

# Italian Mid Small Caps Monthly

## Strong Reporting Season Needed to Sustain Market Rally

by Intermonte Research Team

Italian Equity Market

- **Performance (=/-).** The Italian equity market (prices as at 15 February 2023) has grown 6.7% in the last month and is up 15.8% YtD. The FTSE Italy Mid-Cap index (+6.6%) has underperformed the main index by just 0.2% in the last month (-2.1% YtD on a relative basis), with the FTSE Italy Small Caps index (+3.8%) performing 2.9% worse than the market in the last month, and -6.4% on a relative basis since the beginning of 2023. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 3.3% in the last month, underperforming Italian mid-caps.
- **Estimates (+).** Since the beginning of 2023, we have implemented a +2.4% upward revision to our 2023 EPS estimates, while the revision has been more limited (+1.6%) on 2024 EPS; focusing on our mid/small cap coverage, we have raised 2023 EPS by 2.7% since 1 January 2023. These changes have almost entirely been implemented in the last month, when we have lifted 2023 and 2024 EPS forecasts for our mid/small cap coverage by 2.6%. Our new estimates are consistent with a slightly improved macro scenario.
- **Valuations (+).** If we compare YtD performance to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 13.8% re-rating YtD (the same metric was +8.9% one month ago); mid-caps have re-rated by 10.8%, while small caps have re-rated by 8.7%. On a P/E basis, our panel is trading at a 39% premium to large caps, well above the historical average premium (17%) but below the level one month ago (41%).
- **Liquidity (+).** Looking at official Italian index trends, we note that liquidity for large caps in the last month (as measured by multiplying average volumes by average prices in a specific period) is below the yearly average, coming in 7.5% lower than the 1Y average, although this was an improvement on one month ago when the same metric showed a -27.0% drop. Liquidity for mid-caps also showed a more limited contraction than one month ago, being down -16.7%, while for small caps the same metric has decreased by 8.7%.
- **Investment strategy.** The beginning of 2023 saw a stronger-than-expected rise in stock markets, especially the Italian market. In this context, mid/small caps grew less than large caps. However, our perception is that institutional investor interest in this asset class is returning, especially in view of the expectation that growth stocks will start to outperform again in 2H23. The Italian political situation seems very clear, especially after the recent regional elections, and the government should have relatively calm months ahead. This factor could further support resumed interest from foreign investors in quality Italian mid/small caps. To date, we can also glimpse a decent pipeline of possible IPOs on the Italian market, which could be another positive factor. In the short term, we think share market performance needs the support of a convincing earnings season after the excellent recent rally.

*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

### Small caps underperformed large and mid-caps in a very positive month

The Italian equity market (prices as at 15 February 2023) has grown 6.7% in the last month and is up 15.8% YtD. The FTSE Italy Mid-Cap index (+6.6%) has underperformed the main index by just 0.2% in the last month (-2.1% YtD on a relative basis), with the FTSE Italy Small Caps index (+3.8%) performing 2.9% worse than the market in the last month, and -6.4% on a relative basis since the beginning of 2023.

#### Italian Market Indexes – performance analysis (prices as at 15<sup>th</sup> February 2023)

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	44,789	6.6%	11.6%	9.2%	13.8%	-4.1%	8.3%	8.1%	7.2%
FTSE Italia Small Cap	30,350	3.8%	7.7%	1.3%	9.4%	-2.6%	28.0%	34.0%	31.6%
FTSE Italia Star	50,733	3.6%	5.9%	2.1%	9.6%	-9.7%	4.1%	25.7%	35.5%
FTSE AIM ITALIA	9,671	1.9%	2.7%	-2.0%	4.5%	-9.3%	20.4%	24.1%	2.3%
FTSE Italia All-Share	29,789	6.7%	11.4%	18.5%	15.8%	1.4%	15.8%	10.3%	20.4%
FTSE MIB	27,534	6.8%	11.5%	19.9%	16.1%	2.1%	16.6%	10.7%	22.4%
<b>Relative Performance vs FTSE Italy All Share</b>		<b>% Change 1 Month</b>	<b>% Change 3 Months</b>	<b>% Change 6 Months</b>	<b>% Change YTD</b>	<b>% Change 1 Year</b>	<b>% Change 2 Years</b>	<b>% Change 3 Years</b>	<b>% Change 5 Years</b>
FTSE Italia Mid Cap		-0.2%	0.1%	-9.3%	-2.1%	-5.5%	-7.4%	-2.3%	-13.2%
FTSE Italia Small Cap		-2.9%	-3.7%	-17.3%	-6.4%	-4.0%	12.2%	23.6%	11.2%
FTSE Italia Star		-3.2%	-5.5%	-16.4%	-6.2%	-11.1%	-11.7%	15.4%	15.2%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 3.3% in the last month, underperforming Italian mid-caps.

#### European Market Indexes – performance analysis

Index	Price	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years	% Change 3 Years	% Change 5 Years
MSCI Europe	156	2.6%	7.0%	5.5%	9.4%	-0.2%	12.2%	8.2%	22.8%
MSCI Europe Small Cap	419	3.3%	6.3%	-0.6%	10.2%	-9.9%	-5.6%	1.0%	12.9%

Source: FactSet

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

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

<b>Best Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
EXPERT.AI	0.89	55	48%
GEOX	1.12	291	34%
TXT E-SOLUTIONS	17.46	227	31%
PIAGGIO	3.81	1,363	29%
CEMENTIR	8.08	1,286	27%
THE ITALIAN SEA GROUP	7.03	373	21%
CYBEROO	5.50	110	21%
ALKEMY	13.02	74	19%
BRUNELLO CUCINELLI	81.40	5,535	19%
WIIT	21.04	590	18%
WEBUILD	1.73	1,740	18%
BREMBO	13.38	4,468	17%
LU-VE	31.40	698	17%
SABABA SECURITY	3.95	29	16%
BFF BANK	9.71	1,802	15%
MAIRE TECNIMONT	3.76	1,235	14%
INTERCOS	14.15	1,362	13%
CREDITO EMILIANO	8.08	2,758	13%
OVS GROUP	2.63	765	12%
TESMEC	0.17	100	12%
<b>FTSE Italia Mid Cap</b>			7%
<b>FTSE Italia Small Cap</b>			4%
<b>FTSE MIB</b>			7%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
IGD	2.77	306	-16%
SAFILO	1.36	562	-15%
SOMECH	30.20	208	-10%
IEG	2.36	73	-8%
DATALOGIC	8.77	513	-8%
UNIDATA	48.00	122	-7%
EMAK	1.16	191	-6%
MARR	11.66	776	-6%
AQUAFIL	5.95	255	-6%
ELICA	2.91	184	-5%
GPI	13.60	393	-5%
IREN	1.65	2,147	-5%
PHARMANUTRA	60.30	584	-4%
DE' LONGHI	22.00	3,323	-4%
MATICA FINTEC	2.64	29	-3%
SALCEF GROUP	18.02	1,124	-2%
ENAV	4.17	2,257	-2%
AUTOGRILL	6.58	2,534	-2%
ABITARE IN	5.92	157	-2%
INDEL B	24.50	143	-2%

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>
EXPERT.AI	0.89	55	43%
SAES GETTERS	33.50	686	42%
GEOX	1.12	291	40%
TXT E-SOLUTIONS	17.46	227	36%
PIAGGIO	3.81	1,363	36%
CEMENTIR	8.08	1,286	32%
BFF BANK	9.71	1,802	31%
CYBEROO	5.50	110	31%
SARAS	1.49	1,413	29%
BREMO	13.38	4,468	28%
WEBUILD	1.73	1,740	26%
OVS GROUP	2.63	765	25%
THE ITALIAN SEA GROUP	7.03	373	24%
CREDITO EMILIANO	8.08	2,758	22%
MAIRE TECNIMONT	3.76	1,235	21%
FINCANTIERI	0.64	1,081	20%
BANCA IFIS	15.93	857	20%
TOD'S	36.14	1,196	19%
SCIUKER FRAMES	8.38	182	19%
ALKEMY	13.02	74	18%
<b>FTSE Italia Mid Cap</b>			14%
<b>FTSE Italia Small Cap</b>			9%
<b>FTSE MIB</b>			16%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
IGD	2.77	306	-11%
SAFILO	1.36	562	-11%
SOMECA	30.20	208	-7%
GPI	13.60	393	-6%
IEG	2.36	73	-4%
FINE FOODS	8.02	177	-4%
PHARMANUTRA	60.30	584	-3%
AQUAFIL	5.95	255	-3%
INDEL B	24.50	143	-2%
ELICA	2.91	184	-2%
EMAK	1.16	191	0%
RAI WAY	5.46	1,485	1%
DEA CAPITAL	1.50	399	1%
CIVITANAVI SYSTEMS	3.50	108	1%
REEVO	14.00	71	2%
AUTOGRILL	6.58	2,534	2%
MARR	11.66	776	2%
MATICA FINTEC	2.64	29	3%
SECO	5.50	653	3%
UNIDATA	48.00	122	3%

Source: FactSet

## Earnings Momentum

### Forecasts for our mid/small cap coverage raised in the last month

Since the beginning of 2023, we have implemented a +2.4% upward revision to our 2023 EPS estimates, with a more limited revision (+1.6%) on 2024 EPS; focusing on our mid/small cap coverage, we have raised 2023 EPS by 2.7% since 1 January 2023. These changes were almost entirely implemented in the last month, when we lifted 2023 and 2024 EPS forecasts for our mid/small cap coverage by 2.6%. Our new estimates are consistent with a slightly improved macro scenario.

#### Italian Market – Intermonte changes to 2022 and 2023 estimates

EPS REVISION	Since January 1st 2023		Since 17/1/2023	
	% chg in EPS FY23	% chg in EPS FY24	% chg in EPS FY23	% chg in EPS FY24
<b>Total Market</b>	<b>2.4%</b>	<b>1.6%</b>	<b>2.4%</b>	<b>1.6%</b>
<b>Total Market - Ex Energy</b>	<b>3.2%</b>	<b>2.0%</b>	<b>3.2%</b>	<b>2.0%</b>
Domestic	5.2%	1.8%	5.2%	1.8%
Non domestic	-0.5%	1.3%	-0.5%	1.3%
Non domestic - Ex Energy	0.0%	2.3%	0.1%	2.4%
<b>FTSE MIB</b>	<b>2.4%</b>	<b>1.5%</b>	<b>2.4%</b>	<b>1.5%</b>
<b>Mid Caps (our coverage)</b>	<b>2.9%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>2.8%</b>
<b>Small Caps (our coverage)</b>	<b>0.7%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.2%</b>
Intermonte Mid&Small Caps coverage	2.7%	2.8%	2.6%	2.6%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2023 adjusted net profit estimates YtD.

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

Stock	Restated Net Profit 23 as of 31/12/22	Restated net profit 23 last estimate	% chg from 31/12/22
<b>Upward Revision</b>			
GEOX	9	16	86.4%
AUTOGRILL	108	149	38.7%
CREDITO EMILIANO	294	358	21.8%
SARAS	279	330	18.3%
BRUNELLO CUCINELLI	90	100	11.1%
OVS GROUP	59	65	10.6%
LU-VE	33	36	7.0%
TXT E-SOLUTIONS	13	14	6.1%
CEMENTIR	158	166	5.2%
THE ITALIAN SEA GROUP	34	35	2.1%
<b>Downward Revision</b>			
FERRAGAMO	50	47	-7.7%
ELICA	24	22	-7.7%
ABITARE IN	35	33	-5.3%
CY4GATE	14	14	-4.5%
UNIPOLSAI	742	717	-3.3%
BFF BANK	185	181	-2.1%

Source: Intermonte SIM

## Valuation

### Mid/small cap valuation premium decreased in the last month

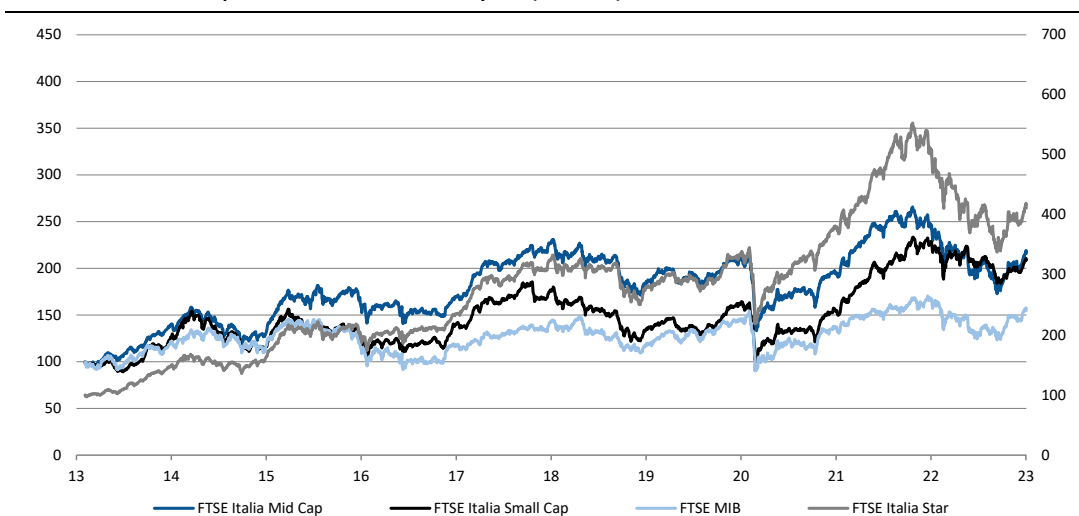
If we compare YtD performance to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 13.8% re-rating YtD (the same metric was +8.9% one month ago); mid-caps have re-rated by 10.8%, while small caps have re-rated by 8.7%.

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

Index	% Change YTD	on FY23 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	16.1%	2.4%	13.8%
FTSE Italia Mid Cap	13.8%	2.9%	10.8%
FTSE Italia Small Cap	9.4%	0.7%	8.7%

Source: Intermonte SIM and FactSet

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

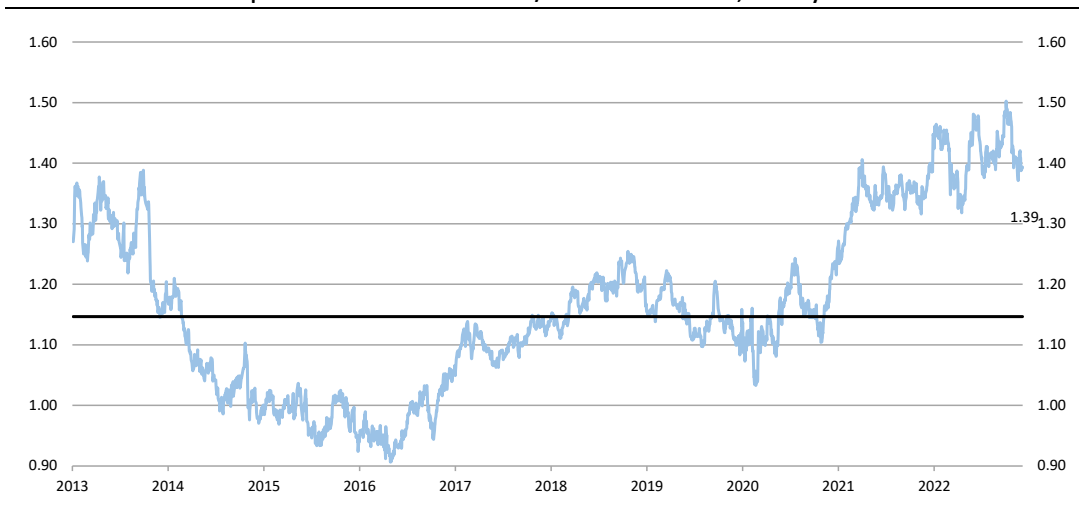


Source: FactSet

In addition to our analysis of the main Italian market indices, we have also compared valuations for our panel of Italian mid/small caps against the main FTSE MIB index.

**On a P/E basis, our panel is trading at a 39% premium to large caps, well above the historical average premium (17%) but below the level one month ago (41%).**

#### 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 2022 estimates.

#### European Market – Valuations

	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/E23	P/E23 vs Italian Equivalent	Last 10Y Median	Premium vs Avg
<b>FTSE MIB</b>	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	8.6 x	8.8 x	-	15.7 x	-43.8%
<b>FTSE Italy Mid</b>	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	15.5 x	13.6 x	-	18.3 x	-25.8%
<b>FTSE Italy Smz</b>	35.8 x	23.9 x	60.5 x	34.2 x	nm	nm	18.9 x	14.5 x	nm	51.5 x	20.2 x	14.9 x	12.5 x	-	18.9 x	-34.1%
<b>Germany DA</b>	11.3 x	14.6 x	16.5 x	12.9 x	15.5 x	14.3 x	14.2 x	14.8 x	20.5 x	20.8 x	13.1 x	12.4 x	12.8 x	44.9%	14.3 x	-10.5%
<b>Germany MD</b>	30.2 x	28.8 x	24.4 x	16.7 x	19.7 x	21.6 x	16.3 x	21.0 x	55.5 x	43.8 x	26.6 x	16.4 x	16.0 x	17.9%	20.3 x	-21.1%
<b>France CAC 40</b>	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	28.6 x	15.6 x	13.1 x	13.9 x	58.1%	16.0 x	-13.0%
<b>France CAC M</b>	18.2 x	23.1 x	26.0 x	20.4 x	20.4 x	36.8 x	16.2 x	15.6 x	623.1 x	-31.9 x	20.2 x	13.3 x	12.6 x	-7.2%	18.2 x	-30.7%
<b>France CAC S</b>	n.m.	28.5 x	24.9 x	25.3 x	26.5 x	32.9 x	31.0 x	32.6 x	-56.1 x	-77.1 x	45.0 x	23.8 x	20.1 x	61.6%	25.9 x	-22.2%
<b>FTSE 100</b>	12.2 x	15.0 x	14.8 x	15.3 x	18.2 x	14.7 x	13.2 x	12.6 x	21.8 x	21.1 x	13.0 x	10.5 x	10.9 x	23.7%	14.0 x	-21.9%
<b>FTSE 250</b>	16.1 x	19.0 x	19.8 x	17.3 x	16.5 x	14.6 x	12.7 x	13.4 x	43.1 x	43.8 x	21.2 x	14.3 x	12.2 x	-10.7%	15.5 x	-21.8%
<b>IBEX 35</b>	18.8 x	19.5 x	19.9 x	19.4 x	15.8 x	13.3 x	13.7 x	13.0 x	32.1 x	34.8 x	11.9 x	10.8 x	12.0 x	35.6%	13.5 x	-11.7%
<b>IBEX MEDIUM</b>	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	20.4 x	15.4 x	14.5 x	13.9 x	2.3%	18.0 x	-22.5%

Source: Intermonte SIM and FactSet

**Intermonte Mid & Small Cap Coverage – de-rating/re-rating on 2023 estimates since Jan 2022**

Stock	Restated Net Profit 23 as of 31/12/22	Restated net profit 23 last estimate	% Chg in Net Profit 23	Share Price perf. 31/12/22	De-rating(-) Re-rating(+)
EXPERT.AI	-5.6	-5.6	0%	43%	43%
SAES GETTERS	33.1	33.1	0%	42%	42%
BFF BANK	185.3	181.3	-4%	31%	35%
PIAGGIO	91.4	93.3	3%	36%	33%
CYBEROO	9.1	9.1	0%	31%	31%
TXT E-SOLUTIONS	13.3	14.1	7%	36%	29%
BREMBO	281.8	281.8	0%	28%	28%
CEMENTIR	157.6	165.9	4%	32%	28%
WEBUILD	153.4	153.4	0%	26%	26%
THE ITALIAN SEA GROUP	34.3	35.1	1%	24%	23%
MAIRE TECNIMONT	105.6	105.6	0%	21%	21%
FINCANTIERI	126.0	126.0	0%	20%	20%
BANCA IFIS	121.1	121.1	0%	20%	20%
SCIUKER FRAMES	30.0	30.0	0%	19%	19%
ALKEMY	6.9	6.9	0%	18%	18%
SERI INDUSTRIAL	11.6	11.6	0%	18%	18%
TESMEC	16.4	16.4	0%	18%	18%
SABABA SECURITY	2.4	2.4	0%	18%	18%
CY4GATE	14.5	13.8	-5%	12%	17%
MEDIA FOR EUROPE	217.1	217.1	0%	16%	16%
TECHNOGYM	90.2	90.2	0%	16%	16%
OVS GROUP	58.6	64.8	9%	25%	15%
SERVIZI ITALIA	6.5	6.5	0%	15%	15%
REPLY	204.8	204.8	0%	15%	15%
FERRAGAMO	50.4	46.5	-6%	9%	15%
WIIT	19.3	19.3	3%	17%	14%
ANIMA	175.3	174.0	-2%	11%	14%
SESA	100.5	100.5	0%	13%	13%
IREN	257.5	257.5	0%	12%	12%
INTERCOS	56.5	56.5	0%	11%	11%
EL.EN.	62.8	62.8	0%	11%	11%
OMER	6.7	6.7	0%	11%	11%
ESPRINET	59.5	59.5	0%	11%	11%
ACEA	304.0	304.0	0%	10%	10%
FILA	45.8	45.8	0%	9%	9%
TOD'S	34.4	34.5	11%	19%	9%
TINEXTA	58.7	58.7	0%	8%	8%
DOVALUE	56.8	56.8	0%	8%	8%
ABITARE IN	34.5	32.7	-4%	3%	7%
ILBE	14.2	14.2	0%	7%	7%
UNIPOLSAI	741.8	717.4	-2%	4%	6%
ELICA	24.1	22.3	-8%	(2%)	6%
MONDADORI	56.3	56.3	0%	6%	6%
BANCA SISTEMA	27.9	27.9	0%	6%	6%
DATALOGIC	31.7	31.7	0%	5%	5%
ENAV	107.8	107.8	0%	5%	5%
GREENTHESIS	15.7	15.7	0%	5%	5%
AVIO	3.6	3.6	0%	5%	5%
NOTORIOUS PICTURES	5.5	5.5	0%	5%	5%
DE' LONGHI	217.0	217.0	0%	5%	5%
BRUNELLO CUCINELLI	90.3	100.3	13%	18%	5%
LU-VE	33.3	35.6	8%	12%	4%
SALCEF GROUP	64.7	64.7	0%	3%	3%
UNIDATA	9.7	9.7	0%	3%	3%
MATICA FINTEC	2.8	2.8	0%	3%	3%
MARR	51.4	51.4	0%	2%	2%
CREDITO EMILIANO	293.9	358.0	20%	22%	2%
REEVO	2.3	2.3	0%	2%	2%
CIVITANAVI SYSTEMS	7.3	7.3	0%	1%	1%
RAI WAY	79.9	79.9	0%	1%	1%
EMAK	27.1	27.1	0%	(0%)	(0%)
INDEL B	16.1	16.1	0%	(2%)	(2%)
AQUAFIL	25.5	25.5	0%	(3%)	(3%)
PHARMANUTRA	14.5	14.5	0%	(3%)	(3%)
SARAS	278.9	330.1	33%	29%	(4%)
FINE FOODS	8.3	8.3	0%	(4%)	(4%)
IEG	10.1	10.1	0%	(4%)	(4%)

Source: Intermonte SIM



## Liquidity

### Mid/small cap liquidity remained weak but improved compared to one month ago

Looking at official Italian index trends, we note that liquidity for large caps in the last month (as measured by multiplying average volumes by average prices in a specific period) is below the yearly average, coming in 7.5% lower than the 1Y average, although this was an improvement on one month ago when the same metric showed a -27.0% drop. Liquidity for mid-caps also showed a more limited contraction than one month ago, down -16.7%, while for small caps the same metric has decreased by 8.7%.

#### Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn)					% Changes	
	1M	3M	6M	1Y	3Y	1M vs 1Y	3M vs 1Y
<b>FTSE MIB</b>							
All stocks	50.56	43.40	41.69	46.93	50.84	7.7%	(7.5%)
Top 20% by market cap	155.56	132.96	131.41	147.33	154.01	5.6%	(9.8%)
<b>FTSE Italia Mid Cap</b>							
All stocks	2.72	2.01	1.95	2.41	2.83	12.8%	(16.7%)
Top 20% by market cap	5.45	4.03	3.91	5.27	5.93	3.4%	(23.5%)
<b>FTSE Italia Small Cap</b>							
All stocks	0.24	0.20	0.18	0.22	0.33	12.6%	(8.7%)
Top 20% by market cap	0.63	0.53	0.44	0.50	0.71	25.8%	6.3%

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)
SARAS	1,413	9,571,074
TOD'S	1,196	5,546,666
BFF BANK	1,802	4,865,695
REPLY	4,587	4,101,571
BRUNELLO CUCINELLI	5,535	3,944,274
ANIMA	1,445	3,410,467
AUTOGRILL	2,534	3,293,922
OVS GROUP	765	2,821,975
FERRAGAMO	3,028	2,814,870
BREMBO	4,468	2,718,259
IREN	2,147	2,511,603
UNIPOLSAI	6,791	2,157,158
TECHNOGYM	1,665	2,088,374
DE' LONGHI	3,323	2,051,263
WEBUILD	1,740	1,974,325
SESA	2,036	1,950,706
MAIRE TECNIMONT	1,235	1,877,598
BANCA IFIS	857	1,746,014
ACEA	3,033	1,567,621
CREDITO EMILIANO	2,758	1,472,436
PIAGGIO	1,363	1,434,108
ENAV	2,257	1,073,669
TINEXTA	1,166	1,062,119
AVIO	265	928,156
EL.EN.	1,265	927,402
SECO	653	896,795
TIP	1,462	880,980
ESPRINET	376	854,291
DATALOGIC	513	835,542

Source: FactSet

## Criteria for investing in mid/small caps

### Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY22)

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>	61%	19%	10%	1%	5%	3%

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 23	DPS 23	Yield 23 %	PayOut 23 %	Net Debt/EBITDA 23
IGD	2.8	306	0.639	0.340	12.3%	53%	8.9x
BFF BANK	9.7	1,802	0.978	0.978	10.1%	100%	
DOVALUE	7.7	618	0.710	0.720	9.3%	101%	1.8x
ESPRINET	7.5	376	1.188	0.594	8.0%	50%	-2.1x
BANCA IFIS	15.9	857	2.251	1.200	7.5%	53%	
UNIPOLSAI	2.4	6,791	0.258	0.170	7.1%	66%	
NOTORIOUS PICTURES	1.5	34	0.245	0.098	6.5%	40%	1.0x
IREN	1.7	2,147	0.198	0.105	6.4%	53%	3.8x
ANIMA	4.2	1,445	0.526	0.250	6.0%	48%	
ACEA	14.2	3,033	1.427	0.851	6.0%	60%	3.4x
MEDIA FOR EUROPE	0.7	1,571	0.080	0.039	5.9%	48%	1.1x
EMAK	1.2	191	0.166	0.066	5.7%	40%	2.2x
MONDADORI	1.9	499	0.216	0.104	5.5%	48%	1.2x
SARAS	1.5	1,413	0.347	0.080	5.4%	23%	-0.3x
RAI WAY	5.5	1,485	0.294	0.293	5.4%	100%	0.9x
BANCA SISTEMA	1.6	130	0.347	0.087	5.4%	25%	
MARR	11.7	776	0.773	0.618	5.3%	80%	1.5x
SCIUKER FRAMES	8.4	182	1.383	0.415	5.0%	30%	-0.5x
MAIRE TECNIMONT	3.8	1,235	0.321	0.183	4.9%	57%	-0.1x
PIAGGIO	3.8	1,363	0.263	0.184	4.8%	70%	1.2x
ENAV	4.2	2,257	0.199	0.190	4.6%	95%	1.2x
CREDITO EMILIANO	8.1	2,758	1.049	0.360	4.5%	34%	
DEA CAPITAL	1.5	399	0.030	0.060	4.0%	200%	2.6x
AQUAFIL	6.0	255	0.498	0.227	3.8%	46%	2.3x
GPI	13.6	393	0.759	0.500	3.7%	66%	2.0x
THE ITALIAN SEA GROUP	7.0	373	0.662	0.258	3.7%	39%	0.0x
IEG	2.4	73	0.327	0.080	3.4%	24%	2.5x
CEMENTIR	8.1	1,286	1.043	0.260	3.2%	25%	-0.6x
WEBUILD	1.7	1,740	0.155	0.055	3.2%	36%	-0.9x
SOMECC	30.2	208	1.831	0.916	3.0%	50%	1.6x

Source: Intermonte SIM and FactSet

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

Stock	Price (Eu)	Mkt Cap (Eu mn)	P/E 23	P/E 24	EPS Growth
AVIO	10.1	265	75.6	23.4	223%
GEOX	1.1	291	18.2	8.9	105%
SERI INDUSTRIAL	6.2	334	26.1	14.7	78%
TOD'S	36.1	1,196	34.7	19.9	74%
FERRAGAMO	17.9	3,028	65.1	37.4	74%
CYBEROO	5.5	110	12.7	7.3	72%
SABABA SECURITY	3.9	29	12.3	7.7	60%
FINE FOODS	8.0	177	24.6	15.4	60%
SECO	5.5	653	23.8	15.5	53%
SOMECC	30.2	208	16.5	10.8	53%
NOTORIOUS PICTURES	1.5	34	6.1	4.2	47%
SERVIZI ITALIA	1.4	43	6.7	4.6	43%
REEVO	14.0	71	31.3	23.4	34%
THE ITALIAN SEA GROUP	7.0	373	10.6	8.0	33%
AUTOGRILL	6.6	2,534	17.0	12.8	32%
TECHNOGYM	8.3	1,665	18.4	14.2	30%
IEG	2.4	73	7.2	5.6	30%
GPI	13.6	393	17.9	13.9	29%
CIVITANAVI SYSTEMS	3.5	108	14.7	11.4	29%
UNIDATA	48.0	122	12.6	9.8	29%
FINCANTIERI	0.6	1,081	8.6	6.8	26%
WIIT	21.0	578	30.5	24.4	25%
INDEL B	24.5	143	8.9	7.1	25%
ESPRINET	7.5	376	6.3	5.0	25%
WEBUILD	1.7	1,740	11.2	9.0	24%
MATICA FINTEC	2.6	29	10.1	8.1	24%
ALKEMY	13.0	74	10.7	8.8	22%
DATALOGIC	8.8	513	16.2	13.3	21%
MARR	11.7	776	15.1	12.5	21%
DE' LONGHI	22.0	3,323	15.2	12.7	20%
PIAGGIO	3.8	1,363	14.5	12.1	19%
SALCEF GROUP	18.0	1,124	17.4	14.6	19%
AQUAFIL	6.0	255	12.0	10.1	19%
OVS GROUP	2.6	765	11.8	10.0	18%
TESMEC	0.2	100	6.0	5.1	17%
PHARMANUTRA	60.3	584	40.2	34.4	17%
SESA	131.4	2,036	20.3	17.5	16%
BANCA IFIS	15.9	857	7.1	6.1	15%
EMAK	1.2	191	7.0	6.1	15%

Source: Intermonte SIM and FactSet

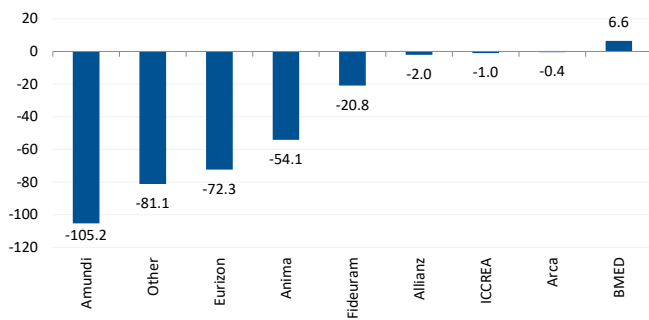
## Update on the Individual Savings Plan (PIR)

PIR: official figures for 3Q22

	3Q22 (Eu mn)	2Q22 (Eu mn)	1Q22 (Eu mn)	4Q21 (Eu mn)	3Q21 (Eu mn)	FY21 (Eu mn)	FY20 (Eu mn)	FY19 (Eu mn)	FY18 (Eu mn)	Nr. Of Funds at September 2022		Invested Capital at September 2022	
										# Funds	%	(Eu mn)	in %
Ordinary PIR	(330)	(196)	160	380	155	323	(759)	(1,097)	3,950	64	40.6%	16,477	28.6%
Alternative PIR	15	153	83	665						13		1,449	
<b>EQUITY FUNDS</b>	(128)	(78)	(12)	154	40	280	(281)	(369)	349	26	40.6%	4,708	28.6%
<b>BALANCED FUNDS</b>	(192)	(121)	147	177	103	214	(321)	(587)	2,525	22	34.4%	7,248	44.0%
<b>FIXED INCOME FUNDS</b>	(2)	(3)	(10)	7	7	17	(1)	(20)	10	4	6.3%	192	1.2%
<b>FLEXIBLE FUNDS</b>	(7)	7	36	41	6	(187)	(160)	(121)	1,067	13	20.3%	4,337	26.3%
<b>CLOSED-END FUNDS</b>	14	153	83							12	18.8%	1,442	8.8%

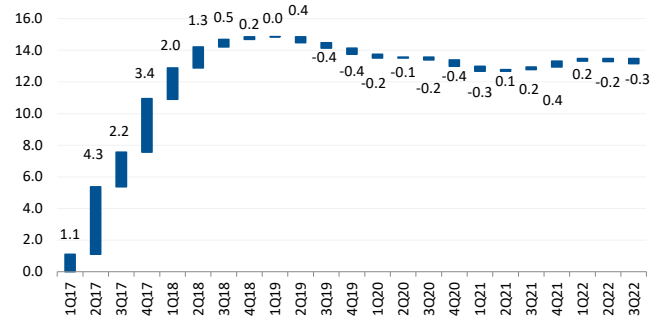
Source: Assogestioni, Quarterly Report, November 2022

### Ordinary PIR - Net inflows by asset manager (Eu mn, 3Q22)



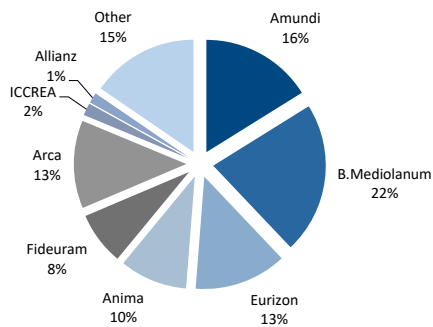
Source: Assogestioni

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



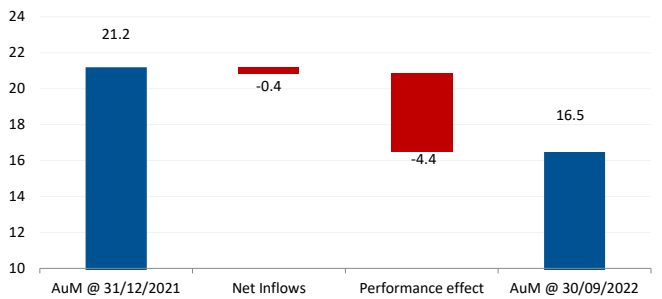
Source: Intermonte SIM estimates, Assogestioni

### Ordinary PIR – Market share by asset manager (on AuM at 30/09/22)



Source: Assogestioni

### Ordinary PIR – Inflows and total AuM (Eu bn)



Source: Assogestioni

## PIR outflows continued in 4Q22

In its quarterly review on 29 November 2022, Assogestioni released updated figures on 3Q22 PIR inflows. During the quarter, ordinary PIRs saw outflows of Eu330.3mn, while Alternative PIRs recorded inflows of Eu14.5mn. In terms of AuM, ordinary PIRs had Eu16.5bn under management, while Eu1.4bn was invested in alternative PIR funds. Looking at ordinary PIRs, quarterly net inflows further deteriorated sequentially compared to 2Q22 and 1Q22, when net inflows were Eu-196mn and Eu160mn respectively. The total balance YtD therefore stands at Eu-366mn. AuM stood at Eu16.5bn, down from Eu17.5bn as at the end of June, due to both outflows and market performance.

The inflow figure is worse than the one disclosed by Il Sole 24 Ore's 'Osservatorio PIR', which estimated Eu244mn of outflows in 3Q22 (with July, August, and September at Eu-63mn, Eu-57mn, and Eu-124mn respectively).

Regarding alternative PIR, inflows in 3Q22 came to Eu14.5mn, decreasing on 2Q22 (Eu153mn) and 1Q22 (Eu83mn), with the YtD figure at Eu251mn, and AuM stable at Eu1.44bn (same figure as at the end of June).

According to 'Osservatorio PIR', outflows continued in October at Eu-92.1mn, in November at Eu-102mn and in December at Eu-92.3mn, that correspond to Eu-286.4mn outflows in 4Q22.

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.

On the other hand, 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).

These alternative instruments are 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 listed 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

Awaiting official Assogestioni data on 4Q22, we are adjusting our 2022 figure to take into account quarterly outflows, as reported by *Il Sole 24 Ore's* 'Osservatorio PIR'. We note that visibility remains low on future estimates, but confirm our more optimistic stance on 2023 vs. 2022 for two main reasons: 1) market performances have been particularly good at the start of the year and this may prompt retail investors to resume equity investments in products such as PIR; 2) much of the outflows in 2022 may have been caused by the expiration of the 5-year period starting in 2017, a year characterised by booming inflows and good market performances of small/mid cap companies, meaning that many investors who entered PIR products in 2017 could have chosen to take profit in 2022 at the expiry of the window for the fiscal benefits. 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 are adjusting inflows to the 'Osservatorio PIR' data of Eu-637mn; for 2023, we assume gross inflows from new PIR subscribers of Eu500mn;
- 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 50% 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 ~3.5% of Assets under Management in 2023 and beyond.

### PIR – Our assumptions

	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E
<b>Mutual Funds AUM (Eu mn)</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>323</b>	<b>(637)</b>	<b>663</b>
<i>YoY Growth</i>			-63.8%	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
o/w From Continuing Subs. (estimated)								696
o/w From New Subscribers (estimated)								500
o/w Transformation of Existing Funds/Exit from PIR (est.)								(532)

Source: Intermonte SIM

**Intermonte Pir Mid Caps Coverage - Trading Multiples (ordered by Stock Name)**

Company	P/E 2023	P/E 2024	EV/EBITDA 2023	EV/EBITDA 2024	Div. Yield 2023	Div. Yield 2024	FCF Yield 2023	FCF Yield 2024	NET DEBT/EBITDA 2023	NET DEBT/EBITDA 2024
ACEA	10.0	9.3	6.3	6.1	6.0%	6.3%	3.2%	6.6%	3.4x	3.3x
ANIMA	7.9	7.5			6.0%	6.7%				
AUTOGRILL	17.0	12.8	4.7	4.0	1.5%	2.0%	8.2%	9.5%	1.5x	1.2x
BANCA IFIS	7.1	6.1			7.5%	8.4%				
BFF BANK	9.9	9.0			10.1%	11.1%				
BREMBO	15.4	14.7	7.1	6.6	2.6%	2.8%	5.6%	5.8%	0.6x	0.4x
BRUNELLO CUCINELLI	55.2	49.0	18.6	16.9	0.9%	1.0%	0.9%	1.1%	2.1x	1.9x
CEMENTIR	7.8	6.9	3.4	2.7	3.2%	3.6%	10.5%	12.7%	-0.6x	-0.9x
CREDITO EMILIANO	7.7	7.1			4.5%	5.6%				
DATALOGIC	16.2	13.3	7.3	6.4	2.9%	3.4%	4.4%	6.3%	0.7x	0.4x
DE' LONGHI	15.2	12.7	7.9	6.4	2.4%	2.8%	4.7%	7.7%	-0.8x	-1.1x
DOVALUE	10.9	9.6	4.8	4.2	9.3%	11.2%	16.5%	19.8%	1.8x	1.3x
EL.EN.	19.8	18.6	11.2	10.3	1.3%	1.3%	5.7%	4.4%	-1.2x	-1.5x
ENAV	20.9	18.6	9.4	8.2	4.6%	4.8%	7.5%	8.1%	1.2x	0.8x
FERRAGAMO	65.1	37.4	9.6	7.7	0.7%	1.2%	-0.5%	1.6%	0.9x	0.7x
FINCANTIERI	8.6	6.8	7.1	6.5	1.8%	3.9%	2.5%	6.2%	3.0x	2.6x
INTERCOS	24.1	21.2	11.0	9.7	1.2%	1.2%	3.1%	3.5%	0.7x	0.4x
IREN	8.3	7.7	5.9	5.6	6.4%	7.0%	-14.3%	-5.8%	3.8x	3.7x
LU-VE	19.6	17.3	10.0	8.9	1.2%	1.3%	3.3%	4.3%	1.6x	1.2x
MAIRE TECNIMONT	11.7	11.5	5.5	5.1	4.9%	4.9%	10.4%	10.3%	-0.1x	-0.4x
MARR	15.1	12.5	8.0	7.1	5.3%	6.4%	1.7%	3.4%	1.5x	1.5x
MEDIA FOR EUROPE	8.1	7.9	3.2	3.0	5.9%	6.1%	16.8%	17.1%	1.1x	0.8x
MONDADORI	8.8	8.7	4.7	4.4	5.5%	5.6%	13.7%	14.0%	1.2x	0.9x
OVS GROUP	11.8	10.0	5.4	4.7	2.2%	2.6%	8.3%	7.3%	0.6x	0.4x
PHARMANUTRA	40.2	34.4	25.0	21.2	1.2%	1.5%	2.5%	2.7%	-0.5x	-0.7x
PIAGGIO	14.5	12.1	5.7	5.1	4.8%	5.8%	5.9%	7.3%	1.2x	1.0x
RAI WAY	18.6	18.0	10.1	9.8	5.4%	5.5%	6.8%	7.0%	0.9x	0.9x
REPLY	22.4	20.1	12.3	10.7	0.9%	1.0%	4.3%	4.8%	-0.8x	-1.2x
SAFILO	15.8		4.2		0.0%		10.6%		0.1x	
SALCEF GROUP	17.4	14.6	8.4	7.1	2.6%	3.1%	3.7%	4.6%	-0.7x	-0.8x
SARAS	4.3	7.1	1.8	2.1	5.4%	5.4%	5.7%	19.9%	-0.3x	-0.8x
SECO	23.8	15.5	13.2	9.5	0.0%	0.0%	2.4%	3.2%	1.8x	1.0x
SESA	20.3	17.5	9.5	7.9	0.9%	1.0%	6.1%	7.6%	-0.4x	-0.7x
TECHNOGYM	18.4	14.2	9.4	7.2	2.7%	3.5%	5.3%	6.2%	-1.0x	-1.1x
TINEXTA	19.8	17.3	12.0	10.3	1.5%	1.7%	4.1%	5.0%	0.0x	-0.4x
TIP										
TOD'S	34.7	19.9	5.8	4.8	0.0%	0.0%	0.4%	3.1%	2.2x	1.8x
UNIPOLSAI	9.3	9.0			7.1%	7.7%				
WEBUILD	11.2	9.0	2.0	1.7	3.2%	3.2%	6.0%	5.6%	-0.9x	-0.9x

**Intermonte Pir Small Caps Coverage - Trading Multiples (ordered by Stock Name)**

Company	P/E 2023	P/E 2024	EV/EBITDA 2023	EV/EBITDA 2024	Div. Yield 2023	Div. Yield 2024	FCF Yield 2023	FCF Yield 2024	NET DEBT/EBITDA 2023	NET DEBT/EBITDA 2024
ABITARE IN	4.8	4.4	3.1	3.4	0.0%	0.0%	72.8%	-19.2%	0.0x	0.6x
ALKEMY	10.7	8.8	7.4	6.2	0.0%	0.0%	7.8%	8.6%	2.0x	1.4x
AQUAFIL	12.0	10.1	5.7	5.0	3.8%	4.6%	10.5%	14.3%	2.3x	1.8x
AVIO	75.6	23.4	7.3	5.3	0.2%	2.0%	-1.1%	6.0%	-0.8x	-0.9x
BANCA SISTEMA	4.7	4.1			5.4%	6.1%				
CIVITANAVI SYSTEMS	14.7	11.4	7.2	5.5	0.0%	0.0%	-2.4%	-0.4%	-1.5x	-1.1x
CY4GATE	17.6	15.6	9.8	8.4	0.0%	0.0%	5.3%	4.0%	-0.3x	-0.6x
CYBEROO	12.7	7.3	7.2	3.8	0.0%	0.0%	4.0%	10.6%	-0.4x	-0.7x
DEA CAPITAL	49.9		15.4		4.0%				2.6x	
ELICA	8.2	7.2	3.8	3.3	2.8%	3.1%	13.0%	11.7%	0.5x	0.2x
EMAK	7.0	6.1	4.8	4.3	5.7%	6.6%	14.9%	13.8%	2.2x	1.8x
ESPRINET	6.3	5.0	7.3	6.1	8.0%	9.9%	6.1%	7.2%	-2.1x	-2.1x
EXPERT.AI	nm	13.5	nm	16.3	0.0%	0.0%	-13.4%	-3.5%	-10.6x	2.5x
FILA	8.5	7.9	7.2	6.6	2.1%	2.3%	8.3%	11.7%	3.2x	2.8x
FINE FOODS	24.6	15.4	9.1	7.0	2.0%	2.6%	10.3%	5.5%	1.2x	0.8x
GEOX	18.2	8.9	6.1	4.9	0.0%	5.6%	2.8%	8.1%	3.2x	2.5x
GPI	17.9	13.9	7.6	6.7	3.7%	3.7%	1.3%	4.6%	2.0x	1.7x
GREENTHESIS	9.7	9.1	7.3	6.3	1.4%	1.7%	3.9%	9.3%	1.5x	1.0x
IEG	7.2	5.6	4.1	3.3	3.4%	4.2%	25.0%	16.3%	2.5x	2.0x
IGD	4.3	4.0	11.7	10.7	12.3%	13.5%	24.9%	27.9%	8.9x	8.2x
ILBE	3.1	3.1	0.7	0.8	0.0%	0.0%	4.3%	11.1%	0.3x	0.3x
INDEL B	8.9	7.1	4.9	3.8	2.9%	4.1%	5.6%	9.8%	0.3x	0.0x
MATICA FINTEC	10.1	8.1	4.7	3.6	0.0%	0.0%	5.7%	9.2%	-0.4x	-0.7x
NOTORIOUS PICTURES	6.1	4.2	2.6	1.9	6.5%	9.6%	4.3%	9.9%	1.0x	0.7x
OMER	11.9	10.4	5.5	4.3	0.0%	0.0%	6.0%	9.3%	-2.2x	-2.6x
REEVO	31.3	23.4	10.9	8.4	0.0%	0.0%	1.6%	3.2%	-1.4x	-1.4x
RELATECH	10.4		5.0		0.0%		4.9%		-0.8x	
SABABA SECURITY	12.3	7.7	8.0	4.5	0.0%	0.0%	-6.9%	-0.1%	-0.5x	-0.3x
SAES GETTERS	22.3	19.4	9.5	5.5	1.4%	1.4%	4.4%	4.5%	-1.3x	-1.4x
SCIUKER FRAMES	6.1	7.4	3.0	2.9	5.0%	4.0%	12.9%	15.2%	-0.5x	-1.1x
SERI INDUSTRIAL	26.1	14.7	9.6	7.2	0.0%	0.0%	0.6%	4.6%	2.6x	1.8x
SERVIZI ITALIA	6.7	4.6	2.6	2.4	0.0%	10.8%	-2.5%	6.1%	1.9x	1.8x
SOMECC	16.5	10.8	7.7	5.5	3.0%	4.6%	8.4%	14.0%	1.6x	0.7x
TESMEC	6.0	5.1	4.1	3.2	0.0%	0.0%	23.6%	29.7%	2.0x	1.3x
THE ITALIAN SEA GROUP	10.6	8.0	6.4	4.5	3.7%	4.7%	6.9%	14.6%	0.0x	-0.5x
TXT E-SOLUTIONS	15.1	13.2	7.8	6.6	0.0%	0.0%	4.9%	7.6%	0.9x	0.3x
UNIDATA	12.6	9.8	6.8	5.7	0.4%	0.5%	3.6%	4.0%	2.0x	1.5x

Source: Intermonte SIM and Factset

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

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