

EQUITY RESEARCH

ILPRA
NEWS
BUY**TP 7.5€**

Up/Downside: 51%

ILPRA strengthens its growth strategy: acquisition in cheese packaging

Today's announcement of the acquisition of 90% of Gelmini S.r.l. consolidates ILPRA's external growth strategy and strengthens its presence in the food packaging solutions market, opening up new industrial synergies in a highly specialized vertical segment.

ILPRA S.p.A. announced this morning the acquisition of Gelmini S.r.l., a company founded in 1978 and based in Parma, specialized in designing machinery for the processing and packaging of aged and semi-aged cheeses. **The deal has a total value of €4.05mn (of which €2.7mn paid upfront in cash and €1.35mn as an earn-out over three years).**

The integration of Gelmini is expected to generate significant synergies in terms of know-how, geographical reach, and product complementarity. **ILPRA specifies that Gelmini recorded €6.1mn in revenues, with an EBITDA margin of approximately 14%, and a net debt of around €3.4mn.** Consolidation will take place on a pro rata basis from closing, expected by the end of July.

We slightly raise our growth forecasts by +3%, although potential acquisitions were already embedded in our base case. We maintain our estimated EBITDA margin at 21% for FY2025.

We view this announcement as positive for ILPRA, which continues to execute its strategic M&A roadmap with discipline, securing assets at **attractive multiples (2.8x EV/EBITDA excluding earn-out, 4.2x including it)**. We remain confident in the Group's ability to successfully integrate new entities and scale them within its existing platform.

The financial profile remains solid, with improving cash generation: **cash conversion on EBITDA is estimated at 38% in 2026, and the free cash flow yield (FCF yield) at 4.6% in 2025.** The expected 2025 dividend yield of 3.3% further strengthens visibility on shareholder return policy.

We highlight that **very few Italian industrial players can deliver >20% profitability, healthy cash generation, and such an attractive valuation at 5.2x EV/EBITDA.**

We reiterate our BUY recommendation, with a confirmed target price of €7.5.

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	69.9	80.5	90.2	102.8	EV/Sales	1.0	0.8	0.7
Current Op Inc (m €)	9.8	13.2	15.2	17.6	EV/EBITDA	4.9	4.1	3.3
Current op. Margin (%)	14.0	16.4	16.8	17.1	EV/EBIT	6.1	5.0	4.0
EPS (€)	0.44	0.64	0.76	0.94	PE	7.7	6.5	5.3
DPS (€)	0.12	0.17	0.21	0.25	Source: TPICAP Midcap			
Yield (%)	2.4	3.5	4.2	5.1				
FCF (m €)	-0.8	1.6	7.0	9.8				

Key data

Price (€)	5.0
Industry	Industrial Machinery
Ticker	ILP-IT
Shares Out (m)	12.039
Market Cap (m €)	59.7
Average trading volumes (k shares / day)	13.200
Next event	1H 2025 - 26.09.2025

Source: FactSet

Ownership (%)

Holds Srl	70.5
Free float	29.5

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.64	0.76	0.94
Change vs previous estimates (%)	5.97	2.78	2.75

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	1.6	6.9	10.2
Rel FTSE Italy	0.4	9.2	-5.7



Source: FactSet

Consensus FactSet - Analysts:2	12/25e	12/26e	12/27e
Sales	88.2	100.1	100.1
EBIT	14.0	16.4	16.4
Net income	9.2	11.0	11.0

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FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	48.7	62.0	69.9	80.5	90.2	102.8
Changes (%)	15.3	27.4	12.7	15.2	12.0	14.0
Gross profit	35.0	41.1	47.2	54.1	59.7	67.5
% of Sales	71.8	66.2	67.5	67.2	66.2	65.7
EBITDA	11.2	13.9	14.7	16.6	18.7	21.2
% of Sales	23.0	22.4	21.0	20.6	20.8	20.7
Current operating profit	8.8	9.3	9.8	13.2	15.2	17.6
% of Sales	18.0	15.0	14.0	16.4	16.8	17.1
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.8	9.3	9.8	13.2	15.2	17.6
Net financial result	-0.5	-1.9	-1.4	-1.8	-1.6	-1.2
Income Tax	-1.8	-1.9	-1.8	-2.6	-3.0	-3.7
Tax rate (%)	-22.4	-22.4	-22.4	-22.4	-22.4	-22.4
Net profit, group share	5.2	4.0	5.3	7.7	9.2	11.3
EPS	0.43	0.33	0.44	0.64	0.76	0.94
Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	12.3	25.2	29.0	33.3	33.4	33.2
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.5	0.7	0.1	0.1	0.1	0.1
Working capital	17.0	29.5	35.0	38.6	42.5	46.0
Other Assets	0.0	0.0	0.5	0.5	0.5	0.5
Assets	29.9	55.3	64.7	72.5	76.5	79.8
Shareholders equity group	25.9	28.2	38.7	44.4	51.1	59.9
Minorities	3.9	5.9	0.7	2.0	3.4	4.7
LT & ST provisions and others	0.3	0.0	1.2	1.2	1.2	1.2
Net debt	-3.5	15.3	20.1	20.9	16.8	9.9
Other liabilities	3.2	5.9	4.1	4.1	4.1	4.1
Liabilities	29.9	55.3	64.7	72.5	76.5	79.8
Net debt excl. IFRS 16	-3.5	15.3	20.1	20.9	16.8	9.9
Gearing net	-0.1	0.4	0.5	0.5	0.3	0.2
Leverage	-0.3	1.1	1.4	1.3	0.9	0.5
Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	9.4	12.2	14.0	14.3	15.7	17.6
Δ WCR	-3.3	-11.9	-4.8	-3.6	-3.9	-3.5
Operating cash flow	6.1	0.3	9.2	10.7	11.8	14.1
Net capex	-3.8	-13.8	-8.5	-7.2	-3.2	-3.1
FCF	1.8	-14.4	-0.8	1.6	7.0	9.8
Acquisitions/Disposals of subsidiaries	-0.3	0.0	0.5	0.5	0.5	0.5
Other investments	0.2	-0.7	-1.1	-0.6	-0.4	0.0
Change in borrowings	1.1	12.2	2.4	0.0	0.0	0.0
Dividends paid	-2.0	-1.8	-2.0	-1.4	-2.1	-2.5
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	-0.3	-0.1	-0.1	0.0	0.0	0.0
Others	0.9	2.2	0.5	-1.0	-1.0	-1.0
Change in net cash over the year	2.0	-3.9	0.3	1.0	5.7	8.1
ROA (%)	8.7%	6.0%	6.3%	7.9%	na	na
ROE (%)	21.7%	16.3%	16.8%	19.6%	na	na
ROCE (%)	36.0%	20.5%	18.7%	23.0%	24.5%	27.1%

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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

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
18 May 25 - 20:12:44	Alessio Olmi	€ 7.50	€ 7.50	€ 4.64	Achat	Buy
31 Mar 25 - 08:14:07	Alessio Olmi	€ 7.50	€ 7.50	€ 4.36	Achat	Buy
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

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	65%
Hold	14%	64%
Sell	3%	20%
Under review	2%	67%

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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