



19 NOVEMBER 2019

# INVESTOR PRESENTATION (9M'19 RESULTS & 2020-2022 STRATEGIC PLAN)





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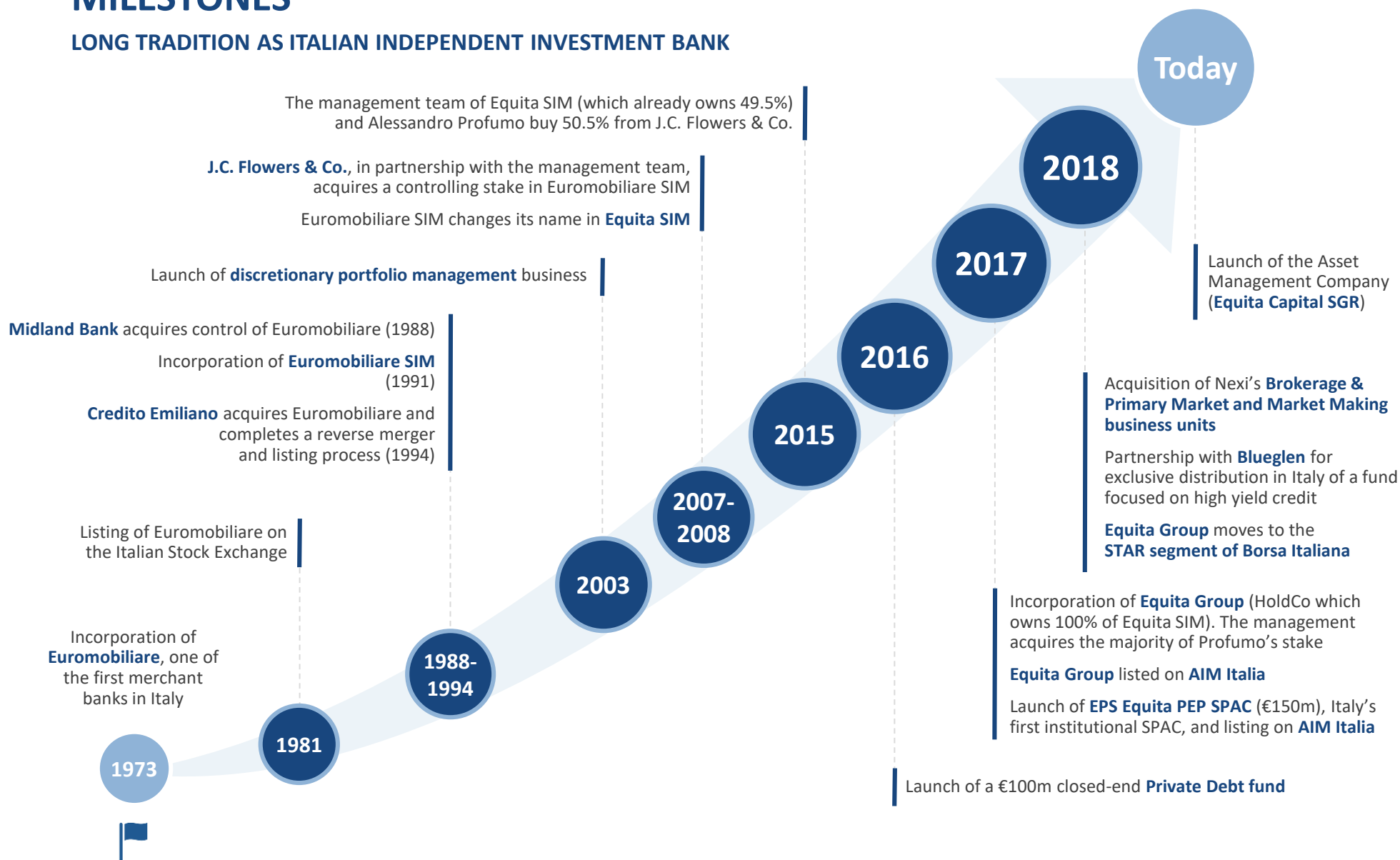
**INTRODUCTION TO EQUITA**

**CURRENT TRADING 9M'19 AND OUTLOOK 2019**

**2020-2022 STRATEGIC PLAN**

# MILESTONES

## LONG TRADITION AS ITALIAN INDEPENDENT INVESTMENT BANK

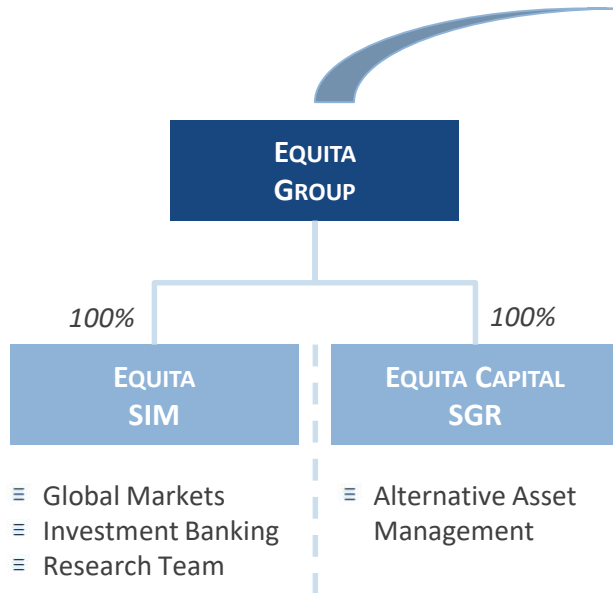


# GROUP AND SHAREHOLDING STRUCTURE

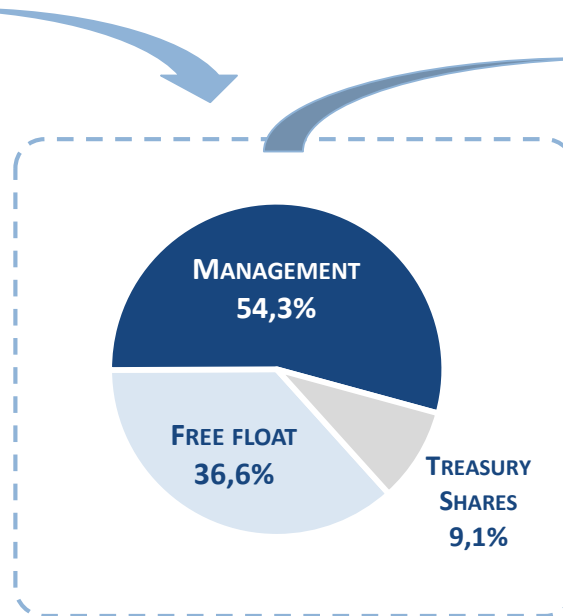
## GROUP STRUCTURE

## SHAREHOLDING STRUCTURE

## SHAREHOLDERS' AGREEMENTS



**Fully separated governance to avoid conflicts of interest and maximize business potential**



**Partnership "opened" to the market**

### First Shareholders' Agreement-Bis

- ≡ **28 shareholders** with **46.7% of share capital** (≈64% of votes following the kick-in of increased voting rights)
- ≡ **Voting and lock-up commitments** expiring in **July 2022**

### Other Shareholders' Agreements <sup>1)</sup>

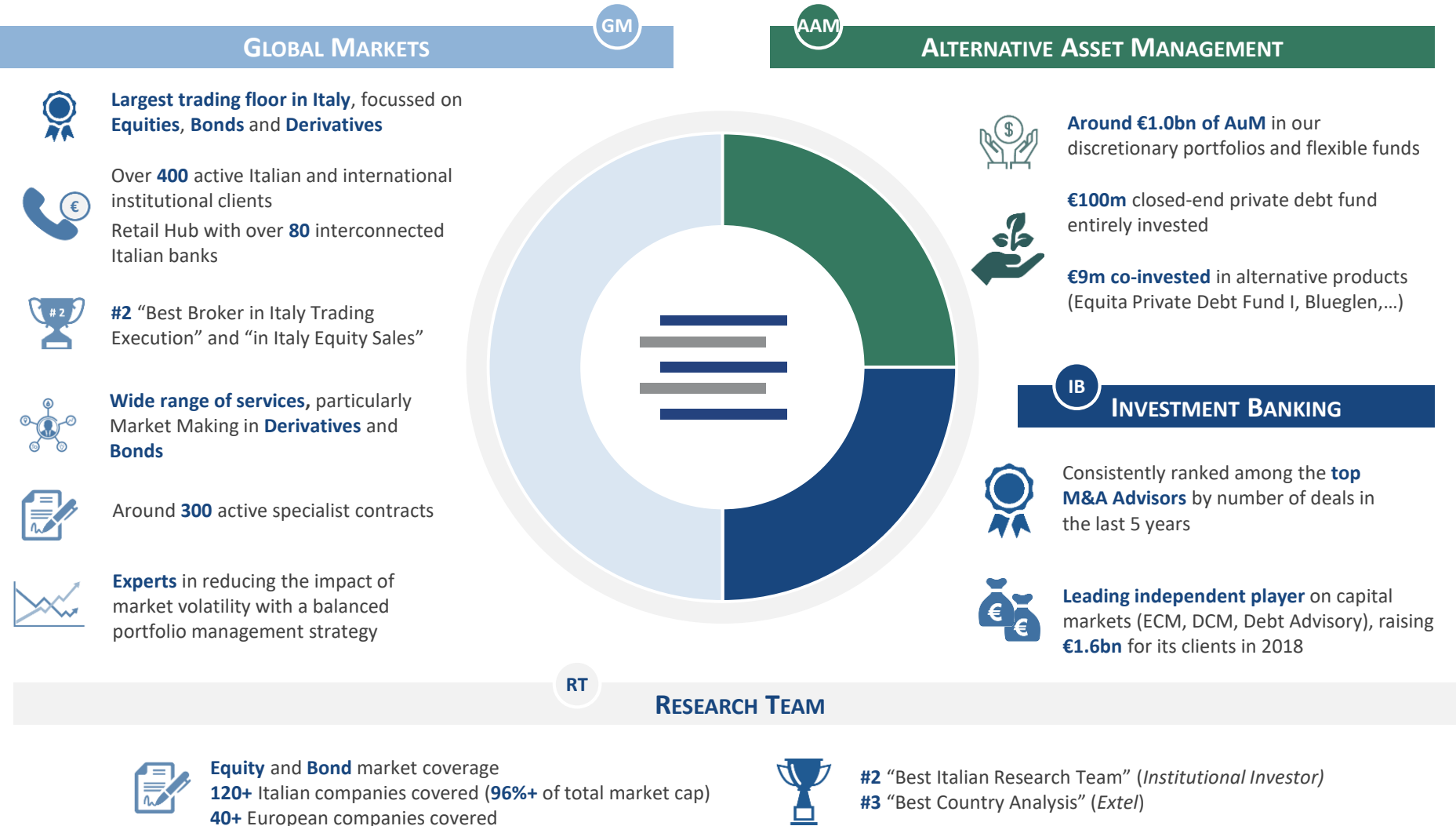
- ≡ **71 shareholders** with **54.3% of share capital** (≈73% of votes following the kick-in of increased voting rights)
- ≡ **Lock-up commitments** and **preemption rights** on shares disposed by managers



**Strong management commitment and entrepreneurial spirit**

# FOCUSSED AND SYNERGISTIC BUSINESS MODEL

EQUITA HAS DIFFERENT BUSINESS LINES – GLOBAL MARKETS (WHICH INCLUDES SALES & TRADING, CLIENT-DRIVEN TRADING AND DIRECTIONAL TRADING), INVESTMENT BANKING AND ALTERNATIVE ASSET MANAGEMENT – ALL SUPPORTED BY A TOP QUALITY RESEARCH TEAM



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# SNAPSHOT OF THE FIRST NINE MONTHS 2019 RESULTS

PERFORMANCE IMPACTED BY TOUGH INVESTMENT BANKING MARKETS AND COMPARISON EFFECT WITH 2018 EQUITA RESULTS. IMPROVING TREND IN Q3 2019

## KEY FINANCIAL HIGHLIGHTS

**€38.0m**

(-22% vs 9M'18)

**Net Revenues**

**€5.6m**

(-38% vs 9M'18)

**Net Profit**

**23%**

(as of 30 September 2019)

**Total Capital Ratio**

**€1.0bn**

(+18% vs FY'18)<sup>(1)</sup>

**Assets under Management**

**€0.22**

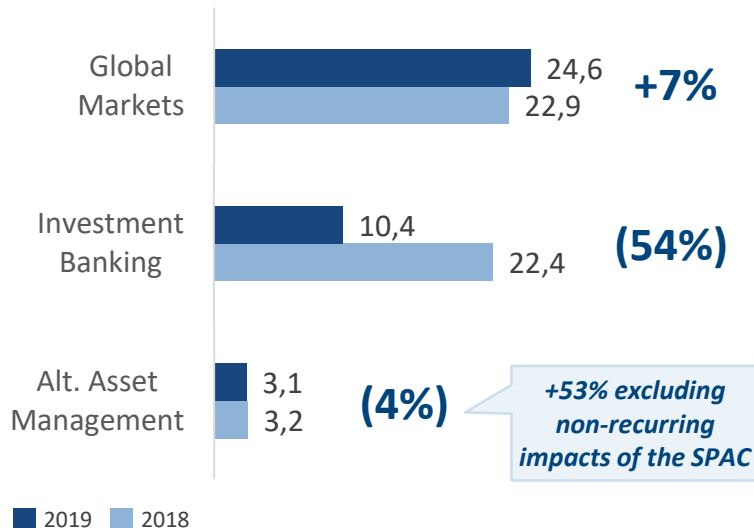
(paid-out on 8 May 2019)

**Dividend per Share**

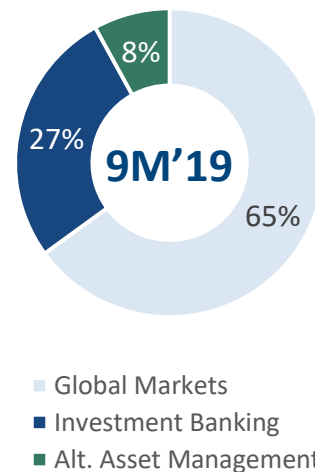
## 9M'19 DIVISIONAL PERFORMANCE AND REVENUES BREAKDOWN

## 2018 HIGHLIGHTS

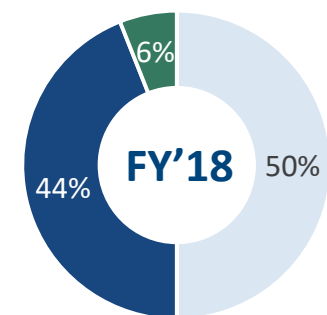
### Divisional Performance



### Revenues Breakdown



### Revenues Breakdown



**€59.8m**

**Net Revenues**

**€12.0m**

**Adj. Net Profit**



# GLOBAL MARKETS: THE LARGEST TRADING FLOOR IN ITALY

A COMPLETE PRODUCT OFFERING ON EQUITIES, BONDS, DERIVATIVES AND ETFS DEVELOPED OVER TIME AND STRENGTHENED IN 2018 THANKS TO THE INTEGRATION OF THE RETAIL HUB AND MARKET MAKING ACTIVITIES (ACQUIRED FROM NEXI SPA) AND THE NEW FIXED INCOME TEAM



**More than 40 professionals**

to best serve clients' needs



**≈€95bn of brokered volumes on a yearly basis (1)**  
(≈€50bn equities and ≈€45bn fixed income)



## New Fixed Income Team

to exploit further synergies with the other business lines (Investment Banking, Research)



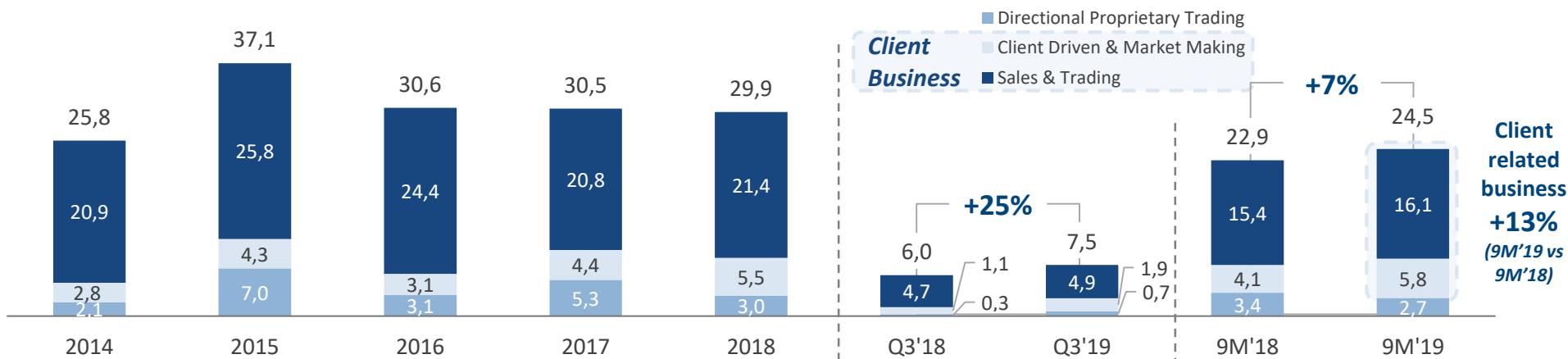
## 2018 Acquisition from Nexi

to expand and diversify Sales & Trading and strengthen Market Making

# GLOBAL MARKETS

A POSITIVE Q3'19 (FULLY ORGANIC) CONTRIBUTED TO STRENGTHEN EQUITA MARKET SHARES AND YEAR-TO-DATE GROWTH OF THE DIVISION. CLIENT RELATED BUSINESS (89% OF TOTAL REVENUES) GREW +13% IN 9M'19 AND +18% IN Q3'19

## NET REVENUES (€M)



## Performance drivers in 9M'19

- ≡ **Positive performance of the Main Italian Index** (FTSE MIB +21% YTD), recovering the sharp correction experienced in Q4'18 (FTSE MIB -12%)
- ≡ **Third parties brokered volumes on equities still down** (-19% in 9M'19 vs LY) but Equita continued to be much more resilient than the market, increasing its market shares
- ≡ **Successful integration of the Retail Hub and Market Making activities**, exploiting interesting cross-selling synergies with the other Group's business areas
- ≡ **Client-Driven & Market Making** more than offset the reduction in **Directional trading**, increasing the exposure to client-related business

## Market Shares<sup>(1)</sup>

(third parties brokered volumes)

EQUITA	Equities	Bonds	Equity Options
Q3'18	8.0%	7.8%	5.4%
Q4'18	8.2%	6.7%	8.3%
Q1'19	8.8%	5.8%	9.9%
Q2'19	10.2%	6.0%	7.3%
Q3'19	9.4%	6.8%	6.6%
9M'19	9.4%	6.4%	8.1%

(1) Source: ASSOSIM, market share on quarterly volumes for third parties; "Equities" referred to equities brokered on MTA segment, "Bonds" referred to bonds brokered on DomesticMOT, EuroMOT and ExtraMOT segments; "Equity Options" referred to IDEM segment.  
2014 and 2015 figures referred to Equita SIM; 2016 and onward figures referred to Equita Group; roundings in Client Driven & Market Making and Directional Trading net revenues could occur due to a reclassification of 2018 figures

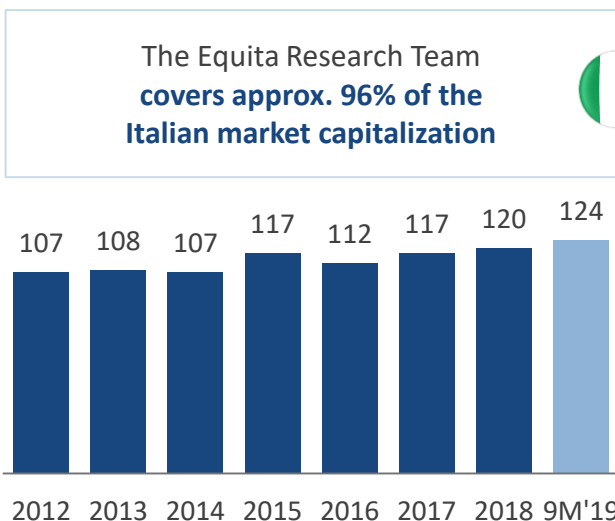
# RESEARCH TEAM: BEST-IN-CLASS QUALITY AND REPUTATION WITH INVESTORS

EQUITA CONFIRMED BREADTH AND QUALITY OF ITS RESEARCH AND EXPANDED COVERAGE TO THE BOND SEGMENT

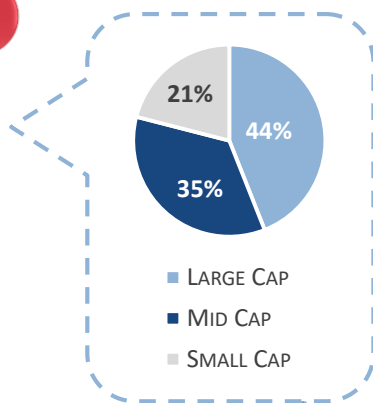
## EQUITA COVERAGE

## RESEARCH TEAM OVERVIEW (2018)

### # of companies covered



### Market size covered <sup>(1)</sup>



14 <sup>(2)</sup>  
Analysts



Best-in-class  
Research Team



600+ meetings  
with investors



8  
conferences



Reports  
distributed

430 Equity Reports  
24 Initiation/Basic Reports  
20 Strategic Reports  
29 Sector Reports

ITALIAN

ABROAD

+  
41 foreign  
stocks covered  
*(as of 30 September 2019)*

Coverage of  
Equities  
and Bonds

# INVESTMENT BANKING: OUTSTANDING GROWTH AND STRONG POSITIONING

## New Areas

M&A Advisory & Corporate Broking

Financial Institutions

Debt Advisory

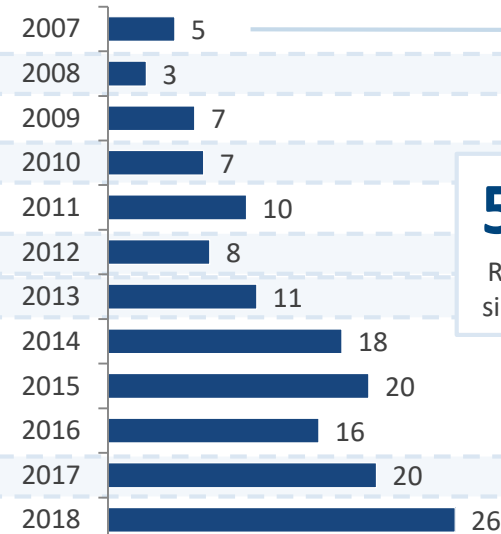
Debt Capital Markets

Financial Sponsors

## No. of Professionals



## Net Revenues



**5.2x**

Revenues since 2007

## Italian Rankings 2018

#	ECM - IPO and Listings <sup>(1)</sup>	# deal
1.	Banca IMI	5
2.	EQUITA	4
3.	Mediobanca	4
4.	Unicredit	3
5.	Banca Finnat	3
6.	UBI	3
7.	Advance SIM	2
8.	Banca Akros	2
9.	CFO SIM	2
10.	Credit Suisse	2

#	DCM - HY and NR Bonds <sup>(2)</sup>	# deal
1.	Unicredit	9
2.	HSBC	8
3.	BNP Paribas	5
4.	Goldman Sachs	5
5.	JP Morgan	5
6.	Banca IMI	4
7.	Mediobanca	4
8.	EQUITA	3
9.	Credit Suisse	3
10.	KKR	3

#	M&A <sup>(3)</sup>	# deal
1.	KPMG	47
2.	Unicredit	38
3.	PwC	37
4.	Mediobanca	34
5.	Deloitte	33
6.	EY	32
7.	Lazard	23
8.	Rothschild & Co	23
9.	Banca IMI	22
...13.	EQUITA	13

(1) ECM rankings are made considering # of IPOs and listings in the Italian market. The following roles are included: Global Coordinator, Sponsor, Advisor to Issuer or Selling shareholders and NOMAD. Excluding deals smaller than €10m and market cap smaller than €10m (in case of listing). Source: Equita's analysis on Borsa Italiana and Dealogic data; (2) DCM rankings are made considering only High Yield and Not Rated bonds. Source: Bondradar; (3) M&A rankings by Mergermarket

# INVESTMENT BANKING: LOW TRANSACTION VOLUMES

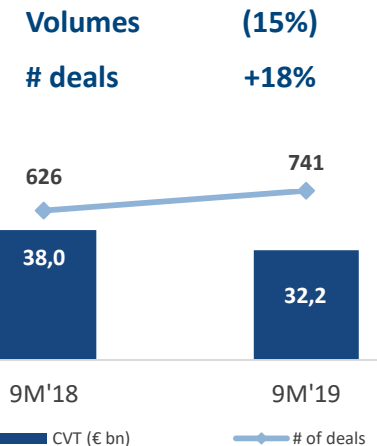
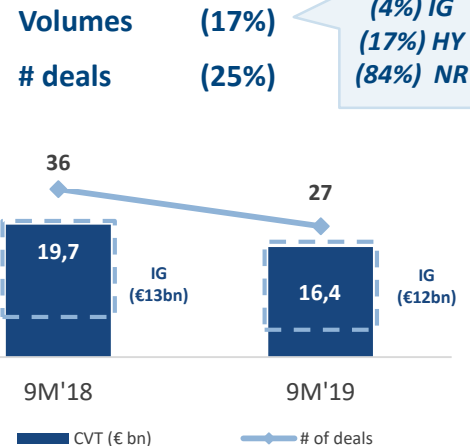
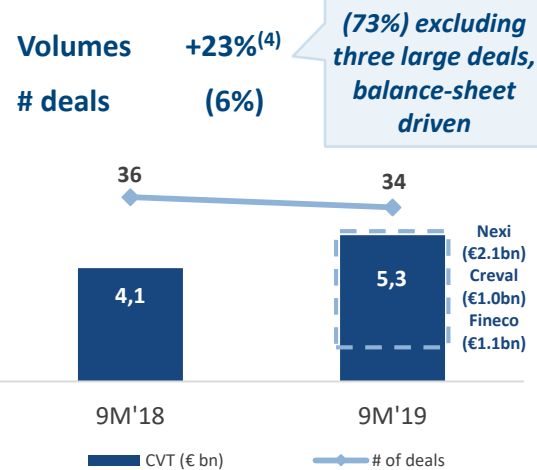
ONE OF THE WORST YEARS IN ITALY AS WELL AS IN EUROPE IN TERMS OF MARKET VOLUMES

## Equity Capital Markets <sup>(1)</sup>

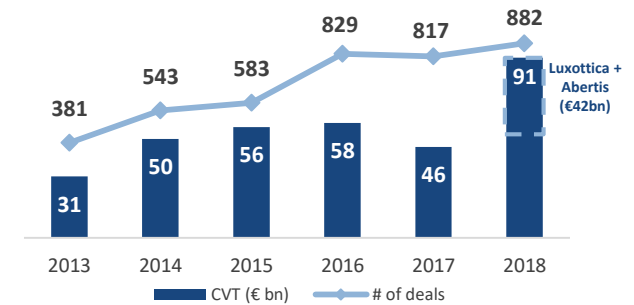
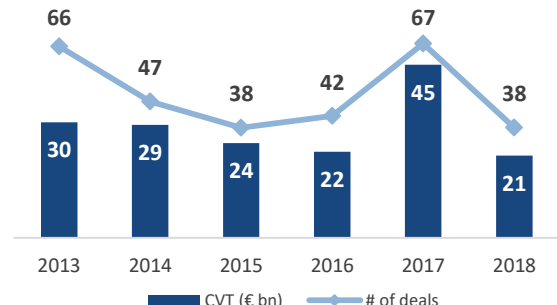
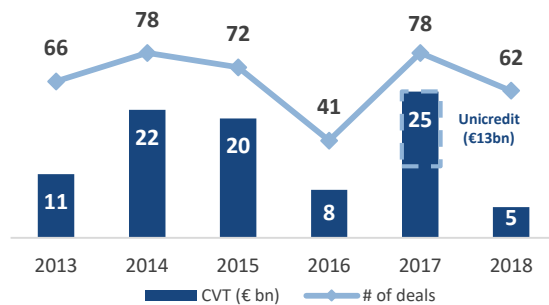
## Debt Capital Markets <sup>(2)</sup>

## Mergers & Acquisitions <sup>(3)</sup>

FOCUS ON 9M'19 VS 9M'18 (MARKET FIGURES AND CHANGE %)



## HISTORICAL MARKET FIGURES FOR ITALY

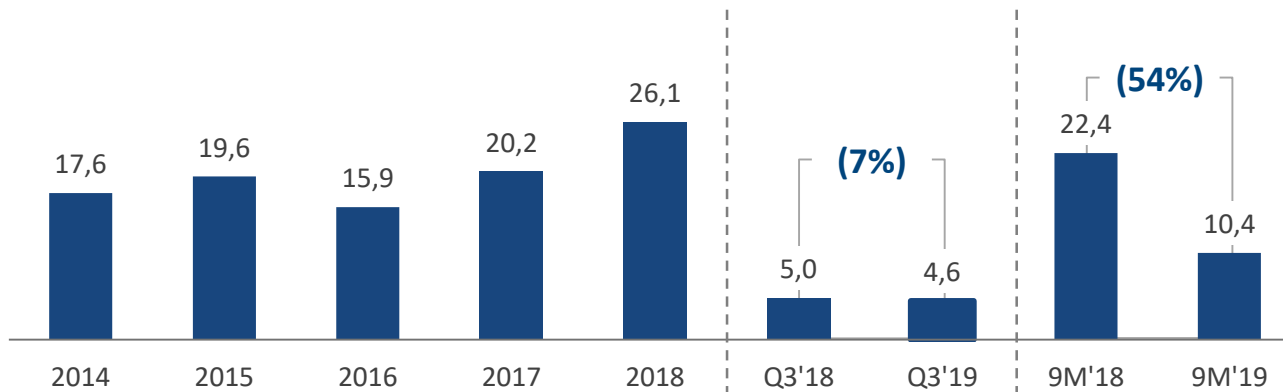


(1) Market figures include IPOs, Convertibles and Follow-on deals. Source: Equita's analysis on Borsa Italiana and Dealogic data; (2) Market figures are made excluding banks/insurances. Source: Bondradar; (3) Source: M&A in Italy, KPMG report; (4) +23% refers to the growth of total market; (73%) excluding three large deals balance sheet driven above €1 billion (Nexi's IPO, Creval's aucap and Fineco's ABB)

# INVESTMENT BANKING

DESPITE THE TOUGH UNDERLYING MARKET AND THE COMPARISON EFFECT WITH A VERY STRONG H1'18, EQUITA'S RESULTS STARTED TO IMPROVE QUARTER OVER QUARTER (+26% Q3'19 VS Q2'19 AND +80% Q2'19 VS Q1'19)

NET REVENUES (€M)



## Performance drivers in 9M'19

- Results impacted by a **tough market situation**, coupled with **comparison effect with the particularly strong H1'18** which experienced unusually high volumes compared to the normal seasonality of the investment banking business
- The team continued to be **involved in key relevant transactions in all areas (ECM, DCM, M&A)** and the first months of Q4'19 confirmed this trend
- Corporate Broking & Specialist** activities confirmed the positive trajectory of previous quarters growing double digit and offering cross-selling opportunities for other business areas of the Group
- Good progress quarter-over-quarter**, with Q2'19 growing +80% vs Q1'19 and Q3'19 growing +26% vs Q2'19 (€2,1m Q1'19, €3.7m Q2'19, €4.6m Q3'19)

KEY RELEVANT TRANSACTIONS (YTD) <sup>(1)</sup>



(1) Key relevant transactions as of November 2019  
2014 and 2015 figures referred to Equita SIM; 2016 and onward figures referred to Equita Group

# ALTERNATIVE ASSET MANAGEMENT: OUR STRATEGY

A CLEAR STRATEGY, FOCUSED ON DIFFERENT PRODUCTS AND SERVICES OFFERED TO BOTH FINANCIAL INSTITUTIONS AND PROFESSIONAL INVESTORS. NOT INTERESTED IN TRADITIONAL ASSET MANAGEMENT AND WEALTH MANAGEMENT



## PARTNERSHIPS TO CO-DEVELOP PRODUCTS WITH BANKS, FINANCIAL INSTITUTIONS AND PRIVATE BANKING NETWORKS

≡ Discretionary accounts

≡ Flexible funds

≡ Other funds



≈€300m

**3 discretionary equity portfolios** managed on behalf of Credem since 2003

≈€600m

**2 flexible funds** managed on behalf of Euromobiliare Asset Management SGR



## ALTERNATIVE ASSETS DEVELOPED BOTH IN-HOUSE AND WITH PARTNERS

≡ Private Debt

≡ Alternative Credit (Blueglen)



€100m

**Among the leading teams in Italy**, with **1 private debt fund fully invested** and **1 fundraising underway** (€200m target)

≈€50m

1 alternative credit fund distributed ("G10 Blueglen Equita Total Return Credit UCITS Fund") + framework agreement with Blueglen to distribute other alternative products



## FAMILY OFFICE

≡ **Highly synergistic** with the **Investment Banking** and **Alternative Asset Management** divisions



## TRADITIONAL ASSET MANAGEMENT

≡ Requires **large-scale business**

≡ Requires **private banking networks for distribution**



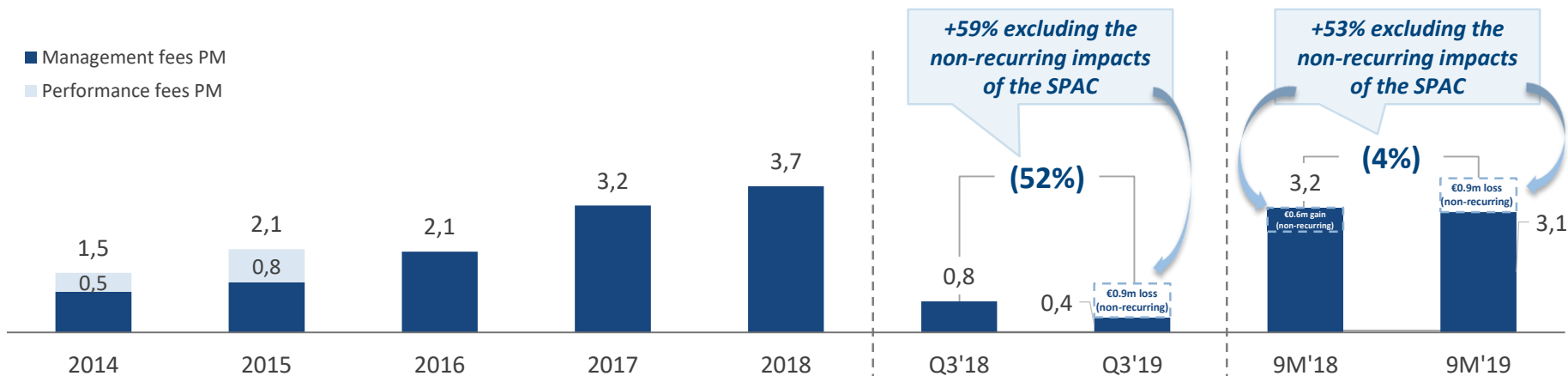
## WEALTH MANAGEMENT

≡ Requires **private banking networks**

# ALTERNATIVE ASSET MANAGEMENT

NET REVENUES, EXCLUDING THE NON-RECURRING ITEMS RELATED TO THE SPAC, GREW BY +53%. ASSETS UNDER MANAGEMENT REACHED €1.0BN (+18% VS FY'18).

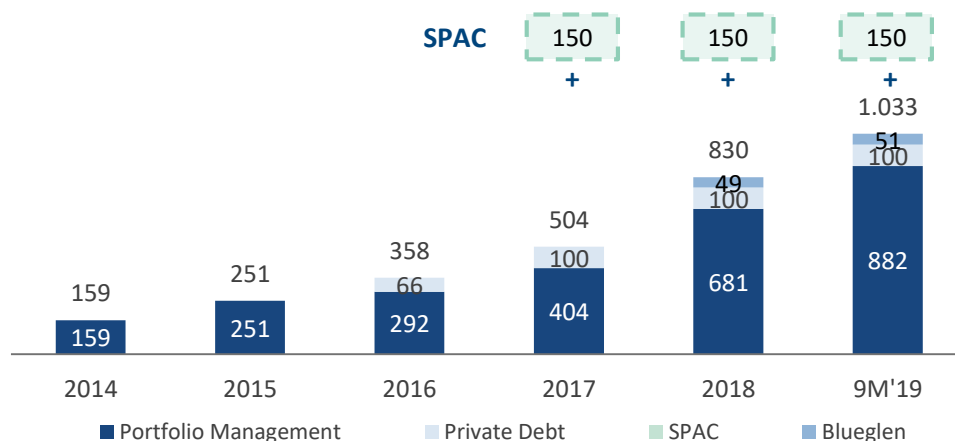
NET REVENUES (€M)



## Performance drivers in 9M'19

- ≡ **Portfolio Management** grew significantly thanks to the first-time consolidation of two flexible funds managed on behalf of clients <sup>(1)</sup>
- ≡ **Private Debt** fully invested the capital of EPD I fund with 2 new transactions closed YTD. The team now focuses on launching a second fund with a €200m target
- ≡ Results include some non-recurring items related to the SPAC. **Excluding these one-offs, Net Revenues would have increased by +53% in 9M'19 and +59% in Q3'19**

## Assets under Management (€m)





# ALTERNATIVE ASSET MANAGEMENT: SOUND PERFORMANCE

STRONG TRACK RECORD IN ALMOST ALL PRODUCTS, THANKS TO A STRONG EXPERTISE AND A TOP-QUALITY IN-HOUSE RESEARCH

## A DIVERSIFIED SET OF PRODUCTS

Broad market recognition of senior professionals, leveraging on top quality in-house research

8 different products of which 7 performing with a strong track record

## PORTFOLIO MANAGEMENT



	2013	2014	2015	2016	2017	2018	YTD <sup>(1)</sup>
Linea	30.8%	10.0%	26.6%	(1.8%)	16.9%	(8.5%)	22.9%
Benchmark	16.1%	0.0%	14.1%	(8.6%)	14.0%	(15.1%)	23.7%
Performance relativa	14.7%	10.1%	12.6%	6.9%	2.9%	6.6%	(0.8%)



	2013	2014	2015	2016	2017	2018	YTD <sup>(1)</sup>
Linea	66.6%	8.6%	37.1%	(5.5%)	28.7%	(14.4%)	19.8%
Benchmark	39.8%	(0.3%)	30.7%	(4.1%)	25.7%	(16.1%)	14.5%
Performance relativa	26.8%	8.9%	6.4%	(1.4%)	3.0%	1.7%	5.3%



	2013	2014	2015	2016	2017	2018	YTD <sup>(1)</sup>
Linea	30.2%	7.4%	14.8%	(1.1%)	4.6%	(3.6%)	12.5%
Benchmark	9.3%	2.9%	7.4%	(3.7%)	6.8%	(8.0%)	14.5%
Performance relativa	20.9%	4.5%	7.4%	2.6%	(2.2%)	4.4%	(2.0%)

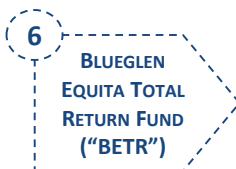


Net Performance (annualized)<sup>(1)</sup>  
**5,68%**



Net Performance (annualized)<sup>(1)</sup>  
**6,89%**

## THIRD PARTIES



Net Performance (annualized)<sup>(1)</sup>  
**4,33%**



FUND TYPE Closed-end  
COMMITMENT (€, TIME) €100m / 10 yrs  
LEVERAGE (AVG) ≈3x EBITDA  
GROSS EXP. RET. (%) ≈9,4% YTD<sup>(1)(2)</sup>

+

EPD II  
(Fundraising started in October 2019)

8 EPS Equita PEP SPAC II  
(reimbursement under way)

# ALTERNATIVE ASSET MANAGEMENT: A “DIFFERENT” ASSET MANAGER

EQUITA COMBINES SEVERAL DISTINCTIVE FEATURES THAT MAKE IT UNIQUE IN THE ITALIAN COMPETITIVE LANDSCAPE

## KEY DIFFERENCES BETWEEN EQUITA CAPITAL SGR AND COMPETITORS



Fully  
independent



Multi-asset  
manager



Co-investing  
approach



Opened to  
partnerships



## GROWTH OPPORTUNITIES IN THE COMING FUTURE



Launch of new products  
and investment structures

- ≡ Fundraising of **EPD II** started in October 2019 (€200m target)
- ≡ **ELTIF** structure (tax-advantaged) to be implemented in new products
- ≡ Launch of **new products in partnership**



Performance  
fees generation

- ≡ Material **potential upside** from performance fees generated from current and future products



Other asset classes  
and strategies

- ≡ Assessment of **new opportunities** to capitalize on team competences and **expand product offering** (private equity, real estate, venture capital, etc) **and investment strategies**

# CAPITAL LIGHT BUSINESS SUPPORTED BY COST DISCIPLINE

## Key Business Model Features

Summary P&L € m	9M 2019	9M 2018	Var. %	FY 2018	FY 2017	Var. %
<b>Net Revenues</b>	<b>38,0</b>	<b>48,5</b>	<b>(22%)</b>	<b>59,8</b>	<b>53,9</b>	<b>11%</b>
Personnel costs <sup>(1)</sup>	(17,4)	(22,8)	(24%)	(27,4)	(26,4)	4%
<i>Compensation/Revenues ratio</i>	<i>(46%)</i>	<i>(47%)</i>		<i>(46%)</i>	<i>(49%)</i>	
Operating costs	(12,5)	(12,9)	(3%)	(16,8)	(12,1)	39%
<b>Total Costs</b>	<b>(29,9)</b>	<b>(35,7)</b>	<b>(16%)</b>	<b>(44,2)</b>	<b>(38,5)</b>	<b>15%</b>
<i>Cost/Income ratio</i>	<i>(79%)</i>	<i>(74%)</i>		<i>(74%)</i>	<i>(71%)</i>	
<b>Profit before taxes</b>	<b>8,2</b>	<b>12,8</b>	<b>(36%)</b>	<b>15,6</b>	<b>15,4</b>	<b>1%</b>
Income taxes	(2,5)	(3,7)	(31%)	(4,5)	(4,3)	4%
<b>Net Profit</b>	<b>5,6</b>	<b>9,1</b>	<b>(38%)</b>	<b>11,0</b>	<b>11,0</b>	<b>0%</b>
<i>Dividend payout (on Adj. Net Profit)</i>				91%	90%	

*Excluding one-off items:  
Net Revenues 38.9m  
Net Profit Euro 6.2m*

- ➔ Compensation/Revenues ratio below 50%
- ➔ Discipline on operating costs
- ➔ Operating leverage
- ➔ Dividend payout above 90%

Summary Balance Sheet € m	9M 2019	FY 2018	FY 2017
<b>Total assets</b>	<b>282,7</b>	<b>298,3</b>	<b>246,3</b>
<b>Total liabilities</b>	<b>207,1</b>	<b>218,3</b>	<b>167,3</b>
<b>Total shareholders' equity</b>	<b>75,6</b>	<b>80,1</b>	<b>79,0</b>
<b>Total equity and liabilities</b>	<b>282,7</b>	<b>298,3</b>	<b>246,3</b>
<i>Total Capital Ratio</i>	<i>23%</i>	<i>29%</i>	<i>30%</i>

- ➔ Capital light business
- ➔ Strong availability of distributable reserves (€45m as of 31 Dec 2018)
- ➔ Strong ratios, well above minimum requirements

# FOCUS ON COST STRUCTURE

COST STRUCTURE IMPACTED BY THE GROWTH OF THE BUSINESS AND A DIFFERENT PERIMETER

€ m	9M 2019	9M 2018	Var. %
<b>Personnel costs<sup>(1)</sup></b>	<b>(17,4)</b>	<b>(22,8)</b>	<b>(24%)</b>
<i>o/w Fixed component</i>	<i>(13,1)</i>	<i>(11,2)</i>	<i>17%</i>
<i>o/w Variable component</i>	<i>(4,3)</i>	<i>(11,6)</i>	<i>(63%)</i>
<b>FTEs<sup>(2)</sup></b>	<b>151</b>	<b>139</b>	<b>9%</b>
<i>Comps / Revenues</i>	<i>(46%)</i>	<i>(47%)</i>	

## Personnel Costs

- ≡ **Personnel costs** decreased by 24% in 9M'19 versus 9M'18
- ≡ **Fixed component** up by +17% as a result of:
  - ≡ net organic growth in number of professionals (mainly junior)
  - ≡ 13 additional resources from the integration of Retail Hub and Market Making activities (since 1 June 2018)
- ≡ **Compensation/Revenues ratio** at 46% in 9M'19, in line with FY'18 and below the 47% in 9M'18

€ m	9M 2019	9M 2018	Var. %
<b>Operating Costs</b>	<b>(12,5)</b>	<b>(12,9)</b>	<b>(3%)</b>
<i>o/w Information Technologies</i>	<i>(4,6)</i>	<i>(3,8)</i>	<i>22%</i>
<i>o/w Trading Fees</i>	<i>(2,5)</i>	<i>(1,6)</i>	<i>50%</i>
<i>o/w Non-Recurring</i>	<i>-</i>	<i>(1,4)</i>	<i>(100%)</i>
<i>o/w Other</i>	<i>(5,4)</i>	<i>(6,1)</i>	<i>(11%)</i>



### Retail Hub & Market Making (change in perimeter)

*c. €0.9m IT expenses*  
*c. €1.2m Trading Fees*

## Operating Costs

- ≡ **Operating costs** in line with the previous year (-3%)
- ≡ €2.1m of **costs related to the Retail Hub activities** which are connected to higher revenues in the Global Markets area

# OUTLOOK 2019: FULL-YEAR EXPECTATIONS CONFIRMING RECENT GUIDANCE

## EXPECTATIONS ON FY'19 RESULTS

**H1'19**  
(actual)

- ≡ Net Revenues (31%) YoY
- ≡ Net Profitability 16%

+

**H2'19**  
(expected)

- ≡ Net Revenues H2'19 ≈ H1'19
- ≡ Net Revenues H2'19 > H2'18
- ≡ Net Profitability % ≈ H1'19



**FY'19**  
(expected)

- ≡ Net Revenues ≈ (15%) YoY
- ≡ Net Profitability ≈ 15%

Excluding  
potential  
performance  
fees



## EXPECTATIONS ON DIVIDENDS IN 2020

**Net  
Profits**  
(FY'19)

+

**Retained  
Earnings**  
(FY'17 & FY'18)



**Payout**  
**>100%**



**Expected DPS**  
**[€0.18-0.20]**

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INTRODUCTION TO EQUITA

CURRENT TRADING 9M'19 AND OUTLOOK 2019

2020-2022 STRATEGIC PLAN

# ROAD TO 2022: TOP PRIORITIES AND TARGETS

## TOP 5 PRIORITIES

## KEY TARGETS FROM THE 2020-2022 STRATEGIC PLAN

1  **Revenue Generation and Diversification**



**Net Revenues €75m**

2  **Cost Discipline and Focus on Profitability**



**-500 bps in Cost/income  
≈20% Net Profitability**

3  **Growth in AuM**



**AuM €2 billion**

4  **Low Capital Absorption and Consistent Shareholders' Remuneration**



**TCR ≥ 15% / ROTE ≥ 20%  
Dividend Payout % ≈90%**

5  **Strong Commitment on Sustainability**



- ≡ Promote employees wellbeing
- ≡ Increase customer and financial community's satisfaction
- ≡ Social and economic development of local communities
- ≡ Improve health and safety
- ≡ Mitigate impacts on environment



**Opened to strategic partnerships that could accelerate the growth of the business**



# 1. REVENUE GENERATION AND DIVERSIFICATION



## KEY DRIVERS

## GROWTH EXPECTATIONS

### Global Markets & Research

- ≡ Market volatility and brokered volumes to remain subdued
- ≡ Diversification strategy, both in terms of products and clients
- ≡ Cross selling opportunities among business lines
- ≡ Strengthened position in Fixed Income
- ≡ New small caps research, generating synergies across the firm



**Moderate Growth**

### Investment Banking

- ≡ Leverage on uniqueness of the business model
- ≡ Widening of product offering to new synergistic areas
- ≡ Cross selling opportunities among business lines
- ≡ Stronger effort on small caps



**Sensible Growth**

### Alternative Asset Management

- ≡ Significant growth in assets under management thanks to new product launches
- ≡ Initiatives in the private equity domain to exploit investors' interest in new investment structures (eg. ELTIFs)
- ≡ Build new relationships with banking groups and/or private banking networks to co-develop products
- ≡ No wealth management or traditional asset management



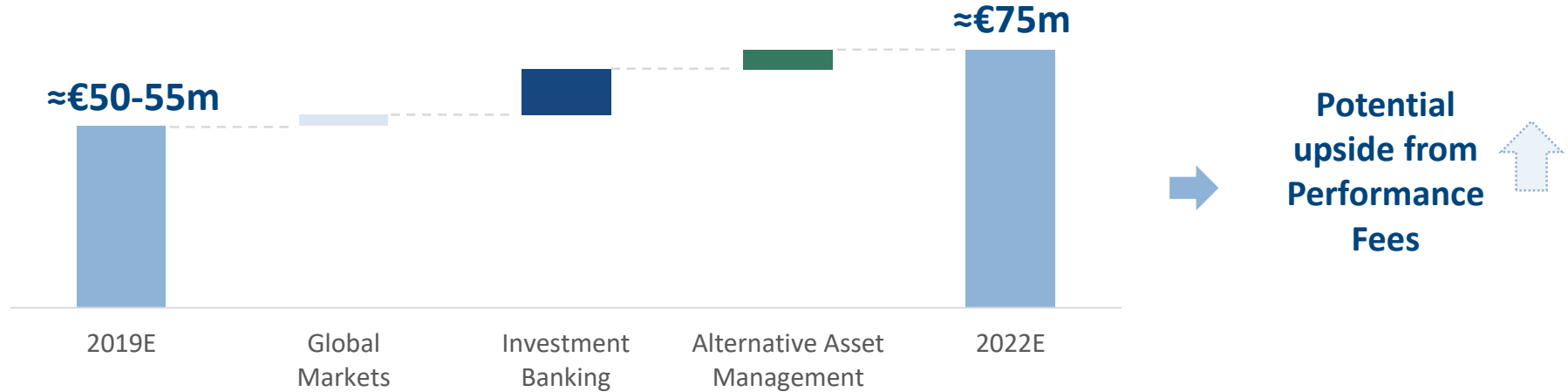
**Significant Growth**



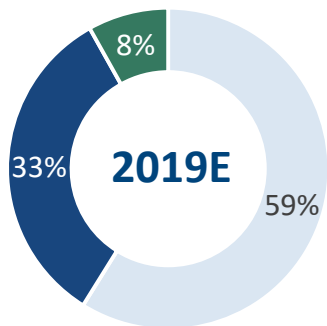
# 1. REVENUE GENERATION AND DIVERSIFICATION



GROWTH COMING FROM ALL THE UNDERLYING BUSINESS AREAS



MORE BALANCED REVENUES BREAKDOWN



- Global Markets
- Investment Banking
- Alt. Asset Management



Significant diversification in Net Revenues 2022E, reducing top line volatility

≈40-45% Global Markets

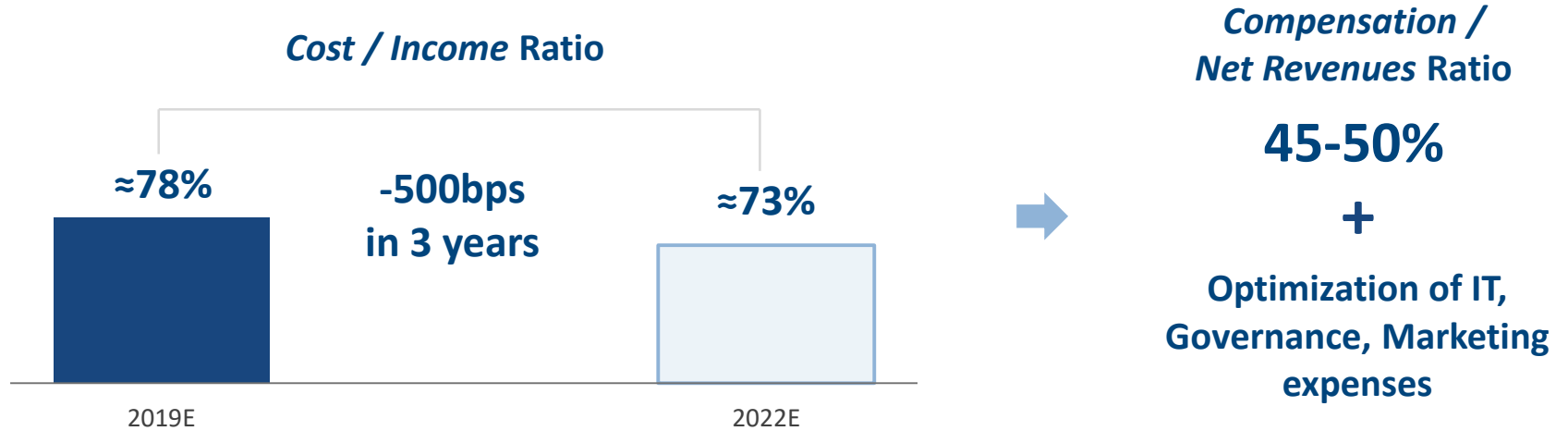
≈40-45% Investment Banking

≈10-15% Alt. Asset Management

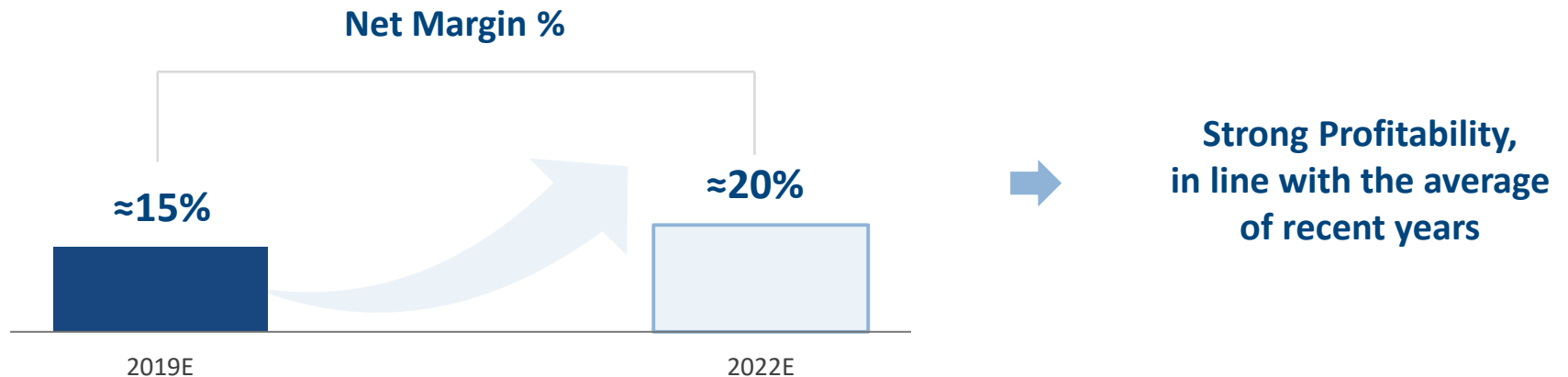
## 2. COST DISCIPLINE AND FOCUS ON PROFITABILITY



LEAN COST STRUCTURE FURTHER LOWERING THE COST/INCOME RATIO



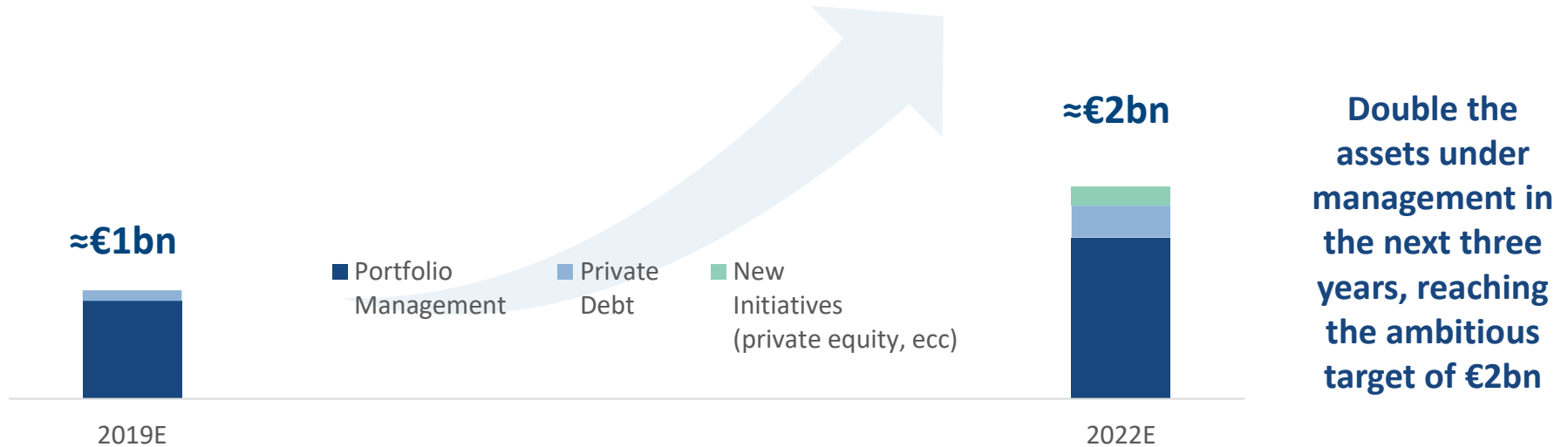
INCREASE IN NET PROFITABILITY



# 3. GROWTH IN ASSETS UNDER MANAGEMENT



## EVOLUTION OF ASSETS UNDER MANAGEMENT



### Significant growth of AuM thanks to:

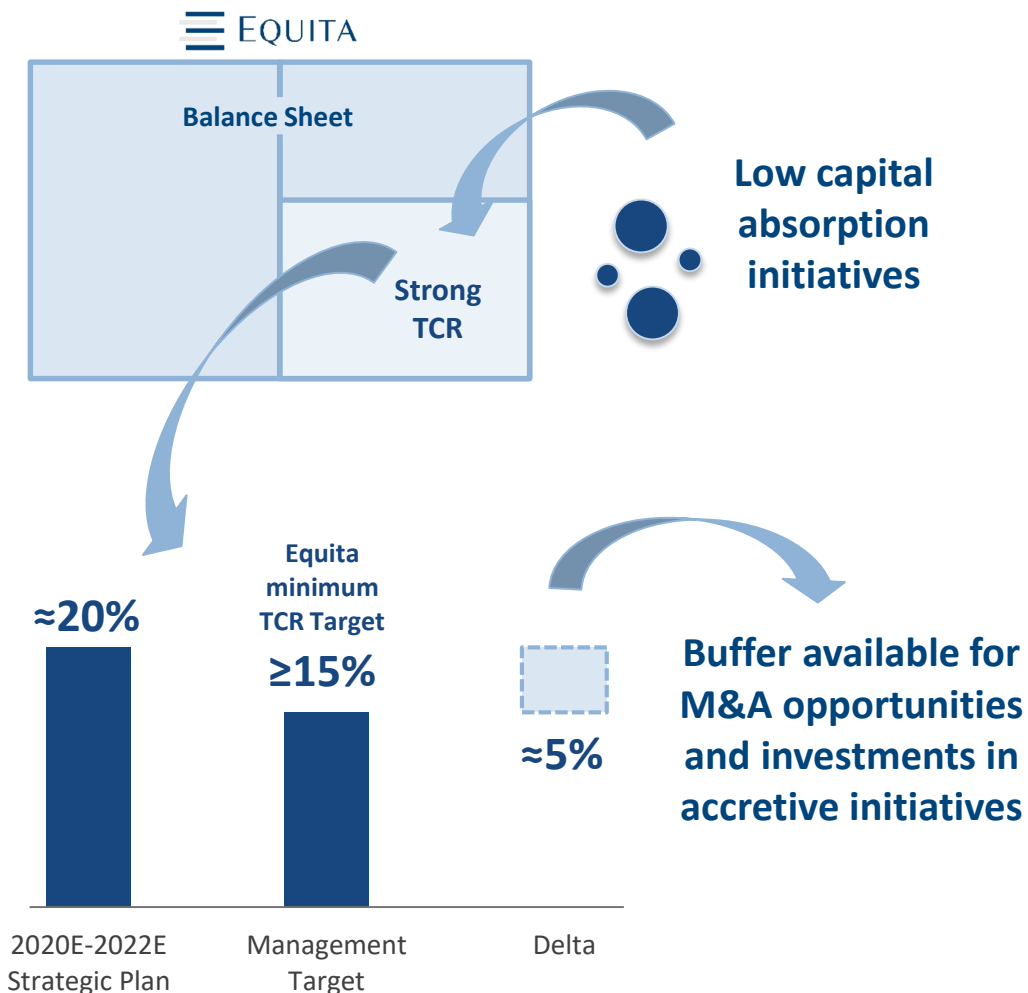
- ≡ Initiatives already underway (Equita Private Debt Fund II,...)
- ≡ Launch of new products in all the underlying business areas (portfolio management, private debt and other alternative assets)

# 4. LOW CAPITAL ABSORPTION AND CONSISTENT SHAREHOLDERS' REMUNERATION



## FOCUS ON LOW CAPITAL ABSORPTION INITIATIVES

## FOCUS ON REMUNERATION



**ROTE 2022E**  
≥ 20%



**Dividend Payout**  
≈90%

In line with the average of last years



**Strong alignment of interests between investors and managers**

# 5. STRONG COMMITMENT TO SUSTAINABILITY



THE 2020-2022 STRATEGIC PLAN INCLUDES A CSR PLAN FOCUSING ON 5 KEY AREAS AND IDENTIFYING ACTIONS TO BE UNDERTAKEN TO INTEGRATE ECONOMIC FACTORS WITH ESG FACTORS

## KEY TARGETS OF THE EQUITA CSR PLAN



### Promoting employees wellbeing



- ≡ Set targets in terms of maximum voluntary employees turnover, increase in **training hours**, promote **diversity**, further improvements in the **welfare plan**, ...



### Increasing customer and financial community satisfaction



- ≡ Introduction of **CSR quali-quantitative objectives**, update information security policy (**data protection**), ESG information to be included in the Equita research, ...



### Promoting the social and economic development of local communities



- ≡ Partnership “**Equita for Brera**”, publication “**BRERA/Z**”, EquitArte, partnership promoting **capital markets** with Bocconi, cultural and sport **events**, ...



### Improving health and safety



- ≡ Participation in the **First Aid Course** of the Croce Rossa Italiana, full diagnostic check-ups for all employees, ...



### Mitigating environmental impacts



- ≡ Introduction of **paperless processes** and **inhibition of plastic** items, **environmental-friendly mobility** (corporate bicycles),...

# ROAD TO 2022: THE INDEPENDENT LEADER IN FINANCIAL SERVICES



**From a highly specialised equity brokerage firm to one of the most respected independent players in financial services, with opportunities in different business areas**



- ≡ **Undisputed leader in Global Markets** in Italy, with **high market share** as result of both i) management's ability to diversify offering and ii) weakening conditions of competitors
- ≡ **Leader among independent investment banks** in Italy with a full range of products-services for companies and entrepreneurs
- ≡ **Well positioned among alternative asset managers** in Italy, with fast-growing assets under management
- ≡ **Influential opinion maker on capital markets** in Italy (partnership with Bocconi, Equita Research Lab, ...) with increasing impact with regard to **sustainability, ESG** and **Mid-Small Caps**

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APPENDIX

# THE LEADING INDEPENDENT BROKERAGE FIRM IN ITALY

CONSTANTLY RANKED AT THE TOP OF INVESTORS' SURVEYS AND #1 PLAYER AMONG INDEPENDENT BROKERS, CONFIRMING ITS COMPETITIVE ADVANTAGE POST MIFID II

## TRADING FLOOR <sup>(1)</sup>

## CORPORATE ACCESS <sup>(1)</sup>

EXTEL

Trading Execution



2019



Equity Sales



2019



Company & Expert Meetings



2019



## RESEARCH TEAM <sup>(1)</sup>

EXTEL

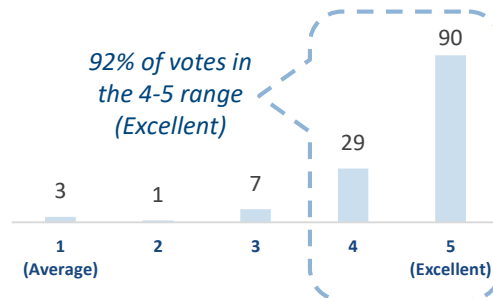
Country Research



2019



Votes received in 2019 by the Equita Research Team <sup>(2)</sup>



Institutional Investor

Italian Research Team







2019



(1) Rankings on Italy (incl. Small & Mid Caps) based on commissions paid; (2) Distribution of votes received by the Equita Research Team on the «Italy: Country Research (incl. Small & Mid Caps)» ranking








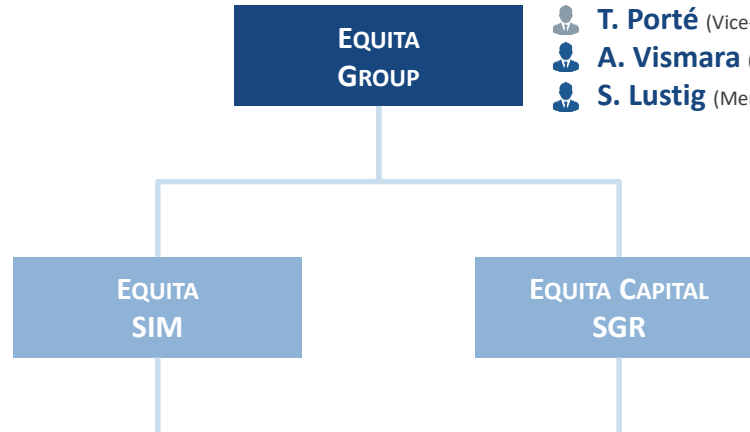
# EXPERIENCED MANAGEMENT SUPPORTED BY WELL-INTEGRATED TEAMS

-  Equita Management Board members
-  Independent Board members
-  Key managers
-  Control functions

-  **F. Perilli** (Chairman)
-  **T. Porté** (Vice-Chairman)
-  **A. Vismara** (CEO)
-  **S. Lustig** (Member)
-  **S. Biglieri** (Member)
-  **M. Ferrari** (Member)
-  **M. Zeme** (Member)

-  **L. Roth** (Chairman)
-  **F. Deotto** (Vice-Chairman)
-  **A. Vismara** (CEO)
-  **S. Milanese** (Member)
-  **F. Perilli** (Member)

-  **L. Roth** (Chairman)
-  **M. Ghilotti** (CEO)
-  **S. Milanese** (Member & Group CFO)
-  **S. Lustig** (Member)
-  **P. Pendenza** (Member)
-  **M. Zeme** (Member)



GLOBAL MARKETS

40+

-  **V. Abbagnano** (Co-Head of Sales & Trading)
-  **F. Arcari** (Co-Head of Sales & Trading)
-  **C. Rho** (Co-Head of Sales & Trading)
-  **S. Martucci** (Head of Proprietary Trading)

INVESTMENT BANKING

30+

-  **M. Clerici** (Co-Head of Investment Banking & Head of Global Financing)
-  **G. Mazzalveri** (Co-Head of Investment Banking & Head of Financial Institution)
-  **C. Volpe** (Co-Head of Investment Banking & Head of Corporate Advisory)

RESEARCH TEAM

14

-  **L. De Bellis** (Co-Head of Research Team)
-  **D. Ghilotti** (Co-Head of Research Team)


ALTERNATIVE ASSET MANAGEMENT

10

-  **M. Ghilotti** (Co-Head of AAM & Head of Portfolio Management)
-  **S. Lustig** (Co-Head of AAM)
-  **P. Pendenza** (Head of Private Debt)
-  **R. Rufini** (Co-Head of Private Equity)

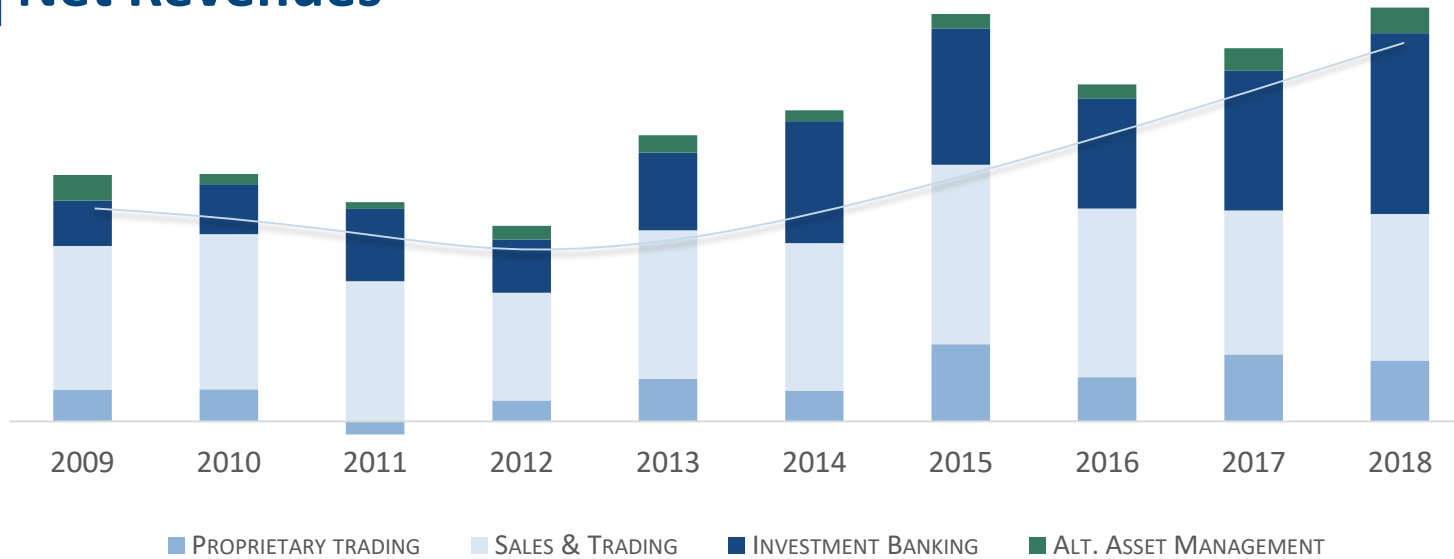
GROUP OPERATIONS, STAFF AND CONTROL FUNCTIONS

50+

-  **S. Milanese** (Group CFO & COO)
-  **P. Pedrazzini** (Head of Compliance, Risk & AML)
-  **E. D'Ardes** (Internal Audit)

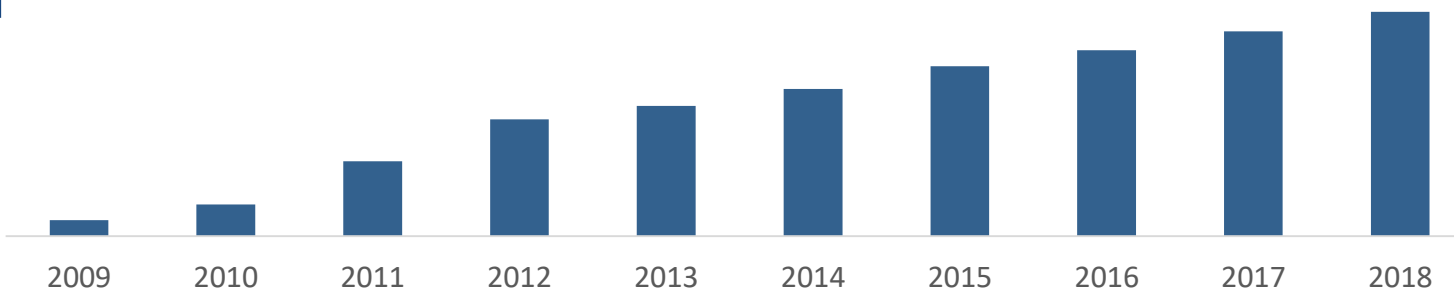
# RESILIENT AND PROFITABLE PERFORMANCE THANKS TO DIVERSIFICATION

## Net Revenues



**+6%**  
CAGR '09-'18  
in Net Revenues  
over the last  
10 years

## Cumulated Net Profits and Dividend distribution



**€130m+**  
Cumulated Net Profits  
over the last 10 years

# SUCCESSFUL PARTNERSHIP FOCUSED ON TALENTED PEOPLE

STRONG GROWTH IN NUMBER OF PROFESSIONALS THANKS TO HIGH RETENTION

## No. Professionals

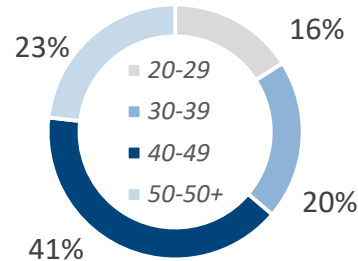
# 151

(as of 30 September 2019)



Number of Professionals growing in line with new businesses

## Age



Age-groups well distributed, with 77%+ below 50 years old

## AVG Tenure in Equita

# 10 years



With higher tenure among senior managers

STRONG SENSE OF BELONGING THANKS TO CONTINUING EDUCATION OPPORTUNITIES AND FAIR REMUNERATION BASED ON MERIT



### Ongoing education and training

55 professionals trained in 2018 (o/w 11 managers)



### Attention to young talents and their development

22 internships and several job rotation opportunities



### High quality of workplace

Great reputation for access to talented professionals

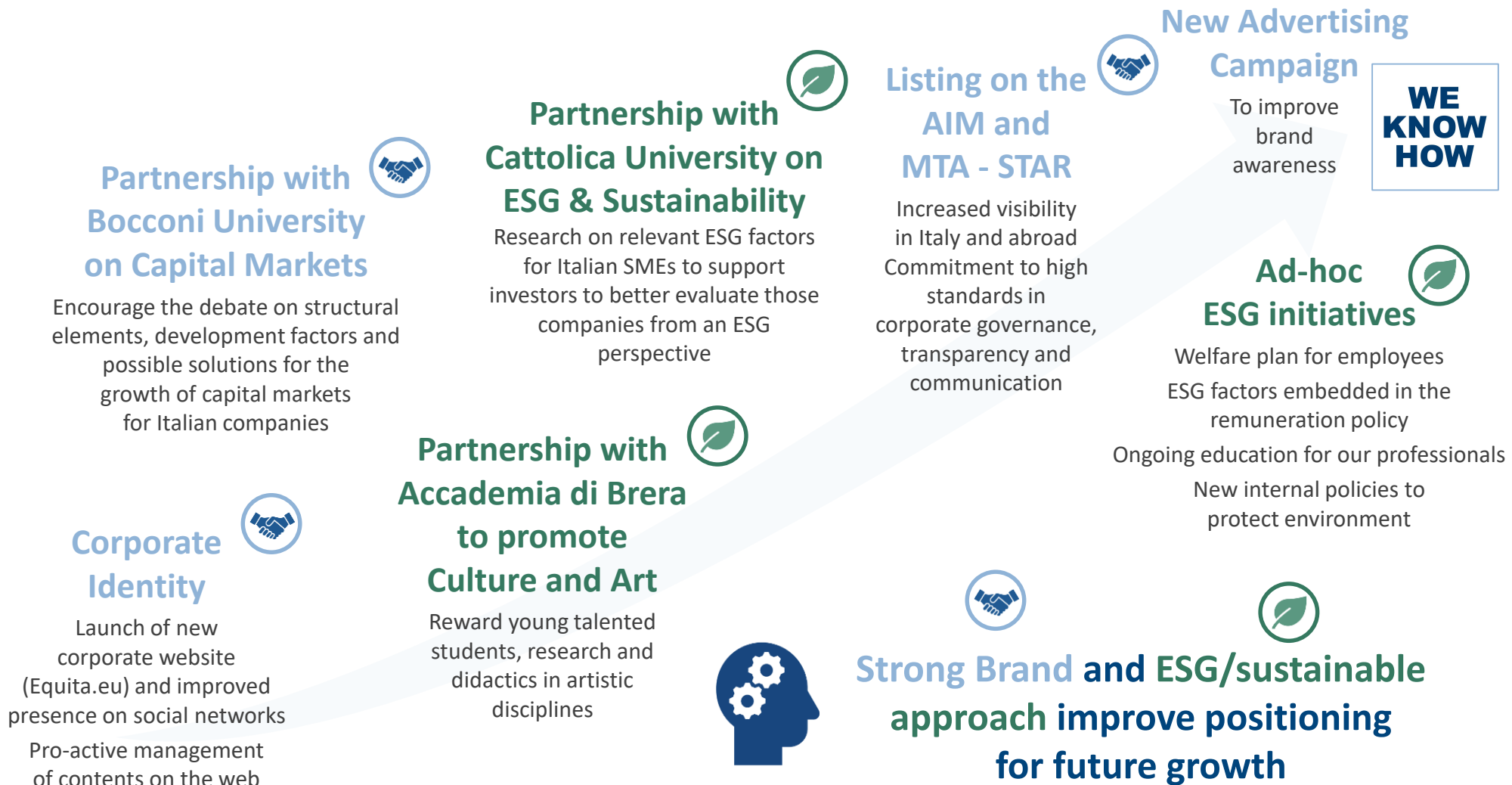


### Partnership model

Professionals highly committed thanks to stock ownership, aligning interests

# SEVERAL INITIATIVES TO STRENGTHEN BRAND AND SUSTAINABILITY

EQUITA HAS ALWAYS BEEN A STRONG PLAYER IN ITALY BUT IN RECENT YEARS IT HAS SIGNIFICANTLY STRENGTHENED ITS BRAND, ALSO THANKS TO ESG INITIATIVES




# BALANCE SHEET AND TOTAL CAPITAL RATIO

LIGHT BALANCE SHEET AND HEALTHY CAPITAL STRUCTURE, WITH TOTAL CAPITAL RATIO WELL ABOVE REQUIREMENTS

€ m	9M'19	FY'18
Cash & cash equivalents	0,0	0,0
Assets at FV to P&L & Equity investments	81,5	62,0
Receivables	174,4	215,1
Tangibles assets	7,6	0,6
Intangible assets	15,0	15,0
Tax assets	2,6	3,9
Other assets	1,6	1,7
<b>Total assets</b>	<b>282,7</b>	<b>298,3</b>
Debt	173,7	184,8
Financial liabilities held for trading	17,5	8,3
Tax liabilities	0,9	2,0
Other liabilities	8,9	14,5
Employee termination indemnities	2,6	2,4
Provisions for risks and charges	3,4	6,2
<b>Total liabilities</b>	<b>207,1</b>	<b>218,3</b>
Share capital	11,4	11,4
Treasury shares	(4,5)	(4,5)
Share premium reserve	18,2	18,2
Reserves	44,9	44,0
Valuation reserves	(0,0)	0,0
Profit /(Loss) for the financial year	5,6	11,0
<b>Total shareholders' equity</b>	<b>75,6</b>	<b>80,1</b>
<b>Total shareholders' equity and liabilities</b>	<b>282,7</b>	<b>298,3</b>

**Total Capital Ratio at  
23%, well above  
capital requirements**



# NOTE

**WE  
KNOW  
HOW**

