



Digital Magics

Sponsored Research

Italy | Financial Services Holdings

Analysar

28 January 2022

Buy

Recommendation unchanged

Share price: EUR 3.72

closing price as of 27/01/2022

Target price: EUR 5.80

Target Price unchanged

Upside/Downside Potential 55.9%

Reuters/Bloomberg

DMG.MI/DM IM

Market capitalisation (EURm)

Current N° of shares (m)

Free float 37%

Daily avg. no. trad. sh. 12 mth (k) 14

Daily avg. trad. vol. 12 mth (k) 12.45

Price high/low 12 months 4.48 / 3.66

Abs Perfs 1/3/12 mths (%) -2.11/-8.37/2.43

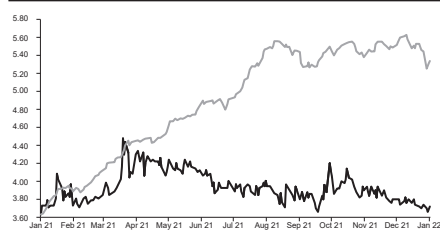
Total Net Asset Value 0.0 0%

NAVPS (EUR) nm

Share price*: EUR 3.72

Shareholders

StarTIP 23%; Innogest 6%;



Source: FactSet

DIGITAL MAGICS FTSE AIM Italia (Rebased)

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New EUR 2.55bn public funds for venture capital

The facts: according to Il Sole 24 Ore, the Italian Ministry of Economic Development (MISE) would be ready to grant EUR 2.55bn new funds to the National Innovation Fund managed by CDP venture.

Our analysis: The “national innovation fund”, originally announced at the end of 2018, was presented in March 2019, and started at the end of that year. In June 2020, CDP and the Italian Ministry of Economic Development (MISE) presented the new commitments to support the Italian venture capital ecosystem, including EUR 1bn financial support. The plan involved EUR 1bn through the vehicle CDP venture capital SGR via seven different funds.

According to the article, the MISE would be ready to grant, with four decrees, further EUR 2.55bn, while CDP should inject other EUR 600m. In detail, the first decree involves the EUR 2bn that the Italian Parliament (via an amendment to the infrastructure Law Decree) last October ruled to move from “Patrimonio Destinato” fund to the National Innovation Fund. CDP Venture will invest in “fund of fund” or in a co-investment fund model dedicated to both equity and debt of Italian SMEs. The decree sets a minimum of EUR 300m reserved for green transition.

The second decree introduces the possibility to invest in venture debt funds and in spin-offs of large corporates. The last two decrees refer to investment lines included in the PNRR. In particular, EUR 300m funds are referred to the “start-up financing” in chapter 4 (education and research) and will be devoted to a “digital transition fund” dedicated to AI, cloud, healthcare, cybersecurity and fintech. Other EUR 250m are referred to the chapter 2 (ecological transition) and will be devoted to a “green transition fund” dedicated to circular economy, renewable energy, energetic efficiency etc.

Considering all of the above, the available funds of the National Innovation Funds are going to increase by more than three times from the EUR 1bn baseline.

Conclusion & Action: Very positive implications for the whole Italian start-up and VC ecosystem, and for DM which represents a key player and enabler. DM and CDP have already partnered on several initiatives and the much larger funding of the National Innovation Fund will likely drive many more.