

EQUITY RESEARCH

ILPRA
RESULTS REVIEW

BUY

TP 7.5€

Up/Downside: 72%

ILPRA: Confirmed Growth and Positive Outlook

ILPRA exceeds our revenue growth forecasts for 2024 but shows slightly lower profitability than our estimates due to the dilutive effect of acquisitions. Positive outlook for 2025.

ILPRA Group has published its results for the **2024 financial year**, showing **stronger-than-expected growth**, reaching **€69.9m in revenue** (vs. **€65m expected**). This performance was driven by a particularly dynamic **second half of 2024**, marked by a market recovery, especially in **Italy**, although **64% of the company's total revenue** came from international markets.

In terms of **profitability**, the integration of newly acquired companies and the increase in inventories had a **dilutive effect on margins**. **EBITDA reached €14.7m**, still recording a **+5.3% increase compared to 2023**, although the **margin declined by 140 basis points to 21%**. As a result, **net income remained nearly stable compared to 2023, at €6.6m**, due to a slight increase in depreciation related to the integration of new acquisitions.

The company reported an **increase in net debt, up by €4.9m to €20.1m**, driven by **M&A operations and the rise in inventories**, which weighed on working capital by **+€2.2m**. Despite this, **ILPRA approved a 2025 dividend of €0.12 per share, offering a 2.74% yield with a 50% payout ratio**, reaffirming its commitment to maintaining an **attractive shareholder remuneration policy**.

After a **2024 financial year** marked by **significant delays in international markets** due to a persistently challenging **macroeconomic environment**, which particularly impacted the **beauty sector**, the **beginning of 2025 looks promising**, according to the company's management. This trend is also confirmed by **UCIMA**, the sector association, which forecasts **annual sector growth of +3% until 2027**, with a **+24.6% increase in order intake in January**. Furthermore, **ILPRA's limited exposure to the United States** should make the impact of **tariffs negligible**.

Based on **stronger-than-expected growth and market improvement**, we raise our **revenue estimates by +10%**, convinced that the **expected inventory reduction** in the coming months, combined with **international expansion**, will enable ILPRA to maintain its financial strength and improve its debt level in the long term. **The stock remains undervalued compared to the market, and we reiterate our BUY recommendation, with a price target set at €7.5.**

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	62.0	69.9	78.3	87.7	EV/Sales	1.0	0.9	0.8
Current Op Inc (m €)	9.3	9.8	13.0	14.9	EV/EBITDA	5.0	4.4	3.7
Current op. Margin (%)	15.0	14.0	16.6	17.0	EV/EBIT	7.4	5.6	4.6
EPS (€)	0.33	0.44	0.61	0.74	PE	10.0	7.2	5.9
DPS (€)	0.12	0.12	0.16	0.20	Source: TPICAP Midcap			
Yield (%)	2.7	2.7	3.7	4.6				
FCF (m €)	-14.4	-0.8	2.7	7.0				

Key data

Price (€)	4.4
Industry	Industrial Machinery
Ticker	ILP-IT
Shares Out (m)	12.039
Market Cap (m €)	52.5
Average trading volumes (k shares / day)	14.400
Next event	1H 2025 - 26.09.2025

Source: FactSet

Ownership (%)

Holds Srl	70.5
Free float	29.5

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.44	0.61	0.74
Change vs previous estimates (%)	-16.51	1.42	12.05

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.5	0.5	-3.1
Rel FTSE Italy	0.4	-0.0	-15.0



Source: FactSet

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FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	42.2	48.7	62.0	69.9	78.3	87.7
Changes (%)	30.5	15.3	27.4	12.7	12.0	12.0
Gross profit	28.3	35.0	41.1	47.2	52.8	58.2
% of Sales	67.0	71.8	66.2	67.5	67.4	66.4
EBITDA	9.0	11.2	13.9	14.7	16.3	18.4
% of Sales	21.3	23.0	22.4	21.0	20.9	21.0
Current operating profit	7.0	8.8	9.3	9.8	13.0	14.9
% of Sales	16.6	18.0	15.0	14.0	16.6	17.0
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.0	8.8	9.3	9.8	13.0	14.9
Net financial result	-0.2	-0.5	-1.9	-1.4	-1.8	-1.6
Income Tax	-1.5	-1.8	-1.9	-1.8	-2.5	-3.0
Tax rate (%)	-22.4	-22.4	-22.4	-22.4	-22.4	-22.4
Net profit, group share	4.5	5.2	4.0	5.3	7.3	8.9
EPS	0.37	0.43	0.33	0.44	0.61	0.74
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	10.7	12.3	25.2	29.0	33.1	33.1
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.5	0.5	0.7	0.1	0.1	0.1
Working capital	13.3	17.0	29.5	35.0	37.3	41.1
Other Assets	0.0	0.0	0.0	0.5	0.5	0.5
Assets	24.5	29.9	55.3	64.7	71.0	74.8
Shareholders equity group	22.1	25.9	28.2	38.7	43.9	50.5
Minorities	2.7	3.9	5.9	0.7	2.0	3.4
LT & ST provisions and others	0.2	0.3	0.0	1.2	1.2	1.2
Net debt	-3.4	-3.5	15.3	20.1	19.8	15.6
Other liabilities	2.9	3.2	5.9	4.1	4.1	4.1
Liabilities	24.5	29.9	55.3	64.7	71.0	74.8
Net debt excl. IFRS 16	-3.4	-3.5	15.3	20.1	19.8	15.6
Gearing net	-0.1	-0.1	0.4	0.5	0.4	0.3
Leverage	-0.4	-0.3	1.1	1.4	1.2	0.8
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	7.2	9.4	12.2	14.0	13.9	15.5
Δ WCR	0.3	-3.3	-11.9	-4.8	-2.3	-3.8
Operating cash flow	7.4	6.1	0.3	9.2	11.6	11.7
Net capex	-1.0	-3.8	-13.8	-8.5	-7.0	-3.1
FCF	6.2	1.8	-14.4	-0.8	2.7	7.0
Acquisitions/Disposals of subsidiaries	-0.0	-0.3	0.0	0.5	0.5	0.5
Other investments	-0.1	0.2	-0.7	-1.1	-0.6	-0.4
Change in borrowings	1.2	1.1	12.2	2.4	0.0	0.0
Dividends paid	-1.1	-2.0	-1.8	-2.0	-1.4	-2.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	-0.2	-0.3	-0.1	-0.1	0.0	0.0
Others	0.0	0.9	2.2	0.5	-1.0	-1.0
Change in net cash over the year	6.2	2.0	-3.9	0.3	2.1	5.8
ROA (%)	9.3%	8.7%	6.0%	6.3%	7.6%	na
ROE (%)	21.2%	21.7%	16.3%	16.8%	18.8%	na
ROCE (%)	34.9%	36.0%	20.5%	18.7%	22.5%	24.5%

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Analyst certifications

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Methodology

This Report may mention evaluation methods defined as follows:

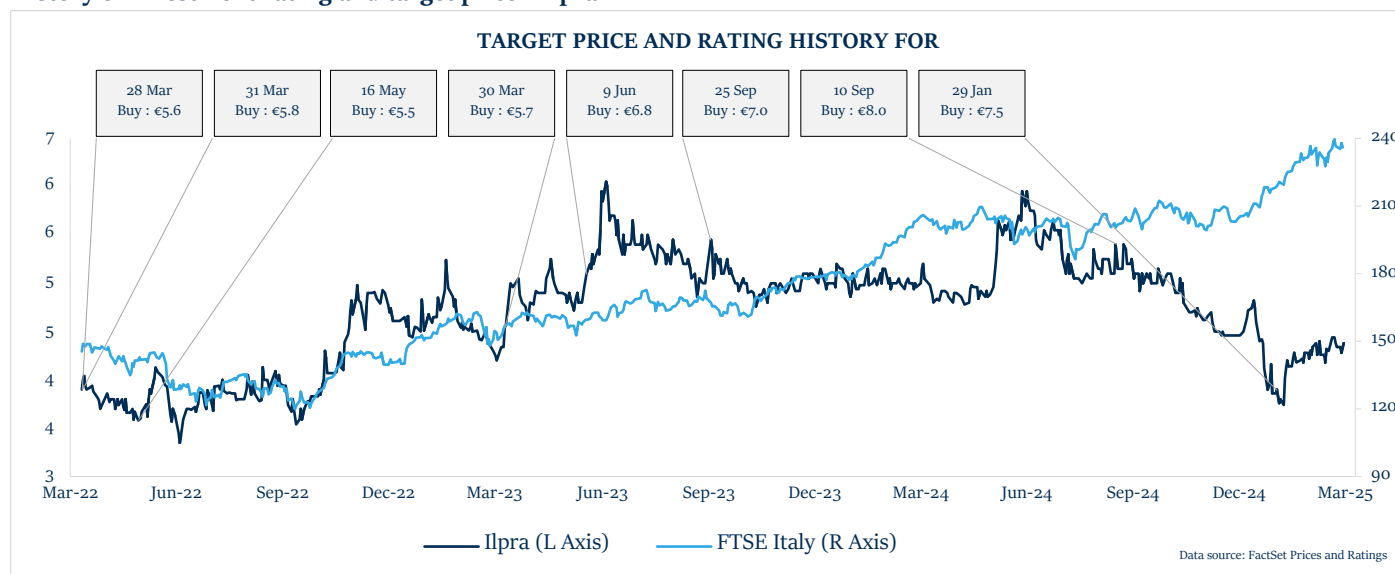
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Ilpra

J. Sponsored research or other issuer-related revenues represent more than 5% of the external provider's revenues: Ilpra

History of investment rating and target price – Ilpra



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
29 Jan 25 - 07:56:27	Alessio Olmi	€ 8.00	€ 7.50	€ 3.90	Achat	Buy
27 Sep 24 - 08:28:46	Filippo Migliorisi	€ 8.00	€ 8.00	€ 5.05	Achat	Buy
27 May 24 - 07:37:03	Filippo Migliorisi	€ 7.00	€ 7.00	€ 4.88	Achat	Buy
03 May 24 - 07:43:36	Filippo Migliorisi	€ 7.00	€ 7.00	€ 4.78	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	79%	60%
Hold	16%	70%
Sell	4%	17%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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