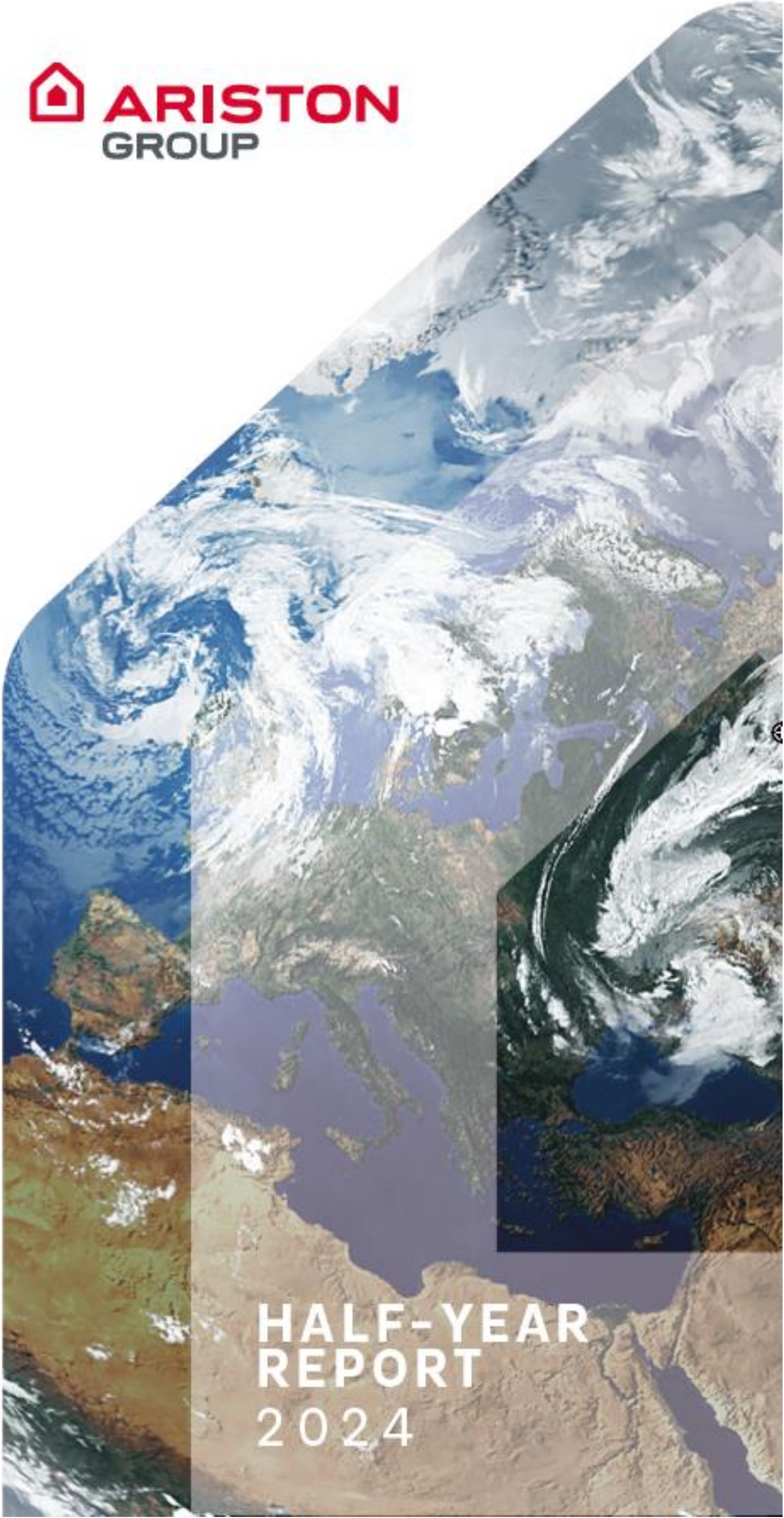
ARISTON GROUP



HALF-YEAR REPORT 2024

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1. About this report

Note on presentation

The Half-Year Condensed Consolidated Financial Statements for the six months ended 30 June 2024 have been prepared in accordance with the International Accounting Standards (IAS) 34 – Interim Financial Reporting. The Half-Year Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS as endorsed by the European Union.

Information on the figures presented

All the figures in this Half-Year Report are expressed in millions of euro to one decimal place, whereas the original data is recorded and consolidated by the Group in euro. Similarly, all percentages relating to changes between two periods or to percentages of net revenue or other indicators are always calculated using the original data in euro. The use of amounts expressed in millions of euro may therefore result in apparent discrepancies in both absolute amounts and data expressed as a percentage.
Certain totals in the tables included in this Half-Year Report may not match due to rounding.
The language of this Half-Year Report is English. Certain legislative references and technical terms have been cited in their original language in order to give them their correct technical meaning under applicable law.

This Half-Year Report is unaudited.

2. Key Highlights

(Mln €)	For the six months ended June 30, 2024		For the six months ended June 30, 2023		Total Change	
Net revenue	1,274.4	100.0%	1,525.6	100.0%	-251.2	-16.5%
EBITDA adjusted	113.2	8.9%	206.7	13.5%	-93.5	-45.2%
EBITDA	64.4	5.1%	202.2	13.3%	-137.8	-68.2%
EBIT adjusted	57.0	4.5%	153.3	10.0%	-96.3	-62.8%
EBIT	-3.6	-0.3%	146.1	9.6%	-149.7	ns
PBT	-29.0	-2.3%	135.8	8.9%	-164.8	ns
Group net profit adjusted	29.2	2.3%	106.9	7.0%	-77.7	-72.7%
Group net profit	-31.9	-2.5%	101.6	6.7%	-133.5	ns

Profitability Ratios	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Net capital employed (mln €)	2,110.8	2,108.2
Earnings per shares – Basic €)	-0.09	0.27
Earnings per shares – Diluted €)	-0.09	0.27
Headcount	10,576	10,692
Free cash flow	-23.9	-30.3
Net financial indebtedness adjusted (*)	687.5	658.2
Net equity	1,423.3	1,450.0

** Positive figures represent net debt.*

3. Corporate bodies

Board of Directors

Paolo Merloni	Executive Chairman
Maurizio Brusadelli	CEO
Antonia Di Bella	
Katja Gerber	
Roberto Guidetti	
Laurent Alexis Michel Henri Jacquemin	
Maria Francesca Merloni	
Guido Krass	
Marinella Soldi	
Ignazio Rocco di Torrepadula	
Enrico Vita	

External auditor

Ernst & Young Accountants LLP

4. Directors' Report for the half-year period ending 30 June 2024

4.1 Reference Background

Macroeconomic scenario

Current economic scenario is affected by two main factors, which influence growth: inflation and geoeconomic fragmentation. As inflation converges toward target levels and central banks pivot toward policy easing in many economies, a tightening of fiscal policies aimed at limiting high government debt, with higher taxes and lower government spending, is expected to weigh on growth.

Global growth, at 3.2 % in 2023, is projected to continue at the same pace in 2024 and 2025. The pace of expansion is low by historical standards, due to both near-term factors - such as still-high borrowing costs and withdrawal of fiscal support - and longer-term effects: from the COVID-19 pandemic and the conflict in Ukraine to weak growth in productivity to increasing geoeconomic fragmentation.

Geoeconomic fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown.

With few exceptions, advanced economies are expected to slow down growth in 2024 compared to 2023. More specifically, Italy is expected to slow down from +0.9% in 2023 to +0.7% in 2024 and 2025, France from +0.9% to +0.7% and +1.4% respectively and Spain from +2.5% to +1.9% and +2.1% respectively. In its April estimates, which are the latest available, the IMF anticipates a recovery for Germany from -0.3% in 2023 to +0.2% in 2024 and +1.3% in 2025, while United States would end up respectively from +2.5% to +2.7% and +1.9%. Apart from China, according to IMF, Indonesia, India, Poland, United Arab Emirates and Vietnam are the only economies expected to grow more than 3% in both 2024 and 2025.

Growth projections (GDP), annual percentage changes

	Actual	Projections	
	2023	2024	2025
World Output	3.2%	3.2%	3.2%
Belgium	1.5%	1.2%	1.2%
China	5.2%	4.6%	4.1%
France	0.9%	0.7%	1.4%
Germany	-0.3%	0.2%	1.3%
India	7.8%	6.8%	6.5%
Indonesia	5.0%	5.0%	5.1%
Italy	0.9%	0.7%	0.7%
Mexico	3.2%	2.4%	1.4%
Poland	0.2%	3.1%	3.5%
Romania	2.1%	2.8%	3.6%
Saudi Arabia	-0.8%	2.6%	6.0%
South Africa	0.6%	0.9%	1.2%
Spain	2.5%	1.9%	2.1%
Switzerland	0.8%	1.3%	1.4%
United Arab Emirates	3.4%	3.5%	4.2%
United Kingdom	0.1%	0.5%	1.5%
United States	2.5%	2.7%	1.9%
Vietnam	5.0%	5.8%	6.5%

Source: IMF, World Economic Outlook, April 2024

Exchange rates

With few exceptions, during the second quarter of 2024 (both for the average of the quarter and the YTD data) the euro appreciated against almost all main currencies relevant to Ariston Group. The exceptions to this trend are represented by the Swiss Franc (-2.4% YTD), the Pound sterling (-2.4% YTD) and the Mexican Peso (-5.8% YTD). In comparison with the average exchange rates for the second quarter of 2023, in 2024 the most significant appreciation was the Vietnamese Dong (+6.8%).

Euro exchange rates against major currencies

	2024			2023			Δ		
	Avg. Q2	Avg. YTD	28/06/2024	Avg. Q2	Avg. YTD	30/06/2023	vs. Avg. Q2	vs. Avg. YTD	vs. 30/06
CHF	1.0	1.0	1.0	1.0	1.0	1.0	-0.5%	-2.4%	-1.6%
CNY	7.8	7.8	7.8	7.6	7.5	7.9	2.0%	4.2%	-1.6%
GBP	0.9	0.9	0.8	0.9	0.9	0.9	-1.9%	-2.5%	-1.4%
RON	5.0	5.0	5.0	4.9	4.9	5.0	0.5%	0.8%	0.3%
USD	1.1	1.1	1.1	1.1	1.1	1.1	-1.1%	0.1%	-1.5%
CAD	1.5	1.5	1.5	1.5	1.5	1.4	0.8%	0.8%	1.8%
VND	27,299.6	26,981.1	27,250.0	25,567.2	25,425.0	25,618.0	6.8%	6.1%	6.4%
INR	89.8	90.0	89.2	89.5	88.8	89.2	0.4%	1.3%	0.0%
MXN	18.6	18.5	19.6	19.2	19.6	18.6	-3.4%	-5.8%	5.4%

Source: Source: ECB, Bloomberg

Raw materials

On YTD data Steel, Polypropylene and Polyurethane show a decrease trend (-12.6%, -1.1% and -5.6% respectively) while Copper and Aluminium show slight increase of +4.5% and +1.3% respectively.

Average monthly market prices of main raw materials (per ton)

	2024			2023			DELTA		
	30.06.2024	Avg. Q2	Avg. YTD	30.06.2023	Avg. Q2	Avg. YTD	vs. Last Day	vs. Avg. Q2	vs. Avg. YTD
Steel (€/ton)	630.0	637.0	678.0	674.0	778.0	776.0	-6.5%	-18.1%	-12.6%
Polypropylene (€/ton)	1,550.0	1,588.0	1,540.0	1,445.0	1,542.0	1,557.0	7.3%	3.0%	-1.1%
Copper (USD/ton)	9,476.3	9,735.0	9,090.0	8,209.5	8,485.0	8,701.0	15.4%	14.7%	4.5%
Polyurethane (€/ton)	2,463.4	2,530.0	2,431.0	2,375.8	2,486.0	2,576.0	3.7%	1.8%	-5.6%
Aluminium (USD/ton)	2,485.3	2,515.0	2,359.0	2,096.3	2,262.0	2,329.0	18.6%	11.2%	1.3%

Note: For steel, price of hot rolled steel for the European market; for copper and aluminium, average of daily "cash" prices; for polyurethane, a mix of isocyanate and polyol based on the Group's policies.
Source: Metal Bulletin, ICIS LOR, LME

4.2 Significant business events of the year

January

Strategic global brand Wolf inaugurated its new campus in Hamburg, Germany, adding to the existing facilities in Mainburg, Koblenz, Osnabrück, and Berlin, and further expanding the brand's training offering to professionals.

Ariston Group participated to AHR Expo in Chicago, USA, showcasing new water heating solutions from regional brands HTP and American Standard, as well as NTI heating equipment, which included the innovative air-to-water heat pump product line.

February

Ariston Group was at VSKbeurs fair, in Utrecht, the Netherlands, introducing ventilation solutions and the new configurator by Brink brand, as well as displaying latest innovations by Atag brand, which featured, among others, the Atag Interion and the premium heat pump Atag Premion.

Ariston Group completed the acquisition of a manufacturing site in Egypt, near Cairo, to produce a range of domestic water heating solutions developed to serve local needs at best, thus consolidating its leadership in the hot water sector in North Africa and the Middle East.

Ariston Group inaugurated its new Shanghai offices, welcoming employees in China to a workspace that, thanks to the Wolf-Brink integration process, brought together Ariston and Wolf local teams for the first time.

March

Ariston Group hosted the 2024 edition of its annual Group Management Meeting, with top managers from across the world joining headquarters in Italy to delve into discussions on global transformations, industry evolution, and group's future strategy.

Strategic global brand Wolf attended SHK+E fair, in Essen, Germany, displaying its innovative heating technology offer, which included the CHA-monobloc heat pump, as well as its ventilation and air handling solutions.

Strategic global brand Ariston participated to REBUILD 2024 fair, in Madrid, Spain, showcasing its comprehensive portfolio of solutions designed to seamlessly integrate into both new construction and renovation projects.

Ariston Group participated to the 2024 edition of CMPX Show fair, in Toronto, Canada, to introduce the newest heating technologies from regional brand NTI, which pioneered advanced hydronic heating products for both homeowners and businesses.

Collaborating with Capgemini, Ariston Group opened new Labs in Coimbatore, India, to enhance focus on electronics, thus consolidating SW and HW know-how, as well as exploring new technologies like EDGE & Gen AI, power electronics, advanced HMI, and cybersecurity solutions.

April

Partnering with EcoVadis and in line with its ESG roadmap to 2030, Ariston Group released both its Code of Conduct for Suppliers, encompassing Environmental, Social and Governance areas and adhering to state-of-the-art global standards and guidelines, and its Sustainable Procurement Policy, defining a vision for Sustainable Procurement, outlining minimum requirements and preferred practices relevant to stakeholders in the supply chain, and identifying a clear supplier engagement procedure.

Strategic global brand Elco inaugurated its Heat Pump Academy in Hechingen, Germany. Drawing upon over 40 years of expertise in heat pump development and bolstered by relentless investment on innovation technology, the new academy added to Elco Experience education and training program, offering to professionals an improved range of practical and theoretical educational resources.

Ariston Group celebrated the 10th anniversary of its production plant in Bac Ninh, Vietnam, with an event that relived the milestones achieved over a decade while reaffirming future commitments.

Strategic global brand Wolf was at IFH/Intherm fair, in Nuremberg, Germany, to present latest innovative heating technology, which included the CHA-monobloc heat pump, as well as its ventilation and air handling solutions.

May

Strategic global brand Elco hosted the 2024 edition of Elco Tech Days, which took place in Heidelberg and Essen, Germany, to introduce new projects and sustainable solutions and engage in meaningful discussions with housing industry decision-makers.

Ariston Group was among the winners at the M&A Awards 2024, organized by KPMG and Fineurop Soditic firms, in recognition of its strategic vision, drive for innovation, and entrepreneurial courage demonstrated in the Wolf-Brink acquisition, which was finalized in January 2023.

June

Strategic global brand Ariston launched in China the 2024 edition of its annual Design Award, a competition engaging local designers in incorporating the brand's signature solutions into their projects.

Strategic global brand Elco introduced AEROTOP SPK, its new air-water heat pump working with propane, fulfilling all future requirements connected with the EU F-Gas Regulation, and suitable for both new and existing buildings.

Ariston Group commitments to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030, from a 2021 base year, as well as to reduce Scope 3 GHG emissions from the use of sold products by 51.6% per million euro value added by 2030, from a 2021 base year, were validated as near-term science-based emission reduction targets by the Science Based Targets initiative, which also stated that Scope 1 and Scope 2 targets align with the Paris Agreement 1.5°C trajectory.

Ariston Group production site in Osimo, Italy, which received WCM bronze medal in 2017, was awarded with the World Class Manufacturing silver medal, as it distinguished for the operational results achieved, people's skills and motivation, as well as its ability to collect and manage data.

4.3 Subsequent events

In July, Ariston Group hosted the groundbreaking ceremony for its new production facility in Nis, Serbia, further consolidating the group's European footprint and aligning with its focus on production capacity and efficiency for strategic product categories.

In July, Ariston Group officially inaugurated a new line in its plant in Cerreto, Italy, dedicated to the production of Ariston Velis electric water heaters.

4.4 Brand activities and Market context

Market context

The European heating market in the first half of 2024 was characterized by a strong decrease after the exceptional peak of the last years driven by favourable incentives schemes in some key markets (e.g., Germany, Italy and France) and the fear – not eventually materialized – of a gas boilers ban in Germany. Heating heat pump market has been strongly down in the first half of 2024, boilers market has also been negative but at a lower magnitude. At the same time, the European Energy Performance of Buildings Directive (EPBD), approved in April 2024, confirms the commitment of Europe to the decarbonization of the heating sector and provides clear target that need to be adopted from all EU member States by 2030 and 2035. The majority of the emissions reduction is expected to come from the low-performing buildings. Water heating market is also partially affected from the global weak macroeconomic context, though proving to be much more resilient. European and Asian markets slightly declined on average in the first half of 2024, while North America market experienced a positive growth.

Brand activities

Over the first six months of 2024, Ariston Group focused on three main streams of activities: to strengthen the Ariston brand positioning, to consolidate the group's Brand Architecture strategy and to re-launch Calorex brand in Mexico.

<u>Ariston brand strengthening</u>
After the Ariston brand positioning and visual identity refresh occurred in 2021, the group focussed on bringing it to life at global level, across all targets and channels, by activating it consistently with the payoff "The home of sustainable comfort". To strengthen the Ariston brand identity as "the expert in heating and water heating", the group continued to implement the brand strategy roadmap.

<u>Group brand architecture consolidation</u>
The group continued to strongly focus on its brand strategy at global level, leveraging on both internal and external stakeholders' feedback. As a result, the group performed brand health assessments for all the strategic global and regional brands in its key markets and monitored all brands and in-field marketing activities across all markets to deliver and communicate the roles, assets, objectives, plans defined for each brand, with the goal to provide stronger and more competitive offers to all customers and consumers.

<u>Calorex re-launch in Mexico</u>
To reinforce its solid leadership in Mexico, the group decided to re-launch Calorex through a new brand logo, harmonized with the Ariston logo, and a refreshed visual identity and brand image. We launched the novelty on the market in May with a campaign called "El comfort se reinventa" that will be sustained across medias over the next months.

Heating solutions and services

<u>Renewable solutions</u>
In Europe, the demand for heat pumps decreased significantly in the first half of 2024. Germany and France have been negative affected by regulatory and incentive scheme changes, coupled with channel destocking especially in Italy and Germany. In addition, the reduction of gas prices compared to electricity prices made less economical attractive for end users to install heat pump solutions if not subsidised.

Gas solutions

In Europe, demand for gas systems has been negatively impacted by anticipation of demand in 2022-23 in some key markets like Germany and Italy. In a context characterized by low gas prices and the expected evolution of the regulation at national level, following the approval of the European Energy Performance of Buildings Directive (EPBD), some end users are preferring to repair their installed gas boilers or replace with comparable technology – for example in France and Netherland the market of gas boilers has grown in the first half of the year. In North America, after a strong channel destocking in 2023, high efficiency boiler market grew in the first half of the year.

Domestic ventilation

In the first half of 2024, the market for domestic ventilation solutions has been negative impacted by high interest rates and therefore the reduction of new housing volumes.

Air handling

European market is estimated to have decreased in the first half of the year, as high interest rates and macroeconomic context have negative impacted the development of new projects.

Water heating technologies

Renewable solutions

Heat Pump Water Heaters has been more resilient in some European markets while declined significantly in some countries that experienced a strong growth in 2023 (e.g., Germany, Belgium). In North America the market grew; interest for renewables solutions is increasing also in other global markets.

Electric storage solutions

In most of European and MEA markets, demand has been on average flat to slightly down versus previous year. In Asia, overall markets are affected by macro-economical conditions with India and Vietnam markets stabilizing after a challenging 2023. In North America, the market maintained the positive trend started in the second half of 2023.

Gas solutions

In the first half of 2024, the demand for gas product decreased given the long-term electrification trend both in Europe and in main Asian markets, while the market remained stable in USA.

Burners

The European market had a general positive trend on domestic oil, while it was stable on gas. Sales performance in the residential oil burners market and in the French markets, partially balanced the contraction in the German market and the slowdown in China.

Components

In the first half of 2024, the market is down compared to the same period of the previous year, which recorded a remarkable performance. Demand for electric heaters for professional applications registered a decrease mainly in catering sector, while demand in the industrial sector maintained a positive trend. Finally, demand for heaters for domestic appliances decreased, reflecting the market demand slow-down of finished products.

4.5 Group Financial Review

4.5.1 Net Revenue Performance

Quarterly overall performance

	For the three months ended June 30, 2024		For the three months ended June 30, 2023	
Thermal Comfort	578.8	93.2%	720.1	94.0%
Burners	20.9	3.4%	21.1	2.8%
Components	21.5	3.5%	24.7	3.2%
Total Net Revenue	**621.2**	**100.0%**	**765.9**	**100.0%**

Half-year overall performance

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
Thermal Comfort	1,190.1	93.4%	1,433.8	94.0%
Burners	42.5	3.3%	43.4	2.8%
Components	41.8	3.3%	48.4	3.2%
Total Net Revenue	**1,274.4**	**100.0%**	**1,525.6**	**100.0%**

Revenue by business line

Thermal Comfort. It serves the Group's three main business categories, Hot Water, Heating and Air Treatment, and represents the Group's largest division, recording revenue in the first half 2024 for € 1,190.1 million (93.4% of total revenues) compared to € 1,433.8 million in the first half 2023 (94.0% of total revenues), down by € 243.7 million or 17.0% (of which -15.7% organic and foreign exchange impact).
On 26th April 2024, the Ariston Group lost the control of Ariston Thermo Rus LLC which is excluded from the Ariston Group's perimeter starting from May 2024. The revenue related to the perimeter variation from April 26 2023, up to June 30 2023 is equal to € 17.9 million, included for € 17.8 million in the Thermal Comfort perimeter and residual in Burners Division.

Burners. Recorded net revenue of € 42.5 million in the first half 2024 (3.3% of total net revenues) compared to € 43.4 million of the first half 2023 (2.8% of total revenues) with a decrease of € 0.9 million or 2.2% (of which -2.1% organic and foreign exchange impact). The lower turnover is essentially due to a strong market slowdown in Germany and China partially compensated by a recover in France.

Components. Recorded net revenue of € 41.8 million in the first half 2024 (3.3% of total net revenues) compared to € 48.4 million (3.2% of total net revenues) in the first half 2023, down by € 6.6 million or 13.6% (of which -13,2% organic and foreign exchange impact).
The decrease in revenue was driven by a slowdown in both Domestic business due to a general stagnation in the water heating markets and Professional business due to a slow recover in the Ho.Re.Ca market.

Net revenue by geographical area

Europe. It represents the Group's largest market, recording net revenue of € 913.5 million in the first half 2024 (71.7% of total revenues) compared to € 1,147.7 million (75.2% of total revenues) in first half 2023, down by € 234.2 million or 20.4% (of which -19.2% organic and foreign exchange impact). The decrease was mainly driven by the strong renewable heating market slowdown in Germany, France, Italy and the Netherlands.

On 26th April 2024, the Ariston Group lost the control of Ariston Thermo Rus LLC which is excluded from the Ariston Group’s perimeter. The revenue related to the perimeter variation from April 26 2023, up to June 30 2023 is equal to € 17.9 million.

Asia, Pacific & MEA. It represents the second largest market for the Group, recording net revenue for € 232.7 million in the first half 2024, or 18.3% of total revenues, compared to € 255.2 million, or 16.7% of total revenues, in first half 2023, down by € 22.5 million or 8.8% (of which 6.5% organic and foreign exchange impact). The decrease was driven by the negative water heating renewable market’s trend in Australia due to government incentive scheme reduction and to the decision to exit the Chinese domestic water heating market starting from Q2 2023.

Americas. This is the Group's third largest market and reported revenue for € 128.1 million in the first half 2024, or 10.1% of total net revenues, compared to € 122.6 million, or 8.0% of total net revenues, in the first half 2023, with an increase of € 5.5 million, or 4.5% (of which 2.1% organic and foreign exchange impact). The increase was due to the good performances both on the heating market (mainly in Canada) and water heating (mainly in Mexico).

Perimeter variation

On April 26, 2024, the Company retrieved presidential Decree no 294 signed by President Putin and published on the same date in the Official Russian Gazette. With the above-mentioned Decree, President Putin placed the subsidiary Ariston Thermo Rus LLC under the temporary management of JSC Gazprom Household systems, a subsidiary of the Gazprom group. Ariston Thermo Rus LLC is a subsidiary of Ariston Holding N.V. which holds the 100% of the Ariston Thermo Rus LLC share capital. Until April 2024, Ariston Group consolidated the assets, liabilities, equity, income, expenses and cash flows of Ariston Thermo Rus LLC, in accordance with IFRS 10.

4.5.2 Condensed income statement

The table below shows the income statement (1) for the half-year 2024, with a comparison to the same period of the previous year, and a breakdown of the total change by organic growth and perimeter, on one side, and exchange rate effects on the other side.

(€ million)	For the six months ended June 30, 2024		For the six months ended June 30, 2023		Total change	%	of which organic and perimeter	%	of which exchange rates	%
NET REVENUE	**1,274.4**	**100.0%**	**1,525.6**	**100.0%**	**-251.2**	**-16.5%**	**-247.6**	**-16.2%**	**-3.6**	**-0.2%**
Other revenue and income	27.1	2.1%	26.4	1.7%	0.7	2.7%				
Revenue and Income	**1,301.6**	**102.1%**	**1,552.0**	**101.7%**	**-250.4**	**-16.1%**				
Operating income (expense)	-1,305.1	-102.4%	-1,405.9	-92.2%	100.8	-7.2%				
OPERATING PROFIT (EBIT)	**-3.6**	**-0.3%**	**146.1**	**9.6%**	**-149.7**	**ns**	**-151.2**	**ns**	**1.5**	**1.0%**
Adjustment on operating income (expense)	60.6	4.8%	7.2	0.5%	53.4	ns				
OPERATING PROFIT ADJUSTED (EBIT ADJUSTED)	**57.0**	**4.5%**	**153.3**	**10.1%**	**-96.3**	**-62.8%**	**-97.9**	**-63.8%**	**1.5**	**1.0%**
Financial Income and Expense	-25.4	-2.0%	-9.7	-0.6%	-15.7	161.9%				
Profit (loss) on investments	0.0	0.0%	-0.6	-0.0%	0.6	ns				
PROFIT BEFORE TAX	**-29.0**	**-2.3%**	**135.8**	**8.9%**	**-164.8**	**ns**				
TAXES	-3.0	-0.2%	-34.0	-2.2%	31.0	-91.2%				
NET PROFIT	**-32.0**	**-2.5%**	**101.9**	**6.7%**	**-133.9**	**ns**				
Net profit attributable to non-controlling Interests	-0.1	-0.0%	0.3	0.0%	-0.4	ns				
Group Net profit	**-31.9**	**-2.5%**	**101.6**	**6.7%**	**-133.5**	**ns**				
Tax effect of Adjustment on operating income (expense)	-6.7	-0.5%	-1.9	-0.1%	-4.8	ns				
Reversal of non-recurring taxation effect	0.0	0.0%	0.0	0.0%	0.0	0.0%				
Tax adjustments	**-6.7**	**-0.5%**	**-1.9**	**-0.1%**	**-4.8**	**ns**				
NET PROFIT ADJUSTED	**29.1**	**2.3%**	**107.2**	**7.0%**	**-78.1**	**-72.9%**				
Net profit attributable to non-controlling Interests	-0.1	-0.0%	0.3	0.0%	-0.4	ns				
Group Net profit adjusted	**29.2**	**2.3%**	**106.9**	**7.0%**	**-77.7**	**-72.7%**				
Total depreciation and amortisation	68.0	5.3%	56.1	3.7%	11.9	21.1%				
EBITDA	**64.4**	**5.1%**	**202.2**	**13.3%**	**-137.8**	**-68.2%**	**-139.2**	**-68.9%**	**1.4**	**0.7%**
EBITDA Adjusted	**113.2**	**8.9%**	**206.7**	**13.5%**	**-93.5**	**-45.2%**	**-94.9**	**-45.9%**	**1.4**	**0.7%**

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures

The table below shows the income statement (1) for the second quarter 2024, with a comparison to the same period of the previous year, and a breakdown of the total change by organic growth and perimeter, on one side, and exchange rate effects on the other side.

(€ million)	For the three months ended June 30, 2024		For the three months ended June 30, 2023		Total change	%	of which organic and perimeter	%	of which exchange rates	%
NET REVENUE	621.2	100.0%	765.9	100.0%	-144.7	-18.9%	-143.9	-18.8%	-0.8	-0.1%
Other revenue and income	10.7	1.7%	13.5	1.8%	-2.8	-20.9%				
Revenue and Income	631.9	101.7%	779.4	101.8%	-147.5	-18.9%				
Operating income (expense)	-658.1	-105.9%	-703.8	-91.9%	45.7	-6.5%				
OPERATING PROFIT (EBIT)	-26.2	-4.2%	75.7	9.9%	-101.9	ns	-102.0	ns	0.1	0.1%
Adjustment on operating income (expense)	53.2	8.6%	4.5	0.6%	48.7	ns				
OPERATING PROFIT ADJUSTED (EBIT ADJUSTED)	27.0	4.3%	80.2	10.5%	-53.2	-66.3%	-53.3	-66.4%	0.1	0.1%
Financial Income and Expense	-14.5	-2.3%	-2.4	-0.3%	-12.1	ns				
Profit (loss) on investments	-0.1	-0.0%	-0.2	-0.0%	0.1	-28.5%				
PROFIT BEFORE TAX	-40.9	-6.6%	73.1	9.5%	-114.0	ns				
Total depreciation and amortisation	33.8	5.4%	29.3	3.8%	4.5	15.2%				
EBITDA	7.6	1.2%	105.0	13.7%	-97.4	-92.8%	-97.4	-92.8%	0.0	0.0%
EBITDA Adjusted	54.9	8.8%	108.1	14.1%	-53.2	-49.2%	-53.2	-49.2%	0.0	0.0%

(1) For information on the definition of alternative performance measures, see the paragraph "Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures"

Ariston Group ended half-year 2024 with € 1,274.4 million in consolidated Net revenue, down by € 251.2 million or -16.5% from € 1,526.6 million in the half-year 2023. The decrease was mainly driven by the strong renewable heating market slowdown in Germany, France, Italy and the Netherlands.

EBITDA amounted to € 64.4 million, 5.1% as a percentage of net revenues, compared to € 202.2 million and 13.3% of total revenues in H1 2023.

EBITDA adjusted totalled € 113.2 million, 8.9% as a percentage of net revenues, compared to € 206.7 million and 13.5% of total revenues in H1 2023.
Adjustment in operating expenses related to EBITDA for the period amounted to € 48.8 million, compared to € 4.5 million in the same period of the prior year. The increase compared to the previous year is mainly due to the impact of Ariston Thermo Russia deconsolidation. After the loss of control of the Russian entity, the Group proceeded to write-off the net book investment worth € 45.7 million.

Operating profit, or EBIT, during the first half 2024, amounted to € -3.6 million, compared to € 146.1 million in H1 2023. The EBIT decreased due to a combination of factors, including the deconsolidation of Ariston Thermo Russia and a significant market downturn that primarily affected the renewable heating segment in Europe.

EBIT adjusted was down in absolute terms and in percentage of net revenues amounting to € 57.0 million and 4.5% respectively, compared to € 153.3 million and 10.1% in H1 2023.
Adjustments on EBIT amounted to € 60.6 million (€ 7.2 million in H1 2023). In addition to those on EBITDA, they included the amortisation of intangibles from the 2019 acquisition of the Mexican Calorex group, the 2023 acquisition of the Israeli Chromagen group and Wolf-Brink's prior acquisitions, totalling € 11.8 million in H1 2024 and € 2.8 in H1 2023.

Overall, the Group reported € -25.4 million in net financial income and expenses, with a € -15.7 million change compared to the same period of the prior year. The main components of the change were the € 5.1 million rise in net financial expenses, the € 9.6 million negative impact of exchange rates, and the € 7.1 million reversal of the Russia CTA in the income statement.

Therefore, operations generated € -29.0 million in Profit Before Tax, compared to € 135.8 million in 2023.

Net profit was equal to € -32.0 million compared to € 101.9 million in H1 2023.

The **Group Net profit adjusted** for the period amounted to € 29.2 million, 2.3% as a percentage of net revenue, compared to € 106.9 million, 7.0% of net revenue, in H1 2023.

4.5.3 Condensed statement of financial position

The table below shows the financial position in a condensed and reclassified format, highlighting the structure of net capital employed and financing sources.

Financial Position *(€ mln)*	As at 30 June 2024		As at 31 December 2023		As at 30 June 2023		Total change	%	of which organic and perimeter	%	of which exchange rates	%
Trade receivables	339.6	16.1%	365.9	17.6%	372.7	17.7%	-26.2	-7.2%	-25.6	-7.0%	-0.7	-0.2%
Inventories	565.5	26.8%	619.0	29.8%	694.9	33.0%	-53.5	-8.6%	-51.0	-8.2%	-2.6	-0.4%
Trade payables	-430.7	-20.4%	-523.9	-25.2%	-538.6	-25.5%	93.1	-17.8%	91.8	-17.5%	1.3	-0.2%
Net operating working capital	474.4	22.5%	461.0	22.2%	529.1	25.1%	13.4	2.9%	15.3	3.3%	-2.0	-0.4%
% on Net last-twelve-months revenue	*17.0%*		*14.9%*		*16.9%*							
Net fixed assets	2,110.6	100.0%	2,131.8	102.6%	1,927.0	91.4%	-21.2	-1.0%	-15.0	-0.7%	-6.2	-0.3%
Other non-current assets and liabilities	-260.6	-12.3%	-265.4	-12.8%	-121.7	-5.8%	4.8	-1.8%	4.3	-1.6%	0.5	-0.2%
Other current assets and liabilities	-213.5	-10.1%	-249.9	-12.0%	-226.2	-10.7%	36.4	-14.6%	26.3	-10.5%	10.1	-4.0%
Net capital employed	2,110.8	100.0%	2,077.5	100.0%	2,108.2	100.0%	33.3	1.6%	30.9	1.5%	2.4	0.1%
Net financial indebtedness adjusted	687.5	32.6%	575.0	27.7%	658.2	31.2%	112.5	19.6%	111.2	19.3%	1.3	0.2%
Net equity	1,423.3	67.4%	1,502.5	72.3%	1,450.0	68.8%	-79.2	-5.3%	-80.3	-5.3%	1.1	0.1%
of which attributable to non-controlling interests	*-0.6*	*-0.0%*	*0.1*	*0.0%*	*-0.3*	*-0.0%*	*-0.5*	*ns*	*-0.5*	*505.5%*	*0.0*	*-5.5%*
Total financing sources	2,110.8	100.0%	2,077.5	100.0%	2,108.2	100.0%	33.3	1.6%	30.9	1.5%	2.4	0.1%

Financial Position Ratios	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
DSO (Days Sales Outstanding - going back)	47.5	43.5	41.2
DPO (Days Payables Outstanding - going back)	91.7	91.0	83.4

At the half-year point in 2024, Ariston Group reported € 2,110.8 million in **Net capital employed**, up from € 33.3 million in December 2023.

Net operating working capital, in comparison to December 2023, increased both in absolute terms and as a percentage. The increase was caused by seasonality.

Net financial indebtedness adjusted decrease by € 112.5 million compared to the previous year, as it was impacted by financial debt borrowed for the acquisition of Wolf-Brink performed in 2023.

Net fixed assets amounted to € 2,110.6 million, down from € 2,131.8 million in December 2023. The half-year-end exchange rate led to a €6.2 million decrease in the net value.

Other non-current assets and liabilities totalled € 260.6 million, versus € 265.4 million in December 2023, up by € 4.8 million compared to the previous year.

Other current assets and liabilities totalled € 213.5 million, versus € 249.9 million in December 2023, up by € 36.4 million compared to the previous year.

Net equity amounted to € 1,423.3 million, compared to € 1,502.5 million as of December,31 2023. The overall € 79.2 million decrease was mainly due to negative variation for the Net loss of the half-year 2024 equal to € 32.0 million, negative variation for € 63.1 million dividend pay-out, positive variation for € 9.9 million for the Cash flow hedging reserve and positive variation for € 3.3 million for the Stock-based incentive plans reserve.

Reconciliation between amounts included in the "Condensed statement of financial position" and the "Consolidated statement of financial position"

The items included in the "Condensed statement of financial position" and listed below can serve to facilitate comparison with groups operating in the same sector and are defined as the algebraic sum of specific items contained in the financial statements:

Net fixed assets, calculated as the algebraic sum of:
- goodwill;
- intangible assets with a finite life;
- trademarks;
- right-of-use assets;
- property, plant and equipment.

Other non-current assets and liabilities, calculated as the algebraic sum of:
- investments in associates and joint ventures;
- deferred tax assets;
- other non-current assets;
- non-current tax receivables;
- deferred tax liabilities;
- non-current provisions for risks and charges;
- net employee defined benefit liabilities;
- other non-current liabilities;
- non-current tax payables.

Other current assets and liabilities, calculated as the algebraic sum of:
- other current assets;
- current tax receivables;
- assets held for sale;
- current tax payable;
- current provisions for risks and charges;
- other current liabilities.

Net capital employed, calculated as the algebraic sum of the items listed above and in particular:
- net operating working capital;
- net fixed assets;
- other non-current assets and liabilities;
- other current assets and liabilities.

Net financial indebtedness adjusted, refer to paragraph 4.6 for the reconciliation of the APM.

4.5.4 Net Operating Working Capital

Net operating working capital *(€ million)*	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023	Total Change	of which organic and perimeter	of which exchange rates
Trade receivables	339.6	365.9	372.7	-26.2	-25.5	-0.7
Inventories	565.5	619.0	694.9	-53.5	-51.0	-2.6
Trade payables	-430.7	-523.9	-538.6	93.1	91.8	1.3
Net operating working capital	474.4	461.0	529.1	13.4	15.3	-2.0
% on Net last-twelve-months revenue	*17.0%*	*14.9%*	*16.9%*			

Net operating working capital totalled € 474.4 million, 17.0% as a percentage of net last-twelve-months revenues, compared to € 461.0 million and 14.9% of net LTM revenues at the end of December 2023.
Thanks to consistent efforts in managing inventories, trade receivables, and trade payables, working capital remained robust in absolute terms and was largely in line with June 2023 percentages, despite the significant market slowdown.

Trade receivables totalled € 339.6 million and 12.2% as a percentage of net last-twelve-months revenues, compared to € 365.9 million and 11.8% of net LTM revenues in December 2023, with Days Sales Outstanding at 47.5 and 43.5, respectively.

Inventories amounted to € 565.5 million and 20.2%, compared to 20.0% in December 2023.

Trade payables decreased to € 430.7 million, 15.4% as a percentage of net last-twelve-months revenues, compared to € 523.9 million and 16.9% of net LTM revenues in December 2023. Days Payable Outstanding slightly increased from 91.0 to 91.7 in June 2024.

The exchange rate effect on Net Operating Working Capital was negative for € 2.0 million.

4.5.5 Reclassified statement of Cash flows

The table below shows a simplified and reclassified version of the cash flow statement in the consolidated financial statements.

The main reclassification consists in the representation of the change in the Net financial position at the end of the period as the result of the total net cash flow generated (or absorbed). Therefore, the cash flows relate to changes in Operating, Investing and Financing activities, both current and non-current.

CASH FLOWS *(€ million)*	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Net Financial Indebtedness adjusted at the beginning of the period	**-575.0**	**98.9**
EBITDA	64.4	202.2
Taxes paid	-19.2	-31.5
Provisions and other changes from operating activities	34.3	-7.3
Changes in net operating working capital	-51.0	-143.5
Cash flows from Operating activities	**28.5**	**20.0**
Capital expenditure	-29.8	-39.7
IFRS 16 leasing payment	-17.2	-15.4
Other changes	-5.4	4.8
Free Cash flow	**-23.9**	**-30.3**
Cash flows from Financial investments activities	**-25.6**	**-647.6**
Cash flows from Other activities	**-77.2**	**-56.9**
Total Net Cash flow	**-126.7**	**-734.8**
Non-cash items	**14.2**	**-22.3**
Net financial position at the end of the period (*)	**-687.5**	**-658.2**

** Positive figures represent net cash*

Net cash flow reflected a cash flow absorption of € -126.7 million, compared to € -734.8 million in the same period of the previous year.

The acquisition of Wolf-Brink impacted Investing activities in the previous reporting period.

EBITDA decreased in the reporting period compared to the prior period as previously explained.

The decrease in taxes paid to € 19.2 million was consistent with the year-on-year business trend.

For the first half-year 2024, provisions and other changes from operating activities resulted in a cash generation of € 34.3 million mainly driven by the net effect of VAT.

Net operating working capital recorded a cash absorption of € 51.0 million.

Free cash flow has improved due to a better management of operating working capital, despite a decrease in EBITDA.

Financial investments activities in the first half of 2024 included the cash outflow for the business acquisition in Egypt and the deconsolidation of Ariston Thermo Russia as of April 2024. The change in financial investments activities between 2023 and 2024 was primarily due to Wolf-Brink's business acquisition.

Other activities included € -63.1 million in dividends, € 0.4 million in divestments and € -14.5 million in financial and exchange charges absorbed.

Non-cash items include non-cash components with no impact on the Net Cash flow such as Mark-to-Market, IFRS 16 variation and the exchange rate effect on Net Financial Indebtedness.

4.5.6 Net financial indebtedness

This section provides details of the composition of the Group's net financial indebtedness prepared according to ESMA 32-382-1138.
The main differences between **Net Financial Indebtedness adjusted** and **Net Financial Indebtedness ESMA** imply the inclusion of Put and Call options financial liabilities under gross debt and the exclusion of positive Mark-to-Market derivatives and escrow accounts from Financial Assets under **Net Financial Indebtedness ESMA**.

	Net Financial Indebtedness	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
	(€ million)			
A	Cash	248.5	451.2	225.5
B	Cash equivalents including the current financial assets	0.0	0.0	0.1
C	Other current financial assets	5.8	10.1	8.5
D	Liquidity (A+B+C)	254.4	461.3	234.0
E	Current financial liabilities	-43.3	-75.7	-63.6
F	Current portion of non-current financial liabilities	-25.8	-46.7	-33.7
G	Current Financial Indebtedness (E+F)	-69.1	-122.5	-97.3
H	Net Current Financial Indebtedness (G-D)	185.3	338.9	136.8
I	Non-current financial liabilities	-898.4	-942.1	-833.6
J	Non-current financing (Debt instruments)	0.0	0.0	0.0
K	Non-current Trade and Other Payables	-7.9	-7.7	-6.5
L	Non-Current Financial Indebtedness (I+J+K)	-906.2	-949.8	-840.1
M	Net Financial Indebtedness (H+L) (*)	-721.0	-610.9	-703.3

Reconciliation Net Financial Indebtedness (€ million)	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Net Financial Indebtedness	-721.0	-610.9	-703.3
Put and Call liability	8.6	10.9	10.8
Escrow	4.5	7.9	2.3
Positive MTM	20.3	17.1	32.1
Net Financial Indebtedness adjusted (*)	-687.5	-575.0	-658.2

**Positive figures represent net cash.*

Net Financial Indebtedness adjusted (including lease liabilities) totalled € -687.5 million, compared to a net financial position of € -575.0 as of December,31 2023.

As of June 30, 2024, liquidity amounted to € 248.5 million excluding back-up credit facilities. Ariston has unused committed revolving credit facilities for € 895.0 million.

As of June 30, 2024, long-term debt amounted to € 836 million excluding lease liability under IFRS 16, with an average maturity of around 4.1 years, of which 65% is fixed or hedged and 35% is at a variable rate, consistently with the Group policy.

Short-term debt due to bank as of June 30, 2024 amounted to € 11.3 million essentially due to drawdown of lines of credit. The used and unused credit lines (both committed and uncommitted) totalled approximately € 2.18 billion, of which approximately 42% was drawn.

4.5.7 Capital Expenditures

In the first half of 2024, Ariston Group's capital expenditure totalled € 29.8 million, 2.3% as a percentage of net revenues, compared to € 39.7 million in first half 2023 (or 2.6% on net revenues).

Investments include:

- Investments in physical assets and new products
  First half of 2024 saw the start of the new Serbian manufacturing plant's construction.
  The Group continues to concentrate its effort on the renovation and safety upgrades of plants in various sites (Centurion, Cerreto, Albacina, Wuxi) to improve their level of efficiency.
  Furthermore, Group made investments into new products in the field of domestic water heating mainly in the renewable range.
  On the heating business, the Group continues to invest in various laboratories dedicated to heating heat pumps to equip them with state-of-the-art equipment for product's testing to improve quality tests and heating system's simulation (Albacina, Osimo, Cambiago)
  A significant part of spending was dedicated to customer-oriented initiatives (new visitor centre in Mainburg, training rooms) and direct service equipment.

- R&D investments
  In renewable heating, the capitalised R&D costs relate to both future mainstream and high range HHP projects using the latest generation of refrigerant gas. In Burners Division, development concerns projects to continuously reduce $C0_2$ emissions.

- Digital investments
  During the first half of 2024, the Group completed the ERP system implementation in Kazakhstan and started the rollout in Egypt. Furthermore, Group continues to work on new advanced systems for HR, Finance and product life cycle management. To enhance customer experience, the adoption of Group systems in the "customer relation" and "installer management" areas was gradually extended to new countries. Furthermore, the Group invested to improve the loyalty programs.

Lastly, investments for the right-of-use of third-party assets were related to tangible assets as of June,30 2024. The half-yearly addition totalled € 16.3 million and was attributable to offices, buildings, plants and machinery, and vehicles, compared to € 16.6 million in the half-year 2023.

4.6 Definition and reconciliation of the Alternative Performance Measures (APMs or non GAAP measures) to GAAP measures

In addition to the standard financial reporting formats and indicators required under the IFRS, this document contains certain financial performance measures that are not defined in IFRS standards (non-GAAP measures).

The Group believes that these non-GAAP financial measures enhance the capacity to evaluate its financial performance and financial position and give management and investors pertinent and helpful information about performance. They also give Group comparative metrics that help management recognise operational patterns and decide how best to allocate resources going forward and for other operational decisions. The financial measures the Group uses may not be comparable to other similarly titled measures used by other companies, even though they are widely used in the industry in which the Group operates. They are also not meant to be a replacement for measures of financial performance or financial position as prepared in accordance with IFRS.

Financial measures used to measure Group operating performance

The Alternative Performance Measures used by the Group are the following:

- EBIT (Operating profit) adjusted: the operating result for the period net of the adjustment on operating income (expense)
- EBITDA: EBIT (operating profit) before depreciation and amortisation of intangible and tangible fixed assets and leased assets.
- EBITDA adjusted: EBITDA as defined below, net of the adjustment on operating income (expense), less the amortisation of purchase price allocation from Merger & Acquisition activity.
- Group net profit adjusted: the result for the period attributable to the Group before adjustment on operating income (expense), before the relevant taxation effect and before other positive/negative tax adjustments for the period.

  The adjustments impacting the APMs reported above relate to certain transactions or events identified by the Group as adjustment components for the operating result, such as:

  - capital gains (losses) on the disposal of businesses/buildings;
  - impairment on tangible and intangible assets;
  - strategic multi-year restructuring and reorganisation programme costs;
  - ancillary expenses associated with acquisitions/disposals of businesses/buildings or companies;
  - P&L impact of purchase price allocation from Merger & Acquisition activity (such as amortisation);
  - deconsolidation impacts of Ariston Thermo Russia;
  - tax adjustments: the tax effects of transactions or events identified by the Group as components adjusting the taxation for the period related to events covering a single period or financial year, such as:
    - tax effects of Adjustment on operating income (expense) positive/negative taxation effects associated with the adjustment on operating income (expense);
    - reversal of non-recurring taxation effect non-recurring positive/(negative) taxation effects.

For a detailed reconciliation of the items that had an impact on the alternative performance measures referred to above in the current and comparison years, see the appendix at the end of this section.

- Net operating working capital, calculated as the algebraic sum of:
  - trade receivables, which includes supplier debit balances;
  - inventories;
  - trade payables, which includes customer credit balances.

  For a detailed reconciliation of the net operating working capital, see the appendix at the end of this section.

- Net Financial Indebtedness adjusted: calculated as the algebraic sum of:
  - Net Financial Indebtedness ;
  - Put and call liability;
  - Escrow accounts;
  - Positive Mark to Market.

  Full reconciliation with Net Financial Indebtedness is provided in paragraph 4.5.6.
- Days Sales Outstanding: Trade receivables net of advances going back to absorb gross revenue without VAT.

  Refer to paragraph 4.5.3 for further information.
- Days Payables Outstanding: Costs and capital expenditure (Capex) going back to cover accounts payable.

  Refer to paragraph 4.5.3 for further information.
- Free cash flow: cash flow that measures the Group's self-financing capacity on the basis of cash flows from Operating activities, capital expenditure, IFRS16 lease payments, and other changes.

  Refer to paragraph 4.5.5 for reconciliation and further information.
- Net last-twelve-months revenue: calculated as the sum of the total net revenue from the past 12 months of the reference period. The calculation in this Half-Year Report has been performed without the consideration of Ariston Thermo Russia which has been deconsolidated starting from May 2024.
- Organic change: calculated by excluding both the impact of currency movement against the euro (expressed at monthly average exchange rates for the same period in the previous year) and the effects of business acquisitions and disposals.

  In order to mitigate the effect of hyperinflationary economies, organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS only includes the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects.

  Specifically:
  - the exchange rate effects are calculated by converting the figures for the current period at the exchange rates applicable in the comparative period of the previous year. The exchange rate includes the effects associated with hyperinflationary economies;
  - the results attributable to businesses acquired during the current year are excluded from organic change for 12 months from the date on which the transaction is closed;
  - the results attributable to businesses acquired during the previous year are included in full in the figures for the previous year as from the closing date of the transaction, and are only included in the current period's organic change 12 months after their conclusion;
  - the results from business disposals during the previous year are wholly excluded from the figures for that year and, therefore, from organic change;
  - the results from business disposals during the current year are excluded from the figures for the previous year from their corresponding date of disposal or termination.

  The percentage organic change is the ratio of the absolute value of the organic change, calculated as described above, to the absolute value of the measure in question for the previous period under comparison.

  Refer to paragraphs 4.5.2 and 4.5.3 for further information.

Appendix of Alternative Performance Measures

EBITDA, operating profit (EBIT), and Group Net profit were adjusted to take into account the items shown in the table below.

		For the six months ended June 30, 2024	For the six months ended June 30, 2023
A	**EBIT (Operating profit)**	**-3.6**	**146.1**
B	Adjustment on operating income (expense) on EBIT	-60.6	-7.2
C	**EBIT (Operating profit) adjusted (A-B)**	**57.0**	**153.3**
D	Depreciation and amortization	68.0	56.1
E	**EBITDA (A+D)**	**64.4**	**202.2**
F	Adjustment on operating income (expense) on EBITDA	-48.8	-4.5
G	**EBITDA adjusted (E-F)**	**113.2**	**206.7**
H	Financial income/(expenses)	-25.4	-9.7
I	Profit/(loss) on investments	0.0	-0.6
J	Taxes	-3.0	-34.0
K	Net profit attributable to non-controlling Interests	-0.1	0.3
L	**Group Net profit (A+H+I+J+K)**	**-31.9**	**101.6**
M	Adjustment on financial income (expense)	7.1	0.0
N	Tax adjustments	-6.7	-1.9
O	**Group Net profit adjusted (L+M+N-B)**	**29.2**	**106.9**

The adjustments are summarised in the table below:

For the six months ended June 30, 2024	EBITDA € million	EBIT € million	Group Net profit € million
GAAP measures (EBIT and Group Net profit) / APM (EBITDA)	64.4	-3.6	-31.9
Strategic multi-year restructuring and reorganization programme costs	1.9	1.9	1.9
Ancillary expenses associated with acquisitions/disposals of business/building or companies	1.3	1.3	1.3
Deconsolidation impacts of Ariston Thermo Russia	45.7	45.7	45.7
Flash flood costs net of insurance reimbursement	-0.1	-0.1	-0.1
P&L impact of purchase price allocation from Merger & Acquisition activity (such as amortization)	-	11.8	11.8
Recycling Russia's CTA for the deconsolidation of Ariston Thermo Russia	-	-	7.1
Tax adjustments (ie tax impact on the above adjs)	-	-	-6.7
Total adjustments	48.8	60.6	61.0
Alternative Performance Measure adjusted	113.2	57.0	29.2

For the six months ended June 30, 2023	EBITDA € million	EBIT € million	Group Net profit € million
GAAP measures (EBIT and Group Net profit) / APM (EBITDA)	202.2	146.1	101.6
Strategic multi-year restructuring and reorganization programme costs	0.2	0.2	0.2
Ancillary expenses associated with acquisitions/disposals of business/building or companies	1.1	1.1	1.1
Impairment loss on goodwill, trademark and on tangible assets	1.1	1.1	1.1
Flash flood costs net of insurance reimbursement	2.1	2.1	2.1
P&L impact of purchase price allocation from Merger & Acquisition activity (such as amortization)	-	2.8	2.8
Tax adjustments (ie tax impact on the above adjs)	-	-	-1.9
Total adjustments	4.5	7.2	5.3
Alternative Performance Measure adjusted	206.7	153.3	106.9

The reconciliation of the net operating working capital is summarised in the table below:

	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Trade receivables as reported	334.8	361.3	367.5
Supplier debit balances*	4.8	4.6	5.3
Trade receivables in the Net operating working capital	**339.6**	**365.9**	**372.7**
Trade payables as reported	(414.7)	(463.7)	(529.2)
Customer credit balances**	(16.0)	(60.2)	(9.4)
Trade payables in the Net operating working capital	**(430.7)**	**(523.9)**	**(538.6)**
Inventories	**565.5**	**619.0**	**694.9**
Net operating working capital	474.4	461.0	529.1

**Supplier debit balances are included in 'Other current assets' within the Consolidated statement of financial position*
***Customer credit balances are included in 'Other current liabilities' within the Consolidated statement of financial position*

4.7 Investor information

Ariston Group got listed on Euronext Milan, the Italian stock exchange, on 26 November 2021, with ticker symbol ARIS and an offer price of € 10.25 per share.
The IPO was the biggest of the year in the Italian market; it was structured as a € 300 million capital increase coupled with the net sale of 52,925,000 ordinary shares by the founding family after the end of the stabilization period, with a partial exercise of the over-allotment option.
Pursuant to applicable EU regulations, the Netherlands are the home member state of Ariston Holding N.V.
Therefore, regulated information is stored using the "1info SDIR" repository (www.1info.it) authorised by Italy's market authority CONSOB, as well as filed with the AFM (Dutch Authority for the Financial Markets).
The Group interacts with the financial community through both one-to-one and group meetings with investors and financial analysts, with the participation of the Investor Relations function - along with members of top management on select occasions - on digital platforms and in person.

Dividend

On 6 May 2024, the Annual General Meeting – approving a proposal from the Board of Directors – resolved the distribution of a dividend of € 0.17 per share for the year 2023, gross of withholding taxes, which resulted in a pay-out ratio equal to 33%.

The dividend was paid on 22 May 2024, with an ex-coupon date of 20 May 2024 in accordance with the Italian Stock Exchange calendar, and a record date of 21 May 2024.

Buyback

On 6 May 2024, the Annual General Meeting authorised the Board, for a period of 18 months starting as of 6 May 2024, as the competent body to acquire:

- fully paid-up Ordinary Shares to a maximum of 10% of the issued capital of the Company as immediately after 6 May 2024, for a price, excluding expenses, not lower than the nominal value of the shares and not higher than an amount equal to 10% above the average closing price of the Ordinary Shares on Euronext Milan over a period of five days preceding the day of the repurchase; and
- such number of Ordinary Shares to be acquired by the Company as a result of the conversion of multiple voting shares into Ordinary Shares in accordance with the conversion provisions in the Company's articles of association for a price equal to the nominal value,

provided that the Company will not hold more Ordinary Shares in its own capital than a maximum of 50% of the issued capital of the Company.

5. Ariston Holding N.V. Half-Year Condensed Consolidated Financial Statements at 30 June 2024

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Consolidated primary statements

Notes to the Half-Year Condensed Consolidated Financial Statements

Half-Year Condensed Consolidated Financial Statement

Half-Year Consolidated income statement

(Unaudited)

(in € million)	notes	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
REVENUE AND INCOME					
Net revenue	1.1	1,274.4	100.0%	1525.6	100.0%
Other revenue and income	1.1	27.1	2.1%	26.4	1.7%
Revenue and Income	1.1	**1,301.6**	**102.1%**	**1,552.0**	**101.7%**
OPERATING EXPENSES					
Change in inventories	1.2	19.9	1.6%	-117.6	-7.7%
Raw materials, consumables and goods for resale	1.2	561.6	44.1%	797.6	52.3%
Services	1.3	234.4	18.4%	271.7	17.8%
Personnel	1.4	339.5	26.6%	341.7	22.4%
Depreciation and amortisation	2.1/2.2	68.0	5.3%	56.1	3.7%
Additions and release of provisions	1.5	28.7	2.3%	24.8	1.6%
Write-downs		0.2	0.0%	1.0	0.1%
Other operating expenses		52.8	4.1%	30.6	2.0%
Operating expenses		**1,305.1**	**102.4%**	**1,405.9**	**92.2%**
OPERATING PROFIT (EBIT)	1.6	-3.6	-0.3%	146.1	9.6%
FINANCIAL INCOME AND EXPENSE					
Financial income	1.7	5.7	0.4%	6.9	0.5%
Financial expense	1.8	-24.4	-1.9%	-19.4	-1.3%
Exchange rate gains/losses	1.9	-6.7	-0.5%	2.9	0.2%
Financial Income and Expense		**-25.4**	**-2.0%**	**-9.7**	**-0.6%**
PROFIT (LOSS) ON INVESTMENTS					
Profit (loss) on investments		**0.0**	**0.0%**	-0.6	**0.0%**
PROFIT BEFORE TAX		-29.0	-2.3%	135.8	8.9%
TAXES		3.0	0.2%	34.0	2.2%
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-32.0	-2.5%	101.9	6.7%
NET PROFIT		-32.0	-2.5%	101.9	6.7%
Net profit attributable to non-controlling Interests		-0.1	-0.1%	0.3	0.0%
Net profit attributable to the Group		-31.9	-2.5%	101.6	6.7%
Basic earnings per share (€)	1.10	-0.09		0.27	
Diluted earnings per share (€)	1.10	-0.09		0.27	

Half-Year Consolidated statement of other comprehensive income

(Unaudited)

(in € million)	notes	For the six months ended June 30, 2024	For the six months ended June 30, 2023
NET PROFIT	3.1	-32.0	101.9
Items that will not be reclassified to the income statement			
Actuarial gains (losses) (*)	3.1	3.1	-2.1
Sub-total of items that will not be reclassified to the income statement		***3.1***	***-2.1***
Items that may be reclassified to the income statement			
Gains (losses) from the translation of financial statements	3.1	-10.8	-2.8
Net gains (losses) under cash flow hedge reserve (*)	3.1	9.9	-6.0
Sub-total of Items that may be reclassified to the income statement		***-0.9***	***-8.9***
Total other gains (losses) net of taxes		2.2	-11.0
TOTAL COMPREHENSIVE INCOME		-29.8	90.9
Attributable to:			
- Group		-29.7	90.9
- Non-controlling Interests		-0.1	0.0

(*) Tax effect included

Half-Year Consolidated statement of financial position

(Unaudited)

(in € million)	notes	At June 30, 2024	At December 31, 2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	2.1	894.2	894.1
Other intangible assets	2.1	606.0	618.3
Total intangible assets	2.1	1,500.2	1,512.4
Property, plant and equipment			
Land and buildings excluding ROU		*201.6*	*197.4*
Land and buildings ROU		*53.5*	*56.3*
Land and buildings	2.2	255.1	253.7
Plant and machinery excluding ROU		*151.5*	*136.3*
Plant and machinery ROU		*1.2*	*1.4*
Plant and machinery	2.2	152.7	137.7
Other property, plant and equipment excluding ROU		*170.2*	*198.6*
Other property, plant and equipment ROU		*32.4*	*29.5*
Other property, plant and equipment	2.2	202.6	228.1
Total property, plant and equipment	2.2	610.4	619.4
Investments in associates & Joint ventures		6.0	6.0
Deferred tax assets		118.0	114.6
Financial assets		5.4	4.4
Other non-current assets		7.6	7.8
Non-current tax receivables		0.9	1.4
Total non-current assets		2,248.4	2,266.0
CURRENT ASSETS			
Inventories	2.3	565.5	619.0
Trade receivables	2.4	334.8	361.3
Tax receivables		50.4	47.8
Current financial assets		30.6	35.1
Other current assets	2.5	75.0	87.4
Cash and cash equivalents	2.6	248.5	451.2
Total current assets		1,304.9	1,601.8
ASSETS HELD FOR SALE		0.3	0.3
TOTAL ASSETS		3,553.7	3,868.0

Half-Year Consolidated statement of financial position

(Unaudited)

(in € million)	notes	At June 30, 2024	At December 31, 2023
LIABILITIES AND EQUITY			
NET EQUITY			
Share capital	3.1	46.5	46.5
Share premium reserve	3.1	711.3	711.3
Retained earnings and other reserves	3.1	698.0	553.6
Net profit attributable to the Group	3.1	-31.9	191.2
Net equity attributable to the Group	3.1	**1,423.9**	**1,502.6**
Non-controlling interests and reserves		-0.5	-0.1
Net profit attributable to non-controlling interests		-0.1	0.0
Net equity attributable to non-controlling interests		**-0.6**	**-0.1**
Net equity	3.1	**1,423.3**	**1,502.5**
NON-CURRENT LIABILITIES			
Deferred tax liabilities		218.7	214.3
Non-current provisions	3.2	69.5	73.8
Post employment benefits		84.0	87.2
Non-current financing	3.3	898.4	942.1
Other non-current liabilities	3.4	22.4	20.5
Non-current tax liabilities		3.9	3.9
Total non-current liabilities		**1,296.9**	**1,341.5**
CURRENT LIABILITIES			
Trade payables	3.5	414.7	463.7
Tax payables		74.6	83.9
Current provisions	3.6	58.3	68.9
Current financial liabilities	3.7	42.5	72.5
Current loans	3.3	25.8	46.7
Other current liabilities	3.8	217.5	288.2
Total current liabilities		**833.5**	**1,024.0**
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE		0.0	0.0
TOTAL LIABILITIES AND NET EQUITY		3,553.7	3,868.0

Half-Year Consolidated statement of cash flows

(Unaudited)

	(in € million)	notes	For the six months ended June 30, 2024	For the six months ended June 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES				
1	NET PROFIT	3.1	-32.0	101.9
2	- Taxes		3.0	34.0
3	- Income and expense from financing and investment activities	From 1.7 to 1.9	25.4	10.3
4	- Depreciation and amortisation excluding ROU	2.1/2.2	52.5	47.2
5	- Depreciation ROU	2.2	15.5	8.9
6	- Provisions	1.5	28.7	24.8
7	- Other adjustments		0.2	1.0
8	= GROSS OPERATING CASH FLOW (+1+2+3+4+5+6+7)		**93.3**	**228.0**
9	- Change in trade receivables	2.9	15.0	-16.1
10	- Change in inventories	2.8	21.6	-116.6
11	- Change in trade payables	3.9	-87.6	-10.8
12	- Change in other short-term assets/liabilities		35.9	-15.8
13	- Change in provisions		-30.5	-17.2
14	- Tax paid		-19.2	-31.5
15	= NET OPERATING CASH FLOW (+8+9+10+11+12+13+14)		**28.5**	**20.0**
CASH FLOW FROM INVESTMENT ACTIVITIES				
16	- Investments in intangible assets	2.1	-11.3	-11.2
17	- Investments in property, plant and equipment (PPE)	2.2	-16.9	-28.5
18	- Business combinations	2.1.1	-19.9	-546.6
19	- Investments in financial assets		-2.8	-1.4
20	- Change in the scope of consolidation		0.7	0.0
21	- Proceeds from sale of intangible assets and PPE	2.1/2.2	0.4	0.2
22	= CASH FLOW FROM INVESTMENT ACTIVITIES (+16+17+18+19+20+21)		**-49.8**	**-587.6**
CASH FLOW FROM FINANCING ACTIVITIES				
23	- Financial expense paid		-27.3	-14.5
24	- Financial income collected		11.7	3.9
25	- Financial expense pursuant to IFRS16		-1.7	-1.2
26	- Other inflows (outflows) of cash classified as financing activities	1.9	1.1	1.8
27	- Increase/decrease in short-term financial payables	3.3	-20.7	5.0
28	- New loans	3.3	-0.3	174.1
29	- Loans repayment	3.3	-75.9	-318.8
30	- Dividends	3.1	-63.1	-48.3
31	- Capital and reserves increase/distribution		0.0	0.0
32	- Proceeds from issue of ordinary shares		0.0	0.0
33	- Buyback/sale of treasury shares		0.0	0.0
34	= CASH FLOW FROM FINANCING ACTIVITIES (23+ / +33)		**-176.2**	**-197.9**
35	= CASH FLOW FROM CONTINUING OPERATIONS (15+22+34)		**-197.6**	**-765.5**
36	= CASH FLOW FROM DISCONTINUED OPERATIONS		**0.0**	**0.0**
37	= TOTAL CASH FLOW (35+36)		**-197.6**	**-765.5**
38	*Effect of changes in exchange rates*		**-1.5**	**-5.5**
39	= TOTAL MOVEMENT IN CASH AND CASH EQUIVALENTS (+37+38)		**-199.1**	**-771.0**
40	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		440.0	977.5
41	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (+39+40)		240.9	206.5

Half-Year Consolidated statement of changes in shareholders' equity

(Unaudited)

CHANGES IN NET EQUITY *(in € million)*	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Stock-based incentive plans reserve	Reserve for gains/losses in equity	Actuarial gains (losses)	Retained earnings (losses) and other reserves	Net profit	Net equity attributable to the Group	Net equity attributable to non controlling interest	Net Equity
Balances as at 31 December 2023	**3.1**	**46.5**	**-14.8**	**711.3**	**30.8**	**9.0**	**-1.6**	**-23.9**	**554.1**	**191.2**	**1,502.6**	**-0.1**	**1,502.5**
Consolidated profit allocation									191.2	-191.2	**0.0**		**0.0**
Payment of dividends	3.1								-63.1		**-63.1**		**-63.1**
Share-based payments	3.1		4.5			-4.2			2.9		**3.3**		**3.3**
Other changes	3.1				1.4				2.4		**3.8**	-0.4	**3.4**
Recycling Russia's CTA									7.1		**7.1**		**7.1**
Comprehensive income (loss)							9.9	3.1	-10.8		**2.2**		**2.2**
Net profit										-31.9	**-31.9**	-0.1	**-32.0**
Balances as at 30 June 2024	3.1	46.5	-10.3	711.3	32.2	4.8	8.3	-20.8	683.8	-31.9	1,423.9	-0.6	1,423.3

CHANGES IN NET EQUITY *(in € million)*	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Stock-based incentive plans reserve	Reserve for gains/losses in equity	Actuarial gains (losses)	Retained earnings (losses) and other reserves	Net profit	Net equity attributable to the Group	Net equity attributable to non controlling interest	Net Equity
Balances as at 31 December 2022	**3.1**	**46.1**	**-12.5**	**313.3**	**28.3**	**11.4**	**22.8**	**-18.6**	**479.0**	**140.3**	**1,010.0**	**2.2**	**1,012.2**
Changes in ownership interests									2.8		**2.8**	-2.8	**0.0**
Business combinations		0.4		398.2							**398.6**		**398.6**
Consolidated profit allocation									140.3	-140.3	**0.0**		**0.0**
Payment of dividends	3.1								-48.3		**-48.3**		**-48.3**
Share-based payaments			6.4			-4.8			1.4		**3.0**		**3.0**
Other changes				-0.3	13.3			-9.8	-9.5		**-6.3**		**-6.3**
Comprehensive income (loss)							-6.0	-2.1	-2.8		**-11.0**		**-11.0**
Net profit										101.6	**101.6**	0.3	**101.9**
Balances as at 30 June 2023	3.1	46.5	-6.2	711.3	41.6	6.6	16.7	-30.6	562.8	101.6	1,450.3	-0.3	1,450.0

Notes to the Half-Year Condensed Consolidated Financial Statements

1. Corporate information

Ariston Holding N.V. (hereafter also the "Parent Company") is a Company listed in Euronext Milan, Italy, having its statutory seat in The Netherlands and enrolled in the Chamber of Commerce – KVK – of Amsterdam (CCI no.83078738, RSIN no. 862717589, Establishment no. 000049275437, VAT Code: 01527100422, Fiscal Code 00760810572), with a secondary office in Via Broletto 44, Milano I-20121.
The major business operations of the Group and of the Ariston Holding N.V. are in Italy and for that reason the Company has established a secondary seat with a permanent representative office, within the meaning of article 2508 of the Italian Civil Code.
The Parent Company's primary purpose is to be a holding company and, with it, the management and coordination of a series of business processes for all the subsidiaries of the Group (hereinafter the "subsidiaries"). The Group, with its subsidiaries, is active in the business of the production and distribution of hot water and space heating and service solutions with a cutting-edge technology serving market all around the world.
As of June 30, 2024, voting rights were distributed as follows: Merloni Holding S.p.A. 79.31% and Amaranta S.r.l. 10.81% while the market was entitled to the remaining 9.88%. Treasury shares have no voting rights. Shares outstanding were held by Merloni Holding S.p.A. for 58.53%, by Amaranta S.r.l. for 7.96%, by the market for 33.10% and for 0.42% by Ariston Holding N.V. (Treasury shares). The Half-Year Condensed Consolidated Financial Statements of Ariston Group for the period ending 30 June 2024 were approved on 1 August 2024 by the Board of Directors of the Parent Company and authorised for issue.
The Half-Year Condensed Consolidated Financial Statements comprise the following: income statement, statement of other comprehensive income, statement of financial position, statement of cash flows, statement of changes in shareholders' equity (in euro million) and these notes to the financial statements.

The statement of cash flows has been prepared using the "indirect method" and shows the changes that occurred, during the period, in the "short-term financial position" which measures the cash and cash equivalents (short-term and high liquidity financial investments promptly convertible and not subject to the risk of change in value), classifying the financial flows according to their origins, from operating activities, investments or financing.

The Half-Year Condensed Financial Statements have been prepared in euro, the currency used in most of the Group's transactions. Transactions with foreign companies are included in the consolidated financial statements in compliance with the standards.

2. Significant events of the year

Significant events during the half-year relating to corporate actions, acquisitions agreements and other significant events impacting the results are reported in a dedicated section in the Director's report of this Half-Year Report. The main events are the completion of the acquisition of a production site in Egypt from Universal Group and the temporary management faced by Ariston Thermo Russia.

On February 22, 2024, Ariston Group with its Egyptian subsidiary 'Ariston Group Water Heating Solutions Egypt' entered into an agreement to acquire fixed assets from the Egyptian entity 'Universal for Home and Electrical Appliances'. The investment further reinforces the Group's positioning in the global hot water sector, a business that is constantly expanding and in which the Ariston brand is among the key players. The decision to invest in Egypt, a country with an important manufacturing backbone, is in line with the Group's strategy to optimize supply chain efficiency and speed by serving local markets through a network of centrally managed production sites located in different geographies, to increase the resilience of the industrial footprint, foster effectiveness and maximize the impact on costs and logistics.

On April 26, 2024, following publication of the news by Reuters, the Company retrieved presidential Decree no 294 signed by President Putin and published on the same date in the Official Russian Gazette. With the above-mentioned Decree, President Putin placed the subsidiary Ariston Thermo Rus LLC under the temporary management of JSC Gazprom Household systems, a subsidiary of the Gazprom group. For further information about the impacts in this Half-Year Condensed Consolidated Financial Statements, please refer to paragraph '3.Basis of accounting preparation'.

3. Basis of accounting preparation

The Half-Year Condensed Consolidated Financial Statements for the six months ended 30 June 2024 have been prepared in compliance with IAS 34 - *Interim Financial Reporting*.
The Half-Year Condensed Consolidated Financial Statements were prepared based on the going concern principle, on the cost basis and taking any value adjustments into account where appropriate, this is with the exception of statement of financial position items, such as financial instruments, that, under the IFRS, must be recognised at fair value and except in cases in which the IFRS allow a different valuation criterion to be used. The carrying amount of assets and liabilities subject to fair value hedging transactions, which would otherwise be recorded at cost, has been adjusted to take account of the changes in fair value attributable to the risk being hedged.
The preparation of the Half-Year Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Half-Year Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the section "Significant accounting judgements, estimates and assumptions" in the Group's annual consolidated financial statements for a detailed description of the more significant valuation procedures used by the Group.
Moreover, in accordance with IAS 34, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual consolidated financial statements, when all the related information necessary is available, other than in the event that there are indications of impairment, in which case an immediate assessment is required.

The Half-Year Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements at 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS as endorsed by the European Union.

i. Principles of consolidation

The Half-Year Condensed Consolidated Financial Statements include the financial statements of the Parent Company and of the Italian and foreign subsidiaries.

These accounting statements, based on the same financial year as the Parent Company and drawn up for the purposes of consolidation, have been prepared in accordance with the international accounting standards adopted by the Group. Joint ventures and associates are consolidated applying the equity method.

ii. Form and content

In accordance with the format selected by the Ariston Group, the statement of income statement has been classified by nature, and the statement of financial position is based on a distinction between current and non-current assets and liabilities.
We consider that this format will provide a more meaningful representation of the items that have contributed to the Group's results and its assets and financial position.

iii. Basis of consolidation

Compared to 31 December 2023, the perimeter is changed due to the following transaction:

- In January 2024, the Israeli subsidiary 'Atmor Industries Ltd.' merged by incorporation into 'Chromagen Israel Ltd.' with retroactive accounting effects as from 1 January 2024.

- In March 2024, the Chinese subsidiary named 'Atmor (Dongguan) Electronic Technology Co' was liquidated and ceased to exist. The entity was put in liquidation on 26 April 2023. Financial consequences are not material.

- On April 26, 2024, following publication of the news by Reuters, the Company retrieved presidential Decree no 294 signed by President Putin and published on the same date in the Official Russian Gazette. With the above-mentioned Decree, President Putin placed the subsidiary Ariston Thermo Rus LLC under the temporary management of JSC Gazprom Household systems, a subsidiary of the Gazprom group.
  Ariston Thermo Rus LLC is a subsidiary of Ariston Holding N.V. which holds the 100% of the Ariston Thermo Rus LLC share capital. Until April 2024, Ariston Group consolidated the assets, liabilities, equity, income, expenses and cash flows of Ariston Thermo Rus LLC, in accordance with IFRS 10.
  As a result of the inability to control the Company, Ariston Group has concluded that as of June 30, 2024, it no longer controls its legal entity and will deconsolidate it. The loss of control results in the derecognition of the assets, that were not previously impaired, the liabilities, equity and the CTA amounts in OCI, with the resulting difference being recognized in the Income Statement.
  As a consequence of the above considerations, below the impacts on the Ariston consolidated figures at the date of loss of control:
  - Deconsolidation of Ariston Thermo Russia net assets for € 37.1 million;
  - Recycling in Income Statement of the CTA reserve for a negative impact equal to € 7.1 million;
  - Loss coming from the deconsolidation for € 45.7 million.

The table "List of companies as of June,30 2024" at the end of this document reports all entities included in the basis of consolidation as of June,30 2024.

Consolidation of foreign companies

All assets and liabilities of foreign companies in a functional currency other than the euro, falling within the consolidation area, are converted using the exchange rates in effect at the reference date of the financial statements (current exchange rate method). Income and expenses are converted at the average exchange rate for the period. Should it be possible to identify the specific exchange rate for individual transactions, these items are converted at the related spot rate.
The differences in the exchange rates on assets and liabilities of foreign companies in currencies other than the euro arising from application of this method are recognised in the OCI and under equity until the shareholding is transferred.
Goodwill and adjustments to the fair values generated by the acquisition of a foreign company, are recognised in their currency and converted using the exchange rate at the end of the reporting period.
The following table contains the exchange rates against the euro applied in the translation of financial statements expressed in another currency: (exchange rate = euro/currency).

Currency		2024 Average exch. Rate	2024 Exch. Rate at 30.06	2023 Average exch. Rate	2023 Exch. Rate at 30.06
Emirati Dirham	AED	3.97303	3.93140	3.99644	3.99050
Argentine Peso	ARS	975.38830	975.38830	278.50220	278.50220
Canadian Dollar	CAD	1.46865	1.46700	1.45953	1.44150
Swiss Franc	CHF	0.96306	0.96340	0.98629	0.97880
Chinese Renminbi	CNY	7.79542	7.77480	7.53085	7.89830
Czech Koruna	CZK	25.02118	25.02500	23.65962	23.74200
Danish Crown	DKK	7.45809	7.45750	7.44742	7.44740
Egyptian Pound	EGP	45.42357	51.40800	33.19769	33.57430
English Sterling	GBP	0.85467	0.84638	0.87683	0.85828
Hungarian Forint	HUF	389.86225	395.10000	380.86315	371.93000
Indonesian Rupiah	IDR	17,240.50564	17,487.21000	16,238.97209	16,384.54000
Indian Rupiah	INR	89.90798	89.24950	88.88000	89.20650
Kazakhstani Tenge	KZT	484.59980	501.69000	486.40251	492.20000
Morocco Dirham	MAD	10.84712	10.65500	10.97476	10.75600
Mexican Peso	MXN	18.49930	19.56540	19.70396	18.56140
Nigerian Naira	NGN	1,643.00000	1,613.93933	819.92723	847.68675
Polish Zloty	PLN	4.33061	4.30900	4.63843	4.43880
Romanian New Leu	RON	4.97460	4.97730	4.93653	4.96350
Singapore Dollar	SGD	1.45637	1.45130	1.44573	1.47320
Tunisian Dinar	TND	1.46865	3.36610	3.33941	3.35770
Ukrainian Hryvnia	UAH	42.28380	43.26580	39.77973	39.69520
US Dollar	USD	1.08069	1.07050	1.08020	1.08660
Vietnam Dong	VND	27,045.74758	27,250.00000	25,432.77841	25,618.00000
Israeli New Shekel	ILS	3.99161	4.02000	3.93901	4.04860
Serbian Dinar	RSD	117.14006	117.10520	117.30014	117.17960
Australian Dollar	AUD	1.64133	1.60790	1.60144	1.63980
South African Rand	ZAR	20.20499	19.49700	19.67981	20.57850

4. Changes in accounting standards

The accounting policies adopted in the preparation of the Half-Year Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.
Several amendments apply for the first time in 2024, but do not have an impact on the Half-Year Condensed Consolidated Financial Statements of the Group.

a. *Summary of the new accounting standards adopted by the Group from 1 January 2024*

As from January 1, 2024 the following amendments of accounting standards have become applicable to the Group:

- *Lease Liability in a Sale and Leaseback – Amendments to IFRS 16*

  In September 2022, the International Accounting Standards Board (IASB) has issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

  Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in income statement any gain or loss relating to the partial or full termination of a lease.

  The new amendments are effective on or after 1 January 2024 and they had no impact on the Half-Year Condensed Consolidated Financial Statements of the Group given that the Group does not have Sale and Leaseback transactions.

- *Classification of debt with covenants – Amendments to IAS 1*

  In October 2022, the International Accounting Standards Board (IASB) issued amendments to 'IAS 1 — Presentation of Financial Statements: Non-current Liabilities with Covenants', that clarify how conditions which an entity must comply with within twelve months after the reporting period affect the classification of a liability.

  The new amendments are effective on or after 1 January 2024 and they had no impact on the Half-Year Condensed Consolidated Financial Statements of the Group.

- *Supplier finance arrangements – Amendments to IAS 7 and IFRS 7*

  On 25 May 2023, the IASB issued Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are intended to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

  The amendments require an entity to disclose the following for its supplier finance arrangements:

  - the terms and conditions of the arrangements
  - the carrying amounts and associated line items of financial liabilities in the statement of financial position that are part of a supplier finance arrangement, with a breakdown of the amounts for which the suppliers have already received payment from the finance providers
  - ranges of payment due dates; and
  - liquidity risk information.

  The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's Half-Year Condensed Consolidated Financial Statements.

b. *Accounting standards, amendments and interpretations issued but not yet effective*

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Half-Year Condensed Consolidated Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- *Lack of Exchangeability – Amendments to IAS 21*
  On 15 August 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21). The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when there is no exchangeability, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

  The new amendments are effective on 1 January 2025. The Group is evaluating the potential impact from the adoption of these amendments.

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures*
  On 31 May 2024, the amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI.

  The amendments are effective for annual periods starting on or after 1 January 2026. The Group is evaluating the potential impact from the adoption of these amendments.

5. Disclosure to the Financial Statements

5.1 Income Statement

Note 1.1 – Revenue and Income

During the first half 2024, the Group recorded revenue of € 1,274.4 million, compared to € 1.525.6 million in the previous year, with a decrease of € 251.2 million (-16.5%).

The decrease arises mainly by the strong renewable heating market slowdown in Germany, France, Italy and the Netherlands.

Revenue item can be broken down as follows:

Revenue and Income *(in € million)*	30.06.2024	30.06.2023
Revenue from sales	1,179.2	1,435.5
Revenue from services	88.5	82.6
Other revenue	6.7	7.5
Net revenue	**1,274.4**	**1,525.6**
Other revenue and income	27.1	26.4
Total	1,301.6	1,552.0

"Other revenue and income" totalled € 27.1 million as of 30 June 2024 and € 26.4 million as of 30 June 2023, basically in line with previous period. It is represented by items that do not directly refer to the production activities of the Group but are all the same connected to the core business.
They include income related to no longer due payables, the gains on the disposal of fixed assets and other income.

Segment information
For management purposes, the Group is organised into 3 business divisions (representing the three CGUs Thermal Comfort, Burners and Components), however from a segment reporting perspective, the Group discloses a unique reportable segment, in accordance with what provides the principle IFRS 8 – Operating Segments.

Revenue by business line

Thermal Comfort. It serves the Group's three main business categories, Hot Water, Heating and Air Treatment, and represents the Group's largest division, recording revenue in the first half 2024 for € 1,190.1 million (93.4% of total revenues) compared to € 1,433.8 million in the first half 2023 (94.0% of total revenues), down by € 243.7 million or 17.0% (of which -15.7% organic and foreign exchange impact).
On 26th April 2024, the Ariston Group lost the control of Ariston Thermo Rus LLC which is excluded from the Ariston Group's perimeter starting from May 2024. The revenue related to the perimeter variation from April 26 2023, up to June 30 2023 is equal to € 17.9 million, included for € 17.8 million in the Thermal Comfort perimeter and residual in Burners Division.

Burners. Recorded net revenue of € 42.5 million in the first half 2024 (3.3% of total net revenues) compared to € 43.4 million of the first half 2023 (2.8% of total revenues) with a decrease of € 0.9 million or 2.2% (of which -2.1% organic and foreign exchange impact). The lower turnover is essentially due to a strong market slowdown in Germany and China partially compensated by a recover in France.

Components. Recorded net revenue of € 41.8 million in the first half 2024 (3.3% of total net revenues) compared to € 48.4 million (3.2% of total net revenues) in the first half 2023, down by € 6.6 million or 13.6% (of which -13,2% organic and foreign exchange impact).

The decrease in revenue was driven by a slowdown in both Domestic business due to a general stagnation in the water heating markets and Professional business due to a slow recover in the Ho.Re.Ca market.

Net revenue by geographical area

Europe. It represents the Group's largest market, recording net revenue of € 913.5 million in the first half 2024 (71.7% of total revenues) compared to € 1,147.7 million (75.2% of total revenues) in first half 2023, down by € 234.2 million or 20.4% (of which -19.2% organic and foreign exchange impact). The decrease was mainly driven by the strong renewable heating market slowdown in Germany, France, Italy and the Netherlands.
On 26th April 2024, the Ariston Group lost the control of Ariston Thermo Rus LLC which is excluded from the Ariston Group's perimeter. The revenue related to the perimeter variation from April 26 2023, up to June 30 2023 is equal to € 17.9 million.

Asia, Pacific & MEA. It represents the second largest market for the Group, recording net revenue for € 232.7 million in the first half 2024, or 18.3% of total revenues, compared to € 255.2 million, or 16.7% of total revenues, in first half 2023, down by € 22.5 million or 8.8% (of which 6.5% organic and foreign exchange impact). The decrease was driven by the negative water heating renewable market's trend in Australia due to government incentive scheme reduction and to the decision to exit the Chinese domestic water heating market starting from Q2 2023.

Americas. This is the Group's third largest market and reported revenue for € 128.1 million in the first half 2024, or 10.1% of total net revenues, compared to € 122.6 million, or 8.0% of total net revenues, in the first half 2023, with an increase of € 5.5 million, or 4.5% (of which 2.1% organic and foreign exchange impact). The increase was due to the good performances both on the heating market (mainly in Canada) and water heating (mainly in Mexico).

Note 1.2 – Raw materials, consumables and goods for resale

As of 30 June, 2024, the "Purchase cost of raw materials, consumables and goods for resale" amounted to € 561.6 million, decreased by € 236.0 million compared with the same period of the previous year.
The trend in purchases and the change in inventories highlight a decrease in the average percentage of raw materials consumed to revenue, from 44.6% in June 2023 to 45.7% in June 2024.

Note 1.3 – Services

Costs for "Services" amounted to € 234.4 million versus € 271.7 million at June 2023, decreased by € 37.7 million, and can be detailed as follows:

Services *(in € million)*	30.06.2024	30.06.2023
Logistics and transport	67.5	80.4
Sub-contracted work and maintenance	41.4	62.5
Rental and lease expenses	20.1	15.1
Advertising and promotion	19.2	24.9
Consulting services	17.3	18.1
Utilities	16.9	19.7
Travel expenses	13.5	12.7
Bonuses and commissions	13.0	14.6
Insurance	7.4	6.8
Interoffice services	5.9	6.2
Directors and Statutory Auditors' Fees	5.8	3.9
Other services	6.4	6.9
Total	234.4	271.7

Services showed reductions in almost all items, however the followings reported the main variations:

- a decrease of € 12.9 million in logistics and transport costs due to a reduction in the volume of goods shipped, as a result of declining sales.

- a decrease of € 21.1 million in sub-contracted work and maintenance costs, reflecting the decline in production volumes.
- a reduction of € 5.7 million in advertising and promotion costs, reflecting an optimization of these expenses.

As a percentage of net sales, they stood at 18.4%, higher than the 17.8% recorded in H1 2023.

Note 1.4 – Personnel

A breakdown of personnel costs by nature is shown in the table below:

Personnel *(in € million)*	30.06.2024	30.06.2023
Wages and salaries	264.0	271.9
Social security costs	61.5	58.8
Provision for Employees severance indemnity	5.7	4.7
Provision for retirement benefits and other funds	1.6	-0.8
Other personnel costs	6.7	7.0
Total	339.5	341.7

"Personnel" amounted to € 339.5 million, which was a decrease of € 2.2 million compared to the previous year. The reduction is mainly due to a decrease in the average workforce in production staff.

“Wages and salaries” totalled € 264.0 million as of June 30, 2024 and € 271.9 million as of June 30, 2023.

“Provision for Employees severance indemnity” and “Provision for retirement benefits and other funds” include the net impact of accruals and releases for the period.

As of June 30, 2024, the Group’s workforce decreased from 10,692 as of June 30, 2023 to 10,576.

The headcount by category of employee as follow:

Headcount *(number of people)*	30.06.2024	30.06.2023	Average	Delta
Managers and white collars	5,793	5,696	5,745	97
Blue collars	4,783	4,996	4,890	-213
Total	10,576	10,692	10,634	-116

Note 1.5 – Provisions

During 2024, “Provisions” were recognised for € 28.7 million versus € 24.8 million in the same period of 2023. In detail, provisions were split as follow:

Provisions *(in € millions)*	30.06.2024	30.06.2023
Product warranty provision	17.0	22.4
Bad debt provision	10.8	2.1
Provision for installation	1.2	1.5
Provision for restructuring	0.0	-1.6
Provision for legal disputes	0.0	0.1
Other provisions	-0.2	0.4
Total	28.7	24.8

The increase is mainly due to the bad debt provision partially compensate by the reduction in the warranty provision.
As a percentage of net revenue, provisions amounted to 2.3% compared to 1.6% in 2023.
For further details about movements of the period, refer to 'Note 2.4 – Trade receivables' for Bad Debt Provision and 'Note 3.2 - Non-Current Provisions'.

Note 1.6 – Operating profit

In June 2024 "Operating profit", amounted to € -3.6 million compared to € 146.1 million as at June 2023. The decrease is explained by the variances exposed in the notes above.

Note 1.7 – Financial income

"Financial income" had a balance of € 5.7 million at the end June 2024, lower than the € 6.9 million registered at 30 June 2023. The item can be detailed as follows:

Financial income *(in € million)*	30.06.2024	30.06.2023
Interest Income from bank	4.1	2.7
Employee benefits	1.3	1.8
State Green Programmes	0.1	1.1
Other financial income	0.2	1.3
Total	5.7	6.9

The positive impact from higher interest rates received from banks (shown in the line 'Interest income from banks') is counterbalanced by the missing interest income from the State Green Programmes in 2024 and the decline in the line 'Other financial income' (due to Hyperinflation in Argentina).

Note 1.8 – Financial expense

This item shows a balance of € 24.4 million at the end of June 2024 versus a balance of € 19.4 million as of June,30 2023. The item can be detailed as follows:

Financial expense *(in € million)*	30.06.2024	30.06.2023
Interest and other expenses due to bank	19.1	14.3
Employee benefits	2.8	3.4
Leases	1.7	1.2
Business Combinations	0.5	0.4
Other financial expense	0.4	0.1
Total	24.4	19.4

Compared to the previous year, "Financial Expenses" was up by € 5 million, mostly due to the item "Interest and other expenses due to bank" as result of the increase in interest reference rates.

Note 1.9 – Exchange rate gains/losses

"Exchange rate gains/losses" show an overall negative balance of € 6.7 million which can be broken down as follows:

Exchange rate gains/losses *(in € million)*	30.06.2024	30.06.2023
Exchange rate gains	3.1	3.7
Exchange rate losses	-1.9	-1.9
Unrealised exchange rate gains	4.6	3.0
Unrealised exchange rate losses	-12.4	-2.0
Total	-6.7	2.9

"Exchange rate gains and losses" includes the monetary changes on the accounting entries that were realised at the end of the reporting period; "Unrealised exchange rate gains and losses" include the monetary changes that are not yet realised because they refer to transactions that were not closed at the end of the reporting period.

The negative result for the period was mainly due to the release of the foreign currency translation reserve of the Russian subsidiary as a result of the deconsolidation occurred after the Presidential Decree No. 294 26 April 2024 signed by Russian President.

Note 1.10 – Basic and diluted earnings per share

Basic earnings per share are determined as the ratio of the Group's portion of net profits for the year to the weighted average number of ordinary shares outstanding during the year. The Group's treasury shares are included in this calculation for the half-year 2024. Diluted earnings per share are determined taking the potential effect resulting from options allocated to beneficiaries of dilutive stock option plans into account in the calculation of the number of outstanding shares.

Basic earnings per share as of June,30 2024 amounted to € -0.09 and are calculated by dividing the net loss for the year attributable to the ordinary shareholders of the Parent Company, of € 31.9 million, by the number of total shares– ordinary and multiple voting – outstanding during the period,that is 370,561,934.

Diluted earnings per share amounted to € -0.09 and are calculated by dividing the net loss for the year attributable to the ordinary shareholders of the Parent Company, of € 31.9 million, by the number of total shares and potential shares to be issued for the LTI plan which totalled 371,013,248.

Basic and diluted earnings per share are calculated as shown in the table below.

		For the six months ended 30 June 2024	For the six months ended 30 June 2023
Net profit attributable to ordinary shareholders	€ million	-31.9	101.6
Weighted average of ordinary and multiple voting shares outstanding	number	370,561,934	371,396,783
Basic earnings per share	**€**	**-0.09**	**0.27**
Net profit attributable to ordinary shares outstanding net of dilution	€ million	-31.9	101.6
Weighted average of ordinary and multiple voting shares outstanding	number	370,561,934	371,396,783
Potential shares to be issued for LTI plan	number	451,313	689,841
Weighted average of ordinary and multiple voting shares outstanding net of dilution	number	371,013,248	372,086,624
Diluted earnings per share	**€**	**-0.09**	**0.27**

Atypical or unusual transactions

During the half-year 2024, Ariston Group did not execute any atypical or unusual transactions.

5.2 Statement of Financial Position – Assets

Note 2.1 – Intangible assets

As of June,30 2024, "Intangible assets" amounted to € 1,500.2 million, decreased by a net € 12.2 million compared to 31 December 2023, net of the amortisation expense for the period of € 22.9 million, in addition to other changes.

The amortisation expense for the period is recognised under the appropriate item in the income statement.

Changes during the period are shown in the table below:

Intangible assets *(in € million)*	Goodwill	Other intangible assets	Total
Cost net of accumulated impairment losses	894.1	780.2	1,674.3
Accumulated amortization		-161.8	-161.8
As at 31.12.2023	**894.1**	**618.3**	**1,512.4**
Increases	0.0	11.3	11.3
Decreases	0.0	-0.1	-0.1
Amortisation	0.0	-22.9	-22.9
Exchange rate effect	-0.5	-1.0	-1.5
Other	0.6	0.4	1.0
Total changes	**0.1**	**-12.3**	**-12.2**
Cost net of accumulated impairment losses	894.2	789.1	1,683.3
Accumulated amortization		-183.1	-183.1
As at 30.06.2024	**894.2**	**606.0**	**1,500.2**

The net total amount of the goodwill was € 894.2 million, versus € 894.1 million at 2023 year-end, substantially in line with previous period.

Intangible assets with an indefinite life are represented by goodwill and trademarks. The Group expects to obtain positive cash flow from these assets for an indefinite period of time. Goodwill and trademarks with an indefinite life are not amortised and the Group performed its annual impairment test at least one a year (namely in December) and when circumstances indicated that the carrying value may be impaired. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the note 2.1 - 'Intangible assets' (paragraph 6.2 - Statement of financial position – Assets) of the annual consolidated financial statements for the year ended 31 December 2023.
As of June,30 2024, the Group has not identified any external or internal factors that may have triggered a substantial and negative impact on the recoverability of its goodwill and trademarks values.

The item "Other intangible assets" can be detailed as follows:

Other intangible assets *(in € million)*	30.06.2024	31.12.2023
Concessions, licenses, trademarks	237.0	238.3
Development costs	45.2	48.4
Software	36.0	27.7
Intangible assets in progress	25.4	31.1
Other	262.4	272.7
Total	606.0	618.3

Details of and changes in "Other intangible assets" are the following:

Other intangible assets (in € million)	Development costs	Software	Concessions, licenses, trademarks	Other Intangible Assets	Total
Cost net of accumulated impairment losses	112.0	76.6	246.0	345.7	780.2
Accumulated amortization	-63.5	-48.9	-7.8	-41.8	-161.8
As at 31.12.2023	**48.4**	**27.7**	**238.3**	**303.8**	**618.3**
Increases	0.5	0.5	0.0	10.3	11.3
Decreases	-0.1	-0.1	0.0	0.1	-0.1
Amortisation	-5.6	-7.1	-0.7	-9.6	-22.9
Exchange rate effect	0.0	-0.1	-0.6	-0.3	-1.0
Other	2.0	15.1	0.1	-16.7	0.4
Total changes	-3.2	8.3	-1.2	-16.2	-12.3
Cost net of accumulated impairment losses	114.0	91.9	245.2	338.1	789.1
Accumulated amortization	-68.9	-56.0	-8.2	-50.3	-183.1
As at 30.06.2024	**45.2**	**36.0**	**237.0**	**287.8**	**606.0**

Since the trademarks have an indefinite useful life, it is subject to impairment test at least annually.

The change in "Other intangible assets" from the start of the period amounted to € -16.2 million and was primarily due to investments for the period and reclassification of other intangible assets in progress in other categories of assets not fully offset by € 9.6 million in amortisation for the period.
The other intangible assets have a definite useful life and are consequently amortised as necessary.

Development costs refer to products for which the return on investments occurs within a five-year period, on average. The capitalised costs for the period, attributable only to product development projects, amounted to € 6.7 million (€ 3.2 million in June 2023) out of a total of € 45.2 million (€ 27.2 million in June 2023) reported in the financial statements.

The Group evaluated the development costs related to products based on the criteria outlined in the Climate Delegated Act only for the objective mitigation to climate change. As evidence of the commitment to promote a more efficient and renewable product portfolio, these investments have been capitalised. The Group impaired the depreciation charged to income statement against the products' sales.

In order to determine the loss in value of capitalised development costs, in addition to the assessment of the economic return from each development projects, the Group allocates them to the Net invested capital of the related CGUs and assesses their recoverability together with the related tangible assets, determining their value in use with the discounted cash flow method.

Note 2.1.1 – Business combinations

Ariston Group Water Heating Solutions Egypt

In paragraph '2. Significant event of the year', it is noted that in February 2024, the Ariston Group with its Egyptian subsidiary 'Ariston Group Water Heating Solutions Egypt' entered into an agreement to acquire fixed assets from the Egyptian entity 'Universal for Home and Electrical Appliances'.

The acquired fixed assets are situated in the 6th of October industrial park near Cairo, covering a total area of 40,000 square meters. The facility is operational and will manufacture a range of domestic water heating solutions designed to cater to the needs of various African and Middle Eastern markets.

Note 2.2 – Property, plant and equipment

As of June,30 2024, "Property, plant and equipment" amounted to € 610.4 million, down by a net € -9.0 million compared to 31 December 2023.
The depreciation expense for the period is recognised under the appropriate item in the income statement and amounted to € 45.1 million.

Details of and changes in property, plant and equipment are the following:

Property, plant and equipment *(in € million)*	Land and buildings	Plant and machinery	Other property, plant and equipment	Total
Cost net of accumulated impairment losses	431.6	485.0	497.8	1,414.4
Accumulated amortization	-177.9	-347.3	-269.7	-794.9
As at 31.12.2023	**253.7**	**137.7**	**228.1**	**619.4**
Increases	7.1	2.0	25.7	34.8
of which for right of use	*5.9*	*0.0*	*10.4*	*16.3*
Decreases	0.0	-0.1	-0.1	-0.2
Remeasurements and Impairment	0.0	0.0	-0.2	-0.2
Depreciation	-13.5	-11.5	-20.1	-45.1
of which for right of use	*-8.2*	*-0.2*	*-7.1*	*-15.5*
Exchange rate effect	-6.6	-2.3	-0.5	-9.4
Other	14.4	27.0	-30.4	11.0
Total changes	1.4	15.0	-25.6	-9.1
Cost net of accumulated impairment losses	437.8	505.2	476.3	1,419.3
Accumulated amortization	-182.7	-352.6	-273.6	-808.9
As at 30.06.2024	**255.1**	**152.7**	**202.6**	**610.4**

The net decrease was largely attributable to the negative impact of exchange rate. The capital expenditure for the period, totalling € 34.8 million, is more than offset by € 45.1 million depreciations.

In accordance with the standard IFRS 16, below are the carrying amounts of right-of-use assets and the relevant changes during the period:

Right of use assets *(in € million)*	Land and buildings	Plant and machinery	Other property, plant and equipment	Total
Cost net of accumulated impairment losses	98.8	2.4	55.1	156.2
Accumulated amortization	-42.6	-1.0	-25.5	-69.1
As at 31.12.2023	**56.3**	**1.4**	**29.5**	**87.2**
Increases	5.9	0.0	10.4	16.3
Depreciation	-8.2	-0.2	-7.1	-15.5
Exchange rate effect	-0.2	0.0	-0.3	-0.5
Other	-0.4	0.0	-0.1	-0.5
Total changes	-2.9	-0.2	2.9	-0.1
Cost net of accumulated impairment losses	98.9	2.2	59.3	160.4
Accumulated amortization	-45.5	-1.0	-26.9	-73.4
Exchange rate effect	**53.5**	**1.2**	**32.4**	**87.0**

The item "Other property, plant and equipment "amounted to € 202.6 million, down by € 25.6 million compared with 31 December 2023.

The breakdown is detailed below:

Other property, plant and equipment *(in € million)*	30.06.2024	31.12.2023
Assets under construction	75.5	106.6
Industrial and commercial equipment	75.4	70.1
Vehicles & transportation equipment	32.6	28.8
Furniture and office equipment	12.8	13.8
EDP machinery	3.1	3.3
Other	3.2	5.5
Total	202.6	228.1

Note 2.3 – Inventories

The following table outlines the composition of "Inventories" as of June,30 2024 and as of December,31 2023, net of the obsolete stock provision.

Inventories *(in € million)*	30.06.2024	31.12.2023
Raw materials	190.0	204.6
Work in progress and semi-finished goods	34.7	40.5
Finished goods and goods for resale	340.7	373.9
Total	565.5	619.0

Gross value of inventories, as of June,30 2024, amounted to € 636.8 million (€ 686.5 million as of December,31 2023), whereas the provision amounted to € 71.3 million (€ 67.5 million as of December,31 2023).

Inventories totalled € 565.5 million as of June,30 2024, down by € 53.5 million on 31 December 2023. This change is essentially attributable to several factors, as summarised below:

- Combined effect of organic decrease and perimeter variation of € -51.0 million due to the reduced cost of purchasing raw materials and the improvements made to the production planning process and the effect of Russia deconsolidation. The Group managed to adjust inventory levels in response to lower production volumes.
- Negative exchange rate effect of € 2.6 million.

Inventories are recognised at the lesser value between purchase and production cost, according to the weighted average cost method and their net realisable value which includes cost necessary to sell inventories and based on that the Group did not have a material impact.

The provision set up for obsolete or slow-moving stock is substantially in line with previous year.
The obsolescence risk is measured considering the stock rotation, calculated monthly as the ratio of inventories to consumption over the last twelve months for raw material (forty-eight months for spare parts with life cycle defined "inactive"), and the product life cycle. In the obsolescence risk, the Group has considered for materials and products in stock the technological obsolescence which can arise from climate changes. Based on the parameters mentioned above, impairment percentages are applied which increase in proportion to the estimated risk.

The change in the obsolete stock provision was as follows:

Obsolete stock provision *(in € million)*	Raw materials	Work in progress and semi-finished goods	Finished goods and goods for resale	Total
As at 31.12.2023	**16.6**	**2.9**	**48.1**	**67.5**
Increases	4.8	0.8	12.0	17.7
Decreases	-0.6	-0.1	-1.1	-1.8
Release	-2.7	-0.4	-8.1	-11.2
Exchange rate effect	0.0	-0.0	-0.3	-0.3
Other	0.9	-0.2	-1.3	-0.6
Total changes	2.5	0.1	1.2	3.8
As at 30.06.2024	**19.1**	**3.0**	**49.3**	**71.3**

The recognition of inventories according to the weighted average cost method does not show any significant differences compared with a valuation at current costs.

Note 2.4 – Trade receivables

Trade receivables amounted to € 334.8 million, net of a bad debt provision of € 31.0 million.
Compared with 31 December 2023, the net balance shows a € 26.5 million decrease in absolute values. This reduction is mainly due to a slowdown in sales volumes. However, the country mix effect played a role in partially mitigating the volume impact due to geographical diversification of sales.
The percentage of trade receivables on the turnover of the last 12 months was equal to 12.2% compared to 11.8% recorded as of December,31 2023.
The bad debt provision of € 31.0 million shows a net increase by € 9.8 million compared to 31 December 2023. The increase is mainly attributable to the deconsolidation of Russian company following the Presidential Decree No. 294 26 April 2024 signed by Russian President. For Trade Receivables, the Group applies a simplified approach using a provision matrix in the calculation of expected losses based on historical loss rates and then adjusting for forward-looking information. Based on this model, according to IFRS 9, the policy defines a percentage of statistical devaluation based on the division of trade receivables into clusters of ageing and country risk and then applying a forward-looking factor determined by the counterparty Probability of Default (PD) at 1 year obtained from external resources. Specific fund is provided for legal and specific devaluation by single clients' situation and their economic environment.

As of June,30 2024, the provision was deemed to be appropriate for the estimated losses from unsecured or in-litigation receivables.

Following are the changes in the bad debt provision:

Bad debt provision *(in € million)*	Short-term	Medium/long-term	Total
As at 31.12.2023	**17.1**	**4.1**	**21.2**
Increases	12.1	0.1	12.2
Decreases	-0.4	-0.2	-0.6
Release	-1.3	-0.1	-1.4
Other	-0.3	-0.1	-0.4
Total changes	10.1	-0.2	9.8
As at 30.06.2024	**27.1**	**3.9**	**31.0**

Please refer to paragraph 'Credit Risk' for further details on ageing and the related Bad Debt Provision.

Note 2.5 – Other current assets

"Other current assets" amounted to € 75.0 million versus € 87.4 million at 31 December 2023. The main items are:

Other current assets *(in € million)*	30.06.2024	31.12.2023
Indirect tax receivables	31.0	52.9
Prepaid expenses	20.9	12.3
Advances to suppliers	9.3	10.4
Supplier debit balances	4.8	4.6
Credits from government	1.8	0.9
Receivables from employees	1.6	0.9
Other receivables	5.6	5.4
Total	75.0	87.4

The decrease of "Other current assets" is mainly related to indirect tax receivables, partially offset by the increase of prepaid expenses. The reasons of increased items are mainly related to the business activity.

Note 2.6 – Cash and cash equivalents

"Cash and cash equivalents", amounting to € 248.5 million as at the end of June 2024, are almost entirely made up by bank and postal account deposits, as shown in the following table:

Cash and cash equivalents *(in € million)*	30.06.2024	31.12.2023
Bank and postal deposits	229.5	385.6
Short Term Investments	18.8	63.7
Cash on hand	0.2	1.9
Total	248.5	451.2

The item "Bank and postal deposits" is primarily made up by credit balances on current accounts and compared to 31 December 2023 it decreased by € 156.1 million mainly due to dividends payment, the early repayment of medium/long term debt and to the new acquisition in Egypt.
The "Short Term Investment" was down € 44.9 million, mainly due to partial closure of some deposits in EUR and USD.
The amount of "Cash on hand" with a predefined use is not significant.

The reconciliation among Cash & Cash Equivalent and Consolidated statement of cash flows is provided below:

Table of Reconciliation among Cash & Cash Equivalent and Consolidated statement of cash flows *(in € million)*	30.06.2024	30.06.2023
Cash and cash equivalents (as included in the Consolidated statement of financial position)	248.5	225.5
Short-term bank notes or similar tradable instruments and others	0.5	3.6
Bank overdrafts	-0.5	-7.6
Notes payable	-7.6	-15.1
Cash and cash equivalents (as included in the Consolidated statement of cash flows)	240.9	206.5

5.3 Statement of Financial Position – Liabilities and Equity

Note 3.1 – Equity

As of June,30 2024, the share capital of Ariston Holding N.V. was € 46.5 million, fully paid-up, comprising 125,505,005 ordinary shares, 22,095,194 non-listed ordinary shares, and 225,000,000 multiple voting shares. The capital structure as of June,30 2024 for all three classes of shares is reported below.

Shareholders	Ordinary shares(1)	Non-listed ordinary shares(2)	% of total ordinary shares and non-listed ordinary shares	Multiple voting shares(3)	Total number of shares	% of total shares
Merloni Holding S.p.A.	20,073,571		13.60%	198,000,000	218,073,571	58.53%
Amaranta S.r.l.	2,649,000		1.79%	27,000,000	29,649,000	7.96%
Treasury shares	1,553,709		1.05%		1,553,709	0.42%
Centrotec SE(5)	19,321,473	22,095,194	28.06%		41,416,667	11.12%
Other shareholders(4)	81,907,252		55.49%		81,907,252	21.98%
Total	125,505,005	22,095,194	100.00%	225,000,000	372,600,199	100.00%

1. *Ordinary shares are listed, freely transferable and each of them confers the right to cast one vote.*
2. *Non-listed ordinary shares are not listed, freely transferable (subject to the lock-up provisions, see (5) below) and each of them confers the right to cast one vote.*
3. *Multiple voting shares confer economic rights equal to the ordinary shares, are not listed and confer the right to cast twenty votes, subject to a voting threshold as provided by in article 26.1 of the article of association. If a holder of multiple voting shares intends to transfer to any third party (be it a shareholder or not) one or more multiple voting shares, the other holders of multiple voting shares shall have the right, in accordance with the procedure outlined in article 16 of the articles of association, to exercise a right of first refusal.*
4. *Including 517,053 ordinary shares held by Paolo Merloni.*
5. *Pursuant to the lock-up provisions included in the agreement for the sale and purchase of CENTROTEC Climate Systems GmbH entered into between CENTROTEC SE and Ariston Holding N.V. on 15 September 2022, CENTROTEC SE may not transfer more than 20,708,332 ordinary shares and non-listed ordinary shares until 2 January 2025.*

The total consolidated equity as of June,30 2024 amounted to € 1,423.3 million, up compared with € 1,502.5 million as of December,31 2023.

The overall change is the result of the algebraic sum of items of opposite signs, such as:

- the decrease in the Group net loss for the period, amounting to € 31.9 million.
- the decrease in the "Retained Earnings and other reserves" for the dividends paid in May 2024 for a total amount equal to € 63.1 million.
- the financial statements conversion reserve into the Group currency, used to recognise the differences in exchange rates deriving from the translation of the financial statements of foreign subsidiaries, not included in the Euro area, had a negative impact of € 10.8 million.
- the positive impact of € 7.1 million is due to the recycling of the CTA reserve, which is related to the deconsolidation of Ariston Thermo Russia;
- the increase of the "Reserve for gains/losses" in equity and the "Actuarial gains (losses)" for a total amount equal to € 13.0 million due to the net positive impact Mark-to-Market in cash flow hedge accounting and per the positive change due to the remeasurement of the pension provision.
- Ariston Group has, from 2021, equity incentive plans under which a combination of performance share units ("PSUs"), which each represent the right to receive one Ariston common share, have been awarded to the Executive Directors and Non-Executive Directors. The "Stock-based incentive plans reserve", during the year, decreases for € 4.2 million. The decrease includes the increase of the reserve for the expense of LTI plans for € 3.3 million and decrease for € 7.4 million following the assignment of shares for 2021 LTI plan. As of June,30 2024 the reserve was equal to € 4.8 million (€ 9.0 million as of December,31 2023) and it is related to long-term incentive plans of 2021-2024:
  - 2022: € 2.5 million
  - 2023: € 2.1 million
  - 2024: € 0.2 million

Dividends paid

The table below shows the dividends approved and paid during the year and in the previous years:

Dividends to shareholders of parent company *(in thousand €)*	2024	2023	2022
Dividends paid during the period	63,078	48,342	46,366

Note 3.2 – Non-current provisions

Current and non-current "Provisions for risks and charges" totalled € 127.8 million, down by € 14.8 million compared with the previous year.
The following table shows the composition of this item and the changes occurring during the year:

Non-current and current provisions *(in € millions)*	Agent supplementary indemnity provision	Product warranty provision	First installation provisions	Other Provision	Total
As at 31.12.2023	3.0	100.9	7.5	31.3	142.6
of which:					
- Current	0.0	46.7	2.6	19.6	68.9
- Not Current	3.0	54.2	4.9	11.7	73.8
Increases	0.2	18.2	1.2	0.8	20.4
Decreases	-0.4	-22.8	-2.0	-5.0	-30.2
Releases	0.0	-1.3	0.0	-1.0	-2.3
Other	0.0	-1.2	0.1	-1.5	-2.6
Total changes	-0.2	-7.1	-0.7	-6.7	-14.8
As at 30.06.2024	2.7	93.8	6.7	24.6	127.8
of which :					
- Current	0.0	42.2	1.7	0.0	58.3
- not Current	2.7	51.6	5.0	0.0	69.5

Details of and changes in "other provisions" are the following:

Other provisions *(in € millions)*	Legal Dispute Provision	Restructuring Provision	Other Provision	Total
As at 31.12.2023	7.9	0.2	23.3	31.3
of which:				
- Current	7.3	0.2	12.2	19.6
- Not Current	0.6	0.0	11.1	11.7
Increases	0.2	0.0	0.6	0.8
Decreases	-0.8	0.0	-4.1	-5.0
Releases	-0.2	0.0	-0.8	-1.0
Other	0.0	0.0	-1.5	-1.5
Total changes	-0.9	-0.1	-5.8	-6.7
As at 30.06.2024	7.0	0.1	17.5	24.6
of which :				
- Current	6.4	0.1	7.8	14.4
- not Current	0.6	0.0	9.7	10.2

"Current provisions for risks and charges" amounted to € 58.3 million versus € 68.9 million as of December,31 2023, whereas "Non-current provisions for risks and charges" amounted to € 69.5 million versus € 73.8 million in the previous year.

More specifically, the "Agent supplementary indemnity provision" recognises the accruals for covering indemnities that may be due to agents at their employment termination. The provision has not substantially changes compared with December 2023.

The "Product Warranty Provision," which represents the estimated costs for providing technical support for sold products under warranty, is adequate to mitigate the associated risk.
The method used to determine this provision is based on historical/statistical data concerning warranty work performed, costs incurred for such work and products sold on the market which are still under warranty at the evaluation date.
The provision had a net € 7.1 million decrease mainly due to the normal management activities of the warranty on manufactured and sold products.

The "First installation provision" represents the estimated expense that the Group must bear for interventions of this type on the products. This has not substantially changed compared with December 2023. The provision remains stable in absolute value, showing a decrease partially offset by the increase of the period and the perimeter variation.

The item "Other risk provision" includes estimated future charges for corporate restructuring, pending legal disputes and other risks that it was deemed necessary to cover with appropriate provisions which were estimated based on the available information.
The item "Other" includes the effect of exchange rates for the period and reclassifications.

Note 3.3 – Net financial indebtedness

The reconciliation with the Net Financial Indebtedness adjusted is set out below.

	Net Financial Indebtedness	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
	(€ million)			
A	Cash	248.5	451.2	225.5
B	Cash equivalents including the current financial assets	0.0	0.0	0.1
C	Other current financial assets	5.8	10.1	8.5
D	**Liquidity (A+B+C)**	**254.4**	**461.3**	**234.0**
E	Current financial liabilities	-43.3	-75.7	-63.6
F	Current portion of non-current financial liabilities	-25.8	-46.7	-33.7
G	**Current Financial Indebtedness (E+F)**	**-69.1**	**-122.5**	**-97.3**
H	**Net Current Financial Indebtedness (G-D)**	**185.3**	**338.9**	**136.8**
I	Non-current financial liabilities	-898.4	-942.1	-833.6
J	Non-current financing (Debt instruments)	-0.0	-0.0	-0.0
K	Non-current Trade and Other Payables	-7.9	-7.7	-6.5
L	**Non-Current Financial Indebtedness (I+J+K)**	**-906.2**	**-949.8**	**-840.1**
M	**Total Financial Indebtedness (H+L) (*)**	**-721.0**	**-610.9**	**-703.3**
N	Group Net Financial Indebtedness	**-687.5**	**-575.0**	**-658.2**
O	**Δ M-N**	**-33.4**	**-35.9**	**-45.2**

(*) ESMA 32-382-1138 guideline

In preparing the statement of Net Financial Indebtedness, which is a non-IFRS measure, the Group considered the provisions set out in Consob Communication DEM/6064293 of 28 July 2006 and ESMA Guidelines issued in May 2021, with the exception that it included non-current financial assets consisting of financial receivables and excluded outstanding debts associated with purchases of equity interest and positive Mark-to-Market on derivatives.

As of June,31 2024, the Group recorded a negative Net Financial Indebtedness adjusted of € 687.5 million compared with a negative balance of € 575.0 million as of December,31 2023.

A reconciliation of the changes in financial liabilities used in financing activities indicated in the cash flow statement and the balances shown on the financial statements is provided below:

	Non-current financing	Current financial liabilities	Current loans	Current financial assets	Total Net impact
31.12.2023	942.1	72.5	46.7	-35.1	1,026.2
Increase/decrease in short-term financial payables (1)	0	-22.1	-3.4	4.7	-20.7
New loans (1)	-0.3	0	0	0	-0.3
Loans repayment (1)	-75.9	0	0	0	-75.9
New lease contracts	16.3	0	0	0	16.3
Reclassification	17.0	0	-17.0	0	0.0
Exchange rate effects	-0.2	0.1	-0.2	0.3	0.0
Net variation positive MTM	0	0	0	-3.2	-3.2
Other movements	-0.6	-8.1	-0.3	2.6	-6.4
30.06.2024	898.4	42.5	25.8	-30.7	936.0

(1): Included in the Cash flow Statement

Note 3.4 – Other non-current liabilities

“Other non-current liabilities” amounted to € 22.4 million versus € 20.5 million of the previous year. These liabilities are represented primarily by debts to be extinguished beyond the year.

“Other non-current liabilities” largely reflected the fair value of the debt resulting from the measurement of the individual obligations associated with Put and Call options on non-controlling interests in the recently acquired entities, primarily the newly Put and Call option agreement signed in May 2024 for the acquisition of the remaining 49% of the shares of the subsidiary Chromagen Australia. The option as of June 2024 is equal to € 6.9 million.

“Other non-current liabilities” include non-current contract liabilities amounting to €13.0 million as of June 2024, an increase of €2.7 million compared to December 2023.

Note 3.5 – Trade payables

“Trade payables” as of June,30 2024 amounted to € 414.7 million showing a decrease of € 49.0 million, compared to 31 December 2023. They are not subject to interests and their carrying value is believed to be close to the fair value at the end of the reporting period.

Trade payables in terms of average number of days for payment, amounted to 91.7 days in June 2024 and 91.0 days in December 2023.

Note 3.6 – Current provisions

This item amounts to € 58.3 million and is described in the ‘Note 3.2 - Non-current provisions’ for risks and charges, to which reference should be made.

Note 3.7 – Current financial liabilities

As of June 30, 2024, "Current financial liabilities" amounted to € 42.5 million versus € 72.5 million reported on 31 December 2023.
Liabilities are the following:

Current financial liabilities *(in € million)*	30.06.2024	31.12.2023
Financial derivative liabilities	8.1	23.9
Short-term debt due to bank	11.3	18.1
Financial notes payable	7.6	13.5
Other current financial liabilities	15.5	17.0
Total	42.5	72.5

As of June 30, 2024, "Financial derivative liabilities" amounted to 8.1 million and included the negative fair value of outstanding derivatives and the fair value of derivatives closed but not yet paid.
The fair value of financial derivatives included hedges on foreign exchange rates for € 3.8 million (€ 9.7 million as of December,31 2023), on interest rates for € 3.6 million (€ 8.5 million as of December,31 2023), and on commodities for € 0.4 million (€0.9 million as of December,31 2023). The negative accruals to financial derivatives closed but not yet paid at the reporting date amounted to € 0.3 million.
The change in commodity, foreign exchange rates and interest rates hedges was offset by the change in the underlying hedged items. The fair value measurement of the derivative instruments has a direct contra-entry in the equity reserve related to the cash flow hedge for a total of € 9.9 million. For a more detailed explanation of hedging instruments, see section on the instruments for financial risk management.

Short-term debt due to banks showed a € 6.8 million decrease as result of a lower draw-down of short-term lines.
Short-term uncommitted credit lines amounted to approximately € 452 million and consisted almost entirely of current account credit lines and advances, total utilization for both financial and commercial purposes at the reporting date was € 77.5 million (€ 51.8 million as of December,31 2023).

"Financial notes payable" amounted to € 7.6 million (€13.5 million as of December,31 2023) and consisted of short-term debt for bank notes or similar tradable instruments, held by subsidiaries in China, and used in commercial transactions with customers and suppliers in order to settle supply agreements.

The item "Other current financial liabilities" amounted to € 15.5 million (€ 17.0 million as of December,31 2023) and mainly consisted of interest accrual on medium/long-term loans.

Note 3.8 – Other current liabilities

“Other current liabilities” amounted to € 217.5 million, down by € 70.6 million with respect to the € 288.2 million as of December,31 2023.

Other current liabilities *(in € million)*	30.06.2024	31.12.2023
Contract liabilities	62.8	67.2
Current payables due to personnel	59.1	73.9
Indirect tax payables	37.4	38.3
Current payables for social security contributions	19.3	22.3
Customers credit balance	16.0	60.1
Advances from customers	9.7	10.5
Deferred income	9.0	8.1
Short Term put/call debts	0.7	3.2
State Green Programmes - Other payables	0.3	0.1
Long Term employees incentive scheme (current)	0.2	0.2
Other current payables	3.0	4.2
Total	217.5	288.2

In accordance with IFRS 15, performance obligations to customers at contract level are presented as contract liabilities. Contract liabilities include:

- Rights of Return
- After-sales service, which include Service maintenance contracts and Service type warranties
- Loyalty program

The amount of current contract liabilities as of June,30 2024 is equal to € 62.8 million, down to € 4.4 million, variation related to the normal business course of the Group.

“Current payables due to personnel” included the amounts accrued by personnel and not yet disbursed. It decreases by € 14.8 million compared to December,31 2023.

The item “Indirect tax payables” includes the VAT payables to tax authorities. The € 0.9 million decrease is linked to the dynamic of operations.

“Current payables for social security contributions” included all relationships that the company is required to maintain with social security and insurance entities for its employees and workers with atypical contracts (parasubordinati). It was down by € 3.0 million compared to December,31 2023.

The item “Advances from customers” shows all advances received from customers for supplies not yet delivered. The balance shows a slightest decrease compared to December 2023.

The “Short term put/call debts” arises from purchase agreements that are to be settled in the near future. The item showed a decrease of € 2.5 million. The decrease is the payment executed by Ariston Group in January 2024 for the Reps and Warranties related to the Chromagen group acquisition.

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5.4 Other information

COMMITMENTS

Commitments

The commitments outstanding as of June,30 2024, equal to € 0.1 million, referred to the equivalent value of the payments (USD 0.1 million) of additional shares in an ''Investment company in risk capital (SICAR) provision'' specializing in interventions in sectors in which the Group operates, to be carried out when they will be called up by the fund managers for the established commitment.
As of June,30 2024, there were no other commitments to be mentioned except for the ones concerning the Put and Call options entered as part of the recent acquisitions and already accounted for as "Other liabilities".

Guarantees issued

Sureties issued in favour of third parties amounted to € 0.7 million.
Third-party assets in deposit accounts amounted to € 13.1 million.
No collateral guarantees are issued by the Group.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Below are the Group's financial instruments recognized by category and level of confidence of their fair value measurements at 30 June 2024:

30.06.2024 *(in million €)*	Note	Carrying value per type				
		Fin. instr. at fair value through P&L	Fin. instr. at fair value through OCI	Loans & receivables	Fin. liabilities at amortised cost	Total
Measured at :		Fair value	Fair value	Amortised cost	Amortised cost	
Financial assets						
Cash and cash equivalents	**2.6**	0.0	0.0	248.5	0.0	248.5
Trade receivables	**2.4**	0.0	0.0	334.8	0.0	334.8
Current financial assets		0.0	20.3	0.0	10.3	30.6
Financial assets		2.6	2.1	0.7	0.0	5.4
Total		2.6	22.4	584.1	10.3	619.4
Financial liabilities						
Trade payables	**3.5**	0.0	0.0	0.0	414.7	414.7
Current financial liabilities	**3.7**	0.0	7.8	0.0	34.7	42.5
Current loans	**3.3**	0.0	0.0	0.0	25.8	25.8
Non-current financing	**3.3**	0.0	0.0	0.0	898.4	898.4
Total		0.0	7.8	0.0	1,373.6	1,381.4
Financial instruments balance		2.6	14.6	584.1	-1,363.3	-762.0

The financial instruments of the Group, recognized in the financial statements with a similar breakdown at 31 December 2023, are shown in the table below:

31.12.2023 *(in million €)*	Note	Carrying value per type				
		Fin. instr. at fair value through P&L	Fin. instr. at fair value through OCI	Loans & receivables	Fin. liabilities at amortised cost	Total
Measured at :		Fair value	Fair value	Amortised cost	Amortised cost	
Financial assets						
Cash and cash equivalents	**2.6**	0.0	0.0	451.2	0.0	451.2
Trade receivables	**2.4**	0.0	0.0	361.3	0.0	361.3
Current financial assets		0.0	17.1	18.0	0.0	35.1
Financial assets		2.4	1.1	0.8	0.0	4.4
Total		2.4	18.2	831.3	0.0	852.0
Financial liabilities						
Trade payables	**3.5**	0.0	0.0	0.0	459.2	459.2
Current financial liabilities	**3.7**	0.0	19.1	0.0	53.4	72.5
Current loans	**3.3**	0.0	0.0	0.0	46.7	46.7
Non-current financing	**3.3**	0.0	0.0	0.0	942.1	942.1
Total		0.0	19.1	0.0	1,501.4	1,520.5
Financial instruments balance		2.4	-0.9	831.3	-1,501.4	-668.5

As the above table shows, at the reporting date, there were no differences between the carrying amounts of financial instruments and the corresponding fair value. Particularly, obligations are primarily stated at fair value among the non-current financial assets.

Current and non-current loans are at both fixed and floating rates and are recognised at their amortised cost.

As already described in 'Note 3.7 - Current financial liabilities' of these notes, current financial assets/liabilities include the fair value, at the end of reporting period, of derivative financial instruments used to hedge the purchase of

commodities (positive for € 1.1 million), exchange rates, (negative for € -1.4 million), and interest rates (positive for € 12.8 million).
For details on these transactions, see section “Hedging instruments”.
The Group is exposed to operations-related financial risks, including credit risk, liquidity risk and market risk, and constantly monitors them.
The following section provides qualitative and quantitative information about the impact of these risks on the Group.

Financial instruments at fair value through OCI include the fair value of derivatives mainly on interest rates, exchange rates and commodities for which the Group has applied ‘Cash flow hedging’ (IFRS 9 - Hedge Accounting).

CREDIT RISK

Credit risk is the Group's exposure to potential losses from failure by commercial counterparties to fulfil obligations they have entered into. Failure to collect or late collection of trade receivables could impact negatively on the Group's economic results and financial equilibrium.
The Group's policy for managing credit risk from commercial activities envisages the preliminary assessment of counterparties' creditworthiness, the management of credit limits and the adoption of risk mitigation instruments, such as the acquisition of bank guarantees, letters of credit and the external transfer of part of the insolvency risk through a global program of credit insurance.
The portion of secured receivables, as of June,30 2024, was 64.1% of the total exposure, increased versus the 63,7% at 31 December 2023.

To mitigate credit risk, the Group had also adopted a policy which defines the strategic guidelines and operating rules for an effective system to control each company's credit.
In addition, the policy defines the means for estimating expected losses, in accordance with the means set out hereafter and taking account of the mitigating factor represented by the aforementioned instruments for insured credit.

In accordance with IFRS 9 and the impairment requirement based on Expected Credit Losses ("ECL"), the Group applies, for trade receivables, the simplified approach using a provision matrix.
In particular, the Group applies a Policy based on the division of trade receivables into clusters on the basis of type (ordinary/legal), ageing (past-due ranges) and country rating and applying the relevant historical loss rates to the balance outstanding and then adjusting for forward-looking factors determined by the counterparty Probability of Default (PD) at one year obtained from external resources. The policy is applied to the Group perimeter.

As regards the write-off criteria, these are clearly based on the specific statutory and tax rules in force in the various countries where the Group companies are present.

Maximum risk exposure

The maximum exposure to risk, net of guarantees, as of June,30 2024 was € 120.4 million decreased versus the € 131,1 million as of December,31 2023.

The Group has not identified any concentration risk on customers and on its trade receivables as the Group has a very diversified customer risk portfolio without any significant increase in a risky customer share. The Group seeks to mitigate the credit risk by depositing its liquidity in leading bank and corporate counterparties selected according to their credit quality. All receivables on book have a credit risk rating minimum.
The table below summarises the types of instruments protecting against credit risk used by the Group:

Type *(in € million)*	30.06.2024	%	31.12.2023	%
Receivables under insurance policies	171.6	51.2%	211.5	58.5%
Other financial means of securing	42.8	12.8%	18.7	5.2%
Total secured receivables	214.4	64.0%	230.2	63.7%
Non-secured receivables	120.4	36.0%	131.1	36.3%
Total receivables	334.8	100.0%	361.3	100.0%

"Other" mainly includes receivables insured through letters of credit and bank guarantees and different methods of covering the default risk though a system introduced by the acquisition of Wolf-Brink called the Central Payment Regulator System.

Overdue financial assets

The instrument used for the classification and monitoring of credit is ageing, according to which the accounts receivables are divided by their expiry dates, starting from the most recent (1-30 days) to the oldest (beyond 120 days).
The amount of receivables past-due within 60 days is € 29.3 million (versus € 24.3 million at December 2023) whereas the amount of receivables past-due beyond 60 days is € 22.1 million (versus € 20.2 million at December 2023).
For the purposes of representing trade receivables for issued invoices by past-due ranges, the following table is provided:

Overdue ageing *(in € million)*	30.06.2024	%	31.12.2023	%
Overdue 0-30	23.2	6.9%	17.6	4.9%
Overdue 31-60	6.1	1.8%	6.7	1.9%
Overdue 61-120	3.9	1.2%	7.9	2.2%
Due after 120 and legal	18.1	5.4%	12.3	3.4%

The credit policy defines the depreciation grid for the statistical part, differentiating percentages by ageing and country risk class where the trade receivable amount is allocated.
The current (not overdue) receivables amounted to € 283.4 million. These amounts are allocated as well to their country risk class and subject to depreciation according to the assigned devaluation percentage. The related provision for bad debt amounted to € 13.2 million, of which € 6.3 million related to the exposure not yet due versus Russian company.
Companies with a credit insurance contract, as well as credits covered by other forms of guarantee, are not subject to impairment up to overdue below 180 days, while over 180 days the percentages remain the same.

As of June,30 2024 there is no significant financing component identified for trade receivables.

Method used to calculate the bad debt provision

The allocation for the provision is made based on both analytical and generic assessments, as set out below:

Specific write-off: the receivables in litigation or past-due for longer than one year or transferred to an external collection agency are subject to a specific impairment loss according to the progress of their recovery and the information provided by the attorneys.
Simplified IFRS 9 model: for receivables that are past-due within the year, assessments are applied based on historical loss rates in relation to the ageing of receivables and the risk grade of each individual country, adjusting them through a forward-looking component identified as Probability of Default of the single counterparty at one year. Here below are the percentages used for the simplified IFRS 9 (ECL).

Depreciation grid

Trade receivables ageing	Country risk A	Country risk B	Country risk C	Country risk D
Overdue > 360 days	54.3%	73.9%	66.6%	49.0%
Overdue 271- 360	39.6%	59.8%	36.5%	25.3%
Overdue 181- 270	24.6%	38.5%	18.5%	19.2%
Overdue 121-180	14.1%	22.9%	8.4%	11.8%
Overdue 91-120	9.4%	14.6%	3.4%	8.5%
Overdue 61-90	5.2%	8.3%	1.5%	4.4%
Overdue 31-60	2.0%	3.1%	0.6%	1.8%
Overdue 0-30	0.4%	0.5%	0.2%	0.4%
Current (not overdue)	0.1%	0.1%	0.1%	0.2%

The Group has established an internal model for defining country-risk classes. The model starts from OECD and Coface country rating, adjusting them according to Ariston companies past credit experience in performances, business relations and control of the market. This allows to classify all the countries where Ariston group operates in 4 risk categories from A (low risk) to D (high risk) which result in the application of different impairment measures according to the level of risk assigned.

Following is the summary of the specific and simplified ECLs assessments used to determine the bad debt provision:

Analysis of bad debt provision		30.06.2024	31.12.2023
Total receivables	Gross	365.8	382.5
	Provision	31.0	21.2
	Net	334.8	361.3
Receivables impaired on a specific basis	Gross	5.4	4.2
	Provision	4.9	4.1
	Net	0.5	0.1
Receivables impaired on a simplified ECLs	Gross	360.4	378.3
	Provision	26.1	17.1
	Net	334.3	361.2

LIQUIDITY RISK

As of June,30 2024, the Group's "Overall available liquidity", defined as the sum of cash and cash equivalents and the unused portion of committed credit lines (equal to € 895 million at June month-end) amounted to approximately € 1.144 million.

As of June,30 2024, the Group's overall bank credit lines, including the used and unused credit lines (both committed and uncommitted) totalled approximately €2.2 billion, of which approximately 42% was drawn.

Cash generated from operations and bank financing are the primary sources of liquidity.

The Group periodically assesses its financial needs, in order to act promptly and implement the necessary actions to find additional resources when needed. The Group seeks to maintain an adequate mix of resource in terms of maturities, financial instruments and available amounts.

The following table shows the contractual expiry dates for the financial liabilities other than derivatives as of June 30, 2024. These figures are based on the non-discounted cash flows, including financial charges, as at the next closest date when the Group may be asked for the payment.

Expiry dates 2024 *(in € million)*	< 1 month	2-6 months	6-12 months	1-5 years	> 5 years	Total
Trade payables	**127.9**	**286.3**	**0.1**	**0.5**		**414.7**
Financial payables						
- Current financial liabilities	0.8	30.9	10.9			**42.6**
- Current loans			25.8			**25.8**
- Non-current loans	9.7	5.9	14.8	552.2	442.8	**1,025.5**
Total financial payables	**10.5**	**36.8**	**51.5**	**552.2**	**442.8**	**1,093.8**
Expiry dates	**138.4**	**323.1**	**51.6**	**552.7**	**442.8**	**1,508.5**

The details for the expiry dates of financial and trade payables as at 31 December 2023 are shown in the table below:

Expiry dates 2023 *(in € million)*	< 1 month	2-6 months	6-12 months	1-5 years	> 5 years	Total
Trade payables	**146.2**	**313.4**	**3.6**	**0.5**		**463.7**
Financial payables						
- Current financial liabilities	6.0	50.5	16.6			**73.1**
- Current loans			46.6			**46.6**
- Non-current loans	10.0	6.7	15.1	592.9	475.6	**1,100.3**
Total financial payables	**16.0**	**57.2**	**78.3**	**592.9**	**475.6**	**1,220.0**
Expiry dates	**162.2**	**370.6**	**81.9**	**593.4**	**475.6**	**1,683.7**

MARKET RISK

The Group is exposed to several market risks and, in particular, to the possibility that fluctuation in exchange rates, interest rates and commodity prices may affect the value of assets, liabilities and the expected cash flows.

The risk management policies applied to interest rates, exchange rates and commodities, are centrally defined to minimise the above risks in a structured and proactive manner in the advancement of the Group's objectives.

The three types of market risk can be characterised as described here below.

Exchange rate risk

The international context where the Group operates exposes the Group to the risk that changes in exchange rates may affect its financial results.

The exposure to exchange rate risk determines:

a) impacts on the operating result due to the different valuation of income and expense in another currency compared to the time when the price conditions were agreed upon (economic risk);
b) impacts on the operating result due to the translation of trade or financial receivables/payables denominated in another currency (transaction risk);

c) impacts on the consolidated financial statements due to the translation of assets and liabilities held by companies that prepare their financial statements in a currency other than the euro (translation risk).

The most significant exposure in other currencies of the Group concerns the exchange rate of the euro against the US Dollar, Renminbi, Swiss Franc and several other currencies for lower amounts.

The economic risk is hedged through average rate forward financial instruments, i.e. hedging agreements against the volatility that characterises the currency markets, using as a reference the monthly average exchange rates, and that allow the Group to achieve the goals set forth in its risk management policy. In order to pursue these goals, the Group entered into derivatives hedging a set proportion of net exposure in currencies other than the Group's currency. At each reporting date, the exposure is presented in the financial statements using hedge accounting, which requires to recognise derivatives at their fair value in the statement of financial position. The Group considered it possible to use hedge accounting since the hedging relationship is effective in accordance with IFRS 9, which came into force as from 1 January 2018.

In order to minimise the exposure to the transaction risk, the Group uses derivative forward instruments which allow for a protection against revaluations/write-downs at the due date of the credit and debit positions of a financial and commercial nature.

The Group does not hedge the translation risk except for any distribution of intergroup dividends.

As at the reporting date, the notional amount of forward currency contracts (sale and purchase) entered into by the Group, can be summarised as follows:

(in million)	Notional amount in Currency	Notional amount in €
CHF	174.2	180,8
GBP	25.6	30.2
CNY	609.7	78.4
USD	64.8	60.5
MXN	151.0	7.7
AUD	8.8	5.5
TRY	59.8	1.7
ILS	24.6	6.1

At the same date, the fair value of the foreign exchange derivatives was overall negative, standing at € 1.4 million.

In relation to exchange rate risk, the Group undertook sensitivity analysis to determine any impact on the final profit before tax from potential fluctuations in exchange rates between the euro and the currencies to which the Group is exposed. The hypothesised scenario envisages a general variation in exchange rates of 2% and the following table shows the sensitivity, while keeping all the other variables fixed, in terms of the profit before tax and equity, gross of the tax effect. The biggest exposures are CHF and CNY, in the sensitivity analysis those exposure tend to offset each other are they are in opposite side.

(in million €)	Effect on profit before tax	Effect on equity
	30.06.2024	
Foreign currency revaluation	0.6	0.6
Foreign currency devaluation	-0.6	-0.6

Commodity price fluctuation risk

Profit and losses are affected by the performance of prices of raw materials, in particular non-ferrous metals such as copper, nickel and aluminium, as well as precious metals like silver, which represent one of the primary components of the majority of products traded by the Group.

For hedging purposes against the risk of fluctuating prices of copper, silver, aluminium, steel and nickel, the Group, through the parent company Ariston Holding N.V., provided for the necessary hedging measures in line with the procedures already adopted in the previous years aimed at reducing the impact of price volatility in purchases over coming years.

Thus, the Group partially hedged purchases also for the years 2024, 2025 and 2026.

In order to achieve the goals set out in the market risk management policy, the Group entered into derivatives, hedging a set proportion of raw material purchases. At each reporting date, the exposure is presented in the financial statements using hedge accounting, which requires recognising derivatives at their fair value in the statement of financial position

The Group considered it possible to use hedge accounting since the hedging relationship is effective in accordance with IFRS 9.

When these instruments no longer qualify for hedge accounting, they are recognised as trading instruments.

At the reporting date, the notional amount of forward commodity contracts entered into by the Group, can be summarised as follows:

Commodity	Financial instruments	Quantity/ton	Total price *(in million €)*
Copper	Forward	1,190	9.6
Nickel	Average Forward	36	0.7
Silver	Average Forward	2	1.4
Aluminium	Forward	570	1.4
Steel	Average Forward	2.100	1.8

At the same date, the fair value measurement of the derivatives on commodities showed a net positive amount of € 1.1 million.
Derivatives contracts entered into and closed during the year realised a positive result amounting to approximately € 0.2 million which impacted the purchase cost of commodities.

Interest rate risk

Interest rate risk refers to the possible impact on the income statement deriving from fluctuations in the interest rates applied to the Group's loans.
The amount of the Group's variable rate debt exposure, not hedged against interest rate risk, represents the main element of risk for the negative impact from an increase in market interest rates. The interest rate risk to which the Group is exposed originates primarily from bank financing.
The Group's policy for managing this risk seeks to strike a balance between fixed and variable rate debts, taking into account the maturity profile and short-term market outlook, including for the purpose of containing funding costs.
As at 30 June 2024 for hedging purposes, interest rate swap (IRS) transactions for a total notional amount of € 504.5 million.
At the same date, 65% of bank financing was fixed or hedged and 35% at a variable rate, consistently with the Group policy.

The sensitivity analysis of interest rate risk is conducted under the delta margin approach and is aimed at measuring how a given change in interest rates would affect financial expense associated with variable-rate debt over the next 12 months. The sensitivity of the interest spread, assuming a generalised +/- 50 basis point change in interest rates, amounted to + € 1.5 million and € -1.5 million, respectively, at the end of June 2024. There were no material impacts on the Group's net profit and equity.

HEDGING INSTRUMENTS

In summary, at 30 June 2024, the following financial hedging instruments are in place:

- against exchange rates - Swiss Franc, British Pound Sterling, US Dollar, Mexican Peso, Chinese Renminbi, Canadian Dollar and Israeli Shekel and Turkish lira with maturities up to 2 years;
- against commodities – copper, nickel, silver, aluminium and steel with maturities up to 3 years;
- against interest rates – medium/long term floating rate loans with maturities up to 7 years.

The hedging instruments applied to exchange rates were set up in order to reduce the economic and transactional risk of the Group, and they meet all the formal requirements set forth in the IAS/IFRSs and are therefore recognised in hedge accounting.

The following table shows the details of hedging instruments in use at 30 June 2024. The high volatility on IRS price curve in 2024 generated the biggest change in values compared to the previous year. The amounts are expressed in millions of euro.

Hedging instruments 30.06.2024 *(in € million)*	Nature of risk covered	Fair value 30.06.2024	Non-current financial assets	Current financial assets	Non-current financial liabilities	Current financial liabilities	Total
Interest Rate Swap	Interest rate	12.8		16.4		-3.6	12.8
Average Forward	FX	-2.8		0.2		-3.0	-2.8
Forward	FX	1.4		2.2		-0.8	1.4
Forward	Commodity	1.1		1.2		-0.1	1.1
Average Forward	Commodity	0.0		0.3		-0.3	0.0
Total		12.5		20.3		-7.8	12.5

The following table shows the details of hedging instruments in use at 31 December 2023. The amounts are expressed in million euro:

Hedging instruments 31.12.2023 *(in € million)*	**Nature of risk covered**	**Fair value 31.12.2023**	**Non-current financial assets**	**Current financial assets**	**Non-current financial liabilities**	**Current financial liabilities**	**Total**
Interest Rate Swap	Interest rate	8.0		16.5		-8.5	8.0
Average Forward	FX	-9.3		0.4		-9.7	-9.3
Forward	Commodity	-0.5		0,2		-0.7	-0.5
Average Forward	Commodity	-0.2		-		-0.2	-0.2
Hedging instruments		**-2.0**		**17.1**		**-19.1**	**-2.0**

RELATED PARTY DISCLOSURES

As of June,30 2024 Ariston Holding N.V., controlled by Merloni Holding S.p.A., and its Italian subsidiaries, have adopted the national tax consolidation scheme. As of June,30 2024, the income tax receivables and payables of the individual Italian companies were recorded from or to, respectively, Merloni Holding S.p.A. As of June,30 2024, the Company and its Italian subsidiaries had a net receivable position from Merloni Holding S.p.A. for € 2.3 million. All tax receivables and payables are non-interest-bearing.
All transactions with related parties were carried out in the Group's interest.

Based on the transactions carried out by Ariston Group during the half-year 2024, related parties are mainly represented by:

- companies directly and/or indirectly related to the majority shareholder of Ariston Holding N.V.;
- Directors and/or companies related to the same.

The following table shows the figures of the main transactions with related parties:

	30.06.2024				30.06.2023			
(in million €)	Receivables	Payables	Revenue	Costs	Receivables	Payables	Revenue	Costs
Merloni Holding S.p.A.	22.9	20.5	0.1	0.1	8.4	11.6	0.0	0.0
Ubbink NV/SA Belgium	0.0	0.0	0.8	0.6	0.0	0.0	0.0	0.0
Centrotherm Systemtechnik GmbH	0.0	0.2	0.0	2.4	0.0	3.8	0.0	0.0
Ubbink B.V.	0.0	0.1	0.1	1.3	0.6	1.1	2.2	0.0
CS Wismar GmbH	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0
Centrotec Immobilien GmbH	0.0	0.1	0.0	0.0	0.0	0.5	0.0	0.1
XCNT GmbH	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2
Novapower S.r.l.	0.0	0.2	0.0	0.2	0.0	0.2	0.0	0.2
Centroplast Engineering Plastics GmbH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Fondazione A. Merloni	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Centrotec Building Technology	0.1	1.0	0.0	0.1	0.1	0.0	0.1	0.0
Hardpark Fürth GmbH	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Nova Re S.r.l.	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1
Centrotec SE	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Total	23.1	22.2	1.1	5.1	9.2	18.8	2.5	1.0

As regards transactions with related parties, it should be noted that they are not to be qualified as atypical or unusual but should be included in the normal course of operations carried out by Group companies. These transactions are regulated by market conditions and based on the characteristics of the services provided.
The main transactions with related parties concern Merloni Holding S.p.A., consisting in the relationship for national tax consolidation.
In addition, members of the Ariston Board of Directors and executives with strategic responsibilities and their families are also considered related parties.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting date to be mentioned in this report.

6. Responsibility statement on the consolidated half-year financial statements at 30 June 2024

We have prepared the consolidated financial statements of Ariston Holding N.V. for the six months ended 30 June 2024, and the undertakings included in the consolidation taken as a whole, in accordance with EU-IFRS and additional Dutch disclosure requirements for half-year financial statements.

To the best of our knowledge:

1. The consolidated half-year financial statements give a true and fair view of the assets, liabilities and financial position as of June,30 2024, and of the result of our consolidated operations for the six months ended 30 June 2024.
2. The half-yearly management report for the six months ended 30 June 2024 give a fair view of the information required pursuant to section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

On behalf of the Board
Paolo Merloni
Maurizio Brusadelli

LIST OF COMPANIES AS OF JUNE,30 2024

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Direct controlling interest	Subsidiaries' controlling interest	Minority interest
1	Ariston Holding N.V.	Netherlands	EUR	46,476,002	TC				
2	Air Install B.V.	Netherlands	EUR	10,000	TC	Air Install Group B.V.		100.00	
3	Air Install Group B.V.	Netherlands	EUR	18,154	TC	Brink Climate Systems B.V.		100.00	
4	AR1 S.r.l.	Italy	EUR	200,000	TC	Ariston S.p.A.		100.00	
5	Ariston Benelux S.A./N.V.	Belgium	EUR	15,000,000	TC	Ariston Holding N.V.	100.00		
6	Ariston Climate Solutions D.o.o. Svilajnac	Serbia	RSD	11,740,000	TC	ATAG Heating B.V.		100.00	
7	Ariston Climate Solutions Mexico S.A. de C.V.	Mexico	MXN	2,027,800	TC	Elcotherm AG Atag Heating B.V.		99.99 0.01	
8	Ariston Climate Systems GmbH	Germany	EUR	25,000	TC	Ariston Holding N.V.	100.00		
9	Ariston Croatia d.o.o.	Croatia	EUR	110,000	TC	Ariston Holding N.V.	100.00		
10	Ariston CZ S.r.o.	Czech Republic	CZK	30,000,000	TC	Ariston Holding N.V.	100.00		
11	Ariston Deutschland GmbH	Germany	EUR	255,700	TC	Elco International GmbH		100.00	
12	Ariston Egypt LLC	Egypt	EGP	10,900,000	TC	Ariston Group Water Heating Solutions Egypt LLC Ariston Holding N.V.	 0.01	99.99	
13	Ariston France S.a.s.	France	EUR	54,682,110	TC	Ariston Holding N.V. Elco International GmbH	99.99	 0.01	
14	Ariston Group Greece P.C.	Greece	EUR	2,500,000	TC	ATAG Heating B.V.		100.00	
15	Ariston Group India Private Limited	India	INR	457,500,000	TC	Ariston Holding N.V. Ariston S.p.A.	99.99	 0.01	
16	Ariston Group Water Heating Solutions Egypt LLC	Egypt	EGP	100,000	TC	ATAG Heating B.V. Ariston Holding N.V.	 0.01	99.99	
17	Ariston Gulf Water Heating LLC	UAE	AED	400,000	TC	Ariston Holding N.V.	100.00		
18	Ariston Heating Solutions (China) Co. Ltd.	China	CNY	145,885,010	TC	Ariston Holding N.V.	100.00		
19	Ariston Heating Technology Nigeria Ltd.	Nigeria	NGN	100,000,000	TC	Ariston Holding N.V.	100.00		
20	Ariston Holding USA LLC	USA	USD	77,037,666	TC	Elcotherm AG		100.00	
21	Ariston Hungária Kft.	Hungary	HUF	131,000,000	TC	Ariston Holding N.V.	100.00		
22	Ariston Iberica S.L.	Spain	EUR	800,000	TC	Ariston Holding N.V.	100.00		
23	Ariston Industrial Vietnam Co. Ltd.	Vietnam	VND	41,600,000,000	TC	Ariston Holding N.V.	100.00		
24	Ariston Kazakhstan LLP	Kazakhstan	KZT	212,100	TC	Ariston Holding N.V.	100.00		
25	Ariston Maroc SA	Morocco	MAD	3,000,000	TC	Ariston Holding N.V.	100.00		
26	Ariston Polska Sp. zo.o.	Poland	PLN	12,000,000	TC	Ariston Holding N.V.	100.00		
27	Ariston Pte Ltd.	Singapore	SGD	100,000	TC	Ariston Holding N.V.	100.00		
28	Ariston S.p.A.	Italy	EUR	30,100,000	TC	Ariston Holding N.V.	100.00		
29	Ariston Sales Mexico S.A. de C.V.	Mexico	MXN	132,238,920	TC	Ariston Climate Solutions Mexico S.A. de C.V. ATAG Heating B.V. Calentadores de America S.A. de C.V.		0.07 0.01 99.92	
30	Ariston South Africa (Pty) Ltd.	South Africa	ZAR	100	TC	Ariston Holding N.V.	100.00		
31	Ariston Thermo Argentina S.r.l.	Argentina	ARS	16,805,269	TC	Ariston Holding N.V. Thermowatt S.p.A.	99.64	 0.36	
32	Ariston Thermo Romania S.r.l.	Romania	RON	29,041,740	TC	Ariston Holding N.V.	100.00		
33	Ariston Thermo Rus LLC (1)	Russia	RUB	1,403,787,727	TC	Ariston Holding N.V.	100.00		

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Direct controlling interest	Subsidiaries' controlling interest	Minority interest
34	Ariston Thermo Tunisie SA	Tunisia	EUR	500,000	TC	Elcotherm AG		66.70	
						Third parties			33.30
35	Ariston U.K. Ltd.	UK	GBP	7,500,000	TC	Ariston Holding N.V.	100.00		
36	Ariston Ukraine LLC	Ukraine	UAH	38,705,753	TC	Ariston Holding N.V.	100.00		
37	Ariston USA LLC	USA	USD	10,275,184	TC	Ariston Holding USA LLC		100.00	
38	Ariston Vietnam CO. Ltd.	Vietnam	VND	31,471,000,000	TC	Ariston Holding N.V.	100.00		
39	Atag Construction B.V.	Netherlands	EUR	1	TC	Atag Heating B.V.		100.00	
40	Atag Electronics B.V.	Netherlands	EUR	1	TC	Atag Heating B.V.		100.00	
41	Atag Engineering B.V.	Netherlands	EUR	1	TC	Atag Heating B.V.		100.00	
42	Atag Heating B.V.	Netherlands	EUR	10,000	TC	Ariston Holding N.V.	100.00		
43	Atag Heizungstechnik GmbH	Germany	EUR	512,000	TC	Atag Heating B.V.		100.00	
44	Atag Verwarming Belgie B.V.BA	Belgium	EUR	18,600	TC	Atag Heating B.V.		100.00	
45	ATM1 HR S.A. de C.V.	Mexico	MXN	50,000	TC	Atag Heating B.V.		99.99	
						Elcotherm AG		0.01	
46	Atmor Electronic Technology Company Ltd.	Hong Kong	HKD	10,000	TC	Chromagen Israel Ltd.		100.00	
47	BCE S.r.l.	Italy	EUR	10,400	BUR	Ecoflam Bruciatori S.p.A.		100.00	
48	Brink Climate Systems B.V.	Netherlands	EUR	20,004	TC	Ariston Climate Systems GmbH		100.00	
49	Brink Climate Systems Deutschland GmbH	Germany	EUR	450,000	TC	Brink Climate Systems B.V.		100.00	
50	Brink Climate Systems France S.a.s.	France	EUR	10,000	TC	Brink Climate Systems B.V.		100.00	
51	Calentadores de America S.A. de C.V.	Mexico	MXN	958,093,637	TC	Ariston Climate Solutions Mexico S.A. de C.V.		99.99	
						Atag Heating B.V.		0.01	
52	Chromagen Australia PTY Ltd.	Australia	AUD	10,358,995	TC	Elcotherm AG		51.00	
						Third parties			49.00
53	Chromagen Israel Ltd.	Israel	ILS	13,322	TC	Elcotherm AG		100.00	
54	ComfortExpert B.V.	Netherlands	EUR	10,000	TC	Air Install Group B.V.		100.00	
55	Cuenod S.a.s.	France	EUR	15,422,390	BUR	Ariston France sas		100.00	
56	Domotec AG	Switzerland	CHF	50,000	TC	Elcotherm AG		100.00	
57	Ecoflam Bruciatori S.p.A.	Italy	EUR	3,690,000	BUR	Ariston Holding N.V.	100.00		
58	Elco Austria GmbH	Austria	EUR	35,000	TC	Elcotherm AG		100.00	
59	Elco B.V.	Netherlands	EUR	2,046,004	TC	Elco Burners B.V.		100.00	
60	Elco Belgium S.A./N.V.	Belgium	EUR	2,650,000	TC	Ariston Benelux S.A./N.V.		99.99	
						Elco B.V.		0.01	
61	Elco Burners B.V.	Netherlands	EUR	22,734	BUR	Atag Heating B.V.		100.00	
62	Elco Burners GmbH	Germany	EUR	25,000	BUR	Elco International GmbH		100.00	
63	Elco GmbH	Germany	EUR	50,000	TC	Elco International GmbH		100.00	
64	Elco Heating Solutions Ltd.	UK	GPB	3,001,750	TC	Ariston U.K. Ltd.		100.00	
65	Elco International GmbH	Germany	EUR	8,691,962	TC	Ariston Holding N.V.	100.00		
66	Elco Italia S.p.A.	Italy	EUR	3,500,000	TC	Ariston S.p.A.		100.00	
67	Elcotherm AG	Switzerland	CHF	1,000,000	TC	Ariston Holding N.V.	100.00		
68	Gastech-Energi A/S	Denmark	DKK	7,554,935	TC	Ariston Holding N.V.	100.00		
69	Holmak export import D.o.o.e.l.	Macedonia	MKD	816,651	TC	Holmak HeatX B.V.		100.00	
70	Holmak HeatX B.V.	Netherlands	EUR	38,500	TC	Brink Climate Systems B.V.		100.00	
71	Ingrado S.r.l.	Italy	EUR	10,000	TC	Ariston Holding N.V.	100.00		

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Direct controlling interest	Subsidiaries' controlling interest	Minority interest
72	Innosource B.V.	Netherlands	EUR	18,000	TC	Holmak HeatX B.V.		100.00	
73	Instachauf S.a.s.	France	EUR	200,000	TC	Ariston Holding N.V.	100.00		
74	MTG Service Single Member P.C.	Greece	EUR	10,000	TC	Ariston Group Greece P.C.		100.00	
75	Ned Air B.V.	Netherlands	EUR	54,000	TC	Ariston Climate System GmbH		100.00	
76	NTI Boilers Inc.	Canada	CAD	43,000,000	TC	Ariston Holding N.V.	100.00		
77	NTI USA Inc.	USA	USD	100	TC	NTI Boilers Inc.		100.00	
78	Pro-Klima D.o.o.	Croatia	EUR	1,208,786	TC	Wolf GmbH		100.00	
79	PT Ariston Group Indonesia Ltd.	Indonesia	IDR	16,260,750,000	TC	Ariston Holding N.V.	99.93		
						Ariston Pte Ltd.		0.07	
80	Racold Thermo Private Ltd.	India	INR	262,134,750	TC	Ariston Holding N.V.	99.99		
						Ariston S.p.A.		0.01	
81	S.H.E. d.o.o. Svilajnac	Serbia	RSD	35,432,220	COM	Thermowatt S.p.A.		100.00	
82	SPM Innovation S.a.s.	France	EUR	750,020	BUR	Ariston Holding N.V.	100.00		
83	Tasfiye Halinde Ariston Thermo Isıtma ve Soğutma Sistemleri İthalat ve İhracat ve Dağıtım Ltd.Şti.	Turkey	TRY	66,157,500	TC	Ariston Holding N.V.	100.00		
84	Thermowatt (Wuxi) Electric Co. Ltd.	China	CNY	82,769,200	COM	Ariston Heating Solutions (China) Co. Ltd.		70.00	
						Ariston Holding N.V.	30.00		
85	Thermowatt Professional S.r.l.	Italy	EUR	100,000	COM	Thermowatt S.p.A.		100.00	
86	Thermowatt S.p.A.	Italy	EUR	7,700,000	COM	Ariston Holding N.V.	100.00		
87	WOLF Energiesparsysteme O.O.O.	Russia	RUB	113,200,000	TC	Wolf GmbH		99.00	
						Wolf Power Systems		1.00	
88	Wolf Energiesystemen B.V.	Netherlands	EUR	150,000	TC	Wolf GmbH		100.00	
89	Wolf France S.a.s.	France	EUR	1,040,000	TC	Wolf GmbH		100.00	
90	Wolf GmbH	Germany	EUR	20,000,000	TC	Ariston Climate Systems GmbH		100.00	
91	Wolf HVAC HK Ltd.	Hong Kong	HKD	10,000	TC	Wolf GmbH		100.00	
92	Wolf HVAC Systems (Shanghai) Co. Ltd.	China	CNY	14,512,361	TC	Wolf GmbH		100.00	
93	Wolf Iberica Climatization Y Calefacion SA	Spain	EUR	1,181,315.74	TC	Wolf GmbH		100.00	
94	Wolf Italia S.r.l.	Italy	EUR	100,000	TC	Wolf GmbH		100.00	
95	Wolf Power Systems GmbH	Germany	EUR	500,000	TC	Wolf Power Systems Holding		89.00	
						Wolf GmbH		11.00	
96	Wolf Power Systems Holding GmbH	Germany	EUR	83,333	TC	Elco International GmbH		100.00	
97	Wolf Technika Grzewcza Sp.zo.o.	Poland	PLN	3,189,000	TC	Wolf GmbH		100.00	

The participation shares in this table are the ones relevant for determining the Consolidated financial statements. The companies acquired with the put/call contracts to be exercised on the remaining shares of the share capital were fully consolidated, together with the acquisition agreement based on the provisions set forth in IFRS3 (see the specific treatment of the individual put/call options in the notes).

All companies summarized in the table above are consolidated with the line by line method.

(1) Ariston Thermo Rus LLC was consolidated until April 2024. Starting from May, after the loss of control of the entity, Ariston Group no longer considers the Russian entity within its perimeter.

(*) Refers to the main Division.

LIST OF COMPANIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Direct controlling interest	Subsidiaries' controlling interest	Minority interest
1	Joint venture "Ariston Thermo - UTG LLC" (**)	Uzbekistan	EUR	1,000,000	TC	Ariston Holding N.V.	51.00		49.00
2	Haas Heating B.V.	Netherlands	EUR	100	TC	Atag Heating B.V.	24.50		75.50
3	Thermal Earth Ltd	UK	GBP	81	TC	Ariston U.K. Ltd.	30.00		70.00

(**) The company was not included in the scope of consolidation because of its limited area of operation and little significance.

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