



November 12th, 2020

EQUITA GROUP

INVESTOR PRESENTATION – FIRST NINE MONTHS 2020 RESULTS



FIRST NINE MONTHS 2020 CONSOLIDATED RESULTS

KEY CONSOLIDATED HIGHLIGHTS

€47.7m

(+25% vs 9M'19)

**Net
Revenues**

€8.8m

(+56% vs 9M'19)

**Net Profits
(post minorities)**

19%

(as of 30 September 2020)

**Total
Capital Ratio**

27%

(as of 30 September 2020)

**Return on
Tangible Equity⁽¹⁾**

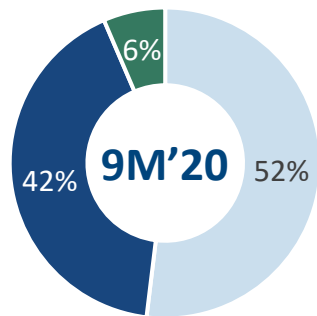
€1.0bn

(+8% vs H1'20/ -5% vs FY'19)

**Assets under
Management**

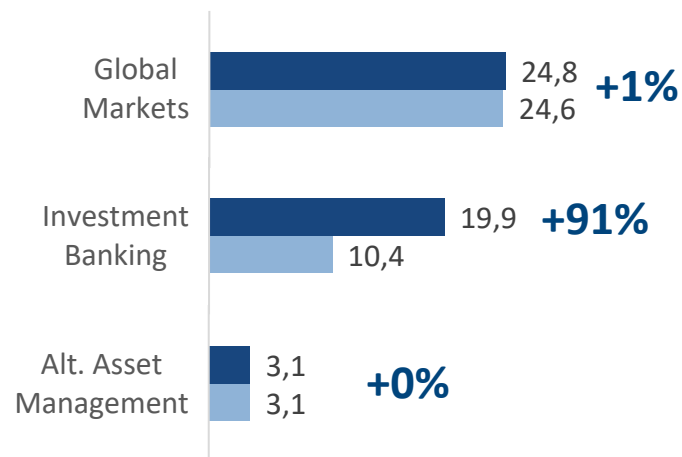
DIVISIONAL PERFORMANCE

Revenues Breakdown (%)

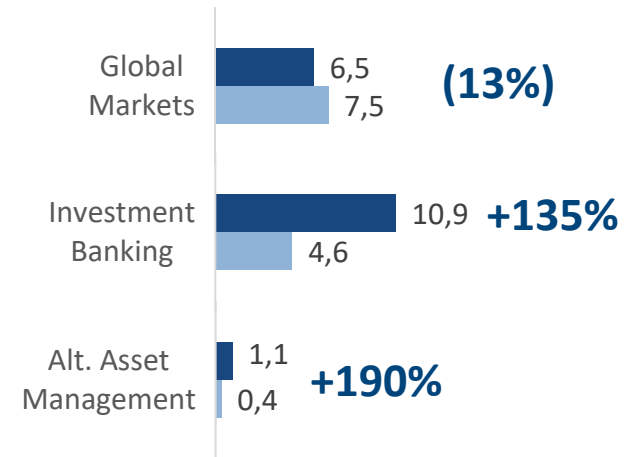


- Global Markets
- Investment Banking
- Alt. Asset Management

First Nine Months Net Revenues (€m)



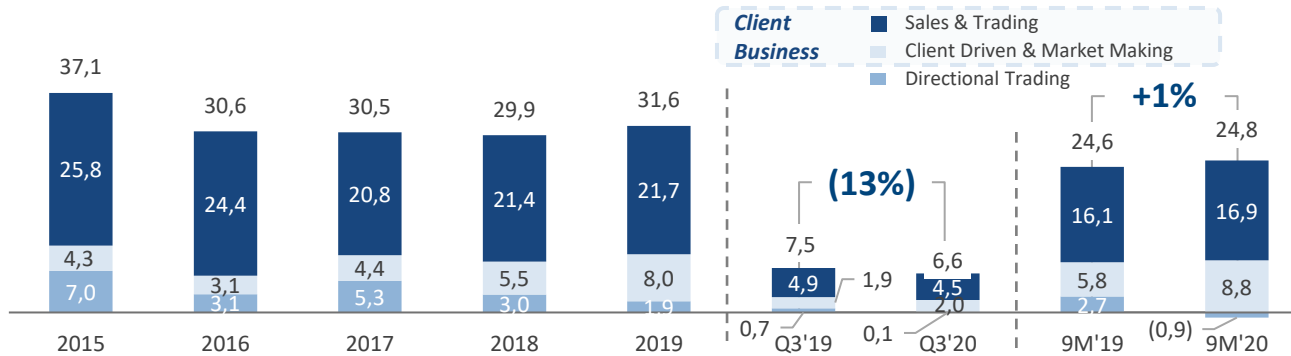
Third Quarter Net Revenues (€m)



■ 2020 ■ 2019

DIVISIONAL PERFORMANCE

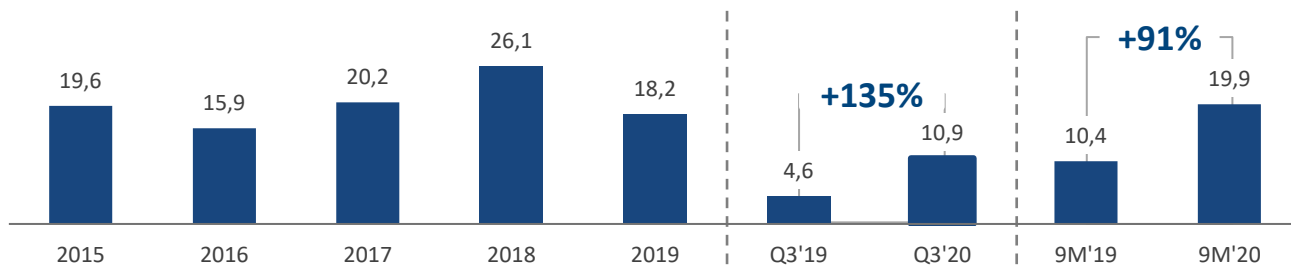
GLOBAL MARKETS NET REVENUES (€M)



MARKET SHARES (%)⁽¹⁾

	Equities	Bonds	Equity Options
Q3'19	9.4%	6.8%	6.6%
Q4'19	8.4%	5.6%	6.2%
Q1'20	8.2%	6.3%	6.0%
Q2'20	8.1%	6.2%	2.6%
Q3'20	7.9%	7.4%	3.0%

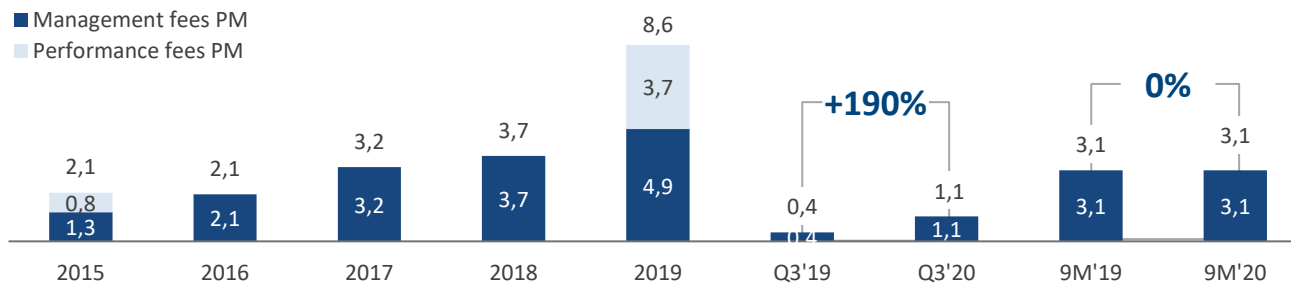
INVESTMENT BANKING NET REVENUES (€M)



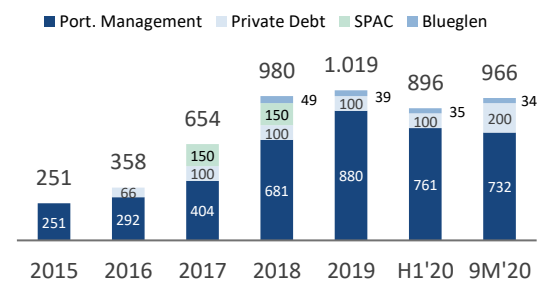
MARKET STATISTICS (9M'20 vs 9M'19)⁽²⁾

ECM	€5.5bn (+6%) 28 Deals (-28%)
DCM	€16.6bn (-12%) 27 deals (-4%)
M&A	€29bn (-19%) 537 deals (-34%)

ALTERNATIVE ASSET MANAGEMENT NET REVENUES (€M)



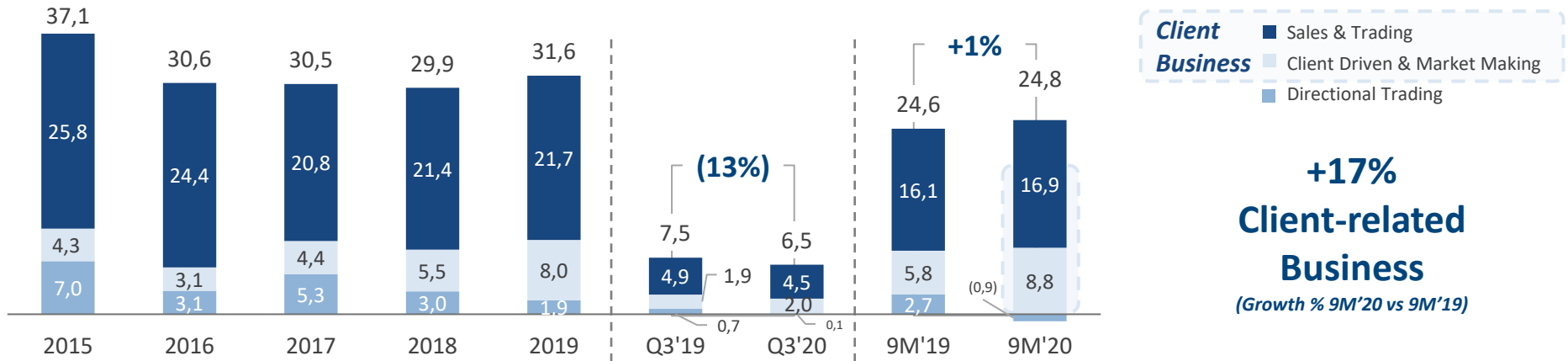
ASSETS UNDER MANAGEMENT (€M)



(1) Source: ASSOSIM; market shares' figures based 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. (2) ECM figures include IPOs, Convertibles and Follow-on deals. Source: Equita analysis on Borsa Italiana and Dealogic data. DCM figures excluding banks/insurances. Source: Bondradar. M&A figures from KPMG report. Page note: 2015 figures referred to Equita SIM; 2016 and onward figures referred to Equita Group; roundings in Client Driven & Market Making and Directional Trading could occur due to minor reclassifications

GLOBAL MARKETS

NET REVENUES (€M)



Performance drivers

- ≡ **Sales & Trading and Client-Driven & Market Making** benefitted from **significantly higher third parties brokered volumes on markets in Q1 and Q2, then back to weak levels in Q3** (+47% in Q1'20, +16% in Q2'20 and -8% in Q3'20 on equities and +49% in Q1'20, +54% in Q2'20 and -39% in Q3'20 on fixed income) ⁽¹⁾
- ≡ **Directional Trading** results negatively impacted by the sharp markets' downturn in the first part of the year, generating a loss in Q1 which was only partially offset by small gains in Q2 and Q3
- ≡ **In August 2020 Equita topped the Institutional Investor's rankings for its sales and corporate access activities, as well as for the quality of its research and deep knowledge of mid-small caps**

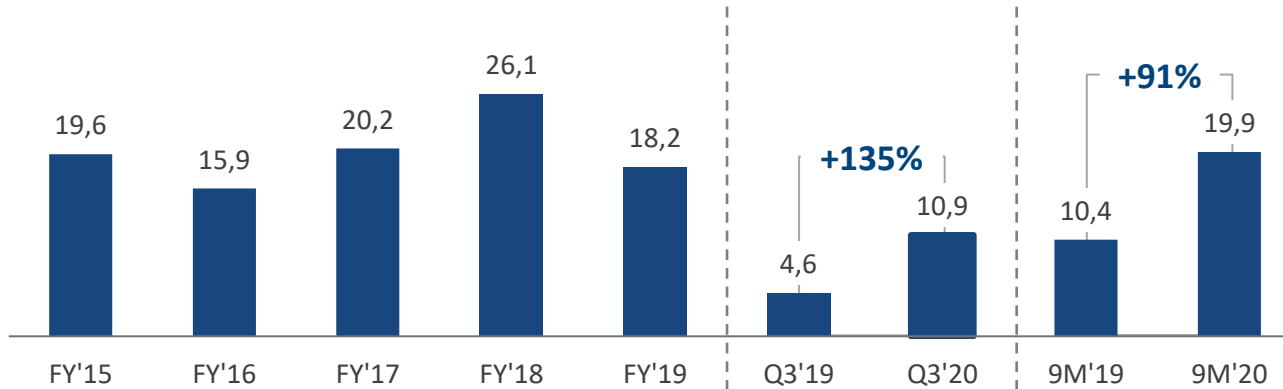
Market Shares ⁽¹⁾ (third parties brokered volumes)

EQUITA	Equities	Bonds	Equity Options
Q3'19	9.4%	6.8%	6.6%
Q4'19	8.4%	5.6%	6.2%
Q1'20	8.2%	6.3%	6.0%
Q2'20	8.1%	6.2%	2.6%
Q3'20	7.9%	7.4%	3.0%

(1) Source: ASSOSIM; market shares' figures based 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.
2015 figures referred to Equita SIM; 2016 and onward figures referred to Equita Group; roundings in Client Driven & Market Making and Directional Trading could occur due to minor reclassifications

INVESTMENT BANKING

NET REVENUES (€M)



Performance drivers

- Capital markets activities negatively affected by strong uncertainty: in 9M'20 **ECM in Italy declined significantly** (28 deals – mostly ABBs – in 9M'20 vs 39 in 9M'19, raising €5.5bn vs €5.2bn in 9M'19), **as well as DCM transactions** (27 deals in 9M'20 vs 28 in 9M'19, raising €16.6bn vs €18.9bn in 9M'19). **M&A transactions declined too**, with number of deals down to 537 in 9M'20 from 810 in 9M'19 (and volumes down from €35bn to €29bn respectively)
- Despite tough markets, **the investment banking team executed a relevant number of ECM and DCM deals** in 9M'20, as well as **M&A deals**.
- Q3'20 results benefitted from the **first-time consolidation of Equita K Finance** (acquired on July 14th, 2020) and **several high-profile mandates**, including the assistance to Intesa Sanpaolo in the takeover of UBI Banca

ITALIAN LEAGUE TABLES (9M'20) ⁽¹⁾

#	IPO / Listing ⁽¹⁾	# deals
1.	Banca IMI	8
2.	EQUITA	7
3.	Integrae SIM	7
4.	Mediobanca	6
5.	Intermonte	4
6.	Unicredit	4
7.	Goldman Sachs	4
8.	UBI Banca	3
9.	Banca Akros	3
10.	Credit Suisse	3

ECM

DCM

#	HY and NR Bonds ⁽²⁾	# deals
1.	Unicredit Group	17
2.	BNP Paribas	14
3.	Goldman Sachs	11
4.	HSBC	11
5.	JP Morgan	8
6.	EQUITA	7
7.	Mediobanca	7
8.	Credit Suisse	6
9.	Banca IMI	5
10.	UBI Banca	5

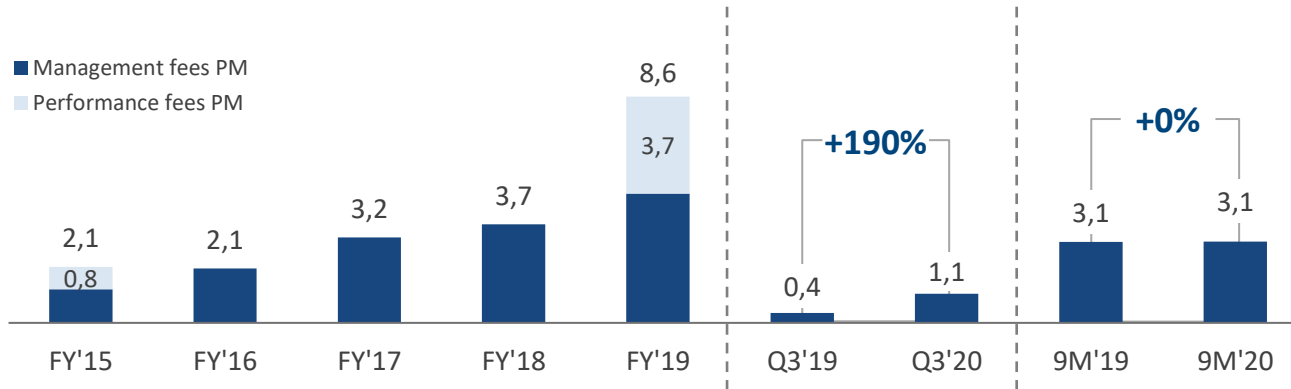
M&A

#	M&A Advisor ⁽³⁾	# deals
1.	KPMG	37
2.	Deloitte	28
3.	EY	23
4.	PwC	22
5.	EQUITA	15
6.	Mediobanca	12
7.	Vitale & Co	12
8.	Fineurop Soditic	11
9.	Goldman Sachs & Co	8
10.	Rothschild & Co	8

ALTERNATIVE ASSET MANAGEMENT

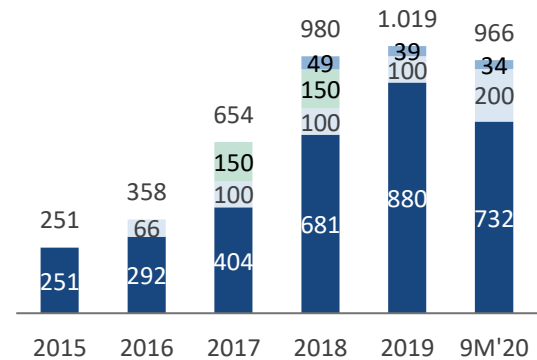
NET REVENUES (€M)

■ Management fees PM
■ Performance fees PM



ASSETS UNDER MANAGEMENT (€M)

■ Portfolio Management
■ Private Debt
■ SPAC
■ Blueglen



Performance drivers

- ≡ **Portfolio Management** recorded lower AM fees in 9M'20 (-12% vs 9M'19) due to the declining average value of AuMs, **negatively impacted by market performance and minor drawdowns**
- ≡ On September 14th, 2020, **Private Debt completed the First Closing of its second fund EPD II raising €100m** (final target €200m). In parallel, the team continued its scouting activities to find new investment opportunities and speed up the investment process of EPD II
- ≡ **Private Equity team currently working on launching** – jointly with a tier 1 partner – **its ELTIF focused on private equity** (Equita Smart Capital), with a target of €140m

PROFIT & LOSS AND FOCUS ON COSTS

DISCIPLINED APPROACH ON COSTS AND STRONG PROFITABILITY CONFIRMED

SUMMARY OF CONSOLIDATED FIGURES

Profit & Loss € m	9M 2020	9M 2019	Var %	FY 2019
Net Revenues	47,7	38,0	25%	58,3
Personnel costs ⁽¹⁾	(22,6)	(17,4)	30%	(27,1)
<i>Comps/Revenues ratio</i>	<i>(47%)</i>	<i>(46%)</i>		<i>(46%)</i>
Operating costs	(12,7)	(12,5)	2%	(17,5)
Total Costs	(21,9)	(19,7)	11%	(44,7)
<i>Cost/Income ratio</i>	<i>(74%)</i>	<i>(77%)</i>		<i>(77%)</i>
Profit before taxes	12,4	8,2	52%	13,7
Income taxes	(2,1)	(1,8)	29%	(4,2)
Net Profit	9,2	5,6	63%	9,5
Net Profit (post-minorities)	8,8	5,6	56%	9,5
Margin %	18%	16%		16%
Dividend Payout %				91%

≈ 90% dividend payout
in the last 3 years

Focus on Costs

Equita Group (Consolidated) € m	9M 2020	9M 2019	Var. %
Personnel costs⁽¹⁾	(22,6)	(17,4)	30%
o/w Fixed component	(12,6)	(13,1)	(4%)
o/w Variable component	(10,0)	(4,3)	134%
FTEs⁽²⁾	161	150	7%
Comps / Revenues	47%	46%	
Fix Comp / Total Comp	56%	75%	

12 FTEs from
Equita K Finance

Equita Group (Consolidated) € m	9M 2020	9M 2019	Var. %
Operating Costs	(12,7)	(12,5)	2%
o/w Information Technologies	(4,2)	(4,6)	(9%)
o/w Trading Fees	(2,4)	(2,5)	(2%)
o/w Non-Recurring	-	-	n.a.
o/w Other (marketing, SGR, EKF)	(6,1)	(5,4)	12%

Increase in Other expenses driven by the enlarged perimeter (SGR governance and outsourcing contracts, Equita K Finance) compared to 9M'19, as well as non-recurring initiatives in Q2'20 (M&A, MLT financing, Charity Day, etc).

BALANCE SHEET AND TCR

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

<i>Equita Group (Consolidated)</i> € m	9M'20	H1'20	Q1'20	FY'19	9M'19
Cash & cash equivalents	0,0	0,0	0,0	0,0	0,0
Assets at FV to P&L & Equity investments	76,1	84,2	80,9	75,3	81,5
Receivables	182,4	196,4	237,6	184,2	174,4
Tangibles assets	6,5	6,7	7,2	7,3	7,6
Intangible assets	24,9	15,1	15,1	15,1	15,0
Tax assets	2,8	2,2	4,2	5,0	2,6
Other assets	2,5	2,7	2,9	1,5	1,6
Total assets	295,2	307,3	347,9	288,3	282,7
Debt	182,0	205,7	227,2	172,9	173,7
Financial liabilities held for trading	10,5	8,3	13,4	12,3	17,5
Tax liabilities	1,8	1,9	2,7	2,3	0,9
Other liabilities	15,3	10,8	16,5	14,2	8,9
Employee termination indemnities	2,2	1,9	1,9	2,5	2,6
Provisions for risks and charges	1,9	1,8	3,9	3,9	3,4
Total liabilities	213,8	230,4	265,7	208,2	207,1
Share capital	11,4	11,4	11,4	11,4	11,4
Treasury shares	(4,1)	(4,5)	(4,5)	(4,5)	(4,5)
Share premium reserve	18,2	18,2	18,2	18,2	18,2
Reserves	46,8	46,7	55,3	45,6	44,9
Valuation reserves	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)
Profit /(Loss) for the financial year	9,2	5,1	1,9	9,5	5,6
Third parties' equity & Profit /(Loss)	(0,1)	0,1	-	-	-
Total shareholders' equity	81,4	76,9	82,2	80,1	75,6
Total shareholders' equity and liabilities	295,2	307,3	347,9	288,3	282,7

**Total Capital Ratio
19%**



| Index

OUTLOOK 2020 AND CLOSING REMARKS

OUTLOOK 2020

POSITIVE EXPECTATIONS ON FY'20 RESULTS LED THE BOARD OF DIRECTORS TO CONSIDER A POTENTIAL DIVIDEND DISTRIBUTION OF €0.18-€0.20 PER SHARE

EVIDENCES

1

Positive 9M'20 results

- ≡ Net Revenues +25% YoY
- ≡ Net Profits +56% YoY

2

Weak brokerage volumes
in the months following Q3'20

3

Positive contribution in Q4'20 from:

- ≡ **M&A**
Equita K Finance (July 2020)
- ≡ **New AAM products**
Equita Private Debt Fund II
(September 2020)

EXPECTATIONS

Positive view on 2020 full year results

€8.8m
9M'20
Net Profits

+

?

Q4'20
Net Profits

+

€3.9m

Retained Earnings in
the last 3 years

Expected dividend per share
– absent significant market changes –
between €0.18 and €0.20

NEXT STEPS

MANY INITIATIVES TO SUPPORT FURTHER FUTURE GROWTH IN ALL AREAS

AREA	INITIATIVES
<p>Global Markets & Research</p>	<ul style="list-style-type: none"> ≡ Further coordination of Global Markets area as a whole, with clear strategy and allocation of resources ≡ Further diversification of product offering as well as client base, increasing resiliency ≡ Cross-selling initiatives supporting growth in market shares ≡ Discipline on costs / technology. Review of profitability by area and client ≡ Strengthening of our market position in the fixed income domain
<p>Investment Banking</p>	<ul style="list-style-type: none"> ≡ Close gap with larger international independent players ≡ Additional focus on advisory (M&A and debt advisory/restructuring) ≡ Further integration of Equita K Finance ≡ Cross-selling with Asset Management
<p>Alternative Asset Management</p>	<ul style="list-style-type: none"> ≡ Final Closing of Equita Private Debt Fund II (€200m final target, with €100m funds already committed in September 2020) ≡ Other private capital initiatives, with focus on private equity and exploiting investment structures like ELTIFs
<p>M&A & Partnerships</p>	<ul style="list-style-type: none"> ≡ Bolt-on M&A on selected opportunities in areas of potential growth ≡ Potential high-level partnerships contributing synergies to Equita's businesses
<p>P&L Balance Sheet</p>	<ul style="list-style-type: none"> ≡ Compensation / Revenues ratio < 50% ≡ Cost-disciplined approach keeping general costs stable and looking for potential savings ≡ Highly selective approach on hirings (only necessary replacements and/or revenue-generating new hires) ≡ Implementation of a new state-of-the-art customer relationship management tool (CRM)

ROAD TO 2022: TOP PRIORITIES AND TARGETS

(PLAN APPROVED IN NOVEMBER 2019)

TOP 5 PRIORITIES

KEY TARGETS FROM 2020-2022 STRATEGIC PLAN (@2022)

1  **Revenue Generation and Diversification**

Net Revenues
€75m

 GM €30m-34m
 IB €30m-34m
 AAM €8m-12m

2  **Cost Discipline and Focus on Profitability**

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

3  **Growth in Assets under Management**

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

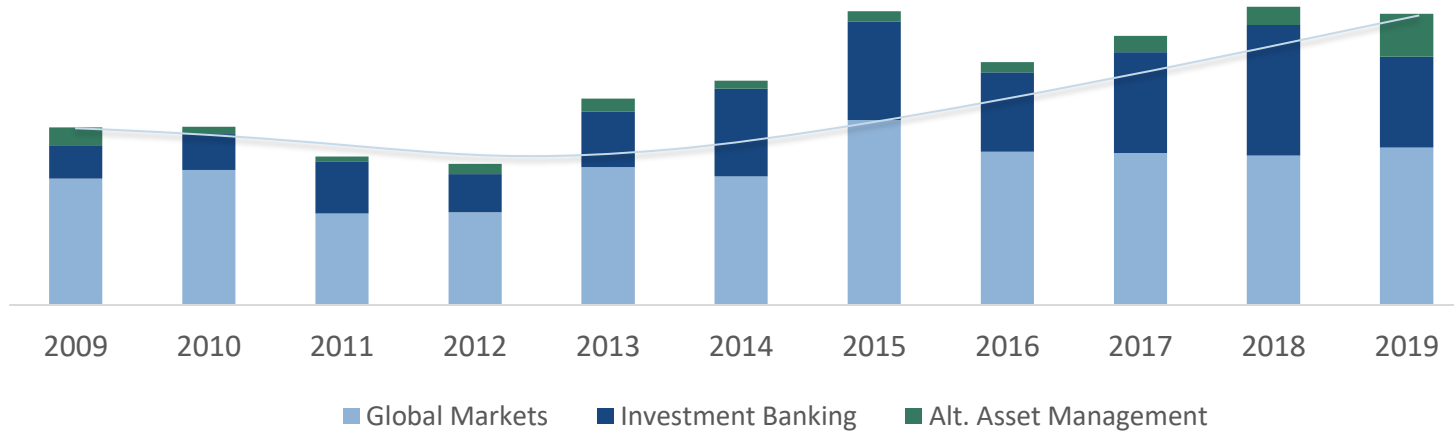


Open to strategic partnerships that could accelerate the growth of the business



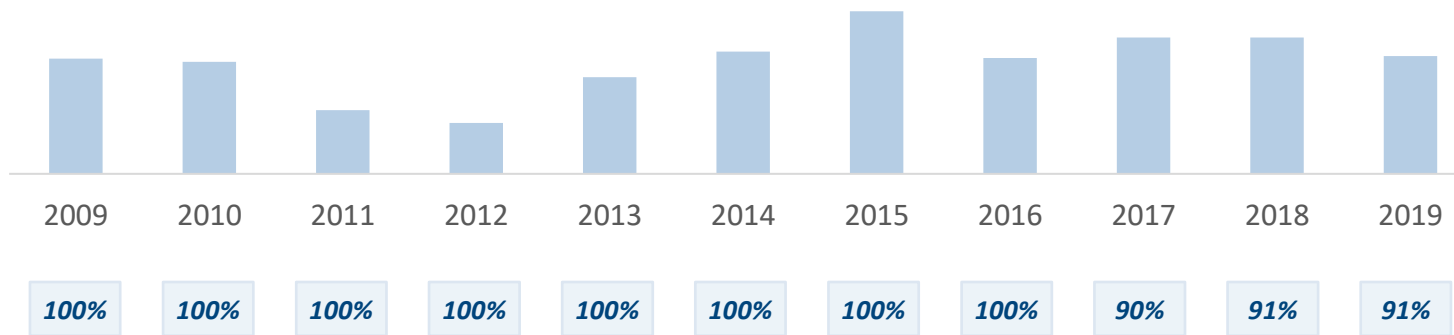
RESILIENT AND PROFITABLE PERFORMANCE THANKS TO DIVERSIFICATION

NET REVENUES (€M)



+5%
CAGR '09-'19
in Net Revenues
over the last
11 years

NET PROFITS (€M)



**Always
profitable,**
with significant
dividend distribution
over the last
11 years

**WE
KNOW
HOW**



Via Filippo Turati, 9 – Milano
+39 02 6204 1 | info@equita.eu | www.equita.eu

| Global Markets | Investment Banking | Alternative Asset Management | Ricerca |