

Italian Mid/Small Caps Monthly

Mid-Cap Rebound Might Be the Prelude to 2024 Repositioning

by Intermonte Research Team

Italian Equity Market

- **Performance (+).** The Italian equity market (prices as at 16 November 2023) has risen 3.3% in the last month and is up 21.3% YtD. The FTSE Italy Mid-Cap index (+6.5%) has outperformed the main index by 3.2% in the last month (-16.2% YtD on a relative basis), with the FTSE Italy Small Caps index (+2.3%) performing 1.0% below the market, or -28.5% 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 3.2% in the last month, performing worse than Italian mid-caps.
- **Estimates (=).** Since the beginning of 2023, we have implemented an +18.19% upward revision to our 2023 EPS estimates, with a more limited revision (+10.8%) to 2024 EPS; focusing on our mid/small cap coverage, however, we have raised 2023 EPS by a more moderate 5.1% since 1 January 2023. Notably, in the last month, we have not significantly changed our estimates for either FTSE MIB stocks (+1.1% on 2023 EPS) or our mid-cap coverage (-0.6%).
- **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 3.2% re-rating YtD (the same metric was -2.2% one month ago); mid-caps have de-rated by 3.5%, while small caps have re-rated by 17.8%. On a P/E basis, our panel is trading at a 31% premium to large caps, above the historical average premium (17%) and above the level one month ago (25%).
- **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 21.0% higher than in the corresponding period one year ago but is up just 5.5% from a YtD perspective. The picture is more worrying for mid/small caps: specifically, YtD liquidity is down 12.1% YoY for mid-caps and 16.9% YoY for small caps, even if improving in the last month, mainly thanks to an easy YoY comparison.
- **Investment strategy.** In the last month, Italian mid-caps have undergone a considerable rebound, once again driven by speculation on the fact that interest rate hikes should have come to an end. The extreme complexity of the macroeconomic picture may well prove to be a deterrent to an excessively restrictive monetary policy. 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 industrials and consumers 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 (consistent with “high for longer” interest rates). 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 9 months exceeded Eu1.8bn and visibility on an inversion of the trend remains low. This situation should urge the government to allow investors to hold more than one personal savings plan (PIR).

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Performance

Mid caps outperformed large caps in the last month

The Italian equity market (prices as at 16 November 2023) has risen 3.3% in the last month and is up 21.3% YtD. The FTSE Italy Mid-Cap index (+6.5%) has outperformed the main index by 3.2% in the last month (-16.2% YtD on a relative basis), with the FTSE Italy Small Caps index (+2.3%) performing 1.0% below the market, or -28.5% on a relative basis since the beginning of 2023.

Italian Market Indexes – performance analysis (prices as at 16 November 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 | 41,375 | 6.5% | -1.6% | -4.2% | 5.1% | 4.6% | -18.7% | 15.0% | 17.5% |
| FTSE Italia Small Cap | 25,730 | 2.3% | -4.7% | -7.7% | -7.2% | -7.1% | -21.1% | 30.4% | 44.3% |
| FTSE Italia Star | 43,170 | 4.7% | -4.4% | -9.5% | -6.7% | -7.6% | -33.3% | 3.5% | 36.8% |
| FTSE Italia Growth Index | 7,663 | -3.6% | -14.2% | -15.8% | -17.2% | -17.8% | -32.5% | 18.3% | -14.1% |
| FTSE Italia All-Share | 31,190 | 3.3% | 3.3% | 6.3% | 21.3% | 17.6% | 2.4% | 34.6% | 50.3% |
| FTSE MIB | 29,258 | 3.1% | 3.9% | 7.6% | 23.4% | 19.3% | 5.2% | 37.3% | 55.0% |

| 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 | 3.2% | -4.9% | -10.5% | -16.2% | -12.9% | -21.2% | -19.6% | -32.8% |
| FTSE Italia Small Cap | -1.0% | -8.0% | -14.0% | -28.5% | -24.7% | -23.5% | -4.2% | -6.0% |
| FTSE Italia Star | 1.4% | -7.7% | -15.8% | -28.0% | -25.1% | -35.7% | -31.0% | -13.5% |

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has increased 3.2% in the last month, performing worse 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 | 151 | 0.0% | -0.9% | -3.0% | 6.3% | 5.0% | -6.5% | 17.2% | 25.1% |
| MSCI Europe Small Cap | 383 | 3.2% | -2.7% | -5.1% | 0.8% | -0.6% | -24.9% | -0.6% | 14.0% |

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 (%) |
|------------------------------|-------------------|---------------------------|---------------------|
| DE' LONGHI | 26.48 | 4,000 | 33% |
| SERVIZI ITALIA | 1.61 | 51 | 29% |
| WIIT | 17.50 | 490 | 21% |
| AQUAFIL | 2.69 | 115 | 20% |
| REPLY | 103.70 | 3,880 | 18% |
| SAFILO | 0.87 | 358 | 14% |
| FINCANTIERI | 0.53 | 903 | 13% |
| BRUNELLO CUCINELLI | 78.70 | 5,352 | 13% |
| EL.EN. | 9.54 | 763 | 12% |
| FILA | 7.97 | 343 | 11% |
| INTERCOS | 13.76 | 1,325 | 11% |
| CIVITANAVI SYSTEMS | 4.17 | 128 | 10% |
| WEBUILD | 1.82 | 1,858 | 10% |
| SALCEF GROUP | 23.80 | 1,485 | 10% |
| IREN | 1.99 | 2,591 | 10% |
| CEMENTIR | 8.50 | 1,353 | 10% |
| THE ITALIAN SEA GROUP | 7.65 | 405 | 8% |
| TINEXTA | 17.21 | 812 | 8% |
| SESA | 102.70 | 1,591 | 8% |
| IEG | 3.00 | 93 | 8% |
| FTSE Italia Mid Cap | | | 7% |
| FTSE Italia Small Cap | | | 2% |
| FTSE MIB | | | 3% |
| Worst Performers | Price (Eu) | Market Cap (Eu mn) | Perf. 1M (%) |
| DOVALUE | 3.15 | 252 | -18% |
| TALEA GROUP | 8.38 | 57 | -12% |
| PIAGGIO | 2.67 | 958 | -9% |
| NOTORIOUS PICTURES | 1.21 | 27 | -8% |
| OMER | 2.80 | 80 | -7% |
| INTRED | 9.80 | 156 | -6% |
| SERI INDUSTRIAL | 2.65 | 143 | -6% |
| ANTARES VISION | 2.65 | 183 | -6% |
| MAIRE TECNIMONT | 4.45 | 1,461 | -5% |
| ESPRINET | 4.78 | 241 | -4% |
| SAES GETTERS | 33.10 | 556 | -4% |
| REVO INSURANCE | 8.28 | 204 | -3% |
| DATALOGIC | 5.45 | 319 | -3% |
| SOMEC | 28.30 | 195 | -3% |
| BREMBO | 10.58 | 3,533 | -2% |
| GPI | 8.33 | 241 | -2% |
| TESMEC | 0.11 | 65 | -2% |
| GREENTHESIS | 0.95 | 147 | -1% |
| UNIPOLSAI | 2.26 | 6,390 | -1% |
| ELICA | 1.93 | 122 | -1% |

Source: FactSet

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

| Best Performers | Price (Eu) | Market Cap (Eu mn) | Perf. YTD (%) |
|------------------------------|-------------------|---------------------------|----------------------|
| BUZZI-UNICEM | 26.88 | 5,178 | 49% |
| MAIRE TECNIMONT | 4.45 | 1,461 | 43% |
| SAES GETTERS | 33.10 | 556 | 40% |
| CEMENTIR | 8.50 | 1,353 | 38% |
| SALCEF GROUP | 23.80 | 1,485 | 37% |
| SERVIZI ITALIA | 1.61 | 51 | 36% |
| IREN | 1.99 | 2,591 | 36% |
| THE ITALIAN SEA GROUP | 7.65 | 405 | 35% |
| BFF BANK | 9.84 | 1,838 | 33% |
| WEBUILD | 1.82 | 1,858 | 33% |
| BANCA IFIS | 17.08 | 919 | 28% |
| DE' LONGHI | 26.48 | 4,000 | 26% |
| CYBEROO | 2.62 | 109 | 25% |
| IEG | 3.00 | 93 | 22% |
| CREDITO EMILIANO | 8.08 | 2,758 | 22% |
| SARAS | 1.40 | 1,331 | 22% |
| CIVITANAVI SYSTEMS | 4.17 | 128 | 21% |
| MONDADORI | 2.13 | 556 | 18% |
| TXT E-SOLUTIONS | 15.06 | 196 | 17% |
| FILA | 7.97 | 343 | 15% |
| FTSE Italia Mid Cap | | | 5% |
| FTSE Italia Small Cap | | | -7% |
| FTSE MIB | | | 23% |
| Worst Performers | Price (Eu) | Market Cap (Eu mn) | Perf. YTD (%) |
| ANTARES VISION | 2.65 | 183 | -67% |
| AQUAFIL | 2.69 | 115 | -56% |
| DOVALUE | 3.15 | 252 | -56% |
| SCIUKER FRAMES | 3.50 | 76 | -50% |
| SERI INDUSTRIAL | 2.65 | 143 | -49% |
| SAFILO | 0.87 | 358 | -43% |
| GPI | 8.33 | 241 | -42% |
| SECO | 3.16 | 420 | -41% |
| ELICA | 1.93 | 122 | -35% |
| DATALOGIC | 5.45 | 319 | -35% |
| EL.EN. | 9.54 | 763 | -33% |
| INTRED | 9.80 | 156 | -32% |
| IGD | 2.16 | 238 | -31% |
| ESPRINET | 4.78 | 241 | -29% |
| LU-VE | 20.60 | 458 | -27% |
| FERRAGAMO | 12.11 | 2,044 | -27% |
| FRANCHI UMBERTO MARMI | 6.98 | 229 | -27% |
| ALKEMY | 8.10 | 46 | -26% |
| TINEXTA | 17.21 | 812 | -25% |
| BANCA SISTEMA | 1.16 | 93 | -24% |

Source: FactSet

Earnings Momentum

In the last month, forecasts almost unchanged in our coverage

Since the beginning of 2023, we have implemented an +18.19% upward revision to our 2023 EPS estimates, with a more limited revision (+10.8%) to 2024 EPS; focusing on our mid/small cap coverage, however, we have raised 2023 EPS by a more moderate 5.1% since 1 January 2023. Notably, in the last month, we have not significantly changed our estimates for either FTSE MIB stocks (+1.1% on 2023 EPS) or our mid-cap coverage (-0.6%).

Italian Market – Intermonte changes to 2022 and 2023 estimates

| EPS REVISION | Since January 1st 2023 | | Since 20/10/2023 | |
|------------------------------------|------------------------|-------------------|-------------------|-------------------|
| | % chg in EPS FY23 | % chg in EPS FY24 | % chg in EPS FY23 | % chg in EPS FY24 |
| Total Market | 18.9% | 10.8% | 1.1% | -0.2% |
| Total Market - Ex Energy | 22.1% | 11.8% | 1.1% | -0.2% |
| Domestic | 15.5% | 8.5% | 0.9% | 0.3% |
| Non domestic | 22.6% | 13.4% | 1.2% | -0.7% |
| Non domestic - Ex Energy | 21.7% | 13.5% | 1.2% | -0.2% |
| FTSE MIB | 20.2% | 11.6% | 1.2% | -0.2% |
| Mid Caps (our coverage) | 8.6% | 5.8% | -0.8% | -0.9% |
| Small Caps (our coverage) | -25.0% | -21.9% | 1.6% | 2.9% |
| Intermonte Mid&Small Caps coverage | 5.1% | 2.7% | -0.6% | -0.5% |

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 |
|--------------------------|---------------------------------------|--------------------------------------|---------------------|
| Upward Revision | | | |
| AVIO | 4 | 10 | 177.4% |
| BUZZI-UNICEM | 477 | 844 | 77.1% |
| IEG | 10 | 17 | 73.0% |
| CREDITO EMILIANO | 294 | 451 | 53.4% |
| CEMENTIR | 158 | 201 | 27.8% |
| BANCA IFIS | 121 | 155 | 27.7% |
| BRUNELLO CUCINELLI | 90 | 112 | 24.5% |
| WEBUILD | 153 | 191 | 24.2% |
| SALCEF GROUP | 65 | 78 | 20.7% |
| TOD'S | 34 | 41 | 18.1% |
| Downward Revision | | | |
| FINCANTIERI | 126 | -50 | -139.3% |
| SERI INDUSTRIAL | 12 | -1 | -105.7% |
| AQUAFIL | 25 | 0 | -100.4% |
| TESMEC | 16 | 4 | -74.2% |
| ESPRINET | 59 | 27 | -53.9% |
| FINE FOODS | 8 | 4 | -49.3% |

Source: Intermonte SIM

Valuation

Mid/small cap valuation premium up from the low point recorded one month ago

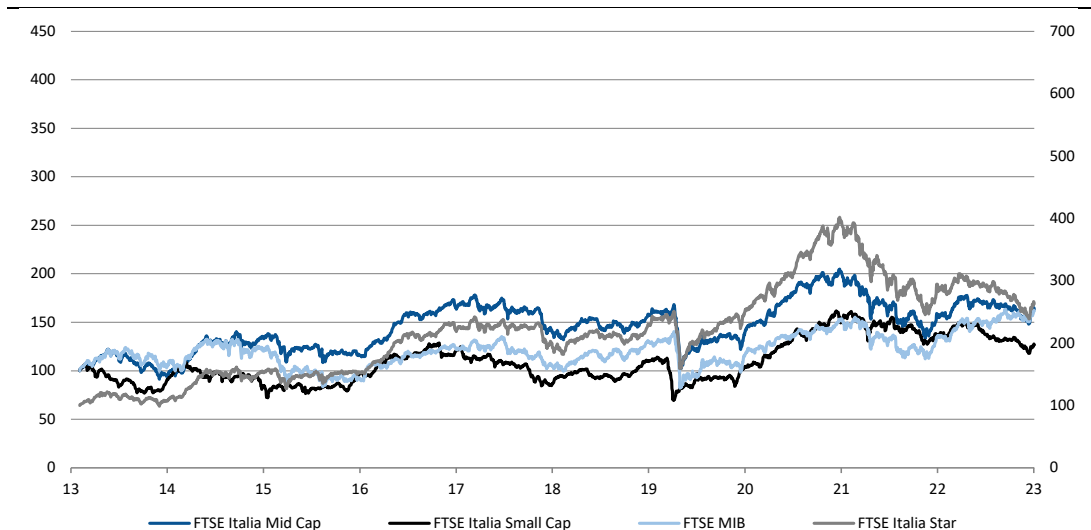
If we compare performance YtD to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 3.2% re-rating YtD (the same metric was -2.2% one month ago); mid-caps have de-rated by 3.5%, while small caps have re-rated by 17.8%.

Italian Market – re/de-rating by index

| Index | % Change YTD | on FY23 estimates | |
|-----------------------|--------------|-------------------|--------------|
| | | Chg in estimates | Re/De-rating |
| FTSE MIB | 23.4% | 20.2% | 3.2% |
| FTSE Italia Mid Cap | 5.1% | 8.6% | -3.5% |
| FTSE Italia Small Cap | -7.2% | -25.0% | 17.8% |

Source: Intermonte SIM and FactSet

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

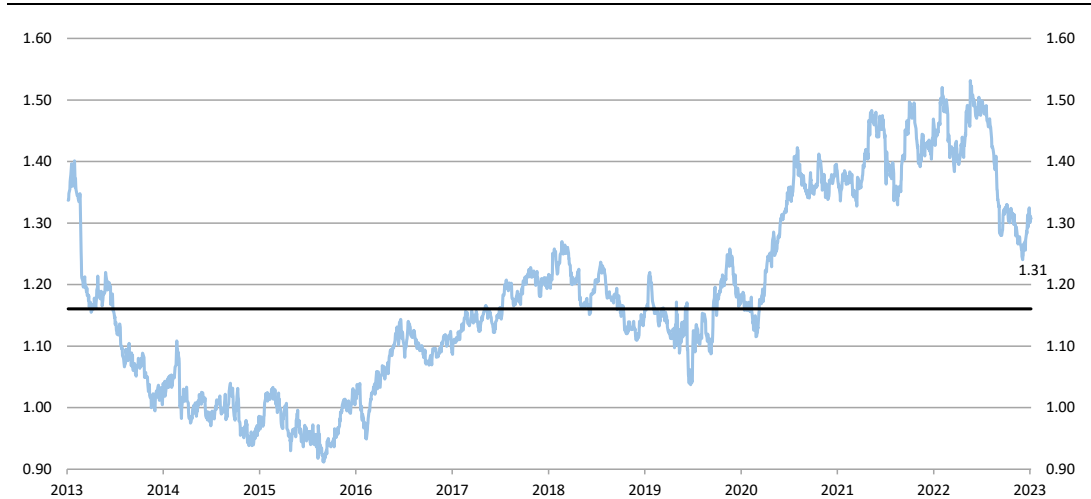


Source: FactSet

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 31% premium to large caps, above the historical average premium (17%) and above the level one month ago (25%).

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 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|--------|--------|--------|-----------------------------|-----------------|----------------|
| 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 | 9.1 x | - | 15.7 x | -42.3% |
| 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 | 11.0 x | - | 18.3 x | -40.0% |
| 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 | 11.2 x | - | 18.9 x | -41.0% |
| 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 | 11.8 x | 30.8% | 14.3 x | -17.1% |
| 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 | 15.9 x | 44.8% | 20.3 x | -21.7% |
| France CAC 40 | 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 | 56.9% | 16.0 x | -11.4% |
| France CAC M | 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 | 16.7% | 18.2 x | -29.5% |
| 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 | 22.0 x | 97.2% | 25.9 x | -15.0% |
| 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 | 10.8 x | 19.2% | 14.0 x | -22.7% |
| 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 | 11.5 x | 4.2% | 15.5 x | -26.2% |
| 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 | 22.4% | 13.5 x | -18.1% |
| 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 | 13.9 x | 26.8% | 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% | 0% | 139% |
| CYBEROO | 9.1 | 4.9 | -46% | 25% | 70% |
| SERVIZI ITALIA | 6.5 | 5.0 | -23% | 36% | 59% |
| SERI INDUSTRIAL | 11.6 | -0.7 | -106% | (49%) | 56% |
| SAES GETTERS | 33.1 | 28.8 | -13% | 40% | 53% |
| TESMEC | 16.4 | 4.2 | -74% | (24%) | 50% |
| FINE FOODS | 8.3 | 4.2 | -49% | (4%) | 45% |
| AQUAFIL | 25.5 | -0.1 | -100% | (56%) | 44% |
| THE ITALIAN SEA GROUP | 34.3 | 34.7 | 1% | 35% | 34% |
| BFF BANK | 185.3 | 184.7 | 0% | 33% | 33% |
| MAIRE TECNIMONT | 105.6 | 120.2 | 14% | 43% | 29% |
| FILA | 45.8 | 39.1 | -15% | 15% | 29% |
| IREN | 257.5 | 277.2 | 8% | 36% | 28% |
| ESPRINET | 59.5 | 27.5 | -54% | (29%) | 25% |
| CY4GATE | 14.5 | 9.0 | -38% | (16%) | 22% |
| CIVITANAVI SYSTEMS | 7.3 | 7.5 | 1% | 21% | 19% |
| BANCA SISTEMA | 27.9 | 16.2 | -42% | (24%) | 18% |
| TECHNOGYM | 90.2 | 82.3 | -9% | 9% | 17% |
| ANIMA | 175.3 | 158.5 | -10% | 7% | 17% |
| SALCEF GROUP | 64.7 | 78.0 | 21% | 37% | 16% |
| FERRAGAMO | 50.4 | 29.5 | -41% | (27%) | 15% |
| EMAK | 27.1 | 19.0 | -30% | (17%) | 13% |
| REPLY | 204.8 | 172.5 | -16% | (3%) | 13% |
| DE' LONGHI | 217.0 | 248.7 | 15% | 26% | 12% |
| CEMENTIR | 157.6 | 201.5 | 28% | 38% | 11% |
| TXT E-SOLUTIONS | 13.3 | 14.4 | 8% | 17% | 9% |
| ELICA | 24.1 | 13.6 | -44% | (35%) | 9% |
| WEBUILD | 153.4 | 190.5 | 24% | 33% | 8% |
| SARAS | 278.9 | 319.5 | 15% | 22% | 7% |
| MARR | 51.4 | 49.7 | -3% | 4% | 7% |
| UNIPOLSAI | 741.8 | 684.8 | -8% | (2%) | 6% |
| NOTORIOUS PICTURES | 5.5 | 4.4 | -21% | (15%) | 5% |
| SOMEC | 12.6 | 10.5 | -17% | (13%) | 4% |
| MEDIA FOR EUROPE | 217.1 | 213.7 | -2% | 2% | 3% |
| MONDADORI | 56.3 | 65.5 | 16% | 18% | 1% |
| INTERCOS | 56.5 | 60.5 | 7% | 8% | 1% |
| BANCA IFIS | 121.1 | 154.7 | 28% | 28% | 1% |
| ALKEMY | 6.9 | 5.2 | -25% | (26%) | (2%) |
| DATALOGIC | 31.7 | 21.8 | -31% | (35%) | (3%) |
| RELATECH | 8.1 | 8.0 | 0% | (3%) | (3%) |
| BREMBO | 281.8 | 297.7 | 6% | 1% | (4%) |
| OMER | 6.7 | 7.8 | 17% | 12% | (5%) |
| GEOX | 8.6 | 8.1 | -6% | (11%) | (5%) |
| INDEL B | 16.1 | 16.5 | 2% | (4%) | (6%) |
| PIAGGIO | 91.4 | 93.3 | 2% | (5%) | (7%) |
| EL.EN. | 62.8 | 47.7 | -24% | (33%) | (9%) |
| IGD | 70.5 | 55.6 | -21% | (31%) | (10%) |
| ACEA | 304.0 | 298.4 | -2% | (12%) | (10%) |
| GREENTHESIS | 15.7 | 17.5 | 12% | 2% | (10%) |
| BRUNELLO CUCINELLI | 90.3 | 112.4 | 25% | 14% | (11%) |
| SESA | 100.5 | 100.1 | 0% | (11%) | (11%) |
| TOD'S | 34.4 | 40.6 | 18% | 6% | (12%) |
| GPI | 20.7 | 15.3 | -26% | (42%) | (16%) |
| TINEXTA | 58.7 | 54.3 | -8% | (25%) | (17%) |
| ENAV | 107.8 | 108.8 | 1% | (17%) | (18%) |
| UNIDATA | 9.7 | 9.6 | 0% | (20%) | (19%) |
| PHARMANUTRA | 14.5 | 15.7 | 8% | (16%) | (23%) |
| RAI WAY | 79.9 | 92.4 | 16% | (9%) | (24%) |
| DOVALUE | 56.8 | 39.9 | -30% | (56%) | (26%) |
| OVS GROUP | 58.6 | 64.8 | 11% | (16%) | (27%) |
| BUZZI-UNICEM | 476.6 | 844.2 | 77% | 49% | (28%) |
| LU-VE | 33.3 | 34.0 | 2% | (27%) | (29%) |
| CREDITO EMILIANO | 293.9 | 451.0 | 53% | 22% | (32%) |
| SAFILO | 23.7 | 23.7 | 0% | (43%) | (43%) |
| SCIUKER FRAMES | 30.0 | 30.0 | 0% | (50%) | (50%) |
| IEG | 10.1 | 17.5 | 73% | 22% | (51%) |
| AVIO | 3.6 | 10.0 | 177% | (17%) | (195%) |

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 21.0% higher than in the corresponding period one year ago but is up just 5.5% from a YtD perspective. The picture is more worrying for mid/small caps: specifically, YtD liquidity is down 12.1% YoY for mid-caps and 16.9% 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 16/11 | 3M to 16/11 | YTD to 16/11 | 1M to 16/11 | 3M to 16/11 | YTD to 16/11 | 1M to 16/11 | 3M to 16/11 | YTD to 16/11 |
| FTSE MIB | | | | | | | | | |
| All stocks | 54.27 | 52.37 | 52.67 | 44.85 | 40.67 | 49.90 | 21.0% | 28.8% | 5.5% |
| Top 20% by market cap | 153.81 | 153.40 | 159.84 | 137.88 | 131.13 | 158.02 | 11.5% | 17.0% | 1.2% |
| FTSE Italia Mid Cap | | | | | | | | | |
| All stocks | 1.95 | 1.95 | 2.01 | 1.85 | 1.67 | 2.29 | 5.6% | 17.3% | (12.1%) |
| Top 20% by market cap | 3.54 | 3.34 | 3.45 | 3.01 | 2.71 | 4.25 | 17.8% | 23.1% | (18.8%) |
| FTSE Italia Small Cap | | | | | | | | | |
| All stocks | 0.19 | 0.20 | 0.20 | 0.17 | 0.15 | 0.24 | 10.0% | 30.7% | (16.9%) |
| Top 20% by market cap | 0.56 | 0.59 | 0.55 | 0.42 | 0.39 | 0.56 | 33.0% | 51.0% | (1.7%) |

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 | 1,331 | 10,228,963 |
| BRUNELLO CUCINELLI | 5,352 | 6,459,271 |
| BUZZI-UNICEM | 5,178 | 6,458,629 |
| REPLY | 3,880 | 5,027,539 |
| BREMBO | 3,533 | 4,155,640 |
| BFF BANK | 1,838 | 3,953,424 |
| IREN | 2,591 | 2,914,036 |
| FERRAGAMO | 2,044 | 2,601,662 |
| ANIMA | 1,324 | 2,584,373 |
| DE' LONGHI | 4,000 | 2,449,766 |
| ACEA | 2,428 | 2,357,545 |
| UNIPOLSAI | 6,390 | 2,320,229 |
| WEBUILD | 1,858 | 2,295,621 |
| MAIRE TECNIMONT | 1,461 | 2,293,939 |
| OVS GROUP | 513 | 2,235,733 |
| TECHNOGYM | 1,562 | 1,929,626 |
| TOD'S | 1,066 | 1,928,032 |
| BANCA IFIS | 919 | 1,887,482 |
| PIAGGIO | 958 | 1,840,182 |
| ESPRINET | 241 | 1,790,441 |
| SESA | 1,591 | 1,786,340 |
| ENAV | 1,779 | 1,523,649 |
| CREDITO EMILIANO | 2,758 | 1,363,758 |
| TINEXTA | 812 | 1,237,915 |
| MEDIA FOR EUROPE | 1,328 | 1,206,809 |
| SAES GETTERS | 556 | 1,195,173 |
| TIP | 1,523 | 1,083,540 |
| EL.EN. | 763 | 1,078,585 |
| FINCANTIERI | 903 | 1,038,480 |

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 | 3.2 | 252 | 0.498 | 0.672 | 21.3% | 135% | 2.5x |
| BANCA IFIS | 17.1 | 919 | 2.874 | 2.071 | 12.1% | 72% | |
| SCIUKER FRAMES | 3.5 | 76 | 1.383 | 0.415 | 11.9% | 30% | -0.3x |
| IGD | 2.2 | 238 | 0.504 | 0.207 | 9.6% | 41% | 9.2x |
| BFF BANK | 9.8 | 1,838 | 0.989 | 0.850 | 8.6% | 86% | |
| PIAGGIO | 2.7 | 958 | 0.263 | 0.210 | 7.9% | 80% | 1.1x |
| UNIPOLSAI | 2.3 | 6,390 | 0.246 | 0.170 | 7.5% | 69% | |
| ABITARE IN | 5.3 | 141 | 0.908 | 0.397 | 7.5% | 44% | 0.5x |
| ACEA | 11.4 | 2,428 | 1.401 | 0.851 | 7.5% | 61% | 3.6x |
| SARAS | 1.4 | 1,331 | 0.336 | 0.100 | 7.1% | 30% | -0.2x |
| RAI WAY | 5.0 | 1,346 | 0.340 | 0.327 | 6.6% | 96% | 0.8x |
| NOTORIOUS PICTURES | 1.2 | 27 | 0.195 | 0.078 | 6.4% | 40% | 2.5x |
| MEDIA FOR EUROPE | 2.9 | 1,328 | 0.376 | 0.180 | 6.3% | 48% | 0.9x |
| ENAV | 3.3 | 1,779 | 0.201 | 0.203 | 6.2% | 101% | 1.3x |
| IREN | 2.0 | 2,591 | 0.213 | 0.121 | 6.1% | 57% | 3.2x |
| GPI | 8.3 | 241 | 0.546 | 0.500 | 6.0% | 92% | 4.7x |
| ESPRINET | 4.8 | 241 | 0.551 | 0.276 | 5.8% | 50% | 1.7x |
| ANIMA | 4.0 | 1,324 | 0.477 | 0.230 | 5.7% | 48% | |
| MONDADORI | 2.1 | 556 | 0.251 | 0.110 | 5.2% | 44% | 1.0x |
| MARR | 11.8 | 785 | 0.747 | 0.597 | 5.1% | 80% | 1.5x |
| CREDITO EMILIANO | 8.1 | 2,758 | 1.321 | 0.400 | 5.0% | 30% | |
| EMAK | 1.0 | 159 | 0.116 | 0.047 | 4.8% | 40% | 2.8x |
| BANCA SISTEMA | 1.2 | 93 | 0.201 | 0.050 | 4.3% | 25% | |
| TECHNOGYM | 7.8 | 1,562 | 0.409 | 0.314 | 4.0% | 77% | -1.0x |
| MAIRE TECNIMONT | 4.4 | 1,461 | 0.366 | 0.174 | 3.9% | 48% | -0.4x |
| FRANCHI UMBERTO MARMI | 7.0 | 229 | 0.431 | 0.264 | 3.8% | 61% | 0.6x |
| DATALOGIC | 5.5 | 319 | 0.389 | 0.200 | 3.7% | 51% | 0.6x |
| ELICA | 1.9 | 122 | 0.214 | 0.070 | 3.6% | 33% | 1.1x |
| THE ITALIAN SEA GROUP | 7.7 | 405 | 0.655 | 0.272 | 3.6% | 41% | 0.0x |
| IEG | 3.0 | 93 | 0.566 | 0.100 | 3.3% | 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 | 186 | 23.1 | 5.4 | 329% |
| FINE FOODS | 8.0 | 176 | 48.3 | 18.0 | 169% |
| TESMEC | 0.1 | 65 | 15.1 | 6.9 | 118% |
| FERRAGAMO | 12.1 | 2,044 | 69.2 | 37.1 | 87% |
| ANTARES VISION | 2.7 | 183 | 26.3 | 15.6 | 68% |
| GPI | 8.3 | 241 | 15.3 | 9.5 | 61% |
| SERVIZI ITALIA | 1.6 | 51 | 10.2 | 6.5 | 58% |
| REVO INSURANCE | 8.3 | 204 | 5.2 | 3.3 | 58% |
| SOMEK | 28.3 | 195 | 18.6 | 11.9 | 56% |
| SECO | 3.2 | 420 | 18.0 | 12.0 | 50% |
| CYBEROO | 2.6 | 109 | 22.2 | 15.1 | 47% |
| NOTORIOUS PICTURES | 1.2 | 27 | 6.2 | 4.3 | 45% |
| ABITARE IN | 5.3 | 141 | 5.8 | 4.1 | 44% |
| TOD'S | 32.2 | 1,066 | 26.3 | 18.5 | 42% |
| DATALOGIC | 5.5 | 319 | 14.0 | 10.5 | 33% |
| AVIO | 7.9 | 209 | 21.4 | 16.3 | 32% |
| ALKEMY | 8.1 | 46 | 8.9 | 6.9 | 29% |
| THE ITALIAN SEA GROUP | 7.7 | 405 | 11.7 | 9.1 | 29% |
| WEBUILD | 1.8 | 1,858 | 9.5 | 7.4 | 29% |
| CIVITANAVI SYSTEMS | 4.2 | 128 | 17.2 | 13.4 | 28% |
| RELATECH | 2.0 | 87 | 10.8 | 8.5 | 28% |
| TECHNOGYM | 7.8 | 1,562 | 19.0 | 15.1 | 25% |
| MAIRE TECNIMONT | 4.4 | 1,461 | 12.2 | 9.7 | 25% |
| UNIDATA | 37.5 | 116 | 12.0 | 9.7 | 24% |
| CY4GATE | 7.8 | 183 | 20.4 | 16.4 | 24% |
| PIAGGIO | 2.7 | 958 | 10.2 | 8.3 | 23% |
| MARR | 11.8 | 785 | 15.8 | 12.9 | 22% |
| REPLY | 103.7 | 3,880 | 22.5 | 18.6 | 21% |
| EMAK | 1.0 | 159 | 8.3 | 6.9 | 20% |
| SALCEF GROUP | 23.8 | 1,485 | 19.0 | 15.9 | 19% |
| ESPRINET | 4.8 | 241 | 8.7 | 7.3 | 18% |
| OVS GROUP | 1.8 | 513 | 7.9 | 6.7 | 18% |
| GREENTHESIS | 1.0 | 147 | 8.4 | 7.2 | 17% |
| TINEXTA | 17.2 | 812 | 15.0 | 12.9 | 16% |
| INTERCOS | 13.8 | 1,325 | 21.9 | 18.9 | 16% |
| OMER | 2.8 | 80 | 10.3 | 8.9 | 15% |
| EL.EN. | 9.5 | 763 | 15.7 | 13.7 | 14% |
| ANIMA | 4.0 | 1,324 | 8.4 | 7.4 | 14% |
| PHARMANUTRA | 52.5 | 508 | 32.4 | 28.7 | 13% |

Source: Intermonte SIM and FactSet

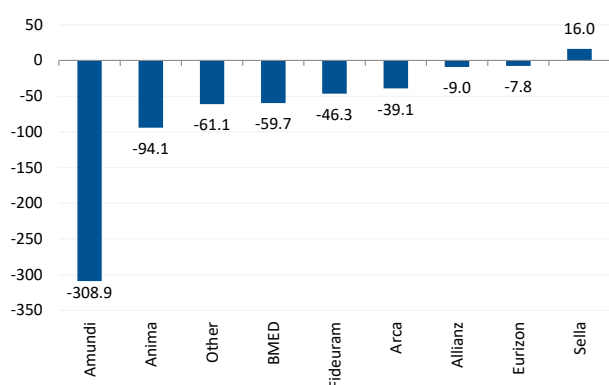
UPDATE on the Individual Savings Plan (PIR)

PIR: official figures for 2Q23

| | | | | | | | | | Nr. Of Funds | | Invested Capital | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|-------------------|-------------------------|----------------------|
| | 2Q23 (Eu mn) | 1Q23 (Eu mn) | FY22 (Eu mn) | FY21 (Eu mn) | FY20 (Eu mn) | FY19 (Eu mn) | FY18 (Eu mn) | FY17 (Eu mn) | at June 2023 # Funds | at June 2023 % | at June 2023 (Eu mn) | at June 2023 in % |
| Ordinary PIR | (610) | (815) | (734) | 323 | (759) | (1,097) | 3,950 | 10,903 | 66 | | 17,479 | |
| Alternative PIR | 1 | 58 | 242 | | | | | | 14 | | 1,512 | |
| EQUITY FUNDS | (209) | (264) | (338) | 280 | (281) | (369) | 349 | 2,260 | 26 | 32.5% | 5,380 | 28.3% |
| BALANCED FUNDS | (474) | (466) | (385) | 214 | (321) | (587) | 2,525 | 5,962 | 22 | 27.5% | 6,877 | 36.2% |
| FIXED INCOME FUNDS | 181 | 35 | (12) | 17 | (1) | (20) | 10 | 75 | 6 | 7.5% | 427 | 2.2% |
| FLEXIBLE FUNDS | (108) | (114) | 2 | (187) | (160) | (121) | 1,067 | 2,605 | 14 | 17.5% | 4,808 | 25.3% |
| CLOSED-END FUNDS | 0 | 52 | 240 | | | | | | 12 | 15.0% | 1,498 | 7.9% |

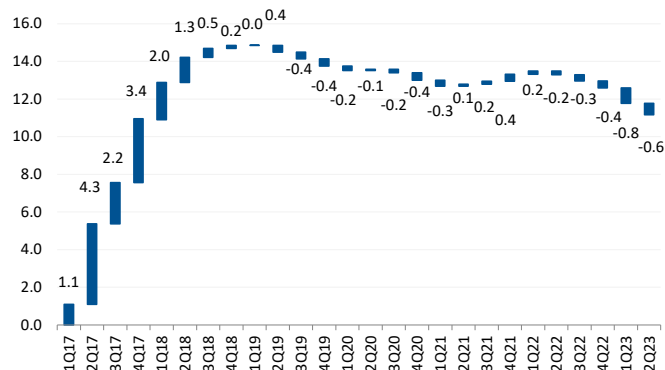
Source: Assogestioni, Quarterly Report, May 2023

Ordinary PIR - Net inflows by asset manager (Eu mn, 2Q23)



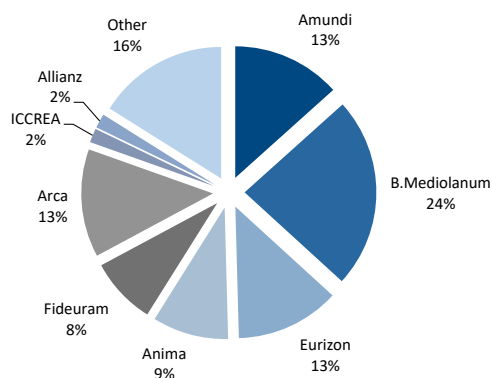
Source: Assogestioni

Ordinary PIR - Inflows by quarter (Eu bn)



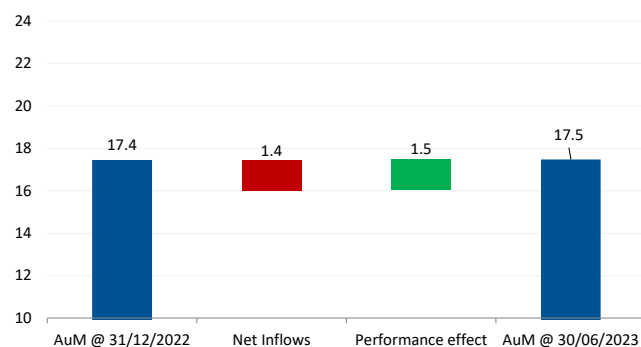
Source: Intermonte SIM estimates, Assogestioni

Ordinary PIR - Market share by asset manager (on AuM as at 31/03/23)



Source: Assogestioni

Ordinary PIR - Inflows and total AuM (Eu bn)



Source: Assogestioni

Significant PIR outflows continued in September

In its quarterly review on 7 September 2023, Assogestioni released updated figures on 2Q23 PIR inflows. During the quarter, ordinary PIRs saw outflows of Eu610mn, while Alternative PIRs recorded inflows of Eu0.7mn. In terms of AuM, ordinary PIRs had Eu17.5bn under management, while Eu1.5bn was invested in alternative PIR funds.

According to *il Sole 24 Ore's* 'Osservatorio PIR' ('PIR Monitor'), outflows in July, August and September remained unsupportive and amounted to Eu169.4mn, Eu87.5mn and Eu163.4mn respectively, taking 3Q23 outflows to Eu420.3mn.

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

Confirming our estimates for ordinary PIRs, even though visibility remains low

Assogestioni data for 1H23 showed Eu1,425.4mn of outflows, and preliminary market data for 3Q23 (Eu-420.3mn) confirmed a similar negative trend. We remind that our estimates for the year, after a number of downward revisions, currently point to outflows of Eu1.9bn, assuming an improvement in numbers in 4Q23, on which visibility remains low.

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.

According to the press, the Italian government is looking at an amendment to allow 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: if approved, we think 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 do expect 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 investors.

The main assumptions underpinning our current estimates are as follows:

- for 2023, we assume gross inflows from new PIR subscribers of Eu120mn;
- 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 ~16% 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) | (1,875) |
| YoY Growth | | | -63.8% | nm | nm | nm | nm | 156.0% |
| o/w From Continuing Subs. (estimated) | | | | | | | | 424 |
| o/w From New Subscribers (estimated) | | | | | | | | 120 |
| o/w Transformation of Existing Funds/Exit from PIR (est.) | | | | | | | | (2,419) |

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 | 8.1 | 7.4 | 6.1 | 5.8 | 7.5% | 7.7% | -7.6% | 5.3% | 3.6x | 3.5x |
| ANIMA | 8.4 | 7.4 | | | 5.7% | 6.2% | | | | |
| ANTARES VISION | 26.3 | 15.6 | 7.5 | 6.2 | 0.0% | 0.0% | -3.4% | 4.5% | 2.5x | 1.8x |
| BANCA IFIS | 5.9 | 6.5 | | | 12.1% | 10.3% | | | | |
| BFF BANK | 9.6 | 8.6 | | | 9.4% | 10.4% | | | | |
| BREMBO | 11.6 | 11.7 | 5.5 | 5.1 | 2.7% | 2.7% | 4.6% | 6.6% | 0.7x | 0.5x |
| BRUNELLO CUCINELLI | 47.6 | 43.5 | 16.4 | 14.7 | 1.1% | 1.1% | 0.8% | 1.3% | 1.8x | 1.7x |
| BUZZI-UNICEM | 6.1 | 6.2 | 2.9 | 2.4 | 1.9% | 2.0% | 15.9% | 13.9% | -0.7x | -1.1x |
| CEMENTIR | 6.7 | 6.1 | 3.2 | 2.4 | 3.1% | 3.4% | 10.2% | 15.9% | -0.5x | -0.9x |
| CREDITO EMILIANO | 6.1 | 6.4 | | | 5.0% | 5.2% | | | | |
| DE' LONGHI | 16.1 | 14.6 | 8.2 | 7.4 | 2.5% | 2.8% | 5.3% | 4.8% | -1.0x | -1.1x |
| EL.EN. | 15.7 | 13.7 | 8.6 | 7.4 | 2.2% | 2.3% | 1.0% | 7.7% | -0.7x | -1.1x |
| ENAV | 16.3 | 15.2 | 7.5 | 7.0 | 6.2% | 6.4% | 8.6% | 11.3% | 1.3x | 0.9x |
| FERRAGAMO | 69.2 | 37.1 | 6.9 | 5.8 | 0.7% | 1.3% | -0.4% | 1.7% | 1.0x | 0.8x |
| FINCANTIERI | nm | nm | 9.3 | 8.8 | 0.0% | 0.0% | | | 7.0x | 6.8x |
| INTERCOS | 21.9 | 18.9 | 10.0 | 8.7 | 1.1% | 1.4% | 1.4% | 3.7% | 0.6x | 0.3x |
| IREN | 9.3 | 9.1 | 5.7 | 5.6 | 6.1% | 6.7% | -9.2% | -2.1% | 3.2x | 3.3x |
| LU-VE | 13.5 | 13.3 | 7.5 | 7.1 | 1.9% | 2.0% | 2.9% | 6.2% | 1.8x | 1.5x |
| MAIRE TECNIMONT | 12.2 | 9.7 | 5.0 | 4.0 | 3.9% | 5.0% | 13.4% | 6.0% | -0.4x | -0.4x |
| MARR | 15.8 | 12.9 | 7.7 | 7.1 | 5.1% | 6.2% | -0.4% | -3.1% | 1.5x | 1.8x |
| MEDIA FOR EUROPE | 37.4 | 35.0 | 9.7 | 9.1 | 1.4% | 1.4% | 4.2% | 4.6% | 1.1x | 0.8x |
| MONDADORI | 8.5 | 8.3 | 4.7 | 4.4 | 5.2% | 5.2% | 12.3% | 13.0% | 1.0x | 0.7x |
| OVS GROUP | 7.9 | 6.7 | 4.0 | 3.4 | 3.3% | 3.9% | 12.1% | 10.6% | 0.6x | 0.4x |
| PHARMANUTRA | 32.4 | 28.7 | 21.4 | 18.1 | 1.5% | 1.7% | -1.2% | 3.3% | 0.2x | -0.2x |
| PIAGGIO | 10.2 | 8.3 | 4.0 | 3.7 | 7.9% | 9.7% | 7.6% | 10.4% | 1.1x | 1.0x |
| RAI WAY | 14.6 | 14.9 | 8.3 | 8.5 | 6.6% | 6.7% | 8.3% | 8.3% | 0.8x | 1.1x |
| REPLY | 22.5 | 18.6 | 11.2 | 9.6 | 1.1% | 1.2% | 5.6% | 5.1% | -0.7x | -1.0x |
| SALCEF GROUP | 19.0 | 15.9 | 9.5 | 8.1 | 2.4% | 2.8% | 3.6% | 4.4% | 0.0x | -0.2x |
| SARAS | 4.2 | 9.8 | 1.7 | 2.6 | 7.1% | 5.7% | 5.0% | 12.8% | -0.2x | -0.4x |
| SECO | 18.0 | 12.0 | 9.2 | 6.9 | 0.0% | 0.0% | 3.0% | 3.7% | 0.9x | 0.5x |
| SESA | 15.9 | 14.2 | 8.9 | 6.5 | 1.0% | 1.2% | 0.9% | 8.4% | -0.2x | -0.1x |
| TECHNOGYM | 19.0 | 15.1 | 9.1 | 7.4 | 4.0% | 3.2% | 5.6% | 7.1% | -1.0x | -1.2x |
| TINEXTA | 15.0 | 12.9 | 10.3 | 8.7 | 2.6% | 1.9% | 3.8% | 6.4% | 0.8x | 0.4x |
| TIP | 11.5 | 11.5 | | | 1.8% | 1.9% | | | 12.3x | |
| TOD'S | 26.3 | 18.5 | 4.5 | 4.0 | 0.0% | 0.0% | 2.4% | 5.3% | 2.2x | 1.9x |
| UNIPOLSAI | 9.2 | 8.3 | | | 7.5% | 8.2% | | | | |
| WEBUILD | 9.5 | 7.4 | 2.0 | 1.7 | 3.3% | 3.3% | 10.2% | 6.0% | -0.5x | -0.5x |

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 | 5.8 | 4.1 | 4.1 | 3.6 | 7.5% | 7.3% | 72.3% | -14.5% | 0.5x | 1.0x |
| ALKEMY | 8.9 | 6.9 | 5.9 | 5.0 | 0.0% | 0.0% | 5.1% | 12.0% | 2.6x | 1.9x |
| AQUAFIL | nm | 18.2 | 5.8 | 4.8 | 0.0% | 1.1% | 21.0% | 9.7% | 4.0x | 3.2x |
| AVIO | 21.4 | 16.3 | 4.4 | 3.7 | 1.1% | 3.0% | -4.7% | -0.8% | -2.6x | -1.6x |
| BANCA SISTEMA | 5.7 | 6.2 | | | 4.3% | 4.1% | | | | |
| CIVITANAVI SYSTEMS | 17.2 | 13.4 | 8.8 | 6.7 | 2.4% | 2.6% | 0.9% | 2.0% | -2.4x | -1.1x |
| CYAGATE | 20.4 | 16.4 | 7.7 | 6.6 | 0.0% | 0.0% | 0.6% | 2.1% | 0.1x | -0.1x |
| CYBEROO | 22.2 | 15.1 | 10.1 | 7.1 | 0.0% | 0.0% | 2.0% | 2.8% | -0.6x | -0.6x |
| DATALOGIC | 14.0 | 10.5 | 5.4 | 4.6 | 3.7% | 4.6% | 5.4% | 8.6% | 0.6x | 0.3x |
| DOVALUE | 6.3 | 5.8 | 3.9 | 3.6 | 21.3% | 23.5% | 32.1% | 30.9% | 2.5x | 2.2x |
| ELICA | 9.0 | 9.1 | 3.9 | 3.5 | 3.6% | 3.6% | 13.0% | 17.7% | 1.1x | 0.7x |
| EMAK | 7.3 | 6.2 | 4.9 | 4.4 | 5.6% | 6.5% | 14.2% | 14.0% | 2.6x | 2.3x |
| ESPRINET | 8.7 | 7.3 | 5.2 | 4.0 | 5.8% | 6.8% | 6.8% | 23.8% | 1.7x | 1.0x |
| FILA | 10.4 | 9.7 | 6.7 | 6.3 | 1.7% | 1.8% | 11.6% | 7.6% | 2.9x | 2.5x |
| FINE FOODS | 48.3 | 18.0 | 10.4 | 7.9 | 0.8% | 2.2% | -6.9% | 5.0% | 2.3x | 1.6x |
| FRANCHI UMBERTO MARMI | 16.2 | 16.1 | 10.1 | 9.1 | 3.8% | 3.1% | 4.1% | 8.1% | 0.6x | 0.2x |
| GEOX | 23.1 | 5.4 | 5.6 | 4.4 | 0.0% | 9.3% | -28.5% | 11.9% | 3.8x | 2.9x |
| GPI | 15.3 | 9.5 | 7.8 | 6.3 | 6.0% | 6.0% | -10.1% | 4.2% | 4.7x | 3.8x |
| GREENTHESIS | 8.4 | 7.2 | 6.7 | 5.8 | 2.4% | 2.9% | -3.1% | 2.1% | 1.9x | 1.7x |
| IEG | 5.3 | 4.9 | 3.2 | 2.8 | 3.3% | 3.5% | 21.6% | 16.9% | 1.7x | 1.4x |
| IGD | 4.3 | 4.8 | 11.4 | 10.7 | 9.6% | 9.6% | 26.7% | 23.7% | 9.2x | 8.5x |
| INDEL B | 8.5 | 8.3 | 5.0 | 4.5 | 3.3% | 3.3% | 8.4% | 12.1% | 0.5x | 0.1x |
| INTRED | 25.4 | 27.2 | 8.2 | 7.9 | 0.7% | 0.7% | -4.7% | 1.5% | 0.9x | 0.8x |
| NOTORIOUS PICTURES | 6.2 | 4.3 | 4.0 | 3.1 | 6.4% | 9.4% | -37.9% | 29.7% | 2.5x | 1.9x |
| OMER | 10.3 | 8.9 | 5.5 | 4.5 | 1.7% | 1.9% | 8.3% | 9.7% | -1.1x | -1.5x |
| RELATECH | 10.8 | 8.5 | 5.6 | 4.3 | 0.0% | 0.0% | 3.5% | 6.8% | 0.7x | 0.2x |
| REVO INSURANCE | 5.2 | 3.3 | | | 2.7% | 5.9% | | | | |
| SAES GETTERS | 19.3 | 17.3 | 11.5 | 7.2 | 1.7% | 1.7% | 2.8% | 4.3% | -0.6x | -0.7x |
| SAFILO | 10.1 | | 2.8 | | 0.0% | | 16.0% | | 0.1x | |
| SCIUKER FRAMES | 2.5 | 3.1 | 1.4 | 1.1 | 11.9% | 9.7% | 19.3% | 33.2% | -0.3x | -0.9x |
| SERI INDUSTRIAL | nm | 8.4 | 8.9 | 4.9 | 0.0% | 0.0% | -7.4% | -3.1% | 4.0x | 2.2x |
| SERVIZI ITALIA | 10.2 | 6.5 | 2.5 | 2.3 | 0.0% | 0.0% | -11.5% | 10.8% | 1.7x | 1.6x |
| SOMEK | 18.6 | 11.9 | 8.1 | 5.9 | 2.7% | 4.2% | 8.7% | 13.2% | 1.9x | 1.0x |
| TALEA GROUP | nm | 49.9 | 34.9 | 12.2 | 0.0% | 0.0% | -19.6% | 5.2% | 12.5x | 4.1x |
| TESMEC | 15.1 | 6.9 | 4.2 | 3.6 | 0.0% | 0.0% | -14.3% | 6.7% | 2.9x | 2.4x |
| THE ITALIAN SEA GROUP | 11.7 | 9.1 | 6.7 | 4.9 | 3.6% | 4.3% | 4.0% | 13.6% | 0.0x | -0.5x |
| TXT E-SOLUTIONS | 12.8 | 11.4 | 7.1 | 5.9 | 1.4% | 1.6% | 6.9% | 8.5% | 1.2x | 0.7x |
| UNIDATA | 12.0 | 9.7 | 6.7 | 5.8 | 0.4% | 0.5% | 10.9% | -2.2% | 2.1x | 1.8x |
| WIIT | 32.6 | 24.8 | 13.6 | 11.8 | 1.5% | 2.0% | 3.6% | 4.8% | 4.1x | 3.2x |

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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