

Lucisano Media Group

1H18 Results

Lucisano Media Group - Key estimates and data					
Y/E December		2017A	2018E	2019E	2020E
Revenues	EUR M	38.39	38.87	46.85	50.92
EBITDA	EUR M	14.17	14.78	18.32	19.75
EBIT	EUR M	5.77	4.63	6.82	6.75
Net Income	EUR M	3.80	2.97	4.75	4.74
Dividend ord.	EUR	0.05	0.05	0.05	0.05
Adj. EPS	EUR	0.26	0.20	0.32	0.32
EV/EBITDA	x	4.7	3.7	3.0	2.6
Adj. P/E	x	9.2	9.2	5.8	5.8

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

- Growing revenues in a tough market...** The negative trend for Italian cinema in 2017, was also confirmed in 1H18: box office revenues were down by 7%, with presences down by 11.7%. Thanks to its vertically-integrated business model, Lucisano Media Group (LMG) grew its 1H18 revenues by 9.5% to EUR 14.0M. Production/Distribution: revenues increased by 45.1% to EUR 7.8M. In particular, in 1H18 two movies were produced and released in theatres ("Io c'è" and "Una vita spericolata"), two international movies bought in previous years were distributed ("Hurricane" and "Escape plan 2"), and one movie was produced and broadcast on TV ("Prima che la notte"). Following the industry trend, Multiplexes were affected by lower admissions, therefore revenues declined by 16% to EUR 6.3M.
- ...with a positive impact on EBITDA.** Looking at costs, we highlight that: 1) service costs decreased by 9.4% to EUR 10.5M, mainly due to movie production costs (-24.9% to EUR 4.4M); 2) labour costs were broadly stable at EUR 1.8M; and 3) capitalised costs decreased by 31.6% to reach EUR 3.5M. Reflecting the abovementioned trends in revenues and costs, 1H18A EBITDA came in at EUR 4.7M, +17.4%, and with margins up by 230bps to 33.7%. D&A rose by 35.9% (higher amortisation of movies of the library) and financial charges and taxes broadly stable, led to a EUR 1.5M net income broadly stable yoy. Net debt was EUR 31.1M, broadly aligned with FY17A, the net debt/EBITDA ratio slightly decreased from 2.2x in FY17A, to 2.1x in 1H18A.
- Outlook, estimates and valuation.** Two movies were produced ("Nessuno come noi" and "Non ci resta che il Crimine"), which are scheduled for release in October and December 2018. Other projects were started, and for some movies the production is scheduled to start by the end of the year, or the beginning of 2019. Moreover, several agreements have been finalised for the sale of library titles rights of movies in the library, to free and pay TV players. Management believes it has good visibility on revenues from production/distribution in its 2018-20 plan. In light of the 1H18 results and management's outlook, we confirmed our FY18E-20E estimates. We valued Lucisano Media Group with a DCF model, which points to a **EUR 3.3/sh target price and set a BUY rating**. Lucisano trades at a 9-18% discount on EV/EBITDA in FY18E and FY19E, respectively, and a significant discount on FY19E P/E (38.5%).
- Key risks.** In our view, the key risks are: 1) film production is subject to many uncertainties that include possible delays/interruptions affecting the completion of the project for events of force majeure, which would result in an increase of the forecast costs; 2) the strong seasonality of the Italian film market, with a concentration of film releases in a few months of the year; 3) credit risk due to a temporal difference between revenues and costs. The lack of a production's success could therefore compromise the company's overall profitability and working capital needs due to a misalignment of revenues and margins compared to the budget; and 4) increasing competitive pressure from online platforms on the multiplex side, which could cause a downsizing of the traditional cinematographic market.

15 October 2018: 12:57 CET
Date and time of production

BUY

Target Price: EUR 3.3

Italy/Media
Company Update

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Price performance, -1Y
03/10/2018



Source: FactSet

Date and time of first circulation:
15 October 2018: 13:00 CET

Priced at market close on 03/10/2018*	
Target price (€)	3.3
Target upside (%)	79.33
Market price (€)	1.84
52Wk range (€)	2.98/1.79
Market cap (€ M)	27.38
No. of shares	14.88
Free float (%)	11.9
Major shr (%)	Keimos 68.0
Reuters	LMG.MI
Bloomberg	LMG IM
FTSE IT All Sh	22918
Performance %	
Absolute	Rel. to FTSE IT All
-1M	-2.9 -1M -4.1
-3M	-18.9 -3M -15.2
-12M	-30.9 -12M -24.2

*unless otherwise indicated within report. Source: FactSet and Intesa Sanpaolo Research estimates
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1H18 Results

Theatrical market

The negative 2017 trend for Italian cinema was also confirmed in 1H18, in our view due to:

- A broadening of media channels (i.e. Netflix, Amazon Prime, etc.), used by consumers to satisfy their increasing media demands;
- The wide impact of online piracy;
- The transition period to Law n.220 (also called "Franceschini Law"), which affected planning and seasonality.

Year-on-year change in admission and presences															
%	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1H18
Admission	10.3	-7.1	1.8	12.9	-3.8	4.9	18.1	-10.0	-8.0	1.6	-7.1	10.9	3.9	-11.6	-7.0
Presence	11.8	-7.5	1.7	12.4	-4.1	-0.4	11.2	-7.9	-9.9	6.7	-6.1	8.6	6.1	-12.4	-11.7

Source: Intesa Sanpaolo Research elaboration on Cinetel data

Looking at numbers, 1H18 box office revenues fell by 7% to EUR 294.6M, driven by a 11.7% decrease in presences (45.8M tickets sold), partially offset by a 5.4% increase in the average ticket price to EUR 6.4.

The majors posted box office revenues of around EUR 170M vs. EUR 190M in 1H17, with around 26M presences vs. around 30M in 1H17.

The top three movies made box office revenues of EUR 43M (around 6M presences), vs. EUR 50M in 1H17 (around 7M presences).

1H18A results

In 1H18A, revenues increased by 9.5% to EUR 14.0M, with revenues from services up by 22.9% to EUR 12.3M and other revenues down by 38.4% to EUR 1.7M.

Lucisano Media Group - Key economic data (1H18)			
EUR M	1H17A	1H18A	yoy %
Revenues from services	10.0	12.3	22.9
Other revenues	2.8	1.7	-38.4
Revenues	12.8	14.0	9.5
EBITDA	4.0	4.7	17.4
EBITDA margin (%)	31.4	33.7	
EBIT	2.2	2.2	2.1
Net income	1.4	1.5	2.2
Net debt	30.9*	31.1	0.5

A: actual; Source: Company data * FY17A

The main drivers of revenues from services were:

- The "Sale of film property shares" revenues were EUR 3.2M (nil in 1H17);
- Revenues from TV rights grew by 88.6% to EUR 2.8M;
- Revenues from box offices at multiplexes decreased by 17.4% to EUR 4.5M and other revenues from multiplexes decreased by 16.9% to EUR 1.0M, due to lower admissions;
- Revenues from film distribution decreased by 45.7% to EUR 0.4M;
- Other revenues from movie works decreased by 83.3% to EUR 0.2M.

Lucisano Media Group - Revenues from service break-down (1H18A)			
EUR M	1H17A	1H18A	yoy %
Theatrical distribution	0.7	0.4	-45.7
TV rights	1.5	2.8	88.6
Sale of film property shares	-	3.2	NM
Other revenues from movie works	1.0	0.2	-83.3
Multiplexes – box office collections	5.5	4.5	-17.4
Multiplexes - others	1.2	1.0	-16.9
Others	0.1	0.1	43.5

NM: not meaningful; A: actual; Source: Company data

Moreover, grants from the government reduced by around EUR 0.85M, tax credits by around EUR 0.46M and other revenue by around EUR 0.8M.

Looking at costs, we highlight that:

- Raw materials costs decreased by 5.7% to EUR 0.3M (weighting in revenues down by 30bps to 1.9%). These costs are related to both the purchase of products destined for resale in the multiplex bars and to the purchase of maintenance and consumable materials for digital projectors in cinemas;
- Decrease of 9.4% in costs for services to EUR 10.5M (weighting in revenues down from 90.7% in 1H17 to 75%), mainly due to movie production costs (-24.9% to EUR 4.4M);
- Labour costs were broadly stable at EUR 1.8M (weighting in revenues at 12.5% vs. 13.4% in 1H17A);
- Capitalised costs decreased by 31.6% to reach EUR 3.5M. These costs refer to those incurred to produce movie works that were suspended and capitalised with respect to the intangible asset item costs of movie production in progress.

Lucisano Media Group - Costs breakdown (1H18A)			
EUR M	1H17A	1H18A	yoy %
Raw materials (net)	0.3	0.3	-5.7
Cost for services	11.6	10.5	-9.4
Cost of labour	1.7	1.8	2.3
Other costs	0.3	0.3	-10.2
Capitalised costs	-5.1	-3.5	-31.6
Weighting in revenue (%)	1H17A	1H18A	
Raw materials (net)	2.2	1.9	
Cost of services	90.7	75.0	
Cost of labour	13.4	12.5	
Other costs	2.6	2.1	
Capitalised costs	-40.3	-25.2	

A: actual; Source: Company data

Reflecting the abovementioned trends in revenues and costs, 1H18A EBITDA came in at EUR 4.7M, +17.4%, and with margins up by 230bps to 33.7%.

D&A increased by 35.9% to EUR 2.5M, mainly due to a higher amortisation of movies in the library. Therefore, EBIT was EUR 2.2M, broadly stable yoy.

Financial charges and taxes were broadly stable, leading to EUR 1.5M net income broadly stable yoy.

Net working capital and net debt

Net working capital increased by around 1.5% vs. FY17A to EUR 21.1M, with a ratio to revenue which improved by 90bps to 53.4%.

Net debt was EUR 31.1M, broadly aligned with FY17A, the net debt/EBITDA ratio slightly decreased from 2.2x in FY17A, to 2.1x in 1H18A.

Lucisano Media Group - Key balance sheet items (1H18A)

EUR M	FY17A	1H18A	yoy %
Net working capital	20.8	21.1	1.5
Net working capital to revenue (%)	54.3	53.4*	
Net debt	30.9	31.1	0.5
Net debt/EBITDA (x)	2.2	2.1*	

A: actual; Source: Company data * Calculated on last twelve months (LTM) revenue and EBITDA

Business unit analysis

Lucisano's operations can be divided into three business units, the Production BU, the Distribution BU, and the Multiplex BU:

- **Production/Distribution:** revenues increased by 45.1% to EUR 7.8M. In particular in 1H18 two movies were produced and released for theatres ("Io c'è" and "Una vita spericolata"), two international movies bought in previous years were distributed ("Hurricane" and "Escape plan 2"), and one movie was produced and broadcast to TV ("Prima che la notte"). EBITDA grew by 62.7% to EUR 4M;
- Following the industry trend, **Multiplexes** were affected by lower admissions, therefore revenues declined by 16% to EUR 6.3MM. The revenue contraction also affected EBITDA, which was EUR 0.7M (vs. EUR 1.5M in 1H17).

Lucisano Media Group - Business units breakdown (1H18A)

EUR M	Production/distribution			Multiplex			Total		
	1H17A	1H18A	yoy %	1H17A	1H18A	yoy %	1H17A	1H18A	yoy %
Revenue	5.3	7.8	45.1	7.4	6.3	-16.0	12.8	14.0	9.5
EBITDA	2.5	4.0	62.7	1.5	0.7	-55.6	4.0	4.7	17.4
EBITDA margin (%)	46.4	52.0		20.7	10.9		31.4	33.7	
EBIT	1.7	2.5	47.6	0.5	-0.2	-142.4	2.2	2.2	2.1
Net income	1.2	1.7	44.0	0.3	-0.2	-187.6	1.4	1.5	2.2

NM: not meaningful; A: actual; Source: Company data

Outlook

Two movies were produced ("Nessuno come noi" and "Non ci resta che il Crimine"), which are scheduled for release in October and December 2018.

Other projects were started, and for some movies, production is scheduled to start by the end of the year, or the beginning of 2019.

Lucisano Media Group - Production releases

Film	
Io c'è	released
Prima che la Notte	released
Ricchi di Fantasia	released
Una vita spericolata	released
Nessuno come Noi	Oct-18
Non ci resta che il crimine	Dec-18
Aspromonte	Production starts in 2018
Gli uomini d'oro	Production starts in 2018
Mollami!	Production starts in 2018
Sienna	Production starts in 2018 (TV)
Il rosso e il nero	Production starts in 2019
Les Italiens	Production starts in 2019 (TV)

Source: Company data

Moreover, several agreements have been finalised for the sale of library titles, to free and pay TV players.

Management believes it has good visibility on revenues from production/distribution in its 2018-20 plan thanks to:

- Agreements with the distribution company Vision Distribution, set up in 2016 by Sky Italia, Cattleya, Palomar, Indiana Production e Wildside;
- Agreements with RAI Cinema and RAI TV for the production of several movies;
- The development of its own creative/production factory, aiming to grant continuity and quality in the origination and production flows;
- An increased “brand awareness” of IIF (Italian International Film - the company in Lucisano Media Group for production and distribution), which should ensure increased attention by the audience on new releases;
- Stronger negotiating power with distributors, thanks to agreements with the major players;
- Quality and “mainstream” movie projects, for which management is negotiating the best conditions with distributors or broadcasters;
- Long term relationships with international distributors, both for buying rights of international movies, and for selling rights of its own productions;
- The new cinema and audio-visual law (“Legge Cinema n° 220/2016”), which allows companies in the cinematographic sector to benefit from numerous incentives and aids for the production and distribution of film content.

As for Multiplex activities, management expects results to be broadly to be stable over the next few years. A focus on the management of other multiplexes in central-southern Italy will be maintained, along with an investment plan for enlarging the multiplex in Brindisi, and the technological upgrade of several projection rooms.

Valuation

We valued Lucisano Media Group with a DCF model and we cross-checked our result with a multiples comparison.

DCF model

DCF valuation

We ran a DCF model based on our estimates and the following key assumptions:

- A 5.6% WACC, incorporating a 3.0% risk-free rate, an equity risk premium of 5.75% and a gearing of 49.2%;
- A 0% terminal value growth;
- LT EBIT is calculated starting from 2020E data.

Lucisano Media Group - WACC calculation	
%	
Gross debt rate	3.0
Tax rate	24
Net debt rate	2.3
Beta* levered (x)	1.00
Gearing	49.2
Beta* relevered (x)	1.00
Risk-free rate	3.00
Equity risk premium	5.75
WACC	5.6

Source: *FactSet, Intesa Sanpaolo Research estimates

Our model returns a target price of EUR 3.3/share and we confirm our BUY rating.

BUY; EUR 3.3/sh target price

Lucisano Media Group - DCF calculation (2018E-20E)				
EUR M	2018E	2019E	2020E	LT
EBIT	4.6	6.8	6.8	5.5
Tax	-0.8	-1.3	-1.3	-1.0
Depreciation	10.2	11.5	13.0	
NOPAT	14.0	17.0	18.5	4.5
WC	1.1	-3.2	-1.7	
Capex	-9.7	-11.7	-12.7	
FCF	5.4	2.1	4.0	4.5
Discounted FCF	5.4	2.0	3.6	3.8
WACC (%)	5.6			
TV growth (%)	0.0			
Sum	11			
TV	68			
EV	79			
Debt 2017A	30.9			
Equity	48			
Shares	14.9			
Target price (EUR/share)	3.3			

E: estimates; Source: Intesa Sanpaolo Research estimates

Multiples cross-check

We double-checked our DCF valuation with a peers' multiples comparison (Leone Film, Mondo TV, Notorious Pictures). We highlight that we do not consider the peers sample as particularly meaningful, given the companies' different business models.

Multiples

Lucisano trades at a 9-18% discount on EV/EBITDA in FY18E and FY19E, respectively, and at a significant discount on FY19E P/E (38.5%).

Lucisano Media Group - Peers' EV/EBITDA and P/E						
x	Price	Mkt Cap	EV/EBITDA		P/E	
	(EUR/sh)	(EUR M)	FY18E	FY19E	FY18E	FY19E
Leone Film	4.8	68	3.7	3.3	10.5	8.9
Mondo TV	3.9	134	3.5	2.9	10.3	8.7
Notorious Pictures	2.8	64	5.0	4.5	10.6	10.1
Average			4.0	3.6	10.5	9.2
Lucisano	1.8	27	3.7	2.9	9.1	5.7
Discount vs. average %			-9.2	-17.9	-13.3	-38.5

Priced at market close on 4/10/2018; Source: FactSet and Intesa Sanpaolo Research estimates

Lucisano Media Group - Key data							
Rating	Target price (EUR/sh)	Mkt price (EUR/sh)	Sector	Free float (%)	Reuters Code		
BUY	Ord 3.3	Ord 1.84	Media	11.9	LMG.MI		
Values per share (EUR)			2016A	2017A	2018E	2019E	2020E
No. ordinary shares (M)			14.88	14.88	14.88	14.88	14.88
No. NC saving/preferred shares (M)			0.00	0.00	0.00	0.00	0.00
Total no. of shares (M)			14.88	14.88	14.88	14.88	14.88
Market cap (EUR M)			21.88	34.79	27.38	27.38	27.38
Adj. EPS			0.20	0.26	0.20	0.32	0.32
CFPS			0.86	0.82	0.88	1.1	1.2
BVPS			1.9	2.1	2.3	2.6	2.8
Dividend ord			0.05	0.05	0.05	0.05	0.05
Income statement (EUR M)			2016A	2017A	2018E	2019E	2020E
Revenues			38.11	38.39	38.87	46.85	50.92
EBITDA			14.98	14.17	14.78	18.32	19.75
EBIT			6.12	5.77	4.63	6.82	6.75
Pre-tax income			5.15	4.80	3.75	6.01	6.00
Net income			3.94	3.80	2.97	4.75	4.74
Adj. net income			2.99	3.80	2.97	4.75	4.74
Cash flow (EUR M)			2016A	2017A	2018E	2019E	2020E
Net income before minorities			4.0	3.8	3.0	4.8	4.7
Depreciation and provisions			8.9	8.4	10.2	11.5	13.0
Others/Uses of funds			0	0	0	0	0
Change in working capital			1.1	-7.4	1.1	-3.2	-1.7
Operating cash flow			13.9	4.8	14.2	13.0	16.0
Capital expenditure			-8.6	-11.7	-9.7	-11.7	-12.7
Financial investments			0	0	0	0	0
Acquisitions and disposals			0	0	0	0	0
Free cash flow			5.4	-6.9	4.5	1.3	3.3
Dividends			-0.7	-0.7	-0.7	-0.7	-0.7
Equity changes & Other non-operating items			-0.4	-0.1	0	0	0
Net cash flow			4.3	-7.7	3.8	0.6	2.5
Balance sheet (EUR M)			2016A	2017A	2018E	2019E	2020E
Net capital employed			52.1	62.8	61.2	64.7	66.1
of which associates			0	0	0	0	0
Net debt/-cash			23.2	30.9	27.1	26.6	24.1
Minorities			0.2	0.2	0.2	0.2	0.2
Net equity			28.7	31.7	33.9	37.9	41.9
Minorities value			0	0	0	0	0
Enterprise value			45.2	65.9	54.7	54.1	51.6
Stock market ratios (x)			2016A	2017A	2018E	2019E	2020E
Adj. P/E			7.3	9.2	9.2	5.8	5.8
P/CFPS			1.7	2.9	2.1	1.7	1.5
P/BVPS			0.76	1.1	0.80	0.72	0.65
Payout (%)			25	20	25	16	16
Dividend yield (% ord)			3.4	2.1	2.7	2.7	2.7
FCF yield (%)			24.6	-19.7	16.4	4.8	11.9
EV/sales			1.2	1.7	1.4	1.2	1.0
EV/EBITDA			3.0	4.7	3.7	3.0	2.6
EV/EBIT			7.4	11.4	11.8	7.9	7.6
EV/CE			0.87	1.0	0.89	0.84	0.78
D/EBITDA			1.5	2.2	1.8	1.5	1.2
D/EBIT			3.8	5.4	5.9	3.9	3.6
Profitability & financial ratios (%)			2016A	2017A	2018E	2019E	2020E
EBITDA margin			39.3	36.9	38.0	39.1	38.8
EBIT margin			16.1	15.0	11.9	14.6	13.3
Tax rate			22.0	20.5	21.0	21.0	21.0
Net income margin			10.3	9.9	7.6	10.1	9.3
ROCE			11.8	9.2	7.6	10.5	10.2
ROE			14.4	12.6	9.0	13.2	11.9
Interest cover			6.3	5.9	5.3	8.5	8.9
Debt/equity ratio			80.4	96.9	79.6	69.8	57.2
Growth (%)			2017A	2018E	2019E	2020E	
Sales			0.7	1.2	20.5	8.7	
EBITDA			-5.4	4.3	24.0	7.8	
EBIT			-5.8	-19.9	47.4	-0.9	
Pre-tax income			-6.8	-21.8	60.1	-0.3	
Net income			-3.4	-22.0	60.1	-0.3	
Adj. net income			27.2	-22.0	60.1	-0.3	

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Notes

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Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

http://www.group.intesasanpaolo.com/scripts/sir0/si09/studi/eng_archivio_racc_equity.jsp

Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

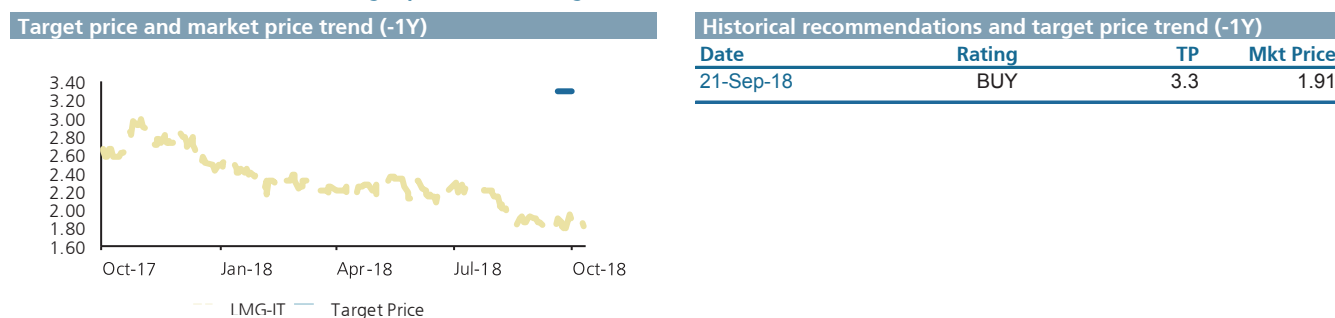
We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example 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, including when Intesa Sanpaolo is acting in an advisory capacity in a merger or strategic transaction involving the company.
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)



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

Intesa Sanpaolo Research Rating Distribution (at August 2018)					
Number of companies considered: 105	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)	42	29	27	2	1
of which Intesa Sanpaolo's Clients (%) (*)	75	73	29	50	100

(*) 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

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

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)

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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- 2 Banca IMI acts as Specialist, Nominated Advisor relative to securities issued by Lucisano Media Group

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