

Poligrafici Ed. (BUY):

News: Poligrafici Editoriale (together with Monrif and Poligrafici Printing) announced the signing of a restructuring agreement with the lending banks and leasing companies, which entails the rescheduling of medium-term facilities and the consolidation on more favourable terms of short-term facilities in compliance with some financial covenants consistent with the consolidated plan for 2013-16. The agreement also provides for a ban on the distribution of dividends until the expiry date of the agreement. The effectiveness of the agreement is still subject to the signing by some of the lenders.

Our view: We positively view the news as we believe that the debt restructuring will provide the group mid-term financial stability in order to recover profitability as well as a rebalancing of the consolidated financial structure.

Debt Restructuring

Key data			
Sector	Media		
Target price (EUR)	0.33		
Rating	BUY		
Mkt price (EUR)	0.44		
Mkt cap (EUR M)	57		
Ratios (x)	2013E	2014E	2015E
P/E	NM	NM	NM
EV/sales	0.76	0.71	0.71
EV/EBITDA	17.31	9.17	9.17
Performance (%)	1M	3M	12M
Absolute	27.28	65.89	79.14
Rel. to FTSE It. All	25.09	49.67	49.20

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

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Valuation methodology (long-term horizon: 12M)

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

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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 The previous investment rating and target price, if any, are no longer in effect for this stock.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

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

Intesa Sanpaolo Research Rating Distribution (at February 2014)					
Number of companies considered: 83	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage %	29	35	31	2	2
of which Intesa Sanpaolo's Clients % (*)	54	52	42	50	50

(*) 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)

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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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