

Digital Magics

Sponsored Research

Italy | Financial Services Holdings



Analysar

13 October 2022

Buy

Recommendation unchanged

Share price: EUR 3.07

closing price as of 12/10/2022

Target price: EUR 5.80

Target Price unchanged

Upside/Downside Potential 88.9%

Reuters/Bloomberg

DMG.MI/DM IM

Market capitalisation (EURm) 34

Current N° of shares (m) 11

Free float 37%

Daily avg. no. trad. sh. 12 mth (k) 11

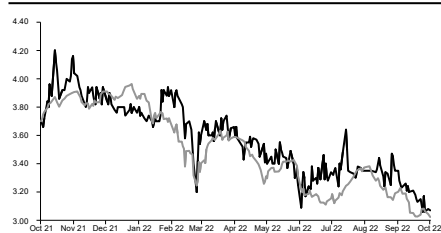
Daily avg. trad. vol. 12 mth (k) 4.91

Price high/low 12 months 4.20 / 3.06

Abs Perfs 1/3/12 mths (%) -8.36/-7.81/-17.03

Shareholders

StarTIP 23%; Innogest 6%;



Source: FactSet

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Investment in Italian start-ups close to EUR 1.7bn in 9M 22

The facts: according to VentureCapital Monitor - VeM, the Venture Capital investments in Italian start-ups increased by 109% Y/Y to EUR 1,677m, involving 234 deals in 9M 2022.

Our analysis: the Italian venture capital market confirmed the very strong performance showed already in H1 (+123% Y/Y), in spite of a deteriorating environment at the international level (according to CB Insights, investments were down by 34% Y/Y in Q3 22, reaching USD 74.5bn, the lowest level in the last 9 quarters). In particular, the rounds with tickets above EUR 300m supported the market.

Unlike 2021, the investments in Italian companies had the lion's share (c. EUR 1.5bn) as investments in target companies headquartered abroad declined significantly, from c. EUR 900m in 9M 21 (nearly half of the total rounds) to EUR 210m, while deals declined from 23 to 16.

The 9M performance is on track to reach the EUR 2.5bn target that CDP Venture Capital expects for FY 2022.

We also note that, during a recent event, CDP Venture Capital's CEO announced that they would invest EUR 1bn in large VC deals by 2024.

Conclusion & Action: Positive implications for the ecosystem and for DM. Funds, particularly from state-owned entities, are available to support the VC market growth even in the current deteriorating macro environment.