

TIP

BUY

Price (Eu):

2.46

Target Price (Eu):

3.00

SECTOR: Holdings &amp; RE

Guglielmo Manetti +39-02-77115.472

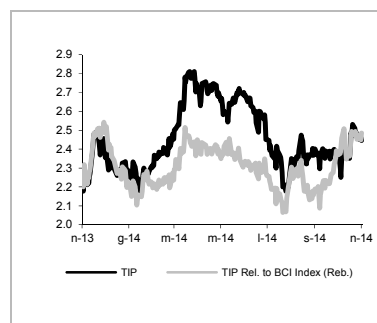
e-mail:

guglielmo.manetti@intermonte.it

## On Track For A Solid 2014

- 3Q results on track with solid FY14.** TIP result showed a solid run rate of revenues from advisory business at around Eu1.4mn per quarter, in line with other quarters net of seasonally weak August month. Costs and G&A were in line with estimates, with some volatility on mark to market at financial income level that ended up in a net profit of almost Eu2mn for the year, or Eu24mn in 9M, that put TIO in good position to be only slightly below the Eu31.7mn record results of 2013.
- Exposure to FCA and increased buy back are the main relevant surprise.** TIP unveiled to have taken direct exposure to the FCA group both through equity (for around Eu20mn at current price) and various bonds (around Eu50mn). We estimate that on the direct equity investment TIP should be already in the money for at least 25%, equivalent to an FCA entry price below Eu7ps. We also noticed how TIP has improved its buy back activity, having bought an additional 0.37% of its capital since end of June.
- More visible return for shareholders.** As we already highlighted after 1H results, the solid performance of its 9M leaves room to some additional form of remuneration for its shareholders. We still see 3 options: 1) a higher dividend, to reach a dividend yield closer to 3% (or around Eu0.07ps); 2) a bonus shares/warrants issue: this has already been done in the past and the latest bonus warrants issue has been a great success for its holders; and 3) a buyback or partial tender offer: this could allow shareholders to profit from the current discount to NAV, and we notice that TIP has already intensified its buyback activity.
- Updated valuation point to Eu3.0ps fair value.** We have updated our static NAV to take into account a number of recent events and as a result, our NAVPS has been slightly increased to Eu2.83 from last Eu2.78 which is a 14% discount to the current price. We have also updated our asset gatherer franchise valuation, based on P/FUM, that has been depressed by recent bad market performance, and is lowered to Eu3.19ps from Eu3.32ps. As a result, our fair value (calculated by averaging the 2 criteria) is fine tuned to Eu3.0ps from previous Eu3.05.
- Low volatility nature confirmed even in harsh environment: OUTPERFORM, tp Eu3.0.** Last months' significant outperformance of TIP is a confirmation of its low volatility nature, which is a plus in turbulent markets. A mix of interesting expected shareholders' remuneration, low volatility and interesting investment portfolio should offer a good protection even in more volatile environment.

## TIP - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 3.05 to 3.00

Change in EPS est:	2014E	2015E
	4.6%	1.6%

## STOCK DATA

Reuters code:	TIP.MI
Bloomberg code:	TIP IM

Performance	1m	3m	12m
Absolute	3.3%	6.6%	9.9%
Relative	2.5%	7.5%	9.5%
12 months H/L:	2.81/2.17		

## SHAREHOLDER DATA

No. of Ord. shares (mn):	136
Total No. of shares (mn):	143
Mkt Cap Ord (Eu mn):	335
Total Mkt Cap (Eu mn):	335
Mkt Float - ord (Eu mn):	260
Mkt Float (in %):	77.6%
Main shareholder:	
D'Amico SdN	11.3%

## BALANCE SHEET DATA

	2014
Book value (Eu mn):	378
BVPS (Eu):	2.77
P/BV:	0.9
Net Debt (#BadKeyword mn):	-24
NAV (Eu mn)	404

Please see important disclaimer  
on the last page of this report

Key Figures	2011A	2012A	2013A	2014E	2015E
Net profit (Eu mn)	3	9	32	25	4
EPS - New (Eu)	0.020	0.069	0.220	0.179	0.030
EPS - Old (Eu)			0.220	0.171	0.030
DPS (Eu)	0.035	0.041	0.083	0.050	0.040
NAVPS (Eu)	1.398	1.558	3.126	2.829	2.829
Ratios & Multiples	2011A	2012A	2013A	2014E	2015E
P/E	nm	35.4	11.2	13.8	82.0
Div. Yield	1.4%	1.7%	3.4%	2.0%	1.6%
P/NAVPS	1.8	1.6	0.8	0.9	0.9

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.

**Tamburi Investment Partners - Quarterly Results**

<b>(Eu 000)</b>	<b>3Q13</b>	<b>3Q14E</b>	<b>3Q14A</b>	<b>A/E</b>
Revenue from sales and services	3,005	1,908	1,397	-27%
<i>YoY growth</i>	99%	-37%	-53%	
Other revenue	28	16	22	36%
<i>YoY growth</i>	0%	-43%	-22%	
<b>Total revenue</b>	<b>3,033</b>	<b>1,924</b>	<b>1,419</b>	-26%
<i>YoY growth</i>	97%	-37%	-53%	
Costs for materials, services and other costs	-502	-622	-640	3%
<i>YoY growth</i>	46%	24%	27%	
Personnel expense	-5,597	-1,500	-1,321	-12%
<i>YoY growth</i>	438%	-73%	-76%	
Depreciation, amortisation and impairment loss	-8	-12	-15	32%
<i>YoY growth</i>	-30%	50%	98%	
<b>Operating profit</b>	<b>-3,074</b>	<b>-210</b>	<b>-558</b>	166%
<i>YoY growth</i>	-2290%	-93%	-82%	
Financial income	32,577	2,326	759	-67%
<i>YoY growth</i>	2112%	-93%	-98%	
Financial expense	-656	-394	335	-185%
<i>YoY growth</i>	207%	-40%	-151%	
<b>Profit before adjustments to investments</b>	<b>28,847</b>	<b>1,723</b>	<b>537</b>	-69%
<i>YoY growth</i>	1961%	-94%	-98%	
Share of profit (loss) of equity-accounted investees	1,013	797	955	20%
<i>YoY growth</i>	20%	-21%	-6%	
Net impairment losses on available-for-sale financial assets	-545	-455	0	-100%
<i>YoY growth</i>	-243%	-17%	-100%	
<b>Profit before tax</b>	<b>29,314</b>	<b>2,065</b>	<b>1,492</b>	-28%
<i>YoY growth</i>	1018%	-93%	-95%	
Current and deferred taxes	157	-143	168	-217%
<i>Tax rate</i>	-1%	7%	-11%	
<b>Profit for the year</b>	<b>29,471</b>	<b>1,574</b>	<b>1,991</b>	26%

Source: Intermonte SIM estimates and company data

## TIP - Net Asset Value

(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
<b>LISTED COMPANIES</b>	<b>84.9</b>		<b>21.0%</b>		
Amplifon S.p.A.	44.0	4.3%	10.9%	Market value	Hearing aids
Monrif S.p.A.	3.5	8.0%	0.9%	Market value	Publishing
NoemaLife S.p.A.	5.8	16.3%	1.4%	Market value	Healthcare
Servizi Italia S.p.A.	2.0	1.8%	0.5%	Market value	Healthcare
Bolzoni S.p.A.	5.7	7.7%	1.4%	Market value	Fork Lift
M&C S.p.A.	1.2	3.5%	0.3%	Market value	Financial Holding
Fiat Chrysler Automobiles N.V.	19.9	0.1%	4.9%	Market value	Auto
Other listed companies	2.9	n.a.	0.7%	Book Value	Various
<b>NON LISTED COMPANIES</b>	<b>102.9</b>		<b>25.5%</b>		
Dafe 4000 S.p.A. (Intercos S.p.A.)	31.5	17.9%	7.8%	0.4x EV/Sales	Cosmetics
Clubitaly (Eataly)	36.0	30.0%	8.9%	Book Value	Food Retailer
Borletti	0.9	n.a.	0.2%	Book Value	Real estate
Furn Invest S.a.S. (Roche Bobois)	33.5	38.3%	8.3%	0.7x EV/Sales	Furniture
Other non listed companies	0.9	n.a.	0.2%	Book Value	Various
<b>ASSOCIATES</b>	<b>230.0</b>		<b>56.9%</b>		
Club 3 S.r.l. (5.8% of Prysmian)	63.0	35.0%	15.6%	Market value	Cables
Club 7 S.r.l. (14% of Ruffini-32% Moncler)	68.3	52.5%	16.9%	Market value	Luxury
Data Holding 2007 S.r.l. (34.2% of B.E.E. Team)	9.6	46.7%	2.4%	Market value	IT Banking
Gruppo IPG Holding (26.294% of Interpump)	72.8	25.1%	18.0%	Market value	Hydraulic
Palazzari & Turries Limited	0.3	30.0%	0.1%	Book Value	Finance
Gatti & Co	0.3	30.0%	0.1%	Book Value	Finance
TIP advisory business	15.7	100.0%	3.9%	13x adj. PE	Finance
<b>Net Financial Position</b>	<b>-23.6</b>		<b>-5.9%</b>	Including recent transactions	
Holding costs	-6.8		-1.7%		
Treasury shares (4.883%)	16.5		4.1%	@ Nov 12, 2014	
<b>Total NAV</b>	<b>403.9</b>				
<i>N. of shares (f.d.)</i>	<i>142.8</i>				
<b>Total NAV ps (Eu)</b>	<b>2.83</b>				
<b>TIP Market price (Eu)</b>	<b>2.45</b>				
<b>Current premium (discount) on NAVPS</b>	<b>-13.5%</b>				

Source: Intermonte SIM estimates

## TIP - Fair Value Calculation (Eu mn)

Valuation method	Value	P.S. (Eu)	Weight
Adjusted Net Asset Value	404	2.83	50%
Asset management	455	3.19	50%
<b>Fair valuation</b>	<b>429</b>	<b>3.01</b>	
<b>Fair value p.s. (Eu)</b>	<b>3.01</b>		

Source: Intermonte SIM estimates

**Tamburi Investments Partners - Main Listed Asset Performance (ranked by weight on NAV)**

Stock	Price (Eu)	Mkt cap (Eu mn)	% weight on NAV	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years
<b>Tamburi Investment Partners S.p.A.</b>	<b>2.45</b>	<b>351</b>		<b>2.7%</b>	<b>4.1%</b>	<b>-7.8%</b>	<b>6.8%</b>	<b>8.7%</b>	<b>63.2%</b>
Interpump Group S.p.A.	10.43	1,136	<b>18.0%</b>	11.4%	5.1%	7.0%	19.6%	26.9%	97.5%
Moncler SpA	11.01	2,753	<b>16.9%</b>	0.6%	-8.6%	-11.6%	-30.3%		
Prismian S.p.A.	14.02	3,028	<b>15.6%</b>	6.5%	-8.1%	-10.6%	-25.1%	-24.6%	-1.1%
Amplifon S.p.A.	4.78	1,073	<b>10.9%</b>	9.1%	8.6%	1.0%	18.4%	25.5%	38.0%
Fiat Chrysler Automobiles N.V.	9.35	14,737	<b>4.9%</b>	34.7%	31.7%	25.3%	57.3%	61.6%	176.3%
Be Think, Solve, Execute S.p.A.	0.46	61	<b>2.4%</b>	-0.2%	13.0%	-28.9%	74.9%	60.6%	169.7%
Bolzoni S.p.A.	2.82	73	<b>1.4%</b>	-5.4%	-9.0%	-27.9%	-1.7%	-11.9%	50.0%
NoemaLife S.p.A.	4.78	37	<b>1.4%</b>	1.4%	-7.2%	-6.3%	33.1%	29.1%	40.9%
Monrif S.p.A.	0.30	44	<b>0.9%</b>	-3.8%	6.9%	-29.5%	-33.0%	5.9%	-2.9%
Servizi Italia S.p.A.	3.79	108	<b>0.5%</b>	-7.6%	-13.3%	-26.1%	-4.8%	-9.7%	28.0%
M&C S.p.A.	0.09	43	<b>0.3%</b>	-8.5%	-25.3%	-38.9%	-43.7%	-44.3%	-49.3%
<b>Average performance</b>				<b>2.7%</b>	<b>-1.1%</b>	<b>-15.4%</b>	<b>4.5%</b>	<b>10.3%</b>	<b>50.0%</b>
FTSE Italia All-Share				-2.6%	-4.1%	-13.7%	-2.2%	-2.2%	23.3%
FTSE MIB				-2.6%	-3.7%	-13.0%	-1.4%	-1.6%	23.7%
FTSE Star Italy				3.3%	1.4%	-8.0%	5.0%	9.2%	74.7%
FTSE Mid Cap Italy				-0.5%	-2.0%	-12.0%	-1.2%	-1.3%	43.1%
FTSE Small Cap Italy				-4.4%	-9.0%	-23.5%	-16.0%	-12.8%	34.9%
<b>TIP - Relative performance vs Italian indexes</b>				<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1Y</b>	<b>2Y</b>
FTSE Italia All-Share				5.2%	8.2%	5.9%	9.0%	10.9%	39.8%
FTSE MIB				5.3%	7.8%	5.2%	8.2%	10.3%	39.5%
FTSE Star Italy				-0.7%	2.7%	0.2%	1.9%	-0.5%	-11.5%
FTSE Mid Cap Italy				3.2%	6.1%	4.2%	8.0%	10.1%	20.1%
FTSE Small Cap Italy				7.1%	13.1%	15.7%	22.8%	21.5%	28.3%

Source: Factset

**DISCLAIMER** (for more details go to <http://intermonte.it/disclosures.asp>)

#### **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.

#### **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 analysis. 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**

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.

The stock price indicated is the reference price on the day prior to the publication of the report.

#### **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 September 30th 2014 Intermonte's Research Department covered 159 companies.

Intermonte's distribution of stock ratings is as follows:

BUY: 22.01%

OUTPERFORM: 35.22%

NEUTRAL: 39.88%

UNDERPERFORM: 1.89%

SELL: 0.63%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (31 in total) is as follows:

BUY: 21.88%

OUTPERFORM: 43.75%

NEUTRAL: 34.37%

UNDERPERFORM: 0.00%

SELL: 0.00%

#### **CONFLICT OF INTEREST**

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

- o within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an Institutional Offering and/or , 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: Ascopiave, Banca Ifis, Banca Carige, Banca Popolare di Sondrio, **Cattolica Assicurazioni**, Crevati, Fincantieri, GreenItaly1, MPS, Poltrona Frau, Salini Impregio, Tecnoinvestimenti, Tribuo Media.
- o Intermonte SIM is Specialist and/or Corporate Broker and/or Broker in charge of the share buy back activity of the following Companies: Banca Etruria, Banca Ifis, Be, Biancamano, B&C Speakers, Bolzoni, Carraro, Cattolica Assicurazioni, Credito Valtellinese, Datalogic, DeA capital, Digital bros, EL.En, Emak, ERG, Ferrovie Nord Milano,Milano, Fiera Milano, Fintel Energia Group, Gefran, GreenItaly1, Go Internet, IGD, Innovatec, Kinexia, Lucisano, Mondo TV, Primi sui Motori, QF Alpha Immobiliare, QF Beta Immobiliare, Recordati, Reno de Medici, Reply, Saes Getters, Servizi Italia, Sesa, Snai, Tamburi Investment Partners, Tecnoinvestimenti, TESMEC, TBS Group, Ternienergia, TXT e-solutions, Vittoria Assicurazioni, VRWay Communication.
- o Intermonte SIM acted as Global Coordinator in the GreenItaly1 IPO on the AIM Italia market and will receive a success fee if a business combination is approved by the shareholders.
- o Intermonte SIM SpA and its subsidiaries do not hold a stake equal to or over 1% of common equity securities and/or warrants of any of the aforementioned subject companies, with the exception of: GreenItaly1.
- o Intermonte SIM SpA has provided in the last 12 months / provides / may provide investment banking services to the following companies: Atlantia, Carige, Carraro, Kinexia, RCS Media, Saes Getters

#### **DETAILS ON STOCKS RECOMMENDATION**

Stock NAME	TIP		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	3.00	Previous Target (Eu):	3.05
Current Price (Eu):	2.46	Previous Price (Eu):	2.37
Date of report:	13/11/2014	Date of last report:	19/09/2014

© Copyright 2010 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 [www.intermonte.it/mifid](http://www.intermonte.it/mifid)  
Further information is available