



## DE' LONGHI CREATES A HUB OF GLOBAL STANDING IN THE PROFESSIONAL COFFEE MACHINE SEGMENT



# EXECUTIVE SUMMARY

The transaction involves:

- the creation of a new corporate structure controlled by De' Longhi SpA,
- the related contribution of Eversys,
- the acquisition by De' Longhi SpA of shares of La Marzocco International LLC from De Longhi Industrial S.A. and from minority shareholders, for approximately 41.2% of the capital,
- the contribution of the remaining shares of LM to the new corporate structure by the original shareholders.

The cash-out due by the De' Longhi for the acquisition of the shares from De Longhi Industrial and the minority shareholders of LM is ca. US\$ 374 M.

De' Longhi Group will control ca. 61.4% of the new hub, while minority shares will be held by De Longhi Industrial S.A. (ca. 26.6%) and by the current minority shareholders of LM (ca. 12%).

The professional coffee hub will have a turnover on a pro-forma basis expected in 2023 of ca. € 372 M and an adjusted Ebitda of ca. € 87 M (before synergies).





# SCOPE OF THE BUSINESS COMBINATION



TO IMPLEMENT THE CAPITAL ALLOCATION STRATEGY SO AS TO REINFORCE OUR PRESENCE IN COFFEE

TO STRENGTHEN AND TO BROADEN OUR MARKET LEADERSHIP IN ESPRESSO MACHINES

TO COMBINE COMPLEMENTING PRODUCT LINES IN THE ESPRESSO B2B AND B2C

TO GAIN ACCESS TO NEW TECHNOLOGIES AND EXPERTISE IN THE INDUSTRY

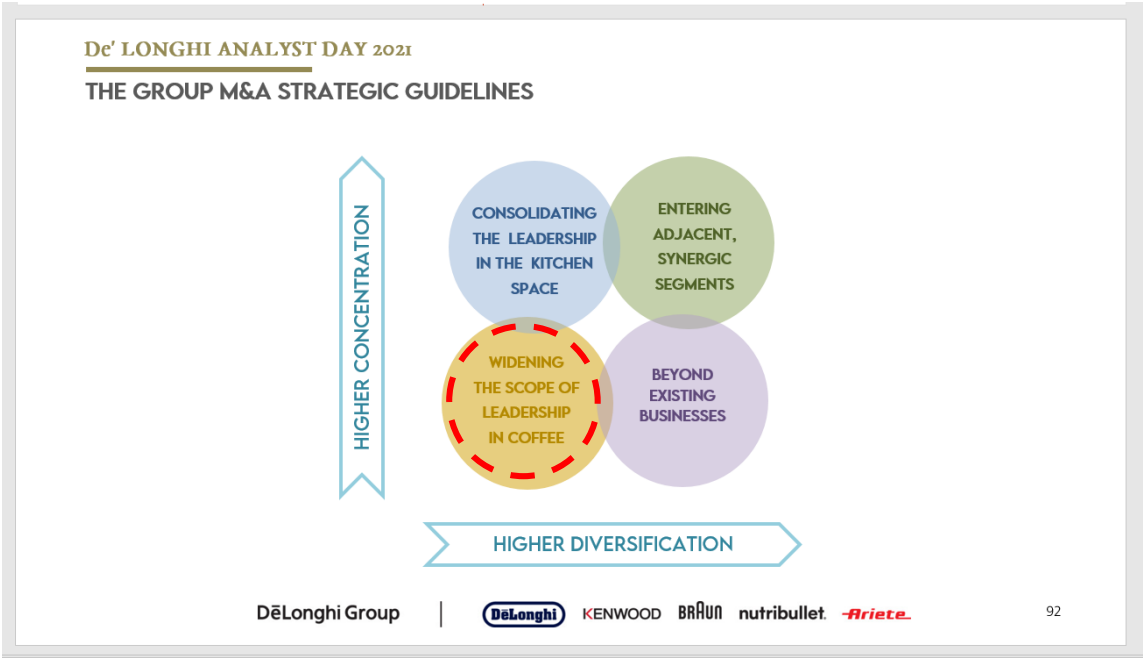
TO INCREASE THE EXPOSURE TO THE ESPRESSO GLOBAL TREND

CROSS SELLING AND COST SYNERGIES OPPORTUNITIES

# M&A STRATEGY

De' Longhi's M&A strategy has always been focusing on four key areas of commitment, giving priority, among them, to the strengthening of our authority in the espresso space and to the expansion of our B2B presence

excerpt from Analyst Day presentation, March 2021



EVERSYS

2017 > acquisition of 40% Eversys



nutribullet.

2021 > acquisition of Capital Brands



EVERSYS

2022 > Acquisition of the residual 60% of EV



EVERSYS



2023 > Business combination in professional coffee



# LA MARZOCCO: HISTORY

Founded in 1927 in Florence by Bambi's brothers, La Marzocco is one of the oldest producers of top-quality coffee machines and is synonymous of quality and reliability

Giuseppe Bambi patents the first espresso machine with a horizontal boiler in 1939, making it possible to install more groups and more ergonomic

La Marzocco patents the GS model in 1970, the first machine with a double boiler and saturated brew groups

The new technology has immediate success in Italy and abroad, where is adopted by Starbucks and is used for many years.

From 2000 to 2008, La Marzocco sponsored the World Barista Championships, connecting the brand with several champions who became brand ambassadors

In 2015, LM introduced the Linea Mini, a home barista machine with same performance as the prof. one, including components redesigned for kitchen

# LA MARZOCCO: KEY FIGURES



Revenues

2023 e

240 M€



Adj Ebitda

2023 e

56.7 M€

'18 – '23 e

Revenues Cagr

14 %

2023 e

Ebitda margin

23.6 %

## GEOGRAPHICAL EXPOSURE

■ USA ■ China ■ Australia - NewZel ■ UK ■ Germany ■ Others

33%

21%

23%

9%

6%

8%




PROFESSIONAL  
SEMI-AUTOMATIC



LUXURY  
HOUSEHOLD





Eversys, founded in 2009 and headquartered in Sierre (Switzerland), is a leading manufacturer of premium professional fully-automatic espresso machines.

Eversys has always aimed at bridging the gap between the worlds of traditional and automatic machines, by providing the best in-cup experience and consistency

The Company positioning is supported by its top-quality technology and advanced telemetry system

Eversys equipment is built with a modular concept, that ensures the highest productivity and the minimization of downtime and maintenance costs, thanks to its module assembly that is primarily composed of 5 key units

De Longhi Group has become a strategic partner of Eversys through the acquisition of an initial 40% stake in 2017 and of the remaining 60% stake in 2021

# EVERSYS: KEY FIGURES



2023 e

Revenues

132 M€



2023 e

Ebitda

30 M€

'18 – '23 e

Revenues Cagr

27 %

2023 e

Ebitda margin

22.7 %



Cameo

Legacy



Enigma



Shotmaster

## GEOGRAPHICAL EXPOSURE

■ North America ■ Ireland ■ UK ■ South Korea ■ China ■ Switzerland ■ Others

34%

14%

10%

8%

7%

4%

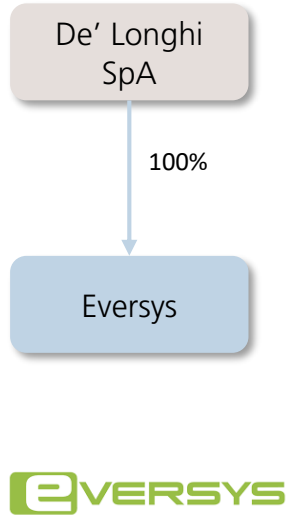
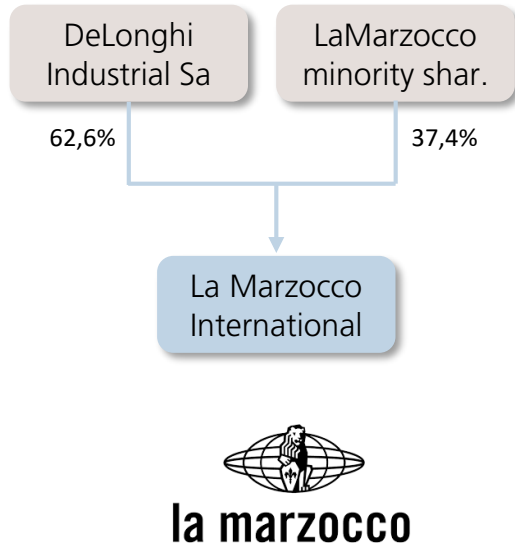
8%

PROFESSIONAL AUTOMATIC MACHINES



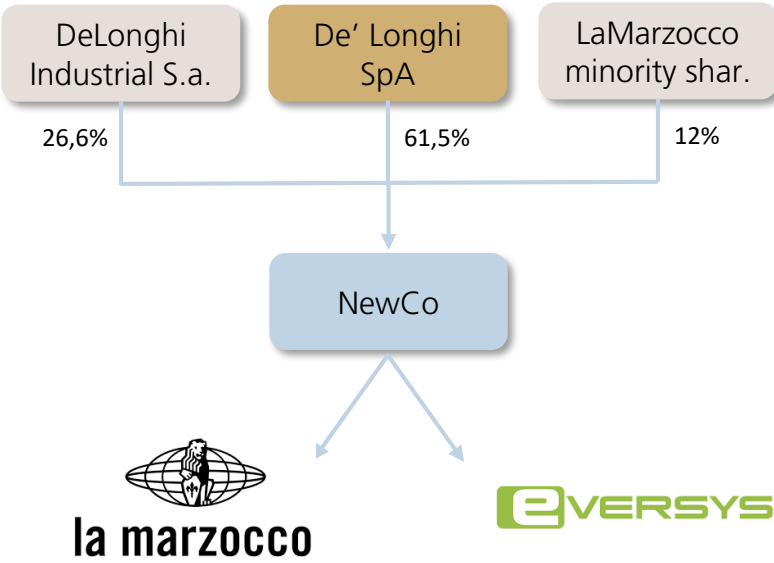
# TRANSACTION STRUCTURE

## Status Quo



## Final structure

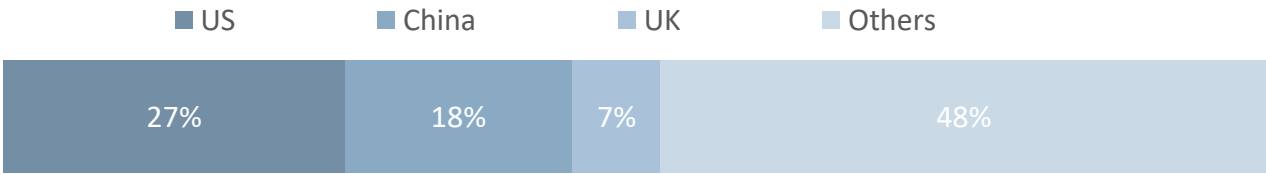
*Simplified chart*



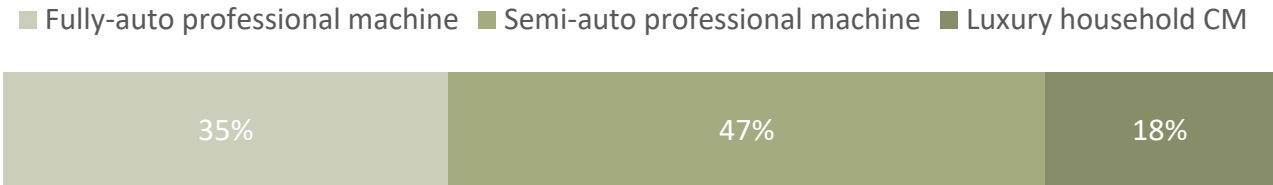
# NEW BUSINESS COMBINATION



## GEOGRAPHICAL EXPOSURE

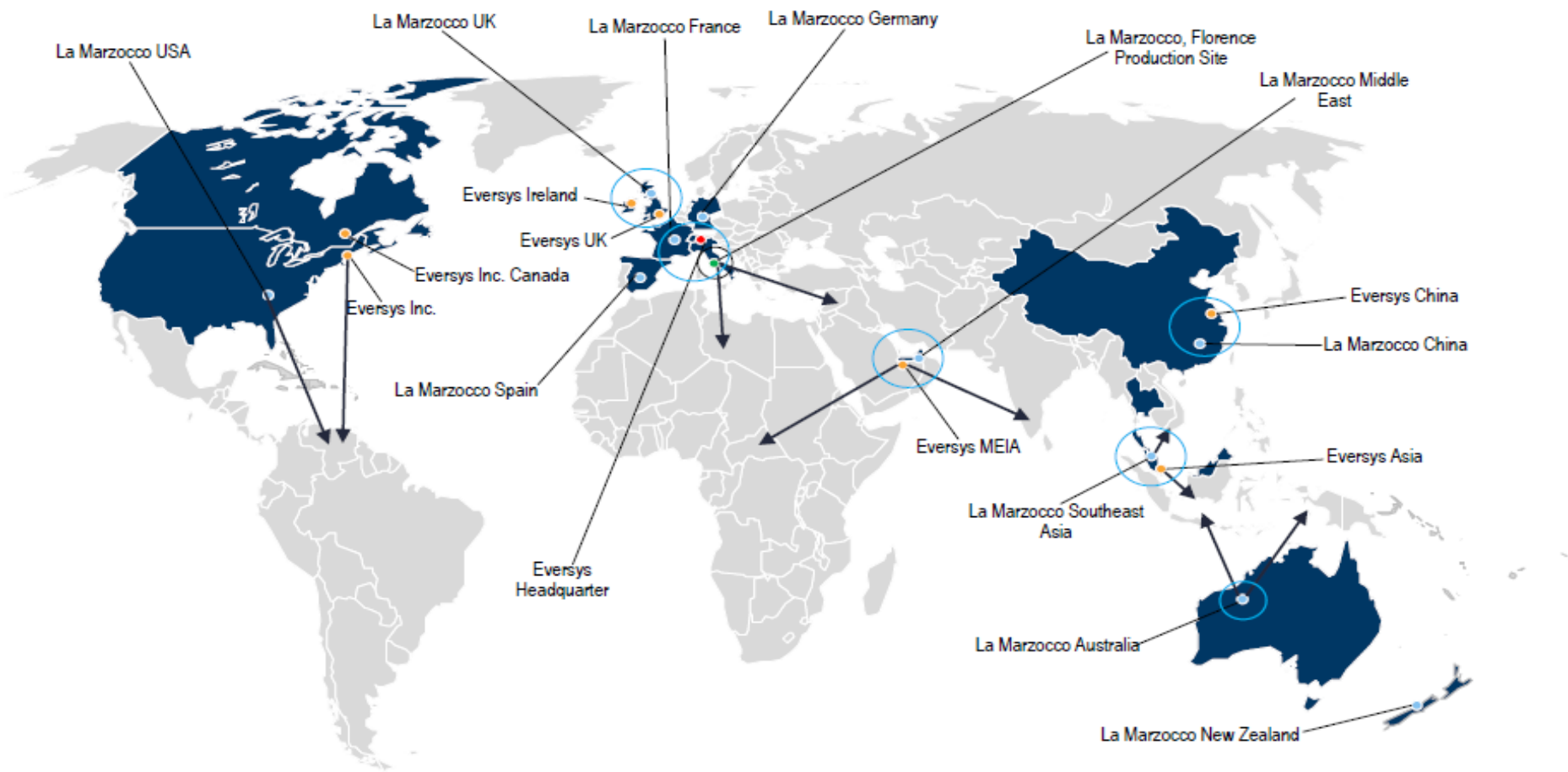


## CATEGORY SPLIT



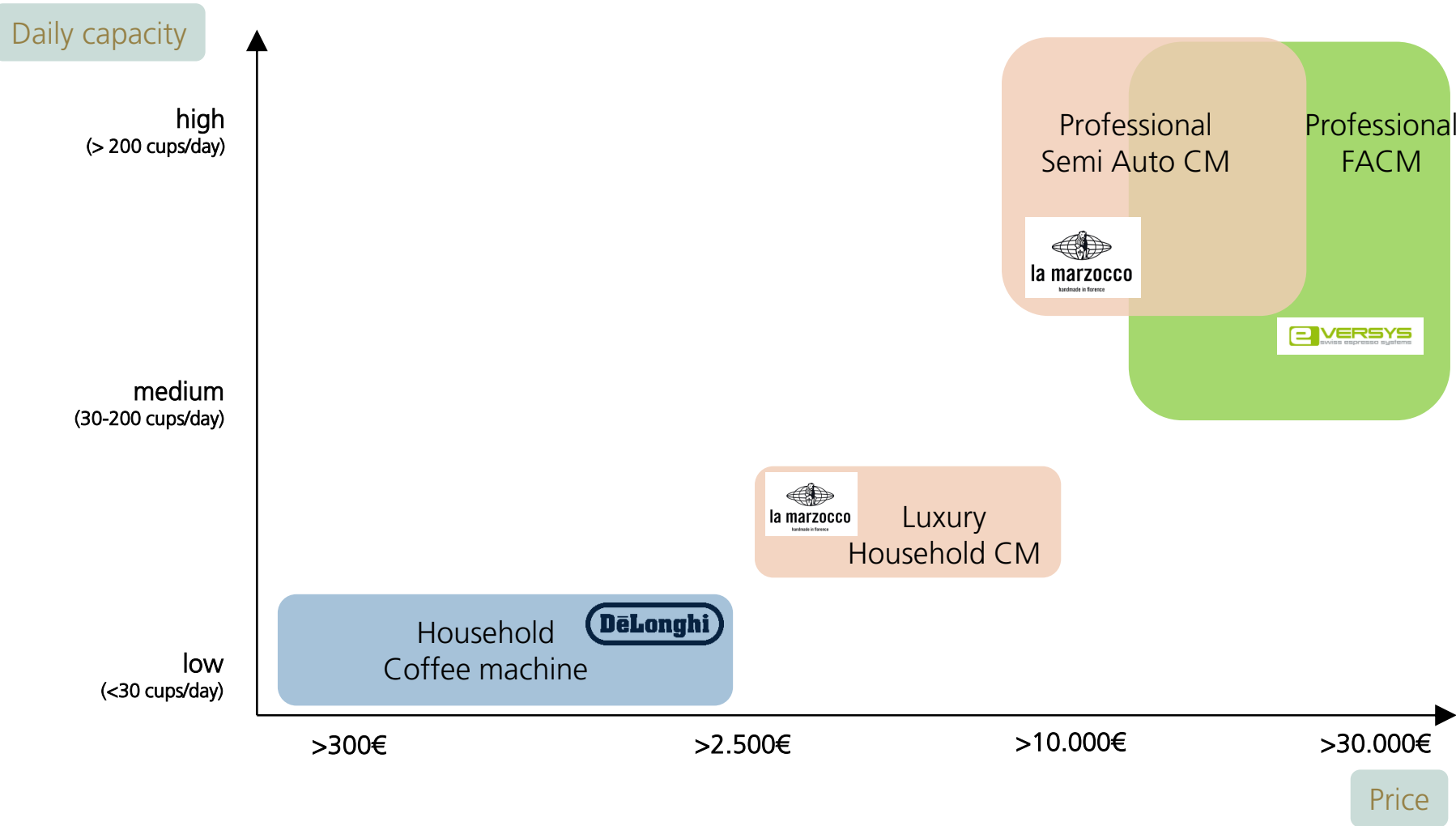
# GEOGRAPHICAL FOOTPRINT

THE COMBINATION WILL HELP BOTH BRANDS TO INCREASE MARKET PENETRATION AND EXPAND GEOGRAPHICAL COVERAGE



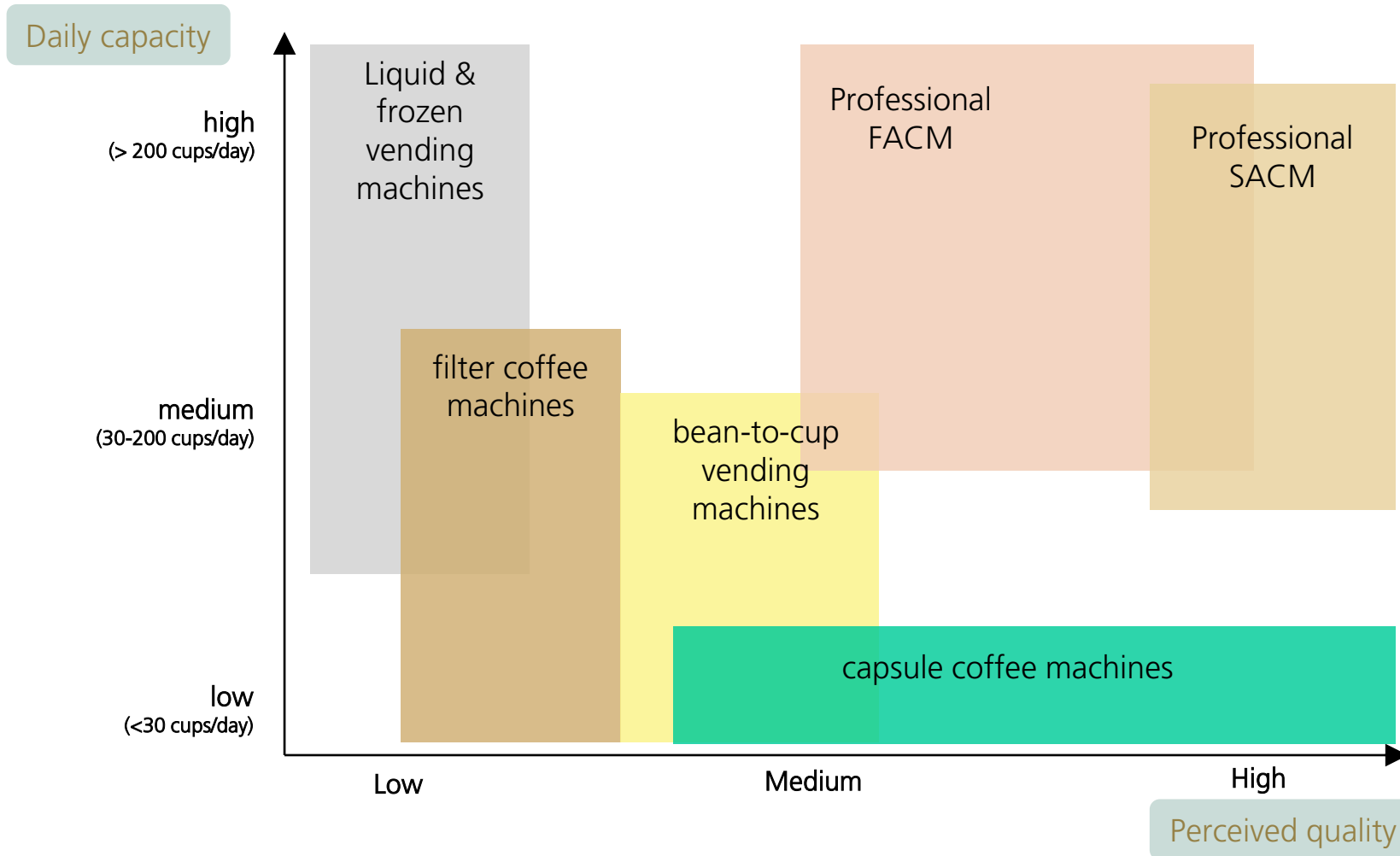


# A PORTFOLIO OF COMPLEMENTARY BRANDS



THE COMBINATION WILL  
CREATE A **GLOBAL  
PLAYER** COMPETING  
EFFECTIVELY IN A  
**LEADERSHIP POSITION**  
IN DIFFERENT MARKET  
SEGMENTS AND  
OFFERING A VARIETY OF  
**COMPLEMENTARY  
PRODUCTS,  
TECHNOLOGIES AND  
BRANDS**

# PROFESSIONAL COFFEE MARKET



## DRIVERS OF GROWTH

### MORE MATURE MARKETS:

- HIGH CONSUMPTION OF COFFEE SPECIALTIES
- REPLACEMENT OF OLDER EQUIPMENT

### EM GROWING MARKETS:

- DEMAND FOR BETTER QUALITY COFFEE
- STRONG INCREASE OF NO. OF VENUES OFFERING GOOD COFFEE
- DEMAND FOR NEW EQUIPMENT

# THE B2B COFFEE MACHINE BUSINESS

## FACM



## SACM



## VENDING



## CAPSULE



## FILTER



Main players



+ schaerer



thermoplan  
Swiss Quality Coffee Equipment



la marzocco  
handmade in florence



LA Cimbali



ANIMO



NESPRESSO

KRUPS






KEURIG

BUNN





# THE B2B COFFEE MACHINE BUSINESS

|                 | FACM   | SACM   | VENDING  | CAPSULE  | FILTER  |
|-----------------|--|--|--|--|---|
| Segments        |   |    |   |   |                                        |
| Description     | Automatic coffee machines grind beans, portion coffee, add milk foam.  | Semi-automatic coffee machines separate bean grinding, espresso brewing and milk heating processes and thus need to be operated by a barista | Vending machines brew coffee specialties from beans, liquid or powder but are usually less robust than FACMs and typically use milk powder | Machines use pre-packed capsules/pods to brew coffees and espresso (milk can be added via separate appliance)                  | Filter coffee machines brew traditional black coffee from ground beans, using fine (e.g. paper) filters instead of sieves |
| Differentiators | <ul style="list-style-type: none"><li>• Consistent high quality and freshly made coffee specialties;</li><li>• easy to use (one touch solutions); need no training</li></ul> | <ul style="list-style-type: none"><li>• Best in class taste</li><li>• touch &amp; feel of artisan coffee experience</li></ul>                | <ul style="list-style-type: none"><li>• Low cost</li><li>• easy to use</li></ul>   | <ul style="list-style-type: none"><li>• Large number of available high quality blends /flavors</li><li>• Easy to use</li></ul> | <ul style="list-style-type: none"><li>• Low cost</li><li>• Distinct filter coffee taste</li></ul>                         |

# TRANSACTION VALUATIONS

THE BOD OF  
DE' LONGHI SPA  
ATTRIBUTED A  
VALUE TO THE  
OVERALL  
**ENTERPRISE  
VALUE** OF THE  
TRANSACTION OF  
**US\$ 1,402.4 M**

EVERSYS GROUP,  
EQUAL TO  
**US\$ 494.6 M**

LA MARZOCCO,  
EQUAL TO  
**US\$ 907.7 M**



Thank you