

# TerniEnergia

## 1H18 Results

TerniEnergia - Key data					
Y/E December		2014A	2015A	2016A	2017A
Revenues	EUR M	0.00	368.7	84.17	64.00
EBITDA	EUR M	0.00	25.24	17.34	2.23
EBIT	EUR M	0.00	17.13	8.10	-33.55
Net Income	EUR M	-5.08	2.56	1.15	-39.56
Dividend ord.	EUR	0	0	0	0
Adj. EPS	EUR	-0.11	0.08	0.02	-0.84
EV/EBITDA	x	NM	6.6	8.0	59.9
Adj. P/E	x	Neg.	20.3	39.7	Neg.

NA: not available; NM: not meaningful; Neg.: negative; A: actual; Source: Company data

- 1H18 results.** TerniEnergia's 1H18 revenue was down by 26.1% to EUR 10.5M. 1H17 results have been restated in accordance with IFRS 5, considering the classification of the results of the assets held for sale as "held for sale" or "discontinued operations, in accordance with the provisions of the recovery and relaunch plan laid out in the strategic guidelines communicated to the market on 27 April 2018. In 2Q18, revenue totalled EUR 2.1M vs. EUR 10.3M in 2Q17. In 1H18, EBITDA came in at EUR 0.7M, vs. EUR -0.3M in 1H17; in 2Q18, EBITDA was EUR -0.8M (vs. EUR 3.4M in 2Q17). The net loss in 1H18 was EUR 3.5M vs. a EUR 6.5M loss in 1H17. Net debt decreased to EUR 60M vs. EUR 89.7M in FY17 and EUR 97M in 1Q18, as a result of the application of IFRS 5, which resulted in the reclassification of net financial debt of EUR 35.2M.
- Outlook.** The Ordinary and Extraordinary Meeting, as of Article 2446 of the Italian Civil Code, held on 14 June approved 2017 financial statements, appointing a new independent director, Paolo Piccini, with 30 years of experience in the field of information and communication technologies, defence and security in multinational technology sector. In April, the management announced a recovery and relaunch plan, aiming to become, in the medium term, a smart energy company and overcome the current financial crisis. The plan is based on three pillars: divestments, rationalisation and strategic repositioning with a focus on the internet of energy, smart mobility and IT consulting. The company has taken the following steps to implement its plan: 1) preparatory activities are continuing for the sale of 10 photovoltaic plants for a total of 11MW, with the final date set at 31 October 2018; 2) the company has received expressions of interest from potential buyers and the relative confidentiality agreements (NDAs) were signed for the sale of other PV plants and for the sale of Newcoenergy; 3) a NDA has been signed with a leading international industrial player and the due diligence phase is underway for the sale of the EPC and O&M business unit; and 4) the procedures for the merger by incorporation of Selesoft and Consorzio Proteco into Softeco have been completed.
- Estimates and valuation.** While the transitional restructuring and relaunch phase is underway, there is not a sufficient fundamental basis on which to build our estimates or valuation. **Our rating and target price on the stock are currently Suspended.**
- Key risks.** In our view, TerniEnergia's key risks are: 1) execution risk related to the transitional restructuring phase to a smart energy company; and 2) the deleveraging and reimbursement of the EUR 25M bond expiring at the beginning of 2019 could be a risk, should the economic scenario deteriorate, also considering the current restructuring phase.

23 August 2018: 11:23 CET  
Date and time of production

## SUSPENDED

Target Price: Suspended

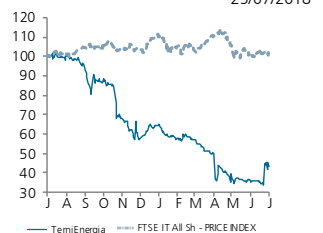
Italy/Multi-Utilities  
Company Update

Intesa Sanpaolo  
Research Department

Alberto Francese  
Research Analyst  
+39 02 8794 9815

alberto.francese@intesaspaolo.com

### Price performance, -1Y



Source: FactSet

Date and time of first circulation:  
23 August 2018: 13:00 CET

Priced at market close on 21.08.2018\*

Target price (€)	Suspended	
Market price (€)	0.45	
52Wk range (€)	1.03/0.35	
Market cap (€ M)	21.17	
No. of shares	47.09	
Free float (%)	44.9	
Major shr	Italeaf	
(%)	42.2	
Reuters	TRNI.MI	
Bloomberg	TER IM	
FTSE IT All Sh	23025	
Performance %		
Absolute	Rel. to FTSE IT All	
-1M	21.0 -1M	20.0
-3M	-13.2 -3M	-4.9
-12M	-56.6 -12M	-56.8

\*unless otherwise indicated within report. Source: FactSet and Intesa Sanpaolo Research estimates

See page 5 for full disclosures and analyst certification  
Banca IMI is Specialist to TerniEnergia

## 1H18 Results and Outlook

The key points of TerniEnergia's 1H18 results were:

- **1H18 revenue** was down by 26.1% to EUR 10.5M. The 1H17 results have been restated in accordance with IFRS 5, considering the classification of the results of the assets held for sale as "held for sale" or "discontinued operations, in accordance with the provisions of the recovery and relaunch plan laid out in the strategic guidelines communicated to the market on 27 April 2018. In 2Q18, revenue totalled EUR 2.1M vs. EUR 10.3M in 2Q17;
- **EBITDA** came in at EUR 0.7M, vs. a EUR 0.3M loss in 1H17. In 2Q18, EBITDA was EUR -0.8M (vs. EUR 3.4M in 2Q17);
- **Net loss** in 1H18 was EUR 3.5M vs. a EUR 6.5M loss in 1H17;
- **Net debt** decreased to EUR 60M vs. EUR 89.7M in FY17 and EUR 97M in 1Q18, as a result of the application of IFRS 5, which resulted in the reclassification of net financial debt of EUR 35.2M.

TerniEnergia – 1H/2Q18A results						
EUR M	2Q17A	2Q18A	yoy %	1H17A	1H18A	yoy %
Revenue	10.3	2.1	-80.1	14.2	10.5	-26.1
EBITDA	3.4	-0.8	NM	-0.3	0.7	NM
EBITDA margin %	32.9	-40.0		-2.1	6.7	
EBIT	-4.8	-0.5	88.8	-3.4	-1.5	55.9
Net income/net loss	-6.3	-1.1	82.8	-6.5	-3.5	46.2
Net debt/-cash	89.7	60.0	-31.4	89.7	60.0*	-31.4

\* FY17A data; A: actual; NM: Not meaningful; Source: Company data

### Disposal of EPC projects to Estra Clima S.r.l.

In July, the group announced that it has finalised the disposal of two branches of business related to energy efficiency measures to Estra Clima Srl, a company of the Estra Group.

The company branches to be sold, with the relative financial and trade debts, refer to two energy efficiency lighting projects on behalf of two Tuscan municipalities, including the integrated management, ordinary and extraordinary maintenance of public lighting systems. The value of the two branches sold is equal to EUR 1.4M gross of the debt relating to the financial lease on the plant of one of the two municipalities for EUR 0.45M (inclusive of VAT) and trade payables for approximately EUR 0.25M, as well as the value of some works to be carried out at the expense of Estra Clima for approximately EUR 0.17M.

### Outlook

The Ordinary and Extraordinary Meeting, as of Article 2446 of the Italian Civil Code, held on 14 June approved the 2017 financial statements, appointing a new independent director, Paolo Piccini, with 30 years of experience in the field of information and communication technologies, defense and security in multinational technology sector.

During the coming months, the group will be committed to implementing the **recovery and relaunch plan**, aimed at pursuing, in the medium term, the transformation of the company into a smart company and to overcome the current financial crisis. The plan is based on three pillars: divestments, rationalisation and strategic repositioning with a focus on the internet of energy, smart mobility and IT consulting. In detail:

### Recovery and relaunch plan

### **Divestments:**

- With reference to the sale of 10 photovoltaic plants for a total of 11 MW to Sonnedix San Giorgio Srl, the preparatory activities for the closing of the sale are proceeding rapidly, with the final date set for 31 October, 2018;
- Regarding the plants still owned by TerniEnergia, an advisory assignment was awarded to a leading specialised company and the company has received numerous expressions of interest from potential buyers, with the signing of confidentiality agreements (NDAs);
- In relation to the sale of Newcoenergy Srl, owner of the authorisations and properties of the biodigester of Calimera (LE) under construction, the company has received several expressions of interest for which the relative NDAs have been signed;
- As to the sale of the EPC and O&M business units to an industrial player already active in the sector, in order to transform fixed costs into variable costs, negotiations are underway with leading operators in the respective sectors with whom NDAs have been signed;
- The revision of the service contracts has been completed on the basis of the forecasts of the recovery and relaunch plan with a significant reduction in costs for TerniEnergia;
- All the deeds relating to the sale of two business units relating to energy efficiency measures to Estra Clima Srl, a company of the Estra Group, have been signed.

### **Streamlining:**

- The procedures for the merger by incorporation of Selesoft Consulting and Consorzio Proteco, respectively, into Softeco have been completed, with the aim of simplifying the group's organisation and making it more efficient;
- Following these merger procedures by incorporation, TerniEnergia holds 100% of Softeco's shares.

### **Strategic repositioning:**

- Actions are underway to strengthen the commercial structure to support the sectors with the highest technological content, in order to reinforce the group's positioning with customers and partners;
- The presence in Italy has been strengthened to enhance the offering of products, solutions and services for the consulting, industry, smart mobility and digital energy sectors with the strengthening of the Catania office and the opening of new offices in Rome and Terni;
- Staff selections are underway for the implementation of the technical-operational structure to respond to the growing need for a high level of professionalism. To this end, agreements and conventions have been signed with Universities and Research Centres;
- In the preparation of the above-mentioned plan, TerniEnergia is assisted by KPMG Advisory as financial advisor.
- The plan envisages the start of meetings with banks, bondholders and creditors in general to define a shared solution aimed at overcoming the current financial crisis.
- The strategic guidelines presented on 28 September 2017 have been superseded by the recovery and relaunch plan underway; management is committed to providing timely updates on its progress.

To focus on the restructuring plan, the board requested the voluntary exit from the STAR segment. It also reserved the right, once the current reorganisation phase has been completed and the industrial development process resumed, to ask Borsa Italiana for its readmission to the STAR segment.

TerniEnergia - Key data					
Rating	Target price (EUR/sh)	Mkt price (EUR/sh)	Sector	Free float (%)	Reuters Code
<b>SUSPENDED</b>	<b>SUSPENDED</b>	<b>Ord 0.44</b>	<b>Multi-Utilities</b>	<b>44.9</b>	<b>TRNI.MI</b>
<b>Values per share (EUR)</b>				<b>2016A</b>	<b>2017A</b>
No. ordinary shares (M)				47.09	47.09
No. NC saving/preferred shares (M)				0.00	0.00
Total no. of shares (M)				47.09	47.09
Market cap (EUR M)				45.66	43.72
Adj. EPS				0.02	-0.84
CFPS				0.22	-0.47
BVPS				1.2	0.45
Dividend ord				0	0
<b>Income statement (EUR M)</b>				<b>2016A</b>	<b>2017A</b>
Revenues				84.17	64.00
EBITDA				17.34	2.23
EBIT				8.10	-33.55
Pre-tax income				2.38	-42.30
Net income				1.15	-39.56
Adj. net income				1.15	-39.56
<b>Cash flow (EUR M)</b>				<b>2016A</b>	<b>2017A</b>
Net income before minorities				1.2	-39.6
Depreciation and provisions				9.4	17.2
Others/Uses of funds				0	0
Change in working capital				2.8	25.4
Operating cash flow				13.4	3.0
Capital expenditure				-2.2	-3.9
Financial investments				0	0
Acquisitions and disposals				0	0
Free cash flow				11.1	-0.9
Dividends				-1.0	0
Equity changes & Other non-operating items				-31.9	12.9
Net cash flow				-21.8	12.0
<b>Balance sheet (EUR M)</b>				<b>2016A</b>	<b>2017A</b>
Net capital employed				151.3	110.8
of which associates				0	0
Net debt/-cash				93.9	89.8
Minorities				0	0
Net equity				57.5	21.0
Minorities value				0	0
Enterprise value				139.5	133.5
<b>Stock market ratios (x)</b>				<b>2016A</b>	<b>2017A</b>
Adj. P/E				39.7	Neg.
P/CFPS				4.3	Neg.
P/BVPS				0.79	2.1
Payout (%)				0	0
Dividend yield (% ord)				0	0
FCF yield (%)				1,182.8	-234.6
EV/sales				1.7	2.1
EV/EBITDA				8.0	59.9
EV/EBIT				17.2	Neg.
EV/CE				0.92	1.2
D/EBITDA				5.4	40.3
D/EBIT				11.6	Neg.
<b>Profitability &amp; financial ratios (%)</b>				<b>2016A</b>	<b>2017A</b>
EBITDA margin				20.6	3.5
EBIT margin				9.6	-52.4
Tax rate				59.6	30.0
Net income margin				1.4	-61.8
ROCE				5.4	-30.3
ROE				2.0	-100.8
Interest cover				1.2	-4.8
Debt/equity ratio				163.3	426.9
<b>Growth (%)</b>					<b>2017A</b>
Sales					-24.0
EBITDA					-87.1
EBIT					NM
Pre-tax income					NM
Net income					NM
Adj. net income					NM

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

## Disclaimer

### Analyst certification

The financial analysts who prepared this report, and whose names and roles appear within the document, certify that:

1. The views expressed on the company mentioned herein accurately reflect independent, fair and balanced personal views; 2. No direct or indirect compensation has been or will be received in exchange for any views expressed.

### Specific disclosures

1. Neither the analysts nor any persons closely associated with the analysts have a financial interest in the securities of the Company.
2. Neither the analysts nor any persons closely associated with the analysts serve as an officer, director or advisory board member of the Company.
3. Some of the analysts named in the document are members of AIAF
4. The analysts named in this document are not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Banca IMI Securities Corp. Accordingly, the analysts may not be subject to FINRA Rule 2241 and NYSE Rule 472 with respect to communications with a subject company, public appearances and trading securities in a personal account. For additional information, please contact the Compliance Department of Banca IMI Securities Corp at 212-326-1133.
5. The analysts of this report do not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
6. The research department supervisors do not have a financial interest in the securities of the Company.

This research has been prepared by Intesa Sanpaolo SpA and distributed by Banca IMI SpA Milan, Banca IMI SpA-London Branch (a member of the London Stock Exchange) and Banca IMI Securities Corp (a member of the NYSE and FINRA). Intesa Sanpaolo SpA accepts full responsibility for the contents of this report and also reserves the right to issue this document to its own clients. Banca IMI SpA and Intesa Sanpaolo SpA, which are both part of the Intesa Sanpaolo Group, are both authorised by the Banca d'Italia and are both regulated by the Financial Conduct Authority in the conduct of designated investment business in the UK and by the SEC for the conduct of US business.

Opinions and estimates in this research are as at the date of this material and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this research may not be suitable for all investors. If you are in any doubt you should consult your investment advisor.

This report has been prepared solely for information purposes and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. No Intesa Sanpaolo SpA or Banca IMI SpA entities accept any liability whatsoever for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of Intesa Sanpaolo SpA and Banca IMI SpA.

Intesa Sanpaolo SpA and Banca IMI SpA have in place the Conflicts of Interest Management Rules for managing effectively the conflicts of interest which might affect the impartiality of all investment research which is held out, or where it is reasonable for the user to rely on the research, as being an impartial assessment of the value or prospects of its subject matter. A copy of these Rules is available to the recipient of this research upon making a written request to the Compliance Officer, Intesa Sanpaolo SpA, C.so Matteotti n° 1, 20121 Milan (MI) Italy. Intesa Sanpaolo SpA has formalised a set of principles and procedures for dealing with conflicts of interest ("Rules for Research"). The Rules for Research is clearly explained in the relevant section of Intesa Sanpaolo's web site ([www.intesasanpaolo.com](http://www.intesasanpaolo.com)).

Member companies of the Intesa Sanpaolo Group, or their directors and/or representatives and/or employees and/or persons closely associated with them, may have a long or short position in any securities mentioned at any time, and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any of the securities from time to time in the open market or otherwise.

Intesa Sanpaolo SpA issues and circulates research to Major Institutional Investors in the USA only through Banca IMI Securities Corp., 1 William Street, New York, NY 10004, USA, Tel: (1) 212 326 1150.

**Residents in Italy:** This document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation no. 20307 of 15.02.2018, as subsequently amended and supplemented, either as a printed document and/or in electronic form.

**Person and residents in the UK:** This document is not for distribution in the United Kingdom to persons who would be defined as private customers under rules of the FCA.

**US persons:** This document is intended for distribution in the United States only to Major US Institutional Investors as defined in SEC Rule 15a-6. US Customers wishing to effect a transaction should do so only by contacting a representative at Banca IMI Securities Corp. in the US (see contact details above).

### Method of distribution

This document is for the exclusive use of the person to whom it is delivered by Banca IMI and Intesa Sanpaolo and may not be reproduced, redistributed, directly or indirectly, to third parties or published, in whole or in part, for any reason, without prior consent expressed by Banca IMI and/or Intesa Sanpaolo. The copyright and all other intellectual property rights on the data, information, opinions and assessments referred to in this information document are the exclusive domain of the Intesa Sanpaolo banking group, unless otherwise indicated. Such data, information, opinions and assessments cannot be the subject of further distribution or reproduction in any form and using any technique, even partially, except with express written consent by Banca IMI and/or Intesa Sanpaolo.

Persons who receive this document are obliged to comply with the above indications.

### Coverage policy and frequency of research reports

The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Banca IMI acts as sponsor or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research is available on Banca IMI's web site ([www.bancaimi.com](http://www.bancaimi.com)) or by contacting your sales representative.

### 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.intesasnpaolo.com/scripts/sir0/si09/studi/eng\\_archivio\\_racc\\_equity.jsp](http://www.group.intesasnpaolo.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)

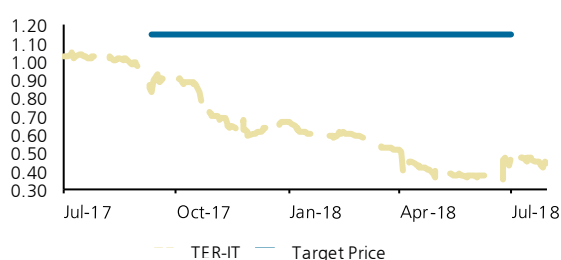
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

#### 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)

#### Target price and market price trend (-1Y)



#### Historical recommendations and target price trend (-1Y)

Date	Rating	TP	Mkt Price
18-May-18	SUSPENDED	Suspended	0.40
29-Mar-18	UNDER REVIEW	U/R	0.57
05-Oct-17	BUY	1.15	0.83

### 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

#### Company specific disclosures

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (jointly also the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Modello di Organizzazione, Gestione e Controllo" pursuant to Legislative Decree 8 June, 2001 no. 231 (available at the Intesa Sanpaolo website, webpage [http://www.group.intesasanpaolo.com/script/sir0/si09/governance/eng\\_wp\\_governance.jsp](http://www.group.intesasanpaolo.com/script/sir0/si09/governance/eng_wp_governance.jsp), along with a summary sheet, webpage <https://www.bancaimi.com/en/bancaimi/chiamo/documentazione/normative>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the FCA Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research " and in the extract of the " Corporate model on the management of inside information and conflicts of interest " published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage [http://www.group.intesasanpaolo.com/script/sir0/si09/studi/eng\\_archivio\\_conflitti\\_mad.jsp](http://www.group.intesasanpaolo.com/script/sir0/si09/studi/eng_archivio_conflitti_mad.jsp) you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest:

- 1 One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from TerniEnergia in the next three months
- 2 One or more of the companies of the Intesa Sanpaolo Banking Group are one of the main financial lenders to TerniEnergia and its parent and group companies
- 3 Banca IMI acts as Specialist relative to securities issued by TerniEnergia



**Intesa Sanpaolo Research Department – Head of Research Department: Gregorio De Felice**

**Head of 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  
 Antonella Frongillo +39 02 8794 9688 antonella.frongillo@intesasnpaolo.com  
 Inti Salvador Merino Rimini +39 02 8794 9813 inti.merino@intesasnpaolo.com  
 Manuela Meroni +39 02 8794 9817 manuela.meroni@intesasnpaolo.com  
 Gian Luca Pacini +39 02 8794 9818 gianluca.pacini@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

**Corporate Broking Research**

Alberto Francese +39 02 8794 9815 alberto.francese@intesasnpaolo.com  
 Gabriele Berti +39 02 8794 9821 gabriele.ber ti@intesasnpaolo.com

**Technical Analysis**

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

**Research Clearing & Production**

Anna Whatley +39 02 8794 9824 anna.whatley@intesasnpaolo.com  
 Bruce Marshall +39 02 8794 9816 robert.marshall@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

**Banca IMI SpA**

**Institutional Sales**

Catherine d'Aragon +39 02 7261 5929 catherine.daragon@bancaimi.com  
 Carlo Cavaliere +39 02 7261 2722 carlo.cavaliere@bancaimi.com  
 Stefan Gess +39 02 7261 5927 stefan.gess@bancaimi.com  
 Francesca Guadagni +39 02 7261 5817 francesca.guadagni@bancaimi.com  
 Federica Repetto +39 02 7261 5517 federica.repetto@bancaimi.com  
 Daniela Stucchi +39 02 7261 5708 daniela.stucchi@bancaimi.com  
 Marco Tinessa +39 02 7261 2158 marco.tinessa@bancaimi.com  
 Mark Wilson +39 02 7261 2758 mark.wilson@bancaimi.com

**Corporate Broking**

Carlo Castellari +39 02 7261 2122 carlo.castellari@bancaimi.com  
 Laura Spinella +39 02 7261 5782 laura.spinella@bancaimi.com

**Sales Trading**

Lorenzo Pennati +39 02 7261 5647 lorenzo.pennati@bancaimi.com  
 Alessandro Bevacqua +39 02 7261 2904 alessandro.bevacqua@bancaimi.com

**Equity Derivatives Institutional Sales**

Emanuele Manini +39 02 7261 5936 emanuele.manini@bancaimi.com  
 Andrea Cisolotto +39 02 7261 5975 andrea.cisolotto@bancaimi.com  
 Francesca Dizione +39 02 7261 2759 francesca.dizione@bancaimi.com  
 Enrico Ferrari +39 02 7261 2806 enrico.ferrari@bancaimi.com  
 Alessandro Monti +44 207 894 2412 alessandro.monti@bancaimi.com  
 Umberto De Paoli +44 207 894 2456 umberto.depaoli@bancaimi.com

**Banca IMI SpA – Head of Market Hub: Gherardo Lenti Capoduri**

**E-commerce Distribution**

Alessandra Minghetti +39 02 7261 2973 alessandra.minghetti@bancaimi.com  
 Alessia Galluccio +39 02 7261 2339 alessia.galluccio@bancaimi.com  
 Umberto Menconi +39 02 7261 5492 umberto.menconi@bancaimi.com  
 Filippo Besozzi +39 02 7261 5922 filippo.besozzi@bancaimi.com  
 Lawrence Peirson (London Office) +44 207 894 2476 lawrence.peirson@bancaimi.com

**Brokerage & Execution**

Carmine Calamello +39 02 7261 2194 carmine.calamello@bancaimi.com

**Platform Service**

Sergio Francolini +39 02 7261 5859 sergio.francolini@bancaimi.com

**Banca IMI Securities Corp.**

**US Institutional Sales**

Barbara Leonardi +1 212 326 1232 barbara.leonardi@bancaimi.com  
 Greg Principe +1 212 326 1233 greg.principe@bancaimi.com

**Banca IMI SpA**

Largo Mattioli, 3  
20121 Milan, Italy  
Tel: +39 02 7261 1

**Banca IMI Securities Corp.**

1 William Street  
10004 New York, NY, USA  
Tel: (1) 212 326 1100

**Banca IMI London Branch**

90 Queen Street  
London EC4N 1SA, UK  
Tel +44 207 894 2600