Q3 2023 Results

ANALYSTS PRESENTATION

THURSDAY OCTOBER 26TH, 2023

AGENDA

1 Q3 HIGHLIGHTS

2 INDUSTRY TREND

3 SALES DYNAMICS

4 ECONOMICS & FINANCIALS

5 CLOSING REMARKS

Q3 2023 RESULTS

HIGHLIGHTS

NET SALES
105,6 M€

YoY Change
-23,2 M€ -18,0%
(organic: -15,8%)

EBIT ADJ
5,2 M€
5,0%

YoY Change
-1,8 M€
-0,5 pts

NFP
(47,0) M€
Leverage: ~ 0,9

YoY Change
-8 M€

- Persisting weak market demand in Cooking business. Significant Heating industry slowdown since June, negatively impacting Motor division.
- Margin fully protected despite significant volume effect thanks to industrial footprint flexibility and strong cost control → **Ebitda margin + 80 bps vs Q3 2022.**
- Leverage under control despite revenues decline. Further inventories reduction plan ongoing.

9M 2023 RESULTS

HIGHLIGHTS

NET SALES
360,0 M€

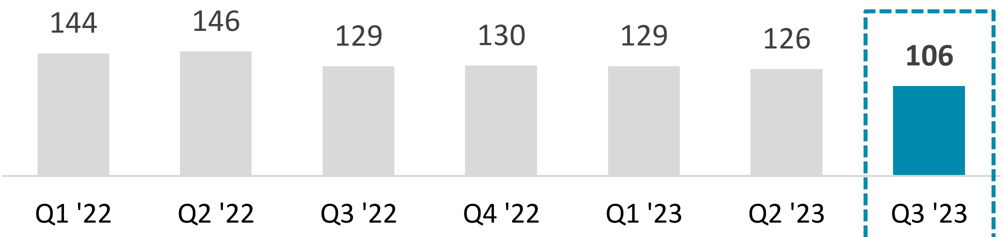
YoY Change
-58,9 M€ -14,0%
(organic: -13,3%)

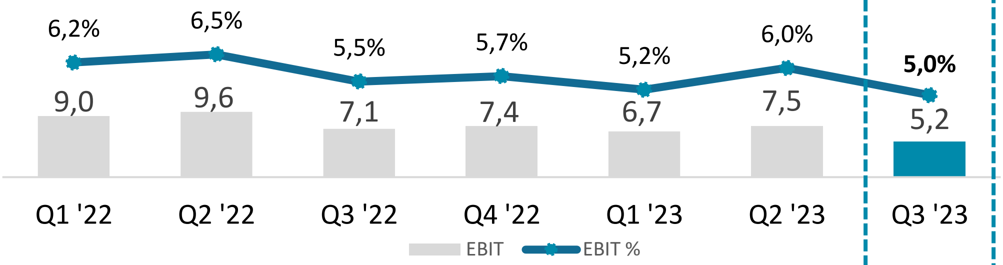
EBIT ADJ
19,4 M€
5,4%

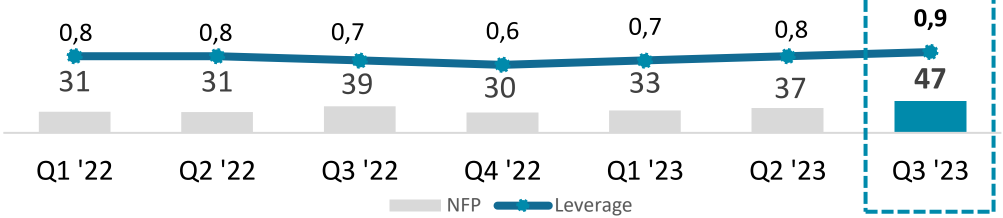
YoY Change
-6,2 M€
-0,7 pts

NFP
(47,0) M€
Leverage: ~ 0,9

YoY Change
-8 M€





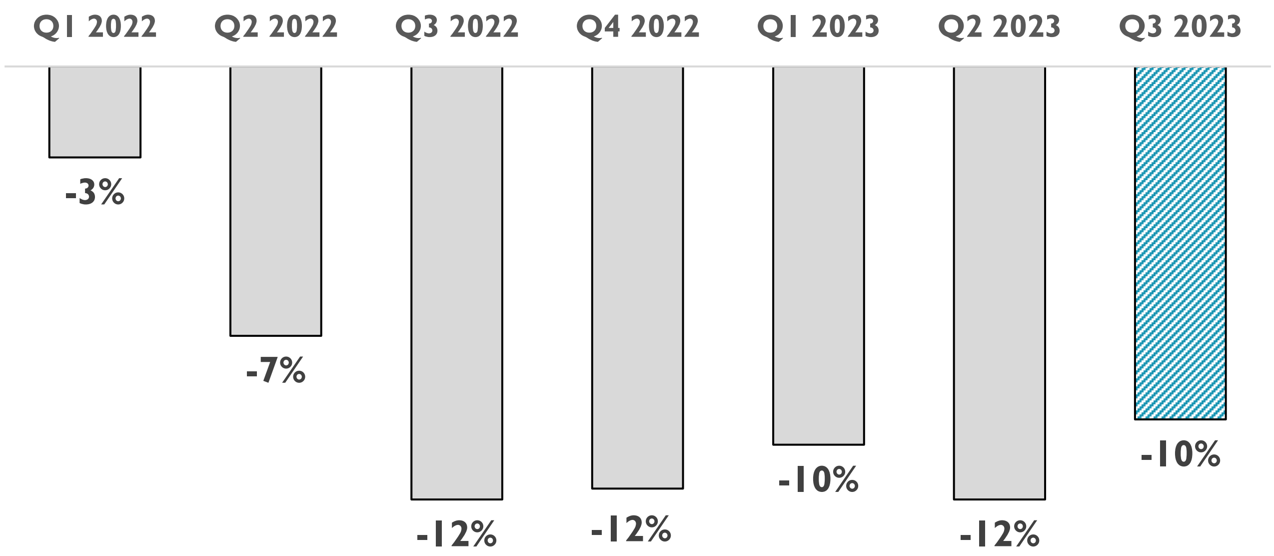


INDUSTRY TREND

EMEA - COOKER HOODS INDUSTRY UNIT SHIPMENTS

Volume Data Change % vs LY

EMEA*

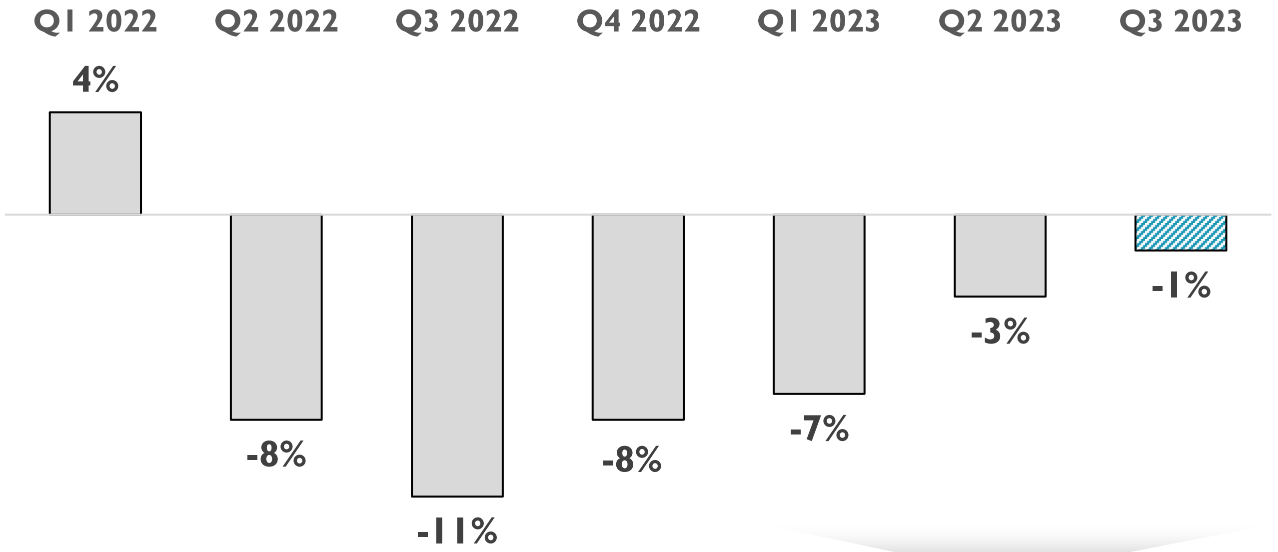


* Excluding Russia: SOURCE: ELICA GROUP ESTIMATES

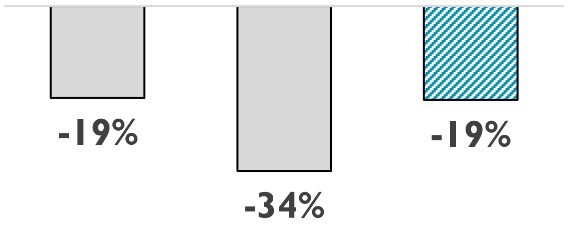
NORTH AMERICA - COOKER HOODS INDUSTRY UNIT SHIPMENTS

Volume Data Change % vs LY

COOKING PRODUCTS*



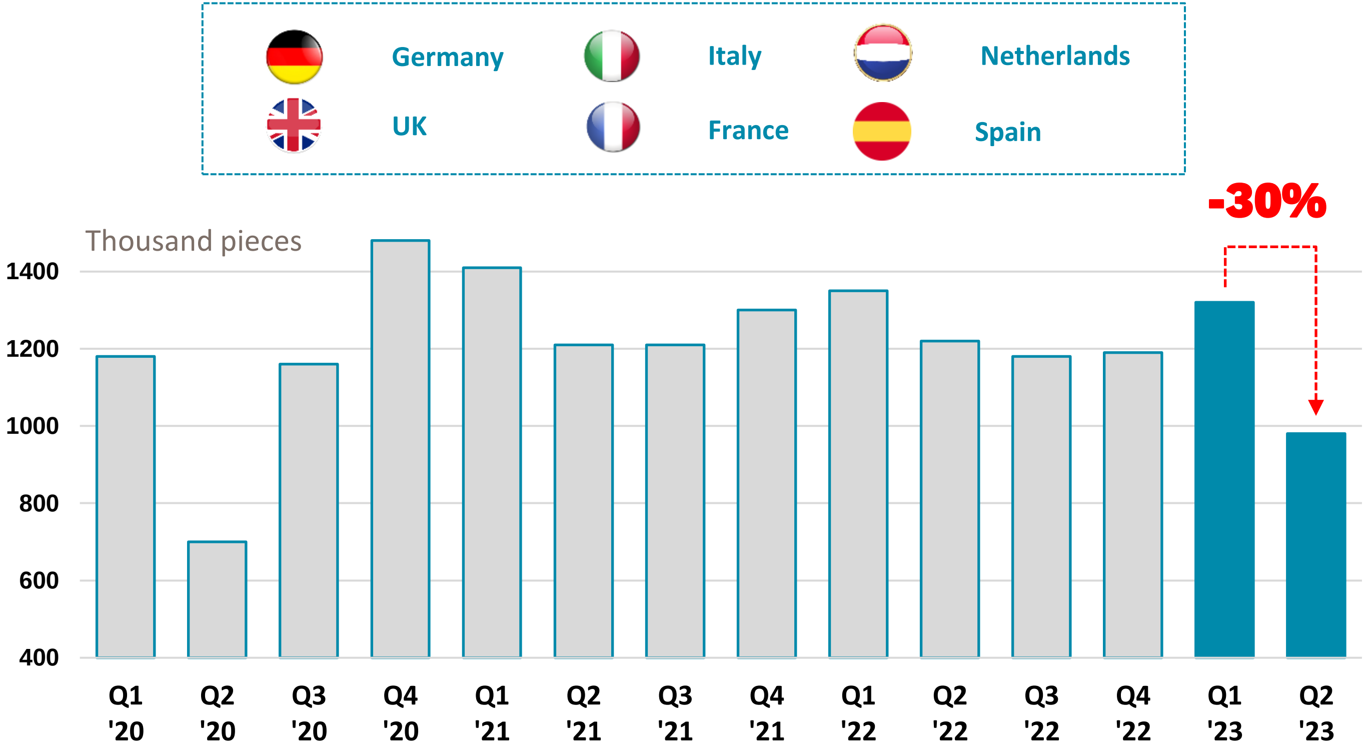
VENTILATION PRODUCTS**



* SOURCE AHAM: DATA REFERS TO ALL COOKING PRODUCT RANGES but MICROWAVES, COVERING ≈ 40% OF THE MARKET

** SOURCE AHAM

HEATING SECTOR MARKET TREND - BOILERS



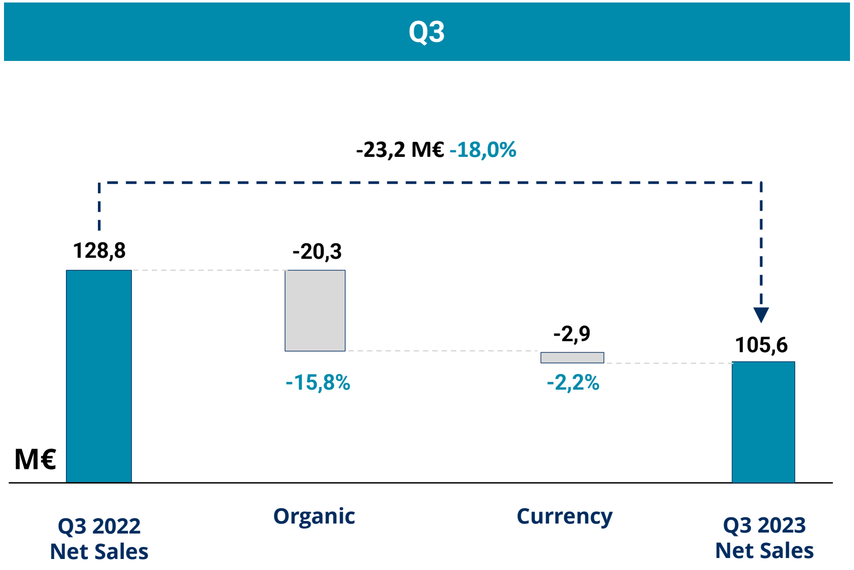
ehi association of the European Heating Industry

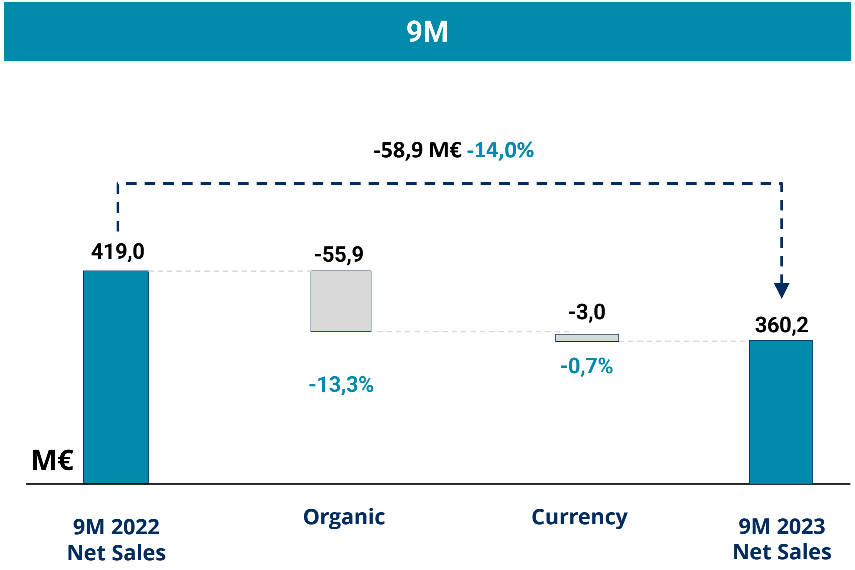
Visibility in the Heating segment remains limited due to the change in incentives regulations and legislation announcement effect

*Source: EHI – European Heating Industry, Aug 31 2023

SALES DYNAMIC

SALES KEY DRIVERS

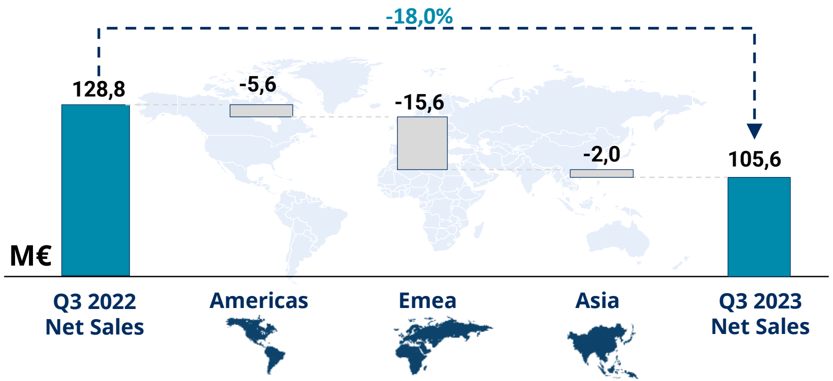




- Cooking trend still affected by volumes decline, as a result of the persistent weaker market demand compared to last year.
- Motors: Ventilation negative trend remain unchanged, on the other hand, Heating in Q3 accounted a significant slow down due to the change in incentives regulations and legislation announcement effect, combined with customers destocking measures.

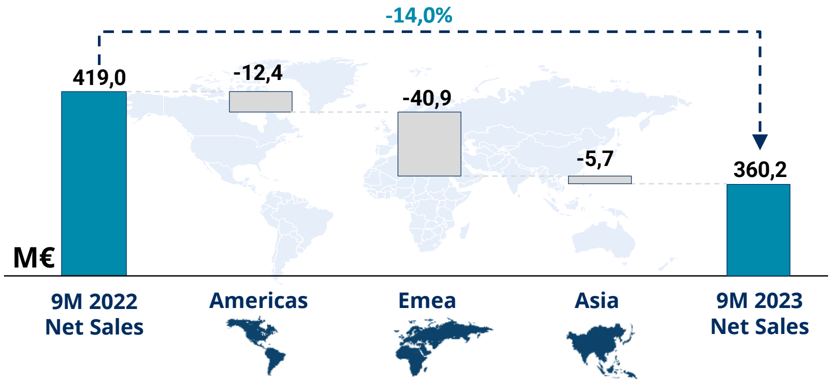
SALES DRIVERS & REGIONAL OVERVIEW

Q3



Q3 2022	21,4	98,6	8,9	128,8
Currency	-0,9 -4,4%	-1,1 -1,2%	-0,8 -8,8%	**-2,9** -2,2%
ORGANIC Growth	-4,7 -21,9%	-14,5 -14,7%	-1,2 -13,3%	**-20,3** -15,8%
YoY Change	**-5,6** -26,3%	**-15,6** -15,8%	**-2,0** -22,1%	**-23,2** -18,0%
Q3 2023	15,7	83,0	6,9	105,6
Regional weights	**15%**	**79%**	**7%**	

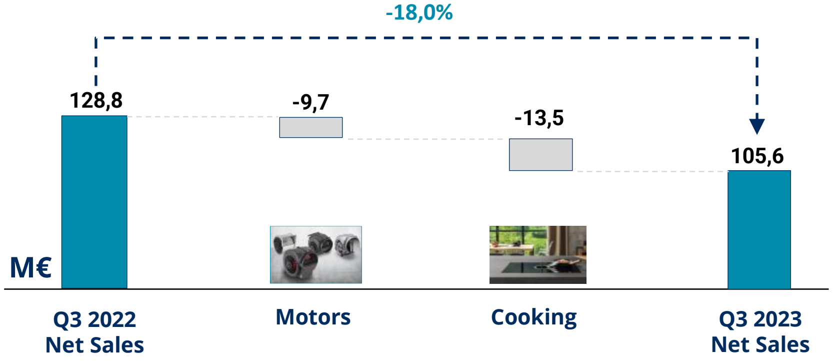
9M



9M 2022	63,0	327,7	28,3	419,0
Currency	-0,3 -0,4%	-1,0 -0,3%	-1,8 -6,2%	**-3,0** -0,7%
ORGANIC Growth	-12,1 -19,2%	-39,9 -12,2%	-3,9 -13,7%	**-55,9** -13,3%
YoY Change	**-12,4** -19,6%	**-40,9** -12,5%	**-5,7** -19,9%	**-58,9** -14,0%
9M 2023	50,6	286,9	22,7	360,2
Regional weights	**14%**	**80%**	**6%**	

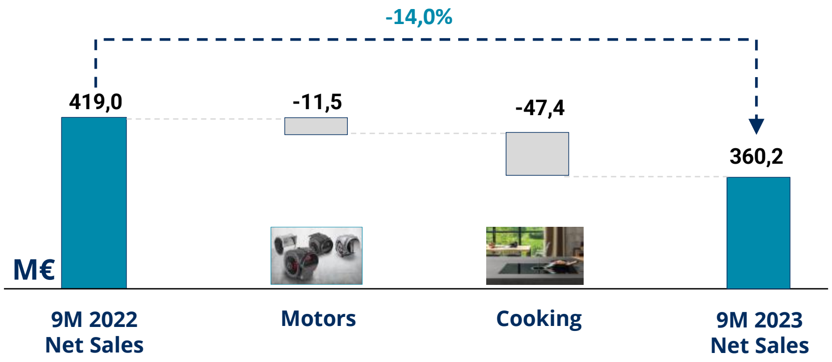
SALES BY BUSINESS

Q3



Q3 2022	31,5	97,3	128,8
Currency	+0,1 +0,2%	-2,9 -3,0%	**-2,9** -2,2%
ORGANIC Growth	-9,8 -31,9%	-10,6 -10,9%	**-20,3** -15,8%
YoY Change	**-9,7** -30,8%	**-13,5** -13,9%	**-23,2** -18,0%
Q3 2023	**21,8**	**83,8**	**105,6**
Business weights	**21%**	**79%**	

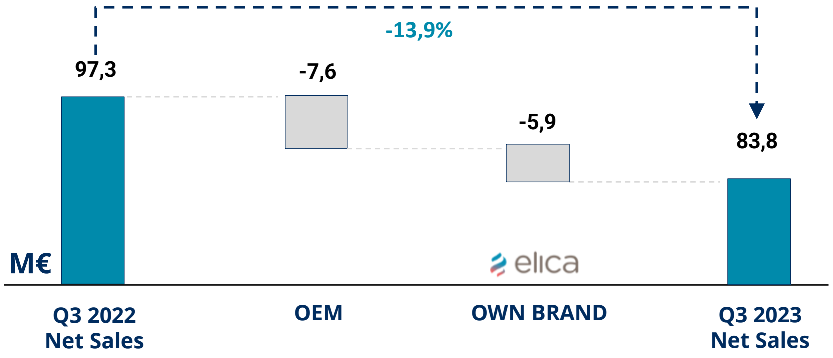
9M



9M 2022	95,2	323,8	419,0
Currency	+0,1 +0,1%	-3,1 -0,9%	**-3,0** -0,7%
ORGANIC Growth	-11,5 -12,1%	-44,3 -13,7%	**-55,9** -13,3%
YoY Change	**-11,5** -12,0%	**-47,4** -14,6%	**-58,9** -14,0%
9M 2023	**83,8**	**276,4**	**360,2**
Business weights	**23%**	**77%**	

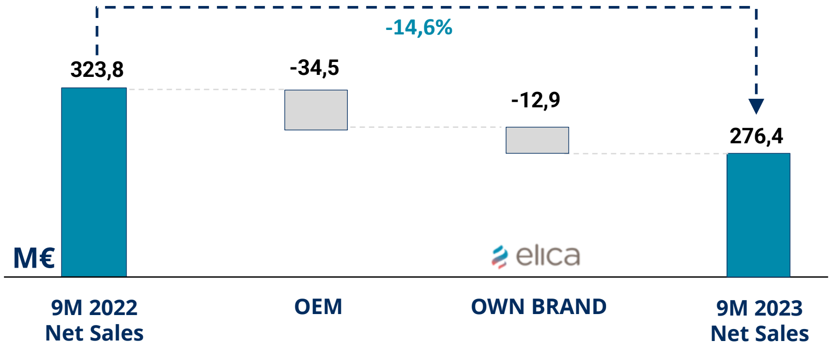
COOKING SALES BY BRAND

Q3



Q3 2022	41,4	55,9	97,3
Currency	-0,6 -1,4%	-2,3 -4,2%	**-2,9** -3,0%
ORGANIC Growth	-7,0 -16,9%	-3,6 -6,4%	**-10,6** -10,9%
YoY Change	**-7,6** -18,3%	**-5,9** -10,6%	**-13,5** -13,9%
Q3 2023	**33,8**	**50,0**	**83,8**
Brand weights	**40%**	**60%**	

9M



9M 2022	142,1	181,6	323,8
Currency	-0,1 -0,1%	-3,0 -1.6%	**-3,1** -0,9%
ORGANIC Growth	-34,4 -24,2%	-9,9 -5,5%	**-44,3** -13,7%
YoY Change	**-34,5** -24,3%	**-12,9** -7,1%	**-47,4** -14,6%
9M 2023	**107,6**	**168,7**	**276,4**
Brand weights	**39%**	**61%**	

ECONOMICS & FINANCIALS

MARGINS & KEY RESULT DRIVERS

€M	Q3			9M		
	2023	2022	% VAR	2023	2022	% VAR
NET SALES	105,5	128,8	(18,0)%	360,2	419,0	(14,0)%
ADJ EBITDA	11,4	12,8	(11,3)%	37,5	43,3	(13,4)%
% NET SALES	10,8%	10,0%	80 bps	10,4%	10,3%	10 bps
ADJ EBIT	5,2	7,1	(26,1)%	19,4	25,6	(24,3)%
% NET SALES	5,0%	5,5%	-50 bps	5,4%	6,1%	-70 bps
NRI	(0,3)	(1,5)	80,2%	(1,3)	(3,5)	62,7%
EBIT	4,9	5,6	(12,0)%	18,1	22,1	(18,2)%
% NET SALES	4,7%	4,4%	30 bps	5,0%	5,3%	-30 bps
PBT	2,9	3,0	(2,1)%	13,8	22,0	(37,1)%
% NET SALES	2,8%	2,3%	50 bps	3,8%	5,2%	-140 bps
NET PROFIT	2,2	1,5	39,8%	10,7	14,5	(26,2)%
% NET SALES	2,1%	1,2%	80 bps	3,0%	3,5%	-50 bps
MINORITIES	0,4	0,6	(35,9)%	1,1	1,2	(6,4)%
GROUP NET PROFIT	1,8	1,0	82,1%	9,6	13,3	(28,0)%
% NET SALES	1,7%	0,8%	90 bps	2,7%	3,2%	-50 bps

CHANGES vs. PRIOR YEAR

	Q3	9M
VOLUME	---	---
PRICE / MIX	-	-
RAW MATERIAL INFLATION	+	+
COST TAKEOUT	+ +	+ +
CURRENCY	-	-
D&A	-	-
ADJ EBIT	-1,8	-6,2
NRI	++	++
FINANCIAL COSTS	+	-
COMBINED TAX RATE	+	+
NET PROFIT	0,6	-3,8

Q3 MARGIN PROTECTED DESPITE VOLUMES DROP , GROUP NET PROFIT 2x vs LY

9M 2023 – NET FINANCIAL POSITION

€M	9M 2023	9M 2022	VAR
OPENING NFP	**43,9**	**35,1**	**(8,8)**
IFRS16 EFFECT	14,0	12,4	1,6
OPENING NFP NET of IFR16	**29,9**	**22,7**	**(7,2)**
OPERATING CASH FLOW	22,8	30,6	(7,8)
(*) CAPEX	(11,5)	(12,2)	0,7
TAXES	(2,4)	(6,1)	3,7
OPERATING FCF	**9,0**	**12,3**	**(3,3)**
% SALES	*1,6%*	*2,3%*	
Buy Back	(0,9)	(1,3)	0,4
Industrial Footprint Cash-out	(2,7)	(8,7)	6,0
M&A Cash Out	(7,0)	(13,1)	6,1
Dividend & Financial Items	(9,6)	(2,1)	(7,5)
Other NRI	(5,8)	(3,3)	(2,5)
CLOSING NFP of IFR16	**47,0**	**38,9**	**(8,1)**
LEVERAGE (NFP/EBITDA)	**0,9**	**0,7**	

COMMENTS

- **Leverage in line with LY** despite:
  - EU Manufacturing footprint relocation ~2,7M€
  - M&A (Last tranche EMC): ~7,0M€
  - Shares Buyback: ~0,9M€
  - Elica Dividend ~5,0M€
- NWC negatively impacting on Operating Cash Flow for ~8M€: further inventories reduction plan ongoing.

WELL POSITIONED TO ACHIEVE OUR MID TERM TARGETS

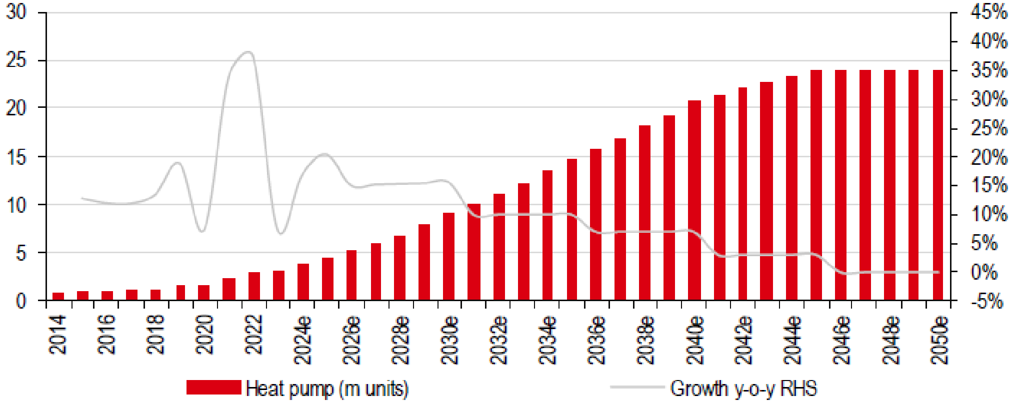
LHOV *Design Fabrizio Crisà*

DESIGN for **LOVE**

MOTOR DIVISION: HEAT PUMPS GROWTH OPPORTUNITY

- HISTORICAL DATA AND FUTURE PROJECTIONS CONFIRMING THE HUGE POTENTIAL

2014 - 2050 MARKET PROJECTIONS*



- WE'RE READY TO PRODUCE FROM DECEMBER '23 OUR FANS FOR HEAT PUMPS

RADIAL SOLUTIONS

- High performances and efficiency
- Low noise
- Low power consumption

AXIAL SOUTIONS

- Fluid dynamics optimized
- Compact design
- Easy installation

* SOURCE: EHPA and HSBC Estimates

COOKING: FROM CORE BUSINESS TO A COMPLETE RANGE OFFER

CORE BUSINESS

Cooker hoods

Keep the leadership and the unique selling proposition leveraging on **design and technology**.

Aspiration Hobs

Growth in market share thanks to a **Wider product range** based on **design** and **unique features**,
able to **address the different user needs** and **flexible for any kitchen** configuration

NEW BUSINESS OPPORTUNITIES

HOVs

A breakthrough innovation to create a new cooking segment

Built-in complements

Enlarging the offer in built-in leveraging on **leadership position in growing markets**

TOWARDS TO A COOKING COMPANY

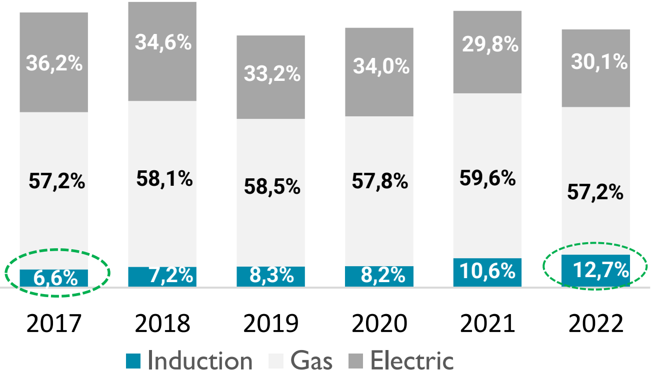
COOKING 360°
Design
Performance
Innovation

INDUCTION GROWTH OPPORTUNITIES

elica

COOKTOPS UNITS TREND

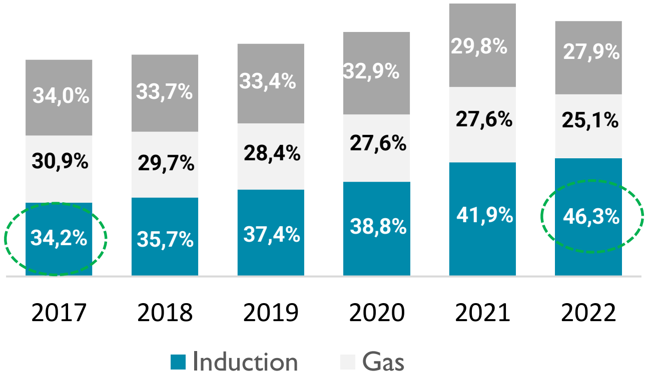
NORTH AMERICA



*Source AHAM

HOBS UNITS TREND

EUROPE 20



*Source GFK

NIKOLATESLA SWITCH
ASPIRATION

NIKOLATESLA FLUX
ASPIRATION

VOLTA
INDUCTION

INDUCTION

ASPIRATION

NIKOLATESLA FIT 3Z

NIKOLATESLA ALPHA

FURTHER NOVELTIES IN THE ASPIRATION HOBS RANGE AND A NEW 2024 LINE-UP IN THE INDUCTION HOBS

“BOOTS ON GROUND”

NEW DISTRIBUTOR IN NORTH AMERICA in PARTNERSHIP WITH ILVE

Introducing **SEA, Southeast Appliance** - Your Trusted Appliances Distributor!

We are thrilled to announce the launch of SEA, Southeast Appliance. We are on a **mission to bring quality, innovation, and reliability to every household and business**.

With a passion for delivering the latest in appliances and an unwavering commitment to **exceptional customer service**, SEA, Southeast Appliance is set to redefine the way of home experience and commercial appliances.

Our commitment to **excellence, innovation, and customer satisfaction** sets us apart in the industry.

SAME DISTRIBUTION MODEL BEING IMPLEMENTED FOR CANADA

CLOSING REMARKS

ELICA KEEPS BOOSTING ON ITS BRAND AWARENESS AND UNIQUENESS

READY FOR THE SECOND WAVE OF
THE NIKOLATESLA UNPLUGGED CAMPAIGN

THE CROSS-CHANNEL CAMPAIGN WILL BE ON AIR FOR TWO MONTHS

	OCTOBER	NOVEMBER	DECEMBER

200+
SPOT

15/10 - 4/11

12 - 25/11

40+
PRESS RELEASES

15/10 – 17/12

+ 60Mio
USERS REACHED

16/10 – 11/12

CLOSING REMARKS

2023 YTD Takeaways :

- Persisting weak market demand in Cooking business and significant Heating industry slowdown in Motor division, negatively impacting revenues.
- Margins fully protected thanks to industrial footprint flexibility and strong cost control. Solid fundamentals, low contribution from decreasing raw materials costs to offset negative volumes impact.
- **Leverage in line with LY,** healthy mid-term debt structure @2020 interest rates.

Full Year Guidance:

- Revenues: ~ **-15%** vs 2022
  - Cooking market demand not expected to improve YoY in Q4
    → **Priorities:** Defend Market Shares and continue the phase-in of Elica new product range and distribution enlargement
  - Motors: heating market not expected to improve in Q4
    → **Priorities**: Heat-Pumps (Q4), Hydrogen
- **Operating Margin:** ~ **-50** bps vs LY
- **Leverage** in line with Q3

ANNEX: FINANCIAL HIGHLIGHTS

Q3 CONSOLIDATED INCOME STATEMENT

€M	3Q 23	3Q 22	%
Net Sales	**105.6**	**128.8**	-18.0%
EBITDA Adj	**11.4**	**12.8**	-11.3%
%	*10.8%*	*10.0%*	*81 bps*
EBITDA	**11.1**	**11.4**	-2.5%
%	*10.5%*	8.8%	*168 bps*
EBIT	**4.9**	**5.6**	-12.0%
%	*4.7%*	4.4%	*32 bps*
Net Result	**2.2**	**1.5**	39.8%
%	*2.1%*	*1.2%*	*85 bps*
EPS* – Euro cents	**2.92**	**1.62**	*80.5%*

(*) 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.

9M CONSOLIDATED INCOME STATEMENT

€M	9M 23	9M 22	%
Net Sales	**360.2**	**419.0**	-14.0%
EBITDA Adj	**37.5**	**43.3**	-13.4%
%	*10.4%*	*10.3%*	*8 bps*
EBITDA	**36.2**	**39.8**	-9.1%
%	*10.0%*	*9.5%*	*54 bps*
EBIT	**18.1**	**22.1**	-18.2%
%	*5.0%*	*5.3%*	*-26 bps*
Net Result	**10.7**	14.5	-26.2%
%	*3.0%*	*3.5%*	*-49 bps*
EPS* – Euro cents	**15.35**	**21.15**	*-27.4%*

(*) 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	9M 23	FY 22	Δ
Trade receivables	30.8	48.5	(17.7)
% on annualized sales	*6.4%*	*8.8%*	*(240) bps*
Inventories	109.1	101.5	7.6
% on annualized sales	*22.7%*	*18.5%*	*420 bps*
Trade payables	(121.2)	(139.6)	18.3
% on annualized sales	*(25.2)%*	*(25.4)%*	*20 bps*
Managerial Working Capital	**18.6**	**10.4**	**8.2**
% on annualized sales	***3.9%***	***1.9%***	***200 bps***
Short term assets & liabilities	1.6	(12.6)	14.2
% on annualized sales	*0.3%*	*(2.3)%*	*260 bps*
Net Working Capital	**20.2**	**(2.2)**	**22.4**
% on annualized sales	***4.2%***	***(0.4)%***	***460 bps***

CONSOLIDATED CASH FLOW

€M	9M 23	9M 22
Operating Cash Flow	15.7	14.4
Capex (*)	(11.5)	(12.2)
Cash Flow from Financial Activities	(20.8)	(19.2)
∆ Net Financial Position	**(16.5)**	**(17.0)**

CONSOLIDATED B/S

	9M 23	9M 22		9M 23	9M 22
Net Operating Fixed Assets	181.3	175.1	Net Financial Position (*)	59.6	51.8
Net Working Capital	20.2	12.4	Group Equity Minorities	140.7 5.1	131.5 5.0
Net Financial Assets	3.9	0.8	**Total Shareholders' Equity**	**145.8**	**136.5**
Net Capital Employed	**205.4**	**188.3**	**Total Sources**	**205.4**	**188.3**

(*) Including IFRS 16 effect

FOCUS: NRI & MINORITIES

RESTRUCTURING COSTS & NRI

€M	2023		2022	
	Q3	9M	Q3	9M
PATENTS AGREEMENT	---	---	---	-3,2
RESTRUCTURING SG&A	0,3	0,9	0,1	1,0
INDUSTRIAL PLAN	0,0	0,2	1,3	5,6
OTHERS	0,0	0,2	---	---
TOT NRI	**0,3**	**1,3**	**1,5**	**3,5**

- **FOCUSED on COST CONTAINMENT** and SGA Re-sizing

MINORITIES

€M	2023			2022		
	MINORTY SHARES	Q3	9M	MINORTY SHARES	Q3	9M
ARIAFINA	49,0%	0,4	1,1	49,0%	0,6	1,2
TOT MINORITIES		**0,4**	**1,1**		**0,6**	**1,2**

- **ARIAFINA** (Japan) performance in line with 2022


elica