

# ELICA

Sector: Consumers

# NEUTRAL

Price: Eu1.80 - Target: Eu1.90

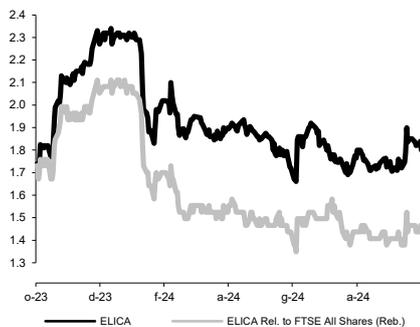
## More Cautious Stance Awaiting a Turning Point in Estimates

**Carlo Maritano +39-02-77115.358**  
 carlo.maritano@intermonte.it  
**Andrea Randone: +39-02-77115.364**  
 andrea.randone@intermonte.it

### Stock Rating

<b>Rating:</b>	from OUTPERFORM to NEUTRAL		
<b>Target Price (Eu):</b>	from 2.15 to 1.90		
	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Chg in Adj EPS</b>	-40.5%	-73.0%	-44.8%

### ELICA - 12M Performance



### Stock Data

Reuters code: ELC.MI  
 Bloomberg code: ELC IM

Performance	1M	3M	12M
Absolute	2.9%	-1.6%	4.0%
Relative	2.0%	-3.0%	-21.8%
12M (H/L)	2.34/1.66		
3M Average Volume (th):	21.29		

### Shareholder Data

No. of Ord shares (mn):	63
Total no. of shares (mn):	63
Mkt Cap Ord (Eu mn):	114
Total Mkt Cap (Eu mn):	114
Mkt Float - Ord (Eu mn):	31
Mkt Float (in %):	27.2%
Main Shareholder:	
F.A.N. (Casoli family)	52.8%

### Balance Sheet Data

Book Value (Eu mn):	148
BVPS (Eu):	2.34
P/BV:	0.8
Net Financial Position (Eu mn):	-60
Enterprise Value (Eu mn):	189

**■ 3Q results in line with our estimates.** Elica reported a 3Q substantially in line with our estimates, although with a different mix than expected, as the worse-than-expected performance by Cooking (Own Brands -5.9% organic in 3Q, B2B -0.6%), despite good results in North America, was compensated by the rebound at Motors, which registered a 9.1% organic increase YoY thanks to market share gains and a less challenging comparison base. Overall, turnover came to Eu104.2mn, down 1.4% YoY. The lower volumes, a less favourable price mix and significant commercial investments to support the repositioning in Cooking inevitably led to a margin contraction, as expected, with adj. EBIT reaching Eu2.3mn and the margin declining by 2.8pp YoY. Below the line, results benefited from the capital gain on the sale of the stake in the Indian subsidiary, with pre-tax reaching Eu6.7mn, up from Eu2.9mn last year. The sale also enabled the company to maintain net debt substantially flat QoQ at Eu47.5mn, despite the seasonal absorption of NWC and the payment of the dividend for c. Eu3.2mn.

**■ Low expectations for demand recovery in 2025.** The outlook for 2024 was revised, now envisaging revenues of Eu450mn (from Eu460-470mn), in light of the continued weakness of the market scenario. At the same time, investments in repositioning Cooking will continue, thus leading to a margin in line with that of the 9-month period also taking into account the unfavourable price-mix. Cash is expected to remain stable in 4Q. What we think are more relevant, however, are the early messages on 2025: as of today, management does not see major signs of a recovery in market demand, at least in the first part of the year. However, the launch of new products and the expansion of the customer base thanks to the entry of Elica products into the catalogues of new relevant kitchen manufacturers should enable further improvement of the company's market positioning. Finally, the need to continue with commercial efforts at Cooking should limit the improvements in margins. 2025 should thus be another year of laying the foundations to finally reap the rewards once market demand picks up again.

**■ Estimates.** In this report we reset our estimates, aligning with the outlook provided by management, which we believe is prudent but realistic in light of current industry and macroeconomic trends. The result is a c.30% cut to adj. EBIT over the three-year period, resulting in a flattish margin in 2025 vs 2024. Despite the cut to estimates, we emphasize that although 2025 should represent a trough year, leverage should remain fully under control, and will not force the company to forego any investments that could prove necessary to further improve its product offering and market positioning.

**■ Downgrade to NEUTRAL from OUTPERFORM; target Eu1.90 from Eu2.15.** In light of the estimate revision in this report, we cut our target price, the results of a DCF, from Eu2.15 to Eu1.90, and consequently downgrade the stock to NEUTRAL in light of the lack of upside. We are confident that our new estimates may prove solid, and the risk of further downward revisions may now be limited, leaving room to return more constructively to the story should signs of trend reversal appear. We remain confident that the measures taken by management will bear fruit once the recovery in demand materializes, with the downside being limited in our view by a financial position that does not raise particular concern.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	549	473	450	452	468
EBITDA Adj (Eu mn)	57	48	33	35	42
Net Profit Adj (Eu mn)	21	12	2	2	7
EPS New Adj (Eu)	0.328	0.188	0.033	0.033	0.112
EPS Old Adj (Eu)	0.328	0.188	0.056	0.123	0.204
DPS (Eu)	0.070	0.050	0.040	0.020	0.050
EV/EBITDA Adj	4.3	4.8	5.7	5.4	4.3
EV/EBIT Adj	7.3	9.5	19.1	16.7	9.7
P/E Adj	5.5	9.6	53.8	54.0	16.0
Div. Yield	3.9%	2.8%	2.2%	1.1%	2.8%
Net Debt/EBITDA Adj	0.8	1.1	1.8	1.7	1.2

**DISCLAIMER (for more details go to [DISCLAIMER](#))**

**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website [www.intermonte.it](http://www.intermonte.it) under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

**ANALYST CERTIFICATION**

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Ave, Suite 1702, NY 10022, USA.

**GUIDE TO FUNDAMENTAL RESEARCH**

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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIDEX 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.

Explanation of our ratings system:

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

**CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS**

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

As at 30 September 2024 Intermonte's Research Department covered 125 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
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 (61 in total) is as follows:

BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

**CONFLICT OF INTEREST**

In order to disclose its possible conflicts of interest Intermonte SIM states that:

**Intermonte is acting as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkemy S.p.A.**

**Intermonte is acting as financial advisor to Eagle S.p.A. and intermediary responsible for coordinating the collection of sale requests in relation to the sell-out procedure on Greenthesis S.p.A.**

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Aquafil, Civitanavi Systems, Cy4Gate, Esprinet, GPI, Greenthesis (formerly Ambientthesis), Growens, Illimity Bank, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIIT.

**Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.**

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, DHH, El.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, GPI, Greenthesis (formerly Ambientthesis), IEG, Iervolino & Lady Bacardi Entertainment, IndelB, Intred, Luvè, Misitano & Stracuzzi, Mondadori, Notorious Pictures, Omer, Pharamnutra, Relatech, Reply, Revo Insurance, Reway, Saes Getters, Sciuker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, Sys-Dat Group, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMI, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider and/or Specialist and/or Corporate Broker on the following companies: Abitare In, Alkemy, Allcore, Almawave, Banca Sistema, Bifre S.p.A., B&C Speakers, Casta Diva Group, Cleanbnb, Coffe, Crowdfundme, Cube Labs, Cy4gate, Cyberoo, DHH, Digital Bros, Digital Magics, Digitouch, Doxee, Edilziacrobatica Spa, Eles, Elica, Emak, Energy, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Fope, FOS, Franchi Umberto Marmi, Giglio Group, GPI, Green Oleo, High Quality Food, Ikonisys, Intercos, Intred, ISCC Fintech, Lemon Sistemi, Lventure Group, Maps Group, Masi Agricola, Matica Fintech, Misitano & Stracuzzi, Neodecortech, Notorious Pictures, Oldata, Osai Automation System, Racing Force Group, Relatech, Reti, Sciuker Frames, SG Company, Solid World Group, Spindox Digital Soul, Talea, Tamburi, Tesmec, Tinexta, TMP Group, Tps Group, Trendevice, Ulisse Biomed, Xenia Hôtellerie Solution Spa Società Benefit, Wit.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short

**© Copyright 2024 by Intermonte SIM - All rights reserved**

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available