

Italian Mid/Small Caps Monthly

Quarterly Results Prove Selectivity Matters

by Intermonte Research Team

Italian Equity Market

- **Performance (+/-).** The Italian equity market (prices as at 16 May 2024) has posted a positive 5.9% performance in the last month and is up 15.9% YtD. The FTSE Italy Mid-Cap index (+4.5%) has underperformed the main index by 1.4% in the last month (-7.2% YtD on a relative basis), with the FTSE Italy Small Caps index (+6.3%) performing 0.4% above the market, but still -11.7% on a relative basis since the beginning of 2024. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 7.1% in the last month, performing better than Italian mid small caps.
- **Estimates (=).** Since the beginning of 2024, we have implemented a -2.4%/-2.33% revision to our 2024/2025 EPS estimates; on the other hand, focusing on our mid/small cap coverage, we have reduced our 2024/2025 EPS by -0.9%/-1.7%. Notably, the large cap estimate revision has been entirely implemented in the last month (-3.9%/-2.5% on 2024/25 EPS, mainly for downgrades on Stellantis, Tenaris and STM); the same metrics remained almost unchanged for our mid cap coverage (+0.3%/+0.0%), while it was similarly negative for our small cap coverage (-4.1%/-4.8%).
- **Valuations (+).** If we compare performance YtD to the change in FY24 estimates over the same period, we see that FTSE MIB stocks have recorded a 19.2% re-rating YtD (the same metric was +10.0% one month ago); mid-caps have re-rated by 8.7%, while small caps have re-rated by 18.1%. On a P/E basis, our panel is trading at a 26% premium to large caps, above the historical average premium (17%) but slightly below the level one month ago (27%).
- **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 36.7% higher than in the corresponding period one year ago and is up 18.7% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 12.9% YoY for mid-caps and 15.0% for small caps. Notably, liquidity has particularly improved in the last month, thanks in part to an easy comparison.
- **Investment strategy.** In a very favourable month for the markets, newsflow from quarterly results, as we imagined, was a particularly significant catalyst in driving very different stock performances between winners and losers. Overall, the companies that reported good results still look at the coming months with a certain caution and the consensus estimates only rose in rare cases, otherwise the positive stock performances reflected the fact that the market expected worse scenarios, as in the case of technology stocks. From a flow point of view, between the cash-in of dividends and de-listings, fund managers seem to be looking for new stories, with a more constructive approach compared to previous months. We continue to think that a selective approach is the right one and we expect a benefit from the expected, albeit gradual, reduction in interest rates.

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Performance

Mid-caps underperformed large and small-caps in the last month

The Italian equity market (prices as at 16 May 2024) has posted a positive 5.9% performance in the last month and is up 15.9% YtD. The FTSE Italy Mid-Cap index (+4.5%) has underperformed the main index by 1.4% in the last month (-7.2% YtD on a relative basis), with the FTSE Italy Small Caps index (+6.3%) performing 0.4% above the market, but still -11.7% on a relative basis since the beginning of 2024.

Italian Market Indexes – performance analysis (prices as at 16 May 2024)

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	48,395	4.5%	6.3%	17.0%	8.6%	12.1%	15.7%	6.0%	31.3%
FTSE Italia Small Cap	29,507	6.3%	6.9%	14.7%	4.1%	5.8%	-1.7%	12.4%	50.7%
FTSE Italia Star	48,872	5.9%	4.8%	13.2%	2.2%	2.5%	-1.1%	-3.9%	39.3%
FTSE Italia Growth Index	8,224	2.7%	1.2%	7.3%	-1.0%	-9.7%	-16.3%	-9.9%	-5.4%
FTSE Italia All-Share	37,632	5.9%	11.1%	20.7%	15.9%	28.3%	43.5%	38.8%	63.1%
FTSE MIB	35,410	6.0%	11.6%	21.0%	16.7%	30.2%	47.3%	43.0%	67.4%
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		-1.4%	-4.8%	-3.7%	-7.2%	-16.2%	-27.8%	-32.8%	-31.8%
FTSE Italia Small Cap		0.4%	-4.2%	-6.0%	-11.7%	-22.5%	-45.2%	-26.5%	-12.3%
FTSE Italia Star		0.0%	-6.3%	-7.4%	-13.7%	-25.8%	-44.6%	-42.8%	-23.8%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 7.1% in the last month, performing better than Italian mid small 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	175	5.0%	6.3%	15.8%	9.2%	12.3%	21.0%	19.7%	35.8%
MSCI Europe Small Cap	445	7.1%	7.3%	16.3%	6.8%	10.4%	6.6%	-4.1%	23.9%

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 (%)
SERI INDUSTRIAL	4.17	225	33%
IGD	1.83	202	26%
BANCA SISTEMA	1.71	138	25%
MEDIA FOR EUROPE	4.10	2,003	24%
OVS GROUP	2.69	783	24%
ANTARES VISION	2.98	210	21%
ANIMA	4.91	1,569	19%
BANCA GENERALI	40.56	4,740	17%
OMER	3.60	103	17%
SALCEF GROUP	25.40	1,585	16%
BUZZI-UNICEM	39.28	7,566	14%
DATALOGIC	6.26	366	13%
ABITARE IN	4.49	120	13%
MARR	12.50	832	13%
TECHNOGYM	9.51	1,915	11%
ACEA	17.11	3,644	11%
CY4GATE	6.56	155	11%
AVIO	11.48	303	11%
IREN	1.90	2,472	10%
LU-VE	23.80	529	10%
FTSE Italia Mid Cap			5%
FTSE Italia Small Cap			6%
FTSE MIB			6%
Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
BFF BANK	9.11	1,706	-25%
FINCANTIERI	0.61	1,040	-21%
EL. EN.	10.01	801	-16%
ALKEMY	9.58	54	-14%
PHARMANUTRA	48.25	467	-10%
BREMBO	11.04	3,688	-8%
ESPRINET	4.77	240	-6%
MAIRE TECNIMONT	7.37	2,422	-3%
INDEL B	22.00	129	-3%
NOTORIOUS PICTURES	1.04	23	-2%
SARAS	1.77	1,679	-1%
TOD'S	42.92	1,420	0%
UNIPOLSAI	2.69	7,623	0%
CIVITANAVI SYSTEMS	6.10	188	0%
INTRED	9.86	157	0%
GEOX	0.64	165	0%
RELATECH	2.01	87	0%
RAI WAY	5.21	1,417	1%
CYBEROO	3.45	143	1%
REVO INSURANCE	9.00	222	1%

Source: FactSet

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

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
GREENTHESIS	2.22	345	128%
ANTARES VISION	2.98	210	61%
IEG	4.86	150	58%
CIVITANAVI SYSTEMS	6.10	188	56%
MAIRE TECNIMONT	7.37	2,422	50%
BUZZI-UNICEM	39.28	7,566	43%
BANCA SISTEMA	1.71	138	42%
AVIO	11.48	303	36%
BANCA IFIS	20.78	1,118	32%
GPI	13.08	378	31%
WEBUILD	2.38	2,437	30%
TOD'S	42.92	1,420	26%
MEDIA FOR EUROPE	4.10	2,003	25%
ACEA	17.11	3,644	24%
SERI INDUSTRIAL	4.17	225	23%
ANIMA	4.91	1,569	23%
CREDITO EMILIANO	9.77	3,335	22%
BANCA GENERALI	40.56	4,740	21%
OMER	3.60	103	19%
UNIPOLSAI	2.69	7,623	19%
FTSE Italia Mid Cap			9%
FTSE Italia Small Cap			4%
FTSE MIB			17%
Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
SOMECE	15.30	106	-46%
DOVALUE	1.99	159	-42%
TALEA GROUP	5.60	38	-36%
IGD	1.83	202	-20%
TESMEC	0.09	57	-20%
FERRAGAMO	9.78	1,651	-20%
CY4GATE	6.56	155	-20%
ELICA	1.90	120	-16%
NOTORIOUS PICTURES	1.04	23	-16%
PHARMANUTRA	48.25	467	-14%
FRANCHI UMBERTO MARMI	5.90	194	-14%
SESA	106.00	1,642	-14%
ESPRINET	4.77	240	-13%
GEOX	0.64	165	-12%
BFF BANK	9.11	1,706	-12%
ABITARE IN	4.49	120	-11%
INTRED	9.86	157	-10%
WIIT	17.66	495	-9%
INDEL B	22.00	129	-8%
TINEXTA	18.64	880	-8%

Source: FactSet

Earnings Momentum

Small Cap estimates trimmed in the last month

Since the beginning of 2024, we have implemented a -2.4%/-2.33% revision to our 2024/2025 EPS estimates; on the other hand, focusing on our mid/small cap coverage, we have reduced our 2024/2025 EPS by -0.9%/-1.7%. Notably, the large cap estimate revision has been entirely implemented in the last month (-3.9%/-2.5% on 2024/25 EPS, mainly for downgrades on Stellantis, Tenaris and STM); the same metrics remained almost unchanged for our mid cap coverage (+0.3%/+0.0%), while it was similarly negative for our small cap coverage (-4.1%/-4.8%).

Italian Market – Intermonte changes to 2024 and 2025 estimates

EPS REVISION	Since January 1st 2024		Since 20/4/2024	
	% chg in EPS FY24	% chg in EPS FY25	% chg in EPS FY24	% chg in EPS FY25
Total Market	-2.4%	-2.3%	-3.9%	-2.5%
Total Market - Ex Energy	-2.3%	-2.9%	-3.9%	-2.5%
Domestic	4.3%	2.4%	1.6%	1.3%
Non domestic	-10.3%	-8.1%	-10.3%	-6.8%
Non domestic - Ex Energy	-10.7%	-9.5%	-4.3%	-2.7%
FTSE MIB	-2.6%	-2.4%	-4.3%	-2.7%
Mid Caps (our coverage)	0.0%	-1.1%	0.3%	0.0%
Small Caps (our coverage)	-14.0%	-11.5%	-4.1%	-4.8%
Intermonte Mid&Small Caps coverage	-0.9%	-1.7%	0.2%	-0.3%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2024 adjusted net profit estimates YtD.

Intermonte Mid & Small Cap Coverage - largest changes to 2024 est. (up/down) YtD

Stock	Restated Net Profit 24 as of 31/12/23	Restated net profit 24 last estimate	% chg from 31/12/23
Upward Revision			
SERI INDUSTRIAL	-2	-1	42.6%
SARAS	135	172	26.7%
TXT E-SOLUTIONS	16	20	25.7%
MAIRE TECNIMONT	151	187	24.0%
IEG	19	23	21.5%
ANIMA	173	207	19.7%
EMAK	23	26	14.7%
INTRED	6	6	13.3%
GREENTHESIS	21	23	10.0%
WEBUILD	245	269	9.9%
Downward Revision			
TALEA GROUP	1	-2	-247.8%
TESMEC	9	-3	-135.8%
ELICA	13	5	-61.2%
FERRAGAMO	55	23	-59.1%
ABITARE IN	35	14	-58.7%
DATALOGIC	29	13	-53.8%

Source: Intermonte SIM

Valuation

Mid/small cap valuation premium slightly down in the last month

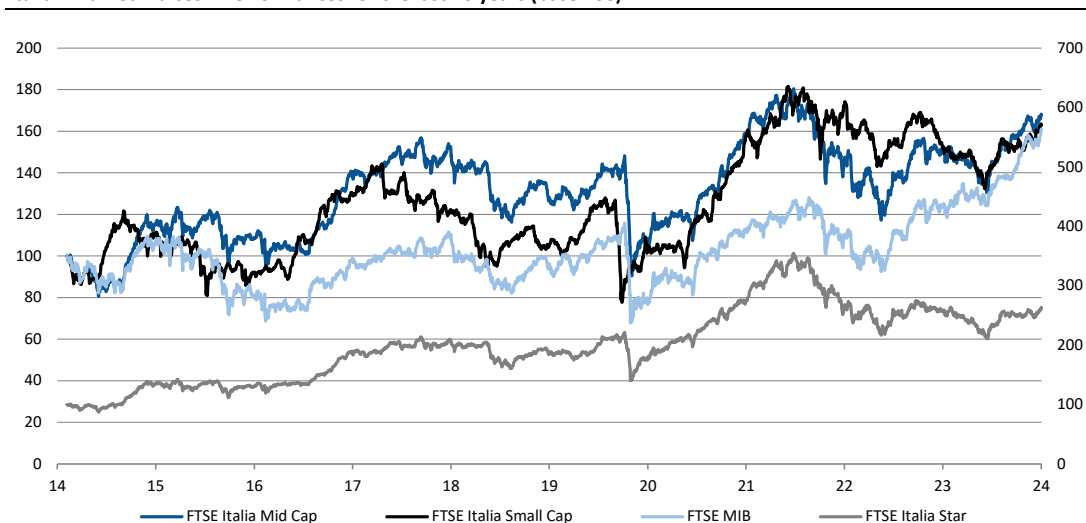
If we compare performance YtD to the change in FY24 estimates over the same period, we see that FTSE MIB stocks have recorded a 19.2% re-rating YtD (the same metric was +10.0% one month ago); mid-caps have re-rated by 8.7%, while small caps have re-rated by 18.1%.

Italian Market – re/de-rating by index

Index	% Change YTD	on FY24 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	16.7%	-2.6%	19.2%
FTSE Italia Mid Cap	8.6%	0.0%	8.7%
FTSE Italia Small Cap	4.1%	-14.0%	18.1%

Source: Intermonte SIM and FactSet

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

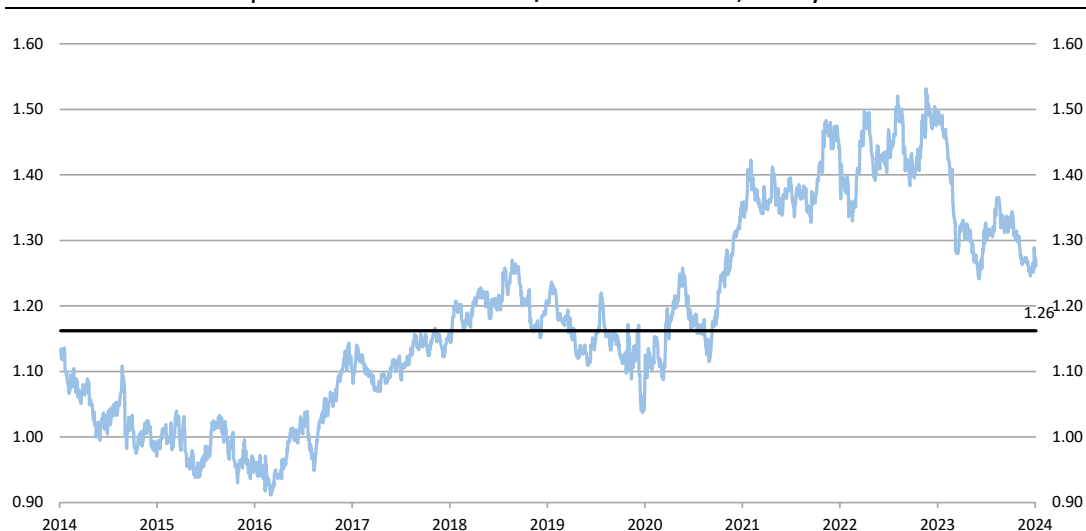


Source: FactSet

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 26% premium to large caps, above the historical average premium (17%) but slightly below the level one month ago (27%).

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 2024, based on 2024 estimates.

European Market – Valuations

	P/E13	P/E14	P/E15	P/E16	P/E17	P/E18	P/E19	P/E20	P/E21	P/E22	P/E23	P/E24	P/E24 vs Italian Equivalen	Last 10Y Median	Premium / Disc. vs Avg
FTSE MIB	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		10.9 x		15.7 x	-30.8%
FTSE Italy Mid Cap	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		13.0 x		18.3 x	-29.2%
FTSE Italy Small Caps	60.5 x	34.2 x	nm	nm	18.9 x	14.5 x	nm	51.5 x	20.2 x	14.9 x		13.3 x		16.9 x	-21.5%
Germany DAX (TR)	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		13.3 x	22.3%	14.3 x	-7.1%
Germany MDAX	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		16.7 x	28.6%	21.3 x	-21.5%
France CAC 40	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		15.6 x	43.4%	15.8 x	-1.4%
France CAC Mid 60	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		14.3 x	9.8%	15.9 x	
France CAC Small	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		9.8 x	-25.9%	27.4 x	-64.1%
FTSE 100	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		12.3 x	13.5%	13.1 x	-5.9%
FTSE 250	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		12.5 x	-3.5%	14.4 x	-13.2%
IBEX 35	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		11.4 x	4.9%	13.2 x	-13.5%
IBEX MEDIUM	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		12.8 x	-1.3%	16.2 x	-20.9%

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – de-rating/re-rating on 2024 estimates since Jan 2024

Stock	Restated Net Profit 24 as of 31/12/23	Restated net profit 24 last estimate	% Chg in Net Profit 24	Share Price perf. 31/12/23	De-rating(-) Re-rating(+)
TALEA GROUP	1.2	-1.7	-248%	-36%	212%
GREENTHESIS	20.5	22.6	10%	128%	118%
TESMEC	9.2	-3.3	-136%	-20%	116%
ANTARES VISION	11.7	6.9	-41%	61%	102%
GPI	24.6	16.8	-32%	31%	63%
CIVITANAVI SYSTEMS	9.5	9.6	0%	56%	56%
ALKEMY	6.7	3.7	-44%	4%	48%
DATALOGIC	28.9	13.3	-54%	-7%	46%
AVIO	13.2	11.9	-10%	36%	45%
ELICA	13.5	5.2	-61%	-16%	45%
FERRAGAMO	55.1	22.5	-59%	-20%	39%
BUZZI-UNICEM	832.8	873.8	5%	43%	38%
IEG	18.8	22.8	22%	58%	36%
BANCA SISTEMA	15.1	16.2	7%	43%	35%
CYBEROO	7.3	5.8	-20%	15%	34%
MEDIA FOR EUROPE	291.0	282.8	-3%	25%	28%
TOD'S	57.5	56.4	-2%	26%	28%
MAIRE TECNIMONT	150.7	186.9	24%	50%	26%
BANCA IFIS	151.6	161.6	7%	32%	26%
ACEA	326.0	323.3	-1%	24%	25%
CEMENTIR	221.1	191.9	-13%	9%	22%
CREDITO EMILIANO	428.6	428.1	0%	22%	22%
CY4GATE	11.2	6.5	-41%	-20%	21%
MARR	60.8	53.2	-12%	9%	21%
UNIPOLSAI	757.1	742.1	-2%	19%	21%
SOMEK	8.5	2.8	-67%	-46%	21%
SECO	23.2	18.0	-23%	-2%	20%
WEBUILD	244.9	269.2	10%	30%	20%
OVS GROUP	76.4	76.4	0%	19%	19%
TECHNOGYM	103.2	89.5	-13%	5%	18%
REPLY	208.0	202.0	-3%	14%	17%
BANCA GENERALI	347.3	365.9	5%	21%	15%
FINE FOODS	11.3	9.8	-14%	-1%	13%
SERVIZI ITALIA	7.9	7.8	-1%	11%	12%
PIAGGIO	114.9	96.9	-16%	-4%	12%
THE ITALIAN SEA GROUP	44.7	47.6	6%	17%	11%
INTERCOS	70.1	65.5	-7%	4%	11%
OMER	9.0	9.8	9%	19%	10%
ESPRINET	32.4	24.9	-23%	-13%	10%
FILA	41.8	41.0	-2%	8%	10%
IGD	49.9	34.9	-30%	-20%	10%
FINCANTIERI	-6.9	-6.9	0%	10%	10%
SALCEF GROUP	93.3	87.7	-6%	3%	9%
ENAV	117.3	124.0	6%	15%	9%
EL.EN.	54.5	52.4	-4%	3%	6%
WIIT	19.8	17.0	-14%	-9%	4%
RAI WAY	90.5	88.5	-2%	2%	4%
REVO INSURANCE	20.2	21.0	4%	7%	3%
ANIMA	172.9	207.1	20%	23%	3%
IREN	284.8	268.6	-6%	-4%	2%
MONDADORI	66.6	70.4	6%	7%	2%
UNIDATA	12.1	11.7	-4%	-3%	1%
BREMBO	294.3	291.0	-1%	-1%	1%
LU-VE	34.5	35.8	4%	3%	(1%)
DE' LONGHI	273.7	289.8	6%	3%	(3%)
RELATECH	10.0	10.0	0%	-5%	(5%)
DOVALUE	55.9	35.3	-37%	-42%	(5%)
AQUAFIL	6.2	6.2	0%	-6%	(6%)
TXT E-SOLUTIONS	16.2	20.4	26%	18%	(7%)
EMAK	22.9	26.3	15%	7%	(8%)
INDEL B	17.0	17.0	0%	-8%	(8%)
PHARMANUTRA	17.7	17.1	-3%	-14%	(11%)
SESA	110.2	107.5	-2%	-14%	(11%)
BFF BANK	200.1	200.1	0%	-12%	(12%)
GEOX	34.6	34.6	0%	-12%	(12%)

Source: Intermonte SIM

Liquidity

Mid-cap liquidity improving 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 36.7% higher than in the corresponding period one year ago and is up 18.7% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 12.9% YoY for mid-caps and 15.0% for small caps. Notably, liquidity has particularly improved in the last month, thanks also to an easy comparison.

Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2024			Avg Daily Volume * Avg Price (Eu mn) 2023			% Changes (YoY)		
	1M to 16/05	3M to 16/05	YTD to 16/05	1M to 16/05	3M to 16/05	YTD to 16/05	1M to 16/05	3M to 16/05	YTD to 16/05
FTSE MIB									
All stocks	64.90	65.57	61.46	47.46	53.91	51.80	36.7%	21.6%	18.7%
Top 20% by market cap	187.32	181.34	172.99	149.04	174.79	166.11	25.7%	3.7%	4.1%
FTSE Italia Mid Cap									
All stocks	2.96	3.04	2.75	2.12	2.45	2.43	39.4%	24.1%	12.9%
Top 20% by market cap	4.64	5.25	4.71	4.49	5.42	5.21	3.4%	(3.0%)	(9.6%)
FTSE Italia Small Cap									
All stocks	0.37	0.37	0.33	0.26	0.29	0.29	41.7%	27.2%	15.0%
Top 20% by market cap	0.87	0.91	0.78	0.44	0.55	0.61	97.1%	64.1%	28.4%

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	1,679	10,460,029
BANCA GENERALI	4,740	9,601,499
BUZZI-UNICEM	7,566	8,370,658
UNIPOLSAI	7,623	7,104,798
BFF BANK	1,706	5,882,555
REPLY	5,118	5,694,368
WEBUILD	2,437	5,423,807
MAIRE TECNIMONT	2,422	5,242,803
BREMBO	3,688	5,051,060
IREN	2,472	4,261,180
FINCANTIERI	1,040	4,032,296
TOD'S	1,420	3,941,690
FERRAGAMO	1,651	3,683,476
DE' LONGHI	4,740	3,003,148
BANCA IFIS	1,118	2,925,862
OVS GROUP	783	2,780,619
TECHNOGYM	1,915	2,741,128
PIAGGIO	1,024	2,699,522
ANIMA	1,569	2,520,190
ACEA	3,644	2,518,319
DOVALUE	159	2,314,615
SESA	1,642	2,085,990
MARR	832	1,837,677
RAI WAY	1,417	1,674,819
CREDITO EMILIANO	3,335	1,475,025
SALCEF GROUP	1,585	1,423,347
EL.EN.	801	1,338,426
TINEXTA	880	1,327,579
CEMENTIR	1,655	1,321,238

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 2024 vs. 2023, and the highest 2024 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 24	DPS 24	Yield 24 %	PayOut 24 %	Net Debt/EBITDA 24
NOTORIOUS PICTURES	1.0	23	0.283	0.113	10.9%	40%	1.9
GEOX	0.6	165	0.133	0.067	10.5%	50%	2.9
BANCA IFIS	20.8	1118	3.002	2.073	10.0%	69%	
PIAGGIO	2.9	1024	0.273	0.219	7.6%	80%	1.2
DOVALUE	2.0	159	0.441	0.150	7.5%	34%	2.5
IREN	1.9	2472	0.206	0.125	6.6%	60%	3.3
RAI WAY	5.2	1417	0.325	0.325	6.2%	100%	0.9
MEDIA FOR EUROPE	4.1	2003	0.498	0.250	6.1%	50%	0.9
ENAV	3.9	2134	0.229	0.237	6.0%	103%	0.8
MONDADORI	2.3	603	0.270	0.132	5.7%	49%	0.9
BANCA GENERALI	40.6	4740	3.131	2.250	5.5%	72%	
EMAK	1.2	192	0.161	0.064	5.5%	40%	2.4
ESPRINET	4.8	240	0.503	0.251	5.3%	50%	(0.9)
ACEA	17.1	3644	1.518	0.885	5.2%	58%	3.5
MARR	12.5	832	0.800	0.640	5.1%	80%	1.6
ANIMA	4.9	1569	0.651	0.250	5.1%	38%	
SARAS	1.8	1679	0.180	0.080	4.5%	44%	(0.3)
CREDITO EMILIANO	9.8	3335	1.254	0.420	4.3%	33%	
WEBUILD	2.4	2437	0.270	0.100	4.2%	37%	(0.7)
BANCA SISTEMA	1.7	138	0.201	0.068	4.0%	34%	
MAIRE TECNIMONT	7.4	2422	0.569	0.294	4.0%	52%	(0.7)
THE ITALIAN SEA GROUP	9.7	511	0.898	0.370	3.8%	41%	(0.4)
GPI	13.1	378	0.598	0.500	3.8%	84%	2.9
FRANCHI UMBERTO MARMI	5.9	194	0.434	0.215	3.7%	50%	0.2
INDEL B	22.0	129	2.911	0.800	3.6%	27%	0.1
ABITARE IN	4.5	120	0.541	0.158	3.5%	29%	3.1
ELICA	1.9	120	0.083	0.050	2.6%	61%	1.5
CEMENTIR	10.4	1655	1.206	0.271	2.6%	22%	(0.8)
BREMBO	11.0	3688	0.897	0.287	2.6%	32%	0.7
IEG	4.9	150	0.739	0.126	2.6%	17%	1.2

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
DOVALUE	2.0	159	61.9	4.5	1272%
GEOX	0.6	165	20.5	4.8	329%
FINE FOODS	8.7	192	45.1	22.7	99%
GPI	13.1	378	36.9	21.9	69%
MAIRE TECNIMONT	7.4	2422	19.3	13.0	49%
CYBEROO	3.5	143	36.1	24.5	47%
NOTORIOUS PICTURES	1.0	23	5.3	3.7	45%
UNIDATA	3.8	119	14.6	10.1	43%
SERVIZI ITALIA	1.9	59	10.9	7.6	43%
REVO INSURANCE	9.0	222	15.0	10.6	42%
GREENTHESIS	2.2	345	21.3	15.3	39%
SALCEF GROUP	25.4	1585	24.8	18.1	37%
IEG	4.9	150	8.9	6.6	36%
EMAK	1.2	192	9.9	7.3	36%
RELATECH	2.0	87	11.5	8.8	31%
MEDIA FOR EUROPE	4.1	2003	10.7	8.2	30%
THE ITALIAN SEA GROUP	9.7	511	13.9	10.7	29%
FILA	8.9	383	14.0	11.1	26%
TESMEC	0.1	57	nm	nm	22%
TINEXTA	18.6	880	16.2	13.3	22%
CIVITANAVI SYSTEMS	6.1	188	23.3	19.6	19%
OVS GROUP	2.7	783	12.1	10.2	18%
OMER	3.6	103	12.3	10.5	17%
INTERCOS	14.9	1430	25.3	21.8	16%
DE' LONGHI	31.4	4740	18.9	16.4	16%
TECHNOGYM	9.5	1915	24.7	21.4	16%
WEBUILD	2.4	2437	10.0	8.8	14%
WIIT	17.7	495	32.9	29.1	13%
MARR	12.5	832	17.7	15.6	13%
TOD'S	42.9	1420	28.4	25.2	13%
BANCA GENERALI	40.6	4740	14.5	13.0	12%
ANIMA	4.9	1569	8.5	7.5	12%
TXT E-SOLUTIONS	23.5	305	15.1	13.6	12%
PHARMANUTRA	48.3	467	30.2	27.3	11%
ACEA	17.1	3644	12.4	11.3	10%
ENAV	3.9	2134	18.9	17.2	10%
EL.EN.	10.0	801	16.3	15.0	9%
BFF BANK	9.1	1706	9.2	8.5	8%
REPLY	136.8	5118	27.4	25.3	8%

Source: Intermonte SIM and FactSet

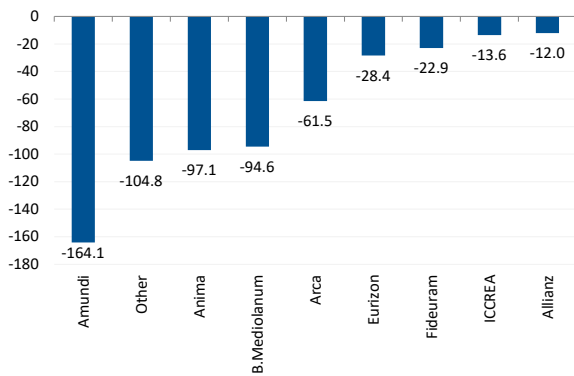
Most recent data on the Individual Savings Plan (PIR)

PIR: official figures as of December 2023

	FY23 (Eu mn)	4Q23 (Eu mn)	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 December 2023 #Funds	%	at December 2023 (Eu mn)	in %
Ordinary PIR	(2,755)	(599)	(731)	(610)	(815)	(734)	323	(759)	(1,097)	3,950	10,903	66		16,919	
Alternative PIR	201	134	8	1	58	242						17		1,671	
EQUITY FUNDS	(1,007)	(184)	(351)	(209)	(264)	(338)	280	(281)	(369)	349	2,260	23	27.7%	5,025	27.0%
BALANCED FUNDS	(1,663)	(351.7)	(371.5)	(474.1)	(466.0)	(385)	214	(321)	(587)	2,525	5,962	22	26.5%	6,480	34.9%
FIXED INCOME FUNDS	385	75	95	181	35	(12)	17	(1)	(20)	10	75	8	9.6%	550	3.0%
FLEXIBLE FUNDS	(462)	(137)	(102)	(108)	(114)	2	(187)	(160)	(121)	1,067	2,605	15	18.1%	4,878	26.2%
CLOSED-END FUNDS	192	134	7	0	52	240						15	18.1%	1,656	8.9%

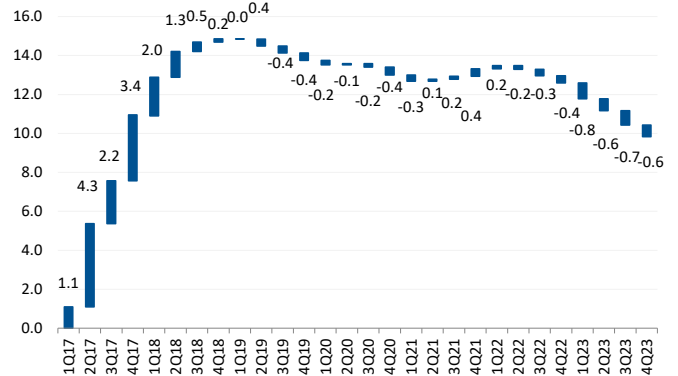
Source: Assogestioni, Quarterly Report, February 2024

Ordinary PIR - Net inflows by asset manager (Eu mn, 4Q23)



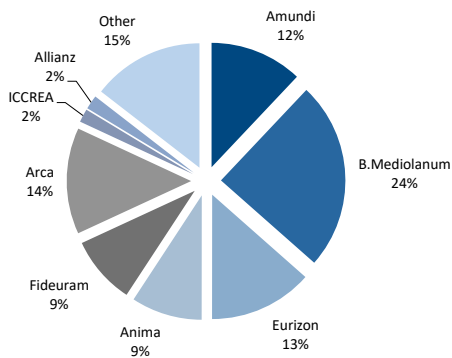
Source: Assogestioni

Ordinary PIR – Inflows by quarter (Eu bn)



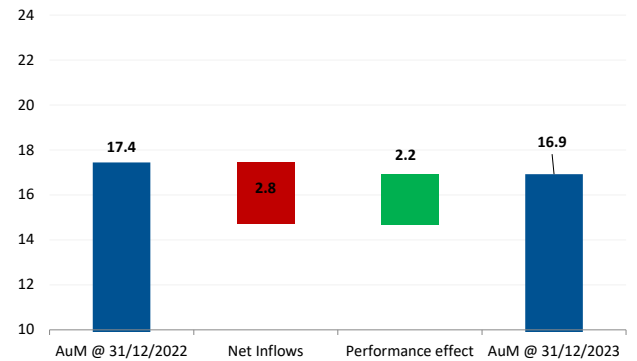
Source: Intermonte SIM estimates, Assogestioni

Ordinary PIR – Market share by asset manager (on AuM as at 31/12/23)



Source: Assogestioni

Ordinary PIR – Inflows and total AuM (Eu bn)



Source: Assogestioni

Intermonte PIR Mid Caps Coverage - Trading Multiples (Ranked 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	NETDEBT/ EBITDA 2023	NETDEBT/ EBITDA 2024
ACEA	11.3	11.1	6.9	6.8	5.2%	5.4%	-1.3%	0.1%	3.5x	3.5x
ANIMA	7.5	7.3			5.1%	5.3%				
BANCA GENERALI	13.0	12.9			5.5%	5.7%				
BANCA IFIS	6.9	6.9			10.0%	10.1%				
BFF BANK	8.5	7.4								
BREMBO	12.3	11.7	5.4	5.0	2.6%	2.7%	3.5%	6.1%	0.7x	0.5x
BUZZI-UNICEM	8.7	8.4	4.1	3.6	1.7%	1.8%	0.0%	0.0%	-1.1x	-1.5x
CEMENTIR	8.6	8.4	3.5	3.0	2.6%	2.7%	9.9%	12.6%	-0.8x	-1.2x
CREDITO EMILIANO	7.8	7.7			4.3%	4.6%				
DE' LONGHI	16.4	14.9	8.1	7.2	2.5%	2.7%	-1.4%	5.8%	-1.0x	-1.2x
EL.EN.	15.0	13.7	8.2	7.4	2.2%	2.3%	5.8%	6.5%	-0.9x	-1.2x
ENAV	17.2	16.1	7.6	7.2	6.0%	6.2%	9.3%	9.2%	0.8x	0.6x
FERRAGAMO	73.3	41.4	6.0	5.2	0.8%	1.2%	2.5%	2.6%	2.6x	2.8x
FINCANTIERI	nm	13.2	9.1	7.1	0.0%	0.0%			6.8x	5.3x
INTERCOS	21.8	18.9	10.3	9.0	1.2%	1.4%	2.9%	3.6%	0.5x	0.3x
IREN	9.2	8.5	5.5	5.4	6.6%	6.9%	2.4%	-4.4%	3.3x	3.3x
LU-VE	14.8	13.2	7.8	7.0	1.8%	1.8%	3.8%	5.0%	1.4x	1.1x
MAIRE TECNIMONT	13.0	11.5	5.6	4.8	4.0%	5.0%	4.7%	5.2%	-0.7x	-0.7x
MARR	15.6	13.2	7.9	7.0	5.1%	6.1%	-3.5%	1.9%	1.6x	1.6x
MEDIA FOR EUROPE	8.2	8.1	3.3	3.0	6.1%	6.1%	13.4%	14.5%	0.9x	0.7x
MONDADORI	8.5	8.1	4.7	4.3	5.7%	6.3%	12.0%	12.0%	0.9x	0.6x
OVS GROUP	10.2		4.8		2.5%		7.2%		0.4x	
PHARMANUTRA	27.3	24.0	16.4	14.4	1.8%	2.1%	3.6%	4.1%	-0.2x	-0.5x
PIAGGIO	10.5	8.4	4.2	3.9	7.6%	9.6%	10.0%	9.7%	1.2x	1.1x
RAI WAY	16.0	16.5	8.8	9.0	6.2%	6.0%	7.7%	8.1%	0.9x	1.4x
REPLY	25.3	22.6	12.9	11.2	0.8%	0.9%	4.5%	4.6%	-1.0x	-1.4x
SALCEF GROUP	18.1	15.6	8.7	7.6	2.5%	2.9%	2.7%	5.4%	0.0x	-0.2x
SARAS	9.8	13.7	3.2	3.5	4.5%	4.0%	7.1%	11.8%	-0.3x	-0.7x
SESA	15.3	12.8	7.1	6.0	1.0%	1.2%	5.3%	8.8%	0.1x	-0.1x
TECHNOGYM	21.4	17.8	10.2	8.7	2.3%	2.8%	5.5%	5.8%	-1.0x	-1.3x
THE ITALIAN SEA GROUP	10.7	8.8	6.5	5.2	3.8%	4.7%	10.9%	12.9%	-0.4x	-0.9x
TINEXTA	13.3	11.0	9.8	8.2	1.4%	2.5%	6.2%	6.4%	1.8x	1.2x
TIP	13.2	nm			1.7%	1.9%				
TOD'S	25.2	20.3	5.5	5.0	0.0%	0.0%	4.1%	3.0%	2.0x	1.8x
UNIPOLSAI	10.3	10.1			0.0%	0.0%				
WEBUILD	8.8	7.4	2.1	1.7	4.2%	5.1%	-29.4%	6.6%	-0.7x	-0.7x

Source: Intermonte SIM

Intermonte PIR Small Caps Coverage - Trading Multiples (Ranked by Stock Name)

Company	P/E 23	P/E 24	EV/ EBITDA 23	EV/ EBITDA 24	Div. Yield 23	Div. Yield 24	FCF Yield 23	FCF Yield 24	NETDEBT/ EBITDA 23	NETDEBT/ EBITDA 24
ABITARE IN	8.3	5.5	7.7	5.2	3.5%	5.4%	-21.4%	6.7%	3.1x	2.0x
ALKEMY	14.6	10.0	7.0	5.8	0.0%	0.0%	9.2%	7.8%	2.3x	1.7x
ANTARES VISION	29.9	18.6	10.4	8.6	0.0%	0.0%	1.1%	2.6%	5.0x	2.7x
AQUAFIL	26.8	12.0	5.3	4.2	0.0%	2.8%	11.1%	19.2%	3.3x	2.5x
AVIO	26.1	20.1	8.3	6.9	1.3%	2.5%	-13.1%	4.3%	-1.1x	-1.1x
BANCA SISTEMA	8.5	6.5			4.0%	3.9%				
CIVITANAVI SYSTEMS	19.6	14.2	10.1	8.0	2.1%	2.1%	1.9%	2.4%	-1.4x	-1.1x
CY4GATE	23.6	17.4	6.8	5.7	0.0%	0.0%	-2.2%	1.5%	0.8x	0.6x
CYBEROO	24.5	17.7	11.1	8.3	0.0%	0.0%	1.7%	2.8%	-0.5x	-0.6x
DATALOGIC	26.2	18.2	7.4	6.0	2.4%	3.2%	4.6%	5.1%	-0.1x	-0.3x
DOVALUE	4.5	3.7	3.5	3.1	7.5%	12.6%	38.9%	49.4%	2.5x	2.2x
ELICA	23.0	11.9	5.2	4.2	2.6%	3.2%	4.4%	11.0%	1.5x	1.1x
EMAK	7.3	6.2	4.9	4.4	5.5%	6.5%	12.5%	13.3%	2.4x	2.1x
ESPRINET	9.5	7.9	2.6	2.2	5.3%	7.6%	22.6%	10.6%	-0.9x	-0.9x
FILA	11.1	10.1	4.7	4.2	1.6%	1.8%	26.7%	25.0%	2.6x	2.3x
FINE FOODS	22.7	17.2	9.2	7.9	1.3%	1.3%	-14.4%	-2.1%	2.4x	2.2x
FRANCHI UMBERTO MARMI	13.6	12.2	7.7	6.8	3.7%	3.7%	9.7%	8.1%	0.2x	-0.2x
GEOX	4.8	4.6	4.3	3.9	10.5%	10.8%	13.4%	35.1%	2.9x	2.6x
GPI	21.9	14.9	6.7	6.2	3.8%	0.0%	1.5%	9.1%	2.9x	2.6x
GREENTHESIS	15.3	15.3	9.0	8.4	1.6%	1.9%	-5.7%	5.5%	2.0x	1.6x
IEG	6.6	6.6	3.5	3.6	2.6%	2.7%	11.4%	-6.1%	1.2x	1.4x
IGD	5.8	5.8	10.0	9.9	0.0%	8.6%	16.3%	16.2%	8.0x	7.9x
INDEL B	7.6	6.9	4.1	3.5	3.6%	4.5%	13.3%	11.9%	0.1x	-0.3x
INTRED	24.1	21.6	8.1	7.0	1.0%	1.2%	-4.0%	2.8%	1.4x	1.1x
NOTORIOUS PICTURES	3.7	2.6	2.9	2.6	10.9%	15.2%	34.5%	32.8%	1.9x	1.7x
OMER	10.5	9.8	5.2	4.5	0.0%	0.0%	7.5%	6.6%	-1.6x	-1.9x
RELATECH	8.8	6.9	4.5	3.3	0.0%	0.0%	7.0%	9.1%	0.3x	-0.1x
REVO INSURANCE	10.6	6.7			1.3%	2.2%				
SECO	24.8	18.6	10.7	8.9	0.0%	0.0%	1.6%	2.6%	1.2x	0.8x
SERI INDUSTRIAL	nm	18.3	10.2	6.9	0.0%	0.0%	-10.4%	-13.9%	2.9x	2.4x
SERVIZI ITALIA	7.6	6.2	2.3	2.2	2.1%	2.7%	2.5%	4.7%	1.5x	1.4x
SOMECC	37.6	17.3	6.6	5.2	0.0%	0.0%	6.3%	20.0%	2.8x	1.8x
TALEA GROUP	nm	13.8	20.5	7.9	0.0%	0.0%	22.3%	1.8%	9.9x	3.7x
TESMEC	nm	20.4	3.7	3.3	0.0%	0.0%	3.8%	12.1%	2.7x	2.4x
TXT E-SOLUTIONS	13.6	12.0	8.3	7.0	1.0%	1.2%	6.1%	7.8%	1.0x	0.4x
UNIDATA	10.1	8.0	5.5	4.5	0.5%	0.6%	7.5%	9.7%	1.5x	1.1x
WIIT	29.1	20.0	12.4	10.3	1.7%	2.5%	3.4%	5.3%	3.6x	2.8x

Source: Intermonte SIM

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- 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.

Frequency of research: quarterly.

Reports on all companies listed on the S&P MIB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

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

Further information is available at the following link: <http://research.intermonte.it/Discloures.ASP>

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