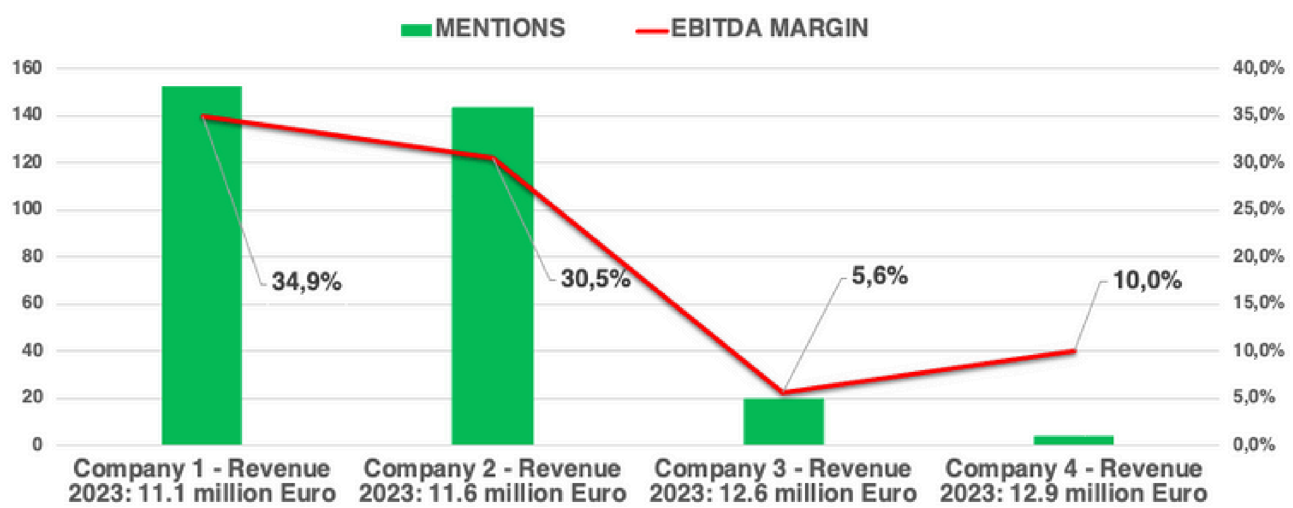
ITALY INSIGHT WHY ITALY

"TWISTER AI" REPORT
How communication boosts M&A Financial Boutiques

Dear readers,
Let's open the first 2025 edition of Italy Insight with a new addition: for the coming months, we will dedicate the opening article of this newsletter to the results of the research we are conducting with **TwisterAI, Twister's integrated system for the quantitative and qualitative analysis of web data through Artificial Intelligence**. In this edition, we present our analysis on the importance of communicating in the corporate finance world, with a focus on M&A advisory firms.

The sample analysed consisted of 45 corporate finance boutiques specialised in M&A – with revenue 2023 under €30 million. The aim was to investigate a possible relationship between media visibility and financial KPIs. Our results were as follows.

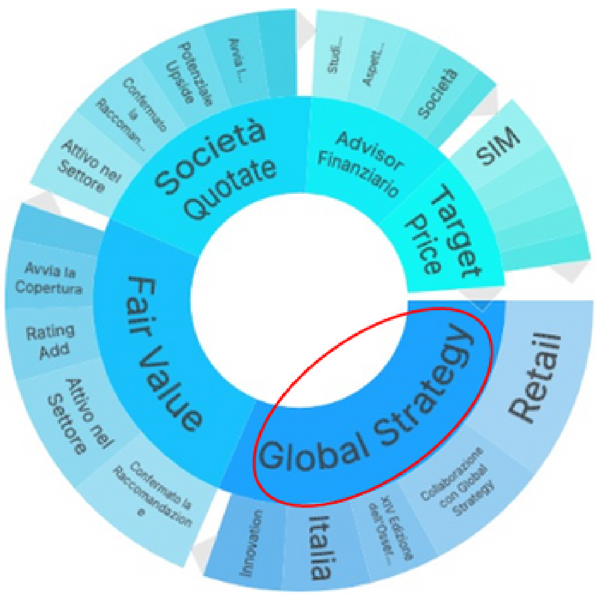
Among the companies with similar revenues (€11-13M), we noticed that those with a **higher volume of mentions** (= web quotes) **also had higher EBITDA margins**.



Our analysis revealed that one society in particular, called "*Global Strategy S.r.l.*", acted in a completely unique and effective way. In fact, through the periodic publication of the SME Observatory and its launch event, it managed to achieve wide visibility in the media and in online conversations.

This allowed the company to appear among the most *talked about* topics in the online media thanks to the high number of mentions linked to the event, demonstrating how even a small company can increase its notoriety through a diversified communication strategy that goes against the trend of its competitors.

Why not imitate them?



The Topics Wheel visually illustrates the topics most frequently covered by online media within the Small-Cap boutiques context, emphasizing the relationship between these topics and the subtopics they are able to generate

LARGE CASH
Trump tariffs Era: sailing blind even for Italian savers

Rising trade tensions are prompting asset managers to adjust portfolios, favoring resilient sectors and hedging against volatility. A Banca Generali analysis of asset management partners indicates that, **over the next 6–12 months, market strategies will primarily hinge on inflation and monetary policy, with geopolitical tensions and fiscal policy playing a secondary role**. However, the recent Dow Jones (-2.08%), S&P 500 (-2.7%), and Nasdaq (-4%) sell-off—worst closing since 2022, driven by Big Tech tariffs concerns—underscores the vulnerability of large-cap and tech stocks, reinforcing the need for selective investments.

In Italy, asset managers are already shifting toward flexible geographical allocations and targeted sector selection. As noted by Bruno Rovelli, Chief Investment Strategist Italy at BlackRock: "*U.S. equities remain strong due to favorable index composition and expansionary fiscal policies. Defensive sectors like utilities, financials, and healthcare are preferred, with mid-tier tech firms seen as more sustainable than Big Tech*".

To conclude, despite international commercial banks like HSBC and Citi have already started downgrading the US equity in favor of China and Europe, asset managers in Italy still see it as a cornerstone of investment strategies in their portfolios, supported by the resilience of the U.S. economy and its sustained market outperformance.

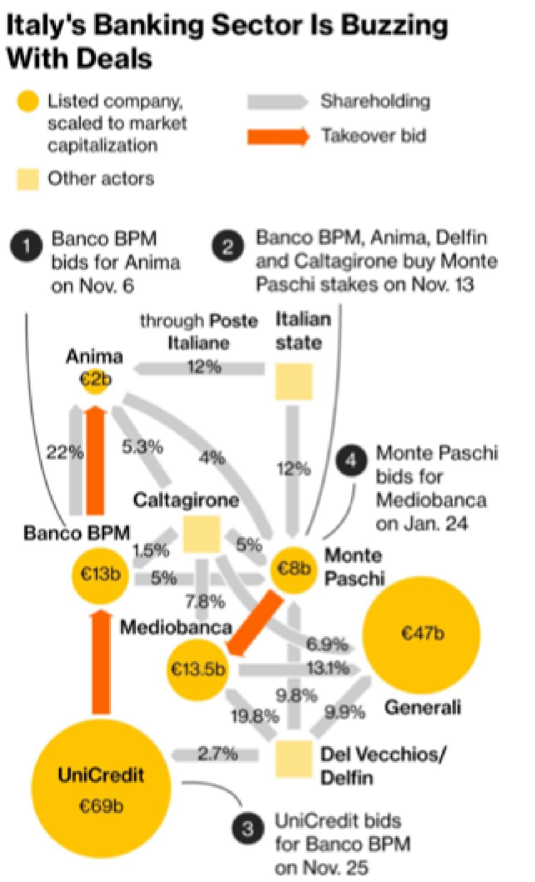
In Italy, U.S. equities remain the preferred macro asset class, with bonds and cash playing a complementary role. However, there is a growing inclination toward a more diversified approach, with increased exposure to emerging markets and defensive sectors, to provide an alternative way to navigate the current phase of uncertainty, especially while waiting for further countermeasures on technology exports, which seems to be the crucial weapon in this trade war.

ITALIAN M&A
UniCredit gets the ball rolling: Italian banking sector accelerates with M&A wave

UniCredit's recent move on Banco BPM has sparked a wave of M&A deals in the Italian banking sector, prompting several players to seek growth opportunities through acquisitions. In just three months, five public offers on listed banks were launched, paving the way for a possible redefinition of the market balance.

- **UniCredit** was the first to translate the strategy outlined by Mario Draghi for European banking competitiveness into action, launching a €10.1 billion takeover bid on Banco BPM in November 2024. Where do we stand since then? On 4 February, it notified the transaction to Palazzo Chigi in accordance with the golden power regulation. The executive will have 45 days from that date to express its opinion, which can be extended by another 15. UniCredit, meanwhile, is so confident that it has brought forward the meeting for the OPS to 27 March. Meanwhile, the election of Friedrich Merz and tensions with German politics could complicate Unicredit's parallel takeover of Commerzbank.

- **Banco BPM** obtained the go-ahead from the Bank of Italy and clearance from Ivass and the European Commission for its €1.6 billion takeover bid on Anima.



Source: Bloomberg

In the wake of the transactions involving UniCredit and Banco BPM, other M&As in the banking sector have been launched since the beginning of the year:

- A few days before the end of January, **MPS** launched a €13.3bn takeover bid on **Mediobanca**, which was rejected by the board of directors. The recent share reorganisation of Monte dei Paschi saw the entry of Delfin (9.78%), Caltagirone (5%) and Banco BPM (5%), while Mediobanca's shareholders include Delfin, as main shareholder (19.81%), and the Caltagirone group (5.5%). If the offer were to succeed it would also have an impact on Generali's governance, given Mediobanca's stake in the insurance group.

- **Banca Ifis** obtained Antitrust approval for its €298 million takeover bid on **illimity**, aiming to strengthen its leadership in specialised finance.

- **Bper** on **Banco Popolare di Sondrio**: the offer, with a total value of €4.3billion, was rejected by the Valtellina-based bank, which is determined to defend its independence, despite the fact that both institutions share Unipol as a reference shareholder.

BRUSSELS – ROME PUBLIC AFFAIRS

Nuclear energy in Italy: renewed interest and future investment prospects

In recent years, **nuclear energy has taken an increasingly central role in Italy's political and economic debate**. The need for a sustainable energy transition, growing geopolitical instability and the need to reduce energy dependence on foreign countries have reopened the discussion on the advisability of reintroducing this source into the national energy mix.

Renewed institutional interest

A key moment was the meeting sponsored by **Newcleo**, a company specializing in the design and operation of Generation IV Advanced Modular Reactors (AMRs), which took place at the ENEA-Brasimone Joint Research Centre. The event was attended by leading figures from the national political and economic scene, including the Minister of Environment and Energy Security, **Gilberto Pichetto Fratin**, the Minister of Enterprise and Made in Italy, **Adolfo Urso**, and the President of Confindustria, **Emanuele Orsini**.

Gilberto Pichetto Fratin, *Minister of Environment and Energy Security*

Adolfo Urso, *Minister of Enterprise and Made in Italy*

Stefano Buono, *Chairman of Newcleo*

During the event, Minister Urso reiterated the importance of nuclear power in Italy's energy future, stating that "*in the energy mix that the country must guarantee to its citizens, nuclear energy is fundamental*".

This statement confirms how the government sees nuclear power not only as a resource for the energy transition, but also as a key factor in ensuring security and stability of energy supply.

The evolving regulatory framework

Regarding developments on the regulatory front, **three bills have been submitted to the Chamber of Deputies and the Senate of the Republic**.

The most recent, presented to the Senate last January, also signed by Carlo Calenda (leader of Azione, a centrist party, currently in opposition). The text provides for a regulatory reorganization, delegating the government to authorize the construction and operation of nuclear power plants equipped with the most advanced commercially available technology. The other bills, on the other hand, both come from the center-right (currently in government):

- the one presented in May 2024 and currently under consideration by the Environment Committee opens up **the use of nuclear energy in order to make Italy more independent** in terms of energy supply
- the second bill, currently under consideration by the joint committees on Environment and Productive Activities, aims at the adoption by the government of a national strategy for the development of next-generation nuclear technologies that contemplates the promotion of nuclear fusion research and the development of next-generation nuclear technologies.

Specifically, **28/02**, **during Council of Ministers No. 116, an enabling act on sustainable nuclear energy was approved** on the proposal of President Giorgia Meloni and Minister of the Environment and Energy Security Gilberto Pichetto Fratin in preliminary examination. The text aims to include sustainable nuclear and fusion power in the so-called "Italian energy mix." Among the main lines of action are: on the one hand, the future consideration of establishing an independent authority responsible for nuclear safety, with tasks of regulation, supervision and control over nuclear infrastructures; and on the other hand, the provision of an organic regulation of the entire life cycle of nuclear energy.

In terms of timing, the delegation requires the government to adopt a series of legislative decrees, within 12 months of entry into force, to organically regulate the entire life cycle of the new sustainable energy.

Growing institutional support, interest from private and public companies, and strategic international collaborations indicate that Italy may indeed re-enter the nuclear sector in the coming years. The current direction suggests that nuclear power will no longer be seen as an excluded option, but as complementary to energy.