

# LU-VE

# BUY

Price (Eu):

9.76

Target Price (Eu):

13.50

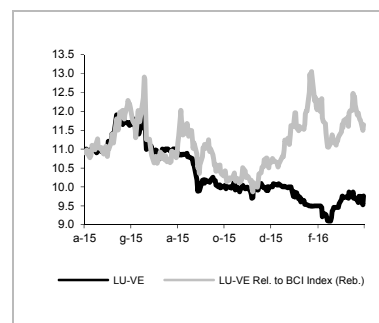
SECTOR: Industrials

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## Full Year Results In Line; Very Strong Start To The Year

- Full year results: top line, bottom line and cash generation in line with our expectations.** LU-VE reported revenues of Eu212.3mn, down 1.5% YoY or -0.4% at constant FOREX. By application, refrigeration (70% of consolidated revenues) reported positive growth rates of 3.8%, while air conditioning (18%) declined by 3.3%; Industrial Applications and Power Generation went down -53.6% hit by the weakness of the oil & gas market. By product, sales of air coolers increased by 4.1%, those of heat exchangers decreased by 4.7%; glass doors went up by 22.7%, whereas close controls went down by 21.7% due to the postponement of some projects. EBITDA stood at Eu26.2mn, or Eu29.1mn net of non-recurring costs (mostly for the listing and the restructuring plan). The margin on sales deteriorated by 90bps YoY to 13.7%. Net profit came to Eu9.1mn in FY15, down 10.0% YoY: it benefited from a much lower tax rate (from 27.8% to 8.9%). The net financial position turned positive to the tune of Eu4.2mn (from Eu-64.9mn at June 2015) mostly due to the cash-in from the business combination. FCF net of extraordinary components stood at Eu13.0mn over the last twelve months (from Eu10.2mn in 2014). CAPEX, equal to Eu13.2mn, was speeded up. Working capital on sales went from 6.8% in 2014 to 5.3% in 2015.
- Very strong start to the year, estimates fine-tuned.** According to management, revenues are expected to exceed Eu59mn in 1Q16 (+12% YoY). At the end of March the order book was 20% higher YoY. All in all, we have made minor adjustments to our estimates. We have factored in slightly higher revenue growth and marginally lower net operating margins. Based on higher net financial charges and a slightly lower tax rate, the resulting EPS changes are: -3.1% for FY16, -3.3% for FY17. For FY16, we forecast revenues to come to Eu222.9mn (up 5.0% YoY), EBITDA and EBIT to stand at Eu30.6mn and Eu17.6mn respectively (equal to margins of 13.7% and 7.9%), and net profit to increase to Eu12.2mn (+34.3% YoY). Net cash is forecast to remain almost stable YoY as a result of additional accelerated CAPEX (Eu14.5mn) and the cash out for the purchase of some minorities (Eu2.1mn).
- BUY reaffirmed; target price lowered to Eu13.50.** We reaffirm our positive view on the stock, as LU-VE's 1) undisputed technological know-how and high innovation capability; 2) strong relations with end customers (OEMs); and 3) wide range of products covering well diversified applications, are expected to translate into sustainable growth opportunities. Moreover, an ungeared balance sheet will serve to: 1) give a boost to CAPEX (this process began in 2015 and might last until 2017) and thereby improve organic growth prospects; and 2) help the company grow through acquisitions: LU-VE's management has a strong track record in M&A and in successfully integrating acquired companies, and is actively scouting the market. Our valuation, the simple average of the outcomes of a discounted cash flow model and a peer multiple comparison, yields a target price of Eu13.50 per share (from Eu14.00 previously) as a result of slightly lower estimates. At our target price, the stock would trade at 19.7x P/E and 7.8x EV/EBITDA for 2017.

### LU-VE - 12m Performance



**RATING: Unchanged**

**TARGET PRICE (Eu): from Eu14 to 13.5**

Change in EPS est:	2016E	2017E
	-3.1%	-3.3%

### STOCK DATA

Reuters code: LUVE.MI  
Bloomberg code: LUVE IM

Performance	1m	3m	12m
Absolute	2.1%	-1.2%	-10.6%
Relative	2.5%	-0.6%	5.7%
12 months H/L:	11.90/9.10		

### SHAREHOLDER DATA

No. of Ord. shares (mn):	19
Total No. of shares (mn):	22
Mkt Cap Ord (Eu mn):	190
Total Mkt Cap (Eu mn):	190
Mkt Float - ord (Eu mn):	51
Mkt Float (in %):	27.0%
Main shareholder:	
Liberali family	53.9%

### BALANCE SHEET DATA

	2016
Book value (Eu mn):	130
BVPS (Eu):	6.00
P/BV:	1.6
Net Financial Position (Eu mn):	4
Enterprise value (Eu mn):	186

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on the last page of this report

Key Figures	2014A	2015A	2016E	2017E	2018E
Sales (Eu mn)	215	212	223	232	239
Ebitda (Eu mn)	31	26	31	32	33
Net profit (Eu mn)	10	9	12	13	14
EPS - New (Eu)	0.520	0.468	0.628	0.684	0.717
EPS - Old (Eu)	0.508	0.576	0.734	0.786	
DPS (Eu)	0.000	0.200	0.220	0.240	0.260

Ratios & Multiples	2014A	2015A	2016E	2017E	2018E
P/E	18.8	20.9	15.5	14.3	13.6
Div. Yield	0.0%	2.0%	2.3%	2.5%	2.7%
EV/Ebitda	7.6	6.4	6.1	5.6	5.1
ROCE	18.1%	11.6%	14.2%	15.2%	16.3%

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**LU-VE - KEY FIGURES**

		2014A	2015A	2016E	2017E	2018E
	Fiscal year end	12/12/2014	12/12/2015	12/12/2016	12/12/2017	12/12/2018
<b>PROFIT &amp; LOSS (Eu mn)</b>	Sales	215	212	223	232	239
	EBITDA	31	26	31	32	33
	EBIT	21	14	18	19	20
	Financial income (charges)	(6)	(3)	(1)	(0)	(0)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	15	11	17	19	19
	Taxes	(4)	(1)	(4)	(5)	(5)
	Tax rate (%)	27.8%	8.9%	25.0%	25.0%	25.0%
	Minorities & discontinue activities	(1)	(0)	(1)	(1)	(1)
	Net profit	10	9	12	13	14
	Total extraordinary items			3		
Ebitda excl. extraordinary items			29			
<b>PER SHARE DATA (Eu)</b>	Total shares out (mn) - average fd	22	22	22	22	22
	EPS stated fd	0.520	0.468	0.628	0.684	0.717
	EPS restated fd	0.520	0.468	0.628	0.684	0.717
	BVPS fd	3.088	5.642	5.999	6.386	6.785
	Dividend per share (ord)	0.000	0.200	0.220	0.240	0.260
	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	0.0%	42.8%	35.0%	35.1%	36.2%
<b>CASH FLOW (Eu mn)</b>	Gross cash flow	10	22	25	25	25
	Change in NWC	12	(1)	(4)	1	1
	Capital expenditure	(22)	(13)	(15)	(14)	(9)
	Other cash items	0	0	(1)	(2)	(3)
	Free cash flow (FCF)	1	8	6	10	14
	Acquisitions, divestments & others	(21)	0	(2)	0	0
	Dividend	0	0	(4)	(4)	(5)
	Equity financing/Buy-back	0	46	0	0	0
Change in Net Financial Position	(20)	54	(0)	6	9	
<b>BALANCE SHEET (Eu mn)</b>	Total fixed assets	128	129	132	135	131
	Net working capital	(3)	(2)	(1)	(5)	(7)
	Long term liabilities	(7)	(5)	(6)	(6)	(6)
	Net capital employed	118	122	126	124	118
	Net financial position	(49)	4	4	10	19
	Group equity	69	126	134	142	151
	Minorities	3	3	4	5	5
Net equity	66	122	130	138	146	
<b>ENTERPRISE VALUE (Eu mn)</b>	Average mkt cap - current	190	190	190	190	190
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	(49)	4	4	10	19
	Enterprise value	239	186	186	180	171
<b>RATIOS(%)</b>	EBITDA margin*	14.6%	12.4%	13.7%	13.9%	14.0%
	EBIT margin*	9.6%	6.6%	7.9%	8.2%	8.3%
	Gearing - Debt/equity	71.7%	-3.3%	-3.0%	-6.9%	-12.6%
	Interest cover on EBIT	3.6	4.1	30.4	40.8	60.5
	Debt/Ebitda	1.57	nm	nm	nm	nm
	ROCE*	18.1%	11.6%	14.2%	15.2%	16.3%
	ROE*	16.8%	9.7%	9.7%	9.9%	9.8%
	EV/CE	2.1	1.5	1.5	1.4	1.4
	EV/Sales	1.1	0.9	0.8	0.8	0.7
	EV/Ebit	11.5	13.3	10.6	9.5	8.6
Free Cash Flow Yield	-10.7%	28.2%	3.0%	5.4%	7.4%	
<b>GROWTH RATES (%)</b>	Sales	10.9%	-1.5%	5.0%	4.0%	3.0%
	EBITDA*	19.6%	-7.4%	5.2%	5.4%	3.3%
	EBIT*	13.8%	-33.0%	26.5%	7.9%	4.3%
	Net profit	61.5%	-10.0%	34.3%	8.8%	4.9%
	EPS restated	61.5%	-10.0%	34.3%	8.8%	4.9%

\* Excluding extraordinary items

Source: Intermonte SIM estimates

## Results

### LU-VE – Results (1H15 ITA GAAP / FY15 IFRS)

(Eu mn)	1H14A	1H15A	YoY	2H14	2H15	YoY	2014A	2015A	YoY	2015E	A v E
<b>Revenues</b>	<b>104.90</b>	<b>104.95</b>	0.0%	<b>110.59</b>	<b>107.32</b>	-3.0%	<b>215.49</b>	<b>212.26</b>	-1.5%	<b>214.19</b>	-0.9%
<i>organic growth</i>			2.6%								
<b>Value of production</b>	<b>108.58</b>	<b>108.81</b>	0.2%	<b>110.34</b>	<b>106.51</b>	-3.5%	<b>218.92</b>	<b>215.32</b>	-1.6%	<b>220.06</b>	-2.2%
<b>Gross Profit</b>	<b>53.94</b>	<b>53.78</b>	-0.3%	<b>53.02</b>	<b>56.41</b>	6.4%	<b>106.96</b>	<b>110.19</b>	3.0%	<b>106.45</b>	3.5%
gross margin	49.7%	49.4%					49.6%	51.9%		48.4%	
<b>Adjusted EBITDA</b>							<b>31.42</b>	<b>29.10</b>	-7.4%		
EBITDA margin							14.6%	13.7%			
<b>EBITDA</b>	<b>14.08</b>	<b>12.42</b>	-11.8%	<b>17.34</b>	<b>13.80</b>	-20.4%	<b>31.42</b>	<b>26.22</b>	-16.5%	<b>28.90</b>	-9.3%
EBITDA margin	13.0%	11.4%		15.7%	13.0%		14.6%	12.4%		13.1%	
Depreciation and amortization	(6.37)	(6.76)		(5.42)	(5.58)		(11.79)	(12.34)		(13.50)	
Writedown and provisions	0.00	0.00					1.16	0.04		0.00	
<b>EBIT</b>	<b>7.71</b>	<b>5.67</b>	-26.5%	<b>13.08</b>	<b>8.26</b>	-36.9%	<b>20.79</b>	<b>13.92</b>	-33.0%	<b>15.40</b>	-9.6%
EBIT margin	7.1%	5.2%		11.9%	7.8%		9.6%	6.6%		7.0%	
Financial income and charges	(2.10)	(0.02)		(3.61)	(3.36)		(5.71)	(3.38)		(2.32)	
Extraordinary revenues and charges	(0.03)	(0.28)		0.03	0.28		0.00	0.00		(0.28)	
<b>Pretax</b>	<b>5.59</b>	<b>5.36</b>	-4.0%	<b>9.50</b>	<b>5.18</b>	-45.5%	<b>15.08</b>	<b>10.54</b>	-30.1%	<b>12.80</b>	-17.7%
Taxes	(1.57)	(0.90)		(2.62)	(0.04)		(4.19)	(0.94)		(2.82)	
tax rate	-28.0%	-16.9%		-27.6%	-0.7%		-27.8%	-8.9%		-22.0%	
<b>Net profit</b>	<b>4.02</b>	<b>4.46</b>	10.9%	<b>6.87</b>	<b>5.14</b>	-25.2%	<b>10.89</b>	<b>9.60</b>	-11.9%	<b>9.98</b>	-3.9%
Profit third-parties	(2.70)	(0.41)		(1.92)	0.08		(0.78)	(0.50)		(0.90)	
<b>Group net profit</b>	<b>1.32</b>	<b>4.05</b>	206.4%	<b>8.79</b>	<b>5.05</b>	-42.5%	<b>10.11</b>	<b>9.10</b>	-10.0%	<b>9.08</b>	0.2%
gross margin	1.2%	3.7%					4.6%	4.2%		4.1%	
<b>Net debt</b>	<b>69.60</b>	<b>64.89</b>	-6.8%				<b>(49.39)</b>	<b>4.20</b>	-108.5%	<b>4.84</b>	-13.3%

Source: Intermonte SIM estimates

## Estimates

LU-VE - Change in estimates				
(Eu mn)	2015 AvE	2016E	2017E	2018E
<b>Revenues new</b>	<b>212.3</b>	<b>222.9</b>	<b>231.8</b>	<b>238.7</b>
Revenues old	214.2	220.6	229.4	238.6
% change	-0.9%	1.0%	1.0%	0.1%
<b>EBITDA new</b>	<b>26.2</b>	<b>30.6</b>	<b>32.3</b>	<b>33.3</b>
EBITDA old	28.9	31.2	32.4	33.1
% change	-9.3%	-1.8%	-0.4%	0.5%
<b>EBIT new</b>	<b>13.9</b>	<b>17.6</b>	<b>19.0</b>	<b>19.8</b>
EBIT old	15.4	17.7	19.3	20.0
% change	-9.6%	-0.3%	-1.5%	-1.2%
<b>PBT new</b>	<b>10.5</b>	<b>17.0</b>	<b>18.5</b>	<b>19.5</b>
PBT old	12.8	17.9	19.8	20.9
% change	-17.7%	-4.9%	-6.4%	-6.6%
<b>Net profit new</b>	<b>9.1</b>	<b>12.2</b>	<b>13.3</b>	<b>14.0</b>
Net profit old	9.1	12.6	13.8	14.5
% change	0.2%	-3.1%	-3.3%	-4.1%
<b>Net cash new</b>	<b>4.2</b>	<b>4.0</b>	<b>9.8</b>	<b>19.1</b>
Net cash old	4.8	19.3	33.1	48.5
% change	-13.3%	-79.5%	-70.3%	-60.6%

Source: Intermonte SIM estimates

## Valuation

We have valued LU-VE through two different approaches, equally weighted: a market multiples comparison and a discounted cash flow (DCF) model. Our valuation yields a target price of Eu13.50 per share. At our target price, the stock would trade at 19.7x P/E and 7.8x EV/EBITDA for 2017.

### LU-VE – Valuation summary

Valuation approach	Equity value p.s. (Eu)	Note
DCF	13.0	WACC 8,0%, g 1,5%, TV 2022
Multiple analysis	13.8	EV/EBITDA, EV/EBIT and P/E, 2016-17
<b>Simple average</b>	<b>13.50</b>	
Current share price	9.76	
<b>Upside/Downside</b>	<b>38.3%</b>	

Source: Intermonte SIM estimates

### LU-VE – Multiples

#### at target price

	2014A	2015A	2016E	2017E
P/E	26.0x	28.9x	21.5x	19.7x
EV/SALES	1.4x	1.2x	1.2x	1.1x
EV/EBITDA	9.9x	9.9x	8.4x	7.8x
EV/EBIT	15.0x	18.6x	14.7x	13.3x

#### at current share price

	2014A	2015A	2016E	2017E
PE	18.6x	20.6x	15.4x	14.1x
EV/SALES	1.1x	0.9x	0.8x	0.8x
EV/EBITDA	7.5x	7.0x	6.0x	5.5x
EV/EBIT	11.4x	13.2x	10.4x	9.4x

Source: Intermonte SIM estimates

## Peer comparison

The peer multiples comparison approach has a certain limitation in cases like LU-VE, as it is difficult to compose a large enough group of companies whose businesses, growth opportunities and risks are truly comparable. For our valuation, we have taken the median of these companies' values, based on EV/EBITDA, EV/EBIT and P/E multiples for the years 2016 and 2017. **The result is an estimated equity value range of Eu10.9-17.5 per share.**

### LU-VE – Peer Group Comparison

(Eu mn)	2015 A	2016E	2017E
Company Adj. EBITDA	29.1	30.6	32.3
<b>EV/EBITDA peer group</b>	<b>9.9 x</b>	<b>11.0 x</b>	<b>10.0 x</b>
Fair EV based on multiples	288.1	336.7	322.6
Net debt	4.2	4.0	9.8
<b>Fair Equity value on multiples</b>	<b>292.3</b>	<b>340.6</b>	<b>332.4</b>
N. of shares	19.5	19.5	19.5
<b>Equity value p.s.</b>	<b>15.0</b>	<b>17.5</b>	<b>17.1</b>
(Eu mn)	2015 E	2016E	2017E
Company EBIT	13.9	17.6	19.0
<b>EV/EBIT peer group</b>	<b>13.5 x</b>	<b>14.0 x</b>	<b>12.7 x</b>
Fair EV based on multiples	187.9	246.5	241.4
Net debt	4.2	4.0	9.8
<b>Fair Equity value on multiples</b>	<b>192.1</b>	<b>250.5</b>	<b>251.2</b>
N. of shares	19.5	19.5	19.5
<b>Equity value p.s.</b>	<b>9.9</b>	<b>12.9</b>	<b>12.9</b>
(Eu mn)	2015 A	2016E	2017E
Company Net income	9.1	12.2	13.3
<b>P/E peer group</b>	<b>16.9 x</b>	<b>18.3 x</b>	<b>16.0 x</b>
<b>Fair Equity value on multiples</b>	<b>153.8</b>	<b>223.7</b>	<b>212.9</b>
N. of shares	19.5	19.5	19.5
<b>Equity value p.s.</b>	<b>7.9</b>	<b>11.5</b>	<b>10.9</b>

Source: Factset and Intermonte SIM estimates

## DCF Model

We have made the following basic assumptions for our DCF model: a) a risk-free rate of 2.5%, b) an equity premium of 5.5%, and c) a beta of 1.0. These assumptions lead to an average cost of capital (WACC) of 8.0%. Then, we project a long-term (terminal) growth rate of 1.5%. **Based on these assumptions, we calculate a fair value of Eu13.0 per share.**

### LU-VE – DCF Model

(Eu mn)	2014A	2015A	2016E	2017E	2018E	2019E	2020E	2021E	TV
Sales	215.5	212.3	222.9	231.8	238.7	245.9	253.3	260.9	264.8
EBITDA	31.4	26.2	30.6	32.3	33.2	34.2	35.2	36.3	36.9
DA	(10.6)	(12.3)	(13.0)	(13.3)	(13.1)	(12.9)	(12.6)	(12.3)	(11.1)
EBIT	20.8	13.9	17.6	19.0	20.1	21.4	22.6	24.0	25.7
Taxes	(5.8)	(1.2)	(4.4)	(4.8)	(5.0)	(5.3)	(5.7)	(6.0)	(6.4)
<i>tax rate</i>	-27.8%	-8.9%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%
Change in WC	11.8	(1.0)	(3.6)	0.9	(0.3)	(0.4)	(0.4)	(0.4)	(0.2)
Capex	(21.9)	(13.1)	(14.5)	(14.0)	(9.5)	(9.8)	(10.1)	(10.4)	(10.6)
<i>Capex/Sales</i>	-10.2%	-6.2%	-6.5%	-6.0%	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%
<b>FCF</b>	<b>15.6</b>	<b>10.8</b>	<b>8.1</b>	<b>14.4</b>	<b>18.3</b>	<b>18.7</b>	<b>19.1</b>	<b>19.5</b>	<b>19.6</b>
TV									302.1
year	0	0	1	2	3	4	5	6	7
Discounted factor	1.00	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58
Discounted Free cash flow	15.6	10.8	7.5	12.4	14.5	13.7	13.0	12.3	176.3

Discounted Free cash flows	73.4
Terminal value	176.3
<b>Total EV (with DCF)</b>	<b>249.6</b>
Net cash	4.2

TV / Total EV	70.6%
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<b>Total EQUITY</b>	<b>253.8</b>
N. of outstanding shares (mn)	19.5
<b>TARGET PRICE (Eu)</b>	<b>13.0</b>

<i>WACC</i>	8.0%
<i>Terminal growth</i>	1.5%

Source: Intermonte SIM estimates

**LU-VE Peer Group - Absolute Performances**

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
<b>LU-VE</b>	<b>9.76</b>	<b>EUR</b>	<b>190</b>	<b>2.1%</b>	<b>-1.2%</b>	<b>-2.4%</b>	<b>-3.2%</b>	<b>-10.6%</b>	<b>2.8%</b>
ALFA LAVAL	136.40	SEK	57,214	0.6%	-2.4%	-2.2%	-12.0%	-19.0%	-23.4%
BEIJER REF	207.00	SEK	8,775	0.0%	16.3%	16.3%	3.2%	21.8%	53.3%
CENTROTEC	14.60	EUR	259	5.6%	21.1%	1.0%	10.5%	2.7%	-18.4%
DOVER	67.97	USD	10,543	3.0%	27.7%	17.8%	10.9%	-5.8%	-20.5%
EMERSON ELECT	55.65	USD	35,789	1.8%	29.0%	22.4%	16.3%	-4.8%	-18.7%
INGERSOLL-RAND	63.88	USD	16,407	3.6%	26.3%	19.7%	15.5%	-5.1%	10.5%
JOHNSON CONTROLS	39.20	USD	25,411	0.9%	12.9%	-11.0%	-0.7%	-22.4%	-16.3%
LENNOX INT'L	139.10	USD	6,066	4.8%	19.4%	11.5%	11.4%	24.9%	55.8%
NIBE INDUSTRIER	280.10	SEK	30,917	3.4%	13.6%	4.4%	-1.5%	23.1%	57.7%
SPX CORP.	---	USD	705	21.7%	105.1%	46.6%	80.5%	-20.0%	-33.1%
SYSTEMAIR	102.25	SEK	5,317	-0.7%	-0.7%	-7.5%	-4.4%	-12.8%	-2.4%
UNITED TECHNOLOGIES	105.00	USD	87,857	6.0%	23.2%	14.1%	9.3%	-8.8%	-11.4%
WALTER MEIER	34.30	CHF	250	-1.9%	-3.4%	-0.6%	-6.5%	-14.1%	-25.9%
<b>Mean performance</b>				<b>3.6%</b>	<b>20.5%</b>	<b>9.3%</b>	<b>9.2%</b>	<b>-3.6%</b>	<b>0.7%</b>
<b>Italy FTSE Mib</b>	18,448.0	EUR	259,912	-0.9%	-2.3%	-17.7%	-13.9%	-19.9%	-14.6%

Source: FactSet

**LU-VE Peer Group - Multiple Comparison**

Stock	Price	Ccy	Mkt cap	EV/Sales	EV/Sales	EV/Ebitda	EV/Ebitda	EV/Ebit	EV/Ebit	P/E	P/E	Div Yield	Div Yield
				2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>LU-VE</b>	<b>9.76</b>	<b>EUR</b>	<b>190</b>	<b>0.8</b>	<b>0.8</b>	<b>6.1</b>	<b>5.6</b>	<b>10.6</b>	<b>9.5</b>	<b>15.5</b>	<b>14.3</b>	<b>2.3%</b>	<b>2.5%</b>
ALFA LAVAL	136.40	SEK	57,214	1.9	1.9	10.3	10.4	13.4	13.6	15.7	16.4	3.1%	3.2%
BEIJER REF	207.00	SEK	8,775	1.2	1.1	14.9	13.5	16.5	14.9	21.0	18.8	2.9%	3.3%
CENTROTEC	14.60	EUR	259	0.5	0.5	5.0	4.4	8.3	7.1	11.7	10.6	2.0%	2.2%
DOVER	67.97	USD	10,543	1.9	1.8	10.4	9.6	14.3	12.6	19.1	17.3	2.5%	2.7%
EMERSON ELECT	55.65	USD	35,789	1.8	1.9	9.6	10.6	10.7	12.2	17.6	18.3	3.4%	3.4%
INGERSOLL-RAND	63.88	USD	16,407	1.4	1.4	10.0	9.4	12.4	11.4	16.3	14.8	2.0%	2.2%
JOHNSON CONTROLS	39.20	USD	25,411	0.8	0.9	7.8	8.3	11.0	10.7	11.5	10.4	2.7%	2.9%
LENNOX INT'L	139.10	USD	6,066	1.9	1.8	13.0	11.7	14.9	13.2	21.2	18.6	1.1%	1.3%
NIBE INDUSTRIER	280.10	SEK	30,917	2.6	2.4	15.5	14.1	19.6	17.6	22.6	20.7	1.3%	1.4%
SPX CORP.	16.84	USD	705	0.6	0.6	7.9	6.4	9.9	7.8	15.0	12.4	0.0%	0.0%
SYSTEMAIR	102.25	SEK	5,317	1.1	1.0	13.0	11.1	19.9	16.1	24.6	19.1	1.8%	2.0%
UNITED TECHNOLOGIES	105.00	USD	87,857	1.8	1.7	9.5	9.3	11.5	11.1	16.2	15.0	2.6%	2.8%
WALTER MEIER	34.30	CHF	250	1.1	1.0	12.2	11.0	15.9	13.3	20.3	16.4	5.8%	5.8%
<b>Median</b>				<b>1.4</b>	<b>1.4</b>	<b>10.3</b>	<b>10.4</b>	<b>13.4</b>	<b>12.6</b>	<b>17.6</b>	<b>16.4</b>	<b>2.5%</b>	<b>2.7%</b>

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group



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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

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OUTPERFORM: 42.95%

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#### **DETAILS ON STOCKS RECOMMENDATION**

Stock NAME	LU-VE		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (€):	13.50	Previous Target (€):	14.00
Current Price (€):	9.76	Previous Price (€):	10.17
Date of report:	21/04/2016	Date of last report:	21/09/2015

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