

March 2nd, 2023

Ariston Group's excellent fourth quarter brings FY revenue and EBIT to record levels

FY 2022 RESULTS HIGHLIGHTS

- **Net revenue at 2,379 million euro**, increasing 19.7% compared to 2021
- **EBIT adjusted amounted to 223 million euro**, increasing 9.4% versus 2021
- **Net profit of 140 million euro**, increasing 2.9% compared to 2021
- **Free cash flow at 63 million euro**, versus 88 million euro in 2021
- **Net financial position¹ at 60 million euro net cash at year-end**, versus 149 million euro net cash at December 31st, 2021
- **Proposed dividend of 13 eurocent** per share, equivalent to a 34% pay-out on consolidated net profit

The Board of Directors of Ariston Holding N.V. (MTA/EXM; Bloomberg ticker: ARIS IM) met today and approved the annual report for the full year ending on 31 December 2022.

"The results of the first year after the IPO demonstrate once more the strength of our value proposition, complementing a very solid organic growth with a transformational acquisition" – commented **Paolo Merloni, Executive Chairman of Ariston Group** – *"With the pro-forma addition of Centrotec Climate Systems², the top line already stands above 3 billion euro, with a sound profitability"*

"We delivered excellent results, growing in our core markets in renewable and high-efficiency solutions, especially in Europe" – added **Laurent Jacquemin, CEO of Ariston Group** – *"We also navigated at best an extremely complex supply chain background, adapting to a fast-changing ecosystem while following the North star of serving our customers"*

FY2022 CONSOLIDATED RESULTS

Net revenue amounted to 2,378.8 million euro, a growth of 19.7% compared to the 1,987.3 million euro registered in 2021. Growth was stronger in Thermal Comfort compared to the other two divisions, and was concentrated in Europe and Asia/Pacific & MEA.

¹ Calculated according to ESMA 32-382-1138 guidelines. For a reconciliation with the NFP presented in the IPO prospectus, see below.

² Consolidated as of January 2023

The following tables show the split of net revenues by division and by geographic area:

€M	FY 2022	FY 2021	Change	o/w M&A
Thermal Comfort	2,187.4	1,807.0	+21.1%	135.4
Burners	95.9	94.6	+1.4%	
Components	95.5	85.8	+11.3%	
Total	2,378.8	1,987.3	+19.7%	135.4

€M	FY 2022	FY 2021	Change	o/w M&A
Europe	1,536.7	1,322.6	+16.2%	5.6
Americas	300.3	279.5	+7.4%	1.9
Asia/Pacific & MEA	541.8	385.3	+40.6%	127.8
Total	2,378.8	1,987.3	+19.7%	135.4

Currency exchange contributed with a positive effect (+3.9%); the extension of the consolidation perimeter corresponds to Chromagen, acquired in January and consolidated for the entire year.

EBITDA registered at 283.5 million euro, a growth of 14.8% with respect to the 246.9 million euro registered in the previous year, while **EBIT** amounted to 193.7 million euro, up 13.2% compared to the 171.2 million euro of 2021.

These margins are also presented in an adjusted form which is more suitable to appreciate the trend of normal business operations, with the exclusion of costs or revenues not representative of them; the most significant adjustments for 2022 are extraordinary costs related to a September flash flood at two plants (net of preliminary insurance reimbursement), expenses related to restructuring and M&A, and – on EBIT only – amortization of PPA.

EBITDA adjusted amounted to 305.3 million euro, with a growth of 10.3% compared to the 276.8 million euro registered in 2021, with a decrease in margin on net revenue from 13.9% to 12.8%.

EBIT adjusted amounted to 222.6 million euro, up 9.4% compared to the 203.4 million euro of 2021. The corresponding margin on net revenue went from 10.2% to 9.4%. The dilution from M&A, an increase in commercial, general and administrative expenses to support growth, an increase in commodity prices recorded immediately after the Russian invasion of Ukraine, as well as a further surge in energy prices were mitigated by operating leverage and pricing initiatives, especially in the last part of the year.

Net profit for the year reached 140.3 million euro, 2.9% higher than the 136.3 million euro of 2021. The corresponding consolidated tax rate was 22.0% versus an unusually low 17.6% in the previous year, a consequence of a one-off fiscal benefit.

Free cash flow in the year amounted to 63.4 million euro, compared to 88.3 million euro for 2020. The year-on-year decrease was connected with a higher average level of net working capital on sales, but as anticipated the last quarter of the year was strongly positive (+125.7 million euro).

Net financial indebtedness (calculated according to ESMA 32-382-1138 guidelines) went from 149.0 million euro net cash at 31 December 2021 to 60.2 million euro net cash at 31 December 2022, reflecting the free cash flow but also the payment for Chromagen, the acquisition of the remaining share of HTP, dividends to shareholders, and the purchase of 1.5 million treasury shares to service the LTI plans in the upcoming years.

For comparison purposes, applying the calculation method used before the adoption of ESMA guidelines, Net financial position went from 184.8 euro million net cash to 98.9 euro million net cash. The main difference is ESMA's inclusion – among liabilities – of put and call options related to acquisitions, and the positive component of mark-to-market on derivatives.

DIVIDEND PROPOSAL

The Board of Directors will propose to the general meeting a dividend of 13 eurocent per share. The dividend, if approved by the general meeting, will be paid on 24 May 2023, with 23 May 2023 as the record date, and 22 May 2023 as the ex-dividend date.

For fiscal purposes where relevant, the dividend will be drawn from 2022 net profit.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 2 January 2023, Ariston acquired Centrotec Climate Systems (brands Wolf, Brink, Ned Air and Pro-Klima). The price of the acquisition paid at closing was 635.05 million euro in cash plus 41,416,667 Ariston Holding N.V. shares issued with a dedicated capital increase.

More details about the transaction are available in the press release issued on the same date.

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OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

Annual General Meeting. The Board of Directors resolved to call the Annual General Meeting on 4 May 2023 to approve the annual report including, *inter alia*, the financial statements for the year ended 31 December 2022, the non-financial disclosure, the corporate governance report and the remuneration report.

2023 LTI Plan. The Board of Directors resolved to propose to the general meeting to approve the 2023 LTI Plan. The plan foresees the granting of a maximum of 9.5 million euro at target to selected beneficiaries. The relevant bodies will be authorized to implement the plan by 31 December 2023. Relevant details will be made available in the Information Document pursuant to article 114-bis of the Italian Consolidated Law on Financial Intermediation to be published on Ariston Group's website.

ANNUAL REPORT AND ANALYST PRESENTATION

The annual report 2022 (including, *inter alia*, the non-financial disclosure, the corporate governance report, the report of the non-executive directors, the statement and responsibilities in respect to the annual report, the remuneration report and the independent auditor's report) is available at the corporate offices of the Company in Milan, Via Broletto 44, at the authorized repository www.1info.it and on the corporate website www.aristongroup.com in the "Investor Relations" section.

The annual report has been prepared in accordance with the Dutch Civil Code and the applicable International Financial Reporting Standards (IFRS).

The FY2022 analyst presentation, which includes management's remarks on the outlook for 2023, will be made available at the authorized repository www.1info.it and on www.aristongroup.com in the "Investor Relations" section.

The Board of Directors is responsible for preparing the annual report, inclusive of the management report, the full year consolidated financial statements and the Company-only financial statements at 31 December 2022, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS).

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About Ariston Group

Ariston Group is a global leader in sustainable solutions for hot water and space heating, components and burners. In 2022 the Group reported almost 2.4 billion euro revenues. As of today, after the addition of Centrotec Climate Systems in January 2023, Ariston Group has over 10,000 employees, representative offices in 43 countries, 31 production sites and 30 research and development centers in 5 continents. Ariston Group is listed on Euronext Milan since November 2021.

Ariston Group demonstrates its commitment to sustainability through the development of renewable and high efficiency solutions, such as heat pumps, water heating heat pump, hybrid solutions and solar thermal systems. The Group also stands out for its continuous investment in technological innovation, digitalization and advanced connectivity systems.

The Group offers a full range of products, solutions and services mainly under the global brands Ariston, ELCO and Wolf, and also operates under iconic brands such as Calorex, NTI, HTP, Chaffoteaux, ATAG, Brink, Chromagen, Racold as well as Thermowatt and Ecoflam in the components and burners business.

Alternative Performance Measures (APMs)

This document contains certain financial performance measures that are not defined in IFRS standards (non-GAAP measures). These measures comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415. For a full presentation and discussion of alternative performance measures, please refer to chapter 4.11 "Definition and reconciliation of the Alternative Performance Measures (APMs or non GAAP measures) to GAAP measures" in the annual report.

Forward-looking statements

This announcement may contain certain forward-looking statements, estimates and forecasts reflecting management's current views with respect to certain future events. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Group operates or intends to operate. Forward-looking information is based on information available to the Group as of today and is based on certain key assumptions; as such, forward-looking statements speak only as of the date of this announcement. No assurance can be given that such future results will be achieved; actual events may materially differ as a result of risks and uncertainties faced by the Group, which could cause actual result to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. Except as required by applicable laws and regulations, the Group expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based; the Group expressly disclaims and does not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this document, and in any related oral presentation, including responses to questions following the presentation, or in connection with any use by any third party. Further information on the Group and its activities, including those factors that may materially influence its financial results, are contained in the reports and documents of the Group deposited with the AFM and CONSOB.

Attachments:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31/12/2022**FY 2022 CONSOLIDATED INCOME STATEMENT****FY 2022 CONSOLIDATED CASH FLOW STATEMENT**

 ARISTON GROUP
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2022

	(in euro million)	31/12/2022	31/12/2021
Assets			
NON-CURRENT ASSETS			
Intangible assets			
<i>Goodwill</i>	312.7	294.8	
<i>Other intangible assets</i>	129.9	113.0	
Total intangible assets	442.6	407.8	
Property, plant and equipment			
<i>Land and buildings</i>	173.3	161.9	
<i>of which: RoU</i>	47.4	40.5	
<i>Plant and machinery</i>	110.8	104.5	
<i>of which: RoU</i>	1.6	1.3	
<i>Other property, plant and equipment</i>	121.1	106.0	
<i>of which: RoU</i>	21.8	18.2	
Total property, plant and equipment	405.1	372.4	
Investments in associates & Joint ventures	2.4	2.4	
Deferred tax assets	101.2	102.4	
Financial assets	6.1	5.2	
Other non-current assets	7.0	6.4	
Non-current tax receivables	2.1	1.2	
Total non-current assets	966.4	897.8	
CURRENT ASSETS			
Inventories	476.8	382.0	
Trade receivables	308.4	248.3	
Tax receivables	28.4	29.8	
Current financial assets	47.1	10.8	
Other current assets	50.8	56.4	
Cash and cash equivalents	999.3	689.7	
Total current assets	1,910.8	1,417.0	
ASSETS HELD FOR SALE		1.3	2.3
TOTAL ASSETS		2,878.5	2,317.0

	(in euro million)	
	31/12/2022	31/12/2021
LIABILITIES AND EQUITY		
NET EQUITY		
Share capital	46.1	46.0
Share premium reserve	313.3	293.7
Retained earnings and other reserves	510.3	402.0
Net profit attributable to the Group	140.3	136.5
Net equity attributable to the Group	1,010.0	878.3
Non-controlling interests and reserves	2,1	0,0
Net profit attributable to non-controlling interests	0,1	-0,2
Net equity attributable to non-controlling interests	2,2	-0,2
Net equity	1,012.2	878.1
NON-CURRENT LIABILITIES		
Deferred tax liabilities	61.8	50.8
Non-current provisions	59.6	56.9
Post-employment benefits	38.6	51.7
Non-current financing	865.2	446.4
Other non-current liabilities	12.0	14.0
Non-current tax liabilities	1.8	7.8
Total non-current liabilities	1,038.9	627.5
CURRENT LIABILITIES		
Trade payables	481.4	477.2
Tax payables	53.0	45.1
Current provisions	36.2	33.5
Current financial liabilities	49.7	46.1
Current loans	32.7	23.1
Other current liabilities	174.5	186.3
Total current liabilities	827.4	811.3
LIABILITIES HELD FOR SALE	0	0
TOTAL LIABILITIES AND NET EQUITY	2,878.5	2,317.0

ARISTON GROUP
CONSOLIDATED INCOME STATEMENT
AS AT 31 DECEMBER 2022

(in euro million)	2022		2021	
REVENUE AND INCOME				
Net revenue	2,378.8	100.0%	1,987.3	100.0%
Other revenue and income	42.7	1.8%	34.1	1.7%
Revenue and Income	2,421.5	101.8%	2,021.5	101.7%
OPERATING EXPENSES				
Change in inventories	-93.7	-3.9%	-107.5	-5.4%
Raw materials, consumables and goods for resale	1,243.3	52.3%	988.0	49.7%
Services	481.3	20.2%	433.1	21.8%
Personnel	459.0	19.3%	412.3	20.7%
Amortization	89.8	3.8%	75.8	3.8%
Provisions	14.0	0.6%	19.7	1.0%
Write-downs	3.8	0.2%	1.7	0.1%
Other operating expenses	30.4	1.3%	27.3	1.4%
Operating expenses	2,227.8	93.7%	1,850.3	93.1%
OPERATING PROFIT	193.7	8.1%	171.2	8.6%
FINANCIAL INCOME AND EXPENSE				
Financial Income	6.0	0.3%	4.5	0.2%
Financial Expense	-15.7	-0.7%	-12.4	-0.6%
Exchange rate gains/losses	-8.9	-0.4%	4.1	0.2%
Financial Income and Expense	-18.6	-0.8%	-3.9	-0.2%
PROFIT (LOSS) ON INVESTMENTS				
Profit (loss) on investments	4.7	0.2%	-1.9	-0.1%
PROFIT BEFORE TAX	179.8	7.6%	165.4	8.3%
TAXES	39.5	1.7%	29.1	1.5%
		22.0%		17.6%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	140.3	5.9%	136.3	6.9%
NET PROFIT	140.3	5.9%	136.3	6.9%
Net profit attributable to non-controlling Interests	0.1	0.0%	-0.2	0.0%
Net profit attributable to the Group	140.3	5.9%	136.5	6.9%

ARISTON GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2022

(in euro million)	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT	140.3	136.3
Taxes	39.5	29.1
Income and expense from financing and investment activities	13.9	5.8
Amortisation excluding ROU	64.4	54.5
Amortisation ROU	25.4	21.3
Provisions	14.0	19.7
Other adjustments	3.8	1.7
GROSS OPERATING CASH FLOW	301.2	268.3
Change in trade receivables	-21.2	-17.5
Change in inventories	-67.6	-108.1
Change in trade payables	-27.0	112.3
Change in other short-term assets/liabilities	-3.4	-11.5
Change in provisions	-15.6	-13.5
Tax paid	-35.4	-39.5
+ NET OPERATING CASH FLOW	130.9	190.7
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in intangible assets	-21.0	-19.1
Investments in property, plant and equipment	-57.6	-59.0
Business combinations	-23.9	0.0
Investments in financial assets	-30.3	-8.1
Change in the scope of consolidation	-1.9	0.0
Value of tangible and intangible assets sold	0.9	1.4
+ CASH FLOW FROM INVESTMENT ACTIVITIES	-133.8	-84.7
CASH FLOW FROM FINANCING ACTIVITIES		
Financial expense paid	-7.4	-4.4
Financial income collected	5.0	4.1
Financial expense pursuant to IFRS16	-1.9	-1.4
Other inflows (outflows) of cash classified as financing activities	-8.9	-10.2
Increase/decrease in short-term financial payables	6.4	-2.5
New loans	450.5	205.2
Loans repayment	-62.8	-334.7
Dividends	-46.4	-48.3
Capital and reserves increase/distribution	0.0	0.0
Proceeds from issue of ordinary shares	0.0	294.0
Buyback/sale of treasury shares	-12.5	0.0
+ CASH FLOW FROM FINANCING ACTIVITIES	322.1	101.9
= CASH FLOW FROM CONTINUING OPERATIONS	319.3	207.8
+ CASH FLOW FROM DISCONTINUED OPERATIONS	0.0	0.0
= TOTAL CASH FLOW	319.3	207.8
+ <i>Effect of changes in exchange rates</i>	2.8	16.9
= TOTAL MOVEMENT IN CASH AND CASH EQUIVALENTS	322.0	224.8
+ CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	655.5	430.7
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	977.5	655.5