

# Italian Mid/Small Caps Monthly

## Trying to Circumvent Hints of Economic Slowdown

by Intermonte Research Team

Italian Equity Market

- **Performance (+/-).** The Italian equity market (prices as at 12 July 2024) has posted a positive 0.7% performance in the last month and is up 13.5% YtD. The FTSE Italy Mid-Cap index (+2.0%) has outperformed the main index by 1.2% in the last month (-3.6% YtD on a relative basis), with the FTSE Italy Small Caps index (+0.4%) performing 0.3% below the market, and still -10.3% 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 5.5% in the last month, performing better than Italian mid small caps.
- **Estimates (=).** Since the beginning of 2024, we have implemented a -3.1%/-2.5% 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, estimate revision has been slightly negative for large caps but negligible for mid small caps because of the lack of any relevant newsflow, while the next weeks will be meaningful as we enter 1H24 reporting season.
- **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 17.2% re-rating YtD (the same metric was +9.9% one month ago); mid-caps have re-rated by 9.3%, while small caps have re-rated by 22.9%. On a P/E basis, our panel is trading at a 27% premium to large caps, above the historical average premium (17%) and slightly below the level one month ago (29%).
- **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 13.3% higher than in the corresponding period one year ago and is up 19.1% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 19.3% YoY for mid-caps and 16.8% for small caps. Notably, liquidity has remained fairly positive in the last month, thanks in part to an easy comparison.
- **Investment strategy.** The reporting season is about to begin and macro signals, such as those on industrial production, suggest that a slight slowdown is in progress in both the USA and Europe. Therefore, estimates are likely to remain on a slightly negative slant in the coming weeks. In this context, we confirm our preference for stocks with good cash generation and exposure to solid international trends. Once again, we think the subgroup of "digital enablers" could benefit from rather resilient prospects. The liquidity picture remains challenging for mid/small caps but with some progressive signs of improvement compared to the recent bleak trends. The start-up, expected by year-end, of a fund sponsored by Italian development bank CDP, could be a meaningful catalyst for Italian mid/small caps. The fund would have c.€1bn of initial funding, 49% from CDP and 51% from private investors, including pensions funds, insurers, and asset management companies. The fund's investment parameters would be similar to PIR funds, with a focus on mid/small cap issuers.

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

## Performance

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

The Italian equity market (prices as at 12 July 2024) has posted a positive 0.7% performance in the last month and is up 13.5% YtD. The FTSE Italy Mid-Cap index (+2.0%) has outperformed the main index by 1.2% in the last month (-3.6% YtD on a relative basis), with the FTSE Italy Small Caps index (+0.4%) performing 0.3% below the market, and still -10.3% on a relative basis since the beginning of 2024.

#### Italian Market Indexes – performance analysis (prices as at 12 July 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	48,939	2.0%	4.5%	10.3%	9.9%	14.1%	27.1%	2.6%	28.1%
FTSE Italia Small Cap	29,247	0.4%	4.1%	4.4%	3.2%	9.3%	1.5%	4.5%	49.7%
FTSE Italia Star	48,539	0.8%	3.8%	2.5%	1.5%	4.0%	4.0%	-14.3%	38.3%
FTSE Italia Growth Index	8,122	0.0%	0.3%	-1.6%	-2.2%	-10.6%	-12.4%	-19.2%	-9.6%
FTSE Italia All-Share	36,856	0.7%	2.6%	13.1%	13.5%	20.4%	56.6%	32.9%	52.6%
FTSE MIB	34,581	0.6%	2.4%	13.5%	13.9%	21.1%	60.9%	36.8%	55.9%

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	1.2%	1.9%	-2.8%	-3.6%	-6.3%	-29.5%	-30.3%	-24.5%
FTSE Italia Small Cap	-0.3%	1.5%	-8.7%	-10.3%	-11.1%	-55.1%	-28.4%	-2.9%
FTSE Italia Star	0.0%	1.2%	-10.7%	-12.0%	-16.4%	-52.6%	-47.2%	-14.2%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 5.5% 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	176	0.2%	3.7%	9.9%	9.4%	14.2%	25.5%	15.2%	34.8%
MSCI Europe Small Cap	447	0.5%	5.5%	8.9%	7.2%	11.8%	14.9%	-7.3%	25.0%

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**

<b>Best Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
IEG	6.44	199	26%
WIIT	22.80	639	23%
SOMEC	18.30	126	15%
TXT E-SOLUTIONS	26.70	347	14%
BFF BANK	10.30	1,932	13%
FINCANTIERI	4.87	1,572	12%
MONDADORI	2.58	675	10%
SESA	118.70	1,839	9%
WEBUILD	2.19	2,245	7%
AVIO	12.76	336	7%
BANCA IFIS	20.98	1,129	6%
IREN	2.00	2,595	5%
MEDIA FOR EUROPE	4.59	2,219	5%
MAIRE	7.54	2,476	4%
INTRED	10.15	161	4%
REPLY	141.60	5,297	4%
ENAV	3.93	2,127	4%
CREDITO EMILIANO	9.59	3,273	4%
TECHNOGYM	9.80	1,972	3%
EL.EN.	9.96	798	3%
<b>FTSE Italia Mid Cap</b>			2%
<b>FTSE Italia Small Cap</b>			0%
<b>FTSE MIB</b>			1%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
ABITARE IN	4.17	111	-15%
SECO	2.83	376	-9%
INDEL B	21.20	124	-8%
OVS GROUP	2.63	764	-7%
THE ITALIAN SEA GROUP	9.22	489	-7%
ACEA	15.84	3,373	-6%
STAR7	5.75	52	-6%
UNIDATA	3.58	111	-6%
AQUAFIL	3.00	128	-6%
NOTORIOUS PICTURES	0.88	20	-5%
BANCA SISTEMA	1.48	119	-4%
CYBEROO	3.26	135	-4%
DOVALUE	2.05	164	-4%
PIAGGIO	2.70	968	-4%
FERRAGAMO	8.85	1,494	-4%
FILA	8.69	373	-4%
SERI INDUSTRIAL	4.20	226	-3%
DATALOGIC	5.58	326	-2%
FINE FOODS	8.84	195	-2%
GEOX	0.62	159	-1%

Source: FactSet

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

<b>Best Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
GREENTHESIS	2.27	352	134%
IEG	6.44	199	109%
ANTARES VISION	3.37	238	82%
CIVITANAVI SYSTEMS	6.06	186	55%
MAIRE	7.54	2,476	53%
AVIO	12.76	336	51%
MEDIA FOR EUROPE	4.59	2,219	40%
BUZZI	38.58	7,432	40%
TXT E-SOLUTIONS	26.70	347	35%
BANCA IFIS	20.98	1,129	34%
OMER	3.90	112	29%
GPI	12.58	364	26%
SERI INDUSTRIAL	4.20	226	24%
BANCA SISTEMA	1.48	119	23%
ANIMA	4.91	1,567	22%
MONDADORI	2.58	675	20%
WEBUILD	2.19	2,245	20%
CREDITO EMILIANO	9.59	3,273	19%
REPLY	141.60	5,297	18%
WIIT	22.80	639	17%
<b>FTSE Italia Mid Cap</b>			10%
<b>FTSE Italia Small Cap</b>			3%
<b>FTSE MIB</b>			14%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
DOVALUE	2.05	164	-40%
SOMECC	18.30	126	-36%
NOTORIOUS PICTURES	0.88	20	-29%
FERRAGAMO	8.85	1,494	-28%
STAR7	5.75	52	-24%
TESMEC	0.09	54	-24%
CY4GATE	6.35	150	-22%
ELICA	1.86	118	-18%
SECO	2.83	376	-18%
IGD	1.90	210	-17%
DATALOGIC	5.58	326	-17%
ABITARE IN	4.17	111	-17%
GEOX	0.62	159	-16%
TALEA GROUP	7.42	51	-15%
TINEXTA	17.33	818	-15%
PHARMANUTRA	48.25	467	-14%
FRANCHI UMBERTO MARMI	5.90	194	-14%
AQUAFIL	3.00	128	-13%
INDEL B	21.20	124	-12%
PIAGGIO	2.70	968	-9%

Source: FactSet

## Earnings Momentum

### No significant change in estimates in the last month

Since the beginning of 2024, we have implemented a -3.1%/-2.5% 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, estimate revision has been slightly negative for large caps but negligible for mid/small caps because of the lack of any relevant newsflow, while the next weeks will be meaningful as we enter 1H24 reporting season.

#### Italian Market – Intermonte changes to 2024 and 2025 estimates

EPS REVISION	Since January 1st 2024		Since 16/6/2024	
	% chg in EPS FY24	% chg in EPS FY25	% chg in EPS FY24	% chg in EPS FY25
<b>Total Market</b>	<b>-3.1%</b>	<b>-2.5%</b>	<b>-0.9%</b>	<b>-0.7%</b>
<b>Total Market - Ex Energy</b>	<b>-3.1%</b>	<b>-3.1%</b>	<b>-1.0%</b>	<b>-0.8%</b>
Domestic	4.5%	3.2%	0.0%	0.0%
Non domestic	-12.6%	-9.8%	-2.1%	-1.7%
Non domestic - Ex Energy	-13.1%	-11.3%	-2.9%	-2.1%
<b>FTSE MIB</b>	<b>-3.2%</b>	<b>-2.6%</b>	<b>-1.0%</b>	<b>-0.8%</b>
<b>Mid Caps (our coverage)</b>	<b>0.6%</b>	<b>-0.6%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Small Caps (our coverage)</b>	<b>-19.6%</b>	<b>-15.2%</b>	<b>-0.5%</b>	<b>-0.1%</b>
Intermonte Mid&Small Caps coverage	-1.3%	-2.1%	0.0%	0.0%

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
<b>Upward Revision</b>			
SERI INDUSTRIAL	-2	-1	42.6%
IEG	19	24	27.6%
SARAS	135	172	27.0%
TXT E-SOLUTIONS	16	20	25.7%
MAIRE	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%
<b>Downward Revision</b>			
TALEA GROUP	1	-2	-247.8%
TESMEC	9	-3	-135.8%
ABITARE IN	35	12	-65.1%
FERRAGAMO	55	21	-61.3%
ELICA	13	5	-61.2%
DATALOGIC	29	13	-53.8%

Source: Intermonte SIM

## Valuation

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

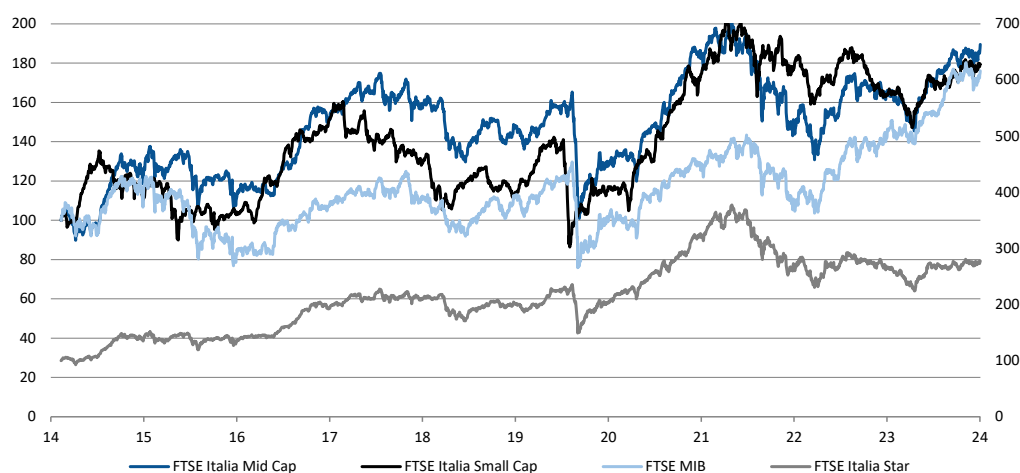
If we compare performance YtD to the change in FY24 estimates over the same period, we see that FTSE MIB stocks have recorded a 17.2% re-rating YtD (the same metric was +9.9% one month ago); mid-caps have re-rated by 9.3%, while small caps have re-rated by 22.9%.

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

Index	% Change YTD	on FY24 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	13.9%	-3.2%	17.2%
FTSE Italia Mid Cap	9.9%	0.6%	9.3%
FTSE Italia Small Cap	3.2%	-19.6%	22.9%

Source: Intermonte SIM and FactSet

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

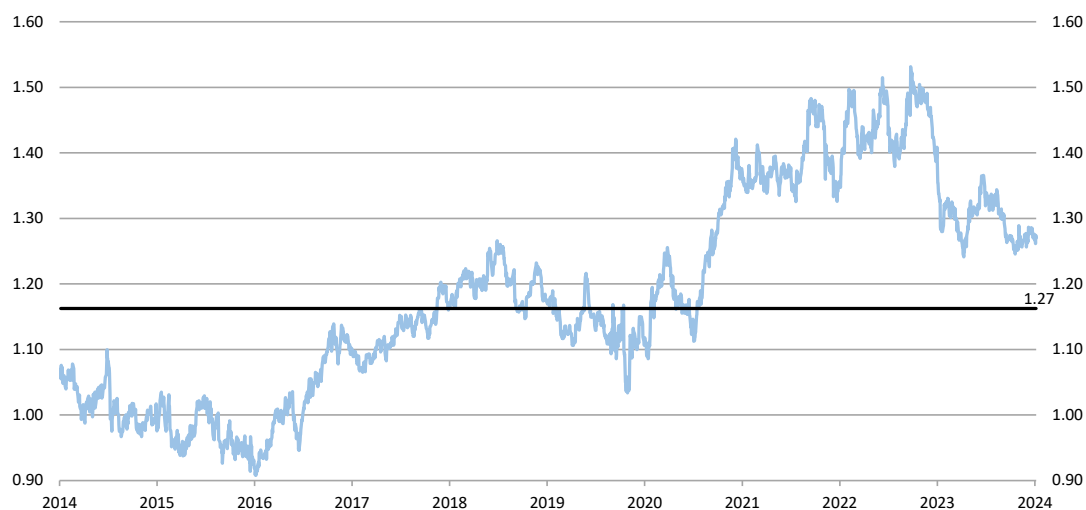


Source: FactSet

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 27% premium to large caps, above the historical average premium (17%) and slightly below the level one month ago (29%).**

#### 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
<b>FTSE MIB</b>	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	10.6 x		13.6 x	-21.9%
<b>FTSE Italy Mid Cap</b>	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	12.7 x		18.3 x	-30.4%
<b>FTSE Italy Small Caps</b>	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	13.1 x		14.9 x	-12.3%
<b>Germany DAX (TR)</b>	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	13.2 x	24.1%	14.2 x	-7.5%
<b>Germany MDAX</b>	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	14.4 x	12.9%	21.2 x	-32.4%
<b>France CAC 40</b>	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	14.8 x	39.4%	16.0 x	-7.6%
<b>France CAC Mid 60</b>	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	38.9 x	205.6%	16.2 x	
<b>France CAC Small</b>	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	26.2 x	100.2%	26.2 x	0.0%
<b>FTSE 100</b>	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	12.1 x	13.8%	13.0 x	-6.7%
<b>FTSE 250</b>	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	13.7 x	7.9%	14.6 x	-5.9%
<b>IBEX 35</b>	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	11.4 x	6.9%	13.0 x	-12.8%
<b>IBEX MEDIUM</b>	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	12.4 x	-2.5%	15.4 x	-19.5%

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%	-15%	233%
GREENTHESIS	20.5	22.6	10%	134%	124%
ANTARES VISION	11.7	6.9	-41%	82%	123%
TESMEC	9.2	-3.3	-136%	-24%	112%
IEG	18.8	23.9	28%	109%	82%
REVO INSURANCE	61.9	21.1	-66%	8%	74%
AVIO	13.2	11.9	-10%	51%	60%
GPI	24.6	16.8	-32%	26%	58%
CIVITANAVI SYSTEMS	9.5	9.6	0%	55%	55%
ELICA	13.5	5.2	-61%	-18%	43%
MEDIA FOR EUROPE	291.0	286.0	-2%	40%	42%
DATALOGIC	28.9	13.3	-54%	-17%	36%
BUZZI	832.8	873.8	5%	40%	35%
FERRAGAMO	55.1	21.3	-61%	-28%	34%
WIIT	19.8	17.0	-14%	17%	31%
MAIRE	150.7	186.9	24%	53%	29%
CYBEROO	7.3	5.8	-20%	8%	28%
BANCA IFIS	151.6	161.6	7%	34%	27%
FINCANTIERI	-6.9	-7.8	-12%	13%	25%
REPLY	208.0	202.0	-3%	18%	21%
TECHNOGYM	103.2	89.5	-13%	8%	21%
OMER	9.0	9.8	9%	29%	20%
INTERCOS	70.1	65.5	-7%	13%	20%
MARR	60.8	53.2	-12%	7%	20%
CREDITO EMILIANO	428.6	428.1	0%	19%	19%
CEMENTIR	221.1	191.9	-13%	6%	19%
CY4GATE	11.2	6.5	-41%	-22%	19%
OVS GROUP	76.4	75.1	-2%	16%	17%
ESPRINET	32.4	24.9	-23%	-6%	17%
BANCA SISTEMA	15.1	16.2	7%	23%	16%
ACEA	326.0	323.3	-1%	15%	15%
MONDADORI	66.6	70.4	6%	20%	14%
FINE FOODS	11.3	9.8	-14%	1%	14%
LU-VE	34.5	35.8	4%	17%	13%
IGD	49.9	34.9	-30%	-17%	13%
SERVIZI ITALIA	7.9	7.8	-1%	12%	13%
WEBUILD	244.9	269.2	10%	20%	10%
SALCEF GROUP	93.3	87.7	-6%	4%	10%
TXT E-SOLUTIONS	16.2	20.4	26%	35%	9%
ENAV	117.3	124.0	6%	14%	9%
BANCA GENERALI	347.3	365.9	5%	14%	8%
FILA	41.8	41.0	-2%	5%	7%
PIAGGIO	114.9	96.9	-16%	-9%	6%
IREN	284.8	269.9	-5%	1%	6%
EL.EN.	54.5	52.4	-4%	2%	6%
THE ITALIAN SEA GROUP	44.7	47.6	6%	12%	6%
SECO	23.2	18.0	-23%	-18%	5%
ANIMA	172.9	207.1	20%	22%	3%
SOMEK	8.5	5.3	-38%	-36%	2%
RAI WAY	90.5	88.5	-2%	0%	2%
DE' LONGHI	273.7	289.8	6%	7%	1%
BFF BANK	200.1	200.1	0%	0%	(0%)
SESA	110.2	107.5	-2%	-3%	(1%)
BREMBO	294.3	291.0	-1%	-4%	(3%)
DOVALUE	55.9	35.3	-37%	-40%	(3%)
FRANCHI UMBERTO MARMI	14.2	12.8	-9%	-14%	(5%)
UNIDATA	12.1	11.7	-4%	-9%	(5%)
PHARMANUTRA	17.7	17.1	-3%	-14%	(11%)
INDEL B	17.0	17.0	0%	-12%	(12%)
AQUAFIL	6.2	6.2	0%	-13%	(13%)
GEOX	34.6	34.6	0%	-16%	(16%)
EMAK	22.9	26.3	15%	-2%	(17%)
SERI INDUSTRIAL	-1.7	-1.0	43%	24%	(19%)
TINEXTA	62.9	66.3	5%	-15%	(20%)
INTRED	5.7	6.5	13%	-8%	(21%)

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 13.3% higher than in the corresponding period one year ago and is up 19.1% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 19.3% YoY for mid-caps and 16.8% for small caps. Notably, liquidity has remained fairly positive in the last month, thanks in part 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 15/07	3M to 15/07	YTD to 15/07	1M to 15/07	3M to 15/07	YTD to 15/07	1M to 15/07	3M to 15/07	YTD to 15/07
<b>FTSE MIB</b>									
All stocks	54.37	59.87	60.37	47.98	47.86	50.69	13.3%	25.1%	19.1%
Top 20% by market cap	160.07	173.67	171.30	151.82	151.09	162.00	5.4%	14.9%	5.7%
<b>FTSE Italia Mid Cap</b>									
All stocks	2.14	2.50	2.61	1.80	1.98	2.18	19.0%	26.4%	19.3%
Top 20% by market cap	3.23	3.93	4.37	3.47	3.97	4.22	(6.8%)	(1.0%)	3.6%
<b>FTSE Italia Small Cap</b>									
All stocks	0.26	0.32	0.32	0.21	0.25	0.28	24.7%	30.4%	16.8%
Top 20% by market cap	0.69	0.75	0.75	0.45	0.52	0.60	54.2%	43.8%	25.7%

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)
BUZZI	7,432	10,254,469
BANCA GENERALI	4,473	9,530,578
SARAS	1,541	8,568,140
WEBUILD	2,245	6,840,805
BFF BANK	1,932	6,785,378
MAIRE	2,476	6,370,841
FINCANTIERI	1,572	5,534,654
REPLY	5,297	5,365,485
BREMBO	3,566	5,324,942
IREN	2,595	5,313,309
FERRAGAMO	1,494	3,831,941
DE' LONGHI	4,950	3,318,581
BANCA IFIS	1,129	3,111,377
ANIMA	1,567	3,010,398
OVS GROUP	764	2,859,142
TECHNOGYM	1,972	2,595,926
PIAGGIO	968	2,556,883
ACEA	3,373	2,470,073
ENAV	2,127	2,359,405
DOVALUE	164	2,211,913
SESA	1,839	2,063,779
RAI WAY	1,390	1,913,037
CREDITO EMILIANO	3,273	1,510,894
EL.EN.	798	1,470,427
TIP	1,781	1,394,245
SALCEF GROUP	1,597	1,364,118
MEDIA FOR EUROPE	2,219	1,335,152
TINEXTA	818	1,239,630
CEMENTIR	1,607	1,224,869

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	0.9	20	0.283	0.113	12.9%	40%	1.9
GEOX	0.6	159	0.133	0.067	10.9%	50%	2.9
BANCA IFIS	21.0	1129	3.002	2.073	9.9%	69%	
BFF BANK	10.3	1932	1.071	0.953	9.3%	89%	
PIAGGIO	2.7	968	0.273	0.219	8.1%	80%	1.2
DOVALUE	2.0	164	0.441	0.150	7.3%	34%	2.5
IREN	2.0	2595	0.207	0.128	6.4%	62%	3.3
RAI WAY	5.1	1390	0.325	0.325	6.4%	100%	0.9
ENAV	3.9	2127	0.229	0.237	6.0%	103%	0.8
EMAK	1.1	176	0.161	0.064	6.0%	40%	2.4
BANCA GENERALI	38.3	4473	3.131	2.250	5.9%	72%	
ACEA	15.8	3373	1.518	0.885	5.6%	58%	3.5
MEDIA FOR EUROPE	4.6	2219	0.504	0.250	5.4%	50%	0.9
MARR	12.3	818	0.800	0.640	5.2%	80%	1.6
MONDADORI	2.6	675	0.270	0.132	5.1%	49%	0.9
ANIMA	4.9	1567	0.651	0.250	5.1%	38%	
SARAS	1.6	1541	0.181	0.080	4.9%	44%	(0.3)
ESPRINET	5.2	260	0.503	0.251	4.9%	50%	(0.9)
BANCA SISTEMA	1.5	119	0.201	0.068	4.6%	34%	
WEBUILD	2.2	2245	0.270	0.100	4.6%	37%	(0.7)
CREDITO EMILIANO	9.6	3273	1.254	0.420	4.4%	33%	
THE ITALIAN SEA GROUP	9.2	489	0.898	0.370	4.0%	41%	(0.4)
GPI	12.6	364	0.598	0.500	4.0%	84%	2.9
MAIRE	7.5	2476	0.569	0.294	3.9%	52%	(0.7)
INDEL B	21.2	124	2.911	0.800	3.8%	27%	0.1
FRANCHI UMBERTO MARMI	5.9	194	0.393	0.196	3.3%	50%	0.7
ABITARE IN	4.2	111	0.456	0.133	3.2%	29%	3.4
DATALOGIC	5.6	326	0.239	0.150	2.7%	63%	(0.1)
DATALOGIC	5.6	326	0.239	0.150	2.7%	63%	(0.1)
CEMENTIR	10.1	1607	1.206	0.271	2.7%	22%	(0.8)

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	164	63.6	4.6	1272%
FINCANTIERI	4.9	1572	nm	nm	485%
GEOX	0.6	159	19.8	4.6	329%
FINE FOODS	8.8	195	45.8	23.1	99%
GPI	12.6	364	35.5	21.0	69%
MAIRE	7.5	2476	19.7	13.3	49%
CYBEROO	3.3	135	34.1	23.2	47%
NOTORIOUS PICTURES	0.9	20	4.5	3.1	45%
UNIDATA	3.6	111	13.6	9.5	43%
SERVIZI ITALIA	1.9	60	10.9	7.6	43%
IEG	6.4	199	11.8	8.3	42%
REVO INSURANCE	9.1	224	15.1	10.6	42%
GREENTHESIS	2.3	352	21.7	15.6	39%
SALCEF GROUP	25.6	1597	25.0	18.2	37%
EMAK	1.1	176	9.1	6.7	36%
MEDIA FOR EUROPE	4.6	2219	12.0	9.1	32%
THE ITALIAN SEA GROUP	9.2	489	13.2	10.3	29%
FILA	8.7	373	13.6	10.8	26%
TESMEC	0.1	54	nm	nm	22%
TINEXTA	17.3	818	15.0	12.3	22%
CIVITANAVI SYSTEMS	6.1	186	23.2	19.5	19%
OMER	3.9	112	13.3	11.4	17%
INTERCOS	16.2	1559	27.6	23.8	16%
DE' LONGHI	32.8	4950	19.8	17.1	16%
TECHNOGYM	9.8	1972	25.4	22.0	16%
WEBUILD	2.2	2245	9.3	8.1	14%
WIIT	22.8	639	42.4	37.5	13%
MARR	12.3	818	17.4	15.4	13%
BANCA GENERALI	38.3	4473	13.7	12.2	12%
ANIMA	4.9	1567	8.4	7.5	12%
TXT E-SOLUTIONS	26.7	347	17.2	15.4	12%
PHARMANUTRA	48.3	467	30.2	27.3	11%
ACEA	15.8	3373	11.5	10.4	10%
ENAV	3.9	2127	18.8	17.1	10%
EL.EN.	10.0	798	16.2	14.9	9%
BFF BANK	10.3	1932	10.4	9.6	8%
REPLY	141.6	5297	28.4	26.2	8%
SESA	118.7	1839	18.4	17.1	7%
PIAGGIO	2.7	968	10.5	9.9	6%

Source: Intermonte SIM and FactSet

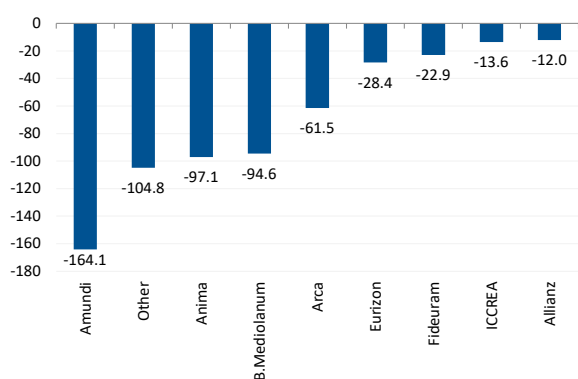
## Most recent data on the Individual Savings Plan (PIR)

PIR: official figures as of December 2023

												Nr. Of Funds		Invested Capital	
	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)	at December 2023 # Funds	%	at December 2023 (Eu mn)	in %
<b>Ordinary PIR</b>	(2,755)	(599)	(731)	(610)	(815)	(734)	323	(759)	(1,097)	3,950	10,903	66		16,919	
<b>Alternative PIR</b>	201	134	8	1	58	242						17		1,671	
<b>EQUITY FUNDS</b>	(1,007)	(184)	(351)	(209)	(264)	(338)	280	(281)	(369)	349	2,260	23	27.7%	5,025	27.0%
<b>BALANCED FUNDS</b>	(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%
<b>FIXED INCOME FUNDS</b>	385	75	95	181	35	(12)	17	(1)	(20)	10	75	8	9.6%	550	3.0%
<b>FLEXIBLE FUNDS</b>	(462)	(137)	(102)	(108)	(114)	2	(187)	(160)	(121)	1,067	2,605	15	18.1%	4,878	26.2%
<b>CLOSED-END FUNDS</b>	192	134	7	0	52	240						15	18.1%	1,656	8.9%

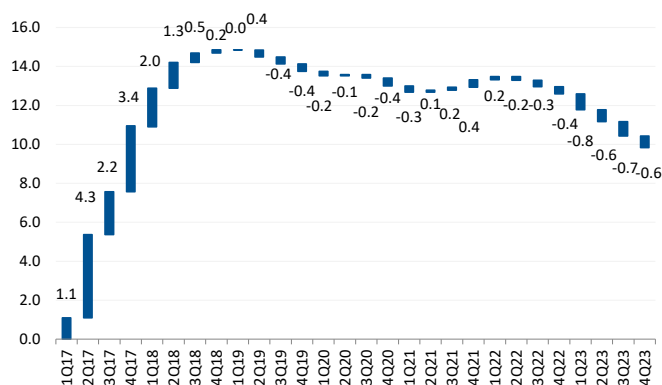
Source: Assogestioni, Quarterly Report, February 2024

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



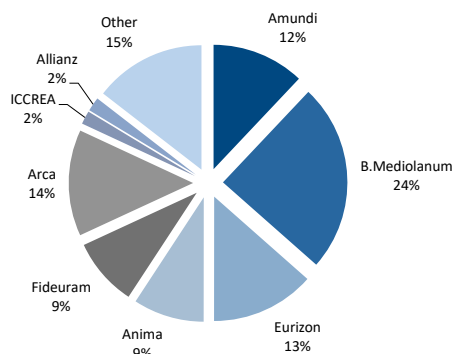
Source: Assogestioni

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



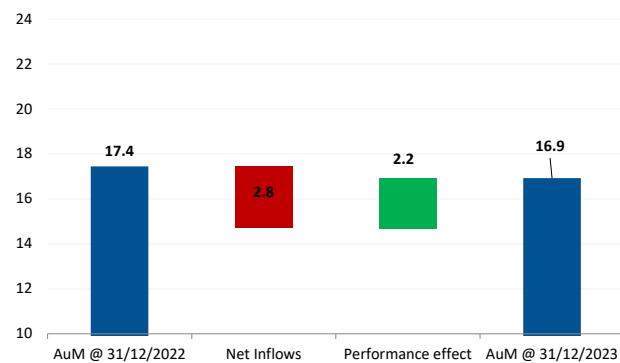
Source: Intermonte SIM estimates, Assogestioni

### 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	10.4	10.2	6.7	6.6	5.6%	5.8%	-1.4%	0.1%	3.5x	3.5x
ANIMA	7.5	7.3			5.1%	5.3%				
BANCA GENERALI	12.2	12.2			5.9%	6.0%				
BANCA IFIS	7.0	6.9			9.9%	10.0%				
BFF BANK	9.6	8.4			9.3%	10.4%				
BREMBO	11.9	11.3	5.2	4.9	2.7%	2.8%	3.6%	6.3%	0.7x	0.5x
BUZZI	8.5	8.3	4.0	3.5	1.7%	1.8%	0.0%	0.0%	-1.1x	-1.5x
CEMENTIR	8.4	8.2	3.4	2.9	2.7%	2.7%	10.2%	13.0%	-0.8x	-1.2x
CREDITO EMILIANO	7.6	7.6			4.4%	4.7%				
DE' LONGHI	17.1	15.6	8.5	7.6	2.4%	2.6%	-1.3%	5.6%	-1.0x	-1.2x
EL.EN.	14.9	13.6	8.2	7.4	2.2%	2.3%	5.9%	6.5%	-0.9x	-1.2x
ENAV	17.1	16.1	7.6	7.2	6.0%	6.2%	9.3%	9.3%	0.8x	0.6x
FERRAGAMO	70.1	39.9	5.4	4.7	0.8%	1.3%	2.6%	2.2%	2.6x	2.8x
FINCANTIERI	nm	19.8	8.8	6.2	0.0%	0.0%	-23.8%	-13.8%	4.9x	4.5x
INTERCOS	23.8	20.6	11.1	9.8	1.1%	1.2%	2.7%	3.3%	0.5x	0.3x
IREN	9.6	8.8	5.6	5.4	6.4%	6.9%	2.4%	-1.1%	3.3x	3.3x
LU-VE	16.7	14.9	8.7	7.8	1.6%	1.6%	3.3%	4.4%	1.4x	1.1x
MAIRE	13.3	11.8	5.7	5.0	3.9%	4.9%	4.6%	5.1%	-0.7x	-0.7x
MARR	15.4	13.0	7.8	6.9	5.2%	6.2%	-3.6%	1.9%	1.6x	1.6x
MEDIA FOR EUROPE	9.1	8.9	3.6	3.2	5.4%	5.4%	12.2%	13.2%	0.9x	0.7x
MONDADORI	9.6	9.1	5.1	4.7	5.1%	5.6%	10.7%	10.8%	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	27.3	24.0	16.4	14.4	1.8%	2.1%	3.6%	4.1%	-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	15.7	16.2	8.6	8.8	6.4%	6.2%	7.9%	8.3%	0.9x	1.4x
REPLY	26.2	23.4	13.4	11.6	0.8%	0.8%	4.3%	4.4%	-1.0x	-1.4x
SALCEF GROUP	18.2	15.8	8.8	7.6	2.5%	2.9%	2.7%	5.3%	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	17.1	14.4	7.1	6.7	0.9%	1.1%	4.7%	7.9%	0.1x	-0.1x
TECHNOGYM	22.0	18.3	10.6	9.0	2.2%	2.7%	5.4%	5.6%	-1.0x	-1.3x
THE ITALIAN SEA GROUP	10.3	8.4	6.2	4.9	4.0%	4.9%	11.4%	13.5%	-0.4x	-0.9x
TINEXTA	12.3	10.3	9.4	7.8	1.5%	2.7%	6.6%	6.7%	1.8x	1.2x
TIP	13.4	12.8			1.7%	1.9%				
WEBUILD	8.1	6.8	1.8	1.5	4.6%	5.5%	-32.0%	7.2%	-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	9.1	5.3	8.3	4.7	3.2%	5.5%	-20.9%	22.0%	3.4x	1.6x
ANTARES VISION	34.7	21.6	11.4	9.3	0.0%	0.0%	-0.6%	5.2%	5.2x	2.6x
AQUAFIL	24.7	11.1	5.1	4.1	0.0%	3.0%	12.0%	20.8%	3.3x	2.5x
AVIO	29.0	22.3	9.4	7.9	1.2%	2.2%	-11.7%	3.8%	-1.1x	-1.1x
BANCA SISTEMA	7.3	5.6			4.6%	4.5%				
CIVITANAVI SYSTEMS	19.5	14.1	10.0	7.9	2.1%	2.1%	1.9%	2.4%	-1.4x	-1.1x
CY4GATE	22.9	16.8	6.8	5.7	0.0%	0.0%	-2.3%	1.6%	0.8x	0.6x
CYBEROO	23.2	16.8	10.5	7.8	0.0%	0.0%	1.8%	3.0%	-0.5x	-0.6x
DATALOGIC	23.4	16.3	6.6	5.4	2.7%	3.6%	5.1%	5.7%	-0.1x	-0.3x
DOVALUE	4.6	3.8	3.5	3.1	7.3%	12.2%	37.8%	48.1%	2.5x	2.2x
ELICA	22.5	11.7	5.1	4.2	2.7%	3.2%	4.5%	11.2%	1.5x	1.1x
EMAK	6.7	5.7	4.7	4.2	6.0%	7.1%	13.6%	14.5%	2.4x	2.1x
ESPRINET	10.3	8.6	2.8	2.4	4.9%	7.0%	20.9%	9.8%	-0.9x	-0.9x
FILA	10.8	9.9	4.6	4.1	1.7%	1.8%	28.6%	26.8%	2.6x	2.3x
FINE FOODS	23.1	17.4	9.4	8.0	1.3%	1.3%	-14.1%	-2.0%	2.4x	2.2x
FRANCHI UMBERTO MARMI	15.0	13.2	8.5	7.4	3.3%	3.8%	8.3%	9.8%	0.7x	0.2x
GEOX	4.6	4.5	4.2	3.9	10.9%	11.2%	13.9%	36.4%	2.9x	2.6x
GPI	21.0	14.4	6.5	6.0	4.0%	0.0%	1.6%	9.4%	2.9x	2.6x
GREENTHESIS	15.6	15.7	9.1	8.5	1.6%	1.9%	-5.6%	5.4%	2.0x	1.6x
IEG	8.3	8.6	4.3	4.4	2.0%	2.1%	6.5%	-3.9%	1.2x	1.4x
IGD	6.0	6.0	10.1	10.0	0.0%	8.3%	15.7%	15.6%	8.0x	7.9x
INDEL B	7.3	6.6	4.0	3.4	3.8%	4.7%	13.8%	12.4%	0.1x	-0.3x
INTRED	24.8	22.2	8.3	7.2	1.0%	1.1%	-3.8%	2.8%	1.4x	1.1x
NOTORIOUS PICTURES	3.1	2.2	2.7	2.5	12.9%	18.0%	40.8%	38.8%	1.9x	1.7x
OMER	11.4	10.6	5.7	4.9	0.0%	0.0%	7.0%	6.1%	-1.6x	-1.9x
REVO INSURANCE	10.6	6.6			1.3%	2.2%				
SECO	20.9	15.7	9.3	7.7	0.0%	0.0%	1.8%	3.1%	1.2x	0.8x
SERI INDUSTRIAL	nm	18.4	10.2	6.9	0.0%	0.0%	-10.3%	-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	24.0	11.7	6.6	4.8	0.0%	2.1%	13.3%	17.9%	2.3x	1.3x
STAR7	8.7	7.8	4.9	4.4	0.0%	0.0%	9.8%	3.7%	2.2x	1.8x
TALEA GROUP	nm	18.3	23.9	9.3	0.0%	0.0%	16.8%	1.4%	9.9x	3.7x
TESMEC	nm	19.5	3.7	3.3	0.0%	0.0%	4.0%	12.7%	2.7x	2.4x
TXT E-SOLUTIONS	15.4	13.7	9.3	7.9	0.9%	1.1%	5.4%	6.9%	1.0x	0.4x
UNIDATA	9.5	7.5	5.2	4.3	0.5%	0.6%	8.1%	10.4%	1.5x	1.1x
WIIT	37.5	25.9	14.9	12.5	1.3%	1.9%	2.7%	4.1%	3.6x	2.8x
ABITARE IN	9.1	5.3	8.3	4.7	3.2%	5.5%	-20.9%	22.0%	3.4x	1.6x

Source: Intermonte SIM

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- 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)

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