

# Italian Mid/Small Caps Monthly

## Attractive Mid/Small Cap Valuations on Launch of Strategic Fund

by Intermonte Research Team

### Italian Equity Market

- **Performance (-).** The Italian equity market (prices as at 17 March 2025) has posted a positive 1.7% performance in the last month and is up 13.5% YtD. The FTSE Italy Mid-Cap index (+0.2%) has underperformed the main index in the last month by 1.5% (-6.4% YtD on a relative basis), with the FTSE Italy Small Caps index (+1.2%) performing 0.5% below the market and -9.1% on a relative basis YtD. Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 1.1% in the last month, underperforming Italian mid-caps.
- **Estimates (-).** Since the beginning of 2025, we have reduced our 2025/2026 EPS estimates by -2.1%/-1.9%; notably, the estimate revisions have largely been implemented in the last month for large caps (-2.0%/-1.8% on 2025/2026 EPS) mainly on energy and industrial names. Focusing on our mid/small cap coverage, in the last month we have changed our 2025/2026 EPS by -1.4%/-1.1%.
- **Valuations (=).** If we compare performance since the beginning of the year to the change in FY25 estimates over the same period, we see that FTSE MIB stocks have recorded a 16.3% re-rating (+12.9% one month ago); mid-caps have re-rated by 8.9%, while small caps have re-rated by 6.7%. On a P/E basis, our panel is trading at a 21% premium to large caps, slightly above the historical average premium (18%) and the level one month ago (19%).
- **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 35.2% higher than in the corresponding period one year ago, and is up 30.3% YtD. The picture is also improving for mid-caps while it is weaker for small caps: specifically, since 1/1/25, liquidity is up 19.3% YoY for mid-caps while it is up a mere 1.5% for small caps.
- **Investment strategy.** Italian mid/small caps trade close to a 4-year low in terms of their valuation relative to large caps. This leads us to reiterate our positive view on this asset class and, in particular, our preference for quality companies, leaders in their respective sectors, whose valuations are justified by realistic growth prospects or supported by strong cash generation. The Star Conference, hosted next week by the Italian Stock Exchange, might provide the opportunity for Italian and foreign investors to reconsider some investment cases. Thanks partly to a rather stable Italian political framework, we believe Italian mid/small caps can recapture the attention of foreign investors. In this context, initiatives such as the National Strategic Fund, which has recently been indicated as starting by the end of April, should make a positive contribution. The initial commitment should be around Eu0.7/1.0bn including both the NSF (49%) and private investors (51%). Fund managers will have a free hand on portfolio allocation providing that at least 70% is invested in listed companies ex FTSE MIB, excluding financial stocks.

*This material is an extract of research reports by Intermonte that have already been published and delivered to Clients. It is available for free on the Intermonte SIM website (<https://www.intermonte.it>) and it qualifies as a “minor nonmonetary benefit” in accordance with article 12, paragraph 3, sub-paragraph b) of Commission Delegated Directive (EU) 2017/593 of 7 April 2016*

## Performance

### Mid/small caps slightly underperformed large caps in a very positive month

The Italian equity market (prices as at 17 March 2025) has posted a positive 1.7% performance in the last month and is up 13.5% YtD. The FTSE Italy Mid-Cap index (+0.2%) has underperformed the main index in the last month by 1.5% (-6.4% YtD on a relative basis), with the FTSE Italy Small Caps index (+1.2%) performing 0.5% below the market and -9.1% on a relative basis YtD.

#### Italian Market Indexes – performance analysis (prices as at 17 March 2025)

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	51,169	0.2%	7.1%	11.1%	7.2%	8.8%	23.1%	18.1%	95.6%
FTSE Italia Small Cap	29,585	1.2%	4.6%	4.0%	4.4%	8.3%	0.6%	1.3%	105.4%
FTSE Italia Star	44,914	-4.9%	-2.6%	-1.9%	-1.0%	-3.5%	-6.0%	-17.3%	68.3%
FTSE Italia Growth Index	7,781	-0.6%	-0.5%	-2.8%	-1.6%	-3.3%	-15.3%	-24.2%	27.9%
FTSE Italia All-Share	41,314	1.7%	13.1%	15.1%	13.5%	14.5%	49.7%	56.6%	147.7%
FTSE MIB	39,022	1.8%	13.7%	15.5%	14.1%	15.0%	53.1%	61.8%	154.8%
<b>Relative Performance vs FTSE Italy All Share</b>		<b>% Change 1 Month</b>	<b>% Change 3 Months</b>	<b>% Change 6 Months</b>	<b>% Change YTD</b>	<b>% Change 1 Year</b>	<b>% Change 2 Years</b>	<b>% Change 3 Years</b>	<b>% Change 5 Years</b>
FTSE Italia Mid Cap		-1.5%	-6.1%	-4.0%	-6.4%	-5.6%	-26.5%	-38.5%	-52.1%
FTSE Italia Small Cap		-0.5%	-8.5%	-11.1%	-9.1%	-6.2%	-49.1%	-55.2%	-42.3%
FTSE Italia Star		-6.6%	-15.7%	-16.9%	-14.5%	-18.0%	-55.7%	-73.9%	-79.4%

Source: FactSet

Looking at mid/small cap performances across Europe, the MSCI Europe Small Caps index has declined 1.1% 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	185	-0.3%	7.3%	6.6%	8.7%	9.0%	26.0%	22.8%	89.1%
MSCI Europe Small Cap	449	-1.1%	4.8%	1.8%	4.6%	6.7%	16.0%	-0.1%	75.8%

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**

<b>Best Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
FINCANTIERI	10.88	3,516	29%
AVIO	19.30	509	20%
CY4GATE	4.21	99	17%
TINEXTA	9.11	430	15%
SECO	2.02	269	15%
WEBUILD	3.61	3,694	15%
SESA	79.30	1,229	11%
ESPRINET	5.25	265	10%
MEDIA FOR EUROPE	4.82	2,272	9%
CEMENTIR	14.08	2,240	8%
SYS-DAT	6.26	196	8%
LOTTOMATICA	17.80	4,479	8%
CREDITO EMILIANO	12.80	4,369	8%
REVO INSURANCE	12.70	334	7%
INTRED	11.20	178	7%
UNIDATA	2.86	88	6%
IREN	2.21	2,875	6%
BREMBO	10.20	3,405	5%
CYBEROO	1.70	70	5%
ENAV	3.59	1,947	4%
<b>FTSE Italia Mid Cap</b>			0%
<b>FTSE Italia Small Cap</b>			1%
<b>FTSE MIB</b>			2%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. 1M (%)</b>
ABITARE IN	2.94	78	-33%
SERI INDUSTRIAL	1.68	91	-28%
THE ITALIAN SEA GROUP	6.22	330	-25%
TALEA GROUP	3.81	32	-24%
EL. EN.	8.93	715	-17%
FERRAGAMO	6.84	1,155	-14%
CAREL INDUSTRIES	18.44	2,075	-14%
TXT E-SOLUTIONS	34.20	445	-13%
OVS GROUP	3.24	848	-12%
MISITANO & STRACUZZI	3.10	82	-12%
FRANCHI UMBERTO MARMI	4.52	148	-11%
WIIT	16.08	451	-11%
MAIRE	8.70	2,858	-10%
GPI	8.30	240	-9%
MARR	9.56	636	-8%
ELICA	1.41	89	-8%
PHARMANUTRA	49.75	482	-8%
GEOX	0.40	102	-8%
DE' LONGHI	31.74	4,802	-7%
PIAGGIO	2.03	726	-7%

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>
FINCANTIERI	10.88	3,516	57%
BANCA SISTEMA	1.79	144	41%
AVIO	19.30	509	39%
LOTTOMATICA	17.80	4,479	39%
CEMENTIR	14.08	2,240	34%
SESA	79.30	1,229	27%
WEBUILD	3.61	3,694	27%
DOVALUE	1.79	340	24%
ESPRINET	5.25	265	21%
SYS-DAT	6.26	196	21%
CREDITO EMILIANO	12.80	4,369	18%
MEDIA FOR EUROPE	4.82	2,272	17%
IREN	2.21	2,875	15%
TINEXTA	9.11	430	15%
BREMBO	10.20	3,405	12%
SECO	2.02	269	12%
IEG	7.22	223	11%
INTRED	11.20	178	10%
ANTARES VISION	3.42	241	10%
REWAY GROUP	6.70	203	7%
<b>FTSE Italia Mid Cap</b>			7%
<b>FTSE Italia Small Cap</b>			4%
<b>FTSE MIB</b>			14%
<b>Worst Performers</b>	<b>Price (Eu)</b>	<b>Market Cap (Eu mn)</b>	<b>Perf. YTD (%)</b>
SERI INDUSTRIAL	1.68	91	-36%
ABITARE IN	2.94	78	-30%
GEOX	0.40	102	-28%
GPI	8.30	240	-24%
EL.EN.	8.93	715	-24%
CYBEROO	1.70	70	-20%
WIIT	16.08	451	-17%
TALEA GROUP	3.81	32	-17%
ELICA	1.41	89	-16%
THE ITALIAN SEA GROUP	6.22	330	-16%
FRANCHI UMBERTO MARMI	4.52	148	-16%
CY4GATE	4.21	99	-15%
MISITANO & STRACUZZI	3.10	82	-13%
AQUAFIL	1.25	92	-12%
FINE FOODS	6.60	146	-12%
ENAV	3.59	1,947	-12%
BFF BANK	8.29	1,561	-10%
ERG	17.75	2,668	-10%
PHARMANUTRA	49.75	482	-9%
DATALOGIC	4.70	275	-8%

Source: FactSet

## Earnings Momentum

### Mid/small cap estimates reduced in the last month

Since the beginning of 2025, we have reduced our 2025/2026 EPS estimates by -2.1%/-1.9%; notably, estimate revisions have largely been implemented in the last month for large caps (-2.0%/-1.8% on 2025/2026 EPS), mainly on energy and industrial names. Focusing on our mid/small cap coverage, in the last month we have changed our 2025/2026 EPS by -1.4%/-1.1%.

#### Italian Market – Intermonte changes to 2025 and 2026 estimates

EPS REVISION	Since 01/01/2025		Since 18/2/2025	
	% chg in EPS FY25	% chg in EPS FY26	% chg in EPS FY25	% chg in EPS FY26
<b>Total Market</b>	<b>-2.1%</b>	<b>-1.9%</b>	<b>-2.0%</b>	<b>-1.8%</b>
<b>Total Market - Ex Energy</b>	<b>-0.5%</b>	<b>0.0%</b>	<b>-0.8%</b>	<b>-0.7%</b>
Domestic	-1.6%	-2.0%	-1.8%	-1.7%
Non domestic	-3.8%	-2.3%	-2.9%	-2.6%
Non domestic - Ex Energy	-3.5%	-2.1%	1.0%	1.2%
<b>FTSE MIB</b>	<b>-2.2%</b>	<b>-1.9%</b>	<b>-2.0%</b>	<b>-1.9%</b>
<b>Mid Caps (our coverage)</b>	<b>-1.7%</b>	<b>-1.6%</b>	<b>-1.5%</b>	<b>-1.4%</b>
<b>Small Caps (our coverage)</b>	<b>-2.3%</b>	<b>-1.3%</b>	<b>-1.0%</b>	<b>-0.4%</b>
Intermonte Mid&Small Caps coverage	-1.6%	-1.4%	-1.4%	-1.1%

Source: Intermonte SIM

For individual stocks, the following tables rank the biggest changes to our 2025 adjusted net profit estimates since the start of the year.

#### Intermonte Mid & Small Cap Coverage - largest changes to 2025 est. (up/down) since 1/1/25

Stock	Restated Net Profit 25 as of 31/12/24	Restated net profit 25 last estimate	% chg from 31/12/24
<b>Upward Revision</b>			
TESMEC	-1	6	592.0%
SYS-DAT	7	9	36.0%
ANIMA	225	254	12.7%
IGD	36	39	9.7%
ANTARES VISION	11	12	8.4%
TXT E-SOLUTIONS	28	29	4.8%
REPLY	232	242	4.2%
WEBUILD	331	339	2.3%
LU-VE	39	40	2.2%
CEMENTIR	204	207	1.9%
<b>Downward Revision</b>			
CY4GATE	4	-3	-170.2%
ELICA	2	1	-61.9%
WIIT	25	18	-25.9%
THE ITALIAN SEA GROUP	58	44	-23.4%
AVIO	16	12	-22.2%
FERRAGAMO	18	14	-21.6%
PIAGGIO	96	77	-19.9%
EL.EN.	57	48	-16.4%
TINEXTA	58	50	-14.0%

Source: Intermonte SIM

## Valuation

### Mid/small cap valuation premium at a 4-year low

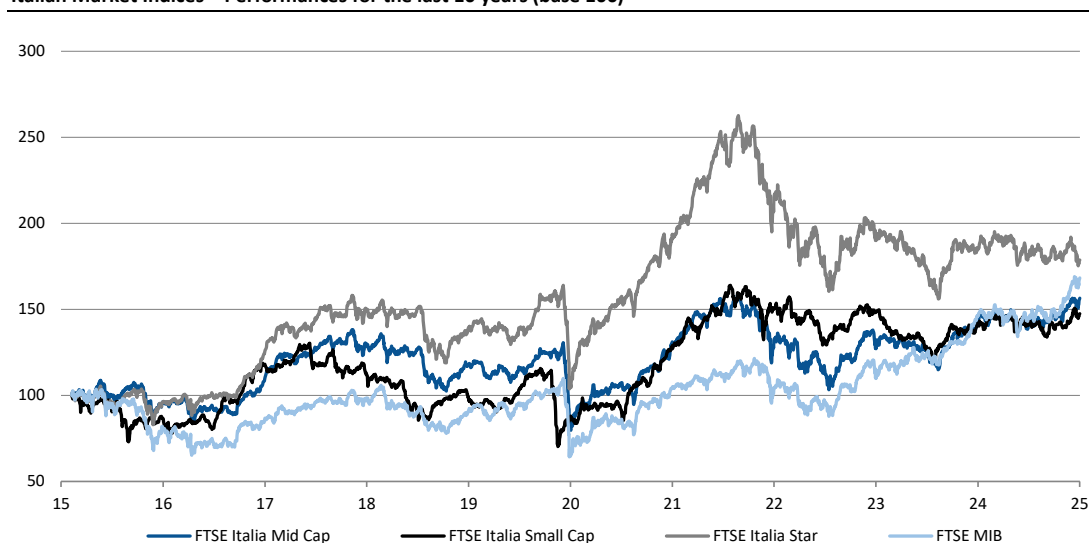
If we compare performance since the beginning of the year to the change in FY25 estimates over the same period, we see that FTSE MIB stocks have recorded a 16.3% re-rating (+12.9% one month ago); mid-caps have re-rated by 8.9%, while small caps have re-rated by 6.7%.

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

Index	% Change YTD	on FY25 estimates	
		Chg in estimates	Re/De-rating
FTSE MIB	14.1%	-2.2%	16.3%
FTSE Italia Mid Cap	7.2%	-1.7%	8.9%
FTSE Italia Small Cap	4.4%	-2.3%	6.7%

Source: Intermonte SIM and FactSet

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

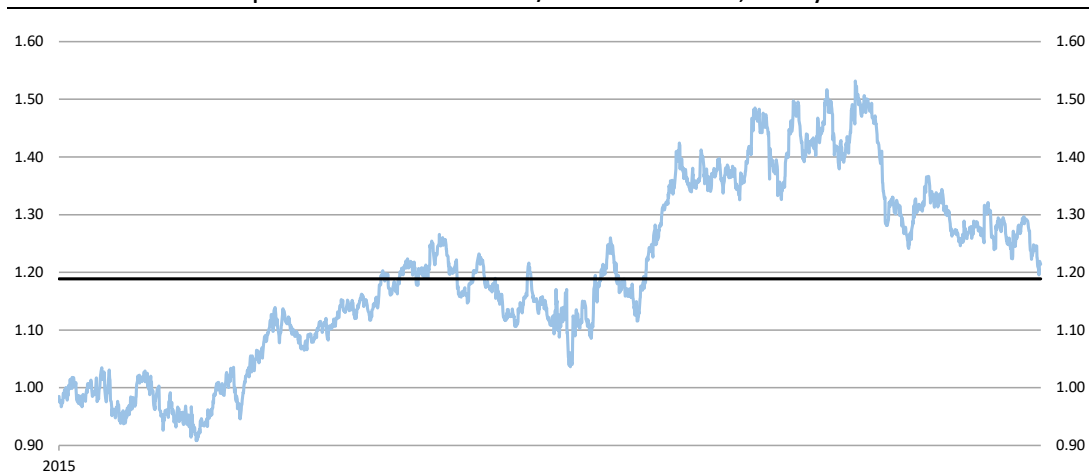


Source: FactSet

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 21% premium to large caps, slightly above the historical average premium (18%) and the level one month ago (19%).**

#### 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 2025 estimates.

#### European Market – Valuations

	P/E 15	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/E25 vs Italian Equivalen	Last 10Y Median	Premium / Disc. vs Avg
<b>FTSE MIB</b>	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	11.5 x	11.9 x		11.9 x	0.0%
<b>FTSE Italy Mid Cap</b>	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	13.4 x	13.7 x		17.4 x	-21.4%
<b>FTSE Italy Small Caps</b>	nm	nm	18.9 x	14.5 x	nm	51.5 x	20.2 x	14.9 x	14.0 x	12.3 x	12.0 x		14.7 x	-18.4%
<b>Germany DAX (TR)</b>	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	15.3 x	15.5 x	29.6%	14.6 x	6.0%
<b>Germany MDAX</b>	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	16.5 x	15.7 x	14.4%	21.1 x	-25.7%
<b>France CAC 40</b>	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	15.6 x	16.0 x	33.8%	16.0 x	0.0%
<b>France CAC Mid 60</b>	20.4 x	36.8 x	16.2 x	15.6 x	nm	nm	20.2 x	13.3 x	12.8 x	22.9 x	12.8 x	-6.7%	15.9 x	
<b>France CAC Small</b>	26.5 x	32.9 x	31.0 x	32.6 x	nm	nm	45.0 x	23.8 x	22.0 x	16.0 x	125.2 x	945.8%	31.8 x	293.6%
<b>FTSE 100</b>	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	12.1 x	12.2 x	2.5%	12.8 x	-4.3%
<b>FTSE 250</b>	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	13.9 x	11.6 x	-15.2%	14.4 x	-19.5%
<b>IBEX 35</b>	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	11.8 x	11.9 x	-0.5%	12.5 x	-4.9%
<b>IBEX MEDIUM</b>	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	13.8 x	13.0 x	-5.3%	15.2 x	-14.4%

Source: Intermonte SIM and FactSet

**Intermonte Mid & Small Cap Coverage – de-rating/re-rating on 2025 estimates since 1<sup>st</sup> Jan 2025**

Stock	Restated Net Profit 25 as of 31/12/24	Restated net profit 25 last estimate	% Chg in Net Profit 25	Share Price perf. 31/12/24	De-rating(-) Re-rating(+)
CY4GATE	3.9	-2.8	-170%	-15%	155%
AVIO	15.5	12.1	-22%	39%	61%
FINCANTIERI	98.9	99.0	0%	57%	57%
ELICA	2.1	0.8	-62%	-16%	46%
BANCA SISTEMA	29.0	29.0	0%	41%	41%
LOTTOMATICA	351.9	357.5	2%	39%	37%
CEMENTIR	203.6	207.4	2%	34%	32%
SESA	104.9	101.2	-3%	27%	31%
TINEXTA	58.3	50.1	-14%	15%	29%
ESPRINET	28.1	26.8	-5%	21%	26%
SECO	10.4	9.0	-13%	12%	25%
WEBUILD	330.8	338.5	2%	27%	24%
DOVALUE	43.2	43.2	0%	24%	24%
FERRAGAMO	18.2	14.3	-22%	1%	23%
MEDIA FOR EUROPE	329.8	314.9	-5%	17%	22%
CREDITO EMILIANO	519.2	519.2	0%	18%	18%
BREMBO	282.4	273.5	-3%	12%	15%
IREN	300.5	300.5	0%	15%	15%
PIAGGIO	95.5	76.5	-20%	-7%	13%
IEG	24.3	24.3	0%	11%	11%
INTRED	7.9	7.9	0%	10%	10%
WIIT	24.9	18.5	-26%	-17%	9%
BANCA IFIS	170.0	160.3	-6%	3%	9%
RAI WAY	86.7	84.3	-3%	6%	9%
THE ITALIAN SEA GROUP	58.0	44.4	-23%	-16%	7%
REWAY GROUP	26.8	26.8	0%	7%	7%
DE' LONGHI	344.8	339.4	-2%	5%	7%
TECHNOGYM	109.1	109.1	0%	6%	6%
LU-VE	39.3	40.1	2%	7%	5%
MAIRE	228.9	232.3	1%	5%	4%
MONDADORI	76.8	75.2	-2%	1%	4%
REVO INSURANCE	33.2	33.2	0%	3%	3%
BFF BANK	229.6	199.5	-13%	-10%	3%
REPLY	232.2	241.9	4%	7%	3%
ERG	210.6	185.3	-12%	-10%	2%
ANTARES VISION	11.0	12.0	8%	10%	1%
NOTORIOUS PICTURES	2.5	2.5	0%	1%	1%
FILA	47.3	45.6	-3%	-3%	0%
CAREL INDUSTRIES	64.8	64.8	0%	-1%	(1%)
SOMEC	4.2	4.2	0%	-1%	(1%)
EMAK	18.4	18.4	0%	-2%	(2%)
STAR7	8.3	8.3	0%	-2%	(2%)
IGD	35.7	39.1	10%	7%	(3%)
ACEA	340.7	343.3	1%	-3%	(4%)
UNIDATA	12.4	12.4	0%	-4%	(4%)
OVS GROUP	90.5	90.5	0%	-5%	(5%)
MARR	52.7	52.7	0%	-5%	(5%)
OMER	9.8	9.8	0%	-6%	(6%)
INTERCOS	76.6	76.6	0%	-6%	(6%)
EL.EN.	57.2	47.8	-16%	-24%	(7%)
TXT E-SOLUTIONS	28.0	29.3	5%	-3%	(7%)
PHARMANUTRA	21.3	21.0	-1%	-9%	(7%)
ANIMA	225.3	253.8	13%	5%	(8%)
DHH	4.5	4.5	0%	-8%	(8%)
INDEL B	18.7	18.7	0%	-8%	(8%)
DATALOGIC	17.5	17.5	0%	-8%	(8%)
ENAV	131.8	131.8	0%	-12%	(12%)
AQUAFIL	9.5	9.4	0%	-12%	(12%)
MISITANO & STRACUZZI	9.5	9.5	0%	-13%	(13%)
FINE FOODS	12.7	13.0	2%	-12%	(14%)
SYS-DAT	6.9	9.3	36%	21%	(15%)

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 35.2% higher than in the corresponding period one year ago and is up 30.3% YtD. The picture is also improving for mid-caps while it is weaker for small caps: specifically, since 1/1/25, liquidity is up 19.3% YoY for mid-caps while it is up a mere 1.5% for small caps.

#### Italian Market – liquidity analysis

	Avg Daily Volume * Avg Price (Eu mn) 2025			Avg Daily Volume * Avg Price (Eu mn) 2024			% Changes (YoY)		
	1M to 17/03	3M to 17/03	YTD to 17/03	1M to 17/03	3M to 17/03	YTD to 17/03	1M to 17/03	3M to 17/03	YTD to 17/03
<b>FTSE MIB</b>									
All stocks	94.55	76.99	78.92	69.91	57.98	60.58	35.2%	32.8%	30.3%
Top 20% by market cap	272.96	210.60	216.65	185.78	157.40	164.36	46.9%	33.8%	31.8%
<b>FTSE Italia Mid Cap</b>									
All stocks	3.10	2.50	2.52	2.61	2.05	2.11	18.9%	21.9%	19.3%
Top 20% by market cap	6.96	5.33	5.40	5.78	4.06	4.25	20.5%	31.3%	27.1%
<b>FTSE Italia Small Cap</b>									
All stocks	0.36	0.32	0.32	0.36	0.32	0.31	1.1%	0.0%	1.5%
Top 20% by market cap	1.14	0.96	0.95	1.01	0.85	0.86	13.5%	12.9%	10.3%

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)
ERG	2,668	10,158,591
ANIMA	2,267	7,675,685
FINCANTIERI	3,516	7,537,841
REPLY	6,139	5,508,975
BREMBO	3,405	5,323,310
MAIRE	2,858	5,295,323
LOTTOMATICA	4,479	4,827,317
WEBUILD	3,694	4,512,596
FERRAGAMO	1,155	4,297,035
BFF BANK	1,561	3,837,630
DE' LONGHI	4,802	3,363,101
IREN	2,875	3,129,629
BANCA IFIS	1,174	3,017,696
OVS GROUP	848	2,916,291
SESA	1,229	2,501,612
PIAGGIO	726	2,457,051
ENAV	1,947	2,445,170
TECHNOGYM	2,223	2,348,921
DOVALUE	340	2,288,941
ACEA	3,865	2,132,645
CREDITO EMILIANO	4,369	1,865,292
CAREL INDUSTRIES	2,075	1,553,260
TIP	1,482	1,446,006
RAI WAY	1,583	1,439,667
INTERCOS	1,259	1,396,828
EL. EN.	715	1,396,172
AVIO	509	1,366,889
MEDIA FOR EUROPE	2,272	1,216,698
MARR	636	1,054,686

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 2025 vs. 2024, and the highest 2025 dividend yields, can be found in the following tables.

### Intermonte Mid & Small Cap Coverage – dividend yield 2025

Stock	Price (Eu)	Mkt Cap (Eu mn)	EPS 25	DPS 25	Yield 25 %	PayOut 25 %	Net Debt/EBITDA 25
GEOX	0.4	102	0.138	0.069	17.5%	50%	2.6
DOVALUE	1.8	340	0.540	0.250	14.0%	46%	2.2
BFF BANK	8.3	1561	1.068	0.908	11.0%	85%	
BANCA IFIS	21.8	1174	2.978	2.098	9.6%	70%	
PIAGGIO	2.0	726	0.216	0.173	8.5%	80%	1.5
GPI	8.3	240	0.585	0.700	8.4%	120%	3.1
ESPRINET	5.3	265	0.536	0.384	7.3%	72%	0.1
ENAV	3.6	1947	0.243	0.261	7.3%	107%	0.4
ABITARE IN	2.9	78	0.720	0.212	7.2%	29%	2.1
MONDADORI	2.2	562	0.288	0.154	7.2%	53%	0.9
MARR	9.6	636	0.793	0.634	6.6%	80%	1.8
IREN	2.2	2875	0.231	0.139	6.3%	60%	3.3
NOTORIOUS PICTURES	0.7	17	0.112	0.045	6.0%	40%	2.3
ANIMA	7.0	2267	0.780	0.400	5.7%	51%	
IGD	2.7	295	0.354	0.150	5.6%	42%	7.9
ERG	17.8	2668	1.233	1.000	5.6%	81%	3.7
ACEA	18.2	3865	1.612	0.988	5.4%	61%	3.4
RAI WAY	5.8	1583	0.310	0.310	5.3%	100%	1.4
MEDIA FOR EUROPE	4.8	2272	0.554	0.250	5.2%	45%	0.5
EMAK	0.9	143	0.112	0.045	5.2%	40%	2.7
THE ITALIAN SEA GROUP	6.2	330	0.838	0.320	5.1%	38%	(0.0)
FRANCHI UMBERTO MARMI	4.5	148	0.460	0.230	5.1%	50%	0.5
BANCA SISTEMA	1.8	144	0.361	0.090	5.0%	25%	
INDEL B	21.0	123	3.208	1.000	4.8%	31%	(0.3)
MAIRE	8.7	2858	0.707	0.412	4.7%	58%	(0.6)
MISITANO & STRACUZZI	3.1	82	0.316	0.145	4.7%	46%	0.4
CREDITO EMILIANO	12.8	4369	1.521	0.554	4.3%	36%	
DATALOGIC	4.7	275	0.299	0.200	4.3%	67%	(0.1)
OVS GROUP	3.2	848	0.369	0.099	3.1%	27%	0.4
DE' LONGHI	31.7	4802	2.246	0.918	2.9%	41%	(1.4)

Source: Intermonte SIM and FactSet

**Intermonte Mid & Small Cap Coverage – EPS growth, 2025 vs. 2024**

Stock	Price (Eu)	Mkt Cap (Eu mn)	P/E 24	P/E 25	EPS Growth
FINCANTIERI	10.9	3516	nm	35.5	399%
SOMECH	11.2	77	83.8	18.4	355%
ABITARE IN	2.9	78	13.0	4.1	219%
DATALOGIC	4.7	275	31.4	15.7	100%
ANTARES VISION	3.4	241	34.9	20.2	73%
REVO INSURANCE	12.7	334	15.1	9.4	60%
TXT E-SOLUTIONS	34.2	445	23.1	14.8	56%
EMAK	0.9	143	11.9	7.7	54%
NOTORIOUS PICTURES	0.7	17	9.7	6.7	45%
LOTTOMATICA	17.8	4479	18.0	12.7	42%
CYBEROO	1.7	70	17.8	12.6	41%
WEBUILD	3.6	3694	14.6	10.9	34%
THE ITALIAN SEA GROUP	6.2	330	9.7	7.4	31%
FINE FOODS	6.6	146	16.5	13.0	27%
PHARMANUTRA	49.8	482	29.0	22.9	27%
UNIDATA	2.9	88	9.0	7.1	26%
WIIT	16.1	451	30.5	24.4	25%
SYS-DAT	6.3	196	26.2	21.0	25%
ESPRINET	5.3	265	12.2	9.8	25%
BFF BANK	8.3	1561	9.6	7.8	23%
DOVALUE	1.8	340	4.1	3.3	22%
REWAY GROUP	6.7	203	11.7	9.6	22%
TECHNOGYM	11.0	2223	24.4	20.3	20%
GPI	8.3	240	17.0	14.2	20%
INTERCOS	13.1	1259	19.7	16.4	20%
AVIO	19.3	509	51.8	43.3	20%
MAIRE	8.7	2858	14.4	12.3	17%
TINEXTA	9.1	430	9.9	8.6	15%
BANCA SISTEMA	1.8	144	5.7	5.0	15%
DHH	21.2	111	26.9	23.5	15%
REPLY	164.1	6139	29.1	25.4	15%
PIAGGIO	2.0	726	10.7	9.4	14%
STAR7	6.2	56	7.5	6.7	13%
SERI INDUSTRIAL	1.7	91	nm	nm	12%
OVS GROUP	3.2	848	9.8	8.8	11%
CAREL INDUSTRIES	18.4	2075	35.5	32.0	11%
INTRED	11.2	178	25.1	22.6	11%
IREN	2.2	2875	10.6	9.6	11%
MARR	9.6	636	13.3	12.1	10%

Source: Intermonte SIM and FactSet

**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	11.7	11.3	6.3	6.8	5.2%	5.4%	4.7%	-2.9%	3.2x	3.4x
ANIMA	8.0	8.9			6.5%	5.7%				
BANCA IFIS	7.5	7.3			9.7%	9.6%				
BFF BANK	9.6	7.8			5.6%	11.0%				
BREMBO	12.4	13.8	5.6	6.0	2.9%	2.7%	-0.4%	5.9%	0.5x	1.0x
CAREL INDUSTRIES	35.5	32.0	22.3	18.6	0.7%	0.8%	2.6%	2.5%	0.5x	0.1x
CEMENTIR	7.2	8.4			5.2%	4.3%				
CREDITO EMILIANO	15.4	14.1	6.9	6.7	2.6%	2.9%	8.6%	6.0%	-1.2x	-1.4x
DE' LONGHI	14.9	14.9	7.8	6.3	2.5%	2.6%	10.1%	6.6%	-1.2x	-1.5x
EL.EN.	15.7	14.8	7.3	6.5	7.0%	7.3%	9.0%	13.5%	0.9x	0.4x
ENAV	15.2	14.4	10.7	8.6	5.6%	5.6%	-11.1%	1.8%	3.8x	3.7x
ERG	11.1	10.8	3.2	4.5	2.0%	2.1%	8.1%	9.0%	-0.7x	-1.0x
FERRAGAMO	74.4	81.0	6.1	4.3	0.0%	0.6%	-5.2%	-1.1%	2.3x	2.2x
FINCANTIERI	nm	35.5	8.5	8.4	0.0%	0.0%	-8.0%	4.6%	4.6x	3.8x
INTERCOS	19.7	16.4	10.5	7.9	1.3%	1.5%	3.2%	4.0%	0.5x	0.3x
IREN	10.6	9.6	5.5	5.6	5.8%	6.3%	0.8%	3.3%	3.3x	3.3x
LOTTOMATICA	18.0	12.7	6.8	7.4	1.7%	2.4%	2.8%	4.2%	3.0x	2.1x
LU-VE	16.5	16.5	7.8	8.5	1.4%	1.5%	7.5%	3.9%	1.2x	0.9x
MAIRE	14.4	12.3	5.3	5.9	4.1%	4.7%	6.4%	4.1%	-0.6x	-0.6x
MARR	13.3	12.1	7.4	6.4	6.0%	6.6%	2.7%	-6.1%	1.3x	1.8x
MEDIA FOR EUROPE	9.3	8.7	3.0	3.1	5.2%	5.2%	14.2%	14.6%	0.8x	0.5x
MONDADORI	8.2	7.5	4.9	4.4	6.5%	7.2%	12.7%	12.2%	1.1x	0.9x
OVS GROUP	9.8	8.8	4.1	4.1	2.7%	3.1%	8.1%	9.0%	0.7x	0.4x
PHARMANUTRA	29.0	22.9	16.7	13.5	2.0%	2.2%	3.5%	4.3%	-0.2x	-0.5x
PIAGGIO	10.7	9.4	5.2	3.9	7.6%	8.5%	-4.6%	17.6%	1.9x	1.5x
RAI WAY	17.7	18.8	8.3	10.0	5.6%	5.3%	7.2%	7.2%	0.8x	1.4x
REPLY	29.1	25.4	11.4	12.8	0.7%	0.7%	4.3%	4.3%	-0.9x	-1.3x
SESA	11.5	12.1	7.2	5.4	1.3%	1.1%	9.4%	7.5%	0.0x	0.1x
TECHNOGYM	24.4	20.3	10.0	10.2	2.0%	2.4%	4.8%	5.0%	-1.0x	-1.3x
THE ITALIAN SEA GROUP	9.7	7.4	6.9	4.4	5.9%	5.1%	-7.6%	10.0%	0.2x	0.0x
TIP	11.1	10.7			2.0%	2.2%				
TXT E-SOLUTIONS	23.1	14.8	10.9	9.6	0.7%	1.1%	1.7%	4.0%	2.8x	1.9x
WEBUILD	14.6	10.9	0.9	2.3	2.2%	2.2%	2.5%	-7.4%	-1.5x	-1.0x
WIIT	30.5	24.4	13.2	9.7	1.9%	2.1%	3.1%	6.0%	3.8x	3.0x

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	13.0	4.1	12.0	4.4	0.0%	7.2%	-59.2%	20.7%	5.2x	2.1x
ANTARES VISION	34.9	20.2	9.2	8.5	0.0%	0.0%	8.4%	1.9%	4.2x	2.1x
AQUAFIL	nm	11.7	5.1	3.7	0.0%	0.0%	7.6%	15.4%	3.5x	2.5x
AVIO	51.8	43.3	6.7	12.9	0.8%	1.1%	4.5%	-2.5%	-3.5x	-2.3x
BANCA SISTEMA	5.7	5.0			0.0%	5.0%				
CY4GATE	nm	nm	13.6	6.6	0.0%	0.0%	0.9%	1.8%	2.7x	1.6x
CYBEROO	17.8	12.6	13.0	5.5	0.0%	0.0%	-4.9%	2.4%	0.0x	-0.2x
DATALOGIC	31.4	15.7	7.9	5.0	3.2%	4.3%	7.6%	6.8%	0.1x	-0.1x
DHH	26.9	23.5	8.7	7.8	0.0%	0.0%	4.0%	5.2%	0.1x	-0.3x
DOVALUE	4.1	3.3	4.0	3.0	8.4%	14.0%	43.3%	55.0%	2.5x	2.2x
ELICA	73.9	nm	6.0	4.9	2.8%	1.4%	14.2%	11.2%	2.1x	1.8x
EMAK	23.1	9.2	6.1	5.0	2.9%	4.3%	2.7%	15.9%	3.4x	2.8x
ESPRINET	12.2	9.8	4.2	3.6	7.6%	7.3%	-1.0%	20.4%	0.5x	0.1x
FILA	12.1	11.2	3.2	3.3	2.1%	2.2%	24.6%	21.3%	1.9x	1.5x
FINE FOODS	16.5	13.0	7.6	6.0	2.1%	2.3%	6.6%	-7.3%	1.2x	1.5x
FRANCHI UMBERTO MARMI	10.8	9.8	8.3	5.8	4.7%	5.1%	4.8%	13.6%	1.0x	0.5x
GEOX	3.0	2.9	4.2	3.4	16.9%	17.5%	21.7%	56.7%	2.9x	2.6x
GPI	17.0	14.2	6.6	5.2	8.4%	8.4%	-13.1%	6.2%	3.3x	3.1x
IEG	7.3	9.2	3.5	4.7	1.7%	1.8%	8.3%	-4.4%	1.2x	1.4x
IGD	8.3	7.5	10.2	10.8	3.7%	5.6%	2.4%	14.0%	7.9x	7.9x
INDEL B	7.2	6.5	4.2	3.3	3.8%	4.8%	13.9%	12.5%	0.1x	-0.3x
INTRED	25.1	22.6	8.1	7.9	1.0%	1.1%	-1.0%	-2.4%	1.2x	1.3x
MISITANO & STRACUZZI	10.7	9.8	6.7	5.8	5.5%	4.7%	-4.6%	5.9%	0.5x	0.4x
NOTORIOUS PICTURES	9.7	6.7	3.4	3.3	4.1%	6.0%	-16.0%	46.7%	2.2x	2.3x
OMER	12.8	11.9	5.9	5.4	0.0%	0.0%	3.2%	9.3%	-1.4x	-2.0x
REVO INSURANCE	14.8	10.2			1.7%	2.4%				
REWAY GROUP	11.7	9.6	7.0	6.5	0.0%	0.0%	2.3%	2.7%	1.4x	1.0x
SECO	nm	29.8	16.0	9.5	0.0%	0.0%	3.4%	0.3%	3.6x	1.4x
SERI INDUSTRIAL	nm	nm	nm	nm	0.0%	0.0%	-58.9%	-65.6%	55.7x	34.7x
SOMEK	83.8	18.4	7.8	4.7	0.0%	0.0%	7.3%	24.8%	3.1x	2.0x
STAR7	7.5	6.7	4.7	4.3	0.0%	0.0%	11.3%	9.6%	1.7x	1.5x
SYS-DAT	26.2	21.0	10.2	9.9	0.6%	0.6%	3.7%	3.6%	-2.8x	-1.1x
TALEA GROUP	nm	9.4	22.2	6.6	0.0%	0.0%	32.7%	2.6%	9.9x	3.7x
TESMEK	nm	6.6	4.9	4.2	0.0%	0.0%	-7.5%	6.4%	3.6x	3.3x
TINEXTA	9.9	8.6	11.0	7.3	3.3%	2.4%	3.3%	8.0%	3.2x	2.6x
UNIDATA	9.0	7.1	5.7	4.2	0.5%	0.6%	10.6%	10.7%	1.7x	1.3x

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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Further information is available.