



## Alpha Bank

Banks / Greece

Reuters / Bloomberg: ACBr.AT / ALPHA GA

February 25, 2021

## Keep walking

Alpha Bank recently announced that it had entered into a definitive agreement with Davidson Kempner (DK) on Project Galaxy, which comprises a EUR 10.8bn NPE securitisation (the second largest that has taken place in Europe so far) and the sale of an 80% stake in Cepal, the servicer. The recent announcement is the end of a journey that started in November 2019 (with the negotiations taking eight months), with the unveiling of Alpha's business plan and followed by the initial agreement with DK in November 2020. It is a notable achievement getting to this stage after all negotiations happening during the first year of the COVID-19 pandemic. The final agreement with DK underpins the group's capacity to deliver and the investor community's interest. Over the recent months, several other developments coming from the ECB, the European Union, the Greek government, and the bank itself brings improvements for the investment cases' visibility.

We note that the current expectations for the coming quarters, as far as the markets are concerned, are more constructive when compared to a few months ago, despite the fact that the dark clouds of the COVID-19 pandemic are still around, but hopefully dissipating. From now on, the focus turns to what happens to the Alpha Bank's balance sheet and income statement in the coming years. We roll forward our valuation period to 2023 (from 2022), which we expect to be a normalised year for the banking system (i.e. with the lower NPE ratios and cost of risk as the main drivers of the improved bottom line). While our new target price of EUR 2.40 with a >200% upside may seem demanding at first glance, we note that it is around 25% above the level the share price was trading in January 2020, pre-COVID-19. Based on the current market price, Alpha trades at 2.2x 2023 earnings and 0.17x 2023 tangible book value while at our target price, the 2023 P/E would be at 6.5x and P/TBV at 0.52x.

**Balance sheet clean-up to be supported by future PPI.** After the closing of the Galaxy NPE securitisation in 1Q21 Alpha Bank's NPE ratio in Greece is expected to decrease by more than 20pp, to a pro-forma of c.24%. Going forward, we forecast the group to reach an NPE ratio of 10.2% in 2023 (with further NPE derisking of c.EUR 5bn post-Galaxy), supported by a total capital ratio of 15.2%. According to management, the remaining non-performing exposures in Alpha's balance sheet will present higher recoverability and lower risks after the deconsolidation of Galaxy. Around half of the exposures are expected to be restructured performing loans while the other half to be non-performing loans (i.e. >90dpd). As such, the group's efforts towards the balance sheet's clean-up are expected to be less costly for the shareholders.

**Improved visibility for the bottom line.** Our estimates sit on the conservative side when compared to the bank's most recent guidance. More specifically, we have more conservative assumptions for fees and commissions, expenses and cost of risk. As such, one can argue that this margin of safety leaves room for further upside. Given the group's solid estimated PPI of EUR 1.1bn in 2023, combined with the option to increase its capital position in a non-dilutive manner, the way out of the NPE "straightjacket" is a reality. Naturally, with a lower NPE ratio, we expect Alpha to report an improved profitability profile, with an estimated 2023 RoTE of 8.4% on the back of a cost of risk over net loans of 104bps.

**Further upside may be possible.** Given the derisking ahead, we estimate the group's NII to recover from 2023, supported by the improved volumes. Additionally, the group's fees are expected to grow at a 2019-2023 CAGR of 4%, resulting in fees over assets of 59bps vs 54bps in 2019 boosted by customer activity and the new bancassurance agreement with AXA (Generali). The improved NII and fees, on top of other income and trading, are estimated to lead to total revenues of EUR 2.1bn in 2023. The group's operating expenses are estimated to decrease at a 2019-2023 CAGR of -3%, reaching a cost/income ratio of 49% in 2023. All-in, we estimate Alpha's 2023 P/TE at 0.17x (0.52x at our target price) with a total capital ratio of 15%. We increase our target price to EUR 2.40 from EUR 1.30 previously as we roll forward our valuation period to 2023 and expect the bank's financial statements to normalize by then.

## Rating

## Buy

Target Price (EUR) 2.40

Current Share Price\* (EUR) 0.77

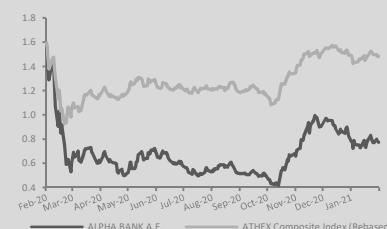
\*24 / Feb / 2021

## Stock Data

Market Cap (EUR m)	1,193
Free Float	83%
Outstanding Shares (m)	1,546
Shareholders	HFSF, Paulson & Co, BlackRock, Vanguard, Norges

## Performance

	1m	3m	12m
Absolute (%)	0.6	19.2	-50.8
ASE General (Abs)	1.7	9.9	-7.1
DATV – 12M (m)			9.8
Price high – 12 months (EUR)			1.561
Price low – 12 months (EUR)			0.403



## Company Description:

Alpha Bank was founded in 1879. Apart from being a key player in the domestic market, the bank also operates in Cyprus, Albania, Romania, and the UK. Alpha Bank offers a diverse range of financial services, including consumer and corporate banking, mutual funds, investment banking and other relating services.

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## Keep walking

With the announcement of the final agreement between Alpha Bank and Davidson Kempner, investors looking at Alpha should now focus on the day after and on the opportunities for the transformed institution.

As it has been the case over recent years, the focus falls on the relationship between the high level of non-performing exposures (NPEs) and the banks' capital position. With the deconsolidation of assets linked to the Galaxy securitisation, the pro-forma NPE ratio in Greece falls by 19pp to 24%. In contrast, the group's total capital ratio takes a 280bps hit to 15.5%, which already accounts for the RWA relief and the gain from the Cepal sale.

Our conservative assumptions point to a "normalisation" of Alpha Bank by late 2022 into 2023. By "normalisation" we mean NPE ratio 10%, total capital of 15% and return over tangible equity of 8%. We acknowledge that these metrics may be below the management and the market's expectation. Still, given that they are derived under a cautious approach, it leaves us a safety margin for things to derail. We mostly differ from the current guidance on the pace of fees and commissions growth, the level of total expenses in 2023 and the level of cost of risk. We also accept the fact that our estimates for new disbursements of c.EUR 4bn/year on a gross basis, leading to EUR 6.6bn on a net basis between 2021-23, could also be on the cautious side given the expected growth rates and Greece's investment gap.

Our new target price of EUR 2.40 vs the current share price of EUR 0.80 may seem demanding at first glance. We note that it is around 25% above the level the share price was pre-COVID-19. Since then, and on top of the significant derisking through Galaxy, several other developments coming from the ECB, the European Union, the Greek government and the bank itself brings improved visibility. We acknowledge that by still not being out of the woods as far as the global pandemic is concerned, the current expectations for the coming quarters and years are more constructive than a few months ago. Additionally, Alpha would trade on 6.5x 2023 earnings and 0.52x P/TBV on our target price, which does not seem demanding for a bank presenting a balance sheet and income statement in line with our projections in two years time.

## Valuation and risks

Our EUR 2.40/per share target price is based on an ROE over the cost of equity model, using a cost of equity of 11.8% and 1.5% growth in perpetuity on 2023 estimates. The rating has been maintained at Buy. As far as the risks are concerned, we highlight: i) the pace of growth of the Greek economy vis-à-vis the global macro environment; ii) significant NPE inflows from 2021; iii) lack of demand for NPE portfolios; iv) supervisory framework and; v) political and economic risks in the other economies Alpha operates in.

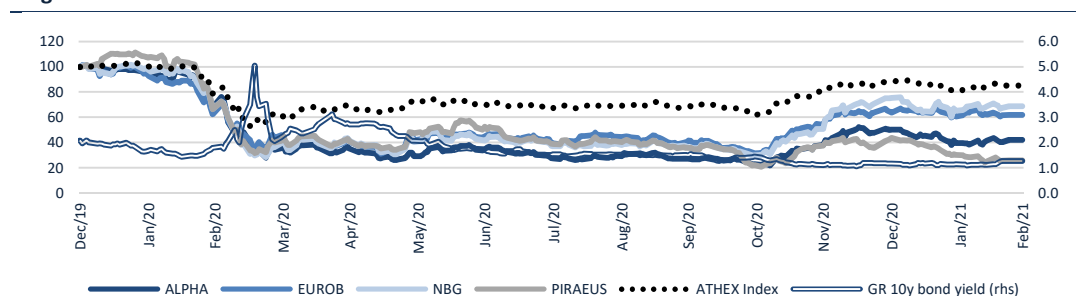
**Figure 1: Alpha Bank – Target price (2023E)**

RWA (EUR m)	44,293
Allocated Capital (EUR m)	6,644
Return on capital	8.6%
CoE	11.8%
Growth rate	1.5%
Number of shares (m)	1,544
2021-23 DPS (EUR)	0.00
<b>Target price per share</b>	<b>2.40</b>

Source: Company data and AXIA Research.

Over 2020, Alpha's share price has underperformed the broad market and two of the local peers.

**Figure 2: Price chart**



Source: Company data, CapitalIQ and AXIA Research.

### Galaxy, the big milestone. What's next?

Undeniably, entering into a final agreement with DK on a EUR 10.8bn NPE securitisation (52% of the group's stock and the second biggest in Europe so far) and the sale of a majority stake in one of Greece's largest servicers in just over twelve months, in a year like no other deserves kudos. At the same time, we acknowledge the fact that the market is always looking ahead. The questions now turn to what Alpha will deliver next and how quickly that could be done. In our view, the group now is much better positioned to address the final stages of its business plan. We are aware that Alpha's last business plan was unveiled in November 2019 and, due to the pandemic, will need to be adjusted.

Nevertheless, in our view, a template for a Greek bank business plan, in order to show to the market its ambition, but also to turn the page on a series of issues that have been dragging the system over recent years, must aim for a cost/income ratio between 40%-45%, a cost of risk between 70bps-90bps, RoTE of 8%-10%, NPE ratio <10% and a total capital position of c.17%. This is expected for 2022-23. We believe that, with the final agreement on Galaxy, Alpha is a step closer to those metrics.

Figure 3: Multiples

EUR	Recommendation	Price	Target price	Upside	P/TE			RoTE			
					2020E	2021E	2022E	2023E	2021E	2022E	2023E
Alpha	Buy	0.77	2.40	211%	0.15	0.19	0.18	0.17	-22.3%	4.7%	8.4%
On target price					0.47	0.60	0.57	0.52			

Source: Company data and AXIA Research.

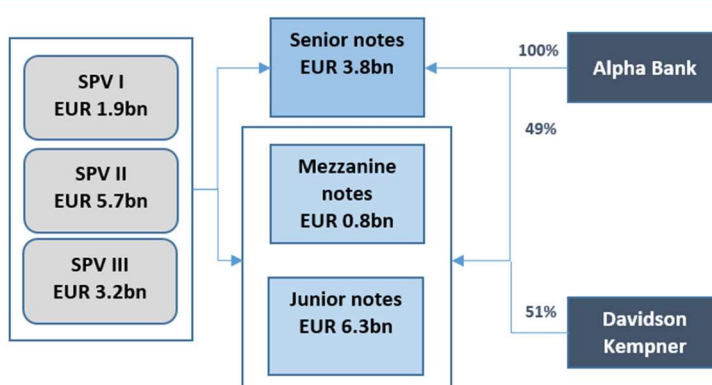
### Galaxy and Cepal: the details

The final agreement between Alpha Bank and Davidson Kempner includes the acquisition by DK of 51% of the mezzanine and junior notes, while Alpha will initially retain a 49% stake. We note that 44% of the notes are intended to be subsequently distributed to shareholders subject to regulatory and corporate approvals, similarly to what Eurobank did with Cairo. The idea is for the notes to be traded in the stock exchange. As such, Alpha Bank's shareholders will also have the upside from the NPE recovery through this instrument. We highlight that the instruments will only have value if the recovery on the EUR 10.8bn NPEs is higher than EUR 3.8bn (size of the senior notes) plus a buffer to cover the costs related to the securitisation including the government guarantee, servicing fees, taxes, etc. In this case, a recovery >40% would be required for the cashflows reach the mezzanine notes. The distribution of notes to shareholders is expected to happen by 3Q21.

Furthermore, DK is also acquiring an 80% stake in Cepal with a long-term servicing agreement (13 years). Cepal will manage Alpha's remaining NPE portfolio as well as the future flows. Additionally, the entity also services EUR 4.6bn of third-party exposures.

The transaction valued 100% of Cepal at EUR 267m and gives Alpha further upside from earn-out of EUR 68m depending on achieving specific targets. The consideration includes a contingent element of up to EUR 17m if the transaction is on a levered basis. Officially, the closing of Galaxy is expected for 2Q21.

Figure 4: Galaxy structure



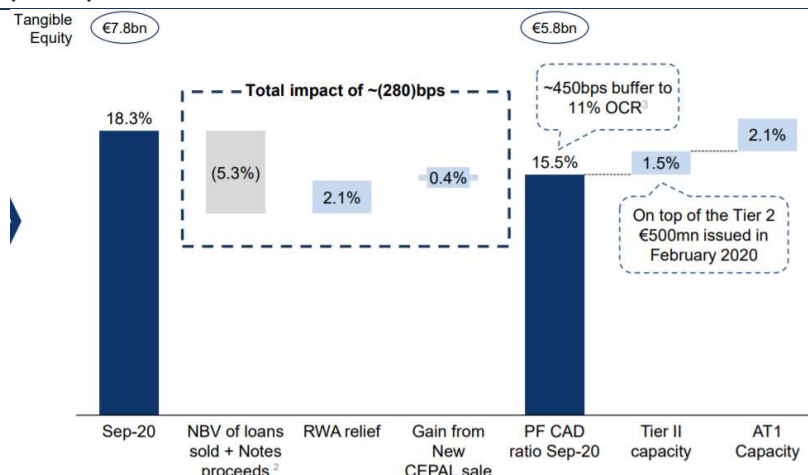
Source: Company data and AXIA Research.

### The capital impact

The total impact of the Galaxy and Cepal transaction on the capital ratios amounts to 280bps. This translates into a EUR 2bn impact to the group's equity, which pro-forma sits at EUR 5.8bn with a total capital ratio of 15.5%. We note that Alpha has the capacity to issue another 150bps of Tier 2 instruments, on top of the EUR

500m issued in February 2020 and 210bps of AT1 instruments. We expect the bank to proceed with a Tier 2 issuance soon and incorporate in our model 250bps from 2Q21. We note that Alpha’s management has guided for the issuance to happen after Galaxy.

Figure 5: Capital impact and structure



Source: Company data and AXIA Research.

### Financial estimates

We estimate Alpha’s PPI to reach a solid EUR 1.1bn in 2023, supported by an improved NII (already accounting for the balance sheet derisking). Our forecast for NII over total assets in 2023 stands at 221bps, which is slightly below the 231bps forecasted for 2020. This equals 376bps over net loans in 2023 vs 387bps estimated for 2020. We believe that our fee and commission estimate for 2023 of EUR 403m is rather conservative. It implies a 2019-23 CAGR of 4% and an improved level of fees over total assets of 59bps vs the 54bps reported in 2019. We note that the recent bancassurance agreement alone should add around EUR 20m-25m (>5% of the total fees) in the early years of the 20-year agreement, growing further as time goes by. As far as the group’s expenses are concerned, we estimate EUR 1bn of total costs in 2023 in a 2019-23 CAGR of -3%, already accounting for the further optimisation of the staff and G&A expenses.

### Asset quality: the way forward

When looking at the NPE trends for 2021, our approach follows the four systemic banks’ guidance, which is backed by the support measures announced to customers and the early data from January and February. As such, we expect gross NPE inflows of EUR 5bn to the system, which translates into c.EUR 2.5bn on a net basis. This would mean a EUR 0.5bn-0.7bn increase in the stock of NPEs per bank in a simplistic approach. For Alpha, our NPE stock delta between 2021 and 2020 is EUR -11.1bn. Considering that Galaxy alone will drive the NPEs down by EUR 10.8bn, our assumption accounts for an additional reduction of only EUR 0.3bn. We note that the group’s negative organic flows in the last twelve months to 3Q20 amounted to EUR 1bn and incorporate the pandemic’s impact. We believe that our estimate for the year is reasonable and within reach for the group.

Going forward, we are not incorporating a specific NPE transaction per se but believe that this could be on the cards for Alpha under the HAPS 2. Our forecasted NPE reduction from the end of 2021 until the end of 2023 is of EUR 5.2bn. Simultaneously, the level of impairments we estimate for the same period is of EUR 1bn, which translates into c.20% of the expected NPE reduction. While this is roughly in line with the recent NPE transactions, we highlight that the profile of Alpha’s exposures remaining in the balance sheet after the deconsolidation of Galaxy would be significantly improved. This means that the cost to recover those assets is likely to be lower than those in recent NPE securitisations. Additionally, we are working under the base case that the Greek recovery will be solid and above the European average. If this materialises, it has a direct positive impact on the price level of assets and investor’s interest. Furthermore, a recovering economy is also expected to impact the valuation of the collateral of the exposures positively.

As explained above, by not accounting for a single NPE transaction, the “side-effect” is that our ongoing cost of risk may look relatively higher vs to what the market expects or management’s guidance. At the same time, we believe that this puts us in a relatively conservative position, leaving room for positive surprises as time goes by. Our estimate for the group’s cost of risk reaches 87bps of net loans (81bps of gross loans) in 2023. Our forecasted bottom line of EUR 572m translates into a RoTE of 8.4% in 2023.

Figure 6: Changes to financial estimates (EUR m)

	OLD					NEW				Change			
	2019	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
NII	1,547	1,537	1,434	1,325	n.a.	1,530	1,420	1,464	1,504	0%	-1%	10%	n.a.
Fees	340	296	295	309	n.a.	337	353	381	403	14%	20%	24%	n.a.
<b>Total Rev</b>	<b>2,310</b>	<b>2,313</b>	<b>1,989</b>	<b>1,794</b>	n.a.	<b>2,330</b>	<b>2,181</b>	<b>2,036</b>	<b>2,098</b>	<b>1%</b>	<b>10%</b>	<b>13%</b>	n.a.
Opex	-1,175	-1,052	-1,017	-994	n.a.	-1,063	-1,106	-1,056	-1,027	1%	9%	6%	n.a.
<b>Core PPI</b>	<b>856</b>	<b>780</b>	<b>711</b>	<b>639</b>	n.a.	<b>850</b>	<b>845</b>	<b>957</b>	<b>1,043</b>	<b>9%</b>	<b>19%</b>	<b>50%</b>	n.a.
<b>PPI</b>	<b>1,136</b>	<b>1,261</b>	<b>971</b>	<b>800</b>	n.a.	<b>1,267</b>	<b>1,075</b>	<b>980</b>	<b>1,071</b>	<b>1%</b>	<b>11%</b>	<b>23%</b>	n.a.
Impairments	-995	-1,015	-3,292	-455	n.a.	-997	-2,593	-622	-418	-2%	-21%	37%	n.a.
PBT	145	246	-2,320	345	n.a.	256	-1,518	358	653	4%	-35%	4%	n.a.
<b>Net income (cont. oper.)</b>	<b>97</b>	<b>199</b>	<b>-2,334</b>	<b>296</b>	n.a.	<b>216</b>	<b>-1,574</b>	<b>300</b>	<b>572</b>	<b>9%</b>	<b>-33%</b>	<b>1%</b>	n.a.
CoR / net loans	2.50%	2.63%	9.45%	1.37%	n.a.	2.52%	6.85%	1.66%	1.04%	0%	-3%	0%	n.a.
CoR / gross loans	1.97%	2.10%	7.83%	1.24%	n.a.	2.03%	5.77%	1.50%	0.98%	0%	-2%	0%	n.a.
C/I ratio	50.8%	45.5%	51.2%	55.4%	n.a.	45.6%	50.7%	51.9%	49.0%	0%	0%	-4%	n.a.
RoTE	1.2%	2.5%	-33.4%	4.9%	n.a.	2.7%	-22.3%	4.7%	8.4%	0%	11%	0%	n.a.
TBV	7,939	8,162	5,828	6,124	n.a.	7,963	6,150	6,500	7,078	-2%	6%	6%	n.a.
CET1	17.9%	18.3%	14.1%	13.2%	n.a.	17.3%	13.6%	12.7%	12.6%	-1%	0%	-1%	n.a.
CET1 fl	14.9%	15.2%	11.7%	11.0%	n.a.	13.4%	10.6%	9.9%	9.8%	-2%	-1%	-1%	n.a.
Total capital	17.9%	19.3%	16.2%	15.3%	n.a.	18.4%	16.2%	15.3%	15.2%	-1%	0%	0%	n.a.
Net loans	39,266	37,959	31,670	34,771	n.a.	39,816	35,882	38,976	41,098	5%	13%	12%	n.a.
Gross loans	48,731	48,027	36,066	37,245	n.a.	48,331	41,468	39,840	40,636	1%	15%	7%	n.a.
Deposits	40,364	40,970	41,994	43,044	n.a.	41,979	43,658	45,186	46,768	2%	4%	5%	n.a.
NPEs	21,827	20,993	9,869	5,446	n.a.	20,845	9,746	7,176	4,476	-1%	-1%	32%	n.a.
NPE ratio	44.8%	44.5%	24.0%	14.9%	n.a.	43.1%	21.5%	16.6%	10.2%	-1%	-2%	2%	n.a.
NPE coverage	43.8%	48.0%	44.5%	45.4%	n.a.	45.6%	48.1%	47.9%	50.0%	-2%	4%	2%	n.a.

Source: Company data and AXIA Research.

## Alpha Bank: Financial Estimates

	2019	2020E	2021E	2022E	2023E
<b>PROFIT &amp; LOSS (EUR mn)</b>					
Net interest income	1,547	1,530	1,420	1,464	1,504
Net commission income	340	337	353	381	403
Trading income	399	438	380	160	159
Other operating income	24	24	28	30	32
<b>Total revenues</b>	<b>2,310</b>	<b>2,330</b>	<b>2,181</b>	<b>2,036</b>	<b>2,098</b>
<b>Costs</b>	<b>-1,175</b>	<b>-1,063</b>	<b>-1,106</b>	<b>-1,056</b>	<b>-1,027</b>
<b>Pre-provision income</b>	<b>1,136</b>	<b>1,267</b>	<b>1,075</b>	<b>980</b>	<b>1,071</b>
Loan loss charge	-995	-997	-2,593	-622	-418
<i>o/w hive down costs</i>	0	0	-2,000	0	0
Other	4	-15	0	0	0
<b>Pre-tax profit</b>	<b>145</b>	<b>256</b>	<b>-1,518</b>	<b>358</b>	<b>653</b>
Tax	-48	-40	-56	-58	-81
Minorities	0	0	0	0	0
<b>Net profit</b>	<b>97</b>	<b>216</b>	<b>-1,574</b>	<b>300</b>	<b>572</b>
<b>Adj. Net profit</b>	<b>97</b>	<b>216</b>	<b>426</b>	<b>300</b>	<b>572</b>
<b>BALANCE SHEET (EUR mn)</b>					
<b>ASSETS</b>					
Interbank	3,333	2,966	2,966	2,996	3,026
Net customer loans	39,173	39,816	35,882	38,976	41,098
Securities	8,684	10,421	10,473	10,525	10,578
Intangibles	492	581	575	569	564
Other assets	11,776	15,053	13,424	13,711	14,248
<b>Total assets</b>	<b>63,458</b>	<b>68,836</b>	<b>63,320</b>	<b>66,776</b>	<b>69,513</b>
<b>LIABILITIES</b>					
Customer deposits	40,364	41,979	43,658	45,186	46,768
<b>Total liabilities</b>	<b>54,982</b>	<b>60,292</b>	<b>56,549</b>	<b>59,706</b>	<b>61,871</b>
<b>Shareholders' Equity</b>	<b>8,432</b>	<b>8,500</b>	<b>6,726</b>	<b>7,026</b>	<b>7,598</b>
<b>Total liabilities and equity</b>	<b>63,458</b>	<b>68,836</b>	<b>63,320</b>	<b>66,776</b>	<b>69,513</b>
<b>Tangible Equity</b>	<b>7,939</b>	<b>7,963</b>	<b>6,150</b>	<b>6,500</b>	<b>7,078</b>
<b>Interest earning assets</b>	<b>51,189</b>	<b>53,203</b>	<b>49,321</b>	<b>52,496</b>	<b>54,702</b>
<b>Gross loans</b>	<b>48,731</b>	<b>49,313</b>	<b>40,566</b>	<b>42,410</b>	<b>43,336</b>
<b>Capital (EUR mn; %)</b>					
CET1	8,495	7,995	5,591	5,460	5,601
CET1 ratio	17.9%	17.3%	13.6%	12.7%	12.6%
Total Regulatory Capital	17.9%	18.4%	16.2%	15.3%	15.2%
<b>Risk-weighted assets</b>	<b>47,483</b>	<b>46,318</b>	<b>41,027</b>	<b>42,934</b>	<b>44,293</b>
<b>Profitability ratios (%)</b>					
Return on assets (adj.)	0.16%	0.33%	0.65%	0.46%	0.84%
Return on equity (adj.)	1.2%	2.6%	5.6%	4.4%	7.8%
Return on tangible equity (adj.)	1.2%	2.7%	6.0%	4.7%	8.4%
Cost-to-income	50.8%	45.6%	50.7%	51.9%	49.0%
Cost-to-assets	1.9%	1.6%	1.7%	1.6%	1.5%
NII/Interest earning assets	3.1%	2.9%	2.8%	2.9%	2.8%
NII/Total revenues	67.0%	65.7%	65.1%	71.9%	71.7%
<b>Asset quality (%)</b>					
LLC/Gross Loans	1.97%	2.03%	5.77%	1.50%	0.98%
LLC/Net Loans	2.51%	2.52%	6.85%	1.66%	1.04%
LLC/Risk-weighted assets	2.1%	2.1%	5.9%	1.5%	1.0%
Loan loss reserve	9,558	9,497	4,684	3,435	2,238
NPEs	21,827	20,845	9,746	7,176	4,476
NPE ratio	44.8%	43.1%	21.5%	16.6%	10.2%
NPE coverage	43.8%	45.6%	48.1%	47.9%	50.0%
<b>Per share data (EUR)</b>					
Number of shares (year-end)	1,544	1,544	1,544	1,544	1,544
Adj. EPS	0.06	0.14	0.28	0.19	0.37
Book value	5.46	5.51	4.36	4.55	4.92
Tangible Book Value	5.14	5.16	3.98	4.21	4.59

Source: Company data and AXIA Research.

## Disclosures

## General information

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AXIA Research 12-month rating*	
Buy	The stock to generate total return** of and above 10% within the next 12-months
Neutral	The stock to generate total return** between -10% and 10% within the next 12-months
Sell	The stock to generate total return** of and below -10% within the next 12 months
Under Review	Stock's target price or rating is subject to possible change
Restricted	Applicable Laws / Regulation and AXIA Ventures Group Limited policies might restrict certain types of communication and investment recommendations
Not Rated	There is no rating for the company by AXIA Ventures Group Limited

\* Exceptions to the bands may be granted by the Investment Review Committee of AXIA taking into account specific characteristics of the Subject Company

\*\*Total return: % price appreciation equals the percentage change in share price from current price to projected target price plus projected dividend yield.

Rating history for Alpha Bank S.A.			
Date	Rating	Share Price (€)	Target Price (€)
07/10/2013	Buy	0.59	0.65
27/06/2014	Buy	0.68	0.95
27/02/2015	Neutral	0.397	0.60
06/07/2015	Under Review	n/a	n/a
21/12/2015	Buy	2.55	3.10
27/03/2017	Under review	1.64	Under review
05/05/2017	Buy	2.23	3.00
09/01/2018	Buy	1.91	2.60
11/10/2018	Buy	1.16	2.00
17/12/2018	Buy	1.24	2.25
03/07/2019	Restricted	1.75	N/A
25/09/2019	Buy	1.70	2.15
16/12/2019	Buy	1.90	2.50
22/05/2020	Buy	0.50	1.30
25/02/2021	Buy	0.77	2.40

## AXIA Ventures Group Limited Rating Distribution as of today

Coverage Universe	Count	Percent	Of which Investment Banking Relationships		
			Count	Percent	
Buy	15	79.0%	4	4	21%
Neutral	2	10.5%			
Sell					
Restricted					
Not Rated					
Under Review	2	10.5%			

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