

## Company Note

## MID CORPORATE

### Bifire

2 May 2023: 9:31 CET  
Date and time of production

## A Favourable Mid-Term Scenario

The strong industry performance supported still record results for Bifire in 2022. The company was also able to increase its market share in the thermal insulation business thanks to its specific features. The uncertainty surrounding the fiscal incentive framework in Italy suggests prudence in the short run, but the Energy Performance of Buildings Directive (EPBD) should represent an important trigger for the following years.

## BUY

**Target Price: EUR 4.4**  
(from EUR 4.9)

Italy/Industrials  
Results

### Strong FY22 results

The FY22 sales growth testifies to the company's strength in its sector. Sales increased by 46% yoy, with a 20% EBITDA margin, slightly lower than our estimates, due to raw material and service cost increases. The net financial position was positive at EUR 1.4M.

### Outlook and estimates

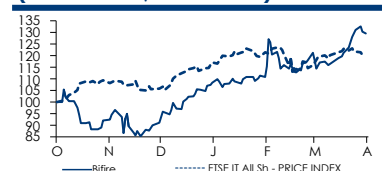
We believe Bifire is in good shape in terms of market positioning and the newly-created system for credit assignment should support the top line. As far as the mid/long-term projects are concerned, the completion of the fourth plant (Seregno) is ongoing, to support the presence of Bifire's products in foreign countries, such as Germany. Moreover, the Energy Performance of Buildings Directive (EPBD) approval could represent a catalyst for the overall sector. For FY23E, we assume flat sales and trim our EBITDA by around 3%, due to still high production costs (though towards normalisation), and possible requests from customers for more convenient selling prices.

### Valuation

We value Bifire with a DCF model and multiples peers' analysis, reaching **a target price of EUR 4.4/share** (vs. EUR 4.9/sh previously), resulting in a potential upside of 29% at the current share price. We rate the stock **BUY**.

### MTA

**Price Performance**  
(RIC: FIRE.MI, BB: FIRE IM)



### Bifire - Key Data

Price date (market close)	28/04/2023
Target price (EUR)	4.4
Target upside (%)	28.67
Market price (EUR)	3.40
Market cap (EUR M)	59.33
52Wk range (EUR)	NA/NA

Price performance %	1M	3M	12M
Absolute	9.1	18.9	NA
Rel. to FTSE IT All Sh	6.2	16.4	NA

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Revenues	42.03	42.14	45.09
EBITDA	8.81	8.77	9.58
EBIT	6.94	6.57	6.65
Net income	5.34	5.00	5.06
EPS (EUR)	0.31	0.29	0.29
Net debt/-cash	-1.44	-2.58	-6.51
Adj P/E (x)	9.0	11.9	11.7
EV/EBITDA (x)	5.3	6.5	5.5
EV/EBIT (x)	6.7	8.6	7.9

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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## FY22 Results: Still Strong Top Line

FY22 sales rose by 46% yoy, 2% above our estimates. There was slowdown in 2H22 as expected, with sales up by 29.5% given the strong 2H21 performance. FY22 EBITDA was slightly better than our estimate, although the EBITDA margin on value of production was 60bps lower than our estimate. YE22 net financial position was cash positive at EUR 1.4M. In more detail:

- Building business showed strong growth trend, supported by the so-called "Superbonus 110%", while the Industrial business was broadly stable. Both growing volumes and end-price increases contributed to the FY22 top-line trend. The positive trend in Bifire's sales compares with the broadly stable trend of the construction market in 2H22;
- FY22 EBITDA was slightly better than our estimate, although the EBITDA margin on value of production was 60bps lower than our estimate (100bps lower in 2H22): the increase in energy and raw material costs was not fully offset by end-price increases. On this issue, the company stated that they are implementing specific measures to improve the purchase policy and cost management;
- FY22 net profit was 4.6% better than our estimate, growing by 27% yoy (12% on value of production) thanks to a more favourable tax rate;
- YE22 net financial position was cash positive at EUR 1.4M, not far from our expected cash of EUR 1.6M vs. net debt of EUR 2M at YE21: it benefitted from around EUR 9M IPO proceeds. Capex was EUR 5.1M (vs. EUR 1.8M in FY21) and was allocated to the completion of the Varedo plant, which is currently ready to start, and to the fourth industrial plant in Seregno (close to the completion, operations are expected to start in 2H23);
- We point out that Bifire spent EUR 2M in R&D in FY22 (new products, i.e. Supersil 20mm, Aquaglass, already presented to the market in 1Q23; product improvements, such as Aquafire).

### Bifire – FY/2H22 results

EUR M	2H21	2H22E	2H22A	yoy %	A/E %	FY21A	FY22E	FY22A	yoy %	A/E %
Sales	15.6	19.4	20.3	29.5	4.4	28.8	41.2	42	46	1.9
Value of production	16.1	19.5	21.4	32.9	9.7	29.6	42.1	44	48.7	4.6
EBITDA	3.4	3.7	3.8	12.5	3.4	7	8.7	8.8	25.8	1.3
EBITDA margin % (on value of production)	21.3	18.9	17.9			23.5	20.6	20.0		
D&A	-0.7	-1	-1	44.9	1.7	-1.4	-1.9	-1.9	33.8	-1.4
EBIT	2.7	2.7	2.8	3.6	3.6	5.6	6.8	6.9	23.9	2
EBIT margin % (on value of production)	16.8	13.7	13.1			18.8	16.2	15.8		
Pre-Tax Profit	2.7	2.6	2.7	-0.3	3.5	5.5	6.7	6.8	23.4	1.3
Income taxes	-0.7	-0.6	-0.4	-37	-26.5	-1.3	-1.6	-1.5	11.7	-9.3
Tax rate (%)	24.8	23	16.4			23	24	21.4		
Net Profit	2	2	2.3	12.5	12.5	4.2	5.1	5.3	27.1	4.6
% on value of production	12.5	10.4	10.5			14.3	12.2	12.1		
Net debt/-cash	2	-1.6	-1.4	NM	-14	2	-1.6	-1.4	NM	-14

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Earnings Outlook

According to the company, in the short run, the overall construction sector could be penalised by the recent introduction in Italy (law decree n.11, 16/02/2023) of restrictions on credit assignment and invoice deduction on tax credits. Bifire has devised a payment system employing tax credits to assist its customers. We believe this is an important move to support the top line, which the company expects to see in recovery only at the end of FY23, after quite weak quarters along the year. In the mid-term, the new Energy Performance Building Directive (EPBD) should represent an important trigger for Bifire.

Bifire stated that it has consolidated its position in the fire protection and external cladding markets, while increasing its market share in the thermal insulation field, especially with high-technology products within the range of Vacunanex; in fact, there is an increasing awareness of consumers towards energy savings and the use of high-technology products for thermal insulation, including the new lines Supersil, Aquaglass and Bilife.

### Estimates fine-tuning

For FY23E, we forecast flat sales at EUR 42.1M and the value of the production at EUR 43M (-2.2% yoy); we see the same trend in both the Building and the Industrial business. The slowdown in sales/value of production growth in FY23E is on the back of two booming years unlikely repeatable in light of the uncertainty surrounding the fiscal incentive framework in Italy. We trim our EBITDA forecast (-3.3% vs. our previous estimate), given the still high cost for services and raw materials (although are going towards normalisation), and possible requests from customers for more convenient selling prices. As for FY24E, we expect the value of production up by 7% yoy, also driven by volumes coming from the Seregno plant. We expect the EBITDA margin on value of production to gradually improve (20.4% in FY23E and 20.8% in FY24E).

### Bifire – Estimates revision (2023E-24E)

EUR M	2023E Old	2023E New	2023E chg %	2024E Old	2024E New	2024E chg %
<b>Value of production</b>	<b>42.6</b>	<b>43.0</b>	<b>1.0</b>	<b>46.9</b>	<b>46.1</b>	<b>-1.7</b>
EBITDA	9.1	8.8	-3.3	10.2	9.6	-5.8
EBITDA margin (%)	21.3	20.4		21.7	20.8	
EBIT	6.9	6.6	-4.6	7.2	6.6	-7.5
EBIT margin (%)	16.2	15.3		15.3	14.4	
Net Profit	5.2	5.0	-4.7	5.5	5.1	-7.5
% on value of production	12.3	11.6		11.7	11.0	
Net Debt/-cash	-4.0	-2.6		-6.6	-6.5	

E: estimates; Source: Intesa Sanpaolo Research

In our explicit estimates, we include FY25E, when we expect the foreign expansion to give a solid contribution to sales and EBITDA. We forecast increasingly improving net financial position over the next three years.

### Bifire – new estimates (FY23E/25E)

EUR M	2022A	2023E	yoy %	2024E	yoy %	2025E	yoy %
Value of production	44.0	43.0	-2.2	46.1	7.1	50.6	9.8
EBITDA	8.8	8.8	-0.5	9.6	9.3	10.9	13.5
EBITDA margin (%)	20.0	20.4		20.8		21.5	
EBIT	6.9	6.6	-5.2	6.6	1.1	7.6	15.0
EBIT margin (%)	15.8	15.3		14.4		15.1	
Net Profit	5.3	5.0	-6.3	5.1	1.1	5.8	15.1
% on value of production	12.1	11.6		11.0		11.5	
Net debt/-cash	-1.4	-2.6		-6.5		-11.1	

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Valuation

We believe that a DCF model is the most appropriate way to value Bifire, in order to capture its expected growth and profitability. We also use a peers' comparison analysis to incorporate the positive momentum of foreign peers, not included in Bifire's market valuation. Our DCF valuation points to EUR 3.9/share (EUR 4.2/sh in our previous valuation), after basically including changes to the DCF parameters. Considering a weighted average of DCF and relative valuation with international peers, we derive a **target price of EUR 4.4/share** (from our previous EUR 4.9/sh), implying a 28% upside potential on the current share price.

### Bifire – valuation summary

EUR/share	Weighting (%)	
DCF Valuation	3.9	50
Relative valuation (international peers peers)	4.8	50
<b>Fair value</b>	<b>4.4</b>	
Current price	3.4	
% upside/-downside	27.9	

Source: Intesa Sanpaolo Research estimates

### DCF model

In our DCF model, we adopt a 4% risk-free rate (3.5% previously), 6.5% market risk premium (unchanged) and assume 100% equity in the company's capital structure, as it is currently. Our WACC is 10.3% (vs. 9.7% in our previous valuation).

### Bifire – DCF model (2023-31E)

EUR M	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Norm.year
Value of production	43.0	46.1	50.6	53.1	55.8	58.6	61.5	64.0	66.5	68.2
EBITDA	8.8	9.6	10.9	11.7	12.3	12.7	13.2	13.4	13.3	12.3
Depreciation & other provisions	2.2	2.9	3.2	2.1	2.2	2.3	1.8	1.9	2.0	2.7
EBIT	6.6	6.6	7.6	9.6	10.0	10.4	11.4	11.5	11.3	9.5
Taxes	-1.5	-1.5	-1.7	-2.2	-2.3	-2.4	-2.6	-2.6	-2.6	-2.2
NOPAT	5.1	5.1	5.9	7.4	7.7	8.0	8.8	8.9	8.7	7.3
Gross Operating Cash Flow	7.3	8.1	9.1	9.5	10.0	10.3	10.6	10.8	10.7	10.1
Capex	-5.8	-1.8	-1.8	-1.9	-2.0	-2.1	-2.5	-2.6	-2.7	-2.7
Change in Net Working Capital	-0.5	-2.4	-2.7	-0.9	-0.9	-1.0	-1.0	-0.9	-0.9	-0.3
<b>Cash flow do be discounted</b>	<b>1.0</b>	<b>3.9</b>	<b>4.6</b>	<b>6.7</b>	<b>7.0</b>	<b>7.3</b>	<b>7.1</b>	<b>7.4</b>	<b>7.1</b>	<b>7.1</b>

Source: Intesa Sanpaolo Research estimates

### Bifire – WACC calculation (%)

Free Risk Rate	4.0
Beta (x)	0.97
Mkt Risk Premium	6.5
Cost of Equity	10.3
Gearing (D/E)	0.0
Ke %	100.0
<b>WACC</b>	<b>10.3</b>

Source: Intesa Sanpaolo Research estimates

### Bifire – DCF calculation (EUR M)

Cumulated DCF	31.3
Perpetual Growth Rate (g %)	2.5
Normalised Annual CF	7.1
Discounted Terminal Value	36.2
Enterprise Value	67.5
-Net Financial Debt + Cash YE22	1.4
<b>Equity Market Value</b>	<b>68.9</b>
Number of shares (M)	17.5
<b>Value per share (EUR)</b>	<b>3.9</b>

Source: Intesa Sanpaolo Research estimates

## Peers' comparison

As for the peers' analysis, our sample of international companies refers to players active in the same field as Bifire, though with quite bigger size than Bifire. In Italy, there are no listed peers.

### Bifire – Peers comparison based on international peers

x	Price EUR	Mkt Cap EUR M	EV/Sales			EV/EBITDA adj.			EV/EBIT adj.			P/E adj.		
			2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Kingspan	62.7	11,404	1.6	1.5	1.3	13.6	12.6	10.9	17.5	16.2	14.7	20.0	18.6	16.7
Rockwool	219.3	4,750	1.3	1.3	1.2	7.3	6.8	6.1	12.1	10.9	9.5	16.5	14.5	12.9
Steico	45.2	635.9	1.7	1.5	1.2	9.2	7.7	6.5	13.0	10.6	9.4	15.7	14.1	10.8
Recticel	12.9	726.4	0.6	0.6	0.5	5.9	4.9	4.1	8.4	6.6	5.5	20.6	16.2	14.7
Bewi	3.5	680.6	0.9	0.8	0.7	7.5	6.2	5.6	13.3	9.9	8.7	16.9	10.4	9.4
<b>Average</b>			<b>1.2</b>	<b>1.1</b>	<b>1.0</b>	<b>8.7</b>	<b>7.6</b>	<b>6.7</b>	<b>12.9</b>	<b>10.9</b>	<b>9.6</b>	<b>17.9</b>	<b>14.8</b>	<b>12.9</b>
Bifire*	3.4	59.3	1.3	1.2	1.0	6.5	5.5	4.4	8.6	7.9	6.3	11.9	11.7	10.2
<b>Premium/-discount %</b>			<b>7.3</b>	<b>7.5</b>	<b>-2.8</b>	<b>-25.2</b>	<b>-28.0</b>	<b>-33.8</b>	<b>-33.2</b>	<b>-27.2</b>	<b>-34.1</b>	<b>-33.7</b>	<b>-20.8</b>	<b>-20.9</b>

Priced at market close on 28/04/2023; Source: FactSet consensus and \*Intesa Sanpaolo Research estimates

### Bifire – Multiples valuation

x/EUR M	P/E			EV/EBIT			EV/EBITDA		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
<b>Average International peers</b>	<b>17.9</b>	<b>14.8</b>	<b>12.9</b>	<b>12.9</b>	<b>10.9</b>	<b>9.6</b>	<b>8.7</b>	<b>7.6</b>	<b>6.7</b>
Net profit	5.0	5.1	5.8						
EBIT				6.6	6.6	7.6			
EBITDA							8.8	9.6	10.9
EV				84.6	72.2	73.1	76.2	73.2	72.3
Net debt (-cash)				-2.6	-6.5	-11.1	-2.6	-6.5	-11.1
Equity value	89.7	74.7	75.0	87.2	78.7	84.2	78.7	79.7	83.4
<b>Value per share (EUR)</b>	<b>5.1</b>	<b>4.3</b>	<b>4.3</b>	<b>5.0</b>	<b>4.5</b>	<b>4.8</b>	<b>4.5</b>	<b>4.6</b>	<b>4.8</b>

Priced at market close on 28/04/2023; Source: Factset consensus and Intesa Sanpaolo Research estimates

## ESG Matrix

### Bifire - ESG Matrix

Main KPIs		2019	2020	2021	Trend
E	<b>Emissions GHG (ton. CO2 eq.)</b>				
	-Scope 1 (direct emissions generated by the company)	2.2	1.9	2.6	-
	-Scope 2 (emissions from electricity consumption in the production process)	0.7	0.7	0.8	-
	-Scope 3 (indirect emissions)	0.0	0.1	0.0	-
	<b>Circular Economy</b>				
	-Recycled material in the production process (%)	NA	0.0	0.2	+
	<b>Renewables Ratio</b>				
S	-Electricity from renewables on total consumption (%)	0.0	0.4	5.0	+
	Notes (Environmental):				
	Women in leadership roles* (%)	0.0	0.0	0.0	=
	Training hrs per capita (No.)	NA	NA	1.9	+
	Turnover ratio (%)	25.0	33.5	25.0	=
	Work-related injuries (editable)	2.0	4.0	0.0	-
	Ethical code	Yes	Yes	Yes	=
G	Notes (Social):				
	Independent directors' rate (%)	NA	NA	33.0	+
	Women in BoD (%)	NA	NA	0.0	=
	Anti-corruption	NA	NA	Yes	=
	Management Remuneration Policy linked to ESG goals	NA	NA	No	+
	ESG Investors' ratio on floating capital (%)	NA	NA	NA	+
	ESG Report	NA	NA	Yes	=
	Remuneration BOD (Editable)	NA	NA	NA	=
	Shareholders'/Consulting Agreement	NA	NA	No	=
	Loyalty Shares	NA	NA	No	=

Note: the indicators +/- refer to how the company, in ISP view, is progressing towards its targets and/or vs. its historic trend; //: no explicit targets; Source: Company data and Intesa Sanpaolo Research elaboration and Company data and Intesa Sanpaolo elaboration

## Bifire – Key Data

Rating BUY	Target price (EUR/sh) Ord 4.4		Mkt price (EUR/sh) Ord 3.40		Sector Industrials	
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. ordinary shares (M)	17.45	17.45	17.45	17.45	17.45	17.45
Total no. of shares (M)	17.45	17.45	17.45	17.45	17.45	17.45
Market cap (EUR M)	NA	NA	48.00	59.33	59.33	59.33
Adj. EPS	0.13	0.24	0.31	0.29	0.29	0.33
BVPS	0.76	1.0	1.8	2.1	2.4	2.7
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	19.25	28.79	42.03	42.14	45.09	49.60
EBITDA	3.84	6.96	8.81	8.77	9.58	10.87
EBIT	2.66	5.56	6.94	6.57	6.65	7.65
Pre-tax income	2.62	5.51	6.79	6.50	6.57	7.56
Net income	2.27	4.24	5.34	5.00	5.06	5.82
Adj. net income	2.27	4.24	5.34	5.00	5.06	5.82
Cash flow (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net income before minorities	2.3	4.2	5.3	5.0	5.1	5.8
Depreciation and provisions	1.2	1.4	1.9	2.2	2.9	3.2
Others/Uses of funds	0	-0.0	0.1	0.1	0.1	0.1
Change in working capital	0.5	-2.4	-4.8	-0.5	-2.4	-2.7
Operating cash flow	4.0	3.2	2.6	6.8	5.7	6.4
Capital expenditure	-3.3	-2.0	-7.8	-5.8	-1.8	-1.8
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	0.6	1.2	-5.3	1.0	3.9	4.6
Dividends	0	0	0	0	0	0
Equity changes & Non-op items	0	-0.0	9.2	-0.3	-0.0	-0.0
Net cash flow	0.6	1.2	3.9	0.7	3.9	4.6
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net capital employed	16.5	19.6	30.4	34.2	35.3	36.5
of which associates	0	0	0	0	0	0
Net debt/-cash	3.2	2.0	-1.4	-2.6	-6.5	-11.1
Minorities	0	0	0	0	0	0
Net equity	13.3	17.6	31.8	36.8	41.9	47.7
Minorities value	0	0	0	0	0	0
Enterprise value	NA	NA	46.6	56.8	52.8	48.2
Stock market ratios (x)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	NA	NA	9.0	11.9	11.7	10.2
P/CFPS	NA	NA	6.7	8.2	7.4	6.6
P/BVPS	NA	NA	1.5	1.6	1.4	1.2
Payout (%)	0	0	0	0	0	0
FCF yield (%)	NA	NA	-11.0	1.7	6.6	7.8
EV/sales	NA	NA	1.1	1.3	1.2	0.97
EV/EBITDA	NA	NA	5.3	6.5	5.5	4.4
EV/EBIT	NA	NA	6.7	8.6	7.9	6.3
EV/CE	NA	NA	1.5	1.7	1.5	1.3
D/EBITDA	0.84	0.29	Neg.	Neg.	Neg.	Neg.
D/EBIT	1.2	0.36	Neg.	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA margin	19.9	24.2	21.0	20.8	21.2	21.9
EBIT margin	13.8	19.3	16.5	15.6	14.7	15.4
Tax rate	13.6	23.0	21.4	23.0	23.0	23.0
Net income margin	11.8	14.7	12.7	11.9	11.2	11.7
ROCE	16.1	28.4	22.8	19.2	18.8	20.9
ROE	17.1	27.5	21.6	14.6	12.9	13.0
Interest cover	69.4	103.5	47.2	84.7	80.1	84.0
Debt/equity ratio	24.3	11.5	Neg.	Neg.	Neg.	Neg.
Growth (%)	2020A	2021A	2022A	2023E	2024E	2025E
Sales		49.6	46.0	0.3	7.0	10.0
EBITDA		81.1	26.6	-0.5	9.3	13.5
EBIT		NM	24.8	-5.2	1.1	15.0
Pre-tax income		NM	23.3	-4.3	1.1	15.1
Net income		87.2	25.8	-6.3	1.1	15.1
Adj. net income		87.2	25.8	-6.3	1.1	15.1

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Company Snapshot

### Company Description

Bifire is a leading Italian manufacturer of products for thermal insulation and fire protection for the building sector and for the industrial and marine fields. It was founded in 2002 and its main features have always been product quality and high level of technology and innovation; it is considered as a technology partner by many players it works with. The stock was listed on the Euronext Growth Milan Index on 31 May 2022.

### Key Risks

#### Company specific risks:

- Competition from foreign big players
- Difficulties in recruiting qualified personnel
- Dependence on 2 key peoples
- Low liquidity stock

#### Sector generic risks:

- Partially correlated to the building and construction sector trend
- Easing of fiscal benefits related to building renovation
- Raw material price increases

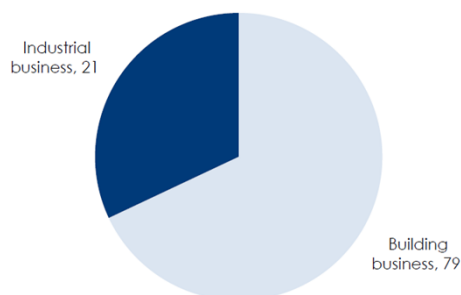
### Key data

Mkt price (EUR)	3.40	Free float (%)	15.6
No. of shares	17.45	Major shr	Altus S.r.l.
52Wk range (EUR)	NA/NA	(%)	68.8
Reuters	FIRE.MI	Bloomberg	FIRE IM
<b>Performance (%)</b>	<b>Absolute</b>	<b>Rel. FTSE IT All Sh</b>	
-1M	9.1	-1M	6.2
-3M	18.9	-3M	16.4
-12M	NA	-12M	NA

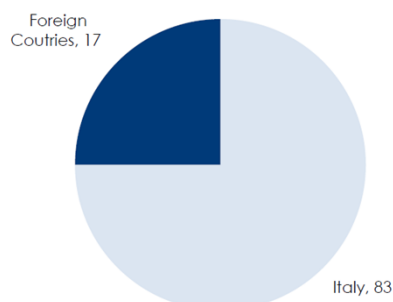
### Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Sales	42.03	42.14	41.89	45.09	NA	49.60	NA
EBITDA	8.81	8.77	8.93	9.58	NA	10.87	NA
EBIT	6.94	6.57	6.65	6.65	NA	7.65	NA
Pre-tax income	6.79	6.50	6.51	6.57	NA	7.56	NA
Net income	5.34	5.00	5.03	5.06	NA	5.82	NA
EPS	0.31	0.29	0.29	0.29	NA	0.33	NA

### FY22A Sales breakdown by Industry (%)



### FY22A Sales breakdown by Geographical Area (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 28/04/2023)

## Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation around EUR 1Bn.



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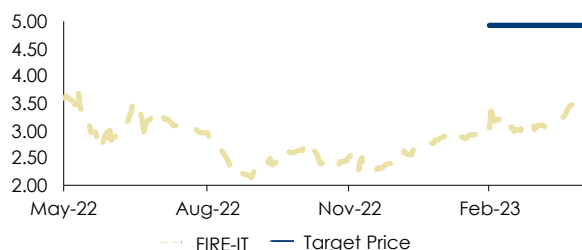
#### Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
SELL	If the target price is 10% lower than the market price.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
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Note	Intesa Sanpaolo assigns ratings to stocks on a 12M horizon based on a number of fundamental drivers including, among others, updates to earnings and/or valuation models; short-term price movements alone do not imply a reassessment of the rating by the analyst.

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#### Target price and market price trend (-1Y)



#### Historical recommendations and target price trend (-1Y)

Date	Rating	TP (EUR)	Mkt Price (EUR)
28-Feb-23	BUY	4.9	3.0

### Equity rating allocations (long-term horizon: 12M)

#### Intesa Sanpaolo Research Rating Distribution (at April 2023)

Number of companies considered: 131

	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	63	11	21	0	0
of which Intesa Sanpaolo's Clients (%)**	75	45	43	0	0

\* Last rating refers to rating as at end of the previous quarter; \*\* Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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