

DēLonghi Group

Q1-22 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 1st quarter figures are not subject to audit.

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"** or **"at constant perimeter"** stand for excluding the consolidation of Eversys;
- **"M"** stands for million and **"bn"** stands for billion;
- **"Organic"** stands for at constant exchange rates
- Q1 stands for first quarter (January 1st - March 31st);
- **"Reported"** stands for official data including the consolidation of Eversys since April 1st, 2021 (following the acquisition finalized last year).
- The comparative data as of March 31, 2021 have been restated in accordance with IFRS 3, as a result of the definitive accounting of the business combination relating to Capital Brands.

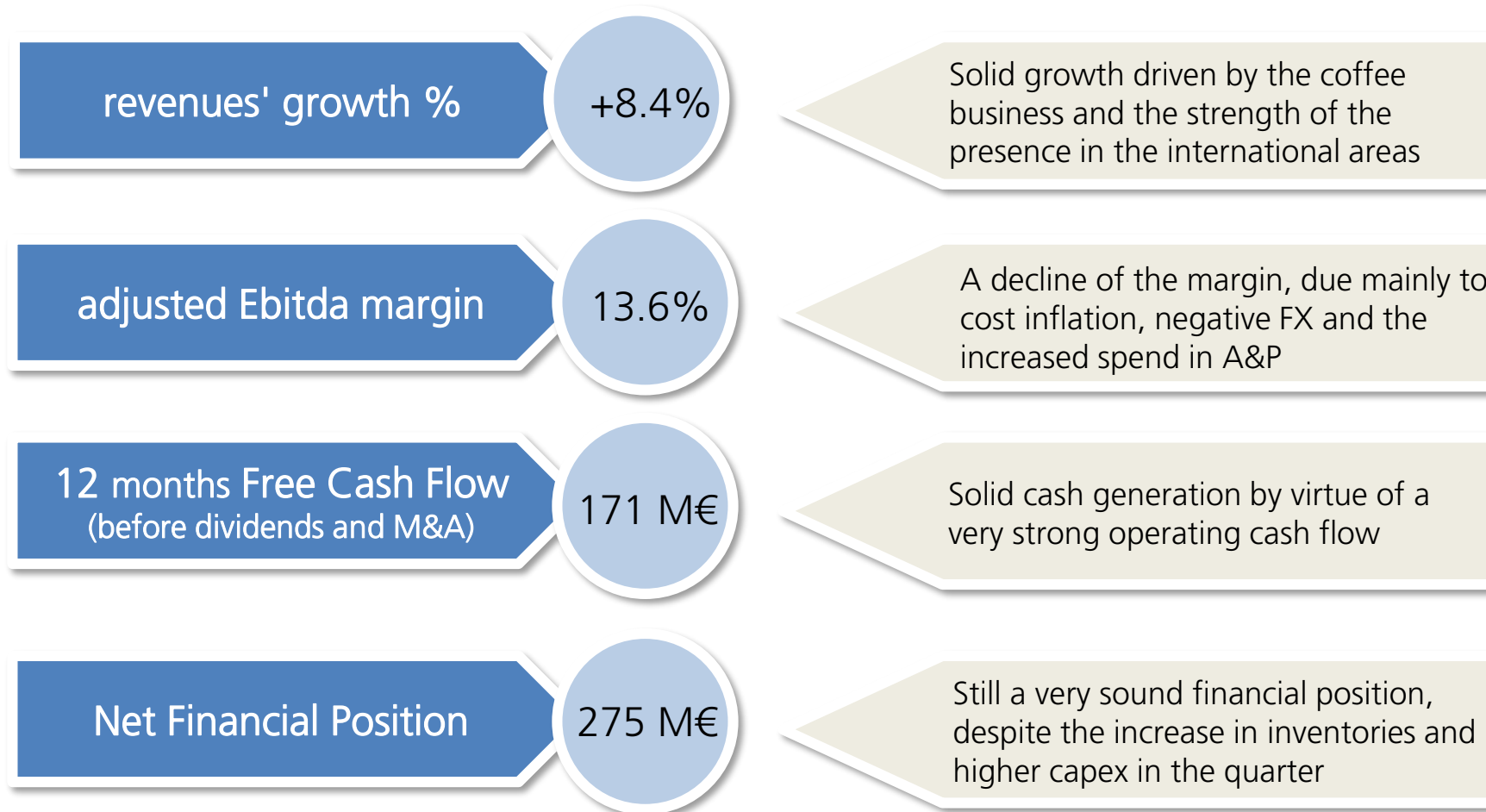


Q1-22 RESULTS



Q1-22 RESULTS

HIGHLIGHTS



Q1-22 RESULTS

TOP LINE AND MARGINS



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<i>(Eur million)</i>	Q1 - 2022	Q1 - 2021
Revenues	735.5	678.7
<i>change %</i>	<i>8.4%</i>	
<i>at constant perimeter %</i>	<i>5.5%</i>	
Ebitda adjusted	100.1	128.6
<i>% of revenues</i>	<i>13.6%</i>	<i>18.9%</i>

- Q1-2022 revenues grew by 8.4% or 5.5% at constant perimeter;
- The main geographic areas, with the exception of North-Eastern Europe, closed the quarter in positive territory;
- In the quarter, coffee makers were the main driver for the Group's performance, sustained by the increase in investments in communication, innovation and marketing implemented by the Group in the last few years.



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Q1-22 RESULTS

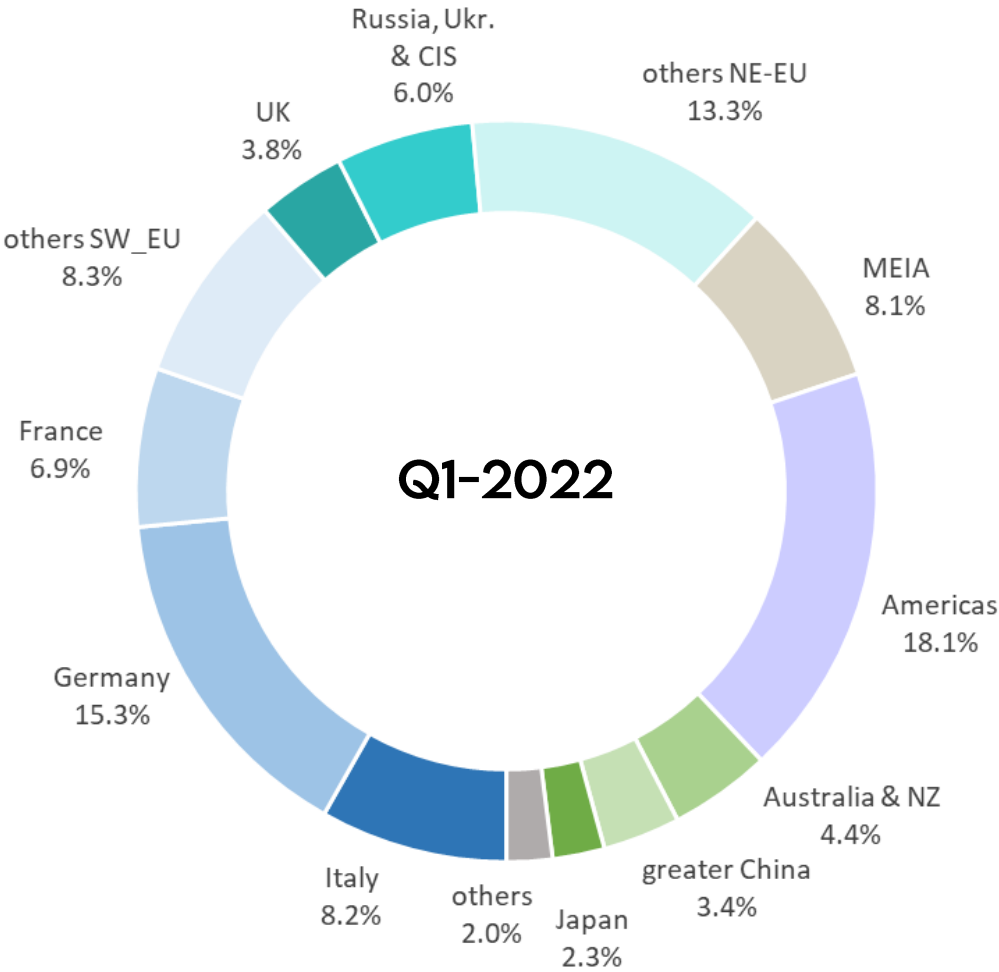
REVENUES BY REGION

<i>EUR million</i>	Q1 - 2022	<i>var. %</i>	<i>var. % at constant FX</i>
South-West Europe	284.5	3.9%	3.5%
North-East Europe	170.0	-7.1%	-6.9%
EUROPE	454.5	-0.5%	-0.7%
AMERICA	132.9	32.3%	24.2%
MEIA (MiddleEast/India/Africa)	59.4	13.8%	6.9%
ASIA-PACIFIC	88.8	27.7%	20.1%
TOTAL REVENUES	735.5	8.4%	5.7%

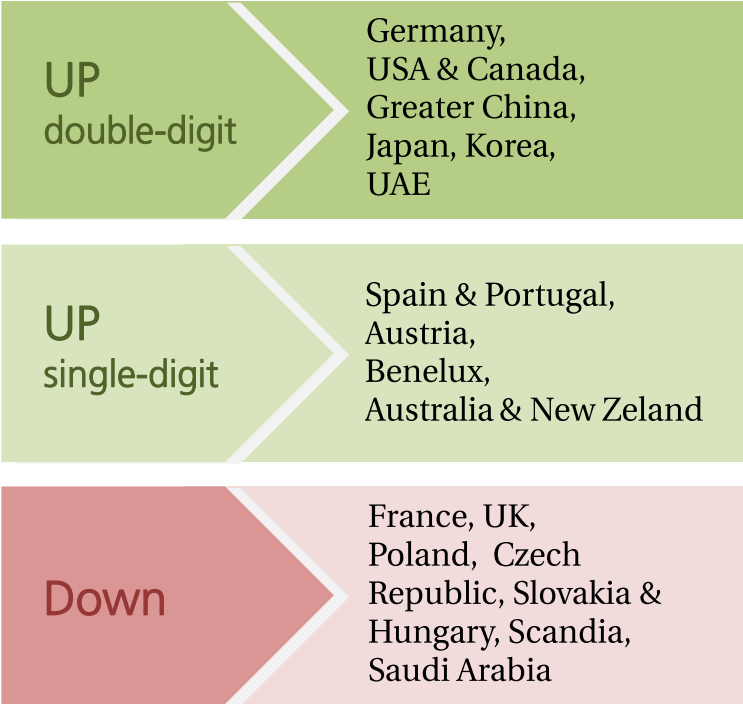
- **South-western Europe** grew by 3.9% in the quarter, thanks to the expansion of Germany at a double digit growth rate and the high single digit development of the Iberian region and Austria;
- **North-eastern Europe** recorded a negative performance, both due to the difficult geopolitical situation that affected consumers' sentiment in some countries and to the particularly challenging basis of comparison vs. last year in the UK market (Q1-21 revenues were up 93% on a LFL basis);
- **MEIA** ended the quarter with a double-digit performance, thanks to the expansion of the main markets of the region;
- the **America** region has further expanded its size (from ca.15% to ca.18% in Q1), delivering a significant double-digit growth thanks to the development of the coffee business and an early sales season of portable air conditioners;
- finally, **Asia Pacific** was up 28%, driven by a strong growth in Greater China as well as by a significant development of the other main markets in the area (Australia and New Zealand, Japan, South Korea).

Q1-22 RESULTS

REVENUES BY MARKET

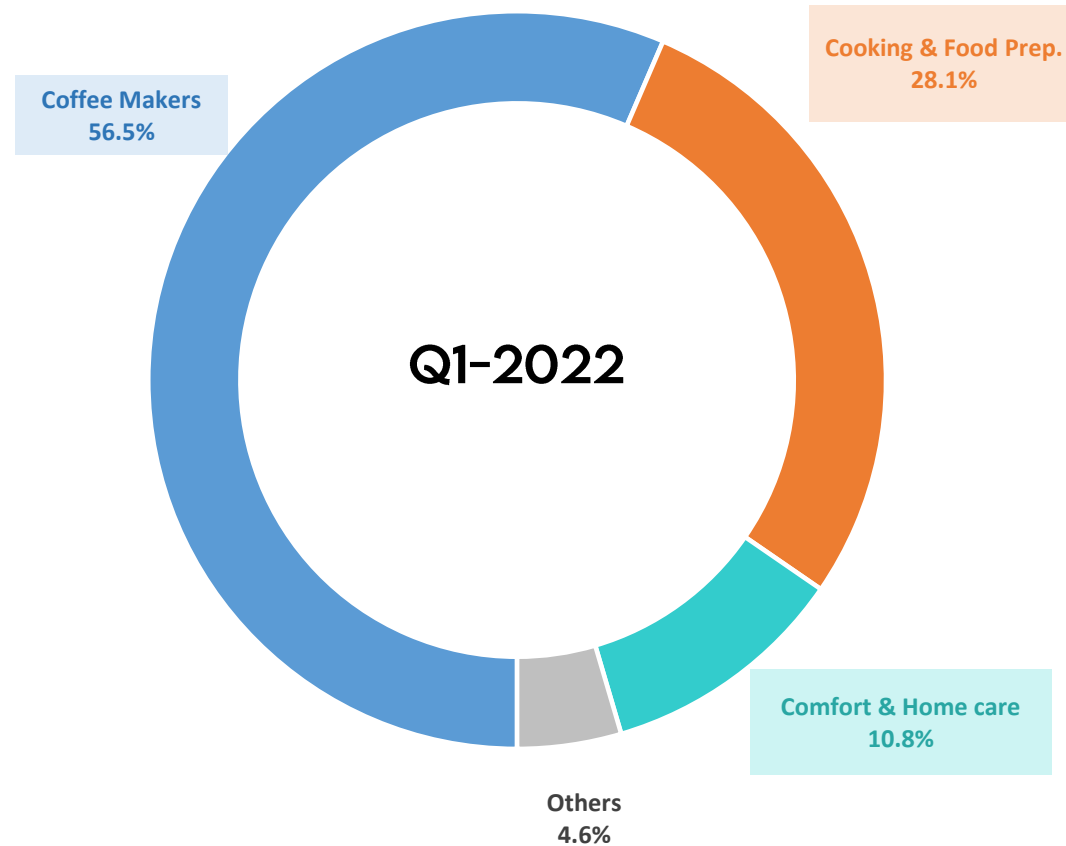


Main Ups & Downs (at constant FX)

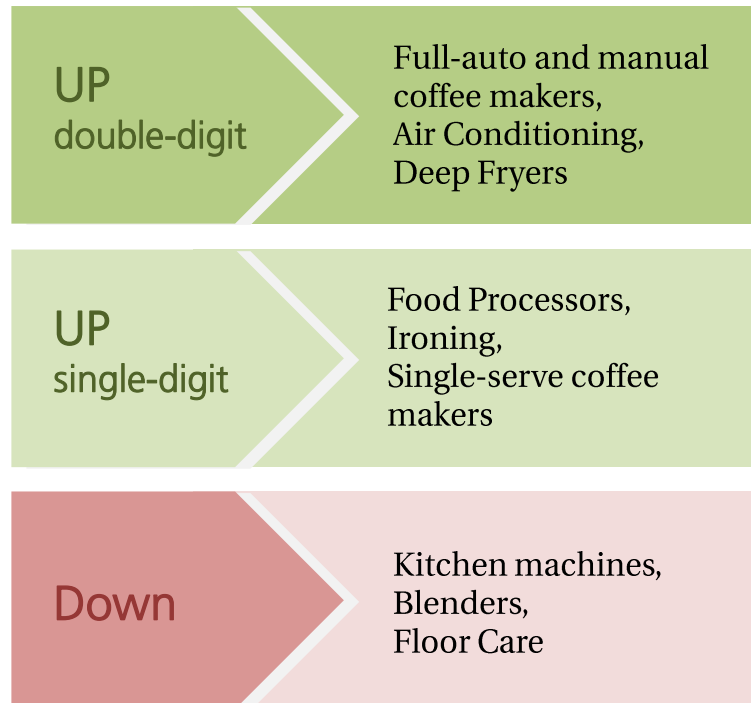


Q1-22 RESULTS

REVENUES BY PRODUCT LINE



Main Ups & Downs (at constant FX)



Q1-22 RESULTS

MARGINS

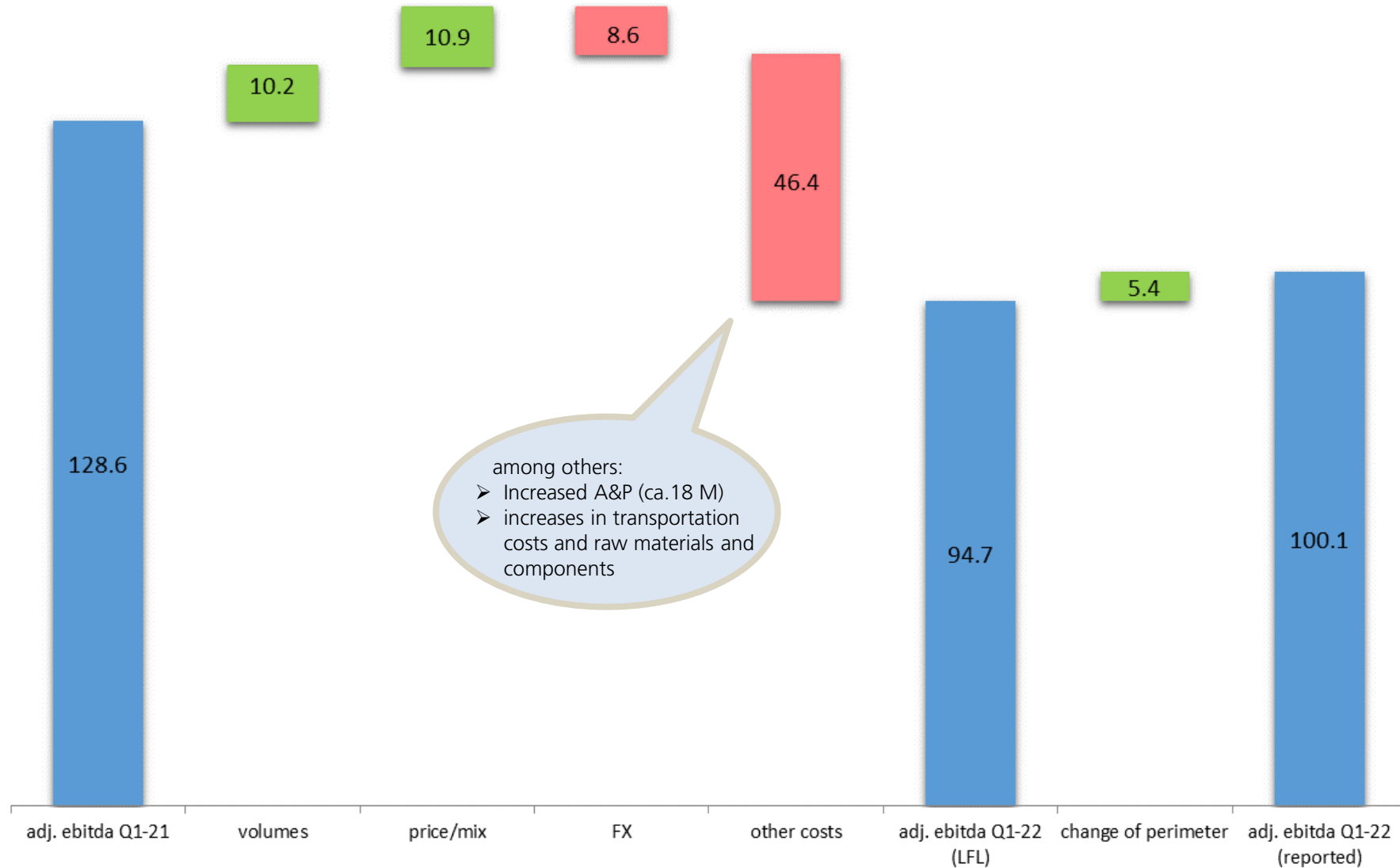
<i>(Eur million)</i>	Q1-2022	Q1-2021
net ind. margin	375.6	355.1
<i>% of revenues</i>	<i>51.1%</i>	<i>52.3%</i>
adjusted Ebitda	100.1	128.6
<i>% of revenues</i>	<i>13.6%</i>	<i>18.9%</i>
Ebitda	93.5	121.7
<i>% of revenues</i>	<i>12.7%</i>	<i>17.9%</i>
Ebit	69.1	100.9
<i>% of revenues</i>	<i>9.4%</i>	<i>14.9%</i>
Net Income	50.6	75.4
<i>(pertaining to the Group)</i>		
<i>% of revenues</i>	<i>6.9%</i>	<i>11.1%</i>

- net industrial margin, stood at 51.1% of revenues compared to 52.3% last year, (but at constant exchange rates, the margin would have stood at 52.6%, improving vs. last year);
- adjusted Ebitda amounted to 100.1M€, equal to 13.6% of revenues (compared to 18.9% in 2021 and 10.7% in 2020), down vs last year due to:
 - higher investments in A&P,
 - negative fx effect and
 - higher opex.
 On the positive side, price-mix partially offset the pressure coming from the cost inflation.



Q1-22 RESULTS

ADJUSTED EBITDA BRIDGE



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BALANCE SHEET

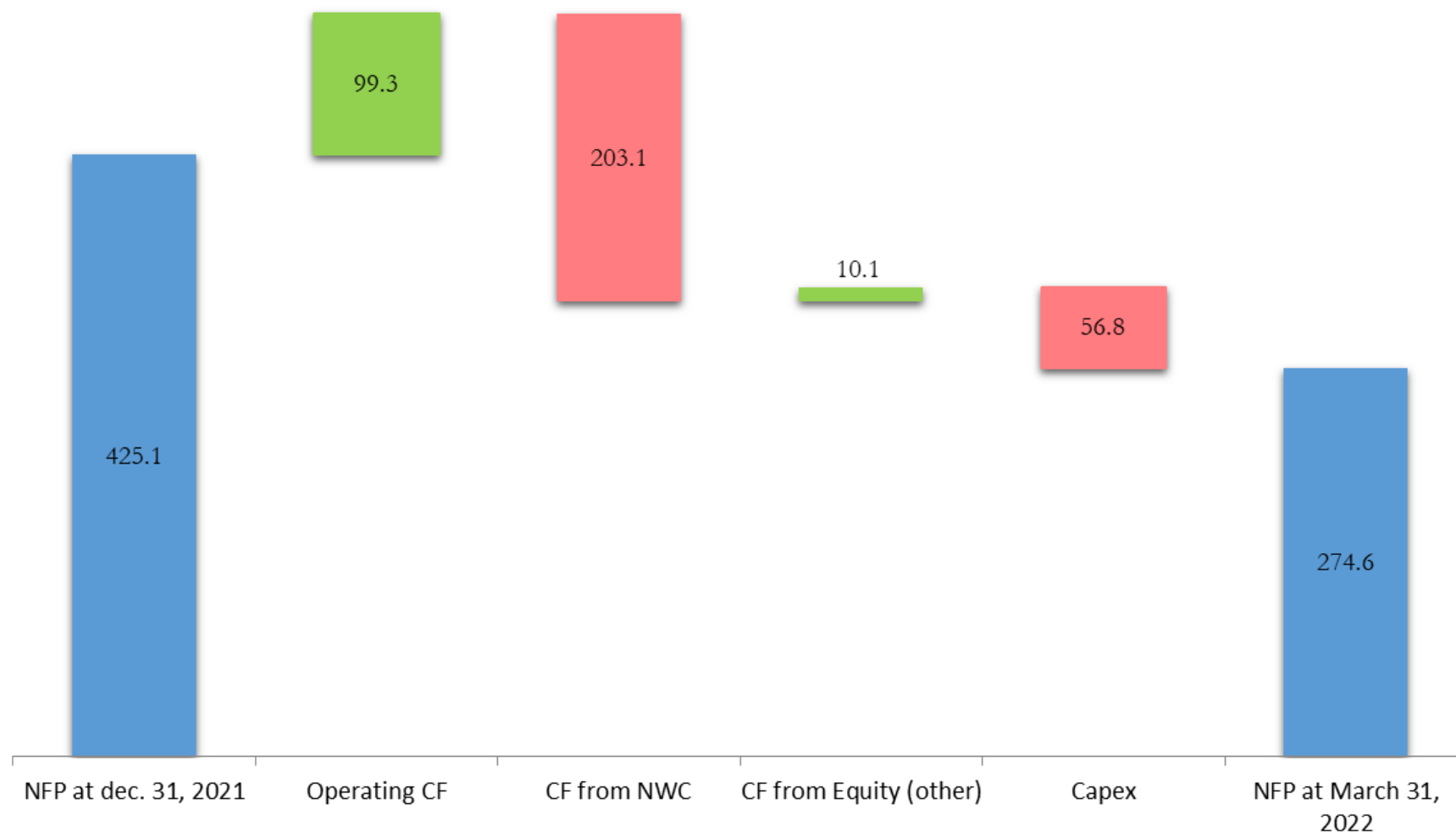
<i>EUR million</i>	31.3.2022	31.12.2021	<i>change (3 months)</i>	31.3.2021	<i>change (12 months)</i>
operating NWC	334.7	199.7	135.0	253.1	81.5
Net Equity	1,632.3	1,570.6	61.7	1,372.8	259.5
Net Financial Position	274.6	425.1	-150.5	314.1	-39.5

- **Net financial position** as at 31.3.2022 stood at 274.6 M€, decreasing from 2021 year end, due to investments (higher than Q1-21) and increased inventory level;
- over the last 12 months, the **Free Cash Flow before dividends** (€ 80.8 million) and **acquisitions** (€ 129.4 million) was 170.7 M€, thanks to a strong cash flow from operating activity;
- in more details, in the first quarter:
 - **capex** amounted to € 56.8 million (an increase of € 36.9 million vs LY), including the 21 M€ acquisition of a new plant in Romania);
 - the ratio of operating working capital on revenues stood at 10.2%, compared to 6.2% at the end of 2021 and 9.6% at end of March 2021.



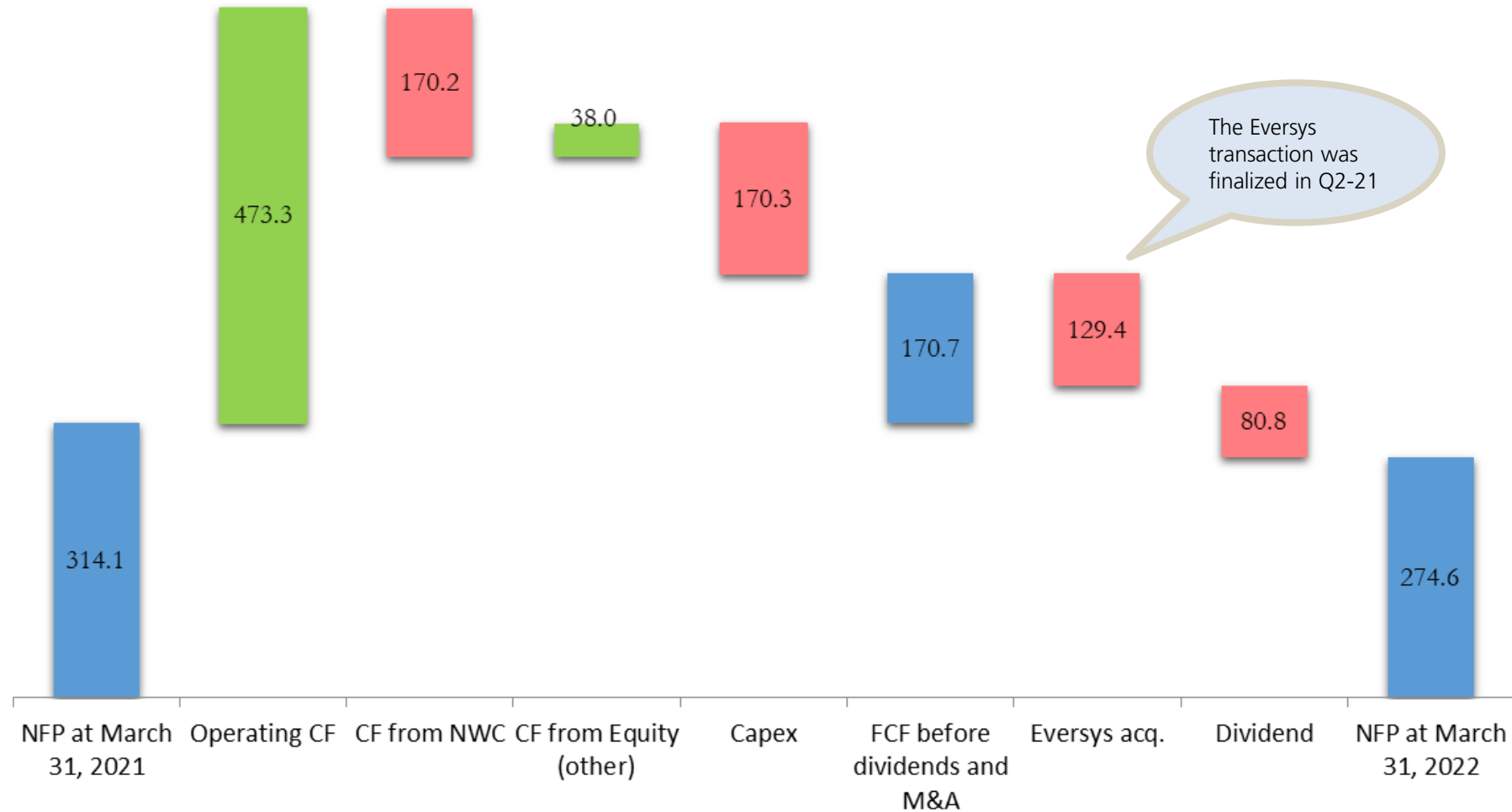
Q1-22 RESULTS

3 MONTHS NET CASH FLOW



Q1-22 RESULTS

12 MONTHS NET CASH FLOW



Q1-22 RESULTS

KEY TAKEAWAYS

1

Positive growth in Q1-2022, despite the difficult comparison with Q1-2021 (which was up by ca. 60% LFL), thanks to the still strong trend in coffee.

2

Albeit in a scenario of evolving uncertainty, the first months results and the feedback received from the markets support us in **confirming the guidance**.

3

Although the global supply chain has been facing growing complexities, both in procurement and distribution, **the Group was able to serve the markets with no disruption**.

4

Coping with the growing cost inflation in the last 18 months, the **Group has implemented effective mitigation actions** (such as price increase policy) with the ultimate goal of protecting the industrial margin in value.

Q1-22 RESULTS

FY 2022 GUIDANCE

Massimo Garavaglia, Group C.E.O.:

"We are very satisfied with the results of this first quarter, even more significant in light of the difficult comparison with the first quarter of 2021 which had recorded exceptional results with revenues growing by around 60% on a like-for-like basis.

At the start of the year, our group is responding with determination to the numerous challenges posed by a highly complex and rapidly evolving macroeconomic and geopolitical scenario, in which cost inflation and difficulties in the supply chain are added to the fears of the impacts of the military escalation in Eastern Europe on the consumption dynamics.

However, despite the presence of a strongly evolving macroeconomic context, in light of the current elements we are not changing the previous guidance.

In conclusion, we remain convinced that the strategy of focusing on the core categories - in particular the coffee one - of constant investment in products and our brands, of geographical development and of discipline in price management, remains the winning strategy for the creation of value in the medium and long term “.

FY 2022
guidance
(confirmed)

ORGANIC REVENUES in
line with last year.

+

Adjusted EBITDA at
around € 450 million



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