

TIP

OUTPERFORM

Price (Eu): **3.54**

Target Price (Eu): **4.30**

SECTOR: Holdings & RE

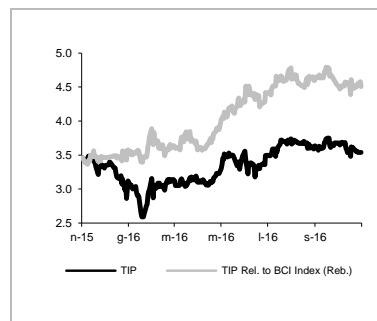
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Management Working Hard On Several Potential Deals

- Record capital gain in 3Q16 from Moncler.** Net profit in 3Q16 came to Eu31.6mn and benefitted from the already announced record capital gain from the Ruffini Partecipazioni transaction. We note that on 28th July, Clubsette exited from Ruffini Partecipazioni, in which it had a 14% equity stake, and received a 5.125% direct stake in Moncler. As a result of the transaction, TIP booked a quarterly capital gain of about Eu41mn net of minorities. In the quarter, TIP also recorded increasing revenues from Asset Italia (we estimate arrangement fees of about Eu6mn). Net debt stood at Eu200mn, improving from Eu215.3mn as at the end of 1H16.
- Latest actions on the portfolio.** According to TIP, the liquidation of Clubsette was executed in September-October to allow the pro-quota attribution of Moncler shares to Clubsette shareholders, net of debt payments. We estimate that TIP should currently own a 2.5% stake in Moncler. On 30th September, TIP also subscribed the Eu15mn convertible loan issued by Furla. Finally, TIP has indicated that it has sold some Ferrari shares in 4Q (amount not specified, for the moment we maintain the former stake in our adjusted NAV, pending further disclosure).
- Management working hard on several potential deals.** The company has not provided any updates on new deals in the pipeline; nonetheless, we expect the company to reach new agreements in the context of Asset Italia and the TIPO initiatives in the next few months.
- In this report we present updated analysis on the current portfolio,** with a specific focus on non-listed assets. Non-listed companies represent more than 30% of total current assets in TIP's portfolio. Some of these companies are long-standing leaders in their sectors (Roche Bobois, Furla, Azimut Benetti, Beta Utensili, IGuzzini), while others are emerging as leaders (Octo Telematics, Eataly, AAA). All of them are undergoing the necessary processes that will lead to listing. In 2017, TIP expects to realise its investment (a convertible bond of about Eu8mn) in Octo Telematics. Over the next 1-2 years, we think the potential IPO of Furla could raise a lot of interest and the offering would probably be for around Eu150-180mn, assuming a 10x EBITDA multiple and a 30% float. As regards the IPO for Eataly, we think that sometime in 2018-2019 would be a reasonable date as things stand, while Roche Bobois could be listed later in 2019. Lastly, IGuzzini is another possible IPO in the pipeline for 2018 (TIPO increased its exposure to the company in June).
- Outperform confirmed, TP unchanged.** TIP has performed fairly well in relative terms but we think there is still significant value to be unlocked, thanks to its unique strategy and skills on the funding and investment side. We continue to appreciate TIP's ability to gain the trust of owners of many high quality companies in Italy, to offer innovative solutions to investors, and to implement good stock selection, focused on high-quality stocks. The announcement of new deals represents, in our view, the main trigger for the stock. The stock is currently trading at a 16.6% discount to our dynamic NAV.

TIP - 12m Performance



RATING: **Unchanged**

TARGET PRICE (Eu): **Unchanged**

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

STOCK DATA

Reuters code: TIP.MI
Bloomberg code: TIP IM

Performance	1m	3m	12m
Absolute	-3.7%	-5.2%	2.3%
Relative	-0.7%	-5.8%	23.3%
12 months H/L:	3.75/2.59		

SHAREHOLDER DATA

No. of Ord. shares (mn):	148
Total No. of shares (mn):	148
Mkt Cap Ord (Eu mn):	523
Total Mkt Cap (Eu mn):	523
Mkt Float - ord (Eu mn):	406
Mkt Float (in %):	77.6%
Main shareholder:	
D'Amico SdN	11.3%

BALANCE SHEET DATA

	2016
Book value (Eu mn):	493
BVPS (Eu):	2.50
P/BV:	1.4
Net Debt (Eu mn):	200
NAV (Eu mn)	499

Please see important disclaimer on the last page of this report

Key Figures	2014A	2015A	2016E	2017E	2018E
EBIT (Eu mn)					
Net profit (Eu mn)	27	25	52	26	27
EPS - New (Eu)	0.188	0.171	0.354	0.173	0.183
EPS - Old (Eu)		0.171	0.354	0.173	0.183
DPS (Eu)	0.061	0.061	0.061	0.061	0.061
NAVPS (Eu)	3.865	3.376	3.376	3.376	3.376

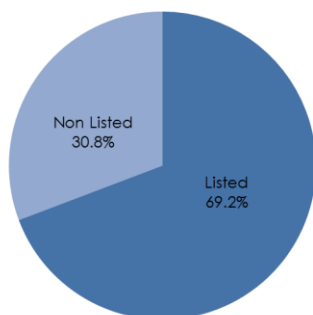
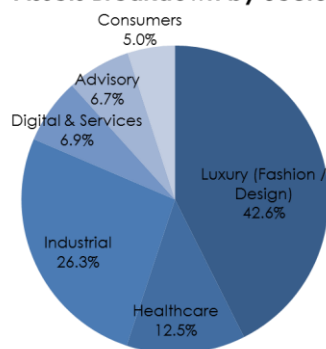
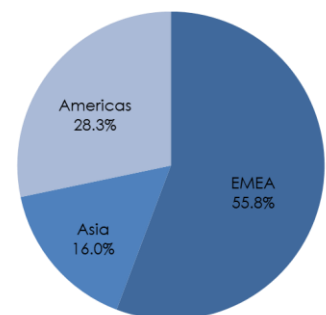
Ratios & Multiples	2014A	2015A	2016E	2017E	2018E
P/E	18.9	20.7	10.0	20.4	19.3
Div. Yield	1.7%	1.7%	1.7%	1.7%	1.7%
P/NAVPS	0.9	1.0	1.0	1.0	1.0
ROCE					

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TIP – Dynamic NAV (@ Intermonte fair Value)

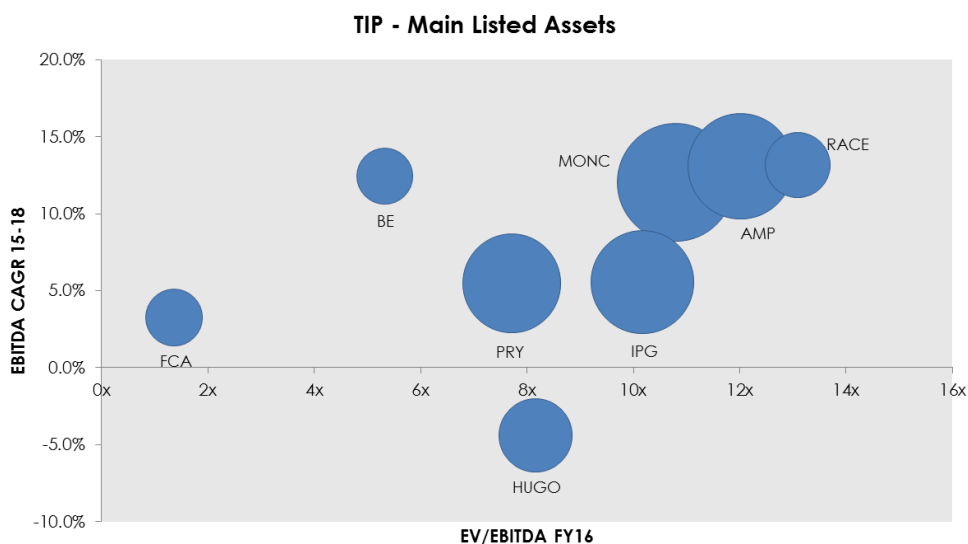
(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
LISTED COMPANIES	359.1		57.3%		
Moncler	125.1	2.5%	19.9%	Intermonte Fair Value	Luxury
Amplifon S.p.A.	100.6	4.2%	16.0%	Intermonte Fair Value	Hearing aids
FCA (equity & MCS)	28.9	0.1%	4.6%	Intermonte Fair Value	Auto
HUGO BOSS AG	49.4	1.3%	7.9%	Market value	Fashion/Luxury
Ferrari NV	38.4	0.4%	6.1%	Intermonte Fair Value	Luxury cars
Other listed companies	13.0	n.a.	2.1%	Book Value	Various
Digital Magics S.p.A.	3.7	19.0%	0.6%	Market value	Web incubator
NON LISTED COMPANIES	184.5		29.4%		
Azimut Benetti	50.0	12.0%	8.0%	12x EV/EBITDA FY16E	Yacht/ Luxury
TXR S.r.l (51% Furn Invest - 38% Roche Bobois)	60.0	51.0%	9.6%	10x EV/EBITDA FY16E	Furnishing / Luxury
TIP advisory business	21.5	100.0%	3.4%	14x adj. PE	Advisory
Furla	20.0	n.a.	3.2%	10x EV/EBITDA FY16E	Luxury
Octo Telematics	23.0	n.a.	3.7%	10x EV/EBITDA FY16E	Telematics
Dedalus Holding SpA	9.3	n.a.	1.5%	Book Value	Healthcare
Other non listed companies	0.8	n.a.	0.1%	Book Value	Various
ASSOCIATES	285.5		45.5%		
Club 3 SpA (5.8% of Prysmian)	87.2	43.3%	13.9%	Market value (net of debt)	Cables
Gruppo IPG Holding (21.5% of Interpump)	96.7	33.7%	15.4%	Market value (net of debt)	Hydraulic
Clubitaly SpA (20% Eatataly)	40.0	27.5%	6.4%	11x EV/EBITDA FY18E	Food Retailer
Be, Think, Solve, Execute	28.4	23.4%	4.5%	Intermonte Fair Value	IT Banking
TIPO	20.0	28.6%	3.2%	Book Value	Advisory
Asset Italia	12.6	20.0%	2.0%	Intermonte Fair Value	Advisory
Net Financial Position	-200.0		-31.9%	Including recent transactions	
Holding costs	-6.0		-1.0%	Est 1% of total assets	
Treasury shares (0.76%)	4.0		0.6%	@ May 13, 2016	
Total NAV	627.1				
N. of shares	147.8				
Total NAV ps (Eu)	4.24				
TIP Market price (Eu)	3.54				
Current premium (discount) on NAVPS	-16.6%				

Source: Intermonte SIM estimates & Factset

Breakdown between Listed and Non Listed

Assets Breakdown by Sector

Sales Geo Breakdown (weighted)


Source: Intermonte SIM Estimates

TIP - Main Listed Assets



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

	Dynamic NAV Weight (%)	Mkt Cap (Eu mn)	Price	RECO	Target Price	Expected performance
MONCLER	19.9%	3,760	15.0	OUTPERFORM	20.0	33.0%
AMPLIFON	16.0%	2,048	9.1	OUTPERFORM	10.5	14.9%
INTERPUMP	15.4%	1,599	14.7	NEUTRAL	13.0	-11.5%
PRYSMIAN	13.9%	4,844	22.4	NEUTRAL	22.5	0.7%
FERRARI	6.1%	9,530	50.5	NEUTRAL	53.0	5.1%
FIAT CHRYSLER	4.6%	11,077	7.1	OUTPERFORM	7.7	8.8%
BE	4.5%	82	0.6	BUY	0.9	47.5%

Source: Intermonte SIM estimates

	Dynamic NAV Weight (%)	Sales CAGR 15-18 (%)	EBITDA CAGR 15-18 (%)	EBITDA Margin FY16 (%)	Capex on Sales FY16 (%)	FCF Yield FY16 (%)
MONCLER	20.0%	12.6%	12.0%	33.6%	6.1%	3.7%
AMPLIFON	16.1%	9.1%	13.1%	16.4%	3.9%	4.2%
INTERPUMP	15.3%	3.7%	5.6%	21.2%	3.6%	5.2%
PRYSMIAN	14.0%	3.0%	5.5%	8.7%	2.7%	3.6%
FERRARI	6.1%	6.6%	13.2%	27.6%	11.1%	2.5%
FIAT CHRYSLER	4.6%	0.4%	3.3%	10.6%	7.9%	1.2%
BE	4.5%	11.1%	12.5%	12.2%	1.8%	7.8%

Source: Intermonte SIM estimates

	Dynamic NAV Weight (%)	FY16 EPS Revision YTD (%)	EV/EBITDA FY16	EV/EBIT FY16	P/E FY16	DVD Yield FY16 (%)
MONCLER	20.0%	22.5%	10.8x	12.4x	19.2x	1.1%
AMPLIFON	16.1%	20.3%	12.0x	17.1x	29.8x	0.7%
INTERPUMP	15.3%	-4.2%	10.2x	13.3x	17.8x	1.9%
PRYSMIAN	14.0%	5.6%	7.7x	10.0x	14.7x	1.9%
FERRARI	6.1%	19.2%	13.1x	18.4x	23.4x	1.5%
FIAT CHRYSLER	4.6%	1.1%	1.4x	3.0x	5.1x	0.0%
BE	4.5%	-16.1%	5.3x	8.7x	16.9x	1.4%

Source: Intermonte SIM estimates

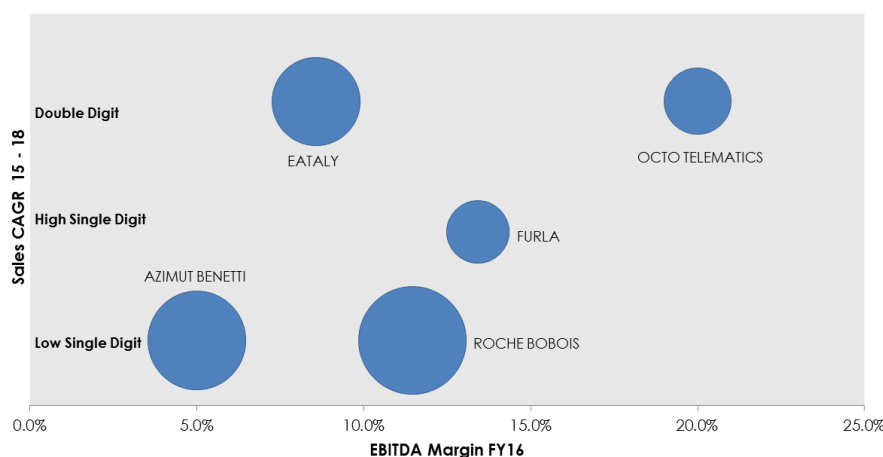
TIP - Main Non-Listed Assets

	Dynamic NAV Weight (%)	Sales CAGR 15-18	EBITDA FY16 Margin (%)	IPO Expectation	Note
ROCHE BOBOIS	9.6%	Single Digit Growth	11.4%	2019	Expansion in US
AZIMUT BENETTI	8.0%	Single Digit Growth	5.0%	2019	Efficiency actions
EATALY	6.4%	Double-Digit Growth	8.6%	2018-2019	Store Network Expansion
FURLA	3.2%	High-Single Digit Growth	13.4%	2017	Store Network Expansion
OCTO TELEMATICS*	3.7%	Double-Digit Growth	20.0%	2017	Leader in growing market

* EBIT Margin

Source: Intermonte SIM Estimates

TIP - Main Non-Listed Assets



Source: Intermonte SIM Estimates

TIPO (TIP Pre IPO), which accounts for Eu20mn in our Dynamic NAV (3.2%), has invested in AAA, Beta Utensili and iGuzzini.

AAA (Advanced Accelerator Applications), of which TIPO currently holds 1.01%, has been listed on the Nasdaq Global Select Market since November 2015 and is one of the major molecular and nuclear medicine players, founded in 2002 by Italian academics as a "spin-off" of CERN (European Organisation for Particle Research) in Geneva to develop diagnostic applications, products, and innovative therapeutics. AAA has 21 production and R&D centres, and over 400 employees globally. In 1H16, AAA generated consolidated revenues of Eu54.6mn, up from Eu43.0mn last year.

Beta Utensili S.p.A. Indirectly held by Betaclub S.r.l. for 49.9%, which in turn is controlled by TIPO with a 58.417% holding, it is the undisputed leader in Italy in the distribution and production of high quality professional hand tools, with 2015 consolidated revenues of over Eu120mn. Beta reported 1H16 revenues of Eu67.8mn, up 7% YoY, with an adjusted EBITDA of Eu12.7mn, increasing over 45%.

iGuzzini Illuminazione S.p.A. TIPO holds 14.29% of iGuzzini Illuminazione S.p.A., the leading company in Italy - and among the leaders in Europe - in the design and production of high quality internal and external architectural lighting systems. The applicable sectors include illumination of artworks and historic buildings, of retail spaces, offices, residential buildings, hotels, streets and urban areas. The company has 15 international branches and production facilities in Italy and China. Group growth strengthened further in 2015, with revenues of Eu223mn, 1H16 revenues of Eu114.3mn, up 4% YoY, and EBITDA of Eu14.6mn, improving 8% YoY.

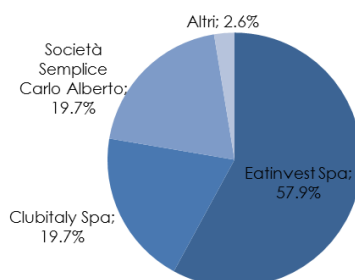
GH S.r.l. In June 2016, together with a number of members of the Guzzini family, TIPO set up GH S.r.l., in which it holds 47.83%, in order to acquire shareholdings in FIMAG S.p.A., the parent company (75.89%, while 84.15% is on a fully diluted basis) of iGuzzini Illuminazione S.p.A. The additional investment by TIPO was Euro 5.5 million.

Overview of Main Non-Listed Assets

EATALY (5.5% indirect stake, 6.4% of NAV, since 2014)

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

Eataly Srl Shareholders



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



Eataly Milano Smeraldo



Eataly New York WTC



Eataly Chicago

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

Main Stores:

- Italy (10+): Torino Lingotto, Torino Lagrange, Pinerolo, Monticello D'Alba, Milano Smeraldo, Milano San Babila, Roma, Genova, Piacenza, Bologna, Forlì, Firenze, Bari
- USA (3) : NYC Flatiron, NYC World Trade Centre, Chicago
- Latin America: San Paolo
- Europe: Monaco
- Middle East (2): Istanbul, Dubai,
- Asia Pacific (1): Seoul

In 2015, Eataly reported revenues of almost Eu400mn and EBITDA of about Eu30mn.

In October 2015, Andrea Guerra (Luxottica's former CEO) was appointed as the new CEO of the company. Guerra wants to implement a significant store opening plan in some of the world's major cities through both direct sales points and franchises. In August 2016, the New York World Trade Center sales point was opened, while upcoming openings are scheduled for Boston, Copenhagen, and Los Angeles.

Our estimates for Eataly are based on the following assumptions:

- At least 7 new store openings between 2017-2018:
 - 5 New store openings in North America (already planned in Boston, Las Vegas, Los Angeles, Toronto)
 - 1-2 New store openings in Europe (already planned Copenhagen, London)
 - 1 New store opening in the Middle East
 - Total CAPEX Eu100mn
 - Additional revenues of Eu330mn
 - Additional EBITDA of Eu35mn
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Eataly – Company Data and Intermonte Estimates

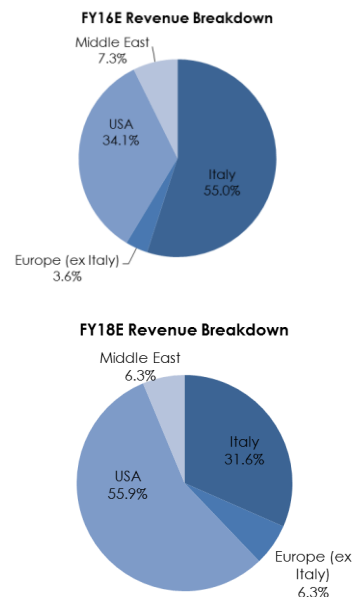
Eu mn	2012	2013	2014	2015	2016E	2017E	2018E
Sales	186	226	307	395	420	565	750
YoY%		21.8%	35.8%	28.6%	6.3%	34.5%	32.7%
Ebitda	20.2	19.4	22.6	29.0	36.0	50.5	71.0
%Margin	10.9%	8.6%	7.3%	7.3%	8.6%	8.9%	9.5%
Ebit	13.6	11.5	9.1	13.0	15.0	22.0	32.0
%Margin	7.3%	5.1%	2.9%	3.3%	3.6%	3.9%	4.3%
Net Income	8.4	5.9	3.1	5.0	7.0	10.0	15.0

Stores				30			38
Sales per store				13.2			19.7
NFP				25.0			-45.0

Valuation

Book Value							33.0
Dynamic NAV							40.0
Equity Value							727.3
EV							772.3
EV/Sales							1.0
EV/EBITDA							10.9

Source: Company data and Intermonte SIM Estimates



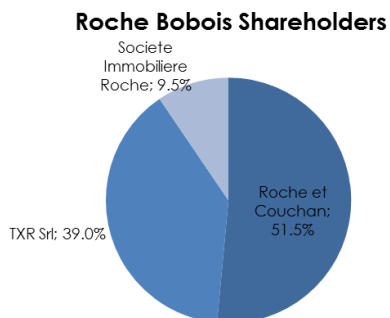
Eataly – Peers

Company	Mkt Cap	Currency	Sales FY16	EBITDA FY16	EBITDA Margin	EV/EBITDA FY16	EV/EBITDA FY17	P/E FY16	P/E FY17
Whole Foods Market, Inc.	9,871	U.S. Dollar	15,724	1,355	8.6%	7.1x	7.1x	20.0x	21.4x
Sprouts Farmers Markets, Inc.	3,086	U.S. Dollar	4,037	300	7.4%	11.3x	10.3x	25.7x	22.8x

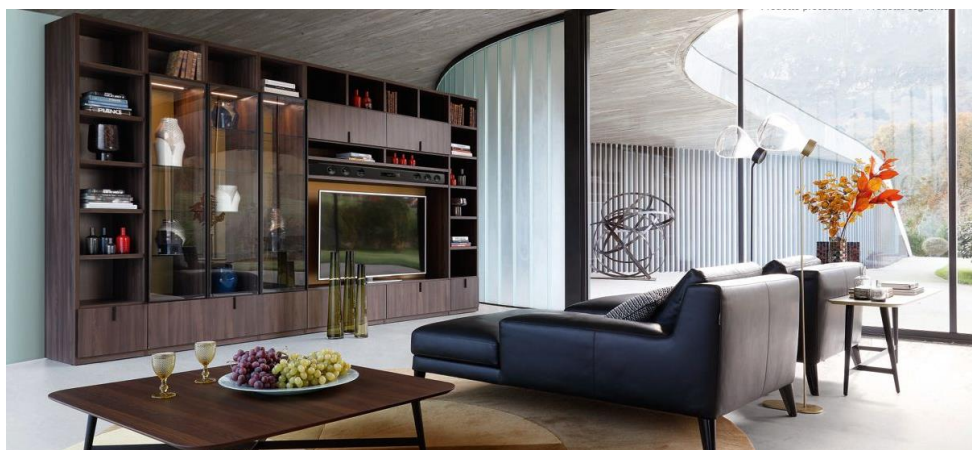
Source: Factset

ROCHE BOBOIS (19.6% indirect stake, 9.6% of NAV, since 2013)

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



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



In 2015, Roche Bobois group revenues amounted to Eu252mn, EBITDA was Eu25mn and net profit was Eu10.6mn. In 1H16, revenue grew 5% YoY.

We expect Roche Bobois to continue to post low-single digit top line growth in the future, mostly driven by the expansion of its store network in the USA and in Asia. The company should maintain positive cash generation.

Roche Bobois – Intermonte Estimates

Eu mn	2012	2013	2014	2015	2016E
Sales	243	237	243	252	262
YoY%		-2.5%	2.4%	3.8%	4.0%
Ebitda	19.6	19.5	23.6	25.5	30.0
%Margin	8.1%	8.2%	9.7%	10.1%	11.4%
Ebit	12.0	12.8	17.1	18.0	20.0
%Margin	4.9%	5.4%	7.0%	7.1%	7.6%
Net Income	4.5	3.8	6.1	10.6	11.5
YoY%		-15.6%	60.5%	73.8%	8.5%

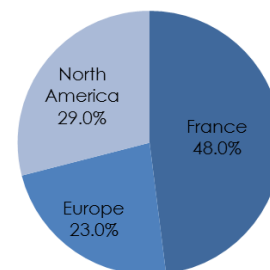
Monobrand Stores					318.0
DOS					111.0
Sales per store					2.4
NFP			-20.8	-12.6	0.0
CAPEX					

Valuation

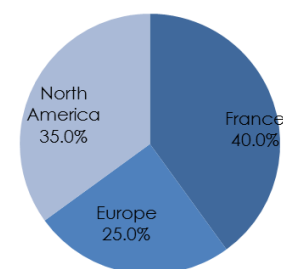
Book Value	15.0
Dynamic NAV	60.0
Equity Value	307.2
EV	307.2
EV/Sales	1.2
EV/EBITDA	10.2
EV/EBIT	15.4
P/E	26.7

Source: Company data and Intermonte SIM Estimates

FY14 Revenue Breakdown



FY16E Revenue Breakdown



Roche Bobois – Peers

Company	Mkt Cap	Currency	Sales FY16	EBITDA FY16	EBITDA Margin	EV/EBITDA FY16	EV/EBITDA FY17	P/E FY16	P/E FY17
Knoll, Inc.	1,270	U.S. Dollar	1,185	162	13.7%	9.0x	8.2x	15.3x	14.2x
Herman Miller, Inc.	1,992	U.S. Dollar	2,354	266	11.3%	7.8x	7.1x	15.3x	14.0x
HNI Corporation	2,289	U.S. Dollar	2,204	258	11.7%	9.6x	8.6x	19.5x	17.5x
Steelcase Inc. Class A	1,386	U.S. Dollar	3,070	282	9.2%	6.7x	5.8x	14.7x	12.2x
Ekornes ASA	3,793	Norwegian Krone	3,199	574	18.0%	6.3x	5.8x	12.0x	11.0x
Ethan Allen Interiors Inc.	959	U.S. Dollar	794	106	13.4%	8.9x	8.4x	18.1x	16.9x
Bang & Olufsen A/S	3,434	Danish Krone	2,963	131	4.4%	20.4x	8.9x	132.5x	21.6x

Source: Factset

FURLA (Eu15mn convertible bond, 3.2% of NAV, since 2016)

On 2nd May, TIP announced an important new agreement to help Furla to float on the stock market. Under this agreement, TIP has made a commitment to subscribe a Eu15mn mandatory convertible bond and another Eu15mn worth of Furla shares in the company's IPO, at the regular IPO price. TIP will then have the option to subscribe further shares on behalf of third parties (a "family & friends" option).

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



Furla reported 2015 revenue of Eu340mn (+30% YoY) and EBITDA of Eu44mn (+29% YoY, 13% margin). Furla Group has 415 shops in more than 100 countries, and more than 1,550 employees. During 2015, Furla opened shops all around the world, amongst which the most important were the flagship store in Rome - in Piazza di Spagna, on the Scalinata di Trinità dei Monti - in New York, Hong Kong, Madrid, Moscow, St. Petersburg, Vienna, Macau and Singapore. In 2016, it plans to open more major shops in London, Paris, Melbourne and Shanghai.

We expect Furla to continue to grow in the future at a high-single digit rate, mostly driven by the expansion of its DOS network. The company should maintain positive cash generation

We think Furla's IPO will generate a lot of investor interest and the size should be substantial (about Eu150-180mn, assuming a 10x EBITDA multiple and 30% float). The timing of the listing is still uncertain but it will probably happen in 2017.

Furla – Company Data and Intermonte Estimates

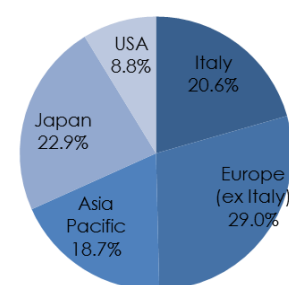
Eu mn	2012	2013	2014	2015	2016E
Sales	213	228	262	340	425
YoY%		7.0%	14.8%	30.0%	25.0%
Lfl DOS			15.0%	23.0%	
Ebitda	35.4	35.0	34.2	44.1	57.0
%Margin	16.6%	15.4%	13.1%	13.0%	13.4%
Ebit	28.7	26.2	27.5	28.5	36.0
%Margin	13.5%	11.5%	10.5%	8.4%	8.5%
Net Income	18.5	14.5	17.4	24.6	30.0
Monobrand Stores		358.0	398.0	415.0	422.0
DOS		168.0	170.0	190.0	200.0
Sales per store		0.6	0.7	0.8	1.0
NFP		21.7	25.6	17.8	27.8
CAPEX		15.4	14.0	35.7	20.0

Valuation

Book Value	15.0
Dynamic NAV	20.0
Equity Value	597.8
EV	570.0
EV/Sales	1.3
EV/EBITDA	10.0
EV/EBIT	15.8
P/E	19.0

Source: Company data and Intermonte SIM Estimates

FY15 Revenue Breakdown



Furla – Peers

Company	Mkt Cap	Currency	Sales FY16	EBITDA FY16	EBITDA Margin	EV/EBITDA FY16	EV/EBITDA FY17	P/E FY16	P/E FY17
Michael Kors Holdings Lt	7,907	U.S. Dollar	4,566	1,147	25.1%	6.7x	7.1x	10.9x	10.5x
Coach, Inc.	10,694	U.S. Dollar	4,492	974	21.7%	10.6x	9.3x	19.3x	17.8x
Kate Spade & Co	2,087	U.S. Dollar	1,384	249	18.0%	8.3x	6.5x	25.0x	19.2x

Source: Factset

AZIMUT BENETTI (12% stake, 8.0% of NAV, since 2015)

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

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

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



The group also acquires, refurbishes and manages marinas:

- 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 aims to integrate the port with its surroundings, so that customers can also enjoy completely equipped tourism, leisure and residential centers near moorings.

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

Production value in 2014 grew more than 10% to over Eu650mn, with order backlog growth even higher. The average annual rate of growth in production value has been 15% in the past 15 years.

EBITDA should be around Eu30-35mn, which corresponds to a 5% margin. The company also enjoys a positive net financial position with no debt and can count on large private assets of Eu300mn. Moreover, most of the revenues that the group has made in the past 10 years have been reinvested in the company for a total amount of Eu500mn.

Deal details: TIP has acquired half of the stake held by Mittel, which represents a 3.1% stake in Azimut Benetti capital. To reach a 12% fully diluted stake, TIP underwrote a capital increase for more than Eu30mn, with total capital commitment by TIP of around Eu41mn.

Implied valuation for 100% of Azimut Benetti should therefore be around Eu340mn (0.51x sales, 10x EV/EBITDA).

OCTO TELEMATICS (Convertible loan, 3.7% of NAV, since 2015)

In 2015, TIP granted Tefindue S.p.A. the subscription of a convertible loan of about Eu8mn. Through Clexidra S.r.l., Tefindue S.p.A. holds a shareholding in Octo Telematics S.p.A., international leader in the development and management of telecommunication systems and services for the automotive sector, mainly for the insurance market.

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

Octo is growing solidly and is currently cash positive.

Octo Telematics

Eu mn	2014	2015	2016E
Sales	129	243	305
YoY%		88.4%	25.5%
Ebitda	60.0	120.0	160.0
%Margin	46.5%	49.4%	52.5%
Ebit	22.0	48.6	65.0
%Margin	17.1%	20.0%	21.3%
Net Income	18.0	42.0	55.0
YoY%	14.0%	17.3%	18.0%

Source: Intermonte SIM Estimates

TIP - Static NAV

(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
LISTED COMPANIES	311.5		62.3%		
Moncler	95.4	2.5%	19.1%	Market value	Luxury
Amplifon S.p.A.	86.2	4.2%	17.2%	Market value	Hearing aids
FCA (equity & MCS)	27.8	0.1%	5.6%	Market value	Auto
HUGO BOSS AG	49.4	1.3%	9.9%	Market value	Fashion/Luxury
Ferrari NV	36.9	0.4%	7.4%	Market value	Auto/Luxury
Other listed companies	12.0	n.a.	2.4%	Book Value	Various
Digital Magics S.p.A.	3.7	19.0%	0.7%	Market value	Web incubator
NON LISTED COMPANIES	127.5		25.5%		
Azimut Benetti	40.0	12.0%	8.0%	Book Value	Yacht/ Luxury
TXR S.r.l (51% Furn Invest - 38% Roche Bobois)	33.0	51.0%	6.6%	Book Value	Furniture
TIP advisory business	21.5	100.0%	4.3%	14x adj. PE	Finance
Furla	15.0	n.a.	3.0%	Book Value	Luxury
Dedalus Holding SpA	9.3	14.9%	1.9%	Book Value	Healthcare
Octo Telematics	8.0	n.a.	1.6%	Book Value	Telematics
Other non listed companies	0.8	n.a.	0.2%	Book Value	Various
ASSOCIATES	256.9		51.4%		
Club 3 SpA (5.8% of Prysmian)	87.2	43.3%	17.4%	Market value (net of debt)	Cables
Gruppo IPG Holding (21.5% of Interpump)	96.7	33.7%	19.3%	Market value (net of debt)	Hydraulic
Clubitaly SpA (20% Eataty)	33.2	27.5%	6.6%	Book Value	Food Retailer
Be, Think, Solve, Execute	19.3	23.4%	3.9%	Market value	IT Banking
TIPO	20.0	28.6%	4.0%	Book Value	Finance
Net Financial Position	-200.0		-40.0%	Including recent transactions	
Treasury shares (0.76%)	4.0	0.76%	0.80%	@ May 13, 2016	
Total NAV	499.9				
<i>N. of shares</i>	147.8				
Total NAV ps (Eu)	3.38				
TIP Market price (Eu)	3.54				
Current premium (discount) on NAVPS	4.7%				

Source: Intermonte SIM estimates & Factset

TIP – Main Listed Asset Performance

Stock	Price (Local ccy)	Mkt cap (Local ccy)	% weight on NAV	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years
Tamburi Investment Partners S.p.A.	3.54	523		-3.8%	-4.4%	9.5%	4.4%	2.2%	41.9%
Moncler SpA	15.25	3,815	19.1%	-3.7%	-1.9%	0.3%	16.4%	1.1%	28.7%
Interpump Group S.p.A.	14.82	1,614	19.3%	-2.4%	-5.3%	6.1%	2.6%	1.8%	36.0%
Prismian S.p.A.	22.17	4,805	17.4%	-2.2%	3.9%	2.1%	10.3%	12.9%	49.7%
Amplifon S.p.A.	9.00	2,034	17.2%	-0.4%	-2.9%	5.2%	14.3%	28.3%	84.8%
HUGO BOSS AG	54.93	3,867	9.9%	-1.5%	-5.4%	-2.5%	-29.3%	-37.5%	-48.0%
Ferrari NV	50.90	9,616	7.4%	4.8%	18.6%	37.4%	-11.0%		
Fiat Chrysler Automobiles N.V.	7.09	9,139	5.6%	22.1%	21.1%	12.1%	-16.3%	-17.5%	9.0%
Be Think, Solve, Execute S.p.A.	0.61	82	3.9%	-6.2%	22.0%	20.8%	18.1%	16.2%	28.6%
Digital Magics S.p.A.	3.98	20	0.7%	-2.6%	8.9%	-12.8%	-29.6%	-28.1%	-17.3%
Monrif S.p.A.	0.19	28	0.5%	-1.6%	-2.4%	-6.8%	-28.1%	-32.7%	-37.9%
Servizi Italia S.p.A.	3.51	112	0.4%	-5.6%	0.0%	-2.9%	-7.9%	-9.1%	-17.3%
M&C S.p.A.	0.16	78	0.4%	0.1%	-2.3%	6.3%	22.3%	14.5%	68.3%
Average performance				0.1%	4.5%	5.4%	-3.2%	-4.6%	16.8%
FTSE Italia All-Share				-5.1%	-0.4%	-8.4%	-23.1%	-25.1%	-15.0%
FTSE MIB				-5.1%	-0.1%	-8.5%	-23.9%	-26.4%	-18.3%
FTSE Star Italy				-2.2%	0.4%	1.7%	-4.0%	-1.1%	33.9%
FTSE Mid Cap Italy				-1.0%	4.1%	-4.4%	-23.1%	-25.3%	-13.2%
FTSE Small Cap Italy				-6.9%	-2.1%	-9.8%	-23.7%	-23.2%	6.4%
TIP - Relative performance vs Italian indexes				1M	3M	6M	YTD	1Y	2Y
FTSE Italia All-Share				1.3%	-4.0%	17.9%	27.5%	27.3%	56.9%
FTSE MIB				1.3%	-4.3%	18.0%	28.3%	28.6%	60.2%
FTSE Star Italy				-1.6%	-4.7%	7.8%	8.4%	3.3%	7.9%
FTSE Mid Cap Italy				-2.8%	-8.5%	14.0%	27.6%	27.5%	55.1%
FTSE Small Cap Italy				3.2%	-2.3%	19.3%	28.2%	25.4%	35.5%

Source: Factset

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.	3.54	523	-3.8%	-4.4%	9.5%	4.4%	2.2%	41.9%
EXOR S.p.A.	38.96	9,389	1.7%	8.0%	20.1%	-9.6%	-6.7%	8.5%
Compagnie Industriali Riunite S.p.A.	0.94	750	-7.0%	-3.4%	-11.0%	-4.1%	-10.9%	12.3%
ASTM S.p.A.	9.37	927	-7.1%	-10.6%	-21.7%	-21.4%	-24.6%	-5.8%
Italmobiliare S.p.A.	42.10	1,003	-5.2%	7.1%	18.6%	0.5%	0.1%	116.6%
DeA Capital S.p.A.	1.08	332	0.2%	6.4%	-5.5%	-16.4%	-19.6%	-12.2%
COFIDE-Gruppo De Benedetti S.p.A.	0.36	256	-5.4%	-0.3%	-8.8%	-15.3%	-21.7%	-9.4%
Immsi S.p.A.	0.36	123	-9.2%	-9.8%	-13.3%	-24.6%	-29.5%	-29.7%
Caltagirone S.p.A.	1.97	237	-4.2%	-1.5%	-12.0%	-16.5%	-21.8%	-10.0%
Average performance			-4.5%	-0.5%	-4.2%	-13.4%	-16.8%	8.8%
FTSE Italia All-Share			-5.1%	-0.4%	-8.4%	-23.1%	-25.1%	-15.0%
FTSE MIB			-5.1%	-0.1%	-8.5%	-23.9%	-26.4%	-18.3%
FTSE Star Italy			-2.2%	0.4%	1.7%	-4.0%	-1.1%	33.9%
FTSE Mid Cap Italy			-1.0%	4.1%	-4.4%	-23.1%	-25.3%	-13.2%
FTSE Small Cap Italy			-6.9%	-2.1%	-9.8%	-23.7%	-23.2%	6.4%

Source: Factset

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	TIP		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	4.30	Previous Target (Eu):	4.30
Current Price (Eu):	3.54	Previous Price (Eu):	3.64
Date of report:	23/11/2016	Date of last report:	17/10/2016