



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

EVERSYS



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



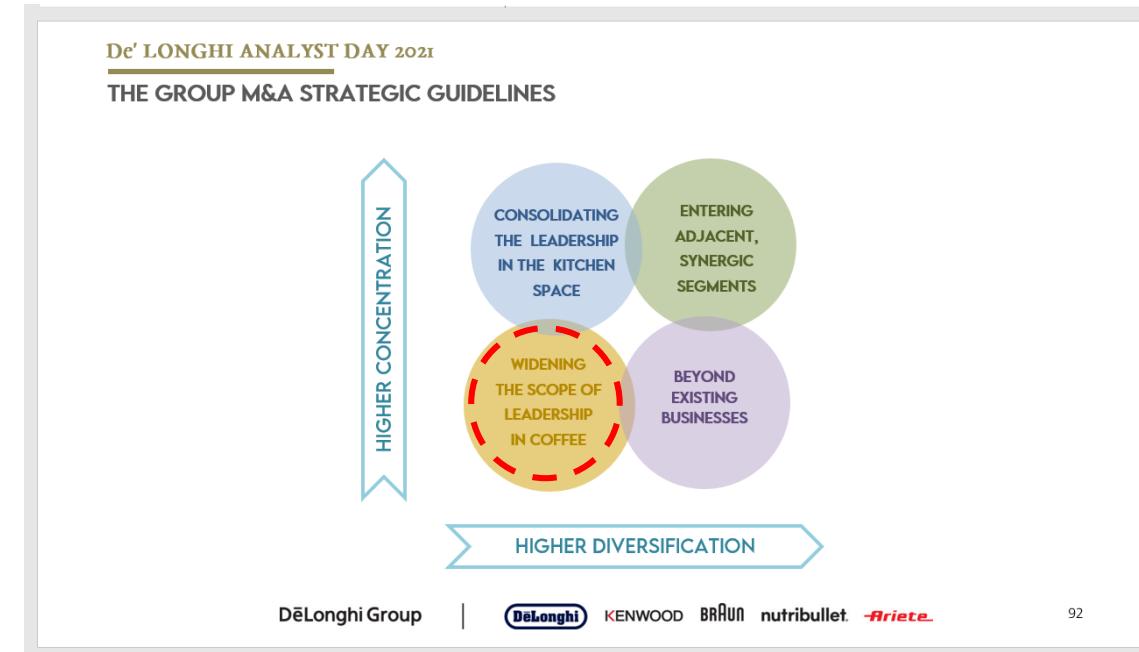
- TO IMPLEMENT THE CAPITAL ALLOCATION STRATEGY SO AS TO REINFORCE OUR PRESENCE IN COFFEE
- TO STRENGTHEN AND TO BROADEN OUR MARKET LEADERSHIP IN ESPRESSO MACHINES
- TO COMBINE COMPLEMENTING PRODUCT LINES IN THE ESPRESSO B2B AND B2C
- TO GAIN ACCESS TO NEW TECHNOLOGIES AND EXPERTISE IN THE INDUSTRY
- 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

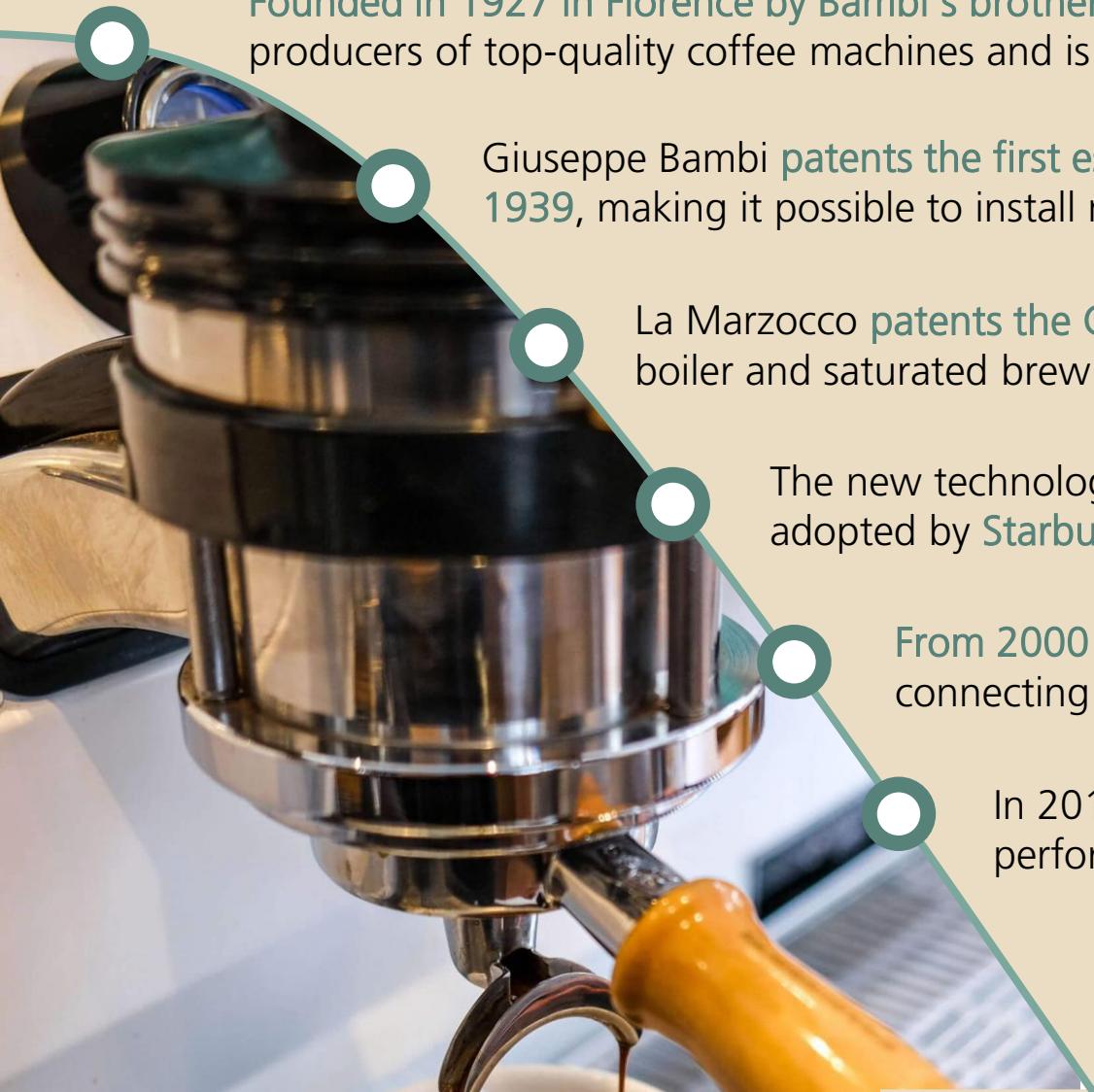
2022 > Acquisition of the
residual 60% of EV



EVERSYS



2023 > Business combination
in professional coffee



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 %

Ebitda margin

2023 e

23.6 %



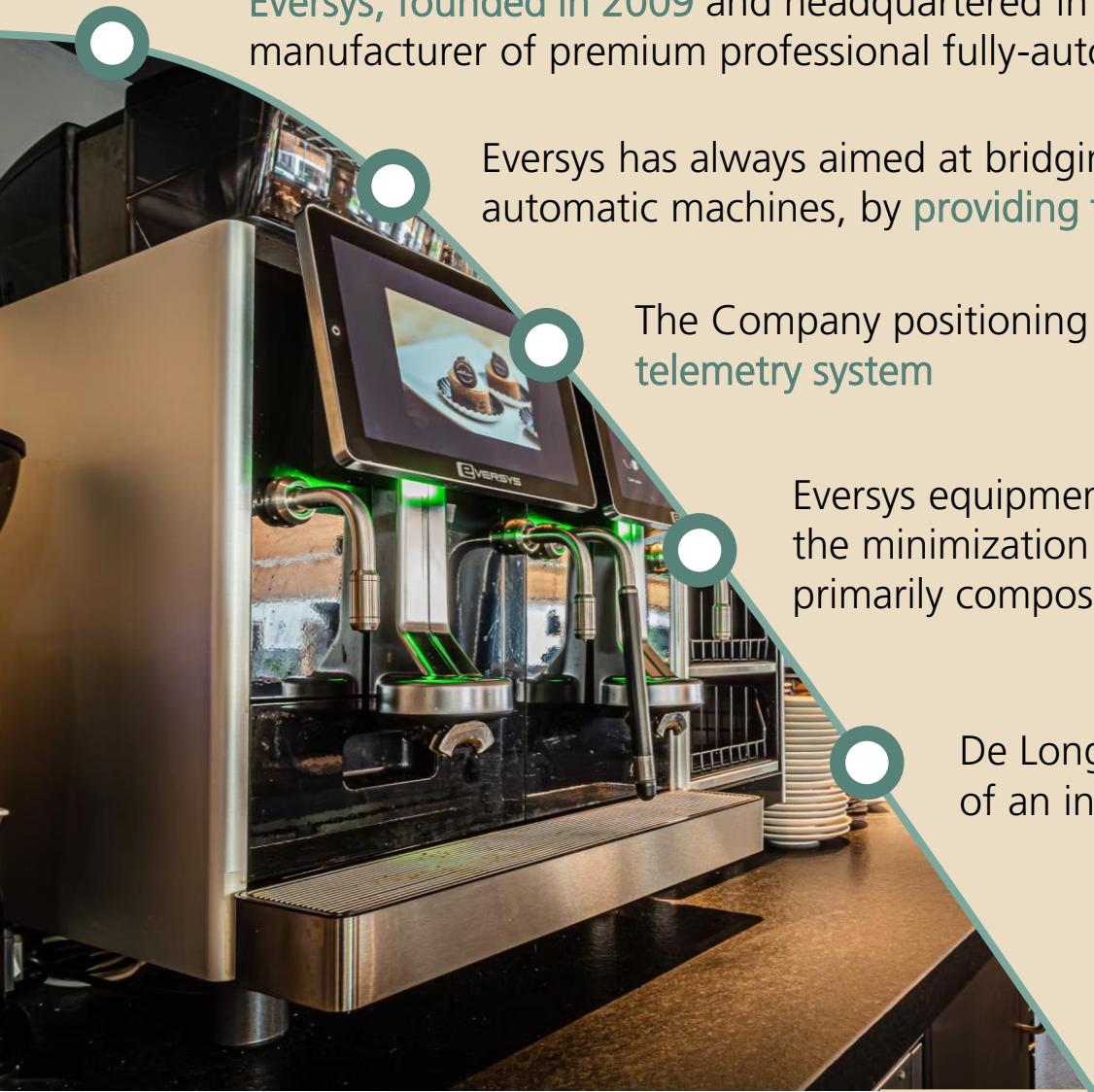
GEOGRAPHICAL EXPOSURE

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



**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



Revenues

2023 e
132 M€



Ebitda

2023 e
30 M€

Revenues Cagr

'18 – '23 e
27 %

Ebitda margin

2023 e
22.7 %



Cameo



Legacy



Enigma



Shotmaster

GEOGRAPHICAL EXPOSURE

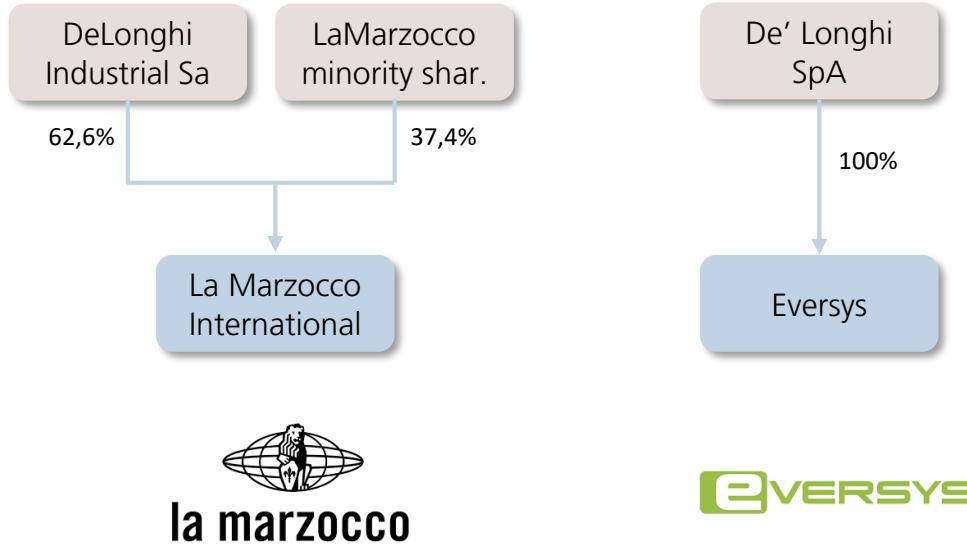
■ North America ■ Ireland ■ UK ■ South Korea ■ China ■ Switzerland ■ Others



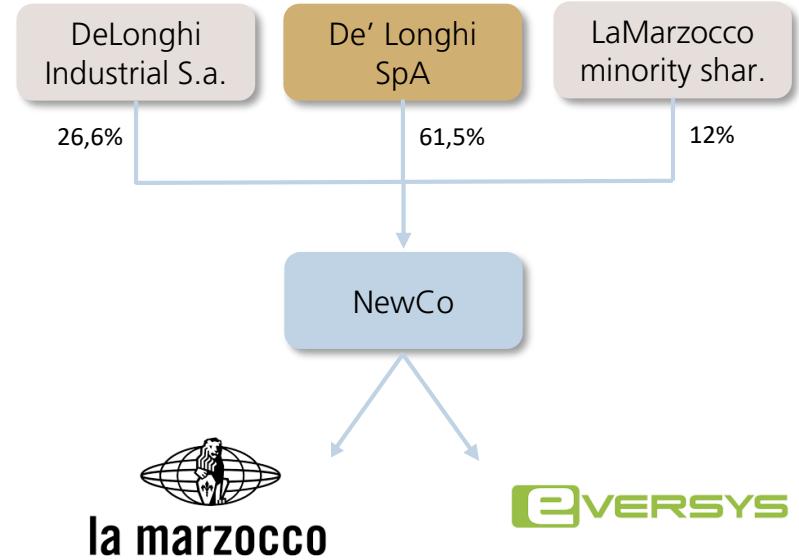
PROFESSIONAL AUTOMATIC MACHINES

TRANSACTION STRUCTURE

Status Quo



Final structure

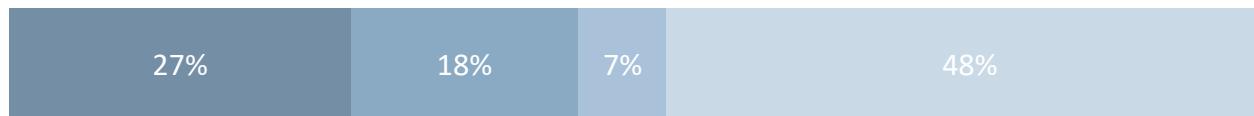


NEW BUSINESS COMBINATION



GEOGRAPHICAL EXPOSURE

■ US ■ China ■ UK ■ Others



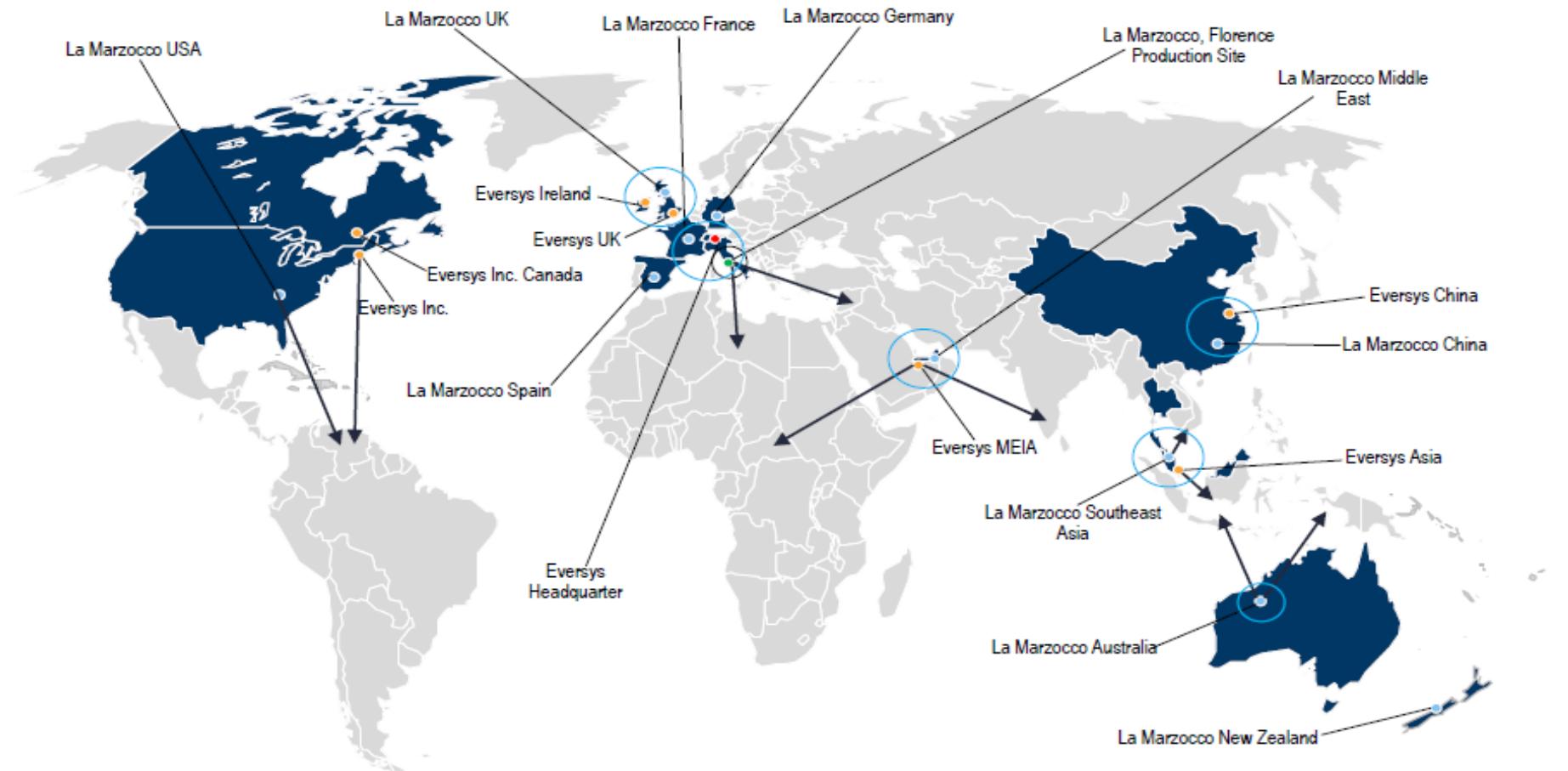
CATEGORY SPLIT

■ Fully-auto professional machine ■ Semi-auto professional machine ■ Luxury household CM

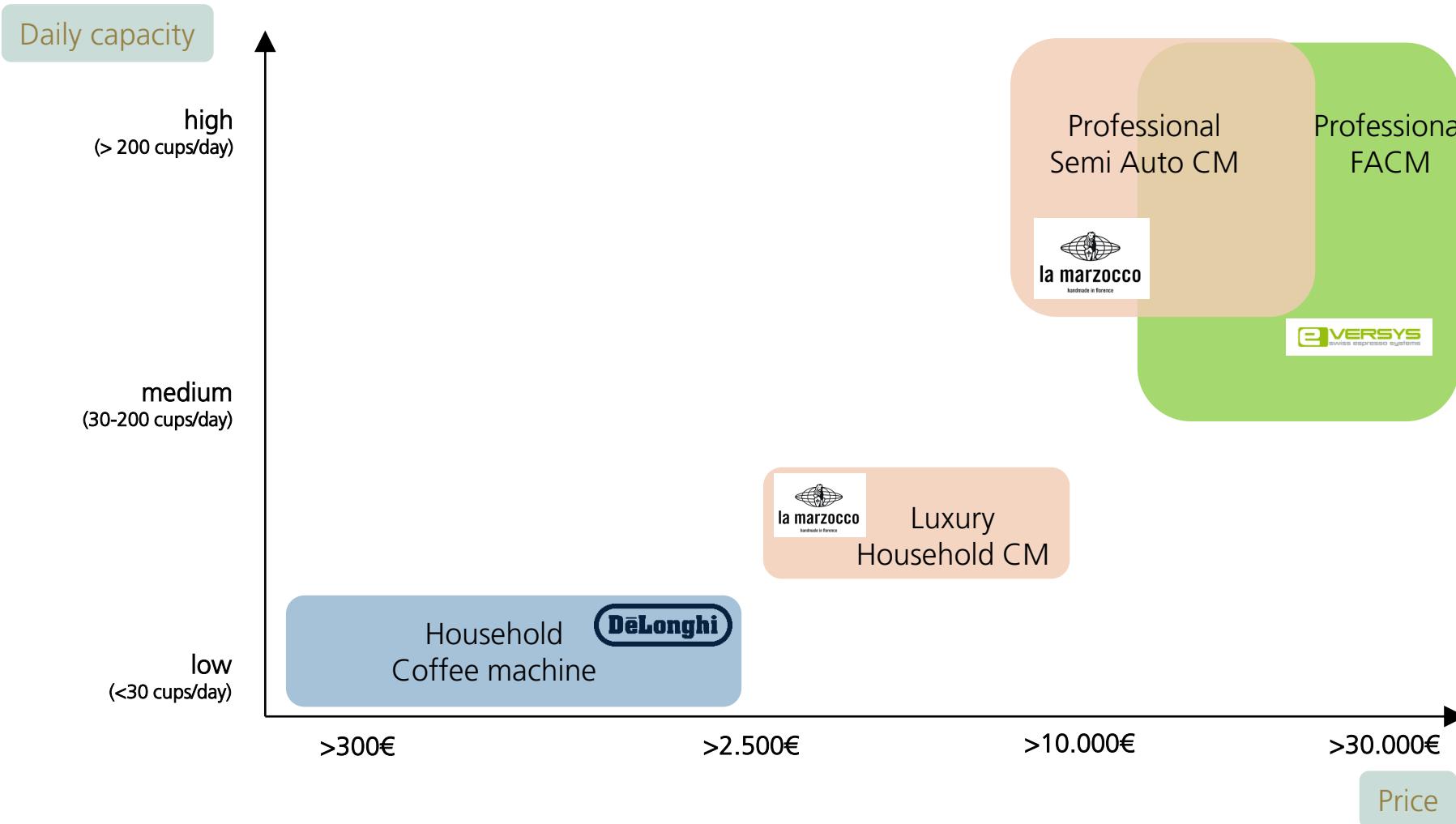


GEOGRAPHICAL FOOTPRINT

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

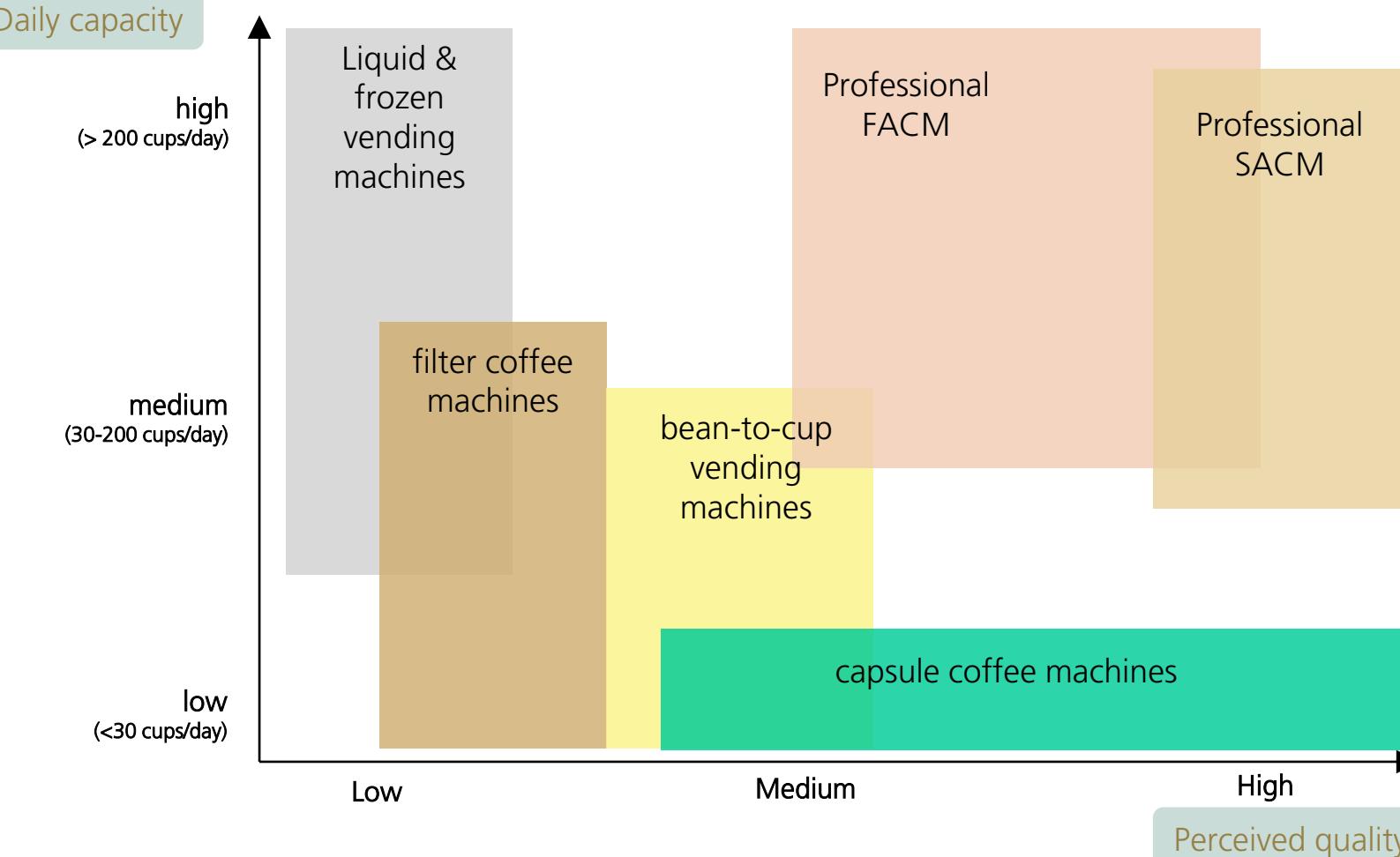


A PORTFOLIO OF COMPLEMENTARY BRANDS



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



+

schaerer



thermoplan

Swiss Quality Coffee Equipment



eversys

SACM



LA CIMBALI

nuova SIMONELLI®
espresso coffee machines



VENDING



ANIMO



AROMAT
Cafe

DE
DOUWE EGBERTS
PROFESSIONAL



CAPSULE



ANIMO

ETNA

AROMAT
Cafe

DE
DOUWE EGBERTS
PROFESSIONAL



KEURIG

FILTER



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">• Consistent high quality and freshly made coffee specialties;• easy to use (one touch solutions);• need no training	<ul style="list-style-type: none">• Best in class taste• touch & feel of artisan coffee experience	<ul style="list-style-type: none">• Low cost• easy to use	<ul style="list-style-type: none">• Large number of available high quality blends /flavors• Easy to use	<ul style="list-style-type: none">• Low cost• Distinct filter coffee taste

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

