

DēLonghi Group

FY 2021 RESULTS

DēLonghi Group



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This presentation might contain certain forward-looking statements that reflect the company's current views with respect to future events and financial and operational performance of the company and its subsidiaries.

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The manager responsible for preparing the company's financial reports declares, pursuant to paragraph 2 of Article 154-bis of Legislative Decree no. 58 of February 24 1988, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.

Finally, it should be noted that the audit of the Group consolidated financial statements is still ongoing.

DEFINITIONS & ASSUMPTIONS

In this presentation:

- **"Adjusted"** stands for before non recurring items and notional cost of the stock option plans
- **"At constant exchange rates"** means excluding 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;
- **"Organic"** stands for at constant exchange rates
- **Q4** stands for fourth quarter (October 1st - December 31st);
- **12M** stands for twelve months (January 1st – December 31th);
- **"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).

FY 2021 RESULTS



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THE UKRAINIAN CRISIS

"Sadly, these days we are witnessing tragic war scenarios that leave us deeply shocked and worried about the possible future implications. We feel close to all the victims of this terrible conflict and in particular our priority commitment is aimed at providing the assistance necessary to ensure the safety of our staff and their families".

Massimo Garavaglia, CEO



- Revenues FY21: 34M€
- Employees 31



- Revenues FY21: 125M€
- Employees 116

FY 2021 RESULTS

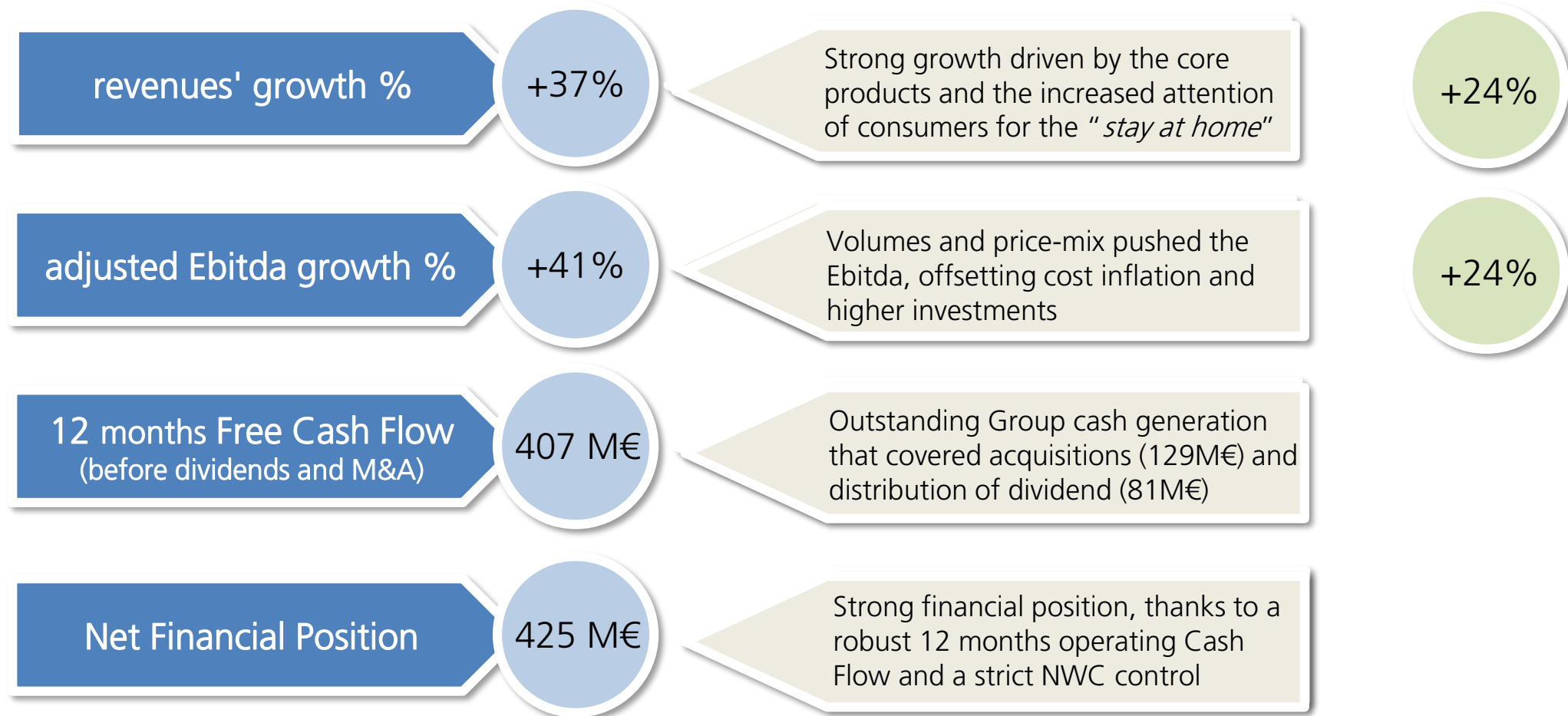
GEOGRAPHICAL EXPOSURE: NORTH EAST EUROPE

<i>EUR million</i>	FY 2021	% of revenues
NORTHERN EUROPE	359	11.1%
EASTERN EUROPE (OTHERS)	339	10.5%
Russia	125	3.9%
Ukraine	34	1.0%
Total North-East Europe	857	26.6%
Total revenues	3,222	100.0%

FY 2021 RESULTS

HIGHLIGHTS

Like for like



FY 2021 RESULTS

TOP LINE AND MARGINS



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<i>(Eur million)</i>	12M - 2021	At constant perimeter	Change of perimeter	12M - 2020
Revenues	3,221.6	2,922.1	299.5	2,351.3
<i>change %</i>	<i>37.0%</i>	<i>24.3%</i>		
Ebitda adjusted	515.0	456.0	59.0	366.5
<i>% of revenues</i>	<i>16.0%</i>	<i>15.6%</i>	<i>19.7%</i>	<i>15.6%</i>

- The 12M-2021 revenues at constant perimeter grew by 24.3%, (+25.2% organic);
- All regions were up double-digit, with America and Europe still expanding at a significant pace in the last quarter;
- In the last 12 months, consumer demand was the main driver supporting the Group's performance, sustained by the increase in investments in communication, innovation and marketing implemented by the Group.

SPONSOR OF TREVISO BASKET



FY 2021 RESULTS

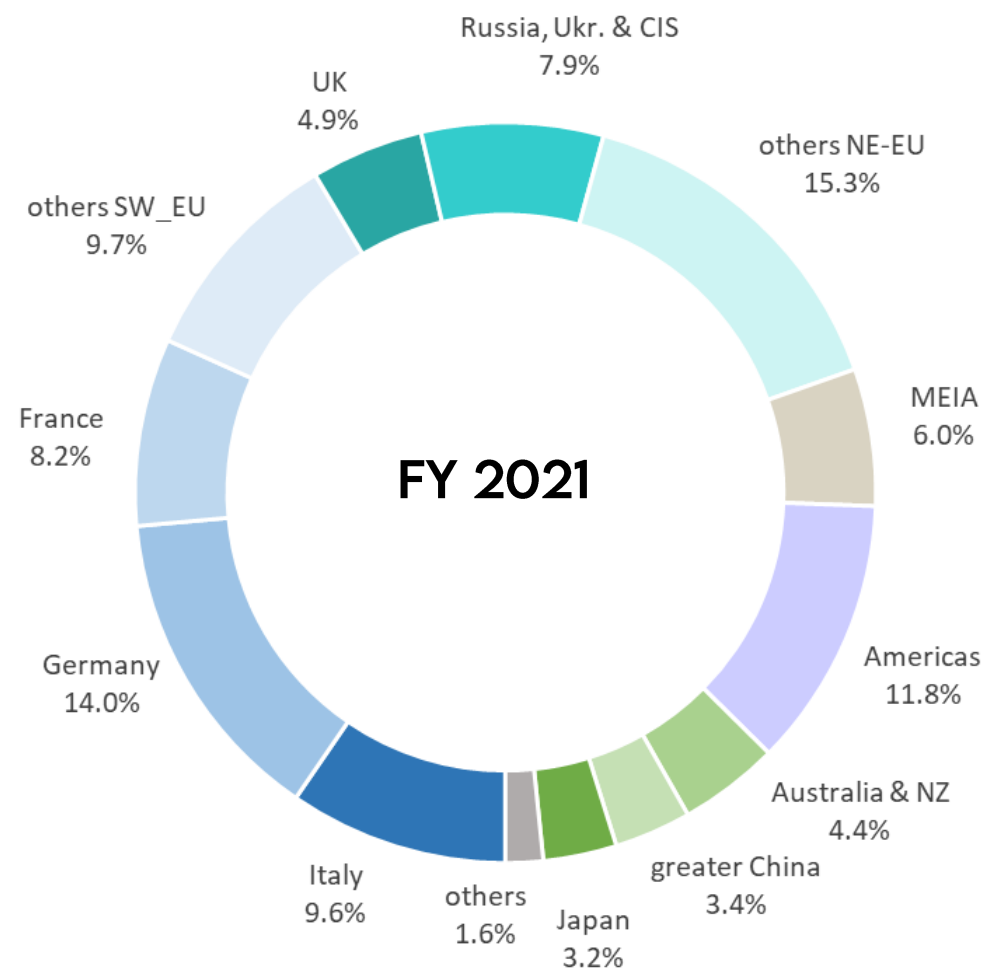
REVENUES BY REGION (AT CONSTANT PERIMETER)

<i>EUR million</i>	FY 2021 at constant perimeter	var. %	var. % at constant FX	Q4 2021 at constant perimeter	var. %	var. % at constant FX
South West Europe	1,209.9	26.9%	27.0%	393.3	13.0%	13.0%
North East Europe	823.0	21.9%	23.7%	301.6	11.6%	10.3%
EUROPE	2,033.0	24.8%	25.6%	694.9	12.4%	11.8%
Americas	346.5	29.8%	33.3%	109.6	23.4%	19.1%
MEIA (MiddleEast/India/Africa)	175.0	42.9%	46.4%	34.4	-22.2%	-27.7%
Asia-Pacific	367.7	10.3%	9.2%	139.4	9.9%	7.1%
TOTAL REVENUES	2,922.1	24.3%	25.2%	978.3	11.4%	9.9%

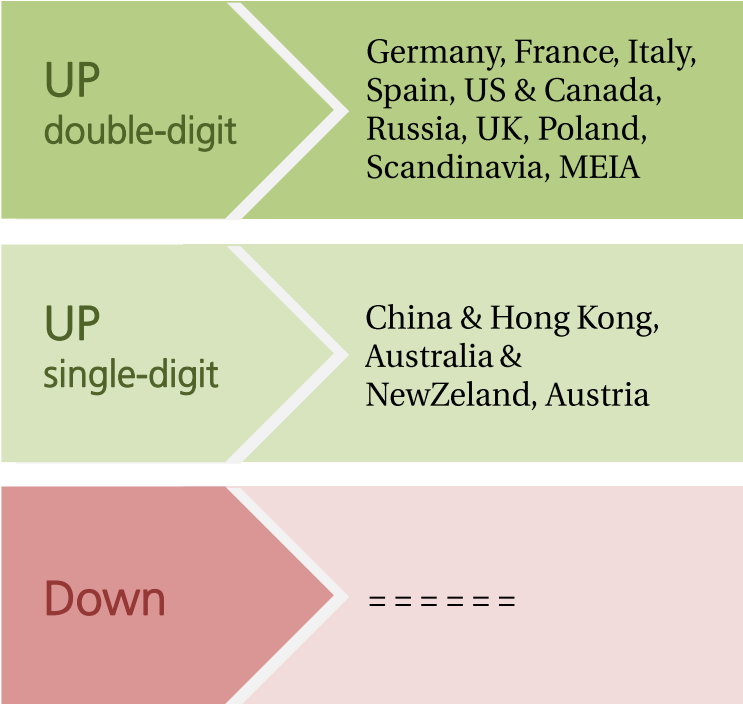
- **South-Western Europe** achieved double-digit performance both in the twelve months and in the fourth quarter, thanks to a significant expansion of the main countries such as Germany, France, Italy and the Iberian markets;
- similar dynamics was highlighted in **North-Eastern Europe**, with double-digit growth in the year and in the quarter, where almost all the countries in the region achieved double-digit growth in the 12M, maintaining a significant pace of expansion even in the Q4;
- the **MEIA** region recorded a growth trend in the twelve months equal to 42.9%, above the Group average, thanks to the positive contribution of all the countries in the area, but down in the Q4;
- the **America** region recorded an important expansion in the year, achieving double-digit growth supported by a significant acceleration in the coffee segment, also confirmed by the growth in the fourth quarter;
- finally, the **Asia Pacific** region achieved a growth of 10.3% in 2021, thanks to the double digit rate expansion in the main markets such as China and Hong Kong, Australia and New Zealand. In Q4, the double-digit growth pace of China and Hong Kong accelerated, thus supporting the growth of the entire region (+ 9.9% in the quarter).

FY 2021 RESULTS

REVENUES BY MARKET (AT CONSTANT PERIMETER)

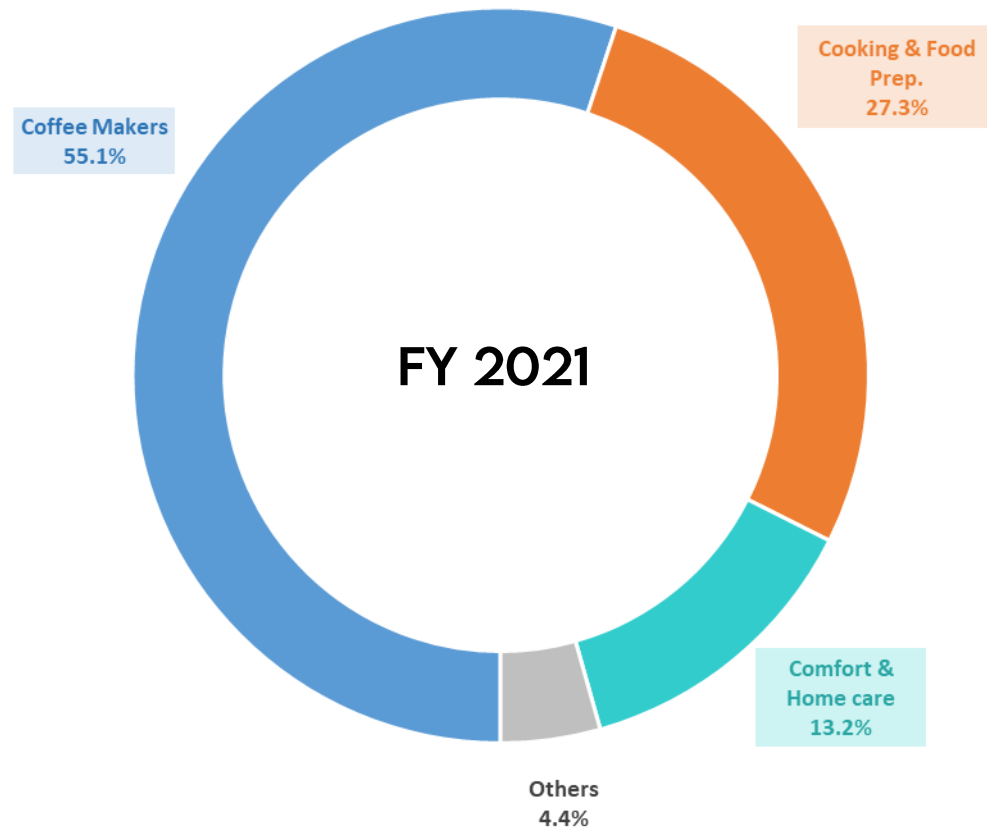


Main Ups & Downs (at constant FX)

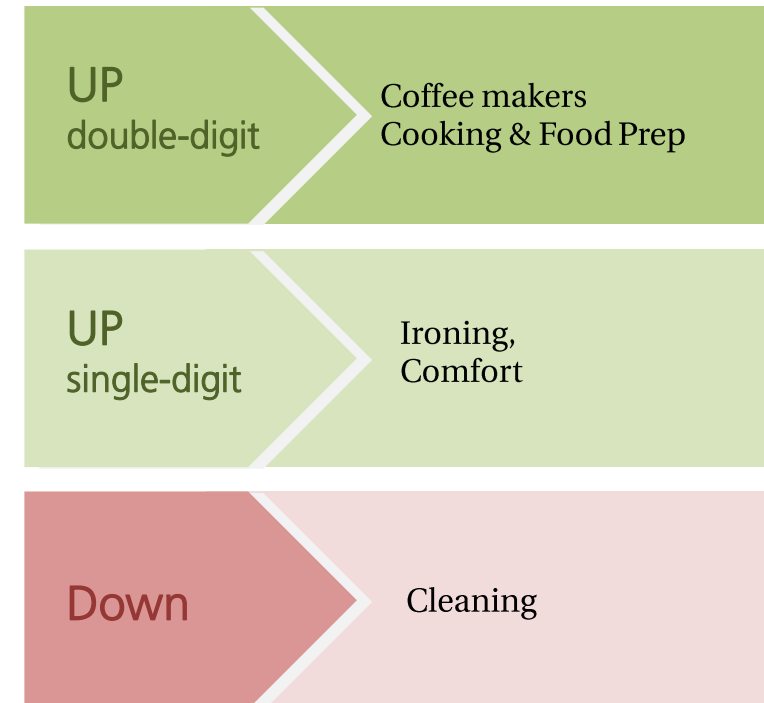


FY 2021 RESULTS

REVENUES BY PRODUCT LINE (AT CONSTANT PERIMETER)

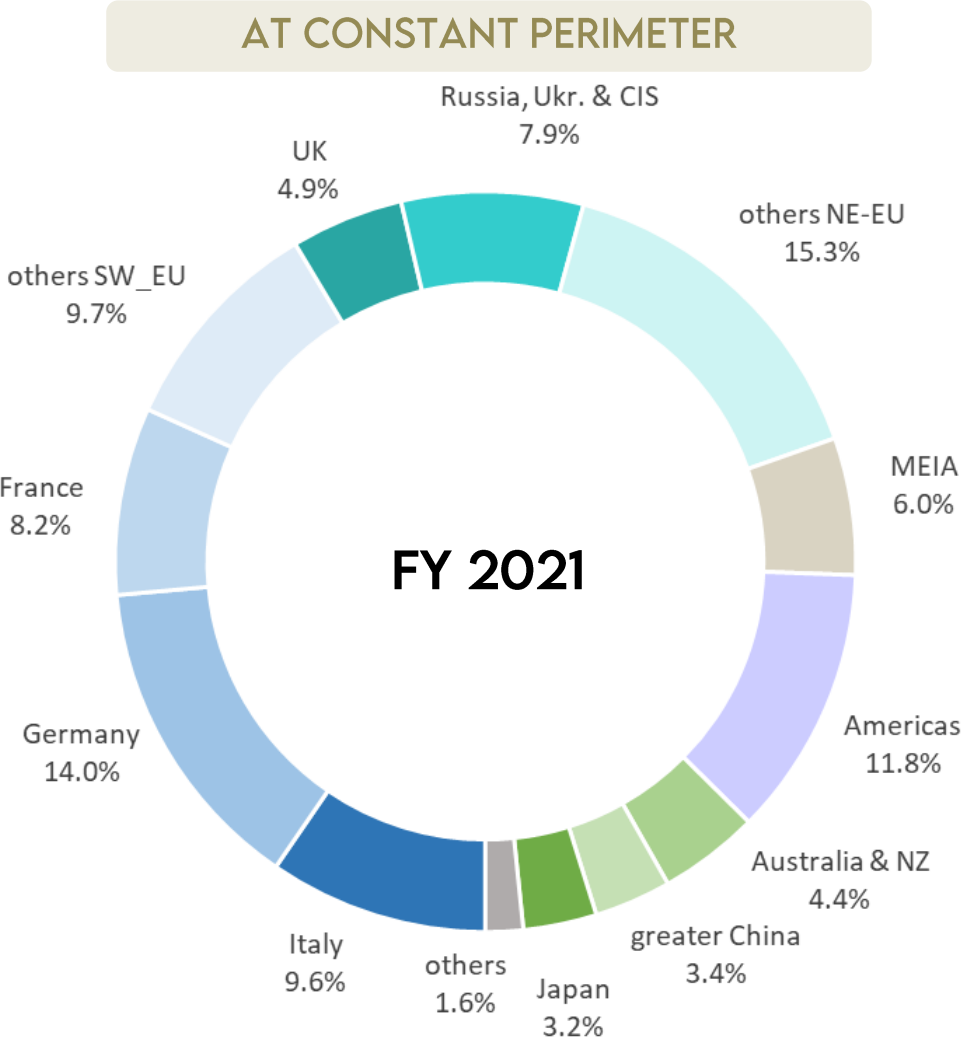
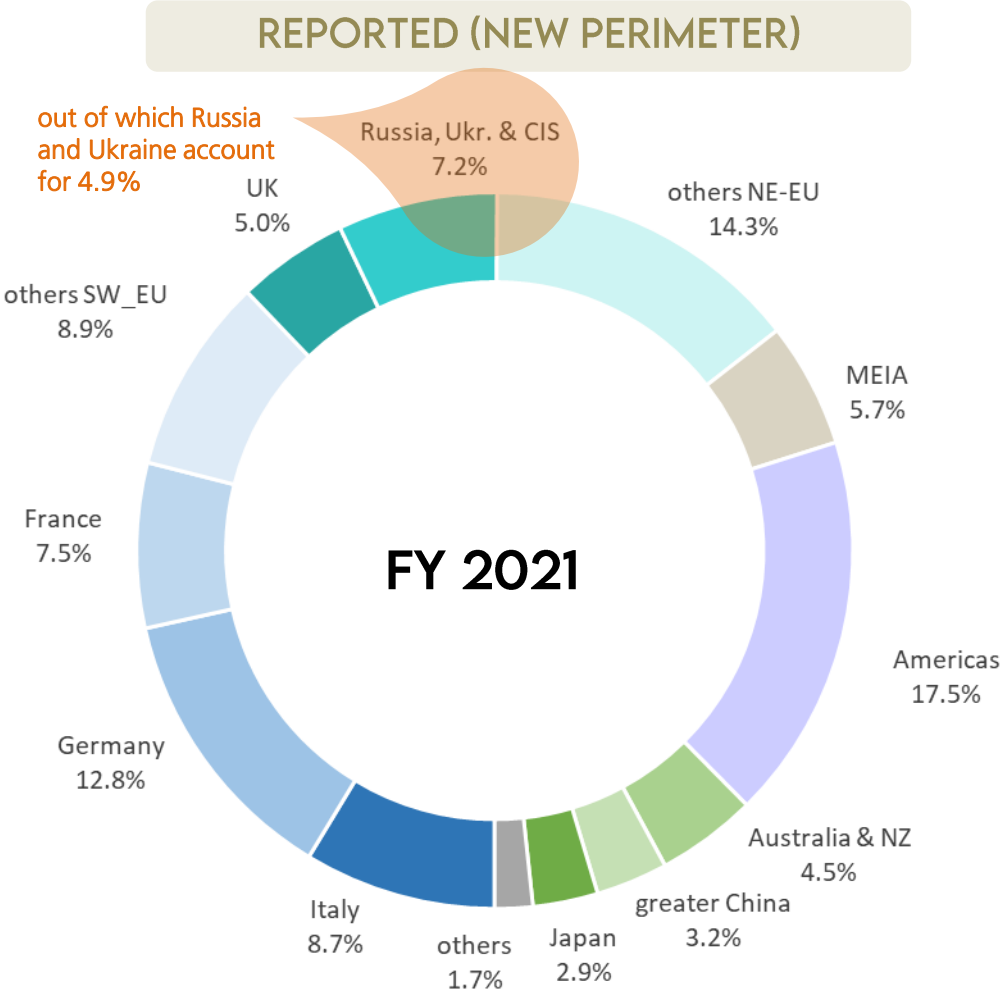


Main Ups & Downs (at constant FX)



FY 2021 RESULTS

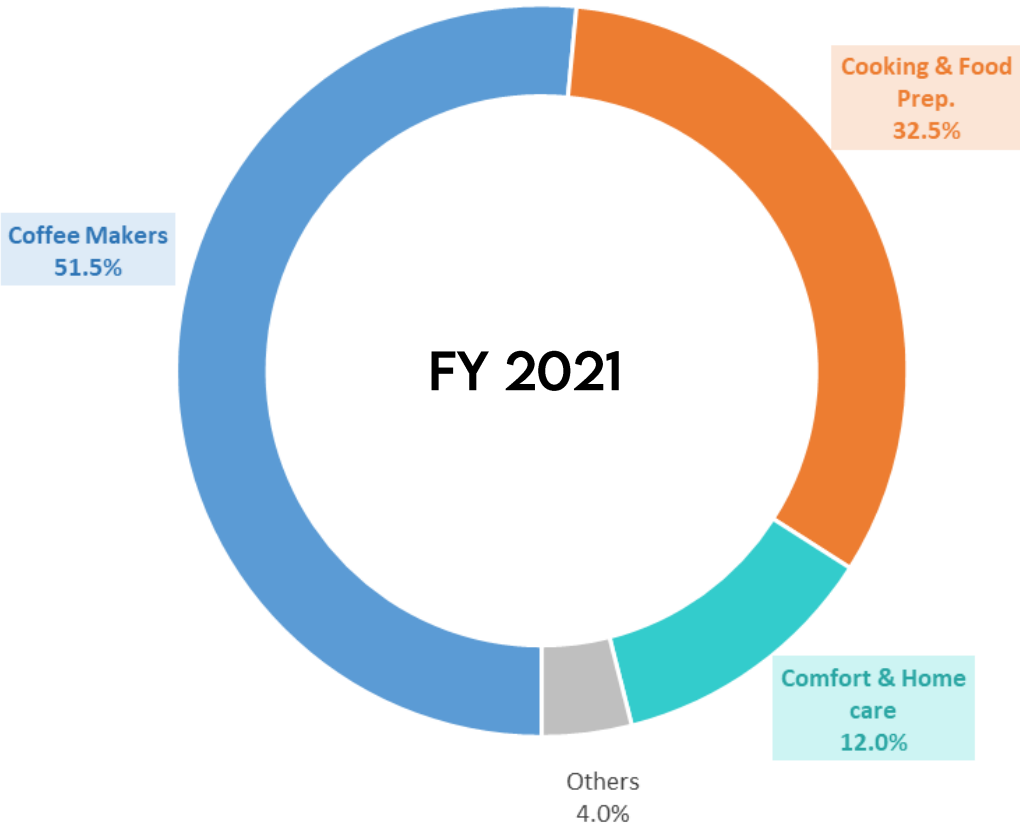
MARKET PORTFOLIO: NEW vs. OLD PERIMETER



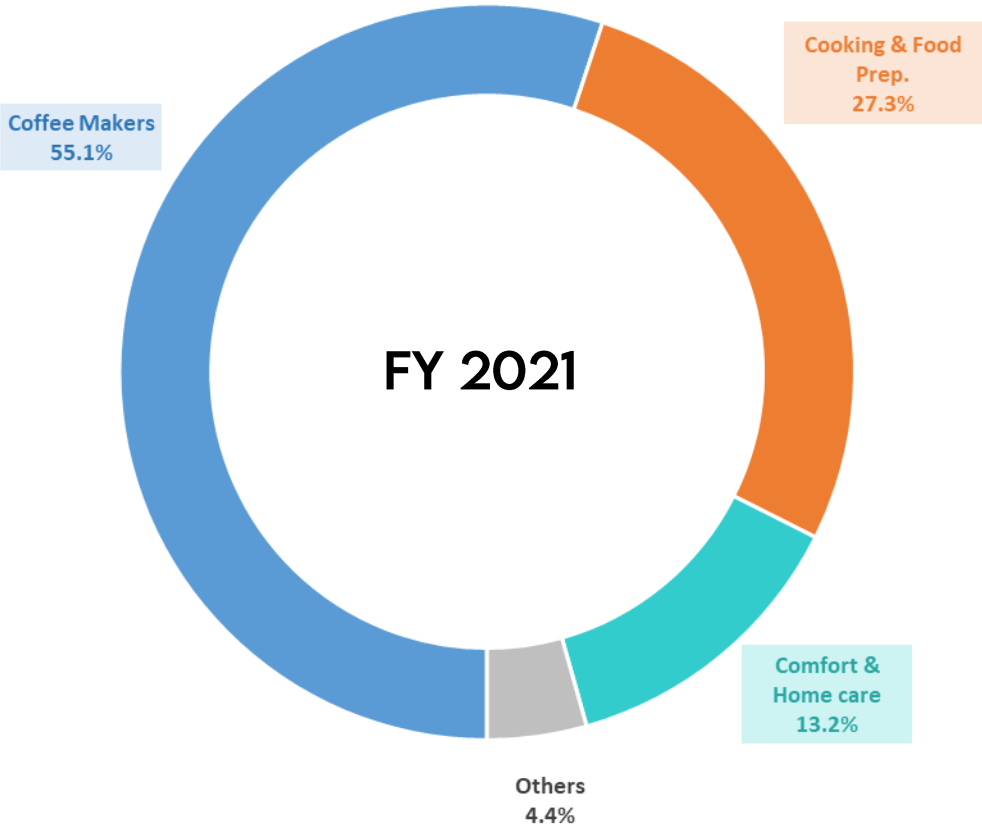
FY 2021 RESULTS

PRODUCT PORTFOLIO: NEW vs. OLD PERIMETER

REPORTED (NEW PERIMETER)



AT CONSTANT PERIMETER



FY 2021 RESULTS

MARGINS

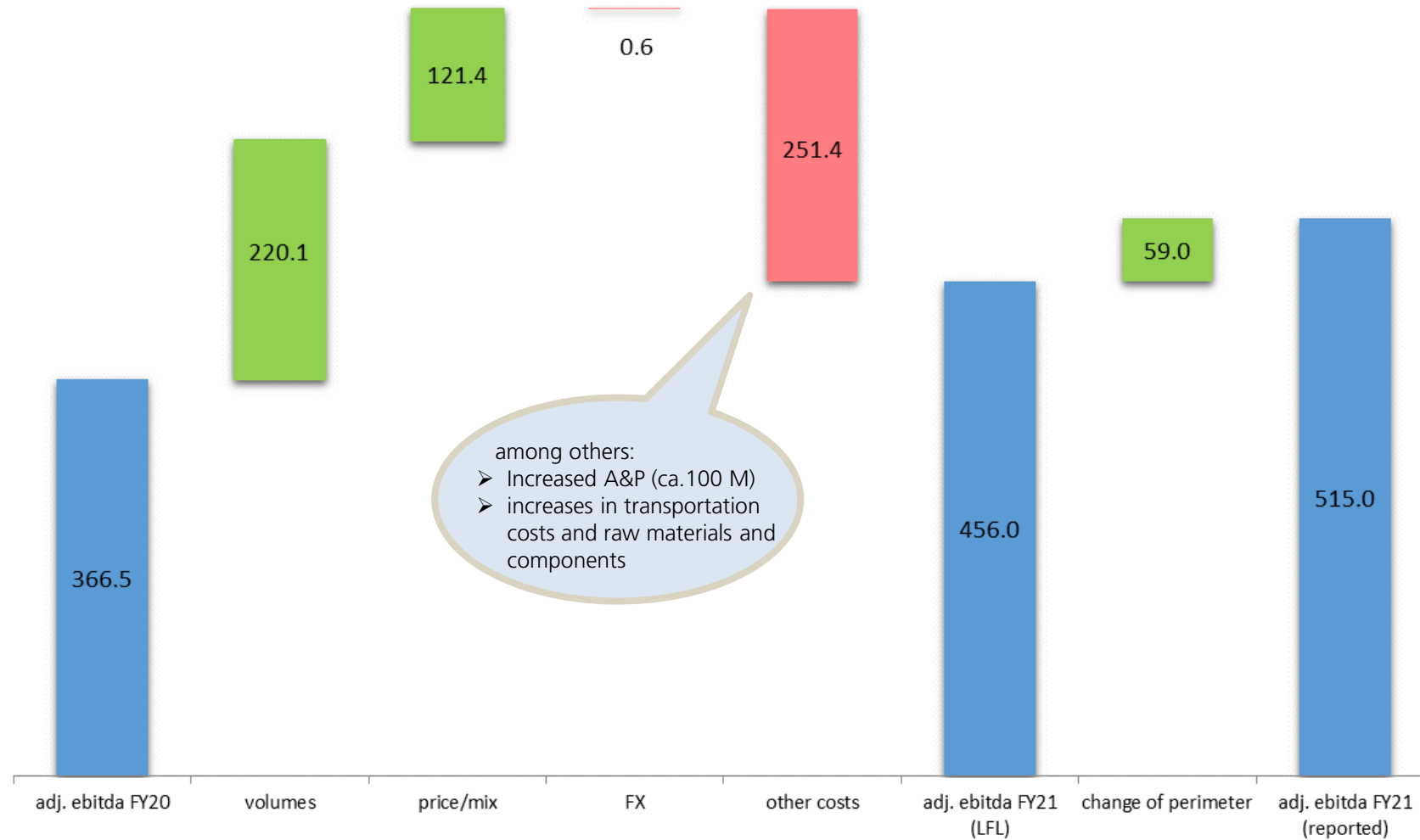
<i>(Eur million)</i>	FY 2021	FY 2020
net ind. margin	1,600.2	1,157.1
<i>% of revenues</i>	49.7%	49.2%
adjusted Ebitda	515.0	366.5
<i>% of revenues</i>	16.0%	15.6%
Ebitda	480.6	343.0
<i>% of revenues</i>	14.9%	14.6%
Ebit	386.9	262.0
<i>% of revenues</i>	12.0%	11.1%
Net Income (pertaining to the Group)	311.1	200.1
<i>% of revenues</i>	9.7%	8.5%

- the **net industrial margin**, improved in terms of percentage of revenues from 49.2% to 49.7%, despite the inflationary pressure on some important cost items whose impact was more than offset by the production efficiency actions and the positive contribution of the price-mix component (121 M€);
- **adjusted Ebitda** amounted to 515 M€ (+ 40.5%), equal to 16% of revenues (compared to 15.6% in 2020), a result even more significant considering the increase (in value and as percentage of revenues) in investments in communication and marketing;



FY 2021 RESULTS

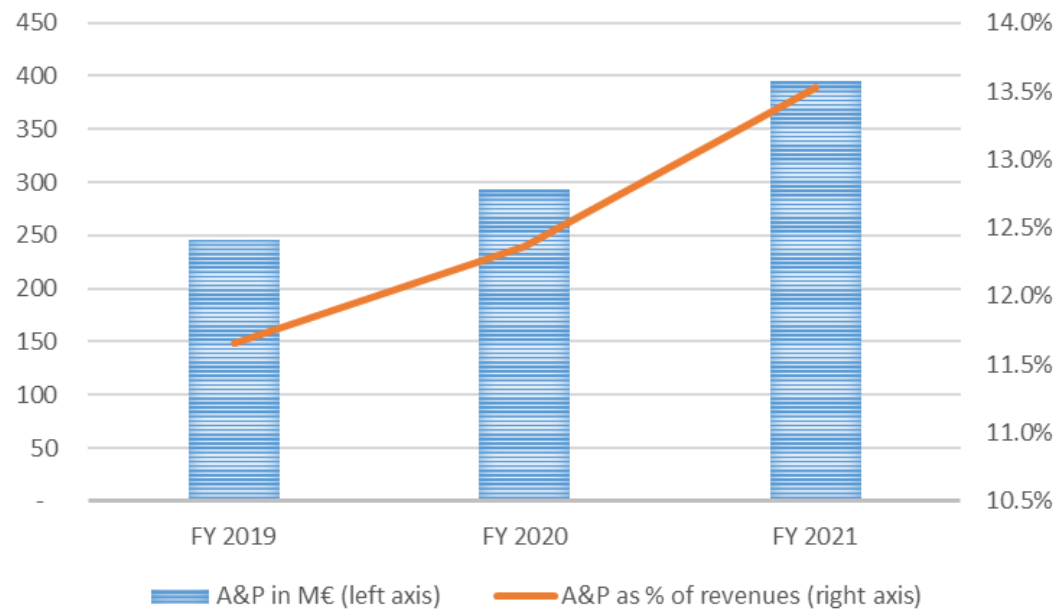
FY21 ADJ. EBITDA BRIDGE (REPORTED)



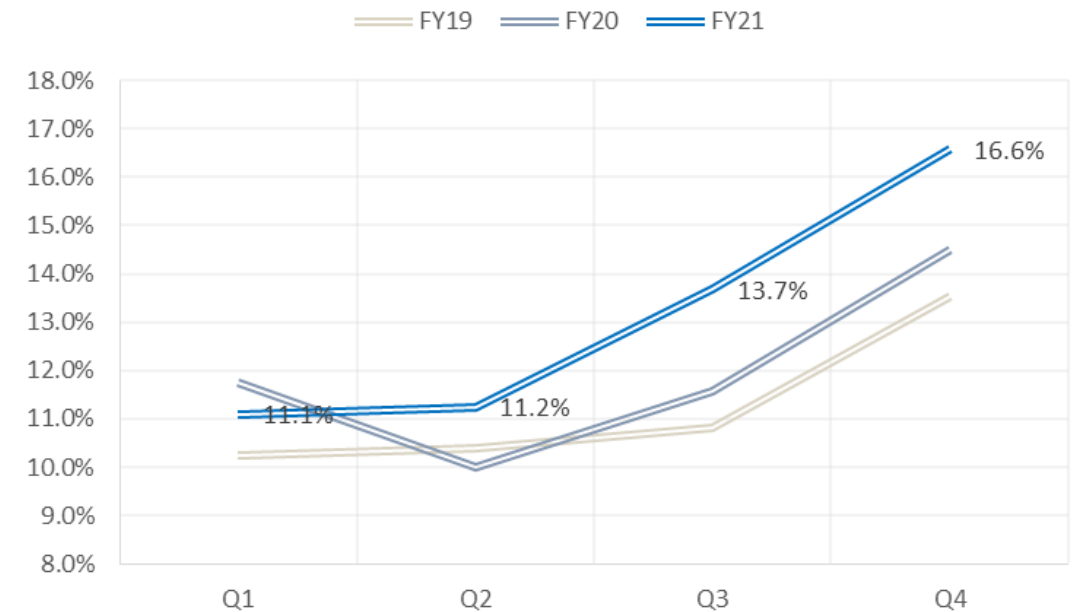
FY 2021 RESULTS

INVESTMENTS IN MARKETING AND COMMUNICATION (AT CONSTANT PERIMETER)

A&P investments – last 3 years evolution



A&P on revenues – 2021 quarterly evolution



FY 2021 RESULTS

THE AMBASSADOR CAMPAIGN



THE GLOBAL
AMBASSADOR
CAMPAIGN IS
FURTHER
IMPROVING OUR
BRAND
AWARENESS IN
THE ESPRESSO
SPACE



FY 2021 RESULTS

NEW PRODUCT LAUNCHES

LA SPECIALISTA ARTE

WE CONTINUE TO INVEST IN
NEW PRODUCTS, ENRICHING
THE POSSIBILITY OF CHOICE
FOR THE CONSUMERS AND
PROVIDE THEM A PLAYFUL
AND ENJOYABLE EXPERIENCE



FY 2021 RESULTS

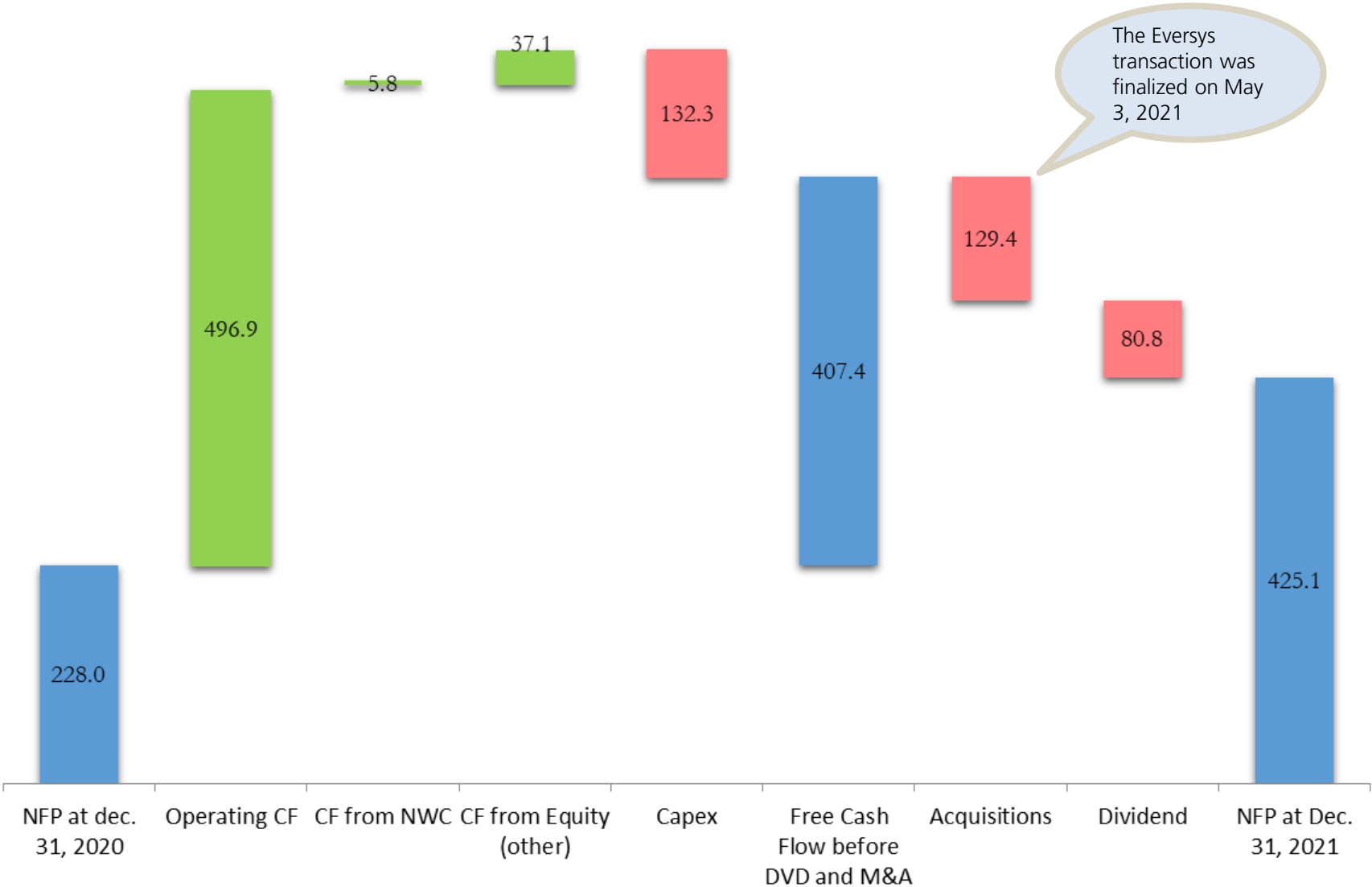
BALANCE SHEET

	<i>reported</i>	<i>reported</i>	
<i>EUR million</i>	Dec. 31, 2021	Dec. 31, 2020	<i>Change 12m</i>
operating NWC	199.7	247.2	-47.6
Net Equity	1,570.6	1,267.4	303.2
Net Financial Position	425.1	228.0	197.1

- **Net financial position** as at 31.12.2021 stood at 425.1 M€, almost 200 M€ higher than last year, thanks to a stronger business expansion.
- Over the last 12 months, **the free cash flow before dividends and acquisitions** was 407.4 M€, thanks to a strong cash flow from operating activity and despite the cash out related the acquisition for 129.4 M€ and the dividend distribution of 80.8 M€.
- Substantially neutral the management of **net working capital** (positive for € 5.8 million), where the cash absorption deriving from the increase in inventories (due to the development of the business in the coming months and an increased stocking of products and components in light of the tensions in the global supply chain) was offset by a pro-active management of receivables and payables.

FY 2021 RESULTS

12 MONTHS NET CASH FLOW (REPORTED)



FY 2021 RESULTS

FY 2022 GUIDANCE

Massimo Garavaglia, Group C.E.O.:

"2021 was a year of important results both in terms of growth and value creation. These results not only testify to the success of a strategy based on long-term vision, product innovation, manufacturing excellence and continuous investments, but also encourage us to continue on the path we have undertaken, convinced that we can count on structural growth trends in our "core" segments and on the strength of our brands.

The recent geopolitical developments lead us to prudently reconsider the contribution to sales of the two markets involved in the crisis. For the current year we therefore expect organic revenues for the Group in line with last year. Furthermore, with a view to medium-term development, we intend to give continuity to the investment plans in communication and the strengthening of the organizational and production structure already planned, which overall will bring the 2022 adjusted EBITDA to around 450 million Euros".

FY 2022
guidance

**ORGANIC REVENUES in line
with last year.**

+

**Adjusted EBITDA at
around € 450 million**



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