

ITALIAN CAPITAL MARKETS MONITOR YEAR 2020

Milan, 29th March 2021



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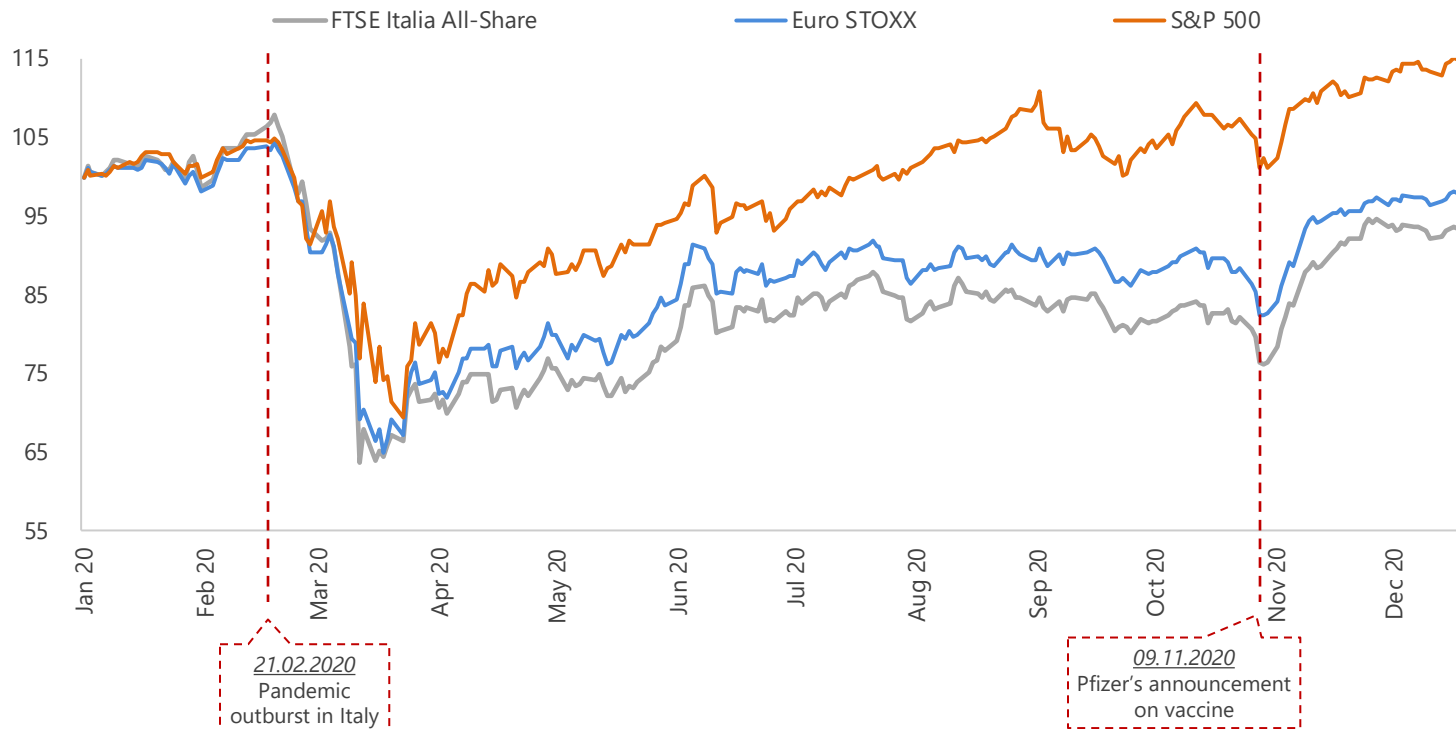
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Equity

Covid-19: impact on equity financial markets

The worldwide outburst of the pandemic brought a spike in volatility and rising uncertainty on global financial markets, triggering strong fiscal and monetary responses from governments and central banks which sustained valuations during the year



	1Q	2Q	3Q	4Q	FY2020
FTSE Italia All-Share	-27.5%	+17.0%	-1.1%	+15.8%	-5.6%
Euro STOXX	-24.9%	+20.6%	+0.3%	+12.1%	-1.6%
S&P 500	-20.0%	+25.5%	+7.9%	+11.1%	+16.3%

Source: Factset



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Securities Offerings ► Equity

Comparison among the Main European Stock Exchanges: 2020 Issues

Compared to the other main European stock exchanges, Borsa Italiana had the lowest volume of equity issues in 2020

2020 Cumulative Equity Issue Breakdown by Stock Exchanges (deal size >€10mn)

	ABB	Conv.	Fully Marketed	IPO	Rights Issue	Other	Total	o/w: Primary (€mn)	o/w: Primary (%)
London Stock Exchange⁽¹⁾ 	30.363	2.064	5.559	6.938	13.754	1.250	59.930	48.958	81,7%
	222	7	20	25	9	24	307		
Boerse Frankfurt 	16.754	8.632	16	1.114	1.509	127	28.153	20.350	72,3%
	47	17	1	7	5	2	79		
Nordics⁽²⁾   	10.967	413	252	2.558	2.872	501	17.562	9.085	51,7%
	106	3	3	16	33	10	171		
Euronext Paris⁽³⁾ 	5.060	6.594	-	479	3.160	1.507	16.799	12.519	74,5%
	21	11	-	6	7	7	52		
Swiss Exchange 	9.512	1.374	139	108	3.107	31	14.271	5.834	40,9%
	21	4	1	1	6	1	34		
Bolsa de Madrid⁽⁴⁾ 	2.000	2.627	-	150	4.023	-	8.799	7.569	86,0%
	5	4	-	1	2	-	12		
Borsa Italiana⁽⁵⁾ 	4.085	2.877	-	622	975	-	8.558	4.008	46,8%
	14	6	-	3	6	-	29		



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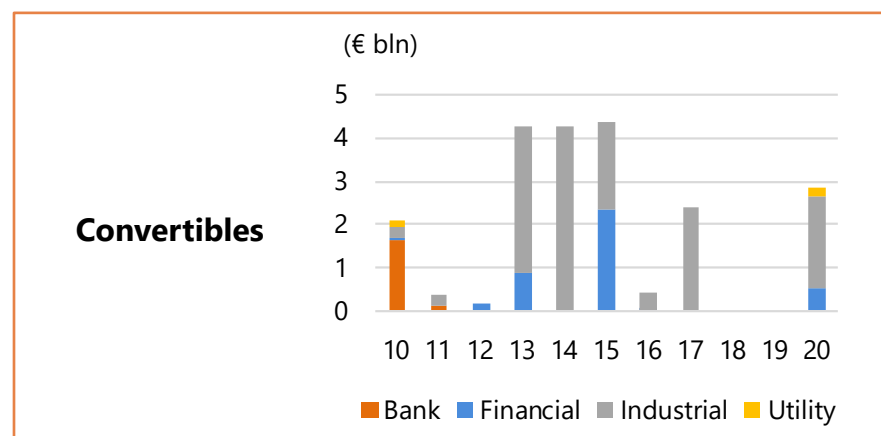
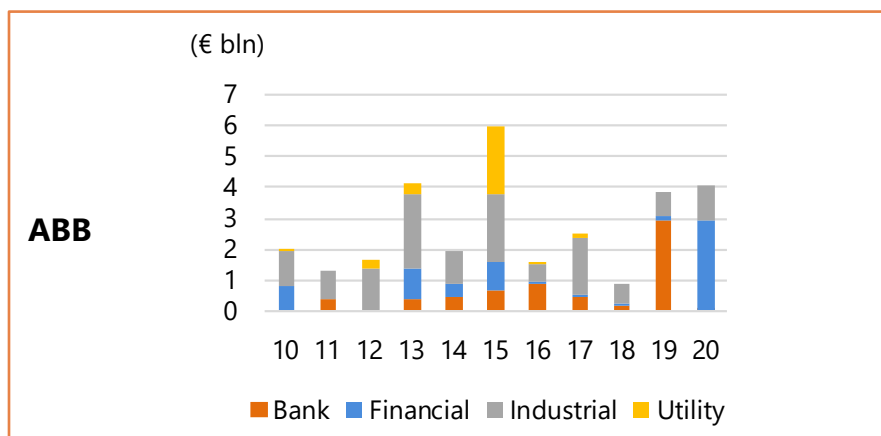
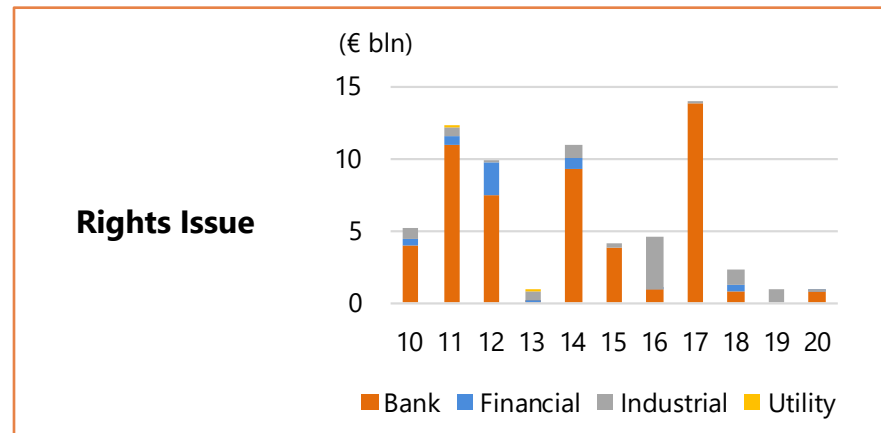
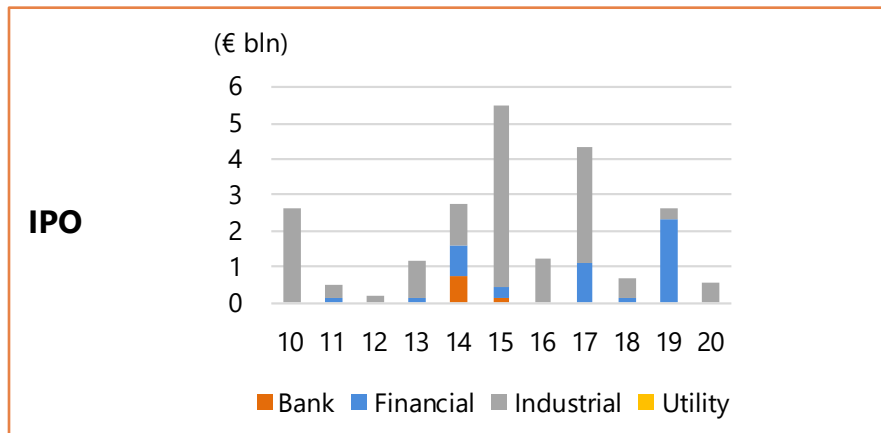
Source: Dealogic

Note: (1) Includes AIM; (2) Includes Stockholm, Copenhagen and Helsinki (3) Includes also Alternext; (4) Includes alternative market; (5) MTA and AIM

Securities Offerings ► Equity

Evolution of IPOs, Rights Issues, ABBs and Convertibles by industrial sector on MTA








Only one industrial IPO; most relevant rights issues in the banking sector; ABBs mostly in the financial sector; strong increase in number of Convertibles



Intermediaries

IPO 2008-2020 Success Rate: Main European and US Stock Exchanges

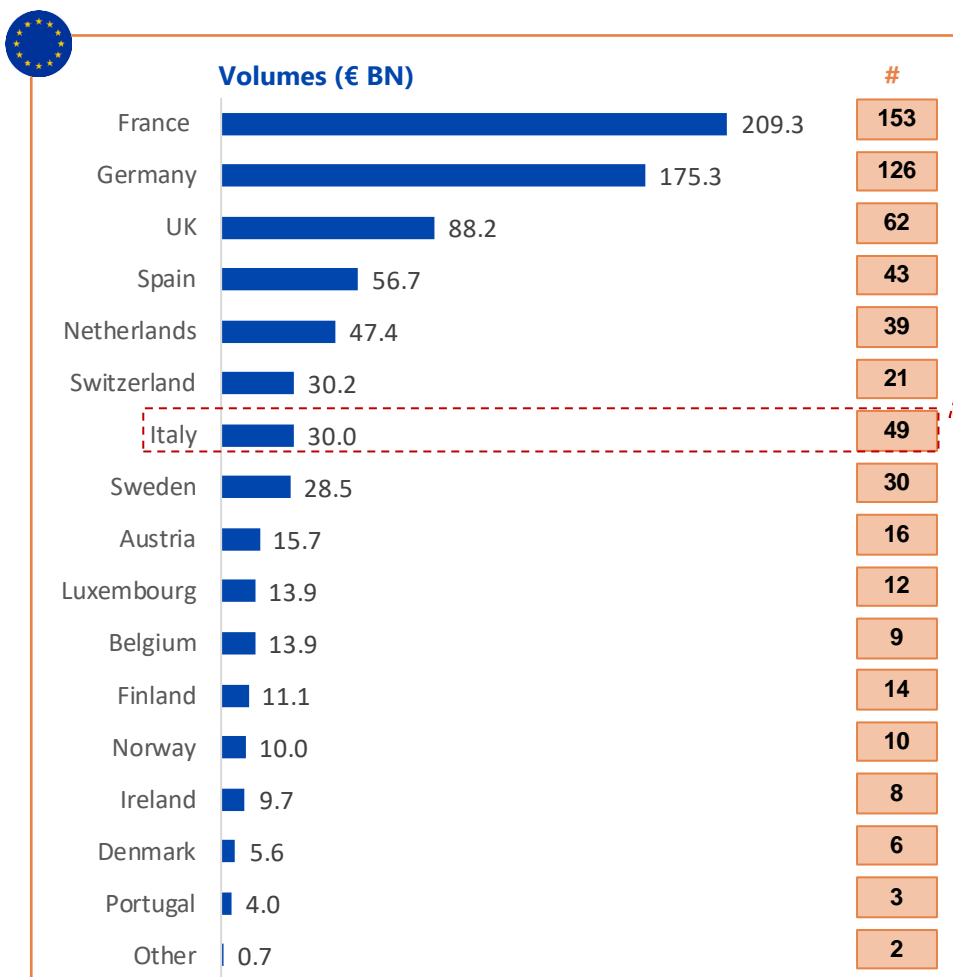
The Italian market has the highest percentage of withdrawn IPO among the main stock exchanges worldwide

IPOs 2008 - 2020		Completed		Withdrawn	
Stock Exchange	# IPOs	Offer (€ m)	# IPOs	% of total	
 Euronext Paris	111	17.628	19	15%	
 Swiss Exchange	32	14.527	7	18%	
 London Stock Exch.	288	77.549	86	23%	
 Boerse Frankfurt	113	37.654	38	25%	
 Bolsa de Madrid	28	20.310	19	40%	
 Borsa Italiana	54	18.492	37	41%	
Total	626		206		
Average				27%	
Average ex Italy				28%	
 New York Stock Exch.	928	285.397	283	23%	



Securities Offerings ► Debt

Evolution of European Corporate debt issues by country in 2020

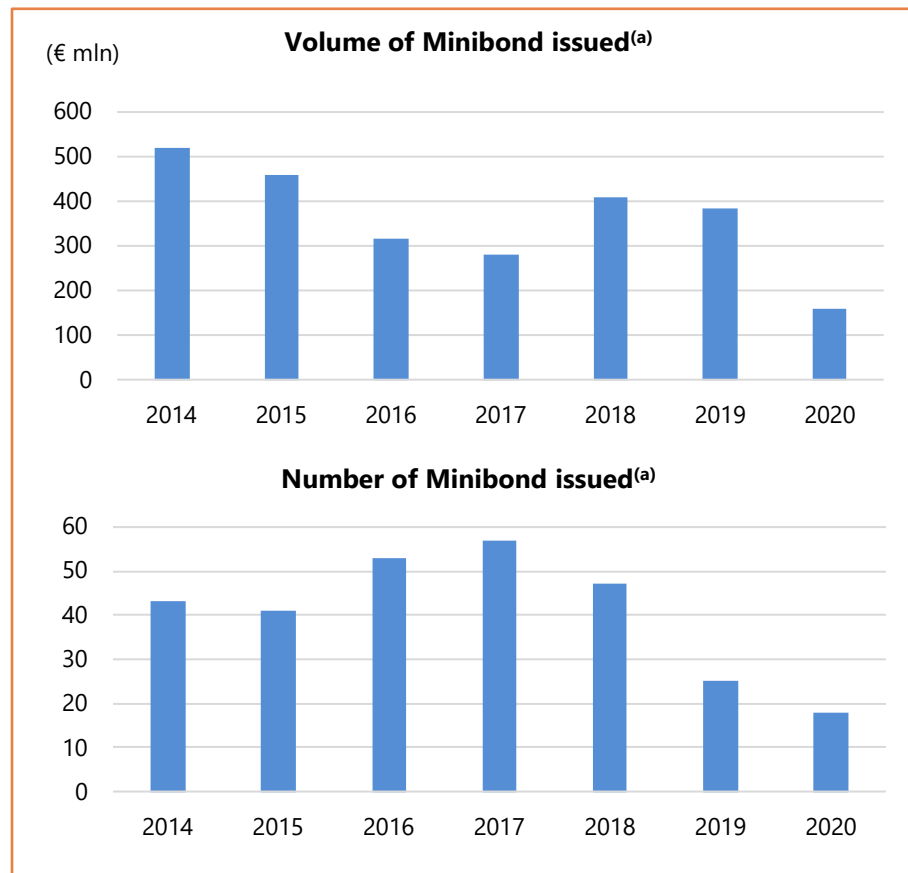


Securities Offerings ► Minibond

Evolution of Italian Minibond issues: a Declining Era...

Volume of Minibond decreased by 58% mainly due to the negative impact of Covid-19 outbreak; number of Minibond decreased to 18 (-28%)

- **Volume of Minibond decreased by 58%:** The Minibond market did not have such a positive momentum among SMEs compared to 2018 and 2019 due to the Covid-19 outbreak. In 2020 the market of Minibond new issues totaled ca. €161 mln vs € 384 mln in 2019
- **Number of Minibond decreased to 18:** The number of issues decreased to 18 in 2020 (vs 25 in 2019)



Source: Borsa Italiana

(a) The panel excludes issues promoted by the national branch of global players, all the issues above € 100 mln and all issues promoted by financial institutions, SPV and similar



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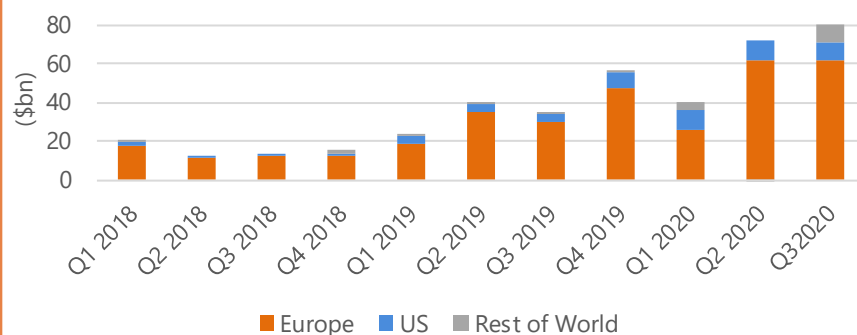
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ESG Focus ► Equity

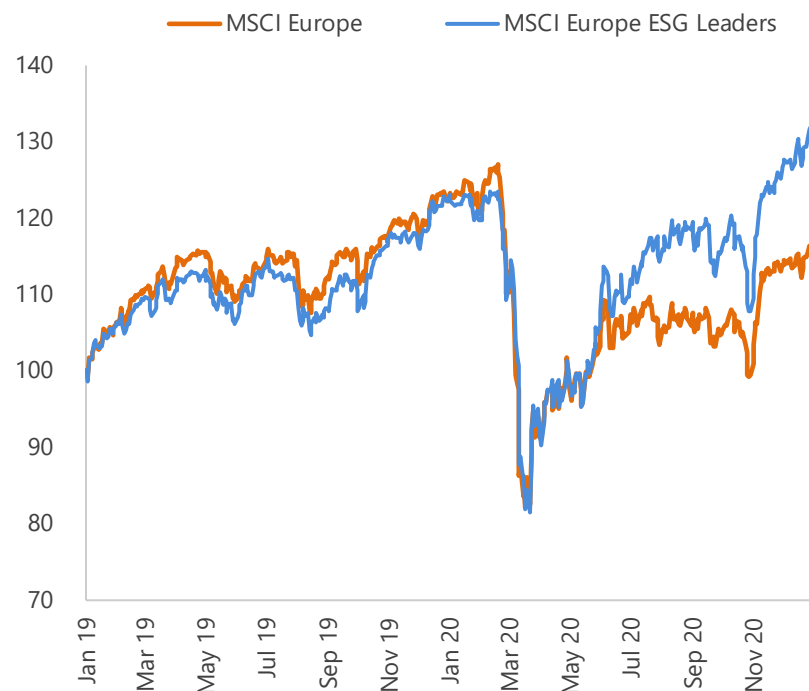
Global and EU inflows to ESG funds and ESG indices performance

The Covid-19 impact on the economy and the environmental targets put in place with the EU Green Deal contributed to strengthen the trend of expansion of ESG investments in Europe. Moreover, ESG strategies have outperformed traditional funds in a "Covid-19" environment, with the main challenge for ESG funds will be to continue on this path also following the normalization of healthcare conditions

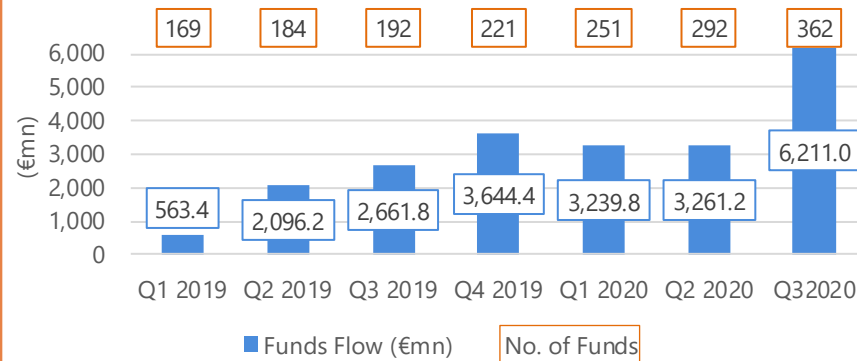
Quarterly global ESG funds flow (USD billion)



European market (1st January 2019 – 31st December 2020)



Italian ESG funds inflows (EUR million) and No. of funds



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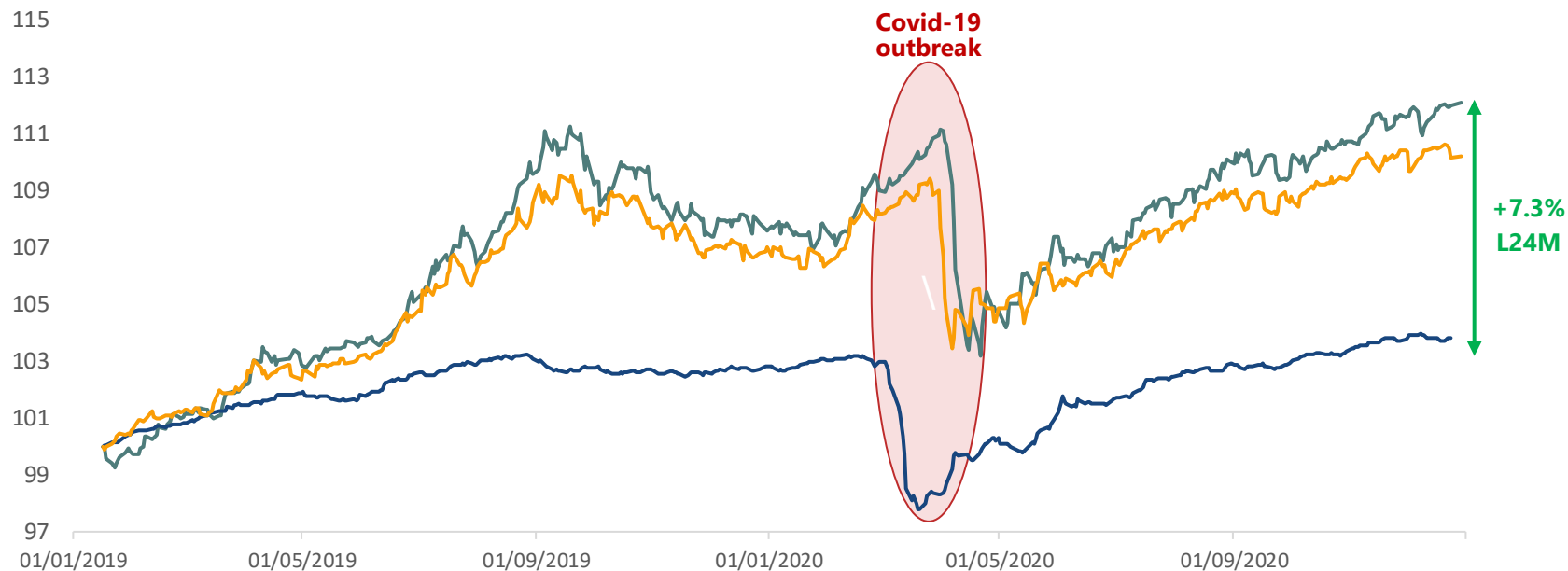
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Source: Equita SIM Research; Morningstar Direct. Manager Research. Assogestioni, Bloomberg

ESG Focus ► Debt

Sustainability debt issuances vs traditional ones

Sustainability indexes significantly outperformed traditional ones



— Bloomberg Barclays MSCI Euro Green Bond Index — Bloomberg Barclays Euro Corporate Bond Index — FTSE Euro Broad Investment-Grade Bond Index

	L12M	L24M
Bloomberg Barclays MSCI Euro Green Bond Index	4.4%	12.1%
FTSE Euro Broad Investment-Grade Bond Index	4.7%	11.9%
Bloomberg Barclays Euro Corporate Bond Index	1.8%	4.8%



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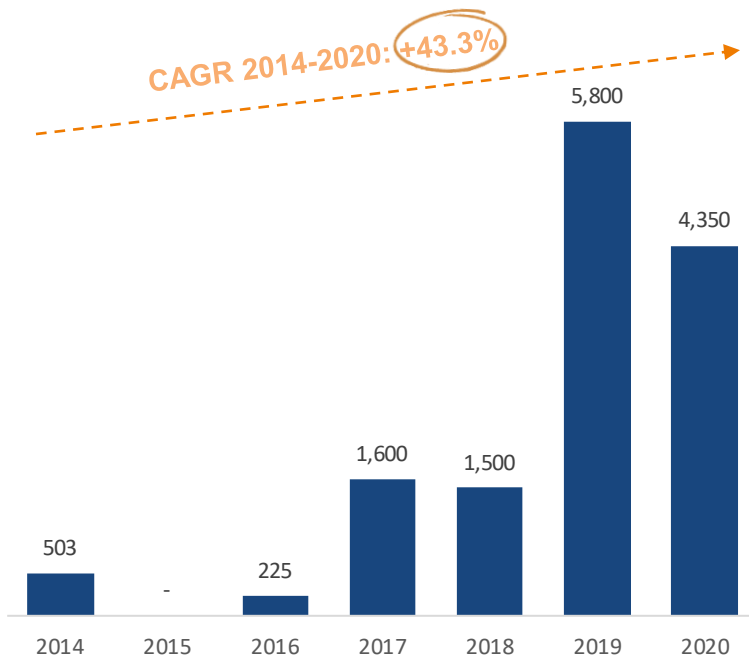
Source: Bloomberg

ESG Focus ▶ Debt

Evolution of ESG debt issuances

Italian Green bond cumulated market value (2014-2020) reached € 14 BN, confirming an increasing interest in green instruments in the recent years

Italian Green bond market: historical evolution (€ M)



Italian Green bond market: split by issuer

