

Events

Acsm – Agam, Banca Carige, Banco Popolare, Creval, Emak, ERG, Exprivia, Igd, Nice, Openjobmetis, Panariagroup, Servizi Italia, Snai, UBI Banca: BoD's Meeting H1 2016 Results

[DJ STOXX: Daily relative performance by sector](#)

Stock Exchanges

4 Aug 16	Last	%Chg	%YtD	Min YtD	Max YtD
FTSE Italy All-Share	17,866	0.62	-23.11	16,619	23,236
FTSE MIB	16,236	0.66	-24.19	15,104	21,418
FTSE Italy Star	24,439	0.48	-6.33	20,843	26,091
Comit	966.8	0.81	-20.60	916.8	1,217.7
Stoxx 600	337.84	0.67	-7.65	303.58	365.81
EuroStoxx 50	2,932.3	0.73	-10.26	2,680.4	3,267.5
Dow Jones Industrials	18,352	-0.02	5.32	15,660	18,595
Nasdaq Comp	5,166	0.13	3.17	4,267	5,184
Nikkei 225	16,255	1.07	-14.60	14,952	19,034

Other Market Indicators

4 Aug 16	Last	%Chg	%YtD	Min YtD	Max YtD
EUR/USD	1.1139	-0.31	2.54	1.0721	1.1518
USD/YEN	101.10	-0.20	-15.96	100.55	121.07
London Brent Crude Oil Index US\$/B	42.40	-0.35	16.07	27.98	52.28
10 Yrs Bund Futures	167.59	0.57	6.12	157.92	167.81

Source: Datastream

Recommendation and target price changes

- ▲ **Datalogic:** TP EUR 19.2 from 17.2
- ▲ **Diasorin:** TP EUR 62.7 from 57.8
- **Interpump:** Accumulate from Buy, TP EUR 16.2 from 15.3
- ▲ **Technogym:** Buy from Accumulate, TP EUR 4.95 from 4.75

News

- A2A (Buy)** All's well that ends well
- Azimut (Accumulate)** July net inflows at EUR 923m thanks to acquisitions
- Banca Mediolanum (Accumulate)** July net inflows at EUR 579m better than our estimate
- Cattolica Assicurazioni (Neutral)** Net profit adj. slight better. Withdrawal right with BPVI exercised
- CNH Industrial (Accumulate)** New USD 600m bond priced
- Fiat Chrysler Automobiles (Buy)** The NHTSA is investigating on ARC airbags too
- FincoBank (Neutral)** July net inflows better than expected

Previews

- Banca Carige (Neutral)** Q2 16 results preview
- Banco Popolare (Not rated)** Q2 16 results preview
- Creval (Neutral)** Q2 16 results preview
- Exprivia (Accumulate)** H1 2016 Pre: weak quarter in sight
- IGD (Buy)** Good results expected in Q2
- UBI Banca (Buy)** Q2 16 results preview

Results

- Atlantia (Accumulate)** Sound results as expected
- BPER (Buy)** Q2 16 results
- Credem (Neutral)** Q2 16 results
- Datalogic (Accumulate)** H1 16 results: strong improvement in profitability
- DiaSorin (Accumulate)** Strong H1 16 results and FY 16 guidance revised upward
- Falck Renewables (Buy)** Slightly better results in H1 16 YoY
- Fila (Buy)** Fila H1 16 results: solid numbers
- Gas Plus (Buy)** A decreasing set of results in H1 16 YoY
- Interpump (Accumulate)** Q2 16 results: profitability continues to improve
- Iren (Buy)** As expected, increasing results in H1 2016 YoY
- Marr (Accumulate)** H1 16 results in line with our estimates
- Mediobanca (Accumulate)** FY 15/16 results
- Technogym (Buy)** Sound H1 16 results, estimates upward revision
- UnipolSai (Accumulate)** Conference call: some highlights
- Yoox Net-A-Porter (Buy)** Good set of results in H1 16



Falck Renewables

Italy/Utilities

Buy

Recommendation unchanged

Share price: EUR 0.74

closing price as of 04/08/2016

Target price: EUR 1.40

Target Price unchanged

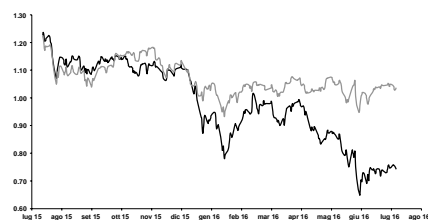
Reuters/Bloomberg

AA4.MI/FKR IM

Market capitalisation (EURm)	216
Current N° of shares (m)	291
Free float	40%
Daily avg. no. trad. sh. 12 mth	162,628
Daily avg. trad. vol. 12 mth (m)	122
Price high 12 mth (EUR)	1.25
Price low 12 mth (EUR)	0.65
Abs. perf. 1 mth	3.99%
Abs. perf. 3 mth	-21.98%
Abs. perf. 12 mth	-41.02%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	277	258	282
EBITDA (m)	152	125	145
EBITDA margin	55.0%	48.5%	51.5%
EBIT (m)	66	56	73
EBIT margin	23.9%	21.8%	25.8%
Net Profit (adj.)(m)	5	1	10
ROCE	4.4%	2.6%	3.4%
Net debt/(cash) (m)	630	651	625
Net Debt/Equity	1.2	1.3	1.2
Debt/EBITDA	4.1	5.2	4.3
Int. cover(EBITDA/Fin. int)	3.4	2.8	3.3
EV/Sales	3.6	3.6	3.1

EV/EBITDA	6.6	7.4	6.0
EV/EBITDA (adj.)	6.6	7.4	6.0
EV/EBIT	15.2	16.4	12.1
P/E (adj.)	nm	nm	22.0
P/BV	0.7	0.5	0.5
OpFCF yield	13.7%	-4.0%	18.0%
Dividend yield	6.1%	4.7%	4.7%
EPS (adj.)	0.02	0.00	0.03
BVPS	1.62	1.58	1.58
DPS	0.05	0.04	0.04



Source: Factset
 FALCK RENEWABLES
 Stoxx Europe 600 (Rebased)
 Shareholders: Falck SpA 60%;

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Slightly better results in H1 16 YoY

The facts: Falck Renewables unveiled its H1 2016 results yesterday.

Our analysis: the company posted decreasing results YoY, in line with the FY guidance, which has been confirmed (EBITDA at about EUR 130m, it was EUR 152m in 2015):

EURm	H1 2015A	H1 2016E	H1 2016A	YoY Chg.
Revenues	147	124	129	-12.6%
EBITDA	85	67	71	-16.2%
EBIT	46	32	36	-22.4%
Pre-tax Profit	23	13	17	-29.1%
Net Profit	9	5	9	3.4%

Falck Renewables' results were hit by the drop in prices (in Italy the PUN was down by around 26% in H1 2016 vs. H1 2015), in the electricity demand (in Italy roughly 2% YoY) and by the different value set for the green certificates. The negative trend in prices also affected the UK assets: prices around -17% YoY and the LEC incentive cancellation (since August 2015).

Falck Renewables recorded an almost flat wind production YoY (870Gwh vs. 891), given the limited contribution of the newly entered into operation plants of Kingsburn and Spaldington (EUR 0.7m in terms of EBITDA). The positive trend in Italy (wind production +24% YoY vs. around +14% YoY at a national level in H1

15) was offset by the UK one (-19% YoY), thus total wind production was up by around 1% YoY in H1 16.

Furthermore, still on the negative side, it is worth mentioning the GBP devaluation vs. the EURO. This is affecting EBITDA for around EUR 1.4m in H1 16, i.e. revenues (EUR -2.5m) and costs (EUR +1.1m).

Net debt was roughly EUR 589m, flat vs. the level posted as at the end of Q1 16 and vs. circa EUR 630m posted as at the end of 2015. Here the GBP devaluation is acting positively (impact around EUR 27m).

Conclusion & Action: we don't believe H1 2016 results may be considered a catalyst for the stock, even though they confirmed the weak short-term environment (2016 figures are due to be hit by the change in the green certificates value calculation and by the lack of LECs), as already anticipated by the company in its FY guidance. In our view, the trigger remains the business plan presentation (due on 29th November 2016), with a focus on the new operational initiatives, and on the potential deal with CII. We reiterate our positive stance on the stock: BUY.

Disclaimer

This research has been prepared by Giada Cabrino, Andrea Devita, Enrico Esposti, Enrico Filippi, Gabriele Gambarova, Dario Michi, Paola Saglietti, Luigi Tramontana (members of AIAF), Francesco Previtera, Francesco Sala, Marcello Renna (ordinary member of SIAT), who are financial analysts with Banca Akros SpA ("Banca Akros"), which is responsible for the preparation of the research.

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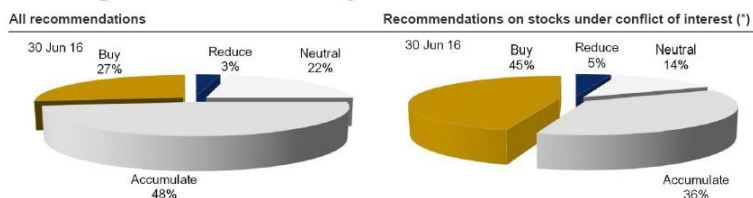
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