

PRESS RELEASE

De' Longhi S.p.A.

Shareholders' Annual General Meeting

The Shareholders' Annual General Meeting, held today in ordinary session:

(i) approved the consolidated 2020 results, confirming the data approved by the Board of Directors held on March 11, 2021:

in the twelve months 2020, the Group achieved:

- normalized¹ **net revenues** of € 2,368.1 million, up 12.4% (14.3% at organic ² level);
- a normalized **adjusted** ³ **Ebitda** of € 383.3 million, up by 27.6% and equal to 16.2% of revenues, with an improvement of 1.9 percentage points compared to the previous year;
- a normalized **Ebit** of € 278.8 million, up by 29.1% and equal to 11.8% of revenues;
- a **net profit** of € 200.1 million, up by 24.3%, equal to 8.5% of revenues;
- a positive **net financial position**⁴ of € 232 million, or € 561.3 million before the acquisition of Capital Brands Holdings; net of the Capital Brands transaction and dividends distributed (€ 80.8 million), the Group generated a cash flow of € 364.3 million.

(ii) approved the distribution of a dividend of € 0.54 per share:

the AGM has approved the distribution of a dividend of € 0.54 per share, for a total amount of € 80.8 million, payable starting from May 26, 2021, with coupon detachment on May 24 and with the record date pursuant to art. 83-terdecies of Legislative Decree no. 58/98 on May 25, equal to a pay-out ratio of 40,4% of the consolidated net profit of the Group.

(iii) approved the Remuneration Policy for the year 2021 and expressed a favorable opinion on the remunerations paid in the year 2020;

(iv) renewed the authorization to purchase and dispose of treasury shares.

¹ For comparative purposes, we may present so called "normalized" values, that is, comparable with those of the previous year, excluding the effects deriving from the reclassification of financial discounts (previously classified among financial charges and now included among commercial premiums and therefore netting the revenues).

² "Organic" stands for at constant exchange rates and excluding the derivative effect.

³ "Adjusted" stands for gross of non-recurring expenses / income and of the notional cost of the stock option plans, net of the related fiscal effect.

⁴ The Group balance sheet as at Dec.31,2020 includes the consolidation of Capital Brands Holdings Inc. and its subsidiaries, following the acquisition finalized on 29.12.2020.

Results summary and business review

(Eur million unless otherwise specified)	FY 2020	NORMALIZED VALUES		Q4-2020	NORMALIZED VALUES	
		FY 2020	FY 2019		Q4-2020	Q4-2019
Revenues	2351.3	2368.1	2106.1	878.0	883.4	802.4
change %	11.9%	12.4%		10.1%	10.1%	
organic ch. %	13.8%	14.3%		13.6%	13.6%	
net ind. margin	1157.1	1173.9	995.2	435.4	440.8	379.3
% of revenues	49.2%	49.6%	47.3%	49.6%	49.9%	47.3%
adjusted Ebitda	366.5	383.3	300.3	157.8	163.3	142.4
% of revenues	15.6%	16.2%	14.3%	18.0%	18.5%	17.7%
Ebitda	343.0	359.8	294.2	142.6	148.0	140.8
% of revenues	14.6%	15.2%	14.0%	16.2%	16.7%	17.5%
Ebit	262.0	278.8	215.9	119.5	124.9	119.8
% of revenues	11.1%	11.8%	10.3%	13.6%	14.1%	14.9%
Net Income	200.1	200.1	161.0	96.2	96.2	89.2
% of revenues	8.5%	8.5%	7.6%	11.0%	10.9%	11.1%
adjusted Net Income	218.0	218.0	165.7	107.7	107.7	90.2
% of revenues	9.3%	9.2%	7.9%	12.3%	12.2%	11.2%

general outlook

2020 was a year of high complexity and important changes in the market, both on the production and commercial fronts, to which the De' Longhi group was able to adapt with great flexibility and reactivity, thanks above all to the extraordinary commitment of all its employees and also the strength of its brands, the investments in the digital world and the continuous innovation process that has always characterized the Group.

In more details, from an industrial point of view, the aforementioned flexibility has allowed workers to operate safely and production and supply-chain structures to provide customers with continuity of service. In this regard, our industrial investments continued to expand production capacity on both the Chinese and European platforms.

On the commercial front, the restrictions imposed by the management of the pandemic have inevitably changed the distribution presence, leading to an acceleration of the development of the online world both as a place of purchase and as a vehicle for communication.

The actions taken, as a whole, have allowed the Group to take advantage of the trends underway in the market, which have shown an increased attention of consumers towards the domestic environment, favoring purchasing choices towards products related to the "home experience".

More specifically, in the field of coffee and food preparation the trend, already positive in the first months of 2020, has undergone a substantial acceleration during the year, with very sustained growth rates. These positive effects have

found further support in the investment strategy in marketing and communication and product innovation pursued by the Group with a view to the medium-term development.

revenues

Year 2020 ended with revenues of € 2,351.3 million, up 11.9% (€ 2,368.1 million in normalized terms, up 12.4%) thanks also to a fourth quarter up by 10.1%.

The currency effect had an overall negative impact of € 40 million, following the depreciation of almost all the Group's export currencies; at the organic level, growth was 13.8%.

markets

In the twelve months, all regions showed double-digit growth, in normalized terms, with the sole exception of the MEIA area (Middle-East / India / Africa), also penalized by the depreciation of the US dollar, which however saw a partial recovery, in organic terms, in the last two quarters of the year.

NORMALIZED FIGURES - EUR million	2020	chg. %	organic chg. %	4th quarter	chg. %	organic chg. %
South-West Europe	966.9	17.4%	17.2%	352.5	12.7%	12.5%
North-East Europe	677.4	12.6%	16.7%	270.6	12.0%	19.0%
EUROPE	1,644.3	15.4%	17.0%	623.1	12.4%	15.3%
MEIA (MiddleEast/India/Africa)	122.8	-12.0%	-9.4%	44.3	-3.6%	2.0%
APA (Asia/Pacific/Americas)	601.0	11.0%	13.5%	216.0	6.9%	11.3%
TOTAL REVENUES	2,368.1	12.4%	14.3%	883.4	10.1%	13.6%

In normalized terms:

- **South-Western Europe** grew by 17.4% and 12.7% in the twelve months and in the fourth quarter respectively, driven by a double digit performance of Germany, France, Switzerland, Spain and Portugal;
- **North-Eastern Europe** too recorded double-digit growth, both in the twelve months and in the fourth quarter, supported by the growth of Great Britain, the Russia-Ukraine-CIS aggregate and the Scandinavian area;
- as already mentioned, the **MEIA** region was in negative territory during the year (-12%), achieving however a partial recovery, at an organic level, in the last two quarters of the year (+ 7.7% and + 2% respectively);
- finally, the **APA** region (Asia-Pacific-Americas) recorded the double digit expansion of China and Hong Kong, Australia and New Zealand, while Japan and North America were growing at high single digits pace in the twelve months.

product segments

During 2020, all the main product segments recorded growing results, driven by the launches of new products and the increased attention by consumers to the themes of home experience and healthy nutrition, thus strengthening a trend

already in place in previous quarters, thanks also to the significant investments in communication and innovation made by the Group.

The **coffee** segment (52% of revenues) achieved normalized double-digit growth both in the twelve months and in the last quarter, with an important expansion of the families of full-automatic and manual machines. Capsule systems too were growing, but with a diluted incidence on the total segment.

The **cooking and food preparation** segment achieved normalized high single digit growth in both periods analyzed, mainly thanks to the expansion of kitchen machines, growing at a rate *in-the-twenties* both in the year and in the fourth quarter.

The **cleaning and ironing** segment closed 2020 with mid-single-digit growth in normalized terms, supported by a last quarter of double-digit expansion, in particular thanks to the recovery of the world of home cleaning.

Finally, the **portable air conditioning and heating** segment also achieved a double-digit growth rate in normalized terms, thanks to the brilliant performance of air conditioning and products related to air treatment.

operating margins

With regard to the evolution of margins over the twelve months, in *normalized* terms:

- the **net industrial margin**, equal to € 1,173.9 million, improved from 47.3% to 49.6% (+ 18%), thanks above all to higher volumes and the positive contribution of the price-mix component;
- **adjusted Ebitda** amounted to € 383.3 million (+ 27.6%), with a marked growth of margin from 14.3% to 16.2% of revenues, despite greater investments in marketing and communication which reached an incidence on revenues at the end of the year of 12.4% (compared to 11.7% in 2019);
- **Ebitda** was € 359.8 million (+ 22.3%), amounting to 15.2% of revenues compared to 14% in the previous year;
- **Ebit** grew by 29.1% to € 278.8 million, equal to 11.8% of revenues;
- finally, **net profit** was € 200.1 million, equal to 8.5% of revenues and up by 24.3%.

Finally, we highlight the presence, among non-recurring expenses, of € 12.6 million relating to the donation in favor of the initiatives for the containment of the pandemic (€ 3.1 million) and the extraordinary bonus granted to employees and collaborators for the commitment shown in an unprecedented period of crisis (€ 9.5 million).

balance sheet

From a balance sheet point of view, the acquisition of Capital Brands Holdings Inc., finalized on December 29, 2020, led to the consolidation of the acquired company, so that the balance sheet as of December 31, 2020 includes assets and liabilities of said company and its subsidiaries.

The **net financial position** at 31.12.2020 amounted to € 232 million, or € 561.3 million pre-acquisition of Capital Brands Holdings (equal to € 329.3 million), with a decrease of € 45.8 million compared to end of year 2019.

Excluding the acquisition of Capital Brands and the payment of dividends for € 80.8 million, the **cash generation** for the year was € 364.3 million, after investments for € 89.5 million, of which € 8.8 million relating to investments in leased assets.

<i>EUR million</i>			<i>change</i>	31.12.2020 before Capital Brands acquisition	<i>change</i>
	31.12.2020	31.12.2019			
Net working Capital	96,2	318,8	-222,6	91,3	-227,5
Net Equity	1.267,4	1.190,5	76,9	1.267,4	76,9
Net Financial Position	232,0	277,8	-45,8	561,3	283,5
Net Bank Position	303,8	357,4	-53,6	630,6	273,2
NWC / Revenues	4,1%	15,2%	-11,1%	3,9%	-11,3%

In particular, the **net working capital** improved considerably, thanks to a good performance of the aggregate of trade receivables and payables and with inventories under control, in line with the trend of the business.

The ratio of net working capital to revenues was 4.1% (3.9% pre-acquisition of Capital Brands), i.e. a marked reduction compared to the value at the end of 2019 (15.2%).

Dividend

The AGM has approved the distribution of a dividend of € 0.54 per share, for a total amount of € 80.8 million, payable starting from May 26, 2021, with coupon detachment on May 24 and with the record date pursuant to art. 83-terdecies of Legislative Decree no. 58/98 on May 25, equal to a pay-out ratio of 40,4% of the consolidated net profit of the Group.

Other resolutions passed by the AGM

2021 REMUNERATION POLICY

The Shareholders' Meeting, having examined the "Annual report on the remuneration policy and remuneration paid" prepared in accordance with the current legal and regulatory provisions and published on the Company's website at www.delonghigroup.com (section "Governance" - "Corporate Bodies" - "Shareholders' Meeting of 2021"), as well as on the authorized storage mechanism [1Info](http://www.1info.it) (www.1info.it), has (i) approved the "Remuneration Policy for the year 2021" of the directors, including the chief executive officer and general manager, of the statutory auditors and managers with strategic responsibilities contained in Section I, pursuant to art. 123-ter, paragraph 3-bis of Legislative Decree no. 58/98 and (ii) expressed a favorable opinion on the "Compensation paid in 2020" to the

aforementioned subjects, indicated in Section II, pursuant to art. 123-ter, paragraph 6 of Legislative Decree no. 58/98.

AUTHORIZATION TO THE PURCHASE AND DISPOSAL OF TREASURY SHARES

The Shareholders' Meeting then resolved the renewal - subject to revocation of the Shareholders' Meeting resolution adopted on 22 April 2020, for the part not executed - of the authorization for the purchase and disposal of treasury shares up to a maximum of 14.5 million shares ordinary and, therefore, not exceeding one fifth of the share capital, also taking into account the shares held by the Company and possibly by its subsidiaries. The authorization was approved, in compliance with the current legal provisions, for a maximum period of 18 months (and, therefore, until October 21, 2022) and according to the methods, terms and conditions contained in the explanatory report on the items on the order on the day of the meeting presented by the Board of Directors and available on the Company's website at www.delonghigroup.com (section "Governance" - "Corporate Bodies" - "Shareholders' Meeting of 2021"), as well as on the authorized storage mechanism [1Info](http://www.1info.it) (www.1info.it). It should be noted that as of today the Company holds no. 895,350 De' Longhi shares while its subsidiaries do not hold any.

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.

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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 has over 9,000 employees. In 2020 it reported revenues of € 2,3 billion, adjusted EBITDA of € 367 million and a net profit of € 200 million.

ANNEXES

Consolidated results of De' Longhi S.p.A. as of December 31, 2020

I. Consolidated Income Statement

Euro million	31.12.2020	% of revenues	31.12.2019	% of revenues	31.12.2020 normalized	% of revenues	31.12.2019 normalized	% of revenues
Net Revenues	2,351.3	100.0%	2,101.1	100.0%	2,368.1	100.0%	2,106.1	100.0%
<i>Change</i>	250.1	11.9%			261.9	12.4%		
Materials consumed and other production costs (services and production payroll costs)	(1,194.2)	(50.8%)	(1,110.9)	(52.9%)	(1,194.2)	(50.4%)	(1,110.9)	(52.7%)
Net industrial margin	1,157.1	49.2%	990.2	47.1%	1,173.9	49.6%	995.2	47.3%
Costs for services and other operating costs	(597.2)	(25.4%)	(513.0)	(24.4%)	(597.2)	(25.2%)	(513.0)	(24.4%)
Labour cost (non industrial)	(193.4)	(8.2%)	(181.9)	(8.7%)	(193.4)	(8.2%)	(181.9)	(8.6%)
Ebitda before non recurring items and stock option plan (adjusted Ebitda)	366.5	15.6%	295.3	14.1%	383.3	16.2%	300.3	14.3%
<i>Change</i>	71.2	24.1%			83.0	27.6%		
Other non recurring items / stock option plan	(23.5)	(1.0%)	(6.1)	(0.3%)	(23.5)	(1.0%)	(6.1)	(0.3%)
EBITDA	343.0	14.6%	289.2	13.8%	359.8	15.2%	294.2	14.0%
Amortization	(81.0)	(3.4%)	(78.3)	(3.7%)	(81.0)	(3.4%)	(78.3)	(3.7%)
EBIT	262.0	11.1%	210.9	10.0%	278.8	11.8%	215.9	10.3%
<i>Change</i>	51.1	24.2%			62.9	29.1%		
Net financial charges	(5.7)	(0.2%)	(15.1)	(0.7%)	(22.5)	(1.0%)	(20.1)	(1.0%)
Profit before taxes	256.3	10.9%	195.8	9.3%	256.3	10.8%	195.8	9.3%
Taxes	(56.2)	(2.4%)	(34.8)	(1.7%)	(56.2)	(2.4%)	(34.8)	(1.7%)
Net profit pertaining to the Group	200.1	8.5%	161.0	7.7%	200.1	8.5%	161.0	7.6%

2. Revenues breakdown by geography

Euro million	2020	%	2019	%	Change	Change %	Organic ch. %
EUROPE	1,644.3	69.4%	1,424.9	67.7%	219.4	15.4%	17.0%
APA	601.0	25.4%	541.6	25.7%	59.4	11.0%	13.5%
MEIA	122.8	5.2%	139.6	6.6%	(16.8)	(12.0%)	(9.4%)
Total revenues	2,368.1	100.0%	2,106.1	100.0%	261.9	12.4%	14.3%

Euro million	Q4 -2020	%	Q4 -2019	%	Change	Change %	Organic ch. %
EUROPE	623.1	70.5%	554.4	69.1%	68.8	12.4%	15.3%
APA	216.0	24.5%	202.1	25.2%	13.9	6.9%	11.3%
MEIA	44.3	5.0%	46.0	5.7%	(1.7)	(3.6%)	2.0%
Total revenues	883.4	100.0%	802.4	100.0%	81.0	10.1%	13.6%

3. Consolidated Balance Sheet

Euro million	31.12.2020	31.12.2020 Like-for like perimeter	31.12.2019
- intangible assets	631.9	312.7	314.8
- tangible assets	324.6	318.2	315.1
- financial assets	34.6	33.7	30.2
- deferred tax assets	57.0	52.9	47.3
Fixed assets	1,048.1	717.6	707.4
- inventories	424.0	398.3	343.5
- trade receivables	398.1	362.4	437.4
- trade payables	(581.9)	(534.8)	(365.8)
- other net current assets / (liabilities)	(144.0)	(134.6)	(96.3)
Net working capital	96.2	91.3	318.8
Non current liabilities	(108.9)	(102.8)	(113.5)
Net capital employed	1,035.4	706.1	912.6
Net debt / (cash)	(232.0)	(561.3)	(277.8)
Total shareholders' Equity	1,267.4	1,267.4	1,190.5
Total net debt /(cash) and shareholders' equity	1,035.4	706.1	912.6

4. Detailed Net Financial Position

Euro million	31.12.2020	31.12.2020 Like-for-like perimeter	31.12.2019
Cash and cash equivalents	662.9	930.3	731.5
Other financial receivables	243.0	302.5	102.4
Current financial debt	(236.6)	(235.7)	(138.2)
Current net financial assets / (debt)	669.3	997.1	695.7
Non current net financial assets	70.0	70.0	10.7
Non current net financial debt	(507.3)	(505.8)	(428.6)
Non current net financial assets / (debt)	(437.3)	(435.8)	(417.9)
Total Net Financial Position	232.0	561.3	277.8
<i>of which:</i>			
- Net financial position versus banks and other lenders	303.8	630.6	357.4
- lease related debt	(65.8)	(63.2)	(74.0)
- Net assets /(liabilities) other than bank debt (fair value of derivatives, financial liabilities for business combinations and financial payables connected to pension funds)	(6.0)	(6.0)	(5.5)

5. Consolidated Cash Flow Statement

Euro million	2020	2019
Cash flow from operations	352.9	277.3
Cash flow from working capital	114.5	(22.3)
Cash flow from investments	(89.5)	(75.8)
Operating cash flow	377.9	179.1
Cash flow from application of IFRS 16	-	(77.0)
Capital Brands acquisition	(329.3)	-
Dividends distributed	(80.8)	(55.3)
Cash Flow from shares buy back	(14.5)	-
Cash Flow from stock option exercise	21.5	-
Cash flow from other changes in the Net Equity	(20.5)	2.8
Cash flow from changes in the Net Equity	(94.4)	(52.5)
Net Cash Flow	(45.8)	49.7
Opening Net Financial Position	277.8	228.1
Closing Net Financial Position	232.0	277.8