Treviso, May 10th, 2018

DēLonghi Group

PRESS RELEASE

De'Longhi S.p.A.

Today, the Board of Directors of De' Longhi SpA has approved the consolidated results of the first quarter 2018.

As at March 31, the Group has achieved the following consolidated [1] results:

- **revenues of € 402.6 million, up 4.5% (9.9% at an organic [2] level);**
- **net industrial margin of € 198 million (+3%);**
- **Ebitda *adjusted* [3] increasing to € 53.4 million (+1,7%), or 13.3% of revenues; after non-recurring items, Ebitda increased to € 52.4 million (+ 1.5%) or 13% of revenues;**
- **Ebit increasing to € 39.3 million (+0,8%) or 9,7% of revenues;**
- **net profit, pertaining to the Group, increasing to € 26.4 million (+3,6%);**
- **positive Net Financial Position, amounting to € 261.5 million, improving versus Dec. 31, 2017.**

In light of the results of the quarter, the management's expectations for the current year of a solid organic sales' growth (at a "mid-to-high single-digit" rate), together with an improvement in EBITDA in absolute terms, are confirmed, even in the presence of greater investments in research and development, marketing and communication.

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[1] all data here presented are referring to the "***continuing operations***", which identify Group consolidated figures as determined on the basis of a consolidation perimeter excluding NPE s.r.l. , as a result of the preliminary agreement reached with the Chinese group H&T on February 22, 2018, for the sale of the majority stake of NPE.

[2] "***Organic***" stands for at constant exchange rates and excluding the impact of derivatives.

[3] "***Adjusted***" stands for before non recurring items and inputed costs of the stock options plan.

Results summary

	Q1 (Jan. 1st - March 31st)	
	2018	2017
	(Eur million unless specified)	
Revenues	**402.6**	385.1
change %	*4.5%*	
organic ch. %	*9.9%*	
net industrial margin	**198.0**	192.3
% of revenues	*49.2%*	*49.9%*
Ebitda *adjusted* (*)	**53.4**	52.5
% of revenues	*13.3%*	*13.6%*
Ebitda	**52.4**	51.6
% of revenues	*13.0%*	*13.4%*
Ebit	**39.3**	38.9
% of revenues	*9.7%*	*10.1%*
Net Income (pertaining to the Group)	**26.4**	25.5
% of revenues	*6.6%*	*6.6%*

(*) before non recurring items and inputed costs of the stock options plan.

As for the "*continuing operations*", the De' Longhi Group achieved the following results:

- **Revenues:** up by 4.5% to € 402.6 million, after a negative exchange rate effect of € 20.7 million, net of which organic growth would have been 9.9%;
- **net industrial margin** of € 198 million, slightly down from 49.9% to 49.2% of revenues;
- **Ebitda,** before non-recurring items and inputed costs of the stock options plan, amounting to € 53.4 million (13.3% of revenues);
- an **operating result (EBIT)** of € 39.3 million;
- **net financial charges** increasing from € 6.1 to € 7 million;
- **net profit,** pertaining to the Group, of € 26.4 million, increasing by 3.6%.

As to the balance sheet:

- a **net working capital** of € 263.5 million (13.2% of revenues), up compared to the first quarter of 2017 (€ 236.2 million, or 12.6% of revenues) due to the sustained growth of the last quarters;

- a positive **net financial position**, amounting to € 261.5 million, improving by € 10.9 million vs. Dec. 31, 2017, but down by € 79.4 million in the 12 months, due above all to higher investments and dividends.

	as of 31.3.2018 *Eur million*	as of 31.12.2017 *Eur million*	as of 31.03.2017 *Eur million*
Net Financial Position	**261.5**	250.6	340.9
change in the 3 months	*10.9*		
change in the 12 months	*-79.4*		
banks' Net Position	**275.6**	271.1	350.3
change in the 3 months	*4.4*		
change in the 12 months	*-74.7*		

Business review of the quarter

general outlook

The first quarter of 2018 was characterized by the continuation of the solid growth trend of the coffee machines segment that had been highlighted throughout 2017, with double digit growth rates, which were confirmed also in this first quarter.

Another element characterizing the quarter was the negative impact of exchange rates on turnover, quantifiable as € -20.7 million, (or -5.4 percentage points of growth), which therefore creates a marked misalignment between actual and organic performance; this effect must be taken into account when reading the sales data, still negative as a whole, of the cooking and food preparation segment, which, however, is positive on an organic level.

Also noteworthy are the first signs of recovery in the category of kitchen machines, under the Kenwood brand, growing both in nominal and organic terms, as a consequence of the corrective actions and investments put in place by the Group in the past months.

In terms of profitability, finally, a weaker dollar, which makes supplying from Asian markets (especially China) more favourable, has helped to partially offset the increasing pressure on raw material prices and has temporarily avoided to the Group the need to increase prices.

markets

At an organic level, all regions contributed to the robust growth of the first quarter:

Revenues of the "*continuing operations*"

EUR million	**Q1-2018**	*chg. %*	*organic chg. %*
North East Europe	102.7	*14.8%*	*18.9%*
South West Europe	167.7	*3.6%*	*3.9%*
EUROPE	270.4	*7.6%*	*9.2%*
APA (Asia/Pacific/Americas)	103.9	*-1.1%*	*10.8%*
MEIA (MiddleEast/India/Africa)	28.4	*-1.5%*	*12.4%*
TOTAL REVENUES	402.6	*4.5%*	*9.9%*

South-West Europe showed a positive, though not fully homogeneous, trend, with a weaker picture in two important markets - Italy and France - which was offset by the robust growth of the Swiss market that benefited from the distribution agreement of Nespresso machines started at the beginning of last year;

North-East Europe was very dynamic, with double-digit growth, both in nominal and organic terms (+ 14.8% and + 18.9% respectively), the only meaningful exception being UK market, still slightly negative (-4.4% nominal and -1.9% organic);

the **APA (Asia-Pacific-Americas)** region has been impacted by the negative currency effects of the depreciation of all the main currencies of the area – above all the Chinese Yuan, Japanese Yen and Australian dollar - towards the Euro, such that organic growth of +10.8% was drawn into negative territory (-1.1%). Nevertheless, the American and Japanese markets achieved a significant increase in revenues also at nominal level (+ 6.2% and + 11.9% respectively).

Positive signs, finally, in organic terms, came from the **MEIA (Middle East-India-Africa)** region, which grew by +12.4%, although the depreciation of the US dollar (the main currency of invoicing in the area) weighed on the nominal value of sales, causing a slight decrease (-1.5%).

products

As in previous quarters, the espresso coffee machines segment was the main driver of growth, with an increase in sales of +16.2% (+20.7% organic), mainly due to the fully-automatic machines. In the capsule systems, the decline in the Dolce Gusto machines was contrasted by the robust growth of Nespresso machines.

The cooking and food preparation segment decreased at nominal level (-3.8%) but grew in organic terms by + 2%, as a result of the depreciation towards Euro of the currencies of many markets relevant to this segment (the Middle Eastern region and Australia, as an example).

It's also worth mentioning the positive trend of Kenwood kitchen machines, which grew by +2.8% nominal and +7.1% organic.

The gap between nominal and organic performance was also evident in the segments of comfort and home care:

- in "comfort", the drop in the sales of air conditioners, due to a different phasing of deliveries compared to last year, more than offset the strong progression of heating products;
- in home care, substantially flat in organic terms, the organic growth of ironing products was not enough to fully compensate for the sales decline of floor care products.

operating margins

The margins' trend on the one hand benefited from sustained organic growth, especially in the more premium product families, but on the other hand it was affected by some pressure on certain cost categories (like raw materials, industrial and non-industrial labor, research and development and marketing) only partially diluted by the advantage of a weaker dollar.

Net industrial margin amounted to € 198 million, up 3%, but down as a percentage of revenues from 49.9% to 49.2%.

Ebitda, before non-recurring items and inputed costs of the stock option plan, increased from € 52.5 to € 53.4 million, reaching 13.3% of revenues.

Operating income (Ebit) rose from € 38.9 million to € 39.3 million (or 9.7% of revenues), after amortization of € 13.1 million (increased from € 12.7 million of the previous year, due to the greater flow of investments, both industrial and non, incurred by the Group in the past quarters).

financial charges

Net financial charges increased from € 6.1 million to € 7 million, due to the increase in the currency component, which was not fully offset by the savings on bank and factoring costs.

net profit

The net profit pertaining to the Group increased by 3.6% to € 26.4 million, having also benefited from a reduction in the tax burden mainly due to the benefits provided for by the "patent box" regulations.

net finacial position

As for balance sheet, the cash generation of the first quarter, amounting to € 10.9 million, brought the net financial position to € 261.5 million (from € 250.6 million at 31.12.2017).

Net of the components relating to the fair value of derivative instruments and other non-banking components, the "banking" financial position amounted to € 275.6 million (€ 271.1 million as at 31.12.2017).

During the quarter, the Group incurred industrial and non-industrial investments of € 15.1 million and financed a net working capital absorption of € 13.5 million.

As a ratio to revenues, net working capital stood at 13.2%, substantially flat vs. end of 2017 (13.1%), but slightly increasing vs. 31 March of last year (12.6%), consistently with the needs of a sustained growth cycle.

Events occurred after the end of the quarter

There are no significant events after the end of the quarter.

Foreseeable business development and *guidance*

In light of the results of the first quarter, management's expectations of a revenues' organic growth in the "mid-to-high single digit" area and an increase of Ebitda in absolute terms are confirmed.

Other resolutions of the Board of Directors

- In light of the recent appointment of Massimiliano Benedetti as Director, the Board of Directors also verified, on the basis of the information available and the declarations made by the interested party, the existence of the requisites of integrity and professionalism and the absence of causes for ineligibility and incompatibility, as required by current legislation.
  The Board then proceeded to verify the existence, for Mr. Benedetti, of the independence requirements provided for by art. 148, co. 3 ° of the TUF as well as by the art. 3 of the "Codice di Autodisciplina" and has therefore resolved to integrate the current Independent Directors Committee (including Alberto Clò, Stefania Petruccioli, Cristina Pagni, Renato Corrada e Luisa Maria Virginia Collina) with Massimiliano Benedetti.
  Based on the statements made by Mr. Benedetti, the latter does not hold De' Longhi shares.

- The Board of Directors has then resolved, pursuant to art. 3 of the Consob Resolution n. 18079 of January 20, 2012, to join the opt-out scheme provided for by artt. 70, c. 8 and 71, c. 1-bis of Consob Resolution n. 11971/99, thus availing itself of the right to derogate from the obligations to publish information documents prescribed during significant mergers, demergers, capital increases through the transfer of assets in kind, acquisitions and disposals.

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.

Contacts

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ANNEXES

Consolidated results of De' Longhi S.p.A.

as of March 31, 2018

("*continuing operations*")

1. Consolidated Income Statement

Euro million	1st quarter 2018	% of revenues	1st quarter 2017	% of revenues
CONTINUING OPERATIONS				
Net revenues	**402.6**	**100.0%**	**385.1**	**100.0%**
change	*17.5*	*4.5%*		
Materials consumed and other production costs (services and production payroll costs)	(204.6)	(50.8%)	(192.8)	(50.1%)
Net industrial margin	**198.0**	**49.2%**	**192.3**	**49.9%**
Costs for services and other operating costs	(98.7)	(24.5%)	(95.5)	(24.8%)
Labour costs (non industrial)	(46.0)	(11.4%)	(44.4)	(11.5%)
EBITDA before non recurring items /*stock option plan*	**53.4**	**13.3%**	**52.5**	**13.6%**
change	*0.9*	*1.7%*		
Other non recurring items / *stock option plan*	(1.0)	(0.2%)	(0.8)	(0.2%)
EBITDA	**52.4**	**13.0%**	**51.6**	**13.4%**
Amortization	(13.1)	(3.3%)	(12.7)	(3.3%)
EBIT	**39.3**	**9.7%**	**38.9**	**10.1%**
change	*0.3*	*0.8%*		
Net financial charges	(7.0)	(1.7%)	(6.1)	(1.6%)
Profit before taxes	**32.2**	**8.0%**	**32.9**	**8.5%**
Taxes	(5.8)	(1.5%)	(7.4)	(1.9%)
Net profit / (loss) of the *Continuing Operations*	**26.4**	**6.6%**	**25.5**	**6.6%**
DISCONTINUED OPERATIONS				
Net profit / (loss) of the *Discontinued Operations*	0.0		(0.4)	
Net profit / (loss) pertaining to the Group	**26.4**	**6.4%**	**25.1**	**6.4%**

2. Revenues breakdown by geography

Euro million	1st quarter 2018	%	1st quarter 2017	%	change	change %	organic change %
North-East Europe	102.7	25.5%	89.5	23.2%	13.3	14.8%	18.9%
South-West Europe	167.7	41.6%	161.9	42.0%	5.8	3.6%	3.9%
EUROPE	**270.4**	**67.2%**	**251.3**	**65.3%**	**19.1**	**7.6%**	**9.2%**
APA (Asia / Pacific / Americas)	**103.9**	**25.8%**	**105.0**	**27.3%**	**(1.2)**	**(1.1%)**	**10.8%**
MEIA (Middle East / India / Africa)	**28.4**	**7.0%**	**28.8**	**7.5%**	**(0.4)**	**(1.5%)**	**12.4%**
Total revenues	**402.6**	**100.0%**	**385.1**	**100.0%**	**17.5**	**4.5%**	**9.9%**

DēLonghi Group

3. Consolidated Balance Sheet

Euro million	31.03.2018	31.03.2017	31.12.2017	change 31.03.18 – 31.03.17	change 31.03.18 – 31.12.17
- Intangible assets	320.8	321.9	320.9	(1.1)	(0.1)
- Tangible assets	235.2	197.4	233.1	37.8	2.0
- Financial assets	26.2	8.6	26.1	17.6	0.1
- Deferred tax assets	33.5	43.1	32.3	(9.6)	1.2
Fixed assets	**615.7**	**571.0**	**612.4**	**44.7**	**3.3**
- Inventories	396.1	393.5	329.7	2.6	66.4
- Trade receivables	253.5	224.3	401.5	29.2	(148.0)
- Trade payables	(315.0)	(318.3)	(366.1)	3.3	51.0
- Other net current assets /(liabilities)	(71.1)	(63.3)	(107.4)	(7.8)	36.4
Net working capital	**263.5**	**236.2**	**257.8**	**27.2**	**5.7**
Non current liabilities	**(98.5)**	**(113.8)**	**(97.5)**	**15.3**	**(1.1)**
Net capital employed	**780.6**	**693.5**	**772.7**	**87.2**	**7.9**
Net debt / (net cash)	**(261.5)**	**(340.9)**	**(250.6)**	**79.4**	**(10.9)**
Total shareholders’ equity	**1,042.1**	**1,034.4**	**1,023.3**	**7.8**	**18.8**
Total net debt/(cash) and shareholders’ equity	**780.6**	**693.5**	**772.7**	**87.2**	**7.9**

4. Detailed Net Financial Position

Euro million	31.03.2018	31.03.2017	31.12.2017	change 31.03.18 – 31.03.17	change 31.03.18 – 31.12.17
Cash and cash equivalents	673.3	476.0	664.7	197.2	8.5
Other finacial receivables	20.5	15.0	8.3	5.5	12.3
Current financial debt	(148.0)	(81.2)	(138.3)	(66.8)	(9.7)
Current net financial assets	**545.7**	**409.8**	**534.7**	**135.9**	**11.1**
Non current net financial debt	**(284.2)**	**(68.9)**	**(284.1)**	**(215.3)**	**(0.2)**
Total net finacial position	**261.5**	**340.9**	**250.6**	**(79.4)**	**10.9**
Of which:					
- net financial position versus banks and other lenders	*275.6*	*350.3*	*271.1*	*(74.7)*	*4.4*
- net assets / (liabilities) other than bank debt (fair value of derivatives, financial liabilities for business combinations and financial payables connected to pension funds)	*(14.0)*	*(9.4)*	*(20.5)*	*(4.7)*	*6.5*

5. Consolidated Cash Flow Statement

Euro million	31.03.2018 (3 months)	31.03.2017 (3 months)	31.12.2017 (12 months)
Cash flow from operations	47.3	44.3	277.6
Cash flow from changes in working capital	(13.5)	11.1	(67.5)
Cash flow from investments	(15.1)	(15.0)	(122.7)
Operating cash flow	**18.7**	**40.5**	**87.4**
Dividends	-	-	(119.6)
Changes in *Fair Value* and *Cash flow hedge* reserves	(4.3)	(11.4)	(14.5)
Cash flow from other changes in the net equity	(3.5)	(4.4)	(19.0)
Cash flow from changes in the net equity	**(7.8)**	**(15.8)**	**(153.0)**
Net Cash Flow	**10.9**	**24.7**	**(65.6)**
Opening net finacial position	250.6	316.2	316.2
Closing net finacial position	**261.5**	**340.9**	**250.6**