

March 12th, 2014

De'Longhi Group: FY 2013 results

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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 2013 results

- **FY 2013 results**

Appendix 1:

- Key P&L figures 2011-2013

FY 2013 results

Sales and net industrial margin

<i>EUR million</i>	FY 2013	FY 2012	<i>Change 2013 - 2012</i>	
Sales	1,632.6	1,530.1	102.5	6.7%
Net Ind. Margin	790.3	735.3	54.9	7.5%
<i>% of sales</i>	<i>48.4%</i>	<i>48.1%</i>		

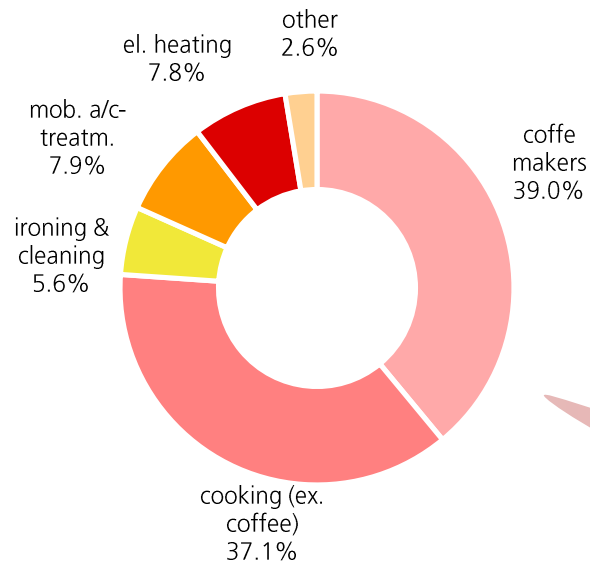
+10.3% at constant exchange rates

- Sales were up by 6.7% in 2013 (+10.3% at constant exchange rates)
- net industrial margin increased to 48.4% from 48.1% thanks to an improved product mix and better volumes (mainly due to a strong performance in high-end kitchen products and to the Braun integration) which offset a significant negative exchange rates effect
- Strong contribution to growth from the MEIA division (Middle East, India, Africa) which helped to compensate for some slowdown in a few markets, made worse by a widespread depreciation of the main export currencies (Russian rouble, Australian dollar, Japanese yen, UK pound etc.)

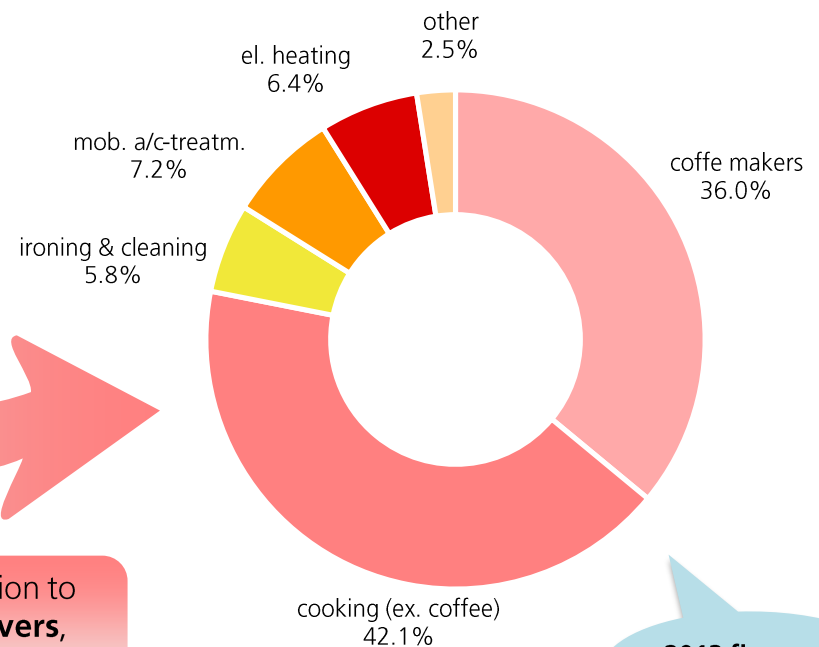
FY 2013 results

Sales' breakdown by product⁽¹⁾

2012 sales breakdown by product



2013 sales breakdown by product



- Increased contribution to sales from **core drivers**, from about **76% to 78%**

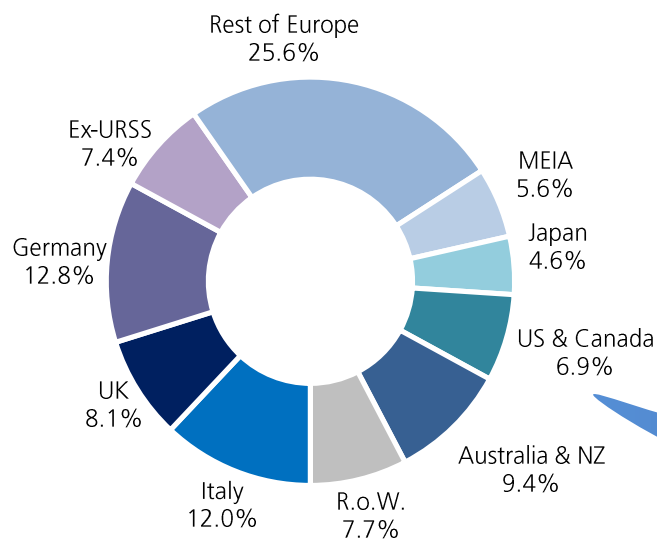
2013 figures include Braun

(1) Figures based on management accounts

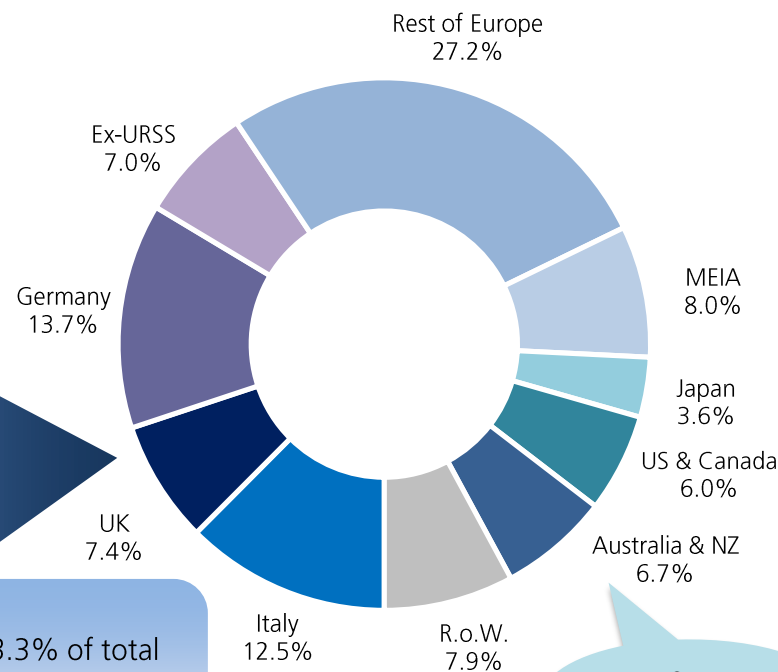
FY 2013 results

Sales' breakdown by market

2012 sales breakdown by market



2013 sales breakdown by market



- Domestic market improving
- Emerging markets stable at 33.3% of total revenues (from 33.1%)
- **Germany confirmed to be first market, while UK became n.3**

2013 figures include Braun

FY 2013 results

EBITDA and EBIT

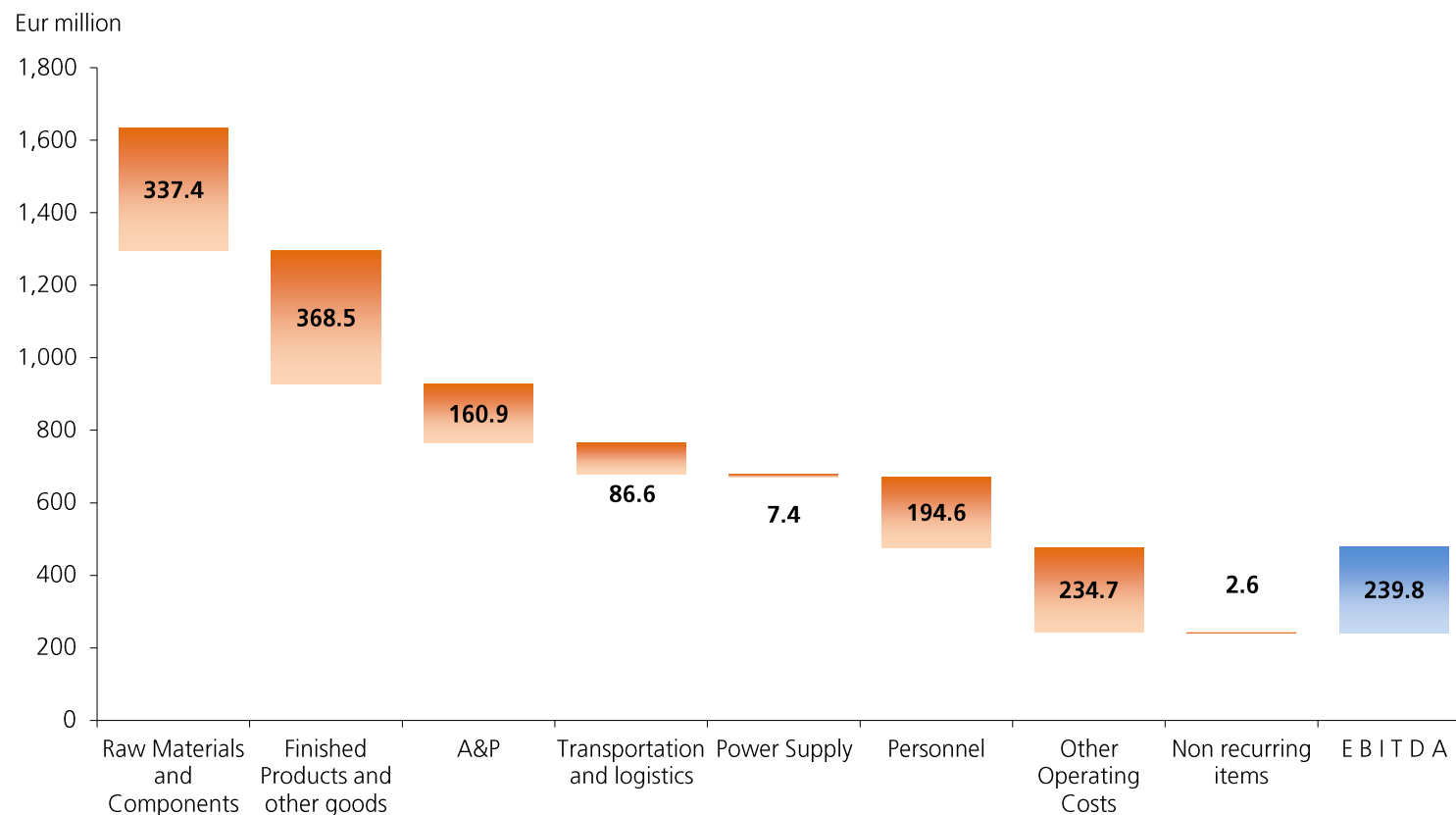
<i>EUR million</i>	FY 2013	FY 2012	<i>Change 2013 - 2012</i>	
EBITDA	242.5	232.3	10.2	4.4%
before non recurring items				
<i>% of sales</i>	<i>14.9%</i>	<i>15.2%</i>		
EBITDA	239.8	224.6	15.3	6.8%
<i>% of sales</i>	<i>14.7%</i>	<i>14.7%</i>		
EBIT	195.0	189.0	6.0	3.2%
<i>% of sales</i>	<i>11.9%</i>	<i>12.3%</i>		

Total FX
impact on
EBITDA Eur
-30 million

- Very slight EBITDA margin reduction (before non-recurring items) despite the dilutive impact of the Braun consolidation and of negative FX development, thanks to
 - Improved product mix
 - Higher volumes from the Braun integration which resulted into a better absorption of fixed costs, improving the profitability of the Group

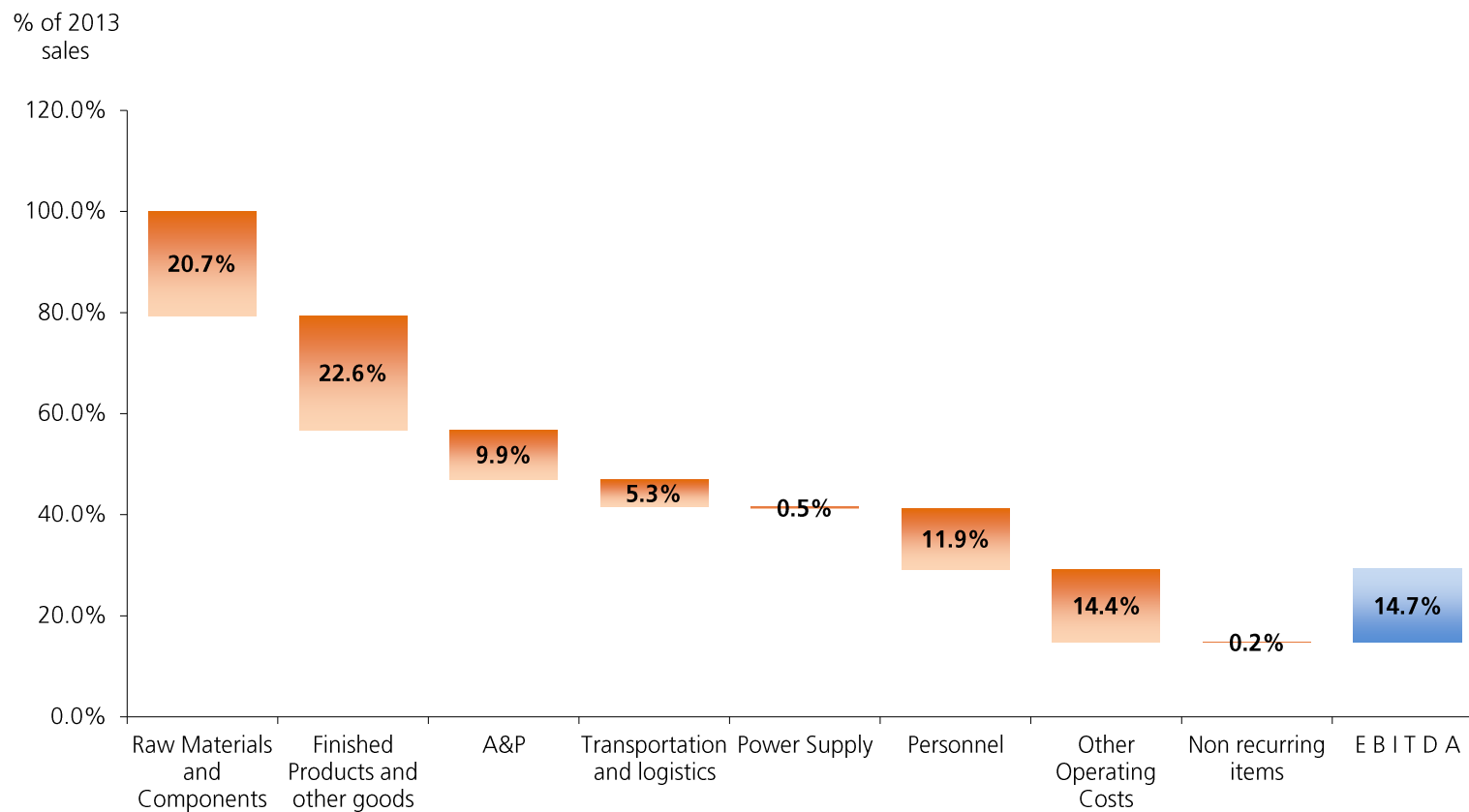
FY 2013 results

Costs contribution to EBITDA



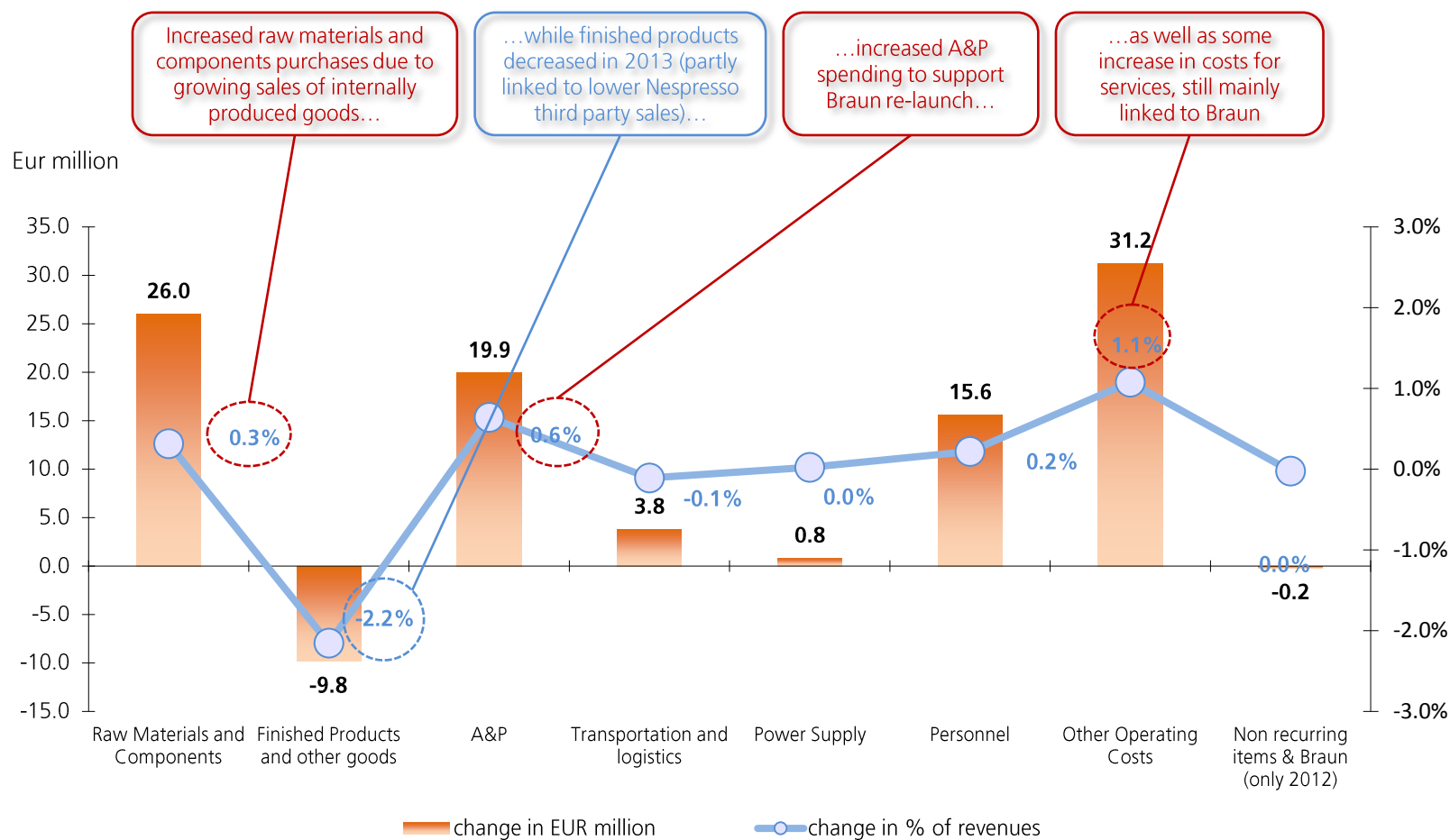
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Costs contribution to EBITDA (% of revenues)



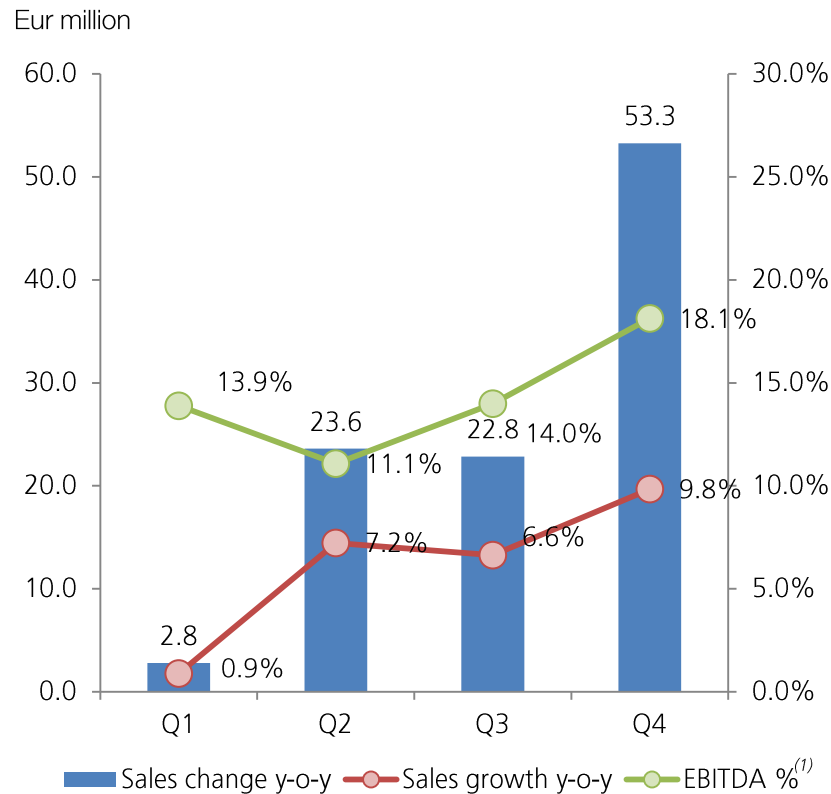
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Operating costs changes vs 2012



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Performance by quarter

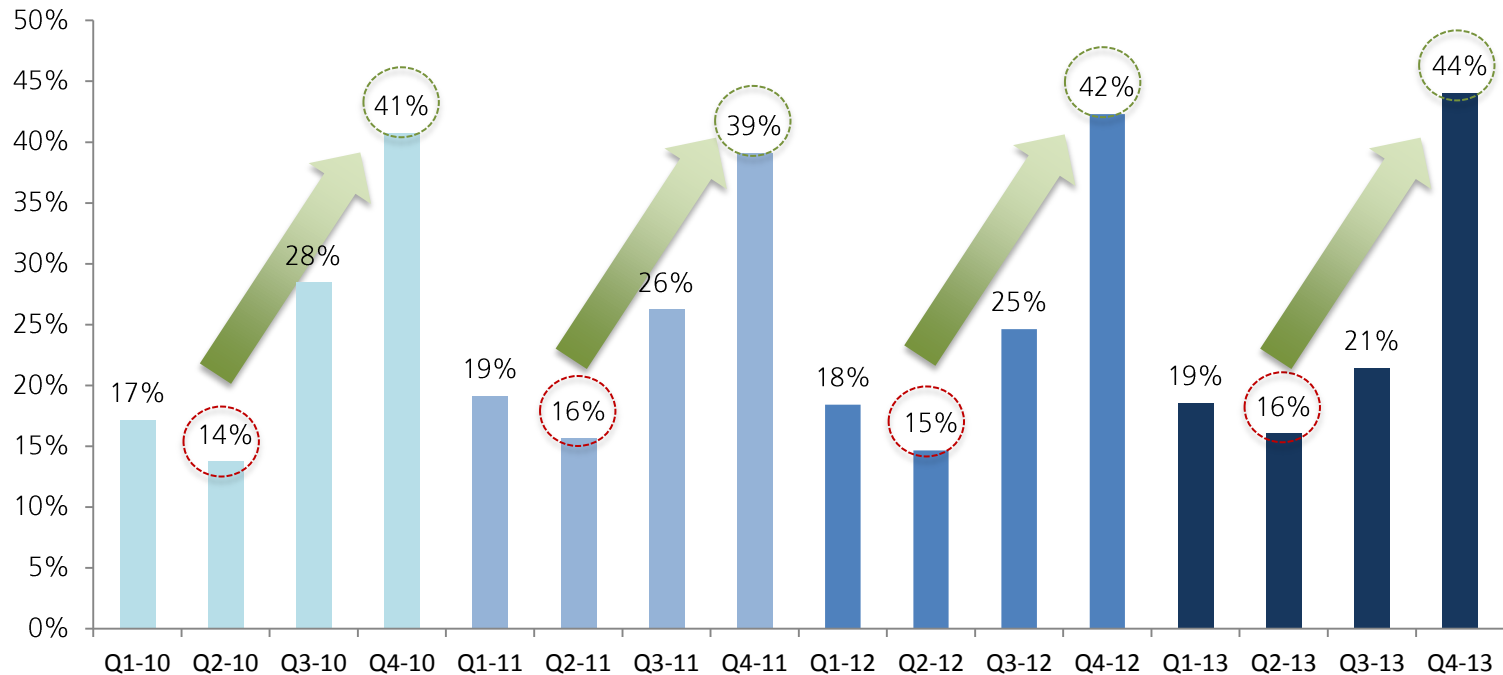


- On a quarterly basis, growth has been accelerating throughout the year, despite an increased negative FX impact
- Profitability had a **strong progression into Q4** thanks to an improving product mix (18.1% EBITDA⁽¹⁾ margin in Q4)

⁽¹⁾ Before non-recurring items

FY 2013 results

Contribution of quarters to *annual EBITDA*⁽¹⁾



- Contribution to total EBITDA of each quarter varies significantly throughout the year, but the pattern is stable
- Q4 represents on average more than 40% of the FY EBITDA, while Q2 is the weakest quarter in terms of contribution

⁽¹⁾ 2010 and 2011 data are based on pro-forma unaudited figures for the Household division

FY 2013 results

EPS

<i>EUR million</i>	FY 2013	FY 2012 (restated)⁽¹⁾	<i>Change 2013 - 2012</i>	
Net Profit pertaining to the Group	116.9	118.4	-1.5	-1.2%
<i>% of sales</i>	<i>7.2%</i>	<i>7.7%</i>		
EPS	0.78	0.79		-1.2%
Proposed dividend PS	0.40	0.29		
Payout ratio	51.1%	36.7%		

- Net profit substantially in line with 2012 despite higher financial charges (higher average net debt due to the Braun acquisition), higher D&A and slightly higher taxes
- Proposed dividend per share Eur 0.40, 51.1% payout ratio

(1) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

FY 2013 results

The debt position

<i>EUR million</i>	FY 2013	FY 2012 (restated)⁽¹⁾	Change 2013 - 2012
Net Working Capital	221.9	242.8	-20.8
Net Equity	667.4	628.4	39.0
Net Financial Position	-2.2	-61.4	59.2
Net Financial Position vs banks	47.7	-19.9	67.6
Net Debt / Equity (x) [Gearing]	0.00x	0.10x	
Net Debt / Ebitda (x) [Leverage]	0.01x	0.27x	
N.W.C. / Revenues	13.6%	15.9%	
Inventories / Revenues	17.4%	17.9%	

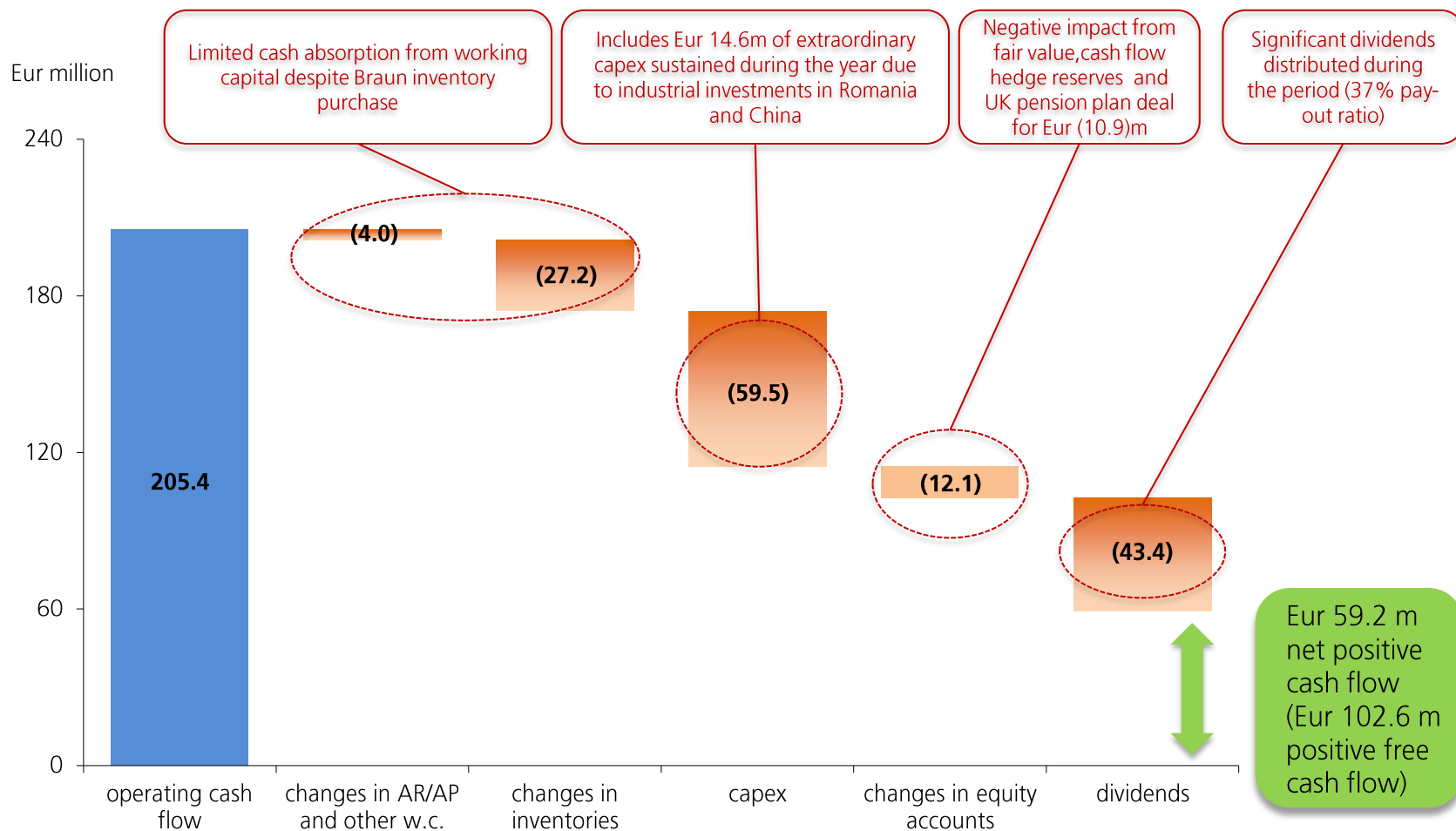
NFP was originally Eur -92.9m due to a higher valuation of Braun earn-out (Eur 63.8m), restated to Eur 32.3m

- The operating cash flow allowed to almost reach a debt neutral position despite high capex and high dividend
- **Tight control over working capital** led to a reduction of working capital to sales ratio to 13.6% from 15.9%
- Overall, a **very strong balance sheet**, with virtually zero debt just one year after the Braun acquisition

(1) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

FY 2013 results

The cash flow performance



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- FY 2013 results

Appendix 1:

- **Key P&L figures 2011-2013**

Appendix 1

The Household pro-forma P&L 2011-2013

(Euro million)	2011 ⁽¹⁾					2012 ⁽²⁾					2013				
	Q1-11	Q2-11	Q3-11	Q4-11	FULL YEAR	Q1-12	Q2-12	Q3-12	Q4-12	FULL YEAR	Q1-13 ⁽²⁾	Q2-13 ⁽²⁾	Q3-13	Q4-13	FULL YEAR
Revenues	287.8	301.1	324.4	516.1	1,429.4	317.7	326.7	344.4	541.3	1,530.1	320.5	350.3	367.2	594.6	1,632.6
% change y-o-y	24.3%	12.6%	-0.5%	13.0%	11.5%	10.4%	8.5%	6.2%	4.9%	7.0%	0.9%	7.2%	6.6%	9.8%	6.7%
net industrial margin	137.0	140.3	163.6	246.3	687.2	149.3	156.1	163.5	266.5	735.3	160.7	167.3	175.7	286.6	790.3
%	47.6%	46.6%	50.4%	47.7%	48.1%	47.0%	47.8%	47.5%	49.2%	48.1%	50.1%	47.7%	47.8%	48.2%	48.4%
Ebitda (before not rec.)	39.7	32.5	55.7	81.8	209.6	42.8	39.4	56.2	93.9	232.3	44.5	38.8	51.4	107.8	242.5
%	13.8%	10.8%	17.2%	15.8%	14.7%	13.5%	12.0%	16.3%	17.4%	15.2%	13.9%	11.1%	14.0%	18.1%	14.9%
EBITDA	38.9	31.8	53.3	79.5	203.4	41.4	32.9	55.3	95.0	224.6	44.5	38.3	51.4	105.6	239.8
%	13.5%	10.6%	16.4%	15.4%	14.2%	13.0%	10.1%	16.1%	17.5%	14.7%	13.9%	10.9%	14.0%	17.8%	14.7%
EBIT	31.7	24.8	46.0	70.0	172.5	33.6	24.6	46.3	84.5	189.0	34.1	27.7	41.0	92.3	195.0
%	11.0%	8.2%	14.2%	13.6%	12.1%	10.6%	7.5%	13.4%	15.6%	12.3%	10.6%	7.9%	11.2%	15.5%	11.9%
Profit before Taxes	28.4	18.9	31.9	59.5	138.8	30.8	13.2	38.4	72.2	154.6	26.0	18.0	32.5	80.6	157.1
Taxes	(8.8)	(7.9)	(5.8)	(21.8)	(44.4)	(7.9)	(3.5)	(7.2)	(17.1)	(35.7)	(6.6)	(5.2)	(7.1)	(20.6)	(39.6)
Profit / (Loss) for the period	19.7	11.0	26.1	37.7	94.4	22.9	9.7	31.2	55.1	118.9	19.4	12.8	25.4	60.0	117.5
Profit / (Loss) pertaining to minority interests	0.2	0.1	0.1	0.1	0.5	0.2	0.1	0.1	0.1	0.5	0.2	0.2	0.2	0.0	0.6
Profit / (Loss) after minority interests	19.5	10.9	26.0	37.6	93.9	22.7	9.6	31.1	54.9	118.4	19.2	12.6	25.3	60.0	116.9

(1) Pro-forma, unaudited figures related to the former Household division

(2) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

Thank you!

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