



DēLonghi Group
Q3 & 9M 2024 Results
Nov 12th, 2024



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DEFINITIONS & ASSUMPTIONS

In this presentation:

- “Adjusted” stands for before non recurring items and cost of the stock option plans
- “At constant exchange rates” means excluding the effects of exchange rates' variations and of hedging derivatives
- At “constant perimeter” or “Organic” or “Like for Like” mean excluding effects of the integration of the business combination between La Marzocco and Eversys
- “ForEx” or “FX” stand for Foreign Exchange Rates;
- “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);
- “NWC” stands for Net Working Capital;
- “Capex” stands for capital expenditures, i.e. investments in fixed assets;
- “FCF” stands for free cash flow before dividends and M&A.



MAJOR NEW PRODUCT LAUNCHES 2024

RIVELIA

Global roll out

Rivelia's Bean Switch Technology allows users to effortlessly switch between different coffee beans; Bean Adapt Technology automatically adjusts brewing parameters to match the unique characteristics of the selected coffee beans, ensuring optimal extraction and flavor preservation with every cup; LatteCrema Hot Technology froths milk to perfection, creating velvety smooth textures ideal for lattes, cappuccinos, and other specialty drinks; Rivelia features a sleek and contemporary design.



MAGNIFICA EVO NEXT

All that maximizes coffee and milk experience for mid-end consumers.

*Dense and rich milk foam at the right temperature thanks to **LatteCrema Hot**; A wide range of **tailor-made** coffee and milk drinks (up to 13); **Intuitive User Interface** with 2.4" colour display w/navigation controls; **Customization** of the beverages that can be saved on your user profiles; **Metal** & precious details; **Easy Maintenance***



LA SPECIALISTA MAESTRO



*New design and performance standards for the domestic manual coffee machine industry. **Sensor Grinding Technology**, for finer grind setting, **My LatteArt Steam Wand** and **Latte Crema System**, **Dynamic pre-infusion**, with 5 infusion temperatures adapting to the density of coffee dose and **Active Temperature Control** through the entire brewing process among the key innovations.*

LA SPECIALISTA OPERA

*"Quality coffee, crafted effortlessly" with 15 grind settings and variable temperature balance to accommodate different coffee beans, roasting levels and hot or cold brew preferences with the **Cold Brew Technology**. Experience powerful steam with the **My LatteArt cool** touch steam wand, powered by the **Advanced Thermoblock***





GO COLLECTION

The new Kenwood Go provides excellent performance, great results, ingenious features and the premium design that Kenwood is renowned for. All appliances in the Kenwood Go Collection fit into a deep pan drawer or cupboard (30cm) and feature easy carry handles. Built to last, with intuitive interfaces that enhance the user experience, the full collection is available in on-trend colours.

MULTI PRO GO

Compact Food processor



KENWOOD GO

Compact Stand mixer



QUICK MIX GO

Compact Hand mixer



nutribullet®

FLIP

*Blender + Insulated Tumbler In One
The blending cup is a fully
functional insulated tumbler,
making it distinctive.*

*It's made from **double-walled
insulated stainless steel**, which can
keep ingredients and blends cold
up to 24 hours. Can blend ice, most
frozen fruits, and many fresh
ingredients to make smoothies on
the go.*



SMARTSENSE BLENDER

*This sleek, full-sized blender is designed for ease and precision, with **1500 Watts of power** and **5 variable speed settings**. It also features a **smart auto cycle**, which senses ingredient load and automatically adjusts speed, time, and function to deliver optimal results.*



BRAUN



CARESTYLE 9

*The new CareStyle 9, with its blend of **automatic descaling**, **intelligent steam control**, **powerful performance**, **ergonomic design** and **interactive features**, delivers a premium ironing experience.*



QUICKSTYLE 9

*Braun's exclusive **FastSteam Technology** maximizes steam output, letting you sanitizing your outfits. Thanks to the world's first **Dual FreeGlide 3D Technology**, guaranteeing 360° glideability.*



MULTIFRY 3 AIRFRYER

*The new Multifry 3 includes **8 Automatic programs** and **4.3 L drawer**. **RealAir Technology**, allowing **Super-hot air** circulating around your food for **crispy results** (with up to **90% less fat** compared to a conventional deep fryer).*

CONTINUOUS INVESTMENTS IN BRAND & PRODUCT COMMUNICATION



GLOBAL COFFEE CAMPAIGN



EMILY IN PARIS PLACEMENT



KENWOOD



MAKE IT BIG
«Kenwood Go» collection launch
Digital Media Campaign



**TIK TOK
CAMPAIGN**
«Go Collection»



nutribullet®

AWARENESS CAMPAING

Nutribullet launch in France & Spain



FLIP LAUNCH EVENT

Pier party in Santa Monica (California)



BRAUN

SEASONAL CAMPAIGNS

Various markets

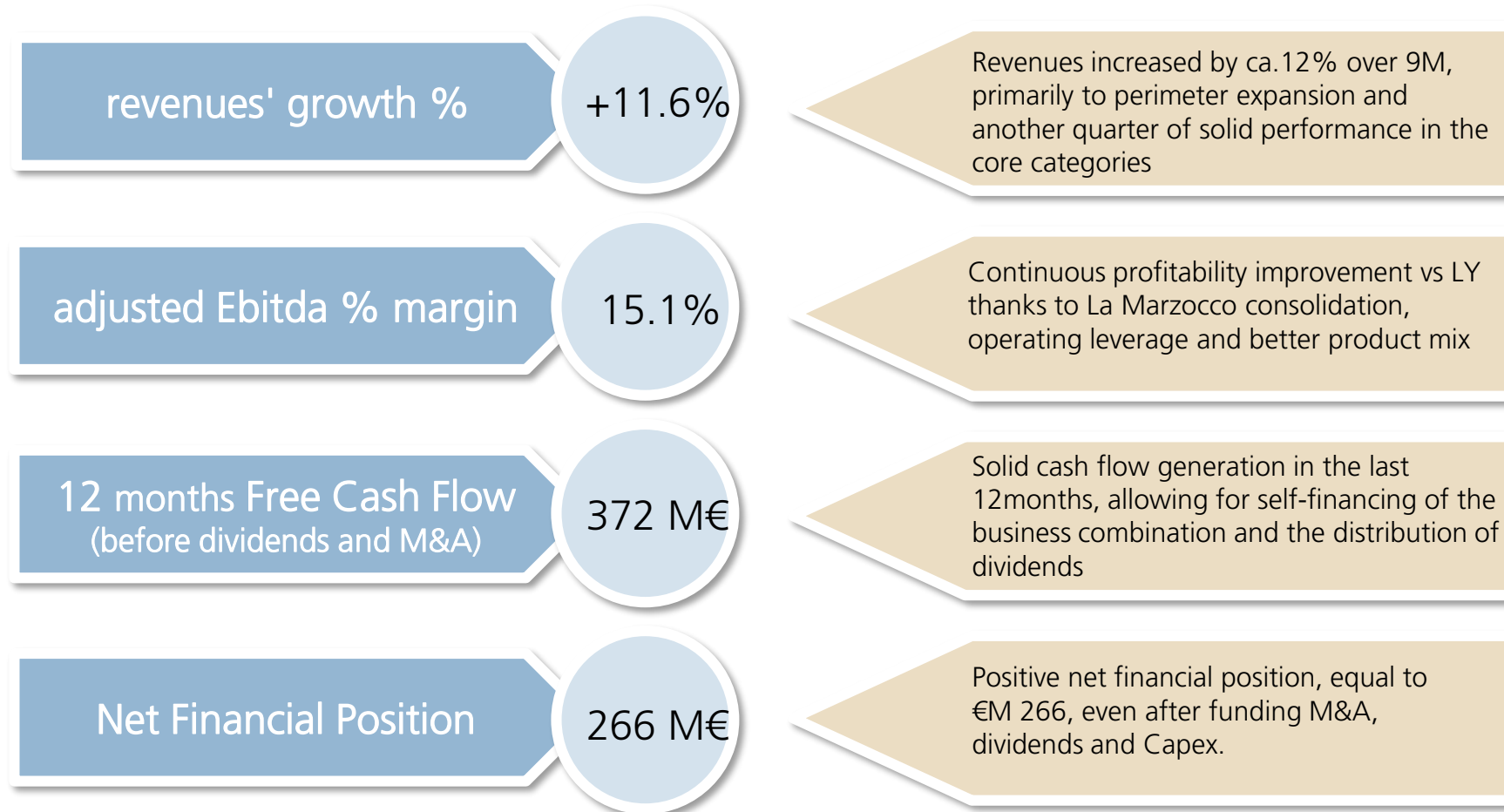


CARESTYLE 9
Launch campaign in Belgium



Q3 & 9M 2024 RESULTS

THE 9 MONTHS HIGHLIGHTS



TOP LINE

(Eur milion)	9M 24	9M 23	Q3 24	Q3 23
Revenues	2,229.2	1,997.8	805.5	706.6
change %	11.6%		14.0%	
change at constant perimeter %	4.1%		5.2%	
change at constant perimeter and FX %	4.6%		5.3%	

- In the first nine months of 2024, the top line grew by double digits, driven by La Marzocco consolidation for seven months along with solid organic growth at a mid-single digit rate, with core categories extending the positive momentum of the previous quarters.
- Organic growth accelerated in the third quarter, driven by strong home coffee sales and favourable developments in nutrition and food preparation.



Q3 & 9M 2024 RESULTS

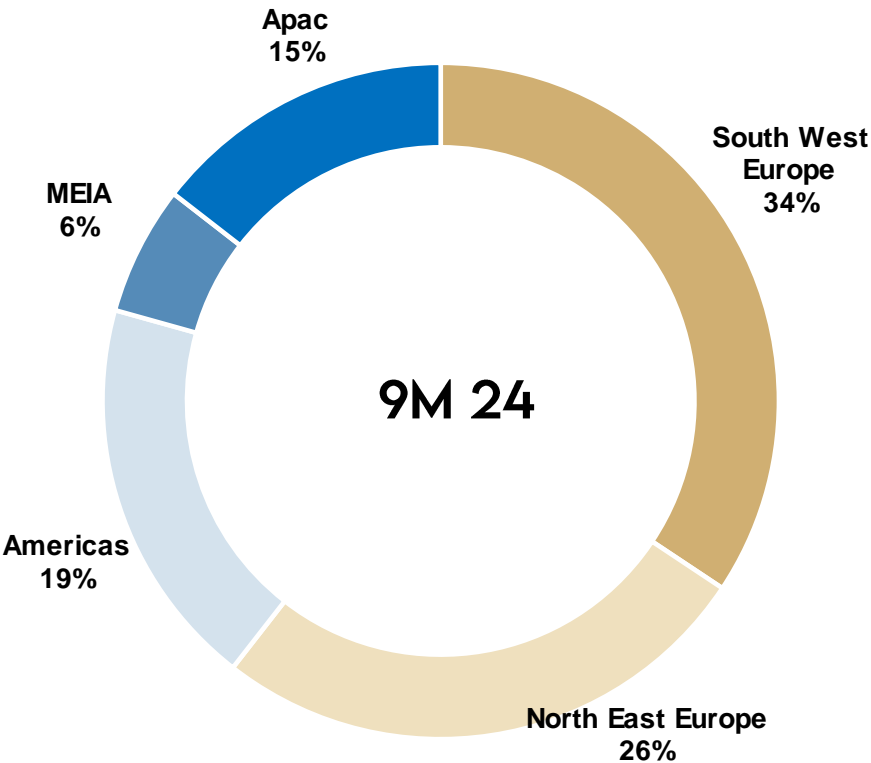
REVENUES BY REGION

EUR millions	Reported		Like for like		Reported		Like for like	
	9M 24	chg. % vs LY	chg. % at costant perimeter	chg. % at costant perimeter& FX	Q3 24	chg. % vs LY	chg. % at costant perimeter	chg. % at costant perimeter& FX
South West Europe	765.7	8.6%	4.6%	4.3%	260.5	7.4%	2.5%	2.4%
North East Europe	584.1	16.2%	12.8%	13.2%	215.1	18.8%	14.7%	12.9%
EUROPE	1,349.8	11.8%	8.0%	8.0%	475.6	12.3%	7.7%	6.9%
MEIA (MiddleEast/India/Africa)	137.7	5.9%	-0.7%	-0.1%	48.9	10.7%	2.6%	3.7%
Americas	419.1	15.3%	1.7%	1.8%	169.6	23.5%	8.4%	8.9%
Asia-Pacific	322.7	8.8%	-6.6%	-4.2%	111.3	9.7%	-8.7%	-6.0%
TOTAL REVENUES	2,229.2	11.6%	4.1%	4.6%	805.5	14.0%	5.2%	5.3%

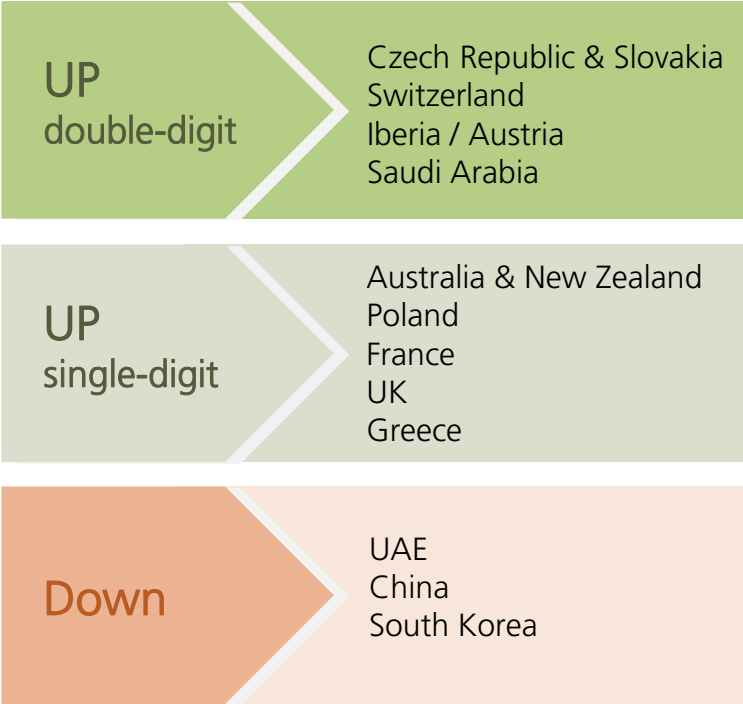
In the quarter:

- **The South-Western European** area recorded an increase of 7.4% in turnover, corresponding to a low-single-digit organic growth favoured by the performance of certain countries such as Switzerland, Austria, and Iberia, sustained by the expansion of fully-auto;
- **North-Eastern Europe** advanced further in Q3, achieving the fourth quarter in an a row of double digit organic growth, with Poland outperforming the area thanks to the good performance of home coffee and kitchen equipment, and UK, Czech Republic, and Slovakia expanding sales;
- Regarding the **MEIA** area, Q3 was up double digits, thanks to the perimeter expansion, and low-single digit organic growth despite the geopolitical context;
- The **Americas** region recorded a more than twenty percent increase in turnover, thanks to the consolidation of La Marzocco and strong organic growth from home coffee and Nutribullet's products;
- Finally, the **Asia Pacific** region's turnover climbed by almost 10% thanks to perimeter expansion, which helped offsetting the decline in the region's performance on a like-for-like basis, partially worsened by an adverse currency effect. Australia and New Zealand enjoyed good results from the coffee and nutrition segments, while in Japan the particularly mild winter season penalized the quarterly result.

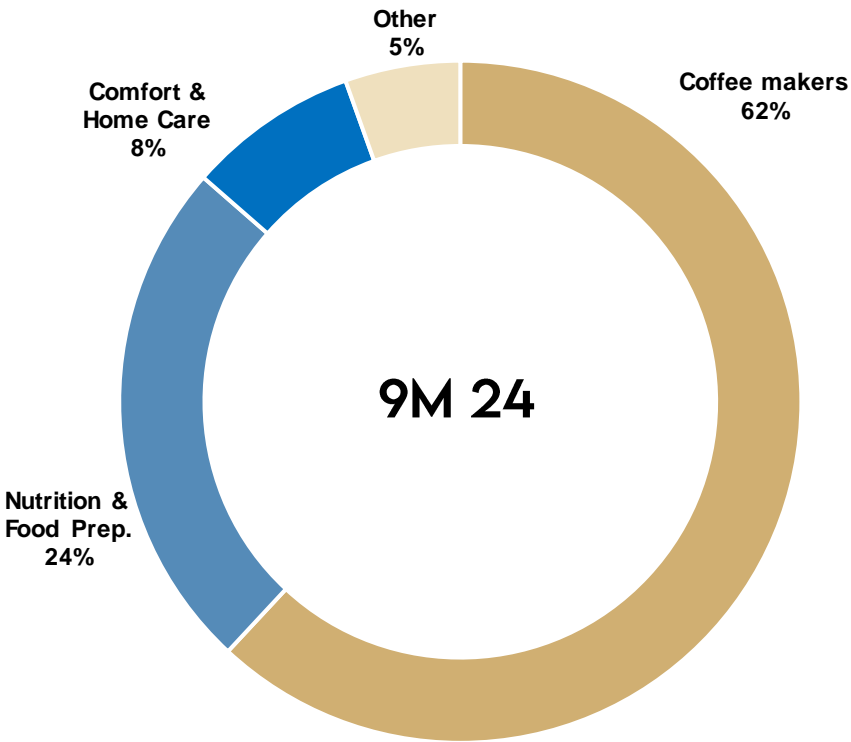
REVENUES BY MARKET (9 MONTHS)



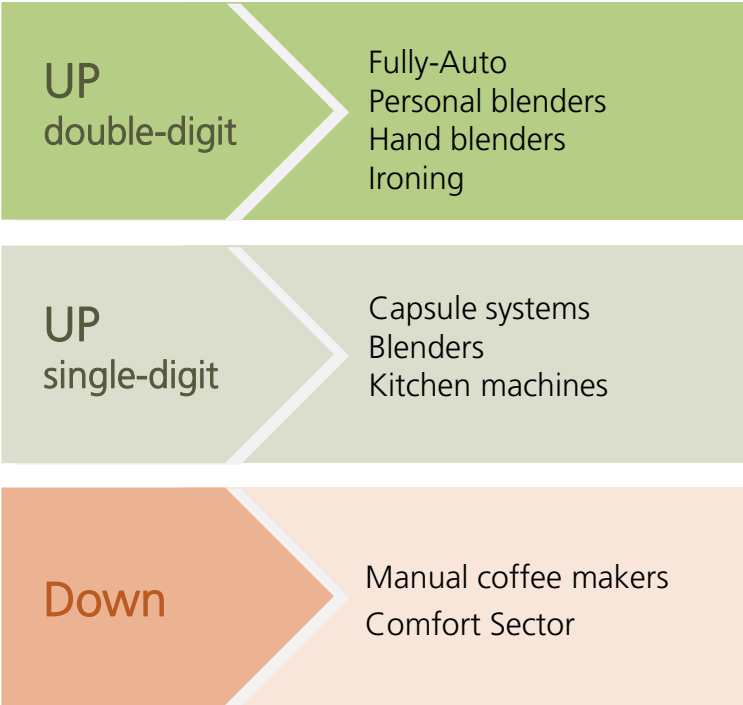
Main Ups & Downs
(at constant FX and perimeter)



REVENUES BY PRODUCT LINE (9 MONTHS)



Main Ups & Downs
(at constant FX and perimeter)



Q3 & 9M 2024 RESULTS

P&L

(Eur million)	9M 24	9M 23	chg.	chg. %	3Q 24	3Q 23	chg.	chg. %
Revenues	2,229.2	1,997.8	231.4	11.6%	805.5	706.6	98.9	14.0%
net ind. margin	1,142.7	986.2	156.4	15.9%	415.8	346.1	69.8	20.2%
% of revenues	51.3%	49.4%			51.6%	49.0%		
adjusted Ebitda	335.8	265.1	70.7	26.7%	131.1	105.0	26.2	25.0%
% of revenues	15.1%	13.3%			16.3%	14.9%		
Ebitda	325.7	260.9	64.8	24.8%	126.0	101.9	24.2	23.7%
% of revenues	14.6%	13.1%			15.6%	14.4%		
Ebit	240.8	182.8	57.9	31.7%	97.0	74.7	22.3	29.9%
% of revenues	10.8%	9.2%			12.0%	10.6%		
Net Income*	173.8	142.2	31.6	22.2%	67.6	59.5	8.2	13.7%
% of revenues	7.8%	7.1%			8.4%	8.4%		

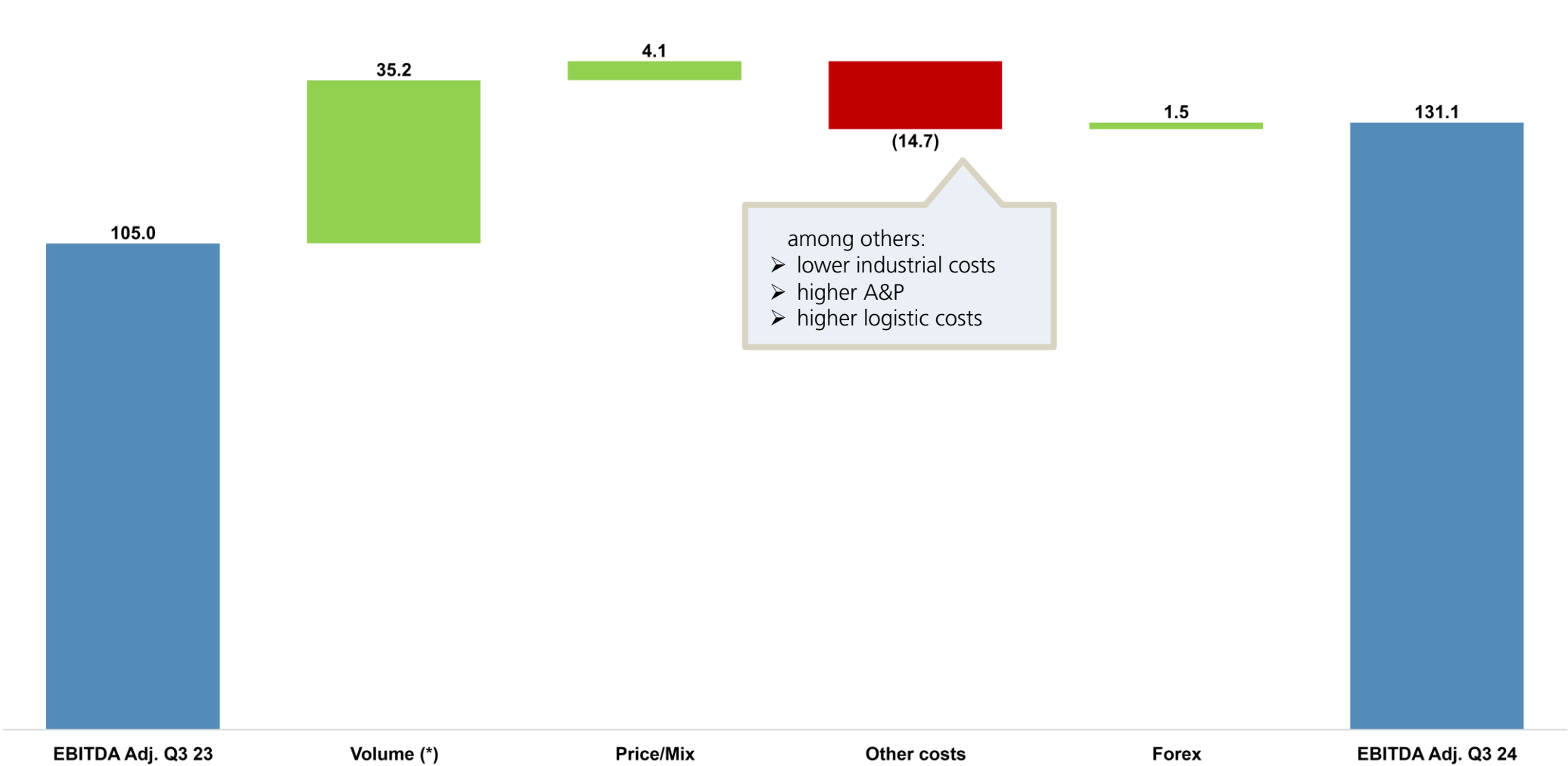
* pertaining to the Group

In the quarter:

- the **net industrial margin** stood at € 416M, equal to 51.6% of revenues compared to 49.0% in 2023, benefitting from the further easing of inflationary pressures on certain production costs and the increase in volumes;
- **adjusted Ebitda** amounted to € 131M, or 16.3% of revenues, improving by 140 bp vs 2023 (in line with the trends experienced in the first half), thanks to the consolidation of La Marzocco for seven months and the improvement of organic profitability driven by rigorous cost control and the increase in volumes.

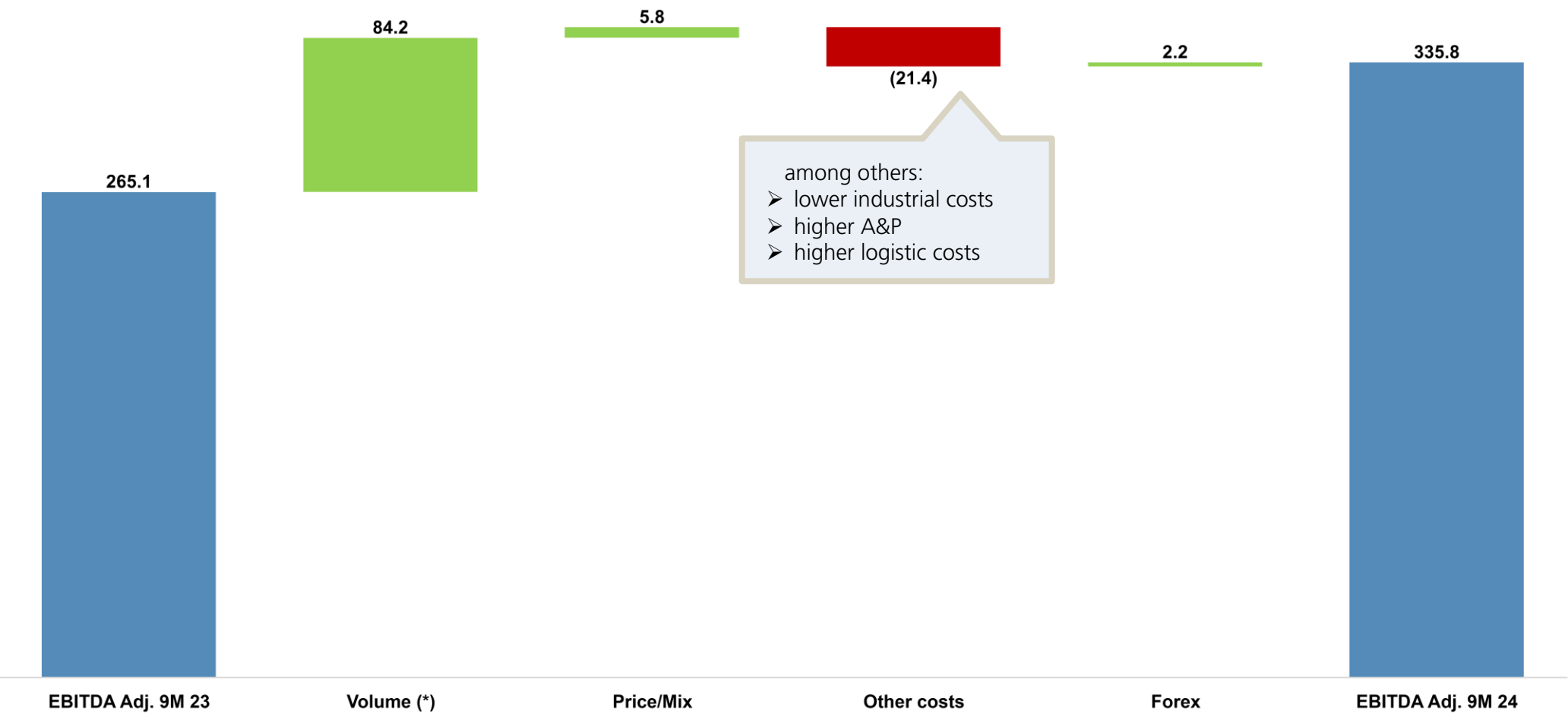


BRIDGE TO ADJUSTED EBITDA (Q3 2024)



(*) Including the impact of the consolidation of La Marzocco

BRIDGE TO ADJUSTED EBITDA (9M 2024)



(*) Including the impact of the consolidation of La Marzocco

Q3 & 9M 2024 RESULTS

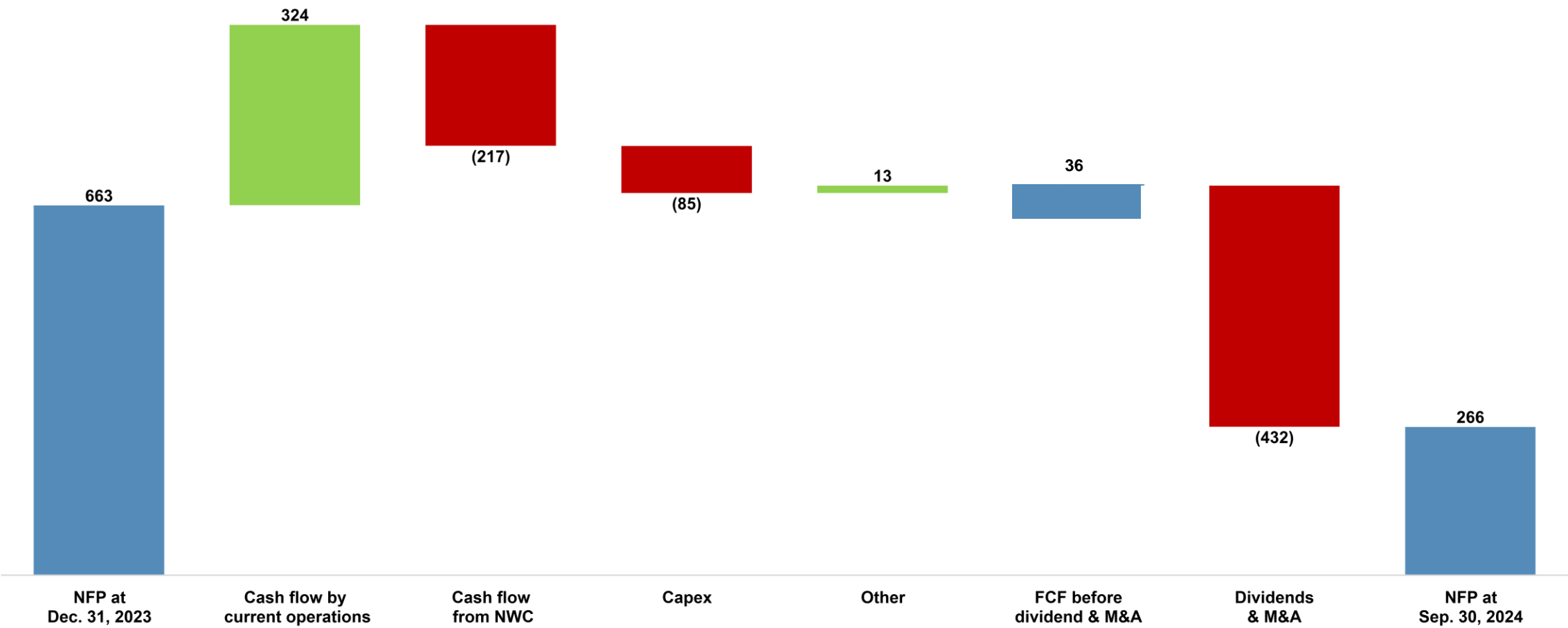
BALANCE SHEET

EUR million	30-Sep-24	30-Sep-23	change 12 months	Dec 31st, 23	change 9 months
Net working Capital	103.2	140.0	(36.8)	(82.8)	186.0
NWC / Revenues	3.1%	4.6%	-1.5%	-2.7%	5.8%
operating NWC	252.9	259.3	(6.3)	61.1	191.8
operating NWC / Revenues	7.6%	8.6%	-1.0%	2.0%	5.6%
Net Financial Position	(266.1)	(326.0)	59.9	(662.6)	396.5
Net Bank Position	(378.8)	(411.3)	32.5	(761.7)	382.9
Net Equity	2,036.7	1,719.9	316.8	1,811.1	225.5

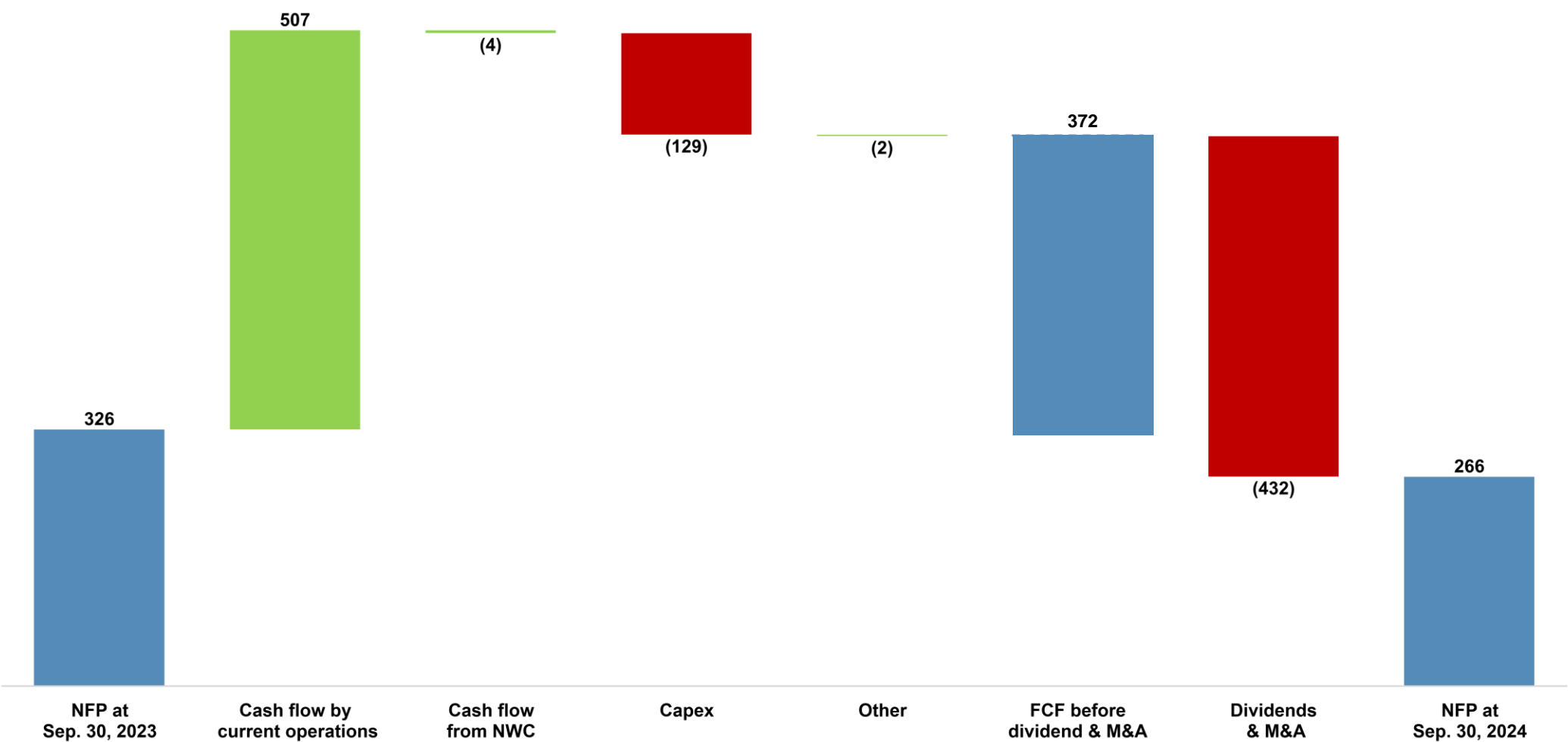
- The Group ended the first nine months of 2024 with a positive **Net Financial Position** of € 266 million, slightly lower than from September 2023 after the finance of the business combination in the professional business, dividends, and Capex;
- **Free Cash Flow before dividends and M&A ("FCF")** was equal to €M 372 (rolling 12m), allowing the Group to finance the business combination with La Marzocco and dividend payment. FCF was slightly negative in the quarter due to the impact of operating working capital, as the Group built up inventory for the Q4 season;
- In terms of **operating working capital** (7.6% of 12-month rolling revenues), working capital increased with respect to last year mostly because of the increase in perimeter and the built up of the inventory needed to support the expected sales.



NET CASH FLOW (9 MONTHS)



NET CASH FLOW (12 MONTHS)



KEY TAKEAWAYS

1

In the Q3, the **Group's revenues climbed by 14%**, following La Marzocco's consolidation and the expansion of the household business, which recorded another strong quarterly performance, accelerating from the first half

2

Recent **advertising initiatives have succeeded** in strengthening brand awareness, supporting merchants, and increasing consumer interaction

3

During the last year and a half, we have been able to **dramatically improve the Group's profitability at a faster pace than the sales growth**, driven by La Marzocco's accretive profits lever over the last months, and a remarkable improvement in organic profitability, driven by operating leverage and a better product mix

4

The boost in revenue witnessed in the past few months and ongoing progress of the business lead us to **raise our guidance for the full year**, with revenues growth projected in the range of 11%-12% (previously 9%-11%) and an adjusted EBITDA of 540-550 €M (from 500-530 €M)

FY 2024 GUIDANCE

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

"The Group improved the excellent performance of recent quarters, with a 14% increase in revenue, benefiting from both the consolidation of La Marzocco and acceleration in the household sector.

The past year and a half has shown stability and persistence in trends across our categories, thanks to a structurally expanding market, which we have supported through investments in innovation and communication. Specifically, in addition to the renewed commitment to De' Longhi's global coffee campaign and Braun's 'CareStyle' ironing products, we supported the launch of new products in the quarter, such as Nutribullet's Flip and Kenwood's 'Go' collection, with dedicated events and social media campaigns.

Furthermore, in the professional coffee sector, La Marzocco has reaffirmed its market leadership, further developing its business and strengthening its presence in luxury household goods with targeted partnership initiatives, including the creation of an exclusive 'Porsche X La Marzocco' product line.

I am fully satisfied with the improvement in profitability, with EBIT growing at double the pace of revenue growth. In addition to the expanded scope, this improvement benefited from stabilized production costs and a favourable product mix effect, indicating the continued growth of our consumers' interest in the premium segments of our product portfolio.

The acceleration seen in recent months, along with the current market development scenario, allows us to revise our guidance upwards for the year. We now estimate, for the new scope, revenue growth in the range of 11%-12% for 2024 (previously 9%-11%), with adjusted EBITDA between €540-550 million (previously €500-530 million)."



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