

# Italian Mid Small Caps Monthly

- **Performance (+).** The Italian equity market (prices as at 17<sup>th</sup> February 2021) has risen 3.6% in the last month and is up 4.4% YTD. The FTSE Italy Mid-Cap index (+6.8% in the last month) has outperformed the main index by 3.3% (+2.0% YTD on a relative basis), while the FTSE Italy Small Caps index (+8.2% in the last month) has outperformed the market by 4.6% in the last month and is 4.9% above the main index in relative terms since the beginning of 2021. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has risen 4.4% in the last month, underperforming Italian mid-caps.
- **Estimates (=).** Since the beginning of the year we have raised our 2021E EPS estimates (+5.5%), while we have implemented a milder revision for 2022E (+3.3%). On 2021, our overall estimate revision for mid-caps has been negligible (-0.3% YTD), while our revision for small caps has been more significant (-6.9% YTD), mainly due to protracted Covid effects on a selected number of industries. It is worth pointing out that, looking at our mid/small cap coverage, overall estimate revisions on 2022 have been positive (+1.9% YTD).
- **Valuations (+).** If we compare YTD performance to the change in FY21 estimates over the same period, we can see that re-ratings have continued for mid and small caps. Specifically, FTSE MIB stocks have recorded a minimal 0.8% re-rating YTD, compared to 4.1% and 10.0% for mid-caps and small caps respectively. On a P/E basis, our panel is trading at a 36.6% premium to large caps. This number is heavily affected by the listing of Stellantis, which is lowering the P/E ratio for FTSE Mib stocks. Adjusting for this effect, the premium would have been 27.4%, still above the historical average premium (23%) and the level of one month ago (20.8%).
- **Liquidity (+).** Looking at official Italian index trends, we note that liquidity for large caps in the last month (as measured by average volumes multiplied by average prices in a specific period) has improved compared to one month ago, coming in just 1.2% lower than the 1Y average (it was -13.1% one month ago). Interestingly, liquidity for mid-caps has witnessed a much better trend, showing a +10.8% change, while for small caps the same metric has improved compared to the 1Y average, by 10.4%. It is worth noting that average daily liquidity for our mid/small cap coverage has been 2,406k in the last month, up 1.6% on the corresponding period one year ago.
- **Investment strategy.** The market has continued its positive trajectory and overall valuations are quite demanding compared to historical levels. This positive mood is sustained by the dovish approach by central banks (no one expects a tightening), which is sustaining liquidity, by the expansionary fiscal policy that Europe and the United States are setting up and by an earnings direction that should present upside risks as soon as the vaccination campaign gains traction. Persistent high valuations nevertheless suggest sticking to a selective approach. As a rare event, Italy should witness a favourable momentum; in his first speech as Italian Prime Minister Mario Draghi outlined an ambitious programme, combining investment spending funded by EU recovery money and ambitious reforms. Draghi also pointed out that, beyond tackling coronavirus, the government's focus will be on priorities such as digitalisation, ecological transition, research, training and health. Throughout this report we therefore confirm our investment preference for companies whose businesses are related to digital transformation or ESG themes, expected to be the main beneficiaries of these policies. In addition, we recommend stocks with visible revenue trends (and dividend yields), and selected names to play the post-vaccine scenario. Regarding mid/small cap liquidity, although 2020 was a negative year for PIR funds, in 2021 we expect interest in this product to regain momentum, as we believe the mid/small equity class is well positioned in investors' strategies, which should also translate into greater commercial and distribution efforts by asset gatherers. Notably, Alternative PIRs (also called PIR SME) could be another important instrument, partly thanks to the additional fiscal incentive recently introduced by the Budget (a tax credit on capital losses accrued on new investments during 2021).

by Intermonte Research Team

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 non-monetary benefit" in accordance with article 12, paragraph 3, sub-paragraph b) of Commission Delegated Directive (EU) 2017/593 of 7 April 2016.

## Performance

### Mid/Small caps extended their positive performance, outperforming European peers

The Italian equity market (prices as at 17<sup>th</sup> February 2021) has risen 3.6% in the last month and is up 4.4% YTD. The FTSE Italy Mid-Cap index (+6.8% in the last month) has outperformed the main index by 3.3% (+2.0% YTD on a relative basis), while the FTSE Italy Small Caps index (+8.2% in the last month) has outperformed the market by 4.6% in the last month and is 4.9% above the main index in relative terms since the beginning of 2021.

#### Italian Market Indexes – performance analysis (prices as of 17<sup>th</sup> February 2021)

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	40,520	6.8%	12.4%	17.3%	6.4%	-3.9%	8.4%	-4.2%	35.4%
FTSE Italia Small Cap	23,486	8.2%	17.8%	23.5%	9.3%	3.0%	21.1%	0.9%	44.0%
FTSE Italia Star	47,775	6.2%	14.8%	24.8%	7.1%	16.7%	40.5%	26.2%	109.5%
FTSE AIM ITALIA	8,065	8.4%	22.9%	20.9%	10.7%	3.3%	-6.2%	-15.0%	-1.3%
FTSE Italia All-Share	25,267	3.6%	8.5%	15.9%	4.4%	-7.4%	13.8%	0.8%	33.2%
FTSE MIB	23,179	3.6%	8.1%	16.2%	4.3%	-7.7%	14.7%	1.7%	33.4%
Relative Performance vs FTSE Italy All Share		% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years	% Change 3 Years	% Change 5 Years
FTSE Italia Mid Cap		3.3%	3.9%	1.3%	2.0%	3.5%	-5.4%	-4.9%	2.2%
FTSE Italia Small Cap		4.6%	9.4%	7.6%	4.9%	10.4%	7.3%	0.2%	10.8%
FTSE Italia Star		2.7%	6.4%	8.9%	2.7%	24.2%	26.7%	25.4%	76.3%

Source: Factset

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has risen 4.4% in the last month, underperforming Italian mid-caps.

#### European Market Indexes – performance analysis

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
MSCI Europe	138	2.0%	6.9%	12.6%	4.0%	-4.6%	10.6%	7.5%	24.3%
MSCI Europe Small Cap	439	4.4%	14.0%	23.4%	6.3%	5.6%	27.4%	16.9%	50.8%

Source: Factset

For individual stocks, in the following tables we rank the best and worst performers over two periods: the last month and the year to date.

# Intermonte Mid & Small Cap Coverage – best and worst performers, 1M

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
TESMEC	0.12	75	45%
WEBUILD	1.63	1,465	32%
DE' LONGHI	33.44	5,035	31%
SERI INDUSTRIAL	5.16	244	26%
AQUAFIL	5.50	236	25%
ALKEMY	8.34	47	25%
FINCANTIERI	0.67	1,144	22%
RELATECH	2.91	95	21%
CEMENTIR	8.24	1,311	17%
SARAS	0.70	666	17%
SESA	114.60	1,776	16%
BANCA IFIS	10.30	554	15%
GPI	9.50	151	15%
AMBIENTHESIS	0.82	76	14%
ESPRINET	11.26	574	14%
RENO DE MEDICI	1.14	429	14%
MAIRE TECNIMONT	2.25	739	13%
LU-VE	16.00	356	13%
ELICA	3.42	216	12%
SALCEF GROUP	13.00	545	12%
<b>FTSE Italia Mid Cap</b>			7%
<b>FTSE Italia Small Cap</b>			8%
<b>FTSE MIB</b>			4%
Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
IERVOLINO ENTERTAINMENT	3.19	77	-19%
FALCK RENEWABLES	6.08	1,772	-9%
SAES GETTERS	22.20	450	-6%
TXT E-SOLUTIONS	7.20	94	-5%
OVS GROUP	1.11	252	-2%
CATTOLICA	4.14	722	-2%
ASCOPIAVE	3.69	865	-1%
ERG	25.08	3,770	-1%
FINE FOODS	10.80	203	0%
BE	1.46	197	0%
IREN	2.15	2,794	0%
ACEA	17.19	3,661	0%
AUTOGRILL	4.89	1,245	0%
CELLULARLINE	4.59	99	0%
RAI WAY	5.28	1,436	0%
GUALA CLOSURE	8.30	515	0%
ANIMA	4.06	1,497	0%
NOTORIOUS PICTURES	1.68	38	0%
CERVED	7.12	1,390	1%
CFT	4.58	73	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>
TESMEC	0.12	75	55%
WEBUILD	1.63	1,465	38%
DE' LONGHI	33.44	5,035	30%
GPI	9.50	151	27%
CEMENTIR	8.24	1,311	24%
MAIRE TECNIMONT	2.25	739	23%
DANIELI	17.74	1,179	23%
FINCANTIERI	0.67	1,144	23%
ELES	4.12	44	22%
SERI INDUSTRIAL	5.16	244	21%
SAFILO	0.96	264	20%
AMBIENTHESIS	0.82	76	19%
SARAS	0.70	666	18%
ALKEMY	8.34	47	18%
SOMEK	21.00	145	18%
RENO DE MEDICI	1.14	429	17%
PIAGGIO	3.15	1,127	17%
RELATECH	2.91	95	16%
DATALOGIC	16.26	950	16%
LU-VE	16.00	356	15%
<b>FTSE Italia Mid Cap</b>			6%
<b>FTSE Italia Small Cap</b>			9%
<b>FTSE MIB</b>			4%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
IERVOLINO ENTERTAINMENT	3.19	77	-19%
AUTOGRILL	4.89	1,245	-11%
CATTOLICA	4.14	722	-10%
TXT E-SOLUTIONS	7.20	94	-9%
FALCK RENEWABLES	6.08	1,772	-8%
CELLULARLINE	4.59	99	-7%
IEG	2.46	76	-6%
CERVED	7.12	1,390	-4%
SAES GETTERS	22.20	450	-4%
RAI WAY	5.28	1,436	-3%
BRUNELLO CUCINELLI	34.54	2,349	-3%
NOTORIOUS PICTURES	1.68	38	-3%
TOD'S	27.78	919	-2%
WIIT	159.50	423	-2%
ASTM	20.20	2,838	-2%
FERRAGAMO	15.77	2,662	-1%
GEOX	0.79	205	0%
ePRICE	0.07	25	0%
BE	1.46	197	0%
ACEA	17.19	3,661	0%

Source: Factset

## Earnings Momentum

### Mid/Small Cap estimates for 2021 broadly unchanged in the last month

Since the beginning of the year we have raised our 2021E EPS estimates (+5.5%), while we have implemented a milder revision for 2022E (+3.3%). On 2021, our overall estimate revision for mid-caps has been negligible (-0.3% YTD), while our revision for small caps has been more significant (-6.9% YTD), mainly due to protracted Covid effects on a selected number of industries. It is worth pointing out that, looking at our mid/small cap coverage, overall estimate revisions on 2022 have been positive (+1.9% YTD).

#### Italian Market – Intermonte changes to 2020 and 2021 estimates

EPS REVISION	Since January 1st 2021		Since 17/1/2021	
	% chg in EPS FY21	% chg in EPS FY22	% chg in EPS FY21	% chg in EPS FY22
<b>Total Market</b>	<b>5.5%</b>	<b>3.3%</b>	<b>2.2%</b>	<b>2.0%</b>
<b>Total Market - Ex Energy</b>	<b>4.4%</b>	<b>3.9%</b>	<b>2.4%</b>	<b>2.2%</b>
Domestic	4.6%	2.1%	2.2%	2.1%
Non domestic	3.3%	2.4%	2.8%	2.5%
Non domestic - Ex Energy	-0.6%	4.4%	3.5%	3.5%
<b>FTSE MIB</b>	<b>6.3%</b>	<b>3.4%</b>	<b>2.5%</b>	<b>1.9%</b>
<b>Mid Caps (our coverage)</b>	<b>-0.3%</b>	<b>2.3%</b>	<b>0.0%</b>	<b>2.2%</b>
<b>Small Caps (our coverage)</b>	<b>-6.9%</b>	<b>-0.7%</b>	<b>-6.8%</b>	<b>-0.8%</b>
Intermonte Mid&Small Caps coverage	-0.9%	1.9%	-0.7%	1.9%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2021 adjusted net profit estimates YTD.

#### Intermonte Mid & Small Cap Coverage - largest changes to 2021 est. (up/down) YTD

Stock	Restated Net Profit 21 as of 31/12/20	Restated net profit 21 last estimate	% chg from 31/12/20
<b>Upward Revision</b>			
CREDITO VALTELLINESE	43	58	33.4%
CEMENTIR	92	117	28.0%
ERG	112	128	14.4%
MAIRE TECNIMONT	55	61	12.2%
FINE FOODS	12	13	10.8%
FINCANTIERI	85	93	8.7%
ESPRINET	35	38	8.4%
DE' LONGHI	224	237	5.7%
UNIPOLSAI	681	717	5.3%
CREDITO EMILIANO	175	184	5.2%
<b>Downward Revision</b>			
IEG	5	-14	-374.4%
AUTOGRILL	-106	-224	-111.5%
SAES GETTERS	20	9	-54.8%
CYBEROO	2	1	-33.9%
SARAS	-59	-79	-32.4%
FALCK RENEWABLES	40	34	-14.0%
BANCA SISTEMA	30	28	-8.0%
FILA	43	41	-4.5%
TOD'S	-60	-61	-2.2%
LU-VE	23	23	-1.6%

Source: Intermonte SIM

## Valuation

### Mid and Small Caps are trading at a higher premium to Large Caps than was the case one month ago

If we compare YTD performance to the change in FY21 estimates over the same period, we can see that mid and small caps have continued to re-rate. Specifically, FTSE MIB stocks have recorded a minimal 0.8% re-rating YTD, while mid-caps and small caps have related by 4.1% and 10.0% respectively. This is consistent with the view that central banks will continue their dovish approach and that vaccines will trigger a global recovery.

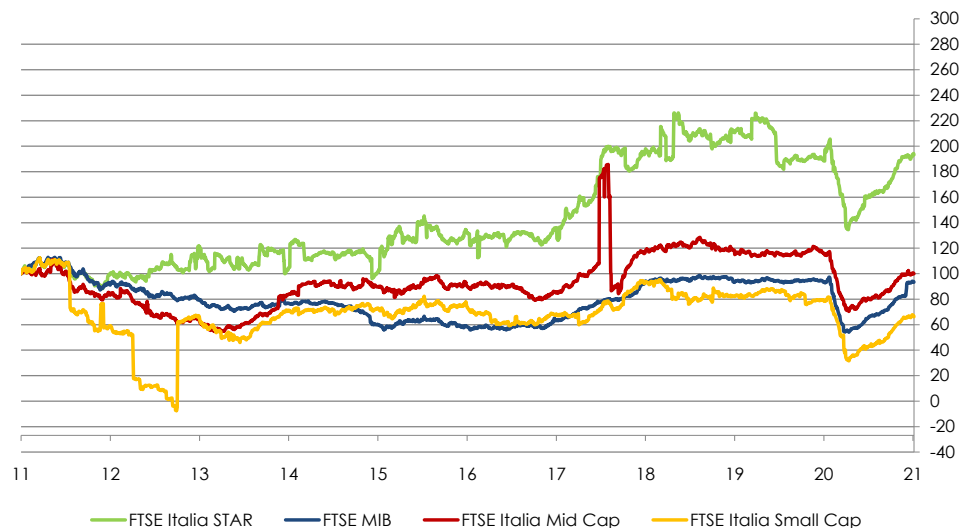
#### Italian Market – re/de-rating by index

Index	% Change YTD	on FY21 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	4.3%	3.4%	0.8%
FTSE Italia Mid Cap	6.4%	2.3%	4.1%
FTSE Italia Small Cap	9.3%	-0.7%	10.0%

Source: Intermonte SIM and Factset

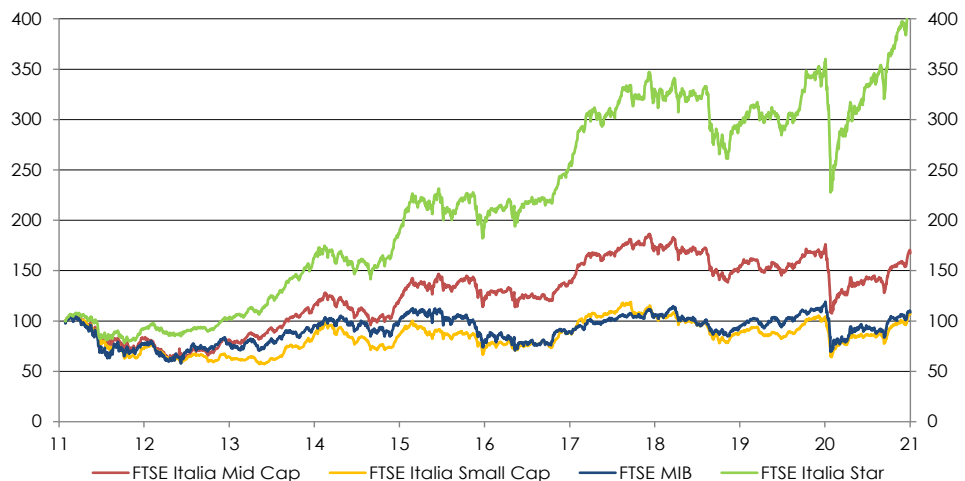
The following graph shows earnings direction over the last 10 years.

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



Source: Factset

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

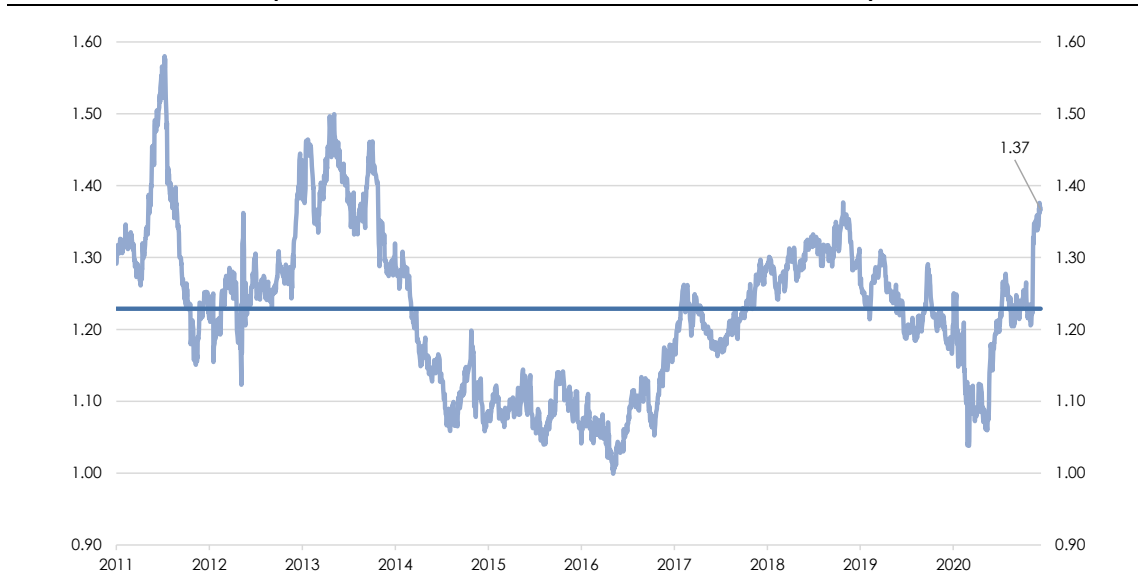


Source: Factset

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 36.6% premium to large caps. This number is significantly affected by the listing of Stellantis, which is lowering the P/E ratio for FTSE Mib stocks. Adjusting for this effect the premium would have been 27.4%, still above the historical average premium (23%) and the level of one month ago (20.8%).**

#### Intermonte Mid & Small Cap Panel – next twelve months' P/E relative to FTSE MIB, last 10 years



Source: Intermonte SIM and Factset

The table on the next page shows the stocks in our mid/small cap coverage that have posted the largest re-ratings/de-ratings since January 2021, based on 2021 estimates.

#### European Market – valuations

	P/E 09	P/E 10	P/E 11	P/E 12	P/E 13	P/E 14	P/E 15	P/E 16	P/E 17	P/E 18	P/E 19	P/E 20	P/E 21	P/E21 vs Italian Equivalent	Last 10Y Avg	Premium vs Avg
<b>FTSE MIB</b>	14.5 x	14.9 x	12.8 x	11.4 x	11.4 x	18.8 x	19.7 x	16.7 x	n.m.	15.7 x	11.9 x	21.4 x	14.2 x	-	15.7 x	-9.5%
<b>FTSE Italy Mid Cap</b>	9.5 x	18.0 x	17.3 x	15.4 x	15.4 x	22.0 x	20.2 x	16.6 x	18.4 x	19.2 x	19.5 x	55.0 x	19.4 x	-	22.1 x	-12.1%
<b>FTSE Italy Small Cap</b>	11.8 x	35.8 x	23.9 x	66.6 x	63.7 x	nm	nm	23.8 x	22.2 x	nm	13.9 x	62.0 x	17.6 x	-	38.5 x	-54.2%
<b>Germany DAX (T)</b>	15.3 x	12.7 x	11.6 x	11.6 x	14.6 x	16.6 x	12.6 x	15.0 x	13.9 x	13.8 x	14.8 x	20.0 x	15.5 x	9.1%	14.8 x	4.4%
<b>Germany MDAX</b>	-75.5 x	15.1 x	17.1 x	28.4 x	26.6 x	23.7 x	18.0 x	23.0 x	22.4 x	18.8 x	21.0 x	49.4 x	33.7 x	73.4%	26.5 x	27.2%
<b>France CAC 40</b>	15.3 x	12.4 x	11.3 x	14.1 x	15.9 x	17.4 x	16.0 x	16.2 x	16.0 x	15.2 x	15.9 x	29.5 x	18.7 x	31.6%	17.5 x	6.8%
<b>France CAC Mic</b>	54.8 x	17.0 x	13.9 x	17.5 x	22.2 x	24.6 x	19.4 x	19.3 x	29.2 x	15.2 x	14.6 x	309.1 x	20.7 x	6.5%	49.2 x	-57.9%
<b>France CAC Smx</b>	40.1 x	n.m.	12.8 x	21.0 x	26.3 x	24.4 x	22.6 x	25.5 x	28.9 x	24.3 x	26.4 x	-55.4 x	35.7 x	102.5%	18.0 x	98.6%
<b>FTSE 100</b>	15.8 x	12.3 x	10.9 x	12.1 x	15.0 x	14.6 x	15.3 x	18.6 x	14.7 x	13.1 x	12.6 x	22.1 x	15.3 x	8.1%	15.3 x	0.1%
<b>FTSE 250</b>	14.4 x	13.7 x	12.6 x	14.7 x	17.5 x	17.2 x	15.3 x	15.4 x	14.0 x	12.7 x	13.3 x	41.6 x	19.6 x	0.6%	18.1 x	7.9%
<b>IBEX 35</b>	12.5 x	12.0 x	10.7 x	29.3 x	19.9 x	19.9 x	19.0 x	15.9 x	13.5 x	13.8 x	13.1 x	38.9 x	17.8 x	25.6%	20.1 x	-11.3%
<b>IBEX MEDIUM</b>	19.1 x	17.4 x	11.2 x	18.3 x	28.6 x	18.1 x	20.5 x	18.9 x	20.9 x	17.0 x	13.8 x	21.4 x	14.7 x	-24.1%	19.2 x	-23.3%

Source: Intermonte SIM and Factset



**Intermonte Mid & Small Cap Coverage – YTD de-rating/re-rating on 2021 estimates**

Stock	Restated Net Profit 21 as of 31/12/20	Restated net profit 21 last estimate	% Chg in Net Profit 21	Share Price perf. YTD	De-rating(-) Re- rating(+)
IEG	5.1	-14.0	-374%	(6%)	368.6%
AUTOGRILL	-106.1	-224.4	-111%	(11%)	100.9%
TESMEC	5.6	5.6	0%	55%	54.6%
SAES GETTERS	20.4	9.2	-55%	(4%)	51.1%
SARAS	-59.3	-78.5	-32%	18%	50.2%
CYBEROO	2.2	1.5	-34%	5%	38.9%
WEBUILD	106.7	106.7	0%	38%	38.0%
GPI	8.0	8.0	0%	27%	27.3%
DE' LONGHI	224.4	237.3	6%	30%	24.0%
DANIELI	69.6	69.6	0%	23%	23.4%
ELES	1.3	1.3	0%	22%	21.9%
SERI INDUSTRIAL	8.9	8.9	0%	21%	20.8%
SAFLO	-28.4	-28.4	0%	20%	20.1%
AMBIENTHESIS	5.0	5.0	0%	19%	19.2%
ALKEMY	2.8	2.8	0%	18%	17.8%
SOMEC	7.0	7.0	0%	18%	17.7%
PIAGGIO	65.6	65.3	-1%	17%	17.2%
RENO DE MEDICI	33.6	33.6	0%	17%	17.1%
BANCA SISTEMA	30.4	28.0	-8%	9%	17.0%
LU-VE	23.1	22.8	-2%	15%	16.3%
DATALOGIC	36.8	36.8	0%	16%	16.1%
FINCANTIERI	85.3	92.7	9%	23%	14.0%
INDEL B	11.0	11.0	0%	14%	13.7%
AQUAFIL	15.4	15.4	0%	13%	13.4%
BANCA IFS	64.6	64.7	0%	12%	12.1%
SALCEF GROUP	49.4	49.4	0%	12%	11.6%
MAIRE TECNIMONT	54.7	61.4	12%	23%	11.3%
SESA	57.5	57.5	0%	11%	11.3%
AVIO	25.1	25.1	0%	11%	11.1%
ELICA	10.5	10.5	0%	10%	10.4%
FILA	42.8	40.9	-5%	5%	10.0%
REPLY	127.8	127.8	0%	9%	9.3%
DOVALUE	57.6	57.6	0%	9%	8.8%
ELEN.	25.7	25.7	0%	9%	8.7%
IGD	60.2	60.2	0%	9%	8.6%
SERVIZI ITALIA	6.6	6.6	0%	8%	8.0%
MEDIASET	207.7	207.7	0%	8%	8.0%
FOS	1.3	1.3	0%	8%	7.9%
TINEXTA	49.8	49.8	0%	7%	7.1%
MARR	56.3	56.3	0%	7%	7.1%
UNIPOLSAI	680.7	716.8	5%	12%	6.6%
FALCK RENEWABLES	40.1	34.5	-14%	(8%)	6.2%
EMAK	19.7	19.7	0%	6%	6.0%
OVS GROUP	24.1	24.1	0%	6%	5.5%
ENAV	101.6	101.6	0%	5%	5.3%
CREDITO EMILIANO	175.2	184.2	5%	10%	5.0%
SOGEFI	7.5	7.5	0%	5%	4.9%
ANIMA	169.1	169.2	0%	5%	4.6%
GEFRAN	7.7	7.6	-1%	3%	4.0%
RETELIT	17.1	17.1	0%	4%	3.6%
JUVENTUS	-30.8	-30.8	0%	3%	3.3%
MONDADORI	28.4	28.4	0%	3%	3.2%
BREMBO	192.3	196.4	2%	5%	2.7%
TECHNOGYM	66.5	68.6	3%	5%	1.4%
IREN	247.8	247.8	0%	1%	1.0%
CFT	1.1	1.1	0%	1%	0.9%
FERRAGAMO	-21.2	-21.4	-1%	(1%)	0.5%
B&C SPEAKERS	6.0	6.0	0%	0%	0.5%
GUALA CLOSURES	15.4	15.4	0%	0%	0.2%
ACEA	294.3	294.3	0%	0%	0.2%
BE	11.9	11.9	0%	0%	0.1%
ePRICE	-5.9	-5.9	0%	0%	0.1%
TOD'S	-59.8	-61.1	-2%	(2%)	(0.2%)
GEOX	-27.0	-27.0	0%	(0%)	(0.3%)
ASCOPIAVE	44.3	45.3	2%	2%	(0.6%)
ASTM	207.6	207.6	0%	(2%)	(1.9%)
WIIT	10.6	10.6	0%	(2%)	(2.1%)
NOTORIOUS PICTURES	3.6	3.6	0%	(3%)	(2.9%)
BRUNELLO CUCINELLI	26.4	26.4	0%	(3%)	(3.2%)
RAI WAY	65.7	65.7	0%	(3%)	(3.3%)
ESPRINET	35.3	38.2	8%	4%	(3.9%)
CEMENTIR	91.6	117.3	28%	24%	(4.1%)

Source: Intermonte SIM

## Liquidity

### Average trading volumes up MoM for mid and small caps

Looking at official Italian index trends, we note that liquidity for large caps in the last month (as measured by average volumes multiplied by average prices in a specific period) has improved compared to one month ago, coming in just 1.2% lower than the 1Y average (it was -13.1% one month ago). Interestingly, liquidity for mid-caps has witnessed a much better trend, showing a +10.8% change, while for small caps the same metric has improved compared to the 1Y average, by 10.4%.

It is worth noting that average daily liquidity for our mid/small cap coverage has been 2,406k in the last month, up 1.6% on the corresponding period one year ago.

#### Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn)					% Changes	
	1M	3M	6M	1Y	3Y	1M vs 1Y	3M vs 1Y
FTSE MIB							
All stocks	50.39	49.91	44.85	51.02	50.08	(1.2%)	(2.2%)
Top 20% by market cap	151.92	147.71	129.15	149.12	148.57	1.9%	(0.9%)
FTSE Italia Mid Cap							
All stocks	3.44	3.34	2.94	3.10	3.28	10.8%	7.7%
Top 20% by market cap	7.26	6.82	6.19	6.43	6.94	12.9%	6.0%
FTSE Italia Small Cap							
All stocks	0.38	0.40	0.37	0.34	0.35	10.4%	18.4%
Top 20% by market cap	0.99	1.00	0.89	0.82	0.83	22.0%	23.2%

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)
AUTOGRILL	1,245	9,001,259
FERRAGAMO	2,662	6,618,899
TECHNOGYM	1,945	6,197,370
FALCK RENEWABLES	1,772	5,966,600
SARAS	666	5,602,606
BREMO	3,783	5,367,482
CREDITO VALTELLINESE	835	5,326,572
ERG	3,770	5,292,728
REPLY	3,898	4,910,160
UNIPOLSAI	6,871	4,510,791
DE' LONGHI	5,035	4,298,564
ANIMA	1,497	4,247,693
IREN	2,794	4,149,007
MEDIASET	2,660	3,964,822
CERVED	1,390	3,581,707
BRUNELLO CUCINELLI	2,349	3,352,972
TINEXA	1,062	3,348,103
ESPRINET	574	2,899,070
ASTM	2,838	2,890,301
ACEA	3,661	2,792,526
MARR	1,201	2,755,746
CATTOLICA	722	2,751,402
JUVENTUS	1,120	2,727,499
ENAV	2,053	2,682,799
SESA	1,776	2,617,291
MAIRE TECNIMONT	739	2,515,366
TOD'S	919	2,393,190
OVS GROUP	252	2,342,262
PIAGGIO	1,127	2,262,437
WEBUILD	1,465	2,182,864

Source: Factset

## Criteria for investing in mid/small caps

### Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY20)

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)
<b>Intermonte Coverage</b>	52.9%	22.9%	10.0%	1.0%	5.9%	7.3%

Source: Company data and Intermonte SIM (financial companies excluded from the sample)

A ranking of stocks with the highest expected earnings growth for 2022 vs 2021, and the highest 2021 dividend yields can be found in the following tables.

### Intermonte Mid & Small Cap Coverage – dividend yield 2021

Stock	Price (Eu)	Mkt Cap (Eu mn)	EPS 21	DPS 21	Yield 21 %	PayOut 20 %	Net Debt/EBITDA 20
CATOLICA	4.1	722	0.911	0.450	10.9%	49%	
BANCA IFIS	10.3	554	1.201	0.800	7.8%	67%	
CELLULARLINE	4.6	99	0.671	0.350	7.6%	52%	-1.8x
UNIPOLSAI	2.4	6,871	0.258	0.160	6.6%	62%	
IGD	3.9	431	0.545	0.228	5.8%	42%	-10.1x
ENAV	3.8	2,053	0.187	0.210	5.5%	112%	-1.6x
CREDITO VALTELLINESE	11.9	835	0.820	0.630	5.3%	77%	
ACEA	17.2	3,661	1.382	0.845	4.9%	61%	-3.2x
GEFRAN	6.4	92	0.530	0.303	4.8%	57%	0.0x
NOTORIOUS PICTURES	1.7	38	0.159	0.079	4.7%	50%	-1.1x
BANCA SISTEMA	1.8	149	0.348	0.087	4.7%	25%	
DEA CAPITAL	1.3	341		0.060	4.7%		
ANIMA	4.1	1,497	0.435	0.190	4.7%	44%	
IREN	2.1	2,794	0.190	0.100	4.7%	52%	-3.5x
RAI WAY	5.3	1,436	0.242	0.242	4.6%	100%	-0.9x
SERVIZI ITALIA	2.3	73	0.206	0.103	4.5%	50%	-2.1x
ASCOPIAVE	3.7	865	0.193	0.165	4.5%	85%	-5.0x
DOVALUE	10.5	840	0.721	0.468	4.5%	65%	-1.4x
ASTM	20.2	2,838	1.478	0.900	4.5%	61%	-2.9x
PIAGGIO	3.1	1,127	0.183	0.137	4.4%	75%	-1.7x
EMAK	1.2	191	0.121	0.048	4.1%	40%	-2.2x
CREDITO EMILIANO	4.9	1,615	0.554	0.200	4.1%	36%	
SALCEF GROUP	13.0	545	1.166	0.525	4.0%	45%	0.3x
CERVED	7.1	1,390	0.553	0.276	3.9%	50%	-2.4x
MARR	18.1	1,201	0.846	0.659	3.7%	78%	-1.3x
AMBIENTHESIS	0.8	76	0.054	0.028	3.5%	53%	-1.0x
B&C SPEAKERS	10.4	114	0.549	0.357	3.4%	65%	0.5x
AVIO	12.6	332	0.922	0.388	3.1%	42%	1.1x
ERG	25.1	3,770	0.854	0.750	3.0%	88%	-2.6x
WEBUILD	1.6	1,465	0.216	0.048	3.0%	22%	-1.6x

Source: Intermonte SIM and Factset

**Intermonte Mid & Small Cap Coverage – EPS growth, 2022 vs 2021**

Stock	Price (Eu)	Mkt Cap (Eu mn)	P/E 21	P/E 22	EPS Growth
CYBEROO	6.3	60	42.8	12.0	257%
SOGEFI	1.2	149	19.6	7.1	174%
SAES GETTERS	22.2	450	53.1	22.6	135%
TESMEC	0.1	75	13.3	5.7	135%
SERI INDUSTRIAL	5.2	244	27.3	12.6	117%
ELES	4.1	44	35.2	19.1	84%
SOMECE	21.0	145	20.6	11.9	73%
CY4GATE	9.2	138	39.4	22.9	72%
ELICA	3.4	216	20.6	12.1	70%
BRUNELLO CUCINELLI	34.5	2,349	88.9	53.8	65%
BANCA IFIS	10.3	554	8.6	5.2	65%
OVS GROUP	1.1	252	10.4	6.4	62%
FINCANTIERI	0.7	1,144	12.3	8.0	53%
ALKEMY	8.3	47	16.5	11.0	50%
DOVALUE	10.5	840	14.6	9.7	50%
SERVIZI ITALIA	2.3	73	11.1	7.5	49%
GUALA CLOSURES	8.3	512	36.1	24.5	47%
NOTORIOUS PICTURES	1.7	38	10.6	7.4	44%
INDEL B	25.8	151	13.7	9.7	41%
CREDITO VALTELLINESE	11.9	835	14.5	10.4	40%
FALCK RENEWABLES	6.1	1,772	51.4	37.4	37%
ENAV	3.8	2,053	20.2	15.1	34%
WIIT	159.5	423	39.8	30.1	32%
B&C SPEAKERS	10.4	114	18.9	14.6	29%
AQUAFIL	5.5	236	18.2	14.1	29%
RELATECH	2.9	95	20.3	16.0	27%
LU-VE	16.0	356	15.6	12.4	26%
FILA	9.7	415	12.0	9.6	25%
CELLULARLINE	4.6	99	6.8	5.5	25%
RETELIT	2.3	375	21.9	17.7	24%
BREMBO	11.3	3,783	18.8	15.4	22%
TXT E-SOLUTIONS	7.2	94	16.8	14.0	20%
FINE FOODS	10.8	203	19.2	16.0	20%
EL.EN.	28.9	566	21.9	18.3	20%
AVIO	12.6	332	13.7	11.4	20%
CATTOLICA	4.1	722	4.5	3.8	20%
MARR	18.1	1,201	21.3	17.8	20%
CEMENTIR	8.2	1,311	11.2	9.3	20%

Source: Intermonte SIM and Factset

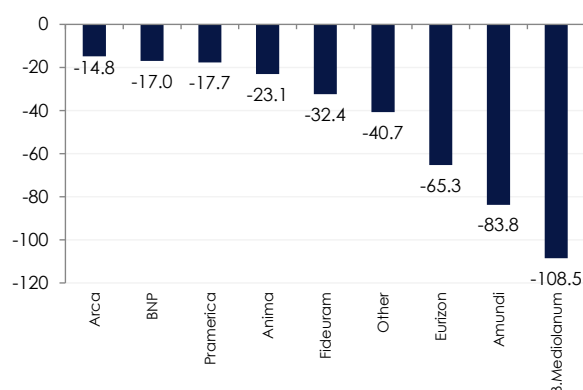
## Update on the Individual Savings Plan (PIR)

PIR: official figures for 4Q20

	4Q20 (Eu mn)	3Q20 (Eu mn)	2Q20 (Eu mn)	1Q20 (Eu mn)	Net Inflows				Nr. Of Funds at December 2020		Invested Capital at December 2020	
					4Q19 (Eu mn)	FY19 (Eu mn)	FY18 (Eu mn)	FY17 (Eu mn)	# Funds	%	(Eu mn)	in %
<b>Total</b>	<b>(403)</b>	<b>(178)</b>	<b>59</b>	<b>(234)</b>	<b>(380)</b>	<b>(1,097)</b>	<b>3,950</b>	<b>10,903</b>	<b>71</b>	<b>100.0%</b>	<b>17,824</b>	<b>100.0%</b>
<b>Newly established funds</b>	<b>(245)</b>	<b>(74)</b>	<b>29</b>	<b>(83)</b>	<b>(333)</b>	<b>(760)</b>	<b>3,403</b>	<b>7,864</b>	<b>46</b>	<b>64.8%</b>	<b>10,547</b>	<b>59.2%</b>
<b>Pre-existing funds</b>	<b>(158)</b>	<b>(104)</b>	<b>30</b>	<b>(151)</b>	<b>(48)</b>	<b>(337)</b>	<b>547</b>	<b>3,039</b>	<b>25</b>	<b>35.2%</b>	<b>7,277</b>	<b>40.8%</b>
<b>EQUITY FUNDS</b>	<b>(74)</b>	<b>(37)</b>	<b>(14)</b>	<b>(153)</b>	<b>(48)</b>	<b>(369)</b>	<b>349</b>	<b>2,260</b>	<b>28</b>	<b>39.4%</b>	<b>4,694</b>	<b>26.3%</b>
o/w Italy Equity	(74)	(37)	(14)	(153)	(48)	(369)	349	2,260	28	39.4%	4,694	26.3%
<b>BALANCED FUNDS</b>	<b>(194)</b>	<b>(107)</b>	<b>13</b>	<b>(33)</b>	<b>(237)</b>	<b>(587)</b>	<b>2,525</b>	<b>5,962</b>	<b>26</b>	<b>36.6%</b>	<b>8,046</b>	<b>45.1%</b>
o/w Balanced Equity	(11)	(3)	6	(2)	(33)	(63)	181	279	2	2.8%	425	2.4%
o/w Balanced	(66)	(30)	9	(34)	(105)	(258)	752	1,849	9	12.7%	2,368	13.3%
o/w Balanced bonds	(117)	(74)	(1)	2	(99)	(267)	1,592	3,834	15	21.1%	5,254	29.5%
<b>FIXED INCOME FUNDS</b>	<b>(3)</b>	<b>(1)</b>	<b>2</b>	<b>1</b>	<b>(3)</b>	<b>(20)</b>	<b>10</b>	<b>75</b>	<b>4</b>	<b>5.6%</b>	<b>217</b>	<b>1.2%</b>
o/w Italy Bonds	(2)	(2)	(3)	1	(4)	1	(9)	13	2	2.8%	72	0.4%
o/w Europe Bonds	0	2	5	0	1	(21)	19	62	1	1.4%	52	0.3%
o/w Mixed	(2)	(1)	(0)	1					1	1.4%	94	0.5%
<b>FLEXIBLE FUNDS</b>	<b>(132)</b>	<b>(32)</b>	<b>58</b>	<b>(50)</b>	<b>(92)</b>	<b>(121)</b>	<b>1,067</b>	<b>2,605</b>	<b>13</b>	<b>18.3%</b>	<b>4,866</b>	<b>27.3%</b>

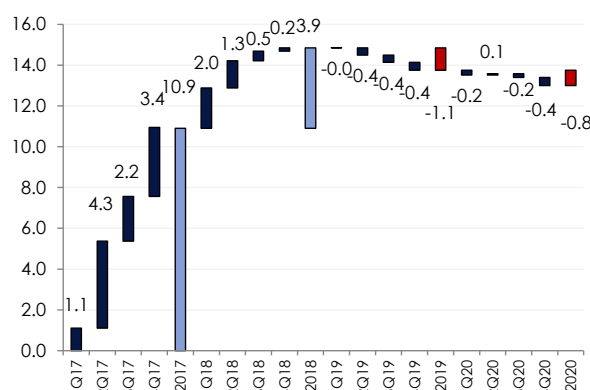
Source: Assogestioni, Quarterly Report, February 2021

PIR - Net inflows by asset manager (Eu mn, 4Q20)



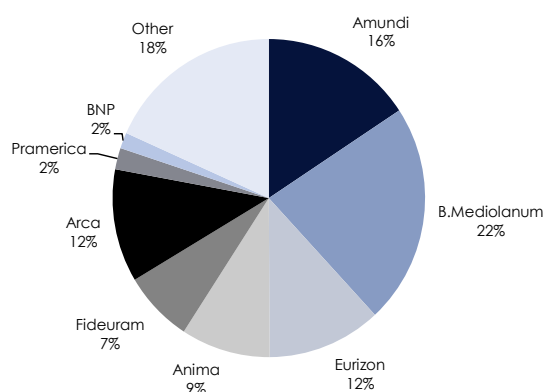
Source: Assogestioni

PIR - Inflows by quarter (Eu bn)



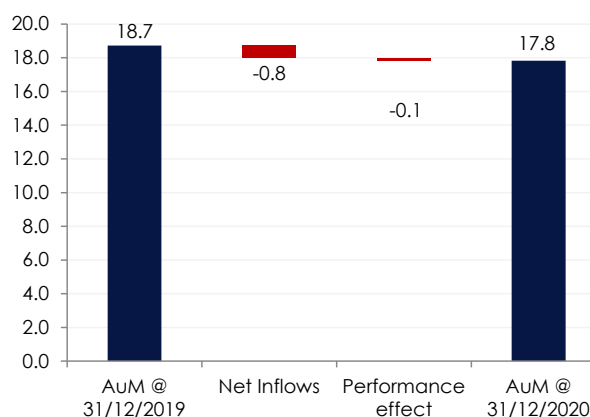
Source: Intermonte SIM estimates, Assogestioni

PIR - Market share by asset manager (on AuM at 31/12/20)



Source: Assogestioni

PIR - Inflows and total AuM (Eu bn)



Source: Assogestioni

## PIR inflows closing in negative territory in 4Q20, as expected

As shown on the previous page, **Assogestioni released updated figures on 4Q20 PIR inflows** in its quarterly review on 17<sup>th</sup> February 2021. Net inflows amounted to a negative Eu403mn (i.e. outflows) in 4Q20, with all the major players reporting negative numbers. The quarter therefore again showed negative numbers, following positive inflows in 2Q20. In 2021, outflows reached Eu759mn.

The negative 4Q20 figures were partly anticipated by Sole 24 Ore's 'Osservatorio PIR', which reported outflows of about Eu335mn in the quarter. The actual figures reported by Assogestioni are therefore worse than expected, although the discrepancy between the two sources is not unusual.

As a reminder, the features of PIR 3.0 are as follows: at least 70% of the fund must be invested in securities issued by listed Italian or EU companies having stable organisation in Italy; of this 70%, 25% (i.e. 17.5% of the total fund) must be invested in securities that are not on the main index (FTSE MIB in the case of Italian-listed stocks). The principal novelty in the new regulation is a mandatory minimum investment of 5% of the 70% (or 3.5% of the total fund) in small caps that are not listed on either the FTSEMIB or the FTSE MID indexes. This measure is likely to channel flows into a universe of small companies that are expected to obtain particular benefits from renewed investor interest. The new regulation also allows Italian pension funds to invest up to 10% of their assets in PIR funds. The fiscal benefit (unchanged) still relates to the elimination of capital gains tax after the investment is maintained in the fund for at least 5 years.

A recent report published by Assogestioni (October 2020) gave its findings on PIR fund subscriptions by small retail investors: as at YE19, the average/median cumulative investment per capita was only Eu16,383/Eu10,553, with only 3% of total subscribers reaching the maximum annual allowance of Eu30,000 per year.

**"Alternative PIR" officially launched, August decree increased maximum investment per annum from Eu150k to Eu300k:** the Alternative PIR is a wrapper with tax benefits similar to PIR (i.e. tax exemption of capital gains for investments held for at least 5 years) and in turn is capable of investing in ELTIFs, private equity funds or private debt funds. Because of the investments in illiquid assets (closer to the real economy but riskier), affluent investors are the target clients. The maximum investible amount per year is Eu300k per person (vs Eu30k for PIR) up to a cumulative maximum of Eu1.5mn per person. Moreover, the concentration limit (i.e. max cumulative investment in a single stock) has been set at 20% (10% being the limit for regular PIR funds).

Investor interest is likely to be high (inflows of Eu3-5bn a year estimated by Assogestioni). These alternative instruments would indeed be suitable for overcoming market volatility given their long-term commitment and are complementary to PIR funds in a broader sense (they are designed for semi-professional rather than retail investors). We believe the introduction of Alternative PIRs could also represent a smart solution to the current impasse at EU level over ELTIF, as the new Alternative PIRs are entitled to buy ELTIF funds, thereby indirectly benefitting ELTIFs.

### ALTERNATIVE PIR vs. PIR 3.0

	PIR 3.0	Alternative PIR
<b>Investor Target</b>	Retail Investors	Semi-institutional investors
<b>Main Investment Focus</b>	Mid and Small Caps	Small and Micro Caps, Privately held SMEs
<b>Type of Fund</b>	Open-end Funds	Closed-End Funds, such as ELTIF, private equity funds, private debt funds
<b>Max per capita investment</b>	Eu30,000 a year (max Eu150,000)	Eu300,000 a year (max Eu1.5mn)
<b>Concentration limit</b>	Up to 10%	Up to 20%
<b>Investment Criteria</b>	At least 70% of the fund must be invested in securities issued by listed Italian or EU companies having stable organisation in Italy; of this 70%, 25% (i.e. 17.5% of the total fund) must be invested in securities that are not on the main index (FTSE MIB in the case of Italian-listed stocks) and 5% (or 3.5% of the total fund) in small caps that not listed on either the FTSEMIB or the FTSE MID indexes.	At least 70% of the fund must be invested in securities issued by Italian or EU companies having stable organisation in Italy that are small caps not listed on either the FTSEMIB or the FTSE MID indexes.
<b>Fiscal benefits</b>	Zeroing capital gains tax after maintaining the investment in the fund for at least 5 years	Zeroing capital gains tax after maintaining the investment in the fund for at least 5 years

Source: Intermonte SIM

### Our Estimates for PIRs

In this report we are leaving our estimates broadly unchanged after incorporating 4Q figures for 2020. In the long term, our assumptions are based on expectations that interest in this product will remain fairly high thanks to the fiscal benefit and, from a distributor point of view, to the fact that it can count on long-term commitment from the investor. In particular, we continue to expect a strong 2021 in terms of inflows, as we consider the mid/small equity class to be well positioned in investors' strategies, which should also translate into greater commercial and distribution efforts by investment houses.

Our main assumptions are as follows:

- For 2021, we assume Eu1.0bn of gross inflows from new PIR subscribers, followed by Eu2.4bn for 2022;
- For continuing subscribers, we expect that overall inflows in year two will amount to a portion of the sum set aside in the first year (from 35% to 40% in our model); in the remaining years (i.e. from the third to the fifth year) we expect stable inflows, equivalent on average to 60% of the investments made in the second year;
- Finally, we calculate the amount of capital that will be withdrawn by investors who decide to exit the fund before the five-year time limit (for whatever reason) at ~4% of Assets under Management in 2021 and beyond.

### PIR – Our assumptions

	2015A	2016A	2017A	2018A	2019A	2020E	2021E	2022E
<b>Mutual Funds AUM (Eu mn)</b>	<b>887,408</b>	<b>900,318</b>	<b>1,011,183</b>	<b>955,114</b>	<b>1,071,299</b>			
<b>PIR Net Inflows (Eu mn)</b>			<b>10,903</b>	<b>3,950</b>	<b>(1,097)</b>	<b>(759)</b>	<b>1,201</b>	<b>2,909</b>
YoY Growth				-63.8%	nm	nm	nm	142.2%
o/w From Continuing Subs.			-	3,414	989	754	744	1,144
o/w From New Subscribers			10,903	1,325	-	-	1,000	2,350
o/w Transformation of Existing Funds/Exit from PIR			4,867	(788)	(2,086)	(1,513)	(543)	(585)

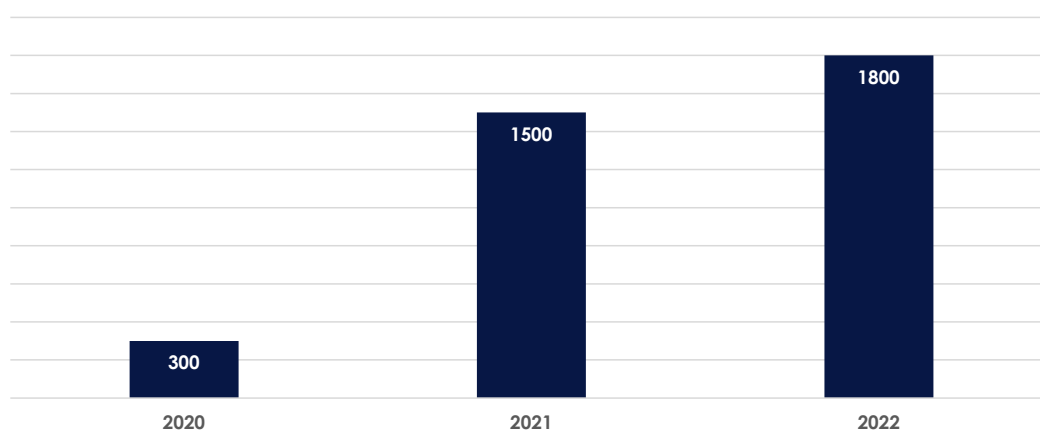
Source: Intermonte SIM

### Our Estimates for Alternative PIRs

On publication of the June report, we also added our estimates on the inflows expected for Alternative PIRs. Several important Italian asset managers have now launched their new funds, mostly ELTIF, compliant with the Alternative PIR regulation and definition (and subject therefore to the fiscal benefits). Based on our expectations for ELTIF, we foresee inflows of Eu300mn in 2020, Eu1.5bn in 2021, and Eu1.8bn in 2022, thus reaching cumulative AuM of Eu3.6bn by YE22. For the moment, our estimates are more cautious than the Assogestioni forecast for this product, which is for inflows of between Eu3bn and Eu5bn per year.

We flag up an important piece of news for Alternative PIRs: in the final days of December, an amendment was added to the Budget giving subscribers of PIR funds set up from 1 January 2021 the right to a tax credit on any capital losses accrued on investments made by 31 December 2021. This credit has a ceiling of 20% of the amount invested and is usable over a 10-year period. We think the tax credit could represent a further important marketing instrument for PIR, improving visibility on our estimates for 2021.

### Alternative PIRs – Our estimates (Eu mn)



Source: Intermonte SIM

**DISCLAIMER (for more details go to [DISCLAIMER](#))**

**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by IntermonTE SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from IntermonTE.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by IntermonTE. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on IntermonTE's website [www.intermonTE.it](http://www.intermonTE.it) under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by IntermonTE on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

**ANALYST CERTIFICATION**

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including IntermonTE's total profits, a portion of which is generated by IntermonTE's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

IntermonTE's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

**GUIDE TO FUNDAMENTAL RESEARCH**

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

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
  - Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
  - Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
  - For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)
- Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

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

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

Explanation of our ratings system:

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

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

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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

**© Copyright 2019 by IntermonTE SIM - All rights reserved**

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of IntermonTE SIM are provided to its clients only. If you are not a client of IntermonTE SIM and receive emailed, faxed or copied versions of the reports from a source other than IntermonTE SIM, you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of IntermonTE SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid .

IntermonTE Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MiFID compliant - for our Best Execution Policy please check our Website [MiFID](#)