

Company Note

MID CORPORATE

## Intermonte Partners

### Strong Capital Allowing Growth & Attractive Dividends

We maintain a positive view on Intermonte as the group: (i) showed a good trend in revenues in FY21, confirmed in the first two months of 2022; (ii) has a strong capital position (CET1 ratio 39.9% at end-2021), leaving room for both external growth opportunities and a rewarding remuneration policy for shareholders; (iii) offers an average 2022E-24E 10% dividend yield, according to our estimates.

#### FY21 results showing a strong growth in revenues

In FY21A Intermonte Partners reported an adjusted net profit of around EUR 9M, basically in line with our EUR 8.8M estimate (reported net profit was EUR 7.2M, weighed by IPO-related costs). The dividend proposal was also in line with our estimate (EUR 0.26/share), implying a yield above 9% at the current share price). FY21 revenues amounted to EUR 43.8M vs. our EUR 41.5M estimate, up 7.7% yoy, boosted by Investment banking, Sales & Trading and Digital & Advisory, all recording a double-digit growth. The group's capital position was strong, with a CET1 ratio of 39.9% at end-2021. The Board of Directors approved a resolution to start a buyback plan on up to 340K shares for a maximum of EUR 1.2M.

#### Outlook and estimates

FY21 results' press release highlighted that the first two months of 2022 showed good revenue growth, mainly driven by a positive performance from the Sales & Trading and Digital Division & Advisory business units, as well as a very positive contribution from the Investment Banking division. Given the current difficult geopolitical and macroeconomic context at an international level, we took a more cautious stance on revenues' trend, especially in FY22E, and embedded slightly higher costs in both 2022E and 2023E. Our 2024E estimates point to a 6.5% yoy growth in revenues and a 9.4% yoy progress in net profit. Our 2022E-24E dividend estimates are based on a 95% dividend payout assumption.

#### Valuation

Following our estimates' revision, we obtain a **new target price of EUR 3.5/share** (only fine-tuned vs. the previous one of EUR 3.6/sh.), resulting from the average of a 3-stage DDM and a multiples' analysis based on Equita, which we consider the closest peer. Given the around 25% upside potential from the current share price, **we confirm our BUY rating**.

4 April 2022: 7:46 CET  
Date and time of production

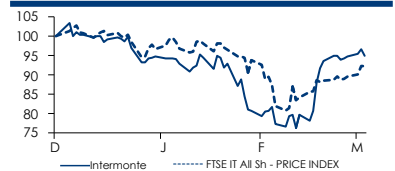
**BUY**

**Target Price: EUR 3.5**  
(from EUR 3.6)

Italy/Brokerage & Investment Banking  
Update

#### EGM (ex-AIM)

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



#### Intermonte Partners - Key Data

Price date (market close)	30/03/2022
Target price (EUR)	3.5
Target upside (%)	25.00
Market price (EUR)	2.80
Market cap (EUR M)	90.00
52Wk range (EUR)	NA/NA

Price performance %	1M	3M	12M
Absolute	19.7	-5.1	NA
Rel. to FTSE IT All Sh	20.1	2.9	NA

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Total income	43.82	42.79	46.44
Gross op profit	11.83	13.46	15.34
Pre-tax income	11.83	13.46	15.34
Net income	7.24	8.72	9.71
Adj EPS (EUR)	0.28	0.26	0.29
TBV P2 (EUR)	1.5	1.5	1.6
Adj P/E (x)	10.5	10.6	9.5
P/TBV (x)	1.9	1.8	1.8
Div ord (EUR)	0.26	0.26	0.29
Div ord yield (%)	8.8	9.3	10.2

Note: market cap calculated on outstanding shares (net of treasury shares); Source: Company data, FactSet and Intesa Sanpaolo Research estimates

#### Intesa Sanpaolo Research Dept.

**Elena Perini, CFA** - Research Analyst  
+39 02 7235 1811  
elena.perini@intesasnpaolo.com

#### Financials Team

**Manuela Meroni, Elena Perini, CFA**

## FY21 Results

In FY21 Intermonte Partners reported an adjusted net profit of around EUR 9M, basically in line with our EUR 8.8M estimate (reported net profit was EUR 7.2M, weighed by IPO-related costs). The quality of earnings was high, also considering the very limited contribution of directional trading (approx. EUR 0.2M).

**Adj. net profit basically in line with our estimate**

The key points of results were:

- **Higher than expected revenues (EUR 43.8M vs. EUR 41.5M estimated)**, thanks to a strong performance vs. our expectations from all business lines in 2H21;
- **Costs above expectations (EUR 29.5M in FY21 vs. EUR 27.8M estimated)** due to both personnel expenses and G&A expenses higher than our projections;
- **A higher-than-expected tax rate (26.1% in FY21 vs. 25% included in our estimates)**, which benefitted from a patent box credit for EUR 0.2M, but did not include the IPO tax credit of EUR 0.3M (which will positively impact 2022 taxes).

### Intermonte Partners – FY21 results

EUR M	1H20A	2H20A	FY20A	1H21A	2H21A	2H21E	2H A/E %	2H yoy %	FY21A	FY21E	FY yoy %
Sales & Trading	7.7	6.8	14.5	8.5	7.5	7.2	3.6	10.0	15.9	15.7	10.1
Global Markets	4.0	9.5	13.6	7.9	5.1	4.2	23.1	-46.0	13.0	12.0	-4.1
Investment Banking	2.1	7.5	9.6	6.4	5.1	4.3	18.8	-32.4	11.4	10.7	19.5
Digital & Advisory	1.2	1.9	3.1	1.4	2.0	1.6	21.7	6.1	3.4	3.1	11.6
<b>Total net revenues</b>	<b>15.0</b>	<b>25.7</b>	<b>40.7</b>	<b>24.2</b>	<b>19.7</b>	<b>17.3</b>	<b>13.8</b>	<b>-23.4</b>	<b>43.8</b>	<b>41.5</b>	<b>7.7</b>
Personnel expenses*	7.6	12.0	19.6	10.8	9.1	8.1	12.1	-24.2	19.8	18.9	1.5
G&A expenses*	4.6	4.3	8.9	4.5	5.1	4.4	15.1	17.2	9.6	9.0	7.8
<b>Total costs</b>	<b>12.2</b>	<b>16.3</b>	<b>28.5</b>	<b>15.3</b>	<b>14.2</b>	<b>12.5</b>	<b>13.1</b>	<b>-13.2</b>	<b>29.5</b>	<b>27.8</b>	<b>3.5</b>
<b>Pre-tax profit</b>	<b>2.9</b>	<b>9.3</b>	<b>12.2</b>	<b>8.9</b>	<b>2.9</b>	<b>4.7</b>	<b>-38.1</b>	<b>-68.6</b>	<b>11.8</b>	<b>13.6</b>	<b>-3.3</b>
<b>Net profit</b>	<b>1.8</b>	<b>5.9</b>	<b>7.8</b>	<b>5.5</b>	<b>1.7</b>	<b>3.2</b>	<b>-48.4</b>	<b>-72.0</b>	<b>7.2</b>	<b>8.8</b>	<b>-7.2</b>

\* 2021A excluding one-offs related to the IPO. A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

### Capital, dividend and buyback

The group is very well-capitalised, with a total capital ratio around 44% and CET1 ratio 39.9% at end-2021, higher than our 31.5% estimate. The introduction of the IFR regulation in June 2021 has considerably lowered RWAs (EUR 119M at end-2021 vs. EUR 263M at end-2020), more than offsetting the impact of the buyback and the EUR 14.5M extraordinary distribution of reserves in 4Q.

**Strong capital position**

**The 2021 dividend proposal was in line with our estimate (EUR 0.26/share, implying a yield above 9% at the current share price).**

**2021 dividend proposal**

The Board of Directors also approved a resolution to start a buyback plan on up to 340K shares for a maximum of EUR 1.2M, to be carried out from 18 March 2022 to 31 October 2022.

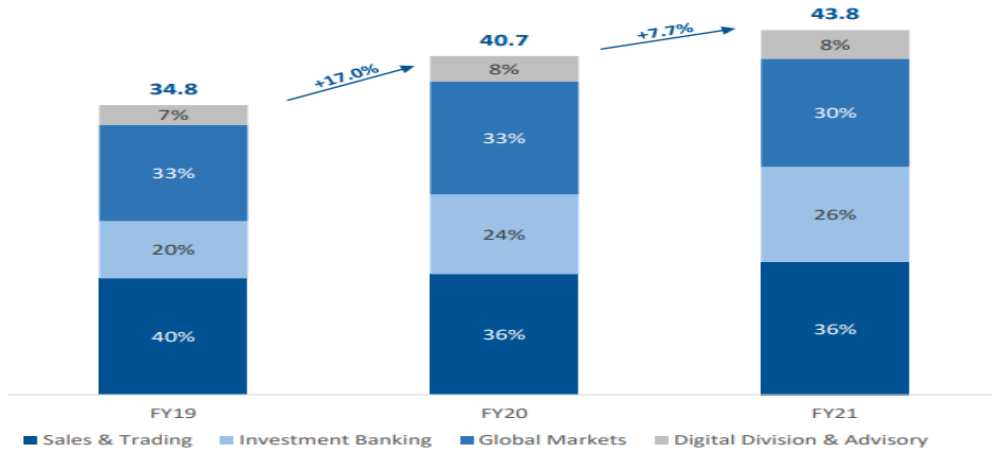
**Buyback approval**

### Revenue analysis

Looking at the last three years' revenue trend, we can notice that the group shows a significant yoy growth (+17% yoy in FY20A and +7.7% in FY21A), combined with a more balanced revenue mix with a lower weight for market-related activities.

**Strong revenue growth and more balanced mix**

**Intermonte Partners – Annual trend in revenues (EUR M) and revenue mix**



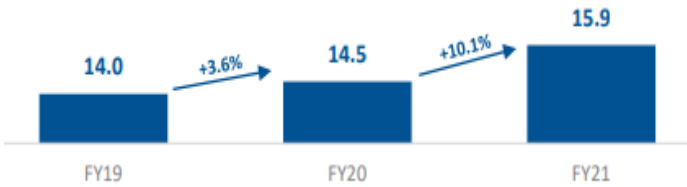
Source: Company data

The 10.1% yoy growth posted by Sales & Trading business unit in 2021 was related to the strong performance of all asset classes, especially equities and ETFs.

**Sales & Trading and Global Markets**

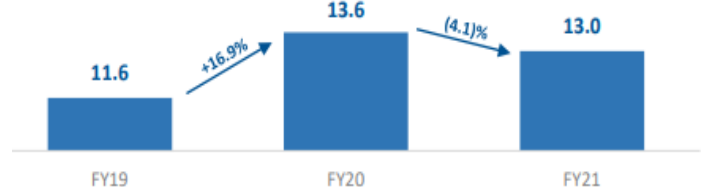
Global Markets was instead down 4.1% yoy, showing a positive contribution of client-driven activities despite tough comparison with 2020. Directional trading weight was limited at 2% of the business unit's revenues.

**Intermonte Partners – Sales & Trading revenues (EUR M)**



Source: Company data

**Intermonte Partners – Global Markets revenues (EUR M)**

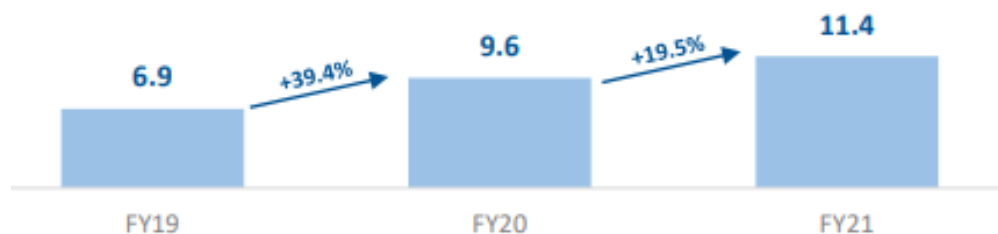


Source: Company data

Investment Banking revenues were up 19.5% yoy in FY21A, thanks to a strong momentum for ECM deals, with a steady contribution from M&A and Corporate Brokerage.

**Investment Banking**

### Intermonte Partners – Investment Banking revenues (EUR M)

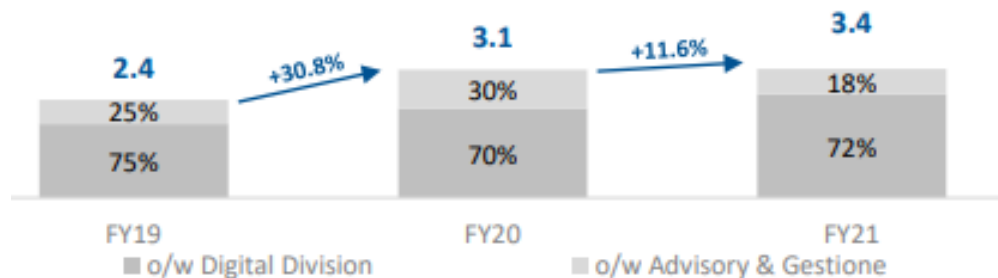


Source: Company data

The Digital Division & Advisory is showing a long-term growth trend, driven by the success of the digital channels.

**Digital Division & Advisory**

### Intermonte Partners – Digital Division & Advisory revenues (EUR M)



Source: Company data

### Expenses analysis

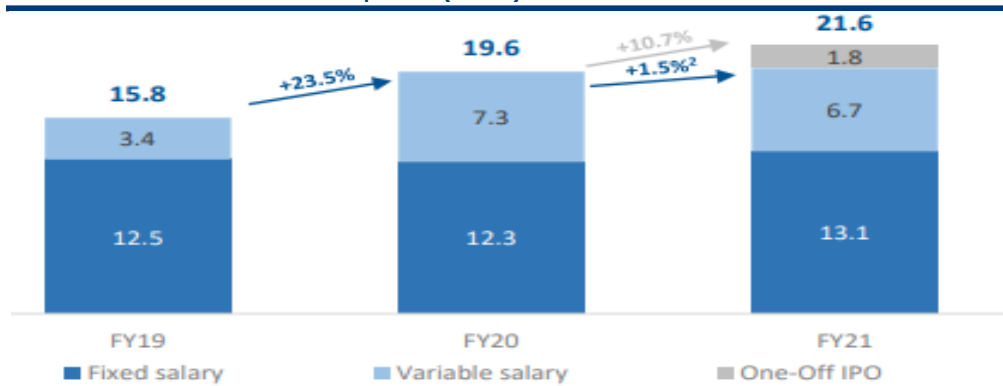
The cost/income ratio, net of one-offs (represented by EUR 1.8M one-off bonus and EUR 0.7M direct IPO costs), was down to 67.2% in FY21A from 70% in FY20A and 76.4% in FY19A.

**Declining trend in cost/income ratio**

In FY21A the compensation/revenues ratio was approx. 45.3%, with variable salary expenses accounting for around 33% of staff costs. Intermonte made 14 new hires in 2021 (+5 net to 135 employees).

**Growth in personnel expenses also related to new hires**

**Intermonte Partners – Personnel expenses (EUR M)**

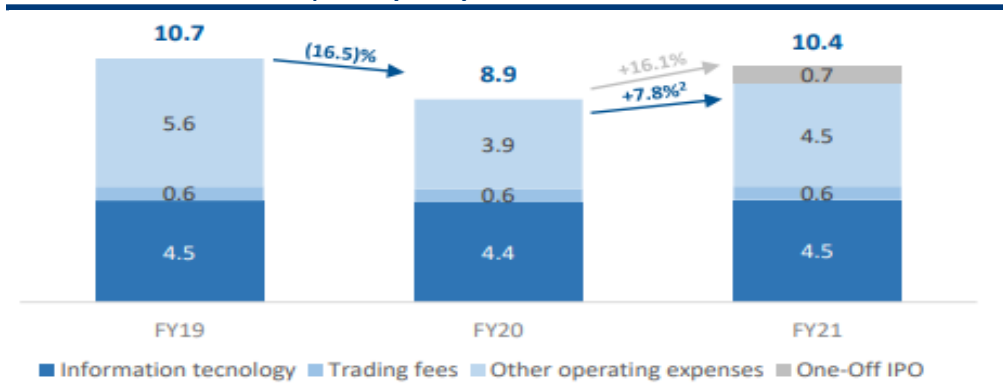


Source: Company data

G&A costs were still below 2019 levels but slightly higher yoy due to a rise in other operating expenses, mostly linked to the increase in corporate events after the 2020 lockdowns and Covid-19 prevention measures.

**Operating expenses up 7.8% yoy net of one-offs**

**Intermonte Partners – G&A expenses (EUR M)**



Source: Company data

## Earnings Outlook

### Management outlook

FY21 results' press release highlighted that the first two months of 2022 showed good revenue growth, mainly driven by a positive performance from the Sales & Trading and Digital Division & Advisory business units, as well as a very positive contribution from the Investment Banking division.

In the FY21 results' conference call, management stated that the strong capital position leaves room, beyond a rewarding remuneration policy, to capture potential M&A opportunities, which could help growth in Investment Banking and Digital Division & Advisory.

Cattolica has a 12.7% stake in Intermonte SIM (85.9% controlled by Intermonte Partners), whose carrying value for the insurance company, according to what emerged in Cattolica's recent FY21 results' conference call, has been written-down to around EUR 10M, given a total impairment of approx. EUR 9M (from EUR 19M initial investment, source: Cattolica's 2011 individual financial statements). We highlight that those related to Cattolica represent the bulk of Intermonte's minorities (ICCREA has a 1.4% stake) and that in 2021 profits attributable to minority interests amounted to EUR 1.5M (EUR 1.3M in FY20) for Intermonte Partners. A potential buy-out of those minorities, which Intermonte Partners could bear considering that it is very well-capitalised, would be beneficiary for Intermonte Partners' shareholders, in our view.

### Our estimates

Given the current difficult geopolitical and macroeconomic context at an international level, we took a more cautious stance on revenues' trend, especially in FY22E, and embedded slightly higher costs in both 2022E and 2023E. This led us to downgrade our FY22E-23E adj. net profit estimates by an average 9%.

#### Intermonte Partners – New vs. old estimates

%	2022E ch.	2023E ch.
Total net revenues	-3.0	-0.8
Total operating costs	1.6	2.9
<b>Pre-tax profit</b>	<b>-11.8</b>	<b>-7.7</b>
<b>Adj. net profit</b>	<b>-10.1</b>	<b>-7.9</b>

E: estimates; Source: Intesa Sanpaolo Research

We also publish our 2024E detailed estimates, which point to: 1) a 6.5% yoy growth in revenues; 2) 45.3% compensation/revenues; 3) a 5.4% yoy growth in operating expenses; 4) a tax rate around 26%; 5) a 9.4% yoy progress in net profit. Our 2024E revenue mix is based on a growth of the contribution from Investment Banking and Digital Division & Advisory (28% and 10%, respectively, from 26% and 8% in 2021A), at the expense of Sales & Trading (35% from 36% in 2021A) and Global Markets (27% from 30% in FY21A).

Our forecasts point to a stable EUR 0.26/share dividend, up to EUR 0.285/sh. in 2023E and EUR 0.31/sh. in 2024E. The 2022E-24E average dividend payout on reported net profit is around 95%.

### 1Q22 trend

**Strong capital position leaving room for external growth opportunities**

**High weight of minorities**

**Downward revision of 2022E-23E estimates**

**2024E estimates**

**Dividend estimates**

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

<b>EUR M</b>	<b>2021A</b>	<b>2022E new</b>	<b>2023E new</b>	<b>2024E new</b>	<b>2022E old</b>	<b>2023E old</b>
Sales & Trading	15.9	16.2	16.6	17.1	16.1	16.3
Global Markets	13.0	11.6	12.8	13.3	13.0	13.6
Investment Banking	11.4	11.4	12.6	14.0	11.7	13.1
Digital divisions & Advisory	3.4	3.6	4.4	5.1	3.4	3.9
<b>Total net revenues</b>	<b>43.8</b>	<b>42.8</b>	<b>46.4</b>	<b>49.5</b>	<b>44.1</b>	<b>46.8</b>
Personnel costs	19.8	19.3	21.0	22.4	19.9	21.1
Administrative expenses	9.7	10.0	10.1	10.4	9.0	9.1
<b>Total operating costs</b>	<b>29.5</b>	<b>29.3</b>	<b>31.1</b>	<b>32.8</b>	<b>28.9</b>	<b>30.2</b>
<b>Profit before taxes</b>	<b>11.8</b>	<b>13.5</b>	<b>15.3</b>	<b>16.7</b>	<b>15.3</b>	<b>16.6</b>
<b>Net profit after minorities</b>	<b>7.2</b>	<b>8.7</b>	<b>9.7</b>	<b>10.6</b>	<b>9.7</b>	<b>10.5</b>
<b>Adj. net profit after minorities</b>	<b>9.0</b>	<b>8.5</b>	<b>9.5</b>	<b>10.4</b>	<b>9.4</b>	<b>10.3</b>

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 Equita (which we consider the closest comparable) multiples 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 3.5/share**, implying an approx. 25% upside potential. Hence, **we confirm our BUY rating**.

**BUY rating confirmed, EUR 3.5/share TP (from EUR 3.6/sh.)**

### Intermonte Partners – Valuation

	EUR M	Weighting (%)
3-stage DDM	129.6	50.0
Peers comparison	101.2	50.0
<b>Total fair value</b>	<b>115.4</b>	
<b>Target price (EUR/share)</b>	<b>3.5</b>	

Source: Intesa Sanpaolo Research estimates

In calculating our target price, we consider a number of shares very close to the outstanding shares of the company (total net of own shares), considering that our target price has a 12-month time horizon and that in one-year time only a limited amount of treasury shares could be used for key employees' variable compensation.

### DDM model

Our three-stage DDM factors in:

- Our explicit 2022E-24E estimates of adjusted net profit, dividend payout and book value;
- A seven-year transitional period in 2025-31E, 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;
- An 8% cost of equity (1.75% risk-free rate, 6.25% equity risk premium and 1x beta), vs. 7.5% previously (based on 1% risk-free and 6.5% equity risk premium).

We also added the 2021 proposed dividend.

### DDM: Key assumptions

### Intermonte Partners - DDM

%		Weighting	
	Adj. RoTE 2021	15.6	
	Dividend payout on adj. net profit 2021	92.6	
	Short-term (2021A-24E) EPS CAGR	4.7	
	RoTE at end of short-term period (2023E)	19.4	
	Medium-term (2025E-31E) pay-out	97.5	
	Medium-term (2024E-31E) EPS CAGR	0.5	
	RoTE at end of medium-term period (2031E)	19.0	
	Short-term fair value (EUR M)	24.1	19.8
	Medium-term fair value (EUR M)	41.3	34.1
	Terminal value (EUR M)	55.8	46.1
	<b>DDM fair value (EUR M)</b>	<b>121.2</b>	<b>100.0</b>
	Dividends based on 2021 dividend proposal	8.4	
	<b>Total DDM fair value (EUR M)</b>	<b>129.6</b>	

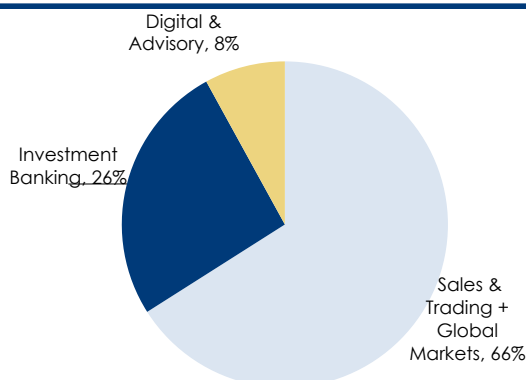
Source: Intesa Sanpaolo Research estimates

### 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.

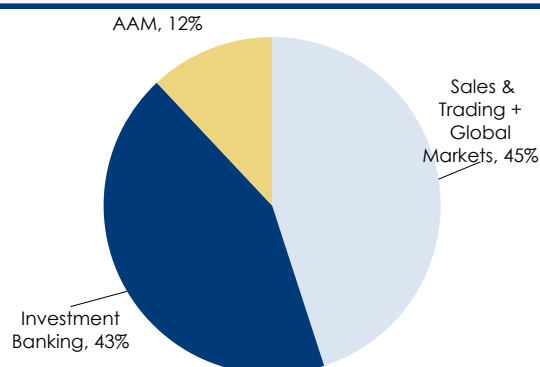


## Intermonte Partners – 2021A revenue mix



Source: Company data

## Equita Group – 2021A revenue mix



Source: Company data

Based on the average of the results, we obtain through Equita's 2023E P/E, 2022E P/TBV and 2022E dividend yield, a multiple analysis' fair value of EUR 101.2M.

## Multiple analysis' fair value

## Intermonte Partners - Fair value based on Equita's multiples

EUR M	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Adj. net profit	8.7	9.7	10.6						
Equita P/E (x)	10.7	9.2	7.6						
Tangible book value				48.8	49.9	51.1			
Equita P/TBV (x)				2.4	2.3	2.1			
Dividends							8.4	9.2	10.0
Equita div. yield (%)							8.7	9.5	11.4
Fair value	93.3	89.0	80.4	118.2	114.7	108.2	96.2	96.7	87.0
<b>Average fair value</b>	<b>101.2</b>								

Priced at market close of 30 March 2022; E: estimates; Source: Intesa Sanpaolo Research

## Intermonte Partners – Key Data

Rating	Target price (EUR/sh)		Mkt price (EUR/sh)			Sector
BUY	Ord 3.5		Ord 2.80			Brokerage & Investment
Values per share (EUR)	2019A	2020A	2021A	2022E	2023E	2024E
No. of outstanding shares (M)	36.20	36.20	36.20	36.20	36.20	36.20
Market cap (EUR M)	NA	NA	106.54	101.35	101.35	101.35
Adj. EPS	0.151	0.255	0.281	0.264	0.295	0.323
TBV PS	1.9	2.0	1.5	1.5	1.6	1.6
PPP PS	0	0	0	0	0	0
Dividend ord	0.16	0.19	0.26	0.26	0.29	0.31
Income statement (EUR M)	2019A	2020A	2021A	2022E	2023E	2024E
Net interest income	0.00	0.00	0.00	0.00	0.00	0.00
Net commission/fee income	34.81	40.71	43.82	42.79	46.44	49.47
Net trading income	0.00	0.00	0.00	0.00	0.00	0.00
Total income	34.81	40.71	43.82	42.79	46.44	49.47
Total operating expenses	26.56	28.48	31.99	29.33	31.09	32.76
Gross operating income	8.25	12.22	11.83	13.46	15.34	16.71
Provisions for loan losses	0.00	0.00	0.00	0.00	0.00	0.00
Pre-tax income	8.25	12.22	11.83	13.46	15.34	16.71
Net income	5.34	7.75	7.24	8.72	9.71	10.61
Adj. net income	5.34	9.04	9.03	8.48	9.47	10.37
Composition of total income (%)	2019A	2020A	2021A	2022E	2023E	2024E
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)	2019A	2020A	2021A	2022E	2023E	2024E
Total assets	289.6	277.7	332.1	279.0	287.1	291.5
Customer loans	100.9	105.8	116.7	103.1	102.2	105.0
Total customer deposits	122.0	85.4	148.2	107.1	115.7	114.1
Shareholders' equity	67.8	70.0	53.8	53.9	55.0	56.2
Tangible equity	67.7	69.9	53.7	53.8	54.9	56.1
Risk weighted assets	238.0	263.0	119.3	121.7	124.7	127.8
Stock market ratios (X)	2019A	2020A	2021A	2022E	2023E	2024E
Adj. P/E	NA	NA	10.5	10.6	9.5	8.7
P/TBV	NA	NA	1.94	1.84	1.80	1.76
P/PPP	NA	NA	NA	NA	NA	NA
Dividend yield (% ord)	NA	NA	8.8	9.3	10.2	11.1
Profitability & financial ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
ROE	7.85	11.26	11.70	16.20	17.83	19.07
Adj. ROE	7.87	13.14	14.61	15.77	17.42	18.67
RoRWA	4.49	3.10	3.79	7.24	7.88	8.40
Leverage	23.38	25.17	16.17	19.29	19.14	19.26
Cost income ratio	76.3	70.0	73.0	68.5	67.0	66.2
Cost of risk (bps)	0	0	0	0	0	0
Tax rate	24.82	25.93	26.13	23.77	25.75	25.75
Dividend payout	105.7	85.8	115.4	95.8	94.3	93.9
Other (%)	2019A	2020A	2021A	2022E	2023E	2024E
CET1 ratio	30.08	27.19	39.90	39.73	39.21	38.75
CET1 ratio fully loaded	30.08	27.19	39.90	39.73	39.21	38.75
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 (%)	2019A	2020A	2021A	2022E	2023E	2024E
Total income	NA	17.0	7.6	-2.3	8.5	6.5
Gross operating income	NA	48.2	-3.2	13.8	14.0	8.9
Net income	NA	45.1	-6.6	20.5	11.3	9.2
Adj. net income	NA	69.1	-0.1	-6.1	11.7	9.5
BS growth (%)	2019A	2020A	2021A	2022E	2023E	2024E
Customers' loans	24.7	4.8	10.3	-11.7	-0.8	2.7
Customers' deposits	66.9	-30.0	73.6	-27.7	8.0	-1.4
Shareholders' funds	-0.7	3.2	-23.1	0.2	2.1	2.2
Structure (no. of)	2019A	2020A	2021A	2022E	2023E	2024E
Branches	NA	NA	NA	NA	NA	NA
Employees	132	130	135	139	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 26 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)	2.80	Free float (%)	38.9
No. of shares	32.14	Major shr	Sh.s' Pact
52Wk range (EUR)	NA/NA	(%)	21.3
Reuters	INT.MI	Bloomberg	INT IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	20.0	-1M	16.3
-3M	-3.4	-3M	5.4
-12M	NA	-12M	NA

### Key Risks

#### Company specific risks:

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

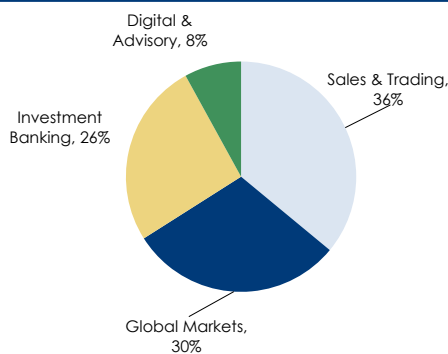
#### Sector generic risks:

- Geopolitical risk
- Technology risks
- Regulatory risks

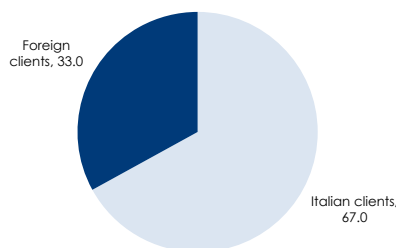
### Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2023E	2024E
Total income	43.82	42.79	46.44	49.47
Operating costs	31.99	29.33	31.09	32.76
Gross op. inc.	11.83	13.46	15.34	16.71
LLP	0.00	0.00	0.00	0.00
Net income	7.24	8.72	9.71	10.61
EPS (€)	0.28	0.26	0.29	0.32

### Revenues breakdown by division (%)



### Geographic breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 30/03/2022)

## 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 below EUR 1Bn.

## Disclaimer

### Analyst certification

The financial analyst who prepared this report, and whose name and role appear on the first page, certifies that:

1. The views expressed on the company mentioned herein accurately reflect independent, fair and balanced personal views; 2. No direct or indirect compensation has been or will be received in exchange for any views expressed.

### Specific disclosures

- Neither the analyst nor any person closely associated with the analyst has a financial interest in the securities of the company.
- Neither the analyst nor any person closely associated with the analyst serves as an officer, director or advisory board member of the company.
- The analyst named in the document is a member of AIAF.
- The analyst named in this document is not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Intesa Sanpaolo IMI Securities Corp. Accordingly, the analyst may not be subject to FINRA Rule 2241 and NYSE Rule 472 with respect to communications with a subject company, public appearances and trading securities in a personal account. For additional information, please contact the Compliance Department of Intesa Sanpaolo IMI Securities Corp. at 212-326-1133.
- The analyst of this report does not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
- The research department supervisors do not have a financial interest in the securities of the company.

This research has been prepared by Intesa Sanpaolo SpA, and is distributed by Intesa Sanpaolo SpA, Intesa Sanpaolo-London Branch (a member of the London Stock Exchange) and Intesa Sanpaolo IMI Securities Corp. (a member of the NYSE and FINRA). Intesa Sanpaolo SpA accepts full responsibility for the contents of this report and also reserves the right to issue this document to its own clients. Intesa Sanpaolo SpA, is authorised by the Banca d'Italia and is regulated by the Financial Services Authority in the conduct of designated investment business in the UK and by the SEC for the conduct of US business.

Opinions and estimates in this research are as at the date of this material and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this research may not be suitable for all investors. If you are in any doubt you should consult your investment advisor.

This report has been prepared solely for information purposes and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. No Intesa Sanpaolo SpA entity accepts any liability whatsoever for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published with the name of Intesa Sanpaolo SpA.

Intesa Sanpaolo SpA has in place the Conflicts of Interest Management Rules for managing effectively the conflicts of interest which might affect the impartiality of all investment research which is held out, or where it is reasonable for the user to rely on the research, as being an impartial assessment of the value or prospects of its subject matter. A copy of these Rules is available to the recipient of this research upon making a written request to the Compliance Officer, Intesa Sanpaolo SpA, C.so Matteotti n° 1, 20121 Milan (MI) Italy. Intesa Sanpaolo SpA has formalised a set of principles and procedures for dealing with conflicts of interest ("Rules for Research"). The Rules for Research is clearly explained in the relevant section of Intesa Sanpaolo's website ([www.intesasanpaolo.com](http://www.intesasanpaolo.com)).

Member companies of the Intesa Sanpaolo Group, or their directors and/or representatives and/or employees and/or persons closely associated with them, may have a long or short position in any securities mentioned at any time, and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any of the securities from time to time in the open market or otherwise.

This document has been prepared and issued for, and thereof is intended for use by, MiFID II eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies.

Therefore, such materials may not be suitable for all investors and recipients are urged to seek the advice of their independent financial advisor for any necessary explanation of the contents thereof.

**Persons and residents in the UK:** this document is not for distribution in the United Kingdom to persons who would be defined as private customers under rules of the Financial Conduct Authority.

**US persons:** This document is intended for distribution in the United States only to Major US Institutional Investors as defined in SEC Rule 15a-6. US Customers wishing to effect a transaction should do so only by contacting a representative at Intesa Sanpaolo IMI Securities Corp. in the US (see contact details below).

Intesa Sanpaolo SpA issues and circulates research to Major Institutional Investors in the USA only through Intesa Sanpaolo IMI Securities Corp., 1 William Street, New York, NY 10004, USA, Tel: (1) 212 326 1150.

### Inducements in relation to research

This document has been prepared and issued for, and thereof is intended for use by, MiFID 2 eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to specific transactions and investment strategies.

Therefore, such materials may not be suitable for all investors and recipients are urged to seek the advice of their independent financial advisor for any necessary explanation of the contents thereof.

Pursuant to the provisions of Delegated Directive (EU) 2017/593, this document can be qualified as an acceptable minor non-monetary benefit as it is:

- Written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis (Specialist/Corporate Broker/Sponsor contract), provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public - Delegated Directive (EU) 2017/593 - art. 12 paragraph 3.

### Distribution Method

This document is for the exclusive use of the person to whom it is delivered by Intesa Sanpaolo and may not be reproduced, redistributed, directly or indirectly, to third parties or published, in whole or in part, for any reason, without prior consent expressed by Intesa Sanpaolo. The copyright and all other intellectual property rights on the data, information, opinions and assessments referred to in this information document are the exclusive domain of the Intesa Sanpaolo banking group, unless otherwise indicated. Such data, information, opinions and assessments cannot be the subject of further distribution or reproduction in any form and using any technique, even partially, except with express written consent by Intesa Sanpaolo.

Persons who receive this document are obliged to comply with the above indications.

### Coverage policy and frequency of research reports

The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Intesa Sanpaolo SpA acts as sponsor or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EU) 2017/593 is freely available on the IMI Corporate & Investment Banking Division web site ([www.imi.intesasanpaolo.com](http://www.imi.intesasanpaolo.com)); all other research is available by contacting your sales representative.

### Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

### Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

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

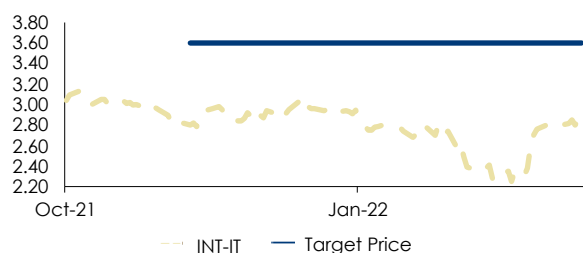
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

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

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
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 one-year 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

**Historical recommendations and target price trends (long-term horizon: 12M)**

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

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

Date	Rating	TP (EUR)	Mkt Price (EUR)
29-Nov-21	BUY	3.6	2.8

**Equity rating allocations (long-term horizon: 12M)****Intesa Sanpaolo Research Rating Distribution (at January 2022)**

Number of companies considered: 124	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	48	31	21	0	0
of which Intesa Sanpaolo's Clients (%)**	82	63	54	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

**Valuation methodology (short-term horizon: 3M)**

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

**Equity rating key (short-term horizon: 3M)**

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

**Company-specific disclosures**

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

- One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from Intermonte Partners in the next three months
- Intesa Sanpaolo acts as Specialist relative to securities issued by Intermonte Partners
- One or more of the companies of the Intesa Sanpaolo Banking Group have been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of Intermonte Partners

**Intesa Sanpaolo Research Dept.**

<b>Gregorio De Felice - Head of Research</b>	+39 02 8796 2012	gregorio.defelice@intesasnpaolo.com
--	------------------	-------------------------------------

**Equity&Credit Research**

<b>Giampaolo Trasi</b>	+39 02 7235 1807	giampaolo.trasi@intesasnpaolo.com
------------------------	------------------	-----------------------------------

**Equity Research**

<b>Monica Bosio</b>	+39 02 7235 1801	monica.bosio@intesasnpaolo.com
Luca Bacoccoli	+39 02 7235 1810	luca.bacoccoli@intesasnpaolo.com
Davide Candela	+39 02 7235 1817	davide.candela@intesasnpaolo.com
Oriana Cardani	+39 02 7235 1819	oriana.cardani@intesasnpaolo.com
Antonella Frongillo	+39 02 7235 1799	antonella.frongillo@intesasnpaolo.com
Manuela Meroni	+39 02 7235 1798	manuela.meroni@intesasnpaolo.com
Elena Perini	+39 02 7235 1811	elena.perini@intesasnpaolo.com
Bruno Permutti	+39 02 7235 1805	bruno.permutti@intesasnpaolo.com
Roberto Ranieri	+39 02 7235 1812	roberto.ranieri@intesasnpaolo.com

**Corporate Broking Research**

<b>Alberto Francese</b>	+39 02 7235 1800	alberto.francese@intesasnpaolo.com
Gabriele Berti	+39 02 7235 1806	gabriele.berti@intesasnpaolo.com
Marco Cristofori	+39 02 7235 1818	marco.cristofori@intesasnpaolo.com
Youness Nour El Alaoui	+39 02 7235 1815	youness.alaoui@intesasnpaolo.com
Arianna Terazzi	+39 02 7235 1816	arianna.terazzi@intesasnpaolo.com

**Credit Research**

<b>Maria Grazia Antola</b>	+39 02 7235 1809	maria.antola@intesasnpaolo.com
Alessandro Chiodini	+39 02 7235 1808	alessandro.chiodini@intesasnpaolo.com
Dario Fasani	+39 02 7235 1820	dario.fasani@intesasnpaolo.com
Melanie Gavin	+39 02 7235 1804	melanie.gavin@intesasnpaolo.com
Maria Gabriella Tronconi	+39 02 7235 1814	maria.tronconi@intesasnpaolo.com
Barbara Pizzarelli (Research Support)	+39 02 7235 1803	barbara.pizzarelli@intesasnpaolo.com

**Technical Analysis**

Corrado Binda	+39 02 8021 5763	corrado.binda@intesasnpaolo.com
Sergio Mingolla	+39 02 8021 5843	antonio.mingolla@intesasnpaolo.com

**Clearing & Data Processing**

<b>Anna Whatley</b>	+39 02 7235 1813	anna.whatley@intesasnpaolo.com
Stefano Breviglieri	+39 02 7265 4635	stefano.breviglieri@intesasnpaolo.com
Annita Ricci	+39 02 7235 1797	annita.ricci@intesasnpaolo.com
Wendy Ruggeri	+39 02 7235 1802	wendy.ruggeri@intesasnpaolo.com
Elisabetta Bugliesi (IT support)	+39 02 7235 1796	elisabetta.bugliesi@intesasnpaolo.com

**Intesa Sanpaolo – IMI Corporate & Investment Banking Division**

<b>Bernardo Bailo - Head of Global Markets Sales</b>	+39 02 7261 2308	bernardo.bailo@intesasnpaolo.com
--	------------------	----------------------------------

**Equity Sales**

<b>Giorgio Pozzobon</b>	+39 02 7261 5616	giorgio.pozzobon@intesasnpaolo.com
-------------------------	------------------	------------------------------------

**Institutional Sales**

<b>Catherine d'Aragon</b>	+39 02 7261 5929	catherine.daragon@intesasnpaolo.com
Carlo Cavaliere	+39 02 7261 2722	carlo.cavaliere@intesasnpaolo.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@intesasnpaolo.com
Stefano Ottavi	+39 02 7261 2095	stefano.ottavi@intesasnpaolo.com
Federica Repetto	+39 02 7261 5517	federica.repetto@intesasnpaolo.com
Daniela Stucchi	+39 02 7261 5708	daniela.stucchi@intesasnpaolo.com
Mark Wilson	+39 02 7261 2758	mark.wilson@intesasnpaolo.com
Roberta Papeschi (Corporate Broking)	+39 02 7261 6363	roberta.papeschi@intesasnpaolo.com
Francesco Riccardi (Corporate Broking)	+39 02 7261 5966	francesco.riccardi@intesasnpaolo.com
Laura Spinella (Corporate Broking)	+39 02 7261 5782	laura.spinella@intesasnpaolo.com
Alessandro Bevacqua	+39 02 7261 5114	alessandro.bevacqua@intesasnpaolo.com
Lorenzo Pennati (Sales Trading)	+39 02 7261 5647	lorenzo.pennati@intesasnpaolo.com

**Equity Derivatives Institutional Sales**

<b>Emanuele Manini</b>	+39 02 7261 5936	emanuele.manini@intesasnpaolo.com
Enrico Ferrari	+39 02 7261 2806	enrico.ferrari@intesasnpaolo.com
Stefan Gess	+39 02 7261 5927	stefan.gess@intesasnpaolo.com
Edward Lythe	+44 207 894 2456	edward.lythe@intesasnpaolo.com
Ferdinando Zamprotta	+39 02 7261 5577	ferdinando.zamprotta@intesasnpaolo.com

**Gherardo Lenti Capoduri – Head of Market Hub**

	+39 02 7261 2051	gherardo.lenticapoduri@intesasnpaolo.com
--	------------------	--

**E-commerce Distribution**

Massimiliano Raposio	+39 02 7261 5388	massimiliano.raposio@intesasnpaolo.com
----------------------	------------------	--

**Intesa Sanpaolo IMI Securities Corp.**

Barbara Leonardi (Equity institutional Sales)	+1 212 326 1232	barbara.leonardi@intesasnpaolo.com
Greg Principe (Equity Institutional Sales)	+1 212 326 1233	greg.principe@intesasnpaolo.com