

RELATECH

BUY

SECTOR: *Industrials*

Price (Eu):

2.79

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Target Price (Eu):

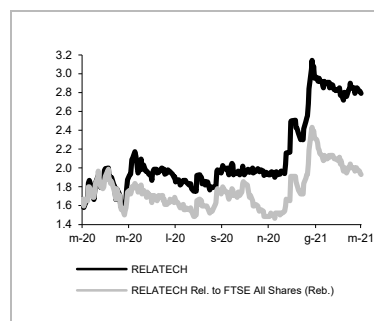
3.90

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Well-Equipped to Surf the 2021 Digital Transformation Wave

- Solid FY20 revenues and margins.** FY20 revenues came in at Eu24.3mn, up 14.2% YoY and 3.8% better than our estimate. There was an increase in revenues from foreign clients, coming to 55% of the total (vs >50% in 2019), and in recurring revenues, which came to 27% of the total (vs. 22% in 2019). Adjusted EBITDA was Eu5.9mn, a touch above our estimate and up 19.8% YoY with a 24.2% margin (vs. 23.1% in 2019). Adj. EBIT closed at Eu4.1mn, down 4.1% YoY and Eu0.9mn worse than expected. This impact is attributable to higher D&A at Eu1.8mn (vs. Eu1.0mn in our estimates), coming above all from amortisation linked to R&D spending. This also influenced net profit, which came to Eu2.5mn, up 0.7% YoY. The NFP containing the debt for the exercise of the put/call options was positive to the tune of Eu0.50mn.
- Supportive 2021 outlook.** 2021 growth prospects are based on the 3M strategy: 1) **Merge**, involving a constant focus on M&A opportunities; 2) **Management**, i.e. focus on group managerial resources in order to strengthen governance; 3) **Margin**, entailing sustainability and P&L growth that will facilitate technological leadership thanks to proprietary solutions that generate recurring revenues. As announced on 16th February, for 2021 the company estimates net revenues of Eu26.2mn (+43% YoY), with Eu7.9mn at Innovation Services (30% of the total) and Eu18.3mn at Digital Solutions (70%). This material annual increase is above the estimate we published in our initiation report (net revenues +30% in 2021) and is supported by the strengthening of the commercial structure: we note that Gianfranco Severino, who can count on a decade of experience in the ICT sector, most recently at IBM Italia, is now head of the Sales and Marketing division (since March 2021).
- Raising our turnover estimates.** On the back of 4Q20 results we are raising total 2021 revenues by 5.3% and we assume 31.8% YoY growth (net revenues +43.3%, in line with company guidance). In term of profitability, we are lifting our 2021 adj. EBITDA figures by 5.0% and we still forecast a double-digit EBITDA margin of 26.3%. The decrease at EPS level is entirely down to non-cash items, by 13%/11%/10% for 21/22/23 respectively due to variations in the accounting of capitalised R&D expenses.
- Rating BUY confirmed, target Eu3.9 from Eu3.8.** In 2020, the group delivered a positive operating performance and finalised two acquisitions (Mediatech and Xonne), achieving record EBITDA. We reiterate our positive view on the stock, and we consider an investment in Relatech an attractive proposition, as the Group stands out from the field thanks to a unique product offering (RePlatform) and a scalable business model. RLT's 3M Strategy (Merge, Margin, Management) paves the way for an acceleration of its growth path by leveraging on a core market that is expected to grow strongly and a solid balance sheet that leaves plenty of room to pursue external growth opportunities, in which management has built up a solid track record. Our target price is increased from Eu3.8 to Eu3.9 to reflect the increase in estimates at EBITDA level.

RELATECH - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 3.80 to 3.90

Ch. in Adj.EPS est: **2021E 2022E**
-12.9% -10.7%

STOCK DATA

Reuters code: RLT.MI
Bloomberg code: RLT IM

Performance	1m	3m	12m
Absolute	-1.1%	11.6%	67.1%
Relative	-8.9%	0.8%	22.7%
12 months H/L:	3.14/1.55		

SHAREHOLDER DATA

No. of Ord. shares (mn):	33
Total No. of shares (mn):	33
Mkt Cap Ord (Eu mn):	91
Total Mkt Cap (Eu mn):	91
Mkt Float - ord (Eu mn):	24
Mkt Float (in %):	25.7%
Main shareholder:	
Pasquale Lambardi	64.9%

BALANCE SHEET DATA

	2021
Book value (Eu mn):	16
BVPS (Eu):	0.51
P/BV:	5.4
Net Financial Position (Eu mn):	2
Enterprise value (Eu mn):	90

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Key Figures	2019A	2020A	2021E	2022E	2023E
Sales (Eu mn)	21	24	32	37	43
Ebitda (Eu mn)	5	5	7	9	10
Net profit (Eu mn)	3	3	3	4	5
EPS - New Adj.(Eu)	0.077	0.094	0.125	0.163	0.201
EPS - Old Adj.(Eu)	0.090	0.110	0.143	0.182	0.222
DPS (Eu)	0.000	0.000	0.000	0.000	0.000

Ratios & Multiples	2019A	2020A	2021E	2022E	2023E
P/E Adj.	36.1	29.6	22.4	17.1	13.9
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Ebitda Adj.	18.4	15.5	10.6	8.3	6.7
ROCE	63.5%	32.1%	36.6%	39.6%	43.5%

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RELATECH - KEY FIGURES

		2019A	2020A	2021E	2022E	2023E
	Fiscal year end	12/12/2019	12/12/2020	12/12/2021	12/12/2022	12/12/2023
PROFIT & LOSS (Eu mn)	Sales	21	24	32	37	43
	EBITDA	5	5	7	9	10
	EBIT	4	3	5	6	7
	Financial income (charges)	(0)	(0)	(0)	(0)	(0)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	4	3	5	6	7
	Taxes	(1)	(1)	(2)	(2)	(2)
	Tax rate (%)	31.1%	19.0%	30.0%	30.0%	30.0%
	Minorities & discontinue activities	(0)	(0)	(0)	(0)	(0)
	Net profit	3	3	3	4	5
	Total extraordinary items	0	(1)	(1)	(2)	(3)
	Ebitda excl. extraordinary items	5	6	8	10	12
Ebit excl. extraordinary items	4	4	6	8	10	
Net profit restated	3	3	4	5	7	
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	33	33	33	33	33
	EPS stated fd	0.077	0.078	0.103	0.124	0.147
	EPS restated fd	0.077	0.094	0.125	0.163	0.201
	BVPS fd	0.266	0.410	0.514	0.638	0.785
	Dividend per share (ord)	0.000	0.000	0.000	0.000	0.000
	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
CASH FLOW (Eu mn)	Gross cash flow	4	6	5	7	8
	Change in NWC	(1)	(0)	(1)	(1)	(1)
	Capital expenditure	(5)	(4)	(3)	(3)	(3)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	(1)	2	2	3	4
	Acquisitions, divestments & others	(1)	(6)	0	0	0
	Dividend	(0)	0	0	0	0
	Equity financing/Buy-back	4	3	0	0	0
Change in Net Financial Position	2	(1)	2	3	4	
BALANCE SHEET (Eu mn)	Total fixed assets	8	19	20	21	21
	Net working capital	3	3	3	4	5
	Long term liabilities	(2)	(3)	(3)	(3)	(3)
	Net capital employed	8	13	15	16	17
	Net financial position	1	0	2	5	8
	Group equity	9	13	17	21	26
	Minorities	0	1	1	1	1
	Net equity	9	13	16	20	25
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	91	91	91	91	91
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	1	0	2	5	8
	Enterprise value	91	91	90	87	83
RATIOS(%)	EBITDA margin*	23.1%	24.2%	26.3%	28.1%	28.9%
	EBIT margin*	20.1%	16.9%	19.4%	21.7%	22.8%
	Gearing - Debt/equity	-8.1%	-0.4%	-9.7%	-21.9%	-32.9%
	Interest cover on EBIT	50.5	43.2	42.7	64.1	131.1
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	63.5%	32.1%	36.6%	39.6%	43.5%
	ROE*	44.8%	24.0%	23.5%	22.5%	21.4%
	EV/CE	15.1	8.5	6.3	5.5	4.9
	EV/Sales	4.3	3.8	2.8	2.3	1.9
	EV/Ebit	21.2	22.3	14.4	10.8	8.5
Free Cash Flow Yield	-1.3%	1.8%	1.7%	3.2%	4.3%	
GROWTH RATES (%)	Sales	43.4%	14.2%	31.8%	15.7%	15.8%
	EBITDA*	97.9%	19.8%	43.0%	23.8%	18.9%
	EBIT*	78.1%	-4.1%	51.9%	28.9%	22.1%
	Net profit	61.9%	0.7%	32.7%	20.4%	18.4%
	EPS restated	61.9%	22.1%	32.1%	30.6%	23.2%

* Excluding extraordinary items

Source: Intermonte SIM estimates

FY20 Results

Solid FY20 revenues and margins. FY20 revenues came in at Eu24.3mn, up 14.2% YoY and 3.8% better than our estimate. There was an increase in revenues from foreign clients, coming to 55% of the total (vs >50% in 2019), and in recurring revenues, which came to 27% of the total (vs. 22% in 2019). Adjusted EBITDA was Eu5.9mn, a touch above our estimate and up 19.8% YoY with a 24.2% margin (vs. 23.1% in 2019). Adj. EBIT closed at Eu4.1mn, down 4.1% YoY and Eu0.9mn worse than expected. This impact is attributable to higher D&A at Eu1.8mn (vs. Eu1.0mn in our estimates), coming above all from amortisation linked to R&D spending. This also influenced net profit, which came to Eu2.5mn, up 0.7% YoY. The NFP containing the debt for the exercise of the put/call options was positive to the tune of Eu0.50mn.

Relatech – FY20 Results

(Eu mn)	2H19A	2H20A	YoY	2H20E	A vs E	2019A	2020A	YoY	2020E	A vs E
Net revenues	9.0	10.1	12.7%	10.2	-0.9%	18.0	18.3	1.6%	18.4	-0.5%
Total Revenues	10.9	13.7	24.7%	12.8	7.0%	21.3	24.3	14.2%	23.4	3.8%
EBITDA adjusted	3.0	3.3	9.2%	3.3	-1.8%	4.9	5.9	19.8%	6.0	-1.0%
<i>EBITDA margin</i>	27%	24%		26%		23%	24%		25%	
D&A & Writedown/Provision	(0.6)	(1.2)		(0.4)		(0.9)	(1.8)		(1.0)	
EBIT adjusted	2.6	2.3	-12.8%	2.9	-20.1%	4.3	4.1	-4.1%	5.0	-17.2%
<i>EBIT margin</i>	24%	17%		23%			17%		21%	
Financial Income/charge	(0.0)	(0.1)		(0.0)		(0.1)	(0.1)		(0.1)	
Pretax profit	2.6	2.2		2.8		3.8	3.4		4.4	
Taxes	(0.7)	(0.4)		(0.9)		(1.2)	(0.6)		(1.1)	
tax rate %	-26.3%	-16.9%		-30.1%		-31.1%	-19.0%		-25.0%	
Minorities	0.0	(0.0)		0.1		(0.0)	(0.2)		(0.1)	
Net income	1.9	1.8	-2.9%	2.1	-10.9%	2.534	2.551	0.7%	3.3	-22.0%

Source: Intermonte SIM (E)

2021 Outlook and Change to Estimates

Supportive 2021 outlook. 2021 growth prospects are based on the 3M strategy: 1) **Merge**, involving a constant focus on M&A opportunities; 2) **Management**, i.e. focus on group managerial resources in order to strengthen governance; 3) **Margin**, entailing sustainability and P&L growth that will facilitate technological leadership thanks to proprietary solutions that generate recurring revenues. As announced on 16th February, for 2021 the company estimates net revenues of Eu26.2mn (+43% YoY), with Eu7.9mn at Innovation Services (30% of the total) and Eu18.3mn at Digital Solutions (70%). This material annual increase is above the estimate we published in our initiation report (net revenues +30% in 2021) and is supported by the strengthening of the commercial structure: we note that Gianfranco Severino, who can count on a decade of experience in the ICT sector, most recently at IBM Italia, is now head of the Sales and Marketing division (since March 2021).

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Relatech – Change to Estimates

	New estimates			Old Estimates			Change		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Value of production	32.088	37.129	42.986	30.484	35.667	41.730	5.3%	4.1%	3.0%
YoY growth	31.8%	15.7%	15.8%	30.0%	17.0%	17.0%			
EBITDA adjusted	8.436	10.440	12.415	8.038	10.034	12.051	5.0%	4.0%	3.0%
% margin	26.3%	28.1%	28.9%	26.3%	28.1%	28.9%			
EBIT adjusted	6.236	8.040	9.815	6.838	8.634	10.451	-8.8%	-6.9%	-6.1%
% margin	19.4%	21.7%	22.8%	22.4%	24.2%	25.0%			
Net Income adjusted	4.085	5.336	6.575	4.692	5.978	7.283	-12.9%	-10.7%	-9.7%
NFP	1.633	4.575	8.462	5.509	9.282	14.076	-70.4%	-50.7%	-39.9%

Source: Intermonte SIM (E)






Appendix – Company Description

The company at a glance

Founded in 2001 by Pasquale Lambardi, Relatech group is a Digital Enabler Solution Company that provides support for corporate digital transformation. The group's **value proposition** focuses on its in-depth experience as a **digital enabler**, i.e. in cutting edge digital technology in areas such as **Customer Experience, Big Data, Artificial Intelligence, Blockchain, Internet of Things, Cybersecurity, AR/VR and Cloud**.

The group provides its customised digital solutions through **RePlatform**, a proprietary cloud-based platform which consist of **five technology modules**.

Relatech – RePlatform at a glance

	ReYou Digital Customer eXperience	Know-how and technologies in order to gain the most detailed picture of the attitudes and experiences of users, creating an effective and intuitive Digital Customer eXperience (DCX) as well as improving customer engagement and loyalty to the product / service provider.
	ReThing Phygital Interaction	IoT and Industry 4.0 tools to bridge the physical and digital worlds in order to acquire and monitor data, safeguard against possible service interruptions, and optimise production processes (e.g. digital twins).
	ReData Cognitive Analytics	Acquisition of huge amounts of data for advanced processing using AI and Machine Learning in order to extract valuable information for business, make accurate forecasts, and take prompt and informed decisions.
	ReSec Protection of Value	Advanced functionality and tools for the protection and security of data and systems against intrusion and cyber attacks. Blockchain-based data certification to guarantee the veracity, resistance to modification, and reliability of information.
	ReHub Cloud Readiness	HW and SW infrastructure to guarantee the reliability and scalability of the platform, interoperability with any kind of public, private or hybrid cloud, and the professional and secure management of all aspects of datacentres.

Source: Relatech and Intermonte SIM

The five modules are autonomous but integrated with each other in a single architecture in order to create an innovative and differentiated value proposition to help customers in designing their own approach to digital transformation and to propose the software solutions best suited to their needs.

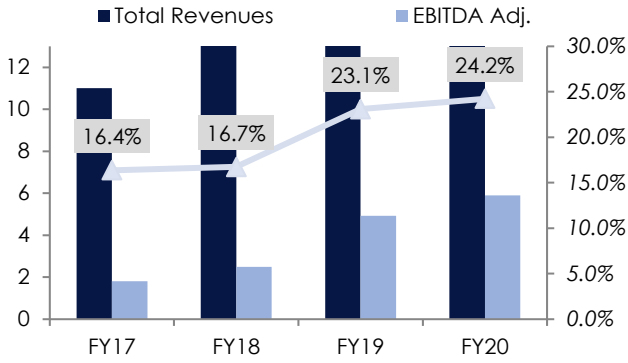
Starting from RePlatform, Relatech's offer consists of **Innovation Services** (c.30% of 2019 revenues) and **Digital Solutions** (c.70% of 2019 revenues). Digital Solutions is at the heart of the Relatech offer and can be categorised as follows:

- a. **Vertical Solutions:** generic solutions based on RePlatform suited for the demands of specific markets (retail, health, industry, etc.);
- b. **Custom Solutions:** tailored solutions based on RePlatform for the digitalisation and automation of specific client processes.

Among the vertical solutions provided by Relatech, in this report we analyse ReZone and ReFab in more detail.

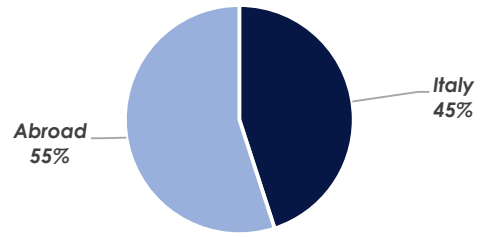
In **2020**, the company recorded a 1.6% YoY rise in net revenues to **Eu18.3mn**, of which ca. 12% came from the increase in scope through the acquisition of Mediatech (June 2020) and Xonne (July 2020). The top-line performance was reflected in **sound profitability**, with **adj. EBITDA of Eu5.9mn** and a margin of 24.2% (vs 23.1% in FY19), a 114bp expansion on the previous year's figures. The increase in EBITDA was mainly due to the scalability of RePlatform and the M&A contribution. Looking at the geographical presence, in FY20 55% of revenues are recorded abroad and the remainder in Italy. During 2020 the number of customers increased by 15% compared to 2019, this result is mainly due to of new customers resulting from the new acquisitions.

Revenues and Margins Trends (2017-2020)



Source: Company data

Value of Production Breakdown by Geography (FY20)



Source: Company data

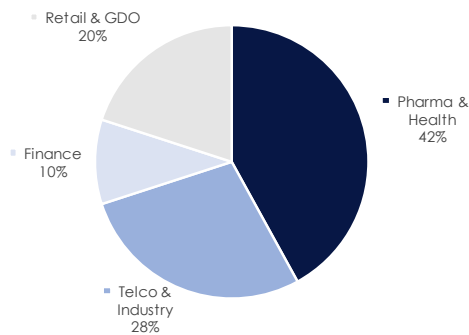
A diversified presence in various market sectors and a concentrated but loyal client base

On the client front, Relatech has a diversified presence in various market sectors, with a prevalence in **Pharma & Healthcare**, followed by **Telco & Industries**, and **Retail** and **Finance**. The Group has more than **130** active direct and indirect **clients**, mostly with long-term, recurring contracts and very low abandonment rates (estimated around 1% of annual turnover).

Although the clientele is still quite concentrated (in 1H20, the top 10 clients accounted for 60% of total revenues), Relatech has been successful in reducing the weight of the top 10, given that at the end of 2018 they accounted for 83% of turnover.

While **high concentration** of the client base is clearly a risk, on the positive side we highlight the solid, long-standing relationships with the main clients (e.g. **Wallgreens** and **Boots**, whose first contracts date back to 2012 and to 2011).

Customer's Breakdown by Market Sector (2019)



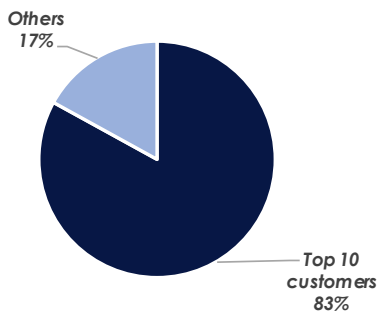
Source: Company data

Top 10 Client's by Sector

Client	Start	Sector
Client #1	2007	Transports
Client #2	2008	Pharma
Client #3	2011	Retail
Client #4	2012	Pharma/Retail
Client #5	2015	Industry
Client #6	2015	Industry
Client #7	2018	Telco
Client #8	2018	Finance
Client #9	2018	Health
Client #10	2019	Industry

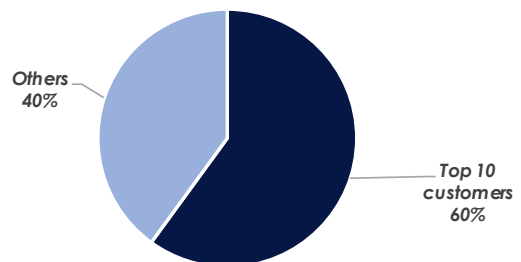
Source: Company data

Clients Concentration in 2018



Source: Company data

Clients Concentration in 1H20



Source: Company data

RELATECH Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
RELATECH	2.79	EUR	91	-1.1%	11.6%	40.4%	11.6%	67.1%	221.9%
AXWAY SOFTWARE	26.90	EUR	573	-5.6%	-0.4%	41.6%	-0.4%	73.5%	122.7%
BECHTLE	159.90	EUR	6,716	2.3%	-10.4%	-7.5%	-10.4%	36.8%	93.7%
CANCOM	49.14	EUR	1,894	-7.3%	8.3%	11.4%	8.3%	25.9%	22.3%
CY4GATE	9.18	EUR	138	-0.6%	6.7%	108.6%	6.7%	128.4%	128.4%
CYBEROO	5.96	EUR	57	-0.3%	0.0%	42.2%	0.0%	75.8%	37.5%
D4T4 SOLUTIONS	3.03	GBP	122	-1.1%	2.5%	62.2%	2.5%	116.1%	17.7%
EUROTECH	5.16	EUR	181	9.7%	0.0%	33.5%	0.0%	2.7%	22.6%
FORTINET	184.42	USD	30,096	9.2%	24.2%	56.5%	24.2%	82.3%	119.6%
GENERIX GROUP	7.82	EUR	177	-0.8%	11.7%	7.1%	11.7%	55.8%	90.7%
IOMART GROUP	3.13	GBP	342	2.0%	-2.2%	-11.8%	-2.2%	15.9%	-10.3%
NEOSPERIENCE	5.86	EUR	44	9.1%	11.0%	21.2%	11.0%	-13.8%	15.2%
NETCOMPANY GROUP	604.00	DKK	29,657	9.4%	-3.0%	14.7%	-3.0%	91.3%	153.5%
REPLY	107.90	EUR	4,037	12.3%	13.2%	9.6%	13.2%	93.7%	88.0%
TINEXTA	22.60	EUR	1,046	9.7%	7.6%	36.0%	7.6%	145.1%	126.0%
WIIT	154.50	EUR	410	-0.6%	-5.2%	-11.0%	-5.2%	78.8%	214.0%
Mean performance				2.9%	4.7%	28.4%	4.7%	67.2%	91.5%
Italy FTSE Mib	24,648.6	EUR	0	7.9%	10.9%	29.6%	10.9%	44.6%	15.8%

Source: FactSet

RELATECH Peer Group - Multiple Comparison

Stock	Price	Ccy	Mkt cap	EV/Sales	EV/Sales	EV/Ebitda	EV/Ebitda	EV/Ebit	EV/Ebit	P/E	P/E	Div Yield	Div Yield
				2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
RELATECH	2.79	EUR	91	2.8	2.3	10.6	8.3	14.4	10.8	22.4	17.1	0.0%	0.0%
AXWAY SOFTWARE	26.90	EUR	573	1.9	1.8	15.9	14.1	21.5	18.2	33.0	29.2	1.5%	1.5%
BECHTLE	159.90	EUR	6,716	1.1	1.0	16.6	15.1	22.0	19.6	31.3	28.4	0.9%	1.0%
CANCOM	49.14	EUR	1,894	0.9	0.8	11.1	9.4	17.5	13.8	30.6	25.0	1.4%	1.6%
CY4GATE	9.18	EUR	138	5.9	4.1	17.6	10.7	26.2	14.9	39.2	22.8	0.0%	0.0%
CYBEROO	5.96	EUR	57	4.1	2.4	12.6	4.8	24.8	6.1	40.9	11.4	0.0%	0.0%
D4T4 SOLUTIONS	3.03	GBP	122	4.4		25.3		28.0		37.8		1.0%	
EUROTECH	5.16	EUR	181	2.1	1.7	16.4	9.4	26.4	12.2	36.8	15.0	0.0%	0.0%
FORTINET	184.42	USD	30,096	9.0	7.4	31.1	25.3	34.3	27.8	50.1	43.5	0.0%	0.0%
GENERIX GROUP	7.82	EUR	177	2.1	2.0	13.2	10.7	20.0	15.3	34.0	26.1	0.0%	0.0%
IOMART GROUP	3.13	GBP	342	3.3	3.2	8.9	8.6	16.3	16.1	19.8	19.2	2.0%	2.2%
NEOSPERIENCE	5.86	EUR	44										
NETCOMPANY GROUP	604.00	DKK	29,657	9.0	7.5	32.9	26.8	38.2	29.8	46.4	37.0	0.5%	0.6%
REPLY	107.90	EUR	4,037	2.6	2.3	16.2	14.2	20.1	17.6	30.2	27.1	0.6%	0.6%
TINEXTA	22.60	EUR	1,046	3.2	2.8	11.9	10.1	17.2	13.8	20.5	17.5	1.5%	1.7%
WIIT	154.50	EUR	410	7.1	6.2	18.5	15.7	35.2	26.7	42.7	31.5	0.7%	1.0%
Median				3.3	2.4	16.3	10.7	23.4	16.1	35.4	26.1	0.6%	0.6%

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	RELATECH		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	3.90	Previous Target (Eu):	3.80
Current Price (Eu):	2.79	Previous Price (Eu):	2.92
Date of report:	01/04/2021	Date of last report:	04/02/2021

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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 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 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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IntermonTE SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 December 2020 IntermonTE's Research Department covered 124 companies. IntermonTE's distribution of stock ratings is as follows:

BUY:	10,57 %
OUTPERFORM:	50,41 %
NEUTRAL:	34,95 %
UNDERPERFORM	04,07 %
SELL:	00,00 %

The distribution of stock ratings for companies which have received corporate finance services from IntermonTE in the last 12 months (49 in total) is as follows:

BUY:	18,37 %
OUTPERFORM:	55,10 %
NEUTRAL:	26,53 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

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Emittente	%	Long/Short
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COGEME SET SPA	1,6	SHORT
IKF	0,57	SHORT
OLIDATA	0,74	SHORT

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