

# AIM ITALIA FACTS

## Full Year 2018



### Key takeaways:

- 113 AIM Italia companies, €6.6bn market cap as of December 31<sup>st</sup>, 2018, +17% YoY
- 26 IPOs and 1 admission (vs 24 listings in 2017), €1.3bn funds raised (same level of 2017), €2.5m additional market cap by newcomers
- Slowdown in last quarter of 2018, due to stock markets turbulence
- Record year for SPACs: 7 SPACs listed contributing some 90% of total funds raised
- New Industry Metrics section, to facilitate a performance-driven strategic overview of industry clusters

### 2019 challenges to increase the appeal of Italian SMEs and AIM Italia:

- Revised regulation for individual saving plans (PIR)
- ELTIFs to be launched in Italy

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## SNAPSHOT

### WHAT'S NEW?

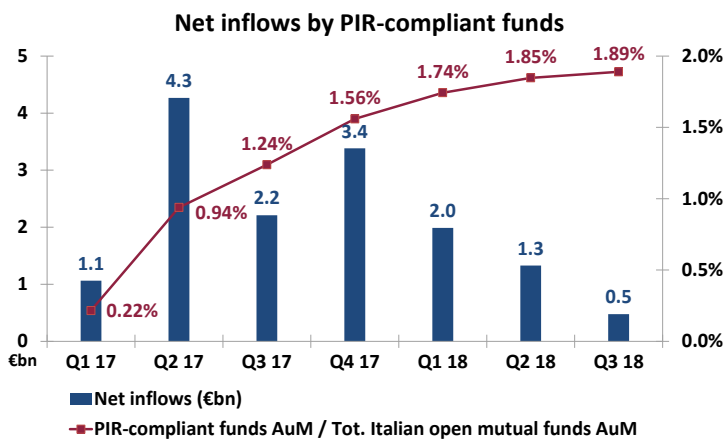
#### New regulation about individual saving schemes - PIR: 3.5% to flow into AIM Italia

The Italian budget law 2019 provides new guidelines for individual saving schemes beginning January 1<sup>st</sup>, 2019. New PIR saving schemes will have to invest at least 3.5% in financial instruments listed on multilateral trading facilities, namely AIM Italia, and issued by SMEs (according to the EU definition). In addition, another 3.5% of PIR will have to be invested into EU venture capital funds investing into SMEs under certain conditions.

#### Waiting for the launch of ELTIFs in Italy

ELTIFs, the European Long-Term Investment Funds regulated by the EU law 2015/760 and introduced in Italy at the end of 2017 by the legislative decree n. 233, are expected to be launched by some leading asset management firms in Italy during the current year. The ELTIF is a pan-European regime for alternative investment funds which channel capital towards long-term investments in the real economy. To qualify as ELTIFs, funds need to invest 70% of the capital long-term assets such as SMEs and infrastructure, public buildings, transport, sustainable energy and communications. Asset classes are various, such as Private Equity, Infrastructure, specific Real Estate, listed SMEs, participations, debt instruments, other ELTIF, EuVECA or EuSEF. Retail investors with a portfolio of up to €500k shall not invest over 10% of their portfolio in ELTIFs, with initial amount not less than €10k.

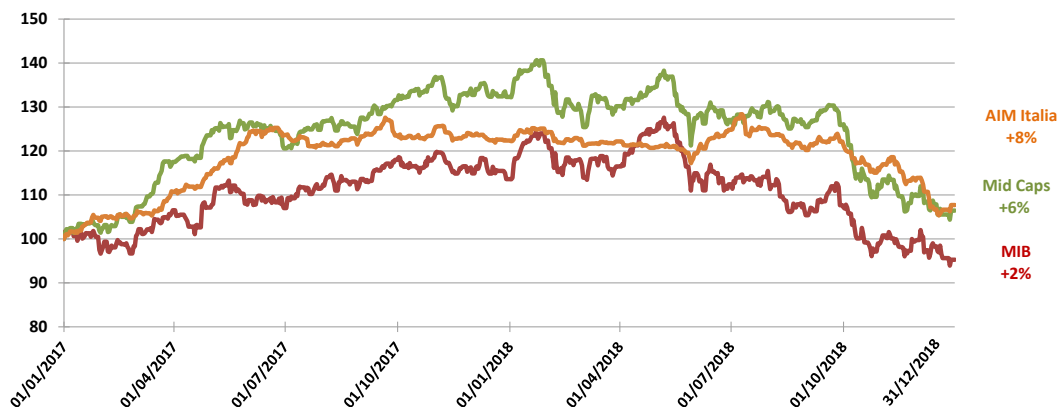
### PIR AND AIM ITALIA SNAPSHOT



- Around €4bn net inflows by PIR-compliant funds are expected for full year 2018
- In the first nine months of 2018 net inflows from PIR-compliant funds were €3.8bn
- In 2017 asset managers in Italy had collected €10.9bn through open-end PIR-compliant funds
- Equita research team expects a further slowdown of net inflows by PIR-compliant funds in 2019, estimated in €2.8bn, due to financial markets performance in the first months of the year

Source: EnVent on Assogestioni

#### AIM Italia index vs other Italian reference indices since PIR inception



Source: EnVent on Bloomberg

**SELFIEWEALTH ROBO-ADVISOR - A SIMULATION OF A PIR-COMPLIANT MODEL PORTFOLIO**

SelfieWealth's Robo-Advisor ([www.selfiewealth.com](http://www.selfiewealth.com)) simulates a PIR-compliant high risk portfolio where AIM Italia companies are a weighted part of an investment mix. The reported portfolios, based on SelfieWealth's algorithms and on EnVent Capital Markets' knowledge of Italian Mid and Small Caps, are a simulation of the exposure to Italian SMEs to target an alternative investment opportunity. The trading strategy selects few shares and assumes a cautious approach in dealing with securities with low liquidity.

Market	Ticker	Weight	Company name	PIR-COMPLIANT PORTFOLIO	
<b>AIM ITALIA</b>	EMC.MI	4%	Energica Motor Company S.p.A.	<b>20%</b>	<b>Avg. daily volume</b> <b>1,384,995 €</b>
	MAIL.MI	7%	MailUp S.p.A.		
	ON.MI	6%	Bio-on S.p.A.	<b>80%</b>	<b>Avg. daily volume</b> <b>3,886,813 €</b>
	WMC.MI	3%	WM Capital S.p.A.		
<b>MID/SMALL CAPS MAIN MARKET</b>	CAI.MI	9%	Cairo Communication S.p.A.		
	AT.MI	8%	ASTM S.p.A.		
	HER.MI	10%	Hera S.p.A.		
	JUVE.MI	5%	Juventus Football Club S.p.A.		
	TIS.MI	6%	Tiscali S.p.A.		
	PIA.MI	10%	Piaggio & C. SpA		
	GEO.MI	6%	Geox S.p.A.		
	SRS.MI	9%	Saras S.p.A.		
	IMA.MI	9%	I.M.A. Industria Macchine Automatiche S.p.A.		
	AEF.MI	8%	Aeffe S.p.A.		

Source: SelfieWealth

## 2018 AIM Italia Key Facts

### Overview and Fundraising

**Market cap €6.6bn, +17% vs year-end 2017**

**113 AIM Italia listed companies as of December 31<sup>st</sup>, 2018**

**Full year 2018:**

- 26 IPOs and 1 admission from spin-off (vs 24 listings in 2017)
- 6 transfers to the main market MTA (Giglio, Triboo, Piteco, Equita, SIT, GPI)
- 3 delistings

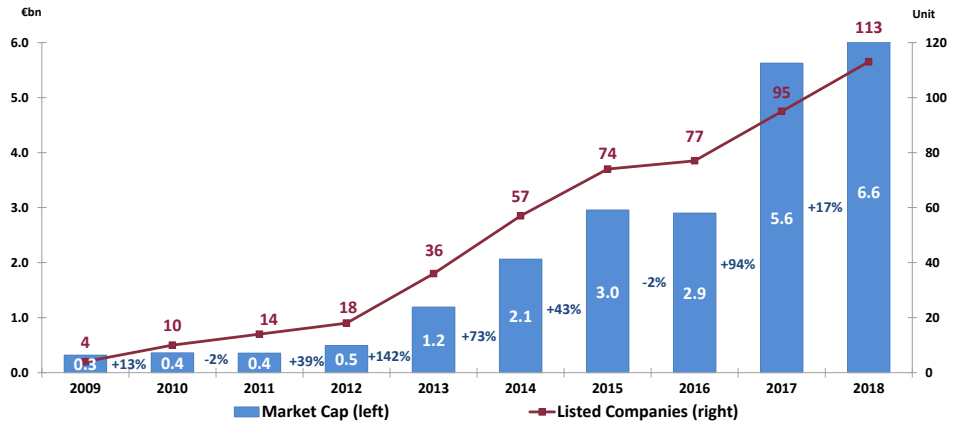
**Slowdown in last quarter of 2018**

**Market Cap down by 15% cuts half of full year performance**

**€1.3bn funds collected in IPO in 2018, slightly over full year 2017**

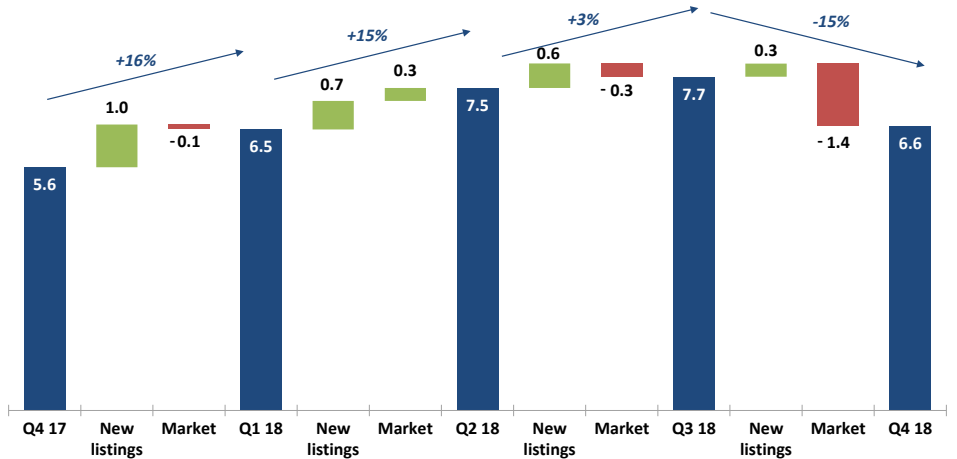
**Total €3.6bn raised since the launch of AIM Italia**

**Market Cap (€m) and number of AIM Italia companies (unit), 2009-2018**



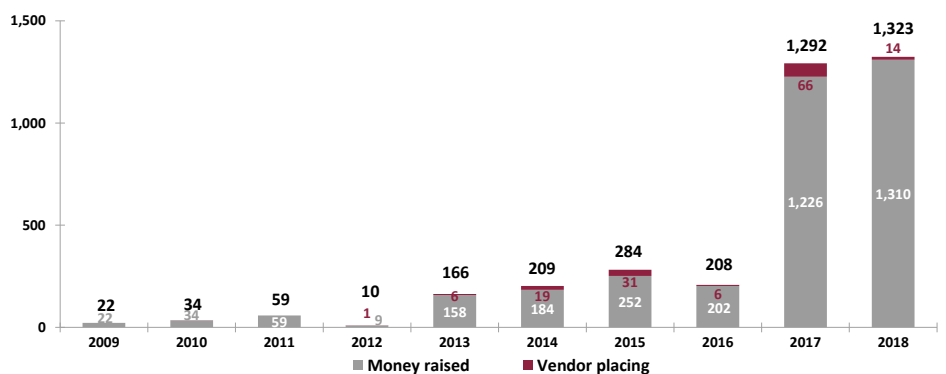
Source: EnVent on public data, Borsa Italiana, Bloomberg

**Market Cap (€m), 2018, overview by quarter**



Source: EnVent on public data, Borsa Italiana, Bloomberg

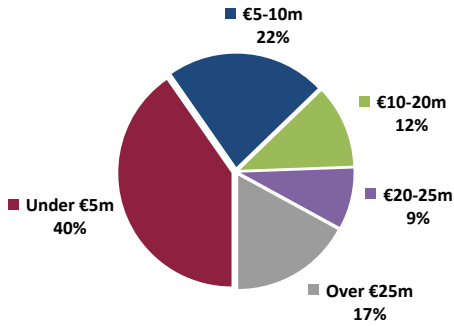
**Funds collected in IPO on AIM Italia (€m), 2009-2018**



Note: Money raised includes funds collected by companies through newly issued shares. Vendor placings include funds invested by existing shareholders from the sale of existing shares, including the exercise of greenshoe option. Figures also include funds collected in IPO by subsequently delisted companies.

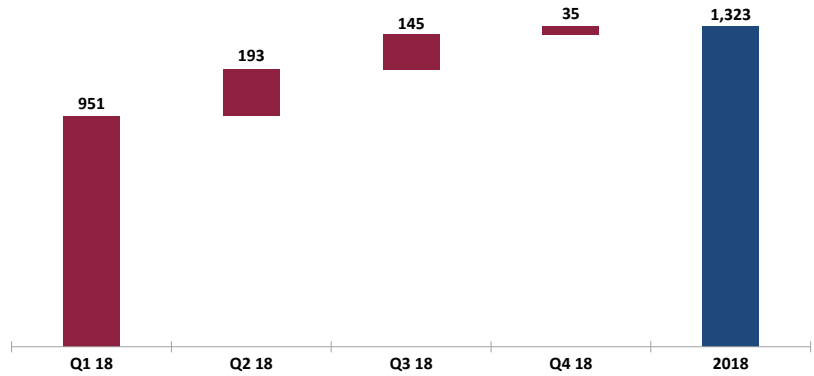
Source: EnVent on public data, Borsa Italiana, websites and Admission Documents

Money raised in IPO, 2009-2018



40% of AIM Italia companies have raised under €5m; above €25m mainly SPACs

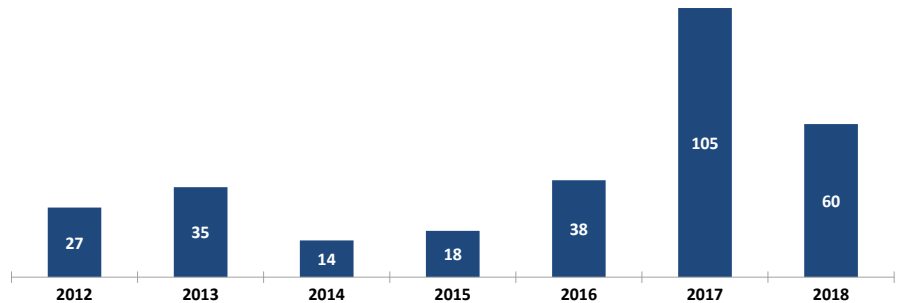
Funds collected in IPO on AIM Italia (€m), 2018, overview by quarter



Slowdown last quarter 2018, only 4 IPOs

Source: EnVent on public data, Borsa Italiana, websites and Admission Documents - Note: Funds collected include both money raised and vendor placings

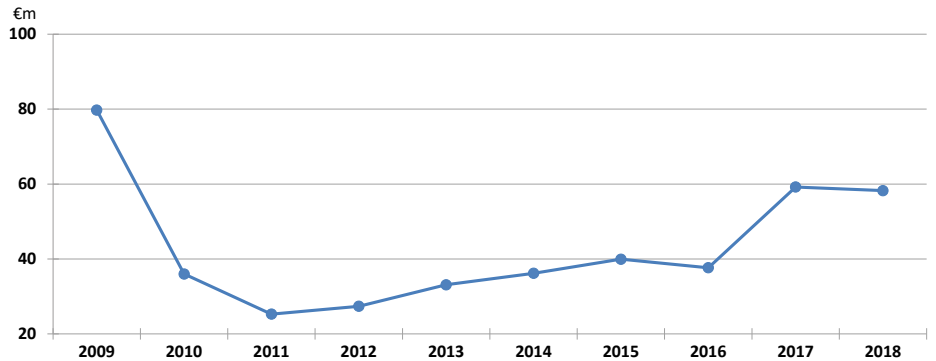
Further capital raises on AIM Italia, 2012-2018 (€m)



Further capital raised 40% drop

Source: EnVent on public data, Borsa Italiana, websites - Note: Further capital raises include rights issues, reserved rights issues and warrants exercise

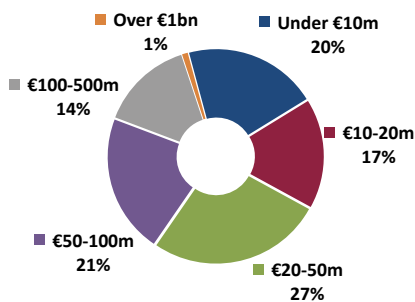
Average Market Cap (€m) per AIM Italia company



Average market cap standby

Source: EnVent on public data, Borsa Italiana, Bloomberg

Market Cap at 31.12.2018 by size (number of companies)



Source: EnVent on public data, Borsa Italiana, Bloomberg

## Industry perspective by value and performance consistency

### Metrics rationale

Correlation and regression among market multiples are widely used to interpret and understand investors rationale in valuing industries and their trends. Among the most common metrics, EV/Revenues and EV/EBITDA multiples may be revealing to compare companies and industries. Enterprise Value multiples, that look at the market value of the operating assets, provide a broader measure of value, less affected by the capital structure (equity invested, financial leverage and tax effects).

Among other measures and multiples, EV/Revenues has the advantage of being less influenced by investment or accounting policies and cycles, sector profitability standards or temporarily abnormal profitability levels. The correlation calculated on EV/Revenues and EV/EBITDA multiples suggests several assessments on market behavior and industry dynamics, through consistency and diversity of companies values and underlying financial and operating indicators.

A regression analysis offers another key suggestion: EV/Revenues multiples consistently higher than those calculated through EV/EBITDA, might be an indicator of the embedded value of know-how, whereas EBITDA is a good measure of investment return. EBITDA margins are in fact quite well comparable, but not necessarily significant in the same way among industries as to value indicators.

### Clues

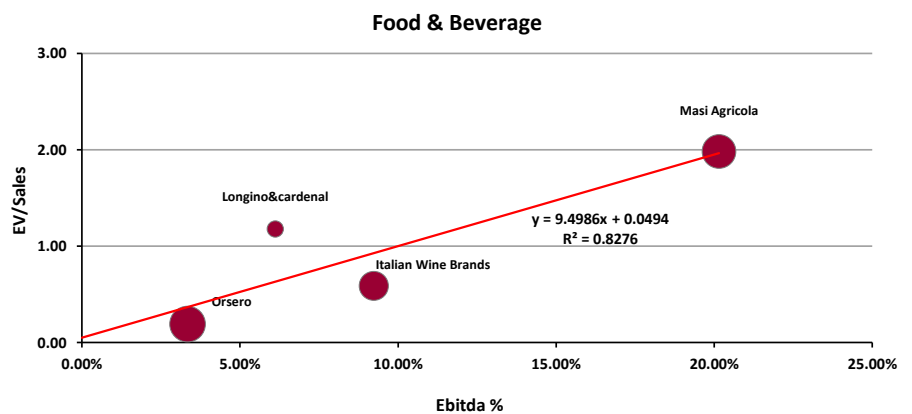
Higher multiples typically reflect market consensus on lower risk, high margins or expected growth cases, regardless of contingent lower performances. Lower multiples may reflect higher risk on growth expectations, or, alternatively, lower profitability although in presence of stable performances.

Above the regression line: high potential regardless of performance or market confident about profitability recovery. High multiples on EV/Revenues are typical for high tech companies.

Below the line: value mainly based on financial performance or market suspicious about reliability of operating profit accounting.

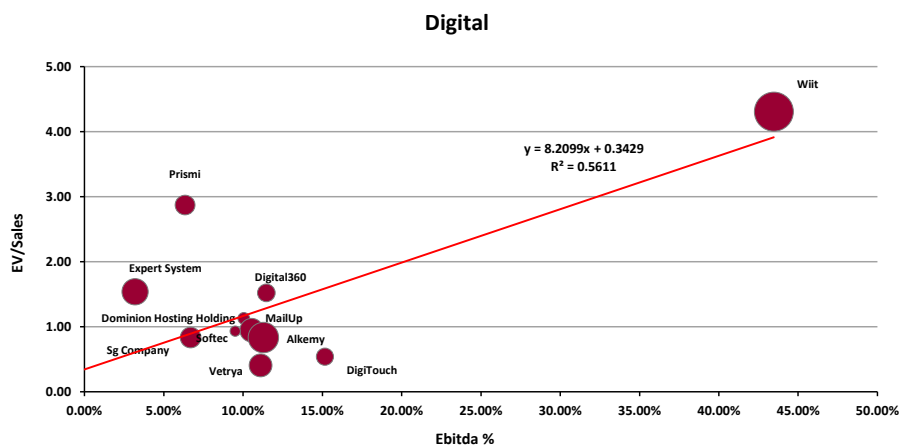
Distance from regression line: inconsistency areas, one of a kind case worth to be investigated.

High correlation, market cap driven by profitability



Volatile environment, with several companies below the line, which may signal risk perception or quality of earnings issues

Premium EV/Revenues multiples likely linked to know-how, scalability or profitability recovery expectations



Too small companies to command an industry like EV/Revenues 2x and up

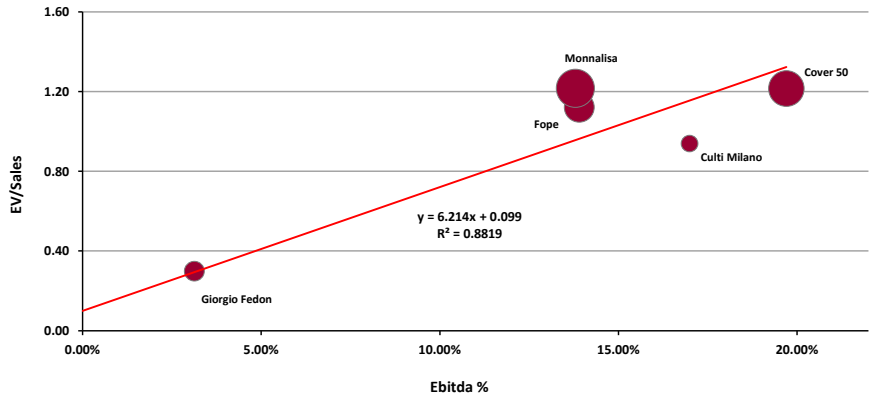
New listings above the line, waiting for growth and profits

Limited slope reflecting risk, low scalability or income sustainability

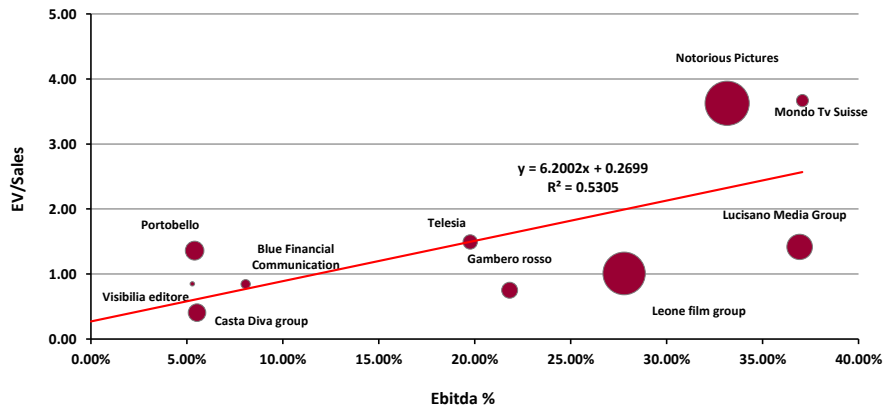
Premium EV/Revenues for Pharma and technology

Disappointing performance of cleantech and too small energy companies

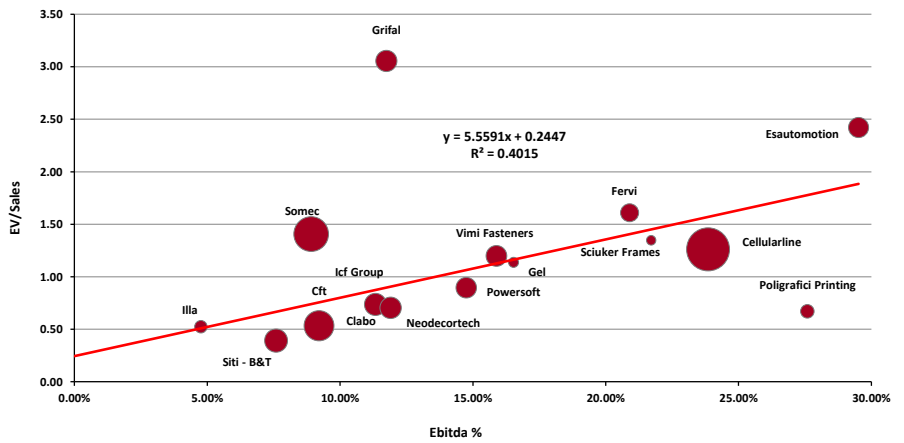
Fashion & Luxury



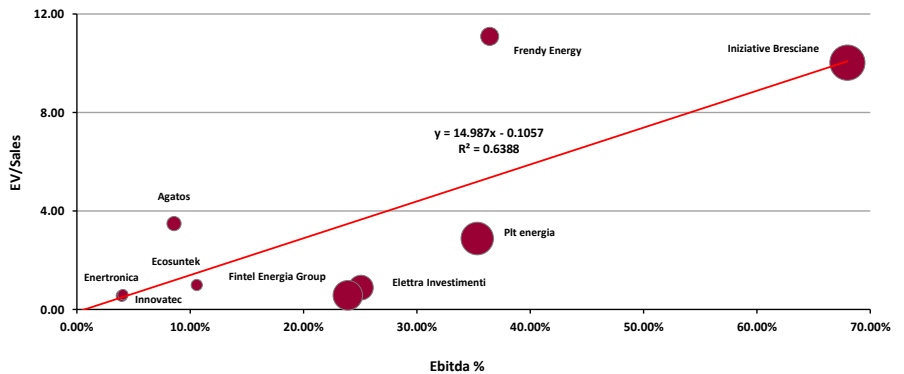
Media



Manufacturing

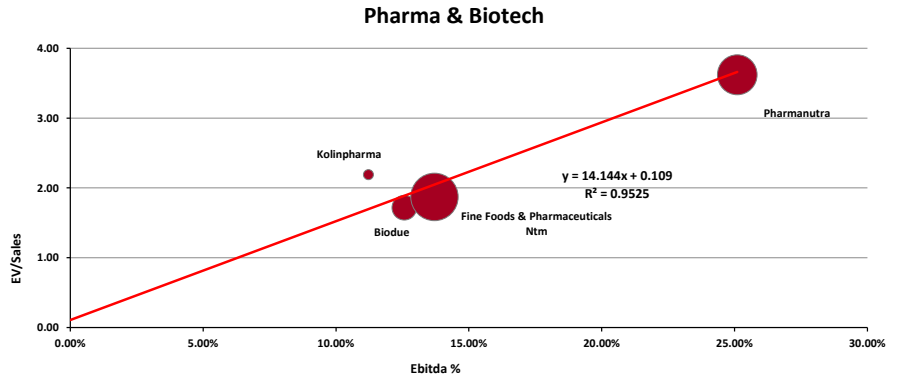


Energy



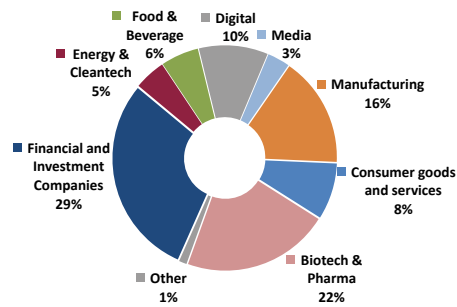


**Best E/V Revenues multiples within AIM**

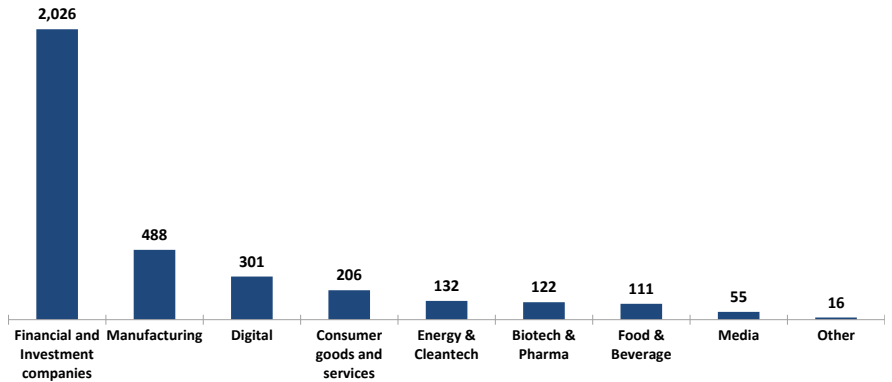


Source: Monitor AIM - Note: FY17 EBITDA %; EV/Sales multiples at 28/12/2018

**Market Cap at 31.12.2018, by industry**



**Money raised in IPO (€m), 2009-2018, by industry**

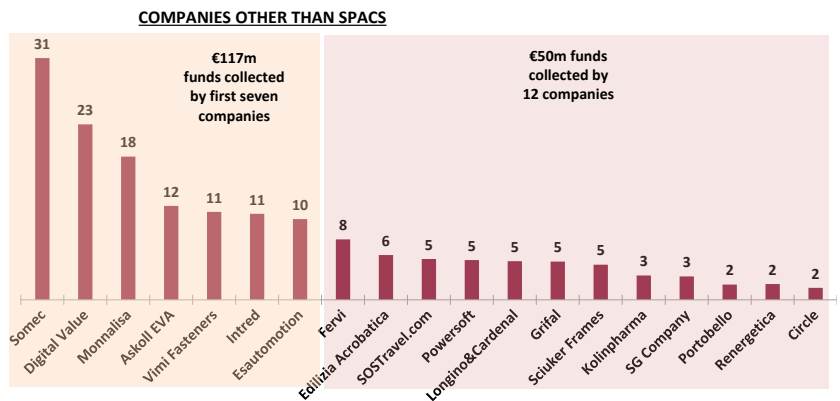


**SPACs and other financial companies account for 60% capital raised in IPO**

Source: EnVent on public data, Borsa Italiana, Bloomberg

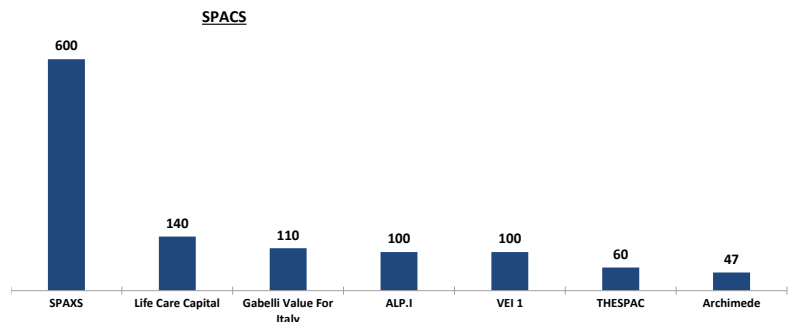
**2018 New Listings**

**Funds collected in IPO on AIM Italia (€m), 2018, by Issuer**



**Largest SPAC contributes 5x individual listings**

**7 SPACs contribute 90% of IPO proceeds**



Source: EnVent on public data, Borsa Italiana, websites and Admission Documents - Note: Funds collected include both money raised and vendor placings

New listings (IPOs and Admissions) as of December 31<sup>st</sup>, 2018 (data in €m)

Company Name	Business	Transaction Type	First Trading Date	Money Raised	Vendor Placing	Market Cap at listing	Float at listing
 ALPI	SPAC	IPO	01/02/2018	100.0	0.0	100.0	100.0%
 SPAXS	SPAC	IPO	01/02/2018	600.0	0.0	600.0	100.0%
 VEI 1	SPAC	IPO	27/02/2018	100.0	0.0	100.0	100.0%
 Life Care Capital	SPAC	IPO	07/03/2018	140.0	0.0	140.0	100.0%
 Kolinpharma	Nutraceuticals	IPO	09/03/2018	3.1	0.0	10.2	31.7%
 Fervi	Industrial equipment	IPO	27/03/2018	7.8	0.0	38.8	19.9%
 Gabelli Value For Italy	SPAC	IPO	20/04/2018	110.0	0.0	110.0	100.0%
 EPS Equita PEP 2	SPAC	Admission - Splitting EPS Equita PEP	10/05/2018	n.a.	n.a.	73.4	100.0%
 Industrie Chimiche Forestali	Industrial adhesives for the packaging and automotive industries	Business combination between EPS Equita PEP and ICF	14/05/2018	n.a.	n.a.	74.0	n.a.
 Somec	Glazing systems for cruise ships	IPO	14/05/2018	21.6	9.4	124.2	25.8%
 Archimede	SPAC	IPO	21/05/2018	47.0	0.0	47.0	100.0%
 Grifal	Industrial protective packaging	IPO	01/06/2018	4.7	0.2	24.8	19.2%
 Cellularline	Accessories for smartphones and tablets	Business combination between Crescita and Cellularline	04/06/2018	n.a.	n.a.	204.6	n.a.
 Longino&Cardenal	B2B distributor of fresh food and culinary products	IPO	04/07/2018	5.0	0.0	22.5	22.0%
 Esautomotion	Production of metalworking machinery	IPO	06/07/2018	9.0	1.3	35.1	31.1%
 Askoll EVA	Manufacturing of electric motorbikes	IPO	11/07/2018	12.1	0.0	54.4	22.2%
 Monnalisa	Children apparel	IPO	12/07/2018	17.7	0.6	72.0	25.5%
 Portobello	Retailer	IPO	13/07/2018	2.0	0.0	11.9	16.4%
 Intred	Telecommunication solutions	IPO	18/07/2018	10.0	1.0	32.1	21.4%
 SG Company	Live & Digital integrated communication for B2B, B2C and BTL markets	IPO	26/07/2018	3.0	0.0	23.0	13.0%
 CFT	Supplier of processing and packaging equipment for the Food&Beverage industry	Business combination between Glenalta and CFT	30/07/2018	n.a.	n.a.	145.2	n.a.
 SOSTravel.com	Air travel digital services platform	IPO	01/08/2018	5.2	0.0	33.2	15.7%
 THESPAC	SPAC	IPO	02/08/2018	60.0	0.0	60.0	100.0%
 Vimi Fasteners	Designs and manufactures specialized mechanical fasteners	IPO	02/08/2018	11.0	0.3	45.0	23.5%
 Sciuker Frames	Aluminum and wood glass windows producer	IPO	03/08/2018	4.5	0.0	15.3	29.4%
 Renergetica	Smart energy company	IPO	09/08/2018	2.0	0.0	15.3	18.4%
 Fine Foods & Pharmaceuticals NTM	Contract manufacturing of nutraceuticals and pharmaceuticals	Business combination between Innova Italy 1 and Fine Foods & Pharmaceuticals NTM	01/10/2018	n.a.	n.a.	169.4	n.a.
 Circle	Management consulting in the intermodal logistics sector	IPO	26/10/2018	1.5	0.0	7.6	20.2%
 Digital Value	Information technology	IPO	08/11/2018	22.5	0.0	66.5	36.1%
 Edilizia Acrobatica	Works in the building industry for rope access	IPO	19/11/2018	5.2	0.5	22.0	26.4%
 Powersoft	Producer of professional audio amplifiers	IPO	17/12/2018	4.9	0.2	39.2	12.4%
<b>Total</b>				<b>1,309.8</b>	<b>13.6</b>	<b>2,516.6</b>	<b>45.6%</b>

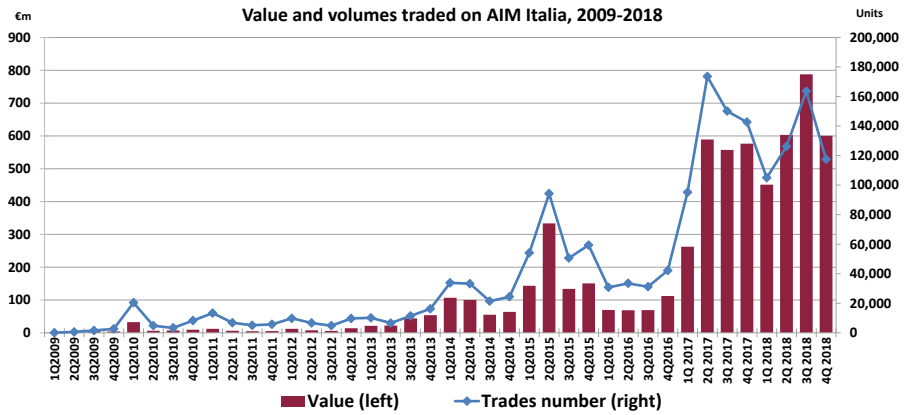
7 SPACs contributing €1.2bn IPO proceeds out of total €1.3bn (same level in 2017)

4 business combinations: EPS Equita PEP with ICF; Crescita with Cellularline; Glenalta with CFT; Innova Italy 1 with Fine Foods & Pharmaceuticals NTM

Source: EnVent on public data, Borsa Italiana, websites and Admission Documents - Note: Data include, when applicable, the exercise of greenshoe options

**Liquidity Analysis**

**Number and value of trades in 2018 respectively -9% and +23% vs 2017**

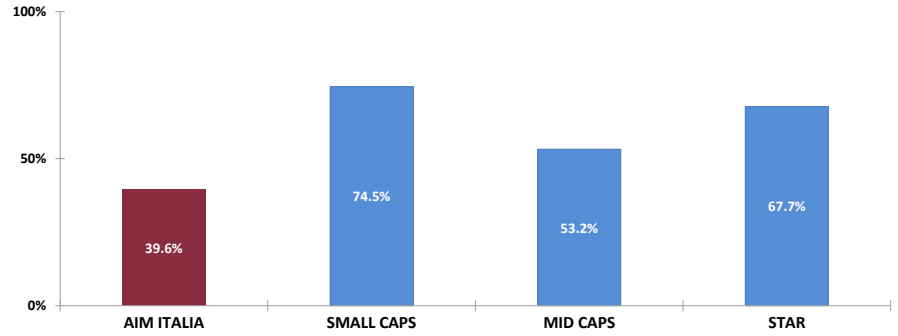


Source: EnVent on Borsa Italiana Monthly Update

Trading Period: 01/01/2018 - 31/12/2018		
Liquidity analysis	VELOCITY TURNOVER*	Tot. Volumes / Free Float
<b>INDUSTRY</b>		
Financial and Inv. Companies	19.2%	32.8%
Digital	36.0%	131.8%
Media	96.6%	285.7%
Energy & Cleantech	41.1%	192.4%
Food & Beverage	27.8%	88.3%
Manufacturing	34.9%	155.3%
Consumer goods and services	30.6%	133.3%
Biotech & Pharma	37.2%	113.5%
Other	95.0%	276.4%
<b>Mean</b>	<b>39.6%</b>	<b>139.9%</b>
<b>MARKET CAP</b>		
< €10m	69.1%	216.5%
€10-20m	34.2%	138.3%
€20-50m	41.9%	180.1%
€50-100m	31.0%	102.9%
> €100m	20.5%	48.6%
<b>Mean</b>	<b>39.6%</b>	<b>139.9%</b>

\*Tot. Volumes / Num. Ordinary Shares, average last twelve months

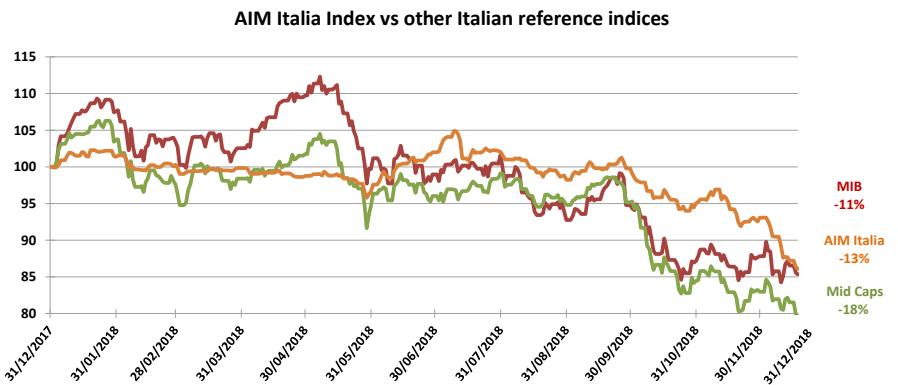
**Velocity turnover of AIM Italia companies vs companies listed on the main market MTA, 2018**



Source: EnVent on public data, Borsa Italiana, Bloomberg, websites

**Stock Market Performance**

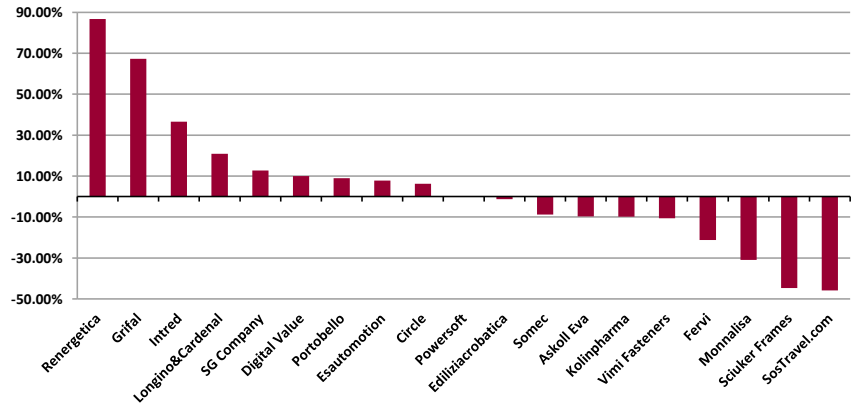
**FTSE AIM Italia as of Dec 2018 -13% vs Dec 2017, better than mid-caps and in line with FTSE MIB**



Source: EnVent on Bloomberg - Note: FTSE indices

As of December 2018, out of 19 companies listed during the year, 9 had a share price higher than the IPO offer price and 9 had a negative performance

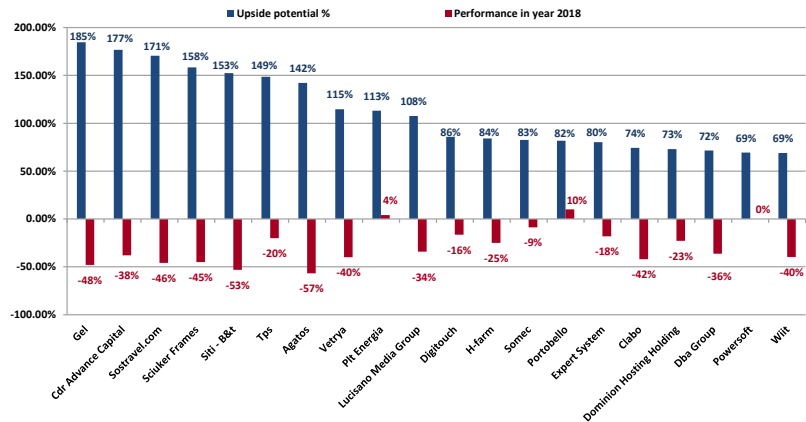
Share price performance since IPO, 2018 (SPACs excluded)



Source: Monitor AIM

Generous consensus, regardless of disappointing performances

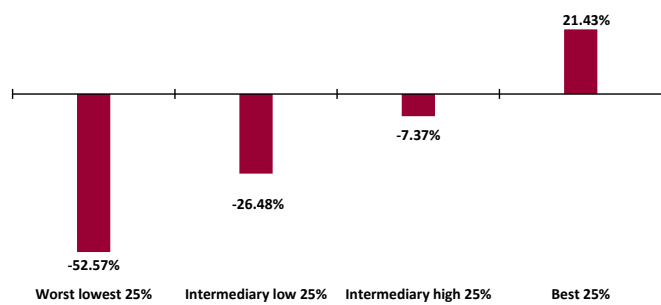
Top 20 stocks ranked by upside potential as to Equity Research consensus vs actual performance



Source: Monitor AIM - Note: Equity researches published during the first 9 months of 2018

Positive returns aligned with dividends  
2 companies out of 4 double-digit loss

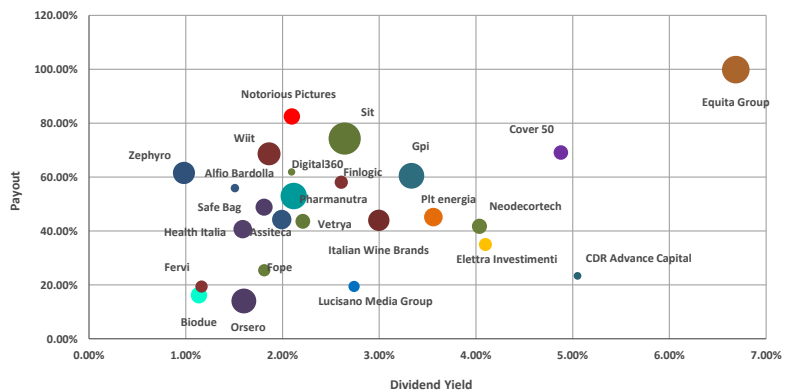
Distribution of average returns of AIM Italia stocks by quartiles, 2018



Source: Monitor AIM

In 2018 28 companies have distributed dividends

Dividend distribution on AIM Italia, 2018



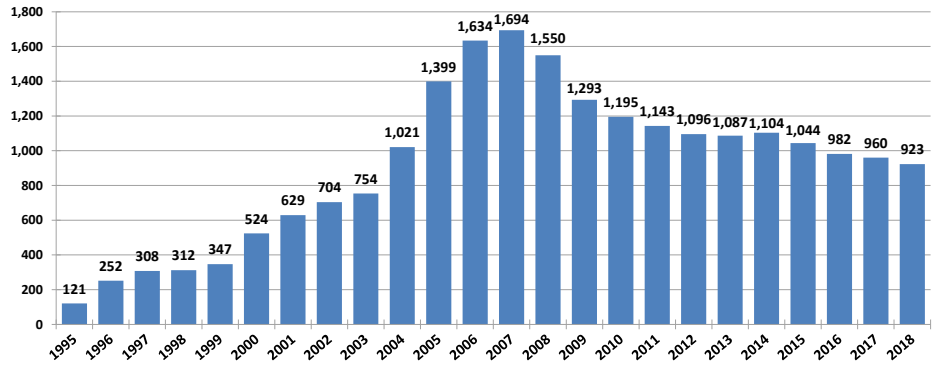
Source: Monitor AIM - Note: Bubbles size reflects current market cap

**2018 AIM UK Snapshot**

**923 listed companies as of December 31<sup>st</sup>, 2018, -4% vs year-end 2017, for a total market cap of GBP91bn (-15% YoY)**

**Average market cap per AIM company around GBP100m**

**AIM UK companies, 1995-2018**

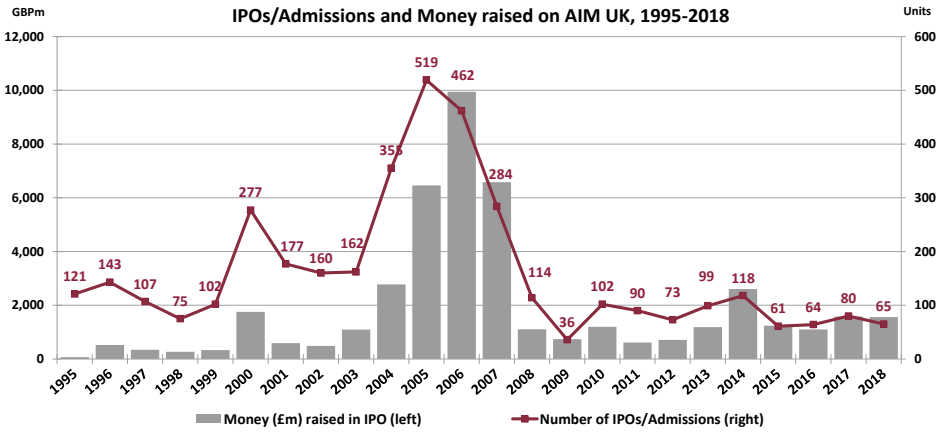


Source: London Stock Exchange, AIM UK Market Statistics

**65 IPOs/Admissions in 2018 (vs 80 in 2017), 102 delistings (vs 76 in 2017)**

**GBP1,563m money raised in IPO in 2018, stable compared to prior year**

**IPOs/Admissions and Money raised on AIM UK, 1995-2018**

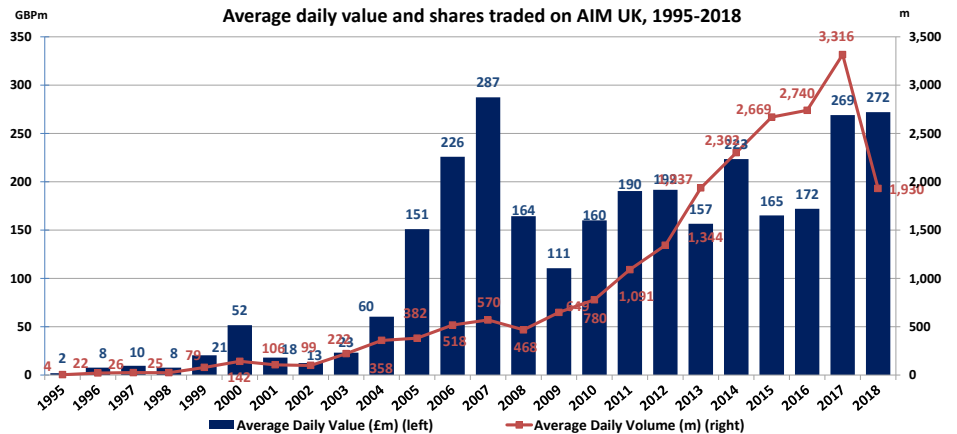


Source: London Stock Exchange, AIM UK Market Statistics

**1,930m average daily shares traded in 2018**

**GBP272m average daily value of shares traded as of December 2018**

**Average daily value and shares traded on AIM UK, 1995-2018**



Source: London Stock Exchange, AIM UK Market Statistics

## Glossary

<b>ADMISSION</b>	Transfers and just listings from other markets
<b>CAPITAL RAISED/INCREASE</b>	Money raised by a company through a right assigned to existing shareholders or reserved to new shareholders to underwrite additional new issued shares at a determined price
<b>CORPORATE BOND</b>	Debt securities issued by a company
<b>FLOAT</b>	Ordinary shares available for trading on the market, owned by non-significant shareholders (stakes under 5% of share capital on AIM Italia)
<b>GREENSHOE OPTION</b>	Also referred to as over-allotment option, it is granted by the Issuer to the Global Coordinator, giving the faculty to increase the size of the IPO by the sale of additional existing shares
<b>IPO</b>	Initial Public Offer: sale of ordinary shares of a private company on the equity capital market within the listing process on a stock exchange
<b>MARKET CAPITALIZATION/CAP</b>	Total market value of 100% Equity of a company listed on a stock exchange
<b>MONEY RAISED</b>	Funds collected in IPO by a private company from the underwriting of new issued shares
<b>SPAC (Special Purpose Acquisition Company)</b>	New company usually formed for the sole purpose of raising capital to identify and acquire a suitable business opportunity
<b>VELOCITY TURNOVER</b>	Ratio of total traded shares to total ordinary shares in a given period
<b>VENDOR PLACING</b>	Funds collected in IPO (or in other placement) by existing shareholders of a company from the sale of existing shares and from the greenshoe option exercise
<b>VOLUMES</b>	Number of financial instruments traded in a certain period
<b>WARRANT</b>	Derivative financial instrument giving the holder the right to underwrite new issued shares of a company at a determined price within a certain time frame

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