

OMER

Sector: Industrials

OUTPERFORM

Price: Eu4.34 - Target: Eu5.00

Strong 1H to Drive FY Growth

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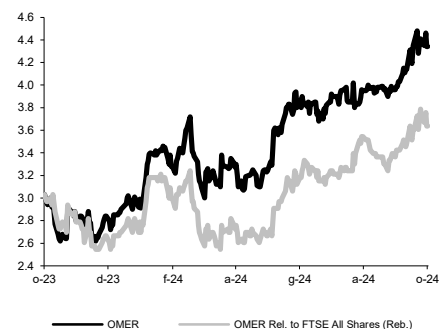
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 5.20 to 5.00		
	2024E	2025E	2026E
Chg in Adj EPS	-7.8%	-7.4%	-6.5%

Next Event

 Results Out 18th November

OMER - 12M Performance



Stock Data

Reuters code:	OMR.MI		
Bloomberg code:	OMER IM		
Performance	1M	3M	12M
Absolute	8.8%	10.7%	43.2%
Relative	6.2%	11.6%	23.2%
12M (H/L)	4.48/2.62		
3M Average Volume (th):	8.19		

Shareholder Data

No. of Ord shares (mn):	29
Total no. of shares (mn):	29
Mkt Cap Ord (Eu mn):	124
Total Mkt Cap (Eu mn):	124
Mkt Float - Ord (Eu mn):	32
Mkt Float (in %):	25.6%
Main Shareholder:	
Russello Fam.	74.0%

Balance Sheet Data

Book Value (Eu mn):	63
BVPS (Eu):	2.19
P/BV:	2.0
Net Financial Position (Eu mn):	22
Enterprise Value (Eu mn):	109

OMER report a strong and in line with expectations 1H24 with growth supported by higher production volumes at both Italian and US plants, only partly offset by price revision and cost inflation. We confirm our revenue growth forecast for 2024 and outer years, but we slightly reduce profitability on the back of higher than previously assumed cost inflation. Despite that, we confirm our positive view on the stock as reasons supporting our investment case are unchanged. We continue to appreciate the company's solid reputation and trusted relationship with train manufacturers in an industry with high entry barriers and growth potential. TP to €5.0 from €5.2 on lower estimates and partial roll-over, the stock is up +46% YTD and trades at 7.1/5.9x the EV/EBITDA 24/25.

■ **1H24 results: strong and in line with expectations.** OMER reported strong and in line with expectations 1H24 results driven by higher volumes only partly offset by price revision and cost inflation. Revenues closed at €39.3mn (38.7mn exp.), up +19% YoY, amid higher output from Italian and US plant (+23%) while pricing was negative (-4%) as inflation-linked compensation from customers were lower YoY. EBITDA was €8.0mn (8.0mn exp.), +11% YoY, leading to a 20.2% margin (-1.5pp YoY) as volume growth was offset by negative pricing effect, general and labour cost inflation. Net income was €4.5mn (4.4mn exp.), +23% YoY, following by essentially in line D&A, net fin. exp. and tax rate. Net cash was €17.4mn, below our €20.3mn, but explained by the lower usage of factoring by €3mn.

■ **Backlog update.** Backlog for which production orders have already been issued by customers remained flat at €122mn vs €124/125mn at 1Q24/YE23. This was achieved mainly thanks to the conversion of options on tenders already awarded as the Backlog incl. options went from €245/243mn in 1Q24/YE23 to €229mn in 1H24. The company expects to close new smaller contracts in the coming months while we flag that in its latest report UNIFE slightly raised growth prospects for the railway sector for the coming years. In addition, we remain confident about the prospects for the La Dolce Vita project and highlight that the company signed up for the Alstom's Alliance Program testifying its positive relationship with the train maker.

■ **2024 outlook: growth prospects confirmed, although general cost inflation bites.** In terms of revenue, we confirm our €75mn assumption for the year with similar, albeit slower volume growth in 2H vs 1H (+5% vs +19%). This is due to a tougher comparison base in US (1H23 was close to zero while production resumed in 2H23) and a normalization of growth at Italian plants especially from Alstom after the 1H push ahead of the Olympics. Pricing is expected to show similar trends with lower revisions recognized compared to last year. EBITDA is still expected to show positive growth for the year at +2% YoY to €15.5mn, although lower than previously expected (€16.8mn prev.) amid higher general cost inflation. All in all, we lower EPS estimate by -7% due to the just mentioned trends only partly offset by better net financial income allowed by lower use of factoring.

■ **Valuation.** We value the stock based on the ROIC/WACC framework with average ROIC of ~24% between 2024-26, WACC of 8.6% and TGR of 1.0% to which we add a €0.1 per share from the La Dolce Vita opportunity (2 trains seen as "one-off").

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	63	67	75	78	81
EBITDA Adj (Eu mn)	14	15	15	16	17
Net Profit Adj (Eu mn)	8	8	9	10	10
EPS New Adj (Eu)	0.291	0.293	0.317	0.341	0.363
EPS Old Adj (Eu)	0.291	0.293	0.343	0.368	0.388
DPS (Eu)	0.050	0.060	0.000	0.000	0.000
EV/EBITDA Adj	6.8	4.8	7.1	5.9	5.1
EV/EBIT Adj	8.3	6.0	9.0	7.4	6.4
P/E Adj	14.9	14.8	13.7	12.7	12.0
Div. Yield	1.2%	1.4%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-0.7	-1.3	-1.4	-2.0	-2.5

OMER – Key Figures						
Profit & Loss (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	57	63	67	75	78	81
EBITDA	16	14	15	15	16	17
EBIT	14	11	12	12	13	14
Financial Income (charges)	0	-0	-1	0	0	0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	14	11	11	12	13	14
Taxes	-4	-3	-3	-3	-3	-4
Tax rate	25.9%	24.8%	26.6%	26.0%	26.0%	26.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	10	8	8	9	10	10
EBITDA Adj	16	14	15	15	16	17
EBIT Adj	14	11	12	12	13	14
Net Profit Adj	10	8	8	9	10	10
Per Share Data (Eu)	2021A	2022A	2023A	2024E	2025E	2026E
Total Shares Outstanding (mn) - Average	29	29	29	29	29	29
Total Shares Outstanding (mn) - Year End	29	29	29	29	29	29
EPS f.d	0.356	0.291	0.293	0.317	0.341	0.363
EPS Adj f.d	0.364	0.291	0.293	0.317	0.341	0.363
BVPS f.d	1.398	1.694	1.931	2.188	2.529	2.892
Dividend per Share ORD	0.280	0.050	0.060	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	78.8%	17.2%	20.5%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Gross Cash Flow	12	11	11	12	13	14
Change in NWC	5	-16	5	-4	2	-1
Capital Expenditure	-3	-4	-5	-4	-4	-4
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	14	-9	12	4	11	9
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-5	0	-1	-2	0	0
Equity Financing/Buy-back	13	0	0	0	0	0
Change in Net Financial Position	22	-9	10	2	11	9
Balance Sheet (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Total Fixed Assets	13	14	16	17	18	18
Net Working Capital	9	25	20	24	22	22
Long term Liabilities	-0	-0	-0	-0	-0	-0
Net Capital Employed	21	39	35	41	39	40
Net Cash (Debt)	19	10	20	22	34	43
Group Equity	40	49	55	63	72	83
Minorities	0	0	0	0	0	0
Net Equity	40	49	55	63	72	83
Enterprise Value (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Average Mkt Cap	114	89	81	124	124	124
Adjustments (Associate & Minorities)	-10	-14	-11	-7	-7	-7
Net Cash (Debt)	19	10	20	22	34	43
Enterprise Value	105	93	73	109	98	89
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA Adj Margin	28.0%	21.8%	22.4%	20.6%	21.1%	21.4%
EBIT Adj Margin	24.7%	17.8%	18.0%	16.2%	16.9%	17.2%
Gearing - Debt/Equity	-46.6%	-19.7%	-35.8%	-35.3%	-46.3%	-51.3%
Interest Cover on EBIT	nm	57.0	17.8	nm	nm	nm
Net Debt/EBITDA Adj	-1.2	-0.7	-1.3	-1.4	-2.0	-2.5
ROACE*	56.3%	37.3%	32.6%	32.1%	33.1%	35.2%
ROE*	32.5%	18.8%	16.2%	15.4%	14.5%	13.4%
EV/CE	4.3	3.1	1.9	2.9	2.5	2.2
EV/Sales	1.8	1.5	1.1	1.5	1.3	1.1
EV/EBITDA Adj	6.6	6.8	4.8	7.1	5.9	5.1
EV/EBIT Adj	7.4	8.3	6.0	9.0	7.4	6.4
Free Cash Flow Yield	10.5%	-6.7%	8.6%	3.0%	8.7%	6.9%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	39.8%	10.9%	6.3%	11.7%	3.8%	3.9%
EBITDA Adj	73.5%	-13.7%	9.7%	2.5%	6.4%	5.4%
EBIT Adj	76.0%	-20.0%	7.4%	0.6%	7.9%	5.8%
Net Profit Adj	65.3%	-20.2%	0.8%	7.9%	7.7%	6.4%
EPS Adj	65.3%	-20.1%	0.9%	7.9%	7.7%	6.4%
DPS	nm	-82.1%	20.0%	nm		

*Excluding extraordinary items

Source: Intermonte SIM estimates

1H24 results

Income statement, cash flow and key financial ratios

Income Statement	1H23A	2H23A	2023A	1H24A	2H24E	2024E	1H24E	A/E %
Revenues	33.0	34.3	67.3	39.3	35.9	75.1	38.7	+1%
YoY growth %	+6%	+7%	+6%	+19%	+5%	+12%	+18%	
Adj. EBITDA	7.2	7.9	15.1	8.0	7.5	15.5	8.0	-0%
YoY growth %	+10%	+10%	+10%	+11%	-5%	+2%	+11%	
Adj. EBITDA margin %	21.7%	23.1%	22.4%	20.2%	21.0%	20.6%	20.6%	
- D&A	-1.4	-1.6	-3.0	-1.7	-1.6	-3.3	-1.7	
Adj. EBIT	5.8	6.4	12.1	6.2	6.0	12.2	6.3	-1%
YoY growth %	+4%	+10%	+7%	+8%	-6%	+1%	+9%	
Adj. EBIT margin %	17.5%	18.5%	18.0%	15.9%	16.6%	16.2%	16.3%	
- Non-recurring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Financial income & charges	-0.4	-0.2	-0.7	0.0	0.0	0.1	-0.2	
Pre-tax Income	5.3	6.1	11.4	6.3	6.0	12.3	6.1	+3%
- Tax income	-1.6	-1.4	-3.0	-1.7	-1.4	-3.2	-1.7	
Tax rate %	30.9%	22.8%	26.6%	27.9%	24.1%	26.0%	28.0%	
Net Income	3.7	4.7	8.4	4.5	4.5	9.1	4.4	+3%
YoY growth %	-3%	+4%	+1%	+23%	-4%	+8%	+19%	
Net Income margin %	11.2%	13.8%	12.5%	11.5%	12.6%	12.1%	11.3%	
NOSH	28.6	28.6	28.6	28.6	28.6	28.6	28.6	
Adj. EPS	0.13	0.16	0.29	0.16	0.16	0.32	0.15	+3%
YoY growth %	-3%	+4%	+1%	+23%	-4%	+8%	+19%	
Cash flow from operations	11.0	5.5	16.5	1.4	6.6	8.0	4.7	
Capex	-2.2	-2.7	-4.9	-1.5	-2.5	-4.0	-2.5	
FCF	8.8	2.8	11.6	-0.2	4.2	4.0	2.2	
Div., Buyb., Equity fin.	-1.6	0.0	-1.6	-1.7	0.0	-1.7	-1.7	
Others	0.1	0.1	0.2	-0.5	0.5	0.0	0.0	
Change in NFP	7.3	2.9	10.2	-2.4	4.7	2.3	0.5	
Net debt/(cash)	-16.9	-19.8	-19.8	-17.4	-22.1	-22.1	-20.3	-14%
Key Financial ratio	1H23A	2H23A	2023A	1H24A	2H24E	2024E	1H24E	
Hard backlog	133	125	125	122	128	128	124	
Hard backlog vs Net Sales	2.0x	1.9x	1.9x	1.7x	1.7x	1.7x	1.7x	
NWC/Sales %	29%	29%	29%	34%	32%	32%	29%	
CapEx/Sales %	-6%	-7%	-7%	-6%	-5%	-5%	-7%	
Net Debt/EBITDA Adj.	-1.2x	-1.3x	-1.3x	-1.1x	-1.4x	-1.4x	-1.3x	

Source: Company data & Intermonte SIM Estimates

Change in estimates

Change in estimates

	New			Old			2023A	Δ %	
	2024E	2025E	2026E	2024E	2025E	2026E		2024E	2025E
Revenues	75.1	78.0	81.0	75.1	78.1	81.1	+0%	-0%	-0%
YoY growth %	+12%	+4%	+4%	+12%	+4%	+4%			
Adj. EBITDA	15.5	16.5	17.4	16.8	17.9	18.8	-8%	-8%	-8%
YoY growth %	+2%	+6%	+5%	+11%	+6%	+5%			
Adj. EBITDA margin %	20.6%	21.1%	21.4%	22.4%	22.9%	23.2%			
Adj. EBIT	12.2	13.2	13.9	13.5	14.4	15.1	-8%	-8%	-8%
YoY growth %	+1%	+8%	+6%	+11%	+7%	+5%			
Adj. EBIT margin %	16.2%	16.9%	17.2%	18.0%	18.4%	18.6%			
Adj. EPS	0.32	0.34	0.36	0.34	0.37	0.39	-8%	-7%	-6%
YoY growth %	+8%	+8%	+6%	+17%	+7%	+5%			
Net debt/(cash)	-22.1	-33.5	-42.5	-26.7	-34.2	-43.3	-17%	-2%	-2%
Net Debt/EBITDA Adj.	-1.4x	-2.0x	-2.5x	-1.6x	-1.9x	-2.3x			

Source: Intermonte SIM

Financials

Financials

Income Statement	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	33.3	40.8	57.1	63.3	67.3	75.1	78.0	81.0
YoY growth %	+53%	+22%	+40%	+11%	+6%	+12%	+4%	+4%
- Cost of production	-11.2	-13.8	-19.2	-23.6	-23.7	-27.9	-28.6	-29.6
- Total OpEx	-15.9	-17.8	-21.9	-25.9	-28.5	-31.8	-32.9	-34.1
Adj. EBITDA	6.2	9.2	16.0	13.8	15.1	15.5	16.5	17.4
YoY growth %	+93%	+48%	+73%	-14%	+10%	+2%	+6%	+5%
Adj. EBITDA margin %	18.6%	22.5%	28.0%	21.8%	22.4%	20.6%	21.1%	21.4%
- D&A	-0.9	-1.2	-1.9	-2.5	-3.0	-3.3	-3.3	-3.4
Adj. EBIT	5.3	8.0	14.1	11.3	12.1	12.2	13.2	13.9
YoY growth %	+119%	+51%	+76%	-20%	+7%	+1%	+8%	+6%
Adj. EBIT margin %	15.9%	19.6%	24.7%	17.8%	18.0%	16.2%	16.9%	17.2%
- Non-recurring	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
- Financial income & charges	-0.1	-0.2	0.0	-0.2	-0.7	0.1	0.0	0.1
Pre-tax Income	5.2	7.8	13.8	11.1	11.4	12.3	13.2	14.0
- Tax income	-0.2	-1.5	-3.6	-2.8	-3.0	-3.2	-3.4	-3.6
Tax rate %	4.2%	19.4%	25.9%	24.8%	26.6%	26.0%	26.0%	26.0%
Net Income	4.9	6.3	10.2	8.3	8.4	9.1	9.8	10.4
YoY growth %	+216%	+28%	+62%	-18%	+1%	+8%	+8%	+6%
Net Income margin %	14.8%	15.5%	17.9%	13.2%	12.5%	12.1%	12.5%	12.8%
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income attr. to shareh.	4.9	6.3	10.2	8.3	8.4	9.1	9.8	10.4
NOSH	28.8	28.8	28.8	28.7	28.6	28.6	28.6	28.6
Adj. EPS	0.14	0.22	0.36	0.29	0.29	0.32	0.34	0.36
YoY growth %	+164%	+53%	+65%	-20%	+1%	+8%	+8%	+6%
Condensed Balance Sheet	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Net working capital	8.9	16.1	9.2	24.9	19.7	24.0	21.7	22.5
Non-current asset/(liab.)	17.3	11.5	12.3	14.1	15.8	16.5	17.2	17.8
Net capital employed	26.2	27.5	21.5	39.0	35.5	40.6	38.9	40.3
Net debt/(cash)	0.4	3.5	-18.7	-9.6	-19.8	-22.1	-33.5	-42.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity	25.8	24.1	40.2	48.6	55.3	62.7	72.4	82.8
Invested capital	26.2	27.5	21.5	39.0	35.5	40.6	38.9	40.3
Cash flow Statment	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Net Income	4.9	6.3	10.2	8.3	8.4	9.1	9.8	10.4
D&A	0.9	1.2	1.9	2.5	3.0	3.3	3.3	3.4
Change in NWC & Oth.	-1.5	-5.9	5.2	-16.1	5.1	-4.3	2.3	-0.8
Cash flow from operations	4.3	1.6	17.3	-5.3	16.5	8.0	15.4	13.0
Capex	-5.1	-3.1	-3.2	-4.0	-4.9	-4.0	-4.0	-4.0
FCF	-0.8	-1.5	14.1	-9.3	11.6	4.0	11.4	9.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Div., Buyb., Equity fin.	-1.0	-2.0	7.8	-0.2	-1.6	-1.7	0.0	0.0
Others	-1.0	0.5	0.3	0.3	0.2	0.0	0.0	0.0
Change in NFP	-2.8	-3.0	22.2	-9.1	10.2	2.3	11.4	9.0
Key Financial ratio	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Hard backlog	122	118	113	116	125	128	130	133
Hard backlog vs Net Sales	3.7x	2.9x	2.0x	1.8x	1.9x	1.7x	1.7x	1.6x
NWC/Sales %	27%	39%	16%	39%	29%	32%	28%	28%
CapEx/Sales %	-15%	-8%	-6%	-6%	-7%	-5%	-5%	-5%
Net Debt/EBITDA Adj.	0.1x	0.4x	-1.2x	-0.7x	-1.3x	-1.4x	-2.0x	-2.5x
FCF conversion %	-13%	-17%	89%	-67%	77%	26%	69%	52%
ROCE %	20%	29%	66%	29%	34%	30%	34%	35%
ROE %	16%	26%	26%	17%	15%	14%	13%	13%

Source: Company data & Intermonte SIM Estimates

Valuation

Valuation

	2024E	2025E	2026E	Average
EBIT	12.2	13.2	13.9	
TAX RATE %	26.0%	26.0%	26.0%	
NOPAT	9.0	9.7	10.3	
INVESTED CAPITAL	40.6	38.9	40.3	
ROIC	22.3%	25.0%	25.6%	24.3%
WACC	8.6%	8.6%	8.6%	
TG	1.0%	1.0%	1.0%	
Fair EV/EBIT multiple	9.3x	9.4x	9.4x	9.3x
Enterprise value (EV)	113.6	123.2	130.4	
Net debt/(cash)	-22.1	-33.5	-42.5	
Factoring	7.1	7.1	7.1	
Dividends	0.0	0.0	0.0	
Equity (E)	128.6	149.6	165.9	
NOSH	28.6	28.6	28.6	
TP	4.5	5.2	5.8	
Discount factor	1.00	0.96	0.88	
Target price (TP)	4.5	5.0	5.1	4.9
La Dolce Vita (2 trains seen as "one-off")				0.1
Target price final				5.0
Actual share price				4.3
Upside/(Downside)				+15%

		TGR		
		0.0%	1.0%	2.0%
WACC	7.6%	5.2	5.6	6.2
	8.6%	4.7	5.0	5.4
	9.6%	4.2	4.5	4.8

Source: Intermonte SIM

Market multiple and performance

Market multiple

Company	EV_EBITDA			EV_EBIT			PE		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
OMER	7.6x	7.1x	5.9x	9.5x	9.0x	7.4x	14.8x	13.7x	12.7x
Alstom	11.3x	7.0x	5.7x	12.5x	8.8x	7.5x	18.8x	13.4x	10.8x
Constr. Aux.	5.5x	4.8x	4.3x	8.7x	7.2x	6.3x	14.0x	10.6x	8.8x
Railcare Group	7.9x	7.1x	5.7x	13.0x	12.0x	9.2x		15.4x	11.9x
Stadler Rail	7.9x	8.4x	6.9x	12.7x	14.1x	10.6x	19.7x	18.6x	13.9x
Talgo	8.5x	8.2x	6.7x	12.1x	11.1x	8.9x	25.1x	13.8x	10.3x
Vossloh	6.8x	6.2x	5.5x	10.9x	9.6x	8.4x	22.0x	15.4x	13.8x
Somec	10.2x	6.6x	5.2x	2400.8x	25.4x	13.3x		100.7x	23.3x
Median	7.9x	7.0x	5.7x	12.5x	11.1x	8.9x	19.7x	15.4x	11.9x

Source: Intermonte SIM & FactSet

Stock Performance (total return)

Company	1m	3m	6m	YTD	1y	2y	3y
OMER	+9%	+11%	+34%	+46%	+46%	+63%	+8%
Alstom	+20%	+16%	+39%	+70%	+51%	+23%	-33%
Constr. Aux.	+8%	+2%	+14%	+14%	+31%	+65%	+7%
Railcare Group	+3%	+17%	+30%	+47%	+74%	+81%	+68%
Stadler Rail	-1%	-1%	-8%	-14%	-21%	+2%	-31%
Talgo	-3%	-17%	-23%	-24%	-6%	+38%	-22%
Vossloh	+4%	+2%	+10%	+17%	+30%	+60%	+15%
Somec	-15%	-18%	-3%	-49%	-49%	-35%	-48%
Average	+3%	+2%	+12%	+13%	+19%	+37%	-4%
FTSE Mib	+3%	-1%	+0%	+12%	+20%	+63%	+31%
FTSE Italia Small Cap	-0%	-3%	-1%	-0%	+11%	+7%	-6%
FTSE Italia Growth	+2%	-0%	-1%	-3%	-0%	-9%	-26%

Source: FactSet

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	OMER		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	5.00	Previous Target (Eu):	5.20
Current Price (Eu):	4.34	Previous Price (Eu):	3.60
Date of report:	11/10/2024	Date of last report:	17/05/2024

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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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 30 September 2024 Intermonte's Research Department covered 125 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (61 in total) is as follows:

BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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