

De' Longhi

Tariffs Mask an Underlying Beat

After the strong FY24 delivery, we confirm our BUY rating on DLG due to: 1) the strong top-line resilience in the last few quarters, fuelled by the recovery of kitchen machines, in a very selective consumer environment; 2) the secular growth of coffee consumption and the evolution of the consumer's approach to nutrition; 3) the strong cash flow generation exceeding on avg. 11% in the next three years; 4) a more market-friendly approach to investors' remuneration, resulting in a higher dividend yield and the recourse to extensive buybacks; 5) unlevered balance sheet to pursue transformational deals; and 6) the undemanding valuation, with a 25/26E P/E of 13.1x/12.1x vs. an historical avg. of 18x/19x. We set our TP at EUR 38.7, offering an upside of over 20%.

4Q24 delivery exceeded our and consensus expectations across the board

DLG reported solid results with 4Q24 adj. EBITDA 1% above our expectations (+9% above BBG) at EUR 224M and the EBITDA margin reaching a record-high level at 17.7%, 30bps ahead of our forecasts (+50bps vs. BBG consensus) and 110bps above last year. Margin expansion was mainly led by strong volumes growth, which triggered the usual operating leverage (approx. 30%, while offsetting higher labour and logistic costs as well as increased A&P expenditure). Thanks to a stable WC/sales ratio coupled with a solid 11% 4Q24 top-line growth, DLG generated a very solid cash flow, well exceeding our and BBG consensus by approx. EUR 200M.

Supportive start to the year and healthy guidance despite Chinese tariffs

After a strong 2024 with an acceleration in 4Q24, the outlook remains favourable for DLG. Current trading is in line with the company's budget as well as with our forecasts and at this stage there are no signs of consumer fatigue either in Europe or the US. The 2025 top-line guidance looks achievable (+5% to +7%) and the adj. EBITDA looking for EUR 580/600M including the 20% tariffs levied on Chinese production, which could be beatable, given management's historical stance in proactively guiding the market at the beginning of the year.

BUY confirmed; EPS fine-tuned for next impact

We trimmed our 25/26E adj. EBITDA by 4.5% to factor in the tariffs hit neutralised at EPS level by a higher cash position and a lower tax rate. We raised fractionally **our TP to EUR 38.7** (+20% upside) and we **reiterate our BUY** recommendation.

De' Longhi – Key data

Y/E Dec (EUR M)	2023A	2024A	2025E	2026E	2027E
Revenues	3,075.9	3,497.7	3,765.2	4,009.5	4,272.6
EBITDA	437.8	548.3	609.7	661.8	718.7
EBIT	329.6	430.7	485.4	525.5	569.3
Net income	250.4	310.7	360.2	392.2	427.3
Adj. EPS (EUR)	1.69	2.11	2.38	2.59	2.82
Net debt/-cash	-662.6	-643.2	-808.9	-975.2	-1,195.3
Adj P/E (x)	13.2	14.1	13.1	12.1	11.1
EV/EBITDA (x)	6.2	7.9	7.2	6.4	5.6
EV/EBIT (x)	8.2	10.1	9.1	8.1	7.1
Div ord yield (%)	3.0	4.2	4.6	5.0	5.5
FCF Yield (%)	12.9	9.3	7.8	8.5	10.1

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 14/03/2025

17 March 2025: 8:27 CET
Date and time of production

BUY

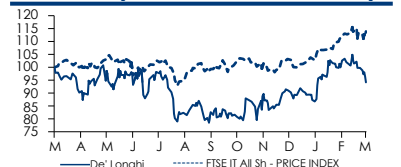
Target Price: EUR 38.7
(from EUR 38.5)

Italy/Household Goods & Textiles
Company Results

De' Longhi - Key data		14/03/2025
Price (date (market close))		
Target price (€)		38.7
Target upside (%)		23.80
Market price (€)		31.26
Market cap (Bk M)		4,715.1
52w range (€)		34.8/26.1

EPS – DPS changes				
(€)	2025E	2026E	2025	2026
	EPS ▲	EPS ▼	chg%	chg%
Curr.	2.381	2.592	0.33	-2.37
Prev.	2.373	2.655	-	-
	DPS ▲	DPS ▲	chg%	chg%
Curr.	1.449	1.578	51.32	47.25
Prev.	0.958	1.071	-	-

Price Perf.(RIC: DLG.MI, BB: DLG IM)



Source: FactSet and Intesa Sanpaolo Research estimates

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4Q/FY24 Above Expectations, Impressive Cash Flow Generation

DLG reported very solid results with 4Q24 adj. EBITDA 1% above our expectations (+9% above BBG) to EUR 224M and the EBITDA margin reaching a record-high level at 17.7%, 30bps ahead of our forecasts (+50bps vs. BBG consensus) and 110bps above last year. Margin expansion was mainly led by strong volumes growth (EUR 64M), which triggered the usual operating leverage of approx. 30%, while offsetting higher labour and logistic costs as well as increased A&P expenditure (EUR 21M, combined). Price mix was slightly positive at EUR 5M, reflecting a good sales mix. FX was neutral (EUR 1M).

4Q24 sales were up 18% yoy to EUR 1,268M, as anticipated in late January, driven by a solid organic growth, which gathered momentum in the last quarter (+11% LFL), as well as the consolidation of La Marzocco, adding EUR 70M. FX impact was negligible, carving out -0.3%. Coffee makers and Nutrition and Food Prep. fuelled the sales expansion, with the former growing at a mid-teens rate (fully auto machines) and the latter at higher than high-tees thanks to the blenders' category as well as kitchen machines, which in 2H24 restarted their growth path.

Overall, FY24 sales grew by 14% (+6.6% LFL) to EUR 3,498M with La Marzocco adding EUR 220M, as expected, and the adj. EBITDA was up by 26% to EUR 560M vs. company guidance of approx. EUR 550M. We calculate that La Marzocco contributed by approx. EUR 40/45M. We estimate that organically the FY24 adj. EBITDA would have grown by a notable 16% yoy.

4Q24 net profit was 3% below our expectation at EUR 137M (+26.5% yoy) due to a slightly higher tax rate and net financial costs (mainly FX), and cost of capital, partially offset by lower minorities regarding the professional coffee maker hub (La Marzocco + Eversys).

The real surprise came with the cash flow generation, which in 4Q24 stood at EUR 377M, almost completely funding the cash outlay for the acquisition of La Marzocco (EUR 326M) and the dividend payment (EUR 108M). FY24 net financial position at the end of FY24 was almost back to the YE23 level at EUR 643M vs. EUR 447M expected (EUR 420M BBG consensus).

Given the abundant cash flow generation, DLG's BoD proposed to almost double the dividend to EUR 1.25/sh (vs. EUR 0.87M expected), of which EUR 0.84/sh as normal dividend plus EUR 0.42/sh as extraordinary dividend to be paid in September 2025. The implied dividend yield corresponds to 4% on Friday's closing price.

DLG- 4Q24/FY24 results

EUR M	4Q23A	FY23A	4Q24A	4Q24E	4Q24C	A/E %	A/C %	yoy %	FY24A	FY24E	FY25E	FY25C
Sales	1,078.1	3,075.9	1,268.4	1,275.3	1,197.1	-1	6	18	3,497.6	3,504.5	3,753.7	3,629.1
Gross Margin	518.1	1,504.3	626.4	607.3					1769.1	1,750.0	1,913.8	
on sales %	48.1	48.9	49.4	47.6					50.6	49.9	51.0	
Adj. EBITDA	179.1	444.2	224.0	221.4	206.4	1	9	25	559.8	557.2	632.1	582.0
on sales %	16.6	14.4	17.7	17.4	17.2				16.0	15.9	16.8	16.0
EBITDA	176.9	437.8	222.7	221.5					548.4	547.2	632.1	
on sales %	16.4	14.2	17.6	17.4					15.7	15.6	16.8	
EBIT	146.8	329.6	190.0	185.4	180.1	2	5	29	430.8	426.2	504.4	455.9
on sales %	13.6	10.7	15.0	14.5	15.0				12.3	12.2	13.4	12.6
PBT	145.6	327.3	188.0	195.7					429.4	437.1	508.9	
Net profit	108.2	250.4	136.9	140.6	129.1	-2.6	6.0	26.5	310.7	314.4	358	324.3
Net debt	-662.6	-662.6	-643.2	-466.9	-418.8	38	NM	-3	-643.2	-466.9	-628.3	-615.4

A: actual; E: estimates; Bloomberg & Company-gathered consensus; Source: Company data and Intesa Sanpaolo Research

Conference call feed back

DLG held a conference call right after the publication of FY24 results. Here follow our key takeaways:

- **Tariffs:** DLG clarified that 20% of Chinese Nutribullet production has already been transferred to Indonesia and Southeast Asia, with the aim of reaching 80% of total production moved out of China by September 2025. Although it is too early to make assumptions, once the entire production is transferred out of China and therefore exempt from the 20% duties, we cannot exclude partial benefits from the full production relocation, despite the fact that management commented only cautiously on this possibility during the call. Regarding potential tariffs on European manufactured products, DLG did not provide any quantitative indications but clarified that the hit would be in full and not mitigated by any product relocation. Sales generated in the US are almost equally split between coffee makers and Nutribullet; on a preliminary simulation and using the same tariffs levied on Chinese production, we estimate that 20% tariffs imposed on European production would impact for a further EUR 25/35M on a twelve month-basis (EUR 19M/26M for nine months), gross of any mitigants and the inventory level;
- **A&P:** DLG said that the Brad Pitt's advertising campaign improved DLG's brand visibility worldwide and its market positioning. Given the successful partnership and the support to growth, the ambassador campaign was renewed and the new campaign has been recently shot in Australia. The guidance on A&P is for further growth in absolute terms (+10% in 2024 to EUR 440M approx.) but decreasing as a percentage of group sales because of the dilutive effect of the Professional perimeter, while unchanged at 12.5% on the household segment only;
- **Product launches:** DLG said that the product pipeline is rich and it will launch new products throughout the year in several categories, from coffee makers, including pump-machines (which have reported to grow after a soft 4Q24), to Nutribullet and the Braun brand;
- **Capital allocation:** M&A remains management's top priority despite the proposal to significantly increase the dividend, which was led by the superior cash flow generation delivered last year. The company also said that there was room for an even more generous shareholders' remuneration but preferred to maintain flexibility also in the light of the potential opportunities that may arise in new geographies, given the ongoing commercial war and geopolitical changes. We believe that a greater remuneration through dividends (i.e. a 60% payout ratio) and/or buyback could be sustainable also going forward in the absence of any transformational deal. As for M&A, management sounded less bullish on potential acquisitions in the US given the current very uncertain scenario related to the "chaotic" Trump administration. Having said that, in terms of product category, DLG is looking at coffee makers or adjacent products, but also the kitchen segment;
- **Professional coffee** (10% of sales): Management's commentary was upbeat, as La Marzocco is expected to grow also this year and Eversys to perform well, benefiting from a new contract signed in China. DLG said that the two companies have different corporate cultures and DLG may provide an update on potential benefits from the integration (i.e. purchasing and logistics) announced recently in the coming months. Meanwhile, the two structures are cooperating in Japan but also in Australia, with Eversys sharing the same commercial platform of La Marzocco. Regarding the Eversys-Starbucks partnership, management said that the US coffee chain is highly committed

on Eversys cold-brew coffee technology/machines and new 30 units will be invoiced soon and likely a further 400 by the end of the year. Should the contract with Starbucks be signed, we recall that this may allow Eversys to introduce its coffee maker machine into a large portion of the 16k coffee shops run in the US, thus accelerating the growth for two/three years.

Outlook and guidance: positive tone and solid targets despite tariffs levied on China

After a strong 2024 that closed with an acceleration in 4Q24, the outlook remains favourable for DLG. The current trading is in line with the company's budget as well as with our forecasts and at this stage there are no signs of consumer fatigue either in Europe or the US. However, the company is closely monitoring the US market to spot early signs of a slowdown stemming from the tariffs and it is committed to doing what is necessary to keep the growth rate at a solid level, notably for Nutribullet which is more exposed to volatile purchases.

In this backdrop, DLG guided for FY25 sales growth of +5%-7%, including the two months perimeter effect of La Marzocco (+4%/+6% LFL, on our calculations) and the adj. EBITDA in the range of EUR 580/600M, including the impact for EUR 15/20M of the 20% tariffs imposed on Chinese products (i.e. largely related to Nutribullet) imported into the US, net of all mitigants (price actions, cost savings and operating leverage).

Top-line growth should be supported by both the Household business and the Professional with the former benefiting from new geographies and product differentiation leveraging on innovation as well as on A&P and the latter underpinned by the robust growth of the underlying market combined with the perimeter effect. As for the EBITDA guidance, it relies on volumes expansion and price mix tempered by the expenditure, tariff headwinds and strict opex increase.

The top-line guidance is in line with our recent forecasts at the top end of the guidance range and 3% above BBG consensus while the adj. EBITDA +5% in line with BBG consensus. Excluding the impact of tariffs, like what is incorporated in consensus yet, the adj. EBITDA guidance is approximately 5% above BBG consensus.

Share buyback plan

The BoD has requested authorisation from the extraordinary general meeting to eliminate the mention of the nominal value of the shares. This authorisation is necessary to proceed with the cancellation of the shares, once they have been repurchased by a company. We therefore expect that in the future DLG may dedicate more resources to share buybacks as an alternative to increase shareholders' remuneration.

Estimates Revisions

We update our forecasts on the back of FY24 results and to factor in the 20% tariffs levied on products manufactured in China. We cut our FY25/26E adj. EBITDA by 4% on avg. and we lowered our FY25E EBITDA to EUR 610M, or 3.5% above the company's mid-guidance range, to reflect the tariffs impact while we kept unchanged our 2025/26 top-line growth assumption of 7%/6.5%, respectively.

Our FY25/26E EPS remains almost unchanged since the lower EBITDA is offset by higher financial income and a slightly lower tax rate.

We raised the payout ratio to 60% from 40%, resulting in a cumulated dividend of EUR 4.75/sh for the next three years, corresponding to 16% of the market cap (FY25/26/27 DPS: EUR 1.45/EUR 1.58/EUR 1.72).

We now expect a double-digit EPS and MSD FCF growth on 2025-27 (CAGR), respectively.

DLG – 2025-26E estimates revisions

€/M	2025E New	2025E Old	Delta	2026E New	2026E Old	Delta	Avg. '25E-'26E	2027E New
Sales	3,765	3,754	0.3	4,000	3,996	0.3	0.3	4,273
Adj EBITDA	610	632	-3.5	662	693	-4.5	-4.0	719
on sales (%)	16.2	0.2		16.5	0.2			16.8
EBITDA post extr.	610	632	-3.5	662	693	-4.5	-4.0	719
EBIT post. Extr.	485	504		500	500	-6.1	-4.9	569
on sales (%)	12.9	0.1		13.0	0.1			13.3
Net Profit adj.	360	358	0.6	392	400	-2.1	-0.7	427
Net Fin. Pos.	809	682	18.6	975	908	4.0		1,195
Net. Fin. Pos Pre IFRS16	886	750	16.7	1,052	1,015	3.7	10.2	1,272
Div/sh (EUR)	1.4	1.0	1.3	1.6	1.1	47.3	49.3	1.7

E: estimates; Source: Intesa Sanpaolo Research

Valuation

We update our valuation and we confirm our BUY rating on DLG due to: 1) the strong top-line resilience, in the past few quarters fuelled by the recovery of kitchen machines, in a very selective consumer environment; 2) the secular growth of coffee consumption and the evolution of consumer's approach to nutrition; 3) the strong cash flow generation exceeding 11% in the next three years; 4) a more market-friendly approach on investors' remuneration resulting in a higher dividends yield and the recourse of extensive buybacks; 5) unlevered balance sheet to pursue transformational deals; 6) undemanding valuation with a 25/26E P/E of 13.1x/12.1x vs. an historical avg. of 18x/19x. We set our TP at EUR 38.7 as the lower adj. EBITDA is more than offset by the beat on the cash flow generation, resulting in a stronger cash position.

De' Longhi – DCF model

EUR M	2025	2026	2027	Normalized Y	Terminal Value
EBIT Pre-IFRS 16	489.5	529.6	573.4	530.8	530.8
Taxes	-97.9	-105.9	-114.7	-106.2	-106.2
NOPAT	391.6	423.7	458.7	424.7	424.7
Depreciation	105.3	117.2	127.3	117.6	
Capex	-150.6	-152.4	-138.2	-143.7	
+/- D Working Capital	17.1	6.2	7.7	10.0	
Other*	0.0	0.0	0.0	0.0	
FCFF	363.3	389.5	467.5	408.5	6,165.9
Present Value (PV)	322.5	350.1	383.2		4,668.5
Total PV - FCFF 25-27	1,056.1				
PV - Terminal Value	4,725.2				
Enterprise Value	5,781.3				
Net Financial Position (2024A)*	720.2				
Securitization	1.0				
Employee benefits	13.0				
Dividend					
Minorities	-492.1				
Equity Value	6,033.0				
Target Price (€)	38.7				
Upside Potential	23.8%				

*Pre-IFRS 16; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Trading multiples

DLG – 2025E-26 Trading multiples EV/Sales – EV/EBITDA

x	EV/Sales			EV/EBITDA		
	2025E	2026E	2027E	2025E	2026E	2027E
SEB SA	0.8	0.7	0.7	5.9	5.3	4.9
Electrolux	0.4	0.3	0.3	4.5	3.8	3.3
Whirlpool	0.7	0.6	0.6	7.3	6.7	6.4
Elica S.p.A.	0.3	0.3	0.3	4.4	3.4	3.0
Arcelik A.S.	0.4	0.3	0.3	5.9	4.8	4.0
Breville	2.7	2.4	2.2	16.5	14.6	13.1
De Longhi (ISP) *	1.2	1.1	1.0	7.4	6.6	5.7
Average All (ex-De Longhi)	0.9	0.8	0.7	7.4	6.4	5.8
Premium/(Discount)	39.3	39.0	34.2	-0.2	2.2	-0.3

	EV/EBIT			P/E Adj.		
	2025E	2026E	2027E	2025E	2026E	2027E
SEB SA	8.0	7.1	6.5	10.2	9.2	8.4
Electrolux	10.4	7.8	6.6	10.6	7.4	6.3
Whirlpool	9.8	8.9	8.4	9.4	8.0	6.7
Elica S.p.A.	16.2	8.5	6.4	9.9	14.8	9.9
Arcelik A.S.	15.1	8.8	6.5	7.1	10.9	5.8
Breville	22.0	19.4	15.5	33.8	29.7	26.4
De Longhi (ISP) *	9.3	8.3	7.7	13.1	12.1	11.1
Average All (ex-De Longhi)	13.6	10.1	8.6	16.0	13.4	10.6
Premium/(Discount)	-31.5	-17.9	15.5	-65.3	-9.7	4.7

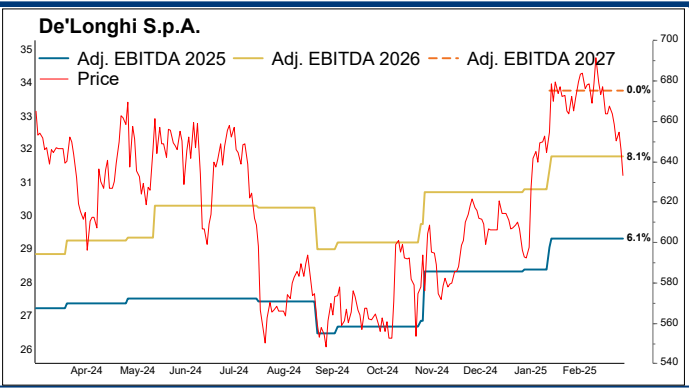
#2025E P/E excluding Elica and Arcelik; Priced at market close of 14/3/25; E: estimates; Source: Factset & Intesa Sanpaolo Research, on adj. values

DLG – 2025E-26 Trading multiples EV/Sales – Valuation

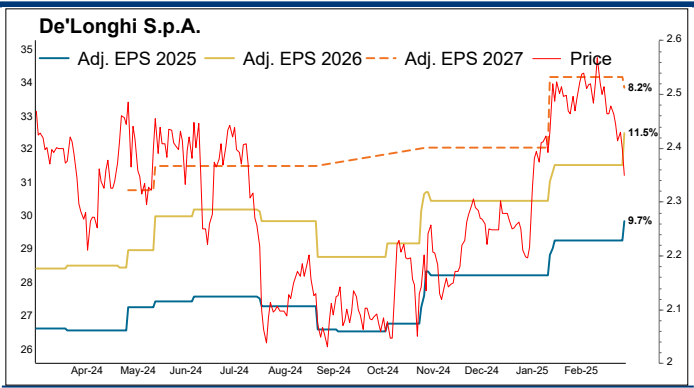
EUR M	EV/Sales			EV/EBITDA		
	2025E	2026E	2027E	2025E	2026E	2027E
Enterprise Value	2,850.0	2,845.1	2,824.4	3,598.5	3,511.9	3,502.7
Net Debt*	-885.9	-1052.2	-1272.3	-885.9	-1052.2	-1272.3
Securitization	66.7	66.7	66.7	66.7	66.7	66.7
Employee Benefits	53.0	53.0	53.0	53.0	53.0	53.0
Equity Value (EUR)	3,681.3	3,777.7	3,977.1	4,364.8	4,444.4	4,655.3
Value per share	24.6	25.3	26.6	29.2	29.7	31.1
	Ev/EBIT			Adj. P/E		
	2025E	2026E	2027E	2025E	2026E	2027E
Enterprise Value	3,893.6	3,735.3	3,705.9			
Net Debt*	-885.9	-1052.2	-1272.3			
Securitization	66.7	66.7	66.7			
Employee Benefits	53.0	53.0	53.0			
Equity Value (EUR)	4,659.9	4,667.8	4,858.5	2,601.5	2,941.3	3,019.9
Value per share	31.2	31.2	32.5	17.4	19.7	20.2

Source: Intesa Sanpaolo Research; * Pre-IFRS 16

DLG – 2025-2027 Adj. EBITDA momentum



DLG – 2025-2027 Adj. EPS momentum



Valuation and Key Risks

Valuation Basis

Our TP is derived through a DCF model using a WACC of 8.4% with a risk free rate of 3.5%, market risk premium at 6.5%, a beta of 0.8x and a 2% g. At our TP, DLG's implied FY24E/25E PE stands at 17x/15.7X vs. an historical -10Y avg. of FY1 of 19x

Key Risks

Company specific risks:

- Strong exposure to the cyclical Food preparation segment
- Sub-optimal capital allocation
- Adverse FX movements.

Sector generic risks:

- Increasing competition
- Geopolitical Risks
- Trade war escalation

Company Snapshot

Company Description

De' Longhi S.p.A. is one of the global leaders in the small domestic appliances industry, with a focus on coffee makers and food preparation appliances, which make up about 80% of the Group's total revenues. The Group's brand portfolio includes several global brands with a distinctive positioning in the premium end of the market: De' Longhi, leader in espresso coffee makers, Keurig, leader in food preparation appliances and Braun, a brand in perpetual licence for the kitchen, ironing and other minor categories. The Group's activities are geographically very diversified, with a direct commercial presence in Europe, North America, the Middle East, Africa and Asia/Pacific.

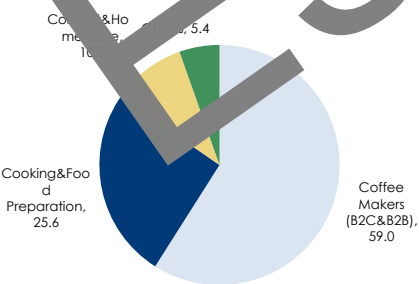
Key data

Mkt price (€)	31.26	Free float (%)	45.8
No. of shares	150.8	Major shr	DE LONGHI
52Wk range (€)	34.8/26.1	(%)	53.8
Reuters	DLG.MI	Bloomberg	DLGIM
Performance (%)	Absolute	rel. FTSE	Sh
-1M	-8.2	-1M	8.1
-3M	3.5	-3M	1.2
-12M	3	-12M	12.3

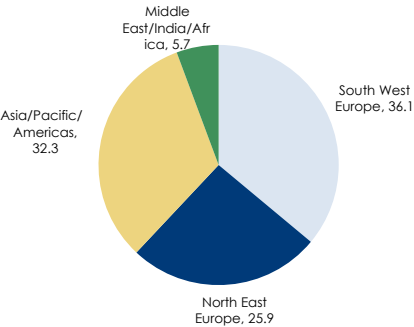
Estimates vs. consensus

EUR M (Y/E Dec)	2024E	2025E	2025C	2026E	2026C	2027E	2027C
Sales	3,497.7	3,765.2	3,714.5	4,009.5	3,895.7	4,272.6	4,093.0
EBITDA	548.3	609.7	599.6	661.8	633.4	718.7	675.4
EBIT	430.7	485.4	467.2	525.5	497.6	569.3	524.6
Pre-tax income	429.3	494.5	468.6	538.6	498.2	587.2	527.7
Net income	310.7	360.2	340.1	392.2	362.3	427.3	372.5

Sales breakdown by division (%)



Sales breakdown by geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 14/03/2025)

De' Longhi – Key Data

Rating BUY	Target price (€/sh) Ord 38.7		Mkt price (€/sh) Ord 31.26		Household Goods & Textiles		Sector
Values per share (EUR)	2022A	2023A	2024A	2025E	2026E	2027E	
No. ordinary shares (M)	150.8	150.8	151.3	151.3	151.3	151.3	151.3
Total no. of shares (M)	150.8	150.8	151.3	151.3	151.3	151.3	151.3
Market cap (EUR M)	3,279.1	3,379.0	4,493.5	4,729.6	4,729.6	4,729.6	4,729.6
Adj. EPS	1.17	1.69	2.11	2.38	2.59	2.82	2.82
BVPS	11.0	12.0	15.0	16.1	17.3	18.5	18.5
Dividend ord	0.48	0.67	1.25	1.45	1.58	1.72	1.72
Income statement (EUR M)	2022A	2023A	2024A	2025E	2026E	2027E	
Revenues	3,158.1	3,075.9	3,497.7	3,765.2	4,009.5	4,272.6	4,272.6
EBITDA	369.4	437.8	548.3	609.7	661.8	718.7	718.7
EBIT	263.6	329.6	430.7	485.4	525.5	569.3	569.3
Pre-tax income	238.3	327.3	429.3	494.5	538.6	587.2	587.2
Net income	177.5	250.4	310.7	360.2	392.2	427.3	427.3
Adj. net income	176.7	255.3	319.3	360.2	392.2	427.3	427.3
Cash flow (EUR M)	2022A	2023A	2024A	2025E	2026E	2027E	
Net income before minorities	175.1	250.4	296.5	344.6	370.0	408.4	408.4
Depreciation and provisions	105.8	108.2	117.6	124.4	131.1	149.4	149.4
Others/Uses of funds	46.7	-29.5	267.5	23.2	36.1	39.8	39.8
Change in working capital	-151.5	225.7	-4.0	1.7	1.7	6.7	6.7
Operating cash flow	176.1	554.8	677.6	519.9	579.3	604.3	604.3
Capital expenditure	-177.9	-118.9	-261.5	-150.6	-152.4	-128.2	-128.2
Financial investments	0	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	0
Free cash flow	-1.8	435.9	416.1	369.3	401.5	476.1	476.1
Dividends	-124.5	-72.1	-129.7	-21.9	-235.2	-256.1	-256.1
Equity changes & Non-op items	0	0	-32.0	0	0	0	0
Net change in cash	-126.3	363.8	-19.0	165.7	166.3	220.1	220.1
Balance sheet (EUR M)	2022A	2023A	2024A	2025E	2026E	2027E	
Net capital employed	1,364.6	1,140.5	1,621.2	1,628.4	1,636.2	1,606.3	1,606.3
of which associates	0	0	0	0	0	0	0
Net debt/-cash	-298.8	-662.6	-43.2	-808.9	-975.2	-1,195.3	-1,195.3
Minorities	0	0	0	15.6	32.8	51.7	51.7
Net equity	1,663.4	1,803.1	2,264.4	2,421.7	2,578.7	2,750.0	2,750.0
Minorities value	0	0	492.1	492.1	492.1	492.1	492.1
Enterprise value	2,980.3	2,716.6	4,342.3	4,412.8	4,246.5	4,026.4	4,026.4
Stock market ratios (x)	2022A	2023A	2024A	2025E	2026E	2027E	
Adj. P/E	18.6	14.2	14.1	13.1	12.1	11.1	11.1
P/CFPS	21.7	11.8	14.7	17.8	17.1	15.7	15.7
P/BVPS	2.0	1.9	2.0	1.9	1.8	1.7	1.7
Payout (%)	41	40	61	61	61	61	61
Dividend yield (% ord)	2.2	3.0	4.2	4.6	5.0	5.5	5.5
FCF yield (%)	12.9	12.9	9.3	7.8	8.5	10.1	10.1
EV/sales	0.94	0.88	1.2	1.2	1.1	0.94	0.94
EV/EBITDA	8.1	6.2	7.9	7.2	6.4	5.6	5.6
EV/EBIT	11.3	8.2	10.1	9.1	8.1	7.1	7.1
EV/CE	2.2	2.4	2.7	2.7	2.6	2.5	2.5
D/EBITDA	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
D/EBIT	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E	
EBITDA margin	11.7	14.2	15.7	16.2	16.5	16.8	16.8
EBIT margin	8.3	10.7	12.3	12.9	13.1	13.3	13.3
Tax rate	24.5	23.5	24.3	24.0	24.0	24.0	24.0
Net income margin	5.6	8.1	8.9	9.6	9.8	10.0	10.0
ROCE	19.3	28.7	26.6	29.8	32.1	35.4	35.4
ROE	11.0	14.4	15.2	15.4	15.7	16.0	16.0
Interest cover	10.4	143.3	307.6	-53.3	-40.2	-31.8	-31.8
Debt/equity ratio	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Growth (%)		2023A	2024A	2025E	2026E	2027E	
Sales		-2.6	13.7	7.6	6.5	6.6	6.6
EBITDA		18.5	25.2	11.2	8.5	8.6	8.6
EBIT		25.0	30.7	12.7	8.3	8.3	8.3
Pre-tax income		37.3	31.2	15.2	8.9	9.0	9.0
Net income		41.1	24.1	15.9	8.9	9.0	9.0
Adj. net income		44.5	25.1	12.8	8.9	9.0	9.0

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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A stock's coverage cluster is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector or other classification. The list of all stocks in each coverage cluster is available upon request.

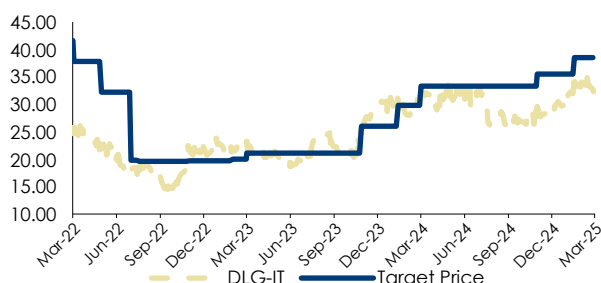
Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
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The 3Y rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->.

De' Longhi:**Target price and market price trend (-3Y)****Historical recommendations and target price trend (-3Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
30-Jan-25	BUY	38.5	33.5
13-Nov-24	BUY	35.5	29.5
14-Mar-24	HOLD	33.3	33.2
26-Jan-24	HOLD	29.8	29.7
10-Nov-23	HOLD	26.0	26.2
14-Mar-23	HOLD	21.1	23.2
08-Feb-23	HOLD	20.0	21.4
11-Nov-22	HOLD	19.7	22.4
01-Aug-22	HOLD	19.6	18.4
14-Jul-22	HOLD	19.8	17.9
13-May-22	BUY	32.2	23.0

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at January 2025)**

Number of companies considered: 162	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	69	31	0
of which Intesa Sanpaolo's Clients (%)**	61	39	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and Investment banking services in the last 12 months; percentage of clients in each rating category

Equity Research Publications in Last 12M

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