

TIP

OUTPERFORM

Price (Eu): 4.50

Target Price (Eu): 5.00

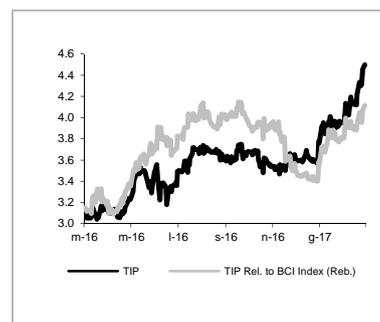
SECTOR: Holdings & RE

Alberto Villa +39-02-77115.431
e-mail: avilla@intermonte.itSimone Pozzi +39-02-77115.432
e-mail: simone.pozzi@intermonte.it

Record 2016 Results, Great Expectations for 2017

- Record net profit in 2016, already recording important capital gains in 1Q17.** FY16 net profit came to Eu51.5mn, more than double the Eu25.2mn posted in 2015, mostly benefiting from the Ruffini Partecipazioni transaction (Eu41mn capital gain net of minorities). During 2016, TIP also recorded an increase in revenues from Eu4.1mn in 2015 to Eu12.4mn, mainly thanks to Asset Italia arrangement fees, which we estimate could have come to some Eu6-8mn; net debt stood at Eu200mn. In January 2017, Clubtre, in which TIP has a 43.28% stake net of treasury shares, sold 4mn Prysmian shares (1.85% of the share capital) for Eu24.4ps. The proceeds from this transaction amounted to Eu97.7mn, while we estimate that the related capital gain booked by TIP could be some Eu20mn. In 1Q17, TIP also partially lessened its position in FCA, by approx. 25%.
- We expect a strong pipeline of potential deals to support growth and newsflow.** Management has been working hard on new deals over the last few months, and we are therefore confident time is coming to start investing in the context of Asset Italia initiative in the near future. In the past, company presentations have referred to a pipeline of about 30 potential investments involving both Asset Italia and TIPO (TIP pre-IPO). Three of these potential deals are said to be under intense negotiation. We would also highlight that TIP still has huge firepower: at the beginning of last year, TIP announced the Asset Italia initiative that raised a Eu550mn capital commitment, while TIPO, which is targeting smaller companies, still has Eu80mn of committed capital available. As for TIP's IPO pipeline in 2017, we expect an important capital gain from the listing or outright sale of Octo Telematics, which press speculation suggests could materialise in 1H17. 2017 could also be the year of Furla's listing, while other IPOs should follow in 2018/2019.
- Outperform confirmed, TP raised to Eu5.0 from Eu4.3.** 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 selection with a focus on high-quality companies. Finally, we highlight that the recent introduction of PIRs in Italy (a fiscal scheme that enables Italian individuals to get tax exemption on capital gains and dividends from investments in Italian mid-small caps) could also create a favourable environment for TIP, which is highly exposed to Italian SMEs that excel in their respective niche markets. We are lifting our target price to bring it in line with our Dynamic NAV of Eu5.0. The stock is currently trading at a 9.5% discount to this value. In our view, the announcement of new deals represents the main trigger for the stock.

TIP - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu) from 4.30 to 5.00

Change in EPS est: 2016A 2017E
-0.6% 0.8%

STOCK DATA

Reuters code: TIP.MI
Bloomberg code: TIP IM

Performance	1m	3m	12m
Absolute	13.9%	24.5%	44.6%
Relative	8.5%	18.3%	34.9%
12 months H/L:	4.50/3.04		

SHAREHOLDER DATA

No. of Ord. shares (mn):	148
Total No. of shares (mn):	148
Mkt Cap Ord (Eu mn):	665
Total Mkt Cap (Eu mn):	665
Mkt Float - ord (Eu mn):	460
Mkt Float (in %):	69.2%
Main shareholder:	
D'Amico SdN	12.1%

BALANCE SHEET DATA

	2017
Book value (Eu mn):	454
BVPS (Eu):	3.07
P/BV:	1.5
Net Debt (Eu mn):	165
NAV (Eu mn)	625

Please see important disclaimer
on the last page of this report

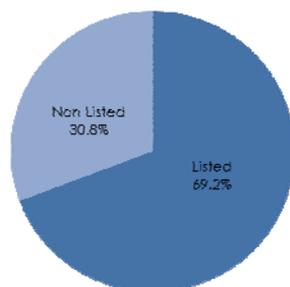
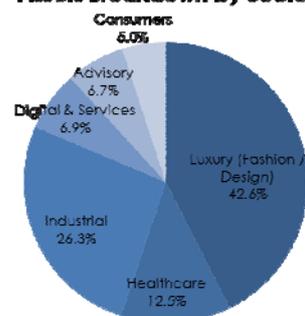
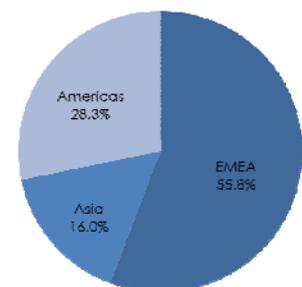
Key Figures	2014A	2015A	2016A	2017E	2018E
EBIT (Eu mn)					
Net profit (Eu mn)	27	25	51	26	27
EPS - New (Eu)	0.188	0.171	0.352	0.175	0.184
EPS - Old (Eu)			0.354	0.173	0.183
DPS (Eu)	0.061	0.061	0.069	0.061	0.061
NAVPS (Eu)	2.830	3.830	4.229	4.229	4.229
Ratios & Multiples	2014A	2015A	2016A	2017E	2018E
P/E	24.0	26.2	12.8	25.7	24.4
Div. Yield	1.4%	1.4%	1.5%	1.4%	1.4%
P/NAVPS	1.6	1.2	1.1	1.1	1.1
ROCE					

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein, and of any of its parts, is strictly prohibited. None of the contents of this document may be shared with third parties without Company authorization.

TIP - Dynamic NAV (@ Intermonte fair Value)

(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
LISTED COMPANIES	374.2		50.9%		
Moncler	136.9	2.5%	18.6%	Intermonte Fair Value	Luxury
Amplifon S.p.A.	109.7	4.2%	14.9%	Intermonte Fair Value	Hearing aids
FCA	30.2	0.2%	4.1%	Intermonte Fair Value	Auto
HUGO BOSS AG	58.3	1.3%	7.9%	Market value	Fashion/Luxury
Ferrari NV	19.8	0.4%	2.7%	Intermonte Fair Value	Luxury cars
Other listed companies	13.2	n.a.	1.8%	Book Value	Various
Digital Magics S.p.A.	6.1	18.2%	0.8%	Market value	Web incubator
NON LISTED COMPANIES	184.5		25.1%		
Azimut Benetti	50.0	12.0%	6.8%	Intermonte Fair Value	Yacht/Luxury
TXR S.r.l (51% Furn Invest - 38% Roche Bobois)	60.0	51.0%	8.2%	Intermonte Fair Value	Furnishing / Luxury
TIP advisory business	21.5	100.0%	2.9%	15x adj. PE	Advisory
Furla	15.0	n.a.	2.0%	Book Value	Luxury
Octo Telematics	23.0	n.a.	3.1%	Intermonte Fair Value	Telematics
Dedalus Holding SpA	9.3	n.a.	1.3%	Book Value	Healthcare
Talent Garden	5.0	n.a.	0.7%	Book Value	Coworking spaces
Other non listed companies	0.8	n.a.	0.1%	Book Value	Various
ASSOCIATES	340.3		46.3%		
Club 3 SpA (4.01% of Prysmian)	68.0	43.3%	9.3%	Market value (net of debt)	Cables
Gruppo IPG Holding (23.33% of Interpump)	146.9	33.7%	20.0%	Market value (net of debt)	Hydraulic
Clubitaly SpA (20% Eataly)	55.0	27.5%	7.5%	Intermonte Fair Value	Food Retailer
Be, Think, Solve, Execute	37.9	23.4%	5.2%	Intermonte Fair Value	IT Banking
TIPO	23.7	28.6%	3.2%	Intermonte Fair Value	Holding Company
Asset Italia	8.2	20.0%	1.1%	Intermonte Fair Value	Holding Company
Palazzari & Turries Limited	0.4	30.0%	0.0%	Book Value	Finance
Gatti & Co	0.2	30.0%	0.0%	Book Value	Finance
Net Financial Position	-165.0		-22.5%	Including recent transactions	
Holding costs	-6.0		-0.8%	Est 1% of total assets	
Treasury shares	6.6		0.9%	@ Feb 16, 2017	
Total NAV	734.5				
<i>N. of shares</i>	<i>147.8</i>				
Total NAV ps (Eu)	4.97				
TIP Market price (Eu)	4.50				
Current premium (discount) on NAVPS	-9.5%				

Source: Company data and Intermonte SIM Estimates

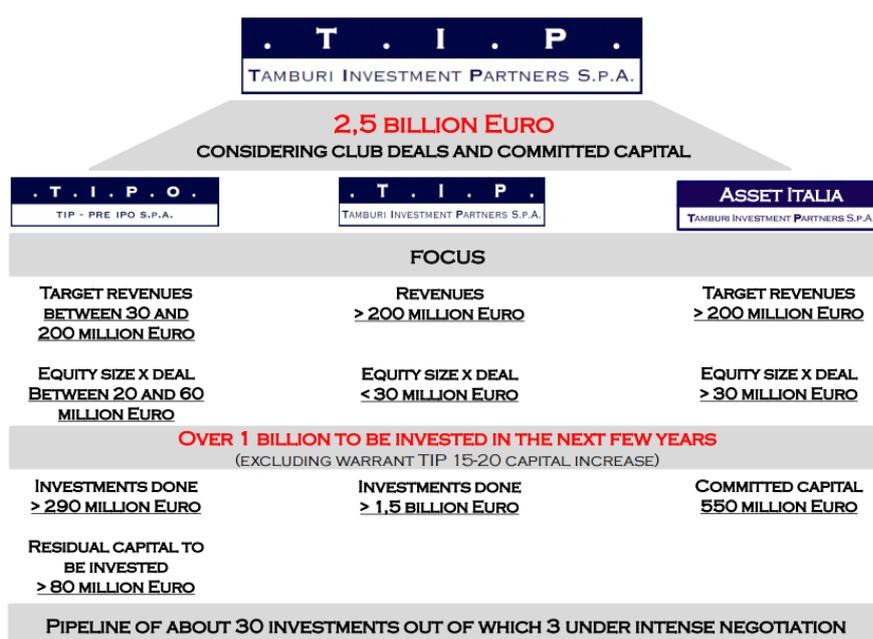
Breakdown between Listed and Non Listed

Assets Breakdown by Sector

Sales Geo Breakdown (weighted)


Source: Intermonte SIM Estimates

TIP – Static NAV (@ Market Price)

(Eu mn)	Value	Stake (%)	% on NAV	Valuation method	Sector
LISTED COMPANIES	349.1		55.8%		
Moncler	118.5	2.4%	18.9%	Market value	Luxury
Amplifon S.p.A.	104.3	4.2%	16.7%	Market value	Hearing aids
FCA	30.2	0.2%	4.8%	Market value	Auto
HUGO BOSS AG	58.3	1.3%	9.3%	Market value	Fashion/Luxury
Ferrari NV	19.1	0.4%	3.1%	Market value	Auto/Luxury
Other listed companies	12.5	n.a.	2.0%	Book Value	Various
Digital Magics S.p.A.	6.1	18.2%	1.0%	Market value	Web incubator
NON LISTED COMPANIES	132.5		21.2%		
Azimut Benetti	40.0	12.0%	6.4%	Book Value	Yacht/ Luxury
TXR S.r.l (51% Furn Invest - 38% Roche Bobois)	33.0	51.0%	5.3%	Book Value	Furniture
TIP advisory business	21.5	100.0%	3.4%	15x adj. PE	Finance
Furla	15.0	n.a.	2.4%	Book Value	Luxury
Dedalus Holding SpA	9.3	14.9%	1.5%	Book Value	Healthcare
Octo Telematics	8.0	n.a.	1.3%	Book Value	Telematics
Talent Garden	5.0	n.a.	0.8%	Book Value	Coworking spaces
Other non listed companies	0.8	n.a.	0.1%	Book Value	Various
ASSOCIATES	302.3		48.3%		
Club 3 SpA (4.01% of Prysmian)	65.7	43.3%	10.5%	Market value (net of debt)	Cables
Gruppo IPG Holding (23.33% of Interpump)	146.9	33.7%	23.5%	Market value (net of debt)	Hydraulic
Clubitaly SpA (20% Eataly)	33.2	27.5%	5.3%	Book Value	Food Retailer
Be, Think, Solve, Execute	32.2	23.4%	5.2%	Market value	IT Banking
TIPO	23.7	28.6%	3.8%	Intermonte Fair Value	Holding Company
Net Financial Position	-165.0		-26.4%	Including recent transactions	
Treasury shares	6.6	0.99%	1.05%	@ Feb 16, 2017	
Total NAV	625.5				
<i>N. of shares</i>	<i>147.8</i>				
Total NAV ps (Eu)	4.23				
TIP Market price (Eu)	4.50				
<i>Current premium (discount) on NAVPS</i>	<i>6.3%</i>				

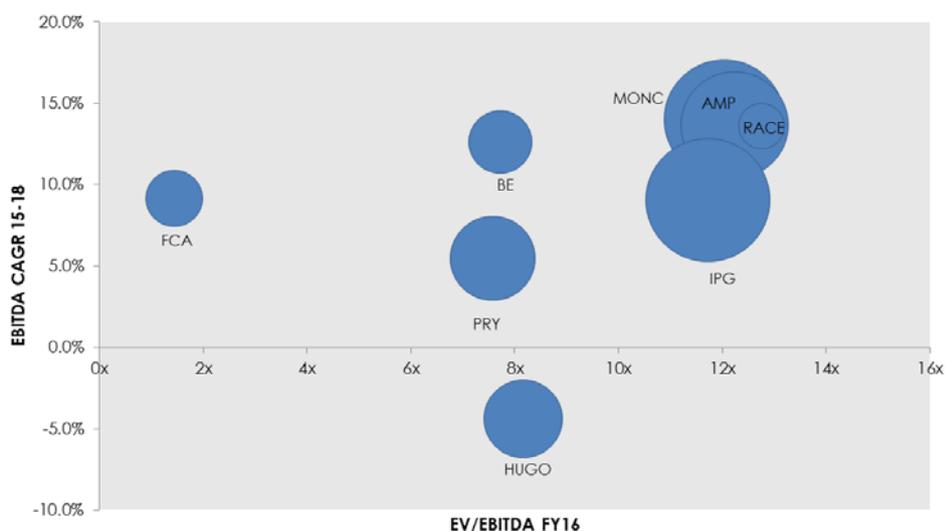
Source: Company data and Intermonte SIM Estimates



Source: Company press release

APPENDIX I – LISTED ASSETS

TIP - Main Listed Assets



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

	Dynamic NAV Weight (%)	Mkt Cap (Eu mn)	Price	RECO	Target Price	Expected performance
MONCLER	18.6%	5,065	20.2	OUTPERFORM	23.00	13.6%
AMPLIFON	14.9%	2,459	10.9	OUTPERFORM	11.50	5.7%
INTERPUMP	19.9%	2,227	20.5	NEUTRAL	20.00	-2.2%
PRYSMIAN	9.3%	5,277	24.4	NEUTRAL	25.00	2.7%
FERRARI	2.7%	12,042	63.8	OUTPERFORM	66.00	3.5%
FIAT CHRYSLER	4.1%	16,815	10.7	NEUTRAL	11.00	2.4%
BE	5.2%	139	1.03	BUY	1.20	16.6%

	Dynamic NAV Weight (%)	Sales CAGR 15-18 (%)	EBITDA CAGR 15-18 (%)	EBITDA Margin FY17 (%)	Capex on Sales FY17 (%)	FCF Yield FY17 (%)
MONCLER	18.6%	14.0%	14.0%	34.1%	5.3%	4.0%
AMPLIFON	14.9%	9.4%	13.7%	16.5%	5.4%	3.2%
INTERPUMP	19.9%	6.8%	9.1%	21.5%	3.8%	5.0%
PRYSMIAN	9.3%	2.8%	5.5%	8.5%	3.0%	4.1%
FERRARI	2.7%	6.2%	13.6%	27.1%	10.3%	3.1%
FIAT CHRYSLER	4.1%	1.7%	9.2%	10.6%	7.5%	15.2%
BE	5.2%	11.3%	12.6%	11.8%	1.5%	6.1%

	Dynamic NAV Weight (%)	FY17 EPS Revision YTD (%)	EV/EBITDA FY17	EV/EBIT FY17	P/E FY17	DVD Yield FY17 (%)
MONCLER	18.6%	9.5%	12.0x	13.7x	21.3x	1.1%
AMPLIFON	14.9%	-0.7%	12.2x	17.0x	28.7x	0.7%
INTERPUMP	19.9%	16.2%	11.7x	14.9x	20.0x	1.6%
PRYSMIAN	9.3%	3.1%	7.6x	9.8x	14.8x	1.9%
FERRARI	2.7%	1%	12.8x	17.8x	25.3x	1.3%
FIAT CHRYSLER	4.1%	18.5%	1.4x	2.9x	5.5x	0.0%
BE	5.2%	-0.1%	7.7x	10.2x	32.7x	1.4%

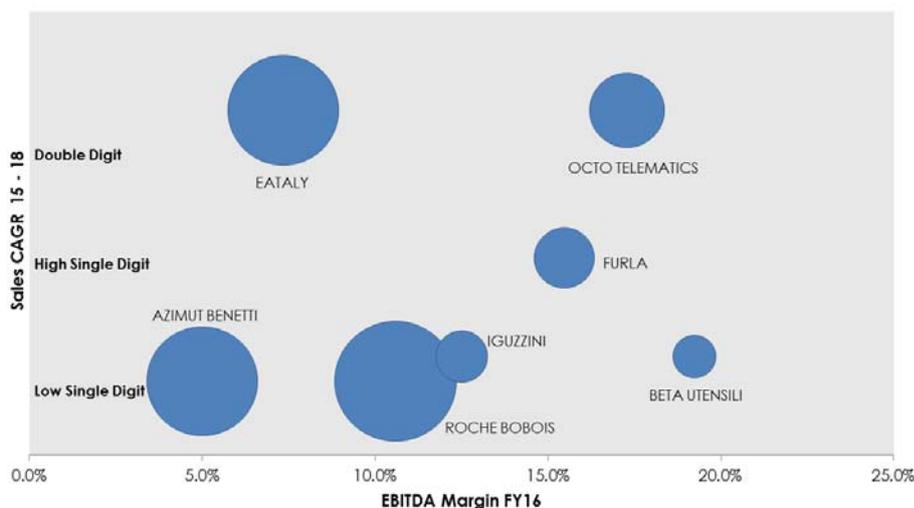
Source: Intermonte SIM Estimates

APPENDIX II – NON-LISTED ASSETS

TIP – Non-Listed Assets

	Dynamic NAV Weight (%)	Sales CAGR 16-19	EBITDA FY16 Margin (%)	IPO Expectation	Note
OCTO TELEMATICS*	3.1%	Double-Digit Growth	17.3%	2017	Leader in growing market
FURLA	2.0%	High-Single Digit Growth	15.5%	2017	Store Network Expansion
EATALY**	7.5%	Double-Digit Growth	7.3%	2018-2019	Store Network Expansion
ROCHE BOBOIS	8.2%	Single Digit Growth	10.6%	2019	Store Network Expansion
AZIMUT BENETTI	6.8%	Single Digit Growth	5.0%	2019	Efficiency actions
IGUZZINI	1.5%	Single Digit Growth	12.5%	2019	Organic and External growth
BETA UTENSILI	1.0%	Single Digit Growth	19.2%	2019	Organic and External growth

* FY15 Net income ** FY15 EBITDA



Source: Company data and Intermonte SIM Estimates

Octo Telematics (IPO expected in 2017)

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

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

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

Octo Telematics

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

Source: Press Rumours

Furla (IPO expected in 2017)

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

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

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



Furla

<i>TIP Stake (%)</i>	<i>Conv. Bond</i>	
<i>TIP Stake (Eu mn)</i>	15	
<i>Valuation Method</i>	<i>Book Value</i>	
<i>Implied Valuation</i>	na	
	2015	2016
Sales	340	422
YoY%		24,1%
Ebitda	44,1	65,3
%Margin	13,0%	15,5%

Source: TIP Press Release and Press statements

Furla - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
Michael Kors Holdings Ltc	7,907	U.S. Dollar	4,394	1,025	23.3%	7.1x	5.5x	10.5x	8.9x
Coach, Inc.	10,694	U.S. Dollar	4,542	1,054	23.2%	9.3x	8.9x	17.8x	16.8x
Kate Spade & Co	2,087	U.S. Dollar	1,505	299	19.8%	6.5x	7.9x	19.2x	23.0x

Source: Factset

Eataly (IPO expected in 2018-2019)

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

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

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

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

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



Eataly Milano Smeraldo

Eataly

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

Source: TIP Press Release & Press Rumours

Eataly - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
Whole Foods Market, Inc.	9,871	U.S. Dollar	15,942	1,298	8.1%	7.0x	6.6x	21.9x	21.7x
Sprouts Farmers Markets,	3,086	U.S. Dollar	4,545	305	6.7%	10.2x	9.3x	21.8x	19.2x

Source: Factset

Roche Bobois (IPO expected in 2019)

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

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

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



Roche Bobois

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

Source: TIP Press Release

Roche Bobois - Peers

Company	Mkt Cap	Currency	Sales FY17	EBITDA FY17	EBITDA Margin	EV/EBITDA FY17	EV/EBITDA FY18	P/E FY17	P/E FY18
Knoll, Inc.	1,270	U.S. Dollar	1,172	161	13.7%	8.3x	7.2x	13.8x	12.2x
Herman Miller, Inc.	1,992	U.S. Dollar	2,379	266	11.2%	7.0x	6.1x	14.3x	12.6x
HNI Corporation	2,289	U.S. Dollar	2,227	286	12.8%	7.6x	6.7x	15.8x	13.8x
Steelcase Inc. Class A	1,386	U.S. Dollar	3,130	321	10.2%	6.1x	5.4x	13.2x	11.6x
Ekornes ASA	3,793	Norwegian	3,176	613	19.3%	6.2x	5.3x	12.3x	10.7x
Ethan Allen Interiors Inc.	959	U.S. Dollar	785	94	12.0%	8.9x	7.6x	18.6x	15.5x
Bang & Olufsen A/S	3,434	Danish Kror	3,406	438	12.8%	7.8x	5.8x	27.9x	15.7x

Source: Factset

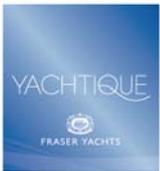
Azimut Benetti (IPO expected in 2019)

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

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

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

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

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




Azimut Benetti

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

Source: TIP Press Release

TIPO (TIP Pre IPO) Investments

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

Main investment at YE are:

AAA (listed on NASDAQ)

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

IGuzzini (IPO expected in 2019)

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

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

FY16 revenues should reach Eu232mn with an Ebitda of Eu29mn.



IGuzzini

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

Source: TIP Press Release

Beta Utensili (IPO expected in 2019)

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

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

FY16 revenues should reach Eu130mn with an Ebitda of Eu25mn.



Beta Utensili

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

Source: TIP Press Release

TIP – Main Listed Asset Performance

Stock	Price (Local ccy)	Mkt cap (Local ccy)	% weight on NAV	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change YTD	% Change 1 Year	% Change 2 Years
Tamburi Investment Partners S.p.A.	4.50	666		12.7%	24.3%	23.5%	23.6%	41.7%	33.4%
Moncler SpA	20.38	5,100	18.6%	13.8%	23.0%	33.5%	22.4%	38.1%	29.7%
Interpump Group S.p.A.	20.58	2,241	19.8%	7.9%	31.1%	36.7%	31.5%	57.9%	47.2%
Prismian S.p.A.	24.42	5,292	9.3%	1.2%	0.7%	11.4%	-0.2%	23.9%	34.6%
Amplifon S.p.A.	10.90	2,466	14.9%	7.8%	29.2%	20.0%	20.2%	44.6%	83.2%
HUGO BOSS AG	65.40	4,604	8.0%	4.2%	19.3%	35.0%	17.0%	20.5%	-40.7%
Ferrari NV	64.10	12,110	6.4%	3.7%	13.7%	53.4%	-11.0%	68.1%	
Fiat Chrysler Automobiles N.V.	10.65	20,628	4.1%	0.9%	26.4%	88.4%	23.9%	55.7%	4.6%
Be Think, Solve, Execute S.p.A.	1.02	138	5.2%	12.8%	58.1%	101.0%	51.9%	92.2%	79.0%
Digital Magics S.p.A.	4.87	30	0.8%	15.4%	19.6%	37.0%	23.9%	-0.4%	-5.5%
Average performance				7.2%	20.4%	34.6%	16.3%	36.1%	20.5%
FTSE Italia All-Share				5.8%	6.7%	23.6%	5.3%	8.9%	-9.1%
FTSE MIB				5.6%	5.6%	24.0%	4.4%	7.9%	-11.7%
FTSE Star Italy				8.4%	19.7%	27.1%	16.4%	30.6%	29.4%
FTSE Mid Cap Italy				3.8%	10.4%	32.9%	9.1%	19.0%	-9.4%
FTSE Small Cap Italy				5.2%	11.0%	20.1%	9.7%	8.7%	-1.0%
TIP - Relative performance vs Italian indexes				1M	3M	6M	YTD	1Y	2Y
FTSE Italia All-Share				6.9%	17.6%	0.0%	18.3%	32.8%	42.5%
FTSE MIB				7.0%	18.7%	-0.4%	19.2%	33.8%	45.1%
FTSE Star Italy				4.3%	4.6%	-3.6%	7.3%	11.2%	3.9%
FTSE Mid Cap Italy				8.8%	13.9%	-9.4%	14.5%	22.7%	42.8%
FTSE Small Cap Italy				7.4%	13.3%	3.4%	13.9%	33.0%	34.4%

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.	4.49	664	12.7%	24.3%	23.5%	23.6%	41.7%	33.4%
EXOR N.V.	47.90	11,544	6.4%	16.2%	39.3%	17.2%	58.0%	17.6%
Compagnie Industriali Riunite S.p.A.	1.33	1,052	11.3%	33.2%	42.4%	28.2%	36.7%	25.7%
ASTM S.p.A.	13.40	1,327	16.4%	32.9%	32.0%	25.4%	29.5%	-1.3%
Italmobiliare S.p.A.	51.80	1,234	12.9%	22.9%	18.7%	16.1%	34.9%	64.6%
DeA Capital S.p.A.	1.37	420	11.6%	23.2%	32.9%	12.7%	15.4%	-2.1%
COFIDE-Gruppo De Benedetti S.p.A.	0.56	403	20.6%	49.1%	60.4%	45.9%	48.7%	13.2%
Immsi S.p.A.	0.38	128	1.1%	0.9%	0.0%	-0.4%	-9.0%	-42.5%
Caltagirone S.p.A.	2.38	286	5.2%	13.8%	19.5%	14.3%	9.2%	-0.5%
Average performance			10.7%	24.0%	30.6%	19.9%	27.9%	9.3%
FTSE Italia All-Share			5.8%	6.7%	23.6%	5.3%	8.9%	-9.1%
FTSE MIB			5.6%	5.6%	24.0%	4.4%	7.9%	-11.7%
FTSE Star Italy			8.4%	19.7%	27.1%	16.3%	30.6%	29.4%
FTSE Mid Cap Italy			3.8%	10.4%	32.9%	9.1%	19.0%	-9.4%
FTSE Small Cap Italy			5.2%	11.0%	20.1%	9.7%	8.7%	-1.0%

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	TIP		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	5.00	Previous Target (Eu):	4.30
Current Price (Eu):	4.50	Previous Price (Eu):	3.51
Date of report:	21/03/2017	Date of last report:	23/11/2016

DISCLAIMER (for more details go to [DISCLAIMER](#))**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by the Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under DISCLOSURES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P/IB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms. As at 31 December 2016 Intermonte's Research Department covered 150 companies.

Intermonte's distribution of stock ratings is as follows:

BUY:	12,71 %
OUTPERFORM:	52,54 %
NEUTRAL:	33,06 %
UNDERPERFORM	01,69 %
SELL:	00,00 %

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

BUY:	26,09 %
OUTPERFORM:	45,65 %
NEUTRAL:	28,26 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

CONFLICT OF INTEREST

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

- o within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an offering with firm commitment underwriting of the securities of the following Companies: Aeroporto di Bologna, Banca Ifis, Banca Carige, Banca Sistema, La Doria, Tamburi Investment Partners, Tecnoinvestimenti
- o Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Aedes, Aeroporto di Bologna, Alerion Clean Power, Ascopiate, Avio, B&C Speakers, Banca Ifis, Banca Sistema, Banzai, Be, BOMI, Carraro, Cattolica Assicurazioni, Clabo, Credito Valtellinese, Datalogic, DeA Capital, DigiTouch, ELEn, Emak, ERG, Ferrovie Nord Milano, Giglio Group, GO Internet, IGD, Il Sole 24 Ore, IWB, LU VE, Mondo TV, Openjobmetis, Prelios, QF Alpha Immobiliare, QF Beta Immobiliare, Reno de Medici, Reply, Retelit, Saes Getters, Servizi Italia, Sesa, SITI - B&T Group S.p.A., Snai, Tamburi Investment Partners, Tesmec, TBS Group, Tecnoinvestimenti, Termienergia, TXT e-solutions, Vetrya, Vittoria Assicurazioni, Zephyro.
- o Intermonte SIM SpA, through its Websim Division, acts as an Retail Investor Research Provider on behalf of the following companies: A2A, Aedes, Axelero, Banca Ifis, Banzai, Bomi, Cattolica Assicurazioni, Centrale del Latte, d'Amico, Dada, Digital Bros, Digital Magics, Digtouch, Electro Power System, Enertronica, Expert System, Falck Renewables, Fiera Milano, Frendy Energy, Fundstore, Gambero Rosso, Generali Assicurazioni, Go Internet, Italiaonline, Isagro, Italia Independent, IWB, La Doria, Leone Film Group, Lucisano Media Group, LVenture, MailUp, Masi Agricola, Mc-Link, Methorios, Mondo TV, MP7 Italia, Notorious, Pierrel, Piteco, PLT energia, Safe Bag, Sesa, TE Wind, Tecnoinvestimenti, TermiEnergia, TXT e-Solutions, VirgilioLab, Zephyro.
- o Intermonte SIM SpA has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Alerion Clean Power, Autostrade per l'Italia (Atlantia Group), Bolzoni, Conafi, CNRC/Marco Polo Industrial Holding (on Pirelli shares), Generali Assicurazioni, Hitachi (on Ansaldo STS shares), Italiaonline, Prelios, RCS, Saras, Sorgente SGR (on Nova Re shares).
- o Intermonte SIM SpA performs as a market maker for the following companies: Atlantia, Autogrill, Azimut Holding, Banco Popolare, BCA Monte dei Paschi di Siena, BCA POP Emilia Romagna, BCA POP Milano, CNH Industrial, Enel, Eni, Exor, Fiat Chrysler Automobiles NV, Generali, Indice FTMI&B, Intesa Sanpaolo, Intesa Sanpaolo Rsp, Leonardo-Finmeccanica, Luxottica Group, Mediaset, Mediobanca, Prysmian, Saipem, Snam, Stmicroelectronics, Telecom Italia, Telecom Italia Risparmio, Tenaris, Terna, Ubi Banca, Unicredit, Unipol, Unipolsai.
- o Intermonte SIM SpA performs as a liquidity provider for the following companies: A2a, Ansaldo STS, Atlantia, Atsm, Autogrill, Azimut Holding, Banca Generali, Banca Mediolanum, Banco Popolare, BCA Monte dei Paschi di Siena, BCA POP Emilia Romagna, BCA POP Milano, BCA POP Sondrio, Buzzi Unicem, Campani, Cir-Comp, Ind. Riunite, Credito Emiliano, Danieli & c., Danieli & c. Risp. Nc, Diasorin, Enel, Eni, Exor, Generali, Hera, Intesa Sanpaolo, Intesa Sanpaolo Rsp, Iren, Italcementi, Italmobiliare, Italmobiliare RNC, Leonardo-Finmeccanica, Luxottica Group, Maire Tecnimont, Mediaset, Mediobanca, Parmalat, Prysmian, Recordati, S.i.a.s., Saipem, Salini Impregilo, Salvatore Ferragamo, Snam, Telecom Italia, Telecom Italia Risparmio, Terna, Tod's, Ubi Banca, Unicredit, Unipol, Unipolsai, Yoox Net A Porter.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
ACOTEL GROUP	0,61	SHORT
CHL	1,71	SHORT
COGEME SET SPA	1,6	SHORT
GO INTERNET	0,51	SHORT
IKF	0,57	SHORT
OLIDATA	0,88	SHORT
PIERREL SPA	0,62	SHORT
PREMUDA	0,53	SHORT
PRIMI SUJ MOTORI S.P.A.	0,61	SHORT
STEFANEL	0,65	SHORT
WASTE ITALIA	1,06	SHORT
ZEPHYRO SPA	1,4	LONG

© Copyright 2016 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid .

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available