KALEON

Earnings Review

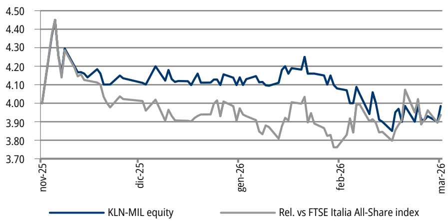
BUY ord. *(Unchanged)*

Target: **€ 5.0** *(Unchanged)*

Risk: High

STOCKDATA			ORD
Price (as of 31 Mar 2026)			4.0
Bloomberg Code			KLN IM
Market Cap (€ mn)			56
Free Float			31%
Shares Out (mn)			14.1
52 week Range			-
Daily Volume			8,865
Performance (%)	**1M**	**3M**	**1Y**
Absolute	-2.3	-2.8	na
Rel to FTSE Italia All-Share	4.6	-0.6	na
MAIN METRICS	**2025**	**2026E**	**2027E**
SALES Adj	23.2	25.0	27.0
EBITDA Adj	6.2	7.2	8.2
EBIT Adj	2.6	3.3	3.8
NET INCOME Adj	1.9	2.4	2.7
EPS Adj - €c	13.1	16.7	19.5
DPS Ord - €c	0.0	0.0	0.0
MULTIPLES	**2025**	**2026E**	**2027E**
P/E ord Adj	31.3x	23.9x	20.5x
EV/EBITDA Adj	9.0x	7.7x	6.3x
EV/EBIT Adj	21.2x	16.6x	13.5x
REMUNERATION	**2025**	**2026E**	**2027E**
Div. Yield ord (A)	0.0%	0.0%	0.0%
FCF Yield Adj	-0.6%	-1.1%	6.2%
INDEBTEDNESS	**2025**	**2026E**	**2027E**
NFP Adj	3.2	2.6	6.0
D/Ebitda Adj	n.m.	n.m.	n.m.

PRICE ORD LAST 365 DAYS



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SOLID FY25 RESULTS. SUPPORTIVE START TO THE YEAR

Kaleon closes 2025 (overall in line with expectations) with revenue growth of +9% LFL and adj. EBITDA +11% YoY

- **Revenue:** €23.2mn (+6.8% YoY or +9.2% LFL) – already disclosed;
- **Adj. EBITDA:** €6.1mn (+10.7% YoY) – **in line with expectations**;
- **Adj. EBIT:** €3.0mn (-2% YoY) vs €3.4mn expected;
- **Adj. net profit:** €1.9mn (+20% YoY) vs €2.0mn expected;
- **NFP:** € +3.2mn (€ -12.7mn in 2024) vs € +3.0mn expected.

The **FY25 results are overall in line with expectations**, with Kaleon delivering **solid top-line growth (+9.2% LFL)** and **adj. EBITDA / adj. net profit growth of +11% / +20% YoY**. In detail:

- **Revenue was already known**, with YoY growth mainly driven by the **"Ticketing"** (+10% YoY to €17.6mn) and **"F&B"** (+12% YoY to €3.3mn) segments. At the level of managed locations, **Isola Bella was the main growth driver**, with **+11% YoY growth to €13.5mn**;
- **Adj. EBITDA in line with expectations**, growing **+11% YoY**, with an **adj. EBITDA margin of 26.3%**, up **90bps YoY**;
- **Adj. EBIT slightly impacted by higher recurring D&A** (€3.1mn vs €2.7mn expected);
- **Adj. net profit broadly in line with expectations**, growing **+20% YoY**. On a reported basis, results were impacted by **total non-recurring costs of €0.4mn** vs our expectation of **€0.5mn non-recurring income**. As a result, **reported net profit stands at €1.6mn (vs €2.5mn expected)**, up **+1% YoY**;
- **NFP slightly better than expected** due to **stronger NWC dynamics** (release of €0.2mn vs expected absorption of €0.1mn). We note that the **YoY delta in NFP is largely explained by the capital increase linked to the IPO** (we estimate c. €14mn net of listing costs).

We met with management following the publication of FY25 results. The overall tone of the meeting was constructive, and the key takeaways **support visibility on the growth path and our investment case**:

- **Positive start to the season**: operations at the group's main locations resumed on March 12 with a robust start, exceeding management expectations, despite unfavorable weather conditions (notably strong winds, which led to several closure days at Castelli di Cannero);
- **Solid winter season**: the winter season (Mottarone – ~3% of group revenues) delivered one of the best performances in recent years;
- **Geopolitical backdrop**: the current scenario could represent an opportunity for Kaleon, with potential international tourist flows partly redirected toward Italy, perceived as a safe destination. At present, exposure to Asian and Middle Eastern tourists remains limited;
- **Pricing**: price increases for the 2026 season have been confirmed (we estimate MSD), alongside the introduction of differentiation between weekdays and holidays, a preliminary step toward a dynamic pricing system expected from 2027;
- **Villa Pallavicino**: works for the development of the hospitality segment (suites), with opening expected by 2027, are progressing in line with expectations. Negotiations are ongoing for outsourcing a high-end restaurant;
- **M&A**: scouting activities for new locations continue, with some negotiations at an advanced stage. Management aims to announce a first deal in the coming months;

We have updated our model **with no material changes to adjusted estimates**. At the reported level, we now include IPO cost amortization through 2028 for ~€0.5mn.

We confirm our target price at €5.0ps and our BUY recommendation.

MAIN FIGURES - EURmn	2023	2024	2025	2026E	2027E	2028E
SALES Adj	21.5	21.7	23.2	25.0	27.0	28.7
Growth	23.0%	0.7%	7.0%	7.9%	8.0%	6.1%
EBITDA Adj	6.7	5.5	6.2	7.2	8.2	8.7
Growth	23.2%	-18.1%	12.5%	15.8%	14.0%	6.3%
EBIT Adj	4.4	3.1	2.6	3.3	3.8	4.2
Growth	n.a.	-30.4%	-14.6%	25.6%	15.3%	10.9%
PBT Adj	4.2	2.7	2.4	3.1	3.7	4.2
Growth	n.a.	-35.6%	-11.4%	29.1%	19.5%	13.9%
Net Income Adj	2.9	1.5	1.9	2.4	2.7	3.1
Growth	n.a.	-47.0%	20.4%	27.2%	16.8%	12.2%

MARGIN - %	2023	2024	2025	2026E	2027E	2028E
EBITDA Adj Margin	31.3%	25.4%	26.7%	28.7%	30.3%	30.3%
Ebit Adj margin	20.7%	14.3%	11.4%	13.3%	14.2%	14.8%
Pbt Adj margin	19.7%	12.6%	10.4%	12.5%	13.8%	14.8%
Net Income Adj margin	13.5%	7.1%	8.0%	9.4%	10.2%	10.7%

SHARE DATA	2023	2024	2025	2026E	2027E	2028E
EPS Adj - €c	20.5	10.9	13.1	16.7	19.5	21.8
Growth	n.a.	-47.0%	20.4%	27.2%	16.8%	12.2%
DPS ord(A) - €c	0.0	0.0	0.0	0.0	0.0	0.0
BVPS	0.3	0.4	1.9	2.0	2.2	2.4

VARIOUS	2023	2024	2025	2026E	2027E	2028E
Capital Employed	17.3	18.8	21.0	24.4	25.2	23.9
FCF	2.0	1.2	-0.4	-0.6	3.5	4.3
CAPEX	2.7	4.9	5.4	6.0	2.5	2.6
Working capital	-0.3	-1.9	-2.0	-1.5	-0.7	-0.4

INDEBTNESS	2023	2024	2025	2026E	2027E	2028E
Nfp Adj	-13.9	-12.7	3.2	2.6	6.0	10.4
D/E Adj	2.96	2.04	n.m.	n.m.	n.m.	n.m.
Debt / EBITDA Adj	2.1x	2.3x	n.m.	n.m.	n.m.	n.m.
Interest Coverage	32.2x	25.9x	32.3x	35.9x	81.9x	n.m.

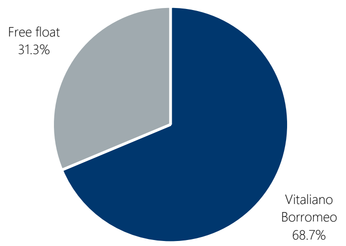
MARKET RATIOS	2023	2024	2025	2026E	2027E	2028E
P/E Ord Adj	n.a.	n.a.	31.3x	23.9x	20.5x	18.2x
PBV	n.a.	n.a.	2.2x	2.0x	1.8x	1.7x

EV FIGURES	2023	2024	2025	2026E	2027E	2028E
EV/Sales	n.a.	n.a.	2.4x	2.2x	1.9x	1.6x
EV/EBITDA Adj	n.a.	n.a.	9.0x	7.7x	6.3x	5.4x
EV/EBIT Adj	n.a.	n.a.	21.2x	16.6x	13.5x	11.1x
EV/CE	n.a.	n.a.	2.7x	2.3x	2.0x	2.0x

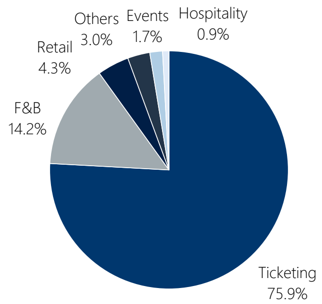
REMUNERATION	2023	2024	2025	2026E	2027E	2028E
Div. Yield ord	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%
FCF Yield Adj	n.a.	n.a.	-0.6%	-1.1%	6.2%	7.7%
Roce Adj	n.a.	10.6%	9.0%	9.8%	10.2%	11.2%

Source: Company data and Equita SIM estimates

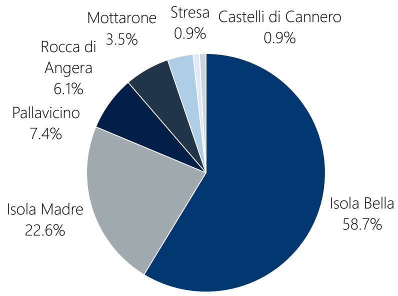
SHAREHOLDERS



REVENUES BY SERVICE (2025)



REVENUES BY LOCATION (2025)



BUSINESS DESCRIPTION

Kaleon is a leading Italian operator specialized in the professional management, enhancement and valorisation of cultural heritage assets. Founded in 1983 by the Borromeo family, the company initially provided administrative and marketing support to the historic Terre Borromeo sites on Lake Maggiore, before progressively evolving into a **fully integrated, asset-light cultural tourism platform**. Today, Kaleon operates across the entire value chain, combining heritage conservation, visitor services and experiential tourism with a strong focus on operational efficiency and customer experience.

As of today, Kaleon manages **six cultural sites located in the Lake Maggiore area**: Isola Bella, Isola Madre, Parco Pallavicino, Rocca di Angera, Parco del Mottarone and Castelli del Cannero. The group does not own the underlying assets, but operates them under long-term concession agreements, allowing it to scale its business while limiting capital intensity and balance-sheet risk. Kaleon's centralized organizational structure enables the integration of marketing, logistics, pricing and service design across sites, generating operational synergies in a sector traditionally characterized by fragmentation and local management.

Operating in the fast-growing cultural tourism segment, Kaleon benefits from structurally attractive demand dynamics, including lower seasonality, higher visitor spending and resilient long-term growth trends. Leveraging its scalable, asset-light model and growing operational track record, the company aims to position itself as a **national platform and reference consolidator** in Italy's highly fragmented cultural heritage management sector.

On December 1st, **Kaleon's shares began trading on Euronext Growth Milan and Euronext Growth Paris**. The IPO comprised a primary offering of 4.125mn shares (€16.5mn) and a secondary offering of 0.375mn shares (€1.5mn, greenshoe), for a total of 4.5mn shares (€18.0mn) at an **IPO price of €4.0ps**. **Majority shareholder is L6A4 (Mr Vitaliano Borromeo) with a 68.1% stake.**

STRENGHTS	WEAKNESSES
- Unique portfolio of *trophy assets* with strong international visibility. - *Asset-light business model* enabling scalability without heavy capital intensity. - Integrated approach enhancing both cultural and commercial value. - Proven ability to integrate ancillary services to enhance monetization and visitor satisfaction. - Professionalized governance and management team with experience in tourism, event management, and heritage operations. - Strong brand recognition - High profitability (EBITDA margin >25%) and cash conversion (c55% in 2024).	- Geographic concentration on Lake Maggiore with high dependence on regional infrastructure. - Still relatively small scale compared with international peers in cultural asset management. - Limited track record outside Borromeo family properties - Limited track record outside the Lake Maggiore region. - Heavy dependence on international tourism flows (exposure to macro/geopolitical shocks). - High weather sensitivity as most sites are open-air, making attendance and on-site spending highly dependent on weather conditions - High maintenance capex (c9% of revenues).

OPPORTUNITIES	THREATS
- Expansion into *third-party cultural sites* leveraging Kaleon's proven business model. - Strong growth in *cultural tourism* segment in Italy (+14% CAGR 2024–2028). - Increasing demand for *premium experiences* (luxury hospitality, events, curated tours). - Partnerships with fashion, media, and entertainment industries to boost visibility and monetization. - Development of *year-round tourism* via events, exhibitions, and diversified activities - Digitalization of visitor experience.	- Competition from other asset-light operators (e.g., CoopCulture, Opera Laboratori) and large cultural foundations (FAI, Zetema). - Regulatory and bureaucratic hurdles in Italy slowing down heritage restoration - Rising operating costs impacting margins; - Relevant extraordinary capex to conserve/preserve assets - Potential reputational risk in balancing *heritage conservation* with *commercial exploitation*. - Climate-related risks

VALUATION AND SENSITIVITY

Full explanation of the valuation method is available on **https://www.equita.eu/** in the Equity Research area

STATEMENT OF RISKS FOR KALEON

The primary elements that could negatively impact the stock performance include:

- **Higher operating costs** (labour, energy and F&B), potentially **pressuring margins**;
- **Increased regulatory and bureaucratic constraints** in Italy, which could **delay heritage restoration projects**;
- A **slowdown in international cultural tourism**, leading to **lower visitor numbers** across Kaleon's sites;
- **Rising competitive intensity** from other asset-light operators (e.g. CoopCulture, Opera Laboratori) and large cultural foundations (FAI, Zetema);
- Execution risk related to the **third-party asset management strategy**, potentially resulting in **lower-than-expected IRRs**;
- **Extreme weather events**, which could negatively affect **site accessibility, preservation and visitor flows.**

P&L - €mn	2023	2024	2025	2026E	2027E	2028E
SALES Rep	21.5	21.7	23.2	25.0	27.0	28.7
Growth	23.0%	0.7%	7.0%	7.9%	8.0%	6.1%
EBITDA Rep	6.7	5.5	6.2	7.2	8.2	8.7
Growth	23.2%	-18.1%	12.5%	15.8%	14.0%	6.3%
Margin	31.3%	25.4%	26.7%	28.7%	30.3%	30.3%
Depr. & Amort	-2.3	-2.4	-3.1	-3.4	-3.9	-4.0
Other Provisions & Write D	0.0	0.0	0.0	0.0	0.0	0.0
D&A	-2.3	-2.4	-3.1	-3.4	-3.9	-4.0
EBIT Rep	4.4	3.1	2.6	3.3	3.8	4.2
Growth	n.a.	-30.4%	-14.6%	25.6%	15.3%	10.9%
Margin	20.7%	14.3%	11.4%	13.3%	14.2%	14.8%
Net Interest Charges	-0.2	-0.2	-0.2	-0.2	-0.1	0.0
Financial Expenses	-0.2	-0.4	-0.2	-0.2	-0.1	0.0
Non Recurrings	0.0	-0.2	0.0	0.0	0.0	0.0
PBT Rep	4.2	2.7	2.4	3.1	3.7	4.2
Growth	n.a.	-35.6%	-11.4%	29.1%	19.5%	13.9%
Income Taxes	-1.3	-1.2	-0.8	-1.1	-1.3	-1.5
Tax rate	31.6%	43.7%	35.0%	35.0%	35.0%	35.0%
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	2.9	1.5	1.6	2.0	2.4	2.8
Growth	n.a.	-47.0%	2.2%	29.1%	19.5%	13.9%
Margin	13.5%	7.1%	6.8%	8.1%	9.0%	9.6%
Net Income Adj	2.9	1.5	1.9	2.4	2.7	3.1
Growth	n.a.	-47.0%	20.4%	27.2%	16.8%	12.2%
Margin	13.5%	7.1%	8.0%	9.4%	10.2%	10.7%

CF Statement	2023	2024	2025	2026E	2027E	2028E
FFO	5.2	4.0	5.1	5.9	6.8	7.2
Chg. in Working Capital	0.8	1.5	-0.1	-0.5	-0.8	-0.3
NCF from Operations	5.9	5.5	5.0	5.4	6.0	6.9
CAPEX	-2.7	-4.9	-5.4	-6.0	-2.5	-2.6
Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
NCF from Investments	-2.7	-4.9	-5.4	-6.0	-2.5	-2.6
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Capital Increases	0.0	0.0	14.2	0.0	0.0	0.0
Other changes in financing	-1.3	0.6	2.1	0.0	0.0	0.0
CHG IN NFP	2.0	1.2	15.9	-0.6	3.5	4.3

Source: Company data and Equita SIM estimates

INFORMATION PURSUANT TO EU REGULATION 2016/958 supplementing Regulation EU 596/2014 (c.d. MAR)

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In the past EQUITA SIM has published studies on Kaleon

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EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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Ord KLN IM MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE:

Date	Rec.	Target Price	Risk.	Comment
February 9, 2026	Buy	5.00	High	Initiation of coverage

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BUY	57.0%	65.2%
HOLD	39.7%	31.8%
REDUCE	0.7%	0.0%
NOT RATED	2.6%	3.0%

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