THERMADOR GROUP: Double-digit organic growth! – Strong Buy (1) vs Buy (2), TP. €64.0 Price: €53.0 on 16/10/19

Q3 sales 91.7M€ (+21.8% reported, +11.2% org.; PZP 87.0M€e)

News: Q3 significantly above our expectations (PZP 87.0M€e, +5.1% org.), this performance being judged by management as very satisfactory or even excellent for some subsidiaries. No less than 7 subsidiaries are growing at double-digit rates, including Thermador (Q3 sales 12.4%, +22.4%) driven by sustained demand for heat pumps (ISPC boost effect before modification?) and more surprising Mecafer / Domac (Q3 sales 8.0%, +15.8%). The latter certainly benefited from a favourable base effect (-12% in n-1) but is still evolving in 2019 in a tense GSB context. The efforts made on working capital items in Q3 are in line with those made in H1 (inventories at the end of June -4.1% vs. the end of December). Finally, M&A should resume in the coming weeks with the potential acquisition of Eurobinox announced in September (2018 sales €14.5m, ROP €0.8m).

Recommendation: Good publication! We are revising upwards our annual expectations in terms of top line (PZP 365.4M€ vs 358.2M€ previously) and EBIT margin (PZP 13.7%e vs 13.5%e previously). M&A (with management experience in this area) should be a catalyst for the stock in the short and medium term. We move on to Buy (1) vs Reinforce (2), an objective raised to €64 (vs €62 previously).

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VOLUME ALERTS

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Eurofins Scientific Societe Europeenne Soitec SA	DBV Technologies SA	JC Decaux SA
	SMALL	
Ige+Xao SA Pierre Et Vacances SA Societe Pour L'Informatique Industrielle CATANA Group SA	Onxeo SA Ekinops SA X-FAB Silicon Foundries SE	Haulotte Group SA Innate Pharma SA Class A Nanobiotix SA SMCP SA 2CRSI SA