

De' Longhi S.p.A.

Preliminary revenues 2023

Strong organic growth in the fourth quarter

The De' Longhi Group's preliminary revenues for 2023 are as follows:

- **fourth quarter**, revenues at € 1,076.8 million, up 4.6% (+7.9% at constant exchange rates);
- **12 months**, revenues at € 3,074.6 million, in a slight drop of 2.7% (-0.2% at constant exchange rates).

The CEO Fabio de' Longhi has commented:

“During the year, we were able to significantly improve the Group's growth, profitability, and cash generation. These achievements were the result of strict cost control, continuing brand development and a careful investment strategy, in the context of gradual post-pandemic normalization.

In particular, in the second part of 2023, the continuous expansion of coffee machines and the path back to growth of the nutrition and food preparation sector, the latter supported mainly by the development of both the Nutribullet and Braun brands, allowed the Group to achieve organic growth at a high single digit rate in the last six months.

We believe that the dynamics highlighted in most recent quarters allow us to be cautiously optimistic about 2024, estimating revenues increase at a low to mid-single digit growth rate for the current perimeter¹.

Regarding 2023 margins, in light of the gradual recovery of profitability during the year and the favourable turnover mix highlighted in the fourth quarter, we estimate a result in the upper range of the guidance released, thus increasing the adjusted Ebitda 2023 forecast at around 440 million euros.”

Finally, it should be noted that the preliminary revenue figures shown in this press release have not been audited. The complete 2023 annual results will be submitted for approval to the Board of Directors in their meeting scheduled for March 12, 2024.

¹ Guidance referring to the perimeter at the end of 2023, which excludes the Business Combination between Eversys and La Marzocco announced on December 21, 2023.

2023 revenues by geography and product line

The Group ended 2023 with revenues slightly lower than the previous year, fully achieving the guidance released for the period.

The first half of the year ended with a partial decline in turnover, primarily caused by some temporary and exceptional factors that affected the start of the year. These factors included the challenging comparison with the previous first quarters of the last two years, the reduction in stock levels held by retailers and the discontinuity in mobile air conditioning business on the American market.

In the second half of the year, the Group achieved organic growth at a high single digit rate, showing a significant progression and expansion of the underlying trends since the second quarter in both in coffee, and the nutrition and food preparation sectors.

Over the past twelve months, geographical expansion was affected by the temporary factors mentioned earlier, however, in the fourth quarter, the Group experienced a boost in organic growth in most of its regions (with the exception of the America area due to some temporary factors).

In more details:

| <i>EUR million</i> | 12 months 2023 | <i>var. %</i> | <i>var. % at constant FX</i> | Q4 2023 | <i>var. %</i> | <i>var. % at constant FX</i> |
|---------------------------------------|---------------------------|---------------|----------------------------------|----------------|---------------|----------------------------------|
| South West Europe | 1,108.6 | -1.7% | -2.0% | 403.5 | 10.1% | 9.9% |
| North East Europe | 797.6 | 6.8% | 10.7% | 294.9 | 11.9% | 16.8% |
| EUROPE | 1,906.3 | 1.7% | 3.1% | 698.4 | 10.8% | 12.8% |
| MEIA (MiddleEast/India/Africa) | 174.4 | -11.3% | -7.9% | 44.4 | 6.2% | 13.4% |
| Americas | 546.5 | -12.3% | -9.8% | 183.2 | -10.6% | -6.0% |
| Asia-Pacific | 447.4 | -3.6% | 2.4% | 150.7 | -1.5% | 4.8% |
| TOTAL REVENUES | 3,074.6 | -2.7% | -0.2% | 1,076.8 | 4.6% | 7.9% |

- **South-Western Europe** achieved a partial decline in turnover in the twelve months, however, the area showed high-single digit organic growth in the second half of the year; In the fourth quarter, the major markets experienced strong growth, with Germany and France showing a turnover in the high teens pace;
- **North-Eastern Europe** recorded a substantial positive trend in 2023, with additional progress made in the last few months of the year thanks to a significant expansion of the core product categories in the main markets;

- the **MEIA** area achieved organic growth in the low teens during the fourth quarter, however, in the twelve months the area remains in negative territory primarily as a result of challenging macroeconomic conditions;
- in 2023 the result of the **Americas** area was significantly affected by the impact of the exit from the mobile air conditioning business, net of which the turnover would have been slightly lower than the previous year; it is worth mentioning that the fourth quarter saw a slowdown primarily due to a decline in capsule machines and negative currency impact;
- finally, the **Asia Pacific** region achieved an expansion in turnover in organic terms over the twelve months, thanks to an acceleration in the second half of the year, which led to mid-single-digit organic growth in the fourth quarter.

In terms of product segments:

- the domestic **coffee machine** sector highlighted a turnover in line with the previous year, with growth reaching a mid-single-digit rate in the fourth quarter. This was supported specifically by an acceleration at a low teens pace in the super-automatic machines category, thanks to the success of the new products recently launched on the market;
- the **nutrition and food preparation** segment highlighted positive dynamics in both quarters of the second half of the year, despite finishing the year in negative territory. The growth recover was primarily driven by a significant increase in the personal blenders category;
- with regard to the remaining segments, we highlight a significant expansion of ironing products in the quarter, which brings the **home care** category (floor-care and ironing) into positive territory in the twelve months; the trend in **comfort** (portable heating and air conditioning) in 2023 was strongly influenced by the Group's choice to exit the American portable air conditioner market;
- Finally, we highlight the significant growth of Eversys' professional coffee machines, which maintained a consistent expansion trend throughout the year, resulting in a turnover growth of more than 30% in 2023.

Regulatory statement

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.

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The De' Longhi Group is one of the leading players in the small domestic appliance business dedicated to the world of coffee, cooking and food preparation, air conditioning, heating and home care. Listed since 2001 on the Italian Stock Exchange MTA, De' Longhi distributes its products, with the De' Longhi, Kenwood, Braun, Ariete, Nutribullet and Magic Bullet brands, in more than 120 markets around the world and at end 2022 had over 9,000 employees. In 2022 it reported revenues of € 3.16 billion, an adjusted EBITDA of € 362 million and a net profit of € 177 million.