

# Italian Mid/Small Caps Monthly

## Liquidity Still an Issue, Valuations Are Attractive

by Intermonte Research Team

Italian Equity Market

- **Performance (-).** The Italian equity market (prices as at 19 June 2023) has grown 0.7% in the last month and is up 16.1% YtD. The FTSE Italy Mid-Cap index (-0.5%) has underperformed the main index by 1.2% in the last month (-6.3% YtD on a relative basis), with the FTSE Italy Small Caps index (-2.1%) performing 2.8% below the market, and -17.3% on a relative basis since the beginning of 2023. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has decreased 0.8% in the last month, performing broadly in line with Italian mid-caps.
- **Estimates (=).** Since the beginning of 2023, we have implemented a +8.1% upward revision to our 2023 EPS estimates, with a more limited revision (+5.1%) 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 improved our EPS forecasts for our FTSE MIB coverage (+3.9%/+2.6% on 2023/24) while we have left our estimates for our mid/small cap coverage unchanged (also in light of limited newsflow in the last month).
- **Valuations (=).** If we compare performance YtD to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 8.3% re-rating YtD (the same metric was +6.4% one month ago); mid-caps have re-rated by 7.8%, while small caps have re-rated by 9.2%. On a P/E basis, our panel is trading at a 42% premium to large caps, well above the historical average premium (17%) but below 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 9% higher than in the corresponding period one year ago but is down 10% from a YtD perspective. The picture is much more worrying for mid/small caps: specifically, liquidity YtD for mid-caps is down 25.5% YoY while for small caps it is down 33.6% YoY.
- **Investment strategy.** The last month has been seasonally weak in terms of newsflow. The macro picture provided mixed signals while Italian GDP is showing decent resilience, partly thanks to support from tourism but also to surprisingly solid local demand. In this context, our preference for stocks exposed to the digital transformation finally enjoyed a positive recovery, sustained by attractive multiples, a slight reduction in Italian interest rates and by widespread debate on the untapped potential of artificial intelligence. Looking ahead, the valuations of some sectors, such as IT, remain appealing and we expect 2Q results to provide a sanity check on our estimates. Liquidity is still 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. We hope some initiatives could help improve momentum in the segment after a period of subdued flows and a lack of listings.

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

## Performance

### Mid/small caps underperform large caps in a stable month

The Italian equity market (prices as at 19 June 2023) has grown 0.7% in the last month and is up 16.1% YtD. The FTSE Italy Mid-Cap index (-0.5%) has underperformed the main index by 1.2% in the last month (-6.3% YtD on a relative basis), with the FTSE Italy Small Caps index (-2.1%) performing 2.8% below the market, and -17.3% on a relative basis since the beginning of 2023.

#### Italian Market Indexes – performance analysis (prices as at 19 June 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	43,235	-0.5%	4.0%	10.4%	9.8%	12.9%	-9.9%	30.3%	4.3%
FTSE Italia Small Cap	27,411	-2.1%	-6.8%	-1.0%	-1.2%	-6.4%	-3.9%	44.5%	22.2%
FTSE Italia Star	48,317	0.2%	1.1%	5.2%	4.4%	7.4%	-13.6%	36.7%	29.1%
FTSE AIM ITALIA	9,133	0.0%	-0.6%	-1.3%	-1.3%	-1.4%	-6.1%	29.9%	-4.7%
FTSE Italia All-Share	29,871	0.7%	8.2%	16.3%	16.1%	25.3%	7.8%	39.7%	22.8%
FTSE MIB	27,754	0.8%	8.9%	17.2%	17.1%	27.4%	10.1%	41.5%	25.7%
<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		-1.2%	-4.2%	-5.9%	-6.3%	-12.4%	-17.8%	-9.5%	-18.5%
FTSE Italia Small Cap		-2.8%	-15.0%	-17.3%	-17.3%	-31.7%	-11.7%	4.8%	-0.6%
FTSE Italia Star		-0.5%	-7.1%	-11.1%	-11.7%	-18.0%	-21.4%	-3.0%	6.3%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has decreased 0.8% in the last month, performing broadly in line with 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	155	-0.7%	4.6%	8.9%	8.9%	14.9%	1.8%	28.3%	18.4%
MSCI Europe Small Cap	406	-0.8%	1.8%	5.7%	5.3%	4.8%	-16.4%	17.4%	2.2%

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>
TXT E-SOLUTIONS	22.70	296	18%
RELATECH	2.45	106	17%
SECO	5.23	696	15%
FINE FOODS	8.21	184	11%
WIIT	21.10	604	10%
BFF BANK	9.65	1,813	10%
SOMEK	30.60	208	9%
CY4GATE	9.29	216	8%
PHARMANUTRA	61.00	596	6%
SESA	116.40	1,813	6%
FILA	7.86	344	5%
REPLY	111.30	4,224	4%
BANCA SISTEMA	1.24	100	3%
TIP	9.23	1,728	3%
ALKEMY	11.60	67	3%
REVO INSURANCE	8.84	219	3%
UNIDATA	40.90	124	3%
SCIUKER FRAMES	6.65	144	2%
ELICA	2.72	172	2%
MONDADORI	2.02	527	2%
<b>FTSE Italia Mid Cap</b>			-1%
<b>FTSE Italia Small Cap</b>			-2%
<b>FTSE MIB</b>			1%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
SERI INDUSTRIAL	3.85	212	-19%
MATICA FINTEC	1.95	22	-15%
SARAS	1.11	1,058	-12%
NOTORIOUS PICTURES	1.39	33	-11%
AUTOGRILL	6.39	2,526	-11%
IREN	1.73	2,420	-10%
THE ITALIAN SEA GROUP	7.81	422	-9%
FINCANTIERI	0.52	887	-9%
WEBUILD	1.81	1,853	-9%
DE' LONGHI	19.10	2,899	-8%
OVS GROUP	2.42	719	-7%
ESPRINET	5.89	298	-7%
EMAK	1.03	169	-7%
INDEL B	22.70	133	-7%
AQUAFIL	4.01	170	-7%
TESMEC	0.14	86	-7%
ANIMA	3.45	1,129	-6%
UNIPOLSAI	2.29	6,497	-6%
GEOX	0.89	231	-6%
ILBE	0.88	20	-6%

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	22.70	296	77%
BREMBO	14.48	4,919	39%
THE ITALIAN SEA GROUP	7.81	422	38%
CYBEROO	2.85	115	36%
PIAGGIO	3.73	1,351	33%
WEBUILD	1.81	1,853	32%
SALCEF GROUP	22.80	1,454	31%
BFF BANK	9.65	1,813	30%
MARR	14.76	963	29%
MEDIA FOR EUROPE	0.72	1,730	28%
TOD'S	38.88	1,295	28%
TIP	9.23	1,728	26%
REEVO	17.25	87	25%
BUZZI-UNICEM	22.58	4,396	25%
TECHNOGYM	8.81	1,796	23%
INTERCOS	15.28	1,446	20%
BRUNELLO CUCINELLI	83.10	5,807	20%
CEMENTIR	7.24	1,171	18%
IREN	1.73	2,420	18%
SAES GETTERS	27.80	617	18%
<b>FTSE Italia Mid Cap</b>			10%
<b>FTSE Italia Small Cap</b>			-1%
<b>FTSE MIB</b>			17%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
DOVALUE	4.48	373	-37%
AQUAFIL	4.01	170	-35%
SERI INDUSTRIAL	3.85	212	-27%
ILBE	0.88	20	-26%
MATICA FINTEC	1.95	22	-24%
GPI	11.28	321	-22%
EL.EN.	11.34	931	-20%
TINEXTA	18.18	886	-20%
BANCA SISTEMA	1.24	100	-19%
IGD	2.54	283	-19%
DATALOGIC	6.94	414	-17%
SAFILO	1.31	558	-14%
ESPRINET	5.89	298	-13%
UNIDATA	40.90	124	-12%
EMAK	1.03	169	-11%
INDEL B	22.70	133	-10%
DE' LONGHI	19.10	2,899	-9%
ELICA	2.72	172	-8%
ANIMA	3.45	1,129	-8%
FERRAGAMO	15.39	2,621	-7%

Source: FactSet

## Earnings Momentum

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

Since the beginning of 2023, we have implemented a +8.1% upward revision to our 2023 EPS estimates, with a more limited revision (+5.1%) 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 improved our EPS forecasts for our FTSE MIB coverage (+3.9%/+2.6% on 2023/24) while we have left our estimates for our mid/small cap coverage unchanged (also in light of limited newsflow in the last month).

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

EPS REVISION	Since January 1st 2023		Since 19/5/2023	
	% chg in EPS FY23	% chg in EPS FY24	% chg in EPS FY23	% chg in EPS FY24
<b>Total Market</b>	<b>8.1%</b>	<b>5.1%</b>	<b>3.5%</b>	<b>2.4%</b>
<b>Total Market - Ex Energy</b>	<b>10.8%</b>	<b>7.0%</b>	<b>5.3%</b>	<b>3.3%</b>
Domestic	8.7%	2.5%	6.1%	3.7%
Non domestic	7.4%	7.9%	0.9%	1.1%
Non domestic - Ex Energy	6.5%	8.3%	4.1%	2.9%
<b>FTSE MIB</b>	<b>8.7%</b>	<b>5.5%</b>	<b>3.9%</b>	<b>2.6%</b>
<b>Mid Caps (our coverage)</b>	<b>2.0%</b>	<b>2.1%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Small Caps (our coverage)</b>	<b>-10.4%</b>	<b>-9.3%</b>	<b>-0.3%</b>	<b>0.2%</b>
Intermonte Mid&Small Caps coverage	0.7%	0.8%	0.0%	0.0%

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	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%
RELATECH	8	10	19.1%
OMER	7	8	18.9%
<b>Downward Revision</b>			
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 down slightly in the last month

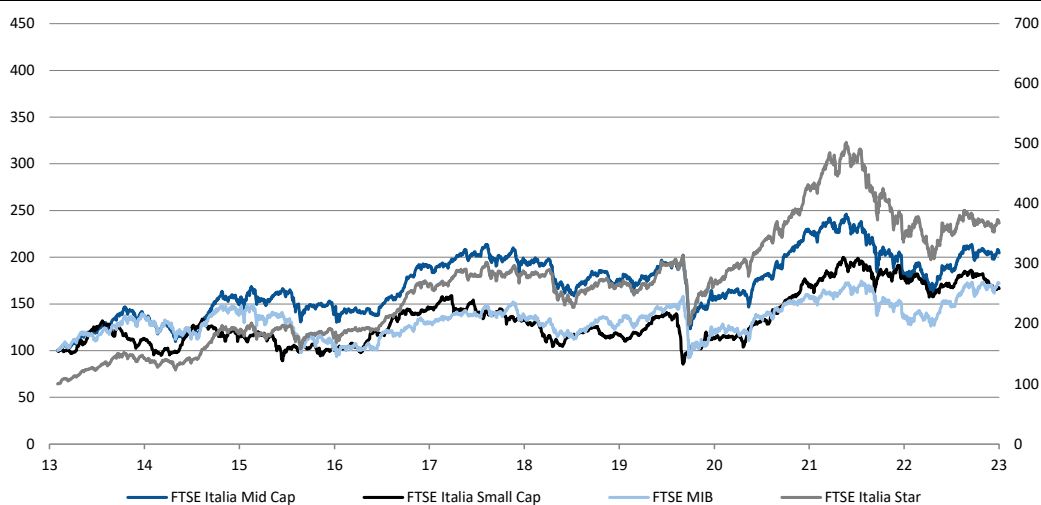
If we compare performance YtD to the change in FY23 estimates over the same period, we see that FTSE MIB stocks have recorded a 8.3% re-rating YtD (the same metric was +6.4% one month ago); mid-caps have re-rated by 7.8%, while small caps have re-rated by 9.2%.

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

Index	% Change YTD	on FY23 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	17.1%	8.7%	8.3%
FTSE Italia Mid Cap	9.8%	2.0%	7.8%
FTSE Italia Small Cap	-1.2%	-10.4%	9.2%

Source: Intermonte SIM and FactSet

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

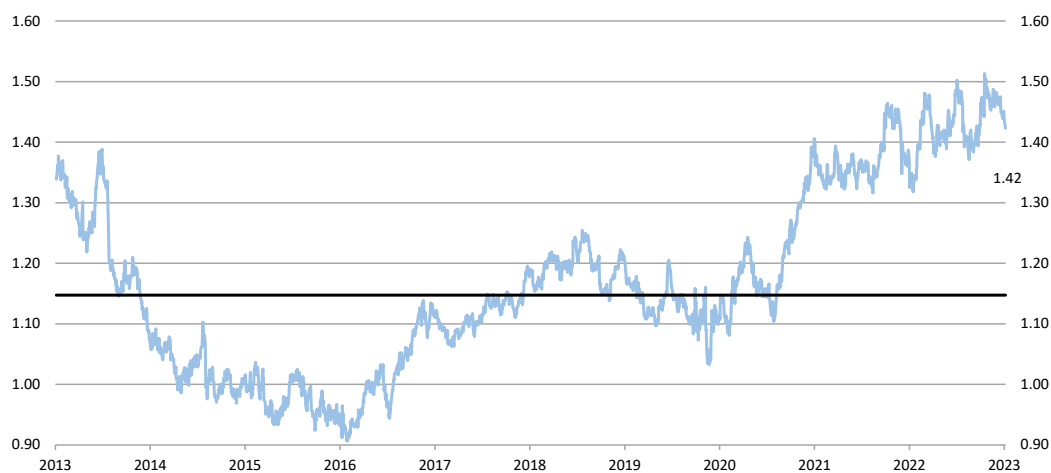


Source: FactSet

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 42% premium to large caps, well above the historical average premium (17%) but below 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
<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	8.1 x	-	15.7 x	-48.3%
<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	12.2 x	-	18.3 x	-33.7%
<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	10.0 x	-	18.9 x	-47.2%
<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	11.8 x	45.9%	14.3 x	-17.1%
<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	15.9 x	31.0%	20.3 x	-21.7%
<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	14.2 x	75.0%	16.0 x	-11.4%
<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	12.8 x	5.6%	18.2 x	-29.5%
<b>France CAC S1</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	22.0 x	120.4%	25.9 x	-15.0%
<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	10.8 x	32.9%	14.0 x	-22.7%
<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	11.5 x	-5.7%	15.5 x	-26.2%
<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	11.1 x	36.5%	13.5 x	-18.1%
<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	14.7%	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%	(1%)	138%
SERI INDUSTRIAL	11.6	-0.7	-106%	(27%)	79%
TXT E-SOLUTIONS	13.3	15.0	13%	77%	64%
CYBEROO	9.1	6.7	-27%	36%	62%
THE ITALIAN SEA GROUP	34.3	35.1	2%	38%	36%
SERVIZI ITALIA	6.5	5.0	-23%	12%	35%
BFF BANK	185.3	181.7	-2%	30%	32%
BREMBO	281.8	300.2	7%	39%	32%
MEDIA FOR EUROPE	217.1	213.4	-2%	28%	30%
TECHNOGYM	90.2	85.6	-5%	23%	28%
WIIT	19.3	17.8	-8%	17%	25%
MARR	51.4	56.5	10%	29%	20%
CY4GATE	14.5	11.8	-19%	1%	19%
TESMEC	16.4	13.4	-18%	(0%)	18%
SAES GETTERS	33.1	33.1	0%	18%	18%
FILA	45.8	43.8	-5%	13%	17%
IREN	257.5	261.5	2%	18%	16%
SALCEF GROUP	64.7	74.3	15%	31%	16%
ALKEMY	6.9	6.4	-8%	5%	13%
BANCA SISTEMA	27.9	19.0	-32%	(19%)	13%
CEMENTIR	157.6	165.9	5%	18%	13%
SOMEK	12.6	10.5	-17%	(6%)	11%
ESPRINET	59.5	45.4	-24%	(13%)	11%
FERRAGAMO	50.4	41.6	-18%	(7%)	11%
INTERCOS	56.5	62.2	10%	20%	10%
BUZZI-UNICEM	476.6	551.9	16%	25%	10%
BRUNELLO CUCINELLI	90.3	100.1	11%	20%	9%
PIAGGIO	91.4	113.6	24%	33%	9%
TOD'S	34.4	41.3	20%	28%	8%
CIVITANA SYSTEMS	7.3	7.5	2%	7%	6%
REEVO	2.3	2.7	20%	25%	5%
REPLY	204.8	202.2	-1%	4%	5%
OVS GROUP	58.6	64.8	11%	15%	4%
ELICA	24.1	21.1	-12%	(8%)	4%
UNIPOLSAI	741.8	711.9	-4%	(1%)	3%
MONDADORI	56.3	61.3	9%	11%	3%
SARAS	278.9	262.7	-6%	(3%)	3%
IGD	70.5	55.6	-21%	(19%)	3%
DATALOGIC	31.7	25.7	-19%	(17%)	2%
ENAV	107.8	108.0	0%	1%	1%
SESA	100.5	100.3	0%	0%	1%
AVIO	3.6	3.6	0%	0%	0%
EMAK	27.1	24.1	-11%	(11%)	(0%)
AQUAFIL	25.5	16.9	-34%	(35%)	(1%)
WEBUILD	153.4	204.1	33%	32%	(1%)
RELATECH	8.1	9.6	19%	18%	(1%)
DE' LONGHI	217.0	201.0	-7%	(9%)	(2%)
LU-VE	33.3	36.2	9%	7%	(2%)
ACEA	304.0	310.8	2%	(0%)	(3%)
NOTORIOUS PICTURES	5.5	5.5	0%	(3%)	(3%)
MAIRE TECNIMONT	105.6	118.3	12%	9%	(3%)
ANIMA	175.3	168.0	-4%	(8%)	(4%)
EL.EN.	62.8	52.5	-16%	(20%)	(4%)
SCIUKER FRAMES	30.0	30.0	0%	(6%)	(6%)
PHARMANUTRA	14.5	15.2	5%	(2%)	(7%)
RAI WAY	79.9	89.7	12%	5%	(7%)
OMER	6.7	8.0	19%	10%	(9%)
ILBE	14.2	11.8	-17%	(26%)	(9%)
TINEXTA	58.7	52.2	-11%	(20%)	(9%)
FINE FOODS	8.3	9.1	9%	(2%)	(10%)
GPI	20.7	18.4	-11%	(22%)	(11%)
BANCA IFIS	121.1	141.1	17%	6%	(11%)
INDEL B	16.1	16.5	3%	(10%)	(12%)
UNIDATA	9.7	9.7	0%	(12%)	(12%)
SAFILO	23.7	23.7	0%	(14%)	(14%)
GREENTHESIS	15.7	17.5	12%	(4%)	(16%)
MATICA FINTEC	2.8	2.6	-6%	(24%)	(18%)

Source: Intermonte SIM



## Liquidity

### Mid/small cap liquidity still lower than one year 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 9% higher than in the corresponding period one year ago but is down 10% from a YtD perspective. The picture is much more worrying for mid/small caps: specifically, liquidity YtD for mid-caps is down 25.5% YoY while for small caps it is down 33.6% YoY.

#### Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2024			Avg Daily Volume * Avg Price (Eu mn) 2023			% Changes (YoY)		
	1M to 19/6	3M to 19/6	YTD to 19/6	1M to 19/6	3M to 19/6	YTD to 19/6	1M to 19/6	3M to 19/6	YTD to 19/6
<b>FTSE MIB</b>									
All stocks	51.71	51.16	53.10	47.42	49.25	58.94	9.0%	3.9%	(9.9%)
Top 20% by market cap	157.85	158.52	164.50	151.97	153.39	185.96	3.9%	3.3%	(11.5%)
<b>FTSE Italia Mid Cap</b>									
All stocks	1.82	2.02	2.13	2.05	2.39	2.86	(11.1%)	(15.4%)	(25.5%)
Top 20% by market cap	3.30	3.57	3.65	3.65	4.59	5.65	(9.6%)	(22.2%)	(35.4%)
<b>FTSE Italia Small Cap</b>									
All stocks	0.19	0.21	0.22	0.22	0.26	0.33	(14.2%)	(21.0%)	(33.6%)
Top 20% by market cap	0.52	0.54	0.58	0.44	0.54	0.73	17.4%	(0.3%)	(21.2%)

Source: FactSet

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

#### Intermonte Mid & Small Cap Coverage – most liquid stocks

Stock	Market Cap (Eu mn)	6M Avg Volume * Avg Price (Eu)
SARAS	1,058	11,372,750
BUZZI-UNICEM	4,396	7,506,601
BRUNELLO CUCINELLI	5,807	6,084,253
BFF BANK	1,813	5,435,379
REPLY	4,224	4,874,127
AUTOGRILL	2,526	4,809,543
BREMBO	4,919	4,761,407
ANIMA	1,129	3,943,391
WEBUILD	1,853	3,319,804
IREN	2,420	3,111,307
UNIPOLSAI	6,497	2,989,370
OVS GROUP	719	2,891,846
FERRAGAMO	2,621	2,794,257
TECHNOGYM	1,796	2,729,720
MAIRE TECNIMONT	1,127	2,487,703
TOD'S	1,295	2,374,328
PIAGGIO	1,351	2,282,637
DE' LONGHI	2,899	2,139,510
BANCA IFIS	759	2,122,257
CREDITO EMILIANO	2,355	1,743,551
DOVALUE	373	1,721,149
ESPRINET	298	1,605,670
TIP	1,728	1,592,869
ACEA	2,967	1,581,368
MARR	963	1,367,869
FINCANTIERI	887	1,348,259
TINEXTA	886	1,311,368
ENAV	2,188	1,259,147
EL.EN.	931	1,166,082

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	4.5	373	0.647	0.720	16.1%	111%	2.2x
IGD	2.5	283	0.504	0.309	12.2%	61%	9.2x
SARAS	1.1	1,058	0.276	0.120	10.8%	43%	-0.1x
BANCA IFIS	14.1	759	2.622	1.450	10.3%	55%	
BFF BANK	9.6	1,813	0.981	0.981	10.2%	100%	
UNIPOLSAI	2.3	6,497	0.256	0.170	7.4%	66%	
ANIMA	3.4	1,129	0.508	0.250	7.3%	49%	
NOTORIOUS PICTURES	1.4	33	0.245	0.098	7.0%	40%	1.2x
IREN	1.7	2,420	0.201	0.121	7.0%	60%	3.3x
ACEA	12.9	2,967	1.459	0.851	6.6%	58%	3.7x
SCIUKER FRAMES	6.7	144	1.383	0.415	6.2%	30%	-0.3x
PIAGGIO	3.7	1,351	0.321	0.225	6.0%	70%	1.0x
CREDITO EMILIANO	6.9	2,355	1.124	0.400	5.8%	36%	
RAI WAY	5.7	1,512	0.330	0.322	5.7%	98%	1.0x
EMAK	1.0	169	0.147	0.059	5.7%	40%	2.5x
MEDIA FOR EUROPE	0.7	1,730	0.076	0.040	5.5%	53%	1.1x
MONDADORI	2.0	527	0.235	0.110	5.5%	47%	1.1x
ENAV	4.0	2,188	0.199	0.203	5.1%	102%	1.2x
MAIRE TECNIMONT	3.4	1,127	0.360	0.165	4.9%	46%	0.1x
BANCA SISTEMA	1.2	100	0.236	0.059	4.8%	25%	
MARR	14.8	963	0.849	0.679	4.6%	80%	1.5x
GPI	11.3	321	0.650	0.500	4.4%	77%	2.1x
ESPRINET	5.9	298	0.900	0.222	3.8%	25%	0.4x
TECHNOGYM	8.8	1,796	0.426	0.327	3.7%	77%	-1.0x
DATALOGIC	6.9	414	0.440	0.250	3.6%	57%	0.4x
CEMENTIR	7.2	1,171	1.043	0.260	3.6%	25%	-0.6x
WEBUILD	1.8	1,853	0.206	0.060	3.3%	29%	-0.4x
THE ITALIAN SEA GROUP	7.8	422	0.662	0.258	3.3%	39%	0.0x
IEG	2.5	77	0.394	0.080	3.3%	20%	2.3x
INDEL B	22.7	133	2.833	0.700	3.1%	25%	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	9.6	251	72.0	22.3	223%
GEOX	0.9	231	13.7	6.9	99%
FERRAGAMO	15.4	2,621	62.5	34.2	83%
CYBEROO	2.9	115	17.9	10.6	69%
TOD'S	38.9	1,295	31.1	19.8	57%
SECO	5.2	696	27.8	17.7	57%
SOMECC	30.6	208	20.2	12.9	56%
SERVIZI ITALIA	1.3	43	8.4	5.4	56%
FINE FOODS	8.2	184	23.2	15.8	47%
NOTORIOUS PICTURES	1.4	33	5.7	3.9	46%
AQUAFIL	4.0	170	12.2	8.3	46%
TESMEC	0.1	86	6.3	4.4	44%
DATALOGIC	6.9	414	15.8	11.5	37%
REVO INSURANCE	8.8	219	14.6	10.8	35%
TECHNOGYM	8.8	1,796	20.7	15.4	35%
GPI	11.3	321	17.3	12.9	34%
THE ITALIAN SEA GROUP	7.8	422	11.8	8.9	33%
AUTOGRILL	6.4	2,526	16.5	12.4	32%
REEVO	17.3	87	32.1	24.7	30%
MATICA FINTEC	2.0	22	8.1	6.2	30%
WEBUILD	1.8	1,853	8.8	6.8	30%
CIVITANAVI SYSTEMS	3.7	113	15.3	12.0	28%
WIIT	21.1	604	33.2	26.0	27%
ALKEMY	11.6	67	10.4	8.3	25%
UNIDATA	40.9	124	13.1	10.6	24%
ESPRINET	5.9	298	6.5	5.3	24%
TINEXTA	18.2	886	16.4	13.4	22%
MARR	14.8	963	17.4	14.2	22%
CY4GATE	9.3	216	18.6	15.3	22%
ELICA	2.7	172	8.1	6.8	19%
PIAGGIO	3.7	1,351	11.6	9.9	18%
OVS GROUP	2.4	719	10.9	9.2	18%
EL.EN.	11.3	931	16.9	14.4	18%
PHARMANUTRA	61.0	596	38.8	33.1	17%
GREENTHESIS	0.9	143	8.0	6.8	17%
RELATECH	2.5	106	11.1	9.5	17%
EMAK	1.0	169	7.0	6.0	16%
SESA	116.4	1,813	18.0	15.5	16%
OMER	2.8	82	9.9	8.5	16%

Source: Intermonte SIM and FactSet

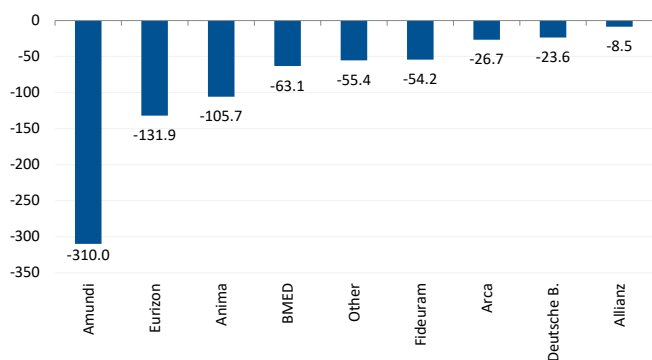
## UPDATE on the Individual Savings Plan (PIR)

### PIR: official figures for 1Q23

	1Q23	4Q22	3Q22	2Q22	1Q22	FY21	FY20	FY19	FY18	Nr. of Funds at March 2023		Invested Capital at March 2023	
	(Eu mn)	(Eu mn)	(Eu mn)	(Eu mn)	(Eu mn)	(Eu mn)	(Eu mn)	(Eu mn)	(Eu mn)	# Funds	%	(Eu mn)	in %
Ordinary PIR	(779)	(368)	(330)	(196)	160	323	(759)	(1,097)	3,950	66		17,824	
Alternative PIR	58	(9)	15	153	83					14		1,512	
<b>EQUITY FUNDS</b>	(264)	(120)	(128)	(78)	(12)	280	(281)	(369)	349	26	32.5%	5,465	28.3%
<b>BALANCED FUNDS</b>	(466)	(219)	(192)	(121)	147	214	(321)	(587)	2,525	22	27.5%	7,257	37.5%
<b>FIXED INCOME FUNDS</b>	71	4	(2)	(3)	(10)	17	(1)	(20)	10	6	7.5%	280	1.4%
<b>FLEXIBLE FUNDS</b>	(114)	(34)	(7)	7	36	(187)	(160)	(121)	1,067	14	17.5%	4,836	25.0%
<b>CLOSED-END FUNDS</b>	52	(9)	14	153	83					12	15.0%	1,499	7.8%

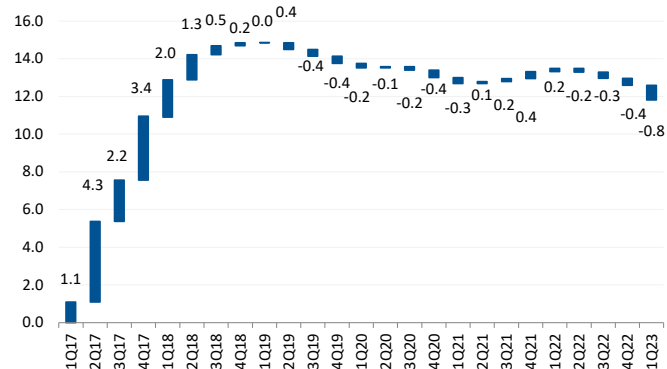
Source: Assogestioni, Quarterly Report, May 2023

### Ordinary PIR - Net inflows by asset manager (Eu mn, 1Q23)



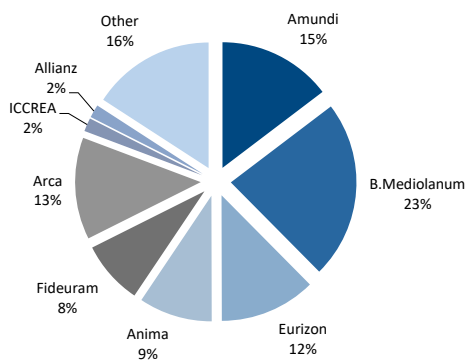
Source: Assogestioni

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



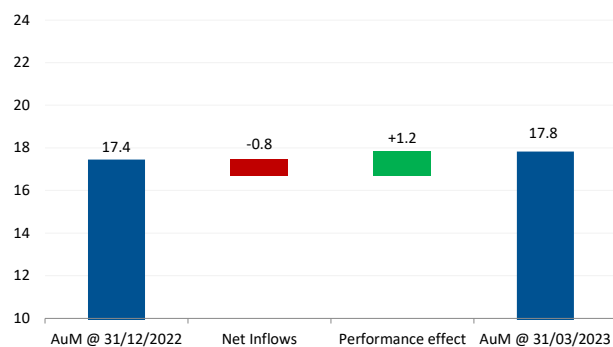
Source: Intermonte SIM estimates, Assogestioni

### Ordinary PIR - Market share by asset manager (on AuM as at 31/03/23)



Source: Assogestioni

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



Source: Assogestioni

### Very significant PIR outflows in 1Q23

In its quarterly review on 25 May 2023, **Assogestioni released updated figures on 1Q23 PIR inflows. During the quarter, ordinary PIRs saw outflows of Eu779mn, while Alternative PIRs recorded inflows of Eu58mn.** In terms of AuM, ordinary PIRs had Eu17.8bn under management, while Eu1.5bn was invested in alternative PIR funds. Looking at ordinary PIRs, quarterly net inflows deteriorated further compared to 4Q22 and 3Q22, when net inflows were Eu-368mn and Eu-330mn respectively.

The inflow figure is worse than the one disclosed by *Il Sole 24 Ore's 'Osservatorio PIR'*, which estimated Eu667mn of outflows in 1Q23 (with January, February and March at Eu-166mn, Eu-268mn, and Eu-233mn respectively).

**Regarding alternative PIR, inflows in 1Q23 came to Eu58mn, a reversal of the negative 4Q22 trend (Eu-9mn).**

**According to 'Osservatorio PIR', outflows continued in April, at Eu144mn, slowing down from the February and March trends.**

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. Eu40k 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	Eu40,000 a year (max Eu200,000)	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

Assogestioni data for 1Q23 showed Eu779.1mn of outflows, higher than the figure for the whole of 2022 (Eu733.8mn). This figure is decidedly more negative than expected and leads us to revise our estimates for the year to point to outflows of Eu1.5bn. Our forecast, albeit revised downwards, confirms our expectation for an improvement in numbers in 2H23.

Looking at the causes of redemptions from PIR funds, we can certainly hypothesise that many investors, noting positive performances as the 5-year investment period mature (meaning tax benefits on capital gains are retained) decided to cash in to enable them to direct their savings to other funds and markets.

According to the press, the Italian government is looking at an amendment to allow investors to hold more than one personal savings plan (PIR). The plan would cost the government no extra budget as the investment ceiling of Eu40k a year per person (or Eu200k over 5 years) would remain unchanged. We very much welcome this initiative. If approved, we think this move could relaunch inflows to PIR funds, as the advantage of diversifying over several PIR products could increase investments by individual investors.

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 a long-term commitment from investors.

The main assumptions underpinning our current estimates are as follows:

- For 2023, we assume gross inflows from new PIR subscribers of Eu300mn;
- 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 ~15% of Assets under Management in 2023 and 3.5% thereafter.

### PIR – Our assumptions

Individual Saving Plan (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)	(1,544)
YoY Growth			-63.8%	nm	nm	nm	nm	110.8%
o/w From Continuing Subs. (estimated)								424
o/w From New Subscribers (estimated)								300
o/w Transformation of Existing Funds/Exit from PIR (est.)								(2,268)

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	8.8	8.6	6.3	6.2	6.6%	6.8%	-8.1%	5.5%	3.7x	3.6x
ANIMA	6.8	6.4			7.3%	8.1%				
AUTOGRILL	16.5	12.4	4.6	3.9	1.6%	2.1%	8.4%	9.8%	1.5x	1.2x
BANCA IFIS	5.4	4.8			10.3%	10.7%				
BFF BANK	9.8	9.0			10.2%	11.2%				
BREMBO	15.7	15.3	7.2	6.6	2.0%	2.0%	4.0%	5.0%	0.6x	0.4x
BRUNELLO CUCINELLI	56.5	49.8	18.1	16.2	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	6.9	6.2	3.0	2.3	3.6%	4.0%	11.8%	14.2%	-0.6x	-0.9x
CREDITO EMILIANO	6.1	6.1			5.8%	6.1%				
DATALOGIC	15.8	11.5	6.3	5.1	3.6%	4.3%	5.3%	7.5%	0.4x	0.2x
DE' LONGHI	14.2	12.9	6.3	5.7	2.8%	3.1%	5.5%	5.1%	-1.0x	-1.1x
DOVALUE	6.9	6.4	4.1	3.6	16.1%	17.7%	25.8%	27.7%	2.2x	1.8x
EL.EN.	16.9	14.4	9.2	7.7	1.9%	1.9%	3.2%	6.5%	-1.1x	-1.4x
ENAV	20.1	17.9	8.8	8.0	5.1%	5.2%	7.6%	9.1%	1.2x	0.9x
FERRAGAMO	62.5	34.2	8.4	6.7	0.8%	1.5%	0.0%	1.9%	0.9x	0.7x
FINCANTIERI	nm	nm	9.3	8.7	0.0%	0.0%			7.0x	6.8x
INTERCOS	23.6	20.9	10.9	9.6	1.0%	1.3%	1.7%	3.4%	0.6x	0.3x
IREN	8.6	8.0	5.5	5.3	7.0%	7.7%	-8.0%	-3.3%	3.3x	3.3x
LU-VE	18.5	16.2	9.6	8.5	1.3%	1.4%	2.6%	4.6%	1.6x	1.2x
MAIRE TECNIMONT	9.4	8.5	4.4	3.7	4.9%	5.5%	4.2%	9.1%	0.1x	0.0x
MARR	17.4	14.2	9.2	8.1	4.6%	5.6%	0.1%	3.0%	1.5x	1.4x
MEDIA FOR EUROPE	9.5	8.7	3.4	3.0	5.5%	5.5%	16.2%	18.0%	1.1x	0.8x
MONDADORI	8.6	8.3	4.7	4.4	5.5%	5.5%	12.2%	13.4%	1.1x	0.8x
OVS GROUP	10.9	9.2	5.1	4.4	2.4%	2.8%	9.0%	7.9%	0.6x	0.4x
PHARMANUTRA	38.8	33.1	24.4	20.7	1.3%	1.5%	1.3%	2.7%	-0.3x	-0.5x
PIAGGIO	11.6	9.9	4.9	4.4	6.0%	7.1%	8.8%	8.7%	1.0x	0.8x
RAI WAY	17.2	17.0	9.9	9.8	5.7%	5.9%	7.0%	7.3%	1.0x	1.2x
REPLY	20.6	18.3	11.5	9.8	1.0%	1.1%	5.3%	5.1%	-0.7x	-1.0x
SAFILO	15.3		4.1		0.0%		11.0%		0.1x	
SALCEF GROUP	19.1	16.6	9.8	8.4	2.4%	2.7%	2.5%	3.7%	-0.2x	-0.3x
SARAS	4.0	7.8	1.6	2.1	10.8%	7.2%	0.7%	22.3%	-0.1x	-0.4x
SECO	27.8	17.7	13.6	10.0	0.0%	0.0%	2.2%	2.3%	0.9x	0.4x
SESA	18.0	15.5	8.7	6.9	1.0%	1.1%	6.9%	8.4%	-0.4x	-0.7x
TECHNOGYM	20.7	15.4	10.1	7.8	3.7%	3.2%	5.1%	6.9%	-1.0x	-1.1x
TINEXTA	16.4	13.4	10.1	8.4	2.3%	1.8%	4.8%	6.1%	0.1x	-0.2x
TIP	12.8	nm			1.6%	1.7%			11.2x	
TOD'S	31.1	19.8	5.8	4.9	0.0%	0.0%	0.3%	4.2%	2.4x	1.9x
UNIPOLSAI	8.9	8.7			7.4%	8.1%				
WEBUILD	8.8	6.8	2.1	1.7	3.3%	3.3%	6.0%	6.2%	-0.4x	-0.4x

**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%	79.5%	-21.0%	0.0x	0.6x
ALKEMY	10.4	8.3	6.9	5.8	0.0%	0.0%	6.0%	9.2%	2.2x	1.6x
AQUAFIL	12.2	8.3	4.9	4.1	3.0%	4.9%	20.7%	18.8%	2.7x	2.1x
AVIO	72.0	22.3	6.9	5.0	0.3%	2.1%	-1.1%	6.4%	-0.8x	-0.9x
BANCA SISTEMA	5.2	4.8			4.8%	5.2%				
CIVITANAVI SYSTEMS	15.3	12.0	7.5	5.8	2.7%	3.0%	2.5%	2.3%	-2.6x	-1.2x
CY4GATE	18.6	15.3	8.1	6.9	0.0%	0.0%	3.3%	3.7%	-0.2x	-0.4x
CYBEROO	17.9	10.6	10.2	5.8	0.0%	0.0%	3.6%	6.9%	-0.5x	-0.7x
ELICA	8.1	6.8	3.7	3.1	2.9%	3.3%	13.4%	12.1%	0.5x	0.2x
EMAK	7.0	6.0	4.9	4.4	5.7%	6.6%	17.0%	15.8%	2.5x	2.1x
ESPRINET	6.5	5.3	3.7	2.6	3.8%	9.5%	28.7%	25.9%	0.4x	-0.2x
FILA	10.7	9.9	7.1	6.5	1.7%	1.8%	9.3%	9.5%	3.0x	2.6x
FINE FOODS	23.2	15.8	8.9	7.3	1.7%	2.5%	5.3%	0.2%	1.3x	1.1x
GEOX	13.7	6.9	5.4	4.4	0.0%	7.2%	5.5%	10.7%	3.1x	2.5x
GPI	17.3	12.9	6.8	6.0	4.4%	4.4%	3.0%	5.7%	2.1x	1.8x
GREENTHESIS	8.0	6.8	6.5	5.7	2.5%	3.0%	-3.3%	2.2%	1.9x	1.7x
IEG	6.2	5.5	3.7	3.2	3.3%	4.1%	13.2%	16.7%	2.3x	1.9x
IGD	5.0	5.6	11.8	11.1	12.2%	12.6%	22.8%	20.1%	9.2x	8.7x
ILBE	2.6	2.6	0.5	0.5	0.0%	0.0%	-17.7%	10.6%	0.2x	0.2x
INDEL B	8.0	7.4	4.6	4.0	3.1%	4.4%	9.2%	12.1%	0.5x	0.1x
MATICA FINTEC	8.1	6.2	3.7	2.6	0.0%	0.0%	6.0%	9.8%	-0.5x	-0.7x
NOTORIOUS PICTURES	5.7	3.9	2.7	1.9	7.0%	10.3%	-9.6%	9.1%	1.2x	0.9x
OMER	9.9	8.5	5.5	4.5	1.7%	2.0%	7.9%	8.8%	-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	11.1	9.5	5.4	4.5	0.0%	0.0%	6.0%	6.0%	0.4x	0.0x
REVO INSURANCE	14.6	10.8			0.9%	1.7%				
SAES GETTERS	18.5	16.2	8.3	4.3	2.0%	2.0%	4.9%	5.0%	-1.3x	-1.4x
SCIUKER FRAMES	4.8	5.9	2.5	2.4	6.2%	5.1%	11.4%	19.6%	-0.3x	-0.9x
SERI INDUSTRIAL	nm	12.2	11.2	6.1	0.0%	0.0%	-5.1%	-2.1%	4.0x	2.2x
SERVIZI ITALIA	8.4	5.4	2.4	2.3	0.0%	0.0%	0.0%	4.4%	1.8x	1.7x
SOMECC	20.2	12.9	8.6	6.3	2.5%	3.9%	8.1%	12.2%	1.9x	1.0x
TESMEC	6.3	4.4	4.3	3.4	0.0%	0.0%	7.3%	17.7%	2.6x	1.9x
THE ITALIAN SEA GROUP	11.8	8.9	7.1	5.1	3.3%	4.2%	6.2%	13.1%	0.0x	-0.5x
TXT E-SOLUTIONS	18.5	16.1	9.6	8.3	1.0%	1.1%	3.5%	6.1%	0.9x	0.4x
UNIDATA	13.1	10.6	7.0	5.9	0.4%	0.5%	4.2%	3.8%	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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