

ELICA

Sector: Consumers

NEUTRAL

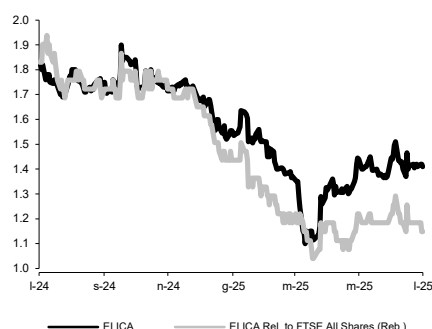
Price: Eu1.41 - Target: Eu1.60

Encouraging Signs Amid Headwinds. Investments Start to Pay Off

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	n.m.	5.7%	3.9%

ELICA - 12M Performance



Stock Data			
Reuters code:	ELC.MI		
Bloomberg code:	ELC IM		
Performance	1M	3M	12M
Absolute	-2.4%	7.2%	-23.0%
Relative	-6.9%	-3.4%	-45.3%
12M (H/L)	1.90/1.10		
3M Average Volume (th):	44.84		

Shareholder Data	
No. of Ord shares (mn):	63
Total no. of shares (mn):	63
Mkt Cap Ord (Eu mn):	89
Total Mkt Cap (Eu mn):	89
Mkt Float - Ord (Eu mn):	24
Mkt Float (in %):	27.2%
Main Shareholder:	
F.A.N. (Casoli family)	52.8%

Balance Sheet Data	
Book Value (Eu mn):	146
BVPS (Eu):	2.31
P/BV:	0.6
Net Financial Position (Eu mn):	-65
Enterprise Value (Eu mn):	161

■ **Signs of improvement in a tough market.** ELC reported revenues in line with our expectations, showing organic growth both QoQ and YoY across both divisions. Cooking was up by 1% organically (mainly driven by North America, which posted +20.3% org. growth thanks to strengthened direct distribution and product range expansion), while Motors were up by 4% in organic terms, an acceleration vs 1Q (was +2.8%). Overall, revenues came to €121.2mn, +0.9% YoY (+1.7% organic). Margins remained under pressure due to significant ongoing investments related to the Cooking business transformation plan, and, as a result, the adj. EBIT margin decreased by 1pp YoY to 1.8% (€2.1mn in absolute terms). This result came in slightly above our estimates, though on small numbers. Lastly, cash generation was a tad below our expectations, as the build-up of inventories due to increasing sales volumes led to net debt of €53.9mn (ex-IFRS 16), approx. €7mn higher than at the end of March (€46.9mn) and €5mn above our estimate.

■ **Another building block to drive growth in the North American market.** Elica has announced an agreement to acquire 28% of Steel Srl, an Italian company specializing in high-end cookers and outdoor solutions. Steel registered revenues of €7mn in 2024 and an EBITDA margin of 11.4%; its business plan aims to double revenues on a stand-alone basis by 2027. Elica will pay €2.5mn for this initial 28% stake and has the option to acquire an additional 57% by the end of October 2028, with the remaining 15% available after 5 years. The total EV of Steel is between €8.5mn and €10.5mn, with an implied EV/EBITDA of 6.0x for 2027, which drops to 4.0x when factoring in Elica's potential commercial synergies. In our view, this acquisition has a strong industrial rationale as it will enable Elica to: 1) strengthen its presence in the premium cooking segment; 2) accelerate its penetration of high-potential markets like the US and Canada; 3) access a complementary, high-margin product category crucial for the North American market; 4) integrate a recognized brand known for quality and Italian craftsmanship into its portfolio; 5) capture commercial synergies thanks to the exploitation of Elica's distribution network in North America.

■ **2025 outlook confirmed.** Elica confirms expectations for a flat market in its main geographies in 2H25 as well, with the geopolitical scenario remaining uncertain. In this context, management expects turnover up 0.5% YoY and margins in line with consensus (meaning adj. EBIT of c.Eu6mn), while net debt is expected to improve from the level reached at the end of June. While we only make minor adjustments to our 2026 and 2027 estimates, we increase our 2025 adj. EBIT as we had incorporated a c.Eu2mn impact from duties that has not materialized. We are now aligned to consensus and company guidance.

■ **NEUTRAL; target Eu1.60.** We remain confident that the measures taken by management will bear fruit as soon as markets stabilise, with some benefits already evident from 1H results, namely the growth from new products and the enlarged product offering in Cooking. Our DCF-based target price is confirmed at Eu1.60 following confirmation of mid-term estimates; we thus confirm our NEUTRAL recommendation.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	473	452	455	471	489
EBITDA Adj (Eu mn)	48	31	29	36	40
Net Profit Adj (Eu mn)	12	1	-3	2	5
EPS New Adj (Eu)	0.188	0.019	-0.041	0.031	0.080
EPS Old Adj (Eu)	0.188	0.019	-0.048	0.029	0.077
DPS (Eu)	0.050	0.040	0.000	0.010	0.025
EV/EBITDA Adj	4.7	6.0	5.5	4.4	3.8
EV/EBIT Adj	9.3	23.2	28.3	13.9	9.7
P/E Adj	7.5	74.2	nm	45.8	17.7
Div. Yield	3.5%	2.8%	0.0%	0.7%	1.8%
Net Debt/EBITDA Adj	1.1	1.9	2.2	1.7	1.4

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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.

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

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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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As at 31 July 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	38.06%
NEUTRAL:	29.10%
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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