

DEA CAPITAL

Sector: Holdings & RE

TENDER

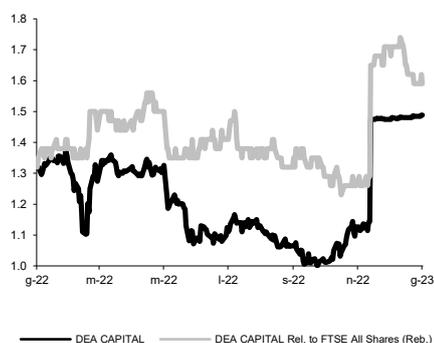
Price: Eu1.49 - Target: Eu1.50

Moving Private with a Fair Offer: Tender

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Stock Rating		
Rating:	from BUY to TENDER	
Target Price (Eu):	from 1.55 to 1.50	
	2022E	2023E
Chg in Adj EPS	0.0%	0.0%

DEA CAPITAL - 12M Performance



Stock Data			
Reuters code:	DEA.MI		
Bloomberg code:	DEA IM		
Performance	1M	3M	12M
Absolute	0.9%	47.0%	12.7%
Relative	-7.8%	28.5%	19.7%
12M (H/L)	1.49/1.00		
3M Average Volume (th):	533.18		

Shareholder Data	
No. of Ord shares (mn):	267
Total no. of shares (mn):	267
Mkt Cap Ord (Eu mn):	397
Total Mkt Cap (Eu mn):	397
Mkt Float - Ord (Eu mn):	116
Mkt Float (in %):	29.2%
Main Shareholder:	
De Agostini	67.1%

Balance Sheet Data	
Book Value (Eu mn):	433
BVPS (Eu):	1.59
P/BV:	0.9
Net Debt (Eu mn):	-58
NAV (Eu mn)	384

■ **Main shareholder launches offer on entire float, starting today, to delist DeA Capital:** on 2 December 2022 Nova Srl, a vehicle fully controlled by De Agostini, announced the launch of a voluntary offer on the entirety of the DeA Capital ordinary stock. The offer period starts on 23 January and runs until 17 February, with payment on 24 February, and encompasses the entire float of 85,731,052 ordinary shares, corresponding to 32.156% of the capital, net of the shares held by De Agostini and treasury shares. The offer is at Eu1.5 per share cum dividend, implying an overall outlay of Eu128.6mn, and has the aim of de-listing the stock from the STAR segment of Borsa Italiana. The offer values DeA Capital at a premium of 31% vs. the closing price on 1 December 2022, and at a 40% premium to the weighted average price for the 3 months prior to the announcement. At a meeting on 20 January 2022, the company's Board of Directors resolved to deem the consideration of €1.50 per DeA Capital share cum dividend envisaged in the Offer as fair from a financial standpoint. This resolution was also based on the content of the Fairness Opinion released by the independent expert appointed by the independent directors and the Independent Directors' Opinion.

■ **Going private to increase flexibility.** The motivations for the offer and subsequent de-listing by the main shareholder De Agostini include greater operational and organisational flexibility as well as cost savings. We think the company is still on a journey to create a sizable alternative asset management platform, and interest on the stock has been relatively low in recent years. 2022 has been a transitional period, with a lower contribution from investments and stable revenues and operating profit from the alternative asset management platform. All things considered, going private may offer more options for the future development of the AAM platform.

■ **DeA Capital remains an attractive asset but we think the offer price is aligned with its current fundamental valuation: TENDER.** We like DeA Capital's unique positioning on the Italian alternative asset management universe and its wide range of services and products that can suit institutional investors interested in real estate, private equity, credit and multi-asset/multi-strategy funds. Having said that, the development of a sizable AAM platform will require time and patience and it looks like moving private could facilitate the necessary investments. The offer price is aligned to our fair value and our NAV calculation, and we therefore suggest tendering shares, moving our recommendation to TENDER from Buy and aligning our target price to the Eu1.5 offer.