

ILPRA

1H21 higher than expected top line growth and a 4.4 pp EBITDA margin improvement

+33% top line growth, well above market rates (+21%), implies an increase in market share. ILPRA, specialized in the design and production of packaging machines for food, cosmetics and medical applications, reported a very positive set of results in 1H21 with sales growth of +33%, largely outperforming the market which according to UCIMA (the industry national trade association) increased by +21% in 1H21, thus implying an increase in market share for Ilpra. More in detail, Net sales came in at Euro 20.3 m showing a solid increase compared to both 1H20 and 1H19 (both Euro 15.3 m) with growth driven by a +69% increase in domestic sales to Euro 8.2 m (Euro 4.8 m in 1H20) showing a strong recovery after a FY20 in contraction (-10% FY20). Export markets continued to perform well and reached Euro 12.1 m, +16% vs. 1H20 now with a total weight on sales of 60% (68% in 1H20).

A 4.4 pp EBITDA margin improvement vs. 1H20 thanks to structural cost savings 1H results overperformed our expectations also in terms of profitability recording a 4.4 pp EBITDA margin expansion to 21.6% vs. 1H20 and, 2.6 pp above FY20 results (19%) thanks to increased efficiency in the production process as a result of the important investments made in this area over the last years, and structural improvement in services costs. In absolute terms EBITDA was up by +67% to Euro 4.4 m (Euro 2.6 m in 1H20). After D&As of Euro 1.0 m in line with prior year's, EBIT came in at Euro 3.4 m, +101% yoy (Euro 1.7 m in 1H20). Net Profit reached Euro 2.6 m, implying a marginality on sales of 12% (vs. 7% in 1H20, Euro 1.3 m).

Solid cash generation confirmed as the Group turns cash positive. At the end of 1H21, ILPRA presented a Net Cash position of Euro 1.0 m, significantly reduced compared to a Net Debt position of 1.9 m at the end of FY20 (Euro 7.2 m in 1H20) and after investments of c. Euro 0.3 m and a dividend payment Euro 0.6 m. The strong result was mainly driven by good operating cash flow thanks to increased profitability margins and good management of Net Working Capital which remained stable at Euro 13.8 m (Euro 13.9 m in FY20) despite the increase in volumes. Net Equity stood at Euro 22.9 m (Euro 21.2 m at the end of FY20).

Positive outlook thanks to positive market momentum and improved profitability. Since listing Ilpra has continued to improve revenues and profitability thanks to a well-defined strategy based on internationalization, continuous innovation of product portfolio (two new models launched in 1H) and cost savings to improve production efficiency. This coupled with the positive 1H results and the positive outlook for the market which is expected to grow at a 6-8%, rate should lay good ground for growth over the next months. On the longer horizon, we believe that the Group is well positioned to grow above market rates thanks to its competitive positioning and go-to market strategy. We also stress that, with c. Euro 11 m of cash at hand the Group has the firepower to continue to pursue growth also through M&A activity, which Management stated remains one of the key strategic pillars. Management did not supply any specific guidance for the full year but highlighted that they expect the performance in FY21 to be positive. The recent general increase in raw material prices and shortage of electronic components are issues that are being monitored closely but should, according to Management, not have any significant effect on FY21 financials as the Group's planned purchase procedures and increase in pricelist should mitigate any potential negative effect.

Estimates revision. Given all the above we slightly increased our revenue forecast now assuming Euro 40.4 m in FY21 (Euro 39.5 m previously) whereas we made a more consistent increase in EBITDA margin which we estimate at 21.5% in FY 21 (19% previously). We also added FY23 to our explicit forecast period. Overall, we increased our revenue, EBITDA and EPS forecast by an average 2%, 16% and 25% respectively.

TP increased by +22%. We updated our model to factor in new estimates and market multiples and set a new target price of Euro 6.88 p.s. (Euro 5.62 p.s. previously) providing for an upside of 61% to the current share price and obtained by weighting equally a DCF and a multiple comparison analysis. At our target price the stock would be trading at 10.4x and 9.2x FY21-22 EV/EBITDA respectively.

Sector: Manufacturing

Target Price (Euro)	6.88 (5.62 pr)
Market Price (Euro)	4.28
Market Cap (Euro m)	52
EV (Euro m)	51
<i>as of Sept. 27th, 2021</i>	

Share Data

Market	AIM Italia
Reuters/Bloomberg	ILP:IM/ILP.MI
ISIN	IT0005359101
N. of Shares	12,038,600
Free Float	22.66%
CEO	Maurizio Bertocco

Financials

	2020A	2021E	2022E	2023E
Sales	32.4	38.5	42.4	46.6
YoY %	+1%	+19%	+10%	+10%
Revenues	36.3	40.4	44.3	48.7
YoY %	+6%	+11%	+10%	+10%
EBITDA	6.2	7.9	8.9	10.0
EBITDA %	19%	21%	21%	22%
EBIT	4.2	6.0	7.0	8.2
EBIT %	13%	16%	17%	18%
Net Income	3.2	4.3	5.1	5.9
Net Debt (Cash)	1.9	(1.2)	(3.0)	(5.8)

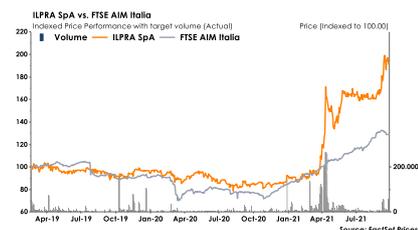
Performance

	1M	3M	6M
Absolute	+15%	+18%	+89%
Relative (FTSE AIM Italia)	+17%	+5%	+43%
52-week High/Low (Eu)	4.50	/	1.78

IR TOP RESEARCH

Luisa Primi – l.primi@irtop.com
 T +39 02 89056957

This Note is issued by arrangement with MIT SIM SpA, the Specialist engaged by the Company.



KEY FINANCIALS

Profit&Loss Statement	2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Sales	16,0	20,4	28,4	32,0	32,4	38,5	42,4	46,6
Revenues (VoP)	17,6	21,4	31,5	34,4	36,3	40,4	44,3	48,7
EBITDA	2,4	3,2	5,5	4,5	6,2	7,9	8,9	10,0
EBIT	1,6	2,1	4,2	2,7	4,2	6,0	7,0	8,2
Financial Income (charges)	(0,5)	(0,4)	(0,4)	(0,3)	(0,2)	0,0	0,0	0,0
Pre-tax profit (loss)	1,0	1,7	3,8	2,4	4,0	6,0	7,0	8,2
Taxes	(0,7)	(0,6)	(0,9)	(0,3)	(0,8)	(1,7)	(2,0)	(2,3)
Net profit (loss)	0,4	1,1	2,9	2,1	3,2	4,3	5,1	5,9
Group's Net profit (loss)	0,0	0,0	2,4	1,6	2,7	3,6	4,2	4,8
Balance Sheet								
Fixed assets	9,3	7,1	9,5	11,7	12,1	11,1	10,0	9,0
NWC	8,5	12,0	13,0	14,7	13,9	15,7	18,9	21,7
M/L Funds	(1,8)	(2,0)	(2,5)	(2,6)	(2,9)	(3,2)	(3,4)	(3,7)
Net Capital Employed	16,1	17,2	20,0	23,8	23,1	23,5	25,5	27,1
Net Debt	8,1	8,1	9,5	6,5	1,9	(1,2)	(3,0)	(5,8)
Equity	8,0	9,1	10,5	17,3	21,1	24,7	28,5	32,8
Cash Flow								
Net Income	0,4	1,1	2,9	2,1	3,2	4,3	5,1	5,9
Non Cash Items	1,1	1,1	1,5	1,9	2,2	2,2	2,0	2,0
Change in NWC	2,4	(3,5)	(2,5)	(1,7)	0,8	(1,8)	(3,2)	(2,8)
Cash from Operations	3,9	(1,2)	1,9	2,3	6,2	4,7	3,9	5,1
Capex	(1,1)	(1,1)	(2,2)	(3,9)	(2,3)	(0,8)	(0,8)	(0,8)
Other non current assets	(2,3)	2,3	(0,3)	(0,0)	(0,0)	0,0	0,0	0,0
Operating Free Cashflow	0,5	0,0	(0,6)	(1,6)	3,9	3,9	3,1	4,3
Dividend	0,0	0,0	0,0	0,0	0,7	1,3	1,5	1,8
Change in equity	0,0	0,0	(0,5)	4,7	(0,1)	(2,0)	(2,8)	(3,3)
Change in Net Debt	0,5	0,0	(1,1)	3,0	4,5	3,2	1,8	2,8
Per Share Data								
Price	4,28							
Total shares out (mn)	12,04							
EPS	0,03	0,1	0,2	0,2	0,3	0,4	0,4	0,5
DPS	-	-	-	0,0	(0,1)	(0,1)	(0,1)	(0,1)
FCF	0,0	0,0	(0,1)	0,3	0,4	0,3	0,1	0,2
Pay out ratio	0%	0%	0%	0%	27%	30%	30%	30%
Ratios								
EBITDA margin	15,1%	15,5%	19,5%	14,1%	19,0%	20,5%	21,0%	21,5%
EBIT margin	9,7%	10,4%	14,8%	8,5%	12,9%	15,6%	16,6%	17,5%
Net Debt/Equity (Gearing)	101,4%	88,6%	90,1%	37,3%	9,2%	-4,9%	-10,5%	-17,6%
Net Debt/EBITDA	3,34	2,56	1,71	1,43	0,32	-0,15	-0,34	-0,58
Interest cover EBIT	3,05	4,86	10,31	8,66	20,05	n.s.	n.s.	n.s.
ROCE	13,7%	15,5%	25,7%	12,9%	21,6%	32,6%	35,2%	38,6%
ROE	4,9%	12,3%	27,2%	12,1%	15,1%	17,5%	17,7%	17,9%
Growth Rates								
Sales	-6%	27%	11%	13%	1%	19%	10%	10%
Revenues (VoP)	-2%	21%	16%	9%	6%	11%	10%	10%
EBITDA	46%	30%	5%	-19%	37%	28%	13%	13%
EBIT	89%	36%	4%	-35%	54%	43%	17%	16%
Net Profit	1158%	188%	13%	-27%	52%	35%	17%	16%

Source: Consolidated Group data for FY 2016-2020, IR TOP Research estimates for FY 2021-2022

Revenues breakdown – Euro m

	1H21	%	1H20	%	FY20	%	FY19	%
Italy	8.2	40%	4.8	32%	10.2	31%	11.3	35%
Export	12.1	60%	10.5	68%	22.2	69%	20.7	65%
Total sales	20.3	100%	15.3	100%	32.4	100%	32.0	100%

Source: IR Top elaboration on Group data

Key Financials – Euro m

Income Statement	1H21A	1H20A	1H19A	20A	19A
Sales	20.3	15.3	15.3	32.4	32.0
	yoy	32,5%	0,0%	13,8%	12,8%
Revenues	21.8	17.5	16.4	36.3	34.4
EBITDA	4.4	2.6	1.5	6.2	4.5
	margin	21,6%	17,2%	19,0%	14,1%
EBIT	3.4	1.7	0.7	4.2	2.7
Pre-tax Profit	3.3	1.6	0.6	4.0	2.4
Net Profit	2.6	1.3	0.4	3.2	2.1
Group's Net Profit	2.1	1.1	0.2	2.7	1.6

Balance Sheet	1H21A	1H20A	1H19A	20A	19A
Net Working Capital	13.8	17.0	14.7	13.9	14.7
Fixed Net Assets	11.2	11.3	11.7	12.1	11.7
Funds	(3.2)	(2.8)	(2.6)	(2.9)	(2.6)
Net Capital Employed	21.8	25.6	23.8	23.1	23.8
Net Debt (Cash)	(1.0)	7.2	6.5	1.9	6.5
Total Equity	22.9	18.4	17.3	21.2	17.3
Sources	21.8	25.6	23.8	23.1	23.8

Source: Consolidated Group Data

Estimates Revision – Euro m

P&L Euro m	20A	21Old	21E New	22Old	22E New	23E New
Sales	32,4	37,0	38,5	41,1	42,4	46,6
	yoy	1%	14%	19%	10%	10%
Revenues (VoP)	36,3	39,5	40,4	43,5	44,3	48,7
EBITDA	6,2	7,0	7,9	8,2	8,9	10,0
	margin	19%	19%	21%	21%	22%
EBIT	4,2	5,1	6,0	6,3	7,0	8,2
	margin	13%	14%	16%	17%	18%
Pre-tax profit (loss)	4,0	5,0	6,0	6,3	7,0	8,2
Net profit (loss)	3,2	2,9	4,3	3,6	5,1	5,9

Balance Sheet Euro m	20A	21Old	21E New	22Old	22E New	23E New
Fixed assets	12,1	11,0	11,1	9,9	10,0	9,0
NWC	13,9	16,9	15,7	18,5	18,9	21,7
M/L Funds	(2,9)	(3,2)	(3,2)	(3,4)	(3,4)	(3,7)
Net Capital Employed	23,1	24,7	23,5	25,0	25,5	27,1
Net Debt	1,9	0,7	(1,2)	(2,5)	(3,0)	(5,8)
Equity	21,1	24,0	24,7	27,5	28,5	32,8

IR Top estimates and Group data for FY20

VALUATION

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA 21/22 Industrial (@ 25% discount) and AIM Peers	50%	6.88	82.8
DCF (WACC 6.9% and g 1.0%)	50%	6.89	82.9
Target Price	100%	6.88	82.9

Market Multiples

Companies	Country	Market Cap	Price	Sales 2021E	Sales YoY 21/20	EBITDA % 2021E	EBIT % 2021E	NI % 2021E
Alfa Laval AB	Sweden	13.726,3	32,7	4.025,4	-2%	20%	16%	12%
GEA Group Aktiengesellschaft	Germany	7.066,3	39,2	4.758,0	3%	13%	9%	6%
John Bean Technologies Corporation	US	4.236,0	133,3	1.637,1	15%	15%	11%	8%
Krones AG	Germany	2.769,1	87,7	3.569,4	7%	8%	4%	3%
SPX Flow, Inc.	US	2.692,7	64,7	1.309,6	18%	14%	12%	7%
Average				3.059,9	8%	14%	10%	7%
ILPRA	Italy			38,5	19%	21%	16%	11%

Companies	EV/EBITDA	
	21E	22E
Alfa Laval AB	17,8	15,6
GEA Group Aktiengesellschaft	11,4	10,5
John Bean Technologies Corporation	18,9	14,9
Krones AG	9,1	7,2
SPX Flow, Inc.	15,3	13,4
Average Industrial Peers	14,5	12,3
ILPRA	6,4	5,7
<i>Premium/Discount to Industrial Peers</i>	-56%	-54%
AIM Manufacturing Sector	10,7	7,2
<i>Premium/Discount to AIM Sector Peers</i>	-40%	-21%

FactSet and PMI Capital data as of September 27th, 2021, Group data and IR TOP Research estimates for Ilpra

INDUSTRY COMPARISON
Ilpra Spa (ILP-IT): IR Top estimates and Factset Data

AIM Sector: average data for listed on AIM Italia included in the Manufacturing sub sector: Askoll EVA (EVA-IT), Clabo (CLA-IT), Comer Industries (COM-IT), Costamp Group (MOLD-IT), Energica Motor Company (EMC-IT), Euro Cosmetic (EC-IT), Fervi (FVI-IT), Franchi Umberto Marmi (FUM-IT), Gel (GEL-IT), Gibus (GIBUS-IT), Grifal (GRAL-IT), Industrie Chimiche Forestali (ICF-IT), Illa (ILLA-IT), Marzocchi Pompe (MARP-IT), Officina Stellare (OS-IT), Radici Pietro Industries&Brands (RAD-IT), Rosetti Marino (YRM-IT), Sciuker Frames (SCK-IT), SITI B&T Group (SITI-IT), Tenax International (TNX-IT), Vimi Fasteners (Vimi Fasteners)

Industry Peers: average data for a selected group industrial peers: Alfa Laval AB (ALFA-SE), GEA Group Aktiengesellschaft (GIA-DE), John Bean Technologies Corporation (JBT-US), Krones AG (KRN-DE) and SPX Flow, Inc. (FLOW-US).

AIM Italia: average financial and market data for all the companies listed on AIM Italia, reported price performance data are related to the FTSE Italia Index

	ILP-IT	Manufacturing		XS0072
	ILPRA	AIM Sector	Peers Avg	FTSE AIM Italia
Key financials Euro m				
Revenues	36,3	60,7	2.918,7	39,2
EBITDA	6,2	3,6	362,6	5,4
EBITDA %	19,0%	5,9%	12,4%	13,7%
EBIT	4,2	1,5	222,0	1,9
EBIT %	12,9%	2,4%	7,6%	4,9%
Earnings	3,2	-0,1	99,9	1,0
Earnings %	9,9%	-0,2%	3,4%	2,5%
NFP/EBITDA	0,3	1,3	0,3	0,5
FY18-20 Revenues CAGR	7%	-5%	-3%	9%
FY20-22 Revenues CAGR	17%	21%	6%	22%
Market data				
Market Cap Euro m	51,5	88,9	6.098,1	64,7
EV Euro m	50,5	91,4	4.484,9	65,3
Free Float	23%	27%	80%	33%
ADIT YTD (Eu k)	27.835	190.141	55.228.942	133.651
Market Multiples				
EV/Sales 2021	1,3	1,9	2,1	2,1
EV/Sales 2022	1,1	1,4	2,0	1,6
EV/EBITDA 2021	6,1	10,7	14,5	11,5
EV/EBITDA 2022	5,4	7,2	12,3	8,5
EV/EBIT 2021	7,9	23,4	20,6	22,3
EV/EBIT 2022	6,8	23,2	16,6	15,6
P/E 2021	11,2	26,7	27,8	31,9
P/E 2022	9,5	21,4	22,6	26,7
Earnings Yield	8,9%	3,8%	3,6%	3,1%
Stock Performance				
1D	-0,9%	0,5%	0%	0,0%
1W	-0,5%	0,9%	-1%	-1,6%
1M	15,1%	5,9%	0%	-1,3%
3M	17,6%	9,2%	13%	11,7%
6M	87,7%	28,4%	19%	31,2%
YTD	102,8%	65,3%	83%	42,1%
1Y	125,3%	#N/D	63%	67,4%

 FactSet and PMI Capital data as of September 27th, 2021, Group data and IR TOP Research estimates for Ilpra

ILPRA IN BRIEF

Group Description

ILPRA, listed on AIM Italia since February 15th, 2019, is specialized in the design and production of packaging machines, and is a primary player in the of food, cosmetics and medical packaging markets. With over 16,500 machines sold worldwide, and 238 employees (average number at December 31th, 2020), the Group offers technological solutions manufactured in-house, ensuring high-quality, made in Italy products. The Group distinguishes itself for its **wide product range** (traysealers, fillers & sealers, thermoformers, buckets fillers, traysealers Seal Box) **and innovative technological solutions**. FY 2020 closed with sales of Euro 32.4 m and an EBITDA margin of 19.0%. About 69% of total sales were realized outside Italy.

Innovation

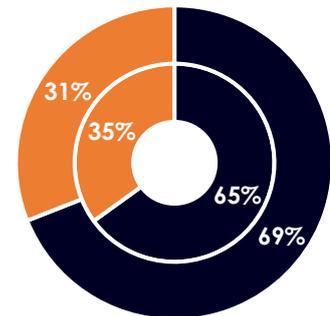
ILPRA is a registered innovative SME with **significant investments in R&D (more than Euro 2.3 m in the last three years) and patent holder of ProGas**, an innovative technology based on an exclusive work cycle that can be applied to ILPRA's packaging machines. The Group has also developed **E-Mec**, a technology based entirely on the electro-mechanical motion of workstations.

Strategy

The growth strategy of the Group for the next years is based on:

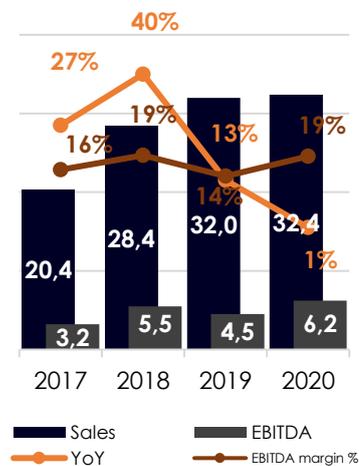
- **Innovation:** continuous investments in training, innovative technological tools and R&D activities
- **Quality:** adapt production facilities to "Industry 4.0" requirements and introduction of Lean Manufacturing logics
- **Internationalization:** opening of new branches abroad. Focus on France, Germany, Eastern Europe, Russia, Australia and USA.
- **M&A:** focus on targets active in the production of highly specialized machines, end-of-line parts and dosing systems.

Sales breakdown by geography



■ Export ■ Italy
Inner circle: FY19 Outer circle: FY20

Sales & EBITDA evolution



Opportunities	Main Risks
<ul style="list-style-type: none"> • Strong expertise: 60+ years of experience in the field, with a strong know how in the development of innovative technologies in the packaging industry • Made in Italy: design and production entirely made in Italy, using innovative 3D software and ERP/MRP systems • Wide range of products and customised solutions: several types of packaging and production lines enable ILPRA to provide customised solutions • International presence and competitive positioning: 69% of FY20 sales realized abroad and a capillary international presence, 	<ul style="list-style-type: none"> • Macroeconomic situation and the evolution of the reference market: industry performance tightly linked to the general economic outlook • Competitiveness risk: highly fragmented reference market (although made up by smaller size local competitors) combined with larger international competitors • High product offering in the market: a large number of smaller players (particularly in Italy) generate a high offer, thus directly impacting on customer loyalty • Exchange rate fluctuation risk: especially related to Euro/Dollar exchange rate

ILPRA ON AIM
IPO

Trading Market: AIM Italia – Borsa Italiana Spa
 Date: February 15th, 2019
 Price: 2.10
 Capital raised: Euro 5.3 m
 Capitalisation: Euro 25.3 m

SHARES (as of September 27th, 2021)

Code: ILP
 Bloomberg: ILP IM
 Reuters: ILP.MI
 ISIN: IT0005359101
 Shares: 12,038,600
 Price: Euro 4.28
 Performance from IPO: +104%
 Capitalisation: Euro 52 m
 Free Float: 22.6%
 NomAd: Integrae Sim SpA
 Auditing firm: BDO Italia SpA

OWNERSHIP

Shareholder	N° of shares	%
HOLDS S.r.l.*	9,258,800	76.90%
Maurizio Bertocco**	52,800	0.44%
Market	2,727,000	22.66%
-of which Free Float	2,396,400	19.91%
-of which other shareholders <5%***	330,600	2.75%
Total	12,038,600	100.00%

Source: Company data as of September 27th, 2021

*Subject to lock-up until February 14th, 2022

**of which 39,600 subject to lock-up until February 14th, 2022

***Subject to lock-up until February 14th, 2022

STOCK PERFORMANCE


DISCLAIMER

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on ILPRA (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on April 13th 2021. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

	Date	Target Price	Market Price	Validity Time
	September 28 th , 2021	6.88	4.28	12 months
	April 13 th , 2020	5.62	3.84	12 months
	September 30 th , 2020	3.40	1.90	12 months
	April 29 th , 2020	3.10	2.12	12 months
	October 31 st , 2019	3.53	2.00	12 months
	April 11 th , 2019	3.30	2.26	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio AIM Italia", managed by IR Top 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 IR Top premises.

RESEARCH TEAM:

Luisa Primi, (Senior Analyst, AIAF Associated)

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.

INTERESTS INVOLVED AND CONFLICTS: This document has been prepared by IR Top, *Partner Equity Markets* of Italian Stock Exchange, part of LSE Group, on behalf of the Company according to a contract, under which IR Top undertook to prepare this report expressing only independent, fair and balanced views on the Company. The fees agreed for this Research do not depend on the results of the Research.

This Research has been disclosed to the issuer to which the Research, directly or indirectly, relates before its release. It is incumbent on the Company to provide timely and constructive feedback on draft Research prior to publication. It is IR Top's sole discretion as to whether comment and feedback from the Company is incorporated into the Research prior to publication and where it is, a further iteration to the draft will be sent to the Company for comment.

IR Top is also engaged in investor relations services in the interest of the Company and might occasionally be involved in other consulting activities intended to increase the value of the Company. In any case, Chinese Walls and other information barriers are in place to avoid the exchange of confidential information between the Equity Research Department and other services areas; employees and advisors involved in such services have restrictions preventing them from the access to confidential information that cannot be published.

IR Top restricts research analysts from performing roles, which could prejudice the independence of their research. In particular:

- they are permitted to attend and speak at widely attended conferences or other widely attended events at which IR Top colleagues and clients, among others, may also be present, provided that their independence may not be affected. These widely-attended conferences/events may include some investor presentations by clients of investor relations services.
- Analysts are also permitted to attend and speak at conference calls or meetings between analysts and bankers, investors or customers in which are discussed Research reports already published or general view on specific sectors. In such cases, at the start of that meeting, bankers, investors or customers need to be clarified that the discussion cannot involve the communication of privileged information to the analyst as the analyst would be prohibited from producing new research report on the companies whose privileged information has been disclosed.

Members of the Research Team do not receive salaries, commissions, bonuses or any other form of compensation based upon specific investment banking transactions or securities' performances.

IR Top and the members of the Research Team do not have any further interest or conflict of interest directly or indirectly related with the Research, the Company or the securities, that may reasonably be expected to impair the objectivity of the Research.

There are no other interests or conflicts of interest of any person belonging to the same group of IR Top that are: (a) known, or reasonably expected to be known, to the persons involved in the production of the recommendation; or (b) known to persons who, although not involved in the production of the recommendation, have or could reasonably be expected to have, access to the recommendation prior to its completion.

In any case, as a general Policy, nobody of the Research Team nor IR Top is allowed to have a financial interest in the securities of the client company or serve as an officer, director or advisory board member of the client company.

Analysts must not undertake personal transactions on financial instruments that are object of the investment research or that relate to the same industry. Exceptions may be made with the prior approval of IR Top's CEO in special circumstances such as for disposal of (a) positions already held before the employment or before the implementation of the company policy, or when initiating coverage and (b) positions obtained as a result of the issuer extraordinary activities. By the way, when analysts hold instruments to which Equity Research relates, they are required to disclose their interests in Research reports. Any trades that analysts make must be in line with their recommendation(s), contained in the last published Research. An analyst is prohibited from producing a Research on an issuer if the analyst carries out activities for which he receives compensation from the issuer. If an analyst's household member / relative / relative in-law (within the second degree) serves in such a high capacity for the issuer (i.e. manager or director), the analyst has to inform IR Top's CEO and the analyst will cease covering the issuer.

POLICY: IR Top has in place a "Joint conflict management policy" in order to effectively manage any conflicts of interest, and an "Equity Research Policy", in order to rule research services in compliance with Parliament Regulation (EU) no.596/2014 and Commission Delegated Regulation (EU) no. 958/2016 on Market Abuse.

IR Top has adopted the "Joint conflict management policy" in accordance with best practice regarding "information barriers" to restrict the flow of information to prevent the misuse of information and/or prevent any conflicts of interest arising from other activities of IR Top. A copy of these policies is available to the recipient of this Research upon making a request to IR Top by e-mail.

DISCLAIMER: This report has been prepared solely for information purpose and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. IR Top does not accept any liability for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of IR Top. Opinions and estimates in this Research are as at the date of release and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this Research may not be suitable for all investors. In any case, you should consult your investment advisor.

This document is intended for distribution only to E.U. "qualified investors" and to "qualified counterparties" resident in Italy, within the meaning of article 2(1)(e) of the prospectus directive (directive 2003/71/EC) and Consob Reg. 16190, as subsequently amended and supplemented; its distribution in USA, Canada, Australia, Japan is not allowed.

In Italy, this document is being distributed only to, and is directed at qualified investors within the meaning of article 100 of legislative decree no. 58 of 24 February 1998, as amended, and article 34-ter, paragraph 1, letter b), of Consob regulation on issuers no. 11971 of May 14, 1999, provided that such qualified investors will act in their capacity and not as depositaries or nominees for other shareholders, such as persons authorized and regulated to operate in financial markets, both Italian and foreign.

DISTRIBUTION: In the United Kingdom, this document is not for distribution to persons that would be defined as private customers under rules of the FSA; it is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the financial promotion order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FINANCIAL SERVICES AND MARKETS ACT 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

This document is not addressed to any member of the general public and under no circumstances should this document circulate among, or be distributed to (i) a member of the general public, (ii) individuals or entities falling outside the definition of "qualified investors" as specified above or (iii) distribution channels through which information is or is likely to become available to a large number of persons.

IR TOP CONSULTING SPECIFIC DISCLOSURES: We disclose that IR Top acts as Investor Relations and Financial Communication advisor for the Company.