

Company Note

MID CORPORATE

Agatos

1H22 Results

With sales up 116% and a positive EBITDA vs. an EBITDA loss in 1H21, Agatos reported solid results with improvements in every division. The net result was negative at EUR 1M, a nice improvement vs. a loss of EUR 6.8M in 1H21. The company reiterated its business plan which, for 2022, looks reliable in light of 1H22 results, in our view. The recent issue of convertible bonds with a commitment from Macquaire Bank and Atlas Capital Markets up to EUR 10M should provide cover for Agatos' financial needs in the coming quarters.

1H22 results

In 1H22, revenues were EUR 10.2M, more than twice the 1H21 level, with a positive performance in every division: Biomethane was up 31%, Photovoltaic increased by 25% and Energy Efficiency reached a turnover of EUR 5M vs. just EUR 0.2M in 1H21. EBITDA was slightly positive being supported by the capital gain on the disposal of Marcallo project to Sorgenia. The net result was negative for EUR 1M. Net debt increased to EUR 10.6M (vs. EUR 8.5M at Dec-21) and net equity was negative for EUR 2.5M (vs. -EUR 1.4M in FY21). Still, we do not expect any further right issue given the recent agreement with Macquaire Bank and Atlas Capital Markets to subscribe to convertible bonds for up to EUR 10M in the next 24 months (one bond already converted).

Outlook and estimates

Agatos confirmed its 2022-26 business plan, which points to revenues of around EUR 15.6M in 2022, which is reliable in our view in light of 1H22 results, while the target for EBITDA at breakeven could be surpassed. We fine-tuned our estimates slightly increasing FY22 sales and profitability and reducing the net debt expected at year-end. On 2023-24E, we increased our EBITDA projections by 8% on average and the bottom line by around 14%.

Valuation

Based on our new estimates and new parameters utilised for the DCF (we increased the risk-free rate to 3.0% from 2.5%), **we set a new target price at EUR 1.45/sh** (from EUR 1.53/sh) based on a DCF analysis, after applying a 20% liquidity discount. **We confirm our BUY rating.**

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Date and time of production

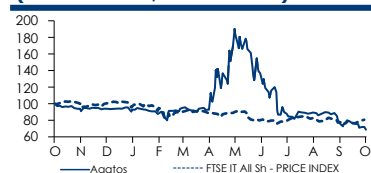
**BUY**

**Target Price: EUR 1.45**  
(from EUR 1.53)

Italy/Energy  
Results

EGM (ex-AIM)

Price Performance  
(RIC: AGA.MI, BB: AGA IM)



Agatos - Key Data

Price date (market close)	26/10/2022
Target price (EUR)	1.45
Target upside (%)	120.36
Market price (EUR)	0.66
Market cap (EUR M)	8.03
52Wk range (EUR)	1.82/0.66

Price performance %	1M	3M	12M
Absolute	-9.1	-22.2	-31.3
Rel. to FTSE IT All Sh	-14.1	-25.8	-16.4

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Revenues	15.13	15.60	31.00
EBITDA	0.22	0.33	6.19
EBIT	-6.92	-0.77	5.01
Net income	-13.17	-1.79	3.50
EPS (EUR)	-0.63	-0.15	0.29
Net debt/-cash	8.46	11.43	11.04
Adj P/E (x)	Neg.	Neg.	2.3
EV/EBITDA (x)	87.8	60.0	5.4
EV/EBIT (x)	Neg.	Neg.	6.6
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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## 1H22 Results

Agatos reported a good set of numbers in 1H22, confirming the reliability of its new business plan (presented in June 2022), in our view. In detail:

- **Sales more than doubled**, to EUR 10.2M (from EUR 4.7M in 1H21) including a EUR 0.6M capital gain from the sale of a 25% stake in Green Power Marcallese to Sorgenia;
- **The energy efficiency business** accelerated (EUR 5M revenues vs. an unmeaningful contribution in 1H21) thanks to the projects related to the Superbonus 110%. On this front, despite an initial suspension of the tax credit acquisition from the banks, the company managed to secure EUR 23.5M credit lines related to credit transfers (in September). Here, the company has already reached 69.5% of the 2022 projects of the new plan;
- **The biomethane business** has also accelerated (EUR 4M revenues in 1H22 vs. EUR 3M in 1H21): the construction of the Marcallo plant continued but with delays due to the cost of raw materials and difficulties in finding them. This has led to a review of the agreements with Sorgenia, which will proceed with the completion of the plant by 2022. There is a growing number of projects in the pipeline. The company has already reached 88% of 2022 goals of the new plan;
- **The photovoltaic business** contributed for EUR 1.2M to 1H 22 revenues (from EUR 0.9M in 1H21). This business line is also ahead of the plan numbers;
- **EBITDA was positive** for EUR 0.19M (it was negative at EUR -0.22M in 1H21), also sustained by the capital gain of EUR 0.6M related to the sale of 25% of Green Power Marcallese to Sorgenia;
- **EBIT was negative** at EUR -0.37M, improving from EUR -1.04M in 1H21, thanks to lower D&A following the disposal of the mini wind business;
- **Net debt was EUR 10.58M**, substantially stable vs. Dec-21 and improving vs. 1H21. As a reminder, on 21 September, Macquaire Bank and Atlas Capital Markets have signed a commitment to subscribe convertible bonds for up to EUR 10M during the next 24 months to finance Agatos' growth, according to the company's business plan. Agatos has also activated the issue of EUR 1.5M convertible bonds. The convertible bonds are unlisted debt instruments, do not provide for the payment of interest, are not transferable to third parties without the consent of the company and have a maturity of 2 years. The subscribers have the right to request the conversion into new ordinary shares at any time from the issue until the maturity date. The strike price will be equal to 94% of the three-day average weighted average price for the volume of Agatos shares, selected by the unitholders over the twenty trading days preceding the notice of conversion. Upon expiry, the bonds in circulation will be automatically converted, except for those bonds whose conversion would result in the relative holder obtaining a stake in the company's capital exceeding 8%. At the request of each of the unitholders, Agatos is obliged to repay in advance the bonds not yet converted at the same issue price plus a premium equal to 8%, upon the occurrence of a change in control of the company itself or one of the so-called "event of default".

In the wake of this agreement the first tranche (initial issue) of convertible bonds was issued (27 September) for EUR 1.5M and 1 bond (face value EUR 50,000, strike price EUR 0.7061) was converted into equity (30 September) with the consequent issue of 70,808 Agatos ordinary shares. In addition, the company issued further 14 convertible bonds on 26 October, for a total of EUR 0.7M and therefore in the coming weeks Agatos should increase its ordinary share number.

Net equity was negative for EUR 2.5M (vs. -EUR 1.4M at Dec-21), but the issue of convertible bonds should allow the company to avoid recurring to any further right issue, in our view.

#### Agatos – 1H22 results

EUR M	1H21A	2021A	1H22A	yoy %
Sales	4.73	15.13	10.21	116.0
EBITDA	-0.22	0.22	0.19	NM
EBITDA margin (%)	-4.6	1.5	1.8	
EBIT	-1.04	-6.92	-0.37	-64.7
EBIT margin (%)	-21.9	-45.7	-3.6	
Net profit	-6.82	-13.17	-1.01	-85.2
Net debt (cash)	12.63	10.56*	10.58	-16.3

A: actual; \* net of the financial credit vs. Green Power Marcallese, sold in 2022. Source: Company data

## Earnings Outlook

Agatos confirmed its business plan, which envisages revenues of around EUR 15.6M in 2022, substantially stable vs. 2021, due to the conclusion of the BIOSIP project of Marcallo and the delays to new biomethane projects, partially offset by growing revenues stemming from the energy efficiency demand driven by the "Superbonus 110%". Following 1H22 results, this target should be reached and possibly surpassed. Also, EBITDA at substantial breakeven, could be exceeded, and we expect a lower net debt at year-end, given that in September Macquaire Bank and Atlas Capital Markets have signed a commitment to subscribe convertible bonds up to EUR 10M to be issued in the next 24 months.

### Agatos – Business plan

EUR M	2022	2023	2024	2025	2026
<b>Value of production</b>	<b>15.6</b>	<b>33.3</b>	<b>47.6</b>	<b>66.2</b>	<b>88.3</b>
o/w Photovoltaic	3.7	13.0	21.9	31.8	43.3
o/w Biomethane	4.5	5.7	10.9	16.5	20.3
o/w Energy Efficiency	7.2	14.7	15.2	17.9	24.7
<b>EBITDA</b>	<b>-0.1</b>	<b>9.2</b>	<b>11.4</b>	<b>15.4</b>	<b>19.8</b>
<b>% margin</b>	<b>-0.4</b>	<b>27.5</b>	<b>23.9</b>	<b>23.3</b>	<b>22.5</b>
Net debt/EBITDA	NM	1.2	0.7	0.3	-0.1

Source: Company data and Intesa Sanpaolo Research elaboration on Company data

We fine-tuned our estimates slightly increasing FY22E sales and profitability and reducing the net debt expected at year-end. On 2023-24E, we increased our EBITDA projections by 8% on average and the bottom line by around 14%.

### Agatos – New vs. old estimates

EUR M	2022E			2023E			2024E		
	Old	New	New/Old %	Old	New	New/Old %	New	New	New/Old %
Revenues	15.1	15.6	3.3	30.0	31.0	3.3	44.0	44.0	0.0
EBITDA	-0.2	0.3	NM	5.5	6.2	11.7	7.9	8.2	3.8
Margin (%)	-1.1	2.1		18.5	20.0		18.0	18.7	
EBIT	-1.4	-0.8	-45.8	4.2	5.0	19.3	6.5	7.0	7.3
Margin (%)	-9.4	-4.9		14.0	16.2		14.7	15.8	
Net result attr.	-1.9	-1.8	-6.0	2.9	3.5	21.2	4.6	4.9	6.9
Net debt/-cash	12.8	11.4	-10.8	11.3	11.0	-2.4	8.1	7.5	-7.0

E: estimates; Source: Intesa Sanpaolo Research

We highlight that our estimates are below the business plan, in particular at the EBITDA level in 2023-24E. In the past seven years, Agatos never reached a margin >20% (the top was 7.3% in 2017) and we believe there could be the risk of delays in completing the authorisation process and difficulties in finalising new financing, which could jeopardise the top-line and margin targets.

### Agatos - Our 2022-24E estimates compared with Agatos business plan

EUR M	Our estimates			Business plan			% change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenues	15.6	31.0	44.0	15.6	33.3	47.6	-0.1	-6.9	-7.5
EBITDA	0.3	6.2	8.2	-0.1	9.2	11.4	-648.8	-32.4	-27.8
% margin	2.1	20.0	18.7	-0.4	27.5	23.9			
Net debt	11.4	11.0	7.5	14.5	10.8	7.9	-21.1	2.3	-4.6

E: estimates; Source: Intesa Sanpaolo Research

## Valuation

Based on our new estimates and new parameters utilised in our DCF model (we increased the risk-free rate to 3.0% from 2.5%), **we set a new target price at EUR 1.45/sh** (from EUR 1.53/sh) based on a DCF analysis, after applying a 20% liquidity discount for the listing on the Euronext Growth market. Therefore, **we confirm our BUY rating**.

Our DCF model (before the 20% discount) gives a fair value of EUR 1.81/sh (from EUR 1.92/sh).

Our model incorporates the following assumptions:

- A risk-free rate of 3.0%, increased from the previous 2.5%;
- A market risk premium of 6.5%;
- A leveraged beta of 1.24 (1.0 unleveraged);
- A debt spread of 4%;
- A sustainable debt/equity ratio of 25/75;
- A terminal growth rate of 0.5%.

We calculated a WACC of 9.6%.

### Agatos – WACC and embedded DCF assumptions

WACC assumptions	%	Embedded DCF assumptions	%
Risk Free rate (10Y BTP bench.)	3.0	Revenue CAGR 2022-2030	16.0
Debt spread (%)	4.0	EBIT margin 2021	NM
Cost of debt [net] (%)	5.3	Target EBIT margin at terminal value	8.5
Market risk premium (%)	6.5	Depr. on sales (avg 2022-2030)	3.5
Beta (x)	1.24	Capex on sales (avg 2022-2030)	3.1
Cost of equity (%)	10.6		
Weight of Debt	25		
Weight of Equity	75		
<b>WACC</b>	<b>9.6</b>		

NM: not meaningful; Source: Intesa Sanpaolo Research estimate

**Agatos – DCF valuation**

	EUR M	% weighting	Per share (EUR)
Sum of PV 2020-28 FCF	17.56	57	1.44
Terminal value	13.21	43	1.08
<b>Total Enterprise value</b>	<b>30.78</b>	<b>100</b>	<b>2.52</b>
- Minorities	-0.05		0.00
- Pension Provision	-0.19		-0.02
- Net debt (+ cash)	-8.46		-0.69
<b>Total Equity value</b>	<b>22.09</b>		<b>1.81</b>
Fully diluted number of shares (M)	12.21		
<b>Fair value per share (EUR)</b>	<b>1.81</b>		
Discount (20%)	-0.36		
<b>Target price</b>	<b>1.45</b>		

Source: Intesa Sanpaolo Research estimate

Our DCF valuation implies an EV/EBITDA of 2.8x at terminal value.

## Agatos – Key Data

Rating	Target price (EUR/sh)		Mkt price (EUR/sh)			Sector
BUY	Ord 1.45		Ord 0.66			Energy
Values per share (EUR)	2019A	2020A	2021A	2022E	2023E	2024E
No. ordinary shares (M)	9.28	12.14	12.14	12.21	12.21	12.21
Total no. of shares (M)	9.28	12.14	12.14	12.21	12.21	12.21
Market cap (EUR M)	11.74	14.38	11.22	8.03	8.03	8.03
Adj. EPS	-0.18	-0.29	-0.63	-0.15	0.29	0.40
BVPS	1.2	0.86	-0.12	-0.25	0.01	0.38
Dividend ord	0	0	0	0	0	0.04
Income statement (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	6.62	3.20	15.13	15.60	31.00	44.00
EBITDA	0.25	-0.73	0.22	0.33	6.19	8.22
EBIT	-1.37	-2.95	-6.92	-0.77	5.01	6.96
Pre-tax income	-2.91	-4.04	-13.13	-1.64	4.23	6.33
Net income	-2.35	-3.80	-13.17	-1.79	3.50	4.94
Adj. net income	-1.67	-3.47	-7.63	-1.79	3.50	4.94
Cash flow (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net income before minorities	-2.4	-4.0	-13.6	-1.9	3.8	5.4
Depreciation and provisions	1.6	2.2	7.1	1.1	1.2	1.3
Others/Uses of funds	-2.4	0.9	5.5	-10.8	-1.3	-0.7
Change in working capital	0.3	0.4	-8.5	9.6	-1.5	-0.4
Operating cash flow	-2.7	-0.0	-8.6	-1.8	1.6	4.7
Capital expenditure	-0.0	-0.1	-0.3	-1.2	-1.2	-1.2
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	3.2	0	3.9	0	0	0
Free cash flow	0.5	-0.1	-5.0	-3.0	0.4	3.5
Dividends	0	0	0	0	0	0
Equity changes & Non-op items	0.7	2.7	7.6	0	0	0
Net cash flow	1.2	2.6	2.6	-3.0	0.4	3.5
Balance sheet (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net capital employed	25.7	22.5	7.1	8.2	11.4	12.8
of which associates	0	0	0	0	0	0
Net debt/-cash	13.6	11.1	8.5	11.4	11.0	7.5
Minorities	0.8	0.9	0.0	-0.1	0.2	0.6
Net equity	11.3	10.5	-1.4	-3.1	0.1	4.6
Minorities value	0	0	0	0	0	0
Enterprise value	26.2	26.7	19.3	19.8	33.3	16.7
Stock market ratios (x)	2019A	2020A	2021A	2022E	2023E	2024E
Adj. P/E	Neg.	Neg.	Neg.	Neg.	2.3	1.6
P/CFPS	Neg.	5.2	Neg.	Neg.	5.0	1.7
P/BVPS	1.0	1.4	Neg.	Neg.	70.9	1.7
Payout (%)	0	0	0	0	0	10
Dividend yield (% ord)	0	0	0	0	0	6.1
FCF yield (%)	4.0	-0.9	-44.9	-37.0	4.9	43.5
EV/sales	4.0	8.3	1.3	1.3	1.1	0.38
EV/EBITDA	NM	Neg.	87.8	60.0	5.4	2.0
EV/EBIT	Neg.	Neg.	Neg.	Neg.	6.6	2.4
EV/CE	1.0	1.2	2.7	2.4	2.9	1.3
D/EBITDA	54.3	Neg.	38.4	34.7	1.8	0.92
D/EBIT	Neg.	Neg.	Neg.	Neg.	2.2	1.1
Profitability & financial ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA margin	3.8	-22.9	1.5	2.1	20.0	18.7
EBIT margin	-20.7	-92.3	-45.7	-4.9	16.2	15.8
Tax rate	17.1	NM	NM	NM	10.0	15.0
Net income margin	-35.5	-118.6	-87.0	-11.4	11.3	11.2
ROCE	-5.3	-13.1	-98.1	-9.3	44.2	54.4
ROE	-19.5	-34.9	-291.1	79.1	-236.3	209.0
Interest cover	-1.6	-3.9	-10.3	-0.9	6.4	11.1
Debt/equity ratio	113.2	96.8	NM	NM	3,523.1	143.6
Growth (%)	2020A	2021A	2022E	2023E	2024E	
Sales	-51.6	NM	3.1	98.7	41.9	
EBITDA	NM	NM	49.7	NM	32.7	
EBIT	NM	NM	88.9	NM	38.8	
Pre-tax income	-38.9	NM	87.5	NM	49.7	
Net income	-61.4	NM	86.4	NM	41.3	
Adj. net income	NM	NM	76.6	NM	41.3	

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Company Snapshot

### Company Description

Agatos is a holding company, which engages in the provision of energy efficiency solutions. After two years of transition, which saw significant changes in the shareholder structure and the issue of new shares, the company is readdressing its activities towards three business lines: 1) the exploitation of its innovative and patented biomass-to-gas processes, 2) energy efficiency projects, exploiting the opportunity offered by the 110% Ecobonus, and 3) the development of EPC photovoltaic projects and the finalization of all the authorization processes.

### Key Risks

#### Company specific risks:

- Difficulties in financing new projects
- Execution risk in the new projects
- Limited size compared to main Italian peers
- Possible write down of goodwill and participations

#### Sector generic risks:

- Possible changes in the regulatory framework
- Risks on contractual guarantees
- New projects could be postponed (external risk)

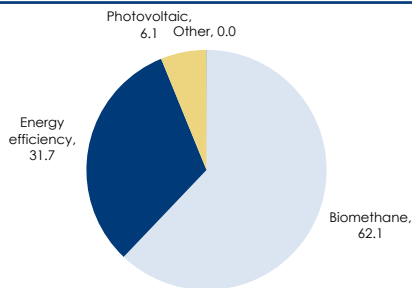
### Key data

Mkt price (EUR)	0.66	Free float (%)	66.3
No. of shares	12.21	Major shr	Mr. Rinaldi
52Wk range (EUR)	1.82/0.66	(%)	19.1
Reuters	AGA.MI	Bloomberg	AGA IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	-9.1	-1M	-14.1
-3M	-22.2	-3M	-25.8
-12M	-31.3	-12M	-16.4

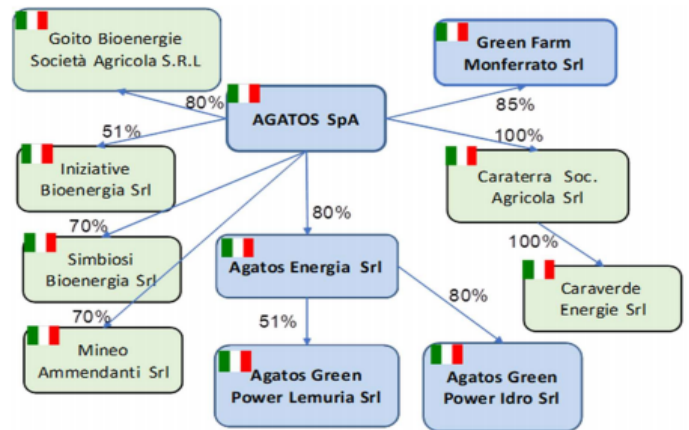
### Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2022C	2023E	2023C	2024E	2024C
Sales	15.13	15.60	NM	31.00	NM	44.00	NM
EBITDA	0.22	0.33	NM	6.19	NM	8.22	NM
EBIT	-6.92	-0.77	NM	5.01	NM	6.96	NM
Pre-tax income	-13.13	-1.64	NM	4.23	NM	6.33	NM
Net income	-13.17	-1.79	NM	3.50	NM	4.94	NM
EPS (EUR)	-0.63	-0.15	NM	0.29	NM	0.40	NM

### Sales breakdown by product (%)



### Agatos structure



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 26/10/2022)

## Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation around EUR 1Bn.



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### Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

### Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

### Equity rating key: (long-term horizon: 12M)

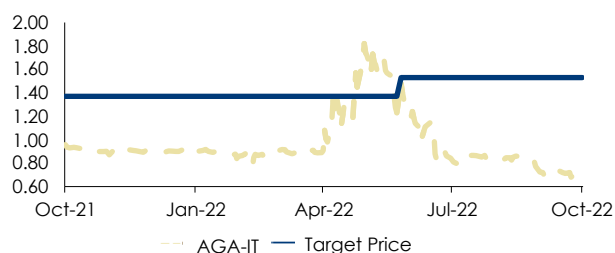
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

**Equity Rating Key (long-term horizon: 12M)**

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

**Historical recommendations and target price trends (long-term horizon: 12M)**

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
20-Jun-22	BUY	1.53	1.48

**Equity rating allocations (long-term horizon: 12M)****Intesa Sanpaolo Research Rating Distribution (at October 2022)**

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	65	18	17	0	0
of which Intesa Sanpaolo's Clients (%)**	83	39	55	0	0

\* Last rating refers to rating as at end of the previous quarter; \*\* Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

**Valuation methodology (short-term horizon: 3M)**

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

**Equity rating key (short-term horizon: 3M)**

<b>Short-term rating</b>	<b>Definition</b>
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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