

Italian Mid Small Caps Monthly

Selective Approach Confirmed, Liquidity Picture Still Weak

by Intermonte Research Team

Italian Equity Market

- **Performance (-).** The Italian equity market (prices as at 19 April 2023) has risen 9.1% in the last month and is up 17.1% YtD. The FTSE Italy Mid-Cap index (+5.8%) has underperformed the main index by 3.3% in the last month (-5.4% YtD on a relative basis), with the FTSE Italy Small Caps index (+2.0%) performing 7.2% below the market in the last month, and -9.0% on a relative basis since the beginning of 2023. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 4.7% in the last month, slightly underperforming Italian mid-caps.
- **Estimates (-).** Since the beginning of 2023, we have implemented a +4.3% upward revision to our 2023 EPS estimates, with a more limited revision (+2.7%) to 2024 EPS; focusing on our mid/small cap coverage, we have raised 2023 EPS by 1.9% since 1 January 2023. Notably, in the last month we have cut 2023 and 2024 EPS forecasts for our mid/small cap coverage by 0.9% and 0.4% respectively, with small caps seeing a more severe reduction. Our new estimates are consistent with a more volatile macro scenario.
- **Valuations (=).** If we compare YtD performance to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 13.2% re-rating YtD (the same metric was +2.6% one month ago); mid-caps have re-rated by 9.7%, while small caps have re-rated by 16.7%. On a P/E basis, our panel is trading at a 47% premium to large caps, well above the historical average premium (17%) and in line with the level one month ago (46%).
- **Liquidity (-).** Looking at official Italian index trends, we note that liquidity for large caps in the last month (measured by multiplying average volumes by average prices in a specific period) is above the yearly average, at 9.8% higher than the 1Y average, but one month ago the same metric was +39.7%. Liquidity for mid-caps also showed a similar trend at 16.8% above the 1Y average, while for small caps the same metric is +12.5%.
- **Investment strategy.** Market volatility has remained high driven by continuing changing factors, making it hard for active investors to perform. Reopening in China has been an important trigger, and there are increasing hopes for a return of tourists to Europe. At the same time, political tensions, especially between China and the US, are destabilising the macro picture. In this scenario, we suggest remaining focused on quality stocks, especially names exposed to visible industry trends such as the digital revolution, sustainability, the green transition, or healthcare for an ageing population. However, we also see some opportunities among value stocks that are market leaders in their industries, given that the macro picture is proving more resilient than previously expected, especially in Europe. Among mid/small caps liquidity remains an issue, especially in relation to significant outflows from PIR funds which, on average, represent about 10% of the float for this segment. On a positive note, we point out that the Italian government has recently approved a package of reforms (the so-called “Capitali Bill”) aimed at facilitating equity capital market financing for Italian SMEs, which will be able to benefit from greater flexibility on governance and a fast-track listing process. While it is too early to say what impact these measures will have, this incentive could help improve momentum in the sector after a period of subdued flows and lack of listings in the mid-caps arena.

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Performance

Mid and Small caps underperforming large caps in a positive month

The Italian equity market (prices as at 19 April 2023) has risen 9.1% in the last month and is up 17.1% YtD. The FTSE Italy Mid-Cap index (+5.8%) has underperformed the main index by 3.3% in the last month (-5.4% YtD on a relative basis), with the FTSE Italy Small Caps index (+2.0%) performing 7.2% below the market in the last month, and -9.0% on a relative basis since the beginning of 2023.

Italian Market Indexes – performance analysis (prices as at 19 April 2023)

Index	Price (Eu)	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years	% Change 3 Years	% Change 5 Years
FTSE Italia Mid Cap	43,968	5.8%	4.1%	22.5%	11.7%	1.7%	-1.3%	43.6%	3.6%
FTSE Italia Small Cap	29,996	2.0%	2.0%	13.5%	8.1%	-1.8%	16.0%	78.1%	29.7%
FTSE Italia Star	48,789	2.1%	-0.6%	14.9%	5.4%	-7.9%	-4.3%	51.9%	30.6%
FTSE AIM ITALIA	9,270	0.9%	-2.7%	3.8%	0.2%	-10.8%	1.4%	35.0%	-1.1%
FTSE Italia All-Share	30,122	9.1%	8.6%	29.1%	17.1%	12.0%	11.6%	61.3%	15.8%
FTSE MIB	27,934	9.6%	9.1%	30.1%	17.8%	13.4%	13.1%	63.8%	17.4%
Relative Performance vs FTSE Italy All Share		% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years	% Change 3 Years	% Change 5 Years
FTSE Italia Mid Cap		-3.3%	-4.5%	-6.6%	-5.4%	-10.3%	-12.9%	-17.7%	-12.2%
FTSE Italia Small Cap		-7.2%	-6.6%	-15.6%	-9.0%	-13.8%	4.4%	16.8%	13.9%
FTSE Italia Star		-7.0%	-9.2%	-14.2%	-11.7%	-19.9%	-15.9%	-9.4%	14.8%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 4.7% in the last month, slightly underperforming Italian mid-caps.

European Market Indexes – performance analysis

Index	Price	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years	% Change 3 Years	% Change 5 Years
MSCI Europe	157	7.4%	4.0%	17.6%	10.4%	3.3%	7.5%	40.9%	22.2%
MSCI Europe Small Cap	405	4.7%	0.3%	15.4%	6.7%	-10.2%	-13.6%	34.3%	6.3%

Source: FactSet

For individual stocks, in the following tables we rank the best and worst performers over two periods: the last month and the year to date.

Intermonte Mid & Small Cap Coverage – best and worst performers, 1M

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
IREN	1.92	2,491	23%
THE ITALIAN SEA GROUP	8.70	461	20%
MARR	13.34	887	18%
TIP	8.50	1,567	17%
NOTORIOUS PICTURES	1.73	39	16%
INTERCOS	16.14	1,554	16%
SALCEF GROUP	21.00	1,310	16%
BRUNELLO CUCINELLI	88.35	6,008	14%
MEDIA FOR EUROPE	0.72	1,550	13%
EMAK	1.20	197	13%
MAIRE TECNIMONT	4.10	1,347	13%
MONDADORI	1.99	521	13%
UNIPOLSAI	2.44	6,899	13%
OVS GROUP	2.65	771	12%
TOD'S	38.66	1,279	11%
BANCA IFIS	15.09	812	11%
DOVALUE	6.39	511	10%
TECHNOGYM	8.27	1,664	9%
PIAGGIO	4.06	1,456	9%
ANIMA	3.87	1,340	9%
FTSE Italia Mid Cap			6%
FTSE Italia Small Cap			2%
FTSE MIB			10%
Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
ILBE	0.91	22	-12%
SERI INDUSTRIAL	5.23	282	-12%
SARAS	1.25	1,190	-11%
SAES GETTERS	29.05	598	-9%
AQUAFIL	4.89	209	-8%
EL.EN.	11.94	954	-8%
DATALOGIC	7.43	434	-6%
CY4GATE	8.96	211	-6%
PHARMANUTRA	53.00	513	-6%
REPLY	106.80	3,996	-5%
GPI	12.48	361	-5%
REVO INSURANCE	7.94	195	-4%
TINEXTA	19.27	910	-4%
DE' LONGHI	20.34	3,073	-4%
SECO	4.68	612	-3%
ABITARE IN	5.32	142	-3%
ELICA	2.87	182	-2%
INDEL B	24.50	143	-2%
BANCA SISTEMA	1.36	109	-1%
CYBEROO	5.88	117	-1%

Source: FactSet

Intermonte Mid & Small Cap Coverage – best and worst performers YTD

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
THE ITALIAN SEA GROUP	8.70	461	53%
TXT E-SOLUTIONS	19.38	252	51%
PIAGGIO	4.06	1,456	45%
WEBUILD	1.98	1,995	44%
CYBEROO	5.88	117	40%
GEOX	1.10	286	37%
MAIRE TECNIMONT	4.10	1,347	32%
IREN	1.92	2,491	30%
ESPRINET	8.70	439	29%
MEDIA FOR EUROPE	0.72	1,550	28%
BREMBO	13.37	4,465	28%
BRUNELLO CUCINELLI	88.35	6,008	28%
CEMENTIR	7.84	1,248	28%
TOD'S	38.66	1,279	28%
INTERCOS	16.14	1,554	27%
BFF BANK	9.42	1,748	27%
OVS GROUP	2.65	771	26%
SAES GETTERS	29.05	598	23%
BUZZI-UNICEM	22.04	4,245	22%
NOTORIOUS PICTURES	1.73	39	21%
FTSE Italia Mid Cap			12%
FTSE Italia Small Cap			8%
FTSE MIB			18%
Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
ILBE	0.91	22	-24%
AQUAFIL	4.89	209	-20%
EL.EN.	11.94	954	-16%
UNIDATA	39.30	121	-16%
TINEXTA	19.27	910	-15%
PHARMANUTRA	53.00	513	-15%
GPI	12.48	361	-14%
SECO	4.68	612	-13%
BANCA SISTEMA	1.36	109	-11%
SOMEK	28.90	199	-11%
SAFILO	1.36	561	-11%
DOVALUE	6.39	511	-11%
DATALOGIC	7.43	434	-11%
REVO INSURANCE	7.94	195	-8%
SCIUKER FRAMES	6.50	141	-8%
ABITARE IN	5.32	142	-7%
IGD	2.94	324	-6%
AVIO	9.17	242	-4%
ELICA	2.87	182	-3%
DE' LONGHI	20.34	3,073	-3%

Source: FactSet

Earnings Momentum

Forecasts for our mid/small cap coverage trimmed in the last month

Since the beginning of 2023, we have implemented a +4.3% upward revision to our 2023 EPS estimates, with a more limited revision (+2.7%) to 2024 EPS; focusing on our mid/small cap coverage, we have raised 2023 EPS by 1.9% since 1 January 2023. Notably, in the last month, we have cut 2023 and 2024 EPS forecasts for our mid/small cap coverage by 0.9% and 0.4% respectively, with small caps seeing a more severe reduction. Our new estimates are consistent with a more volatile macro scenario.

Italian Market – Intermonte changes to 2022 and 2023 estimates

EPS REVISION	Since January 1st 2023		Since 20/3/2023	
	% chg in EPS FY23	% chg in EPS FY24	% chg in EPS FY23	% chg in EPS FY24
Total Market	4.3%	2.7%	-0.2%	-0.2%
Total Market - Ex Energy	5.1%	3.6%	-0.2%	-0.2%
Domestic	2.4%	-1.0%	0.1%	-0.1%
Non domestic	6.3%	6.7%	-0.6%	-0.4%
Non domestic - Ex Energy	5.4%	6.8%	-0.5%	-0.3%
FTSE MIB	4.6%	2.7%	-0.2%	-0.2%
Mid Caps (our coverage)	1.9%	3.6%	-0.6%	-0.3%
Small Caps (our coverage)	-8.6%	-7.3%	-3.5%	-2.0%
Intermonte Mid&Small Caps coverage	0.9%	2.4%	-0.9%	-0.4%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2023 adjusted net profit estimates YtD.

Intermonte Mid & Small Cap Coverage - largest changes to 2022 est. (up/down) YTD

Stock	Restated Net Profit 23 as of 31/12/22	Restated net profit 23 last estimate	% chg from 31/12/22
Upward Revision			
GEOX	9	16	86.4%
AUTOGRILL	108	149	38.7%
WEBUILD	153	204	33.1%
PIAGGIO	91	114	24.2%
REEVO	2	3	20.1%
OMER	7	8	18.9%
CREDITO EMILIANO	294	341	15.9%
BUZZI-UNICEM	477	546	14.6%
RAI WAY	80	90	12.2%
MAIRE TECNIMONT	106	118	12.0%
Downward Revision			
FINCANTIERI	126	-26	-120.5%
SERI INDUSTRIAL	12	-1	-105.7%
AQUAFIL	25	17	-33.8%
BANCA SISTEMA	28	19	-31.9%
CYBEROO	9	7	-26.6%
SERVIZI ITALIA	7	5	-25.3%

Source: Intermonte SIM

Valuation

Mid/small cap valuation premium stable in the last month

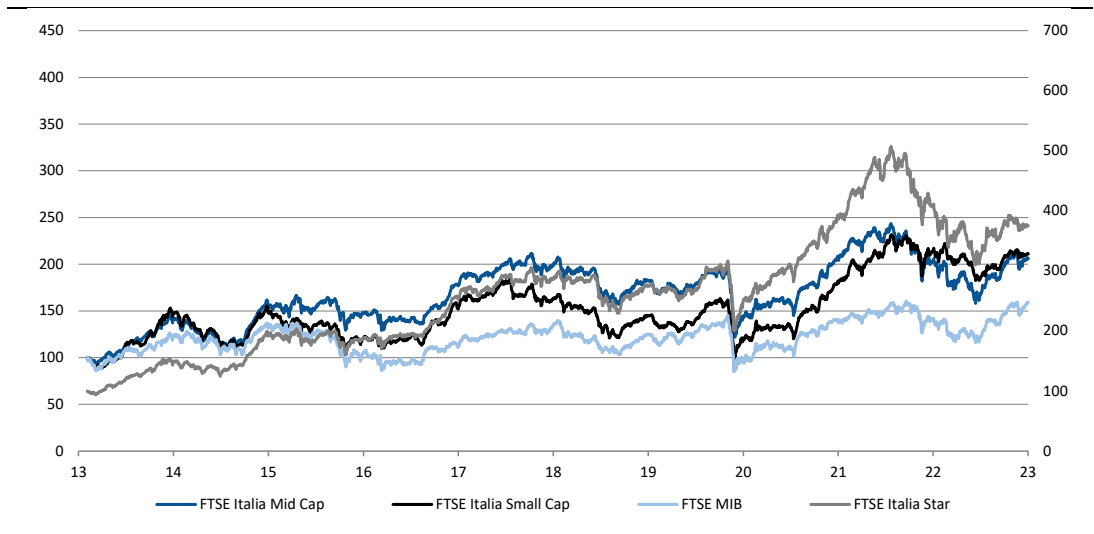
If we compare YtD performance to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 13.2% re-rating YtD (the same metric was +2.6% one month ago); mid-caps have re-rated by 9.7%, while small caps have re-rated by 16.7%.

Italian Market – re/de-rating by index

Index	% Change YTD	on FY23 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	17.8%	4.6%	13.2%
FTSE Italia Mid Cap	11.7%	1.9%	9.7%
FTSE Italia Small Cap	8.1%	-8.6%	16.7%

Source: Intermonte SIM and FactSet

Italian Market Indices – performances for the last 10 years (base 100)

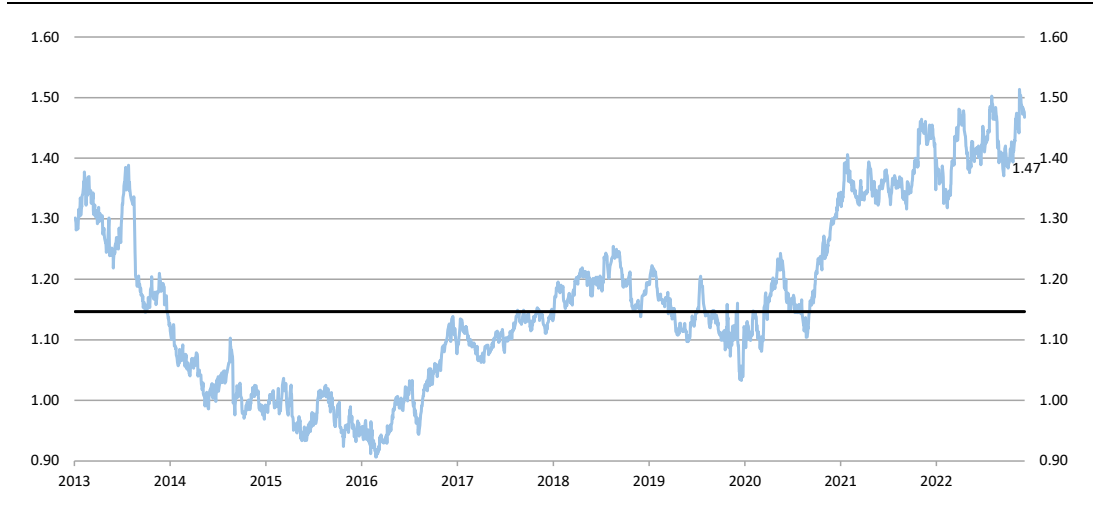


Source: FactSet

In addition to our analysis of the main Italian market indices, we have also compared valuations for our panel of Italian mid/small caps against the main FTSE MIB index.

On a P/E basis, our panel is trading at a 47% premium to large caps, well above the historical average premium (17%) and in line with the level one month ago (46%).

Intermonte Mid & Small Cap Panel – next twelve months' P/E relative to FTSE MIB, last 10 years



Source: Intermonte SIM and FactSet

The table on the next page shows the stocks in our mid/small cap coverage that have posted the largest re-ratings/de-ratings since January 2023, based on 2023 estimates.

European Market – Valuations

	P/E11	P/E12	P/E13	P/E14	P/E15	P/E16	P/E17	P/E18	P/E19	P/E20	P/E21	P/E22	P/E23	P/E23 vs Italian Equivalent	Last 10Y Median	Premium vs Avg
FTSE MIB	14.9 x	12.8 x	11.4 x	11.4 x	18.8 x	19.7 x	16.7 x	n.m.	15.7 x	21.6 x	11.5 x	8.6 x	8.4 x	-	15.7 x	-46.5%
FTSE Italy Mid	18.0 x	17.3 x	15.4 x	15.4 x	22.0 x	20.2 x	16.6 x	18.4 x	19.2 x	60.7 x	18.3 x	15.5 x	12.9 x	-	18.3 x	-29.8%
FTSE Italy Smz	35.8 x	23.9 x	60.5 x	34.2 x	nm	nm	18.9 x	14.5 x	nm	51.5 x	20.2 x	14.9 x	10.4 x	-	18.9 x	-44.9%
Germany DA	11.3 x	14.6 x	16.5 x	12.9 x	15.5 x	14.3 x	14.2 x	14.8 x	20.5 x	20.8 x	13.1 x	12.4 x	11.0 x	31.2%	14.3 x	-22.8%
Germany MD	30.2 x	28.8 x	24.4 x	16.7 x	19.7 x	21.6 x	16.3 x	21.0 x	55.5 x	43.8 x	26.6 x	16.4 x	14.3 x	11.1%	20.3 x	-29.7%
France CAC 4i	14.1 x	15.9 x	17.5 x	16.1 x	16.2 x	16.1 x	15.3 x	16.0 x	28.6 x	28.6 x	15.6 x	13.1 x	13.4 x	59.1%	16.0 x	-16.6%
France CAC N	18.2 x	23.1 x	26.0 x	20.4 x	20.4 x	36.8 x	16.2 x	15.6 x	623.1 x	-31.9 x	20.2 x	13.3 x	11.6 x	-9.7%	18.2 x	-36.2%
France CAC S	n.m.	28.5 x	24.9 x	25.3 x	26.5 x	32.9 x	31.0 x	32.6 x	-56.1 x	-77.1 x	45.0 x	23.8 x	16.3 x	56.7%	25.9 x	-37.0%
FTSE 100	12.2 x	15.0 x	14.8 x	15.3 x	18.2 x	14.7 x	13.2 x	12.6 x	21.8 x	21.1 x	13.0 x	10.5 x	10.6 x	26.6%	14.0 x	-23.8%
FTSE 250	16.1 x	19.0 x	19.8 x	17.3 x	16.5 x	14.6 x	12.7 x	13.4 x	43.1 x	43.8 x	21.2 x	14.3 x	9.8 x	-24.0%	15.5 x	-37.1%
IBEX 35	18.8 x	19.5 x	19.9 x	19.4 x	15.8 x	13.3 x	13.7 x	13.0 x	32.1 x	34.8 x	11.9 x	10.8 x	11.1 x	32.1%	13.5 x	-18.0%
IBEX MEDIUM	18.3 x	28.6 x	18.1 x	20.5 x	18.9 x	20.9 x	17.0 x	13.8 x	20.4 x	20.4 x	15.4 x	14.5 x	12.3 x	-4.1%	18.0 x	-31.3%

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – de-rating/re-rating on 2023 estimates since Jan 2023

Stock	Restated Net Profit 23 as of 31/12/22	Restated net profit 23 last estimate	% Chg in Net Profit 23	Share Price perf. 31/12/22	De-rating(-) Re-rating(+)
FINCANTIERI	126.0	-25.9	-121%	7%	127%
SERI INDUSTRIAL	11.6	-0.7	-106%	(0%)	105%
CYBEROO	9.1	6.7	-27%	40%	67%
THE ITALIAN SEA GROUP	34.3	35.1	2%	53%	51%
TXT E-SOLUTIONS	13.3	14.7	10%	51%	41%
SERVIZI ITALIA	6.5	4.9	-25%	11%	36%
TESMEC	16.4	13.4	-18%	16%	35%
ESPRINET	59.5	58.1	-2%	29%	31%
IREN	257.5	260.5	1%	30%	29%
BFF BANK	185.3	181.3	-2%	27%	29%
INTERCOS	56.5	56.5	0%	27%	27%
MEDIA FOR EUROPE	217.1	223.3	3%	28%	25%
SAES GETTERS	33.1	33.1	0%	23%	23%
CEMENTIR	157.6	165.9	5%	28%	22%
BREMBO	281.8	298.7	6%	28%	22%
FERRAGAMO	50.4	41.6	-18%	4%	21%
TOD'S	34.4	36.6	6%	28%	21%
NOTORIOUS PICTURES	5.5	5.5	0%	21%	21%
BANCA SISTEMA	27.9	19.0	-32%	(11%)	21%
TECHNOGYM	90.2	85.6	-5%	16%	21%
PIAGGIO	91.4	113.6	24%	45%	21%
MAIRE TECNIMONT	105.6	118.3	12%	32%	20%
SABABA SECURITY	2.4	2.4	0%	20%	20%
WIIT	19.3	17.8	-8%	11%	19%
BRUNELLO CUCINELLI	90.3	100.1	11%	28%	17%
ALKEMY	6.9	6.7	-2%	14%	16%
CY4GATE	14.5	11.8	-19%	(3%)	16%
IGD	70.5	55.6	-21%	(6%)	16%
OVS GROUP	58.6	64.8	11%	26%	15%
MARR	51.4	52.9	3%	17%	14%
DOVALUE	56.8	42.8	-25%	(11%)	14%
AQUAFIL	25.5	16.9	-34%	(20%)	13%
FILA	45.8	42.0	-8%	3%	12%
WEBUILD	153.4	204.1	33%	44%	11%
SALCEF GROUP	64.7	70.8	9%	21%	11%
UNIPOLSAI	741.8	717.4	-3%	6%	9%
BUZZI-UNICEM	476.6	546.3	15%	22%	8%
SOMEK	12.6	10.4	-18%	(11%)	7%
SARAS	278.9	285.5	2%	9%	7%
ENAV	107.8	108.0	0%	6%	6%
MATICA FINTEC	2.8	2.6	-6%	(1%)	5%
DE' LONGHI	217.0	201.0	-7%	(3%)	4%
ELICA	24.1	22.3	-8%	(3%)	4%
ANIMA	175.3	174.0	-1%	3%	4%
RELATECH	8.1	8.1	0%	4%	4%
CIVITANAVI SYSTEMS	7.3	7.5	2%	5%	3%
BANCA IFIS	121.1	134.7	11%	13%	2%
MONDADORI	56.3	61.3	9%	10%	2%
LU-VE	33.3	36.2	9%	9%	1%
FINE FOODS	8.3	8.3	0%	0%	0%
SESA	100.5	100.3	0%	0%	0%
REPLY	204.8	204.5	0%	(0%)	(0%)
EMAK	27.1	28.1	4%	3%	(1%)
ACEA	304.0	314.9	4%	3%	(1%)
EL.EN.	62.8	53.2	-15%	(16%)	(1%)
GREENTHESIS	15.7	15.7	0%	(1%)	(1%)
GPI	20.7	18.4	-11%	(14%)	(2%)
INDEL B	16.1	16.1	0%	(2%)	(2%)
IEG	10.1	10.9	8%	4%	(3%)
TINEXTA	58.7	51.7	-12%	(15%)	(3%)
RAI WAY	79.9	89.7	12%	8%	(4%)
AVIO	3.6	3.6	0%	(4%)	(4%)
OMER	6.7	8.0	19%	11%	(8%)
SCIUKER FRAMES	30.0	30.0	0%	(8%)	(8%)
CREDITO EMILIANO	293.9	340.5	16%	8%	(8%)
DATALOGIC	31.7	31.7	0%	(11%)	(11%)
SAFILO	23.7	23.7	0%	(11%)	(11%)

Source: Intermonte SIM

Liquidity

Mid/small cap liquidity slightly down compared to one month ago

Looking at official Italian index trends, we note that liquidity for large caps in the last month (measured by multiplying average volumes by average prices in a specific period) is above the yearly average, at 9.8% higher than the 1Y average, but one month ago the same metric was +39.7%. Liquidity for mid-caps also showed a similar trend at 16.8% above the 1Y average, while for small caps the same metric is +12.5%.

Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn)					% Changes	
	1M	3M	6M	1Y	3Y	1M vs 1Y	3M vs 1Y
FTSE MIB							
All stocks	50.40	56.74	48.96	45.91	50.39	9.8%	23.6%
Top 20% by market cap	159.10	178.68	151.84	143.54	151.32	10.8%	24.5%
FTSE Italia Mid Cap							
All stocks	2.21	2.36	1.97	1.90	2.55	16.8%	24.3%
Top 20% by market cap	4.14	4.19	3.50	3.51	5.10	18.1%	19.3%
FTSE Italia Small Cap							
All stocks	0.22	0.24	0.21	0.19	0.32	12.5%	26.0%
Top 20% by market cap	0.54	0.62	0.51	0.45	0.67	20.0%	37.4%

Source: FactSet

For individual stocks, the following table ranks liquidity in our mid/small cap coverage.

Intermonte Mid & Small Cap Coverage – most liquid stocks

Stock	Market Cap (Eu mn)	6M Avg Volume * Avg Price (Eu)
SARAS	1,190	10,548,854
BUZZI-UNICEM	4,245	7,296,571
BRUNELLO CUCINELLI	6,008	5,567,759
BFF BANK	1,748	5,548,630
REPLY	3,996	4,711,971
BREMBO	4,465	4,330,688
ANIMA	1,340	3,977,349
TOD'S	1,279	3,798,048
AUTOGRILL	2,501	3,738,169
WEBUILD	1,995	3,108,882
IREN	2,491	3,074,141
FERRAGAMO	2,891	2,923,467
UNIPOLSAI	6,899	2,799,591
OVS GROUP	771	2,673,457
TECHNOGYM	1,664	2,440,692
MAIRE TECNIMONT	1,347	2,368,747
DE' LONGHI	3,073	2,368,129
PIAGGIO	1,456	2,284,652
BANCA IFIS	812	2,229,174
SESA	1,797	1,817,523
CREDITO EMILIANO	2,434	1,693,238
TIP	1,567	1,384,998
ENAV	2,274	1,347,728
ESPRINET	439	1,251,536
EL. EN.	954	1,237,905
TINEXTA	910	1,161,922
FINCANTIERI	960	1,110,460
MARR	887	1,022,565
MEDIA FOR EUROPE	1,550	1,007,373

Source: FactSet

Criteria for investing in mid/small caps

Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY22)

Stock	Italy	Europe (incl. Russia, UK, Turkey)	North America (incl. Mexico)	South America	Asia (incl. China, India, South East Asia)	RoW (Africa, Middle East, Australia, Japan)
Intermonte Coverage	61%	19%	10%	1%	5%	3%

Source: Company data and Intermonte SIM (financial companies excluded from the sample)

A ranking of stocks with the highest expected earnings growth for 2023 vs. 2022, and the highest 2023 dividend yields, can be found in the following tables.

Intermonte Mid & Small Cap Coverage – dividend yield 2023

Stock	Price (Eu)	Mkt Cap (Eu mn)	EPS 23	DPS 23	Yield 23 %	PayOut 23 %	Net Debt/EBITDA 23
DOVALUE	6.4	511	0.535	0.720	11.3%	135%	2.2x
IGD	2.9	324	0.504	0.309	10.5%	61%	9.2x
BFF BANK	9.4	1,748	0.978	0.978	10.4%	100%	
BANCA IFIS	15.1	812	2.504	1.450	9.6%	58%	
SARAS	1.3	1,190	0.300	0.120	9.6%	40%	-0.2x
UNIPOLSAI	2.4	6,899	0.258	0.170	7.0%	66%	
ESPRINET	8.7	439	1.153	0.577	6.6%	50%	-0.3x
ANIMA	3.9	1,340	0.526	0.250	6.5%	48%	
ACEA	13.3	2,828	1.479	0.851	6.4%	58%	3.7x
SCIUKER FRAMES	6.5	141	1.383	0.415	6.4%	30%	-0.5x
IREN	1.9	2,491	0.200	0.121	6.3%	60%	3.3x
EMAK	1.2	197	0.172	0.069	5.7%	40%	2.1x
NOTORIOUS PICTURES	1.7	39	0.245	0.098	5.7%	40%	1.2x
MEDIA FOR EUROPE	0.7	1,550	0.081	0.040	5.6%	49%	1.0x
PIAGGIO	4.1	1,456	0.321	0.225	5.5%	70%	1.0x
MONDADORI	2.0	521	0.235	0.110	5.5%	47%	1.1x
RAI WAY	5.9	1,594	0.330	0.322	5.5%	98%	1.0x
CREDITO EMILIANO	7.1	2,434	0.998	0.360	5.0%	36%	
ENAV	4.2	2,274	0.199	0.203	4.8%	102%	1.2x
MARR	13.3	887	0.795	0.636	4.8%	80%	1.6x
BANCA SISTEMA	1.4	109	0.236	0.059	4.3%	25%	
MAIRE TECNIMONT	4.1	1,347	0.360	0.165	4.0%	46%	0.1x
GPI	12.5	361	0.650	0.500	4.0%	77%	2.1x
TECHNOGYM	8.3	1,664	0.426	0.327	4.0%	77%	-1.0x
DATALOGIC	7.4	434	0.543	0.250	3.4%	46%	0.7x
CEMENTIR	7.8	1,248	1.043	0.260	3.3%	25%	-0.6x
IEG	2.6	79	0.352	0.080	3.1%	23%	2.4x
WEBUILD	2.0	1,995	0.206	0.060	3.0%	29%	-0.4x
THE ITALIAN SEA GROUP	8.7	461	0.662	0.258	3.0%	39%	0.0x
INDEL B	24.5	143	2.762	0.700	2.9%	25%	0.3x

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – EPS growth, 2024 vs 2023

Stock	Price (Eu)	Mkt Cap (Eu mn)	P/E 23	P/E 24	EPS Growth
AVIO	9.2	242	68.9	21.3	223%
GEOX	1.1	286	17.9	8.7	105%
FERRAGAMO	17.1	2,891	69.6	38.1	83%
CYBEROO	5.9	117	17.5	10.4	69%
SABABA SECURITY	4.0	30	12.5	7.8	60%
FINE FOODS	8.4	184	25.7	16.1	60%
SERVIZI ITALIA	1.3	42	8.6	5.4	59%
TOD'S	38.7	1,279	35.0	22.2	57%
SOMECC	28.9	199	19.2	12.3	56%
SECO	4.7	612	22.7	14.7	55%
NOTORIOUS PICTURES	1.7	39	7.1	4.8	46%
AQUAFIL	4.9	209	14.8	10.2	46%
TESMEC	0.2	99	7.3	5.1	44%
REVO INSURANCE	7.9	195	13.1	9.7	35%
TECHNOGYM	8.3	1,664	19.4	14.4	35%
GPI	12.5	361	19.2	14.3	34%
THE ITALIAN SEA GROUP	8.7	461	13.1	9.9	33%
AUTOGRILL	6.5	2,501	16.8	12.7	32%
REEVO	13.8	70	25.7	19.7	30%
MATICA FINTEC	2.6	28	10.6	8.2	30%
WEBUILD	2.0	1,995	9.6	7.4	30%
CIVITANAVI SYSTEMS	3.6	111	14.9	11.7	28%
WIIT	20.0	560	31.4	24.7	27%
INDEL B	24.5	143	8.9	7.1	25%
UNIDATA	39.3	121	12.6	10.1	24%
TINEXTA	19.3	910	17.6	14.4	22%
IEG	2.6	79	7.3	6.0	22%
CY4GATE	9.0	211	17.9	14.7	22%
MARR	13.3	887	16.8	13.8	21%
DATALOGIC	7.4	434	13.7	11.3	21%
ESPRINET	8.7	439	7.5	6.2	21%
ALKEMY	12.5	71	10.6	8.8	21%
DOVALUE	6.4	511	11.9	10.1	18%
SALCEF GROUP	21.0	1,310	18.5	15.7	18%
PIAGGIO	4.1	1,456	12.7	10.7	18%
OVS GROUP	2.7	771	11.9	10.1	18%
BANCA IFIS	15.1	812	6.0	5.1	17%
EL. EN.	11.9	954	17.6	15.1	17%
PHARMANUTRA	53.0	513	34.9	30.1	16%

Source: Intermonte SIM and FactSet

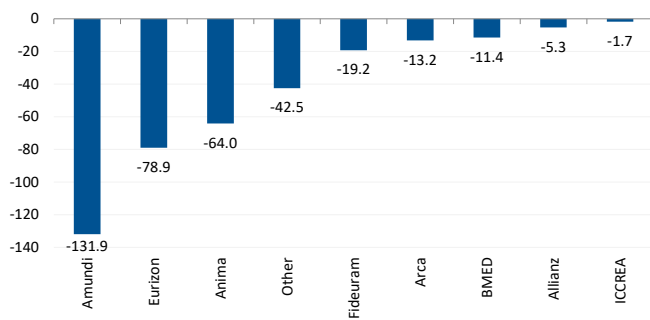
Update on the Individual Savings Plan (PIR)

PIR: official figures for 4Q22

	4Q22 (Eu mn)	3Q22 (Eu mn)	2Q22 (Eu mn)	1Q22 (Eu mn)	4Q21 (Eu mn)	FY21 (Eu mn)	FY20 (Eu mn)	FY19 (Eu mn)	FY18 (Eu mn)	Nr. Of Funds		Invested Capital	
										at December 2022 # Funds	%	at December 2022 (Eu mn)	in %
Ordinary PIR	(368)	(330)	(196)	160	380	323	(759)	(1,097)	3,950	64	40.6%	17,449	29.7%
Alternative PIR	(9)	15	153	83	665					12		1,449	
EQUITY FUNDS	(120)	(128)	(78)	(12)	154	280	(281)	(369)	349	26	40.6%	5,180	29.7%
BALANCED FUNDS	(219)	(192)	(121)	147	177	214	(321)	(587)	2,525	22	34.4%	7,376	42.3%
FIXED INCOME FUNDS	4	(2)	(3)	(10)	7	17	(1)	(20)	10	4	6.3%	204	1.2%
FLEXIBLE FUNDS	(34)	(7)	7	36	41	(187)	(160)	(121)	1,067	13	20.3%	4,695	26.9%
CLOSED-END FUNDS	(9)	14	153	83						11	17.2%	1,442	8.3%

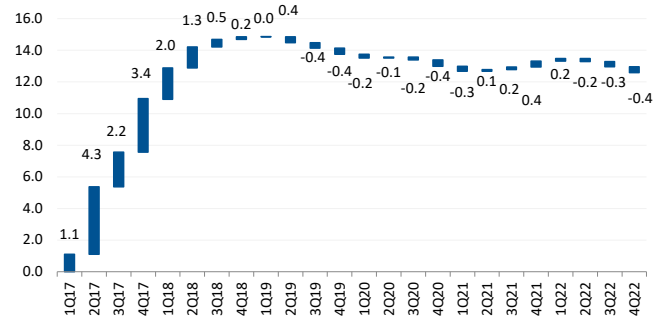
Source: Assogestioni, Quarterly Report, November 2022

Ordinary PIR - Net inflows by asset manager (Eu mn, 4Q22)



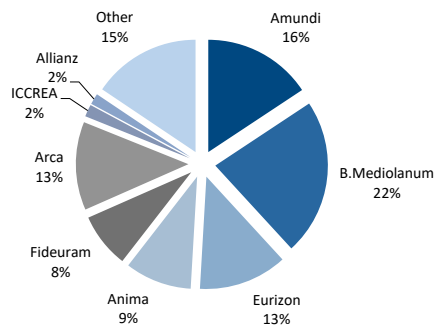
Source: Assogestioni

Ordinary PIR – Inflows by quarter (Eu bn)



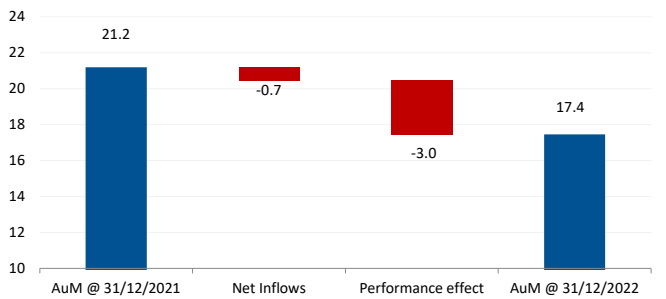
Source: Intermonte SIM estimates, Assogestioni

Ordinary PIR – Market share by asset manager (on AuM as at 31/12/22)



Source: Assogestioni

Ordinary PIR – Inflows and total AuM (Eu bn)



Source: Assogestioni

PIR outflows continued in 1Q23

In its quarterly review on 22 February 2023, Assogestioni released updated figures on 4Q22 PIR inflows. During the quarter, ordinary PIRs saw outflows of Eu368mn, while Alternative PIRs recorded outflows of Eu9.0mn. In terms of AuM, ordinary PIRs had Eu17.5bn under management, while Eu1.4bn was invested in alternative PIR funds. Looking at ordinary PIRs, quarterly net inflows further deteriorated sequentially compared to 3Q22 and 2Q22, when net inflows were Eu-330mn and Eu-196mn respectively. The total balance for 2022 therefore stands at Eu-773mn. AuM stood at Eu17.5bn, up from Eu16.5bn as at the end of September, evidently thanks to market performance.

The inflow figure is worse than the one disclosed by *Il Sole 24 Ore's* 'Osservatorio PIR', which estimated Eu286mn of outflows in 4Q22 (with October, November and December at Eu-92mn, Eu-102mn, and Eu-92mn respectively).

Regarding alternative PIR, inflows in 4Q22 came to Eu-9.0mn, decreasing on 3Q22 (Eu14.5mn) and 2Q22 (Eu153mn), with the FY22 figure at Eu242mn, and AuM stable at Eu1.44bn (same figure as at the end of June and September).

According to 'Osservatorio PIR', outflows continued in January at Eu-166mn and in February they were even worse at Eu-268mn.

As a reminder, the features of PIR 3.0 are as follows: at least 70% of the fund must be invested in securities issued by listed Italian or EU companies having stable organisation in Italy; of this 70%, 25% (i.e. 17.5% of the total fund) must be invested in securities that are not on the main index (FTSE MIB in the case of Italian-listed stocks). The principal novelty in the new regulation is a mandatory minimum investment of 5% of the 70% (or 3.5% of the total fund) in small caps that are not listed on either the FTSEMIB or the FTSE MID indexes. This measure is likely to channel flows into a universe of small companies that are expected to obtain particular benefits from renewed investor interest. The new regulation also allows Italian pension funds to invest up to 10% of their assets in PIR funds. The fiscal benefit (unchanged) still relates to the elimination of capital gains tax after the investment is maintained in the fund for at least 5 years.

On the other hand, the Alternative PIR is a wrapper with tax benefits similar to PIR (i.e. tax exemption of capital gains for investments held for at least 5 years) and in turn is capable of investing in ELTIFs, private equity funds or private debt funds. Because of the investments in illiquid assets (closer to the real economy but riskier), affluent investors are the target clients. The maximum investible amount per year is Eu300k per person (vs Eu30k for PIR) up to a cumulative maximum of Eu1.5mn per person. Moreover, the concentration limit (i.e. max cumulative investment in a single stock) has been set at 20% (10% being the limit for regular PIR funds).

These alternative instruments are suitable for overcoming market volatility given their long-term commitment and are complementary to PIR funds in a broader sense (they are designed for semi-professional rather than retail investors). We believe the introduction of Alternative PIRs could also represent a smart solution to the current impasse at EU level over ELTIF, as the new Alternative PIRs are entitled to buy ELTIF funds, thereby indirectly benefitting ELTIFs.

ALTERNATIVE PIR vs. PIR 3.0

	PIR 3.0	Alternative PIR
Investor Target	Retail Investors	Semi-institutional investors
Main Investment Focus	Mid and Small Caps	Small and Micro Caps, Privately held SMEs
Type of Fund	Open-end Funds	Closed-End Funds, such as ELTIF, private equity funds, private debt funds
Max per capita investment	Eu30,000 a year (max Eu150,000)	Eu300,000 a year (max Eu1.5mn)
Concentration limit	Up to 10%	Up to 20%
Investment Criteria	At least 70% of the fund must be invested in securities issued by listed Italian or EU companies having stable organisation in Italy; of this 70%, 25% (i.e. 17.5% of the total fund) must be invested in securities that are not listed on the main index (FTSE MIB in the case of Italian-listed stocks) and 5% (or 3.5% of the total fund) in small caps that not listed on either the FTSEMIB or the FTSE MID indexes.	At least 70% of the fund must be invested in securities issued by Italian or EU companies having stable organisation in Italy that are small caps not listed on either the FTSEMIB or the FTSE MID indexes.
Fiscal benefits	Zeroing capital gains tax after maintaining the investment in the fund for at least 5 years	Zeroing capital gains tax after maintaining the investment in the fund for at least 5 years

Source: Intermonte SIM

Our estimates for ordinary PIRs

We note that visibility remains low on future estimates, but confirm our more optimistic stance on 2023 vs. 2022 for two main reasons: 1) market performances have been positive overall since the beginning of the year and this may prompt retail investors to resume equity investments in products such as PIR; 2) much of the outflow in 2022 may have been caused by the expiry of the 5-year period starting in 2017, a year characterised by booming inflows and good market performances by small/mid cap companies, meaning that many investors who entered PIR products in 2017 could have chosen to take profit in 2022 when the 5-year required minimum holding period to enjoy the fiscal benefits came to an end. In the long term, our assumptions are based on expectations that interest in this product will remain fairly high thanks to the fiscal benefit and, from a distributor point of view, to the fact that it can count on long-term commitment from the investor.

Main assumptions behind our current estimates are as follows:

- For 2022, we are aligning inflows shown in the table to the Assogestioni figure of Eu-733mn; for 2023, we assume gross inflows from new PIR subscribers of Eu500mn;
- For continuing subscribers, we expect that overall inflows in year two will amount to a portion of the sum set aside in the first year (from 35% to 40% in our model); in the remaining years (i.e. from the third to the fifth year) we expect stable inflows, equivalent on average to 50% of the investments made in the second year;
- Finally, we calculate the amount of capital that will be withdrawn by investors who decide to exit the fund before the five-year time limit (for whatever reason) at ~3.5% of Assets under Management in 2023 and beyond.

PIR – Our assumptions

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E
Mutual Funds AUM (Eu mn)	900,318	1,011,183	955,114	1,071,299				
PIR Net Inflows (Eu mn)		10,903	3,950	(1,097)	(759)	323	(733)	654
YoY Growth			-63.8%	nm	nm	nm	nm	nm
o/w From Continuing Subs. (estimated)								684
o/w From New Subscribers (estimated)								500
o/w Transformation of Existing Funds/Exit from PIR (est.)								(529)

Source: Intermonte SIM

Intermonte Pir Mid Caps Coverage - Trading Multiples (ordered by Stock Name)

Company	P/E 2023	P/E 2024	EV/EBITDA 2023	EV/EBITDA 2024	Div. Yield 2023	Div. Yield 2024	FCF Yield 2023	FCF Yield 2024	NET DEBT/EBITDA 2023	NET DEBT/EBITDA 2024
ACEA	9.0	8.7	6.4	6.3	6.4%	6.6%	-7.7%	5.5%	3.7x	3.6x
ANIMA	7.4	6.9			6.5%	7.2%				
AUTOGRILL	16.8	12.7	4.6	4.0	1.5%	2.0%	8.2%	9.6%	1.5x	1.2x
BANCA IFIS	6.0	5.1			9.6%	9.9%				
BFF BANK	9.6	8.8			10.4%	11.4%				
BREMBO	14.6	14.2	6.7	6.2	2.1%	2.2%	5.4%	5.8%	0.6x	0.4x
BRUNELLO CUCINELLI	60.0	52.9	19.3	17.2	0.8%	0.9%	0.9%	1.1%	1.9x	1.7x
BUZZI-UNICEM	7.8	7.3	3.1	2.6	2.3%	2.5%	15.9%	13.5%	-0.9x	-1.2x
CEMENTIR	7.5	6.7	3.3	2.6	3.3%	3.7%	10.8%	13.1%	-0.6x	-0.9x
CREDITO EMILIANO	7.1	6.5			5.0%	6.3%				
DATALOGIC	13.7	11.3	6.3	5.5	3.4%	4.0%	5.1%	7.4%	0.7x	0.4x
DE' LONGHI	15.1	13.7	6.9	6.3	2.7%	3.0%	5.2%	4.8%	-1.0x	-1.1x
DOVALUE	11.9	10.1	5.0	4.4	11.3%	13.5%	16.5%	20.5%	2.2x	1.8x
EL.EN.	17.6	15.1	9.7	8.2	1.8%	1.8%	2.9%	5.8%	-1.1x	-1.3x
ENAV	21.1	18.7	9.2	8.4	4.8%	5.0%	7.3%	8.7%	1.2x	0.9x
FERRAGAMO	69.6	38.1	9.5	7.6	0.7%	1.3%	0.0%	1.6%	0.9x	0.7x
FINCANTIERI	nm	15.9	9.0	7.6	0.0%	0.0%			6.5x	5.7x
INTERCOS	27.5	24.2	12.5	11.0	1.0%	1.1%	2.7%	3.1%	0.7x	0.4x
IREN	9.6	8.8	5.7	5.5	6.3%	7.0%	-7.6%	-2.7%	3.3x	3.3x
LU-VE	18.9	16.6	9.8	8.7	1.3%	1.4%	2.5%	4.5%	1.6x	1.2x
MAIRE TECNIMONT	11.4	10.3	5.3	4.5	4.0%	4.5%	3.4%	7.5%	0.1x	0.0x
MARR	16.8	13.8	8.8	7.8	4.8%	5.8%	0.6%	3.0%	1.6x	1.5x
MEDIA FOR EUROPE	8.9	8.0	3.1	2.7	5.6%	5.6%	18.0%	20.2%	1.0x	0.7x
MONDADORI	8.5	8.2	4.7	4.3	5.5%	5.5%	12.4%	13.6%	1.1x	0.8x
OVS GROUP	11.9	10.1	5.5	4.8	2.2%	2.6%	8.3%	7.3%	0.6x	0.4x
PHARMANUTRA	34.9	30.1	22.0	18.7	1.4%	1.7%	1.4%	3.0%	-0.3x	-0.6x
PIAGGIO	12.7	10.7	5.3	4.8	5.5%	6.5%	8.1%	8.0%	1.0x	0.8x
RAI WAY	17.8	17.6	10.2	10.1	5.5%	5.7%	6.7%	7.0%	1.0x	1.2x
REPLY	19.5	17.5	10.8	9.3	1.0%	1.1%	5.5%	5.4%	-0.6x	-1.0x
SAFILO	15.8		4.2		0.0%		10.6%		0.1x	
SALCEF GROUP	18.5	15.7	9.4	8.0	2.4%	2.9%	2.5%	3.8%	-0.1x	-0.2x
SARAS	4.2	6.9	1.6	1.9	9.6%	6.4%	9.4%	23.2%	-0.2x	-0.7x
SECO	22.7	14.7	12.5	9.2	0.0%	0.0%	2.4%	2.6%	2.1x	1.3x
SESA	17.9	15.5	8.3	6.9	1.0%	1.1%	6.9%	8.5%	-0.4x	-0.7x
TECHNOGYM	19.4	14.4	9.4	7.3	4.0%	3.4%	5.5%	7.1%	-1.0x	-1.1x
TINEXTA	17.6	14.4	10.3	8.6	2.2%	1.7%	4.5%	5.7%	-0.2x	-0.4x
TIP	11.8	nm			1.8%	1.9%			11.2x	
TOD'S	35.0	22.2	6.0	5.2	0.0%	0.0%	0.0%	3.1%	2.5x	2.1x
UNIPOLSAI	9.4	9.2			7.0%	7.6%				
WEBUILD	9.6	7.4	2.3	1.9	3.0%	3.0%	5.5%	5.7%	-0.4x	-0.4x
WIIT	31.4	24.7	14.8	12.8	1.6%	2.0%	3.8%	4.5%	3.6x	2.9x

Intermonte Pir Small Caps Coverage - Trading Multiples (ordered by Stock Name)

Company	P/E 2023	P/E 2024	EV/EBITDA 2023	EV/EBITDA 2024	Div. Yield 2023	Div. Yield 2024	FCF Yield 2023	FCF Yield 2024	NET DEBT/EBITDA 2023	NET DEBT/EBITDA 2024
ABITARE IN	4.3	3.9	2.8	3.1	0.0%	0.0%	81.0%	-21.4%	0.0x	0.6x
ALKEMY	10.6	8.8	7.3	6.1	0.0%	0.0%	7.7%	9.0%	2.1x	1.5x
AQUAFIL	14.8	10.2	5.5	4.6	2.5%	4.0%	17.0%	15.5%	2.7x	2.1x
AVIO	68.9	21.3	6.5	4.7	0.3%	2.2%	-1.2%	6.7%	-0.8x	-0.9x
BANCA SISTEMA	5.8	5.3			4.3%	4.7%				
CIVITANAVI SYSTEMS	14.9	11.7	7.3	5.6	2.8%	3.0%	2.6%	2.4%	-2.6x	-1.2x
CY4GATE	17.9	14.7	7.8	6.6	0.0%	0.0%	3.5%	3.9%	-0.2x	-0.4x
CYBEROO	17.5	10.4	10.0	5.6	0.0%	0.0%	3.6%	6.8%	-0.5x	-0.7x
ELICA	8.1	7.1	3.7	3.2	2.8%	3.1%	13.1%	11.8%	0.5x	0.2x
EMAK	7.0	6.1	4.7	4.2	5.7%	6.6%	26.2%	15.4%	2.1x	1.7x
ESPRINET	7.5	6.2	9.7	8.3	6.6%	8.0%	13.8%	12.1%	-0.3x	-1.2x
FILA	8.8	8.1	6.8	6.2	2.1%	2.2%	9.9%	11.9%	3.0x	2.5x
FINE FOODS	25.7	16.1	9.3	7.1	1.6%	2.5%	7.2%	5.1%	1.2x	0.7x
GEOX	17.9	8.7	6.0	4.9	0.0%	5.7%	2.9%	8.3%	3.2x	2.5x
GPI	19.2	14.3	7.3	6.4	4.0%	4.0%	2.7%	5.1%	2.1x	1.8x
GREENTHESIS	9.2	8.6	7.0	6.1	1.5%	1.8%	4.1%	9.7%	1.5x	1.0x
IEG	7.3	6.0	4.0	3.3	3.1%	3.9%	11.8%	13.9%	2.4x	1.9x
IGD	5.8	6.5	12.2	11.5	10.5%	10.8%	19.7%	17.3%	9.2x	8.7x
ILBE	2.2	2.2	0.6	0.6	0.0%	0.0%	6.0%	15.4%	0.3x	0.3x
INDEL B	8.9	7.1	4.9	3.8	2.9%	4.1%	5.6%	9.8%	0.3x	0.0x
MATICA FINTEC	10.6	8.2	4.9	3.6	0.0%	0.0%	4.6%	7.5%	-0.5x	-0.7x
NOTORIOUS PICTURES	7.1	4.8	3.0	2.2	5.7%	8.3%	-7.7%	7.3%	1.2x	0.9x
OMER	10.0	8.6	5.5	4.5	1.7%	2.0%	7.9%	8.7%	-1.1x	-1.4x
REEVO	25.7	19.7	10.7	8.3	1.2%	1.6%	1.5%	3.6%	-0.3x	-0.5x
RELATECH	10.1		4.9		0.0%		5.1%		-0.8x	
REVO INSURANCE	13.1	9.7			1.0%	1.9%				
SABABA SECURITY	12.5	7.8	8.2	4.6	0.0%	0.0%	-6.8%	-0.1%	-0.5x	-0.3x
SAES GETTERS	19.4	16.9	8.1	4.6	1.9%	1.9%	5.0%	5.1%	-1.3x	-1.4x
SCIUKER FRAMES	4.7	5.7	2.3	2.1	6.4%	5.2%	16.1%	19.0%	-0.5x	-1.1x
SERI INDUSTRIAL	nm	16.6	13.7	7.5	0.0%	0.0%	-3.7%	-1.6%	4.0x	2.2x
SERVIZI ITALIA	8.6	5.4	2.5	2.3	0.0%	0.0%	-0.1%	5.9%	1.8x	1.7x
SOMEK	19.2	12.3	8.3	6.0	2.6%	4.1%	8.6%	12.9%	1.9x	1.0x
TESMEC	7.3	5.1	4.6	3.7	0.0%	0.0%	6.3%	15.2%	2.6x	1.9x
THE ITALIAN SEA GROUP	13.1	9.9	7.9	5.7	3.0%	3.8%	5.5%	11.8%	0.0x	-0.5x
TXT E-SOLUTIONS	16.1	14.0	8.4	7.2	1.1%	1.3%	4.4%	7.1%	0.9x	0.4x
UNIDATA	12.6	10.1	6.8	5.7	0.4%	0.5%	4.9%	4.7%	2.0x	1.5x

Source: Intermonte SIM and Factset

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- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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