



# **EQUITA Group** **1H'24 Financial Results**

September 12<sup>th</sup>, 2024 – IR Conference Call

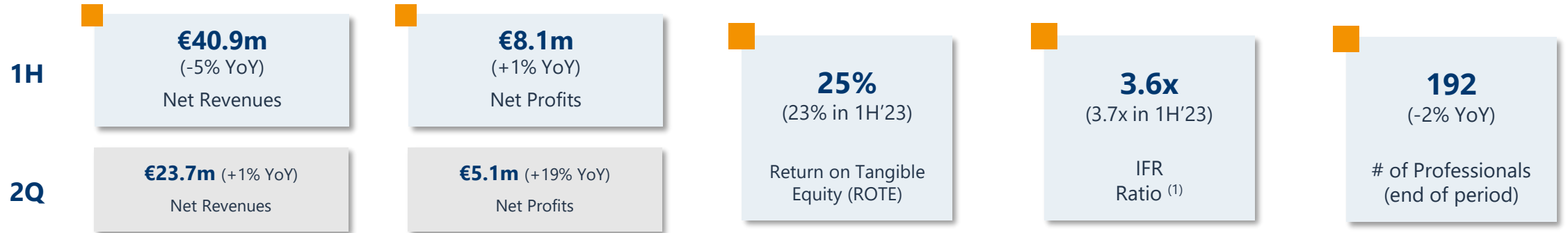


reproduction and commercial use strictly prohibited



# 1H'24 performance benefitting from a good set of results in 2Q'24

## Key Consolidated Highlights



## Key Divisional Highlights



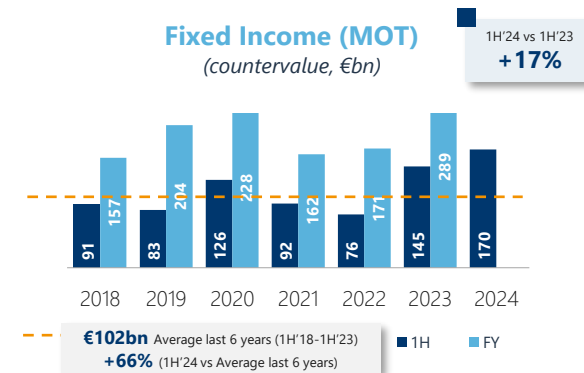
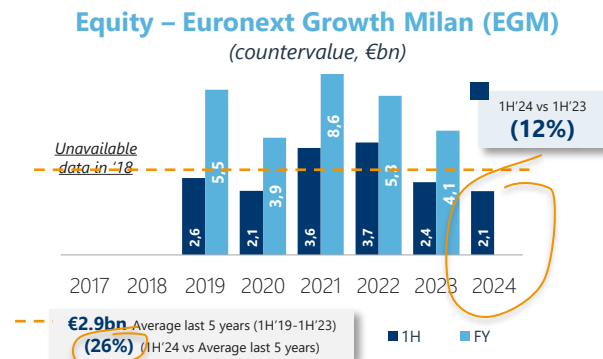
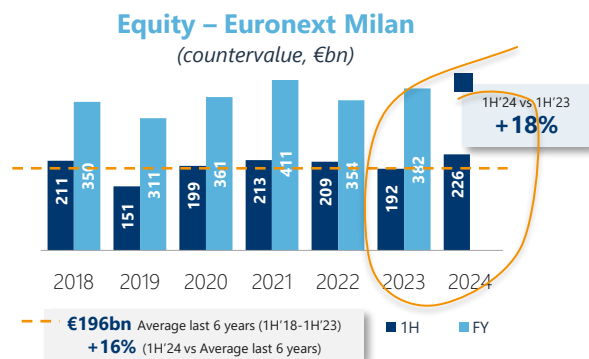
(1) IFR ratio 3.6 times the minimum regulatory requirement.

A small orange square is positioned on the left, with a thin white horizontal line extending to the right across the dark blue background.

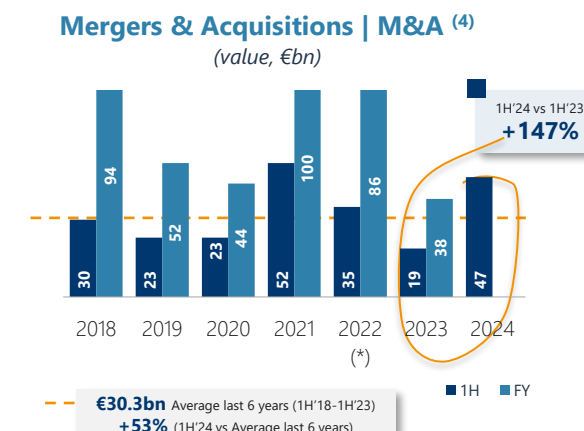
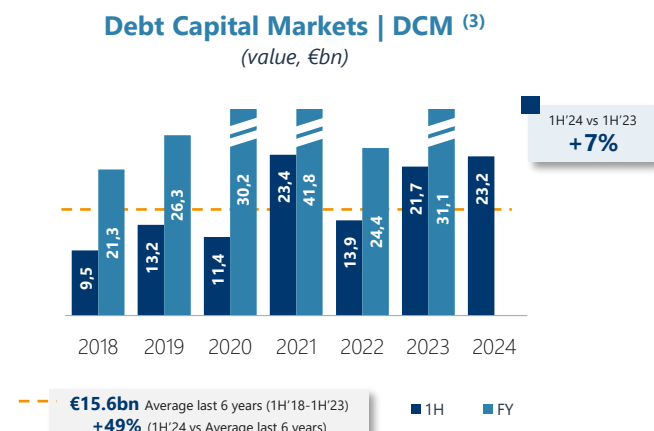
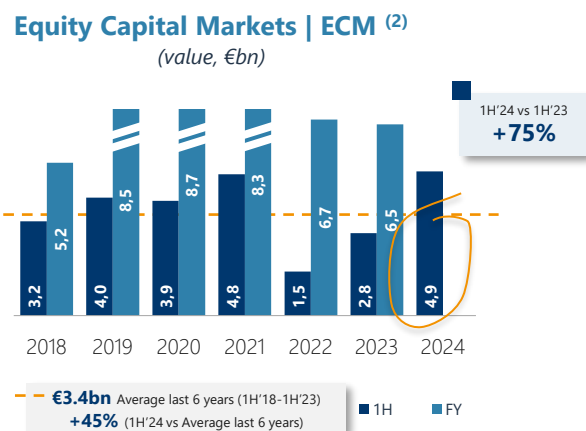
# Market Overview

# Improving environment in Italy, especially for S&T and large M&A, but still weak levels of activity on small-mid caps and in ECM. Potential turning point expected in the next months

## Third Parties Brokered Volumes in Italy <sup>(1)</sup>



## Capital Markets and Corporate Finance



(1) Source: AMF Italia (Assosim); MOT figures referred to the aggregate of DomesticMOT, ExtraMOT and EuroMOT. (2) Source: Dealogic; FY'22 figure excludes the right issue completed by Stellantis (€732m). (3) Source: Bondradar and Bloomberg. (4) Source: KPMG.



---

## Recent Achievements and 1H'24 Financial Results

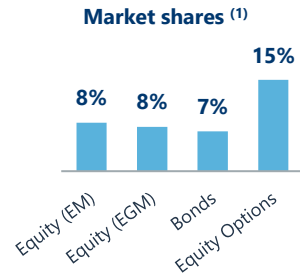
# Strong positioning confirmed by recent achievements and initiatives, in all areas

## Summary of Recent Initiatives and Key Developments per Division

### Global Markets

**1**  
High market shares in the Italian brokerage industry <sup>(1)</sup>

**#1**  
independent broker by market share in all segment



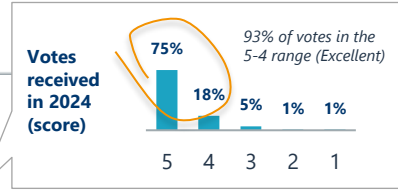
**2**  
At the top of Investors' Preferences <sup>(2)</sup>

**#1**  
Trading & Execution in Italy

**#2**  
Overall Broker in Italy (#1 independent)

**3**  
Outstanding research on Small & Mid Caps <sup>(2)</sup>

**#1**  
Research Team in Italy on Small & Mid-Caps



### Investment Banking

**4**  
Good progress in large M&A and strong performance in DCM

#### Large-public M&A <sup>(3)</sup>

<p>Gyrus sold intellera consulting to <b>accenture</b></p> <p>Self-side Financial Advisor May 24</p>	<p>Princes acquired</p> <p>Financial Advisor to the acquirer June 24</p>	<p>MACQUARIE sold its stake in <b>DOORSAI</b> to <b>equitix</b> and <b>PRINCES</b></p> <p>Self-side Financial Advisor June 24</p>
--	--	---

#### DCM <sup>(3)</sup>

<p><b>BFF</b> BFF Bank S.p.A. Social Senior Preferred Bond €300m Joint Lead Manager April 2024</p>	<p><b>Banca Popolare di Sondrio</b> Senior Preferred Green Bond €500m Joint Lead Manager &amp; Joint Bookrunner May 2024</p>	<p><b>alperia</b> Alperia S.p.A. Senior Unsecured Green Bond €250m Placement Agent May 2024</p>	<p><b>Tamburini Partners S.p.A.</b> Euronext Milan Bond €291m Placement Agent &amp; Joint Bookrunner June 2024</p>
--	--	---	--

**5**  
Increasing brand of the EQUITA advisory platform, also abroad

**clairfield**



New senior advisor to bring our platform to a wider and international audience, with a particular focus on M&A advisory for private equity funds.

Exclusive member for Italy of Clairfield, the partnership of corporate finance boutiques active globally

### Alternative Asset Management

**6**  
Focus on capital deployment

#### Private Debt (EPD II) <sup>(3)</sup>

<p><b>SOLANA</b> EQUITA Private Debt Fund II provided subordinated financing to Solana Investment Value Undisclosed Debt Investor 2024</p>	<p><b>VALSA GROUP</b> EQUITA Private Debt Fund II provided subordinated financing to Valsa Group Investment Value Undisclosed Debt Investor (top-up) 2024</p>	<p><b>scarabelli</b> EQUITA Private Debt Fund II provided subordinated financing to IREX Investment Value Undisclosed Debt Investor 2024</p>	<p><b>CADICA</b> EQUITA Private Debt Fund II provided subordinated financing to Cadica Investment Value Undisclosed Debt Investor 2024</p>
--	---	--	--

#### Private Equity (Smart Capital) <sup>(3)</sup>

<p><b>COVER</b> EQUITA Smart Capital ELTIF acquired a minority stake in Over Investment Value Undisclosed Equity Investor 2024</p>	<p><b>EME</b> EQUITA Smart Capital ELTIF acquired Energy and Marcellus and established EME (new industrial group active in handicrafting of high-end women's footwear) Investment Value Undisclosed Equity Investor 2024</p>
--	--

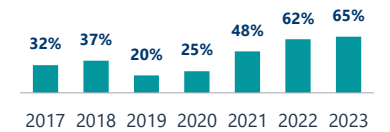
**7**  
Increasing mix to illiquid assets

#### Fundraising initiatives

+ ≈€450m  
New AuM by 2025 year-end (vs FY'23)

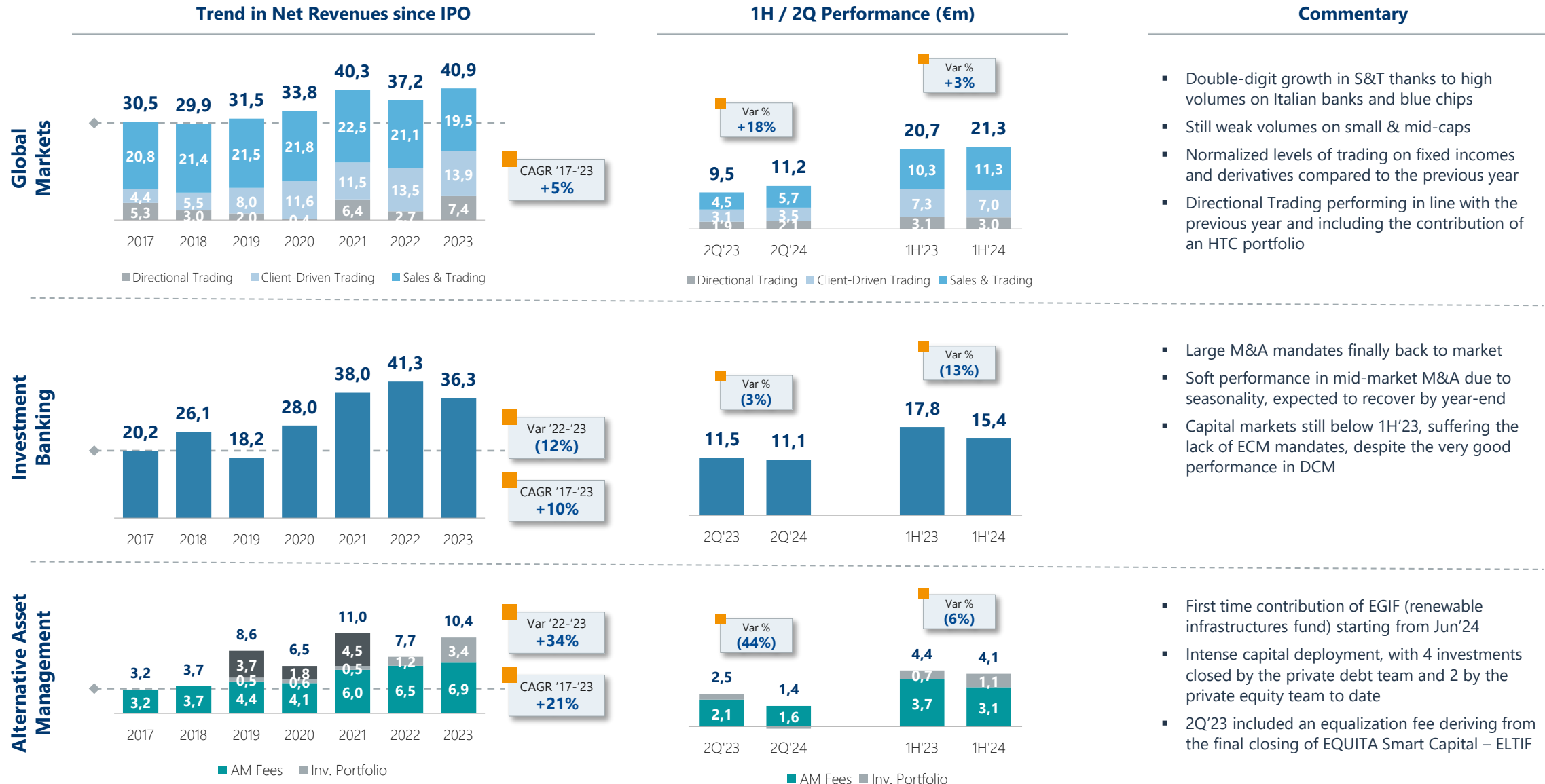
- EGIF (+€100m in Jun'24, ongoing fundraising)
- EPD III (ongoing fundraising)

#### % of AM fees from illiquid assets <sup>(4)</sup>



(1) AMF Italia – 1H'24 market shares – Third party brokerage. (2) Institutional Investor – Extel 2024 survey. (3) Selected deals from year-to-date mandates and investments. (4) Excluding performance fees and fees from Investment Portfolio.

# Improving market environment, still not contributing materially to the Revenues of all divisions



# Disciplined approach on costs confirmed

## Reclassified P&L (€m)

	1H'24	1H'23	Var %	2Q'24	2Q'23	Var %
Client-related	36,8	39,0	(6%)	21,9	21,2	3%
Non-client (Dir. Trading)	3,0	3,1	(5%)	2,1	1,9	11%
Investment portfolio	1,1	0,7	53%	(0,2)	0,4	(141%)
<b>Net revenues</b>	<b>40,9</b>	<b>42,8</b>	<b>(5%)</b>	<b>23,7</b>	<b>23,5</b>	<b>1%</b>
<b>Total Costs <sup>(1)</sup></b>	<b>(29,3)</b>	<b>(31,2)</b>	<b>(6%)</b>	<b>(16,4)</b>	<b>(17,3)</b>	<b>(5%)</b>
Cost/Income Adjusted % <sup>(1)(2)</sup>	(71,8%)	(70,9%)		(68,9%)	(70,2%)	
Cost/Income % <sup>(1)</sup>	(71,8%)	(72,8%)		(68,9%)	(73,5%)	
<b>Profit before taxes <sup>(1)</sup></b>	<b>11,5</b>	<b>11,7</b>	<b>(1%)</b>	<b>7,4</b>	<b>6,2</b>	<b>18%</b>
Taxes <sup>(1)</sup>	(3,4)	(3,4)	0%	(2,2)	(1,9)	19%
Tax rate	(29,6%)	(29,3%)		(30,3%)	(30,1%)	
Minorities	-	(0,1)		-	(0,1)	
LTIP	-	(0,1)		-	(0,0)	
<b>Net Profits</b>	<b>8,1</b>	<b>8,0</b>	<b>1%</b>	<b>5,1</b>	<b>4,2</b>	<b>19%</b>
<b>Adjusted Net Profits <sup>(1)(2)</sup></b>	<b>8,1</b>	<b>8,7</b>	<b>(7%)</b>	<b>5,1</b>	<b>4,8</b>	<b>5%</b>
<b>ROTE</b>	<b>25%</b>	<b>23%</b>				

## Focus on Personnel Costs

	1H'24	1H'23	Var %
<b>Personnel Costs <sup>(1)</sup></b>	<b>(18,9)</b>	<b>(20,0)</b>	<b>(6%)</b>
<b>FTEs (End of Period)</b>	<b>192</b>	<b>195</b>	<b>(2%)</b>
Comps / Revenues	(46,3%)	(46,8%)	
Normalized Comps / Revenues	(47,0%)	(47,1%)	

## Focus on Operating Expenses

	1H'24	1H'23	Var %
<b>Operating Costs</b>	<b>(10,4)</b>	<b>(11,1)</b>	<b>(6%)</b>
Information Technology	(3,3)	(3,2)	5%
Trading Fees	(1,7)	(1,7)	0%
One-offs (anniversary...)	-	(0,8)	n.g.
Other (marketing, governance)	(5,4)	(5,5)	(2%)
Cost/Income % <sup>(1)</sup>	(71,8%)	(72,8%)	
Cost/Income Adjusted % <sup>(1)(2)</sup>	(71,8%)	(70,9%)	

Increase in IT expenses related to higher post-trading business in Global Markets requiring infoproviding services (fully variable cost)

Non-recurring items, mainly linked to the 50th anniversary of EQUITA (new visual identity, new website, events...)

(1) Excluding the impacts of the Long-Term Incentive Plan addressed to Top Management ("LTIP"). (2) Excluding non-recurring items and LTIP.



# Healthy balance sheet, with capital ratios well above minimum requirements

(€m)	1H'24	1Q'24	FY'23	9M'23	1H'23	1Q'23	FY'22	1H'22	FY'21	FY'20
Cash & Cash equivalents	90.5	87.5	130.5	75.1	74.0	106.3	107.9	125.3	136.1	117.2
Financial assets at fair value with impact on P&L	94.0	102.0	77.4	99.3	95.5	90.4	111.7	79.6	49.2	43.8
Financial assets at amortized cost	118.2	122.7	101.2	122.5	144.6	128.0	99.6	97.1	91.4	86.1
Equity investments	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Intangible assets	26.6	26.6	26.6	26.7	26.8	26.8	26.9	27.1	27.2	27.5
Tangible assets	4.3	5.7	6.0	5.7	5.8	6.0	4.1	4.6	5.2	6.2
Tax assets	3.1	3.6	3.2	4.9	5.3	8.1	7.5	4.7	4.4	3.1
Other assets	27.2	32.6	34.1	36.0	34.0	39.4	41.7	42.1	1.9	1.6
<b>Total Assets</b>	<b>364.5</b>	<b>381.3</b>	<b>379.7</b>	<b>370.3</b>	<b>386.1</b>	<b>405.0</b>	<b>399.5</b>	<b>380.5</b>	<b>315.6</b>	<b>285.8</b>
Debt	208.1	213.7	213.9	203.0	220.0	222.5	221.3	197.4	175.6	171.3
Tax liabilities	4.1	2.6	1.3	1.6	1.1	5.3	3.6	3.4	6.0	2.2
Other liabilities	50.7	49.1	50.8	64.1	66.1	62.7	64.4	87.7	27.9	21.7
Employees' termination liabilities	1.9	1.9	1.9	2.0	2.2	2.2	2.1	2.1	2.4	2.3
Allowance for risks and charges	2.1	2.3	3.2	2.4	2.1	3.8	3.8	3.2	4.4	2.7
<b>Total Liabilities</b>	<b>266.8</b>	<b>269.6</b>	<b>271.1</b>	<b>273.1</b>	<b>291.4</b>	<b>296.5</b>	<b>295.2</b>	<b>284.8</b>	<b>216.3</b>	<b>200.1</b>
Share capital	11.9	11.7	11.7	11.6	11.6	11.6	11.6	11.6	11.6	11.6
Treasury shares	(2.6)	(2.7)	(3.2)	(3.2)	(3.2)	(3.3)	(3.9)	(4.0)	(4.1)	(4.1)
Reserves	80.3	96.4	80.0	78.5	78.2	96.3	79.4	76.5	69.9	65.4
Net Profits of the period	8.1	3.0	16.8	10.3	8.1	3.8	17.3	11.7	22.1	12.9
Third parties' equity	-	3.4	3.2	-	-	-	-	-	-	0.1
<b>Shareholders' Equity</b>	<b>97.7</b>	<b>111.7</b>	<b>108.6</b>	<b>97.2</b>	<b>94.7</b>	<b>108.5</b>	<b>104.3</b>	<b>95.7</b>	<b>99.3</b>	<b>85.7</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>364.5</b>	<b>381.3</b>	<b>379.7</b>	<b>370.3</b>	<b>386.1</b>	<b>405.0</b>	<b>399.5</b>	<b>380.5</b>	<b>315.6</b>	<b>285.8</b>
ROTE %	25%	21%	26%	22%	23%	26%	29%	38%	44%	27%
IFR %	364%	360%	360%	402%	373%	382%	N/A	N/A	N/A	N/A

A small orange square is positioned on the left, with a thin white horizontal line extending to the right across the dark blue background.

## Closing Remarks

# Considerations about the next 18 months

## Market scenario

- Soft-landing or no-landing scenario for all major economies
- Decrease in interest rates and expansionary monetary policies
- Further progress in institutional initiatives to ease access to capital markets and increase liquidity in financial markets, especially on small & mid-caps

## Business outlook

- Improving environment for Investment Banking activities also in Italy, as experienced by international peers in the US and other developed countries in the first part of 2024
- Growing number of M&A announcements, mainly driven by smaller-size deals
- Turning point expected in ECM with the re-opening of the IPO market
- Positive contribution from brokerage business, enhanced by the increasing interest for small & mid-caps
- Increase in AuM and AM fees, mainly driven by fundraising of new illiquid proprietary products (EPD III, EGIF), and first carried interest on private debt funds from 2025

## Expectations

- FY'24 results coherent with shareholders' remuneration targets
- Significant improvement of Group's results starting from 2025

A small orange square is positioned on the left, with a thin white horizontal line extending to the right across the dark blue background.

## Q&A Session

 EQUITA

[www.equita.eu](http://www.equita.eu)

