

**ELICA S.p.A. BoD APPROVES Q1 2023 RESULTS:**

**IN AN EXTREMELY CHALLENGING MARKET, REVENUES OF EURO 129.0 MILLION IN LINE WITH EXPECTATIONS: MOTORS SEGMENT GROWTH AND RESILIENT OWN BRAND SALES**

**ELICA PRESERVES MARGINS, THANKS TO OPERATING FLEXIBILITY AND COST CONTROL: EBITDA MARGIN IN LINE WITH THE PREVIOUS YEAR, ADJ EBIT AT EURO 6.7 MILLION (5.2% MARGIN ON REVENUES)**

**STRONG OPERATING CASH FLOW (EURO 13 MILLION) TO SUPPORT GROWTH AND STRATEGIC INVESTMENTS**

**COOKING SEGMENT PRODUCT RANGE EXTENDED: ELICA BRAND OVENS AND INDUCTION HOBS**

**Fabriano, April 27, 2023** – The Board of Directors of Elica S.p.A. has approved the 2023 First Quarter results, prepared in accordance with IFRS accounting standards.

*"The results for the first quarter confirm that we have taken the right actions to deal with a difficult marketplace that will remain as such for a long time, thanks to the reactive and cohesive team who have demonstrated leadership, courage and ability to tackle the ever-growing list of challenges. This without ever ceasing to look ambitiously to the future: we are resolutely pursuing a true revolution in the Cooking segment, which has a solid foundation in our pillars: design, innovation and quality"* **stated Francesco Casoli, Chairperson of Elica S.p.A.**

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*"We report results in line with expectations in a challenging first quarter within a year still featuring significant market complexity. We tackled it with the right approach, which can only be the long-term one. On the one hand, we have defended margins within a market lacking volumes and still featuring significant inflation, supported by the flexibility gained by reorganising our industrial footprint in Poland and by our very close focus on cost control. On the other hand, we have stepped up the company's transformation and have kept a further promise: ahead of the launch of LHOVE, Elica becomes even more of a Cooking company, bringing to the market not only aspiration products, but also induction hobs, ovens and accessories, such as wine cellar products. In this environment, the Motors Division continues to grow and is preparing to tap into the opportunities arising from the strong development of the heat pump and of the energy transition market. It will be a difficult year, but we'll come out even stronger and ready for the future"* **stated Giulio Cocci, Chief Executive Officer of Elica.**

## Consolidated Highlights – Q1 2023:

**Revenue:** Euro 129.0 million;

**Adjusted EBITDA<sup>1</sup>:** Euro 12.6 million (9.7% margin on revenues);

**Adjusted EBIT<sup>2</sup>:** Euro 6.7 million (5.2% margin on revenues);

**Adjusted Profit<sup>3</sup>:** Euro 4.2 million;

**Adjusted Group Net Profit:** Euro 3.9 million. The Minorities profit was Euro 0.4 million.

**Adjusted Net Financial Position<sup>4</sup>:** Euro -33.0 million (excluding IFRS 16 effect of Euro -14.0 million and the acquisition of investments for Euro 1.5 million);

## Elica Group Operating Performance

### Overview

In Q1 2023, global kitchen hoods demand contracted 5.8%. In Europe, a continued climate of uncertainty and persistent inflation contributed to a decline of 12.5%. Despite the still restrictive monetary policy, a number of operating indicators point towards a recovering economy going forward.

**EMEA:** inflation is slowing and energy prices are falling. The recent increase in nominal wages however has not counteracted the decline in real wages. The consumer confidence index, although well off its long-term average, is strongly rebounding. Despite this, an increasingly restrictive monetary policy and lingering geopolitical tensions in Eastern Europe contributed to slowing consumer demand again this quarter.

**UNITED STATES:** high interest rates and resilient core inflation have not dented a labour market that is still proving very robust and capable of creating new jobs. The rising cost of energy and the pressured housing market have led consumer demand into negative territory.

**LATIN AMERICA:** Weak demand from major trading partners (especially the United States and China) is reflected in weak domestic demand, caused mainly by the still high inflation and economic and political uncertainty.

**CHINA:** the reopening of major districts has supported the country's economic recovery, despite a slower return to consumption than industrial production and exports.

**INDIA:** leading indicators confirm strong growth in output, with expansion in manufacturing and services.

<sup>1</sup> The value was adjusted considering the extraordinary negative effects from the reorganisation of the Cooking Business Unit for Euro 0.2 million, Euro 0.3 million for other reorganisation costs, and Euro 0.1 million of services expenses.

<sup>2</sup> The value was adjusted considering the extraordinary effects in line with EBITDA.

<sup>3</sup> The indicated value was adjusted for the extraordinary effects in line with EBITDA and EBIT, in addition to the tax effect.

<sup>4</sup> The value indicated is net of the IFRS 16 effect and of the payables for investment acquisitions, as outlined in the NFP table.

In Euro thousands	Q1 2023	%	Q1 2022	%	Changes %
Revenue	129,027		144,044		(10.4%)
Adjusted EBITDA	12,562	9.7%	14,949	10.4%	(16.0%)
EBITDA	11,942	9.3%	14,061	9.8%	(15.1%)
Adjusted EBIT	6,665	5.2%	8,960	6.2%	(25.6%)
EBIT	6,045	4.7%	8,072	5.6%	(25.1%)
Net financial expenses	-1,074	(0.8%)	-417	(0.3%)	(157.6%)
Income taxes	-1,213	(0.9%)	-2,463	(1.7%)	50.8%
Profit from continuing operations	3,758	2.9%	5,192	3.6%	(27.6%)
Adjusted Net Profit for the period	4,229	3.3%	5,867	4.1%	(27.9%)
Net Profit for the period	3,758	2.9%	5,192	3.6%	(27.6%)
Adjusted Group Net Profit	3,878	3.0%	5,418	3.8%	(28.4%)
Group Net Profit	3,407	2.6%	4,743	3.3%	(28.2%)
Basic earnings (loss) per share (Euro/cents)	5.44		7.49		(27.4%)
Diluted earnings (loss) per share (Euro/cents)	5.44		7.49		(27.4%)

## Revenue

In Q1 2023, Elica reports revenue of **Euro 129.0 million**, within a market shaped by shrinking demand and impacted by the destocking measures of the OEM customers. Despite the criticalities highlighted, the performances across the various regions allowed for a consolidation of market share and the outperforming of the general market.

The **Cooking** division, which accounts for 75% of total revenue, contracted 14.2% (-14.8% at constant exchange rates and scope), due entirely to the significant drop in OEM demand. Own product sales, featuring greater profitability, performed in line with Q1 2022. Thanks to an appropriate country mix, the NikolaTesla aspirating hob range reported stable sales in terms of units and an improvement in terms of value.

The **Motors** division, which accounts for 25% of total revenue, continues to see “heating” and “ventilation” growth, with revenue up 3.0%. In a market in which the issue of sustainability is increasingly predominant, the division is an excellent hedge and provides concrete hints of profitability.

Sales in **EMEA**, accounting for 81% of total revenue, declined 7.9% outperforming the market and strengthening an already significant market share for Elica in key markets such as **Italy**.

## Adjusted EBITDA

**Euro 12.6 million**, in line with expectations compared with Euro 15 million in the same period of the previous year, with a margin on revenues of 9.7% (10.4% in Q1 2022). The positive price mix, the growth in the Motors division, and continued control of SG&A enabled the company to defend margins despite a significant drop in Cooking division demand, particularly in the OEM area.

## Adjusted EBIT

**Euro 6.7 million**, compared to Euro 9.0 million in the same period of the previous year, with a margin on revenues of 5.2% (6.2% in Q1 2022), despite the contraction in demand and higher-than-expected inflation.

## Net Financial Expense

net financial expense of Euro 1.1 million, compared to Euro 0.4 million in 2022. The variation is mainly attributable to the increase in the cost of funding following the interest rates increase by the ECB.

## Adjusted Net Profit

**Euro 4.2 million** compared to Euro 5.9 million in the first quarter of 2022.

## Adjusted Group Net Profit

**Euro 3.9 million**, compared to Euro 5.4 million in Q1 2022. The Minorities profit is Euro 0.4 million, in line with the same period of 2022.

## Elica Group Equity and Financial Performance Analysis

### Adjusted Net Financial Position

**Euro -33.0 million** at March 31, 2023 (net of the IFRS 16 effect of Euro 14.0 million and the acquisition of investments for Euro 1.5 million).

The main impacts on the net financial position of Q1 2023 were from:

- careful management of Working Capital through constant monitoring of inventories and payables;
- the negative impact from the final payment (approx. Euro 6.5 million) for the acquisition of the companies E.M.C. S.r.l. and CPS S.r.l., now merged into EMC-Fime;
- Capex of Euro 2.9 million (including IFRS effect). Investments continue to develop new products to meet the demand evolution and to serve new clients;
- the execution of the share buy-back plan for approx. Euro 0.4 million;
- the cash out for the "voluntary agreement" signed with the trade unions in execution of the Italian industrial footprint reorganisation plan and completion of the industrial footprint reorganisation in Poland for Euro 1.4 million.

The 0.7x leverage is improving compared to Q1 2022.

### Operating Cash Flow

Euro 13.0 million was generated (+189%), significantly increasing on Euro 4.5 million in Q1 2022.

In Euro thousands	31/03/2023	31/12/2022	31/03/2022
Cash and cash equivalents	53,175	67,727	80,265
Bank loans and borrowings (current)	-31,361	-42,812	-33,495
Bank loans and borrowings (non-current)	-54,771	-54,774	-77,813
<b>Adjusted Net Financial Position</b>	<b>-32,957</b>	<b>-29,859</b>	<b>-31,043</b>
Lease liabilities (current)	-4,015	-4,192	-4,417
Lease liabilities	-9,606	-9,831	-9,045
<b>Adjusted Net Financial Position - Including IFRS 16 impact</b>	<b>-46,578</b>	<b>-43,882</b>	<b>-44,505</b>
Other payables for purchase of investments	-1,475	-8,021	-13,069
<b>Net Financial Position</b>	<b>-48,053</b>	<b>-51,903</b>	<b>-57,575</b>

## Managerial Working Capital

This accounted for 2.6% of annualised revenues in Q1 2023, significantly reducing on 5.6% in Q1 2022.

In Euro thousands	31/03/2023	31/12/2022	31/03/2022
Trade receivables	46,106	48,491	92,319
Inventories	106,842	101,453	97,828
Trade payables	-139,547	-139,571	-157,834
<b>Managerial Working Capital</b>	<b>13,401</b>	<b>10,373</b>	<b>32,313</b>
% annualised revenue	2.60%	1.90%	5.60%
Other net receivables/payables	-6,295	-12,593	-31,038
<b>Net Working Capital</b>	<b>7,106</b>	<b>-2.22</b>	<b>1,275</b>

## Significant events in the period and subsequent events

**February 14, 2023** - the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2022, prepared according to IFRS and the 2022 preliminary consolidated results.

**March 16, 2023** - the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2022 and the statutory financial statements at December 31, 2022, prepared in accordance with IFRS, in addition to the Directors' Report.

**April 19, 2023** - Elica expands its product line in the cooking segment, in line with its 2023 targets, and announces a strategic partnership with Ilve.

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## Outlook

The results of the first quarter were in line with expectations in terms of revenue and profitability, in a market context characterized by persistent negative demand and still high inflation. As of today, we see a negative trend dynamic that will continue at least until the first semester. In the second half of the year, the expectation is to see a signal of recovery in demand and consequently a return to organic growth, supported by the new products launched in the Cooking segment and new projects in the Motors segment related to the heat pumps market. All of this leads us to confirm a 2023 in line with market consensus. In addition, a solid cash generation and an excellent leverage ratio guarantee a strategic advantage position, fundamental to consolidate an already robust market leadership and to evaluate new growth opportunities through external lines (M&A).

## 2019-2025 Phantom Stock & Voluntary Co-Investment Plan

With reference to the 2019 - 2025 PHANTOM STOCK & VOLUNTARY COINVESTMENT PLAN, reserved for employees and/or senior directors of Elica, it is announced, as per Article 84-bis of the CONSOB Issuers' Regulation that, on April 27, 2023, the Board of Directors of the Company, having obtained the opinion of the Remuneration Committee and verified the achievement of the objectives of the 2020-2022 Cycle, identified April 27, 2023 as the Grant Date. The information required by Schedule 7 of Annex 3A of the Issuers' Regulation detailing the grant, which will be subject to possible deferral under the Plan, is attached. In addition, it is noted that with respect to the 2018-2020 cycle of the 2016-2022 PHANTOM STOCK & VOLUNTARY COINVESTMENT PLAN, today's Board has identified May 5, 2023 as the end of the deferral period. The information

required by Schedule No. 7 of Annex 3A of the Issuers' Regulations detailing the matching, the value of which will be determined based on the value of the share in the 30 days prior to that date, is attached to this press release.

## **Statement pursuant to Article 154-bis, paragraph two, of the Consolidated Finance Act**

The Corporate Financial Reporting Manager Mr. Emilio Silvi declares, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

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Elica, a market player for over 50 years, is the leading global manufacturer of kitchen aspiration systems, thanks to the production of range hoods and extractor hobs. It is also the leading European manufacturer of electric motors for home appliances and heating boilers. Chaired by Francesco Casoli and led by Giulio Cocci, the Group has seven plants, including in Italy, Poland, Mexico and China and employs approx. 3,000 people. A meticulous care for design and a judicious choice of high-quality materials and cutting-edge technology to guarantee maximum efficiency and low energy consumption make the Elica Group the prominent market figure it is today. This has enabled the Group to revolutionise the traditional image of kitchen extractor systems: they are no longer seen as a simple accessory but as a design element that improves the quality of life.

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## Definitions and reconciliations

### Definitions

EBITDA is the operating result (EBIT) plus amortisation and depreciation and any impairment losses on Goodwill, brands and other tangible and intangible assets.

EBIT is the operating result as reported in the consolidated Income Statement.

Adjusted EBITDA is EBITDA net of the relative adjustment items.

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Net financial income/(expense) is the sum of the Share of profit/(loss) from Group companies, Financial income, Financial Charges and Exchange rate gains and losses.

The adjusted result is the result for the period, as published in the Consolidated Income Statement, net of the relative adjustment items.

The adjusted Group result is the result for the period attributable to the owners of the Parent, as published in the Consolidated Income Statement, net of the relative adjustment items.

Earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations, as is the case for impairments, disputes considered atypical in terms of frequency and amount and restructuring charges, of the costs for M&A's, whether executed or not, and any rightsizing costs.

The Earnings per Share for Q1 2023 and Q1 2022 was calculated by dividing the Group Net Profit as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The number of shares outstanding at period-end differs from that at December 31, 2022 and March 31, 2022 due to the launch of the treasury share buy-back plan.

The earnings (loss) per share so calculated does not match the earnings (loss) per share as per the consolidated Income Statement, which is calculated as per IAS 33, based on the average weighted number of shares outstanding.

Managerial Working Capital is the sum of Trade receivables with Inventories, net of Trade payables, as presented in the Consolidated Statement of Financial Position.

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables. Other net receivables/payables comprise the current portion of Other receivables and Tax Receivables, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

The Adjusted Net Financial Position is the sum of Cash and Cash equivalents, less Current and Non-current bank loans and borrowings, as reported in the Statement of Financial Position.

The Adjusted Net Financial Position - Including IFRS 16 Impact is the sum of the Adjusted Net Financial Position and current and non-current lease payables from application of IFRS 16, as reported in the Consolidated Statement of Financial Position.

The Net Financial Position is the sum of the Adjusted Net Financial Position - Including IFRS 16 Impact and of the liabilities included among other payables arising in relation to the acquisition of the new companies, belonging to the consolidation scope or of additional shares in existing subsidiaries. The result coincides with the Consob definition of the Net Financial Position.

## Reconciliations

In Euro thousands	Q1 2023	Q1 2022
<b>Operating profit – EBIT</b>	6,045	8,072
(Impairment losses on Tangible and Intangible assets)	-	-
(Amortisation & Depreciation)	5,897	5,989
<b>EBITDA</b>	<b>11,942</b>	<b>14,061</b>
<b>Cooking production reorganisation</b>	<b>203</b>	<b>500</b>
Changes in inventories finished/semi-finished goods	45	
Raw materials and consumables	51	73
Services	107	419
Other operating expenses and accruals		8
<b>Realised and unrealised M&amp;A's</b>	<b>88</b>	<b>-</b>
Services	88	
<b>Other reorganisations and Rightsizing</b>	<b>271</b>	<b>388</b>
Restructuring charges	271	388
<b>Other</b>	<b>57</b>	
Services	57	
<b>EBITDA adjustment items</b>	<b>620</b>	<b>888</b>
<b>Adjusted EBITDA</b>	<b>12,562</b>	<b>14,949</b>

In Euro thousands	Q1 2023	Q1 2022
<b>Operating profit – EBIT</b>	6,045	8,072
<b>EBITDA adjustment items</b>	<b>620</b>	<b>888</b>
<b>EBIT adjustment items</b>	<b>620</b>	<b>888</b>
<b>Adjusted EBIT</b>	<b>6,665</b>	<b>8,960</b>

In Euro thousands	Q1 2023	Q1 2022
<b>Net Profit for the period</b>	<b>3,758</b>	<b>5,192</b>
EBIT adjustment items	620	888
Income taxes on adjusted items	-149	-213
<b>Adjusted Net Profit for the period</b>	<b>4,229</b>	<b>5,867</b>
<b>(Profit attributable to non-controlling interests)</b>	<b>-351</b>	<b>-449</b>
(Adjustments to non-controlling interests)	-	-
<b>Adjusted Group Net Profit</b>	<b>3,878</b>	<b>5,418</b>



	Q1 2023	Q1 2022
<b>Group Net Profit</b> (in Euro thousands)	<b>3,407</b>	<b>4,743</b>
Outstanding shares at year-end	62,672,800	63,322,800
<b>Earnings (loss) per share (Euro/cents)</b>	<b>5.44</b>	<b>7.49</b>

In Euro thousands	31/03/2023	31/12/2022	31/03/2022
Other receivables	7,437	5,521	7,554
Tax assets	18,908	27,473	28,897
(Provision for risks and charges)	-8,675	-14,344	-16,288
(Other payables)	-19,217	-23,073	-35,405
(Tax liabilities)	-4,747	-8,168	-15,795
<b>Other net assets / liabilities</b>	<b>-6,295</b>	<b>-12,592</b>	<b>-31,038</b>

## 2019-2025 Phantom Stock & Voluntary Co-Investment Plan

ATTRIBUTION APRIL 27, 2023. RELATED TO CYCLE 2020-2022

Data 4/27/2023

Box 1 - Scheme 7 - Annex 3A - Issuers Regulation								
Name Surname or Category	Office	Financial Instruments other than stock options						
		Section 1						
		Instruments relating to plans, currently valid, approved on the basis of previous Shareholders' Meeting						
		Date of the Shareholders' Meeting	Type of financial instrument	Number of financial instruments	Assignment Date	Instrument purchase price (if applicable)	Market Price at the date of the assignment	Vesting Period
Casoli Francesco	President	4/18/2019	Phantom Stock	243,489	5/7/2020	without consideration	2.850 €	3 years
Giulio Cocci*	AD	4/18/2019	Phantom Stock	27,962	5/7/2020	without consideration	2.850 €	3 years
Executives with strategic responsibilities		4/18/2019	Phantom Stock	33,031	5/7/2020	without consideration	2.850 €	3 years
Other Employees or Partners of the Group - cluster 2		4/18/2019	Phantom Stock	23,593	5/7/2020	without consideration	2.850 €	3 years
Other Employees or Partners of the Group - cluster 3		4/18/2019	Phantom Stock	54,587	5/7/2020	without consideration	2.850 €	3 years
Executives with strategic responsibilities**		4/18/2019	Phantom Stock	11,657	7/30/2020	without consideration	2.530 €	3 years
Other Employees or Partners of the Group - cluster 3		4/18/2019	Phantom Stock	29,271	7/30/2020	without consideration	2.530 €	3 years

cluster 2: Strategic Executives at the time of the Assignment but no longer at the current date

cluster 3: Key People and High Potential of the Company who cover key functions and with a significant impact on the creation of value for the Company and for the shareholders

\* He was not in the role of CEO at the date of assignment

\*\* Not all current Executives had this qualification at the assignment date

DEFERRED ATTRIBUTION MAY 05, 2023. RELATED TO CYCLE 2018-2020

Data 4/27/2023

Box 1 - Scheme 7 - Annex 3A - Issuers Regulation								
Name Surname or Category	Office	Financial Instruments other than stock options						
		Section 1						
		Instruments relating to plans, currently valid, approved on the basis of previous Shareholders' Meeting						
		Date of the Shareholders' Meeting	Type of financial instrument	Number of financial instruments	Assignment Date	Instrument purchase price (if applicable)	Market Price at the date of the assignment	Vesting Period
Casoli Francesco	President	4/28/2017	Phantom Stock Differite	204,890	5/5/2021	without consideration	3.580 €	2 years
Other Employees or Partners of the Group - cluster 3		4/28/2017	Phantom Stock Differite	10,992	5/5/2021	without consideration	3.580 €	2 years

cluster 3: Key People and High Potential of the Company who cover key functions and with a significant impact on the creation of value for the Company and for the shareholders