

## TIP

## OUTPERFORM

Price (Eu): 3.32

Target Price (Eu): 4.00

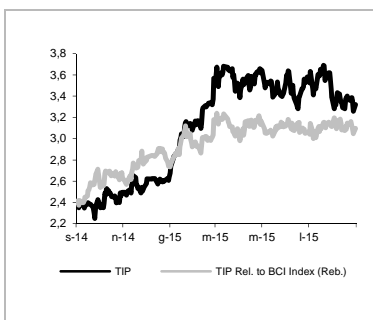
SECTOR: Holdings &amp; RE

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## Portfolio Diversification Adds Appeal To The Stock

- More consumers/luxury assets in the bag.** As a result of its most recent investments (Azimut Benetti; Hugo Boss, iGuzzini) TIP has continued to diversify its portfolio, increasing the presence of consumer/luxury/fashion assets (now at 40% of total NAV), and as a result diminishing the traditional greater presence of industrial and capital goods companies, now at 41% vs almost 70% of the total as was the case only two and a half years ago. We have a positive view on this rebalancing strategy, especially as it was carried out through the acquisition of very high quality brands. Furthermore, we welcome the further diversification into non-listed companies (now at 25% of total NAV), which provides an attractive pipeline for IPOs and/or future value enhancement, following on from the recent successful examples of Intercos and Printemps.
- Luxury yachts the latest diversification.** At the end of August TIP announced the acquisition of a 12% stake in Azimut Benetti, investing some Eu40mn. The new asset represents approximately 7% of the NAV. Azimut Benetti is one of the world's leading private luxury boating groups, and for many years now it has been one of the most prestigious yacht and mega-yacht manufacturers.
- Raising net profit and dividend estimates again, betting on another strong year.** We have lifted our FY15 estimates on the back of additional expected gains on the rich investment portfolio. As a result, FY15 should close pretty much in line with last year. We have raised our 2015 DPS estimate, bringing it in line with last year's figure.
- Adjusting NAV to recent market environment.** Our static NAV has partly suffered from the recent market correction on some of TIP's core assets (Interpump in particular). We have slightly adjusted our NAVPS to include full exercise of the expired 2010-2015 warrant.
- OUTPERFORM unchanged; target adjusted to Eu4.00 from Eu4.05.** We confirm our positive view on TIP, which offers exposure to an appealing mix of excellent companies. Our fair value comes from the average of our static and dynamic NAV assessments, which take into account our estimated fair value for both the listed assets and some of the non-listed ones. Finally, it is worth pointing out that the recently issued warrant has almost doubled in value since its listing at the end of July, thus offering additional upside to TIP's shareholders

## TIP - 12m Performance



## RATING: Unchanged

TARGET PRICE (Eu): from 4.05 to 4.00

| Change in EPS est: | 2015E | 2016E |
|--------------------|-------|-------|
|                    | 12.9% | -7.1% |

## STOCK DATA

Reuters code: TIP.MI  
Bloomberg code: TIP IM

| Performance    | 1m        | 3m    | 12m   |
|----------------|-----------|-------|-------|
| Absolute       | -2,0%     | -3,2% | 40,1% |
| Relative       | -0,5%     | -0,4% | 34,6% |
| 12 months H/L: | 3.69/2.25 |       |       |

## SHAREHOLDER DATA

|                           |       |
|---------------------------|-------|
| No. of Ord. shares (mn):  | 148   |
| Total No. of shares (mn): | 148   |
| Mkt Cap Ord (Eu mn):      | 490   |
| Total Mkt Cap (Eu mn):    | 490   |
| Mkt Float - ord (Eu mn):  | 381   |
| Mkt Float (in %):         | 77,6% |
| Main shareholder:         |       |
| D'Amico SdN               | 11,3% |

## BALANCE SHEET DATA

|                     | 2015 |
|---------------------|------|
| Book value (Eu mn): | 368  |
| BVPS (Eu):          | 2,49 |
| P/BV:               | 1,3  |
| Net Debt (Eu mn):   | -57  |
| NAV (Eu mn)         | 553  |

Please see important disclaimer on the last page of this report

| Key Figures        | 2013A | 2014A | 2015E | 2016E |
|--------------------|-------|-------|-------|-------|
| Net profit (Eu mn) | 32    | 27    | 29    | 14    |
| EPS - New (Eu)     | 0,220 | 0,188 | 0,197 | 0,096 |
| EPS - Old (Eu)     |       | 0,188 | 0,175 | 0,104 |
| DPS (Eu)           | 0,083 | 0,061 | 0,061 | 0,050 |
| NAVPS (Eu)         | 4,276 | 3,865 | 3,738 | 3,738 |

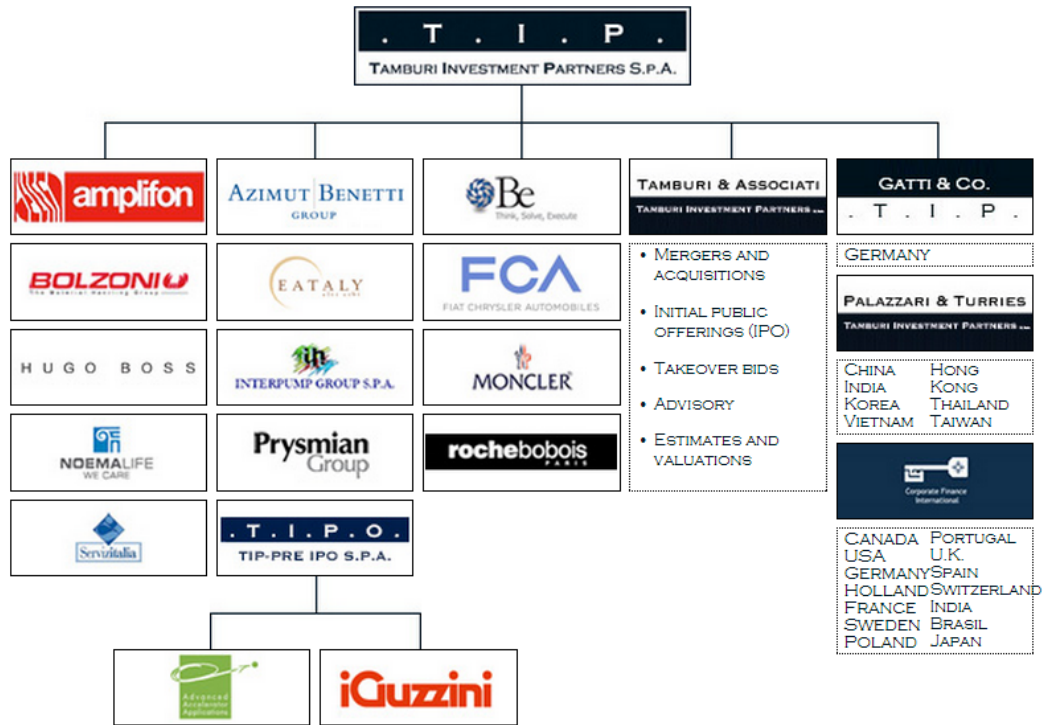
  

| Ratios & Multiples | 2013A | 2014A | 2015E | 2016E |
|--------------------|-------|-------|-------|-------|
| P/E                | 15,1  | 17,7  | 16,8  | 34,5  |
| Div. Yield         | 2,5%  | 1,8%  | 1,8%  | 1,5%  |
| P/NAVPS            | 0,8   | 0,9   | 0,9   | 0,9   |

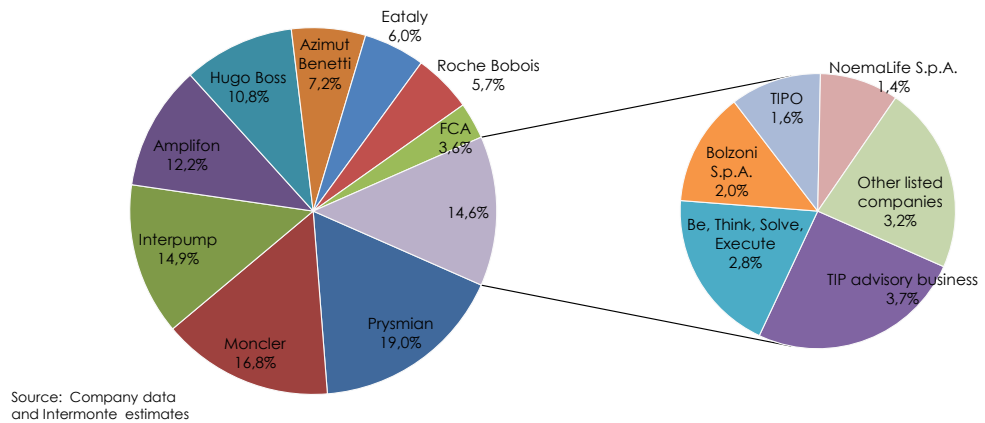
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## TIP at a Glance

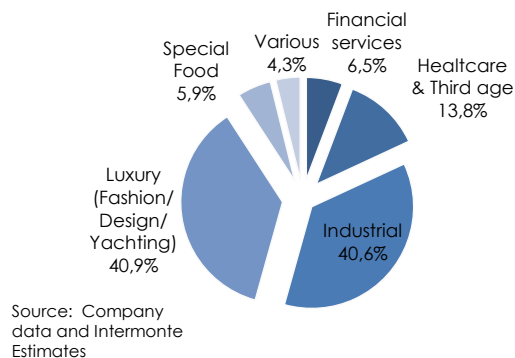
### TIP Group Structure



### TIP Investment Portfolio – Weights (%) on Adj. NAV



### TIP Investment Portfolio – Sector Breakdown



## Performance Analysis of TIP's Main Listed Assets

With the exception of recent months, TIP has historically outperformed its listed assets. The same trend can be seen with respect to historical outperformance of main Italian index FTSE MIB as well as other mid-small caps indexes.

### Tamburi Investments Partners - Main Listed Asset Performance

| 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 |
|--|------------|-----------------|-----------------|------------------|-------------------|-------------------|--------------|-----------------|------------------|
| Tamburi Investment Partners S.p.A.                   | 3,32       | 490             |                 | -10,0%           | -4,5%             | -1,9%             | 24,2%        | 41,9%           | 72,4%            |
| TIP Warrant 2015-2020                                | 0,63       |                 |                 | 11,0%            | 80,0%             |                   |              |                 |                  |
| Prysmian S.p.A.                                      | 19,44      | 4.213           | 19,0%           | -11,7%           | -3,9%             | 2,1%              | 26,4%        | 25,4%           | 7,2%             |
| Moncler SpA  | 16,12      | 4.032           | 16,8%           | -8,1%            | -5,7%             | 3,8%              | 42,1%        | 31,7%           |                  |
| Interpump Group S.p.A.                               | 12,57      | 1.369           | 14,9%           | -7,6%            | -11,1%            | -11,5%            | 6,4%         | 21,6%           | 53,1%            |
| Amplifon S.p.A.                                      | 7,00       | 1.577           | 12,2%           | -6,2%            | 7,7%              | 17,8%             | 44,0%        | 55,2%           | 67,7%            |
| HUGO BOSS AG   | 100,60     | 7.082           | 10,8%           | -6,6%            | -1,8%             | -14,0%            | -1,8%        | -0,1%           | 4,4%             |
| Fiat Chrysler Automobiles N.V.                       | 12,72      | 21.546          | 3,6%            | -8,1%            | -5,7%             | -15,1%            | 32,9%        | 64,1%           | 106,5%           |
| Be Think, Solve, Execute S.p.A.                      | 0,50       | 67              | 2,8%            | -12,1%           | -10,0%            | -12,6%            | 1,1%         | -3,9%           | 109,6%           |
| Bolzoni S.p.A.                                       | 3,48       | 90              | 2,0%            | -6,5%            | -4,6%             | 6,4%              | 24,3%        | 1,1%            | 9,8%             |
| Noemalife S.p.A.                                     | 6,15       | 47              | 1,4%            | 4,9%             | 2,6%              | 24,6%             | 31,1%        | 18,0%           | 68,6%            |
| Monrif S.p.A.  | 0,28       | 42              | 0,6%            | -5,4%            | -0,1%             | -18,4%            | -1,1%        | -19,7%          | 4,4%             |
| Digital Magics S.p.A.                                | 5,88       | 28              | 0,6%            | 5,5%             | 4,2%              | 11,2%             | 23,4%        | 23,1%           | -21,3%           |
| Servizi Italia S.p.A.                                | 4,03       | 114             | 0,4%            | -3,2%            | -5,7%             | -18,3%            | 2,4%         | -10,2%          | 16,7%            |
| M&C S.p.A.   | 0,13       | 62              | 0,3%            | -4,1%            | 10,7%             | 20,4%             | 44,6%        | 23,8%           | -23,9%           |
| <b>Average performance</b>                           |            |                 |                 | <b>-5,3%</b>     | <b>-1,8%</b>      | <b>-0,3%</b>      | <b>21,2%</b> | <b>17,7%</b>    | <b>33,6%</b>     |
| FTSE Italia All-Share                                |            |                 |                 | -7,8%            | -3,3%             | -3,9%             | 14,9%        | 3,6%            | 22,7%            |
| FTSE MIB   |            |                 |                 | -8,0%            | -4,2%             | -4,7%             | 13,2%        | 1,8%            | 20,8%            |
| FTSE Star Italy                                      |            |                 |                 | -6,2%            | 0,4%              | -2,6%             | 25,1%        | 27,5%           | 67,8%            |
| FTSE Mid Cap Italy                                   |            |                 |                 | -8,4%            | -4,3%             | -5,4%             | 19,5%        | 8,2%            | 30,6%            |
| FTSE Small Cap Italy                                 |            |                 |                 | -6,5%            | 1,1%              | 1,3%              | 31,9%        | 21,8%           | 37,2%            |
| <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                                |            |                 |                 | -2,1%            | -1,1%             | 2,0%              | 9,3%         | 38,3%           | 49,7%            |
| FTSE MIB   |            |                 |                 | -1,9%            | -0,2%             | 2,8%              | 11,0%        | 40,1%           | 51,5%            |
| FTSE Star Italy                                      |            |                 |                 | -3,8%            | -4,9%             | 0,7%              | -0,9%        | 14,4%           | 4,6%             |
| FTSE Mid Cap Italy                                   |            |                 |                 | -1,6%            | -0,2%             | 3,6%              | 4,7%         | 33,7%           | 41,8%            |
| FTSE Small Cap Italy                                 |            |                 |                 | -3,4%            | -5,6%             | -3,1%             | -7,8%        | 20,1%           | 35,1%            |

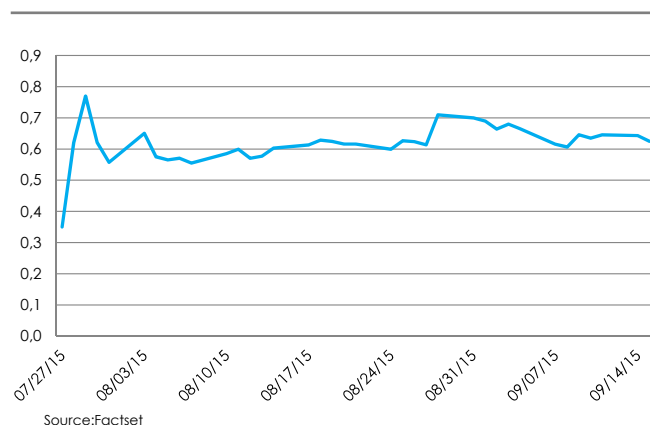
Source: Factset

At the end of July TIP also announced 36,948,900 new warrants (Tamburi Investment Partners S.p.A. 2015-2020), attributed proportionally and for free to the shareholders, at a ratio of 1 warrant for each 4 TIP shares owned. Each warrant entitles the holder to subscribe to one newly issued TIP ordinary share at the following conditions:

- June 2016 at Eu3.75ps;
- June 2017 at Eu4.15ps;
- June 2018 at Eu4.55ps;
- June 2019 at Eu5.00ps;
- June 2020 at Eu5.41ps.

The performance since the inception of these warrants is as follows:

#### TIP Warrant 2015-2020 (Eu)



## Valuation Update

We are updating our fair value for TIP based on an equally-weighted average of static NAV and dynamic NAV methods.

### 1. Static NAV update

Static NAV has suffered from the recent market correction. In this negative context, we notice that the Clubtre stake has increased from 35% to 43% (by about Eu20mn) with no cash-out thanks to an increase in the leverage of Clubtre. Furthermore, with the last exercise period of TIP's 2010-2015 warrants, the number of outstanding shares increased to 147.8mn, thus slightly diluting our NAV per share.

TIP - Net Asset Value (@ mkt price)

| (Eu mn)  | Value         | Stake (%) | % on NAV      | Valuation method              | Sector            |
|--|---------------|-----------|---------------|-------------------------------|-------------------|
| <b>LISTED COMPANIES</b>                        | <b>181,8</b>  |           | <b>32,9%</b>  |                               |                   |
| Amplifon S.p.A.                                | 67,4          | 4,2%      | 12,2%         | Market value                  | Hearing aids      |
| Bolzoni S.p.A.                                 | 10,8          | 12,0%     | 2,0%          | Market value                  | Fork Lift         |
| Digital Magics S.p.A.                          | 3,6           | 13,0%     | 0,6%          | Market value                  | Web incubator     |
| Fiat Chrysler Automobiles N.V.                 | 19,7          | 0,1%      | 3,6%          | Market value                  | Auto              |
| HUGO BOSS AG                                   | 59,9          | 0,9%      | 10,8%         | Market value                  | Fashion/Luxury    |
| M&C S.p.A.                                     | 1,6           | 2,7%      | 0,3%          | Market value                  | Financial Holding |
| Monrif S.p.A.                                  | 3,6           | 8,4%      | 0,6%          | Market value                  | Publishing        |
| NoemaLife S.p.A.                               | 7,5           | 16,3%     | 1,4%          | Market value                  | Healthcare        |
| Servizi Italia S.p.A.                          | 2,2           | 1,9%      | 0,4%          | Market value                  | Healthcare        |
| Other listed companies                         | 5,4           | n.a.      | 1,0%          | Book Value                    | Various           |
| <b>NON LISTED COMPANIES</b>                    | <b>185,6</b>  |           | <b>33,6%</b>  |                               |                   |
| TXR S.r.l (51% Furn Invest - 38% Roche Bobois) | 31,6          | 51,0%     | 5,7%          | Book Value (0,66x EV/Sales)   | Furniture         |
| Club 7 S.r.l. (14% of Ruffini - 32% Moncler)   | 92,7          | 52,5%     | 16,8%         | Market value                  | Luxury            |
| TIP advisory business                          | 20,5          | 100,0%    | 3,7%          | 15x adj. PE                   | Finance           |
| Other non listed companies                     | 0,8           | n.a.      | 0,1%          | Book Value                    | Various           |
| Azimut Benetti                                 | 40,0          | 12,0%     | 7,2%          | Book Value                    | Yacht/ Luxury     |
| <b>ASSOCIATES</b>                              | <b>245,3</b>  |           | <b>44,4%</b>  |                               |                   |
| Be, Think, Solve, Execute                      | 15,6          | 23,4%     | 2,8%          | Market value                  | IT Banking        |
| Clubitaly s.r.l. (20% Eataly)                  | 33,2          | 27,5%     | 6,0%          | Book Value                    | Food Retailer     |
| Club 3 S.r.l. (5.8% of Prysmian)               | 105,2         | 43,3%     | 19,0%         | Market value                  | Cables            |
| Gruppo IPG Holding (26.294% of Interpump)      | 82,1          | 23,6%     | 14,9%         | Market value                  | Hydraulic         |
| Palazzari & Turries Limited                    | 0,4           | 30,0%     | 0,1%          | Book Value                    | Finance           |
| Gatti & Co                                     | 0,2           | 30,0%     | 0,0%          | Book Value                    | Finance           |
| TIPO   | 8,7           | 28,6%     | 1,6%          | Book Value                    | Finance           |
| <b>Net Financial Position</b>                  | <b>-56,5</b>  |           | <b>-10,2%</b> | Including recent transactions |                   |
| Holding costs                                  | -6,1          |           | -1,1%         | Est 1% of total assets        |                   |
| Treasury shares (0.523%)                       | 2,5           |           | 0,5%          | @ Sep 11th, 2015              |                   |
| <b>Total NAV</b>                               | <b>552,5</b>  |           |               |                               |                   |
| <i>N. of shares (f.d.)</i>                     | <i>147,8</i>  |           |               |                               |                   |
| <b>Total NAV ps (Eu)</b>                       | <b>3,74</b>   |           |               |                               |                   |
| <b>TIP Market price (Eu)</b>                   | <b>3,32</b>   |           |               |                               |                   |
| <b>Current premium (discount) on NAVPS</b>     | <b>-11,2%</b> |           |               |                               |                   |

Source: Intermonte SIM estimates & Factset

## 2. Dynamic NAV update

Dynamic NAV takes into account our estimated fair value of both the listed assets and some of the non-listed ones (chiefly Eatly). This approach should incorporate part of the prospective value generation from TIP's diversified portfolio.

### TIP - Dynamic Net Asset Value (@ Intermonte and/or consensus fair value)

| (Eu mn)   | Value         | Stake (%) | % on NAV     | Valuation method              | Sector            |
|---|---------------|-----------|--------------|-------------------------------|-------------------|
| <b>LISTED COMPANIES</b>                         | <b>204,6</b>  |           | <b>32,1%</b> |                               |                   |
| Amplifon S.p.A.                                 | 70,8          | 4,2%      | 11,1%        | Intermonte Fair Value         | Hearing aids      |
| Bolzoni S.p.A.                                  | 13,7          | 12,0%     | 2,2%         | Intermonte Fair Value         | Fork Lift         |
| Digital Magics S.p.A.                           | 3,6           | 13,0%     | 0,6%         | Market value                  | Web incubator     |
| Fiat Chrysler Automobiles N.V.                  | 24,6          | 0,12%     | 3,9%         | Intermonte Fair Value         | Auto              |
| HUGO BOSS AG                                    | 70,7          | 0,85%     | 11,1%        | Consensus Fair Value          | Fashion/Luxury    |
| M&C S.p.A.                                      | 1,6           | 2,7%      | 0,3%         | Market value                  | Financial Holding |
| Monrif S.p.A.                                   | 3,6           | 8,4%      | 0,6%         | Market value                  | Publishing        |
| NoemaLife S.p.A.                                | 7,5           | 16,3%     | 1,2%         | Market value                  | Healthcare        |
| Servizi Italia S.p.A.                           | 3,0           | 1,9%      | 0,5%         | Intermonte Fair Value         | Healthcare        |
| Other listed companies                          | 5,4           | n.a.      | 0,9%         | Book Value                    | Various           |
| <b>NON LISTED COMPANIES</b>                     | <b>208,8</b>  |           | <b>32,8%</b> |                               |                   |
| TXR S.r.l. (51% Furn Invest - 38% Roche Bobois) | 31,6          | 51,0%     | 5,0%         | Book Value (0,66x EV/Sales)   | Furniture         |
| Club 7 S.r.l. (14% of Ruffini - 32% Moncler)    | 115,8         | 52,5%     | 18,2%        | Intermonte Fair Value         | Luxury            |
| TIP advisory business                           | 20,5          | 100,0%    | 3,2%         | 15x adj. PE                   | Finance           |
| Other non listed companies                      | 0,8           | n.a.      | 0,1%         | Book Value                    | Various           |
| Azimut Benetti                                  | 40,0          | 12,0%     | 7,2%         | Book Value                    | Yacht/ Luxury     |
| <b>ASSOCIATES</b>                               | <b>283,3</b>  |           | <b>44,5%</b> |                               |                   |
| Be, Think, Solve, Execute                       | 24,1          | 23,4%     | 3,8%         | Intermonte Fair Value         | IT Banking        |
| Clubitaly s.r.l. (20% Eatly)                    | 43,5          | 27,5%     | 6,8%         | Intermonte Fair Value         | Food Retailer     |
| Club 3 S.r.l. (5.8% of Prysmian)                | 121,0         | 43,3%     | 19,0%        | Intermonte Fair Value         | Cables            |
| Gruppo IPG Holding (26.294% of Interpump)       | 85,4          | 23,6%     | 13,4%        | Intermonte Fair Value         | Hydraulic         |
| Palazzari & Turries Limited                     | 0,4           | 30,0%     | 0,1%         | Book Value                    | Finance           |
| Gatti & Co                                      | 0,2           | 28,6%     | 0,0%         | Book Value                    | Finance           |
| TIPO  | 8,7           | 28,6%     | 1,4%         | Book Value                    | Finance           |
| <b>Net Financial Position</b>                   | <b>-56,5</b>  |           | <b>-8,9%</b> | Including recent transactions |                   |
| Holding costs                                   | -6,1          |           | -1,0%        | Est 1% of total assets        |                   |
| Treasury shares (0.523%)                        | 2,5           |           | 0,4%         | @ Sep 11th, 2015              |                   |
| <b>Total NAV</b>                                | <b>636,4</b>  |           |              |                               |                   |
| <i>N. of shares (f.d.)</i>                      | <i>147,8</i>  |           |              |                               |                   |
| <b>Total NAV ps (Eu)</b>                        | <b>4,31</b>   |           |              |                               |                   |
| <b>TIP Market price (Eu)</b>                    | <b>3,32</b>   |           |              |                               |                   |
| <b>Current premium (discount) on NAVPS</b>      | <b>-22,9%</b> |           |              |                               |                   |

Source: Intermonte SIM estimates & Factset

### Summary of our fair value calculation

Our target price of Eu4.00ps for TIP is the weighted average of our static NAV (weighted 50%) and our dynamic NAV (weighted 50%).

### TIP - Fair Value Calculation (Eu mn)

| Valuation method            | Value       | P.S. (Eu)   | Weight |
|-----------------------------|-------------|-------------|--------|
| Adjusted Net Asset Value    | 553         | 3,74        | 50%    |
| Dynamic Net Asset Value     | 636         | 4,31        | 50%    |
| <b>Fair valuation</b>       | <b>594</b>  | <b>4,02</b> |        |
| <b>Fair value p.s. (Eu)</b> | <b>4,02</b> |             |        |

Source: Intermonte SIM estimates

## Estimates update

In 2Q15, TIP's recurrent revenues remained stable, without benefits from strong positive extraordinary gains, unlike in 1Q when the company booked a capital gain from the sale of its stake in IntercoS.

### Tamburi Investment Partners S.p.A. - Quarterly P&L

| (Eu 000)   | 1Q14A         | 2Q14A        | 1H14A         | 1Q15A         | 2Q15A         | 1H15A         |
|--|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenue from sales and services                              | 2.233         | 2.536        | 4.769         | 347           | 469           | 816           |
| <i>YoY growth</i>  | 460%          | 320%         | 376%          | -84%          | -82%          | -83%          |
| Other revenue  | 18            | 47           | 65            | 25            | 30            | 55            |
| <i>YoY growth</i>  | 33%           | 404%         | -1%           |               | -37%          | -15%          |
| <b>Total revenue</b>   | <b>2.251</b>  | <b>2.583</b> | <b>4.834</b>  | <b>373</b>    | <b>498</b>    | <b>871</b>    |
| <i>YoY growth</i>  | 398%          | 319%         | 352%          |               | -81%          | -82%          |
| Costs for materials, services and other costs                | -625          | -827         | -1.451        | -481          | -512          | -993          |
| Personnel expense  | -4.303        | -996         | -5.299        | -2.676        | -1.555        | -4.232        |
| <i>% on revenues</i>   | -193%         | -39%         | -111%         | -771%         | -332%         | -519%         |
| Depreciation, amortisation and impairment loss               | -7            | -39          | -46           | -9            | -7            | -15           |
| <b>Operating profit</b>                                      | <b>-2.684</b> | <b>722</b>   | <b>-1.962</b> | <b>-2.793</b> | <b>-1.576</b> | <b>-4.370</b> |
| <i>YoY growth</i>  | 365%          | -179%        | 31%           |               | nm            | nm            |
| Financial income   | 18.367        | 3.964        | 22.332        | 23.151        | 3.921         | 27.073        |
| Financial expense  | -460          | -3.913       | -4.373        | -4.895        | -996          | -5.891        |
| <b>Profit before adjustments to investments</b>              | <b>15.224</b> | <b>773</b>   | <b>15.997</b> | <b>15.463</b> | <b>1.349</b>  | <b>16.812</b> |
| <i>YoY growth</i>  | -2910%        | 47%          | nm            |               | 75%           | 5%            |
| Share of profit (loss) of equity-accounted investees         | -213          | 2.368        | 2.155         | -71           | 3.701         | 3.630         |
| Net impairment losses on available-for-sale financial assets | 0             | 5.010        | 5.010         | 0             | -93           | -93           |
| <b>Profit before tax</b>                                     | <b>15.011</b> | <b>8.151</b> | <b>23.162</b> | <b>15.391</b> | <b>4.957</b>  | <b>20.348</b> |
| <i>YoY growth</i>  | -2367%        | 251%         | 1293%         |               | -39%          | -12%          |
| Current and deferred taxes                                   | -524          | 45           | -479          | -1.293        | 493           | -801          |
| <i>Tax rate</i>  | -3%           | -1%          | 2%            | -8%           | 10%           | -4%           |
| Minorities   | -20           | -734         | -754          | -97           | -76           | -174          |
| <i>% on net profit</i>                                       |               |              |               | -1%           | -2%           | -1%           |
| <b>Profit for the year</b>                                   | <b>14.468</b> | <b>7.462</b> | <b>21.930</b> | <b>14.001</b> | <b>5.547</b>  | <b>19.548</b> |
| <i>YoY growth</i>  |               |              |               |               | -26%          | -11%          |

We have revised our FY15 estimates mainly on the back of higher expected capital gains as well as advisory revenues in 2H, benefiting from the recent deal flow. On the back of another very strong year, we have also increased our dividend estimates for FY15, and now expect a flat dividend compared to last year.

### Tamburi Investment Partners S.p.A. - P&L Estimates

| (Eu 000)   | FY13          |               | FY14          |               | New Estimates |               | Old Estimates |       | % change |       |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|----------|-------|
|  | FY13          | FY14          | FY15E         | FY16E         | FY15E         | FY16E         | FY15E         | FY16E | FY15E    | FY16E |
| Revenue from sales and services                              | 4,263         | 7,737         | 9,439         | 10,382        | 9,439         | 10,382        | 0%            | 0%    |          |       |
| <b>Total revenue</b>   | <b>4,414</b>  | <b>7,863</b>  | <b>9,568</b>  | <b>10,514</b> | <b>9,568</b>  | <b>10,514</b> | 0%            | 0%    |          |       |
| Costs for materials, services and other costs                | -2,009        | -2,593        | -1,761        | -1,770        | -1,761        | -1,770        | 0%            | 0%    |          |       |
| Personnel expense  | -9,983        | -7,660        | -8,809        | -9,708        | -8,809        | -10,130       | 0%            | -4%   |          |       |
| Depreciation, amortisation and impairment loss               | -66           | -60           | -63           | -66           | -63           | -66           | 0%            | 0%    |          |       |
| <b>Operating profit</b>                                      | <b>-7,644</b> | <b>-2,450</b> | <b>-1,065</b> | <b>-1,029</b> | <b>-1,065</b> | <b>-1,452</b> | 0%            | -29%  |          |       |
| <i>YoY growth</i>  | 655%          | -68%          | -57%          | -63%          | -57%          | 445%          |               |       |          |       |
| Financial income   | 39,240        | 30,414        | 41,595        | 25,494        | 35,095        | 25,494        | 19%           | 0%    |          |       |
| Financial expense  | -2,137        | -8,296        | -9,125        | -9,125        | -7,881        | -7,881        | 16%           | 16%   |          |       |
| <b>Profit before adjustments to investments</b>              | <b>29,459</b> | <b>19,668</b> | <b>31,405</b> | <b>15,340</b> | <b>26,149</b> | <b>16,161</b> | 20%           | -5%   |          |       |
| <i>YoY growth</i>  | 403%          | -33%          | 60%           | -1%           | 33%           | 1%            |               |       |          |       |
| Share of profit (loss) of equity-accounted investees         | 4,738         | 4,235         | 4,194         | 4,151         | 4,194         | 4,151         | 0%            | 0%    |          |       |
| Net impairment losses on available-for-sale financial assets | -2,500        | 5,010         | 808           | 1,106         | 808           | 1,106         | 0%            | 0%    |          |       |
| <b>Profit before tax</b>                                     | <b>31,697</b> | <b>28,914</b> | <b>36,406</b> | <b>20,597</b> | <b>31,151</b> | <b>21,419</b> | 17%           | -4%   |          |       |
| <i>YoY growth</i>  | 214%          | -9%           | 26%           | 34%           | 8%            | 24%           |               |       |          |       |
| Current and deferred taxes                                   | 142           | -377          | -5,097        | -5,149        | -4,361        | -5,355        | 17%           | -4%   |          |       |
| <i>Tax rate</i>  | 0%            | -1%           | 14%           | 25%           | 14%           | 25%           |               |       |          |       |
| Minorities   | 100           | -1,739        | -2,184        | -1,236        | -1,869        | -1,285        |               |       |          |       |
| <b>Profit for the year</b>                                   | <b>31,939</b> | <b>26,798</b> | <b>29,125</b> | <b>14,212</b> | <b>24,921</b> | <b>14,779</b> | 16.9%         | -3.8% |          |       |
| <i>YoY growth</i>  | 245%          | -16%          | 9%            | -51%          | -7%           | -41%          |               |       |          |       |
| DPS  | 0.083         | 0.061         | 0.061         | 0.050         | 0.045         | 0.040         | 36%           | 25%   |          |       |
| Dividend Payout (%)  | 34%           | 32%           | 30%           | 50%           | 50%           | 112%          |               |       |          |       |

## Overview of Main Listed Assets

### **PRYSMIAN (NEUTRAL; 2.53% indirect stake, 19.0% of NAV, since 2007)**

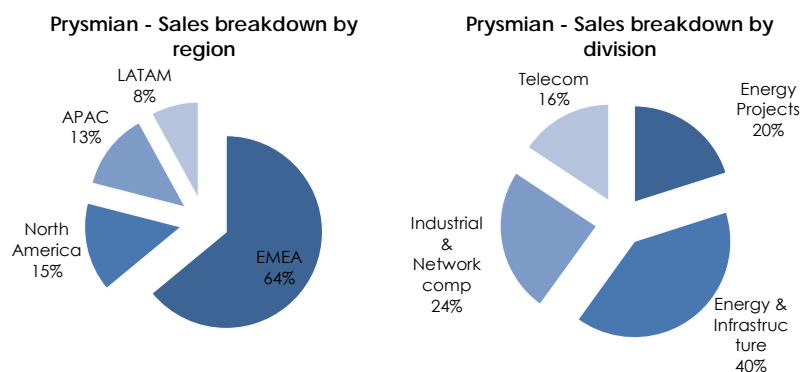
Prysmian is the world leader in the production of energy and telecommunication cables with 89 factories, 17 R&D centers and approximately 19,000 employees worldwide.

Clubtre S.p.A., an associate investment company of TIP (43.28% owned), is currently the largest shareholder in Prysmian with a shareholding of 5.856%. Thus, TIP indirectly holds a 2.53% stake in the company, worth about Eu105.2mn at current prices, accounting for approximately 19.0% of NAV. This investment has been active since 2007.

| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 4,096           | 19,15 | 26,4%      | -1,2%             | -0,7%                 | 11,2%                 |

|         | 2013  | 2014  | 2015E | 2016E | Valuation      |
|---------|-------|-------|-------|-------|----------------|
| Sales   | 6.995 | 6.840 | 7.224 | 7.392 | P/E FY15       |
| YoY%    | -11%  | -2%   | 6%    | 2%    | 15,5           |
| Ebitda  | 563   | 496   | 553   | 640   | EV/EBITDA FY15 |
| %Margin | 8%    | 7%    | 8%    | 9%    | 7,5            |
| Ebit    | 368   | 312   | 421   | 495   | DVD Yield FY15 |
| %Margin | 5%    | 5%    | 6%    | 7%    | 2,2%           |
| EPS     | 1,25  | 0,87  | 1,23  | 1,60  |                |
| YoY%    | -4%   | -31%  | 42%   | 29%   |                |

Source: Intermonte SIM estimates



### **Outlook post 2Q15 results (by Intermonte analyst)**

Prysmian had a good set of results for the 2Q15, with adjusted EBITDA better than we expected. A lower than expected negative contribution from an important project, has permitted management to raise its guidance for 2015. **Organic growth in 2Q15 stood at 8%** while net debt improved considerably.

For a further improvement the company could make **value-accretive acquisitions** or significantly **increase operating margins** in the trade and installer business, which represents almost 30% of total sales and has the lower profitability compared to the other segments.

### **MONCLER (OUTPERFORM; 2.34% indirect stake, 16.8% of NAV, since 2013)**

Moncler is the world leader in a specific high-end clothing segment and has a network of over 180 single-brand sales points worldwide and a network of multi-brand wholesale operators globally.

TIP indirectly holds (as of 30<sup>th</sup> June) a 2.34% stake in Moncler, worth about Eu92.7mn at current prices, representing approximately 16.8% of NAV. This investment was originally made in 2013.

In more detail, TIP holds a 52.5% of the share capital of Clubsette S.r.l., which in August 2013 acquired 14% of the share capital of Ruffini Partecipazioni S.r.l. for Eu103mn. Ruffini, in turn, currently holds 31.9% of the share capital of Moncler S.p.A.

TIP has agreed to a **six year lock-up period** with Ruffini Partecipazioni, while the other shareholders of Clubsette have similar obligations, limited to approximately three years.

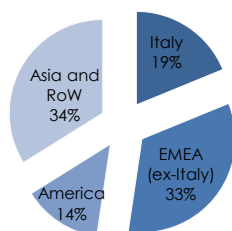
| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 3.950           | 15,8  | 42,1%      | -4,9%             | 19,5%                 | 21,1%                 |

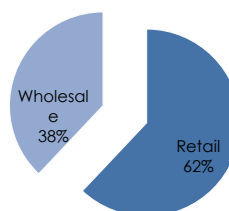
|         | 2013 | 2014 | 2015E | 2016E | Valuation      |
|---------|------|------|-------|-------|----------------|
| Sales   | 581  | 694  | 873   | 1.004 | P/E FY15       |
| YoY%    | 19%  | 20%  | 26%   | 15%   | 24,0           |
| Ebitda  | 186  | 233  | 294   | 338   | EV/EBITDA FY15 |
| %Margin | 32%  | 34%  | 34%   | 34%   | 13,5           |
| Ebit    | 166  | 202  | 248   | 290   | DVD Yield FY15 |
| %Margin | 29%  | 29%  | 28%   | 29%   | 0,8%           |
| EPS     | 0,39 | 0,53 | 0,66  | 0,77  |                |
| YoY%    | 17%  | 39%  | 23%   | 16%   |                |

Source: Intermonte SIM estimates

**Moncler - Sales breakdown by region**



**Moncler - Sales breakdown by distribution channel**



### **Outlook post 2Q15 results (by Intermonte analyst)**

Again 2Q15 figures were **extremely positive** for Moncler, and provided strong support for earnings estimates upward revisions (+19.5% FY15 YTD) for a top performer in the luxury sector.

We believe **strong brand momentum is set to continue**, thanks to an extremely effective brand strategy. In addition, FOREX is providing a substantial contribution to both the top line and margins.



### **INTERPUMP (UNDERPERFORM; 6.08% indirect stake, 14.9% of NAV, since 2007)**

Interpump Group S.p.A. is a world leader in the production of high pressure piston pumps, power take-offs (PTOs), distributors and hydraulic systems.

TIP indirectly holds (as at 30 June) a 6.08% stake in Interpump, worth about Eu82.1mn at current prices, amounting to approximately 14.9% of NAV. This investment has been in place since 2007.

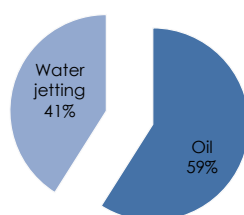
In detail, TIP owns 23.64% of Gruppo IPG Holding, which in turn holds 25.725% of Interpump's share capital.

| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 1.350           | 12,4  | 6,4%       | -14,4%            | 1,1%                  | -3,9%                 |

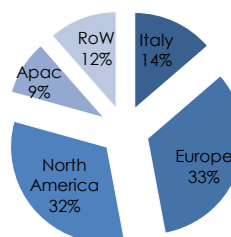
|         | 2013 | 2014 | 2015E | 2016E | Valuation      |
|---------|------|------|-------|-------|----------------|
| Sales   | 557  | 672  | 884   | 919   | P/E FY15       |
| YoY%    | 6%   | 21%  | 32%   | 4%    | 16,2           |
| Ebitda  | 105  | 136  | 183   | 195   | EV/EBITDA FY15 |
| %Margin | 19%  | 20%  | 21%   | 21%   |                |
| Ebit    | 79   | 104  | 142   | 153   | DVD Yield FY15 |
| %Margin | 14%  | 16%  | 16%   | 17%   |                |
| EPS     | 0,40 | 0,52 | 0,77  | 0,83  |                |
| YoY%    | -17% | 32%  | 46%   | 8%    |                |

Source: Intermonte SIM estimates

Interpump - Sales breakdown by division



Interpump - Sales breakdown by region



### **Outlook post 2Q15 results (by Intermonte analyst)**

Even if the company is effectively executing its strategy to expand its product range and achieve significant industrial and commercial synergies, **quarterly results showed a slowdown in organic growth** for Interpump, just 1.3% at constant consolidation base and FOREX (below our +5.0% forecast).

The company is facing slowdowns in the US agricultural and oil & gas end markets, while weaknesses persist in China, Brazil, and Chile.

### **AMPLIFON (NEUTRAL; 4.24% direct stake, 12.2% of NAV)**

The Amplifon Group is world leader in the distribution and personalized application of hearing aids, with a 9% global market share and over 2,100 direct stores, 3,200 shop-in-shops & corners and a network of over 3,100 indirect sales points in the USA, employing over 11,000 people globally.

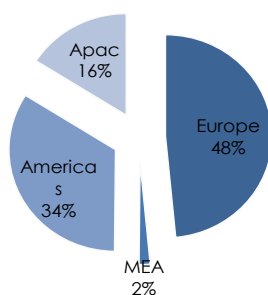
TIP directly holds a 4.24% stake in the group, worth about Eu67.4mn at current prices, accounting for approximately 12.2% of its total NAV.

| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 1.587           | 7,06  | 44,0%      | 1,1%              | -1,2%                 | 14,6%                 |

|         | 2013 | 2014 | 2015E | 2016E | Valuation      |
|---------|------|------|-------|-------|----------------|
| Sales   | 827  | 891  | 1.025 | 1.078 | P/E FY15       |
| YoY%    | -2%  | 8%   | 15%   | 5%    | 31,7           |
| Ebitda  | 117  | 138  | 160   | 180   | EV/EBITDA FY15 |
| %Margin | 14%  | 15%  | 16%   | 17%   | 11,1           |
| Ebit    | 69   | 91   | 110   | 130   | DVD Yield FY15 |
| %Margin | 8%   | 10%  | 11%   | 12%   | 0,6%           |
| EPS     | 0,06 | 0,21 | 0,22  | 0,29  |                |
| YoY%    | -70% | 261% | 8%    | 31%   |                |

Source: Intermonte SIM estimates

#### **Amplifon - Sales breakdown by region**



#### **Outlook post 2Q15 results (by Intermonte analyst)**

Amplifon presented **steady growth figures in 2Q15**, with sales growth at 18% made up of like-for-like performance of around +8.7%, +3% from changes in the company's consolidation scope and +6% from favorable FOREX. The **EBITDA margin of 17.9% beat our expectations** thanks to positive performances in all regions.

Management expects **positive sales and profitability trends to continue** in 2H15 and is looking for M&A opportunities in key markets such as France and Germany. We incorporate a 20% probability of Amplifon becoming a **takeover target**.

### **HUGO BOSS** (not rated; 0.85% direct stake, 10.8% of NAV, since 2015)

Hugo Boss is a market leader in the premium and luxury segment of the medium-high and high-end apparel market for men and women, with a diversified range from fashionable clothing to

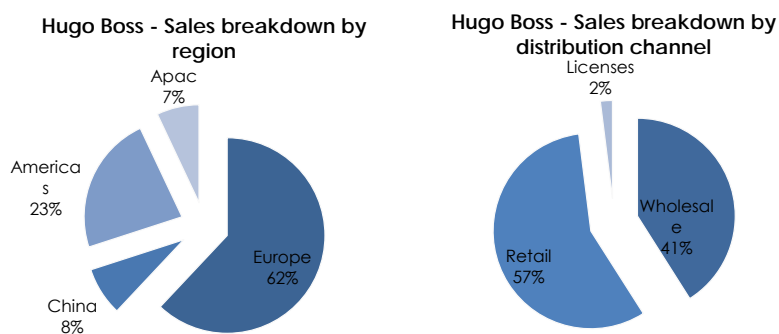
sportswear, footwear and accessories. Hugo Boss products are distributed through over 7,600 shops (including direct, department stores, wholesale and franchising partners) worldwide, of which approximately 1,750 sales points in America, approximately 5,350 in Europe and approximately 500 in Asia.

TIP currently holds a 0.85% stake in Hugo Boss, worth about Eu59.9mn at current prices, amounting to approximately 10.8% of NAV. This investment was made this year.

| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 7.033           | 99,9  | -1,8%      | -0,3%             | -9,6%                 | -10,4%                |

|         | 2013  | 2014  | 2015E | 2016E | Valuation      |
|---------|-------|-------|-------|-------|----------------|
| Sales   | 2.432 | 2.572 | 2.861 | 3.060 | P/E FY15       |
| YoY%    | 4%    | 6%    | 11%   | 7%    | 18,7           |
| Ebitda  | 563   | 586   | 631   | 688   | EV/EBITDA FY15 |
| %Margin | 23%   | 23%   | 22%   | 22%   | 11,2           |
| Ebit    | 458   | 461   | 493   | 542   | DVD Yield FY15 |
| %Margin | 19%   | 18%   | 17%   | 18%   | 4,0%           |
| EPS     | 4,78  | 4,93  | 5,35  | 5,93  |                |
| YoY%    | 7%    | 3%    | 8%    | 11%   |                |

Source: Factset estimates



### **FIAT CHRYSLER (OUTPERFORM; 0.12% direct stake, 3.6% of NAV, since 2014)**

The Fiat Chrysler Automobiles NV (FCA) group is the seventh leading car manufacturer in the world, active in the design, development, production and marketing of cars, commercial vehicles, components and production systems with the brands Abarth, Alfa Romeo, Chrysler, Dodge, Ferrari, Fiat, Fiat Professional, Jeep, Lancia, Maserati and Ram, in addition to SRT, the sports division dedicated to high performance vehicles and Mopar, the post-sales service and spare parts brand. The group's operations also include Comau (production systems), Magneti Marelli (auto components) and Teksid (foundries).

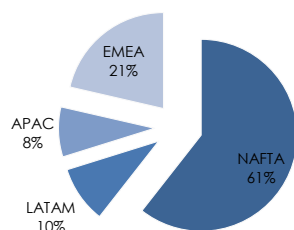
TIP holds a direct 0.12% stake in the group, worth around Eu19.7mn at current prices, for approximately 3.6% of NAV.

| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 16.397          | 12,76 | 32,9%      | -2,9%             | -13,0%                | -6,2%                 |

|         | 2013   | 2014   | 2015E   | 2016E   | Valuation      |
|---------|--------|--------|---------|---------|----------------|
| Sales   | 86.816 | 96.090 | 109.054 | 112.140 | P/E FY15       |
| YoY%    | 3%     | 11%    | 13%     | 3%      | 14,4           |
| Ebitda  | 7.637  | 8.120  | 9.109   | 9.573   | EV/EBITDA FY15 |
| %Margin | 9%     | 8%     | 8%      | 9%      | 2,7            |
| Ebit    | 2.972  | 3.223  | 4.369   | 5.099   | DVD Yield FY15 |
| %Margin | 3%     | 3%     | 4%      | 5%      | 0,0%           |
| EPS     | 0,10   | 0,71   | 0,89    | 1,29    |                |
| YoY%    | -73%   | 619%   | 25%     | 46%     |                |

Source: Intermonte SIM estimates

#### **FCA - Sales breakdown by region**



#### **Outlook post 2Q15 results (by Intermonte analyst)**

**Adjusted EBIT in 2Q15 surprised on the upside** thanks to higher NAFTA area margins. FCA

more than offset headwinds in Latin America and Asia/Pacific with much stronger than

expected delivery in North America. FCA **reported an unexpectedly strong improvement, primarily from a better volume mix and pricing.**

The operating result was also positive in EMEA thanks to growing sales and capacity utilization. FCA **lifted guidance on FY'15 operating profit**, and confirmed the **Ferrari listing** for 4Q'15.

### **BE: Think, Solve, Execute (BUY; 23.41% direct stake, 2.8% of NAV)**

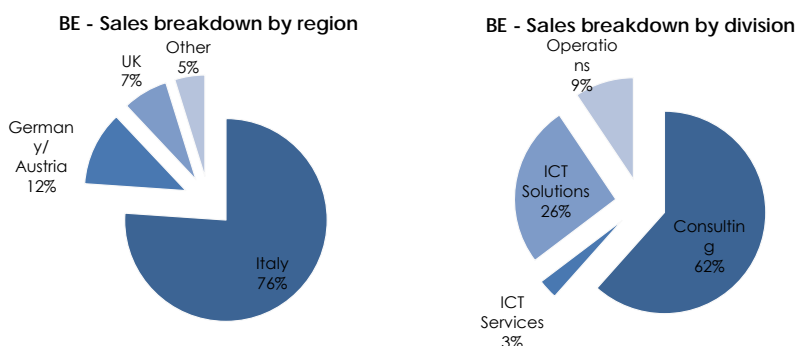
The Be group provides consultancy, back office services, payment systems, outsourcing applications for banks and insurance companies, as well as security-related solutions for utilities.

TIP directly holds a 23.41% stake in the group, worth about Eu15.6mn at current prices, representing approximately 2.8% of NAV.

| Mkt Cap (Eu mn) | Price  | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|--------|------------|-------------------|-----------------------|-----------------------|
| 66              | 0,4925 | 1,1%       | -4,2%             | -29,0%                | 2,5%                  |

|         | 2013 | 2014 | 2015E | 2016E | Valuation      |
|---------|------|------|-------|-------|----------------|
| Sales   | 83   | 98   | 104   | 113   | P/E FY15       |
| YoY%    | 3%   | 19%  | 6%    | 8%    | 18,3           |
| Ebitda  | 11   | 13   | 15    | 18    | EV/EBITDA FY15 |
| %Margin | 14%  | 13%  | 15%   | 16%   | 5,4            |
| Ebit    | 4    | 6    | 9     | 12    | DVD Yield FY15 |
| %Margin | 5%   | 6%   | 9%    | 10%   | 2,7%           |
| EPS     | 0,00 | 0,01 | 0,03  | 0,05  |                |
| YoY%    | -72% | 181% | 249%  | 70%   |                |

Source: Intermonte SIM estimates



### **Outlook post 2Q15 results (by Intermonte analyst)**

BE reported a solid set of results in 2Q15 with value of production up 8.5% YoY

mainly thanks to the Business Consulting division (+9.9% in 2Q15). EBITDA went up 17.2%

YoY and was 8.3% above our estimate, with the EBITDA margin increasing 100bps from 2Q14 due to a more profitable revenue mix. EBIT and pre-tax profit were above our estimates (+21.7% and +29.7%, respectively).

The group's outlook is upbeat thanks to **high visibility on the top line** and **increasing profitability** due to a focus on providing higher margin services (business consulting), as well as **strong FCF generation**.

### **BOLZONI (OUTPERFORM; 11.96% direct stake, 2.0% of NAV)**

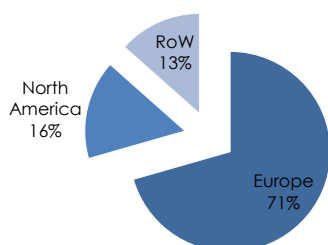
The Bolzoni group designs, produces and markets elevators and industrial movement equipment.

TIP directly holds a 11.96% stake in the group, worth about Eu10.8mn at current prices, accounting for approximately 2.0% of NAV.

| Mkt Cap (Eu mn) | Price | Price %YTD | Price %Since 30/6 | EPS 2015E %change YTD | EPS 2016E %change YTD |
|-----------------|-------|------------|-------------------|-----------------------|-----------------------|
| 90              | 3,48  | 24,3%      | 0,0%              | 14,0%                 | 5,4%                  |

|         | 2013 | 2014 | 2015E | 2016E | Valuation      |
|---------|------|------|-------|-------|----------------|
| Sales   | 121  | 120  | 140   | 165   | P/E FY15       |
| YoY%    | 2%   | -1%  | 17%   | 18%   | 17,0           |
| Ebitda  | 8    | 9    | 15    | 20    | EV/EBITDA FY15 |
| %Margin | 7%   | 7%   | 10%   | 12%   | 8,4            |
| Ebit    | 3    | 3    | 8     | 14    | DVD Yield FY15 |
| %Margin | 2%   | 2%   | 6%    | 8%    | 2,9%           |
| EPS     | 0,00 | 0,04 | 0,20  | 0,34  |                |
| YoY%    | -94% | 749% | 409%  | 65%   |                |

**Bolzoni - Sales breakdown by region**



### ***Outlook post 2Q15 results (by Intermonte analyst)***

**Strong 2Q15 results beat our estimates** with healthy cash generation. Sales grew 2.5% more than our estimate, going up **14.6% at constant FOREX**. EBITDA was 10.0% higher than our forecast, and the **EBITDA margin rose 380bps YoY to 11.2%** thanks to strong operating leverage and the positive impact of a weaker euro.

Major business opportunities are expected to materialize in North America and China, while a general economic recovery in Europe and a supportive USD/EUR exchange rate are also positive factors for the group.

## Overview of Key Non-Listed Assets

### TIP's Latest Acquisition

#### ■ **AZIMUT BENETTI** (12% direct stake, 7.2% of NAV, since 2015)

At the end of August TIP announced the acquisition of a 12% stake in Azimut Benetti, with an investment of about Eu40mn, approximately 7.2% of NAV.

Azimut Benetti is by far the leading Italian group in the yachting industry, but above all it is **one of the world's leading private group in the luxury boating sector** and for many years now has been among the most prestigious yacht and mega-yacht producers.



The group, which also includes Fraser Yacht, one of the most important yacht brokers worldwide, has six manufacturing facilities, 11 shipyards, a distribution network of 138 dealers in more than 70 countries, and a staff of about 2,179 people.

Boasting the prestigious Azimut Yachts and Benetti brands, the group offers the widest range of motor yachts, with more than 40 models whose length span from the small Atlantis Collection Sport Cruiser's 34 feet to Benetti's 100-metre mega-yachts. Azimut-Benetti has been first in the global yacht order book rankings 15 times in the last 16 years.



The group has also acquired, refurbished and now manages **marinas** in:

- Viareggio, Italy, year-end 2005 (40 berths)
- Varazze, Italy, year-end 2006 (800 berths)
- Moscow, Russia, year-end 2007 (190 berths)
- Livorno, Italy, under construction (700 berths)

The group's approach is to integrate the port with its surroundings, so that customers can also enjoy completely equipped tourism, leisure and residential centres near the moorings.

In autumn 2004 Azimut-Benetti acquired 83% of **Fraser Yachts** (in a joint acquisition with V.Ships Leisure, which bought the remaining 17%) and started developing sophisticated and innovative services to help simplify the ownership and use of mega yachts.

**Azimut Benetti key figures:**

|         | 2014    | Implicit Valuation |
|---------|---------|--------------------|
| Sales   | >650    |                    |
| YoY%    | > 10%   | EV/Sales           |
| Ebitda  | 30 - 35 | 0,51               |
| %Margin | 5%      |                    |
| Ebit    | n.a     | EV/EBITDA          |
| %Margin |         | 10                 |
| EPS     | n.a     |                    |
| YoY%    |         |                    |

Source: Company data and Intermonte SIM estimates

In 2014, the value of production grew more than 10% YoY to over Eu650mn, with even higher order backlog growth. Production value has grown by a robust 15% per year on average in the past 15 years. EBITDA is estimated to have been around Eu30-35mn, a 5% margin on sales. The company also enjoys a **positive net financial position with no debt** and can count on large private assets of Eu300mn. Moreover, a large portion of revenues in the past 10 years have been reinvested in the company, for a total amount of Eu500mn.

- **Deal details:** TIP acquired half of the stake held by Mittel, 3.1% of Azimut Benetti's capital. Then, to reach a 12% fully diluted stake, TIP subscribed to a reserved rights issue of more than Eu30mn. Hence, its **total capital commitment is around Eu41mn**.

The implicit valuation for 100% of Azimut Benetti is therefore around Eu340mn (0.51x sales, 10x EV/EBITDA).

■ **EATALY (5.5% indirect stake, 6.0% of NAV, since 2014)**

Eataly is a high-end Italian food retailer engaged in the distribution of some of the very best Italian food and wine products. Its offer 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 Italian food and wine in particular.

TIP indirectly holds (as at 30 June) a 5.5% stake in Eataly, worth about Eu33mn at book value, accounting for approximately 6.0% of NAV. This investment was made in 2014.

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

As at the end of 2014 Eataly's stakeholders were Eatinvest (the Farinetti family holding company) with 60%, CEO and co-founder Luca Baffigo Filangieri with a 20% stake, and Clubitaly with the remaining 20%.

- **P&L:** We estimate the company will register a 33% revenue CAGR for 2013-2017, going from around Eu220mn in 2013 to Eu680mn in 2017. In terms of EBITDA, we forecast a 39% CAGR for the same period (from around Eu25mn in 2013 to Eu92mn in 2017).

The number of stores operated by the company is expected to increase from the current 29 to 46 by 2017, with the annual sales per store ratio increasing from Eu12.1mn in 2014 to Eu14.8mn in 2017.

| Eataly - Income statement |       |       |       |       |       |            |
|---------------------------|-------|-------|-------|-------|-------|------------|
|                           | 2013  | 2014  | 2015E | 2016E | 2017E | 13-17 CAGR |
| Sales                     | 220   | 350   | 450   | 540   | 680   | 33%        |
| YoY Growth                |       | 59%   | 29%   | 20%   | 26%   |            |
| EBITDA                    | 25    | 39    | 52    | 73    | 92    | 39%        |
| % margin                  | 11,4% | 11,1% | 11,6% | 13,5% | 13,5% |            |
| YoY growth                |       | 56%   | 33%   | 40%   | 26%   |            |
| Number of stores          |       | 29    | 26    | 36    | 46    |            |
| Sales per store           |       | 12,1  | 17,3  | 15,0  | 14,8  |            |

Source: Intermonte SIM Estimates



- **Valuation: based on comparable peers multiples, we consider Eataly to be worth around Eu792mn, implying a 32% capital gain from TIP's initial investment of Eu600mn.**

The valuation is suffering from a very negative performances among its peers, consisting of two US companies that operate in high-end food retail. We remain positive about expected growth for Eataly, which is well above the growth rate forecast for its US peers.

The comparison is based on the peer group's average 2016 EV/EBITDA and EV/sales ratios, which can be found in the tables below, applied to 2017 estimates.

#### Eataly - Valuation

|                                  | 2016       | 2017       |
|----------------------------------|------------|------------|
| EBITDA                           | 73         | 92         |
| EV/EBITDA                        | 8,8 x      | 8,8 x      |
| <b>EV</b>                        | <b>645</b> | <b>813</b> |
| Net Cash                         | 100        | 125        |
| <b>Equity Value on EV/EBITDA</b> | <b>745</b> | <b>938</b> |
| Sales                            | 540        | 680        |
| EV/Sales                         | 0,8 x      | 0,8 x      |
| <b>EV</b>                        | <b>413</b> | <b>520</b> |
| Net Cash                         | 100        | 125        |
| <b>Equity Value on EV/Sales</b>  | <b>513</b> | <b>645</b> |
| <b>Average 2017 valuation</b>    |            | <b>792</b> |

Source: Intermonte SIM estimates

| Company                       | Country | Currency | Price | Market Cap | Performance  |              |                |                |                |                |                |
|-------------------------------|---------|----------|-------|------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
|                               |         |          |       |            | 1 Week       | 1 Month      | 3 Months       | 6 Months       | YTD            | 1 Year         | 2 Years        |
| Whole Foods Market, Inc.      | Usa     | USD      | 32,08 | 11.480     | -0,68%       | -2,34%       | -21,66%        | -40,56%        | -36,37%        | -18,10%        | -44,55%        |
| Sprouts Farmers Markets, Inc. | Usa     | USD      | 22,86 | 3.511      | 2,88%        | 8,70%        | -18,06%        | -32,74%        | -32,73%        | -27,34%        | -46,82%        |
| <b>Average</b>                |         |          |       |            | <b>1,10%</b> | <b>3,18%</b> | <b>-19,86%</b> | <b>-36,65%</b> | <b>-34,55%</b> | <b>-22,72%</b> | <b>-45,69%</b> |

Source: Factset

#### Eataly - Peers' multiples

| Company                       | Country | Currency | Market Cap | EV/EBITDA     |               |              |              | EV/Sales     |              |              |              |
|-------------------------------|---------|----------|------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               |         |          |            | 2014          | 2015          | 2016         | 2017         | 2014         | 2015         | 2016         | 2017         |
| Whole Foods Market, Inc.      | Usa     | USD      | 20497      | 13,2 x        | 7,6 x         | 7,3 x        | 6,6 x        | 1,2 x        | 0,7 x        | 0,7 x        | 0,6 x        |
| Sprouts Farmers Markets, Inc. | Usa     | USD      | 5611       | 20,4 x        | 12,5 x        | 10,3 x       | 8,6 x        | 1,8 x        | 1,0 x        | 0,9 x        | 0,7 x        |
| <b>Average</b>                |         |          |            | <b>16,8 x</b> | <b>10,1 x</b> | <b>8,8 x</b> | <b>7,6 x</b> | <b>1,5 x</b> | <b>0,9 x</b> | <b>0,8 x</b> | <b>0,7 x</b> |

Source: Factset

#### Eataly - Peers' Key Figures

| Company                       | Sales    |            |            |            | EBITDA  |            |            |            |
|-------------------------------|----------|------------|------------|------------|---------|------------|------------|------------|
|                               | 2014     | 2015       | 2016       | 2017       | 2014    | 2015       | 2016       | 2017       |
| Whole Foods Market, Inc.      | 11.730,0 | 13.567,6   | 14.660,5   | 16.218,2   | 1.086,9 | 1.236,1    | 1.322,2    | 1.440,8    |
| <i>Growth</i>                 |          | 16%        | 8%         | 11%        |         | 13,7%      | 7,0%       | 9,0%       |
| Sprouts Farmers Markets, Inc. | 2.452,3  | 3.132,7    | 3.628,6    | 4.233,3    | 218,6   | 258,7      | 303,0      | 356,0      |
| <i>Growth</i>                 |          | 27,7%      | 15,8%      | 16,7%      |         | 18%        | 17%        | 18%        |
| <b>Average Growth</b>         |          | <b>22%</b> | <b>12%</b> | <b>14%</b> |         | <b>16%</b> | <b>12%</b> | <b>13%</b> |
| <b>Eataly's Growth</b>        |          | <b>29%</b> | <b>20%</b> | <b>26%</b> |         | <b>33%</b> | <b>40%</b> | <b>26%</b> |

Source: Factset and Intermonte SIM estimates

■ **ROCHE BOBOIS (19.6% indirect stake, 5.7% of NAV, since 2013)**

Roche Bobois is the world leader in the creation and distribution of selected high-quality, designer and luxury furniture products. The group operates the largest chain worldwide of high-end design furniture products, with a network – direct and/or franchising – comprising approximately 330 sales points located in prestigious commercial areas, with a presence in the most important cities worldwide, including Europe, North, Central and South America, Africa, Asia and Middle East.

The group also controls the Cuir Center chain, a leading distributor on the French market for leather furniture products which operates through a network of direct and/or franchising sales points – positioned in a market segment complimentary to the Roche Bobois lines.

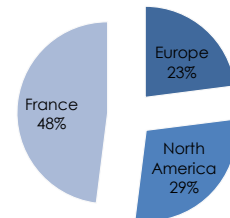
TIP indirectly holds a 19.6% stake in Roche Bobois, worth about Eu31.6mn at book value, accounting for approximately 5.7% of NAV. This investment has been in place since 2013. More in detail, TIP owns 51% of TXR, which in turn owns 38.34% of Furn-Invest SAS, a French company that now has full control of the Roche Bobois group.

■ **P&L:** Last year, Roche Bobois' sales grew 2.4% to Eu243mn, and its EBITDA margin went up from 8.2% to 9.7%. Net debt stood at Eu12.6mn, improving from Eu20.8mn the previous year.

| <i>ROCHE BOBOIS GROUPE</i> | 2012 | 2013   | 2014  | Implied Valuation |
|----------------------------|------|--------|-------|-------------------|
| Sales                      | 243  | 237    | 243   | P/E FY14          |
| YoY%                       |      | -2,5%  | 2,4%  | 26,6              |
| Ebitda                     | 19,6 | 19,5   | 23,6  | EV/EBITDA FY14    |
| %Margin                    | 8,1% | 8,2%   | 9,7%  | 8,0               |
| Ebit                       | 12,0 | 12,8   | 17,1  | EV/Sales FY14     |
| %Margin                    | 4,9% | 5,4%   | 7,0%  | 0,78              |
| Net Income                 | 4,5  | 3,8    | 6,1   |                   |
| YoY%                       |      | -15,6% | 60,5% |                   |

Source: Company data

Roche Bobois - Sales breakdown by region



The implied valuation for Roche Bobois based on book value and last year's results is 26.6x P/E and 8x EV/EBITDA.



■ **TIP Pre-IPO (28.57% direct stake, 1.6% of NAV, since 2014)**

In January 2014 TIP's management announced the start-up of the TIP-Pre IPO project ("TIPO"). TIPO collected Eu140mn, approximately Eu100mn from forty investor families and a commitment by TIP for Eu40mn (28.57%).

TIPO may subscribe to rights issues, convertible bonds, cum warrant or other "semi-equity" similar instruments in companies with:

- annual revenue between Eu30mn and Eu200mn;
- an EBITDA margin of above 9-10%;
- a solid financial situation; and
- an intention to go public within 5 years.

Investments could be made even in companies that are already listed, provided that the transactions are to be considered part of expansion projects, new investments and/or growth projects for the company's activities.

TIPO undertook its first investment by subscribing to a reserved equity offering of Eu5mn in

Advanced Accelerator Applications S.A., a French-registered company which – unique worldwide – operates both in molecular medicine and nuclear medicine, that is, in both diagnosis and therapy, and which plans to float on the Nasdaq Stock Exchange by the end of 2015.

### TIPO's Latest Acquisition

■ ***iGuzzini Illuminazione* (TIPO's stake: 14.29%, since 2015)**

iGuzzini Illuminazione S.p.A. is the leading Italian company engaged in the development and production of lighting solutions and systems and one of the leading European players in the architectural field, leveraging on 20 international branches and a production facility located in China.

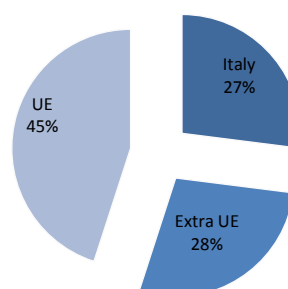
The company's products are suitable for several applications, including architectural lighting and lighting solutions for artworks and cultural buildings, commercial buildings, offices, residential buildings, streets and urban landscapes. Since its inception, iGuzzini has cooperated with well-known international architects and designers including Giò Ponti, Rodolfo Bonetto, Bruno Gecchelin, Renzo Piano, Norman Foster, Gae Aulenti, Piero Castiglioni and Jean Michel Wilmotte, as well as with major international research institutions such as Harvard University (Cambridge), M.I.T (Boston), Università La Sapienza (Rome), Politecnico di Milano, Istituto Superiore per la Conservazione ed il Restauro and Lighting Research Center (Troy, NY).

- **P&L:** Last year, iGuzzini's sales grew 3.1% to Eu206mn, while its EBITDA margin stood at 11%, on par with the year before. Net debt stood at Eu19.3mn, improving from Eu26.5mn the previous year.

| <i>IGUZZINI</i> | 2013  | 2014  |
|-----------------|-------|-------|
| Sales           | 199   | 206   |
| YoY%            |       | 3,1%  |
| Ebitda          | 22,0  | 22,7  |
| %Margin         | 11,0% | 11,0% |
| Ebit            | 11,4  | 12,2  |
| %Margin         | 5,7%  | 6,0%  |
| Net Income      | 4,8   | 4,9   |
| YoY%            |       | 0,8%  |

Source: Company data

iGuzzini - Sales breakdown by region



TIPO currently holds a 14.29% stake, while the remaining 85.71% is owned by Fimag S.p.A., the Guzzini family's holding company.

## Appendix – Statistical Summary of Italian Holding Companies

### 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.   | 3,32       | 490             | -10,0%           | -4,5%             | -1,9%             | 24,2%        | 41,9%           | 72,4%            |
| EXOR S.p.A.                          | 41,32      | 10.174          | -9,7%            | -3,6%             | -1,2%             | 19,9%        | 31,8%           | 44,7%            |
| Compagnie Industriali Riunite S.p.A. | 0,83       | 657             | -7,5%            | -14,7%            | -21,5%            | -4,5%        | -16,9%          | -30,8%           |
| ASTM S.p.A.                          | 11,95      | 1.058           | -5,4%            | 1,9%              | -9,7%             | 23,6%        | 11,1%           | 24,6%            |
| Italmobiliare S.p.A.                 | 38,27      | 1.260           | -3,9%            | 44,4%             | 20,4%             | 101,4%       | 37,8%           | 106,9%           |
| DeA Capital S.p.A.                   | 1,26       | 387             | -9,9%            | -13,4%            | -15,9%            | -7,0%        | 3,5%            | 12,0%            |
| COFIDE-Gruppo De Benedetti S.p.A.    | 0,41       | 291             | -6,1%            | -8,2%             | -18,4%            | -5,3%        | -16,7%          | -31,6%           |
| Immsi S.p.A.                         | 0,49       | 166             | -11,8%           | -20,4%            | -23,9%            | -9,3%        | -18,7%          | 14,0%            |
| Caltagirone S.p.A.                   | 2,50       | 300             | -7,9%            | 14,7%             | 5,5%              | 30,5%        | 4,4%            | 84,1%            |
| <b>Average performance</b>           |            |                 | <b>-7,8%</b>     | <b>0,1%</b>       | <b>-8,1%</b>      | <b>18,7%</b> | <b>4,5%</b>     | <b>28,0%</b>     |
| FTSE Italia All-Share                |            |                 | -7,8%            | -3,3%             | -3,9%             | 14,9%        | 3,6%            | 22,7%            |
| FTSE MIB                             |            |                 | -8,0%            | -4,2%             | -4,7%             | 13,2%        | 1,8%            | 20,8%            |
| FTSE Star Italy                      |            |                 | -6,2%            | 0,4%              | -2,6%             | 25,1%        | 27,5%           | 67,8%            |
| FTSE Mid Cap Italy                   |            |                 | -8,4%            | -4,3%             | -5,4%             | 19,5%        | 8,2%            | 30,6%            |
| FTSE Small Cap Italy                 |            |                 | -6,5%            | 1,1%              | 1,3%              | 31,9%        | 21,8%           | 37,2%            |

Source: Factset

### Italian Holdings - Average P/NAVPS (@ current mkt price)

| Stock                                 | Price (Eu) | Mkt cap (Eu mn) | NAV (Eu ps) | Premium (Discount) | P/NAV       |
|---------------------------------------|------------|-----------------|-------------|--------------------|-------------|
| EXOR S.p.A.                           | 41,35      | 10.182          | 48,8        | -15,3%             | 0,85        |
| Compagnie Industriali Riunite S.p.A.  | 0,83       | 658             | 1,4         | -41,0%             | 0,59        |
| ASTM S.p.A.                           | 11,98      | 1.061           | 20,1        | -40,5%             | 0,59        |
| Italmobiliare S.p.A.                  | 38,27      | 1.260           | 67,2        | -43,1%             | 0,57        |
| DeA Capital S.p.A.                    | 1,34       | 387             | 2,14        | -37,4%             | 0,63        |
| COFIDE-Gruppo De Benedetti S.p.A.     | 0,41       | 291             | 0,6         | -33,0%             | 0,67        |
| Immsi S.p.A.                          | 0,49       | 166             | 1,4         | -65,3%             | 0,35        |
| Caltagirone S.p.A.                    | 2,50       | 300             | 4,6         | -45,5%             | 0,54        |
| TIP S.p.A.                            | 3,32       | 490             | 3,74        | -11,4%             | 0,89        |
| <b>Average Italian Holdings</b>       |            | <b>1.644</b>    |             | <b>-36,9%</b>      | <b>0,63</b> |
| <b>Adjusted average*</b>              |            |                 |             | <b>-41,2%</b>      | <b>0,59</b> |
| <b>Average excl. see-trough NAV**</b> |            |                 |             | <b>-37,4%</b>      | <b>0,63</b> |
| FTSE MIB                              | 21.515     |                 |             |                    |             |

\*Note: excluding Cofide and TIP

\*\*Note: excluding see-trough NAV for Cofide

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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.

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

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Intermonte's distribution of stock ratings is as follows:

BUY: 20.00%

OUTPERFORM: 38.71%

NEUTRAL: 37.06%

UNDERPERFORM: 3.23%

SELL: 1.29%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (45 in total) is as follows:

BUY: 22.22%

OUTPERFORM: 51.11%

NEUTRAL: 26.67%

UNDERPERFORM: 0.00%

SELL: 0.00%

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- 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.
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#### **DETAILS ON STOCKS RECOMMENDATION**

| Stock NAME           | TIP        |                       |            |
|----------------------|------------|-----------------------|------------|
| Current Recomm:      | OUTPERFORM | Previous Recomm:      | OUTPERFORM |
| Current Target (Eu): | 4.00       | Previous Target (Eu): | 4.05       |
| Current Price (Eu):  | 3.26       | Previous Price (Eu):  | 3.51       |
| Date of report:      | 22/09/2015 | Date of last report:  | 12/05/2015 |

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