

ELES

OUTPERFORM

Price (Eu):

3.18

Target Price (Eu):

4.80

SECTOR: Industrials

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2019 results above estimate; no evidence of slowdown, but we remain more cautious than guidance

■ **2H19 results: P&L above estimate, NFP affected by non-trade working capital.** ELES reported its 2019 results on 7th of May. Overall, P&L results were above both our estimate and the company forecast, following a less pronounced decline in revenue and a higher contribution margin that was only partly offset by slightly higher OpEx. On the other hand, the NFP was below our expectations (but in line with company guidance) due to an increase in non-trade working capital. ELES closed 2019 with turnover of €18.2mn, down -19% YoY vs -22% expected. By region, APAC (25% of turnover) was slightly better than expected thanks to the new contract with XCET signed in October, offsetting a lower EMEA (68% of turnover), burdened by the auto sector. By business, Semiconductors (92% of turnover) declined by -11% YoY due to the cyclical industry downturn, but markedly outperformed its core market (burn-in and ATE down -64%/-17%), while ECU dropped -65% due to weak automotive trends. The gross margin of 61.3% was higher than the 57.8% expected on better purchasing conditions. This more than offset the slightly higher OpEx (€7.8mn vs €7.3mn exp.), resulting in adj. EBITDA of €3.4mn (vs €2.9mn exp.), down -11% YoY. The EBITDA margin was 18.4% vs 16.3% exp. The beat translated to the bottom line, which closed at €1.0mn (-5% YoY) vs €0.6mn expected. Net debt was €2.1mn vs an expected neutral situation due to an adverse movement in non-trade working capital, while CapEx and trade NWC were in line with expectations.

■ **2020 outlook.** Although the Covid-19 pandemic has prompted ELES clients to lower capital spending programs, the company highlights that at the moment there is no evidence to suggest that it cannot achieve the business plan targets. This was also reiterated at the 28th of May conference call. No problems have been flagged up on collection times or on the supply chain.

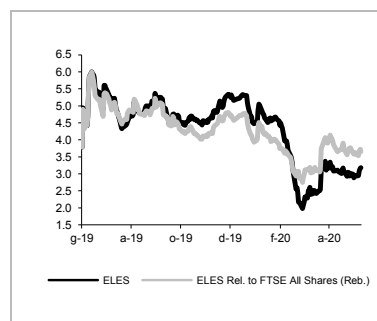
■ **Changes to estimates.** While we welcome the company's confirmation of the business plan targets, the pandemic clearly complicates the scenario. As a consequence, we basically confirm our stance, which is more conservative than the company forecast (20%/40% below at EBITDA/EBIT level). In particular, we expect ELES to close 2020 with turnover of €21.9mn (+20% YoY), adj. EBITDA of €4.0mn (+18% YoY, 18.1% margin) and adj. EBIT of €1.7mn (+23% YoY, 7.7% margin), vs company guidance for €24.2mn/€4.8mn/2.8mn respectively.

■ **OUTPERFORMED confirmed, TP to €4.8.** As the use of semiconductors spreads to an ever wider array of critical functions (e.g. from transportation to telecommunications), we expect the testing phase to gain further importance, as tolerance for chip faults is dropping dramatically. We believe ELES will greatly benefit from this trend thanks to its innovative testing solutions (both hardware and software) as these enable client companies to improve chip reliability and accelerate the time-to-market for products at a lower total testing cost than is the case through traditional testing. While we have lowered our TP to €4.8 from €5.8 due to a higher risk-free rate (2.5% vs 2.0% prev.) and ERP (6.0% vs 5.0% prev.), partly offset by a higher g (2.5% vs 2.0% prev.), we confirm our OUTPERFORM rating given the significant upside (~50%).

Key Figures	2018A	2019A	2020E	2021E	2022E
Sales (Eu mn)	23	18	22	30	38
Ebitda (Eu mn)	4	3	4	6	9
Net profit (Eu mn)	1	1	1	2	4
EPS - New Adj.(Eu)	0.068	0.090	0.082	0.196	0.341
EPS - Old Adj.(Eu)	0.068	0.053	0.083	0.199	0.349
DPS (Eu)	0.000	0.000	0.000	0.000	0.000

Ratios & Multiples	2018A	2019A	2020E	2021E	2022E
P/E Adj.	47.1	35.2	38.7	16.3	9.3
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Ebitda Adj.	10.7	11.2	9.6	5.7	3.6
ROCE	12.3%	10.5%	10.8%	22.5%	35.6%

ELES - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 5.80 to 4.80

Ch. in Adj.EPS est: 2020E 2021E
-1.1% -1.9%

STOCK DATA

Reuters code: ELES.MI
Bloomberg code: ELES IM

Performance	1m	3m	12m
Absolute	2.6%	-13.7%	==/100
Relative	-1.2%	2.3%	####
12 months H/L:	6.00/1.98		

SHAREHOLDER DATA

No. of Ord. shares (mn):	11
Total No. of shares (mn):	11
Mkt Cap Ord (Eu mn):	35
Total Mkt Cap (Eu mn):	35
Mkt Float - ord (Eu mn):	16
Mkt Float (in %):	45.4%
Main shareholder:	
A. Zaffarami	37.8%

BALANCE SHEET DATA

	2020
Book value (Eu mn):	13
BVPS (Eu):	1.20
P/BV:	2.6
Net Financial Position (Eu mn):	-2
Enterprise value (Eu mn):	37

Please see important disclaimer
on the last page of this report

ELES - KEY FIGURES

		2018A	2019A	2020E	2021E	2022E
	Fiscal year end	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022
PROFIT & LOSS (Eu mn)	Sales	23	18	22	30	38
	EBITDA	4	3	4	6	9
	EBIT	1	1	2	4	6
	Financial income (charges)	(0)	(0)	(0)	(0)	(0)
	Associates & Others					
	Pre-tax profit (Loss)	1	1	1	3	6
	Taxes	(0)	(0)	(0)	(1)	(2)
	Tax rate (%)	38.7%	17.1%	35.0%	35.0%	35.0%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	1	1	1	2	4
	Total extraordinary items	0	(0)	0	0	0
	Ebitda excl. extraordinary items	4	3	4	6	9
	Ebit excl. extraordinary items	1	1	2	4	6
	Net profit restated	1	1	1	2	4
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	11	11	11	11	11
	EPS stated fd	0.068	0.075	0.082	0.196	0.341
	EPS restated fd	0.068	0.090	0.082	0.196	0.341
	BVPS fd	0.586	1.121	1.203	1.398	1.740
	Dividend per share (ord)	0.000	0.000	0.000	0.000	0.000
	Dividend per share (sav)					
CASH FLOW (Eu mn)	Dividend pay out ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
	Gross cash flow	3	3	3	5	7
	Change in NWC	(0)	(3)	1	(1)	(1)
	Capital expenditure	(1)	(2)	(3)	(3)	(3)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	2	(2)	0	1	3
	Acquisitions, divestments & others	0	0	0	0	0
	Dividend	0	0	0	0	0
	Equity financing/Buy-back	0	6	0	0	0
BALANCE SHEET (Eu mn)	Change in Net Financial Position	2	3	0	1	3
	Total fixed assets	8	9	10	10	10
	Net working capital	5	6	6	7	8
	Long term liabilities	2	1	1	1	1
	Net capital employed	11	15	15	16	18
	Net financial position	(5)	(2)	(2)	(1)	2
	Group equity	7	13	13	16	19
	Minorities	0	0	0	0	0
ENTERPRISE VALUE (Eu mn)	Net equity	7	13	13	16	19
	Average mkt cap - current	35	35	35	35	35
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	(5)	(2)	(2)	(1)	2
RATIOS(%)	Enterprise value	40	38	37	36	34
	EBITDA margin*	16.7%	18.4%	17.7%	21.3%	24.2%
	EBIT margin*	6.5%	6.5%	7.3%	11.9%	15.8%
	Gearing - Debt/equity	74.5%	16.7%	12.8%	5.0%	-9.5%
	Interest cover on EBIT	6.7	8.7	8.1	18.3	32.9
	Debt/Ebitda	1.29	0.66	0.44	0.12	nm
	ROCE*	12.3%	10.5%	10.8%	22.5%	35.6%
	ROE*	12.3%	8.8%	7.1%	15.0%	21.8%
	EV/CE	3.4	2.9	2.5	2.3	2.0
	EV/Sales	1.8	2.1	1.7	1.2	0.9
	EV/Ebit	27.5	27.5	23.1	10.2	5.6
GROWTH RATES (%)	Free Cash Flow Yield	4.5%	-7.0%	1.1%	2.6%	7.4%
	Sales	57.0%	-19.4%	20.2%	36.5%	27.8%
	EBITDA*	35.2%	-11.1%	15.8%	63.7%	45.5%
	EBIT*	142.7%	-18.8%	35.1%	120.8%	70.2%
	Net profit	305.4%	10.9%	9.7%	138.0%	74.6%
	EPS restated	305.4%	33.8%	-9.1%	138.0%	74.6%

* Excluding extraordinary items

Source: Intermonte SIM estimates

2019 results

Revenue breakdown by geography and business

By geography	1H18A	2H18A	2018A	1H19A	2H19A	2019A	2020E	2H19E	A/E%	2019E	A/E%
APAC	4.1	2.5	6.6	3.1	1.3	4.5	5.5	0.0	n.a.	3.1	43%
EMEA	7.5	7.7	15.2	5.9	6.4	12.3	14.0	7.6	-16%	13.5	-9%
USA	0.1	0.3	0.4	0.4	0.3	0.7	2.0	0.2	65%	0.6	22%
Others	0.0	0.4	0.4	0.2	0.5	0.7	0.4	0.2	119%	0.4	64%
Revenue	11.8	10.8	22.6	9.7	8.5	18.2	21.9	8.0	6%	17.7	3%
YoY growth											
APAC			+128.6%	-24.4%	-45.4%	-32.3%	+23.1%	-100.0%		-52.7%	
EMEA			+37.2%	-20.6%	-17.2%	-18.9%	+13.8%	-1.0%		-10.7%	
USA			+82.8%	+254.9%	+13.9%	+79.5%	+168.5%	-31.1%		+46.7%	
Others			+81.6%	+447.2%	+28.5%	+64.0%	-42.6%	-41.4%		+0.0%	
Revenue			+57.0%	-17.9%	-21.1%	-19.4%	+20.2%	-25.9%		-21.7%	
By business											
Semiconductors			18.1			16.1	18.5			16.0	1%
ECU (Auto & Others)			4.1			1.4	3.0			1.3	11%
Net sales			22.2			17.5	21.5			17.3	1%
YoY growth											
Semiconductors			+39.9%			-11.2%	+15.1%			-11.7%	
ECU (Auto & Others)			+234.3%			-65.1%	+109.1%			-68.6%	
Net sales			+56.6%			-21.0%	+22.7%			-22.1%	

Source: company data (A), Intermonte SIM estimate (E)

Income statement

	1H18A	2H18A	2018A	1H19A	2H19A	2019A	2020E	2H19E	A/E%	2019E	A/E%
Revenue	11.8	10.8	22.6	9.7	8.5	18.2	21.9	8.0	6%	17.7	3%
YoY growth			+57.0%	-17.9%	-21.1%	-19.4%	+20.2%	-25.9%		-21.7%	
- Material purchase	(5.0)	(4.4)	(9.4)	(4.2)	(2.9)	(7.1)	(8.6)	(3.3)		(7.5)	
Gross profit	6.8	6.4	13.2	5.5	5.7	11.2	13.3	4.7	20%	10.2	9%
YoY growth			+44.5%	-19.4%	-11.2%	-15.4%	+19.0%	-25.8%		-22.5%	
Gross margin %	57.7%	59.1%	58.4%	56.7%	66.5%	61.3%	60.6%	59.1%		57.8%	
- Total operating expenses	(5.0)	(4.4)	(9.4)	(3.9)	(3.9)	(7.8)	(9.4)	(3.4)		(7.3)	
Adj. EBITDA	1.8	2.0	3.8	1.5	1.8	3.4	3.9	1.3	35%	2.9	16%
YoY growth			+35.2%	-13.7%	-8.8%	-11.1%	+15.8%	-32.5%		-23.6%	
Adj. EBITDA margin %	15.2%	18.3%	16.7%	16.0%	21.2%	18.4%	17.7%	16.7%		16.3%	
- D&A and others	(1.2)	(1.1)	(2.3)	(0.9)	(1.1)	(2.0)	(2.3)	(1.0)		(1.9)	
Adj. EBIT	0.6	0.9	1.5	0.6	0.7	1.4	1.6	0.3	115%	1.0	40%
YoY growth			+142.7%	+4.8%	-15.2%	-7.0%	+17.9%	-60.6%		-33.7%	
Adj. EBIT margin %	5.1%	8.0%	6.5%	6.6%	8.6%	7.5%	7.3%	4.2%		5.5%	
- Non-recurring costs	0.0	0.0	0.0	(0.2)	0.0	(0.2)	0.0	0.0		(0.2)	
-/+ Net fin. (exp.)/inc.	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)		(0.2)	
- Profit/Losses on exchange rates	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0		0.0	
Profit before tax	0.5	0.8	1.2	0.4	0.7	1.0	1.4	0.3	125%	0.6	56%
- Tax income	(0.2)	(0.3)	(0.5)	(0.2)	0.1	(0.2)	(0.5)	0.0		(0.2)	
Tax rate %	40.9%	37.4%	38.7%	68.1%	-10.6%	17.1%	35.0%	-5.3%		35.0%	
Net income	0.3	0.5	0.8	0.1	0.7	0.8	0.9	0.3	136%	0.4	100%
YoY growth			+305.4%	-59.2%	+51.6%	+10.9%	+9.7%	-35.9%		-44.4%	
Net income margin %	2.4%	4.4%	3.3%	1.2%	8.5%	4.6%	4.2%	3.8%		2.4%	
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
Net income attr. to shareholders	0.3	0.5	0.8	0.1	0.7	0.8	0.9	0.3	136%	0.4	100%

Source: company data (A), Intermonte SIM estimate (E)

Our estimates vs company targets

Our estimates vs company business plan targets

	Our estimate				Company targets				E/T %			
	2019A	2020E	2021E	2022E	2019 BP	2020 BP	2021 BP	2022 BP	2019A	2020E	2021E	2022E
Net sales	18.2	21.9	29.9	38.2	17.3	24.2	32.8	42.2	+5%	-9%	-9%	-10%
YoY growth	-19%	+20%	+37%	+28%	-22%	+40%	+36%	+29%				
Adj. EBITDA	3.4	3.9	6.4	9.3	3.0	4.8	8.2	13.0	+12%	-19%	-23%	-29%
YoY growth	-11%	+16%	+64%	+45%	-20%	+59%	+72%	+58%				
Adj. EBITDA margin %	18.4%	17.7%	21.3%	24.2%	17.4%	19.7%	25.0%	30.9%				
Adj. EBIT	1.4	1.6	3.6	6.0	1.1	2.8	5.9	10.4	+22%	-43%	-39%	-42%
YoY growth	-7%	+18%	+121%	+70%	-24%	+152%	+108%	+77%				
Adj. EBIT margin %	7.5%	7.3%	11.9%	15.8%	6.5%	11.6%	17.8%	24.5%				
Net profit	1.0	0.9	2.2	3.8	0.4	1.6	3.8	7.1	+139%	-43%	-43%	-46%
YoY growth	+34%	-9%	+138%	+75%	-44%	+279%	+139%	+85%				
Net profit margin %	5.5%	4.2%	7.3%	10.0%	2.4%	6.6%	11.7%	16.8%				

Source: company data (A), company business plan targets (BP), Intermonte SIM estimate (E)

Financials

Income statement

	2016A	2017A	2018A	2019A	2020E	2021E	2022E
Revenue	12.5	14.4	22.6	18.2	21.9	29.9	38.2
YoY growth	+0.0%	+15.3%	+57.0%	-19.4%	+20.2%	+36.5%	+27.8%
- Material purchase	(5.1)	(5.3)	(9.4)	(7.1)	(8.6)	(11.2)	(13.7)
Gross profit	7.4	9.1	13.2	11.2	13.3	18.7	24.5
YoY growth	+0.0%	+23.2%	+44.5%	-15.4%	+19.0%	+40.7%	+31.1%
Gross margin %	59.4%	63.4%	58.4%	61.3%	60.6%	62.5%	64.1%
- Total operating expenses	(4.9)	(6.3)	(9.4)	(7.8)	(9.4)	(12.3)	(15.2)
Adj. EBITDA	2.5	2.8	3.8	3.4	3.9	6.4	9.3
YoY growth	+0.0%	+12.7%	+35.2%	-11.1%	+15.8%	+63.7%	+45.5%
Adj. EBITDA margin %	19.9%	19.4%	16.7%	18.4%	17.7%	21.3%	24.2%
- D&A and others	(2.1)	(2.2)	(2.3)	(2.0)	(2.3)	(2.8)	(3.2)
Adj. EBIT	0.4	0.6	1.5	1.4	1.6	3.6	6.0
YoY growth	+0.0%	+46.6%	+142.7%	-7.0%	+17.9%	+120.8%	+70.2%
Adj. EBIT margin %	3.3%	4.2%	6.5%	7.5%	7.3%	11.9%	15.8%
- Non-recurring costs	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0
-/+ Net fin. (exp.)/inc.	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
- Profit/Losses on exchange rates	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0
Profit before tax	0.1	0.4	1.2	1.0	1.4	3.4	5.9
- Tax income	(0.1)	(0.2)	(0.5)	(0.2)	(0.5)	(1.2)	(2.1)
Tax rate %	83.8%	47.3%	38.7%	17.1%	35.0%	35.0%	35.0%
Net income	0.0	0.2	0.8	0.8	0.9	2.2	3.8
YoY growth	+0.0%	+675.0%	+305.4%	+10.9%	+9.7%	+138.0%	+74.6%
Net income margin %	0.2%	1.3%	3.3%	4.6%	4.2%	7.3%	10.0%
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income attr. to shareholders	0.0	0.2	0.8	0.8	0.9	2.2	3.8

Source: company data (A), Intermonte SIM estimate (E)

Balance sheet

	2016A	2017A	2018A	2019A	2020E	2021E	2022E
Trade net working capital	3.5	4.8	5.2	5.4	4.7	6.1	7.1
Other current asset/(liab.)	0.0	(0.6)	(0.6)	1.1	1.1	1.1	1.1
Net working capital	3.5	4.2	4.6	6.5	5.8	7.2	8.3
Net fixed assets	10.8	9.7	8.4	9.2	10.4	10.2	10.4
Non-current liabilities	(2.4)	(1.5)	(1.5)	(1.1)	(1.1)	(1.1)	(1.1)
Non-current asset/(liab.)	8.4	8.2	6.8	8.1	9.3	9.2	9.3
Net capital employed	11.9	12.4	11.4	14.6	15.1	16.4	17.6
Net debt/(cash)	6.3	6.6	4.9	2.1	1.7	0.8	(1.8)
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity	5.6	5.8	6.5	12.5	13.4	15.6	19.4
Invested capital	11.9	12.4	11.4	14.6	15.1	16.4	17.6

Source: company data (A), Intermonte SIM estimate (E)

Cash flow statement

	2016A	2017A	2018A	2019A	2020E	2021E	2022E
NFP beginning of the period		(6.3)	(6.6)	(4.9)	(2.1)	(1.7)	(0.8)
Net Income		0.2	0.8	0.8	0.9	2.2	3.8
D&A		2.2	2.2	1.9	2.2	2.7	3.1
Change in working capital & Others		(1.7)	(0.7)	(2.9)	0.7	(1.4)	(1.0)
Cash flow from operations		0.6	2.3	(0.1)	3.8	3.5	5.8
Capex		(0.9)	(0.7)	(2.4)	(3.4)	(2.5)	(3.2)
FCF (ex. acq)		(0.3)	1.6	(2.5)	0.4	0.9	2.6
Acquisitions		0.0	0.0	0.0	0.0	0.0	0.0
Dividends, buybacks and equity financing		0.0	0.0	6.0	0.0	0.0	0.0
Others (incl. IFRS 16)		(0.0)	0.1	(0.7)	(0.0)	0.0	0.0
Change in NFP		(0.3)	1.7	2.8	0.4	0.9	2.6
NFP end of the period		(6.6)	(4.9)	(2.1)	(1.7)	(0.8)	1.8

Source: company data (A), Intermonte SIM estimate (E)

Valuation and stock performance

While our valuation framework is unchanged (DCF, 70%/30% weighting to our base/bull case scenario), we have lowered our TP as we have raised our risk-free rate to 2.5% (vs 2.0%) and ERP to 6.0% (vs 5.0% prev.), in line with the equity research department guidelines. This is only partly offset by a higher terminal growth rate (2.5% vs 2.0% prev.) given the relevance of technology and digital transformation in the post Covid-19 world. The upside compared to the current share price is significant (~50%).

Valuation summary

	Fair value per share	Probability	Fair value weighted
Base case @ our estimate	4.0	70%	2.8
Bull case @ company's BP targets	6.5	30%	2.0
Target price			4.8
Actual share price			3.2
Upside/(Downside)			50%

Source: Intermonte SIM estimate

Stock price performance (total return)

	-1m	-3m	-6m	YTD	-1y	-2y	-3y	19/06/19
Eles	+2.3%	-18.8%	-32.0%	-39.5%				-16.6%
Teradyne	+5.0%	+14.6%	+4.8%	-2.5%	+60.9%	+75.7%	+92.6%	+47.9%
Cohu	+1.2%	-24.4%	-11.8%	-30.8%	+8.3%	-33.6%	-10.4%	+0.5%
Aehr	-7.3%	-21.7%	-13.1%	-16.6%	-1.8%	-32.2%	-64.0%	+3.1%
Advantest	+3.3%	+4.7%	-0.9%	-12.3%	+109.1%	+115.6%	+195.8%	+104.8%
Chroma	-1.9%	-7.0%	-7.0%	-9.3%	+6.7%	-14.2%	+52.8%	-3.2%
MARKET	+3.0%	-21.4%	-23.7%	-23.8%	-12.0%	-20.0%	-15.6%	-15.6%
PEERS	+0.1%	-6.8%	-5.6%	-14.3%	+36.6%	+22.3%	+53.4%	+30.6%
Eles vs MARKET	-0.8%	+2.7%	-8.2%	-15.7%				-1.0%
Eles vs PEERS	+2.2%	-12.0%	-26.4%	-25.2%				-47.2%

Source: FactSet

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	ELES		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	4.80	Previous Target (Eu):	5.80
Current Price (Eu):	3.18	Previous Price (Eu):	4.47
Date of report:	29/05/2020	Date of last report:	20/01/2020

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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 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

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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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BUY:	08.73 %
OUTPERFORM:	49.21 %
NEUTRAL:	37.30 %
UNDERPERFORM	04.76 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from IntermonTE in the last 12 months (48 in total) is as follows:

BUY:	14.58 %
OUTPERFORM:	66.67 %
NEUTRAL:	18.75 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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IKF	0,57	SHORT
LIFE CARE CAPITAL	0,84	LONG
OLIDATA	0,74	SHORT
SPACTIV	1,08	LONG
THESPAC	0,89	LONG
VEI 1	0,87	LONG

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