NOTORIOUS PICTURES

OUTPERFORM (unchanged)

Target: €1.20 (from €1.00)

Sector: Media

Promising Outlook on 2H26, More Visible Market Dynamics

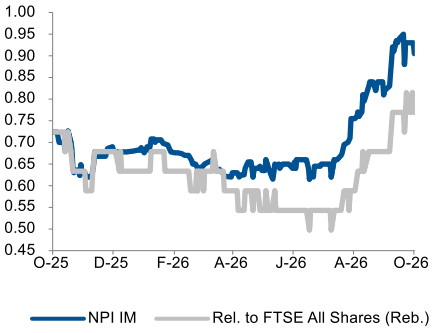
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Change (%)	2026E	2027E	2028E
Eps Adj.	-42.7%	-45.6%	

Key Data	October 09, 2026
Price (€)	0.91
Upside/(Downside)	32.6%
Sector	Media
Reuters Code	NPI.MI
Bloomberg Code	NPI IM

Performance (%)	1M	3M	12M
Absolute	10.4%	39.2%	25.0%
Relative	14.9%	46.5%	8.7%
12M (H/L)			0.95/0.62
3M Average Volume (th):			7.60



Shareholder data	
Total no. of Shares (mn):	22
Mkt Cap (€ mn):	20
Mkt Float (€ mn):	4
Mkt Float (in %):	18.6%
Main Shareholder:	
Marchetti Guglielmo	78.7%

Balance Sheet Data	
Book Value (€ mn)	32
BVPS (€)	1.44
P/BV	0.6
Net Financial Position (€ mn)	-42
Enterprise Value (€ mn)	62

In 2023-25, uncertainty over the film tax credit grew and Pay-TV operators reduced their investments, just as the group had increased its exposure to new film and TV series productions. To address this, from 2025 management adopted a more prudent approach, starting new productions or acquiring distribution rights only once financial coverage is secured. In 2026, the market has shown clear signs of recovery: Italian box office could hit a record this year with more than 80mn admissions, and Pay-TV operators are showing renewed interest in major film projects. At the same time, the government has clarified the regulatory framework with the September 2026 decree: rates are lower, but the rules are now defined. Although in the present report we are lowering our estimates, we believe they are now more visible and come with a better cash profile, as the group's activity is increasingly backed by secured financing. On these grounds, we confirm our OUTPERFORM rating and raise our target price to Eu1.2 (from Eu1.0).

- **1H26 results showed a solid YoY recovery.** Notorious Pictures closed 1H26 with value of production of Eu30.0mn (+70.7% YoY vs. Eu17.6mn in 1H25). EBITDA rose to Eu17.9mn (+177% YoY vs. Eu6.5mn). D&A more than doubled YoY to Eu17.4mn, also reflecting the group's ongoing effort to clean up its balance sheet. EBIT was nonetheless positive at Eu0.5mn (-Eu1.1mn in 1H25). Excluding IFRS 16, net debt at the end of June 2026 was Eu13.2mn (Eu9.6mn in December), with cash absorption of Eu3.6mn mainly due to investment in film production.
- **Lower but more visible tax credit regulation**. The September 2026 MiC-MEF decree amending DM 225/2024 completes a two-year overhaul of the Italian film tax credit. It cuts certain rates (from 40% to 35%, and from 30% to 25% for certain cost types, with 30% retained for works costing less than Eu3.5mn), introduces caps per work and per company, and allocates credits within available budget resources. The unit benefit on production is lower, but the rules are now defined and the production, distribution and theatre application sessions all reopened in September 2026.
- **Management Outlook:** a promising 2H26. Management expects the benefits of the cinema market recovery to be even more evident in 2H26, with Italian box office up 44.3% YoY in 9M26. Key drivers are the November theatrical release of the in-house production *Se domani non torno*, a distribution slate including *Hunger Games: L'alba sulla mietitura* and *Wildwood*, and the opening of the Fiume Veneto multiplex (9 screens) on 15 October. The chain currently has 8 multiplexes, 66 screens and a 2.58% market share, with a 5% target.
- **Change in estimates.** We cut our 2026 EBIT estimate to Eu5.4mn (from Eu7.2mn): we still expect a very strong 2H26, supported by the releases of *The Hunger Games* and *Se domani non torno*, but we assume year-end write-downs of old production projects unlikely to generate future revenues. For 2027, we forecast EBIT growing YoY to Eu6.1mn on prudent assumptions: box office normalising at around 70mn admissions, well below the more than 80mn expected in the 2026 record year, and no blockbuster comparable to *The Hunger Games*. We expect the success of *Se domani non torno* to act as an important calling card for Notorious, helping the group secure financing for new film productions, a necessary condition for starting them. Around one new multiplex per year and renewed interest from Pay-TV operators provide further support.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (€ mn)	95	36	60	57	60
EBITDA Adj (€ mn)	20	13	30	27	29
Net Profit Adj (€ mn)	3	-3	2	3	3
EPS New Adj (€)	0.147	-0.145	0.092	0.119	0.123
EPS Old Adj (€)	0.147	-0.060	0.161	0.219	
DPS (€)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	3.0	4.2	2.1	2.2	2.1
EV/EBIT Adj	11.5	nm	11.5	9.9	9.6
P/E Adj	6.4	nm	9.8	7.6	7.4
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	1.9	3.0	1.4	1.5	1.4

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Intermonte

NOTORIOUS PICTURES - Key Figures						
Profit & Loss (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	34	95	36	60	57	60
EBITDA	13	20	13	30	27	29
EBIT	2	5	-1	5	6	6
Financial Income (charges)	-1	-3	-3	-3	-3	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	1	2	-4	3	3	3
Taxes	1	1	0	-1	-1	-1
Tax rate	-195.4%	-35.7%	11.7%	20.0%	20.0%	20.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	2	3	-3	2	3	3
EBITDA Adj	13	20	13	30	27	29
EBIT Adj	2	5	-1	5	6	6
Net Profit Adj	2	3	-3	2	3	3
Per Share Data (€)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
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	0.091	0.147	-0.145	0.092	0.119	0.123
EPS Adj f.d	0.091	0.147	-0.145	0.092	0.119	0.123
BVPS f.d	1.347	1.493	1.349	1.441	1.560	1.683
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Gross Cash Flow	13	18	11	27	24	25
Change in NWC	10	39	-2	-10	-5	-6
Capital Expenditure	-28	-58	-6	-11	-9	-10
Other Cash Items	0	3	4	0	0	0
Free Cash Flow (FCF)	-6	1	5	1	4	3
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-3	0	0	0	0	0
Equity Financing/Buy-back	-1	0	0	0	0	0
Change in Net Financial Position	-16	-2	-1	-2	1	0
Balance Sheet (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Fixed Assets	62	106	102	94	87	77
Net Working Capital	6	-33	-31	-21	-16	-10
Long term Liabilities	-1	-1	-1	-1	-1	-1
Net Capital Employed	67	72	70	72	70	66
Net Cash (Debt)	-37	-39	-40	-42	-40	-40
Group Equity	30	34	30	32	35	38
Minorities	0	0	0	0	0	0
Net Equity	30	34	30	32	35	38
Enterprice Value (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Average Mkt Cap	32	21	16	20	20	20
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-37	-39	-40	-42	-40	-40
Enterprise Value	69	60	56	62	60	60
Ratios (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
EBITDA Adj Margin	37.5%	21.4%	36.7%	50.5%	48.0%	47.9%
EBIT Adj Margin	4.5%	5.5%	nm	9.1%	10.7%	10.5%
Gearing - Debt/Equity	122.6%	115.4%	131.5%	128.1%	114.4%	105.1%
Interest Cover on EBIT	1.8	1.9	nm	1.9	2.2	2.2
Net Debt/EBITDA Adj	2.9	1.9	3.0	1.4	1.5	1.4
ROACE*	2.6%	7.5%	-1.4%	7.6%	8.7%	9.2%
ROE*	6.7%	10.3%	-10.2%	6.6%	7.9%	7.6%
EV/CE	1.2	0.9	0.8	0.9	0.9	0.9
EV/Sales	2.1	0.6	1.5	1.0	1.1	1.0
EV/EBITDA Adj	5.5	3.0	4.2	2.1	2.2	2.1
EV/EBIT Adj	nm	11.5	nm	11.5	9.9	9.6
Free Cash Flow Yield	-28.5%	6.7%	23.5%	6.6%	21.6%	16.4%
Growth Rates (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	-5.8%	182.6%	-61.6%	63.9%	-4.1%	4.2%
EBITDA Adj	-28.5%	61.4%	-34.3%	125.3%	-8.7%	3.9%
EBIT Adj	-72.9%	244.4%	nm	nm	13.7%	2.0%
Net Profit Adj	-52.9%	60.5%	nm	nm	28.5%	3.6%
EPS Adj	-52.9%	60.5%	nm	nm	28.5%	3.6%
DPS	nm					

*Excluding extraordinary items Source: Intermonte SIM Estimates

1H26 Results

Notorious Pictures closed 1H26 with value of production of Eu30.0mn (+70.7% YoY vs. Eu17.6mn in 1H25). EBITDA rose to Eu17.9mn (+177% YoY vs. Eu6.5mn), with the margin up to 59.7% from 36.8%, as operating costs increased by only 6.8% to Eu9.1mn and personnel costs rose to Eu3.0mn (Eu2.6mn in 1H25), mainly due to the expansion of the cinema chain. D&A more than doubled to Eu17.4mn (Eu7.6mn), mostly reflecting the amortisation of distribution rights, and absorbed much of the growth. In our view, D&A also reflects the group's ongoing effort to clean up its balance sheet, by amortising titles acquired or produced in previous years whose residual revenue potential appears limited. EBIT was nonetheless positive at Eu0.5mn (-Eu1.1mn in 1H25), net financial charges edged down to Eu1.3mn (Eu1.4mn) and the net result remained negative but improved to -Eu0.8mn (-Eu2.4mn).

Notorious Pictures – 1H26 Results

Revenues	1H25A	1H26A	YoY
Total distribution revenues	**3.6**	**16.8**	**362.5%**
Total Notorious Cinemas	**7.5**	**10.6**	**41.7%**
Total production revenues	**5.1**	**0.2**	**(96.3%)**
Other revenues	1.4	2.4	
Total Revenues	**17.6**	**30.0**	**70.7%**

(Eu mn)	1H25A	1H26A	YoY
Value of production	**17.6**	**30.0**	**70.7%**
EBITDA	**6.5**	**17.9**	**176.6%**
margin %	36.8%	59.7%	
D&A	(7.5)	(17.4)	
EBIT	**(1.1)**	**0.5**	**nm**
margin %	(6.1%)	1.8%	
Net fin. income/(expense)	(1.4)	(1.3)	
Pretax Profit	**(2.5)**	**(0.8)**	**(67.9%)**
margin %	(14.3%)	(2.7%)	
Taxes	0.1	(0.0)	
Net profit	**(2.4)**	**(0.8)**	**(66.0%)**
margin %	(13.9%)	(2.8%)	
Net Debt excl. IFRS 16	**(14.1)**	**(13.2)**	

Source: Company data

Revenue breakdown

- **Distribution:** revenues rose to Eu16.8mn (Eu3.6mn in 1H25) and now account for 56% of the value of production (21% in 1H25). The acceleration came from the gradual execution of TV/OTT contracts already signed with large Italian and international groups, which will also generate revenues in subsequent financial years. We note, however, that part of the increase reflects rights sales on individual titles to digital platforms which, once the related amortisation is taken into account, carry limited profitability: the jump in EBITDA should therefore be read together with the increase in D&A. Theatrical remained weak, with box office down to Eu1.3mn (-22.6% YoY).
- **Notorious Cinemas:** revenues rose to Eu10.6mn (+41.7% from Eu7.5mn). The chain topped 1.0mn moviegoers, +34% YoY vs. 749k, helped by the opening of the Curno (BG) multiplex in 2H25, a very favourable market, with Italian admissions at 40.5mn (+18.6% YoY) and improving market share.
- **Production**: with no releases of group-produced films in the half, production revenues fell to Eu0.2mn (-96.4% YoY from Eu5.1mn).
- **Other revenues and income**: mainly tax credits, these rose to Eu2.5mn (+81% YoY from Eu1.4mn), benefitting from the progressive normalisation of the timing of tax credit approvals.

Balance sheet and cash flow

At the end of June 2026, net financial debt rose to Eu42.3mn (Eu39.9mn at end-FY25), of which Eu29.1mn of IFRS 16 debt (Eu30.3mn), linked mainly to theatre rentals. Excluding IFRS 16, net debt at the end of June 2026 was Eu13.2mn (Eu9.6mn in December), with cash absorption of Eu3.6mn mainly due to investment in film production. In the half, the group obtained new loans of Eu9.2mn to fund investments and repaid Eu4.6mn of instalments falling due. Investments in the library rose to Eu5.2mn (+83% YoY from Eu2.9mn), of which Eu4.5mn in assets under construction (films in production), while public contributions booked as a reduction of assets amounted to Eu3.0mn. Net working capital moved to -Eu15.9mn from -Eu31.2mn at end-2025, as operating liabilities (mainly trade payables and deferred income on rights already sold) fell by Eu14.4mn; in our view, this is consistent with the release to the P&L of deferred income linked to the execution of TV/OTT contracts. Shareholders' equity stood at Eu29.5mn (Eu30.3mn at end-2025), the only change being the 1H26 result.

Treasury shares: the buyback plan approved by the AGM on 29 April 2026 is under way. At 30 June 2026, the company held 609,600 treasury shares, equal to 2.7% of the 22,491,480 shares making up the share capital. Given the limited size of the plan relative to the group's financial needs, we do not expect a material impact on net debt; in our view, the buyback signals management's confidence in the value of the group at current share price levels.

Notorious Pictures – Net financial debt

Eu mn	31/12/25	30/06/26	Chg
Bank loans and bond	14.7	19.3	4.6
IFRS 16 lease liabilities	30.3	29.1	-1.2
Gross financial debt	45.0	48.5	3.4
Cash and financial assets	-5.1	-6.1	-1.0
Net financial debt	**39.9**	**42.3**	**2.4**
Net financial debt ex IFRS 16	**9.6**	**13.2**	**3.6**
Shareholders' equity	30.3	29.5	-0.8
Net working capital	-31.2	-15.9	15.3

Source: Company data. Figures may not add up due to rounding

An Extraordinary Year for Italian Box Office

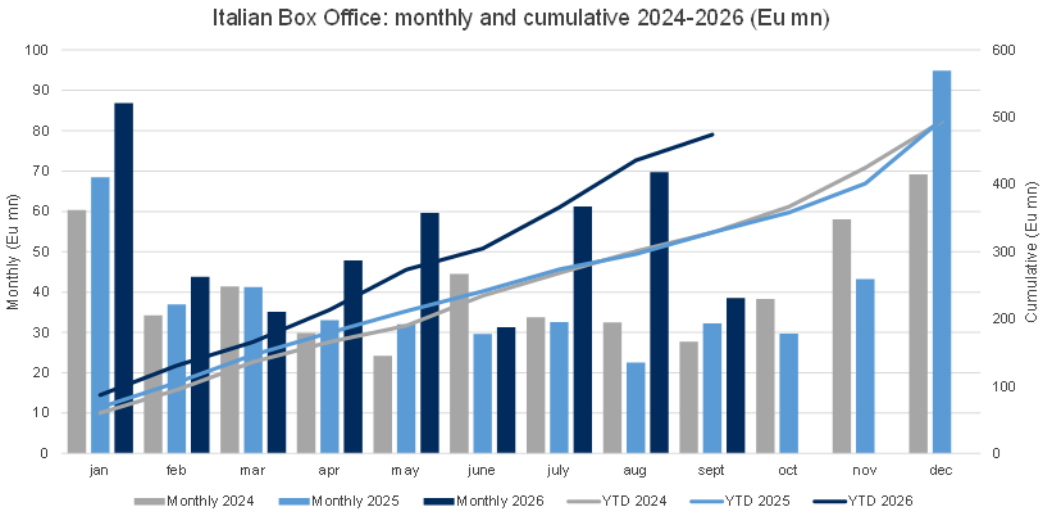
After two broadly flat years (2025 closed at Eu496.6mn, +0.5% YoY, with 68.4mn admissions, -2% YoY), the Italian box office is having an exceptional 2026. According to Cinetel, from 1 January to 30 September 2026 box office reached Eu474.3mn (+44.3% YoY) with 62.1mn admissions (+34.3% YoY): in nine months, the market has already reached c.96% of the full-year 2025 figure. Growth was already solid in 1H26 (40.5mn admissions, +18.6% YoY) and accelerated sharply over the summer thanks to blockbusters such as Odissea (Eu58.5mn), Spider-Man: Brand New Day (Eu38.6mn), The Devil Wears Prada 2 (Eu32.2mn) and Michael (Eu25.8mn), on top of the long run of Buen Camino (Eu40.5mn in 2026, Eu76.6mn in total). September confirmed the trend, with box office up 19.4% YoY.

Even assuming a decline in 4Q26 (a tough comparison, given that December 2025 benefitted from the release of Buen Camino), full-year 2026 box office would be c.Eu610mn, up c.23% YoY. The average ticket price is also rising (Eu7.64 in 9M26 vs. Eu7.11 in 9M25), supported by a better mix of premium formats and events.

For Notorious, the box office recovery is also a good indicator for the whole industry: a healthier theatrical market supports the first window of distributed films and, in turn, the value of subsequent TV/OTT exploitation.

Notorious Pictures – Italian box office in 2024-2026

	FY24	FY25	9M25	9M26	9M YoY
Box office (Eu mn)	494.0	496.6	328.7	474.3	44.3%
Admissions (mn)	69.7	68.4	46.2	62.1	34.3%
Average ticket price (Eu)	7.09	7.26	7.11	7.64	7.4%



Source: Cinetel; 9M25 figures and average ticket price calculated by Intermonte SIM

Notorious Pictures - Italian film tax credit: lower rates but clearer rules

How the law changed

The film tax credit legislation (Law 220/2016) has been rewritten in several steps since mid-2024. DM 225 of 10 July 2024 reshaped the production tax credit, but an appeal before the administrative court (TAR) and months of uncertainty effectively froze applications. The 2025 Budget Law turned the 40% rate from the standard level into a ceiling (range 15%-40%), giving the Ministry room to modulate rates; a first corrective decree followed in April 2025, and the 2026 Budget Law set a cap on overall tax credit spending. In September 2026 a new MiC-MEF decree further amended DM 225/2024, completing the framework.

Notorious Pictures – New Tax Credit Regulation

Item	New MiC-MEF decree (Sept 2026), amending DM 225 of 10 July 2024
Tax credit rates	One rate cut from 40% to 35%; for certain cost types from 30% to 25% of total production cost, with 30% retained for works costing less than Eu3.5mn
Caps per work/company	Theatrical films, documentaries and animation: up to Eu4mn per work and Eu7mn per year per company. TV/web works: up to Eu7mn per work and Eu15mn per year. Different limits for works at least 40% foreign-financed
Spending control (art. 6-bis)	Credits granted only within available resources, ranked by shooting start date until funds run out; eligible requests above the limit declared non-fundable
Monitoring & new requirements	At least quarterly monitoring of credits granted, revoked, assigned and offset, reported to MEF; catastrophe insurance cover mandatory for eligibility
Status	Published, pending registration by control bodies; 2026 production session open 30 September-14 October 2026

Source: Intermonte SIM

Notorious Pictures - Impact on group' three businesses

Business	Accounting treatment	H1 26 evidence (half-year report)	What the new framework implies
Production	Tax credit reduces the capitalised cost of the film (lower capex and future amortisation)	Eu1.78mn accrued to balance sheet (Il Nibbio Eu1.19mn, Esprimi un Desiderio executive production Eu0.53mn, Cattiva Strada Eu0.06mn); residual credit Eu2.60mn	Lower rates mean higher net investment per film; in exchange, a budget-capped, first-come mechanism
Distribution	Credit linked to P&A spending on eligible titles, booked in Other revenues	Distribution tax credit Eu1.15mn (Eu0.45mn in H1 25) on three titles, all still to be collected	2025 distribution session opened by Directorial Decree of 25 September 2026: credits accrued should start converting into cash
Theatres	Operating and refurbishment credits booked in Other revenues	Operating credit Eu5k in P&L; 2024 operating credits revised down by c.Eu0.19mn; refurbishment Eu0.12mn in P&L; Ferrara upgrade credit Eu0.92mn to balance sheet	2025 operating session open 21 September-20 October 2026, with proportional reduction if requests exceed resources

Source: Intermonte SIM

Why timing should become more visible

- **Rules are now defined.** Management has repeatedly indicated that timing, rather than the size of the cut, was the real issue: in the half-year report the group says it is adapting investment commitments to the uncertainty on the tax credit law.
- **Tax credits waiting to be cashed have built up.** Tax credits under special laws rose to Eu7.17mn at 30 June 2026 (Eu4.13mn at end-2025); the company attributes the increase to the slow pace at which the Ministry allows the liquidation of credits already approved and assigned to banks. Total public grants and credits still to be collected stood at Eu10.47mn.
- **Budget-capped mechanism.** Credits are granted within available funds and by shooting date: less benefit at the margin, but no open-ended waiting. Once recognised, the credit can be used from the 10th or 15th day of the following month.
- **Application windows reopened.** Production (2026), distribution (2025) and theatre operations (2025) application sessions were all opened in September 2026.

Our view

We see the new framework as a lower but more visible source of support. Unit benefits on production fall, while faster and more predictable collection should help a more predictable film financing. Key items to monitor: registration of the September decree, collection of the Eu7.2mn tax credit balance, and whether the overall budget cap leaves eligible requests unfunded.

Management Outlook

Management sees a very promising 2H26. According to Chairman Guglielmo Marchetti, 1H26 "lays solid foundations for significant consolidation and development of all the Group's activities": the strong growth in revenues coincided with a recovery in margins across all business areas, and the benefits of the growth in the cinema market should be even more evident in the second half.

- **Production:** the key project is "Se domani non torno", based on the book by Gino Cecchettin and Marco Franzoso about the femicide of Giulia Cecchettin. Filming began in February 2026, work has been completed and the theatrical release is scheduled for November. Beyond this title, the group continues to develop several projects for theatrical and audiovisual exploitation, with a focus on stories addressing important social themes.
- **International executive production:** the group continues to work to attract new commissions from foreign producers. In 1H26, the executive production of "Esprimi un Desiderio" generated a tax credit of Eu0.53mn.
- **Distribution:** the group will continue to monitor international markets to acquire films with significant commercial potential across the entire exploitation chain, assessing full-rights acquisitions case by case in light of the procurement and exploitation needs of each potential buyer. In our view, this selective approach is key to replenishing the rights pipeline as contracted TV/OTT revenues are progressively recognised. 2H26 will see the theatrical release of "Wildwood. I segreti del bosco proibito" (Laika studio) and "Hunger Games: L'alba sulla mietitura", the sixth chapter of one of the most successful franchises worldwide.
- **Cinemas:** the chain currently has 8 multiplexes, 66 screens and a 2.58% market share in terms of admissions. The new Fiume Veneto (PN) multiplex, whose acquisition was signed at the end of April, adds 9 screens and c.1,060 seats; it is scheduled to open on 15 October and is being refurbished in the proprietary "Notorious Cinemas – The Experience" format. The group will continue its expansion programme, with the target of reaching a 5% share of the national market.

Our view

During 1H26, the group not only achieved results that were a clear improvement on the previous year, but also prepared the ground for a strong second half, both in production (the film "Se domani non torno" is eagerly awaited) and in distribution (a pipeline featuring the new chapter of Hunger Games). We would not extrapolate the 1H26 growth in distribution revenues, which partly reflects rights sales with limited profitability; at the same time, we appreciate that the group is using this phase to clean up its balance sheet, amortising older titles with limited residual potential, which should leave a leaner and more reliable library going forward. Italian box office figures have also been much better than any forecast, a performance that directly benefits Notorious Cinemas and is a good indicator for the entire industry.

Change in estimates

2026 could be a record year for the Italian box office, with admissions exceeding 80mn. For prudence, our estimates assume that the market will normalise from 2027 at around 70mn annual admissions, broadly in line with 2024-25 levels. Against this backdrop, we expect Notorious Cinemas to gradually increase its market share, supported by new multiplex openings, which we currently estimate at approximately one per year.

For 2026, we confirm our expectation of a very strong 2H. However, we also believe the company could use the year-end closing to further clean up its balance sheet by writing down the residual value of production projects launched in recent years that are unlikely to generate future revenues. We have therefore lowered our 2026 EBIT estimate to Eu5.4mn from Eu7.2mn.

Our 2027 forecasts incorporate the normalisation of the box office and the absence of a blockbuster contribution comparable to *The Hunger Games*. Conversely, we believe that the major production *Se domani non torno* could represent an important success for the group, strengthening its credentials to secure financing for new productions. While the company is expected to retain a highly prudent approach, starting production only once project costs are covered, we forecast EBIT to grow YoY to Eu6.1mn in 2027. Renewed interest from Pay-TV operators in major film projects such as those in Notorious' pipeline provides an additional encouraging signal.

As for tax credits, lower rates on production under the new framework are partly offset by more predictable timing.

Notorious Pictures – Change in estimates

		NEW			OLD			% Change		
		2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Total Revenues		**59.6**	**57.2**	**59.6**	**65.9**	**62.3**		**-9.5%**	**-8.2%**	
	YoY%	*64%*	*(4%)*	*4%*	*81%*	*(5%)*				
TOTAL EBITDA		**30.1**	**27.5**	**28.5**	**32.0**	**28.7**		**-6.0%**	**-4.3%**	
	YoY%	*125%*	*(9%)*	*4%*	*140%*	*(10%)*				
	margin %	50.5%	48.0%	47.9%	48.6%	46.1%				
D&A		**(24.7)**	**(21.3)**	**(22.3)**	**(24.8)**	**(19.9)**				
EBIT		**5.4**	**6.1**	**6.3**	**7.2**	**8.8**		**-25.4%**	**-30.6%**	
	YoY%	*(656%)*	*14%*	*2%*	*(845%)*	*22%*				
	margin %	9.1%	10.7%	10.5%	11.0%	14.2%				
Net financial income/expense		(2.800)	(2.800)	(2.800)	(2.700)	(2.700)				
		(4.70%)	(4.90%)	(4.70%)	(4.10%)	(4.34%)				
Pretax Profit		**2.6**	**3.3**	**3.5**	**4.5**	**6.1**		**-42.7%**	**-45.6%**	
	YoY%	*(171%)*	*29%*	*4%*	*(223%)*	*35%*				
	margin %	4.4%	5.8%	5.8%	6.9%	9.9%				
Taxes		(0.520)	(0.668)	(0.692)	(0.907)	(1.229)				
Tax Rate		(20.0%)	(20.0%)	(20.0%)	(20.0%)	(20.0%)				
Net profit		**2.1**	**2.7**	**2.8**	**3.6**	**4.9**		**-42.7%**	**-45.6%**	
	YoY%	*(164%)*	*29%*	*4%*	*(212%)*	*35%*				
	margin %	3.5%	4.7%	4.6%	5.5%	7.9%				
Reported Final Financial Position										
Net Cash (Debt) at YE excl. IFRS 16		**(8.2)**	**(3.9)**	**(0.5)**	**(14.4)**	**(9.6)**				

Source: Intermonte SIM estimates

Valuation

Notorious Pictures – DCF Model

(Eu mn)	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	TV
Revenues	59.6	57.2	59.6	62.4	62.4	62.4	62.4	62.4
YoY growth	*63.9%*	*-4.1%*	*4.2%*	*4.8%*	*0.0%*	*0.0%*	*0.0%*	***0.0%***
EBITDA Adj.	30.1	27.5	28.5	29.6	28.4	27.1	25.9	24.6
% margin	50.5%	48.0%	47.9%	47.5%	45.5%	43.5%	41.5%	39.5%
D&A & Provisions	-24.7	-21.3	-22.3	-23.3	-22.1	-21.0	-19.9	-17.8
% on sales	41.4%	37.3%	37.4%	37.3%	35.4%	33.6%	32.0%	28.6%
EBIT adj.	5.4	6.1	6.3	6.4	6.3	6.1	5.9	6.8
% margin	9.1%	10.7%	10.5%	10.2%	10.1%	9.8%	9.5%	10.9%
Taxes	-1.1	-1.2	-1.3	-1.3	-1.6	-1.5	-1.5	-1.7
effective tax rate	-20%	-20%	-20%	-20%	-25%	-25%	-25%	-25%
NOPAT	**4.3**	**4.9**	**5.0**	**5.1**	**4.7**	**4.6**	**4.4**	**5.1**
D&A	24.7	21.3	22.3	23.3	22.1	21.0	19.9	17.8
Lease costs	-4.9	-5.3	-5.7	-6.1	-6.2	-6.3	-6.5	-6.6
Change in WC	-9.7	-5.1	-6.5	-4.9	-4.0	-3.0	-2.5	-2.5
Capex	-10.7	-9.1	-9.5	-10.0	-10.3	-10.6	-10.9	-11.2
% on sales	18.0%	16.0%	16.0%	16.0%	16.5%	17.0%	17.5%	18.0%
FCF	**3.6**	**6.6**	**5.6**	**7.4**	**6.3**	**5.6**	**4.5**	**2.6**
TV								24.6
year	0.2	1.2	2.2	3.2	4.2	5.2	6.2	6.2
Discounting factor	0.98	0.88	0.80	0.72	0.66	0.59	0.54	0.54
Discounted Cash Flow	**3.5**	**5.9**	**4.5**	**5.3**	**4.1**	**3.3**	**2.4**	**13.2**

Discounted cash flows 26-32	29.06
Terminal value	13.21
Total EV	**42.27**
Net financial position (YE25)	(14.37)
Total EQUITY	**27.90**
N. of shares (mn)	22.49
Equity Value p.s. (Eu)	**1.2**

WACC	10.5%
Terminal growth	**0.0%**

Source: Intermonte SIM

DETAILS ON STOCK RECOMMENDATION			
Stock NAME	**NOTORIOUS PICTURES**		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (€):	1.20	Previous Target (€):	1.00
Current Price (€):	0.91	Previous Price (€):	0.73
Date of report:	12/10/2026	Date of last report:	10/27/2025

Intermonte

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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 FTSEMIB40 Index, most of those on the MIDEX 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

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As at 12 October 2026 Intermonte's Research Department covered 138 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	28.26%
OUTPERFORM:	42.03%
NEUTRAL:	28.99%
UNDERPERFORM:	00.72%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (81 in total) is as follows:

BUY:	49.38%
OUTPERFORM:	29.63%
NEUTRAL:	18.52%
UNDERPERFORM:	02.47%
SELL:	00.00%

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