

Company Note

Intermonte Partners

Strong Capital Allowing Attractive Dividends in Difficult Markets

In FY22, Intermonte Partners' results suffered from the difficult market environment, showing an almost -9% decline in net profit, with a good cost control and a lower weighting of minorities partially offsetting the -14.2% yoy decline in revenues. We continue to highlight the high dividend yield (10% for the 2022 proposed dividend at the current share price), with the generous distribution to shareholders relying on a strong capital position, as a key support for the equity story.

Attractive dividend yield and shares' cancellation proposal

Despite a decline in FY22A net profit (EUR 6.6M vs. EUR 7.2M in FY21A), Intermonte Partners, leveraging on a strong capital position (IFR ratio above 6.5x), proposed a 2022 dividend of EUR 0.26/share (pay-out ratio above 100%), in line with our estimate and offering a yield of around 10% at the current share price. In addition, a proposal for the cancellation of approx. 3.9M treasury shares (around 10.8% of the company's total shares), out of approx. 4.3M currently held, will be presented at the next EGM, therefore reducing the number of total shares to 32.3M.

Outlook and Estimates: Investment Banking and DD&A as growth drivers

Following FY22 results and the company's outlook (in the results' press release the company stated that the first months of the year showed a continuation of the volatile market trends and a risk-averse approach by investors), we took a more cautious stance on both FY23E and FY24E (net profit estimates cut by an average of around -20%), with the expectation of a net profit above EUR 10M moved to 2025E (from 2024E previously). Our 2025E forecasts point to more volatile sources of revenues (Sales & Trading and Global Markets) reducing their contribution to 53% in FY25E (from 60% in FY22A), with Investment Banking up to 33% (from 30%) and DD&A reaching 13% (from 10% in 2022A).

Valuation: BUY, EUR 3.0/sh. TP

We obtain a **new target price of EUR 3.0/share**, resulting from the average of a 3-stage DDM and a multiples' analysis based on Equita, which we consider as the closest peer. Given the almost 15% upside potential vs. the current share price, we confirm our positive view, with a **BUY rating**.

Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity---credit-research>.

See page 12 for full disclosure and analyst certification
Intesa Sanpaolo is Specialist to Intermonte Partners

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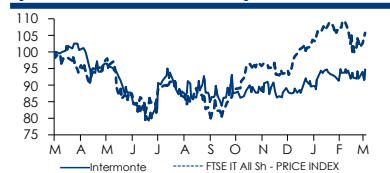
BUY

Target Price: EUR 3.0
(from EUR 3.1)

Italy/Brokerage & Investment
Banking
Results

EGM

Price Performance
(RIC: INT.MI, BB: INT IM)



Intermonte Partners - Key Data

Price date (market close)	29/03/2023
Target price (EUR)	3.0
Target upside (%)	14.94
Market price (EUR)	2.61
Market cap (EUR M)	84.30
52Wk range (EUR)	2.92/2.26

Price performance %	1M	3M	12M
Absolute	-1.4	3.3	-8.4
Rel. to FTSE IT All Sh	1.4	-6.7	-12.5

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Total income	37.65	39.98	43.86
Gross op profit	10.33	11.54	13.90
Pre-tax income	10.33	11.54	13.90
Net income	6.61	7.45	8.98
Adj EPS (EUR)	0.20	0.23	0.27
TBV PS (EUR)	1.5	1.4	1.4
Adj P/E (x)	13.0	11.5	9.5
P/TBV (x)	1.8	1.8	1.8
Div ord (EUR)	0.26	0.26	0.27
Div ord yield (%)	10.0	10.0	10.3

Note: market cap calculated on outstanding shares, net of own shares. Source: Company data, FactSet and Intesa Sanpaolo Research

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2022 Results

In 2H22A, Intermonte Partners reported a net profit of EUR 2.4M, close to the EUR 2.6M estimated. The proposed **dividend** (payable in May) is **EUR 0.26/share, in line with our estimate and implying a yield of approx. 10%** at the current share price. The key points of results were:

Dividend in line with our estimate and granting a yield of 10%

- **FY22 total net revenues of EUR 37.6M** vs. EUR 38M estimated, with **EUR 16.4M in 2H22**, slightly below our EUR 16.8M forecast, due to a lower than expected contribution from Global Markets (EUR 5M vs. EUR 5.2M estimated, though representing an improvement vs. the EUR 4.1M recorded in 1H22A) and Investment Banking (EUR 3.7M vs. EUR 3.9M forecast);
- **FY22 operating costs of EUR 27.3M (vs. EUR 13.2M in 2H)**, basically in line with our estimates;
- **A strong capital position, with IFR ratio >6.5x at YE22** (from 4.8x at end-2021).

Intermonte Partners - 2H/FY22 results

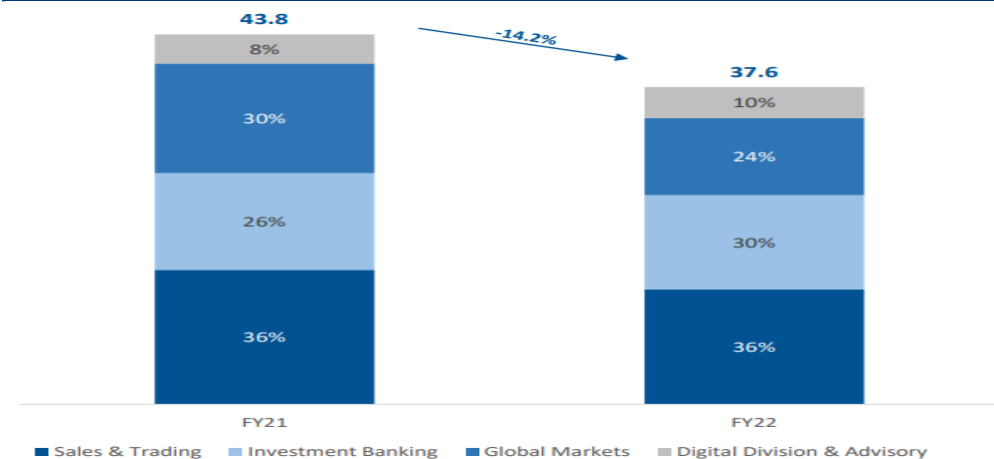
EUR M	1H21A	2H21A	FY21A	1H22A	2H22A	2H22E	2H A/E (%)	2H yoy (%)	FY22A	FY22E	FY yoy (%)
Sales & Trading	8.2	7.7	15.9	7.9	5.7	5.7	-0.6	-26.4	13.6	13.6	-14.7
Global Markets	7.9	5.1	13.0	4.1	5.0	5.2	-3.5	-2.5	9.1	9.3	-29.9
Investment Banking	6.7	4.7	11.4	7.5	3.7	3.9	-4.8	-22.1	11.2	11.4	-2.2
Digital & Advisory	1.5	1.9	3.4	1.7	2.0	2.0	0.5	2.8	3.7	3.7	7.3
Total net revenues	24.2	19.6	43.8	21.2	16.4	16.8	-2.3	-16.5	37.6	38.0	-14.2
Personnel expenses	11.7	10.0	21.6	9.2	8.8	8.6	2.8	-11.8	18.0	17.8	-16.8
G&A expenses	4.5	5.8	10.4	4.9	4.4	4.5	-3.2	-24.4	9.3	9.4	-10.1
Total costs	16.2	15.8	32.0	14.1	13.2	13.1	0.7	-16.4	27.3	27.2	-14.7
Pre-tax profit	8.0	3.8	11.8	7.1	3.2	3.7	-13.2	-15.9	10.3	10.8	-13.9
Net profit	4.6	2.6	7.2	4.2	2.4	2.6	-8.7	-7.5	6.6	6.8	-8.8

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

FY22A revenues recorded a -14.2% yoy decline to EUR 37.6M, mostly related to the tough market conditions, with a more balanced mix, showing an increase in the contribution of Investment Banking (30% from 26% in FY21A) and Digital Division & Advisory (10% from 8%), with a decline for Global Markets (24% from 30%) and a stable 36% contribution from Sales & Trading.

More balanced revenue mix

Intermonte Partners – Trend in revenues (EUR M) and revenue mix



Source: Company data

In particular:

- **Sales & Trading**, despite being penalised in absolute terms (EUR 13.6M revenues (-14.7% yoy) by a weak environment, managed to outperform the reference markets (as an example, volumes on the STAR segment fell by 34% yoy and EGM volumes were down 35% yoy – source: Borsa Italiana) and maintained a stable relative contribution to consolidated revenues also thanks to the cross-selling of bonds and derivatives to institutional investors;
- **Investment Banking** revenues remained basically stable in absolute terms (EUR 11.2M in FY22A vs. EUR 11.4M in FY21A), with a strong contribution from M&A offsetting a weaker ECM;
- **Global Markets** (EUR 9.1M revenues in FY22A) was penalised by a tough comparison vs. very strong FY21A results (EUR 13M);
- **DD&A** recorded a good +7.3% yoy growth to EUR 3.7M revenues, confirming the attractiveness of the business, with more than one million retail investors reached by Websim – Intermonte and more than 1,000 financial advisors having subscribed to T.I.E. as at 31 December 2022.

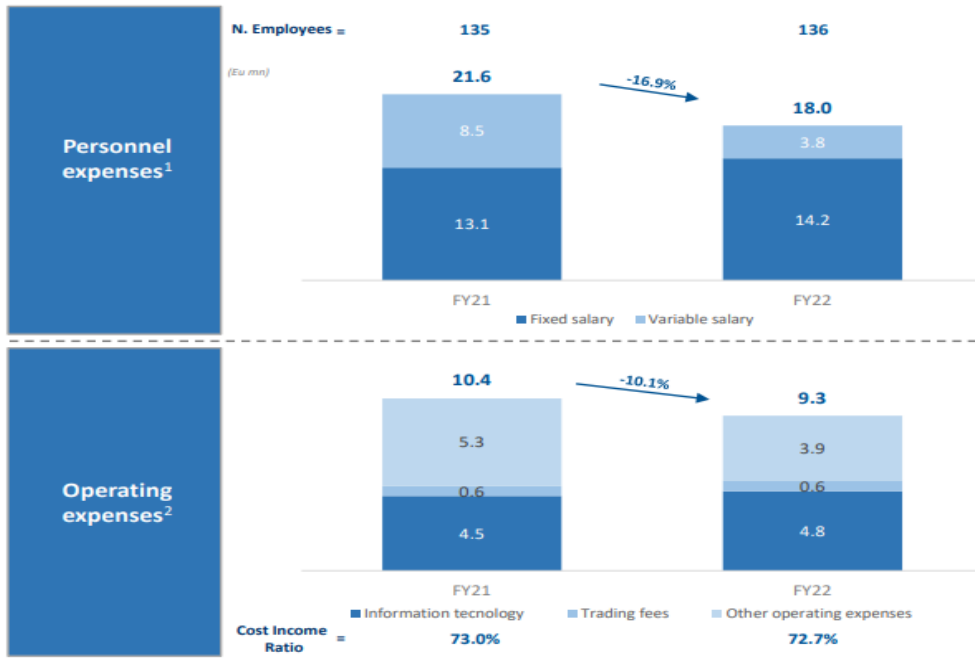
In 2022, Intermonte was able to maintain a basically stable (even slightly reducing) cost/income ratio (72.7% vs. 73% in 2021).

C/I ratio basically stable

The compensation to revenues ratio remained within the 45-48% range, with: i) 13 new hires in FY22 (+1 net), including a Co-Director of DD&A and a COO, which weighed on the fixed salary component; ii) variable salary expenses positively impacted by the new accounting policy (IAS 19 and IFRS 2).

Operating expenses recorded a -10.1% yoy decline, thanks to a reduction of other expenses, with stable trading fees and IT costs rising to EUR 4.8M (from EUR 4.5M in FY21) due to ongoing investments to sustain market-related businesses as well as the Digital Division ramp-up.

Intermonte Partners - Operating expenses breakdown



Notes: 1) Personnel expenses include the compensation of Executive Directors, but exclude the compensation of Non-Executive Directors and the Board of Statutory Auditors; 2) Other operating expenses include compensation of Non-Executive Directors and the Board of Statutory Auditors, depreciation, amortisation, and net impairments of tangible and intangible assets, and other operating income and expenses. Source: Company data

Earnings Outlook

As regards the outlook, in the press release the company stated that in the first months of the year the very volatile market trends and a risk-averse approach by investors continued. However, the Investment Banking pipeline for the current year is very robust (with translation into revenues also depending on the general environment), while the Digital Division should benefit from ongoing investments in personnel and technology over the coming year, in particular the launch of new Websim website, which went alive at end-March.

A proposal for the cancellation of approx. 3,895,500 treasury shares (around 10.8% of the company's total shares), out of a total 4.3M currently held, will be presented at the next EGM, thereby reducing the number of total shares to 32.3M.

The abovementioned decision was also related to the re-focusing on organic growth rather than on acquisitions of small boutiques (especially in the Investment Banking business) as, at the moment, requested prices are not aligned with Intermonte's financial discipline criteria in M&A.

The company's strategic focus is on:

- Diversification in the core business of Sales & Trading, Investment Banking and Global Markets, through: i) keeping a focus on clients; ii) strengthening the group's position in the SME segment in Italy; iii) seizing opportunities to increase its presence in Investment Banking, especially in M&A and Advisory; iv) investing in people in order to grow and in technology to improve productivity;
- Maximising growth opportunities in the Digital Division and Advisory;
- Maintaining an efficient balance sheet and balanced risk profile;
- Shareholder value enhancement, with a high dividend payout ratio (in line with the historical track record) and active share buyback policy.

The company's strategy implementation is also possible thanks to a strong capital position, combined with disciplined management of operating expenses.

Our estimates

Following the release of FY22 results and the company's outlook for the current year, we took a more cautious stance on both FY23E and FY24E, with the expectation of a net profit above EUR 10M moved to 2025E (from 2024E previously). Our forecasts (shown in detail in the table on the following page and including 2025E projections, the latter pointing to a yoy growth of +19.0% in adj. net profit), incorporate a double-digit 2022A-25E CAGR for IB and DD&A revenues (+13.3% and +20.5%, respectively). As a result, the more volatile sources of revenues (Sales & Trading and Global Markets) should reduce their weighting to 53% in FY25E (from 60% in FY22A), with Investment Banking up to 33% (from 30%) and DD&A reaching 13% (from 10% in 2022A).

Intermonte Partners – New vs. old estimates

%	2023E chg.	2024E chg.
Total net revenues	-13.7	-11.6
Total operating costs	-8.2	-8.6
Pre-tax profit	-24.7	-15.5
Adj. net profit	-23.6	-15.9

E: estimates; Source: Intesa Sanpaolo Research

Still volatile market conditions in the first months of 2023

Proposal for treasury shares' cancellation

Focus on organic growth

Strategy

Estimates' revision

We expect a **dividend at EUR 0.26/share 2023E (in line with 2021-22A and implying a 10% yield at the current share price)**, up to EUR 0.27/sh in 2024E and EUR 0.285/sh in 2025E. The 2023E-25E average dividend payout on reported net profit is around 97.5%.

Dividend estimates**Intermonte Partners – New vs. old detailed estimates**

EUR M	2022A	2023E new	2024E new	2025E new	2023E old	2024E old
Sales & Trading	13.6	13.5	14.0	14.5	16.1	16.6
Global Markets	9.1	10.1	10.5	11.5	10.8	11.2
Investment Banking	11.2	11.9	13.8	16.3	15.0	16.7
Digital divisions & Advisory	3.7	4.5	5.5	6.5	4.4	5.1
Total net revenues	37.6	40.0	43.9	48.8	46.3	49.6
Personnel costs	18.0	18.9	20.4	22.6	20.8	22.4
Administrative expenses	9.3	9.5	9.6	9.7	10.1	10.4
Total operating costs	27.3	28.4	30.0	32.4	31.0	32.8
Profit before taxes	10.3	11.5	13.9	16.5	15.3	16.8
Net profit after minorities	6.6	7.4	9.0	10.6	9.7	10.6

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Valuation

We continue to believe that a Dividend Discount Model (DDM) and a peers' comparison, based on the multiples of Equita (which we consider the closest comparable) are appropriate methods to value Intermonte Partners. We attribute an equal 50% weighting to both the direct method and the multiples valuation. We set a **new target price of EUR 3.0/share**, implying an upside potential close to 15%. Hence, **we confirm our BUY rating**.

BUY rating confirmed, EUR 3.0/share TP (from EUR 3.1/sh.)

Intermonte Partners – Valuation

	EUR M	Weighting (%)
3-stage DDM	105.3	50.0
Peers comparison	88.2	50.0
Total fair value	96.8	
Target price (EUR/share)	3.0	

Source: Intesa Sanpaolo Research estimates

In calculating our target price, we consider the new total number of shares (around 32.3M) after the treasury shares' cancellation, which is basically in line with the number of shares we used in our previous report (total shares net of treasury shares – excluding those likely to be used for key employees' variable compensation over a 12-month horizon).

DDM model

Our three-stage DDM factors in:

- Our explicit 2023E-25E estimates of adjusted net profit, dividend payout and book value;
- A seven-year transitional period in 2026-32E, with an average RoTE at around 19% and a payout based on the average of the short-term one (95%) and the terminal one;
- A terminal value based on a 100% terminal payout;
- A 10.5% cost of equity (4% risk-free rate, 6.5% equity risk premium and 1x beta), vs. 9.5% previously (based on 3% risk-free and 6.5% equity risk premium).

We also added the 2022 proposed dividend.

DDM: Key assumptions

Intermonte Partners - DDM

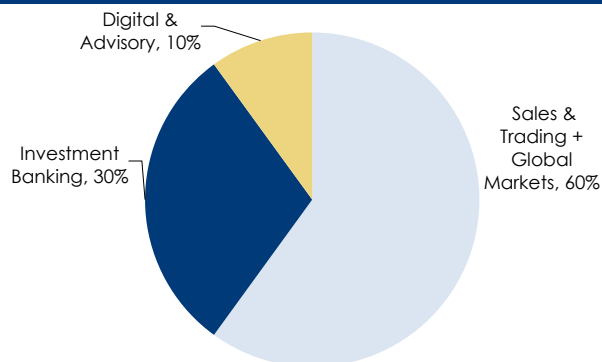
%		Weighting
Adj. RoTE 2022	12.6	
Dividend payout on adj. net profit 2022	130.1	
Short-term (2022A-25E) EPS CAGR	17.8	
RoTE at end of short-term period (2025E)	20.8	
Medium-term (2026E-32E) pay-out	93.6	
Medium-term (2025E-32E) EPS CAGR	1.1	
RoTE at end of medium-term period (2032E)	19.8	
Short-term fair value (EUR M)	21.3	22.0
Medium-term fair value (EUR M)	36.1	37.2
Terminal value (EUR M)	39.6	40.8
DDM fair value (EUR M)	97.0	100.0
Dividends based on 2022 DPS proposal	8.3	
Total DDM fair value (EUR M)	105.3	

Source: Intesa Sanpaolo Research estimates

Multiples' analysis

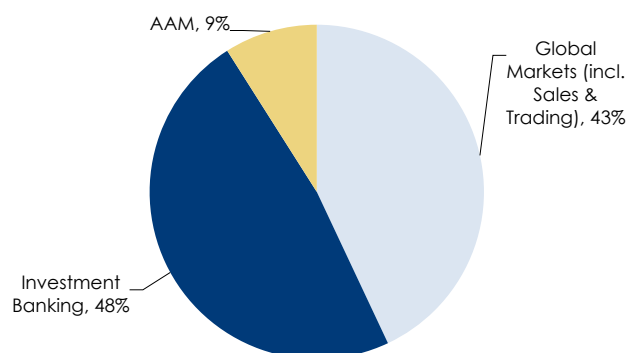
The closest comparable to Intermonte is Equita Group, in our view, as it: 1) is based in Italy and listed on the Italian market; 2) has a very similar business mix (despite differences in business segments' contribution, as shown in the below-attached chart); and 3) is mainly active with Italian clients.

Intermonte Partners – 2022A revenue mix



Source: Company data

Equita Group – 2022A revenue mix



Note: AAM = Alternative Asset MANAGEMENT. Source: Company data

Based on the average of the results through Equita's 2023E P/E, P/TBV and dividend yield, we obtain a multiple analysis' fair value of EUR 88.2M.

Multiple analysis' fair value

Intermonte Partners - Fair value based on Equita's multiples

EUR M	2023E	2024E	2023E	2024E	2023E	2024E
Net profit	7.4	9.0				
Equita P/E (x)	9.6	7.9				
Tangible book value			45.6	46.1		
Equita P/TBV (x)			2.3	2.2		
Dividends					8.3	8.6
Equita div. yield (%)					9.6	11.3
Fair value	71.7	70.6	106.5	100.4	86.4	76.3
3Average fair value (EUR)	88.2					

Priced at market close of 29 March 2023; E: estimates; Source: Intesa Sanpaolo Research

ESG Corner



Following the drafting and adoption of its first ESG Investment Policy in 2021, Intermonte decided, on a voluntary basis, to comply with the United Nations Principles for Responsible Investment (UNPRI). Moreover, an ESG Manager, Alberto Subert, has been appointed while the Audit and Risk Committee has been renamed as the Audit, Risk and Sustainability Committee, with support functions for the BoD and the ESG manager on ESG issues.

In September 2022, Intemonte published its first Sustainability report (2021), establishing the following five core goals by 2024:

First Sustainability Report and ESG targets

- Increasing customer and financial community satisfaction;
- Promotion of and training on ESG topics in the financial community;
- Intermonte Foundation: Youth Project (Fondazione Intermonte: Progetto Giovani);
- Strengthening employees' well-being and welfare, including the introduction of a corporate welfare scheme from January 2023;
- Initiatives to reduce the group's climate footprint.

Intermonte Partners - Update on ESG initiatives

IDENTITY AND APPROACH TO SUSTAINABILITY	PEOPLE AND HUMAN RIGHTS
First mapping of Intermonte status quo on ESG topics ✔	Introduction of corporate welfare in 2022, strengthen from Jan 2023 ✔
First ESG Materiality Analysis ✔	Extension of Smart Working Program ✔
Allocation of responsibilities in the Sustainability area to an internal board committee (Control, Risk and Sustainability Committee) ✔	New Training Policy from March 2023 with a Group eLearning platform and sponsorship of job-oriented courses/examinations with awarding of certification ✔
Identification and appointment of an ESG manager ✔	4 ✔ Definition of an organic human resource enhancement and talent attraction strategy, with development of target propositions ✔
 Creation of an ESG Investment Policy ✔	5 ✔ Definition of an identity consolidation/development plan based on a corporate culture integrated with sustainability ✔
Increase engagement with investors and stakeholders on sustainability ✔	8 ✔ Measurement of employee satisfaction and engagement ✔
Underwriting of the Principles for Responsible Investment ✔	Continuation of specific actions to identify and reduce inequalities, primarily by promoting diversity at senior management and employee levels: ✔
Membership of UN Global Compact (from signatory to participant) ✔	Greater number of women executives or managers ✔
Revision and publication of a Sustainability Policy ✔	Reduction of Gender Pay Gap ~ ✔
Greater transparency for stakeholders on commitment, programs, and sustainability actions ✔	Full compliance with Italian law 68/69 (protected categories of employees) ✔
Introduction of sustainability goals in the MBOs of the CEO ✔	Reduction of unconscious bias ✔
Introduction of sustainability goals in the MBOs of top management ✔	Female empowerment ✔
	Development of individual growth plans and continuous feedback ✔
	Introduction of biannual top-down and bottom-up feedback ✔
GOVERNANCE, RISK, ETHICS AND COMPLIANCE	COMMUNITY
Keeping the Code of Ethics up to date ✔	1 ✔ Member of the Sustainable Finance Partnership of Borsa Italiana ✔
Adoption of a whistleblowing system ✔	4 ✔ Among the first to promote ESG Topics among the Italian Financial community with ad-hoc papers, research and events ✔
Maintaining the company's main policies up to date, e.g.: ✔	11 ✔ Continuation of publication activities through Intermonte Equity Research ✔
 Policy 231 and related policies ✔	17 ✔ Continuation of the collaboration with institutions (Borsa Italiana, Politecnico di Milano, etc.) for the promotion of ESG topics in the financial community ✔
ESG Investment Policy ✔	Fondazione Intermonte Youth Project ✔
Policy on Countering Money Laundering and Terrorist Financing ✔	Support for non-profit organizations ✔
Conflict of Interest Policy ✔	
Privacy Policy (GDPR) ✔	
Keeping the Organization and Management Model 231 up to date ✔	
CONTINUITY, INNOVATION AND VALUE CHAIN (CUSTOMERS/ SUPPLIERS)	ENVIRONMENT
9 ✔ Improvement of the complaint resolution process ✔	13 ✔ Adoption of plastic-free policy at group level ✔
12 ✔ Introduction of ESG assessment criteria in the supply chain ✔	Continuation of program for promoting the circular economy ✔
IT enhancement aimed at reducing IT incidents ✔	Approval of Environmental Policy ✔
Definition of a regular customer satisfaction survey program that is consistent across the group ✔	Carbon Footprint mapping ✔
	Energy efficiency and energy reduction targets ✔

Legend: ✔ Completed ✔ Work in progress ✔ To do

Source: Company data

Intermonte Partners – Key Data

Rating	Target price (EUR/sh)		Mkt price (EUR/sh)			Sector
BUY	Ord 3.0		Ord 2.61			Brokerage & Investment
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. of outstanding shares (M)	36.20	36.20	36.20	32.30	32.30	32.30
Market cap (EUR M)	NA	106.54	94.26	84.30	84.30	84.30
Adj. EPS	0.255	0.281	0.200	0.226	0.275	0.327
TBV PS	2.0	1.5	1.5	1.4	1.4	1.5
PPP PS	0	0	0	0	0	0
Dividend ord	0.19	0.26	0.26	0.26	0.27	0.29
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net interest income	0.00	0.00	0.00	0.00	0.00	0.00
Net commission/fee income	40.71	43.82	37.65	39.98	43.86	48.83
Net trading income	0.00	0.00	0.00	0.00	0.00	0.00
Total income	40.71	43.82	37.65	39.98	43.86	48.83
Total operating expenses	28.48	31.99	27.32	28.43	29.96	32.36
Gross operating income	12.22	11.83	10.33	11.54	13.90	16.47
Provisions for loan losses	0.00	0.00	0.00	0.00	0.00	0.00
Pre-tax income	12.22	11.83	10.33	11.54	13.90	16.47
Net income	7.75	7.24	6.61	7.45	8.98	10.64
Adj. net income	9.04	9.03	6.37	7.21	8.74	10.40
Composition of total income (%)	2020A	2021A	2022A	2023E	2024E	2025E
Net interest income	0	0	0	0	0	0
Trading income	0	0	0	0	0	0
Commission income	100.0	100.0	100.0	100.0	100.0	100.0
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Total assets	277.7	332.3	202.9	232.8	297.4	298.7
Customer loans	105.8	167.9	93.1	119.8	130.0	135.0
Total customer deposits	85.4	148.2	56.0	102.9	98.1	101.3
Shareholders' equity	70.0	53.8	51.8	50.7	51.2	53.0
Tangible equity	69.9	53.7	51.7	50.6	51.1	52.9
Risk weighted assets	263.0	119.3	121.7	124.7	127.8	131.0
Stock market ratios (X)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	NA	10.5	13.0	11.5	9.5	8.0
P/TBV	NA	1.94	1.78	1.82	1.80	1.74
P/PPP	NA	NA	NA	NA	NA	NA
Dividend yield (% ord)	NA	8.8	10.0	10.0	10.3	10.9
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
ROE	11.26	11.70	12.51	14.53	17.63	20.43
Adj. ROE	13.14	14.61	12.08	14.09	17.20	20.01
RoRWA	3.10	3.79	5.48	6.04	7.11	8.22
Leverage	25.17	16.16	25.48	21.75	17.18	17.71
Cost income ratio	70.0	73.0	72.6	71.1	68.3	66.3
Cost of risk (bps)	0	0	0	0	0	0
Tax rate	25.93	26.13	25.63	25.85	25.70	25.75
Dividend payout	85.8	115.4	125.3	111.2	95.7	85.3
Other (%)	2020A	2021A	2022A	2023E	2024E	2025E
CET1 ratio	27.19	39.90	38.78	41.18	40.47	40.68
CET1 ratio fully loaded	27.19	39.90	38.78	41.18	40.47	40.68
Net impaired loans ratio	0.00	0.00	0.00	0.00	0.00	0.00
Net impaired loans on TBV	0.00	0.00	0.00	0.00	0.00	0.00
Growth (%)	2020A	2021A	2022A	2023E	2024E	2025E
Total income	17.0	7.6	-14.1	6.2	9.7	11.3
Gross operating income	48.2	-3.2	-12.7	11.7	20.4	18.5
Net income	45.1	-6.6	-8.7	12.7	20.6	18.5
Adj. net income	69.1	-0.1	-29.5	13.2	21.3	19.0
BS growth (%)	2020A	2021A	2022A	2023E	2024E	2025E
Customers' loans	4.8	58.7	-44.6	28.7	8.5	3.8
Customers' deposits	-30.0	73.6	-62.2	83.7	-4.6	3.2
Shareholders' funds	3.2	-23.1	-3.7	-2.1	0.9	3.5
Structure (no. of)	2020A	2021A	2022A	2023E	2024E	2025E
Branches	NA	NA	NA	NA	NA	NA
Employees	130	135	136	140	142	145

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Company Snapshot

Company Description

Intermonte is an independent investment bank, with a leading position (reflecting its 27 years of history) in financial services and brokerage dedicated to institutional investors and SMEs. Intermonte is active in four business areas: Sales & Trading, Global Markets, Investment Banking, Digital & Advisory. The company also has a strong and highly-qualified Research team.

Key data

Mkt price (EUR)	2.61	Free float (%)	38.9
No. of shares	32.30	Major shr	Sh.s' Pact
52Wk range (EUR)	2.92/2.26	(%)	21.3
Reuters	INT.MI	Bloomberg	INT IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-1.4	-1M	1.4
-3M	3.3	-3M	-6.7
-12M	-8.4	-12M	-12.5

Key Risks

Company specific risks:

- Extremely focused on a single geography (Italy)
- Its end-markets are volatile in nature
- Limited stock liquidity

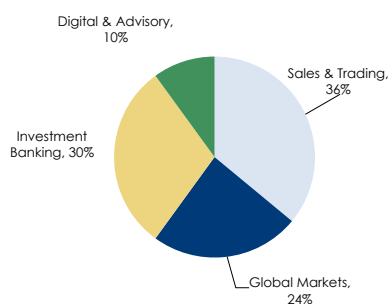
Sector generic risks:

- Geopolitical and financial risks
- Technology risks
- Regulatory risks

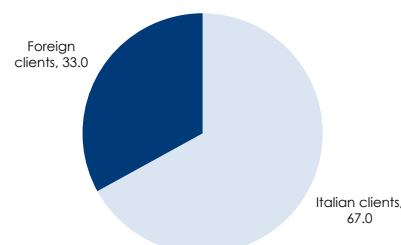
Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Total income	37.65	39.98	NM	43.86	NM	48.83	NM
Operating costs	27.32	28.43	NM	29.96	NM	32.36	NM
Gross op. inc.	10.33	11.54	NM	13.90	NM	16.47	NM
LLP	0.00	0.00	NM	0.00	NM	0.00	NM
Net income	6.61	7.45	NM	8.98	NM	10.64	NM
EPS (€)	0.20	0.23	NM	0.27	NM	0.33	NM

Revenues breakdown by division (%)



Client geographic breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 29/03/2023)

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation around EUR 1Bn.

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Equity rating key: (long-term horizon: 12M)

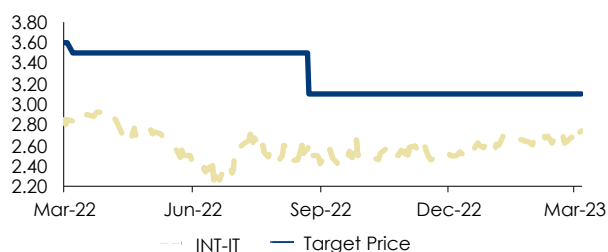
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Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
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HOLD	If the target price is in a range 10% below or 10% above the market price.
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TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
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Historical recommendations and target price trends (long-term horizon: 12M)

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Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
20-Sep-22	BUY	3.1	2.6
04-Apr-22	BUY	3.5	2.8

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at April 2023)**

Number of companies considered: 131	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	63	11	21	0	0
of which Intesa Sanpaolo's Clients (%)**	75	45	43	0	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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