

Italy - Software

Paving the way for future value

4th October 2016

H1-16 RESULTS RELEASE

RIC: PITE.MI
BBG: PITE IM

Piteco, the undisputed domestic leader in the treasury management software niche, reported H1-16 results characterized by fair top line growth, profitability impacted by business development costs and soaring bottom line thanks to the benefit of the Patent Box legislation scheme

Rating:

Buy

Price Target:

€ 4.90 (4.70)

Upside/(Downside): 17.2%

Last Price: € 4.18

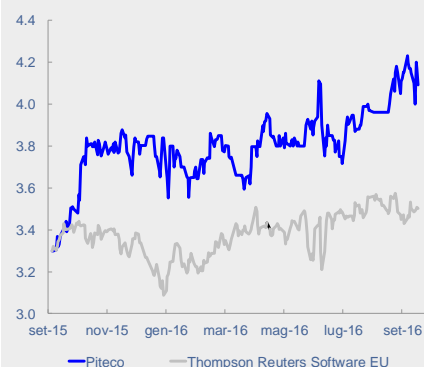
Market Cap.: € 75.76

1Y High/Low: € 4.27/€ 3.33

Free Float: 16.8%

Major shareholders:

Podini Family 74.6%
Management 8.6%



Stock price performance

	1M	3M	12M
Absolute	1.0%	6.3%	22.9%
Rel.to Milan AIM	-2.0%	-8.5%	10.2%
Rel.to EU Sector	-1.7%	0.6%	n.a.

Analyst:
Luca Arena
+39 02 30343 395
luca.arena@cfofim.com

Buy reiterated, PT € 4.90/s (€ 4.70/s), upside potential of 17.2%

Following the publication of H1-16 results, we have updated our model, left top line and profitability estimates unchanged but factored in the more favourable impact on 2016-18 tax rate stemming from the adoption of the Patent Box tax scheme. The result is an average 4.4% upgrade in 2016-18 net profit. Moreover, we have updated DCF valuation criteria and brought the Free Risk Rate up-to-date. The combined result is an upgrade in target price to € 4.90/s (€ 4.70/s), 17.2% upside at current prices: Buy reiterated.

Revenues up 10.0% and 17 new clients in H1-16

H1-16 turnover grew 10.0% to € 6.70m, mainly driven by maintenance fees, software licenses and services. The number of new clients totalled 17 in the first part of the year, half-way to our estimate of 34 new customers for Dec-16e. Excluding the contribution of Centrodada, consolidated in Jul-15, turnover remained basically unchanged.

Profitability affected by business development costs but EPS up 39.0% YoY

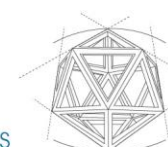
EBITDA decreased to € 2.46m, margin of 36.7% i.e. -590bps, due to 1) costs related to the business developments in the USA and Mexico, 2) the launch of cloud solutions, 3) strengthening of the sales force structure for foreign growth and 4) ongoing listing costs not present in H1-15. We forecast EBITDA to grow by some 3% excluding these expenses. Lower financial charges linked to more favourable financing conditions (EURIBOR +2% vs. the old expensive 6.5% LBO funding) and the benefit of the Patent Box legislation scheme (tax rate of 20.6% vs. 30.4% in H1-15) boosted bottom line: net profit soared 39.0% to € 1.78m.

21 new clients YTD and order backlog up 27% at end-Aug reinforce FY visibility

At 31-Aug turnover had grown 11% and order backlog had jumped 27% YoY, evidence of a strong growth in Jul-Aug. New clients totalled 21 at end-Sep. This prompts management to be confident in the second half of the year with an acceleration of growth compared to H1-16. The business model of the company allows profitability to grow more than proportionately to top line, thanks to the substantial weight (close to 50% of the total) of high margin turnover linked to maintenance and services. CFO estimates almost 90% of margins come from this business line.

Piteco, key financials and ratios

€ m	2014	2015	2016e	2017e	2018e
Sales	12.30	13.37	15.13	16.34	17.40
EBITDA	5.23	5.72	6.59	7.33	7.84
EBIT	4.53	5.46	6.33	7.04	7.51
Net profit	2.44	3.43	4.72	5.42	5.81
Net profit adjusted	2.43	3.68	4.72	5.42	5.81
EPS adjusted	0.16	0.20	0.26	0.30	0.32
EPS adj. growth	48.8%	30.1%	28.0%	14.9%	7.1%
DPS ord. €/s	0.00	0.10	0.14	0.16	0.17
Dividend yield	0.0%	2.4%	3.4%	3.9%	4.2%
NFP (cash)/debt	10.03	0.35	(2.61)	(5.42)	(8.30)
Free Cash Flow Yield	1.6%	4.0%	6.4%	7.2%	7.8%
PER x	26.2	20.1	15.7	13.7	12.8
PCF x	42.7	23.5	14.8	13.3	12.4
EV/Sales x	6.8	5.6	4.7	4.2	3.8
EV/EBITDA x	16.1	13.0	10.9	9.4	8.4
EV/EBIT x	18.6	13.6	11.3	9.8	8.8



H1-16 results

Piteco reported a fair set of results in the first half of 2016, characterized by **adequate top line growth** and **profitability impacted by development costs**. Lower financial charges and the benefit of the Patent Box legislation scheme **boosted bottom line**. NFP is positive for € 1.9m vs. € 0.3m negative at dec-15. **At 31-Aug turnover had grown 11%** and **order backlog had jumped 27% YoY**, evidence of strong growth in Jul-Aug. **New clients totalled 21 at end-Sep.**

Table 1 – Piteco, H1-16 results summary

€ m	H1-15	H1-14	% YoY
Turnover	6.70	6.09	10.0
Raw material	0.06	0.04	
Services	1.20	0.92	
Personnel	2.98	2.53	
Other	0.01	0.02	
EBITDA	2.46	2.60	(5.2)
% margin	36.7	42.6	
D&A	0.12	0.06	
EBIT	2.34	2.54	(7.9)
% margin	34.9	41.6	
Financial costs/(income)	0.18	0.37	
Extraordinary	0.10	(0.32)	
Pretax	2.25	1.84	21.9
Taxes	0.46	0.56	
Tax rate	20.6%	30.4%	
Net profit	1.78	1.28	39.0
% margin	26.6	21.1	

Source: company data

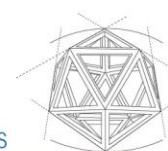
H1-16 turnover grew 10.0% to € 6.70m, mainly driven by maintenance fees, software licenses and services. **The number of new clients totalled 17** in the first part of the year, **half-way** to our estimate of 34 new customers for Dec-16e. Excluding the contribution of Centrodata, consolidated in Jul-15, turnover remained basically unchanged.

EBITDA decreased to € 2.46m, down 5.2% YoY, margin of 36.7% i.e. -590bps, due to 1) **costs related to the business developments** in the USA and Mexico, 2) **the launch of cloud solutions**, 3) **strengthening of the sales force** structure for foreign growth and 4) **ongoing listing costs** not present in H1-15. In detail, Piteco, aiming at entering the Mexican market, signed a distribution agreement with PAGAFLEX, a company operating in the credit card industry for Mexican firms. This relationship has already contributed to launch a "cloud" solution pilot project. **We forecast EBITDA to grow by some 3% excluding these expenses.** EBIT declined 7.9% to € 2.34m, 34.9% margin.

Lower financial charges linked to **more favourable financing conditions** (EURIBOR +2% vs. the old expensive 6.5% LBO funding) and the benefit of the Patent Box legislation scheme (tax rate of 20.6% vs. 30.4% in H1-15) **boosted bottom line**: net profit soared 39.0% to € 1.78m.

Free cash flow totalled € 4.29m, +46.2% YoY. Net financial position, thanks to **substantial cash generation**, was positive for € 1.9m, with € 2.2m improvement vs. € 0.3m negative of FY-15.

At 31-Aug turnover had grown 11% and **order backlog had jumped 27% YoY**, evidence of strong growth in Jul-Aug. **New clients totalled 21 at end-Sep.** This prompts management to be confident in a second half of the year with acceleration of growth compared to H1-16.



10. Valuation & risks

Following the publication of H1-16 results, we have updated our model, left top line and profitability estimates unchanged but factoring in the more favourable impact on 2016-18 tax rate of the adoption of the Patent Box tax scheme. The result is an **average 4.4% upgrade in 2016-18 net profit**. Moreover, we have updated DCF valuation criteria and brought the Free Risk Rate up-to-date.

The combined result is an **upgrade in target price of Piteco to € 4.90/s** (€ 4.70/s), 17.2% upside at current prices, thus **sticking to our Buy recommendation**. The business model of the company allows profitability to grow more than proportionately to top line, thanks to the substantial weight (close to 50% of the total) of high margin turnover linked to maintenance and services (almost 90% of margins come from this business line).

10.1. DCF

In the valuation via the DCF method explicit estimates until 2020 and a long term growth of 1.5% were used. Cash flows were discounted back at an weighted average cost of capital calculated according to the following parameters:

Table 2 - WACC derived from:

Interest costs, pre-tax	2.5%
Tax rate	25.0%
Int. costs, after taxes	1.9%
Risk premium, incl. small size premium	7.0%
Risk-free (10Y Gov. Bond 2W average)	1.15%
Beta levered (x)	1.00
Required ROE	8.2%

Source: CFO Sim

Table 3 - Piteco, DCF model

€ m	2016e	2017e	2018e	2019e	2020e	Term. Val.
EBIT	6.33	7.04	7.51	7.85	8.19	
Tax rate	22.0%	20.0%	20.0%	20.0%	20.0%	
Operating profit (NOPAT)	4.94	5.63	6.01	6.28	6.55	
Change working capital	(0.28)	(0.36)	(0.32)	(0.33)	(0.35)	
Depreciation	0.26	0.29	0.33	0.26	0.25	
Investments	(0.25)	(0.25)	(0.25)	(0.25)	(0.25)	
Free Cash Flows	4.67	5.31	5.77	5.96	6.20	92.36
Present value	4.58	4.81	4.83	4.60	4.42	65.81
WACC	8.3%	8.3%	8.3%	8.3%	8.3%	
Long-term growth rate	1.5%					

Source: CFO Sim

Table 4 – Piteco, DCF per share derived from:

Total EV present value € m	89.03
<i>thereof terminal value</i>	73.9%
NFP, last reported H1-16 € m	1.89
Pension provision last reported	(1.21)
Equity value € m	89.71
Shares # m	18.13
Discounted CF € /s	4.90
<i>Upside/(downside)</i>	17.2%

Source: CFO Sim

The application of the model produces an equity value of € 89.71m, which corresponds to **€ 4.90/s, with a potential upside of 19.7%**.

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value per share of between € 4.50 – 5.60 (perpetuity



range of between 0.50% and +2.50%), while 2) compared to changes in the free risk rate produces an equity value/s of € 4.30–5.80 (free risk range of between 2.15% and 0.15%) and 3) compared to changes in the risk premium, including small size premium results in an equity value/s of € 3.80-7.00 (risk premium range of between 9.00% and 5.0%).

Table 5 – Piteco, equity value sensitivity to changes in terminal growth rate

€ m	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
Present value of CF	23.23	23.23	23.23	23.23	23.23	23.23	23.23	23.23	23.23
PV of terminal value	56.82	58.84	61.01	63.32	65.81	68.48	71.37	74.49	77.88
Total value	80.05	82.07	84.23	86.55	89.03	91.71	94.59	97.72	101.11
NFP last reported H1-16 € m	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89
Pension provision	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)
Equity value	80.72	82.75	84.91	87.23	89.71	92.39	95.27	98.40	101.79
Equity value €/s	4.50	4.60	4.70	4.80	4.90	5.10	5.30	5.40	5.60

Source: CFO Sim

Table 6 – Piteco, equity value sensitivity to changes in free risk rate

€ m	0.15%	0.40%	0.65%	0.90%	1.15%	1.40%	1.65%	1.90%	2.15%
Present value of CF	23.72	23.60	23.47	23.35	23.23	23.11	22.98	22.87	22.75
PV of terminal value	80.67	76.46	72.61	69.07	65.81	62.78	59.98	57.38	54.95
Total value	104.39	100.06	96.09	92.42	89.03	85.89	82.97	80.24	77.70
NFP last reported H1-16 € m	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89
Pension provision	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)
Equity value	105.07	100.74	96.76	93.10	89.71	86.57	83.65	80.92	78.37
Equity value €/s	5.80	5.60	5.30	5.10	4.90	4.80	4.60	4.50	4.30

Source: CFO Sim

Table 7 – Piteco, equity value sensitivity to changes in risk premium

€ m	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%	9.00%
Present value of CF	24.24	23.98	23.72	23.47	23.23	22.98	22.75	22.51	22.29
PV of terminal value	102.13	90.33	80.67	72.61	65.81	59.98	54.95	50.56	46.70
Total value	126.38	114.31	104.39	96.09	89.03	82.97	77.70	73.07	68.99
NFP Adj. Q2-15A	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89
Pension provision	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)
Equity value	127.05	114.99	105.07	96.76	89.71	83.65	78.37	73.75	69.67
Equity value €/s	7.00	6.30	5.80	5.30	4.90	4.60	4.30	4.10	3.80

Source: CFO Sim

10.2. Market multiples

We have included 13 peer groups in the sample, operating in the software and digital technology worldwide arena. Our sample comprises larger global payers as well as small local actors. Size differs significantly amongst the panel, in particular between smaller and global firms, as well as profitability. Piteco presents by far **the highest value in terms of EBITDA margin**, lower only than Oracle, which however provides a different service. In addition, Piteco offers **top of the range growth** within the peer group, much higher than larger and smaller players' average at every level of P&L. In particular, considering EPS growth, Piteco offers **almost twice the growth**, on average, of its peers. On the other hand, Piteco is among the **smaller** firms in terms of market value and **the less liquid** (free float 17%, i.e. € 12.47m market value).

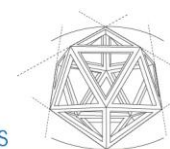


Table 8 - Piteco, peers group summary table

Local currency, m	Country	Mkt Cap	Float	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₁₄₋₁₇	EBITDA CAGR ₁₄₋₁₇	EBIT CAGR ₁₄₋₁₇	EPS CAGR ₁₄₋₁₇	NFP /EBITDA
Intuit Inc.	USA	25,250	95%	4,503	1,721	38.2%	8.0%	18.2%	19.0%	12.2%	(0.0)
Microsoft Corporation	USA	399,404	98%	83,558	31,852	38.1%	7.2%	14.7%	15.9%	8.3%	(1.8)
NetSuite Inc.	USA	7,971	49%	859	78	9.1%	25.2%	-230.7%	-188.0%	35.8%	(0.2)
Oracle Corporation	USA	143,504	73%	33,425	15,151	45.3%	2.2%	5.7%	9.8%	7.0%	(0.5)
salesforce.com, inc.	USA	43,479	94%	7,454	1,500	20.1%	20.4%	67.9%	153.8%	36.5%	(0.1)
SAP SE	GERMANY	99,260	80%	21,952	7,135	32.5%	6.2%	10.2%	14.2%	8.7%	0.5
Median large player		71,369	87%	14,703	4,428	35.3%	7.6%	12.4%	15.1%	10.4%	(0.2)
Datalogic SpA	ITALY	1,109	33%	580	89	15.4%	6.9%	13.0%	15.5%	11.7%	(0.0)
Digital Bros SpA	ITALY	126	30%	91	10	11.0%	7.8%	-5.8%	n.a.	n.a.	(0.2)
Expert System SpA	ITALY	52	100%	27	2	9.2%	32.0%	93.0%	-189.6%	n.s.	5.0
Exprivia SpA	ITALY	33	45%	145	15	10.3%	n.a.	n.a.	n.a.	n.a.	2.4
Reply SpA	ITALY	1,093	46%	789	107	13.6%	11.4%	11.9%	12.7%	17.5%	(0.2)
TXT e solutions SpA	ITALY	93	48%	70	8	11.3%	9.5%	18.3%	20.8%	15.2%	0.3
Median small player		110	46%	118	13	11.1%	9.5%	13.0%	14.1%	15.2%	0.1
PITECO	ITALY	74	17%	15	7	43.6%	9.2%	11.1%	11.2%	10.3%	(0.4)

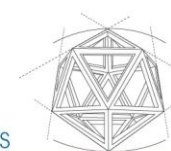
Source: CFO Sim, Thomson Reuters Eikon

Table 9 - Piteco, peers group multiples table

EV & Price multiples x	PER FY1	PER FY2	PCF FY1	PCF FY2	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2
Intuit Inc.	25.2	22.4	20.0	14.6	12.9	11.5	16.5	14.7	13.4	25.2
Microsoft Corporation	19.9	18.3	17.0	10.7	9.9	9.6	13.5	12.5	12.2	19.9
NetSuite Inc.	228.0	149.4	123.7	102.1	78.6	55.9	213.1	158.7	106.8	228.0
Oracle Corporation	14.5	13.8	12.6	8.9	8.6	8.0	9.6	9.2	8.5	14.5
salesforce.com, inc.	73.5	52.8	39.5	28.9	22.1	16.1	45.1	31.9	23.5	73.5
SAP SE	21.5	19.4	18.2	14.4	13.1	11.8	16.3	14.7	13.4	21.5
Median large player	23.4	20.9	19.1	14.5	13.0	11.6	16.4	14.7	13.4	23.4
Datalogic S.p.A.	20.8	17.8	16.7	12.4	11.1	10.3	16.1	14.0	12.9	20.8
Digital Bros S.p.A.	25.2	13.3	n.a.	12.4	6.9	n.a.	17.7	8.3	n.a.	25.2
Expert System SpA	(27.7)	86.4	35.4	25.8	1,794.6	7.1	(47.9)	n.m.	21.3	(27.7)
Exprivia S.p.A.	11.1	6.7	n.a.	4.6	3.8	n.a.	7.7	5.9	n.a.	11.1
Reply S.p.A.	16.8	15.0	12.2	10.0	8.6	7.7	10.9	9.7	8.3	16.8
TXT e-solutions S.p.A.	17.7	15.7	13.3	12.0	11.0	9.6	13.9	12.6	11.1	17.7
Median small player	17.2	15.4	15.0	12.2	9.8	8.6	12.4	11.1	12.0	17.2
PITECO	16.2	14.4	13.3	10.9	9.4	8.4	11.3	9.8	8.8	16.2
PITECO @TGT	18.7	16.5	15.3	12.5	10.9	9.9	13.1	11.4	10.3	18.7

Source: CFO Sim, Thomson Reuters Eikon

Piteco **trades at a discount** vs. larger players' median at all levels considering EV multiples and PER. Also compared to smaller players, although multiple range varies quite a lot amongst its peers, it trades at a discount, evidence of the visibility of the high growth on offer, not yet priced in.



10.3. Stock performance

Piteco was listed on the AIM Italia (Alternative Investment Market) on 31-Jul-15 at € 3.30/share, corresponding to a market capitalization post money of € 58.9m. Piteco now trades **above the IPO price**, and reached the maximum of € 4.27/s on 19-Sep and the minimum of € 3.33 on 02-Oct-15. The stock outperformed smaller players at 3M, 6M, 1Y and YTD.

Table 10 - Piteco, peers group absolute performance

	1D	1W	1M	3M	6M	1Y	YTD
Intuit Inc.	0.6	0.1	(1.8)	(1.7)	5.1	23.8	14.0
Microsoft Corporation	0.3	0.3	(0.1)	12.6	3.7	29.1	3.8
NetSuite Inc.	0.8	1.8	1.6	51.4	59.8	30.1	30.8
Oracle Corporation	0.4	0.1	(4.8)	(3.9)	(4.6)	8.4	7.5
salesforce.com, inc.	0.2	1.3	(5.0)	(10.6)	(5.8)	(2.2)	(9.0)
SAP SE	0.2	(0.9)	0.6	20.1	15.5	41.7	10.3
Median large players	0.4	0.2	(1.0)	5.4	4.4	26.5	8.9
Datalogic S.p.A.	0.2	(1.0)	1.6	31.4	10.6	34.3	15.9
Digital Bros S.p.A.	1.4	2.2	8.3	34.6	91.4	(26.4)	20.3
Expert System SpA	0.0	0.3	5.0	(3.9)	(8.6)	(2.4)	(10.4)
Exprivia S.p.A.	1.3	(2.2)	(0.8)	1.8	(16.2)	(18.3)	(15.1)
Reply S.p.A.	(1.4)	(1.5)	1.7	(0.4)	(10.7)	18.2	(7.1)
TXT e-solutions S.p.A.	(0.1)	3.1	(1.6)	(3.0)	(7.5)	(5.0)	(11.8)
Median small players	0.0	(1.0)	1.6	1.8	(7.5)	(2.4)	(7.1)
PITECO SpA	(1.9)	(1.4)	1.0	6.3	11.8	22.9	6.3
Piteco relative to large players	(2.2)	(1.6)	2.0	0.8	7.4	(3.6)	(2.6)
small players	(1.9)	(0.4)	(0.6)	4.5	19.3	25.3	13.4

Source: FactSet

Table 11 – Piteco, indexes and Italian Market performances

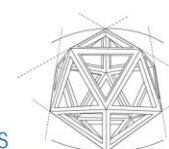
	1D	1W	1M	3M	6M	1Y	YTD
Thompson Reuters Software EU	(0.2)	(0.0)	(1.7)	0.6	3.9	n.a.	(9.0)
FTSE AIM All Share	(0.1)	0.4	3.1	14.8	15.1	12.7	0.0

Source: FactSet

10.4. Risks

The principal investment **risks** in Piteco include:

- impacts on economics and balance sheet profile triggered by a deep decline in local and global economic growth,
- Dilution on profitability stemming from the acquisition campaign, in particular penetrating the large US market,
- Potential competition arising from smaller local player,
- The departure of one of few key relevant people.





Income statement (€ m)	2014	2015	2016e	2017e	2018e
Total revenues	12.30	13.40	15.13	16.34	17.40
Material expenses	0.05	0.05	0.05	0.06	0.06
Change in inventories	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)
Personnel expenses	4.98	5.43	6.24	6.66	7.11
Other operating expenses/(income)	2.08	2.19	2.26	2.31	2.40
EBITDA	5.23	5.75	6.59	7.33	7.84
D&A	0.70	0.26	0.26	0.29	0.33
EBIT	4.53	5.49	6.33	7.04	7.51
Financial charges/(income)	1.01	0.58	0.29	0.26	0.25
Other costs & extraordinary & other	(0.02)	0.32	0.00	0.00	0.00
Pre-Tax profit	3.53	4.58	6.05	6.78	7.26
Income taxes	1.09	1.13	1.33	1.36	1.45
Net Profit	2.44	3.45	4.72	5.42	5.81
Net Profit Adjusted	2.43	3.68	4.72	5.42	5.81
Balance sheet (€ m)	2014	2015	2016e	2017e	2018e
Net Working Capital	3.30	4.24	4.53	4.89	5.21
Net Fixed Assets	28.90	29.94	29.93	29.89	29.81
Equity Investments	0.18	0.01	0.01	0.01	0.01
Other M/L Term A/L	(4.07)	(3.92)	(4.80)	(5.01)	(5.19)
Net Invested Capital	28.31	30.28	29.67	29.78	29.84
Net Financial Debt	10.03	0.90	(2.61)	(5.42)	(8.30)
Minorities	0.00	0.00	0.00	0.00	0.00
Group's Shareholders Equity	18.28	29.38	32.28	35.21	38.14
Financial Liabilities & Equity	28.31	30.28	29.67	29.78	29.84
Cash Flow statement (€ m)	2014	2015	2016e	2017e	2018e
Total net income	2.44	3.43	4.72	5.42	5.81
Depreciation	0.70	0.26	0.26	0.29	0.33
Other non-cash charges	0.12	0.41	0.33	0.21	0.18
Cash Flow from Oper. (CFO)	3.26	4.10	5.31	5.92	6.32
Change in NWC	(1.77)	(0.94)	(0.28)	(0.36)	(0.32)
FCF from Operations (FCFO)	1.49	3.16	5.02	5.56	6.00
Net Investments (CFI)	(0.27)	(1.30)	(0.25)	(0.25)	(0.25)
Free CF to the Firm (FCFF)	1.22	1.86	4.77	5.31	5.75
CF from financials (CFF)	(2.41)	6.49	(2.34)	(3.00)	(3.35)
Free Cash Flow to Equity (FCFE)	(1.20)	8.35	2.43	2.31	2.40
Financial ratios	2014	2015	2016e	2017e	2018e
EBITDA margin	42.5%	42.9%	43.6%	44.8%	45.1%
EBIT margin	36.8%	41.0%	41.9%	43.1%	43.2%
Net profit margin	19.9%	25.8%	31.2%	33.2%	33.4%
Tax rate	30.8%	24.6%	22.0%	20.0%	20.0%
Interest coverage x	0.22	0.11	0.05	0.04	0.03
Net Debt/Ebitda x	1.92	0.16	(0.40)	(0.74)	(1.06)
Debt-to-Equity x	0.55	0.03	(0.08)	(0.15)	(0.22)
ROIC	8.3%	11.8%	15.7%	18.2%	19.5%
ROCE	14.4%	13.3%	14.6%	15.4%	15.6%
ROACE	13.7%	15.0%	15.0%	15.8%	16.0%
ROE	13.1%	14.5%	15.3%	16.1%	15.8%
Payout ratio	0.0%	52.9%	53.0%	53.0%	53.0%
Per share figures	2014	2015	2016e	2017e	2018e
Final N. of shares # m	15.6	18.1	18.1	18.1	18.1
Final N. of shares (fully diluted) # m	15.6	18.1	18.1	18.1	18.1
Average N. of shares (fd)# m	15.6	18.1	18.1	18.1	18.1
EPS stated €	0.16	0.19	0.26	0.30	0.32
EPS adjusted €	0.16	0.19	0.26	0.30	0.32
EBITDA €	0.34	0.32	0.36	0.40	0.43
EBIT €	0.29	0.30	0.35	0.39	0.41
FCFO €	0.10	0.17	0.28	0.31	0.33
FCFF €	0.08	0.10	0.26	0.29	0.32
FCFE €	(0.08)	0.46	0.13	0.13	0.13
Dividend €	0.00	0.10	0.14	0.16	0.17



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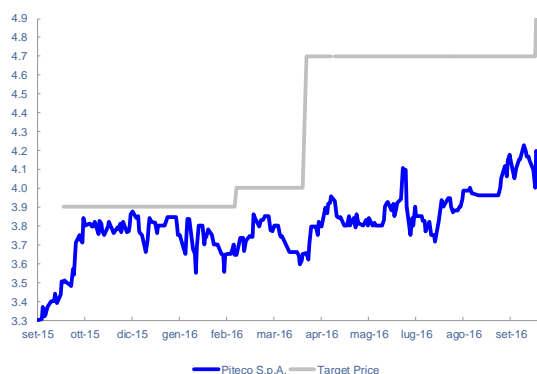
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DATE	TARGET PRICE	RATING
04/10/2016	€4.90	BUY
24/03/2016	€4.70	BUY
04/02/2016	€4.00	NEUTRAL

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CORPORATE FAMILY OFFICE SIM S.p.A.
Società di Intermediazione Mobiliare
Capitale Sociale Euro 2.500.000,00 i.v.
Aderente al Fondo Nazionale di Garanzia

Sede:
Via dell'Annunciata, 23/4 · 20121 Milano
Tel. +39 02 30343.1 · Fax. +39 02 30343.243
E-mail: info@cfofim.com

Unità locale:
Viale della Libertà, 67 · 33170 Pordenone
Tel. +39 0434 5467.11 · Fax. +39 0434 5467.99
www.cfofim.com

