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Foreword

The figures of the year 2019 are reported in accordance with the new IFRS 16 accounting standard, introduced since January 1st, 2019.
*For comparative purposes, in some cases, the figures herein presented are "**normalized**", i.e. reported on a comparable basis with those of the previous year, hence excluding the effects deriving from the adoption of the aforementioned IFRS 16.*

Definitions & assumptions

In this presentation:

- ***Adjusted** stands for "before non recurring items and inputed costs of the stock option plan"*
- ***Continuing Operations** identify the consolidated perimeter excluding NPE s.r.l.;*
- ***ForEx** or **FX** stand for Foreign Exchange Rates;*
- *"**M**" stands for million and "**bn**" stands for billion.*
- ***Normalized** stands for excluding the application of IFRS-16 accounting standard;*
- ***Organic** stands for net of Foreign Exchange Rates and hedging derivatives effects;*
- ***Q3** stands for third quarter (June 30 – September 30), **9M** stands for first nine months (January 1st – September 30), **FY** stands for full year (January 1st – December 31);*
- ***Reported** stands for official data including the application of IFRS-16 accounting standard.*

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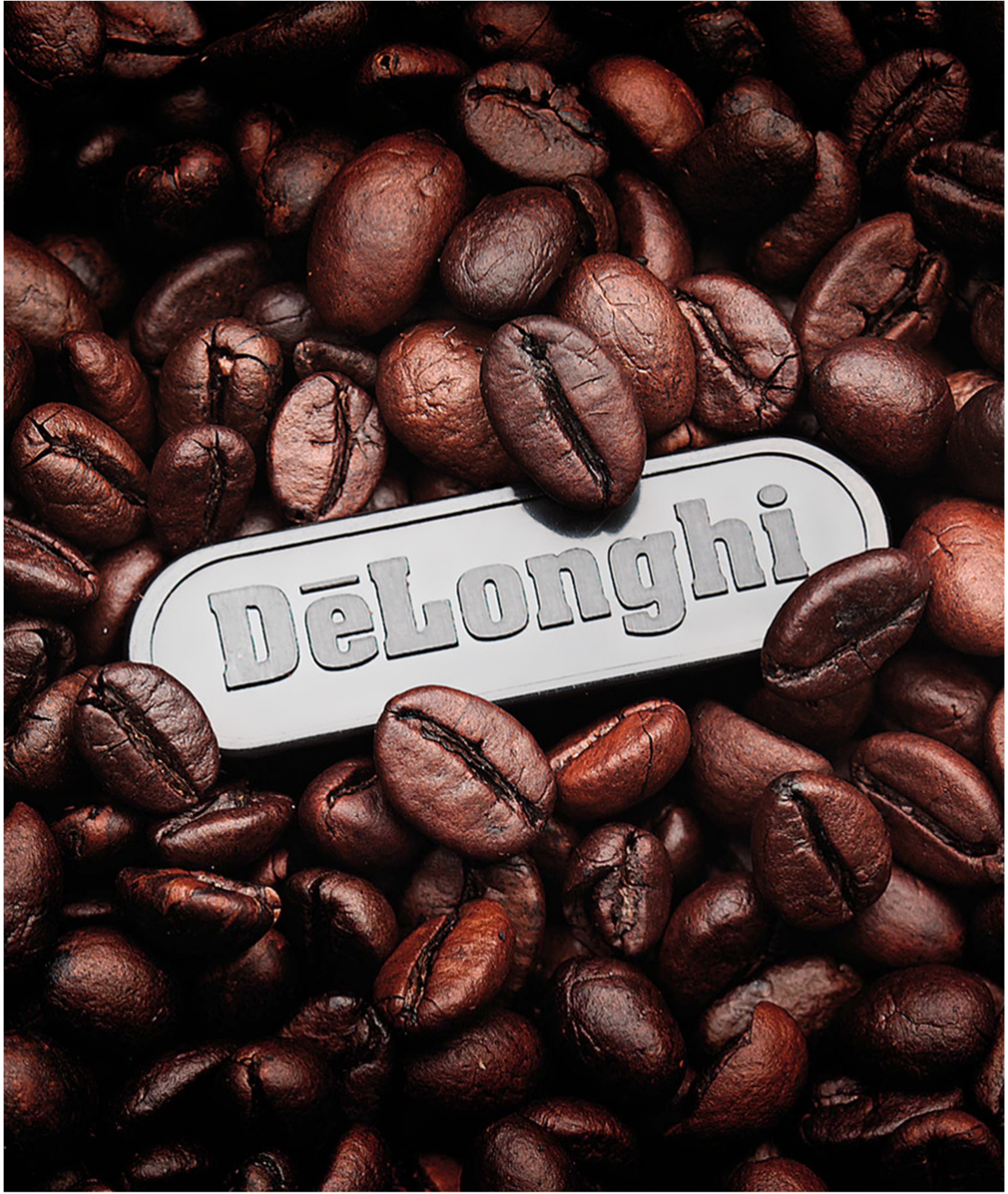


9 MONTHS 2019 RESULTS

HIGHLIGHTS

In Q3 2019:

- **Revenues** up 2.8% to € 458.2 M (+ 1.6% organic), driven by the coffee category, especially full-auto and pump espresso machines;
- **Adjusted EBITDA** up to € 60,1 M (equal to 13.1% of revenues) and to € 54.9 M *normalized* (equal to 12% of revenues, slightly improving from Q3-2018);
- **Net Income** up to € 29 M (€ 29.1 M *normalized*);

In 9M 2019:

- **Revenues** stable at +0.3%, due to discontinuities occurred in the first half, that have limited the expansion;
- **Adjusted EBITDA** down to € 157.9 M (€ 143.1 M *normalized*), drained by the incremental costs arose in the first half year;
- **Net Income** equal to € 71.8 M (€ 72.4 *normalized*);
- positive **Net Financial Position** improving in the six months to € 177.5 M on normalized values; after applying the IFRS-16 standard (bringing in a negative accounting effect of € 76 M), the NFP is reduced to € 101.5 M.

9 MONTHS 2019 RESULTS

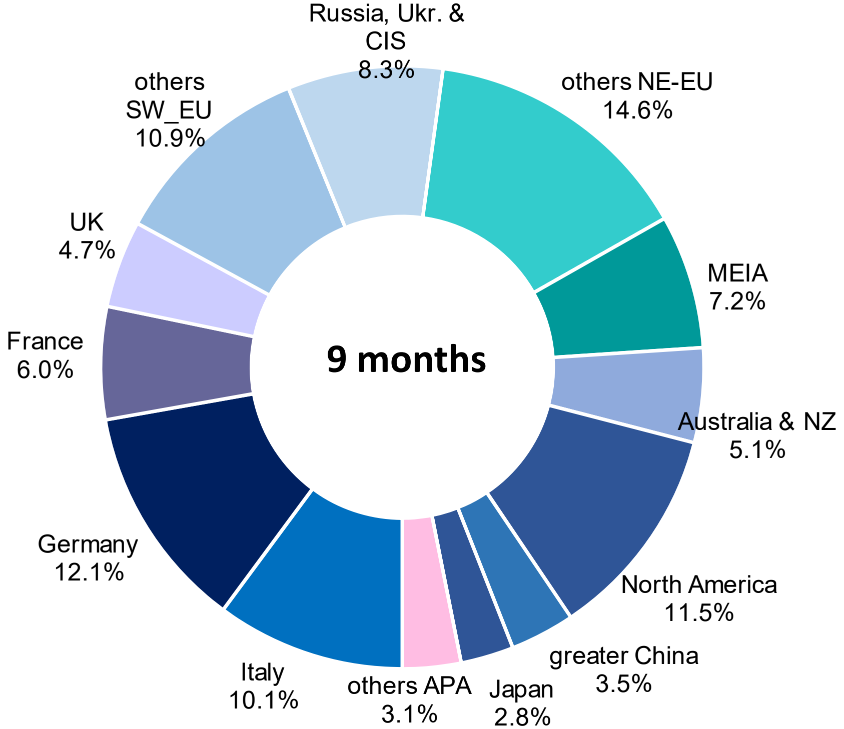
THE TOPLINE

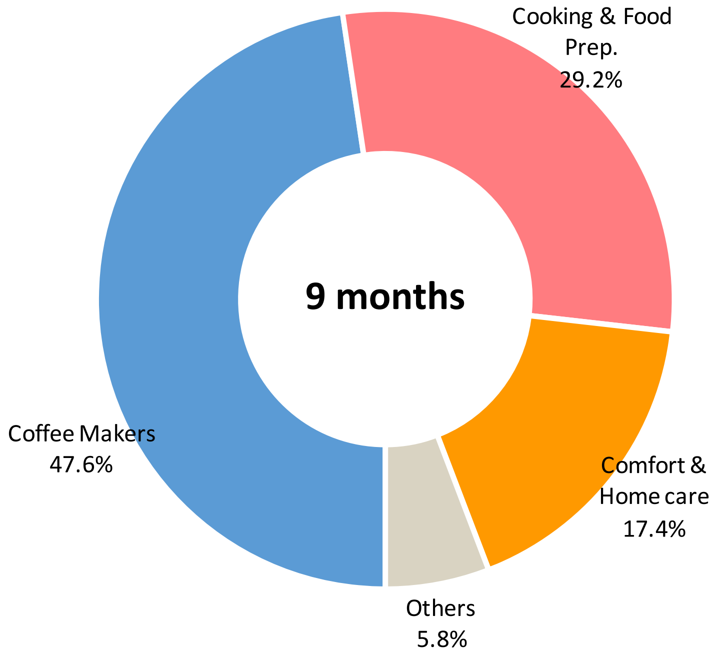
	9 months 2019	9 months 2018	3rd quarter 2019	3rd quarter 2018
Revenues	**1,303.7**	1,300.3	**458.2**	445.6
change %	*0.3%*		*2.8%*	
organic ch. %	*-1.1%*		*1.6%*	

- In the 9 months, revenues exited the negative territory, thanks to the positive growth trend delivered by the last two quarters;
- the 3rd quarter grew +2,8%, driven mainly by the coffee category (including also a double-digit performance of capsule systems) and the home care;
- the currency effect on revenues was equal to € 17.6 M in the 9 months and € 5.5 M in the Q3.

9 MONTHS 2019 RESULTS

REVENUES BY MARKET & PRODUCT





Q3 MAIN ORGANIC UPS & DOWNS

GROWING DOUBLE DIGIT	FRANCE, POLAND, CZECK R.+ SLOV+HUNG, SWITZERLAND
GROWING SINGLE DIGIT	UK, JAPAN, RUSSIA + CIS, USA & CANADA
DOWN	SAUDI ARABIA, FINLAND+SCANDINAVIA, BENELUX, GREATER CHINA

Q3 MAIN ORGANIC UPS & DOWNS

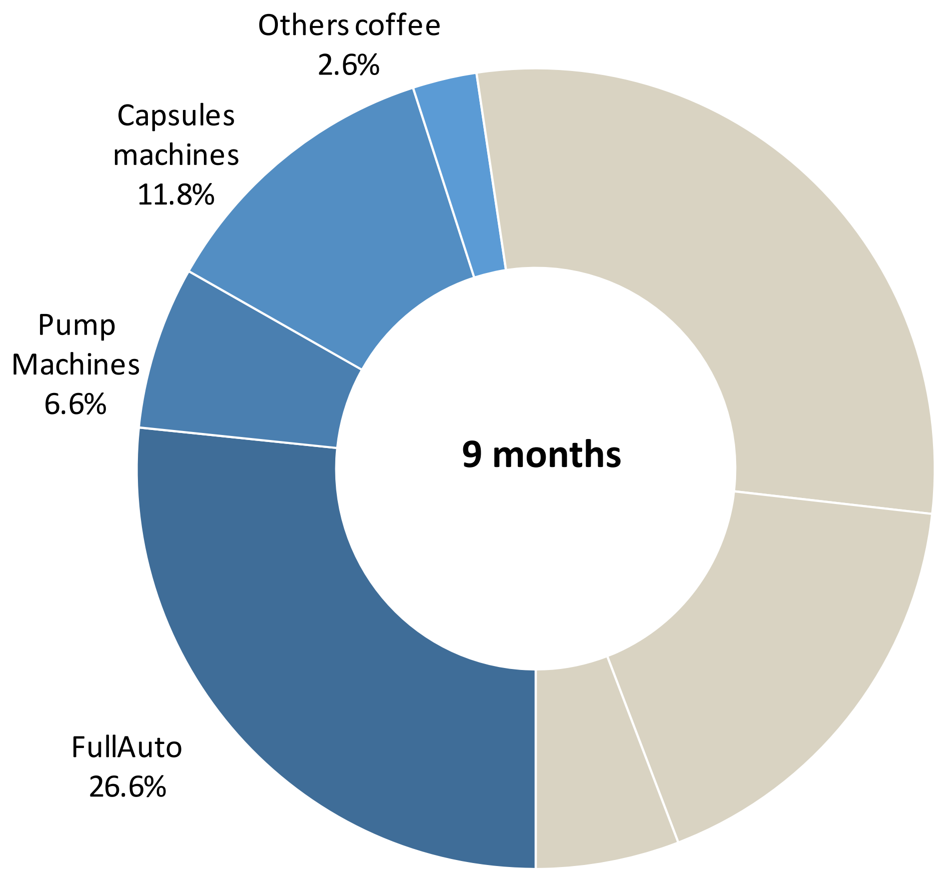
GROWING DOUBLE DIGIT	FULL-AUTO, PUMP, NESPRESSO, FLOOR-CARE.
GROWING SINGLE DIGIT	IRONING, PORTABLE AIR COND.
DOWN	HEATERS, FOOD PREPARATION

9 MONTHS 2019 RESULTS

REVENUES BY PRODUCT: COFFEE MAKERS

in Q3:

- Coffee has speeded things up in the last 3 months;
- full auto and pump machines up double digits;
- capsule systems up thanks to recovery of Nespresso sales, while still negative figures for Dolce Gusto products.



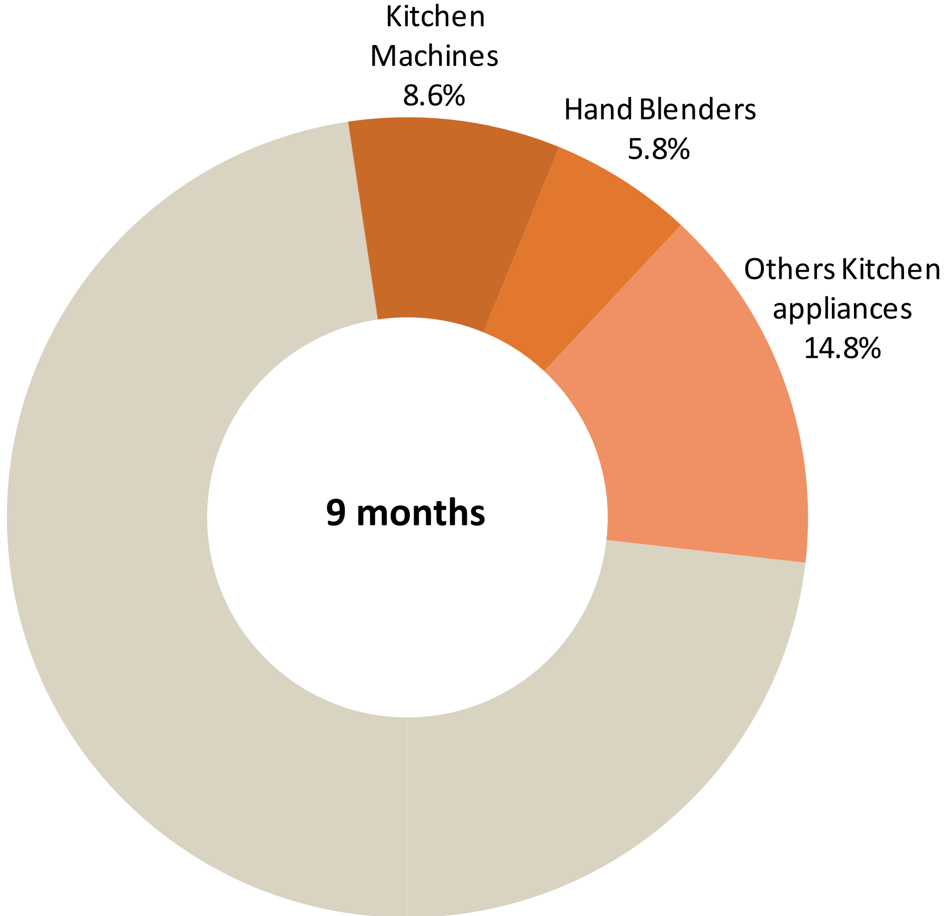
Based on management accounts

9 MONTHS 2019 RESULTS

REVENUES BY PRODUCT: FOOD PREPARATION

in Q3:

- Food Preparation business remains weak, but at a slower pace;
- the Kitchen Machines were slightly down in organic terms.



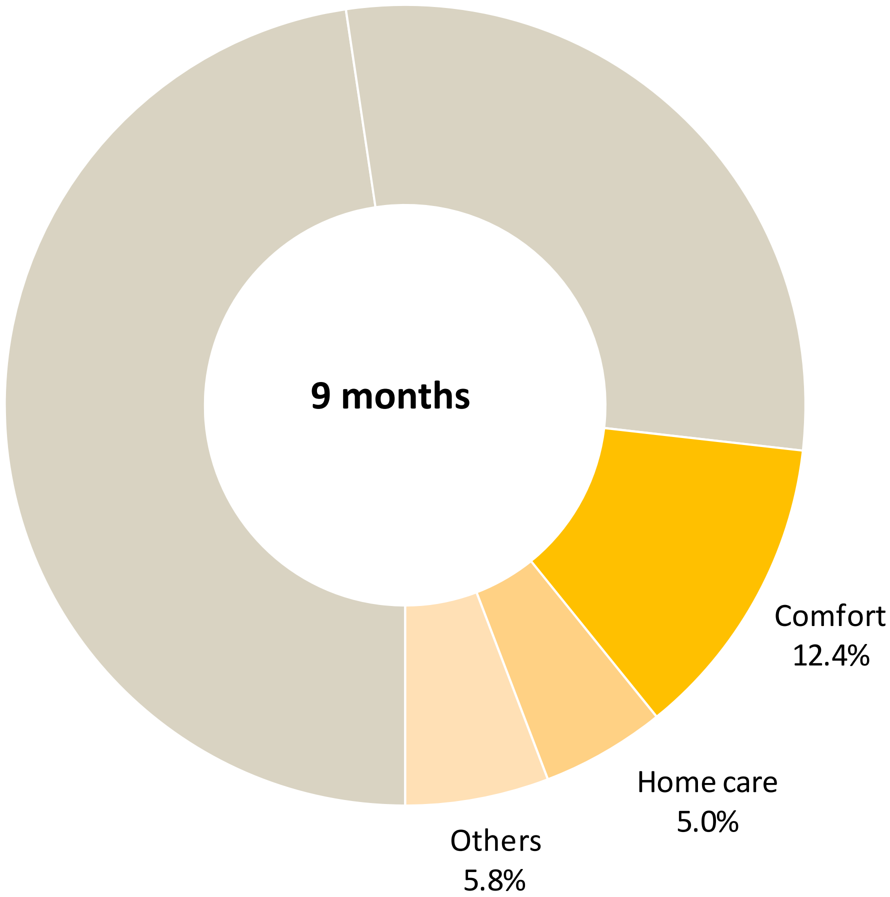
Based on management accounts

9 MONTHS 2019 RESULTS

REVENUES BY PRODUCT: COMFORT & HOME CARE

In Q3:

- Home care products in positive territory, sustained by floor care up double digit;
- negative performance for heaters, due to the slow start of the winter season.



Based on management accounts

9 MONTHS 2019 RESULTS

REVENUES BY REGION

EUR million	**9 months 2019**	*chg. %*	*organic chg. %*	**3rd Q 2019**	*chg. %*	*organic chg. %*
North East Europe	360.0	10.0%	9.0%	134.0	9.0%	6.9%
South West Europe	510.5	-0.5%	-0.7%	176.4	6.2%	6.0%
EUROPE	870.6	3.6%	3.1%	310.4	7.4%	6.4%
APA (Asia/Pacific/Americas)	339.5	-5.1%	-7.8%	115.2	-3.6%	-4.8%
MEIA (Middle East/India/Africa)	93.6	-8.2%	-12.4%	32.6	-12.0%	-15.9%
TOTAL REVENUES	**1,303.7**	**0.3%**	**-1.1%**	**458.2**	**2.8%**	**1.6%**

- **South-West Europe**: in the quarter the region increased evenly by mid-single digit, with an outstanding growth in France and Iberian peninsula;
- **North-East Europe:** positive progress in the last three months, sustained primarily by the evolution of full-auto coffee makers. Recovery is the UK (+7% !).
- **APA:** positive expansion in Japan and US + Canada, while the negative development of the capsule machines and the change in the distribution model weighted on Greater China's performance;
- **MEIA:** the performance of the area is still negative, affected by the weakness of the main markets, namely Saudi Arabia and UAE.

9 MONTHS 2019 RESULTS

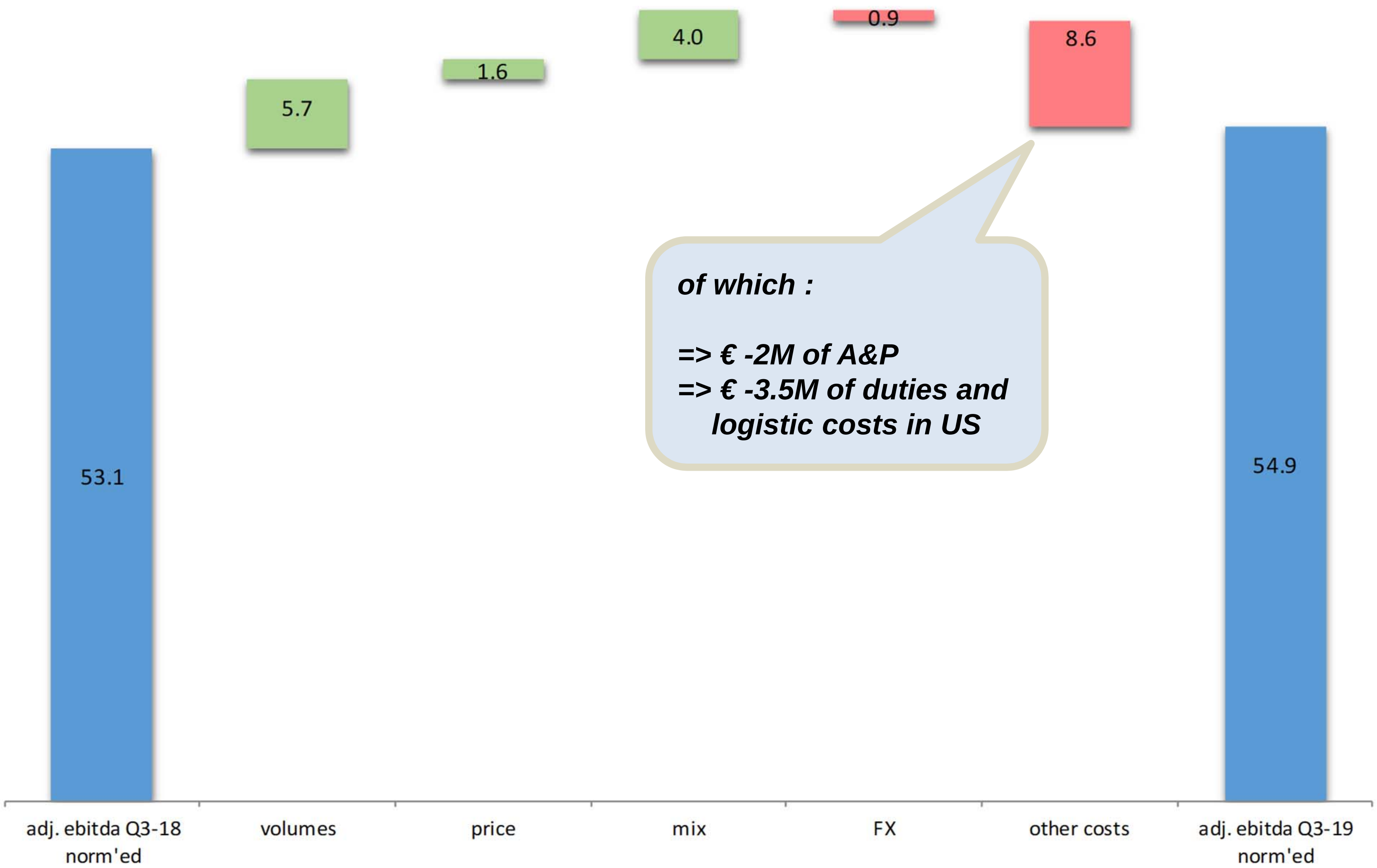
MARGINS: THE 3RD QUARTER

	9 months 2019	3rd quarter 2019	9 months 2019 "normalized"	9 months 2018	3rd quarter 2019 "normalized"	3rd quarter 2018
net ind. margin	**615.9**	**216.4**	**615.9**	617.6	**216.4**	210.5
% of revenues	*47.2%*	*47.2%*	*47.2%*	*47.5%*	*47.2%*	*47.2%*
adjusted Ebitda	**157.9**	**60.1**	**143.1**	162.2	**54.9**	53.1
% of revenues	*12.1%*	*13.1%*	*11.0%*	*12.5%*	*12.0%*	*11.9%*
Ebitda	**153.3**	**57.9**	**138.5**	157.1	**52.7**	52.1
% of revenues	*11.8%*	*12.6%*	*10.6%*	*12.1%*	*11.5%*	*11.7%*
Ebit	**96.2**	**38.2**	**95.4**	112.9	**37.9**	35.0
% of revenues	*7.4%*	*8.3%*	*7.3%*	*8.7%*	*8.3%*	*7.9%*
Net Income	**71.8**	**29.0**	**72.4**	82.0	**29.1**	26.0
% of revenues	*5.5%*	*6.3%*	*5.6%*	*6.3%*	*6.4%*	*5.8%*

- Flattish performance of the adjusted Ebitda margins (normalized) in the Q3, thanks to a positive price-mix effect (5.6 M€) and volume effect (5.7 M€), which together offset the additional costs;
- The A&P spending was increased by 4 M€ to sustain the sales in the short term and to improve the brand awareness in the long run;
- Net income (normalized) increased by 11.9%, with a tax rate of 19.5% in the Q3.

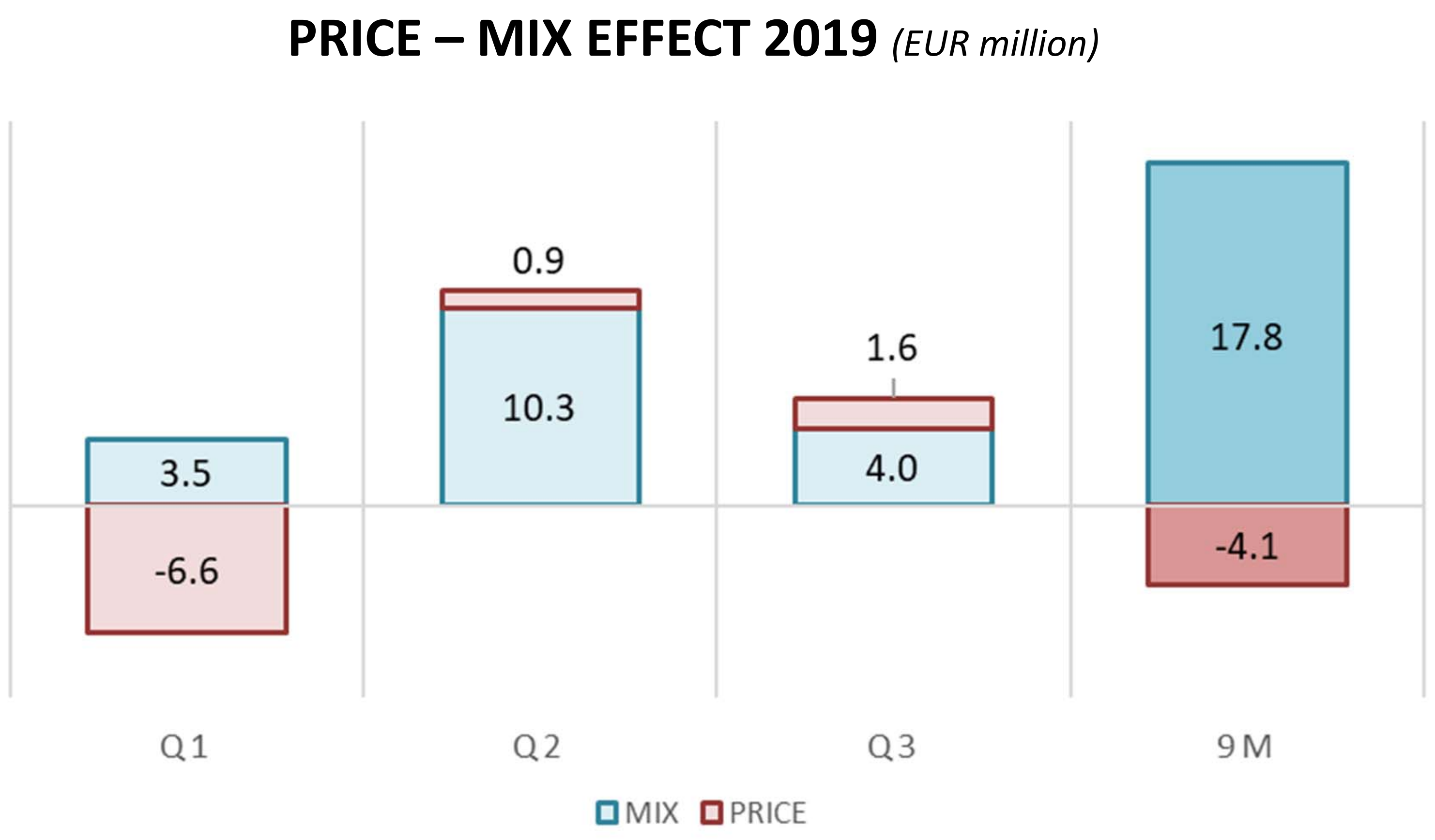
9 MONTHS 2019 RESULTS

Q3 ADJUSTED EBITDA BRIDGE (*NORMALIZED*)



9 MONTHS 2019 RESULTS

PRICE-MIX EFFECT BY QUARTER



9 MONTHS 2019 RESULTS

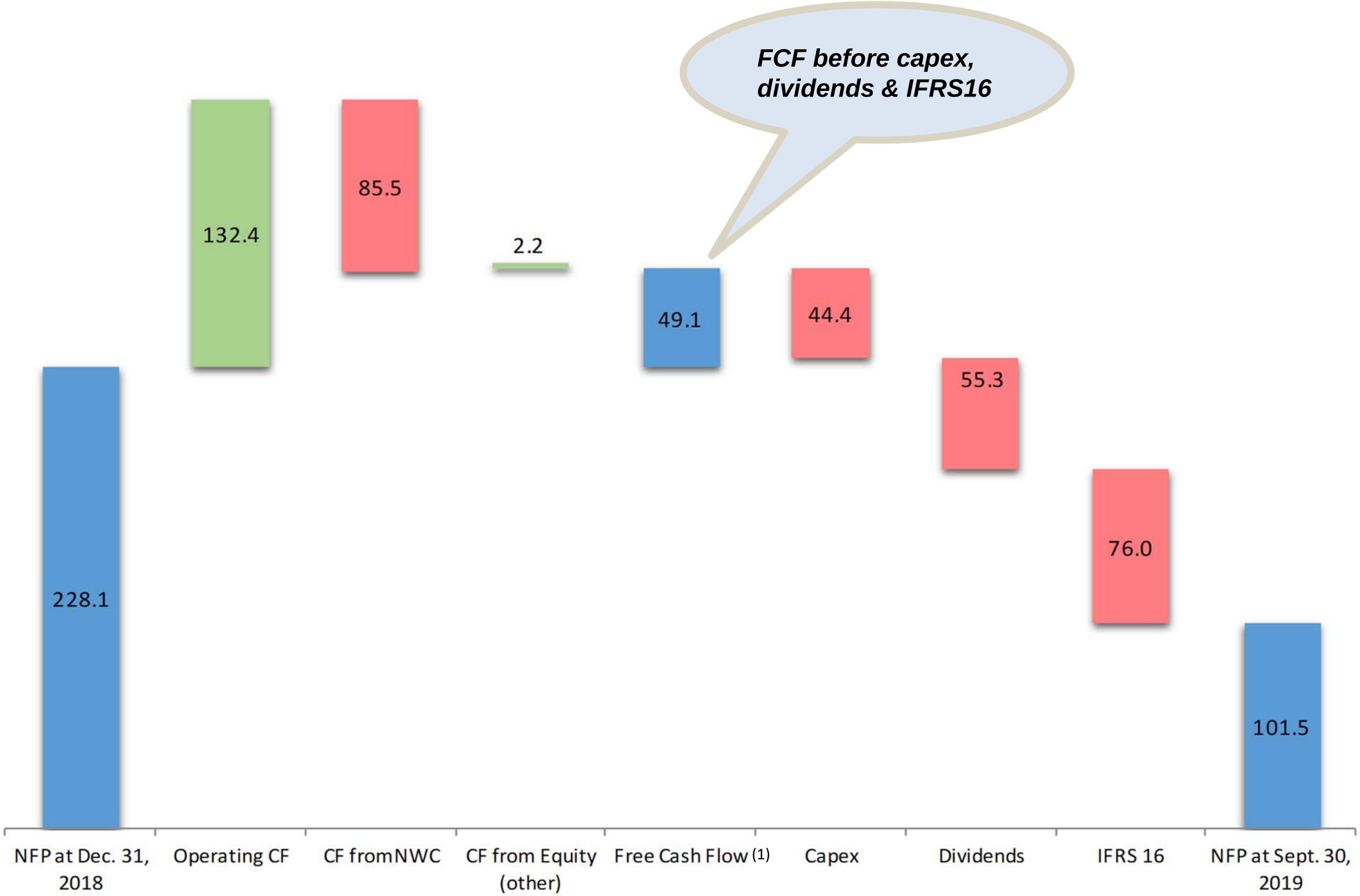
NET FINANCIAL POSITION AND WORKING CAPITAL

	reported Sept. 30, 2019	normalized Sept. 30, 2019	Sept. 30, 2018	normalized *Change 12 months*	Dec. 31, 2018	normalized *Change 9 months*
Net Working Capital	**387.8**	**387.6**	386.6	***1.0***	322.5	***65.1***
Net Equity	**1,103.5**	**1,104.1**	958.5	***145.7***	1,065.9	***38.2***
Net debt / (Net cash)	**-101.5**	**-177.5**	-54.5	***-123.0***	-228.1	***50.6***
N.W.C. / Revenues	**18.6%**	**18.6%**	19.0%	***-0.4%***	15.5%	***3.10%***

- Positive cash flow generation (normalized) that stood at 123 M€ over the last 12 months, sustained by the operating cash flow (normalized) at 173.3 M€.
- The net financial position as at Sept. 30th was positive by 101.5 million €, including a negative effect of €76 million from adopting the new IFRS 16 accounting standard;
- Net working capital (normalized) in line versus last year in value terms, thanks to stabilization of the inventory level, and even improving as a percentage of revenues (from 19% to 18.6%).

9 MONTHS 2019 RESULTS

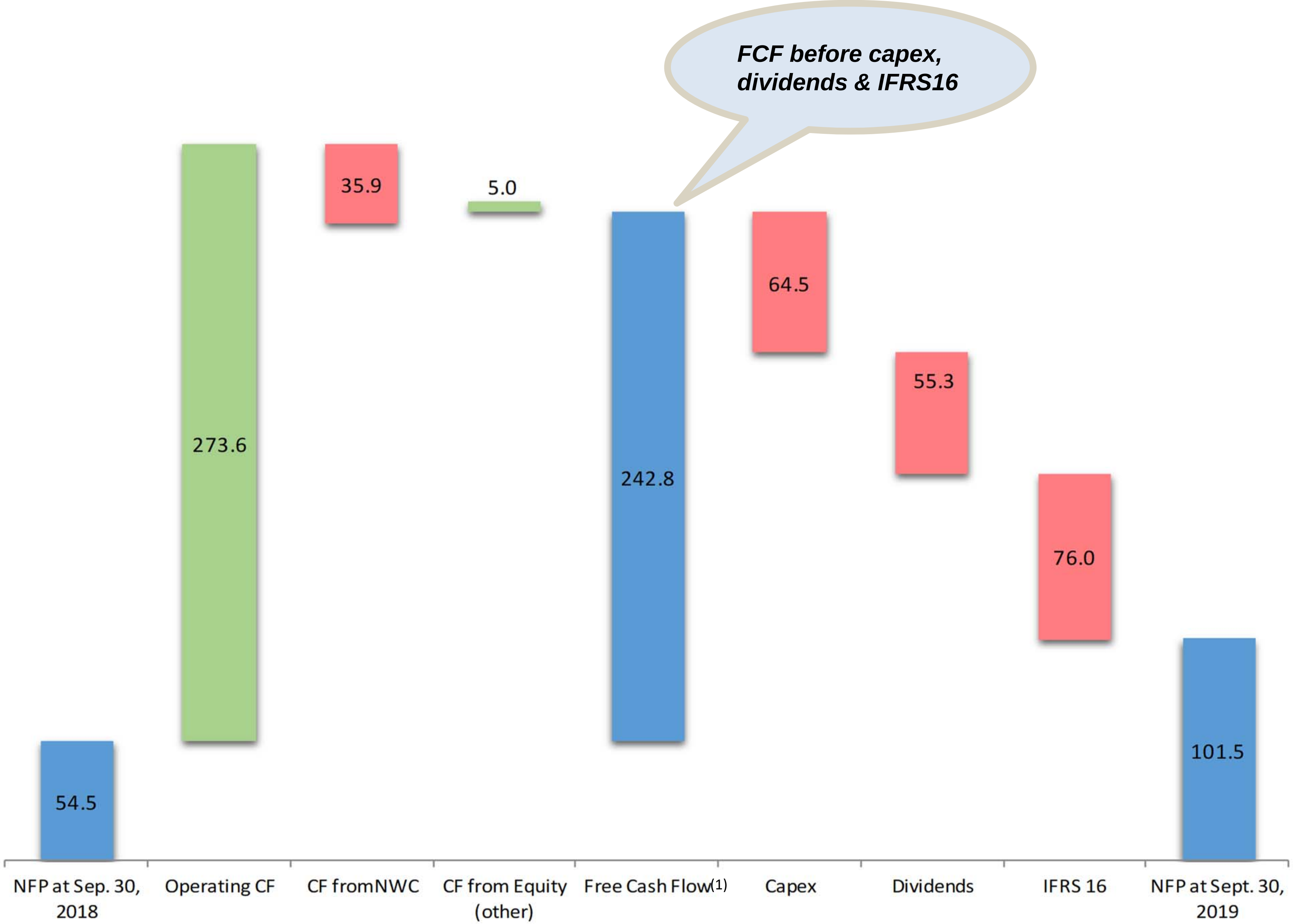
THE NET CASH FLOW IN THE 9 MONTHS



(1) Free Cash Flow before Dividends

9 MONTHS 2019 RESULTS

THE NET CASH FLOW IN THE 12 MONTHS



(1) Free Cash Flow before Dividends

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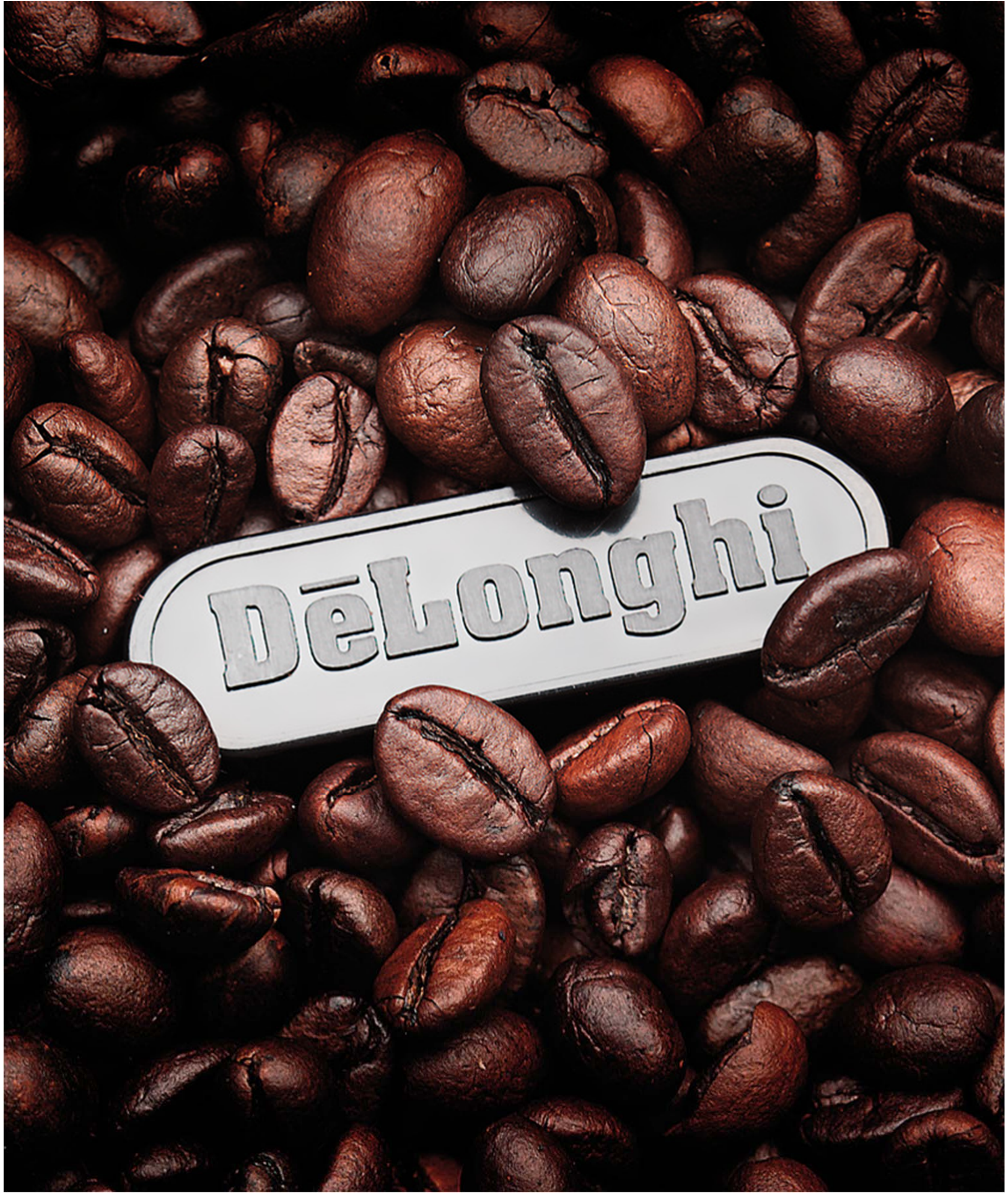

APPENDIX

(Euro million)	"CONTINUING OPERATIONS" 2017						"CONTINUING OPERATIONS" 2018						NORMALIZED DATA 2019			
	Q1-17	Q2-17	H1	Q3-17	Q4-17	FULL YEAR	Q1-18	Q2-18	H1	Q3-18	Q4-18	FULL YEAR	Q1-19	Q2-19	H1	Q3-19
Revenues	**385.1**	**431.6**	**816.7**	**421.7**	**734.4**	**1,972.8**	**402.6**	**452.1**	**854.7**	**445.6**	**778.1**	**2,078.4**	**376.4**	**469.1**	**845.5**	**458.2**
% change y-o-y	*6.3%*	*4.2%*	*5.1%*	*8.7%*	*7.7%*	*6.8%*	*4.5%*	*4.7%*	*4.6%*	*5.7%*	*5.9%*	*5.4%*	*-6.5%*	*3.8%*	*-1.1%*	*2.8%*
net industrial margin	192.3	208.8	401.1	206.6	359.6	967.3	198.0	209.0	407.1	210.5	373.1	990.7	181.7	217.7	399.5	216.4
%	*49.9%*	*48.4%*	*49.1%*	*49.0%*	*49.0%*	*49.0%*	*49.2%*	*46.2%*	*47.6%*	*47.2%*	*48.0%*	*47.7%*	*48.3%*	*46.4%*	*47.2%*	*47.2%*
adjusted EBITDA	**52.5**	**54.0**	**106.5**	**53.0**	**150.0**	**309.5**	**53.4**	**55.7**	**109.1**	**53.1**	**150.7**	**312.8**	**31.8**	**56.4**	**88.2**	**54.9**
%	*13.6%*	*12.5%*	*13.0%*	*12.6%*	*20.4%*	*15.7%*	*13.3%*	*12.3%*	*12.8%*	*11.9%*	*19.4%*	*15.1%*	*8.4%*	*12.0%*	*10.4%*	*12.0%*
EBITDA	51.6	53.0	104.7	50.5	148.5	303.7	52.4	52.6	105.0	52.1	147.4	304.5	30.4	55.4	85.8	52.7
%	*13.4%*	*12.3%*	*12.8%*	*12.0%*	*20.2%*	*15.4%*	*13.0%*	*11.6%*	*12.3%*	*11.7%*	*18.9%*	*14.7%*	*8.1%*	*11.8%*	*10.1%*	*11.5%*
EBIT	38.9	38.9	77.9	35.3	132.2	245.4	39.3	38.6	77.9	35.0	130.0	242.9	16.4	41.1	57.5	37.9
%	*10.1%*	*9.0%*	*9.5%*	*8.4%*	*18.0%*	*12.4%*	*9.7%*	*8.5%*	*9.1%*	*7.9%*	*16.7%*	*11.7%*	*4.3%*	*8.8%*	*6.8%*	*8.3%*
Profit before Taxes	32.9	43.7	76.6	32.9	119.8	229.2	32.2	36.6	68.8	30.0	125.0	223.9	11.9	38.3	50.3	36.2
Taxes	(7.4)	(11.7)	(19.1)	0.4	(30.8)	(49.5)	(5.8)	(7.1)	(12.9)	(4.0)	(23.1)	(40.0)	(0.2)	(6.7)	(7.0)	(7.1)
Profit / (Loss) pertaining to the G.	25.5	32.0	57.5	33.3	89.0	179.8	26.4	29.5	55.9	26.0	101.9	183.9	11.7	31.6	43.3	29.1
%	*6.6%*	*7.4%*	*7.0%*	*7.9%*	*12.1%*	*9.1%*	*6.6%*	*6.5%*	*6.5%*	*5.8%*	*13.1%*	*8.8%*	*3.1%*	*6.7%*	*5.1%*	*6.4%*

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THANK YOU

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