

Italian Mid Small Caps Monthly

Reassuring Quarterly Results, Liquidity Picture Still Weak

by Intermonte Research Team

Italian Equity Market

- **Performance (-).** The Italian equity market (prices as at 18 May 2023) has decreased 2.4% in the last month but is still up 14.2% YtD. The FTSE Italy Mid-Cap index (-2.3%) has performed almost in line with the main index in the last month (-4.7% YtD on a relative basis), with the FTSE Italy Small Caps index (-7.0%) performing 4.6% below the market, and -13.5% on a relative basis since the beginning of 2023. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has decreased 1.1% in the last month, performing better than Italian mid-caps.
- **Estimates (-).** Since the beginning of 2023, we have implemented a +7.8% upward revision to our 2023 EPS estimates, with a more limited revision (+4.8%) to 2024 EPS; focusing on our mid/small cap coverage, however, we have raised 2023 EPS by just 0.7% since 1 January 2023. Notably, in the last month, we have cut 2023 and 2024 EPS forecasts for our mid/small cap coverage by 0.2% and 1.6% respectively, with small caps seeing a more severe reduction. The rising cost of financing is one of the factors driving estimates down, along with an unsupportive macro environment.
- **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 6.4% re-rating YtD (the same metric was +13.2% one month ago); mid-caps have re-rated by 7.6%, while small caps have re-rated by 10.8%. On a P/E basis, our panel is trading at a 47% premium to large caps, well above the historical average premium (17%) and in line with the level one month ago (47%).
- **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 2.7% higher than the 1Y average, but one month ago the same metric was +9.8%. Liquidity for mid-caps also showed a similar trend at 0.4% above the 1Y average, while for small caps the same metric is +4.4%.
- **Investment strategy.** 1Q23 results confirmed that, despite the challenging macroeconomic context, Italian listed companies maintain solid fundamentals. Various sectors surprised on the upside: first of all, banks thanks to net interest income, secondly luxury stocks thanks to steadily growing demand, and finally some industrials, which benefited from an easing of supply chain tensions. Among the negative messages we found some caution on margins. The issue of debt refinancing at higher rates has a significant impact on estimates, but the number of critical situations appears limited at the moment. In this scenario the valuations of some sectors, such as IT, seem particularly appealing; the announcement of 2 takeovers on cybersecurity small caps is not surprising. Liquidity remains an issue among small caps, especially in relation to significant outflows from PIR funds which, on average, represent about 10% of the float for this segment. On a positive note, we point out that the Italian government has dedicated significant focus to facilitating equity capital market financing for Italian SMEs. We hope some initiatives could help improve momentum in the segment after a period of subdued flows and a lack of listings.

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Performance

Small caps underperforming mid and large caps in a negative month

The Italian equity market (prices as at 18 May 2023) has decreased 2.4% in the last month but is still up 14.2% YtD. The FTSE Italy Mid-Cap index (-2.3%) has performed almost in line with the main index in the last month (-4.7% YtD on a relative basis), with the FTSE Italy Small Caps index (-7.0%) performing 4.6% below the market, and -13.5% on a relative basis since the beginning of 2023.

Italian Market Indexes – performance analysis (prices as at 18 May 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 | 43,117 | -2.3% | -3.4% | 8.6% | 9.5% | 2.5% | -6.4% | 37.9% | 3.1% |
| FTSE Italia Small Cap | 27,942 | -7.0% | -7.6% | 0.5% | 0.7% | -8.5% | 5.4% | 62.7% | 23.1% |
| FTSE Italia Star | 47,557 | -2.8% | -5.7% | 1.2% | 2.8% | -3.5% | -7.5% | 41.1% | 27.1% |
| FTSE AIM ITALIA | 9,106 | -2.3% | -5.5% | -1.7% | -1.6% | -7.3% | -1.5% | 36.8% | -2.3% |
| FTSE Italia All-Share | 29,368 | -2.4% | -2.1% | 10.1% | 14.2% | 11.7% | 7.8% | 54.3% | 14.5% |
| FTSE MIB | 27,236 | -2.4% | -1.9% | 10.4% | 14.9% | 13.1% | 9.5% | 56.5% | 16.1% |
| 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% | -1.3% | -1.5% | -4.7% | -9.2% | -14.2% | -16.4% | -11.4% |
| FTSE Italia Small Cap | | -4.6% | -5.6% | -9.6% | -13.5% | -20.2% | -2.4% | 8.4% | 8.6% |
| FTSE Italia Star | | -0.4% | -3.6% | -8.9% | -11.4% | -15.1% | -15.3% | -13.3% | 12.6% |

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has decreased 1.1% in the last month, performing better than 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 | 157 | -0.6% | 0.5% | 7.7% | 9.9% | 7.9% | 6.7% | 37.3% | 17.5% |
| MSCI Europe Small Cap | 403 | -1.1% | -3.7% | 3.7% | 6.0% | -4.0% | -13.8% | 28.2% | 2.7% |

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 (%) |
|------------------------------|-------------------|---------------------------|---------------------|
| REEVO | 17.25 | 87 | 23% |
| MARR | 14.74 | 981 | 10% |
| REVO INSURANCE | 8.72 | 215 | 10% |
| AUTOGRILL | 6.94 | 2,672 | 8% |
| AVIO | 9.94 | 262 | 8% |
| SALCEF GROUP | 22.10 | 1,379 | 8% |
| PHARMANUTRA | 57.40 | 556 | 7% |
| BREMBO | 14.45 | 4,825 | 7% |
| TECHNOGYM | 8.67 | 1,746 | 5% |
| FILA | 7.44 | 320 | 5% |
| TIP | 8.80 | 1,623 | 4% |
| ILBE | 0.93 | 22 | 3% |
| OMER | 2.96 | 85 | 2% |
| BUZZI-UNICEM | 22.60 | 4,353 | 2% |
| ACEA | 13.48 | 2,871 | 2% |
| INTERCOS | 15.58 | 1,500 | 2% |
| SERVIZI ITALIA | 1.37 | 43 | 2% |
| CIVITANAVI SYSTEMS | 3.66 | 113 | 1% |
| UNIDATA | 39.90 | 123 | 1% |
| SAFILO | 1.38 | 569 | 0% |
| FTSE Italia Mid Cap | | | -2% |
| FTSE Italia Small Cap | | | -7% |
| FTSE MIB | | | -2% |
| Worst Performers | Price (Eu) | Market Cap (Eu mn) | Perf. 1M (%) |
| DOVALUE | 4.62 | 370 | -28% |
| ESPRINET | 6.36 | 321 | -28% |
| MAIRE TECNIMONT | 3.36 | 1,104 | -17% |
| GEOX | 0.95 | 247 | -15% |
| IGD | 2.54 | 280 | -14% |
| BANCA SISTEMA | 1.18 | 95 | -14% |
| AQUAFIL | 4.30 | 184 | -12% |
| ALKEMY | 11.14 | 63 | -12% |
| BRUNELLO CUCINELLI | 80.80 | 5,494 | -12% |
| FINE FOODS | 7.40 | 163 | -11% |
| NOTORIOUS PICTURES | 1.59 | 36 | -11% |
| EMAK | 1.08 | 177 | -11% |
| FERRAGAMO | 15.33 | 2,588 | -10% |
| TINEXTA | 18.05 | 852 | -9% |
| DATALOGIC | 6.91 | 404 | -9% |
| SERI INDUSTRIAL | 4.85 | 262 | -9% |
| PIAGGIO | 3.71 | 1,329 | -8% |
| SESA | 106.90 | 1,656 | -8% |
| BFF BANK | 8.77 | 1,628 | -7% |
| TESMEC | 0.15 | 93 | -7% |

Source: FactSet

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

| Best Performers | Price (Eu) | Market Cap (Eu mn) | Perf. YTD (%) |
|------------------------------|-------------------|---------------------------|----------------------|
| TXT E-SOLUTIONS | 19.50 | 254 | 52% |
| THE ITALIAN SEA GROUP | 8.50 | 451 | 50% |
| WEBUILD | 1.99 | 2,002 | 45% |
| BREMBO | 14.45 | 4,825 | 38% |
| CYBEROO | 5.68 | 113 | 35% |
| PIAGGIO | 3.71 | 1,329 | 32% |
| MEDIA FOR EUROPE | 0.73 | 1,709 | 30% |
| MARR | 14.74 | 981 | 29% |
| IREN | 1.89 | 2,452 | 28% |
| TOD'S | 38.78 | 1,283 | 28% |
| SALCEF GROUP | 22.10 | 1,379 | 27% |
| BUZZI-UNICEM | 22.60 | 4,353 | 26% |
| REEVO | 17.25 | 87 | 25% |
| CEMENTIR | 7.61 | 1,211 | 24% |
| OVS GROUP | 2.60 | 758 | 24% |
| INTERCOS | 15.58 | 1,500 | 23% |
| TECHNOGYM | 8.67 | 1,746 | 21% |
| TIP | 8.80 | 1,623 | 20% |
| SAES GETTERS | 28.00 | 614 | 19% |
| GEOX | 0.95 | 247 | 19% |
| FTSE Italia Mid Cap | | | 10% |
| FTSE Italia Small Cap | | | 1% |
| FTSE MIB | | | 15% |
| Worst Performers | Price (Eu) | Market Cap (Eu mn) | Perf. YTD (%) |
| DOVALUE | 4.62 | 370 | -35% |
| AQUAFIL | 4.30 | 184 | -30% |
| BANCA SISTEMA | 1.18 | 95 | -23% |
| ILBE | 0.93 | 22 | -22% |
| TINEXTA | 18.05 | 852 | -21% |
| EL. EN. | 11.40 | 911 | -20% |
| GPI | 11.66 | 337 | -19% |
| IGD | 2.54 | 280 | -18% |
| SECO | 4.40 | 575 | -18% |
| DATALOGIC | 6.91 | 404 | -17% |
| UNIDATA | 39.90 | 123 | -14% |
| SOMEK | 28.30 | 195 | -13% |
| FINE FOODS | 7.40 | 163 | -11% |
| ELICA | 2.68 | 170 | -10% |
| SAFILO | 1.38 | 569 | -10% |
| SCIUKER FRAMES | 6.40 | 139 | -9% |
| PHARMANUTRA | 57.40 | 556 | -8% |
| SESA | 106.90 | 1,656 | -8% |
| ABITARE IN | 5.30 | 141 | -8% |
| EMAK | 1.08 | 177 | -8% |

Source: FactSet

Earnings Momentum

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

Since the beginning of 2023, we have implemented a +7.8% upward revision to our 2023 EPS estimates, with a more limited revision (+4.8%) to 2024 EPS; focusing on our mid/small cap coverage, however, we have raised 2023 EPS by just 0.7% since 1 January 2023. Notably, in the last month, we have cut 2023 and 2024 EPS forecasts for our mid/small cap coverage by 0.2% and 1.6% respectively, with small caps seeing a more severe reduction. The rising cost of financing is one factor driving estimates down, along with an unsupportive macro environment.

Italian Market – Intermonte changes to 2022 and 2023 estimates

| EPS REVISION | Since January 1st 2023 | | Since 19/4/2023 | |
|------------------------------------|------------------------|-------------------|-------------------|-------------------|
| | % chg in EPS FY23 | % chg in EPS FY24 | % chg in EPS FY23 | % chg in EPS FY24 |
| Total Market | 7.8% | 4.8% | 3.3% | 2.0% |
| Total Market - Ex Energy | 10.5% | 6.7% | 5.0% | 2.9% |
| Domestic | 7.8% | 1.7% | 5.3% | 2.7% |
| Non domestic | 7.7% | 8.2% | 1.2% | 1.3% |
| Non domestic - Ex Energy | 6.8% | 8.5% | 4.5% | 3.1% |
| FTSE MIB | 8.5% | 5.2% | 3.6% | 2.4% |
| Mid Caps (our coverage) | 1.9% | 2.0% | 0.0% | -1.5% |
| Small Caps (our coverage) | -10.1% | -9.5% | -1.6% | -2.2% |
| Intermonte Mid&Small Caps coverage | 0.7% | 0.7% | -0.2% | -1.6% |

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 |
|--------------------------|---------------------------------------|--------------------------------------|---------------------|
| Upward Revision | | | |
| GEOX | 9 | 17 | 95.3% |
| AUTOGRILL | 108 | 149 | 38.7% |
| WEBUILD | 153 | 204 | 33.1% |
| CREDITO EMILIANO | 294 | 384 | 30.5% |
| PIAGGIO | 91 | 114 | 24.2% |
| IEG | 10 | 12 | 20.5% |
| TOD'S | 34 | 41 | 20.3% |
| REEVO | 2 | 3 | 20.1% |
| OMER | 7 | 8 | 18.9% |
| BANCA IFIS | 121 | 141 | 16.5% |
| Downward Revision | | | |
| FINCANTIERI | 126 | -50 | -139.3% |
| SERI INDUSTRIAL | 12 | -1 | -105.7% |
| AQUAFIL | 25 | 17 | -33.8% |
| BANCA SISTEMA | 28 | 19 | -32.0% |
| CYBEROO | 9 | 7 | -26.6% |
| ESPRINET | 59 | 45 | -23.8% |

Source: Intermonte SIM

Valuation

Mid/small cap valuation premium stable in the last month

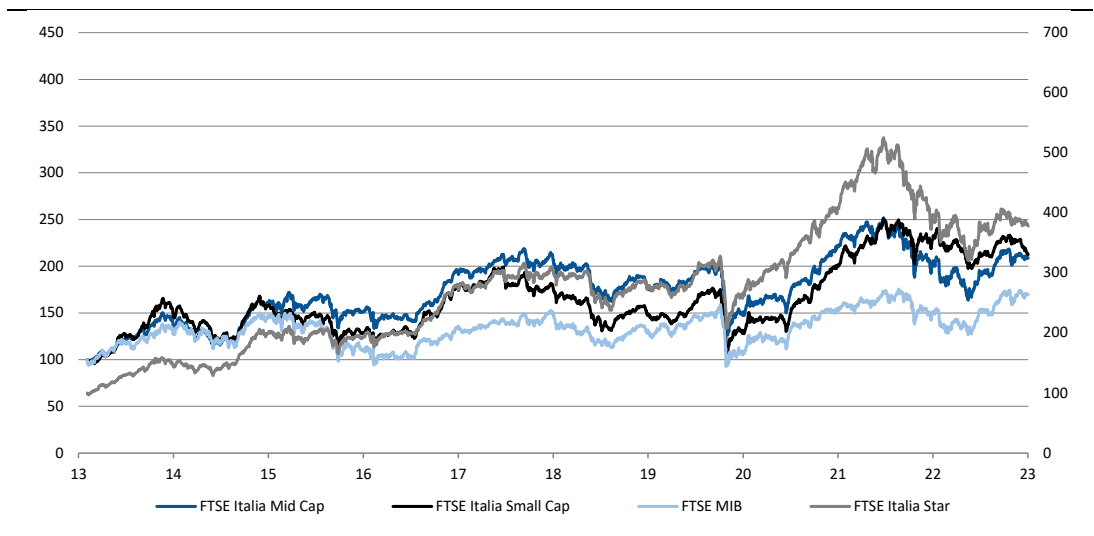
If we compare YtD performance to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 6.4% re-rating YtD (the same metric was +13.2% one month ago); mid-caps have re-rated by 7.6%, while small caps have re-rated by 10.8%.

Italian Market – re/de-rating by index

| Index | % Change YTD | on FY23 estimates | |
|-----------------------|--------------|-------------------|--------------|
| | | Chg in estimates | Re/De-rating |
| FTSE MIB | 14.9% | 8.5% | 6.4% |
| FTSE Italia Mid Cap | 9.5% | 1.9% | 7.6% |
| FTSE Italia Small Cap | 0.7% | -10.1% | 10.8% |

Source: Intermonte SIM and FactSet

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

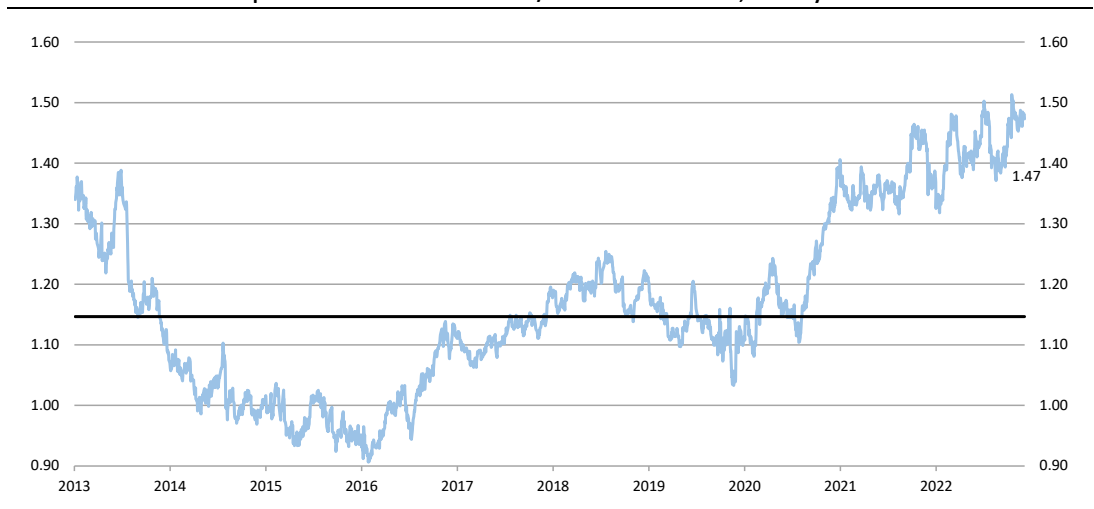


Source: FactSet

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 47% premium to large caps, well above the historical average premium (17%) and in line with the level one month ago (47%).

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 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|--------|--------|--------|-----------------------------|-----------------|----------------|
| FTSE MIB | 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 | 8.0 x | - | 15.7 x | -48.9% |
| FTSE Italy Mid | 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 | 12.3 x | - | 18.3 x | -32.9% |
| FTSE Italy Smz | 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 | 10.2 x | - | 18.9 x | -46.3% |
| Germany DA | 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 | 11.8 x | 47.6% | 14.3 x | -17.1% |
| Germany MD | 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 | 15.9 x | 29.4% | 20.3 x | -21.7% |
| France CAC 40 | 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 | 14.2 x | 77.1% | 16.0 x | -11.4% |
| France CAC M | 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 | 12.8 x | 4.3% | 18.2 x | -29.5% |
| France CAC S | 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 | 22.0 x | 116.6% | 25.9 x | -15.0% |
| FTSE 100 | 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 | 10.8 x | 34.5% | 14.0 x | -22.7% |
| FTSE 250 | 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 | 11.5 x | -6.9% | 15.5 x | -26.2% |
| IBEX 35 | 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 | 11.1 x | 38.1% | 13.5 x | -18.1% |
| IBEX MEDIUM | 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 | 13.3% | 18.0 x | -22.4% |

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 | -49.6 | -139% | 7% | 146% |
| SERI INDUSTRIAL | 11.6 | -0.7 | -106% | (8%) | 98% |
| CYBEROO | 9.1 | 6.7 | -27% | 35% | 62% |
| THE ITALIAN SEA GROUP | 34.3 | 35.1 | 2% | 50% | 48% |
| TXT E-SOLUTIONS | 13.3 | 15.0 | 13% | 52% | 39% |
| SERVIZI ITALIA | 6.5 | 5.0 | -23% | 15% | 38% |
| BREMBO | 281.8 | 300.2 | 7% | 38% | 32% |
| MEDIA FOR EUROPE | 217.1 | 214.3 | -1% | 30% | 31% |
| TESMEC | 16.4 | 13.4 | -18% | 9% | 27% |
| IREN | 257.5 | 261.5 | 2% | 28% | 27% |
| TECHNOGYM | 90.2 | 85.6 | -5% | 21% | 26% |
| INTERCOS | 56.5 | 56.5 | 0% | 23% | 23% |
| BFF BANK | 185.3 | 181.7 | -2% | 18% | 20% |
| MARR | 51.4 | 56.5 | 10% | 29% | 20% |
| SAES GETTERS | 33.1 | 33.1 | 0% | 19% | 19% |
| CEMENTIR | 157.6 | 165.9 | 5% | 24% | 19% |
| ESPRINET | 59.5 | 45.4 | -24% | (6%) | 18% |
| SARAS | 278.9 | 262.7 | -6% | 10% | 16% |
| FILA | 45.8 | 42.0 | -8% | 7% | 15% |
| WIIT | 19.3 | 17.8 | -8% | 6% | 13% |
| OVS GROUP | 58.6 | 64.8 | 11% | 24% | 13% |
| CY4GATE | 14.5 | 11.8 | -19% | (6%) | 12% |
| SALCEF GROUP | 64.7 | 74.3 | 15% | 27% | 12% |
| WEBUILD | 153.4 | 204.1 | 33% | 45% | 12% |
| NOTORIOUS PICTURES | 5.5 | 5.5 | 0% | 11% | 11% |
| FERRAGAMO | 50.4 | 41.6 | -18% | (7%) | 11% |
| BUZZI-UNICEM | 476.6 | 551.9 | 16% | 26% | 10% |
| UNIPOLSAI | 741.8 | 711.9 | -4% | 5% | 9% |
| ALKEMY | 6.9 | 6.4 | -8% | 1% | 9% |
| BANCA SISTEMA | 27.9 | 19.0 | -32% | (23%) | 9% |
| PIAGGIO | 91.4 | 113.6 | 24% | 32% | 8% |
| TOD'S | 34.4 | 41.3 | 20% | 28% | 8% |
| DE' LONGHI | 217.0 | 201.0 | -7% | (0%) | 7% |
| BRUNELLO CUCINELLI | 90.3 | 100.1 | 11% | 17% | 6% |
| REEVO | 2.3 | 2.7 | 20% | 25% | 5% |
| SOMECC | 12.6 | 10.4 | -18% | (13%) | 5% |
| CIVITANAVI SYSTEMS | 7.3 | 7.5 | 2% | 6% | 4% |
| AVIO | 3.6 | 3.6 | 0% | 4% | 4% |
| AQUAFIL | 25.5 | 16.9 | -34% | (30%) | 4% |
| ENAV | 107.8 | 108.0 | 0% | 4% | 4% |
| IGD | 70.5 | 55.6 | -21% | (18%) | 3% |
| ELICA | 24.1 | 21.1 | -12% | (10%) | 3% |
| ACEA | 304.0 | 310.8 | 2% | 4% | 2% |
| DATALOGIC | 31.7 | 25.7 | -19% | (17%) | 2% |
| ANIMA | 175.3 | 168.0 | -4% | (3%) | 1% |
| OMER | 6.7 | 8.0 | 19% | 18% | (1%) |
| MONDADORI | 56.3 | 61.3 | 9% | 8% | (1%) |
| MATICA FINTEC | 2.8 | 2.6 | -6% | (7%) | (2%) |
| REPLY | 204.8 | 202.2 | -1% | (3%) | (2%) |
| EL.EN. | 62.8 | 52.5 | -16% | (20%) | (4%) |
| MAIRE TECNIMONT | 105.6 | 118.3 | 12% | 8% | (4%) |
| LU-VE | 33.3 | 36.2 | 9% | 4% | (4%) |
| ILBE | 14.2 | 11.8 | -17% | (22%) | (5%) |
| INDEL B | 16.1 | 16.5 | 3% | (4%) | (6%) |
| SESA | 100.5 | 100.3 | 0% | (8%) | (8%) |
| GPI | 20.7 | 18.4 | -11% | (19%) | (8%) |
| BANCA IFIS | 121.1 | 141.1 | 17% | 8% | (8%) |
| SCIUKER FRAMES | 30.0 | 30.0 | 0% | (9%) | (9%) |
| RAI WAY | 79.9 | 89.7 | 12% | 3% | (9%) |
| SAFILO | 23.7 | 23.7 | 0% | (10%) | (10%) |
| TINEXTA | 58.7 | 52.2 | -11% | (21%) | (10%) |
| EMAK | 27.1 | 28.1 | 4% | (8%) | (11%) |
| RELATECH | 8.1 | 9.1 | 14% | 1% | (12%) |
| PHARMANUTRA | 14.5 | 15.2 | 5% | (8%) | (13%) |
| UNIDATA | 9.7 | 9.7 | 0% | (14%) | (14%) |
| GREENTHESIS | 15.7 | 17.9 | 14% | (2%) | (16%) |
| IEG | 10.1 | 12.2 | 20% | 2% | (19%) |

Source: Intermonte SIM

Liquidity

Mid/small cap liquidity slightly down compared to 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 2.7% higher than the 1Y average, but one month ago the same metric was +9.8%. Liquidity for mid-caps also showed a similar trend at 0.4% above the 1Y average, while for small caps the same metric is +4.4%.

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 | 47.14 | 54.55 | 49.56 | 45.92 | 50.85 | 2.7% | 18.8% |
| Top 20% by market cap | 144.05 | 171.82 | 153.72 | 143.97 | 152.61 | 0.1% | 19.3% |
| FTSE Italia Mid Cap | | | | | | | |
| All stocks | 1.86 | 2.21 | 1.99 | 1.85 | 2.56 | 0.4% | 19.1% |
| Top 20% by market cap | 3.25 | 3.96 | 3.38 | 3.21 | 4.84 | 1.2% | 23.2% |
| FTSE Italia Small Cap | | | | | | | |
| All stocks | 0.20 | 0.23 | 0.21 | 0.19 | 0.33 | 4.4% | 21.4% |
| Top 20% by market cap | 0.54 | 0.63 | 0.57 | 0.49 | 0.73 | 9.3% | 27.6% |

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 | 1,204 | 11,198,918 |
| BUZZI-UNICEM | 4,353 | 7,418,647 |
| BRUNELLO CUCINELLI | 5,494 | 5,886,992 |
| BFF BANK | 1,628 | 5,283,654 |
| REPLY | 3,872 | 4,736,654 |
| AUTOGRILL | 2,672 | 4,443,731 |
| BREMBO | 4,825 | 4,432,149 |
| ANIMA | 1,197 | 4,000,096 |
| WEBUILD | 2,002 | 3,310,008 |
| IREN | 2,452 | 3,048,333 |
| UNIPOLSAI | 6,842 | 2,888,832 |
| OVS GROUP | 758 | 2,868,746 |
| FERRAGAMO | 2,588 | 2,821,475 |
| TOD'S | 1,283 | 2,640,167 |
| MAIRE TECNIMONT | 1,104 | 2,491,410 |
| TECHNOGYM | 1,746 | 2,453,154 |
| PIAGGIO | 1,329 | 2,264,823 |
| DE' LONGHI | 3,157 | 2,262,255 |
| BANCA IFIS | 775 | 2,192,523 |
| CREDITO EMILIANO | 2,362 | 1,765,513 |
| SESA | 1,656 | 1,668,765 |
| ESPRINET | 321 | 1,444,941 |
| DOVALUE | 370 | 1,428,585 |
| ACEA | 2,871 | 1,398,789 |
| ENAV | 2,225 | 1,321,264 |
| EL.EN. | 911 | 1,208,963 |
| MARR | 981 | 1,204,031 |
| FINCANTIERI | 962 | 1,189,803 |
| TINEXTA | 852 | 1,158,519 |

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) |
|----------------------------|-------|-----------------------------------|------------------------------|---------------|--|---|
| Intermonte Coverage | 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 | 4.6 | 370 | 0.647 | 0.720 | 15.6% | 111% | 2.2x |
| IGD | 2.5 | 280 | 0.504 | 0.309 | 12.2% | 61% | 9.2x |
| BFF BANK | 8.8 | 1,628 | 0.981 | 0.981 | 11.2% | 100% | |
| BANCA IFIS | 14.4 | 775 | 2.622 | 1.450 | 10.1% | 55% | |
| SARAS | 1.3 | 1,204 | 0.276 | 0.120 | 9.5% | 43% | -0.1x |
| UNIPOLSAI | 2.4 | 6,842 | 0.256 | 0.170 | 7.0% | 66% | |
| ANIMA | 3.6 | 1,197 | 0.508 | 0.250 | 6.9% | 49% | |
| SCIUKER FRAMES | 6.4 | 139 | 1.383 | 0.415 | 6.5% | 30% | -0.5x |
| IREN | 1.9 | 2,452 | 0.201 | 0.121 | 6.4% | 60% | 3.3x |
| EMAK | 1.1 | 177 | 0.172 | 0.069 | 6.4% | 40% | 2.1x |
| ACEA | 13.5 | 2,871 | 1.459 | 0.851 | 6.3% | 58% | 3.7x |
| NOTORIOUS PICTURES | 1.6 | 36 | 0.245 | 0.098 | 6.2% | 40% | 1.2x |
| PIAGGIO | 3.7 | 1,329 | 0.321 | 0.225 | 6.1% | 70% | 1.0x |
| CREDITO EMILIANO | 6.9 | 2,362 | 1.124 | 0.400 | 5.8% | 36% | |
| RAI WAY | 5.6 | 1,515 | 0.330 | 0.322 | 5.8% | 98% | 1.0x |
| MONDADORI | 2.0 | 511 | 0.235 | 0.110 | 5.6% | 47% | 1.1x |
| MEDIA FOR EUROPE | 0.7 | 1,709 | 0.077 | 0.040 | 5.5% | 52% | 1.0x |
| BANCA SISTEMA | 1.2 | 95 | 0.236 | 0.059 | 5.0% | 25% | |
| ENAV | 4.1 | 2,225 | 0.199 | 0.203 | 4.9% | 102% | 1.2x |
| MAIRE TECNIMONT | 3.4 | 1,104 | 0.360 | 0.165 | 4.9% | 46% | 0.1x |
| MARR | 14.7 | 981 | 0.849 | 0.679 | 4.6% | 80% | 1.5x |
| GPI | 11.7 | 337 | 0.650 | 0.500 | 4.3% | 77% | 2.1x |
| TECHNOGYM | 8.7 | 1,746 | 0.426 | 0.327 | 3.8% | 77% | -1.0x |
| DATALOGIC | 6.9 | 404 | 0.440 | 0.250 | 3.6% | 57% | 0.4x |
| ESPRINET | 6.4 | 321 | 0.900 | 0.222 | 3.5% | 25% | 0.4x |
| CEMENTIR | 7.6 | 1,211 | 1.043 | 0.260 | 3.4% | 25% | -0.6x |
| IEG | 2.5 | 77 | 0.394 | 0.080 | 3.2% | 20% | 2.3x |
| THE ITALIAN SEA GROUP | 8.5 | 451 | 0.662 | 0.258 | 3.0% | 39% | 0.0x |
| WEBUILD | 2.0 | 2,002 | 0.206 | 0.060 | 3.0% | 29% | -0.4x |
| ELICA | 2.7 | 170 | 0.337 | 0.080 | 3.0% | 24% | 0.5x |

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 | 9.9 | 262 | 74.7 | 23.1 | 223% |
| GEOX | 1.0 | 247 | 14.8 | 7.4 | 99% |
| FERRAGAMO | 15.3 | 2,588 | 62.3 | 34.1 | 83% |
| CYBEROO | 5.7 | 113 | 16.9 | 10.0 | 69% |
| TOD'S | 38.8 | 1,283 | 31.0 | 19.8 | 57% |
| SECO | 4.4 | 575 | 23.4 | 14.9 | 57% |
| SOMEK | 28.3 | 195 | 18.8 | 12.0 | 56% |
| SERVIZI ITALIA | 1.4 | 43 | 8.7 | 5.6 | 56% |
| FINE FOODS | 7.4 | 163 | 20.9 | 14.3 | 47% |
| NOTORIOUS PICTURES | 1.6 | 36 | 6.5 | 4.4 | 46% |
| AQUAFIL | 4.3 | 184 | 13.0 | 9.0 | 46% |
| TESMEC | 0.2 | 93 | 6.8 | 4.7 | 44% |
| DATALOGIC | 6.9 | 404 | 15.7 | 11.4 | 37% |
| REVO INSURANCE | 8.7 | 215 | 14.4 | 10.6 | 35% |
| TECHNOGYM | 8.7 | 1,746 | 20.4 | 15.1 | 35% |
| GPI | 11.7 | 337 | 17.9 | 13.4 | 34% |
| THE ITALIAN SEA GROUP | 8.5 | 451 | 12.8 | 9.7 | 33% |
| AUTOGRILL | 6.9 | 2,672 | 17.9 | 13.5 | 32% |
| REEVO | 17.3 | 87 | 32.1 | 24.7 | 30% |
| MATICA FINTEC | 2.4 | 26 | 9.9 | 7.6 | 30% |
| WEBUILD | 2.0 | 2,002 | 9.7 | 7.5 | 30% |
| CIVITANAVI SYSTEMS | 3.7 | 113 | 15.1 | 11.8 | 28% |
| WIIT | 19.0 | 532 | 29.9 | 23.4 | 27% |
| ALKEMY | 11.1 | 63 | 10.0 | 8.0 | 25% |
| UNIDATA | 39.9 | 123 | 12.8 | 10.3 | 24% |
| ESPRINET | 6.4 | 321 | 7.1 | 5.7 | 24% |
| TINEXTA | 18.1 | 852 | 16.3 | 13.3 | 22% |
| MARR | 14.7 | 981 | 17.4 | 14.2 | 22% |
| CY4GATE | 8.7 | 204 | 17.3 | 14.2 | 22% |
| ELICA | 2.7 | 170 | 8.0 | 6.7 | 19% |
| RELATECH | 2.1 | 91 | 10.0 | 8.4 | 19% |
| PIAGGIO | 3.7 | 1,329 | 11.6 | 9.8 | 18% |
| OVS GROUP | 2.6 | 758 | 11.7 | 9.9 | 18% |
| EL.EN. | 11.4 | 911 | 17.0 | 14.5 | 18% |
| PHARMANUTRA | 57.4 | 556 | 36.5 | 31.1 | 17% |
| SESA | 106.9 | 1,656 | 16.5 | 14.2 | 16% |
| OMER | 3.0 | 85 | 10.6 | 9.2 | 16% |
| SALCEF GROUP | 22.1 | 1,379 | 18.6 | 16.0 | 16% |
| TXT E-SOLUTIONS | 19.5 | 254 | 15.9 | 13.8 | 15% |

Source: Intermonte SIM and FactSet

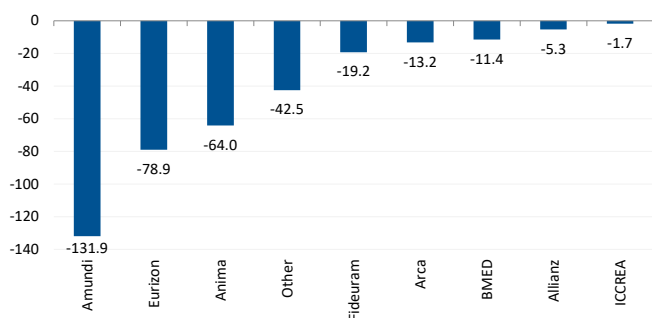
UPDATE on the Individual Savings Plan (PIR)

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 | |
| EQUITY FUNDS | (120) | (128) | (78) | (12) | 154 | 280 | (281) | (369) | 349 | 26 | 40.6% | 5,180 | 29.7% |
| BALANCED FUNDS | (219) | (192) | (121) | 147 | 177 | 214 | (321) | (587) | 2,525 | 22 | 34.4% | 7,376 | 42.3% |
| FIXED INCOME FUNDS | 4 | (2) | (3) | (10) | 7 | 17 | (1) | (20) | 10 | 4 | 6.3% | 204 | 1.2% |
| FLEXIBLE FUNDS | (34) | (7) | 7 | 36 | 41 | (187) | (160) | (121) | 1,067 | 13 | 20.3% | 4,695 | 26.9% |
| CLOSED-END FUNDS | (9) | 14 | 153 | 83 | | | | | | 11 | 17.2% | 1,442 | 8.3% |

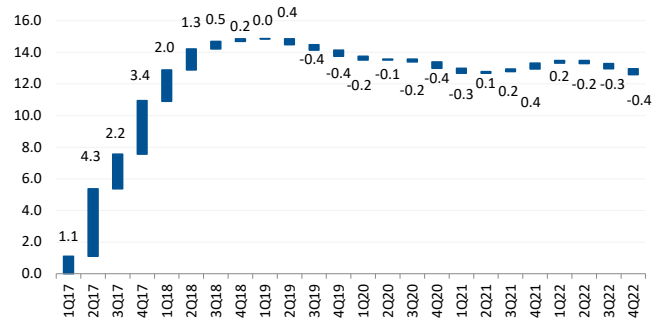
Source: Assogestioni, Quarterly Report, November 2022

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



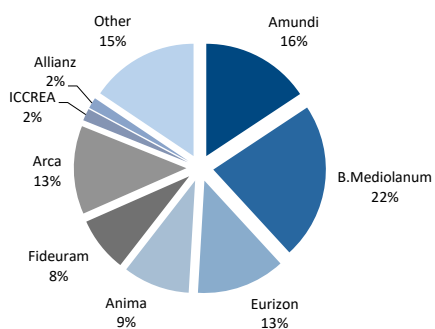
Source: Assogestioni

Ordinary PIR – Inflows by quarter (Eu bn)



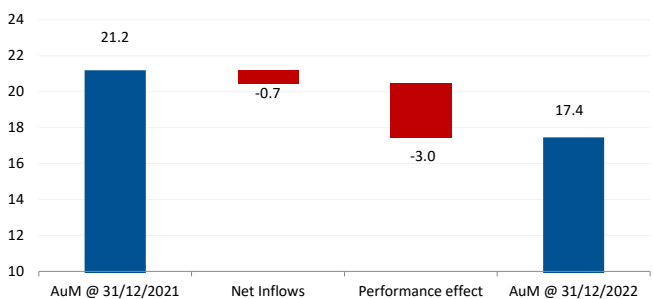
Source: Intermonte SIM estimates, Assogestioni

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

Very significant PIR outflows 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, in February at Eu-268mn and in March they remained very weak at Eu-233mn, taking total outflows in 1Q23 to Eu-667mn. In April, outflows were Eu144mn, slowing down relative to February and March.

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 |
|---|----------------|------------------|----------------|------------------|--------------|------------|--------------|------------|
| 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 | (733) | 654 |
| <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) | | | | | | | | 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 | 9.2 | 9.0 | 6.4 | 6.3 | 6.3% | 6.5% | -7.8% | 5.4% | 3.7x | 3.6x |
| ANIMA | 7.2 | 6.7 | | | 6.9% | 7.7% | | | | |
| AUTOGRILL | 17.9 | 13.5 | 4.8 | 4.2 | 1.4% | 1.9% | 7.8% | 9.0% | 1.5x | 1.2x |
| BANCA IFIS | 5.5 | 4.9 | | | 10.1% | 10.4% | | | | |
| BFF BANK | 8.9 | 8.1 | | | 11.2% | 12.3% | | | | |
| BREMBO | 15.7 | 15.3 | 7.1 | 6.6 | 2.0% | 2.0% | 4.0% | 5.0% | 0.6x | 0.4x |
| BRUNELLO CUCINELLI | 54.9 | 48.4 | 17.6 | 15.7 | 0.9% | 1.0% | 0.9% | 1.2% | 1.9x | 1.7x |
| BUZZI-UNICEM | 7.9 | 7.4 | 3.1 | 2.6 | 2.2% | 2.4% | 15.6% | 13.5% | -0.8x | -1.2x |
| CEMENTIR | 7.3 | 6.5 | 3.2 | 2.5 | 3.4% | 3.8% | 11.2% | 13.5% | -0.6x | -0.9x |
| CREDITO EMILIANO | 6.2 | 6.1 | | | 5.8% | 6.1% | | | | |
| DATALOGIC | 15.7 | 11.4 | 6.2 | 5.1 | 3.6% | 4.3% | 5.3% | 7.5% | 0.4x | 0.2x |
| DE' LONGHI | 15.5 | 14.1 | 7.0 | 6.3 | 2.6% | 2.9% | 5.0% | 4.7% | -1.0x | -1.1x |
| DOVALUE | 7.1 | 6.6 | 4.1 | 3.7 | 15.6% | 17.1% | 25.0% | 26.9% | 2.2x | 1.8x |
| EL.EN. | 17.0 | 14.5 | 9.2 | 7.7 | 1.8% | 1.9% | 3.2% | 6.5% | -1.1x | -1.4x |
| ENAV | 20.6 | 18.3 | 9.0 | 8.2 | 4.9% | 5.1% | 7.4% | 8.9% | 1.2x | 0.9x |
| FERRAGAMO | 62.3 | 34.1 | 8.4 | 6.7 | 0.8% | 1.5% | 0.0% | 1.9% | 0.9x | 0.7x |
| FINCANTIERI | nm | nm | 9.4 | 8.9 | 0.0% | 0.0% | | | 7.0x | 6.8x |
| INTERCOS | 26.5 | 23.4 | 12.0 | 10.7 | 1.1% | 1.1% | 2.8% | 3.2% | 0.7x | 0.4x |
| IREN | 9.4 | 8.7 | 5.7 | 5.5 | 6.4% | 7.1% | -7.4% | -3.1% | 3.3x | 3.3x |
| LU-VE | 18.0 | 15.8 | 9.4 | 8.4 | 1.4% | 1.4% | 2.6% | 4.7% | 1.6x | 1.2x |
| MAIRE TECNIMONT | 9.3 | 8.5 | 4.3 | 3.7 | 4.9% | 5.5% | 4.2% | 9.1% | 0.1x | 0.0x |
| MARR | 17.4 | 14.2 | 9.2 | 8.0 | 4.6% | 5.6% | 0.1% | 3.0% | 1.5x | 1.4x |
| MEDIA FOR EUROPE | 9.5 | 8.7 | 3.2 | 2.8 | 5.5% | 5.5% | 16.8% | 18.7% | 1.0x | 0.7x |
| MONDADORI | 8.3 | 8.1 | 4.6 | 4.3 | 5.6% | 5.6% | 12.6% | 13.8% | 1.1x | 0.8x |
| OVS GROUP | 11.7 | 9.9 | 5.4 | 4.7 | 2.2% | 2.6% | 8.4% | 7.4% | 0.6x | 0.4x |
| PHARMANUTRA | 36.5 | 31.1 | 23.0 | 19.5 | 1.4% | 1.6% | 1.4% | 2.9% | -0.3x | -0.5x |
| PIAGGIO | 11.6 | 9.8 | 4.9 | 4.4 | 6.1% | 7.1% | 8.8% | 8.8% | 1.0x | 0.8x |
| RAI WAY | 16.9 | 16.7 | 9.8 | 9.7 | 5.8% | 6.0% | 7.1% | 7.4% | 1.0x | 1.2x |
| REPLY | 19.2 | 17.0 | 10.6 | 9.1 | 1.1% | 1.2% | 5.7% | 5.5% | -0.7x | -1.0x |
| SAFILO | 16.0 | | 4.3 | | 0.0% | | 10.5% | | 0.1x | |
| SALCEF GROUP | 18.6 | 16.0 | 9.5 | 8.1 | 2.4% | 2.8% | 2.6% | 3.8% | -0.2x | -0.3x |
| SARAS | 4.6 | 8.9 | 1.9 | 2.4 | 9.5% | 6.3% | 0.6% | 19.6% | -0.1x | -0.4x |
| SECO | 23.4 | 14.9 | 11.7 | 8.6 | 0.0% | 0.0% | 2.5% | 2.7% | 0.9x | 0.4x |
| SESA | 16.5 | 14.2 | 8.7 | 6.3 | 1.1% | 1.2% | 7.5% | 9.2% | -0.4x | -0.7x |
| TECHNOGYM | 20.4 | 15.1 | 9.9 | 7.7 | 3.8% | 3.2% | 5.2% | 6.8% | -1.0x | -1.1x |
| TINEXTA | 16.3 | 13.3 | 10.0 | 8.4 | 2.4% | 1.8% | 4.8% | 6.1% | 0.1x | -0.2x |
| TIP | 12.2 | nm | | | 1.7% | 1.8% | | | 11.2x | |
| TOD'S | 31.0 | 19.8 | 5.8 | 4.9 | 0.0% | 0.0% | 0.3% | 4.2% | 2.4x | 1.9x |
| UNIPOLSAI | 9.4 | 9.2 | | | 7.0% | 7.7% | | | | |
| WEBUILD | 9.7 | 7.5 | 2.3 | 1.9 | 3.0% | 3.0% | 5.5% | 5.7% | -0.4x | -0.4x |
| WIIT | 29.9 | 23.4 | 14.5 | 12.5 | 1.7% | 2.1% | 3.9% | 4.7% | 4.0x | 3.1x |

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 | 4.3 | 3.9 | 2.8 | 3.1 | 0.0% | 0.0% | 81.3% | -21.5% | 0.0x | 0.6x |
| ALKEMY | 10.0 | 8.0 | 6.8 | 5.7 | 0.0% | 0.0% | 6.2% | 9.6% | 2.2x | 1.6x |
| AQUAFIL | 13.0 | 9.0 | 5.1 | 4.3 | 2.8% | 4.6% | 19.3% | 17.6% | 2.7x | 2.1x |
| AVIO | 74.7 | 23.1 | 7.1 | 5.3 | 0.2% | 2.0% | -1.1% | 6.1% | -0.8x | -0.9x |
| BANCA SISTEMA | 5.0 | 4.6 | | | 5.0% | 5.4% | | | | |
| CIVITANAVI SYSTEMS | 15.1 | 11.8 | 7.4 | 5.7 | 2.7% | 3.0% | 2.5% | 2.4% | -2.6x | -1.2x |
| CY4GATE | 17.3 | 14.2 | 7.5 | 6.4 | 0.0% | 0.0% | 3.6% | 4.0% | -0.2x | -0.4x |
| CYBEROO | 16.9 | 10.0 | 9.6 | 5.4 | 0.0% | 0.0% | 3.7% | 7.1% | -0.5x | -0.7x |
| ELICA | 8.0 | 6.7 | 3.7 | 3.1 | 3.0% | 3.4% | 13.6% | 12.3% | 0.5x | 0.2x |
| EMAK | 6.3 | 5.5 | 4.5 | 4.0 | 6.4% | 7.3% | 29.2% | 17.2% | 2.1x | 1.7x |
| ESPRINET | 7.1 | 5.7 | 4.0 | 2.8 | 3.5% | 8.7% | 26.6% | 24.0% | 0.4x | -0.2x |
| FILA | 9.0 | 8.4 | 6.9 | 6.3 | 2.0% | 2.1% | 9.7% | 11.5% | 3.0x | 2.5x |
| FINE FOODS | 20.9 | 14.3 | 8.1 | 6.7 | 1.9% | 2.8% | 5.9% | 0.2% | 1.3x | 1.1x |
| GEOX | 14.8 | 7.4 | 5.6 | 4.5 | 0.0% | 6.7% | 5.1% | 10.0% | 3.1x | 2.5x |
| GPI | 17.9 | 13.4 | 7.0 | 6.1 | 4.3% | 4.3% | 2.9% | 5.5% | 2.1x | 1.8x |
| GREENTHESIS | 8.0 | 7.8 | 6.2 | 5.9 | 2.5% | 3.0% | 1.7% | 1.6% | 1.7x | 1.6x |
| IEG | 6.3 | 5.6 | 3.7 | 3.2 | 3.2% | 4.0% | 12.9% | 16.3% | 2.3x | 1.9x |
| IGD | 5.0 | 5.7 | 11.8 | 11.1 | 12.2% | 12.5% | 22.8% | 20.1% | 9.2x | 8.7x |
| ILBE | 2.8 | 2.8 | 0.5 | 0.5 | 0.0% | 0.0% | -16.7% | 10.0% | 0.2x | 0.2x |
| INDEL B | 8.5 | 7.9 | 4.9 | 4.2 | 2.9% | 4.1% | 8.7% | 11.3% | 0.5x | 0.1x |
| MATICA FINTEC | 9.9 | 7.6 | 4.6 | 3.4 | 0.0% | 0.0% | 4.9% | 8.1% | -0.5x | -0.7x |
| NOTORIOUS PICTURES | 6.5 | 4.4 | 2.9 | 2.1 | 6.2% | 9.0% | -8.4% | 8.0% | 1.2x | 0.9x |
| OMER | 10.6 | 9.2 | 5.9 | 4.8 | 1.6% | 1.9% | 7.4% | 8.3% | -1.1x | -1.4x |
| REEVO | 32.1 | 24.7 | 13.5 | 10.5 | 1.0% | 1.3% | 1.2% | 2.9% | -0.3x | -0.5x |
| RELATECH | 10.0 | 8.4 | 4.9 | 4.0 | 0.0% | 0.0% | 7.6% | 7.9% | 0.5x | 0.1x |
| REVO INSURANCE | 14.4 | 10.6 | | | 0.9% | 1.7% | | | | |
| SAES GETTERS | 18.7 | 16.3 | 8.4 | 4.3 | 2.0% | 2.0% | 4.9% | 5.0% | -1.3x | -1.4x |
| SCIUKER FRAMES | 4.6 | 5.7 | 2.2 | 2.1 | 6.5% | 5.3% | 16.3% | 19.2% | -0.5x | -1.1x |
| SERI INDUSTRIAL | nm | 15.3 | 13.0 | 7.1 | 0.0% | 0.0% | -4.0% | -1.7% | 4.0x | 2.2x |
| SERVIZI ITALIA | 8.7 | 5.6 | 2.5 | 2.3 | 0.0% | 0.0% | 0.0% | 4.3% | 1.8x | 1.7x |
| SOMECS | 18.8 | 12.0 | 8.1 | 5.9 | 2.7% | 4.2% | 8.8% | 13.2% | 1.9x | 1.0x |
| TESMEC | 6.8 | 4.7 | 4.5 | 3.6 | 0.0% | 0.0% | 6.7% | 16.2% | 2.6x | 1.9x |
| THE ITALIAN SEA GROUP | 12.8 | 9.7 | 7.7 | 5.6 | 3.0% | 3.9% | 5.7% | 12.1% | 0.0x | -0.5x |
| TXT E-SOLUTIONS | 15.9 | 13.8 | 8.3 | 7.2 | 1.2% | 1.3% | 4.1% | 7.1% | 0.9x | 0.4x |
| UNIDATA | 12.8 | 10.3 | 6.9 | 5.8 | 0.4% | 0.5% | 4.3% | 3.9% | 2.0x | 1.6x |

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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