

PRESS RELEASE

**Q4 2017 ADDITIONAL PERIODIC
DISCLOSURE APPROVED**

**BIGGER AND STRONGER ELICA
DELIVERS RECORD REVENUES
AND BOOSTS MARGINS IN 2017**

ALL 2017 PERFORMANCE OBJECTIVES EXCEEDED

Q4 2017 consolidated financial highlights

- Revenue: Euro 121.6 million, up 2.8%;
- Adjusted EBITDA¹: Euro 9.6 million, up 31.0%;
- Adjusted EBIT²: Euro 4.7 million, up 91.3%;
- Profit: Euro 3.9 million, up 143.3%;

2017 preliminary consolidated financial highlights

- Revenue: Euro 479.3 million, up 9.1%;
- Adjusted EBITDA³: Euro 36.8 million, up 13.8%;
- Adjusted EBIT⁴: Euro 16.3 million, up 19.2%;
- Profit: Euro 1.4 million, up 125.3%;
- Net Financial Position: Euro 69.3 million, increasing on Euro 60.8 million at December 31, 2016, both due to the corporate operations in the third quarter of 2017 and increased capex on the previous year;
- Return On Net Assets (RONA) in 2017 of 8.1%;

2017-2019 Performance Objectives Aligned

Third Cycle of the 2016-2022 Phantom Stock & Voluntary Co-investment Plan launched

Shareholders' Meeting Call

Milan, February 12, 2018 – The Board of Directors of **Elica S.p.A.**, the parent of a Group that is the leading manufacturer of kitchen range hoods, **today approved the additional periodic disclosure for Q4 2017**, prepared in accordance with IFRS.

¹ See Definitions and Reconciliations

² See Definitions and Reconciliations

³ See Definitions and Reconciliations

⁴ See Definitions and Reconciliations

“Elica in 2017 is bigger and stronger than ever, as apparent in the numbers and the business itself. Increased Elica brand sales and market share, growth across all regions and greater than expected value creation, are indicative of an appropriate strategy and one which is paying off. In 2018, we shall impress the market with highly original products which respond to consumer demands or indeed anticipate them. Onwards we go!” stated Francesco Casoli, Chairman of Elica S.p.A..

Consolidated revenue - Q4 2017

In the fourth quarter of 2017, Elica Group consolidated revenue amounted to Euro 121.6 million - an increase of 2.8% on the same period of the previous year and of 6.1% at like-for-like consolidation scope⁵. Global range hood demand continued to grow (+3.1%) in the fourth quarter of 2017. Demand has been sustained principally by the Asian market (+2.7% in Q4 2017), the development of Eastern European demand - featuring Turkish and Russian market growth - and in Western Europe by growing demand in France. Growth slowed in North America on the first half of the year (+3.5% in Q4 2017), while Latin America in the fourth quarter of 2017 saw a decisive turnaround with growth of 1.6%.

Group revenue growth was driven - again in the fourth quarter - by own brand product sales (up 13.2%⁶), with the Elica brand performing very strongly and reporting in the fourth quarter of 2017 a **17.8%⁷ improvement on the same period of 2016**. The fourth quarter results also therefore reflect the effective implementation of the Strategic Plan, which throughout 2017 brought dedicated investment and spending.

Analysing revenue by the principal markets⁸, **EMEA⁹ saw growth of 9.2%, with product sales in Asia up 6.2%, while revenue in the Americas contracted 6.0%** due to currency movements.

For completeness, the breakdown of consolidated revenue 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	
	Q4 17	Q4 16	Q4 17	Q4 16	Q4 17	Q4 16	Q4 17	Q4 16	Q4 17	Q4 16
Segment revenue:										
Third parties	88,306	85,616	17,391	17,156	15,854	15,797	21	(287)	121,572	118,283
Inter-segment	3,530	3,971	9	10	2,007	1,834	(5,546)	(5,815)	-	-
Total revenue	91,836	89,587	17,401	17,167	17,860	17,630	(5,525)	(6,101)	121,572	118,283

Profitability - Q4 2017

Q4 2017 Adjusted EBITDA¹⁰ of Euro 9.6 million (7.9% of Net Revenue) was up 31.0% on Q4 2016, principally as a result of increased sales volumes, which were partly offset by reduced supply chain efficiencies and higher overheads for the expansion of own brand business.

⁵ The 2016 figures do not include the German subsidiary Gutmann sold on August 28, 2017.

⁶ The 2016 figures do not include the German subsidiary Gutmann sold on August 28, 2017.

⁷ The 2016 figures do not include the German subsidiary Gutmann sold on August 28, 2017.

⁸ The 2016 figures do not include the German subsidiary Gutmann sold on August 28, 2017.

⁹ Europe, Middle East, Africa and CIS.

¹⁰ See Definitions and Reconciliations

Q4 2017 EBITDA totalled Euro 8.9 million, compared to Euro 2.0 million for the same period of 2016 - reflecting the above dynamics impacting the margin. This growth was impacted also by non-core business charges of Euro 5.4 million in the fourth quarter of 2016, against Euro 0.8 million of non-core business charges in the same period of 2017.

The Adjusted EBIT¹¹ of Euro 4.7 million grew 91.3% on Euro 2.5 million for the same period of 2016.

The Profit of Euro 3.9 million compares to a loss of Euro 9.0 million in Q4 2016, benefitting also from **the non-recurring Patent Box tax break for financial years 2015 and 2016 for approx. Euro 1 million.**

<i>In Euro thousands</i>	Q4 2017	% revenue	Q4 2016 - MTD	% revenue	17 Vs 16 %	Q4 2016 Restated ¹²	% revenue
Revenue	121,572		118,283		2.8%	114,546	
Adjusted EBITDA*	9,638	7.9%	7,359	6.2%	31.0%	8,872	7.7%
EBITDA	8,854	7.3%	1,986	1.7%	345.8%	3,499	3.1%
Adjusted EBIT*	4,739	3.9%	2,477	2.1%	91.3%	4,415	3.9%
EBIT	3,955	3.3%	(5,896)	(5.0%)	167.1%	(3,958)	(3.5%)
Net financial charges	(1,164)	(1.0%)	(1,312)	(1.1%)	11.3%	(1,243)	(1.1%)
Income taxes	1,101	0.9%	(1,789)	(1.5%)	161.5%	n/a	
Adjusted Profit/(loss)*	3,360	2.8%	(2,096)	(1.8%)	260.3%	n/a	
Profit/(loss)	3,900	3.2%	(9,011)	(7.6%)	143.3%	n/a	
Profit/(loss) attribut. to the owners of the Parent - Adjusted*	2,540	2.1%	(1,839)	(1.6%)	238.1%	n/a	
Profit/(loss) attributable to the owners of the Parent	3,080	2.5%	(8,624)	(7.3%)	135.7%	n/a	
Basic earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	4.96		(13.90)		135.7%	n/a	
Diluted earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	4.96		(13.90)		135.7%	n/a	

2017 preliminary consolidated revenue

The Elica Group delivered in 2017 record consolidated revenue of Euro 479.3 million, up 9.1% on 2016 and 10.2% at like-for-like consolidation scope¹³, despite the smaller scope of companies following the disposal of the German subsidiary Exklusiv-Hauben Gutmann.

Consolidated revenue continued to grow across all business areas in 2017, driven particularly by the 32.2%¹⁴ increase in Elica brand sales, which were confirmed not only as a driver of revenue but also of global market share. The Motors business grew revenue 12.4%¹⁵ in 2017 thanks to development initiatives. Alongside the excellent results delivered by the strategy pursued in 2017 on the basis of the guidelines and the Three-year plan, new opportunities have emerged from the corporate operations supporting the Group's future development.

¹¹ See Definitions and Reconciliations

¹² The 2016 figures include the German subsidiary Gutmann until the disposal date.

¹³ The 2016 figures include the German subsidiary Gutmann until the disposal date.

¹⁴ The 2016 figures include the German subsidiary Gutmann until the disposal date.

¹⁵ The 2016 figures include the German subsidiary Gutmann until the disposal date.

Analysing revenue from sales on the main markets¹⁶, **Asian¹⁷ revenue grew strongly (+13.9%¹⁸), thanks particularly to Indian market growth (+42%). EMEA and Americas sales respectively grew 10.7%¹⁹ and 5.5%²⁰.**

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

<i>In Euro thousands</i>	Europe		Americas		Asia and the Rest of World		Unallocated items and eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment revenue:										
Third parties	351,088	322,969	70,904	65,496	57,219	51,098	93	(246)	479,305	439,318
Inter-segment	14,250	13,634	196	23	6,217	6,468	(20,663)	(20,124)	-	-
Total revenue	365,338	336,603	71,100	65,519	63,436	57,566	(20,570)	(20,369)	479,305	439,318

Profitability - FY 2017

Adjusted EBITDA²¹ was Euro 36.8 million (7.7% of Net Revenue), up 13.8% on 2016. The margin benefitted from improved sales volumes and currency movements, partially offset by reduced supply chain efficiency and increased overheads for the own brand business growth and development strategy.

Adjusted EBIT²² was Euro 16.3 million (3.4% of Net Revenue), up 19.2% on 2016 and in line with the dynamics reported above impacting the business margin.

EBIT of Euro 14.0 million, although impacted for Euro 2.0 million by restructuring charges and for Euro 0.3 million by costs for the disposal of the German subsidiary Exklusiv Hauben Gutmann GmbH, significantly improved on Euro 3.6 million in 2016. This increase was however considerably impacted by Euro 10.1 million of non-core business charges in 2016.

The 2017 preliminary Profit of Euro 1.4 million compared to a loss of Euro 5.5 million in the previous year, impacted by - in addition to that outlined above - Euro 3.9 million of non-recurring charges in 2017 from the sale of the German subsidiary Exklusiv Hauben Gutmann GmbH, while benefitting from the non-recurring impact of the Patent Box tax breaks for 2015 and 2016 recognised for approx. Euro 1 million.

<i>In Euro thousands</i>	2017	% revenue	2016	% revenue	17 Vs 16 %	2016 Restated ²³	% revenue
Revenue	479,305		439,318		9.1%	434,775	
Adjusted EBITDA*	36,840	7.7%	32,370	7.4%	13.8%	34,488	7.9%
EBITDA	34,521	7.2%	25,229	5.7%	36.8%	27,347	6.3%

¹⁶ Data concerns sales revenue by geographic area and therefore does not refer to the breakdown by operating segment according to the various Group company locations.

¹⁷ Europe, Middle East, Africa and CIS.

¹⁸ The 2016 figures include the German subsidiary Gutmann until the disposal date.

¹⁹ The 2016 figures include the German subsidiary Gutmann until the disposal date.

²⁰ The 2016 figures include the German subsidiary Gutmann until the disposal date.

²¹ See Definitions and Reconciliations.

²² See Definitions and Reconciliations.

²³ The 2016 figures include the German subsidiary Gutmann until the disposal date.

Adjusted EBIT*	16,324	3.4%	13,694	3.1%	19.2%	16,366	3.8%
EBIT	14,005	2.9%	3,553	0.8%	294.2%	6,225	1.4%
Net financial charges	(5,242)	(1.1%)	(3,655)	(0.8%)	(43.4%)	(3,538)	(0.8%)
Charges from subsidiary disposal	(3,908)	(0.8%)	0	0.0%	(100.0%)	n.m.	
Income taxes	(3,463)	(0.7%)	(5,398)	(1.2%)	35.9%	n.m.	
Adjusted Profit *	5,919	1.2%	3,183	0.7%	86.0%	n.m.	
Profit	1,392	0.3%	(5,500)	(1.3%)	125.3%	n.m.	
Profit attribut. to the owners of the Parent - Adjusted*	4,693	1.0%	2,990	0.7%	57.0%	n.m.	
Profit/(loss) attributable to the owners of the Parent	166	0.0%	(5,563)	(1.3%)	103.0%	n.m.	
Basic earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	0.27		(8.97)		103.0%	n.m.	
Diluted earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	0.27		(8.97)		103.0%	n.m.	

Statement of Financial Position

The Net Financial Position at December 31, 2017 was Euro 69.3 million, increasing on Euro 60.8 million at December 31, 2016, both due to the corporate operations completed in the third quarter of 2017 requiring cash of Euro 3.5 million and the increased absorption of resources related to business growth ahead of expectations.

<i>In Euro thousands</i>	Dec 31, 2017	Dec 31, 2016	31/12/2016 Restated ²⁴
Cash and cash equivalents	34,873	31,998	30,771
Finance leases and other lenders	0	(21)	(18)
Bank loans and borrowings	(57,040)	(59,004)	(59,004)
Current loans and borrowings	(57,040)	(59,025)	(59,022)
Finance leases and other lenders	(33)	(6)	0
Bank loans and borrowings	(47,121)	(33,718)	(33,718)
Non-current loans and borrowings	(47,154)	(33,724)	(33,718)
Net Financial Position	(69,321)	(60,751)	(61,969)

Managerial Working Capital on annualised revenue of 6.0% increased on 5.3% at December 31, 2016 due to the absorption of resources in support of business growth.

<i>In Euro thousands</i>	Dec 31, 2017	Dec 31, 2016	31/12/2016 Restated ²⁵
Trade receivables	75,923	70,561	72,573
Inventories	73,298	67,732	64,251
Trade payables	(120,541)	(114,831)	(113,060)

²⁴The 2016 figures include the German subsidiary Gutmann until the disposal date.

²⁵The 2016 figures include the German subsidiary Gutmann until the disposal date.

Managerial Working Capital	28,680	23,462	23,764
% annualised revenue	6.0%	5.3%	5.5%
Other net receivables/payables	(14,682)	(11,755)	(9,825)
Net Working Capital	13,998	11,708	13,939
% annualised revenue	2.9%	2.7%	3.2%

Significant events in the quarter and subsequent to December 31, 2017

The Board of Directors of Elica S.p.A. **on November 13, 2017** approved the 2017 Third Quarter results, prepared in accordance with IFRS accounting standards. In addition, on the basis of Q3 2017 results and in consideration of the outlook, the Board of Directors of Elica S.p.A. **updated the 2017 Performance Objectives** stated in the 2017-2019 Plan Objectives.

On January 12, 2018, the Company announced that the Board of Directors of Elica S.p.A. would approve the Q4 2017 additional periodic disclosure on February 12, 2018.

On January 30, 2018, 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 Financial Calendar for the year 2018.

2017-2019 Performance Objectives Aligned

The Company, following the changes to the consolidation scope with the sale of the company Exklusiv-Hauben Gutmann adjusted the 2017-2019 Plan Objectives announced to the market on May 15, 2017, estimating: a 2017-2019 CAGR of Net consolidated revenue of 5.6%, of adjusted EBITDA of 12.3%, of adjusted EBIT of 13.7% and a Net Financial Position at year-end 2019 of Euro 73 million, with a return at year-end 2019 of 10% in terms of Return on Net Assets (RONA). During the year, the Company will update the plan and the consequent 2018-2020 three-year objectives.

Third Cycle of the 2016-2022 Phantom Stock & Voluntary Co-investment Plan launched

The Board of Directors of Elica S.p.A. today, in line with the Shareholders' Meeting motion of April 28, 2017, in addition launched the third cycle of the 2016-2022 Phantom Stock & Co-investment Plan, identifying the Beneficiaries of the 2018-2020 Plan cycle and the relative performance objective parameters, in line with the Disclosure Document published on March 28, 2017 and available on the website <http://corporation.elica.com>. Investor Relations/Shareholders' Meeting section, to which reference should be made for greater details of the Plan.

Shareholders' Meeting Call

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 27, 2018 at 9AM in single call. The Shareholders' AGM call notice shall be made available to the public at the registered office, in addition to the IInfo authorised storage mechanism at www.info.it and on the website <http://corporation.elica.com> (Investor Relations - Shareholders' Meeting Section) according to the legally-established times and means.

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). In addition, the Financial Presentation on the **Q4 2017** additional periodic disclosure will be available from today on the Company website <http://corporation.elica.com> in the Investor Relations/Presentation section.

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

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

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. With over 3,800 employees and an annual output of approx. 21 million units, the Elica Group has seven plants, including in Italy, Poland, Mexico, 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 adjustment 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/(loss) per share for 2017 and 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 (62,047,302).

The earnings/(loss) 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.

The Return on Net Assets (RONA) is calculated as the ratio between EBIT and Net Capital Employed.

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 Position (NFP) 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>	Q4 2017	Q4 2016	2017	2016
Operating profit – EBIT	3,955	(5,896)	14,005	3,553
(Impairment of Goodwill)	-	3,000	-	3,000
(Amortisation & Depreciation)	4,899	4,882	20,516	18,676
EBITDA	8,854	1,986	34,521	25,229
(Disposal of obsolete stock not part of ordinary business operations)		1,644		1,644
(Non-recurring service expense)				164
(Non-recurring personnel expense)				1,500
(Write-down of Intangibles relating to Gutmann sale)			285	
(Additional Accrual to the risks provision for the case with Esperança Real)		2,900		2,900
(Restructuring charges)	784	829	2,034	933
Adjusted EBITDA	9,638	7,359	36,840	32,370

<i>In Euro thousands</i>	Q4 2017	Q4 2016	2017	2016
Operating profit – EBIT	3,955	(5,896)	14,005	3,553
(Impairment of Goodwill)	0	3,000	0	3,000
(Disposal of obsolete stock not part of ordinary business operations)	0	1,644	0	1,644
(Non-recurring service expense)	0	0	0	164
(Non-recurring personnel expense)	0	0	0	1,500
(Write-down of Intangibles relating to Gutmann sale)	0	0	285	0
(Additional Accrual to the risks provision for the case with Esperança Real)	0	2,900	0	2,900
(Restructuring charges)	784	829	2,034	933
Adjusted EBIT	4,739	2,477	16,324	13,694

<i>In Euro thousands</i>	Q4 2017	Q4 2016	2017	2016
Profit/(loss) for the period	3,900	(9,011)	1,392	(5,500)
(Impairment of Goodwill)	-	3,000	-	3,000
(Disposal of obsolete stock not part of ordinary business operations)	-	1,644	-	1,644
(Non-recurring service expense)	-	-	-	164
(Non-recurring personnel expense)	-	-	-	1,500
(Write-down of Intangibles relating to Gutmann sale)	-	-	285	-
(Additional Accrual to the risks provision for the case with Esperança Real)	-	2,900	-	2,900
(Restructuring charges)	784	829	2,034	933
(Subsidiary disposal charges)	-	-	3,908	-
(Adjusted non-recurring income taxes & adjusted items)	(1,324)	(1,457)	(1,701)	(1,457)
Adjusted Profit/(loss) for the period	3,360	(2,095)	5,919	3,184
Profit/(loss) attributable to non-controlling interests	820	(387)	1,226	63
(Non-controlling interest result adjustment items)	-	-	-	-
Adjusted Profit/(loss) attributable to the owners of the Parent	2,540	(1,708)	4,693	3,121

	Q4 2017	Q4 2016	2017	2016
Profit/(loss) attributable to the owners of the Parent (<i>in Euro thousands</i>)	3,080	(8,624)	166	(5,563)
Shares in circulation at period-end	62,047,302	62,047,302	62,047,302	62,047,302
Earnings/(loss) per share (Euro/cents)	4.97	(13.90)	0.27	(8.97)

<i>In Euro thousands</i>	2017	2016
Other receivables	4,180	6,608
Tax assets	14,306	7,982
(Provision for risks and charges)	(6,679)	(4,361)
(Other payables)	(16,706)	(15,388)
(Tax liabilities)	(9,784)	(6,596)
Other net receivables/payables	(14,682)	(11,755)