

NOTORIOUS PICTURES

Sector: Media

OUTPERFORM

Price: Eu0.73 - Target: Eu1.00

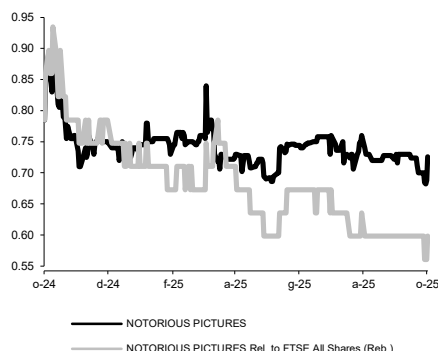
Strong Pipeline for 2026, Awaiting Clarity on Tax Credits

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	n.m.	24.6%	

Next Event FY25 Results
Results Out March 2026

NOTORIOUS PICTURES - 12M Performance



Stock Data			
Reuters code:	NPI.MI		
Bloomberg code:	NPI IM		
Performance	1M	3M	12M
Absolute	-0.5%	-4.5%	-7.5%
Relative	-0.8%	-9.1%	-30.0%
12M (H/L)	0.91/0.68		
3M Average Volume (th):	4.18		

Shareholder Data	
No. of Ord shares (mn):	22
Total no. of shares (mn):	22
Mkt Cap Ord (Eu mn):	16
Total Mkt Cap (Eu mn):	16
Mkt Float - Ord (Eu mn):	3
Mkt Float (in %):	20.0%
Main Shareholder:	
Marchetti Guglielmo	77.3%

Balance Sheet Data	
Book Value (Eu mn):	32
BVPS (Eu):	1.43
P/BV:	0.5
Net Financial Position (Eu mn):	-47
Enterprise Value (Eu mn):	64

- **Improving half-yearly figures despite delays in the application of tax credit law:** 1H25 group revenues, released on 26 September, came to Eu17.6mn, up 5% YoY thanks to excellent trends in the cinema business (Eu7.5mn, +31% YoY) and growth of production (Eu5.1mn, +363% thanks to the success of 2 films), more than offsetting the decline in distribution (Eu3.6mn, -49% YoY, due to fewer films distributed). At the same time, other revenues and proceeds, including public subsidies, suffered a further significant contraction due to delays in the application of the tax credit law: subsidies have fallen from Eu5.8mn in 1H23, to Eu2.5mn in 1H24 and just Eu0.5mn in 1H25, while costs have largely remained steady. This makes it particularly welcome that EBITDA, at Eu6.5mn, rose by Eu0.8mn (+14% YoY), although EBIT, despite improving YoY, closed Eu1.1mn in the red. Debt, excluding IFRS16, was Eu14.1mn as at end-June, down slightly from YE24, while IFRS16 liabilities related to rights of use mainly in cinemas were up Eu6mn to Eu31.2mn essentially due to lease contracts for new cinemas.
- **Uncertainty over tax credit law.** 1H25 results once again confirmed the quality of the group's diversification strategy and excellent operating cost control in a tricky market phase. Notorious is adapting its strategy - particularly investments in new film productions and distribution agreements - to the current uncertain situation over the tax credit law, due to the Ministry of Culture's failure to timely approve several tax credits needed to meet the commitments made. This situation is penalising all sector operators and hampering the launch of new projects, therefore creating considerable uncertainty that we hope will be resolved starting from 2H25.
- **Change in estimates:** Notorious is expected to advance its film production and distribution activities, strengthen revenues through new cinema releases and Pay/OTT resale agreements, and continue expanding its cinema management business. While we are trimming 2025 forecasts slightly due to fewer new productions, we are upgrading 2026 projections thanks to a stronger project pipeline. These estimates crucially depend on the gradual normalisation of the recognition of tax credits, a key factor for both the company's outlook and the sustainability of the Italian film industry.
- **OUTPERFORM; target Eu1.0 confirmed:** the Italian film industry has gone through a deep crisis, driven on the one hand by reduced content spending budgets at pay-TV operators and OTT platforms, and on the other by growing delays and uncertainty in the government's recognition of tax credits. In this context, we believe Notorious has shown solid resilience thanks to the diversification of its activities across various market segments and its prudent management approach. Looking ahead to 2026, we expect market conditions to improve, and the group appears well positioned to capture this recovery thanks to a particularly strong pipeline of films in production and distribution. While for the time being we are not changing our target, we see significant upside as soon as visibility on our 2026-27 forecasts increases.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	34	95	36	66	62
EBITDA Adj (Eu mn)	13	20	15	32	29
Net Profit Adj (Eu mn)	2	3	-1	4	5
EPS New Adj (Eu)	0.091	0.147	-0.060	0.161	0.219
EPS Old Adj (Eu)	0.091	0.077	0.112	0.130	
DPS (Eu)	0.000	0.000	0.000	0.040	0.050
EV/EBITDA Adj	5.5	3.0	4.3	1.9	1.9
EV/EBIT Adj	nm	11.5	nm	8.4	6.3
P/E Adj	7.9	4.9	nm	4.5	3.3
Div. Yield	0.0%	0.0%	0.0%	5.5%	6.9%
Net Debt/EBITDA Adj	2.9	1.9	3.2	1.4	1.4

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NOTORIOUS PICTURES – Key Figures

Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	36	34	95	36	66	62
EBITDA	18	13	20	15	32	29
EBIT	6	2	5	1	7	9
Financial Income (charges)	-0	-1	-3	-3	-3	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	5	1	2	-2	5	6
Taxes	-1	1	1	0	-1	-1
Tax rate	17.5%	-195.4%	-35.7%	20.0%	20.0%	20.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	4	2	3	-1	4	5
EBITDA Adj	18	13	20	15	32	29
EBIT Adj	6	2	5	1	7	9
Net Profit Adj	4	2	3	-1	4	5
Per Share Data (Eu)	2022A	2023A	2024A	2025E	2026E	2027E
Total Shares Outstanding (mn) - Average	22	22	22	22	22	22
Total Shares Outstanding (mn) - Year End	23	23	23	23	23	23
EPS f.d	0.194	0.091	0.147	-0.060	0.161	0.219
EPS Adj f.d	0.194	0.091	0.147	-0.060	0.161	0.219
BVPS f.d	1.366	1.347	1.493	1.434	1.595	1.774
Dividend per Share ORD	0.115	0.000	0.000	0.000	0.040	0.050
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	59.2%	0.0%	0.0%	0.0%	24.8%	22.9%
Cash Flow (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Gross Cash Flow	16	13	18	12	28	25
Change in NWC	-3	10	39	-4	-9	-3
Capital Expenditure	-14	-28	-58	-7	-12	-11
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-3	-6	-2	-1	5	8
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-2	-3	0	0	0	-1
Equity Financing/Buy-back	0	-1	0	0	0	0
Change in Net Financial Position	-4	-16	-2	-9	3	5
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Fixed Assets	36	62	106	111	102	97
Net Working Capital	16	6	-33	-29	-20	-17
Long term Liabilities	-1	-1	-1	-1	-1	-1
Net Capital Employed	52	67	72	81	81	80
Net Cash (Debt)	-21	-37	-39	-47	-44	-39
Group Equity	31	30	34	32	36	40
Minorities	0	0	0	0	0	0
Net Equity	31	30	34	32	36	40
Enterprise Value (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Average Mkt Cap	34	32	21	16	16	16
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-21	-37	-39	-47	-44	-39
Enterprise Value	55	69	60	64	61	56
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA Adj Margin	49.5%	37.5%	21.4%	41.1%	48.6%	46.1%
EBIT Adj Margin	15.8%	4.5%	5.5%	2.8%	11.0%	14.2%
Gearing - Debt/Equity	67.9%	122.6%	115.4%	147.1%	124.0%	98.8%
Interest Cover on EBIT	17.2	1.8	1.9	0.4	2.7	3.3
Net Debt/EBITDA Adj	1.2	2.9	1.9	3.2	1.4	1.4
ROACE*	11.7%	2.6%	7.5%	1.3%	8.9%	11.0%
ROE*	14.8%	6.7%	10.3%	-4.1%	10.7%	13.0%
EV/CE	1.1	1.2	0.9	0.8	0.8	0.7
EV/Sales	1.5	2.1	0.6	1.8	0.9	0.9
EV/EBITDA Adj	3.1	5.5	3.0	4.3	1.9	1.9
EV/EBIT Adj	9.8	nm	11.5	nm	8.4	6.3
Free Cash Flow Yield	-16.0%	-35.5%	-12.6%	-4.2%	30.4%	48.9%
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	35.6%	-5.8%	182.6%	-62.0%	82.9%	-5.5%
EBITDA Adj	69.8%	-28.5%	61.4%	-27.2%	116.2%	-10.3%
EBIT Adj	66.1%	-72.9%	244.4%	-80.5%	609.3%	22.2%
Net Profit Adj	22.8%	-52.9%	60.5%	nm	nm	35.5%
EPS Adj	22.8%	-52.9%	60.5%	nm	nm	35.5%
DPS	40.2%	nm			nm	25.0%

*Excluding extraordinary items

Source: Intermonte SIM estimates

1H25 Results

1H25 group revenues rose 5% YoY to Eu17.6mn, and EBITDA was up Eu0.8mn to Eu6.5mn (+14% YoY), but EBIT, despite improving YoY, closed Eu1.1mn in the red. Debt, excluding IFRS16, was Eu14.1mn as at end-June, down slightly from YE24, while IFRS16 liabilities related to rights of use, mainly in cinemas, were up Eu6mn to Eu31.2mn.

Notorious Pictures – 1H25 Results

Revenues	1H24A	1H25A	YoY
Total distribution revenues	7.2	3.6	(49.2%)
Total Notorious Cinemas	5.7	7.5	31.4%
Total production revenues	1.1	5.1	363.5%
Other revenues	2.9	1.4	
Total Revenues	16.8	17.6	4.4%
(Eu mn)	1H24A	1H25A	YoY
Value of production	16.8	17.6	4.7%
EBITDA	5.7	6.5	13.7%
margin %	33.9%	36.8%	
D&A	(7.3)	(7.5)	
EBIT	(1.6)	(1.1)	(31.5%)
margin %	(9.3%)	(6.1%)	
Net fin. income/(expense)	(1.3)	(1.4)	
Pretax Profit	(2.9)	(2.5)	(12.9%)
margin %	(17.2%)	(14.3%)	
Taxes	1.3	0.1	
Net profit	(1.5)	(2.4)	57.5%
margin %	(9.2%)	(13.9%)	
Net Debt excl. IFRS 16	(19.3)	(14.1)	

Source: Company data and Intermonte SIM estimates

Film Distribution Business

During 1H25 the Group released 5 films in cinemas (8 in 1H24), generating Box Office revenues of approximately Eu1.7mn, with a total of 244,000 admissions (293,000 in 1H24). Cinema revenues recognised by the Group, representing the share attributable to Notorious as distributor, came to Eu0.8mn in 1H25 (Eu1.1mn in 1H24). Revenues from subsequent exploitation windows (OTT, Free-to-Air) and library sales totalled Eu2.85mn in 1H25, a decline of over 50% from Eu6.1mn in 1H24.

Film Production Business

Revenues from film production rose 363.5%, from Eu1.1mn in 1H24 to Eu5.1mn in 1H25. The main contributor to this result was *Esprimi un desiderio* (remake of the French film *Maison de Retraite*, starring Max Angioni and Diego Abatantuono, released in cinemas on 25 September 2025), which alone contributed around Eu3.0mn.

Notorious Cinemas

The Italian film market in 1H25 recorded 34.1mn admissions (33.4mn in 1H24), up 2.1% YoY. The Notorious Cinemas circuit, which since 27 June 2025 includes 8 multiplexes and 66 screens following the opening of the new Curno site (near Bergamo), recorded approximately 0.75mn admissions in 1H25 (0.56mn in 1H24), up 34.0% YoY. This increase is mainly attributable to the new multiplexes in Ferrara and Sinalunga (opened in September 2024), but also to the strong performance of the Milan Merlata cinema. In 1H25 Notorious Cinemas achieved a market share of 2.2% (vs. 1.7% in 1H24).

Tax Credits and Other Revenues

Other revenues and income, largely consisting of public subsidies, decreased significantly in 1H25. The drop was mainly due to delays in the competent authorities approving and implementing new regulations, particularly the tax credit law. These delays have had a material impact on the Group's margins and on the financial resources required to meet commitments and fund development activities.

Other revenues and income, including public subsidies, have come down from Eu5.8mn in 1H23 to Eu2.5mn in 1H24 and just Eu0.5mn in 1H25, while costs have remained broadly stable.

Project Pipeline and Outlook

Notorious has important and credible projects to consolidate its activities across its three business areas - production, distribution and exhibition. **However, as for all operators in the sector, the Ministry of Culture's failure to recognise several functional tax credits raises concerns about the Group's ability to fully implement these plans and pursue its growth strategy.** The Group has reported these critical issues to the Directorate General for Cinema and Audiovisual.

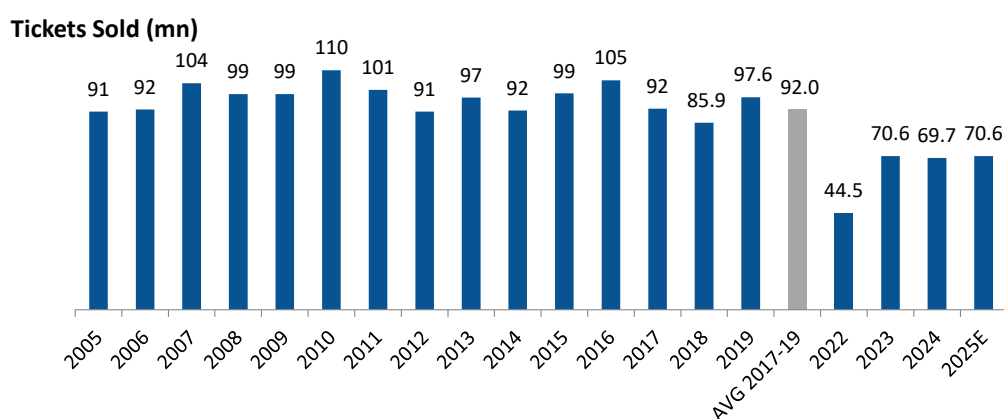
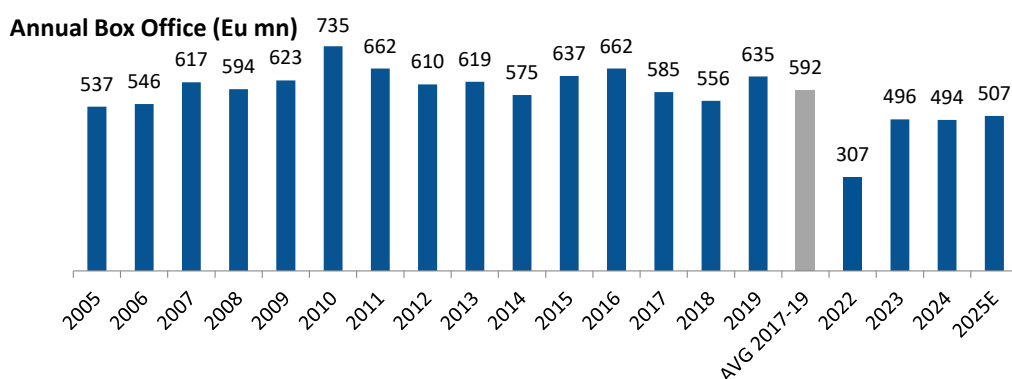
With regard to film production, in 1H25 the Group completed *Il Nibbio* (co-produced with RAI Cinema and in partnership with Netflix) and *Esprimi un desiderio* (in partnership with Columbia Pictures Industries Inc.). While maintaining a cautious approach - whereby film projects are initiated only when fully covered by third-party financing - the Group has a significant pipeline for 2026. It is currently developing a new film project likely to have strong domestic appeal, an international co-production and a smaller Italian project which is expected to have a meaningful ethical impact.

In international executive production, the Group remains active in securing new contracts from foreign producers, with contributions expected in 2026 and 2027, but not this year.

Regarding film distribution, Notorious actively participated in the main international markets and festivals. However, due to the uncertainty arising from the significant slowdown in acquisitions by operators for streaming and free-to-air broadcasting, the Group did not complete new acquisitions of titles for first cinematic release during the reporting period. The company nevertheless reported that at the recent Cannes market it finalised the acquisition of the new episode of the globally successful *Hunger Games* franchise - a high-profile title expected to have a material impact on the Group's P&L in 2026. The Group continues to monitor the market and notes signs of improvement. Distribution activities will in any case benefit from rights to Notorious-produced films, particularly *Maserati: the Brothers*, *Bunny Man* and *Bugatti*.

As for the cinema exhibition business, the outlook remains promising: the Italian market is expected to grow by between 1.5% and 2.0%. At present the Notorious Cinemas circuit comprises 8 multiplexes, 66 screens and a 2.20% share of the national audience market. The Group will continue its expansion plan with the aim of achieving a 5% national market share.

Notorious Pictures – Italian Film Market



Source: Anica and Intermonte SIM estimates

Updated Estimate Model

In light of this outlook, we expect Notorious, in terms of production, to launch major film projects in the coming months. For these films, Notorious will handle cinema distribution, and there are already expressions of interest for free TV and pay-TV exploitation. Furthermore, Notorious intends to continue its international executive production business - an activity that, despite very limited risks, ensures guaranteed remuneration, although the timing of payments depends on the maturation of tax credits from the Italian State. Maintaining a prudent approach, our estimates do not assume the launch of any projects for TV series.

Regarding the distribution business, our forecasts indicate a significant improvement, primarily driven by the release of the new Hunger Games instalment and Maserati: The Brothers, as well as the full-scale exploitation of films produced internally. At the same time, we are confident that Notorious will secure new agreements to capitalise on its extensive film rights library. Compared with one year ago, we have become more optimistic in our projections for revenues from the Pay/OTT channel.

Finally, in the cinema management segment, following the opening of the Milan Cascina Merlata multiplex at the end of 2023, the company opened new multiplexes in Ferrara and Sinalunga (Siena province) in September 2024, and in Curno (near Bergamo) in June 2025. These multiplexes have been fully renovated in line with the Notorious Cinemas "The Experience" format, which continues to deliver solid profitability thanks to an occupancy rate and Food&Beverage sales above the market average. The Notorious Cinemas circuit now comprises eight multiplexes, 66 screens, and an estimated market share of approximately 2.5%. Notorious plans to continue expanding the circuit with the goal of reaching a 5% national market share in the coming years. In our projections, we currently assume only the organic development of existing multiplexes; therefore, as soon as Notorious announces a new opening, we will revise our forecasts accordingly.

Overall, we are trimming our 2025 forecasts (revenues down by 4.3%), mainly reflecting a lower contribution from film production, as no new projects are expected in the second half of 2025. At the same time, we are raising our 2026 forecasts (revenues up by 56%), supported by a more visible and robust pipeline of high-quality film projects. Once again, our estimates assume a gradual normalisation in the recognition of tax credits - an essential condition not only for our projections but also for the sustainability of the entire Italian film industry. In this respect, the government recently drafted the Budget Law, which is currently being examined by the Senate. Regarding the planned funding for the Cinema and Audiovisual Fund, the overall bonuses paid are expected to be reduced by €150 million in 2026 compared to 2025 and by €200 million in 2027. These cuts are smaller (€40 million and €60 million for 2026 and 2027, respectively) than initially envisaged in an initial draft of the law and are still subject to review as strongly requested by the film industry, but they are still significant cuts that may influence future revenue prospects for the company and the entire industry.

Notorious Pictures – Revenue estimates

	NEW			OLD			% Change	
	2024A	2025E	2026E	2024E	2025E	2026E	2025E	2026E
Distribution Business	12.5	6.9	33.6	12.5	7.2	7.4	-3.9%	356.5%
Theatrical Management Business	16.3	19.0	21.7	16.3	20.4	24.8	-6.8%	-12.4%
Production Business	10.0	5.1	6.6	10.0	8.0	8.0	-36.7%	-17.5%
Other Revenues	2.0	5.0	4.0	2.0	2.0	2.0	150.0%	100.0%
Total Revenues	40.8	36.0	65.9	40.8	37.6	42.1	-4.3%	56.3%

Source: Intermonte SIM

Notorious Pictures – Change in estimates

		NEW			OLD			% Change	% Change	% Change
		2024A	2025E	2026E	2024E	2025E	2026E			
Total Revenues		94.8	36.0	65.9	40.8	37.6	42.1		-4.3%	56.3%
	YoY %	183%	(62%)	83%	22%	(8%)	12%			
TOTAL EBITDA		20.3	14.8	32.0	19.0	17.3	17.5		-14.4%	82.5%
	YoY %	61%	(27%)	116%	51%	(9%)	1%			
	margin %	21.4%	41.1%	48.6%	46.7%	45.9%	41.6%			
D&A		(15.1)	(13.8)	(24.8)	(15.2)	(12.5)	(12.3)			
EBIT		5.2	1.0	7.2	3.9	4.8	5.2		-78.7%	38.2%
	YoY %	244%	(81%)	609%	154%	24%	9%			
	margin %	5.5%	2.8%	11.0%	9.5%	12.7%	12.4%			
Net financial income/expense		(2.806)	(2.700)	(2.700)	(2.000)	(2.000)	(2.000)			
		(2.96%)	(7.50%)	(4.10%)	(4.91%)	(5.32%)	(4.75%)			
Pretax Profit		2.4	(1.7)	4.5	1.9	2.8	3.2		-160.2%	40.2%
	YoY %	249%	(169%)	(370%)	168%	50%	16%			
	margin %	2.6%	(4.7%)	6.9%	4.6%	7.4%	7.7%			
Taxes		0.868	0.336	(0.907)	(0.130)	(0.279)	(0.324)			
Tax Rate		(7.0%)	(20.0%)	(20.0%)	(7.0%)	(10.0%)	(10.0%)			
Net profit		3.3	(1.3)	3.6	1.7	2.5	2.9		-153.5%	24.6%
	YoY %	61%	(141%)	(370%)	(16%)	45%	16%			
	margin %	3.5%	(3.7%)	5.5%	4.3%	6.7%	6.9%			
minorities		0	0	0	0	0	0			
Group net profit		3.299	(1.344)	3.629	1.733	2.513	2.913			

Source: Intermonte SIM

Cash Flow

Notorious – Cash Flow Statement

(Eu mn)	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Net income	5.2	(2.1)	3.6	4.4	2.1	3.3	(1.3)	3.6	4.9
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization & Depr.	8.8	8.0	7.0	12.0	11.1	15.1	13.8	24.8	19.9
Rights of use		(0.2)	(1.1)	(1.5)	(1.4)	(1.6)	(2.0)	(2.3)	(2.3)
Gross cash flow	14.0	5.7	9.4	14.9	11.8	16.8	10.4	26.1	22.4
Change in working capital	(5.7)	2.0	(0.3)	(3.0)	10.4	39.2	(3.9)	(9.3)	(3.2)
Other funds and provisions	(1.1)	(0.4)	(0.9)	(0.3)	(0.1)	(0.2)	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	7.2	7.2	8.2	11.6	22.0	55.8	6.5	16.8	19.2
Capex	(10.9)	(4.2)	(12.5)	(14.2)	(27.8)	(57.8)	(7.2)	(11.9)	(11.2)
% on sales	25%	31%	47%	40%	83%	61%	20%	18%	18%
FCF (Eu mn)	(3.7)	3.0	(4.3)	(2.6)	(5.8)	(2.1)	(0.7)	5.0	8.0
FCF/EBITDA	-23.8%	60.5%	-41.1%	-14.8%	-46.1%	-10.1%	-4.6%	15.5%	27.8%
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	(1.8)	0.0	0.0	(1.8)	(2.6)	0.0	0.0	0.0	(0.9)
Right Issue / Buyback	0.0	0.0	0.0	0.0	(0.9)	0.0	0.0	0.0	0.0
Other / Change in Rights of Use	(12.2)	(1.7)	0.5	0.2	(7.0)	0.4	(8.0)	(2.0)	(2.0)
Cash Flow	(17.7)	1.4	(3.7)	(4.2)	(16.3)	(1.6)	(8.7)	3.0	5.1
NFP at bgn year Cash/(Debt)	3.4	(14.3)	(12.9)	(16.6)	(20.9)	(37.1)	(38.7)	(47.4)	(44.5)
Cash Flow: Cash/(Debt)	(17.7)	1.4	(3.7)	(4.2)	(16.3)	(1.6)	(8.7)	3.0	5.1
NFP at year end: Cash/(Debt)	(14.3)	(12.9)	(16.6)	(20.9)	(37.1)	(38.7)	(47.4)	(44.5)	(39.4)
of which: Rights of Use liabilities (IFRS16)	(10.7)	(12.3)	(13.2)	(12.8)	(21.4)	(24.4)	(30.4)	(30.1)	(29.7)
Net Cash (Debt) at YE excl. IFRS 16	(3.6)	(0.6)	(3.4)	(8.1)	(15.7)	(14.4)	(17.0)	(14.4)	(9.6)

Source: Intermonte SIM estimates

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	NOTORIOUS PICTURES		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	1.00	Previous Target (Eu):	1.00
Current Price (Eu):	0.73	Previous Price (Eu):	0.75
Date of report:	27/10/2025	Date of last report:	16/12/2024

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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 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 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

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As at 27 October 2025 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	37.40%
NEUTRAL:	29.78%
UNDERPERFORM:	00.76%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	51.32%
OUTPERFORM:	30.26%
NEUTRAL:	17.10%
UNDERPERFORM:	01.32%
SELL:	00.00%

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