

Company Update

Buy

14 October 2016 – 5:30 PM

MARKET PRICE: **EUR2.02**

TARGET PRICE: **EUR2.32 (from EUR2.55)**

IT Services

Data

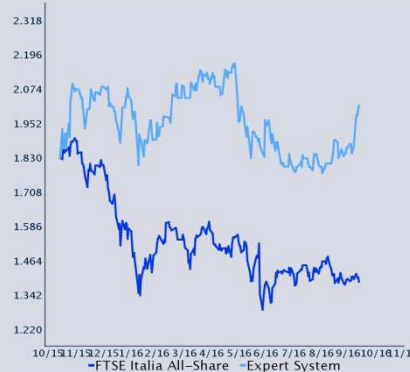
| | |
|---------------------------|-----------------|
| Shares Outstanding (m): | 27.7 |
| Market Cap. (EURm): | 55.8 |
| Enterprise Value (EURm): | 69.8 |
| Free Float (%): | 65.1% |
| Av. Daily Trad. Vol. (m): | 0.001 |
| Main Shareholder: | Founders 30.4% |
| Reuters/Bloomberg: | EXSY.MI EXSY IM |
| 52-Week Range (EUR) | 1.8 2.2 |

Source: Factset, UbiBanca estimates

Performance

| | 1m | 3m | 12m |
|-----------------|-------|------|-------|
| Absolute | 10.2% | 8.1% | 3.7% |
| Rel. to FTSE IT | 12.0% | 9.4% | 36.8% |

Graph area Absolute/Relative 12 M



Source: Factset

Marco Cristofori
Senior Analyst
marco.cristofori@ubibanca.it
Tel. +39 0277814393

Website: www.ubibanca.com/equity-research

Weak results in 1H16

Expert System reported 1H16 results below our expectations as rising costs (mostly labour costs, which more than doubled overcoming sales) were not matched by sufficient revenue growth. The bottom line was negative for EUR5.1 million and net debt increased to EUR13.9 million. The weak results of 1H16 could make 2016 another year of transition with operating breakeven achievable only in 2018 (vs. 2017 as expected before). However, we believe investors should look at the long-term potential of Expert System rather than its short-term results. In particular, our investment case is based on Expert System's well-reputed innovative technology that makes the company an attractive target for large IT providers and which should drive up margins as soon as its commercial network is at regime. At the same time new products are widening its range and allowing it to enter new highly profitable niches. The successful completion of the rights issue last month confirmed the attraction of Expert System despite the disappointing results. Therefore, our investment case remains intact and we continue to be positive about the shares with a new target price of EUR2.32 per share (from EUR2.55) that was reduced to reflect the downgrade in our estimates.

- > Following weaker than expected results for 1H16, we have revised our estimates lowering 2016 sales by 9.6% but leaving the expected value of production broadly unchanged to factor in the increase in production for internal use (mostly R&D) and grants. EBITDA is now expected to reach EUR1.0 million this year, 14% below 2015, while the net result should be negative for EUR5.0 million. For 2017-18, we confirm an organic growth estimate of around 15% but have reduced our EBITDA expectations by 8% on average, leading to a net loss of EUR1.5 million in 2017 and to substantial breakeven in 2018.
- > The company successfully completed its capital increase (at EUR1.80 per share) issuing 2.6 million new shares for a total cash in of EUR4.7 million. The rights issue implies an EPS dilution of around 9.4%, already reflected in our estimates and target price. Following the rights issue the free float has grown to 65.1% (from 60.6%).
- > Our new target price of EUR2.32 per share (from EUR2.55) is based on the average of a DCF analysis (70% weight) and a relative valuation (30% weight) and offers over 15% upside. Buy confirmed.

| Financials | priced on 13 October 2016 | | | |
|-------------------|----------------------------------|-------|-------|-------|
| | 2015 | 2016E | 2017E | 2018E |
| Revenues (EURm) | 16.4 | 23.7 | 30.7 | 35.2 |
| EBITDA (EURm) | 1.2 | 1.0 | 4.8 | 7.2 |
| EBITDA margin (%) | 7.3% | 4.3% | 15.7% | 20.4% |
| EBIT (EURm) | -4.0 | -4.8 | -1.3 | 0.7 |
| EPS (EUR) | -0.13 | -0.17 | -0.05 | 0.01 |
| CFPS (EUR) | 0.08 | -0.02 | 0.16 | 0.25 |
| DPS (EUR) | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company Data, UBI Banca Estimates

| Ratios | priced on 13 October 2016 | | | |
|-----------------|----------------------------------|-------|-------|-------|
| | 2015 | 2016E | 2017E | 2018E |
| P/E(x) | nm | nm | nm | nm |
| P/CF(x) | 27.0 | 68.0 | 11.9 | 8.4 |
| P/BV(x) | 2.5 | 2.7 | 3.0 | 2.9 |
| Dividend Yield | 0.0% | 0.0% | 0.0% | 0.0% |
| EV/EBITDA(x) | 53.7 | 67.8 | 15.0 | 9.8 |
| Debt/Equity (x) | 0.5 | 0.6 | 0.8 | 0.7 |
| Debt/EBITDA (x) | 8.7 | 12.2 | 3.1 | 1.8 |

Source: Company Data, UBI Banca Estimates

Key Financials

| (EURm) | 2015 | 2016E | 2017E | 2018E |
|------------------------|-------|-------|-------|-------|
| Revenues | 16.4 | 23.7 | 30.7 | 35.2 |
| EBITDA | 1.2 | 1.0 | 4.8 | 7.2 |
| EBIT | -4.0 | -4.8 | -1.3 | 0.7 |
| NOPAT | -4.0 | -4.8 | -1.3 | 0.5 |
| Free Cash Flow | -15.1 | -6.8 | -2.1 | 1.7 |
| Net Capital Employed | 31.2 | 32.9 | 33.6 | 32.1 |
| Shareholders' Equity | 20.7 | 20.4 | 18.9 | 19.1 |
| Net Financial Position | 10.5 | 12.6 | 14.7 | 13.0 |

Source: Company data, UBI Banca estimates

Key Profitability Drivers

| | 2015 | 2016E | 2017E | 2018E |
|--------------------------|--------|--------|-------|-------|
| Net Debt/EBITDA (x) | 8.7 | 12.2 | 3.1 | 1.8 |
| Net Debt/Equity (x) | 0.5 | 0.6 | 0.8 | 0.7 |
| Interest Coverage (%) | 0.0 | -5.9 | -2.7 | 1.2 |
| Free Cash Flow Yield (%) | -28.6% | nm | nm | 3.0% |
| ROE (%) | -15.9% | -24.8% | -7.8% | 1.1% |
| ROI (%) | -16.2% | -14.3% | -3.8% | 2.0% |
| ROCE (%) | -10.8% | -9.6% | -2.6% | 1.4% |

Source: Company data, UBI Banca estimates

Key Valuation Ratios

| | 2015 | 2016E | 2017E | 2018E |
|--------------------|------|-------|-------|-------|
| P/E (x) | nm | nm | nm | 268.2 |
| P/BV (x) | 2.5 | 2.7 | 3.0 | 2.9 |
| P/CF (x) | 27.0 | 68.0 | 11.9 | 8.4 |
| Dividend Yield (%) | 0.0% | 0.0% | 0.0% | 0.0% |
| EV/Sales (x) | 3.2 | 2.4 | 2.0 | 1.7 |
| EV/EBITDA (x) | 53.7 | 67.8 | 15.0 | 9.8 |
| EV/EBIT (x) | nm | nm | nm | 100.0 |
| EV/CE (x) | 2.1 | 2.1 | 2.1 | 2.2 |

Source: Company data, UBI Banca estimates

Key Value Drivers

| (%) | 2015 | 2016E | 2017E | 2018E |
|----------------|-------|-------|-------|-------|
| Payout | 0.0% | 0.0% | 0.0% | 0.0% |
| Cost of Equity | 8.8% | 8.8% | 8.8% | 8.8% |
| NWC/Sales | 35.8% | 27.7% | 24.7% | 21.2% |
| Capex/Sales | 85.0% | 22.1% | 16.0% | 12.8% |

Source: Company data, UBI Banca estimates

Recent Developments

- > Overall 1H16 results were below our expectations: sales increased by 56% and value of production by 80%, partially thanks to the contribution of Temis (EUR2.8 million of additional sales and EUR5 million of additional value of production). Stripping out Temis, Expert System revenues would have grown by 5% and value of production by 12%. EBITDA was negative for nearly EUR2 million, worse than our estimate, penalised by higher personnel costs (EUR9.1 million, equal to nearly 70% of value of production compared with 50% in 2015). After EUR2.9 million of D&A costs (a strong increase due to goodwill amortization and higher capitalized R&D), EBIT was negative for EUR4.9 million leading to a net loss of EUR5.1 million. Net debt increased to EUR13.9 million (of which EUR16.9 million long-term), in line with our forecast, while net invested capital remained more or less stable at EUR32 million compared to Dec-15.
- > While we were expecting strong growth in costs due to the investments needed to develop the commercial network, particularly in the US, higher G&A costs linked to the larger size of the company, and rising R&D costs to expand the Cogito platform (recently Expert System developed “Analyst Workspace”, a platform dedicated to financial analysts, and a new release of “Cogito Studio”), we were surprised by the low revenue growth. This was mainly due to some delays in winning new contracts that jeopardized sales growth. On the positive side, we highlight growing revenues from outside Italy that now represent 47% of total turnover.
- > The rights issue launched last July (2 new shares every 19 old shares at EUR1.80 per share, equal to the IPO price) was entirely subscribed allowing Expert System to raise EUR4.7 million of fresh resources. The new number of shares (27.7 million) was already included in our estimates. Following the capital increase the free float is 65.1%.
- > In September, the company signed a contract with Mondadori Magazine France, thus enlarging its presence in the media sector.

Figure 1 – 1H16 results

Both sales and EBITDA were below our estimates penalised by investments to develop the commercial network, particularly in the US.

| (EURm) | 1H15A | 1H16A | % Chg. |
|-------------------|---------------|---------------|-----------|
| Sales total | 5.50 | 8.57 | 55.8% |
| VoP | 7.29 | 13.15 | 80.5% |
| EBITDA | (1.48) | (1.95) | -31.7% |
| % margin | -26.9% | -22.8% | |
| EBIT | (2.52) | (4.90) | nm |
| % margin | -45.8% | -57.1% | |
| Pre tax profit | (2.52) | (5.39) | nm |
| Net profit | (2.07) | (5.05) | nm |
| Net debt/(cash) | 2.26 | 13.94 | 517.0% |

Source: Company data

Financial Projections

- > Following weak 1H16 revenues it is now clear that 2016 could be another transition year for Expert System: investments for the development of the commercial network abroad will continue also in the second half and we expect new contracts to materialise only at year-end. As a result, we have reduced our 2016 sales estimates by 9.6% (thus implying around 39% growth in 2H16) but have left the estimate for the value of production mostly unchanged to factor in the increase in production for internal use (mostly R&D) and grants. For 2017-18, we confirm an organic growth estimate of around 15%, which should allow the company to exceed EUR35 million of revenues in 2018 and a value of production of EUR45 million.
- > Lower revenues clearly imply a reduction in the EBITDA margin as the fixed cost base (mostly labour costs now estimated at 52.5% of value of production vs. the previous estimate of 47%) is covered by lower income. Our new EUR1.0 million EBITDA estimate for 2016 (down from the previous figure of EUR2.3 million) implies an EBITDA margin of around 20% in the second half, slightly below 2H15 (when it was 24.7%). Adding higher D&A costs, we estimate a negative bottom line of EUR5.0 million in 2016 vs. our previous forecast of a net loss of EUR2.9 million. We have also slightly reduced our 2017-18 EBITDA expectations (by 12% and 4% respectively) postponing breakeven in the net result to 2018.
- > Expert System reported net debt of EUR13.9 million at June-16 (vs. EUR10.5 million at Dec-15), which should fall to just EUR12.6 million at year-end due to the cash in stemming from the recent rights issue (EUR4.7 million). In coming years, operating cash flow generation should improve substantially but capex should remain at around EUR6 million p.a. limiting the net debt reduction.

Figure 2 – Old vs. New estimates

| (EURm) | 2015A | 2016E | | 2017E | | 2018E | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| | | Old | New | Old | New | Old | New |
| Total Sales | 16.4 | 26.2 | 23.7 | 30.8 | 30.7 | 35.3 | 35.2 |
| % change | | | -9.6% | | -0.2% | | -0.2% |
| Value of Production | 22.6 | 32.9 | 32.7 | 38.5 | 40.2 | 44.1 | 45.2 |
| % change | | | -0.6% | | 4.4% | | 2.4% |
| EBITDA | 1.2 | 2.3 | 1.0 | 5.5 | 4.8 | 7.5 | 7.2 |
| % change | | | -55.7% | | -12.0% | | -3.8% |
| EBIT | (4.0) | (3.2) | (4.8) | (0.1) | (1.3) | 1.7 | 0.7 |
| Net Profit | (3.3) | (2.9) | (5.0) | (0.1) | (1.5) | 1.1 | 0.2 |
| Net Debt/(Cash) | 10.5 | 11.1 | 12.6 | 10.8 | 14.7 | 9.8 | 13.0 |

Source: Company data, UBI Banca estimates

Figure 3 – 2H16E estimates

| (EURm) | 2H15A | 2H16E | % Chg. |
|----------------------------|---------------|--------------|--------------|
| Sales total | 10.89 | 15.14 | 39.1% |
| Value of Production | 15.36 | 19.52 | 27.1% |
| EBITDA | 2.69 | 2.98 | 11.0% |
| % margin | 24.7% | 19.7% | |
| EBIT | (1.51) | 0.06 | nm |
| Net profit | (1.21) | 0.00 | nm |

Source: Company data, UBI Banca estimates

Valuation

- > Given the downgrade in our estimates, our DCF valuation has fallen to EUR2.28 per share (from EUR2.65) while our relative valuation has increased to EUR2.41 per share from EUR2.30 per share, as we have now included 2018 multiples (not previously available). Our target price, therefore, moves to EUR2.32 per share (vs. EUR2.55 before) based on the average of a DCF analysis (70% weight) and a relative valuation (30% weight). We gave a higher weight to the DCF analysis as Expert System is still in a transition phase following the acquisition of Temis and its sizeable investments to develop the commercial network (mainly in the US) that should bear fruit only in the long-term.
- > It should be noted that our valuation does not include ADMantX, which is not consolidated but has a book value of EUR4.2 million. ADMantX reported net equity of EUR1.9 million at Dec-15 and a net loss of EUR1.4 million for the full year and, therefore, we prudently decided not to include ADMantX in our valuation.
- > The outstanding warrants (4 warrants give the right to subscribe to one new share at EUR2.40 in October 2017 and at EUR2.70 in October 2018) are currently out of the money.
- > At our EUR2.32 per share target price, Expert System would trade at 1.70x 2018 EV/Sales, which is still below the average multiple of our sample of peers (2.54x) and at 9.8x EV/EBITDA (vs. an average of 12.0x).

Figure 4 – Valuation summary

| (EUR) | | Weight | 25 July-16 | Delta |
|---------------------|-------------|--------|-------------|--------------|
| DCF Valuation | 2.28 | 70.0% | 2.65 | -13.4% |
| Relative Valuation | 2.41 | 30.0% | 2.30 | +5.9% |
| Target Price | 2.32 | | 2.55 | -8.2% |
| Current price | 2.02 | | 1.80 | +12.0% |
| Potential upside | 15.2% | | 41.4% | |

Source: UBI Banca estimates

Figure 5 – DCF Valuation

Our model incorporates a WACC of 5.6%, a terminal growth rate of 2% and an operating margin of 8% at terminal value. Our DCF valuation implies 6.5x EV/EBITDA at terminal value.

| | (EUR m) | (% weight) |
|-----------------------------------|-------------|-------------|
| Sum of PV 2016-24 FCF | 2.8 | 4% |
| Terminal value | 72.2 | 96% |
| Total Enterprise value | 75.1 | 100% |
| - minorities | 0.0 | |
| - Pension Provision | (1.4) | |
| - Net cash (debt) | (10.5) | |
| Total Equity value | 63.2 | |
| Number of shares outstanding (m) | 27.7 | |
| Fair value per share (EUR) | 2.28 | |

Source: UBI Banca estimates

Figure 6 – Peer comparison and valuation based on multiples priced on 13 October 2016

Based on a simple average of diversified peers, Expert System has a valuation of EUR2.41 per share. We highlight that the company is currently trading at an average 18% discount to the EV/Sales of our peer sample. If we consider a sample of IT service companies listed on the Italian market (TXT e-solutions, CAD IT, Piteco and Reply), which, however, do not provide cognitive computing and text analytics software, we would come to a valuation of EUR1.08 per share.

| Company | Market Cap (EURm) | P/E | | EV/EBITDA | | EV/Sales | |
|---|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 2017E | 2018E | 2017E | 2018E | 2017E | 2018E |
| Nuance Communications | 3.492 | 8.4 x | 8.0 x | 7.4 x | 7.1 x | 2.55 x | 2.27 x |
| Open Text Corporation | 7.005 | 15.7 x | 14.2 x | 11.2 x | 9.8 x | 4.14 x | 3.80 x |
| Trend Micro Incorporated | 4.323 | 22.8 x | 21.2 x | 7.4 x | 6.2 x | 2.28 x | 2.04 x |
| Verint Systems | 2.018 | 11.0 x | 10.3 x | 8.1 x | 7.0 x | 1.97 x | 1.64 x |
| Splunk | 6.872 | nm | 72.7 x | 49.4 x | 36.3 x | 5.25 x | 4.12 x |
| Teradata Corporation | 3.465 | 12.0 x | 12.0 x | 5.4 x | 5.5 x | 1.41 x | 1.37 x |
| CommVault Systems | 2.145 | 46.2 x | 41.0 x | 18.0 x | | 2.67 x | |
| PRGX Global | 100 | 21.8 x | | 4.4 x | | 0.60 x | |
| Average | | 19.7 x | 25.6 x | 13.9 x | 12.0 x | 2.61 x | 2.54 x |
| Median | | 15.7 x | 14.2 x | 7.8 x | 7.0 x | 2.41 x | 2.16 x |
| Expert System at market price | 56 | | | 67.8 x | 15.0 x | 2.66 x | 1.95 x |
| Premium (discount) to Average | | | | nm | 24.9% | -9.7% | -23.1% |
| Expert system valuation based on multiples | | | | 1.89 | 2.63 | 2.36 | 2.76 |

Source: Factset, UBI Banca estimates

Figure 7 – Implicit multiples based on our EUR2.34 target price

| (x) | 2016E | 2017E | 2018E |
|----------------------|--------|--------|--------|
| P/E | nm | nm | nm |
| EV/EBITDA | 67.8 x | 15.0 x | 9.9 x |
| EV/Sales | 2.36 x | 1.95 x | 1.70 x |
| P/BV | 2.7 x | 3.0 x | 2.9 x |
| P/CF | nm | 14.8 x | 8.0 x |
| EV/ Capital employed | 2.01 x | 2.03 x | 2.07 x |

Source: UBI Banca estimates

Income Statement

| (EURm) | 2015 | 2016E | 2017E | 2018E |
|--------------------------------|--------|--------|-------|-------|
| Net Revenues | 20.0 | 29.6 | 36.8 | 41.5 |
| EBITDA | 1.2 | 1.0 | 4.8 | 7.2 |
| EBITDA margin | 7.3% | 4.3% | 15.7% | 20.4% |
| EBIT | -4.0 | -4.8 | -1.3 | 0.7 |
| EBIT margin | -20.2% | -16.3% | -3.6% | 1.7% |
| Net financial income /expense | 0.2 | -0.7 | -0.4 | -0.5 |
| Associates & Others | 0.3 | 0.1 | 0.1 | 0.1 |
| Profit before taxes | -3.6 | -5.5 | -1.7 | 0.3 |
| Taxes | 0.3 | 0.4 | 0.2 | -0.1 |
| Minorities & discontinuing ops | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Income | -3.3 | -5.0 | -1.5 | 0.2 |

Source: Company data, UBI Banca estimates

Balance Sheet

| (EURm) | 2015 | 2016E | 2017E | 2018E |
|---------------------------|------|-------|-------|-------|
| Net working capital | 7.2 | 8.2 | 9.1 | 8.8 |
| Net Fixed assets | 25.7 | 26.5 | 26.3 | 25.3 |
| M/L term funds | -1.6 | -1.7 | -1.8 | -1.9 |
| Capital employed | 31.2 | 32.9 | 33.6 | 32.1 |
| Shareholders' equity | 20.7 | 20.4 | 18.9 | 19.1 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 |
| Shareholders' funds | 20.7 | 20.4 | 18.9 | 19.1 |
| Net financial debt/(cash) | 10.5 | 12.6 | 14.7 | 13.0 |

Source: Company data, UBI Banca estimates

Cash Flow Statement

| (EURm) | 2015 | 2016E | 2017E | 2018E |
|----------------------------------|-------|-------|-------|-------|
| NFP Beginning of Period | -1.3 | 10.5 | 12.6 | 14.7 |
| Group Net Profit | -3.3 | -5.0 | -1.5 | 0.2 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 |
| D&A | 5.2 | 5.9 | 6.2 | 6.5 |
| Change in Funds & TFR | 0.0 | 0.0 | 0.0 | 0.0 |
| Gross Cash Flow | 2.0 | 0.8 | 4.7 | 6.7 |
| Change In Working Capital | -0.1 | -1.0 | -0.9 | 0.3 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Cash Flow | 1.9 | -0.2 | 3.8 | 7.0 |
| Net Capex | -17.0 | -6.6 | -5.9 | -5.3 |
| Other Investments | 0.0 | 0.0 | 0.0 | 0.0 |
| Free Cash Flow | -15.1 | -6.8 | -2.1 | 1.7 |
| Dividends Paid | 0.0 | 0.0 | 0.0 | 0.0 |
| Other & Chg in Consolid. Area | -3.3 | 0.0 | 0.0 | 0.0 |
| Chg in Net Worth & Capital Incr. | 6.6 | 4.7 | 0.0 | 0.0 |
| Change in NFP | -11.8 | -2.1 | -2.1 | 1.7 |
| NFP End of Period | 10.5 | 12.6 | 14.7 | 13.0 |

Source: Company data, UBI Banca estimates

Financial Ratios

| (%) | 2015 | 2016E | 2017E | 2018E |
|--------------------------|--------|--------|-------|-------|
| ROE | -15.9% | -24.8% | -7.8% | 1.1% |
| ROI (%) | -16.2% | -14.3% | -3.8% | 2.0% |
| Net Fin. Debt/Equity (x) | 0.5 | 0.6 | 0.8 | 0.7 |
| Net Fin. Debt/EBITDA (x) | 8.7 | 12.2 | 3.1 | 1.8 |
| Interest Coverage | nm | -5.9 | -2.7 | 1.2 |
| NWC/Sales | 35.8% | 27.7% | 24.7% | 21.2% |
| Capex/Sales | 85.0% | 22.1% | 16.0% | 12.8% |
| Pay Out Ratio | 0.0% | 0.0% | 0.0% | 0.0% |

Source: Company data, UBI Banca estimates

Per Share Data

| (EUR) | 2015 | 2016E | 2017E | 2018E |
|-----------|-------|-------|-------|-------|
| EPS | -0.13 | -0.18 | -0.05 | 0.01 |
| DPS | 0.0 | 0.0 | 0.0 | 0.0 |
| Op. CFPS | 0.08 | -0.01 | 0.14 | 0.25 |
| Free CFPS | -0.60 | -0.24 | -0.08 | 0.06 |
| BVPS | 0.83 | 0.74 | 0.68 | 0.69 |

Source: Company data, UBI Banca estimates

Stock Market Ratios

| (x) | 2015 | 2016E | 2017E | 2018E |
|--------------------------|--------|-------|-------|-------|
| P/E | nm | nm | nm | nm |
| P/OpCFPS | 27.8 | nm | 14.8 | 8.0 |
| P/BV | 2.5 | 2.7 | 3.0 | 2.9 |
| Dividend Yield (%) | 0.0% | 0.0% | 0.0% | 0.0% |
| Free Cash Flow Yield (%) | -28.6% | nm | nm | 3.0% |
| EV (EURm) | 64.7 | 69.8 | 72.0 | 70.4 |
| EV/Sales | 3.2 | 2.4 | 2.0 | 1.7 |
| EV/EBITDA | 53.7 | 67.8 | 15.0 | 9.8 |
| EV/EBIT | nm | nm | nm | 100.0 |
| EV/Capital Employed | 2.1 | 2.1 | 2.1 | 2.2 |

Source: Company data, UBI Banca estimates

Growth Rates

| (%) | 2015 | 2016E | 2017E | 2018E |
|------------------------|--------|--------|--------|-------|
| Growth Group Net Sales | 33.3% | 48.1% | 24.3% | 12.7% |
| Growth EBITDA | -48.5% | -14.4% | 367.5% | 48.9% |
| Growth EBIT | nm | nm | nm | nm |
| Growth Net Profit | nm | nm | nm | nm |

Source: Company data, UBI Banca estimates

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Analyst Declaration

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| <i>Buy</i> | <i>Hold</i> | <i>Sell</i> | <i>No Rating</i> |
|------------|-------------|-------------|------------------|
| 94.4% | 5.6% | 0.0% | 0.0% |

Proportion on issuers to which UBI Banca has supplied investment banking services relating to the last 12 months

| <i>Buy</i> | <i>Hold</i> | <i>Sell</i> | <i>No Rating</i> |
|------------|-------------|-------------|------------------|
| 100% | 100% | - | - |

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Historical ratings and target prices

| <i>Date</i> | <i>Rating</i> | <i>Target Price (EUR)</i> | <i>Market Price (EUR)</i> |
|--------------|---------------|---------------------------|---------------------------|
| 25 July 2016 | BUY | 2.55 | 1.80 |