Interim financial report at 30 September

2024

DēLonghi Group

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Corporate Bodies*

Board of Directors

GIUSEPPE DE' LONGHI	*Chairman*
FABIO DE' LONGHI	*Vice Chairman and 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 current corporate bodies were appointed during the Shareholders' Meeting held on 20 April 2022 for the three-year period 2022-2024. On 21 April 2023, following the resignation of Massimo Garavaglia from his position as Chief Executive Officer and General Manager effective 31 August 2022, the Shareholders' Meeting resolved to reduce the number of directors from 12 (twelve) to 11 (eleven) based on the sole proposal submitted by the majority shareholder De Longhi Industrial S.A. for the remainder of the Board's current term and, therefore, through the Shareholders' Meeting convened to approve the 2024 Annual Report. On 28 July 2022, as part of the Succession Plan Policy adopted by De' Longhi S.p.A. in accordance with the Corporate Governance Code and applied subsequent to the resignation of Massimo Garavaglia, the Board of Directors appointed the Vice Chairman Fabio de' Longhi Chief Executive Officer effective as from 1 September 2022, pending the identification of a new top manager. Effective again as from 1 September, Fabio de' Longhi was also identified, pursuant to the Corporate Governance Code, as the Chief Executive Officer charged with the institution and management of De' Longhi S.p.A.'s and the Group's internal control and risk management system. On 22 December 2022, the succession planning ended with the appointment of Nicola Serafin as the new General Manager (effective as from 1 January 2023) and the confirmation of Fabio de' Longhi as Chief Executive Officer.
** Independent directors.
*** Assigned by the shareholders' meeting of 19 April 2018 for the financial years 2019-2027.

Key performance indicators

Results

(€/million)	3rd Quarter 2024	%	3rd Quarter 2023	%	Change	Change %
Revenues	805.5	100.0%	706.6	100.0%	98.9	14.0%
Revenues like-for-like	*743.3*	*100.0%*	*706.6*	*100.0%*	*36.6*	*5.2%*
Revenues like-for-like at constant exchange rates	*743.2*	*100.0%*	*706.0*	*100.0%*	*37.2*	*5.3%*
Net industrial margin	415.8	51.6%	346.1	49.0%	69.8	20.2%
EBITDA before non-recurring items/stock option costs	131.1	16.3%	105.0	14.9%	26.2	25.0%
EBITDA	126.0	15.6%	101.9	14.4%	24.2	23.7%
EBIT	97.0	12.0%	74.7	10.6%	22.3	29.9%
Profit (loss) pertaining to the Group	67.6	8.4%	59.5	8.4%	8.2	13.7%

(€/million)	2024 *9 months*	%	2023 *9 months*	%	Change	Change %
Revenues	2,229.2	100.0%	1,997.8	100.0%	231.4	11.6%
Revenues like-for-like	*2,080.2*	*100.0%*	*1,997.8*	*100.0%*	*82.4*	*4.1%*
Revenues like-for-like at constant exchange rates	*2,088.4*	*100.0%*	*1,997.2*	*100.0%*	*91.2*	*4.6%*
Net industrial margin	1,142.7	51.3%	986.2	49.4%	156.4	15.9%
EBITDA before non-recurring items/stock option costs	335.8	15.1%	265.1	13.3%	70.7	26.7%
EBITDA	325.7	14.6%	260.9	13.1%	64.8	24.8%
EBIT	240.8	10.8%	182.8	9.2%	57.9	31.7%
Profit (loss) pertaining to the Group	173.8	7.8%	142.2	7.1%	31.6	22.2%

Statement of financial position

(€/million)	30.09.2024	30.09.2023	31.12.2023
Net working capital	103.2	140.0	(82.8)
Net operating working capital	252.9	259.3	61.1
Net operating working capital/Revenues	7.6%	8.6%	2.0%
Net capital employed	1,770.6	1,393.9	1,148.5
Net financial assets	266.1	326.0	662.6
of which:			
- net bank financial position	*378.8*	*411.3*	*761.7*
- other financial receivables/(payables)	*(112.8)*	*(85.4)*	*(99.1)*
Net equity	2,036.7	1,719.9	1,811.1

Introduction and definitions

This report contains the unaudited consolidated results at 30 September 2024.
The financial results as of 30 September 2024 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 2023.

The income statement and balance sheet figures commented on reflect the change in the scope of consolidation attributable to the recent La Marzocco Group business combination. The business combination is effective as from 27 February 2024, but the consolidation of financials started on 1 March 2024 since the effect the transactions occurred in the period between the two dates is not material.
Unless stated otherwise, the figures and comments refer to the new configuration of the De' Longhi Group. Where it was deemed useful for the sake of greater comparability, the like-for-like figures, namely excluding La Marzocco, are provided.
As the transaction is the result of a business combination of companies subject to common control, based on which the parent company reallocated the production assets already controlled and managed within the scope of its consolidation, the figures recognized for the business acquired are those found in the last consolidated annual report approved by the parent company De Longhi Industrial S.A..

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 change. The actual results could, therefore, differ from the forecasted ones.

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

Performance review

In the third quarter of 2024 the De'Longhi Group continued along the growth path seen in the first half, recording solid progression in revenues and an improvement in profitability.

These results were obtained in a geopolitical and macroeconomic environment that continues to be complex and to impact consumer confidence, above all in a few key European markets. Not all categories of the small appliances sector were, however, affected by these dynamics with coffee machines, once again, and personal blenders showing good resilience.

The completion of the Eversys and La Marzocco business combination, already discussed in prior reports, also made it possible to record external growth. The business combination represented another step towards the acceleration of the De' Longhi Group's growth and diversification strategy which views coffee, both professional and domestic, as one of the main drivers of medium/long-term strategic development. The consolidation took effect as from 1 March 2024.

Revenues amounted to €805.5 million in the third quarter, an increase of 14.0% with respect to the same period of 2023 (€706.6 million); like-for-like revenues were +5.2% higher than in the third quarter of 2023, coming in at €743.3 million.
In the nine-month period revenues reached €2,229.2 million, an increase of 11.6% against the €1,997.8 million recorded in same period of 2023. Like-for-like there would have been an increase of 4.1% or 4.6% net of the negative exchange rate effect, thanks to an increase in sales volumes.

The results reported in the first nine months of the year were also affected by the Group's strategic decision to exit the portable air conditioning market in the United States and by a weak sales performance for comfort due to unfavorable weather conditions. In this context, the Household division recorded growing revenues (net of the comfort line, +8.0% in the third quarter, +7.4% in the nine months), while the Professional division (which includes the companies participating in the aforementioned business combination) doubled its revenues.

In the third quarter revenue growth was recorded across all geographies, with the exception of Asia Pacific which was impacted by softness in a few markets.
Europe recorded like-for-like revenues of €456.3 million in the third quarter and €1,304.7 million in the first nine months, an increase of 7.7% and 8.0% against the comparison periods, respectively.
Revenues in Americas rose 8.4% in the third quarter to €149.0 million, with an increase also in the nine months (+1.7% like-for-like), which made it possible to offset the weakness seen in the first half stemming from the decision to exit the portable air conditioning segment in the United States. Net the comfort segment, revenues in the nine-month period would have increased 6.0% like-for-like.
The MEIA countries, which were impacted by regional geopolitical tensions, closed the third quarter with like-for-like revenues up 2.6% against the same period of 2023 at €45.3 million. Like-for-like revenues amounted to €129.1 million, largely in line with the same period of 2023.
Lastly, Asia Pacific reported like-for-like revenues of €92.7 million in the third quarter (-8.7% compared to the same period in 2023) and €277.1 million in the first nine months of the year (-6.6%). The result reflects the negative exchange rate effect (at constant exchange rates revenues would have been 4.2% lower than in the nine months of 2023) and a few difficulties encountered in the Chinese market, specifically in the professional coffee sector.

Looking at the business lines, coffee products reported positive results thanks mainly to the sale of fully automatic machines and Nespresso platform products.
With regard to the professional coffee segment, the La Marzocco and Eversys combination contributed to a significant increase in the revenues of the new perimeter of consolidation.
Food preparation reported positive results for the Nutribullet brand personal blenders and Braun brand handblenders/traditional blenders which posted a solid growth trend. In the third quarter a good growth trend in the sale of Kenwood brand kitchen machines also returned.
Comfort was impacted by a delayed start to the air conditioning season in Europe and a mild winter in APA (particularly Japan) which penalized the performance of the last period of the heating season. The strategic choice to exit the portable air conditioning market in the US affected the comparability with prior years.
Irons reported good results, thanks to the good performance of traditional irons and Braun brand ironing systems.

Margins improved due, above all, to higher volumes, a positive mix effect and a reduction in manufacturing costs which offset the negative impact stemming from more intense advertising.

EBITDA before non-recurring income (expenses)/stock option costs came to €335.8 million (15.1% of revenues) in the first nine months of 2024, higher both numerically and as a percentage of revenue compared to the same period of 2023 (€265.1 million or 13.3% of revenues).

The Group's portion of net profit came to €173.8 million or 7.8% of revenues (€142.2 million or 7.1% of the revenues in the same period of 2023).

The net operating working capital amounted to €252.9 million, versus €259.3 million at 30 September 2023 and €61.1 million at 31 December 2023, reaching 7.6% of improved compared to the same period of 2023 (8.6% at 30 September 2023; it was 2.0% at 31 December 2023).
In addition to the effects linked to the La Marzocco combination, net operating working capital was also impacted by the accumulation of the stock needed to service the increase in business and sales forecast for the fourth quarter which, at 30 September, resulted in a physiological increase in values compared to the levels recorded at the end-of-year.

The net financial position with banks came to €378.8 million at 30 September 2024 (€411.3 million at 30 September 2023 and €761.7 million at 31 December 2023).

Net operating cash flow was positive for €22.2 million in the nine-month period, after investments of €84.6 million mainly in the production platform, including in the companies dedicated to professional coffee machines. Rolling 12-months net operating cash flow was positive for €374.0 million thanks, above all, to the good cash flow generated by operating activities.

Group results

The reclassified De' Longhi Group consolidated income statement is summarized as follows:

(€/million)	**2024** ***9 months***	**% revenues**	**2023** ***9 months***	**% revenues**
Revenues	**2,229.2**	**100.0%**	**1,997.8**	**100.0%**
Change	*231.4*	*11.6%*		
Materials consumed & other production costs (production services and payroll costs)	(1,086.6)	(48.7%)	(1,011.6)	(50.6%)
Net industrial margin	**1,142.7**	**51.3%**	**986.2**	**49.4%**
Services and other operating expenses	(579.2)	(26.0%)	(528.2)	(26.4%)
Payroll (non-production)	(227.6)	(10.2%)	(192.9)	(9.7%)
EBITDA before non-recurring items/stock option plan	**335.8**	**15.1%**	**265.1**	**13.3%**
Change	*70.7*	*26.7%*		
Non-recurring income (expenses)/(stock option costs)	(10.1)	(0.5%)	(4.2)	(0.2%)
EBITDA	**325.7**	**14.6%**	**260.9**	**13.1%**
Amortization	(85.0)	(3.8%)	(78.1)	(3.9%)
EBIT	**240.8**	**10.8%**	**182.8**	**9.2%**
Change	*57.9*	*31.7%*		
Net financial income (expenses)	0.6	0.0%	(1.1)	(0.1%)
Profit (loss) before taxes	**241.4**	**10.8%**	**181.7**	**9.1%**
Taxes	(56.2)	(2.5%)	(39.5)	(2.0%)
Net result	**185.2**	**8.3%**	**142.2**	**7.1%**
Minority interests	11.5	0.5%	-	0.0%
Profit (loss) pertaining to the Group	**173.8**	**7.8%**	**142.2**	**7.1%**

Revenues

Revenues amounted to €805.5 million in the third quarter of 2024, an increase of 14.0% against the same period in 2023. Like-for-like, revenues amounted to €743.3 million, an increase of 5.2% compared to the third quarter of 2023.

Revenues reached €2,229.2 million in the first nine months of the year, an increase of 11.6%. Like-for-like, revenues amounted to €2,080.2 million (+4.1% compared to the same period of 2023).
The good performance, partially offset by a negative exchange rate effect, benefitted from higher volumes.

Markets and business lines

The performance of the commercial areas in which the Group operates (Europe, Americas, Asia Pacific and MEIA) is summarized below:

(€/million)	3rd Quarter 2024	%	3rd Quarter 2024 like-for-like	%	3rd Quarter 2023	%	Like-for-like change at current FX rates	Like-for-like change at current FX rates %	Like-for-like change at constant FX rates %
Europe	475.6	59.0%	456.3	61.4%	423.6	59.9%	32.7	7.7%	6.9%
Americas	169.6	21.1%	149.0	20.0%	137.4	19.4%	11.5	8.4%	8.9%
Asia Pacific	111.3	13.8%	92.7	12.5%	101.5	14.4%	(8.8)	(8.7%)	(6.0%)
MEIA	48.9	6.1%	45.3	6.1%	44.2	6.3%	1.2	2.6%	3.7%
Total revenues	**805.5**	**100.0%**	**743.3**	**100.0%**	**706.6**	**100.0%**	**36.6**	**5.2%**	**5.3%**

(€/million)	30.09.2024 *9 months*	%	30.09.2024 like-for-like *9 months*	%	30.09.2023 *9 months*	%	Like-for-like change at current FX rates	Like-for-like change at current FX rates %	Like-for-like change at constant FX rates %
Europe	1,349.8	60.5%	1,304.7	62.7%	1,207.8	60.5%	96.9	8.0%	8.0%
Americas	419.1	18.8%	369.3	17.8%	363.3	18.2%	6.0	1.7%	1.8%
Asia Pacific	322.7	14.5%	277.1	13.3%	296.7	14.9%	(19.6)	(6.6%)	(4.2%)
MEIA	137.7	6.2%	129.1	6.2%	130.0	6.4%	(0.9)	(0.7%)	(0.1%)
Total revenues	**2,229.2**	**100.0%**	**2,080.2**	**100.0%**	**1,997.8**	**100.0%**	**82.4**	**4.1%**	**4.6%**

Revenues in **Europe** reached €475.6 million in the third quarter and €1,349.8 million in the first nine months of the year.
Like-for-like revenues (€456.3 million in the third quarter and €1,304.7 million in the first nine months) posted a good performance, rising 7.7% and 8.0%, respectively, at current exchange rates, consistent with the acceleration seen in prior reporting periods.
A few of the main countries were impacted by the generalized political uncertainty which impacted consumer confidence in the different product segments to varying degrees. Coffee machines reported positive results supported by the main product categories. Beginning in the third quarter, kitchen machines showed the first signs of recovery thanks to the launch of the new Kenwood Go model. Sales for both traditional irons and ironing systems also increased in the main countries (Germany, Italy, Poland, Spain and Portugal). Comfort was impacted by a delayed start to the air conditioning season.

Americas posted revenues of €169.6 million in the third quarter of 2024 and €419.1 million in the nine-months period. Like-for-like revenues amounted to €149.0 million in the third quarter, an increase of 8.4% against 2023 which helped to offset the weakness seen in the first part of the year caused by the discontinuity in comfort described in prior reports. Like-for-like revenues in the nine months of 2024 amounted €369.3 million, largely in line with 2023; net comfort, like-for-like revenues would have been 6.0% higher in the first nine months of the year.
In the United States and Canada there was further growth in the coffee segment which benefitted from fully automatic machine sales and the good performance of the Nespresso business. Sales of Nutribullet personal blenders showed solid growth.

Asia Pacific posted revenues of €111.3 million in the third quarter of 2024 and €322.7 million in the first nine months of the year. Like-for-like revenues were 8.7% lower in the third quarter, coming in at €92.7 million as a result of a negative exchange rate effect (6.0% lower at constant exchange rates). Similarly, revenues in the nine-month period fell 6.6%, or 4.2% at constant exchange rates, to €277.1 million.
Australia and New Zealand reported good results for coffee, cooking and food preparation products and personal blenders.
Revenues for domestic coffee products, above all fully automatic machines, rose in China thanks to the launch of the Rivelia model; sales were, however, weak overall due to a slowdown in the local market, above all in the professional coffee sector. Sales in Japan were penalized by particularly mild winter.

In **MEIA**, which is impacted by the strong political instability and the tensions tied to the conflict in the Middle East, revenues amounted to €48.9 million in the third quarter and €137.7 million in the first nine months of the year. Like-for-like, revenues came to €45.3 million in the third quarter, up 2.6% (+3.7% at constant exchange rates), while revenues in the nine-month period amounted to €129.1 million, largely in line with the same period of 2023 thanks to the recovery of the weakness seen in the first part of the year which was underway in the prior quarter.

Looking at business lines, consistent with prior reporting periods, coffee was still one of the main growth drivers. Fully automatic machines recorded robust growth, both in the quarter and in the first nine months of the year. Nespresso platform capsule machines also recorded good results. Sales for manual and drip coffee machines were weaker.
With regard to professional coffee machines, the La Marzocco and Eversys business combination, which laid the foundation for potential commercial and production synergies, as well innovation, has contributed to the expansion of revenues in the new perimeter of consolidation.

Food preparation products, as well as personal blenders and traditional handblenders/blenders posted a solid growth trend. In the first nine months of the year, kitchen machines posted sales largely in line with 2023 thanks to the recovery seen in third quarter which made it possible to offset the weakness reported in the first few months of the year.

Comfort was impacted by a delayed start to the air conditioning season in Europe and a mild winter in APA (particularly Japan) which penalized performance in the last period of the heating season. The strategic choice to exit the portable air conditioning market in the US also affected the comparability with prior years.

Irons reported good results, thanks to the good performance of traditional irons and Braun brand ironing systems.

Profitability

Margins in the first nine months of 2024 improved due to higher volumes, a favorable mix effect and a reduction in production and manufacturing costs which offset the impact of more intense advertising.

In the third quarter of 2024 the net industrial margin came to €415.8 million, or 51.6% of revenues, higher than in the same period of 2023 (€346.1 million, 49% of revenues). A net industrial margin of €1,142.7 million or 51.3% of revenues was recorded in the first nine months (€986.2 million or 49.4% of revenues in the first nine months of 2023).

EBITDA before non-recurring income (expenses)/stock option costs came to €131.1 million (16.3% of revenues) in the third quarter of 2024, higher both numerically and as a percentage of revenue compared to the same period of 2023 (€105.0 million, 14.9% of revenues). Also in the nine months, EBITDA before non-recurring income (expenses)/stock option costs recorded an increase coming to €335.8 million, or 15.1% of revenues (€265.1 million, or 13.3% of revenues, in the nine months of 2023).

In the first nine months of 2024, €3.8 million in net non-recurring expenses were recognized (net expenses of €3.7 million in the same period of 2023) relating mainly to the costs of services for the La Marzocco/Eversys business combination and the costs of some company reorganizations currently underway.
The Group also recognized €6.3 million in stock option and phantom stock option costs in the period (€0.5 million in the first nine months of 2023).

Amortization and depreciation amounted to €29.0 million in the third quarter of the year and to €85 million in the nine-months period, overall higher than in the same period of 2023 (€78.1 million) as a result of the recent business combination and the completion of a few investments in fixed assets.
In the third quarter of 2024 EBIT amounted to €97.0 million or 12% of revenues; in the first nine months of the year EBIT reached €240.8 million or 10.8% of revenues (€182.8 million, or 9.2% of revenues in the first nine months of 2023).

The Group posted €0.6 million in financial income (expenses of €1.1 million in the first nine months of 2023) thanks to effective financial management.

Net the taxes of €56.2 million (€39.5 million in the first nine months of 2023) and the €11.5 million in profit pertaining to the minority shareholders, the Group's portion of net profit came to €173.8 million.

Review of the statement of financial position

The reclassified consolidated statement of financial position is presented below:

(€/million)	30.09.2024	30.09.2023	31.12.2023
- Intangible assets	1,264.2	889.7	878.3
- Property, plant and equipment	544.7	461.9	478.0
- Financial assets	11.4	10.3	9.7
- Deferred tax assets	76.8	73.8	60.4
Non-current assets	**1,897.1**	**1,435.7**	**1,426.4**
- Inventories	831.3	730.2	504.7
- Trade receivables	213.2	203.0	272.7
- Trade payables	(791.5)	(673.9)	(716.2)
- Other payables (net of receivables)	(149.7)	(119.3)	(143.9)
Net working capital	**103.2**	**140.0**	**(82.8)**
Total non-current liabilities and provisions	**(229.7)**	**(181.8)**	**(195.1)**
Net capital employed	**1,770.6**	**1,393.9**	**1,148.5**
(Net financial assets)	**(266.1)**	**(326.0)**	**(662.6)**
Total net equity	**2,036.7**	**1,719.9**	**1,811.1**
Total net debt and equity	**1,770.6**	**1,393.9**	**1,148.5**

In the first nine months of 2024, the Group made net investments of €84.6 million (versus €88.0 million in the first nine months of 2023), of which €54.2 million in plant, property and equipment which refers mainly to improvements made in order to increase capacity at the production facilities, including of the companies dedicated to professional coffee machines.
The net increase in intangible assets against 31 December is attributable primarily to the allocation of the purchase price to the assets and liabilities acquired as a result of the Eversys/La Marzocco business combination.

The net working capital, positive for €103.2 million at 30 September 2024 (positive for €140.0 million at 30 September 2023; negative for €82.8 million at 31 December 2023), or 3.1% of rolling revenues (4.6% at 30 September 2023, -2.7% at 31 December 2023), was impacted by the La Marzocco business combination, as well as business seasonality.
Net the impact of consolidating La Marzocco, like-for-like the net working capital amounted to €59.0 million (1.9% of revenues) at 30 September 2024.
Trade receivables, showing an increase compared to 30 September 2023 which was less than proportional to the increase in sales, reflected effective customer management and a reduction in average collection periods. Inventory was higher than at 31 December 2023 due to stocking to support the sales expected in the fourth quarter. Like-for-like, trade payables were slightly higher with respect to 31 December 2023 mainly due to the aforementioned increase of stock.

The net operating working capital amounted to €252.9 million (€259.3 million at 30 September 2023 and €61.1 million at 31 December 2023), or 7.6% of rolling revenues (8.6% at 30 September 2023 and 2.0% at 31 December 2023).

Details of the net financial position are shown below:

(€/million)	30.09.2024	30.09.2023	31.12.2023
Cash and cash equivalents	690.1	864.7	1,250.2
Other financial receivables	191.3	257.8	172.5
Current financial debt	(215.6)	(299.3)	(289.0)
Net current financial position	**665.9**	**823.2**	**1,133.6**
Non-current financial receivables and assets	131.9	123.8	122.0
Non-current financial debt	(531.7)	(621.0)	(593.1)
Non-current net financial debt	**(399.8)**	**(497.2)**	**(471.0)**
Total net financial position	**266.1**	**326.0**	**662.6**
of which:			
- positions with banks and other financial payables	*378.8*	*411.3*	*761.7*
- lease liabilities	*(108.3)*	*(91.7)*	*(98.4)*
- other financial non-bank assets/liabilities (fair value of derivatives)	*(4.5)*	*6.4*	*(0.7)*

The net financial position came to a positive €266.1 million at 30 September 2024 (€326.0 million at 30 September 2023; €662.6 million at 31 December 2023).
Net of a few, specific financial items, comprising mainly the fair value measurement of derivatives and lease payables, the net financial position with banks came to a positive €378.8 million (€411.3 million at 30 September 2023; €761.7 million at 31 December 2023).

The cash flow statement for the year is summarised as follows:

(€/million)	30.09.2024 *9 months*	30.09.2023 *9 months*	31.12.2023 *12 months*
Cash flow by current operations	323.8	263.4	446.3
Cash flow by changes in working capital	(217.0)	(75.3)	138.0
Cash flow by current operations and changes in NWC	**106.7**	**188.2**	**584.3**
Cash flow by investment activities	(84.6)	(88.0)	(132.3)
Cash flow by operating activities	**22.2**	**100.2**	**452.0**
Acquisitions	**(326.8)**	-	-
Dividends paid	(105.4)	(72.1)	(72.1)
Stock options exercise	11.9	3.4	5.1
Cash flow by other changes in net equity	1.6	(4.3)	(21.2)
Cash flow generated (absorbed) by changes in net equity	**(91.9)**	**(73.0)**	**(88.2)**
Cash flow for the period	**(396.5)**	**27.2**	**363.8**
Opening net financial position	662.6	298.8	298.8
Closing net financial position	**266.1**	**326.0**	**662.6**

Cash flow generated by operating activities was positive for €22.2 million in the first nine months of 2024 (positive for €100.2 million in the same period of 2023) due to the strong cash flow generation of current operations, absorption of working capital due to the aforementioned dynamics connected to stocking in preparation for the fourth quarter and investments of €84.6 million, largely in line with 30 September 2023.

Total cash flow was negative for €396.5 million in the first nine months of 2024 as a result of the business combination which absorbed €326.8 million and the distribution of €105.4 million in dividends (including the dividends paid to minority shareholders).
Net of these items, total cash flow came to a positive €35.6 in the reporting period.

The statement of comprehensive income is shown below:

(€/million)	30.09.2024	30.09.2023
Net result	185.2	142.2
Other components of comprehensive income	(24.4)	(17.6)
Total comprehensive income	**160.8**	**124.7**
Pertaining to:		
parent's shareholders	*150.1*	*124.6*
minority	*10.8*	*0.1*

The main changes in net equity with reference to the consolidated figures are summarised as follows:

(€/million)	Group portion of net equity	Minority interests	Total net equity
Balance at 1 January 2023	**1,659.1**	**4.3**	**1,663.4**
Fair value stock option	0.5	-	0.5
Stock options exercise	3.4	-	3.4
Dividends paid	(72.1)	-	(72.1)
Other changes in shareholders interests	4.3	(4.3)	-
Total comprehensive income	124.6	0.1	124.7
Balance at 30 September 2023	**1,719.9**	**-**	**1,719.9**

(€/million)	Group portion of net equity	Minority interests	Total net equity
Balance at 1 January 2024	**1,811.1**	**-**	**1,811.1**
Fair value stock option	2.7		2.7
Stock options exercise	11.9		11.9
Dividends paid	(101.0)		(101.0)
Dividends paid to minority interests	-	(4.4)	(4.4)
Other changes in shareholders interests	(23.2)	178.7	155.5
Total comprehensive income	150.1	10.8	160.8
Balance at 30 September 2024	**1,851.5**	**185.1**	**2,036.7**

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 later 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.

With regard to the main risks and uncertainties to which the Group is exposed, the Report on Corporate Governance and Ownership Structure and anything that is not expressly described in this report, reference should be made to the 2023 Annual Report.

Shares

At 31 December 2023 the Group, through the parent company De' Longhi S.p.A., held 595,000 treasury shares for a total of €9,658 thousand, purchased in previous years and used entirely in 2024 to service the options exercised under the "2020-2027 Stock Option Plan".

During the Shareholders' Meeting held on 19 April 2024, shareholders approved the renewal - after revoking the previous authorization granted by shareholders - of the authorization to purchase and sell treasury shares for up to a maximum of 14.5 million ordinary shares or an amount which does not exceed one fifth of the share capital, including any shares held by the Company or any of its subsidiaries. The buyback program was approved, in accordance with the law, for a period of up to a maximum of 18 months (namely through 19 October 2025).

Subsequent events

There have been no significant events since the end of the reporting period.

Outlook

The Group is 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 favorable product mix effect, indicating the continued growth of the consumers' interests in the premium segments of the Group product portfolio.
The acceleration seen in recent months, along with the current market development scenario, makes it possible to revise the guidance upwards for the year in regards to both revenues and EBITDA before non recurring/stock option costs.

Treviso, 12 November 2024

For the Board of Directors
The Vice-President and Chief Executive Officer

Fabio de'Longhi

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 November 2024

Officer Responsible for Preparing
the Company’s Financial Report

Stefano Biella

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 226,759,344 (subscribed and paid-in)
Tax ID and Company Register no.: 11570840154
Treviso Chamber of Commerce no.: 224758
VAT no.: 03162730265