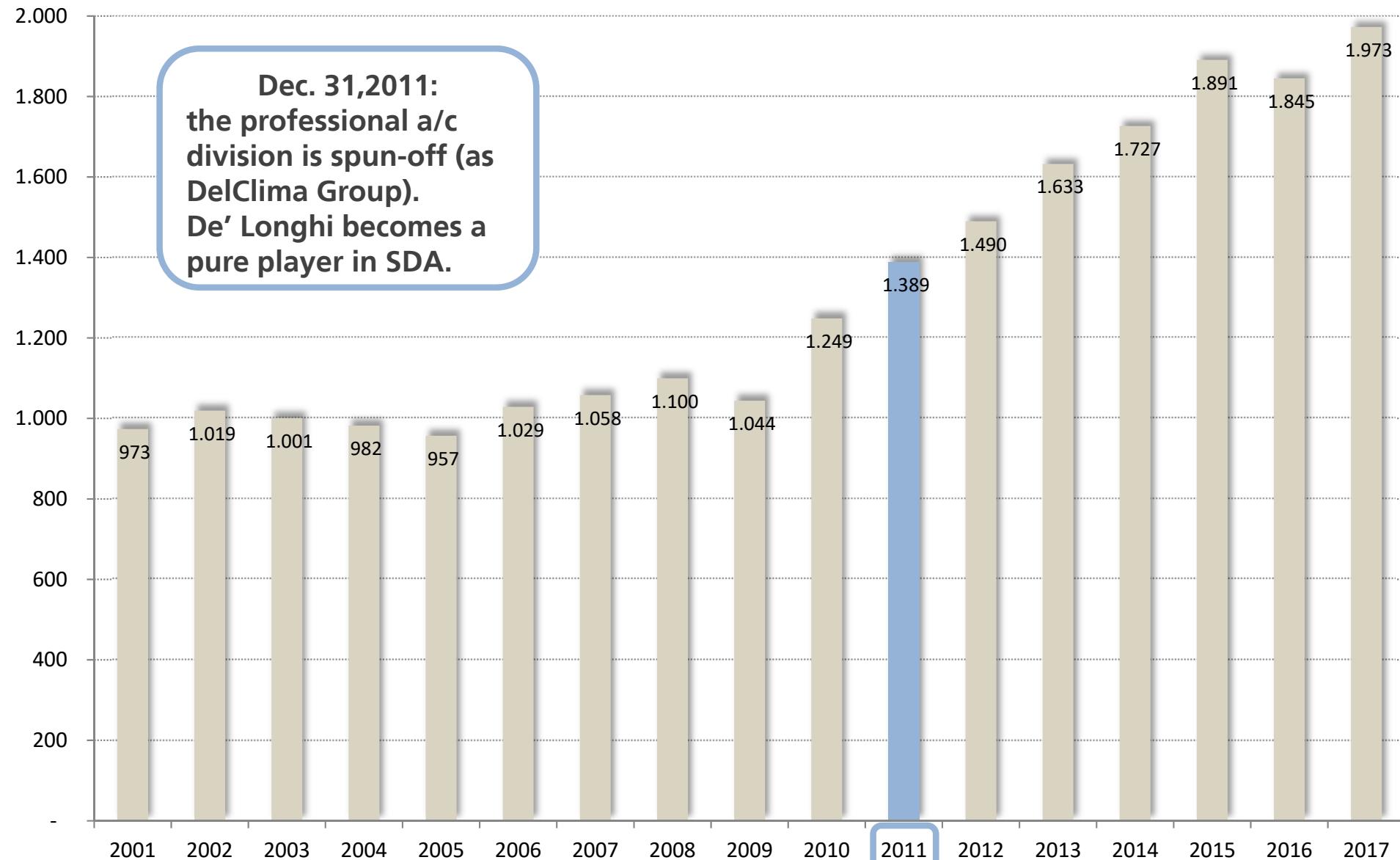




DēLonghi Group

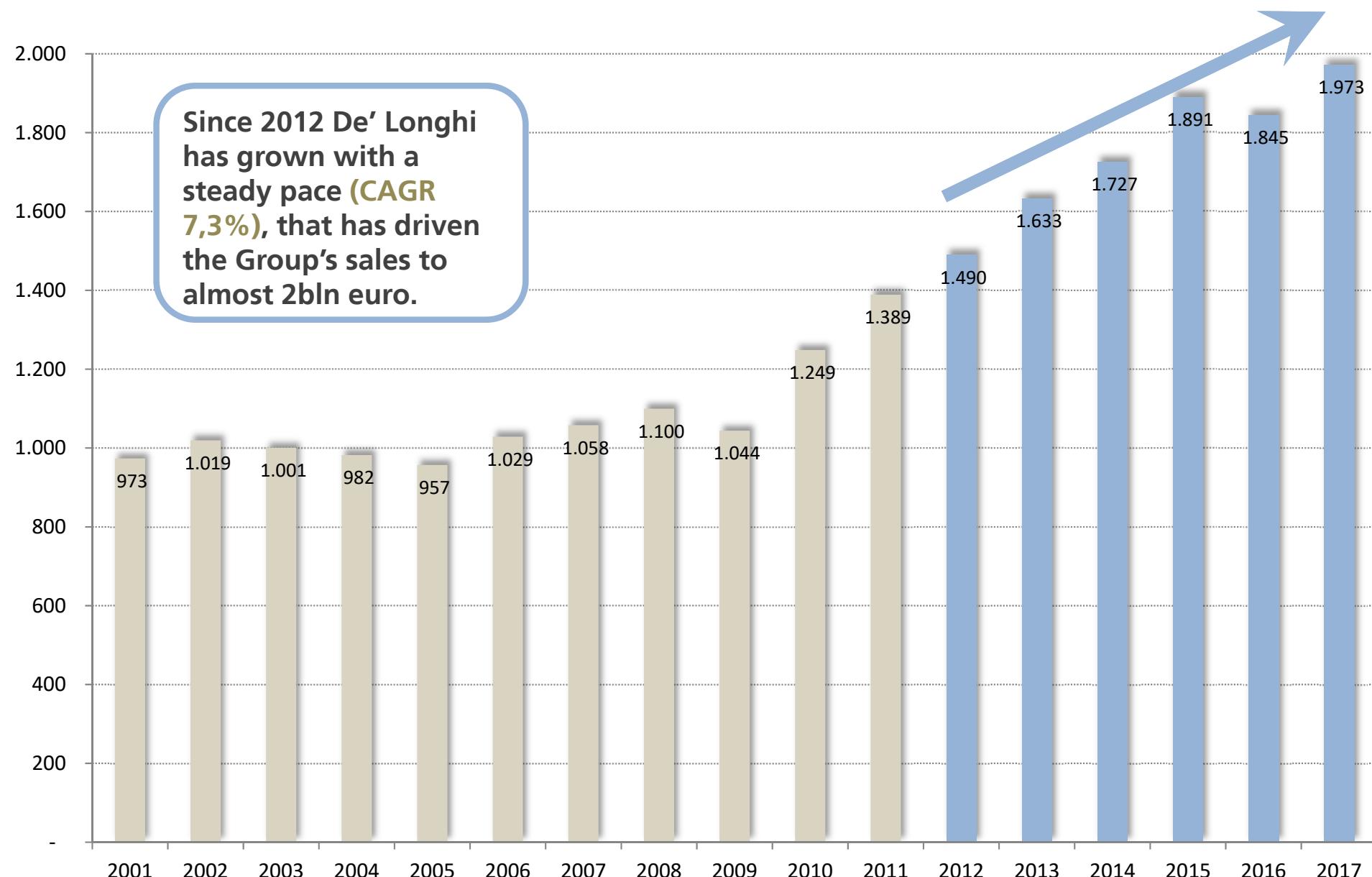
Pennyhill, December 3, 2018

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



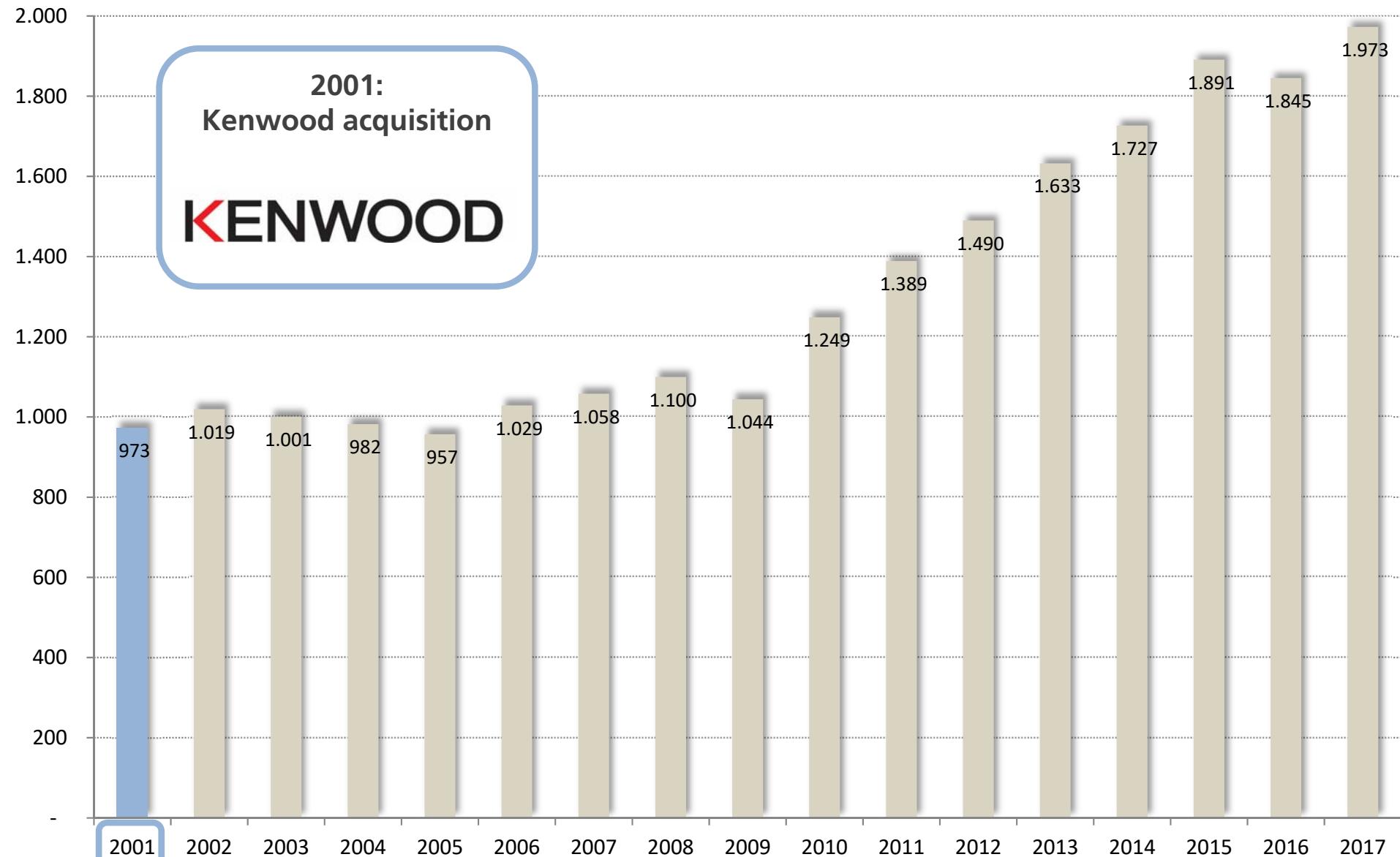
Source: Internal company analysis

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



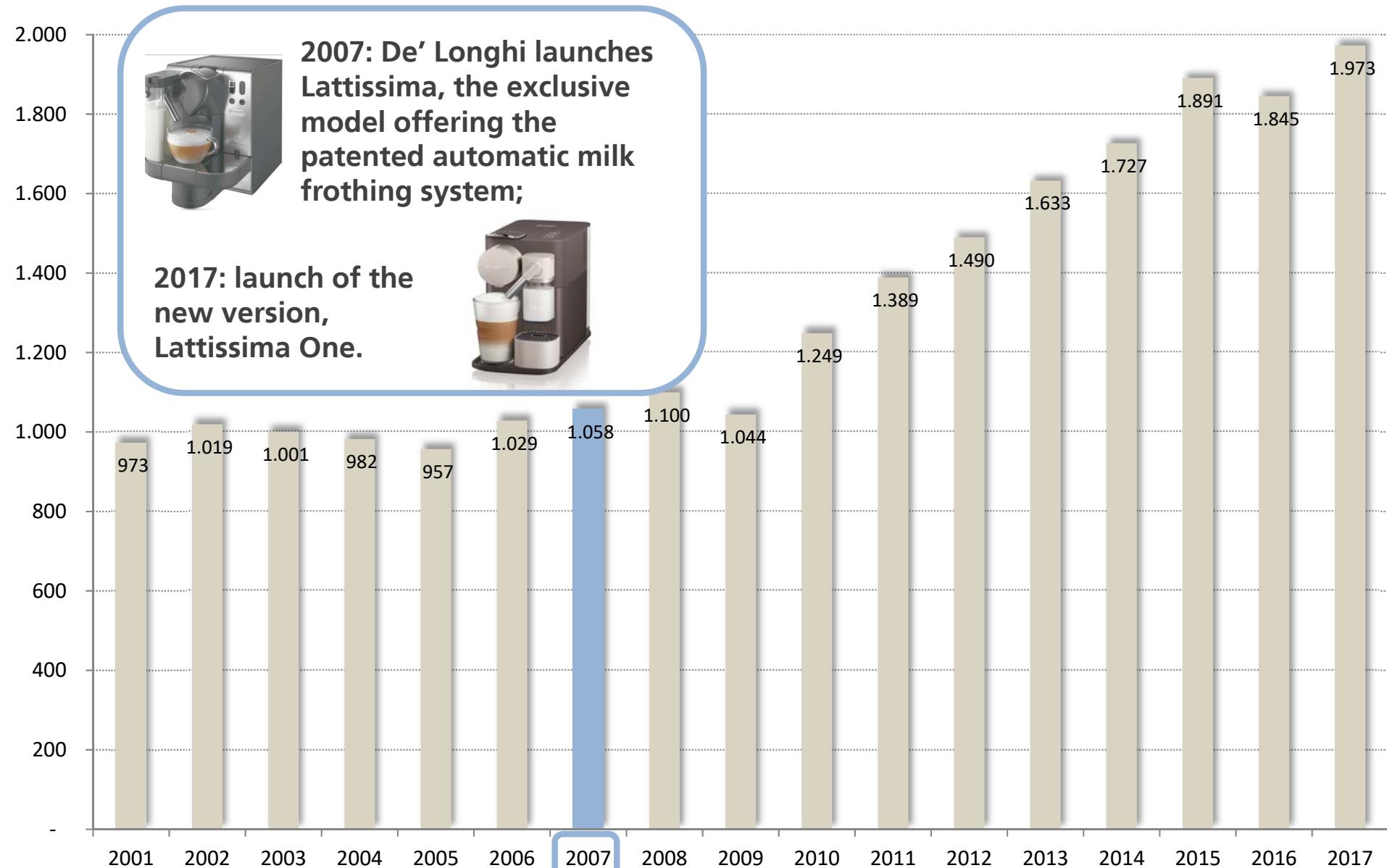
Source: Internal company analysis

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



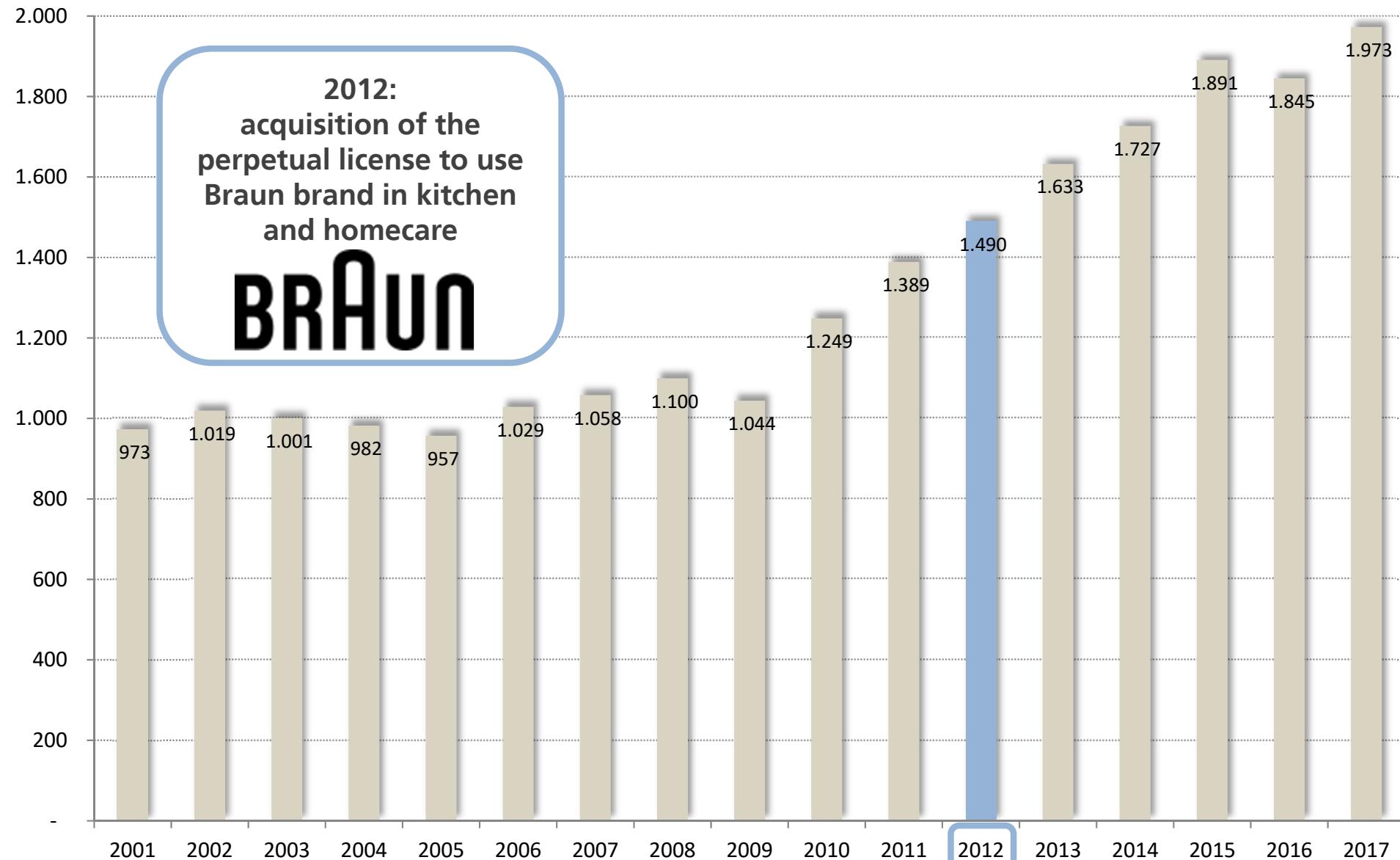
Source: Internal company analysis

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



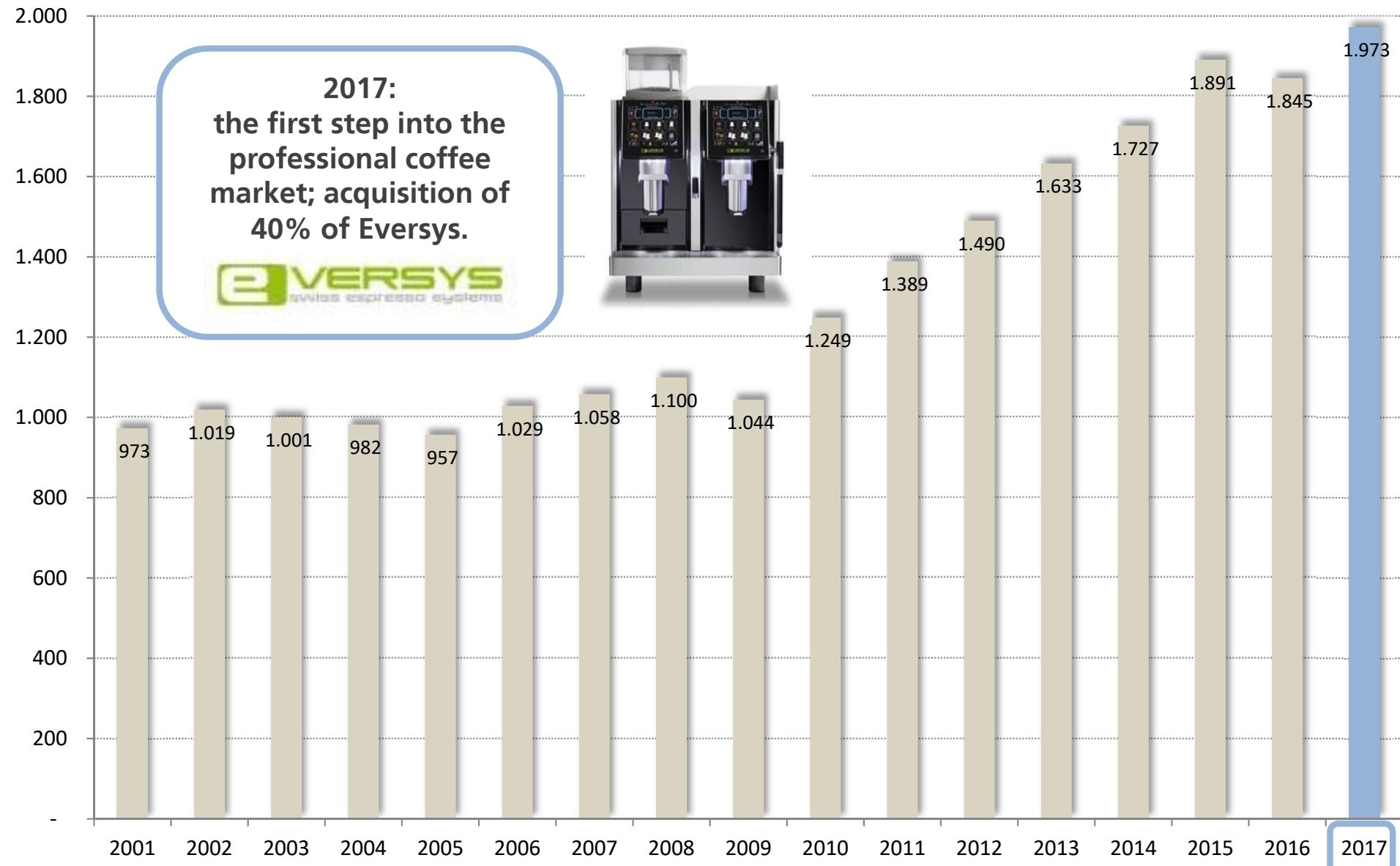
Source: Internal company analysis

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



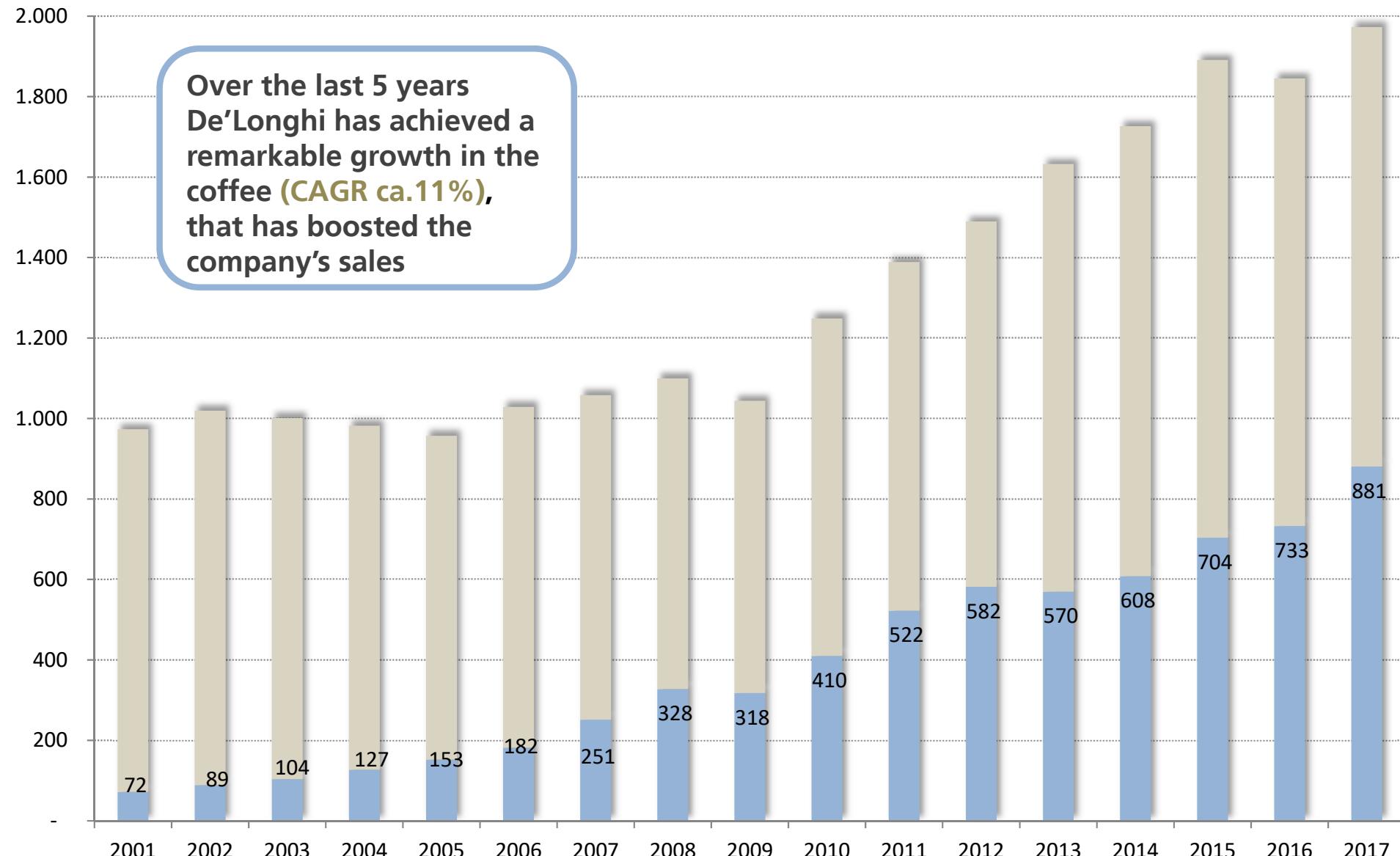
Source: Internal company analysis

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



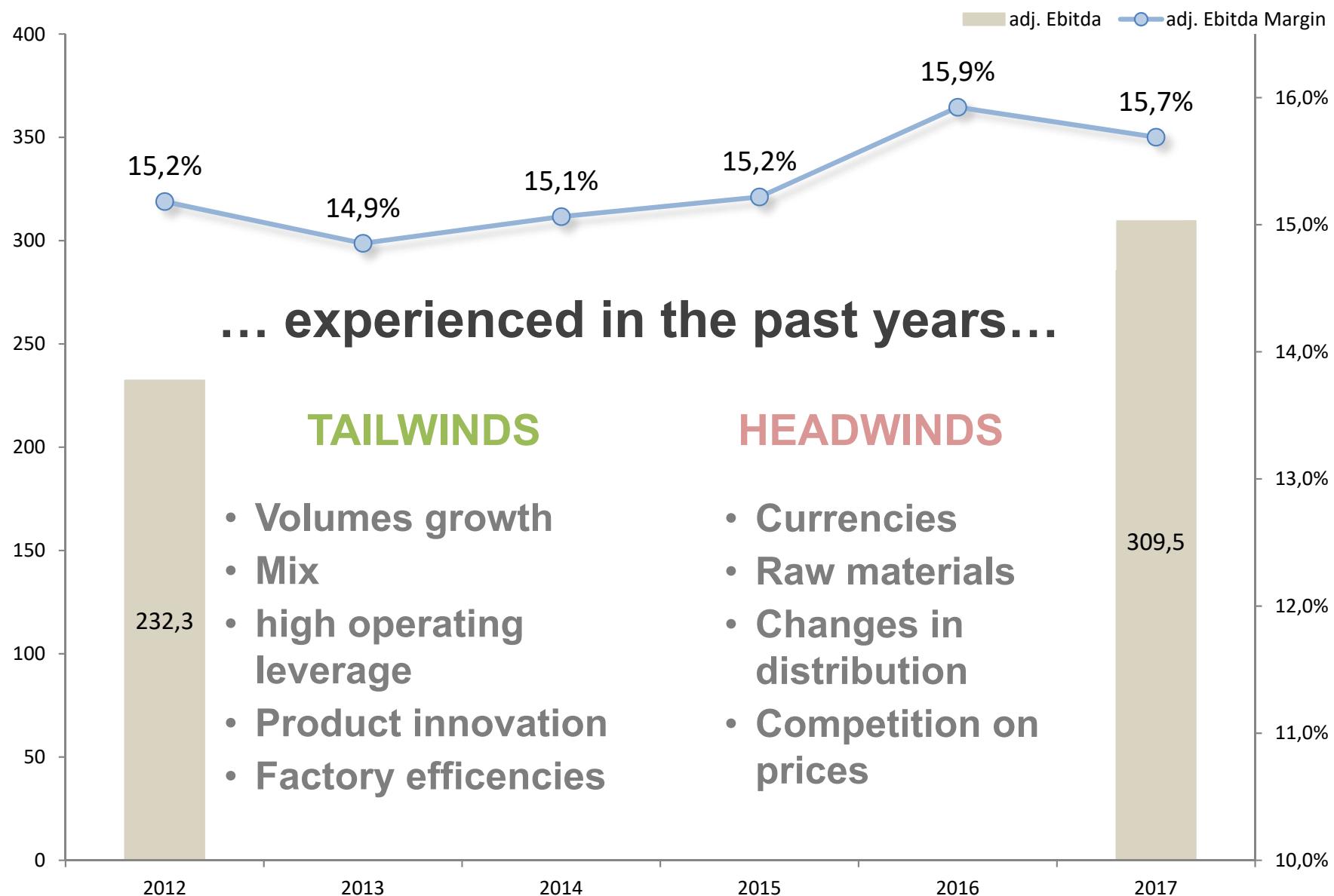
Source: Internal company analysis

THE KEY MILESTONES THAT BOOSTED GROUP'S GROWTH



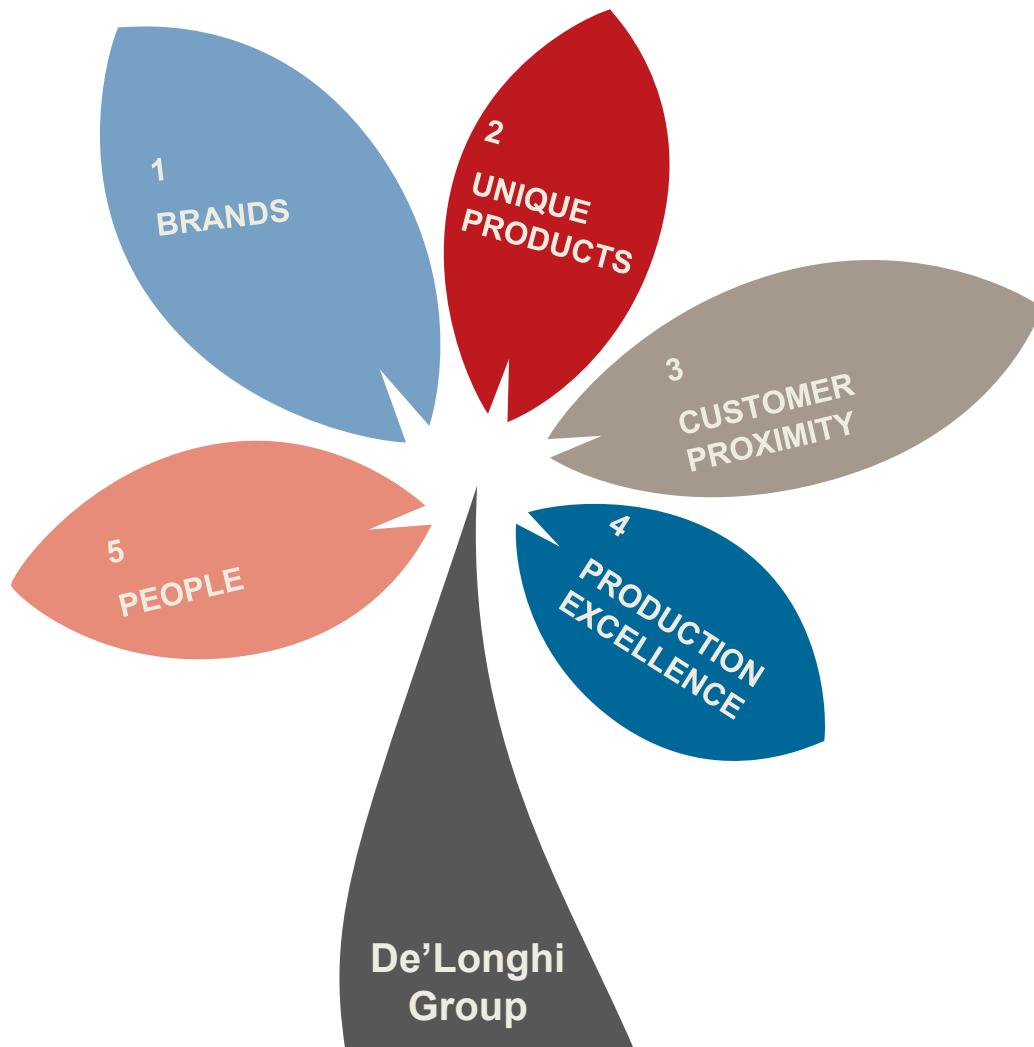
Source: Internal company analysis

PROFITABILITY



Source: Internal company analysis; Adjusted stands for before non recurring items, inputed costs of the stock options plan and the related tax effect.

THE VALUE PILLARS



THE VALUE PILLARS

THE BRANDS

A strong brand portfolio comprising **two global specialist brands** (De'Longhi and Kenwood), **one global generalist brand** (Braun) and a **regional brand** (Ariete).



Italian Style

Quality: Reliable
Innovation: Performance
Design: Distinctive



British Heritage

Quality: Durable
Innovation: Know how
Design: Simple



German Heritage

Quality: Iconic
Innovation: Design-led
Design: Cutting edge



Smart Solutions

Quality: Value for money
Innovation: Easy to use
Design: Fun

THE VALUE PILLARS

UNIQUE PRODUCTS

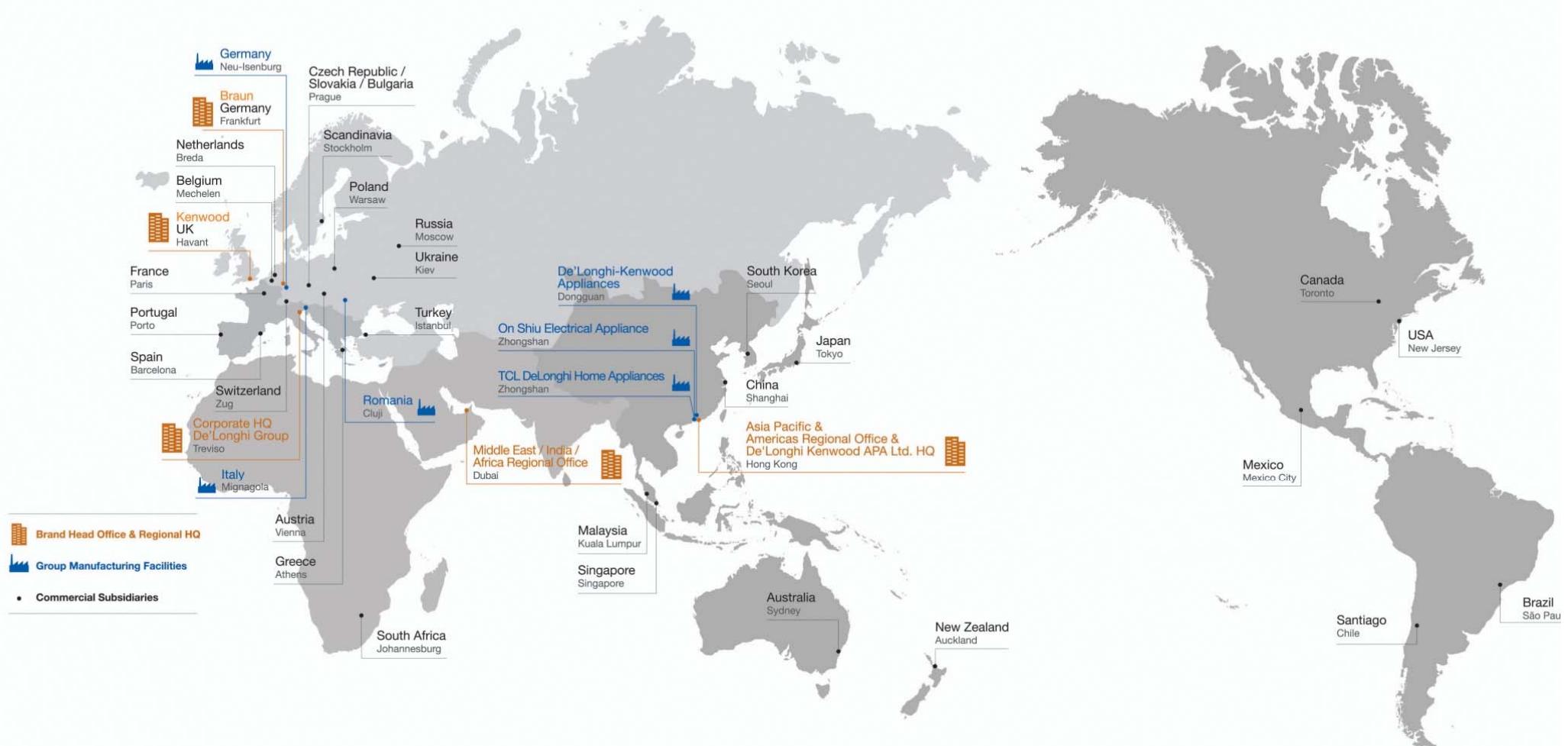
The Group's brands enjoy a clear **global leadership** in its core product segments.



THE VALUE PILLARS

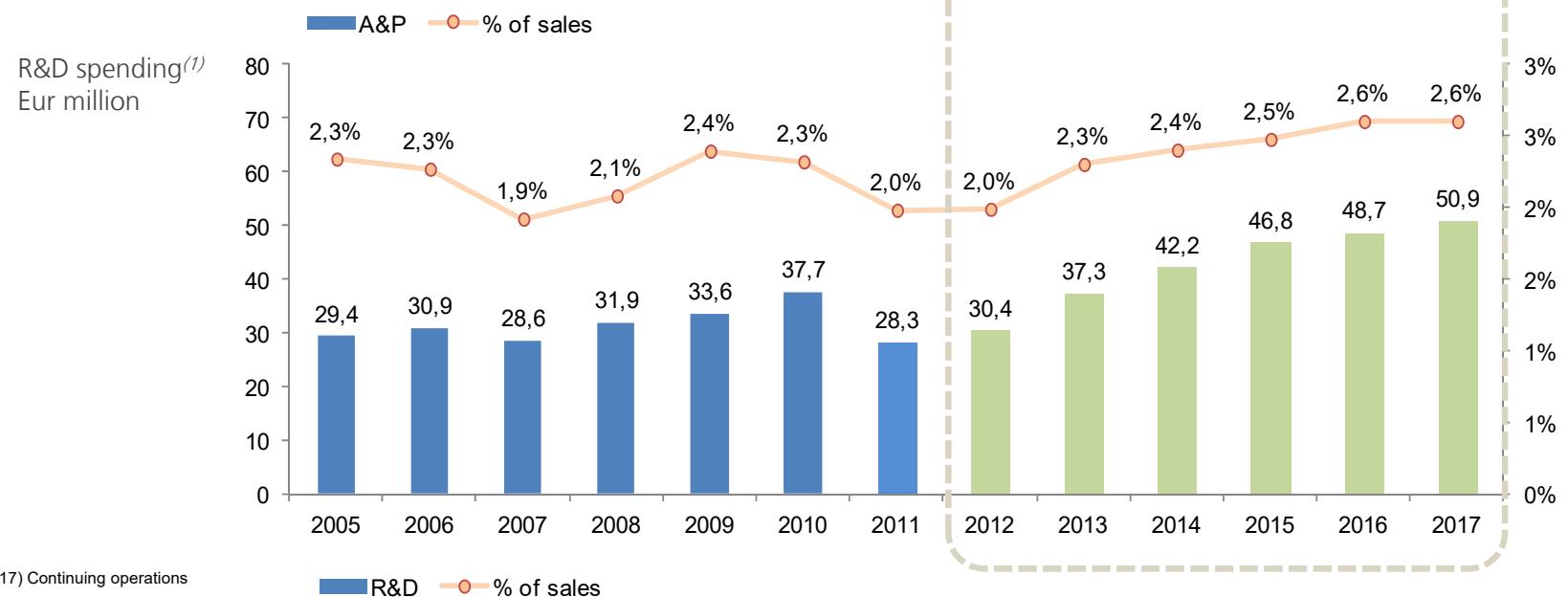
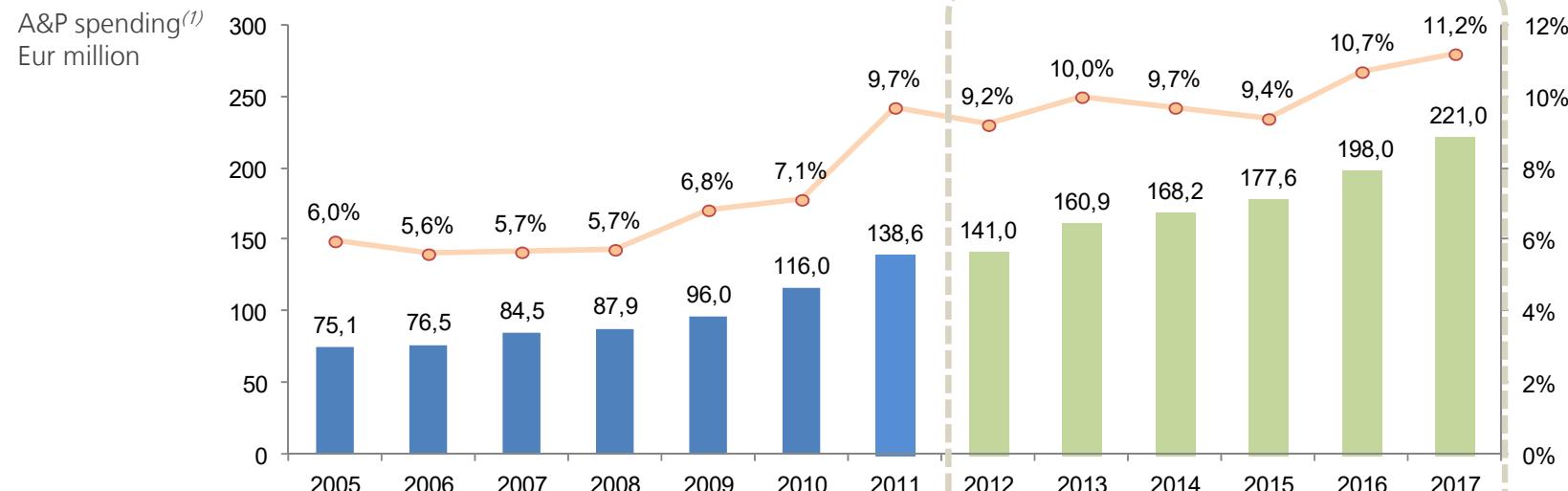
AN EXTENSIVE DIRECT PRESENCE

Commercial subsidiaries develop their respective markets, including relationship with retailers, distribution and customer care



THE VALUE PILLARS

EXCELLENCE IN INNOVATION



(2016/17) Continuing operations

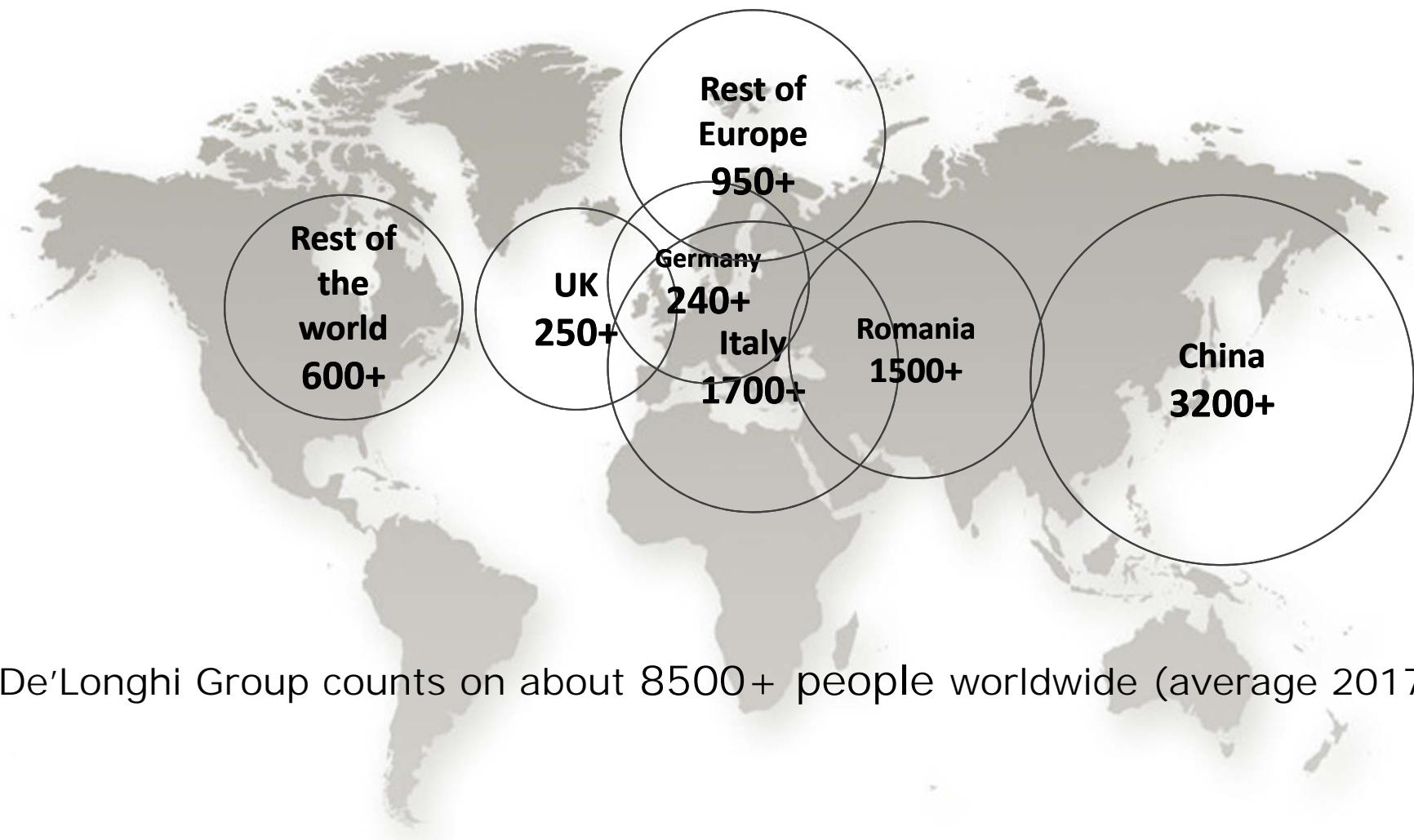
THE VALUE PILLARS

PEOPLE



THE VALUE PILLARS

PEOPLE



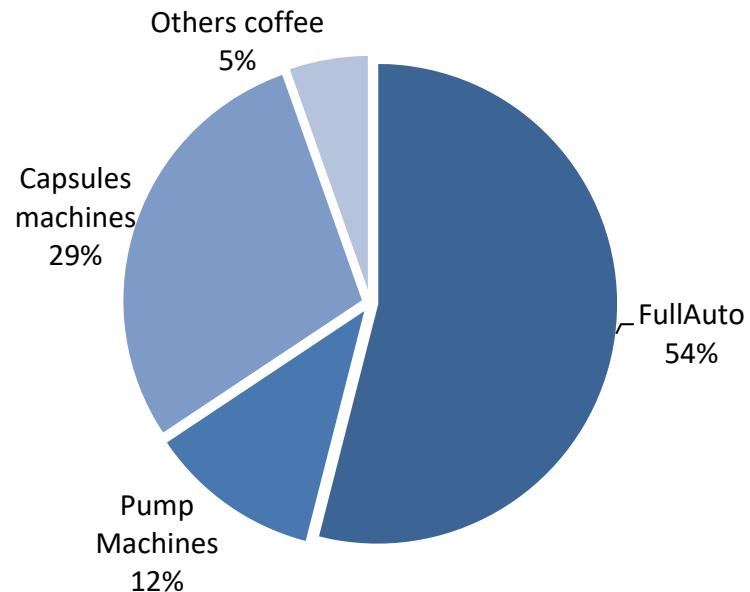
De'Longhi Group counts on about 8500+ people worldwide (average 2017)

Coffee Makers



DE' LONGHI REVENUE SEGMENTATION BY PRODUCT (FY2017)

COFFEE MAKERS



- CAGR 2007 – 2017: 13,4%
- 45% of total sales



De'Longhi

N.1
IN FULL AUTOMATIC
COFFEE MAKERS*



De'Longhi

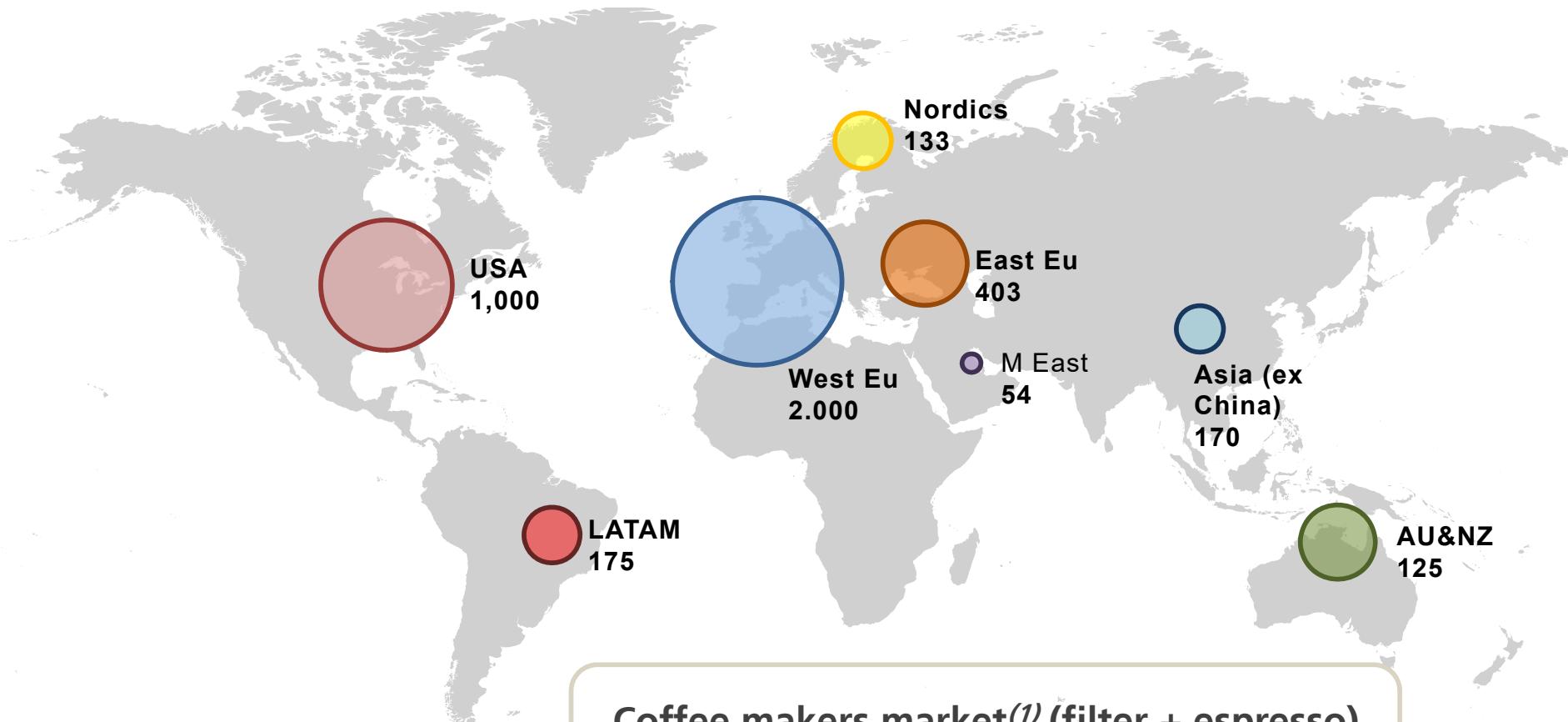
N.1
IN PUMP
TRADITIONAL CM*



NESPRESSO

N.2
IN SINGLE SERVE
ESPRESSO *

COFFEE MAKERS OVERVIEW



Sales (Eur mln), 2017

(1) Internal company data. Data shown are in value. USA data not perfectly comparable due to different sources

COFFEE MAKERS OVERVIEW

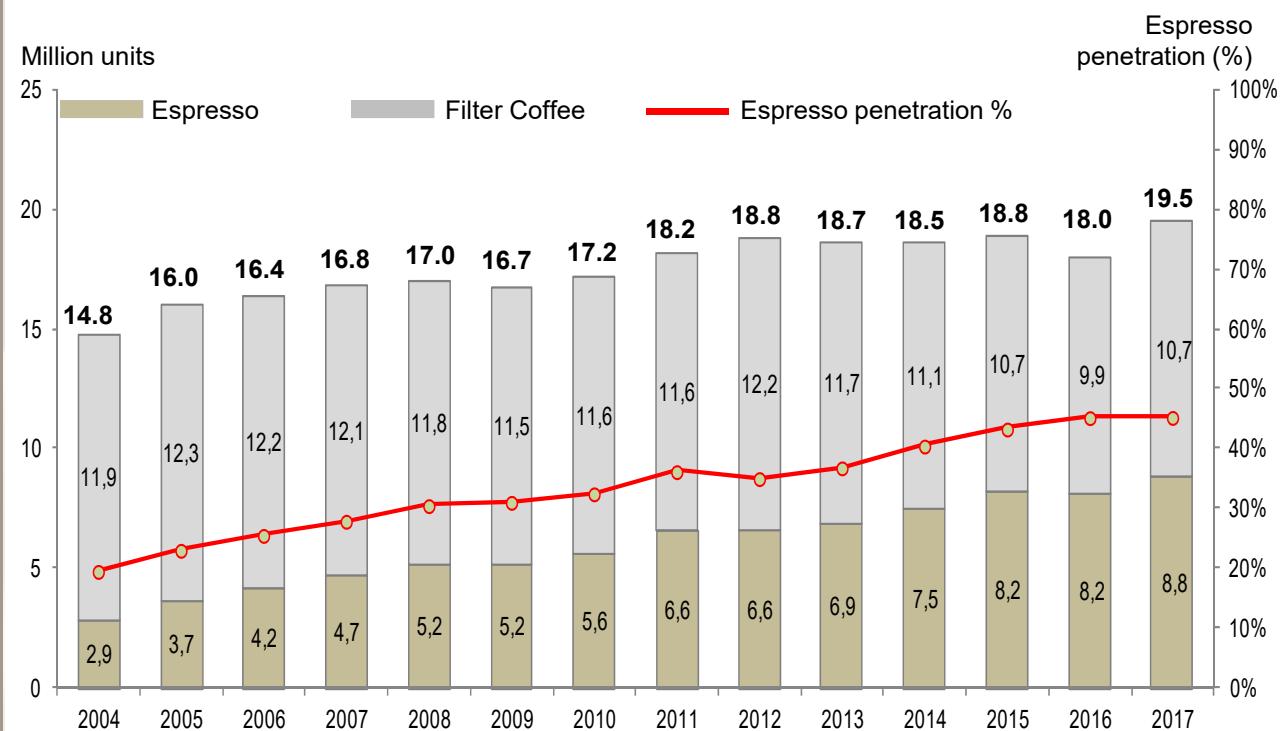
INCREASING PENETRATION

Filter coffee machine units sold decreased over the 2004-2017 period (CAGR -1%), compared to espresso 10yr CAGR of 9%.

Out of 19.5m coffee machines sold in West Europe in 2017, **espresso penetration on annual units sold is still only at 45%** (but growing).

Outside Europe, the espresso story is only just starting.

Espresso + filter coffee West Europe trend (units) ⁽¹⁾



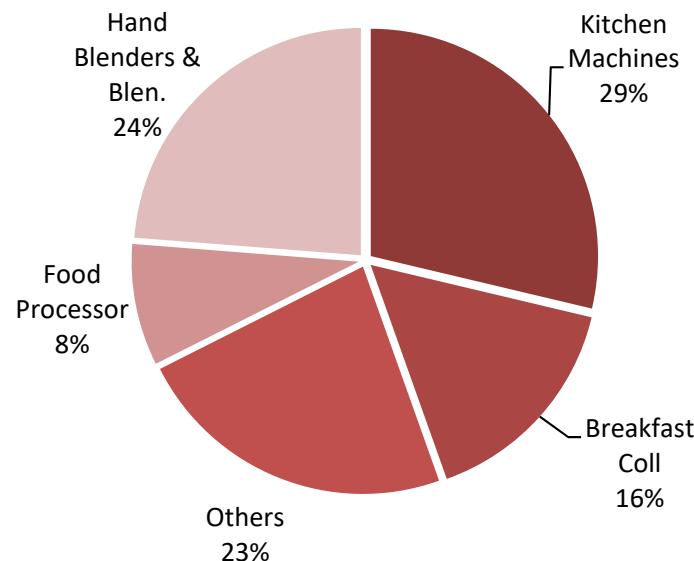
(1) Internal company data

Food Preparation



DE' LONGHI REVENUE SEGMENTATION BY PRODUCT (FY2017)

FOOD PREPARATION



- CAGR 2007 – 2017: 4,6%
- 33% of total sales



KENWOOD

N.1
IN KITCHEN MACHINES
in Europe*



BRAUN

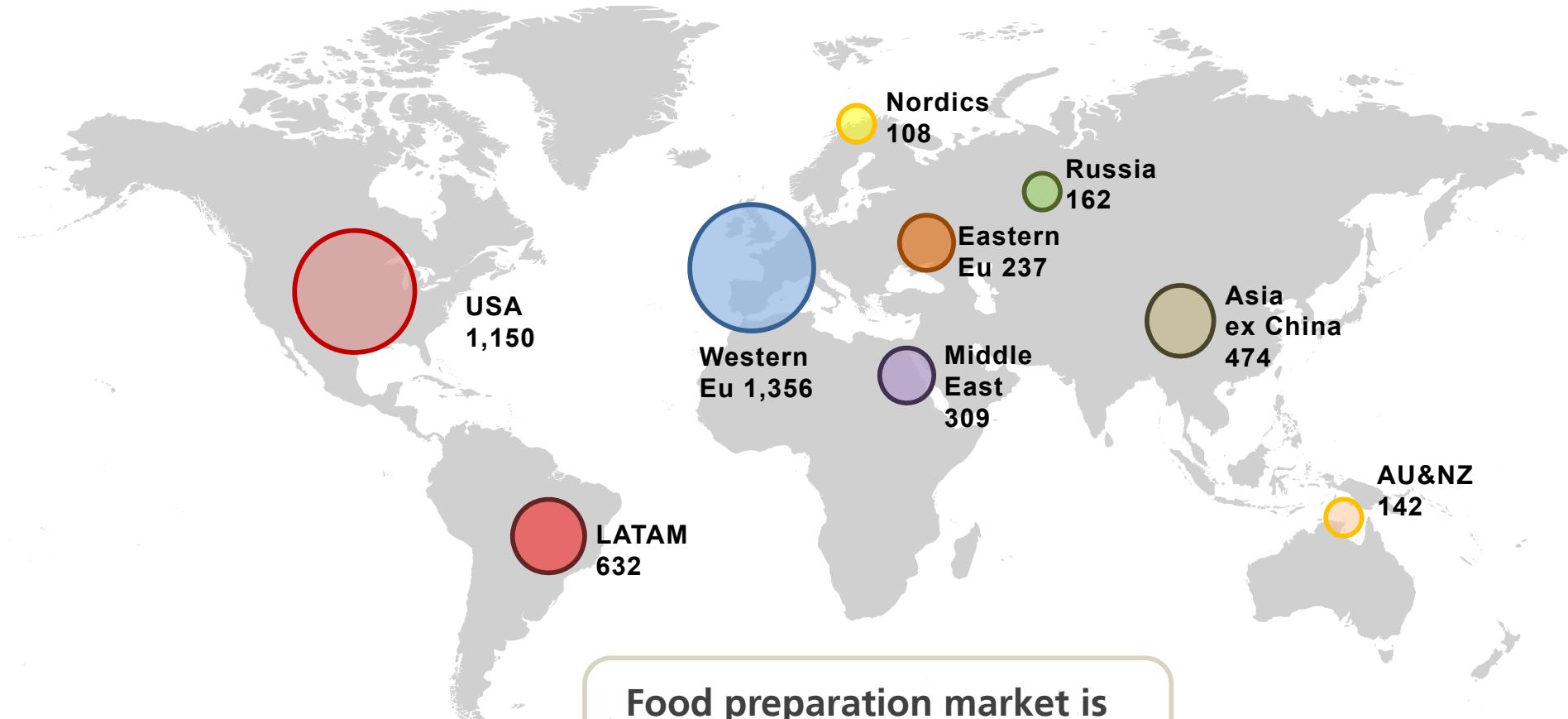
N.1
IN HAND BLENDER
Brand* *



KENWOOD

N.1
IN FOOD PREPARAT.
in Europe*

FOOD PREPARATION OVERVIEW



Food preparation market is
estimated at ca. 4.2 bln €.

Sales (Eur mln), 2017

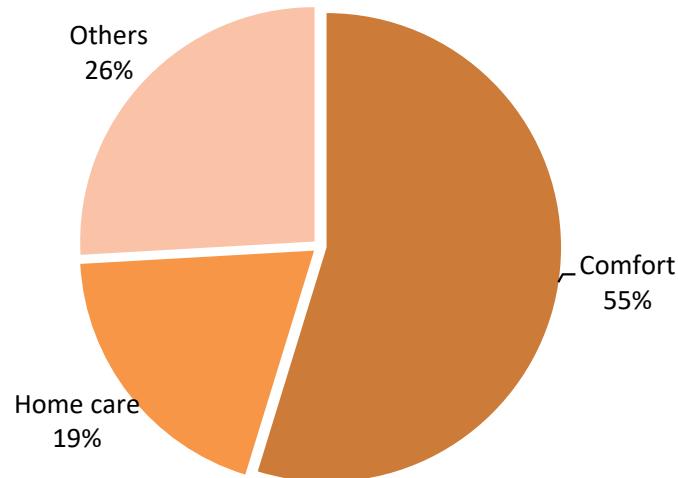
Source: Internal company data. Asia Pacific does not include China and India, USA data not perfectly comparable due to different source.



Home Care & Comfort

DE' LONGHI REVENUE SEGMENTATION BY PRODUCT (FY2017)

COMFORT & HOME CARE APPLIANCES



- CAGR 2007 – 2017: 1,2%
- 22% of total sales



BRAUN



De'Longhi



De'Longhi

N.1
IN PORTABLE AIR
CONDITIONERS*



DēLonghi Group

9 months 2018 results



KENWOOD

BRAUN

Ariete®

Definitions & assumptions

In this presentation:

- **Continuing Operations** identify the consolidated perimeter excluding NPE s.r.l.;
- **ForEx** or **FX** stand for Foreign Exchange Rates;
- **Organic** stands for effect net of ForEx and hedging derivatives;
- **Adjusted** stands for “before non recurring items and inputed costs of the stock option plan”
- **Q3** stands for third quarter (June 30 – September 30), **9M** stands for first nine months (January 1 – September 30), **FY** stands for full year (January 1 – December 31);
- “**M**” stands for million and “**bn**” stands for billion.

9M 2018 RESULTS ("continuing operations")

HIGHLIGHTS

In the 9 months:

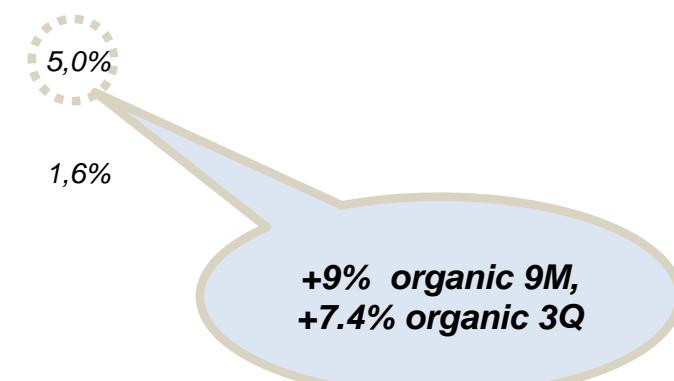
- **Revenues** up 5% to € 1,300.3 million (+ 9% organic), driven by coffee makers (+16.8% organic);
- **Adjusted EBITDA**, in organic terms, up to € 165.1 million equal to 12.3% of revenues (€ 152.6 M and 12.4% in 2017);
- **Net Financial Position** positive by € 54.5 M, after dividends of € 149.5 M;
- as expected, profitability impacted by headwinds of raw material cost, negative price effect and currency effect.

In Q3:

- at constant exchange rates, **adjusted EBITDA margin** improved from 12.1% to 12.4%.

9M 2018 RESULTS ("continuing operations")

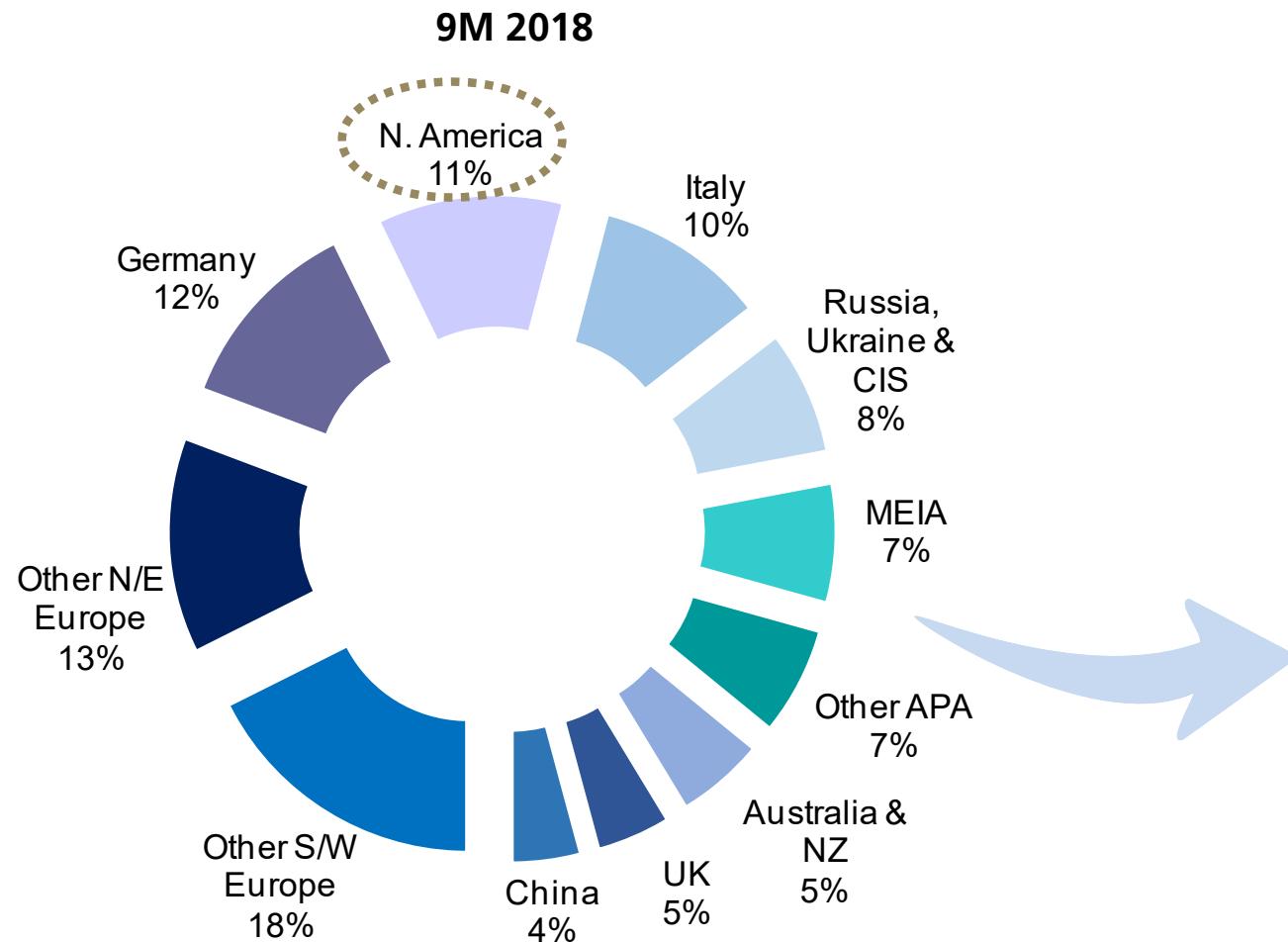
SALES AND NET INDUSTRIAL MARGIN

	EUR million	9M-2018	9M-2017	change	change %	
Revenues		1.300,3	1.238,4	62,0	5,0%	
Net Ind. Margin		617,6	607,7	9,9	1,6%	
% of sales		47,5%	49,1%	-1,6 pp		

- The Q3 revenues grew by 5.7%, but net of the negative currency impact, the organic growth would have been +7.4%;
- the favorable growth trend of the coffee segment was confirmed, led by full-auto and manual machines;
- the net industrial margin was under pressure due to higher raw material prices (as expected), currency effects and prices repositioning in certain high-growth markets.

9M 2018 RESULTS ("continuing operations")

REVENUES BREAKDOWN BY MARKET



- In the 9M, at an organic level, all macro regions have grown;
- USA became the second market of the Group (after Germany).

9M 2018 RESULTS ("continuing operations")

REVENUES BREAKDOWN BY MARKET

EUR million	9M 2018	chg. %	organic chg. %	3rd Q 2018	chg. %	organic chg. %
South West Europe	520,6	2,5%	3,4%	168,1	-1,2%	-0,3%
North East Europe	327,2	8,8%	14,3%	123,0	8,8%	14,8%
EUROPE	847,8	4,8%	7,4%	291,1	2,8%	5,7%
APA (Asia/Pacific/Americas)	357,9	6,6%	13,0%	119,5	11,1%	10,4%
MEIA (MiddleEast/India/Africa)	94,6	0,8%	7,8%	35,1	13,2%	13,4%
TOTAL REVENUES	1.300,3	5,0%	9,0%	445,6	5,7%	7,4%

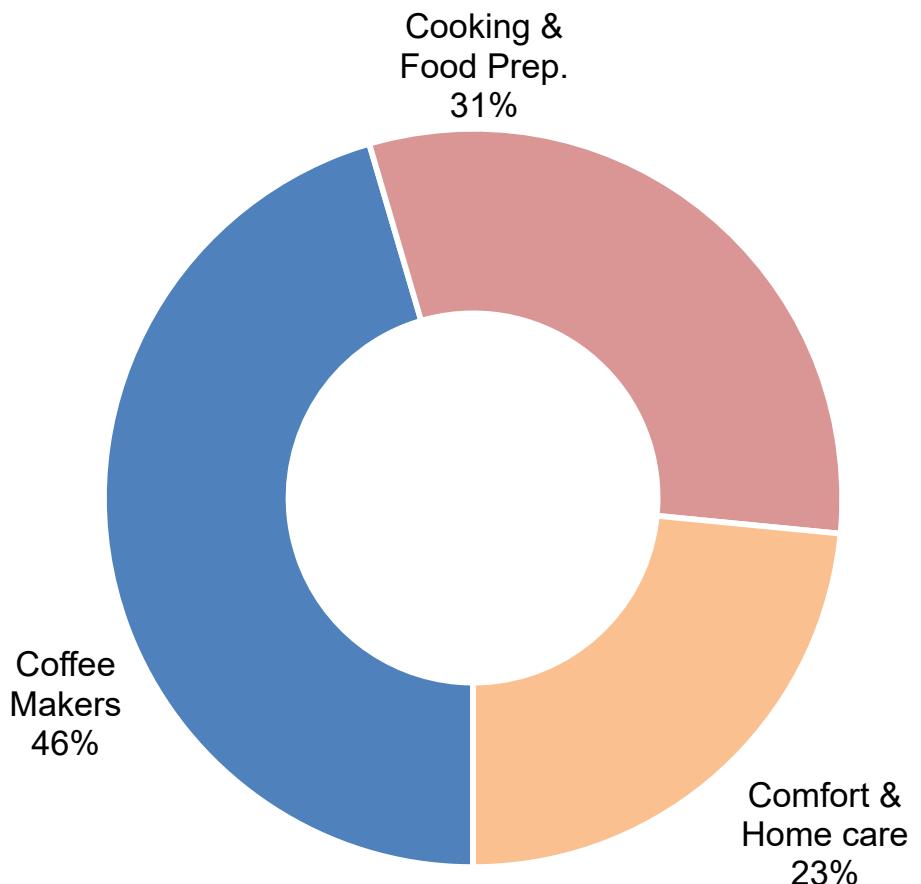
- **South-West Europe:** Germany is leading the growth, while the trend in the Mediterranean countries showed some weakness;
- **North-East Europe:** up double digit at an organic level, with strong Russia, Poland and Benelux; weakness of UK continued in Q3;
- **APA:** growing, but with a significant currency impact (> 6%); leading markets are USA-Canada, Japan and greater China;
- **MEIA:** strong recovery in Q3 – improving from previous weakness – with double digit growth.

9M 2018 RESULTS ("continuing operations")

REVENUES BREAKDOWN BY PRODUCT

- The performance of the coffee machines segment is still the pillar of the growth;
- Q3 delivered a strong bounce of the comfort category and of Braun's ironing systems.

9M 2018 sales breakdown by product

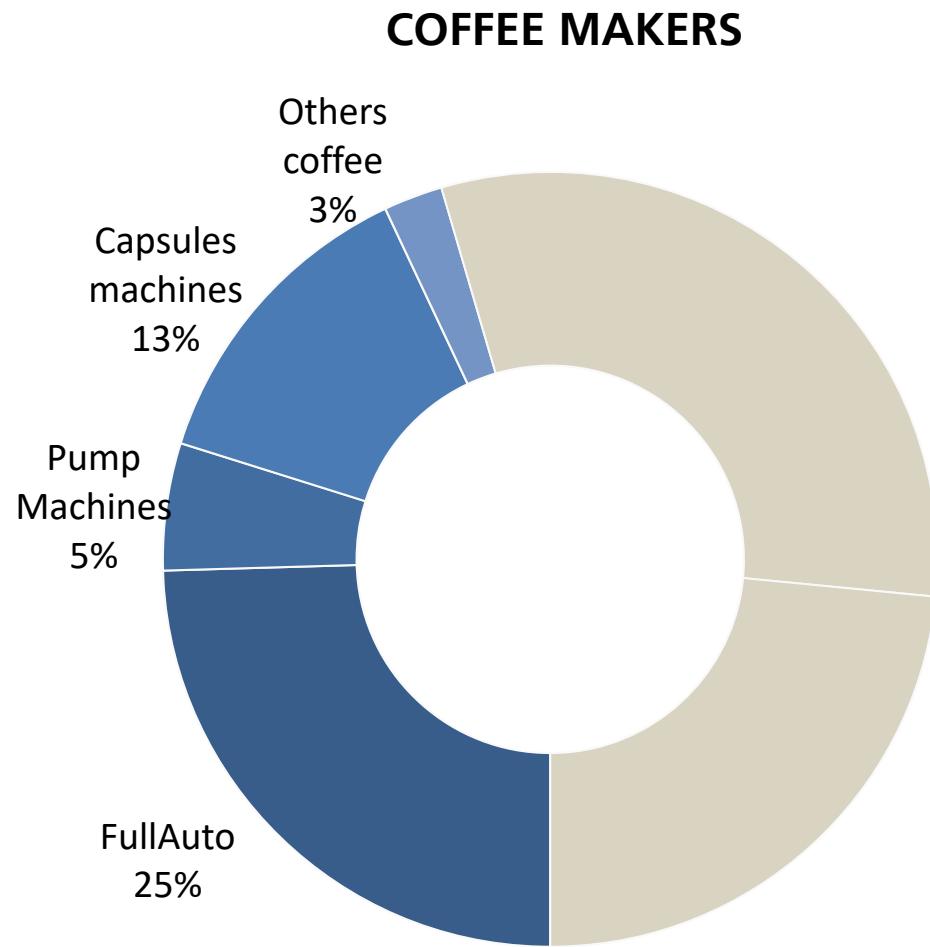


Based on management accounts

9M 2018 RESULTS (“*continuing operations*”)

REVENUES BREAKDOWN BY PRODUCT

- In the coffee segment, all categories were growing, excepted Dolce Gusto:
in organic terms:
 - full auto up double digit,
 - traditional pump and Nespresso: up high single digit;
 - Dolce Gusto: down double digit, due to increased competition in the low end.



Based on management accounts

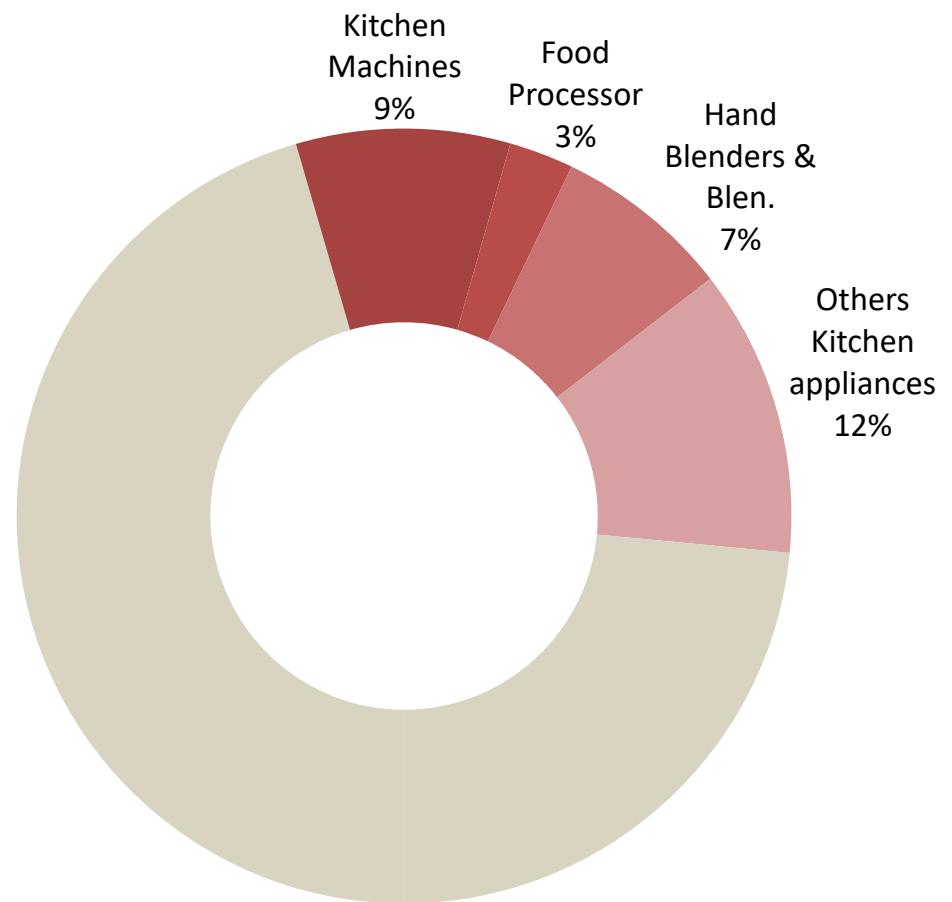
9M 2018 RESULTS ("continuing operations")

REVENUES BREAKDOWN BY PRODUCT

In organic terms:

- the whole segment was rather flattish yoy, due also the persistent weakness of the reference global market;
- handblenders of Braun and food processors were up single digit;
- Kenwood kitchen machines were back to slightly positive performance at organic level, but with still some expected volatility in the short term.

COOKING & FOOD PREPARATION



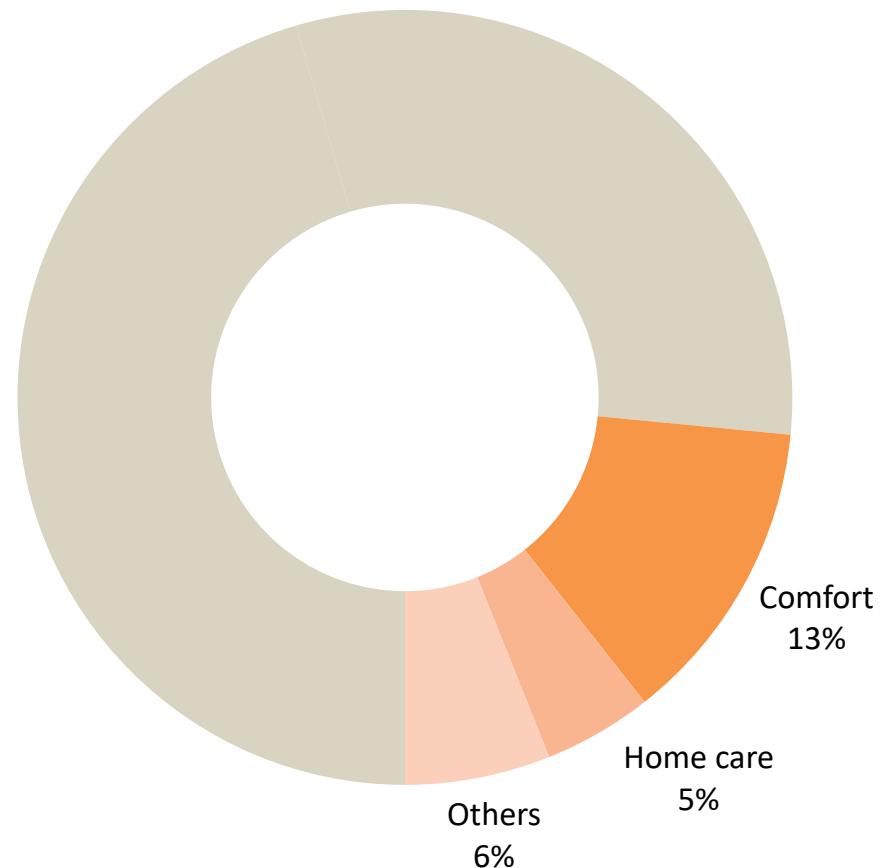
Based on management accounts

9M 2018 RESULTS ("continuing operations")

REVENUES BREAKDOWN BY PRODUCT

- The comfort segment (portable heating and air treatment) grew strongly, with a marked acceleration in the 3Q driven by air conditioning and treatment;
- Braun's irons were up double digit, especially in the steam generators family which was up high double digit.

COMFORT & HOME CARE



Based on management accounts

9M 2018 RESULTS ("continuing operations")

EBITDA MARGINS AND NET PROFIT

EUR million	9M-2018	9M-2017	change	change %
adjusted EBITDA	162,2	159,5	2,7	1,7%
% of sales	12,5%	12,9%	-0,4 pp	
EBITDA	157,1	155,2	1,9	1,2%
% of sales	12,1%	12,5%	-0,5 pp	
adjusted Net Profit	85,8	82,4	3,4	4,1%
Net Profit	82,0	90,8	-8,8	-9,7%
% of sales	6,3%	7,3%	-1,0 pp	

- The 9 months adjusted Ebitda was up in value (162.2 M€) but declining as a margin, as a consequence of pressure on gross margin;
- Adjusted net profit amounted to ca. € 86.0 million , up by 4.1%.
- in Q3, recovery of adjusted Ebitda, growing in organic terms from 12.1% to 12.4%.

9M 2018 RESULTS ("continuing operations")

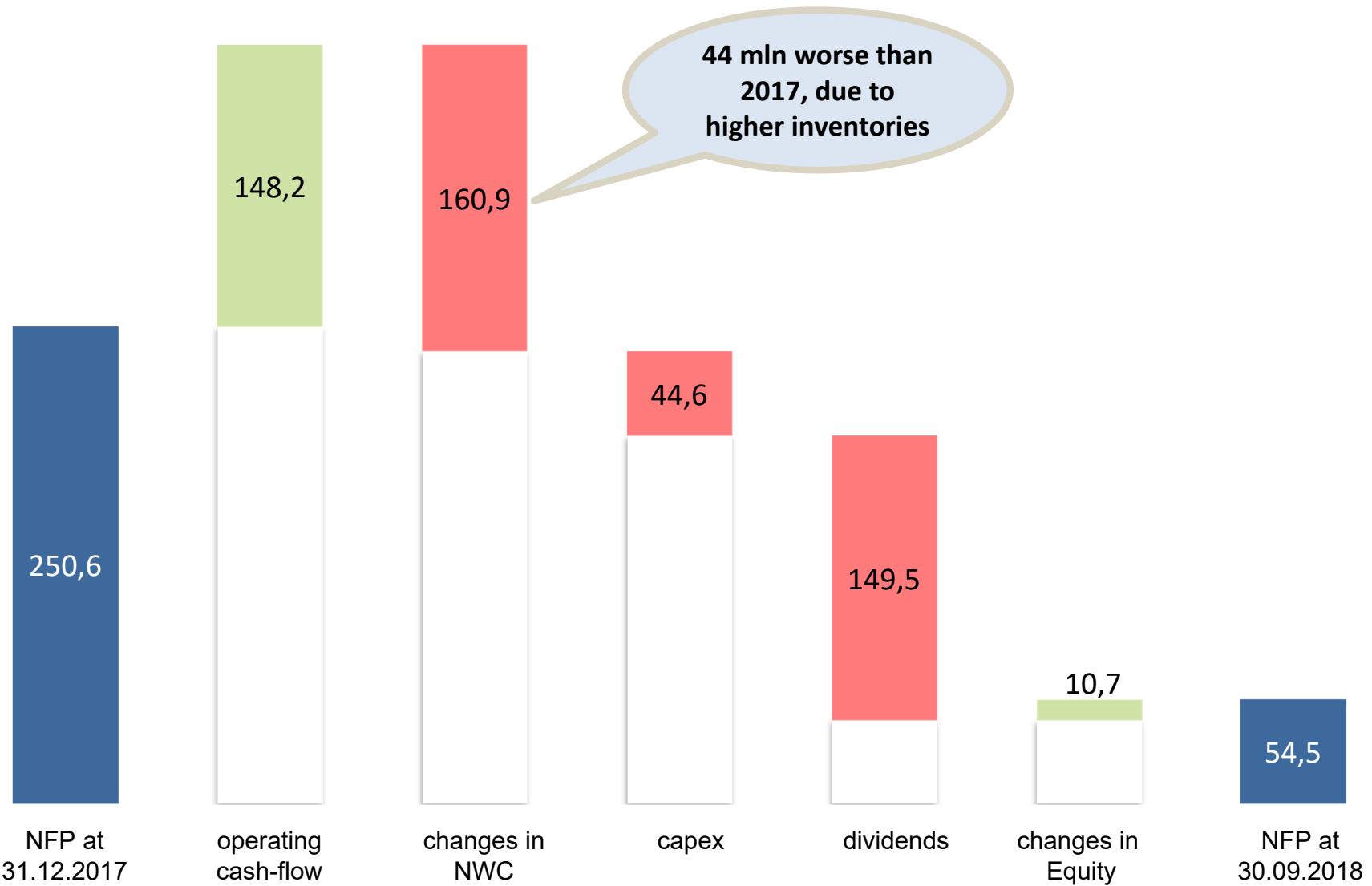
FINANCIAL POSITION AND WORKING CAPITAL

	EUR million	Sept. 30, 2018	Sept. 30, 2017	Change	Dec. 31, 2017	Change
Net Working Capital		386,6	340,4	46,3	257,8	128,9
Net Equity		958,5	936,9	21,6	1.023,3	-64,9
Net debt / (Net cash)		-54,5	-94,6	40,1	-250,6	196,1
Net Debt / EBITDA (x) [Leverage]		-0,3	-0,6		-0,8	
N.W.C. / Revenues		19,0%	17,7%	1,3 pp	13,1%	5,9 pp

- In the 9M dividends were distributed for € 149.5 M and capex amounted to € 44.6 M, bringing the **NFP** to € 54.5 M (down from € 250.6 M at year end 2017);
- as to the **net working capital**, sustained sales growth trend and the anticipated stocking in light of the Q4 season and the impact of tariffs in USA, led to an increase in inventories, while higher A/R were offset by higher A/P.

9M 2018 RESULTS ("continuing operations")

THE 9M CASH FLOW PERFORMANCE



APPENDIX

KEY P&L FIGURES 2016-2018 («continuing operations»)

(Euro million)	2016						2017						2018			
	Q1-16	Q2-16	H1	Q3-16	Q4-16	FULL YEAR	Q1-17	Q2-17	H1	Q3-17	Q4-17	FULL YEAR	Q1-18	Q2-18	H1	Q3-18
Revenues	362,4	414,4	776,8	388,0	681,9	1.846,7	385,1	431,6	816,7	421,7	734,4	1.972,8	402,6	452,1	854,7	445,6
% change y-o-y							6,3%	4,2%	5,1%	8,7%	7,7%	6,8%	4,5%	4,7%	4,6%	5,7%
net industrial margin	186,4	200,3	386,7	191,0	336,7	914,4	192,3	208,8	401,1	206,9	359,3	967,3	198,0	209,0	407,1	210,5
%	51,4%	48,3%	49,8%	49,2%	49,4%	49,5%	49,9%	48,4%	49,1%	49,1%	48,9%	49,0%	49,2%	46,2%	47,6%	47,2%
adjusted EBITDA	51,5	55,0	106,6	51,2	138,0	295,7	52,5	54,0	106,5	53,0	150,0	309,5	53,4	55,7	109,1	53,1
%	14,2%	13,3%	13,7%	13,2%	20,2%	16,0%	13,6%	12,5%	13,0%	12,6%	20,4%	15,7%	13,3%	12,3%	12,8%	11,9%
EBITDA	51,5	52,3	103,9	50,2	137,9	291,9	51,6	53,0	104,7	50,5	148,5	303,7	52,4	52,6	105,0	52,1
%	14,2%	12,6%	13,4%	12,9%	20,2%	15,8%	13,4%	12,3%	12,8%	12,0%	20,2%	15,4%	13,0%	11,6%	12,3%	11,7%
EBIT	39,4	40,3	79,8	37,4	122,1	239,3	38,9	38,9	77,9	35,3	132,2	245,4	39,3	38,6	77,9	35,0
%	10,9%	9,7%	10,3%	9,7%	17,9%	13,0%	10,1%	9,0%	9,5%	8,4%	18,0%	12,4%	9,7%	8,5%	9,1%	7,9%
Profit before Taxes	32,9	33,7	66,6	30,3	130,9	227,8	32,9	43,7	76,6	32,9	119,8	229,2	32,2	36,6	68,8	30,0
Taxes	(7,9)	(9,0)	(16,9)	(7,9)	(34,5)	(59,3)	(7,2)	(11,9)	(19,1)	0,4	(30,8)	(49,5)	(5,8)	(7,1)	(12,9)	(4,0)
Profit / (Loss) pertaining to the Group	24,8	24,6	49,4	22,3	95,9	167,7	25,6	31,8	57,5	33,3	89,0	179,7	26,4	29,5	55,9	26,0
%	6,8%	5,9%	6,4%	5,8%	14,1%	9,1%	6,7%	7,4%	7,0%	7,9%	12,1%	9,1%	6,6%	6,5%	6,5%	5,8%

THANK YOU

Contacts:

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investor.relations@delonghigroup.com

DēLonghi Group

