

Energica Motor Company

FY20A Results

FY20 turnover and NFP were in line with our projections while EBITDA and the bottom line were slightly below (in absolute value). Overall, we appreciate the actions taken by management in 2020/beginning 2021 to support the group's growth trend, while ensuring the company has the financial resources to face this important ramp-up phase.

Sharp increase in revenues...

Despite the challenging year due to the Covid-19 pandemic worldwide, net sales increased to EUR 6.0M, up by about 91% yoy. We believe that this trend confirms the market's solid fundamentals: according to Schmidt Automotive Research, Europe's electric motorcycle market grew by over 50% in 2020. NFP was EUR 1.6M while Shareholders' Equity was EUR -0.5M. We recall that at the beginning of March 2021, EMC has successfully completed a EUR 14.9M capital increase with the entry of Ideanomics as a strategic investor in the group's share capital, with a 20% stake.

...and strong order portfolio

Management confirmed its positive outlook for 2021, sustained by a strong backlog, which is currently worth about 60% of total 2020 turnover. Overall, in the light of the positive sales' momentum and the resilience shown by the market during the pandemic context, management confirmed its strategic plan, which envisages increased production efficiency from higher sales volumes and the optimisation of the supply chain, with a positive EBITDA target in 2022.

Estimates & valuation

Given the strong order portfolio, the ongoing positive performance of the electric vehicle market, and the extension of the FIM Enel MotoE World Cup supply agreement until 2022, we believe that EMC is well set to continue its growth path and to meet the EBITDA break-even target in 2022. On the other hand, we decided to revise downwards our 2021E forecast to take into account the issues related to the shortage of electronic components that the automotive market is facing in the beginning 2021. Our updated valuation points to wide range of EUR 136.6M–EUR 272.8M (vs. EUR 75.9M–EUR 158.4M in our previous report). We underline that the main drivers behind the increase in our valuation range are: i) the updated assumption on the EBITDA margin that the company should reach 'at maturity' (around 21% vs. 15% used previously); and ii) following the latest deal, we now do not expect further capital increases to reach our 'at maturity' profile. We do not assign a rating or target price to the stock.

27 April 2021: 13:01 CET

Date and time of production

No Rating

Italy/Automobiles &
Components
Update

AIM

Price Performance
(RIC: EMCC.MI, BB: EMC IM)



Energica Motor Company - Key Data

Price date (market close)	21/04/2021
Market price (EUR)	2.61
Market cap (EUR M)	79.97
52Wk range (EUR)	2.75/1.37

Price performance %	1M	3M	12M
Absolute	-1.9	49.6	36.6
Rel. to FTSE AIM	-5.7	43.9	-17.4

Y/E Dec (EUR M)	FY20A	FY21E	FY22E
Revenues	6.04	13.80	31.50
EBITDA	-4.37	-3.92	2.29
EBIT	-6.18	-5.20	0.50
Net income	-6.33	-5.21	0.43
EPS (EUR)	-0.21	-0.17	0.01
Net debt/-cash	1.60	-7.59	-3.85
Adj P/E (x)	Neg.	Neg.	NM
EV/EBITDA (x)	Neg.	Neg.	34.9
EV/EBIT (x)	Neg.	Neg.	NM
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.

Gabriele Berti - Research Analyst
+39 02 8794 9821
gabriele.berti@intesasnpaolo.com

Corporate Broking Research

A. Francese, G. Berti, M. Cristofori
Y. Alaoui, A. Terazzi

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Main Recent Events

FY20A results

Despite the challenging year due to the Covid-19 pandemic worldwide, net sales increased to EUR 6.0M, up by about 91% yoy. We believe that this trend confirms the market's solid fundamentals: according to Schmidt Automotive Research, the Western European EV market has surpassed China and is the largest market in the world, while Europe's electric motorcycle market grew by over 50% in 2020, mirroring the trend of the electric car market.

FY20 trend confirms the market's solid fundamentals

EBITDA was negative for EUR 4.4M, improving vs. the negative result of EUR 4.9M posted in FY19, supported by the trend in total revenues.

The net result was a loss of EUR 6.3M vs. the EUR 7.7M loss at 31 December 2019.

NFP was EUR 1.6M while Shareholders' Equity was EUR -0.5M. We recall that at the beginning of March 2021, EMC has successfully completed a EUR 14.9M capital increase with the entry of Ideanomics as a strategic investor in the group's share capital, with a stake of 20%.

Lastly, the group's Extraordinary Shareholders' Meeting approved the adoption of some amendments to the Articles of Association. In particular: i) to allow the company to avail itself of the right to issue shares with multiple voting rights; and ii) to implement the new provisions of the AIM Italia Issuers' Regulations.

Energica Motor Company – FY20 results

EUR M	FY19A	FY20A	yoy %	FY20E	A/E %
Net Revenues	3.2	6.0	91.2	5.8	4.2
Other revenue	1.0	1.0		1.3	
Change in inventories & fixed assets	1.6	-0.3		0.9	
Value of production	5.7	6.7	17.6	8.0	-16.1
EBITDA	-4.9	-4.4	NM	-3.4	NM
EBIT	-7.6	-6.2	NM	-5.6	NM
Net profit	-7.7	-6.3	NM	-5.7	NM
NFP	0.3	1.6		1.7	

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Capital increase

On 5 March, EMC announced that it has successfully concluded a capital increase with a total collection of EUR 14.9M through the subscription of no. 8,374,325 newly-issued ordinary shares, at a price of EUR 1.78 per share (based on the weighted average of the official price of Energica shares recorded in the six months prior to the execution of the transaction). Specifically, Energica raised:

- EUR 10.9M from an investment agreement with Ideanomics, a US company (Nasdaq-listed) that facilitates the adoption of commercial electric vehicles and supports next-generation financial services and fintech products. We positively view the agreement, which confirms the interest of global investors towards the group's products and technologies. Furthermore, the investment should provide further strength to Energica's growth;
- EUR 1.5M through the conversion of reserves of the CRP Meccanica and CRP Technology shareholders;
- EUR 2.5M from other investors.

Capital increase successfully concluded

Earnings Outlook

Management confirmed its positive outlook for 2021, sustained by a strong backlog, which is currently worth about 60% of total 2020 turnover.

Positive outlook for 2021

In 2020, management continued to work in line with its strategic guidelines to reinforce the distribution network to support international expansion. Indeed, EMC signed several new commercial agreements around the world significantly boosting its sales network. In particular, as of 31 December 2020, the network had 72 dealers globally (vs. 69 at 30 June and 49 at YE19). To be more precise, we point out that the real actual number of dealers is higher, as this value only considers the countries that EMC manages directly. In fact, in the countries where the company distributes through an importer (such as Japan and Taiwan), the importer in turn relies on various dealers that do not fall within this count.

Our understanding is that over the next two years, EMC will focus on Asia-Pacific markets and continue the expansion on EMEA and Americas' markets not yet covered. We underline that EMC recently signed new agreements in Hong Kong and Japan; it received a 'record' order from Taiwan; while it plans to enter the Chinese market in three years, when the ChaoJi protocol, the next-gen ultrahigh-power DC charging, will be operational.

EMC will focus on Asia-Pacific markets and continue the expansion on EMEA and Americas' markets not yet covered

Furthermore, given the strong acceleration of the demand from the US market, where Energica today can rely on 12 dealers, the group has decided to move its Californian headquarters to a new location in South San Francisco. We highlight that the new location has a dimension of 330sqm, 3x bigger than the previous Redwood headquarters.

Strong acceleration of demand from the US market

EMC is also active in seeking partnerships to develop other highly innovative projects also in 'System Integration' and other applications. In particular: i) Dell'Orto partnership to develop and produce powertrains for scooters and mopeds. In particular, E-power (the name of the project with Dell'Orto) is capable of covering power ranges from 2.5kW to a peak of 15kW, with performances in a range from 50cc to 125cc of traditional engines and a riding range that can extend beyond 100km; ii) an industrial cooperation with Sealence, aimed at the development of an electric powertrain: providing not only economies of scale, but also ensuring this new electric product by Energica-Sealence should be among the most powerful and technologically advanced on the global market; and iii) has started a technological collaboration with Cellularline and Alascom for an innovative A.I. project aimed at developing a communication protocol between the Energica riders and Cellularline-Interphone products through the Alascom app downloaded on the mobile phone.

Partnerships to develop other highly innovative projects

EMC announced that in 2021 it aims to continue its investment plan (mainly related to R&D and production efficiencies) aimed at developing cost savings already from the first months of 2021. Management's goal is to achieve an improvement in the group's average production costs of around 2% from 1H21 to more than 19% by the end of 2021.

Lastly, EMC continues to focus on initiatives that should improve brand awareness internationally, such as MotoE and the participation in motorcycle trade fairs worldwide. We recall that in October 2020, Dorna Sports announced a contract

Initiatives to improve brand awareness

extension that ensures that EMC remains the unique manufacturer for the FIM Enel MotoE World Cup until 2022.

In light of the positive sales' momentum and the resilience demonstrated by the market during the pandemic context, management confirmed its strategic plan, which envisages increased production efficiency from higher sales volumes and the optimisation of the supply chain, with a positive EBITDA target in 2022. However, management stated that some delivery delays may occur due to global shortages of electronic components due to the current pandemic context.

Estimates revision

Given the strong order portfolio, the ongoing positive performance of the electric vehicle market, and the extension of the FIM Enel MotoE World Cup supply agreement until 2022, we believe that EMC is well set to continue its growth path and to meet its EBITDA break-even target in 2022. On the other hand, we decided to revise downwards our 2021E forecast to take into account the issues related to the shortage of electronic components that the automotive market is facing in the beginning 2021. We also include the cash-in arising from the recent capital increase (we underline that in our previous projections, we assumed a EUR 4.5M capital increase in FY21).

Energica – Estimates revision (2021E-22E)

EUR M	2021E Old	2021E New	Chg. %	2022E Old	2022E New	Chg. %
Net Revenues	16.6	13.8	-16.9	32.0	31.5	-1.6
Value of production	20.3	15.4	-24.0	35.2	39.3	11.6
EBITDA	-3.5	-3.9	NM	4.7	2.3	-51.3
EBIT	-5.0	-5.2	NM	3.2	0.5	NM
Net profit	-5.0	-5.2	NM	3.0	0.4	NM
Net debt/ - net cash	1.9	-7.6		1.8	-3.9	

E: estimates; Source: Intesa Sanpaolo Research

We recall that our main assumptions are:

- A significant increase of vehicles sold over the period;
- The number of EMC motorbikes in circulation should also boost revenues from Parts, Accessorizes and After Sales services;
- MotoE related sponsorship income for 2021-22E of approx. EUR 1.6M and EUR 1.7M, respectively;
- As previously stated, we expect EMC to post its first year in the black in terms of EBITDA in 2022E, thanks to the scale up of the business (operating leverage as operating costs are spread over higher sales volumes) and production efficiencies obtained from R&D. Overall, we estimate EBITDA at around breakeven with 1,250/1,300 vehicles sold, while we think that with the current full operation capacity (5,000 vehicles), EMC would reach an EBITDA margin of about 21% (vs. 15% in our previous report as a consequence of the ongoing focus on the group's average production costs);
- We now do not expect further capital increases in the coming years.

Valuation

EMC is still in a start-up phase with revenues still insufficient to produce the marginality necessary to cover fixed costs. As mentioned above, we expect revenues to ramp up meaningfully in 2021-22 on the back of the ongoing growing demand in the electric vehicles market, while we project the company to turn EBIT and EBITDA profitable in 2022E.

We believe that the above scenario is still not conducive to a valuation based on near-term financials. Consequently, to calculate our valuation range of EUR 136.6M–EUR 272.8M, we applied a forward multiple to 'at-maturity' EBITDA and then we discounted the obtained equity value to year-end 2021 using an IRR ranging from 20% to 25%. This kind of valuation is strongly dependent on the time needed to get to maturity. Consequently, we projected different scenarios in which this target would be reached between 2027 and 2029. We do not assign a rating and target price to the stock.

**Our valuation range of EUR
136.6M–EUR 272.8M**

Overall, we continue to think that the group's main competitive advantage is its innovation and technology leadership. We recall that EMC developed the world's highest performing E-bike and registered three international patents: Vehicle Control Unit (VCU), Supply Unit and eABS. In order to maintain its state-of-the-art innovation, the group's technical dept is working on big data technologies that will allow its engineers to be updated on vehicles' status.

Valuation range at maturity

Even though the company would still be at mid-point in a hyper-growth phase, we define 'maturity' as the time in which EMC would achieve a level of around 4,500-5,000 units of electric motorcycles sold per annum. Overall, we think investors need to look to at least at 2027 to reach this target. In particular, we assume the following:

- Assuming 5,000 motorbikes sold and no significant changes to the average revenues per motorbike we project for 2022E revenues at maturity would mean around EUR 101M;
- Thanks to the scale up of the business and production efficiencies obtained from R&D, we think that EBITDA margin at maturity could reach around 21% (significantly increasing vs. the 15% used in our previous report, mainly as a result of the group's investment plan currently under development);
- A stable capex at 10% of revenues and stable operating NWC at 10% of revenues.

Energica Motor Company – Key projections at maturity (EUR M)

Total Volumes Sold (No.)	5000
Motorbikes Sales	95.4
Parts	3.7
Total motorbikes & Parts	99.1
Others	1.7
Net Revenues	100.8
EBITDA	23.1
EBITDA margin (%)	21.2

Source: Intesa Sanpaolo Research estimates

Trading comparables

We believe there are no direct comps for the stock. Consequently, in order to calculate a forward multiple to apply at our 'maturity EBITDA', we ran different comparables analysis based on two alternative set of potential peers:

- We believe investors could be oriented towards Tesla as the mostly closely aligned story-stock: a company that also seeks to move the transportation and energy sectors to a zero-carbon technology;
- More conservative investors may look to the motorcycle sector trading multiples.

Peers' panel

	Country	Price (EUR M)	Market Cap. (EUR M)	EV/Sales 2021	EV/Sales 2022	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBIT 2021	EV/EBIT 2022	P/E 2021	P/E 2022
Tesla	US	605.34	581,034	15.7	12.2	82.3	60.4	163.8	101.3	166.2	119.0
Piaggio	IT	3.29	1,179	1.0	0.9	6.5	5.8	13.6	10.6	19.4	14.6
Harley-Davidson	US	39.84	6,106	2.9	2.8	16.0	14.1	20.2	18.5	16.0	15.0
PIERER Mobility	CH	72.30	1,622	0.6	0.5	3.7	3.4	7.1	6.2	27.2	22.7
Honda Motor Co	JP	24.82	44,967	0.7	0.7	9.1	7.9	13.3	11.4	8.1	7.1
Suzuki Motor Corp.	JP	33.32	16,365	0.6	0.6	5.2	4.7	8.5	7.3	12.0	10.3
Yamaha Corporation	JP	46.68	8,943	2.4	2.3	15.2	12.8	19.8	16.8	28.4	24.3
Mean Motorcycles peers				1.4	1.3	9.3	8.1	13.7	11.8	18.5	15.7
Median Motorcycles peers				0.9	0.8	7.8	6.8	13.4	11.0	17.7	14.8
Mean Tesla & Motorcycles peers				8.5	6.7	45.8	34.3	88.8	56.6	92.3	67.3

Priced at market close of 23/04/2021; Source: FactSet;

If the company executes its strategy successfully and in 2027 (our best case) attains the 'maturity' financials we forecast, then we believe the stock could be assigned a premium forward multiple, somewhere between that of Tesla (trading at 60.4x 2022 EBITDA) and the Motorcycles comp group (8.1x 2021 EBITDA). Consequently, we decided to use the average 2022 EV/EBITDA multiples of our two panels to calculate our fair Enterprise Value. We obtain a 34.3x forward EV/EBITDA multiple, which we consider realistic under projected circumstances of rapid growth (even in 2027). The multiple assigned implies a EUR 791.8M fair Enterprise Value.

Energica Motor Company – Valuation at maturity (EUR M)

EV/EBITDA assigned multiple (x)	34.3
Projected EBITDA at Maturity	23.1
Potential Valuation at Maturity - Enterprise Value	791.8

Source: Intesa Sanpaolo Research estimates

Valuation range calculation

We have taken into consideration the timeline necessary to arrive at maturity for EMC and its risk profile, so the required internal rate of return to achieve that valuation. For this analysis, we assumed three different periods at which maturity can be reached: 2027 or 2028 or 2029. Considering the risk profile of EMC, we use two IRR settings in our analysis: 20% and 25%, which we believe are consistent with the risk profile of investments in early stage/expansion phases. To set our updated EUR 136.6M–EUR 272.8M wide valuation range (vs. EUR 75.9M–EUR 158.4M in our previous report), we discounted for each year (2027E-29E) our calculation of the fair equity value at maturity to 2021 year-end.

We underline that the main drivers behind the increase in our valuation range are: i) the improved assumptions on the EBITDA margin that the company should reach 'at maturity' (around 21% vs. 15% used previously); and ii) following the latest rights issue, we now do not expect further capital increases to reach our 'at maturity' profile (while in our previous report we deducted the remaining equity capital injections that we were modelling in our previous 'base' scenario).

Energica Motor Company – Equity value valuation range (EUR M)

IRR %	2027E	2028E	2029E
20	272.8	227.3	189.4
25	213.5	170.8	136.6

E: estimates; Source: Intesa Sanpaolo Research estimates

Energica Motor Company – Key Data

Rating No Rating	Mkt price (EUR/sh) Ord 2.61		Sector Automobiles & Components	
Values per share (EUR)	2019A	2020A	2021E	2022E
No. ordinary shares (M)	18.20	21.59	30.64	30.64
Total no. of shares (M)	18.20	21.59	30.64	30.64
Market cap (EUR M)	43.79	41.77	79.97	79.97
Adj. EPS	-0.25	-0.21	-0.17	0.01
CFPS	-0.27	-0.21	-0.13	0.07
BVPS	0.11	-0.02	0.28	0.30
Dividend ord	0	0	0	0
Income statement (EUR M)	2019A	2020A	2021E	2022E
Revenues	3.16	6.04	13.80	31.50
EBITDA	-4.85	-4.37	-3.92	2.29
EBIT	-7.62	-6.18	-5.20	0.50
Pre-tax income	-7.70	-6.33	-5.21	0.49
Net income	-7.70	-6.33	-5.21	0.43
Adj. net income	-7.70	-6.33	-5.21	0.43
Cash flow (EUR M)	2019A	2020A	2021E	2022E
Net income before minorities	-7.7	-6.3	-5.2	0.4
Depreciation and provisions	2.8	1.8	1.3	1.8
Others/Uses of funds	0	-0.1	0.1	-0.0
Change in working capital	3.6	0.6	1.4	-2.5
Operating cash flow	-1.3	-4.1	-2.4	-0.3
Capital expenditure	-2.9	-1.3	-2.7	-3.4
Financial investments	0	0	0	0
Acquisitions and disposals	0	0	0	0
Free cash flow	-4.2	-5.4	-5.2	-3.8
Dividends	0	0	0	0
Equity changes & Other non-operating items	5.4	3.9	14.3	0
Net cash flow	1.2	-1.5	9.1	-3.8
Balance sheet (EUR M)	2019A	2020A	2021E	2022E
Net capital employed	2.3	1.1	1.2	5.3
of which associates	0	0	0	0
Net debt/-cash	0.3	1.6	-7.6	-3.9
Minorities	0	0	0	0
Net equity	2.1	-0.5	8.6	9.0
Minorities value	0	0	0	0
Enterprise value	43.8	41.8	80.0	80.0
Stock market ratios (x)	2019A	2020A	2021E	2022E
Adj. P/E	Neg.	Neg.	Neg.	NM
P/CFPS	Neg.	Neg.	Neg.	36.1
P/BVPS	21.2	Neg.	9.3	8.8
Payout (%)	0	0	0	0
Dividend yield (% ord)	0	0	0	0
FCF yield (%)	-9.6	-12.9	-6.2	-4.7
EV/sales	13.9	6.9	5.8	2.5
EV/EBITDA	Neg.	Neg.	Neg.	34.9
EV/EBIT	Neg.	Neg.	Neg.	NM
EV/CE	18.8	37.2	67.5	15.2
D/EBITDA	Neg.	Neg.	1.9	Neg.
D/EBIT	Neg.	Neg.	1.5	Neg.
Profitability & financial ratios (%)	2019A	2020A	2021E	2022E
EBITDA margin	-153.5	-72.3	-28.4	7.3
EBIT margin	-241.0	-102.2	-37.7	1.6
Tax rate	NM	NM	NM	NM
Net income margin	-243.8	-104.8	-37.7	1.4
ROCE	-327.2	-549.5	-438.5	9.6
ROE	-225.6	-798.7	-128.0	4.9
Interest cover	167.5	39.1	433.0	-42.0
Debt/equity ratio	12.9	NM	Neg.	Neg.
Growth (%)		2020A	2021E	2022E
Sales		91.2	NM	NM
EBITDA		9.9	10.5	NM
EBIT		18.9	15.9	NM
Pre-tax income		17.8	17.8	NM
Net income		17.8	17.8	NM
Adj. net income		17.8	17.8	NM

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Company Snapshot

Company Description

Energica Motor Company (EMC) is the first Italian manufacturer and one of the world's leading producers of supersport electric motorcycles. The company is headquartered near Modena, in the centre of the Italian motor valley, and was founded in 2014 as a spin-off of CRP Group, a group inheriting 50 years of experience in the hi-tech industry (F1, motorsport, aerospace, marine, defence etc.) which started the project in 2009 with the aim of creating the first high-powered electric motorcycles.

Key Risks

Company specific risks:

- EMC is still in a start-up phase and needs investments and resources to finance its growth;
- Execution risk of the development plan;

Sector generic risks:

- Low autonomy and high prices of electric vehicles are still a primary obstacle for their mass-market adoption;
- There is still a lack of infrastructure of charging points;
- We see the risk that big players of motorbikes industry will increase their focus on electric products and take advantage of their stronger commercial power.

Key data

Mkt price (EUR)	2.61	Free float (%)	36.3
No. of shares	30.64	Major shr	CRP Meccanica
52Wk range (EUR)	2.75/1.37	(%)	33.4
Reuters	EMCC.MI	Bloomberg	EMC IM
Performance (%)	Absolute		Rel. FTSE AIM
-1M	-1.9	-1M	-5.7
-3M	49.6	-3M	43.9
-12M	36.6	-12M	-17.4

Estimates vs. consensus

EUR M (Y/E Dec)	2020A	2021E	2021C	2022E	2022C		
Sales	6.04	13.80	20.28	31.50	35.20	NA	NA
EBITDA	-4.37	-3.92	-3.46	2.29	4.68	NA	NA
EBIT	-6.18	-5.20	NA	0.50	NA	NA	NA
Pre-tax income	-6.33	-5.21	NA	0.49	NA	NA	NA
Net income	-6.33	-5.21	NA	0.43	NA	NA	NA
EPS	-0.21	-0.17	-0.27	0.01	0.16	NA	NA

Core Technologies



Global High-Performance Electric Motorcycle Market



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 21/04/2021)

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies have revenues ranging from EUR 50M-EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation below EUR 1Bn.

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We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

Equity rating key: (long-term horizon: 12M)

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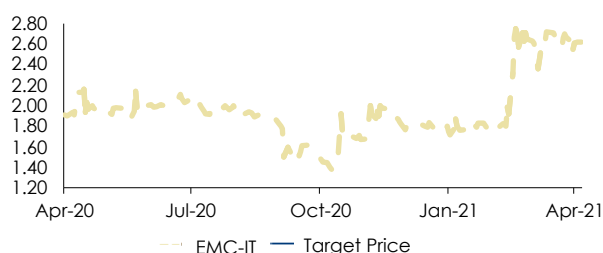
Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->

Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations..

Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
01-Oct-20	No Rating		1.57

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at 12 April 2021)**

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%) (*)	46	27	26	1	0
of which Intesa Sanpaolo's Clients (%) (**)	82	71	64	100	0

(*) Last rating refers to rating as at end of the previous quarter; (**) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

Equity rating key (short-term horizon: 3M)

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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- Intesa Sanpaolo acts as Specialist relative to securities issued by Energica Motor Company

Intesa Sanpaolo Research Dept.

Gregorio De Felice - Head of Research	+39 02 8796 2012	gregorio.defelice@intesasnpaolo.com
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Equity & Credit Research

Giampaolo Trasi	+39 02 8794 9803	giampaolo.trasi@intesasnpaolo.com
------------------------	------------------	-----------------------------------

Equity Research

Monica Bosio	+39 02 8794 9809	monica.bosio@intesasnpaolo.com
Luca Bacoccoli	+39 02 8794 9810	luca.bacoccoli@intesasnpaolo.com
Davide Candela	+39 02 8794 9813	davide.candela@intesasnpaolo.com
Oriana Cardani	+39 02 6275 3017	oriana.cardani@intesasnpaolo.com
Antonella Frongillo	+39 02 8794 9688	antonella.frongillo@intesasnpaolo.com
Manuela Meroni	+39 02 8794 9817	manuela.meroni@intesasnpaolo.com
Elena Perini	+39 02 8794 9814	elena.perini@intesasnpaolo.com
Bruno Permutti	+39 02 8794 9819	bruno.permutti@intesasnpaolo.com
Roberto Ranieri	+39 02 8794 9822	roberto.ranieri@intesasnpaolo.com
Massimo Vecchio	+39 02 6275 3016	massimiliano.vecchio@intesasnpaolo.com

Corporate Broking Research

Alberto Francese	+39 02 8794 9815	alberto.francese@intesasnpaolo.com
Gabriele Berfi	+39 02 8794 9821	gabriele.berfi@intesasnpaolo.com
Marco Cristofori	+39 02 6275 3015	marco.cristofori@intesasnpaolo.com
Youness Nour El Alaoui	+39 02 8794 9812	youness.alaoui@intesasnpaolo.com
Arianna Terazzi	+39 02 8794 3187	arianna.terazzi@intesasnpaolo.com

Technical Analysis

Corrado Binda	+39 02 8021 5763	corrado.binda@intesasnpaolo.com
Sergio Mingolla	+39 02 8021 5843	antonio.mingolla@intesasnpaolo.com

Clearing & Data Processing

Anna Whatley	+39 02 8794 9824	anna.whatley@intesasnpaolo.com
Stefano Breviglieri	+39 02 8794 9816	stefano.breviglieri@intesasnpaolo.com
Annita Ricci	+39 02 8794 9823	annita.ricci@intesasnpaolo.com
Wendy Ruggeri	+39 02 8794 9811	wendy.ruggeri@intesasnpaolo.com
Elisabetta Bugliesi (IT support)	+39 02 8794 9877	elisabetta.bugliesi@intesasnpaolo.com

Intesa Sanpaolo – IMI Corporate & Investment Banking Division

Bernardo Bailo - Head of Global Markets Sales	+39 02 7261 2308	bernardo.bailo@intesasnpaolo.com
--	------------------	----------------------------------

Equity Sales

Giorgio Pozzobon	+39 02 7261 5616	giorgio.pozzobon@intesasnpaolo.com
-------------------------	------------------	------------------------------------

Institutional Sales

Catherine d'Aragon	+39 02 7261 5929	catherine.daragon@intesasnpaolo.com
Carlo Cavalieri	+39 02 7261 2722	carlo.cavalieri@intesasnpaolo.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@intesasnpaolo.com
Paolo Maria Lenzi	+39 02 7261 5114	paolo.lenzi@intesasnpaolo.com
Stefano Ottavi	+39 02 7261 2095	stefano.ottavi@intesasnpaolo.com
Federica Repetto	+39 02 7261 5517	federica.repetto@intesasnpaolo.com
Daniela Stucchi	+39 02 7261 5708	daniela.stucchi@intesasnpaolo.com
Mark Wilson	+39 02 7261 2758	mark.wilson@intesasnpaolo.com
Carlo Castellari (Corporate Broking)	+39 02 7261 2122	carlo.castellari@intesasnpaolo.com
Roberta Papeschi (Corporate Broking)	+39 02 7261 6363	roberta.papeschi@intesasnpaolo.com
Francesco Riccardi (Corporate Broking)	+39 02 7261 5966	francesco.riccardi@intesasnpaolo.com
Laura Spinella (Corporate Broking)	+39 02 7261 5782	laura.spinella@intesasnpaolo.com
Alessandro Bevacqua	+39 02 7261 5114	alessandro.bevacqua@intesasnpaolo.com
Lorenzo Pennati (Sales Trading)	+39 02 7261 5647	lorenzo.pennati@intesasnpaolo.com

Equity Derivatives Institutional Sales

Emanuele Manini	+39 02 7261 5936	emanuele.manini@intesasnpaolo.com
Francesca Dizione	+39 02 7261 2759	francesca.dizione@intesasnpaolo.com
Enrico Ferrari	+39 02 7261 2806	enrico.ferrari@intesasnpaolo.com
Stefan Gess	+39 02 7261 5927	stefan.gess@intesasnpaolo.com
Edward Lythe	+44 207 894 2456	edward.lythe@intesasnpaolo.com
Ferdinando Zamprota	+39 02 7261 5577	ferdinando.zamprota@intesasnpaolo.com

Gherardo Lenti Capoduri – Head of Market Hub

Gherardo Lenti Capoduri	+39 02 7261 2051	gherardo.lenticapoduri@intesasnpaolo.com
--------------------------------	------------------	--

E-commerce Distribution

Massimiliano Raposio	+39 02 7261 5388	massimiliano.raposio@intesasnpaolo.com
Filippo Besozzi	+39 02 7261 5922	filippo.besozzi@intesasnpaolo.com
Raffaella Bisio	+39 02 7261 5481	raffaella.bisio@intesasnpaolo.com
Michele Galeota	+39 02 7261 2193	michele.galeota@intesasnpaolo.com
Alessia Galluccio	+39 02 7261 2339	alessia.galluccio@intesasnpaolo.com
Alessandro Monti	+44 207 894 2412	alessandro.monti@intesasnpaolo.com
Serge Alexandre (London office)	+44 207 894 2462	serge.alexandre@intesasnpaolo.com
Natalia Villanueva Beltramini (London office)	+44 207 894 2432	natalia.villanuevabeltramini@intesasnpaolo.com
Lisa Tellia (Market Hub PIT)	+39 02 7261 5756	lisa.tellia@intesasnpaolo.com
Carmine Calamello (Brokerage & Execution)	+39 02 7261 2194	carmine.calamello@intesasnpaolo.com

Intesa Sanpaolo IMI Securities Corp.

Barbara Leonardi (Equity institutional Sales)	+1 212 326 1232	barbara.leonardi@intesasnpaolo.com
Greg Principe (Equity Institutional Sales)	+1 212 326 1233	greg.principe@intesasnpaolo.com