

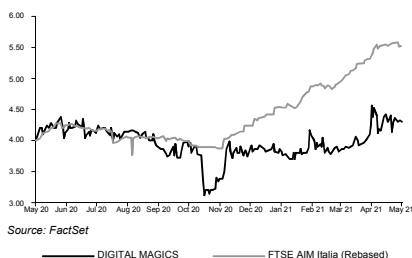
Analysers

17 May 2021

Accumulate	
<i>Recommendation unchanged</i>	
Share price: EUR	4.30
<i>closing price as of 14/05/2021</i>	
Target price: EUR	6.70
<i>Target Price unchanged</i>	
Upside/Downside Potential	55.8%
<i>Reuters/Bloomberg</i> DMG.MI/DM IM	
Market capitalisation (EURm)	32
Current N° of shares (m)	7
Free float	37%
Daily avg. no. trad. sh. 12 mth (k)	6
Daily avg. trad. vol. 12 mth (k)	23.84
Price high/low 12 months	4.56 / 3.12
Abs Perfs 1/3/12 mths (%)	-5.70/4.88/7.50

Shareholders

StarTIP 23%; Innogest 6%;



Analyst(s)

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New funding round confirms surging Fintech value in DM's portfolio

The facts: Prestiamoci's EGM approved last Thursday a capital increase implying a pre-money valuation of EUR 15m.

Our analysis: Prestiamoci is an Italian P2P (peer-to-peer) lending platform focused on consumer loans. This market has been growing fast since 2008, after the financial crisis, as an alternative way to raise money, and the Covid-19 pandemic boosted this trend further. According to the Observatory of Politecnico of Milan, the Italian P2P lending market has reached, in the 12 months to June 30, 2020, a collection of EUR 749m (+72% on the previous year, which in turn doubled vs. June 2018), including EUR 410m personal loans and EUR 339m to corporates.

DM is the second largest shareholder of the company with a 12.34% stake at the end of 2020.

The capital increase is based on a pre-money value of EUR 15m and will be underwritten by an undisclosed institutional investor.

This is a clear boost to the start-up value; in our latest NAV valuation (June 2020), we valued the stake in Prestiamoci at EUR 1.5m, thus accounting for 3% of the total NAV (or EUR 20c per share on a fully-diluted basis). The new assessment implies a ~25% increase in the start-up value, a positive result which in any case compares with a 50% increase in the average rerating of FinTech companies over the last year and a half (source: Finerva on SEG data).

Conclusion & Action: we are currently reviewing the value of the whole portfolio. The positive impact of the above on DM's NAV is approximately EUR 5c but supports our positive stance on the FinTech/InsurTech business, which at the end of 2020 represented >31% of both the active companies and the BV of portfolio investments.