli & C. | BAK | Portucel | CBI | Viscom | EQB | Vidrala | BKF | | |
| Sogefi | BAK | Semapa | CBI | Financial Services | Mem(*) | Vilmorin | CIC | | |
| Stern Groep | SNS | Ssab | POH | Athex Group | IBG | Viscofan | BKF | | |
| Volkswagen | EQB | Stora Enso | POH | Azimut | BAK | Vranken Pommery Monopole | CIC | | |
| Banks | Mem(*) | Surteco | EQB | Banca Generali | BAK | Wessanen | SNS | | |
| Aareal Bank | EQB | Tubacex | BKF | Banca Ifis | BAK | Food & Drug Retailers | Mem(*) | | |
| Aktia | POH | Upm-Kymmene | POH | Banca Sistema | BAK | Ahold | SNS | | |
| Alpha Bank | IBG | Biotechnology | Mem(*) | Bb Biotech | EQB | Carrefour | CIC | | |
| Banca Carige | BAK | 4Sc | EQB | Bincbank | SNS | Casino Guichard-Perrachon | CIC | | |
| Banca Mps | BAK | Crossject | CIC | Bolsas Y Mercados Espanoles Sa | BKF | Dia | BKF | | |
| Banco Bradesco | CBI | Cytotoools Ag | EQB | Capman | POH | Jeronimo Martins | CBI | | |
| Banco Popolare | BAK | Epigenomics Ag | EQB | Cir | BAK | Kesko | POH | | |
| Banco Popular | BKF | Fermentalg | CIC | Comdirect | EQB | Marr | BAK | | |
| Banco Sabadell | BKF | Genfit | CIC | Corp. Financiera Alba | BKF | Metro | CIC | | |
| Banco Santander | BKF | Metabolic Explorer | CIC | Deutsche Boerse | EQB | Rallye | CIC | | |
| Bankia | BKF | Neovacs | CIC | Deutsche Forfait | EQB | Sligro | SNS | | |
| Bankinter | BKF | Oncodesign | CIC | Euronext | CIC | Sonae | CBI | | |
| Bbva | BKF | Onxeo | CIC | Ferratum | EQB | General Industrials | Mem(*) | | |
| Bcp | CBI | Transgene | CIC | Finecobank | BAK | 2G Energy | EQB | | |
| Bnp Paribas | CIC | Wilx | EQB | Grenkeleasing Ag | EQB | Accell Group | SNS | | |

| | | | | | | | | | |
|-------------------------------------|---------------|-------------------------------|---------------|---|---------------|-------------------------|---------------|-------------------------|-----|
| General Retailers | Mem(*) | Snowworld | SNS | Valmet | POH | Italcementi | BAK | Alma Media | POH |
| Banzai | BAK | Sonae Capital | CBI | Vossloh | EQB | LafargeHolcim | CIC | Atresmedia | BKF |
| Beter Bed Holding | SNS | Trigano | CIC | Wärtsilä | POH | Lemminkäinen | POH | Axel Springer | EQB |
| Eluméo Se | EQB | Tui | EQB | Zardoya Otis | BKF | Maire Tecnimont | BAK | Brill | SNS |
| Fielmann | EQB | Wdf | BAK | Industrial Transportation | Mem(*) | Mota Engil | BAK | Cofina | CBI |
| Folli Follie Group | IBG | Household Goods | Mem(*) | Bolloré | CIC | Mota Engil Africa | CBI | Cts Eventim | EQB |
| Fourlis Holdings | IBG | De Longhi | BAK | Caf | BKF | Obrascon Huarte Lain | BKF | Editoriale L'Espresso | BAK |
| Groupe Fnac Sa | CIC | Fila | BAK | Ctt | CBI | Ramirent | POH | Gameloft | CIC |
| Inditex | BKF | Osram Licht Ag | EQB | Deutsche Post | EQB | Royal Barm Group | SNS | GI Events | CIC |
| Jumbo | IBG | Seb Sa | CIC | Hhla | EQB | Sacyr | BKF | Havas | CIC |
| Macintosh | SNS | Zumtobel Group Ag | EQB | Logwin | EQB | Saint Gobain | CIC | Impresa | CBI |
| Rapala | POH | Industrial Engineering | Mem(*) | Insurance | Mem(*) | Salini Impreglio | BAK | Ipsos | CIC |
| Stockmann | POH | Accsys Technologies | SNS | Aegon | SNS | Sias | BAK | Jcdecoux | CIC |
| Healthcare | Mem(*) | Aixtron | EQB | Allianz | EQB | Sonae Industria | CBI | Lagardere | CIC |
| Ab-Biotics | BKF | Ansaldo Sts | BAK | Axa | CIC | Srv | POH | M6-Metropole Television | CIC |
| Almirall | BKF | Biesse | BAK | Delta Lloyd | SNS | Sto Se & Co. Kgaa | EQB | Mediaset | BAK |
| Amplifon | BAK | Cargotec Corp | POH | Generali | BAK | Thermador Groupe | CIC | Mediaset Espana | BKF |
| Bayer | EQB | Cnh Industrial | BAK | Hannover Re | EQB | Titan Cement | IBG | Nextradiotv | CIC |
| Biomerieux | CIC | Daniell | BAK | Mapfre Sa | BKF | Trevi | BAK | Notorious Pictures | BAK |
| Biotest | EQB | Datalogic | BAK | Mediolanum | BAK | Uponor | POH | Nij Group | CIC |
| Diasorin | BAK | Delclima | BAK | Munich Re | EQB | Vbh Holding | EQB | Publicis | CIC |
| Draegerwerk Ag & Co. Kgaa | EQB | Deutz Ag | EQB | Nn Group Nv | SNS | Vicat | CIC | Rcs Mediagroup | BAK |
| Faes Farma | BKF | Dmg Mori Seiki Ag | EQB | Sampo | POH | Vinci | CIC | Relx | SNS |
| Fresenius | EQB | Duro Felguera | BKF | Talanx Group | EQB | Yit | POH | Sanoma | POH |
| Fresenius Medical Care | EQB | Emak | BAK | Unipol | BAK | Media | Mem(*) | So local Group | CIC |
| Gerresheimer Ag | EQB | Exel Composites | POH | Unipolsai | BAK | Ad Pepper | EQB | | |
| Grifols Sa | BKF | Faiveley | CIC | Materials, Construction & Infrastructure | Mem(*) | Alma Media | POH | | |
| Korian-Medica | CIC | Gea Group | EQB | Abertis | BKF | Atresmedia | BKF | | |
| Laboratorios Rovi | BKF | Gesco | EQB | Acs | BKF | Axel Springer | EQB | | |
| Merck | EQB | Haulotte Group | CIC | Aena | BKF | Brill | SNS | | |
| Novartis | CIC | Heidelberger Druck | EQB | Aerports De Paris | CIC | Cofina | CBI | | |
| Oriola-Kd | POH | Ima | BAK | Astaldi | BAK | Cts Eventim | EQB | | |
| Orion | POH | Interpump | BAK | Atlantia | BAK | Editoriale L'Espresso | BAK | | |
| Orpea | CIC | Kone | POH | Ballast Nedam | SNS | Gameloft | CIC | | |
| Recordati | BAK | Konecranes | POH | Billfinger Se | EQB | GI Events | CIC | | |
| Rhoen-Klinikum | EQB | Krones Ag | EQB | Boskalis Westminster | SNS | Havas | CIC | | |
| Roche | CIC | Kuka | EQB | Buzzi Unicem | BAK | Impresa | CBI | | |
| Sanofi | CIC | Manitou | CIC | Caverion | POH | Ipsos | CIC | | |
| Stallergènes | CIC | Manz Ag | EQB | Cramo | POH | Jcdecoux | CIC | | |
| Hotels, Travel & Tourism | Mem(*) | Max Automation Ag | EQB | Eiffage | CIC | Lagardere | CIC | | |
| Accor | CIC | Metso | POH | Ellaktor | IBG | M6-Metropole Television | CIC | | |
| Autogrill | BAK | Outotec | POH | Eitel | POH | Mediaset | BAK | | |
| Beneteau | CIC | Pfeiffer Vacuum | EQB | Ezentis | BKF | Mediaset Espana | BKF | | |
| Europcar | CIC | Ponsse | POH | Fcc | BKF | Nextradiotv | CIC | | |
| I Grandi Viaggi | BAK | Prima Industrie | BAK | Ferrovial | BKF | Notorious Pictures | BAK | | |
| Ibersol | CBI | Prysmian | BAK | Fraport | EQB | Nij Group | CIC | | |
| Intralot | IBG | Reesink | SNS | Heidelberg Cement Ag | CIC | Publicis | CIC | | |
| Melia Hotels International | BKF | Sabaf | BAK | Heijmans | SNS | Rcs Mediagroup | BAK | | |
| Nh Hotel Group | BKF | Smt Scharf Ag | EQB | Hochtief | EQB | Relx | SNS | | |
| Opap | IBG | Technotrans | EQB | Imerys | CIC | Sanoma | POH | | |

| | | | | | | | |
|--------------------------------|---------------|---|---------------|--|---------------|-------------------------|-----|
| Oil & Gas Producers | Mem(*) | Citycon | POH | Asiakastieto Group | POH | Direct Energie | CIC |
| Eni | BAK | Deutsche Euroshop | EQB | Batenburg | SNS | E.On | EQB |
| Galp Energia | CBI | Grand City Properties | EQB | Bureau Veritas S.A. | CIC | Edp | CBI |
| Gas Plus | BAK | Igd | BAK | Dpa | SNS | Edp Renováveis | CBI |
| Hellenic Petroleum | IBG | Realia | BKF | Edenred | CIC | Enagas | BKF |
| Maurel Et Prom | CIC | Sponda | POH | Ei Towers | BAK | Endesa | BKF |
| Motor Oil | IBG | Technopolis | POH | Fiera Milano | BAK | Enel | BAK |
| Neste Corporation | POH | Vib Vermoeigen | EQB | Imtech | SNS | Falck Renewables | BAK |
| Petrobras | CBI | Renewable Energy | Mem(*) | Lassila & Tikanoja | POH | Fortum | POH |
| Qgep | CBI | Daldrup & Soehne | EQB | Technology Hardware & Equipment | Mem(*) | Gas Natural Fenosa | BKF |
| Repsol | BAK | Enel Green Power | BAK | Asm International | SNS | Hera | BAK |
| Total | CIC | Gamesa | BKF | Asml | SNS | Iberdrola | BKF |
| Oil Services | Mem(*) | Software & Computer Services | Mem(*) | Besi | SNS | Iren | BAK |
| Bourbon | CIC | Affecto | POH | Elmos Semiconductor | EQB | Public Power Corp | IBG |
| Cgg | CIC | Akka Technologies | CIC | Ericsson | POH | Red Electrica De Espana | BKF |
| Ecoslops | CIC | Alten | CIC | Gigaset | EQB | Ren | CBI |
| Fugro | SNS | Altran | CIC | Nokia | POH | Rwe | EQB |
| Saipem | BAK | Amadeus | BKF | Okmetic | POH | Snam | BAK |
| Sbm Offshore | SNS | Assystem | CIC | Roodmicrotec | SNS | Terna | BAK |
| Technip | CIC | Basware | POH | Sim Solutions | EQB | | |
| Tecnicas Reunidas | BKF | Cenit | EQB | Stmicroelectronics | BAK | | |
| Tenaris | BAK | Comptel | POH | Suess Microtec | EQB | | |
| Vallourec | CIC | Ctac | SNS | Teleste | POH | | |
| Vopak | SNS | Digia | POH | Telecommunications | Mem(*) | | |
| Personal Goods | Mem(*) | Docdata | SNS | Acotel | BAK | | |
| Adidas | EQB | Econocom | CIC | Bouygues | CIC | | |
| Adler Modemaerkte | EQB | Ekinops | CIC | Deutsche Telekom | EQB | | |
| Amer Sports | POH | Engineering | BAK | Drillisch | EQB | | |
| Basic Net | BAK | Esi Group | CIC | Elisa | POH | | |
| Beiersdorf | EQB | Exprivia | BAK | Eutelsat Communications Sa | CIC | | |
| Christian Dior | CIC | F-Secure | POH | Freenet | EQB | | |
| Cie Fin. Richemont | CIC | Gft Technologies | EQB | Iliad | CIC | | |
| Geox | BAK | Guillemot Corporation | CIC | Kpn Telecom | SNS | | |
| Gerry Weber | EQB | Ict Automatisering | SNS | Nos | CBI | | |
| Hermes Intl. | CIC | Indra Sistemas | BKF | Numericable-Sfr | CIC | | |
| Hugo Boss | EQB | Nemetschek Ag | EQB | Oi | CBI | | |
| Interparfums | CIC | Nexus Ag | EQB | Orange | CIC | | |
| Kering | CIC | Novabase | CBI | Ote | IBG | | |
| Luxottica | BAK | Ordina | SNS | Ses | CIC | | |
| Lvmh | CIC | Psi | EQB | Telecom Italia | BAK | | |
| Marimekko | POH | Reply | BAK | Telefonica | BKF | | |
| Moncler | BAK | Rib Software | EQB | Teliasoftera | POH | | |
| Puma | EQB | Seven Principles Ag | EQB | Tiscali | BAK | | |
| Safilo | BAK | Software Ag | EQB | United Internet | EQB | | |
| Salvatore Ferragamo | BAK | Tie Kinetix | SNS | Vodafone | BAK | | |
| Sarantis | IBG | Tieto | POH | Utilities | Mem(*) | | |
| Swatch Group | CIC | Tomtom | SNS | A2A | BAK | | |
| Tod'S | BAK | Visiativ | CIC | Acciona | BKF | | |
| Real Estate | Mem(*) | Wincor Nixdorf | EQB | Acea | BAK | | |
| Beni Stabili | BAK | Support Services | Mem(*) | Albioma | CIC | | |

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as of 2nd November 2015

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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

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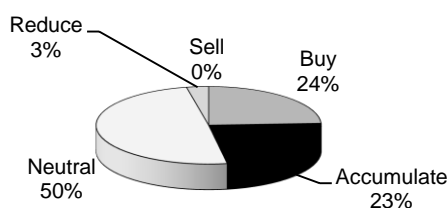
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Meaning of each recommendation or rating:

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- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Banca Akros Ratings Breakdown



History of ESN Recommendation System

Since 1 April 2015, the ESN Rec. System has been amended as follows:

- The term "Hold" has been replaced by the term "Neutral"
- Recommendations Total Return Range changed as showed in the picture at the start of the page

Since 4 August 2008 until 30 March 2015, the previous ESN Rec. System was amended as follow.

- Time horizon changed to 12 months (previously it was 6 months)
- Recommendations Total Return Range changed (see below):



Since 18 October 2004, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.



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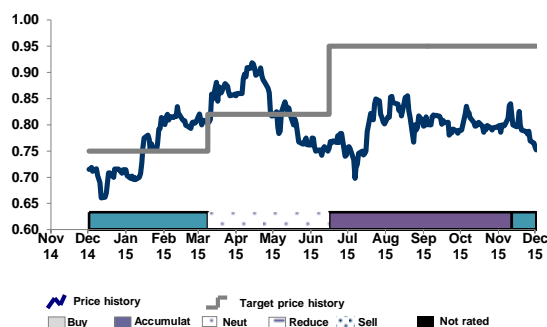
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Recommendation history for EXPRIVIA

| Date | Recommendation | Target price | Price at change date |
|-----------|----------------|--------------|----------------------|
| 03-Dec-15 | Buy | 0.95 | 0.75 |
| 12-Nov-15 | Accumulate | 0.95 | 0.82 |
| 16-Jun-15 | Buy | 0.95 | 0.76 |
| 09-Mar-15 | Neutral | 0.82 | 0.80 |
| 12-Nov-14 | Accumulate | 0.75 | 0.67 |
| 04-Aug-14 | Neutral | 0.81 | 0.73 |
| 09-Jan-14 | Neutral | 0.93 | 0.85 |

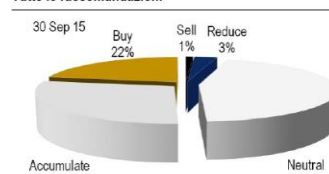
Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Andrea Devita, CFA (since 09/01/2014)

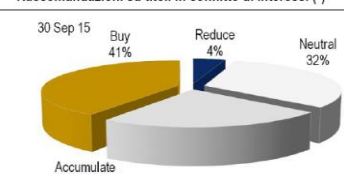


Percentuale delle raccomandazioni al 30 settembre 2015

Tutte le raccomandazioni



Raccomandazioni su titoli in conflitto di interessi (*)



(*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 23% del totale degli emittenti oggetto di copertura

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