



# 9M 2021

## ANALYSTS PRESENTATION

WEDNESDAY OCT 27<sup>TH</sup>, 2021

## AGENDA

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# EXECUTIVE SUMMARY & Q3 2021 HIGHLIGHTS





- **Industry<sup>(\*)</sup>**: Market slightly positive vs Q3 2020
- **Revenues: Growing above Market** with +10,2% vs Q3 2020 (+5,2% Organic), +17% vs 2019 (+12% Organic)
- **Margins**: Delivering a robust Operating Margin despite persisting Negative Raw Materials Scenario:
  - **14,7 M€ Adj. EBITDA** (10,7% on NS; +50bps vs Q3 '20)
  - **8,2 M€ Adj. EBIT** (6,0% on NS; +50bps vs Q3 '20)
- Successful Closing of Elica **India** transaction with **Whirlpool**
- **NFP@32M€** (67M€ Q3 2020), delivering a leverage of 0.6



INDUSTRY TREND



# 9M 2021 – COOKER HOODS INDUSTRY UNIT SHIPMENTS

Volume Data \_ Change% vs . Y-1

	Q1'21	Q2'21	Q3'21	9M'21
Western Europe	3.9%	42.2%	(3.8%)	11.9%
Eastern Europe (incl. CIS)	8.7%	20.5%	4.2%	11.3%
<b>Europe</b>	6.0%	31.8%	(0.7%)	11.7%
<b>EMEA</b>	<b>5.3%</b>	<b>28.6%</b>	<b>(0.6%)</b>	<b>10.6%</b>
North America	2.0%	50.0%	10.0%	17.0%
Latin America	1.6%	22.1%	5.0%	6.8%
<b>AMERICAS</b>	<b>1.8%</b>	<b>41%</b>	<b>8.0%</b>	<b>13.1%</b>
<b>ASIA</b>	<b>30.5%</b>	<b>5.2%</b>	<b>1.1%</b>	<b>10.6%</b>
<b>WORLD</b>	<b>14.7%</b>	<b>17.5%</b>	<b>1.5%</b>	<b>10.9%</b>

## Key evidence

### GENERAL REMARKS

The **recovery continues to progress**, but momentum has slowed. Economic growth has picked up in the first semester, helped by strong policy support, the ongoing deployment of vaccines and the gradual resumption of economic activities. **Supply constraints and rising inflation could limit the pace of recovery.**

### EMEA

The Eurozone's economic recovery softened over the summer due to supply disruptions, increase of commodity prices and transportation costs. Central & Eastern Europe regional growth remained firm, while **Western Europe rebalanced to pre-pandemic levels after a strong rebound in 1st Half.**

### AMERICAS

**Consumer spending expanded** in North and Latin Americas countries although local surges in Covid cases and escalating inflation have remained challenging in several important markets and could slow down the growth.

### ASIA

There are significant variations in the strength of recovery across Asia. China's growth is conditioned by the property slowdown that weighs on domestic demand together with strict COVID-19 measures and power shortages. China's real estate troubles are the main risk for the rest of the year. **India's retail sector has started showing signs of recovery** with businesses indicating sales that are almost equal to the pre-pandemic levels.

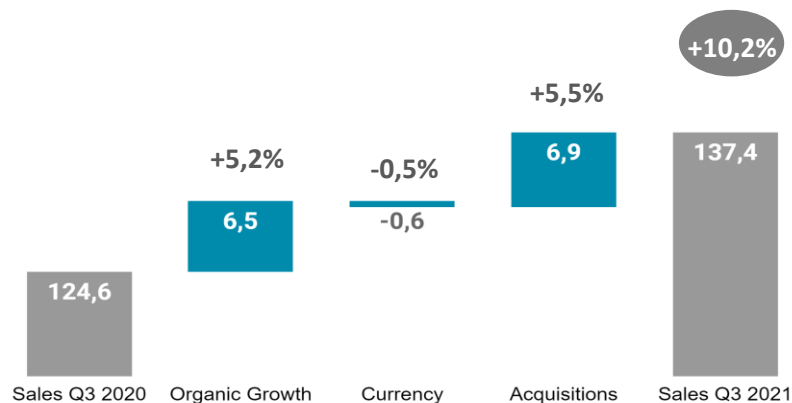
# SALES DYNAMICS



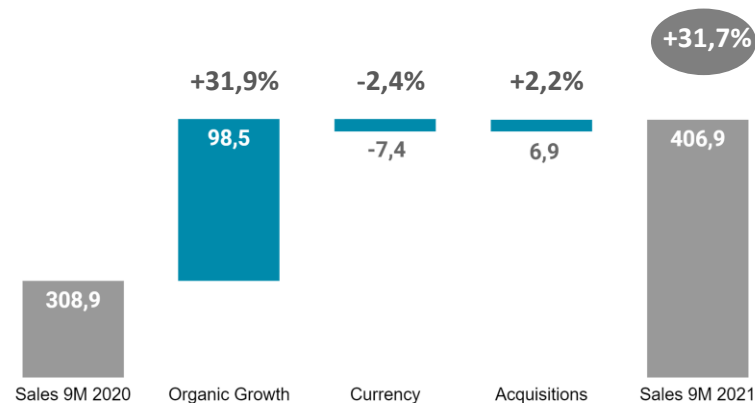
# SALES KEY DRIVERS

- **Organic Sales Growth above Market (+5,2%),** with persisting positive performance vs 2019 (17%)
- FX effect improving vs H1 despite still negative

## Q3 2021 vs 2020



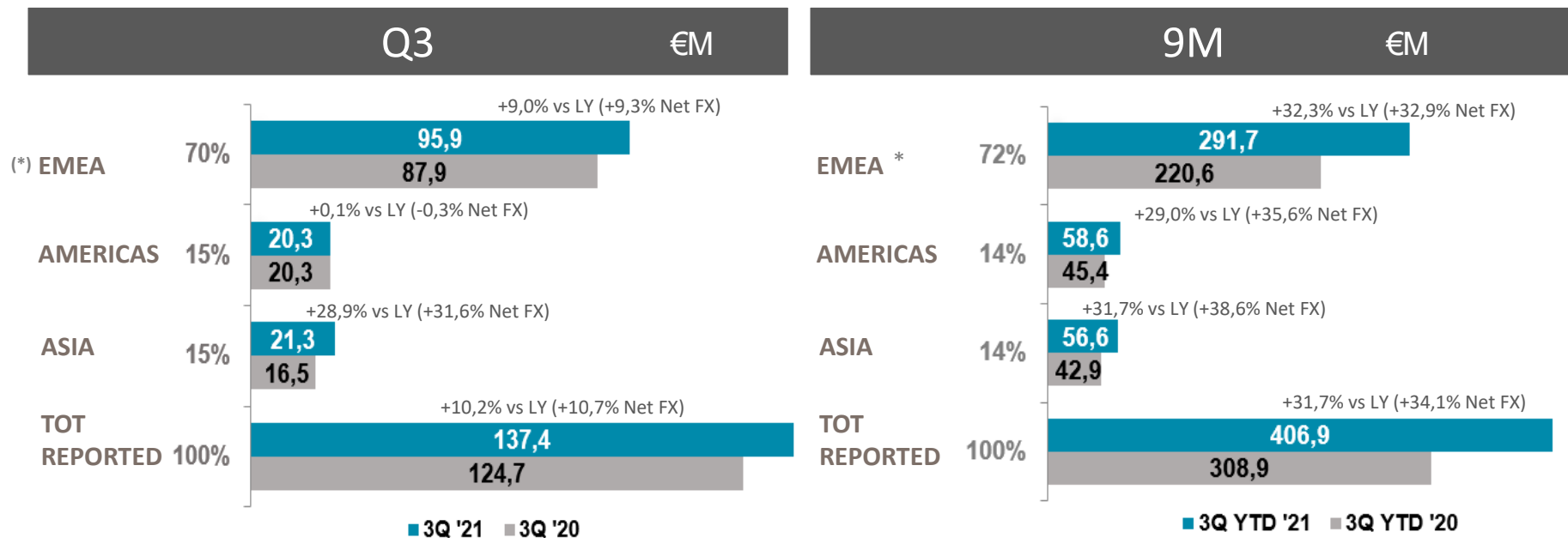
## 9M 2021 vs 2020





# REGIONAL SALES DISTRIBUTION & DYNAMICS

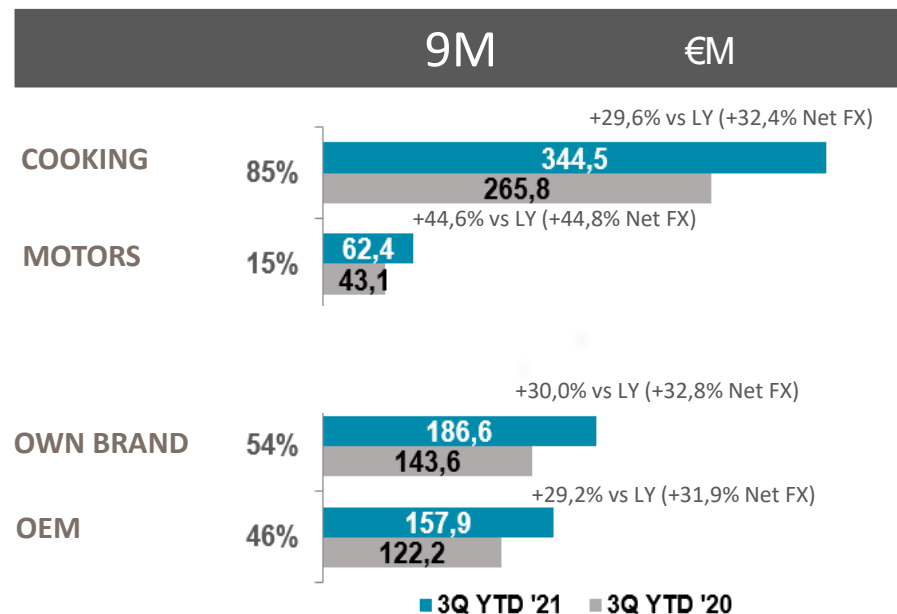
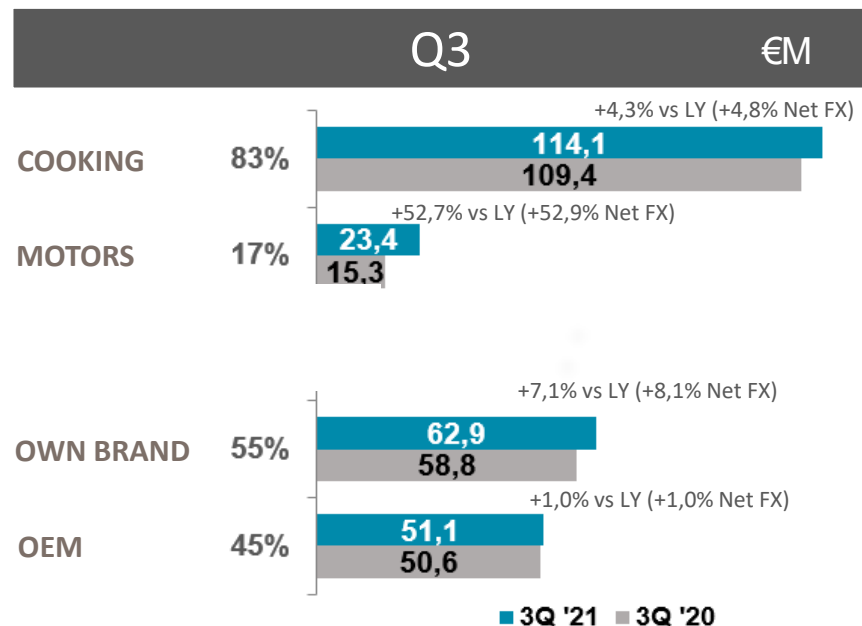
- EMEA growing organically of 1,3% vs 2020 in a negative market
- Production capacity investment launched in Mexico, while managing raw material & components availability constraints. LY America performance (+18,7% organic) driven by 2 months factory lockdown back order.
- Asia Q3 growth double digit due to India recovery post Q2 2021 lock down



(\*) EMEA Organic Growth: Q3 +1,3%; 9M +29,1%

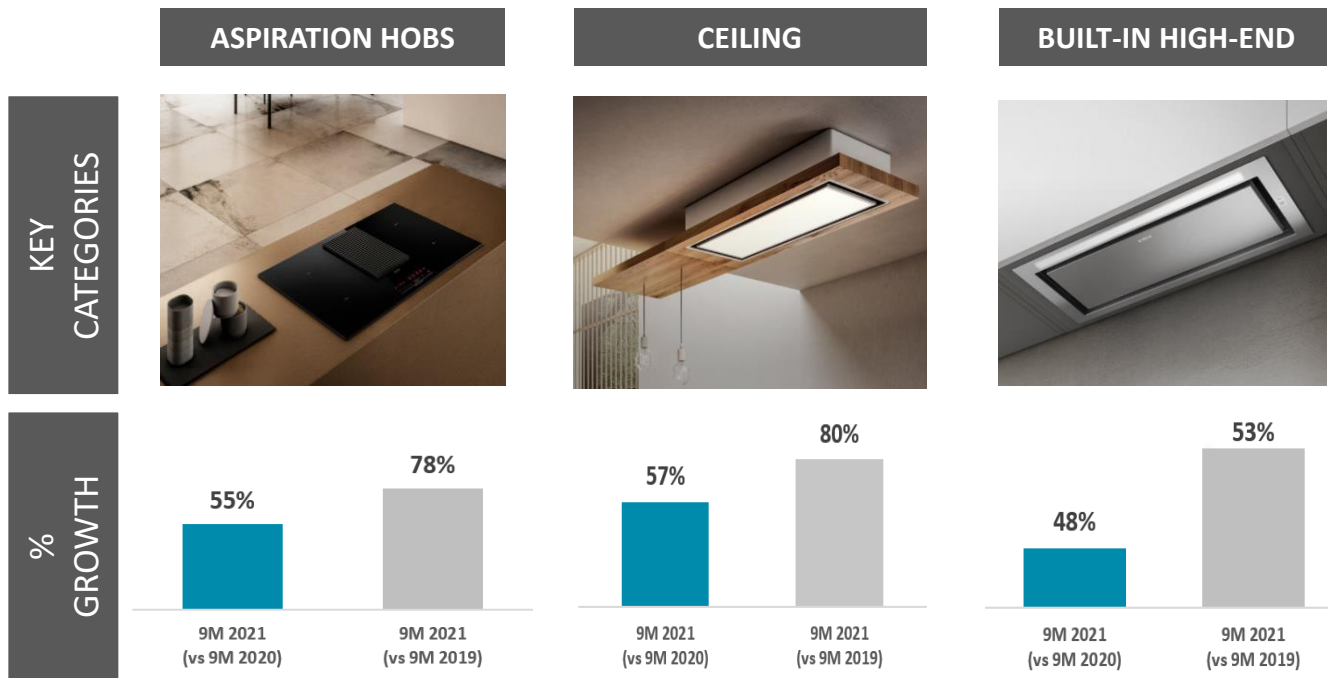
# SALES BY BUSINESS AND BRAND

- **COOKING:** Volume OEM comparing with 2020 Q3 Record performance in Americas (+18,7% Organic) while OWN Brand revenue growth persists above market trend
- **MOTORS:** Q3 YoY Organic growth of +8% both in cooking and ventilation segments



# KEY PRODUCT CATEGORIES PERFORMANCE

- Persisting growth trend in all strategic product families
- NikolaTesla range @ 12% of Cooking Sales, with new NikolaTesla Fit @ 10% of total family revenues.



# ECONOMICS & FINANCIALS





# MARGINS & KEY RESULT DRIVERS

€M	Q3			9M		
	2021	2020	VAR	2021	2020	VAR
NET SALES	137,4	124,7	10,2%	406,9	308,9	31,7%
ADJ EBITDA	14,7	12,8	15,3%	43,3	25,0	72,9%
% NET SALES	10,7%	10,3%	50 bps	10,6%	8,1%	250 bps
ADJ EBIT	8,2	6,9	19,4%	24,9	7,0	257,2%
% NET SALES	6,0%	5,5%	50 bps	6,1%	2,3%	390 bps
NRI	(16,5)	(1,2)	n.a.	(19,5)	(2,1)	830,1%
EBIT	-8,3	5,8	-244,4%	5,4	4,9	10,7%
% NET SALES	-6,0%	4,6%	(1070) bps	1,3%	1,6%	(25) bps
PBT *	6,5	5,0	29,2%	19,4	2,2	780,7%
% NET SALES	4,7%	4,0%	70 bps	4,8%	0,7%	400 bps
NET PROFIT	6,7	3,7	82,3%	15,2	0,7	n.a.
% NET SALES	4,9%	3,0%	190 bps	3,7%	0,2%	350 bps
MINORITIES	2,0	1,6	24,4%	4,8	3,5	38,9%
GROUP NET PROFIT	4,7	2,1	128,6%	10,4	-2,7	482,8%
% NET SALES	3,4%	1,6%	180 bps	2,6%	-0,9%	340 bps
ADJ GROUP NET PROFIT	4,5	2,9	53,7%	12,1	-1,1	n.a.
% NET SALES	3,3%	2,4%	90bps	3,0%	-0,4%	330 bps

## CHANGES vs. PRIOR YEAR

	Q3	9M
VOLUME	+	++
PRICE / MIX	+	+
RAW MATERIAL INFLATION	--	-
SG&A	+	+
CURRENCY	-	-
D&A	-	+
ADJ EBIT	1,3	17,9
NRI	--	--
FINANCIAL COSTS	+	+
COMBINED TAX RATE	++	+
NET PROFIT	3,0	14,5

(\*) Includes Revenues of 15,5 M€ NRI for Elica PB India Controlling Participation Sale

## RESTRUCTURING COSTS & NRI

€M	2021		2020	
	Q3	9M	Q3	9M
CHINA BUSINESS MODEL	0,0	1,6	0,0	0,0
RESTRUCTURING	0,7	2,1	1,2	1,3
M&A (India-EMC)	0,8	0,8	0,0	0,0
INDUSTRIAL PLAN	15,0	15,0	0,0	0,0
OTHER	0,0	0,0	0,0	0,8
TOT NRI	16,5	19,5	1,2	2,1

## FOCUSED ONE-OFFS TO DELIVER INCREASING MARGINS & ELIMINATE LIABILITIES:

- China assets write-off with no financial effect
- Restructuring: SG&A Re-sizing and Former CEO Agreement
- Industrial Plan: Provision for the New EMEA Manufacturing Footprint implementation costs.

## MINORITIES

€M	MINORITY SHARES	2021		2020	
		Q3	9M	Q3	9M
ELICA PB INDIA	74,5%	1,6	3,4	1,2	2,2
ARIAFINA	49,0%	0,4	1,2	0,3	1,2
AIRFORCE	40,0%	0,0	0,2	0,1	0,1
TOT MINORITIES		2,0	4,8	1,6	3,5

- **ELICA PB INDIA:** Delivered Strong Q3 Result due to Covid restrictions termination after Q2 Lockdown
- **ARIAFINA** (Japan) and **AIRFORCE** (Italy) performance in line with 2020.

# NET FINANCIAL POSITION – 30/09/2021

€M	Q3 2021	Q3 2020	VAR
OPENING NFP	61,0	58,9	(2,1)
IFRS16 EFFECT	9,7	11,8	
OPENING NFP <small>NET of IFR16</small>	51,4	47,2	(4,2)
OPERATING CASH FLOW	38,6	5,5	33,1
(*) CAPEX	(12,3)	(9,5)	(2,9)
TAXES	(6,4)	(3,5)	(2,9)
OPERATING CF	19,8	(7,5)	27,3
% SALES	3,6%	-1,7%	5,3%
DIVIDENDS & FINANCIAL ITEMS	(1,5)	(6,3)	4,8
FX EFFECT	,3	(1,4)	1,8
OTHER NRI	,8	(4,9)	5,7
M&A	,2		,2
CLOSING NFP	32,1	67,3	35,2
LEVERAGE	0,6	1,9	-1,3

COMMENTS											
■	OPERATING CF mainly driven by EBITDA Growth and positive trend of Managerial Working Capital;										
■	Positive impact in cash out vs LY from Dividend (Ariafina) and from lower financial items (Putian);										
■	FX Effect positive impacted by the Eur conversion differences of the Foreign Entities NFP (USD, MXP, INR, JPN );										
■	Neutral M&A Effect: <table> <tr> <td>■ (13,0) M€</td><td>Motor Division M&amp;A Deal Cash-out</td></tr> <tr> <td>■ 22,0 M€</td><td>Sale of 19% Share Capital of Elica PB India Cash-in</td></tr> <tr> <td>■ 1,5 M€</td><td>Reimbursement of Elica Loan to India JV</td></tr> <tr> <td>■ (10,3) M€</td><td>De-consolidation of Elica OB India from Group NFP</td></tr> <tr> <td>0,2 M€</td><td>Effect on Group NFP</td></tr> </table>	■ (13,0) M€	Motor Division M&A Deal Cash-out	■ 22,0 M€	Sale of 19% Share Capital of Elica PB India Cash-in	■ 1,5 M€	Reimbursement of Elica Loan to India JV	■ (10,3) M€	De-consolidation of Elica OB India from Group NFP	0,2 M€	Effect on Group NFP
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0,2 M€	Effect on Group NFP										

IMPROVING OPERATING CF DELIVERING A LEVERAGE @ 0,6 WITH NEUTRAL M&A EFFECT

(\*) Capex Values Including Ifrs16 Effect



**M&A FOLLOW-UP: INDIA & EMC MOTORS**



# INDIA JV AGREEMENT WILL POSITIVELY IMPACT GROUP EPS



## 1. Transaction Highlights

- On 27th September we announced the signing of an agreement for the sale to Whirlpool of India Limited of 19% of the share capital of the Indian subsidiary Elica PB India Private Ltd.
- Elica S.p.A. will retain a participation in the Indian company with a **stake of approx. 6%**.
- Net Cash in 22M€: **Equity Value calculated as a multiples 16,5 x EBITDA + NFP @ 31.03.2021**

## 2. New Shareholder's Agreement

- **New Shareholder Agreement**, ending on **31 March 2024**, has been set according to which Whirlpool India may request Elica to sell all its shares at a price equal to **16.5 multiplied by the average EBITDA**, in the two full Financial Years immediately preceding the call notice, **+ NFP @ 31.03.2024**

## 3. Trademark Agreement

- Elica S.p.A. and Elica India will enter into a **New Trademark & Technical License Agreement**: Elica India becomes the exclusive licensee of Elica branded products in India **for 3+7 years** . **Royalty + Technical fee** will be granted for 10 years with a minimum floor.

## 4. Delivered Benefits

- Positive Financial Impact in with **22 M€ Free Cash** to catch additional growth opportunities
- Increase of Company **EPS** versus Average Elica PB India contribution to Group Net Profit (**1,2 M€ in 2018-2021**)
- **Partnership confirmation** with the world's largest manufacturer of household appliances
- Elica still present in Elica PB India shareholding ensuring **control on Elica brand in India**

## 1. Take Control

- **Set up Processes and Procedures** to allow immediate **business control**, with particular reference to "cash management" and "commercial" initiatives
- **Set up Organization** to clarify internal responsibilities and **avoid any delay / uncertainties** in the decision processes

## 2. Business Integration

- **Met main Clients** to discuss **Group's strategy** in the electro-mechanical components business
- Started discussions for the finalization of **long terms agreements (LTA)**

## 3. Brand & Products

- **"FIME"** brand for **"heating"** applications – **"EMC"** brand for **"ventilation"** applications
- Completed product range integration and created the **European "made in" best offer** in the **ventilation business**
- Focus on Sustainability Innovation: **Obtained certification for Hydrogen pre-mixer**

## 4. Synergies

- Launched first cross selling initiatives to introduce low-medium FIME products to EMC Clients
- Completed first analysis to capitalize on **FIME verticalized manufacturing processes** and to reduce EMC production costs
- Rationalized investments initiatives and reduced related "cash outs"

# CLOSING REMARKS & 2021 GUIDANCE

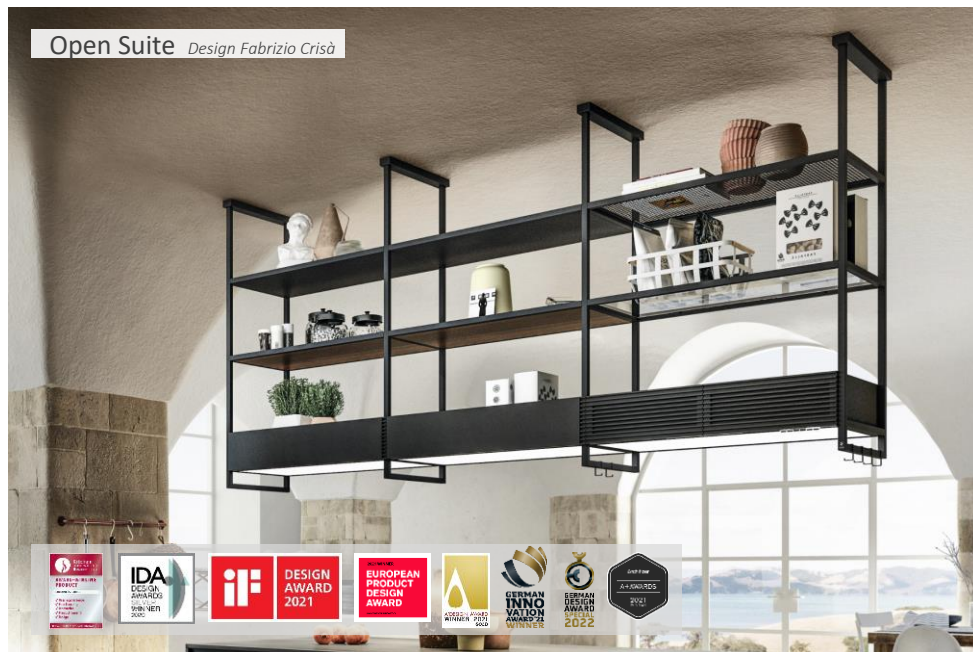


- Delivering a **Record Year** for our Company while executing long term discontinuity actions
  - **Maintaining our commitment in improving value creation**, despite Raw Material Scenario remains critical both in terms of **Availability** and **Inflation**.
- 

- **FY Net Sales 2021** expected to growth ~17-18% vs 2020 (16% *previous est.*)
  - **FY Adj Ebit margin** expected between 5.8% and 6.0% (5,5%-6,0% *previous est.*)
  - **NFP expected** to additionally improve vs current.
-



# We love to win - DESIGN our DNA



30 AWARDS IN 2021

164

AWARDS IN 14 YEARS



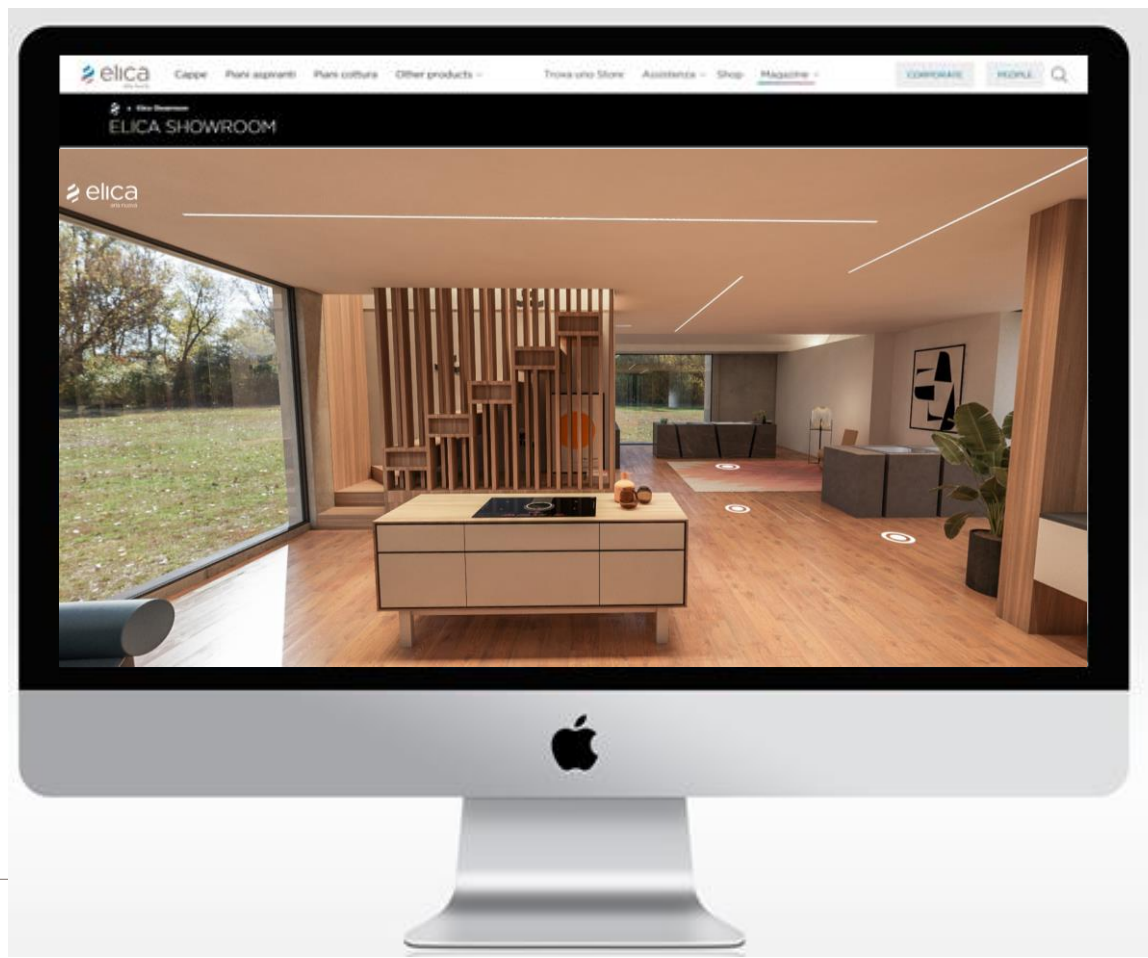
# ELICA VIRTUAL SHOW ROOM

Discover Elica's six theme rooms and open your mind to new possibilities.

HOOD  
SUSPENDED  
CEILING  
ARCH&LIGHTAIR  
NIKOLATESLA  
BUILT-IN

Two type of content videos:

CONCEPT & DESIGN  
FOCUS ON PRODUCT



<https://www.elica.com/IT-it/virtual-showroom>

# ANNEX: FINANCIAL HIGHLIGHTS



# Q3 CONSOLIDATED INCOME STATEMENT

€M	3Q 21	3Q 20	%
Net Sales	<b>137.4</b>	<b>124.7</b>	10.2%
EBITDA Adj	<b>14.7</b>	<b>12.8</b>	15.3%
%	10.7%	10.3%	47 bps
EBITDA	<b>-1,8</b>	<b>11.6</b>	-115.6%
%	-1.3%	9.3%	(1064) bps
EBIT	<b>-8.3</b>	<b>5.8</b>	-244.4%
%	-6.0%	4.6%	(1065) bps
Net Result	<b>6.7</b>	<b>3.7</b>	82.3%
%	4.9%	3.0%	194 bps
EPS* – Euro cents	<b>7.41</b>	<b>3.24</b>	128.6%

(\*) EPS is calculated by dividing the Net Result pertaining to the Group by the number of ordinary shares outstanding, excluding treasury shares at the same data.

# FY CONSOLIDATED INCOME STATEMENT

€M	9M 21	9M 20	%
Net Sales	<b>406.9</b>	<b>308.9</b>	31.7%
EBITDA Adj	<b>43.3</b>	<b>25.0</b>	72.9%
%	10.6%	8.1%	250 bps
EBITDA	<b>25.4</b>	<b>22.9</b>	10.6%
%	6.2%	7.4%	(120) bps
EBIT	<b>5.4</b>	<b>4.9</b>	-10.7%
%	1.3%	1.6%	(30) bps
Net Result	<b>15.2</b>	<b>0.7</b>	-1976.4%
%	3.7%	0.2%	350 bps
EPS* – Euro cents	<b>16.48</b>	<b>(4.30)</b>	483.8%

(\*) EPS is calculated by dividing the Net Result pertaining to the Group by the number of ordinary shares outstanding, excluding treasury shares at the same data.



# NET WORKING CAPITAL

€M	2021	2020	Δ
Trade receivables <i>% on annualized sales</i>	85.4 15.7%	74.7 18.1%	10.7 (240) bps
Inventories <i>% on annualized sales</i>	79.8 14.7%	67.8 16.5%	11.9 (180) bps
Trade payables <i>% on annualized sales</i>	(128.4) (23.7)%	(103.3) (25.0)%	(25.4) 130 bps
<b>Managerial Working Capital</b> <i>% on annualized sales</i>	<b>36.7</b> <b>6.8%</b>	<b>39.5</b> <b>9.6%</b>	<b>(2.8)</b> <b>(280) bps</b>
Short term assets & liabilities <i>% on annualized sales</i>	(38.5) (7.1)%	(16.1) (3.9)%	(22.4) (320) bps
<b>Net Working Capital</b> <i>% on annualized sales</i>	<b>-1.8</b> <b>-0.3%</b>	<b>23.4</b> <b>5.7%</b>	<b>(25.2)</b> <b>(600) bps</b>

# CONSOLIDATED CASH FLOW

€M	2021	2020
Operating Cash Flow	32.6	(2.9)
Capex (*)	(12.3)	(9.5)
Cash Flow from Financial Activities	(1.3)	(6.3)
<b>Δ Net Financial Position</b>	<b>18.9</b>	<b>(18.7)</b>

	2021	2020		2021	2020
Net Operating Fixed Assets	165.5	166.9	Net Financial Position (*)	43.6	76.7
Net Working Capital	-1,8	23.4	Group Equity	113.9	99.4
			Minorities	6.4	15.3
Net Financial Assets	0.2	1.0	<b>Total Shareholders' Equity</b>	<b>120.3</b>	<b>114.7</b>
<b>Net Capital Employed</b>	<b>163.9</b>	<b>191.4</b>	<b>Total Sources</b>	<b>163.9</b>	<b>191.4</b>



## Investor Relations

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