

Company Note

MID CORPORATE

TraWell

Malpensa and Linate: A Game Changer

TraWell has recently announced the new concessions of Malpensa and Linate airports, a milestone for the company, in our view, expected to boost sales and profitability in the wake of recovering passenger traffic. The positive news-flow overall (the new agreement with Malpensa and Linate and some recent concession renewals) that has characterised this last period, including the sound 1H22 results, is not reflected in the stock performance, which we think is underestimating the company's solid potential.

Tender award for Malpensa and Linate

TraWell has been awarded the tender for the supply of its integrated passenger assistance services for the Malpensa and Linate airports, for four years, starting from December 2022. TraWell will be the only operator in both airports, with a projected 8 wrapping machines in Malpensa and 5 in Linate. Malpensa is the second-largest airport in Italy and TraWell's reference market is expected to grow, in a supportive passenger traffic scenario.

Outlook and estimates

Ahead of the company's business plan update, expected to be unveiled in 1Q23, we have refreshed our estimates to include the agreement with Malpensa and Linate. In our conservative calculation, we derive an addition from the new concessions of at least 15% to our 2023E sales forecast and a 19.2% EBITDA margin (60bps better than in our pre-agreement estimates). We expect 2023E net income to grow 23% vs. our previous estimates.

Valuation

We raise our target price to EUR 10.7/sh, reflecting both our upwards estimates revision and the periodical revision of our risk-free rate, now at 3.5% (vs. 3% previously) in our DCF model. Given the around 90% upside, we confirm our BUY rating.

1 December 2022: 8:18 CET
Date and time of production

BUY

Target Price: EUR 10.7
(from EUR 9.1)

Italy/Airport Services
Update

EGM

Price Performance
(RIC: TWL.MI, BB: TWL IM)



TraWell - Key Data

Price date (market close)	29/11/2022
Target price (EUR)	10.7
Target upside (%)	90.39
Market price (EUR)	5.62
Market cap (EUR M)	13.94
52Wk range (EUR)	7.00/4.80

Price performance %	1M	3M	12M
Absolute	9.3	2.9	4.1
Rel. to FTSE IT All Sh	1.0	-7.2	12.2

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Revenues	20.03	22.28	27.13
EBITDA	2.31	3.93	5.22
EBIT	1.03	3.73	4.54
Net income	-0.57	0.41	0.95
EPS (EUR)	-0.23	0.16	0.38
Net debt/-cash	9.30	7.72	6.52
Adj P/E (x)	Neg.	34.3	14.7
EV/EBITDA (x)	14.7	7.2	5.3
EV/EBIT (x)	32.7	7.6	6.1
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.

Giada Cabrino - Research Analyst
giada.cabrino@intesasanpaolo.com

Marco Cristofori - Research Analyst
marco.cristofori@intesasanpaolo.com

Contents

TraWell Won Malpensa and Linate Airports	3
Global air traffic	3
...and a number of recent agreement renewals	4
Earnings Outlook	5
New estimates	5
Valuation	7
DCF model	7
Multiples analysis	8
Company Snapshot	10

TraWell Awarded Malpensa and Linate Airports

In November 2022, TraWell announced that it had been awarded the tender for the supply of its integrated passenger assistance services for the Malpensa and Linate airports, for 4 years, starting from December 2022 (thus exploiting the Christmas season). TraWell will be the only operator in both airports, with a projected 8 wrapping machines in Malpensa and 5 in Linate. Included in the passenger services are: luggage wrapping, accessory guarantee on loss of baggage and the possibility, for a fee, to weigh the luggage. The offer also provides the sale of travel accessories in TraWell's corners. In our view, this award represents a milestone for TraWell, which has not been present in these airports for years. We point out that in November, TraWell announced that SosTravel, a related party (in which TraWell has a 6% stake and which provides the Lost Luggage Concierge service, included in the agreement) had granted an interest-bearing loan of EUR 0.7M to TraWell. The loan is functional to the release of the guarantees required by the contracting authority in relation to the tender.

TraWell - Service and product offering



Source: Company data

- **Malpensa was among the first 100 airports worldwide in 1H22**, according to World Airport Awards ranking, a research report conducted by Skytrax (a British research company that operates in the field of civil aviation and draws special ranking and international surveys on airlines and airports). According to Assaeroporti (Associazione Italiana dei Gestori Aeroportuali, the Italian association of airport managers) Malpensa was the second-biggest airport in Italy by passenger traffic (first 6 months of 2022), preceded by Fiumicino (TraWell is also present there); Linate ranks n. 8. Both airports together (Malpensa and Linate) in Summer 2022 reached 90% of the passenger traffic reported in Summer 2019; this trend is in line with the data released by Eurocontrol (a pan-European, civil-military organisation dedicated to supporting European aviation), with reference to Europe.

Malpensa: one of the biggest airports worldwide

Global air traffic

Despite the economic and geopolitical uncertainties, the demand for air transport continued to recover ground. According to IATA, industry-wide RPKs (revenue-passenger kilometres) increased by 57.0% yoy in September 2022, reaching 73.8% of pre-pandemic levels and continuing the post-Covid recovery. Total Domestic traffic grew by 6.9%, reaching 81.0% of the September 2019 level. Most of the main domestic markets continued to achieve strong results, trending close to pre-Covid levels.

IATA September air passenger data: recovery is going on

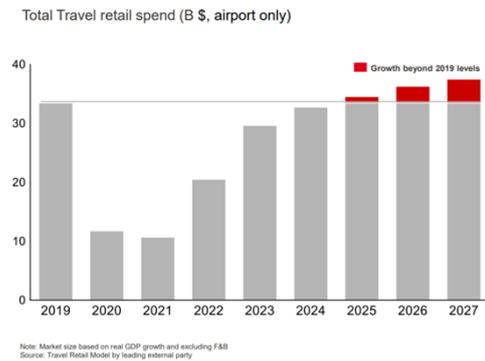
However, renewed restrictions in China resulted in a sharp drop in domestic traffic. Worldwide, international passenger traffic achieved 122.2% yoy growth, reaching 69.9% of 2019 levels. In Europe, airlines have maintained stable growth, achieving 78.3% growth in international RPKs yoy in September and reaching 78.4% of the pre-crisis levels. North America recorded 128.9% yoy growth in international RPKs in September, reaching 89.4% of pre-crisis levels; North-American carriers are still the best performers on international traffic. In more detail:

- **According to IATA, air passenger traffic should come back to 2019 level by 2024** (IATA, March 2022 Statement; Eurocontrol June 2022, base scenario for Europe; ACI - Airports Council International, for Europe).
- **In this backdrop, TraWell has a large addressable market:** Dufry, the leading travel retailer worldwide, operating not only in the airport business, stated that total travel retail spend should reach close to USD 40Bn by 2027 and that the 2019 threshold should be reached by 2023/2024 (Dufry, Capital Markets Day 6 September 2022). TraWell operates in the 16% share - other products and services – of the travel retail market.

A shared prediction: passenger traffic back to 2019 by 2024

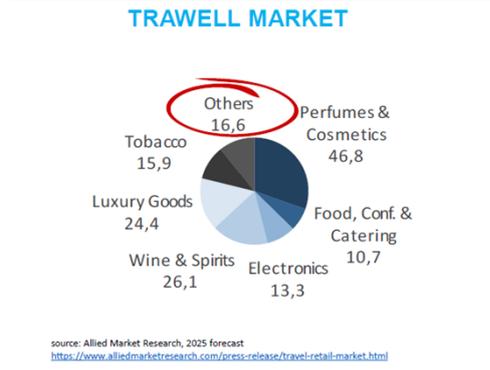
TraWell's reference market is growing

Airport Travel Retail market size (EUR Bn)



Source: DUFY, Capital Markets Day, 6 September 2022

TraWell - Reference market



Source: Company data

Recent agreement renewals

In May, TraWell signed a new agreement (7-year duration, up to June 2029) with the international airport of Prague for the supply of its integrated passenger assistance services. Prague airport handled 17.8M passengers, all international, in 2019 and it is considered the most important airport in Eastern Europe, according to management.

In addition to the Miami renewal, last June, TraWell renewed its agreement with Rome Fiumicino International Airport (Terminal 3), for an additional 3 years (up to October 2025). Fiumicino airport handled 43.5M passengers (o/w 74% international) in 2019 and it is the most important airport in Italy (the 9th in Europe).

The average duration of TraWell's licences (average duration of licences weighted on the basis of revenues) as at 30 June 2022 was 3.3 years, an increase compared to 30 June 2021.

Not only new agreements but also some important renewals

Earnings Outlook

New estimates

Ahead of the company's business plan update, expected to be unveiled in 1Q23, we have refreshed our estimates to include the agreement with Malpensa and Linate. As a reminder, TraWell presented its 2022-27 business plan on 18 October, before the new agreement announcement.

According to SEA, the passenger numbers estimated for 2022 are about 18.8M, vs. 28.8M in 2019, for Malpensa airport. The number of passengers is estimated to return to 2019 levels by 2024. As far as Linate is concerned, the estimated passenger numbers for 2022 is 4.7M. Linate and Malpensa airports together recorded a traffic of 32M passengers in 2019.

In detail our assumptions are:

- **Revenues:** We have assumed a material impact from the agreement starting from 2023, even if we do not rule out that the company might start its operations from December 2022, a typically busy month for tourist travel; in that case, we nonetheless believe that the impact on the company's 2022E P&L would be negligible. In our calculations, assuming a traffic of around 23M passengers (estimated passengers for 2022) in the 2 airports (Malpensa and Linate together) and a 2% penetration rate of wrapping at an average unit selling price of EUR 10 (including VAT), we derive around EUR 4M additional revenues for the first year of the agreement, boosting our 2023 sales forecast by at least 15%;
- **We highlight that our assumptions are conservative**, as they incorporate the same passenger numbers in 2023 as in 2022 and they include a penetration rate of a cautious 2%. Keeping a 2% penetration rate and a 12% price increase, for example, we would reach an around EUR 6M revenues contribution, in a scenario of passenger numbers back to 2019 (32M passengers for both Malpensa and Linate).

Refreshing our estimates

A material impact from the Malpensa and Linate agreement from 2023E in our estimates

Trawell - Sensitivity: passenger number – Unit service price (ex-VAT)

Unit price (ex-VAT) EUR	EUR M	No of passengers (M)									
		23	24	25	26	27	28	29	30	31	32
7		3.2	3.4	3.5	3.6	3.8	3.9	4.1	4.2	4.3	4.5
7.5		3.5	3.6	3.8	3.9	4.1	4.2	4.4	4.5	4.7	4.8
8		3.7	3.8	4.0	4.2	4.3	4.5	4.6	4.8	5.0	5.1
8.5		3.9	4.1	4.3	4.4	4.6	4.8	4.9	5.1	5.3	5.4
9		4.1	4.3	4.5	4.7	4.9	5.0	5.2	5.4	5.6	5.8
9.5		4.4	4.6	4.8	4.9	5.1	5.3	5.5	5.7	5.9	6.1
10		4.6	4.8	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4

Source: Intesa Sanpaolo Research

- **Our new estimates imply 2023E sales in Europe almost doubling yoy** and growing strongly in 2024E, also helped by the projected selling price increase from 2024. Our new estimates point to a 13.8% 2021-24E sales CAGR. We point out that the only region assumed back to 2019 sales in 2024 is America, in our forecasts, and that the group's total sales would still be down 35% vs. 2019 in 2024E.

Europe expected to account for 48% of sales in 2023E

TraWell – Sales estimates by area

EUR M	2019A	2020A	2021A	2022E	2023E	2024E	CAGR 21A-24E %	2024 gap vs. 2019 %
Europe	21.5	6.6	6.7	7.4	13.1	15.0	30.9	-30.2
Sales growth	6.4	-69.5	2.1	10.0	77.5	15.0		
% weight	47.1	38.9	33.5	33.1	48.2	50.9		
Asia	11.7	5.9	7.7	3.5	2.4	2.2	-34.3	-81.5
Sales growth	-9.2	-49.6	29.8	-55.0	-30.0	-10.0		
% weight	25.7	35.1	38.3	15.5	8.9	7.4		
America	11.6	3.9	4.0	10.0	10.9	11.7	42.4	0.3
Sales growth	17.4	-66.7	4.4	147.5	9.0	7.0		
% weight	25.4	22.9	20.2	44.9	40.2	39.5		
Total sales	45.7	16.9	20.0	22.3	27.1	29.5	13.8	-35.4
Sales growth%	6.2	-63.1	18.8	11.2	21.8	8.9		

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

■ **EBITDA:** We expect the 2023E EBITDA margin to rise to 19.2% (+60bps vs. our previous estimate), driven by sales volumes. Operating costs should be under control since TraWell will likely move its wrapping machines to Malpensa and Linate (from Paris Charles de Gaulle airport, whose concession expired in September 2021), with no new machine purchases. Our new estimates include labour costs slightly up. We expect another 150bps EBITDA margin improvement in 2024E (vs. our previous estimate);

EBITDA

■ **We raise our net income in 2023E by 23% vs. our previous estimates**, after an adjustment upwards on financial charges reflecting higher interest rates and a slightly higher net debt (we have assumed a very tiny additional capex). As far as our minority estimates are concerned, we think it is reasonable to expect an increase to FY24E, given the strong performance of Miami airport.

Net income estimate raised at double digit**TraWell – Estimates revisions (2022/24E)**

EUR M, %	2022E	2022E	2022E	2023E	2023E	2023E	2024E	2024E	2024E
	Old	New	New/Old %	Old	New	New/Old %	Old	New	New/Old %
Revenues	22.3	22.3	0.0	23.6	27.1	14.8	25.5	29.5	15.8
EBITDA	3.9	3.9	0.0	4.4	5.2	19.0	4.8	6.0	25.2
Margin (%)	17.6	17.6	0.0	18.6	19.2		18.9	20.4	
EBIT	3.7	3.7	0.0	3.7	4.5	22.5	4.1	5.3	29.6
Net result	2.8	2.8	0.0	2.7	3.4	22.6	3.1	4.0	29.7
Net result attributable	0.4	0.4	0.0	0.3	0.9	191.5	0.5	1.4	179.7
Net debt/-cash	7.7	7.7	0.0	5.9	6.5	10.8	3.2	3.7	17.2

E: estimates; Source: Intesa Sanpaolo Research

Valuation

The positive news-flow (the new agreement with Malpensa and Linate and some concession renewals) that has characterised the last few months, including the sound 1H22 results, is not reflected, in our view, in the stock performance (-7.2% relative to the FTSE All Share index in the past three months), which is underestimating the company's solid potential.

We confirm our BUY rating, with a new target price of EUR 10.7/sh based on a DCF (a 75% weighting) and a relative valuation (25% weighting) plus the market value of the SOStavel.com stake (EUR 0.7M or EUR 0.28/share), with a potential upside of >90%.

We keep our BUY rating and increase our target price to EUR 10.7/sh

DCF model

Our DCF model returns a fair value of EUR 8.1/sh and reflects our new estimates and the periodical revision of our risk-free rate to 3.5% replacing the previous 3%. The WACC now stands at 9.7% (from 9.3%) adopting an unleveraged beta of 1.0x based on air transportation industry in Europe (source: Damodaran Jan-22). This beta has been leveraged based on the 2021 financial structure (55% equity, 45% debt) at 1.52x. We assume an EBIT margin at 10.0% at terminal value (well below our 2022-24E estimates) and a 1.0% terminal growth rate.

Risk-free rate up at 3.5%

TraWell – Valuation summary (EUR/sh)

DCF (75% weighting)	8.1
Relative Valuation (25% weighting)	17.3
Average	10.4
SOStavel.com	0.28
Target price	10.7
Current price	5.6
Potential upside (%)	90.3

Source: Intesa Sanpaolo Research

TraWell – WACC and embedded DCF assumptions

WACC assumptions	(%)	Embedded DCF assumptions	(%)
Risk-free rate (10Y BTP bench.)	3.5	2021-30E revenues CAGR	6.3
Debt spread	4.0	Target EBIT margin at terminal value	10
Cost of debt [net]	5.3	Depreciation on sales (2022-30E avg.)	2.5
Market risk premium	6.5	Capex on sales (2022-30E avg.)	1.9
Beta (x)	1.52		
Cost of equity	13.4		
Weighting of Debt	45		
Weighting of Equity	55		
WACC	9.7		

Source: Intesa Sanpaolo Research

TraWell – DCF valuation

	(EUR M)	(% weighting)	EUR/share
Sum of PV 2022-30 FCF	20.0	60	8.05
Terminal value	13.4	40	5.41
Total Enterprise value	33.4	100	13.46
- Minorities	-3.4		-1.36
- Pension Provision	-0.7		-0.28
- Net debt (+ cash)	-9.3		-3.75
Total Equity value	20.0		8.08
Fully diluted number of shares (M)	2.5		
Fair value per share (EUR)	8.1		

Source: Intesa Sanpaolo Research

Multiples analysis

TraWell has no comparable peers that are listed, although there are some listed companies active in the airport services business or in the service industry, all with a market capitalisation of over EUR 0.3Bn. Our sample is composed of: 1) Dufry, a global travel retailer with operations in 68 countries and 2,200 shops located mostly in airports; 2) Compass Group, a world leading food and support service company active in over 50 countries; 3) Sodexo, an international service company with nearly EUR 20Bn of sales and present in 80 countries; 4) Elixor Group, a leading operator in the contracted food and support service industry with 18,600 points of sale; and 5) SSP Group, an operator of branded food and beverage outlets in travel locations across 29 countries.

No listed comparables**TraWell – Multiples analysis**

Company	Market Cap EUR M	EV/EBITDA (x)		
		2022E	2023E	2024E
Dufry	3,494	5.4	5.4	4.8
Compass Group	37,261	14.9	11.9	10.7
Sodexo	13,424	10.2	8.5	8.0
Elixor Group	472	13.8	6.9	5.3
SSP Group	1,953	17.2	10.5	8.4
Average		12.3	8.7	7.4
Median		13.8	8.5	8.0
TraWell*	14	7.2	5.3	4.1
Premium (discount) %		-41.5	-38.8	-44.7

Priced at market close on 29/11/2022; Source: FactSet and *Intesa Sanpaolo Research estimates

TraWell – Key Data

Rating	Target price (EUR/sh)		Mkt price (EUR/sh)			Sector
BUY	Ord 10.7		Ord 5.62			Airport Services
Values per share (EUR)	2019A	2020A	2021A	2022E	2023E	2024E
No. ordinary shares (M)	0.62	0.62	2.48	2.48	2.48	2.48
Total no. of shares (M)	0.62	0.62	2.48	2.48	2.48	2.48
Market cap (EUR M)	12.66	4.70	17.21	13.94	13.94	13.94
Adj. EPS	-1.00	-20.36	-0.23	0.16	0.38	0.57
BVPS	32.6	10.6	3.2	3.4	3.7	4.3
Dividend ord	0	0	0	0	0	0
Income statement (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	45.72	16.86	20.03	22.28	27.13	29.54
EBITDA	3.68	-1.06	2.31	3.93	5.22	6.04
EBIT	2.18	-11.44	1.03	3.73	4.54	5.32
Pre-tax income	3.82	-12.12	0.95	3.67	4.49	5.28
Net income	1.58	-12.62	-0.57	0.41	0.95	1.41
Adj. net income	-0.62	-12.62	-0.57	0.41	0.95	1.41
Cash flow (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net income before minorities	2.6	-12.2	0.7	2.8	3.4	4.0
Depreciation and provisions	1.5	10.4	1.3	0.2	0.7	0.7
Others/Uses of funds	2.2	-0.2	3.6	4.2	4.8	5.1
Change in working capital	1.4	-1.5	-1.7	0.8	-0.7	-0.0
Operating cash flow	5.5	-4.4	1.3	3.2	3.4	4.6
Capital expenditure	-2.8	-0.4	-0.8	-0.4	-0.8	-0.3
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	-0.9	1.8	0	0	0	0
Free cash flow	1.9	-3.0	0.5	2.8	2.6	4.3
Dividends	-0.5	-0.3	-0.1	0	0	0
Equity changes & Non-op items	-5.2	-1.7	0.9	-1.2	-1.3	-1.5
Net cash flow	-3.8	-5.0	1.3	1.6	1.3	2.8
Balance sheet (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net capital employed	28.1	19.2	20.6	20.1	20.6	20.0
of which associates	0	0	0	0	0	0
Net debt/-cash	5.6	10.6	9.3	7.7	6.5	3.7
Minorities	2.3	2.0	3.4	4.1	4.8	5.6
Net equity	20.2	6.6	7.9	8.3	9.3	10.7
Minorities value	0	0	0	0	0	0
Enterprise value	19.7	16.7	33.8	28.4	27.6	24.9
Stock market ratios (x)	2019A	2020A	2021A	2022E	2023E	2024E
Adj. P/E	Neg.	Neg.	Neg.	34.3	14.7	9.9
P/CFPS	2.3	Neg.	13.0	4.3	4.2	3.0
P/BVPS	0.63	0.71	2.2	1.7	1.5	1.3
Payout (%)	0	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0	0
FCF yield (%)	14.7	-62.7	2.8	20.1	18.2	30.8
EV/sales	0.43	0.99	1.7	1.3	1.0	0.84
EV/EBITDA	5.3	Neg.	14.7	7.2	5.3	4.1
EV/EBIT	9.0	Neg.	32.7	7.6	6.1	4.7
EV/CE	0.70	0.87	1.6	1.4	1.3	1.2
D/EBITDA	1.5	Neg.	4.0	2.0	1.2	0.61
D/EBIT	2.6	Neg.	9.0	2.1	1.4	0.70
Profitability & financial ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA margin	8.1	-6.3	11.5	17.6	19.2	20.4
EBIT margin	4.8	-67.8	5.2	16.7	16.7	18.0
Tax rate	30.9	NM	25.8	25.0	25.0	25.0
Net income margin	3.4	-74.9	-2.9	1.8	3.5	4.8
ROCE	7.8	-59.7	5.0	18.5	22.0	26.6
ROE	7.2	-94.2	-7.9	5.0	10.7	14.1
Interest cover	-1.3	-16.6	12.6	64.9	98.8	165.4
Debt/equity ratio	24.8	123.1	82.2	62.1	46.2	22.7
Growth (%)	2020A	2021A	2022E	2023E	2024E	
Sales	-63.1	18.8	11.2	21.8	8.9	
EBITDA	NM	NM	70.4	32.9	15.6	
EBIT	NM	NM	NM	21.7	17.2	
Pre-tax income	NM	NM	NM	22.4	17.7	
Net income	NM	95.5	NM	NM	49.4	
Adj. net income	NM	95.5	NM	NM	49.4	

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

Company Snapshot

Company Description

Trawell is a leading service company specialising in luggage wrapping and tracing for airline passengers. It operates in 59 airports with >500 million passengers per annum, in Italy, Europe, Canada, the US (Miami), Russia and in Asia with 137 selling points. The average duration of its concessions is 3.3 years. TraWell was listed on the Euronext Growth market in September 2013 and on Nasdaq in July 2019.

Key data

Mkt price (EUR)	5.62	Free float (%)	42.1
No. of shares	2.48	Major shr	RG Hold.
52Wk range (EUR)	7.00/4.80	(%)	51.9
Reuters	TWL.MI	Bloomberg	TWL IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	9.3	-1M	1.0
-3M	2.9	-3M	-7.2
-12M	4.1	-12M	12.2

Key Risks

Company specific risks:

- Potential write down of existing goodwill
- Average duration of concessions is relatively low
- Impact of Russia-Ukraine conflict
- Currency fluctuations

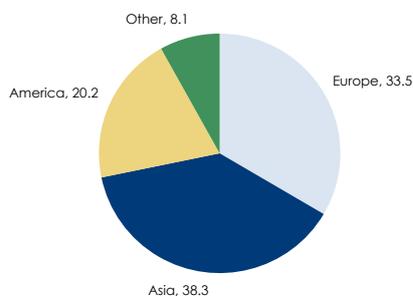
Sector generic risks:

- Lower than expected recovery of ait traffic up to date
- Potential new lockdowns
- Geopolitical risk (e.g. terrorism attack)

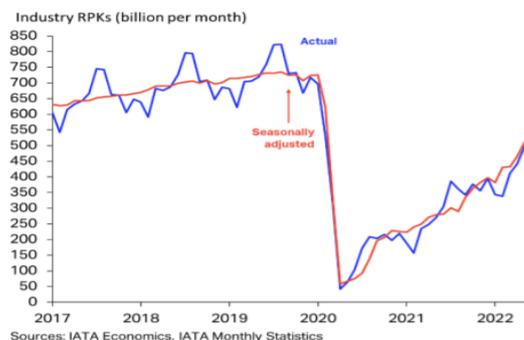
Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2022C	2023E	2023C	2024E	2024C
Sales	20.03	22.28	NM	27.13	NM	29.54	NM
EBITDA	2.31	3.93	NM	5.22	NM	6.04	NM
EBIT	1.03	3.73	NM	4.54	NM	5.32	NM
Pre-tax income	0.95	3.67	NM	4.49	NM	5.28	NM
Net income	-0.57	0.41	NM	0.95	NM	1.41	NM
EPS	-0.23	0.16	NM	0.38	NM	0.57	NM

Sales breakdown by area (%)



Global air passenger volumes (RPKs)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 29/11/2022)

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 eligible for listing have revenues below 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 around EUR 1Bn.

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

- Neither the analysts nor any persons closely associated with the analysts have a financial interest in the securities of the company.
- Neither the analysts nor any persons closely associated with the analysts serve as an officer, director or advisory board member of the company.
- Some of the analysts named in the document are members of AIAF.
- The analysts named in this document are not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Intesa Sanpaolo 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 Intesa Sanpaolo IMI Securities Corp. at 212-326-1133.
- The analysts of this report do not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
- 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 is distributed by Intesa Sanpaolo SpA, Intesa Sanpaolo-London Branch (a member of the London Stock Exchange) and Intesa Sanpaolo 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. Intesa Sanpaolo SpA, is authorised by the Banca d'Italia and is regulated by the Financial Services 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 entity accepts 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 with the name of Intesa Sanpaolo SpA.

Intesa Sanpaolo SpA has 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 website (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.

This document has been prepared and issued for, and thereof is intended for use by, MiFID II eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies.

Therefore, such materials may not be suitable for all investors and recipients are urged to seek the advice of their independent financial advisor for any necessary explanation of the contents thereof.

Persons 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 Financial Conduct Authority.

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 Intesa Sanpaolo IMI Securities Corp. in the US (see contact details below).

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

Inducements in relation to research

This document has been prepared and issued for, and thereof is intended for use by, MiFID 2 eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to specific transactions and investment strategies.

Therefore, such materials may not be suitable for all investors and recipients are urged to seek the advice of their independent financial advisor for any necessary explanation of the contents thereof.

Pursuant to the provisions of Delegated Directive (EU) 2017/593, this document can be qualified as an acceptable minor non-monetary benefit as it is:

- Written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis (Specialist/Corporate Broker/Sponsor contract), provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public - Delegated Directive (EU) 2017/593 - art. 12 paragraph 3.

Distribution Method

This document is for the exclusive use of the person to whom it is delivered by 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 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 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 Intesa Sanpaolo SpA 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 qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EU) 2017/593 is freely available on the IMI Corporate & Investment Banking Division web site (www.imi.intesasnpaolo.com); all other research is available 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:

<https://group.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

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.
TENDER SHARES	We advise investors to tender the shares to the offer.
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)
26-Oct-22	BUY	9.1	5.1
20-May-22	ADD	7.3	6.3

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at October 2022)**

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	65	18	17	0	0
of which Intesa Sanpaolo's Clients (%)**	83	39	55	0	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

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)

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 (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) 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 Financial Conduct Authority 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 <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> 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.

- One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from TraWell in the next three months
- One or more of the companies of the Intesa Sanpaolo Banking Group have an equity stake of 1% or more in TraWell or in the Company that has a controlling interest in TraWell or in the major shareholder of TraWell
- One or more of the companies of the Intesa Sanpaolo Banking Group have a Long position larger than the 0.5% of the issued share capital of TraWell
- Intesa Sanpaolo acts as Specialist relative to securities issued by TraWell

Intesa Sanpaolo Research Dept.

Gregorio De Felice - Head of Research	+39 02 8796 2012	gregorio.defelice@intesasnpaolo.com
Equity&Credit Research		
Giampaolo Trasi	+39 02 8794 9803	giampaolo.trasi@intesasnpaolo.com
Equity Research		
Monica Bosio		monica.bosio@intesasnpaolo.com
Luca Bacoccoli		luca.bacoccoli@intesasnpaolo.com
Davide Candela		davide.candela@intesasnpaolo.com
Oriana Cardani		oriana.cardani@intesasnpaolo.com
Marco Cristofori		marco.cristofori@intesasnpaolo.com
Antonella Frongillo		antonella.frongillo@intesasnpaolo.com
Manuela Meroni		manuela.meroni@intesasnpaolo.com
Elena Perini		elena.perini@intesasnpaolo.com
Bruno Permutti		bruno.permutti@intesasnpaolo.com
Corporate Broking Research		
Alberto Francese		alberto.francese@intesasnpaolo.com
Gabriele Berti		gabriele.berti@intesasnpaolo.com
Giada Cabrino		giada.cabrino@intesasnpaolo.com
Youness Nour El Alaoui		youness.alaoui@intesasnpaolo.com
Arianna Terazzi		arianna.terazzi@intesasnpaolo.com
Credit Research		
Maria Grazia Antola		maria.antola@intesasnpaolo.com
Alessandro Chiodini		alessandro.chiodini@intesasnpaolo.com
Dario Fasani		dario.fasani@intesasnpaolo.com
Melanie Gavin		melanie.gavin@intesasnpaolo.com
Maria Gabriella Tronconi		maria.tronconi@intesasnpaolo.com
Barbara Pizzarelli (Research Support)		barbara.pizzarelli@intesasnpaolo.com
Technical Analysis		
Corrado Binda		corrado.binda@intesasnpaolo.com
Sergio Mingolla		antonio.mingolla@intesasnpaolo.com
Clearing & Data Processing		
Anna Whatley		anna.whatley@intesasnpaolo.com
Stefano Breviglieri		stefano.breviglieri@intesasnpaolo.com
Annita Ricci		annita.ricci@intesasnpaolo.com
Wendy Ruggeri		wendy.ruggeri@intesasnpaolo.com
Elisabetta Bugliesi (IT support)		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 Cavaliere	+39 02 7261 2722	carlo.cavaliere@intesasnpaolo.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@intesasnpaolo.com
Laurent Kieffer	+44 20 7651 3653	laurent.kieffer@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
Paola Parenti (Corporate Broking)	+39 02 7265 6530	paola.parenti@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
Enrico Ferrari	+39 02 7261 2806	enrico.ferrari@intesasnpaolo.com
Stefan Gess	+39 02 7261 5927	stefan.gess@intesasnpaolo.com
Edward Lythe	+44 20 7894 2456	edward.lythe@intesasnpaolo.com
Ferdinando Zamprota	+39 02 7261 5577	ferdinando.zamprota@intesasnpaolo.com
Gherardo Lenti Capoduri – Head of Market Hub	+39 02 7261 2051	gherardo.lenticapoduri@intesasnpaolo.com
E-commerce Distribution		
Massimiliano Raposio	+39 02 7261 5388	massimiliano.raposio@intesasnpaolo.com
Intesa Sanpaolo IMI Securities Corp.		
Greg Principe (Equity Institutional Sales)	+1 212 326 1233	greg.principe@intesasnpaolo.com