

Italian Mid/Small Caps Monthly

Mid/Small Caps May Be Less Exposed to Euro Political Risk

by Intermonte Research Team

Italian Equity Market

- **Performance (+).** The Italian equity market (prices as at 14 June 2024) has posted a negative 6.8% performance in the last month, but it remains up 7.2% YtD. The FTSE Italy Mid-Cap index (-3.8%) has outperformed the main index by 3.0% in the last month (-3.1% YtD on a relative basis), with the FTSE Italy Small Caps index (-4.7%) performing 2.1% above the market, but still -7.1% on a relative basis since the beginning of 2024. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 2.4% in the last month, performing better than Italian mid small caps.
- **Estimates (=).** Since the beginning of 2024, we have implemented a -2.2%/-1.8% 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 -1.3%/-2.1%. Notably, in the last month the large cap estimate revision has been slightly positive (+0.1%/+0.4% on 2024/25 EPS); the same metrics remained unchanged for our mid cap coverage, while they were similarly positive for our small cap coverage (+0.4%/+0.6%).
- **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 9.9% re-rating YtD (the same metric was +19.2% one month ago); mid-caps have re-rated by 4.1%, while small caps have re-rated by 18.9%. On a P/E basis, our panel is trading at a 29% premium to large caps, above the historical average premium (17%) and slightly above the level one month ago (26%).
- **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 33.6% higher than in the corresponding period one year ago and is up 20.7% YtD. The picture is similar for mid/small caps: specifically, YtD liquidity is up 20.6% YoY for mid-caps and 15.6% for small caps. Notably, liquidity has remained fairly positive in the last month, thanks in part to an easy comparison.
- **Investment strategy.** In recent days, the market has undergone a major correction following the result of the European parliamentary election, losing more than 5%. In particular, the French President's decision to call snap elections on June 30th has triggered an important risk-off. In this context, mid/small caps did better than large ones, being perceived as less directly exposed to political risk. In particular, we prefer stocks with low leverage, good cash generation and exposure to solid international trends. Once again, we think the subgroup of "digital enablers" can benefit from rather resilient prospects. The liquidity picture remains challenging for mid/small caps but with some signs of improvement compared to recent bleak trends. Moreover, the Italian government is working on a state-backed investment fund (through CDP) that could revive interest in the battered liquidity picture of listed mid/small caps. We think the fact that a new mid-cap is expected to list on the main market this week is an encouraging sign.

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Performance

Mid/small caps outperformed large caps in a negative month

The Italian equity market (prices as at 14 June 2024) has posted a negative 6.8% performance in the last month, but it remains up 7.2% YtD. The FTSE Italy Mid-Cap index (-3.8%) has outperformed the main index by 3.0% in the last month (-3.1% YtD on a relative basis), with the FTSE Italy Small Caps index (-4.7%) performing 2.1% above the market, but still -7.1% on a relative basis since the beginning of 2024.

Italian Market Indexes – performance analysis (prices as at 14 June 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	46,390	-3.8%	-1.0%	6.2%	4.1%	5.5%	22.0%	-4.5%	25.8%
FTSE Italia Small Cap	28,241	-4.7%	2.5%	4.8%	-0.3%	2.3%	-3.2%	-3.0%	50.4%
FTSE Italia Star	46,963	-3.3%	1.3%	1.2%	-1.8%	-4.1%	5.0%	-17.3%	35.2%
FTSE Italia Growth Index	8,049	-2.3%	0.3%	-0.2%	-3.1%	-11.9%	-13.6%	-17.1%	-9.0%
FTSE Italia All-Share	34,833	-6.8%	-3.1%	7.5%	7.2%	16.2%	45.9%	23.3%	54.5%
FTSE MIB	32,665	-7.1%	-3.3%	7.6%	7.6%	17.5%	49.5%	26.8%	58.5%

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	3.0%	2.0%	-1.3%	-3.1%	-10.7%	-23.9%	-27.8%	-28.7%
FTSE Italia Small Cap	2.1%	5.6%	-2.6%	-7.6%	-14.0%	-49.1%	-26.3%	-4.1%
FTSE Italia Star	3.5%	4.4%	-6.3%	-9.0%	-20.4%	-40.9%	-40.6%	-19.3%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 2.4% 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	172	-1.8%	1.0%	7.4%	6.9%	10.0%	25.7%	13.1%	34.5%
MSCI Europe Small Cap	431	-2.4%	2.3%	5.1%	3.2%	5.6%	11.1%	-10.6%	23.0%

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 (%)
TALEA GROUP	7.50	51	33%
OMER	3.84	110	17%
INTERCOS	15.68	1,509	13%
TXT E-SOLUTIONS	25.05	326	13%
ANTARES VISION	3.32	234	11%
LU-VE	25.75	573	8%
IEG	5.10	157	8%
RELATECH	2.13	92	7%
FINE FOODS	8.98	198	6%
SOMEK	15.50	107	5%
INDEL B	22.80	133	3%
CIVITANAVI SYSTEMS	6.10	188	2%
AVIO	11.86	313	2%
CYBEROO	3.48	144	1%
GREENTHESIS	2.25	349	1%
WIIT	17.44	489	1%
ESPRINET	4.85	244	1%
TIP	9.46	1,744	1%
SALCEF GROUP	25.50	1,591	0%
SESA	104.60	1,621	0%
FTSE Italia Mid Cap			-4%
FTSE Italia Small Cap			-5%
FTSE MIB			-7%

Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
WEBUILD	1.95	1,998	-19%
EL.EN.	9.44	755	-17%
EMAK	1.06	174	-13%
TINEXTA	16.59	783	-12%
SECO	2.92	388	-12%
STAR7	6.00	54	-11%
AQUAFIL	3.12	134	-11%
CY4GATE	5.93	140	-11%
NOTORIOUS PICTURES	0.97	22	-10%
FERRAGAMO	8.70	1,468	-10%
ENAV	3.66	1,981	-10%
GEOX	0.60	156	-10%
DOVALUE	2.02	161	-9%
TESMEC	0.09	53	-9%
BANCA GENERALI	36.92	4,314	-9%
BANCA IFIS	18.93	1,019	-9%
CREDITO EMILIANO	8.93	3,048	-8%
ELICA	1.78	112	-8%
SARAS	1.62	1,544	-8%
UNIDATA	3.66	113	-7%

Source: FactSet

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

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
GREENTHESIS	2.25	349	131%
ANTARES VISION	3.32	234	79%
IEG	5.10	157	66%
CIVITANAVI SYSTEMS	6.10	188	56%
MAIRE TECNIMONT	6.98	2,292	42%
AVIO	11.86	313	40%
BUZZI-UNICEM	37.84	7,289	37%
OMER	3.84	110	27%
TXT E-SOLUTIONS	25.05	326	26%
BANCA SISTEMA	1.45	117	21%
BANCA IFIS	18.93	1,019	21%
GPI	11.98	346	20%
MEDIA FOR EUROPE	3.92	1,928	20%
SERI INDUSTRIAL	4.05	219	20%
THE ITALIAN SEA GROUP	9.70	514	18%
ACEA	16.05	3,418	16%
OVS GROUP	2.63	765	16%
CYBEROO	3.48	144	16%
ANIMA	4.57	1,461	14%
UNIPOLSAI	2.52	7,142	12%
FTSE Italia Mid Cap			4%
FTSE Italia Small Cap			0%
FTSE MIB			8%
Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
SOMECE	15.50	107	-46%
DOVALUE	2.02	161	-41%
FERRAGAMO	8.70	1,468	-29%
CY4GATE	5.93	140	-28%
TESMEC	0.09	53	-27%
ELICA	1.78	112	-22%
NOTORIOUS PICTURES	0.97	22	-22%
STAR7	6.00	54	-21%
IGD	1.82	201	-21%
PHARMANUTRA	46.05	446	-18%
TINEXTA	16.59	783	-18%
DATALOGIC	5.54	324	-18%
GEOX	0.60	156	-18%
FRANCHI UMBERTO MARMI	5.75	189	-16%
ABITARE IN	4.20	112	-16%
SECO	2.92	388	-15%
SESA	104.60	1,621	-15%
TALEA GROUP	7.50	51	-14%
BFF BANK	8.87	1,662	-14%
ESPRINET	4.85	244	-12%

Source: FactSet

Earnings Momentum

No significant change in estimates in the last month

Since the beginning of 2024, we have implemented a -2.2%/-1.8% 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 -1.3%/-2.1%. Notably, in the last month the large cap estimate revision has been slightly positive (+0.1%/+0.4% on 2024/25 EPS); the same metrics remained unchanged for our mid cap coverage, while they were similarly positive for our small cap coverage (+0.4%/+0.6%).

Italian Market – Intermonte changes to 2024 and 2025 estimates

EPS REVISION	Since January 1st 2024		Since 17/5/2024	
	% chg in EPS FY24	% chg in EPS FY25	% chg in EPS FY24	% chg in EPS FY25
Total Market	-2.2%	-1.8%	0.1%	0.4%
Total Market - Ex Energy	-2.1%	-2.4%	0.1%	0.4%
Domestic	4.5%	3.2%	0.2%	0.7%
Non domestic	-10.2%	-7.9%	0.0%	0.0%
Non domestic - Ex Energy	-10.6%	-9.4%	0.0%	0.0%
FTSE MIB	-2.3%	-1.8%	0.1%	0.4%
Mid Caps (our coverage)	0.0%	-1.0%	0.0%	0.0%
Small Caps (our coverage)	-19.2%	-15.0%	0.4%	0.6%
Intermonte Mid&Small Caps coverage	-1.3%	-2.1%	0.1%	0.1%

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%
IEG	19	24	27.6%
SARAS	135	172	26.7%
TXT E-SOLUTIONS	16	20	25.7%
MAIRE TECNIMONT	151	187	24.0%
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 up in the last month

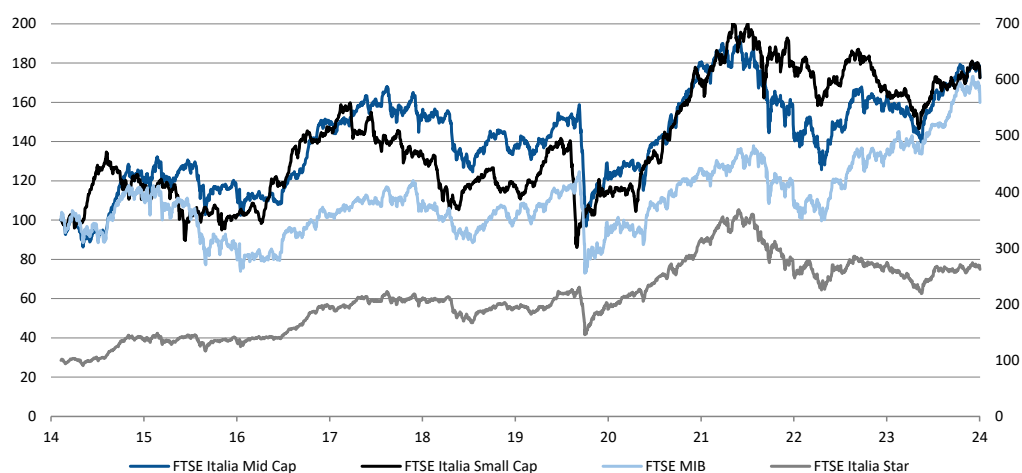
If we compare performance YtD to the change in FY24 estimates over the same period, we see that FTSE MIB stocks have recorded a 9.9% re-rating YtD (the same metric was +19.2% one month ago); mid-caps have re-rated by 4.1%, while small caps have re-rated by 18.9%.

Italian Market – re/de-rating by index

Index	% Change YTD	on FY24 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	7.6%	-2.3%	9.9%
FTSE Italia Mid Cap	4.1%	0.0%	4.1%
FTSE Italia Small Cap	-0.3%	-19.2%	18.9%

Source: Intermonte SIM and FactSet

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

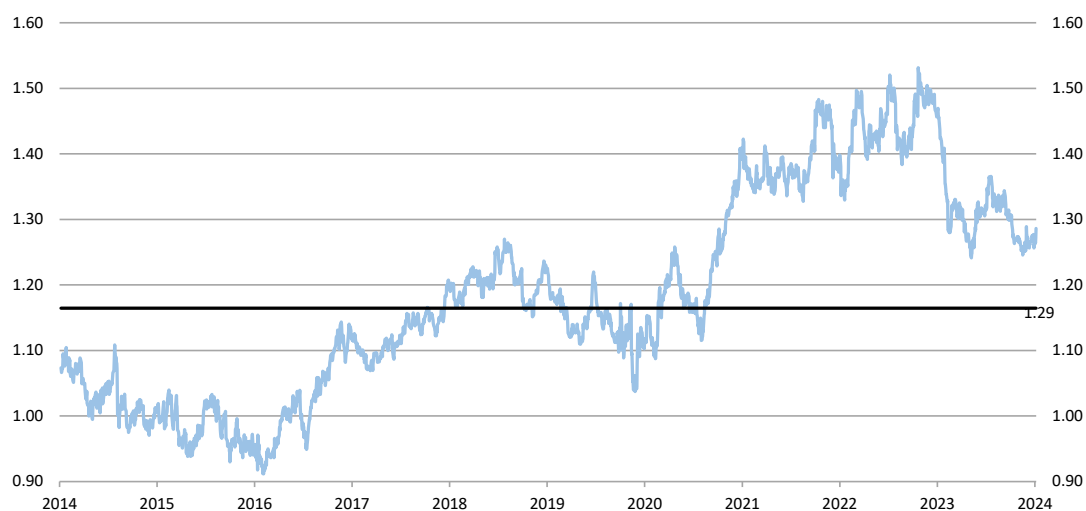


Source: FactSet

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 29% premium to large caps, above the historical average premium (17%) and slightly above the level one month ago (26%).

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	8.0 x	10.0 x		13.6 x	-26.5%
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	12.0 x	11.9 x		18.3 x	-34.7%
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	14.0 x	13.0 x		14.9 x	-12.8%
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	12.4 x	12.6 x	25.6%	14.2 x	-11.8%
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	21.2 x	15.7 x	31.2%	21.2 x	-26.3%
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	19.9 x	14.2 x	42.3%	16.0 x	-11.1%
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	12.8 x	12.7 x	6.6%	15.6 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	22.0 x	-4.1 x	-131.3%	23.8 x	-117.1%
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	11.4 x	11.7 x	17.5%	13.0 x	-9.3%
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	21.8 x	12.7 x	6.1%	14.6 x	-13.3%
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	10.6 x	11.0 x	9.8%	13.0 x	-15.7%
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	14.9 x	12.7 x	6.2%	15.4 x	-17.8%

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%	-14%	234%
GREENTHESIS	20.5	22.6	10%	131%	121%
ANTARES VISION	11.7	6.9	-41%	79%	121%
TESMEC	9.2	-3.3	-136%	-27%	109%
REVO INSURANCE	61.9	21.1	-66%	6%	72%
CIVITANAVI SYSTEMS	9.5	9.6	0%	56%	56%
GPI	24.6	16.8	-32%	20%	52%
AVIO	13.2	11.9	-10%	40%	50%
ELICA	13.5	5.2	-61%	-22%	39%
IEG	18.8	23.9	28%	66%	38%
DATALOGIC	28.9	13.3	-54%	-18%	36%
CYBEROO	7.3	5.8	-20%	16%	35%
BUZZI-UNICEM	832.8	873.8	5%	37%	32%
FERRAGAMO	55.1	22.5	-59%	-29%	30%
MEDIA FOR EUROPE	291.0	286.0	-2%	20%	22%
OMER	9.0	9.8	9%	27%	18%
MAIRE TECNIMONT	150.7	186.9	24%	42%	18%
OVS GROUP	76.4	75.1	-2%	16%	18%
MARR	60.8	53.2	-12%	5%	17%
ACEA	326.0	323.3	-1%	16%	17%
CEMENTIR	221.1	191.9	-13%	3%	16%
INTERCOS	70.1	65.5	-7%	10%	16%
FINE FOODS	11.3	9.8	-14%	2%	16%
TECHNOGYM	103.2	89.5	-13%	2%	15%
REPLY	208.0	202.0	-3%	12%	15%
BANCA IFIS	151.6	161.6	7%	21%	14%
CY4GATE	11.2	6.5	-41%	-28%	14%
BANCA SISTEMA	15.1	16.2	7%	21%	14%
UNIPOLSAI	757.1	742.1	-2%	12%	14%
THE ITALIAN SEA GROUP	44.7	47.6	6%	18%	11%
ESPRINET	32.4	24.9	-23%	-12%	11%
CREDITO EMILIANO	428.6	428.1	0%	11%	11%
SERVIZI ITALIA	7.9	7.8	-1%	9%	10%
SALCEF GROUP	93.3	87.7	-6%	3%	9%
IGD	49.9	34.9	-30%	-21%	9%
LU-VE	34.5	35.8	4%	11%	8%
SECO	23.2	18.0	-23%	-15%	8%
PIAGGIO	114.9	96.9	-16%	-9%	7%
FILA	41.8	41.0	-2%	4%	6%
BANCA GENERALI	347.3	365.9	5%	10%	4%
WIIT	19.8	17.0	-14%	-11%	3%
RELATECH	10.0	10.0	0%	1%	1%
TXT E-SOLUTIONS	16.2	20.4	26%	26%	1%
ENAV	117.3	124.0	6%	6%	1%
EL.EN.	54.5	52.4	-4%	-3%	1%
RAI WAY	90.5	88.5	-2%	-2%	0%
IREN	284.8	268.6	-6%	-6%	(1%)
MONDADORI	66.6	70.4	6%	5%	(1%)
WEBUILD	244.9	269.2	10%	7%	(3%)
UNIDATA	12.1	11.7	-4%	-7%	(3%)
DOVALUE	55.9	35.3	-37%	-41%	(4%)
DE' LONGHI	273.7	289.8	6%	2%	(4%)
BREMO	294.3	291.0	-1%	-6%	(5%)
INDEL B	17.0	17.0	0%	-5%	(5%)
ANIMA	172.9	207.1	20%	14%	(6%)
FRANCHI UMBERTO MARMI	14.2	12.8	-9%	-16%	(7%)
SOMEC	8.5	5.3	-38%	-46%	(7%)
AQUAFIL	6.2	6.2	0%	-9%	(9%)
SESA	110.2	107.5	-2%	-15%	(13%)
BFF BANK	200.1	200.1	0%	-14%	(14%)
PHARMANUTRA	17.7	17.1	-3%	-18%	(15%)
GEOX	34.6	34.6	0%	-18%	(18%)
EMAK	22.9	26.3	15%	-3%	(18%)
NOTORIOUS PICTURES	6.4	6.4	0%	-22%	(22%)
SERI INDUSTRIAL	-1.7	-1.0	43%	20%	(23%)

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 33.6% higher than in the corresponding period one year ago and is up 20.7% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 20.6% YoY for mid-caps and 15.6% for small caps. Notably, liquidity has remained fairly positive 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 14/06	3M to 14/06	YTD to 14/06	1M to 14/06	3M to 14/06	YTD to 14/06	1M to 14/06	3M to 14/06	YTD to 14/06
FTSE MIB									
All stocks	63.20	64.14	61.72	47.29	48.96	51.12	33.6%	31.0%	20.7%
Top 20% by market cap	182.44	183.28	174.53	148.77	156.66	163.62	22.6%	17.0%	6.7%
FTSE Italia Mid Cap									
All stocks	2.57	2.90	2.70	1.99	2.13	2.24	29.4%	35.9%	20.6%
Top 20% by market cap	4.13	4.66	4.58	4.34	4.34	4.49	(4.8%)	7.4%	2.1%
FTSE Italia Small Cap									
All stocks	0.37	0.37	0.34	0.28	0.27	0.29	29.6%	37.2%	15.6%
Top 20% by market cap	0.74	0.87	0.77	0.68	0.55	0.62	9.5%	57.6%	23.0%

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	1,544	9,934,815
BANCA GENERALI	4,314	9,868,045
BUZZI-UNICEM	7,289	9,553,506
UNIPOLSAI	7,142	7,280,260
BFF BANK	1,662	6,553,975
WEBUILD	1,998	6,436,195
MAIRE TECNIMONT	2,292	6,077,550
REPLY	4,991	5,664,451
BREMBIO	3,486	5,384,520
IREN	2,404	4,700,236
FERRAGAMO	1,468	3,655,618
DE' LONGHI	4,680	3,281,408
BANCA IFIS	1,019	3,022,855
OVS GROUP	765	2,848,136
ANIMA	1,461	2,716,586
TECHNOGYM	1,861	2,713,715
PIAGGIO	971	2,564,661
ACEA	3,418	2,480,293
DOVALUE	161	2,444,267
ENAV	1,981	2,346,542
SESA	1,621	2,087,246
RAI WAY	1,365	1,956,365
CREDITO EMILIANO	3,048	1,513,346
EL.EN.	755	1,497,490
TINEXTA	783	1,409,481
SALCEF GROUP	1,591	1,382,368
TIP	1,744	1,379,466
CEMENTIR	1,566	1,301,093
FILA	370	1,265,242

Source: FactSet

Criteria for investing in mid/small caps

Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY23)

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	53%	24%	10%	1%	7%	4%

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	22	0.283	0.113	11.7%	40%	1.9
GEOX	0.6	156	0.133	0.067	11.1%	50%	2.9
BANCA IFIS	18.9	1019	3.002	2.073	11.0%	69%	
BFF BANK	8.9	1662	1.071	0.953	10.7%	89%	
PIAGGIO	2.7	971	0.273	0.219	8.1%	80%	1.2
DOVALUE	2.0	161	0.441	0.150	7.4%	34%	2.5
IREN	1.8	2404	0.206	0.125	6.7%	60%	3.3
ENAV	3.7	1981	0.229	0.237	6.5%	103%	0.8
RAI WAY	5.0	1365	0.325	0.325	6.5%	100%	0.9
MEDIA FOR EUROPE	3.9	1928	0.504	0.250	6.4%	50%	0.9
BANCA GENERALI	36.9	4314	3.131	2.250	6.1%	72%	
EMAK	1.1	174	0.161	0.064	6.1%	40%	2.4
MONDADORI	2.2	587	0.270	0.132	5.9%	49%	0.9
ACEA	16.1	3418	1.518	0.885	5.5%	58%	3.5
ANIMA	4.6	1461	0.651	0.250	5.5%	38%	
MARR	12.0	798	0.800	0.640	5.3%	80%	1.6
ESPRINET	4.8	244	0.503	0.251	5.2%	50%	(0.9)
WEBUILD	1.9	1998	0.270	0.100	5.1%	37%	(0.7)
SARAS	1.6	1544	0.180	0.080	4.9%	44%	(0.3)
BANCA SISTEMA	1.5	117	0.201	0.068	4.7%	34%	
CREDITO EMILIANO	8.9	3048	1.254	0.420	4.7%	33%	
MAIRE TECNIMONT	7.0	2292	0.569	0.294	4.2%	52%	(0.7)
GPI	12.0	346	0.598	0.500	4.2%	84%	2.9
THE ITALIAN SEA GROUP	9.7	514	0.898	0.370	3.8%	41%	(0.4)
ABITARE IN	4.2	112	0.541	0.158	3.8%	29%	3.1
INDEL B	22.8	133	2.911	0.800	3.5%	27%	0.1
FRANCHI UMBERTO MARMI	5.8	189	0.393	0.196	3.4%	50%	0.7
ELICA	1.8	112	0.083	0.050	2.8%	61%	1.5
CEMENTIR	9.8	1566	1.206	0.271	2.8%	22%	(0.8)
BREMBO	10.4	3486	0.897	0.287	2.7%	32%	0.7

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	161	62.7	4.6	1272%
GEOX	0.6	156	19.3	4.5	329%
FINE FOODS	9.0	198	46.6	23.4	99%
GPI	12.0	346	33.8	20.0	69%
MAIRE TECNIMONT	7.0	2292	18.3	12.3	49%
CYBEROO	3.5	144	36.4	24.7	47%
NOTORIOUS PICTURES	1.0	22	5.0	3.4	45%
UNIDATA	3.7	113	13.9	9.7	43%
SERVIZI ITALIA	1.8	58	10.7	7.5	43%
IEG	5.1	157	9.4	6.6	42%
REVO INSURANCE	8.9	219	14.8	10.4	42%
GREENTHESIS	2.3	349	21.6	15.5	39%
SALCEF GROUP	25.5	1591	24.9	18.1	37%
EMAK	1.1	174	9.0	6.6	36%
MEDIA FOR EUROPE	3.9	1928	10.2	7.8	32%
RELATECH	2.1	92	12.2	9.3	31%
THE ITALIAN SEA GROUP	9.7	514	13.9	10.8	29%
FILA	8.6	370	13.5	10.7	26%
TESMEC	0.1	53	nm	nm	22%
TINEXTA	16.6	783	14.4	11.8	22%
CIVITANAVI SYSTEMS	6.1	188	23.3	19.6	19%
OMER	3.8	110	13.1	11.2	17%
INTERCOS	15.7	1509	26.7	23.1	16%
DE' LONGHI	31.0	4680	18.7	16.1	16%
TECHNOGYM	9.2	1861	24.0	20.8	16%
WEBUILD	1.9	1998	8.2	7.2	14%
WIIT	17.4	489	32.4	28.7	13%
MARR	12.0	798	16.9	15.0	13%
BANCA GENERALI	36.9	4314	13.2	11.8	12%
ANIMA	4.6	1461	7.9	7.0	12%
TXT E-SOLUTIONS	25.1	326	16.2	14.5	12%
PHARMANUTRA	46.1	446	28.8	26.1	11%
ACEA	16.1	3418	11.6	10.6	10%
ENAV	3.7	1981	17.5	16.0	10%
EL.EN.	9.4	755	15.3	14.1	9%
BFF BANK	8.9	1662	9.0	8.3	8%
REPLY	133.4	4991	26.7	24.7	8%
SESA	104.6	1621	16.2	15.1	7%
PIAGGIO	2.7	971	10.6	9.9	6%

Source: Intermonte SIM and FactSet

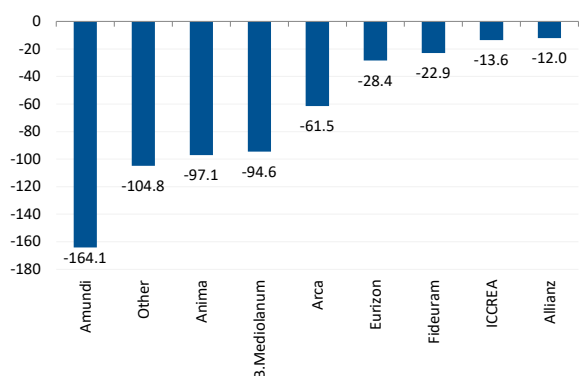
Most recent data on the Individual Savings Plan (PIR)

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%

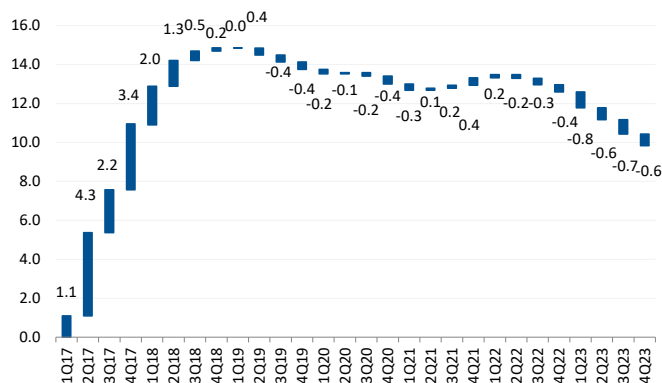
Source: Assogestioni, Quarterly Report, February 2024

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



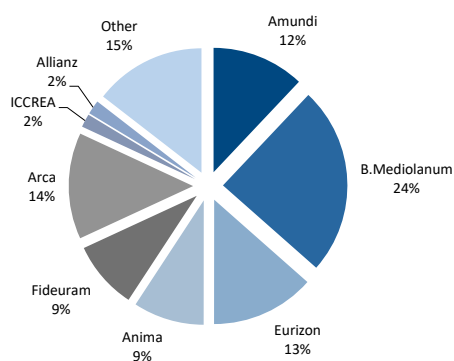
Source: Assogestioni

Ordinary PIR – Inflows by quarter (Eu bn)



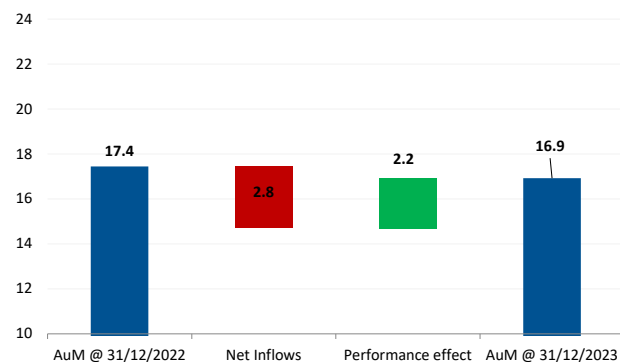
Source: Intermonte SIM estimates, Assogestioni

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 2024	P/E 2025	EV/ EBITDA 2024	EV/ EBITDA 2025	Div. Yield 2024	Div. Yield 2025	FCF Yield 2024	FCF Yield 2025	NETDEBT/ EBITDA 2024	NETDEBT/ EBITDA 2025
ACEA	10.6	10.4	6.7	6.6	5.5%	5.7%	-1.3%	0.1%	3.5x	3.5x
ANIMA	7.0	6.8			5.5%	5.7%				
BANCA GENERALI	11.8	11.8			6.1%	6.2%				
BANCA IFIS	6.3	6.3			11.0%	11.1%				
BFF BANK	8.3	7.2			10.7%	12.0%				
BREMBO	11.6	11.0	5.1	4.7	2.7%	2.9%	3.7%	6.5%	0.7x	0.5x
BUZZI-UNICEM	8.3	8.1	3.9	3.4	1.7%	1.8%	0.0%	0.0%	-1.1x	-1.5x
CEMENTIR	8.2	8.0	3.3	2.8	2.8%	2.8%	10.5%	13.3%	-0.8x	-1.2x
CREDITO EMILIANO	7.1	7.1			4.7%	5.0%				
DE' LONGHI	16.1	14.8	8.0	7.1	2.5%	2.8%	-1.4%	5.9%	-1.0x	-1.2x
EL.EN.	14.1	12.9	7.7	6.9	2.3%	2.4%	6.2%	6.9%	-0.9x	-1.2x
ENAV	16.0	15.0	7.1	6.7	6.5%	6.7%	10.0%	9.9%	0.8x	0.6x
FERRAGAMO	65.1	36.8	5.2	4.6	0.9%	1.4%	3.3%	3.6%	2.6x	2.8x
INTERCOS	23.1	19.9	10.8	9.4	1.1%	1.3%	2.8%	3.4%	0.5x	0.3x
IREN	8.9	8.3	5.4	5.3	6.7%	7.1%	2.5%	-4.5%	3.3x	3.3x
LU-VE	16.0	14.3	8.4	7.5	1.6%	1.7%	3.5%	4.6%	1.4x	1.1x
MAIRE TECNIMONT	12.3	10.9	5.3	4.6	4.2%	5.3%	5.0%	5.5%	-0.7x	-0.7x
MARR	15.0	12.7	7.6	6.8	5.3%	6.3%	-3.7%	2.0%	1.6x	1.6x
MEDIA FOR EUROPE	7.8	7.6	3.2	2.9	6.4%	6.4%	14.0%	15.2%	0.9x	0.7x
MONDADORI	8.3	7.9	4.6	4.2	5.9%	6.5%	12.3%	12.4%	0.9x	0.6x
OVS GROUP	10.2	9.4	4.9	4.2	2.6%	2.9%	3.0%	10.0%	0.7x	0.4x
PHARMANUTRA	26.1	22.9	15.7	13.7	1.9%	2.2%	3.8%	4.3%	-0.2x	-0.5x
PIAGGIO	9.9	7.9	4.1	3.7	8.1%	10.1%	10.6%	10.3%	1.2x	1.1x
RAI WAY	15.4	15.9	8.5	8.7	6.5%	6.3%	8.0%	8.4%	0.9x	1.4x
REPLY	24.7	22.1	12.5	10.9	0.8%	0.9%	4.6%	4.7%	-1.0x	-1.4x
SALCEF GROUP	18.1	15.7	8.8	7.6	2.5%	2.9%	2.7%	5.4%	0.0x	-0.2x
SARAS	9.0	12.6	2.9	3.2	4.9%	4.3%	7.7%	12.9%	-0.3x	-0.7x
SESA	15.1	12.7	7.1	5.9	1.0%	1.3%	5.3%	8.9%	0.1x	-0.1x
TECHNOGYM	20.8	17.3	9.9	8.4	2.4%	2.9%	5.7%	6.0%	-1.0x	-1.3x
THE ITALIAN SEA GROUP	10.8	8.9	6.5	5.2	3.8%	4.6%	10.8%	12.9%	-0.4x	-0.9x
TINEXTA	11.8	9.8	9.1	7.6	1.6%	2.8%	6.8%	7.0%	1.8x	1.2x
TIP	13.1	12.6			1.7%	1.9%				
UNIPOLSAI	9.6	9.4			0.0%	0.0%				
WEBUILD	7.2	6.0	1.5	1.3	5.1%	6.2%	-35.9%	8.1%	-0.7x	-0.7x

Source: Intermonte SIM

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

Company	P/E 24	P/E 25	EV/ EBITDA 24	EV/ EBITDA 25	Div. Yield 24	Div. Yield 25	FCF Yield 24	FCF Yield 25	NETDEBT/ EBITDA 24	NETDEBT/ EBITDA 25
ABITARE IN	7.8	5.2	7.4	5.0	3.8%	5.7%	-22.9%	7.1%	3.1x	2.0x
ANTARES VISION	25.8	11.6	5.2	4.2	0.0%	2.9%	11.5%	20.0%	3.3x	2.5x
AQUAFIL	27.0	20.7	8.6	7.2	1.3%	2.4%	-12.7%	4.1%	-1.1x	-1.1x
AVIO	7.2	5.5			4.7%	4.6%				
BANCA SISTEMA	19.6	14.2	10.1	8.0	2.1%	2.1%	1.9%	2.4%	-1.4x	-1.1x
CIVITANAVI SYSTEMS	21.3	15.7	6.4	5.4	0.0%	0.0%	-2.4%	1.7%	0.8x	0.6x
CY4GATE	24.7	17.9	11.2	8.4	0.0%	0.0%	1.6%	2.8%	-0.5x	-0.6x
CYBEROO	23.2	16.1	6.5	5.3	2.7%	3.6%	5.2%	5.7%	-0.1x	-0.3x
DATALOGIC	4.6	3.7	3.5	3.1	7.4%	12.4%	38.4%	48.8%	2.5x	2.2x
DOVALUE	21.5	11.2	5.0	4.0	2.8%	3.4%	4.7%	11.6%	1.5x	1.1x
ELICA	6.6	5.6	4.7	4.2	6.1%	7.2%	13.8%	14.7%	2.4x	2.1x
EMAK	9.6	8.1	2.6	2.2	5.2%	7.4%	22.2%	10.4%	-0.9x	-0.9x
ESPRINET	10.7	9.8	4.5	4.0	1.7%	1.8%	29.4%	27.6%	2.6x	2.3x
FILA	23.4	17.7	9.5	8.1	1.3%	1.3%	-13.9%	-2.0%	2.4x	2.2x
FINE FOODS	14.6	12.9	8.3	7.2	3.4%	3.9%	8.5%	10.0%	0.7x	0.2x
FRANCHI UMBERTO MARMI	4.5	4.3	4.2	3.8	11.1%	11.5%	14.3%	37.3%	2.9x	2.6x
GEOX	20.0	13.7	6.3	5.9	4.2%	0.0%	1.7%	9.9%	2.9x	2.6x
GPI	15.5	15.5	9.1	8.5	1.6%	1.9%	-5.6%	5.5%	2.0x	1.6x
GREENTHESIS	6.6	6.8	3.6	3.7	2.5%	2.6%	8.5%	-5.1%	1.2x	1.4x
IEG	5.8	5.8	10.0	9.9	0.0%	8.7%	16.4%	16.3%	8.0x	7.9x
IGD	7.8	7.1	4.3	3.6	3.5%	4.4%	12.8%	11.5%	0.1x	-0.3x
INDEL B	23.8	21.3	8.0	6.9	1.1%	1.2%	-4.0%	2.9%	1.4x	1.1x
INTRED	3.4	2.5	2.8	2.6	11.7%	16.3%	37.0%	35.2%	1.9x	1.7x
NOTORIOUS PICTURES	11.2	10.4	5.6	4.8	0.0%	0.0%	7.1%	6.2%	-1.6x	-1.9x
OMER	9.3	7.3	4.7	3.5	0.0%	0.0%	6.6%	8.6%	0.3x	-0.1x
RELATECH	10.4	6.5			1.3%	2.2%				
REVO INSURANCE	21.6	16.2	9.6	7.9	0.0%	0.0%	1.8%	3.0%	1.2x	0.8x
SECO	nm	17.8	9.9	6.7	0.0%	0.0%	-10.7%	-14.4%	2.9x	2.4x
SERI INDUSTRIAL	7.5	6.1	2.3	2.2	2.2%	2.7%	2.6%	4.8%	1.5x	1.4x
SERVIZI ITALIA	20.4	9.9	6.0	4.3	0.0%	2.5%	15.6%	21.0%	2.3x	1.3x
SOMEK	9.1	8.1	5.1	4.5	0.0%	0.0%	9.4%	3.5%	2.2x	1.8x
STAR7	33.4	20.8	11.2	9.3	0.0%	0.0%	1.0%	2.4%	5.0x	2.7x
TALEA GROUP	nm	18.5	24.0	9.3	0.0%	0.0%	16.6%	1.3%	9.9x	3.7x
TESMEC	nm	18.8	3.7	3.2	0.0%	0.0%	4.2%	13.1%	2.7x	2.4x
TXT E-SOLUTIONS	14.5	12.8	8.8	7.5	1.0%	1.1%	5.7%	7.3%	1.0x	0.4x
UNIDATA	9.7	7.7	5.3	4.4	0.5%	0.6%	7.9%	10.2%	1.5x	1.1x
WIIT	28.7	19.8	12.3	10.2	1.7%	2.5%	3.5%	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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