Italian Mid/Small Caps Monthly

Positioning on Quality Mid/Small Caps Ahead of 3Q Reporting Season

by Intermonte Research Team

Italian Equity Market

- **Performance (+/-)**. The Italian equity market (prices as at 16 October 2026) has posted a negative -3.8% performance in the last month but remains up 10.0% YtD. The FTSE Italy Mid-Cap index (+0.8%) has performed 4.6% better than the main index in the last month (-7.1% YtD on a relative basis), with the FTSE Italy Small Caps index (-4.6%) performing 0.8% worse than the market and -11.2% on a relative basis YtD. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 1.0% in the last month, performing slightly better than Italian mid-caps.
- **Estimates (-).** Since the beginning of 2026, we have raised our 2026/2027 EPS estimates by 1.9%/4.1%, but these figures would be -2.7%/+1.1% excluding energy stocks; notably, estimate revisions in the last month have been negligible for large caps excluding energy stocks (-0.1%/-0.1% on 2026/2027 EPS) in the presence of limited corporate newsflow. Focusing on our mid/small cap coverage, in the last month we have implemented a -0.8%/-1.0% downward revision to 2026/2027 EPS.
- **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 an 8.3% re-rating (+14.9% one month ago) while mid-caps have re-rated by 8.6% and small caps by 9.2%. On a P/E basis, our panel is trading at a 21% premium to large caps, in line with the historical average premium (21%) but above the level one month ago (13%).
- **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 5.3% lower than in the corresponding period one year ago (it was -3.3% YoY one month ago) and up 13.6% YtD. For mid/small caps, the picture has remained more positive in the last month and is showing an improvement YtD: specifically, since 1/1/26, liquidity has increased by 35.0% YoY for mid-caps and 14.8% for small caps.
- **Investment strategy.** The macro landscape remains dominated by US inflation, which continues to rise faster than expected, and by expectations of a Fed rate hike, a decision complicated by the proximity of the early-November mid-term elections. On the equity front, doubts are growing over who will really benefit from investment in artificial intelligence and over its financing from debt. The IMF has revised up its global growth forecasts to above 3% for both 2026 and 2027 but has also raised its inflation projections for the second time in a row. In this phase of uncertainty, investors are focusing on quality stocks, i.e. companies with genuine pricing power and the ability to defend cash flow estimates. Italian mid- and small caps, which historically behave as growth stocks, suffer in a rising rate scenario. This is precisely why we believe selectivity remains key ahead of 3Q26 results, which will be an important test. Valuations relative to large caps remain attractive and offer the opportunity to buy quality companies at reasonable multiples. In this light, we favour, for example, select industrials exposed to structural trends such as data centres and electrification, choice tech names in the services space, and certain pharma/medtech stocks: these are companies with low debt, strong cash generation, and the ability to pass cost increases through to prices. Finally, we flag up the PMI2Change initiative, described at the end of this report, which is having considerable success.

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Performance

In the last month, mid-caps have outperformed large and small caps

The Italian equity market (prices as at 16 October 2026) has posted a negative -3.8% performance in the last month but remains up 10.0% YtD. The FTSE Italy Mid-Cap index (+0.8%) has performed 4.6% better than the main index in the last month (-7.1% YtD on a relative basis), with the FTSE Italy Small Caps index (-4.6%) performing 0.8% worse than the market and -11.2% on a relative basis YtD.

Italian Market Indexes – performance analysis (prices as at 16 October 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	60,591	0.8%	-3.7%	5.0%	3.0%	6.7%	28.7%	56.0%	21.8%
FTSE Italia Small Cap	36,434	-4.6%	-2.3%	4.4%	-1.2%	-1.1%	28.7%	44.9%	16.9%
FTSE Italia Star	49,489	1.2%	1.1%	4.3%	-1.0%	0.8%	6.2%	20.1%	-20.7%
FTSE Italia Growth Index	9,369	0.8%	2.6%	7.2%	8.8%	8.8%	14.1%	17.9%	-14.6%
FTSE Italia All-Share	52,443	-3.8%	-4.8%	3.9%	10.0%	16.6%	42.5%	73.7%	80.4%
FTSE MIB	49,857	-4.1%	-4.8%	3.8%	10.9%	17.7%	43.8%	75.6%	88.2%
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		4.6%	1.0%	1.1%	-7.1%	-9.9%	-13.8%	-17.7%	-58.5%
FTSE Italia Small Cap		-0.8%	2.5%	0.6%	-11.2%	-17.7%	-13.7%	-28.8%	-63.5%
FTSE Italia Star		5.0%	5.9%	0.4%	-11.1%	-15.8%	-36.2%	-53.7%	-101.0%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has grown 1.0% in the last month, performing slightly 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	216	1.3%	0.2%	4.8%	9.1%	12.8%	23.9%	42.3%	38.7%
MSCI Europe Small Cap	522	1.0%	1.2%	2.4%	7.2%	9.9%	18.2%	40.6%	5.4%

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 (%)
TECNO	5.55	80	23%
REPLY	129.10	4,830	13%
DE' LONGHI	43.68	6,609	11%
NOTORIOUS PICTURES	0.92	21	10%
SOMEC	23.50	171	10%
OVS GROUP	5.99	1,528	8%
INTERPUMP	37.14	4,044	7%
PIRELLI & C	6.74	7,312	7%
SECO	4.38	582	7%
GPI	15.20	439	6%
OMER	3.62	104	5%
BREMBO	10.57	3,530	4%
CY4GATE	10.54	248	4%
CAREL INDUSTRIES	26.60	2,992	4%
PIAGGIO	1.99	701	3%
ANIMA	7.23	2,351	3%
ERG	22.76	3,421	3%
SYS-DAT	8.66	271	3%
TIP	8.89	1,639	3%
DIASORIN	77.24	4,321	3%
FTSE Italia Mid Cap			**1%**
FTSE Italia Small Cap			**-5%**
FTSE MIB			**-4%**

Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. 1M (%)
BANCA IFIS	10.26	631	-31%
BFF BANK	2.27	428	-25%
DOVALUE	1.47	280	-20%
THE ITALIAN SEA GROUP	1.02	54	-19%
IEG	14.20	438	-14%
FERRAGAMO	7.27	1,226	-13%
MEDIA FOR EUROPE	2.14	1,699	-12%
MARR	5.12	341	-10%
DHH	23.20	130	-9%
GEFRAN	11.35	163	-9%
REVO INSURANCE	23.55	690	-8%
TXT E-SOLUTIONS	49.70	646	-8%
ARISTON HOLDING	3.35	421	-8%
DANIELI	51.10	3,476	-7%
CEMENTIR	12.82	2,040	-7%
FNM	0.41	178	-7%
FINE FOODS	6.46	143	-7%
REDELFI	10.78	129	-7%
UNIDATA	3.19	99	-6%
PHARMANUTRA	72.80	705	-6%

Source: FactSet

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

Best Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
TESMEC	0.46	277	185%
TECNO	5.55	80	70%
TXT E-SOLUTIONS	49.70	646	63%
IEG	14.20	438	62%
LU-VE	63.20	1,405	60%
SOMEC	23.50	171	58%
SECO	4.38	582	49%
SYS-DAT	8.66	271	42%
WIIT	28.65	755	41%
NOTORIOUS PICTURES	0.92	21	35%
PHARMANUTRA	72.80	705	34%
CREDITO EMILIANO	20.16	6,881	32%
ESPRINET	8.01	404	30%
CY4GATE	10.54	248	29%
OVS GROUP	5.99	1,528	23%
REVO INSURANCE	23.55	690	23%
DE' LONGHI	43.68	6,609	20%
ANIMA	7.23	2,351	19%
PIRELLI & C	6.74	7,312	15%
DIASORIN	77.24	4,321	13%
FTSE Italia Mid Cap			**3%**
FTSE Italia Small Cap			**-1%**
FTSE MIB			**11%**

Worst Performers	Price (Eu)	Market Cap (Eu mn)	Perf. YTD (%)
BFF BANK	2.27	428	-76%
THE ITALIAN SEA GROUP	1.02	54	-75%
MISITANO & STRACUZZI	0.68	20	-68%
BANCA IFIS	10.26	631	-60%
DOVALUE	1.47	280	-51%
WEBUILD	1.91	1,956	-44%
MARR	5.12	341	-43%
ELICA	1.11	70	-34%
FINE FOODS	6.46	143	-33%
CEMENTIR	12.82	2,040	-32%
MEDIA FOR EUROPE	2.14	1,699	-31%
ARISTON HOLDING	3.35	421	-25%
RAI WAY	4.26	1,157	-24%
INTERPUMP	37.14	4,044	-21%
TECHNOGYM	12.95	2,607	-20%
EMAK	0.77	126	-17%
REDELFI	10.78	129	-14%
FNM	0.41	178	-13%
INTRED	8.78	140	-12%
FERRAGAMO	7.27	1,226	-12%

Source: FactSet

Earnings Momentum

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

Since the beginning of 2026, we have raised our 2026/2027 EPS estimates by 1.9%/4.1%, but these figures would be -2.7%/+1.1% excluding energy stocks; notably, estimate revisions in the last month have been negligible for large caps excluding energy stocks (-0.1%/-0.1% on 2026/2027 EPS) in the presence of limited corporate newsflow. Focusing on our mid/small cap coverage, in the last month we have implemented a -0.8%/-1.0% downward revision to 2026/2027 EPS.

Italian Market – Intermonte changes to 2026 and 2027 estimates

	Since 01/01/2026		Since 19/9/2026	
EPS REVISION	% chg in EPS FY26	% chg in EPS FY27	% chg in EPS FY26	% chg in EPS FY27
Total Market	**1.9%**	**4.1%**	**0.8%**	**0.5%**
Total Market - Ex Energy	**-2.7%**	**1.1%**	**-0.1%**	**-0.1%**
Domestic	8.5%	12.7%	1.1%	0.7%
Non domestic	-12.9%	-11.7%	0.0%	-0.1%
Non domestic - Ex Energy	-14.0%	-13.9%	-6.1%	-2.9%
FTSE MIB	**2.7%**	**4.9%**	**1.0%**	**0.6%**
Mid Caps (our coverage)	**-5.6%**	**-4.4%**	**-0.9%**	**-1.1%**
Small Caps (our coverage)	**-10.3%**	**-5.5%**	**-0.6%**	**-0.5%**
Intermonte Mid&Small Caps coverage	-6.1%	-4.8%	-0.8%	-1.0%

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	115.1%
SOMEC	9	14	63.4%
CAREL INDUSTRIES	76	97	26.8%
ENAV	91	105	15.5%
AQUAFIL	10	12	15.1%
PHARMANUTRA	22	25	14.7%
CREDITO EMILIANO	528	588	11.5%
LU-VE	45	50	10.4%
TESMEC	11	13	10.0%
ESPRINET	25	27	9.1%
Downward Revision			
CY4GATE	0	-2	-423.9%
MISITANO & STRACUZZI	2	-2	-217.2%
ELICA	2	-1	-179.7%
BANCA IFIS	164	30	-81.8%
DOVALUE	47	12	-75.1%
BANCA SISTEMA	28	12	-58.3%
FINE FOODS	18	9	-53.7%
EMAK	21	10	-50.7%
NOTORIOUS PICTURES	4	2	-42.7%

Source: Intermonte SIM

Valuation

Mid/small cap valuation premium up in the last month

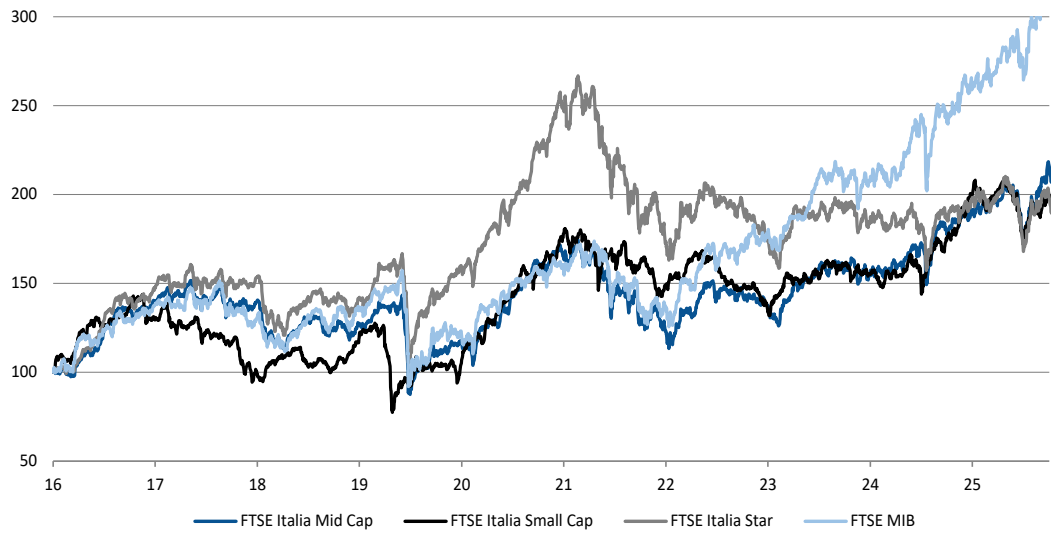
If we compare performances since the beginning of 2026 to the change in FY26 estimates over the same period, we see that FTSE MIB stocks have recorded an 8.3% re-rating (+14.9% one month ago) while mid-caps have re-rated by 8.6% and small caps by 9.2%.

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

Index	% Change since 1/1/2026	on FY26 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	10.9%	2.7%	8.3%
FTSE Italia Mid Cap	3.0%	-5.6%	8.6%
FTSE Italia Small Cap	-1.2%	-10.3%	9.2%

Source: Intermonte SIM and FactSet

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

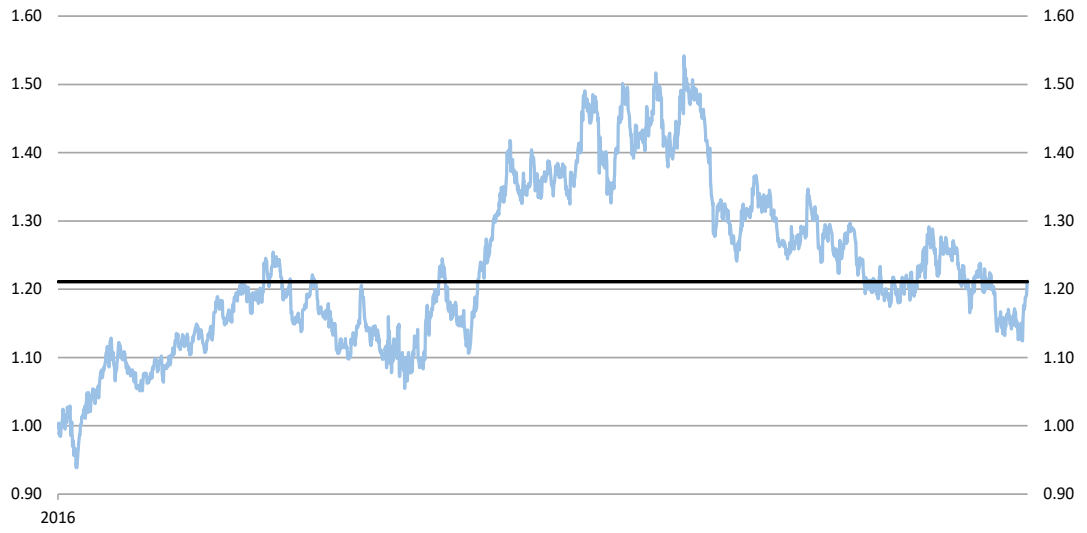


Source: FactSet

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

On a P/E basis, our panel is trading at a 21% premium to large caps, in line with the historical average premium (21%) but above the level one month ago (13%).

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



Source: Intermonte SIM and FactSet

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	15.7 x		16.1 x	-2.9%
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	17.8 x		17.0 x	4.8%
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	16.2 x	18.2%	15.1 x	7.6%
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	16.0 x	2.3%	20.9 x	-23.2%
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	15.2 x	11.0%	15.6 x	-2.4%
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	15.2 x	-2.9%	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	34.1 x	91.6%	31.8 x	7.2%
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	12.8 x	-6.5%	12.9 x	-0.6%
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	13.8 x	-11.9%	14.3 x	-3.4%
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	14.0 x	-10.5%	15.2 x	-7.6%

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.

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(+)
NOTORIOUS PICTURES	3.6	2.1	-43%	35%	77%
SECO	15.7	13.3	-15%	49%	64%
IEG	34.2	34.4	1%	62%	61%
TXT E-SOLUTIONS	33.1	34.5	4%	63%	59%
BANCA SISTEMA	28.4	11.8	-58%	-7%	52%
LU-VE	45.3	50.0	10%	60%	50%
WIIT	22.1	20.8	-6%	41%	48%
LU-VE	45.3	50.0	10%	60%	50%
WIIT	22.1	20.8	-6%	41%	48%
SYS-DAT	9.7	10.0	2%	42%	40%
PIAGGIO	54.6	40.8	-25%	9%	34%
EMAK	20.7	10.2	-51%	-17%	34%
REVO INSURANCE	37.8	36.8	-3%	23%	26%
INTERCOS	76.7	67.0	-13%	12%	25%
DOVALUE	47.1	11.7	-75%	-51%	24%
DE' LONGHI	394.8	377.8	-4%	20%	24%
BANCA IFIS	163.7	29.8	-82%	-60%	22%
PIRELLI & C	610.0	572.6	-6%	15%	21%
FINE FOODS	18.4	8.5	-54%	-33%	21%
CREDITO EMILIANO	528.0	588.4	11%	32%	20%
ESPRINET	24.9	27.2	9%	30%	20%
DIASORIN	240.8	222.8	-7%	13%	20%
PHARMANUTRA	21.8	25.0	15%	34%	19%
OVS GROUP	101.4	109.4	8%	23%	15%
ERG	188.8	167.5	-11%	4%	15%
ANIMA	267.3	282.5	6%	19%	13%
FILA	46.1	45.2	-2%	10%	12%
BREMBO	233.0	239.5	3%	12%	10%
EL.EN.	58.3	60.2	3%	12%	9%
IGD	48.5	47.3	-3%	6%	8%
MONDADORI	76.7	68.7	-10%	-2%	8%
REPLY	257.3	271.0	5%	13%	7%
FNM	67.5	53.9	-20%	-13%	7%
UNIDATA	9.9	10.3	4%	10%	6%
SESA	104.0	106.1	2%	4%	2%
GPI	28.8	27.1	-6%	-5%	1%
REWAY GROUP	32.6	30.6	-6%	-5%	1%
IREN	321.1	306.6	-5%	-6%	(1%)
DHH	5.0	5.2	3%	2%	(2%)
MEDIA FOR EUROPE	360.7	258.4	-28%	-31%	(2%)
ABITARE IN	7.9	7.9	0%	-3%	(3%)
SOMEC	8.6	14.1	63%	58%	(5%)
MAIRE	301.4	300.9	0%	-6%	(5%)
OMER	9.9	9.7	-2%	-8%	(6%)
INTRED	9.1	8.7	-5%	-12%	(8%)
ACEA	355.5	359.3	1%	-10%	(11%)
MARR	42.0	28.5	-32%	-43%	(11%)
INTERPUMP	253.7	230.7	-9%	-21%	(12%)
ENAV	91.0	105.2	16%	2%	(14%)
TECHNOGYM	132.7	124.6	-6%	-20%	(14%)
CAREL INDUSTRIES	76.2	96.7	27%	8%	(18%)
AQUAFIL	10.4	12.0	15%	-4%	(19%)
CEMENTIR	211.8	193.8	-8%	-32%	(23%)
RAI WAY	87.9	89.9	2%	-24%	(26%)
WEBUILD	402.1	402.1	0%	-44%	(44%)
BFF BANK	198.4	156.3	-21%	-76%	(55%)
THE ITALIAN SEA GROUP	27.0	27.0	0%	-75%	(75%)

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 5.3% lower than in the corresponding period one year ago (it was -3.3% YoY one month ago) and up 13.6% YtD. For mid/small caps, the picture has remained more positive in the last month and is showing an improvement YtD: specifically, since 1/1/26, liquidity has increased by 35.0% YoY for mid-caps and 14.8% for small caps.

Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2026			Avg Daily Volume * Avg Price (Eu mn) 2025			% Changes (YoY)		
	1M to 18/10	3M to 18/10	YTD to 18/10	1M to 18/10	3M to 18/10	YTD to 18/10	1M to 18/10	3M to 18/10	YTD to 18/10
FTSE MIB									
All stocks	80.45	76.73	89.91	84.93	75.48	79.15	(5.3%)	1.7%	13.6%
Top 20% by market cap	207.96	194.78	216.81	177.63	159.99	182.91	17.1%	21.7%	18.5%
FTSE Italia Mid Cap									
All stocks	3.11	3.28	3.82	2.95	2.79	2.83	5.4%	17.4%	35.0%
Top 20% by market cap	7.87	9.02	9.47	7.22	7.13	7.35	8.9%	26.4%	28.8%
FTSE Italia Small Cap									
All stocks	0.48	0.39	0.38	0.43	0.39	0.33	11.9%	(0.4%)	14.8%
Top 20% by market cap	1.47	1.03	0.97	1.16	1.05	0.87	27.2%	(2.2%)	12.2%

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)
PIRELLI & C	7,312	19,053,498
DIASORIN	4,321	17,242,098
BFF BANK	428	15,600,497
REPLY	4,830	13,640,626
BANCA IFIS	631	9,453,882
MAIRE	4,052	9,380,628
WEBUILD	1,956	8,370,614
MEDIA FOR EUROPE	1,699	7,150,967
INTERPUMP	4,044	6,994,819
DE' LONGHI	6,609	6,030,209
TECHNOGYM	2,607	5,515,121
ERG	3,421	5,331,248
BREMBO	3,530	5,096,648
FERRAGAMO	1,226	4,244,078
CAREL INDUSTRIES	2,992	4,073,205
DANIELI	3,476	3,991,597
ACEA	4,238	3,971,307
IREN	3,135	3,659,397
TESMEC	277	3,513,521
CREDITO EMILIANO	6,881	2,941,166
SESA	1,444	2,829,450
ENAV	2,605	2,521,883
CEMENTIR	2,040	2,322,793
DOVALUE	280	2,258,004
OVS GROUP	1,528	2,233,531
ANIMA	2,351	2,141,599
RAI WAY	1,157	2,140,153
TXT E-SOLUTIONS	646	2,022,371
ARISTON HOLDING	421	1,932,713

Source: FactSet

Criteria for investing in mid/small caps

Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY25)

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	42%	27%	12%	3%	10%	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	2.3	428	0.827	0.827	36.5%	100%	
THE ITALIAN SEA GROUP	1.0	54	0.509	0.217	21.2%	43%	0.9
MEDIA FOR EUROPE	2.1	1,699	0.369	0.200	9.3%	54%	2.0
MARR	5.1	341	0.429	0.433	8.5%	101%	1.8
MONDADORI	2.1	540	0.263	0.169	8.2%	64%	1.4
RAI WAY	4.3	1,157	0.330	0.325	7.6%	98%	0.9
FILA	10.8	462	0.886	0.770	7.2%	87%	1.4
ANIMA	7.2	2,351	0.869	0.500	6.9%	58%	
ENAV	4.8	2,605	0.194	0.300	6.2%	155%	0.0
IREN	2.4	3,135	0.236	0.150	6.2%	63%	3.1
ACEA	19.9	4,238	1.687	1.200	6.0%	71%	3.5
FNM	0.4	178	0.124	0.024	5.8%	19%	3.3
MAIRE	12.3	4,052	0.916	0.675	5.5%	74%	(0.5)
IGD	3.7	405	0.429	0.180	4.9%	42%	7.8
ESPRINET	8.0	404	0.550	0.385	4.8%	70%	0.4
OMER	3.6	104	0.339	0.170	4.7%	50%	(2.0)
ERG	22.8	3,421	1.114	1.000	4.4%	90%	3.9
WEBUILD	1.9	1,956	0.395	0.081	4.2%	21%	(0.3)
POWERSOFT	14.8	189	0.936	0.620	4.2%	66%	1.4
PIAGGIO	2.0	701	0.115	0.080	4.0%	69%	1.9
CREDITO EMILIANO	20.2	6,881	1.724	0.800	4.0%	46%	
GEFRAN	11.4	163	0.691	0.435	3.8%	63%	(0.8)
PIRELLI & C	6.7	7,312	0.528	0.245	3.6%	46%	0.9
DE' LONGHI	43.7	6,609	2.501	1.520	3.5%	61%	(0.4)
INDEL B	17.8	104	1.927	0.601	3.4%	31%	0.4
ARISTON HOLDING	3.4	421	0.342	0.113	3.4%	33%	2.5
DOVALUE	1.5	280	0.062	0.049	3.3%	80%	2.7
AEROPORTO DI BOLOGNA	9.1	329	0.592	0.300	3.3%	51%	1.4
GPI	15.2	439	0.885	0.500	3.3%	57%	3.2

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
MISITANO & STRACUZZI	0.7	20	nm	nm	863%
MATICA FINTEC	2.0	71	55.2	18.4	200%
AQUAFIL	1.3	98	21.8	9.8	123%
GPI	15.2	439	28.8	17.2	68%
REDELFI	10.8	129	24.2	15.9	52%
CAREL INDUSTRIES	26.6	2,992	45.9	31.0	48%
FILA	10.8	462	16.6	12.1	37%
EL.EN.	15.6	1,255	28.4	20.8	37%
WEBUILD	1.9	1,956	6.6	4.8	36%
ESPRINET	8.0	404	19.5	14.5	34%
SECO	4.4	582	58.7	43.8	34%
TECNO	5.6	80	30.3	22.7	33%
SOMEC	23.5	171	16.1	12.1	33%
REVO INSURANCE	23.6	690	24.2	18.8	29%
PHARMANUTRA	72.8	705	35.2	28.2	25%
OVS GROUP	6.0	1,528	17.1	14.0	22%
REWAY GROUP	10.2	310	15.7	13.0	21%
PIAGGIO	2.0	701	20.8	17.3	20%
DE' LONGHI	43.7	6,609	20.9	17.5	19%
UNIDATA	3.2	99	11.4	9.6	19%
THE ITALIAN SEA GROUP	1.0	54	2.4	2.0	18%
INTERCOS	12.4	1,197	20.8	17.8	17%
MAIRE	12.3	4,052	15.6	13.5	16%
CEMENTIR	12.8	2,040	12.1	10.5	15%
IGD	3.7	405	9.8	8.6	15%
SYS-DAT	8.7	271	31.1	27.1	15%
BREMBO	10.6	3,530	16.0	14.0	14%
IEG	14.2	438	14.4	12.7	13%
DHH	23.2	130	28.4	25.1	13%
ENAV	4.8	2,605	28.0	24.8	13%
ARISTON HOLDING	3.4	421	11.1	9.8	13%
SESA	93.2	1,444	15.1	13.5	12%
TXT E-SOLUTIONS	49.7	646	20.4	18.3	12%
INTERPUMP	37.1	4,044	19.4	17.5	11%
LU-VE	63.2	1,405	30.7	28.1	9%
REPLY	129.1	4,830	19.3	17.8	8%
ERG	22.8	3,421	22.0	20.4	8%
CREDITO EMILIANO	20.2	6,881	12.4	11.7	6%
DANIELI	51.1	3,476	16.8	15.9	6%

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 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 caps 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 Management 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 new flows per day.

Selection criteria

Companies are chosen not on size but on the quality of fundamentals. Key requirements include a 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), and leverage ≤5x. Banks, distressed names, and stocks suspended from trading or subject to takeover bids are excluded. 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 at 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 to Italian names above €1bn, and a 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[1]. 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) toward the capital markets. Semi-annual index rebalancings and dedicated research will be published on Intermonte's Websim platform.

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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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