Intermonte

Milan, 20 July 2026

Italian Equity Research – Strategy Report

Italian Mid/Small Caps Monthly

Focus Shifts to 2Q26 Earnings Delivery

by Intermonte Research Team

Italian Equity Market

- **Performance (-/+)**. The Italian equity market (prices as at 16 July 2026) has posted a negative 0.3% performance in the last month and is up 15.5% YtD. The FTSE Italy Mid-Cap index (-3.1%) has performed 2.8% lower than the main index in the last month (-8.6% YtD on a relative basis), with the FTSE Italy Small Caps index (+1.4%) performing 1.7% better than the market but -17.7% on a relative basis YtD. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 0.2% in the last month, performing better than Italian mid-caps.
- **Estimates (=).** Since the beginning of 2026, we have raised our 2026/2027 EPS estimates by 1.5%/1.8%, but these figures would be in the red at -2.0%/-0.7% excluding energy stocks; notably, estimate revisions in the last month have been negligible for large caps (+0.1%/+0.1% on 2026/2027 EPS). Focusing on our mid/small cap coverage, in the last month we have implemented a -2.0%/-0.9% downward revision to 2026/2027 EPS, essentially driven by an isolated estimate cut on a single mid-cap name, with the rest of our coverage broadly stable.
- **Valuations (+).** If we compare performances since the beginning of 2026 to the change in FY26 estimates over the same period, we see that FTSE MIB stocks have recorded a 14.3% re-rating (+15.2% one month ago) while mid-caps have re-rated by 13.6% and small caps by 6.8%. On a P/E basis, our panel is trading at a 16% premium to large caps, below the historical average premium (21%) and below the level one month ago (17%).
- **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 32.6% higher than in the corresponding period one year ago (it was up 37.1% YoY one month ago) and up 18.0% YtD. The picture is also improving for mid/small caps: specifically, since 1/1/26, liquidity has increased by 60.9% YoY for mid-caps and 31.6% for small caps, with mid-caps improving markedly in the last month.
- **Investment strategy.** Geopolitical risks remain a threat, but markets have been relatively calm on this front, and oil prices, while still above pre-US-Iran conflict levels, are not pricing in a further military escalation. June core inflation surprised on the downside in both the US and the eurozone (2.8%), allowing markets to scale back expectations of further monetary tightening. At the same time, equity markets are becoming more discerning on the AI theme, sector rotation is intensifying, while chip and semiconductor stocks have given some ground following a sharp rally, as investors increasingly focus on valuations, earnings delivery, and the sustainability of AI-related spending: end-July earnings of the Magnificent 7 will be a key test in this respect. It is against this more selective backdrop that Italian mid- and small-caps are about to report 2Q26 results: early indications suggest that operating trends in many cases may have remained broadly in line with those recorded in 1Q26, and that the market will be seeking confirmation of business model resilience and full-year guidance. In this environment, we see no clear signs of valuation bubbles in the segment and continue to identify a number of compelling opportunities within our coverage universe, favouring names with pricing power, solid order backlog and exposure to structural global trends. In some cases, such as digital enablers, the consolidation of a positive trend requires an approach that distinguishes the Italian landscape from international peers. More often than not, Italian mid- and small-caps offer an opportunity to invest in strong global trends at more attractive valuations. Finally, we flag up the PMI2Change initiative, described at the end of this report, as a potentially positive catalyst for small cap liquidity in the coming quarters.

Performance

Stable performance in the last month, small caps outperformed mid caps

The Italian equity market (prices as at 16 July 2026) has posted a negative 0.3% performance in the last month and is up 15.5% YtD. The FTSE Italy Mid-Cap index (-3.1%) has performed 2.8% lower than the main index in the last month (-8.6% YtD on a relative basis), with the FTSE Italy Small Caps index (+1.4%) performing 1.7% better than the market but -17.7% on a relative basis YtD.

Italian Market Indexes – performance analysis (prices as at 16 July 2026)

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	62,942	-3.1%	9.1%	2.6%	7.0%	14.7%	29.2%	47.1%	34.1%
FTSE Italia Small Cap	37,293	1.4%	6.9%	-1.5%	1.1%	17.6%	28.1%	40.2%	36.1%
FTSE Italia Star	48,931	-2.8%	3.1%	-5.5%	-2.1%	3.8%	1.7%	4.7%	-12.7%
FTSE Italia Growth Index	9,128	-0.3%	4.4%	3.0%	6.0%	10.3%	12.2%	0.5%	-8.8%
FTSE Italia All-Share	55,066	-0.3%	9.1%	13.2%	15.5%	30.2%	50.3%	79.3%	102.4%
FTSE MIB	52,374	-0.1%	9.1%	14.4%	16.5%	31.7%	52.4%	82.7%	111.2%
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		-2.8%	0.0%	-10.6%	-8.6%	-15.5%	-21.1%	-32.2%	-68.3%
FTSE Italia Small Cap		1.7%	-2.2%	-14.7%	-14.4%	-12.7%	-22.2%	-39.1%	-66.3%
FTSE Italia Star		-2.5%	-5.9%	-18.7%	-17.7%	-26.5%	-48.6%	-74.6%	-115.1%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 0.2% 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	215	1.2%	4.6%	4.9%	8.9%	18.9%	24.1%	39.0%	42.9%
MSCI Europe Small Cap	516	0.2%	1.2%	2.1%	5.9%	9.7%	15.8%	29.1%	8.7%

Source: FactSet

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

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

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
MISITANO & STRACUZZI	0.66	17	107%
SOMEC	25.60	186	22%
TXT E-SOLUTIONS	43.20	562	21%
TESMEC	0.38	232	15%
CREDITO EMILIANO	19.19	6,550	15%
SECO	3.49	464	12%
REVO INSURANCE	29.00	850	12%
ARISTON HOLDING	3.68	462	10%
PIAGGIO	1.86	654	10%
FERRAGAMO	10.59	1,787	8%
IEG	14.60	451	7%
DE' LONGHI	40.96	6,197	7%
PIRELLI & C	6.85	7,431	7%
TECNO	3.40	49	6%
INTRED	9.38	150	5%
INTERCOS	13.24	1,276	5%
DHH	28.40	160	4%
TIP	9.63	1,776	4%
MONDADORI	2.16	565	4%
UNIDATA	2.96	91	4%
FTSE Italia Mid Cap			**-3%**
FTSE Italia Small Cap			**1%**
FTSE MIB			**0%**

Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
BANCA IFIS	15.08	928	-32%
THE ITALIAN SEA GROUP	1.04	55	-23%
SESA	84.30	1,306	-16%
RAI WAY	4.65	1,263	-15%
LU-VE	58.90	1,310	-14%
TECHNOGYM	14.82	2,984	-14%
BANCA SISTEMA	1.52	122	-13%
WEBUILD	2.16	2,215	-13%
MAIRE	13.88	4,562	-12%
POWERSOFT	15.85	204	-12%
BREMBO	10.30	3,439	-8%
DANIELI	69.00	4,729	-8%
ENAV	5.06	2,739	-8%
MEDIA FOR EUROPE	2.83	2,223	-7%
PHARMANUTRA	83.90	812	-7%
CAREL INDUSTRIES	28.05	3,156	-6%
IREN	2.53	3,297	-6%
ELICA	1.15	73	-6%
CY4GATE	9.64	227	-5%
IGD	4.18	461	-5%

Source: FactSet

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

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
TESMEC	0.38	232	139%
SOMEC	25.60	186	72%
WIIT	34.00	896	68%
IEG	14.60	451	66%
PHARMANUTRA	83.90	812	55%
REVO INSURANCE	29.00	850	51%
LU-VE	58.90	1,310	49%
TXT E-SOLUTIONS	43.20	562	42%
STAR7	9.60	86	42%
DANIELI	69.00	4,729	36%
OVS GROUP	6.28	1,602	29%
FERRAGAMO	10.59	1,787	29%
CREDITO EMILIANO	19.19	6,550	26%
DHH	28.40	160	25%
DATALOGIC	5.70	333	23%
IGD	4.18	461	20%
INTERCOS	13.24	1,276	20%
EL.EN.	16.58	1,333	19%
SECO	3.49	464	19%
CY4GATE	9.64	227	18%
FTSE Italia Mid Cap			**7%**
FTSE Italia Small Cap			**1%**
FTSE MIB			**17%**

Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
THE ITALIAN SEA GROUP	1.04	55	-74%
MISITANO & STRACUZZI	0.66	17	-69%
BFF BANK	3.00	567	-68%
BANCA IFIS	15.08	928	-41%
WEBUILD	2.16	2,215	-37%
ELICA	1.15	73	-31%
INTERPUMP	35.92	3,911	-23%
MARR	6.93	461	-23%
CEMENTIR	14.89	2,369	-21%
DOVALUE	2.43	462	-19%
ARISTON HOLDING	3.68	462	-17%
RAI WAY	4.65	1,263	-17%
OMER	3.32	95	-16%
REPLY	97.00	3,629	-15%
REDELFI	11.12	133	-12%
GPI	14.22	411	-11%
BANCA SISTEMA	1.52	122	-10%
FILA	8.96	385	-8%
TECHNOGYM	14.82	2,984	-8%
MEDIA FOR EUROPE	2.83	2,223	-8%

Source: FactSet

Earnings Momentum

2026 mid cap EPS reduced in the last month

Since the beginning of 2026, we have raised our 2026/2027 EPS estimates by 1.5%/1.8%, but these figures would be in the red at -2.0%/-0.7% excluding energy stocks; notably, estimate revisions in the last month have been negligible for large caps (+0.1%/+0.1% on 2026/2027 EPS). Focusing on our mid/small cap coverage, in the last month we have implemented a -2.0%/-0.9% downward revision to 2026/2027 EPS, essentially driven by an isolated estimate cut on a single mid-cap name, with the rest of our coverage broadly stable.

Italian Market – Intermonte changes to 2026 and 2027 estimates

	Since 01/01/2026		Since 17/6/2026	
EPS REVISION	% chg in EPS FY26	% chg in EPS FY27	% chg in EPS FY26	% chg in EPS FY27
Total Market	**1.5%**	**1.8%**	**0.1%**	**0.1%**
Total Market - Ex Energy	**-2.0%**	**-0.7%**	**0.1%**	**0.0%**
Domestic	5.4%	6.0%	-0.1%	0.0%
Non domestic	-7.0%	-5.7%	0.7%	0.2%
Non domestic - Ex Energy	-7.8%	-7.2%	0.8%	0.1%
FTSE MIB	**2.3%**	**2.4%**	**0.3%**	**0.2%**
Mid Caps (our coverage)	**-6.6%**	**-4.9%**	**-2.2%**	**-1.0%**
Small Caps (our coverage)	**-5.6%**	**-4.9%**	**0.0%**	**0.0%**
Intermonte Mid&Small Caps coverage	-6.6%	-4.9%	-2.0%	-0.9%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2026 adjusted net profit estimates since the beginning of 2026.

Intermonte Mid & Small Cap Coverage - largest changes to 2026 estimates (up/down) since 1/1/26

Stock	Restated Net Profit 26 as of 31/12/25	Restated net profit 26 last estimate	% chg from 31/12/25
Upward Revision			
FERRAGAMO	-3	0	91.1%
SOMEC	9	14	62.7%
DHH	5	6	21.5%
AQUAFIL	10	12	15.1%
PHARMANUTRA	22	25	13.7%
CAREL INDUSTRIES	76	86	13.1%
ENAV	91	98	7.9%
OVS GROUP	101	109	7.9%
LU-VE	45	48	5.2%
TECHNOGYM	133	139	5.0%
Downward Revision			
ELICA	2	-1	-170.2%
BANCA IFIS	164	30	-81.8%
MISITANO & STRACUZZI	2	1	-43.3%
FINE FOODS	18	13	-31.9%
DATALOGIC	17	12	-26.2%
MEDIA FOR EUROPE	361	275	-23.8%
OMER	10	8	-22.2%
FNM	68	53	-21.4%
BFF BANK	198	156	-21.2%

Source: Intermonte SIM

Valuation

Mid/small cap valuation premium down, below the historical average

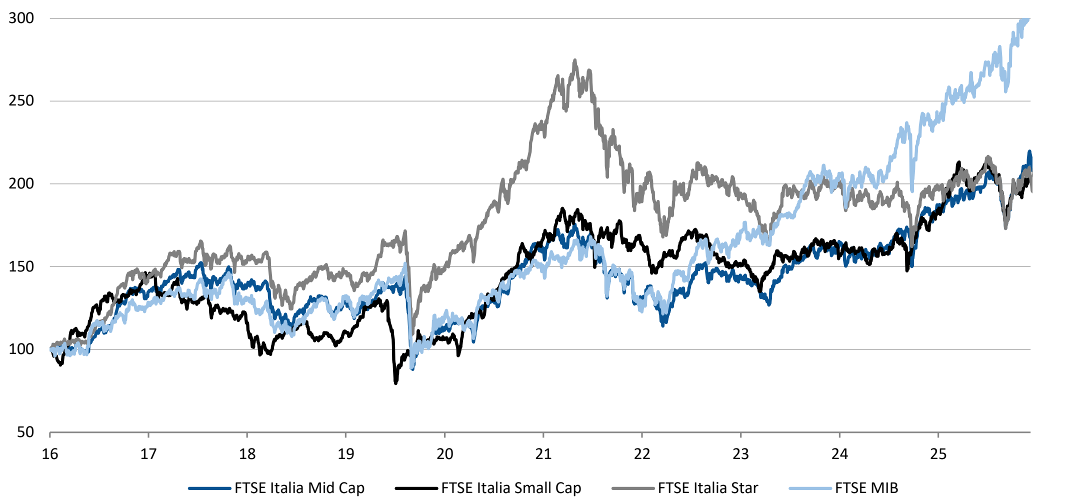
If we compare performances since the beginning of 2026 to the change in FY26 estimates over the same period, we see that FTSE MIB stocks have recorded a 14.3% re-rating (+15.2% one month ago) while mid-caps have re-rated by 13.6% and small caps have re-rated by 6.8%.

Italian Market – re/de-rating by index since 1/1/2026

Index	% Change	on FY26 estimates	
	since 1/1/2026	Chg in estimates	Re/De-rating
FTSE MIB	16.5%	2.3%	14.3%
FTSE Italia Mid Cap	7.0%	-6.6%	13.6%
FTSE Italia Small Cap	1.1%	-5.6%	6.8%

Source: Intermonte SIM and FactSet

Italian Market Indices – Performances in the last 10 years (base 100)

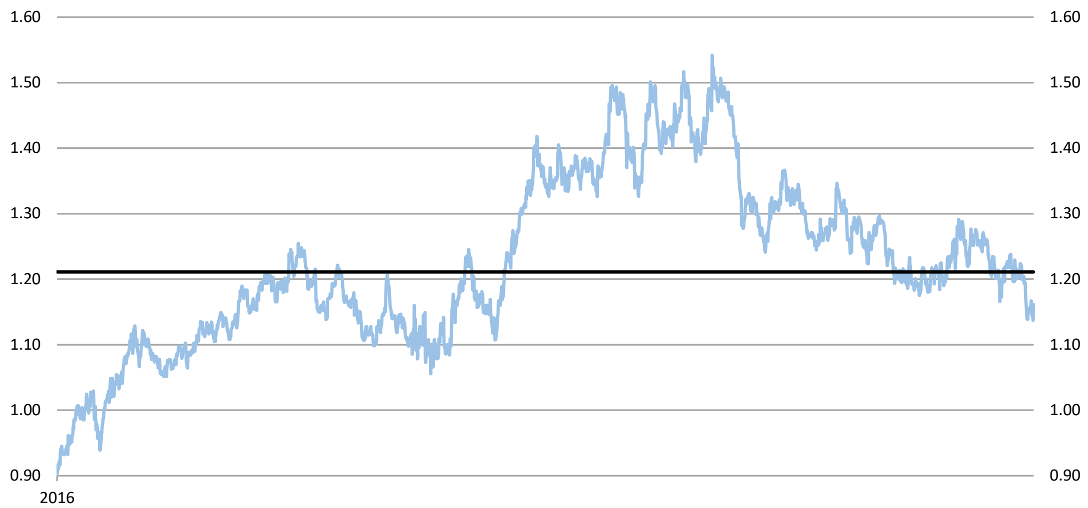


Source: FactSet

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 16% premium to large caps, below the historical average premium (21%) and below the level one month ago (17%).

Intermonte Mid & Small Cap Panel – next twelve months' P/E relative to FTSE MIB, last 10 years



Source: Intermonte SIM and FactSet

The table below shows the stocks in our mid/small cap coverage that have posted the largest re-ratings/de-ratings since the beginning of the year, based on 2026 estimates.

European Market – Valuations

	P/E 16	P/E 17	P/E 18	P/E 19	P/E 20	P/E 21	P/E 22	P/E 23	P/E 24	P/E 25	P/E 26	P/E26 vs Italian Equivalen	Last 10Y Median	Premium / Disc. vs Avg
FTSE MIB	19.7 x	16.7 x	n.m.	15.7 x	21.6 x	11.5 x	8.6 x	8.0 x	11.5 x	13.8 x	13.7 x		13.7 x	0.0%
FTSE Italy Mid Cap	20.2 x	16.6 x	18.4 x	19.2 x	60.7 x	18.3 x	15.5 x	12.0 x	13.4 x	11.9 x	16.1 x		16.4 x	-1.5%
FTSE Italy Small Caps	nm	18.9 x	14.5 x	nm	51.5 x	20.2 x	14.9 x	14.0 x	12.3 x	17.0 x	17.1 x		17.0 x	0.4%
Germany DAX (TR)	14.3 x	14.2 x	14.8 x	20.5 x	20.8 x	13.1 x	12.4 x	12.4 x	15.3 x	17.9 x	16.0 x	16.3%	15.1 x	5.9%
Germany MDAX	21.6 x	16.3 x	21.0 x	55.5 x	43.8 x	26.6 x	16.4 x	21.2 x	16.5 x	20.8 x	15.9 x	-1.1%	20.9 x	-23.7%
France CAC 40	16.1 x	15.3 x	16.0 x	nm	28.6 x	15.6 x	13.1 x	19.9 x	15.6 x	21.3 x	15.9 x	16.0%	15.9 x	0.0%
France CAC Mid 60	36.8 x	16.2 x	15.6 x	nm	nm	20.2 x	13.3 x	12.8 x	22.9 x	21.2 x	15.4 x	-4.2%	15.9 x	
France CAC Small	32.9 x	31.0 x	32.6 x	nm	nm	45.0 x	23.8 x	22.0 x	16.0 x	207.4 x	25.6 x	49.9%	28.3 x	-9.6%
FTSE 100	14.7 x	13.2 x	12.6 x	21.8 x	21.1 x	13.0 x	10.5 x	11.4 x	12.1 x	15.9 x	13.0 x	-5.0%	13.0 x	0.3%
FTSE 250	14.6 x	12.7 x	13.4 x	43.1 x	43.8 x	21.2 x	14.3 x	21.8 x	13.9 x	14.3 x	12.9 x	-20.0%	14.3 x	-10.0%
IBEX 35	13.3 x	13.7 x	13.0 x	32.1 x	34.8 x	11.9 x	10.8 x	10.6 x	11.8 x	16.1 x	15.1 x	10.3%	13.4 x	13.1%
IBEX MEDIUM	20.9 x	17.0 x	13.8 x	20.4 x	20.4 x	15.4 x	14.5 x	14.9 x	13.8 x	16.2 x	14.2 x	-11.9%	15.2 x	-6.5%

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – de-rating/re-rating on 2026 estimates since 1st Jan 2026

Stock	Restated Net Profit 26 as of 31/12/25	Restated net profit 26 last estimate	% Chg in Net Profit 26	Share Price perf. 31/12/25	De-rating(-) Re-rating(+)
ELICA	1.6	-1.1	-170%	-31%	139%
WIIT	22.1	21.5	-3%	68%	71%
IEG	34.2	34.0	0%	66%	67%
REVO INSURANCE	37.8	36.8	-2%	51%	54%
DATALOGIC	16.9	12.5	-26%	23%	50%
LU-VE	45.3	47.7	5%	49%	44%
TXT E-SOLUTIONS	33.1	32.7	-1%	42%	43%
BANCA IFIS	163.7	29.8	-82%	-41%	41%
PHARMANUTRA	21.8	24.8	14%	55%	41%
CY4GATE	-0.4	-0.5	-17%	18%	35%
INTERCOS	76.7	67.0	-13%	20%	32%
FINE FOODS	18.4	12.5	-32%	-5%	26%
CREDITO EMILIANO	528.0	536.2	2%	26%	24%
PIRELLI & C	610.0	570.6	-6%	17%	23%
SECO	15.7	15.1	-4%	19%	23%
OVS GROUP	101.4	109.4	8%	29%	21%
EL.EN.	58.3	57.3	-2%	19%	21%
IGD	48.5	48.3	0%	20%	21%
ANIMA	267.3	259.4	-3%	17%	20%
FNM	67.5	53.1	-21%	-2%	19%
DE' LONGHI	394.8	369.2	-6%	12%	19%
PIAGGIO	54.6	45.7	-16%	2%	18%
MEDIA FOR EUROPE	360.7	274.8	-24%	-8%	16%
ERG	188.8	165.9	-12%	3%	15%
ESPRINET	24.9	25.3	2%	14%	12%
BREMBO	233.0	227.2	-3%	9%	12%
SOMEC	8.6	14.1	63%	72%	10%
EMAK	20.7	18.1	-12%	-6%	7%
OMER	9.9	7.7	-22%	-16%	7%
MAIRE	301.4	300.9	0%	6%	7%
MONDADORI	76.7	74.0	-4%	2%	6%
DHH	5.0	6.1	21%	25%	3%
FILA	46.1	41.1	-11%	-8%	3%
IREN	321.1	313.3	-2%	-1%	2%
CAREL INDUSTRIES	76.2	86.2	13%	14%	1%
TINEXTA	55.3	55.3	0%	0%	0%
UNIDATA	9.9	10.2	3%	2%	(0%)
ABITARE IN	7.9	7.9	0%	-1%	(1%)
ENAV	91.0	98.2	8%	7%	(1%)
REWAY GROUP	32.6	30.6	-6%	-7%	(1%)
INTRED	9.1	8.6	-5%	-6%	(1%)
ACEA	355.5	359.3	1%	-2%	(3%)
MARR	42.0	33.7	-20%	-23%	(3%)
SYS-DAT	9.7	10.0	2%	-2%	(4%)
NOTORIOUS PICTURES	3.6	3.6	0%	-4%	(4%)
GPI	28.8	27.7	-4%	-11%	(7%)
SESA	104.0	106.1	2%	-6%	(8%)
BANCA SISTEMA	28.4	28.4	0%	-10%	(10%)
CEMENTIR	211.8	189.8	-10%	-21%	(10%)
INTERPUMP	253.7	225.6	-11%	-23%	(12%)
TECHNOGYM	132.7	139.4	5%	-8%	(13%)
REPLY	257.3	252.8	-2%	-15%	(14%)
AQUAFIL	10.4	12.0	15%	0%	(15%)
RAI WAY	87.9	88.0	0%	-17%	(17%)
DOVALUE	47.1	46.3	-2%	-19%	(17%)
MISITANO & STRACUZZI	2.0	1.1	-43%	-69%	(25%)
WEBUILD	402.1	402.1	0%	-37%	(37%)
BFF BANK	198.4	156.3	-21%	-68%	(47%)
FERRAGAMO	-2.6	-0.2	91%	29%	(62%)

Source: Intermonte SIM

Liquidity

Mid/small cap liquidity up in the last month

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 32.6% higher than in the corresponding period one year ago (it was up 37.1% YoY one month ago) and up 18.0% YtD. The picture is also improving for mid/small caps: specifically, since 1/1/26, liquidity has increased by 60.9% YoY for mid-caps and 31.6% for small caps, with mid-caps improving markedly in the last month.

Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2026			Avg Daily Volume * Avg Price (Eu mn) 2025			% Changes (YoY)		
	1M to 17/07	3M to 17/07	YTD to 17/07	1M to 17/07	3M to 17/07	YTD to 17/07	1M to 17/07	3M to 17/07	YTD to 17/07
FTSE MIB									
All stocks	84.79	91.96	94.56	63.94	70.66	80.16	32.6%	30.2%	18.0%
Top 20% by market cap	226.14	237.05	232.07	148.15	163.43	196.06	52.6%	45.1%	18.4%
FTSE Italia Mid Cap									
All stocks	4.05	4.41	4.35	2.15	2.52	2.70	88.6%	75.4%	60.9%
Top 20% by market cap	8.26	8.86	7.97	4.38	5.88	6.04	88.5%	50.7%	32.0%
FTSE Italia Small Cap									
All stocks	0.33	0.35	0.37	0.24	0.27	0.28	36.6%	30.3%	31.6%
Top 20% by market cap	0.74	0.88	0.95	0.59	0.70	0.77	24.7%	25.0%	24.3%

Source: FactSet

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

Intermonte Mid & Small Cap Coverage – most liquid stocks

Stock	Market Cap (Eu mn)	6M Avg Volume * Avg Price (Eu)
BFF BANK	567	23,454,862
REPLY	3,629	14,674,763
PIRELLI & C	7,431	12,031,090
MAIRE	4,562	11,261,742
INTERPUMP	3,911	9,742,154
BANCA IFIS	928	9,371,592
ERG	3,409	7,951,075
MEDIA FOR EUROPE	2,223	7,301,477
DE' LONGHI	6,197	6,215,299
ACEA	4,609	5,693,576
BREMBO	3,439	5,630,469
TECHNOGYM	2,984	4,629,639
IREN	3,297	4,181,658
FERRAGAMO	1,787	4,139,323
DANIELI	4,729	3,848,473
CAREL INDUSTRIES	3,156	3,361,634
ENAV	2,739	3,227,945
SESA	1,306	3,077,258
CEMENTIR	2,369	2,967,576
CREDITO EMILIANO	6,550	2,757,847
OVS GROUP	1,602	2,403,019
DOVALUE	462	2,354,766
RAI WAY	1,263	2,326,562
LU-VE	1,310	2,005,261
REVO INSURANCE	850	1,910,478
ARISTON HOLDING	462	1,876,706
TESMEC	232	1,862,374
ESPRINET	354	1,658,753
FILA	385	1,616,363

Source: FactSet

Criteria for investing in mid/small caps

Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY24)

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	46%	28%	12%	2%	7%	6%

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

A ranking of stocks with the highest expected earnings growth for 2026 vs. 2025, and the highest 2026 dividend yields, can be found in the following tables.

Intermonte Mid & Small Cap Coverage – 2026 dividend yield

Stock	Price (Eu)	Mkt Cap (Eu mn)	EPS 26	DPS 26	Yield 26 %	PayOut 26 %	Net Debt/EBITDA 26
BFF BANK	3.0	567	0.827	0.827	27.6%	100%	
THE ITALIAN SEA GROUP	1.0	55	0.509	0.217	20.8%	43%	0.9
MEDIA FOR EUROPE	2.8	2,223	0.393	0.230	8.1%	59%	1.7
MONDADORI	2.2	565	0.283	0.169	7.8%	60%	1.3
ANIMA	7.1	2,312	0.798	0.500	7.0%	63%	
RAI WAY	4.6	1,263	0.324	0.322	6.9%	100%	1.0
MARR	6.9	461	0.507	0.474	6.8%	93%	1.9
NOTORIOUS PICTURES	0.7	15	0.161	0.040	6.2%	25%	1.4
ENAV	5.1	2,739	0.181	0.300	5.9%	165%	0.2
IREN	2.5	3,297	0.241	0.150	5.9%	62%	3.1
BANCA SISTEMA	1.5	122	0.353	0.088	5.8%	25%	
ACEA	21.6	4,609	1.687	1.200	5.5%	71%	3.5
DOVALUE	2.4	462	0.244	0.134	5.5%	55%	2.3
ESPRINET	7.0	354	0.513	0.370	5.3%	72%	0.4
FNM	0.5	200	0.122	0.024	5.2%	20%	3.8
EMAK	0.9	143	0.111	0.045	5.1%	40%	2.6
POWERSOFT	15.9	204	1.168	0.785	5.0%	67%	1.1
MAIRE	13.9	4,562	0.916	0.675	4.9%	74%	(0.5)
ERG	22.7	3,409	1.103	1.000	4.4%	91%	3.9
PIAGGIO	1.9	654	0.129	0.080	4.3%	62%	1.9
IGD	4.2	461	0.438	0.180	4.3%	41%	7.8
CREDITO EMILIANO	19.2	6,550	1.571	0.800	4.2%	51%	
GEFRAN	11.1	159	0.690	0.435	3.9%	63%	(0.8)
WEBUILD	2.2	2,215	0.395	0.081	3.7%	21%	(0.4)
DE' LONGHI	41.0	6,197	2.444	1.485	3.6%	61%	(1.3)
PIRELLI & C	6.9	7,431	0.526	0.244	3.6%	46%	0.9
GPI	14.2	411	0.904	0.500	3.5%	55%	3.1
INDEL B	19.5	114	2.208	0.662	3.4%	30%	0.4
FILA	9.0	385	0.805	0.282	3.1%	35%	1.9

Source: Intermonte SIM and FactSet

Intermonte Mid & Small Cap Coverage – EPS growth, 2026 vs. 2025

Stock	Price (Eu)	Mkt Cap (Eu mn)	P/E 25	P/E 26	EPS Growth
AQUAFIL	1.4	102	22.6	10.1	123%
DOVALUE	2.4	462	18.2	10.0	83%
GPI	14.2	411	26.9	15.7	71%
REDELFI	11.1	133	25.0	16.4	52%
SECO	3.5	464	46.8	30.8	52%
TECNO	3.4	49	18.5	12.4	50%
PIAGGIO	1.9	654	19.4	14.4	34%
DHH	28.4	160	34.8	26.2	33%
CAREL INDUSTRIES	28.1	3,156	48.4	36.6	32%
SOMEC	25.6	186	17.5	13.2	32%
DANIELI	69.0	4,729	22.7	17.4	30%
EL.EN.	16.6	1,333	30.1	23.2	30%
REVO INSURANCE	29.0	850	29.8	23.1	29%
ESPRINET	7.0	354	17.1	13.7	25%
FILA	9.0	385	13.8	11.1	24%
STAR7	9.6	86	10.2	8.2	24%
PHARMANUTRA	83.9	812	40.6	32.7	24%
OVS GROUP	6.3	1,602	17.9	14.6	22%
REWAY GROUP	10.0	304	15.4	12.7	21%
TINEXTA	15.0	708	15.4	12.8	20%
THE ITALIAN SEA GROUP	1.0	55	2.4	2.0	18%
IGD	4.2	461	11.2	9.5	17%
INTERCOS	13.2	1,276	22.2	19.0	17%
POWERSOFT	15.9	204	15.8	13.6	17%
DE' LONGHI	41.0	6,197	19.6	16.8	17%
TECHNOGYM	14.8	2,984	24.9	21.4	16%
MAIRE	13.9	4,562	17.5	15.2	16%
BANCA SISTEMA	1.5	122	5.0	4.3	15%
SYS-DAT	6.0	188	21.6	18.8	15%
INDEL B	19.5	114	10.0	8.8	13%
CEMENTIR	14.9	2,369	14.1	12.5	13%
IEG	14.6	451	14.8	13.3	12%
SESA	84.3	1,306	13.6	12.2	12%
MEDIA FOR EUROPE	2.8	2,223	7.9	7.2	9%
EMAK	0.9	143	8.6	7.9	9%
MARR	6.9	461	14.9	13.7	9%
BREMBO	10.3	3,439	15.6	14.4	9%
INTERPUMP	35.9	3,911	18.8	17.3	8%
ARISTON HOLDING	3.7	462	12.2	11.4	7%

Source: Intermonte SIM and FactSet

PMI2Change: Banca Generali and Intermonte unlock the value of Italian listed SMEs

Context

In Italy, listed companies with a market cap below €1bn account for c.80% of the total number of listed names but only 3% of total market capitalisation, pointing to significant untapped potential in the domestic equity market.

The response: PMI2Change

Launched on 1 July 2026 at Palazzo Mezzanotte (Borsa Italiana), PMI2Change is the new strategic initiative through which Banca Generali, together with its subsidiary Intermonte (part of the Group since early 2025), aims to support the growth and competitiveness of Italian entrepreneurs. In its first phase, the project addresses the limited liquidity and undervaluation of listed SMEs, contributing to a more efficient matching of capital and companies.

The initiative is built on two concrete pillars:

- The "Intermonte Valore Italia" Index – a rigorous selection of 100 Italian listed SMEs with market cap below €1bn (and not part of the FTSE MIB), designed to represent the best of the country's real economy.
- The first PIR-compliant active ETF on this universe (ticker WITA IM, listed on ETFPlus), issued by Investlinx Investment Manager Limited with Intermonte as investment manager. Banca Generali has indicated a medium-term target of €500mn – equivalent to over 5% of the index float and c.€1-2mn of daily new flows.

Selection criteria

Companies are picked not for size but for quality of fundamentals. Key requirements include: market cap ≤€1bn, free float ≥29.5% and market float ≥€5mn, at least one independent board member, active research coverage (at least one piece in the last 18 months), leverage ≤5x, and exclusion of banks, distressed names, stocks suspended from trading or subject to takeover bids. No single stock can weigh more than 3% at inclusion, with semi-annual rebalancing.

An investable snapshot of the real economy

The 100 constituents aggregate a market cap of c.€20bn and a market float of c.€8.7bn, employ c.120,000 people and span key sectors of the Italian economy – Industrials, Consumer and Healthcare account for 73% of the index, versus a FTSE MIB dominated by Finance, Utilities and Energy (70%). They are expected to grow revenues by +5% YoY and EBITDA by +12% YoY in FY26, with low leverage around 1x net debt/EBITDA. Valuations look attractive: c.5.6x EV/EBITDA and 13.4x P/E on 2026 estimates, a c.40% discount on EV/EBITDA and 25% on P/E versus Italian names above €1bn, and c.27% discount to the main European small cap indices on P/E.

Expectations and next steps

PMI2Change is designed to trigger a virtuous circle. For entrepreneurs, it means visibility, credibility and a concrete alternative to delisting; for investors, it means access to a curated basket guided by the leading specialist in Italian mid/small caps. Alongside the ETF, the initiative envisages an autumn roadshow across Italy, in partnership with Borsa Italiana and PwC Italia, to accompany the wide universe of unlisted SMEs (an estimated 5,000–10,000 already potentially eligible for listing) towards the capital markets. Semi-annual index rebalancings and dedicated research will be published on Intermonte's Websim platform.

Intermonte PIR Mid Caps Coverage - Trading Multiples (Ranked by Stock Name)

Company	P/E 2026	P/E 2027	EV/ EBITDA 2026	EV/ EBITDA 2027	Div. Yield 2026	Div. Yield 2027	FCF Yield 2026	FCF Yield 2027	NETDEBT/ EBITDA 2026	NETDEBT/ EBITDA 2027
ACEA	12.8	13.0	7.6	7.3	5.5%	5.1%	-0.8%	3.4%	3.5x	3.4x
ANIMA	8.9	8.8			7.0%	7.0%				
ARISTON HOLDING	11.4	9.7	6.6	5.8	2.9%	3.4%	7.4%	8.9%	2.5x	2.1x
BANCA IFIS	31.3	7.4			1.6%	8.3%				
BFF BANK	3.6	3.4			27.6%	29.4%				
BREMBO	14.4	12.3	6.2	5.6	2.9%	3.4%	5.3%	5.6%	1.0x	0.8x
CAREL INDUSTRIES	36.6	31.6	21.0	18.7	0.7%	0.9%	1.7%	2.3%	-0.2x	-0.2x
CEMENTIR	12.5	12.0	4.5	4.0	2.0%	2.1%	7.7%	7.9%	-1.5x	-1.7x
CREDITO EMILIANO	12.2	11.7			4.2%	4.4%				
DANIELI	17.4	15.3	6.3	6.9	0.5%	0.6%			-4.8x	-4.7x
DE' LONGHI	16.8	15.0	8.1	7.2	3.6%	4.0%	5.9%	6.5%	-1.3x	-1.4x
EL.EN.	23.2	21.3	11.1	10.1	1.7%	1.9%	3.9%	4.0%	-2.0x	-2.1x
ENAV	27.9	24.3	10.7	9.7	5.9%	5.9%	8.7%	8.5%	0.2x	-0.1x
ERG	20.6	22.8	9.8	10.0	4.4%	4.4%	0.7%	6.0%	3.9x	3.9x
FERRAGAMO	nm	nm	9.1	8.1	0.0%	0.4%	-1.1%	-0.6%	2.5x	2.2x
INTERCOS	19.0	16.6	8.4	7.6	1.3%	1.6%	3.1%	4.5%	0.7x	0.4x
INTERPUMP	17.3	15.5	8.6	7.6	1.0%	1.1%	6.5%	6.6%	0.5x	0.0x
IREN	10.5	10.3	6.3	6.1	5.9%	6.4%	2.5%	2.2%	3.1x	3.0x
LU-VE	27.5	21.3	14.0	11.4	0.8%	0.9%	2.5%	3.2%	0.5x	0.2x
MAIRE	15.2	13.6	7.5	6.6	4.9%	5.4%	4.1%	6.4%	-0.5x	-0.6x
MARR	13.7	10.6	5.8	5.0	6.8%	8.8%	3.5%	9.7%	1.9x	1.6x
MEDIA FOR EUROPE	7.2	5.9	3.3	3.0	8.1%	8.5%	12.0%	14.0%	1.7x	1.5x
MONDADORI	7.6	7.4	4.7	4.5	7.8%	8.6%	10.8%	12.0%	1.3x	1.2x
OVS GROUP	14.6	13.3	7.4	6.5	2.7%	3.0%	5.0%	5.8%	0.5x	0.3x
PHARMANUTRA	32.7	26.9	19.5	16.4	1.7%	1.9%	2.7%	3.4%	-0.5x	-0.7x
PIAGGIO	14.4	9.7	4.4	3.8	4.3%	5.2%	15.5%	12.4%	1.9x	1.5x
PIRELLI & c	13.0	12.1	5.6	5.2	3.6%	3.9%	6.7%	7.3%	0.9x	0.6x
RAI WAY	14.4	13.4	7.6	7.5	6.9%	7.5%	9.6%	9.9%	1.0x	1.2x
REPLY	14.4	13.4	6.4	5.6	1.5%	1.6%	7.5%	7.6%	-1.4x	-1.8x
SESA	12.2	11.1	5.2	4.9	1.6%	1.8%	12.3%	8.1%	0.1x	0.0x
TECHNOGYM	21.4	18.8	11.1	10.0	3.0%	3.4%	4.1%	4.7%	-0.8x	-0.9x
TINEXTA	12.8	11.1	8.3	7.4	1.7%	2.2%	6.2%	7.3%	1.9x	1.4x
TIP										
WEBUILD	5.5	5.1	1.4	1.1	3.7%	3.7%	5.4%	14.7%	-0.4x	-0.6x
WIIT	41.7	28.6	15.2	13.3	1.2%	1.7%	3.1%	4.0%	3.0x	2.3x

Source: Intermonte SIM

Intermonte PIR Small Caps Coverage - Trading Multiples (Ranked by Stock Name)

Company	P/E 2026	P/E 2027	EV/ EBITDA 2026	EV/ EBITDA 2027	Div. Yield 2026	Div. Yield 2027	FCF Yield 2026	FCF Yield 2027	NETDEBT/ EBITDA 2026	NETDEBT/ EBITDA 2027
ABITARE IN	9.4	4.0	9.9	5.5	0.0%	0.0%	28.8%	26.8%	6.3x	3.3x
AQUAFIL	10.1	6.8	3.9	3.4	0.0%	0.0%	17.6%	17.5%	2.5x	2.1x
BANCA SISTEMA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CY4GATE	nm	nm	10.2	8.9	0.0%	0.0%	5.8%	3.5%	0.1x	-0.2x
DATALOGIC	26.7	21.0	7.1	6.1	2.1%	2.6%	2.3%	5.7%	0.3x	0.0x
DHH	26.2	21.7	9.1	7.6	0.0%	0.0%	4.6%	6.0%	-0.3x	-0.7x
DOVALUE	10.0	5.5	3.7	3.1	5.5%	9.0%	21.6%	36.3%	2.3x	1.8x
ELICA	nm	45.5	4.9	4.3	0.9%	2.2%	8.4%	9.3%	2.4x	1.9x
EMAK	7.9	6.6	4.7	4.2	5.1%	6.1%	17.2%	15.7%	2.6x	2.2x
ESPRINET	13.7	12.4	5.0	4.6	5.3%	5.7%	11.8%	10.8%	0.4x	0.2x
FILA	11.1	10.6	4.6	4.2	3.1%	3.3%	13.7%	14.7%	1.9x	1.5x
FINE FOODS	18.5	14.6	8.1	6.7	1.4%	1.5%	-2.3%	3.4%	2.3x	1.8x
FNM	3.8	4.0	4.1	4.4	5.2%	5.4%	-216.9%	-230.4%	3.8x	4.1x
GEFRAN	16.0	15.5	6.4	5.9	3.9%	4.0%	-4.9%	3.5%	-0.8x	-0.7x
GPI	15.7	13.7	6.4	6.0	3.5%	3.7%	7.6%	10.2%	3.1x	2.8x
IEG	13.3	13.6	6.2	6.0	1.4%	1.5%	5.2%	6.2%	0.9x	0.7x
IGD	9.5	8.9	12.4	12.6	4.3%	4.7%	8.6%	9.2%	7.8x	7.9x
INDEL B	8.8	7.7	4.4	3.7	3.4%	3.9%	10.8%	11.6%	0.4x	0.0x
INTRED	17.2	15.2	6.6	6.5	1.3%	1.3%	6.5%	-5.0%	1.3x	1.5x
MISITANO & STRACUZZI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NOTORIOUS PICTURES	4.0	3.0	1.8	1.9	6.2%	7.7%	33.9%	54.6%	1.4x	1.4x
OMER	12.3	11.8	4.9	4.0	0.0%	0.0%	11.4%	10.5%	-2.3x	-3.0x
POWERSOFT	13.6	11.9	8.3	7.3	5.0%	5.2%	7.3%	7.5%	1.1x	0.9x
REVO INSURANCE	23.1	20.2			1.1%	1.3%				
REDELFI	16.4	11.3	9.5	7.7	0.0%	0.0%	-8.6%	12.4%	1.2x	-0.1x
REWAY GROUP	12.7	11.1	7.8	6.7	0.0%	0.0%	3.8%	4.8%	0.9x	0.5x
SECO	30.8	24.1	11.2	9.8	0.0%	0.0%	2.1%	2.0%	0.9x	0.6x
SOMEC	13.2	11.5	5.7	4.8	0.0%	0.0%	7.5%	12.6%	0.6x	0.1x
STAR7	8.2	7.3	4.9	4.3	0.0%	0.0%	7.5%	6.6%	0.9x	0.6x
SYS-DAT	18.8	16.3	8.3	6.8	0.7%	0.8%	5.7%	6.5%	-1.0x	-1.3x
TECNO	12.4	9.4	6.9	5.3	0.8%	1.3%	1.6%	3.4%	0.2x	0.1x
TESMEC	21.4	12.7	7.0	5.6	0.0%	0.0%	4.8%	5.3%	2.4x	1.8x
THE ITALIAN SEA GROUP	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
TXT E-SOLUTIONS	16.7	14.6	9.8	8.4	0.9%	1.0%	5.6%	6.5%	1.6x	1.0x
UNIDATA	9.0	8.1	4.4	4.2	0.4%	0.4%	7.5%	10.0%	1.3x	1.2x

Source: Intermonte SIM

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GUIDE TO FUNDAMENTAL RESEARCH

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

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

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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