

Italian Mid Small Caps Monthly

After Rotation, Focus Now Turns To Estimate Direction

by Intermonte Research Team

Italian Equity Market

- **Performance (+).** The Italian equity market (prices as at 20th June 2022) has declined 8.5% in the last month and is down 19.7% YtD. The FTSE Italy Mid-Cap index (-8.4% in the last month) has outperformed the main index by just 0.1% (-3.6% YtD on a relative basis), with the FTSE Italy Small Caps index (-2.8% in the last month) performing 5.7% better than the market in the last month, or +10.8% on a relative basis since the beginning of 2022. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has lost 7.1% in the last month, performing slightly better than Italian mid-caps.
- **Estimates (-).** Since the beginning of the year, we have implemented a +4.7% revision to our 2022 EPS estimates, driven by significant earnings upgrades to energy stocks, while on average we have cut forecasts for the remaining stocks, in particular for our mid/small cap coverage by 4.4%. In the last month, if we focus on our mid/small cap coverage, we have made limited changes to our 2022 EPS projections (-0.6%) but we have become more cautious on projecting growth in 2023 (2023E EPS -1.2%).
- **Valuations (+).** If we compare YtD performance to the change in FY22 estimates over the same period, we see that FTSE MIB stocks have recorded a 25.2% de-rating YtD (it was -16.9% one month ago); mid-caps have de-rated by 19.6% while small caps have re-rated 0.6%. On a P/E basis, our panel is trading at a 44% premium to large caps, well above the historical average premium (17%) but slightly below the level one month ago (48%). On a P/E basis, our panel is trading at a 37% premium to large caps, well above the historical average premium (17%) but below the level one month ago (44%).
- **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) is below the yearly average, coming in 14.3% lower than the 1Y average, remaining as weak as one month ago when the same metric was -15.5%. Interestingly, liquidity for mid-caps has witnessed a more significant contraction, showing a -32.1% change, while for small caps the same metric has decreased by 29.9%. It is worth noting that average daily liquidity for our mid/small cap coverage has been Eu1.45mn in the last month, down 45.0% on the corresponding period one year ago.
- **Investment strategy.** The month suffered a macro scenario still showing no sign of inflation being brought back under control, with stock markets burdened by continuing fears of stagflation. Italian mid/small caps featured a further deterioration of trading volumes, halved compared to one year ago. For the coming months we expect the overall investment environment to remain challenging, including for mid/small caps given the fairly inevitable slowdown in global growth; nonetheless, overall messages from companies show a degree of resilience in coping with increasing input costs, and the overall financial health suggests lower risks of negative surprises compared to past crises. In some cases, especially for stocks in the IT sector, we think the market is discounting an overly negative scenario, underestimating the investments Italian corporations are putting in place to reduce the digital gap, in an environment where listed mid/small cap companies have a wealth of personnel with digital expertise, which remains a rare and precious resource. Regarding PIR, inflows in April were close to zero, marking an unsurprising slowdown in light of the recent market volatility and uncertainty.

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Performance

Small caps outperforming mid-caps in what was a negative month overall

The Italian equity market (prices as at 20th June 2022) has declined 8.5% in the last month and is down 19.7% YtD. The FTSE Italy Mid-Cap index (-8.4% in the last month) has outperformed the main index by just 0.1% (-3.6% YtD on a relative basis), with the FTSE Italy Small Caps index (-2.8% in the last month) performing 5.7% better than the market in the last month, or +10.8% on a relative basis since the beginning of 2022.

Italian Market Indexes – performance analysis (prices as at 20th June 2022)

| 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 | 38,212 | -8.4% | -12.3% | -20.0% | -23.3% | -20.4% | 15.1% | 2.3% | -4.8% |
| FTSE Italia Small Cap | 29,512 | -2.8% | 0.9% | -5.6% | -8.9% | 3.5% | 55.6% | 54.2% | 28.8% |
| FTSE Italia Star | 45,143 | -7.6% | -17.3% | -26.7% | -30.1% | -19.3% | 27.7% | 28.1% | 29.2% |
| FTSE AIM ITALIA | 9,285 | -4.3% | -10.0% | -17.3% | -19.2% | -4.6% | 32.1% | 4.4% | -3.8% |
| FTSE Italia All-Share | 24,043 | -8.5% | -9.3% | -16.1% | -19.7% | -13.2% | 12.5% | 3.2% | 4.3% |
| FTSE MIB | 22,004 | -8.7% | -9.2% | -15.9% | -19.5% | -12.7% | 12.2% | 3.0% | 5.7% |
| 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 | | 0.1% | -3.0% | -3.9% | -3.6% | -7.2% | 2.7% | -0.8% | -9.2% |
| FTSE Italia Small Cap | | 5.7% | 10.2% | 10.5% | 10.8% | 16.7% | 43.2% | 51.1% | 24.5% |
| FTSE Italia Star | | 0.9% | -8.1% | -10.6% | -10.4% | -6.1% | 15.3% | 24.9% | 24.9% |

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has lost 7.1% in the last month, performing slightly better than 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 | 136 | -7.1% | -9.3% | -13.2% | -15.6% | -10.4% | 11.9% | 6.9% | 3.9% |
| MSCI Europe Small Cap | 389 | -8.0% | -13.4% | -19.0% | -22.5% | -18.1% | 13.7% | 11.6% | 7.7% |

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 (%) |
|------------------------------|-------------------|---------------------------|---------------------|
| SOMEK | 30.60 | 211 | 9% |
| SARAS | 1.24 | 1,175 | 6% |
| RELATECH | 2.23 | 84 | 6% |
| MATICA FINTEC | 2.32 | 24 | 5% |
| WEBUILD | 1.61 | 1,620 | 5% |
| MAIRE TECNIMONT | 2.93 | 963 | 5% |
| SOGEFI | 0.90 | 108 | 4% |
| GEOX | 0.78 | 201 | 1% |
| LU-VE | 20.20 | 449 | 1% |
| CREDITO EMILIANO | 5.63 | 1,922 | 0% |
| CIVITANAVI SYSTEMS | 4.10 | 126 | 0% |
| FINCANTIERI | 0.57 | 971 | 0% |
| FOS | 3.13 | 20 | 0% |
| MARR | 13.72 | 913 | -1% |
| TINEXTA | 23.12 | 1,091 | -1% |
| NOTORIOUS PICTURES | 1.48 | 33 | -1% |
| PIAGGIO | 2.34 | 839 | -2% |
| CEMENTIR | 6.49 | 1,033 | -2% |
| AMBIENTHESIS | 0.89 | 83 | -2% |
| FTSE Italia Mid Cap | | | -8% |
| FTSE Italia Small Cap | | | -3% |
| FTSE MIB | | | -9% |
| Worst Performers | Price (Eu) | Market Cap (Eu mn) | Perf. 1M (%) |
| ILBE | 1.48 | 35 | -24% |
| ANIMA | 3.64 | 1,261 | -20% |
| EXPERT.AI | 0.86 | 45 | -19% |
| BANCA IFIS | 14.60 | 786 | -16% |
| DOVALUE | 6.10 | 488 | -16% |
| CYBEROO | 3.25 | 64 | -15% |
| DE' LONGHI | 19.34 | 2,918 | -14% |
| IREN | 2.07 | 2,693 | -14% |
| ERG | 29.68 | 4,461 | -13% |
| TIP | 7.28 | 1,342 | -13% |
| SAFILO | 1.24 | 513 | -12% |
| UNIPOLSAI | 2.35 | 6,639 | -12% |
| DATALOGIC | 7.72 | 451 | -11% |
| DEA CAPITAL | 1.09 | 291 | -11% |
| ACEA | 14.35 | 3,056 | -11% |
| OVS GROUP | 1.61 | 469 | -11% |
| REPLY | 106.40 | 3,981 | -11% |
| TECHNOGYM | 6.32 | 1,272 | -10% |
| SCIUKER FRAMES | 6.30 | 137 | -10% |
| ELICA | 2.90 | 183 | -10% |

Source: FactSet

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

| Best Performers | Price (Eu) | Market Cap (Eu mn) | Perf. YTD (%) |
|------------------------------|-------------------|---------------------------|----------------------|
| SARAS | 1.24 | 1,175 | 124% |
| TESMEC | 0.13 | 81 | 25% |
| ERG | 29.68 | 4,461 | 4% |
| ENAV | 4.08 | 2,208 | 4% |
| AUTOGRILL | 6.36 | 2,450 | 2% |
| RAI WAY | 5.18 | 1,408 | -1% |
| CREDITO EMILIANO | 5.63 | 1,922 | -3% |
| TXT E-SOLUTIONS | 9.74 | 127 | -4% |
| FINCANTIERI | 0.57 | 971 | -5% |
| UNIPOLSAI | 2.35 | 6,639 | -5% |
| BFF BANK | 6.61 | 1,225 | -7% |
| IGD | 3.57 | 394 | -8% |
| NOTORIOUS PICTURES | 1.48 | 33 | -9% |
| BANCA SISTEMA | 1.91 | 154 | -9% |
| BUZZI-UNICEM | 17.12 | 3,298 | -10% |
| DEA CAPITAL | 1.09 | 291 | -10% |
| AVIO | 10.44 | 275 | -11% |
| INDEL B | 23.80 | 139 | -11% |
| MATICA FINTEC | 2.32 | 24 | -12% |
| FTSE Italia Mid Cap | | | -23% |
| FTSE Italia Small Cap | | | -9% |
| FTSE MIB | | | -20% |
| Worst Performers | Price (Eu) | Market Cap (Eu mn) | Perf. YTD (%) |
| EXPERT.AI | 0.86 | 45 | -62% |
| DATALOGIC | 7.72 | 451 | -50% |
| FINE FOODS | 8.52 | 188 | -45% |
| MEDIA FOR EUROPE | 0.71 | 1,349 | -43% |
| ALKEMY | 12.94 | 74 | -43% |
| ILBE | 1.48 | 35 | -43% |
| REPLY | 106.40 | 3,981 | -40% |
| SCIUKER FRAMES | 6.30 | 137 | -40% |
| TOD'S | 29.66 | 982 | -40% |
| TINEXTA | 23.12 | 1,091 | -39% |
| DE' LONGHI | 19.34 | 2,918 | -39% |
| ELES | 2.28 | 30 | -38% |
| EMAK | 1.33 | 218 | -37% |
| OVS GROUP | 1.61 | 469 | -37% |
| FERRAGAMO | 14.35 | 2,422 | -36% |
| BRUNELLO CUCINELLI | 40.92 | 2,783 | -33% |
| SESA | 117.00 | 1,813 | -33% |
| ABITARE IN | 5.64 | 150 | -32% |
| SALCEF GROUP | 17.14 | 1,070 | -31% |
| MAIRE TECNIMONT | 2.93 | 963 | -30% |

Source: FactSet

Earnings Momentum

2023 forecasts for our Mid/Small Cap coverage trimmed in the last month

Since the beginning of the year, we have implemented a +4.7% revision to our 2022 EPS estimates, driven by significant earnings upgrades to energy stocks, while on average we have cut forecasts for the remaining stocks, in particular for our mid/small cap coverage by 4.4%. In the last month, if we focus on our mid/small cap coverage, we have made limited changes to our 2022 EPS projections (-0.6%) but we have become more cautious on projecting growth in 2023 (2023E EPS -1.2%).

Italian Market – Intermonte changes to 2021 and 2022 estimates

| EPS REVISION | Since January 1st 2022 | | Since 21/5/2022 | |
|------------------------------------|------------------------|-------------------|-------------------|-------------------|
| | % chg in EPS FY22 | % chg in EPS FY23 | % chg in EPS FY22 | % chg in EPS FY23 |
| Total Market | 4.7% | 4.2% | -0.2% | -0.4% |
| Total Market - Ex Energy | -3.7% | -1.7% | -0.3% | -0.4% |
| Domestic | 1.1% | 0.9% | -0.1% | -0.2% |
| Non domestic | 8.7% | 7.8% | -0.4% | -0.5% |
| Non domestic - Ex Energy | -10.3% | -5.2% | -0.6% | -0.7% |
| FTSE MIB | 5.7% | 5.3% | -0.2% | -0.3% |
| Mid Caps (our coverage) | -3.7% | -5.4% | -0.6% | -1.3% |
| Small Caps (our coverage) | -9.5% | -3.8% | -0.4% | -0.5% |
| Intermonte Mid&Small Caps coverage | -4.4% | -5.2% | -0.6% | -1.2% |

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2022 adjusted net profit estimates YTD.

Intermonte Mid & Small Cap Coverage - largest changes to 2022 est. (up/down) YTD

| Stock | Restated Net Profit 22 as of 31/12/21 | Restated net profit 22 last estimate | % chg from 31/12/21 |
|--------------------------|---------------------------------------|--------------------------------------|---------------------|
| Upward Revision | | | |
| SARAS | -25 | 195 | 882.8% |
| TOD'S | 6 | 18 | 197.2% |
| AUTOGRILL | -28 | 1 | 102.1% |
| CY4GATE | 6 | 11 | 76.8% |
| BRUNELLO CUCINELLI | 51 | 68 | 32.4% |
| TXT E-SOLUTIONS | 7 | 8 | 21.0% |
| SCIUKER FRAMES | 16 | 18 | 16.4% |
| EL.EN. | 49 | 55 | 12.8% |
| GEFRAN | 11 | 12 | 7.6% |
| ALKEMY | 6 | 7 | 7.2% |
| Downward Revision | | | |
| IEG | 0 | -6 | -10684.4% |
| DATALOGIC | 47 | 14 | -70.3% |
| FINE FOODS | 14 | 4 | -67.3% |
| GEOX | -5 | -8 | -64.7% |
| SERI INDUSTRIAL | 12 | 5 | -58.4% |
| SOGEFI | 36 | 21 | -39.9% |

Source: Intermonte SIM

Valuation

Large and Mid-Caps suffered from a heftier de-rating

If we compare YtD performance to the change in FY22 estimates over the same period, we see that FTSE MIB stocks have recorded a 25.2% de-rating YtD (it was -16.9% one month ago); mid-caps have de-rated by 19.6% while small caps have re-rated 0.6%.

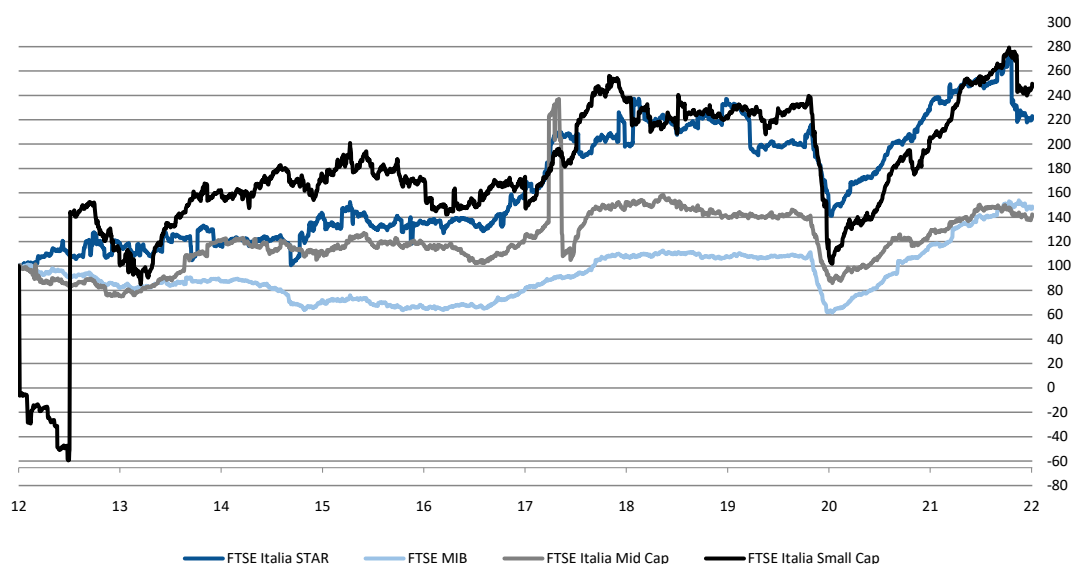
Italian Market – re/de-rating by index

| Index | % Change YTD | on FY22 estimates | |
|-----------------------|--------------|-------------------|--------------|
| | | Chg in estimates | Re/De-rating |
| FTSE MIB | -19.5% | 5.7% | -25.2% |
| FTSE Italia Mid Cap | -23.3% | -3.7% | -19.6% |
| FTSE Italia Small Cap | -8.9% | -9.5% | 0.6% |

Source: Intermonte SIM and FactSet

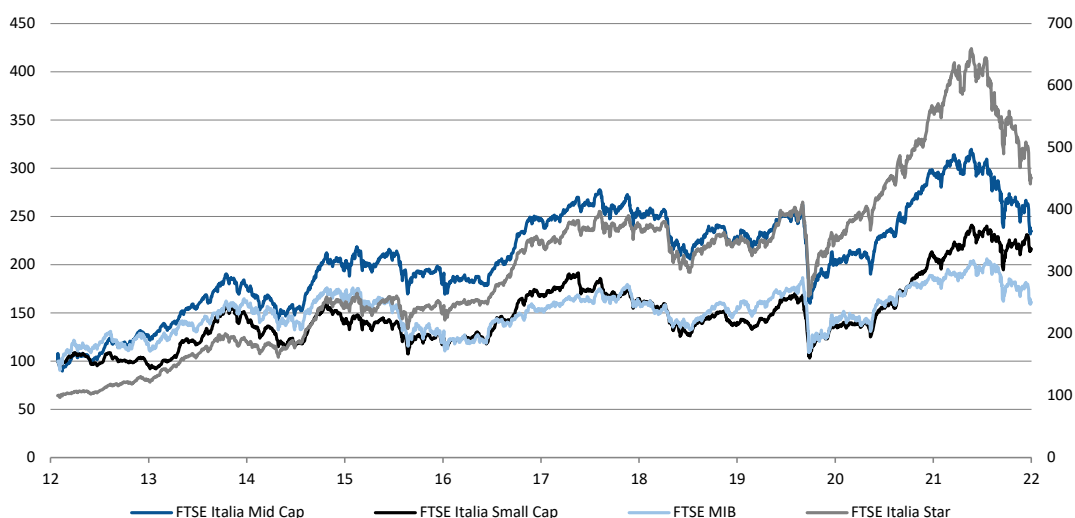
The following graph shows earnings direction over the last 10 years.

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)

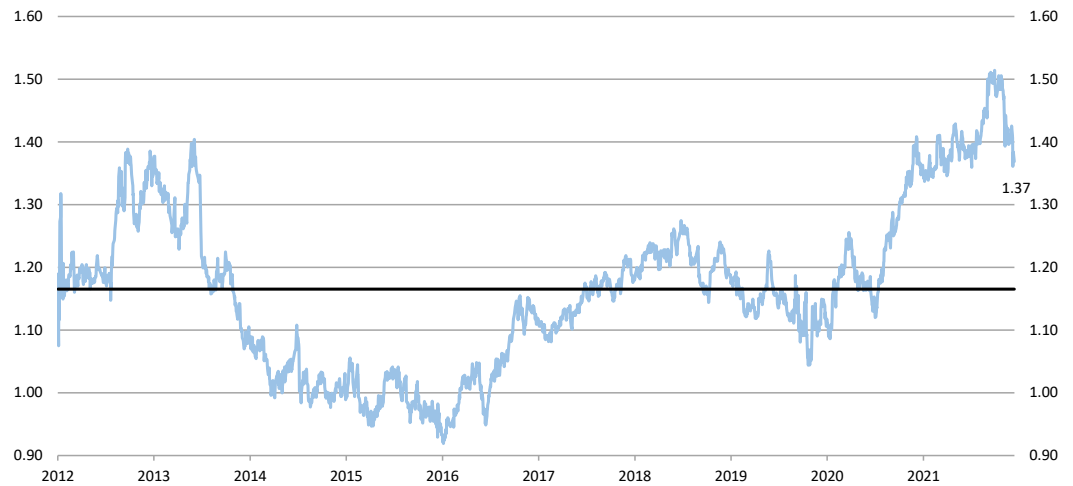


Source: FactSet

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 37% premium to large caps, well above the historical average premium (17%) but below the level one month ago (44%).

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 2022, based on 2021 estimates.

European Market – Valuations

| | P/E10 | P/E11 | P/E12 | P/E13 | P/E14 | P/E15 | P/E16 | P/E17 | P/E18 | P/E19 | P/E20 | P/E21 | P/E22 | P/E21 vs Italian Equivalent | Last 10Y Median | Premium vs Avg |
|-----------------------------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|---------|--------|--------|-----------------------------|-----------------|----------------|
| FTSE MIB | 12.4 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 | 21.6 x | 11.5 x | 8.2 x | - | 15.7 x | -47.9% |
| FTSE Italy Mid Cap | 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 | 60.7 x | 18.3 x | 13.5 x | - | 18.3 x | -26.6% |
| FTSE Italy Small Cap | 11.8 x | 35.8 x | 23.9 x | 197.2 x | 60.5 x | nm | nm | 27.2 x | 18.9 x | nm | 51.5 x | 20.2 x | 14.1 x | - | 27.2 x | -48.0% |
| Germany DAX (TR) | 12.8 x | 11.7 x | 11.2 x | 14.5 x | 16.4 x | 12.8 x | 15.4 x | 14.4 x | 14.3 x | 15.1 x | 20.8 x | 13.1 x | 11.1 x | 36.2% | 14.4 x | -22.9% |
| Germany MDAX | 14.8 x | 15.8 x | 30.1 x | 28.2 x | 25.2 x | 17.6 x | 19.7 x | 20.6 x | 16.5 x | 19.5 x | 43.8 x | 26.6 x | 13.9 x | 3.6% | 22.9 x | -39.1% |
| France CAC 40 | 12.4 x | 11.3 x | 14.1 x | 15.9 x | 17.5 x | 16.1 x | 16.2 x | 16.1 x | 15.3 x | 16.0 x | 28.6 x | 15.6 x | 11.0 x | 34.8% | 16.0 x | -31.2% |
| France CAC Mid 60 | 20.4 x | 16.5 x | 19.3 x | 25.1 x | 28.3 x | 22.7 x | 22.0 x | 40.8 x | 17.4 x | 16.8 x | -31.9 x | 20.2 x | 13.9 x | 3.1% | 21.1 x | -34.2% |
| France CAC Small | 17.9 x | n.m. | 25.2 x | 30.6 x | 25.9 x | 26.8 x | 29.2 x | 34.2 x | 31.5 x | 33.2 x | -77.1 x | 45.0 x | 16.8 x | 18.7% | 29.9 x | -44.0% |
| FTSE 100 | 12.3 x | 11.1 x | 12.2 x | 15.0 x | 14.9 x | 15.5 x | 18.2 x | 14.6 x | 13.2 x | 12.6 x | 21.1 x | 13.0 x | 9.6 x | 17.6% | 14.8 x | -34.9% |
| FTSE 250 | 14.9 x | 13.7 x | 15.3 x | 17.8 x | 18.4 x | 16.1 x | 16.3 x | 14.4 x | 13.1 x | 13.6 x | 43.8 x | 21.2 x | 13.2 x | -2.1% | 16.2 x | -18.7% |
| IBEX 35 | 12.0 x | 10.7 x | 18.9 x | 19.6 x | 20.0 x | 19.4 x | 15.9 x | 13.5 x | 13.9 x | 13.2 x | 34.8 x | 11.9 x | 10.3 x | 26.2% | 17.4 x | -40.8% |
| IBEX MEDIUM | 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 | 20.4 x | 15.4 x | 12.7 x | -5.7% | 18.6 x | -31.8% |

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – YTD de-rating/re-rating on 2022 estimates

| Stock | Restated Net Profit 22 as of 31/12/21 | Restated net profit 22 last estimate | % Chg in Net Profit 22 | Share Price perf. YTD | De-rating(-) Re-rating(+) |
|-----------------------|---------------------------------------|--------------------------------------|------------------------|-----------------------|---------------------------|
| IEG | 0.1 | -5.5 | -10684% | (15%) | 10669.4% |
| TESMEC | 13.1 | 8.7 | -34% | 25% | 58.8% |
| GEOX | -5.0 | -8.3 | -65% | (27%) | 37.2% |
| SERI INDUSTRIAL | 12.2 | 5.1 | -58% | (26%) | 32.2% |
| FINE FOODS | 13.7 | 4.5 | -67% | (45%) | 22.6% |
| AVIO | 12.2 | 8.2 | -33% | (11%) | 22.2% |
| ENAV | 97.9 | 81.1 | -17% | 4% | 20.9% |
| DATALOGIC | 47.3 | 14.0 | -70% | (50%) | 20.8% |
| SOGEFI | 35.7 | 21.4 | -40% | (24%) | 16.0% |
| CREDITO EMILIANO | 236.0 | 196.6 | -17% | (3%) | 13.4% |
| FINCANTIERI | 146.0 | 128.1 | -12% | (5%) | 7.0% |
| ERG | 167.3 | 163.6 | -2% | 4% | 6.6% |
| SAFILO | 28.6 | 20.7 | -28% | (21%) | 6.4% |
| INDEL B | 16.7 | 13.8 | -17% | (11%) | 6.2% |
| NOTORIOUS PICTURES | 5.7 | 4.9 | -15% | (9%) | 5.5% |
| BUZZI-UNICEM | 477.3 | 416.0 | -13% | (10%) | 3.1% |
| FALCK RENEWABLES | 46.5 | 46.3 | -1% | 1% | 2.0% |
| OMER | 10.9 | 8.9 | -18% | (17%) | 1.2% |
| RAI WAY | 68.5 | 67.2 | -2% | (1%) | 1.0% |
| WEBUILD | 157.8 | 115.4 | -27% | (29%) | (2.0%) |
| LU-VE | 28.6 | 24.9 | -13% | (16%) | (2.8%) |
| DOVALUE | 65.1 | 49.3 | -24% | (27%) | (3.1%) |
| SAES GETTERS | 23.1 | 21.3 | -8% | (12%) | (4.1%) |
| BANCA SISTEMA | 25.3 | 24.1 | -5% | (9%) | (4.5%) |
| UNIPOLSAI | 740.4 | 746.8 | 1% | (5%) | (6.3%) |
| BREMBO | 268.6 | 230.2 | -14% | (22%) | (7.8%) |
| MARR | 59.2 | 48.1 | -19% | (27%) | (8.6%) |
| ANIMA | 198.5 | 178.1 | -10% | (19%) | (8.7%) |
| SOMEK | 11.0 | 10.0 | -9% | (19%) | (9.5%) |
| DEA CAPITAL | 18.0 | 18.0 | 0% | (10%) | (10.0%) |
| IGD | 68.9 | 71.1 | 3% | (8%) | (10.8%) |
| AQUAFIL | 22.9 | 22.1 | -3% | (15%) | (11.7%) |
| MATICA FINTEC | 1.5 | 1.5 | 0% | (12%) | (11.8%) |
| BANCA IFIS | 110.8 | 108.6 | -2% | (14%) | (12.5%) |
| SALCEF GROUP | 60.2 | 49.7 | -17% | (31%) | (13.1%) |
| CEMENTIR | 149.3 | 136.4 | -9% | (23%) | (13.9%) |
| PIAGGIO | 85.9 | 82.1 | -4% | (19%) | (14.1%) |
| SERVIZI ITALIA | 4.8 | 4.1 | -15% | (29%) | (14.2%) |
| FOS | 1.6 | 1.5 | -4% | (19%) | (14.3%) |
| DE' LONGHI | 347.8 | 263.3 | -24% | (39%) | (14.3%) |
| IREN | 294.7 | 272.6 | -7% | (22%) | (14.5%) |
| CYBEROO | 3.6 | 3.8 | 5% | (13%) | (17.4%) |
| FILA | 51.7 | 53.2 | 3% | (15%) | (17.6%) |
| MONDADORI | 51.4 | 53.6 | 4% | (14%) | (18.7%) |
| FERRAGAMO | 81.7 | 67.7 | -17% | (36%) | (19.2%) |
| THE ITALIAN SEA GROUP | 24.7 | 25.1 | 1% | (18%) | (19.6%) |
| RELATECH | 6.2 | 6.2 | 0% | (20%) | (20.4%) |
| TECHNOGYM | 76.4 | 72.8 | -5% | (25%) | (20.6%) |
| GPI | 14.5 | 14.2 | -2% | (23%) | (21.2%) |
| ACEA | 340.7 | 333.8 | -2% | (24%) | (21.5%) |
| ELICA | 20.6 | 21.0 | 2% | (21%) | (22.5%) |
| PHARMANUTRA | 14.4 | 14.7 | 2% | (21%) | (23.3%) |
| OVS GROUP | 61.8 | 53.7 | -13% | (37%) | (23.9%) |
| AMBIENTHESIS | 13.6 | 14.0 | 3% | (22%) | (24.8%) |
| TXT E-SOLUTIONS | 6.9 | 8.4 | 21% | (4%) | (25.0%) |
| MAIRE TECNIMONT | 98.1 | 94.0 | -4% | (30%) | (25.4%) |
| GEFRAN | 11.2 | 12.0 | 8% | (19%) | (26.7%) |
| EMAK | 36.3 | 32.9 | -9% | (37%) | (27.8%) |
| TINEXTA | 67.2 | 60.5 | -10% | (39%) | (29.5%) |
| WIIT | 16.6 | 14.4 | -13% | (46%) | (32.8%) |
| SESA | 78.6 | 80.2 | 2% | (33%) | (34.7%) |
| ELES | 1.7 | 1.7 | 0% | (38%) | (37.7%) |
| EL.EN. | 48.7 | 55.0 | 13% | (26%) | (38.5%) |
| MEDIA FOR EUROPE | 294.0 | 293.8 | 0% | (43%) | (43.2%) |
| REPLY | 168.5 | 173.8 | 3% | (40%) | (43.7%) |
| ILBE | 14.2 | 15.0 | 5% | (43%) | (48.2%) |
| ALKEMY | 6.1 | 6.6 | 7% | (43%) | (50.2%) |
| SCIUKER FRAMES | 15.7 | 18.3 | 16% | (40%) | (56.4%) |
| BRUNELLO CUCINELLI | 51.3 | 67.9 | 32% | (33%) | (65.0%) |
| CY4GATE | 6.1 | 10.8 | 77% | (23%) | (100.0%) |

Source: Intermonte SIM

Liquidity

Mid/Small Cap liquidity sharply down in the last month

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) is below the yearly average, coming in 14.3% lower than the 1Y average, remaining as weak as one month ago when the same metric was -15.5%. Interestingly, liquidity for mid-caps has witnessed a more significant contraction, showing a -32.1% change, while for small caps the same metric has decreased by 29.9%. It is worth noting that average daily liquidity for our mid/small cap coverage has been Eu1.45mn in the last month, down 45.0% 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 | 46.35 | 50.52 | 58.29 | 54.08 | 52.52 | (14.3%) | (6.6%) |
| Top 20% by market cap | 143.41 | 149.85 | 178.64 | 164.69 | 154.77 | (12.9%) | (9.0%) |
| FTSE Italia Mid Cap | | | | | | | |
| All stocks | 2.07 | 2.36 | 2.84 | 3.04 | 2.98 | (32.1%) | (22.4%) |
| Top 20% by market cap | 4.10 | 5.01 | 5.91 | 6.21 | 6.24 | (34.0%) | (19.3%) |
| FTSE Italia Small Cap | | | | | | | |
| All stocks | 0.36 | 0.43 | 0.47 | 0.52 | 0.46 | (29.9%) | (17.3%) |
| Top 20% by market cap | 1.23 | 1.44 | 1.50 | 1.68 | 1.34 | (27.0%) | (14.3%) |

Source: FactSet

For individual stocks, the following table ranks liquidity in our mid/small cap coverage.

Intermonte Mid & Small Cap Coverage – most liquid stocks

| Stock | Market Cap (Eu mn) | 6M Avg Volume * Avg Price (Eu) |
|--------------------|--------------------|--------------------------------|
| BUZZI-UNICEM | 3,298 | 12,953,232 |
| SARAS | 1,175 | 10,756,163 |
| FERRAGAMO | 2,422 | 8,508,614 |
| AUTOGRILL | 2,450 | 8,140,682 |
| UNIPOLSAI | 6,639 | 7,260,494 |
| ERG | 4,461 | 6,567,603 |
| REPLY | 3,981 | 6,257,676 |
| ANIMA | 1,261 | 6,216,807 |
| BFF BANK | 1,225 | 5,238,280 |
| BREMBO | 3,259 | 5,037,130 |
| OVS GROUP | 469 | 4,179,147 |
| IREN | 2,693 | 4,051,968 |
| DE' LONGHI | 2,918 | 4,021,450 |
| MAIRE TECNIMONT | 963 | 4,020,136 |
| TOD'S | 982 | 3,766,592 |
| TECHNOGYM | 1,272 | 3,730,593 |
| BANCA IFIS | 786 | 3,655,683 |
| BRUNELLO CUCINELLI | 2,783 | 3,545,050 |
| SESA | 1,813 | 2,971,448 |
| WEBUILD | 1,490 | 2,953,497 |
| TINEXTA | 1,091 | 2,442,932 |
| ACEA | 3,056 | 2,243,885 |
| EL.EN. | 924 | 2,189,852 |
| ENAV | 2,208 | 2,113,877 |
| PIAGGIO | 839 | 1,767,216 |
| SAFILO | 513 | 1,746,710 |
| CREDITO EMILIANO | 1,922 | 1,564,845 |
| TIP | 1,342 | 1,564,572 |

Source: FactSet

Criteria for investing in Mid/Small Caps

Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY21)

| Stock | Italy | Europe (incl. Russia, UK, Turkey) | North America (incl. Mexico) | South America | Asia (incl. China, India, South East Asia) | RoW (Africa, Middle East, Australia, Japan) |
|----------------------------|-------|-----------------------------------|------------------------------|---------------|--|---|
| Intermonte Coverage | 55.8% | 23.3% | 9.5% | 1.2% | 6.5% | 3.7% |

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

A ranking of stocks with the highest expected earnings growth for 2023 vs. 2022, and the highest 2022 dividend yields, can be found in the following tables.

Intermonte Mid & Small Cap Coverage – dividend yield 2022

| Stock | Price (Eu) | Mkt Cap (Eu mn) | EPS 22 | DPS 22 | Yield 22 % | PayOut 22 % | Net Debt/EBITDA 22 |
|--------------------|------------|-----------------|--------|--------|------------|-------------|--------------------|
| BFF BANK | 6.6 | 1,225 | 0.762 | 0.762 | 11.5% | 100% | |
| IGD | 3.6 | 394 | 0.644 | 0.399 | 11.2% | 62% | 9.2x |
| DOVALUE | 6.1 | 488 | 0.617 | 0.600 | 9.8% | 97% | 2.0x |
| UNIPOLSAI | 2.3 | 6,639 | 0.269 | 0.190 | 8.1% | 71% | |
| PIAGGIO | 2.3 | 839 | 0.230 | 0.172 | 7.4% | 75% | 1.2x |
| BANCA IFIS | 14.6 | 786 | 2.019 | 1.050 | 7.2% | 52% | |
| MEDIA FOR EUROPE | 0.7 | 1,349 | 0.129 | 0.050 | 7.1% | 39% | 0.7x |
| ANIMA | 3.6 | 1,261 | 0.495 | 0.250 | 6.9% | 51% | |
| EMAK | 1.3 | 218 | 0.201 | 0.083 | 6.3% | 41% | 1.8x |
| MAIRE TECNIMONT | 2.9 | 963 | 0.286 | 0.183 | 6.2% | 64% | 0.0x |
| ACEA | 14.4 | 3,056 | 1.567 | 0.893 | 6.2% | 57% | 3.2x |
| MONDADORI | 1.7 | 457 | 0.206 | 0.098 | 5.6% | 48% | 1.3x |
| IREN | 2.1 | 2,693 | 0.210 | 0.115 | 5.6% | 55% | 3.5x |
| DEA CAPITAL | 1.1 | 291 | 0.067 | 0.060 | 5.5% | | -5.6x |
| CREDITO EMILIANO | 5.6 | 1,922 | 0.576 | 0.300 | 5.3% | 52% | |
| NOTORIOUS PICTURES | 1.5 | 33 | 0.216 | 0.072 | 4.9% | 33% | 1.3x |
| RAI WAY | 5.2 | 1,408 | 0.247 | 0.239 | 4.6% | 97% | 1.0x |
| GEFRAN | 9.1 | 131 | 0.836 | 0.418 | 4.6% | 50% | -0.2x |
| MARR | 13.7 | 913 | 0.723 | 0.579 | 4.2% | 80% | 1.3x |
| INDEL B | 23.8 | 139 | 2.360 | 1.000 | 4.2% | 42% | 0.4x |
| BANCA SISTEMA | 1.9 | 154 | 0.300 | 0.075 | 3.9% | 25% | |
| WEBUILD | 1.5 | 1,490 | 0.116 | 0.055 | 3.7% | 47% | -0.9x |
| ENAV | 4.1 | 2,208 | 0.150 | 0.140 | 3.4% | 94% | 1.9x |
| DE' LONGHI | 19.3 | 2,918 | 1.761 | 0.629 | 3.3% | 36% | -1.0x |
| CEMENTIR | 6.5 | 1,033 | 0.857 | 0.210 | 3.2% | 25% | -0.2x |
| SOMEK | 30.6 | 211 | 1.444 | 0.939 | 3.1% | 65% | 1.8x |
| ERG | 29.7 | 4,461 | 1.088 | 0.900 | 3.0% | 83% | 2.0x |
| OVS GROUP | 1.6 | 469 | 0.185 | 0.048 | 3.0% | 26% | 1.0x |
| BREMBO | 9.8 | 3,259 | 0.712 | 0.289 | 3.0% | 41% | 0.7x |
| AQUAFIL | 6.5 | 278 | 0.431 | 0.186 | 2.9% | 43% | 2.5x |

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – EPS growth, 2023 vs 2022

| Stock | Price (Eu) | Mkt Cap (Eu mn) | P/E 22 | P/E 23 | EPS Growth |
|-----------------------|------------|-----------------|--------|--------|------------|
| AUTOGRILL | 6.4 | 2,450 | nm | 26.5 | 16049% |
| SERI INDUSTRIAL | 7.2 | 350 | 69.1 | 22.5 | 207% |
| FINE FOODS | 8.5 | 188 | 48.7 | 18.5 | 164% |
| CYBEROO | 3.2 | 64 | 17.9 | 7.2 | 149% |
| SABABA SECURITY | 3.2 | 23 | 21.2 | 9.8 | 115% |
| DATALOGIC | 7.7 | 451 | 32.1 | 14.9 | 115% |
| TOD'S | 29.7 | 982 | 53.5 | 26.5 | 102% |
| SERVIZI ITALIA | 1.5 | 47 | 11.5 | 6.0 | 93% |
| TESMEC | 0.1 | 81 | 9.3 | 4.9 | 89% |
| ABITARE IN | 5.6 | 150 | 8.2 | 4.5 | 85% |
| CIVITANAVI SYSTEMS | 4.1 | 126 | 14.5 | 8.2 | 76% |
| SOGEFI | 0.9 | 108 | 4.9 | 3.0 | 65% |
| ELES | 2.3 | 30 | 17.9 | 11.0 | 63% |
| SOMEK | 30.6 | 211 | 21.2 | 14.5 | 46% |
| THE ITALIAN SEA GROUP | 5.2 | 277 | 11.0 | 7.7 | 43% |
| SAES GETTERS | 21.8 | 428 | 22.5 | 16.0 | 41% |
| DEA CAPITAL | 1.1 | 291 | 16.2 | 11.6 | 39% |
| SCIUKER FRAMES | 6.3 | 137 | 7.5 | 5.4 | 38% |
| MATICA FINTEC | 2.3 | 24 | 15.6 | 11.5 | 36% |
| WEBUILD | 1.5 | 1,490 | 12.7 | 9.6 | 33% |
| LU-VE | 20.2 | 449 | 18.1 | 13.7 | 32% |
| WIIT | 19.3 | 540 | 37.5 | 28.7 | 31% |
| NOTORIOUS PICTURES | 1.5 | 33 | 6.9 | 5.3 | 30% |
| RELATECH | 2.2 | 84 | 13.5 | 10.5 | 29% |
| FINCANTIERI | 0.6 | 971 | 7.6 | 5.9 | 28% |
| ELICA | 2.9 | 183 | 8.9 | 7.0 | 28% |
| GPI | 12.5 | 228 | 15.7 | 12.4 | 27% |
| SALCEF GROUP | 17.1 | 1,070 | 21.5 | 17.0 | 27% |
| FOS | 3.1 | 20 | 13.3 | 10.5 | 26% |
| CY4GATE | 9.5 | 223 | 19.1 | 15.3 | 25% |
| DOVALUE | 6.1 | 488 | 9.9 | 7.9 | 25% |
| MARR | 13.7 | 913 | 19.0 | 15.2 | 25% |
| PIAGGIO | 2.3 | 839 | 10.2 | 8.2 | 24% |
| TECHNOGYM | 6.3 | 1,272 | 17.4 | 14.2 | 23% |
| AVIO | 10.4 | 275 | 34.7 | 28.3 | 23% |
| INDEL B | 23.8 | 139 | 10.1 | 8.3 | 22% |
| BANCA SISTEMA | 1.9 | 154 | 6.4 | 5.3 | 21% |
| TINEXTA | 23.1 | 1,091 | 18.0 | 15.0 | 20% |

Source: Intermonte SIM and FactSet

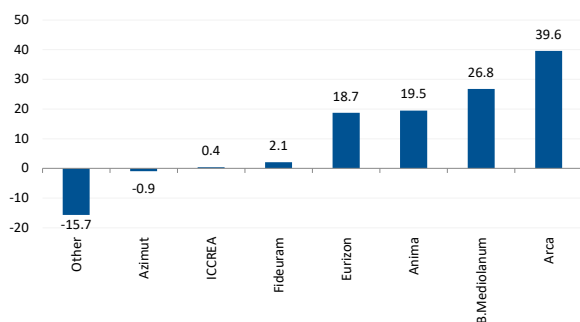
Update on the Individual Savings Plan (PIR)

PIR: official figures for 1Q22

| | 1Q22 (Eu mn) | 4Q21 (Eu mn) | 3Q21 (Eu mn) | 2Q21 (Eu mn) | Net Inflows | | | | | Nr. Of Funds at March 2022 | | Invested Capital at March 2022 | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|-------|-----------------------------------|-------|
| | | | | | 1Q21 (Eu mn) | FY21 (Eu mn) | FY20 (Eu mn) | FY19 (Eu mn) | FY18 (Eu mn) | # Funds | % | (Eu mn) | in % |
| Ordinary PIR | 160 | 380 | 155 | 106 | (316) | 323 | (759) | (1,097) | 3,950 | 86 | 31.4% | 19,791 | |
| Alternative PIR | 83 | 665 | | | | | | | | 16 | | 1,812 | |
| EQUITY FUNDS | (12) | 154 | 40 | 109 | (23) | 280 | (281) | (369) | 349 | 27 | 31.4% | 5,853 | 29.6% |
| BALANCED FUNDS | 147 | 177 | 103 | 43 | (109) | 214 | (321) | (587) | 2,525 | 26 | 30.2% | 8,711 | 44.0% |
| FIXED INCOME FUNDS | (10) | 7 | 7 | 4 | (1) | 17 | (1) | (20) | 10 | 4 | 4.7% | 222 | 1.1% |
| FLEXIBLE FUNDS | 36 | 41 | 6 | (50) | (184) | (187) | (160) | (121) | 1,067 | 14 | 16.3% | 5,013 | 25.3% |
| CLOSED-END FUNDS | 83 | | | | | | | | | 15 | 17.4% | 1,804 | 9.1% |

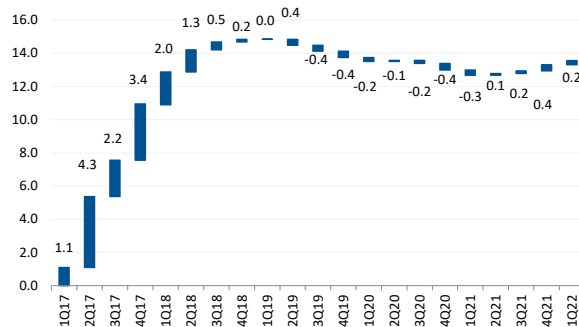
Source: Assogestioni, Quarterly Report, May 2022

Ordinary PIR - Net inflows by asset manager (Eu mn, 1Q22)



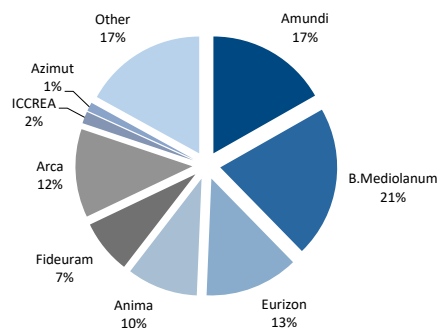
Source: Assogestioni

Ordinary PIR – Inflows by quarter (Eu bn)



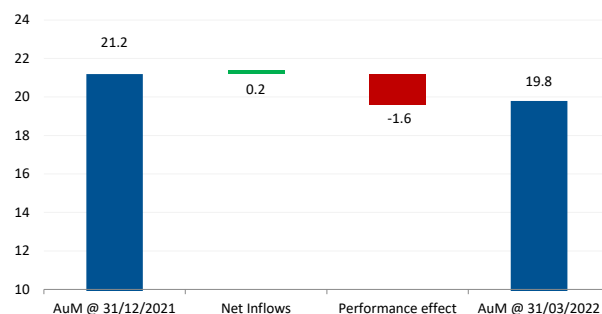
Source: Intermonte SIM estimates, Assogestioni

Ordinary PIR – Market share by asset manager (on AuM at 31/03/22)



Source: Assogestioni

Ordinary PIR – Inflows and total AuM (Eu bn)



Source: Assogestioni

PIR inflows in 1Q22 consistent with preliminary indications

On 18 May 2022, Assogestioni released updated figures on 1Q22 PIR inflows in its quarterly review. Assogestioni has changed its reporting and now also releases inflow data for alternative PIR: in 1Q22 ordinary PIRs collected Eu160.2mn, while Alternative PIRs recorded inflows of Eu83.4mn. In terms of AuM, ordinary PIRs have Eu19.8bn under management, while Eu1.8bn is invested in alternative PIR funds. Looking at ordinary PIRs, quarterly net inflows of Eu160.2mn prolonged the number of quarters witnessing positive trends that began in 2Q21. The figure was better than the data released by *Sole 24 Ore's* 'Osservatorio PIR' ('PIR Monitor'), which estimated inflows of about Eu116mn, of which Eu63.5mn in January, Eu37.7mn in February, and Eu15.2mn in March. According to PIR Monitor, inflows in April slowed down considerably, with the net balance remaining positive by just €0.7mn. As we anticipated, the recent volatility and uncertainty on the markets are likely to have had a negative impact on inflows.

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.

"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 |
|---------------------------|---|---|
| Investor Target | Retail Investors | Semi-institutional investors |
| Main Investment Focus | Mid and Small Caps | Small and Micro Caps, Privately held SMEs |
| Type of Fund | Open-end Funds | Closed-End Funds, such as ELTIF, private equity funds, private debt funds |
| Max per capita investment | Eu30,000 a year (max Eu150,000) | Eu300,000 a year (max Eu1.5mn) |
| Concentration limit | Up to 10% | Up to 20% |
| Investment Criteria | 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. |
| Fiscal benefits | 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 ordinary PIRs

Recent market volatility and uncertainty are expected to continue, at least in the short term, and are likely to limit inflows in the coming months. As for our 2022 inflow forecasts, we already pointed out they were based on overly aggressive assumptions. In light of the current scenario and official Assogestioni figures related to 1Q22, we have taken a more prudent stance: our new estimate of 2022 inflows of Eu838mn still implies that the next three quarters will witness overall inflows of almost Eu680mn. 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.

Main assumptions behind our current estimates are as follows:

- For 2022, we assume gross inflows from new PIR subscribers of Eu600mn;
- 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 2022 and beyond.

PIR – Our assumptions

| | 2016A | 2017A | 2018A | 2019A | 2020A | 2021A | 2022E | 2023E |
|--|----------------|------------------|----------------|------------------|--------------|------------|---------------|---------------|
| Mutual Funds AUM (Eu mn) | 900,318 | 1,011,183 | 955,114 | 1,071,299 | | | | |
| PIR Net Inflows (Eu mn) | | 10,903 | 3,950 | (1,097) | (759) | 323 | 838 | 1,886 |
| <i>YoY Growth</i> | | | <i>-63.8%</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>159.5%</i> | <i>125.0%</i> |
| o/w From Continuing Subs. (estimated) | | | | | | | 793 | 970 |
| o/w From New Subscribers (estimated) | | | | | | | 600 | 1,500 |
| o/w Transformation of Existing Funds/Exit from PIR (est) | | | | | | | (555) | (584) |

Source: Intermonte SIM

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

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price / sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX 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/DislosuresASP>

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