

FINE FOODS

OUTPERFORM

Price (Eu): 12.85

Target Price (Eu): 16.00

SECTOR: Industrials

Giorgio Tivolini +39-02-77115.279
e-mail: giorgio.tivolini@intermonte.it

Andrea Randone +39-02-77115.364
e-mail: andrea.randone@intermonte.it

Positive Momentum Should Confirm Strong Growth in 1Q, STAR Listing Next Catalyst

- **1Q expectations.** On the occasion of today's BoD and this Wednesday's AGM (BoD renewal), the company may provide hints on 1Q top-line trends after the +8% for FY20, underpinned by an impressive recovery in 2H (+26% YoY), offsetting the 9% decrease seen in 1H. We would expect top-line growth in the high-10s/low 20s levels as well as the positive contribution from the newly-acquired Pharmatek to support visibility for our FY21 estimates. We currently expect 17% YoY organic growth in FY21 (+26% YoY including Pharmatek).
- **CEO interview confirms positive outlook.** Last Friday, in an [video interview](#) with Class-CNBC, CEO Ferraris confirmed FF's strategic guidelines and positive expectations: (++) new order intake worth c. €4-5mn from a big pharma client, as a result of successful internal teamwork. (++) Listing on STAR segment confirmed by June. (+) Core markets remain attractive and dynamic (continued growth for immune boosters, offsetting lower demand for supplements, microbiotics and sport products). (-) Highly sustainable business model: FF chooses to work with the best clients and on the right products and has extremely low employee churn, a key differentiating factor vs other CDMOs. In the last 10 years, FF delivered a +10.6% CAGR for sales (+12% in the last 3 years), with c. €53mn additional top line, which is typical for an Italian CDMO player. (+) Customer concentration: what is perceived as a business risk in other industries is a key driver for the CDMO sector in terms of increasing share of wallet, offering protection via greater barriers to exit and entry, and providing scope for greater absorption of fixed costs by working on higher volumes. (+) R&D: FF not a commodity producer, but highly committed to R&D as a growth driver, c.15% of the white collar staff serve the wider scientific community, not just laboratory, but also technical, quality & control activities to manage customers' needs. (+) ESG: strong holistic approach since foundation (environmental ISO14001 certification since 2010, and health&safety ISO45001 since 2014) particularly appreciated by primary clients and investors. Proposal for new BoD to promptly adopt the best practices of STAR segment (gender quotas, ESG committee) which will be mandatory in the next 3 years. (+) M&A: company constantly monitoring opportunities for quality assets.
- **Changes to estimates.** We have increased the top line for FY21/22/23 by 0.4%/1.2%/2.8% to incorporate a superior growth profile and new order intake; this translates into EPS changes of +0.3%/+0.6%/+1.5% over the next 3 years.
- **Rating OUTPERFORM confirmed, new target at €16 (from €14.8).** The return to double-digit revenue growth supports visibility on a robust entry speed into FY21, on top of value accretion and cross-fertilisation opportunities from Pharmatek thanks to its solid positioning in new, complementary sectors (such as biocides and cosmetics) and new forms (liquid/semiliquid). In the near future, FF is well placed to enjoy solid operating trends thanks to highly visible customer demand and the additional capacity secured through investments, as well as the ability to seize further M&A opportunities for quality assets in adjacent markets or to act as a natural aggregator domestically. In the meantime, the expected migration to the STAR segment by end-June will be a positive future catalyst for the stock, enhancing the liquidity profile.

Next event: AGM 21 April
1H21 results out 13 September

FINE FOODS - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 14.80 to 16.00

Ch. in Adj.EPS est: 2021E 2022E
0.3% 0.6%

STOCK DATA

Reuters code: FF.MI
Bloomberg code: FF IM

Performance 1m 3m 12m
Absolute 17.9% 18.4% 20.7%
Relative 15.6% 7.6% -26.5%
12 months H/L: 12.85/9.40

SHAREHOLDER DATA

No. of Ord. shares (mn): 24
Total No. of shares (mn): 24
Mkt Cap Ord (Eu mn): 303
Total Mkt Cap (Eu mn): 303
Mkt Float - ord (Eu mn): 124
Mkt Float (in %): 41.0%
Main shareholder:
Eigenfin Srl + M. Eigenmann 51.9%

BALANCE SHEET DATA

2021
Book value (Eu mn): 150
BVPS (Eu): 6.35
P/BV: 2.0
Net Financial Position (Eu mn): 35
Enterprise value (Eu mn): 256

Please see important disclaimer
on the last page of this report

Key Figures	2019A	2020A	2021E	2022E	2023E
Sales (Eu mn)	160	172	217	240	261
Ebitda (Eu mn)	17	21	30	36	40
Net profit (Eu mn)	-3	13	12	15	17
EPS - New Adj.(Eu)	0.506	0.398	0.531	0.645	0.732
EPS - Old Adj.(Eu)	0.506	0.398	0.529	0.641	0.721
DPS (Eu)	0.120	0.140	0.186	0.226	0.256
Ratios & Multiples	2019A	2020A	2021E	2022E	2023E
P/E Adj.	25.4	32.3	24.2	19.9	17.5
Div. Yield	0.9%	1.1%	1.4%	1.8%	2.0%
EV/Ebitda Adj.	13.2	11.2	8.4	6.8	6.3
ROCE	8.2%	9.2%	15.4%	17.7%	21.0%

he information, recommendations and research produced by Intermonte SIM contained herein, and of any of its parts, is strictly prohibited. None of the contents of this document may be shared with third parties without Company authorization.

FINE FOODS - KEY FIGURES

		2019A	2020A	2021E	2022E	2023E
	Fiscal year end	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023
PROFIT & LOSS (Eu mn)	Sales	160	172	217	240	261
	EBITDA	17	21	30	36	40
	EBIT	8	9	16	20	23
	Financial income (charges)	(0)	(0)	(0)	(0)	(0)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	0	17	16	20	22
	Taxes	(3)	(3)	(4)	(4)	(5)
	Tax rate (%)		19.9%	22.0%	22.5%	23.0%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	-3	13	12	15	17
	Total extraordinary items	15	(4)	0	0	0
	Ebitda excl. extraordinary items	20	22	30	36	40
PER SHARE DATA (Eu)	Ebit excl. extraordinary items	11	11	16	20	23
	Net profit restated	12	9	12	15	17
	Total shares out (mn) - average fd	23	24	24	24	24
	EPS stated fd	-0.119	0.570	0.531	0.645	0.732
	EPS restated fd	0.506	0.398	0.531	0.645	0.732
	BVPS fd	5.571	5.982	6.350	6.806	7.311
	Dividend per share (ord)	0.120	0.140	0.186	0.226	0.256
CASH FLOW (Eu mn)	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	-98.3%	24.6%	35.0%	35.0%	30.8%
	Gross cash flow	24	24	27	31	34
	Change in NWC	1	9	(2)	(0)	(1)
	Capital expenditure	(20)	(16)	(11)	(11)	(12)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	4	18	14	20	21
	Acquisitions, divestments & others	(20)	8	(18)	0	0
BALANCE SHEET (Eu mn)	Dividend	(2)	(3)	(3)	(4)	(5)
	Equity financing/Buy-back	(5)	(4)	(1)	0	0
	Change in Net Financial Position	(22)	18	(8)	15	16
	Total fixed assets	93	97	111	107	101
	Net working capital	16	3	5	5	5
	Long term liabilities	0	0	(0)	(0)	(0)
	Net capital employed	106	98	115	110	106
	Net financial position	24	43	35	50	66
ENTERPRISE VALUE (Eu mn)	Group equity	131	141	150	160	172
	Minorities	0	0	0	0	0
	Net equity	131	141	150	160	172
	Average mkt cap - current	303	303	303	303	303
RATIOS(%)	Adjustments (associate & minorities)	12	12	12	12	12
	Net financial position	24	43	35	50	66
	Enterprise value	267	249	256	241	225
GROWTH RATES (%)	EBITDA margin*	12.7%	13.0%	14.0%	14.8%	15.2%
	EBIT margin*	6.8%	6.2%	7.5%	8.3%	8.7%
	Gearing - Debt/equity	-18.7%	-30.3%	-23.4%	-31.4%	-38.5%
	Interest cover on EBIT	16.8	23.0	40.9	49.8	56.8
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	8.2%	9.2%	15.4%	17.7%	21.0%
	ROE*	-2.1%	9.8%	8.6%	9.8%	10.3%
	EV/CE	2.7	2.4	2.4	2.1	2.1
	EV/Sales	1.7	1.4	1.2	1.0	0.9
	EV/Ebit	24.4	23.3	15.7	12.1	9.9
	Free Cash Flow Yield	1.5%	6.0%	4.7%	6.8%	7.3%
GROWTH RATES (%)	Sales	14.6%	7.7%	26.0%	10.9%	8.7%
	EBITDA*	8.6%	9.9%	36.7%	16.7%	11.7%
	EBIT*	7.2%	-2.5%	53.6%	21.7%	14.1%
	Net profit	nm	nm	-6.9%	21.5%	13.6%
	EPS restated	36.6%	-21.2%	33.3%	21.5%	13.6%

* Excluding extraordinary items

Source: Intermonte SIM estimates

Positive Outlook on FY21

- **FY21 outlook:** the positive trend in volumes in 1Q21 leads the company to exclude negative effects in the current year. The company targets resumption of organic growth and further acquisitions in 2021.
- **MTA/STAR listing by June (confirmed):** filing of the simplified prospectus with CONSOB and Borsa Italiana expected in mid-April 2021 followed, hopefully, by admission of FF ordinary shares and warrants to the MTA (possibly the STAR Segment) by June 2021.
- **DPS'20 proposal at €0.14/share** (ex-dividend date 3 May) in line with our assumption and up from €0.12 in FY19, implying a c.35% payout on FY20 adj. net income.

Changes to Estimates

We have increased the top line for FY21/22/23 by 0.4%/1.2%/2.8% to incorporate a superior growth profile and new order intake; this translates into EPS changes of +0.3%/+0.6%/+1.5% over the next 3 years.

Fine Foods – Changes to Estimates

(Eu mn)	'19A	'20A	New Estimates			Old Estimates			'21E	'22E	'23E
			'21E	'22E	'23E	'21E	'22E	'23E			
Food	119.2	132.0	153.6	169.0	182.5	153.5	172.0	185.8	0.1%	-1.7%	-1.7%
Pharma	40.5	40.0	48.0	55.2	59.1	47.4	51.1	53.2	1.4%	7.9%	11.0%
Pharmatek	0.0	0.0	15.1	16.3	19.7	15.1	14.4	15.2	0.0%	13.2%	29.1%
Revenues	159.7	172.0	216.7	240.5	261.3	216.0	237.5	254.2	0.4%	1.2%	2.8%
YoY growth	14.6%	7.7%	26.0%	10.9%	8.7%	25.6%	10.0%	7.0%			
Adj. EBITDA	20.3	22.3	30.4	35.5	39.7	30.3	35.2	38.9	0.3%	0.9%	2.1%
Adj. EBITDA Margin	12.7%	13.0%	14.0%	14.8%	15.2%	14.0%	14.8%	15.3%			
Adj. EBIT	10.9	10.7	16.4	19.9	22.7	16.3	19.8	22.4	0.3%	0.6%	1.5%
Adj. EBIT Margin	6.8%	6.2%	7.5%	8.3%	8.7%	7.5%	8.3%	8.8%			
EBIT	8.1	9.4	16.4	19.9	22.7	16.3	19.8	22.4	0.3%	0.6%	1.5%
Pre taxes	0.1	16.7	16.0	19.5	22.3	15.9	19.4	22.0	0.3%	0.6%	1.5%
Net Profit	(2.8)	13.4	12.4	15.1	17.2	12.4	15.0	16.9	0.3%	0.6%	1.5%
Adj. Net profit	11.9	9.3	12.4	15.1	17.2	12.4	15.0	16.9	0.3%	0.6%	1.5%
Adj. EPS (€/share)	0.5	0.4	0.5	0.6	0.7	0.53	0.64	0.72	0.3%	0.6%	1.5%
DPS (€/share)	0.12	0.14	0.19	0.23	0.26	0.19	0.22	0.25	0.3%	0.6%	1.5%
% payout on Adj. EPS	24%	35%	35%	35%	35%	35%	35%	35%			
Adj. EBITDA	20.3	22.3	30.4	35.5	39.7	30.3	35.2	38.9	0.3%	0.9%	2.1%
- Capex	(20.1)	(15.7)	(10.8)	(10.8)	(11.8)	(9.7)	(10.7)	(11.4)	11.5%	1.2%	2.8%
capex /sales	12.6%	9.1%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%			
- Delta WKC	0.5	9.4	(2.0)	(0.2)	(1.2)	(2.7)	(1.6)	(1.2)			
Op. FCF	0.7	16.0	17.6	24.5	26.7	18.0	22.9	26.2	-2.1%	6.9%	2.0%
as % of Adj. EBITDA	3%	72%	58%	69%	67%	59%	65%	67%			
Equity FCF	4.4	17.5	13.7	19.8	21.3	14.1	18.2	20.8	-2.8%	8.5%	2.1%
as % of Adj. EBITDA	22%	79%	45%	56%	54%	47%	52%	54%			
NFP (Net Debt)	24.4	42.8	35.0	50.4	66.4	35.4	49.3	64.9	-1.1%	2.3%	2.4%
Net Cash/Adj. EBITDA	1.2x	1.9x	1.1x	1.4x	1.7x	1.2x	1.4x	1.7x			
adj. for warrant liability (at FV)	18.6	11.0	11.0	11.0	11.0	11.0	11.0	11.0			
Adj. NFP (ex warrant liability)	43.0	53.8	46.0	61.4	77.4	46.4	60.3	75.9	-0.8%	1.9%	2.0%
NFP/Adj EBITDA	2.1x	2.4x	1.5x	1.7x	2.0x	1.5x	1.7x	2.0x			

Source: Company Data (A), Intermonte Estimates (E)

Fine Foods – 2015-2023E Financials

Fine Foods – Income Statement

(Eu mn)	2015A	2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Total Revenues	102.0	113.1	119.6	139.4	159.7	172.0	216.7	240.5	261.3
Total Operating Costs	(88.7)	(98.0)	(104.1)	(120.7)	(142.2)	(150.9)	(186.3)	(204.9)	(221.6)
EBITDA	13.3	15.1	15.5	18.7	17.5	21.1	30.4	35.5	39.7
% EBITDA Margin	13%	13%	13%	13%	11%	12%	14%	15%	15%
Depr. Prov's. and Write-down	(5.2)	(5.8)	(6.6)	(8.5)	(9.4)	(11.6)	(14.1)	(15.6)	(17.0)
EBIT	8.1	9.3	9.0	10.2	8.1	9.4	16.4	19.9	22.7
% EBIT Margin	7.9%	8.2%	7.5%	7.3%	5.1%	5.5%	7.5%	8.3%	8.7%
Net Financial Charges	(0.3)	(0.2)	(0.4)	0.2	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
Other Charges and Income	-	-	-	-	-	-	-	-	-
Net Operating Margin	7.8	9.0	8.5	10.4	0.1	16.7	16.0	19.5	22.3
Taxes	(3)	(3)	(2)	(2)	(3)	(3)	(4)	(4)	(5)
Tax Rate %	-32%	-31%	-27%	-17%	n.m.	-20%	-22%	-23%	-23%
Net Income	5.3	6.2	6.2	8.7	(2.8)	13.4	12.4	15.1	17.2

Source: Company data (A) and Intermonte SIM estimates (E)

Fine Foods – Balance Sheet

(Eu mn)	2015A	2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Fixed assets:									
- Intangible	2.2	1.9	1.7	3.6	3.3	3.5	3.5	3.5	3.5
- Tangible	38.9	41.6	57.3	78.6	89.3	93.4	107.9	103.1	97.8
- Financial	-	-	-	-	-	-	-	-	-
Total Fixed Assets	40.3	42.9	58.6	82.2	92.7	96.9	111.3	106.5	101.3
Net working capital	10.3	10.3	2.0	18.9	15.7	2.8	4.8	4.9	6.1
Gross inv. capital	50.7	53.2	60.6	101.1	108.3	99.7	116.1	111.5	107.4
Severance provision	(0.0)	(0.0)	-	(7.0)	-	-	(0.4)	(0.4)	(0.4)
Net invested capital	49.3	51.9	59.4	93.0	106.3	98.2	114.7	110.0	105.9
Group sharehold. equity	31.5	32.7	38.9	139.6	130.7	141.0	149.7	160.4	172.3
Minority interests	-	-	-	-	-	-	-	-	-
Net Debt /(Net Cash)	17.8	19.3	20.4	(46.7)	(24.4)	(42.8)	(35.0)	(50.4)	(66.4)
Total cover	49.3	51.9	59.3	93.0	106.3	98.2	114.7	110.0	105.9

Source: Company data (A) and Intermonte SIM estimates (E)

Fine Foods – Cash Flow Statement

(Eu mn)	2015A	2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Net fin position beg of year	(14.3)	(17.8)	(19.3)	(20.4)	46.7	24.4	42.8	35.0	50.4
Net income	5.3	6.2	6.2	8.7	11.9	9.3	12.4	15.1	17.2
Depreciation	5.2	5.8	6.6	8.5	9.4	11.6	14.1	15.6	17.0
Change in working capital	(6.5)	(0.8)	4.7	(11.3)	0.5	9.4	(2.0)	(0.2)	(1.2)
Others	0.0	0.8	3.6	(5.7)	2.8	2.8	0.1	0.1	0.1
FCF before capex	4.0	12.1	21.1	0.2	24.5	33.2	24.6	30.6	33.0
Investments	(7.5)	(10.0)	(21.9)	(31.7)	(20.1)	(15.7)	(10.8)	(10.8)	(11.8)
Equity FCF	(3.5)	2.1	(0.8)	(31.5)	4.4	17.5	13.7	19.8	21.3
Acquisitions	-	-	-	-	-	-	(17.7)	-	-
Disposals	-	-	0.0	0.0	-	-	-	-	-
Dividends	-	(5.0)	-	-	(2.2)	(2.7)	(3.3)	(4.4)	(5.3)
Share Buy-back	-	-	-	-	(4.7)	(4.0)	(0.5)	-	-
Rights Issue/ ipo	-	-	-	100.0	-	-	-	-	-
Other (incl. Warrants)	7.4	11.5	21.5	30.3	(19.7)	7.7	-	-	-
Cash flow	3.9	8.6	20.7	98.8	(22.3)	18.4	(7.8)	15.4	16.0
Net fin position end of year	(17.8)	(19.3)	(20.4)	46.7	24.4	42.8	35.0	50.4	66.4

Source: Company data (A) and Intermonte SIM estimates (E)

(Eu mn)	2015A	2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E
EBITDA adjusted	13.3	15.1	16.7	18.7	20.3	22.3	30.4	35.5	39.7
- Capex	(7.5)	(10.0)	(21.9)	(31.7)	(20.1)	(15.7)	(10.8)	(10.8)	(11.8)
- Delta WKC	(6.5)	(0.8)	4.7	(11.3)	0.5	9.4	(2.0)	(0.2)	(1.2)
Op.FCF	(0.7)	4.3	(0.5)	(24.3)	0.7	16.0	17.6	24.5	26.7
as % of Adj. EBITDA	n.m.	28%	n.m.	n.m.	3%	72%	58%	69%	67%
Interest&Taxes	(2.8)	(3.1)	(4.0)	(1.5)	0.9	(1.3)	(3.9)	(4.8)	(5.5)
Other (incl. one off)	0.0	0.8	3.6	(5.7)	2.8	2.8	0.1	0.1	0.1
Equity FCF	(3.5)	2.1	(0.8)	(31.5)	4.4	17.5	13.7	19.8	21.3

Source: Company data (A) and Intermonte SIM estimates (E)

Source: Company Data (A), Intermonte Estimates (E)

Update on Share Capital Evolution

Fine Foods – Warrants as of 31/12/2020

Listed Warrants

Warrant Fine Foods & Pharmaceutical N.T.M. S.p.A.: 3,094,016

Price: Warrants give right to buy shares at price of € 0.10 each

Conversion Ratio: is variable and based on Monthly Share Price with strike price at € 9.50 and Cap at € 13.00

Maximum converted Ordinary Shares: No. 839,462 (at Max Conversion Ratio 0.2713x), with capital increase of € 83,946.1

Warrants expiry on 1 October 2023 (or before, in case of "Accelerated Condition", if Monthly Share Price is higher than the Threshold Price (€ 13.00))

Unlisted Warrants

Warrant Original Shareholders Fine Foods N.T.M. S.p.A.: 4,000,000

Totally owned by Marco Francesco Eigenmann even towards Eigenfin S.r.l.

Price: Warrants give right to buy shares at price of € 0.10 each

Conversion Ratio: it will be fixed for the first 5 years* and will be variable during last 2 years** with a conversion based on Monthly Share Price with strike price at € 9.03 and Cap at € 12.4

Maximum converted Ordinary Shares: No. 1,085,271 (at Max Conversion Ratio 0.2713x), with capital increase of € 108,572.1

Warrants expiry on 1 October 2025

* 1-3 year: warrants will be totally converted only if average daily price of shares will not be less than €12.40 for at least 15 days out of 30 consecutive days (Max number of converted shares: 1,085,271)

4-5 year: 1,000,000 warrants will be totally converted only if average daily price of shares will not be less than €13.31 for at least 15 days out of 30 consecutive days (Max number of converted shares: 271,318)

** 6-7 years: 3,000,000 warrants will be totally converted as above reported (Max number of converted shares: 813,953)

Source: Company Data

Fine Foods – Share Capital Evolution

Month	LISTED WARRANTS			UNLISTED WARRANTS			SPECIAL SHARES			SHARE CAPITAL COMPOSITION				
	# Additional ORDINARY SHARES	# Outstanding warrants	# Already Exercised warrants	# Additional ORDINARY SHARES	# Outstanding warrants	# Already Exercised warrants	# Additional ORDINARY SHARES	# Outstanding Special Shares	# Already Converted Special Shares	# ORDINARY SHARES (listed)	# Redeemable Shares (unlisted)	# Multivoting shares (unlisted)	# Special shares (unlisted)	# OF TOTAL SHARES
Business Combination		5,000,000			4,000,000			200,000		17,540,000	1,200,000	3,500,000	50,000	22,290,000
Oct-18		5,000,000	0		4,000,000		300,000	150,000	50,000	17,840,000	1,200,000	3,500,000	50,000	22,590,000
Nov-18		5,000,000	0		4,000,000			150,000	50,000	17,840,000	1,200,000	3,500,000	50,000	22,590,000
Dec-18	2,202	4,907,400	92,600		4,000,000			150,000	50,000	17,842,202	1,200,000	3,500,000	50,000	22,592,202
Jan-19		4,907,400	92,600		4,000,000			150,000	50,000	17,842,202	1,200,000	3,500,000	50,000	22,592,202
Feb-19	646	4,851,140	148,860		4,000,000			150,000	50,000	17,842,848	1,200,000	3,500,000	50,000	22,592,848
Mar-19		4,851,140	148,860		4,000,000			150,000	50,000	17,842,848	1,200,000	3,500,000	50,000	22,592,848
Apr-19		4,851,140	148,860		4,000,000			150,000	50,000	17,842,848	1,200,000	3,500,000	50,000	22,592,848
May-19		4,851,140	148,860		4,000,000			150,000	50,000	17,842,848	1,200,000	3,500,000	50,000	22,592,848
Jun-19		4,851,140	148,860		4,000,000			150,000	50,000	17,842,848	1,200,000	3,500,000	50,000	22,592,848
Jul-19	5	4,851,038	148,962		4,000,000			150,000	50,000	17,842,853	1,200,000	3,500,000	50,000	22,592,853
Aug-19		4,851,038	148,962		4,000,000			150,000	50,000	17,842,853	1,200,000	3,500,000	50,000	22,592,853
Sep-19	76	4,849,478	150,522		4,000,000			150,000	50,000	17,842,929	1,200,000	3,500,000	50,000	22,592,929
Oct-19		4,849,478	150,522		4,000,000			150,000	50,000	17,842,929	1,200,000	3,500,000	50,000	22,592,929
Nov-19		4,849,478	150,522		4,000,000		300,000	100,000	100,000	18,142,929	1,200,000	3,500,000	50,000	22,892,929
Dec-19		4,849,478	150,522		4,000,000			100,000	100,000	18,142,929	1,200,000	3,500,000	50,000	22,892,929
Jan-20		4,849,478	150,522		4,000,000		300,000	50,000	150,000	18,442,929	1,200,000	3,500,000	50,000	23,192,929
Feb-20	262,611	3,647,572	1,352,428		4,000,000			50,000	150,000	18,705,540	1,200,000	3,500,000	50,000	23,455,540
Mar-20	109,024	3,141,882	1,858,118		4,000,000			50,000	150,000	18,814,564	1,200,000	3,500,000	50,000	23,564,564
Apr-20		3,141,882	1,858,118		4,000,000			50,000	150,000	18,814,564	1,200,000	3,500,000	50,000	23,564,564
May-20	26	3,141,582	1,858,418		4,000,000			50,000	150,000	18,814,590	1,200,000	3,500,000	50,000	23,564,590
Jun-20		3,141,582	1,858,418		4,000,000			50,000	150,000	18,814,590	1,200,000	3,500,000	50,000	23,564,590
Jul-20		3,141,582	1,858,418		4,000,000			50,000	150,000	18,814,590	1,200,000	3,500,000	50,000	23,564,590
Aug-20		3,141,582	1,858,418		4,000,000			50,000	150,000	18,814,590	1,200,000	3,500,000	50,000	23,564,590
Sep-20	6,763	3,094,016	1,905,984		4,000,000			50,000	150,000	18,821,353	1,200,000	3,500,000	50,000	23,571,353
Oct-20		3,094,016	1,905,984		4,000,000			50,000	150,000	18,821,353	1,200,000	3,500,000	50,000	23,571,353
Nov-20		3,094,016	1,905,984		4,000,000			50,000	150,000	18,821,353	1,200,000	3,500,000	50,000	23,571,353
Dec-20		3,094,016	1,905,984		4,000,000			50,000	150,000	18,821,353	1,200,000	3,500,000	50,000	23,571,353
Jan-21		3,094,016	1,905,984		4,000,000			50,000	150,000	18,821,353	1,200,000	3,500,000	50,000	23,571,353
Feb-21	260	3,091,616	1,908,384		4,000,000			50,000	150,000	18,821,613	1,200,000	3,500,000	50,000	23,571,613
Mar-21		3,091,616	1,908,384		4,000,000			50,000	150,000	18,821,613	1,200,000	3,500,000	50,000	23,571,613

Source: Company Data

Valuation

We use a DCF approach to value Fine Foods, restricting the comparison with peer multiples to a mere sanity check, given the lack of significance of the peer group due to very high diversification in terms of size, vertical integration, geographical footprint, capital structure, and profitability.

DCF Valuation

We assume the following parameters in our DCF valuation:

- WACC at 7.3% (unchanged), which reflects a 2.0% risk-free rate;
- Terminal growth rate of 1.5% (unchanged);
- Long-term EBITDA margin of 14.5% (unchanged);
- CapEx/sales ratio at ca. 5.5-6%, in line with usual level of maintenance CapEx.

This leads us to increase our TP to €16, which already reflects the share count of 24.5mn adjusted for warrant and special share conversion. At our TP, the stock would trade at 11.3x/9.3x EV/EBITDA 2021E/'22E (current prices: 8.4x/6.8x), still at a discount to the sector, while on PE'21/22 it would trade in line with peers (at 31/26x).

Fine Foods – DCF Model

(Eu mn)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	TV
Net Revenues	216.7	240.5	261.3	280.8	298.4	313.4	326.8	338.1	347.1	355.3	360.8	360.6
YoY growth	26.0%	10.9%	8.7%	7.5%	6.3%	5.1%	4.3%	3.5%	2.7%	2.4%	1.6%	1.5%
EBITDA	30.4	35.5	39.7	42.4	44.7	46.7	48.3	49.7	50.6	51.5	51.9	52.4
% margin	14.0%	14.8%	15.2%	15.1%	15.0%	14.9%	14.8%	14.7%	14.6%	14.5%	14.4%	14.5%
D&A	(14.1)	(15.6)	(17.0)	(17.4)	(17.8)	(18.0)	(18.2)	(18.4)	(18.6)	(18.8)	(19.0)	(21.6)
EBIT	16.4	19.9	22.7	25.0	26.9	28.7	30.2	31.3	32.1	32.7	32.9	30.8
% margin	7.5%	8.3%	8.7%	8.9%	9.0%	9.2%	9.2%	9.3%	9.2%	9.2%	9.1%	8.5%
Taxes		(4.8)	(5.5)	(6.0)	(6.5)	(6.9)	(7.2)	(7.5)	(7.7)	(7.8)	(7.9)	(7.4)
tax rate		-24.0%	-24.0%	-24.0%	-24.0%	-24.0%	-24.0%	-24.0%	-24.0%	-24.0%	-24.0%	-24.0%
Change in WC		(0.2)	(1.2)	-	-	-	-	-	-	-	-	-
Capex		(10.8)	(11.8)	(16.8)	(17.9)	(18.8)	(19.6)	(20.3)	(20.8)	(21.3)	(21.6)	(21.6)
Unlevered FCF		19.7	21.3	19.5	20.4	21.0	21.5	21.9	22.1	22.3	22.4	23.4
TV												403.5
year		1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.0
Discounted WACC		0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5
Discounted Free cash flow		18.4	18.5	15.8	15.4	14.8	14.1	13.4	12.6	11.8	11.1	199.5

Discounted FCF '22E-31E	145.7
Terminal value	199.5
Total EV (with DCF)	345.2
NFP/(Debt) at YE21E	35.0
Minorities	0.0
Treasury shares (3.7805% of capital)	11.6
Total EQUITY (Eu mn)	391.8
No. of shares fully diluted (mn)	24.5
Fair value (Eu/share)	16.0
current price (Eu/share)	12.85
upside/downside vs current price	24.6%

Source: Company Data (A), Intermonte estimates (E)

ds – TP Sensitivity to WACC (%) and g (%)

		g										
		1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%
WACC	6.3%	16.7	16.9	17.1	17.3	17.5	17.7	17.9	18.2	18.4	18.7	18.9
	6.5%	16.4	16.6	16.8	16.9	17.1	17.3	17.5	17.7	18.0	18.2	18.4
	6.7%	16.1	16.3	16.4	16.6	16.8	17.0	17.1	17.3	17.5	17.8	18.0
	6.9%	15.8	16.0	16.1	16.3	16.5	16.6	16.8	17.0	17.2	17.4	17.6
	7.1%	15.6	15.7	15.9	16.0	16.1	16.3	16.5	16.6	16.8	17.0	17.2
	7.3%	15.3	15.5	15.6	15.7	15.9	16.0	16.2	16.3	16.5	16.7	16.8
	7.5%	15.1	15.2	15.3	15.5	15.6	15.7	15.9	16.0	16.2	16.3	16.5
	7.7%	14.9	15.0	15.1	15.2	15.4	15.5	15.6	15.8	15.9	16.0	16.2
	7.9%	14.7	14.8	14.9	15.0	15.1	15.3	15.4	15.5	15.6	15.8	15.9
	8.1%	14.5	14.6	14.7	14.8	14.9	15.0	15.1	15.3	15.4	15.5	15.7
8.3%	14.3	14.4	14.5	14.6	14.7	14.8	14.9	15.0	15.2	15.3	15.4	

Intermonte SIM estimates (E)

Peer Multiples

The reference table on the final page of the report provides a comparison with players in the CDMO sector and/or in healthcare product manufacturing. Given the lack of significance of the peer group due to high diversification in terms of size, vertical integration, geographical footprint, capital structure and profitability compared to Fine Foods, we do not take the peer multiples method into account in our valuation. **At current prices, Fine Foods trades at 8.4x/6.8x EV/adj. EBITDA'21/'22, at a ca. 50% discount to the peer group.**

Fine Foods – Peer Multiples

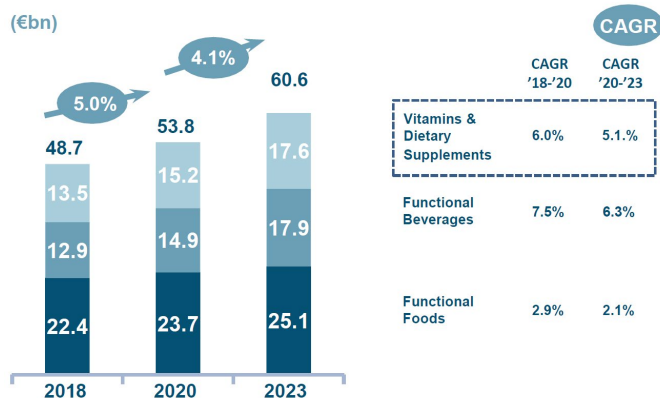
Company	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%)			EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		Adj. P/E (x)		Div. Yield (%)	
				1m	6m	Ytd	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E
Fine Foods (@mkt price, our est.)	EUR	12.85	303	16.7%	25.5%	19.5%	1.2	1.0	8.4	6.8	15.7	12.1	24.3	20.0	1.4%	1.8%
Fine Foods (@mkt price, consensus)	EUR	12.85	303	16.7%	25.5%	19.5%	1.2	1.0	8.7	7.1	16.2	12.3	25.0	20.0	1.3%	1.5%
Fine Foods (@ our TP, our est.)	EUR	16.0	345				1.6	1.4	11.3	9.3	21.1	16.6	31.5	25.9	1.2%	1.4%
Catalent	USD	110.60	15,716	3.4%	15.1%	5.1%	5.3	4.8	21.2	18.3	27.9	24.0	36.6	31.6	0.0%	0.0%
Labomar SpA	EUR	10.75	199	16.9%	35.2%	40.8%	3.0	2.6	14.1	12.2	21.0	18.6	28.8	25.2	1.1%	1.2%
Siegfried Holding AG	CHF	801.50	3,168	7.7%	26.1%	19.6%	3.6	3.2	19.3	16.7	29.1	24.3	33.0	27.2	0.5%	0.5%
Strides Pharma	INR	921.15	928	4.4%	21.8%	-0.3%	2.3	2.0	11.2	9.0	15.9	12.5	21.6	15.5	0.6%	0.7%
Peer Group							3.3	2.9	16.7	14.4	24.5	21.3	30.9	26.2	0.5%	0.6%

Source: Intermonte Estimates (E), Factset Consensus

Appendix I:

Focus on Key Reference Markets

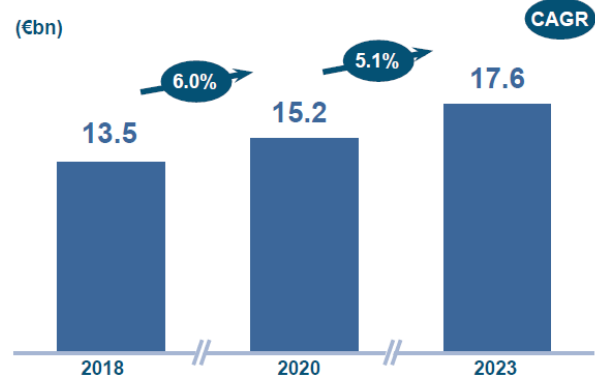
EU nutraceutical sector: market value



The European Nutraceuticals market has shown **high, steady growth**, and is expected to **accelerate** in coming years

Source: FY20 results company presentation

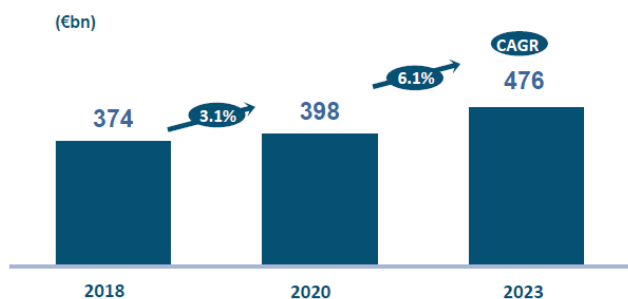
EU nutraceutical sector: vitamins & dietary supplement mkt value



The Vitamins & Dietary Supplements segment has consistently shown **strong growth** in the last 2 years, expected to **continue** in coming years. CDMO-driven development and manufacturing, **mostly outsourced**

Source: FY20 results company presentation

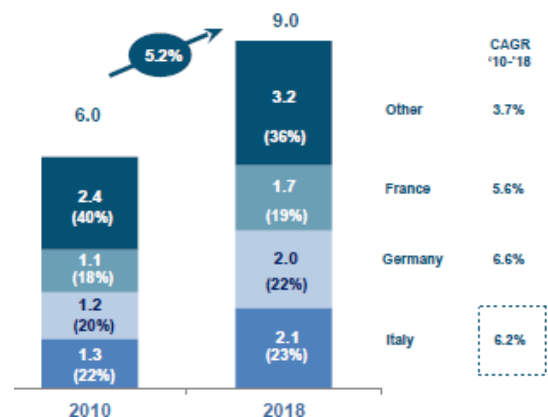
EU pharmaceutical market value – € bn



The European Pharmaceutical production is expected to **continue its sound growth** in coming years

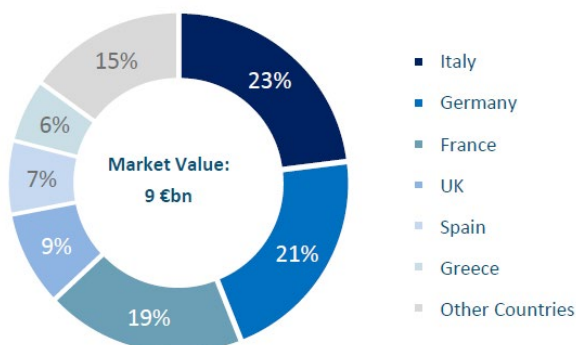
Source: FY20 Results company presentation

EU pharmaceutical CDMO market value – € bn (2018A)



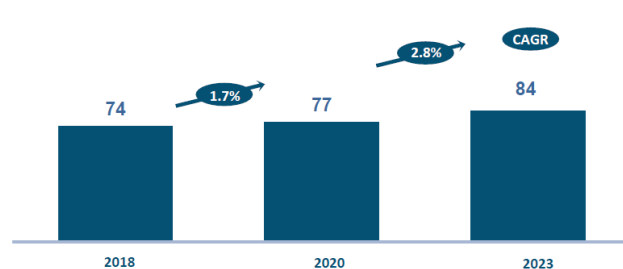
Source: 1H20 results company presentation

EU pharmaceutical CDMO market value – € bn (2018A)



Source: FY20 Results company presentation

EU cosmetic and biocide market value – € bn



The European Cosmetic and Biocide market is expected to **accelerate growth** in coming years

Source: FY20 results company presentation

Fine Foods – Fine Foods is the largest Italian CDMO (2019A revenues, €m)



Note: Doppel, Biopharma, Nutrilinea, Mipharm, Procensa and OFI are controlled by Private Equity investors

Source: Management elaboration on publicly retrievable selected information

Source: FY20 Results company presentation

Fine Foods – The largest European CDMOs are focused almost exclusively on Pharmaceuticals (2018 and 2017 revenues, €m)



*Listed companies

Source: Management elaboration on publicly retrievable selected information

Source: 1H20 Results company presentation

Appendix II

Fine Foods in 6 Charts

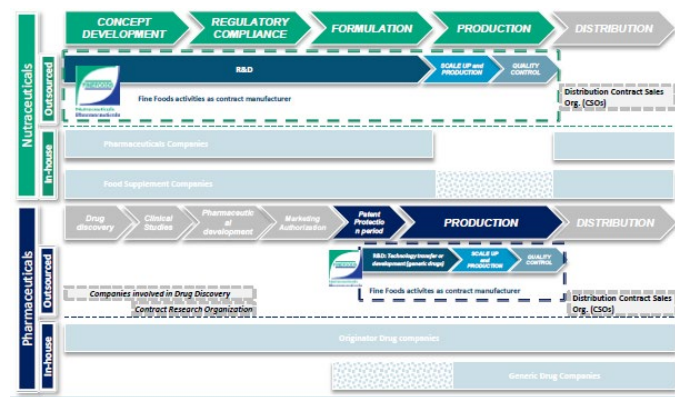
Fine Foods' key figures in 2020



(1) 576m revenue involved in Italy, of which 126m delivered abroad | (2) SKUs means 'Stock-Keeping Units', namely single product codes

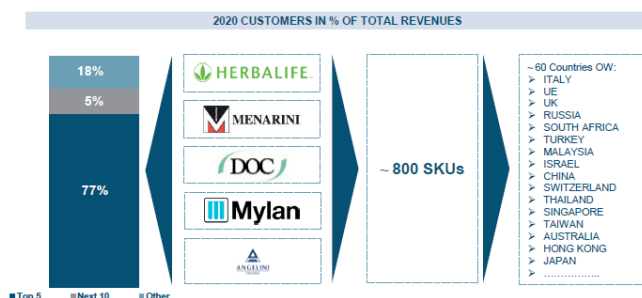
Source: FY20 company presentation (2020A revenues)

Positioning in the pharmaceutical and nutraceutical value chain



Source: FY20 results company presentation

Customer concentration witnesses strong rise of share-of-wallet



Source: FY20 Results company presentation

Pharmatek: strong cross-selling potential



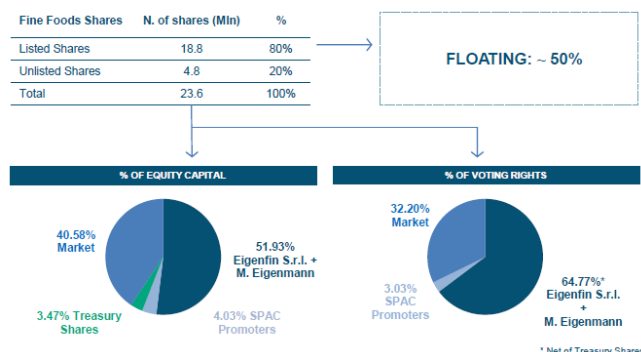
Source: 1H20 results company presentation

R&D activity



Source: FY20 Results company presentation

Shareholding structure



Source: FY20 results company presentation

Appendix II

Focus on ESG Strategy

Environmental certification: ISO14001



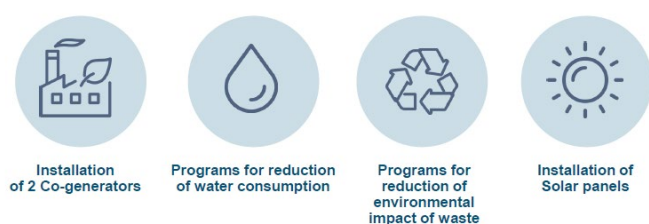
Source: FY20 results company presentation

Health & safety certification: ISO45001



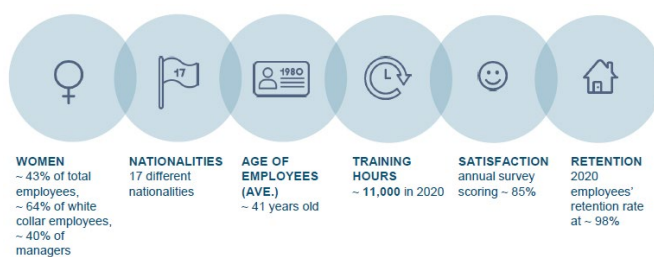
Source: FY20 results company presentation

Going green: actions implemented



Source: FY20 results company presentation

Employee engagement



Source: FY20 results company presentation

Audited social responsibility: Sedex Members ethical trade audit



Source: FY20 Results company presentation

Anticorruption and corporate liability



Source: FY20 results company presentation

Appendix III

Peer Group Description

Catalent

Catalent, Inc. is a holding company that engages in the provision of delivery technologies and development solutions for drugs, biologics, and consumer and animal health products. It operates in the following segments: softgel technologies; biologics and specialty drug delivery; oral drug delivery; and clinical supply services. The softgel technologies segment formulates, develops, and provides manufacturing services for soft capsules. The biologics and specialty drug delivery segment develops and provides manufacturing services for blow-fill-seal unit doses, prefilled syringes, vials, and cartridges; analytical development and testing services for large molecules; inhaled products for delivery via metered dose inhalers, dry powder inhalers, and intra-nasal sprays. The oral drug delivery segment focuses on formulation, development and manufacturing technologies and related solutions including clinical development and commercial manufacturing of a range of oral dose forms, including proprietary fast-dissolve Zydys tablets, and conventional immediate and controlled release tablets, capsules, and sachet products. The clinical supply services segment includes packaging, labelling, storage, distribution, and inventory management for drugs and biologics in clinical trials. The company was founded in April 2007 and is headquartered at Somerset, NJ.

Labomar

Labomar is a CDMO active in food supplements, medical devices, food markets for special medical purposes, functional cosmetics and non-functional cosmetics, falling within the broader sector of nutraceuticals. Labomar stands out as an advanced and research-driven CDMO, as in addition to the activities that typically denote a CDMO, it is able to offer its customers control of the entire value chain (full service), starting upstream with complex internal research activities, and to propose formulas and proprietary technologies with a proactive approach to the market. Furthermore, Labomar, in its own judgment, guarantees high-quality products and high added value. Following the completion of the ImportFab Transaction, the Issuer, through the Canadian subsidiary ImportFab – a CMO (Contract Manufacturing Organization) active in the production and packaging of liquid forms and semi-solid products for the pharmaceutical, cosmetic and nutraceutical industries - has expanded its offer portfolio and core geographic market. As a side line, the Group also provides consultancy services in R&D and regulatory consultancy services in the USA and Canada through ImportFab. The Labomar Group supplies its products to companies in the pharmaceutical, nutraceutical, cosmetic, and food for special medical purposes sectors.

Siegfried Holding

Siegfried Holding AG engages in the development and manufacturing of active pharmaceutical ingredients for pharma clients with research and development programs, related intermediates, and controlled substances. It also provides development and production services for finished dosage forms including sterile filling. The company was founded by Samuel Benoni Siegfried in 1873 and is headquartered in Zofingen, Switzerland.

Strides Pharma Science

Strides Pharma Science Ltd. engages in the development, manufacture and distribution of Internet Protocol-led generics and bio-pharmaceutical products. The company was founded by Arun N. Kumar on June 28, 1990 and is headquartered in Bangalore, India.

FINE FOODS Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
FINE FOODS	12.85	EUR	303	17.9%	18.4%	29.3%	22.4%	20.7%	22.4%
CATALENT	110.60	USD	18,827	6.8%	-4.2%	19.7%	6.3%	98.4%	159.9%
LABOMAR	10.75	EUR	199	30.6%	50.8%	53.8%	60.0%	---	---
PHARMANUTRA	---	EUR	---	---	---	---	---	---	---
SIEGFRIED	801.50	CHF	3,352	7.9%	29.7%	26.0%	23.0%	86.9%	112.9%
STRIDES PHARMA SCIENC	921.15	INR	82,610	9.8%	1.4%	23.8%	5.0%	166.3%	85.9%
Mean performance				14.6%	19.2%	30.5%	23.3%	93.0%	95.3%
Italy FTSE Mib		EUR							

Source: FactSet

FINE FOODS 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
FINE FOODS	12.85	EUR	303	1.2	1.0	8.4	6.8	15.7	12.1	24.2	19.9	1.4%	1.8%
CATALENT	110.60	USD	18,827	5.3	4.8	21.2	18.3	27.9	24.0	38.8	33.8	0.0%	0.0%
LABOMAR	10.75	EUR	199	3.0	2.6	14.1	12.2	21.0	18.6	29.5	25.6	1.1%	1.2%
PHARMANUTRA		EUR											
SIEGFRIED	801.50	CHF	3,352	3.6	3.2	19.4	16.7	29.1	24.4	32.1	27.1	0.5%	0.5%
STRIDES PHARMA SCIENC	921.15	INR	82,610	2.4	2.1	11.6	9.4	16.5	13.0	20.5	15.0	0.6%	0.7%
Median				3.3	2.9	16.7	14.5	24.5	21.3	30.8	26.3	0.5%	0.6%

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

FINE FOODS - Estimates Comparison with Consensus

(Eu mn)	2021			2022		
	Intermonte	Consensus	%diff	Intermonte	Consensus	%diff
Revenues	216.7	213.1	1.7%	240.5	237.0	1.5%
Ebitda	30.4	30.1	1.1%	35.5	35.2	1.0%
Net Profit	12.4	12.1	2.7%	15.1	15.2	-0.4%
EPS	0.531	0.524	1.2%	0.645	0.646	-0.2%
Net Debt	35.0	41.8	-16.2%	50.4	54.7	-7.7%

Source: Intermonte SIM estimates and Factset consensus estimates

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	FINE FOODS		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	16.00	Previous Target (Eu):	14.80
Current Price (Eu):	12.85	Previous Price (Eu):	11.85
Date of report:	19/04/2021	Date of last report:	31/03/2021

DISCLAIMER (for more details go to [DISCLAIMER](#))**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by IntermonTE SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from IntermonTE.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by IntermonTE. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on IntermonTE's website www.intermonTE.it under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by IntermonTE on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

IntermonTE distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Brasil Plural Securities LLC under SEC 15a-6 guidelines. IntermonTE is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including IntermonTE's total profits, a portion of which is generated by IntermonTE's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

IntermonTE's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Brasil Plural Securities LLC, 545 Madison Avenue, New York 10022.

GUIDE TO FUNDAMENTAL RESEARCH

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&P/IB40 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 newswell.

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

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

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 March 2021 IntermonTE's Research Department covered 124 companies. IntermonTE's distribution of stock ratings is as follows:

BUY:	16,26 %
OUTPERFORM:	51,22 %
NEUTRAL:	28,45 %
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 (52 in total) is as follows:

BUY:	25,00 %
OUTPERFORM:	57,69 %
NEUTRAL:	17,31 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest IntermonTE SIM states that:

IntermonTE SIM SpA provides investment banking services to Creval in connection with the public tender offer promoted by Crédit Agricole Italia (IntermonTE is financial advisor to Creval's Board of Directors in connection with the public tender offer promoted by Crédit Agricole Italia).

IntermonTE SIM S.p.A. is acting as placement agent in Aedes' capital increase with an agreement with the company for the publication of an equity research regarding the company and the transaction. IntermonTE will receive fees from the company for its activity as placement agent.

Within the last year, IntermonTE SIM managed or co-managed/is managing or is co-managing an Institutional Offering and/or managed or co-managed/is managing or is co-managing an offering with firm commitment underwriting of the securities of the following Companies: BPER, IEG and Iervolino Entertainment.

IntermonTE SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Abitare In, Aedes, Aeroporto di Bologna, Alkemy, Azimut, Banca Ifis, Cellularine, Creval, ePrice, Falck Renewables, Guala Closures, H-Farm, IEG, Iervolino Entertainment, Mittel, Nova Re, OVS, Retelit, Saes Getters, Somec, SP5I (on Guala Closures shares), Tesmec, TXT, UBI Banca, and WIIT.

IntermonTE SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Aedes, Alkemy, Ambientes, Aquafil, Avio, Banca Ifis, Banca Sistema, Cattolica, CFT, Cellularine, Credito Valtellinese, Cybero, Cy4gate, DeA Capital, ELi, Elic, Elic, Emak, Espritnet, Falck Renewables, Fimit - Fondo Alpha, Fine Foods, Gefran, Go Internet, Gpi, Gruppo Fos, Guala, IEG, Iervolino Entertainment, IndelB, Industrial Stars Of Italy 3, Luve, Notorious, Relatech, Reply, Retelit, Saes Getters, Servizi Italia, Sesa, Seri Industrial, Somec, Tinexta, Tesmec, Tamburi, Txt, and WIIT.

IntermonTE SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following companies: Banca Sistema and Restart.

IntermonTE SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMBI, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prisma, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

IntermonTE SIM is a member of the CBOE Europe Equities Liquidity Provider Program for the following financial instruments: A2A, Atlantia, ATSM, Autogrill, Azimut Holding, Banca Generali, Banca Mediolanum, Banco BPM, Bca Monte dei Paschi di Siena, Bca Pop Emilia Romagna, Banca Pop Sondrio, Buzzi Unicem, Buzzi Unicem rsc, Campari, CIR- Compagnie Industriali Riunite, Credito Emiliano, Danieli & C., Danieli & C. Risp NC, Diasorin, Enel, Eni, Generali, Hera, Intesa Sanpaolo, Iren, Italgas, Italmobiliare, Leonardo, Maire Tecnimont, Mediaset, Mediobanca, Pirelli & C., Poste Italiane, Prisma, Recordati, S.I.A.S., Saipem, Salini Impregio, Salvatore Ferragamo, Snam, Telecom Italia, Telecom Italia rsc, Terna, Tod's, UBI Banca, Unicredit, Unipol, UnipolSai.

Through its Websim Division, **IntermonTE SIM** acts as a Retail Investor Research Provider on behalf in regard to the following companies: Aedes, Banca Ifis, Banca Sistema, Cattolica Assicurazioni, Cellularine, CFT Group, Circle, Coima RES, Comer Industries, Crowdfundme, Digital Bros, Digital Magics, Elettra Investimenti, Falck Renewables, Fiera Milano, Finlogic, First Capital, FOPE, Gefran, Generali Assicurazioni, Giglio, Go Internet, H-Farm, Ilpra, Indel B, ISI/Salcef, Italoanline, La Doria, L'Ente, MailUp, Maps, Masi Agricola, Molmed, NeodecorTech, Piaggio, Portale Sardegna, Primi sui Motori, Retelit, Safe Bag, Somec, SOS Travel, Tinexta, TPS, WIIT.

Through its Websim Division, **IntermonTE SIM** carries out marketing / communication activities on behalf of the following equity crowdfunding 200Crowd, BacktoWork24, Crowdfundme, Opstart and the following issuers: Banca IMI, BNP Paribas, Credit Suisse, Eane, Leonteq, Unicredit, Vontobel, Wisdomee.

IntermonTE SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
AEDES NEW	3,7	LONG
COGEME SET SPA	1,6	SHORT
IKF	0,57	SHORT
OLIDATA	0,74	SHORT

© Copyright 2020 by IntermonTE SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of IntermonTE SIM are provided to its clients only. If you are not a client of IntermonTE SIM and receive emailed, faxed or copied versions of the reports from a source other than IntermonTE SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of IntermonTE SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE SIM strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

IntermonTE SIM sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available