Milan, 11 February 2026

Italian Equity Research – 4Q25 Preview

INTERCOS

Sector: Consumers

OUTPERFORM

Price: Eu12.60 - **Target: Eu18.00**

Margin Execution Set to Remain Key Highlight in 4Q

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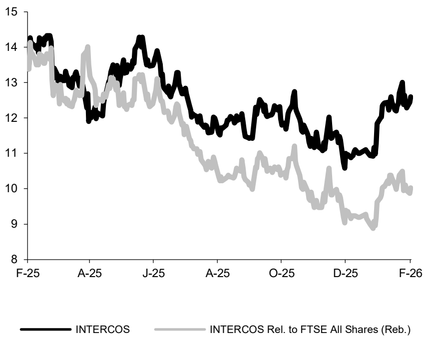
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-3.1%	-5.9%	-4.2%

Next Event
Results Out: Mar-4

INTERCOS - 12M Performance



Stock Data			
Reuters code:			ICOS.MI
Bloomberg code:			ICOS IM
Performance	**1M**	**3M**	**12M**
Absolute	6.4%	12.9%	-5.8%
Relative	4.1%	6.1%	-31.5%
12M (H/L)			14.32/10.58
3M Average Volume (th):			127.96

Shareholder Data	
No. of Ord shares (mn):	96
Total no. of shares (mn):	96
Mkt Cap Ord (Eu mn):	1,213
Total Mkt Cap (Eu mn):	1,213
Mkt Float - Ord (Eu mn):	587
Mkt Float (in %):	48.4%
Main Shareholder:	
Dario G. Ferrari	32.2%

Balance Sheet Data	
Book Value (Eu mn):	527
BVPS (Eu):	5.48
P/BV:	2.3
Net Financial Position (Eu mn):	-106
Enterprise Value (Eu mn):	1,319

Intercos reports FY25 results on 4 March. The structurally higher margins reported over the past 18 months should have remained intact. Mix discipline, productivity initiatives and a more balanced Full Service / Free Issue contribution should have seen 4Q EBITDA margins fully in line with guidance despite external headwinds.

- **4Q revenues: external pressure, underlying trends unchanged.** We mainly expect the 4Q top line to reflect ForEx headwinds and a lower contribution from Full Service vs. Free Issue, rather than any weakening in underlying demand. The comparison base is particularly tough, with 4Q24 representing the strongest quarter of the year (+14.5% YoY). Makeup should continue to outperform, while Hair & Body faces demanding comps after a strong 2024. We therefore forecast FY25 sales at Eu1,054mn, broadly flat at constant ForEx (+1%) and slightly negative on a reported basis (-1.7% YoY). 4Q25E (-9.6% YoY) should be consistent with the weak volume indications already flagged at 9M25, with gradual normalisation expected in 2026.
- **Margins: structural resilience confirmed.** We expect margin execution to have remained strong in 4Q, supported by mix quality and operational discipline despite softer volumes. The ability to defend profitability in a less supportive revenue environment further validates the structural upgrade highlighted at 9M25. We therefore confirm our FY25 adj. EBITDA estimate at Eu154.3mn (14.7% margin, +120bp YoY), with c.80bp expansion expected in 4Q25E.
- **Orders and demand: visibility gradually improving.** The order book should remain solid, with management to highlight early signs of stabilisation towards end-2025, especially in China and, more gradually, in the US, although recovery is likely to be more tangible in 2H26. The US remains uncertain, while Asia continues to represent the healthiest geographical market.
- **Revised estimates.** We are revising our 4Q25E top line assumptions, as discussed above, while leaving profitability unchanged. Looking ahead, we expect the margin trajectory to continue to outpace revenue growth. Below EBITDA, we are adjusting financial charges to reflect additional ForEx headwinds in 2026 and revising our tax rate assumption to 30% (from 28%). The net financial position now factors in c.Eu16mn of buybacks executed in 2025 and c.Eu36mn expected in 2026.
- **OUTPERFORM; target Eu18 confirmed.** We appreciate Intercos's unparalleled profile and unique characteristics that enable it to continue to outperform core market volumes, as well as the margin growth, thanks to the increasing expansion of outsourcing. Continuing R&D investments and an ability to innovate, along with greater geographical penetration (especially in APAC) and a burgeoning presence in the profitable, fast-growing Hair & Body segment, are the key elements that will continue to make Intercos a particularly attractive proposition. The stock still offers an appealing valuation in comparison to ingredient names, which are trading at a hefty premium that we deem partly unjustified. After rolling the valuation forward, our new estimates lead us to confirm our target price and recommendation.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	988	1,065	1,048	1,110	1,177
EBITDA Adj (Eu mn)	138	143	154	166	179
Net Profit Adj (Eu mn)	57	57	59	72	83
EPS New Adj (Eu)	0.587	0.589	0.611	0.750	0.861
EPS Old Adj (Eu)	0.587	0.589	0.630	0.797	0.899
DPS (Eu)	0.177	0.190	0.169	0.180	0.222
EV/EBITDA Adj	10.7	10.6	8.5	7.9	7.1
EV/EBIT Adj	16.0	16.2	12.6	11.7	10.1
P/E Adj	21.5	21.4	20.6	16.8	14.6
Div. Yield	1.4%	1.5%	1.3%	1.4%	1.8%
Net Debt/EBITDA Adj	0.7	0.7	0.6	0.6	0.4

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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.

Reports on all companies listed on the FTSEMIB40 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.

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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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BUY:	32.33%
OUTPERFORM:	37.59%
NEUTRAL:	29.33%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (72 in total) is as follows:

BUY:	54.17%
OUTPERFORM:	31.94%
NEUTRAL:	12.50%
UNDERPERFORM:	01.39%
SELL:	00.00%

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