

# Italian Mid/Small Caps Monthly

## US Elections Had a Meaningful Immediate Impact On Markets

by Intermonte Research Team

Italian Equity Market

- **Performance (-).** The Italian equity market (prices as at 15 November 2024) has posted a negative 1.1% performance in the last month and is up 11.8% YtD. The FTSE Italy Mid-Cap index (-0.8%) has slightly outperformed the main index in the last month by 0.3% (-6.7% YtD on a relative basis), with the FTSE Italy Small Caps index (-3.7%) performing 2.6% below the market and -15.9% on a relative basis since the beginning of 2024. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 3.4% in the last month, underperforming Italian mid-caps.
- **Estimates (=).** Since the beginning of 2024, we have implemented a -9.9%/-11.4% revision to our 2024/2025 EPS estimates; notably, in the last month, estimate revisions have been very meaningful for large caps (-6.7%/-8.9% on 2024/2025 EPS) entirely due to a significant cut in the forecasts for Stellantis, while changes in estimates, on average, would have been slightly positive for the remainder of our FTSE Mib coverage. On the other hand, focusing on our mid/small cap coverage, we have changed our 2024/2025 EPS by +0.8%/-1.1% YtD and, in the last month, estimate revisions have not been meaningful (+0.3%/+0.5%).
- **Valuations (+).** If we compare the performance YtD to the change in FY24 estimates over the same period, we see that FTSE MIB stocks have recorded a 23.3% re-rating YtD (the same metric was +18.1% one month ago); mid-caps have re-rated by 2.5%, while small caps have re-rated by 16.3%. On a P/E basis, our panel is trading at a 25% premium to large caps, above the historical average premium (17%) and slightly below the level one month ago (26%).
- **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 17.1% higher than in the corresponding period one year ago and is up 17.6% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 25.2% YoY for mid-caps and 40.4% for small caps. Notably, mid-cap liquidity improved in the last month.
- **Investment strategy.** The US presidential elections have reduced expectations for a rate cut by the FED (from 5 to 3 by 2025), have pushed up US rates, and strengthened the dollar. In Italy, mid-caps have experienced increasing volatility and posted highly diverse performances as a consequence of the US elections and quarterly results: some industrial stocks, above all cement and defence, were clear winners, but others, e.g. some exposed to the green transition, have retraced. The digital enablers segment extended, on average, a weak trend, although in our view it remains attractive thanks to resilient outlook, as do "quality" names in other sectors such as consumer goods and industrials (which confirmed their strength on the release of results). We think that, in general, mid/small caps are a worthwhile asset class in terms of allocation for 2025 considering the weak performance of the last 2 years and a foreseeable partial rotation out of sectors like financial. We expect the launch of the National Strategic Fund (NSF) in 1H25 to gather over €1bn of new resources from both public (CDP) and private (institutional) investors, mainly to be invested in mid/small caps, and potentially representing a breath of fresh air for sector liquidity. A similar initiative was recently launched by the Caisse des Dépôts in France (CDC Croissance), with €0.5bn of funding from the French sovereign fund, similar aims for private investor involvement, and a target for 60-80% to be invested in listed French and EU SMEs.

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## Performance

### Small caps underperformed large caps in the last month

The Italian equity market (prices as at 15 November 2024) has posted a negative 1.1% performance in the last month and is up 11.8% YtD. The FTSE Italy Mid-Cap index (-0.8%) has slightly outperformed the main index in the last month by 0.3% (-6.7% YtD on a relative basis), with the FTSE Italy Small Caps index (-3.7%) performing 2.6% below the market and -15.9% on a relative basis since the beginning of 2024.

#### Italian Market Indexes – performance analysis (prices as at 15 November 2024)

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	46,824	-0.8%	2.6%	-3.4%	5.1%	11.9%	16.6%	-8.6%	16.6%
FTSE Italia Small Cap	27,196	-3.7%	-3.0%	-8.1%	-4.0%	4.8%	-3.5%	-16.5%	28.2%
FTSE Italia Star	44,969	-3.7%	-0.5%	-8.4%	-5.9%	3.2%	-6.1%	-30.8%	19.2%
FTSE Italia Growth Index	7,769	-5.1%	-1.6%	-5.8%	-6.5%	1.4%	-17.5%	-31.8%	0.2%
FTSE Italia All-Share	36,326	-1.1%	5.4%	-3.4%	11.8%	15.6%	35.9%	19.0%	41.6%
FTSE MIB	34,192	-1.1%	5.8%	-3.3%	12.7%	16.0%	38.4%	22.7%	45.0%
<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		0.3%	-2.8%	0.0%	-6.7%	-3.7%	-19.2%	-27.6%	-24.9%
FTSE Italia Small Cap		-2.6%	-8.4%	-4.7%	-15.9%	-10.8%	-39.3%	-35.5%	-13.4%
FTSE Italia Star		-2.5%	-6.0%	-5.0%	-17.8%	-12.4%	-42.0%	-49.8%	-22.4%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 3.4% in the last month, underperforming 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	168	-3.4%	-1.5%	-4.3%	4.8%	10.4%	15.6%	4.1%	23.3%
MSCI Europe Small Cap	427	-3.4%	-1.7%	-3.9%	2.4%	9.8%	8.5%	-16.2%	12.6%

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>
BUZZI	41.94	8,079	19%
FINCANTIERI	5.74	1,852	17%
CEMENTIR	10.52	1,674	11%
ANIMA	6.16	1,967	10%
DE' LONGHI	28.94	4,375	9%
REPLY	152.80	5,716	9%
REWAY GROUP	6.92	210	8%
REVO INSURANCE	10.85	267	7%
EL. EN.	11.61	930	6%
TECHNOGYM	10.13	2,039	5%
ABITARE IN	4.15	110	5%
STAR7	6.65	60	4%
TXT E-SOLUTIONS	28.95	377	3%
MISITANO & STRACUZZI	3.50	93	3%
WEBUILD	2.61	2,671	2%
INTRED	13.00	207	2%
BANCA SISTEMA	1.46	117	1%
CREDITO EMILIANO	10.52	3,591	1%
SERI INDUSTRIAL	2.77	150	1%
OVS GROUP	2.96	861	1%
<b>FTSE Italia Mid Cap</b>			-1%
<b>FTSE Italia Small Cap</b>			-4%
<b>FTSE MIB</b>			-1%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
TINEXTA	7.62	360	-31%
CYBEROO	2.07	86	-22%
TALEA GROUP	4.53	31	-21%
UNIDATA	2.98	92	-19%
AQUAFIL	1.28	60	-18%
ESPRINET	4.79	242	-18%
CY4GATE	3.93	93	-17%
SESA	76.00	1,178	-16%
DOVALUE	4.26	68	-16%
PIAGGIO	2.11	757	-16%
BFF BANK	8.47	1,588	-14%
BREMBO	8.90	2,971	-14%
MARR	9.57	637	-13%
INTERCOS	14.12	1,359	-12%
DATALOGIC	5.22	305	-12%
IGD	2.19	241	-11%
TESMEC	0.07	42	-11%
LU-VE	26.00	578	-11%
EMAK	0.88	144	-10%
THE ITALIAN SEA GROUP	7.49	397	-9%

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>
IEG	6.14	190	99%
ANTARES VISION	3.01	212	63%
DHH	24.80	121	60%
ANIMA	6.16	1,967	54%
BUZZI	41.94	8,079	52%
AVIO	12.36	326	46%
TXT E-SOLUTIONS	28.95	377	46%
MAIRE	7.06	2,319	44%
BANCA IFIS	22.48	1,210	43%
WEBUILD	2.61	2,671	43%
SERVIZI ITALIA	2.37	75	41%
OMER	4.10	118	36%
REWAY GROUP	6.92	210	36%
FINCANTIERI	5.74	1,852	33%
CREDITO EMILIANO	10.52	3,591	31%
OVS GROUP	2.96	861	30%
REVO INSURANCE	10.85	267	29%
REPLY	152.80	5,716	28%
ACEA	17.04	3,629	23%
MEDIA FOR EUROPE	4.02	1,873	23%
<b>FTSE Italia Mid Cap</b>			5%
<b>FTSE Italia Small Cap</b>			-4%
<b>FTSE MIB</b>			13%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
DOVALUE	4.26	68	-75%
TINEXTA	7.62	360	-62%
AQUAFIL	1.28	60	-59%
SECO	1.53	204	-55%
CY4GATE	3.93	93	-52%
SOMEK	14.10	97	-51%
FERRAGAMO	6.12	1,032	-50%
TALEA GROUP	4.53	31	-48%
TESMEC	0.07	42	-41%
SESA	76.00	1,178	-38%
NOTORIOUS PICTURES	0.78	17	-38%
CYBEROO	2.07	86	-31%
PIAGGIO	2.11	757	-29%
GEOX	0.53	136	-28%
UNIDATA	2.98	92	-24%
DATALOGIC	5.22	305	-23%
ELICA	1.77	112	-22%
FRANCHI UMBERTO MARMI	5.45	179	-21%
BREMBO	8.90	2,971	-20%
EMAK	0.88	144	-20%

Source: FactSet

## Earnings Momentum

### No significant estimate changes in the last month in our mid/small cap coverage

Since the beginning of 2024, we have implemented a -9.9%/-11.4% revision to our 2024/2025 EPS estimates; notably, in the last month, estimate revisions have been very meaningful for large caps (-6.7%/-8.9% on 2024/2025 EPS) entirely due to a significant cut in the forecasts for Stellantis, while changes in estimates, on average, would have been slightly positive for the remainder of our FTSE Mib coverage. On the other hand, focusing on our mid/small cap coverage, we have changed our 2024/2025 EPS by +0.8%/-1.1% YtD and, in the last month, estimate revisions have not been meaningful (+0.3%/+0.5%).

#### Italian Market – Intermonte changes to 2024 and 2025 estimates

EPS REVISION	Since January 1st 2024		Since 18/10/2024	
	% chg in EPS FY24	% chg in EPS FY25	% chg in EPS FY24	% chg in EPS FY25
<b>Total Market</b>	<b>-9.9%</b>	<b>-11.4%</b>	<b>-6.2%</b>	<b>-8.2%</b>
<b>Total Market - Ex Energy</b>	<b>-7.8%</b>	<b>-11.1%</b>	<b>-7.1%</b>	<b>-7.1%</b>
Domestic	7.6%	6.3%	0.9%	0.4%
Non domestic	-31.7%	-32.7%	-17.9%	-21.1%
Non domestic - Ex Energy	-32.9%	-35.4%	-24.2%	-28.6%
<b>FTSE MIB</b>	<b>-10.7%</b>	<b>-12.2%</b>	<b>-6.7%</b>	<b>-8.9%</b>
<b>Mid Caps (our coverage)</b>	<b>2.6%</b>	<b>-1.5%</b>	<b>0.4%</b>	<b>0.6%</b>
<b>Small Caps (our coverage)</b>	<b>-20.3%</b>	<b>-14.6%</b>	<b>-1.7%</b>	<b>-0.5%</b>
Intermonte Mid&Small Caps coverage	0.8%	-1.1%	0.3%	0.5%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2024 adjusted net profit estimates YtD.

#### Intermonte Mid & Small Cap Coverage - largest changes to 2024 est. (up/down) YtD

Stock	Restated Net Profit 24 as of 31/12/23	Restated net profit 24 last estimate	% chg from 31/12/23
<b>Upward Revision</b>			
FINCANTIERI	-7	20	386.4%
IEG	19	31	63.0%
CREDITO EMILIANO	429	607	41.6%
ANIMA	173	243	40.8%
MAIRE	151	206	36.9%
TXT E-SOLUTIONS	16	21	30.2%
INTRED	6	7	24.0%
BANCA SISTEMA	15	17.5	16.1%
DE' LONGHI	274	309	12.8%
BANCA IFIS	152	167	10.2%
<b>Downward Revision</b>			
TALEA GROUP	1	-2	-247.8%
AQUAFIL	6	-6	-203.9%
TESMEC	9	-5	-158.5%
FERRAGAMO	55	0	-100.1%
CY4GATE	11	1	-94.6%

Source: Intermonte SIM

## Valuation

### Mid/small cap valuation premium down slightly in the last month

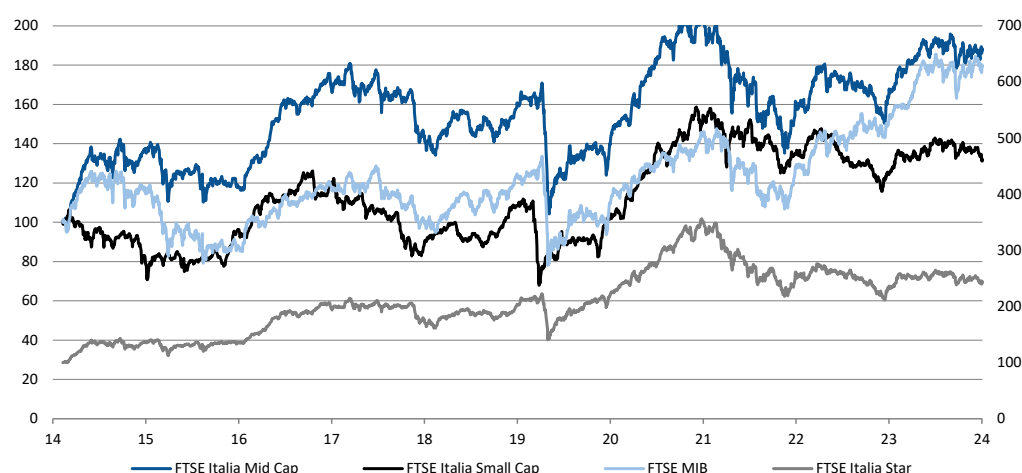
If we compare performance YtD to the change in FY24 estimates over the same period, we see that FTSE MIB stocks have recorded a 23.3% re-rating YtD (the same metric was +18.1% one month ago); mid-caps have re-rated by 2.5%, while small caps have re-rated by 16.3%.

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

Index	% Change YTD	on FY24 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	12.7%	-10.7%	23.3%
FTSE Italia Mid Cap	5.1%	2.6%	2.5%
FTSE Italia Small Cap	-4.0%	-20.3%	16.3%

Source: Intermonte SIM and FactSet

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

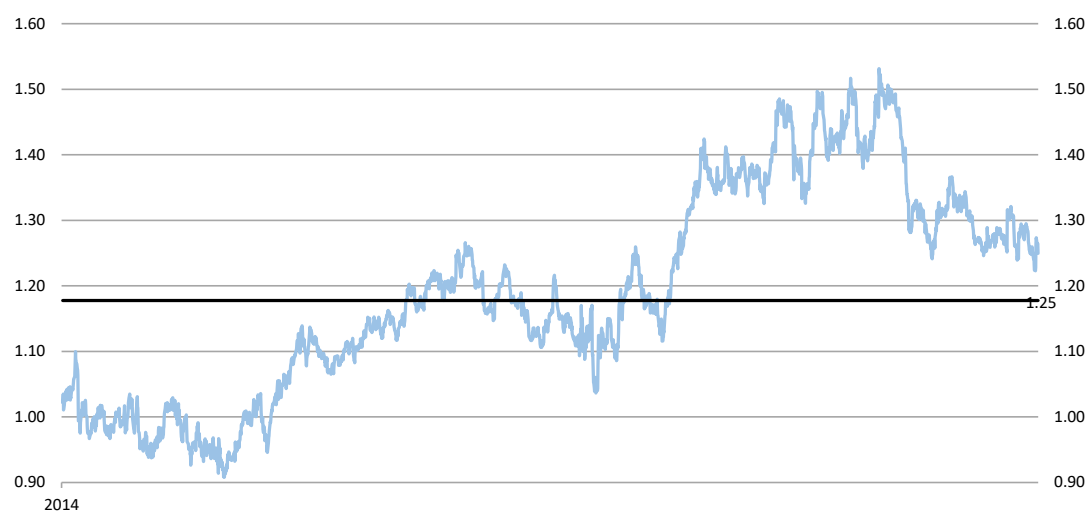


Source: FactSet

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 25% premium to large caps, above the historical average premium (17%) and slightly below the level one month ago (26%).**

#### 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 January 2024, based on 2024 estimates.

#### European Market – Valuations

	P/E14	P/E15	P/E16	P/E17	P/E18	P/E19	P/E20	P/E21	P/E22	P/E23	P/E24	P/E24 vs Italian Equivalen	Last 10Y Median	Premium / Disc. vs Avg
<b>FTSE MIB</b>	11.4 x	18.8 x	19.7 x	16.7 x	n.m.	15.7 x	21.6 x	11.5 x	8.6 x	8.0 x	10.9 x		13.6 x	-19.5%
<b>FTSE Italy Mid Cap</b>	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	12.0 x	12.8 x		18.3 x	-29.8%
<b>FTSE Italy Small Caps</b>	34.2 x	nm	nm	18.9 x	14.5 x	nm	51.5 x	20.2 x	14.9 x	14.0 x	12.3 x		14.9 x	-17.7%
<b>Germany DAX (TR)</b>	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	12.4 x	14.2 x	30.0%	14.2 x	-0.2%
<b>Germany MDAX</b>	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	21.2 x	15.0 x	17.2%	21.2 x	-29.2%
<b>France CAC 40</b>	16.1 x	16.2 x	16.1 x	15.3 x	16.0 x	nm	28.6 x	15.6 x	13.1 x	19.9 x	14.9 x	36.6%	15.8 x	-5.4%
<b>France CAC Mid 60</b>	20.4 x	20.4 x	36.8 x	16.2 x	15.6 x	nm	nm	20.2 x	13.3 x	12.8 x	15.0 x	17.2%	15.6 x	
<b>France CAC Small</b>	25.3 x	26.5 x	32.9 x	31.0 x	32.6 x	nm	nm	45.0 x	23.8 x	22.0 x	29.6 x	141.1%	31.0 x	-4.7%
<b>FTSE 100</b>	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	11.4 x	11.8 x	8.3%	13.0 x	-8.6%
<b>FTSE 250</b>	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	21.8 x	14.0 x	8.8%	14.6 x	-4.4%
<b>IBEX 35</b>	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	10.6 x	11.7 x	6.7%	13.0 x	-10.3%
<b>IBEX MEDIUM</b>	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	14.9 x	13.4 x	4.5%	15.4 x	-13.1%

Source: Intermonte SIM and FactSet

**Intermonte Mid & Small Cap Coverage – de-rating/re-rating on 2024 estimates since Jan 2024**

Stock	Restated Net Profit 24 as of 31/12/23	Restated net profit 24 last estimate	% Chg in Net Profit 24	Share Price perf. 31/12/23	De-rating(-) Re-rating(+)
TALEA GROUP	1.2	-1.7	-248%	-48%	200%
AQUAFIL	6.2	-6.4	-204%	-55%	149%
TESMEC	9.2	-5.4	-159%	-41%	118%
ANTARES VISION	11.7	6.9	-41%	63%	104%
ELICA	13.5	2.1	-84%	-22%	62%
AVIO	13.2	11.9	-10%	46%	56%
SERVIZI ITALIA	7.9	6.8	-14%	41%	55%
FERRAGAMO	55.1	-0.1	-100%	-50%	50%
GPI	24.6	16.8	-32%	17%	49%
DATALOGIC	28.9	8.4	-71%	-23%	48%
BUZZI	832.8	889.3	7%	52%	46%
CY4GATE	11.2	0.6	-95%	-52%	43%
SOMEK	8.5	0.9	-89%	-51%	39%
IEG	18.8	30.6	63%	99%	36%
OMER	9.0	9.1	0%	36%	35%
WEBUILD	244.9	266.0	9%	43%	34%
BANCA IFIS	151.6	167.1	10%	43%	33%
OVS GROUP	76.4	75.1	-2%	30%	32%
SECO	23.2	3.2	-86%	-55%	31%
REPLY	208.0	203.4	-2%	28%	30%
IGD	49.9	34.6	-31%	-5%	25%
TECHNOGYM	103.2	90.9	-12%	12%	24%
EL.EN.	54.5	52.0	-5%	19%	24%
CEMENTIR	221.1	198.6	-10%	10%	20%
MEDIA FOR EUROPE	291.0	301.4	4%	23%	19%
ACEA	326.0	343.6	5%	23%	18%
TXT E-SOLUTIONS	16.2	21.1	30%	46%	16%
FILA	41.8	42.7	2%	18%	15%
ESPRINET	32.4	23.4	-28%	-13%	15%
CYBEROO	7.3	4.0	-45%	-31%	14%
ANIMA	172.9	243.4	41%	54%	13%
MONDADORI	66.6	64.5	-3%	4%	8%
INTERCOS	70.1	63.9	-9%	-1%	8%
EMAK	22.9	16.7	-27%	-20%	7%
PIAGGIO	114.9	73.1	-36%	-29%	7%
FINE FOODS	11.3	9.8	-14%	-7%	7%
MAIRE	150.7	206.3	37%	44%	7%
ENAV	117.3	124.0	6%	12%	7%
LU-VE	34.5	37.0	7%	13%	5%
MARR	60.8	47.8	-21%	-17%	5%
IREN	284.8	271.6	-5%	-3%	1%
RAI WAY	90.5	89.5	-1%	-1%	0%
BANCA SISTEMA	15.1	17.5	16%	22%	(2%)
PHARMANUTRA	17.7	18.3	3%	-1%	(5%)
UNIDATA	12.1	9.9	-19%	-24%	(5%)
INTRED	5.7	7.1	24%	18%	(6%)
BREMBO	294.3	253.2	-14%	-20%	(6%)
INDEL B	17.0	17.0	0%	-9%	(9%)
CREDITO EMILIANO	428.6	606.7	42%	31%	(11%)
FRANCHI UMBERTO MARMI	14.2	12.8	-9%	-21%	(11%)
THE ITALIAN SEA GROUP	44.7	47.6	6%	-9%	(15%)
BFF BANK	200.1	200.1	0%	-18%	(18%)
DE' LONGHI	273.7	308.7	13%	-5%	(18%)
GEOX	34.6	34.6	0%	-28%	(28%)
SESA	110.2	106.4	-3%	-38%	(35%)
NOTORIOUS PICTURES	6.4	6.4	0%	-38%	(38%)
DOVALUE	55.9	35.3	-37%	-75%	(38%)
TINEXTA	62.9	48.4	-23%	-62%	(39%)
SERI INDUSTRIAL	-1.7	-1.0	43%	-18%	(61%)
FINCANTIERI	-6.9	19.8	386%	33%	(354%)

Source: Intermonte SIM



## Liquidity

### Mid-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 17.1% higher than in the corresponding period one year ago and is up 17.6% from a YtD perspective. The picture is similar for mid/small caps: specifically, YtD liquidity is up 25.2% YoY for mid-caps and 40.4% for small caps. Notably, mid-cap liquidity improved in the last month.

#### Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2024			Avg Daily Volume * Avg Price (Eu mn) 2023			% Changes (YoY)		
	1M to 18/11	3M to 18/11	YTD to 18/11	1M to 18/11	3M to 18/11	YTD to 18/11	1M to 18/11	3M to 18/11	YTD to 18/11
<b>FTSE MIB</b>									
All stocks	61.71	57.04	59.75	52.68	50.61	50.79	17.1%	12.7%	17.6%
Top 20% by market cap	178.02	170.71	173.89	157.27	153.77	159.93	13.2%	11.0%	8.7%
<b>FTSE Italia Mid Cap</b>									
All stocks	2.24	1.91	2.14	1.54	1.50	1.71	45.2%	27.1%	25.2%
Top 20% by market cap	4.09	3.61	4.29	3.27	3.21	3.87	25.1%	12.3%	11.1%
<b>FTSE Italia Small Cap</b>									
All stocks	0.25	0.21	0.37	0.23	0.24	0.26	5.7%	(14.7%)	40.4%
Top 20% by market cap	0.62	0.50	0.67	0.44	0.41	0.47	41.9%	20.9%	42.8%

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)
BUZZI	8,079	9,593,067
FINCANTIERI	1,852	5,283,385
BREMBO	2,971	5,011,065
WEBUILD	2,671	4,941,208
REPLY	5,716	4,751,030
BFF BANK	1,588	4,673,053
IREN	2,483	4,350,609
MAIRE	2,319	4,322,338
ANIMA	1,967	4,038,991
FERRAGAMO	1,032	3,657,842
DE' LONGHI	4,375	3,297,138
BANCA IFIS	1,210	2,415,167
OVS GROUP	861	2,337,646
PIAGGIO	757	2,320,742
SESA	1,178	2,239,404
ACEA	3,629	2,147,063
TECHNOGYM	2,039	1,999,414
ENAV	2,091	1,752,999
CREDITO EMILIANO	3,591	1,569,318
MARR	637	1,563,218
RAI WAY	1,379	1,479,858
TIP	1,591	1,436,881
MEDIA FOR EUROPE	1,873	1,415,330
INTERCOS	1,359	1,406,811
EL.EN.	930	1,157,044
DOVALUE	68	1,026,160
ESPRINET	242	810,849
CEMENTIR	1,674	795,561
FILA	417	708,353

Source: FactSet

## Criteria for investing in mid/small caps

### Italian Mid & Small Cap Coverage - geographical breakdown of sales (FY23)

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	53%	24%	10%	1%	7%	4%

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

A ranking of stocks with the highest expected earnings growth for 2024 vs. 2023, and the highest 2024 dividend yields, can be found in the following tables.

### Intermonte Mid & Small Cap Coverage – dividend yield 2024

Stock	Price (Eu)	Mkt Cap (Eu mn)	EPS 24	DPS 24	Yield 24 %	PayOut 24 %	Net Debt/EBITDA 24
NOTORIOUS PICTURES	0.8	17	0.283	0.113	14.6%	40%	1.9
GEOX	0.5	136	0.133	0.067	12.7%	50%	2.9
BFF BANK	8.5	1588	1.071	0.953	11.3%	89%	
BANCA IFIS	22.5	1210	3.106	2.177	9.7%	70%	
PIAGGIO	2.1	757	0.206	0.195	9.2%	95%	1.5
IREN	1.9	2483	0.209	0.128	6.7%	61%	3.3
RAI WAY	5.1	1379	0.329	0.328	6.5%	100%	0.8
CREDITO EMILIANO	10.5	3591	1.778	0.660	6.3%	37%	
MEDIA FOR EUROPE	4.0	1873	0.531	0.250	6.2%	47%	0.8
ENAV	3.9	2091	0.229	0.237	6.1%	104%	0.8
MARR	9.6	637	0.719	0.575	6.0%	80%	1.3
MONDADORI	2.2	586	0.247	0.132	5.9%	53%	1.0
ANIMA	6.2	1967	0.765	0.340	5.5%	44%	
ACEA	17.0	3629	1.613	0.916	5.4%	57%	3.3
BANCA SISTEMA	1.5	117	0.218	0.069	5.0%	32%	
THE ITALIAN SEA GROUP	7.5	397	0.898	0.370	4.9%	41%	(0.4)
ESPRINET	4.8	242	0.472	0.236	4.9%	50%	(0.4)
MISITANO & STRACUZZI	3.5	93	0.289	0.170	4.8%	59%	0.5
EMAK	0.9	144	0.102	0.041	4.6%	40%	2.8
MAIRE	7.1	2319	0.628	0.323	4.6%	51%	(0.6)
GPI	11.7	338	0.598	0.500	4.3%	84%	2.9
WEBUILD	2.6	2671	0.267	0.100	3.8%	37%	(0.7)
INDEL B	21.8	127	2.911	0.800	3.7%	27%	0.1
FRANCHI UMBERTO MARMI	5.5	179	0.393	0.196	3.6%	50%	0.7
DOVALUE	4.3	68	0.441	0.150	3.5%	34%	2.5
DE' LONGHI	28.9	4375	2.044	0.835	2.9%	41%	(0.8)
DATALOGIC	5.2	305	0.150	0.150	2.9%	100%	0.1
BREMBO	8.9	2971	0.790	0.253	2.8%	32%	0.4
CEMENTIR	10.5	1674	1.248	0.279	2.6%	22%	(0.7)
OVS GROUP	3.0	861	0.258	0.069	2.3%	27%	0.7

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
DOVALUE	4.3	68	nm	9.6	1272%
SERI INDUSTRIAL	2.8	150	nm	nm	467%
GEOX	0.5	136	16.9	3.9	329%
FINE FOODS	8.2	180	42.3	21.3	98%
IEG	6.1	190	11.3	6.2	82%
TESMEC	0.1	42	nm	nm	82%
GPI	11.7	338	33.0	19.6	69%
MAIRE	7.1	2319	18.5	11.2	64%
REWAY GROUP	6.9	210	17.6	12.1	45%
NOTORIOUS PICTURES	0.8	17	4.0	2.7	45%
REVO INSURANCE	10.9	267	18.0	12.9	40%
MEDIA FOR EUROPE	4.0	1873	10.5	7.6	39%
ANIMA	6.2	1967	10.6	8.0	32%
FILA	9.7	417	15.2	11.6	31%
THE ITALIAN SEA GROUP	7.5	397	10.8	8.3	29%
STAR7	6.7	60	10.3	8.1	27%
SERVIZI ITALIA	2.4	75	13.8	11.2	24%
DE' LONGHI	28.9	4375	17.5	14.2	23%
UNIDATA	3.0	92	11.3	9.3	21%
PHARMANUTRA	55.7	539	34.9	29.5	18%
TECHNOGYM	10.1	2039	26.3	22.4	17%
ACEA	17.0	3629	12.3	10.6	17%
DHH	24.8	121	36.6	31.6	16%
TXT E-SOLUTIONS	29.0	377	18.7	16.2	15%
INTERCOS	14.1	1359	24.1	21.3	13%
WEBUILD	2.6	2671	11.0	9.8	13%
BFF BANK	8.5	1588	8.8	7.9	12%
ENAV	3.9	2091	18.5	16.9	10%
BANCA IFIS	22.5	1210	7.9	7.2	9%
REPLY	152.8	5716	30.6	28.1	9%
BANCA SISTEMA	1.5	117	6.9	6.9	9%
OMER	4.1	118	14.0	13.0	8%
EL.EN.	11.6	930	18.9	17.5	8%
SESA	76.0	1178	11.5	11.1	4%
CEMENTIR	10.5	1674	8.7	8.4	3%
INDEL B	21.8	127	7.7	7.5	3%
MARR	9.6	637	13.5	13.3	1%
SYS-DAT	5.3	166	27.9	27.6	1%
BUZZI	41.9	8079	9.1	9.1	0%

Source: Intermonte SIM and FactSet

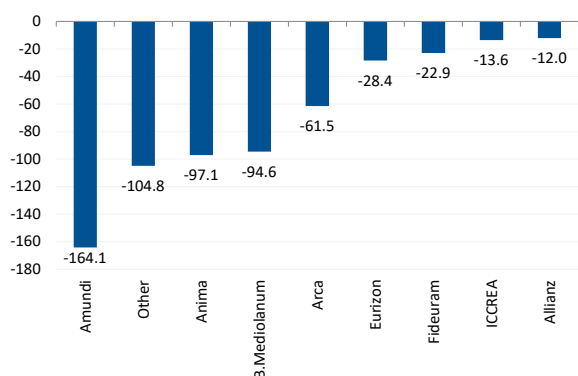
## Recent data on the Individual Savings Plan (PIR)

PIR: official figures as of December 2023

												Nr. Of Funds		Invested Capital	
	FY23 (Eu mn)	4Q23 (Eu mn)	3Q23 (Eu mn)	2Q23 (Eu mn)	1Q23 (Eu mn)	FY22 (Eu mn)	FY21 (Eu mn)	FY20 (Eu mn)	FY19 (Eu mn)	FY18 (Eu mn)	FY17 (Eu mn)	at December 2023 # Funds	%	at December 2023 (Eu mn)	in %
Ordinary PIR	(2,755)	(599)	(731)	(610)	(815)	(734)	323	(759)	(1,097)	3,950	10,903	66		16,919	
Alternative PIR	201	134	8	1	58	242						17		1,671	
<b>EQUITY FUNDS</b>	(1,007)	(184)	(351)	(209)	(264)	(338)	280	(281)	(369)	349	2,260	23	27.7%	5,025	27.0%
<b>BALANCED FUNDS</b>	(1,663)	(351.7)	(371.5)	(474.1)	(466.0)	(385)	214	(321)	(587)	2,525	5,962	22	26.5%	6,480	34.9%
<b>FIXED INCOME FUNDS</b>	385	75	95	181	35	(12)	17	(1)	(20)	10	75	8	9.6%	550	3.0%
<b>FLEXIBLE FUNDS</b>	(462)	(137)	(102)	(108)	(114)	2	(187)	(160)	(121)	1,067	2,605	15	18.1%	4,878	26.2%
<b>CLOSED-END FUNDS</b>	192	134	7	0	52	240						15	18.1%	1,656	8.9%

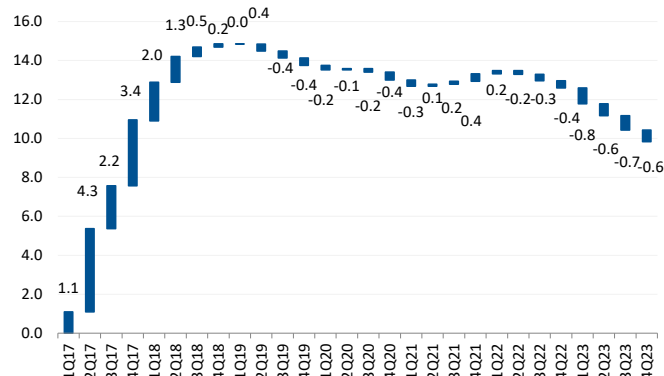
Source: Assogestioni, Quarterly Report, February 2024

Ordinary PIR - Net inflows by asset manager (Eu mn, 4Q23)



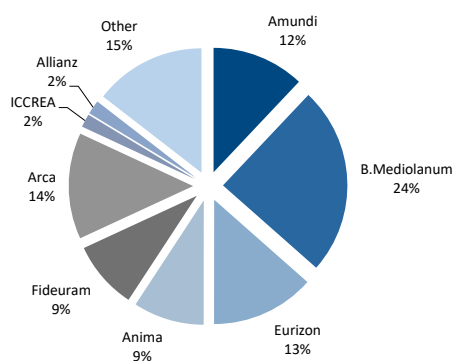
Source: Assogestioni

Ordinary PIR – Inflows by quarter (Eu bn)



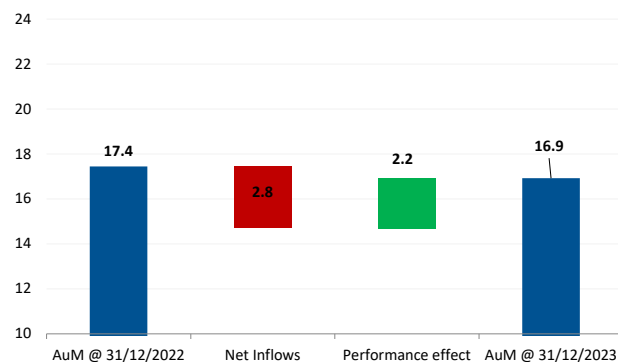
Source: Intermonte SIM estimates, Assogestioni

Ordinary PIR – Market share by asset manager (on AuM as at 31/12/23)



Source: Assogestioni

Ordinary PIR – Inflows and total AuM (Eu bn)



Source: Assogestioni

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

Company	P/E 2024	P/E 2025	EV/ EBITDA 2024	EV/ EBITDA 225	Div. Yield 2024	Div. Yield 2025	FCF Yield 2024	FCF Yield 2025	NETDEBT/ EBITDA 2024	NETDEBT/ EBITDA 2025
ACEA	10.6	10.7	6.7	6.5	5.4%	5.6%	-0.8%	1.1%	3.3x	3.2x
ANIMA	8.0	8.7			5.5%	5.5%				
BANCA IFIS	7.2	7.1			9.7%	9.9%				
BFF BANK	7.9	6.9			11.3%	12.6%				
BREMBO	11.3	10.1	4.8	4.5	2.8%	3.2%	1.9%	6.5%	0.4x	0.3x
BUZZI	9.1	8.6	4.9	4.1	1.5%	1.7%	8.5%	8.8%	-0.6x	-1.0x
CEMENTIR	8.4	8.2	3.6	3.1	2.6%	2.7%	9.6%	12.9%	-0.7x	-1.1x
CREDITO EMILIANO	5.9	6.9			6.3%	5.3%				
DE' LONGHI	14.2	12.7	7.2	6.2	2.9%	3.2%	5.1%	6.8%	-0.8x	-1.0x
EL.EN.	17.5	16.5	9.4	8.6	1.9%	2.0%	6.2%	5.6%	-1.0x	-1.3x
ENAV	16.9	15.9	7.4	7.1	6.1%	6.3%	9.3%	9.5%	0.8x	0.6x
FERRAGAMO	nm	56.8	4.0	3.5	0.0%	0.9%	-5.7%	15.5%	3.1x	3.3x
FINCANTIERI	93.5	18.7	9.1	5.9	0.0%	0.0%	-13.9%	9.9%	4.6x	3.8x
INTERCOS	21.3	17.7	10.0	8.5	1.2%	1.4%	3.0%	3.7%	0.5x	0.3x
IREN	9.1	8.3	5.5	5.3	6.7%	7.3%	0.9%	3.7%	3.3x	3.3x
LU-VE	15.6	14.7	8.4	7.7	1.6%	1.7%	5.0%	5.4%	1.4x	1.0x
MAIRE	11.2	10.1	5.3	4.7	4.6%	5.7%	4.1%	4.3%	-0.6x	-0.5x
MARR	13.3	12.1	6.5	6.4	6.0%	6.6%	2.7%	-6.1%	1.3x	1.8x
MEDIA FOR EUROPE	7.6	7.6	3.0	2.7	6.2%	6.2%	17.4%	18.9%	0.8x	0.5x
MONDADORI	9.1	8.1	4.6	4.2	5.9%	6.5%	11.9%	12.0%	1.0x	0.7x
OVS GROUP	11.5	10.6	5.4	4.6	2.3%	2.5%	6.6%	9.0%	0.7x	0.4x
PHARMANUTRA	29.5	25.4	16.3	14.7	1.7%	2.0%	2.7%	4.0%	-0.1x	-0.4x
PIAGGIO	10.3	7.8	4.0	3.7	9.2%	10.2%	9.2%	9.5%	1.5x	1.4x
RAI WAY	15.4	15.9	8.3	8.7	6.5%	6.3%	8.3%	8.4%	0.8x	1.4x
REPLY	28.1	24.6	14.2	12.5	0.7%	0.8%	3.9%	4.3%	-0.7x	-1.1x
SESA	11.1	10.3	7.2	4.6	1.3%	1.4%	9.8%	8.8%	0.0x	-0.1x
TECHNOGYM	22.4	18.7	10.9	9.2	2.2%	2.7%	5.2%	5.5%	-1.0x	-1.3x
THE ITALIAN SEA GROUP	8.3	6.8	4.9	3.8	4.9%	6.0%	14.0%	16.7%	-0.4x	-0.9x
TINEXTA	7.4	6.2	7.5	6.2	1.9%	3.8%	7.0%	8.7%	3.1x	2.4x
TIP	12.0	11.5			1.9%	2.1%				
WEBUILD	9.8	8.0	2.1	1.8	3.8%	4.6%	-26.2%	6.5%	-0.7x	-0.7x

Source: Intermonte SIM

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

Company	P/E 2024	P/E 2025	EV/ EBITDA 2024	EV/ EBITDA 225	Div. Yield 2024	Div. Yield 2025	FCF Yield 2024	FCF Yield 2025	NETDEBT/ EBITDA 2024	NETDEBT/ EBITDA 2025
ABITARE IN	15.1	5.7	10.9	4.7	1.9%	5.2%	-15.8%	20.4%	4.3x	1.5x
ANTARES VISION	30.9	19.3	10.2	8.3	0.0%	0.0%	1.9%	5.1%	5.4x	2.5x
AQUAFIL	nm	7.6	4.9	3.7	0.0%	0.0%	11.3%	23.4%	4.1x	3.0x
AVIO	28.1	21.6	9.1	7.6	1.2%	2.3%	-13.0%	4.5%	-1.1x	-1.1x
BANCA SISTEMA	6.3	4.0			5.0%	6.2%				
CY4GATE	nm	23.6	5.5	4.4	0.0%	0.0%	-2.1%	1.1%	0.6x	0.5x
CYBEROO	21.7	15.4	8.9	6.8	0.0%	0.0%	-4.0%	2.0%	0.0x	-0.2x
DATALOGIC	34.9	17.5	7.1	5.6	2.9%	3.8%	6.9%	6.1%	0.1x	-0.1x
DHH	31.6	27.4	10.0	9.2	0.0%	0.0%	3.4%	4.4%	0.1x	-0.3x
DOVALUE	9.6	7.9	4.5	4.1	3.5%	5.9%	18.2%	23.1%	2.5x	2.2x
ELICA	52.9	53.1	5.7	5.4	2.3%	1.1%	4.2%	8.2%	1.9x	1.7x
EMAK	8.6	6.2	4.9	4.3	4.6%	6.4%	13.6%	13.7%	2.8x	2.3x
ESPRINET	10.1	8.4	3.1	2.6	4.9%	7.1%	7.5%	14.5%	-0.4x	-0.6x
FILA	11.6	10.5	3.7	3.2	1.5%	2.4%	37.7%	37.9%	2.7x	2.2x
FINE FOODS	21.3	16.4	8.1	7.7	1.4%	1.4%	-2.9%	-9.9%	1.7x	2.1x
FRANCHI UMBERTO MARMI	13.9	12.2	7.9	6.8	3.6%	4.1%	8.9%	10.6%	0.7x	0.2x
GEOX	3.9	3.8	4.0	3.7	12.7%	13.1%	16.3%	42.6%	2.9x	2.6x
GPI	19.6	13.4	6.3	5.8	4.3%	0.0%	1.7%	10.2%	2.9x	2.6x
IEG	6.2	7.9	3.9	4.1	2.1%	2.2%	11.0%	-2.8%	1.1x	1.3x
IGD	7.0	7.0	10.4	10.4	0.0%	7.3%	1.6%	13.6%	8.0x	8.0x
INDEL B	7.5	6.8	4.1	3.5	3.7%	4.6%	13.4%	12.0%	0.1x	-0.3x
INTRED	29.1	26.2	9.6	9.0	0.9%	1.0%	-0.8%	-2.1%	1.2x	1.3x
MISITANO & STRACUZZI	12.1	11.1	7.2	6.5	4.8%	4.1%	-4.1%	5.2%	0.5x	0.4x
NOTORIOUS PICTURES	2.7	2.0	2.6	2.4	14.6%	20.4%	46.3%	44.1%	1.9x	1.7x
OMER	13.0	12.0	6.6	5.5	0.0%	0.0%	3.2%	9.2%	-1.4x	-2.0x
REVO INSURANCE	12.9	8.1			1.1%	1.8%				
REWAY GROUP	12.1	9.9	8.4	6.7	0.0%	0.0%	2.2%	2.6%	1.4x	1.0x
SECO	64.5	16.0	11.3	6.9	0.0%	0.0%	0.6%	2.9%	2.9x	1.3x
SERI INDUSTRIAL	nm	nm	nm	nm	0.0%	0.0%	-35.8%	-39.9%	55.7x	34.7x
SERVIZI ITALIA	11.2	8.7	2.5	2.4	1.7%	2.1%	-0.9%	1.7%	1.5x	1.5x
SOMECE	nm	23.2	6.9	5.4	0.0%	0.0%	5.9%	19.9%	3.1x	2.0x
STAR7	8.1	7.2	5.1	4.4	0.0%	0.0%	9.5%	8.5%	2.0x	1.5x
SYS-DAT	27.6	23.2	10.5	8.9	0.0%	0.0%	2.8%	3.4%	-3.3x	-3.4x
TALEA GROUP	nm	11.2	18.4	7.1	0.0%	0.0%	27.5%	2.2%	9.9x	3.7x
TESMEC	nm	nm	5.6	4.9	0.0%	0.0%	-29.4%	5.0%	4.4x	3.9x
TXT E-SOLUTIONS	16.2	12.2	11.6	8.2	0.9%	1.3%	1.2%	4.7%	3.0x	2.0x
UNIDATA	9.3	7.9	5.1	4.6	0.5%	0.6%	10.2%	7.8%	1.7x	1.4x
WIIT	34.2	23.0	13.8	11.6	1.5%	2.2%	2.0%	5.2%	3.7x	2.9x

Source: Intermonte SIM

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- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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