

Interim financial report at 30 June

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24



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)	2nd Quarter 2024	%	2nd Quarter 2023	%	Change	Change %
Revenues	764.9	100.0%	688.8	100.0%	76.1	11.0%
<i>Revenues like-for-like</i>	699.2	100.0%	688.8	100.0%	10.4	1.5%
<i>Revenues like-for-like at constant exchange rates</i>	698.9	100.0%	688.8	100.0%	10.1	1.5%
Net industrial margin	391.5	51.2%	335.8	48.8%	55.7	16.6%
EBITDA before non-recurring income (expenses)/stock option costs	110.9	14.5%	85.8	12.5%	25.1	29.2%
EBITDA	108.5	14.2%	83.5	12.1%	25.0	29.9%
EBIT	79.0	10.3%	58.0	8.4%	21.0	36.1%
Profit (loss) pertaining to the Group	54.8	7.2%	44.0	6.4%	10.9	24.7%

(€/million)	1st Half 2024	%	1st Half 2023	%	Change	Change %
Revenues	1,423.7	100.0%	1,291.2	100.0%	132.5	10.3%
<i>Revenues like-for-like</i>	1,336.9	100.0%	1,291.2	100.0%	45.7	3.5%
<i>Revenues like-for-like at constant exchange rates</i>	1,345.2	100.0%	1,291.1	100.0%	54.1	4.2%
Net industrial margin	726.8	51.1%	640.2	49.6%	86.7	13.5%
EBITDA before non-recurring income (expenses)/stock option costs	204.7	14.4%	160.1	12.4%	44.5	27.8%
EBITDA	199.7	14.0%	159.0	12.3%	40.7	25.6%
EBIT	143.7	10.1%	108.1	8.4%	35.6	32.9%
Profit (loss) pertaining to the Group	106.2	7.5%	82.7	6.4%	23.5	28.4%

Statement of financial position

(€/million)	30.06.2024	30.06.2023	31.12.2023
Net working capital	1.6	90.7	(82.8)
Net operating working capital	138.6	206.6	61.1
Net operating working capital/Revenues	4.3%	6.9%	2.0%
Net capital employed	1,702.8	1,327.5	1,148.5
Net financial assets	305.3	311.7	662.6
of which:			
- net bank financial position	408.7	403.8	761.7
- other financial receivables/(payables)	(103.4)	(92.2)	(99.1)
Net equity	2,008.1	1,639.2	1,811.1

Introduction and definitions

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 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.. For more information refer to the Explanatory Notes.

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

INTERIM REPORT ON OPERATIONS

Performance review

The De' Longhi Group closed the first half of 2024 with good growth in revenues and improved profitability, while also continuing to contain working capital and obtaining good cash generation.

In February 2024 the foundation for external growth was also laid by finalizing the business combination of the subsidiary Eversys and La Marzocco, leader in the manufacture and distribution of semi-automatic coffee machines. The business combination is 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. This transaction marked the creation of a worldwide hub in the high-end professional coffee segment which, thanks to the synergies created between products, technologies and brands, will strengthen market positioning and the potential for growth and business development opportunities in the future. The consolidation of financials is effective as from 1 March 2024.

The results for the reporting period were also affected by the Group's strategic decision to exit the portable air conditioning market in the United States and by a weak performance in sales of products in the comfort segment due to unfavorable weather conditions.

In this context, the Household division recorded growing revenues (net of the comfort line, +6.9% in the second quarter, +7.0% in the six months), while the Professional division (which includes the companies participating in the aforementioned business combination) doubled its revenues.

Revenues amounted to €764.9 million in the second quarter, an increase of 11.0% with respect to the same period of 2023 (€688.8 million); like-for-like revenues were +1.5% higher than in the second quarter of 2023, coming in at €699.2 million, despite the negative impact of the comfort segment.

In the six-month period revenues were 10.3% higher than the €1,291.2 million recorded in the first half of 2023, coming in at €1,423.7 million. Like-for-like there would have been an increase of 3.5% or 4.2% net of the negative exchange effect, thanks to an increase in sales volumes and despite the weakness in the comfort segment.

The trends varied across the different geographies.

Europe recorded like-for-like revenues of €430.2 million in the second quarter and €848.4 million in the first half, an increase of 4.7% and 8.2% against the comparison periods, respectively. The performance benefitted from the sale of coffee machines, fully automatic machines in particular, but also Nespresso platform products, as well as the good performance recorded by handblenders, personal blenders and irons.

Like-for-like revenues in Americas amounted to €122.2 million in the second quarter of 2024 (-5.9% compared to 2023) and to €220.4 million in the first half, down 2.4% against 2023. Good results were posted by coffee and personal blenders, but the region was impacted by the performance of comfort products; excluding the comfort segment, revenues would have expanded both in the second quarter (+7.0%) and in the first six months (+4.7%).

Asia Pacific reported like-for-like revenues of €101.1 million in the second quarter (-4.9% compared to the same period in 2023) and €184.4 million in the half (-5.6%) including as a result of the negative exchange effect (at constant exchange rates revenues would have been 3.3% lower in comparison to the first half of 2023). The performance benefitted from a recovery in the coffee market but, at the same time, was impacted by an unfavorable season for heaters, particularly in Japan.

Lastly the MEIA countries, which were impacted by the regional geopolitical tensions, closed the second quarter with like-for-like revenues up 9.6% against the same period of 2023 at €45.6 million. The positive

trend made it possible to offset the weakness recorded in the first few months of the year and close the half with € 83.8 million in like-for-like revenues, a decrease of 2.4% compared to the same period of 2023.

Looking at the business lines, consistent with prior reporting periods, coffee products were the main driver of growth. The sales of fully automatic machines were positive, thanks also to a few launches in new countries, as were sales for Nespresso platform products which benefitted from a rebalancing of the traditional and Vertuo lines.

With regard to the professional coffee segment, the La Marzocco and Eversys combination fueled a significant increase in revenues in the new consolidation perimeter.

Food preparation reported positive results for the Nutribullet brand personal blenders and handblenders/traditional blenders which posted a solid growth trend capable of offsetting what is still a weak kitchen machines segment.

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 of investments in promotional activities, above all as of the second quarter of 2024.

The Red Sea crisis caused difficulties in supply chain management which resulted in longer supply times and higher costs. The Group, however, succeeded in managing the complexity and mitigating any impact. Investments in advertising were largely in line with the prior year as a result of the decision to optimize spending through targeted actions to support the brands and higher focus on promotional activities.

EBITDA before non-recurring income (expenses)/stock option costs came to €204.7 million (14.4% of revenues) in the first half of 2024, higher both numerically and as a percentage of revenue compared to the same period of 2023 (€160.1 million or 12.4% of revenues).

Net the €8.3 million in profit paid to the minority shareholders who became part of the shareholder base as a result of the Eversys/La Marzocco business combination, the Group's portion of net profit came to €106.2 million or 7.5% of revenues (€ 82.7 million or 6.4% of the revenues in the first half of 2023).

In addition to the effects linked to the La Marzocco combination, net operating working capital was also impacted by business seasonality which implies, as of June 30, a physiological increase in values compared to the end-of-year levels.

The net operating working capital amounted to €138.6 million (4.3% of revenues), versus €206.6 million at 30 June 2023 (6.9% of revenues) and €61.1 million at 31 December 2023 (2.0% of revenues).

The net financial position with banks came to €408.7 million at 30 June 2024 (€403.8 million at 30 June 2023 and €761.7 million at 31 December 2023).

Rolling 12-month net operating cash flow was positive for €395.7 million thanks, above all, to good cash flow generation by operating activities; cash flow was positive for €46.8 million in the half, after investments of €60 million mainly in the production platform also in the companies dedicated to professional coffee machines.

Group results

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

(€/million)	1st Half 2024	% revenues	1st Half 2023	% revenues
Revenues	1,423.7	100.0%	1,291.2	100.0%
<i>Change</i>	132.5	10.3%		
Materials consumed & other production costs (production services and payroll costs)	(696.9)	(48.9%)	(651.0)	(50.4%)
Net industrial margin	726.8	51.1%	640.2	49.6%
Services and other operating expenses	(370.5)	(26.0%)	(351.8)	(27.2%)
Payroll (non-production)	(151.7)	(10.7%)	(128.2)	(9.9%)
EBITDA before non-recurring income (expenses)/stock option costs	204.7	14.4%	160.1	12.4%
<i>Change</i>	44.5	27.8%		
Non-recurring income (expenses)/stock option costs	(5.0)	(0.3%)	(1.1)	(0.1%)
EBITDA	199.7	14.0%	159.0	12.3%
Amortization	(56.0)	(3.9%)	(50.9)	(3.9%)
EBIT	143.7	10.1%	108.1	8.4%
<i>Change</i>	35.6	32.9%		
Net financial income (expenses)	4.4	0.3%	(2.1)	(0.2%)
Profit (loss) before taxes	148.1	10.4%	106.0	8.2%
Taxes	(33.7)	(2.4%)	(23.3)	(1.8%)
Net result	114.4	8.0%	82.7	6.4%
Minority interests	8.3	0.6%	-	0.0%
Profit (loss) pertaining to the Group	106.2	7.5%	82.7	6.4%

The reclassified income statement above differs in industrial margin for Euro 130.2 million in the first half 2024 (Euro 111.7 million in the first half 2023) from the consolidated income statement as, in order to better represent the period performance, production-related payroll and service costs have been reclassified from payroll and services, respectively, and non recurring expenses, when applicable, have been separately reported.

Revenues

Revenues amounted to €764.9 million in the second quarter of 2024, an increase of 11.0% against the same period in 2023. Like-for-like, revenues amounted to €699.2 million, an increase of 1.5% compared to the second quarter of 2023 which showed a decided recovery compared to prior periods.

Revenues amounted to €1,423.7 million in the half, an increase of 10.3%. Like-for-like, revenues amounted to €1,336.9 million (+3.5% compared to the first half of 2023).

The good performance, partially offset by a negative exchange effect, benefitted from higher volumes.

The weakness of sales in the comfort segment due to a tail end of the discontinuity in the mobile air conditioning market in the United States, as well as unfavorable weather conditions, affected the trend of revenues. Net of the comfort segment, the Household division showed growth in revenues both in the second quarter (+6.9%) and in the six months (+7.0%).

As a percentage of the total, online sales were largely stable with respect to the same period of 2023. Specific advertising and marketing activities are dedicated to the development of online channels.

In the first half of 2024 the Group worked to reduce its carbon footprint by launching a new initiative to promote the circular economy developed around the sale of reconditioned fully automatic coffee machines at a few marketplaces. The initiative was well received by the market.

Consistent with the Group's Sustainability Manifesto the Rivelia fully automatic coffee machine, which was developed based on the Eco Design guidelines, was the star of a project to reduce and offset CO₂ emissions along its entire value chain in order to become the first "carbon compensated" domestic coffee machine.

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)	2nd Quarter 2024	%	2nd Quarter 2024 like- for-like	%	2nd 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	449.8	58.8%	430.2	61.5%	411.1	59.7%	19.2	4.7%	4.6%
Americas	143.7	18.8%	122.2	17.5%	129.9	18.9%	(7.6)	(5.9%)	(6.8%)
Asia Pacific	121.8	15.9%	101.1	14.5%	106.3	15.4%	(5.2)	(4.9%)	(3.5%)
MEIA (Middle East/India/Africa)	49.6	6.5%	45.6	6.5%	41.6	6.0%	4.0	9.6%	8.9%
Total revenues	764.9	100.0%	699.2	100.0%	688.8	100.0%	10.4	1.5%	1.5%

(€/million)	1st Half 2024	%	1st Half 2024 like-for-like	%	1st Half 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	874.2	61.5%	848.4	63.4%	784.2	60.7%	64.2	8.2%	8.6%
Americas	249.4	17.5%	220.4	16.5%	225.9	17.5%	(5.5)	(2.4%)	(2.5%)
Asia Pacific	211.3	14.8%	184.4	13.8%	195.2	15.1%	(10.8)	(5.6%)	(3.3%)
MEIA (Middle East/India/Africa)	88.8	6.2%	83.8	6.3%	85.8	6.7%	(2.1)	(2.4%)	(2.0%)
Total revenues	1,423.7	100.0%	1,336.9	100.0%	1,291.2	100.0%	45.7	3.5%	4.2%

Revenues in **Europe** reached €449.8 million in the second quarter and €874.2 million in the first half. Like-for-like revenues (€430.2 million in the second quarter and €848.4 million in the half) posted a robust performance, rising 4.7% and 8.2%, respectively, at current exchange rates, consistent with the acceleration begun year-end 2023.

The uncertainty linked to political and macroeconomic context impacted different products of the small appliances market to varying degrees in a few of the main countries (namely Germany and France) affecting product categories in different ways. Coffee machines maintained a good, resilient growth trend, while cooking and food preparation products are still in a post-pandemic recovery phase.

The coffee products family gained market share thanks to the launch of two high-end, new generation fully automatic machines. The Rivelia line of coffee machines, launched in 2023 in just France and Italy, was introduced throughout the region.

Capsule machines also continued to report positive results thanks to a strategy to rebalance the offer between the Nespresso platform's Original and Vertuo lines.

Despite the general weakness of the market for cooking and food preparation products, the sales of Braun brand handblenders were higher.

Personal blenders, recently introduced in Europe, also recorded positive results.

Irons, both traditional models and ironing systems, posted positive results, above all in Germany, Austria, Italy and the Iberian Peninsula.

Lastly, the late start to the summer season impacted the sale of air conditioning products.

In Germany revenues were higher in the half thanks to the good sales of the fully automatic machines driven, above all, by the Eletta Explore model, winner of the StiWa award. Sales for kitchen machines, irons were higher.

In France, in addition to the good results achieved by the fully automatic coffee machine family, traditional and capsule machines also posted positive results.

The performance in the Iberian Peninsula was similar.

Revenues in Austria were higher thanks to the positive performance of all product categories, particularly coffee machines.

Lastly, Poland, Czech Republic, Slovakia and Hungary closed the first half on a positive note, posting growth in revenues.

Americas posted revenues of €143.7 million in the second quarter of 2024 and €249.4 million in the half. Like-for-like revenues amounted to €122.2 million in the second quarter (down 5.9% compared to 2023), and to €220.4 million in the first half (-2.4% compared to 2023). Excluding the comfort segment, which was affected by the aforementioned discontinuity, revenues would have expanded by 7.0% in the second quarter and by 4.7% in the first half.

In the second quarter the United States and Canada recovered from the weakness of the coffee segment seen at the beginning of the year thanks to the good results of the fully automatic machines, particularly the high-end models, and the Nespresso business. At the beginning of the year the latter had posted a slowdown compared to prior reporting periods. Sales for the Nutribullet brand personal blenders showed solid growth supported also by a few successful launches of new models like the recent Nutribullet Ultra.

Asia Pacific posted revenues of €121.8 million in the second quarter of 2024 and €211.3 million in the first half. Like-for-like revenues were 4.9% lower in the second quarter, coming in at €101.1 million as a result of a negative exchange effect (3.5% lower constant exchange rates). Similarly, revenues in the half fell 5.6%, or 3.3% at constant exchange rates, to €184.4 million.

Many markets, after a period of weakness, showed signs of a return to a normal situation. Sales for coffee, particularly fully automatic machines, drove the good results for the Rivelia and Magnifica models. Sales for Nespresso platform products were also positive.

Conversely, a particularly mild winter penalized sales in Japan.

Good results for coffee, as well as cooking, food preparation products and personal blenders, were reported in Australia and New Zealand.

Sales in China and Hong Kong showed, in the second quarter, a slight growth at constant exchange rates and on a like-for-like basis, recovering compared to the first quarter result, with revenues in the six months decreasing by 6.1% at constant exchange rates; the trend in the half-year was influenced by the weak market for professional coffee machines.

In **MEIA** revenues amounted to €49.6 million in the second quarter and €88.8 million in the first half. Like-for-like, revenues came to €45.6 million in the second quarter, up 9.6%, while revenues for the half were equal to €83.8, 2.4% lower than in the same period of 2023 due to the weakness seen in the first part of the year.

The region was impacted by strong political instability and the tensions caused by the conflict in the Middle East; positive signals were, however, seen in a few of the region's countries thanks to the contribution of De'Longhi coffee products and Braun brand irons.

Looking at business lines, consistent with prior reporting periods, coffee was still one of the main growth drivers. The Group benefitted from favorable growth trends in domestic machines as a result of increased distribution of espresso coffee, the search for a vaster range of coffee-based drinks and increased product sophistication due to a greater understanding of the organoleptic characteristics of the coffee itself. This awareness has led many consumers to prefer a "beans to cup experience" which has increased the penetration of fully automatic and semi-automatic machines. Toward this end, of note is the robust growth in both the quarter and the half of revenues for fully automatic machines and the good results of the Nespresso capsule machines. Sales for traditional 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 consolidation perimeter.

The global trend in food preparation, which privileges "easy to use" products that promote a healthier and more sustainable lifestyle, supported the positive results of the personal blender and traditional handblender/blender segments which recorded solid growth capable of supporting what is still a weak kitchen machines segment.

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 latter part 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 half improved due, above all, to higher volumes, a favorable mix effect and a reduction in production and manufacturing costs which offset the negative impact of higher investments in promotional activities, above all as of the second quarter of 2024.

The Red Sea crisis caused difficulties in supply chain management which resulted in longer supply times and higher costs. The Group, however, succeeded in managing the complexity and mitigating any impacts. Investments in advertising were largely in line with the prior year as a result of the decision to optimize spending through targeted actions to support the brands and higher focus on promotional initiatives (with consequent increase in related costs).

In the second quarter of 2024 the net industrial margin came to €391.5 million, or 51.2% of revenues, higher than in the same period of 2023 (€335.8 million, 48.8% of revenues). A net industrial margin of €726.8 million or 51.1% of revenues was recorded in the first half (€640.2 million or 49.6% of revenues in the first half of 2023).

In the second quarter of 2024 EBITDA before non-recurring income (expenses)/stock option costs amounted to €110.9 million (14.5% of revenues), higher both numerically and as a percentage of revenue compared to the same period of 2023 (€85.8 million or 12.5% of revenues). Improvement was also posted in the first half with EBITDA before non-recurring income (expenses)/stock option costs coming in at €204.7 million (14.4% of revenues) versus €160.1 million or 12.4% of revenues in the first half of 2023.

In the first half of 2024, €3.0 million in net non-recurring expenses were recognized (net expenses of €0.9 million in the same period of 2023) relating mainly to the services costs of La Marzocco/Eversys business combination and the costs of some company reorganizations currently underway.

The Group also recognized €2.0 million in stock option and phantom stock option costs in the period (€0.2 million in the first half of 2023).

Amortization and depreciation amounted to €29.5 million in the second quarter of the year and to €56 million in the half, overall higher than in the first half of 2023 (€50.9 million) as a result of the recent business combination and the completion of a few investments in fixed assets.

In the second quarter of 2024 EBIT amounted to €79.0 million or 10.3% of revenues; in the first half EBIT reached €143.7 million or 10.1% of revenues (€108.1 million in the first half of 2023).

The Group posted €4.4 million in financial income (expenses of €2.1 million in the first half of 2023) thanks to financial management income and effective currency management.

Net the taxes of €33.7 million (€23.3 million in the first half of 2023) and the €8.3 million in profit pertaining to the minority shareholders, the Group's portion of net profit came to €106.2 million.

Results by sector of activity

The Group De' Longhi identified three operational sectors, which coincide with the three main geographical areas in which it operates, based on the geographical location of its activities: Europe, MEIA (Middle East, India and Africa) and APA, including both Americas and Asia/Pacific countries. Each sector has cross-cutting skills for all group brands and serves different markets.

This breakdown is consistent with the analysis and management tools used by the management group for the assessment of the company's performance and for the strategic decisions.

The information by operating sector can be found in the Illustrative Notes.

Review of the statement of financial position

The reclassified consolidated statement of financial position is presented below:

(€/million)	30.06.2024	30.06.2023	31.12.2023
- Intangible assets	1,298.5	880.5	878.3
- Property, plant and equipment	547.8	453.5	478.0
- Financial assets	11.0	11.7	9.7
- Deferred tax assets	73.7	71.6	60.4
Non-current assets	1,931.0	1,417.3	1,426.4
- Inventories	727.1	660.5	504.7
- Trade receivables	172.7	180.6	272.7
- Trade payables	(761.2)	(634.5)	(716.2)
- Other payables (net of receivables)	(137.0)	(115.9)	(143.9)
Net working capital	1.6	90.7	(82.8)
Total non-current liabilities and provisions	(229.8)	(180.4)	(195.1)
Net capital employed	1,702.8	1,327.5	1,148.5
(Net financial assets)	(305.3)	(311.7)	(662.6)
Total net equity	2,008.1	1,639.2	1,811.1
Total net debt and equity	1,702.8	1,327.5	1,148.5

In the first six months of 2024, the Group made net investments of €60.0 million (versus €58.0 million in the first six months of 2023), of which €35.9 million in plant, property and equipment which refers mainly to improvements made in order to increase capacity at the production facilities. This amount also includes the investments made to enhance and improve capacity at the companies producing professional coffee machines.

The net increase in intangible assets against 31 December 2023 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 operating working capital, which amounted to €138.6 million (€206.6 million at 30 June 2023 and €61.1 million at 31 December 2023), or 4.3% of rolling revenues (6.9% at 30 June 2023 and 2.0% 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 operating working capital amounted to €94.9 million (3.0% of revenues) at 30 June 2024.

Trade receivables were lower than in the same period of 2023 due to effective customer management and a reduction in average collection periods. Inventory was higher than at 31 December 2023 due to stocking to support seasonality in the coming months. Like-for-like, trade payables were slightly higher mainly due to the aforementioned increase of stock.

Net working capital was positive for €1.6 million (positive for €90.7 million at 30 June 2023; negative for €82.8 million at 31 December 2023).

Details of the net financial position are shown below:

(€/million)	30.06.2024	30.06.2023	31.12.2023
Cash and cash equivalents	827.8	842.7	1,250.2
Other financial receivables	194.6	244.7	172.5
Current financial debt	(303.0)	(180.0)	(289.0)
Net current financial position	719.4	907.3	1,133.6
Non-current financial receivables and assets	121.5	123.9	122.0
Non-current financial debt	(535.6)	(719.5)	(593.1)
Non-current net financial debt	(414.1)	(595.6)	(471.0)
Total net financial position	305.3	311.7	662.6
<i>of which:</i>			
- positions with banks and other financial payables	408.7	403.8	761.7
- lease liabilities	(114.1)	(88.4)	(98.4)
- other financial non-bank assets/liabilities (fair value of derivatives, financial debt connected to business combinations and pension fund)	10.6	(3.8)	(0.7)

The net financial position came to a positive €305.3 million at 30 June 2024 (€311.7 million at 30 June 2023; €662.6 million at 31 December 2023).

Net of a few, specific financial items, comprising mainly the fair value measurement of derivatives, the net financial position with banks came to a positive €408.7 million (€403.8 million at 30 June 2023; €761.7 million at 31 December 2023) for an increase of €4.9 million in the twelve-month period (absorption of €352.9 million in the six-month period).

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

(€/million)	30.06.2024 6 months	30.06.2023 6 months	31.12.2023 12 months
Cash flow by current operations	186.1	156.8	446.3
Cash flow by changes in working capital	(79.3)	4.4	138.0
Cash flow by current operations and changes in NWC	106.7	161.2	584.3
Cash flow by investment activities	(60.0)	(58.0)	(132.3)
Cash flow by operating activities	46.8	103.1	452.0
Acquisitions	(326.8)	-	-
Dividends paid	(104.8)	(72.1)	(72.1)
Stock options exercise	11.7	-	5.1
Cash flow by other changes in net equity	15.8	(18.2)	(21.2)
Cash flow generated (absorbed) by changes in net equity	(77.3)	(90.2)	(88.2)
Cash flow for the period	(357.3)	12.9	363.8
Opening net financial position	662.6	298.8	298.8
Closing net financial position	305.3	311.7	662.6

The good cash generation by current operations and the containment of net working capital led to a positive cash flow of Euro 106.7 million in the six months (positive for Euro 161.2 million in the first half of 2023).

After investments of Euro 60.0 million, substantially in line with the first half of 2023 (Euro 58.0 million), the cash flow by operating activities was positive at Euro 46.8 million.

Total cash flow was negative for €357.3 million in the first half of 2024 as a result of the business combination which absorbed €326.8 million and the distribution of €104.8 million in dividends (including the dividends paid to minority shareholders).

Net of these items, total cash flow came to a positive €74.3 million in the half.

Human Resources

The staff of the Group at 30 June 2024 is summarized below:

	30.06.2024	30.06.2023
Blue collars	6,929	6,826
White collars	3,529	3,182
Managers	380	310
Total	10,838	10,318

The Group had 10,838 employees at 30 June 2024.

The increase against the same period 2023 is attributable mainly to the change in the scope of consolidation.

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.

Reconciliation of net equity and profit (loss) for the period

Below is a concise reconciliation between net equity and profit of the parent company, De' Longhi S.p.A., and the figures shown in the consolidated financial statements:

(Amounts in thousands of Euro)

	Net equity 30.06.2024	Profit for 1 st Half 2024	Net equity 31.12.2023	Profit for 2023
De' Longhi S.p.A. financial statements	708,386	239,834	557,569	36,578
Share of subsidiaries' equity and results for period attributable to the Group, after deducting carrying value of the investments	515,171	(105,836)	834,186	218,905
Allocation of goodwill arising on consolidation and related amortization and reversal of goodwill recognized for statutory purposes	848,971	(224)	464,525	(444)
Elimination of intercompany profits	(64,750)	(19,344)	(45,425)	(4,613)
Other adjustments	290	2	284	(14)
Consolidated financial statements	2,008,068	114,432	1,811,139	250,412
Minority	182,788	8,268	-	35
Consolidated financial statements-Group portion	1,825,280	106,164	1,811,139	250,377

Related party transactions

Related party transactions fall within the normal course of business by Group companies.

The transaction can be classified as a “transaction between related parties of greater importance”, due to the fact that De' Longhi S.p.A. and La Marzocco International LLC are subject to the common control of De Longhi Industrial S.A.. As such, the transaction received the prior favorable opinion of the Independent Committee, responsible for transactions with related parties of greater importance and the unanimous vote of the Board of Directors of De' Longhi S.p.A., with the abstention of the President Giuseppe de' Longhi and the Directors Fabio de' Longhi and Silvia de' Longhi, in compliance with the provisions of the legislation and regulations regarding related parties. For further information, the reader should refer to “Information Document for Major Transactions with Related Parties”.

Information on related party transactions is summarized in Appendix 3 to the Explanatory notes.

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.

Subsequent events

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

Outlook

The current context of business evolution makes it possible to reaffirm the guidance for the year, albeit the awareness of the variability of the current macroeconomic and geopolitical scenario.

It is, therefore, confirmed the revenue growth including the expansion of the perimeter. In terms of margins, the quarterly results reinforce the expectation of reaching a solid EBITDA before non recurring/stock option costs for the new perimeter.

Treviso, 31 July 2024

*For the Board of Directors
Vice President and Chief Executive Officer*

Fabio de'Longhi

CONSOLIDATED INCOME STATEMENT

(€/000)	Notes	1st half 2024	of which operative non- recurring	1st half 2023	of which operative non- recurring
Revenues from sales	1	1,400,515		1,275,025	
Other revenues	1	23,172		16,171	
Total consolidated revenues		1,423,687		1,291,196	
Raw and ancillary materials, consumables and goods	2	(735,159)		(662,538)	
Change in inventories of finished products and work in progress	3	160,295	(791)	119,111	
Change in inventories of raw and ancillary materials, consumables and goods	3	8,154		4,068	
Materials consumed		(566,710)	(791)	(539,359)	-
Payroll costs	4-8	(231,865)	(572)	(191,532)	168
Services and other operating expenses	5-8-15	(412,738)	(1,654)	(391,477)	(1,100)
Provisions	6	(12,667)		(9,782)	
Amortization	7-15	(55,967)		(50,905)	
EBIT		143,740	(3,017)	108,141	(932)
Net financial income (expenses)	9-15	4,398		(2,099)	
PROFIT (LOSS) BEFORE TAXES		148,138		106,042	
Taxes	10	(33,706)		(23,321)	
CONSOLIDATED PROFIT (LOSS)		114,432		82,721	
Profit (loss) pertaining to minority	30	8,268		35	
GROUP CONSOLIDATED PROFIT (LOSS)		106,164		82,686	
EARNINGS PER SHARE (in Euro)	31				
- basic		€ 0.70		€ 0.55	
- diluted		€ 0.70		€ 0.55	

Appendix 3 reports the effect of related party transactions on the income statement, as required by CONSOB Resolution 15519 of 27 July 2006.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	1st half 2024	1st half 2023
Consolidated profit (loss)	114,432	82,721
Other components of the comprehensive income:		
Change in fair value of cash flow hedges	1,680	(2,700)
Tax effect on change in fair value of cash flow hedges	(387)	653
Differences from translating foreign companies' financial statements into Euro	17,734	(32,935)
Total other comprehensive income will subsequently be reclassified to profit (loss) for the year	19,027	(34,982)
Actuarial valuation funds	5	-
Total other comprehensive income will not subsequently be reclassified to profit (loss) for the year	5	-
Total components of comprehensive income	19,032	(34,982)
Total comprehensive income after tax	133,464	47,739
Total comprehensive income attributable to:		
Group	125,604	47,675
Minority interest	7,860	64

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

ASSETS (€/000)	Notes	30.06.2024	31.12.2023
NON-CURRENT ASSETS			
INTANGIBLE ASSETS		1,298,520	878,330
- Goodwill	11	677,283	371,686
- Other intangible assets	12	621,237	506,644
PROPERTY, PLANT AND EQUIPMENT		547,797	477,981
- Land, property, plant and machinery	13	260,640	226,757
- Other tangible assets	14	174,923	154,799
- Right of use assets	15	112,234	96,425
EQUITY INVESTMENTS AND OTHER FINANCIAL ASSETS		132,474	131,725
- Equity investments	16	5,018	4,294
- Receivables	17	5,993	5,400
- Other non-current financial assets	18	121,463	122,031
DEFERRED TAX ASSETS	19	73,697	60,413
TOTAL NON-CURRENT ASSETS		2,052,488	1,548,449
CURRENT ASSETS			
INVENTORIES	20	727,053	504,678
TRADE RECEIVABLES	21	172,720	272,692
CURRENT TAX ASSETS	22	16,440	20,244
OTHER RECEIVABLES	23	59,281	43,695
CURRENT FINANCIAL RECEIVABLES AND ASSETS	24-15	194,553	172,472
CASH AND CASH EQUIVALENTS	25	827,785	1,250,198
TOTAL CURRENT ASSETS		1,997,832	2,263,979
TOTAL ASSETS		4,050,320	3,812,428

Appendix 3 reports the effect of related party transactions on the balance sheet, as required by CONSOB Resolution 15519 of 27 July 2006.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES AND NET EQUITY

NET EQUITY AND LIABILITIES (€/000)	Notes	30.06.2024	31.12.2023
NET EQUITY			
GROUP PORTION OF NET EQUITY		1,825,280	1,811,139
- <i>Share Capital</i>	28	226,729	226,590
- <i>Reserves</i>	29	1,492,387	1,334,172
- <i>Profit (loss) pertaining to the Group</i>		106,164	250,377
MINORITY INTEREST	30	182,788	-
TOTAL NET EQUITY		2,008,068	1,811,139
NON-CURRENT LIABILITIES			
FINANCIAL PAYABLES		535,554	593,079
- <i>Banks loans and borrowings (long-term portion)</i>	32	251,411	300,844
- <i>Other financial payables (long-term portion)</i>	33	194,642	214,617
- <i>Lease liabilities (long-term portion)</i>	15	89,501	77,618
DEFERRED TAX LIABILITIES	19	105,118	72,164
NON-CURRENT PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES		124,730	122,918
- <i>Employee benefits</i>	34	52,731	51,041
- <i>Other provisions</i>	35	71,999	71,877
TOTAL NON-CURRENT LIABILITIES		765,402	788,161
CURRENT LIABILITIES			
TRADE PAYABLES	36	761,178	716,238
FINANCIAL PAYABLES		302,955	289,022
- <i>Banks loans and borrowings (short-term portion)</i>	32	201,064	196,005
- <i>Other financial payables (short-term portion)</i>	33	76,945	72,012
- <i>Lease liabilities (short-term portion)</i>	15	24,946	21,005
CURRENT TAX LIABILITIES	37	69,551	70,571
OTHER PAYABLES	38	143,166	137,297
TOTAL CURRENT LIABILITIES		1,276,850	1,213,128
TOTAL NET EQUITY AND LIABILITIES		4,050,320	3,812,428

Appendix 3 reports the effect of related party transactions on the balance sheet, as required by CONSOB Resolution 15519 of 27 July 2006.

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	1st Half 2024	1st Half 2023
Net result		114,432	82,721
Income taxes for the period		33,706	23,321
Amortization		55,967	50,905
Net change in provisions and other non-cash items		(18,023)	(152)
Cash flow generated by current operations (A)		186,082	156,795
Change in assets and liabilities for the period:			
Trade receivables		119,635	94,972
Inventories		(167,155)	(123,177)
Trade payables		16,301	105,164
Other changes in net working capital		(5,888)	(11,163)
Payment of income taxes		(42,242)	(61,386)
Cash flow generated (absorbed) by movements in working capital (B)		(79,349)	4,410
Cash flow generated (absorbed) by current operations and movements in working capital (A+B)		106,733	161,205
Investment activities:			
Investments in intangible assets		(6,670)	(6,179)
Other cash flows for intangible assets		-	26
Investments in property, plant and equipment		(36,496)	(33,791)
Other cash flows for property, plant and equipment		593	1,610
Net investments in financial assets and in minority interest		(648)	(286)
Cash flow absorbed by ordinary investment activities (C)		(43,221)	(38,620)
Cash flow by operating activities (A+B+C)		63,512	122,585
Business combination La Marzocco/Eversys (D)		(302,250)	-
Exercise of stock option		11,681	-
Dividends paid		(100,365)	(71,738)
Dividends paid to minority interests		(3,804)	-
New loans		-	-
Payment of interests on loans		(12,278)	(10,646)
Repayment of loans and other net changes in sources of finance		(78,909)	34,765
Cash flows generated (absorbed) by financing (E)		(183,675)	(47,619)
Cash flow for the period (A+B+C+D+E)		(422,413)	74,966
Opening cash and cash equivalents	25	1,250,198	770,247
Cash flow for the period (A+B+C+D+E)		(422,413)	74,966
Translation difference effect on cash and cash equivalents		1,923	(2,528)
Closing cash and cash equivalents	25	827,785	842,685

Appendix 2 reports the statement of cash flows in terms of net financial position.

"Business combination La Marzocco/Eversys (D)" refers to the purchase price paid for the business combination net of acquired cash and cash equivalent.

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY

(€/000)	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	EXTRAORDINARY RESERVE	TREASURY SHARES RESERVES	FAIR VALUE AND CASH FLOW HEDGE RESERVES	STOCK OPTION RESERVE	CURRENCY TRANSLATION RESERVE	PROFIT (LOSS) CARRIED FORWARD	PROFIT (LOSS) PERTAINING TO GROUP	GROUP PORTION OF NET EQUITY	MINORITY INTEREST	TOTAL NET EQUITY
Balance at 31 December 2022	226,590	38,268	45,269	172,733	(14,534)	497	6,373	74,280	932,213	177,428	1,659,117	4,274	1,663,391
Allocation of 2022 result as per AGM resolution of 21 April 2023													
- distribution of dividends									(72,079)		(72,079)		(72,079)
- allocation to reserves			49	28,680					148,699	(177,428)	-		-
Fair value stock option							164				164		164
Other changes in minority interests									4,338		4,338	(4,338)	-
Movements from transactions with shareholders	-	-	49	28,680	-	-	164	-	80,958	(177,428)	(67,577)	(4,338)	(71,915)
Profit (loss) after taxes										82,686	82,686	35	82,721
Other components of comprehensive income						(2,047)		(32,964)			(35,011)	29	(34,982)
Comprehensive income (loss)	-	-	-	-	-	(2,047)	-	(32,964)	-	82,686	47,675	64	47,739
Balance at 30 June 2023	226,590	38,268	45,318	201,413	(14,534)	(1,550)	6,537	41,316	1,013,171	82,686	1,639,215	-	1,639,215
Balance at 31 December 2023	226,590	40,078	45,318	201,413	(9,658)	259	5,695	40,867	1,010,200	250,377	1,811,139	-	1,811,139
Allocation of 2023 result as per AGM resolution of 19 April 2024													
- distribution of dividends				(64,439)					(36,578)		(101,017)		(101,017)
- allocation to reserves									250,377	(250,377)	-		-
Fair value stock option							1,098				1,098		1,098
Exercise of stock option	139	5,335			9,658		(3,451)				11,681		11,681
Dividend distribution to minority interests											-	(3,804)	(3,804)
Other transactions with shareholders									(23,225)		(23,225)	178,732	155,507
Movements from transactions with shareholders	139	5,335	-	(64,439)	9,658	-	(2,353)	-	190,574	(250,377)	(111,463)	174,928	63,465
Profit (loss) after taxes										106,164	106,164	8,268	114,432
Other components of comprehensive income						1,293		18,142	5		19,440	(408)	19,032
Comprehensive income (loss)	-	-	-	-	-	1,293	-	18,142	5	106,164	125,604	7,860	133,464
Balance at 30 June 2024	226,729	45,413	45,318	136,974	-	1,552	3,342	59,009	1,200,779	106,164	1,825,280	182,788	2,008,068

EXPLANATORY NOTES

GROUP BUSINESS

This document represents the consolidated financial statements of the De' Longhi Group.

The parent company De' Longhi S.p.A. is a joint-stock company, incorporated in Italy, whose shares are listed on the Italian stock exchange (Euronext Milan) run by Borsa Italiana.

The registered office is located in Treviso (Italy) in via Lodovico Seitz, 47.

The Group operates in Europe, America, Asia Pacific and MEIA.

The Group is active in the production and distribution of domestic and professional coffee machines, small appliances for food preparation and cooking, domestic cleaning and ironing, air conditioning and portable heaters.

The companies included in the scope of consolidation are listed in Appendix 1 to the Explanatory notes.

ACCOUNTING STANDARDS

The half-year financial report includes the condensed consolidated financial statements, which have been prepared in accordance with IFRS (International Financial Reporting Standards) and particularly with the recommendations of IAS 34 – *Interim Financial Reporting*, which requires interim financial statements to be prepared in a condensed format with fewer disclosures than in annual financial statements.

The half-year condensed consolidated financial statements at 30 June 2024 comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the statement of changes in net equity, all of which have been prepared in a full format that is comparable with the annual consolidated financial statements.

The explanatory notes are presented in a condensed format and, therefore, are limited to the information needed by users to understand the financial statements for the first half of 2024.

These financial statements are presented in thousands of Euro, unless otherwise indicated.

The publication of the half-year condensed consolidated financial statements for the period ended 30 June 2024 was authorized by the Board of Directors on 31 July 2024 that also approved the financial statements.

The half-year condensed consolidated financial statements have used the same consolidation procedures and accounting policies as those described in the annual report, to which the reader should refer.

The consolidated financial figures were prepared using the same accounting policies as those used to prepare the consolidated financial statements at 31 December 2023. The Group did not early adopted any new standards, interpretations or amendments endorsed, but not yet applicable.

A few new standards and amendments to existing standards went into force for the first time as of 1 January 2024; their adoption did not have significant impacts on the present financial statement.

International accounting standards adopted by the Group for the first time

On 22 December 2022 “Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union” was published in the *Gazzetta Ufficiale*. The Directive was endorsed by member states by year-end 2023, as part of a coordinated effort, in accordance with the different domestic tax regimes.

At the same time, the IASB launched a project to revise IAS 12 which resulted in the publication of an amendment, namely “International Tax Reform – Pillar 2 Model Rules”.

The two documents are part of an ongoing debate about the reform of the international tax system undertaken by the Organization for Economic Cooperation and Development (OECD). The reform calls for a solution based on the two pillars (the two-pillar solution). Pillar 1 focuses on a tax model which aims to reexamine the traditional concepts of “residence” and “jurisdiction”. Pillar 2 aims to limit tax arbitrage in the allocation of income by imposing a minimum tax rate of 15% % (Global anti-Base Erosion Rules, GloBE) on multinational companies.

The law took effect as of the year beginning on 1 January 2024 and the Group, falling within the scope of Pillar Two application, assessed the impact of the new law while taking account of the amendments introduced in IAS 12 “Income Taxes”.

The assessment is based on the latest available information included in the tax returns, in the country’s reports, the financial information for 2023 and the tax laws currently in effect in the different countries in which the Group is present.

With Regulation 2579/2023 of 20 November 2023 the European Commission introduced amendments to IFRS 16 – *Leases* which clarify how to account for sale and leaseback transactions.

Regulation 2822/2023 of 19 December 2023 introduced amendments to IAS 1 - *Presentation of financial statement* which aim to improve disclosure when the right to defer settlement of a liability for at least twelve months is subject to a covenant.

International financial reporting standards and/or not yet applicable

With Regulation 2024-1317 of 15.05.2024 the European Commission adopted a few amendments to IAS 7 and IFRS 7 which establish disclosure requirements for supplier finance arrangements. These disclosures need not be included in the 2024 interim reports.

Estimates and assumptions

These half-year financial statements, prepared in accordance with IFRS, contain estimates and assumptions made by the Group relating to assets and liabilities, costs, revenues, other comprehensive gains/losses and contingent liabilities at the reporting date. These estimates are based on past experience and assumptions considered to be reasonable and realistic, based on the information available at the time of making the estimate.

The assumptions relating to these estimates are periodically reviewed and the related effects reflected in the income statement in the same period: actual results could therefore differ from these estimates.

For more information about the main assumptions used by the Group see the section "Estimates and Assumptions" found in the notes to the consolidated financial statements at 31 December 2023.

These more complex assessments are typically done only when the annual report is being drafted as all the information that might be needed are available only at that time; for example, the actuarial valuations needed to determine provisions for employee benefits are generally done at the same time as the drafting of the annual report, with the exception of when a plan is being amended or liquidated.

The current scenario of marked uncertainty and low visibility stemming from the highly instable macroeconomic environment, however, calls for precaution, when making economic forecasts.

Intangible assets and plant, property and equipment

Based on the most recent information available and the currently foreseeable scenarios, the Group did not report any material impairment loss with regard to the intangible assets and plant property and equipment recognized in the financial statements.

Allowance for doubtful accounts

The economic conditions of customers were investigated in order to verify the possible impact on the recoverability of trade receivables.

In regard to relationships with Ukrainian parties, the conflict caused an increase in credit risk and made it necessary to take a closer look at the recoverability of open positions for which provisions based on updated forward-looking information were made. As for Russian clients, given the widespread insurance coverage, in our view it wasn't necessary to adjust credit valuations or recognize provisions other than the ones typically recognized in the financial statements.

Inventories

Inventories are presented net of provisions for raw materials and finished products considered obsolete or slow moving, taking into account their future expected use and realizable value.

Derivatives

The Group verified that the hedges of financial instruments, both prospective and retrospective, were still effective.

Provisions for contingencies and other charges

The Group makes several provisions against disputes or risks of various kinds relating to different matters falling under the jurisdiction of different countries. These provisions were made based on updated information which takes into account the possible effects of the current context.

Translation of balances in foreign currencies

The following exchange rates have been used:

		30.06.2024		30.06.2023		% Change	
		Period-end exchange rate (*)	Average exchange rate (*)	Period-end exchange rate (*)	Average exchange rate (*)	Period-end exchange rate (*)	Average exchange rate (*)
US dollar	USD	1.0705	1.0812	1.0866	1.0811	(1.48%)	0.01%
British pound	GBP	0.8464	0.8545	0.8583	0.8766	(1.39%)	(2.52%)
Hong Kong dollar	HKD	8.3594	8.4535	8.5157	8.4747	(1.84%)	(0.25%)
Chinese renminbi (Yuan)	CNY	7.7748	7.8011	7.8983	7.4898	(1.56%)	4.16%
Australian dollar	AUD	1.6079	1.6422	1.6398	1.5994	(1.95%)	2.68%
Canadian dollar	CAD	1.4670	1.4685	1.4415	1.4569	1.77%	0.80%
Japanese yen	JPY	171.9400	164.4978	157.1600	145.7527	9.40%	12.86%
Malaysian ringgit	MYR	5.0501	5.1106	5.0717	4.8181	(0.43%)	6.07%
New Zealand dollar	NZD	1.7601	1.7752	1.7858	1.7325	(1.44%)	2.46%
Polish zloty	PLN	4.3090	4.3167	4.4388	4.6259	(2.92%)	(6.68%)
South African rand	ZAR	19.4970	20.2467	20.5785	19.6798	(5.26%)	2.88%
Singapore dollar	SGD	1.4513	1.4560	1.4732	1.4443	(1.49%)	0.81%
Russian rouble	RUB	92.4184	98.1069	95.1052	83.2138	(2.83%)	17.90%
Turkish lira	TRY	35.1868	34.2539	28.3193	21.5444	24.25%	58.99%
Czech koruna	CZK	25.0250	25.0192	23.7420	23.6801	5.40%	5.65%
Swiss franc	CHF	0.9634	0.9616	0.9788	0.9856	(1.57%)	(2.44%)
Brazilian real	BRL	5.8915	5.4946	5.2788	5.4833	11.61%	0.20%
Ukrainian hryvnia	UAH	43.2658	42.2086	39.6952	39.5316	9.00%	6.77%
Romanian leu	RON	4.9773	4.9742	4.9635	4.9339	0.28%	0.82%
South Korean won	KRW	1,474.8600	1,460.4050	1,435.8800	1,401.5350	2.71%	4.20%
Chilean peso	CLP	1,021.5400	1,016.7683	872.5900	871.2383	17.07%	16.70%
Hungarian forint	HUF	395.1000	389.9208	371.9300	380.7114	6.23%	2.42%
Swedish krona	SEK	11.3595	11.3889	11.8055	11.3314	(3.78%)	0.51%
Mexican peso	MXN	19.5654	18.5175	18.5614	19.6550	5.41%	(5.79%)
Tenge Kazakhstan	KZT	501.6900	485.7400	492.2000	488.9450	1.93%	(0.66%)

(*) Source: Bank of Italy. Source for RUB period-end and average exchange rate: Central Bank of Russia.

CHANGE IN THE SCOPE OF CONSOLIDATION

On 27 February 2024 the Group finalized the agreements for a business combination between Eversys, leader in the production and distribution of automatic coffee machines, and La Marzocco, leader in the production and distribution of semi-automatic coffee machines and coffee grinders.

With this transaction, La Marzocco and Eversys will be able to further strengthen their position along the entire value chain, from research and engineering to production and market development, while creating a global player able to effectively compete in a leadership position in different market segments, such as automatic machines, traditional machines and luxury household, offering a variety of complementary products, technologies and brands.

The deal is in line with the Group's strategic guidelines, which see the further consolidation of its leadership in the world of coffee and the expansion of its presence in the professional channel as key to medium-term development.

The transaction can be classified as a "transaction between related parties of greater importance", due to the fact that De' Longhi S.p.A. and La Marzocco International LLC are subject to the common control of De Longhi Industrial S.A..

As such, the transaction was subject to the prior approval of the Committee of Independent Directors, responsible for material related party transactions and approved unanimously by De' Longhi S.p.A.'s Board of Directors, with the abstention of the Chairman Giuseppe de' Longhi and the Directors Fabio de' Longhi and Silvia de' Longhi, in accordance with laws and regulations governing related party transactions. For further information, the reader should refer to "Information Document for Major Transactions with Related Parties" issued on 28 December 2023.

As a result of the transaction a new corporate structure, controlled by De' Longhi S.p.A., was created through the contribution of Eversys and the Group's purchase of the shares (held directly and/or indirectly) of La Marzocco International LLC (around 41.2% of the share capital) from De Longhi Industrial S.A. and the minority shareholders. The remaining shares of La Marzocco were also transferred to the new corporate entity by the shareholders.

Following the transaction, finalized on 27 February 2024, the Group controls approximately 61.6% of the new entity, while De Longhi Industrial S.A. and La Marzocco, the previous shareholders, have minority stakes of approximately 26.5% and 12%, respectively.

The De' Longhi Group's total net cash-out came to around US\$ 373 million or US\$ 200 million paid to De Longhi Industrial S.A. (for 22.1% of La Marzocco) and US\$ 173 million paid to the minority shareholders of La Marzocco (for 19.1% of La Marzocco).

The consolidation of financials started on 1 March 2024 since the impacts of the transactions occurred in the period between this date and the date of the combination itself were not significant.

In the first half of 2024, the consideration paid was allocated to the assets and liabilities acquired.

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..

The assets and liabilities acquired are summarized below:

	Values in \$/000	Values in €/000
NON-CURRENT ASSETS		
INTANGIBLE ASSETS	450,448	417,082
- Goodwill	324,824	300,763
- Other intangible assets	125,624	116,319
PROPERTY, PLANT AND EQUIPMENT	65,263	60,429
EQUITY INVESTMENTS AND OTHER FINANCIAL ASSETS	995	921
DEFERRED TAX ASSETS	9,955	9,218
TOTAL NON-CURRENT ASSETS	526,661	487,650
CURRENT ASSETS		
INVENTORIES	55,587	51,469
TRADE RECEIVABLES	22,283	20,632
CURRENT TAX ASSETS	8,124	7,523
OTHER RECEIVABLES	9,826	9,098
CURRENT FINANCIAL RECEIVABLES AND ASSETS	4,247	3,933
CASH AND CASH EQUIVALENTS	46,776	43,311
TOTAL CURRENT ASSETS	146,843	135,966
TOTAL ASSETS	673,504	623,616
NET EQUITY		
TOTAL NET EQUITY	541,152	501,067
NON-CURRENT LIABILITIES		
FINANCIAL PAYABLES	19,117	17,701
DEFERRED TAX LIABILITIES	35,647	33,007
NON-CURRENT PROVISIONS FOR CONTINGENCIES AND OTHER	21,210	19,639
TOTAL NON-CURRENT LIABILITIES	75,974	70,347
CURRENT LIABILITIES		
TRADE PAYABLES	23,365	21,634
FINANCIAL PAYABLES	12,512	11,585
CURRENT TAX LIABILITIES	1,235	1,144
OTHER PAYABLES	19,266	17,839
TOTAL CURRENT LIABILITIES	56,378	52,202
TOTAL NET EQUITY AND LIABILITIES	673,504	623,616

The difference between the purchase price paid in cash, the net value of the assets acquired and the value of the assets contributed to the business combination was recognized as a movement in net equity as the transaction was with shareholders of the parent company:

	Values in €/000
Purchase price paid	345,560
Fair value of assets and liabilities acquired	501,067
Minority interest	178,732
Transactions with shareholders	(23,225)

SEASONALITY OF BUSINESS

The Group's business is traditionally seasonal, with first-half revenues and profit proportionately lower than those of the year as a whole.

COMMENTS ON THE INCOME STATEMENT

1. REVENUES

In the first half of 2024 revenues, including revenues from sales and services and other revenues, amount to €1,423,687 thousand (€1,291,196 thousand in the first half of 2023).

Revenues are broken down by commercial areas as follows:

	1st half 2024	% revenues	1st half 2023	% revenues	Change	Change %
Europe	874,160	61.4%	784,236	60.7%	89,924	11.5%
America	249,416	17.5%	225,890	17.5%	23,526	10.4%
Asia Pacific	211,315	14.8%	195,229	15.1%	16,086	8.2%
MEIA (Middle East/India/Africa)	88,796	6.3%	85,841	6.7%	2,955	3.4%
Total	1,423,687	100.0%	1,291,196	100.0%	132,491	10.3%

Comments on the most significant changes can be found in the "Markets and business lines" section of the report on operations.

"Other revenues" is broken down as follows:

	1st half 2024	1st half 2023	Change
Freight reimbursement	2,953	2,531	422
Commercial rights	915	1,178	(263)
Gains on fixed assets disposal	-	574	(574)
Grants and contributions	1,547	567	980
Damages reimbursed	176	494	(318)
Other income	17,581	10,827	6,754
Total	23,172	16,171	7,001

With regard to Law n. 124 of 4 August 2017, which regulates transparency in public funding, the item "Grants and contributions" includes income of €163 thousand stemming from the incentives granted by Gestore dei Servizi Energetici GSE S.p.A. for the production of energy at the Mignagola (TV) plant through photovoltaic systems connected to the grid.

This item also includes €679 thousand in contributions made to international companies belonging to the La Marzocco Group.

2. RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS

The breakdown is as follows:

	1st half 2024	1st half 2023	Change
Parts	349,183	339,558	9,625
Finished products	281,135	258,827	22,308
Raw materials	93,084	54,926	38,158
Other purchases	11,757	9,227	2,530
Total	735,159	662,538	72,621

3. CHANGE IN INVENTORIES

The difference between the overall change in inventories reported in the income statement and the change in balances reported in the statement of financial position is mainly due to the change in the scope of consolidation and to differences arising on the translation of foreign subsidiaries financial statements. In 2024 the item includes non-recurring expenses totalling €791 thousand due to the updated evaluation of Ukrainian inventories.

4. PAYROLL COSTS

These costs include €77,829 thousand in production-related payroll (€63,346 thousand at 30 June 2023).

In the first half of 2024, the item includes non-recurring expenses of €572 thousand referring to company reorganizations (non-recurring income of €168 thousand in the first half of 2023).

The figures relating to the cost of employee benefits provided by certain Group companies in Italy and abroad are reported in note 34. *Employee Benefits*.

The item includes €1,780 thousand relating to the costs of the stock option/phantom stock option plans (€164 thousand at 30 June 2023); please refer to note 27. *Stock Option Plans* for more information.

The breakdown of the Group's workforce is as follows:

	30.06.2024	30.06.2023
Blue collars	6,929	6,826
White collars	3,529	3,182
Managers	380	310
Total	10,838	10,318

5. SERVICES AND OTHER OPERATING EXPENSES

These are detailed as follows:

	1st half 2024	1st half 2023	Change
Promotional expenses	113,326	104,948	8,378
Transport (for purchases and sales)	66,384	62,667	3,717
Advertising	52,294	55,339	(3,045)
Consulting services	21,818	18,785	3,033
Subcontracted work	20,019	21,780	(1,761)
Technical support	12,672	14,308	(1,636)
Storage and warehousing	12,082	10,668	1,414
Rentals and leasing	9,895	13,177	(3,282)
Travel	7,885	6,187	1,698
Commissions	7,692	7,090	602
Power	6,694	7,502	(808)
Insurance	6,344	5,403	941
Maintenance	3,272	2,124	1,148
Other utilities and cleaning fees, security, waste collection	2,768	3,028	(260)
Postage, telegraph and telephones	2,645	2,357	288
Directors' and statutory auditors' emoluments	2,380	2,091	289
Other sundry services	38,826	28,998	9,828
Total services	386,996	366,452	20,544
Sundry taxes	20,777	20,992	(215)
Other	4,965	4,033	932
Total other operating expenses	25,742	25,025	717
Total	412,738	391,477	21,261

In 2024 the item includes net non-recurring expenses for €1,654 thousand (net non-recurring expenses of €1,100 thousand at 30 June 2023).

In 2024 the item "Rentals and leasing" includes €1,227 thousand in commercial rights (€1,195 thousand in 2023).

In addition, it includes operating costs relating to contracts that are not or do not contain a lease (€7,538 thousand, €10,665 thousand in the first half of 2023), as well as costs relating to leases of less than twelve months' duration (€778 thousand, €1,049 thousand in the first half of 2023) or relating to low-value assets (€352 thousand, €278 thousand in the first half of 2023); for further information, please refer to note 15. *Leases*.

6. PROVISIONS

The item mainly includes €12,453 thousand in provisions for contingencies and other charges and €214 thousand in provisions for doubtful accounts. The main changes in this item are discussed in note 35. *Other provisions for non-current contingencies and charges*.

7. AMORTIZATION

The breakdown is as follows:

	1st half 2024	1st half 2023	Change
Amortization of intangible assets	12,999	10,329	2,670
Depreciation of property, plant and equipment	29,913	29,042	871
Depreciation of Right of Use assets	13,055	11,534	1,521
Total	55,967	50,905	5,062

More details about amortization and depreciation can be found in the tables reporting movements in intangible assets and property, plant and equipment.

8. NON-RECURRING INCOME/(EXPENSES)

In these financial statements, some items of a non-recurring nature resulting in net expenses of €3,017 thousand were shown separately. This item includes the non-recurring expenses incurred for the La Marzocco/Eversys business combination (relating mainly to advisory services and consultancies) and the costs of company reorganizations currently underway.

The non-recurring amounts are shown in the income statement, in the corresponding item of the statement.

9. NET FINANCIAL INCOME (EXPENSES)

Net financial income and expenses are broken down by nature as follows:

	1st half 2024	1st half 2023	Change
Exchange differences and gains (losses) on currency hedges (*)	1,139	2,134	(995)
Share of profit of equity investments consolidated by the equity method	678	267	411
Net interest expense	6,749	(1,579)	8,328
Interest for leasing	(1,422)	(818)	(604)
Other financial income (expenses)	(2,746)	(2,103)	(643)
Other net financial income (expenses)	2,581	(4,500)	7,081
Net financial income (expenses)	4,398	(2,099)	6,497

(*) The item includes €28 thousand relating to exchange rate gains on leases accounted for in accordance with IFRS 16 Leases.

“Exchange differences and gains (losses) on currency hedges” includes the rate differentials on currency risk hedges, as well as the exchange differences linked to consolidation.

“Share of profit of equity investments consolidated by the equity method” includes income from the joint venture TCL/DL, dedicated to the manufacture of portable air conditioners.

“Net interest” includes bank interest on the Group’s financial investments for €20,275 thousand net of interest expenses on financial loans (recalculated using the amortized cost method) and the cost of other financial instruments for a total of €13,526 thousand.

Interest on leases is equal to the portion of financial expenses payable matured in the reporting period on a liability, recognized in accordance with IFRS 16 *Leases*. For more information see note 15.*Leases*.

"Other financial income (expenses)" include bank charges, financial expenses arising from the actuarial calculation of the long-term employee benefits and temporary changes arising from investments evaluated at fair value through profit and loss.

10. INCOME TAXES

These are analyzed as follows:

	1st half 2024	1st half 2023	Change
Current income taxes:			
- Income taxes	36,294	40,986	(4,692)
- IRAP (Italian regional business tax)	2,595	1,988	607
Deferred (advanced) taxes	(5,183)	(19,653)	14,470
Total	33,706	23,321	10,385

"Deferred (advanced) taxes" include the taxes calculated on the temporary differences arising between the accounting values of assets and liabilities and on the corresponding tax base (particularly for taxed provisions recognized by the parent company and its subsidiaries) and on the distributable income of the subsidiaries. They also include the benefit arising from the carryforward of unused tax losses which are likely to be used in the future.

Current income taxes include the preliminary effects stemming from Pillar 2 application. Based on the assessments made at 30 June 2024 for each jurisdiction and the best interpretation of the documents published by the OECD, all the countries in which the Group operates largely exceed the transitional safe harbors, with the exception of United Arab Emirates. The preliminary effects were estimated for this country based on the figures at 30 June 2024, resulting in a total accrual of €1.4 million in the first half of 2024 to "Income taxes" in the income statement and "tax payables" in the statement of financial position. The impact for FY 2024 will be determined based on the figures recognized for the year in the consolidated annual report. As this valuation is based on results at 30 June 2024, the actual impact of Pillar 2 on the Group's taxes in the first year of application (namely the year ending on 31 December 2024) could be subject to change. The Group will continue to assess the impact of Pillar 2 on income taxes by monitoring future financial results.

COMMENTS ON THE STATEMENT OF FINANCIAL POSITION: ASSETS**NON-CURRENT ASSETS****11. GOODWILL**

	30.06.2024		31.12.2023	
	Gross	Net	Gross	Net
Goodwill	684,030	677,283	378,433	371,686

The change in “Goodwill” refers to the recent acquisition of La Marzocco for M/Euro 300,763 (for further information, see the paragraph “Change in consolidation area”). The remaining part is explained by the translation at 30 June 2024 of goodwill in currency following the acquisition of international operations.

Goodwill is not amortized because it is considered to have an indefinite useful life. Instead, it is tested for impairment at least once a year to identify any evidence of loss in value.

For the purposes of impairment testing, goodwill is allocated to the CGUs (cash generating units), namely the historic divisions De'Longhi, Kenwood and Braun, as well as Capital Brands, Eversys e La Marzocco, as follows:

Cash-generating unit	30.06.2024
De'Longhi	25,162
Kenwood	17,120
Braun	48,836
Capital Brands	189,043
Eversys	93,644
La Marzocco	303,478
Total	677,283

The objective of the impairment test is to determine the value in use of the CGU to which the goodwill refers, meaning the present value of the future cash flows expected to be derived from continuous use of the assets; any cash flows arising from extraordinary events are therefore ignored.

In particular, the value in use is determined by applying the “discounted cash flows” method, applied to the cash flows resulting from three-year plans approved by management.

The impairment test carried out at the end of 2023 on the basis of discount rates reflecting current market assessments, of the time value of money and the risks specific to the individual cash-generating units, did not reveal any indicator that these assets might have suffered an impairment loss.

Estimating the recoverable value of the cash-generating units, however, calls for assumptions and estimates to be made by management. Different factors linked also to how this difficult market environment evolves could also make it necessary to redetermine the value of goodwill. The circumstances and events which could result in the need for further impairment testing are monitored constantly by the Group.

As the medium-term strategic guidelines were confirmed at 30 June 2024, albeit in an uncertain economic environment, the assumptions made when preparing the 2023 Annual Report, to which reference should be made, were not changed and in our view there has been no impairment indicators.

12. OTHER INTANGIBLE ASSETS

These are analyzed as follows:

	30.06.2024		31.12.2023	
	Gross	Net	Gross	Net
New product development costs	155,478	20,640	152,825	22,681
Patents	116,298	63,992	85,162	35,705
Trademarks and similar rights	523,828	416,627	441,475	334,484
Work in progress and advances	28,904	27,684	22,772	21,552
Other	141,200	92,294	135,881	92,222
Total	965,708	621,237	838,115	506,644

The following table reports movements in the main asset categories during the first half of 2024:

	New product development costs	Patents	Trademarks and similar rights	Work in progress and advances	Other	Total
Net opening balance	22,681	35,705	334,484	21,552	92,222	506,644
Additions	324	149	145	5,395	657	6,670
Amortization	(4,694)	(2,849)	(209)	-	(5,247)	(12,999)
Changes in consolidation area		32,040	79,103	3,442	1,734	116,319
Translation differences and other movements (*)	2,329	(1,053)	3,104	(2,705)	2,928	4,603
Net closing balance	20,640	63,992	416,627	27,684	92,294	621,237

(*) "Other movements" refers primarily to the reclassification of intangible assets.

The principal additions refer to the capitalization of new product development projects, based on detailed reporting and analysis of the costs incurred and the estimated future usefulness of such projects.

The Group has capitalized a total of €5,582 thousand in development costs as intangible assets in the first half of 2024, of which €324 thousand in "New product development costs" for projects already completed at the reporting date and €5,258 thousand in "Work in progress and advances" for projects still in progress.

"Patents" mostly refers to internal development costs and the subsequent cost of filing for patents and to costs for developing and integrating data processing systems. The increase refers primarily to the purchase of software licenses.

"Trademarks and similar rights" includes a few trademarks calculated based on an indefinite useful life in accordance with IAS 38, taking into account, above all, brand awareness, economic benefits, reference market characteristics, brand specific strategies and the amount of investments made to sustain the brands: €79.8 million for the "De' Longhi" trademark, €95.0 million for the perpetual license over the "Braun" brand, €123.9 million for the Nutribullet/MagicBullet trademark, €37.7 million for the Eversys trademark, and €79.4 million for the La Marzocco trademark.

The impairment test carried out at the end of 2023 for the brands based on an indefinite useful life, did not reveal any evidence that these assets might have suffered an impairment loss.

As the medium-term strategic guidelines were confirmed at 30 June 2024, albeit in an uncertain economic environment, the assumptions made when preparing the 2023 Annual Report, to which reference should be made, were not changed and in our view there has been no impairment indicators.

“Other intangible assets” is explained primarily by the value of the customers portfolio recognized following allocation of the purchase price to Capital Brands, subject to amortization based on the estimated useful life.

13. LAND, PROPERTY, PLANT AND MACHINERY

These are analyzed as follows:

	30.06.2024		31.12.2023	
	Gross	Net	Gross	Net
Land and buildings	255,306	183,902	219,496	156,781
Plant and machinery	202,147	76,738	186,474	69,976
Total	457,453	260,640	405,970	226,757

The following table reports movements during 2024:

	Land and buildings	Plant and machinery	Total
Net opening balance	156,781	69,976	226,757
Additions	2,001	4,050	6,051
Disposals	(11)	(44)	(55)
Amortization	(4,527)	(6,162)	(10,689)
Changes in consolidation area	25,412	7,415	32,827
Translation differences and other movements	4,246	1,503	5,749
Net closing balance	183,902	76,738	260,640

The increases in “Land and buildings” refer to the investments made in the development of the new headquarters in Treviso.

Other movements refer, mainly, to the reclassification of the amount relating to the investments made in the previous years in the production plants (in Italy and China) previously classified under tangible assets in progress.

The investments in “Plants and machinery” refer mainly to increases of plants in Romania and to the production lines for coffee machine in Italy. The other movements refer, first of all, to the reclassification of the amount relating to the investments made in the previous years in the production plants (in Italy, Romania and China) previously classified under tangible assets in progress.

14. OTHER TANGIBLE ASSETS

Other tangible assets are analyzed as follows:

	30.06.2024		31.12.2023	
	Gross	Net	Gross	Net
Industrial and commercial equipment	421,524	72,747	394,534	70,580
Other	100,744	23,478	95,252	21,789
Work in progress and advances	78,698	78,698	62,430	62,430
Total	600,966	174,923	552,216	154,799

The following table reports movements during 2024:

	Industrial and commercial equipment	Other	Work in progress and advances	Total
Net opening balance	70,580	21,789	62,430	154,799
Additions	7,159	4,751	18,535	30,445
Disposals	(1)	(373)	(45)	(419)
Amortization	(14,390)	(4,834)	-	(19,224)
Changes in consolidation area	6,864	1,538	7,451	15,853
Translation differences and other movements	2,535	607	(9,673)	(6,531)
Net closing balance	72,747	23,478	78,698	174,923

The additions to "Industrial and commercial equipment" refer primarily to the purchase of moulds for the manufacturing of new products.

The increase in "Work in progress" refers mainly to the improvements at the plants in Romania, Swiss and China and the development plan for the headquarter offices.

The other movements refer, first of all, to the reclassification of the amount relating to the investments made in the previous years in the production plants (in Italy, China and Romania) and in the headquarter offices, previously classified under tangible assets in progress.

15. LEASES

Existing leases are functional to the Group's operations and refer mainly to the leasing of properties, automobiles and other capital goods.

Movements in the leased right of use assets in the first half of 2024 are shown below:

	Land and buildings	Industrial and commercial equipment	Plant and machinery	Other	Total
Net opening balance	85,803	2,143	2,137	6,342	96,425
Additions	13,599	1,145	10	2,175	16,929
Disposals	(45)	(95)	-	(113)	(253)
Amortization	(11,061)	(305)	(112)	(1,577)	(13,055)
Changes in consolidation area	11,410	-	205	134	11,749
Translation differences and other movements	302	31	-	106	439
Net closing balance	100,008	2,919	2,240	7,067	112,234

In the first half 2024, the result for the period includes depreciation and amortization for €13,055 thousand, interest payable for €1,422 thousand and exchange gains for €28 thousand, while €12,334 thousand in lease payments were reversed.

At 30 June 2024 financial liabilities for leases of €114,447 thousand (of which €89,501 thousand expiring beyond 12 months) and financial assets for advanced payments of €381 thousand, included in "Current financial receivables and assets", were recognized in the financial statements (please refer to note 24).

The maturities of the undiscounted lease liabilities (based on contractual payments) are shown below:

	Undiscounted flows at 30.06.2024	Payable within one year	Payable in 1-5 years	Payable in more than five years
Lease liabilities	124,214	27,464	73,655	23,095

The adoption of IFRS 16 Lease affected Group net equity at 30 June 2024 for €3,770 thousand.

16. EQUITY INVESTMENTS

Details of equity investments are as follows:

	30.06.2024	31.12.2023
Equity investments consolidated using the equity method	4,964	4,243
Investment measured at fair value	54	51
Total	5,018	4,294

"Equity investments consolidated using the equity method" refers to the equity investments subject to joint control as per contractual agreements and associated companies, accounted for using the equity method in accordance with IAS 28 – Investments in associates and joint venture.

The changes in 2024 are shown below:

	30.06.2024
Net opening balance	4,243
Interest in net profit	678
Exchange rate differences	43
Net closing balance	4,964

17. NON-CURRENT RECEIVABLES

The balance at 30 June 2024 of €5,111 thousand mainly refers to security deposits (€5,400 thousand at 31 December 2023).

18. OTHER NON-CURRENT FINANCIAL ASSETS

This item includes investments made as part of the Group's liquidity management with primary counterparts, namely financial assets that will be held until maturity consistent with the business model objective to receive contractual cash flows (principal and interest) at specific maturities which were, therefore, accounted for using the amortized cost method.

The item includes mainly €20,227 thousand relating to two bonds with a total nominal value of €20,000 thousand, maturing in 2026 and 2027, respectively, €101,235 thousand relating to four floating rate notes, maturing in 2026 and 2027 with semi-annual and quarterly coupons (par value of €100,200 thousand). No signs of impairment emerged about the balances recognized in the financial statements.

19. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities are analyzed as follows:

	30.06.2024	31.12.2023
Deferred tax assets	73,697	60,413
Deferred tax liabilities	(105,118)	(72,164)
Net closing balance	(31,421)	(11,751)

"Deferred tax assets" and "Deferred tax liabilities" include the taxes calculated on temporary differences between the carrying amount of assets and liabilities and their corresponding tax base (particularly taxed provisions recognized by the parent company and its subsidiaries), the tax effects associated with the allocation of higher values to fixed assets as a result of allocating consolidation differences based on the applicable tax rate and the deferred taxes on the distributable income of subsidiaries. Deferred tax assets are calculated mainly on provisions and consolidation adjustments. They also include the benefit arising from the carryforward of unused tax losses which are likely to be used in the future.

Leasing and other transactions which upon initial recognition result in taxable and deductible differences of the same amount include deferred tax assets of €12,897 thousand reported net the deferred tax liabilities of €12,621 thousand.

The net balance is analyzed as follows:

	30.06.2024	31.12.2023
Temporary differences	(38,012)	(16,536)
Tax losses	6,591	4,785
Net closing balance	(31,421)	(11,751)

The change in the net asset balance reflects an increase of €387 thousand through equity recognized in the "Fair value and cash flow hedge reserve" following the fair value measurement of securities and cash flow hedges.

CURRENT ASSETS

20. INVENTORIES

"Inventories", shown net of an allowance for obsolete and slow-moving goods, can be analyzed as follows:

	30.06.2024	31.12.2023
Finished products and goods	567,062	378,890
Raw, ancillary and consumable materials	165,131	142,747
Work in progress and semi-finished products	50,476	35,431
Inventory writedown allowance	(55,616)	(52,390)
Total	727,053	504,678

The value of inventories is stated after deducting an allowance for obsolete or slow-moving goods totaling €55,616 thousand (€52,390 thousand at 31 December 2023) in relation to products and raw materials that are obsolete and slow-moving or are no longer of strategic interest to the Group.

21. TRADE RECEIVABLES

These are analyzed as follows:

	30.06.2024	31.12.2023
Trade receivables		
- due within 12 months	184,660	283,483
Allowance for doubtful accounts	(11,940)	(10,791)
Total	172,720	272,692

Trade receivables are stated net of an allowance for doubtful accounts of €11,940 thousand, representing a reasonable estimate of the expected losses during the entire life of the receivables. The allowance takes account of the fact that a significant portion of the receivables are covered by insurance policies with major insurers.

22. CURRENT TAX ASSETS

These are analyzed as follows:

	30.06.2024	31.12.2023
Direct tax receivables	6,232	14,125
Tax payments on account	8,416	5,552
Tax refunds requested	1,792	567
Total	16,440	20,244

There are no current tax assets due beyond 12 months.

23. OTHER RECEIVABLES

"Other receivables" are analyzed as follows:

	30.06.2024	31.12.2023
VAT	19,462	16,708
Prepaid insurance costs	2,249	4,504
Advances to suppliers	4,037	6,444
Other tax receivables	5,374	3,933
Employees	440	207
Other	27,719	11,899
Total	59,281	43,695

There are no relevant receivables due beyond 12 months.

24. CURRENT FINANCIAL RECEIVABLES AND ASSETS

"Current financial receivables and assets" are analyzed as follows:

	30.06.2024	31.12.2023
Fair value of derivatives	24,418	12,507
Advances for leasing contracts	381	220
Fair value of other current financial assets	69,204	68,163
Other current financial assets	100,551	91,582
Total	194,553	172,472

More details on the fair value of derivatives can be found in note 33. Other financial payables.

"Other current financial assets" includes the amount of investments made as part of liquidity management valued at amortized cost.

25. CASH AND CASH EQUIVALENTS

This balance consists of surplus liquidity on bank current accounts and other cash equivalents. Some of the Group's foreign companies have a total of €71.0 million in cash on bank accounts held at the same bank. These cash balances form part of the international cash pooling system and are partially offset by €64.3 million in overdrafts held at the same bank by other foreign companies. This bank therefore acts as a "clearing house" for the Group's positive and negative cash balances. Considering the substance of the transactions and technical workings of the international cash pooling system, the positive and negative cash balances have been netted against one another in the consolidated statement of financial position, as permitted by IAS 32.

The cash balances at 30 June 2024 include €4 thousand in current accounts of certain subsidiaries, that are restricted, having been given as collateral.

COMMENTS ON THE STATEMENT OF FINANCIAL POSITION: NET EQUITY AND LIABILITIES

NET EQUITY

The primary objective of the Group's capital management is to maintain a solid credit rating and adequate capital ratios in order to support its business and maximize value for shareholders.

On 19 April 2024 the Shareholders' Meeting of De' Longhi S.p.A. resolved to distribute dividend of €0,67 per share for a total of €101,017 thousand, of which €100,365 thousand was paid during the first half of 2024.

Movements in the equity accounts are reported in one of the earlier schedules forming part of the financial statements; comments on the main components and their changes are provided below.

26. TREASURY 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 the first half of 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).

27. STOCK OPTION PLANS

There were two stock option plans in place at 30 June 2024 referred to as the "2020-2027 Stock Option Plan" and the "2024-2026 Performance Shares Plan", respectively.

The "2020-2027 Stock Option Plan" was approved by shareholders of De' Longhi S.p.A. during the Annual General Meeting held on 22 April 2020.

In order to service this plan, the Shareholders' Meeting approved an additional increase in share capital for up to a maximum nominal amount of €4,500,000 to be carried out through the issue of a maximum of 3,000,000 ordinary shares with a par value of €1.5 each with the same characteristics as the ordinary shares outstanding at the issue date, with voting rights, if the treasury shares were not sufficient. The aim of the plan is to encourage the loyalty of the beneficiaries, encouraging their stay in the Group, linking their remuneration to the implementation of the company strategy in the medium to long term. The overall duration of the plan is about 8 years and in any case the deadline is set for 31 December 2027.

The beneficiaries were identified by the Board of Directors based on the proposal of the Remuneration and Appointments Committee or the Chief Executive Officer, after having consulted with the Board of Statutory Auditors. The options are granted free of charge: the beneficiaries, therefore, will not be expected to pay any sort of consideration upon assignment. Conversely, exercise of the option and the resulting subscription of the shares will be subject to payment of the exercise price. Each option grants the right to subscribe one share at the conditions set out in the relative regulations. The exercise price shall be equal to the arithmetic average of the official market price of the Company's shares recorded on the "Euronext Milan" managed by Borsa Italiana S.p.A. 180 calendar days prior to the date on which the 2020-2027 Plan and the relative regulations were approved by shareholders during the Annual General Meeting. This period of time is sufficient to limit the impact that any volatility caused by the Coronavirus crisis could have on the stock price.

The options may be exercised by the Beneficiaries - on one or more occasions - solely and exclusively during the exercise period, namely during the following timeframes:

- between 15 May 2023 and 31 December 2027 for up to a total maximum amount equal to 50% of the total options assigned each beneficiary, without prejudice to the black-out periods referred to in Art. 12 of the Regulations;
- between 15 May 2024 and 31 December 2027 for the remaining 50% of the total options assigned each beneficiary, without prejudice to the black-out periods referred to in Art. 12 of the Regulations.

Any option not exercised by the end of the exercise period will be automatically expire and the beneficiary will have no right to any compensation or indemnity. All shares will have regular dividend rights and, therefore, will be the same as all other shares outstanding at their issue date, and will be freely transferrable by the beneficiary. Please refer to the Annual Report on the Remuneration Policy and Compensation Paid for more information on the Plan.

For the purposes of valuation under IFRS 2 - Sharebased payments, two different tranches were defined for each award which contain the same number of options broken down equally into the plan's two exercise periods. The fair value of each tranche is different. The fair value of the stock options at the assignment date is determined using the Black-Scholes model which takes into account the conditions for the exercise of the right, the current share price, expected volatility, a risk-free interest rate, as well as the non-vesting conditions.

Volatility is estimated based on the data of a market information provider and corresponds to the estimated volatility of the stock over the life of the plan.

The fair value of the options assigned on the date of this Report and the assumptions made for its evaluation are as follows:

	Award (05.04.2020)	Award (05.14.2020)	Award (05.15.2020)	Award (05.20.2020)	Award (11.05.2020)
First tranche fair value	4.4283	4.591	4.4598	4.4637	12.402
Second tranche fair value	4.3798	4.536	4.4034	4.4049	12.0305
Expected dividends	2.80%	2.80%	2.80%	2.80%	2.80%
Estimated volatility (%)	35.00%	34.00%	33.00%	32.00%	28.00%
Historic volatility (%)	37.00%	37.00%	37.00%	37.00%	37.00%
Market interest rate	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)
Expected life of the options (years)	7.7	7.7	7.7	7.7	7.7
Exercise price (Euro)	16.982	16.982	16.982	16.982	16.982

At 31 December 2023, 1,089,650 options had been assigned under the "2020-2027 Stock Option Plan"; in the first half of 2024 the amount dropped to 401,754 following the exercise of 687,896 options, serviced for 595,000 by treasury shares and for the remaining 92,896 by newly issued shares.

The "2024-2026 Performance Share Plan" was approved by shareholders of De' Longhi S.p.A. during the Annual General Meeting held on 19 April 2024.

The Plan is reserved for the Chief Executive Officer and General Manager of the parent company De'Longhi S.p.A., as well as a limited number of Top Managers in the De' Longhi who will be identified by name by the Board of Directors, as proposed by the Remuneration and Appointments Committee, after having consulted with the Board of Statutory Auditors as deemed appropriate.

The purpose of the plan is to incentivize the beneficiaries to maximize the Group's medium/long-term performance by creating a rewarding, equitable and sustainable remuneration system consistent with regulatory standards and the stakeholder's expectations.

The Plan calls for the free assignment of up a maximum of 1,200,000 rights, each one of which entitles the beneficiary to 1 De' Longhi share for each right assigned, subject to the achievement of certain predetermined performance targets (measured at the end of the three-year vesting period 2024-2025-2026 and linked to the De' Longhi Group's medium/long-term growth in value and profitability), as well as based on conditions defined in the Plan.

The Plan will be serviced using the Company's treasury shares or, if not sufficient, shares from a free capital increase, issued on one or more occasions, for a maximum nominal amount of €1,800,000.00 and for a maximum of 1,200,000 shares, as per the power granted specifically by the shareholders to the Board of Directors.

The shares will be assigned after the Annual General Meeting held to approve the separate financial statements at 31 December 2026 and acknowledge the Group's 2026 Consolidated Annual Report. The Plan will be terminated in 2029, once the 24-month lock-up on 50% of the shares assigned has ended.

For the purposes of valuation, in accordance with IFRS 2 – Share-based Payment, the unit fair value of the plan was calculated as the value of the option on the assignment date based on the Black-Scholes model which takes into account the option exercise conditions, the current value of the share, the estimated volatility, the risk-free interest rate and the non-vesting conditions. Volatility was estimated using information provided by a data provider and corresponds to the stock's estimated volatility over the life of the plan.

The fair value of the options assigned and the underlying assumptions used in the valuation are provided below:

	First award
First tranche fair value	27.68
Expected dividends	2.45%
Historic volatility (%)	34.63%
Market interest rate	3.1%
Expected life of the options (years)	3.15
Exercise price (Euro)	0

Based on the information available, an estimated 615,338 rights were outstanding at 30 June 2024.

28. SHARE CAPITAL

The share capital at 31 December 2023 comprised 151,060,000 ordinary shares with a par value of €1.5 for a total of €226,590 thousand.

In the first half of 2024 a total of 92,896 new shares were issued to service the options exercised under the "Stock Option Plan 2020-2027"; at 30 June 2024, therefore, the share capital comprises 151,152,896 ordinary shares with a par value of €1.5 for a total of €226,729 thousand.

29. RESERVES

The details are as follows:

	30.06.2024	31.12.2023	Change
Share premium reserve	45,413	40,078	5,335
Legal reserve	45,318	45,318	-
Other reserves:			
- Extraordinary reserve	136,974	201,413	(64,439)
- Fair value and cash flow hedge reserve	1,552	259	1,293
- Stock option reserve	3,342	5,695	(2,353)
- Reserve for treasury shares	-	(9,658)	9,658
- Currency translation reserve	59,009	40,867	18,142
- Profit (loss) carried forward	1,200,779	1,010,200	190,579
Total	1,492,387	1,334,172	158,215

The "Share premium reserve" was set up following the public offering at the time of the parent company's listing on the Milan stock exchange on 23 July 2001 which and subsequently reduced following the demerger transaction in favour of De'Lclima S.p.A.. At 31 December 2023 it amounted to €40,078 thousand after the exercise of options assigned pursuant to the 2016-2022 Stock Option Plan.

In the first half of 2024 the reserve was increased by €5,355 thousand to €45,413 thousand as the result of the exercise of an additional 687,896 options (of which 595,000 serviced by treasury shares).

The "Legal Reserve" amounted to €45,318 thousand and do not have changes from 31 December 2023.

The Extraordinary Reserve decreased by €64,439 thousand explained by the allocation of profit for 2023 approved by shareholders during De' Longhi S.p.A.'s AGM held on 19 April 2024.

The "Fair value and cash flow hedge reserve" reports a negative balance of €1,552 thousand, net of €542 thousand in tax.

The change in the "Fair value and cash flow hedge" reserve in 2024, recognized in the statement of comprehensive income for the year, is attributable to the negative fair value of the cash flow hedge and available-for-sale securities of €1,680 thousand net of €387 thousand in tax.

The "Stock Option Reserve", equal to €3,342 thousand at 30 June 2024, refers to the share-based incentive plan "Stock Option Plan 2020-2027" and the "Performance Share Plan 2024-2026" already described in note 27. Stock Option Plans.

The "Stock Option Reserve" amounts to a positive €3,342 thousand, which corresponds to the fair value of the options at the assignment date, recognized on a straight-line basis from the grant date through vesting.

The reserve for the "Stock Option Plan 2020-2027" amounted to €5,695 thousand at 31 December 2023 and €2,610 thousand at 30 June 2024; the difference is attributable to the allocation of the €366 thousand stemming from the fair value measurement of the existing options net exercises in the period.

The reserve for the "Performance Share Plan 2024-2026", which amounted to €732 thousand at 30 June 2024, was allocated entirely in the first half of 2024 following the fair value measurement of the existing options.

The "Treasury Share Reserve" (negative for €9,658 thousand at 31 December 2023) corresponded to the value of the 595,000 treasury shares purchased under the buyback program. During the first half of 2024 it was eliminated following exercise of options under the "Stock Option Plan 2020-2027".

"Profit (loss) carried forward" includes the retained earnings of the consolidated companies and the effects of consolidation adjustments and adjustments to comply with Group accounting policies.

Below is a reconciliation between the net equity and profit reported by the parent company, De' Longhi S.p.A., and the figures shown in the consolidated financial statements:

	Net equity 30.06.2024	Profit for I semestre 2024	Net equity 31.12.2023	Profit for 2023
De' Longhi S.p.A. financial statements	708,386	239,834	557,569	36,578
Share of subsidiaries' equity and results for period attributable to the Group, after deducting carrying value of the investments	515,171	(105,836)	834,186	218,905
Allocation of goodwill arising on consolidation and related amortization and reversal of goodwill recognized for statutory purposes	848,971	(224)	464,525	(444)
Elimination of intercompany profits	(64,750)	(19,344)	(45,425)	(4,613)
Other adjustments	290	2	284	(14)
Consolidated financial statements	2,008,068	114,432	1,811,139	250,412
Minority	182,788	8,268	-	35
Consolidated financial statements-Group portion	1,825,280	106,164	1,811,139	250,377

30. MINORITIES' PORTION OF NET EQUITY

This item refers to the portion of net equity in a few Group companies not attributable, directly or indirectly, to the De'Longhi Group.

More in detail, minority interests emerged as a result of the La Marzocco/Eversys business combination.

In the wake of the transaction finalized on 27 February 2024, the Group controls approximately 61.6% of the new entity, while the minority interests are held by De Longhi Industrial S.A. (roughly 26.5%) and the previous minority shareholders of La Marzocco (for a total of 12%).

More in detail:

	Total	Eversys Group	La Marzocco Group
Net opening balance	-	-	-
Business combination	178,732	91,463	87,269
Interest in net profit	8,268	5,075	3,193
Changes through OCI	(408)	(844)	436
Dividend distribution to minority interests	(3,804)	-	(3,804)
Net closing balance	182,788	95,694	87,094
<i>of which:</i>			
<i>minority interests held by De Longhi Industrial S.A.</i>	<i>117,399</i>		
<i>minority interests existing before the business combination</i>	<i>52,984</i>		
<i>other minority interests</i>	<i>12,405</i>		

31. EARNINGS PER SHARE

Earnings per share are calculated by dividing the earnings for the year by the weighted average number of the Company's shares outstanding during the period.

	30.06.2024
Weighted average number of shares outstanding	150,739,248
Weighted average number of diluted shares outstanding	151,554,650

The dilutive impact was not significant at 30 June 2024, therefore the difference between the diluted earnings per share and the basic earnings per share (€0.7) is not material.

LIABILITIES

32. BANK LOANS AND BORROWINGS

"Bank loans and borrowings" are analyzed as follows:

	Payable within one year	beyond 1 years	Balance 30.06.20 24	Payable within one year	beyond 1 years	Balance 31.12.20 23
Overdrafts	5,029	-	5,029	16,394	-	16,394
Long- term loans (short term portion)	196,035	-	196,035	179,611	-	179,611
Bank loans and borrowings (short-term)	201,064		201,064	196,005		196,005
Long- term loans	-	251,411	251,411	-	300,844	300,844
Total banks loans and borrowings	201,064	251,411	452,475	196,005	300,844	496,849

This item does not include amounts due beyond 5 years.

No new loans were taken out in the first half of 2024. The change is impacted by the change in the perimeter of consolidation, already described.

With regard to the loans taken out, none of the financial covenants included in the loan agreements, based on net debt/equity and net debt/ EBITDA had been breached at 30 June 2024.

Most of the bank debt is floating rate; as a result of the hedge on one of the medium/long-term loans, the floating rate debt was swapped for fixed rate debt. The fair value of the loans, calculated by discounting future interest flows at current market rates, does not differ significantly from the amount of debt recognized in the financial statements.

33. OTHER FINANCIAL PAYABLES

This balance, inclusive of the current portion, is made up as follows:

	30.06.2024	31.12.2023
Private placement (short-term portion)	21,393	21,397
Negative fair value of derivatives	13,791	13,170
Other short term financial payables	41,761	37,445
Total short-term payables	76,945	72,012
Private placement (one to five years)	42,811	64,259
Other financial payables (one to five years)	1,477	-
Total long-term payables (one to five years)	44,288	64,259
Private placement (beyond five years)	150,354	150,358
Total long-term payables (beyond five years)	150,354	150,358
Total other financial payables	271,587	286,629

The bond loan refers to the issue and placement of €150 million in unsecured, non-convertible notes with US institutional investors (the "US Private Placement") completed in 2017 and an additional €150 million placed in 2021.

In both instances the securities were issued in a single tranche.

The first issue matures in 10 years, in June 2027, and has an average life of 7 years. The notes will accrue interest from the subscription date at a fixed rate of 1.65% per annum. The notes will be repaid yearly in equal instalments beginning June 2021 and ending June 2027, without prejudice to the Company's ability to repay the entire amount in advance.

The second issue matures in 20 years, in April 2041, and has an average life of 15 years. The notes will accrue interest from the subscription date at a fixed rate of 1.18% per annum. The notes will be repaid yearly in equal instalments beginning April 2031 and ending April 2041, without prejudice to the Company's ability to repay the entire amount in advance.

Both issues are unrated and are not intended to be listed on any regulated markets.

The issues are subject to half-yearly financial covenants consistent with those applied to other loans. At 30 June 2024 the covenants had not been breached. Neither issue is secured by collateral of any kind.

"Negative fair value of derivatives" refers to hedges on interest rates and currencies, foreign currency receivables and payables, as well as on future revenue streams (anticipatory hedges).

"Other short term financial payables" refers mainly to factoring without recours related payables. It also includes the payable to shareholders for the residual portion of dividends distributed but not yet paid.

Net financial position

Details of the net financial position are as follows:

	30.06.2024	31.12.2023
A. Cash	827,785	1,250,198
B. Cash equivalents	-	-
C. Other current financial assets	170,136	159,965
<i>of which lease prepayments</i>	381	220
D. Cash, cash equivalents and other current financial assets (A + B + C)	997,921	1,410,163
E. Current financial liabilities	(93,130)	(96,241)
<i>of which lease liabilities</i>	(24,946)	(21,005)
F. Current portion of non-current financial liabilities	(196,035)	(179,611)
G. Current financial liabilities (E + F)	(289,165)	(275,852)
H. Current net financial liabilities (D + G)	708,756	1,134,311
I.1. Other non-current financial assets	121,463	122,031
I. Non-current financial liabilities	(342,390)	(378,462)
<i>of which lease liabilities</i>	(89,501)	(77,618)
J. Debt instruments	(193,165)	(214,617)
K. Trade payables and other non-current liabilities	-	-
L. Non-current net financial liabilities (I + I.1 + J + K)	(414,092)	(471,048)
M. Total financial liabilities (H + L)	294,664	663,263
<i>Fair value of derivatives and other financial non-bank assets/liabilities</i>	10,626	(663)
Total net financial position	305,290	662,600

Details of the net financial position are shown in accordance with CONSOB Bulletin DEM/6064293 of 28.07.2006; in order to provide a better representation, "Other non-current financial assets" are indicated separately in letter I.1; for further information, see note 18.

For a better understanding of changes in the Group's net financial position, reference should be made to the full consolidated statement of cash flows, appended to these explanatory notes, and the condensed statement presented in the report on operations.

The fair value of the loans, calculated by discounting future interest flows at current market rates, does not differ significantly from the amount of debt recognized in the financial statements.

The fair value of the outstanding derivatives at 30 June 2024 is provided below:

	Fair Value at 30.06.2024
FX forward agreements	8,013
Derivatives hedging foreign currency receivables/payables	8,013
FX forward agreements	1,533
IRS hedging Parent Company's loans	1,080
Derivatives covering expected cash flows	2,613
Total fair value of the derivatives	10,626

34. EMPLOYEE BENEFITS

These are made up as follows:

	30.06.2024	31.12.2023
Provision for severance indemnities	11,991	7,988
Defined benefit plans	21,514	21,659
Other long term benefits	19,226	21,394
Total	52,731	51,041

The consolidation of Capital Brands did not have any effect on the analyzed item.

The provision for severance indemnities includes amounts payable to employees of the Group's Italian companies and not transferred to supplementary pension schemes or the pension fund set up by INPS (Italy's national social security agency). This provision has been classified as a defined benefit plan, governed as such by IAS 19 - Employee benefits.

Some of the Group's foreign companies provide defined benefit plans for their employees. Some of these plans have assets servicing them, but severance indemnities, as an unfunded obligation, do not.

These plans are valued on an actuarial basis to express the present value of the benefit payable at the end of service that employees have accrued at the reporting date.

The amounts of the obligations and assets to which they refer are set out below:

Provision for severance indemnities:

Movements in the year are summarized below:

Net cost charged to income	1st half 2024
Current service cost	477
Interest cost on defined benefit obligation	112
Total	589

Change in present value of obligations	30.06.2024
Present value at 1 January	7,988
Current service cost	477
Utilization of provision	(845)
Interest cost on obligation	112
Changes in consolidation area	4,219
Translation differences	40
Present value at reporting date	11,991

Defined benefit plans:

Movements in the year are as follows:

Net cost charged to income	1st half 2024	1st half 2023	Change
Current service cost	442	624	(182)
Interest cost on obligation	252	236	16
Total	694	860	(166)

Change in present value of obligations	30.06.2024	31.12.2023	Change
Present value at 1 January	21,659	17,768	3,891
Net cost charged to income	694	1,916	(1,222)
Benefits paid	(1,096)	(1,501)	405
Translation differences	(208)	(178)	(30)
Actuarial gains & losses recognized in the comprehensive income statement	-	3,654	(3,654)
Changes in consolidation area	465	-	465
Present value at reporting date	21,514	21,659	(145)

The outstanding liability at 30 June 2024 of €21,514 thousand (€21,659 thousand at 31 December 2023) refers to a few subsidiaries (mainly in Germany, Japan and Swiss).

“Other long-term benefits” includes the incentive plans (Phantom Stock Plan 2021-2025) for personnel of newly acquired companies and for €4,129 thousand, the amount accrued for the 2024-2026 incentive plan in the reporting period. This plan was approved by the Board of Directors for a limited number of the Group’s key resources.

For more information, please refer to the Annual Report on Remuneration and Compensation Paid.

35. OTHER PROVISIONS FOR NON-CURRENT CONTINGENCIES AND CHARGES

These are analyzed as follows:

	30.06.2024	31.12.2023
Agents’ leaving indemnity provision	2,153	2,121
Product warranty provision	42,239	43,512
Provision for contingencies and other charges	27,607	26,244
Total	71,999	71,877

Movements are as follows:

	31.12.2023	Utilization	Net accrual	Changes in consolidation area	Translation difference and other movements	30.06.2024
Agents' leaving indemnity provision	2,121	(18)	50			2,153
Product warranty provision	43,512	(12,874)	10,811	360	430	42,239
Provision for contingencies and other charges	26,244	(1,477)	1,592	318	930	27,607
Total	71,877	(14,369)	12,453	678	1,360	71,999

The agents' leaving indemnity provision covers the payments that might be due to departing agents in accordance with art. 1751 of the Italian Civil Code, as applied by collective compensation agreements in force.

The product warranty provision has been established for certain consolidated companies, on the basis of estimated under-warranty repair and replacement costs for sales taking place by 30 June 2024. It takes account of the provisions of Decree 24/2002 and of European Community law.

The "Provision for contingencies and other charges" includes the provision of €16,886 thousand (€15,965 thousand at 31 December 2023) for legal disputes and product complaint liabilities (limited to the Group's insurance deductible), the provision of €10,721 thousand (€10,278 thousand at 31 December 2023) for the provisions made by a few subsidiaries relating to commercial risks and other charges.

On 23 February 2023 the French Competition Authority (the "FCA") notified a few Group companies of a complaint filed by a French company (and other French sector companies, mentioned in the complaint) which refers to certain acts that occurred between 2009 and 2014 which were allegedly in violation of rules governing anti-competitive conduct.

More specifically, the complaint alleges that the Group entered into horizontal agreements which consisted in the exchange between competitors of privileged information relating to small appliances in France in the period referred to above.

The French Competition Authority concluded that the practice of exchanging information, to the extent that it restricted market competition, constitutes an anticompetitive agreement prohibited by the Art. 420-1 of the French Commercial Code and Art. 101, paragraph 1, TFUE.

The complaint is currently being analyzed carefully by the Group which is preparing its defense with the support of premiere legal counsel and sector consultants. It is not yet possible to assess the possibility or the size of any sanctions. The Group believes that there are sound arguments to be made in its defense.

36. TRADE PAYABLES

The balance represents the amount owed by the Group to third parties for the provision of goods and services. The item does not include amounts due beyond 12 months.

37. CURRENT TAX LIABILITIES

“Current tax liabilities” refers to the Group’s direct tax and, with respect to the Italian subsidiaries who adhered to the Domestic Tax Consolidation regime, the net amount owed the parent company De Longhi Industrial S.A..

The Parent Company De’ Longhi S.p.A. and a few of the Italian subsidiaries renewed, jointly with the consolidator De Longhi Industrial S.A., the option to adhere to group taxation, referred to as “Domestic Tax Consolidation”, as permitted under articles 117–129 of the Consolidated Income Tax Act (TUIR) as per Presidential Decree n. 917 of 22 December 1986 and Decree of the Ministry and Finance of 1 March 2018, for the three-year period 2022 - 2024.

For additional information please refer to Appendix.3.

38. OTHER PAYABLES

These are analyzed as follows:

	30.06.2024	31.12.2023
Employees	73,740	58,644
Indirect taxes	23,680	40,192
Advances	13,003	7,515
Social security institutions	7,736	9,179
Withholdings payables	5,914	7,906
Other taxes	3,716	697
Other	15,377	13,164
Total	143,166	137,297

The item does not include amounts due beyond 12 months.

39. COMMITMENTS

These are detailed as follows:

	30.06.2024	31.12.2023
Guarantees given to third parties	652	652
Other commitments	6,479	3,836
Total	7,131	4,487

"Other commitments" mainly consist of contractual obligations pertaining to the subsidiaries.

40. HIERARCHICAL LEVELS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table presents the hierarchical levels in which the fair value measurements of financial instruments have been classified at 30 June 2024. As required by IFRS 13, the hierarchy comprises the following levels:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- level 3: inputs for the asset or liability that are not based on observable market data.

Financial instruments measured at fair value	Level 1	Level 2	Level 3
Derivatives with positive fair value	-	24,418	-
Derivatives with negative fair value	-	(13,791)	-
Other financial assets	54	69,204	-

There were no transfers between the levels during the 2024.

41. TAX POSITION

The following positions emerged during the periodic audits carried out by the tax authorities:

De' Longhi Appliances S.r.l.

In 2023 a target audit was carried out relating to the policies used to determine transfer prices in intercompany transactions, the accounting and tax treatment of dividends received for the tax years 2017 to 2021 and the tax credit matured for investments made in research and development pursuant to Law 190/2014, relative to the tax years 2015 to 2019.

The Veneto Regional Office of the Revenue Service completed the audit and the Company received the findings on 27 June 2023.

The Veneto Regional Office of the Revenue Service completed the audit and the Company received the findings on 27 June 2023.

Between 23 November 2023 and 5 December 2023, the company received requests for appearances, issued relative to IRES and IRAP for 2017, 2018 and 2019, which were followed by meetings with the Veneto Regional Office of the Revenue Service and, on 21 March 2024, notice of the findings was received. On 20 May 2024 the Company filed its appeal and request to void the findings relative to 2017, 2018 and 2019 with the first-degree tax court of Venice and, subsequently, the Revenue Service filed its opposing statement.

When preparing the consolidated financial statements at 30 June 2024, the Group, with the support of its tax consultants, deemed the risk of the proceeding described above as unlikely.

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Appendix 3 contains the information concerning transactions and balances with related parties required by CONSOB Circulars 97001574 dated 20 February 1997, 98015375 dated 27 February 1998 and DEM/2064231 dated 30 September 2002 relating to related party transactions; all transactions fell within the Group's normal scope of operations and were settled under arm's-length terms and conditions.

Transactions and balances between the parent company and subsidiaries are not reported since these have been eliminated upon consolidation.

43. OPERATING SEGMENTS

As required under IFRS 8, following the demerger transaction the Group's activities were broken down into three operating segments (Europe, APA, MEIA) based on business region.

Each segment is responsible for all aspects of the Group's brands and services different markets; the revenues and the margins, therefore, generated by each operating segment (based on business region) may not coincide with the revenues and margins of the relative markets (based on geographic area) given the sales made by a few Group companies outside of their respective geographical areas and the intragroup transactions not allocated based on destination.

Information relating to operating segments is presented below:

Income Statement data

	1st half 2024				
	Europe	Americas/APA	MEIA	Intersegment eliminations (**)	Total
Total revenues (*)	1,142,098	673,800	75,023	(467,234)	1,423,687
EBITDA	133,419	60,108	6,165	16	199,708
Amortization	(37,559)	(18,284)	(124)	-	(55,967)
EBIT	95,860	41,824	6,041	16	143,740
Net financial income (expenses)					4,398
Profit (loss) before taxes					148,138
Taxes					(33,706)
Profit (loss) for the year					114,432
Profit (loss) pertaining to minority					8,268
Profit (loss) pertaining to Group					106,164

(*) The revenues for each segment include revenues generated by both third parties and other Group operating segments.

(**) Eliminations refer to intersegment revenues generated and eliminated on a consolidated basis.

Data from statement of financial position

	30 June 2024				
	Europe	Americas/APA	MEIA	Intersegment eliminations	Total
Total assets	3,053,572	2,130,369	86,871	(1,220,492)	4,050,320
Total liabilities	(2,346,590)	(873,298)	(42,871)	1,220,507	(2,042,252)

Income Statement data

	1st half 2023				
	Europe	Americas/APA	MEIA	Intersegment eliminations (**)	Total
Total revenues (*)	983,148	670,567	79,812	(442,331)	1,291,196
EBITDA	112,875	37,420	8,673	78	159,046
Amortization	(34,962)	(15,822)	(121)	-	(50,905)
EBIT	77,913	21,598	8,552	78	108,141
Net financial income (expenses)					(2,099)
Profit (loss) before taxes					106,042
Taxes					(23,321)
Profit (loss) for the year					82,721
Profit (loss) pertaining to minority					35
Profit (loss) pertaining to Group					82,686

(*) The revenues for each segment include revenues generated by both third parties and other Group operating segments.

(**) Eliminations refer to intersegment revenues generated and eliminated on a consolidated basis.

Data from statement of financial position

	31 December 2023				
	Europe	Americas/APA	MEIA	Intersegment eliminations	Total
Total assets	3,256,416	1,440,959	85,952	(970,899)	3,812,428
Total liabilities	(2,190,713)	(744,695)	(36,782)	970,901	(2,001,289)

44. RISK MANAGEMENT

The Group is exposed to the following financial risks as part of its normal business activity: credit, liquidity and market risks (relating primarily to currency and interest rate).

This condensed half-year financial report does not contain all the information and explanatory notes relative to financial risk management that must be included in the annual report. For additional information in this regard refer to the notes to the consolidated financial statements at 31 December 2023.

45. SUBSEQUENT EVENTS

Subsequent to 30 June 2024 through the approval date of this report, no significant events occurred which would have impacted the financial and economic results shown pursuant to IAS 10 Events after the reporting period.

Treviso 31 July 2024

*De' Longhi S.p.A.
Vice President and Chief Executive Officer
Fabio de' Longhi*

APPENDICES

These appendices contain additional information to that reported in the explanatory notes, of which they form an integral part.

This information is contained in the following appendices:

1. List of consolidated companies
2. Statement of consolidated cash flows in terms of net financial position
3. Transactions and balances with related parties:
 - a) *Income statement and statement of financial position*
 - b) *Summary by company*
4. Certification of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 dated 14 May 1999 and subsequent amendments and additions.

APPENDIX 1

List of consolidated companies

The list of the companies consolidated according to the line-by-line method is provided below:

Company name	Registered office	Currency	Share capital (1)	Interest held at 30/06/2024	
				Directly	Indirectly
DE'LONGHI APPLIANCES S.R.L.	Treviso	EUR	200,000,000	100.0%	
DE'LONGHI AMERICA INC.	Upper Saddle River	USD	600,000		100.0%
DE'LONGHI FRANCE SAS	Clichy	EUR	2,737,500		100.0%
DE'LONGHI CANADA INC.	Brampton	CAD	1		100.0%
DE'LONGHI DEUTSCHLAND GMBH	Neu-Isenburg	EUR	2,100,000	100.0%	
DE'LONGHI BRAUN HOUSEHOLD GMBH	Neu-Isenburg	EUR	100,000		100.0%
DE'LONGHI ELECTRODOMESTICOS ESPANA S.L.	Barcellona	EUR	3,066		100.0%
DE'LONGHI CAPITAL SERVICES S.R.L. (2)	Treviso	EUR	53,000,000	11.3%	88.7%
E- SERVICES S.R.L.	Treviso	EUR	50,000	100.0%	
DE'LONGHI KENWOOD A.P.A. LTD	Hong Kong	HKD	73,010,000		100.0%
TRICOM INDUSTRIAL COMPANY LIMITED	Hong Kong	HKD	171,500,000		100.0%
PROMISED SUCCESS LIMITED	Hong Kong	HKD	28,000,000		100.0%
ON SHIU (ZHONGSHAN) ELECTRICAL APPLIANCE CO.LTD.	Zhongshan City	CNY	USD 21,200,000		100.0%
DE'LONGHI-KENWOOD APPLIANCES (DONG GUAN) CO.LTD.	Qing Xi Town	CNY	HKD 285,000,000		100.0%
DE LONGHI BENELUX S.A.	Luxembourg	EUR	181,730,990	100.0%	
DE'LONGHI JAPAN CORPORATION	Tokyo	JPY	450,000,000		100.0%
DE'LONGHI AUSTRALIA PTY LTD.	Prestons	AUD	28,800,001		100.0%
DE'LONGHI NEW ZEALAND LTD.	Auckland	NZD	16,007,143		100.0%
DE'LONGHI LLC	Mosca	RUB	3,944,820,000		100.0%
KENWOOD APPLIANCES LTD.	Havant	GBP	30,586,001		100.0%
KENWOOD LIMITED	Havant	GBP	26,550,000		100.0%
KENWOOD INTERNATIONAL LTD.	Havant	GBP	20,000,000		100.0%
KENWOOD APPL. (SINGAPORE) PTE LTD.	Singapore	SGD	500,000		100.0%
KENWOOD APPL. (MALAYSIA) SDN.BHD.	Subang Jaya	MYR	1,000,000		100.0%
DE'LONGHI-KENWOOD GMBH	Wr Neudorf	EUR	36,336	100.0%	
DE'LONGHI SOUTH AFRICA PTY.LTD.	Constantia Kloof	ZAR	100,332,501		100.0%
DE'LONGHI KENWOOD HELLAS SINGLE MEMBER S.A.	Atene	EUR	452,520		100.0%
DE'LONGHI PORTUGAL UNIPessoal LDA	Matosinhos	EUR	5,000		100.0%
ARIETE DEUTSCHLAND GMBH	Dusseldorf	EUR	25,000		100.0%
CLIM.RE. S.A.	Luxembourg	EUR	1,239,468	4.0%	96.0%
ELLE S.R.L.	Treviso	EUR	10,000		100.0%
TASFIYE HALINDE DE'LONGHI BOSPHORUS EV ALETLERI TICARET ANONIM SIRKETI	Istanbul	TRY	3,500,000		100.0%
DE'LONGHI PRAGA S.R.O.	Praga	CZK	200,000		100.0%
DE'LONGHI SWITZERLAND AG	Baar	CHF	1,000,000		100.0%
DL HRVATSKA D.O.O.	Zagabria	EUR	HRK 20,000		100.0%
DE'LONGHI BRASIL - COMÉRCIO E IMPORTAÇÃO Ltda	São Paulo	BRL	43,857,581		100.0%
DE'LONGHI POLSKA SP. Z.O.O.	Varsavia	PLN	50,000	0.1%	99.9%
DE'LONGHI APPLIANCES TECHNOLOGY SERVICES (Shenzen) Co. Ltd	Shenzen	CNY	USD 175,000		100.0%
DE'LONGHI UKRAINE LLC	Kiev	UAH	549,843		100.0%
DE'LONGHI KENWOOD MEIA F.ZE	Dubai	USD	AED 2,000,000		100.0%
DE'LONGHI ROMANIA S.R.L.	Cluj-Napoca	RON	140,000,000	10.0%	90.0%
DE'LONGHI KOREA LTD	Seoul	KRW	900,000,000		100.0%
DL CHILE S.A.	Santiago del Cile	CLP	3,079,065,844		100.0%
DE'LONGHI SCANDINAVIA AB	Stockholm	SEK	5,000,000		100.0%

DELONGHI MEXICO SA DE CV	Bosques de las Lomas	MXN	53,076,000	100.0%
DE' LONGHI APPLIANCES (SHANGHAI) CO. LTD	Shanghai	CNY	USD 14,245,000	100.0%
DE' LONGHI MAGYARORSZÁG KFT.	Budapest	HUF	34,615,000	100.0%
DE' LONGHI US HOLDING LLC	Wilmington	USD	50,100,000	100.0%
DE' LONGHI LLP	Almaty	KZT	500,000	100.0%
DE LONGHI BENELUX II S.à.r.l.	Luxembourg	CHF	76,272,000	100.0%
LA MARZOCCO, EVERSYS & CO S.à.r.l.	Luxembourg	EUR	112,979,231	70.0%
I DUE LEONI S.R.L.	Milan	EUR	10,000	70.0%
THE TWO LIONS INDUSTRIES CORP.	Dover De State of Delaware	USD	10,000	70.0%
BRUNO INTERNATIONAL HoldCo LLC	Wilmington	USD	1	61.6%
BRUNO US HoldCo LLC	Wilmington	USD	1	61.6%
EVERSYS S.A.	Sierre	CHF	2,500,000	61.6%
EVERSYS INC	Toronto	USD	77	61.6%
EVERSYS INC DELAWARE	Wilmington	USD	200,000	61.6%
EVERSYS UK LIMITED	Wallington	GBP	70,000	61.6%
EVERSYS IRELAND LIMITED	Dublin	EUR	100	61.6%
EVERSYS DIGITRONICS AG	Münsingen	CHF	100,000	61.6%
ELLITEC GMBH	Stans	CHF	20,000	61.6%
LA MARZOCCO SRL	Florence	EUR	52,000	59.1%
LA MARZOCCO INTERNATIONAL LLC	Seattle	USD	60,948,241	61.6%
LA MARZOCCO EXPERIENCE LLC	Seattle	USD	0	61.6%
LMI BUILDING LLC	Seattle	USD	0	61.6%
LA MARZOCCO USA LLC	Seattle	USD	0	61.6%
LA MARZOCCO AUSTRALASIA LIMITED	Auckland	NZD	0	61.6%
LA MARZOCCO AUSTRALASIA GP LTD	Auckland	AUD	1,000	61.6%
LA MARZOCCO AUSTRALASIA LP	Abbotsford	AUD	993,015	61.6%
LA MARZOCCO UK LIMITED	London	GBP	100	61.6%
LA MARZOCCO SPAIN SL	Barcelona	EUR	10,000	61.6%
LA MARZOCCO DEUTSCHLAND GMBH	Markgröningen	EUR	25,000	61.6%
LA MARZOCCO SHANGHAI CO LTD	Shanghai	CNY	6,566,792	31.4%
ELECTRO SYSTEM SRL	Florence	EUR	60,000	30.1%
BREWTECH PTY LTD	Kensington	AUD	100	36.9%
LA MARZOCCO MIDDLE EAST DMCC	Dubai	AED	50,000	59.1%
LA MARZOCCO SEA PTE LTD	Singapore	EUR	0	61.6%
LA MARZOCCO FRANCE SAS	Paris	EUR	10,000	59.1%
CAPITAL BRANDS HOLDINGS, INC.	Wilmington	USD	2	100.0%
CAPITAL BAY, LIMITED (3)	Hong Kong	USD		100.0%
CAPBRAN HOLDINGS, LLC	Los Angeles	USD		100.0%
CAPITAL BRANDS, LLC	Los Angeles	USD		100.0%
CAPITAL BRANDS DISTRIBUTION, LLC	Los Angeles	USD		100.0%
BULLET BRANDS, LLC	Los Angeles	USD		100.0%
HOMELAND HOUSEWARES, LLC	Los Angeles	USD		100.0%
BABY BULLET, LLC	Los Angeles	USD		100.0%
NUTRIBULLET, LLC	Los Angeles	USD		100.0%
NUTRILIVING, LLC	Los Angeles	USD		100.0%

INVESTMENTS VALUED IN ACCORDANCE WITH THE EQUITY METHOD

Company name	Registered office	Currency	Share capital (1)	Interest held at 30/06/2024	
				Directly	Indirectly
DL-TCL HOLDINGS (HK) LTD.	Hong Kong	HKD	USD 5,000,000		50%
TCL-DE'LONGHI HOME APPLIANCES (ZHONGSHAN) CO.LTD.	Zhongshan City	CNY	USD 5,000,000		50%
NPE S.R.L.	Treviso	EUR	1,000,000		20%
H&T-NPE EAST EUROPE S.R.L.	Madaras	RON	14,707,600		20%
SONGWA ESTATE GMBH	Emmerich	EUR	45,000		20%

(1) Figures at 30 June 2024, unless otherwise specified.

(2) The articles of association, approved by the extraordinary shareholders' meeting held on 29 December 2004, give special rights to De'Longhi S.p.A. (holding 89% of the voting rights) for ordinary resolutions (approval of financial statements, declaration of dividends, nomination of directors and statutory auditors, purchase and sale of companies, grant of loans to third parties); voting rights are proportional as far as other resolutions are concerned, except for the preferential right to receive dividends held by the shareholder Kenwood Appliances Ltd.

(3) Dormant.

APPENDIX 2

Statement of consolidated cash flows in terms of net financial position

(€/000)	1st Half 2024	1st Half 2023
Net result	114,432	82,721
Income taxes for the period	33,706	23,321
Amortization	55,967	50,905
Net change in provisions and other non-cash items	(18,023)	(152)
Cash flow generated by current operations (A)	186,082	156,795
Change in assets and liabilities for the period:		
Trade receivables	119,635	94,972
Inventories	(167,155)	(123,177)
Trade payables	16,301	105,164
Other changes in net working capital	(5,888)	(11,163)
Payment of income taxes	(42,242)	(61,386)
Cash flow generated (absorbed) by movements in working capital (B)	(79,349)	4,410
Cash flow generated (absorbed) by current operations and movements in working capital (A+B)	106,733	161,205
Investment activities:		
Investments in intangible assets	(6,670)	(6,179)
Other cash flows for intangible assets	-	26
Investments in property, plant and equipment	(36,496)	(33,791)
Other cash flows for property, plant and equipment	593	1,610
Investments in leased assets	(16,928)	(19,874)
Other cash flows for leased assets	198	459
Net investments in financial assets and in minority interest	(648)	(286)
Cash flow absorbed by ordinary investment activities (C)	(59,951)	(58,035)
Cash flow by operating activities (A+B+C)	46,782	103,170
Business combination La Marzocco/Eversys (D)	(326,779)	-
Fair value and cash flow reserves	1,679	(2,700)
Change in currency translation reserve	14,151	(15,496)
Exercise of stock option	11,681	-
Dividends paid	(101,017)	(72,079)
Dividends paid to minority interests	(3,804)	-
Cash flows generated (absorbed) by financing (E)	(77,310)	(90,275)
Cash flow for the period (A+B+C+D+E)	(357,307)	12,895
Opening net financial position	662,600	298,781
Cash flow for the period (A+B+C+D+E)	(357,307)	12,895
Consolidated closing net financial position	305,293	311,676

APPENDIX 3

Transactions and balances with related parties

(€/000)	1st half 2024	of which with related parties	1st half 2023	of which with related parties
Revenues from sales	1,400,515	221	1,275,025	346
Other revenues	23,172	461	16,171	552
Total consolidated revenues	1,423,687		1,291,196	
Raw and ancillary materials, consumables and goods	(735,159)	(17,684)	(662,538)	(23,866)
Change in inventories of finished products and work in progress	160,295		119,111	
Change in inventories of raw and ancillary materials, consumables and goods	8,154		4,068	
Materials consumed	(566,710)		(539,359)	
Payroll costs	(231,865)		(191,532)	
Services and other operating expenses	(412,738)	(326)	(391,477)	(372)
Provisions	(12,667)		(9,782)	
Amortization	(55,967)		(50,905)	
EBIT	143,740		108,141	
Net financial income (expenses)	4,398	(139)	(2,099)	(130)
PROFIT (LOSS) BEFORE TAXES	148,138		106,042	
Taxes	(33,706)		(23,321)	
CONSOLIDATED PROFIT (LOSS)	114,432		82,721	
Profit (loss) pertaining to minority	8,268		35	
CONSOLIDATED PROFIT (LOSS) AFTER TAXES	106,164		82,686	

APPENDIX 3

Transactions and balances with related parties

ASSETS (€/000)	30.06.2024	of which with related parties	31.12.2023	of which with related parties
NON-CURRENT ASSETS				
INTANGIBLE ASSETS	1,298,520		878,330	
- Goodwill	677,283		371,686	
- Other intangible assets	621,237		506,644	
PROPERTY, PLANT AND EQUIPMENT	547,797		477,981	
- Land, property, plant and machinery	260,640		226,757	
- Other tangible assets	174,923		154,799	
- Right of use assets	112,234		96,425	
EQUITY INVESTMENTS AND OTHER FINANCIAL ASSETS	132,474		131,725	
- Equity investments	5,018		4,294	
- Receivables	5,993		5,400	
- Other non-current financial assets	121,463		122,031	
DEFERRED TAX ASSETS	73,697		60,413	
TOTAL NON-CURRENT ASSETS	2,052,488		1,548,449	
CURRENT ASSETS				
INVENTORIES	727,053		504,678	
TRADE RECEIVABLES	172,720	1,223	272,692	1,032
CURRENT TAX ASSETS	16,440		20,244	
OTHER RECEIVABLES	59,281	6,940	43,695	
CURRENT FINANCIAL RECEIVABLES AND ASSETS	194,553		172,472	
CASH AND CASH EQUIVALENTS	827,785		1,250,198	
TOTAL CURRENT ASSETS	1,997,832		2,263,979	
TOTAL ASSETS	4,050,320		3,812,428	

APPENDIX 3

Transactions and balances with related parties

NET EQUITY AND LIABILITIES (€/000)	30.06.2024	of which with related parties	31.12.2023	of which with related parties
NET EQUITY				
GROUP PORTION OF NET EQUITY	1,825,280		1,811,139	
- Share Capital	226,729		226,590	
- Reserves	1,492,387		1,334,172	
- Profit (loss) pertaining to the Group	106,164		250,377	
MINORITY INTEREST	182,788		-	
TOTAL NET EQUITY	2,008,068		1,811,139	
NON-CURRENT LIABILITIES				
FINANCIAL PAYABLES	535,554		593,079	
- Banks loans and borrowings (long-term portion)	251,411		300,844	
- Other financial payables (long-term portion)	194,642		214,617	
- Lease liabilities (long-term portion)	89,501	16,950	77,618	19,008
DEFERRED TAX LIABILITIES	105,118		72,164	
NON-CURRENT PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES	124,730		122,918	
- Employee benefits	52,731		51,041	
- Other provisions	71,999		71,877	
TOTAL NON-CURRENT LIABILITIES	765,402		788,161	
CURRENT LIABILITIES				
TRADE PAYABLES	761,178	11,742	716,238	7,473
FINANCIAL PAYABLES	302,955		289,022	
- Banks loans and borrowings (short-term portion)	201,064		196,005	
- Other financial payables (short-term portion)	76,945	1,777	72,012	
- Lease liabilities (short-term portion)	24,946	4,102	21,005	4,076
CURRENT TAX LIABILITIES	69,551	29,264	70,571	26,115
OTHER PAYABLES	143,166		137,297	
TOTAL CURRENT LIABILITIES	1,276,850		1,213,128	
TOTAL NET EQUITY AND LIABILITIES	4,050,320		3,812,428	

APPENDIX 3

Transactions and balances with related parties

Summary by company

In compliance with the guidelines and methods for identifying significant transactions, especially those with related parties covered by the De' Longhi S.p.A. rules on corporate governance, we shall now present the following information concerning related party transactions during 2024 and related balances with mainly commercial nature at 30 June 2024:

(€/million)	Revenues and other income	Costs	Financial Income (Expense)	Trade and other receivables	Trade and other payables	Financial payables	Financial payables - IFRS 16
Related companies:							
TCL-De'Longhi Home Appliances (Zhongshan) Co.Ltd.	-	5.5	-	-	5.5	-	-
HeT-NPE EAST EUROPE SRL	-	0.7	-	-	0.7	-	-
NPE S.r.l.	0.2	11.5	-	0.4	5.5	-	-
Gamma S.r.l.	0.4	0.3	(0.1)	0.9	-	-	21.1
De Longhi Industrial S.A.	-	-	-	6.9	29.3	-	-
Other related parties	0.1	-	-	-	-	1.8	-
TOTAL RELATED PARTIES	0.7	18.0	(0.1)	8.2	41.0	1.8	21.1

Following the application of IFRS 16 Leases, payables owed to Gamma S.r.l., along with the relative right-of-use assets, stemming from the leases for two locations in Italy were recognized; interest expenses owed for the period was also recognized.

The Parent Company De' Longhi S.p.A. and a few Italian subsidiaries adhered to the national tax consolidation regime (Presidential Decree. n. 917/1986 – "TUIR"- articles 117 through 129, and Decree of 1st March 2018), as part of a tax group formed by De Longhi Industrial S.A. The €29.3 million included in tax payables is comprised of the taxes payable by the members of the tax group through De Longhi Industrial S.A..

APPENDIX 4

Certification of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 dated 14 May 1999 and subsequent amendments and additions.

The undersigned Fabio de' Longhi, Chief Executive Officer, and Stefano Biella, as Officer Responsible for Preparing the Company's Financial Report of De' Longhi S.p.A., attest, also taking account of the provisions of paragraphs 2, 3 and 4, art. 154-bis of Decree 58 dated 24 February 1998:

that the accounting and administrative processes for preparing the consolidated financial statements during the first half of 2024:

- have been adequate in relation to the company's characteristics and
- have been effectively applied.

It is also certified that the consolidated financial statements at 30 June 2024:

- have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union under Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002 and with the measures implementing art. 9 of Decree 38/2005;
- correspond to the underlying accounting records and books of account;
- are able to provide a true and fair view of the issuer's statement of financial position and results of operations and of the Group of companies included in the consolidation.

The interim report on operations contains a reliable account of performance and of the results of operations and of the situation of the issuer and the Group of companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Fabio de' Longhi
Chief Executive Officer

Stefano Biella
Officer Responsible for Preparing the
Company's Financial Report



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
De' Longhi SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of De' Longhi SpA and its subsidiaries (the De' Longhi Group) as of 30 June 2024, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flow, the consolidated statement of changes in net equity and related explanatory notes. The directors of De' Longhi SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of De' Longhi Group as of 30 June 2024 are not prepared, in

PricewaterhouseCoopers SpA

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all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Treviso, 2 August 2024

PricewaterhouseCoopers SpA

Signed by

Filippo Zagagnin
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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

De' Longhi S.p.A.

Registered office: Via L. Seitz, 47 - 31100 Treviso
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