

**PRESS RELEASE**

**BOARD OF DIRECTORS OF ELICA S.p.A.  
APPROVES 2017 FIRST QUARTER RESULTS  
AND THE 2017-2019 OBJECTIVES**

**2017 OFF TO A FLYING START WITH  
REVENUE GROWTH OF 14.7%  
AND EBIT UP 38.8%**

**Consolidated results Q1 2017**

- **Revenue: Euro 118.5 million** (Euro 103.3 million in 2016), **up 14.7%**;
- **Adjusted EBITDA<sup>1</sup>: Euro 9.0 million, up 25.7%**;
- **EBIT: Euro 3.6 million, up 38.8%**;
- **Adjusted Profit<sup>2</sup>: Euro 1.1 million, up 25.6%**;
- **Net Financial Debt: Euro 69.5 million, increasing** on Euro 60.8 million at December 31, 2016 and Euro 62.0 million at March 31, 2016, **principally due to accelerated investment in the quarter and in line with business seasonality.**

**2017-2019 Objectives approved**

- **Revenue: 2017-2019 CAGR<sup>3</sup> + 6.8%**;
- **Adjusted EBITDA<sup>4</sup>: 2017-2019 CAGR + 12.6%**;
- **Adjusted EBIT<sup>5</sup>: 2017-2019 CAGR +14.3%**;
- **Return On Net Assets <sup>6</sup> (RONA) in 2019 of 10.4%**;
- **Net Financial Debt at the end of 2019 of Euro 73 million.**

**Milan, May 15, 2017** – The Board of Directors of **Elica S.p.A.**, the parent of a Group that is the leading manufacturer of kitchen range hoods, has today approved the **2017 First Quarter Report**, prepared in accordance with IFRS.

**Consolidated results – Q1 2017**

**Elica reports consolidated Q1 2017 revenue of Euro 118.5 million, up 14.7% and at like-for-like exchange rates +13.1% on Q1 2016.**

<sup>1</sup> See Definitions and Reconciliations paragraph

<sup>2</sup> See Definitions and Reconciliations paragraph

<sup>3</sup> Compound Average Growth Rate

<sup>4</sup> Excluding non-ordinary items

<sup>5</sup> Excluding non-ordinary items

<sup>6</sup> Calculated as ratio between adjusted EBIT and Net Capital Employed;

This growth - stemming from both business segments - was driven by own brand product sales (up 26.9%) and particularly the Elica brand - up 43.4% on Q1 2016.

Analysing revenues on the principal markets<sup>7</sup>, sales in Asia<sup>8</sup> rose 27.4%, principally due to continued strong Indian and Japanese market performances, with sales growth respectively of over 70% and 8%. EMEA<sup>9</sup> revenue grew 12.9%, with the American market<sup>10</sup> overall up 14.2% on Q1 2016.

For completeness, the breakdown of consolidated revenues by geographic location of the Group companies is reported below.

In Euro thousands	Europe		Americas		Asia and the Rest of World		Unallocated items and eliminations		Consolidated	
	Q1 17	Q1 16	Q1 17	Q1 16	Q1 17	Q1 16	Q1 17	Q1 16	Q1 17	Q1 16
<b>Segment revenue:</b>										
Third parties	87.605	77.631	18.018	15.792	12.872	9.920	(30)	(16)	118.465	103.326
Inter-segment	3.149	2.880	0	2	1.066	1.604	(4.216)	(4.485)	-	-
<b>Total revenue</b>	<b>90.754</b>	<b>80.510</b>	<b>18.019</b>	<b>15.793</b>	<b>13.938</b>	<b>11.524</b>	<b>(4.246)</b>	<b>(4.502)</b>	<b>118.465</b>	<b>103.326</b>

#### Profitability – Q1 2017

Q1 2017 adjusted EBITDA<sup>11</sup> of Euro 9.0 million (7.6% of Revenue) grew 25.7% on Euro 7.1 million for Q1 2016, due to increased sales volumes, raw material and component procurement efficiencies, in addition to the positive currency effect. On the other hand, margins were negatively impacted by higher overheads from the own brand sales growth strategy and the performances of the German and Chinese subsidiaries.

Q1 2017 EBITDA was Euro 8.8 million (7.4% of Revenue), up 23.7% on Q1 2016 and impacted by, among other matters, the restructuring of the German subsidiary for Euro 0.2 million.

Adjusted EBIT<sup>12</sup> amounts to Euro 3.8 million, growing 43.7% on the same period of the previous year with the above developments impacting the margin, in addition to higher amortisation and depreciation following significant investment over the two preceding periods in support of the own brand and production capacity expansion policy.

Consolidated EBIT of Euro 3.6 million grew 38.8%.

The Adjusted Profit<sup>13</sup> was Euro 1.1 million, up 38.8% on the same period of the previous year.

The Q1 2017 Profit of Euro 1.0 million grew 13.9%. The result was impacted by, among other matters, a higher tax rate than Q1 2016.

<sup>7</sup> Data concerns sales revenues by geographic area and therefore does not refer to the breakdown by operating segment according to the various Group company locations.

<sup>8</sup> Concerning revenue in "Other Countries" - principally the Asian markets.

<sup>9</sup> Europe, Middle East, Africa and CIS.

<sup>10</sup> Includes North, Central and South America

<sup>11</sup> See Definitions and Reconciliations paragraph

<sup>12</sup> See Definitions and Reconciliations paragraph

<sup>13</sup> See Definitions and Reconciliations paragraph

<i>In Euro thousands</i>	Q1 17	% revenue	Q1 16	% revenue	17 Vs 16 %
Revenue	118,465		103,326		14.7%
<b>Adjusted EBITDA*</b>	<b>8,961</b>		<b>7,129</b>		<b>25.7%</b>
EBITDA	8,761	7.4%	7,080	6.9%	23.7%
<b>Adjusted EBIT*</b>	<b>3,832</b>		<b>2,666</b>		<b>43.7%</b>
<b>EBIT</b>	<b>3,632</b>	<b>3.1%</b>	<b>2,617</b>	<b>2.5%</b>	<b>38.8%</b>
Net financial charges	(1,098)	(0.9%)	(923)	(0.9%)	19.0%
Income taxes	(1,558)	(1.3%)	(841)	(0.8%)	85.3%
<b>Adjusted Profit*</b>	<b>1,113</b>		<b>887</b>		<b>25.6%</b>
Profit	969	0.8%	851	0.8%	13.9%
<b>Profit attributable to the owners of the Parent - Adjusted*</b>	<b>1,088</b>		<b>723</b>		<b>50.6%</b>
Profit attributable to the owners of the Parent	944	0.8%	687	0.7%	37.4%
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	1.52		1.11		36.9%
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	1.52		1.11		36.9%

\*The earnings per share for Q1 2017 and 2016 were calculated by dividing the Group profit attributable to the owners of the Parent from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

## Statement of Financial Position

**The Net Financial Debt at March 31, 2017 of Euro 69.5 million increased on Euro 60.8 million at December 31, 2016 and Euro 62.0 million at March 31, 2016, principally due to accelerated investment in the quarter and in line with business seasonality.**

<i>In Euro thousands</i>	Mar 31, 17	Dec 31, 16	Mar 31, 16
<b>Cash and cash equivalents</b>	<b>36,805</b>	<b>31,998</b>	<b>38,342</b>
Finance leases and other lenders	(25)	(21)	(6)
Bank loans and borrowings	(59,895)	(59,004)	(51,745)
<b>Current loans and borrowings</b>	<b>(59,920)</b>	<b>(59,025)</b>	<b>(51,751)</b>
Finance leases and other lenders	(6)	(6)	(8)
Bank loans and borrowings	(46,410)	(33,718)	(48,546)
<b>Non-current loans and borrowings</b>	<b>(46,416)</b>	<b>(33,724)</b>	<b>(48,554)</b>
<b>Net Financial Debt</b>	<b>(69,531)</b>	<b>(60,751)</b>	<b>(61,963)</b>

**Managerial Working Capital on annualised revenue of 6.4% increased on 5.3% at December 31, 2016, although reducing on 8.6% at March 31, 2016, indicating the efficacy of the financial resource allocation optimisation policies and considering the seasonality typical of the business model.**

<i>In Euro thousands</i>	Mar 31, 17	Dec 31, 16	Mar 31, 16
Trade receivables	77,529	70,561	67,853
Inventories	75,001	67,732	67,340
Trade payables	(122,324)	(114,831)	(99,804)
<b>Managerial Working Capital</b>	<b>30,206</b>	<b>23,462</b>	<b>35,389</b>
% annualised revenue	6.4%	5.3%	8.6%
Other net receivables/payables	(11,965)	(11,755)	(12,995)
<b>Net Working Capital</b>	<b>18,241</b>	<b>11,708</b>	<b>22,394</b>
% annualised revenue	3.8%	2.7%	5.4%

### Significant events in the first quarter of 2017 and subsequent events to March 31, 2017

On **January 30, 2017**, in accordance with Article 2.6.2, paragraph 1, letter b) of the Regulations of the Markets organised and managed by Borsa Italiana S.p.A., Elica S.p.A. published the 2017 Financial Calendar.

On **February 13, 2017**, the Board of Directors approved the 2016 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.

On **March 13, 2017**, the Board of Directors of Elica S.p.A. considered the impacts on the 2016 Consolidated and Statutory Financial Statements of the non-executive first level judgements in the case between Esperança Real S/A, Madson Eletrometalurgica Ltda. and Elica S.p.A., issued by the Belo Horizonte (Brazil) Court on March 1, 2017. The case concerns the signing of preliminary agreements in September 1999 for the establishment of a joint venture by Elica S.p.A. and Esperança Real S/A, which were thereafter not executed. With the support of legal consultants and sector experts, the Board of Directors assessed the ruling, the technical opinions upon the possible development of the case and its probable final outcome and decided to prudently allocate to the legal risks provision an additional amount of Euro 2.9 million, entirely not on the basis of the counterparty's legal grounds, but solely to be fully compliant with international accounting standards. The Company therefore confirms its intention to pursue at all levels the enforcement of its rights.

On **March 21, 2017**, Elica participated in the 2017 STAR Conference organised in Milan by Borsa Italiana.

On **March 24, 2017**, the Board of Directors of Elica S.p.A approved the 2016 Consolidated Financial Statements and the Directors' Report, and the 2016 Separate Financial Statements of Elica S.p.A. and the Directors' Report, prepared in accordance with IFRS, and also approved the 2016 Corporate Governance and Ownership Structure Report and the Remuneration Report and the Directors' Report to the Shareholders' AGM on the proposal to authorise the buy-back and utilisation of treasury shares.

The Board of Directors also appointed Cristina Scocchia as a company director, in replacement of Gianna Pieralisi, who will remain in office until the next Shareholders' Meeting and approved the proposal to the Shareholders' Meeting of the appointment of Mr. Antonio Recinella, appointed by the Board of Directors of Elica S.p.A. on October 28, 2016, with effect from November 1, 2016, in replacement of the Chief Executive Officer Giuseppe Perucchetti, as a Director of Elica S.p.A., in addition to confirming the appointment of Ms. Cristina Scocchia, in replacement of Gianna Pieralisi. **In addition**, the Board of Directors confirmed the appointment of the members of the Supervisory Board, extending their mandate until the date for the approval of the 2017 Annual Accounts by the Shareholders' Meeting. The Board of Directors also assessed the independence of the Directors Elio Catania, Davide Croff, Katia Da Ros and Enrico Vita, declaring them independent in accordance with Article 148, paragraph 3 of the CFA

(restated in Article 147-ter, paragraph 4 of the CFA) and under Article 3.C.1. of the Self-Governance Code for listed companies. In addition, the Board of Statutory Auditors of the company positively assessed the independence of its members.

**On the same date**, in view of the 2016 results, the Board of Directors proposed not to distribute a dividend for 2016, in order to maintain all available Company resources for investment in future development. In addition, the Board of Directors approved the proposal to the Shareholders' Meeting of the coverage of the loss through use of "retained earnings".

The Board of Directors also approved the proposal to the Shareholders' AGM to amend the long-term incentive plan (the "2016-2022 Phantom Stock & Voluntary Co-investment Plan"), approved by the Shareholders' AGM of April 28, 2016, on the basis of the updated disclosure document prepared according to the means outlined at Annex 3A, Table 7 of the Issuers' Regulation published on March 28, 2017 in accordance with the means set out under applicable regulations.

The Board of Directors of Elica S.p.A. called the Shareholders' AGM at the registered office in Fabriano, via Ermanno Casoli No. 2, for April 28, 2017 at 9AM in single call.

**On March 28, 2017**, the Reports of the Directors to the Shareholders' AGM on the appointment of two directors and the establishment of the remuneration devolving to members of the Board of Directors, in accordance with Article 2386 of the Civil Code and the Report of the Directors to the Shareholders' AGM on the proposal to amend the 2016-2022 Phantom Stock and Voluntary Co-investment Plan were made available to the public at the registered office, on the storage mechanism IINFO ([www.iinfo.it](http://www.iinfo.it)) and on the Elica S.p.A. website <http://corporation.elica.com> (Investor Relations - Shareholders' Meeting section).

**On April 6, 2017**, the Annual Report comprising the Separate and Consolidated Financial Statements at December 31, 2016, the Directors' Report and the Statement as per Article 154-bis, paragraph 5 of Legs. Decree No. 58/1998, together with the Board of Statutory Auditors' Report, the Independent Auditors' Reports, the Remuneration Report and the 2016 Corporate Governance and Ownership Structure Report, were made available to the public at the registered office of the company, on the authorised storage mechanism IINFO ([www.iinfo.it](http://www.iinfo.it)) and on the Elica S.p.A. website at <http://corporation.elica.com> (Investor Relations - Annual Accounts and Reports section and Corporate Governance section). The Directors' Report to the Shareholder' Meeting concerning the proposal to purchase and utilise treasury shares was also made available to the public at the registered office, on the authorised storage mechanism IINFO ([www.iinfo.it](http://www.iinfo.it)) and on the Elica S.p.A. website at <http://corporation.elica.com> (Investor Relations - Shareholders' Meeting section). The Annual Accounts and/or the Financial Statements as per Article 2429 of the Civil Code of the subsidiaries and associated companies of Elica S.p.A. and the Financial Statements of the subsidiaries as per Article 36 of the Market Regulation were also available to the public at the registered office.

**On April 28, 2017**, the Shareholders' AGM of Elica S.p.A. approved the separate financial statements of Elica S.p.A. at December 31, 2016, the Directors' Report, the Board of Statutory Auditors' Report, the Independent Auditors' Report and noted the consolidated results of the company for 2016.

Elica S.p.A.'s AGM also approved the coverage of the 2016 loss through use of "Retained Earnings" and appointed by majority 2 directors proposed by the Board of Directors, who will remain in office until the Shareholders' Meeting called to approve the 2017 Annual Accounts: Antonio Recinella born in Livorno on 5/11/1968 and Cristina Scocchia born in Sanremo on 4/12/1973. According to the company, the appointed directors do not hold Elica S.p.A. shares. Their *curricula vitae* are available on the website <http://corporation.elica.com> (Corporate Governance - Other Documents section). The AGM also approved the amendment of the long-term incentive plan called the 2016-2022 Phantom Stock & Voluntary Co-investment Plan as per the conditions indicated in Disclosure Document, published on April 6, 2017.

The Elica S.p.A. Shareholders' AGM noted the content of the Remuneration Report, filed and made available to the public on April 6, 2017 and expressed a favourable opinion on the first section of the report, while also approving, following revocation of the previous authorisation of April 28, 2016, the authorisation to purchase and utilise treasury shares, pursuant to Article 2357 and 2357-ter of the Civil Code.

**On the same date**, the Board of Directors of Elica S.p.A. appointed **Antonio Recinella** as **Chief Executive Officer** of Elica S.p.A. and assessed the **independence** of the director **Antonio Recinella**, not considering him as independent, and of the director **Cristina Scocchia**, considering her independent and appointing her also to the Appointments and Remuneration Committee and to the Internal Control and Risk Management Committee.

### **2017-2019 Objectives approved**

The Board of Directors approved the 2017-2019 Objectives.

The Company forecasts a substantial increase in revenue driven by Cooking segment own brand growth, together with growing revenue from the Motors segment. Motors segment development will be driven by the additional revenues generated by new models and the accompanying higher margins.

Strongest revenue growth is expected from the EMEA<sup>14</sup> and the Americas regions.

This will be supported by a revolutionary Group digitalisation project.

The Plan develops business through a series of measures to increase the consolidated margin, centered on improved production efficiency<sup>15</sup> through a further focus on World Class Manufacturing activities and greater leveraging of technology alongside standardisation - while also converting the changes to the energy labeling regulation into an opportunity.

The Group estimates for the 2017-2019 three-year period: a 2017-2019 CAGR<sup>16</sup> of Net consolidated revenue of 6.8%, of adjusted EBITDA of 12.6%, of adjusted EBIT of 14.3%, a Net Financial Debt at year-end 2019 of Euro 73 million and a return of 10.4% in 2019, in terms of the Return On Net Capital Employed - a RONA<sup>17</sup> measure.

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This press release was drawn up in accordance with the enacting regulation of Legislative Decree No. 58 of February 24, 1998, adopted by Consob with motion No. 11971 of May 14, 1999 and subsequent amendments and supplements. It is available to the public on the website <http://corporation.elica.com>, Investor Relations/Financial Press Release section and also on the authorised storage mechanism "1Info" ([www.1info.it](http://www.1info.it)).

It is also announced today that the Minutes of the Shareholders' AGM of April 28, 2017, together with the relative attachments, are available at the registered office of the Company, on the authorised storage mechanism 1Info at [www.1info.it](http://www.1info.it) and on the Company website <http://corporation.elica.com> in the Shareholders' Meetings section.

### **Statement pursuant to Article 154-bis, paragraph two, of the Consolidated Finance Act**

The Corporate Financial Reporting Manager, Mr. Giampaolo Caselli, declares, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that the present press release corresponds to the underlying accounting documents, records and accounting entries.

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The Elica Group has been present in the cooker hood market since the 1970's, is chaired by Francesco Casoli and led by Antonio Recinella and today is the world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers.

<sup>14</sup> Europe, Middle East, Africa and CIS

<sup>15</sup> Reference is made in particular to Europe

<sup>16</sup> Compound Average Growth Rate

<sup>17</sup> Return on Net Assets, calculated as the ratio between EBIT and Net Capital Employed

With over 3,600 employees and an annual output of over 19 million units, the Elica Group has eight plants, including in Italy, Poland, Mexico, Germany, India and China. With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology guaranteeing maximum efficiency and reducing consumption making the Elica Group the prominent market figure it is today. The Group has revolutionised the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves the quality of life.

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### **Definitions**

EBITDA is the operating profit (EBIT) plus amortisation and depreciation and any impairment losses on goodwill.

EBIT is the operating profit as reported in the consolidated income statement.

Adjusted EBITDA is EBITDA net of the relative adjustment items.

Adjusted EBIT is EBIT net of the relative adjustment items.

Net financial income/(charges) is the sum of the Share of profit/(loss) from associates, Financial income, Financial Charges, Impairment of available-for-sale financial assets and Exchange rate gains and losses.

The adjusted profit is the result for the period, as published in the Consolidated Income Statement, net of the relative adjustment items.

The adjusted profit attributable to the owners of the Parent is the result for the period attributable to the owners of the Parent, as published in the Consolidated Income Statement, net of the relative normalisation items.

Adjustment items: earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations, as is the case for impairments, disputes considered atypical in terms of frequency and amount and restructuring charges.

The Earnings per Share for Q1 2017 and Q1 2016 was calculated by dividing the Group profit attributable to the owners of the Parent, as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The numbers of shares in circulation

at the reporting date is unchanged on December 31, 2016 and March 31, 2017 (62,047,302). The earnings per share so calculated coincide with the earnings per share as per the consolidated income statement, as there were no changes to the number of shares in circulation.

Managerial Working Capital is the sum of Trade receivables with Inventories, net of Trade payables, as presented in the Consolidated Statement of Financial Position.

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables.

Other net receivables/payables comprise the current portion of Other receivables and Tax Receivables, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

Net Financial Debt (NFD) is the sum of Cash and Cash equivalents less Current loans and borrowings (including the current portion of amounts due under finance leases and to other lenders and of bank loans and borrowings, as reported in the Statement of Financial Position) and Non-current loans and borrowings (including the non-current portion of amounts due under finance leases and to other lenders and of bank loans and borrowings, as reported in the Statement of Financial Position).

### Reconciliations

<i>In Euro thousands</i>	Q1 17	Q1 16
<b>Operating profit – EBIT</b>	<b>3,632</b>	<b>2,617</b>
(Impairment of Goodwill)	-	-
(Amortisation & Depreciation)	5,129	4,463
<b>EBITDA</b>	<b>8,761</b>	<b>7,080</b>
(Restructuring charges)	200	49
<b>Adjusted EBITDA</b>	<b>8,961</b>	<b>7,129</b>

<i>In Euro thousands</i>	Q1 17	Q1 16
<b>Operating profit – EBIT</b>	<b>3,632</b>	<b>2,617</b>
(Restructuring charges)	200	49
(Impairment of Goodwill)	-	-
<b>Adjusted EBIT</b>	<b>3,832</b>	<b>2,666</b>

<i>In Euro thousands</i>	Q1 17	Q1 16
<b>Profit</b>	<b>969</b>	<b>851</b>
(Restructuring charges)	200	49
(Income taxes concerning restructuring charges)	(56)	(13)
<b>Adjusted Profit</b>	<b>1,113</b>	<b>887</b>
<b>Profit attributable to non-controlling interests</b>	<b>25</b>	<b>164</b>
(Non-controlling interest result adjustment items)	-	-
<b>Adjusted Profit attributable to the owners of the Parent</b>	<b>1,088</b>	<b>723</b>

<i>In Euro thousands</i>	Q1 17	Q1 16
Profit attributable to the owners of the Parent	944	687
Shares in circulation at period-end	62,047,302	62,047,302
<b>Earnings per share (Euro/cents)</b>	<b>1.52</b>	<b>1.11</b>



<i>In Euro thousands</i>	<b>Mar 31, 17</b>	<b>Mar 31, 16</b>
Other receivables	8,515	6,608
Tax assets	8,091	7,982
(Provision for risks and charges)	(4,011)	(4,361)
(Other payables)	(16,587)	(15,388)
(Tax liabilities)	(7,974)	(6,596)
<b>Other net receivables/payables</b>	<b>(11,965)</b>	<b>(11,755)</b>