

# DēLonghi Group

## FY & Q4 2023 RESULTS



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This presentation might contain certain forward-looking statements that reflect the company's current views with respect to future events and financial and operational performance of the company and its subsidiaries.

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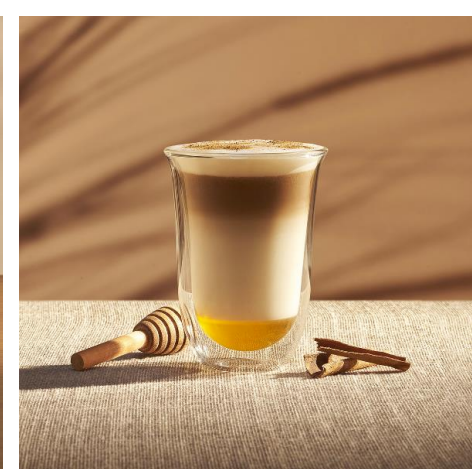
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The officer responsible for preparing the company's financial reports declares, pursuant to paragraph 2 of Article 154-bis of Legislative Decree no. 58 of February 24 1988, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.

Finally, it should be noted that the audit of the Group consolidated financial statements is still ongoing.

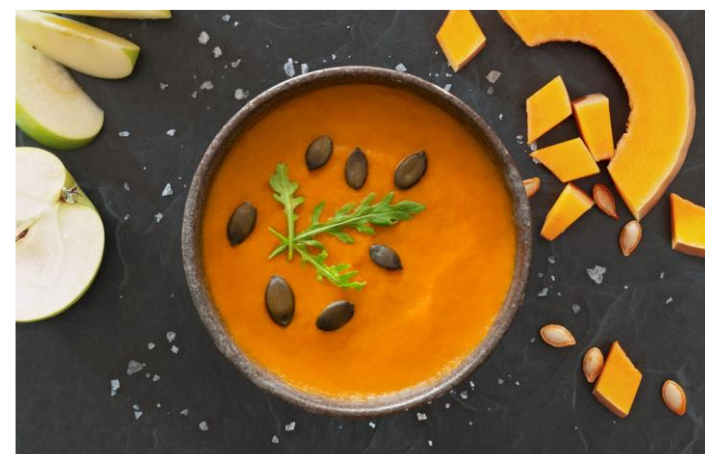
As of the date of this Annual Financial Report, the business combination between Eversys S.A. and La Marzocco International LLC has not yet produced any effect on the De'Longhi Group's consolidated financial statements, with the exception of the accounting of some costs for advisory and consultancy services related to the aggregation.



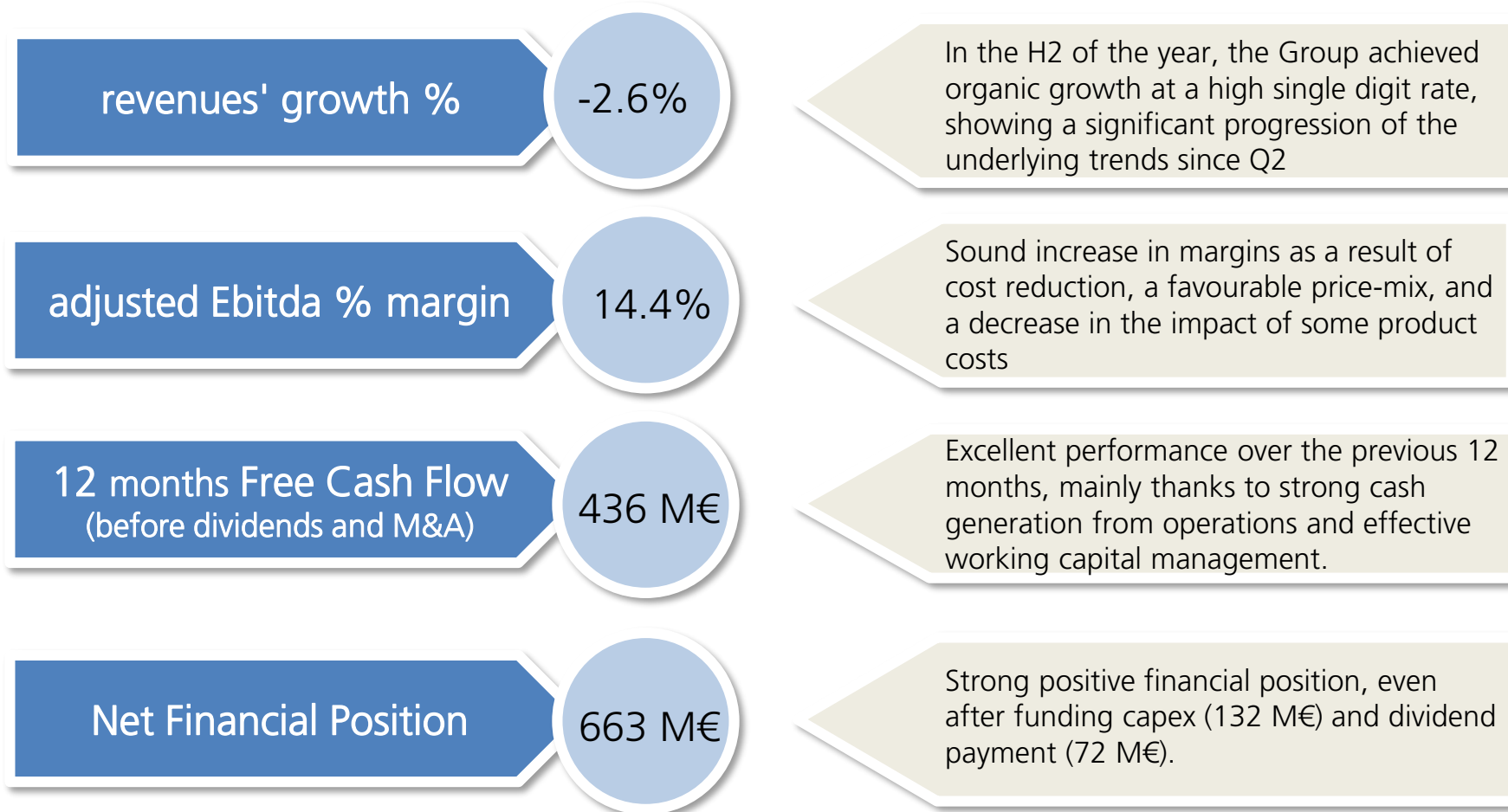
# DEFINITIONS & ASSUMPTIONS

In this presentation:

- "Adjusted" stands for before non recurring items and notional cost of the stock option plans
- "At constant exchange rates" means excluding the effects of exchange rates' variations and of hedging derivatives
- "ForEx" or "FX" stand for Foreign Exchange Rates;
- "M" stands for million and "bn" stands for billion;
- Q4 stands for fourth quarter (October 1<sup>st</sup> – December 31<sup>st</sup>);
- 12M stands for nine months (January 1<sup>st</sup> – December 31<sup>st</sup>);
- "NWC" stands for Net Working Capital;
- "Capex" stands for capital expenditures, i.e. investments in fixed assets.



## THE 12 MONTHS HIGHLIGHTS



# Q4 & FY 2023 RESULTS

## TOP LINE

(Eur million)

	2023	2022	change	change %	Q4-2023	Q4-2022	change	change %
Revenues	3,075.9	3,158.4	-82.5	-2.6%	1,078.1	1,029.8	48.3	4.7%

- Revenues fell slightly in the first half of 2023, mainly due to a start to the year conditioned by some transitory and extraordinary factors;
- In the second half of the year, the Group achieved organic growth in the high single digits, showing a significant progression and expansion of underlying trends in both the coffee and nutrition and food preparation sectors;
- The group's sales in Q4 were up 4.7% (8% at constant currency), thanks to a strong contribution from the European area and core products.



## Q4 & FY 2023 RESULTS

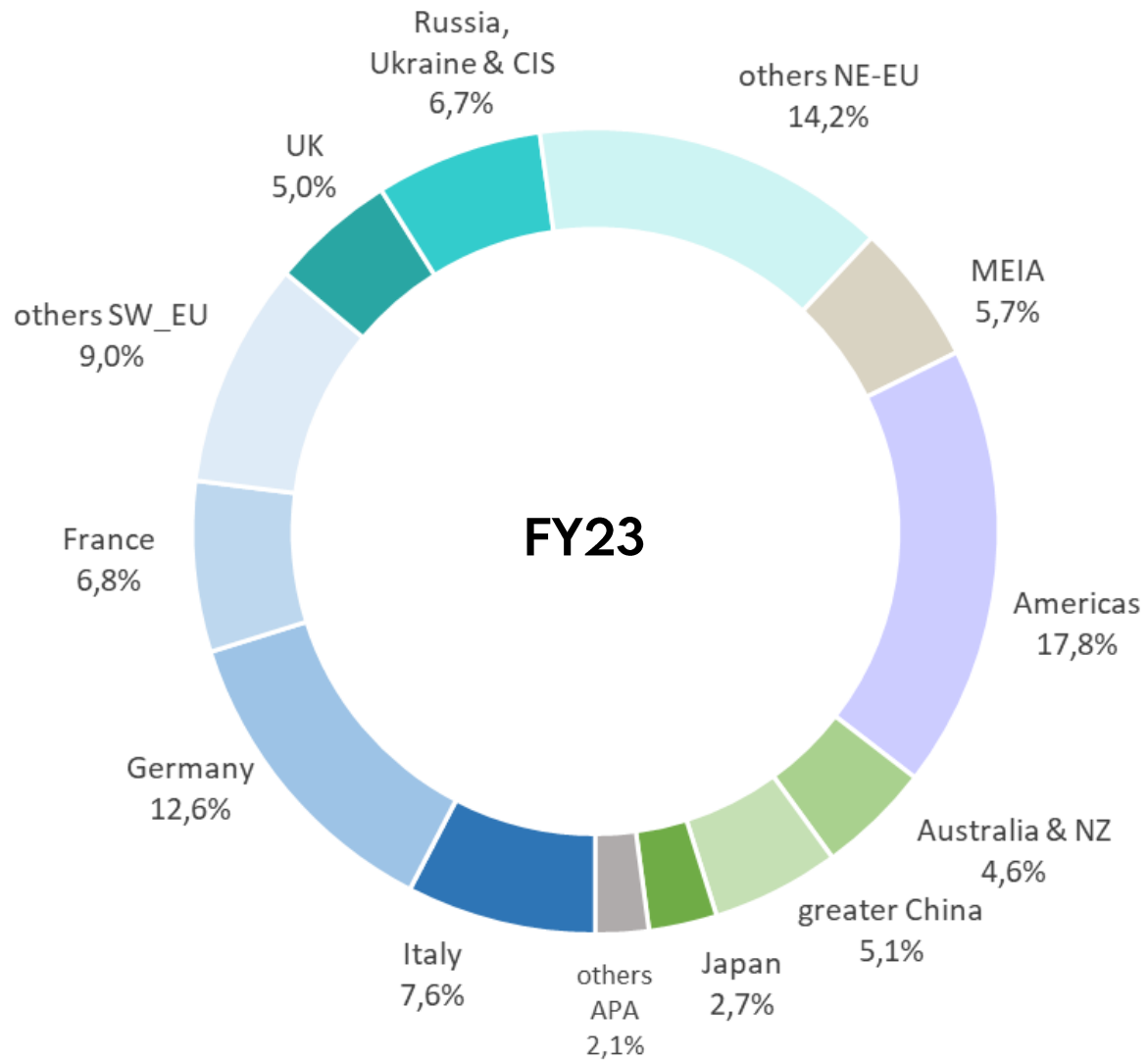
### REVENUES BY REGION

<i>EUR million</i>	2023	var. %	var. % at constant FX	Q4 2023	var. %	var. % at constant FX
South West Europe	1,109.4	-1.6%	-1.9%	404.3	10.3%	10.1%
North East Europe	797.6	6.8%	10.7%	294.9	11.9%	16.8%
<b>EUROPE</b>	<b>1,907.1</b>	<b>1.7%</b>	<b>3.1%</b>	<b>699.2</b>	<b>11.0%</b>	<b>12.9%</b>
<b>MEIA (MiddleEast/India/Africa)</b>	<b>174.4</b>	<b>-11.3%</b>	<b>-7.9%</b>	<b>44.4</b>	<b>6.2%</b>	<b>13.4%</b>
<b>Americas</b>	<b>547.0</b>	<b>-12.2%</b>	<b>-9.7%</b>	<b>183.7</b>	<b>-10.3%</b>	<b>-5.7%</b>
<b>Asia-Pacific</b>	<b>447.4</b>	<b>-3.6%</b>	<b>2.4%</b>	<b>150.7</b>	<b>-1.5%</b>	<b>4.8%</b>
<b>TOTAL REVENUES</b>	<b>3,075.9</b>	<b>-2.6%</b>	<b>-0.2%</b>	<b>1,078.1</b>	<b>4.7%</b>	<b>8.0%</b>

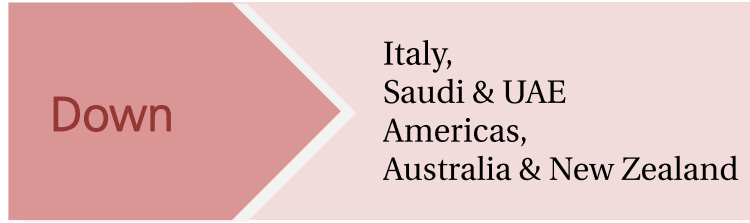
- **South-Western Europe** saw a partial decline in turnover in the year, however the area achieved high-single digit organic growth in the second half of the year. Germany and France saw turnover in the high teens in the fourth quarter;
- **North-Eastern Europe** recorded a substantial positive trend in 2023, with additional progress made in the last few months of the year, thanks to a significant expansion of the core product categories in the major markets;
- **MEIA** area had organic growth in the low teens in the fourth quarter, but it remained negative in the year due to macroeconomic conditions;
- in 2023 the result of the **Americas** area was significantly affected by the impact of the exit from the mobile air conditioning business, net of which the turnover would have been slightly lower than the previous year, with the coffee and nutrition and food preparation business is in positive territory in organic terms in the 12 months;
- finally, the **Asia Pacific** region achieved an expansion in turnover in organic terms over the twelve months, thanks to an acceleration in the second half of the year, which led to mid-single-digit organic growth in the fourth quarter.

# Q4 & FY 2023 RESULTS

## REVENUES BY MARKET (12 MONTHS)



### Main Ups & Downs (at constant FX)

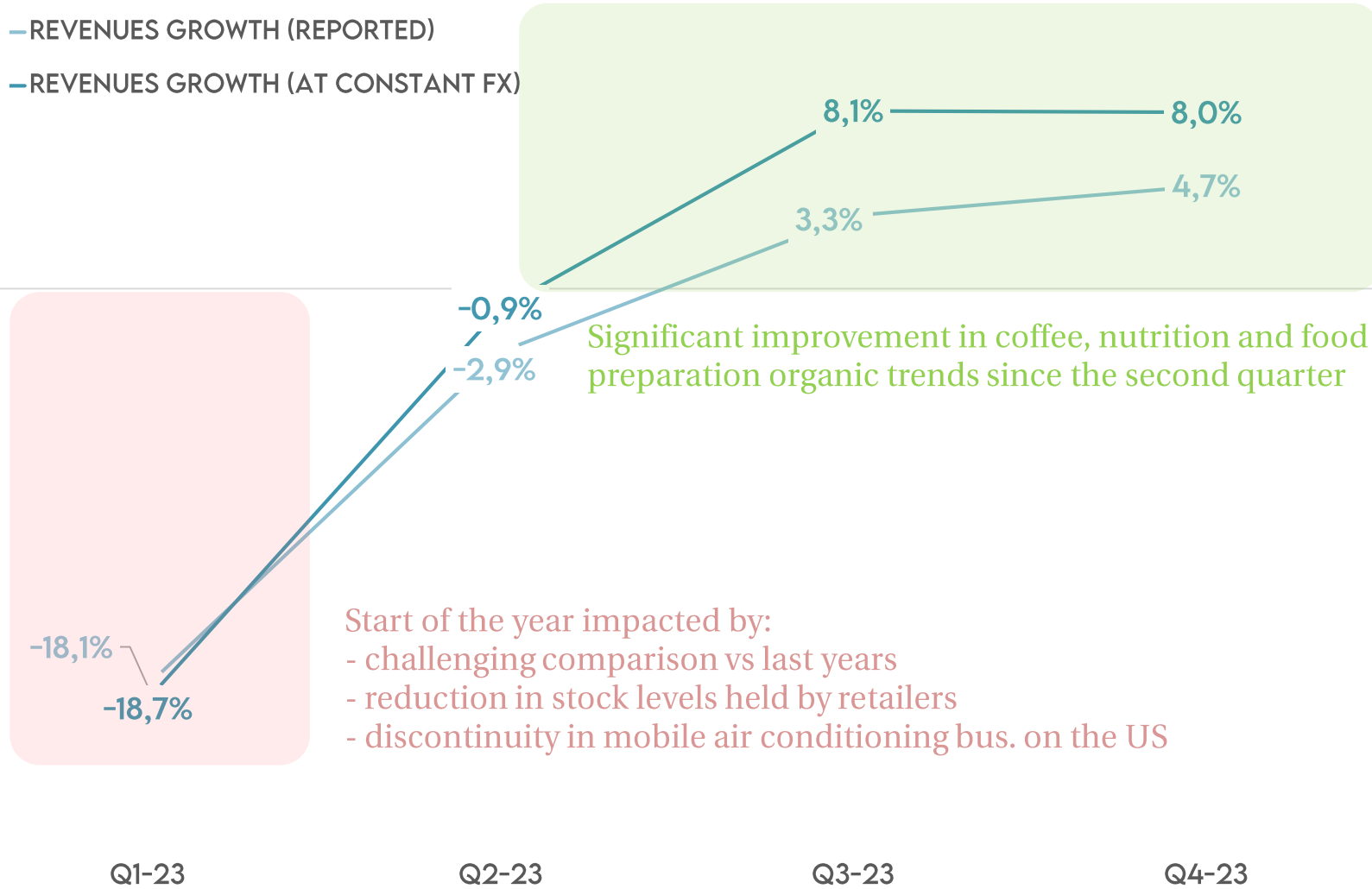


# Q4 & FY 2023 RESULTS

## REVENUES GROWTH BY QUARTERS

— REVENUES GROWTH (REPORTED)

— REVENUES GROWTH (AT CONSTANT FX)



Significant improvement in coffee, nutrition and food preparation organic trends since the second quarter

Start of the year impacted by:

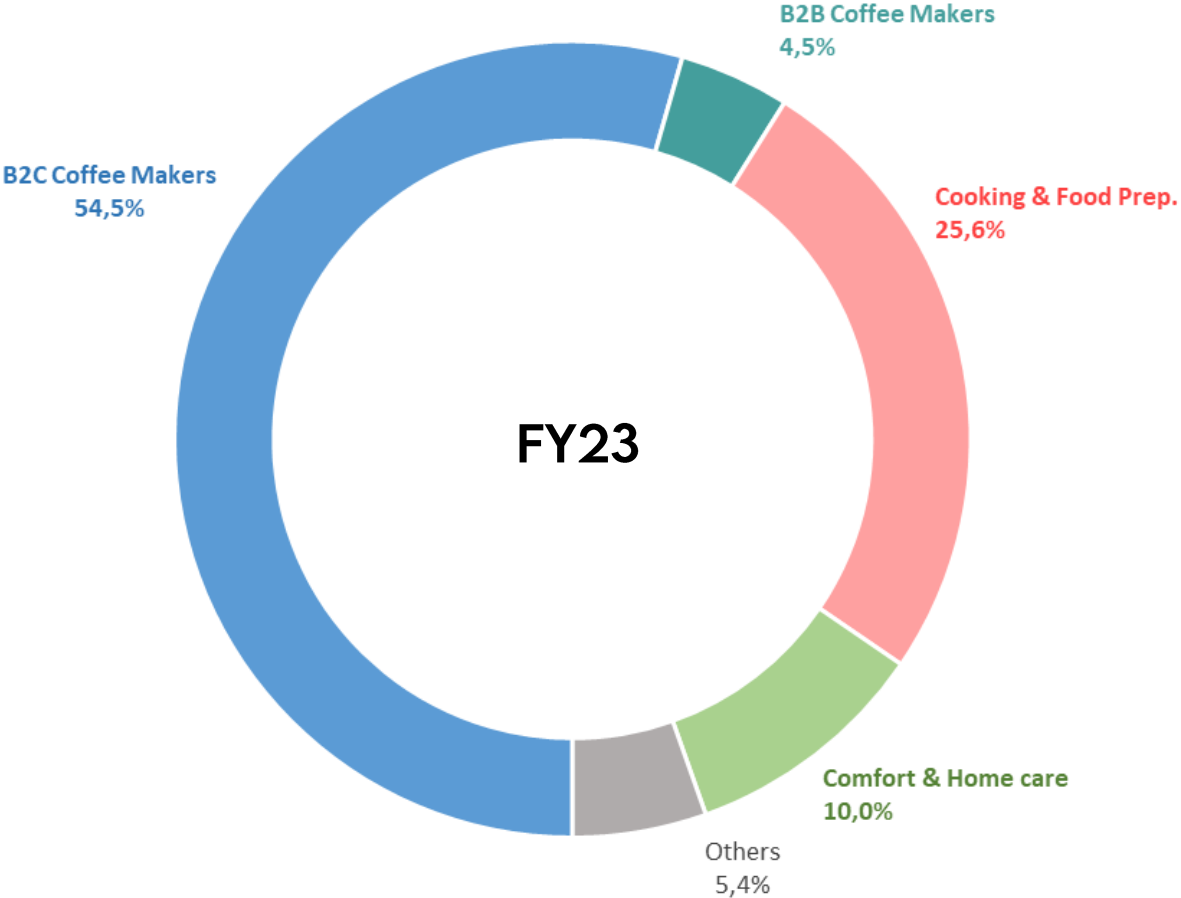
- challenging comparison vs last years
- reduction in stock levels held by retailers
- discontinuity in mobile air conditioning bus. on the US



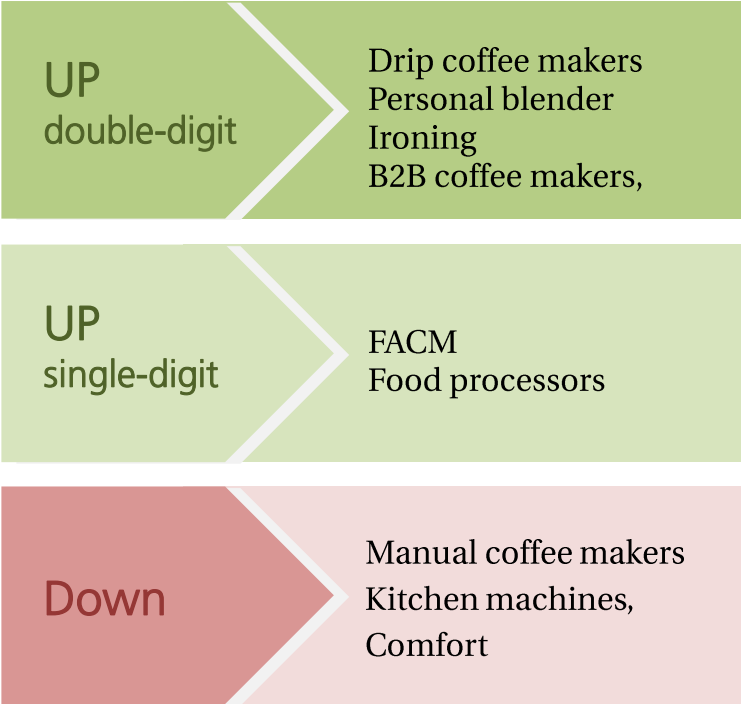


# Q4 & FY 2023 RESULTS

## REVENUES BY PRODUCT LINE (12 MONTHS)



### Main Ups & Downs (at constant FX)



## Q4 & FY 2023 RESULTS

### MARGINS

(Eur million)	2023	2022	change	change %	Q4-2023	Q4-2022	change	change %
<b>net ind. margin</b>	<b>1,504.3</b>	<b>1,493.3</b>	<b>11.0</b>	<b>0.7%</b>	<b>518.1</b>	<b>477.8</b>	<b>40.3</b>	<b>8.4%</b>
% of revenues	48.9%	47.3%			48.1%	46.4%		
<b>adjusted Ebitda</b>	<b>444.2</b>	<b>362.0</b>	<b>82.2</b>	<b>22.7%</b>	<b>179.1</b>	<b>150.0</b>	<b>29.1</b>	<b>19.4%</b>
% of revenues	14.4%	11.5%			16.6%	14.6%		
<b>Ebitda</b>	<b>437.8</b>	<b>369.4</b>	<b>68.4</b>	<b>18.5%</b>	<b>176.9</b>	<b>151.6</b>	<b>25.3</b>	<b>16.7%</b>
% of revenues	14.2%	11.7%			16.4%	14.7%		
<b>Ebit</b>	<b>329.6</b>	<b>263.5</b>	<b>66.1</b>	<b>25.1%</b>	<b>146.8</b>	<b>122.4</b>	<b>24.4</b>	<b>20.0%</b>
% of revenues	10.7%	8.3%			13.6%	11.9%		
<b>Net Income*</b>	<b>250.4</b>	<b>177.4</b>	<b>72.9</b>	<b>41.1%</b>	<b>108.2</b>	<b>78.0</b>	<b>30.2</b>	<b>38.7%</b>
% of revenues	8.1%	5.6%			10.0%	7.6%		

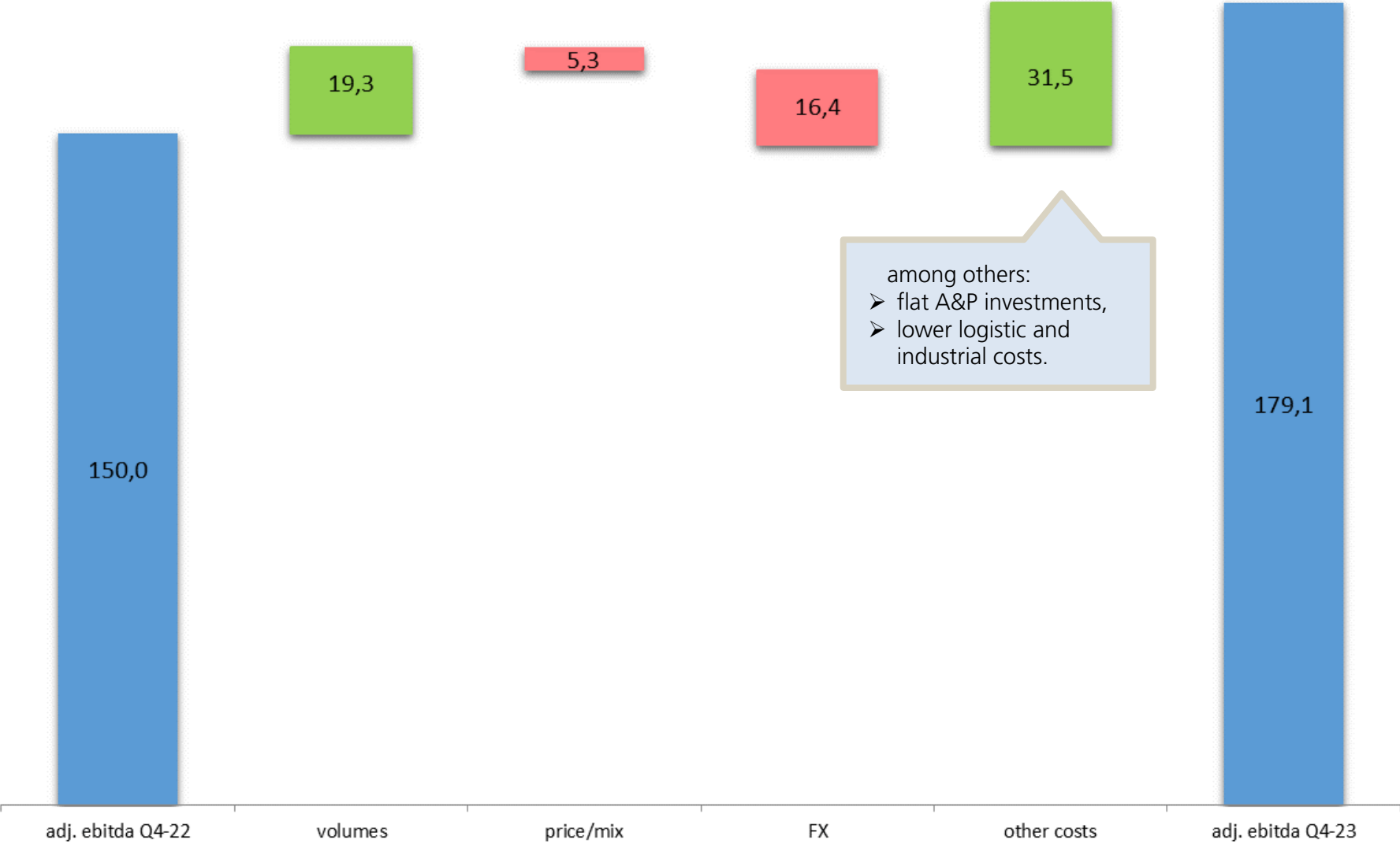
\* pertaining to the Group

- the **net industrial margin** stood at €1,504.3 million, which equals 48.9% of revenues, compared to 47.3% in 2022, benefiting from a positive effect of the price mix and an easing of inflationary pressures on product costs;
- **adjusted Ebitda** was €444.2 million, or 14.4% of revenues, a substantial increase from 2022 (at 11.5%). The constant increase in profitability achieved over the year was additionally contributed by partial savings from media and communication ("A&P") investments, which were achieved through improved spending effectiveness and more targeted use of assets and channels. The currency component had a negative impact.



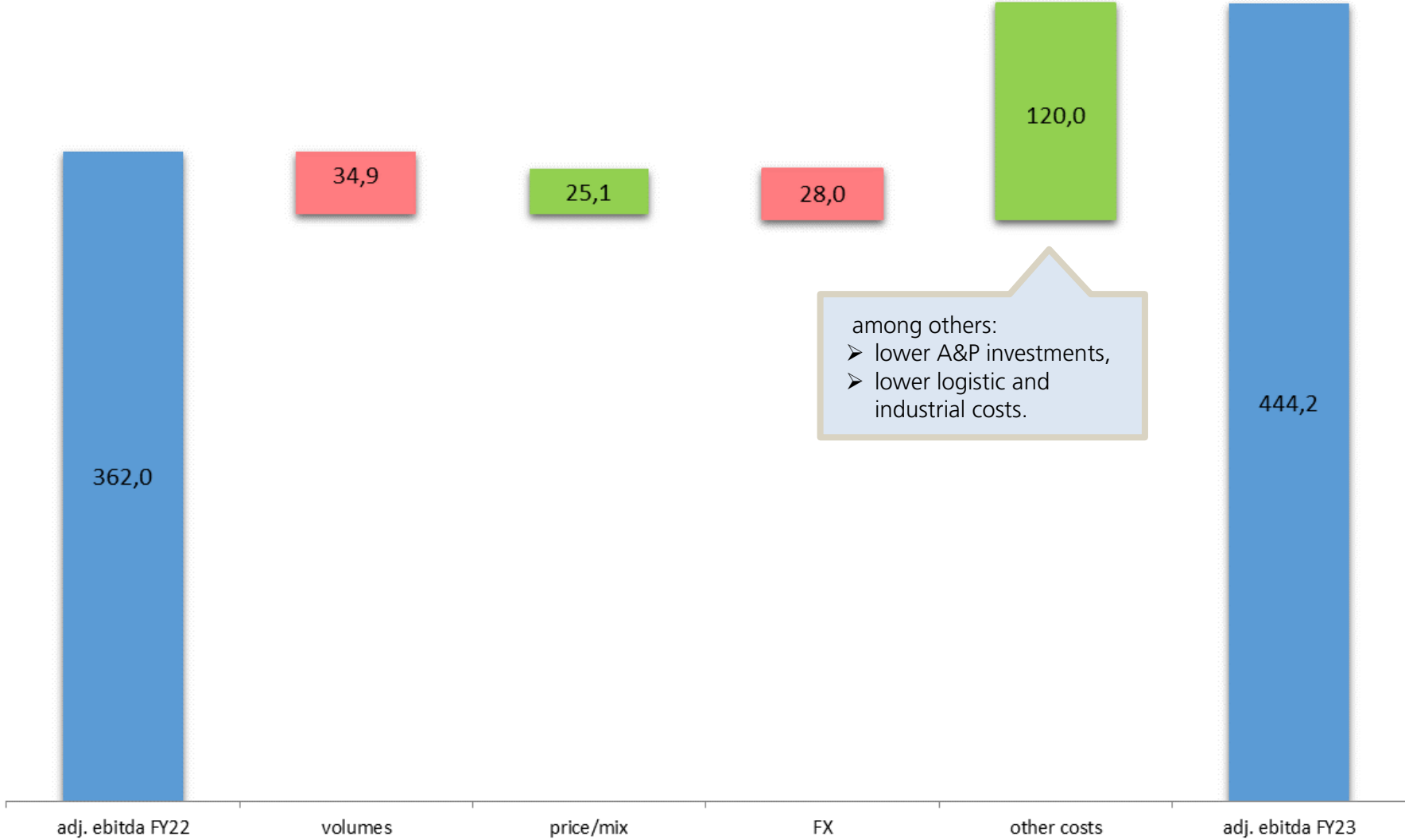
# Q4 & FY 2023 RESULTS

## BRIDGE TO ADJUSTED EBITDA (Q4 2023)



**Q4 & FY 2023 RESULTS**

**BRIDGE TO ADJUSTED EBITDA (FY 2023)**



among others:  
➤ lower A&P investments,  
➤ lower logistic and industrial costs.

## Q4 & FY 2023 RESULTS

### BALANCE SHEET

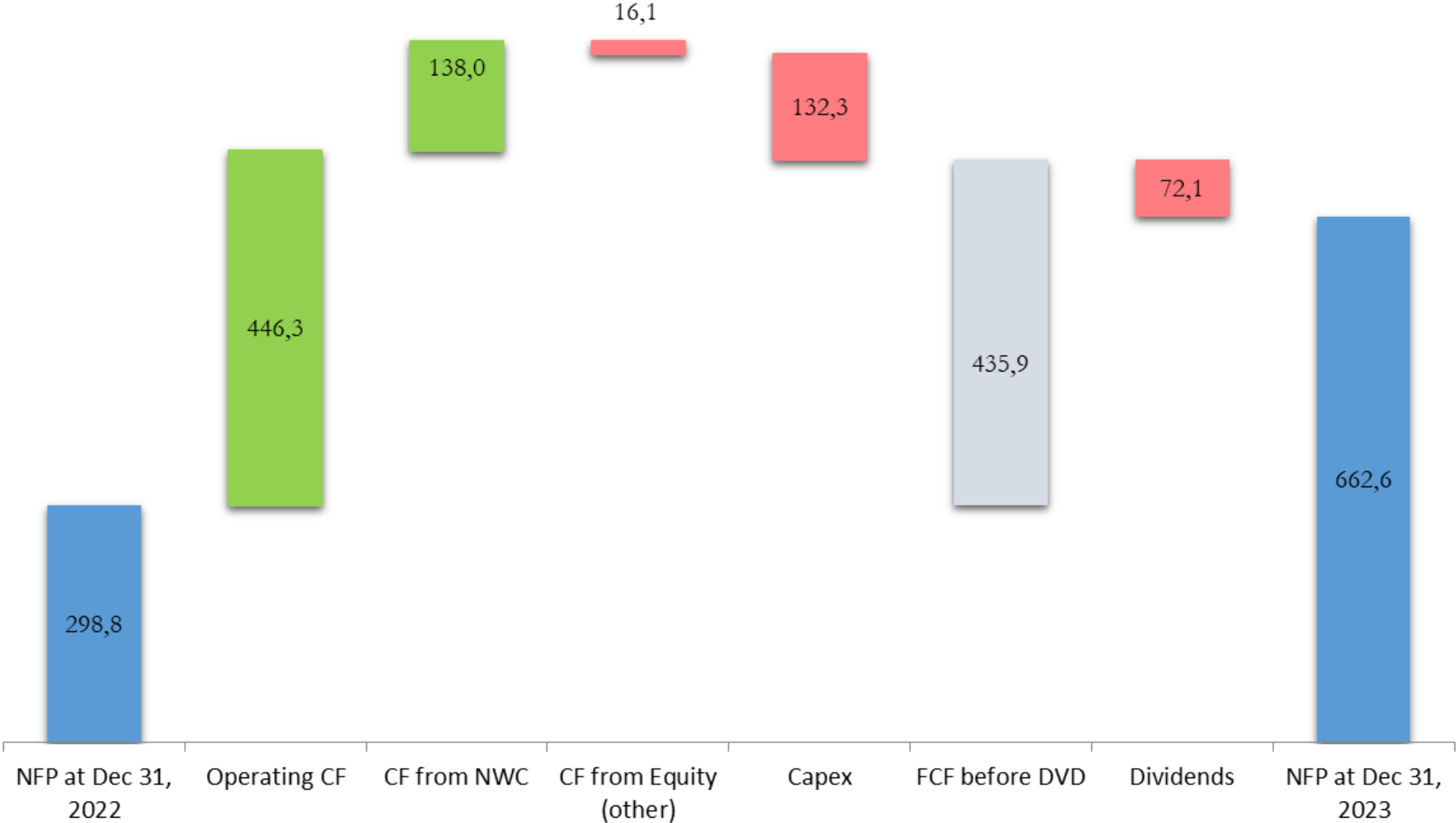
<i>EUR million</i>	Dec 31st, 23	Dec 31st, 22	<i>change 12 months</i>
<b>operating NWC</b>	<b>61.1</b>	<b>288.8</b>	<b>-227.7</b>
<b>operating NWC / Revenues</b>	<b>2.0%</b>	<b>9.1%</b>	<b>-7.2%</b>
<b>Net Financial Position</b>	<b>662.6</b>	<b>298.8</b>	<b>363.8</b>
<b>Net Bank Position</b>	<b>761.7</b>	<b>389.5</b>	<b>372.2</b>
<b>Net Equity</b>	<b>1,811.1</b>	<b>1,659.1</b>	<b>152.0</b>

- After achieving notable cash generation in the fourth quarter, the Group ended the 2023 financial year with a positive **Net Financial Position** of €663M, up €364M over the course of the year;
- **Free cash flow before dividends and acquisitions** totalled €436M over the 12 months;
- At the level of operating working capital (equivalent to 2% of revenues in the 12 months), we highlight: a further reduction in inventory compared to previous years; an almost steady level of receivables from customers; a significant increase in debts to suppliers compared to 2022.



**Q4 & FY 2023 RESULTS**

**NET CASH FLOW (FY2023)**



### KEY TAKEAWAYS

1

The Q4 showed a **high-single digit organic growth**, extending the improved trend already seen from Q2 and consolidating the phase of gradual post-pandemic normalisation.

2

The Group has reaffirmed its commitment to communication and innovation, which has been strengthened in recent months by the launch of the new "**Perfetto**" and "**Nutribullet: it's that simple**" campaigns.

3

**Net financial position** as at 31 December 2023 stood at 663 M€, an increase of €364 million over the previous year, thanks to significant cash generation in Q4.

4

During the year, margins improved significantly due to rigorous cost control, a careful investment strategy and partial easing of inflationary pressures on some industrial costs, allowing the 2022 decline to be quickly recovered.

## Q4 & FY 2023 RESULTS

### FY 2024 GUIDANCE

In the words of the C.E.O., Fabio de' Longhi:

*“In 2023, the Group once again demonstrated its ability to seize market opportunities, achieving organic growth at a high single-digit rate in the second half of the year, supported by its ongoing expansion of the coffee machines category and the path back to growth of the nutrition and food preparation sector.*

*During the year, margins improved significantly due to rigorous cost control and a careful investment strategy, allowing the 2022 decline to be quickly recovered.*

*These results enabled the Group to obtain significant cash generation (approx. €436 million before dividends), which was also strategically used in the establishment of the professional coffee hub with La Marzocco and Eversys for further strengthening its leadership in the market and for creating value for shareholders.*

*The Group's recent improvement in growth and profitability dynamics leads us to estimate a revenue growth in 2024, which includes the perimeter expansion with the business combination between La Marzocco and Eversys, in the 9%-11% range. In terms of margins, we expect an improvement for the new perimeter, potentially leading to an adjusted Ebitda of around €500-530 million.”*

**FY 2024  
Guidance\***  
(including the perimeter  
expansion)

**REVENUES up  
9% - 11% range**

+

**Adjusted EBITDA of  
around €500-530M**

\*Guidance on revenues and adj Ebitda estimated consolidating the business combination between La Marzocco and Eversys from March 1, 2024.





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