

# RENO DE MEDICI

# NEUTRAL

Price (Eu): **0.13**  
 Target Price (Eu): **0.15**

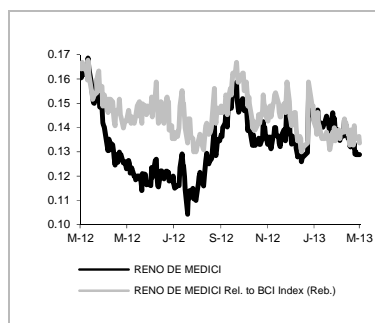
SECTOR: *Industrials*

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## 2013 Should Revert Trend In Gas Prices

- Quarterly results below our estimates.** Reno de Medici reported sales of Eu117.5mn in 4Q12, up 4.8% YoY but 4.7% below our estimate due to lower than expected volumes (209,000 tons, +3.0% YoY). The average sale price was Eu562 per ton in 4Q12, essentially flat YoY (+1.7%) and QoQ (+2.0%). As a result of higher volumes, EBITDA increased by 44.0% YoY to Eu7.6mn. The EBITDA margin was 6.4%, up 170bps YoY and 150bps QoQ, despite much higher costs for natural gas. That said, we were forecasting a bigger improvement. Finally, the company reported a net loss of Eu5.2mn in 4Q12.
- Full year results penalised by write-downs and losses from associates.** Sales came to Eu466.3mn in 2012, down from Eu507.1mn in 2011 due to reduced volumes (-44k tons, attributable to the production halt at Magenta). EBITDA came in at Eu27.0mn, vs. our estimate of Eu30.0mn. For the first time the company also reported EBITDA net of costs for disposed (Marzabotto) and suspended (Magenta) assets, which would be Eu32.9mn (Eu34.1mn in 2011), despite higher gas costs to the tune of Eu8mn. EBIT turned negative in 2012 (Eu-1.5mn) compared to Eu2.1mn in 2011, penalised by Eu2.2mn of write-downs (D&A were slightly lower YoY). The net loss came to Eu12.3mn, beating our expectations due to losses of Eu2.9mn from associates (net financial charges were flat YoY).
- Stable balance sheet.** In 4Q12 Reno de Medici's net debt decreased from Eu91.8mn to Eu86.3mn at the end of 3Q12. Capex came to Eu17.8mn in 2012, compared to Eu23.7mn in 2011. Working capital went down more than sales; we anticipate this trend will revert, leading to a stable net debt in 2013 (we estimate Eu86.6mn).
- Outlook: stable 1H, improving 2H.** RdM expects the beginning of 2013 to be essentially in line with 4Q12, showing stable demand. Looking at input costs, prices for recycled fibers should stay at a high level due to robust demand from China, while energy cost trends remain uncertain due to speculative tension. In 2H, a slight demand recovery is expected.
- Estimates lowered.** We have lowered our 2013 sales volume assumption by 4.3% to 850,000 tons; our average selling price estimate has also been lowered by 5.9% to Eu565 per ton. As a result, 2013 sales are now forecast to be Eu480.4mn, 9.9% below our previous estimate. We have cut our EBITDA estimate by 14.9% to Eu33.2mn: the company believes that new contracts it has just agreed with natural gas suppliers will make it possible to reduce unit costs. As a result, the EBITDA margin should increase by 110bps YoY to 6.9% in 2013. We then expect the company to report a net loss of Eu4.7mn, assuming lower losses from associates and write-downs. 2014 sales and EBITDA estimates have been cut by 9.5% and 11.8%, respectively. We forecast Reno de Medici will break even at the bottom line in 2014.
- NEUTRAL reaffirmed, target left unchanged at Eu0.15 per share.** We remain cautious on the stock: even if sales volumes seem to have stabilised, and the market is disciplined, there is still volatility on some input costs. On the plus side, the company's risk profile is low and management is investing to optimise its industrial footprint. We value the stock at 0.4x P/BV, and 0.4x EV/sales on 2013.

### RENO DE MEDICI - 12m Performance



RATING: **Unchanged**

TARGET PRICE (Eu): **Unchanged**

Change in EPS est:	2013E	2014E
	n.m	n.m.

#### STOCK DATA

Reuters code: RDM.MI  
 Bloomberg code: RM IM

Performance	1m	3m	12m
Absolute	-6.6%	-5.4%	-21.9%
Relative	-3.2%	-6.1%	-18.3%
12 months H/L:	0.17/0.10		

#### SHAREHOLDER DATA

No. of Ord. shares (mn): 378  
 Total No. of shares (mn): 378  
 Mkt Cap Ord (Eu mn): 49  
 Total Mkt Cap (Eu mn): 49  
 Mkt Float - ord (Eu mn): 19  
 Mkt Float (in %): 40.0%  
 Main shareholder:  
 Cascades 40.0%

#### BALANCE SHEET DATA

	2013
Book value (Eu mn):	133
BVPS (Eu):	0.35
P/BV:	0.4
Net Financial Position (Eu mn):	-87
Enterprise value (Eu mn):	135

Key Figures	2010A	2011A	2012A	2013E	2014E
Sales (Eu mn)	504	507	466	480	505
Ebitda (Eu mn)	40	30	27	33	38
Net profit (Eu mn)	1	-3	-12	-5	1
EPS - New (Eu)	0.004	-0.007	-0.033	-0.012	0.003
EPS - Old (Eu)		-0.007	-0.013	0.012	0.021
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
Ratios & Multiples	2010A	2011A	2012A	2013E	2014E
P/E	35.6	nm	nm	nm	37.4
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Ebitda	3.9	4.0	4.1	3.7	3.3
ROCE	4.4%	0.8%	-0.6%	1.5%	4.3%

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**RENO DE MEDICI - KEY FIGURES**

	2010A	2011A	2012A	2013E	2014E	
	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014	
Fiscal year end						
<b>PROFIT &amp; LOSS (Eu mn)</b>	Sales	504	507	466	480	505
	EBITDA	40	30	27	33	38
	EBIT	12	2	(1)	3	9
	Financial income (charges)	(7)	(7)	(7)	(7)	(7)
	Associates & Others	0	(1)	(3)	(1)	(1)
	Pre-tax profit (Loss)	5	(5)	(11)	(5)	2
	Taxes	(3)	4	(1)	0	(1)
	Tax rate (%)	-60.7%	-69.2%	6.3%	0.0%	-27.8%
	Minorities & discontinue activities	(1)	(1)	(0)	0	0
	Net profit	1	-3	-12	-5	1
	Total extraordinary items	0	(4)	(6)	(3)	(2)
	Ebitda excl. extraordinary items	40	34	33	36	40
	Ebit excl. extraordinary items	12	2	(1)	3	9
	Net profit restated	1	(3)	(12)	(5)	1
<b>PER SHARE DATA (Eu)</b>	Total shares out (mn) - average fd	378	378	378	378	378
	EPS stated fd	0.004	-0.007	-0.033	-0.012	0.003
	EPS restated fd	0.004	-0.007	-0.033	-0.012	0.003
	BVPS fd	0.414	0.406	0.362	0.349	0.353
	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 (%)					
<b>CASH FLOW (Eu mn)</b>	Gross cash flow	29	25	16	22	28
	Change in NWC	6	28	6	(4)	(3)
	Capital expenditure	(16)	(24)	(18)	(18)	(19)
	Other cash items	0	0	0	0	1
	Free cash flow (FCF)	20	29	4	(0)	5
	Acquisitions, divestments & others	(0)	0	0	0	0
	Dividend	0	0	0	0	0
	Equity financing/Buy-back	0	0	0	0	0
	Change in Net Financial Position	24	20	0	(0)	5
<b>BALANCE SHEET (Eu mn)</b>	Total fixed assets	257	252	238	236	232
	Net working capital	76	48	42	46	50
	Long term liabilities	(70)	(60)	(57)	(64)	(67)
	Net capital employed	263	240	223	219	215
	Net financial position	(106)	(87)	(86)	(87)	(81)
	Group equity	157	153	137	132	133
	Minorities	1	1	1	1	1
	Net equity	158	154	137	133	134
<b>ENTERPRISE VALUE (Eu mn)</b>	Average mkt cap - current	49	49	49	49	49
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	(106)	(87)	(86)	(87)	(81)
	Enterprise value	155	135	135	135	130
<b>RATIOS(%)</b>	EBITDA margin*	7.9%	6.7%	7.1%	7.5%	7.9%
	EBIT margin*	2.4%	0.4%	nm	0.7%	1.8%
	Gearing - Debt/equity	68.0%	56.5%	63.1%	65.6%	61.0%
	Interest cover on EBIT	1.7	0.3	nm	0.5	1.4
	Debt/Ebitda	2.66	2.88	3.19	2.61	2.15
	ROCE*	4.4%	0.8%	-0.6%	1.5%	4.3%
	ROE*	0.9%	-1.6%	-8.5%	-3.5%	1.0%
	EV/CE	0.6	0.5	0.6	0.6	0.6
	EV/Sales	0.3	0.3	0.3	0.3	0.3
	EV/Ebit	12.9	21.7	30.5	21.8	11.5
	Free Cash Flow Yield	40.9%	60.5%	9.1%	-0.7%	10.9%
<b>GROWTH RATES (%)</b>	Sales	17.6%	0.7%	-8.0%	3.0%	5.0%
	EBITDA*	24.4%	-14.8%	-3.5%	10.0%	9.9%
	EBIT*	144.7%	-82.3%	nm	nm	189.3%
	Net profit	nm	nm	nm	nm	nm
	EPS restated	nm	nm	nm	nm	nm

\* Excluding extraordinary items

Source: Intermonte SIM estimates

## Results

### Reno de Medici - Quarterly Results

(€ mn)		Q4'11A	Q4'12A	YoY	Q4'12E	A v E	FY'11A	FY'12A	YoY
Sales		112.2	117.5	4.8%	123.4	-4.7%	507.1	466.3	-8.0%
	Yoy Growth		4.8%		10.0%		0.7%	-8.0%	
Volumes ('000)		203	209	3.0%	222	-6.0%	878	834	-5.0%
	Yoy Growth		3.0%		9.5%		-7.2%	-5.0%	
Average Prices (Eu)		553	562	1.7%	555	1.3%	578	559	-3.2%
	Yoy Growth		1.7%		0.4%		8.5%	-3.2%	
Other Revenues		3.6	2.5		5.9		15.4	12.1	
Cost of Raw Materials		-92.8	-92.6		-100.6		-415.2	-374.1	
	as a % of total sales	-82.7%	-78.8%		-81.5%		-81.9%	-80.2%	
Labour Costs		-16.5	-18.6		-17.4		-72.7	-72.4	
Other Operating		-1.3	-1.3		-0.8		-4.6	-4.9	
<b>EBITDA Adjusted</b>							<b>32.9</b>	<b>33.2</b>	<b>0.9%</b>
	Margin %						6.5%	7.1%	
Non recurring costs							5.9	3.0	
<b>EBITDA</b>		<b>5.3</b>	<b>7.6</b>	<b>44.0%</b>	<b>10.5</b>	<b>-28.3%</b>	<b>30.0</b>	<b>27.0</b>	<b>-10.0%</b>
	Margin %	4.7%	6.4%		8.5%		5.9%	5.8%	
Depreciations		-7.8	-6.6		-6.8		-27.1	-26.3	
Wright offs		-0.4	-2.2		0.0		-0.7	-2.2	
<b>EBIT</b>		<b>-2.9</b>	<b>-1.2</b>	<b>58.8%</b>	<b>3.8</b>	<i>n.m.</i>	<b>2.2</b>	<b>-1.5</b>	<b>n.m.</b>
	Margin %	-2.6%	-1.0%		3.1%		0.4%	-0.3%	
Financials and associates		-2.1	-3.3		-1.6		-8.5	-10.0	
<b>Pre Tax Profit</b>		<b>-5.0</b>	<b>-4.5</b>	<b>11.6%</b>	<b>2.2</b>	<i>n.m.</i>	<b>-6.3</b>	<b>-11.5</b>	<b>-81.9%</b>
Taxes		4.8	-0.8		0.0		4.1	-0.7	
Minorities		-0.6	0.0		-0.1		-0.3	-0.1	
<b>Group Net Profit</b>		<b>-0.7</b>	<b>-5.2</b>	<b>n.m.</b>	<b>2.1</b>	<i>n.m.</i>	<b>-2.5</b>	<b>-12.3</b>	<b>n.m.</b>

Source: Company data and Intermonte Sim

## Outlook

From the company's press release:

"The trend recorded at the beginning of 2013 is substantially in line with the final months of 2012 and presents significant uncertainty, especially with regard to the first half of the year. Regarding trends in the costs of major factors of production, we are expecting an increase in the cost of recycled fibers, based on the expectation that the increase in domestic Chinese demand will result in an increase in imports by that country. The evolution of energy costs is also uncertain. Despite the high supply of natural gas, speculative tensions could result in an upward spike in prices. In any event, the Company believes that the new contracts it has just agreed will make it possible to achieve a reduction in unit cost compared to last year. Prices for other energy factors (electricity and coal) show a downward trend due to the continuing recession. In the second half of 2013, a slight recovery is expected."

## Estimates

### *Reno de Medici Basic Assumptions*

	2007A	2008A	2009A	2010A	2011A	2012A	2013E	2014E	2015E
<b>Volumes (k)</b>	<b>664.0</b>	<b>889.0</b>	<b>846.0</b>	<b>946.0</b>	<b>878.0</b>	<b>834.0</b>	<b>850.7</b>	<b>884.7</b>	<b>911.2</b>
YoY growth %		33.9%	-4.8%	11.8%	-7.2%	-5.0%	2.0%	4.0%	3.0%
<b>Average selling price (Eu/ton)</b>	<b>516</b>	<b>507</b>	<b>506</b>	<b>532</b>	<b>578</b>	<b>559</b>	<b>565</b>	<b>570</b>	<b>576</b>
YoY growth %		-1.6%	-0.3%	5.2%	8.5%	-3.2%	1.0%	1.0%	1.0%
<b>Sales (Eu mn)</b>	<b>342.5</b>	<b>451.1</b>	<b>428.1</b>	<b>503.6</b>	<b>507.1</b>	<b>466.3</b>	<b>480.4</b>	<b>504.6</b>	<b>525.0</b>
YoY growth %		31.7%	-5.1%	17.6%	0.7%	-8.0%	3.0%	5.0%	4.0%
<b>Raw material costs (Eu mn)</b>	<b>139.7</b>	<b>181.7</b>	<b>169.4</b>	<b>230.5</b>	<b>238.8</b>	<b>203.0</b>	<b>205.0</b>	<b>207.0</b>	<b>209.0</b>
YoY growth %		30.1%	-6.8%	36.1%	3.6%	-15.0%	1.0%	1.0%	1.0%
as a % of sales									
<b>Energy (Eu mn)</b>	<b>55.2</b>	<b>77.4</b>	<b>60.6</b>	<b>59.4</b>	<b>65.4</b>	<b>73.0</b>	<b>67.0</b>	<b>67.0</b>	<b>68.0</b>
YoY growth %		40.3%	-21.8%	-1.9%	10.1%	11.6%	-8.2%	0.0%	1.5%
as a % of sales									
<b>SPREAD (Eu/ton)*</b>	<b>305</b>	<b>303</b>	<b>306</b>	<b>289</b>	<b>306</b>	<b>316</b>	<b>324</b>	<b>336</b>	<b>347</b>
SPREAD (Eu mn)	77.5	93.9	99.7	106.1	97.6	88.0	98.4	103.6	107.0

Source: Company data & Intermonte Sim

\* SPREAD = (Sales - Raw materials costs) / Volumes

### Reno de Medici - Change in estimates

(€ mn)	2013 old	2013 new	change %	2014 old	2014 new	change %	2015 new
<b>Sales</b>	<b>533.5</b>	<b>480.4</b>	<b>-9.9%</b>	<b>557.5</b>	<b>504.6</b>	<b>-9.5%</b>	<b>525.0</b>
YoY growth %	13.0%	3.0%		4.5%	5.0%		2.5%
<b>EBITDA Adjusted</b>		<b>36.2</b>			<b>39.8</b>		<b>41.5</b>
Ebit da margin %		7.5%			7.9%		7.9%
<b>EBITDA</b>	<b>39.0</b>	<b>33.2</b>	<b>-14.9%</b>	<b>42.9</b>	<b>37.8</b>	<b>-11.8%</b>	<b>40.5</b>
Ebit da margin %	7.3%	6.9%		7.7%	7.5%		7.7%
Total D&A	(26.0)	(27.0)		(25.5)	(26.5)		(26.0)
<b>EBIT</b>	<b>13.0</b>	<b>3.2</b>	<b>-75.3%</b>	<b>17.4</b>	<b>9.3</b>	<b>-46.4%</b>	<b>15.5</b>
Ebit margin %	2.4%	0.7%		3.1%	1.8%		3.0%
Net financials & Participations	(6.6)	(7.9)		(5.1)	(7.5)		(6.7)
<b>Pre Tax profit</b>	<b>6.5</b>	<b>-4.7</b>	<b>n.m.</b>	<b>12.3</b>	<b>1.8</b>	<b>-85.3%</b>	<b>8.8</b>
Taxes	(1.7)	0.0		(4.0)	(0.5)		(2.2)
Minorities	(0.3)	0.0		(0.3)	0.0		0.0
<b>Group Net Profit</b>	<b>4.4</b>	<b>-4.7</b>	<b>n.m.</b>	<b>8.0</b>	<b>1.3</b>	<b>-83.7%</b>	<b>6.6</b>

Source: Company data & Intermonte Sim

## Financials

### Reno de Medici P&L

(€ mn)	2007A	2008A	2009A	2010A	2011A	2012A	2013E	2014E	2015E
<b>Sales</b>	<b>342.5</b>	<b>451.1</b>	<b>428.1</b>	<b>503.6</b>	<b>507.1</b>	<b>466.3</b>	<b>480.4</b>	<b>504.6</b>	<b>525.0</b>
YoY growth %	9.1%	31.7%	-5.1%	17.6%	0.7%	-8.0%	3.0%	5.0%	2.5%
<b>EBITDA Adjusted</b>					<b>34.1</b>	<b>32.9</b>	<b>36.2</b>	<b>39.8</b>	<b>41.5</b>
Ebitda Adj. margin %					6.7%	7.1%	7.5%	7.9%	7.9%
<b>EBITDA</b>	<b>29.6</b>	<b>19.1</b>	<b>32.2</b>	<b>40.0</b>	<b>30.0</b>	<b>27.0</b>	<b>33.2</b>	<b>37.8</b>	<b>40.5</b>
Ebitda margin %	8.7%	4.2%	7.5%	7.9%	5.9%	5.8%	6.9%	7.5%	7.7%
D&A and Provisions	(19.0)	(26.7)	(27.3)	(28.0)	(27.9)	(28.5)	(27.0)	(26.5)	(26.0)
<b>EBIT</b>	<b>10.6</b>	<b>13.6</b>	<b>4.9</b>	<b>12.0</b>	<b>2.1</b>	<b>-1.5</b>	<b>3.2</b>	<b>9.3</b>	<b>15.5</b>
Ebit margin %	3.1%	3.0%	1.1%	2.4%	0.4%	-0.3%	0.7%	1.8%	3.0%
Net financials & Participations	(7.6)	(11.7)	(10.2)	(6.8)	(7.6)	(10.0)	(7.9)	(7.5)	(6.7)
<b>Pre Tax profit</b>	<b>3.0</b>	<b>1.9</b>	<b>-5.3</b>	<b>5.2</b>	<b>-5.5</b>	<b>-11.5</b>	<b>-4.7</b>	<b>1.8</b>	<b>8.8</b>
Taxes	0.8	(2.1)	(1.3)	(3.2)	3.8	(0.7)	0.0	(0.5)	(2.2)
Minorities	(0.3)	(0.2)	(0.4)	(0.7)	(0.8)	(0.1)	0.0	0.0	0.0
<b>Group Net Profit</b>	<b>1.4</b>	<b>-6.4</b>	<b>-6.9</b>	<b>1.4</b>	<b>-2.5</b>	<b>-12.3</b>	<b>-4.7</b>	<b>1.3</b>	<b>6.6</b>

Source: Company data & Intermonte Sim

### Reno de Medici Cash Flow

(€ mn)	2007A	2008A	2009A	2010A	2011A	2012A	2013E	2014E	2015E
Net Income	1.7	(6.2)	(6.5)	2.0	-1.7	-12.2	-4.7	1.3	6.6
D&A	18.4	25.0	26.7	26.1	27.5	26.3	26.0	25.5	25.0
Other non-cash items	0.0	1.7	0.6	1.9	0.4	2.2	1.0	1.0	1.0
<b>Op. Cash Flow</b>	<b>20.1</b>	<b>20.5</b>	<b>20.7</b>	<b>30.0</b>	<b>26.2</b>	<b>16.3</b>	<b>22.3</b>	<b>27.8</b>	<b>32.6</b>
Change in NWC	8.5	(18.4)	5.7	6.3	27.8	6.1	(4.4)	(3.3)	(4.0)
<b>Capex</b>	<b>(17.8)</b>	<b>(16.9)</b>	<b>(19.7)</b>	<b>(15.8)</b>	<b>(23.7)</b>	<b>(17.8)</b>	<b>(18.3)</b>	<b>(19.2)</b>	<b>(19.9)</b>
Acquisitions	0.0	0.0	(4.7)	(0.2)	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	(0.9)	(3.3)	0.0	(10.9)	0.3	0.0	0.0	0.0
<b>Net Cash Flow</b>	<b>10.5</b>	<b>(12.9)</b>	<b>(2.6)</b>	<b>24.4</b>	<b>19.9</b>	<b>0.3</b>	<b>(0.3)</b>	<b>5.3</b>	<b>9.6</b>
Initial NFP	(125.8)	(115.3)	(128.3)	(130.8)	(106.5)	(86.6)	(86.3)	(86.6)	(81.3)
Final NFP	(115.3)	(128.3)	(130.8)	(106.5)	(86.6)	(86.3)	(86.6)	(81.3)	(71.6)

Source: Company data & Intermonte Sim

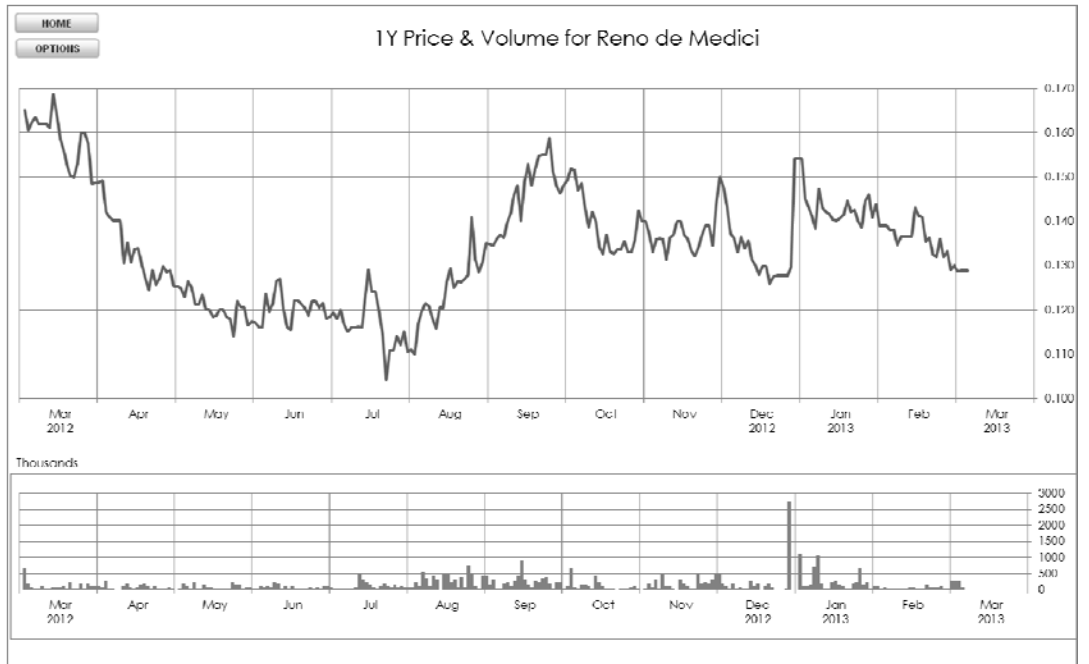
### Reno de Medici Balance Sheet

(€ mn)	2007A	2008A	2009A	2010A	2011A	2012A	2013E	2014E	2015E
Net Working Capital	69.4	87.7	82.0	75.7	47.9	41.9	46.2	49.6	53.6
Net Fixed Assets	191.0	270.6	269.2	257.0	251.8	238.0	236.1	231.7	230.7
Other assets/liabilities	(30.0)	(69.1)	(65.6)	(69.7)	(59.9)	(56.9)	(63.7)	(66.7)	(72.7)
<b>Net Capital Employed</b>	<b>230.3</b>	<b>289.3</b>	<b>285.7</b>	<b>263.0</b>	<b>239.9</b>	<b>223.0</b>	<b>218.6</b>	<b>214.6</b>	<b>211.5</b>
<b>Net Debt</b>	<b>(115.3)</b>	<b>(128.3)</b>	<b>(130.8)</b>	<b>(106.5)</b>	<b>(86.6)</b>	<b>(86.3)</b>	<b>(86.6)</b>	<b>(81.3)</b>	<b>(71.6)</b>
<b>Group's Net Equity</b>	<b>115.0</b>	<b>161.0</b>	<b>154.8</b>	<b>156.6</b>	<b>153.3</b>	<b>136.7</b>	<b>132.0</b>	<b>133.3</b>	<b>139.9</b>
Gearing (%)	100.3%	79.7%	84.5%	68.0%	56.5%	63.1%	65.6%	61.0%	51.2%
Leverage (x)	3.9	6.7	4.1	2.7	2.9	3.2	2.6	2.2	1.8

Source: Company data & Intermonte Sim

## Stock price

Over the last year, the stock has underperformed both the FTSEMIB index by 20.4%, and the STAR index by 35.1%. On the positive, liquidity has significantly increased in the last months. YTD average monthly volumes have been 6.8 million shares in compared to 3.7 million in 2012.



## RENO DE MEDICI Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
RENO DE MEDICI	0.1	EUR	48.7	-6.6%	-5.4%	-5.9%	-16.5%	-21.9%	-43.4%
HOLMEN	197.2	EUR	16,564.0	1.2%	2.1%	16.5%	2.5%	3.5%	-13.1%
MAYR-MELNHOF	87.0	EUR	1,738.7	1.9%	5.5%	15.0%	7.6%	17.2%	3.0%
METSA	2.4	EUR	781.0	2.1%	7.7%	13.9%	7.2%	12.8%	-20.7%
UPM KYMMENE	9.2	EUR	4,817.2	3.3%	2.2%	3.9%	4.0%	-11.5%	-36.4%
<b>Mean performance</b>				<b>0.4%</b>	<b>2.4%</b>	<b>8.7%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>-22.1%</b>
<b>Italy Fixed</b>	15,974.3	EUR	181,345	-4.4%	0.1%	5.6%	-1.8%	-4.8%	-27.8%

Source: FactSet

## RENO DE MEDICI 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
				2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
RENO DE MEDICI	0.1	EUR	48.7	0.3	0.3	3.7	3.3	21.8	11.5	(10.3)	37.4	0.0%	0.0%
HOLMEN	197.2	EUR	16,564.0	1.3	1.3	8.2	7.6	15.2	13.5	16.1	14.4	4.7%	4.9%
MAYR-MELNHOF	87.0	EUR	1,738.7	0.7	0.6	5.3	4.6	7.9	6.8	13.9	12.9	2.7%	2.9%
METSA	2.4	EUR	781.0	0.7	0.6	6.5	6.0	12.9	11.2	17.4	13.4	2.5%	2.9%
UPM KYMMENE	9.2	EUR	4,817.2	0.8	0.7	6.5	6.0	11.7	11.0	11.5	10.5	6.6%	6.7%
<b>Median</b>				<b>0.7</b>	<b>0.6</b>	<b>6.5</b>	<b>6.0</b>	<b>12.9</b>	<b>11.2</b>	<b>13.9</b>	<b>13.4</b>	<b>2.7%</b>	<b>2.9%</b>

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

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**DETAILS ON STOCKS RECOMMENDATION**

Stock NAME	RENO DE MEDICI		
Current Recomm:	NEUTRAL	Previous Recomm:	NEUTRAL
Current Target (Eu):	0.15	Previous Target (Eu):	0.15
Current Price (Eu):	0.13	Previous Price (Eu):	0.14
Date of report:	06/03/2013	Date of last report:	06/11/2012

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