

# Italian Mid/Small Caps Monthly

## Mid/Small Cap Rebound Should Continue in 2024

by Intermonte Research Team

Italian Equity Market

- **Performance (+).** The Italian equity market (prices as at 15 December 2023) has risen 3.2% in the last month and is up 26.1% YtD. The FTSE Italy Mid-Cap index (+4.8%) has outperformed the main index by 1.6% in the last month (-14.8% YtD on a relative basis), with the FTSE Italy Small Caps index (+4.5%) performing 1.3% above the market, or -28.4% on a relative basis since the beginning of 2023. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has increased 5.6% in the last month, performing slightly better than Italian mid-caps.
- **Estimates (+/-).** Since the beginning of 2023, we have implemented an +19.0% upward revision to our 2023 EPS estimates, with a more limited revision (+10.6%) to 2024 EPS; focusing on our mid/small cap coverage, however, we have raised 2023 EPS by a more moderate 5.9% since 1 January 2023. Notably, in the last month, we have trimmed our estimates for FTSE MIB stocks (-0.3% on 2023 EPS) and to a larger extent for FTSE small stocks (-5.5%) while we have marginally improved our forecasts for mid-caps (+1.2%).
- **Valuations (-).** If we compare performance YtD to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 7.9% re-rating YtD (the same metric was +3.2% one month ago); mid-caps have re-rated by 1.5%, while small caps have re-rated by 27.3%. On a P/E basis, our panel is trading at a 35% premium to large caps, above the historical average premium (17%) and above the level one month ago (31%).
- **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 34.1% higher than in the corresponding period one year ago but is up 7.5% from a YtD perspective. The picture is more worrying for mid/small caps: specifically, YtD liquidity is down 9.1% YoY for mid-caps and 13.0% YoY for small caps, although it did improve in the last month, mainly thanks to an easy YoY comparison.
- **Investment strategy.** In the last month, Italian mid-caps have continued a considerable rebound, driven by an anticipation of Federal Reserve rate cuts in 2024. However, the ECB provided more prudent wording and important emissions planned in 1Q24 suggest the likelihood of some ups and downs in the yield curve. In Italy, there seems limited room for manoeuvre in the Budget, meaning its potential content is likely to have little impact on stock markets. Elsewhere, 3Q23 results offered relatively comfortable indications, in many cases underlining the fundamental appeal of various companies albeit with some disappointments among industrial and consumer companies suffering from the ongoing economic slowdown. In this scenario, we advise increasing the weight of mid-cap stocks, especially those that offer good cash generation. Despite their rebound, tech stocks still look appealing, along with a few utilities and some companies that can count on a significant order backlog. In terms of PIR flows, redemptions in the first 10 months exceeded Eu2.3bn and visibility on an inversion of the trend remains low. The recent regulatory change to allow investors to hold more than one personal savings plan (PIR) might favour a recovery in this important instrument.

*This material is an extract of research reports by Intermonte that have already been published and delivered to Clients. It is available for free on the Intermonte SIM website (<https://www.intermonte.it>) and it qualifies as a "minor nonmonetary benefit" in accordance with article 12, paragraph 3, sub-paragraph b) of Commission Delegated Directive (EU) 2017/593 of 7 April 2016.*

## Performance

### Mid Small caps outperformed large caps in the last month

The Italian equity market (prices as at 15 December 2023) has risen 3.2% in the last month and is up 26.1% YtD. The FTSE Italy Mid-Cap index (+4.8%) has outperformed the main index by 1.6% in the last month (-14.8% YtD on a relative basis), with the FTSE Italy Small Caps index (+4.5%) performing 1.3% above the market, or -28.4% on a relative basis since the beginning of 2023.

#### Italian Market Indexes – performance analysis (prices as at 15 December 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	43,854	4.8%	6.8%	0.7%	11.4%	10.7%	-9.7%	16.8%	26.6%
FTSE Italia Small Cap	27,124	4.5%	2.0%	-1.7%	-2.2%	-3.0%	-14.2%	27.5%	54.0%
FTSE Italia Star	46,723	7.3%	7.4%	-4.2%	1.0%	-0.3%	-25.0%	8.4%	49.5%
FTSE Italia Growth Index	8,100	5.8%	-6.1%	-11.4%	-12.4%	-13.5%	-28.6%	14.5%	-1.9%
FTSE Italia All-Share	32,442	3.2%	5.2%	8.6%	26.1%	26.0%	11.1%	35.9%	56.4%
FTSE MIB	30,374	3.1%	5.1%	9.5%	28.1%	28.0%	13.9%	38.5%	60.6%

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	1.6%	1.6%	-7.9%	-14.8%	-15.3%	-20.9%	-19.2%	-29.8%
FTSE Italia Small Cap	1.3%	-3.2%	-10.3%	-28.4%	-29.0%	-25.3%	-8.5%	-2.4%
FTSE Italia Star	4.0%	2.2%	-12.8%	-25.2%	-26.2%	-36.1%	-27.5%	-7.0%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has increased 5.6% in the last month, performing slightly better than 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	160	4.8%	2.9%	2.5%	12.2%	10.9%	2.3%	22.6%	36.0%
MSCI Europe Small Cap	411	5.6%	5.2%	1.5%	8.1%	6.9%	-13.9%	3.5%	28.8%

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**

<b>Best Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
OVS GROUP	2.25	655	25%
ACEA	13.83	2,945	23%
SCIUKER FRAMES	4.38	95	22%
ELICA	2.19	139	21%
TXT E-SOLUTIONS	18.10	235	18%
ALKEMY	9.33	53	17%
CYBEROO	3.03	125	16%
DATALOGIC	6.55	383	16%
SERI INDUSTRIAL	3.19	172	15%
MEDIA FOR EUROPE	3.33	1,565	14%
AQUAFIL	3.20	137	14%
TINEXTA	19.68	929	14%
PHARMANUTRA	58.60	567	13%
TECHNOGYM	8.88	1,788	13%
SESA	116.90	1,811	13%
INTRED	11.05	175	13%
SARAS	1.61	1,531	12%
REPLY	115.00	4,302	11%
DE' LONGHI	29.54	4,462	11%
ESPRINET	5.33	269	10%
<b>FTSE Italia Mid Cap</b>			5%
<b>FTSE Italia Small Cap</b>			5%
<b>FTSE MIB</b>			3%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
ANTARES VISION	1.67	116	-38%
NOTORIOUS PICTURES	1.19	27	-9%
BANCA IFIS	15.76	848	-7%
CIVITANAVI SYSTEMS	3.94	121	-6%
SAFILO	0.87	361	-4%
RAI WAY	4.85	1,319	-4%
REVO INSURANCE	7.96	196	-2%
CREDITO EMILIANO	7.96	2,717	-2%
MONDADORI	2.09	545	-2%
MARR	11.48	764	-2%
ANIMA	3.98	1,309	-2%
GEOX	0.71	184	-2%
UNIPOLSAI	2.26	6,384	-1%
TALEA GROUP	8.40	58	0%
BFF BANK	10.04	1,875	0%
FRANCHI UMBERTO MARMI	6.86	225	0%
OMER	2.85	82	1%
SALCEF GROUP	24.10	1,504	1%
GREENTHESIS	0.96	149	1%
SAES GETTERS	33.55	563	1%

Source: FactSet

**Intermonte Mid & Small Cap Coverage – best and worst performers YtD**

<b>Best Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
BUZZI-UNICEM	27.64	5,324	54%
MAIRE TECNIMONT	4.64	1,524	49%
CEMENTIR	9.03	1,437	47%
THE ITALIAN SEA GROUP	8.19	434	44%
CYBEROO	3.03	125	44%
IREN	2.10	2,727	43%
SAES GETTERS	33.55	563	42%
TXT E-SOLUTIONS	18.10	235	41%
SERVIZI ITALIA	1.67	53	41%
DE' LONGHI	29.54	4,462	41%
SARAS	1.61	1,531	40%
SALCEF GROUP	24.10	1,504	38%
WEBUILD	1.90	1,937	38%
BFF BANK	10.04	1,875	35%
IEG	3.13	97	27%
FILA	8.67	373	25%
TECHNOGYM	8.88	1,788	24%
TIP	9.05	1,669	24%
BRUNELLO CUCINELLI	85.50	5,814	24%
CREDITO EMILIANO	7.96	2,717	20%
<b>FTSE Italia Mid Cap</b>			11%
<b>FTSE Italia Small Cap</b>			-2%
<b>FTSE MIB</b>			28%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
ANTARES VISION	1.67	116	-79%
DOVALUE	3.32	266	-54%
AQUAFIL	3.20	137	-48%
SAFILO	0.87	361	-43%
SERI INDUSTRIAL	3.19	172	-39%
GPI	8.88	257	-39%
SCIUKER FRAMES	4.38	95	-38%
SECO	3.35	445	-37%
EL.EN.	9.59	766	-33%
FRANCHI UMBERTO MARMI	6.86	225	-28%
ELICA	2.19	139	-26%
IGD	2.31	255	-26%
TALEA GROUP	8.40	58	-24%
INTRED	11.05	175	-24%
FERRAGAMO	12.64	2,134	-23%
LU-VE	21.70	482	-23%
BANCA SISTEMA	1.20	97	-22%
DATALOGIC	6.55	383	-21%
ESPRINET	5.33	269	-21%
EMAK	0.96	157	-18%

Source: FactSet

## Earnings Momentum

### In the last month, mid cap forecasts revised slightly up

Since the beginning of 2023, we have implemented an +19.0% upward revision to our 2023 EPS estimates, with a more limited revision (+10.6%) to 2024 EPS; focusing on our mid/small cap coverage, however, we have raised 2023 EPS by a more moderate 5.9% since 1 January 2023. Notably, in the last month, we have trimmed our estimates for FTSE MIB stocks (-0.3% on 2023 EPS) and to a larger extent for FTSE small stocks (-5.5%) while we have marginally improved our forecasts for mid-caps (+1.2%).

#### Italian Market – Intermonte changes to 2022 and 2023 estimates

EPS REVISION	Since January 1st 2023		Since 20/11/2023	
	% chg in EPS FY23	% chg in EPS FY24	% chg in EPS FY23	% chg in EPS FY24
<b>Total Market</b>	<b>19.0%</b>	<b>10.6%</b>	<b>-0.3%</b>	<b>-0.6%</b>
<b>Total Market - Ex Energy</b>	<b>22.2%</b>	<b>11.6%</b>	<b>-0.3%</b>	<b>-0.6%</b>
Domestic	15.9%	9.2%	0.1%	0.2%
Non domestic	22.4%	12.1%	-0.6%	-1.5%
Non domestic - Ex Energy	21.5%	12.2%	-0.3%	-0.8%
<b>FTSE MIB</b>	<b>20.2%</b>	<b>11.2%</b>	<b>-0.3%</b>	<b>-0.8%</b>
<b>Mid Caps (our coverage)</b>	<b>9.9%</b>	<b>7.3%</b>	<b>1.2%</b>	<b>1.4%</b>
<b>Small Caps (our coverage)</b>	<b>-29.5%</b>	<b>-23.1%</b>	<b>-5.5%</b>	<b>-1.4%</b>
Intermonte Mid&Small Caps coverage	5.9%	3.9%	0.7%	1.1%

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 2023 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
<b>Upward Revision</b>			
AVIO	4	10	177.4%
BUZZI-UNICEM	477	844	77.1%
IEG	10	17	73.0%
CREDITO EMILIANO	294	451	53.4%
BANCA IFIS	121	158	30.7%
CEMENTIR	158	201	27.8%
BRUNELLO CUCINELLI	90	115	27.3%
WEBUILD	153	191	24.2%
MEDIA FOR EUROPE	217	269	24.0%
SALCEF GROUP	65	78	20.7%
<b>Downward Revision</b>			
AQUAFIL	25	-19	-176.2%
FINCANTIERI	126	-50	-139.3%
SERI INDUSTRIAL	12	-1	-105.7%
SOMECC	13	3	-78.8%
TESMEC	16	4	-74.2%
ESPRINET	59	27	-53.9%

Source: Intermonte SIM

## Valuation

### Mid/small cap valuation premium slightly up in the last month

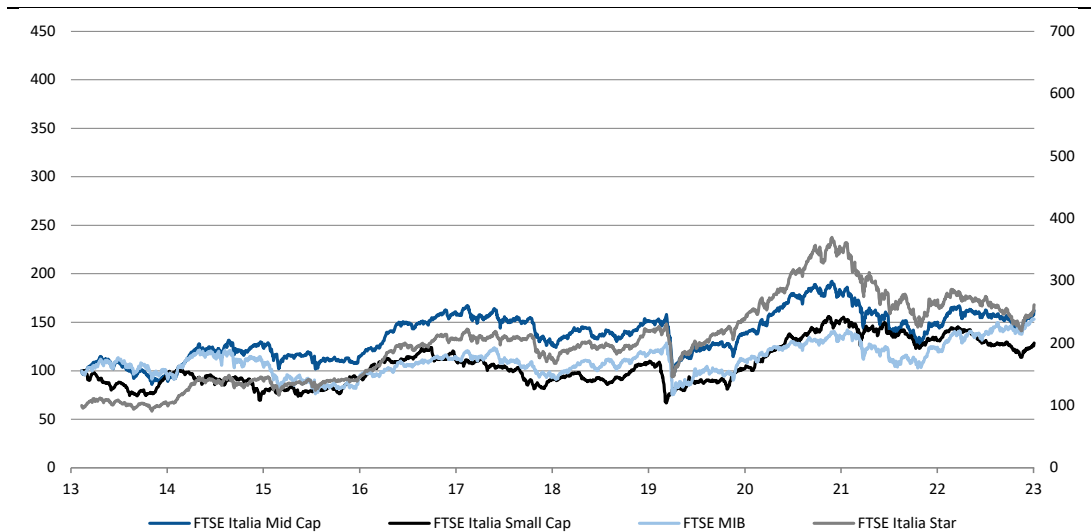
If we compare performance YtD to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 7.9% re-rating YtD (the same metric was +3.2% one month ago); mid-caps have re-rated by 1.5%, while small caps have re-rated by 27.3%.

#### Italian Market – re/de-rating by index

Index	% Change YTD	on FY23 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	28.1%	20.2%	7.9%
FTSE Italia Mid Cap	11.4%	9.9%	1.5%
FTSE Italia Small Cap	-2.2%	-29.5%	27.3%

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 35% premium to large caps, above the historical average premium (17%) and above the level one month ago (31%).**

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



Source: Intermonte SIM and FactSet

The table below 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
<b>FTSE MIB</b>	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	9.3 x	-	15.7 x	-40.8%
<b>FTSE Italy Mid</b>	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	11.6 x	-	18.3 x	-36.8%
<b>FTSE Italy Smz</b>	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	11.9 x	-	18.9 x	-36.9%
<b>Germany DA</b>	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	11.8 x	27.4%	14.3 x	-17.1%
<b>Germany MD</b>	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	15.9 x	37.3%	20.3 x	-21.7%
<b>France CAC 40</b>	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	14.2 x	52.8%	16.0 x	-11.4%
<b>France CAC M</b>	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	12.8 x	10.7%	18.2 x	-29.5%
<b>France CAC S</b>	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	22.0 x	84.4%	25.9 x	-15.0%
<b>FTSE 100</b>	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	10.8 x	16.1%	14.0 x	-22.7%
<b>FTSE 250</b>	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	11.5 x	-1.2%	15.5 x	-26.2%
<b>IBEX 35</b>	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	19.2%	13.5 x	-18.1%
<b>IBEX MEDIUM</b>	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	13.9 x	20.2%	18.0 x	-22.4%

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	-49.6	-139%	2%	141%
AQUAFIL	25.5	-19.4	-176%	(48%)	128%
CYBEROO	9.1	4.9	-46%	44%	90%
SOMECC	12.6	2.7	-79%	(12%)	67%
SERI INDUSTRIAL	11.6	-0.7	-106%	(39%)	66%
SERVIZI ITALIA	6.5	5.0	-24%	41%	65%
TESMEC	16.4	4.2	-74%	(17%)	58%
SAES GETTERS	33.1	28.8	-13%	42%	55%
FINE FOODS	8.3	4.2	-49%	0%	50%
THE ITALIAN SEA GROUP	34.3	34.7	1%	44%	43%
FILA	45.8	39.1	-15%	25%	39%
BFF BANK	185.3	184.7	0%	35%	36%
MAIRE TECNIMONT	105.6	120.2	14%	49%	36%
IREN	257.5	277.2	8%	43%	35%
TECHNOGYM	90.2	82.3	-9%	24%	33%
ESPRINET	59.5	27.5	-54%	(21%)	33%
TXT E-SOLUTIONS	13.3	14.4	8%	41%	33%
DE' LONGHI	217.0	248.7	15%	41%	26%
SARAS	278.9	319.5	15%	40%	26%
REPLY	204.8	172.5	-16%	7%	23%
CY4GATE	14.5	9.0	-38%	(15%)	23%
BANCA SISTEMA	27.9	16.2	-42%	(22%)	20%
CEMENTIR	157.6	201.5	28%	47%	19%
FERRAGAMO	50.4	29.5	-41%	(23%)	18%
SALCEF GROUP	64.7	78.0	21%	38%	18%
ELICA	24.1	13.6	-44%	(26%)	17%
ANIMA	175.3	158.5	-10%	6%	16%
WEBUILD	153.4	190.5	24%	38%	14%
CIVITANAVI SYSTEMS	7.3	7.5	1%	14%	12%
EMAK	27.1	19.0	-30%	(18%)	12%
INTERCOS	56.5	60.5	7%	17%	10%
DATALOGIC	31.7	21.8	-31%	(21%)	10%
ALKEMY	6.9	5.2	-25%	(15%)	10%
ACEA	304.0	298.4	-2%	7%	9%
RELATECH	8.1	7.6	-6%	2%	8%
UNIPOLSAI	741.8	684.8	-8%	(2%)	6%
MARR	51.4	49.7	-3%	1%	4%
NOTORIOUS PICTURES	5.5	4.4	-21%	(17%)	4%
PIAGGIO	91.4	93.3	2%	4%	2%
SESA	100.5	100.1	0%	1%	1%
BREMBO	281.8	297.7	6%	6%	1%
MONDADORI	56.3	65.5	16%	15%	(1%)
OMER	6.7	7.8	17%	14%	(3%)
BRUNELLO CUCINELLI	90.3	114.9	27%	24%	(4%)
OVS GROUP	58.6	64.8	11%	7%	(4%)
IGD	70.5	55.6	-21%	(26%)	(5%)
MEDIA FOR EUROPE	217.1	269.1	24%	18%	(5%)
TOD'S	34.4	40.6	18%	13%	(6%)
GEOX	8.6	8.1	-6%	(12%)	(6%)
TINEXTA	58.7	54.3	-8%	(14%)	(6%)
INDEL B	16.1	16.5	2%	(6%)	(8%)
EL. EN.	62.8	47.7	-24%	(33%)	(9%)
GREENTHESIS	15.7	17.5	12%	3%	(9%)
UNIDATA	9.7	9.6	-1%	(13%)	(12%)
BANCA IFIS	121.1	158.2	31%	18%	(12%)
GPI	20.7	15.3	-26%	(39%)	(12%)
PHARMANUTRA	14.5	15.7	8%	(6%)	(14%)
ENAV	107.8	108.8	1%	(14%)	(15%)
BUZZI-UNICEM	476.6	844.2	77%	54%	(24%)
LU-VE	33.3	34.0	2%	(23%)	(25%)
RAI WAY	79.9	92.4	16%	(10%)	(26%)
CREDITO EMILIANO	293.9	451.0	53%	20%	(33%)
SCIUKER FRAMES	30.0	30.0	0%	(38%)	(38%)
SAFILO	23.7	23.7	0%	(43%)	(43%)
DOVALUE	56.8	51.8	-9%	(54%)	(45%)
IEG	10.1	17.5	73%	27%	(46%)
AVIO	3.6	10.0	177%	(16%)	(194%)

Source: Intermonte SIM



## Liquidity

### Mid/small cap liquidity up in the last month

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 34.1% higher than in the corresponding period one year ago but is up 7.5% from a YtD perspective. The picture is more worrying for mid/small caps: specifically, YtD liquidity is down 9.1% YoY for mid-caps and 13.0% YoY for small caps, although it did improve in the last month, mainly thanks to an easy YoY comparison.

#### Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2023			Avg Daily Volume * Avg Price (Eu mn) 2022			% Changes (YoY)		
	1M to 19/12	3M to 19/12	YTD to 19/12	1M to 19/12	3M to 19/12	YTD to 19/12	1M to 19/12	3M to 19/12	YTD to 19/12
<b>FTSE MIB</b>									
All stocks	57.69	55.36	53.24	43.01	42.98	49.52	34.1%	28.8%	7.5%
Top 20% by market cap	156.08	156.03	159.91	133.79	135.33	155.98	16.7%	15.3%	2.5%
<b>FTSE Italia Mid Cap</b>									
All stocks	1.98	2.06	2.01	1.50	1.67	2.21	31.8%	23.7%	(9.1%)
Top 20% by market cap	4.15	3.63	3.49	2.70	2.79	4.10	53.8%	29.8%	(14.8%)
<b>FTSE Italia Small Cap</b>									
All stocks	0.19	0.20	0.20	0.16	0.15	0.24	23.9%	26.7%	(13.0%)
Top 20% by market cap	0.53	0.56	0.55	0.43	0.39	0.55	22.2%	44.1%	(0.0%)

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	1,531	10,247,950
BRUNELLO CUCINELLI	5,814	7,787,520
BUZZI-UNICEM	5,324	6,641,241
REPLY	4,302	5,053,061
BREMBO	3,713	4,177,780
BFF BANK	1,875	3,774,902
IREN	2,727	2,967,583
ANIMA	1,309	2,674,407
DE' LONGHI	4,462	2,667,140
FERRAGAMO	2,134	2,630,320
ACEA	2,945	2,571,038
MAIRE TECNIMONT	1,524	2,416,695
OVS GROUP	655	2,394,725
WEBUILD	1,937	2,272,584
UNIPOLSAI	6,384	2,269,542
PIAGGIO	1,046	2,079,080
BANCA IFIS	848	2,045,913
TOD'S	1,128	2,006,191
TECHNOGYM	1,788	1,844,135
SESA	1,811	1,836,074
DOVALUE	266	1,690,793
ENAV	1,846	1,560,964
SAES GETTERS	563	1,407,285
CREDITO EMILIANO	2,717	1,354,537
TINEXTA	929	1,220,457
EL.EN.	766	1,119,545
MARR	764	1,075,819
TIP	1,669	1,059,754
MEDIA FOR EUROPE	1,565	1,054,196

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	56%	23%	10%	1%	7%	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	3.3	266	0.647	0.720	21.7%	111%	2.2x
BANCA IFIS	15.8	848	2.941	2.049	13.0%	70%	
SCIUKER FRAMES	4.4	95	1.383	0.415	9.5%	30%	-0.3x
BFF BANK	10.0	1,875	0.988	0.899	9.0%	91%	
IGD	2.3	255	0.504	0.207	8.9%	41%	9.2x
UNIPOLSAI	2.3	6,384	0.246	0.170	7.5%	69%	
ABITARE IN	5.3	142	0.908	0.397	7.5%	44%	0.5x
PIAGGIO	2.9	1,046	0.263	0.210	7.2%	80%	1.1x
MEDIA FOR EUROPE	3.3	1,565	0.474	0.230	6.9%	49%	1.0x
RAI WAY	4.9	1,319	0.340	0.327	6.7%	96%	0.8x
NOTORIOUS PICTURES	1.2	27	0.195	0.078	6.5%	40%	2.5x
SARAS	1.6	1,531	0.336	0.100	6.2%	30%	-0.2x
ACEA	13.8	2,945	1.401	0.851	6.2%	61%	3.6x
ENAV	3.4	1,846	0.201	0.203	5.9%	101%	1.3x
ANIMA	4.0	1,309	0.477	0.230	5.8%	48%	
IREN	2.1	2,727	0.213	0.121	5.8%	57%	3.2x
GPI	8.9	257	0.546	0.500	5.6%	92%	4.7x
MONDADORI	2.1	545	0.251	0.110	5.3%	44%	1.0x
MARR	11.5	764	0.747	0.597	5.2%	80%	1.5x
ESPRINET	5.3	269	0.551	0.276	5.2%	50%	1.7x
CREDITO EMILIANO	8.0	2,717	1.321	0.400	5.0%	30%	
EMAK	1.0	157	0.116	0.047	4.9%	40%	2.8x
BANCA SISTEMA	1.2	97	0.201	0.050	4.2%	25%	
FRANCHI UMBERTO MARMI	6.9	225	0.431	0.264	3.8%	61%	0.6x
MAIRE TECNIMONT	4.6	1,524	0.366	0.174	3.8%	48%	-0.4x
TECHNOGYM	8.9	1,788	0.409	0.314	3.5%	77%	-1.0x
INDEL B	23.7	138	2.830	0.800	3.4%	28%	0.5x
THE ITALIAN SEA GROUP	8.2	434	0.655	0.272	3.3%	41%	0.0x
ELICA	2.2	139	0.214	0.070	3.2%	33%	1.1x
IEG	3.1	97	0.566	0.100	3.2%	18%	1.7x

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
GEOX	0.7	184	22.8	5.3	329%
SOMEK	28.5	197	73.5	23.1	217%
FINE FOODS	8.4	185	50.7	18.9	169%
TESMEC	0.1	71	16.6	7.6	118%
FERRAGAMO	12.6	2,134	72.3	38.7	87%
ANTARES VISION	1.7	116	16.6	9.9	68%
GPI	8.9	257	16.3	10.1	61%
SERVIZI ITALIA	1.7	53	10.7	6.7	59%
REVO INSURANCE	8.0	196	5.0	3.2	58%
CYBEROO	3.0	125	25.7	17.5	47%
NOTORIOUS PICTURES	1.2	27	6.1	4.2	45%
ABITARE IN	5.3	142	5.9	4.1	44%
TOD'S	34.1	1,128	27.8	19.6	42%
DATALOGIC	6.6	383	16.8	12.7	33%
AVIO	8.0	211	21.7	16.5	32%
RELATECH	2.1	92	12.2	9.3	31%
ALKEMY	9.3	53	10.2	7.9	29%
THE ITALIAN SEA GROUP	8.2	434	12.5	9.7	29%
WEBUILD	1.9	1,937	9.9	7.7	29%
CIVITANAVI SYSTEMS	3.9	121	16.3	12.7	28%
UNIDATA	4.1	125	12.9	10.2	27%
TECHNOGYM	8.9	1,788	21.7	17.3	25%
MAIRE TECNIMONT	4.6	1,524	12.7	10.1	25%
CY4GATE	7.8	184	20.5	16.5	24%
PIAGGIO	2.9	1,046	11.1	9.0	23%
MARR	11.5	764	15.4	12.6	22%
REPLY	115.0	4,302	24.9	20.7	21%
EMAK	1.0	157	8.2	6.8	20%
SECO	3.4	445	22.9	19.1	20%
SALCEF GROUP	24.1	1,504	19.3	16.1	19%
ESPRINET	5.3	269	9.7	8.2	18%
OVS GROUP	2.3	655	10.1	8.6	18%
GREENTHESIS	1.0	149	8.5	7.3	17%
TINEXTA	19.7	929	17.1	14.8	16%
INTERCOS	14.9	1,436	23.7	20.5	16%
OMER	2.9	82	10.4	9.0	15%
EL.EN.	9.6	766	15.7	13.8	14%
ANIMA	4.0	1,309	8.3	7.3	14%
PHARMANUTRA	58.6	567	36.2	32.1	13%

Source: Intermonte SIM and FactSet

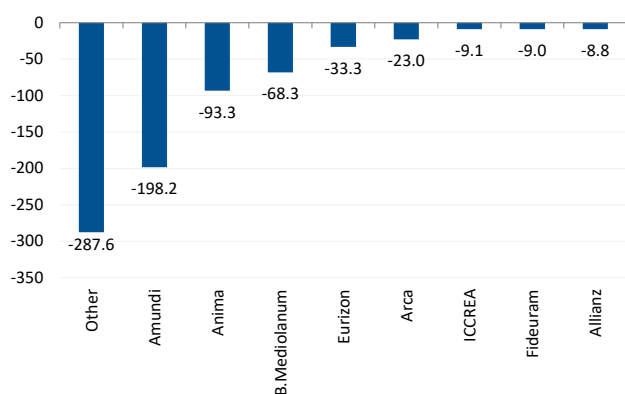
## UPDATE on the Individual Savings Plan (PIR)

PIR: official figures for 3Q23

	3Q23 (Eu mn)	2Q23 (Eu mn)	1Q23 (Eu mn)	FY22 (Eu mn)	FY21 (Eu mn)	FY20 (Eu mn)	FY19 (Eu mn)	FY18 (Eu mn)	FY17 (Eu mn)	Nr. Of Funds		Invested Capital	
										at September 2023 # Funds	%	at September 2023 (Eu mn)	in %
Ordinary PIR	(731)	(610)	(815)	(734)	323	(759)	(1,097)	3,950	10,903	64	29.1%	16,295	
Alternative PIR	8	1	58	242						15		1,516	
<b>EQUITY FUNDS</b>	(351)	(209)	(264)	(338)	280	(281)	(369)	349	2,260	23	29.1%	4,736	26.6%
<b>BALANCED FUNDS</b>	(372)	(474)	(466)	(385)	214	(321)	(587)	2,525	5,962	22	27.8%	6,443	36.2%
<b>FIXED INCOME FUNDS</b>	95	181	35	(12)	17	(1)	(20)	10	75	6	7.6%	449	2.5%
<b>FLEXIBLE FUNDS</b>	(102)	(108)	(114)	2	(187)	(160)	(121)	1,067	2,605	15	19.0%	4,681	26.3%
<b>CLOSED-END FUNDS</b>	7	0	52	240						13	16.5%	1,502	8.4%

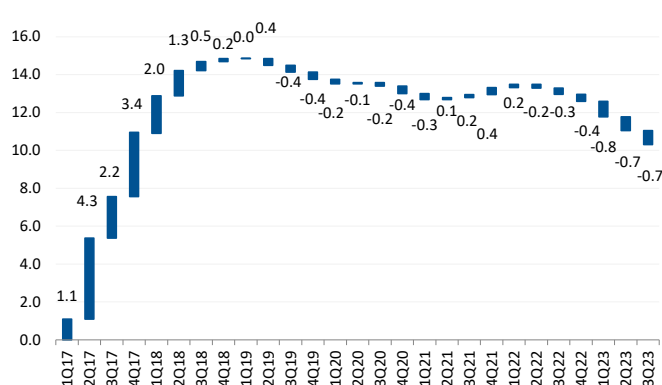
Source: Assogestioni, Quarterly Report, Novembre 2023

### Ordinary PIR - Net inflows by asset manager (Eu mn, 3Q23)



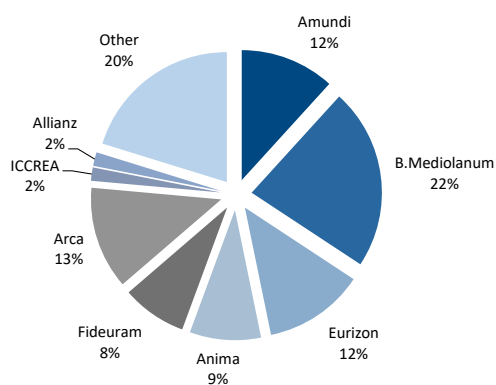
Source: Assogestioni

### Ordinary PIR – Inflows by quarter (Eu bn)



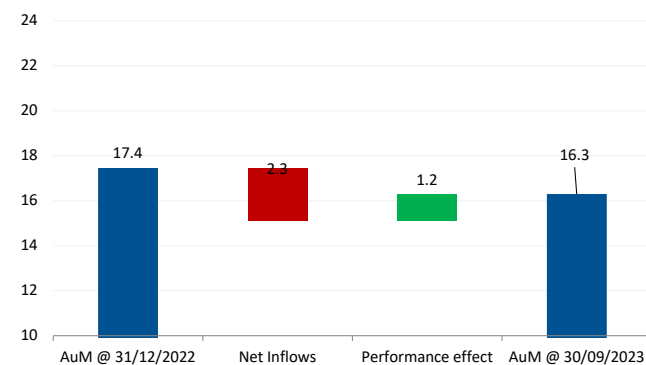
Source: Intermonte SIM estimates, Assogestioni

### Ordinary PIR – Market share by asset manager (on AuM as at 30/09/23)



Source: Assogestioni

### Ordinary PIR – Inflows and total AuM (Eu bn)



Source: Assogestioni

## Significant PIR outflows continued in October

In its quarterly review on 22 November 2023, Assogestioni released updated figures on 3Q23 PIR flows. During the quarter, ordinary PIRs saw outflows of Eu731mn, while Alternative PIRs recorded inflows of Eu7.5mn. In terms of AuM, ordinary PIRs had Eu16.3bn under management, while Eu1.5bn was invested in alternative PIR funds.

**According to *il Sole 24 Ore's* 'Osservatorio PIR' ('PIR Monitor'), outflows in October remained unsupportive and amounted to Eu172.1mn, taking 10M outflows to Eu2.3bn.**

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.

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 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. Eu40k 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).

### 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	Eu40,000 a year (max Eu200,000)	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

## Lowering our estimates for ordinary PIRs, once again

Assogestioni data for 9M23 showed Eu2,156mn of outflows, and preliminary market data for October (Eu-172.1mn) confirmed a similar negative trend. We have therefore lowered our estimates for the year: we are now forecasting Eu2.5bn of outflows compared to Eu1.9bn previously.

Looking at the reasons for redemptions from PIR funds, we can certainly hypothesise that many investors, noting positive performances as they pass the 5-year mark for maintaining the investment (meaning that tax benefits on capital gains are retained), have decided to cash in their PIR funds, thus enabling them to invest their savings in other funds and markets.

On a positive note, the Italian government has passed a new regulation that allows investors to hold more than one personal savings plan (PIR). The plan would cost the government no extra budget as the investment ceiling of Eu40k a year per person (or Eu200k over 5 years) would remain unchanged. We very much welcome this initiative: we hope it could relaunch inflows to PIR funds, as the advantage of diversifying over several PIR products could increase investments by individual investors.

In the long term, we expect interest in this product to remain fairly high thanks to the fiscal benefit and, from a distributor point of view, to the fact that it can count on a long-term commitment from investors.

The main assumptions underpinning our current estimates are as follows:

- for 2023, we assume gross inflows from new PIR subscribers of Eu50mn;
- 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 at ~18% of assets under management in 2023.

### PIR – Our assumptions

Individual Saving Plan (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)	(2,519)
YoY Growth			-63.8%	nm	nm	nm	nm	244.0%
o/w From Continuing Subs. (estimated)								121
o/w From New Subscribers (estimated)								50
o/w Transformation of Existing Funds/Exit from PIR (est.)								(2,691)

Source: Intermonte SIM

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

Company	Recommendation	Mkt Cap (Eu mn)	Price (Eu)	Target Price (Eu)	Upside %	Perf 1M %	Perf YTD
UNIPOLSAI	NEUTRAL	6,272	2.26	2.50	10.8%	-0.6%	-2.0%
BRUNELLO CUCINELLI	OUTPERFORM	5,814	85.50	90.50	5.8%	5.3%	23.7%
BUZZI-UNICEM	OUTPERFORM	5,324	27.64	35.10	27.0%	3.6%	53.6%
DE' LONGHI	OUTPERFORM	4,416	29.54	31.00	4.9%	11.2%	40.8%
REPLY	OUTPERFORM	4,302	115.00	125.00	8.7%	11.4%	7.5%
BREMBO	NEUTRAL	3,596	11.12	10.30	-7.4%	2.6%	6.4%
ACEA	NEUTRAL	2,945	13.83	13.00	-6.0%	22.8%	7.0%
IREN	OUTPERFORM	2,727	2.10	2.20	5.0%	6.7%	42.8%
CREDITO EMILIANO	OUTPERFORM	2,717	7.96	10.70	34.4%	-2.3%	20.1%
FERRAGAMO	NEUTRAL	2,134	12.64	13.50	6.8%	1.6%	-23.3%
WEBUILD	OUTPERFORM	1,914	1.90	2.90	52.5%	3.4%	38.3%
BFF BANK	OUTPERFORM	1,875	10.04	11.40	13.5%	-0.2%	35.5%
ENAV	OUTPERFORM	1,846	3.41	4.30	26.2%	2.2%	-13.9%
SESA	BUY	1,811	116.90	175.00	49.7%	12.6%	0.8%
TECHNOGYM	OUTPERFORM	1,785	8.88	9.00	1.4%	12.8%	24.2%
TIP	BUY	1,669	9.05	12.40	37.0%	7.2%	23.8%
MEDIA FOR EUROPE	OUTPERFORM	1,565	3.33	4.10	23.3%	14.3%	18.5%
SARAS	NEUTRAL	1,531	1.61	1.40	-13.0%	12.4%	40.1%
MAIRE TECNIMONT	OUTPERFORM	1,524	4.64	5.30	14.3%	1.4%	49.5%
SALCEF GROUP	OUTPERFORM	1,504	24.10	29.00	20.3%	0.8%	38.3%
CEMENTIR	OUTPERFORM	1,437	9.03	12.60	39.5%	6.5%	47.1%
INTERCOS	OUTPERFORM	1,436	14.92	16.50	10.6%	7.8%	17.5%
RAI WAY	BUY	1,319	4.85	7.00	44.3%	-3.8%	-10.4%
ANIMA	OUTPERFORM	1,311	3.98	4.60	15.7%	-1.7%	6.3%
TOD'S	NEUTRAL	1,128	34.10	36.60	7.3%	4.9%	12.6%
PIAGGIO	OUTPERFORM	1,037	2.92	3.60	23.3%	8.1%	4.1%
TINEXTA	BUY	929	19.68	28.00	42.3%	13.8%	-13.7%
FINCANTIERI	UNDERPERFORM	920	0.54	0.45	-16.8%	1.9%	2.0%
BANCA IFIS	OUTPERFORM	848	15.76	20.30	28.8%	-7.3%	18.4%
MARR	NEUTRAL	764	11.48	14.00	22.0%	-1.7%	0.7%
EL.EN.	OUTPERFORM	751	9.59	12.20	27.3%	5.9%	-32.7%
OVS GROUP	NEUTRAL	655	2.25	2.50	11.0%	25.0%	6.9%
PHARMANUTRA	BUY	567	58.60	75.00	28.0%	13.3%	-5.9%
MONDADORI	OUTPERFORM	544	2.09	2.80	34.3%	-1.9%	15.3%
LU-VE	OUTPERFORM	482	21.70	28.00	29.0%	4.3%	-22.9%
SECO	NEUTRAL	444	3.35	4.00	19.4%	1.1%	-37.4%
ANTARES VISION	OUTPERFORM	116	1.67	4.40	0.0%	-38.2%	-79.2%

Source: Intermonte SIM

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

Company	Recommendation	Mkt Cap (Eu mn)	Price (Eu)	Target Price (Eu)	Upside %	Perf 1M %	Perf YTD
SAES GETTERS	NEUTRAL	563	33.55	38.50	14.8%	1.1%	42.2%
WIIT	OUTPERFORM	545	19.46	24.00	23.3%	8.6%	8.1%
FILA	OUTPERFORM	441	8.67	10.30	18.8%	8.2%	24.6%
THE ITALIAN SEA GROUP	BUY	434	8.19	11.00	34.3%	6.0%	44.4%
DATALOGIC	NEUTRAL	383	6.55	7.10	8.4%	15.6%	-21.3%
ESPRINET	BUY	269	5.33	6.50	22.0%	9.9%	-20.9%
DOVALUE	BUY	266	3.32	7.80	134.9%	3.9%	-53.6%
GPI	OUTPERFORM	257	8.88	12.30	38.5%	6.3%	-38.6%
IGD	NEUTRAL	255	2.31	3.20	38.5%	6.0%	-25.8%
SAFILO	NEUTRAL	241	0.87	1.55	77.7%	-4.4%	-42.7%
TXT E-SOLUTIONS	OUTPERFORM	235	18.10	22.00	21.5%	18.0%	41.0%
FRANCHI UMBERTO MARMI	OUTPERFORM	224	6.86	9.50	38.5%	0.0%	-27.8%
AVIO	OUTPERFORM	218	8.02	11.70	45.9%	3.1%	-16.2%
FINE FOODS	OUTPERFORM	214	8.37	11.50	37.4%	5.8%	0.4%
SOMECC	BUY	197	28.50	33.30	16.8%	3.6%	-12.3%
REVO INSURANCE	BUY	196	7.96	11.80	48.2%	-2.5%	-8.1%
CY4GATE	BUY	184	7.82	12.00	53.5%	2.1%	-15.2%
GEOX	OUTPERFORM	184	0.71	1.50	111.3%	-1.7%	-11.6%
INTRED	BUY	175	11.05	16.10	45.7%	12.5%	-23.5%
SERI INDUSTRIAL	BUY	172	3.19	9.80	207.7%	14.8%	-39.2%
AQUAFIL	OUTPERFORM	164	3.20	4.10	28.1%	14.1%	-47.9%
EMAK	OUTPERFORM	156	0.96	1.55	62.1%	2.8%	-18.0%
GREENTHESIS	BUY	149	0.96	1.50	56.3%	1.1%	2.7%
ABITARE IN	OUTPERFORM	141	5.32	8.60	61.7%	3.1%	-7.3%
ELICA	BUY	139	2.19	2.80	27.9%	20.7%	-26.3%
INDEL B	OUTPERFORM	138	23.70	31.00	30.8%	1.3%	-5.6%
UNIDATA	BUY	125	4.06	6.50	60.1%	8.6%	-12.9%
CIVITANAVI SYSTEMS	BUY	121	3.94	4.80	21.8%	-5.7%	13.9%
CYBEROO	BUY	120	3.03	3.75	23.8%	15.6%	44.3%
IEG	OUTPERFORM	97	3.13	4.20	34.2%	4.3%	27.2%
BANCA SISTEMA	OUTPERFORM	97	1.20	1.40	16.7%	2.6%	-21.6%
SCIUKER FRAMES	BUY	95	4.38	15.80	260.7%	22.3%	-37.9%
RELATECH	BUY	92	2.13	4.10	92.5%	6.8%	2.4%
OMER	OUTPERFORM	82	2.85	4.40	54.4%	0.7%	14.0%
TESMEC	NEUTRAL	71	0.12	0.13	11.1%	9.8%	-16.5%
TALEA GROUP	BUY	58	8.40	13.70	63.1%	-0.5%	-23.6%
SERVIZI ITALIA	OUTPERFORM	53	1.67	2.45	46.7%	3.7%	40.9%
ALKEMY	OUTPERFORM	50	9.33	14.10	51.1%	16.9%	-15.3%
NOTORIOUS PICTURES	BUY	27	1.19	2.00	68.1%	-9.2%	-16.8%

Source: Intermonte SIM



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- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price / sales.
- 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)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

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NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

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

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