

Calls From Italy

Recent Research		2
Prada (REDUCE)	Company Update: REDUCE (from Hold); New TP HKD 30.8/sh	2
Company News		3
Acea (ADD)	4Q/FY17 Results	3
Ascopiave (HOLD)	4Q17A Results	4
Atlantia (ADD)	BoDs Approve Abertis Transaction	5
Autogrill (BUY)	Signed an Agreement with Unions on the Workforce	6
Gamenet Group (BUY)	FY17A Results	7
Generali (ADD)	Strong 4Q/FY17 Results	8
IGD (BUY)	Certification for Katanè Shopping Centre	9
IMA (ADD)	FY17 Results	10
Irce (ADD)	FY17A Results	11
La Doria (BUY)	FY17A Results	11
Leonardo (ADD)	Slightly Better than Expected FY17	12
MARR (ADD)	FY17A Results	13
Prysmian (BUY)	New Laying Vessel in Submarine Cables	13
SeSa (BUY)	3Q/9M17/18A Results	14
SIAS (ADD)	4Q/FY17A Results	15
Telecom Italia (BUY)	Governance and 28-Day Billing	16
Sector News		17
Banks Sector	European Commission Proposal on NPLs	17
Banks Sector	ECB Addendum to NPL Guidance	18
Tower Sector	Read-across from Atlantia-Cellnex	18
Previews		19
ADB (SELL)	Results Preview	19
Avio (ADD)	Results Preview	20
BE (ADD)	Results Preview	20
Italiaonline (BUY)	Results Preview	21
Maire Tecnimont (BUY)	Results Preview	22
RCS Mediagroup (BUY)	Results Preview	23
Vittoria Assicurazioni (ADD)	Results Preview	24

FTSE MIB & Euro Stoxx Best Performers		
Italian FTSE MIB	Price	chg %
Leonardo	9.31	1.70
Banca Generali	27.44	0.51
Fincobank	10.13	0.15
Terna	4.64	-0.02
Luxottica	51.12	-0.04
Euro Stoxx Sectors		
	Price	chg %
Construction & Materials	440.6	0.86
Personal & Household Goo	782.7	0.85
Retail	466.7	0.53
Real Estate	235.4	0.42
Utilities	272.7	0.19

Source: FactSet

FTSE MIB & Euro Stoxx Worst Performers		
Italian FTSE MIB	Price	chg %
Buzzi Unicem	20.38	-2.58
Atlantia	26.62	-2.53
Unipol	4.00	-2.47
Saipem	3.32	-2.41
Tenaris	14.39	-2.31
Euro Stoxx Sectors		
	Price	chg %
Banks	128.5	-1.37
Chemicals	1067.3	-0.96
Food & Beverages	594.8	-0.64
Media	216.3	-0.42
Insurance	263.7	-0.36

Source: FactSet

Equity Indices Performances		
Italy	Price	chg %
FTSE It. All Share	24728	-1.05
FTSE MIB	22452	-1.05
FTSE It. Star	37458	-0.81
Europe		
	Price	chg %
DAX 30	12238	0.14
CAC 40	5233	-0.18
IBEX 35	9688	-0.03
FTSE 100	7133	-0.09
US		
	Price	chg %
Dow Jones	24758	-1.00
NASDAQ	7497	-0.19
S&P 500	2749	-0.57

Source: FactSet

Priced at market close on day prior to issue or two days prior to issue in the case of preview comments (except where otherwise indicated). In this report we confirm the ratings and target prices assigned in the latest company reports (unless otherwise indicated).

Banca IMI distributes this report issued by

INTESA  SANPAOLO

15 March 2018: 8:59 CET
Date and time of production

Italy
Equity Daily

Intesa Sanpaolo
Research Department

Equity Research Team

Corporate Broking
Research Team

Sales & Trading
+39 02 7261 2905

Date and time of first circulation:
15 March 2018: 9:00 CET

Vote for
Banca IMI

Italy: Country Research
Italy: Equity Sales
Extel Europe 2018
Survey online:

www.extelsurveys.com

[CLICK HERE TO VOTE](#)

SeSa (BUY)

3Q/9M17/18A Results

News: In 9M17/18A (period ending 31 January), SeSa confirmed its positive growth trend showing an improvement in key economic and financial indicators compared to the same period of the previous year. The key points of the results were:

- **Group revenues** grew by 5.0% yoy, to EUR 992.6M. On a divisional basis, the Software and System Integration (SSI) sector posted a solid 26.2% growth. Growth in this segment was mainly organic, pushed by an increase in revenues in the most value-added sectors (Managed & Security Services, Digital Transformation, ERP & Vertical Solutions) with a higher than average EBITDA margin. Value Added Distribution (VAD) was broadly flat (+0.8% yoy) but showed an acceleration in turnover (+6.3%) in the quarter November 2017-January 2018;
- **EBITDA** was EUR 45.9M, up by 8.3% yoy, and registering an EBITDA margin increase of about 14bps, thanks to a growth of revenues in the IT value-added services and solutions market. The SSI sector was up by 65.4% yoy, achieved thanks to positive performances recorded by ERP & Vertical Solutions and Managed & Security Services business units, in which the group benefited from an improving market position and an expansion of business activity, achieving an average EBITDA margin of about 10%. On the other hand, the VAD sector registered a 9.6% yoy decrease, due to the increased weighting of operating costs generated by investments in human resources, as well commercial and organisational initiatives supporting market positioning. However, in 3Q the VAD segment EBITDA showed a recovering trend (+4.7% yoy);
- **Net profit** attributable to the group was EUR 20.1M, up 5.6% yoy, also benefiting from a reduction in the IRES tax rate for the current fiscal year;
- Lastly, the **NFP** was EUR 20.6M, improving by about EUR 8.1M compared to 9M16/17A.

Our view: Overall SeSa posted another good set of results. In particular, we believe that the good news of the results is the recovering VAD segment trend posted in 3Q, showing the first effects arising from the investment recently made in infrastructure and human resources. We expect this trend should continue in 4Q. Furthermore, in 4Q SeSa should benefit from the consolidation of ICOS, a leading value IT distributor specialised in solutions for datacentre (Storage, Server, Enterprise Software, Cloud Computing, IT Services), and Tech Value, specialised in providing IT services and PLM solutions for "Engineering intensive" companies of the Automotive, Machinery, Aerospace & Defence segments. Overall, management confirmed a positive outlook, as it expects an improvement in the main economic, financial and equity indicators (revenues, operating profit, net result) in FY17/18, due to both the greater focus on more dynamic areas of the market, such as cloud computing, security and digital transformation, and the rising contribution of the value-added IT businesses. Lastly, management confirmed external growth as a development leverage to be further used in the coming quarters "on the basis of the ability to identify targets which can be industrially integrated within the group". Following the results, we regard our FY estimates as feasible (revenue up 3.4% and EBITDA 8.8%).

SeSa - Key data			
15/03/18	IT Distributors		
Target Price (EUR)	30.8		
Rating	BUY		
Mkt price (EUR)	27.80		
Mkt cap (EUR M)	431		
Ratios (x)	2018E	2019E	2020E
P/E	14.8	13.5	12.4
EV/Sales	0.30	0.28	0.26
EV/EBITDA	6.2	5.6	5.0
Performance (%)	1M	3M	12M
Absolute	6.1	11.5	40.8
Rel. to FTSE IT All	5.9	10.6	22.2

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Corporate Broker to SeSa

Gabriele Berti - Research Analyst

+39 02 8794 9821

gabriele.berti@intesasanpaolo.com

SeSa – 3Q/9M17/18A results						
EUR M	3Q16/17A	3Q17/18A	yoy %	9M16/17A	9M17/18A	yoy %
Revenues	389.8	427.7	9.7	945.0	992.6	5.0
o/w VAD	341.9	363.4	6.3	826.5	833.3	0.8
o/w SSI	70.7	89.3	26.2	173.2	220.2	27.2
o/w Corporate	4.0	4.3	7.0	10.9	11.9	9.4
Intercompany	-26.8	-29.3		-65.6	-72.8	
EBITDA	18.0	20.1	11.2	42.4	45.9	8.3
Margin on revenues %	4.61	4.70		4.48	4.62	
o/w VAD	12.9	13.5	4.7	32.2	29.1	-9.6
Margin on revenues %	3.8	3.7		3.9	3.5	
o/w SSI	4.3	6.2	43.9	9.4	15.6	65.4
Margin on revenues %	6.1	7.0		5.4	7.1	
o/w Corporate	0.8	0.4	-56.0	0.8	1.3	53.7
EBIT	14.8	14.9	1.2	33.6	34.3	2.3
Margin on revenues %	3.79	3.49		3.55	3.46	
Group net profit	8.4	9.2	9.6	19.0	20.1	5.6
Net debt	28.7	20.6		28.7	20.6	

Source: Company data