



Investment Research

Reason: Estimates Revision

27 January 2016

Accumulate

Recommendation unchanged

Share price: EUR 1.75

closing price as of 26/01/2016

Target price: EUR 2.55

from Target Price: EUR 3.05

Reuters/Bloomberg NPI.MI/NPI.IM

Daily avg. no. trad. sh. 12 mth 8,800

Daily avg. trad. vol. 12 mth (m) 15.61

Price high 12 mth (EUR) 3.09

Price low 12 mth (EUR) 1.73

Abs. perf. 1 mth -16.2%

Abs. perf. 3 mth -30.0%

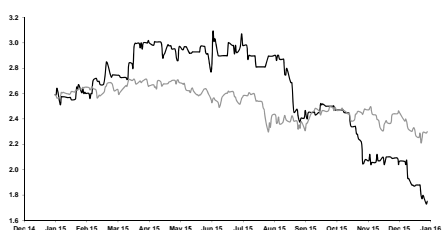
Abs. perf. 12 mth -32.4%

Market capitalisation (EURm) 39

Current N° of shares (m) 22

Free float 18%

Key financials (EUR)	12/14	12/15e	12/16e
Sales (m)	27	25	30
EBITDA (m)	14	14	19
EBITDA margin	53.6%	55.8%	63.1%
EBIT (m)	10	9	13
EBIT margin	37.4%	35.7%	42.5%
Net Profit (adj.)(m)	6	6	9
ROCE	83.5%	39.2%	36.4%
Net debt/(cash) (m)	(8)	(7)	(5)
Net Debt Equity	-0.5	-0.3	-0.2
Net Debt/EBITDA	-0.5	-0.5	-0.3
Int. cover(EBITDA/Fin.int)	475.9	high	high
EV/Sales	2.0	1.6	1.1
EV/EBITDA	3.8	2.9	1.8
EV/EBITDA (adj.)	3.8	2.9	1.8
EV/EBIT	5.4	4.5	2.6
P/E (adj.)	9.5	7.9	4.6
P/BV	4.2	2.3	1.5
OpFCF yield	9.3%	22.2%	30.8%
Dividend yield	0.0%	5.7%	8.4%
EPS (adj.)	0.29	0.26	0.38
BVPS	0.66	0.89	1.17
DPS	0.00	0.10	0.15



Source: Notus

Shareholders: Guglielmo Marchetti 82%;

For company description please see summary table footnote

Modest theatrical results trigger earnings downgrade

We adjust our estimates on NPI to include the most recent figures at the Box Office. In particular, the second half of 2015 delivered a modest performance with a clear disappointment for the expected blockbuster "Belle & Sebastien 2". This performance will prevent in our view NPI to meet its FY 2015 business plan targets and will have an impact on the current year results as the Pay-TV revenues are linked to the BO results. We cut our FY 2015/17 estimates by 12/15/15% at the revenues, EBIT and Net Income level respectively. We lower our Target Price by 15% to EUR 2.55. We keep a positive recommendation in view of the significant undervaluation on both an intrinsic and relative basis.

- ✓ **A weak H2 in theatres...** In the first half of 2015, NPI released 8 movies, which collected c EUR 10m at the Box Office: This performance was not satisfying, with a couple of titles (Selma and Black Sea) definitely below expectations, the others just meeting the budget and only a positive surprise (Wolf Totem). H1 also compared to a very strong comparable period in 2014 when "Belle & Sebastien" and "Beauty and the Beast" alone collected EUR 12m. In the second half, NPI released other 10 movies, which collectively fetched around EUR 6.8m (source: Cinetel). We feel that several titles fell again below expectations, in particular B&S2, which collected at the BO just one third of the previous chapter, while NPI expected a similar performance. Accordingly, the total BO 2015 came out at half of the original budget.
- ✓ **..Leading to further cuts on 2015 and more cautious estimates going forward.** We cut by EUR 4.5m our FY 2015 estimate for theatrical revenues, while we assume lower unitary BO results going forward, implying 22% cut to 2018. We accordingly adjust our Pay TV estimates with -5/10% cuts. We increase the estimates for new media thanks to the recent TIM Vision agreement. In all, we cut our top-line estimates by 6% in 2015/17. In presence of a fixed cost base, the impact on EBIT is close to 21% for the past year, around 13% in 2016 and 2017.
- ✓ We consider the above estimates cuts, which have a 14% impact on the average net income for the next three years and 10% lower FCFE in 2018. The impact on expected net cash at the end of 2018 is EUR 5m. We adjust our FV by 15% to EUR 2.8, which is consistent with terminal EBITDA margin of 55% and terminal growth rate of 0%. We argue that in presence of volatile results, tiny size and little liquidity, a 5/10% discount is still warranted. **We set our new TP at EUR 2.55.**
- ✓ **We maintain a positive recommendation.** Even with the rebased expectations for 2016, NPI trades at a significant discount to basically all our sample of comparable. We argue in any case that, for the valuation gap to be reduced, NPI management needs to deliver on a series of fronts namely a) a convincing BO success, b) the first positive outcome in the new activity of movie production and c) possibly an acquisition in the latter segment at a reasonable price.
- ✓ **The risk profile of the company** could have increased with the **recent management changes** from April 2015. The **entry in the production arena** is also a significant change in the NPI's business model; however we tend to consider this diversification as having a neutral to positive impact on the overall risk profile.

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 For important disclosure information, please refer to the disclaimer page of this report



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Financial/Operational Review

We analyse NPI's performance and outlook across the different distribution platforms for the audio-visual product, including theatrical, Pay and Free TV, Home Video and New Media.

THEATRICAL

In the first half of 2015, NPI released 8 movies, which collected almost EUR 10m at the Box Office: This performance was not satisfying, with a couple of titles (Selma and Black Sea) falling below company's expectations, the others just meeting the budget and only a positive surprise (Wolf Totem). H1 also compared to a very strong comparable period in 2014 when "Belle & Sebastien" and "Beauty and the Beast" alone collected EUR 12m and total box office was above EUR 21m. In the second half, NPI released other 10 movies, which collectively fetched around EUR 6.8m (source: Cinetel). We feel that several titles fell again below expectations, in particular B&S2, which collected at the BO just one third of the previous chapter, while NPI expected a similar performance. Accordingly, in spite of the nominal Y/Y growth in H2, the total BO 2015 came out lower Y/Y and at half of the original budget, with an average BO at below EUR 1m per title. The Italian market was actually up by 10% Y/Y in 2015 (to EUR 636m) with a clear polarization towards blockbusters, as 11 movies surpassed the EUR 10m mark (7 in 2014) and 3 the EUR 20m level (none in 2014). NPI kept the 8th position (first among independent players) but its market share declined to 2.6% from 4.3% (see appendix) as its largest title grossed just EUR 2.3m (B&S2).

Movies performances 2013/15 (EUR m)

	FY 2013	H1 2014	H2 2014	FY 2014a	H1 2015	H2 2015a	FY 2015a	Budget 2015
Number of Movies	14	8	9	17	8	10	18	18
BO*	11.13	18.04	3.78	25.08	9.87	6.85	16.72	33.76
NPI Theatrical Revenues	4.19	7.13	2.64	9.77	3.65	3.2e	6.9e	13.50

Source: Notorious, Banca Akros estimates

(*) Cinetel

Outlook

NPI business plan entails the release of 18 movies pa until 2017, with an increase in the average BO result thanks to higher investments and promotions. The 2016 performance was originally expected in Y/Y decline, as a consequence of the substantial contribution that was due from B&S. We were definitely more cautious on 2015, slightly more positive on the FY 2016 perspectives and again more conservative on 2017.

Movies performances vs. NPI Plan and original Akros expectations (EUR m)

	Actual		NPI Plan			Old Akros est		
	2014a	2015a	2015e	2016e	2017	2015e	2016e	2017e
Number of Movies	17	18	18	18	18	18	18	18
BO*	25.08	16.46	33.76	31.28	37.88	28.8	31.8	33.5
BO per movie	0.80	0.91	1.88	1.74	2.10	1.60	1.75	1.85
NPI Theatrical Revenues	9.77	7.08e	13.50	12.51	15.15	11.5	12.7	13.4
Investments	3.62	na	5.23	4.70	5.66	5.8	8.3	9.8

Source: Notorious, Banca Akros estimates

(*) Cinetel

The disappointing performance of the past few months leads us to take a more prudent view for the current year, and to cut further our expectations for 2017. To date, NPI has secured 25 titles which cover 18 months of theatrical releases, and has disclosed the dates of the next 8 movies. The current line-up does not seem to include very strong titles (see appendix); we are not sure whether Rambo and/or B&S3 will be released this year. We cut our estimates on unitary BO by 11/15% on the next three years to EUR 1.4/1.5/1.55m, still implying up to 10% above the average of the Italian market in the previous five years, representing a total collection of EUR 25.2/27/27.8m in 2016/18.



TELEVISION

Notorious is engaged in distribution agreements with Sky on the Pay-TV market as well as with RAI, Mediaset and more recently with the Swiss Television RSI on free TV. The original Sky contract was signed in August 2013 covering the three-year period from July 1, 2013 to June 30, 2016 and included the commitment to buy from NPI at least 37 films (released until June 30, 2015), also including the NVOD/VOD/sVOD services. The economic terms were based on admission performances, with a range between EUR 250K and EUR 1.8m per movie. On December 16, 2015 NPI and Sky announced the renewal of the distribution agreement for further three years, covering the movies released from July 1, 2015 to June 30, 2018 and including VOD and PPV. NPI said that Sky committed to acquire basically the entire movie line-up, but did not specify the new economic terms.

NPI entered the free TV market in 2014; the initial RAI agreement signed in December 2013 involved 9 movies for an amount of EUR 1.4m, covering on exclusive basis free TV and catch-up TV for four to six years. The FY 2014 budget of EUR 4m revenues was met with the contribution of further spot sales to RAI and other broadcasters. In October 2014 NPI sold to RSI the free TV broadcasting rights of seven movies, for the 2015/16 period. In December 2014, NPI also extended the Sky agreement with 4 free TV titles (broadcasted on "Cielo") and further 2 Pay TV for the year 2014. In January 2015, NPI signed new three-year agreements with RAI and Mediaset worth a total of EUR 9m and related to the transmission on free channels of 120 films (40 recent or upcoming, 80 selected films from its library). This agreement was included in the business plan presented in September 2014. On December 28, NPI announced an agreement with the Swiss Television RSI covering 12 movies (released in 2014) including Belle e Sebastien, La Bella e Ia Bestia, Nut Job e The Giver and booked as revenues in the FY 2015.

NP: total TV revenues 2013/15e (EUR m)

	FY 2013	H1 2014	H2 2014	FY 2014a	H1 2015	H2 2015 old	FY 2015 old	Budget 2015
Pay TV	3.55	4.70	3.96	8.66	2.85	6.15	9.0	9.05
Free TV	-	1.40	3.10	4.50	3.33	0.67	4.0	4.15
PPV	0.07	0.17	0.16	0.33	0.12	0.18	0.30	0

Source: Notorious, Banca Akros estimates

Outlook

In its business plan, NPI originally expected Pay TV revenues to increase by 4.5% in FY 2015, by further 17% and 7% in the following two years, based on the increasing success at the Box Office. We had already taken a more conservative view on 2016 and 2017, based on more prudent assumptions on the theatrical performances in 2015 and 2016. The weak BO of H2 last year and the reduced expectations going forward led us to further trim our estimates (see below). B&S2 alone accounts for c EUR 0.5m lower revenues in FY 2015. In Free TV, NPI expected revenues to peak in 2016 (probably related to the two hits of 2014) and then return to the 2014 level. We slightly increase FY 2015 estimates and keep 2016/17 unchanged, taking into account the plafond offered by the above contracts.

NP: total TV revenues vs. Plan and New/Old Akros expectations (EUR m)

	2014a	2015e		2016e		2017e	
		Akros (Old)	NPI	Akros (Old)	NPI	Akros (Old)	NPI
Pay TV	8.66	6.8 (9.0)	9.05	8.9 (9.6)	10.60	9.4 (9.7)	11.35
Free TV	-	4.2 (4.0)	4.15	4.8 (4.8)	4.70	4.3 (4.3)	4.00
PPV	0.33	0.30 (0.30)	0	0.40 (0.40)	0.36	0.45 (0.45)	0.36

Source: Notorious, Banca Akros estimates

HOME VIDEO/NEW MEDIA

Home video has been a declining market in its physical format (DVD/Blue Ray) as the home consumption is switching to the streaming/digital download format. NPI is managing this transition in an agnostic fashion as it covers both platforms via partnerships. In particular, NP signed agreements with most on-line distributors including Google, iTunes, Sony (June 2014), Chili (December 2014, 30 titles) and more recently TIM Vision (39 movies for one year, in Electronic Sell Through and VOD and second exclusive window in SVOD). The business model is based on revenue sharing. HV was down by 29% Y/Y in H1 2015 and NPI expects a similar trend for the full-year.

New Media was negligible until H1 2015; while the current year budget includes just EUR 120K revenues (0.4% of the total expected sales) we estimate that the just-signed TIM Vision deal, booked in FY 2015, will add close to EUR 1m contribution.

NP: HV/PPV/New Media Revenues 2013/15

	FY 2013	H1 2014	H2 2014	FY 2014a	H1 2015	H2 2015 old	FY 2015 old	Budget 2015
Home Video	0.66	0.68	0.54	1.22	0.48	0.56	1.04	0.91
New Media	0.00	0.00	0.02	0.02	0.08	0.32	0.40	0.12

Source: Notorious, Banca Akros estimates

Outlook

We leave our estimates unchanged for the HV segment; we are more optimistic than NPI's plan on 2015 but we see further pressure in the current year, whereas the company expected a boost of DVD sales from B&S2. In New Media, we increase FY 2016/17 estimates once again based on the TIM Vision contract. The segment could be further boosted by a potential agreement with Netflix.

NP: total TV revenues vs. Plan and New/Old Akros expectations

	2014a	2015e		2016e		2017e	
		Akros (Old)	NPI	Akros (Old)	NPI	Akros (Old)	NPI
Home Video	1.22	1.04	0.91	0.91	1.34	0.71	0.90
New Media	0.02	1.2 (0.40)	0.12	1.3 (0.51)	0.64	1.4 (0.65)	0.77

Source: Notorious, Banca Akros estimates

PRODUCTION

NPI had made clear before the floatation its intention to enter the production and co-production stage, in order to diversify revenues, extend its coverage of the movie value chain and ultimately reduce business risk.

NPI chose to enter the production segment through partnerships, via national or preferably international co-productions. The single ticket could be largely variable, extending to a few millions Euros for a stake in international productions; the related potential reward can be significant. Indeed, Italian productions can benefit from a **series of fiscal benefits**, which include an "internal tax credit" on production costs (15% of the amount sustained by the company); an "external tax credit" recognized to other investors in the "movie project" (40% of the amount provided by the partner), other tax credits on P&A and distribution (15% of related costs) and other discretionary contributions provided by regional film commissions. With international co-productions, NPI would obtain, on a perpetual basis, the exclusivity of Italian distribution along with its share of international distribution revenues (excluding the domestic markets of its partners).



In its plan, NPI assumes it will engage in two co-productions in 2016 and further three in the following year with an investment in the region of EUR 1.2m each, in order to take 20/40% stakes in the specific movie projects.

The EUR 6m investment is expected to yield, including all the potential revenue lines, a total amount of EUR 7.9m in the two years. Notorious is currently involved in two projects, while a couple of other ideas are being developed.

In July 2015, NPI announced its first movie, the remake of a French title "Plan de table" for which Notorious already owns the rights. NP will partner with a UK company (Tempo Entertainment) for production and an American One (Bloom) for international distribution; these will control the rights for UK distribution and split with NPI (which will take 20%) all the further international revenues. This shooting should start in September 2016 while the release in theatres is expected in 2017; no impact on FY 2016 results.

In a more advanced stage is the comedy "La Coppia dei Campioni", based on a national co-production with RAI Cinema and Combo, which was announced at the end of November 2015. The size of the project is EUR 2m, which is in line with the average cost of an Italian production in the past few years. NPI participates with 40%, implying a commitment of EUR 800k, which will be reported as capex (likely in Q1 16). The co said that 80% of this amount is already covered with fiscal benefits, direct regional contribution, product placement and rights sale. These revenues should be booked during early 2016 while the distribution impact should materialize next April/May when the movie enters the theatres. We leave our estimates unchanged, assuming a conservative performance of the title.

Production business: NPI plan vs. Akros estimates

	2014a	2015e		2016e		2017e	
		NPI	Akros	NPI	Akros	NPI	Akros
Production	0	0	0	3.16	2.5	4.74	4.0
Contribution							

Source: Notorious, Banca Akros estimates

SUMMING UP/ESTIMATE CHANGE

Based on the above assumptions on the revenue line per distribution platform, we cut our top-line estimates by an average of 6% in 2015/2017. In presence of fixed cost base, the impact on EBIT is close to 21% for the past year, around 13% in 2016 and 2017.

We are now 14/32/33% below the FY 2015 targets at the revenues/EBIT/Net income level respectively. The gaps for FY 2016 are 13/20/21%, for FY 17 18/30/31%, respectively.

Estimates Change (EUR m).

	2014a	2015e			2016e			2017e		
		Old	New	Chg	Old	New	Chg	Old	New	Chg
Revenues	26.8	26.2	24.6	-6.1%	32.5	30.4	-6.5%	34.8	32.57	-6.4%
EBITDA	14.3	16.1	13.8	-14.6%	21.2	19.2	-9.4%	23.1	21.0	-9.2%
Margin	53.6%	61%	56%	-5.6%	65%	63%	-2.1%	66%	64%	-2.0%
EBIT	10.0	11.1	8.8	-20.9%	14.9	12.9	-13.3%	15.6	13.5	-13.4%
Margin	37.4%	42.4%	35.7%	-6.7pp	45.8%	42.5%	-3.3pp	44.8%	41.5%	-3.4pp
Net Income	6.5	7.4	5.9	-21.1%	10.0	8.6	-13.4%	10.4	9.0	-13.5%
Capex	-7.6	-5.8	-5.8	0.0%	-8.3	-8.3	0.0%	-9.8	-9.8	0.0%
Net Debt (cash)	-7.5	-5.7	-6.5	14.7%	-8.1	-5.2	-36.1%	-10.4	-5.8	-44.5%

Source: Notorious, Banca Akros estimates



FY 2015 DETAIL

We understand that NPI will book in full for FY 2015 an expected EUR 1.5m contribution from European Media Fund (partially included in H1 2015). This contribution, long with further EUR 1.5m ancillary activities, helped partially offset at the EBIT level the revenue gap in the theatrical platform.

NPI: key financials 2014/15e (EUR m)

	FY 2013	H1 2014a	FY 2014	H1 2015a	H2 2015e	FY 2015e
Sales	8.48	14.1	24.5	10.5	11.1	21.6
Theatrical	4.19	7.13	9.77	3.65	3.25	6.90
TV Pay	3.55	4.70	8.66	2.85	4.95	7.80
TV Free	None	1.40	4.50	3.33	1.07	4.40
HV	0.62	0.59	1.22	0.48	0.56	1.04
PPV/New Media	0.07	0.17	0.36	0.20	1.30	1.50
Other revenues	0.54	1.12	2.27	1.05	1.95	3.00
Total Turnover	9.04	15.20	26.8	11.6	13.1	24.6
EBITDA	2.82	9.33	14.3	5.70	8.06	13.76
Margin	31.2%	61.4%	53.6%	49.3%	61.6%	55.8%
EBIT	1.99	7.11	10.0	3.85	4.95	8.80
Margin	22.0%	46.8%	37.4%	33.3%	37.8%	35.7%
Net Income	1.26	4.74	6.47	2.58	3.29	5.87
Capex	-1.96	-3.73	-7.55	-2.19	-3.61	-5.80
Net Debt (cash)	(0.32)	(8.76)	(7.52)	(6.21)	(6.54)	(6.54)

Source: Company data

Valuation/Conclusions

We consider the above estimates cuts, which have a 14% impact on the average net income for the next three years and 10% lower FCFE in the final year of our forecast period. The impact on expected net cash at the end of 2018 is around EUR 5m. We adjust our Fair Value by 15% to EUR 2.8, which is consistent with terminal EBITDA margin of 55% (from 60% previously) and terminal growth rate of 0% (from 1%). We argue that in presence of volatile results (for both the sector and the company), a tiny size and little liquidity, **a 5/10% discount continues to be warranted. We set our new TP at EUR 2.55.**

NPI DCF valuation: sensitivity to EBITDA margin and WACC

WACC	Terminal EBITDA margin						
	47.5%	50.0%	52.5%	55.0%	57.5%	60.0%	62.5%
8.5%	2.82	2.95	3.09	3.23	3.36	3.50	3.63
9.0%	2.71	2.83	2.95	3.07	3.20	3.32	3.44
9.5%	2.60	2.71	2.82	2.94	3.05	3.16	3.27
10.0%	2.51	2.61	2.71	2.81	2.91	3.02	3.12
10.5%	2.42	2.52	2.61	2.70	2.79	2.89	2.98
11.0%	2.34	2.43	2.51	2.60	2.69	2.77	2.86
11.5%	2.27	2.35	2.43	2.51	2.59	2.66	2.74

Source: Banca Akros estimates



We note that the performance of listed national and international peers in the past 12 months have been mixed; Notorious accelerated downwards especially in the past couple of months, likely due to the weak BO results in the Xmas season. The other two Italian movie stocks Leone and Lucisano have been definitely more resilient on a 3-month basis.

NPI peer group: stock market performance (%)

Company	Perf 12M	Perf 6M	Perf 3M	Perf 1M
Mondo Tv	226.3%	124.2%	18.9%	-9.6%
Constantin Medien	49.1%	13.2%	13.5%	7.2%
Gaumont	39.0%	9.6%	2.6%	-1.3%
Dreamworks Animation Skg 'A'	31.4%	4.7%	25.0%	-0.5%
Splendid Medien	11.7%	-5.4%	-8.4%	-5.7%
Starz Sr. 'A'	2.2%	-32.2%	-20.3%	-10.8%
Leone Film Group	0.0%	-9.3%	-6.3%	-3.4%
Europacorp Promesses	-3.8%	-17.1%	-10.6%	-12.8%
Lions Gate Entm.	-7.2%	-28.5%	-30.8%	-17.2%
Lucisano Media Group	-18.8%	-19.0%	1.2%	-8.1%
Notorious Pictur	-32.4%	-40.1%	-30.0%	-16.2%
Entertainment One (Di)	-34.1%	-45.6%	-33.1%	-9.1%
Eros International Cl.A	-57.9%	-77.9%	-53.3%	-13.5%
RLJ Entertainment	-73.2%	35.5%	-19.1%	-12.9%

Source: Datastream

We maintain a positive recommendation.

Even with the rebased expectations for 2016, NPI trades at a significant discount to basically all of the stocks in the sample below. We argue in any case that, for the valuation gap to be reduced, NPI management needs to deliver on a series of fronts namely a) a convincing BO success, b) the first positive outcome in the new activity of movie production and c) possibly an acquisition in the latter segment at a reasonable price.

We note that the risk profile of the company could have increased with the recent management changes from April 2015, including the departures of the former general manager, the head of acquisitions and the commercial director, against the appointment of a CFO and head of production. The entry in the production arena is also a significant change in the company's business model, implying different economics and partially different skills; however we tend to consider this diversification as having a neutral to positive impact on the overall risk profile of NPI.

NP: Peers comparison (local currencies)

	Mkt Cap	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
		2015e	2016e	2015e	2016e	2015e	2016e	2015e	2016e
Leone Film G	36	1.6	1.0	3.6	1.6	10.5	6.5	13.8	7.6
Lucisano MG	25	1.0	0.8	2.4	1.9	5.7	4.0	4.5	3.5
Europa corp	127	0.8	1.1	1.6	2.0	8.0	7.6	8.3	6.0
Mondo TV	144	7.0	4.3	13.3	7.5	29.3	14.3	35.9	24.0
Constantin Film	175	0.6	0.5	2.7	1.9	9.4	7.8	21.4	14.8
Ent One (GBP)	663	1.2	1.1	7.6	6.5	8.3	7.0	17.6	15.6
Startz Entert (USD)	2,765	2.3	2.3	8.8	8.9	9.2	8.8	11.0	10.7
Median		1.2	1.1	3.6	2.0	9.2	7.6	13.8	10.7
NPI		1.6	1.1	2.9	1.8	4.5	2.6	7.9	4.6

Source: Banca Akros estimates, Bloomberg, Datastream



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Movies 2015

NP: movies 2015 (EUR m)

Title	Date Release	Genre	BO results
H1 2015			
Italo	15-Jan-15	Family	0.64
Munes	07-Feb-15	Animation	1.70
Selma	12-Feb-15	Thriller/Adventure	1.89
Wolf Totem	26-Mar-15	Family	3.19
Ci Devo Pensare	09-Apr-15	Italian Comedy	0.17
Black Sea	16-Apr-15	Thriller	1.21
The Lazarus effect	17-May-15	Horror	0.80
Albert e Il Diamante Magico	18-Jun-15	Animation	0.24
Total H1			9.9
H2 2015			
Albert e il Diamante Magico	18-Jun-15	Animation	0.20
Other released in H1	-	nm	0.06
Predestination	01-Jul-15	Thriller	0.84
The reach	15-Jul-15	Thriller	0.25
Left behind/La Profezia	29-Jul-15	Thriller/Sci-fi/Action	0.86
Una Sola Verita	05-Aug-15	Drama	0.21
We are your friends	17-Sep-15	Drama	0.50
The reversal	08-Oct-15	Horror	0.21
Ghost Hunter-L'acchiappa Fantasmi	29-Oct-15	Comedy/Family	0.57
Natale All'Improvviso (love the Coopers)	26-Nov-15	Comedy	0.41
In fondo al bosco (service)	19-Nov-15	Thriller , Noir	0.31
B&S 2	17-Dec-15	Family/Adventure	2.18
Total H2	-	-	6.8
Total FY 2015	-	-	16.7

Source: Notorious, Banca Akros estimates

Movies line-up 2016/17

NP: movies line-up and KPIs 2016/17 (EUR m)

Date Release	Title	Genre
2016		
Garm wars: the last druid	18-Jan-16	Action/sci-fi/thriller
Il Viaggio di Norm (Norm of the North)	04-Feb-16	Animation
50 Sbavature di nero	18-Feb-16	Comedy
Land of mine	24-March-16	Drama
Criminal	14-April-16	Thriller/Sci-fi/Action
Robinson Crusoe	21-Apr-16	Animation
La coppia dei campioni	06-May-16	Comedy
Skiptrace	June 2016	Action/Adventure/Comedy
Shut in	July 2016	Thriller
Cell	July 2016	Horror/Thriller
Tutti vogliono qualcosa	July 2016	Comedy
My bakery in Brooklyn	July/August 2016	Comedy/Romance
Unlocked	August 2016	Action/Thriller
Sleepless Night	September 2016	Action/Thriller
Bleed for this	October 2016	Biopic
The Godmother	November 2016	Thriller/Bio
2017		
The blob	1 Q 2017	Horror/Sci-fi
Shot caller	1 Q 2017	Thriller
La verità vi spiego sull'amore	1 / 2 Q 2017	na
Plan de Table	1 / 2 Q 2017	na
Tomboy	1 / 2 Q 2017	Thriller
Coconut the little dragon	1 / 2 Q 2017	Animation
The man who made it snow	1 / 2 Q 2017	Biography/thriller
Rambo V	1 / 2 Q 2017	Action/Drama/thriller
Journey to Samarkand	2 / 3 Q 2017	Thriller
The statistical probability of love at first sight	3 / 4 Q 2017	Comedy/Romance
A street cat named Bob	3 / 4 Q 2017	Drama
Extinct	3 / 4 Q 2017	animation

Source: Notorious, Banca Akros estimates



The competitive scenario

Italian distribution ranking 2015 (EUR m)

Operator	Box Office	Tickets	Mkt share	Share of Box Office Grosses			
				2014	2013	2012	2011
Universal	139.5	19.6	21.9%	11.2%	15.0%	17.1%	15.0%
Warner Bros Italia	97.3	14.9	15.3%	17.6%	20.3%	22.1%	19.2%
Walt Disney	96.5	14.4	15.1%	8.0%	11.2%	6.0%	6.2%
01 Distribution	69.7	11.3	10.9%	13.2%	12.9%	8.4%	11.2%
20TH Century Fox	59.2	9.2	9.3%	12.7%	7.5%	8.5%	5.0%
Medusa	38.2	5.9	6.0%	7.2%	13.5%	18.0%	24.2%
Lucky Red	26.9	4.2	4.2%	6.1%	4.5%	2.8%	1.2%
Notorious Pict	16.7	2.89	2.6%	4.4%	1.8%	0.0%	0.0%
Eagle Pictures	16.6	2.7	2.6%	3.6%	3.6%	5.1%	7.2%
Videa-Cde	13.0	2.1	2.0%	1.3%	0.5%	0.5%	0.4%
Koch Media	9.1	1.5	1.4%	0.9%	0.4%	0.2%	na
Bim Distrib	8.6	1.5	1.3%	2.7%	1.9%	2.3%	2.1%
Adler Entertainment	6.8	1.1	1.1%	na	na	na	na
M2 Pictures	6.0	1.1	0.9%	2.1%	1.4%	1.9%	0.8%
Nexo Digital	5.6	0.5	0.9%	0.7%	0.5%	0.3%	0.2%
MICROCINEMA S.P.A.	4.2	0.8	0.7%	na	na	na	na
Good Films	4.1	0.7	0.6%	1.0%	0.3%	0.0%	na
Teodora Film	3.6	0.6	0.6%	0.4%	0.7%	0.7%	0.2%
Academy Two	1.8	0.3	0.3%	0.0%	0.3%	0.0%	0.0%
Officine UBU	1.7	0.3	0.3%	0.4%	0.3%	0.3%	0.0%

Source: Anica/Cinetel

Notorious Pictures: Summary tables

PROFIT & LOSS (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Sales	0.1	9.0	26.8	24.6	30.4	32.6
Cost of Sales & Operating Costs	-0.4	-6.2	-12.4	-10.9	-11.2	-11.6
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-0.3	2.8	14.3	13.8	19.2	21.0
EBITDA (adj.)*	-0.3	2.8	14.3	13.8	19.2	21.0
Depreciation	-0.1	-0.8	-4.2	-4.8	-6.0	-7.1
EBITA	-0.4	2.0	10.1	8.9	13.2	13.8
EBITA (adj)*	-0.4	2.0	10.1	8.9	13.2	13.8
Amortisations and Write Downs	0.0	-0.1	-0.1	-0.2	-0.3	-0.3
EBIT	-0.4	2.0	10.0	8.8	12.9	13.5
EBIT (adj.)*	-0.4	2.0	10.0	8.8	12.9	13.5
Net Financial Interest	-0.3	0.0	0.0	0.0	0.0	0.0
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	-0.7	2.0	10.0	8.8	12.9	13.5
Tax	0.1	-0.7	-3.5	-2.9	-4.3	-4.5
<i>Tax rate</i>	<i>11.6%</i>	<i>35.6%</i>	<i>35.1%</i>	<i>33.3%</i>	<i>33.1%</i>	<i>33.1%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	-0.6	1.3	6.5	5.9	8.6	9.0
Net Profit (adj.)	-0.3	1.0	6.5	5.9	8.6	9.0
CASH FLOW (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Cash Flow from Operations before change in NWC	-0.5	2.1	10.8	10.8	14.9	16.5
Change in Net Working Capital	0.0	0.0	2.4	5.3	5.5	2.5
Cash Flow from Operations	-0.5	2.1	13.3	16.1	20.4	19.0
Capex	-0.5	-2.0	-7.6	-5.8	-8.3	-9.8
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-1.0	0.1	5.7	10.3	12.1	9.2
Dividends	0.0	0.0	0.0	0.0	-2.2	-3.3
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Debt	-1.0	0.1	5.7	10.3	9.9	5.9
NOPLAT	-0.2	1.2	6.0	5.3	7.8	8.1
BALANCE SHEET & OTHER ITEMS (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Net Tangible Assets	0.1	0.1	0.1	1.1	3.4	6.0
Net Intangible Assets (incl. Goodwill)	0.4	1.6	4.9	4.9	4.9	4.9
Net Financial Assets & Other	0.1	0.0	0.1	0.1	0.1	0.1
Total Fixed Assets	0.5	1.7	5.0	6.0	8.4	11.0
Inventories	0.0	0.0	0.1	0.0	0.0	0.0
Trade receivables	0.0	4.8	14.0	10.5	13.5	15.0
Other current assets	0.6	0.2	0.1	1.5	2.5	4.0
Cash (-)	-0.2	-0.6	-7.5	-6.5	-5.1	-5.7
Total Current Assets	0.8	5.7	21.8	18.5	21.1	24.7
Total Assets	1.3	7.4	26.8	24.6	29.5	35.7
Shareholders Equity	0.4	1.7	14.6	20.0	26.3	32.1
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	0.4	1.7	14.6	20.0	26.3	32.1
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.1	0.1	0.1	0.2	0.2
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	0.0	0.1	0.1	0.1	0.1	0.2
Short term interest bearing debt	0.1	0.3	0.0	0.0	0.0	0.0
Trade payables	0.8	3.8	8.2	4.5	3.0	3.5
Other current liabilities	0.0	1.6	3.8	0.0	0.0	0.0
Total Current Liabilities	0.9	5.6	12.0	4.5	3.0	3.5
Total Liabilities and Shareholders' Equity	1.3	7.4	26.8	24.6	29.5	35.7
Net Capital Employed	0.3	1.4	7.2	13.5	21.4	26.5
Net Working Capital	-0.2	-0.2	2.2	7.5	13.0	15.5
GROWTH & MARGINS	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
<i>Sales growth</i>		<i>11798.7%</i>	<i>195.9%</i>	<i>-7.9%</i>	<i>23.3%</i>	<i>7.2%</i>
EBITDA (adj.)* growth		<i>n.m.</i>	<i>409.1%</i>	<i>-4.1%</i>	<i>39.4%</i>	<i>9.3%</i>
<i>EBITA (adj.)* growth</i>		<i>n.m.</i>	<i>395.2%</i>	<i>-11.7%</i>	<i>47.6%</i>	<i>4.6%</i>
<i>EBIT (adj.)* growth</i>		<i>n.m.</i>	<i>402.2%</i>	<i>-12.1%</i>	<i>46.9%</i>	<i>4.5%</i>

Notorious Pictures: Summary tables

GROWTH & MARGINS	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Net Profit growth		n.m.	529.7%	-9.3%	47.3%	4.5%
EPS adj. growth		n.m.	464.3%	-10.0%	47.3%	4.5%
DPS adj. growth				n.m.	47.3%	4.5%
EBITDA (adj)* margin	n.m.	31.2%	53.6%	55.8%	63.1%	64.4%
EBITA (adj)* margin	-495.8%	22.6%	37.9%	36.3%	43.5%	42.4%
EBIT (adj)* margin	n.m.	22.0%	37.4%	35.7%	42.5%	41.5%
RATIOS	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Net Debt/Equity	-0.2	-0.2	-0.5	-0.3	-0.2	-0.2
Net Debt/EBITDA	0.3	-0.1	-0.5	-0.5	-0.3	-0.3
Interest cover (EBITDA/Fin.interest)	n.m.	83.3	n.m.	high	high	high
Capex/D&A	480.6%	237.9%	173.9%	116.8%	132.5%	131.4%
Capex/Sales	628.0%	21.7%	28.2%	23.5%	27.3%	30.1%
NWC/Sales	-305.0%	-2.7%	8.2%	30.4%	42.8%	47.6%
ROE (average)		100.9%	79.5%	33.9%	37.4%	30.9%
ROCE (adj.)	-100.4%	84.9%	83.5%	39.2%	36.4%	30.6%
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
ROCE (adj.)/WACC	-10.0	8.5	8.3	3.9	3.6	3.1
PER SHARE DATA (EUR)***	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Average diluted number of shares	1.0	20.0	22.3	22.5	22.5	22.5
EPS (reported)	-0.58	0.06	0.29	0.26	0.38	0.40
EPS (adj.)	-0.34	0.05	0.29	0.26	0.38	0.40
BVPS	0.39	0.08	0.66	0.89	1.17	1.43
DPS	0.00	0.00	0.00	0.10	0.15	0.15
VALUATION	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
EV/Sales			2.0	1.6	1.1	1.0
EV/EBITDA			3.8	2.9	1.8	1.6
EV/EBITDA (adj.)*			3.8	2.9	1.8	1.6
EV/EBITA			5.3	4.5	2.6	2.4
EV/EBITA (adj.)*			5.3	4.5	2.6	2.4
EV/EBIT			5.4	4.5	2.6	2.5
EV/EBIT (adj.)*			5.4	4.5	2.6	2.5
P/E (adj.)			9.5	7.9	4.6	4.4
P/BV			4.2	2.3	1.5	1.2
Total Yield Ratio			0.0%	5.7%	8.4%	8.8%
EV/CE			7.5	3.0	1.6	1.3
OpFCF yield			9.3%	22.2%	30.8%	23.4%
OpFCF/EV			10.6%	25.9%	35.5%	27.4%
Payout ratio	0.0%	0.0%	0.0%	38.3%	38.3%	38.3%
Dividend yield (gross)			0.0%	5.7%	8.4%	8.8%
EV AND MKT CAP (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Price** (EUR)			2.76	2.07	1.75	1.75
Outstanding number of shares for main stock	1.0	20.0	22.3	22.5	22.5	22.5
Total Market Cap			62	46	39	39
Net Debt	0	0	-8	-7	-5	-6
<i>o/w Cash & Marketable Securities (-)</i>	<i>0</i>	<i>-1</i>	<i>-8</i>	<i>-7</i>	<i>-5</i>	<i>-6</i>
<i>o/w Gross Debt (+)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)			54	40	34	34

Source: Company, Banca Akros estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Media/Broadcasting & Entertainment

Company Description: Notorious Pictures (NP) is an independent operator in the Italian cinematographic sector, specialized in the acquisition of the full range of movie rights and the commercialization/distribution through all the available channels. The company was founded in 2012 by a veteran of the Italian Home Video and movie industry Guglielmo Marchetti and started operations in early 2013. In its first year of activity, NP entered the Italian top-10 of movie distributors, as the 14 titles released grossed EUR 11.1m with 1.9m presences in the Italian theatres (2% share).



European Coverage of the Members of ESN

Aerospace & Defense	Mem(*)	Bnp Paribas	CIC	Onxeo	CIC	Cir	BAK	Unilever	SNS
Airbus Group	CIC	Bper	BAK	Transgene	CIC	Comdirect	EQB	Vidrala	BKF
Bae Systems Plc	CIC	Bpi	CBI	Willex	EQB	Corp. Financiera Alba	BKF	Vilmorin	CIC
Carbures Europe Sa	BKF	Caixabank	BKF	Zeltia	BKF	Deutsche Boerse	EQB	Viscofan	BKF
Dassault Aviation	CIC	Commerzbank	EQB	Chemicals	Mem(*)	Deutsche Forfait	EQB	Vranken Pommery Monopole	CIC
Finmeccanica	BAK	Credem	BAK	Air Liquide	CIC	Euronext	CIC	Wessanen	SNS
Latecoere	CIC	Credit Agricole Sa	CIC	Basf	EQB	Ferratum	EQB		
Lisi	CIC	Creval	BAK	Evonik	EQB	Financiere De Tubize	BDG		
Mtu	EQB	Deutsche Bank	EQB	Fuchs Petro lub	EQB	Finecobank	BAK		
Rheinmetall	EQB	Eurobank	IBG	Henkel	EQB	Gbl	BDG		
Rolls-Royce Holdings Plc	CIC	Ing Group	SNS	Holland Colours	SNS	Gimv	BDG		
Safran	CIC	Intesa Sanpaolo	BAK	K+S Ag	EQB	Grenkeleasing Ag	EQB		
Thales	CIC	Kbc Group	BDG	Kemira	POH	Hellenic Exchanges	IBG		
Zodiac Aerospace	CIC	Mediobanca	BAK	Lanxess	EQB	Kbc Ancora	BDG		
Airlines	Mem(*)	National Bank Of Greece	IBG	Linde	EQB	Luxempart	BDG		
Air France Klm	CIC	Natixis	CIC	Nanogate Ag	EQB	Mlp	EQB		
Finnair	POH	Nordea	POH	Recticel	BDG	Ovb Holding Ag	EQB		
Lufthansa	EQB	Piraeus Bank	IBG	Solvay	BDG	Patrizia Ag	EQB		
Automobiles & Parts	Mem(*)	Postbank	EQB	Symrise Ag	EQB	Food & Beverage	Mem(*)		
Bmw	EQB	Societe Generale	CIC	Tessenderlo	BDG	Acomo	SNS		
Brembo	BAK	Ubi Banca	BAK	Tikkurila	POH	Anheuser-Busch Inbev	BDG		
Continental	EQB	Unicredit	BAK	Umicore	BDG	Atria	POH		
Daimler Ag	EQB	Basic Resources	Mem(*)	Electronic & Electrical Equipment	Mem(*)	Baywa	EQB		
Elektrobit Group	POH	Acerinox	BKF	Alstom	CIC	Berentzen	EQB		
Elingklinger	EQB	Altri	CBI	Areva	CIC	Bonduelle	CIC		
Fiat Chrysler Automobiles	BAK	Arcelormittal	BKF	Barco	BDG	Campari	BAK		
Landi Renzo	BAK	Ence	BKF	Euromicron Ag	EQB	Coca Cola Hbc Ag	IBG		
Leoni	EQB	Europac	BKF	Evs	BDG	Corbion	SNS		
Michelin	CIC	Metka	IBG	Gemalto	CIC	Danone	CIC		
Nokian Tyres	POH	Metsä Board	POH	Ingenico	CIC	Ebro Foods	BKF		
Piaggio	BAK	Mytilineos	IBG	Jenoptik	EQB	Enervit	BAK		
Pirelli & C.	BAK	Nyrstar	BDG	Kontron	EQB	Fleury Michon	CIC		
Sogefi	BAK	Outokumpu	POH	Legrand	CIC	Forfarmers	SNS		
Stern Groep	SNS	Portucel	CBI	Neways Electronics	SNS	Greenyard Foods	BDG		
Volkswagen	EQB	Semapa	CBI	Nexans	CIC	Heineken	SNS		
Banks	Mem(*)	Ssab	POH	Pkc Group	POH	Hkscan	POH		
Aareal Bank	EQB	Stora Enso	POH	Rexel	CIC	Ktg Agrar	EQB		
Aktia	POH	Surteco	EQB	Schneider Electric Sa	CIC	Lanson-Bcc	CIC		
Alpha Bank	IBG	Tubacex	BKF	Vaisala	POH	Laurent Perrier	CIC		
Banca Carige	BAK	Upm-Kymmene	POH	Viscom	EQB	Ldc	CIC		
Banca Mps	BAK	Biotechnology	Mem(*)	Financial Services	Mem(*)	Lotus Bakeries	BDG		
Banco Bradesco	CBI	4Sc	EQB	Ackermans & Van Haaren	BDG	Naturex	CIC		
Banco Popolare	BAK	Crossject	CIC	Azimut	BAK	Nutreco	SNS		
Banco Popular	BKF	Cytotoools Ag	EQB	Banca Generali	BAK	Olvi	POH		
Banco Sabadell	BKF	Epigenomics Ag	EQB	Banca Itis	BAK	Parmalat	BAK		
Banco Santander	BKF	Fermentalg	CIC	Bb Biotech	EQB	Pernod Ricard	CIC		
Bankia	BKF	Genfit	CIC	Binckbank	SNS	Raisio	POH		
Bankinter	BKF	Metabolic Explorer	CIC	Bois Sauvage	BDG	Remy Cointreau	CIC		
Bbva	BKF	Neovacs	CIC	Bolsas Y Mercados Espanoles Sa	BKF	Sipef	BDG		
Bcp	CBI	Oncodesign	CIC	Capman	POH	Ter Beke	BDG		



Food & Drug Retailers	Mem(*)	Amplifon	BAK	Bauer Ag	EQB	Aegon	SNS	Boskalis Westminster	SNS
Ahold	SNS	Bayer	EQB	Biesse	BAK	Ageas	BDG	Buzzi Unicem	BAK
Carrefour	CIC	Biomerieux	CIC	Cargotec Corp	POH	Allianz	EQB	Caverion	POH
Casino Guichard-Perrachon	CIC	Biotest	EQB	Cnh Industrial	BAK	Axa	CIC	Cfe	BDG
Colruyt	BDG	Celesio	EQB	Danieli	BAK	Delta Lloyd	SNS	Cramo	POH
Delhaize	BDG	Diasorin	BAK	Datalogic	BAK	Generali	BAK	Deceuninck	BDG
Dia	BKF	Draegerwerk	EQB	Delclima	BAK	Hannover Re	EQB	Eiffage	CIC
Jerónimo Martins	CBI	Espirito Santo Saude	CBI	Deutz Ag	EQB	Mapfre Sa	BKF	Ellaktor	IBG
Kesko	POH	Faes Farma	BKF	Dmg Mori Seiki Ag	EQB	Mediolanum	BAK	Eitel	POH
Marr	BAK	Fresenius	EQB	Duro Felguera	BKF	Munich Re	EQB	Ezentis	BKF
Metro	CIC	Fresenius Medical Care	EQB	Emak	BAK	Sampo	POH	Fcc	BKF
Rallye	CIC	Gerresheimer Ag	EQB	Exel Composites	POH	Talanx Group	EQB	Ferrovial	BKF
Sligro	SNS	Grifols Sa	BKF	Faiveley	CIC	Unipol	BAK	Fraport	EQB
Sonae	CBI	Korian-Medica	CIC	Gea Group	EQB	Unipolsai	BAK	Grontmij	SNS
General Industrials	Mem(*)	Laboratorios Rovi	BKF	Gesco	EQB	Materials, Construction & Infrastructure	Mem(*)	Heidelberg Cement Ag	CIC
ZG Energy	EQB	Merck	EQB	Haulotte Group	CIC	Abertis	BKF	Heijmans	SNS
Accell Group	SNS	Novartis	CIC	Heidelberg Druck	EQB	Acs	BKF	Hochtief	EQB
Ahstrom	POH	Oriola-Kd	POH	Ima	BAK	Aeroports De Paris	CIC	Holcim Ltd	CIC
Arcadis	SNS	Orion	POH	Interpump	BAK	Astaldi	BAK	Imerys	CIC
Aspo	POH	Orpea	CIC	Kone	POH	Atlantia	BAK	Italcementi	BAK
Bekaert	BDG	Recordati	BAK	Konecranes	POH	Ballast Nedam	SNS	Joyou Ag	EQB
Evolis	CIC	Rhoen-Klinikum	EQB	Krones Ag	EQB	Bilfinger Se	EQB	Lafarge	CIC
Frigoglass	IBG	Roche	CIC	Kuka	EQB	Boskalis Westminster	SNS	Lemminkäinen	POH
Huhtamäki	POH	Sanofi	CIC	Manitou	CIC	Buzzi Unicem	BAK	Maire Tecnimont	BAK
Kendrion	SNS	Sorin	BAK	Manz Ag	EQB	Caverion	POH	Mota Engil	CBI
Mifa	EQB	Stallergènes	CIC	Max Automation Ag	EQB	Cfe	BDG	Mota Engil Africa	CBI
Nedap	SNS	Ucb	BDG	Metso	POH	Cramo	POH	Obrascon Huarte Lain	BKF
Neopost	CIC	Hotels, Travel & Tourism	Mem(*)	Outotec	POH	Deceuninck	BDG	Ramirent	POH
Pöyry	POH	Accor	CIC	Pfeiffer Vacuum	EQB	Eiffage	CIC	Royal Bam Group	SNS
Prelios	BAK	Autogrill	BAK	Ponsse	POH	Ellaktor	IBG	Sacyr	BKF
Saf-Holland	EQB	Beneteau	CIC	Prima Industrie	BAK	Eitel	POH	Saint Gobain	CIC
Saft	CIC	I Grandi Viaggi	BAK	Prysmian	BAK	Ezentis	BKF	Salini Impregio	BAK
Serge Ferrari Group	CIC	Ibersol	CBI	Reesink	SNS	Fcc	BKF	Sias	BAK
Siegfried Holding Ag	EQB	Intralot	IBG	Sabaf	BAK	Ferrovial	BKF	Sonae Industria	CBI
Wendel	CIC	Melia Hotels International	BKF	Singulus Technologies	EQB	Fraport	EQB	Srv	POH
General Retailers	Mem(*)	Nh Hotel Group	BKF	Smt Scharf Ag	EQB	Grontmij	SNS	Sto Se & Co. Kgaa	EQB
Banzai	BAK	Opap	IBG	Technotrans	EQB	Heidelberg Cement Ag	CIC	Thermador Groupe	CIC
Beter Bed Holding	SNS	Snowworld	SNS	Valmet	POH	Heijmans	SNS	Titan Cement	IBG
D'leteren	BDG	Sonae Capital	CBI	Vossloh	EQB	Hochtief	EQB	Trevi	BAK
Fielmann	EQB	Trigano	CIC	Wärtsilä	POH	Holcim Ltd	CIC	Uponor	POH
Folli Follie Group	IBG	Tui	EQB	Zardoya Otis	BKF	Imerys	CIC	Uzin Utz	EQB
Fourlis Holdings	IBG	Wdf	BAK	Industrial Transportation	Mem(*)	Italcementi	BAK	Vbh Holding	EQB
Inditex	BKF	Household Goods	Mem(*)	Bollere	CIC	Joyou Ag	EQB	Vicat	CIC
Jumbo	IBG	De Longhi	BAK	Bpost	BDG	Lafarge	CIC	Vinci	CIC
Macintosh	SNS	Osrām Licht Ag	EQB	Caf	BKF	Lemminkäinen	POH	Yit	POH
Rapala	POH	Zumtobel Group Ag	EQB	Ctt	CBI	Maire Tecnimont	BAK		
Stockmann	POH	Industrial Engineering	Mem(*)	Deutsche Post	EQB	Mota Engil	CBI		
Healthcare	Mem(*)	Accsys Technologies	SNS	Hhia	EQB	Mota Engil Africa	CBI		
Ab-Biotics	BKF	Aixtron	EQB	Logwin	EQB	Obrascon Huarte Lain	BKF		
Almirall	BKF	Ansaldo Sts	BAK	Insurance	Mem(*)	Ramirent	POH		



Media	Mem(*)	Fugro	SNS	Realia	BKF	Visiativ	CIC	Turkcell	IBG
Ad Pepper	EQB	Saipem	BAK	Retail Estates	BDG	Wincor Nixdorf	EQB	United Internet	EQB
Alma Media	POH	Sbm Offshore	SNS	Sponda	POH	Support Services	Mem(*)	Vodafone	BAK
Axel Springer	EQB	Technip	CIC	Technopolis	POH	Batenburg	SNS	Utilities	Mem(*)
Brill	SNS	Tecnicas Reunidas	BKF	Unibail-Rodamco	BDG	Bureau Veritas S.A.	CIC	A2A	BAK
Cofina	CBI	Tenaris	BAK	Vastned Retail	BDG	Dpa	SNS	Acciona	BKF
Editoriale L'Espresso	BAK	Vallourec	CIC	Vastned Retail Belgium	BDG	Edenred	CIC	Acea	BAK
GI Events	CIC	Vopak	SNS	Vib Vermoegen	EQB	Ei Towers	BAK	Albioma	CIC
Havas	CIC	Personal Goods	Mem(*)	Wdp	BDG	Fiera Milano	BAK	Direct Energie	CIC
Impresa	CBI	Adidas	EQB	Wereldhave Belgium	BDG	Imtech	SNS	E.On	EQB
Ipsos	CIC	Adler Modemaerkte	EQB	Wereldhave Nv	BDG	Lassila & Tikanoja	POH	Edp	CBI
Jodecaux	CIC	Amer Sports	POH	Renewable Energy	Mem(*)	Technology Hardware & Equipment	Mem(*)	Edp Renováveis	CBI
Kinopolis	BDG	Basic Net	BAK	Daldrup & Soehne	EQB	Alcatel-Lucent	CIC	Elia	BDG
Lagardere	CIC	Beiersdorf	EQB	Enel Green Power	BAK	Asm International	SNS	Enagas	BKF
M6-Metropole Television	CIC	Christian Dior	CIC	Gamesa	BKF	Asml	SNS	Endesa	BKF
Mediaset	BAK	Cie Fin. Richemont	CIC	Software & Computer Services	Mem(*)	Besi	SNS	Enel	BAK
Nextradiotv	CIC	Geox	BAK	Affecto	POH	Elmos Semiconductor	EQB	Falck Renewables	BAK
Notorious Pictures	BAK	Gerry Weber	EQB	Akka Technologies	CIC	Ericsson	POH	Fluxys Belgium	BDG
Nrij Group	CIC	Hermes Intl.	CIC	Alten	CIC	Gigaset	EQB	Fortum	POH
Publicis	CIC	Hugo Boss	EQB	Altran	CIC	Nokia	POH	Gas Natural Fenosa	BKF
Rcs Mediagroup	BAK	Interparfums	CIC	Amadeus	BKF	Okmetic	POH	Hera	BAK
Reed Elsevier N.V.	SNS	Kering	CIC	Assystem	CIC	Orad	EQB	Iberdrola	BKF
Sanoma	POH	Luxottica	BAK	Basware	POH	Roodmicrotec	SNS	Iren	BAK
Solocal Group	CIC	Lvmh	CIC	Cenit	EQB	Slm Solutions	EQB	Public Power Corp	IBG
Spir Communication	CIC	Marimekko	POH	Comptel	POH	Stmicroelectronics	BAK	Red Eléctrica De Espana	BKF
Szygy Ag	EQB	Moncler	BAK	Digia	POH	Suess Microtec	EQB	Ren	CBI
Talentum	POH	Puma	EQB	Docdata	SNS	Teleste	POH	Rwe	EQB
Telegraaf Media Groep	SNS	Safilo	BAK	Econocom	CIC	Telecommunications	Mem(*)	Snam	BAK
Teleperformance	CIC	Salvatore Ferragamo	BAK	Ekinops	CIC	Acotel	BAK	Terna	BAK
Tf1	CIC	Sarantis	IBG	Engineering	BAK	Belgacom	BDG		
Ti Media	BAK	Swatch Group	CIC	Esi Group	CIC	Bouygues	CIC		
Ubisoft	CIC	Tod'S	BAK	Exact Holding Nv	SNS	Deutsche Telekom	EQB		
Vivendi	CIC	Zucchi	BAK	Exprivia	BAK	Drillisch	EQB		
Wolters Kluwer	SNS	Real Estate	Mem(*)	F-Secure	POH	Elisa	POH		
Oil & Gas Producers	Mem(*)	Aedifica	BDG	Gameloft	CIC	Eutelsat Communications Sa	CIC		
Eni	BAK	Ascencio	BDG	Gft Technologies	EQB	Freenet	EQB		
Galp Energia	CBI	Atenor	BDG	Guillemot Corporation	CIC	Iliad	CIC		
Gas Plus	BAK	Banimmo	BDG	IFao Ag	EQB	Jazztel	BKF		
Hellenic Petroleum	IBG	Befimmo	BDG	Ict Automatisering	SNS	Kpn Telecom	SNS		
Maurel Et Prom	CIC	Beni Stabili	BAK	Indra Sistemas	BKF	Mobistar	BDG		
Motor Oil	IBG	Citycon	POH	Novabase	CBI	Nos	CBI		
Neste Oil	POH	Cofinimmo	BDG	Ordina	SNS	Numericable-Sfr	CIC		
Petrobras	CBI	Deutsche Euroshop	EQB	Psi	EQB	Orange	CIC		
Qgep	CBI	Grand City Properties	EQB	Reply	BAK	Ote	IBG		
Repsol	BKF	Home Invest Belgium	BDG	Rib Software	EQB	Ses	CIC		
Total	CIC	Igd	BAK	Seven Principles Ag	EQB	Telecom Italia	BAK		
Oil Services	Mem(*)	Intervest Offices & Warehouses	BDG	Software Ag	EQB	Telefonica	BKF		
Bourbon	CIC	Klepierre	BDG	Tie Kinetix	SNS	Telenet Group	BDG		
Cgg	CIC	Leasinvest Real Estate	BDG	Tieto	POH	Teliasnera	POH		
Ecoslops	CIC	Montea	BDG	Tomtom	SNS	Tiscali	BAK		

LEGEND: BAK: Banca Akros; BDG: Bank Degroof; BKF: Beka Finance; CIC: CM CIC Securities; CBI: Caixa-Banca de Investimento; EQB: Equinet bank; IBG: Investment Bank of Greece, POH: Pohjola Bank; SNS: SNS Securities
as of 4th May 2015



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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts





ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

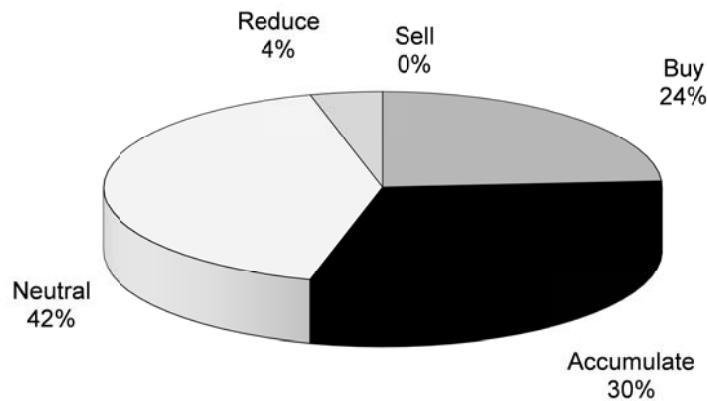
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Banca Akros Ratings Breakdown



History of ESN Recommendation System

Since 1 April 2015, the ESN Rec. System has been amended as follows:

- The term "Hold" has been replaced by the term "Neutral"
- Recommendations Total Return Range changed as showed in the picture at the start of the page

Since 4 August 2008 until 30 March 2015, the previous ESN Rec. System was amended as follow.

- Time horizon changed to 12 months (previously it was 6 months)
- Recommendations Total Return Range changed (see below):



Since 18 October 2004, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.





Il presente documento è stato redatto da Andrea Devita (socio AIAF) che svolge funzioni di analista presso Banca Akros SpA ("Banca Akros"), soggetto responsabile della produzione del documento stesso.

Banca Akros è una banca autorizzata anche alla prestazione di servizi di investimento appartenente al Gruppo Bipiemme Banca Popolare di Milano (il "Gruppo"), ed è soggetta all'attività di direzione e coordinamento di Banca Popolare di Milano (la "Capogruppo"). La banca è iscritta all'albo delle Banche al n. 5328 ed è soggetta alla regolamentazione e alla vigilanza di Banca d'Italia e Consob. La banca ha prodotto il presente documento solo per i propri clienti professionali ai sensi della Direttiva 2004/39/CE e dell'Allegato 3 del Regolamento Intermediari Consob. **Esso è distribuito dal giorno 27 gennaio 2016.**

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Banca Akros, nell'ultimo anno, ha pubblicato sulla società oggetto di analisi tre studi in data 15, 18 e 29 dicembre 2015.

La Banca rende disponibili ulteriori informazioni, ai sensi delle disposizioni Consob di attuazione dell'art. 114, comma 8 del D.Lgs 58/98 (TUF) ed in particolare ai sensi dell'art. 69 quinquies, comma 2, del Regolamento Emittenti, presso il proprio sito internet, si veda:

<http://www.bancaakros.it/menu-informativa/analisi-finanziaria-e-market-abuse.aspx>.

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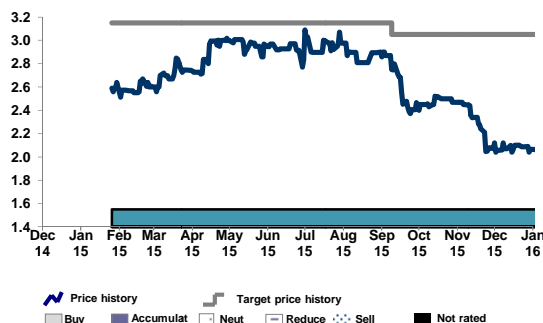
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Recommendation history for NOTORIOUS PICTURES

Date	Recommendation	Target price	Price at change date
27-Jan-16	Accumulate	2.55	1.75
09-Sep-15	Accumulate	3.05	2.75
28-Nov-14	Accumulate	3.15	2.94
05-Sep-14	Not rated	0.00	2.55

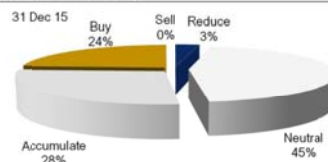
Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Andrea Devita, CFA (since 30/06/2014)

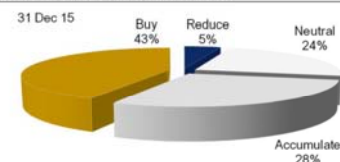


Percentuale delle raccomandazioni al 31 dicembre 2015

Tutte le raccomandazioni



Raccomandazioni su titoli in conflitto di interessi (*)



(*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 22% del totale degli emittenti oggetto di copertura



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