

TIP

OUTPERFORM

Price (Eu): **5.28**

Target Price (Eu): **5.40**

SECTOR: Holdings & RE

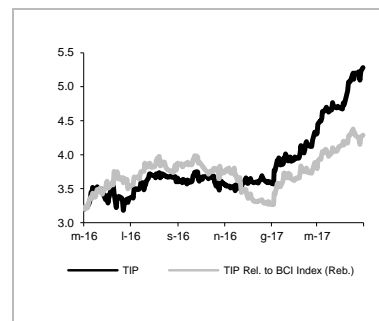
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Asset Valuation Gains Drive Strong Performance

- 1Q17 boosted by capital gain.** As expected, in 1Q17 TIP recorded a capital gain of some Eu20mn from the disposal of Prysmian shares that brought profits to Eu18.5mn vs. Eu2.1mn last year. Net debt stood at Eu172.7mn, down from Eu199.2mn as at YE16. From the press release it also emerged that TIP will hold 30.91% of the vehicle set up by Asset Italia for the Alpitour capital increase, to which TIP will contribute Eu37mn.
- First Asset Italia deal: Alpitour.** On 23rd March 2017, TIP announced the first Asset Italia deal. The vehicle will subscribe a Eu120mn capital increase in Alpitour, a leading Italian tourism company (an online and offline tour operator that is also active in aviation, hotel management, travel agencies and incoming, i.e. services for tourists arriving in the country) generating turnover of Eu1.1bn and EBITDA of Eu36mn in 2016. Asset Italia will reach a 32.67% stake in Alpitour, which is therefore valued at around Eu370mn post-money, or Eu250mn pre-money. Assuming a Eu30mn net debt position at YE16 the deal would value Alpitour at 7.8x EV/EBITDA. Asset Italia will have a significant involvement in Alpitour's corporate governance, side-by-side with Alpitour CEO Gabriele Burgio and private equity funds J. Hirsch and Wise SGR, which launched a management buyout of the company in 2012. The capital increase will provide Alpitour with the necessary resources to accelerate its organic growth path and finance potential external growth opportunities, both in Italy and abroad.
- Improving liquidity of Italian SMEs could create opportunities.** The recent introduction of PIRs (a fiscal scheme that enables Italian individuals to get tax exemption on capital gains and dividends from investments in Italian mid-small caps) is creating a favourable environment for TIP, which is highly exposed to Italian SMEs that excel in their respective niche markets. The higher liquidity related to the introduction of PIRs supports the valuations of TIP's assets and provides interesting exits opportunities. As for new pipeline generation, TIP could capitalise on its unique strategy which supports growth with no predetermined exits and helps solve governance-related issues, in order to identify new targets at decent valuations despite a generally more challenging environment in SMEs area.
- OUTPERFORM confirmed; target raised from Eu5.0 to Eu5.4.** In the last few months TIP has benefited from the solid performance of some of its listed assets. Current prices may still not fully reflect the value of TIP's non listed assets portfolio, which is expected to grow further once new deals are announced. We are lifting our target price to Eu5.40, incorporating the dilutive impact on our Dynamic NAV (Eu5.67) of the assumed 80% conversion of TIP warrants in June 2017. We continue to appreciate TIP's ability to gain the trust of owners of many high quality Italian companies, to offer innovative solutions to investors, and to enact good selection with a focus on high-quality companies. At its last closing price the stock would be trading at a 2.2% discount to our diluted dynamic NAV.

TIP - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 5.00 to 5.40

Change in EPS est:	2016A	2017E
	0.0%	0.0%

STOCK DATA

Reuters code: TIP.MI
Bloomberg code: TIP IM

Performance	1m	3m	12m
Absolute	12.3%	33.1%	67.1%
Relative	4.5%	20.1%	43.5%
12 months H/L:	5.28/3.18		

SHAREHOLDER DATA

No. of Ord. shares (mn):	148
Total No. of shares (mn):	148
Mkt Cap Ord (Eu mn):	780
Total Mkt Cap (Eu mn):	780
Mkt Float - ord (Eu mn):	540
Mkt Float (in %):	69.2%
Main shareholder:	
D'Amico SdN	12.1%

BALANCE SHEET DATA

	2017
Book value (Eu mn):	454
BVPS (Eu):	3.07
P/BV:	1.7
Net Debt (Eu mn):	190
NAV (Eu mn)	718

Please see important disclaimer on the last page of this report

Key Figures	2014A	2015A	2016A	2017E	2018E
EBIT (Eu mn)					
Net profit (Eu mn)	27	25	51	26	27
EPS - New (Eu)	0.188	0.171	0.352	0.175	0.184
EPS - Old (Eu)			0.352	0.175	0.184
DPS (Eu)	0.061	0.061	0.069	0.061	0.061
NAVPS (Eu)	2.830	3.830	4.856	4.856	4.856
Ratios & Multiples	2014A	2015A	2016A	2017E	2018E
P/E	28.1	30.8	15.0	30.2	28.6
Div. Yield	1.2%	1.2%	1.3%	1.2%	1.2%
P/NAVPS	1.9	1.4	1.1	1.1	1.1
ROCE					

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TIP – Dynamic NAV (@ Intermonte fair Value)

(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
LISTED COMPANIES	417.0		49.8%		
Moncler	159.3	2.5%	19.0%	Intermonte Fair Value	Luxury
Amplifon S.p.A.	121.1	4.2%	14.5%	Intermonte Fair Value	Hearing aids
FCA	29.1	0.2%	3.5%	Intermonte Fair Value	Auto
HUGO BOSS AG	63.1	1.3%	7.5%	Market value	Fashion/Luxury
Ferrari NV	24.0	0.2%	2.9%	Intermonte Fair Value	Luxury cars
Other listed companies	13.2	n.a.	1.6%	Book Value	Various
Digital Magics S.p.A.	7.1	18.2%	0.9%	Market value	Web incubator
NON LISTED COMPANIES	221.5		26.4%		
Azimut Benetti	50.0	12.0%	6.0%	Intermonte Fair Value	Yacht/ Luxury
TXR S.r.l (51% Furn Invest - 38% Roche Bobois)	60.0	51.0%	7.2%	Intermonte Fair Value	Furnishing / Luxury
Alpitour (30.9% Asset Italia I - 32.7% Alpitour)	37.0	30.9%	5.1%	Book Value	Tour Operator
TIP advisory business	21.5	100.0%	2.6%	15x adj. PE	Advisory
Furla	15.0	n.a.	1.8%	Book Value	Luxury
Octo Telematics	23.0	n.a.	2.7%	Intermonte Fair Value	Telematics
Dedalus Holding SpA	9.3	n.a.	1.1%	Book Value	Healthcare
Talent Garden	5.0	n.a.	0.6%	Book Value	Coworking spaces
Other non listed companies	0.8	n.a.	0.1%	Book Value	Various
ASSOCIATES	387.6		46.3%		
Club 3 SpA (4.01% of Prysmian)	68.0	43.3%	8.1%	Market value (net of debt)	Cables
Gruppo IPG Holding (23.33% of Interpump)	194.2	33.7%	23.2%	Market value (net of debt)	Hydraulic
Clubitaly SpA (20% Eatataly)	55.0	27.5%	6.6%	Intermonte Fair Value	Food Retailer
Be, Think, Solve, Execute	37.9	23.4%	4.5%	Intermonte Fair Value	IT Banking
TIPO	23.7	28.6%	2.8%	Intermonte Fair Value	Holding Company
Asset Italia	8.2	20.0%	1.0%	Intermonte Fair Value	Holding Company
Palazzari & Turries Limited	0.4	30.0%	0.0%	Book Value	Finance
Gatti & Co	0.2	30.0%	0.0%	Book Value	Finance
Net Financial Position	-190.0		-22.7%	Including recent transactions	
Holding costs	-6.0		-0.7%	Est 1% of total assets	
Treasury shares	7.7		0.9%	@ 11 May, 2017	
Total NAV	837.7				
N. of shares	147.8				
Total NAV ps (Eu)	5.67				
TIP Market price (Eu)	5.28				
Current premium (discount) on NAVPS	-6.8%				

Source: Company data and Intermonte SIM Estimates

TIP – Dynamic NAV Dilution assuming 80% Warrant exercise

Exercise Period	Warrants (mn)	Conversion rate	Strike	Cash in (Eu mn)	Dynamic NAV (Eu mn)	# Shares (mn)	Dynamic NAV per Share	NAV Dilution
					837.7	147.8	5.67	
June 17	29.6	80%	4.15	122.7	960.4	177.4	5.41	-4.5%
June 18	29.6	80%	4.55	134.5	972.2	177.4	5.48	-3.3%
June 19	29.6	80%	5.00	147.8	985.5	177.4	5.56	-2.0%
June 20	36.9	100%	5.41	159.9	997.6	184.7	5.40	-4.7%

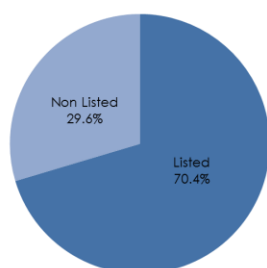
Source: Company data and Intermonte SIM Estimates

TIP – Static NAV (@ Market Price)

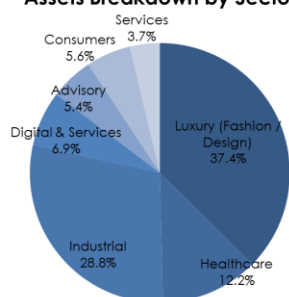
(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
LISTED COMPANIES	381.3		52.7%		
Moncler	130.6	2.4%	18.1%	Market value	Luxury
Amplifon S.p.A.	114.9	4.2%	15.9%	Market value	Hearing aids
FCA	29.1	0.2%	4.0%	Market value	Auto
HUGO BOSS AG	63.1	1.3%	8.7%	Market value	Fashion/Luxury
Ferrari NV	23.2	0.2%	3.2%	Market value	Auto/Luxury
Other listed companies	13.1	n.a.	1.8%	Book Value	Various
Digital Magics S.p.A.	7.1	18.2%	1.0%	Market value	Web incubator
NON LISTED COMPANIES	169.5		23.4%		
Azimut Benetti	40.0	12.0%	5.5%	Book Value	Yacht/ Luxury
TXR S.r.l (51% Furn Invest - 38% Roche Bobois)	33.0	51.0%	4.6%	Book Value	Furniture
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Furla	15.0	n.a.	2.1%	Book Value	Luxury
Dedalus Holding SpA	9.3	14.9%	1.3%	Book Value	Healthcare
Octo Telematics	8.0	n.a.	1.1%	Book Value	Telematics
Talent Garden	5.0	n.a.	0.7%	Book Value	Coworking spaces
Other non listed companies	0.8	n.a.	0.1%	Book Value	Various
ASSOCIATES	354.5		49.0%		
Club 3 SpA (4.01% of Prysmian)	69.3	43.3%	9.6%	Market value (net of debt)	Cables
Gruppo IPG Holding (23.33% of Interpump)	194.2	33.7%	26.9%	Market value (net of debt)	Hydraulic
Clubitaly SpA (20% Eataly)	33.2	27.5%	4.6%	Book Value	Food Retailer
Be, Think, Solve, Execute	33.5	23.4%	4.6%	Market value	IT Banking
TIPO	23.7	28.6%	3.3%	Intermonte Fair Value	Holding Company
Net Financial Position	-190.0		-26.3%	Including recent transactions	
Treasury shares	7.7	0.98%	1.06%	@ 11 May, 2017	
Total NAV	722.9				
<i>N. of shares</i>	147.8				
Total NAV ps (Eu)	4.89				
TIP Market price (Eu)	5.28				
Current premium (discount) on NAVPS	7.9%				

Source: Company data and Intermonte SIM Estimates

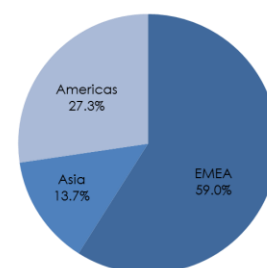
Breakdown between Listed and Non Listed



Assets Breakdown by Sector



Sales Geo Breakdown (weighted)



Source: Intermonte SIM Estimates

Alpitour

On 23rd March 2017, TIP announced the first Asset Italia deal. The vehicle will subscribe a Eu120mn rights issue in Alpitour, a leading Italian tourism company (an online and offline tour operator that is also active in aviation, hotel management, travel agencies and incoming, i.e. services for tourists arriving in the country) generating turnover of Eu1.1bn and EBITDA of Eu36mn in 2016.

Asset Italia will reach a 32.67% stake in Alpitour, which is therefore valued at around Eu370mn post-money, or Eu250mn pre-money. Assuming a Eu30mn net debt position the deal would value Alpitour at 7.8x EV/EBITDA.

Alpitour CEO Gabriele Burgio and private equity funds J. Hirsch and Wise SGR, which financed the management buyout in 2012, have not sold their stakes in the stock (3.39%, 17.5% and 17.5% respectively following the rights issue). They were very keen to raise capital to allow Alpitour to grasp opportunities to grow both in size and profitability. Indeed, the aim of the transaction is to provide Alpitour with the necessary resources to accelerate its organic growth path and finance potential external growth opportunities both in Italy and abroad.

The press has reported that management aims to boost revenues to Eu2-3bn in the short term, while this year EBITDA will exceed Eu40mn. *La Repubblica* carried an interview with Alpitour CEO Burgio, who indicated that the Eu120mn of proceeds from the TIP rights issue will be used to develop hotel assets and the aircraft fleet.

TIP will hold 30.91% of the vehicle set up by Asset Italia for the Alpitour rights issue, to which TIP will contribute Eu37mn.

Alpitour Main Brands

Tour Operator		
    		
Aviation	Hospitality	Incoming
		

Source: Company Website

Alpitour P&L as of 31/10/2015

Eu mn	FY14-15	
Tour Operating	707	53%
Hospitality	63	5%
Aviation	246	18%
Incoming	327	24%
	1,343	
Intercompany	(222)	
Revenues	1,120	
Service costs	(961)	
Gross Margin	159	
EBITDA	33	
Net Profit	(5)	
Net Debt	(38)	

Source: Aida

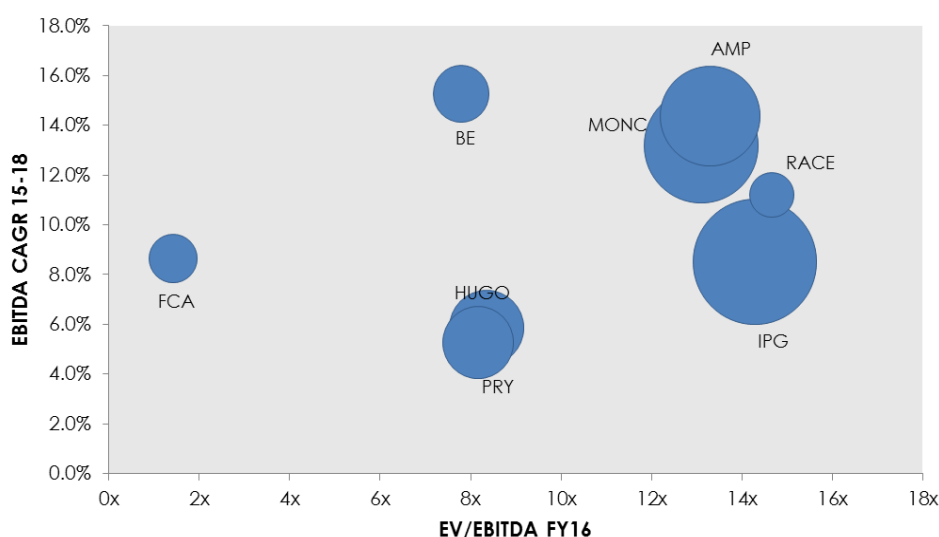
Alpitour - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
TUI AG	6,927	British Pound	15,032	1,268	8.4%	5.9x	5.5x	13.3x	11.8x
Thomas Cook Group plc	1,473	British Pound	7,981	520	6.5%	na	na	9.7x	8.0x

Source: Factset

APPENDIX I – LISTED ASSETS

TIP - Main Listed Assets



Source: Intermonte SIM Estimates (Factset Consensus for Hugo Boss)

	Dynamic NAV Weight (%)	Mkt Cap (Eu mn)	Price	RECO	Target Price	Expected performance
MONCLER	19.4%	5,568	22.3	OUTPERFORM	27.00	21.3%
AMPLIFON	14.8%	2,717	12.0	NEUTRAL	12.70	5.7%
INTERPUMP	23.1%	2,809	25.8	NEUTRAL	20.00	-22.5%
PRYSMIAN	8.3%	5,591	25.8	NEUTRAL	25.00	-3.1%
FERRARI	2.9%	14,356	76.0	NEUTRAL	80.00	5.3%
FIAT CHRYSLER	3.5%	15,594	10.0	NEUTRAL	11.00	10.4%
BE	4.6%	140	1.04	BUY	1.20	15.7%

	Dynamic NAV Weight (%)	Sales CAGR 16-18 (%)	EBITDA CAGR 16-18 (%)	EBITDA Margin FY17 (%)	Capex on Sales FY17 (%)	FCF Yield FY17 (%)
MONCLER	19.4%	13.6%	13.2%	34.0%	5.2%	3.6%
AMPLIFON	14.8%	10.0%	14.4%	17.3%	5.4%	3.2%
INTERPUMP	23.1%	8.7%	8.5%	21.4%	3.8%	3.9%
PRYSMIAN	8.3%	3.3%	5.9%	8.7%	2.9%	3.1%
FERRARI	2.9%	6.0%	11.2%	30.2%	10.6%	2.7%
FIAT CHRYSLER	3.5%	4.4%	8.6%	11.3%	7.6%	11.6%
BE	4.6%	7.9%	15.3%	13.2%	1.5%	6.1%

	Dynamic NAV Weight (%)	FY17 EPS Revision YTD (%)	EV/EBITDA FY17	EV/EBIT FY17	P/E FY17	DVD Yield FY17 (%)
MONCLER	19.4%	26.2%	13.1x	14.8x	22.8x	1.0%
AMPLIFON	14.8%	19.5%	13.3x	18.5x	31.6x	0.8%
INTERPUMP	23.1%	22.6%	14.3x	18.2x	25.2x	1.3%
PRYSMIAN	8.3%	9.5%	8.4x	10.9x	16.0x	1.8%
FERRARI	2.9%	9%	14.7x	20.2x	28.2x	1.1%
FIAT CHRYSLER	3.5%	46.0%	1.4x	2.7x	4.8x	0.0%
BE	4.6%	19.3%	7.8x	10.3x	32.9x	1.4%

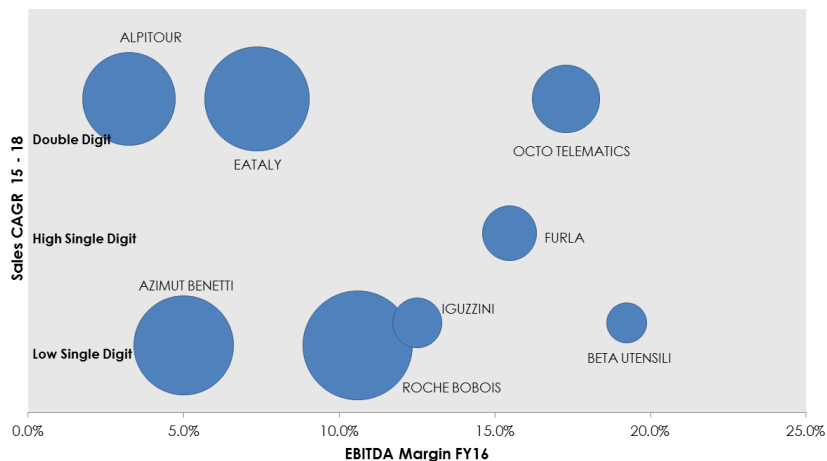
Source: Intermonte SIM Estimates

APPENDIX II – NON-LISTED ASSETS

TIP – Non-Listed Assets

	Dynamic NAV Weight (%)	Sales CAGR 16-18	EBITDA FY16 Margin (%)	IPO Expectation	Note
OCTO TELEMATICS*	1.8%	Double-Digit Growth	17.3%	2017	Leader in growing market
FURLA	2.6%	High-Single Digit Growth	15.5%	2017-2018	Store Network Expansion
EATALY**	23.1%	Double-Digit Growth	7.3%	2018-2019	Store Network Expansion
ROCHE BOBOIS	7.2%	Single Digit Growth	10.6%	2018-2019	Store Network Expansion
IGUZZINI	1.5%	Single Digit Growth	12.5%	2018-2019	Organic and External growth
BETA UTENSILI	1.0%	Single Digit Growth	19.2%	2019-2020	Organic and External growth
AZIMUT BENETTI	6.0%	Single Digit Growth	5.0%	na	Efficiency actions
ALPITOUR	5.1%	High-Single Digit Growth	3.2%	na	Organic and External growth

* FY15 Net income ** FY15 EBITDA



Source: Company data and Intermonte SIM Estimates

Octo Telematics (IPO expected in 2017)

Octo Telematics is an international leader in the development and management of telecommunication systems and services for the automotive sector, mainly for the insurance market.

In 2015, TIP granted Tefindue SpA the subscription of a convertible loan of about Eu8mn. Through Clexidra Srl., Tefindue holds a shareholding in Octo Telematics.

Renova and other private equity funds acquired Octo Telematics in February 2014 for more than Eu400mn. Press rumours indicated a potential outright sale of Octo alongside preparations for an IPO in 2017. We expect that TIP could achieve a potential capital gain of Eu12-15mn from this investment (not currently included in our net income estimate for 2017).

Octo Telematics

TIP Stake (%)	Conv. Bond	
TIP Stake (Eu mn)	23	
Valuation Method	Fair Value	
Implied Valuation	na	
	2015	2016
Sales	243	>300
YoY%	23 - 25%	
Net Income	42,0	
%Margin	17,3%	

Source: Press Rumours

Furla (IPO expected in 2017-2018)

Furla designs, manufactures, and distributes leather goods and accessories. It offers bags, clutches, wallets, purses, shoes, belts, jewelry, watches, key rings, and scarves. The company was founded by Aldo Furlanetto and Margherita Furlanetto in 1927 and is headquartered in San Lazzaro di Savena, Italy.

In 2016, TIP underwrote a Eu15mn mandatory convertible bond that will automatically converted into Furla shares upon listing. Under the agreement with Furla, at the time of the listing TIP will buy another Eu15mn-worth of Furla shares at the regular IPO price.

Furla announced FY16 revenues above Eu420mn, of which more than 80% abroad, with an increase at comparable exchange rates of more than 24% and with growing even more; the mono-brand stores reached 444 units globally, while total stores increased to more than 1,200.



Furla

TIP Stake (%)		Conv. Bond
TIP Stake (Eu mn)		15
Valuation Method		Book Value
Implied Valuation		na
	2015	2016
Sales	340	422
YoY%		24.1%
Ebitda	44,1	65,3
%Margin	13,0%	15,5%

Source: TIP Press Release and Press statements

Furla - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
Michael Kors Holdings Ltc	6,040	U.S. Dollar	4,387	1,015	23.1%	5.3x	5.3x	9.3x	9.0x
Coach, Inc.	12,856	U.S. Dollar	4,506	1,043	23.1%	11.3x	10.2x	21.1x	19.0x
Kate Spade & Co	2,369	U.S. Dollar	1,441	275	19.0%	7.7x	6.6x	24.1x	20.3x

Source: Factset

Eataly (IPO expected in 2018-2019)

Eataly is a high-end Italian food retailer engaged in the distribution of some of the very best Italian food and wine products. Its offering brings together production, distribution, catering and education. It has a unique standing as the only truly global Italian food retailer, acting as a symbol of the high quality of products made in Italy in general, and of Italian food and wine in particular.

TIP owns 27.5% of Clubitaly, which in turn holds 20% of the share capital of Eataly Srl.

In October 2015, Andrea Guerra (Luxottica's former CEO) was appointed as the company's new CEO.

Eataly currently operates a network of more than 20 stores in Italy, America, and the Middle and Far East.

In 2016, Eataly opened a second store in New York, in front of Ground Zero, and later opened important stores in Boston, Copenhagen and Trieste. In 2017-2018, openings are expected in Los Angeles, Moscow, Paris, Stockholm, Toronto and Verona. FY16 results highlight revenues slightly below Eu400mn with profitability heavily affected by one-off costs and delays in the opening of some stores.

Corriere della Sera reported an interview with Eataly Executive Chairman Andrea Guerra. Guerra is targeting Eu500mn of revenues in 2017 (from Eu390mn in 2016) and weighing up potential expansion into Asian markets. As for a potential listing, Guerra stated that in the next 24 months shareholders will consider whether to float or seek new partners.



Eataly Milano Smeraldo

Eataly

TIP Stake (%)	5.5%	
TIP Stake (Eu mn)	55	
Valuation Method	Fair Value	
Implied Valuation	1000	
	2015	2016
Sales	395.0	< 400
YoY%		
Ebitda	29.0	Decreasing
%Margin	7.3%	

Source: TIP Press Release & Press Rumours

Eataly - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
Whole Foods Market, Inc.	11,805	U.S. Dollar	15,919	1,266	8.0%	9.5x	9.3x	27.9x	26.4x
Sprouts Farmers Markets,	3,318	U.S. Dollar	4,580	309	6.7%	12.1x	10.8x	26.4x	23.2x

Source: Factset

Roche Bobois (IPO expected in 2018-2019)

Roche Bobois is the world leader in the creation and distribution of selected, high quality, luxury and designer furniture products. The group operates the largest worldwide chain of high-end designer furniture stores, with a network – direct and/or franchising – comprising approximately 318 stores (of which 111 DOS) located in prestigious commercial areas. It has a presence in the most important cities worldwide, including in North, Central and South America, Europe, Africa, Asia, and the Middle East.

TIP owns 51% of TXR S.r.l, which in turn owns 38.34% of Furn-Invest SAS, a French company that has full control of the Roche Bobois group.

In 2016, Roche Bobois revenues should reach Eu255mn with an Ebitda of Eu27mn.



Roche Bobois

TIP Stake (%)	19,6%	
TIP Stake (Eu mn)	60	
Valuation Method	Fair Value	
Implied Valuation (Eu mn)	307	
	2015	2016
Sales	252,0	255,0
YoY%	3,8%	1,2%
Ebitda	25,5	27,0
%Margin	10,1%	10,6%

Source: TIP Press Release

Roche Bobois - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
Knoll, Inc.	1,153	U.S. Dollar	1,172	163	13.9%	8.1x	7.0x	14.0x	12.2x
Herman Miller, Inc.	1,955	U.S. Dollar	2,336	271	11.6%	7.1x	6.3x	14.8x	13.0x
HNI Corporation	1,958	U.S. Dollar	2,228	284	12.7%	7.3x	6.4x	14.7x	13.0x
Steelcase Inc. Class A	1,477	U.S. Dollar	3,146	305	9.7%	6.4x	5.7x	13.5x	11.9x
Ekornes ASA	3,977	Norwegian	3,133	569	18.1%	7.4x	6.2x	12.9x	10.8x
Ethan Allen Interiors Inc.	831	U.S. Dollar	773	88	11.3%	8.9x	7.5x	19.2x	15.9x
Bang & Olufsen A/S	4,514	Danish Kror	3,390	423	12.5%	7.9x	5.5x	36.6x	16.9x

Source: Factset



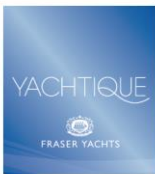
Azimut Benetti



Azimut Benetti is one of the world's leading groups in the luxury boating sector, and for many years has been amongst the most prestigious yacht and mega-yacht builders. The group, which also includes Fraser Yacht, one of the most important yacht brokers worldwide, operates 6 production facilities, 11 shipyards, and a distribution network of 138 dealers in more than 70 countries, employing about 2,179 people.

The group, to which the prestigious Azimut Yachts and Benetti brands belong, offers the widest range of motor yachts, including more than 40 models ranging in length from the smaller Atlantis Collection sport cruisers at 34 feet to Benetti's 100-meter models. Fifteen times in the last 16 years, the group has come first in the ranking drawn up by Global Order Book of the most important players in the world boating industry.

At the end of August 2015, TIP announced the acquisition of a 12% stake in Azimut Benetti, with an investment of around Eu40mn.

FY16 results (August 2016) see value of production at Eu700mn and EBITDA improving YoY.

AZIMUT BENETTI GROUP		
YACHTS	MEGAYACHTS	SERVICES
		
Production of planing yachts from 10 to 37 metres	Production of semi displacement and displacement megayacht up to 100 metres Refit & Repair (Lusben)	Brokerage & Charter (Fraser Yachts) Yacht Management Financial Services Marinas

Azimut Benetti

TIP Stake (%)	12,0%	
TIP Stake (Eu mn)	50	
Valuation Method	Fair Value	
Implied Valuation	417	
	2015	2016
VoP	>650	< 700
YoY%		2-5%
Ebitda	30-35	Improving
%Margin	5,0%	

Source: TIP Press Release

TIPO (TIP Pre IPO) Investments

TIP launched TIP-Pre IPO project in 2014. TIPO undertakes minority investments in companies with revenues of between Eu30mn and Eu200mn that want to list within five years on a regulated equity market. TIP committed Eu40mn in TIPO, which overall collected Eu140mn.

Main investment at YE are:

AAA (listed on NASDAQ)

AAA (Advanced Accelerator Applications), of which TIPO currently holds about 0.6%, has been listed on Nasdaq since November 2015 and is one of the major molecular and nuclear medicine players, founded in 2002 by Italian academics as a "spin-off" of CERN (European Organization for Particle Research) in Geneva to develop diagnostic applications, products, and innovative therapeutics. AAA has 21 production and R&D centers, and over 400 employees globally. In 1H16, AAA generated consolidated revenues of Eu54.6mn, up from Eu43.0mn last year.

IGuzzini (IPO expected in 2018-2019)

IGuzzini Illuminazione is the leading company in Italy - and among the leaders in Europe - in the design and production of high quality internal and external architectural lighting systems. The company has 15 international branches and production facilities in Italy and China.

TIPO holds 14.29% of IGuzzini and a 47.83% stake in GH Srl, which in turn holds the 17.32% of FIMAG Spa, the parent company that holds the 75.89% of iGuzzini Illuminazione Spa. Overall TIPO direct and indirect stake reaches 24% of IGuzzini share capital.

FY16 revenues should reach Eu232mn with an Ebitda of Eu29mn.



IGuzzini

<i>TIPO Stake (%)</i>		24,0%
<i>TIPO Stake (Eu mn)</i>		40
<i>Valuation Method</i>		Fair Value
<i>Implied Valuation</i>		232
	2015	2016
Sales	223	232
YoY%		4,0%
Ebitda		29,0
%Margin		12,5%

Source: TIP Press Release

Beta Utensili (IPO expected in 2019-2020)

Beta Utensili is the undisputed leader in Italy in the distribution and production of high quality professional hand tools.

TIPO holds 58.417% of Betaclub Srl, which in turns holds a 49.9% of Beta Utensili.

FY16 revenues should reach Eu130mn with an Ebitda of Eu25mn.



Beta Utensili

<i>TIPO Stake (%)</i>	29,2%	
<i>TIPO Stake (Eu mn)</i>	20	
<i>Valuation Method</i>	Fair Value	
<i>Implied Valuation</i>	200	
	2015	2016
Sales	120	130
YoY%	8,3%	
Ebitda	25,0	
%Margin	19,2%	

Source: TIP Press Release

TIP – Main Listed Asset Performance

Stock	Price (Local ccy)	Mkt cap (Local ccy)	% weight on NAV	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years
Tamburi Investment Partners S.p.A.	5.28	780		12.3%	33.1%	48.0%	46.7%	67.1%	45.6%
Moncler SpA	22.15	5,620	19.0%	3.6%	25.2%	48.5%	34.0%	40.8%	26.4%
Interpump Group S.p.A.	26.22	2,855	23.2%	17.0%	35.7%	79.6%	68.6%	102.0%	76.2%
Prismian S.p.A.	25.35	5,494	8.1%	0.9%	2.7%	11.9%	3.9%	16.7%	21.3%
Amplifon S.p.A.	12.05	2,727	14.5%	5.9%	20.5%	34.3%	33.1%	42.3%	69.5%
HUGO BOSS AG	70.12	4,936	7.5%	0.1%	16.4%	15.0%	20.6%	25.9%	-33.2%
Ferrari NV	77.45	14,632	2.9%	15.9%	25.2%	55.0%	-11.0%	98.5%	
Fiat Chrysler Automobiles N.V.	10.17	19,699	3.5%	11.1%	-6.0%	47.8%	17.4%	48.6%	13.5%
Be Think, Solve, Execute S.p.A.	1.06	143	4.5%	-5.9%	15.5%	63.2%	56.6%	108.7%	75.2%
Digital Magics S.p.A.	5.98	39	0.9%	9.9%	39.1%	49.6%	54.2%	30.4%	3.4%
Average performance				5.4%	18.1%	37.4%	26.9%	46.7%	23.6%
FTSE Italia All-Share				9.3%	14.5%	30.9%	14.3%	23.2%	-4.5%
FTSE MIB				9.8%	13.9%	30.1%	12.8%	22.4%	-7.5%
FTSE Star Italy				5.8%	20.6%	39.6%	29.4%	43.8%	40.6%
FTSE Mid Cap Italy				9.1%	14.1%	36.4%	20.4%	33.0%	-2.3%
FTSE Small Cap Italy				8.1%	15.8%	31.8%	21.6%	22.6%	4.6%
TIP - Relative performance vs Italian indexes				1M	3M	6M	YTD	1Y	2Y
FTSE Italia All-Share				3.0%	18.6%	17.1%	32.4%	43.9%	50.1%
FTSE MIB				2.6%	19.2%	17.9%	33.8%	44.7%	53.2%
FTSE Star Italy				6.6%	12.5%	8.4%	17.2%	23.3%	5.0%
FTSE Mid Cap Italy				3.2%	19.0%	11.5%	26.3%	34.1%	48.0%
FTSE Small Cap Italy				4.2%	17.3%	16.2%	25.1%	44.5%	41.0%

Italian Holdings – Performance

Stock	Price (Eu)	Mkt cap (Eu mn)	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years
Tamburi Investment Partners S.p.A.	5.28	780	12.3%	33.1%	48.0%	46.7%	67.1%	45.6%
EXOR N.V.	54.50	13,135	13.8%	18.8%	42.8%	33.0%	69.6%	29.7%
Compagnie Industriali Riunite S.p.A.	1.43	1,133	1.6%	28.2%	53.2%	38.0%	29.4%	32.0%
ASTM S.p.A.	15.02	1,487	8.3%	32.9%	67.7%	45.1%	29.5%	18.2%
Italmobiliare S.p.A.	25.32	1,206	-1.9%	9.5%	20.6%	13.4%	36.1%	72.7%
DeA Capital S.p.A.	1.47	450	9.7%	32.5%	44.3%	32.7%	31.5%	12.3%
COFIDE-Gruppo De Benedetti S.p.A.	0.67	480	3.7%	62.0%	90.5%	75.1%	62.7%	29.1%
Immsi S.p.A.	0.43	145	6.5%	18.2%	18.7%	15.2%	3.4%	-31.7%
Caltagirone S.p.A.	2.62	314	10.0%	20.0%	33.3%	25.8%	19.2%	17.3%
Average performance			6.5%	27.8%	46.4%	34.8%	35.2%	22.5%
FTSE Italia All-Share			9.3%	14.5%	30.9%	14.3%	23.2%	-4.5%
FTSE MIB			9.8%	13.9%	30.1%	12.8%	22.4%	-7.5%
FTSE Star Italy			5.8%	20.6%	39.6%	29.4%	43.8%	40.6%
FTSE Mid Cap Italy			9.1%	14.1%	36.4%	20.4%	33.0%	-2.3%
FTSE Small Cap Italy			8.1%	15.8%	31.8%	21.6%	22.6%	4.6%

Source: Factset

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	TIP		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	5.40	Previous Target (Eu):	5.00
Current Price (Eu):	5.28	Previous Price (Eu):	4.49
Date of report:	16/05/2017	Date of last report:	21/03/2017

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- 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 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.

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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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BUY:	16.88 %
OUTPERFORM:	48.70 %
NEUTRAL:	33.77 %
UNDERPERFORM	00.65 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from IntermonTE in the last 12 months (44 in total) is as follows:

BUY:	26.09 %
OUTPERFORM:	45.65 %
NEUTRAL:	28.26 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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COGEME SET SPA	1,6	SHORT
IKF	0,57	SHORT
OLIDATA	0,88	SHORT
PIERREL SPA	0,62	SHORT
PREMUDA	0,53	SHORT
STEFANEL	0,65	SHORT
WASTE ITALIA	1,06	SHORT
ZEPHYRO SPA	1,4	LONG

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