

May 3rd, 2023

Ariston Group delivers very solid growth (+37.6%) and excellent margins (9.6% EBIT adjusted) in Q1 2023 driven by renewable solutions

Maurizio Brusadelli to become Chief Executive Officer in August, succeeding to Laurent Jacquemin

- **Net revenue at 760 million euro**, an overall increase of 37.6% compared to Q1 2022 (+7% pro-forma)
- **EBIT adjusted amounted to 73 million euro**, increasing +46.0% versus Q1 2022
- **Free cash flow at -36 million euro**, versus -45 million euro in Q1 2022
- **Net debt¹ of 631 million euro**, following cash-out for the acquisition of Wolf-Brink (formerly "CENTROTEC Climate Systems") and seasonal front-loading of net working capital
- Step-down of Laurent Jacquemin from Chief Executive Officer role effective July 27 – will remain in the Board as non-executive
- Maurizio Brusadelli chosen as Chief Executive Officer candidate, appointment expected on August 3rd.

"We are reaping the fruits of our investments: our decision to further sharpen our focus on renewables is paying off and we are benefitting from the robust partnership with our new colleagues at Wolf and Brink" – commented **Paolo Merloni, Executive Chairman** – *"As to the CEO succession, I've known Laurent Jacquemin for 30+ years and have a deep admiration, besides his managerial qualities, for his humanity and generosity. I want to express my gratitude for his dedication to Ariston and I am very happy he is staying in the Board as a non-executive member. I can't wait to welcome Maurizio Brusadelli as the new CEO of Ariston Group. Maurizio brings to Ariston the professional, managerial and human skills demonstrated in his long career and in his early interactions with us. He can count on a world-class management team, the skills and the passion of 10,000+ people belonging to Ariston Group, and I am certain this combination will be a perfect support for our trend of accelerating, sustainable, profitable growth.*

Lastly, a word of thanks to the team who managed the succession process in line with the best corporate governance practices, ensuring quality, confidentiality, and creating all conditions for a smooth handover".

*"As I plan a new chapter of my life dedicated to non-profit humanitarian efforts and more time with my family, I would like to state that I am proud of what Ariston Group has accomplished so far. Thanks to the commitment of a great team we succeeded in developing and expanding our company and we will continue to grow together" – added **Laurent Jacquemin, Chief Executive Officer** – *"I believe that the choice of Maurizio Brusadelli as my successor is the best possible outcome, and I wish him well for his office. Lastly, I would like to thank Executive Chairman Paolo Merloni and Honorary Chairman Francesco Merloni for their support, their trust, their friendship, and more than thirty years of fruitful work together"**

¹ Calculated according to ESMA 32-382-1138 guidelines

The Board of Directors of Ariston Holding N.V. (MTA/EXM; Bloomberg ticker: ARIS IM) met today and approved the disclosure of additional periodic financial information for the quarter ending on March 31st 2023 (“Q1 2023”).

Q1 2023 CONSOLIDATED RESULTS

Net revenue amounted to 759.7 million euro, a growth of 37.6% compared to the 552.1 million euro registered in the first quarter of 2022.

The strongest growth was registered in Europe in the Thermal Comfort division, also in light of the acquisition of Wolf-Brink (“CENTROTEC Climate Systems” in previous press releases) which allowed the Group to ride the wave of demand for sustainable solutions in Germany and other key European markets.

€M	Q1 2023	Q1 2022	Change	o/w M&A
Thermal Comfort	713.6	507.7	+40.5%	188.3
Burners	22.4	21.8	+2.3%	
Components	23.7	22.5	+5.4%	
Total	759.7	552.1	+37.6%	188.3

€M	Q1 2023	Q1 2022	Change	o/w M&A
Europe	570.0	357.2	+59.6%	186.6
Americas	67.9	71.3	-4.9%	
Asia/Pacific & MEA	121.9	123.6	-1.4%	1.8
Total	759.7	552.1	+37.6%	188.3

The currency exchange contributed for +1%, while the consolidation in the entire quarter of the newly-acquired Wolf-Brink business represented an addition of 34.1%. For a better evaluation of the underlying market trends, it is worth noting that pro-forma growth (including Wolf-Brink also in 2022) amounted to 7%.

EBITDA registered at 97.3 million euro, a growth of 44.6% with respect to the 67.2 million euro registered in Q1 2022, while **EBIT** amounted to 70.4 million euro, up 51.2% compared to the 46.6 million euro of Q1 2022.

These margins are also presented in an adjusted form which is more suitable to appreciate the trend of the normal business operations, with the exclusion of costs or revenues not representative of them; the most significant adjustments for the period are related to some recovery costs after the September 2022 flooding of two plants, and – on EBIT only – the PPA amortization related to past acquisitions.

EBITDA adjusted amounted to 98.6 million euro, a growth of 40.6% with respect to the 70.1 million euro registered in Q1 2022, with an increase in margin on net revenue from 12.7% to 13.0%.

EBIT adjusted amounted to 73.1 million euro, up 46.0% compared to the 50.1 million euro of Q1 2022. The corresponding margin on net revenue increased from 9.1% to 9.6% thanks to the normalization of some cost items (logistics, energy) and the pricing initiatives carried out in 2022, along with a remarkable performance from Wolf-Brink.

Free cash flow in the period amounted to -35.9 million euro, versus -45.5 million euro for Q1 2022. The improvement is associated to higher EBITDA and a lower absorption from net working capital, partially offset by higher capex and a flat change in “other assets and liabilities” compared to the strongly positive figure of Q1 last year.

Net Financial Indebtedness at the end of the period (calculated according to ESMA 32-382-1138 guidelines) went from 60.2 million euro net cash to 630.5 million net debt, due to the negative cash flow and especially the cash-out, on January 2, 2023, related to the acquisition of Wolf-Brink.

For comparison purposes, applying the calculation method used before the adoption of ESMA guidelines, the net financial position went from 98.9 net cash to 592.8 million euro net debt. The main differences are ESMA’s inclusion – among liabilities – of put & call options related to acquisitions, and the neutralization of positive mark-to-market from derivatives.

SUCCESSION IN CHIEF EXECUTIVE OFFICER ROLE

The Board also acknowledged the step-down of Laurent Jacquemin from the role of Chief Executive Officer, effective July 27, 2023, for personal reasons.

In accordance to the Group’s succession planning process, the Company has identified Maurizio Brusadelli as the new CEO candidate. Mr. Brusadelli will join Ariston Group as General Manager effective June 19, 2023.

The Board also resolved to offer Laurent Jacquemin a retention package to support the hand-over process and ensure his continued presence in the Board as a non-executive member.

Pursuant to applicable regulations and to the company bylaws, the Board has given a mandate to Executive Chairman Paolo Merloni to summon an Extraordinary General Meeting on July 27th, 2023, with the agenda including the appointment of Maurizio Brusadelli as executive director, and the appointment of Laurent Jacquemin as non-executive director.

After the EGM, the Board will proceed to nominate Maurizio Brusadelli as the new CEO at its August 3, 2023 meeting.

The Board also acknowledged that the appointment of one more male member represents a temporary departure from the Company’s diversity policy, as referenced by article 5.1, and vows to correct the situation within a reasonable time frame.

As of today, Laurent Jacquemin holds 309,090 Ariston group ordinary shares.

The CV of Maurizio Brusadelli is attached to this press release.

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Additional periodic financial information is disclosed by Ariston on a voluntary basis and is not subject to auditing.

The Board of Directors is responsible for preparing additional periodic information as of March 31, 2023, in accordance with the Dutch Financial Supervision Act and applicable international financial standards (IFRS).

The Q1 2023 Analyst Presentation, which includes management's outlook on the remaining part of the year, will be made available at the authorized repository www.1info.it and on the website www.aristongroup.com in the "Investors & Governance" section.

A conference call dedicated to financial analysts and investment professionals will be held today at 15:00 CEST.

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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, with the pro-forma inclusion of Wolf-Brink, reported almost 3.1 billion euro revenues. As of today, 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 2022 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:

(PARTIAL) RECLASSIFIED Q1 2023 INCOME STATEMENT

RECLASSIFIED Q1 2023 CASH FLOW STATEMENT

CURRICULUM VITAE OF MAURIZIO BRUSADELLI

ARISTON GROUP
RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€M) - <i>unaudited</i>	Q1 2023		Q1 2022	
REVENUE AND INCOME				
Net revenue	759.7	100.0%	552.1	100.0%
Other revenue and income	12.9	1.7%	8.9	1.6%
Revenue and income	772.5	101.7%	561.0	101.6%
Total operating expenses	702.1	92.4%	514.4	93.2%
OPERATING PROFIT	70.4	9.3%	46.6	8.4%
Adjustment on operating profit	1.3	0.2%	2.9	0.5%
OPERATING PROFIT, ADJUSTED	73.1	9.6%	50.1	9.1%
Financial income and expense	-7.3	-1.0%	-2.6	-0.5%
Profit (loss) on investments	-0.4	-0.1%	0.2	0.0%
PROFIT BEFORE TAX	62.7	8.3%	44.2	8.0%
Total depreciation & amortization	26.8	3.5%	20.6	3.7%
EBITDA	97.3	12.8%	67.2	12.2%
EBITDA ADJUSTED	98.6	13.0%	70.1	12.7%

ARISTON GROUP
RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(€M) - <i>unaudited</i>	Q1 2023	Q1 2022
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	98.9	184.8
EBITDA	97.3	67.2
Taxes paid	-10.9	-9.3
Provisions and other changes from operating activities	4.5	24.3
Change in net operating working capital	-102.3	-112.1
NET CASH FLOW FROM OPERATING ACTIVITIES	-11.5	-29.9
Capital expenditure	-16.3	-5.3
IFRS16 leasing payments	-7.5	-5.8
Other changes	-0.7	-4.5
FREE CASH FLOW	-35.9	-45.5
Cash flow from financial investment activities	-648.9	-52.6
Cash flow from other activities	-6.9	-11.9
TOTAL CHANGE IN NET FINANCIAL POSITION	-691.7	-109.9
NET FINANCIAL POSITION AT THE END OF THE PERIOD	-592.8	74.9

Maurizio Brusadelli



Mondelēz International (formerly Kraft Foods)

In 1993 he joined Kraft Foods Italia, working in various positions at Marketing and becoming Marketing Manager in 1999. He took on the leadership on Italian Marketing and Sales in 2002.

In 2006 he became Category Director for Philadelphia in Europe; three years later, in 2009, he relocated to Spain where he was appointed Vice-President and Managing Director of Kraft Foods Iberia. Later, in 2010, he moved to Zurich to lead the Gum and Candy category for the European region.

In 2012 he took on a new role as President of UK, Ireland and Nordics operations, headquartered in London; in 2014 he relocated to Singapore for the next step of his career, a role as President of Markets and Sales, Asia-Pacific.

Since 2016 he serves as Executive Vice-President and President Asia-Pacific, Middle East and Africa, an area encompassing the majority of the world's population across 70 markets. He is a member of the global management team and supervises Global Procurement.

He holds a degree in Business and Economics from Bocconi University, Milan and is a Chartered Accountant. He is fluent in Italian, English and Spanish.