# INTERPUMP

## OUTPERFORM

*Sector: Industrials*

Price: Eu51.85 - **Target: Eu57.00**

## Outstanding Delivery Again, 2023 Seen Up 5% Organically

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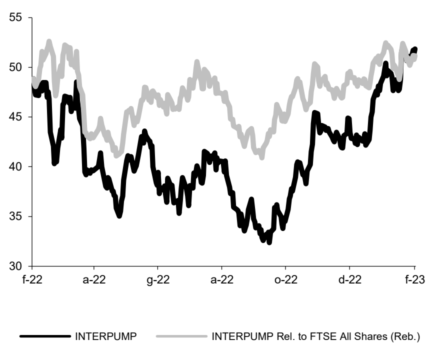
| Stock Rating | | | |
|---|---|---|---|
| **Rating:** | | | Unchanged |
| **Target Price (Eu):** | | | from 55.80 to 57.00 |
| | **2023E** | **2024E** | **2025E** |
| **Chg in Adj EPS** | 2.0% | 0.6% | |

**INTERPUMP - 12M Performance**




| Stock Data | | | |
|---|---|---|---|
| Reuters code: | | | ITPG.MI |
| Bloomberg code: | | | IP IM |
| **Performance** | **1M** | **3M** | **12M** |
| Absolute | 7.2% | 17.1% | 6.4% |
| Relative | 0.5% | 5.7% | 5.0% |
| 12M (H/L) | | | 52.10/32.38 |
| 3M Average Volume (th): | | | 183.16 |

| Shareholder Data | |
|---|---|
| No. of Ord shares (mn): | 109 |
| Total no. of shares (mn): | 109 |
| Mkt Cap Ord (Eu mn): | 5,645 |
| Total Mkt Cap (Eu mn): | 5,645 |
| Mkt Float - Ord (Eu mn): | 4,245 |
| Mkt Float (in %): | 75.2% |
| Main Shareholder: | |
| IPG Holding | 24.8% |

| Balance Sheet Data | |
|---|---|
| Book Value (Eu mn): | 1,796 |
| BVPS (Eu): | 16.61 |
| P/BV: | 3.1 |
| Net Financial Position (Eu mn): | -374 |
| Enterprise Value (Eu mn): | 5,917 |

- **Outstanding delivery once again:** while there was no real surprise on the top line compared to our estimates (Eu533mn, up 14.0% organically), delivery on profitability was again outstanding, with the EBITDA margin expanding by 2pp YoY thanks to the contribution of both divisions, bringing the FY EBITDA margin into line with the record level reached last year (23.7%). Divisionally speaking, Hydraulic continued to show double-digit organic growth in the quarter (+17.8% YoY) coupled with a robust margin expansion (+2.5 pp), while at Water Jetting organic growth was less buoyant (+4.4%), but margin expansion was still solid (+1.5 pp). Finally, as expected cash generation in the last quarter was more evident than in the first 9 months, despite significantly higher investments, hinting at a gradual normalisation of the NWC trend in the final part of the year. As a matter of fact, net debt (excluding put options) stood at Eu542mn vs. our Eu549mn estimate, down QoQ from Eu604mn at the end of September.
- **Supportive 2023 outlook:** for the current year management expects organic growth to be around 5%, supported by the backlog, which remained consistent with previous months' trends in January. This forecast is ahead of our estimates and consensus, positioned in the low-single-digit area. Furthermore, the company is targeting consolidation of the profitability achieved and an improvement in cash conversion, which was low in 2022 due to the major NWC absorption required to support double-digit top line growth.
- **2023-2025 outlook:** finally, the company provided some targets for the next three years, where it expects turnover growth of around 25% with an EBITDA margin of c.22% and leverage at between 1x and 1.5x. We highlight that these targets include future M&A transactions not yet known to the market, so are not really comparable with our estimates or consensus. In any case, we appreciate management's ongoing commitment to grow the business further, continuing on the trajectory of recent years. We remind that the company comfortably beat the previous plan's targets, despite the major disruption from the pandemic.
- **Updated estimates in line with guidance:** we are lifting our estimates in accordance with the freshly-announced guidance, now forecasting organic 2023 top line growth of 5% with the EBITDA margin basically at the same level as 2022. Below the line, the increase in EBITDA is partially offset by higher net financial charges, so we are lifting EPS by 1.3% on average for 2023/24.
- **OUTPERFORM reaffirmed; target from Eu55.8 to Eu57.0.** Despite the recent rally, we continue to appreciate IP as we believe the estimates trend will remain supportive in the short term, with possible upside coming from the M&A campaign, which we would expect to resume in 2023 after 2022 was more dedicated to the consolidation of past acquisitions. We are raising our target price to Eu57.0 as a result of higher operating estimates. At target, the stock would trade at 20x 2024 P/E and offer a ~5% FCF yield.

| Key Figures & Ratios | 2021A | 2022A | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|
| Sales (Eu mn) | 1,604 | 2,078 | 2,203 | 2,299 | 2,391 |
| EBITDA Adj (Eu mn) | 380 | 492 | 517 | 542 | 565 |
| Net Profit Adj (Eu mn) | 216 | 270 | 288 | 312 | 334 |
| EPS New Adj (Eu) | 1.987 | 2.478 | 2.646 | 2.863 | 3.071 |
| EPS Old Adj (Eu) | 1.987 | 2.540 | 2.594 | 2.846 | |
| DPS (Eu) | 0.280 | 0.300 | 0.320 | 0.340 | 0.340 |
| EV/EBITDA Adj | 15.6 | 10.5 | 11.4 | 10.5 | 9.5 |
| EV/EBIT Adj | 20.0 | 13.5 | 14.2 | 12.8 | 11.6 |
| P/E Adj | 26.1 | 20.9 | 19.6 | 18.1 | 16.9 |
| Div. Yield | 0.5% | 0.6% | 0.6% | 0.7% | 0.7% |
| Net Debt/EBITDA Adj | 1.5 | 1.2 | 0.7 | 0.2 | -0.3 |

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**INTERPUMP – Key Figures**

| Profit & Loss (Eu mn) | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|---|
| Sales | 1,294 | 1,604 | 2,078 | 2,203 | 2,299 | 2,391 |
| EBITDA | 294 | 380 | 492 | 517 | 542 | 565 |
| EBIT | 208 | 295 | 384 | 417 | 441 | 464 |
| Financial Income (charges) | -5 | -20 | -16 | -23 | -15 | -7 |
| Associates & Others | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax Profit | 203 | 276 | 369 | 394 | 426 | 457 |
| Taxes | -29 | -77 | -99 | -102 | -111 | -119 |
| Tax rate | 14.5% | 28.0% | 26.9% | 26.0% | 26.0% | 26.0% |
| Minorities & Discontinued Operations | -2 | -3 | -3 | -3 | -4 | -4 |
| Net Profit | 171 | 196 | 266 | 288 | 312 | 334 |
| EBITDA Adj | 294 | 380 | 492 | 517 | 542 | 565 |
| EBIT Adj | 208 | 295 | 384 | 417 | 441 | 464 |
| Net Profit Adj | 149 | 216 | 270 | 288 | 312 | 334 |
| **Per Share Data (Eu)** | **2020A** | **2021A** | **2022A** | **2023E** | **2024E** | **2025E** |
| Total Shares Outstanding (mn) - Average | 109 | 109 | 109 | 109 | 109 | 109 |
| Total Shares Outstanding (mn) - Year End | 109 | 109 | 109 | 109 | 109 | 109 |
| EPS f.d | 1.570 | 1.800 | 2.446 | 2.646 | 2.863 | 3.071 |
| EPS Adj f.d | 1.371 | 1.987 | 2.478 | 2.646 | 2.863 | 3.071 |
| BVPS f.d | 10.466 | 12.200 | 14.267 | 16.613 | 19.156 | 21.887 |
| Dividend per Share ORD | 0.260 | 0.280 | 0.300 | 0.320 | 0.340 | 0.340 |
| Dividend per Share SAV | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Dividend Payout Ratio (%) | 18.2% | 13.1% | 11.3% | 11.3% | 11.2% | 11.1% |
| **Cash Flow (Eu mn)** | **2020A** | **2021A** | **2022A** | **2023E** | **2024E** | **2025E** |
| Gross Cash Flow | 237 | 277 | 327 | 303 | | |
| Change in NWC | 85 | -60 | -222 | -17 | -15 | -12 |
| Capital Expenditure | -61 | -109 | -133 | -108 | -110 | -110 |
| Other Cash Items | 0 | 0 | 0 | 0 | 0 | 0 |
| Free Cash Flow (FCF) | 281 | 129 | 50 | 263 | 287 | 314 |
| Acquisitions, Divestments & Other Items | -161 | -341 | -51 | 0 | 0 | 0 |
| Dividends | -27 | -28 | -30 | -33 | -35 | -37 |
| Equity Financing/Buy-back | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in Net Financial Position | 93 | -241 | -32 | 231 | 252 | 277 |
| **Balance Sheet (Eu mn)** | **2020A** | **2021A** | **2022A** | **2023E** | **2024E** | **2025E** |
| Total Fixed Assets | 1,071 | 1,428 | 1,501 | 1,509 | 1,519 | 1,527 |
| Net Working Capital | 379 | 490 | 712 | 729 | 744 | 755 |
| Long term Liabilities | 21 | -17 | -55 | -55 | -55 | -55 |
| Net Capital Employed | 1,472 | 1,901 | 2,158 | 2,183 | 2,207 | 2,228 |
| Net Cash (Debt) | -332 | -573 | -605 | -374 | -122 | 156 |
| Group Equity | 1,140 | 1,328 | 1,553 | 1,809 | 2,086 | 2,383 |
| Minorities | 10 | 11 | 13 | 13 | 13 | 13 |
| Net Equity | 1,129 | 1,317 | 1,541 | 1,796 | 2,073 | 2,371 |
| **Enterprise Value (Eu mn)** | **2020A** | **2021A** | **2022A** | **2023E** | **2024E** | **2025E** |
| Average Mkt Cap | 3,153 | 5,446 | 4,685 | 5,645 | 5,645 | 5,645 |
| Adjustments (Associate & Minorities) | 103 | 103 | 103 | 103 | 103 | 103 |
| Net Cash (Debt) | -332 | -573 | -605 | -374 | -122 | 156 |
| Enterprise Value | 3,382 | 5,916 | 5,187 | 5,917 | 5,664 | 5,387 |
| **Ratios (%)** | **2020A** | **2021A** | **2022A** | **2023E** | **2024E** | **2025E** |
| EBITDA Adj Margin | 22.7% | 23.7% | 23.7% | 23.5% | 23.6% | 23.6% |
| EBIT Adj Margin | 16.0% | 18.4% | 18.5% | 18.9% | 19.2% | 19.4% |
| Gearing - Debt/Equity | 29.2% | 43.1% | 38.9% | 20.7% | 5.8% | -6.5% |
| Interest Cover on EBIT | 40.0 | 14.9 | 24.7 | 17.9 | 28.7 | 69.8 |
| Net Debt/EBITDA Adj | 1.1 | 1.5 | 1.2 | 0.7 | 0.2 | -0.3 |
| ROACE* | 14.1% | 17.5% | 18.9% | 19.2% | 20.1% | 20.9% |
| ROE* | 13.7% | 17.7% | 18.9% | 17.3% | 16.1% | 15.1% |
| EV/CE | 2.3 | 3.5 | 2.6 | 2.7 | 2.6 | 2.4 |
| EV/Sales | 2.6 | 3.7 | 2.5 | 2.7 | 2.5 | 2.3 |
| EV/EBITDA Adj | 11.5 | 15.6 | 10.5 | 11.4 | 10.5 | 9.5 |
| EV/EBIT Adj | 16.3 | 20.0 | 13.5 | 14.2 | 12.8 | 11.6 |
| Free Cash Flow Yield | 5.1% | 2.3% | 0.9% | 4.7% | 5.2% | 5.7% |
| **Growth Rates (%)** | **2020A** | **2021A** | **2022A** | **2023E** | **2024E** | **2025E** |
| Sales | -5.4% | 23.9% | 29.5% | 6.0% | 4.4% | 4.0% |
| EBITDA Adj | -7.5% | 29.1% | 29.6% | 5.0% | 4.8% | 4.3% |
| EBIT Adj | -16.0% | 42.2% | 30.0% | 8.5% | 5.8% | 5.1% |
| Net Profit Adj | -4.6% | 14.6% | 35.9% | 8.2% | 8.2% | 7.3% |
| EPS Adj | -16.7% | 44.9% | 24.7% | 6.8% | 8.2% | 7.3% |
| DPS | 4.0% | 7.7% | 7.1% | 6.7% | 6.3% | 0.0% |

*Excluding extraordinary items Source: Intermonte SIM estimates

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## 4Q/FY results

While there was no real surprise on the top line compared to our estimates (Eu533mn, up 14.0% organically), delivery on profitability was again outstanding, with the EBITDA margin expanding by 2pp YoY thanks to the contribution of both divisions, bringing the FY EBITDA margin into line with the record level reached last year (23.7%). Divisionally speaking, Hydraulic continued to show double-digit organic growth in the quarter (+17.8% YoY) coupled with a robust margin expansion (+2.5 pp), while at Water Jetting organic growth was less buoyant (+4.4%), but margin expansion was still solid (+1.5 pp).

Finally, as expected cash generation in the last quarter was more evident than in the first 9 months, despite significantly higher investments, hinting at a gradual normalisation of the NWC trend in the final part of the year. As a matter of fact, net debt (excluding put options) stood at Eu542mn vs. our Eu549mn estimate, down QoQ from Eu604mn at the end of September.

**Quarterly results**

| | 4Q21 | 4Q22 | YoY | 4Q22E | A vs. E | 2021 | 2022 | YoY | 2022E | A vs. E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group Sales** | **449.7** | **533.0** | **18.5%** | **533.8** | **-0.1%** | **1604.3** | **2078.0** | **29.5%** | **2078.7** | **0.0%** |
| *o/w Hydraulic* | *321.5* | *393.2* | 22.3% | *388.7* | **1.1%** | *1134.1* | *1541.6* | 35.9% | *1537.2* | **0.3%** |
| *o/w Water Jetting* | *128.2* | *139.9* | 9.1% | *145.1* | **-3.6%** | *470.1* | *536.3* | 14.1% | *541.6* | **-1.0%** |
| | | | | | | | | | | |
| **Group EBITDA** | **97.8** | **127.2** | **30.0%** | **117.6** | **8.1%** | **379.8** | **492.3** | **29.6%** | **482.8** | **2.0%** |
| *o/w Hydraulic* | *62.6* | *86.6* | 38.4% | *78.2* | **10.8%** | *246.9* | *337.4* | 36.7% | *329.0* | **2.6%** |
| *o/w Water Jetting* | *35.2* | *40.5* | 15.1% | *39.5* | **2.7%** | *132.8* | *154.9* | 16.6% | *153.8* | **0.7%** |
| **Group margin** | **21.8%** | **23.9%** | | **22.0%** | | **23.7%** | **23.7%** | | **23.2%** | |
| *Hydraulic margin* | *19.5%* | *22.0%* | | *20.1%* | | *21.8%* | *21.9%* | | *21.4%* | |
| *Water Jetting margin* | *27.5%* | *29.0%* | | *27.2%* | | *28.3%* | *28.9%* | | *28.4%* | |
| | | | | | | | | | | |
| D&A/provisions | -25.3 | -33.2 | | -24.2 | | -84.4 | -108.2 | | -99.2 | |
| | | | | | | | | | | |
| **EBIT** | **72.5** | **94.0** | **29.6%** | **93.4** | **0.6%** | **295.4** | **384.1** | **30.0%** | **383.6** | **0.1%** |
| % margin | 16.1% | 17.6% | | 17.5% | | 18.4% | 18.5% | | 18.5% | |
| | | | | | | | | | | |
| Net fin charges | -14.9 | -16.5 | | -11.7 | | -19.5 | -15.3 | | -10.5 | |
| **PreTax** | **57.6** | **77.5** | **34.4%** | **81.7** | **-5.2%** | 275.8 | 368.8 | **33.7%** | 373.1 | **-1.1%** |
| Taxes | -37.5 | -22.6 | | -20.4 | | -77.2 | -99.2 | | -97.0 | |
| Tax rate | -65.0% | -29.2% | | -24.9% | | -28.0% | -26.9% | | -0.3 | |
| Minorities | -0.7 | -1.1 | | -0.9 | | -2.6 | -3.3 | | -3.0 | |
| **Net income** | **19.5** | **53.8** | **175.6%** | **60.5** | **-11.1%** | **196.0** | **266.3** | **35.9%** | **273.0** | **-2.5%** |

Source: Company data & Intermonte SIM Estimates

## 2023 and Outlook to 2025

2023: for the current year management expects organic growth to be around 5%, supported by the backlog, which remained consistent with previous months' trends in January. This forecast is ahead of our estimates and consensus, positioned in the low-single-digit area. Furthermore, the company is targeting consolidation of the profitability achieved and an improvement in cash conversion, which was low in 2022 due to the major NWC absorption required to support double-digit top line growth.

2023-2025: finally, the company provided some targets for the next three years, where it expects turnover growth of around 25% with an EBITDA margin of c.22% and leverage at between 1x and 1.5x. We highlight that these targets include future M&A transactions not yet known to the market, so are not really comparable with our estimates or consensus. In any case, we appreciate management's ongoing commitment to grow the business further, continuing on the trajectory of recent years. We remind that the company comfortably beat the previous plan's targets, despite the major disruption from the pandemic.

**Three years targets**

| 2020-2022 | Target | Actual |
|---|---|---|
| Revenues | 33% growth | 51.8% |
| EBITDA margin | 22% including dilution from possible M&A | 23.7% |
| Leverage | Between 1.0x and 1.5x | 1.2x |

| 2023-2025 | Target |
|---|---|
| Revenues | ~25% growth |
| EBITDA margin | ~22% including possible M&A temporary dilution |
| Leverage | Between 1.0x and 1.5x |

Source: Company data & Intermonte SIM Estimates

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## Change in estimates

We are lifting our estimates in accordance with the freshly-announced guidance, now forecasting organic 2023 top line growth of 5% with the EBITDA margin basically at the same level as 2022. Below the line, the increase in EBITDA is partially offset by higher net financial charges, so we are lifting EPS by 1.3% on average for 2023/24.

**Change in estimates**

| (Eu mn) | 2023 New | 2024 New | 2025 New | 2023 Old | 2024 Old | 2025 Old | Change | Change | Change |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | **2,202.9** | **2,299.2** | **2,391.1** | **2,172.5** | **2,267.5** | - | **1.4%** | **1.4%** | **n.a.** |
| YoY growth | 6.0% | 4.4% | 4.0% | 4.5% | 4.4% | | | | |
| *o/w organic* | *5.0%* | *4.4%* | *4.0%* | *3.0%* | *4.4%* | | | | |
| *o/w ForEx* | *0.0%* | *0.0%* | *0.0%* | *0.5%* | *0.0%* | | | | |
| *o/w M&A* | *1.0%* | *0.0%* | *0.0%* | *1.0%* | *0.0%* | | | | |
| **EBITDA** | **516.9** | **541.6** | **565.1** | **498.2** | **528.2** | - | **3.8%** | **2.5%** | **n.a.** |
| % margin | 23.5% | 23.6% | 23.6% | 22.9% | 23.3% | | | | |
| D&A & provisions | -100.0 | -100.5 | -101.5 | -96.0 | -96.5 | | | | |
| **EBIT** | **416.9** | **441.1** | **463.6** | **402.2** | **431.7** | - | **3.7%** | **2.2%** | **n.a.** |
| % margin | 18.9% | 19.2% | 19.4% | 18.5% | 19.0% | | | | |
| Financial Charges | -23.1 | -15.1 | -6.4 | -16.5 | -8.5 | | | | |
| **Pretax** | **393.8** | **426.0** | **457.2** | **385.7** | **423.2** | - | **2.1%** | **0.7%** | **n.a.** |
| Taxes | -102.4 | -110.8 | -118.9 | -100.3 | -110.0 | | | | |
| *Tax rate* | *-26.0%* | *-26.0%* | *-26.0%* | *-26.0%* | *-26.0%* | | | | |
| Minorities | -3.3 | -3.6 | -3.9 | -3.0 | -3.3 | | | | |
| Net Profit | 288.1 | 311.7 | 334.4 | 282.4 | 309.8 | | | | |
| **Net profit adj** | **288.1** | **311.7** | **334.4** | **282.4** | **309.8** | - | **2.0%** | **0.6%** | **n.a.** |
| **NFP (including put options)** | **-374.1** | **-121.7** | **155.5** | **-368.0** | **-113.9** | - | **1.6%** | **6.9%** | **n.a.** |

Source: Intermonte SIM

## Feedback from the conference call

Main hints from the conference call; the focus was mainly on clarifications on 2023 and medium-term guidance:

- **2023 revenues outlook**: management expects organic growth to be around ("at least" was mentioned on one occasion) 5%, with visibility on the target being supported by an ongoing strong order intake in almost all applications and geographical areas (with only China lagging behind). At the end of January the order backlog was ~20% higher than at the same time last year.
- **2023 profitability outlook**: the aim is to consolidate and protect the margins achieved in 2022 (23.7% EBITDA margin).
- **2023 cash generation outlook**: in 2023 the aim is to improve cash conversion compared to 2022. This should be achievable as the current stock level is considered adequate to support revenue growth in 2022 and therefore NWC absorption should revert to more normal levels. Moreover, after two years of important investments, CapEx should revert to the usual 4%/5% of sales in 2023 (>6% in 2021 and 2022).
- **2023-2025 targets**: includes the company's usual cautious approach. The aim is to overdeliver on the numbers provided to the market.
- **Selling prices**: in general, the company will take a fair approach with clients, so if the cost environment improves significantly it is prepared to pass part of the benefit on to clients, they will not have an opportunistic approach with them. As things stand, management does not expect any significant price variation in 2023 compared to 2022.
- **White Drive Integration**: in 4Q22 the EBITDA margin reached the 21% threshold, demonstrating IP's ability to rapidly integrate major acquisitions. The 2023 target is to consolidate and further improve profitability (ongoing focus on reorganisation of US and EU activities). From a medium-term perspective the target is to bring the margin in line with group levels, i.e. higher than in the rest of the Hydraulic division.
- **M&A**: prepared to evaluate and address acquisitions that are larger/more complicated than their usual targets. Many dossiers on the table. Strategy remains unchanged.
- **Buyback**: generally speaking management sees no reason not to resume the buyback after the annual shareholders' meeting. This will also depend on opportunities for M&A.

| DETAILS ON STOCKS RECOMMENDATION | | | |
|---|---|---|---|
| **Stock NAME** | **INTERPUMP** | | |
| Current Recomm: | OUTPERFORM | Previous Recomm: | OUTPERFORM |
| Current Target (Eu): | 57.00 | Previous Target (Eu): | 55.80 |
| Current Price (Eu): | 51.85 | Previous Price (Eu): | 51.50 |
| Date of report: | 16/02/2023 | Date of last report: | 03/02/2011 |

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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 S&PMIB40 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

**CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS**

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 December 2022 Intermonte's Research Department covered 121 companies. Intermonte's distribution of stock ratings is as follows:

| | |
|---|---|
| BUY: | 20.66 % |
| OUTPERFORM: | 48.76 % |
| NEUTRAL: | 28.10 % |
| UNDERPERFORM | 02.48 % |
| SELL: | 00.00 % |

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (51 in total) is as follows:

| | |
|---|---|
| BUY: | 39.22 % |
| OUTPERFORM: | 49.02 % |
| NEUTRAL: | 11.76 % |
| UNDERPERFORM | 00.00 % |
| SELL: | 00.00 % |

**CONFLICT OF INTEREST**

In order to disclose its possible conflicts of interest Intermonte SIM states that:

**Intermonte SIM is acting as Global Coordinator in the proposed Unidata's capital increase with an agreement with the company for the publication of an equity research regarding the company and the transaction. Intermonte is also acting as Listing Agent in the proposed Unidata's Translisting. Intermonte will receive fees from the company for its activity as Global Coordinator and Listing Agent.**

Within the last year, **Intermonte SIM** managed or co-managed/is managing or is co-managing an Institutional Offering and/or managed or co-managed/is managing or is co-managing an offering with firm commitment underwriting of the securities of the following Companies: Civitanavi Systems, GPI.

**Intermonte SIM** has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Cy4Gate, Esprinet, GPI, Greenthesis (formerly Ambienthesis), Growens, Maire Tecnimont, Tinexta, Unidata and WIIT.

**Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.**

**Intermonte SIM** is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Aedes, Alkemy, Anima Holding, Aquafil, Avio, Azimut Holding, Banca Ifis, Banca Sistema, Cellularline, Civitanavi Systems, Cyberoo, Cy4gate, DeA Capital, Datrix, El.En, Eles, Elica, Emak, Esprinet, Expert AI, Fimit - Fondo Alpha, Fine Foods, Gefran, Go Internet, GPI, Greenthesis (formerly Ambienthesis), Gruppo Fos, GVS, IEG, Iervolino & Lady Bacardi Entertainment, IndelB, Luve, Matica Fintec, Notorious Pictures, Next Re SIIQ, Omer, Pharmanutra, Reevo, Relatech, Reply, Sababa Security, Saes Getters, Salcef, Sciuker Frames, Seco, Servizi Italia, Sesa, Seri Industrial, Somec, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIIT.

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**Intermonte SIM** performes as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMIB, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

**Intermonte SIM**, Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider on the following companies: Abitare In, Aedes, Aleph Finance, Alkemy, Banca Sistema, Borgosesia 1873, B&C Speakers, Casta Diva Group, Cattolica Assicurazioni, Cellularline, Circle, Cleanbnb, Comer Industries, Convergenze Spa, Crowfundme, Cy4Gate, Cyberoo, Dhh, Digital Bros, Digital Magics, Doxee, Ediliziacrobatica Spa, Eles, Elica, Emak, Esi, Esprinet, Fabilia, Fenix Entertainment, Fiera Milano, Finlogic, First Capital, Fope, Fos, Franche Umberto Marmi, Generali Assicurazioni, Giglio, Gismondi 1754, Go Internet, Gpi, H-Farm, ID-Entity, Iervolino & Lady Bacardi Entertainment, Indel B, International Care Company, Intred, Kolinpharma, Lindbergh, LVenture, Maps, Masi Agricola, Matica Fintec, Neodecortech, Nice Footwear Spa, Notorious Pictures, Nusco SPA, Nvp, Omer Spa, Orsero Group, Osai Automation System, Piaggio, Pierrel, Promotica, Reevo Spa, Relatech, Reti, Salcef Group, Sciuker Frames, Sebino, Sit Group, Sos Travel, Sourcesense, Spindox Digital Soul, Supplynecapital, Take Off, Tamburi, Tenax International, Tesmec, The Italian Sea Group, Tinexta, Tps, Trenddevice, Triboo, Ulisse Biomed, Unidata, Vantea Smart, Websolute, WIIT.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

| Emittente | % | Long/Short |
|---|---|---|



INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website MiFID

Further information is available