

# TESMEC

Sector: *Industrials*

## OUTPERFORM

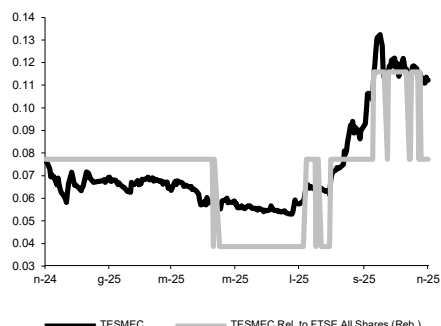
Price: Eu0.11 - Target: Eu0.17

### Energy business drives quality growth. TP raised to Eu0.17

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 0.08 to 0.17		
	2025E	2026E	2027E
Chg in Adj EPS	7.3%	20.5%	33.7%

TESMEC - 12M Performance



Stock Data			
Reuters code:	TES.MI		
Bloomberg code:	TES IM		
Performance	1M	3M	12M
Absolute	-4.8%	59.6%	45.3%
Relative	-4.2%	56.2%	19.5%
12M (H/L)	0.13/0.05		
3M Average Volume (th):	7,636.89		

Shareholder Data	
No. of Ord shares (mn):	606
Total no. of shares (mn):	606
Mkt Cap Ord (Eu mn):	68
Total Mkt Cap (Eu mn):	68
Mkt Float - Ord (Eu mn):	32
Mkt Float (in %):	46.6%
Main Shareholder:	
TTC	47.8%

Balance Sheet Data	
Book Value (Eu mn):	80
BVPS (Eu):	0.13
P/BV:	0.9
Net Financial Position (Eu mn):	-136
Enterprise Value (Eu mn):	204

■ **9M25 results solid both on profitability and cash generation.** 9M25 results confirmed the positive trend in 1H25, showing top-line growth at +7% vs. 9M24 PF (excluding Marais), stable margins at 16.3% (negative sales mix offset by cost efficiencies), and strong cash generation with net debt at Eu136mn as of September 2025, down Eu10mn vs. June 2025 and Eu40mn vs. September 2024. Beside supportive P&L trends suggesting increasing focus on quality of revenues and profitability, we note that debt deleverage is a key valuation driver for Tesmec given that the debt component accounts for approx. 2/3 of the EV.

■ **Energy drives improving performance:** 3Q25 revenues came to Eu63.6, up 3% vs. pro-forma 3Q24, driven by 35% YoY growth at the Energy business (strong performances in Stringing and Energy Automation), which reported 3Q25 revenues of Eu26.5mn. In 3Q25, Energy was the most important contributor to consolidated revenues and accounted for 42% of Tesmec's top line vs. 39% from Trenchers which reported 3Q25 sales down 10% vs. 3Q24 pro-forma. 3Q25 EBITDA of Eu10.2mn grew 5% vs. Eu9.7mn pro-forma 3Q24, with the margin slightly improving from 15.6% in 3Q24 to 16.0% in 3Q25. EBITDA growth was driven by Energy (20.3% EBITDA margin in 3Q25 vs. 11.7% in 3Q24) and Rail (EBITDA stable despite lower YoY volumes), while Trencher (EBITDA down Eu2.4mn YoY) was the only weak spot. We note that Energy accounted for >50% of group EBITDA in 3Q25. EBIT of Eu5.0mn increased by 37% vs. 3Q24, with the net result approx. at breakeven (-Eu0.2mn) after Eu0.5mn of unrealized ForEx losses.

■ **Outlook and Estimates.** Management confirmed the indications of rising revenues and EBITDA in FY25, with a further reduction of net debt vs. September 2025. We have fine-tuned P&L estimates for FY25 but raised FY26-FY27 revenues by +3% and EBITDA by +8%. We have materially improved cash generation assumptions, with net debt improved by Eu8mn in FY25 to Eu136mn (in line with the 9M25 figure) and by Eu15mn in FY26 (vs. a current mkt cap of Eu69mn) to Eu126mn.

■ **OUTPERFORM; target price raised to Eu0.17 (from Eu0.08).** Tesmec is exposed to growing end-markets in Energy (now the group's most important business) and Rail (internationalization of its diagnostic technologies), supporting the growth outlook in coming years too. Weakness in Trenchers is being addressed by focusing on strategic regions (US and Middle East) and applications (energy and mining). Our updated DCF-based EV for Tesmec is Eu245mn (from the prev. Eu200mn), implying a fair equity value of Eu105mn (from prev. Eu48mn). The closing of the transaction with OT Engineering (deconsolidation of Marais debt became definitive) and the Eu55mn debt refinancing announced in October support the positive stance. At target, we value Tesmec at 4.5x EV/EBITDA FY26E (prev. 4.4x FY25E) and 9x P/E FY26E.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	252	253	260	281	304
EBITDA Adj (Eu mn)	34	41	44	51	58
Net Profit Adj (Eu mn)	-3	0	7	11	17
EPS New Adj (Eu)	-0.005	0.000	0.011	0.019	0.028
EPS Old Adj (Eu)	-0.005	0.000	0.010	0.016	0.021
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	6.9	4.9	4.6	3.8	3.1
EV/EBIT Adj	21.4	9.9	8.7	6.5	4.9
P/E Adj	nm	nm	10.2	5.9	4.0
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	4.5	3.6	3.1	2.5	2.0

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TESMEC – Key Figures						
Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	245	252	253	260	281	304
EBITDA	35	34	41	44	51	58
EBIT	13	11	20	24	30	37
Financial Income (charges)	-2	-16	-17	-18	-15	-14
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	12	-5	4	6	15	23
Taxes	-4	2	-4	-2	-4	-6
Tax rate	31.8%	41.3%	95.5%	25.0%	25.0%	25.0%
Minorities & Discontinued Operations	0	-0	-5	-0	0	0
Net Profit	8	-3	-5	4	11	17
EBITDA Adj	35	34	41	44	51	58
EBIT Adj	13	11	20	24	30	37
Net Profit Adj	8	-3	-0	7	11	17
Per Share Data (Eu)	2022A	2023A	2024A	2025E	2026E	2027E
Total Shares Outstanding (mn) - Average	606	606	606	606	606	606
Total Shares Outstanding (mn) - Year End	607	607	607	607	607	607
EPS f.d	0.013	-0.005	-0.009	0.007	0.019	0.028
EPS Adj f.d	0.013	-0.005	0.000	0.011	0.019	0.028
BVPS f.d	0.135	0.126	0.125	0.131	0.150	0.178
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000				
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Gross Cash Flow	26	4	15	30	30	35
Change in NWC	-3	2	0	-2	-4	-6
Capital Expenditure	-25	-16	-19	-17	-16	-16
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-2	-10	-3	11	10	13
Acquisitions, Divestments & Other Items	-6	-15	10	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-7	-25	7	11	10	13
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Fixed Assets	112	120	107	103	99	94
Net Working Capital	81	87	100	97	103	112
Long term Liabilities	19	25	18	18	18	18
Net Capital Employed	212	232	225	218	220	224
Net Cash (Debt)	-128	-154	-147	-136	-126	-113
Group Equity	83	78	78	82	94	111
Minorities	2	2	2	2	2	2
Net Equity	82	76	76	80	91	108
Enterprise Value (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Average Mkt Cap	83	83	54	68	68	68
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-128	-154	-147	-136	-126	-113
Enterprise Value	211	236	201	204	194	181
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA Adj Margin	14.4%	13.5%	16.2%	17.0%	18.2%	19.1%
EBIT Adj Margin	5.3%	4.4%	8.1%	9.1%	10.7%	12.1%
Gearing - Debt/Equity	154.0%	196.3%	189.4%	165.8%	135.0%	102.3%
Interest Cover on EBIT	8.7	0.7	1.2	1.3	2.0	2.6
Net Debt/EBITDA Adj	3.6	4.5	3.6	3.1	2.5	2.0
ROACE*	6.5%	5.0%	8.9%	10.7%	13.7%	16.6%
ROE*	10.4%	-3.8%	-0.2%	8.5%	13.4%	17.0%
EV/CE	1.0	1.1	0.9	0.9	0.9	0.8
EV/Sales	0.9	0.9	0.8	0.8	0.7	0.6
EV/EBITDA Adj	6.0	6.9	4.9	4.6	3.8	3.1
EV/EBIT Adj	16.1	21.4	9.9	8.7	6.5	4.9
Free Cash Flow Yield	-2.6%	-14.7%	-4.4%	16.0%	14.3%	19.5%
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	26.2%	2.7%	0.4%	2.9%	8.1%	8.0%
EBITDA Adj	25.1%	-3.3%	20.7%	7.9%	15.3%	13.3%
EBIT Adj	130.7%	-15.7%	84.1%	15.9%	27.5%	22.3%
Net Profit Adj	554.8%	nm	nm	nm	73.9%	47.7%
EPS Adj	554.8%	nm	nm	nm	73.9%	47.7%
DPS						

\*Excluding extraordinary items Source: Intermonte SIM estimates

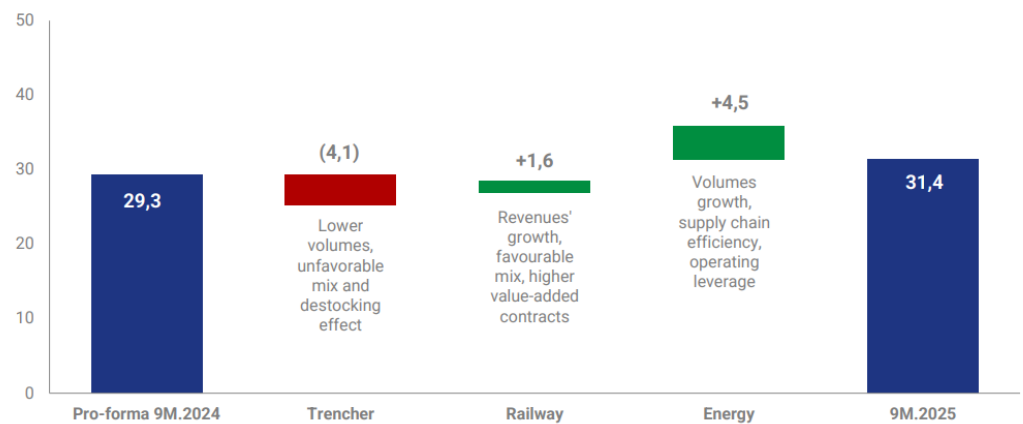
## Quarterly Trend

### Quarterly trend

(Eu mn)	1Q24	2Q24	3Q24	9M24 PF	4Q24	FY 24	1Q25	2Q25	3Q25	9M25	4Q25E	FY 25E	FY 26E
Revenues	55.8	61.9	62.0	179.7	59.8	239.5	61.4	67.2	63.6	192.2	68.0	260.2	281.3
EBITDA	9.1	9.9	9.7	29.2	11.9	41.1	9.5	11.7	10.2	31.4	12.9	44.3	51.1
Margin	16.3%	16.0%	15.6%	16.2%	19.9%	17.1%	15.5%	17.3%	16.0%	16.3%	19.0%	17.0%	18.2%
EBIT	4.0	5.1	3.9	11.4	8.9	20.4	4.3	6.4	5.0	15.8	7.8	23.6	30.1
Margin	7.2%	8.2%	6.3%	6.4%	14.9%	8.5%	7.0%	9.6%	7.8%	8.2%	11.5%	9.1%	10.7%
Net Profit	-1.1	-1.1	-2.1	-4.4	-0.8	-5.2	-1.4	0.9	-0.2	-0.7	4.8	4.1	11.5
Net Debt	167.1	183.6	176.0	176.0	147.0	147.0	152.6	146.4	136.0	136.0	136.1	136.1	126.3

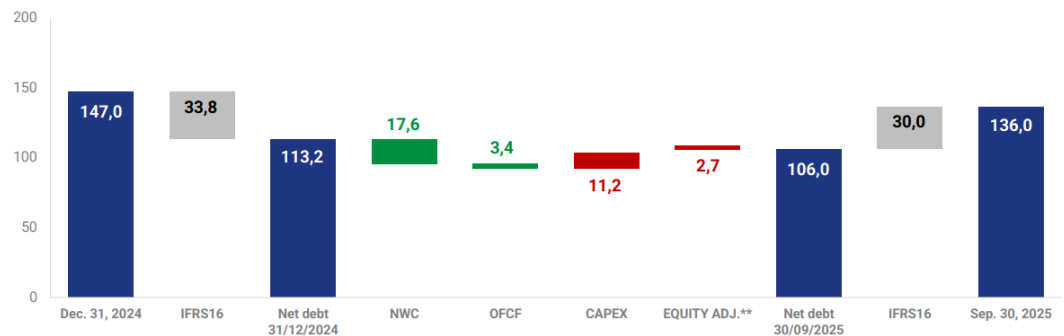
Source: company data, Intermonte estimates

### 9M25 EBITDA Evolution by BU (€ mn)



Source: Company data

### 9M25 NFP and FCF Evolution (€ mn)



Source: Company data

## Valuation

We value Tesmec through DCF at Eu105mn (previous Eu48mn) or Eu0.17 per share (previous Eu0.08). At target, we value Tesmec at 4.5x EV/EBITDA and 8.7x P/E FY26e.

### DCF Model

(Eu mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	TV
Revenues	260.2	281.3	303.9	324.9	341.1	358.2	376.1	383.6
YoY Growth	2.9%	8.1%	8.0%	6.9%	5.0%	5.0%	5.0%	2.0%
EBITDA	44.3	51.1	57.9	63.7	68.2	71.6	75.2	57.5
margin %	17.0%	18.2%	19.1%	19.6%	20.0%	20.0%	20.0%	15.0%
D&A	(20.7)	(21.0)	(21.1)	(21.2)	(22.3)	(23.4)	(24.5)	(26.9)
EBIT	23.6	30.1	36.8	43.5	46.0	48.3	50.7	30.7
Taxes on EBIT	(6.3)	(7.8)	(9.5)	(11.2)	(13.8)	(14.5)	(15.2)	(9.2)
tax rate	-26.5%	-26.0%	-25.8%	-25.6%	-30.0%	-30.0%	-30.0%	-30.0%
<b>NOPAT</b>	<b>17.3</b>	<b>22.3</b>	<b>27.3</b>	<b>32.3</b>	<b>32.2</b>	<b>33.8</b>	<b>35.5</b>	<b>21.5</b>
Change in WC	2.9	(8.0)	(8.6)	(8.0)	(6.2)	(6.5)	(6.8)	(3.0)
WC/Sales		38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	40.0%
Capex	(17.2)	(16.3)	(16.0)	(16.5)	(20.5)	(21.5)	(22.6)	(26.9)
Capex/Sales	-6.6%	-5.8%	-5.3%	-5.1%	-6.0%	-6.0%	-6.0%	-7.0%
<b>Unlevered FCF</b>	<b>23.8</b>	<b>19.0</b>	<b>23.8</b>	<b>28.1</b>	<b>27.8</b>	<b>29.2</b>	<b>30.6</b>	<b>18.5</b>
<b>TV</b>								<b>248.9</b>
Discount factor		0.91	0.83	0.76	0.69	0.63	0.58	0.53
<b>Discounted Free cash flow</b>		<b>17.3</b>	<b>19.8</b>	<b>21.3</b>	<b>19.3</b>	<b>18.5</b>	<b>17.7</b>	<b>131.3</b>

Eu mn	
Discounted free cash flows 2026-2031E	114
Terminal Value on total EV	54%
Terminal value multiple on EBITDA	4.3x
<b>Total EV</b>	<b>245</b>
Net financial position (YE25) incl. IFRS16	(136)
Other Liabilities	(4)
<b>Fair Value of Equity (Eu mn)</b>	<b>105</b>
N. of shares (mn)	606.5
N. of shares ex. treasury shares(mn)	601.7
<b>Fair value per share (Eu)</b>	<b>0.17</b>

Source: Intermonte estimates

### Multiples @ Current Price

	2022	2023	2024	2025E	2026E	2027E
EV/SALES	0.9	0.9	0.8	0.8	0.7	0.6
<b>EV/EBITDA</b>	<b>6.0</b>	<b>6.8</b>	<b>4.7</b>	<b>4.7</b>	<b>3.9</b>	<b>3.2</b>
EV/EBIT	16.1	20.8	9.4	8.8	6.6	5.0
P/E	10.0	-24.5	-318.2	10.3	5.9	4.0

### Multiples @TP Eu0.17

Mkt Cap target Eu mn					100.1	100.1
EV/SALES	0.9	0.9	0.8	0.9	0.8	0.7
<b>EV/EBITDA</b>	<b>6.0</b>	<b>6.9</b>	<b>4.8</b>	<b>5.4</b>	<b>4.5</b>	<b>3.7</b>
EV/EBIT	16.1	21.3	9.8	10.2	7.6	5.9
P/E	10.0	n.m.	n.m.	15.2	8.7	5.9

Source: Intermonte SIM estimates

### Change in Estimates

(Eu mn)	2024	2025E	2026E	2027E	2028E
<b>Sales new</b>	<b>252.9</b>	<b>260.2</b>	<b>281.3</b>	<b>303.9</b>	<b>324.9</b>
Sales old		255.5	275.2	294.6	295.6
% change		1.8%	2.2%	3.2%	9.9%
<b>EBITDA new</b>	<b>41.1</b>	<b>44.3</b>	<b>51.1</b>	<b>57.9</b>	<b>63.7</b>
EBITDA old		44.2	48.6	52.6	53.6
% change		0.2%	5.1%	10.1%	18.8%
<b>EBIT new</b>	<b>20.4</b>	<b>23.6</b>	<b>30.1</b>	<b>36.8</b>	<b>43.5</b>
EBIT old		23.3	27.6	31.3	32.3
% change		1.3%	9.1%	17.6%	34.7%
<b>Pre tax Profit new</b>	<b>3.8</b>	<b>6.0</b>	<b>15.3</b>	<b>22.6</b>	<b>29.7</b>
Pre tax Profit old		8.2	13.1	17.7	18.7
% change		-26.8%	16.8%	27.7%	58.8%
<b>Net Profit new</b>	<b>-5.2</b>	<b>4.1</b>	<b>11.5</b>	<b>17.0</b>	<b>22.3</b>
Net Profit old		6.2	9.5	12.7	13.7
% change		-33.3%	20.5%	33.7%	62.9%
<b>Net Debt new</b>	<b>147.0</b>	<b>136.1</b>	<b>126.3</b>	<b>113.1</b>	<b>96.4</b>
Net Debt old		144.4	140.9	132.6	133.6
% change		-5.8%	-10.3%	-14.7%	-27.8%

Source: Company data, Intermonte estimates

## Financials

### Profit & Loss

(Eu mn)	2022	2023	2024	2025E	2026E	2027E
Energy	58	68	77	97	107	116
Trencher	134	137	125	111	118	125
Railway	53	47	50	52	57	63
<b>Revenues</b>	<b>245.2</b>	<b>251.9</b>	<b>252.9</b>	<b>260.2</b>	<b>281.3</b>	<b>303.9</b>
YoY change %	26%	3%	0%	3%	8%	8%
YoY change Eu mn	51	7	1	7	21	23
Operating costs	-210	-218	-212	-216	-230	-246
YoY change %	26%	4%	-3%	2%	7%	7%
Energy	7.8	10.0	11.3	19.5	21.3	23.5
Trencher	13.4	15.4	20.2	13.6	17.3	20.2
Railway	14.0	8.6	9.5	11.2	12.5	14.2
<b>EBITDA</b>	<b>35.2</b>	<b>34.0</b>	<b>41.1</b>	<b>44.3</b>	<b>51.1</b>	<b>57.9</b>
margin %	14.4%	13.5%	16.2%	17.0%	18.2%	19.1%
YoY change %	25.1%	-3.3%	20.7%	7.9%	15.3%	13.3%
D&A	-22.1	-23.0	-20.7	-20.7	-21.0	-21.1
EBIT	13.1	11.1	20.4	23.6	30.1	36.8
margin %	7.5%	4.4%	8.1%	9.1%	10.7%	12.1%
YoY change %	130.7%	-15.7%	84.1%	15.9%	27.5%	22.3%
Financial expenses	-1.507	-15.655	-16.6	-17.6	-14.8	-14.2
Pretax profit	11.6	-4.6	3.8	6.0	15.3	22.6
YoY change %	329.8%	-139.6%	-182.1%	59.2%	155.0%	47.7%
Taxes	-3.7	1.9	-3.6	-1.5	-3.8	-5.7
Tax rate %	31.8%	41.3%	95.5%	25.0%	25.0%	25.0%
Net Profit before minorities	7.9	-2.7	0.2	4.5	11.5	17.0
YoY change %	554.8%	-134.1%	-106.3%	2547.1%	155.0%	47.7%
Minorities	0.0	-0.3	-5.4	-0.4	0.0	0.0
<b>Net Profit</b>	<b>7.9</b>	<b>-3.0</b>	<b>-5.2</b>	<b>4.1</b>	<b>11.5</b>	<b>17.0</b>
YoY change %	554.8%	-137.5%	76.2%	-178.4%	179.9%	47.7%
<b>Per share data</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Number of shares m	606.5	606.5	606.5	606.5	606.5	606.5
Shares net of treasury shares	601.7	601.7	601.7	601.7	601.7	601.7
EPS Adj.	0.013	-0.005	0.000	0.011	0.019	0.028
growth %	554.8%	-137.5%	-95.6%	-5176.9%	73.9%	47.7%
FCF per share	-0.003	-0.017	-0.005	0.018	0.016	0.022
BVPS	0.135	0.126	0.125	0.131	0.150	0.178

Source: Intermonte SIM

### Balance Sheet

(Eu mn)	2022	2023	2024	2025E	2026E	2027E
Intangible assets	32.3	39.3	42.2	42.2	42.2	42.2
Tangible assets	73.7	74.0	57.6	54.1	49.4	44.3
Financial assets	5.6	6.3	7.1	7.1	7.1	7.1
Net fixed assets	111.6	119.6	106.9	103.4	98.7	93.6
Inventories	101.4	110.6	96.1	96.8	105.5	115.5
Receivables	56.2	45.6	55.4	55.2	59.6	65.6
Payables	-74.2	-82.8	-79.9	-83.3	-90.0	-97.2
Other assets/liabilities	-2.8	13.4	28.2	28.2	28.2	28.2
Net working capital	80.6	86.8	99.8	96.9	103.3	112.1
Other long term assets/liabilities	19.5	25.3	17.8	17.9	17.9	17.9
<b>Net Invested Capital</b>	<b>211.8</b>	<b>231.7</b>	<b>224.6</b>	<b>218.2</b>	<b>219.9</b>	<b>223.6</b>
Net Debt /(Cash)	128.4	153.5	147.0	136.1	126.3	113.1
Minorities	1.7	2.0	2.0	2.4	2.4	2.4
Shareholders funds	81.7	76.2	75.6	79.7	91.2	108.1
Total Shareholders Funds	83.4	78.2	77.6	82.1	93.6	110.5
<b>Total Sources</b>	<b>211.8</b>	<b>231.7</b>	<b>224.6</b>	<b>218.2</b>	<b>219.9</b>	<b>223.6</b>

Source: Intermonte SIM

## Cash Flow

(Eu mn)	2022	2023	2024	2025E	2026E	2027E
EBITDA	35.2	34.0	41.1	44.3	51.1	57.9
Capex	-25.0	-16.4	-18.5	-17.2	-16.3	-16.0
Taxes	-2.7	1.9	0.3	-1.5	-3.8	-5.7
Change in working capital	-4.1	-6.2	-13.0	2.9	-6.4	-8.8
Other operating items	-3.7	-7.7	3.7	0.0	0.0	0.0
Financial charges	-1.5	-15.7	-16.6	-17.6	-14.8	-14.2
Free Cash Flow	-1.8	-10.0	-3.0	10.9	9.8	13.3
Acquisitions/Disposals	-5.5	0.0	0.0	0.0	0.0	0.0
Change in Equity	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	-15.1	9.5	0.0	0.0	0.0
Decrease/(Increase) in Net Debt	-7.3	-25.1	6.5	10.9	9.8	13.3
<b>Net Debt end of period</b>	<b>128.4</b>	<b>153.5</b>	<b>147.0</b>	<b>136.1</b>	<b>126.3</b>	<b>113.1</b>
Capex/Sales	10.2%	6.5%	7.3%	6.6%	5.8%	5.3%
Working Capital/Sales	32.9%	34.5%	39.5%	37.2%	36.7%	36.9%
Net Debt/EBITDA	3.6 x	4.5 x	3.6 x	3.1 x	2.5 x	2.0 x

Source: Intermonte SIM

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	TESMEC		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	0.17	Previous Target (Eu):	0.08
Current Price (Eu):	0.11	Previous Price (Eu):	0.07
Date of report:	10/11/2025	Date of last report:	07/08/2025

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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 between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIBEX 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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BUY:	32.06%
OUTPERFORM:	38.93%
NEUTRAL:	28.25%
UNDERPERFORM:	00.76%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (77 in total) is as follows:

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OUTPERFORM:	29.87%
NEUTRAL:	18.18%
UNDERPERFORM:	01.30%
SELL:	00.00%

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