INTERIM FINANCIAL REPORT AT 31 MARCH

2022

DēLonghi Group

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COMPANY OFFICERS*

Board of Directors

GIUSEPPE DE' LONGHI	*Chairman*
FABIO DE' LONGHI	*Vice Chairman*
MASSIMO GARAVAGLIA	*Chief Executive Officer*
*MASSIMILIANO BENEDETTI***	*Director*
*FERRUCCIO BORSANI***	*Director*
*LUISA MARIA VIRGINIA COLLINA***	*Director*
SILVIA DE' LONGHI	*Director*
CARLO GARAVAGLIA	*Director*
*CARLO GROSSI ***	*Director*
*MICAELA LE DIVELEC LEMMI ***	*Director*
MARIA CRISTINA PAGNI	*Director*
STEFANIA PETRUCCIOLI	*Director*

Board of Statutory Auditors

CESARE CONTI	*Chairman*
ALESSANDRA DALMONTE	*Standing member*
ALBERTO VILLANI	*Standing member*
RAFFAELLA ANNAMARIA PAGANI	*Alternate auditor*
ALBERTA GERVASIO	*Alternate auditor*

External Auditors

*PRICEWATERHOUSECOOPERS S.P.A. ****

Control, Risks, Corporate Governance and Sustainability Committee

*LUISA MARIA VIRGINIA COLLINA***	*Chairman*
*MICAELA LE DIVELEC LEMMI ***	
STEFANIA PETRUCCIOLI	

Remuneration and Appointments Committee

*CARLO GROSSI ***	*Chairman*
*FERRUCCIO BORSANI***	
CARLO GARAVAGLIA	

Independent Committee

*LUISA MARIA VIRGINIA COLLINA***	*Chairman and Lead Independent Director*
*MASSIMILIANO BENEDETTI***	
*MICAELA LE DIVELEC LEMMI ***	

* The company officers were elected at the shareholders' meeting of 20 April 2022 for the period 2022-2024.
** Independent directors.
*** Assigned by the shareholders' meeting of 24 April 2018 for the financial years 2019-2027.

Introduction and definitions

This report contains the unaudited consolidated results at 31st March 2022.
The financial results as of March 31st, 2022 are published in accordance to the decision of the Board of Directors that determined to continue to approve and publish the interim reports within the terms and in the manner usually adopted by the Company, on a voluntary basis and in addition to the annual and half-year financial reports as per article 154-ter, paragraph 1 and 2 of Legislative Decree n. 58/1998 ("TUF").
The adopted communication policy, until a different determination by the Board of Directors, stipulates that the content of the interim reports shall be the same published in the past and it refers, in particular, to financial year 2021.

This report contains forward - looking statements, specifically in the "Outlook" section which, by nature, have a component of risk and uncertainty as they depend on future events and developments. At the date of this report, there is a high level of uncertainty which calls for caution when making economic forecasts as the economic prospects continue to depend on the pandemic and the ensuing supply chain disruptions, as well as the geopolitical tensions between Russia and Ukraine. The actual results could, therefore, differ from the ones presented.

The income statement and balance sheet figures commented on below reflect the change in the scope of consolidation explained by the recent acquisitions of Capital Brands and Eversys Group.
For the sake of a better comparison the like-for-like figures, with reference to Q1 2022 Group results, namely excluding the consolidation of Eversys (consolidated starting from April 1st 2021), are also provided where needed.
The comparative figures at March 31st 2021 have been restated, in accordance with IFRS 3, as a result of the definitive accounting of the Capital Brands business combination.

The figures at constant exchange rates are calculated excluding the effects of converting currency balances and the accounting of derivative transactions.

Key performance indicators

Results

(€/million)	31.03.2022	%	31.03.2022 (*) like for like	%	31.03.2021 (**)	%	Change like for like	Change like for like %
Revenues	735.5	100.0%	716.0	100.0%	678.7	100.0%	37.3	5.5%
Revenues at constant exchange rates	*718.5*	*100.0%*	*700.0*	*100.0%*	*679.6*	*100.0%*	*20.5*	*3.0%*
Net industrial margin	375.6	51.1%	365.6	51.1%	355.1	52.3%	10.5	3.0%
EBITDA before non-recurring/stock option costs	100.1	13.6%	94.7	13.2%	128.6	18.9%	(33.9)	(26.4%)
EBITDA before non-recurring/stock option costs at constant exchange rates	*108.4*	*15.1%*	*103.3*	*14.8%*	*128.6*	*18.9%*	*(25.3)*	*(19.7%)*
EBITDA	93.5	12.7%	88.1	12.3%	121.7	17.9%	(33.6)	(27.6%)
EBIT	69.1	9.4%	65.0	9.1%	100.9	14.9%	(35.8)	(35.5%)
Profit (loss) pertaining to the Group	50.6	6.9%	45.4	6.3%	75.4	11.1%	(30.0)	(39.8%)

(*) For the sake of better comparison of the reporting periods, the figures are shown like-for-like, namely excluding the contribution of Eversys Group which was acquired on 2nd quarter 2021.
(**) The comparative figures were restated as a result of the definitive accounting for the business combination related to Capital Brands acquisition in accordance with IFRS 3 - Business combinations. This led to lower EBITDA by € 5.9 million, lower EBIT by € 7.4 million and lower net result pertaining to the Group by € 5.5 million.

Statement of financial position

(€/million)	31.03.2022	31.03.2021 (*)	31.12.2021
Net working capital	162.3	102.3	(8.6)
Net operating working capital	334.7	253.1	199.7
Net operating working capital/Revenues	10.2%	9.6%	6.2%
Net capital employed	1,357.7	1,058.7	1,145.5
Net financial assets	274.6	314.1	425.1
of which:			
- net bank financial position	*356.7*	*386.9*	*505.9*
- other financial receivables/(payables)	*(82.1)*	*(72.8)*	*(80.8)*
Net equity	1,632.3	1,372.8	1,570.6

(*) The comparative figures as at March 31st 2021 were restated as a result of the definitive accounting for the business combination related to Capital Brands acquisition in accordance with IFRS 3 - Business combinations. This led to higher NWC by € 0.8 million, higher Net capital employed by € 12.8 million and lower net financial assets by € 4.0 million.

Performance review

The De' Longhi Group posted revenues of €735.5 million in the first quarter of 2022, an increase of 8.4% against the same period of 2021, and an EBITDA before non-recurring/stock option costs of €100.1 million (€128.6 million in the first quarter of 2021).
These results were recorded in what was a difficult environment, characterized by inflationary pressure on transport costs, raw materials and components. On the one hand, the persistence of the pandemic had a negative impact on consumption and the supply chain due, above all, to the new lockdowns in China, and on the other hand, the outbreak of the conflict in Ukraine resulted in the suspension of business in the Ukrainian market, strong limitations on activities in Russia and generalized global uncertainty.
The economic performance was also penalized by the comparison with the first few months of 2021 during which an extremely positive trend in revenues was recorded, with revenues rising 59.1% compared to 2020 (revenues of €393.3 million and an EBITDA before non-recurring/stock option costs of €42.1 million were reported).

In terms of margins, the results for the reporting period were impacted by the increase in the cost of raw materials, the decreased availability of components and finished goods, higher transport costs, as well as the ongoing investments in communication and marketing in relation, specifically, to the global communication campaign launched last September. The comparison with the first quarter of 2020 does show, however, noticeable growth in EBITDA before non-recurring/stock option costs which went from €42.1 million in the first three months of 2020 to €94.7 million in 2022, including the contribution of the Capital Brands consolidation.

As for the statement of financial position, there was an increase in working capital, both numerically and as a percentage of rolling revenues, due to higher inventory only partially offset by effective management of trade receivables and payables, and a positive net financial position explained, above all, by movements in working capital.

In this backdrop these results appear both positive and encouraging and also confirm the effectiveness of the actions taken based on a long-term vision, product innovation, production excellence and continuous investment in communication, which were supported by structural growth trends in the core businesses, particularly the coffee segment, as well as geographic diversification and the strength of leading brands.
The high degree of uncertainty in this period clearly calls for caution given the circumstances upon which the economic prospects continue to depend, from the pandemic, which is gradually improving, and the resulting supply chain pressures, to the unfolding of the conflict between Russia and Ukraine.

More in detail, the rapid escalation of the tensions in Eastern Europe has given rise to concerns, first of all, about people's safety, of the employees and their families and, secondly, the economic situation in these markets.
The Group has taken the steps necessary to ensure the safety of the personnel at the Ukraine branch, facilitating the relocation of employees to other Group branches, guaranteeing payment of salaries and adequate financial and medical assistance.
The commercial activities were blocked which put the recoverability of company assets, receivables with local retailers and inventory at risk. This was taken into account in this report, even if there are encouraging signs which suggest it will be possible to resume operations in a few areas of the country and potentially collect on a few receivables.
With regard to the Group's main assets in Russia – trade receivables and inventory – to date no critical areas have emerged. The trade receivables are covered by insurance policies stipulated with a premiere international insurance company and to date the exposure is very limited thanks to the payments received

already. Supply to the Russian market and all the investments and projects in the pipeline, have been blocked.

Lastly, the Group made a donation of €1 million to non-governmental organizations in support of the people affected by the conflict.

In the first three months of 2022 revenues amounted to €735.5 million, showing an increase of 8.4% compared to the same period of 2021 (+5.7% at constant exchange rates).
Like-for-like, revenues were 5.5% higher than in the first quarter of 2021 (+3.0% at constant exchange rates), coming in at €716.0 million.
In comparative terms this performance, while positive, suffers from the comparison with the first quarter of 2021 during which record growth of 59.1% was reported (excluding what was at that time the newly acquired Capital Brands), and is in line with the mid/single-digit growth seen in the same period of 2020.
The increase in the reporting period reflects a favorable foreign exchange effect, a positive price and mix effect, as well as higher sales volumes.

Satisfactory results were posted in all the geographical areas in which the Group operates with the sole exception of **Europe** where like-for-like revenues amounted to €445.4 million, a drop of 2.5% compared to the first quarter of 2021 (-2.4% at constant exchange rates) due to the comparison with a first quarter 2021 during which sales growth in the main markets outpaced the Group average, the impact of the situation in Russia and Ukraine and the negative performance recorded in a few markets.
Americas closed the quarter with like-for-like revenues of €125.6 million, an increase of 25.1% (+16.5% at constant exchange rates) fueled, above all, by the contribution of comfort and the good performance of coffee products.
The markets in **Asia Pacific** posted like-for-like revenues of €86.3 million, 24.2% higher than in the same period of 2021 (+17.0% at constant exchange rates) thanks, specifically, to the good performance seen in China/Hong Kong which is benefitting from the different business model adopted in the previous year.
In **MEIA** like-for-like revenues amounted to €58.7 million (+12.6% against the first quarter of 2021, or +5.8% at constant exchange rates).

Looking at business lines, the trend for the coffee and comfort segments was positive. Revenues were lower for food preparation and cooking which, however, are compared to a particularly challenging first quarter 2021.

In the first quarter of 2022 profitability, supported by a positive price and mix effect, as well as the increased efficiency obtained as a result of higher volumes, was impacted by an adverse exchange effect, along with a significant increase in the cost of raw materials, the decreased availability of components and finished goods. Higher transport costs also affected profitability, as did the continuation of the sizeable investments in communication and marketing (up 25% or €17.8 million like-for-like).

The net industrial margin came to €375.6 million, or 51.1% of revenues in the first quarter of 2022. Like-for-like the net industrial margin was €365.6 million or 51.1% of revenues, rising against the same period 2021 at constant exchange rates, numerically (+€13.6 million) and as a percentage of revenues (from 52.3% to 52.7%).

In the first quarter of 2022 like-for-like EBITDA before non-recurring/stock option costs came to €100.1 million (13.6% of revenues), or €94.7 million (13.2% of revenues), lower than in the first quarter of 2021 (€128.6 million or 18.9% of revenues) due mainly to the strong increase in the costs connected to moving and storing merchandise, as well as the considerable investments made in communication and marketing, involving product ambassadors, launched beginning in September 2021.

In addition to notional stock option costs of €0.9 million (same amount in the first quarter of 2021), non-recurring/stock option costs include the provisions stemming from the revised valuation of the assets in Ukraine (receivables and inventory) and the donation made to support people affected by the conflict, as well as the economic impact of the fair value allocated to the Capital Brands business combination.

EBIT came to €69.1 million or €65.0 million like-for-like in the first quarter of 2022, compared to €100.9 million in the same period 2021.

Financial expenses came to €2.6 million (€2.5 million like-for-like), lower than in the same period of 2021 (€3.6 million in the first quarter of 2021).

After taxes of €15.7 million (€21.9 million in the first quarter of 2021) and minority interests of €0.2 million, the Group's portion of net profit came to €50.6 million.

As for the financial position, management of working capital was also complex in the first quarter of 2022 and working capital came in higher with respect to both 31 March 2021 and 31 December 2021. Despite good management of trade payables and receivables, working capital increased both numerically and as a percentage of rolling revenues due to higher inventories caused by overly optimistic planning, higher stock of air conditioning products in preparation for the summer season, along with an increase in the price of raw materials and components, the extended lead times caused by supply chain pressures, the suspension of the business in Ukraine and Russia, and the consolidation of Eversys.
In this backdrop, net operating working capital amounted to €334.7 million (10.2% of revenues), (€253.1 million at 31 March 2021; €199.7 million at 31 December 2021).

The net financial position came to a positive €274.6 million at 31 March 2022 (versus a positive €314.1 million at 31 March 2021 and a positive €425.1 million at 31 December 2021).
Net a few specific financial items, including mainly the fair value measurement of derivatives, the residual debt for business combinations and pension fund transactions, the net financial position with banks came to a positive €356.7 million (versus a positive €386.9 million at 31 March 2021 and a positive €505.9 million at 31 December 2021).

Despite good generation of operating cash flow, the movements in working capital and the investments made in the reporting period resulted in cash absorption of €150.5 million (versus cash generation of €86.2 million at 31 March 2021) which reflects the decrease in factoring of roughly €67 million due to different seasonality; net of this effect cash flow would have been negative for around €84 million.

Group results

The reclassified consolidated income statement is summarized as follows:

(€/million)	31.03.2022	% revenues	31.03.2022 (*) like for like	% revenues	31.03.2021 (**)	% revenues
Revenues	**735.5**	**100.0%**	**716.0**	**100.0%**	**678.7**	**100.0%**
Change	*56.8*	*8.4%*	*37.3*	*5.5%*		
Materials consumed & other production costs (production services and payroll costs)	(359.9)	(48.9%)	(350.4)	(48.9%)	(323.6)	(47.7%)
Net industrial margin	**375.6**	**51.1%**	**365.6**	**51.1%**	**355.1**	**52.3%**
Services and other operating expenses	(210.7)	(28.6%)	(209.1)	(29.2%)	(170.1)	(25.1%)
Payroll (non-production)	(64.8)	(8.8%)	(61.8)	(8.6%)	(56.3)	(8.3%)
EBITDA before non-recurring/stock option costs	**100.1**	**13.6%**	**94.7**	**13.2%**	**128.6**	**18.9%**
Change	*(28.6)*	*(22.2%)*	*(33.9)*	*(26.4%)*		
Non-recurring expenses/stock option costs	(6.6)	(0.9%)	(6.6)	(0.9%)	(6.9)	(1.0%)
EBITDA	**93.5**	**12.7%**	**88.1**	**12.3%**	**121.7**	**17.9%**
Amortization	(24.4)	(3.3%)	(23.1)	(3.2%)	(20.8)	(3.1%)
EBIT	**69.1**	**9.4%**	**65.0**	**9.1%**	**100.9**	**14.9%**
Change	*(31.8)*	*(31.5%)*	*(35.8)*	*(35.5%)*		
Net financial income (expenses)	(2.6)	(0.4%)	(2.5)	(0.4%)	(3.6)	(0.5%)
Profit (loss) before taxes	**66.5**	**9.0%**	**62.5**	**8.7%**	**97.3**	**14.3%**
Taxes	(15.7)	(2.1%)	(17.1)	(2.4%)	(21.9)	(3.2%)
Net result	**50.8**	**6.9%**	**45.4**	**6.3%**	**75.4**	**11.1%**
Minority interests	0.2	0.0%	-	0.0%	-	0.0%
Profit (loss) pertaining to the Group	**50.6**	**6.9%**	**45.4**	**6.3%**	**75.4**	**11.1%**

(*) For the sake of better comparison of the reporting periods, the figures are shown like-for-like, namely excluding the contribution of Eversys Group which was acquired on 2nd quarter 2021.
(**) The comparative figures were restated as a result of the definitive accounting for the business combination related to Capital Brands acquisition in accordance with IFRS 3 - Business combinations. This led to lower EBITDA by € 5.9 million, lower EBIT by € 7.4 million and lower net result pertaining to the Group by € 5.5 million.

Revenues

Revenues in the first three months of 2022 were positive, albeit impacted by the challenging comparison with the first quarter of 2021 during which record growth of 59.1% was reported (excluding what was at that time the newly acquired Capital Brands), and in line with the mid-single digit growth seen in the same period of 2020.

In the first three months of 2022 revenues amounted to €735.5 million, showing an increase of 8.4% compared to the same period of 2021 (+5.7% at constant exchange rates).
Like-for-like, revenues were 5.5% higher than in the first quarter of 2021 (+3.0% at constant exchange rates), coming in at €716.0 million.

The increase in the reporting period reflects, in addition to a favorable foreign exchange effect, a positive price and mix effect, as well as higher sales volumes.

Revenues in the first quarter of 2022 were, lastly, also boosted by the contribution of the newly acquired Eversys, active in the professional coffee machine segment, which was in line with expectations.

Positive results were recorded across all geographies, with the sole exception of Europe which was impacted the most by the comparison with the first quarter of 2021 during which revenue growth in the core markets outpaced the Group's average.

Looking at business lines, the trend for the coffee and comfort segments was positive. Revenues were lower for food preparation and cooking which, however, are compared to a particularly challenging first quarter 2021.

Markets and business lines

The performance of the commercial areas in which the Group operates (Europe, Americas, Asia Pacific and MEIA) is summarized below. For the sake of greater comparability, the figures are also reported like-for-like, namely excluding the contribution of the Eversys Group:

(€/million)	1st Quarter 2022	%	1st Quarter 2022 like for like	%	1st Quarter 2021	%	Change like for like	Change % like for like	Change at constant FX % like for like
Europe	454.5	61.8%	445.4	62.2%	456.6	67.3%	(11.3)	(2.5%)	(2.4%)
Americas	132.9	18.1%	125.6	17.5%	100.4	14.8%	25.2	25.1%	16.5%
Asia Pacific	88.8	12.1%	86.3	12.1%	69.5	10.2%	16.8	24.2%	17.0%
MEIA (Middle East/India/Africa)	59.4	8.0%	58.7	8.2%	52.2	7.7%	6.6	12.6%	5.8%
Total revenues	**735.5**	**100.0%**	**716.0**	**100.0%**	**678.7**	**100.0%**	**37.3**	**5.5%**	**3.0%**

Europe reported like-for-like revenues of €445.4 million, down slightly (-2.5% or -2.4% at constant exchange rates) with respect to the first quarter of 2021 which was 59.4% higher than in 2020. The performances recorded in the area varied in the different markets due to a lack of uniformity in the comparison with the prior year.

The German market confirmed its good results, with double-digit growth driven by the sale of coffee products, particularly fully automatic and manual machines.
Turnover also benefitted from the positive performance recorded in Austria and the Iberian Peninsula.
Revenues in Italy were basically in line with the first quarter of 2021 thanks to the contribution of coffee, above all fully automatic machines and Nespresso platform products, which almost entirely offset the drop in the cooking and food preparation segment.
The sale of coffee products, above all fully automatic machines, was higher in France but the quarter closed lower overall due a decrease in the sale of kitchen machines which over-performed in 2021.
A weak quarter was recorded in the UK across all the main product families, above all coffee and cooking and food preparation, due to a generalized market decline and a slowdown in consumption.
Russia and Ukraine were impacted by the conflict which resulted in a slowdown/block of the business as of the end of February.

Americas closed the quarter with like-for-like revenues of €125.6 million, showing strong growth (+25.1%; or +16.5% at constant exchange rates) compared to the same period of 2021 which was already 63.3% higher than in 2020.
The growth was driven by the United States and Canada thanks to the excellent performance of coffee, particularly the Nespresso platform models, but also the fully automatic and manual machines, and earlier than expected sales of air conditioners.

Like-for-like the markets in **Asia Pacific** posted revenues of €86.3 million in the first quarter of 2022, showing decided growth (+24.2%) with respect to the same period in 2021, which was 21.3% higher than in 2020.
China and Hong Kong, which benefitted from the restructuring of the distribution model in 2021, recorded a significant increase in sales attributable, above all, to coffee and the food preparation segment with Braun brand handblenders posting a good sales performance.

In **MEIA** like-for-like revenues amounted to €58.7 million, an increase of 12.6% compared to the first quarter of 2021, +5.8% at constant exchange rates (+149.4% in the first quarter of 2021).

Looking at business lines, in the first quarter of 2022 coffee (which represents around 55% of the total) posted double-digit growth in sales thanks, specifically, to the contribution of the fully automatic and manual machines.
Comfort reported an increase in revenues attributable, above all, to the US market.
Sales for cooking and food preparation products were down which reflects the strong acceleration of all the product categories seen in 2021. Sales for cleaning products and irons were basically in line with 2021.

Profitability

In the first quarter of 2022 profitability was sustained by a positive mix effect, careful price management policies and the greater efficiency achieved as a result of higher sales volumes which offset the strong inflationary pressures on the cost of raw materials and the supply chain.
The positive foreign exchange effect which boosted revenues due to the strengthening of the main export currencies (with a few exceptions, like the ruble and the Japanese yen) was more than offset by the negative impact on procurement and production costs, as well as on the operations of foreign branches.
The pandemic, while gradually improving, and the relative supply chain pressures, resulted in a significant increase in the cost of raw materials, a decrease in the availability of components and finished goods, as well a rise in transport and logistics costs which put pressure on the Group's margins.
During the quarter investments in communication and marketing continued, showing a strong increase against the same period of 2021 (+25% or +€17.8 million, like-for-like) and including the product ambassador campaigns, launched globally beginning in September 2021.

The net industrial margin came to €375.6 million, or 51.1% of revenues, in the first quarter of 2022. Like-for-like the net industrial margin was €365.6 million or 51.1% of revenues, rising against the same period 2021 at constant exchange rates, numerically (+€13.6 million) and as a percentage of revenues (from 52.3% to 52.7%).

In the first quarter of 2022 EBITDA before non-recurring/stock option costs came to €100.1 million (13.6% of revenues), or €94.7 million (13.2% of revenues) like-for-like, lower than in the first quarter of 2021 (€128.6 million or 18.9% of revenues) due mainly to the strong increase in the costs connected to moving and storing merchandise, as well as the considerable investments made in communication and marketing.

In the first quarter of 2022 non-recurring/stock option costs of €6.6 million were recognized which include the notional stock option costs for €0.9 million (same amount in the first quarter of 2021), the provisions stemming from the revised valuation of the assets in Ukraine (receivables and inventory) and the donation made to support people affected by the conflict, as well as the economic impact of the fair value allocated to the Capital Brands business combination.

After the recognition of €24.4 million (€23.1 million like-for-like) in amortization and depreciation, which were higher than in the first quarter of 2021 (€20.8 million) due to the recent investments in fixed assets, EBIT came to €69.1 million, or €65.0 million like-for-like, compared to €100.9 million in the same period of 2021.

Financial expenses came to €2.6 million (€2.5 million like-for-like), versus €3.6 million in the first quarter of 2021.

After taxes of €15.7 million (€21.9 million in the first quarter of 2021) and minority interests of €0.2 million, the Group's portion of net profit came to €50.6 million.

Review of the statement of financial position

The reclassified consolidated statement of financial position is presented below:

(€/million)	**31.03.2022**	**31.03.2021 (*)**	**31.12.2021**
- Intangible assets	875.7	702.1	867.9
- Property, plant and equipment	423.6	328.0	389.5
- Financial assets	12.3	33.7	11.9
- Deferred tax assets	74.7	66.9	74.3
Non-current assets	**1,386.4**	**1,130.8**	**1,343.6**
- Inventories	912.4	546.8	769.3
- Trade receivables	280.2	316.1	366.7
- Trade payables	(857.9)	(609.8)	(936.2)
- Other payables (net of receivables)	(172.3)	(150.9)	(208.3)
Net working capital	**162.3**	**102.3**	**(8.6)**
Total non-current liabilities and provisions	**(191.0)**	**(174.4)**	**(189.5)**
Net capital employed	**1,357.7**	**1,058.7**	**1,145.5**
(Net financial assets)	**(274.6)**	**(314.1)**	**(425.1)**
Total net equity	**1,632.3**	**1,372.8**	**1,570.6**
Total net debt and equity	**1,357.7**	**1,058.7**	**1,145.5**

(*) The comparative figures as at March 31st 2021 were restated as a result of the definitive accounting for the business combination related to Capital Brands acquisition in accordance with IFRS 3 - Business combinations. This led to higher NWC by € 0.8 million, higher Net capital employed by € 12.8 million and lower net financial assets by € 4.0 million.

The change in intangible assets with respect to 31 March 2021, which includes the investments made in new product development, refers mainly to the Eversys Group business combination.

In the first three months of 2022, the Group made investments totaling €56.8 million (€19.8 million in the same period of 2021 and €132.3 million in FY 2021), of which €47.7 million in property, plant and equipment which includes mainly the purchase of the new plant in Romania, as well as the enhancements made at the plants in Romania, Italy and China (already owned).

Net working capital was higher than at 31 March 2021 and at 31 December 2021; despite good management of trade payables and receivables, working capital increased both numerically and as a percentage of rolling revenues due to higher inventories caused by overly optimistic planning, higher stock of air conditioning products in preparation for the summer season, along with an increase in the price of raw materials and components, the extended lead times caused by supply chain pressures, the suspension of the business in Ukraine and Russia, and the consolidation of Eversys.

In this backdrop, net operating working capital amounted to €334.7 million (10.2% of revenues), (€253.1 million at 31 March 2021; €199.7 million at 31 December 2021).
Net working capital came to €162.3 million at 31 March 2022 (€102.3 million at 31 March 2021; negative for €8.6 million at 31 December 2021).

Details of the net financial position are shown below:

(€/million)	31.03.2022	31.03.2021 (*)	31.12.2021
Cash and cash equivalents	893.8	805.7	1,026.1
Other financial receivables	301.3	232.9	302.1
Current financial debt	(324.6)	(255.6)	(292.6)
Net current financial position	**870.4**	**783.0**	**1,035.6**
Non-current financial receivables and assets	71.8	75.0	70.5
Non-current financial debt	(667.6)	(543.9)	(681.0)
Non-current net financial debt	**(595.8)**	**(468.8)**	**(610.5)**
Total net financial position	**274.6**	**314.1**	**425.1**
of which:			
- positions with banks and other financial payables	*356.7*	*386.9*	*505.9*
- lease liabilities	*(75.0)*	*(65.4)*	*(75.9)*
- other financial non-bank assets/liabilities (fair value of derivatives, financial debt connected to business combinations and pension fund)	*(7.2)*	*(7.3)*	*(4.9)*

(*) As required by IFRS 3, the figures at March 31st 2021 have been restated to reflect the definitive accounting of the Capital Brands business combination.

The net financial position came to a positive €274.6 million at 31 March 2022 (versus a positive €314.1 million at 31 March 2021; positive €425.1 million at 31 December 2021).
Net of a few, specific financial items, comprising mainly the fair value measurement of derivatives, the residual debt for business combinations and pension fund transactions, the net financial position with banks came to a positive €356.7 million (positive €386.9 million at 31 March 2021; positive €505.9 million at 31 December 2021).

The statement of cash flows is presented on a condensed basis as follows:

(€/million)	31.03.2022 *3 months*	31.03.2021 (*) *3 months*	31.12.2021 *12 months*
Cash flow by current operations	99.3	122.7	496.9
Cash flow by changes in working capital	(203.1)	(27.0)	5.8
Cash flow by investment activities	(56.8)	(19.8)	(132.3)
Cash flow by operating activities	**(160.6)**	**75.9**	**370.3**
Acquisitions	**-**	**-**	**(129.4)**
Dividends paid	-	-	(80.8)
Stock options exercise	-	0.2	7.1
Cash flow by other changes in net equity	10.1	10.1	30.0
Cash flow generated (absorbed) by changes in net equity	**10.1**	**10.3**	**(43.7)**
Cash flow for the period	**(150.5)**	**86.2**	**197.1**
Opening net financial position	425.1	228.0	228.0
Closing net financial position	**274.6**	**314.1**	**425.1**

(*) As required by IFRS 3, the figures at March 31st 2021 have been restated to reflect the definitive accounting of the Capital Brands business combination.

Despite good generation of operating cash flow, the movements in working capital and the investments made in the reporting period resulted in cash absorption of €150.5 million (versus cash generation of €86.2 million at 31 March 2021; cash generation of €197.1 million at 31 December 2021) which reflects the decrease in factoring of roughly €67 million due to different seasonality; net of this effect cash flow would have been negative for around €84 million.

The statement of comprehensive income and the main changes in net equity with reference to the consolidated figures in the first quarter are shown below:

(€/million)	1st Quarter 2022	1st Quarter 2021 (*)
Net result	**50.8**	**75.4**
Other components of the comprehensive income:	10.0	29.0
Comprehensive income	**60.8**	**104.3**
Attributable to:		
- Group	*60.7*	*104.3*
- Minority interest	*0.1*	*-*

(*) As required by IFRS 3, the figures at March 31st 2021 have been restated to reflect the definitive accounting of the Capital Brands business combination.

(€/million)	Group portion of net equity	Minority interests	Total net equity
Balance at 31 December 2020	**1,267.4**	**-**	**1,267.4**
Fair value stock option	0.9	-	0.9
Stock options exercise	0.2	-	0.2
Comprehensive income	104.3	-	104.3
Balance at 31 March 2021 (*)	**1,372.8**	**-**	**1,372.8**

(€/million)	Group portion of net equity	Minority interests	Total net equity
Balance at 31 December 2021	**1,568.6**	**2.0**	**1,570.6**
Fair value stock option	0.9	-	0.9
Comprehensive income	60.7	0.1	60.8
Balance at 31 March 2022	**1,630.1**	**2.2**	**1,632.3**

(*) As required by IFRS 3, the changes in net equity at March 31st 2021 have been restated to reflect the definitive accounting of the Capital Brands business combination.

Alternative performance indicators

In addition to the information required by IFRS, this document presents other financial measures which provide further analysis of the Group's performance. These indicators must not be treated as alternatives to those required by IFRS.

More in detail, the non-GAAP measures used include:
- Net industrial margin and EBITDA: the Group uses these measures as financial targets in internal presentations (business plans) and in external presentations (to analysts and investors), since they are a useful way of measuring operating performance by the Group and its individual divisions besides EBIT.
Net industrial margin is calculated as total revenues minus the cost of materials consumed and of production-related services and payroll.
EBITDA is an intermediate measure that derives from EBIT after adding back depreciation, amortization and impairment of property, plant and equipment and intangible assets. EBITDA is also presented net of non-recurring items, which are reported separately on the face of the income statement.
- Net working capital: this measure is the sum of inventories, trade receivables, current tax assets and other receivables, minus trade payables, tax liabilities and other payables.
- Net operating working capital: this measure is the sum of inventories and trade receivables, minus trade payables.
- Net capital employed: this measure is the sum of net working capital, intangible assets, property, plant and equipment, equity investments, other non-current receivables, and deferred tax assets, minus deferred tax liabilities, employee severance indemnity and provisions for contingencies and other charges.
- Net financial position: this measure represents financial liabilities less cash and cash equivalents and other financial receivables; the position with banks, net of non-banking items, is also reported. The individual line items in the statement of financial position used to determine this measure are analysed in this report.

The figures contained in this report, including some of the percentages, have been rounded relative to their full euro amount. As a result, some of the totals in the tables may differ from the sum of the individual amounts presented.

Other information

Pursuant to Art. 3 of Consob Resolution n. 18079 of 20 January 2012, the Board of Directors resolved to exercise the opt-out clause provided under Art. 70, paragraph 8 and Art. 71, paragraph 1-bis of Consob Regulation n. 11971/99 which grants the option to waive the mandatory publication of informational documents relating to significant mergers, spin-offs, capital increases through in-kind transfers, acquisitions and disposals.

Treasury shares

As at 31 March 2022 the Group, through its Parent Company De' Longhi S.p.A., helds a total of 895,350 treasury shares for a total value of €14,534 thousands.
On April 20th 2022, the Annual General Meeting resolved to renew – by revoking the previous resolution – the authorisation for the purchase and disposal of treasury shares up to a maximum of 14.5 million ordinary shares and, therefore, not exceeding one fifth of the share capital, also taking into account any shares held by the Company and by its subsidiaries. The authorisation was approved, in accordance with current provisions of law, for a maximum of 18 months (and, therefore, until 20 October 2023).

Subsequent events

There have been no significant events since the end of the quarter.

Outlook

At the start of the year De' Longhi Group is responding with determination to the numerous challenges posed by a highly complex and rapidly evolving macroeconomic and geopolitical scenario, in which cost inflation and difficulties in the supply chain are added to the fears of the impacts of the military escalation in Eastern Europe on the consumption dynamics.
However, despite the presence of a strongly evolving macroeconomic context, in light of the current elements the guidance previously communicated is still unchanged.
In conclusion, the management remains convinced that the strategy of focusing on the core categories – in particular the coffee one- constant investment in products and brands, geographical development and discipline in price management, remains the winning strategy for the creation of value in the medium and long term.

Treviso, 12 May 2022

For the Board of Directors
Chief Executive Officer

Massimo Garavaglia

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Declaration by the Officer Responsible for Preparing the Company's Financial Report

Pursuant to art. 154-bis para. 2 of TUF, Stefano Biella, Officer Responsible for Preparing the Company's Financial Report, declares that the accounting information contained in the present interim financial report corresponds to the underlying documentary and accounting records.

Treviso, 12 May 2022

Officer Responsible for Preparing
the Company's Financial Report

Stefano Biella

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This report is available on the corporate website:
www.delonghigroup.com

De' Longhi S.p.A.
Registered office: Via L. Seitz, 47 – 31100 Treviso
Share capital: EUR 226,344,138 (subscribed and paid-in)
Tax ID and Company Register no.: 11570840154
Treviso Chamber of Commerce no.: 224758
VAT no.: 03162730265