

TIP

Earnings Review

BUY ord. (Unchanged)

Target: € 12.30 (Prev.: €12.10)

Risk: High

STOCKDATA		ORD		
Price (as of 15 Mar 2024)		9.2		
Bloomberg Code		TIP IM		
Market Cap (€ mn)		1,521		
Free Float		88%		
Shares Out (mn)		165.4		
52 week Range		€ 7.3 - 9.4		
Daily Volume		123,071		
Performance (%)		1M	3M	1Y
Absolute		0.2	1.7	28.9
Rel to FTSE Italia All-Share		-6.1	-8.6	-1.2
MAIN METRICS		2023	2024E	2025E
SALES Adj		1.5	3.0	4.0
EBITDA Adj		-31.4	-16.2	-15.3
EBIT Adj		-31.8	-16.6	-15.7
NET INCOME Adj		146	79.9	81.2
EPS Adj - €c		87.6	48.3	49.1
DPS Ord - €c		15.0	16.0	17.0
MULTIPLES		2023	2024E	2025E
P/E ord Adj		10.6x	19.1x	18.7x
EV/EBITDA Adj		n.m.	n.m.	n.m.
EV/EBIT Adj		n.m.	n.m.	n.m.
REMUNERATION		2023	2024E	2025E
Div. Yield ord (A)		1.8%	1.7%	1.8%
INDEBTEDNESS		2023	2024E	2025E
NFP Adj		-409	-381	-382
D/Ebitda Adj		n.m.	n.m.	n.m.

PRICE ORD LAST 365 DAYS



Analyst: Domenico Ghilotti
d.ghilotti@equita.eu +39 02 6204.249

INTERESTING OPPORTUNITIES AHEAD

2023 was a year dominated by singularities, from volatility in interest rates to emergence of AI to divergence in valuation between small-mid cap valuations and macro caps. TIP has been able to execute relevant transactions also in this context, with some € 144mn investments and € 190mn divestments. Main holdings have also proved their quality also in this context, delivering sounds results while sitting on healthy balance sheets. The company sees interesting opportunities for 2024, both in terms of direct investments and as support to listed and private holdings.

■ Further growth in Net Profit and Book Value PS in 2023

The key points emerging from FY23 results are:

- **Proforma net profit of € 149.1mn** vs. € 139mn in FY22, mainly thanks to the **share of profit from affiliates** (up to € 83.1mn from € 68.5mn in FY22), and **capital gains** (€ 116mn - mainly from the partial disposal of stakes in IPG Holding, Azimut Benetti, Prysmian - vs. € 108mn in FY22).
- **Net equity of € 1,371mn or BVPS of € 8.3 (+18% YoY)**, after dividend payment (€ 21.7mn) and buyback (€ 20.4mn - treasury shares at 10.1% of capital at the end of 2023).
- **Proposed a dividend of € 15c**, up from € 13c in 2022.

■ A prudent approach to M&A in 2023. Interesting opportunities for 2024

TIP executed in 2023 more divestments (€ 190mn) than investments (€ 144mn). **The main investment was by far the entry in IDB**, followed by the entry in Apoteca Natura and some rounds up in Elica and Bending Spoons. Among the main **divestments**, we remind the sale of **1/3 of the stake in Azimut Benetti to PIF** and the reduction of the **stake in Prysmian**, continued in early 2024. **The pattern of net divestments is unusual for TIP**, a company devoted to finding new Champions, and **justified by the market volatility** and singularities which led to some prudence in the M&A approach. **For 2024**, management provided in the Letter to Investors an indication of a **good pipeline of interesting opportunities ahead**, both in terms of direct investments and as regards the opportunities scouted by the main holdings.

■ Key holdings have confirmed a very sound performance in 2023

The company provided an **update on the 2023 performance of the key private assets**. Most private companies in the portfolio showed **good revenue growth rates in 2023** (best performers: Bending Spoons, Alpitour, Azimut Benetti, Joivy), **high margins** (best performers: Chiorino, Limonta, and Vianova), **and very solid balance sheets** (5 out of 10 with net cash position and no one with D/EBITDA above 2.1x). **Similar sound performances were delivered by the portfolio of listed holdings**, with Moncler, Prysmian, Amplifon, Interpump, IDB and Sesa among the strong performers.

■ Valuation fine-tuned to € 12.3PS

We have fine-tuned our target price to € 12.3PS from € 12.1PS mainly to reflect:

- **The updated results of private companies**, with valuation moved forward from 2022 to 2023 and multiples confirmed at 10x for industrial companies with record margins (EBITDA margin well above 20%, in line with Italian Champions GVS, Interpump and Zignago Vetro);
- The valuation on **Bending Spoons** derived by the recent round of financing;
- **Our fair value for listed assets** in our coverage and bloomberg consensus target for listed assets not covered by us (Boss and Roche Bobois);

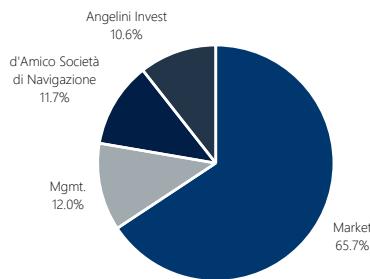
The stock today is trading at a 25% discount on our fair value and 18% discount on the fair value calculated with market prices on listed assets. Over the last 5 years, the stock has been trading on average with a 20% discount to our fair value and 10% discount on the fair value calculated with market prices on listed assets.

TIP's most recent internal assessment of the value of the portfolio (the "net intrinsic value" or NIV) points to a valuation of around € 14.8PS.

MAIN FIGURES - EURmn	2021	2022	2023	2024E	2025E	2026E
SALES Adj	6.2	1.8	1.5	3.0	4.0	5.0
Growth	44.2%	-71.2%	-18.5%	104.5%	33.3%	25.0%
EBITDA Adj	-24.1	-28.5	-31.4	-16.2	-15.3	-14.4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT Adj	-24.4	-28.9	-31.8	-16.6	-15.7	-14.8
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
PBT Adj	130	138	149	79.5	80.9	86.6
Growth	276.0%	6.1%	8.0%	-46.7%	1.7%	7.1%
Net Income Adj	104	137	146	79.9	81.2	86.9
Growth	212.9%	31.5%	6.7%	-45.2%	1.6%	7.0%
MARGIN - %	2021	2022	2023	2024E	2025E	2026E
EBITDA Adj Margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Ebit Adj margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Pbt Adj margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net Income Adj margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
SHARE DATA	2021	2022	2023	2024E	2025E	2026E
EPS Adj - €c	61.9	81.6	87.6	48.3	49.1	52.6
Growth	207.9%	31.9%	7.3%	-44.9%	1.7%	7.0%
DPS ord(A) - €c	11.0	13.0	15.0	16.0	17.0	18.0
BVPS	7.3	7.0	8.3	8.5	8.8	9.0
VARIOUS	2021	2022	2023	2024E	2025E	2026E
Capital Employed	1,640	1,590	1,849	1,861	1,903	1,949
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Working capital	-24.4	-24.7	-25.5	-7.7	-20.0	4,030
INDEBTNESS	2021	2022	2023	2024E	2025E	2026E
Nfp Adj	-381	-419	-409	-381	-382	-385
D/E Adj	0.30	0.36	0.28	0.26	0.25	0.25
Debt / EBITDA Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Interest Coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
MARKET RATIOS	2021	2022	2023	2024E	2025E	2026E
P/E Ord Adj	16.0x	9.0x	10.6x	19.1x	18.7x	17.5x
PBV	1.2x	1.1x	1.0x	1.1x	1.0x	1.0x
EV FIGURES	2021	2022	2023	2024E	2025E	2026E
EV/Sales	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITDA Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBIT Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/CE	1.3x	1.1x	1.1x	1.1x	1.1x	1.1x
REMUNERATION	2021	2022	2023	2024E	2025E	2026E
Div. Yield ord	1.3%	1.6%	1.8%	1.7%	1.8%	2.0%

Source: Company data and Equita SIM estimates

SHAREHOLDERS

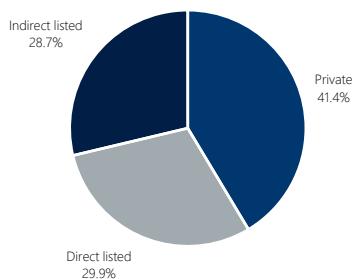


BUSINESS DESCRIPTION

TIP Group (TIP) is an independent and diversified industrial group which has invested, among direct investments and/or club deals, more than € 5bn in “excellent” companies run by strong management teams.

TIP is also providing **advisory activities** in corporate finance transactions, especially acquisitions and disposals. **TIP usually operates as an active minority shareholder, leveraging its financial clout also by mobilising third-party assets via Club deals** (as done since the foundation in investments like Interpump-IPG Holding, Prysmian-Club3, Eataly-ClubItaly, Moncler-Clubsette, Roche Bobois-TXR and others).

ASSETS BY LIQUIDITY



In 2014 TIP launched **TIPO (TIP Pre-IPO)** a vehicle to invest in **top-quality growth companies** with a turnover of € 30-200mn, below TIP's minimum direct investment size. In 2021, TIP launched an offer to buy-out TIPO's minorities.

In 2016 TIP launched **Asset Italia**, a vehicle to structure **Club deals in high quality companies**. Asset Italia **received a commitment for € 550mn of capital from 30 family offices** on top of TIP which directly owns 20% and is by far the single most relevant shareholder.

In 2017 TIP launched **StarTip**, a vehicle to invest in star ups and innovative companies like Bending Spoons, Digital Magics, Dove Vivo and Talent Garden.

In 2020, TIP launched **ITACA**, a company owned by TIP (40%) and three specialized partners (Iasi, Catapano, Lucchini) to invest in turnarounds, special situations and distressed companies. Equity will be provided by ITACA and by the vehicle ITACA EQUITY, which received soft capital commitments for € 600mn, of which € 100mn from TIP and € 500mn from more than 40 Italian family offices.

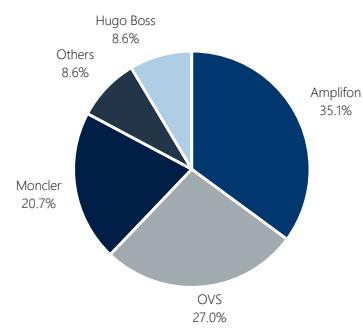
TIP business model is unique in Italy because of:

1. the distinctive skills, experience and network
2. the relevant financial resources internally available
3. the capacity to leverage the financial resources via co-investments (Asset Italia, ITACA)
4. the professional, confidential, flexible and rapid approach.

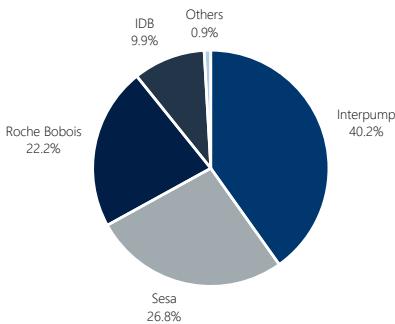
TIP is a public company. The top management owns around 12% stake in the company.

The shareholding structure foresees a significant presence of relevant entrepreneurial Italian families, representing a unique network of competencies and providing an opportunity to leverage TIP's financial resources via Club deals.

MAIN LISTED ASSETS



MAIN INDIRECT LISTED ASSETS



STRENGTHS / OPPORTUNITIES

- Active management of investee portfolio, with strong track-record
- High quality of investee portfolio, with balanced exposure to private and public holdings and among key reference markets
- Limited leverage at holding level and in the investee companies
- Unique network of competencies thanks to a shareholding structure made of several relevant Italian entrepreneurial families

WEAKNESSES / THREATS

- Limited number of potential investment transactions of significant size in minorities

KEY MESSAGES FROM FY23 RESULTS

The key points emerging from FY23 results, published on March 14th, are:

- **Proforma net profit of € 149.1mn** vs. € 139mn in FY22, mainly thanks to the **share of profit from affiliates** (up to € 83.1mn from € 68.5mn in FY22), and **capital gains** (€ 116mn - mainly from the partial disposal of stakes in IPG Holding, Azimut Benetti, Prysmian - vs. € 108mn in FY22).
- **Net equity of € 1,371mn or BV per share of € 8.3 (+18% YoY)**, after dividend payment of € 21.7mn and buyback cash-out of € 20.4mn (treasury shares at 10.1% of capital at the end of 2023).
- **Net debt at € 409mn** down from € 519mn in September mainly due to the sale of stakes in IPG Holding and Prysmian.
- **Proposed a dividend of € 15c**, up from € 13c in 2022.

FY23 RESULTS					
Consolidated income statement (in Euro)	IFRS 31/12/2023	Reclassification to income statement of capital gain (loss) realised	Reclassification to income statement of adjustments to financial assets	PRO FORMA 31/12/2023	PRO FORMA 31/12/2022
Total revenues	1,557,844			1,557,844	1,868,318
Purchases, service and other costs	(3,217,442)			(3,217,442)	(2,792,518)
Personnel expenses	(33,324,268)			(33,324,268)	(30,492,044)
Amortisation	(404,864)			(404,864)	(366,445)
Operating profit/(loss)	(35,388,730)	0	0	(35,388,730)	(31,782,689)
Financial income	60,696,727	65,014,609		125,711,336	115,780,886
Financial charges	(19,342,024)			(19,342,024)	(13,447,204)
Share of profit/(loss) of associates measured under the equity method	83,109,780			83,109,780	68,482,493
Adjustments to financial assets			(4,923,946)	(4,923,946)	(941,707)
Profit / (loss) before taxes	89,075,753	65,014,609	(4,923,946)	149,166,415	138,091,779
Current and deferred taxes	820,612	(851,767)	0	(31,155)	904,094
Profit / (loss) of the period	89,896,365	64,162,841	(4,923,946)	149,135,260	138,995,873
Profit/(loss) of the period attributable to the shareholders of the parent	85,268,519	64,162,841	(4,923,946)	144,507,414	135,630,692
Profit/(loss) of the period attributable to the minority interest	4,627,846	0	0	4,627,846	3,365,181

* The IFRS income statement does not include the capital gains realized in the period on shares and equity investments, equal to 65 million euros, and the adjustments of investments value
Source: Company data

The most relevant transaction executed in 2H23 and not already commented in our 1H23 report (see note n° 360, dated October 17th, 2023) is the **disposal of 1.8mn Interpump shares by IPG Holding (the vehicle owned by IP founder Mr. Montipò and TIP)** at € 42.1PS to fulfill commitments taken on December 6, 2022 to reduce the stake below 25% of IP capital in order not to be obliged to launch a takeover bid on the group.

IPG Holding and the Montipò family now own a 24.99% stake in Interpump. After this transaction **TIP sold a 5% stake in IPG Holding to Mr. Montipò**, bringing its stake in the vehicle to 27% and thus directly and indirectly monetizing a portion (c15%) of its exposure to Interpump (the largest holding in TIP's NAV).

We also highlight the monetization of the position in Prysmian commented in the press release, partly executed in 4Q23 and continued also in 1Q24, after the stock strong rally.

No major transactions has happened after the end of 2023.

A RECAP OF KEY 2023 TRANSACTIONS

1. Investment in Investindesign, vehicle controlling the recently listed IDB

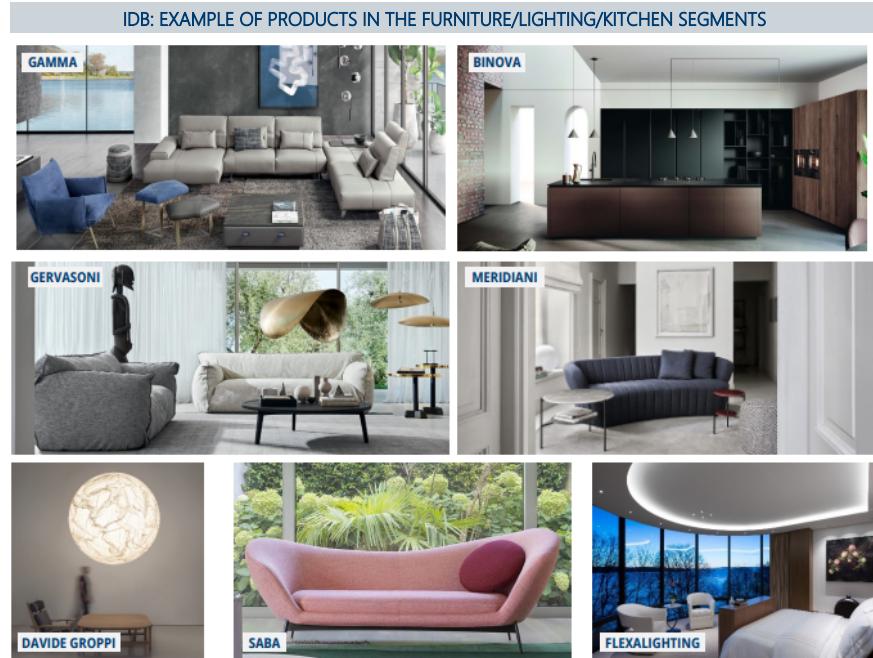
On May 1st TIP announced its entry into Investindesign, the vehicle that controls 47% of recently listed company Italian Design Brands (IDB), through the purchase of a 50.7% stake from the existing shareholders for a total consideration of € 72mn (IDB implied value of € 10.88PS).

In July, TIP announced that it had entered into a **club deal** with some of Italy's leading family offices **to purchase an additional 20% of the share capital of Investindesign**. The purchase of the stake was executed by Club Design, a company participated by TIP with a 20% stake and by other investors identified by TIP, for a **total consideration of € 28.4m**, corresponding to €10.88PS per Italian Design Brands share, in line with the price paid for the acquisition of the majority stake and with IDB IPO price. The cash-out for TIP was € 5.7mn. The total see-through economic interest of TIP in IDB is now 25.7%.

IDB is a company positioned in high-end furniture with a portfolio of 14 brands including Gervasoni, Meridiani, Davide Groppi, Flexalighting, AXOLight, Very Wood, Saba, Gamma Arredamenti, Dandy Home, Miton, Binova and Turri. The group also includes two companies - Cenacchi International and Modar - specialized in the luxury contract with some of the most prestigious international fashion houses. The company is strongly devoted to the consolidation process of the Italian high-end furniture market and has carried out in the last 7 years at least one M&A transaction per year reaching in 2023 € 311mn pro-forma revenues and € 54mn pro-forma Adj. EBITDA (18% margin) with a 2015-23pf revenue CAGR of almost +40% of which around +8% CAGR organic.

With the investment in Investindesign TIP has increased its exposure to the high-end design/luxury segment, an area where the group is already present with holdings in Azimut Benetti, Elica, Limonta, Moncler and Roche Bobois. TIP also rejoined Andrea Sasso, now at the helm of the development process of IDB as CEO of the group, and formerly CEO of iGuzzini, a lighting company controlled by the Guzzini family, in which TIP had invested in 2015 until 2019, when the group was sold to the Swedish company Fagerhult.

We value TIP's stake in Investindesign € 114mn, based on our target price of IDB (€ 14.6PS). If we were to assume the market value of IDB instead of our target price, the stake would be worth € 64mn.



Source: Company website

2. The partial sale of the stake in Azimut Benetti to sovereign fund PIF

On June 15th, Public Investment Fund (PIF), the sovereign fund of Saudi Arabia, finalized the acquisition of a 33% stake in Azimut Benetti. PIF acquired its stake in proportion from the existing shareholders: the Vitelli family (88%) and TIP (12%). TIP's stake in Azimut Benetti has therefore been reduced by 4% to 8% by partly monetising its investment in one of the most significant private companies in its portfolio.

We calculate an equity valuation of Azimut Benetti in the transaction of around € 1,250mn, with gross proceeds for TIP of about € 50mn and a pro-forma capital gain of around € 40mn. The implied multiple is around 9x EV/EBITDA 2022.

One of the most interesting aspects of the deal in our opinion is the profile of the investor that may allow **Azimut Benetti to develop the high potential of the Middle East area**, also in light of the investments planned by Saudi Arabia for the development of the ports, and that may constitute a **sensitive counterpart for other trophy assets in TIP's portfolio**.

In FY23 (ending in August) the company recorded € 1,276mn sales (+23.4% YoY) and € 156mn EBITDA (+50% YoY, with EBITDA margin at 12.2% from 10% in 2022), with a net cash position of € 475mn.

We value Azimut Benetti on a multiple of 8.6x EV/EBITDA 2023, aligned with the market multiple of Sanlorenzo. This leads us to an EV of € 1.3bn and to an Equity Value (100%) of € 1.8bn and to a valuation for **TIP's current stake in Azimut Benetti of € 147mn**.



Source: Company website

3. Entry in Apoteca Natura

Apoteca Natura (AN) is an international network of benefit pharmacies controlled by the Mercati family (Aboca Group). AN controls the ownership and management of 22 pharmacies in Florence (with the municipality of Florence as a minority shareholder), a network of more than 1,200 pharmacies in Italy, Spain, and Portugal with several affiliations, as well as minority stakes in the Neoapotek pharmacy network and some other proprietary pharmacies. AN also offers customers a portfolio of products under the Apoteca Natura brand, which can count on production synergies with the Aboca group. AN plans to accelerate growth both in Italy and abroad, also considering the entry into new markets starting with France and Germany. For this reason, TIP entered with a 28.57% share through a dedicated capital increase aimed at accelerating the group's growth, both through the development of the franchising network and through the growth of the network of owned pharmacies owned, also involving pharmacists in the group's shareholding, and the expansion of the portfolio and penetration of Apoteca Natura brand products and services offered through the network. The goal shared with the controlling shareholder is the listing of AN in the medium term.

AN's network generated total sales of about € 2bn and AN realized consolidated revenues of € 50mn, with good profitability (around 10% EBITDA margin).

The transaction envisaged a € 25mn capital increase in an ad-hoc vehicle in which TIP will have 28.57%. The multiple paid was around 10x EV/EBITDA 2023.

We value the stake at book value (€ 25mn).



Source: Company website

4. New rounds of financing in Bending Spoons to support the company M&A spree

Bending Spoons is a technology company, founded in 2013 and well known primarily as developer of globally successful mobile apps, in particular in the video and photo editing vertical. In November 2022, Bending Spoons announced the acquisition of note-taking and task management app Evernote. In January 2024 it agreed to buy the digital assets of Mosaic Group, a mobile software subsidiary of IAC and Meetup, a social network with 60 million members worldwide used to organise in-person and virtual events and gatherings.

In August 2023 TIP had increased its investment in Bending Spoons by € 2mn, participating in a capital raising of € 57mn.

In February 2024, Bending Spoons announced a new USD 155mn round of financing in a deal led by Durable Capital Partners with participation from investors who had previously backed the company, such as **TIP, Baillie Gifford, Cox Enterprises, NB Renaissance, NUO Capital and Cherry Bay Capital Group**. The company stated that it will use the new injection of liquidity for further acquisitions. **The implied valuation in the latest deal was indicated as USD 2.55bn.**

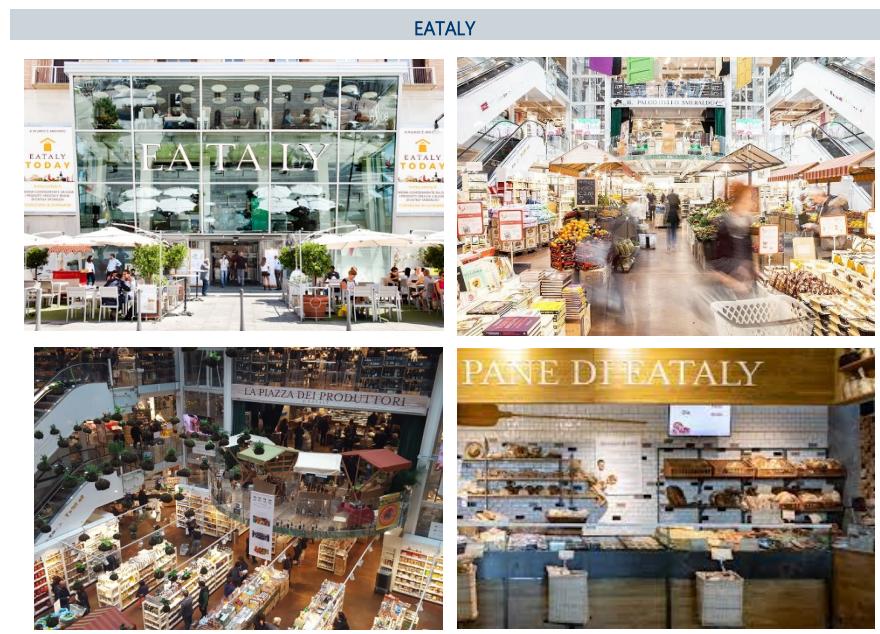
Bending Spoon ended 2023 with € 360mn sales, up 140% YoY and daily La Repubblica reported approximately \$200 million gross operating margin, with a target of \$500 million by 2026. Bending Spoon's CEO Luca Ferrari said in a statement that the latest round of financing would contribute to sustaining new acquisitions.

We value TIP's 3.4% stake in Bending Spoon at € 79mn, based on the most recent equity injection value.



5. Reinvestment in Eataly together with the new controlling shareholder Investindustrial

In August the agreement for **the transfer of control of Eataly (52%) to Investindustrial was finalized**. The transaction envisaged also a € 200mn capital increase to buy-out the minorities of Eataly international ventures. In the transaction TIP, through Clubitaly, bought additional shares of Eataly, lowering its carrying value. The investment was about € 5mn for Clubitaly of which around € 2.2mn for TIP.



Source: Company website

On September 25th, Corriere Economia reported an interview with Eataly's new CEO Mr. Cipolloni, former CEO Europe in Autogrill. He has strengthened the management team and focused the business on the US market, where he plans to open about twenty locations over the next 4-5 years, including one already signed in Philadelphia and two in Miami. Mr. Cipolloni's goal is to double the turnover in the US, which currently stands at € 470mn out of the group's € 664mn total revenue at the end of 2023 (+10% vs. 2022) with an EBITDA of around € 42mn (6.3% margin) up from € 19 million in 2019. Net Debt/EBITDA stood at 1.2x (around € 50mn net debt).

The new ownership of Eataly, the fresh resources brought in the company by Investindustrial (used to take full control of minorities in the US venture) and the strengthening of the managerial structure, improve the visibility on the execution of the growth plan.

We value TIP's stake in Eataly at book value (€ 44mn).

6. Launch of a strategic review to evaluate value enhancing opportunities for Alpitour

In September TIP communicated that **the majority shareholders of Alpitour**, including Asset Italia 1, a vehicle promoted and participated by TIP, had initiated a **market sounding process for the valorisation of their stake**, with a mandate assigned to GS. Il sole24ore on March 14th, 2024 indicated that Alpitour received 3 offers, by the US fund Certares, by an international private equity fund and by an Asian group. As pointed out by Mr. Gianni Tamburi in an interview with MF a few weeks ago, the article does not rule out that the way to enhance the value of the asset may be through a listing on the stock exchange if the offers received were not considered adequate.



Source: Company website

Alpitour is the leading integrated Italian operator in the travel and vacation market, operating across 5 divisions: tour operators, aviation, hotels, incoming and travel agency. In FY23 (ending in October) Alpitour reported revenues of €2.2bn (gross of € 275 revenues generated by Jumbo Bed Banks, sold in December 2023), up +40% YoY, and €142mn EBITDA after lease (aL) (gross of € 1mn EBITDA generated by Jumbo).

NFP aL ended at around € -200mn, not including several surplus assets pointing to an implied Adjusted NFP aL close to zero. We report some of the surplus assets available from the FY23 report: 1) around € 60mn tax assets arising from carried-forward losses fully available to shield 2024-25 cash taxes; 2) € 21mn proceeds from the sale of Jumbo executed on December 18th, 2023, and largely already cashed-in; 3) real estate assets related to 3 luxury hotels in Italy (2 in Taormina and 1 in Marsa Sicilià) and 3 abroad (located in Madagascar, Cape Verde and Maldives).

We remind that Asset Italia 1 controls about 59% of Alpitour and TIP holds 35.8% of Asset Italia 1, therefore, TIP has an economic exposure to the asset of 21%.

We value Alpitour based on a multiple of **8x EV/EBITDA applied to FY23 EBITDA aL** (€ 141mn) implying a € 1.1bn EV aL, € 1bn equity value (100% - taking into account just tax assets and proceeds from Jumbo sale as surplus assets) and € 210mn for TIP's see-through stake in the asset.

PERFORMANCE OF OTHER MAIN UNLISTED SUBSIDIARIES

We report in this section the FY23 performance and the most relevant updates on the main private assets. As highlighted in the table below, most private companies in the portfolio showed good revenue growth rates in 2023 (best performers: Bending Spoons, Alpitour, Azimut Benetti, Joivy), high margins (best performers: Chiorino, Limonta, and Vianova), and very solid balance sheets.

KEY PERFORMANCE INDICATORS FOR MAIN LISTED AND PRIVATE HOLDINGS

LISTED COMPANIES				PRIVATE COMPANIES					
	SALES 2023 (€ MILN)	SALES 2023 VS 2022	EBITDA MARGIN ADJ. 2023		SALES 2023 (€ MILN)	SALES 2023 VS 2022	EBITDA MARGIN ADJ. 2023		
amplifon	2.260	+6,7%	24,0%	1,5x	ALPITOUR WORLD ***	2.228	39,9%	6,4%	1,5x
elica	473	-13,7%	10,2%	0,9x	AZIMUT BENETTI GROUP	1.276	23,4%	12,2%	LIQ.
HUGO BOSS	4.197	+15,0%	17,9%	0,3x	BENDING SPOONS	360	140,1%	N.D.	N.D.
INTERPUMP GROUP	2.240	+7,8%	24,0%	0,9x	Beta	251	+11,0%	13,2%	2,1x
MONCLER	311	+16,6%	17,5%	0,3x*	CHIORINO	176	+4,4%	25,7%	LIQ.
OVS	2.984	+14,7%	41,1%	LIQ.	EATALLY	664	+9,7%	6,3%	1,2x
prysmian	1.534	+1,4%	11,9%	0,9x	GRANAROLO APOTHECA NATURA	50	+9,2%	~10,0%	LIQ.
rochebobois	15.354	-1,1% **	10,6%	0,7x	Joivy	107	+19,8%	9,6%	0,6x
Sesa ***	430	+5,1%	19,8%	LIQ.	LIMONTA ****	187	-4,5%	23,6%	LIQ.
	~ 3.300	+13,5%	7,4%	LIQ. *	VIANOVA	82	+9,4%	27,7%	LIQ.
AVERAGE			18,4%		AVERAGE			15,0%	

ACTUAL DATA OR ESTIMATES. *BANKING NFP. **ORGANIC GROWTH. *** 2023 FIGURES INCLUDE REVENUES RELATING TO JUMBO DISCONTINUED OPERATIONS

Source: Company press release

1. Beta (49% stake)

Beta is a domestic leader in production and distribution of high-quality professional working tools and instruments. The company in 2022 and 2023 focused on consolidating its market share and pursuing selective acquisitions. This led to some dilution in profitability (11.5% EBITDA margin in 2022 and 13.2% in 2023 from 15.4% in 2021). FY23 reported sales up by 11% to € 251mn and EBITDA margin at 13.2%.

We think 2024-25 could bring back profitability more in line with historical levels. For the time being, **we continue to value the company on a multiple of 8x EV/EBITDA, applied to 2023 EBITDA.** This leads us to an EV of € 265mn, an equity value (100%) of € 190mn and to a valuation for **TIP's current 49% stake in Beta of € 93mn.**



Source: Company website

2. Chiorino (20% stake in the holding vehicle Santagata)

Chiorino is a leading international company in the manufacturing and distribution of conveyor and process belts, flat transmission belts and other technical solutions for many different industries.

The company ended 2023 with € 176mn sales, +4.4% YoY, and 25.7% EBITDA margin.

We value the company on a multiple of 10x EV/EBITDA applied to 2023A EBITDA (€ 43mn). This leads us to an EV of € 450mn (HSD implied EV/EBITDA multiple 2023E), an equity value (100%) of € 505mn and to a valuation for **TIP's 20% stake of € 95mn.**

CHIORINO



Source: Company website

3. Limonta (25% controlled by Asset Italia 3, vehicle 52% owned by TIP)

Limonta is an industrial group, founded in 1893, operating in the high-end weaving sector, with expertise in resin coating, coagulation and printing technologies, and with a strong focus on sustainable products.

LIMONTA



Source: Company website

In FY23 sales declined by -4.5% while EBITDA margin stood at 23.6%, compared with 20% in FY22. The group has a very strong liquidity position.

The CEO Paolo Limonta in a recent interview to *Ilsole24ore* provided some interesting comments on 2023 results and group prospects:

- **2H23 suffered a slowdown in various end-markets** (the group operates mainly in fashion and furnishings), **which led to stable revenues in FY23** (1H23 had recorded a 4% growth based on data provided by TIP during the interim report).
- **2024 has started off still complicated, but the group expects an 8-10% annual growth**, looking not only at historical markets like France and Italy but also at new markets like the USA and Korea. The goals are to continue both organic growth and through some acquisitions (probably in Italy).

- **The group will continue its commercial push on the new Altera line**, first presented at the September 2023 edition of Lineapelle, which has received very positive feedback from customers. Altera is completely animal-free while offering fabric with characteristics (even tactile) fully comparable to natural leather. The commercial offering for this product line has now expanded and integrates with a strong focus on sustainability, which also translates into the adoption of the digital passport (a technological system supported by the EU that provides access to product sustainability indicators);

We value the company on a multiple of 10x EV/EBITDA, applied to 2023A EBITDA (€ 44mn). This leads us to an EV of € 440, an equity value (100%) of € 570 and a valuation for

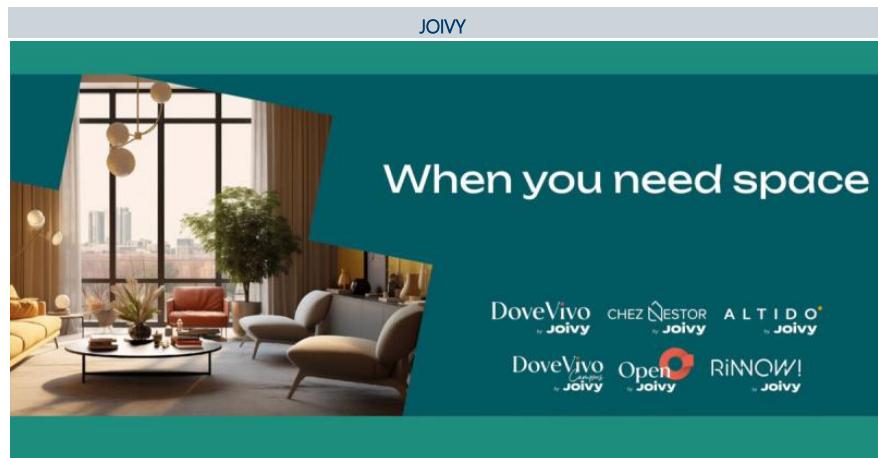
TIP's current stake in Limonta (see-through stake of 13%) of € 74mn.

4. Joivy (19% stake)

Joivy, former Dove Vivo, is a company specialized in co-living services, active in 40 destinations across Europe, offering solutions from co-living rooms to student-housing to private studios to flats and villas.

The company in 2023 generated € 107mn sales, up 20% YoY, with an EBITDA margin of 9.6%.

We value the company based on the transaction executed in early 2022 by Starwood Hotel, taking a 22% stake with a € 50mn investment, implying a fair value for 100% of the asset of € 227mn and **TIP's stake in the asset € 43mn**.



Source: Company website

5. Vianova (17% stake)

Vianova is a group offering integrated fixed and mobile telecommunications, hosting and cloud services to corporate clients, with a distinctive positioning for customer care and quality of services. The company has delivered strong and profitable growth since the first investment of TIP: +8% sales and +7% EBITDA CAGR 2017-2022 and ended 2022 with a € 24.3mn cash position. **FY23 confirmed the historical trend**, with sales up by +9.4% and EBITDA margin at 27.7% (+100bps vs FY22 level).

We value the company on a multiple of 8x EV/EBITDA applied to 2023A EBITDA (€ 23mn). This leads us to an EV of € 182mn, an equity value (100%) of € 211mn and to a valuation for **TIP's 17% stake of € 36mn**.



Source: Company website

OUTLOOK FOR 2024: INTERESTING OPPORTUNITIES AHEAD

TIP sees interesting opportunities ahead, despite the complexities of the financial and industrial markets. This is supported by trends seen in 2023, with **high volatility in interest rates, M&A slowing down everywhere, compressed valuations in many quality small-mid cap companies**, suffering weak stock market performance in stark contrast with the price action seen on banks, BigTech, bitcoin, gold, and AI-related securities, **difficulties in exits and in fund raising for traditional private equity**, reduced availability of funding for buy-outs, and **approaching deadlines for many loans granted in the Covid era**.

From the recent Letter to shareholders: *"Aside from generic discussions, the implications for our companies of what we have reported are that we see 2024 as a year of great opportunities for both TIP and our investee companies, more for acquisitions than for disposals. It could then be a year of many "add-ons" by many companies, due on one hand to interest rates that will decrease slightly, while, on the other, stimulating deals more of an industrial than financial nature. At the same time, there will be moments when many companies will struggle to repay loans and, given that banks' objectively reduced their appetite for lending, many companies will find themselves in need of the financial partner they have avoided for years. Therefore, it could be finally a good period for ITACA, with smart banks promoting recapitalizations and turnarounds of client companies in order to more quietly provide new funds or renew loans".*

VALUATION FINE TUNED TO € 12.3

We have fine-tuned our target price to € 12PS from € 12.3PS mainly to reflect:

- The **updated results of private companies**, with valuation brought forward from 2022 to 2023 and multiples confirmed at 10x for industrial companies with record margins (EBITDA margin well above 20%, in line with Italian Champions GVS, Interpump and Zignago Vetro);
- The valuation on **Bending Spoons** derived by the recent round of financing;
- **Our fair value for listed assets** in our coverage and bloomberg consensus target for listed assets not covered by us (Boss and Roche Bobois);
- **The updated NFP at € -380mn** indicated in the company presentation.

If we were to use market values on listed assets instead of our fair value, we would reach a valuation of € 11.2PS.

The stock today is trading at a 25% discount on our fair value and 18% discount on the fair value calculated with market prices on listed assets.

Over the last 5 years, the stock has been trading on average with a 20% discount to our fair value and 10% discount on the fair value calculated with market prices on listed assets.

TIP: VALUATION								
Asset	Controlling interest	Stake	# shares	€ PS	€ mn	% of NAV	since	Valuation method
Amplifon	3.3%	3.3%	7,444,373	32.4	241	12%	2010	market prices
Basicnet	5.5%	5.5%	2,948,566	4.1	12	1%	n.a.	market prices
Elica	21.4%	21.4%	13,539,048	1.9	26	1%	2019	market prices
Hugo Boss	1.5%	1.5%	1,080,000	54.5	59	3%	2015	market prices
Moncler	0.8%	0.8%	2,050,000	69.3	142	7%	2013	market prices
OVS	28.4%	28.4%	82,744,453	2.2	186	9%	2018	market prices
other listed companies	n.m.	n.m.	n.m.	n.m.	17	1%	n.m.	fair value at latest reporting date
TOTAL DIRECT LISTED SHAREHOLDINGS (1)					687	34%		
IDB (through Investidesign)	25.7%	50.7%	506,900	9.4	65	3%	2023	NAV @ IDB mkt prices
Interpump (through IPG Holding)	6.3%	26.9%	56,565	44.1	265	13%	2003	NAV @ IP mkt prices
Landi Renzo (through Itaca Gas)	7.2%	24.7%	247,200	0.4	6	0%	2022	NAV @ LR mkt prices
Roche Bobois (through TXR)	34.7%	34.7%	3,440,145	42.7	147	7%	2013	NAV @ ROB mkt prices
Sesa (through ITH)	11.1%	21.1%	228,847	102.4	177	9%	2019	NAV @ SES market prices
TOTAL INDIRECT LISTED SHAREHOLDINGS (2)					661	32%		
Alpitour (through Asset Italia 1)	21.0%	35.8%	716,200	210	10%	2017	8x EV/EBITDA 2023	
Apoteca Natura	28.6%	28.6%	285,700	25	1%	2023	book value	
Azimut Benetti	8.1%	8.1%	494,652	147	7%	2015	8.7x EV/EBITDA 2023	
Bending Spoons	3.4%	3.4%	195,995	79	4%	2019	last fund raising price	
Beta	49.0%	49.0%	489,900	93	5%	2016	8x EV/EBITDA 2023	
Chiorino (through Santagata)	20.0%	20.0%	200,000	95	5%	2017	10x EV/EBITDA 2023	
DV Holding (Joivy)	19.0%	19.0%	190,000	43	2%	2021	Starwood transaction	
Eataly (through ClubItaly)	7.7%	17.7%	1,670,873	44	2%	2014	book value	
Limonta (through Asset Italia 3)	13.0%	52.0%	520,000	74	4%	2021	10x EV/EBITDA 2023	
Vianova	17.0%	17.0%	170,400	36	2%	2019	8x EV/EBITDA 2023	
other unlisted companies					81	4%	n.m.	book value
TOTAL UNLISTED SHAREHOLDINGS HELD FOR SALE (3)					938	46%		
Tamburi & Associati (advisory)	100.0%	100.0%	n.m.	13	1%	2000	15x Adj PE 2021-23	
Other participated			n.m.	n.m.	4	0%	2006	book value
TOTAL OTHER UNLISTED SHAREHOLDINGS (4)					17	1%		
FINANCIAL ASSETS / (LIABILITIES) (5)					7	0%		
TOTAL ASSET = (1)+(2)+(3)+(4)+(5)					2,300	113%		
ATTRIBUTABLE NET CASH / (DEBT) (5)*					-380	-19%		estimated NFP
CAPITALISED HOLDING COSTS (7)					-58	-3%		net holding costs capitalized + accrual var. comp.
TAXES / TAX CREDITS (7)					-14	-1%		assuming PEX
TOTAL NET ASSET VALUE (8) = (1+2+3+4+5+6+7)					1,848	91%		
Adjusted value of AMP stake (our valuation)					-22	-1%		our target € 29
Adjusted value of BOSS stake (consensus valuation)					20	1%		consensus avg target € 73
Adjusted value of ELC stake (our valuation)					5	0%		our target € 2.25
Adjusted value of IDB stake (our valuation)					36	2%		our target € 14.6
Adjusted value of IP stake (our valuation)					61	3%		our target € 53
Adjusted value of LNDR stake (our valuation)					1	0%		our target € 0.38
Adjusted value of Moncler stake (our valuation)					5	0%		our target € 71.5
Adjusted value of OVS stake (our valuation)					38	2%		our target € 2.7
Adjusted value of RBO stake (consensus valuation)					22	1%		consensus avg target € 49
Adjusted value of Sesa stake (our valuation)					23	1%		our target € 116
Taxes/Tax credits on Adj fair value					-3	-1%		assuming PEX
TOTAL ADJ NET ASSET VALUE					2,034	100%		
Nr. shares outstanding (mn)					165.4			
FULLY DILUTED NAV PER ORDINARY SHARE €					11.2			
FULLY DILUTED ADJ NAV PER ORDINARY SHARE €					12.3			
Current price (€)					9.2			
CURRENT PREMIUM (DISCOUNT) TO NAV					-18%			
CURRENT PREMIUM (DISCOUNT) TO ADJ NAV					-25%			

*adjusted for acquisitions/disposals after Dec 31st, 2023

Source: Equita SIM estimates

Here below we highlight the 2023 (based on current market price) – 2025 multiples of a selected panel of “Italian industrial Champions”, companies enjoying strong business models, growth drivers and profitability (Adj. EBITDA margin structurally >20%, EBIT margin >15%).

ITALIAN CHAMPIONS MULTIPLES – INDUSTRIAL COMPANIES WITH EBITDA MARGIN ABOVE 20%																						
Company	Ticker	Mkt cap (€ mn)	EV			EV/EBITDA			EV/EBIT			PE			EBITDA MARGIN			EBIT MARGIN			D/EBITDA	Sales Cagr 23-25E
			(€ mn)	23A	24E	25E	23A	24E	25E	23A	24E	25E	23A	24E	25E	23A	24E	25E				
CAREL	CRL IM	2,171	2,298	16.4	16.0	13.6	20.0	19.7	16.4	24.0	26.3	22.1	21%	21%	21%	18%	17%	18%	0.3	8.4%		
GVS	GVS IM	1,168	1,523	16.0	13.8	11.1	22.3	18.5	14.3	30.1	25.6	19.2	23%	24%	27%	16%	18%	21%	3.6	5.8%		
INTERPUMP	IP IM	4,798	5,472	10.2	10.0	9.0	12.8	12.8	11.5	16.5	17.5	16.0	24%	24%	24%	19%	18%	19%	1.1	1.5%		
ZIGNAGO V.	ZV IM	1,176	1,445	6.6	7.7	7.4	9.6	12.3	11.7	11.1	15.1	14.7	31%	29%	29%	22%	18%	18%	1.0	-4.6%		
AVG				12.3	11.9	10.3	16.1	15.8	13.5	20.4	21.1	18.0	25%	24%	25%	19%	18%	19%	1.5	2.8%		

Source: Equita SIM estimates

TIP's most recent internal assessment of the value of the portfolio (the “net intrinsic value” or NIV) points to a valuation of around € 14.8PS.

NET INTRINSIC VALUE EXPRESSED BY TIP				
NET INTRINSIC VALUE PER SHARE: 14,8 EURO				
			NET INVESTED CAPITAL	BLOOMBERG ESTIMATES ⁽¹⁾
LUXURY AND DESIGN			291	659
AZIMUT BENETTI	elica	HUGO BOSS	IDB	LIMONTA
INDUSTRIAL				MONCLER
Beta	CHIORINO	INTERPUMP GROUP	LANDIRENZO	prysmian
Food, Retail and Tourism	EATALY	MULAN	OVS	simbiosi
IT SERVICES AND INNOVATION				
amplifon	SeSa	STANTIP	Vianova	
HEALTHCARE				
amplifon	APOTECIA NATURA			
OTHERS				
TREASURY SHARES			167	284
TOTAL ASSETS			124	281
NET FINANCIAL POSITION OF TIP S.p.A.			1.100	2.690
NET INTRINSIC VALUE			(380)	(380)
				2.310 ~2.732

Source: Company presentation

STATEMENT OF RISKS FOR TIP

The primary elements that could negatively impact TIP share prices include:

- Performance of private and public equity markets
- Ability to complete acquisitions/divestitures at a fair price
- Significant increase in interest rates, affecting valuations and cost of funding
- Deterioration of the competitive arena

P&L - €mn	2021	2022	2023	2024E	2025E	2026E
SALES Rep	6.2	1.8	1.5	3.0	4.0	5.0
Growth	44.2%	-71.2%	-18.5%	104.5%	33.3%	25.0%
EBITDA Rep	-24.1	-28.5	-31.4	-16.2	-15.3	-14.4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-385.4%	-1583.1%	-2138.4%	-540.2%	-382.6%	-288.1%
D&A	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4
EBIT Rep	-24.4	-28.9	-31.8	-16.6	-15.7	-14.8
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-391.0%	-1603.4%	-2165.7%	-551.9%	-391.4%	-295.1%
Net Interest Charges	-5.9	-13.5	-19.3	-14.7	-18.9	-18.9
Equity & Financials	145	116	121	23.5	23.8	24.1
Other Financials	15.8	64.7	79.6	87.3	91.6	96.2
Financial Expenses	155	167	181	96.1	96.5	101
Non Recurrings	-23.1	-3.8	-3.5	0.0	0.0	0.0
PBT Rep	130	138	149	79.5	80.9	86.6
Growth	276.0%	6.1%	8.0%	-46.7%	1.7%	7.1%
Income Taxes	-2.2	0.9	0.0	0.4	0.3	0.3
Tax rate	-1.7%	0.7%	0.0%	0.5%	0.4%	0.4%
Minority Interest	-32.1	-3.4	-4.7	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	95.8	136	145	79.9	81.2	86.9
Growth	188.6%	41.5%	6.6%	-44.7%	1.6%	7.0%
Margin	1534.8%	7533.3%	9850.0%	2663.3%	2030.3%	1738.5%
Net Income Adj	104	137	146	79.9	81.2	86.9
Growth	212.9%	31.5%	6.7%	-45.2%	1.6%	7.0%
Margin	1664.3%	7590.5%	9934.2%	2663.3%	2030.3%	1738.5%
CF Statement	2021	2022	2023	2024E	2025E	2026E
FFO	-30.1	-42.1	-50.8	-31.0	-34.3	-33.4
Chg. in Working Capital	0.0	0.0	0.0	0.0	0.0	0.0
Other chg. in OCF	0.0	0.0	0.0	0.0	0.0	0.0
NCF from Operations	-30.1	-42.1	-50.8	-31.0	-34.3	-33.4
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Financial Investments	23.0	34.5	60.4	75.0	50.0	50.0
Other chg in investments	0.0	0.0	0.0	0.0	0.0	0.0
NCF from Investments	23.0	34.5	60.4	75.0	50.0	50.0
Dividends paid	-15.5	-20.2	-21.7	-24.9	-26.5	-28.1
Capital Increases	-14.0	-20.7	-18.7	0.0	0.0	0.0
Other changes in financing	-8.0	10.2	69.6	8.9	9.2	9.4
CHG IN NFP	-44.5	-38.3	38.8	28.0	-1.6	-2.1

Source: Company data and Equita SIM estimates

INFORMATION PURSUANT TO EU REGULATION 2016/958 supplementing Regulation EU 596/2014 (c.d. MAR)

This publication has been prepared by the following financial analyst(s) on behalf of EQUITA SIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries) to which he/she/they is/are bound by an employment contract: Domenico Ghilotti

In the past EQUITA SIM has published studies on TIP

EQUITA SIM is distributing this publication via e-mail to more than 900 qualified operators on Tuesday, 19 March 2024 at 08:00 AM. The prices of the financial instruments shown in the report are the closing prices of the date indicated in the first page stock data table.

EQUITA SIM intends to provide continuous coverage of the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the issuer's periodical financial reporting and of any exceptional event occurring in the issuer's sphere of activity.

The information contained in this publication is based on sources believed to be reliable. Although EQUITA SIM makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information. If there are doubts in this respect, EQUITA SIM clearly highlights this circumstance. The most important sources of information used are the issuer's public corporate documentation (such as, for example, annual and interim reports, press releases, and presentations) besides information made available by financial service companies (such as, for example, Bloomberg and Reuters) and domestic and international business publications. It is EQUITA SIM's practice to submit a pre-publication draft of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. This note has been submitted to the issuer.

The recommendation was produced using proprietary Excel models that are stored on company servers. The models are backed up at the end of each month.

EQUITA SIM has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them.

Furthermore, it is pointed out that EQUITA SIM SpA is an intermediary licensed to provide all investment services as per Italian Legislative Decree no. 58/1998. Given this, EQUITA SIM might hold positions in and execute transactions concerning the financial instruments covered by the present publication, or could provide, or wish to provide, investment and/or related services to the issuers of the financial instruments covered by this publication. Consequently, it might have a potential conflict of interest concerning the issuers, financial issuers and transactions forming the subject of the present publication.

One representative of Equita Group owns a shareholding of the total issued share capital of InvestInDesign S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of intermediary in charge of the execution of the buy back plan approved by the shareholders' meeting of Italian Design Brands S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of Global Coordinator in the public offer concerning financial instruments issued by Italian Design Brands S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of Joint Global Coordinator in the public offer concerning financial instruments issued by Italian Design Brands S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of specialist for financial instruments issued by Italian Design Brands S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of Sponsor for the public offer of Italian Design Brands S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of intermediary in charge of the execution of the buy back plan approved by the shareholders' meeting of OVS S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of specialist for financial instruments issued by OVS S.p.A.

Equita SIM S.p.A. provides or has provided in the last 12 months investment banking services for Sesa S.p.A.

Equita SIM S.p.A. has placed/has executed an ABB/RABB in the last 12 months for financial instruments issued by Tamburi Investment Partners S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of intermediary in charge of the execution of the buy back plan approved by the shareholders' meeting of Tamburi Investment Partners S.p.A.

Equita SIM S.p.A. provides or has provided in the last 12 months investment banking services for Tamburi Investment Partners S.p.A.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of specialist for financial instruments issued by Tamburi Investment Partners S.p.A.

In addition, it is also pointed out that, within the constraints of current internal procedures, EQUITA SIM's directors, employees and/or outside professionals might hold long or short positions in the financial instruments covered by this publication and buy or sell them at any time, both on their own account and that of third parties.

Research Division management alone determines the remuneration of the analysts who produced the publication, and their remuneration is not linked to Equita SIM's Investment Banking transactions. It is linked to Equita SIM's total revenue, which includes the revenue of the Investment Banking and Sales & Trading Divisions.

For more details on the policies and principles designed to ensure the integrity and independence of Equita SIM analysts, please refer to the policy on organizational mechanisms of the Research activity available at www.equita.eu on the "Legal notices" section.

The recommendations to BUY, HOLD and REDUCE are based on Expected Total Return (ETR – expected absolute performance in the next 12 months inclusive of the dividend paid out by the stock's issuer) and on the degree of risk associated with the stock, as per the matrix shown in the table. The level of risk is based on the stock's liquidity and volatility and on the analyst's opinion of the business model of the company being analysed. Due to fluctuations of the stock, the ETR might temporarily fall outside the ranges shown in the table.

EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% < ETR < 10%	-5% < ETR < 15%	0% < ETR < 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

The methods preferred by EQUITA SIM to evaluate and set a value on the stocks forming the subject of the publication, and therefore the Expected Total Return in 12 months, are those most commonly used in market practice, i.e. multiples comparison (comparison with market ratios, e.g. P/E, EV/EBITDA, and others, expressed by stocks belonging to the same or similar sectors), or classical financial methods such as discounted cash flow (DCF) models, or others based on similar concepts. For financial stocks, EQUITA SIM also uses valuation methods based on comparison of ROE (ROEV – return on embedded value – in the case of insurance companies), cost of capital and P/BV (P/EV – ratio of price to embedded value – in the case of insurance companies).

Ord TIP IM MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE:				
Date	Rec.	Target Price	Risk.	Comment
October 17, 2023	Buy	12.10	Medium	-
June 26, 2023	Buy	12.80	Medium	-
June 19, 2023	Buy	12.60	Medium	-
March 21, 2023	Buy	12.20	High	-

DISCLAIMER

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments.

EQUITA SIM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, EQUITA SIM and/or the author of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The estimates and opinions expressed in the publication may be subject to change without notice.

EQUITY RATING DISPERSION AS OF DECEMBER 31, 2023	
(art. 6, par. 3 Delegated Regulation (EU) 2016/958 of 09 March 2016)	
COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	53.5%
HOLD	44.7%
REDUCE	0.0%
NOT RATED	1.8%

The list of all conflicts of interest, rating dispersion, last 12 months recommendation made by Equita SIM's analysts and other important legal disclaimers are available on www.equita.eu in the "Legal notices" section.

This document has been provided to you solely for informational purposes and may not be reproduced or distributed, directly or indirectly, to any other person, nor may it be published, wholly or in part, for any reason, without EQUITA SIM's specific authorisation. By accepting this document, you agree to comply with the limitations indicated above.

For Entities and Clients in the United Kingdom

Equita is registered as a UK's "Overseas Persons Exclusion" ("OPE"): this means that Equita has not established an actual or deemed permanent place of business in the UK. Equita is not a member of the "Financial Conduct Authority" and Research Analysts and Research Reports must comply with requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered to UK "investment professionals" and "high net worth companies" and the investment to which it relates is available only to such persons and that any other person(s) should not act or rely upon it.

For Entities and Clients in the United States

Equita is not registered as a broker-dealer with the U S Securities and Exchange Commission, and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Equita is not a member of the Financial Industry Regulatory Authority. It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest.

This research report is only being offered to Major U S Institutional Investors and is not available to, and should not be used by, any U S person or entity that is not a Major U S Institutional Investor. Equita can not and will not accept orders for the securities covered in this research report placed by any person or entity in the United States. Orders should be placed with our correspondent, Auerbach Grayson & Co. 212-557-4444.