

# Italian Mid Small Caps Monthly

## Bottom-Up Portfolio Selection Should Regain its Importance

by Intermonte Research Team

Italian Equity Market

- **Performance (-).** The Italian equity market (prices as at 17 March 2023) has lost 7.9% in the last month but it is still up 5.6% YtD. The FTSE Italy Mid-Cap index (-6.9%) has outperformed the main index by 1.1% in the last month (-1.8% YtD on a relative basis), with the FTSE Italy Small Caps index (-2.7%) performing 5.2% better than the market in the last month, and -1.3% on a relative basis since the beginning of 2023. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 7.4% in the last month, slightly underperforming Italian mid-caps.
- **Estimates (-).** Since the beginning of 2023, we have implemented a +4.7% upward revision to our 2023 EPS estimates, with a more limited revision (+3.1%) to 2024 EPS; focusing on our mid/small cap coverage, we have raised 2023 EPS by 1.9% since 1 January 2023. Notably, in the last month, we have cut 2023 and 2024 EPS forecasts for our mid/small cap coverage by 2.3% and 1.3% respectively, with small caps seeing a more severe reduction. Our new estimates are consistent with a more volatile macro scenario.
- **Valuations (-).** If we compare the performance YtD to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 2.6% re-rating YtD (the same metric was +13.8% one month ago); mid-caps have re-rated by 3.8%, while small caps have re-rated by 10.8%. On a P/E basis, our panel is trading at a 46% premium to large caps, well above the historical average premium (17%) and above the level one month ago (39%).
- **Liquidity (+).** Looking at official Italian index trends, we note that liquidity for large caps in the last month (measured by multiplying average volumes by average prices in a specific period) is above the yearly average for the first time in several months, at 39.7% higher than the 1Y average, marking an improvement on one month ago when the same metric was down -7.5%. Liquidity for mid-caps also showed a similar improvement at 29.7% above the 1Y average, while for small caps the same metric is +32.1%.
- **Investment strategy.** Recent weeks have seen a worrying liquidity crisis that has spread rapidly from a number of regional US banks and has led to the forced rescue of Credit Suisse. In this scenario, we prefer sectors and stocks that are less exposed to financial fluctuations and to an economic cycle that we expect to deteriorate more quickly due to the risk of tighter credit. Clear expected signs of a macro slowdown should mark a pivot in Central Banks' policies, entailing a portfolio rotation towards stocks such as utilities and growth names that are less cyclically dependent. In Italy, most of the names in this latter category belong to the mid-cap segment, which we expect to regain investors' attention. In the next three days, the Italian Stock Exchange will host its customary STAR Conference and a record number of investor meetings have been booked so far; most of the interest is for growth names exposed to visible industry trends such as the digital revolution, sustainability, the green transition, or healthcare for an ageing population. As we expected, the release of FY22 results has triggered a more selective bottom-up approach that we expect to regain importance in the coming months as well.

*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 and Small caps outperformed large caps in a negative month

The Italian equity market (prices as at 17 March 2023) has lost 7.9% in the last month but it is still up 5.6% YtD. The FTSE Italy Mid-Cap index (-6.9%) has outperformed the main index by 1.1% in the last month (-1.8% YtD on a relative basis), with the FTSE Italy Small Caps index (-2.7%) performing 5.2% better than the market in the last month, and -1.3% on a relative basis since the beginning of 2023.

#### Italian Market Indexes – performance analysis (prices as at 17<sup>th</sup> March 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	41,560	-6.9%	5.4%	13.3%	5.6%	-4.1%	-2.5%	58.9%	-1.8%
FTSE Italia Small Cap	29,420	-2.7%	5.6%	5.1%	6.1%	0.8%	22.1%	104.2%	25.6%
FTSE Italia Star	47,782	-5.2%	3.5%	11.8%	3.3%	-12.0%	-1.3%	79.1%	26.9%
FTSE AIM ITALIA	9,185	-4.7%	-1.6%	-1.1%	-0.7%	-10.5%	11.3%	50.9%	-2.7%
FTSE Italia All-Share	27,606	-7.9%	7.4%	14.9%	7.3%	4.6%	4.5%	65.5%	9.8%
FTSE MIB	25,495	-8.1%	7.6%	15.3%	7.5%	5.7%	5.0%	66.5%	11.5%
<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		1.1%	-2.0%	-1.6%	-1.8%	-8.7%	-7.0%	-6.6%	-11.7%
FTSE Italia Small Cap		5.2%	-1.8%	-9.8%	-1.3%	-3.9%	17.7%	38.7%	15.7%
FTSE Italia Star		2.7%	-3.9%	-3.1%	-4.1%	-16.6%	-5.8%	13.6%	17.1%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 7.4% in the last month, slightly 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	147	-6.0%	2.9%	6.9%	2.8%	-2.6%	4.0%	50.1%	15.2%
MSCI Europe Small Cap	387	-7.4%	2.3%	3.6%	1.9%	-13.8%	-13.6%	51.6%	3.0%

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>
ESPRINET	8.32	419	12%
WEBUILD	1.90	1,912	11%
TXT E-SOLUTIONS	19.06	248	9%
CYBEROO	5.92	118	7%
FINE FOODS	8.32	184	4%
SALCEF GROUP	18.18	1,134	4%
THE ITALIAN SEA GROUP	7.22	383	3%
RAI WAY	5.65	1,535	3%
INDEL B	25.00	146	2%
CIVITANAVI SYSTEMS	3.55	109	2%
IEG	2.50	77	2%
MARR	11.30	752	-1%
NOTORIOUS PICTURES	1.49	34	-1%
SABABA SECURITY	3.90	29	-1%
INTERCOS	13.93	1,341	-1%
DE' LONGHI	21.16	3,196	-2%
BREMBO	13.09	4,371	-2%
CEMENTIR	7.81	1,243	-2%
PIAGGIO	3.74	1,339	-2%
BRUNELLO CUCINELLI	81.40	5,535	-2%
<b>FTSE Italia Mid Cap</b>			-7%
<b>FTSE Italia Small Cap</b>			-3%
<b>FTSE MIB</b>			-8%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
DOVALUE	5.81	465	-25%
UNIDATA	38.80	112	-20%
CREDITO EMILIANO	6.62	2,260	-20%
EL.EN.	12.91	1,031	-19%
TINEXTA	20.10	949	-18%
ILBE	1.04	25	-17%
BANCA IFIS	13.65	735	-17%
FINCANTIERI	0.52	886	-17%
ANIMA	3.56	1,234	-16%
BANCA SISTEMA	1.38	111	-14%
SCIUKER FRAMES	6.34	138	-13%
ACEA	12.59	2,681	-11%
AVIO	9.04	238	-11%
SOMEC	27.80	192	-11%
UNIPOLSAI	2.17	6,129	-11%
SESA	115.40	1,788	-10%
OVS GROUP	2.36	686	-10%
AQUAFIL	5.33	228	-9%
SERVIZI ITALIA	1.25	40	-9%
DATALOGIC	7.90	462	-9%

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>
TXT E-SOLUTIONS	19.06	248	48%
CYBEROO	5.92	118	41%
WEBUILD	1.90	1,912	38%
SAES GETTERS	31.90	658	35%
PIAGGIO	3.74	1,339	33%
GEOX	1.04	271	30%
THE ITALIAN SEA GROUP	7.22	383	27%
CEMENTIR	7.81	1,243	27%
BREMBO	13.09	4,371	25%
EXPERT.AI	0.77	48	24%
ESPRINET	8.32	419	23%
BFF BANK	9.07	1,684	22%
SARAS	1.40	1,331	22%
MAIRE TECNIMONT	3.62	1,191	17%
BUZZI-UNICEM	20.97	4,039	16%
SABABA SECURITY	3.90	29	16%
TOD'S	34.84	1,153	15%
TESMEC	0.16	97	14%
SERI INDUSTRIAL	5.93	320	13%
MEDIA FOR EUROPE	0.52	1,174	13%
<b>FTSE Italia Mid Cap</b>			6%
<b>FTSE Italia Small Cap</b>			6%
<b>FTSE MIB</b>			8%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
DOVALUE	5.81	465	-19%
UNIDATA	38.80	112	-17%
SOMEK	27.80	192	-14%
SAFILO	1.30	539	-14%
AQUAFIL	5.33	228	-13%
IGD	2.72	300	-13%
ILBE	1.04	25	-13%
TINEXTA	20.10	949	-12%
SCIUKER FRAMES	6.34	138	-10%
SECO	4.82	572	-10%
BANCA SISTEMA	1.38	111	-10%
PHARMANUTRA	56.20	544	-10%
GPI	13.10	379	-9%
EL.EN.	12.91	1,031	-9%
EMAK	1.06	174	-9%
UNIPOLSAI	2.17	6,129	-6%
AVIO	9.04	238	-6%
DATALOGIC	7.90	462	-5%
ANIMA	3.56	1,234	-5%
ABITARE IN	5.48	146	-5%

Source: FactSet

## Earnings Momentum

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

Since the beginning of 2023, we have implemented a +4.7% upward revision to our 2023 EPS estimates, with a more limited revision (+3.1%) to 2024 EPS; focusing on our mid/small cap coverage, we have raised 2023 EPS by 1.9% since 1 January 2023. Notably, in the last month, we have cut 2023 and 2024 EPS forecasts for our mid/small cap coverage by 2.3% and 1.3% respectively, with small caps seeing a more severe reduction. Our new estimates are consistent with a more volatile macro scenario.

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

EPS REVISION	Since January 1st 2023		Since 21/2/2023	
	% chg in EPS FY23	% chg in EPS FY24	% chg in EPS FY23	% chg in EPS FY24
<b>Total Market</b>	<b>4.7%</b>	<b>3.1%</b>	<b>1.3%</b>	<b>1.1%</b>
<b>Total Market - Ex Energy</b>	<b>5.5%</b>	<b>4.0%</b>	<b>2.3%</b>	<b>2.0%</b>
Domestic	2.4%	-0.9%	-2.8%	-2.8%
Non domestic	7.2%	7.4%	6.0%	5.6%
Non domestic - Ex Energy	10.7%	11.3%	11.4%	9.3%
<b>FTSE MIB</b>	<b>5.0%</b>	<b>3.1%</b>	<b>1.6%</b>	<b>1.4%</b>
<b>Mid Caps (our coverage)</b>	<b>1.8%</b>	<b>3.4%</b>	<b>-2.2%</b>	<b>-0.8%</b>
<b>Small Caps (our coverage)</b>	<b>-4.8%</b>	<b>-5.4%</b>	<b>-5.4%</b>	<b>-6.3%</b>
Intermonte Mid&Small Caps coverage	1.9%	2.9%	-2.3%	-1.3%

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%
WEBUILD	153	204	33.1%
PIAGGIO	91	114	24.2%
CREDITO EMILIANO	294	341	15.9%
MEDIA FOR EUROPE	217	251	15.7%
RAI WAY	80	90	12.2%
MAIRE TECNIMONT	106	118	12.0%
BUZZI-UNICEM	477	533	11.9%
BANCA IFIS	121	135	11.2%
<b>Downward Revision</b>			
FINCANTIERI	126	-26	-120.5%
AQUAFIL	25	17	-33.8%
BANCA SISTEMA	28	19	-31.9%
SERVIZI ITALIA	7	5	-25.3%
IGD	70	56	-21.1%
FERRAGAMO	50	42	-17.6%

Source: Intermonte SIM

## Valuation

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

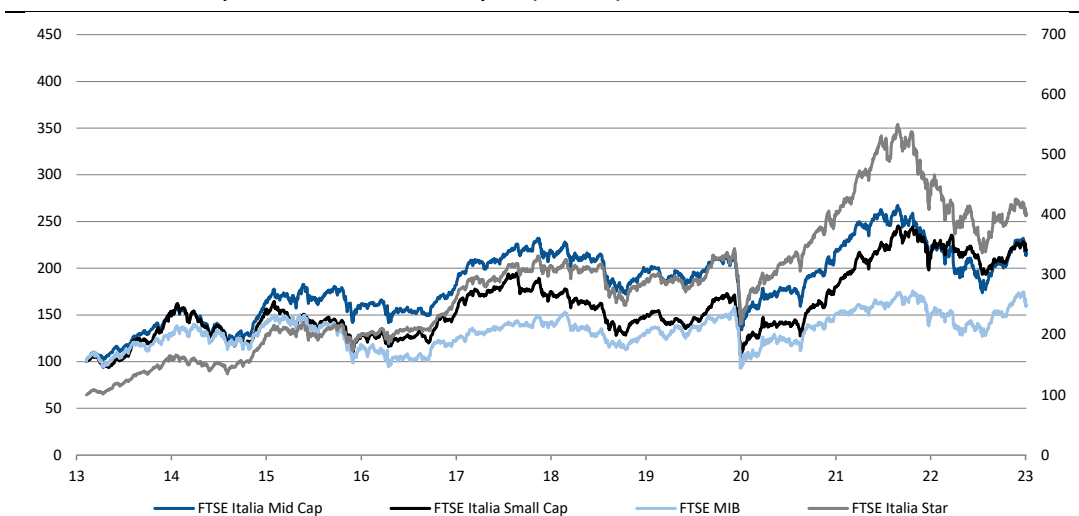
If we compare YtD performance to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 2.6% re-rating YtD (the same metric was +13.8% one month ago); mid-caps have re-rated by 3.8%, while small caps have re-rated by 10.8%.

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

Index	% Change YTD	on FY23 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	7.5%	5.0%	2.6%
FTSE Italia Mid Cap	5.6%	1.8%	3.8%
FTSE Italia Small Cap	6.1%	-4.8%	10.8%

Source: Intermonte SIM and FactSet

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

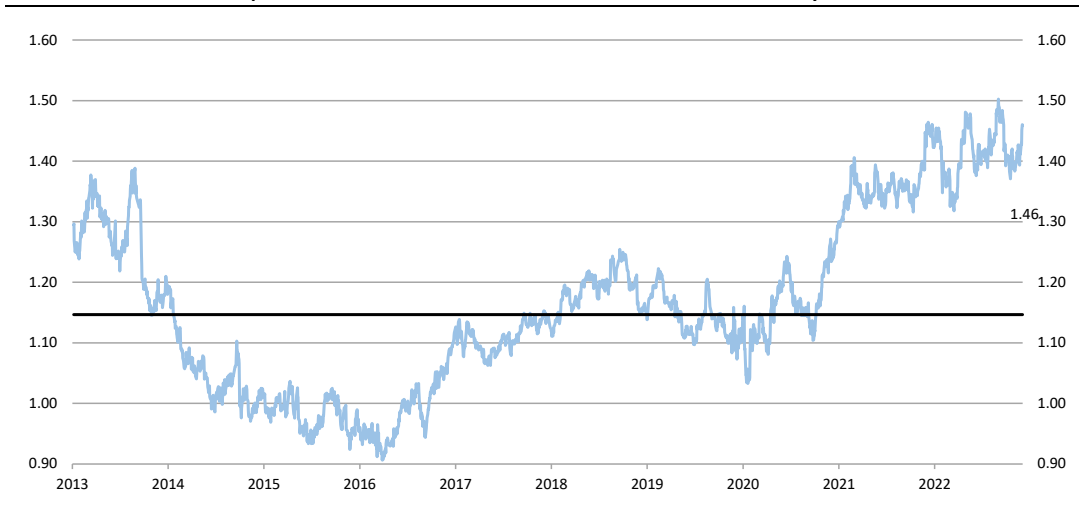


Source: FactSet

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 46% premium to large caps, well above the historical average premium (17%) and above the level one month ago (39%).**

#### 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 2023, based on 2023 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	7.6 x	-	15.7 x	-51.5%
<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	11.6 x	-	18.3 x	-36.8%
<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	9.7 x	-	18.9 x	-48.5%
<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	10.4 x	36.4%	14.3 x	-27.3%
<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	13.2 x	14.2%	20.3 x	-34.9%
<b>France CAC 4i</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	12.2 x	60.7%	16.0 x	-23.8%
<b>France CAC N</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	10.6 x	-8.9%	18.2 x	-42.0%
<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	14.2 x	45.8%	25.9 x	-45.2%
<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	9.6 x	25.9%	14.0 x	-31.4%
<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	9.4 x	-18.7%	15.5 x	-39.3%
<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	10.3 x	35.6%	13.5 x	-23.8%
<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	12.0 x	3.5%	18.0 x	-33.2%

Source: Intermonte SIM and FactSet

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

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(+)
FINCANTIERI	126.0	-25.9	-121%	(2%)	119%
CYBEROO	9.1	9.1	0%	41%	41%
TXT E-SOLUTIONS	13.3	14.7	10%	48%	38%
SAES GETTERS	33.1	33.1	0%	35%	35%
SERVIZI ITALIA	6.5	4.9	-25%	5%	30%
ESPRINET	59.5	58.1	-2%	23%	26%
THE ITALIAN SEA GROUP	34.3	35.1	2%	27%	25%
BFF BANK	185.3	181.3	-2%	22%	25%
EXPERT.AI	-5.6	-5.6	0%	24%	24%
BANCA SISTEMA	27.9	19.0	-32%	(10%)	22%
CEMENTIR	157.6	165.9	5%	27%	22%
AQUAFIL	25.5	16.9	-34%	(13%)	21%
SARAS	278.9	285.5	2%	22%	19%
BREMBO	281.8	298.7	6%	25%	19%
FERRAGAMO	50.4	41.6	-18%	2%	19%
SABABA SECURITY	2.4	2.4	0%	16%	16%
WIIT	19.3	17.8	-8%	8%	16%
TESMEC	16.4	16.4	0%	14%	14%
SERI INDUSTRIAL	11.6	11.6	0%	13%	13%
ALKEMY	6.9	6.9	0%	11%	11%
INTERCOS	56.5	56.5	0%	10%	10%
CY4GATE	14.5	13.6	-6%	3%	9%
PIAGGIO	91.4	113.6	24%	33%	9%
TOD'S	34.4	36.6	6%	15%	9%
IGD	70.5	55.6	-21%	(13%)	8%
DE' LONGHI	217.0	201.0	-7%	1%	8%
ELICA	24.1	22.3	-8%	(1%)	7%
REPLY	204.8	204.5	0%	6%	6%
TECHNOGYM	90.2	90.2	0%	6%	6%
IREN	257.5	259.2	1%	6%	5%
OMER	6.7	6.7	0%	5%	5%
WEBUILD	153.4	204.1	33%	38%	5%
MAIRE TECNIMONT	105.6	118.3	12%	17%	5%
BUZZI-UNICEM	476.6	533.2	12%	17%	5%
NOTORIOUS PICTURES	5.5	5.5	0%	4%	4%
BRUNELLO CUCINELLI	90.3	98.9	10%	13%	3%
RELATECH	8.1	8.1	0%	3%	3%
IEG	10.1	10.1	0%	2%	2%
FILA	45.8	44.7	-2%	(1%)	2%
OVS GROUP	58.6	64.8	11%	12%	1%
CIVITANAVI SYSTEMS	7.3	7.5	2%	2%	1%
TINEXTA	58.7	51.7	-12%	(12%)	0%
FINE FOODS	8.3	8.3	0%	(0%)	(0%)
SESA	100.5	100.3	0%	(1%)	(0%)
INDEL B	16.1	16.1	0%	(0%)	(0%)
ENAV	107.8	108.0	0%	(2%)	(2%)
SALCEF GROUP	64.7	69.1	7%	4%	(3%)
UNIPOLSAI	741.8	717.4	-3%	(6%)	(3%)
MEDIA FOR EUROPE	217.1	251.1	16%	13%	(3%)
MARR	51.4	52.9	3%	(1%)	(4%)
MATICA FINTEC	2.8	2.8	0%	(4%)	(4%)
GREENTHESIS	15.7	15.7	0%	(4%)	(4%)
REEVO	2.3	2.3	0%	(4%)	(4%)
ANIMA	175.3	174.0	-1%	(5%)	(4%)
DATALOGIC	31.7	31.7	0%	(5%)	(5%)
LU-VE	33.3	36.2	9%	4%	(5%)
AVIO	3.6	3.6	0%	(6%)	(6%)
ACEA	304.0	314.9	4%	(3%)	(6%)
RAI WAY	79.9	89.7	12%	4%	(8%)
BANCA IFIS	121.1	134.7	11%	3%	(9%)
EL.EN.	62.8	62.8	0%	(9%)	(9%)
GPI	20.7	20.7	0%	(9%)	(9%)
SCIUKER FRAMES	30.0	30.0	0%	(10%)	(10%)
MONDADORI	56.3	61.3	9%	(2%)	(11%)
PHARMANUTRA	14.5	14.7	1%	(10%)	(11%)
ILBE	14.2	14.2	0%	(13%)	(13%)
EMAK	27.1	28.1	4%	(9%)	(13%)

Source: Intermonte SIM



## Liquidity

### Mid/small cap liquidity improved on one month ago

Looking at official Italian index trends, we note that liquidity for large caps in the last month (measured by multiplying average volumes by average prices in a specific period) is above the yearly average for the first time in several months, at 39.7% higher than the 1Y average, marking an improvement on one month ago when the same metric was down -7.5%. Liquidity for mid-caps also showed a similar improvement at 29.7% above the 1Y average, while for small caps the same metric is +32.1%.

#### 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	64.63	51.82	47.17	46.26	50.48	39.7%	12.0%
Top 20% by market cap	206.09	159.27	146.56	143.37	151.26	43.7%	11.1%
<b>FTSE Italia Mid Cap</b>							
All stocks	2.53	2.12	1.90	1.95	2.57	29.7%	8.7%
Top 20% by market cap	4.79	3.53	3.18	3.45	4.92	38.8%	2.4%
<b>FTSE Italia Small Cap</b>							
All stocks	0.27	0.23	0.20	0.21	0.33	32.1%	12.2%
Top 20% by market cap	0.72	0.60	0.49	0.47	0.66	50.7%	25.4%

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	1,331	10,284,308
BUZZI-UNICEM	4,039	7,238,083
BFF BANK	1,684	5,462,085
REPLY	4,227	4,674,866
BRUNELLO CUCINELLI	5,290	4,609,634
TOD'S	1,153	4,533,417
BREMBO	4,371	3,944,541
ANIMA	1,234	3,899,870
AUTOGRILL	2,513	3,719,195
OVS GROUP	686	3,023,269
FERRAGAMO	2,827	2,962,027
IREN	2,027	2,617,337
UNIPOLSAI	6,129	2,580,471
WEBUILD	1,912	2,455,273
MAIRE TECNIMONT	1,191	2,313,099
DE' LONGHI	3,196	2,282,068
TECHNOGYM	1,520	2,240,613
BANCA IFIS	735	2,055,528
PIAGGIO	1,339	2,008,080
SESA	1,788	1,972,725
ACEA	2,681	1,760,829
MEDIA FOR EUROPE	1,389	1,215,886
ENAV	2,100	1,183,772
TINEXTA	949	1,138,377
ESPRINET	419	1,049,745
TIP	1,337	1,022,313
EL.EN.	1,031	1,011,403
IGD	300	942,614
FINCANTIERI	886	913,741

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 2023 dividend yields, can be found in the following tables.

### Intermonte Mid & Small Cap Coverage – dividend yield 2023

Stock	Price (Eu)	Mkt Cap (Eu mn)	EPS 23	DPS 23	Yield 23 %	PayOut 23 %	Net Debt/EBITDA 23
DOVALUE	5.8	465	0.710	0.720	12.4%	101%	1.8x
IGD	2.7	300	0.504	0.309	11.4%	61%	9.2x
BFF BANK	9.1	1,684	0.978	0.978	10.8%	100%	
BANCA IFIS	13.7	735	2.504	1.450	10.6%	58%	
SARAS	1.4	1,331	0.300	0.120	8.6%	40%	-0.2x
UNIPOLSAI	2.2	6,129	0.258	0.170	7.8%	66%	
MEDIA FOR EUROPE	0.6	1,389	0.096	0.046	7.3%	48%	1.2x
ANIMA	3.6	1,234	0.526	0.250	7.0%	48%	
ESPRINET	8.3	419	1.153	0.577	6.9%	50%	-0.3x
ACEA	12.6	2,681	1.479	0.851	6.8%	58%	3.7x
IREN	1.6	2,027	0.199	0.105	6.7%	53%	3.5x
NOTORIOUS PICTURES	1.5	34	0.245	0.098	6.6%	40%	1.0x
SCIUKER FRAMES	6.3	138	1.383	0.415	6.5%	30%	-0.5x
EMAK	1.1	174	0.172	0.069	6.5%	40%	2.1x
MONDADORI	1.8	463	0.235	0.110	6.2%	47%	1.1x
PIAGGIO	3.7	1,339	0.321	0.225	6.0%	70%	1.0x
RAI WAY	5.6	1,535	0.330	0.322	5.7%	98%	1.0x
MARR	11.3	752	0.795	0.636	5.6%	80%	1.6x
CREDITO EMILIANO	6.6	2,260	0.998	0.360	5.4%	36%	
ENAV	3.9	2,100	0.199	0.203	5.2%	102%	1.2x
MAIRE TECNIMONT	3.6	1,191	0.360	0.165	4.5%	46%	0.1x
BANCA SISTEMA	1.4	111	0.236	0.059	4.3%	25%	
GPI	13.1	379	0.759	0.500	3.8%	66%	2.0x
THE ITALIAN SEA GROUP	7.2	383	0.662	0.258	3.6%	39%	0.0x
CEMENTIR	7.8	1,243	1.043	0.260	3.3%	25%	-0.6x
SOMEK	27.8	192	1.831	0.916	3.3%	50%	1.6x
IEG	2.5	77	0.327	0.080	3.2%	24%	2.5x
DATALOGIC	7.9	462	0.543	0.250	3.2%	46%	0.7x
WEBUILD	1.9	1,912	0.206	0.060	3.2%	29%	-0.4x
TECHNOGYM	7.6	1,520	0.449	0.221	2.9%	49%	-1.0x

Source: Intermonte SIM and FactSet

**Intermonte Mid & Small Cap Coverage – EPS growth, 2024 vs 2023**

Stock	Price (Eu)	Mkt Cap (Eu mn)	P/E 23	P/E 24	EPS Growth
AVIO	9.0	238	67.9	21.0	223%
GEOX	1.0	271	17.0	8.3	105%
FERRAGAMO	16.8	2,827	68.0	37.2	83%
SERI INDUSTRIAL	5.9	320	25.1	14.1	78%
CYBEROO	5.9	118	13.6	7.9	72%
SABABA SECURITY	3.9	29	12.1	7.6	60%
FINE FOODS	8.3	184	25.6	16.0	60%
SERVIZI ITALIA	1.2	40	8.1	5.1	59%
TOD'S	34.8	1,153	31.5	20.0	57%
SECO	4.8	572	20.9	13.6	53%
SOMEK	27.8	192	15.2	9.9	53%
NOTORIOUS PICTURES	1.5	34	6.1	4.1	47%
AQUAFIL	5.3	228	16.2	11.1	46%
REEVO	13.2	67	29.5	22.1	34%
THE ITALIAN SEA GROUP	7.2	383	10.9	8.2	33%
AUTOGRILL	6.5	2,513	16.9	12.7	32%
TECHNOGYM	7.6	1,520	16.8	12.9	30%
IEG	2.5	77	7.6	5.9	30%
WEBUILD	1.9	1,912	9.2	7.1	30%
GPI	13.1	379	17.3	13.4	29%
CIVITANAVI SYSTEMS	3.5	109	14.6	11.4	28%
WIIT	19.4	544	30.5	24.0	27%
INDEL B	25.0	146	9.1	7.2	25%
UNIDATA	38.8	112	12.4	10.0	24%
MATICA FINTEC	2.5	27	9.5	7.6	24%
TINEXTA	20.1	949	18.4	15.0	22%
ALKEMY	12.3	70	10.1	8.3	22%
MARR	11.3	752	14.2	11.7	21%
DATALOGIC	7.9	462	14.6	12.0	21%
ESPRINET	8.3	419	7.2	5.9	21%
SALCEF GROUP	18.2	1,134	16.4	13.7	20%
PIAGGIO	3.7	1,339	11.7	9.9	18%
OVS GROUP	2.4	686	10.6	9.0	18%
TESMEC	0.2	97	5.9	5.0	17%
BANCA IFIS	13.7	735	5.5	4.6	17%
PHARMANUTRA	56.2	544	37.0	31.9	16%
SESA	115.4	1,788	17.8	15.4	16%
TXT E-SOLUTIONS	19.1	248	15.9	13.8	15%
EMAK	1.1	174	6.2	5.4	15%

Source: Intermonte SIM and FactSet

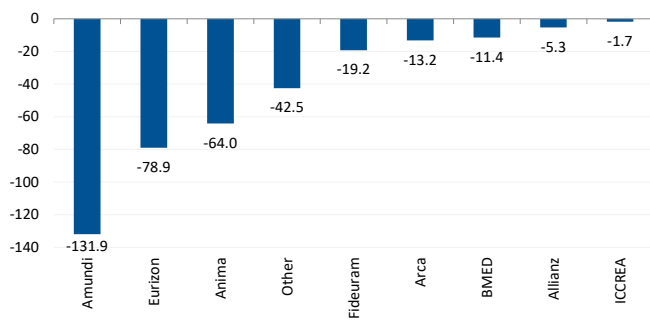
## Update on the Individual Savings Plan (PIR)

### PIR: official figures for 4Q22

	4Q22 (Eu mn)	3Q22 (Eu mn)	2Q22 (Eu mn)	1Q22 (Eu mn)	4Q21 (Eu mn)	FY21 (Eu mn)	FY20 (Eu mn)	FY19 (Eu mn)	FY18 (Eu mn)	Nr. Of Funds		Invested Capital	
										at December 2022 # Funds	%	at December 2022 (Eu mn)	in %
Ordinary PIR	(368)	(330)	(196)	160	380	323	(759)	(1,097)	3,950	64	40.6%	17,449	29.7%
Alternative PIR	(9)	15	153	83	665					12		1,449	
<b>EQUITY FUNDS</b>	(120)	(128)	(78)	(12)	154	280	(281)	(369)	349	26	40.6%	5,180	29.7%
<b>BALANCED FUNDS</b>	(219)	(192)	(121)	147	177	214	(321)	(587)	2,525	22	34.4%	7,376	42.3%
<b>FIXED INCOME FUNDS</b>	4	(2)	(3)	(10)	7	17	(1)	(20)	10	4	6.3%	204	1.2%
<b>FLEXIBLE FUNDS</b>	(34)	(7)	7	36	41	(187)	(160)	(121)	1,067	13	20.3%	4,695	26.9%
<b>CLOSED-END FUNDS</b>	(9)	14	153	83						11	17.2%	1,442	8.3%

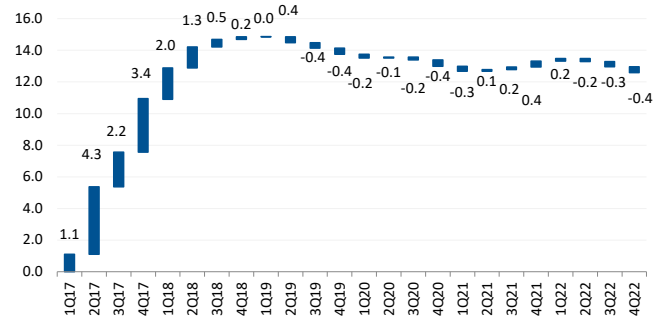
Source: Assogestioni, Quarterly Report, November 2022

### Ordinary PIR - Net inflows by asset manager (Eu mn, 4Q22)



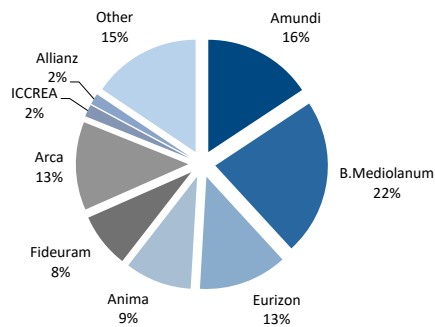
Source: Assogestioni

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



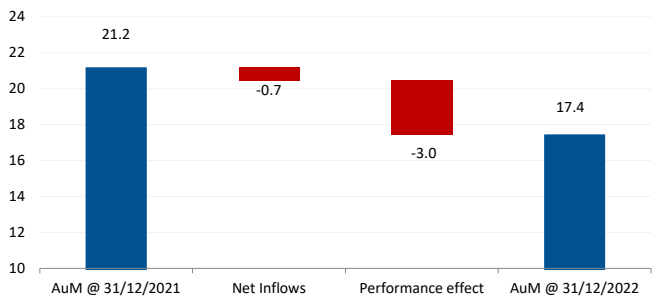
Source: Intermonte SIM estimates, Assogestioni

### Ordinary PIR – Market share by asset manager (on AuM as at 31/12/22)



Source: Assogestioni

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



Source: Assogestioni

## PIR outflows continued in 1Q23

In its quarterly review on 22 February 2023, **Assogestioni released updated figures on 4Q22 PIR inflows. During the quarter, ordinary PIRs saw outflows of Eu368mn, while Alternative PIRs recorded outflows of Eu9.0mn.** In terms of AuM, ordinary PIRs had Eu17.5bn under management, while Eu1.4bn was invested in alternative PIR funds. Looking at ordinary PIRs, quarterly net inflows further deteriorated sequentially compared to 3Q22 and 2Q22, when net inflows were Eu-330mn and Eu-196mn respectively. The total balance for 2022 therefore stands at Eu-773mn. AuM stood at Eu17.5bn, up from Eu16.5bn as at the end of September, evidently thanks to market performance.

The inflow figure is worse than the one disclosed by Il Sole 24 Ore's 'Osservatorio PIR', which estimated Eu286mn of outflows in 4Q22 (with October, November and December at Eu-92mn, Eu-102mn, and Eu-92mn respectively).

**Regarding alternative PIR, inflows in 4Q22 came to Eu-9.0mn,** decreasing on 3Q22 (Eu14.5mn) and 2Q22 (Eu153mn), with the FY22 figure at Eu242mn, and AuM stable at Eu1.44bn (same figure as at the end of June and September).

**According to 'Osservatorio PIR', outflows continued in January at Eu-166mn.**

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

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 positive overall since the beginning of the year and this may prompt retail investors to resume equity investments in products such as PIR; 2) much of the outflow in 2022 may have been caused by the expiry of the 5-year period starting in 2017, a year characterised by booming inflows and good market performances by small/mid cap companies, meaning that many investors who entered PIR products in 2017 could have chosen to take profit in 2022 when the 5-year required minimum holding period to enjoy the fiscal benefits came to an end. 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 aligning inflows shown in the table to the Assogestioni figure of Eu-733mn; 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>(733)</b>	<b>654</b>
<i>YoY Growth</i>			<i>-63.8%</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
o/w From Continuing Subs. (estimated)								684
o/w From New Subscribers (estimated)								500
o/w Transformation of Existing Funds/Exit from PIR (est.)								(529)

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	8.7	8.5	6.4	6.3	6.6%	6.8%	-7.9%	5.7%	3.7x	3.6x
ANIMA	7.1	6.7			6.7%	7.5%				
AUTOGRILL	17.0	12.8	4.7	4.0	1.5%	2.0%	8.1%	9.5%	1.5x	1.2x
BANCA IFIS	5.7	4.8			10.2%	10.5%				
BFF BANK	9.3	8.5			10.7%	11.8%				
BREMBO	14.5	14.1	6.6	6.1	2.2%	2.2%	5.5%	5.9%	0.6x	0.4x
BRUNELLO CUCINELLI	54.8	48.8	17.5	15.7	0.9%	1.0%	1.0%	1.2%	1.9x	1.8x
BUZZI-UNICEM	7.8	7.3	3.2	2.6	1.9%	1.9%	14.9%	13.1%	-0.8x	-1.2x
CEMENTIR	7.5	6.7	3.3	2.6	3.3%	3.7%	10.8%	13.1%	-0.6x	-0.9x
CREDITO EMILIANO	6.8	6.2			5.3%	6.6%				
DATALOGIC	14.8	12.2	6.8	5.9	3.1%	3.7%	4.7%	6.9%	0.7x	0.4x
DE' LONGHI	16.7	15.1	7.7	7.0	2.4%	2.7%	4.7%	4.3%	-1.0x	-1.1x
DOVALUE	8.3	7.3	4.1	3.5	12.2%	14.7%	21.6%	26.0%	1.8x	1.3x
EL.EN.	18.0	15.4	9.8	8.3	1.8%	1.8%	4.3%	5.8%	-1.2x	-1.5x
ENAV	19.7	17.5	8.7	7.9	5.2%	5.3%	7.8%	9.3%	1.2x	0.9x
FERRAGAMO	68.5	37.5	9.3	7.5	0.7%	1.3%	0.0%	1.6%	0.9x	0.7x
FINCANTIERI	nm	15.3	8.9	7.6	0.0%	0.0%			6.5x	5.7x
INTERCOS	23.9	21.0	10.9	9.6	1.2%	1.2%	3.1%	3.6%	0.7x	0.4x
IREN	8.5	7.8	5.7	5.5	6.2%	6.9%	-15.5%	-6.5%	3.5x	3.5x
LU-VE	18.7	16.3	9.7	8.6	1.3%	1.4%	2.5%	4.5%	1.6x	1.2x
MAIRE TECNIMONT	10.4	9.5	4.8	4.2	4.4%	4.9%	3.8%	8.2%	0.1x	0.0x
MARR	14.4	11.9	7.8	6.9	5.5%	6.7%	0.7%	3.5%	1.6x	1.5x
MEDIA FOR EUROPE	6.7	6.3	3.1	2.9	7.3%	7.7%	19.3%	19.3%	1.2x	0.9x
MONDADORI	7.7	7.5	4.4	4.0	6.1%	6.1%	13.6%	15.0%	1.1x	0.8x
OVS GROUP	10.7	9.1	5.0	4.4	2.4%	2.9%	9.1%	8.0%	0.6x	0.4x
PHARMANUTRA	37.3	32.2	23.5	20.1	1.3%	1.6%	1.4%	2.8%	-0.3x	-0.6x
PIAGGIO	11.9	10.1	5.0	4.5	5.9%	7.0%	8.6%	8.6%	1.0x	0.8x
RAI WAY	17.3	17.1	10.0	9.9	5.6%	5.9%	6.9%	7.2%	1.0x	1.2x
REPLY	20.8	18.7	11.5	10.0	1.0%	1.1%	5.2%	5.1%	-0.6x	-1.0x
SAFILO	15.2		4.1		0.0%		11.0%		0.1x	
SALCEF GROUP	16.9	14.3	8.6	7.3	2.7%	3.1%	2.8%	4.2%	-0.1x	-0.2x
SARAS	4.7	7.8	1.8	2.2	8.5%	5.7%	8.4%	20.6%	-0.2x	-0.7x
SECO	20.9	13.6	11.9	8.5	0.0%	0.0%	2.7%	3.7%	1.8x	1.0x
SESA	17.8	15.3	8.2	6.9	1.0%	1.1%	6.9%	8.5%	-0.4x	-0.7x
TECHNOGYM	17.1	13.2	8.6	6.7	2.9%	3.8%	5.8%	6.7%	-1.0x	-1.1x
TINEXTA	18.5	15.1	10.7	9.0	2.1%	1.6%	4.3%	5.5%	-0.2x	-0.4x
TIP	10.7	nm			1.9%	2.1%			11.2x	
TOD'S	31.6	20.1	5.4	4.7	0.0%	0.0%	0.0%	3.6%	2.5x	2.1x
UNIPOLSAI	8.6	8.4			7.6%	8.3%				
WEBUILD	9.5	7.3	2.2	1.9	3.1%	3.1%	5.6%	5.8%	-0.4x	-0.4x
WIIT	31.5	24.7	14.9	12.8	1.6%	2.0%	3.8%	4.4%	3.6x	2.9x

**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	4.4	4.0	2.8	3.2	0.0%	0.0%	79.8%	-21.1%	0.0x	0.6x
ALKEMY	9.9	8.1	7.0	5.9	0.0%	0.0%	8.4%	9.4%	2.0x	1.4x
AQUAFIL	15.3	10.5	5.5	4.7	2.4%	3.9%	16.5%	15.0%	2.7x	2.1x
AVIO	69.5	21.5	6.6	4.8	0.3%	2.2%	-1.2%	6.6%	-0.8x	-0.9x
BANCA SISTEMA	5.8	5.4			4.3%	4.7%				
CIVITANAVI SYSTEMS	14.6	11.4	7.1	5.5	2.8%	3.1%	2.6%	2.4%	-2.6x	-1.2x
CY4GATE	17.0	15.1	9.6	8.1	0.0%	0.0%	5.9%	5.0%	0.1x	-0.2x
CYBEROO	14.0	8.1	8.0	4.3	0.0%	0.0%	3.6%	9.6%	-0.4x	-0.7x
ELICA	8.1	7.2	3.8	3.2	2.8%	3.1%	13.0%	11.7%	0.5x	0.2x
EMAK	6.2	5.4	4.4	3.9	6.4%	7.4%	29.4%	17.3%	2.1x	1.7x
ESPRINET	7.3	6.0	9.6	8.2	6.9%	8.3%	14.1%	12.3%	-0.3x	-1.2x
EXPERT.AI	nm	11.4	nm	14.8	0.0%	0.0%	-15.9%	-4.1%	10.6x	2.5x
FILA	8.2	7.6	7.0	6.5	2.2%	2.4%	8.6%	12.1%	3.2x	2.8x
FINE FOODS	25.0	15.7	9.2	7.1	2.0%	2.5%	10.1%	5.4%	1.2x	0.8x
GEOX	17.4	8.5	5.9	4.8	0.0%	5.9%	3.0%	8.5%	3.2x	2.5x
GPI	17.1	13.3	7.3	6.5	3.8%	3.8%	1.4%	4.9%	2.0x	1.7x
GREENTHESIS	8.8	8.3	6.9	6.0	1.6%	1.9%	4.2%	10.0%	1.5x	1.0x
IEG	7.6	5.9	4.2	3.4	3.2%	4.0%	23.3%	15.1%	2.5x	2.0x
IGD	5.6	6.2	12.1	11.4	11.0%	11.3%	20.6%	18.2%	9.2x	8.7x
ILBE	2.5	2.5	0.6	0.7	0.0%	0.0%	5.4%	13.8%	0.3x	0.3x
INDEL B	8.9	7.1	4.9	3.8	2.8%	4.1%	5.6%	9.8%	0.3x	0.0x
MATICA FINTEC	9.3	7.5	4.3	3.3	0.0%	0.0%	6.1%	10.0%	-0.4x	-0.7x
NOTORIOUS PICTURES	6.1	4.1	2.5	1.9	6.6%	9.7%	4.3%	10.0%	1.0x	0.7x
OMER	11.2	9.8	5.1	3.9	0.0%	0.0%	6.3%	9.8%	-2.2x	-2.6x
REEVO	29.9	22.4	10.3	7.9	0.0%	0.0%	1.7%	3.4%	-1.4x	-1.4x
RELATECH	9.8		4.7		0.0%		5.2%		-0.8x	
SABABA SECURITY	12.1	7.6	7.9	4.5	0.0%	0.0%	-7.0%	-0.1%	-0.5x	-0.3x
SAES GETTERS	21.5	18.7	9.1	5.2	1.7%	1.7%	4.5%	4.6%	-1.3x	-1.4x
SCIUKER FRAMES	4.6	5.7	2.2	2.1	6.5%	5.3%	16.3%	19.3%	-0.5x	-1.1x
SERI INDUSTRIAL	25.1	14.1	9.3	7.0	0.0%	0.0%	0.6%	4.7%	2.6x	1.8x
SERVIZI ITALIA	8.1	5.1	2.5	2.3	0.0%	0.0%	-0.1%	6.2%	1.8x	1.7x
SOMEK	15.1	9.8	7.2	5.1	3.3%	5.1%	9.1%	15.2%	1.6x	0.7x
TESMEC	7.1	5.0	4.6	3.7	0.0%	0.0%	6.4%	15.5%	2.6x	1.9x
THE ITALIAN SEA GROUP	11.1	8.4	6.7	4.7	3.5%	4.5%	6.6%	13.9%	0.0x	-0.5x
TXT E-SOLUTIONS	16.0	13.9	8.3	7.1	1.2%	1.3%	4.5%	7.2%	0.9x	0.4x
UNIDATA	12.2	9.8	6.7	5.6	0.4%	0.5%	5.1%	4.8%	2.0x	1.5x

Source: Intermonte SIM and Factset

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- 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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