

Net Insurance

Sponsored Research

Italy | Insurance

Investment Research



Company Update

Reason: Company results (post view)

17 May 2022

Buy

Recommendation unchanged

Share price: EUR 7.02

closing price as of 16/05/2022

Target price: EUR 8.10

Target Price unchanged

Upside/Downside Potential 15.4%

Reuters/Bloomberg

NETI.MI/NET IM

Market capitalisation (EURm) 129

Current N° of shares (m) 18

Free float 58%

Daily avg. no. trad. sh. 12 mth (k) 10

Daily avg. trad. vol. 12 mth (k) 63.08

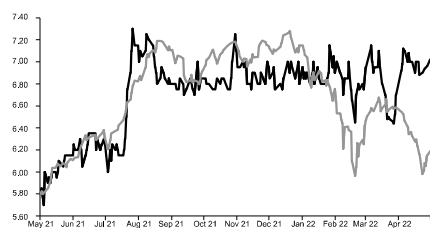
Price high/low 12 months 7.30 / 5.70

Abs Perfs 1/3/12 mths (%) 4.78/1.74/21.03

Key financials (EUR)	12/21	12/22e	12/23e
Life Gross premiums (m)	0	0	0
Non-Life Gross prem.(m)	141	145	155
Total Net Revenues (m)	85	101	108
Life Ins.Tech.Result (m)	0	0	0
Non-Life Ins. Tech.Result	8	19	23
EBIT (m)	13	22	25
Net Profit (adj.) (m)	12	15	17
Shareholders Equity (m)	89	99	109
ANAV (m)	89	99	109
ROE (adj.) (%)	13.7	15.5	16.4
Combined ratio (%)	-81.0	-64.1	-62.0
P/E (adj.)	11.4	9.3	7.9
P/BV	1.5	1.4	1.2
P/ANAV	nm	nm	nm
P/EbV	nm	nm	nm
Dividend yield (%)	2.4	3.2	5.1
EPS (adj.)	0.60	0.76	0.89
BVPS	4.64	5.18	5.71
ANAVPS	0.00	0.00	0.00
EbVPS	0.00	0.00	0.00
DPS	0.17	0.23	0.36

Shareholders

IBL Banca 27%; Management Team 5%; Algebris 5%; First Capital 6%;



Source: FactSet

NET INSURANCE FTSE AIM Italia (Rebased)

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Solid FY 21 and Q1 22 results; waiting for the new plan

After the FY 21 and Q1 22 results, which were almost in line with our expectations, we have confirmed our estimates while we wait for the new business plan, which is going to be unveiled on 23 June 2022 and is likely to pave the way for the stock's re-rating. In 2022, Net aims to grow its market share in the CQS business and preserve good profitability as well. In the bancassurance segment, the group will continue to expand its distribution network while the Broker channel will still be complementary to the bancassurance business with the aim to create a wider and vertical offer. The digital catalogue will be improved further, thanks also to the support of digital tools and platforms. The planned listing on the "Star" segment, which ought to be finalised this summer, is likely to improve the company's liquidity and visibility, and represents a new milestone in Net's growth and development path. We confirm our TP of EUR 8.10 and we stick to Buy.

- ✓ The FY 21 results were **in line with our expectations** overall. The **normalised net profit**, which was adjusted for the non-recurring items, closed at EUR 11.5m, vs EUR 7.6m in 2020 and vs EUR 11.3m in Net's plan for FY 21. The **gross written premiums** closed at EUR 149.3m, up vs EUR 117.7m in FY 20, mainly thanks to all the business lines. Q1 22 GWP stood at c. EUR 53.8m, vs c. EUR 49m in Q1 21, up by c. 10% Y/Y, in line with expectations.
- ✓ The **net technical result** totalled c EUR 10.6m, vs EUR 10.1m in FY 20, although the **CoR (net of reinsurance)** worsened to c. 81%, from c. 70% in FY 20, mainly due to the business mix, the mortality rate due to COVID and to the increased unemployment risk due to current economic trends. In more detail, the **loss ratio** closed up at 47%, from 41% in 2020, while the **expense ratio** closed at 34%, vs 29% in 2020.
- ✓ Thanks to the **capital generation** and to the **conservative dividend policy**, the **SII Ratio** achieved c. 180.7% (it ought to reach 165% / 180% throughout the plan), after the resiliency it showed in 2020 (177.2% vs 165.7% in 2019). The SII ratio achieved 176.8% at the end of Q1 22.
- ✓ We deem the **value creation opportunity** still stems from: 1) a resilient and improvable **salary/pension-backed loans** business. The solid background in this business, along with the new competences provided, are the foundation stones on which to streamline and to further develop the existing portfolio, as well as its technical performance; 2) the **Non-Life bancassurance** market trend, which offers very interesting growth and profitability perspectives; 3) the **management** team's expertise, know-how and business relationships are at the core of the overall development strategy; 4) an **"insurtech" approach** that will embrace the entire plan period (2019-2023) and could also be crucial in the development abroad.

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The strategic pillars were confirmed

After the presentation of its FY 21 results, Net **confirmed** its previous **strategic guidelines**.

Net Insurance aims to set up **the first Italian non-life innovative insurance player** by leveraging on its previous **niche market** (salary-backed loans) and on the management's **background and track record** in the **independent open-platform bancassurance segment**, as well as on the underpenetrated and attractive **Italian P&C market**, also by riding the wave of the **disruptive insurtech segment**.

The financial resources from Archimede SPAC, which were put into the merged entity, will fund the strategic plan and growth, thus **restoring and preserving a solid capital position** at the same time, despite the well-known fraud that was discovered in 2020.

Net Insurance's future growth is based on the following key strategies.

CQS: a growing market ahead

Net Insurance has a **stable market share** of between 25% and 30%. In 2021, Net was the number one player in the Salary segment and the number two overall in the Salary and Pension segments.

The reference credit market is growing and is **expected to grow in the medium term**, also thanks to the **Capital Requirements Regulation (CRR)** regulation. As a matter of fact, ECOFIN has approved a number of **amendments to the Capital Requirements Regulation**, including the reduction to 35%, from 75%, of the risk weighting for loans secured by one fifth of salaries (CQS) or pensions (CQP). This is positive news for the CQS business, whose volumes could be underpinned by the higher **convenience of the products due to capital absorption**.

Furthermore, **we believe there are still good opportunities** considering that CQS are secure products with an appealing risk-reward profile and with a lower default rate in the mid-term perspective. Despite the uncertain scenario, the **risk of claims** (unemployment and demographic) is manageable considering that most of the **business in force** is reinsured, has limited exposure to the sectors most hurt by the pandemic and is well diversified. The **loan portfolio** is also **partially hedged** thanks to the reinsurance (c. 2/3 of the portfolio), to the severance indemnities ("TFR") and considering that Net covers unemployment and not furlough ("Cassa Integrazione") claims. Furthermore, Net's **new business** was quickly adapted to the new market conditions in order to safeguard the future profitability.

The starting point of the whole strategy will be the company's **focus on Net Insurance's previous core business** in order to:

- ✓ **Restructure** - Net Insurance's previous **core business must be reshaped**, by carrying out further **portfolio pruning** and optimising and strengthening the technical reserves, if and when needed. In this initial stage, all the company's efforts will converge on **technical performance optimisation**, keeping the current premium almost stable and **cutting the non-operating costs**. On the assets side, the **non-core activities** will be reorganised, while the group's **asset allocation** ought to be optimised. The business review cannot stray from the **rethinking of the internal organisation** to shape it properly in order to face the next development level;
- ✓ **Development** – the **new management team's** skills, track record and networking will be crucial in developing and setting up **new CQS distribution agreements** with new partners and in **improving and revamping the business quality** of the existing agreements, while leveraging on a still solid capital position and, at the same time, on greater bargaining power. On the **organisation side**, business development may also require implementation, maybe also outsourcing to other strategic partners, of a **shared service centre**, for example for analytics, credit collection and claims management, in order to improve the service core competencies.



Net's main action points and goals are:

- ✓ Important **organisational reorganisation** (separation between business area and operations area) and review of the processes: the main target is to **consolidate the company's leadership** (market share steadily above 25%) and ensure **high quality standards** and service specialisation;
- ✓ **Repricing**, by introducing different charging levels and new criteria for risk selection (e.g. tele-underwriting): the main goal is to increase the level of **business profitability** (product and technical profitability) and **protection against fraud** (e.g. tele-underwriting in the retired sector);
- ✓ Numerous **technical roundtables** have been started with partners to offer targeted and personalised commercial solutions: the main target is to improve **customer satisfaction** (from the partner side), to develop the **relationship** and to increase the **quality of the risks assumed** (from Net's side).

Bancassurance: an underpenetrated and profitable segment

The Bancassurance distribution channel has recorded the highest growth rate in recent years. That said, it still has **significant growth potential**, especially in the Non-Motor segment. Compared to other European countries, Italian **Non-Life distribution still looks very conventional**, with huge growth opportunities for channels other than agents, which have lost ground since 2013.

In the last few years, the most important **Italian banks**, such as Banca Intesa and BBPM (which signed a partnership agreement with Cattolica Assicurazioni), **financial groups** (e.g. Poste Italiane) or **diversified insurance companies** (e.g. UnipolSai) have decided to **push the Non-Auto business much more** due to its **interesting profitability** and to the need to underpin their revenues, which are still suffering from the modest NII. At the moment, the Italian **small-to-mid-sized banks** are also extremely interested in developing the bancassurance channel, attracted by its margins and by the still favourable growth prospects, also considering the still low interest rates.

Due to its degree of **underdevelopment** compared to other European countries, the **attractiveness of the Italian Non-Life business** (Non-Motor), - its **traditional distribution model** - based mainly on insurance agencies - and its very interesting **growth rate** and **profitability** are the premise to create an independent and open Non-Life **bancassurance platform**, mainly dedicated to **small-to-mid-sized banks and financial institutions**.

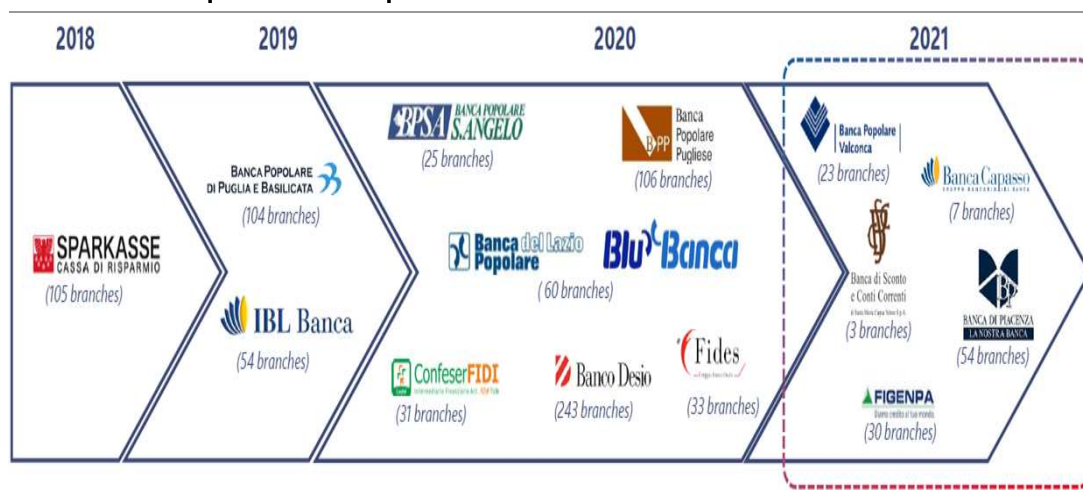
The main **pillars of Net's strategy** are:

- ✓ **Distribution capacity build-up** –the new management team's thorough knowledge of the banking sector and their track record will once again be crucial in entering into and signing **promising distribution agreements with new partners**. It is also worth underlining that in order to build up the distribution capacity, the company will also have to rely on **cross-selling** and leverage on the existing distribution agreements, which will be improved and extended to other non-life products, in addition to the traditional core business (CQS).
- ✓ **Offering and "service-machine" set-up** – the development of an innovative Non-Life bancassurance business must consider the **introduction of new products**, also by drawing on the know-how of other insurance companies. The strategy provides for the **setting up of new non-life policies for retail and family** (like Home, Health, Pets, Travel, Assistance & Legal, General TPL) as well as an **ad-hoc multi-risk product** targeted at SMEs. The new portfolio will also leverage on **bundling offers** with banking, credit and financial products as well as proposing a **pure cross selling** offering. In order to support the **reshaping of the offer**, the business plan includes the adoption of some organisational improvements, like the **creation of a dedicated commercial/channel assistance business unit** and the **hiring** of highly skilled managerial and operating staff. The "new" product portfolio should also be combined

with an **excellent service**. The plan includes the creation of the necessary **devoted service structure**, starting from the existing ICT & Operation assets. New channels, new products and new customers will be supported by the implementation of **innovative processes** and by some new industrial **service-partnerships** (i.e. assistance, call & contact centres, claims management, customer care, etc.). To conclude, the strategy will also promote a **full paperless or digital approach** to the bancassurance business, inside and outside the organisation.

Overall, the development of Net's Bancassurance segment has been **faster than expected**. The group currently has some partnerships with **institutions of national and regional importance**.

Bancaassurance partners - a snapshot



Source: company presentation

In 2019:

- ✓ Net Insurance announced it had signed two 10-year distribution agreements with “**Cassa di Risparmio di Bolzano**” (**Sparkasse**), the aim being to start a long-term strategic partnership in non-motor insurance and in the protection business, both for private and corporate customers. The sale launch date was 3rd May 2019. We remind readers that Cassa di Risparmio di Bolzano has more than 100 branches in one of the most attractive areas in Italy;
- ✓ Net Insurance has signed a new five-year renewable agreement with **Banca Popolare di Puglia e Basilicata**. The five-year agreement, renewable for a further 5 years, will focus on the Non-Auto business. Banca Popolare di Puglia has c. 100 branches at the moment. The sale launch is due in the first half of July.
- ✓ Net Insurance and **IBL Banca**, which is already one of Net Insurance's historic partners and a leader in financing through salary-backed or pension-backed loans, are strengthening their cooperation through a Protection insurance policy distribution agreement through IBL Assicura, a subsidiary of IBL Banca. Net Insurance's products, in particular personal and home insurance policies, are going to be distributed by IBL Assicura through its 53 bank branches nationwide, and through the exclusive agents' and insurance brokers' indirect network.

In 2020:

- ✓ The company signed a distribution agreement with **Banca Popolare S. Angelo**. The agreement provides for the distribution of some specific products with a focus on SMEs, the agricultural business and travel services and digital products.



- ✓ Net signed an agreement with **Banca Popolare Pugliese** regarding the Non-Life business linked to the agricultural segment with the aim to meet SMEs' needs.
- ✓ Net signed a new distribution agreement with **Banca Popolare del Lazio** for the distribution of Non-Auto products targeted to Italian families. Banca Popolare del Lazio distributes a credit protection product on the bank's loans alongside an insurance product focused on agricultural risks. In June 2020, Net also extended the agreement to **Banca Sviluppo Tuscia**, which is controlled by Banca Popolare del Lazio. The new agreement provides for the offer of a product for agriculture risks alongside a credit protection product linked to the banks' loans.
- ✓ **Banco Desio Group**: Net and Banca Desio signed a distribution partnership in the P&C Non-Auto and Protection segments. The agreement with Banco Desio lasts 5 years and we estimate it could generate premiums worth c. EUR 30m.

In 2021:

- ✓ Net signed a new distribution agreement with **Banca Popolare Valconca**. The new agreement is for the distribution of Non-Auto P&C products (pet insurance, dental insurance, policies covering agricultural risks, key-man insurance for companies) through the bank's branches in the regions of Emilia Romagna and Marche.
- ✓ Net announced a new agreement with **Banca Capasso** and **Banca di Sconto**, which are both controlled (100%) by IBL Banca, to develop the protection business for SMEs and families.
- ✓ Net signed a distribution agreement with **Banca di Piacenza**. In the first stage, the agreement allows Banca di Piacenza to sell Credit Protection policies in order to protect clients who have subscribed to a loan with the bank.
- ✓ Net announced a new distribution agreement with **Figenpa**, which is a leading company in the salary-backed loans sector. The agreement allows Figenpa to distribute, thanks to Figenpa's 30 branches, P&C Non-Auto products such as: term-life insurance; loan insurance; travel insurance; pet insurance products; TPL and legal protection products; dental care insurance products. Net and Figenpa already have in place a partnership for the distribution of salary-backed loan products.

In 2022:

- ✓ Net has signed a distribution agreement with **Cassa di Risparmio di Volterra**. The agreement envisages the distribution of Non-Auto insurance products such as: CPI Mutui product; CPI business policy; insurance policies linked to the agricultural risks; policies dedicated to dental protection, thanks to the bank's 62 branches. The target will be families and SMEs.
- ✓ In April 2022, the group announced it had signed a distribution agreement with **Banca di Credito Popolare**. The agreement envisages the distribution of Non-Auto and protection insurance products, thanks to the bank's 62 branches in Campania and Lazio. The targets will be families and SMEs.

We remind readers that **Cassa di Risparmio di Bolzano**, **Banca Popolare di Puglia e Basilicata** and **IBL Banca** are shareholders of Net Insurance with a stake of c. 4%, c. 1% and c. 27%, respectively.

Thanks to the agreements signed in the last three years, Net can count on a **distribution network of over 850 branches**. Some further agreements are also already in pipeline.

Coverage



Product offer



Source: company presentation

Source: company presentation

Brokers: another opportunity to further diversify the distribution

In order to further **diversify the distribution** channels and to **cover other niches or business segments** with more flexibility, the project provides for the development of well-known and proven intermediaries like brokers.

- ✓ **Distribution capacity build-up** – like in the development of the bancassurance channel, building up the capacity will imply **entering into agreements** with selected brokers with a distribution network structure, specific skills and/or expertise. Based on the strategy, selection and management of this channel will also be supported by hiring or partnering with specialists.
- ✓ **Offering and “service-machine” set-up** – setting the offer and the service structures will be done by extracting synergies from what has already been set up for the bancassurance channel, but with a more flexible approach. An innovative credit protection related product (rent protection) is already available, as is an agricultural product with strong reinsurance protection.

Several negotiations are underway with medium-sized brokers:

- ✓ In May 2019, Net Insurance announced it had signed a distribution agreement with the broker **Vitanuova** to distribute Net’s products through more than 300 of its advisors. Net’s products will be addressed to the protection of Family and Heritage and the offer will soon be enriched with the introduction of an innovative health policy.
- ✓ In January 2021, **ForGreen Spa, Net Insurance and Axieme Srl**, which is an innovative social digital broker, entered into a partnership with the launch of a new policy called ForGreen Protection. Net Insurance’s ForGreen Protection policy, reserved for ForGreen Spa, aims to offer a digitalised and “tailor-made” service, offering a revolutionary and collective product that provides support for the payment of invoices of 100% renewable electricity supply, in the event of professional and extra-professional accidents, illness or loss of employment.
- ✓ Net has introduced some **new insurance solutions** on dental, health products, and CAT risks and has increased its presence in some niche-market risks like suretyship.



Digital Innovation & Insurtech will embrace the whole plan period

To conclude, the strategy emphasises the role the new technologies will play in the future of the insurance industry, considering that the sector, like Fintech and Mobile banking some years ago, is still **in its technological infancy**. It's impossible to find an industry that has not been **transformed materially** by the introduction of technology and data usage, and a move forward in this field will undoubtedly be a competitive advantage.

This strategic phase will permeate the entire organisation and the whole value chain with an insurtech approach. The journey could be simplified by two core guidelines/stages of the **innovation model**:

1. Starting as **add-on/cross selling on the client base** to then improve towards a mixed **"Open-platform core-satellite"** innovation model, with the aim to enhance all the business lines and services (e.g. the front end, the data analysis and the product offer as a whole);
2. **Stand-alone development** after the plan period (2023) of a business line which can guarantee growth in the long term. Net has also already introduced an insurtech catalogue in order to test the market and to pave the way for this step of the strategy.

The drivers behind this ambitious strategic objective are:

Setting up a continuous innovation model – the first step will be to **introduce technology** at every stage of the value chain in order to improve the efficiency and efficacy of the offer. A trial and error approach and the learning-by-doing strategy will be the mantras, along with the mixed "open platform core-satellite" innovation model.

Innovative distribution channel support – technology will support the **analysis of the customer base**, with the aim to enhance the targeting process and the market psychographic segmentation, also thanks to contextual information gathering through mobile apps. Particular attention will be given to **Text Messages**, through the introduction of a smart front-end in order to sell standardised products. On the **CQS** side, the company will introduce an innovative **CQS multi-year selling proposition** thanks to apps and web applications that will provide clients with a simple and flexible self-service post sales service.

Insurtech-enabled products – the offer will immediately be enriched by the introduction of a new **"connected-home"** product and by the add-on **mobile instant insurance** proposition.

Furthermore, new **interactive ways of networking** for customers will be developed, alongside the whole relationship/product lifecycle.

Bancassurance platform – the last driver behind the strategic objective will be to position the bancassurance platform in order to attract **fintech newcomers** in Italy, as well as to develop the **incidental channel business**. The platform could also be very attractive for players that want to develop partnerships in order to enhance their positioning on high value-added channels and products.

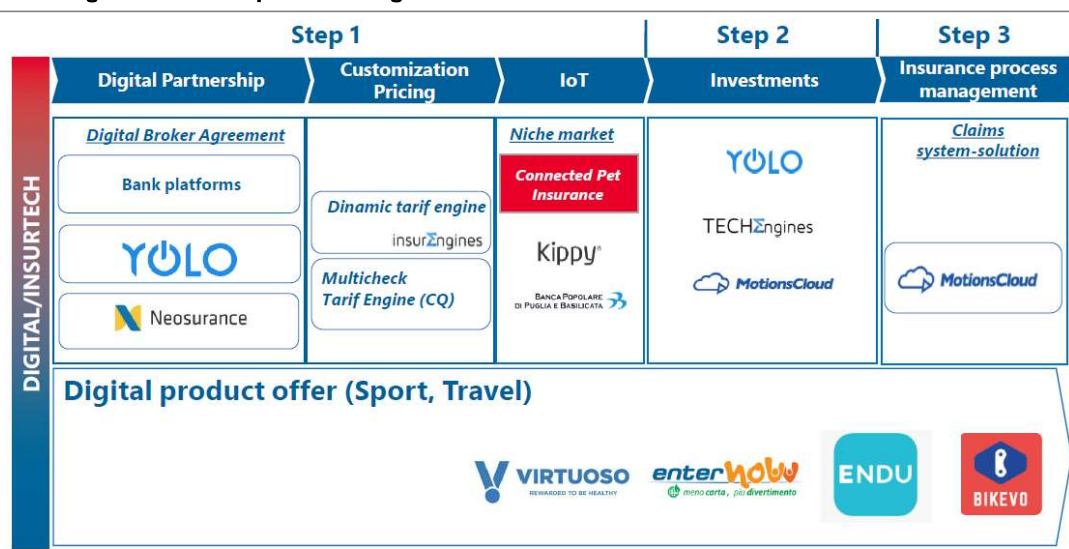
Net Insurance has acquired a stake in **Yolo Group** and signed a distribution agreement with it. Yolo is one of the best insurtech companies in Italy. The total consideration for the deal was c. EUR 1.2m through Yolo's two-tranche capital increase. Net owns a c. 10% stake in Yolo now. Net Insurance will also have access to Yolo's wide digital marketplace, the aim being to improve and develop it and offer innovative insurance products. The partnership has been consolidated also thanks to the distribution of white-label products on **Intesa Sanpaolo's network**. The agreement with Yolo could be crucial for Net's **medium-long term development abroad, firstly in Spain** where the company is ready to start selling process in freedom of service. Net's management believe Net could also consider expanding **into other European markets**, again through digital partnerships and thanks to the scalability of the digital offer.

Net and **Neosurance** also entered into a new partnership and an instant bike product has been in place since May 2019. Net also aims to **acquire minority shareholdings** in digital



and/or insurtech business partners, like marketplace, data analytics, claims tool and Instant Insurance engine, a total investment of up to EUR 3-4m over the plan period.

Net's digital/insurtech product range



Source: company presentation

Net will progressively **complete the product range** (e.g., Pet, Shared mobility, device protection) and strengthen and innovate its value proposition. Net already has in place some important partnerships with **PayDo** (digital system payment through **Plick**) and with **MotionsCloud** in the claim management field.

In 2020:

- ✓ **Net Insurance announced a new agreement with Nexi.** In more detail, Net will become a partner of Nexi Open, which is Nexi's digital open banking service platform, which was launched in April 2020. Thanks to this agreement, Nexi will offer Net's innovative insurance services to its bank partners, which could offer focused, real time and digital insurance products to their clients. In this way, the banks' clients can immediately buy a temporary insurance policy, focused on their needs and linked to the product and/or service bought (e.g. sport, events, travels, mobility, baggage, etc...).
- ✓ The company signed a **new partnership with Fabrick**, which was the first Italian company to focus on the open banking business. Fabrick was the first structured company to be created in Italy with the clear objective of promoting open banking. Fabrick's mission is to support meetings and collaboration between new fintech firms, large corporate entities and traditional players in the world of finance, by involving them, based on open banking, in designing the future of the sector, by leveraging the new paradigms dictated by technological innovation and generating practical advantages for all. Fabrick enables and promotes new growth models for banks, start-ups and companies by facilitating collaboration and dialogue and creating growth opportunities, thanks to the expertise, technologies and services that it provides to all players through its technological platform and the real ecosystem of relationships and cultural synergies, which it has created and moulds around itself.
- ✓ Net Insurance has chosen to **integrate Fabrick's Payment & Collection Engine solution** in its systems, hence adopting the widest possible selection of electronic payment instruments, optimising and automating the payment process and reconciliation of said payment, thanks to centralised upstream controlled management. The solution is designed to bring added value to the entire chain and



allow the automatic splitting of payments between the players involved, the splitting of premiums, distance sales and direct crediting to the company's accounts. Irrespective of the channel used for the purchase and the method of payment for the policy by the customer, Payment & Collection Engine carries out the automatic reconciliation on the insurance company's accounts: the flow is fully automated and processes are optimised. Net Insurance is also the first company to employ an Account Aggregation solution, which will enable it to optimise the relationship with the various banks it operates with. Thanks to Fabrick's capacity to access the operations of the company's current accounts and those of the intermediaries of the distribution network, the insurance company is able to view all movements from a single platform.

Through the new agreements, **Net will optimise the internal processes and expand its offer to the market** at the same time. In fact, thanks to the implementation of the Payment & Collection Engine, Net will respond effectively to the need that has always been a hallmark of the insurance world, i.e. managing premium income and reconciling the policies subscribed through the various networks.

We also remind readers that Net signed an agreement with **EneIX and TIM** with the aim to **leverage its big customer base**. Net's offer can also rely on a **rich and "full-digital" product catalogue**, ranging from PET and Device insurance coverage to new policies dedicated to People ("mobility green" and dental) and SMEs (cyber risk).



Other development options ahead

The business model could also generate **other additional development options**.

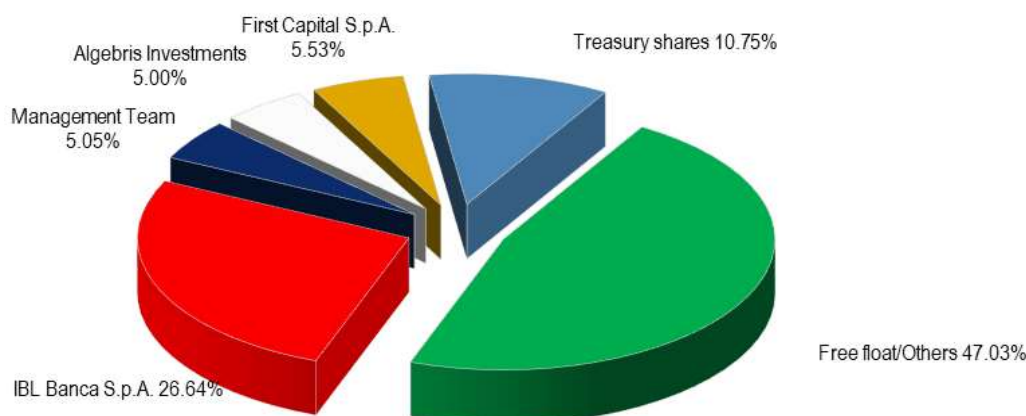
Net Insurance and the **Italian Association of Referees** signed a new **official sponsorship agreement** lasting from 1st July 2019 until 2023. The contract provides for Net Insurance's name on the shirts of over 30k Italian referees (more than 600k official matches each year) with the aim to improve **Net Insurance's brand awareness**, which are two of the main qualitative targets of the plan.

Net's offer could also be enriched by the introduction of some **protection collective policies** like Long Term Care or offering business under the freedom to **provide digital services**. Furthermore, Net could offer its products through other channels like the **financial advisor networks**.

Main shareholders in a nutshell

We remind readers that Net is owned by a **stable and diversified group of partners**, such as banks, insurance companies and investment funds, which oversee and support the business.

Net's shareholders



Source: Banca Akros; company data

IBL Banca, the Italian market leader in the salary-backed loan business, is Net's main shareholder with a 26.6% stake. The other main shareholders are the **management team** (5.05%), **Algebris** (5.00%) and **First Capital S.p.A.** (5.53%).



Financials

FY 21 was in line with our estimates

As far as the **COVID-19** pandemic is concerned, the financial and economic impacts were manageable and the business plan targets have been confirmed, as have the strategic guidelines. The **SII ratio** has been resilient and the strategic trends are well on-track, also thanks to Net's distribution network, which can rely on over 850 bank branches.

The FY 21 results were **in line with our expectations** overall. The **normalised net profit**, which was adjusted for the non-recurring items, closed at EUR 11.5m, vs EUR 7.6m in 2020 and vs EUR 11.3m in Net's FY 21 plan.

The **gross written premiums** closed at EUR 149.3m, up vs EUR 117.7m in FY 20, mainly thanks to all the business lines.

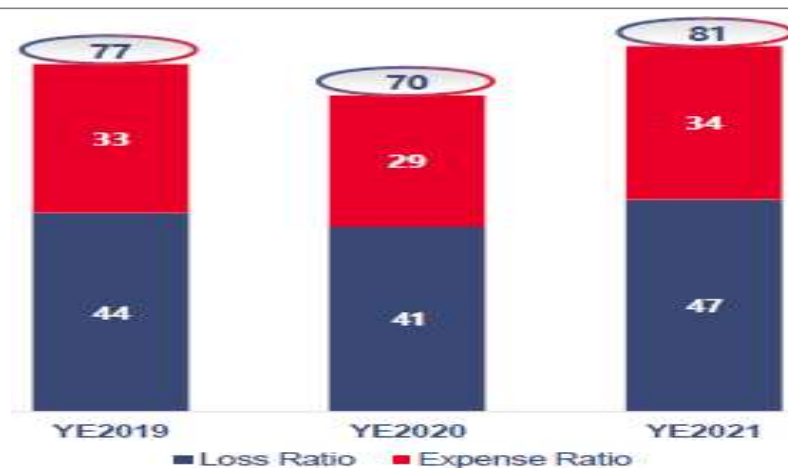
FY 21 results

	FY 20	FY 21	Ch. Y/Y
Gross written premiums	117.7	149.3	26.8%
Net technical result	10.1	10.6	5.0%
Net profit	6.5	11.3	73.8%
Normalized net profit	7.6	11.5	51.3%
Shareholders' Equity	79.7	88.8	11.4%
CoR (net of reinsurance)	70%	81%	15.7%
SII ratio	177.2	180.7%	2.0%

Source: company data

The **net technical result** totalled c EUR 10.6m, vs EUR 10.1m in FY 20, although the **CoR (net of reinsurance)** worsened to c. 81%, from c. 70% in FY 20, mainly due to the business mix, to the increased mortality rate linked to COVID and to the increased unemployment risk due to current economic trends. In more detail, the **loss ratio** closed up at 47%, from 41% in 2020, while the **expense ratio** closed at 34%, vs 29% in 2020.

CoR (net of reinsurance) evolution

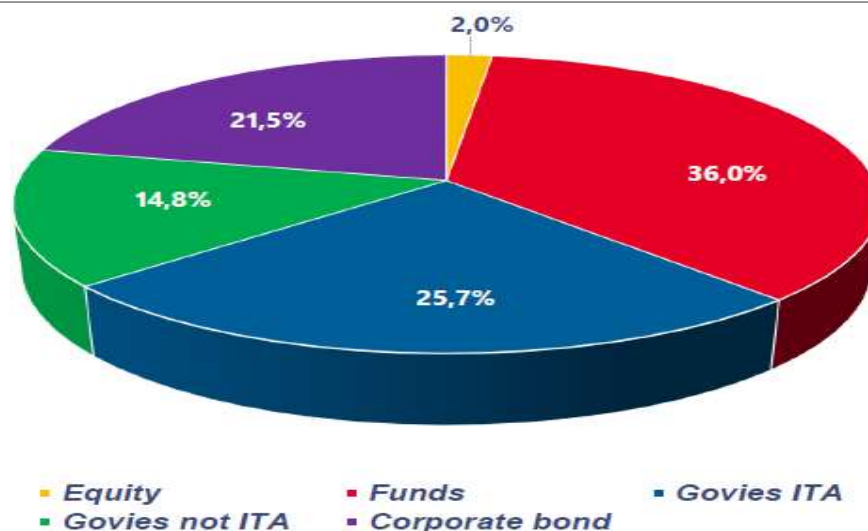


Source: company presentation

After the decline from EUR 178m to EUR 167m in 2019, mainly due to the pay-back of some reinsurance deposits (EUR 17.9m), which were particularly expensive, the **total financial assets** increased to c. EUR 177.5m in 2020, achieving c. EUR 201.5m in FY 21, mainly thanks to the net inflows and to the portfolio revaluation, which was driven by the market performance.

The **asset allocation** is in line with the plan and highly diversified: Italian government bonds weigh for c. 25.7%, equity for c. 2.0% and corporate bonds c. 21.5%; the **duration** is to be c. 3.2 years, while the **bond portfolio** is composed of **c. 80% of investment grade bonds**. The **financial result** amounted to EUR 3.2m, vs EUR 2.2m last year.

Asset allocation



Source: company presentation

The **SII ratio** closed at c. 180.7% (177.2% in FY 20), which is well above the regulatory minimum and resilient despite the still uncertain situation and still better than Net's plan assumptions.

The business plan will be updated on 23 June 2022

Net is going to **update its business plan** targets on 23 June. Net's 2021 – 2023 plan sets the following **financial targets**, which **do not include any recovery from the ongoing litigation** but only the costs incurred.

2022-2023 Targets – EUR m

	2018	2019	2020	2021	2022 E	2023 E
GWP	62.3	84.4	117.7	149.3	153.0	170.3
Net Technical Result	8.9	7.8	10.1	10.6	n.a.	19.7
Net Profit	4.1	12.5	6.5	11.3	n.a.	17.5
Normalized Net Profit	6.7	7.0	7.6	11.5	14.2	17.5
Shareholder Equity	53.8	71.8	79.7	88.8	n.a.	92.0
ROE - %	11.3	19.7	8.6	13.0	n.a.	20.2
CoR (Gross of Reinsurance) - %	77.9	85.9	89.0	91.0	83.7	81.4
SII Ratio - %	162.9	165.6	177.2	180.7	n.a.	~ 170-180
Dividend pay-out - % *	-	-	20.0	25.0	30.0	40.0

Source: company data; Banca Akros - * If SCR Ratio \geq 150%

The **new business** related to the agreements in place, the decline the company expects in the **CoR**, thanks to the **excellent profitability from the bancassurance products** and to the **decrease in the loss ratio** as an effect of the strong increase Net expects in gross written premiums, ought to drive the growth expected.

Waiting for the new plan, we confirm our FY 2022/23 estimates

Our estimates consider **all the strategic guidelines** in the project. We have estimated **net premiums** increasing by a CAGR 2019-2023 of c. 30% based on the following assumptions:



- ✓ The strong development in **bancassurance agreements** in the P&C segment, as well as in the **broker retail channel** from 2019, thanks to the new business we expect. The potential for these two markets is justified by the still low market share and by the efforts the new management team is making to put them in place and to exploit their business connections and experience;
- ✓ The almost flat premiums in the **core business are linked to CQS**, mainly due to the optimisation of the current portfolio and to our cautious approach, considering this credit insurance product is closely linked to the credit cycle and to the macroeconomic scenario;
- ✓ **Insurtech's** contribution may not become evident, though still negligible, until the end of 2022;
- ✓ The progressive decrease in the portion of **premiums transferred to reinsurers**, related to the different business mix going forward.

Consolidated P&L

	2019	2020	2021	2022E	2023E	CAGR19-23
Gross earned premiums	80.8	106.7	140.6	145.0	155.0	18.9%
- growth rate	23.7%	32.1%	31.8%	18.9%	6.9%	28.8%
Premiums transferred under reinsurance	-47.5	-60.3	-76.8	-68.5	-73.2	11.1%
- on gross earned premiums	-58.9%	-56.6%	-54.6%	-47.2%	-47.2%	-6.5%
Net premiums	33.2	46.3	63.8	76.5	81.8	30.0%
Net claims paid	-16.6	-25.1	-37.2	-33.7	-35.5	27.4%
- on net premiums	49.9%	54.2%	58.2%	44.0%	43.4%	-2.0%
Net income from investments	2.0	-7.6	4.8	2.7	2.9	93.5%
- on avg. Investments	1.1%	-4.4%	2.6%	1.1%	1.0%	76.2%
Operating expenses	-20.5	-28.9	-35.0	-45.3	-47.0	30.2%
Commissions received from reinsurers	10.4	18.1	18.2	21.4	23.3	15.5%
EBT	15.8	8.9	12.7	21.6	25.5	32.4%
Taxes	-3.4	-2.4	-1.4	-7.1	-8.4	31.3%
Tax rate	-21.3%	-27.3%	-11.0%	-33.0%	-33.0%	-0.9%
Net profit adjusted	7.0	7.6	11.5	14.5	17.1	20.6%

Source: Banca Akros estimates

We expect a **sizable improvement in technical results and profitability** with a technical result, net of net income from investments, of around EUR 22.6m at the end of 2023 from EUR 6.6m in 2019.

Technical result net of net income from investments

	2019	2020	2021	2022E	2023E	CAGR19-23
Technical result	6.6	10.0	9.8	18.9	22.6	17.2%
Technical results / Net premiums	19.8%	21.7%	15.4%	24.7%	27.6%	n.m.

Source: Banca Akros estimates

At the same time, as far as **margins** are concerned, **CoR** is seen improving to 81.0% in 2023, from 85.9% in 2019, mainly thanks to the **loss ratio** (from 57.6% in 2019 to 50.0% in 2023) and despite the progressive worsening of the **expense ratio** (from 28.3% in 2019 to 31.0% in 2023) and due to the company growth.



CoR Analysis

	2019	2020	2021	2022E	2023E
Loss Ratio	57.6%	55.0%	55.0%	53.0%	50.0%
Expense ratio	28.3%	34.0%	36.0%	31.0%	31.0%
CoR (Gross Reinsurance)	85.9%	89.0%	91.0%	84.0%	81.0%

Source: Banca Akros estimates

Along with the development of the top line, as explained above, **our assumptions in estimating the abovementioned trend in profitability** could be summarised as follows:

- ✓ The improvement in the **loss ratio**. We expect lower implied claims going forward **due to the new business**, mainly coming from the bancassurance agreements, which ought to have a better loss ratio compared to the current business, which is still mainly focused on the CQS segment;
- ✓ The worsening of the **expense ratio**. We expect the start-up phase and the introduction of the new businesses to squeeze operating expenses (CAGR 2019-2023 of c. 30%), while the increase in commissions received from reinsurers (CAGR 2019-2023 c. 15%) ought to be more limited, mainly due to the optimisation of the company's current business and to the new business, mainly Non-Auto P&C, which usually has a lower reinsurance policy compared to the core business;

The **net income from investments** is estimated at EUR 2.9m in 2023, from EUR -7.6m (EUR 2.2m adjusted for the non-recurring items) in 2020, considering the expansion of investments, which we estimate are consistent with the evolution in premiums and technical reserves, and the stable **average yield on investments**, which we expect at 1.0% in 2023.

After applying a **stable tax rate** of around 33% for 2022-2023, we obtain an adjusted **net profit** of EUR 17.1m in 2023, from EUR 7.6m in 2020 (CAGR 2019-2023 c. 21%).

RoE adj. is seen improving consequently from 11.1% in 2019 to 16.4% at the end of 2023.

Consolidated Balance Sheet

	2019	2020	2021	2022E	2023E	CAGR 19-23
Intangible assets	2.6	5.0	6.1	6.1	6.1	47.6%
Tangible assets	16.3	15.9	15.3	15.3	15.3	-0.6%
Investments	167.0	176.8	201.5	240.5	282.0	9.6%
Other assets	73.6	95.5	97.1	97.1	97.1	9.9%
Net Provisions	114.7	130.4	148.5	185.5	224.6	14.9%
Financial liabilities	15.5	20.1	17.0	16.6	16.6	2.6%
Other liabilities	57.5	62.8	65.8	58.0	50.2	-7.7%
Shareholders' equity	71.8	79.8	88.8	98.9	109.2	15.2%

Source: Banca Akros estimates

RoE & Dividend

	2019	2020	2021	2022E	2023E
ROE (adj.)	11.1%	10.0%	13.6%	15.5%	16.4%
Pay-out ratio	0.0%	20.0%	25.0%	30.0%	40.0%
Total Dividend	-	1.3	2.8	4.4	6.8

Source: Banca Akros estimates

Assuming a **pay-out ratio** of 40% in 2023, from 20% in 2020, and considering the capital injection resulting from the business combination, we believe the solvency ratio is likely to



stay around 179% in 2023 thanks to the capital generation, although we have estimated the above-mentioned strong business expansion in 2019-2023.

Solvency ratio

	2019	2020	2021	2022E	2023E
Solvency Ratio	165.7%	177.2%	180.7%	175.1%	179.0%

Source: Banca Akros estimates

Main investment risks

Here we underline what we consider are the most significant risks:

- ✓ **Macroeconomic risk:** any worsening in the macroeconomic scenario in Italy could increase the frequency of claims linked to the unemployment rate and/or quicken the tightening of the credit cycle, thus impacting salary/pension-backed loan volumes;
- ✓ **Italian government bond exposure:** the group's capital position, like any other insurer, is linked to the creditworthiness of the Italian state, and any potential worsening of its credit risk could worsen the capital position, as could any tightening of the rules on the possession of government bonds;
- ✓ **Execution risk:** the reshaping and the enlargement of the offer in the bancassurance and broker segments could require more time, or be less intense than planned, due to possible delays in signing and/or in implementing the new agreements;
- ✓ **Digitalisation and increased competition:** the new technologies could support the entrance of new competitors. The competitive pressure is also very high in the non-life bancassurance business, mainly from consolidated and bigger banks and financial groups, with a possible decrease in tariffs that could partially offset the development expected in volumes;
- ✓ **Regulatory risks:** the group is exposed to changes in the legal and regulatory framework, as far as the capital and CQS businesses are concerned.



SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Strategy: low execution risk thanks to promoters' experience, track record, commitment and relationship networks; ▪ Stable and strong positioning in the core business of the insurers linked to salary/pension-backed loans; ▪ Diversified and outstanding partnerships, as well as shareholders, with some of the most important financial intermediaries; ▪ Clear and innovative approach to managing the digital transformation; ▪ Solid and strong capital position over the plan; 	<ul style="list-style-type: none"> ▪ The project will take time to accomplish (from 2 to 4 years) and it could face some problems in achieving its targets; ▪ Current still small size of the Italian Non-Auto P&C market; ▪ Strategy strictly linked to the management team; ▪ Exposure to Italian sovereign credit risk with consequences on the capital position;
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Attractiveness and profitability of the still underpenetrated Italian Non-Auto P&C business; ▪ Business diversification in other new complementary insurance lines of business or abroad; ▪ Opportunities to enter other attractive specialty finance business/ specialised financing mainly thanks to the open platform approach and insurtech; ▪ Competitive business model with potential M&A appeal in the medium term. 	<ul style="list-style-type: none"> ▪ More aggressive competition both in credit and life insurance, linked to CQS and in bancassurance business, with pressure on pricing; ▪ Changes in industry regulation; ▪ Deterioration in the macroeconomic scenario with a worsening unemployment rate; ▪ Execution risk of the plan or delay in achieving the strategic guidelines; ▪ M&A in the mid-small Italian banks, which are the main clients and targets of the project; ▪ Contraction in the salary/pension-backed loans market due to other credit restriction policies.



Upcoming Corporate Events Calendar

Date	Event Type	Description	Period
05/08/22	Results	Interim 2022 Earnings Conference Call / Webcast	2022H1
04/08/22	Results	Interim 2022 Results	2022H1

Source: *Precise*



Net Insurance: Summary tables

PROFIT & LOSS (EURm)	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
Life Gross Premiums	0.0	0.0	0.0	0.0	0.0	0.0
Life Gross Premiums (APE) (1)	0.0	0.0	0.0	0.0	0.0	0.0
Non-Life Gross Premiums	65.3	80.8	107	141	145	155
Total Reinsurance (Life & Non-Life)	-43.3	-47.5	-60.3	-76.8	-68.5	-73.2
Insurance Investment Income	0.1	2.0	-7.6	4.8	2.7	2.9
Other Revenues	7.3	17.7	24.2	16.3	21.4	23.3
Total Net Revenues	29.4	52.9	63.0	84.9	101	108
Total Claims & Provisions	-10.6	-16.6	-25.1	-37.2	-33.7	-35.5
Operating Expenses	-12.6	-20.5	-28.9	-35.0	-45.3	-47.0
Life Insurance Technical Result	0.0	0.0	0.0	0.0	0.0	0.0
Non-Life Insurance Technical Result	6.1	13.9	16.5	7.9	18.9	22.6
Pre-Tax Profit Insurance	0.0	0.0	0.0	0.0	0.0	0.0
o/w Pre-Tax Profit (Non-Life)	0.0	0.0	0.0	0.0	0.0	0.0
Pre-Tax Profit Banking	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Interest & Tax (EBIT)	6.3	15.8	8.9	12.7	21.6	25.5
Paid interests on sub/hybrid debt	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-2.2	-3.4	-2.4	-1.4	-7.1	-8.4
<i>Tax rate</i>	<i>34.4%</i>	<i>21.3%</i>	<i>27.3%</i>	<i>11.0%</i>	<i>33.0%</i>	<i>33.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (Reported)	4.1	12.5	6.5	11.3	14.5	17.1
Net Profit (adj.)	6.7	7.0	7.6	11.5	14.5	17.1

BALANCE SHEET & OTHER ITEMS (EURm)	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
Intangibles	0.9	2.6	5.0	6.1	6.1	6.1
<i>of which Goodwill</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which Deferred Acquisition Costs (DAC)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Insurance Investments (Own Account)	178	167	177	201	241	282
<i>of which Fixed Income</i>	<i>138</i>	<i>120</i>	<i>117</i>	<i>125</i>	<i>149</i>	<i>175</i>
<i>of which Equity</i>	<i>8.7</i>	<i>3.9</i>	<i>3.8</i>	<i>4.0</i>	<i>4.8</i>	<i>5.6</i>
<i>of which Real Estate</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which Other Investments</i>	<i>30.8</i>	<i>42.7</i>	<i>56.2</i>	<i>72.5</i>	<i>86.6</i>	<i>101</i>
Unit-Linked Investments	0.0	0.0	0.0	0.0	0.0	0.0
Banking Assets	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which Banking Interest Earnings Assets</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Other Assets	76.4	89.9	111	112	112	112
Total Assets	255	260	293	320	359	401
Technical Provisions Life	0.0	0.0	0.0	0.0	0.0	0.0
Technical Provisions Non-Life	112	115	130	148	186	225
Financial Debt (2)	0.1	0.8	0.6	0.4	0.0	0.0
Sub/hybrid debt	14.6	14.7	19.5	16.6	16.6	16.6
Other Liabilities	74.7	57.5	62.8	65.8	58.0	50.2
Banking Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which Banking Interest Bearing Liabilities (IBL)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Shareholders Equity	53.8	71.8	79.8	88.8	98.9	109
Minorities Equity	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	255	260	293	320	359	401

GROWTH RATES	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
<i>Life Gross Premiums Growth</i>						
<i>Non-Life Gross Premiums Growth</i>	1.9%	23.7%	32.1%	31.8%	3.1%	6.9%
<i>EBIT Growth</i>	+chg	153.0%	-43.5%	42.2%	70.1%	17.7%
<i>Net Profit Growth (adj.)</i>	48.1%	4.5%	8.6%	51.3%	26.1%	17.7%



Net Insurance: Summary tables

KEY RATIOS	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
Insurance Investment Yield (average)	0.1%	1.1%	-4.4%	2.6%	1.2%	1.1%
ROE (adj.)	18.4%	11.1%	10.0%	13.7%	15.5%	16.4%
WACC (3)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expense Ratio (Life)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expense Ratio (Non-Life)	6.0%	33.0%	29.0%	34.0%	27.0%	27.0%
Claims Ratio (Non-Life)	48.0%	44.0%	41.0%	47.0%	37.1%	35.0%
Combined Ratio (Non-Life)	-54.0%	-77.0%	-70.0%	-81.0%	-64.1%	-62.0%
Retention Ratio (Non-Life)	33.7%	41.1%	43.4%	45.4%	52.8%	52.8%
Reserving Ratio (Non-Life)	508.7%	345.4%	281.4%	232.6%	242.4%	274.6%
Solvency-Ratio (4)	162.9%	165.7%	177.2%	180.7%	175.1%	179.0%
Financial Leverage (5)	27.1%	20.5%	24.4%	18.7%	16.8%	15.2%

PER SHARE DATA (EUR)(6)	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
Average diluted number of shares	17.0	18.3	18.3	19.1	19.1	19.1
EPS (reported)	0.24	0.68	0.36	0.59	0.76	0.89
EPS (adj.)	0.39	0.38	0.42	0.60	0.76	0.89
BVPS	3.16	3.92	4.36	4.64	5.18	5.71
ANAVPS	0.00	0.00	0.00	0.00	0.00	0.00
EbVPS	0.00	0.00	0.00	0.00	0.00	0.00
DPS	0.00	0.00	0.08	0.17	0.23	0.36

VALUATION	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
P/Premiums	3.2	2.7	2.0	2.0	1.7	1.6
P/E (Reported)	17.4	7.7	14.8	11.6	9.3	7.9
P/E (adj.)	10.7	13.7	12.7	11.4	9.3	7.9
P/BV	1.3	1.3	1.2	1.5	1.4	1.2
P/ANAV	nm	nm	nm	nm	nm	nm
P/EbV	nm	nm	nm	nm	nm	nm
Payout ratio	0.0%	0.0%	19.5%	0.0%	30.0%	40.0%
Dividend Yield (gross)	0.0%	0.0%	1.6%	2.4%	3.2%	5.1%

PRICE & SHARES & MKT CAP (EURm)	12/2018	12/2019	12/2020	12/2021	12/2022e	12/2023e
Price (7) (EUR)	4.2	5.3	5.3	6.9	7.0	7.0
Outstanding number of shares for main stock	16.9	17.3	17.3	18.4	18.4	18.4
Total Market Cap (8)	70.9	91.0	91.2	126	129	129
Assets under management (9)	0.0	0.0	0.0	0.0	0.0	0.0
NAV	53.8	71.8	79.8	88.8	98.9	109
Adjusted Net Asset Value (ANAV)	53.8	71.8	79.8	88.8	98.9	109.2

Source: Company, Banca Akros estimates

Notes

- (1) Annual Premium Equivalent (APE) is a measure of the amount of new business in an accounting period
- (2) Financial debt is operating financial debt net of subordinate/hybrid debt
- (3) The Cost of Debt is calculated only on subordinated and hybrid instruments
- (4) Solvency-one ratio = Capital available/Capital required under Solvency-one framework
- (5) Financial Leverage is (Subordinated + Hybrid instruments) / (ANAV + Minorities)
- (6) EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.
- (7) Price (in local currency):Fiscal year end price for Historical Years and Current Price for current and forecasted years
- (8) Total Market Cap includes also other categories of shares (preferred and/or savings)
- (9) Assets under management is third-party-assets excluding life separate accounts (e.g. unit/linked)

Sector: Insurance/Non-life Insurance

Company Description: Archimede S.p.A. is an Italian SPAC. It was listed on the AIM Italia segment of the Italian Stock Exchange in May 2018 and raised EUR 48m from the IPO. On 18th June 2018, Archimede S.p.A. and Net Insurance Group ("NET"), the Italian market leader in the insurance of salary and pension-backed loans, announced they had signed a binding framework agreement for a business combination involving the reverse merger of Archimede into NET



European Coverage of the Members of ESN

Automobiles & Parts	Mem(*)	Kaufman & Broad	IAC	Banca Ifis	BAK	Avio	BAK
Brembo	BAK	Kering	CIC	Banca Mediolanum	BAK	Biesse	BAK
Faurecia	CIC	L'Oreal	CIC	Banca Sistema	BAK	Bollore	CIC
Ferrari	BAK	Lvmh	CIC	Bff Bank	BAK	Bureau Veritas	CIC
Gestamp	GVC	Maisons Du Monde	CIC	Dea Capital	BAK	Caf	GVC
Indelb	BAK	Moncler	BAK	Finecobank	BAK	Catenon	GVC
Michelin	CIC	Monnalisa	BAK	Illimity Bank	BAK	Cellnex Telecom	GVC
Pirelli & C.	BAK	Ovs	BAK	Mediobanca	BAK	Cembre	BAK
Plastic Omnium	CIC	Piaggio	BAK	Poste Italiane	BAK	Clasquin	IAC
Renault	CIC	Richemont	CIC	Rothschild & Co	CIC	Cnh Industrial	BAK
Sogefi	BAK	Safilo	BAK	Food & Beverage	Mem(*)	Corticeira Amorim	CBI
Stellantis	BAK	Salvatore Ferragamo	BAK	Advini	CIC	Ctt	CBI
Valeo	CIC	Smcp	CIC	Bonduelle	CIC	Danieli	BAK
Banks	Mem(*)	Swatch Group	CIC	Campari	BAK	Datalogic	BAK
Banca Mps	BAK	Technogym	BAK	Danone	CIC	Enav	BAK
Banco Sabadell	GVC	Tod'S	BAK	Diageo	CIC	Enogia	CIC
Banco Santander	GVC	Trigano	CIC	Ebro Foods	GVC	Exel Industries	CIC
Bankinter	GVC	Ubisoft	CIC	Enervit	BAK	Fiera Milano	BAK
Bbva	GVC	Energy	Mem(*)	Fleury Michon	CIC	Fincantieri	BAK
Bnp Paribas	CIC	Cgg	CIC	Italian Wine Brands	BAK	Getlink	CIC
Bper	BAK	Ecoslops	CIC	Lanson-Bcc	CIC	Global Dominion	GVC
Caixabank	GVC	Eni	BAK	Laurent Perrier	CIC	Haulotte Group	CIC
Credem	BAK	Galp Energia	CBI	Ldc	CIC	Interpump	BAK
Credit Agricole Sa	CIC	Gas Plus	BAK	Lindt & Sprüngli	CIC	Inwit	BAK
Intesa Sanpaolo	BAK	Gtt	CIC	Nestle	CIC	Leonardo	BAK
Societe Generale	CIC	Maurel Et Prom	CIC	Orsero	BAK	Logista	GVC
Unicaja Banco	GVC	Plc	BAK	Pernod Ricard	CIC	Manitou	CIC
Unicredit	BAK	Repsol	GVC	Remy Cointreau	CIC	Nicolas Correa	GVC
Basic Resources	Mem(*)	Rubis	CIC	Tipiak	CIC	Openjobmetis	BAK
Acerinox	GVC	Saipem	BAK	Vilmorin	CIC	Osai	BAK
Altri	CBI	Technip Energies	CIC	Viscofan	GVC	Prima Industrie	BAK
Arcelormittal	GVC	Technipfmc Plc	CIC	Vranken	CIC	Prosegur	GVC
Ence	GVC	Tecnicas Reunidas	GVC	Healthcare	Mem(*)	Prosegur Cash	GVC
Imerys	CIC	Tenaris	BAK	Abionyx Pharma	CIC	Prysmian	BAK
Neodecortech	BAK	Totalenergies	CIC	Amplifon	BAK	Rai Way	BAK
Semapa	CBI	Vallourec	CIC	Atrys Health	GVC	Rexel	CIC
The Navigator Company	CBI	Fin. Serv. Holdings	Mem(*)	Biomerieux	CIC	Saes	BAK
Tubacex	GVC	Cir	BAK	Crossject	CIC	Salcef	BAK
Chemicals	Mem(*)	Corp. Financiera Alba	GVC	Diasorin	BAK	Talgo	GVC
Air Liquide	CIC	Digital Magics	BAK	El.En.	BAK	Teleperformance	CIC
Arkema	CIC	Eurazeo	CIC	Fermentalg	CIC	Verallia	CIC
Plasticos Compuestos	GVC	Gbl	CIC	Fine Foods	BAK	Vidrala	GVC
Consumer Products & Services	Mem(*)	Peugeot Invest	CIC	Genfit	CIC	Zardoya Otis	GVC
Abeo	CIC	Rallye	CIC	Gpi	BAK	Zignago Vetro	BAK
Beneteau	CIC	Tip Tamburi Investment Partners	BAK	Guerbet	CIC	Insurance	Mem(*)
Brunello Cucinelli	BAK	Wendel	CIC	Korian	CIC	Axa	CIC
Capelli	CIC	Fin. Serv. Industrials	Mem(*)	Oncodesign	CIC	Catalana Occidente	GVC
De Longhi	BAK	Abitare In	BAK	Orpea	CIC	Cattolica Assicurazioni	BAK
Europcar	CIC	Dovalue	BAK	Prim Sa	GVC	Generali	BAK
Fila	BAK	Nexi	BAK	Recordati	BAK	Linea Directa Aseguradora	GVC
Geox	BAK	Tinexta	BAK	Shedir Pharma	BAK	Mapfre	GVC
Givaudan	CIC	Financial Services Banks	Mem(*)	Theraclion	CIC	Net Insurance	BAK
Groupe Seb	CIC	Amundi	CIC	Vetoquinol	CIC	Unipolsai	BAK
Hermes Intl.	CIC	Anima	BAK	Virbac	CIC	Materials, Construction	Mem(*)
Hexaom	CIC	Azimut	BAK	Industrial Goods & Services	Mem(*)	Acs	GVC
Interparfums	CIC	Banca Generali	BAK	Applus	GVC	Aena	GVC



Atlantia	BAK	Real Estate	Mem(*)	I Grandi Viaggi	BAK
Buzzi Unicem	BAK	Almagro Capital	GVC	Ibersol	CBI
Cementir	BAK	Igd	BAK	Int. Airlines Group	GVC
Cementos Molins	GVC	Lar España	GVC	Melia Hotels International	GVC
Clerhp Estructuras	GVC	Merlin Properties	GVC	Nh Hotel Group	GVC
Crh	CIC	Realia	GVC	Pierre Et Vacances	CIC
Eiffage	CIC	Retail	Mem(*)	Sodexo	CIC
Fcc	GVC	Burberry	CIC	Utilities	Mem(*)
Ferrovial	GVC	Fnac Darty	CIC	A2A	BAK
Groupe Adp	CIC	Inditex	GVC	Acciona	GVC
Groupe Pouloulat	CIC	Unieuro	BAK	Acea	BAK
Groupe Sfp S.A.	CIC	Technology	Mem(*)	Albioma	CIC
Heidelberg Cement	CIC	Agile Content	GVC	Alerion Clean Power	BAK
Herige	CIC	Akka Technologies	CIC	Audax	GVC
Holcim	CIC	Almawave	BAK	Derichebourg	CIC
Maire Tecnimont	BAK	Alten	CIC	Edp	CBI
Mota Engil	CBI	Amadeus	GVC	Enagas	GVC
Obrascon Huarte Lain	GVC	Atos	CIC	Encavis Ag	CIC
Sacyr	GVC	Axway Software	CIC	Endesa	GVC
Saint-Gobain	CIC	Capgemini	CIC	Enel	BAK
Sciuker Frames	BAK	Cast	CIC	E-Pango	CIC
Sergeferrari Group	CIC	Esi Group	CIC	Erg	BAK
Spie	CIC	Exprivia	BAK	Falck Renewables	BAK
Tarkett	CIC	Gigas Hosting	GVC	Greenalia	GVC
Thermador Groupe	CIC	Indra Sistemas	GVC	Greenvolt	CBI
Vcat	CIC	Izertis	GVC	Hera	BAK
Vinci	CIC	Lleida.Net	GVC	Holaluz	GVC
Webuild	BAK	Memscap	IAC	Iberdrola	GVC
Media	Mem(*)	Neurones	CIC	Iren	BAK
Arnoldo Mondadori Editore	BAK	Ovhcloud	CIC	Italgas	BAK
Atresmedia	GVC	Reply	BAK	Naturgy	GVC
Cairo Communication	BAK	Sii	CIC	Red Electrica Corporacion	GVC
Digital Bros	BAK	Sopra Steria Group	CIC	Ren	CBI
GI Events	CIC	Stmicroelectronics	BAK	Snam	BAK
Il Sole 24 Ore	BAK	Tier 1 Technology	GVC	Solaria	GVC
Ipsos	CIC	Visiativ	CIC	Terna	BAK
Jcdecaux	CIC	Vogo	CIC	Volitalia	CIC
Lagardere	CIC	Telecommunications	Mem(*)		
M6	CIC	Bouygues	CIC		
Mediaset Espana	GVC	Ekinops	CIC		
Mfe-Mediaforeurope	BAK	Ezentis	GVC		
Miogroup	GVC	Nos	CBI		
Nrj Group	CIC	Orange	CIC		
Publicis	CIC	Telecom Italia	BAK		
Rcs Mediagroup	BAK	Telefonica	GVC		
Tf1	CIC	Tiscali	BAK		
Universal Music Group	CIC	Unidata	BAK		
Vivendi	CIC	Vodafone	BAK		
Personal Care, Drug & Grocery S	Mem(*)	Travel & Leisure	Mem(*)		
Carrefour	CIC	Accor	CIC		
Casino	CIC	Autogrill	BAK		
Jeronimo Martins	CBI	Compagnie Des Alpes	CIC		
Marr	BAK	Edreams Odigeo	GVC		
Sonae	CBI	Elior	CIC		
Unilever	CIC	Fdj	CIC		
Winfarm	CIC	Groupe Partouche	IAC		

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as at 4 February 2022



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



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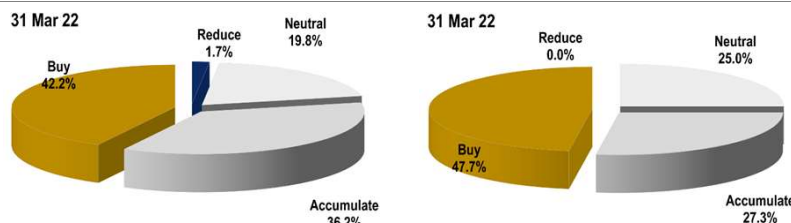
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2014/65.

Percentuale delle raccomandazioni al 31 marzo 2022

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 37.93% del totale degli emittenti oggetto di copertura

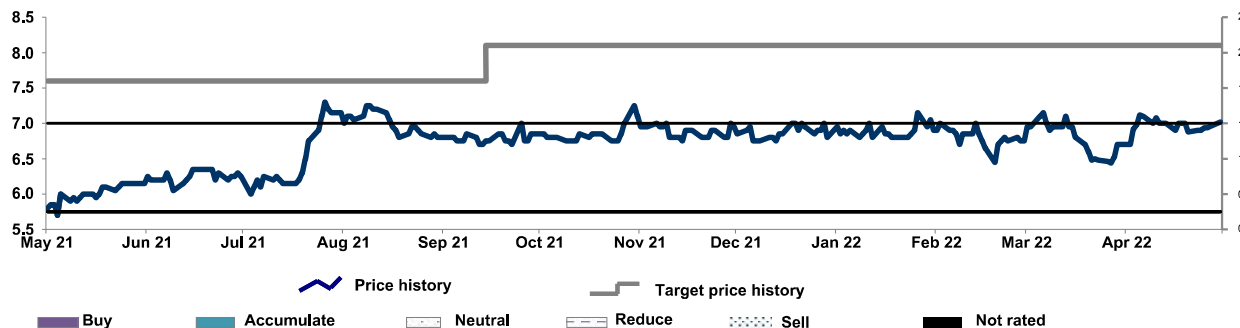
Recommendation history for NET INSURANCE

Date	Recommendation	Target price	Price at change date
30-Sep-21	Buy	8.10	6.75
08-Apr-21	Buy	7.60	6.00
26-Mar-20	Accumulate	5.50	4.70
05-Jul-19	Buy	6.00	4.24
20-Jun-19	Buy	5.50	4.26

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: Enrico Esposti, CIAA (since 01/12/2018)





ESN Recommendation System

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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)**.

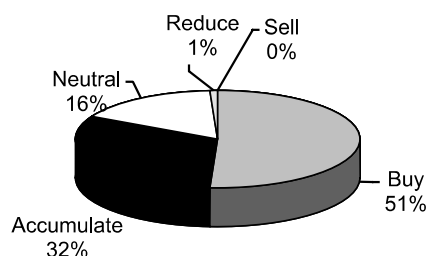
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12-month
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12-month
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12-month
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12-month
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12-month
- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
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Note: a 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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