

SCM SIM

FY 2018 results affected by difficult market environment– Q1 2019 in recovery

Finance

IRTOP RESEARCH
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BUSINESS UPDATE

FY 2018 was a transition year for SCM SIM, as the Company continued the reorganization of the corporate structure with focus on cost cutting and operational efficiency, and as results were strongly impacted by difficult market conditions. Q1 2019 results confirmed the efficiency of the measures taken with operating costs down by 16%, and an increase by +5% in AuC vs. end of FY 2018.

Although 2018 results were below our estimates, we remain positive for the next three years as Q1 results and the measures to be triggered by the three-year strategic plan are expected to reverse the performance. We revised our 2019 -2021 estimates to factor in a cut in AuC (-32% on average) and moved break-even forward one year to 2020, in line with Management expectations.

FY 2018 RESULTS

At year end 2018, **AuC** stood at 0.8 Eu b, down by c. -20% yoy and -23% vs. our estimates, reflecting in particular the negative performance of Advisory as AuC from the other business lines increased by an average of 9% vs. FY 2017. The new SCM SICAV performed well with 16 Eu m of net inflows.

Fee income came in at 6.4 Eu m, down by -20% vs. FY 2017 and -21% vs. our estimates following the absence of performance fees and lower fees from Advisory. However, revenues from generic advisory and asset management increased by +25% and +4% respectively.

Net Fees stood at 3.0 Eu m, - 25% yoy with a Fee expenses/Fee income ratio of 52%, vs. 49% in FY 2017 and 47% as of our estimates. Total operating expenses remained in line with FY 2017 as an increase in personnel costs (+0.5 Eu m) was offset by lower G&As. **Net loss** was of Eu -1.0 m v.s Eu -0.2 m in 2017 and vs -0.5 as of our estimates. **Net cash** was of 0.4 Eu m (Eu 1.4 m in 2017).

COMPANY DESCRIPTION

Founded in 2009 and listed on AIM Italia since July 2016, Solutions Capital Management SIM SpA (SCM SIM) was the first **SIM to be listed on the Italian stock market**. SCM SIM is a Private Banking and Wealth Management company authorized to manage portfolios, provide investment advice and placement services. The Company offers customised advisory solutions, applying an innovative, avant-garde and unique business model in Italy, which is characterised by **flat fees**, independence, transparency, **"High Watermark no reset" system**, and the **absence of conflicts of interest**.

STRATEGY

- **Expansion of private banker network** through recruitment of senior professionals and junior talents from the internal "The Young Talent Hub" program.
- **Development of Life Planning services** to become a reference point for clients and professionals with a 360° approach to wealth management and thereby becoming clients main interlocutor in all life choices.
- **Widening of product offer:** SCM recently launched "Stable Return", the first SICAV branded SCM SIM.
- Reinforcement of the asset management business unit.
- **M&A transactions** of small targets with a complementary business model.

VALUATION

We set a new target price of 7.15 Eu p.s. (previously 9.25 Eu p.s.) providing for an upside to the current market price of +51%

Target Price (Eu)	(Previous 9.25) 7.15
Market Price (Eu)	4.74
Capitalisation (Eu m)	9
Enterprise Value (Eu m)	9
(as of May 14 th , 2019)	

AIM Positioning

Market Data (Eu m)	Company	AIM Italia
Capitalisation	9	62
Perf. from IPO	-55%	-6%
Free Float	16.1%	38%
ADTT YTD (Eu)	4,301	102,763

Source: Osservatorio AIM Italia and FactSet data as of May 14th, 2019

Results & Estimates

Key Figures (Eu m)	17A	18A	19E	20E	21E
AuC	1,083	0,846	0,966	1,136	1,356
Net fees	4.1	3.0	3.4	4.1	4.9
Net fees/AuC	0.4%	0.4%	0.4%	0.4%	0.4%
Brokerage margin	4.1	3.0	3.4	4.1	4.9
Cost/Income ratio	-109%	-149%	-112%	-95%	-84%
Pre-tax Profit (Loss)	(0.3)	(1.3)	(0.2)	0.4	0.9
EBT/Brokerage margin	-7%	-43%	-7%	9%	19%
Net Profit (Loss)	(0.3)	(1.1)	(0.2)	0.3	0.7
EPS (Eu)	n.a.	n.a.	n.a.	0.13	0.33
Net Debt (Cash)	(1.4)	(0.4)	(0.7)	(0.7)	(1.0)

Source: Company data for FY 2017-2018 (IAS-IFRS) and IRTOP Research estimates for FY 2019-2021

Peers Comparison

Market Cap/AuM (x)	19E	20E
SCM SIM	0.9%	0.8%
Asset management peers' median	2.4%	2.2%
Discount/Premium to peers	-61%	-64%

P/E (x)	19E	20E
SCM SIM	n.m.	35.9
Asset management peers' median	13.1	11.7
Discount/Premium to peers	n.m.	n.m.

Source: IRTOP Research estimates for SCM SIM and FactSet data as of May 14th, 2019 for peers
 n.m. = not meaningful

Performance

	1M	3M	1Y
Absolute	-9.3%	-19.0%	-46.7%
Relative (FTSE AIM Italia)	-8.5%	-20.2%	-42.6%
52-week High / Low (Eu)*	10.20 / 4.74		

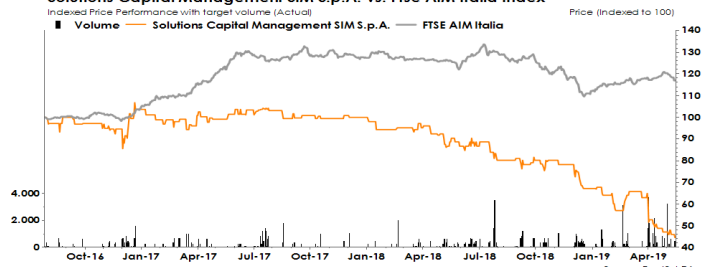
Source: FactSet data as of May 14th, 2019
 * Intraday

Please, read important disclaimer on the last page of this report.

SHARE DATA

Market	AIM Italia
Ticker Bloomberg / Reuters	SCM IM / SCM.MI
ISIN ordinary shares	IT0005200248
N. of outstanding shares	2,006,240
Free Float	16.05%
Main Shareholder	HPS Holding Partecipazioni Societarie Srl (83.95%)
CEO and General Manager	Antonello Luigi Sanna

Solutions Capital Management SIM S.p.A. vs. Ftse AIM Italia Index



Source: FactSet Prices

BUSINESS UPDATE

In 2018 the **asset management industry experienced a slowdown** in flows due to the volatility of financial markets, the volatility of Italian government bonds, and geopolitical events (such as Brexit). Assogestioni reported a fall in assets under management by 3.4% in 2018 vs. 2017 and in particular, at the end of 2018 the assets managed amounted to Eu 2,017 bn (2,089 Eu bn in 2017).

FY 2018 results of SCM SIM reflect the difficult market conditions, with a decrease of Asset under Control and revenues. However, the Company has continued the internal reorganization with focus on cost cutting, operational efficiency, and the strengthening of the PB's network (34 at year end vs. 27 at year-end 2017). FY 2018 also saw the launch of SCM SICAV and four new management lines, as well as the Club Deal Dronus, a project that will give the opportunity to invest in innovative start-ups.

Q1 2019 Results announced by the Company in mid April, were positive and highlights that measures taken to invert the negative trend of FY2018, are already starting to be effective. Management's outlook remains positive for the next years with a gradual recovery in AuC and an expected breakeven in 2020. Management has in particular highlighted that as SCM SIM by own choice is MiFID II compliant since 2010, the **new regulatory environment, represents a competitive advantage for the Company**, and confirmed strategic guidelines with focus on the strengthening of Private Bankers network, which remains the key growth driver, and widening the service offering .

In December the BoD resolved on a capital increase of a maximum of n. 163,704 new shares at a price of Eu 7.15 p.s.. The deadline for the capital increase expired on April 30th, 2019 and the result was a total of 96.7 k new shares underwritten (57% of total) for total value of 691 Eu k. Free float after the transaction is of 16.05% (11.6% previously).

At the end of March, the Company announced the signing of an agreement with Banca Finnat for the role of new Specialist (previously Banca Akros).

At year-end 2018, total Asset under Control amounted to Eu 0.8 bn, down by c. -20% vs. Eu 1.1 bn of 2017 and as of our estimates 2018. The result reflects in particular the negative performance of Advisory as AuC from the other business grew by an average of 9% vs. FY 2017. The new SCM SICAV performed well with 16 Eu m of net inflows.

Fee income amounted to Eu 6.4 m, down by c. -20% vs. 2017 (Eu 7.9 m) and by -17% vs. our estimates (7.7 Eu m), following the absence of performance fees and lower fees from Advisory and Insurance. However, revenues from generic advisory and asset management increased by +25% and +4% respectively confirming the stable performance of revenues with unchanged assets

Eu m	AuC FY 2017A	Fee income FY 2017A	AuC FY 2018A	Fee Income FY 2018A
Advisory	505	3.1	273	2.2
Advisory (generic)	347	1.5	305	1.8
Asset Management	169	1.6	168	1.7
Insurance	62	1.1	83	0.6
SCM SICAV	0	-	16	0.1
Performance		0.7		0.0
Total	1,083	7.9	846	6.4

Source: Company data

With fee expenses of 3.3 Eu m (3.9 Eu m in FY 2017), brokerage margin came in at 3.0 Eu m (-27% vs FY 2017 and our estimates), representing 48% of fee income vs. 52% in FY 2017 following the lower revenues and a loss realized in the sale of financial assets to cover temporary cash needs.

Total operating costs remained in line with previous year's (Eu 4.5 m), after an Increase in personnel costs by 0.5 Eu m, following the strengthening of managerial structure and hiring relative to the "Young Talent" scheme, offset by lower G&As (-0.6 Eu m vs. FY 2017), also as a result of the reduction in non-deductible VAT (0.1 Eu m vs. 0.5 Eu m in FY 2017). **Net loss** for the year was -1.1 Eu m vs. -0.3 Eu m in FY 2017 and 0.5 Eu m as of our estimates.

Eu m – IAS/IFRS	FY 2017A	FY 2018A	Var % 17A-18A	FY 2018E	Var % 18A-18E
AuC	1,083	846	22%	1,102	-30%
Fee income	7.9	6.4	-20%	7.7	-21%
<i>Fee income/AuC</i>	<i>0.73%</i>	<i>0.75%</i>		<i>0.70%</i>	
Fees expenses	(3.9)	(3.3)	-14%	(3.6)	-8%
Net fees	4,1	3,0	-25%	4,1	-35%
<i>Net fees/AuC</i>	<i>0.37%</i>	<i>0.36%</i>		<i>0.37%</i>	
Brokerage margin	4,1	3,0	-27%	4,1	-35%
<i>Cost/Income ratio</i>	<i>-108.6%</i>	<i>-149.3%</i>		<i>-121.1%</i>	
Pre-tax Profit (Loss)	(0.3)	(1.3)	+378%	(0.7)	+45%
<i>EBT/Brokerage margin</i>	<i>-6.6%</i>	<i>-43.2%</i>		<i>-17.7%</i>	
Net Profit (Loss)	(0.3)	(1.1)	+234%	(0.5)	+54%

Source: Company data (IAS-IFRS)

Positive Q1 2019 and outlook

FY 2018 RESULTS

Eu 0.8 bn of AuC

Fixed assets grew from Eu 124 k in 2017 to Eu 159 k in 2018. **Net working capital** stood at 2.4 Eu m in line with FY 2017. **Net cash** came in at 0.4 Eu m vs. 1.4 Eu m in FY 2017.

Eu m – IAS/IFRS	FY 2017A	FY 2018A	Var % 17A-18A	FY 2018E	Var %ù 18A-18E
Net working capital (NWC)	2.4	2.4	2%	2.6	-7%
Net fixed assets	0.1	0.2	28%	0.1	22%
Funds	(0.2)	(0.2)	14%	(0.3)	-60%
Net Capital Employed	2.4	2.4	3%	2.4	-1%
Net financial Debt (Cash)	(1.4)	(0.4)	-69%	(0.9)	-95%
Total Equity	3.8	2.8	-24%	3.3	-15%
Sources	2.4	2.4	3%	2.4	-1%
ROE	-8.4%	-36.8%		-14.7%	
Total Equity/Total Assets	71.2%	70.2%		65.8%	

Source: Company data (IAS-IFRS)

In mid April 2019 the Company announced **Q1 2019 results** (unaudited), that generally highlighted that the results from the recent reorganization, focusing of cutting and operational efficiency, are already starting to show :

- Net fees came in at 780 Eu k largely in line with previous year (782 in Q1 2018);
- Operating costs of 976 Eu k vs. 1,161 Eu k in Q1 2017, thanks to the rationalization process implemented at the end of 2018;
- Positive performance also in terms of AuC, tat at the end of Q1 2019 stood at 886 Eu m (+5% vs. year end 2018).

FY 2018 results were strongly impacted by the general negative condition in the market; however the positive results of Q1 2019, and the measures to be triggered by the Company's three-year strategic plan, focusing on growth in AuC and cost cuttings, are expected to reverse this trend. On the back of the above, we revised our 2019 -2021 estimates with an **average cut in net AuC of -32%**, and moved break-even forward one year to 2020, in line with Management expectations. We also reduced operating costs in 2019 by (-0.7 Eu m vs. FY 2018) as savings implemented in the last year will become fully operational. We maintain our target of a more sustainable cost/income ratio at the end of the three-year period (84% a year-end 2021 vs. 149% in FY 2018).

Eu m – IAS/IFRS	2019E Old	2019E New	2020E Old	2020E New	2021E New
AuC	1,360	0,966	1,756	1,136	1,356
Fee income	10.1	6.3	12.9	7.6	9.1
Fee income/AuC	0.70%	0.65%	0.73%	0.67%	0.67%
Fees expenses	(4.7)	(2.9)	(6.0)	(3.5)	(4.2)
Net fees	5.3	3.4	6.8	4.1	4.9
Net fees/AuC	0.39%	0.35%	0.39%	0.36%	0.36%
Brokerage margin	5.3	3.4	6.8	4.1	4.9
Cost/Income ratio	-100%	-112%	-89.0%	-95%	-84%
Pre-tax Profit (Loss)	0.1	(0.2)	0.9	0.4	0.9
EBT/Brokerage margin	2.7%	-7.1%	13.4%	8.8%	19.2%
Net Profit (Loss)	0.1	(0.2)	0.6	0.3	0.7
EPS (Eu)	0.05	n.a.	0.32	0.13	0.33

Eu m – IAS/IFRS	2019E Old	2019E New	2020E Old	2020E New	2021E New
Net working capital (NWC)	3.0	2.5	3.3	2.8	3.1
Net fixed assets	0.1	0.2	0.1	0.2	0.2
Funds	(0.3)	(0.2)	(0.4)	(0.2)	(0.2)
Net Capital Employed	2.9	2.5	3.1	2.7	3.1
Net financial Debt (Cash)	(0.5)	(0.7)	(2.3)	(0.7)	(1.0)
Total Equity	3.4	3.2	5.4	3.4	4.1
Sources	2.9	2.5	3.1	2.7	3.1
ROE	2.9%	-10.9%	15.3%	5.2%	16.6%
Total Equity/Total Assets	63.2%	71.0%	63.0%	70.8%	72.5%

Source: IRTop Research estimates for FY 2019-2021

Q1 2019 RESULTS

2019-2021 REVISED ESTIMATES

VALUATION

Our valuation yields a Target Price of 7.15 Eu p.s.

We set a new target price of **7.15 Eu per share** (previous 9.25 Eu p.s.), representing a **potential upside of 51%** and an implicit 2019-2020 Market/AuM multiples of 1.4% and 1.2% respectively.

DCF

Main assumptions are:

- Risk-free interest rate: 2.70% (12-month average of Italian 10y BTP yield)
- Cost of equity (K_E): 10.36%
- Perpetual growth: 2%

Our DCF valuation yields a target price of **7.15 Eu per share**.

+ Sum of PV 2019-2024 FCFE (Eu m)	2.5	17%
+ Discounted Terminal Value (Eu m)	11.9	83%
= Equity Value (Eu m)	14.3	100%
+ Number of outstanding shares (k)	2,006	
= Fair Value per share (Eu)	7.15	

As the main value driver is growth in Assets under Management, we run a sensitivity analysis on the target price when changing our AuC estimates. **We estimate that any 1% higher/lower net inflows vs. our base estimates, may have a 1.6% impact on DCF valuation.**

PEERS ANALYSIS

SCM SIM currently trades at large discount (on average 64% for 2019-2020 Market Cap/AuM) compared to a peer group made of both Italian and international players operating in the asset management industry.

	Country	Market Cap (Eu m)	AuM 2019E (Eu m)	Net profit 2018E (Eu m)	Net profit 2019E (Eu m)
ANIMA Holding SpA	Italy	1,183	177,105	122	125
Azimut Holding SpA	Italy	2,465	50,099	128	270
Banca Generali SpA	Italy	2,865	55,819	180	205
Banca Mediolanum SpA	Italy	4,590	74,645	256	389
Ashmore Group Plc	UK	3,753	82,632	172	191
GAM Holding AG	Switzerland	543	121,318	87	7
Janus Henderson Group PLC	UK	3,688	316,198	471	426
Julius Baer Gruppe AG	Switzerland	8,828	357,039	645	683
Jupiter Fund Management Plc	UK	1,894	53,284	166	145
Liontrust Asset Management PLC	UK	393	16,355	29	32
Man Group Plc	UK	2,635	108,275	240	195
Schroders Plc	UK	9,504	552,395	698	650
Skarbiec Holding S.A.	Poland	25	1,705	5	5
St. James's Place Plc	UK	6,728	131,378	203	225
Standard Life Aberdeen PLC	UK	7,417	532,027	754	527
Asset management peers' median		2,865	108,275	180	205
SCM SIM	Italy	9	0,966	(1.1)	(0.2)

Source: FactSet data as of May 14th, 2019 for peers and IRTop Research estimates for SCM SIM

	Market Cap / AuM		P/E	
	19E	20E	19E	20E
ANIMA Holding SpA	0.7%	0.7%	7.1	6.8
Azimut Holding SpA	4.9%	4.6%	10.2	11.5
Banca Generali SpA	5.1%	4.7%	14.2	13.0
Banca Mediolanum SpA	6.1%	5.8%	11.8	11.3
Ashmore Group Plc	4.5%	4.0%	19.5	16.6
GAM Holding AG	0.4%	0.4%	73.6	19.4
Janus Henderson Group PLC	1.2%	1.1%	8.5	8.2
Julius Baer Gruppe AG	2.5%	2.3%	12.0	10.6
Jupiter Fund Management Plc	3.6%	3.3%	13.4	12.6
Liontrust Asset Management PLC	2.4%	2.1%	13.1	11.7
Man Group Plc	2.4%	2.2%	12.3	10.0
Schroders Plc	1.7%	1.6%	15.1	13.8
Skarbiec Holding S.A.	1.5%	1.4%	5.0	4.7
St. James's Place Plc	5.1%	4.5%	25.6	19.6
Standard Life Aberdeen PLC	1.4%	1.4%	13.2	11.9
Asset management peers' median	2.4%	2.2%	13.1	11.7
SCM SIM	0.9%	0.8%	n.m.	35.9
Discount/Premium to peers	-61%	-64%	n.m.	n.m.

Source: FactSet data as of May 14th, 2019 for peers and IRTop Research estimates for SCM SIM
n.m. = not meaningful

SCM SIM ON AIM

IPO

Trading Market: AIM Italia – Borsa Italiana SpA

Date: July 28th, 2016

Price: 10.59 Eu

Capital raised: 2.22 Eu m

Capitalisation: 20.2 Eu m

SHARE DATA (as of May 14th, 2019)

Alphanumeric Code: SCM

Ticker Bloomberg: SCM IM

Ticker Reuters: SCM.MI

ISIN: IT0005200248

Outstanding shares: 2,006,240

Share capital: 2,006,240 Eu

Price: 4.74 Eu

Performance from IPO: -55%

Capitalisation: 9.1 Eu m

Free Float: 16.05%

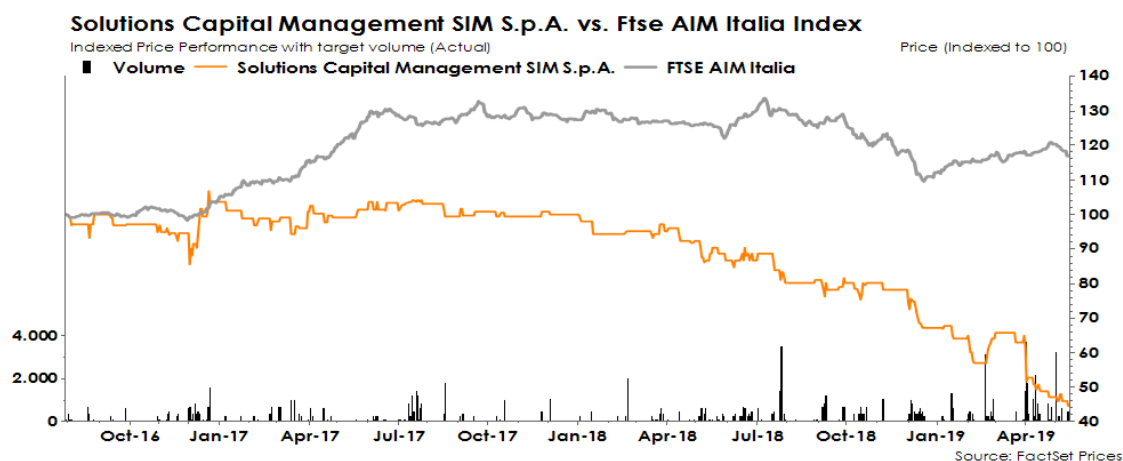
Nominated Adviser (NomAd) : EnVent Capital Markets Ltd

Specialist: Banca Finnant Euramerica SpA

Auditing firm: Deloitte & Touche S.p.A.

Shareholders	N° of shares	%
HPS Holding Partecipazioni Societarie Srl	1,684,160	83.95%
Other investors (< 5%)	322,080	16.05%
Total	2,006,240	100.00%

Source: Company data as of May 15th, 2019



KEY FIGURES

Eu m	2015A	2016A	2017A	2018A	2019E	2020E	2021E
Assets under Control (AuC)	947	1,047	1,083	846	966	1,136	1,356
Profit & Loss Statement							
Fee income	6.2	6.9	7.9	6.4	6.3	7.6	9.1
Fees expenses	(2.3)	(3.0)	(3.9)	(3.3)	(2.9)	(3.5)	(4.2)
Net fees	3.9	3.9	4.1	3.0	3.4	4.1	4.9
Brokerage margin	3.9	3.9	4.1	3.0	3.4	4.1	4.9
Operating costs	(3.5)	(3.9)	(4.5)	(4.5)	(3.8)	(3.9)	(4.2)
Pre-tax Profit (Loss)	0.4	0.1	(0.3)	(1.3)	(0.2)	0.4	0.9
Taxes	(0.2)	(0.1)	(0.0)	0.3	0.0	(0.1)	(0.3)
Net Profit (Loss)	0.2	0.0	(0.3)	(1.1)	(0.2)	0.3	0.7
Balance Sheet							
NWC	0.8	1.7	2.4	2.4	2.5	2.8	3.1
Fixed assets	0.1	0.1	0.1	0.2	0.2	0.2	0.2
M/L Funds	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Net Capital Employed	0.8	1.7	2.4	2.4	2.5	2.7	3.1
Net financial Debt (Cash)	(1.3)	(2.3)	(1.4)	(0.4)	(0.7)	(0.7)	(1.0)
Total Equity	2.1	4.1	3.8	2.9	3.2	3.4	4.1
Cash Flow							
Net Profit (Loss)	0.2	0.0	(0.3)	(1.1)	(0.2)	0.3	0.7
D&A	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Change in M/L Funds	0.0	(0.0)	0.1	0.0	(0.0)	0.0	0.0
Gross Cash Flow	0.3	0.0	(0.2)	(1.0)	(0.3)	0.3	0.7
Change in NWC	0.7	(0.9)	(0.7)	(0.1)	(0.0)	(0.3)	(0.3)
Operating Cash Flow	1.0	(0.8)	(0.9)	(1.0)	(0.3)	(0.0)	0.3
Capex	(0.1)	(0.1)	(0.0)	(0.1)	0.0	0.0	0.0
Free Cash Flow	0.9	(0.9)	(0.9)	(1.1)	(0.3)	(0.0)	0.3
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Equity	0.0	2.0	(0.0)	0.2	0.5	0.0	0.0
Change in Net financial Debt (Cash)	0.9	1.1	(0.9)	(1.0)	0.2	(0.0)	0.3
Per Share Data							
Current Price				€ 4.74			
Total outstanding shares (m)	1.70	1.91	1.91	1.91	2.01	2.01	2.01
EPS	0.11	0.00	(0.17)	(0.55)	(0.12)	0.13	0.33
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FCF	0.52	(0.48)	(0.48)	(0.58)	(0.15)	(0.01)	0.17
Pay-out ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ratios							
Fee income/AuM	0.7%	0.7%	0.7%	0.8%	0.6%	0.7%	0.7%
Fees expenses/Fee income (%)	-37.6%	-43.3%	-48.9%	-52.4%	-46.0%	-46.0%	-46.0%
Net fees/AuM	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Cost/Income ratio	-90.4%	-98.5%	-108.6%	-149.3%	-111.6%	-95.2%	-84.4%
EBT/Brokerage margin	9.2%	1.7%	-6.6%	-43.2%	-7.1%	8.8%	19.2%
Net Debt/Equity (Gearing)	-60.9%	-57.3%	-37.3%	-15.3%	-21.4%	-19.5%	-24.8%
Total Equity/Total Assets	60.3%	75.3%	71.2%	70.2%	75.3%	75.6%	76.9%
ROE	8.8%	0.2%	-8.4%	-36.8%	-7.6%	7.4%	16.3%
Free Cash Flow Yield	10.6%	-9.9%	-9.9%	-11.9%	-3.1%	-0.1%	3.5%
Growth Rates							
Assets under Control (AuC)	38.7%	10.5%	3.4%	-21.9%	14.2%	17.6%	19.4%
Fee income	52.0%	11.7%	14.3%	-19.9%	-1.4%	20.5%	20.7%
Fees expenses	81.1%	28.8%	29.2%	-14.1%	-13.4%	20.5%	20.7%
Net fees	38.6%	1.4%	3.0%	-25.4%	12.0%	20.5%	20.7%
Brokerage margin	38.3%	1.2%	4.4%	-26.5%	12.3%	20.5%	20.7%
Pre-tax Profit (Loss)	448.5%	-81.6%	-513.9%	-377.6%	81.5%	249.1%	163.3%
Net Profit (Loss)	524.0%	-96.2%	-4601.1%	-233.6%	77.0%	204.4%	163.3%

Source: Company data (IAS-IFRS) for FY 2015-2018 and IRTop Research estimates for FY 2019-2021
n.a. = not available; n.m. = not meaningful

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During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
May 15 th , 2019	7.15	4.74	12 months
October 25 th , 2018	9.25	8.50	12 months
June 7 th , 2018	10.24	9.20	12 months

VALUATION METHODOLOGY (HORIZON: 12M)

IRTop obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models.

Moreover, IRTop used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IRTop based on research of "Osservatorio AIM Italia", managed by IRTop and focused on research about performance of Companies listed on AIM Italia.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IRTop premises.

RESEARCH TEAM

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No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them, who was involved in producing the Research.

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