

PRESS RELEASE

**SHAREHOLDERS' AGM OF ELICA S.p.A.**

- **2016 Elica S.p.A. Annual Accounts approved;**
- **Coverage of the loss through utilisation of “Retained Earnings” approved;**
- **New Directors appointed: Antonio Recinella and Cristina Scocchia confirmed as Directors;**
- **Amendments to the 2016-2022 long-term incentive Phantom Stock & Voluntary Co-investment Plan approved as per conditions indicated in Disclosure Document;**
- **Remuneration Report approved;**
- **Purchase and utilisation of treasury shares authorised.**

**Fabriano, April 28, 2017 – The Shareholders' AGM of Elica S.p.A.**, the Parent Company of a Group that is the leading manufacturer of kitchen range hoods, met in ordinary session and **approved** the followings matters on the Agenda:

- **Financial statements for the year ended December 31, 2016 of Elica S.p.A.;** Directors' Report; Board of Statutory Auditor's Report; Independent Auditors' Report. The AGM also noted the consolidated results for 2016, in which Elica Group **consolidated revenues amounted to Euro 439.3 million, an increase of 4.2% and at like-for-like exchange rates of 4.4%** on the previous year. Analysing revenues on the principal markets<sup>1</sup>, sales in Asia<sup>2</sup> (excluding China) rose 23.2%, principally following the excellent Indian and Japanese market performances, with sales growth respectively of over 40% and 20%. Chinese market sales however significantly declined (-30.4%). European revenue grew 3.9% on the previous year, while American<sup>3</sup> market sales overall were substantially stable (+0.6%). **Adjusted EBITDA was Euro 32.4 million (7.4% of Revenue), reducing 8.2% on Euro 35.3 million in 2015. The increase in sales volumes and efficiencies generated from product cost optimisation programmes, together with favourable exchange rate movements, supported the margin. On the other hand, margins were impacted by higher overheads** related to the own brand sales growth strategy and the performances of the German and Chinese subsidiaries. 2016 EBITDA was Euro 25.2 million, reducing 24.8% on Euro 33.5 million in 2015. **Consolidated EBIT of Euro 3.6 million** (Euro 16.2 million in 2015) **was heavily impacted by Euro 10.1 million of non-ordinary charges**, of which Euro 3.0 million relating to the write-down of Asian CGU goodwill, Euro 1.7 million of costs relating to the agreement reached with the departing Chief Executive Officer, charges of Euro 1.6 million concerning the disposal of obsolete stock, Euro 0.9 million of restructuring costs for the plan implemented at the German subsidiary Exklusiv Hauben Gutmann GmbH, and finally the accrual of Euro 2.9 million prudently to the legal risks provision in coverage of the case between Esperança Real S/A, Madson Eletrometalurgica Ltda. and Elica S.p.A.. **In 2016, a loss of Euro 5.5 million was reported**, compared to a profit of Euro 7.4 million in 2015, impacted also by non-ordinary tax charges following the tax audits of 2014 (Euro 0.5 million). **The Consolidated Net Financial Debt at December 31, 2016 of Euro 60.8 million** increased on Euro 53.0 million at December 31, 2015, partly due to higher capex in 2016 and the payout during 2016 on the 2013-2015 Long Term Incentive Plan. Elica S.p.A., as well as operating its own activities, carries out coordination and control activities for all of the subsidiary companies. In 2016, **revenue grew 3.9%** on the previous year (+6.3% from related parties, +3.3% from third

<sup>1</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>2</sup> Concerning revenue in “Other Countries” - principally the Asian markets.

<sup>3</sup> Includes North, Central and South America

parties). **2016 EBITDA amounted to Euro 5.4 million**, contracting 53.6% on 2015, principally due to increased overheads related to the own brand sales growth strategy, in addition to the significant impact of non-ordinary charges, Euro 1.7 million of costs related to the agreement reached with the departing Chief Executive Officer, charges of Euro 0.6 million for the disposal of obsolete stock, Euro 0.1 million of restructuring costs and finally Euro 2.9 million concerning the additional accrual to the legal risks provision prudently made for the case between Esperança Real S/A, Madson Eletrometalurgica Ltda and Elica S.p.A.. Adjusted EBITDA of Euro 10.7 million contracted 13.3% on Euro 12.3 million in 2015. **The Net Result was a loss of Euro 6.5 million, compared to a profit of Euro 6.5 million for 2015.** Managerial Working Capital, at 4.1% of revenue, increased on December 2015, due to the significant increase in Trade receivables from related companies, following the alteration to the cash flow management policy by the Mexican subsidiary, in order to contain costs related to centralised cash management. **The Net Financial Debt** decreased from Euro 55.5 million at December 31, 2015 to **Euro 47.4 million at December 31, 2016** due to the cash management centralisation policies.

- The Shareholders' AGM of Elica S.p.A. approved the coverage of the 2016 loss of Euro 6,541,060 through utilisation of "Retained Earnings".
- Appointed 2 directors proposed by the Board of Directors by majority, who will remain in office until the Shareholders' AGM called for the approval of the 2017 Annual Accounts: Antonio Recinella born in Livorno on 5/11/1968 and Cristina Scocchia born in Sanremo on 4/12/1973. The latter declared her independence as per the Consolidated Finance Act and the Self-Governance Code. 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 2016-2022 Phantom Stock & Voluntary Co-investment Plan as per the conditions indicated in Disclosure Document. The Illustrative Report of the Directors to the Shareholders' AGM on the proposal to amend the long-term incentive 2016-2022 Phantom Stock & Voluntary Co-investment Plan and the Disclosure Document, updated as per paragraph 1, Schedule 7, by Attachment 3A of the Issuers' Regulation, were published on April 6, 2017 and are available to the public at the registered office, in addition to the IInfo authorised storage mechanism at [www.iinfo.it](http://www.iinfo.it) and on the website <http://corporation.elica.com> (Investor Relations - Shareholders' Meeting Section).
- In accordance with Article 123 *ter*, paragraph 6 of Legs. Decree No. 58/1998, the Shareholders' AGM of Elica S.p.A., considering the content of the Remuneration Report filed on April 6, 2017 and made available to the public on the company website [www.corporation.elica.com](http://www.corporation.elica.com) (Investor Relations/Financial Statements & Reports section) and on the authorised storage mechanism IInfo at [www.iinfo.it](http://www.iinfo.it) and expressed its approval of the first section of the report. The results of the vote will be made available to the public in accordance with Article 125 *quater*, paragraph 2 of the same Decree.
- The Shareholders' AGM also approved the authorisation to purchase and utilise treasury shares, pursuant to Article 2357 and 2357 *ter* of the Civil Code, in order to provide the Company with an important instrument of strategic and operative flexibility. The new authorisation was preceded by the revocation of that previously granted on April 28, 2016. Today's authorisation concerns the purchase of ordinary Company shares up to a maximum of 20% of the share capital, therefore 12,664,560 ordinary shares and runs for a period of 18 months from the date of the Shareholders' Meeting motion, while the authorisation to utilise such shares is without time limit. The purchase price per ordinary share is fixed in the amount of: (a) not below a minimum of 95% of the official price recorded of the share in the trading session before each operation (b) not above a maximum (i) Euro 5 and (ii) 105% of the official price of the share in the trading session before each operation. It is expected that the purchases will be carried out at price conditions in line with that established by Article 5 of Regulation No. 596/2014 of April 16, 2014, and however in compliance with the applicable regulations and conditions and the limits fixed by Consob in relation to accepted industry guidelines, where applicable. The Board of Directors in concluding the individual treasury share buy-back operations must comply with the operational conditions established by the market concerning the purchase of treasury shares of Consob in accordance with Article 13, Regulation 596/2014, with resolution No. 16839 of March 19, 2009, in addition to the applicable legal and regulatory provisions, including the

Regulations as per Regulation 596/2014, Delegated Regulation 2016/1052 and the relative EU and national executing regulations, and in particular in compliance with Article 132 of the CFA, Article 144-*bis* first paragraph, letter b) of the Issuers' Regulations and Regulation No. 596/2014 of April 16, 2014, in addition to applicable regulations, in order to ensure equal treatment among shareholders. The Company today holds 1,275,498 ordinary treasury shares, comprising 2.01% of the share capital.

The Separate Financial Statements of Elica S.p.A at December 31, 2016, approved by the Shareholders' AGM and the Consolidated Financial Statements of Elica S.p.A at December 31, 2016, together with the documentation required by law, are available to the public at the registered office, on the website [www.corporation.elica.com](http://www.corporation.elica.com), (Investor Relations/Financial Statements & Reports section) and on the authorised storage mechanism IInfo at [www.linfo.it](http://www.linfo.it).

#### **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. 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.

For further information:

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