

## COMPANY UPDATE



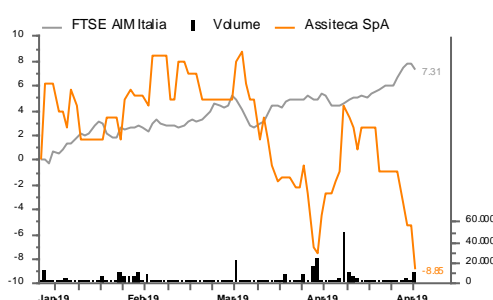
**Fair Value: €3.34**  
(Prev. €3.01)

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Assiteca Relative Performance Chart YTD



### Market Data:

Price (€)	2.06
Market Cap (€/mn)	67.31
Free Float (%)	15.8
52 Wk. High/Low (€)	3.00-2.02
Avg. Daily Vol. 90-day	3,728
Shares out (mn)	32.67
Price Change YTD (%)	-8.85
Price Change 6M (%)	-3.29
Price Change 1Y (%)	-15.57
P/E 2019	11.66
P/E 2020	10.48

## Disintermediation Far to Come...

In 1H19 (July 2018-Dec 2018), Assiteca kept recording sound results, showing positive growth of the top line, margins and bottom line. In particular, Assiteca's EBITDA margin and EBIT margin have continued to improve, registering a positive performance of 80bps and 70bps, respectively.

**Results summary.** Assiteca's 1H19 total revenues came in at €39.0mn (+3.7% YoY but 3.1% below our projections due to the lower contribution coming from Assidea) and kept outperforming the Italian non-life insurance market, which grew by 3.1% over the same period. This is the result of the positive performance recorded by both insurance brokerage activity and by the consultancy division. Assiteca's profitability kept improving thanks to savings in operating costs. As we expected, EBITDA margin stood at 21.8% (+80bps YoY) whereas EBIT margin reached 20% (+70bps YoY). Group net profit grew by 13.9% to €4.8mn and was in line with our estimates. On the capital structure side, net debt went from €23.7mn to €32.9mn as a consequence of the deferment of a relevant amount of cash collection to January 2019, which is typical of this business.

**Non-life insurance market.** In 2018, for the second consecutive year, the Italian non-life insurance market registered a positive growth of 2.6% (€37.7bn of premiums) thanks to: i) a recovery - after six years - in the non-motor insurance segment (+1.5% YoY); and ii) other non-motor segments which kept performing well (+3.6% YoY). Over the same period, insurance brokers increased their market share from 9.3% in 2017 to 9.5% in 2018, overcoming widespread concerns about digital disruption and brokers' disintermediation.

**Insurance brokerage market consolidation.** M&A activities have continued to characterize the global brokerage industry. Recently, Jardine Lloyd Thompson Group plc was acquired by the multinational company Marsh & McLennan at 34.3x P/E ratio. The Italian insurance brokerage market was also involved in a consolidation process. According to AIBA's data, in 2017 the number of insurance brokerage companies decreased by 2.75% YoY to 1,624. One of the most recent deals involved the Italian marine insurance broker Cambiaso Riso, which is selling a majority stake to Siaci Saint Honore, giving birth to the third largest marine insurance broker in the world and the second largest in Europe.

**Estimates review.** We slightly revised downward FY19 and FY20 total revenues estimates, factoring in the lower contribution coming from Assidea. Despite the top line's reduction, we expect an improvement in profitability thanks to high margins of the growing consultancy division. In particular, EBITDA margin is expected to increase by ca. 100bps in FY19 and FY20. As for the bottom line, FY19 net income is expected to amount to €5.8mn, increasing to €6.4mn by the end of FY20.

**Fair value fine-tuning.** We slightly revised upward the fair value from €3.01 to €3.34p.s., derived by averaging the price arising from the market multiple method (€3.25p.s.) and the one derived from the DCF method (€3.43p.s.). Currently, Assiteca is trading at 11.66x-10.48x 2019-2020 P/E ratio, implying a discount of ca. 43% with respect to its peers.

€ thousand	Total Revenues	EBITDA	EBITDA Margin	EBIT	Assiteca Net Profit	Net Margin	EPS
2017A	64,783	8,965	13.8%	7,785	3,580	5.5%	0.11
2018A	67,363	9,885	14.7%	8,738	4,588	6.8%	0.14
2019E	71,221	11,169	15.7%	9,814	5,773	8.1%	0.18
2020E	73,447	12,163	16.6%	10,621	6,423	8.7%	0.20

Source: Company data, KT&Partners' estimates. Note that fiscal year ends on June 30.

**Table 1: Assiteca S.p.A. - Key Figures**

Current price (€)	Fair Value (€)	Sector			Free Float (%)
2.06	3.34	Insurance Brokerage			15.80
Per Share Data					
	2016A	2017A	2018A	2019E	2020E
Total shares outstanding (mn)	32.67	32.67	32.67	32.67	32.67
EPS	0.10	0.11	0.14	0.18	0.20
Dividend per share (ord)	0.03	0.05	0.07	0.07	0.08
Dividend pay out ratio (%)	30%	46%	50%	40%	40%
Profit and Loss (EUR thousand)					
Revenues	60,692	64,783	67,363	71,221	73,447
EBITDA	8,675	8,965	9,885	11,169	12,163
EBIT	7,422	7,785	8,738	9,814	10,621
EBT	5,903	6,070	7,329	8,979	9,908
Taxes	- 2,251	- 2,381	- 2,362	- 3,013	- 3,271
Tax rate	38%	39%	32%	34%	33%
Net profit attributable to minority	350	109	378	192	214
Net profit after minorities	3,302	3,580	4,588	5,773	6,423
Net profit margin	5.44%	5.53%	6.81%	8.11%	8.75%
Balance Sheet (EUR thousand)					
Total fixed assets	32,271	43,398	44,354	44,235	43,941
Net Working Capital (NWC)	12,154	16,368	16,584	18,560	17,005
Provisions	- 9,724	- 10,345	- 12,111	- 13,042	- 13,995
Other asset and liabilities	9,987	14,272	13,858	12,970	13,403
Total Net capital employed	34,701	49,421	48,827	49,754	46,950
Net financial position (NFP)	17,950	27,107	23,722	21,020	13,918
Group Shareholder's Equity	15,567	22,081	24,475	27,910	31,993
Minorities	1,184	233	630	822	1,036
Total Shareholder's Equity	16,751	22,314	25,105	28,732	33,030
Cash Flow (EUR thousand)					
Net operating cash flow	6,118	6,370	7,201	7,799	8,524
Change in NWC	3,619	- 4,214	- 216	- 1,976	- 1,555
Capital expenditure	- 616	- 1,014	- 680	- 680	- 680
Other cash items/Uses of funds	1,072	621	1,766	931	954
Free cash flow	1,729	9,316	6,970	5,874	10,153
Enterprise Value (EUR thousand)					
Market Cap	n.a.	n.a.	67,307	67,307	67,307
Minorities	1,184	233	630	822	1,036
Net financial position	17,950	27,107	23,722	21,020	13,918
Enterprise value	n.m.	n.m.	91,659	89,150	82,262
Ratios (%)					
EBITDA margin	14.3%	13.8%	14.7%	15.7%	16.6%
EBIT margin	12.2%	12.0%	13.0%	13.8%	14.5%
Gearing - Debt/equity	115.3%	122.8%	96.9%	75.3%	43.5%
Interest cover on EBIT	14.0%	11.6%	11.0%	8.0%	6.2%
NFP/EBITDA	206.9%	302.4%	240.0%	188.2%	114.4%
ROCE	21.4%	15.8%	17.9%	19.7%	22.6%
ROE	21.2%	16.2%	18.7%	20.7%	20.1%
EV/Sales	n.m.	n.m.	1.36	1.25	1.12
EV/EBITDA	n.m.	n.m.	9.27	7.98	6.76
P/E	n.m.	n.m.	14.67	11.66	10.48
Free cash flow yield	n.m.	n.m.	10.4%	8.7%	15.1%
Growth Rates (%)					
Sales	11.1%	6.7%	4.0%	5.7%	3.1%
EBITDA	24.5%	3.3%	10.3%	13.0%	8.9%
EBIT	20.1%	4.9%	12.2%	12.3%	8.2%
Net profit	14.3%	8.4%	28.2%	25.8%	11.3%

## 1H19 Results Summary

### Company Description

Assiteca is the largest Italian independent insurance broker and the fourth largest group in Italy based on the amount of revenue and brokered premiums.

Assiteca continued to record sound results in 1H2019, showing positive growth in its top line, margins and bottom line.

Its 1H19 total revenues grew by 3.7%, reaching €39.0mn, thanks to the positive performance recorded by both insurance brokerage activity and by the consultancy division. Total revenues, however, came in 3.1% below our estimates due to the lower contribution coming from Assidea. Indeed, Assiteca announced that the contribution in terms of turnover coming from Assidea will be €1.5mn on an annual basis, ca. €1.0mn lower with respect to the amount that was communicated the year before.

Net revenues increased at the same pace as total revenues, maintaining their incidence on total revenues at 88.5%.

Operating costs (excluding commission expenses) and personnel costs increased at the lower pace of 3.1%, allowing Assiteca's EBITDA to grow by 7.6% at €8.5mn (3.7% lower than expected). 1H19 EBIT went from €7.3mn to €7.8mn (+7.3% YoY), 4.1% lower than our forecasts. EBITDA margin and EBIT margin were broadly in line with our previous estimates, coming in at 21.8% (+80bps YoY) and 20.0% (+70bps YoY), respectively.

The bottom line registered a double-digit growth of 13.9% YoY, standing at €4.8mn, and it was in line with our expectations following lower than expected minorities interest.

On the capital structure side, net financial position went from €23.7mn to €32.9mn as a consequence of the deferment of a relevant amount of cash collection to January 2019, which is typical of this business.

**Table 2: Assiteca 1H2019 Results**

€ thousand	1H2015A	1H2016A	1H2017A	1H2018A	1H2019A	YoY growth	1H2019E	A vs E%
Commissions and fees	32,827	34,187	35,741	37,413	38,416	2.7%	40,052	-4.1%
Other revenues and income	781	643	224	200	592	196.0%	199	198.0%
<b>Total Revenues</b>	<b>33,608</b>	<b>34,830</b>	<b>35,965</b>	<b>37,612</b>	<b>39,008</b>	<b>3.7%</b>	<b>40,251</b>	<b>-3.1%</b>
Commission expenses	- 5,252	- 5,577	- 3,598	- 4,308	- 4,477	3.9%	- 4,315	3.8%
<b>Net Revenues</b>	<b>28,356</b>	<b>29,253</b>	<b>32,367</b>	<b>33,304</b>	<b>34,531</b>	<b>3.7%</b>	<b>35,936</b>	<b>-3.9%</b>
Net Revenues on Total Revenues	84.4%	84.0%	90.0%	88.5%	88.5%	0.0%	89.3%	-0.8%
Operating costs	- 10,144	- 10,620	- 12,164	- 11,897	- 11,752	-1.2%	- 12,666	-7.2%
Personnel costs	- 12,051	- 11,779	- 12,819	- 13,493	- 14,261	5.7%	- 14,421	-1.1%
<b>EBITDA</b>	<b>6,161</b>	<b>6,854</b>	<b>7,384</b>	<b>7,914</b>	<b>8,518</b>	<b>7.6%</b>	<b>8,849</b>	<b>-3.7%</b>
EBITDA margin %	18.3%	19.7%	20.5%	21.0%	21.8%	0.8%	22.0%	-0.1%
D&A	- 557	- 690	- 538	- 653	- 724	10.9%	- 723	0.2%
<b>EBIT</b>	<b>5,604</b>	<b>6,164</b>	<b>6,846</b>	<b>7,261</b>	<b>7,794</b>	<b>7.3%</b>	<b>8,126</b>	<b>-4.1%</b>
EBIT margin %	16.7%	17.7%	19.0%	19.3%	20.0%	0.7%	20.2%	-0.2%
Financial income and expenses	- 418	- 565	- 383	- 485	- 481	-0.8%	- 375	28.3%
Extraordinary income and expenses	- 183	- 145	- 264	- 290	- 62	-78.6%	- 26	141.7%
<b>EBT</b>	<b>5,003</b>	<b>5,454</b>	<b>6,199</b>	<b>6,486</b>	<b>7,251</b>	<b>11.8%</b>	<b>7,725</b>	<b>-6.1%</b>
Income taxes	- 1,611	- 1,887	- 2,202	- 1,977	- 2,303	16.5%	- 2,582	-10.8%
<b>Net profit</b>	<b>3,392</b>	<b>3,567</b>	<b>3,997</b>	<b>4,509</b>	<b>4,948</b>	<b>9.7%</b>	<b>5,143</b>	<b>-3.8%</b>
Net margin	10.1%	10.2%	11.1%	12.0%	12.7%	0.7%	12.8%	-0.1%
Minorities interest	131	226	145	320	175	-45.3%	359	-51.2%
<b>Group Net profit</b>	<b>3,261</b>	<b>3,341</b>	<b>3,852</b>	<b>4,189</b>	<b>4,773</b>	<b>13.9%</b>	<b>4,785</b>	<b>-0.2%</b>
Group Net profit	9.7%	9.6%	10.7%	11.1%	12.2%	1.1%	11.9%	0.3%

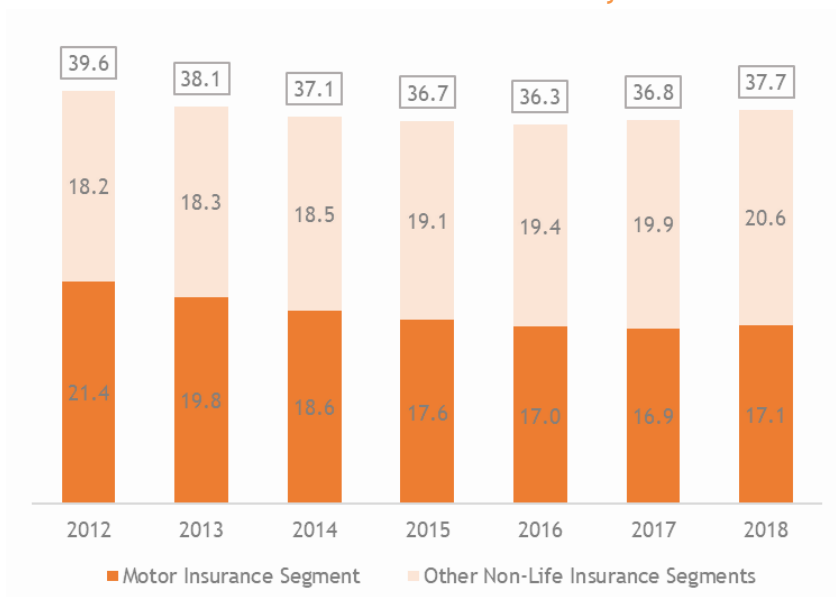
Source: Company Data and KT&Partners' elaborations

## Italian Non-Life Insurance Market Overview

For the second consecutive year, the Italian non-life insurance market experienced a positive growth of 2.6%, reaching €37.7bn of premiums in 2018, mainly thanks to: i) the recovery of the motor segment which, for the first time in six years, recorded a positive performance of 1.5% ; and ii) the positive contribution coming from other non-life insurance segments, which over the 2012-2018 period grew at a CAGR of 2.08%, reaching €20.6bn of premiums in 2018 (+3.6% with respect to 2017).

We note that over the last six months of 2018 (corresponding to Assiteca’s 1H19), Assiteca kept outperforming the non-life insurance market by 61bps.

Chart 1: 2018 Non-Life Insurance Performance in Italy



Source: ANIA, KT&Partners’ elaborations

Note: Non-life insurance market data include premiums written by Italian and extra UE insurance companies and by representatives of UE insurance companies.

Looking at distribution channels, 2018 data are in contrast with concerns about an insurance brokers’ disintermediation due to digital technologies. Indeed, in 2018 insurance brokers continued to be the second distribution channel in Italy and the share of non-life premiums intermediated by them increased from 9.3% in 2017 to 9.5% in 2018.

## Insurance Brokerage Market Consolidation

The insurance brokerage market - and the insurance landscape in general - is experiencing a consolidation process. Mergers and acquisitions activities have increasingly become a means of corporate expansion, diversification and repositioning in the global market.

A recent transaction involved the acquisition of Jardine Lloyd Thompson Group plc by the multinational company Marsh & McLennan for a total consideration of \$5.6bn or at 34.3x P/E ratio.

According to market rumors, the second-biggest insurance broker Aon Plc is considering a combination with the rival broker Willis Towers Watson Plc. The transaction is at the preliminary stage and might enable the new entity to overtake the world's largest insurance broker Marsh & McLennan.

The Italian insurance brokerage market was also involved in a consolidation process. According to AIBA's data, the number of insurance brokerage companies decreased by 2.75% to 1,624 in 2017. Among the most recent transactions, we found the strategic partnership agreement - which will come into effect in 2Q19 - between Cambiaso Riso Group (a world marine insurance brokerage leader based in Genoa) and the French insurance broker Siaci Saint Honore (a leading company in the fields of industrial risk protection, marine, international mobility, and employee benefits for large and mid-cap corporates). The Italian marine insurance broker agreed to sell a majority stake to Siaci Saint Honore for a rumored transaction value of around €100mn. The deal will give birth to the third largest marine insurance broker in the world and the second largest in Europe.

## Estimates Revision

Following the release of the 1H19 results, we have slightly revised our estimates for the coming years. We reduced our expectations for total revenues for FY19 and FY20 in order to reflect the lower contribution coming from Assidea.<sup>1</sup> Total revenues are now expected to amount to €71.2mn in 2019 and €73.4mn in 2020.

Following the reduction in total revenues and having left our projections of commission expenses substantially unchanged, FY19 and FY20 net revenues were lowered by ca. 1% with respect to our previous estimates.

Despite the decrease in total revenues, the downward revision of operating costs will allow a further improvement of Assiteca's profitability:

- i. EBITDA margin growth is forecast to be ca. 100bps in FY19 and FY20;
- ii. EBIT margin is now expected to increase by 80bps in FY19, reaching 16.6% in FY20.

With regard to the bottom line, after lowering minorities interest, we have now projected FY19 group net income to amount to €5.8mn, increasing by 11.3% to €6.4mn in FY20 (+2.6% and +3.5% above our previous estimates, respectively).

The key points of our forecast are as follows:

- FY19E total revenues at €71.2mn, reaching €73.4mn in FY20 (4.4% CAGR FY18A-FY20);
- FY19E net revenues at €63.9mn, reaching €65.9mn in FY20 (4.4% CAGR FY18A-FY20);
- FY19E EBITDA at €11.2mn, reaching €12.2mn in FY20 (10.9% CAGR FY18A-FY20);
- FY19E group net income at €5.8mn, reaching €6.4mn in FY20 (18.3% CAGR FY18A-FY20).

**Table 3: Assiteca Estimates Revisions**

€ thousand	2018A	2019E	2019E	Change New vs Old	2020E	2020E	Change New vs Old
		Old	New		Old	New	
Total Revenues	67,363	72,019	71,221	-1.1%	74,257	73,447	-1.1%
YoY Change (%)		6.9%	5.7%		3.1%	3.1%	
Net Revenues	60,406	64,539	63,869	-1.0%	66,542	65,861	-1.0%
YoY Change (%)		6.8%	5.7%		3.1%	3.1%	
EBITDA	9,885	11,067	11,169	0.9%	12,011	12,163	1.3%
EBITDA margin	14.7%	15.4%	15.7%		16.2%	16.6%	
YoY Change (%)		12.0%	13.0%		8.5%	8.9%	
EBIT	8,738	9,709	9,814	1.1%	10,465	10,621	1.5%
EBIT margin	13.0%	13.5%	13.8%		14.1%	14.5%	
YoY Change (%)		11.1%	12.3%		7.8%	8.2%	
Group Net Income	4,588	5,629	5,773	2.6%	6,209	6,423	3.5%
YoY Change (%)		22.7%	25.8%		10.3%	11.3%	

Source: Company data, KT&Partners' elaborations

<sup>1</sup> In its latest press release (dated March 28<sup>th</sup>, 2019), Assiteca announced that it had finalized Assidea's rental agreement with an option to buy it over the coming years. Assidea's contribution in terms of turnover will be €1.5mn on an annual basis, ca. €1.0mn lower with respect to the amount that was communicated the year before.

## Valuation

Based on a simple average of our DCF model and peer group analysis, we project a fair value of €3.34 per share.

Our fair value takes the average of the following methods:

- DCF analysis based on WACC of 8.4% and 1.5% perpetual growth, which returns a value of €3.43 per share;
- P/E multiple, which returns a value of €3.25 per share. We believe this valuation captures the expected earnings growth.

### DCF Valuation

We believe that DCF analysis is a great way to highlight the company's positive and visible cash flow generation for the forthcoming years. Our DCF analysis is based on an 8.4% WACC (risk-free rate 2.59%, market risk premium of 5.96% based on January 2019 estimates by Damodaran, beta of 0.87, size premium of 2.0% implying a cost of equity of 9.75%, and a marginal cost of debt of 4.0%). Furthermore, considering the sector and Italian growth outlook, we set a terminal growth rate (g) of 1.5%, which has been left unchanged with regards to our previous research. The DCF analysis results in an equity value of €112.2mn, or €3.43 per share.

**Table 4: Cash Flow Estimates**

€ thousand	2019E	2020E	2021E	2022E
EBIT	9,814	10,621	11,455	12,058
Taxes	- 3,013	- 3,271	- 3,529	- 3,717
D&A	999	1,175	1,311	1,447
Change in Net Working Capital	- 1,976	1,555	- 592	- 603
<b>Net Operating Cash Flow</b>	<b>5,823</b>	<b>10,080</b>	<b>8,645</b>	<b>9,185</b>
Capex	- 880	- 880	- 880	- 880
Provisions	931	954	978	1,012
<b>FCFO</b>	<b>5,874</b>	<b>10,153</b>	<b>8,743</b>	<b>9,317</b>
<b>g</b>	<b>1.5%</b>			
<b>Wacc</b>	<b>8.4%</b>			
FCFO (discounted)	5,792.9	9,238	7,339	7,216
Discounted Cumulated FCFO	29,587			
TV				137,250
TV (discounted)	106,296			
<b>Enterprise Value</b>	<b>135,882</b>			
Net Debt	23,722			
<b>Equity Value</b>	<b>112,160</b>			
Current number of shares (000)	32,673			
<b>Value per share (€)</b>	<b>3.43</b>			

Source: KT&Partners' estimates

### Peer Comparison

To evaluate Assiteca, we have also identified a series of listed comparables. We believe another relevant way to provide a fair multiple-based evaluation for Assiteca is to focus on P/E multiples coming from the average of our peer group. This valuation captures the expected earnings growth.

However, we should note that selected companies are quite different in terms of liquidity compared with Assiteca. Our fair value is based upon the average of 2019 and 2020 P/E multiples and our estimate of earnings for the next two years. The multiple is obtained by applying a 10% liquidity discount to the 2019 and 2020 P/E peer average. This leads to an equity value of €106.0mn or €3.25 per share.

**Table 5: Multiple Valuation**

Multiple Valuation (€mn)	2019E	2020E
<b>P/E multiple comparison</b>	20.46	18.30
Peer Group P/E netted from 10% liquidity discount	18.41	16.47
<b>Assiteca earnings</b>	5.77	6.42
Equity Value	106.29	105.78
<b>Number of shares (mn)</b>	32.67	32.67
Value per share	3.25	3.24
<b>Fair Value (Avg) - € ps</b>	<b>3.25</b>	

Source: KT&Partners' elaboration on FactSet data

**Table 6: Peer Group Valuation Table - 2019 Multiples**

Company Name	Exchange	Market Cap	EV/SALES 2019	EV/EBITDA 2019	EV/EBIT 2019	P/E 2019
Aon plc	NYSE	37,480	4.17	15.66	15.87	19.07
Marsh & McLennan Companies, Inc.	NYSE	42,308	3.33	13.36	15.67	20.42
Willis Towers Watson Public Limited Company	NASDAQ	20,382	2.96	11.76	13.86	16.37
Arthur J. Gallagher & Co.	NYSE	13,248	2.22	12.48	24.61	20.49
Brown & Brown, Inc.	NYSE	7,663	4.00	13.65	17.11	23.29
Steadfast Group Limited	ASX	1,629	3.61	12.98	12.36	26.89
<b>Average peer group</b>		<b>20,452</b>	<b>3.38</b>	<b>13.32</b>	<b>16.58</b>	<b>21.09</b>
<b>Median peer group</b>		<b>16,815</b>	<b>3.47</b>	<b>13.17</b>	<b>15.77</b>	<b>20.46</b>
<b>Assiteca SpA</b>	<b>Milan</b>	<b>67</b>	<b>1.29</b>	<b>8.21</b>	<b>9.34</b>	<b>11.66</b>

Source: KT&Partners' elaboration on FactSet data

**Table 7: Peer Group Valuation Table - 2020 Multiples**

Company Name	Exchange	Market Cap	EV/SALES 2020	EV/EBITDA 2020	EV/EBIT 2020	P/E 2020
Aon plc	NYSE	37,480	3.94	14.15	14.72	17.57
Marsh & McLennan Companies, Inc.	NYSE	42,308	3.12	12.25	14.31	18.64
Willis Towers Watson Public Limited Company	NASDAQ	20,382	2.82	11.03	14.30	15.09
Arthur J. Gallagher & Co.	NYSE	13,248	2.06	11.35	20.86	17.96
Brown & Brown, Inc.	NYSE	7,663	3.78	12.77	15.74	21.39
Steadfast Group Limited	ASX	1,629	3.34	11.68	11.38	26.11
<b>Average peer group</b>		<b>20,452</b>	<b>3.18</b>	<b>12.20</b>	<b>15.22</b>	<b>19.46</b>
<b>Median peer group</b>		<b>16,815</b>	<b>3.23</b>	<b>11.96</b>	<b>14.51</b>	<b>18.30</b>
<b>Assiteca SpA</b>	<b>Milan</b>	<b>67</b>	<b>1.25</b>	<b>8.21</b>	<b>8.63</b>	<b>10.48</b>

Source: KT&Partners' elaboration on FactSet data

We have chosen our peers taking into account the business activity and the services provided, although we should note that some of the selected companies are slightly different in terms of geographical exposure and/or size.



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However, looking at the overall picture, the following represents a reliable panel.

**Aon Plc** provides insurance brokerage, risk management and human capital consulting services. The company operates through the following reportable business segments: Risk Solutions and HR Solutions. The Risk Solutions segment acts as an advisor and insurance and reinsurance broker, helping clients manage their risks via consultation, as well as negotiation and placement of insurance risk with insurance carriers through its global distribution network. The HR Solutions segment partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance by designing, implementing, communicating and administering a wide range of human capital, retirement, investment management, healthcare, compensation and talent management strategies. The company's clients include corporations and businesses, insurance companies, professional organizations, independent agents and brokers, governments, and other entities. Aon was founded in 1979 and has its headquarters in London, the United Kingdom.

**Marsh & McLennan Companies, Inc.** engages in the provision of advice and solutions in the areas of risk, strategy, and human capital. It operates through the Risk and Insurance Services, and Consulting segments. The Risk and Insurance Services segment includes risk management activities, such as risk advice, risk transfer, risk control and mitigation solutions. The Consulting segment comprises retirement, health, talent, and investments consulting and services. The company was founded by Henry W. Marsh and Donald R. McLennan in 1871 and has its headquarters in New York, NY.

**Willis Towers Watson Plc** provides advisory and broking solutions. It also provides exchange solutions, investment, risk and reinsurance services. The company Willis Towers Watson was formed as a merger of equals between London-based Willis Group Holdings plc and Arlington, VA-based Towers Watson & Co. and has its headquarters in London, the United Kingdom.

**Arthur J. Gallagher & Co.** engages in the provision of insurance brokerage and risk management services to a wide variety of commercial, industrial, institutional and governmental organizations. It operates through the following business segments: Brokerage, Risk Management, and Corporate. The Brokerage segment is primarily comprised of retail and wholesale insurance brokerage operations. The Risk Management segment provides contract claim settlement and administration services for enterprises that choose to self-insure some or all of their property or casualty coverage and for insurance companies that choose to outsource some or all of their property or casualty claims departments. The Corporate segment includes the financial information related to its debt, clean energy investments, external acquisition-related expenses and other corporate costs. The company was founded by Arthur J. Gallagher on October 1, 1927 and has its headquarters in Itasca, IL.

**Brown & Brown, Inc.** provides insurance brokerage services and casualty insurance underwriting services. It operates through the following segments: Retail, National Programs, Wholesale Brokerage and Services. The Retail segment provides a broad range of insurance products and services to commercial, public entity, professional and individual customers. The National Programs segment provides professional liability and related package products for certain professionals delivered through nationwide networks of independent agents, and markets targeted products and services designed for

specific industries, trade groups, public and quasi-public entities, and market niches. The Wholesale Brokerage segment markets and sells excess and surplus commercial and personal insurance and reinsurance, primarily through independent agents and brokers. The Services segment provides insurance-related services. The company was founded by J. Adrian Brown and Charles Covington Owen in 1939 and has its headquarters in Daytona Beach, FL.

**Steadfast Group Ltd** operates as an Australian independent insurance broker, which provides services to its network of insurance brokers. It provides professional services and advice to its insurance broker network, including ongoing education programs, support services, compliance support, customer service tools and staff benefits. Steadfast Group was founded by Robert Bernard Kelly on April 17, 1996 and has its headquarters in Sydney, Australia.

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