DēLonghi Group

9M & Q3 2023 RESULTS

DISCLAIMER

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.
Forward looking statements are based on De' Longhi’s current expectations and projections about future events. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments, many of which are beyond the ability of De’ Longhi to control or estimate. Consequently, De' Longhi S.p.A. cannot be held liable for potential material variance in any looking forward in this document.
Any forward-looking statement contained in this presentation speaks only as of the date of the document. Any reference to past performance or trends or activities of De’ Longhi S.p.A. shall not be taken as a representation or indication that such performance, trends or activities will continue in the future. De’ Longhi S.p.A. disclaims any obligation to provide any additional or updated information, whether as a result of a new information, future events or results or otherwise.
This presentation does not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.
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.





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;
- **Q3** stands for third quarter (July 1^{st} – September 30^{th});
- **9M** stands for nine months (January 1^{st} – September 30^{th});
- "**NWC**" stands for Net Working Capital;
- "**Capex**" stands for capital expenditures, i.e. investments in fixed assets.

NEW PRODUCT LAUNCHES: COFFEE MAKERS

DēLonghi
RIVELIA

LA SPECIALISTA ARTE EVO
WITH COLD EXTRACTION TECHNOLOGY
DēLonghi

DēLonghi
MAGNIFICA START MILK

DēLonghi
ELETTA EXPLORE
WITH COLD EXTRACTION TECHNOLOGY

NEW PRODUCT LAUNCHES: COOKING & FOOD PREP.

MULTIGRILL 9 PRO
BRAUN

PERSONAL BLENDER
nutribullet

BRAUN
MULTIPRACTIC 3

KENWOOD
MULTIPRO GO

nutribullet
PORTABLE BLENDER

KENWOOD
DUSK BREAKFAST
COLLECTIONS

NEW PRODUCT LAUNCHES: COMFORT & HOME CARE

BRAUN
FREESTYLE 3

DēLonghi
PINGUINO
PORTABLE AC WITH HEAT PUMP

BRAUN
NEW TEXSTYLE 9

BRAUN
CARESTYLE 7 PRO

DēLonghi
SOLARE

THE 9 MONTHS HIGHLIGHTS

revenues' growth %	-6.1%	Organic growth in Q3 was up high single digit, partially improving the YTD trend, which is still influenced by some temporary factors that impacted Q1
adjusted Ebitda % margin	13.3%	Sound improvement of margins, thanks to cost control, positive price-mix and the recovery of some production costs
12 months Free Cash Flow (before dividends and M&A)	369 M€	Strong performance in the last 12m, thanks to a robust cash generation from operations and an efficient working capital management
Net Financial Position	326 M€	Increasingly positive financial position, even after funding capex (88 M€) and dividend payment (72 M€).

TOP LINE

(Eur million)	9M-23	9M-22	Q3-23	Q3-22
Revenues	**1,997.8**	2,128.7	**706.6**	683.8
change %	*-6.1%*		*3.3%*	
at constant fx %	*-4.2%*		*8.1%*	

- The start of the year was impacted by some temporary factors, but over the last six months the Group has seen a constant improvement of the organic growth, thanks to Q3 achieving growth of 3.3% (8.1% at constant currency) and Q2 in positive territory excluding the impact from the discontinuity in the US market;
- The third quarter was supported by a positive performance in both the coffee and cooking food preparation segments, showing progress towards the end of the normalization phase.

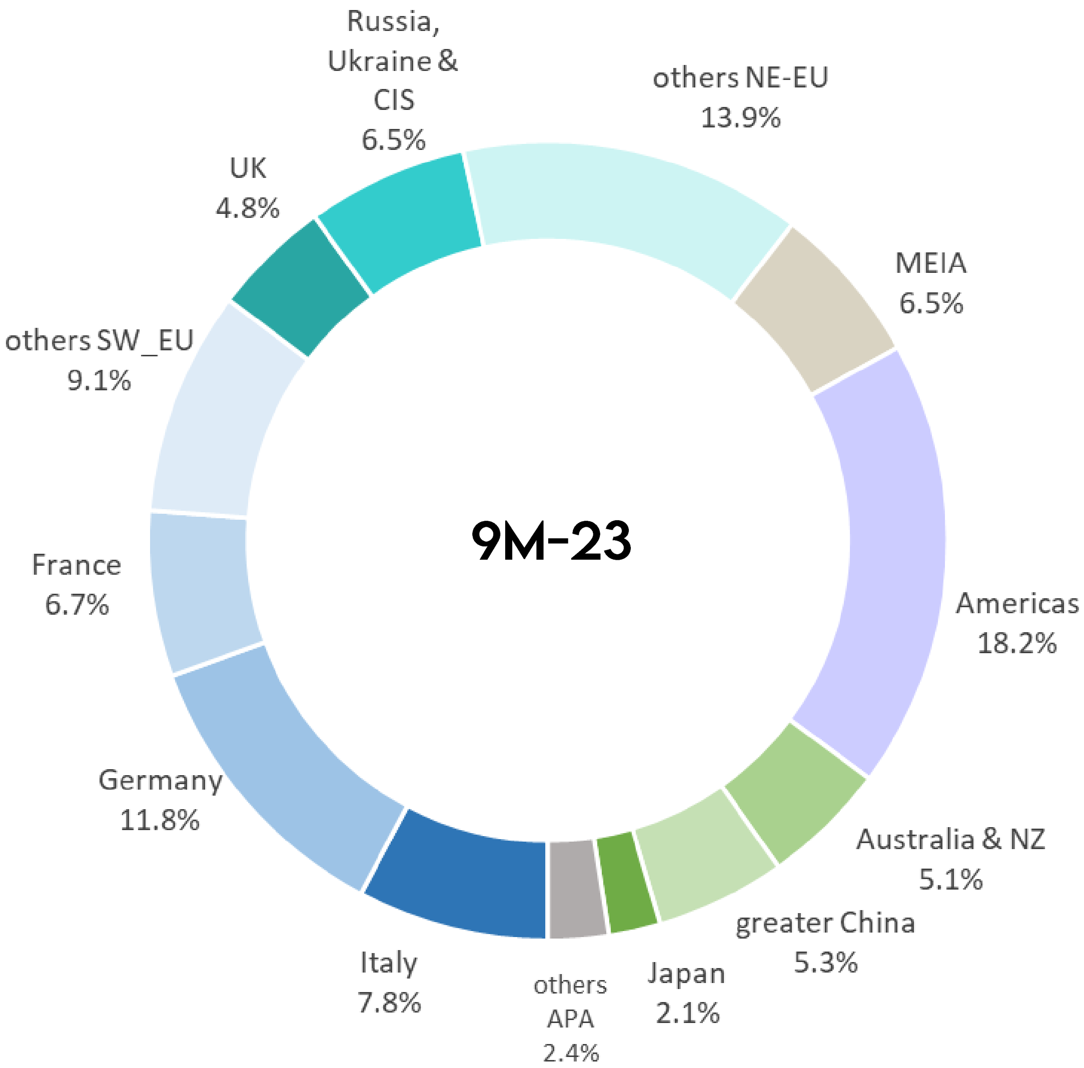
REVENUES BY REGION

EUR million	9M - 2023	*var. %*	*var. % at constant FX*	Q3 - 2023	*var. %*	*var. % at constant FX*
South-West Europe	705.1	*-7.4%*	*-7.7%*	242.5	*6.9%*	*7.0%*
North-East Europe	502.7	*4.0%*	*7.3%*	181.1	*5.7%*	*11.8%*
EUROPE	1,207.8	*-2.9%*	*-1.9%*	423.6	*6.4%*	*9.0%*
America	363.3	*-13.2%*	*-11.5%*	137.4	*6.2%*	*13.8%*
MEIA	130.0	*-16.0%*	*-13.7%*	44.2	*-9.8%*	*-2.3%*
Asia-Pacific	296.7	*-4.6%*	*1.2%*	101.5	*-5.5%*	*2.5%*
TOTAL REVENUES	**1,997.8**	***-6.1%***	***-4.2%***	**706.6**	***3.3%***	***8.1%***

In the quarter:

- South-Western European area showed an expansion in turnover of 7%, thanks to the increase in both core categories which contributed to achieving double-digit performance in Germany, Austria and the Iberian Peninsula;
- North-Eastern Europe accelerated in Q3, benefiting from significant growth in the UK, Benelux and in the area of the Czech Republic, Slovakia and Hungary, supported both by a recovery in the food preparation business and by a continuation of coffee expansion;
- MEIA region was still in negative territory, mainly due to the macro context and the currency impact;
- in America, in the first part of the year sales were affected by the discontinuity relating to the exit from mobile air conditioning business, but net of this Q2 was up and Q3 accelerated (+13.8% organic) thanks to the contribution of coffee and Nutribullet's products;
- finally, the Asia Pacific region showed an expansion in turnover of 2.5% at constant exchange rates, but with a significant negative currency impact in many countries in the area both in the quarter and in the nine months (8% of negative currency effect in the 3Q).

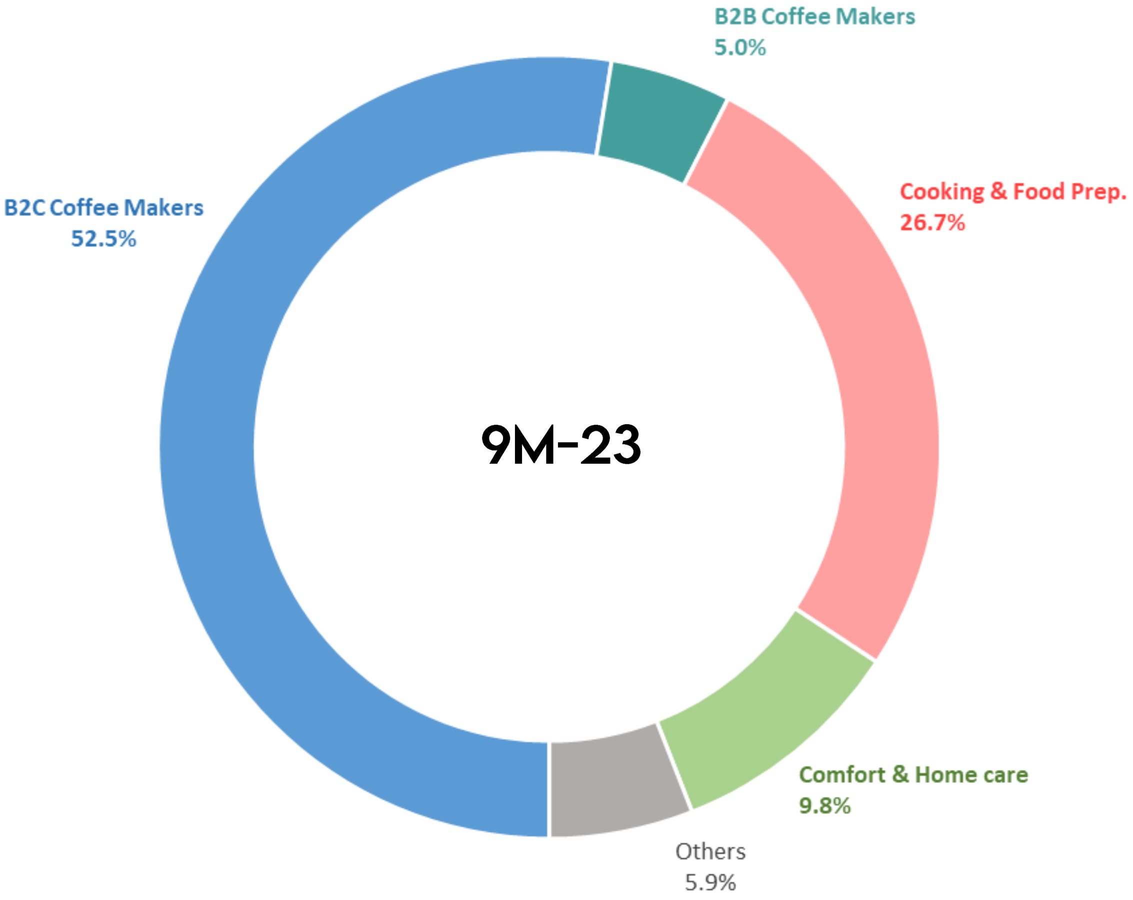
REVENUES BY MARKET (9 MONTHS)



Main Ups & Downs (at constant FX)

UP double-digit	Austria Korea Turkey
UP single-digit	France, UK, Czech republic & Slovakia & Hungary Singapore & Malaysia
Down	Italy, Germany, Scandinavian countries MEIA / Americas, Australia & New Zealand

REVENUES BY PRODUCT LINE (9 MONTHS)



Main Ups & Downs (at constant FX)

UP double-digit	Drip coffee makers Personal blender Deep Fryers B2B coffee makers,
UP single-digit	FACM Food processors, Ironing
Down	Manual coffee makers Kitchen machines, Comfort

Q3 & 9M 2023 RESULTS

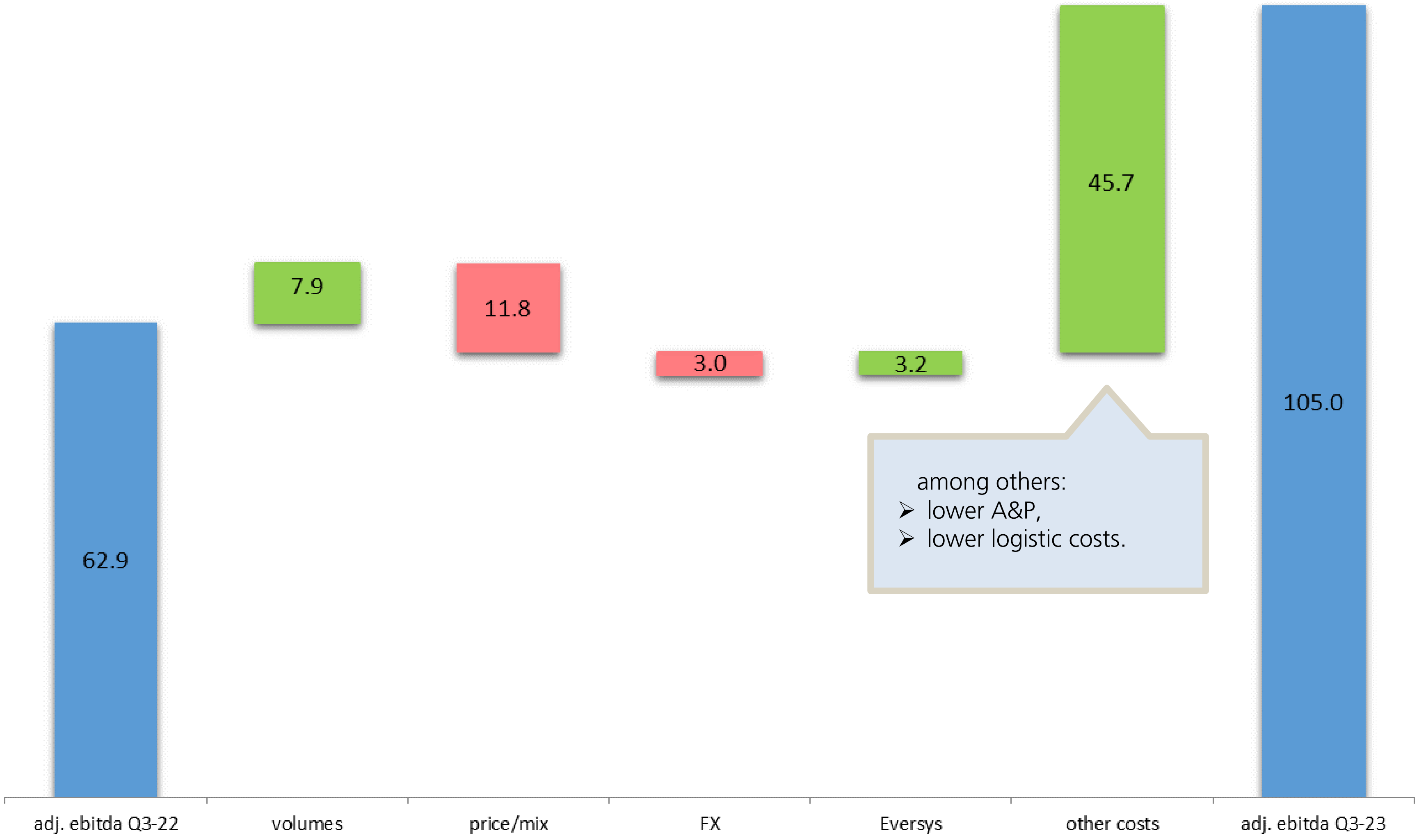
MARGINS

(Eur million)	9M-23	9M-22	Change %	Q3-23	Q3-22	Change %
net ind. margin	**986.2**	1,015.5	*-2.9%*	**346.1**	319.4	*8.4%*
% of revenues	*49.4%*	*47.7%*		*49.0%*	*46.7%*	
adjusted Ebitda	**265.1**	212.0	*25.1%*	**105.0**	62.9	*66.9%*
% of revenues	*13.3%*	*10.0%*		*14.9%*	*9.2%*	
Ebitda	**260.9**	217.8	*19.8%*	**101.9**	67.2	*51.5%*
% of revenues	*13.1%*	*10.2%*		*14.4%*	*9.8%*	
Ebit	**182.8**	141.2	*29.5%*	**74.7**	40.9	*82.8%*
% of revenues	*9.2%*	*6.6%*		*10.6%*	*6.0%*	
Net Income *(pertaining to the Group)*	**142.2**	99.4	*43.0%*	**59.5**	27.7	*114.4%*
% of revenues	*7.1%*	*4.7%*		*8.4%*	*4.1%*	

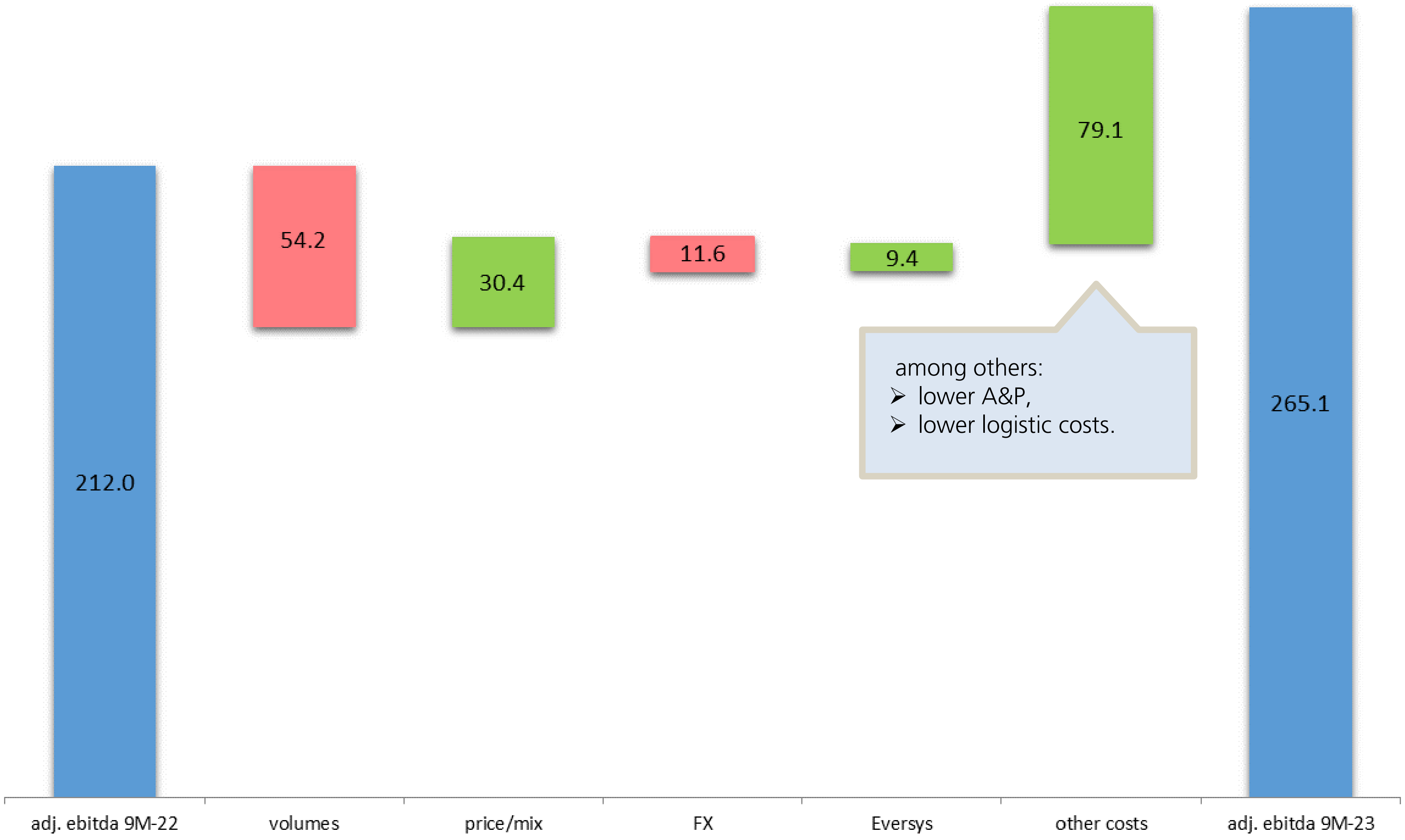
In the quarter:

- the **net industrial margin** stood at € 346.1 million, equal to 49% of revenues compared to 46.7% in 2022, benefitting from the recovery of some production costs. We highlight that in the 9 months the price-mix effect was positive by € 30.4 million;
- **adjusted Ebitda** amounted to € 105 million, or 14.9% of revenues, a noticeable improvement compared to the 9.2% of the third quarter of 2022 and in continuity with the marked improvement achieved in the first six months;

BRIDGE TO ADJUSTED EBITDA (Q3 2023)



BRIDGE TO ADJUSTED EBITDA (9M 2023)



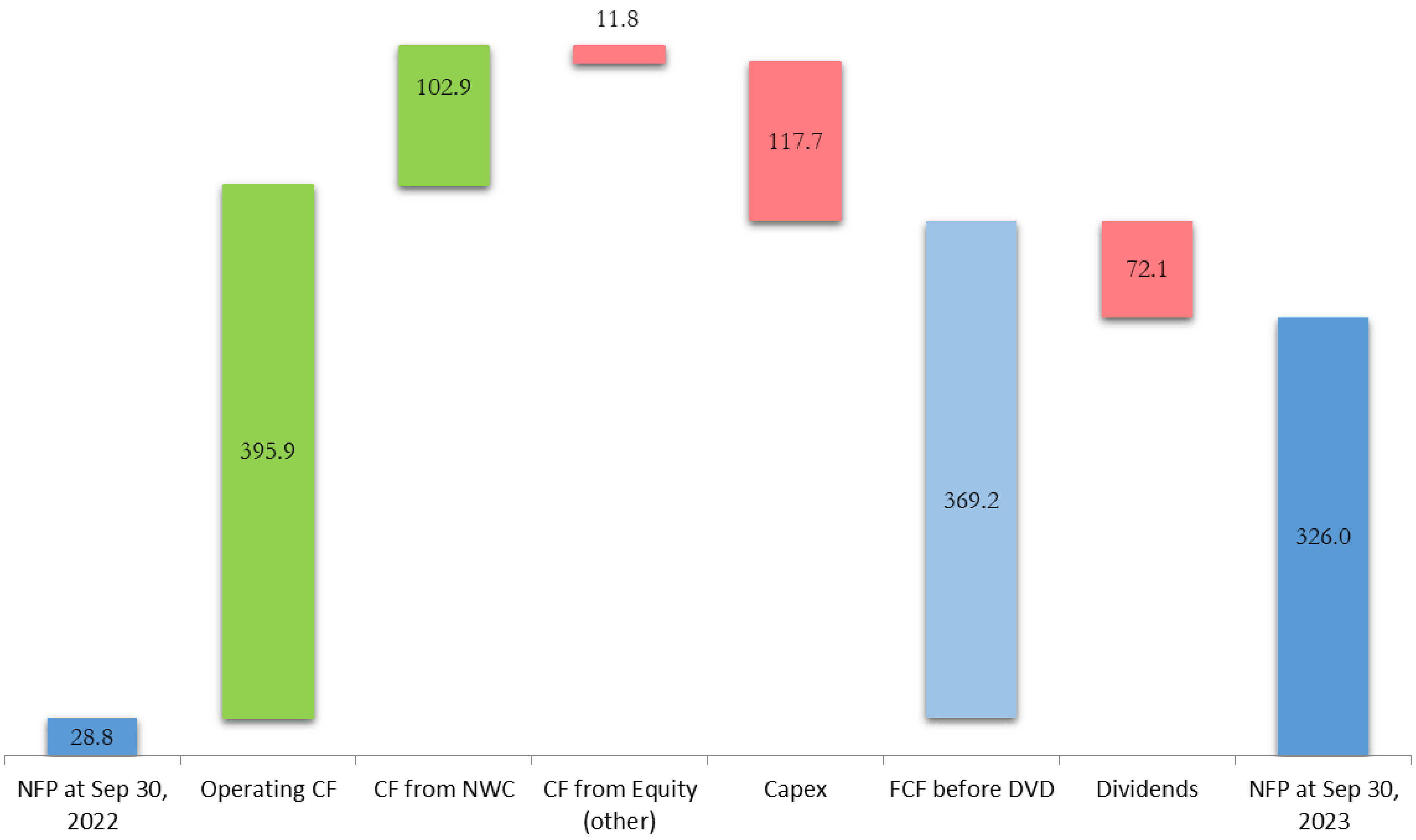
BALANCE SHEET

EUR million	30.9.2023	30.9.2022	*change (12 months)*	31.12.2022	*change (9 months)*
operating NWC	259.3	472.7	*-213.5*	288.8	*-29.5*
Net Equity	1,719.9	1,648.0	*71.9*	1,663.4	*56.5*
Net Financial Position	326.0	28.8	*297.2*	298.8	*27.2*
Net Bank Position	411.3	115.9	*295.4*	389.5	*21.9*
oper. NWC / Revenues	8.6%	14.8%	*-6.2%*	9.1%	*-0.5%*

- The Group closed the first nine months of 2023 with a positive **Net Financial Position** at € 326 million, strongly improving vs. 2022 (€ 28.8 million);
- **Free Cash Flow before dividends and M&A** was equal to 14.3 M€ in the quarter and € 369.2 M€ in the 12 months;
- In details, In terms of **operating working capital** (8.6% of 12-month rolling revenues), the negative change in inventories (because of increased production to prepare for peak season) was not counterbalanced by the positive cash generation of trade receivables and payables' management. It should also be noted that **level of inventories** in September 2023 (€ 730.2 million) was much lower than the level of last year (€ 892.1 million).

NET CASH FLOW (9 MONTHS)

NET CASH FLOW (12 MONTHS)



KEY TAKEAWAYS

1

The Q3 showed a **high-single digit organic growth**, extending the improved trend already seen in 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 weeks by the launch of the **new "Perfetto" and "Nutribullet: it's that simple" campaigns**.

3

The Group ended the 9M period of 2023 with a **€ 326 M** positive **Net Financial Position**, thanks to an efficient working capital management and a robust cash generation from operations in the last 12 months.

4

In the first nine months of the year, profit margins showed a steady increase compared to the previous year, as a result of careful pricing strategy and a strict control of investments, together with a recovery of logistics costs an easing of pressure on the remaining operating costs.

FY 2023 GUIDANCE

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

"The excellent results of the quarter allow us to look with extreme confidence to this phase of gradual normalization of the growth and profitability trends of the post-pandemic period. In particular, in recent months, our Group has achieved strong organic growth and an EBITDA at record levels, progressively offsetting the negative effects of inflationary pressures on production costs and consumption.

Aware of the complexity of the current macroeconomic and geopolitical scenario, we trust in the Group's ability to overcome the challenges that this context presents us and to exploit the development potential offered by coffee and Nutribullet's nutrition segments, thanks to the renewed commitment to invest in innovation and communication and also supported by the new "Perfetto" and "Nutribullet: it's that simple" campaigns being launched in these current weeks.

Having said that, in light of the dynamics of progressive recovery of profitability, we look at the targets for the year with optimism. In particular, while confirming the estimate of slightly decreasing revenues, we raise the guidance on the adjusted Ebitda for the year, which we estimate in the range of 420-440 million Euros."

FY 2023 guidance *(confirmed)*

REVENUES slightly down vs. 2022

+

Adjusted EBITDA in the range of 420-440 M€

Contacts:

Investor Relations:
Fabrizio Micheli, Samuele Chiodetto
T: +39 0422 4131
e-mail: investor.relations@delonghigroup.com

Media relations:
T: +39 0422 4131
e-mail: media.relations@delonghigroup.com

On the web:
www.delonghigroup.com