

Company update

BUY (Unchanged)

Target: € 2.40 (Prev. € 2.25)

Risk: High

STOCK DATA

Price €	2.27
Bloomberg code	TIP IM
Market Cap. (€ mn)	293
Free Float	100%
Shares Out. (mn)	129.2
52-week range	1.47 - 2.6
Daily Volumes ('000)	278

PERFORMANCE

	1M	3M	12M
Absolute	-1.7%	3.7%	51.8%
Rel. to FTSE all shares	-9.2%	-0.2%	38.2%

MAIN METRICS

	2012	2013E	2014E
EPS - € cents	6.9	23.6	3.0
DPS ord - € cents	4.1	8.1	4.1

NAV

	2012	2013E	2014E
Nav ps Adj - €	1.9	2.3	2.4

MULTIPLES

	2012	2013E	2014E
PNAV Adj.	0.8	1.0	0.9
PBV	0.9	1.2	1.1

INDEBTEDNESS

	2012	2013E	2014E
NFP	1.9	-18.5	-32.7
D/E	n.m.	0.1	0.1
Debt to assets	n.m.	0.1	0.1

PRICE ORD LAST 365 DAYS



ANALYSTS

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TIP IS ABOUT TO CLOSE A RECORD YEAR

TIP is about to close a record year (2013) in terms of profitability and value creation for shareholders. In particular, the Printemps disposal and TIP's entry in Moncler bring about additional visibility and value, thus creating new investment opportunities in 2014.

■ 2013: we expect a record year

TIP has just closed a record year. We actually expect 2013 to reach **historical highs in terms of both profitability** (we estimate a net income of over € 30 mn, driven by the capital gain harvested on Printemps) **and book value per share** (we estimate some € 2 PS, also thanks to the buoyant stock performance posted by the main listed subsidiaries).

■ Many relevant subsidiaries at historical highs, after a strong rally

Many of TIP's listed holdings have recorded very strong performances in 2013 and early 2014 (Prysmian, Interpump, Datalogic, Bolzoni, Be, Valsoia and Servizi Italia recorded gains between +30% and +200%) **and many of the largest listed holdings** (Prysmian, Interpump and Datalogic) **have approached or reached new historical highs.**

■ Moncler brings great visibility and value to TIP shareholders

The management's decision in August 2013 to acquire a stake in Remo Ruffini Partecipazioni, the holding controlling 32% of Moncler, has turned out to be a winning one. TIP has gained exposure to a very successful story in terms of both industrial and stock market performance: the Moncler stock, listed last 16th December, covered its book more than 30x during the IPO and is currently trading 33% above the IPO price. TIP has entered the investment at very attractive prices: we estimate an implicit valuation for Moncler – including the likely price adjustment – at around € 8 PS vs. an IPO price of € 10.2 and yesterday's closing price of € 13.6.

■ A pipeline brimming with new deals

The track record of successful deals and the additional visibility – acquired also with deals like Moncler's - enable TIP to widen its investment opportunities, both domestically and internationally. We therefore expect the management to pursue its strategy of investing in quality assets, both listed and unlisted, featuring a strong management team and a sound market positioning. Resources for new investments might arise from both the disposals carried out in 2013 and the **possibility shareholders will have to exercise outstanding warrants (granted for free in 2010) during February 2014 at the price of € 1.867 PS.** If warrants are not exercised in February, it will still be possible to exercise them in June 2014 but at a higher price (€ 1.90 PS) and without benefiting from the dividend to be paid out in May (€ 8.1 cents expected).

■ Rerating opportunities arising from new investments

TIP has posted a +54% gain since early 2013. Thanks to this performance **the discount against the valuation of its main subsidiaries** – which has been historically very limited on average for TIP thanks to the track record and the active management of the subsidiaries portfolio - **has narrowed to 6%.** We expect profitability and visibility acquired during 2013 to translate into new investment opportunities capable to fuel the stock performance over the next few months. **We have raised the target to € 2.40** to factor in the updated valuation of subsidiaries as well as Moncler's market price.

BUSINESS DESCRIPTION

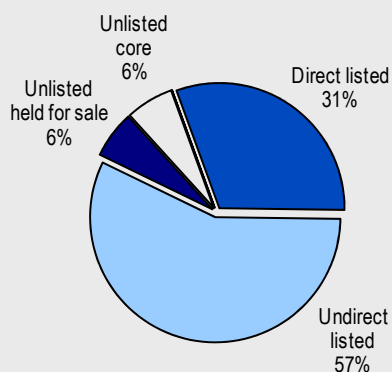
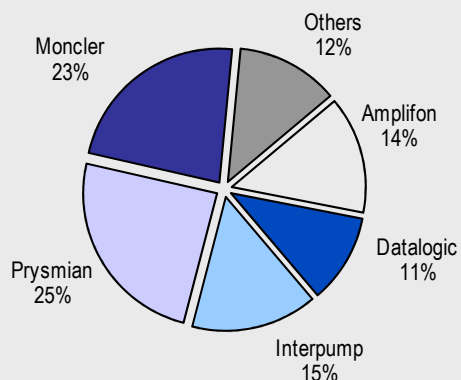
TIP is an independent investment - merchant bank focused on medium-sized companies that:

- makes minority investments - but as an active shareholder - in listed and unlisted companies expressing "excellence";
- provides advisory in corporate finance operations via Tamburi & Associati division;
- makes investments in the secondary private equity (SPE).

TIP business model is unique in Italy because of:

- the specialisation in "excellent" small - mid caps
- the distinctive skills, experience and network
- the relevant financial resources internally available
- the capacity to leverage the financial resources via co-investments (Club Deals)
- the professional, confidential, flexible and rapid approach.

TIP is a public company. The top management owns an 8% stake in the company.

ASSET BREAKDOWN - 2013**BREAKDOWN OF LISTED SHAREHOLDINGS - 2013**

MAIN FIGURES € mn	2009	2010	2011	2012	2013E	2014E
Rev from Sales&Serv.	3.2	5.8	5.5	4.7	5.0	5.3
Growth	-47.6%	79.1%	-5.3%	-13.8%	6.1%	5.0%
EBITDA	-0.7	0.4	0.7	-0.9	-4.0	0.1
Growth	n.m.	n.m.	55.6%	n.m.	n.m.	n.m.
Adjusted EBITDA	-0.7	0.4	0.7	-0.9	-4.0	0.1
Growth	n.m.	n.m.	55.6%	n.m.	n.m.	n.m.
EBIT	-75%	39%	61%	-101%	-413%	-3%
Growth	n.m.	n.m.	59.0%	n.m.	n.m.	n.m.
Profit before tax	1.5	11.2	3.4	10.1	31.4	4.9
Growth	n.m.	626.3%	-69.8%	198.7%	211.2%	-84.3%
Taxes	-0.5	-1.0	-0.7	-0.9	-1.0	-1.1
Tax rate	-33%	-9%	-22%	-8%	-3%	-22%
Minority interests	0	0	0	0	0	0
Net income	1.0	10.2	2.6	9.3	30.5	3.8
Growth	n.m.	898%	-74%	251%	229%	-87%
Margin	28.8%	167.3%	46.4%	190.9%	593.5%	71.4%
Adj. net income	1.0	7.9	2.6	9.3	30.5	3.8
Growth	n.m.	669%	-67%	251%	229%	-87%
Margin	28.8%	128.9%	46.4%	190.9%	593.5%	71.4%

STOCK DATA	2009	2010	2011	2012	2013E	2014E
EPS - € cents	1.0	8.8	2.0	6.9	23.6	3.0
Growth	n.m.	n.m.	-78%	255%	240%	-87%
Adj. EPS - € cents	1.0	6.8	2.0	6.9	23.6	3.0
Growth	n.m.	n.m.	-71%	255%	240%	-87%
DPS ord - € cents	3.0	3.5	3.5	4.1	8.1	4.1
Nav ps Adj - €	1.35	1.75	1.89	1.87	2.30	2.40

VARIOUS - € mn	2009	2010	2011	2012	2013E	2014E
Capital employed	112	156	178	209	278	296

INDEBTNESS	2009	2010	2011	2012	2013E	2014E
NFP	38	42	-3	2	-18	-33
D/E	n.m.	n.m.	0.02	n.m.	0.07	0.12
Debt to assets	n.m.	n.m.	0.0 x	n.m.	0.1 x	0.1 x

MARKET RATIOS	2009	2010	2011	2012	2013E	2014E
PNAV Adj.	0.9 x	0.8 x	0.8 x	0.8 x	1.0 x	0.9 x
PBV	0.9 x	0.9 x	1.1 x	0.9 x	1.2 x	1.1 x
P/CF	n.m.	23.6 x	73.5 x	21.5 x	10.0 x	76.3 x

REMUNERATION	2009	2010	2011	2012	2013E	2014E
Div. Yield ord	2.4%	2.5%	2.4%	2.8%	3.4%	1.8%
ROE	0.7%	5.9%	1.4%	4.8%	12.9%	1.5%
ROCE	0.9%	6.6%	1.5%	4.4%	11.0%	1.3%

Source: Company data and EQUITA SIM estimates

VALUATION RAISED TO € 2.40 THANKS TO MONCLER MARKET PRICE SPIKE

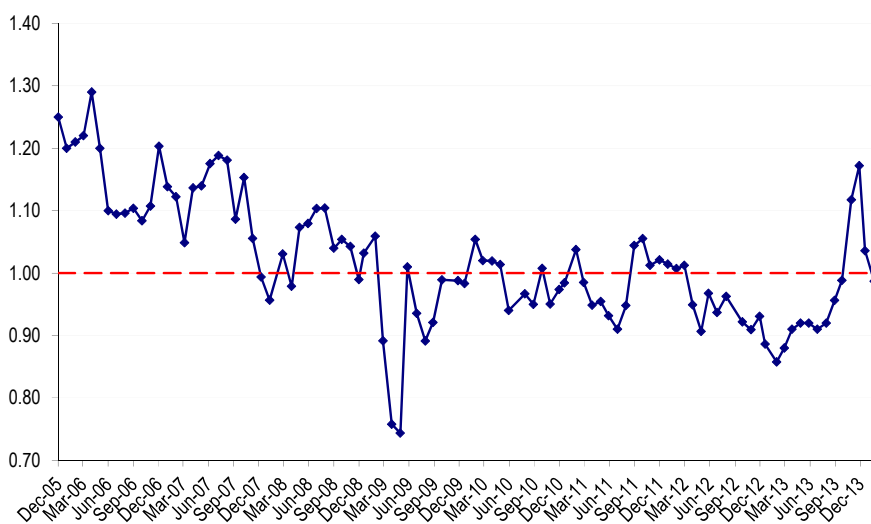
We have raised our target to € 2.40, thanks to the upside generated by the listing of Moncler (valuation moved from book value to market value).

TIP: VALUATION						
Asset	Stake	€ PS	€ mn	% of NAV	since	Valuation method
Amplifon	4.3%	4.3	41	13%	2010	market prices
Be (through Data Holding)	46.7%	0.3	6	2%	2007	NAV @ BET mkt price (incl. shareholder loan)
Datalogic	6.4%	8.3	31	10%	2003	market prices
Interpump (through IPG Holding)	19.2%	9.4	44	14%	2003	NAV @ IP mkt prices (incl. shareholder loan)
Moncler (through Clubsette)	52.5%	13.6	66	22%	2013	NAV @ MONC mkt prices
Prysmian (through ClubTre)	35.0%	19.2	70	23%	2010	NAV @ PRY mkt prices
MAIN LISTED SHAREHOLDINGS			258	85%		
Dafe4000 (Intercos)	17.9%		9	3%	2011	book value
Furn-Invest (Roche Bobois)	19.2%		8	2%	2013	book value
MAIN UNLISTED SHAREHOLDINGS HELD FOR SALE			17	5%		
Other direct listed shareholdings	n.m.	n.m.	29	10%	n.m.	market prices
Other unlisted shareholdings held for sale	n.m.	n.m.	3	1%	n.m.	IFRS fair value
OTHER LISTED/UNLISTED SHAREHOLDINGS			32	11%		
Tamburi & Associati (advisory)	100.0%		20	6%	2000	13x Adj PE 13E
Palazzari	30.0%		0	0%	2006	book value
Gatti & Co	30.0%		0	0%	2012	book value
TOTAL OTHER UNLISTED SHAREHOLDINGS (4)			20	7%		
ATTRIBUTABLE NET CASH / (DEBT) (5)*			-17	-6%		
FINANCIAL ASSETS / (LIABILITIES) (6)			0	0%		
CAPITALISED HOLDING COSTS (7)			-8	-3%		
TAXES / TAX CREDITS (7)			0	0%		
TOTAL NET ASSET VALUE (8) = (1+2+3+4+5+6+7)			302	100%		
Adjusted value of PRY stake (our valuation)			10	3%		
Adjusted value of AMP stake (our valuation)			0	0%		
Adjusted value of IP stake (our valuation)			0	0%		
Adjusted value of BET stake (our valuation = 6x ebitda 2014)			3	1%		
Adjusted value of M&C stake (our valuation)			2	1%		
Taxes/Tax credits on Adj fair value			0	0%		
TOTAL ADJ NET ASSET VALUE			317	105%		
Fully diluted nr. shares outstanding (mn)			132			Assuming warrant exercise in February 2014 @ € 1.867 PS
Fully Diluted NAV per ordinary share €			2.29			
Fully Diluted Adj NAV per ordinary share €			2.40			
Current price (€)			2.27			
Current premium (discount) to NAV			-1%			
Current premium (discount) to Adj NAV			-6%			

*adjusted for acquisition/disposals after September 30, 2013

Source: Equita SIM estimates

HISTORICAL DISCOUNT TO NAV BASED ON MARKET PRICES OF LISTED ASSETS



Source: Equita SIM estimates

STATEMENT OF RISKS AND SENSITIVITY

The primary elements that **could impact TIP stock include:**

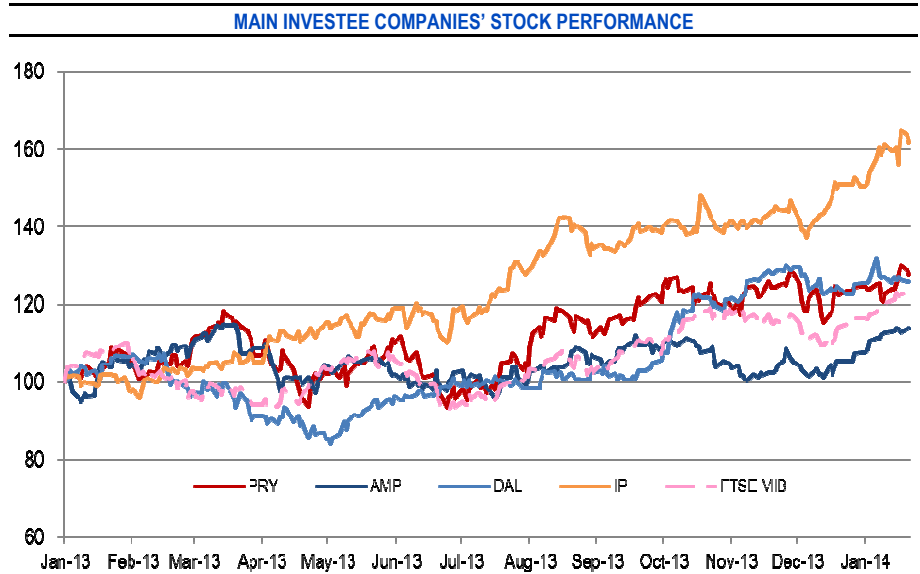
- Significant change in the main assets reference macroeconomic scenario;
- New accretive/dilutive M&A deals (acquisitions/divestitures);
- Significant change in the value of participations.

SENSITIVITY OF TIP VALUATION TO CHANGE ON MAIN ASSETS' VALUE

Asset	Change in asset value	Change in TIP value
Prysmian	-20%	-5%
	+20%	+5%
Amplifon	-20%	-3%
	+20%	+3%
Interpump	-20%	-3%
	+20%	+3%
Moncler	-20%	-5%
	+20%	+5%
Advisory business	-20%	-1%
	+20%	+1%

Source: EQUITA SIM estimates

MAIN INVESTEE COMPANIES' STOCK PERFORMANCE



Source :Equita SIM elaboration on Bloomberg Data

APPENDIX: A CLOSER LOOK AT THE MOST RELEVANT RECENT DEALS

TIP enters Moncler’s capital structure alongside skilled entrepreneur Remo Ruffini

On 6th August TIP announced that it had **acquired a 14% stake from Ruffini Partecipazioni, a company owned by Remo Ruffini who owns 32% of the Moncler group**. Moncler is a leading winter clothing company that generated a turnover of € 624 mn in 2012, via around 120 direct stores in 16 countries and a network of 2,700 international wholesale operators.

TIP INVESTS IN MONCLER



The deal was completed via Clubsette, a vehicle in which TIP holds 52.5% and 47.5% is owned by entrepreneurial families and family offices present in TIP’s shareholding structure. Clubsette will invest € 103 mn as well as a price adjustment depending on the stock performance in the first 6 months of listing.

TIP also signed a 6-year lock-up agreement with Ruffini (3 years for the other Clubsette owners).

Under the helm of Remo Ruffini, who bought the brand in 2003, Moncler has become known for the rapid growth of its turnover (3-year sales cagr above +20%) and profitability (3-year EBITDA cagr close to +30%) and its position amongst the world's most prestigious brands.

We think Moncler is a very attractive investment. **TIP has made a long term commitment of considerable proportions (€ 54 mn for TIP) alongside a talented businessman in order to support him in the next stage of the group's expansion.**

■ **Printemps disposal. Capital gain of over € 30 mn**

The company announced on 31 July that it had reached an **agreement to sell the holdings that control the Printemps group, one of the biggest retail chains in France** with revenues of roughly € 1.5 bn, to a Qatari relevant private investor.

As part of the deal unveiled on July 31, **TIP will sell its entire investment, thus generating a cash-in of about € 42 mn and a capital gain of roughly € 33 mn.**

This is the largest capital gains TIP has ever made in a single deal in absolute terms (and a 5x return on invested capital), and was also generated on a non-listed, foreign asset.

The deal will enable TIP to **monetize an asset that accounts for roughly 20% of the group's valuation**, at a value that is in line with our estimates and **well above the book value.**

TIP thus demonstrates its distinctive ability to select and enhance the value of non-listed and foreign assets. The deal will also generate fresh financial resources for TIP at a time when we think the market offers attractive reinvestment opportunities, as confirmed by the subsequent investment in Moncler.

TIP SELLS ITS STAKE IN PRINTEMPS WITH A € 30+ MN CAPITAL GAIN



■ **TIP acquires stake in Roche Bobois, world's leading luxury furniture distributor**

TIP announced on 29 April that it had **acquired 20% of Roche Bobois (RB), the world's leading luxury furniture distributor** (€ 500 mn total retail turnover – direct and franchising) in a club deal with other investors.

RB group controls (directly or franchising) 355 Roche Bobois stores in prestigious business locations (267 in Europe, 27 in North America, 41 in Asia and Latam) and 86 stores under the Cuir Center brand, France's top distributor of leather furniture products.

TIP INVESTS IN ROCHE BOBOIS



TIP has essentially entered the company's capital structure by buying stakes from private equity funds and partly from one of the funding families via a club deal. TIP's investment amounts to around € 7.5 mn.

TIP will now work alongside the reference shareholder (Roche and Chouchan families) **and management to speed up the international expansion of the retail network**, which has a strong brand and product positioning.

The deal, which involved a non-listed and international group, strengthens TIP's position on the international stage, confirming the group's focus on market leaders engaged in global expansion.

INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999

This publication has been prepared by Domenico Ghilotti on behalf of EQUITA SIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries)

In the past EQUITA SIM has published studies on TIP.

EQUITA SIM is distributing this publication to more than 700 qualified operators from January 23, 2014

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EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE (OLD ONES IN BRACKETS):

Date	Rec.	Target Price (€)	Risk	Comment
nil				

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EQUITY RATING DISPERSION AS OF DECEMBER 31, 2013 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	41.3%	52.1%
HOLD	48.8%	41.7%
REDUCE	9.3%	6.3%
NOT RATED	0.6%	0.0%