

DE' LONGHI

Sector: Consumers

OUTPERFORM

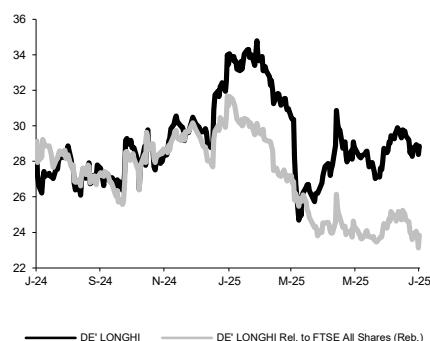
Price: Eu28.86 - Target: Eu40.00

Consistently Beating Expectations. Guidance Raised

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	0.5%	0.6%	0.7%

DE' LONGHI - 12M Performance



Stock Data			
Reuters code:	DLG.MI		
Bloomberg code:	DLG IM		
Performance	1M	3M	12M
Absolute	1.3%	6.1%	-1.0%
Relative	-1.7%	-2.9%	-22.0%
12M (H/L)	34.80/24.70		
3M Average Volume (th):	103.46		

Shareholder Data	
No. of Ord shares (mn):	150
Total no. of shares (mn):	151
Mkt Cap Ord (Eu mn):	4,315
Total Mkt Cap (Eu mn):	4,315
Mkt Float - Ord (Eu mn):	2,006
Mkt Float (in %):	46.5%
Main Shareholder:	
The Long E Trust (De'Longhi Fam.)	53.5%

Balance Sheet Data	
Book Value (Eu mn):	2,262
BVPS (Eu):	14.97
P/BV:	1.9
Net Financial Position (Eu mn):	801
Enterprise Value (Eu mn):	3,558

■ **P&L beats estimates again.** Even though expectations were already positive for another good quarter, the company again exceeded our forecasts, beating consensus by an even greater margin. 20%+ growth in the Professional division (second quarter in a row) and high single-digit organic expansion in the Household division (everything but professional products by Eversys and La Marzocco) drove 1H25 sales up 11.3% YoY to Eu1,584mn (+11.8% cFX), c.2% ahead of estimates. Coffee was up 18% YoY (Professional up double-digit/Home coffee up single-digit) while Nutrition and Food preparation were slightly negative but sequentially improving (2Q25 +1.8% YoY). Growth was spread across geographical markets, with double-digit growth almost everywhere (the only exception was Europe at +9.9% in 1H25) confirming market share gains worldwide.

■ **Profitability boosted by higher mix and volumes.** Significant margin expansion in 1H25 was driven by the professional division and volumes growth in the household division. Gross Margin was Eu837mn, or 52.9% on sales (+180bp YoY), driving adj. EBITDA to Eu241mn, a 15.2% margin, or a 50bp margin expansion compared to last year, mainly thanks to higher operating leverage from the household division which more than offset increased A&P investments and exposure to the professional division. Actual figures surpassed our estimates by 1% and consensus by even more. In particular, we highlight the disclosed adj. EBITDA margin of the two divisions in 1H25, with Household at 13.3% (86% of sales, +6.5% YoY) and Professional at 26.4% (14% of sales, +53.5% YoY).

■ **Guidance raised on the back of solid results and despite scenario.** Based on the solid results achieved and despite the current scenario, management now sees FY25 revenue growth at +6%/+8% (group level, consensus now c.+6% YoY) and adj. EBITDA of Eu590-610mn, implying 2% upside vs. current consensus at the mid-point of the profitability range or 4% at the top of the range. Previous expectations pointed at +5%/+7% with adj. EBITDA at Eu580-600mn. Positive tone and indications from the conference call with management confirming a Eu15mn tariff impact and highlighting strong business developments in China. M&A remains a key focus, as does shareholder remuneration.

■ **Change in estimates.** We are lifting our assumption for top line growth and consequently adj. EBITDA trends following the revised guidance.

■ **OUTPERFORM; target Eu40 confirmed.** We are even more convinced that business fundamentals are robust, with particularly resilient Coffee trends and still-untapped opportunities increasingly visible across regions, where the company continues to increase its penetration and brand recognition. Results and prospects, especially in the highly resilient Coffee segment but also in the Nutrition arena, show that the company is ready to benefit fully from positive momentum, thanks in part to the strong product launch pipeline which is confirmed for FY25 as well. M&A remains a key catalyst for the stock and looks highly likely in the medium term. Current stock levels represent a clear opportunity as the value of professional coffee and prospects are not even barely reflected.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	3,076	3,497	3,751	4,021	4,315
EBITDA Adj (Eu mn)	444	560	597	652	713
Net Profit Adj (Eu mn)	250	311	341	378	418
EPS New Adj (Eu)	1.658	2.057	2.257	2.500	2.769
EPS Old Adj (Eu)	1.658	2.057	2.246	2.485	2.748
DPS (Eu)	0.677	0.840	0.922	1.021	1.131
EV/EBITDA Adj	6.1	6.9	6.0	5.1	4.3
EV/EBIT Adj	6.5				
P/E Adj	17.4	14.0	12.8	11.5	10.4
Div. Yield	2.3%	2.9%	3.2%	3.5%	3.9%
Net Debt/EBITDA Adj	-1.5	-1.1	-1.3	-1.6	-1.8

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 1 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

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