

March 13th, 2013



De'Longhi Group: FY 2012 results

DēLonghi Group



KENWOOD

BRAUN

Ariete

De'Longhi Group: FY 2012 results

Disclaimer

For the purpose of providing greater details, in some cases we may refer to management accounts' figures (instead of reported figures), as expressly indicated in the footnotes of the relevant pages.

De'Longhi Group: FY 2012 results

- **FY 2012 results**

Appendix 1:

- The Household pro-forma P&L 2010-2011

FY 2012 results

Sales and net industrial margin

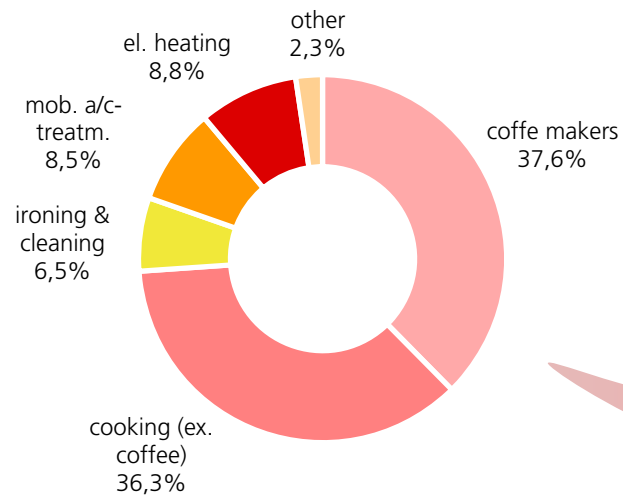
<i>EUR million</i>	FY 2012	FY 2011 pro-forma	Change 2012 - 2011	
Sales	1,530.1	1,429.4	100.7	7.0%
Net Ind. Margin	735.3	687.2	48.2	7.0%
<i>% of sales</i>	<i>48.1%</i>	<i>48.1%</i>		

- Sales were up by 7.0% in 2012; the net industrial margin remained stable at 48.1% thanks to a positive volume effect and a good product mix (mainly due to a strong performance in high-end coffee makers and kitchen products) which offset the increasing cost pressures
- Increasing contribution to growth from emerging markets, which helped to compensate for signs of slight slowdown in some of the mature markets

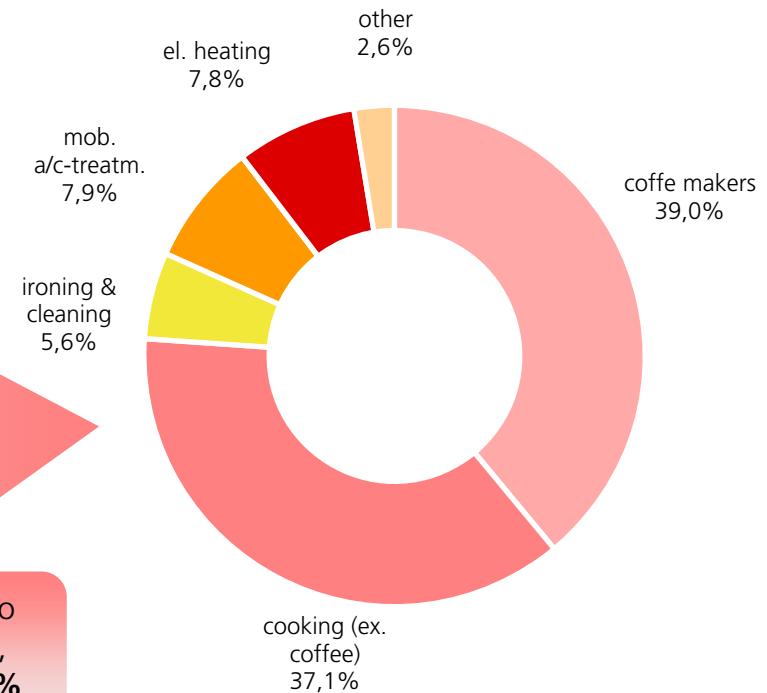
FY 2012 results

Sales' breakdown by product⁽¹⁾

2011 sales breakdown by product



2012 sales breakdown by product



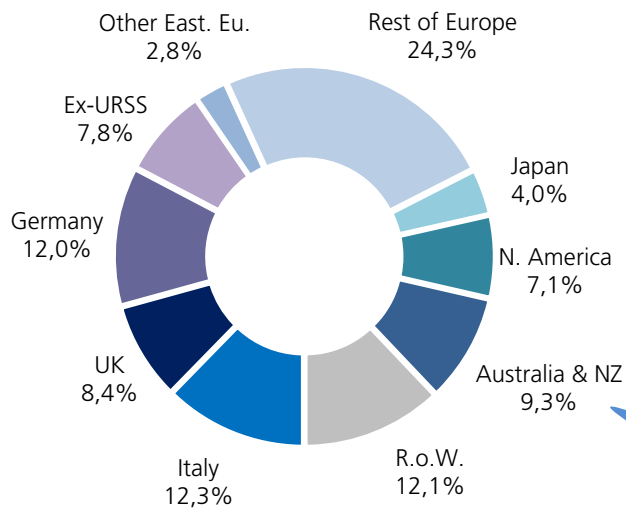
○ Increased contribution to sales from **core drivers**, from about **74% to 76%**

(1) Figures based on management accounts

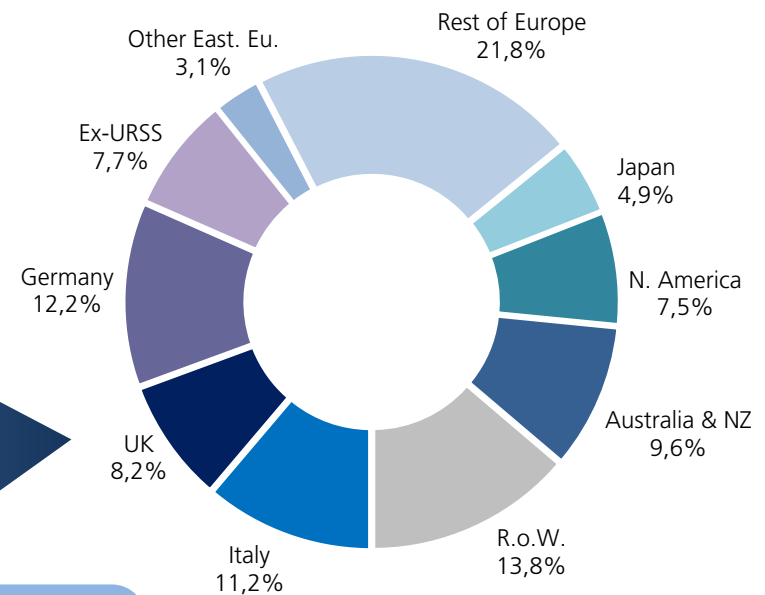
FY 2012 results

Sales' breakdown by market⁽¹⁾

2011 sales breakdown by market



2012 sales breakdown by market



- Domestic market still in a downturn
- Emerging markets up to 34% of total revenues (from 32%)
- **Germany became first market, Australia & NZ confirmed n.3 position**

(1) Figures based on management accounts

FY 2012 results

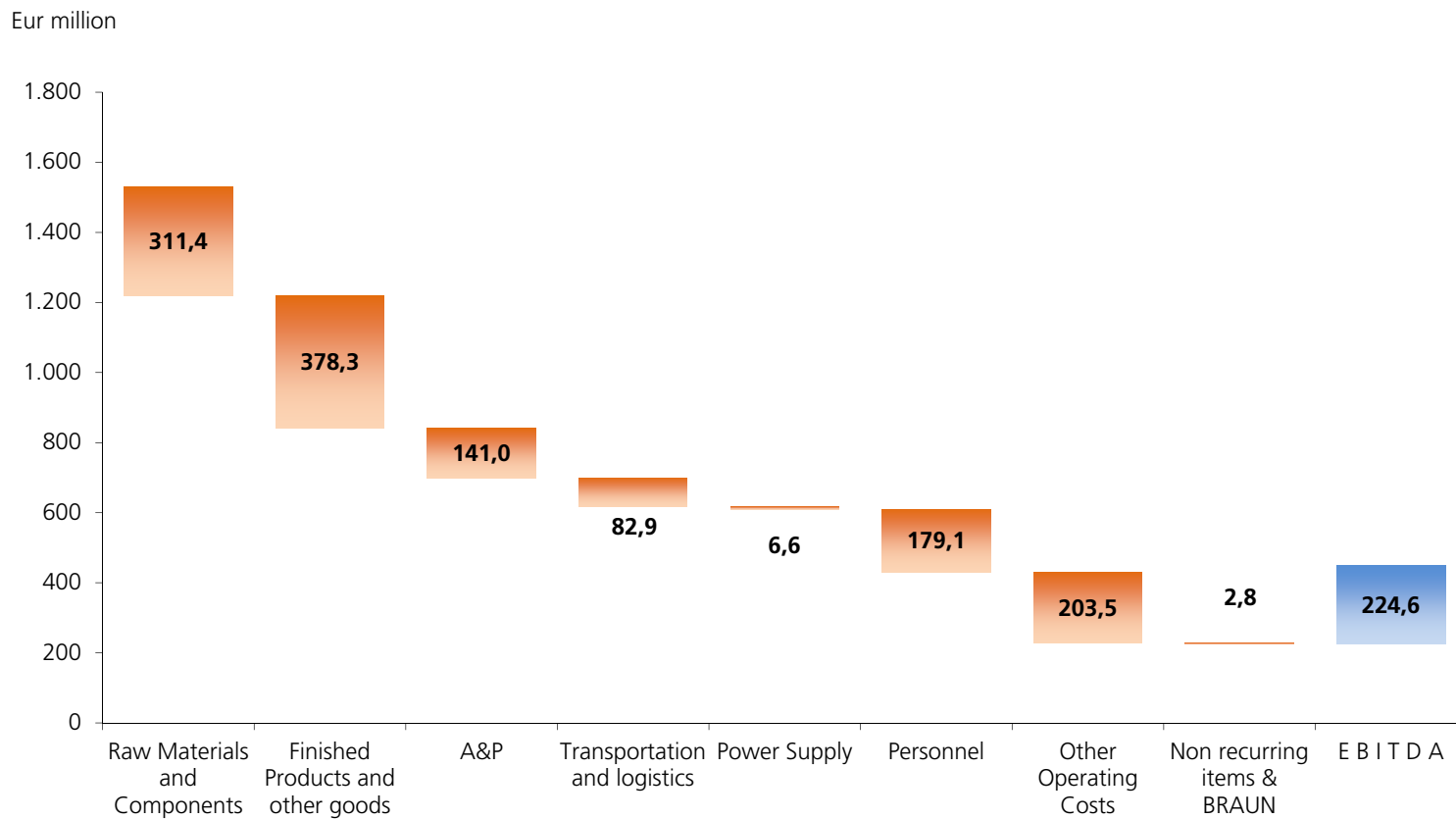
EBITDA and EBIT

<i>EUR million</i>	FY 2012	FY 2011 pro-forma	Change 2012 - 2011	
EBITDA before non recurring items	232.3	209.6	22.6	<i>10.8%</i>
<i>% of sales</i>	<i>15.2%</i>	<i>14.7%</i>		
EBITDA	224.6	203.4	21.1	<i>10.4%</i>
<i>% of sales</i>	<i>14.7%</i>	<i>14.2%</i>		
EBIT	189.0	172.5	16.5	<i>9.6%</i>
<i>% of sales</i>	<i>12.3%</i>	<i>12.1%</i>		

- The Group improved margins notwithstanding the pressure on COGS due to increased finished products costs and a stronger USD, thanks to:
 - the preservation of the operating leverage
 - an improved product mix

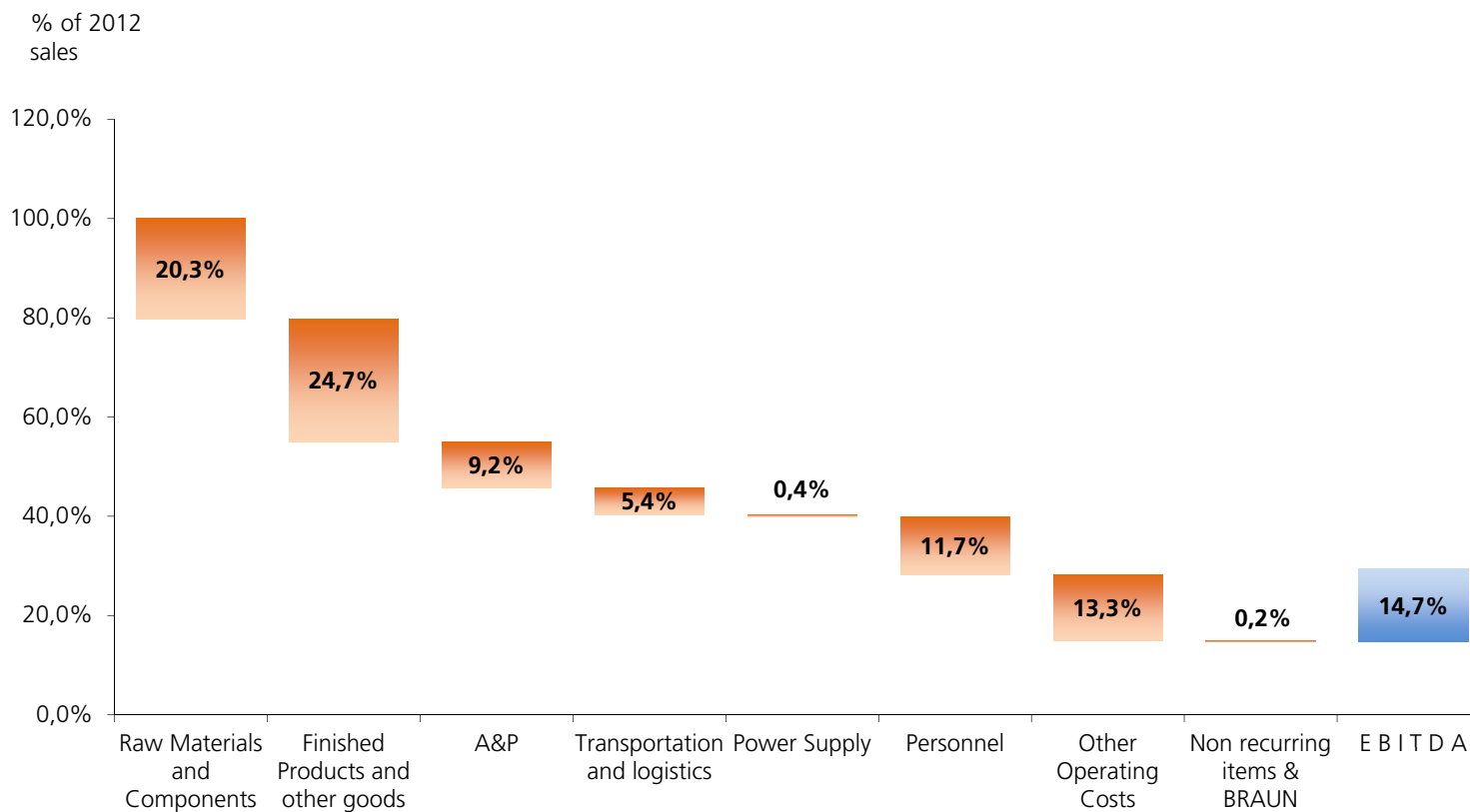
FY 2012 results

Costs contribution to EBITDA



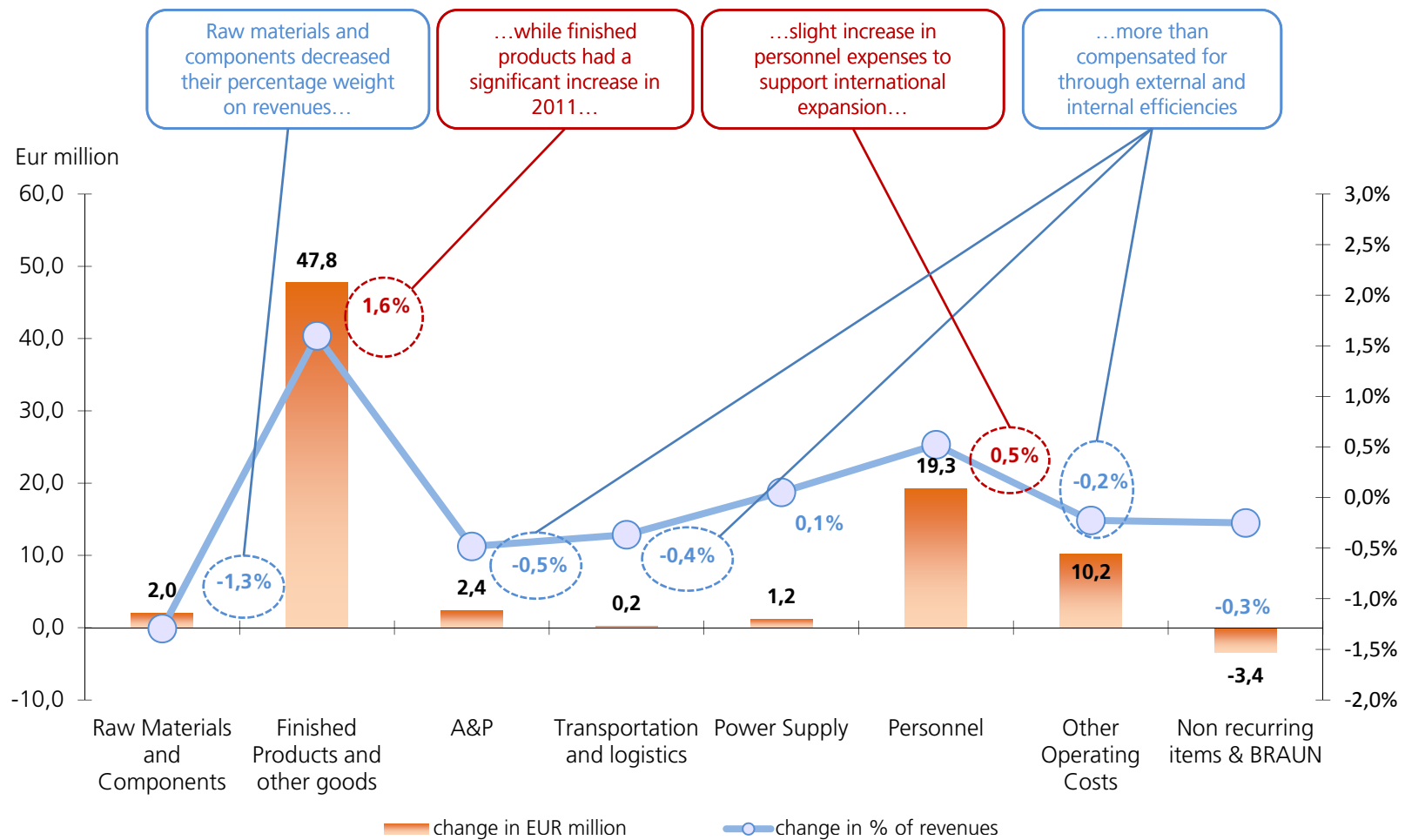
FY 2012 results

Costs contribution to EBITDA (% of revenues)



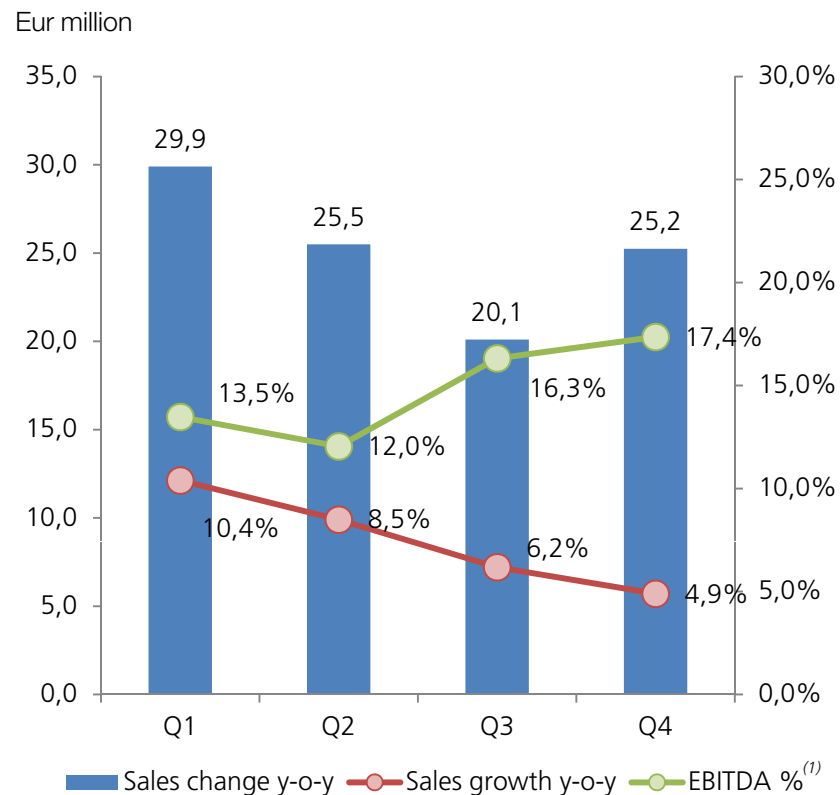
FY 2012 results

Operating costs changes vs 2011



FY 2012 results

Performance by quarter



- On a quarterly basis, growth has been decelerating throughout the year
- Despite the decrease in the growth rate, profitability held up well in Q3 and in Q4

⁽¹⁾ Before non-recurring items

FY 2012 results

EPS

<i>EUR million</i>	FY 2012	FY 2011 pro-forma	Change 2012 - 2011	
Net Profit pertaining to the Group	118.0	93.9	24.1	25.6%
<i>% of sales</i>	<i>7.7%</i>	<i>6.6%</i>		
EPS	0.79	0.63		25.6%
Dividend PS	0.29	0.33		
Payout ratio	36.7%	52.4%		

- Net profit growth exceeding 20%
- Proposed dividend per share Eur 0.29, 37% payout ratio

FY 2012 results

The debt position

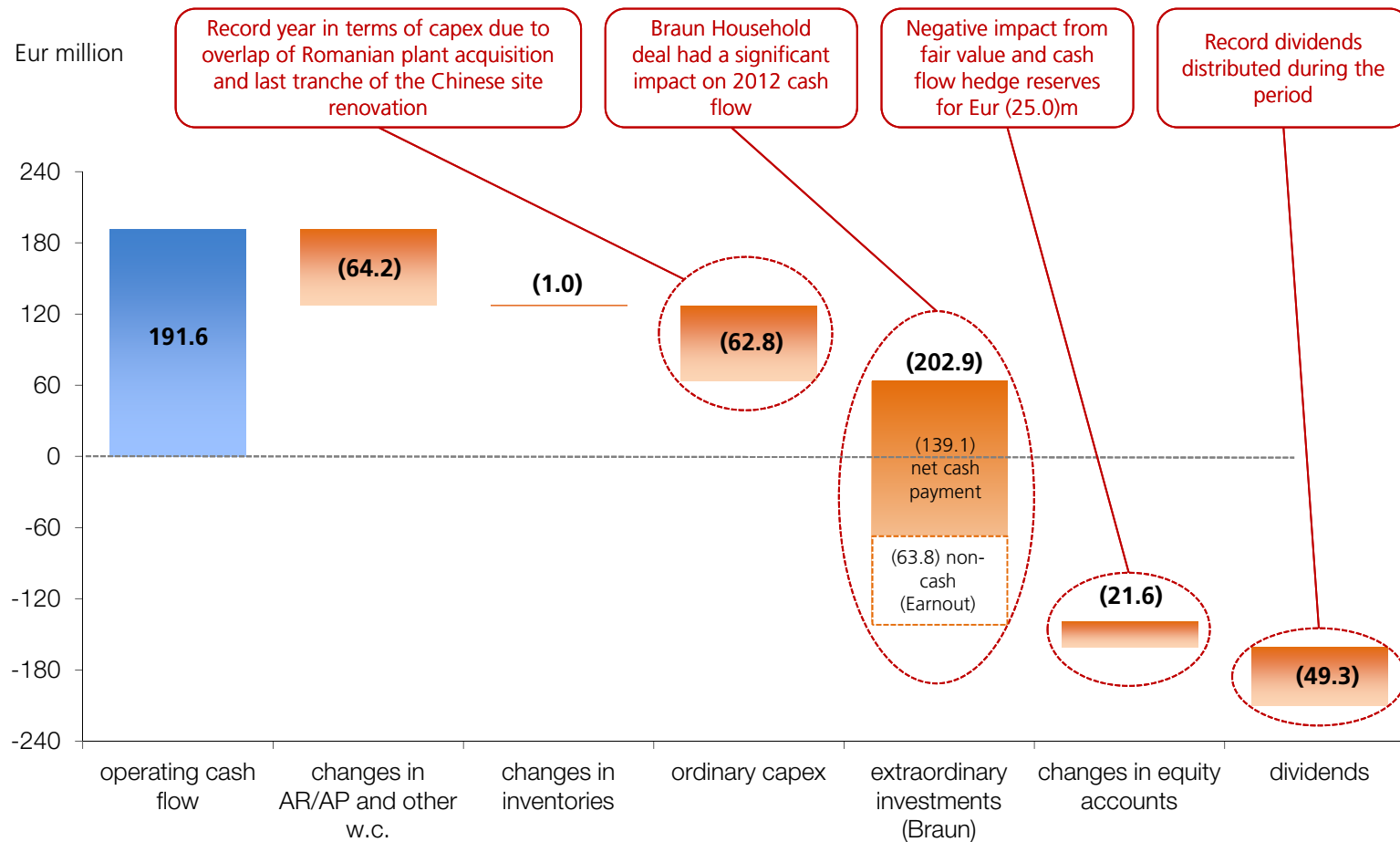
<i>EUR million</i>	FY 2012	FY 2011 pro-forma	Change 2012 - 2011
Net Working Capital	243.4	235.2	8.2
Net Equity	634.0	586.6	47.4
Net Financial Position	-92.9	117.4	-210.3
Net Debt / Equity (x) [Gearing]	0.15x	-0.20x	
Net Debt / Ebitda (x) [Leverage]	0.41x	-0.58x	
N.W.C. / Revenues	15.9%	16.5%	
Inventories / Revenues	17.9%	19.4%	

17.1% excluding Braun inventory

- The operating cash flow compensated for peak capex and record dividend (excluding the Braun deal)
- **Decrease in working capital to sales ratio** thanks to positive results in addressing some excesses of inventory (US, Australia), **despite Eur 12.2 million of Braun inventories purchased** in 2012
- Overall, a **very strong balance sheet**, despite record investments (Braun, Romania plant) during the year

FY 2012 results

The cash flow performance



FY 2012 results

Braun update: status of the deal and price paid

- **Braun will be fully consolidated as of January 1st, 2013** (transition period ended on December 31st 2012)
- Recap of **the price paid**:
 - **Eur 50 million paid at closing** (September 1st 2012)
 - **Eur 90 million** (plus Eur 3 million in accrued interests) **paid as of December 31st 2012**
 - **Earnout still due**: despite being a contingent payment, an estimated value has already been accounted for in the net financial position, amounting to Eur 63.8 million at year end
- **Specific financing package arranged in 2012 for a total of about EUR 146 million** to finance the deal, consisting in:
 - Bank loans (5-year maturity) for a total of Eur 80 million
 - A US private placement of USD 85 million (approx. Eur 66 million) with a 15-year maturity

De'Longhi Group: FY 2012 results

- FY 2012 results

Appendix 1:

- **The Household pro-forma P&L 2010-2011**

Appendix 1

The Household pro-forma P&L 2010-2011⁽¹⁾

	2010					2011				
	Q1-10	Q2-10	Q3-10	Q4-10	FULL YEAR	Q1-11	Q2-11	Q3-11	Q4-11	FULL YEAR
Revenues	231,6	267,6	325,9	456,7	1.281,8	287,8	301,1	324,4	516,1	1.429,4
% change y-o-y						24,3%	12,6%	-0,5%	13,0%	11,5%
net industrial margin	113,2	127,1	150,4	218,3	609,0	137,0	140,3	163,6	246,3	687,2
%	48,9%	47,5%	46,1%	47,8%	47,5%	47,6%	46,6%	50,4%	47,7%	48,1%
Ebitda (before not rec.)	29,0	25,5	47,4	67,8	169,6	39,7	32,5	55,7	81,8	209,6
%	12,5%	9,5%	14,5%	14,8%	13,2%	13,8%	10,8%	17,2%	15,8%	14,7%
EBITDA	28,6	22,8	47,4	67,9	166,6	38,9	31,8	53,3	79,5	203,4
%	12,3%	8,5%	14,5%	14,9%	13,0%	13,5%	10,6%	16,4%	15,4%	14,2%
EBIT	21,7	16,2	40,3	57,4	135,5	31,7	24,8	46,0	70,0	172,5
%	9,4%	6,0%	12,4%	12,6%	10,6%	11,0%	8,2%	14,2%	13,6%	12,1%
Profit before Taxes	16,2	7,4	34,2	53,6	111,5	28,4	18,9	31,9	59,5	138,8
Taxes	(5,1)	(2,9)	(9,3)	(13,9)	(31,3)	(8,8)	(7,9)	(5,8)	(21,8)	(44,4)
Profit / (Loss) for the period	11,1	4,5	24,9	39,7	80,3	19,7	11,0	26,1	37,7	94,4
Profit / (Loss) pertaining to minority interests	(0,1)	0,1	0,1	0,1	0,2	0,2	0,1	0,1	0,1	0,5
Profit / (Loss) after minority interests	11,2	4,4	24,9	39,6	80,1	19,5	10,9	26,0	37,6	93,9

(1) Pro-forma unaudited figures for the Household division

Thank you!

Contacts:

Fabrizio Micheli

- *Finance Director & IRM*
- T: +39 0422 413235

Marco Visconti

- *Investor Relator*
- T: +39 0422 413764

investor.relations@delonghi.it

DēLonghi Group



KENWOOD

BRAUN

Ariete