

EQUITY RESEARCH

ILPRA
 RESULTS REVIEW
BUY
TP 10.0€ (vs 7.5€)
 Up/Downside: 13%

A H1 that gives the story fresh momentum

ILPRA reports a high-quality H1 2026, with sales of €42m (+21.6%, +5% vs TP ICAP est.) and, for the first time in several halves, an improving margin (EBITDA €7m, 16.6% margin, vs 16% TP ICAP est.). H2, historically the more meaningful half, should bring a further acceleration in profitability, with the French and Korean subsidiaries expected to break even.

ILPRA reports **sales of €42.0m (+21.6% YoY)**, including +18% organic growth when consolidating Gelmini (consolidated since H2 2025); excluding Gelmini, pure organic growth comes in at **+5.6%**, more than 2x the sector (UCIMA: +2.3%). **EBITDA reaches €7m (+27.7%), with a 16.6% margin** (15.8% in H1 2025), up despite H1 being structurally the weakest half of the year. EBIT and net income follow the same trend, while **net debt improves markedly to €19.9m (vs €22.7m)**, on effective working capital management and shorter customer collection times.

The quality of the figures rests first on the **parent company, whose margin remains very solid**, with gross margin markedly improved, as well as on the good performance of Gelmini, Pentavac and Max. H1 was weighed down by the **start-up costs of the new subsidiaries (France, Korea and Australia)**, which we expect **to break even in H2**, and by weakness in the beauty segment, where the Q1 recovery did not carry through into Q2.

We expect an accelerating H2, particularly on margins: the roll-off of subsidiary start-up costs and the improvement at **Gelmini**, which targets a 16-17% margin (vs 10% previously), with sales potential we estimate at up to €10m — still insufficiently reflected in estimates. We therefore raise our forecasts, with 2026 sales expected at around **€98m** and an improving margin, albeit still below 20%. We also maintain our expectation of **at least one bolt-on M&A deal by end-2026**, most likely in beauty, with a larger file still under review for 2027; debt is expected to remain stable or edge slightly lower.

We raise our TP to €10.0 (from €7.5). The upgrade reflects the upward revision to our estimates (2026-27 sales +5%, EBITDA +6%/+5%), the reduction in net debt to €19.9m from €22.7m and, above all, the removal of the execution-risk discount we had been applying to the stock: overseas subsidiaries close to break-even and the margin of the acquired companies and of WIP now coming through. **With a ROCE in the 24-25% range, ILPRA trades at 5.4x EV/EBITDA, 6.5x EV/EBIT and 8.5x NTM P/E:** multiples that reflect neither the returns on capital employed nor the visibility now secured on the growth trajectory. **BUY.**

Key data

Price (€)	8.9
Industry	Industrial Machinery
Ticker	ILP-IT
Shares Out (m)	12.039
Market Cap (m €)	106.5
Average trading volumes (k shares / day)	5.474
Next event	FY 2026 - TBD
Source: FactSet	

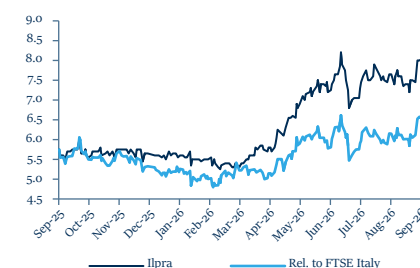
Ownership (%)

Holds Srl	70.5
Free float	29.5
Source: TPICAP Midcap estimates	

EPS (€)	12/26e	12/27e	12/28e
Estimates	0.79	1.00	1.10
Change vs previous estimates (%)	5.48	5.72	2.06

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	7.9	16.4	58.0
Rel FTSE Italy	7.2	18.3	37.9



Source: FactSet

TP ICAP Midcap Estimates	12/25	12/26e	12/27e	12/28e	Valuation Ratio	12/26e	12/27e	12/28e
Sales (m €)	84.0	97.9	109.6	115.1	EV/Sales	1.3	1.1	0.9
Current Op Inc (m €)	10.9	15.8	18.5	20.2	EV/EBITDA	6.6	5.4	4.5
Current op. Margin (%)	13.0	16.1	16.9	17.5	EV/EBIT	8.1	6.5	5.3
EPS (€)	0.51	0.79	1.00	1.10	PE	11.2	8.9	8.0
DPS (€)	0.12	0.19	0.23	0.26	Source: TPICAP Midcap			
Yield (%)	1.4	2.1	2.6	2.9				
FCF (m €)	3.8	4.1	9.7	16.2				

Consensus FactSet - Analysts:2	12/26e	12/27e	12/28e
Sales	94.5	108.3	120.2
EBIT	14.1	17.1	20.1
Net income	8.9	10.7	12.8

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FINANCIAL DATA

Income Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Sales	62.0	69.9	84.0	97.9	109.6	115.1
Changes (%)	27.4	12.7	20.2	16.5	12.0	5.0
Gross profit	41.1	47.2	54.9	66.0	72.6	76.1
% of Sales	66.2	67.5	65.3	67.4	66.3	66.1
EBITDA	13.9	14.7	16.2	19.3	22.2	23.9
% of Sales	22.4	21.0	19.3	19.7	20.3	20.7
Current operating profit	9.3	9.8	10.9	15.8	18.5	20.2
% of Sales	15.0	14.0	13.0	16.1	16.9	17.5
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	9.3	9.8	10.9	15.8	18.5	20.2
Net financial result	-1.9	-1.4	-1.1	-1.6	-1.2	-1.2
Income Tax	-1.9	-1.8	-2.2	-3.2	-4.0	-4.3
Tax rate (%)	-25.0	-21.3	-22.9	-22.9	-22.9	-22.9
Net profit, group share	5.6	6.6	7.6	10.9	13.4	14.6
EPS	0.33	0.44	0.51	0.79	1.00	1.10
Financial Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	25.2	29.0	26.4	26.7	26.7	26.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.7	0.1	4.7	4.7	4.7	4.7
Working capital	29.5	35.0	41.6	48.5	52.6	51.2
Other Assets	0.0	0.5	0.5	0.5	0.5	0.5
Assets	55.3	64.7	73.2	80.4	84.5	83.4
Shareholders equity group	28.2	38.7	43.4	51.1	60.9	71.4
Minorities	5.9	0.7	1.9	3.3	4.6	6.0
LT & ST provisions and others	0.0	1.2	1.2	1.2	1.2	1.2
Net debt	15.3	20.1	22.6	20.8	13.7	0.8
Other liabilities	5.9	4.1	4.1	4.1	4.1	4.1
Liabilities	55.3	64.7	73.2	80.5	84.5	83.4
Net debt excl. IFRS 16	15.3	20.1	22.6	20.8	13.7	0.8
Gearing net	0.4	0.5	0.5	0.4	0.2	0.0
Leverage	1.1	1.4	1.4	1.1	0.6	0.0
Cash flow statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
CF after elimination of net borrowing costs and taxes	12.2	14.0	14.0	16.1	18.3	19.5
ΔWCR	-11.9	-4.8	-6.6	-7.0	-4.1	1.3
Operating cash flow	0.3	9.2	7.4	9.1	14.2	20.9
Net capex	-13.8	-8.5	-2.5	-3.4	-3.3	-3.5
FCF	-14.4	-0.8	3.8	4.1	9.7	16.2
Acquisitions/Disposals of subsidiaries	0.0	0.5	-4.1	0.5	0.5	0.5
Other investments	-0.7	-1.1	0.2	-0.4	0.0	0.0
Change in borrowings	12.2	2.4	0.0	0.0	0.0	0.0
Dividends paid	-1.8	-2.0	-1.4	-1.4	-2.2	-2.8
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	-0.1	-0.1	0.0	0.0	0.0	0.0
Others	2.2	0.5	-1.0	-1.0	-1.0	-1.0
Change in net cash over the year	-3.9	0.3	-1.4	3.4	8.3	14.2
ROA (%)	6.0%	6.3%	6.6%	8.7%	9.6%	9.6%
ROE (%)	11.8%	13.4%	13.6%	17.5%	18.3%	17.1%
ROCE (%)	21.0%	18.5%	18.4%	24.2%	27.1%	29.9%

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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
10 May 26 - 11:15:57	Alessio Olmi	€ 7.50	€ 7.50	€ 6.30	Buy	Buy
31 Mar 26 - 08:20:07	Alessio Olmi	€ 7.50	€ 7.50	€ 5.50	Buy	Buy
29 Sep 25 - 08:02:12	Alessio Olmi	€ 7.50	€ 7.50	€ 5.60	Buy	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	68%	76%
Hold	23%	61%
Sell	4%	33%
Under review	5%	78%

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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