

# RENO DE MEDICI OUTPERFORM

Price (Eu): 1.06

Target Price (Eu): 1.25

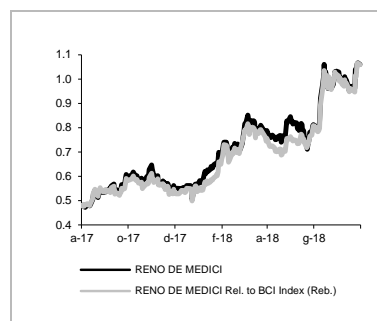
SECTOR: Industrials

Carlo Maritano +39-02-77115.358  
e-mail: carlo.maritano@intermonte.it

## Profitability on the Rise Again, Constructive 2H Ahead

- Profitability beat estimates again in 2Q.** The company reported 2Q operating results that were better than expected, showing a continuation of the positive trends that emerged in previous quarters. Specifically, the group closed 2Q with turnover of Eu150mn, up 5.3% YoY thanks to increased sale volumes (+2k tons in 2Q, or around +1% YoY) and higher average sale prices YoY. EBITDA came in at Eu19.3mn, higher than our Eu16.5mn estimate thanks mainly to lower than forecast waste paper prices, although there was an increase in 2Q from the low point hit in 1Q, especially in the German market, whereas in Italy and France prices were more stable. Net profit was broadly in line with estimates (taxes were higher than expected), while the strong cash generation in 2Q brought net debt to Eu30mn, down QoQ from the Eu41.5mn posted at the end of March (and better than our Eu35mn forecast).
- Positive outlook reiterated.** With regard to the remainder of the year, management believes that the outlook remains positive in both WLC and FBB, with strong demand, even though there are some signs of a slowdown in the growth trajectory. As for input costs, the outlook remains as outlined with the release of 1Q results and is subject to quite substantial volatility. The prices of waste paper in the remaining part of the year may continue to rise slightly, with important differences across the main markets. Limited growth is expected in Italy, to the extent that export volumes will stay at current levels. In France, price fluctuations are expected to be similar to those of the Italian market, but with more volatility, while in Germany the upward trend may be more pronounced. As for FBB, the price of virgin fibres is expected to remain at current high levels, perhaps falling slightly in the autumn for seasonal reasons, but with a medium-term trend that continues to point upwards. Finally, energy prices should be stable for the rest of 2018.
- EBITDA lifted by 5% on average for 2018-20.** We have left our top line forecast broadly unchanged, but lifted our EBITDA estimates by around 5% to incorporate a more favourable scenario for input costs. We have also raised the EPS by 5%, as the improvement in profitability is partially offset by a higher estimated tax rate. We remind that our estimates still do not include the announced acquisition of Barcelona Cartonboard, which should be closed by the end of the year.
- OUTPERFORM reiterated; target lifted to Eu1.25.** 2Q results once again demonstrated the quality of the measures introduced by CEO Bianchi and his management team since its appointment, which have delivered significant operating improvements in a market scenario that remains positive. Moreover, even after the announced acquisition, an ungeared balance sheet provides leeway for additional, value-accretive M&A. Our "as is" valuation, the simple average of an EV/ROACE model and a peer comparison, yields a target price of Eu1.10 per share, to which we then add Eu0.15 of value creation from the acquisition of Barcelona Cartonboard in order to reach a new target price of Eu1.25. In light of the strong estimates momentum for RDM, we believe the stock re-rating may continue.

### RENO DE MEDICI - 12m Performance



**RATING: Unchanged**

**TARGET PRICE (Eu): from 1.15 to 1.25**

Change in EPS est:	2018E	2019E
	5.2%	5.4%

#### STOCK DATA

Reuters code: RDM.MI  
Bloomberg code: RM IM

Performance	1m	3m	12m
Absolute	2.7%	28.0%	129.7%
Relative	3.8%	37.0%	129.2%
12 months H/L:	1.07/0.47		

#### SHAREHOLDER DATA

No. of Ord. shares (mn):	378
Total No. of shares (mn):	378
Mkt Cap Ord (Eu mn):	400
Total Mkt Cap (Eu mn):	400
Mkt Float - ord (Eu mn):	125
Mkt Float (in %):	31.2%
Main shareholder:	
Cascades	57.6%

#### BALANCE SHEET DATA

	2018
Book value (Eu mn):	198
BVPS (Eu):	0.52
P/BV:	2.0
Net Financial Position (Eu mn):	-21
Enterprise value (Eu mn):	417

Please see important disclaimer on the last page of this report

Key Figures	2016A	2017A	2018E	2019E	2020E
Sales (Eu mn)	478	569	602	613	625
Ebitda (Eu mn)	30	46	63	65	66
Net profit (Eu mn)	3	15	29	28	29
EPS - New (Eu)	0.008	0.039	0.070	0.074	0.076
EPS - Old (Eu)	0.008	0.039	0.067	0.070	0.072
DPS (Eu)	0.003	0.003	0.008	0.007	0.008

Ratios & Multiples	2016A	2017A	2018E	2019E	2020E
P/E	nm	27.5	15.1	14.4	13.9
Div. Yield	0.3%	0.3%	0.7%	0.7%	0.7%
EV/Ebitda	14.5	9.6	6.6	6.1	5.6
ROCE	4.4%	11.4%	18.9%	19.1%	18.9%

The reproduction of the 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.

**RENO DE MEDICI - KEY FIGURES**

		2016A	2017A	2018E	2019E	2020E
	Fiscal year end	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
<b>PROFIT &amp; LOSS (Eu mn)</b>	Sales	478	569	602	613	625
	EBITDA	30	46	63	65	66
	EBIT	9	23	41	42	43
	Financial income (charges)	(3)	(3)	1	(2)	(2)
	Associates & Others	1	(0)	(0)	(0)	0
	Pre-tax profit (Loss)	6	21	42	40	42
	Taxes	(3)	(6)	(13)	(12)	(13)
	Tax rate (%)	-47.3%	-29.1%	-30.9%	-30.9%	-31.0%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	3	15	29	28	29
	Total extraordinary items	0	0	0	0	0
	Ebitda excl. extraordinary items	30	46	63	65	66
Ebit excl. extraordinary items	9	23	41	42	43	
Net profit restated	3	15	26	28	29	
<b>PER SHARE DATA (Eu)</b>	Total shares out (mn) - average fd	378	378	378	378	378
	EPS stated fd	0.008	0.039	0.076	0.074	0.076
	EPS restated fd	0.008	0.039	0.070	0.074	0.076
	BVPS fd	0.411	0.446	0.525	0.602	0.685
	Dividend per share (ord)	0.003	0.003	0.008	0.007	0.008
	Dividend per share (sav)	0.025	0.025	0.025	0.025	0.025
	Dividend pay out ratio (%)					
<b>CASH FLOW (Eu mn)</b>	Gross cash flow	25	37	51	50	51
	Change in NWC	1	(4)	(5)	(3)	(2)
	Capital expenditure	(18)	(21)	(22)	(23)	(23)
	Other cash items	13	(0)	0	0	0
	Free cash flow (FCF)	21	12	24	25	26
	Acquisitions, divestments & others	(13)	(10)	0	0	0
	Dividend	(2)	(1)	(1)	(3)	(3)
	Equity financing/Buy-back	0	0	0	0	0
Change in Net Financial Position	6	0	23	22	23	
<b>BALANCE SHEET (Eu mn)</b>	Total fixed assets	206	206	212	216	220
	Net working capital	46	49	54	57	60
	Long term liabilities	(52)	(42)	(46)	(46)	(45)
	Net capital employed	200	213	220	226	235
	Net financial position	(44)	(44)	(21)	1	24
	Group equity	155	168	198	227	259
	Minorities	0	0	0	0	0
Net equity	155	168	198	227	259	
<b>ENTERPRISE VALUE (Eu mn)</b>	Average mkt cap - current	400	400	400	400	400
	Adjustments (associate & minorities)	3	5	5	5	5
	Net financial position	(44)	(44)	(21)	1	24
	Enterprise value	442	440	417	395	372
<b>RATIOS(%)</b>	EBITDA margin*	6.4%	8.1%	10.5%	10.6%	10.6%
	EBIT margin*	1.8%	4.1%	6.8%	6.9%	7.0%
	Gearing - Debt/equity	28.6%	26.2%	10.8%	-0.3%	-9.2%
	Interest cover on EBIT	2.7	9.3	nm	20.2	24.2
	Debt/Ebitda	1.46	0.96	0.34	nm	nm
	ROCE*	4.4%	11.4%	18.9%	19.1%	18.9%
	ROE*	2.0%	9.0%	15.6%	13.1%	11.8%
	EV/CE	2.2	2.1	1.9	1.8	1.6
	EV/Sales	0.9	0.8	0.7	0.6	0.6
	EV/Ebit	nm	18.7	10.2	9.3	8.6
Free Cash Flow Yield	5.2%	3.0%	6.0%	6.3%	6.5%	
<b>GROWTH RATES (%)</b>	Sales	9.0%	19.1%	5.7%	1.9%	1.9%
	EBITDA*	-27.2%	50.5%	38.3%	2.6%	1.5%
	EBIT*	-49.2%	168.2%	73.9%	4.0%	2.4%
	Net profit	-68.0%	364.8%	96.5%	-2.9%	3.5%
	EPS restated	-68.0%	364.8%	81.5%	5.1%	3.5%

\* Excluding extraordinary items

Source: Intermonte SIM estimates

**Profitability beat estimates again in 2Q.** The company reported 2Q operating results that were better than expected, showing a continuation of the positive trends that emerged in previous quarters. Specifically, the group closed 2Q with turnover of Eu150mn, up 5.3% YoY thanks to increased sale volumes (+2k tons in 2Q, or around +1% YoY) and higher average sale prices YoY. EBITDA came in at Eu19.3mn, higher than our Eu16.5mn estimate thanks mainly to lower than forecast waste paper prices, although there was an increase in 2Q from the low point hit in 1Q, especially in the German market, whereas in Italy and France prices were more stable. Net profit was broadly in line with estimates (taxes were higher than expected), while the strong cash generation in 2Q brought net debt to Eu30mn, down QoQ from the Eu41.5mn posted at the end of March (and better than our Eu35mn forecast).

#### RDM – 2Q results

(Eu m)	2Q17A	2Q18A	YoY	2Q18E	A vs E
<b>Revenues</b>	<b>142.8</b>	<b>150.3</b>	<b>5.3%</b>	<b>149.2</b>	<b>0.7%</b>
Other Revenues	2.1	1.8		2.2	
Δ Finished Goods	5.8	3.0		4.7	
COGS	(114.4)	(111.2)		(117.2)	
% on sales	-80.1%	-74.0%		-78.5%	
Personnel Costs	(22.0)	(23.0)		(22.4)	
% on sales	-15.4%	-15.3%		-15.0%	
Other Operating Costs	0.0	(1.5)		(0.0)	
% on sales	0.0%	-1.0%		0.0%	
<b>EBITDA</b>	<b>14.2</b>	<b>19.3</b>	<b>35.6%</b>	<b>16.5</b>	<b>16.6%</b>
% on sales	10.0%	12.8%		11.1%	
Depreciations	(5.7)	(6.0)		(5.9)	
Write offs	0.0	0.0		0.0	
<b>EBIT</b>	<b>8.5</b>	<b>13.3</b>	<b>56.9%</b>	<b>10.6</b>	<b>25.7%</b>
% on sales	5.9%	8.9%		7.1%	
Financials and associates	(0.8)	(0.3)		(1.1)	
<b>Pre Tax Profit</b>	<b>7.7</b>	<b>13.0</b>		<b>9.5</b>	
Taxes	(0.5)	(4.6)		(0.4)	
Discontinued	0.0	0.0		0.0	
Minorities	0.0	0.0		0.0	
<b>Group Net Profit</b>	<b>7.2</b>	<b>8.4</b>	<b>16.7%</b>	<b>9.1</b>	<b>-7.7%</b>
<b>Net Debt</b>	<b>(52.0)</b>	<b>(30.0)</b>	<b>-42%</b>	<b>(35.0)</b>	<b>-14.3%</b>

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

**EBITDA lifted by 5% on average for 2018-20.** We have left our top line forecast broadly unchanged, but lifted our EBITDA estimates by around 5% to incorporate a more favourable scenario for input costs. We have also raised the EPS by 5%, as the improvement in profitability is partially offset by a higher estimated tax rate. We remind that our estimates still do not include the announced acquisition of Barcelona Cartonboard, which should be closed by the end of the year.

#### RDM – Change in estimates

	2018E	2019E	2020E
<b>Revenues new</b>	<b>602</b>	<b>613</b>	<b>625</b>
Revenues old	607	619	631
<b>EBITDA new</b>	<b>63.4</b>	<b>65.0</b>	<b>66.0</b>
EBITDA old	60.4	61.9	62.8
<b>EBIT new</b>	<b>40.8</b>	<b>42.5</b>	<b>43.5</b>
EBIT old	37.9	39.3	40
<b>Net Profit new</b>	<b>26.4</b>	<b>27.8</b>	<b>28.8</b>
Net Profit old	25.1	26.4	27
<b>Net Financial Position new</b>	<b>(21.5)</b>	<b>0.7</b>	<b>23.8</b>
Net Financial Position old	(25.6)	(4.8)	16

Source: Intermonte SIM estimates

### Valuation

Our “as is” valuation, the simple average of an EV/ROACE model and a peer comparison, yields a target price of Eu1.10 per share, to which we then add Eu0.15 of value creation from the acquisition of Barcelona Cartonboard in order to reach a new target price of Eu1.25. In light of the strong estimates momentum for RDM, we believe the stock re-rating may continue.

#### RDM – Valuation Summary

	Eu p.s.	Weight
Peers comparison	1.09	50%
EV/ROCE	1.10	50%
Average	1.10	
Value creation from acquisition	0.15	
<b>Target Price</b>	<b>1.25</b>	
Current price	1.06	
Upside	18.0%	

Source: Intermonte SIM estimates

## Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
<b>RENO DE MEDICI</b>	<b>1.06</b>	<b>EUR</b>	<b>400</b>	<b>2.7%</b>	<b>28.0%</b>	<b>54.7%</b>	<b>109.7%</b>	<b>129.7%</b>	<b>255.9%</b>
HOLMEN	197.90	SEK	33,246	-2.8%	-6.7%	-3.6%	-9.2%	7.3%	35.3%
MAYR-MELNHOF	114.80	EUR	2,296	-0.5%	-9.6%	-5.7%	-6.3%	0.9%	16.4%
METSA	8.15	EUR	2,897	-13.1%	-13.7%	13.7%	14.1%	38.3%	56.9%
STORA ENSO	14.51	EUR	11,443	-12.3%	-11.6%	8.2%	9.8%	27.7%	80.1%
UPM KYMMENE	---	EUR	---	---	---	---	---	---	---
<b>Mean performance</b>				<b>-5.2%</b>	<b>-2.7%</b>	<b>13.5%</b>	<b>23.6%</b>	<b>40.8%</b>	<b>88.9%</b>
<b>Italy FTSE Mib</b>	21,580.2	EUR		-1.6%	-11.3%	-3.4%	-1.2%	-1.6%	29.8%

Source: FactSet

## 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
				2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
<b>RENO DE MEDICI</b>	<b>1.06</b>	<b>EUR</b>	<b>400</b>	<b>0.7</b>	<b>0.6</b>	<b>6.6</b>	<b>6.1</b>	<b>10.2</b>	<b>9.3</b>	<b>15.1</b>	<b>14.4</b>	<b>0.7%</b>	<b>0.7%</b>
HOLMEN	197.90	SEK	33,246	2.2	2.1	11.1	10.9	15.0	14.7	17.0	17.5	3.6%	3.9%
MAYR-MELNHOF	114.80	EUR	2,296	0.9	0.9	6.7	6.5	9.8	9.4	13.9	13.2	2.8%	3.0%
METSA	8.15	EUR	2,897	1.6	1.4	9.0	8.0	12.5	10.7	15.0	13.2	3.2%	3.7%
STORA ENSO	14.51	EUR	11,443	1.3	1.2	7.4	7.2	10.2	9.9	11.9	12.0	3.7%	3.9%
UPM KYMMENE		EUR											
<b>Median</b>				<b>1.4</b>	<b>1.3</b>	<b>8.2</b>	<b>7.6</b>	<b>11.3</b>	<b>10.3</b>	<b>14.4</b>	<b>13.2</b>	<b>3.4%</b>	<b>3.8%</b>

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

## DETAILS ON STOCKS RECOMMENDATION

Stock NAME	RENO DE MEDICI		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	1.25	Previous Target (Eu):	1.15
Current Price (Eu):	1.06	Previous Price (Eu):	0.98
Date of report:	07/08/2018	Date of last report:	19/06/2018

**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 the 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](http://www.intermonte.it) under DISCLOSURES. 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.

**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.

**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 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

**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 29 Giugno 2018 Intermonte's Research Department covered 160 companies.

Intermonte's distribution of stock ratings is as follows:

BUY:	14,10 %
OUTPERFORM:	41,67 %
NEUTRAL:	39,10 %
UNDERPERFORM	05,13 %
SELL:	00,00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (51 in total) is as follows:

BUY:	15,69 %
OUTPERFORM:	58,82 %
NEUTRAL:	25,49 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

**CONFLICT OF INTEREST**

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

- o within the last year, Intermonte managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an offering with firm commitment underwriting of the securities of the following Companies: Alkemy, Banca Ifis, Banca Sistema, Cattolica Assicurazioni, Capital For Progress 2, Emak, Nova RE, Space4, Somec.
- o Intermonte 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, Aquafil, Ascopiave, Avio, Azimut, B&C Speakers, Banca Ifis, Banca Sistema, Be, Cattolica Assicurazioni, Crescita/Cellular Line, DeA Capital, DigiTouch, ELEn, Emak, ePrice, Falck Renewables, Ferrovie Nord Milano, Gamenet, Gefran, Giglio Group, GO Internet, GPI, H-Farm, Il Sole 24 Ore, Italiaonline, IWB, LU-VE, Mondo TV, Notorius Picture, Nova RE, Openjobmetis, QF Alpha Immobiliare, Reno de Medici, Reply, ReteIt, Saes Getters, Servizi Italia, Sesa, Snaitech, Somec, Space4/Guala, Tamburi Investment Partners, Tesmec, Tecnoinvestimenti, TXT e-solutions, Vetrya, Vittoria Assicurazioni, Witi, Zephyro.
- o Intermonte SIM SpA, through its Websim Division, acts as an Retail Investor Research Provider on behalf of the following companies: A2A, Aedes, Axelero, Banca Ifis, Banca Sistema, ePrice, Bomi, Cattolica Assicurazioni, Centrale del Latte, Cerved, DHH, Dada, Digital Bros, Digital Magics, Digitouch, Electro Power System, Elettra Investimenti, Enertronica, Enel, Energetica Motori, Expert System, Falck Renewables, Fiera Milano, FLA, First Capital, FOPE, Generali Assicurazioni, Giglio, Go Internet, Italiaonline, Isagro, La Doria, L'Ventre, MailUp, Masi Agricola, Mondo TV, Primi sui Motori, ReteIt, Safe Bag, SITI B&T, SMRE, TXT e-Solutions, WITT.
- o Intermonte has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Aeroporto di Bologna, Banca Ifis, Carraro, Conafi, Gamenet, M&C, Il Sole 24 Ore, Italiaonline, Saras, Witi.
- o Intermonte SIM undertakes marketing/communication activities through its Websim Division on behalf of the following issuers: Banca IMI, BNP Paribas, Credit Suisse, Exane, Leonteq, Unicredit, Vontobel, Wisdmtree.
- o Intermonte SIM SpA performs as a market maker for the following companies: Atlantia, Autoglin, Azimut Holding, Banco Popolare, BCA Monte dei Paschi di Siena, BCA POP Emilia Romagna, BCA POP Milano, CNH Industrial, Enel, Eni, Exor, Fiat Chrysler Automobiles NV, Generali, Indice FTMB, Intesa Sanpaolo, Intesa Sanpaolo RIsP, Leonardo-Finmeccanica, Luxottica Group, Mediaset, Mediobanca, Prysmian, Saipem, Snam, Stmicroelectronics, Telecom Italia, Telecom Italia Risparmio, Tenaris, Terna, Ubi Banca, Unicredit, Unipol, Unipolsai.
- o Intermonte SIM SpA is acting as placement agent in Il Sole 24 Ore's 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.

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
CAPITAL FOR PROGRESS 2	1,06	LONG
COGEME SET SPA	1,6	SHORT
IKF	0,57	SHORT
OLIDATA	0,88	SHORT
WASTE ITALIA	0,61	SHORT

**© Copyright 2018 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