

A photograph of Brad Pitt sitting at a white table in a cafe, holding a cup of coffee. He is wearing a black shirt, a watch, and several bracelets. The background is a bright, blurred outdoor scene with trees.

DēLonghi Group

9 MONTHS 2021 RESULTS

DēLonghi Group



KENWOOD

BRAUN

nutribullet.

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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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The manager 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.

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;
- “**Like-for-like**” or “**LFL**” stands for at constant perimeter;
- “**M**” stands for million and “**bn**” stands for billion;
- **Q3** stands for third quarter (July 1st - September 30th);
- **9M** stands for nine months (January 1st – September 30th);
- **Reported** stands for official data including the consolidation of Capital Brands Holdings Inc. and its subsidiaries since January 1st (following the acquisition finalized on December 29th, 2020) and the consolidation of Eversys since April 1st (following the acquisition finalized on May 3rd, 2021).

SECTION 1

RECENT DEVELOPMENTS:

- THE AMBASSADOR CAMPAIGN
- NEW PRODUCT LAUNCHES
- OUR COFFEE LOUNGE STORE IN SYDNEY
- THE GLOBAL LIGHTHOUSE NETWORK



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THE AMBASSADOR CAMPAIGN

On Sept. 2nd we launched our first global campaign in the coffee starring Brad Pitt, with the goal to affirm the De' Longhi brand as the Global Leader and Authority in the Coffee space for households.

The campaign is part of our communication strategy as foreseen in our Medium Term Plan



The campaign is aimed

- to increase penetration of machines working with fresh ingredients worldwide
- to position De' Longhi as the premium brand offering the best coffee transformation systems across all relevant segments
- to build a loyal community of consumers by crafting a best in class end to end experience

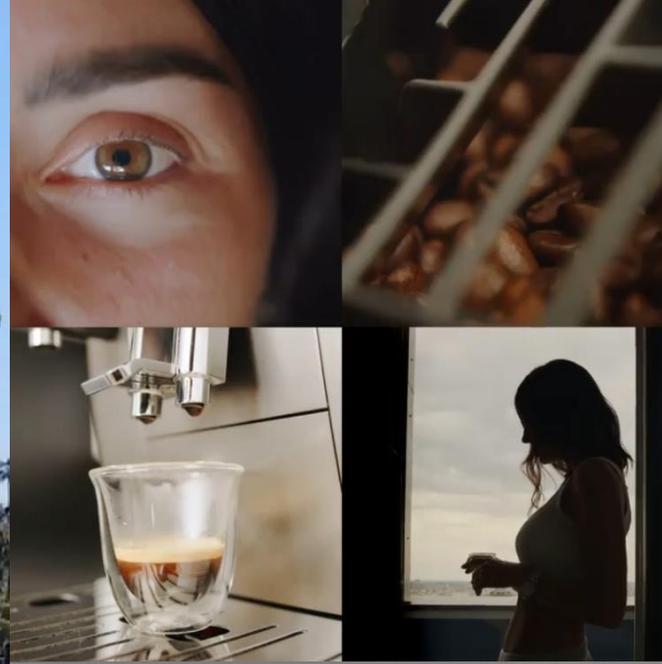


**THE AMBASSADOR CAMPAIGN HAS
BEEN SHOWING UP IN PREMIUM AND
SUPER- PREMIUM LOCATIONS
ALL OVER THE PLACE**



Focus on **high reach / high quality media**: prime time TV (first time in some markets), Digital Out of Home, High end Print, Premium in Store execution, Social Media.

a **Perfetto** campaign



De'Longhi "Perfetto" *For De'Longhi*

I was excited to come up with a tune to match with Brad and Damien.

JUSTIN HURWITZ

Justin Hurwitz



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NEW PRODUCT LAUNCHES: COFFEE MAKERS

MAGNIFICA EVO

Full-auto coffee machine

A user-friendly interface and a customized selection of beverages, delivered with just "one touch"



LA SPECIALISTA ARTE

Pump coffee machine

Authentic manual experience; simple and rewarding thanks to a full set of Barista tools



DEDICA ARTE

Pump coffee machine

The stylish pump, with My Latte Art steam wand; a better result in cup thanks to the bigger capacity of the filters



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NEW PRODUCT LAUNCHES: FOOD PREPARATION

TITANIUM CHEF BAKER

Kitchen machine

Direct to bowl weighing,
plus you can customise your
machine with 8 different
colour PopTops

KENWOOD



TITANIUM CHEF BAKER XL

Kitchen machine

1200W motor and the .85
silver model features high
quality stainless steel tools

KENWOOD



CHEFETTE

Mixer

The iconic K Chefette bowl
and stand mixer has had a
sleek new makeover and
includes a host of new
features

KENWOOD



OUR FIRST COFFEE LOUNGE STORE IN SYDNEY

Coffee Lounge
by DeLonghi



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THE GLOBAL LIGHTHOUSE NETWORK

«MADE BY DE' LONGHI»

In order to step up competitiveness, the De' Longhi Treviso plant invested in **digital and analytics** to become:

- more agile (reducing minimum order quantity and lead time),
- more productive (improving labour productivity),
- achieving high standard quality (improving field quality, obtaining Food and Beverage industry certification)

The De' Longhi's Italian plant has been admitted to the **Global Lighthouse Network** of the **WORLD ECONOMIC FORUM**, a community of world leading manufacturers, driving the Fourth Industrial Revolution identified by: **agility and customer centricity, supply chain resilience, speed and productivity and eco-efficiency**. The G.L.N. is a project of the World Economic Forum in collaboration with McKinsey & Co

SECTION 2

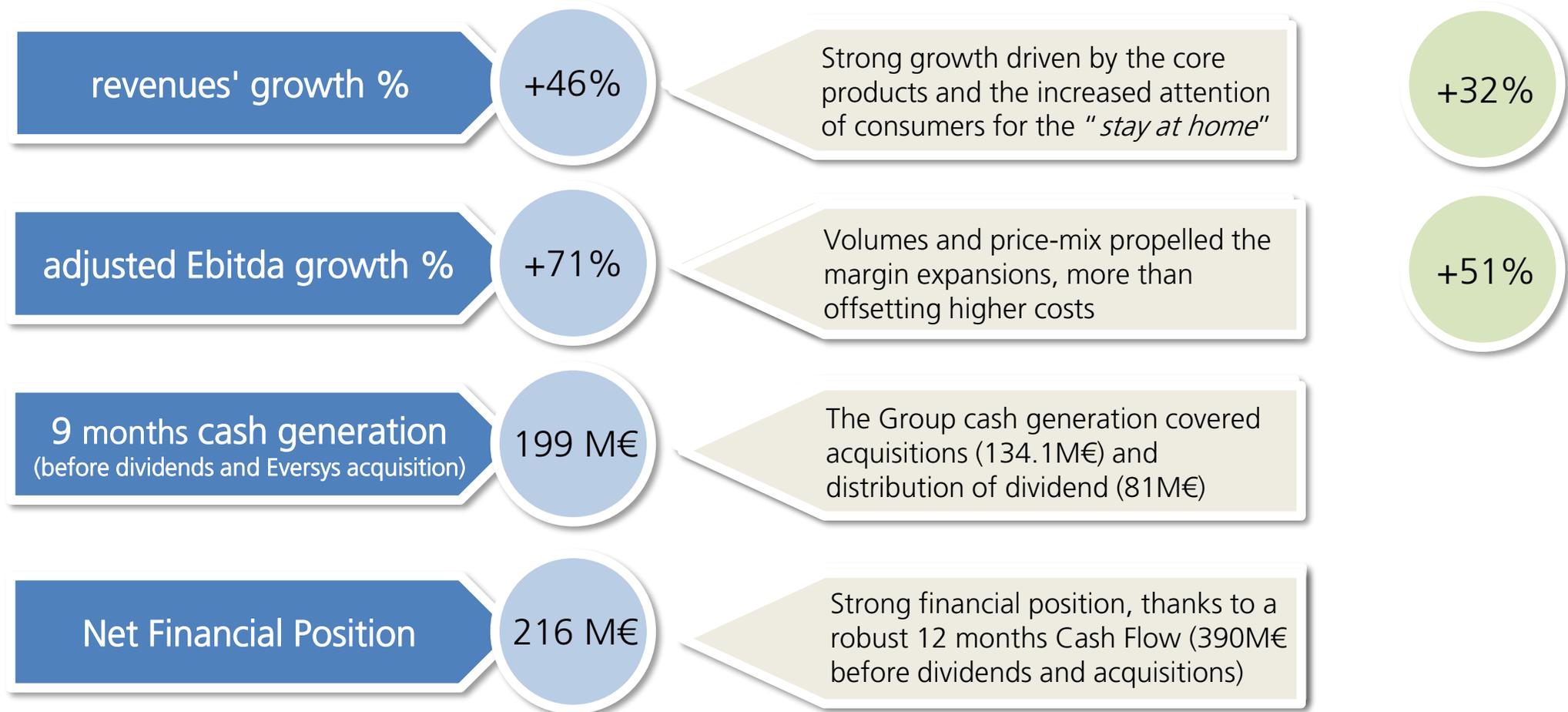
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HIGHLIGHTS

Like for like



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TOP LINE AND MARGINS



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<i>(Eur million)</i>	9M - 2021	At constant perimeter	Change of perimeter	9M - 2020
Revenues	2,149.5	1,943.9	205.6	1,473.2
<i>change %</i>	<i>45.9%</i>	<i>31.9%</i>		
<i>at constant fx ch. %</i>	<i>49.2%</i>	<i>34.4%</i>		
Ebitda adjusted	357.0	314.9	42.1	208.7
<i>% of revenues</i>	<i>16.6%</i>	<i>16.2%</i>	<i>20.5%</i>	<i>14.2%</i>

- The 9M-2021 revenues at constant perimeter grew by 31.9%, expanding by 34.4% at constant exchange rates;
- All regions were up double-digit, with America and MEIA still expanding at a significant pace of growth in the last quarter;
- In the first nine months of 2021 consumer demand was the main driver supporting the Group's performance, reinforcing the positive effect of 2020 new products launches and increased spending in communication and marketing activities.



Sponsor Treviso basket

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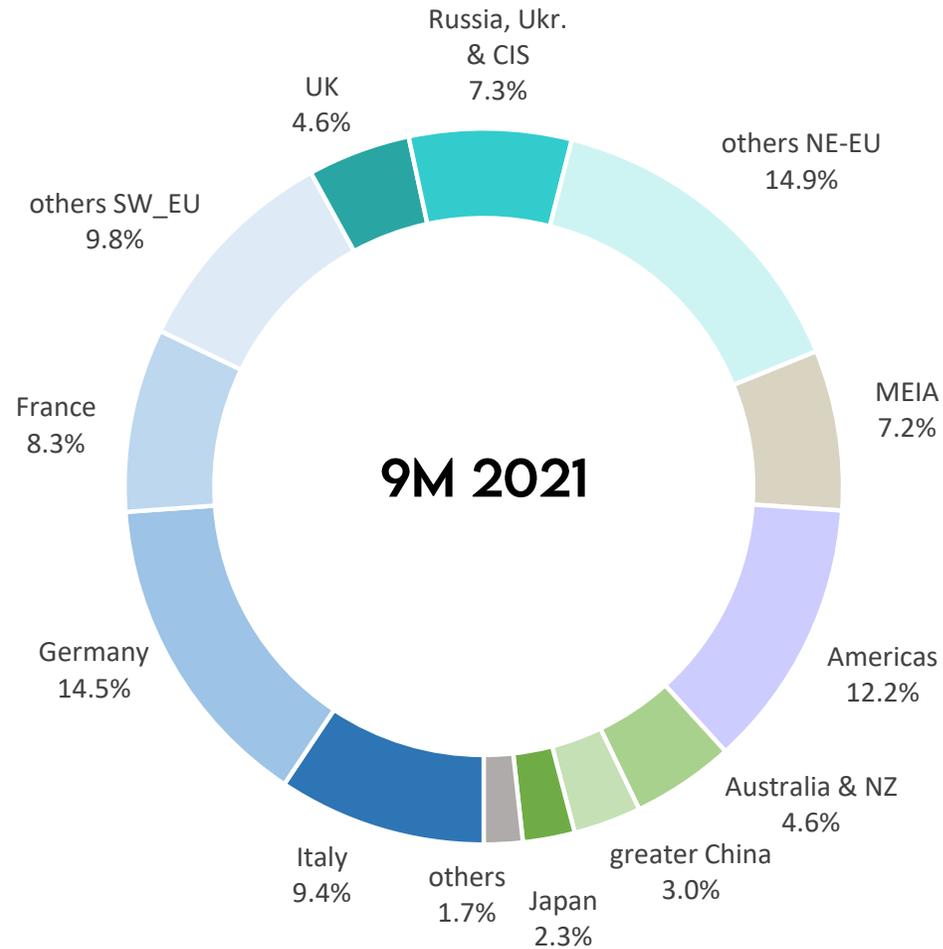
REVENUES BY REGION (AT CONSTANT PERIMETER)

<i>EUR million</i>	9 months 2021 at constant perimeter	var. %	var. % at constant FX	Q3 2021 at constant perimeter	var. %	var. % at constant FX
South West Europe	816.6	35.0%	35.0%	256.3	8.5%	8.5%
North East Europe	521.5	28.7%	32.6%	175.2	3.8%	4.2%
EUROPE	1,338.1	32.5%	34.0%	431.5	6.6%	6.7%
Americas	236.8	33.0%	40.4%	80.8	24.4%	23.5%
MEIA (MiddleEast/India/Africa)	140.6	79.7%	88.3%	40.0	19.3%	16.5%
Asia-Pacific	228.3	10.5%	10.5%	79.5	8.7%	4.4%
TOTAL REVENUES	1,943.9	31.9%	34.4%	631.8	9.6%	8.9%

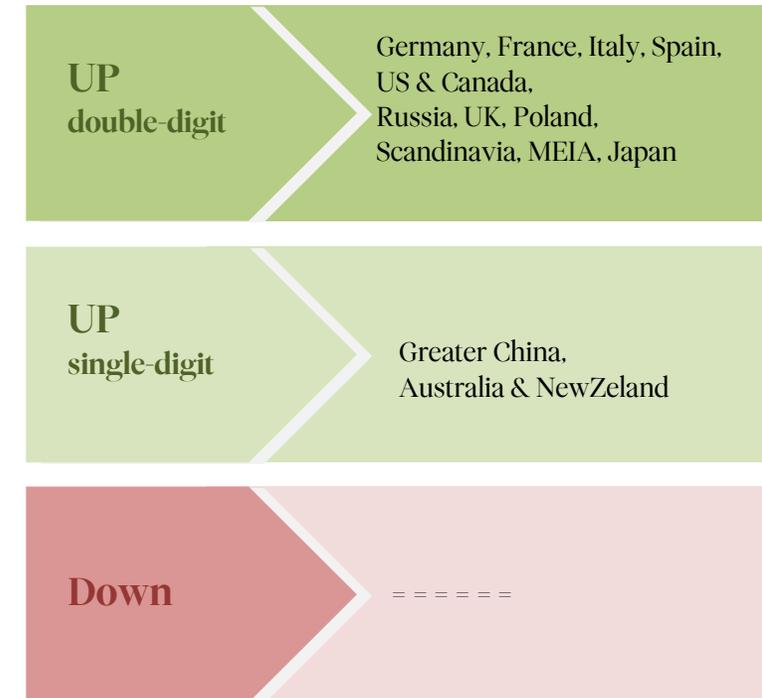
- **South-West Europe** in the quarter achieved high single digit growth, confirming the positive trend already highlighted in the first phase of the year; in continuity with the previous months, Germany and France achieved double digit growth, together with other countries such as Austria and Greece;
- **North-East Europe** grew by 3.8% in the quarter (4.2% at constant exchange rates), thanks to the strong expansion of Russia and the Scandinavian Peninsula;
- the **Americas** region confirmed a double digit growth rate (+ 24.4%) in the quarter, in line with the strong trend highlighted since the beginning of the year;
- in the quarter **MEIA** achieved robust double digit growth, maintaining solid expansion in the nine months, with a growth rate at constant exchange rates of 88.3%;
- **Asia Pacific** region grew at a high single digit rate in the quarter, thanks in particular to the development of Australia, New Zealand and South Korea.

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REVENUES BY MARKET (AT CONSTANT PERIMETER)

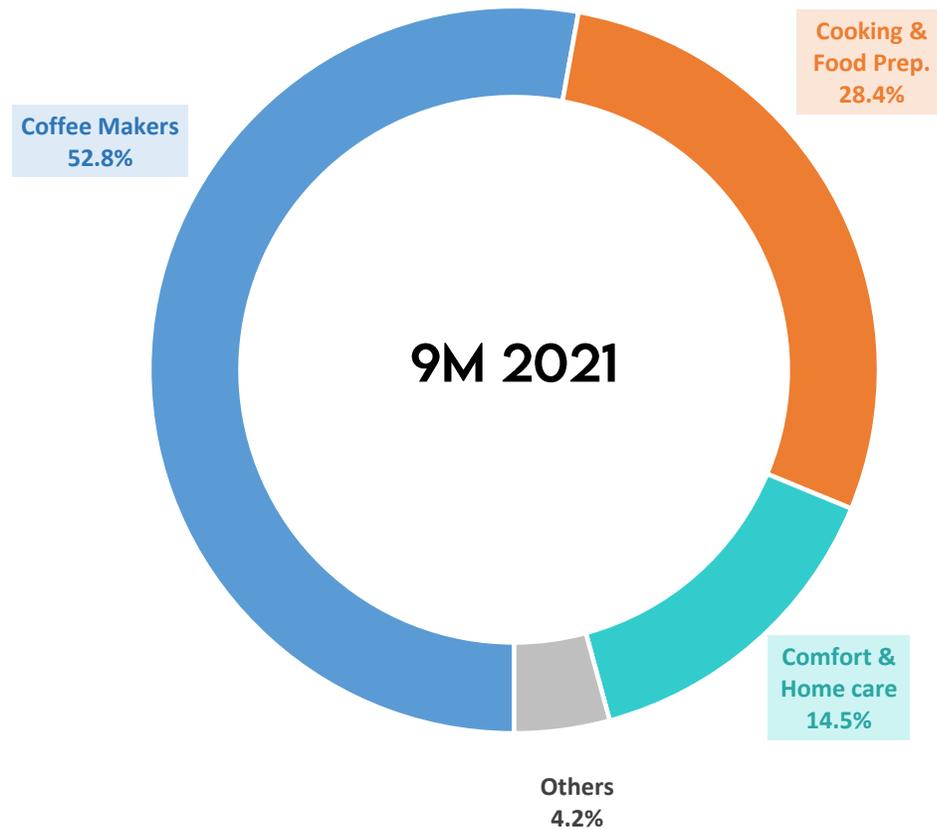


Main Ups & Downs (at constant FX)



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REVENUES BY PRODUCT LINE (AT CONSTANT PERIMETER)



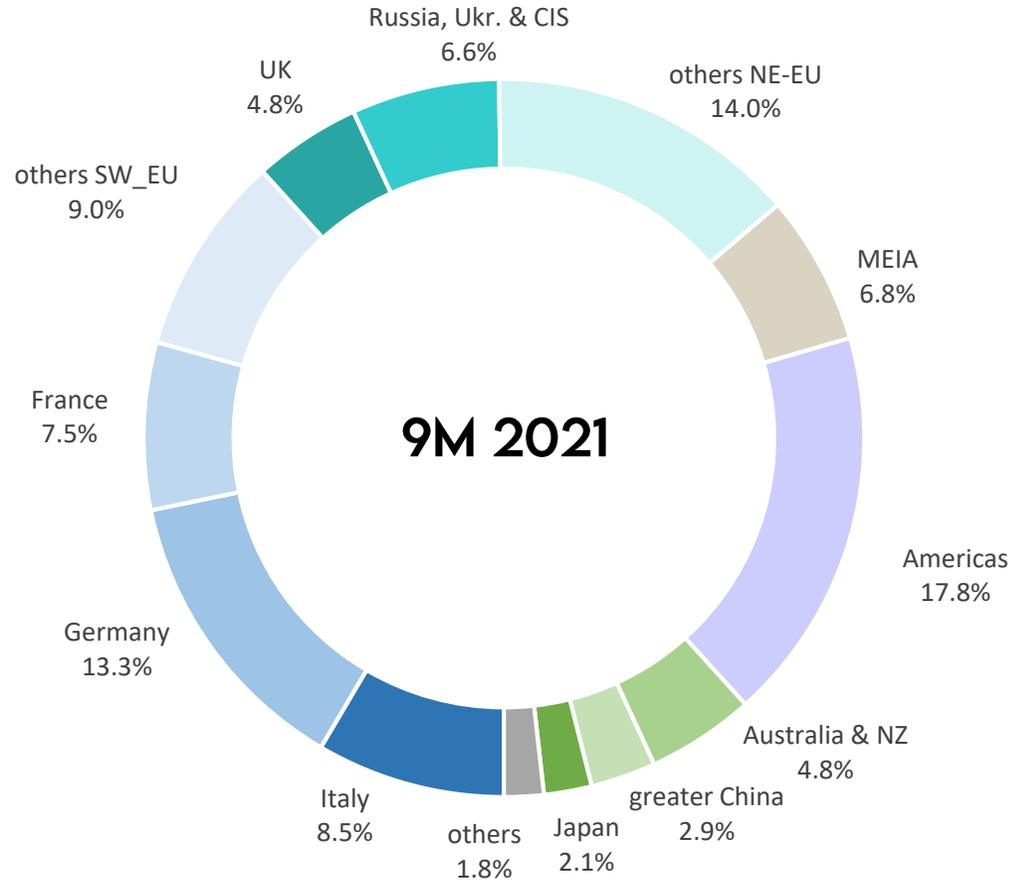
Main Ups & Downs (at constant FX)



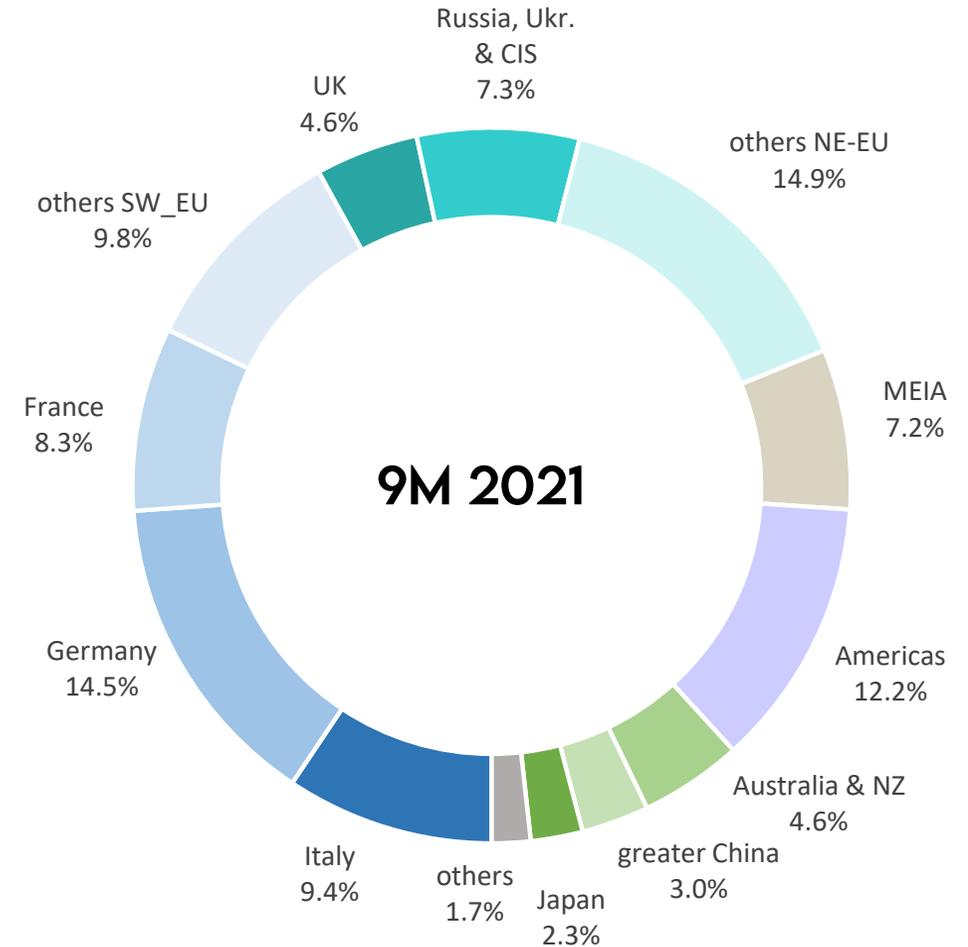
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MARKET PORTFOLIO: NEW vs. OLD PERIMETER

REPORTED (NEW PERIMETER)



AT CONSTANT PERIMETER



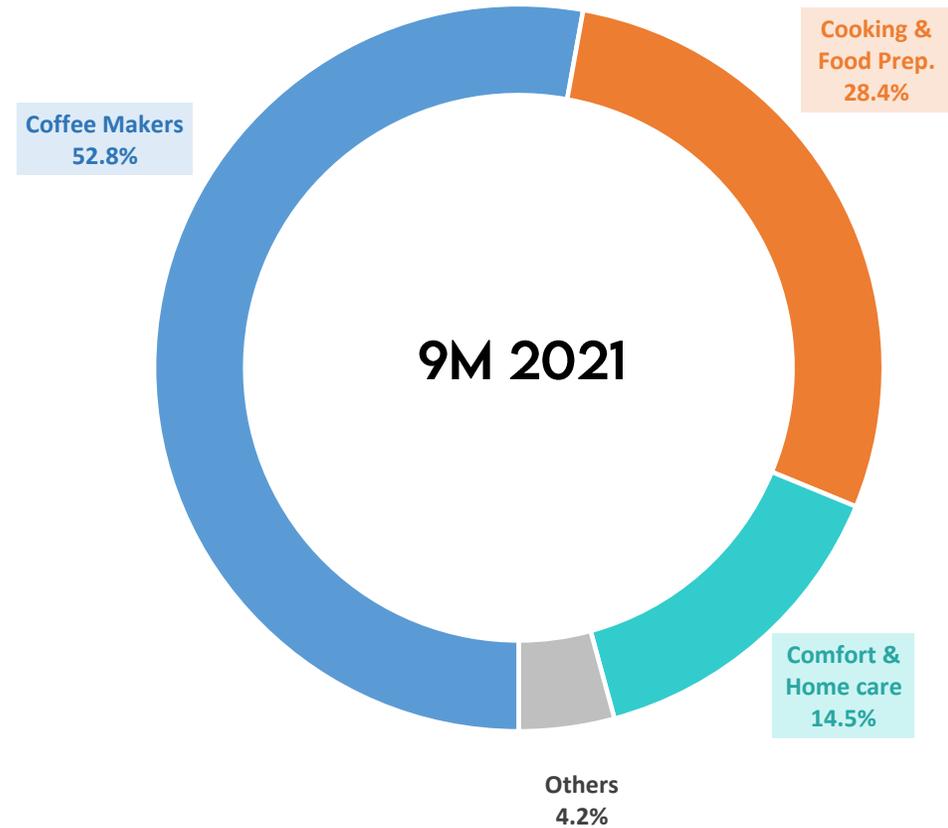
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PRODUCT PORTFOLIO: NEW vs. OLD PERIMETER

REPORTED (NEW PERIMETER)



AT CONSTANT PERIMETER



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MARGINS

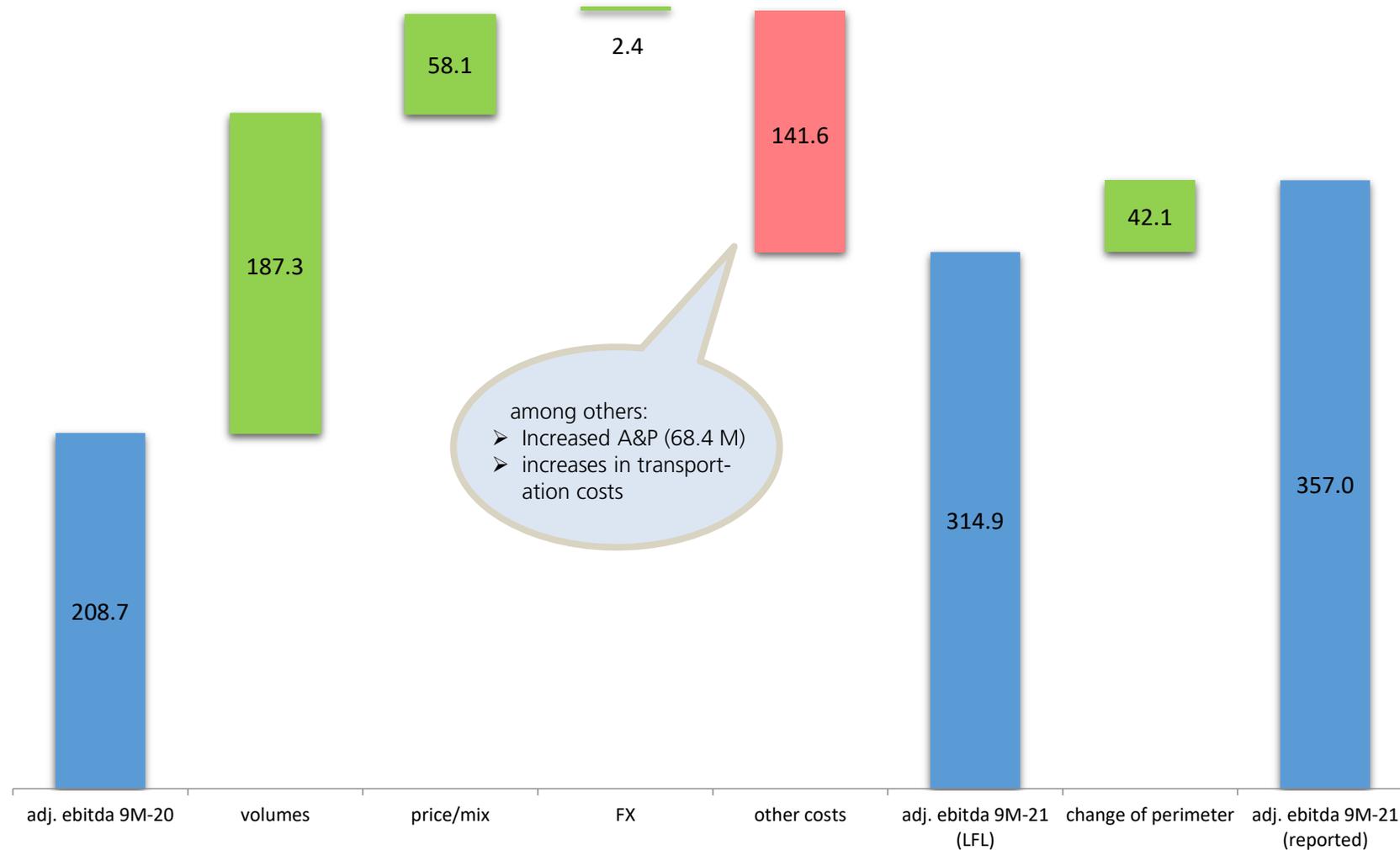
	<i>reported</i>	
	9M-2021	9M-2020
<i>(Eur million)</i>		
net ind. margin	1,079.7	721.6
<i>% of revenues</i>	50.2%	49.0%
adjusted Ebitda	357.0	208.7
<i>% of revenues</i>	16.6%	14.2%
Ebitda	354.1	200.4
<i>% of revenues</i>	16.5%	13.6%
Ebit	291.9	142.5
<i>% of revenues</i>	13.6%	9.7%
Net Income (pertaining to the Group)	243.5	104.0
<i>% of revenues</i>	11.3%	7.1%

- **Net industrial margin**, equal to 1,079.7M€ improved by 49.6% from 49% to 50.2% of revenues, thanks above all to higher volumes and the positive contribution of price-mix (58.1 M€ in the nine months);
- **adjusted Ebitda** amounted to 357 M€, equal to 16.6% of revenues; on a like-for-like basis, it stood at 314.9 M€, with a sharp improvement from 14.2% to 16.2% of revenues;
- **net income** pertaining to the Group amounted to 243.5 M€, equal to 11.3% of revenues (up from 7.1%).



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ADJ. EBITDA BRIDGE (REPORTED)



9 MONTHS 2021 RESULTS

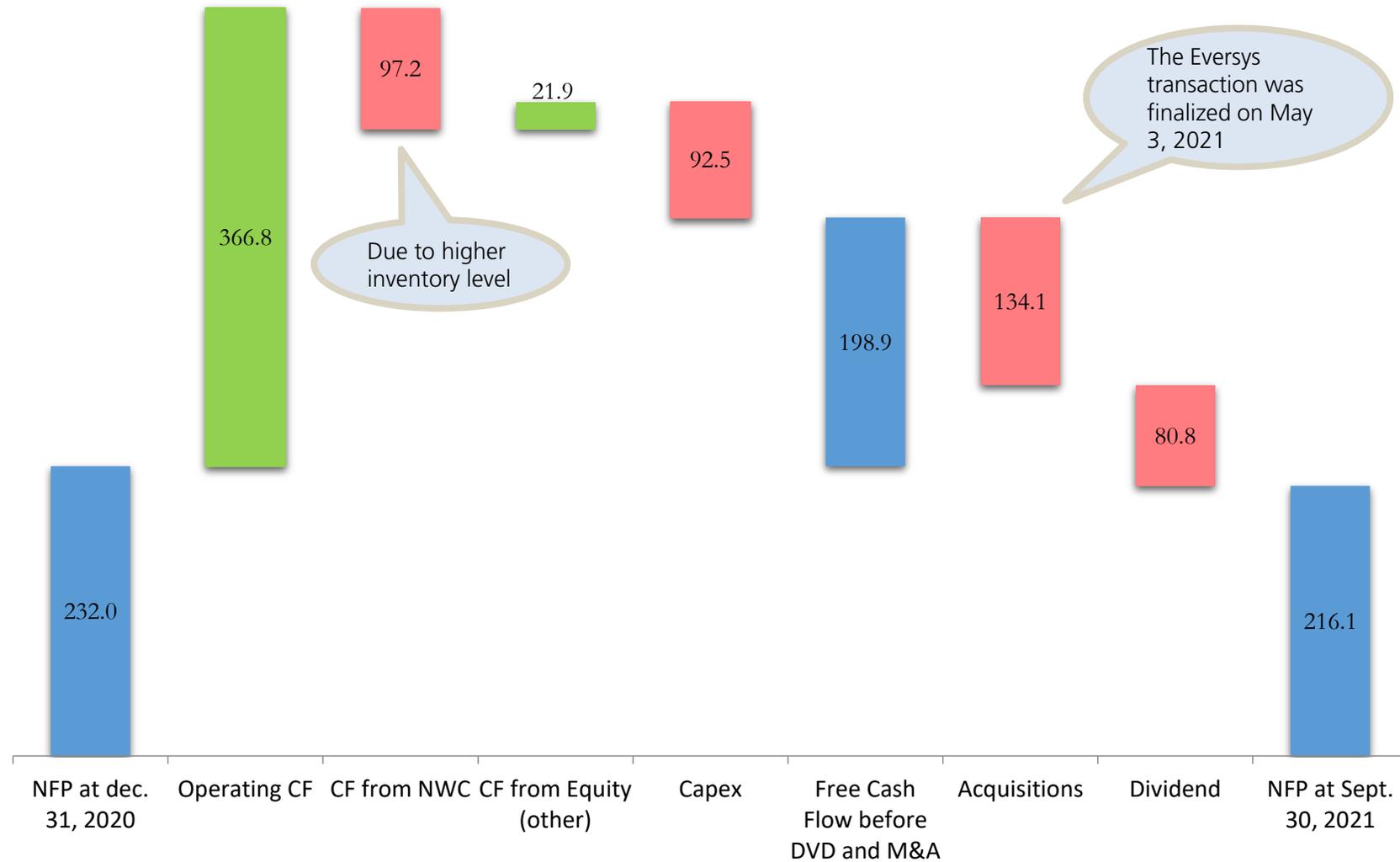
BALANCE SHEET

<i>EUR million</i>	<i>reported</i>	<i>reported</i>	<i>Change 12m</i>	<i>reported</i>	<i>Change 9m</i>
	Sept. 30, 2021	Sept. 30, 2020		Dec. 31, 2020	
Net Working Capital	123.5	222.1	-98.6	96.2	27.4
Net Equity	1,453.4	1,265.3	188.1	1,267.4	186.0
Net debt / (Net cash)	216.1	451.5	-235.5	232.0	-15.9
N.W.C. / Revenues	4.1%	9.8%	-5.7 bps	4.1%	0.0 bps

- Net financial position as at 30.09.2021 stood at 216.1 M€, slightly lower than the beginning of the year due to the cash out for the dividend (80.8 M€) and acquisitions (134.1 M€).
- Over the last 12 months, the free cash flow before dividends and acquisitions was 389.5 M€, thus almost entirely covering both the M&A deals 463.4 M€ and the 161.6 M€ dividend distribution.
- Net working capital, as ratio on revenues, didn't change vs. last year: the increase in inventories was widely offset by an increase in trade payables in the 12 months, thus bringing the ratio of net working capital to revenues down to 4.1%, i.e. a marked reduction vs. last year (9.8%), but more in line with end of 2020. The inventory level grew both compared to 2020 and at the beginning of the year, due to the development of the business in the coming months and an increased stocking of products and components in light of the tensions in the global supply chain.

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9 MONTHS NET CASH FLOW (REPORTED)



9 MONTHS 2021 RESULTS

FY 2021 GUIDANCE CONFIRMED

Massimo Garavaglia, Group C.E.O.:

"The third quarter showed a robust growth trend at a high single digit rate, despite the challenging comparison with the same quarter of last year, which recorded a tremendous growth of +26% versus 2019. The exceptional results obtained in this macroeconomic environment were accompanied by the planned acceleration of investments in communication and marketing, which found maximum expression in the launch of the Group's first global campaign starring Brad Pitt, the Group's new Ambassador and perfect icon to represent the path we are making towards the affirmation of our brands in the "Life-style" space. For this 2021 we believe we can continue to look positively at the evolution of the business, in the face of the growing global difficulties in the distribution and production areas, and therefore we confirm the targets and guidance for this 2021 previously communicated."

FY 2021
guidance
(confirmed)

REVENUES growing at constant
exch.rates rate in the upper end of
the range 28% - 33%
(including Capital Brands); Eversys
is seen adding 2% of growth.

+

Adj. EBITDA improving in value
and as a percentage of revenues
vs last year (including also both
Capital Brands and Eversys)



Contacts:

Investor Relations:

Fabrizio Micheli, Samuele Chiodetto

T: +39 0422 4131

e-mail: investor.relations@delonghigroup.com

Media relations:

Mattia Rosati

T: +39 0422 4131

e-mail: media.relations@delonghigroup.com

On the web:

www.delonghigroup.com

