PRESS RELEASE

BOARD OF DIRECTORS OF ELICA S.p.A.
APPROVES Q3 2017 RESULTS

CONSOLIDATED QUARTERLY REVENUE UP 9%
WITH OWN BRAND GROWTH OF 12%

2017 OBJECTIVES UPDATED
FOLLOWING REVENUE AND MARGIN GROWTH

Consolidated results Q3 2017 (July-September 2017)

- **Revenue: Euro 114.9 million, up 9.0%;**
- **Adjusted EBITDA[1]: Euro 8.8 million, up 0.9%;**
- **Adjusted EBIT[2]: Euro 3.7 million, compared to Euro 4.0 million for Q3 2016;**
- **Net Result: loss of Euro 3.7 million, compared to profit of Euro 0.7 million for Q3 2016, principally due to the impact from corporate operations completed in the quarter;**
- **Net Financial Position: Euro 76.2 million, increasing** on Euro 60.8 million at December 31, 2016 and on Euro 62.5 million at September 30, 2016, **both due to the corporate operations completed in the quarter and the increased abosrption of resources related to business growth ahead of expectations.**

Consolidated results 9M 2017 (January-September 2017)

- **Revenue: Euro 357.7 million, up 11.4%;**
- **Adjusted EBITDA[3]: Euro 27.2 million, up 8.8%;**
- **Adjusted EBIT[4]: Euro 11.6 million, up 3.3%;**
- **Net Result: loss of Euro 2.5 million, compared to profit of Euro 3.5 million for the first nine months of 2016, principally due to the corporate operations completed in the third quarter.**

2017 Performance Objectives Updated

- **Revenue up 9% (previous estimate +6.8%);**
- **Adjusted EBITDA[5] up 13% (previous estimate +8%);**
- **Adjusted EBIT[6] up 10% (previous estimate -15%);**
- **Return On Net Asset (RONA) in 2017 of 7% (previous estimate +5.6%);**

[1] See Definitions and Reconciliations
[2] See Definitions and Reconciliations
[3] See Definitions and Reconciliations
[4] See Definitions and Reconciliations
[5] Excluding non-core business items
[6] Excluding non-core business items

- **Net Financial Position at the end of 2017 of Euro 74.8 million;**
- **2017 Loss due to the impact (for Euro 3.9 million) from the disposal of the German subsidiary Exklusiv-Hauben Gutmann.**

Milan, November 13, 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 approved today in Milan the **2017 Third Quarter results**, prepared in accordance with IFRS.

The third quarter of 2017 featured a number of events which significantly influenced the period results, opening up new major growth opportunities for the Group and in line with the three-year Strategic Plan guidelines announced in May 2017.
These new opportunities are framed against ongoing consolidated revenue growth ahead of expectations across all business areas, with increased own brand sales confirmed not only as a driver of revenue but also of growing market share both in Europe and internationally.

Consolidated revenue – Q3 2017

In the third quarter of 2017, Elica Group consolidated revenue amounted to Euro 114.9 million - an increase of 9.0% on the same period of the previous year and of 10.9% at like-for-like exchange rates. The general market again improved overall, with **global kitchen hood demand up 3.2% in the third quarter of 2017.** Global demand has been sustained principally by the Asian market (+2.9% in Q3 2017), developing Eastern European demand - featuring Turkish and Russian market growth - and in Western Europe by the pick up in France and the United Kingdom. Demand growth slowed slightly in North America on the first part of the year (+3.2% in Q3 2017), while Latin America saw a slight improvement on the first half of the year.

The growth, stemming from both business segments, was driven again in the third quarter by own brand product sales (up 11.9%) and the Elica brand, which reported in the third quarter of 2017 **a 35% increase on the same period of 2016.** The growth in the third quarter therefore confirms the results achieved through the roll-out of the strategic policies under the Strategic Plan, bringing dedicated investments and spending.

Analysing revenue by the principal markets, **EMEA[7] saw growth of 9.7%, with product sales in Asia up 10.0% and revenue growth in the Americas of 5.2% -** significantly influenced by currency movements.
For completeness, the breakdown of consolidated revenues by geographic location of the Group companies is reported below.

	Europe		Americas		Asia and the Rest of World		Unallocated items and eliminations		Consolidated	
In Euro thousands	Q3 17	Q3 16	Q3 17	Q3 16	Q3 17	Q3 16	Q3 17	Q3 16	Q3 17	Q3 16
Segment revenue:										
Third parties	82,698	75,928	17,489	15,935	14,671	13,592	77	20	114,934	105,475
Inter-segment	3,386	3,515	80	11	1,492	1,572	(4,959)	(5,098)	-	-
Total revenue	**86,084**	**79,444**	**17,569**	**15,946**	**16,163**	**15,164**	**(4,882)**	**(5,078)**	**114,934**	**105,475**

[7] Europe, Middle East, Africa and CIS.

Profitability - Q3 2017

Q3 2017 Adjusted EBITDA[8] of Euro 8.8 million (7.7% of Net Revenue) was up 0.9% on the same period of 2016, **principally as a result of increased sales volumes, which were partly offset by reduced supply chain efficiencies.** Overhead cost spend, principally in support of business development, benefitted the quarterly margin.

Q3 2017 EBITDA of Euro 8.5 million was up 21.2% on the same period of 2016. This growth was impacted also by non-recurring charges in the third quarter of 2016 of Euro 1.7 million.

Adjusted EBIT[9] of Euro 3.7 million decreased 8.9% on Euro 4.0 million in Q3 2016, reflecting both the business generated as outlined above which has driven the margin, and **increased Amortisation and Depreciation as a result of investment policies implemented in 2016 and continued in 2017 as planned to extend the own brand product range and increase production capacity.**

A loss of Euro 3.7 million is reported, compared to a profit of Euro 0.7 million for Q3 2016, **principally due to the impact of Euro 3.9 million from the disposal of the German subsidiary in the period and the loss on assets related to the company sold for Euro 0.3 million.**

In Euro thousands	**Q3 2017**	**% revenue**	**Q3 2016**	**% revenue**	**17 Vs 16 %**
Revenue	114,935		105,475		9.0%
Adjusted EBITDA	**8,830**	7.7%	**8,748**	8.3%	0.9%
EBITDA	8,545	7.4%	7,052	6.7%	21.2%
Adjusted EBIT	**3,655**	3.2%	**4,014**	3.8%	(8.9%)
	3,370	2.9%	2,318	2.2%	45.4%
Net financial charges	(1,426)	(1.2%)	(816)	(0.8%)	74.8%
Charges from subsidiary disposal	(3,908)	(3.4%)	-	-	-
Income taxes	(1,742)	(1.5%)	(837)	(0.8%)	108.1%
Adjusted profit	**421**	0.4%	**1,895**	1.8%	(77.8%)
Profit/(loss)	(3,704)	-3.2%	665	0.6%	(657.0%)
Profit attributable to the owners of the Parent - Adjusted	**301**	0.3%	**1,684**	1.6%	(82.1%)
Profit/(loss) attributable to the owners of the Parent	(3,824)	-3.3%	454	0.4%	(942.3%)
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	(6.16)		0.73		(942.3%)
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	(6.16)		0.73		(942.3%)

[8] See Definitions and Reconciliations
[9] See Definitions and Reconciliations

In Euro thousands	9M 17	% revenue	9M 16	% revenue	17 Vs 16 %
Revenue	357,733		321,035		11.4%
Adjusted EBITDA (‘)	**27,202**	7.6%	**25,011**	7.8%	8.8%
EBITDA	25,667	7.2%	23,243	7.2%	10.4%
Adjusted EBIT (‘)	**11,585**	3.2%	**11,217**	3.5%	3.3%
EBIT	10,050	2.8%	9,449	2.9%	6.4%
Net financial charges	(4,086)	(1.1%)	(2,329)	(0.7%)	(75.4%)
Charges from subsidiary disposal	(3,908)	(1.1%)	-	-	-
Income taxes	(4,564)	(1.3%)	(3,609)	(1.1%)	(26.5%)
Adjusted profit (‘)	**2,559**	0.7%	**5,279**	1.6%	(51.5%)
Profit/(loss)	(2,508)	(0.7%)	3,511	1.1%	(171.4%)
Profit attributable to the owners of the Parent - Adjusted (‘)	**2,153**	0.6%	**4,829**	1.5%	(55.4%)
Profit/(loss) attributable to the owners of the Parent	(2,914)	(0.8%)	3,061	1.0%	(195.2%)
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	(4.70)		4.93		(195.3%)
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	(4.70)		4.93		(195.3%)

The earnings per share at September 30, 2017 and September 30, 2016 were calculated by dividing the 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 Position at September 30, 2017 was Euro 76.2 million, increasing on Euro 60.8 million at December 31, 2016 and Euro 62.5 million at September 30, 2016, **both due to the corporate operations completed in the third quarter and the increased abosrption of resources related to business growth ahead of expectations.**

In Euro thousands	Sep 30, 17	Dec 31, 16	Sep 30, 16
Cash and cash equivalents	**25,288**	**31,998**	**32,973**
Finance leases and other lenders	(20)	(21)	(12)
Bank loans and borrowings	(60,300)	(59,004)	(58,782)
Current loans and borrowings	**(60,320)**	**(59,025)**	**(58,794)**
Finance leases and other lenders	0	(6)	(7)
Bank loans and borrowings	(41,118)	(33,718)	(36,683)
Non-current loans and borrowings	**(41,118)**	**(33,724)**	**(36,690)**
Net Financial Position	**(76,150)**	**(60,751)**	**(62,511)**

The Managerial Working Capital on annualised revenue **of 7.6% increased on 6.9% at September 30, 2016** and on 5.3% at December 31, 2016 due to typical business seasonality.

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In Euro thousands	Sep 30, 17	Dec 31, 16	Sep 30, 16
Trade receivables	82,522	70,561	68,838
Inventories	75,455	67,732	69,384
Trade payables	(121,687)	(114,831)	(108,549)
Managerial Working Capital	**36,290**	**23,462**	**29,673**
% annualised revenue	*7.6%*	*5.3%*	*6.9%*
Other net receivables/payables	(12,262)	(11,755)	(9,223)
as a % of annualised revenue	*-2.6%*	*-2.7%*	*-2.2%*
Net Working Capital	**24,028**	**11,708**	**20,450**
% annualised revenue	*5.0%*	*2.7%*	*4.8%*

Significant events in the quarter and subsequent to September 30, 2017

On July 26, 2017, Elica S.p.A. signed an agreement to acquire 30% of the Chinese subsidiary Zhejiang ELICA Putian Electric Co., Ltd. from minority shareholder Du Renyao. The operation extended governance over the Chinese subsidiary in order to drive forward company results.
Consideration for the 30% holding in the Chinese subsidiary is CNY 15 million (Euro 1,907,863 at the ECB[10] exchange rate of July 24, 2017) and was paid in cash utilising available company resources.

On **August 28, 2017**, the Board of Directors of Elica S.p.A. approved the 2017 Half-Year Report, prepared in accordance with IFRS accounting standards.

On **August 28, 2017,** Elica S.p.A. sold 100% of the German company Exklusiv-Hauben Gutmann to Mr. Manuel Fernandez Salgado, Managing Director of the subsidiary, in order to preserve the value created by the Group for shareholders and to concentrate investment and operations on the more profitable segments of the business. Group development in Germany continues to focus on the Elica brand, which already enjoys a strong presence and good positioning on the most profitable market segments. Consideration for 100% of the German subsidiary Exklusiv-Hauben Gutmann totals Euro 2.5 million, to be paid in five tranches at each year-end from December 31, 2019 until December 31, 2023. In addition, Elica ceded to Manuel Fernandez an Exklusiv-Hauben Gutmann financial receivable of Euro 11.15 million[11] for consideration of Euro 1.
The purchaser recognised to Elica S.p.A. a call option on 100% of the share capital of Exklusiv-Hauben Gutmann, exercisable at conditions established by the parties at the price of 6 times average EBITDA over the last two years[12], net of the net financial position. In addition, Elica S.p.A. was recognised a call option against Exklusiv-Hauben Gutmann on the financial receivable ceded, existing at the option exercise date and exercisable at a price of Euro 1, on fulfillment of the conditions established by the parties.

[10] European Central Bank
[11] Which may be issued by the holder up to a maximum of Euro 13.15 million.
[12] Relating to the certified statutory financial statements.

On September 21, 2017, the Company was involved in the Italian Stock Market Opportunities Conference, organised in Milan by Banca IMI, through presentations and meetings with institutional investors.

On **September 25, 2017**, the Company announced the completed transfer of the 30% holding in the Chinese subsidiary Zhejiang ELICA Putian Electric Co., Ltd., with effect from September 22, 2017 on satisfaction of all the required conditions.

2017 Performance Objectives Updated

On the basis of the Q3 2017 results and in consideration of the outlook, the Board of Directors of Elica S.p.A. **updated the 2017 Performance Objectives** contained in the 2017-2019 Plan Objectives, announced to the market on May 15, 2017, estimating on 2016 **an increase in Consolidated net revenue of 9%** (previous estimate +6.8%), **an increase in Adjusted EBITDA[13] of 13%** (previous estimate +8%), **an increase in Adjusted EBIT[14] of 10%** (previous estimate -15%), **a Return on Net Asset (RONA) in 2017 of 7%** (previous estimate 5.6%) **and a Net Financial Position of Euro 74.8 million at the end of 2017.**
In addition, a loss is expected to be reported in 2017, principally due to the impact for Euro 3.9 million from the disposal of the German subsidiary Exklusiv-Hauben Gutmann.

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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). In addition, the Financial Presentation on the Q3 2017 consolidated results 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.

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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 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.

[13] Excluding non-core business items.
[14] Excluding non-core business items.

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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 per share for 9M 2017 and 9M 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 September 30, 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 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

Euro thousands	Q3 2017	Q3 2016	9M 17	9M 16
Operating profit – EBIT	**3,370**	**2,318**	**10,050**	**9,449**
(Impairment of Goodwill)	-	-	-	-
(Amortisation & Depreciation)	5,175	4,734	15,617	13,794
EBITDA	**8,545**	**7,052**	**25,667**	**23,243**
(Restructuring charges)	-	32	1,250	104
(Non-recurring service expense)	-	164	-	164
(Non-recurring personnel expense)	-	1,500	-	1,500
(Write-down of Intangibles relating to Gutmann sale)	285	-	285	-
Adjusted EBITDA	**8,830**	**8,748**	**27,202**	**25,011**

Euro thousands	Q3 2017	Q3 2016	9M 17	9M 16
Operating profit – EBIT	**3,370**	**2,318**	**10,050**	**9,449**
(Restructuring charges)	-	32	1,250	104
(Non-recurring service expense)	-	164	-	164
(Non-recurring personnel expense)	-	1,500	-	1,500
(Write-down of Intangibles relating to Gutmann sale)	285	-	285	-
Adjusted EBIT	**3,655**	**4,014**	**11,585**	**11,217**

Euro thousands	Q3 2017	Q3 2016	9M 17	9M 16
Profit/(loss) for the period	**(3,704)**	**665**	**(2,508)**	**3,511**
(Restructuring charges)	-	32	1,250	104
(Non-recurring service expense)	-	164	-	164
(Non-recurring personnel expense)	-	1,500	-	1,500
(Write-down of Intangibles relating to Gutmann sale)	285	-	285	-
(Subsidiary disposal charges)	3,908	-	3,908	-
(Non-recurring income taxes & adjusted items)	(68)	(466)	(376)	-
Adjusted Profit for the period	**421**	**1,895**	**2,559**	**5,279**
Profit attributable to non-controlling interests	**120**	**211**	**406**	**450**
(Non-controlling interest result adjustment items)	-	-	-	-
Adjusted Profit attributable to the owners of the Parent	**301**	**1,684**	**2,153**	**4,829**

	Q3 2017	Q3 2016	9M 17	9M 16
Profit attributable to the owners of the Parent *(in Euro thousands)*	(3,824)	454	(2,914)	3,061
Shares in circulation at period-end	62,047,302	62,047,302	62,047,302	62,047,302
Earnings per share (Euro/cents)	**(6.17)**	**0.73**	**(4.70)**	**4.93**

Euro thousands	Sep 30, 17	Dec 31, 16	Sep 30, 16
Other receivables	7,104	6,608	9,697
Tax assets	11,390	7,982	8,978
(Provision for risks and charges)	(4,644)	(4,361)	(3,034)
(Other payables)	(16,791)	(15,388)	(17,071)
(Tax liabilities)	(9,322)	(6,596)	(7,793)
Other net receivables/payables	**(12,262)**	**(11,755)**	**(9,223)**

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