MID CAP DAY

Thursday 1 August 2019

What's new?

THERMADOR GROUPE : Mecafer reassures, Axelair accelerates / Contact - Buy (2), TP. €62.0 Price: €57.8 on 16/07/19

Research Coverage: quick overview

THERMADOR GROUP: Mecafer reassures, Axelair accelerates / Contact - Buy (2), TP. €62.0 Price: €57.8 on 16/07/19

Q2 sales €97.7m +15.3% vs n-1, +5.7% org. (corrected for Sanidom integration and Sodeco Sedin sale)

Decryption: We mainly focus on 1/ Mecafer's turnaround, which posted growth of +1.1% (vs. -8.8% in Q1) to €7.5m despite a complicated base effect and the difficulties of some DIY customers. On this last point, management is more confident with good momentum in some key accounts, including Castorama; 2/ a strong acceleration of Axelair (+56.6% vs. n-1 at €2.3M), which is benefiting from clearly favourable weather conditions in June; 3/ the "slowdown" of Syveco (Thermador International) to +9.9% (turnover €7.0M; vs +14.8% in Q1 and +13.9% in 2018) which is explained by the opportunistic purchases made in June 2018 before the increase in catalogue prices. Exposure to new construction is felt at PBtub, which posted a decline in activity of -1.4% to €6.5 million. However, we consider this decline to be limited and in the end, in an adverse context, PBtub revenue is almost flat in H1 (revenue of €13.5m, -0.4%).

Recommendation: Good Q2 publication that slightly raises our expectations for annual revenue. We now anticipate a 2019 turnover of €358.2 million vs. €354.1 million previously. The attention points for S2 will remain at Mecafer and PBtub. We confirm our opinion Reinforce (2) (see Thermador research report 16 July) and raise our objective to 62.0€ vs 60.4€ previously

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