DēLonghi Group

FIRST HALF 2021 RESULTS

DēLonghi Group | DēLonghi KENWOOD BRAUN nutribullet Ariete

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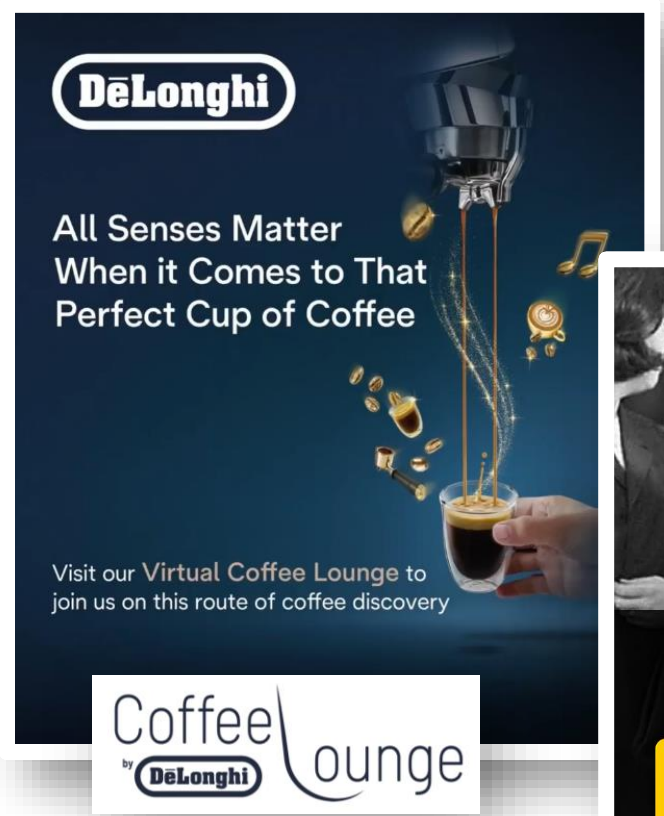
Definitions & assumptions

In this presentation:

- **Adjusted** stands for "before non recurring items and inputed costs of the stock option plans"
- "**At constant exchange rates**" means escluding the effects of exchange rates' variations and of hedging derivatives
- **ForEx** or **FX** stand for Foreign Exchange Rates;
- "**Like-for-like**" or "**LFL**" stands for at constant perimeter;
- "**M**" stands for million and "**bn**" stands for billion;
- **Q2** stands for second quarter (April 1st – June 30th);
- **H1** stands for first half (January 1st – June 30th);
- **Reported** stands for official data including the consolidation of Capital Brands Holdings Inc. and its subsidiaries since January 1st (following the acquisition finalized on December 29th, 2020) and the consolidation of Eversys since April 1st (following the acquisition finalized on May 3rd, 2021).

STRONG INVESTMENTS IN NEW MARKETING INITIATIVES



IN 2021 WE ARE PLANNING AND EXECUTING MANY MARKETING INITIATIVES TO SUPPORT OUR BRANDS AND THE UPCOMING DEVELOPMENTS OF THE BUSINESS

NEW MARKET INITIATIVES: BRAUN 100 YEARS

PRINT AD

SOCIAL MEDIA

ON LINE

IN STORE

GREAT PLANS & ACTIVITIES ALL AROUND THE WORLD AND THROUGH ALL MEDIA TOUCHPOINT

NEW MARKET INITIATIVES: KENWOOD

Initial consideration

- PRINT ADS
- TVC EDITS
- MOTION EDITS & OOH

Active evaluation

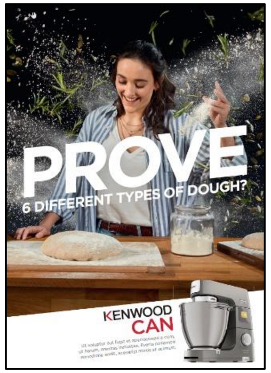
- DIGITAL DISPLAY
- FOOD FILMS SHORT EDITS
- FEATURE LED SOCIAL EDITS

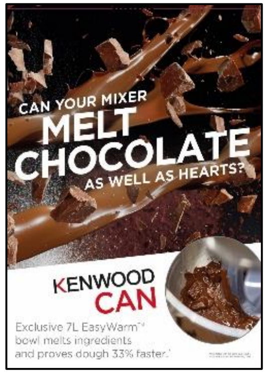
Decision

- CAMPAIGN LANDING PAGE
- RECIPE PAGES
- HOMEPAGE BANNER

Purchase-Consumption

- ON PRODUCT POS
- FOOD FILMS
- RECIPE PAGES





SOME EXAMPLES OF CAMPAIGN ASSETS FOR CONSUMER JOURNEY


SCOPRI DI PIÙ SU
KENWOOD CLUB
Chef Oldani

HIGHLIGHTS

			Like for like
revenues' growth %	+60%	Strong growth driven by the core products and the increased attention of consumers for the "*stay at home*"	+46%
adjusted Ebitda growth %	+125%	Volumes and price-mix propelled the margin expansions, more than offsetting higher costs	+106%
6 months cash generation (before dividends and Eversys acquisition)	196 M€	In H1 the Group covered the acquisition of Eversys (129M€) and the distribution of dividend (81M€)	
Net Financial Position	218 M€	Strong financial position, thanks to a robust 12 months Cash Flow (450M€ before dividends and acquisitions)	

H1 - 2021 RESULTS

TOP LINE & MARGINS

(Eur million)	H1-2021	At constant perimeter	Change of perimeter	H1-2020
Revenues	1,431.8	1,312.1	119.8	896.6
change %	*59.7%*	*46.3%*		
at constant fx ch. %	*65.4%*	*50.8%*		
Ebitda adjusted	251.4	230.0	21.4	111.8
% of revenues	*17.6%*	*17.5%*	*17.8%*	*12.5%*

- In H1-2021 revenues at constant perimeter grew by 46%, expanding by 51% at constant exchange rates;
- All regions were up double-digit, with a strong recovery in MEIA, expanding at a triple-digit rate vs. previous year;
- In the first half of 2021 consumer demand was the main driver supporting the Group's performance, reinforcing the positive effect of 2020 new products launches and increased spending in communication and marketing activities.

H1 - 2021 RESULTS

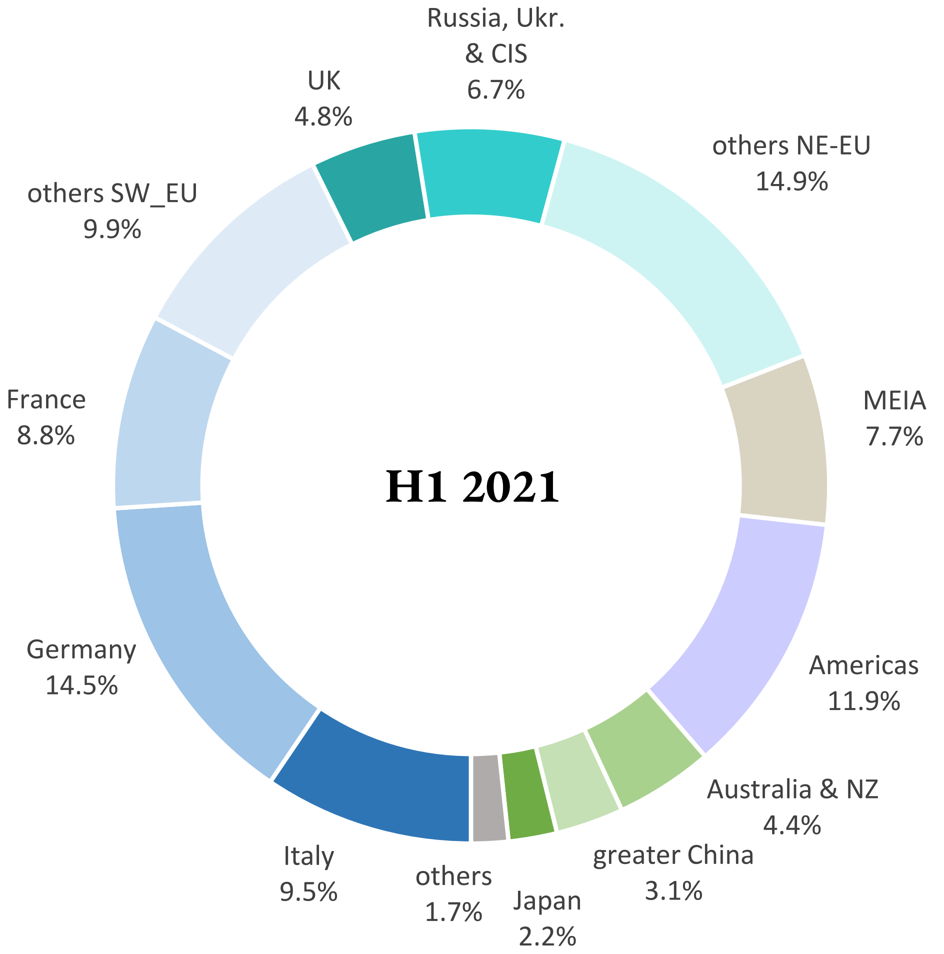
REVENUES BY REGION *(at constant perimeter)*

EUR milion	H1-2021 at constant perimeter	var. %	var. % at constant FX	Q2-2021 at constant perimeter	var. %	var. % at constant FX
South West Europe	560.2	51.9%	52.0%	287.2	45.1%	45.3%
North East Europe	346.3	46.5%	52.9%	169.7	35.4%	38.6%
EUROPE	906.5	49.8%	52.3%	456.9	41.4%	42.7%
Americas	156.0	38.0%	50.1%	96.1	25.8%	37.1%
MEIA (MiddleEast/India/Africa)	100.7	124.9%	142.0%	50.7	105.0%	119.4%
Asia-Pacific	148.8	11.5%	13.9%	82.7	4.7%	6.0%
TOTAL REVENUES	**1,312.1**	**46.3%**	**50.8%**	**686.4**	**36.4%**	**39.9%**

- South West Europe grew by 52% with all the main countries accelerating sharply, in particular the expansion of the coffee category boosted Germany and France at a rate higher than the Group's average;
- North East Europe also recorded a strong growth (+53% at constant fx), sustained by all countries expanding the business at a double digit rate;
- Americas achieved significant growth (+ 38%), despite a negative currency effect of approx. 12%; the area maintained the positive trend highlighted in Q1;
- the strong recovery of the MEIA region (Middle East, India, Africa) was proceeding, closing the H1 up by 142% at constant exchange rates;
- finally, Asia-Pacific maintained a double digit growth in the 6 months, increasing sales by 14% at constant exchange rates.

H1 - 2021 RESULTS

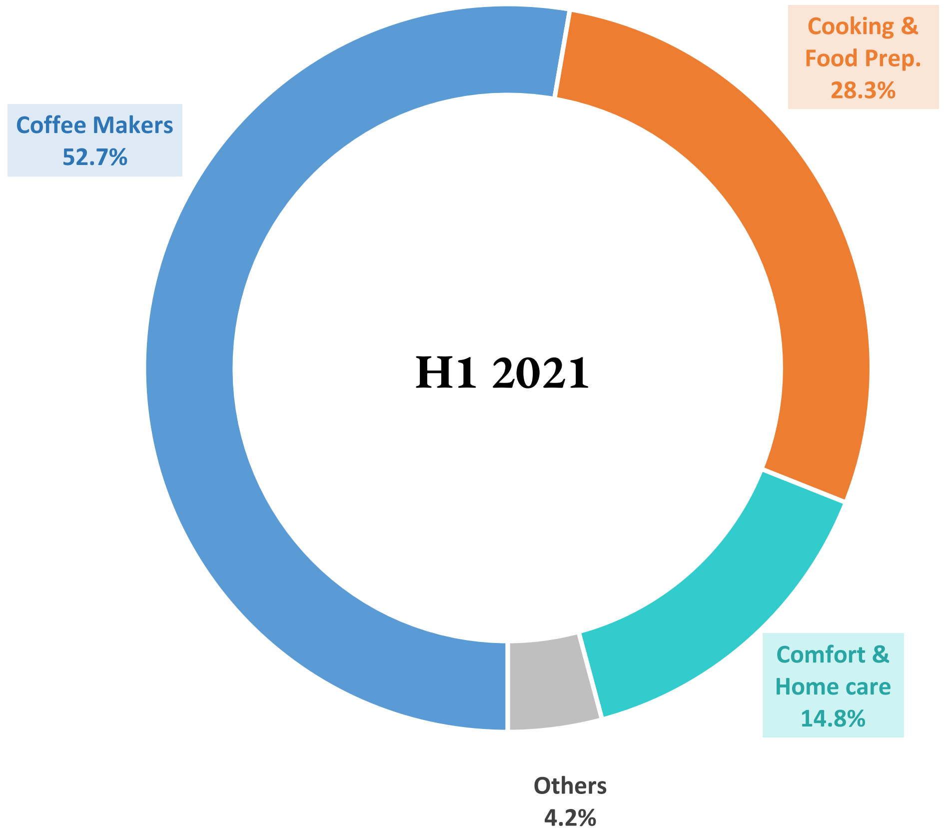
REVENUES BY MARKET *(at constant perimeter)*



MAIN UPS & DOWNS (at constant FX)	
UP DOUBLE DIGIT	Germany, France, Italy, Spain, US & Canada, Russia, UK, Poland
UP SINGLE DIGIT	Australia & New Zealand, Greater China
DOWN	= = =

H1 - 2021 RESULTS

REVENUES BY PRODUCT LINE *(at constant perimeter)*

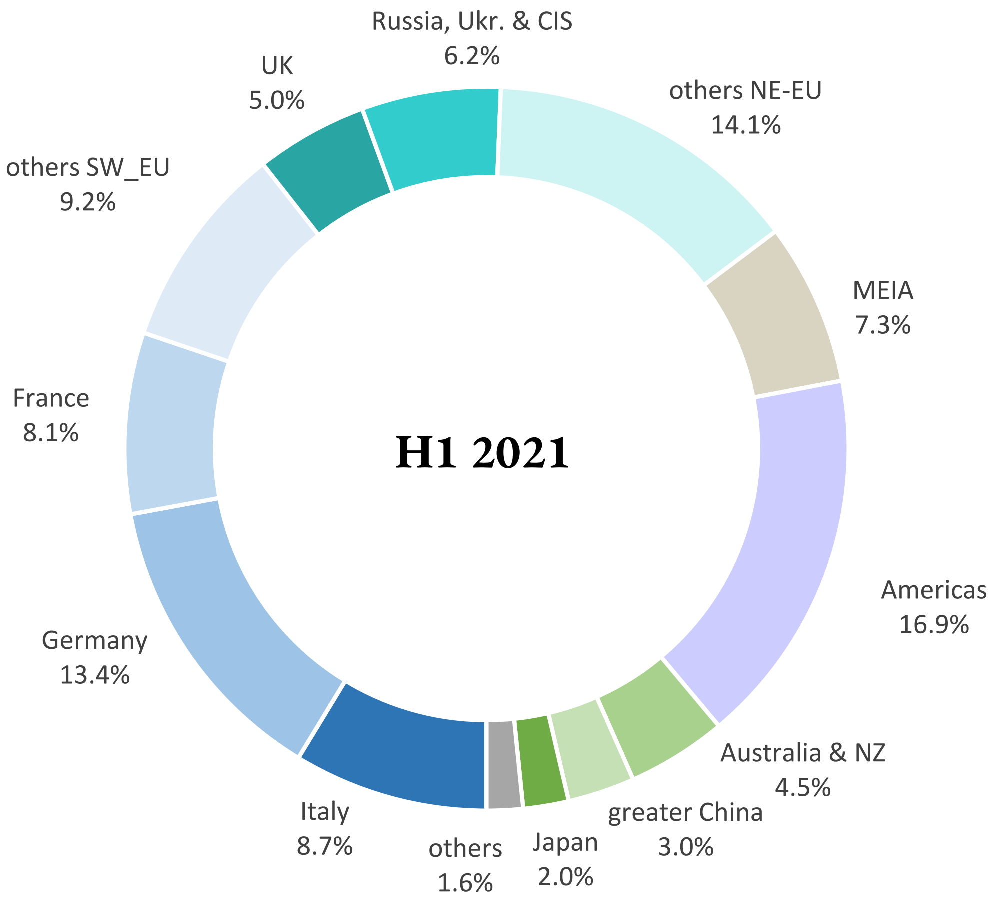


MAIN UPS & DOWNS (at constant FX)	
UP DOUBLE DIGIT	Coffe makers Cooking & Food Prep Portable heaters Home Care
UP SINGLE DIGIT	= = =
DOWN	Air treatment, Air conditioning

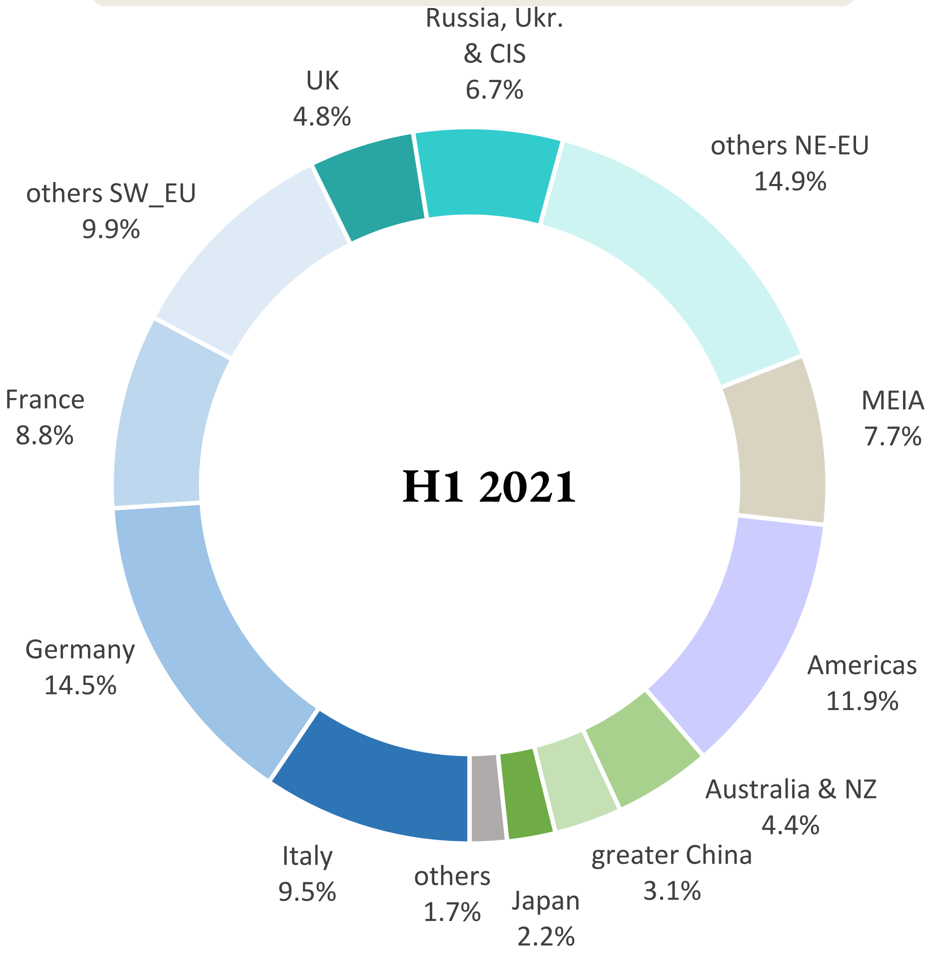
H1 - 2021 RESULTS

MARKETS PORTFOLIO: NEW vs. OLD PERIMETER

Reported (new perimeter)



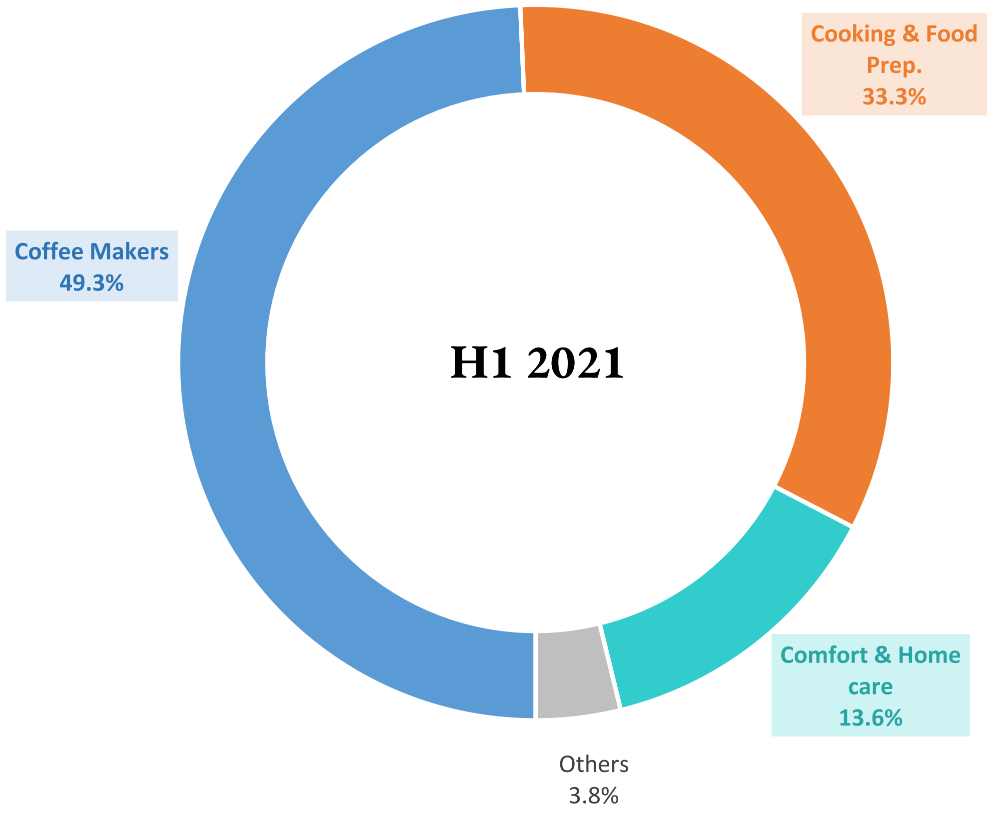
At constant perimeter



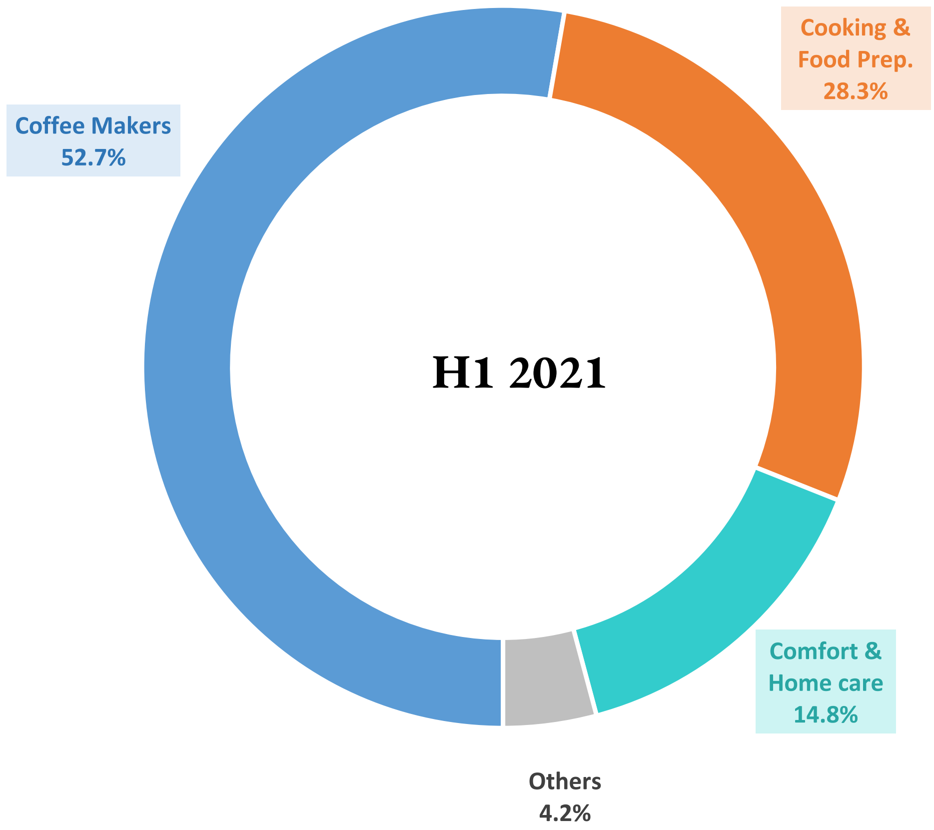
H1 - 2021 RESULTS

PRODUCT PORTFOLIO: NEW vs. OLD PERIMETER

Reported (new perimeter)



At constant perimeter



H1 - 2021 RESULTS

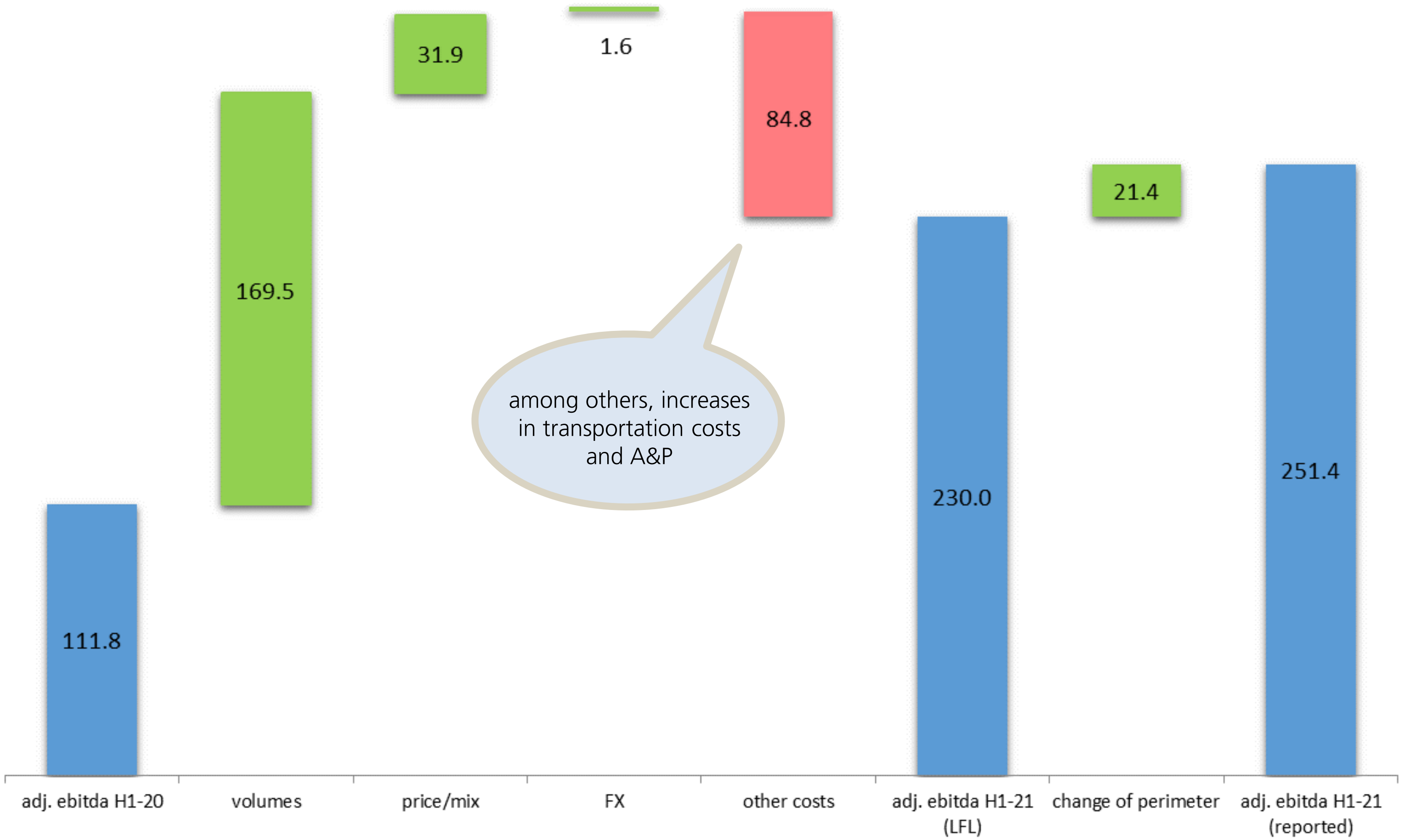
MARGINS

(Eur million)	*reported* H1-2021	H1-2020
net ind. margin	**721.4**	436.3
% of revenues	*50.4%*	*48.7%*
adjusted Ebitda	**251.4**	111.8
% of revenues	*17.6%*	*12.5%*
Ebitda	**249.4**	105.5
% of revenues	*17.4%*	*11.8%*
Ebit	**209.4**	66.9
% of revenues	*14.6%*	*7.5%*
Net Income (pertaining to the Group)	**180.8**	43.1
% of revenues	*12.6%*	*4.8%*

- **Net industrial margin**, equal to 721.4M€ improved from 48.7% to 50.4% (+65.4%) on revenues, thanks above all to higher volumes and the positive contribution of price-mix (32 M€ in the six months);
- **adjusted Ebitda** amounted to 251.4 M€, equal to 17.6% of revenues; on a like-for-like basis, it stood at 230 M€, with a sharp improvement from 12.5% to 17.5% of revenues;
- finally, **net income** pertaining to the Group amounted to 180.8 M€, equal to 12.6% of revenues.

H1 - 2021 RESULTS

ADJUSTED EBITDA BRIDGE (*reported*)



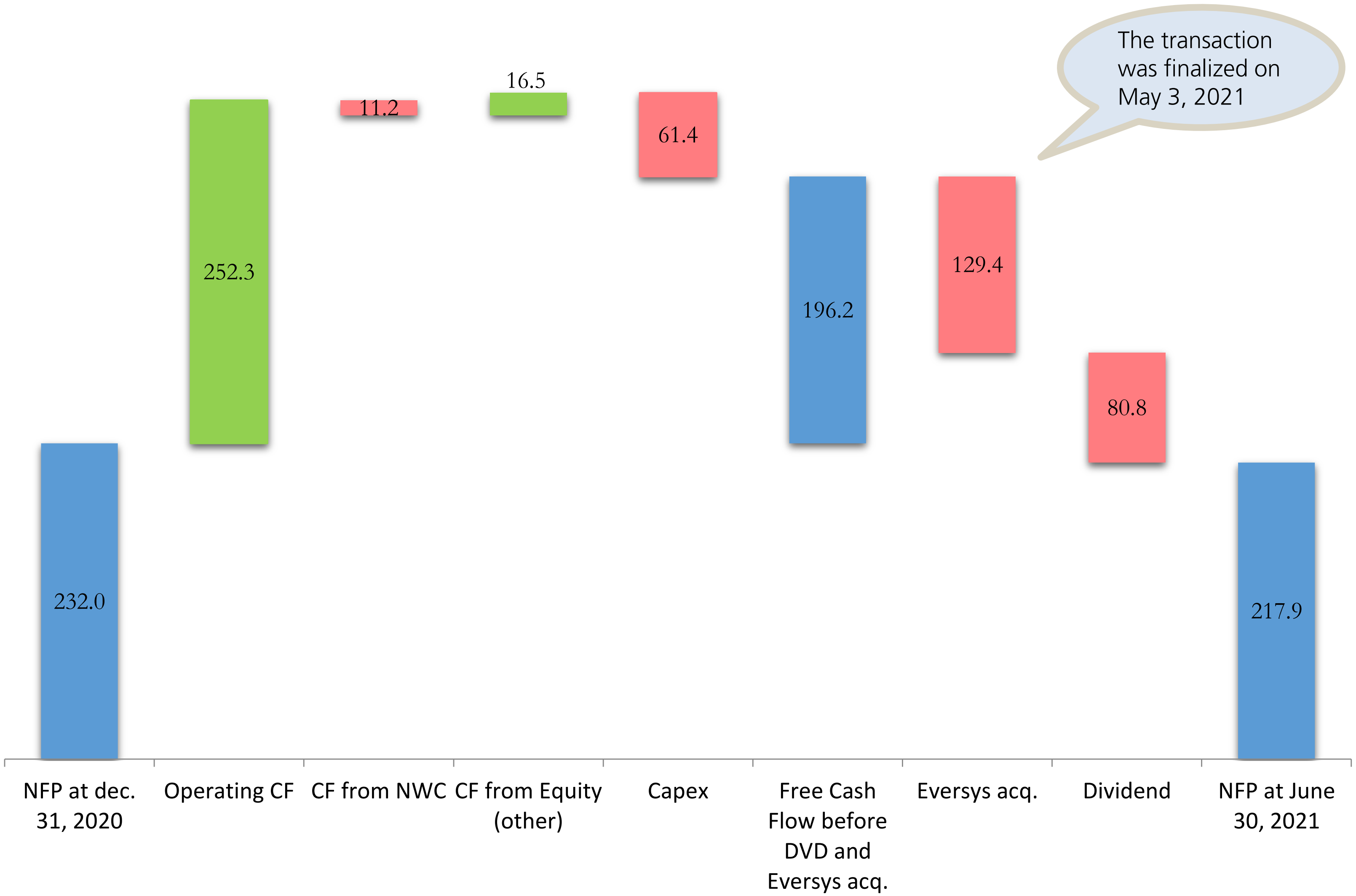
BALANCE SHEET

EUR million	*reported* June 30, 2021	*reported* June 30, 2020	*Change 12m*	*reported* Dec. 31, 2020	*Change 6m*
Net Working Capital	63.3	228.4	-165.0	96.2	-32.8
Net Equity	1,382.1	1,209.7	172.4	1,267.4	114.7
Net debt / (Net cash)	217.9	387.9	-170.0	232.0	-14.1
N.W.C. / Revenues	2.2%	10.6%	*-8.4 pp*	4.1%	*-1.9 pp*

- Net financial position as at 30.06.2021 stood at 218 M€, slightly lower than the beginning of the year due to the cash out for the dividend (80.8 M€) and the acquisition of the full control of Eversys (129.4 M€).
- Over the last 12 months, the free cash flow before dividends and acquisitions was 450.4 M€, thus almost entirely covering both the M&A deals (acquisition of Capital Brands Holdings 329.3 M€ and Eversys 129.4 M€) and the 162 M€ dividend distribution.
- Net working capital improved significantly vs. last year: the increase in inventories was widely offset by an increase in trade payables in the 12 months, thus bringing the ratio of net working capital to revenues down to 2.2%, i.e. a marked reduction vs. last year (10.6%), but more in line with end of 2020.

H1 - 2021 RESULTS

6 MONTHS NET CASH FLOW *(reported)*



FY 2021 GUIDANCE: UPWARD REVISION

Massimo Garavaglia, Group C.E.O.:

"For what has been said, we believe we can continue to look with positivity at the evolution of the business in the near future. For this 2021 we now see the Group's revenues (including Capital Brands) grow at constant exchange rates at a rate in the upper end of the range previously communicated (28% - 33%) and an adjusted Ebitda improving versus last year, both in value and as a percentage of revenues. Furthermore, the consolidation of Eversys will bring about 2 percentage points of additional revenue growth and an adjusted Ebitda, as a percentage of revenues, in line with the rest of the Group."

new FY 2021 guidance

Revenues growing at constant exch.rates rate in the upper end of the range 28% - 33% (including Capital Brands), adding 2% of revenues including Eversys

+

Adjusted Ebitda improving as a percentage of revenues vs LY (including Capital Brands and Eversys)

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