

Company Update

Reason: Company newsflow

21 February 2018

Accumulate

Recommendation unchanged

Share price: EUR 1.44

closing price as of 20/02/2018

Target price: EUR 1.80

from Target Price: EUR 1.70

Upside/Downside Potential 25.2%

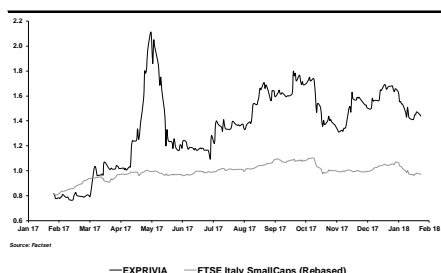
Reuters/Bloomberg XPR.MI/XPR IM

Market capitalisation (EURm)	75
Current N° of shares (m)	52
Free float	47%
Daily avg. no. trad. sh. 12 mth	661
Daily avg. trad. vol. 12 mth (m)	56.13
Price high/low 12 months	0.77 / 2.11
Abs Perfs 1/3/12 mths (%)	-14.10/2.64/75.05

Key financials (EUR)	12/16	12/17e	12/18e
Sales (m)	142	155	161
EBITDA (m)	13	15	19
EBITDA margin	9.0%	9.6%	11.6%
EBIT (m)	8	10	13
EBIT margin	5.5%	6.4%	8.0%
Net Profit (adj.)(m)	3	4	6
ROCE	4.2%	5.1%	6.6%
Net debt/(cash) (m)	36	36	33
Net Debt Equity	0.5	0.4	0.4
Net Debt/EBITDA	2.8	2.4	1.8
Int. cover(EBITDA/Fin.int)	4.2	6.8	10.3
EV/Sales	0.6	0.8	0.8
EV/EBITDA	6.8	8.8	6.7
EV/EBITDA (adj.)	6.8	8.8	6.7
EV/EBIT	11.2	13.3	9.6
P/E (adj.)	12.7	21.1	12.0
P/BV	0.5	1.0	0.9
OpFCF yield	15.8%	-1.3%	6.3%
Dividend yield	1.5%	0.0%	1.2%
EPS (adj.)	0.05	0.07	0.12
BVPS	1.46	1.53	1.63
DPS	0.02	0.00	0.02

Shareholders

Abaco Spa 47%; Own Shares 7%;



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Deal done: creation of a new large ICT player with Italtel

On Dec-14, 2017, following long negotiations, Exprivia finally announced the closing of the Italtel deal, according to the terms disclosed in July. Exprivia obtained 81% of Italtel's voting shares with a commitment of EUR 25m. The group will have a critical mass in the ICT market in Italy and abroad with close to EUR 600m revenues and 3,400 employees. We expect the company to provide a new aggregated business plan soon, providing further details on the available synergies between the two groups. We maintain a positive recommendation and increase our TP to EUR 1.8 (1.7).

- ✓ **Italtel** is the main national player in communication products and services, with EUR 400m revenues in FY 2016. The deal is highly strategic for XPR in terms of critical mass, technological capabilities, customer base and international projection. With this acquisition, XPR would exceed its 2020 EBITDA targets in a single step. The companies will be initially managed separately but a series of synergies have been identified and mentioned in the Offering Document. The stand-alone business plan includes 4% revenue CAGR to 2023. The deal implies a EUR 114m recapitalization of the company reducing the debt from EUR 217m (Dec 31, 2016) to EUR 111m.
- ✓ **Trading conditions.** Exprivia delivered in Q3 in-line results, taking into account the better than expected top-line against a Y/Y decline in EBITDA and slight cash burn in the quarter. The surprise on revenues was mainly driven by the performance of banking and finance, and in telco/media. Utilities and Oil & Gas kept a strong growth trend. EBITDA was down Y/Y in Q3 from a strong quarter of last year but the 9m growth remains largely positive. Reported EBITDA reflects the adjustments related to a fiscal settlement, which also affected the net financial position (EUR 2.5m increase in net debt in the quarter).
- ✓ **Positive market perspectives.** According to the latest estimates from IDC/Assintel, the Italian ICT market grew by 1.9% in the year 2017, with the IT component up by 3.1% and Telcos down by 1.6%. Within IT, the strongest growth was seen in Hardware (+6.2%), while Software grew by 3.0% and IT Services by just 1.5%. In 2018, the growth of the whole ICT is expected to slow-down, in spite of the lower decline of Telcos (-0.8%), as the HW performance should decelerate to +1.6%, while SW should improve to +3.5% and IT Services keep a modest 1.3% growth. For the following two years, SW is expected to keep an average growth of 3.8%, IT Services to remain in the 1%-plus range.
- ✓ **Outlook.** Based on our fresh view on the Italian market's trend and the company's trading conditions, we are increasing our expectations for the top-line 2017/2019 by 2.7%, while we are more conservative on margins as the EBITDA is increased by just above 1% (modest reduction in the expectation for FY 2017). The last quarter could be flattish Y/Y given the lack of the boost provided by ACS in the first 9 months and the calendar effect of some contracts. All of the above still assume the current business perimeter, not including the contribution of Italtel (nor the EUR 25m financial effort).
- ✓ **Valuation.** We increase our Target Price to EUR 1.80, based on modest earnings upgrade + DCF roll-over, still including EUR 8m rough assessment of value creation from the Italtel deal.

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Latest results

The second quarter of 2017 was solid in terms of revenue growth and cash generation, while the underlying margin was slightly below our expectations. Q2 still benefitted from the contribution of ACS which was consolidated since July 2016. The reported EBITDA figure was affected by EUR 1.4m exceptional costs (on top of the EUR 0.7m already provisioned last year and EUR 0.52m financial costs) related to a fiscal settlement on Exprivia Enterprise Consulting. The net debt position improved by EUR 2m in the six months and by EUR 8.2m in Q2 alone, beating our estimates.

Exprivia delivered in Q3 in-line results, taking into account the better than expected top-line against a Y/Y decline in EBITDA and slight cash burn in the quarter. The surprise on revenues was mainly driven by the performance of banking and finance, and in telco/media. Utilities and Oil & Gas kept a strong growth trend. EBITDA was down Y/Y in Q3 from a strong quarter of last year but the 9m growth remains largely positive. The reported EBITDA reflects the adjustments related to the above said fiscal settlement, which also affected the net financial position (EUR 2.5m increase in net debt in the quarter).

9m 2017 results (EUR m)

	FY 2015	FY 2016a	Y/Y	9m 2016	9m 2017e	9m 2017a	Y/Y
Net Sales	139.2	137.3	-1.4%	98.6	109.2	111.6	13.2%
Total Turnover	144.8	141.8	-2.1%	101.7	111.9	114.8	12.9%
EBITDA adj	15.31	14.1	-7.9%	8.31	10.90	10.07	21.1%
Margin	10.6%	9.9%	-0.6%	8.2%	9.7%	8.8%	.6pp
EBITDA rep	15.31	12.80	-16.4%	8.31	9.52	5.8	-30.0%
EBIT	9.99	7.79	-1.5%	4.90	5.93	2.24	-54.4%
Margin	6.9%	5.5%	-22.0%	4.8%	5.3%	1.9%	-2.9pp
EBT	7.66	4.77	-1.4%	2.80	3.83	-0.71	nm
Net Income	4.51	2.82	-37.8%	2.08	1.63	-1.30	nm
Net Debt (Cash)	36.3	35.8	-37.5%	41.0	34.0	36.3	-11.4%

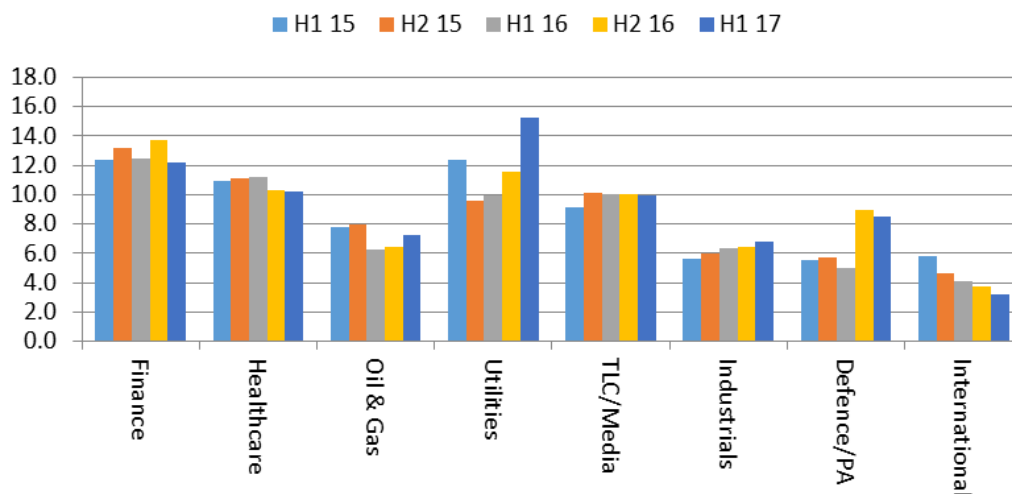
Source: Company data, Banca Akros estimates

By business line,

- The Utilities segment was the largest in size with 20.7% of total revenues in H1 2017, as it was up by 54% on a Y/Y basis. The segment had suffered a double-digit decline for six quarters until June 2016 (-20% Y/Y), followed by a strong rebound (+20%) in the second half of the year thanks to the implementation of a key BPO (Business Process Outsourcing) contract in Q3. XPR said that "in the course of 2017, the Group has consolidated its supply in the area of Business Process Management & Integration and Analytics, acquiring important projects.. and... in the first 6 months of 2017 several projects were launched with significantly innovative content, especially in the area of workplace safety". Exprivia commented in the 9m the utilities segment along with the energy segment (further 9.8% of H1 revenues) which was up by 15% in H1, following a 19% decline in the FY 2016.
- Banking and Finance was the second-largest segment as it accounted for 16.5% of revenues in H1 2017, when it posted a modest increase (+1% according to the new reclassification) vs. +2.1% growth in FY 2016. XPR said that Q3 accelerated to +12% Y/Y, closing the 9m with +4.9%. Exprivia mentioned the acquisition in Q3 of a branch of ESJET VAS, operating in the consulting activities (90 people) for finance and insurance. The underlying performances of the different sub-segments included an acceleration in Credit Risk (+8.4% in Q3), vs. a 16% decline in the factoring area (stable in H1) and -14% in Digital Transformation (moderate decline in H1).

- The Industry/manufacturing segment (9.2%) was up double-digit in 2016, with +14% in H1 and +8% in H2, reflecting the positive investment trend of the reference sector (driven by macro-recovery and technological innovation) and the revamped offer of software vendors, including the Hana platform (SAP), mobile and analytics which complement the traditional ERP and CRM solutions provided by XPR. The segment kept growing in H1 (+6.5%) and Q3 2017, XPR also mentioned the good results obtained in the "international rollouts in Europe and the Far East for customers with headquarters in Italy".
- The Healthcare segment with 13.8% of the total is a key contributor to group revenues and showed an erratic trend in the past few years and quarters; the FY 2014 reversed three years of double-digit revenue decline with a +7%, while FY 2015 was down by almost 10%. XPR said that a key client, the Puglia region, internalized part of the outsourced booking activities while an important tender in the Marche region had been delayed. Following a -2% in FY 2016, H1 was down by 9% and XPR said that also in the third quarter "revenue from this market showed a slight decrease compared with the same period of the previous year, especially because of a delayed start-up of the work regarding orders that have been already acquired but not contracted, following appeals whose favourable outcome was reached, for one of them, during the quarter". We note that the company announced in April the award of a new EUR 12.7m, 3-year contract from the Puglia region for the management of the Edotto information system. The company is working on developing the private customer base and extending the contracts already acquired, and expects to obtain "substantial returns in the coming periods".
- The Tlc/Media segment (13.5%) was up by 4% in FY 2016, down "zero-minus" in H1 2017 and closed the 9m with a +5.6% thanks to the 14% Y/Y increase in the third quarter. XPR mentions new contracts "mainly in the design of mobile access networks of the new generation and fibre optic access networks, as well as in the development of new IT systems supporting the design and operations of the new network technologies".
- The Aerospace segment doubled Y/Y to EUR 6.6m in 2016 and more than tripled Y/Y in H1 2017 (6.7% of group revenues) thanks to the acquisition of ACS (satellite systems). The trend is organic from H2 2017; the Co has recently announced the award (jointly with other companies) of a EUR 5m three-year contract for the monitoring of satellite systems.
- The Public Sector was modestly up (+2.1%) in H1 2017 following a 7.5% in FY 2016; thanks to the "strong recovery in revenue attributable primarily to trends in the Central Public Administration, where several contracts signed in early 2017 are starting to be carried out", while Local PA was stable. The outlook is not exciting in presence of spending review and increased centralization of contracts and decline in the number of tenders.
- The International segment has been in a severe downward trend in the past few years, with -18% in FY 2015 and -25% in 2016, and continued with -21.6% in H1 2017 as the company is streamlining the organization pending the merger with Italtel (which is equipped with a strong international presence). International accounted for just 4.3% of total XPR revenues in the first half, concentrated in Spain, Central America, Brazil and China.

Exprivia 2015/17 results: revenues by segment (EUR m)



Source: Company data

Outlook

FY 2017: Post Q1 2017, we had adjusted upwards our revenue estimates by around 2% on average in FY 2017/19 to account for the improvements in Utilities and Oil and Gas sectors, which look sustainable given the underlying contracts. The impact on EBITDA exceeded 5%. Post Q2, we kept our estimates basically unchanged. Based on the 9m results and our fresh view on the Italian market's trend and the company's trading conditions, we are increasing our expectations for the top-line 2017/2019 by 2.7%, while we are more conservative on margins as the EBITDA is increased by just above 1% (modest reduction in the expectation for FY 2017). The last quarter could be flattish Y/Y given the lack of the boost provided by ACS in the first 9months and the calendar effect of some contracts.

We note that the business plan originally included a 5% organic growth in the years 2017 and 2018, accelerating to +10% in 2019/2020.

All of the above still assume the current business perimeter, not including the contribution of Italtel (nor the EUR 25m financial effort), which has been acquired (majority of voting rights) on December 14. In principle, Exprivia will be able to consolidate on a line by line basis Italtel' P&A, however the economic ownership (taking into account the participative equity instruments issued to the banks) will be in the region of 22%.

We discuss in the next chapter the technicality of the deal.

A transformational deal: Italtel acquisition

On Dec-14, 2017, Exprivia announced the finalization of the Italtel deal, according to the terms disclosed in July. Exprivia obtained 81% of Italtel's voting shares with a commitment of EUR 25m. The deal took a long time to be completed, as XPR disclosed its initial interest in the company back in Jan-2016, the binding offer was presented in Aug-2016 and the deadlines for an agreement were postponed a few times during last year.

Italtel is the main national player in communication products and services, with EUR 400m revenues in FY 2016. The deal is highly strategic for XPR in terms of critical mass, technological capabilities, customer base and international projection. We have argued since the first rumours that the deal would have a strong strategic and industrial sense:

- Critical mass.** The combined group has above EUR 540m aggregated revenues FY 2016, tripling the size of Exprivia and projecting it among the top ten of Italian ICT companies. Exprivia would also surpass with one move the 2020 target of EUR 360m revenue. A large employee base with 2,097 units at Exprivia and 1,360 at ITT.
- Technological capabilities.** Italtel is focussed on Next Generation Networks and is moving more and more towards the software components of cloud, virtualization, Internet of Things, Cybersecurity and system integration. XPR has a presence in this segment with the former Ausystem (250 employees) and covers network integration and transformation. The knowledge and expertise developed in the different verticals can also be used to make Italtel's performance more effective in the enterprise segment (20% of ITT revenues). In this regard, the two companies had already announced a commercial partnership back in May 2015.
- Business Mix.** The combination of XPR and Italtel would have a varied business mix among the verticals of telecoms (pro-forma two thirds of combined revenues), finance, manufacturing, utilities, Healthcare and Public Administration. The weight of TI would be just 22% (vs. 29% of Italtel stand-alone). We also note that the software and services component of the two companies are broadly comparable, as Italtel sells EUR 0.2bn of Cisco components annually (Exprivia's HW sales is 2% of the total).
- International projection.** Italtel has strengthened its international business to around EUR 170m revenues (41% of the total) of which 70% in the LatAm region, generated through >200 employees abroad. XPR is mainly covering the LatAm area, where it is trying to reverse a declining revenue trend.

See our June 2016 report for a detailed commentary on Italtel.

Italtel: FY 2010/2017 financials

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	H1 2016	H1 2017a
Revenues	331	374	400	441	405	161	204
O/w TI	89.6	108	134	130	118	53.0	87.7
O/w Other OLO	58.8	51.3	37.2	41.1	40.1	20.7	17.7
O/w Enterprise/PA	45.0	59.1	54.3	71.9	79.3	23.7	32.9
O/w International	138	156	175	198	168	63.6	66.1
EBITDA adj	10.8	32.6	33.8	31.3	19.3	-8.3	-1.2
Margin	3.3%	8.7%	8.4%	7.1%	4.7%	-5.2%	-0.6%
EBITDA rep	33.4	11.6	23.2	30.2	-1.1	-8.3	-1.2
Margin	10.1%	3.1%	5.8%	6.8%	-0.3%	-5.2%	-0.6%
EBIT	1.52	-14.2	0.64	10.4	-73.4	-17.7	-6.5
Net result	-12.2	-32.7	-15.1	-18.8	-97.9	-21.4	-11.4
Capex	-23.6	-19.3	-16.5	-18.3	-20.1	na	na
Net Debt	266	182	183	173	217	na	na
Personnel	1,720	1,628	1,334	1,366	1,357	na	na

Source: Company data

Pro-forma figures

The Offer Document of Exprivia (dated December 27, 2017) also provides the pro-forma figures for the new group related to H1 2017 results.

For the combined Profit and Loss, we note a) there are limited intra-group economic transactions in the period. b) The net financial items include the positive impact of Italtel's debt restructuring (EUR 0.42m) vs. the amortized cost of the Exprivia bond issue (EUR 0.54m) and the financial costs calculated on the cash portion (EUR 0.11 based on EUR 6m at 3.7% annual rate). c) The minorities are calculated on the 81% share of voting rights rather than the economic interest (22%).

Pro-forma information H1 2017: P&L

	Exprivia	Italtel	Adj	Pro-Forma
Revenues	73.9	204.4	(2.00)	276.3
Other income	1.76	12.2	-	14.1
Total revenues	75.6	216.6	(2.00)	290.2
Personnel Costs	(50.4)	(43.3)	-	(93.7)
Other Costs	(20.3)	(174.5)	(0.78)	(192.0)
EBITDA rep	4.92	(1.20)	0.78	4.49
Margin	6.7%	-0.6%	-	1.6%
D&A	(2.37)	(5.25)	0	(7.62)
EBIT	2.55	(6.45)	0.78	(3.13)
Financial items	(1.74)	(5.33)	(0.23)	(7.31)
EBT	0.81	(11.8)	0.56	(10.4)
Taxes	(0.94)	0.53	0.14	(0.27)
Net Income	(0.14)	(11.3)	0.64	(10.8)
To parent co	(0.16)	na	(8.74)	(8.90)
To minorities	0.03	na	(1.95)	(1.92)

Source: Company data

For the combined Balance Sheet, we note a) the goodwill is preliminarily assessed as the difference between the price paid (EUR 25m) and the net book value (EUR 35.5m less EUR 26m minorities) b) EUR 130m bank debt has been reclassified to long-term from short-term liabilities following the restructuring. c) The EUR 113.8m positive impact from the recapitalization in group equity is partially offset by EUR 35m consolidation impact.

Pro-forma information H1 2017: Balance Sheet

	Exprivia	Italtel	Adj-	Pro-Forma
Non-current assets	102.2	233.7	15.7	351.6
O/w Tangibles	15.7	13.3	-	29.0
O/w Goodwill	67.3	122.2	15.7	205.3
O/w Other intangibles	11.7	20.4	-	32.1
Current assets	106.9	207.9	10.9	325.7
O/w Account Receivables	71.8	134.7	(5.4)	201.0
Total Assets	209.1	442.5	26.6	678.2
Equity	75.5	-78.3	102.9	100.1
Minorities	0.92	0	26.0	26.9
Group Equity	74.6	-78.3	76.9	73.2
Long Term liabilities	41.4	56.4	146.8	244.6
O/w banks	25.0	16.8	130.2	172
O/w bonds	0.9	0	16.5	17.4
Short-term liabilities	92.1	464	-222.9	333.2
O/w banks	24.3	235.1	-199.6	59.8
O/w Accounts Payables	20.0	166.7	-22.9	163.8
Total Liabilities	209.1	442.5	26.6	678.2

Source: Company data

Italtel business plan: stand-alone but with synergies

Within the financial restructuring process, the BoD of Italtel approved on July 19, 2017 a 7-year business plan to 2023, which considered Italtel as a stand-alone entity but already incorporated some of the synergies coming from the partnership with Exprivia. In detail,

- a) The plan has been built a bottom-up considering all Italtel's subsidiaries
- b) Revenues should increase from EUR 405m in FY 2016 to EUR 535m in FY 2023 (4.0% CAGR). In particular, the EMEA areas should reach a revenue base of EUR80.8m (+64% vs. 2016) while the LatAm area should grow by 35% on 2017 (absolute value not disclosed, in FY 2016 was EUR 119m).
- c) The enterprise segment (20% of FY 2016 revenues) will be boosted by the works on ultra-broadband for Open Fiber (Italtel is the sole designer).
- d) Personnel reduction would involve 220 units, gross of 130 new hires in engineering and commercial areas. Opex reduction to be implemented between 2018/19.
- e) The industrial profit is expected to increase from EUR 108.5m of FY 2016 to EUR 142.9m in FY 2023, basically assuming the margin remains stable at 26.7%:
- f) The synergies expected should be worth 6% of Italtel's revenues at the end of the period. The activities most involved include CRM, Data Centres, Cyber Security, IoT/Healthcare, Network and Service Management, Managed Services. The involved countries outside Italy include Spain, Germany, France, Brazil and Peru. These expected synergies consist of "traditional synergies" related to the cross selling of existing products and available since 2018, and "innovative synergies" related to the joint development of new products starting from the year 2019.
- g) The plan assumes the reduction of Italtel's net debt position from EUR 217m reported as at December 31, 2016, to EUR 87m at the end of 2023. A key pillar of the expected de-leverage is obviously the conversion of EUR 67m bank debt into new Financial Participative Instruments (Strumenti Finanziari Partecipativi –SFP)

The structure of the deal

The deal's terms had been anticipated by the press in their broad guidelines and values already in July 2016 and were disclosed by Exprivia in July last year. Basically, Exprivia injects EUR 25m in a recapitalization worth a total of EUR 113.8m and obtain 81% of the ordinary capital. The economic interest is however 22%.

In detail, the main terms include:

- Italtel zeroed its equity and issued new SFPs worth EUR 66.8m to cover part of its financial debt due to the lending banks (Unicredit, BPM, Interbanca and UBI).
- Italtel issued 47m new shares worth EUR 47m, including 31m ordinary shares and 16m Preferred Shares.
- Exprivia subscribed 25m new ordinary shares, representing 81% of the ordinary capital, via a cash injection of EUR 25m.
- Cisco converted EUR 6m credits in 6m new ordinary shares, 19% of the ord. capital. Cisco also subscribed EUR 16m preferred shares without voting rights.
- Following the recapitalization, Italtel's pro-forma debt declines from EUR 216m, to EUR 111m as at December 2016), from EUR 234m to EUR 128m as at June 30, 2017.
- At group level, the pro-forma debt of Exprivia June 30, 2017, comes at around EUR 185m.

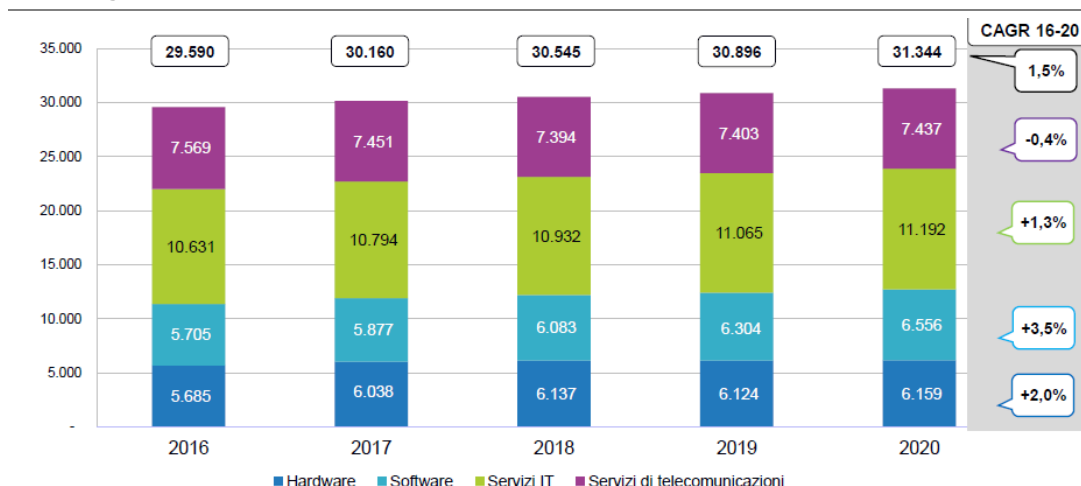


- The shares subscribed by Exprivia are subject to a three-year lock-up.
- Exprivia is entitled to a call option on all the Financial Participative Instruments and "B" shares starting from 36 months from the closing until the end of the sixth year. The exercise price would be the maximum between a floor of EUR 60m and the Fair Market Value assessed by an advisor.
- The contract also provides exit clauses in case the call option is not exercised or Italtel is not merged. The owners of SFP would be entitled to start the sale of their securities to a third party. The offering document explains in the detail the procedure, which involves a progressive scheme or alienation and remuneration. In particular, the preferred shares (basically those owned by Cisco) will be entitled to 4% remuneration, the SFP 3%.
- As anticipated, Exprivia has covered its commitment via EUR 6m own financial resources, the conversion of EUR 2m commercial credit and EUR 17m private bond (6 years, semi-bullet, 5.8% fixed coupon), which was widened to EUR 23m as Mediobanca subscribed further EUR 6m on December 29, 2017.
- An important point is that Exprivia does not guarantee Italtel's debt, and the covenants on Exprivia's debt are based on the sole debt of Exprivia (which is increased by just the EUR 23m cash injection as 2m come from credit conversion).

Market trends

According to the latest estimates from IDC/Assintel, the Italian ICT market grew by 1.9% in the year 2017, with the IT component up by 3.1% and Telcos down by 1.6%. Within IT, the strongest growth was seen in Hardware (+6.2%), while Software grew by 3.0% and IT Services by just 1.5%. In 2018, the growth of the whole ICT is expected to slow-down, in spite of the lower decline of Telcos (-0.8%), as the HW performance should decelerate to +1.6%, while SW should improve to +3.5% and IT Services keep a modest 1.3% growth. For the following two years, SW is expected to keep an average growth of 3.8%, IT Services to remain in the 1%-plus range.

Italian digital market 2016/2020e



Source: Assintel presentation, December 2017

The main drivers "digital enablers" will be once again the Cloud, Big Data, IoT, as the Italian corporate sector is building the digital infrastructure to realize the "Industry 4.0" paradigm and Augmented/Virtual reality and wearable more in the consumer space.

Innovative trends in the Italian digital market (2017/18e growth rates)

		Cognitive 2017	Cognitive 2018	Big Data & Analytics 2017	Big Data & Analytics 2018
		+20,5%	+25,6%	+20,9%	+26,4%
IoT 2017	IoT 2018		AR/VR 2017	AR/VR 2018	
+16,4%	+15,1%		+335,6%	+86,4%	
Wearable 2017	Wearable 2018	Cloud 2017	Cloud 2018		
+155,7%	+84,8%	+27,8%	+25,8%		

Source: IDC for Assintel

Valuation/Conclusions

We increase our Target Price to EUR 1.8, as we move forward our DCF valuation and include a modest earnings upgrade. We keep the financial parameters unchanged with 1.5% terminal growth rate, 7.9% WACC, 11.5% terminal EBITDA margin (Exprivia stand-alone). We still include EUR 8m (EUR 0.15 per share) rough assessment of value creation from the Italtel deal (which we do not consolidate for the time being, pending further disclosure on accounting and business perspectives).

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%
6.3%	2.04	2.19	2.37	2.60	2.87	3.22	3.68
6.8%	1.83	1.95	2.10	2.28	2.49	2.76	3.10
7.3%	1.65	1.75	1.87	2.02	2.19	2.40	2.65
7.8%	1.49	1.58	1.68	1.80	1.94	2.10	2.30
8.3%	1.35	1.43	1.51	1.61	1.73	1.86	2.02
8.8%	1.23	1.30	1.37	1.45	1.55	1.66	1.78
9.3%	1.12	1.18	1.24	1.31	1.39	1.48	1.59

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%
6.3%	2.16	2.31	2.45	2.60	2.74	2.89	3.03
6.8%	1.90	2.03	2.15	2.28	2.41	2.53	2.66
7.3%	1.69	1.80	1.91	2.02	2.13	2.24	2.35
7.8%	1.51	1.60	1.70	1.80	1.90	1.99	2.09
8.3%	1.35	1.44	1.53	1.61	1.70	1.79	1.87
8.8%	1.22	1.30	1.37	1.45	1.53	1.61	1.68
9.3%	1.10	1.17	1.24	1.31	1.38	1.45	1.52

Source: Banca Akros estimates

Exprivia : Summary tables

PROFIT & LOSS (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Sales	147	145	142	155	161	168
Cost of Sales & Operating Costs	-133	-130	-129	-140	-142	-148
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	14.5	15.3	12.8	14.9	18.6	19.4
EBITDA (adj.)*	14.5	15.3	12.8	14.9	18.6	19.4
Depreciation	-3.9	-4.3	-4.4	-4.6	-5.2	-5.2
EBITA	10.5	11.0	8.4	10.4	13.4	14.2
EBITA (adj)*	10.5	11.0	8.4	10.4	13.4	14.2
Amortisations and Write Downs	-0.7	-1.0	-0.6	-0.5	-0.5	-0.5
EBIT	9.9	10.0	7.8	9.9	12.9	13.7
EBIT (adj.)*	9.9	10.0	7.8	9.9	12.9	13.7
Net Financial Interest	-2.9	-2.3	-3.0	-2.2	-1.8	-1.5
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)	7.0	7.7	4.8	7.7	11.1	12.2
Tax	-3.9	-3.1	-1.9	-4.0	-4.9	-5.2
<i>Tax rate</i>	<i>56.4%</i>	<i>40.0%</i>	<i>40.5%</i>	<i>51.7%</i>	<i>44.0%</i>	<i>42.7%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.5	-0.1	0.0	0.0	0.0	0.0
Net Profit (reported)	3.5	4.5	2.8	3.7	6.2	7.0
Net Profit (adj.)	3.5	4.5	2.8	3.7	6.2	7.0
CASH FLOW (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Cash Flow from Operations before change in NWC	7.6	9.9	7.8	8.8	11.9	12.7
Change in Net Working Capital	3.2	-4.1	8.8	-6.3	-4.7	-1.2
Cash Flow from Operations	10.8	5.8	16.7	2.5	7.2	11.5
Capex	-8.1	-6.3	-11.0	-3.5	-2.5	-2.5
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	2.7	-0.5	5.7	-1.0	4.7	9.0
Dividends	0.0	-1.5	-1.1	0.0	-0.9	-1.5
Other (incl. Capital Increase & share buy backs)	4.9	-4.6	-4.1	0.6	-0.2	0.0
Change in Net Debt	7.6	-6.5	0.5	-0.4	3.6	7.5
NOPLAT	5.9	6.3	4.9	6.2	8.1	13.7
BALANCE SHEET & OTHER ITEMS (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Net Tangible Assets	17.3	13.8	16.0	15.0	12.3	9.6
Net Intangible Assets (incl. Goodwill)	72.3	72.3	79.0	79.0	79.0	79.0
Net Financial Assets & Other	2.1	5.0	7.7	7.7	7.7	7.7
Total Fixed Assets	91.7	91.1	103	102	99.0	96.3
Inventories	0.1	0.1	1.0	1.1	1.2	1.2
Trade receivables	62.3	58.1	59.4	65.2	67.8	71.2
Other current assets	22.7	21.8	20.5	22.2	22.8	23.6
Cash (-)	-12.5	-7.0	-12.5	-12.4	-13.1	-14.8
Total Current Assets	97.6	87.1	93.4	101	105	111
Total Assets	189	178	196	203	204	207
Shareholders Equity	74.6	74.2	75.7	79.4	84.7	90.1
Minority	1.6	0.8	1.0	1.0	1.0	1.0
Total Equity	76.2	75.0	76.7	80.4	85.7	91.2
Long term interest bearing debt	11.0	7.5	24.6	24.8	23.3	20.4
Provisions	10.2	9.2	10.4	11.4	11.7	12.1
Other long term liabilities	1.4	0.6	1.1	1.2	1.2	1.3
Total Long Term Liabilities	22.6	17.3	36.1	37.4	36.2	33.8
Short term interest bearing debt	31.2	35.9	23.7	23.8	22.4	19.6
Trade payables	22.5	17.1	18.8	20.1	20.4	21.5
Other current liabilities	36.7	32.9	40.9	41.0	39.1	41.1
Total Current Liabilities	90.4	85.9	83.4	84.9	81.9	82.1
Total Liabilities and Shareholders' Equity	189	178	196	203	204	207
Net Capital Employed	118	121	124	129	131	130
Net Working Capital	25.9	30.0	21.2	27.5	32.2	33.4
GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
<i>Sales growth</i>	<i>12.3%</i>	<i>-1.7%</i>	<i>-2.1%</i>	<i>9.6%</i>	<i>3.4%</i>	<i>4.3%</i>
EBITDA (adj.)* growth	10.3%	5.9%	-16.4%	16.8%	24.4%	4.4%
<i>EBITA (adj.)* growth</i>	<i>14.6%</i>	<i>4.5%</i>	<i>-23.5%</i>	<i>23.4%</i>	<i>29.1%</i>	<i>6.1%</i>
<i>EBIT (adj)* growth</i>	<i>13.3%</i>	<i>1.3%</i>	<i>-22.0%</i>	<i>26.7%</i>	<i>30.5%</i>	<i>6.4%</i>

Exprivia : Summary tables

GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Net Profit growth	44.8%	28.9%	-37.5%	30.9%	67.7%	12.7%
EPS adj. growth	44.8%	28.9%	-37.5%	30.9%	67.7%	12.7%
DPS adj. growth		<i>n.m.</i>	-23.9%	<i>n.m.</i>	<i>n.m.</i>	67.7%
EBITDA (adj)* margin	9.8%	10.6%	9.0%	9.6%	11.6%	11.6%
EBITA (adj)* margin	7.1%	7.6%	5.9%	6.7%	8.3%	8.5%
EBIT (adj)* margin	6.7%	6.9%	5.5%	6.4%	8.0%	8.2%
RATIOS	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Net Debt/Equity	0.4	0.5	0.5	0.4	0.4	0.3
Net Debt/EBITDA	2.1	2.4	2.8	2.4	1.8	1.3
Interest cover (EBITDA/Fin.interest)	5.0	6.6	4.2	6.8	10.3	12.9
Capex/D&A	176.8%	118.5%	219.9%	69.1%	43.9%	43.9%
Capex/Sales	5.5%	4.4%	7.8%	2.3%	1.6%	1.5%
NWC/Sales	17.6%	20.7%	15.0%	17.7%	20.0%	19.9%
ROE (average)	4.8%	6.1%	3.8%	4.8%	7.5%	8.0%
ROCE (adj.)	5.1%	5.4%	4.2%	5.1%	6.6%	11.2%
WACC	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
ROCE (adj.)/WACC	0.7	0.7	0.5	0.7	0.8	1.4
PER SHARE DATA (EUR)***	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Average diluted number of shares	51.9	51.9	51.9	51.9	51.9	51.9
EPS (reported)	0.07	0.09	0.05	0.07	0.12	0.13
EPS (adj.)	0.07	0.09	0.05	0.07	0.12	0.13
BVPS	1.44	1.43	1.46	1.53	1.63	1.74
DPS	0.00	0.03	0.02	0.00	0.02	0.03
VALUATION	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
EV/Sales	0.6	0.6	0.6	0.8	0.8	0.7
EV/EBITDA	6.2	6.1	6.8	8.8	6.7	5.9
EV/EBITDA (adj.)*	6.2	6.1	6.8	8.8	6.7	5.9
EV/EBITA	8.5	8.5	10.4	12.6	9.3	8.0
EV/EBITA (adj.)*	8.5	8.5	10.4	12.6	9.3	8.0
EV/EBIT	9.1	9.3	11.2	13.3	9.6	8.3
EV/EBIT (adj.)*	9.1	9.3	11.2	13.3	9.6	8.3
P/E (adj.)	10.6	8.7	12.7	21.1	12.0	10.7
P/BV	0.5	0.5	0.5	1.0	0.9	0.8
Total Yield Ratio	3.9%	2.8%	0.0%	1.2%	2.1%	2.3%
EV/CE	0.8	0.8	0.8	1.1	1.0	0.9
OpFCF yield	7.4%	-1.3%	15.8%	-1.3%	6.3%	12.0%
OpFCF/EV	3.0%	-0.5%	6.5%	-0.8%	3.8%	7.9%
Payout ratio	0.0%	32.2%	39.1%	0.0%	14.9%	22.2%
Dividend yield (gross)	0.0%	3.7%	1.5%	0.0%	1.2%	2.1%
EV AND MKT CAP (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Price** (EUR)	0.71	0.76	0.69	1.51	1.44	1.44
Outstanding number of shares for main stock	51.9	51.9	51.9	51.9	51.9	51.9
Total Market Cap	37	39	36	78	75	75
Net Debt	30	36	36	36	33	25
<i>o/w Cash & Marketable Securities (-)</i>	<i>-12</i>	<i>-7</i>	<i>-12</i>	<i>-12</i>	<i>-13</i>	<i>-15</i>
<i>o/w Gross Debt (+)</i>	<i>42</i>	<i>43</i>	<i>48</i>	<i>49</i>	<i>46</i>	<i>40</i>
Other EV components	23	17	16	17	17	14
Enterprise Value (EV adj.)	90	93	87	131	124	114

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(*)	Bankinter	GVC	Kws Saat	EQB	Campari	BAK
Airbus Se	CIC	Bbva	GVC	Linde	EQB	Coca Cola Hbc Ag	IBG
Dassault Aviation	CIC	Bcp	CBI	Siegfried Holding Ag	EQB	Corbion	NIBC
Latecoere	CIC	Bnp Paribas	CIC	Symrise Ag	EQB	Danone	CIC
Leonardo	BAK	Bper	BAK	Tikkurila	OPG	Ebro Foods	GVC
Lisi	CIC	Bpi	CBI	Electronic & Electrical Equipment	Mem(*)	Enervit	BAK
Mtu Aero Engines	EQB	Caixabank	GVC	Areva	CIC	Fleury Michon	CIC
Ohb Se	EQB	Commerzbank	EQB	Euro micron Ag	EQB	Forfarmers	NIBC
Safran	CIC	Credem	BAK	Legrand	CIC	Heineken	NIBC
Thales	CIC	Credit Agricole Sa	CIC	Neways Electronics	NIBC	Hkscan	OPG
Zodiac Aerospace	CIC	Creval	BAK	Nexans	CIC	La Doria	BAK
Alternative Energy	Mem(*)	Deutsche Bank	EQB	Pkc Group	OPG	Lanson-Bcc	CIC
Daldrup & Soehne	EQB	Deutsche Pfandbriefbank	EQB	Rexel	CIC	Laurent Perrier	CIC
Gamesa	GVC	Eurobank	IBG	Schneider Electric Se	CIC	Ldc	CIC
Sif Group	NIBC	Intesa Sanpaolo	BAK	Vaisala	OPG	Lucas Bols	NIBC
Solaria	GVC	Mediobanca	BAK	Viscom	EQB	Naturex	CIC
Automobiles & Parts	Mem(*)	Merkur Bank	EQB	Financial Services	Mem(*)	Olvi	OPG
Bittium Corporation	OPG	National Bank Of Greece	IBG	Anima	BAK	Pemod Ricard	CIC
Bmw	EQB	Natixis	CIC	Athex Group	IBG	Raisio	OPG
Brembo	BAK	Nordea	OPG	Azimut	BAK	Refresco Group	NIBC
Continental	EQB	Piraeus Bank	IBG	Banca Generali	BAK	Remy Cointreau	CIC
Daimler Ag	EQB	Poste Italiane	BAK	Banca Ifis	BAK	Suedzucker	EQB
Elringklinger	EQB	Procredit Holding	EQB	Banca Sistema	BAK	Vidrala	GVC
Faurecia	CIC	Rothschild & Co	CIC	Bb Biotech	EQB	Vilmorin	CIC
Ferrari	BAK	Societe Generale	CIC	Bolsas Y Mercados Espanoles Sa	GVC	Viscofan	GVC
Fiat Chrysler Automobiles	BAK	Ubi Banca	BAK	Capman	OPG	Vranken Pommeroy Monopole	CIC
Groupe Psa	CIC	Unicredit	BAK	Christian Dior	CIC	Wessanen	NIBC
Landi Renzo	BAK	Basic Resources	Mem(*)	Cir	BAK	Food & Drug Retailers	Mem(*)
Leoni	EQB	Acerinox	GVC	Comdirect	EQB	Aholddelhaize	NIBC
Michelin	CIC	Altri	CBI	Corestate Capital Holding S.A.	EQB	Carrefour	CIC
Nokian Tyres	OPG	Arcelormittal	GVC	Corp. Financiera Alba	GVC	Casino Guichard-Perrachon	CIC
Norma Group	EQB	Corticeira Amorim	CBI	Deutsche Forfait	EQB	Dia	GVC
Piaggio	BAK	Ence	GVC	Eq	OPG	Jeronimo Martins	CBI
Plastic Omnium	CIC	Europac	GVC	Euro next	CIC	Kesko	OPG
Pwo	EQB	Metka	IBG	Ferratum	EQB	Marr	BAK
Sogefi	BAK	Metsä Board	OPG	Ffp	CIC	Metro	EQB
Stabilus	EQB	Mytilineos	IBG	Finecobank	BAK	Sligro	NIBC
Stern Groep	NIBC	Outo kumpu	OPG	Grenke	EQB	Sonae	CBI
Valeo	CIC	Semapa	CBI	Hypoport Ag	EQB		
Volkswagen	EQB	Ssab	OPG	Mlp	EQB		
Banks	Mem(*)	Stora Enso	OPG	Ovb Holding Ag	EQB		
Aareal Bank	EQB	Surteco	EQB	Patrizia	EQB		
Aktia	OPG	The Navigator Company	CBI	Rallye	CIC		
Alpha Bank	IBG	Tubacex	GVC	Tip Tamburi Investment Partners	BAK		
Banca Carige	BAK	Upm-Kymmene	OPG	Unipol Gruppo Finanziario	BAK		
Banca Mps	BAK	Chemicals	Mem(*)	Wendel	CIC		
Banco Popular	GVC	Air Liquide	CIC	Food & Beverage	Mem(*)		
Banco Sabadell	GVC	Fuchs Petrolub	EQB	Acomo	NIBC		
Banco Santander	GVC	Holland Colours	NIBC	Atria	OPG		
Bankia	GVC	Kemira	OPG	Bonduelle	CIC		

General Industrials	Mem(*)	Fila	BAK	Sampo	OPG	Brill	NIBC
2G Energy	EQB	Philips Lighting	NIBC	Talanx Group	EQB	Cairo Communication	BAK
Aalberts	NIBC	Seb Sa	CIC	Unipolsai	BAK	Cofina	CBI
Accell Group	NIBC	Industrial Engineering	Mem(*)	Materials, Construction & Infrastructure	Mem(*)	Cts Eventim	EQB
Ahlstrom	OPG	Accsys Technologies	NIBC	Abertis	GVC	Digital Bros	BAK
Arcadis	NIBC	Aixtron	EQB	Acs	GVC	Editoriale L'Espresso	BAK
Aspo	OPG	Alstom	CIC	Aena	GVC	Gi Events	CIC
Huhtamäki	OPG	Ansaldo Sts	BAK	Aeroports De Paris	CIC	Havas	CIC
Kendrion	NIBC	Biesse	BAK	Astaldi	BAK	Impresa	CBI
Nedap	NIBC	Cargotec Corp	OPG	Atlantia	BAK	lol	BAK
Pöyry	OPG	Cnh Industrial	BAK	Boskalis Westminster	NIBC	Ipsos	CIC
Prelios	BAK	Danieli	BAK	Buzzi Unicem	BAK	Jodecaux	CIC
Saf-Holland	EQB	Datalogic	BAK	Caverion	OPG	Lagardere	CIC
Serge Ferrari Group	CIC	Deutz Ag	EQB	Cramo	OPG	M6-Metropole Television	CIC
Tkh Group	NIBC	Duro Felguera	GVC	Eiffage	CIC	Mediaset	BAK
General Retailers	Mem(*)	Emak	BAK	Ellaktor	IBG	Mediaset Espana	GVC
Beter Bed Holding	NIBC	Exel Composites	OPG	Eitel	OPG	Notorious Pictures	BAK
Elumeo Se	EQB	Fincantieri	BAK	Ezentis	GVC	Nrj Group	CIC
Fielmann	EQB	Gesco	EQB	Fcc	GVC	Publicis	CIC
Folli Follie Group	IBG	Ima	BAK	Ferrovia	GVC	Rcs Mediagroup	BAK
Fourlis Holdings	IBG	Interpump	BAK	Heidelberg Cement Ag	CIC	Relx	NIBC
Groupe Darty	CIC	Kone	OPG	Heijmans	NIBC	Rtl Group	EQB
Hornbach Holding	EQB	Konecranes	OPG	Imerys	CIC	Sanoma	OPG
Inditex	GVC	Manz Ag	EQB	Lafargeholcim	CIC	Solocal Group	CIC
Jumbo	IBG	Max Automation Ag	EQB	Lehto	OPG	Spir Communication	CIC
Rapala	OPG	Metso Corporation	OPG	Lemminkäinen	OPG	Syzygy Ag	EQB
Stockmann	OPG	Outotec	OPG	Maire Tecnimont	BAK	Telegraaf Media Groep	NIBC
Tokmanni	OPG	Pfeiffer Vacuum	EQB	Mota Engil	CBI	Tf1	CIC
Windeln.De	EQB	Ponsse	OPG	Obrascon Huarte Lain	GVC	Ubisoft	CIC
Yoox Net-A-Porter	BAK	Prima Industrie	BAK	Ramirent	OPG	Vivendi	CIC
Healthcare	Mem(*)	Prysmian	BAK	Royal Bam Group	NIBC	Wolters Kluwer	NIBC
4Sc	EQB	Smt Scharf Ag	EQB	Sacyr	GVC	Oil & Gas Producers	Mem(*)
Amplifon	BAK	Technotrans	EQB	Saint Gobain	CIC	Eni	BAK
Bayer	EQB	Valmet	OPG	Salini Impregilo	BAK	Galp Energia	CBI
Biotest	EQB	Wärtsilä	OPG	Sias	BAK	Gas Plus	BAK
Diasorin	BAK	Zardoya Otis	GVC	Srv	OPG	Hellenic Petroleum	IBG
Epigenomics Ag	EQB	Industrial Transportation	Mem(*)	Tarkett	CIC	Maurel Et Prom	CIC
Genfit	CIC	Bolloré	CIC	Thermador Groupe	CIC	Motor Oil	IBG
Guerbet	CIC	Caf	GVC	Titan Cement	IBG	Neste Corporation	OPG
Korian	CIC	Ctt	CBI	Trevi	BAK	Petrobras	CBI
Merck	EQB	Logwin	EQB	Uponor	OPG	Qgep	CBI
Oriola-Kd	OPG	Insurance	Mem(*)	Vicat	CIC	Repsol	GVC
Orion	OPG	Allianz	EQB	Vinci	CIC	Total	CIC
Orpea	CIC	Axa	CIC	Yit	OPG		
Pihlajalinna	OPG	Banca Mediolanum	BAK	Media	Mem(*)		
Recordati	BAK	Cattolica Assicurazioni	BAK	Ad Pepper	EQB		
Wilex	EQB	Generali	BAK	Alma Media	OPG		
Household Goods	Mem(*)	Hannover Re	EQB	Atresmedia	GVC		
Bic	CIC	Mapfre Sa	GVC	Axel Springer	EQB		
De Longhi	BAK	Munich Re	EQB	Axelero	BAK		

Oil Services	Mem(*)	Wcm Ag	EQB	Lassila & Tikanoja	OPG	Int. Airlines Group	GVC
Bourbon	CIC	Software & Computer Services	Mem(*)	Openjobmetis	BAK	Intralot	IBG
Cgg	CIC	Affecto	OPG	Teleperformance	CIC	Kotipizza	OPG
Fugro	NIBC	Akka Technologies	CIC	Technology Hardware & Equipment	Mem(*)	Melia Hotels International	GVC
Rubis	CIC	Alten	CIC	Asm International	NIBC	Nh Hotel Group	GVC
Saipem	BAK	Altran	CIC	Asml	NIBC	Opap	IBG
Sbm Offshore	NIBC	Assystem	CIC	Besi	NIBC	Snowworld	NIBC
Technipmc Plc	CIC	Atos	CIC	Ericsson	OPG	Sodexo	CIC
Tecnicas Reunidas	GVC	Basware	OPG	Gigaset	EQB	Sonae Capital	CBI
Tenaris	BAK	Cenit	EQB	Ingenico	CIC	Trigano	CIC
Valloirec	CIC	Comptel	OPG	Kontron	EQB	Utilities	Mem(*)
Vopak	NIBC	Ctac	NIBC	Nokia	OPG	A2A	BAK
Personal Goods	Mem(*)	Digia Plc	OPG	Roodmicrotec	NIBC	Acciona	GVC
Adidas	EQB	Docdata	NIBC	Slm Solutions	EQB	Acea	BAK
Adler Modemaerkte	EQB	Econocom	CIC	Stmicroelectronics	BAK	Albioma	CIC
Amer Sports	OPG	Ekinops	CIC	Suess Microtec	EQB	Direct Energie	CIC
Basic Net	BAK	Esi Group	CIC	Teleste	OPG	Edp	CBI
Cie Fin. Richemont	CIC	Exprivia	BAK	Va-Q-Tec	EQB	Edp Renováveis	CBI
Geox	BAK	F-Secure	OPG	Telecommunications	Mem(*)	Enagas	GVC
Gerry Weber	EQB	Gemalto	CIC	Acotel	BAK	Endesa	GVC
Hermes Intl.	CIC	Gft Technologies	EQB	Bouygues	CIC	Enel	BAK
Hugo Boss	EQB	Ict Group	NIBC	Deutsche Telekom	EQB	Erg	BAK
Interparfums	CIC	Indra Sistemas	GVC	Dna	OPG	Eydap	IBG
Kering	CIC	Nemetschek Se	EQB	Drillisch	EQB	Falck Renewables	BAK
L'Oreal	CIC	Neurotes	CIC	Elisa	OPG	Fortum	OPG
Luxottica	BAK	Nexus Ag	EQB	Euskaltel	GVC	Gas Natural Fenosa	GVC
Lvmh	CIC	Novabase	CBI	Freetel	EQB	Hera	BAK
Marimekko	OPG	Ordina	NIBC	Kpn Telecom	NIBC	Iberdrola	GVC
Moncler	BAK	Psi	EQB	Masmovil	GVC	Iren	BAK
Puma	EQB	Reply	BAK	Nos	CBI	Italgas	BAK
Safilo	BAK	Rib Software	EQB	Oi	CBI	Public Power Corp	IBG
Salvatore Ferragamo	BAK	Seven Principles Ag	EQB	Orange	CIC	Red Electrica De Espana	GVC
Sarantis	IBG	Software Ag	EQB	Ote	IBG	Ren	CBI
Technogym	BAK	Sopra Steria Group	CIC	Tele Columbus	EQB	Snam	BAK
Tod'S	BAK	Tie Kinetix	NIBC	Telecom Italia	BAK	Terna	BAK
Real Estate	Mem(*)	Tieto	OPG	Telefonica	GVC		
Adler Real Estate	EQB	Tomtom	NIBC	Telefonica Deutschland	EQB		
Beni Stabili	BAK	United Internet	EQB	Telia	OPG		
Citycon	OPG	Visiativ	CIC	Tiscali	BAK		
Demire	EQB	Wincor Nixdorf	EQB	Vodafone	BAK		
Deutsche Euroshop	EQB	Support Services	Mem(*)	Travel & Leisure	Mem(*)		
Grand City Properties	EQB	Amadeus	GVC	Accor	CIC		
Hispania Activos Inmobiliarios	GVC	Asiakastieto Group	OPG	Air France Klm	CIC		
Igd	BAK	Batenburg	NIBC	Autogrill	BAK		
Lar España	GVC	Cellnex Telecom	GVC	Beneteau	CIC		
Merlin Properties	GVC	Dpa	NIBC	Elior	CIC		
Realia	GVC	Edenred	CIC	Europcar	CIC		
Sponda	OPG	Ei Towers	BAK	Finnair	OPG		
Technopolis	OPG	Enav	BAK	I Grandi Viaggi	BAK		
Vib Vermoegen	EQB	Fiera Milano	BAK	Ibersol	CBI		

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

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Recommendation history for EXPRIVIA

Date	Recommendation	Target price	Price at change date
20-Feb-18	Accumulate	1.80	1.44
31-Oct-17	Neutral	1.70	1.72
28-Jul-17	Accumulate	1.30	1.28
15-May-17	Neutral	1.15	1.25
05-Apr-17	Neutral	1.00	1.01
08-Aug-16	Accumulate	0.81	0.65
14-Mar-16	Accumulate	0.90	0.80
03-Dec-15	Buy	0.95	0.74
12-Nov-15	Accumulate	0.95	0.82
16-Jun-15	Buy	0.95	0.76

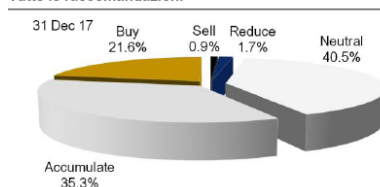
Source: Factset & ESN, price data adjusted for stock splits.

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)

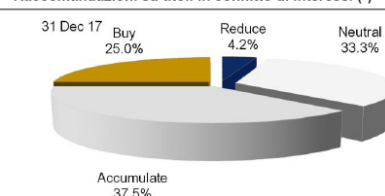


Percentuale delle raccomandazioni al 31 dicembre 2017

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 21% del totale degli emittenti oggetto di copertura

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The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

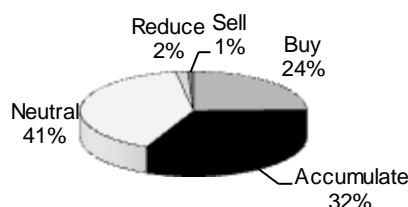
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

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- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **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
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Banca Akros Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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