

PRESS RELEASE

De'Longhi S.p.A.: preliminary revenues 2017

In year 2017, the De' Longhi Group achieved revenues of ca. € 2,011 million, growing by 8.4%, thanks to a fourth quarter up by 8.3% to ca. € 747 million¹. In organic terms², revenues were growing by 8.2% in the year and by 9.6% in the fourth quarter, so confirming management's expectations.

The C.E.O., Fabio de' Longhi, remarked: *"I'm very pleased to have ended year 2017 with revenues on a solid growth path, in line with our targets and with the guidance shared with the market; such goal was also made possible by the increased investments incurred by the Group on R&D, on communication, on our factories and our distribution network. Furthermore, we are confident that the medium term effectiveness of said investments will allow us to pursue organic growth in 2018 too, at a rate in the mid-to-high single digit area"*.

Excluding NPE s.r.l. – which was consolidated at the end of 2016 - revenues stood at ca. € 1,973 million, growing by +6.9% in the year and by +7.8% in the quarter (respectively +6.6% and +9.1% in organic terms).

¹ Revenues of years 2017 and 2016, as well as of the respective fourth quarters, have been restated due to the reclassification of some accounting items of a commercial nature.

² "Organic" stands for at constant exchange rates and excluding the impact of derivatives.

2017 revenues by geography

All regions were contributing to the growth, with the only exception of MEIA (*Middle East-India-Africa*).

Preliminary revenues - Euro million	FY 2017	% change	% change at constant exch. rates	Q4-2017	% change	% change at constant exch. rates
North-East Europe	526.1	14.4%	12.3%	217.1	17.5%	15.9%
South-West Europe	832.7	3.5%	3.9%	309.8	2.6%	3.1%
EUROPE	1,358.8	7.5%	6.9%	527.0	8.3%	7.9%
MEIA (Middle East India Africa)	130.1	-7.6%	-6.4%	34.4	-27.8%	-22.3%
APA (Asia Pacific Americas)	522.6	16.1%	16.1%	185.4	19.6%	24.5%
TOTAL REVENUES "RESTATED"	2,011.5	8.4%	8.2%	746.8	8.3%	9.6%

South-West Europe (+3.5% at current exchange rates and +3.9% in organic terms) showed a widespread growth on all markets with the exception of Italy, declining as a consequence of difficulties encountered by some players of the large scale distribution network, of last year's promotional activities not repeated in 2017 and of the weakness of the consumption trend.

In the **North-East Europe** region, the growth trend was shared by almost all markets: the region grew by +14.4% at current exchange rates and by +12.3% in organic terms, with Russia, Poland and CIS countries standing out with a double digit rate growth. On the contrary, UK market was down, with no clear signs of recovery versus the previous quarters. Baltic region too was declining.

The **MEIA** region marked a decline of -7.6% (-6.4% in organic terms) due to an unfavourable development of the main reference markets, specifically in the arabic peninsula and in North Africa, to the postponement of the supply flows to some customers and, to a minor extent, to the weakness of the US Dollar.

Lastly, the **APA** region (Asia-Pacific-Americas) grew at a double digit rate (+16.1% both at current exchange rates and in organic terms) thanks to a very positive evolution of all main markets, with USA, Japan and China as the best performers.

2017 revenues by product line ³

As regards product lines, **coffee makers** were standing out and growing at a double digit rate, thanks to the positive contribution of all categories, above all full-auto and Nespresso machines, the latter ones benefitting from the new distribution agreements for USA and Switzerland.

Within the cooking and food preparation segment – which declined at a mid single digit rate – Braun's handblenders were growing (at a high single digit rate) as well as contact grills (at a high double digit rate, thanks to the launch of new models).

³ based on management accounts.

Lastly, **comfort** products (portable heaters and air conditioners) marked a slight increase, while **home care** products showed a decline.

Regulatory statements

The manager responsible for the preparation of the company's accounts, Stefano Biella, hereby declares, as per article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this press release are fairly representing the accounts and the books of the company.

Contacts

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