



# De'Longhi Group Capital Market Day 2024

May 28<sup>th</sup>, 2024



# WELCOME



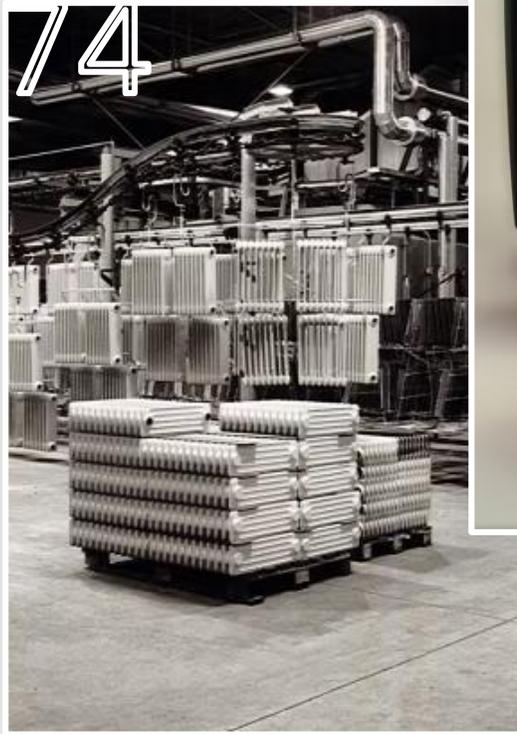
- 1 SETTING THE SCENE
- 2 HOME COFFEE
- 3 NUTRITION
-  COFFEE BREAK
- 4 PROFESSIONAL COFFEE
- 5 OUR MEDIUM TERM GOALS
- 6 SUSTAINABILITY BY DE' LONGHI GROUP
- 7 Q&A

50 years  
of evolution



# The beginning

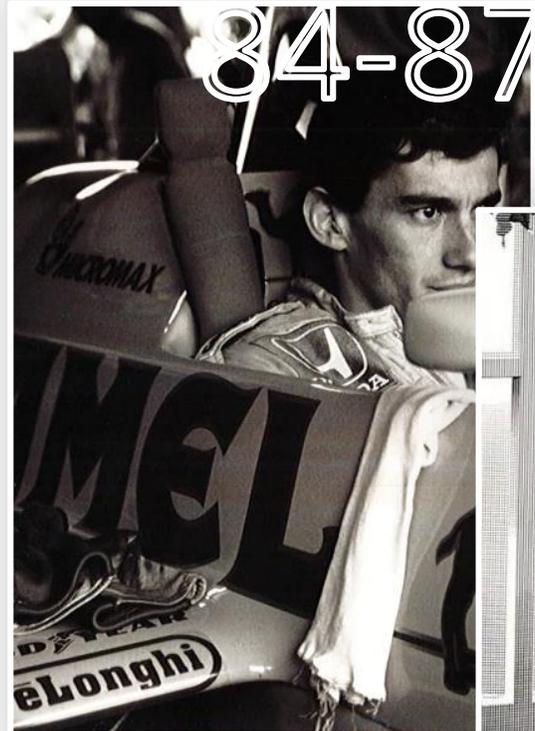
The first product created by De' Longhi is an **oil-filled radiator**



**Product diversification:**  
the range expands, from radiators through electric fan heaters to catalytic stoves

# The global launch

The De' Longhi brand is **launched globally** through major sponsorships



The Group launches **Pinguino**, the iconic product supported by a TV campaign

# Key steps to set up a global firm

Kenwood  
and Ariete  
acquisition



Public listing on  
Milan's stock exchange



04



Historic  
partnership  
with Nespresso

# Building market leadership

De' Longhi establishes itself as the **market leader** in the super-automatic espresso machine



Braun joins the Group, specifically its **household products**

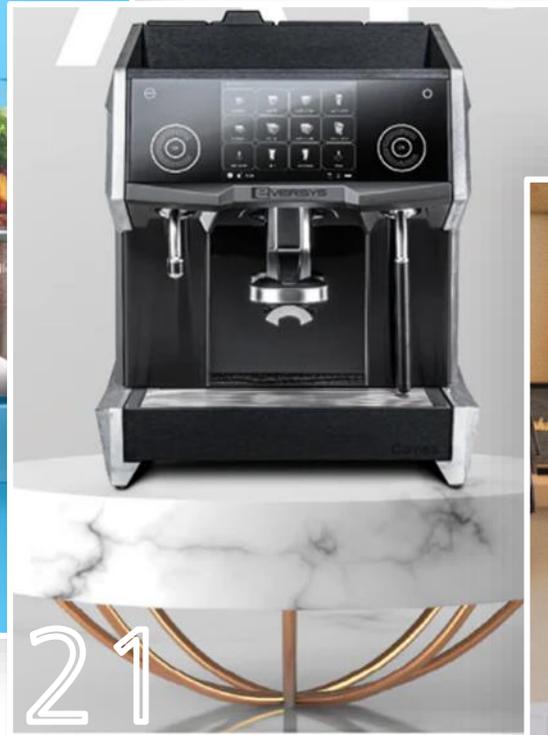


First step in the professional business, thanks to the acquisition of **40% of Eversys**



# From product to consumer's experience

In the US,  
De' Longhi  
acquires  
nutribullet,  
global leader  
in the personal  
blenders  
segment



Full acquisition of  
Eversys, completed  
in 2021



Business  
combination  
between  
La Marzocco  
and Eversys

# The Group today

## Brand portfolio

### Household Brands

De'Longhi  
Kenwood  
Braun  
nutribullet  
Ariete

### Professional Brands

Eversys  
La Marzocco  
Off. Flli Bambi  
Modbar

## Made by De' Longhi

**6** Factories  
Household  
business

**3** Factories  
Professional  
business

- Over 1000 suppliers
- More than 35 distribution centres and 7 logistic HUBS

## Key financial figures\*

Revenues	adj Ebitda	Positive NFP
Above €3,3bln	Above €500M	Above €300M

## Innovation



**7** Research  
centres

Over the last 5y more than  
€300 M invested in R&D  
More than 500 engineers

## People



+ 10.000  
employees

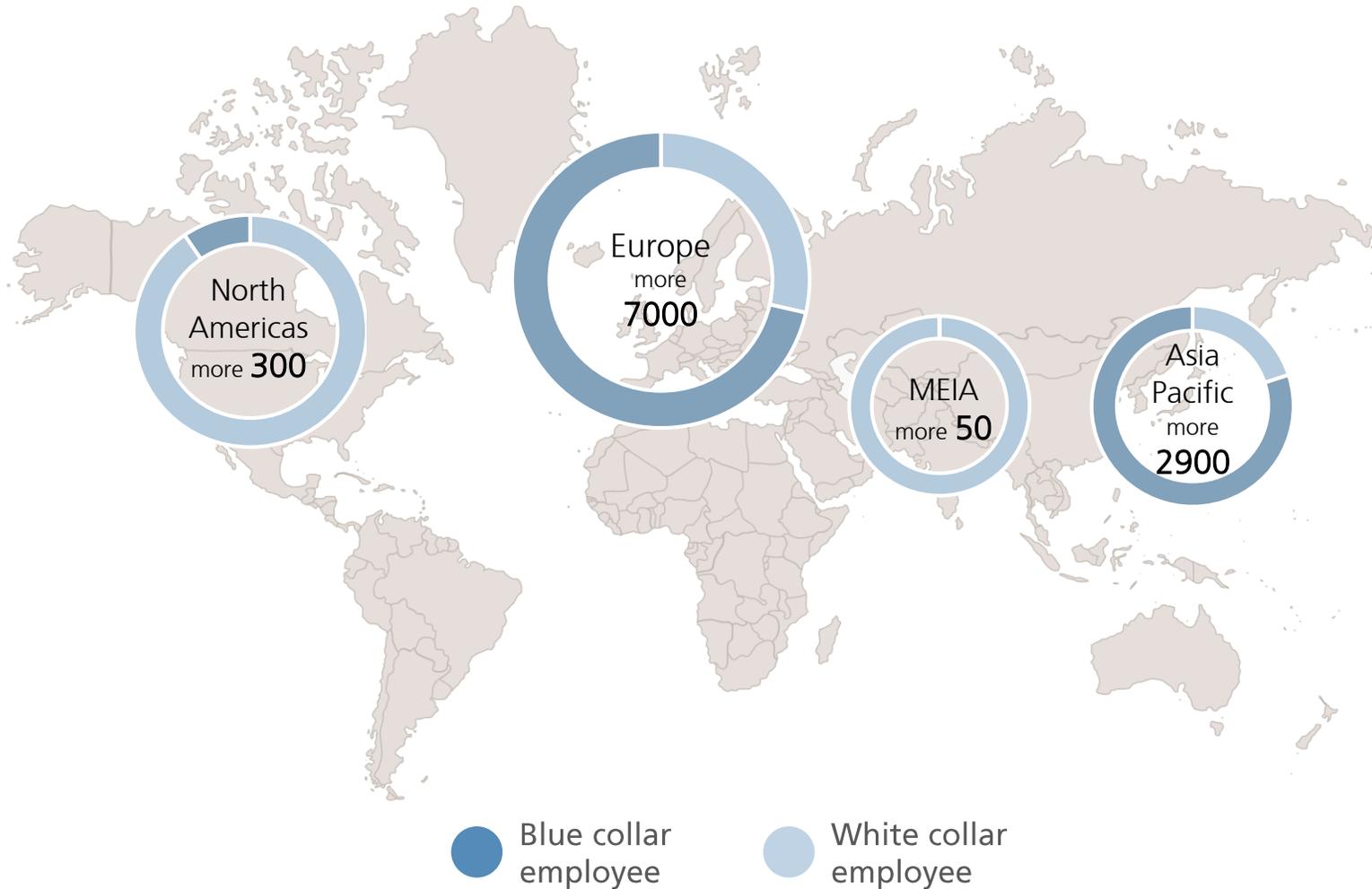


Over 50  
Countries

## Profitability Ratio\*

ROCE	ROE	FCF yield % (before DVD and M&A)
Approx. <b>30%</b>	Approx. <b>15%</b>	Approx. <b>10%</b>

# We are Everyday Makers



More than 10.500 employees

36% ca.

of De' Longhi's employees are White collar

64% ca.

of De' Longhi's employees are Blue collar

# Our Leadership Team



Giuseppe de' Longhi  
Chairman and  
Executive Director



Fabio de' Longhi  
Vice-Chairman & CEO



Silvia de' Longhi  
Chief Corporate  
Service Officer



Nicola Serafin  
Group's General  
Manager



Stefano Biella  
Chief Financial  
Officer



Paul Accornero  
Chief Commercial  
Officer



Guido Bernardinelli  
La Marzocco's CEO



Marco Cenci  
Chief Planning  
& Control Officer



Aparna Sundaresh  
Chief Marketing  
Officer



Debora Guma  
Chief Information  
Officer



Roberto Ceschin  
Chief People  
Officer



Matteo Pecci  
Chief Operations  
Officer



Martin Strehl  
Eversys's CEO

# The innovation is part of our DNA

## Group research centres

Italy, Germany, UK, US and China, as well as cross-brand structures and Design teams dedicated to specific business segments



## Innovation Partnerships

Multiple partnerships and research activities with top universities worldwide

## Patents

Over **1.000** 

A portfolio of more than 1000 patent families

## Investment in R&D

In the last 5 years, the Group invested\* more than **€300 M€** to improve its products and innovation processes

Total Group ca. 2,4% on sales

Espresso pioneers, resulting in innovative solutions



Nutrition explorers, leading to clever solutions

ActiveBlade

PowerBell Plus

iTexture Control

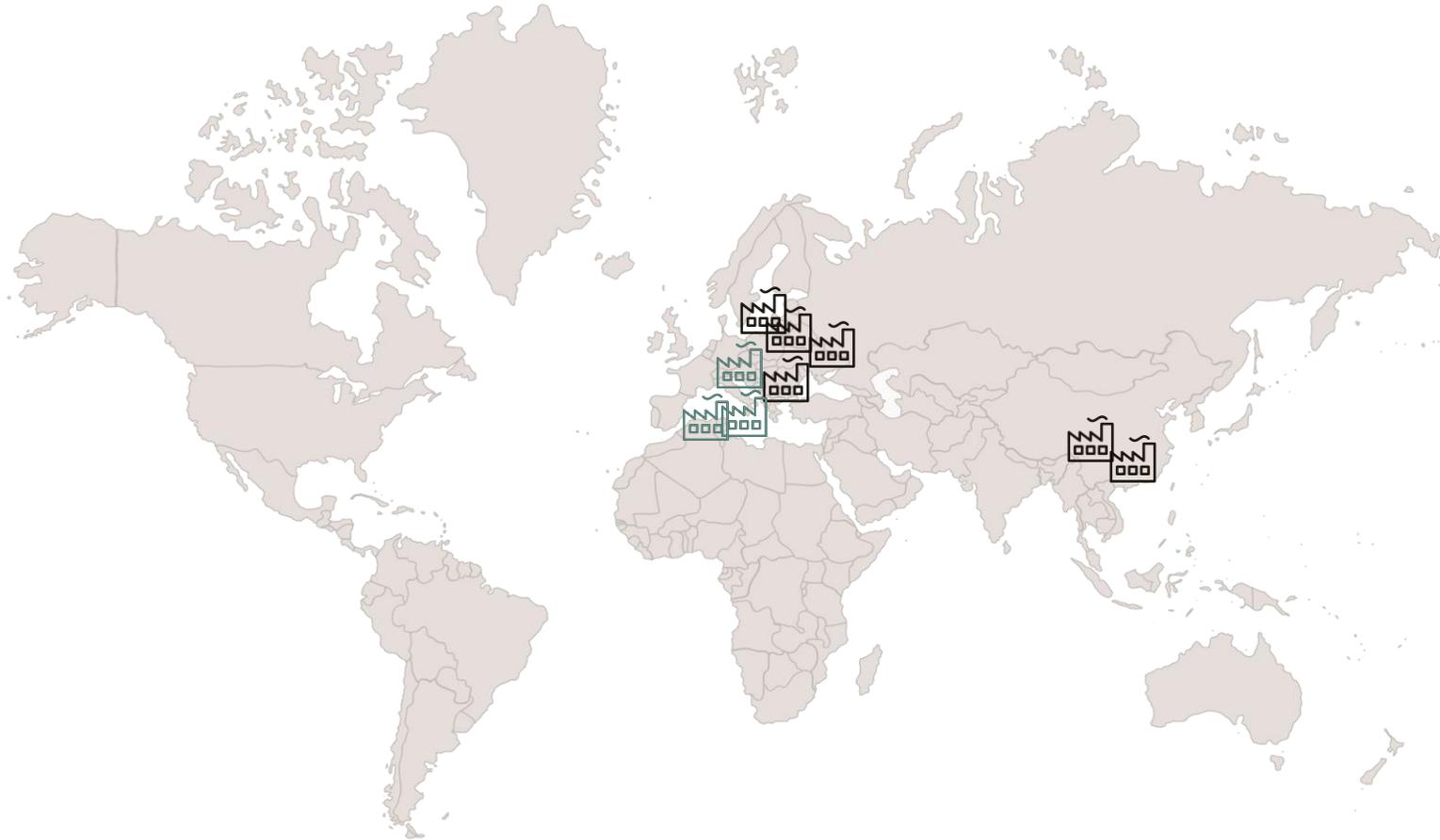
Extensive internal expertise in core technologies, systems and processes, that led to Multiple products awards



reddot winner 2024



# Manufacturing Excellence



Professional Factories:  
Switzerland  
Italy



Household Factories:  
Italy  
Romania  
China

DēLonghi Group

100% of Professional Coffee machines produced internally

**HANDCRAFTED APPROACH**

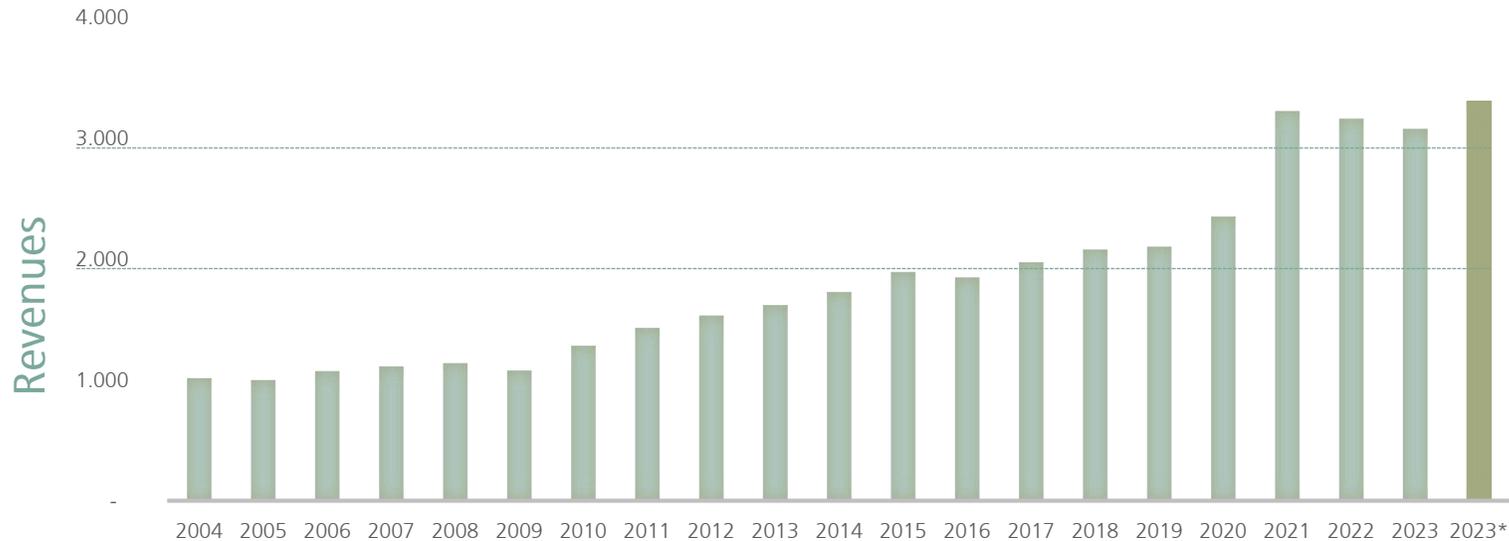
Over 80% of Household Coffee products produced internally  
(100% Fully-Auto and Pump machines)

**SUPERIOR KNOW HOW IN THE INDUSTRY**

Over 40% of the Others categories produced internally  
(above 90% Kitchen Machine - Hand Blender)

**MIX BETWEEN INTERNAL COMPETENCES AND CO-SUPPLY STRATEGY**

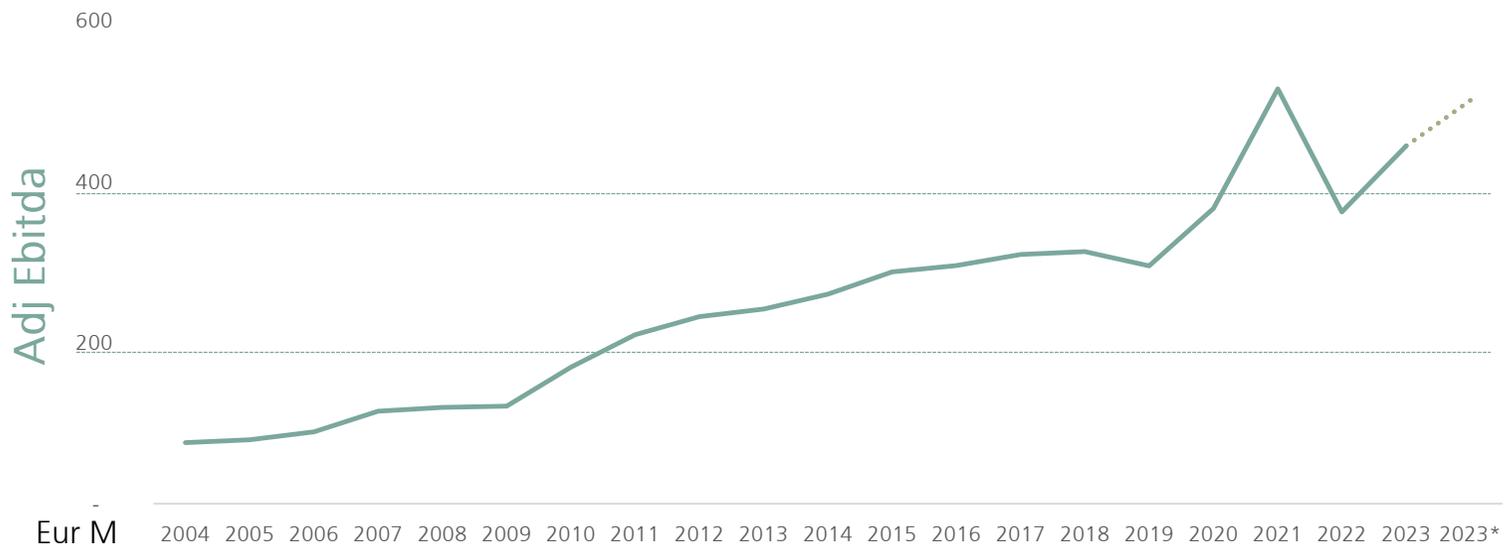
# The evolution of the key financial metrics



Revenues

x3<sub>ca</sub>

From 1bln to over 3bln €



Adj Ebitda

x7<sub>ca</sub>

over 500Mln €

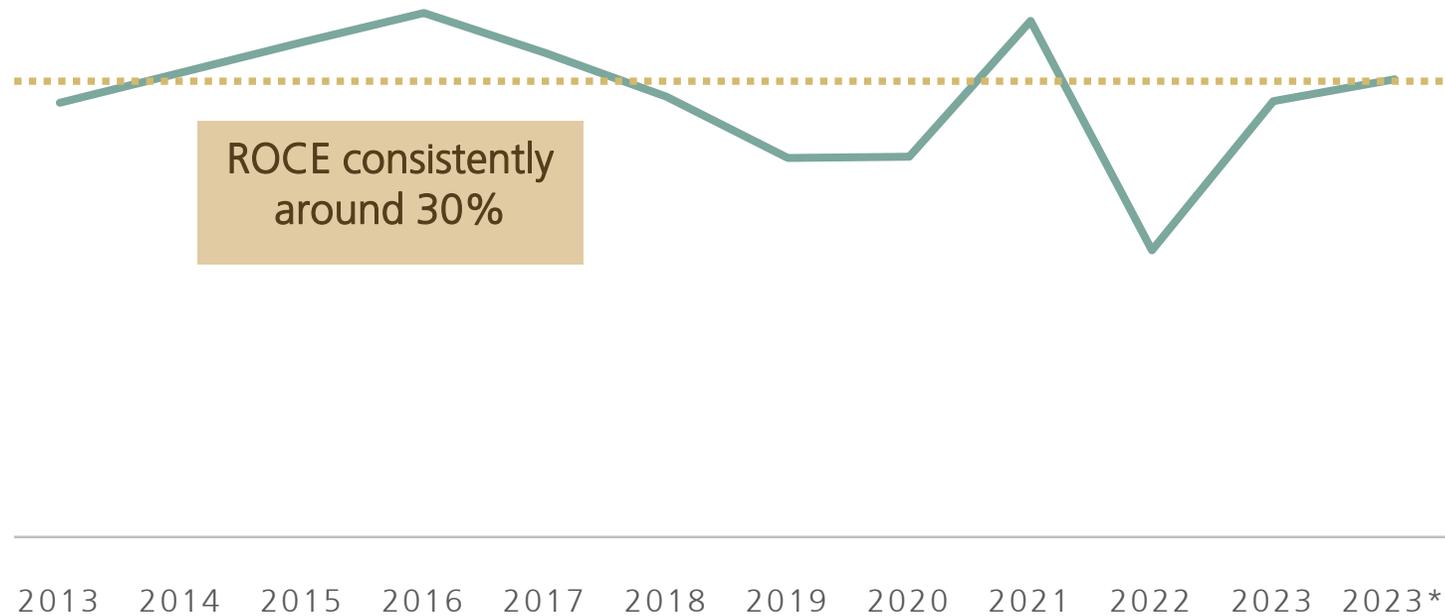
Reported figures

DēLonghi Group

\*based on pro forma FY23

# Profitability Ratios

The Group has demonstrated consistency in delivering a robust set of ratios throughout time



FCF Yield %  
**10%**<sub>ca</sub>

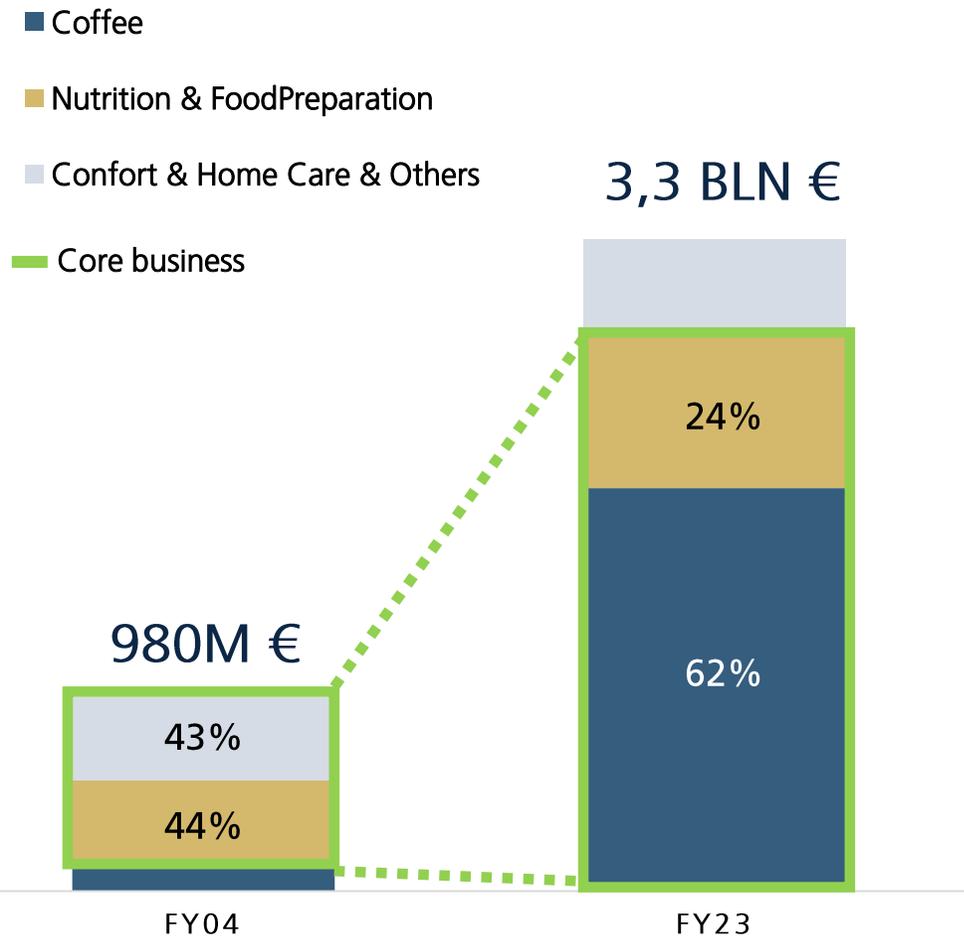
ROE  
**15%**<sub>ca</sub>

ROCE  
**30%**<sub>ca</sub>

# Key factors for the De' Longhi's achievements

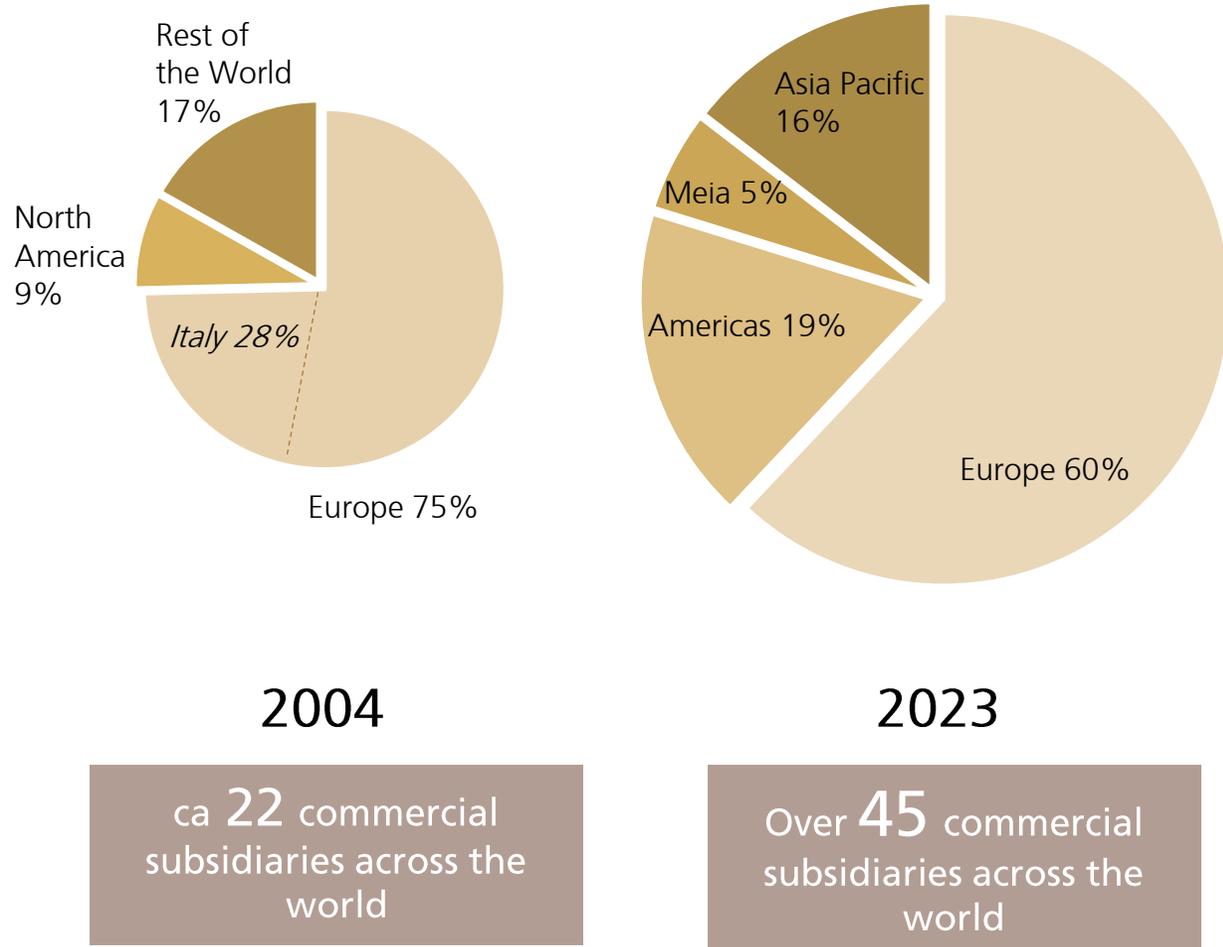
- From Comfort & Traditional Kitchen to Coffee & Nutrition
- Expanding geographical coverage
- Establishing as a global market leader
- Fostering sustainable choices
- Global communication campaign
- From Appliances to Consumer experiences
- Strategic acquisitions

# From Comfort & Traditional Cooking to Coffee & Nutrition



Over the years, the Group has successfully shifted its focus from traditional cooking and comfort to a **global lifestyle approach**, becoming a leader in the coffee and nutrition categories.

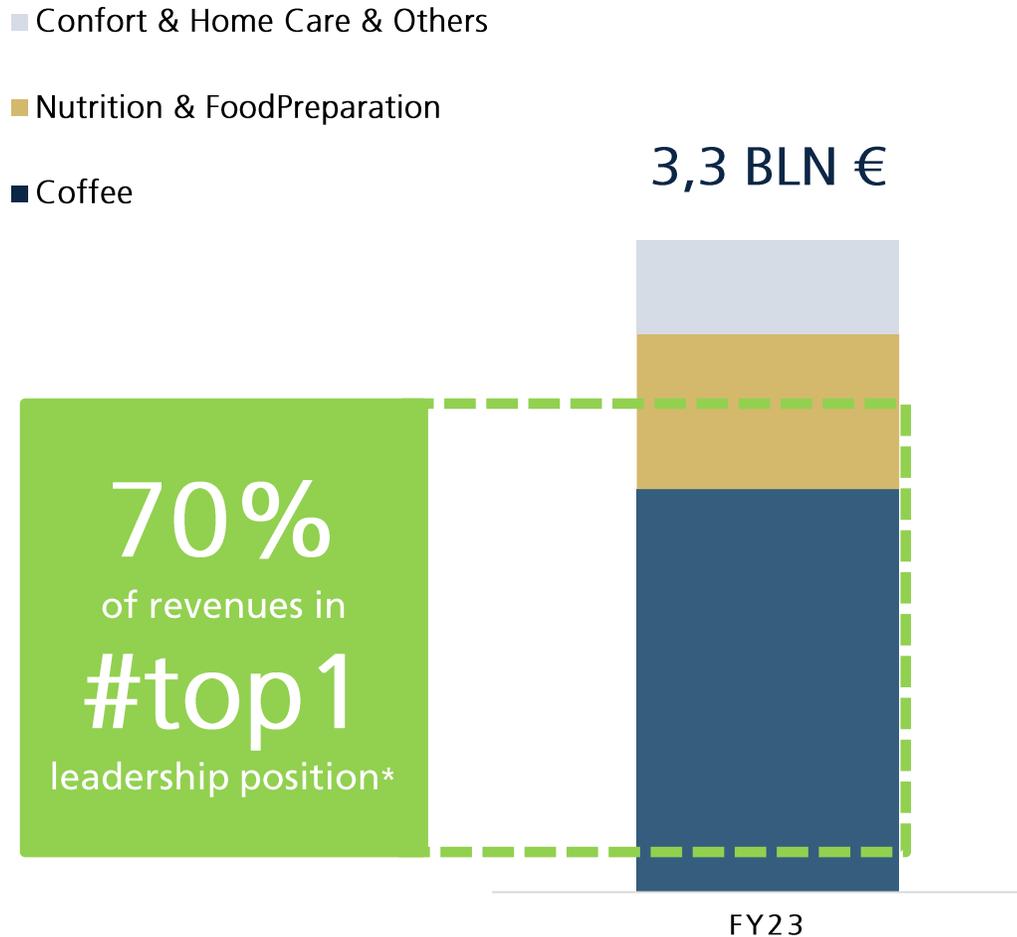
# Expanding geographical coverage



The Group has expanded its worldwide reach, diversified its product offerings, and strengthened its market leadership in both established and emerging regions.

**More balanced geographical relevance**, thanks to North America organic growth and acquisitions.

# Establishing as a global market leader



De' Longhi's primary focus is to **establish its products as premium and market leaders.**

Organic growth and acquisitions were developed in order to accomplish those purposes.

# Establishing as a global market leader



#1

De' Longhi  
Espresso coffee  
machines\*



#1

KENWOOD  
Kitchen machines\*  
& food-preparation



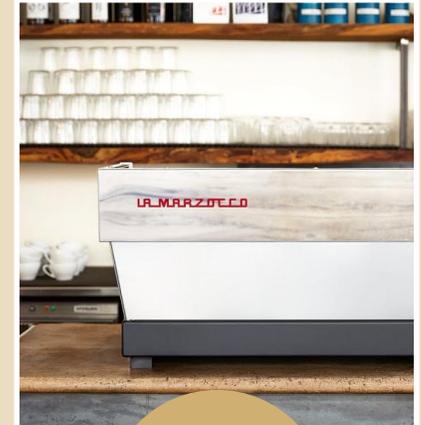
#1

Braun  
Hand blenders\*



#1

nutribullet  
Personal blenders\*



#1

LA MARZOCCO:  
Semi automatic  
professional  
coffee makers\*

# Fostering sustainable choices



*First espresso coffee machine  
«carbon neutral»*



*Our machines focus on coffee  
valorisation by enabling  
sustainable behaviour*



*Our appliances allow customers to  
reduce food waste and encourage  
the use of fresh products*

# Next De' Longhi Group's priorities

Expanding  
Coffee at home

Capitalising on  
brands awareness  
and products  
innovation

Effective cost  
optimization

Riding  
Nutrition wave

Surfing professional  
coffee  
premiutization

M&A accretive  
acquisitions

# Home Coffee

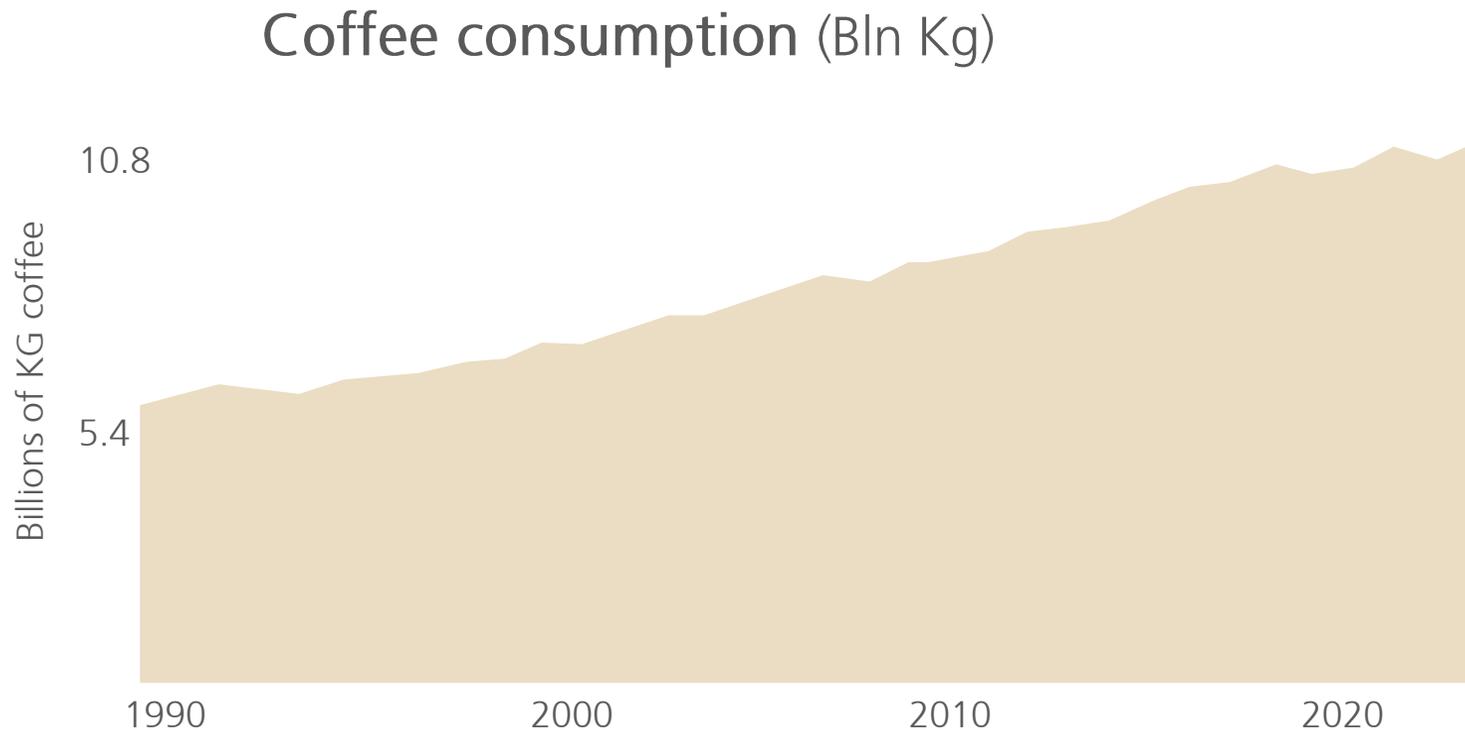
Coffee market growth drivers

How De' Longhi has been leading the pack

Taking it to the next level



# Coffee consumption has increased significantly



The rise in **consumer education** and the emphasis on **quality** in the café industry have lifted the coffee quality standard and consumer expectation.

# Changing perspectives on coffee across time



## 1<sup>st</sup> Wave: The traditional coffee

Coffee is known as commodity coffee and it was used as a morning drink to recharge batteries.

*Period: beginning to mid twentieth century*

## 2nd Wave A shift from commodity to branded chains

Coffee becomes a **lifestyle product**, with social aspects

*Period: mid to end twentieth century*



## 3rd Wave A shift from branded chains to specialty coffee

Along with barista training and professionalism, **coffee bean origin and quality** became more important.

*Period: beginning twenty-one century*

## 4th Wave The expansion from coffee to coffee beverages

Technology is used to take coffee experiences to the next level, variety of coffee and beyond (such as cold brew, myxology...)

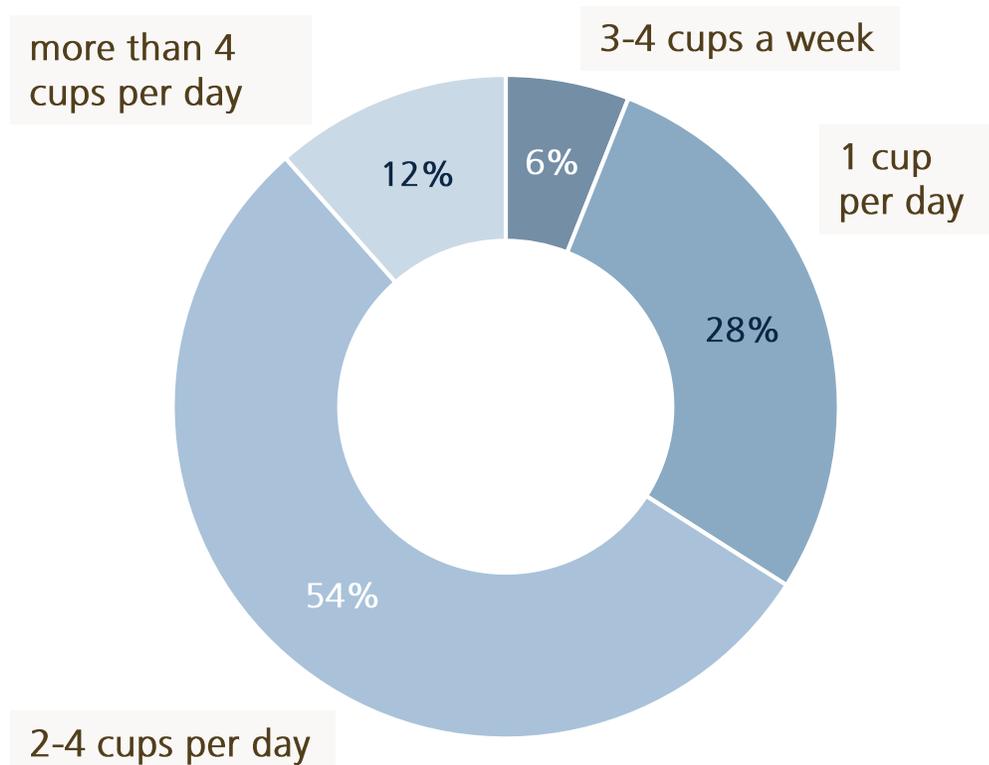
*Period: now*



# Coffee has become part of our daily routine

*Coffee has changed its role – it is no more a commodity – it's an experience both in and out of home!*

## Frequency of drinking coffee



AROMA and IN-CUP results are the core essence and spirit of the coffee experience

A majority of coffee drinkers agree that the best cup of coffee is made from freshly ground beans and are interested in testing new varietals

Consumers are interested in knowing and learning more about coffee:

- Country of origin of the coffee
- Type of coffee beans and blends
- Freshness of the coffee beans
- Level / degree of roasting

# Coffee at home has been expanding

The market for espresso makers has grown, as consumers have become more sophisticated and Espresso coffee expansion is outpacing total market growth

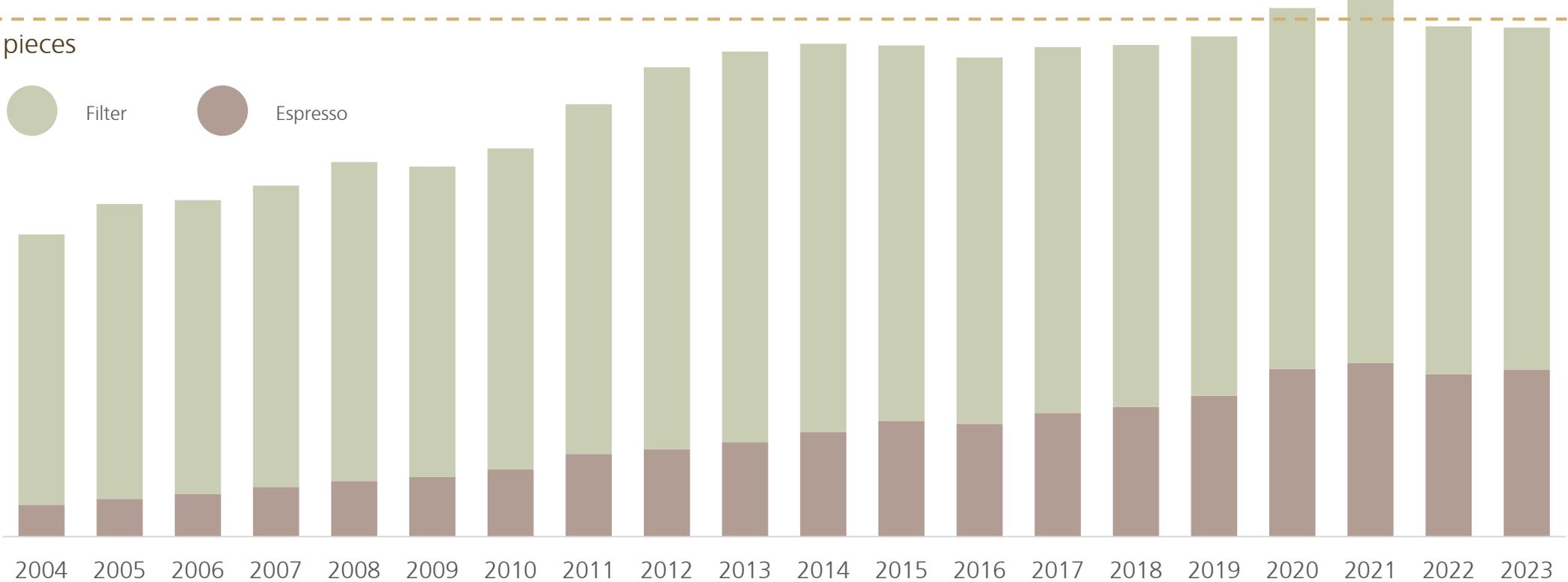
2nd wave

3rd wave

4th wave

60M pieces

Filter Espresso



DēLonghi Group

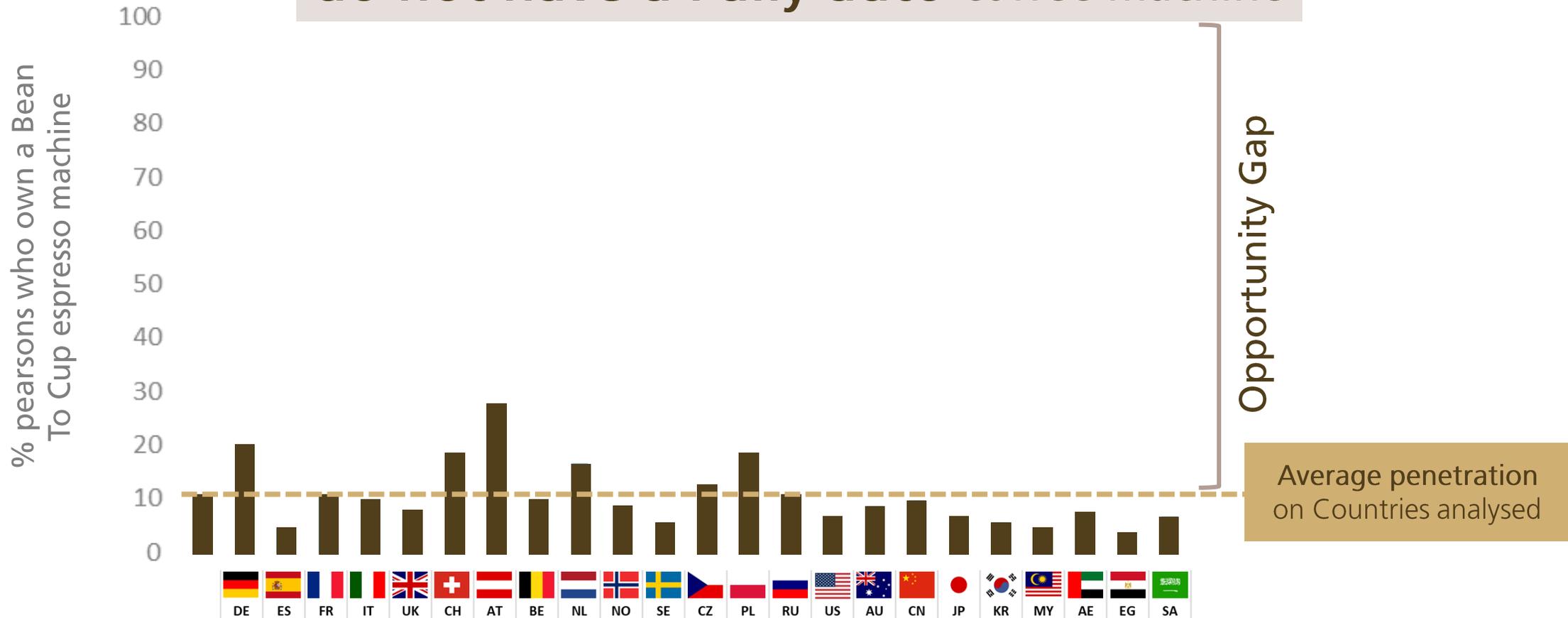
source: internal analysis on global market coverage



The Fully-Auto is recognized as the **most versatile product** that is adaptive to the **fourth wave of coffee**

# Household penetration is still low

On average **90%** of households do not have a Fully auto coffee machine



# From «Espresso machine» to «multi-beverage coffee machine»

Coffee consumer tendencies have changed  
over time, generations and culture.

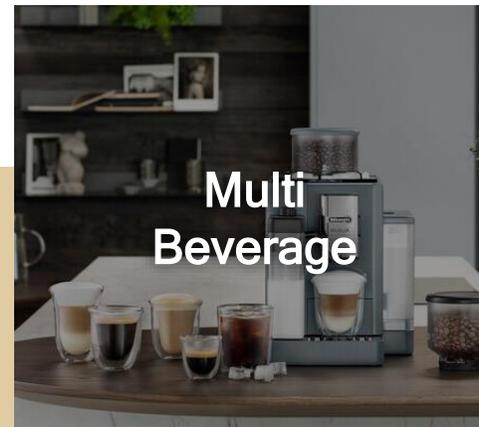


Coffee  
Beans

Coffee Variety

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Different Beans and  
Roasts



Multi  
Beverage

Cold coffee

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Espresso Cocktails  
and Mocktails



Personalized  
Approach

Non-Dairy Beverages

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Other personalization

# Home Coffee

Coffee market growth drivers

How De' Longhi has been leading the pack

Taking it to the next level



# De' Longhi is the only brand that covers all consumer needs and coffee segments



Moka



Drip



Drip with grinder



Single Serve



Pump



Pump with grinder



Full Auto



Leading-edge  
innovation

Design & Quality  
& Technology

Building the coffee  
experience at home

Investing in  
outstanding  
communication

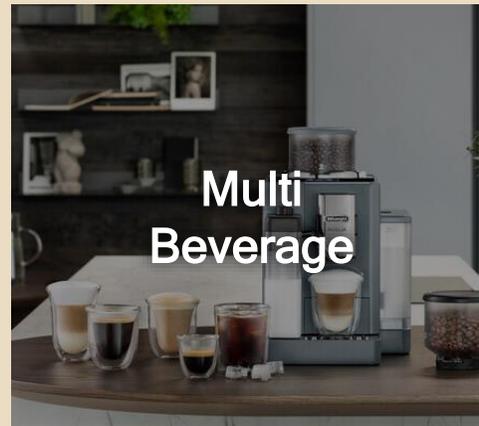


**DēLonghi**

La Specialista  
MAESTRO



# Leading-edge innovation



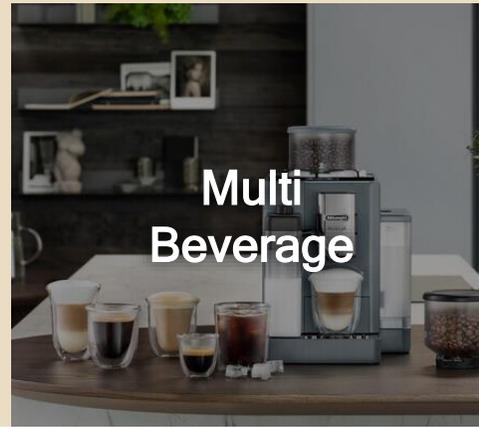
Younger and Wider  
Target Audience

Multiple Moments  
of use

Additional reason-why  
for purchase or trade up

Coffee consumer tendencies have changed  
over time, generations and culture

# Leading-edge innovation

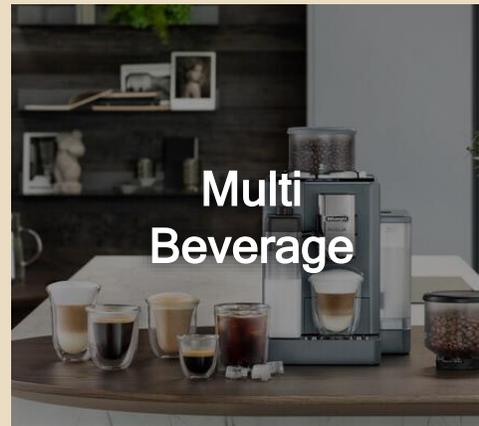


Our latest products are all designed to leverage and amplify these trends



De'Longhi Group

# Leading-edge innovation



Our latest innovations are all designed to leverage and amplify these trends

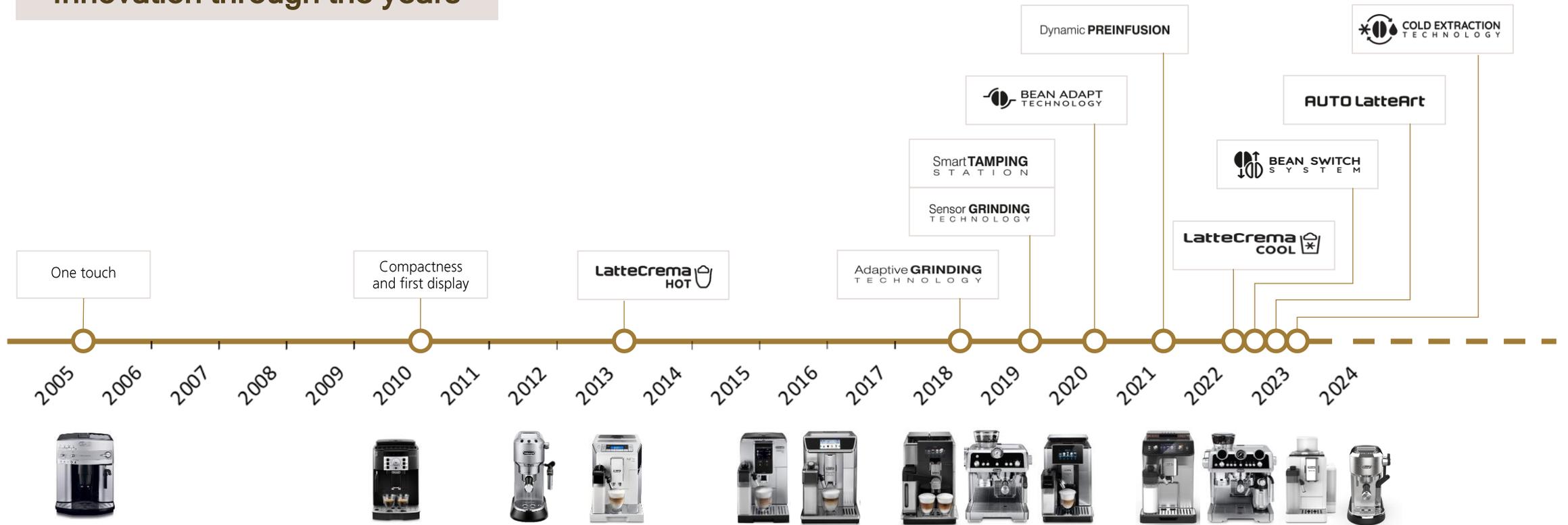


**AUTO LatteArt**



# Leading-edge innovation

## Innovation through the years



We're not simply  
launching  
new products...



The image shows three glasses of coffee drinks on a wooden table. The glass on the left is a tall, clear glass containing a layered drink with a white base, a dark coffee layer, and a green layer at the bottom, topped with a sprig of mint. The middle glass is a shorter, double-walled glass containing a red drink with raspberries, a cinnamon stick, and a slice of orange. The glass on the right is a tall, clear glass containing a dark coffee drink with a thick white foam top and a small square of chocolate on top. The drinks are on a blue woven placemat. In the background, there is a wooden chair and a basket of fruit.

...we are  
unlocking  
new experiences

# Design & Quality & Technology



Category:  
Product, Kitchen  
appliances



Category:  
User experience



Category:  
User Interface



# Design & Quality & Technology

Stiftung Warentest is a German consumer organisation and foundation involved in investigating and comparing goods and services in an unbiased way

**DeLonghi**

**TESTSIEGER**  
Stiftung Warentest  
test  
GUT (1,7)  
De'Longhi Eletta Explore  
ECAM 450.55.S  
Im Test:  
11 Kaffeefullautomaten  
(11x GUT)  
Ausgabe 11/2022  
www.test.de  
22KF48

**QUALITÄTSSIEGER**  
Stiftung Warentest  
test  
GUT (1,9)  
De'Longhi Magnifica Evo  
ECAM 280.81.B  
Im Test:  
19 Kaffeefullautomaten  
(17x GUT)  
Ausgabe 12/2022  
www.test.de  
23UP43

**TESTSIEGER**  
Stiftung Warentest  
test  
GUT (1,9)  
Gelesen:  
De'Longhi ECAM 610.74  
PrimaDonna Soul  
Im Test:  
8 Kaffeefullautomaten  
8x gut  
2x befriedigend  
Ausgabe 01/2022  
www.test.de  
21EZ36

**TESTSIEGER**  
**TOP-QUALITÄT**

**TESTSIEGER**

**LUXUS-MODELL**

# Building the coffee experience at home

Key consumer category drivers:  
Fully-Auto\*

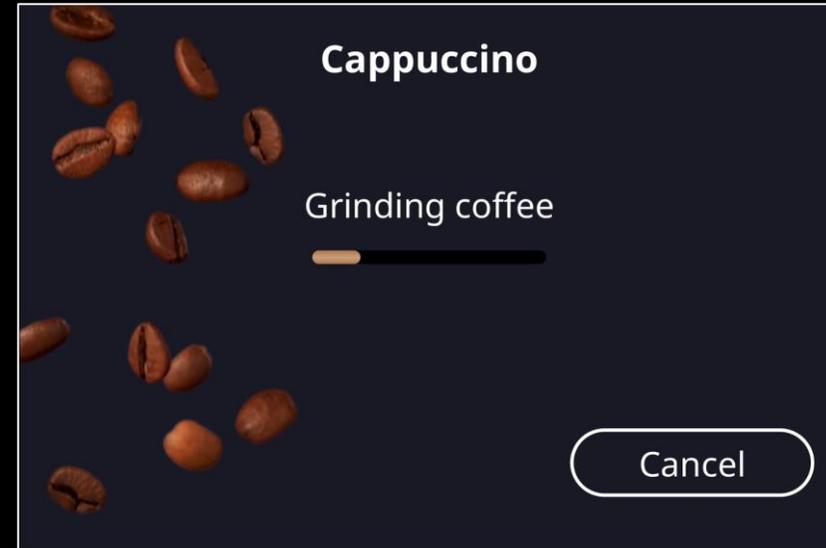
- #1 To get a better coffee at home
- #2 To have a variety of drinks
- #3 To personalize my coffee

Key consumer drivers for selecting a  
De' Longhi's Fully-Auto\*

- #1 De' Longhi guarantees a good quality
- #2 De' Longhi has a good reputation
- #3 De' Longhi was recommended to me

*\*De'Longhi fullautomatic early buyers survey, 2024*

# From espresso to coffee experience



Plenty of customisation choices and receipts to elevate the consumer service level

# Ambassador Campaign renewed

Growing Brand Awareness  
and Mental Availability

Building Emotional  
Connection

Amplifying Premiumness  
and Brand Value Perception







## De' Longhi's coffee plan

Address emerging trends beyond the espresso category, introducing new technologies and solutions

Strengthen mid-to-high end leadership and increase premiumness position in the Fully-auto category

Leverage the Nespresso partnership, which is still driving espresso at home expansion

Strengthen our position in the pump segment through the expansion of the "La Specialista range"

Capitalize on the low penetration of espresso, both in existing and emerging markets



# Our goals

EXPAND PENETRATION ACROSS ALL COFFEE SEGMENTS



FOCUS ON INNOVATION, CONSUMER EXPERIENCE AND EMERGING COFFEE CONSUMPTION TRENDS

Target '24-'26 Cagr

**HOME COFFEE MAKERS CAN GROW AT  
MID TO HIGH SINGLE DIGIT**

# Nutrition

Consumer preferences are fast evolving

The Group is reframing growth strategy

Future-fit value creation plan





**Consumer approach  
to nutrition is evolving**

# Health IS the biggest motivation

Health is the #1 reason to cook at home

73%



82%



69%



77%

81%

Health trigger even stronger for younger consumers

58%

of all recipes social conversations were focussed on health

55%

Linked to wellness goals, diets and weight loss programs

DēLonghi Group

# Freshness & Quality: unmet needs



## Becoming more important



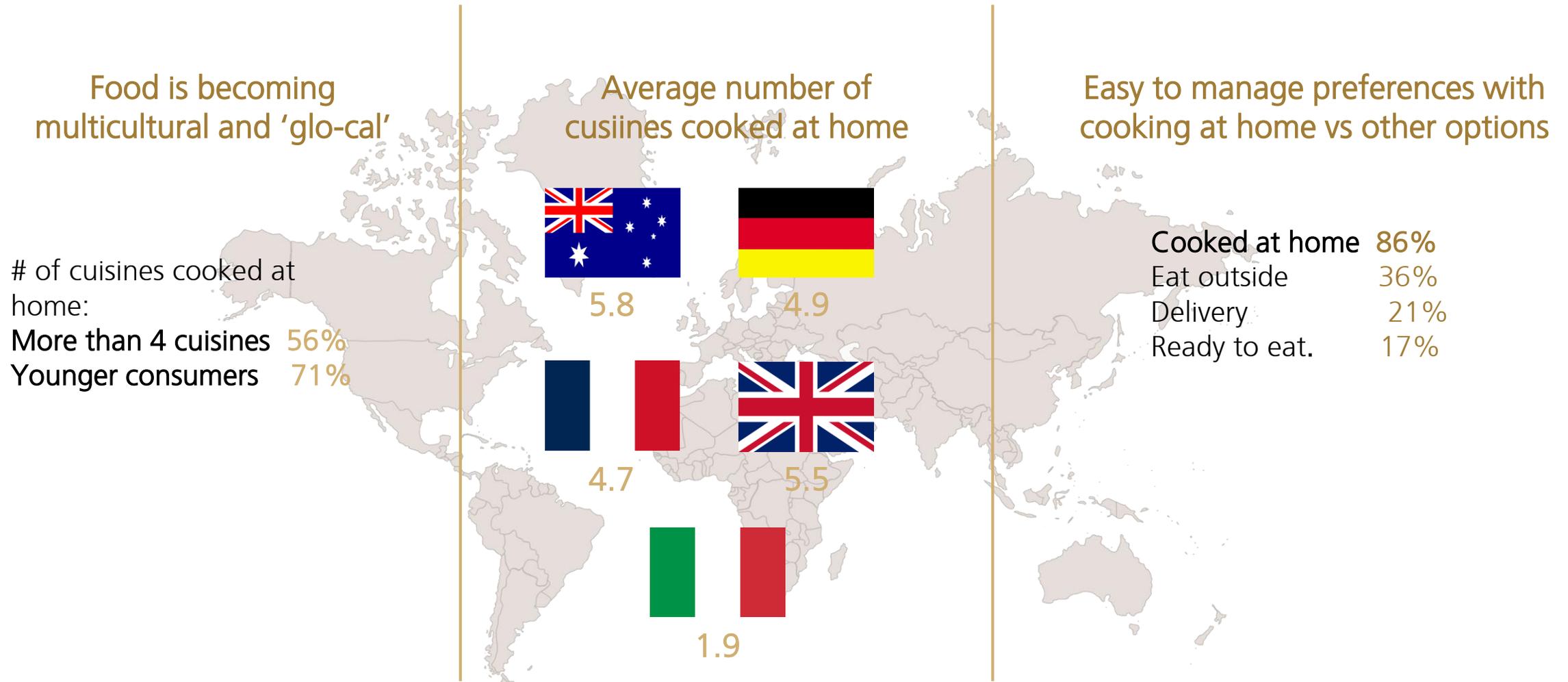
Control over quality & freshness is the second biggest reason to cook at home

Top 3 concerns:  
Hyper processed  
Added sugars  
Saturated fat

Sustainability  
Biggest link to quality 66%  
Kind to planet 64%  
Freshness 50%

Source: analysis among food preparers aged 21-70 on FR, EG and UK. "When it comes to food and cooking, would you say the following are becoming more or less important to you?"

# Variety and Versatility is key





# Information and inspiration hungry

Young consumers  
Cook with a phone or tablet

59%

Search – Information

How to  
Keto, intermittent, gluten free

15 Mn

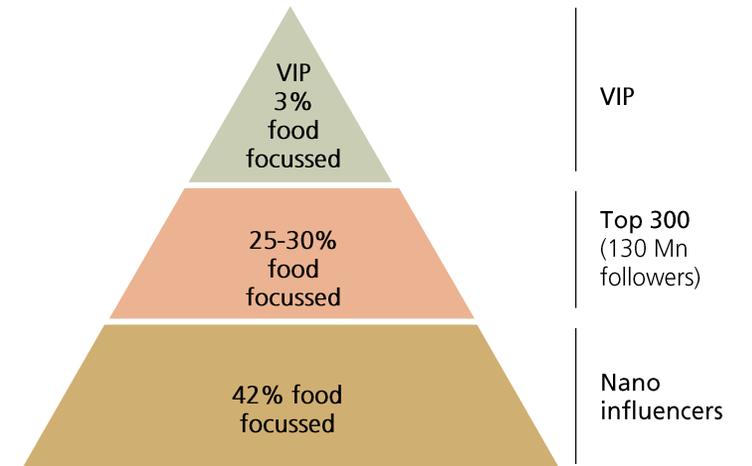


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SOCIAL

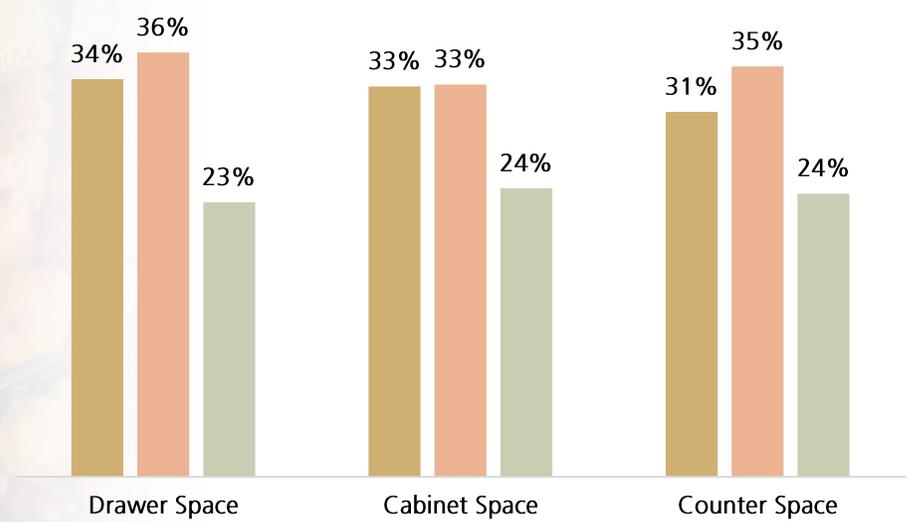
Trendy topics  
Mediterranean, vegan, vegetarian

2 Mn



# Shrinking space and wallet

2/3 people think space is too less or would like more space



Cost conscious while eating out

TOTAL POP	81%
Gen Z	65%
Millennials	82%
Gen X	81%

■ More than big enough/big enough    ■ Fits my current needs but would like more  
■ A bit too small/far too small

# Nutrition

Consumer preferences are fast evolving

The Group is reframing growth strategy

Future-fit value creation plan





**nutribullet® fits wonderfully with this phenomenon**

# nutribullet: it's that simple

Category  
captain

N #1

Global Personal Blender  
Brand in the World

Over  
**100 M**  
units sold  
worldwide

"Go To"  
Brands for  
Gen Z



Quick,  
Easy , On  
the go

Expand consumer  
insights  
Win in Full Size and  
Portable blending



Adjacent  
Categories

Opportunities to  
Win in adjacent  
category



# Expanding across categories

Personal Blenders



Full size Blenders



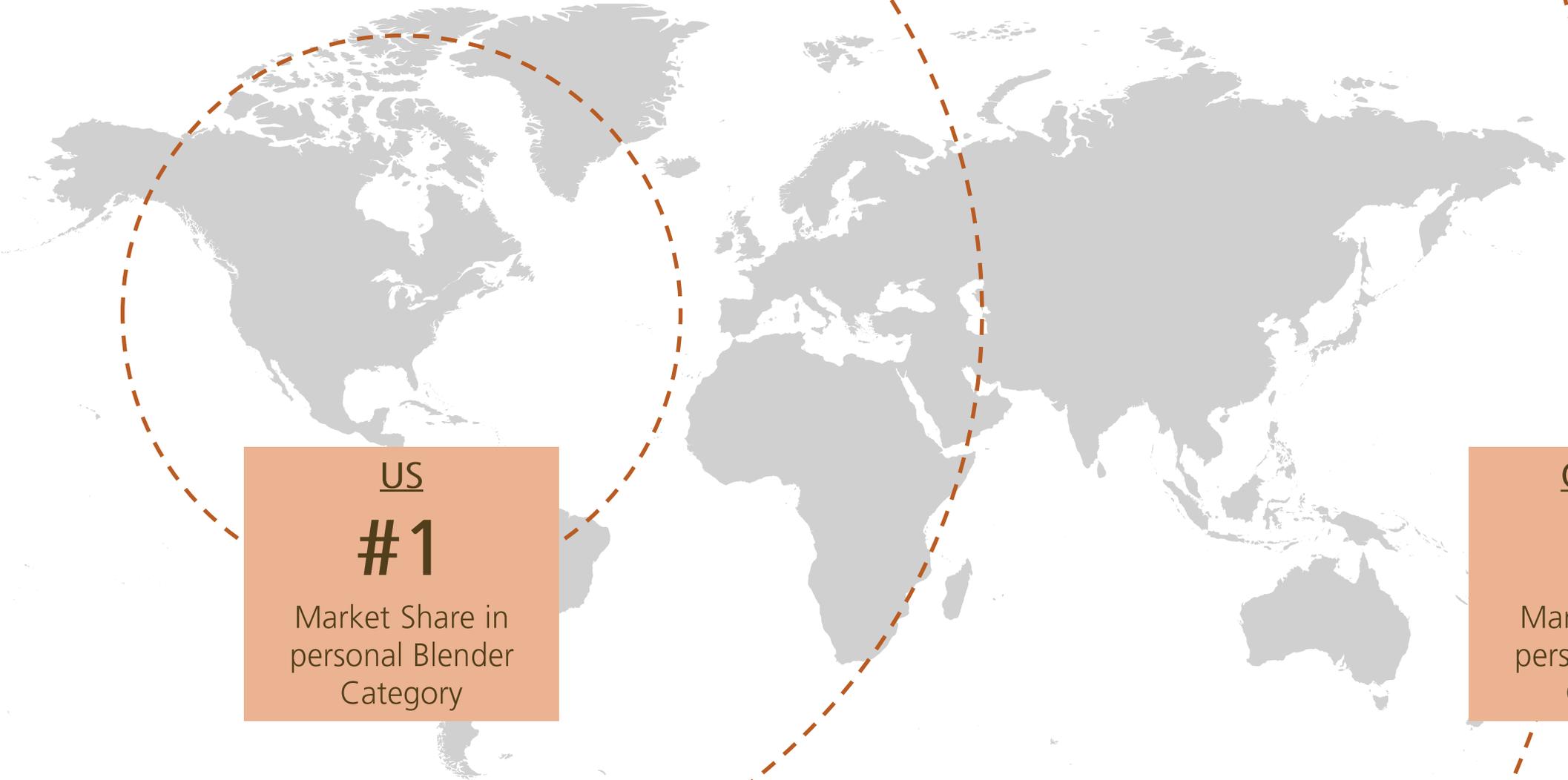
Juicers



Air Fryers



# Expanding across geographies



US  
**#1**  
Market Share in  
personal Blender  
Category

GLOBAL  
**#1**  
Market Share in  
personal Blender  
Category

DēLonghi Group

source: internal analysis on global market coverage

# Expanding across geographies: early signs of success

## AUSNZ



Successful nutribullet®  
Portable launch,  
exceeding forecast and  
beating competitors

## BENELUX



nutribullet® & magic  
bullet® awarded Best  
Buys by Benelux  
Consumer Association

## THE UK



Consumer Love  
demonstrated by  
TRUSTPILOT  
5 stars

# BRAUN

## #1

Hand Blender  
Globally

Which are the barriers to  
Hand Blender ownership?

30%

Have other appliances  
that meets needs

17%

Don't do enough  
food prep



# UNLIMITED VERSATILITY

BRAUN

Attract new consumers  
Expand current consumers

**BRAUN**  
Lead and grow  
the Category

MORE than a hand blender

\*Comparative analysis on number of hand blenders accessories marketed by competitors - year 2022.

DēLonghi Group

**BRAUN**

New

**All this. And more.**

world's largest  
attachment system\*,  
for unlimited versatility

Designed in  
Germany



\* Comparative analysis on number of hand blenders accessories marketed by competitors - year 2022.

# KENWOOD





**Easily stored**



**Simple controls**



**Compact & Light weight**



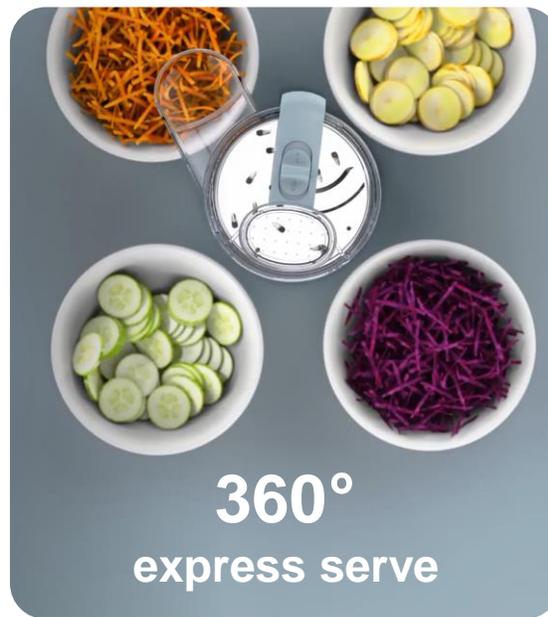
**Wonderful gift**



**Designed to be moved**



**Calming & modern design**



**360°  
express serve**



**Unlimited capacity**

#3

## Food Process Globally

#6 to #3 Food Processor 2023  
and to #2 in Europe in just one year

FASTEST growing brand in 2024

Multipro GO +4pp Mkt share  
on total food processors

- Viral TikTok video campaign with influencers 20M views and 34M on Instagram
- IT FR DE UK



# Nutrition

Consumer preferences are fast evolving

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Future-fit value creation plan



# De' Longhi's nutrition plan



Optimise portfolio in line with consumer preferences

Drive innovation to resolve consumer pain points and evolve category boundaries

Social by Design: Scale up influencer and affiliate marketing

Leverage CRM and connected machines to cross-sell and drive expandability

Scale up e-commerce, reviews program and DTC selling models

# Our goals

PLAY OUR BRAND PORTFOLIO WITH SHARP  
CATEGORY FOCUS



FOCUS ON INNOVATION, MARKETING DATA  
DRIVEN AND NEW APPROACH TO THE CONSUMER  
EXPECTATIONS

Target '24-'26 Cagr

**NUTRITION CAN GROW AT  
LOW TO MID SINGLE DIGIT**



# COFFEE BREAK



COFFEE BREAK

DēLonghi Group



# Professional Coffee

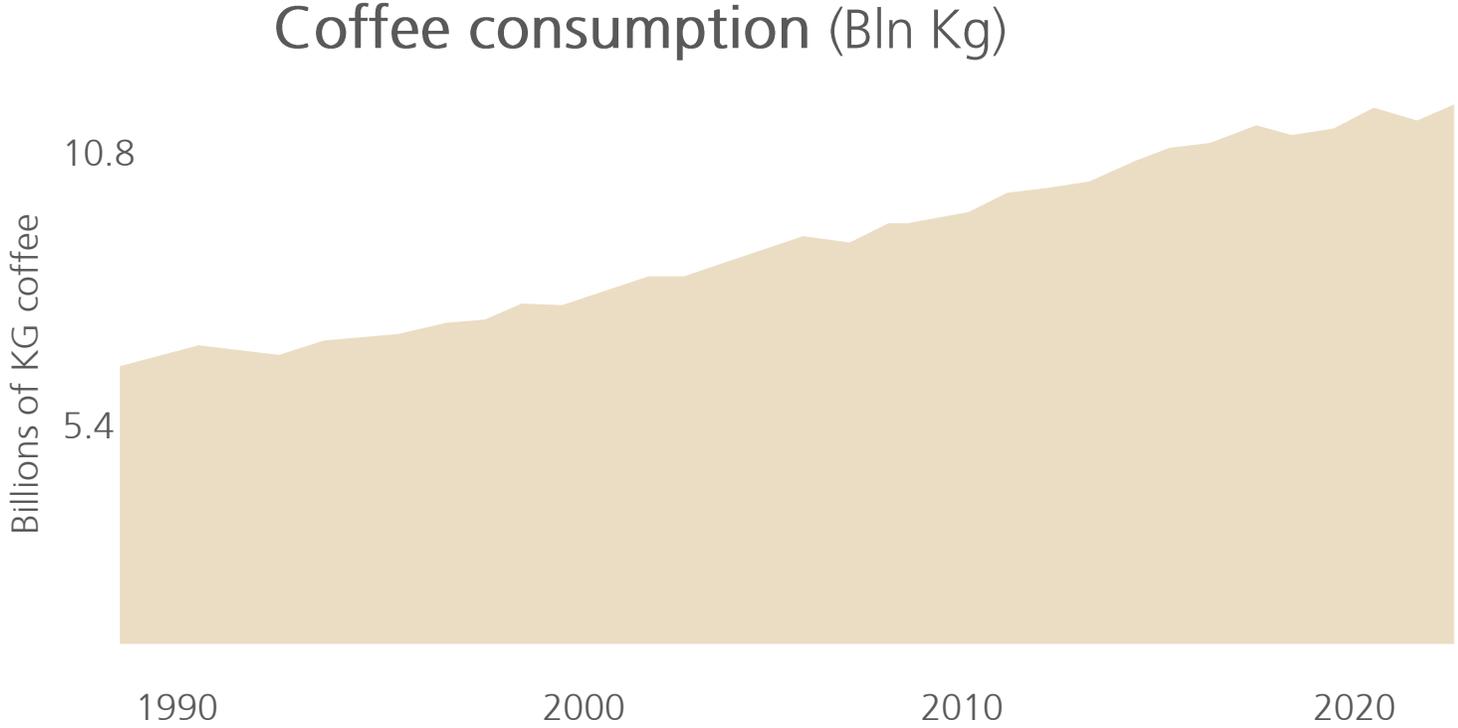
The market's growth and  
consistent enhancement in  
coffee quality

La Marzocco and Eversys's  
role in leading the market

Combining capabilities for  
leveraging opportunities

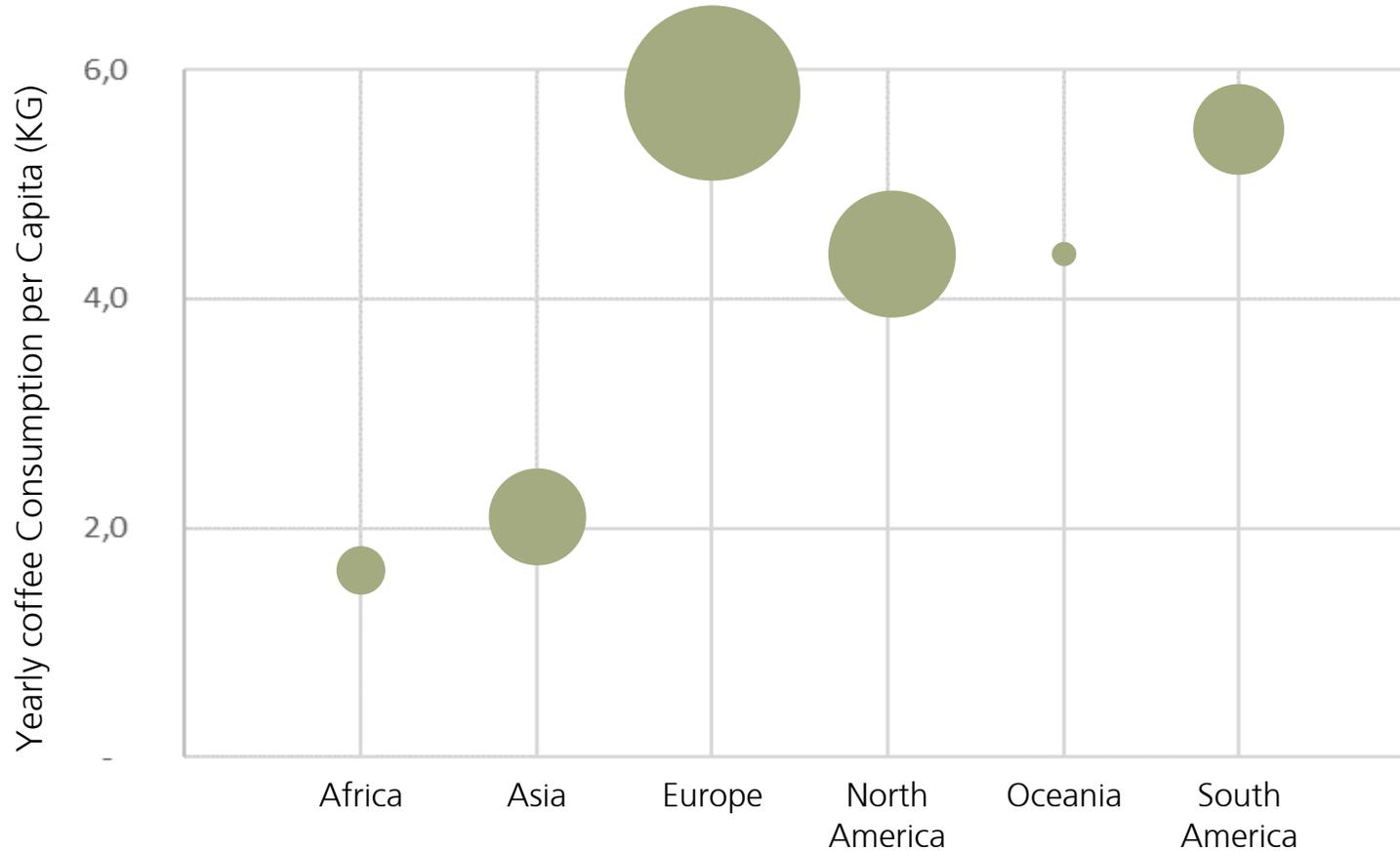


# Coffee consumption has increased significantly



Population expansion, rising per capita income, and a growing middle class **enhance coffee volume and quality everywhere**

# Coffee Consumption by Country

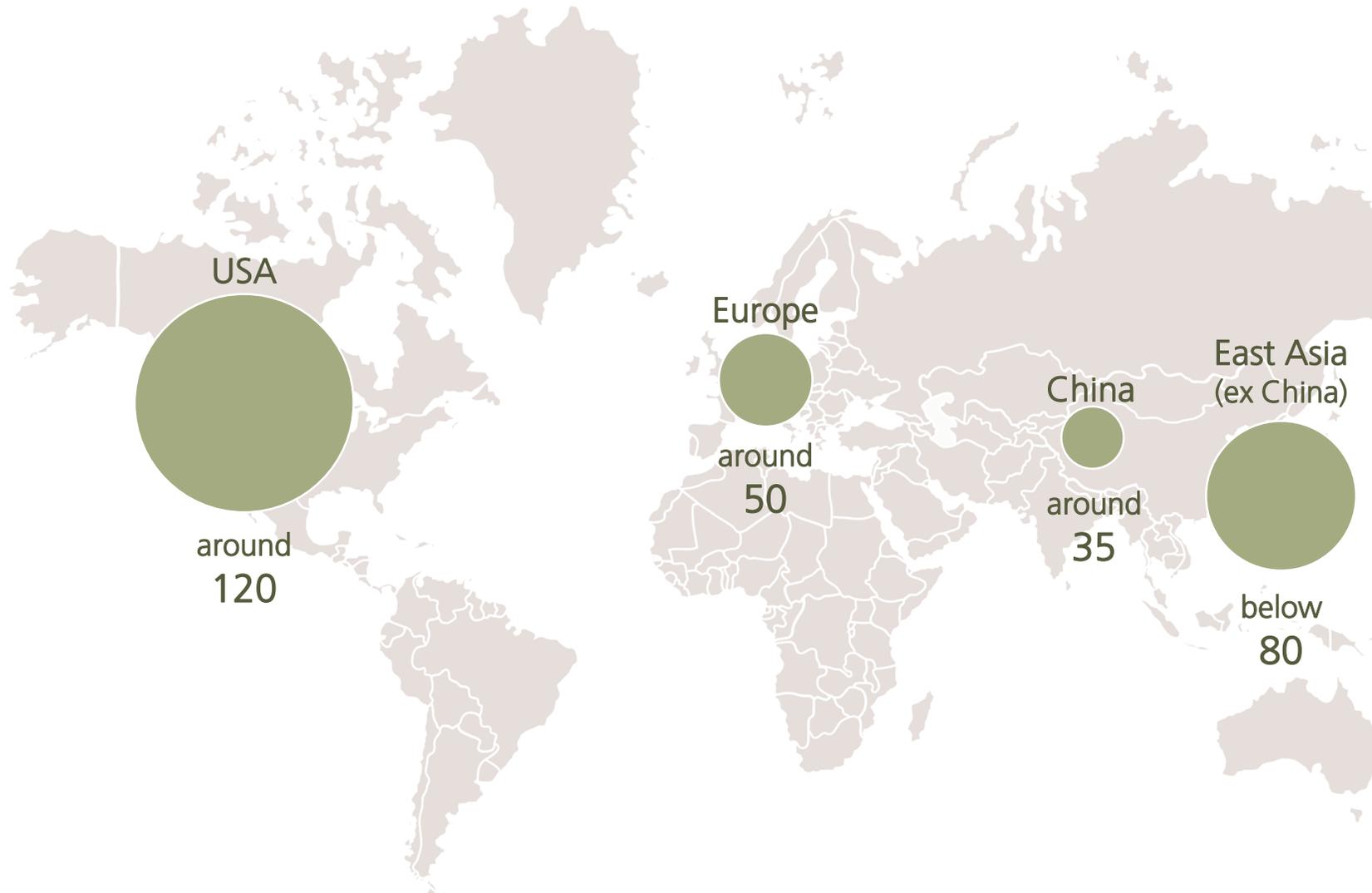


**The lifestyle associated** with coffee shops has a major impact on the evolution of the coffee industry, spreading the coffee consumption across the world.

**Coffee is trending worldwide**

Consumption (tons)

# Branded Coffee Shops by Region



Modern coffee shops offer an alternative way to socialise between work and home, and they are **influencing consumer lifestyles** that value convenience, social engagement, and high-quality experiences

Total Coffee shops  
per M population

# The professional coffee market is expected to steadily expand

## PROLIFERATION OF CAFÉ SHOPS

Expected High single digit expansion of number of coffee shops in Asia and a low single digit growth in Europe and the US

## INCREASE BEVERAGE VARIETIES

Filter coffee is still the most popular in the US, but younger customers prefer espresso-based beverages (as Iced-coffee, Cappuccino).

## ENHANCEMENT OF COFFEE EQUIPMENT

Consumers demanding higher quality and improved experiences as their knowledge and expectations increase

## RISE OF COFFEE SHOP SALES

Above 60% of industry leaders think there is plenty of opportunity for business expansion, so improving footfall and beverages

# Coffee machine segments



**Semi-automatic coffee machines** separate bean grinding, espresso brewing and milk heating processes and thus need to be operated by a barista



**Vending machines** make coffee from beans, liquid, or powder, but they use milk powder and are less sophisticated



**Filter coffee machines** brew traditional black coffee from ground beans, using fine (e.g. paper) filters instead of sieves

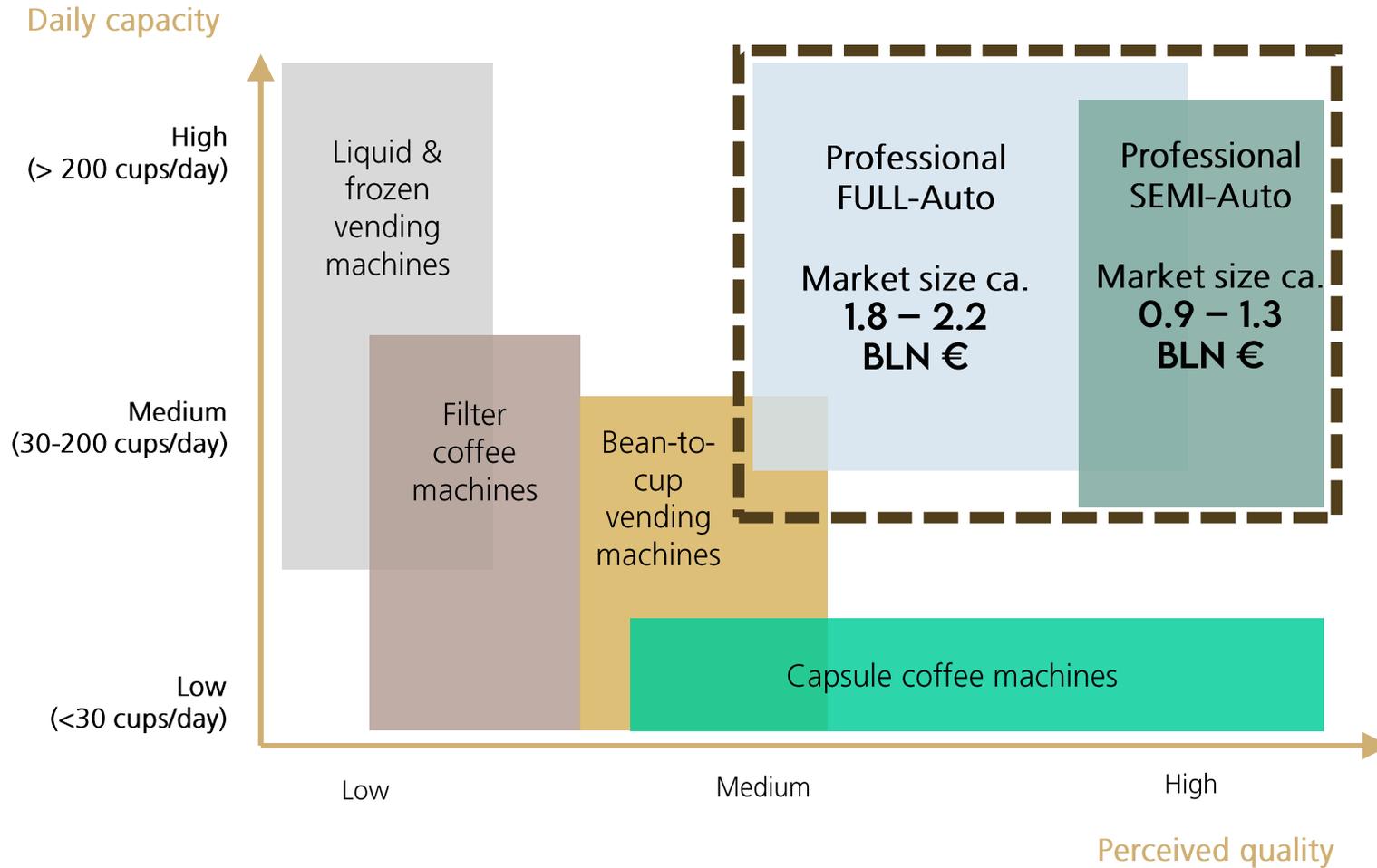
**Automatic coffee machines** grind beans, portion coffee, and add milk foam.



**Machines use capsules/pods** to brew coffees and espresso (milk can be added via separate appliance)



# Group's Market opportunity



Full-Auto and Semi-Auto professional coffee makers have been growing above the industry average

# Professional Coffee

The market's growth and consistent enhancement in coffee quality

La Marzocco and Eversys's role in leading the market

Combining capabilities for leveraging opportunities





Around 30	Offices and Branded Resellers	More than 5
More than 100	Distributors	More than 100
2	Operational Footprint	1
More than 700	People	About 350
Around 10%	% Spare parts & Service	Around 17%





DēLonghi Group



ICONIC DESIGN

LOVED BRAND

INNOVATION IS IN LMZ'S DNA

ADJACENT CATEGORIES

THE HOME OPPORTUNITY

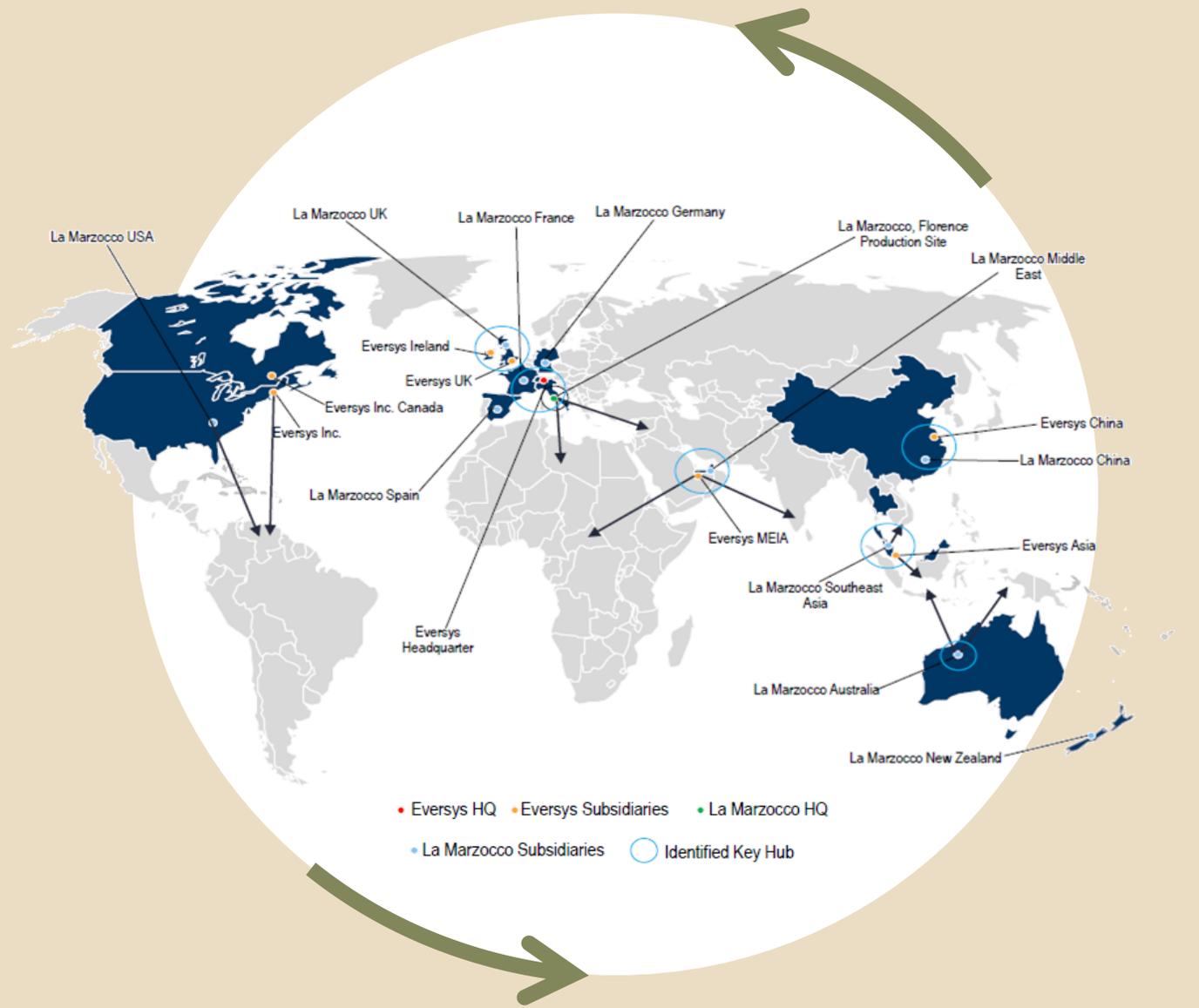
SUPERIOR IN-CUP QUALITY

ADVANCE CORE TECHNOLOGY

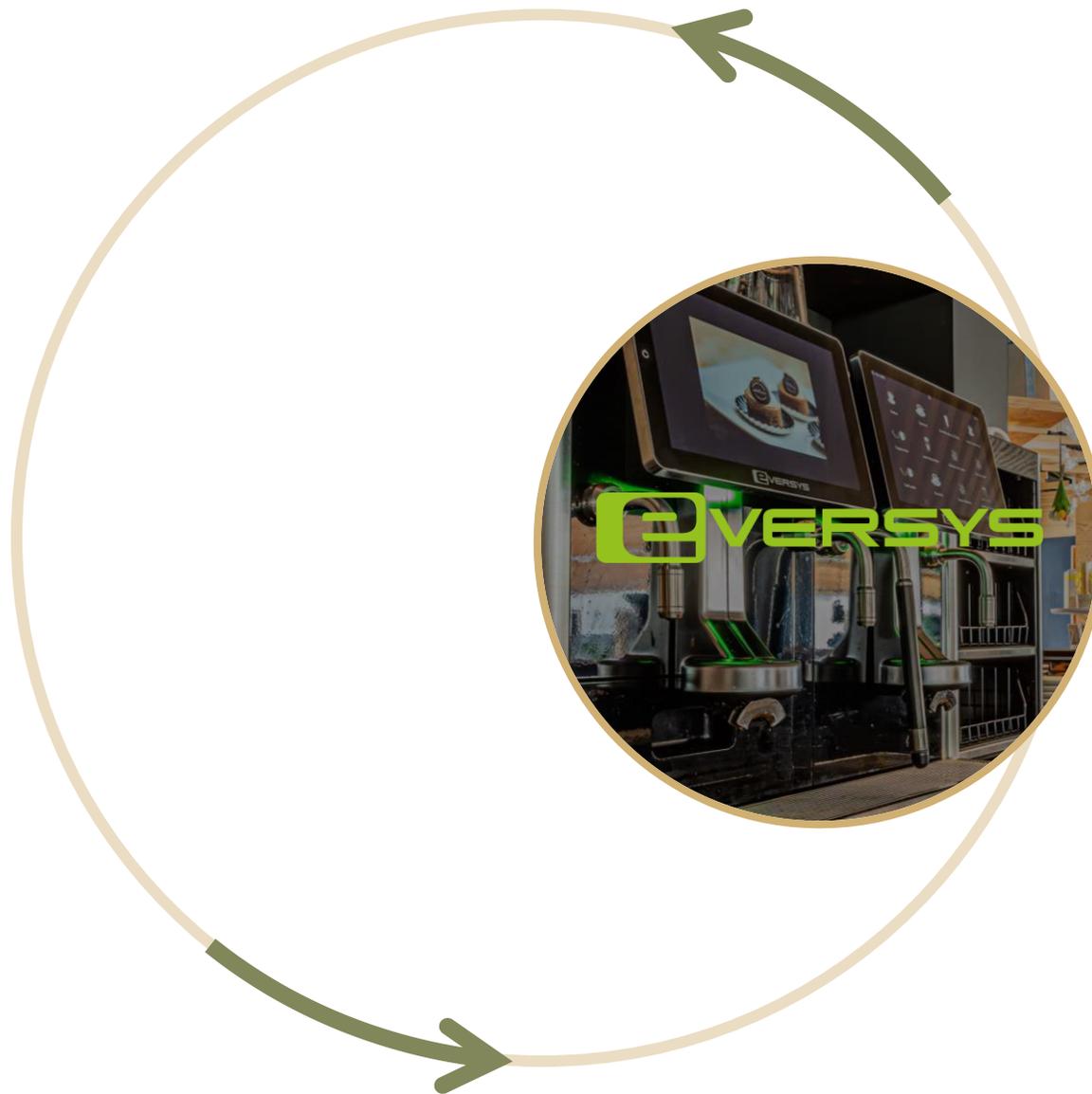
DESIGN TO SIMPLIFY MAINTENANCE

INNOVATIVE SOLUTIONS

DēLonghi Group



**DēLonghi Group**



DēLonghi Group

# Superior In-Cup quality

## Consistency

Automated calibration and telemetry ensure precise, high-quality beverages even during peak hours, minimizing errors and waste.



# Superior In-Cup quality



*Working with Eversys is like having a silent expert by your side, ensuring every cup reflects our passion and dedication to coffee.*

**Chris Loukakis**  
(World Latte Art Champion 2011)



*Eversys machines bring a new level of precision to our craft. They're not just machines; they're our partners in pushing the envelope of coffee excellence.*

**Dale Harris**  
(World Barista Champion 2017)



*Peak times have become more manageable without needing extra staff on shift, as the machine can just step up a gear... without any drop in quality.*

**Boram Um**  
(World Barista Champion 2023)

# Advance one technology

Telemetry has been a **game-changer** for many customers, enabling remote software integration that allows for unparalleled control over coffee profiling, milk monitoring, and water management

Cup Quality  
(Differentiation)

Asset Efficiency  
(Total Cost of Ownership)



# Design to simplify maintenance

Each Eversys **espresso machine** is built in **modules** with a technician's mind set, ensuring **rapid access for technical intervention** with minimal downtime, quick replacement and reduced maintenance costs.



# Innovative solutions

## NEW TECHNOLOGIES

R&D leads the pack in professional espresso technology on:

- Cold brew
- Milk system
- Brewing
- Cleaning

## IoT

Developed ecosystem of IoT partners covering payments, under-counter solutions, self-service coffee, etc.

## TELEMETRY

Industry Leadership, tracking more than 33 million beverages monthly



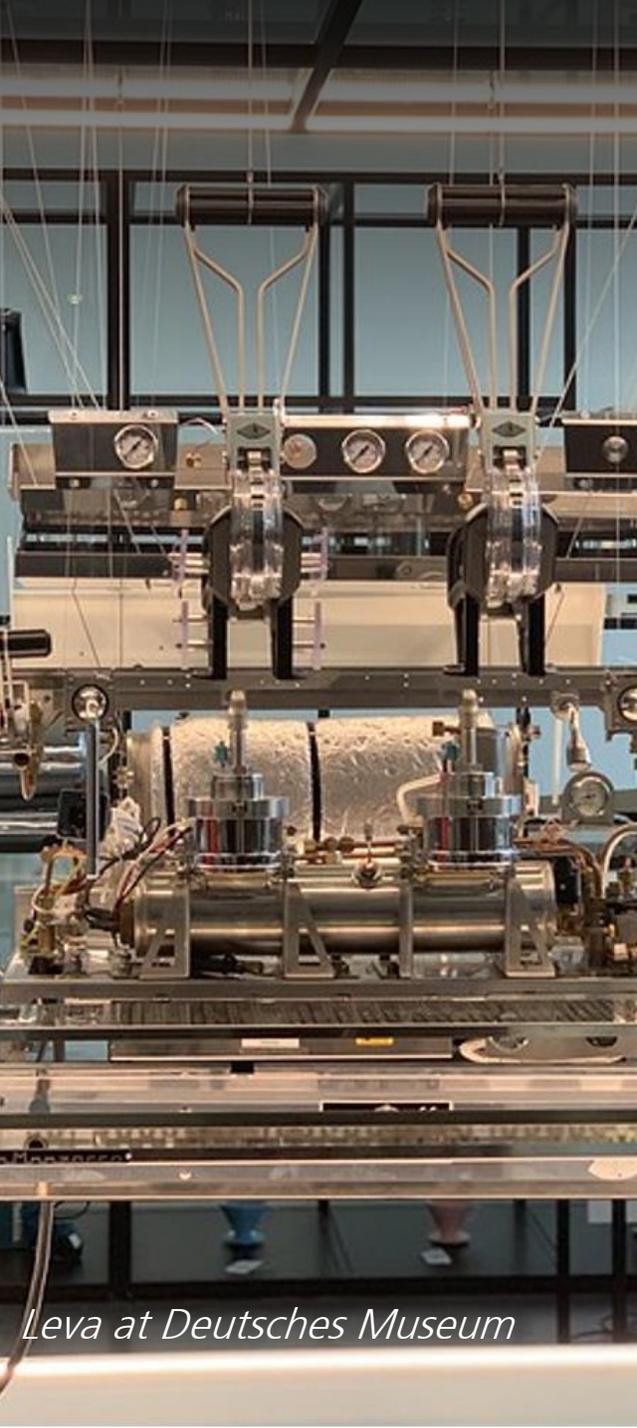


DēLonghi Group



# Iconic design

Officine Fratelli Bambi Bespoke is an extraordinary design collaboration between brands and artisans to create the ultimate handcrafted espresso machine



*Leva at Deutsches Museum*



*Le Café Lacoste at KaDeWe*

# Iconic design



*Porsche Carrera Cup*



*Limited-edition RIMOWA*





# Loved brand

Jan Frodeno



*Triathlon legend Jan Frodeno*

David Beckham



*Source: reddit*

*"It's quite temperamental, this, but I love it... It's the best," Beckham tells Beckham docuseries, as he ushers him into his kitchen at the beginning of episode two.*



# Loved brand

## La Marzocco



## Jimmy Butler





# Innovation is in La Marzocco's DNA

## Smart saturation

Strada X automatically saturates the espresso puck at a low pressure set by a pump that feeds consistent pressure into the machine. It uses data from internal flow meters to sense the exact moment it should increase the pressure.

## Straight-in porta filters

Straight-in portafilters speed extraction and reduce barista stress and espresso puck damage, decreasing one of the most repetitive tasks in espresso preparation.

## Patented anti-static technology

It uses an electric field to neutralise the static charge caused by grinding, allowing coffee to fall directly from the burrs into the portafilter.



# Adjacent categories

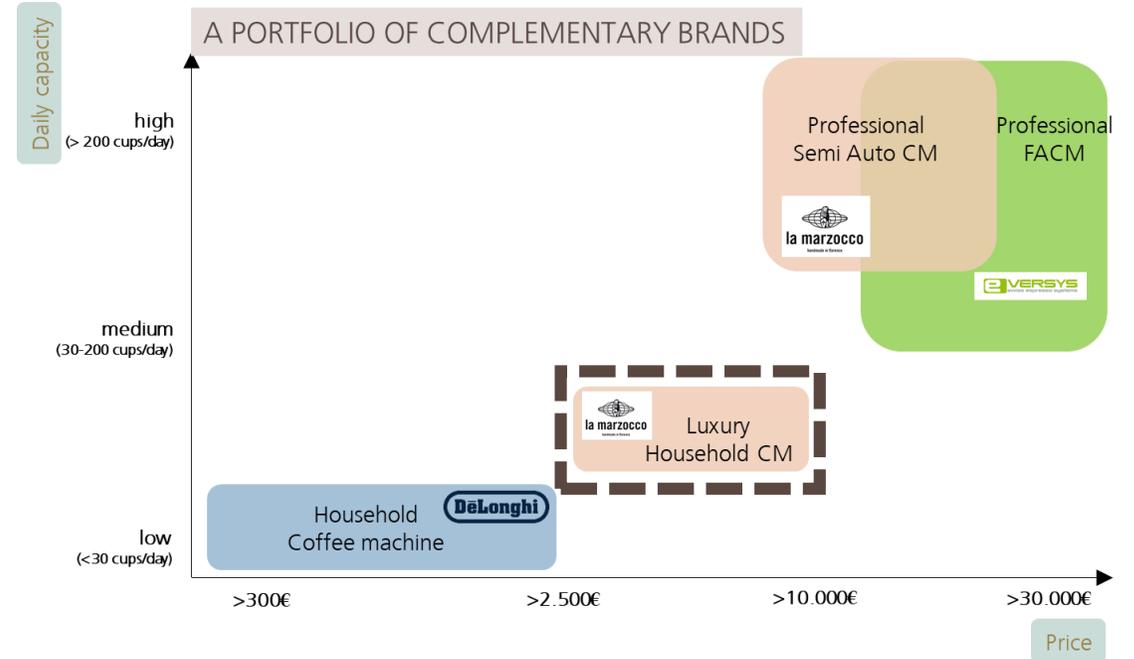
Brand awareness,  
technical competence,  
production know how  
are among the factors  
that enable La Marzocco  
to move into adjacent  
areas.

Just the addressable  
grinder market is **worth**  
around **over € 300 M**



# The Home opportunity

A significant opportunity in a developing area, leveraging brand knowledge and know-how to serve the luxury home market



# Professional Coffee

The market's growth and consistent enhancement in coffee quality

La Marzocco and Eversys's role in leading the market

Combining capabilities for leveraging opportunities



# De' Longhi's professional coffee plan

Exploit combined business opportunities, collaborating on partnerships and commercial propositions

Take advantage of the Group's size for achieving economies of scale in sourcing and supply chain

Joint technological know how for developing new innovative solutions, as the cold coffee trend

Riding the Home opportunity and exploring adjacent category potential

# Our goals

COFFEE SHOP GROWTH AND EQUIPMENT  
IMPROVEMENT



SUPERIOR IN-CUP QUALITY, TECHNOLOGICAL  
EXPERTISE, ICONIC DESIGN

Target '24-'26 Cagr

**PROFESSIONAL COFFEE CAN GROW AT  
HIGH SINGLE DIGIT  
TO LOW TEENS**



Our medium  
term goals



# 3 years Business Plan

## 6 STRATEGIC ENABLERS

Beyond 3 years up to 5 years 

*Ensure long term vision and development strategy*

Talent Development

Sustainability

Innovation

Digital Transformation

Media and market activation

Operational Excellence

## 3 SPECIFIC WORKSTREAMS

Across 3 years 

*Focus and investments on dedicated workstreams*

Professional Coffee

Ecommerce acceleration

NUTRIBULLET International expansion

## YEARLY PLAN

By year 

*Plan developed by regions, brands and products categories*















# 3 years Business Plan

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**DeLonghi**

**BRAUN**

**KENWOOD**

**nutribullet.**

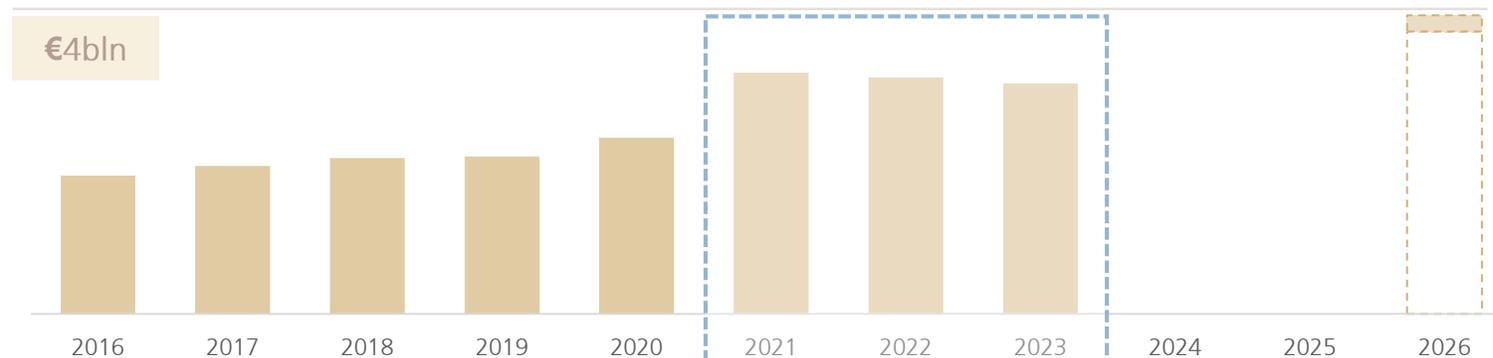
**Ariete.**



**EVERSYS**

# Total Group: evolution of key financial metrics

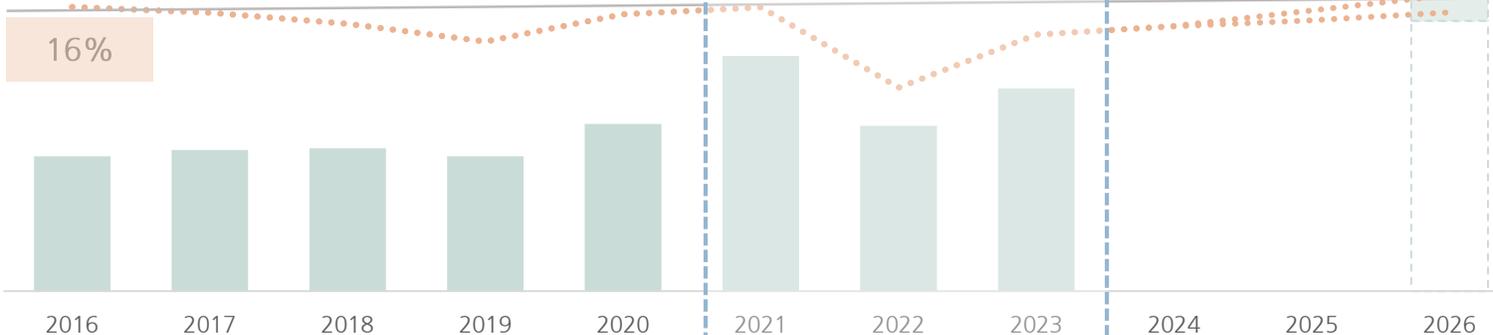
REVENUES



Growth trend driven by:

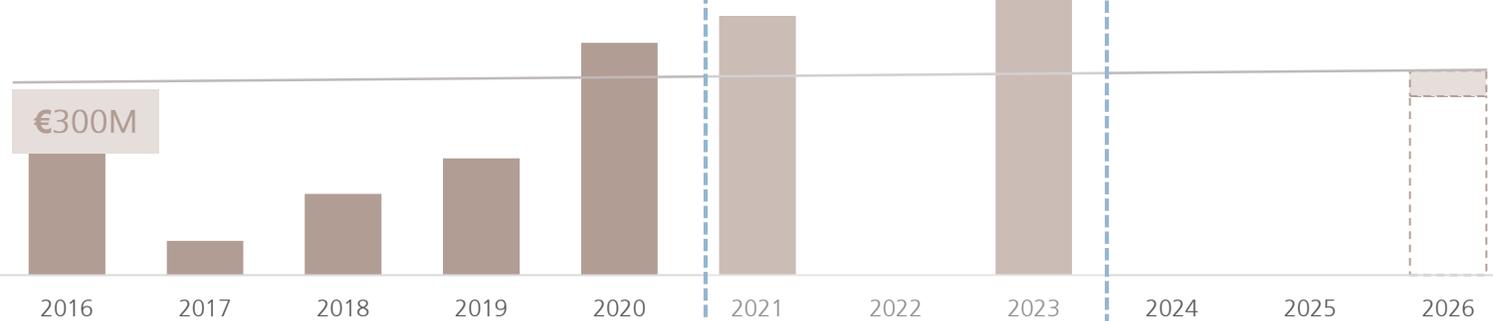
- mid single digit organic growth, mostly by coffee
- M&A (CB and EV in 2021 and LM in 2024)

Adj EBITDA



- EBITDA in the range 14-16% (except for 2022)
- acquisitions (CB, EV, LM) margin accretive

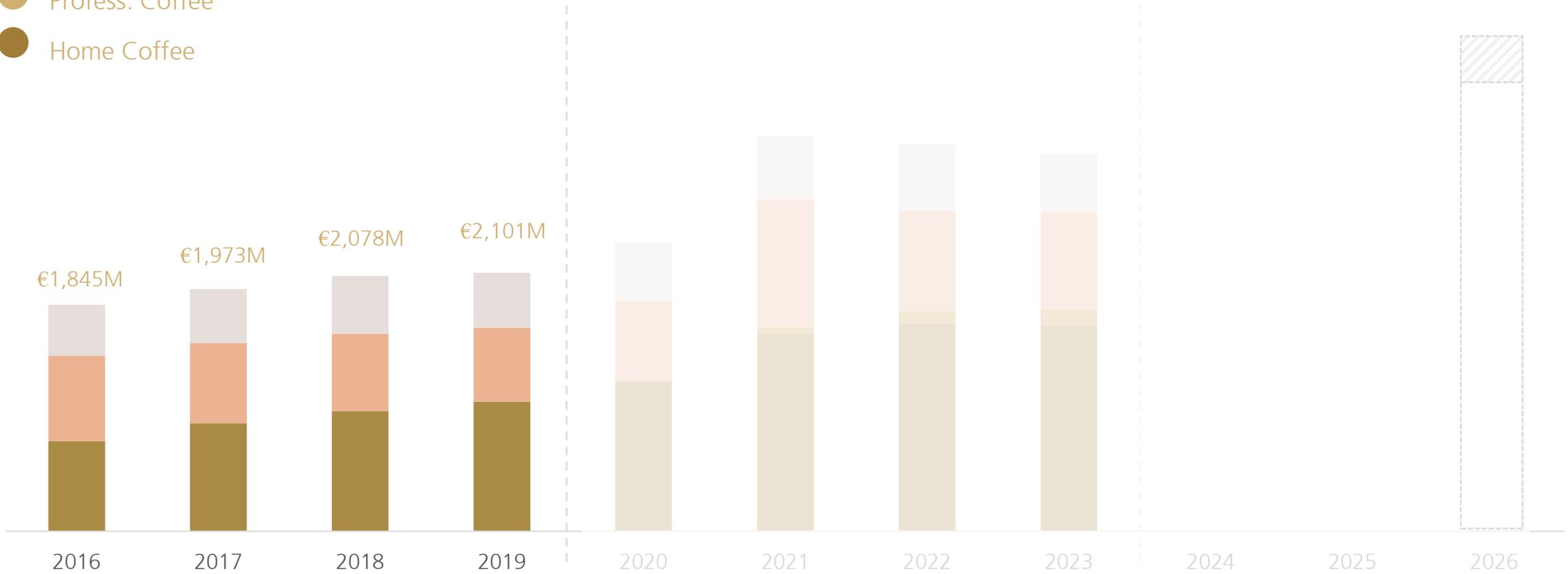
FCF (before DVD and M&A)



- Consistent FCF across the years supports:
- investments and growth
  - dividend distribution

# Revenues evolution

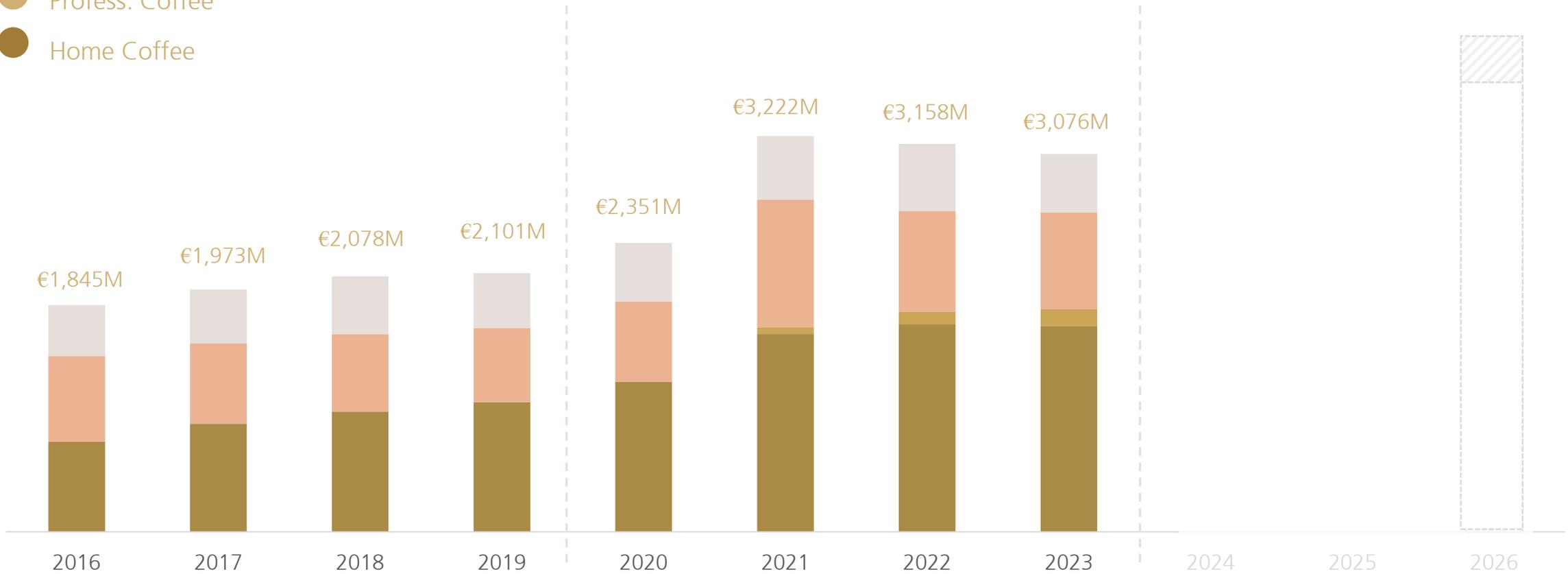
- Others
- Nutrition
- Profess. Coffee
- Home Coffee



Mid single digit growth, driven by Home Coffee in key geographies

# Revenues evolution

- Others
- Nutrition
- Profess. Coffee
- Home Coffee



Growth at high single digit rate thanks to:

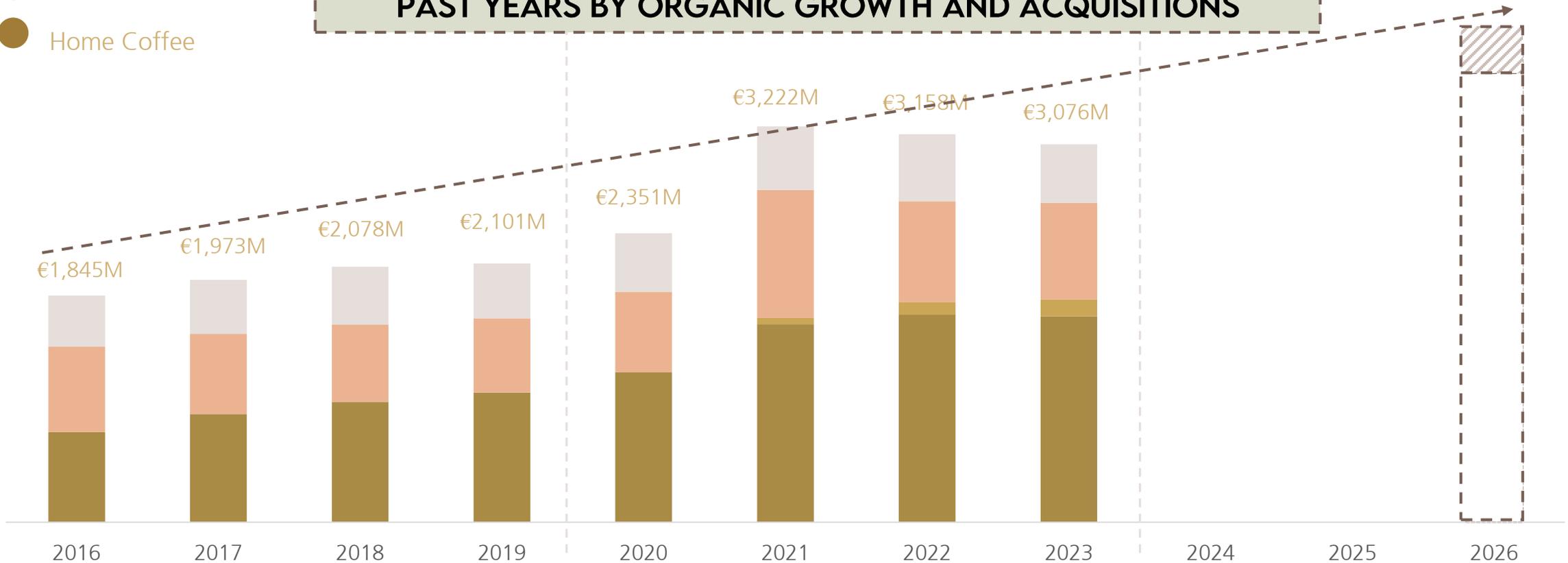
- mid single digit organic
- acquisition of EV and CB in '21
- 2021 strongly influenced by Covid

**DēLonghi Group**

# Revenues evolution

- Others
- Nutrition
- Profess. Coffee
- Home Coffee

**EXPECTED TO KEEP THE HIGH SINGLE DIGIT GROWTH TREND OF PAST YEARS BY ORGANIC GROWTH AND ACQUISITIONS**



Expected growth at high single digit, due to:

- La Marzocco consolidation;
- Mid single digit organic growth

# Total Group: Business performances by Product Segment



Home Coffee



Nutrition



Others



Professional Coffee

Product Segment

CAGR % '24 - '26

Emerging Trends

Mid to high single digit

Grow penetration across all coffee segments  
Product innovation to support emerging consumption trends

Low to mid single digit

Consumers' nutrition needs  
Expand nutribullet in new markets and its range in the core ones

Flat to low single digit

Exploit the Braun ironing range potential.  
Maintain comfort leadership in select markets.

High single digit to Low teens

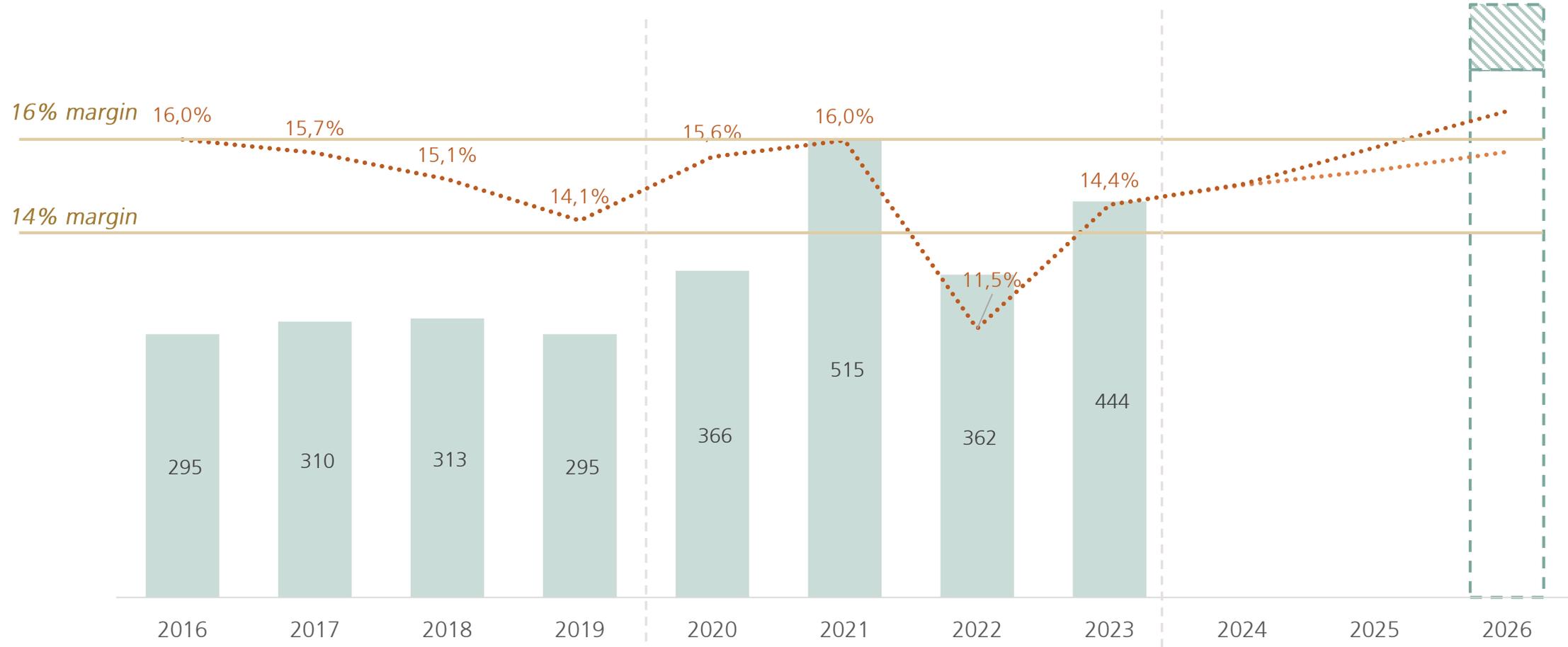
Joint technological expertise for innovative solutions  
Exploit business combination by collaborating on partnerships and commercial.

# Medium term profitability evolution

..... Adj EBITDA margin

● Adj EBITDA

EXPECTED ADJ EBITDA MARGIN FY26 RANGES FROM **15.7% - 16.7%**



# 3Y Group's Adj Ebitda margin blocks



## VOLUME

Volume growth led by coffee (both home and professional) and nutrition



## PRODUCTION COSTS

Production cost normalization (raw materials, electronic components and freights) and efficiencies driven by volumes



## CHANGE PERIMETER

Consolidation of La Marzocco, with accretive Ebitda margin



## PRICE MIX

Improve the product mix through the premiumization on core categories



## OPEX

Long-term projects development to enlarge product ranges both in coffee and nutrition



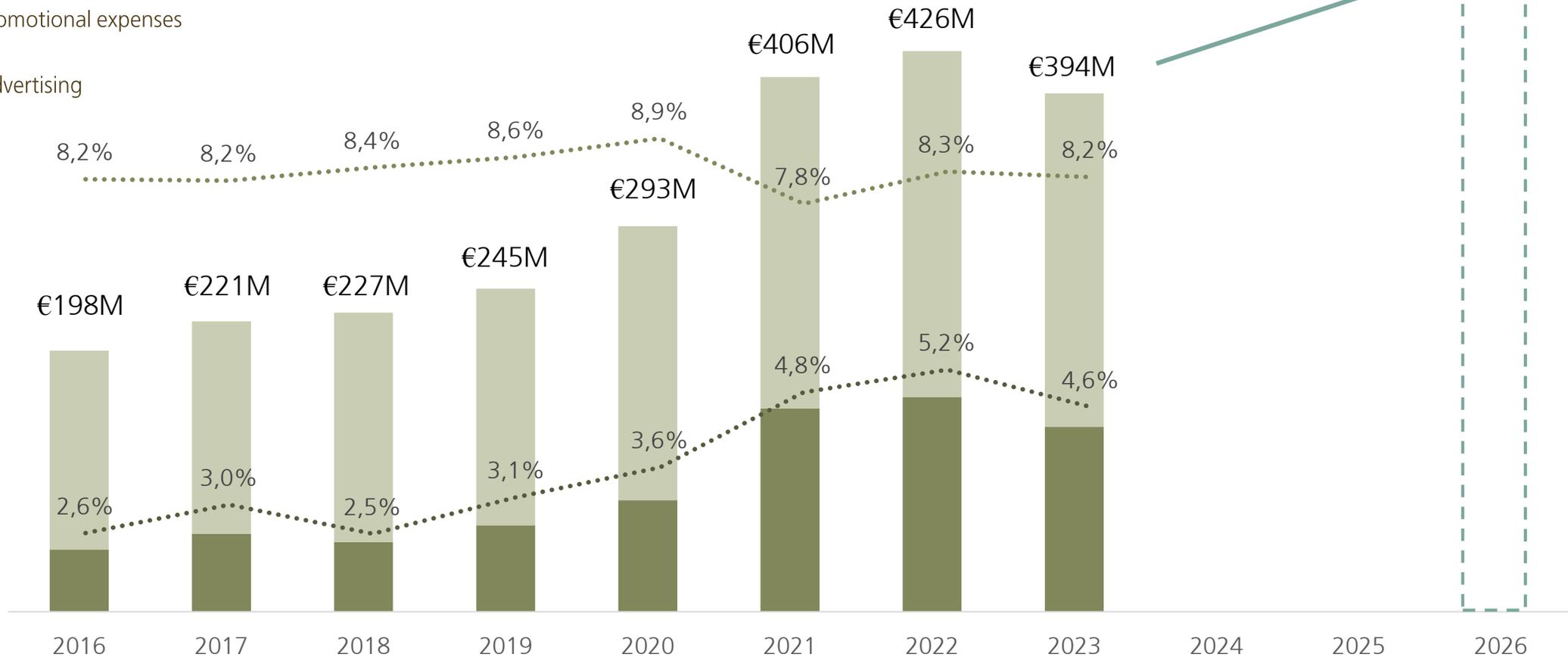
## A&P

Growing investment in advertising and communication to support all products' 'perfect launch' and coffee leadership

# A&P investments

Leading beans to cup  
Products perfect launch

Promotional expenses  
Advertising



TOTAL A&P  
IN FY26 ABOVE  
€450 M



# Price Mix development

*Excerpt from Investor Day 2021*



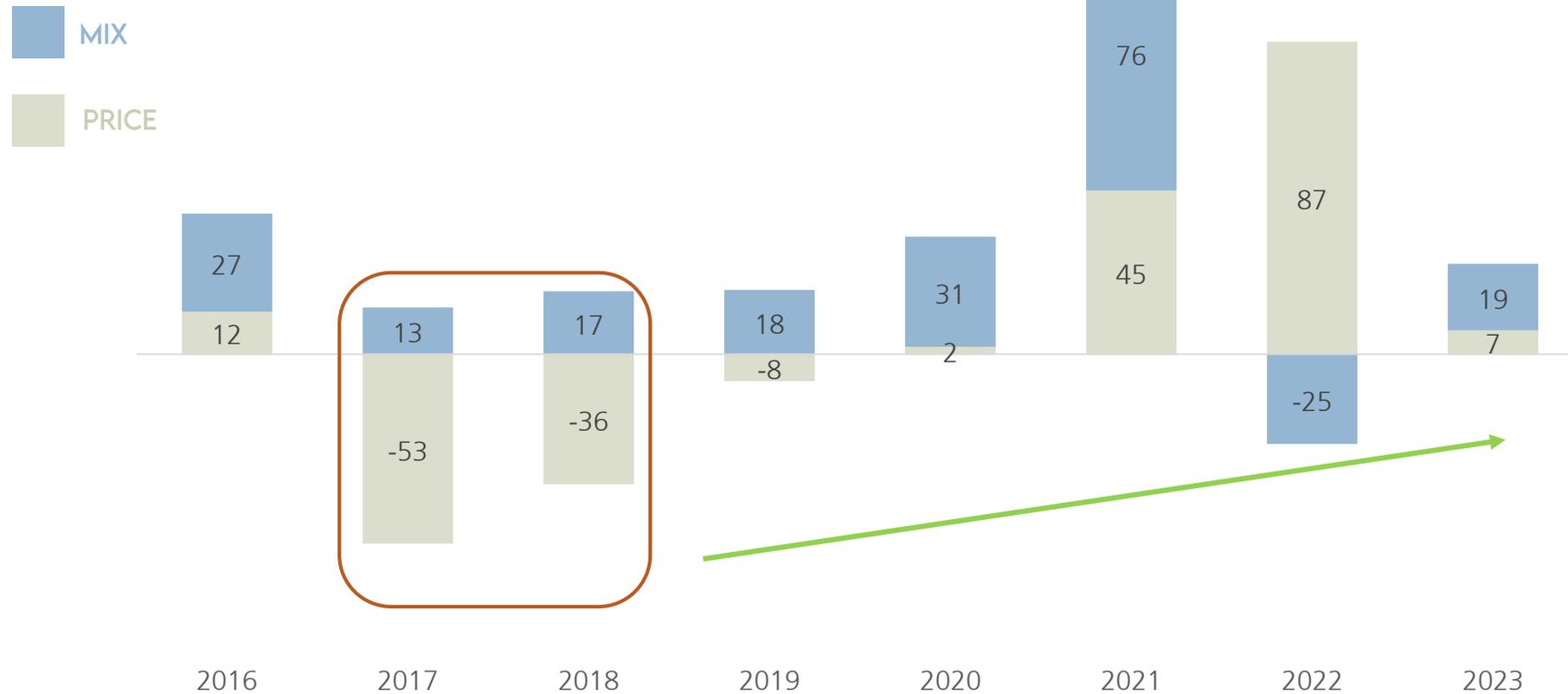
FROM SUFFERING  
STERILE PRICE  
COMPETITION...

...TO COMPETE ON  
INNOVATION AND  
A&P INVESTMENTS

Since 2019, the new **commercial policy** combined with increased **investments in media and communication** has generated a positive effect



# Price Mix development



Positive trend is continued, as so **Price Mix effect**, in particular for a further improvement of mix is **expected positive** for the next three years



# Capital Allocation's key factors



## CAPEX

Investing in product categories and ranges, digitalization, production capacity and automation



## DIVIDENDS

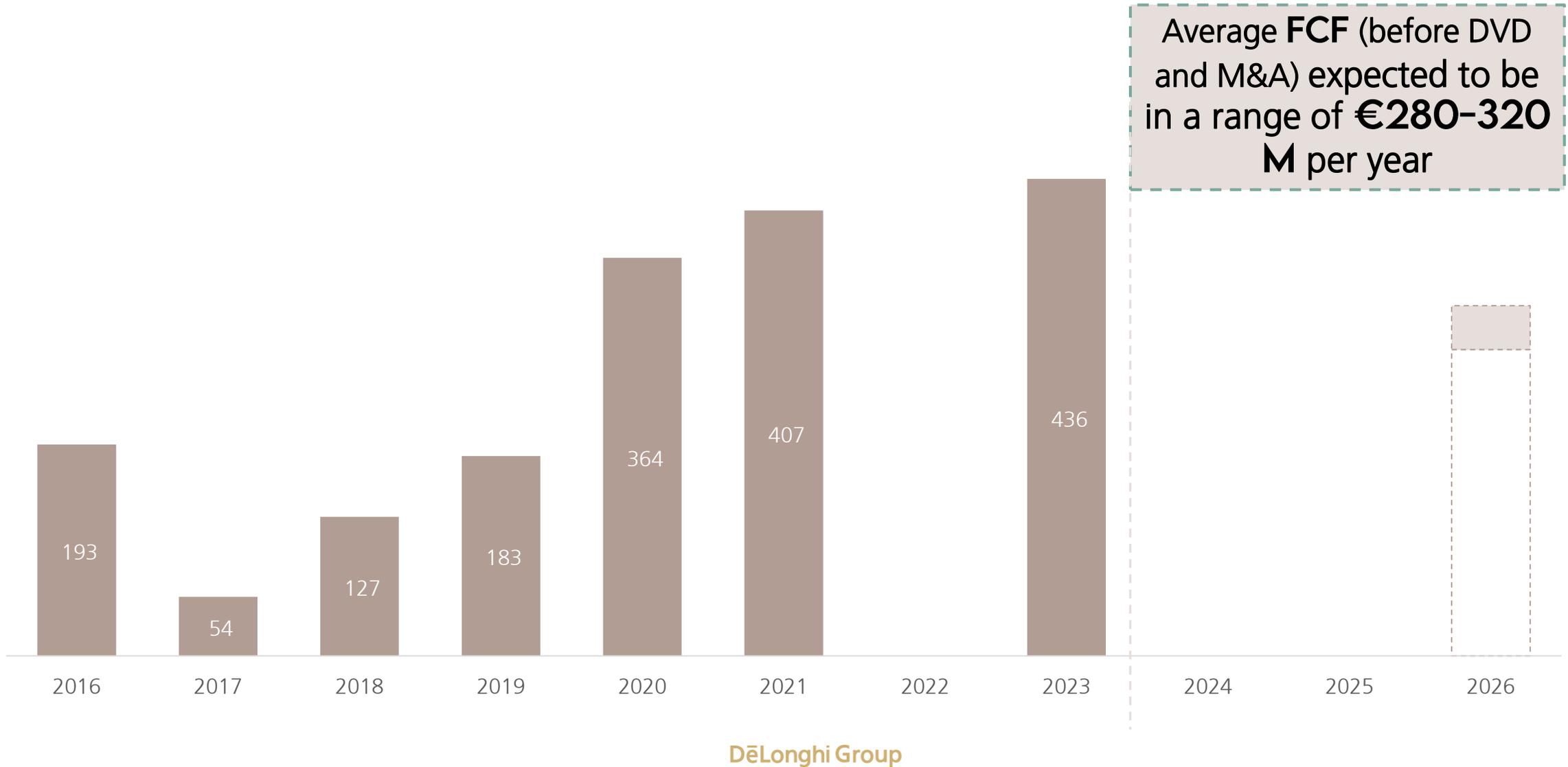
Cash distribution for shareholders' return



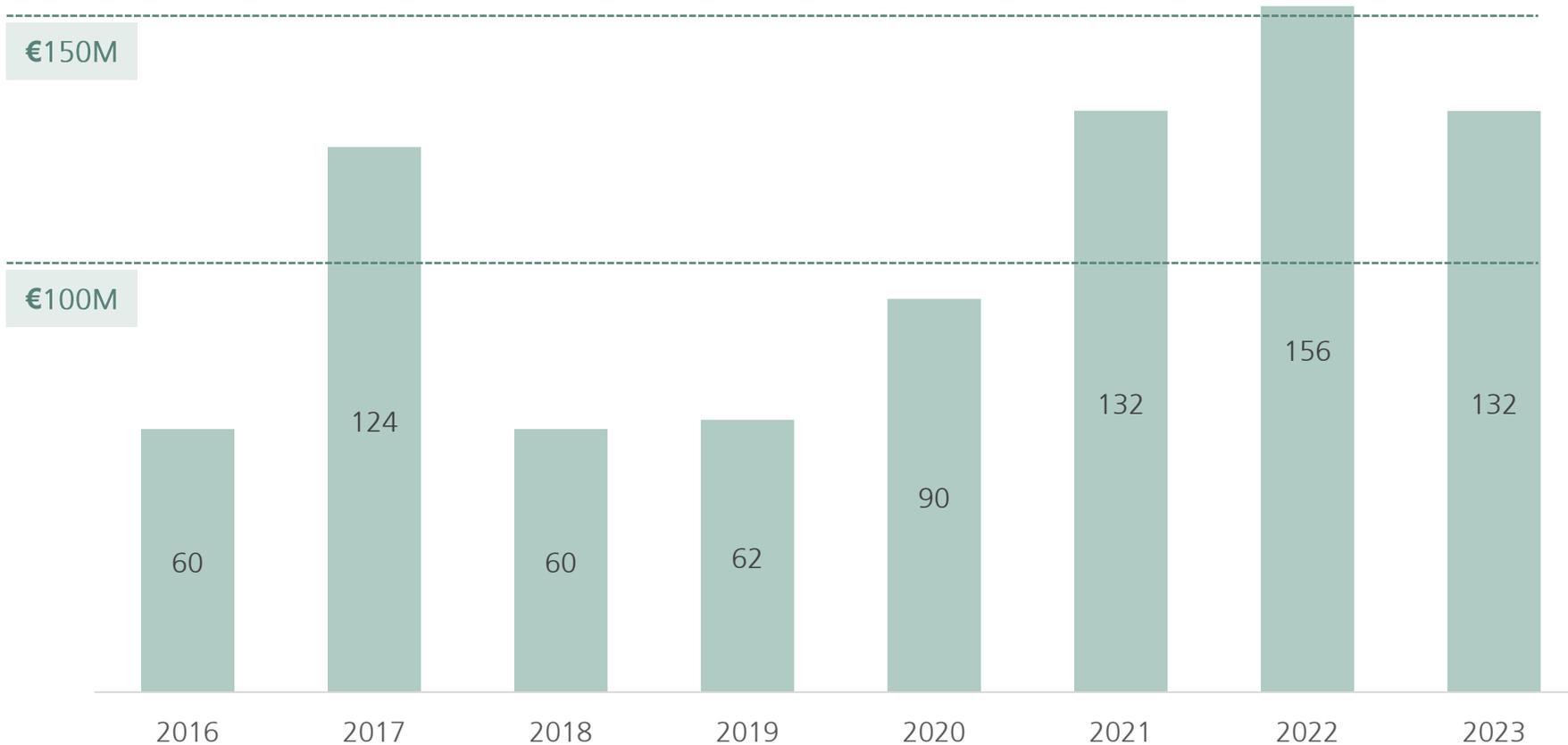
## M&A

M&A as a consistent strategy for backing organic growth

# Free Cash Flow (before DVD and M&A)



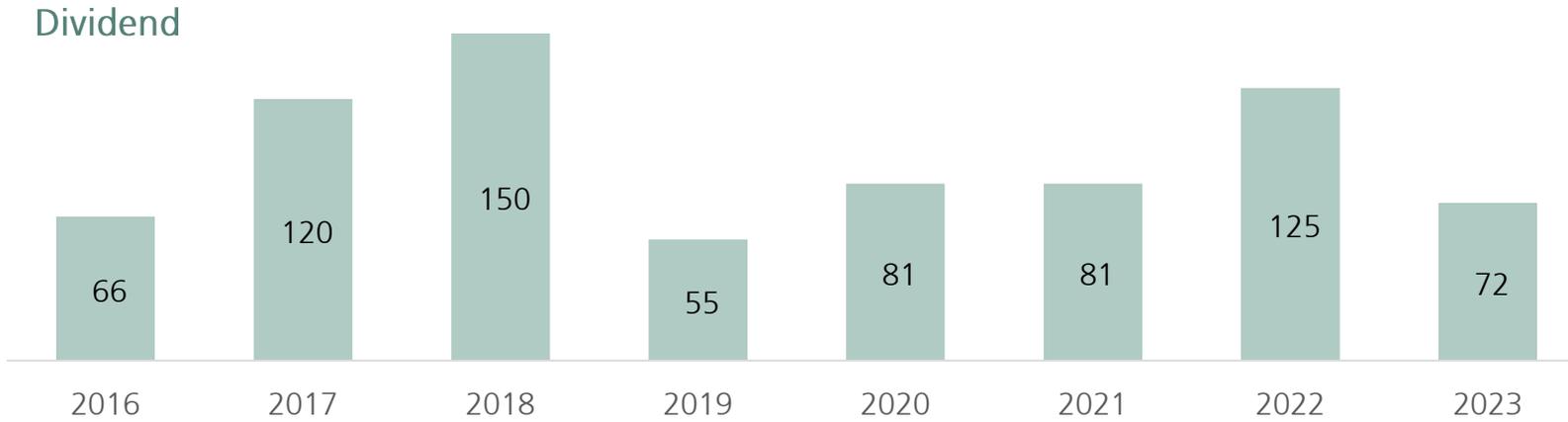
# CAPEX investments



CAPEX for the new perimeter is expected to be at around **€ 150 M per year**, focusing on products innovation, technology upgrade and operational development

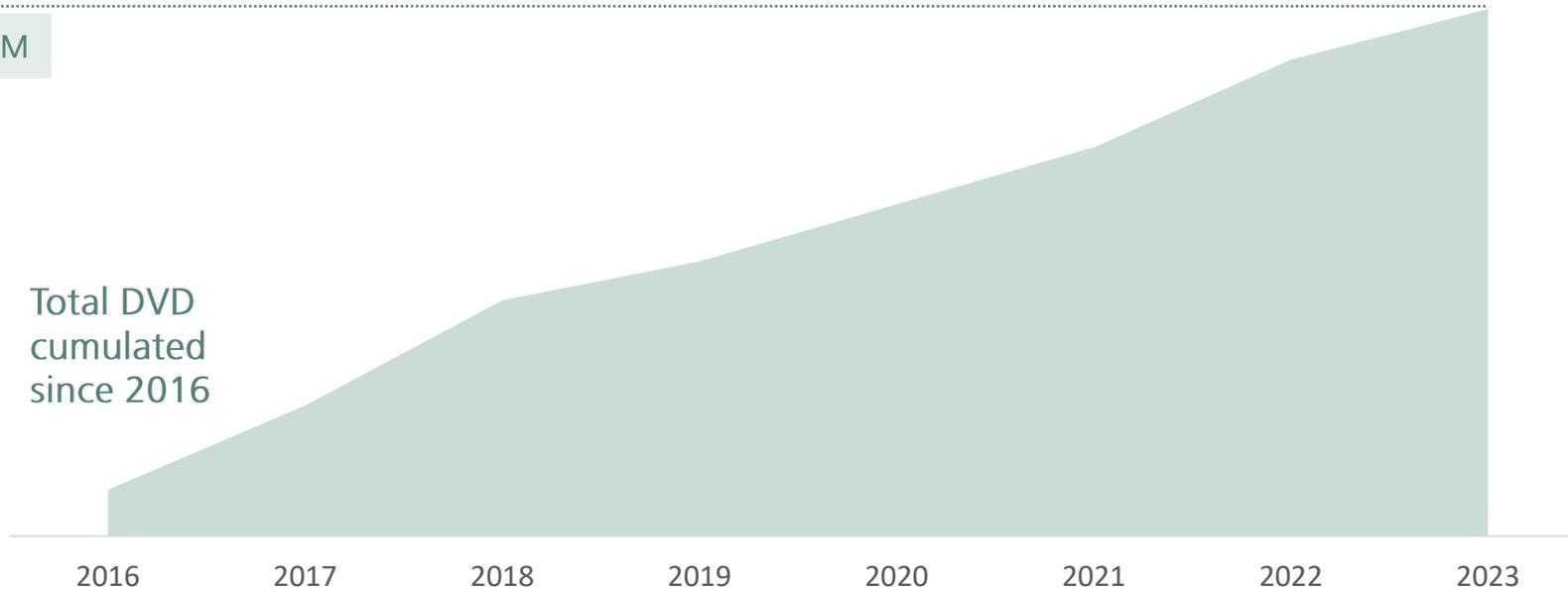


# Dividends



€750M

Total DVD cumulated since 2016



DēLonghi Group

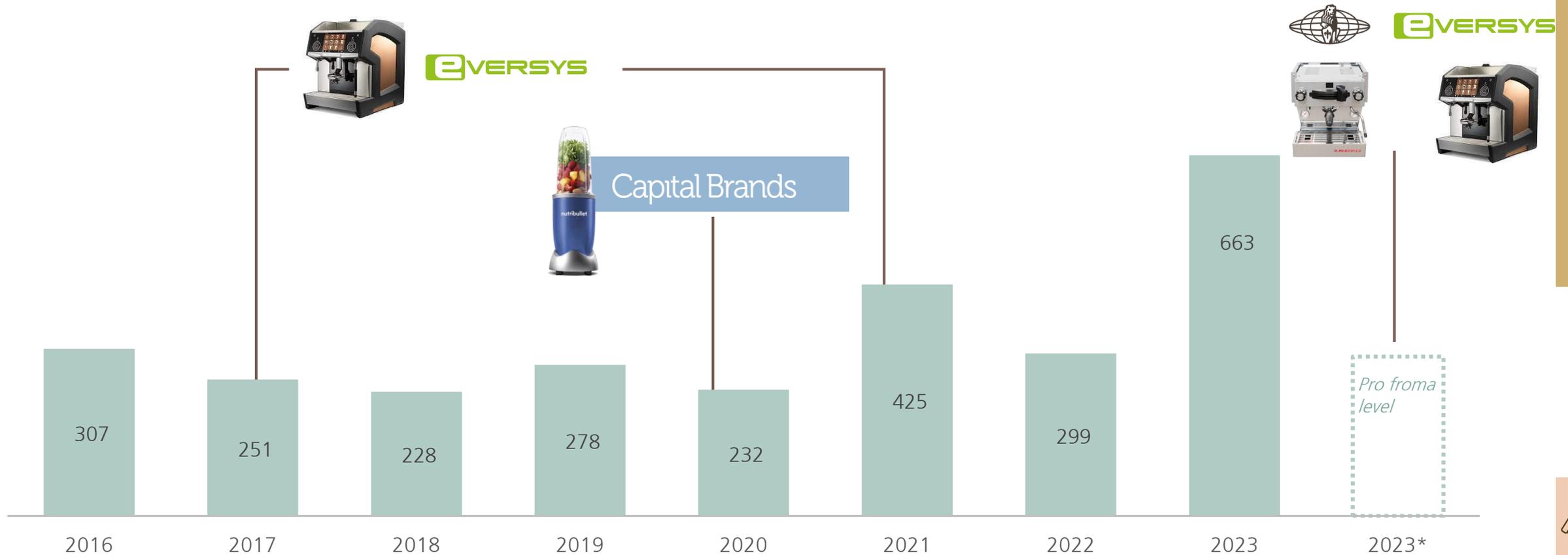
**PAY OUT RATIO**  
at 40% of Net Earnings, that in the last years has supported 3 significant acquisitions

Threshold can be modified in case of significant changes of the net financial position



# Net Financial position

A robust FCF enabled 3 major acquisitions, maintaining a solid financial position



DeLonghi Group

\* The Enterprise Value at which the acquisition deal was completed



# Key criteria about M&A

Leadership position  
(*Brand, Technology,  
Market*)

Strategic fit:  
category and  
geo complementarity

Adjacent to Group's  
know how and  
management  
continuity

Ebitda accretive to  
the Group's average

ROCE and FCF  
conversion of the  
target above Group's  
performance

Expected Revenues  
growth above  
Group's trend

# Group's last deals



Leadership position (Brand, Technology, Market)	✓	✓	✓
Strategic fit (category – geo)	✓	✓	✓
Adjacent know how and management continuity	✓	✓	✓
Ebitda accretive	✓	✓	✓
ROCE and FCF conversion performance	—	✓	✓
Expected Revenues growth above Group's trend	✓	✓	✓

DēLonghi Group



# 3 years Business Plan

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**DeLonghi**

**BRAUN**

**KENWOOD**

**nutribullet.**

**Ariete.**



**EVERSYS**

# Strategic Enablers

## Operational Excellence



Focus on operational excellence, logistic simplification, procurement optimization and process automation

## Sustainability



Integrate sustainability into business processes through the endorsement of three overarching commitments

## Media and market activation



Expand media investments in core categories across all key markets and channels

## Talent Development



Empower people's development and growth by valuing each individual talent, addressing employees' ambitions and expectations

## Innovation



Enhance our innovation capabilities across all the Group to ensure a long-lasting products leadership

## Digital Transformation



Accelerate our digital adoption and evolve into a fully digitalized and data-driven company

# Sustainability by De' Longhi Group

DeLonghi Group



# Our journey started some years ago

Over the years, we have increasingly adopted sustainable behaviors

2018

1° edition of the 2017 Group's Non Financial Declaration and Sustainability Report



2020

Group efforts supported workers and external communities during pandemic

*Stay Safe. Stay Active. Stay Together.*

2021

Sustainability as a key enabler of the Medium Term Plan 2021-2023



2023

Sustainability becomes a driver of the 3 Years Plan



Largest industrial photovoltaic park in Italy

2011



Identification of Sustainability Pillars and BoD Committee responsible for Sustainability

2019

switch On  
a responsible day

A new chapter in our journey: a proactive approach

2021



Elaboration of the 1° Sustainability Plan and target definition

2022

Rivelia "carbon-neutral"

2024

# Our Sustainability Commitments



Decarbonizing our  
operations and value  
chain  
(Science-Based Target)



Sustainable products  
through design, materials,  
and manufacturing  
(Eco-design guidelines)



Fostering awareness,  
conscious choices &  
responsible behaviours

# Our Sustainability Plan

COMMITMENT AREAS INITIATIVES Enabling Pillars



# Working on a Sustainability Culture

## Our People

*Diversity, competences, talent development among the key ingredients of people development*

## The energy we use

*Constant increase of energy efficiency and renewable sourcing*

## The materials we choose

*Implementation of eco-design guidelines and ongoing research of sustainable materials*

## The optimisation we execute

*Improve operational efficiency by optimizing resource utilization, minimizing waste and digitalizing operations*

## The people who inspired us

*Fostering conscious choices and responsible behaviour  
(Inspirational speeches, courses)*

## The partners we engage

*Working on best sustainable practices with suppliers, customers and other stakeholders  
(Code of Conduct, Audits)*

# Our People



## Talent development

OUR Group  
**PERFORMANCE**  
**APPRAISAL** with a  
proactive approach of  
learning and a constant  
updating of our skills

*Talent development*



## Competences

Global Training Catalogue

*Competences*



## DE&I

OUR COMMITMENT on  
**Diversity Equity &**  
**Inclusion** that grounds on  
concrete initiatives related  
to four focus areas:

- Company Culture
- Processes
- Goals & KPIs
- Targeted Initiatives on  
Gender Diversity

*DE&I*

# The people who inspired us

We think that every gesture matters towards making a difference

## INSPIRING

Inspirational meeting with  
prof. Joseph Stiglitz



## UPSKILLING

Group's platform is designed  
to foster sustainability education

We are driving our people through a  
**global learning journey**, to make  
everyone of us more aware of the **impact**  
we can have on the world that we live in

# The energy we use

In 2023, total emissions market based decreased by 55% compared with 2022, due to **100% grid-sourced electricity** covered by Guarantees of Origin (GO)

In 2023, the **energy intensity** (energy consumed kwh/pieces produced) decreased from 6.7 to 5.8



# Eco-Design Guidelines

## Collaboration

DēLonghi Group



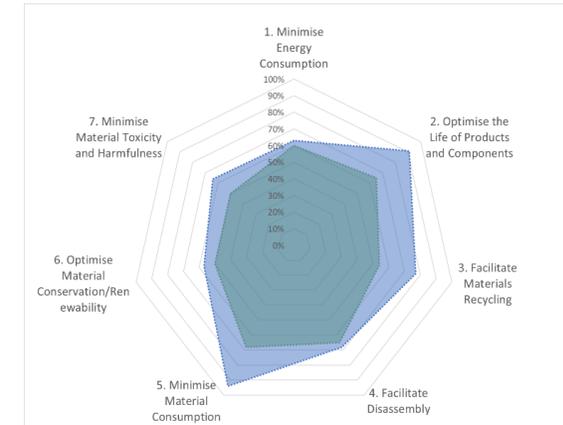
POLITECNICO  
MILANO 1863

DIPARTIMENTO DI DESIGN



DESIGN AND  
SYSTEM INNOVATION  
FOR SUSTAINABILITY

Handbook of Guidelines  
to Design Low  
Environmental Impact



## Implementation of Eco-Design approach

By implementing this approach, we lessen environmental hazards, improve efficiency, lower costs, and attract environmentally conscious consumers, positioning ourselves for long-term success.

RIVELIA:  
the 1<sup>st</sup> CARBON NEUTRAL domestic coffee-machine





Thank you!



# Q & A

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