

PRESS RELEASE

ELICA S.p.A. BoD APPROVES Q1 2020 RESULTS

EBITDA +7.1% AND MARGIN UP TO 9.9% THANKS TO OPERATING EFFICIENCIES, THE PRICE MIX AND CONTAINMENT OF PERSONNEL EXPENSES AND SG&A COSTS

OWN BRAND SALES GROWTH CONFIRMED IN THE FIRST TWO MONTHS OF 2020, +9.8%

**DUE TO COVID-19 AND THE LOCKDOWN IN MARCH,
Q1 2020 REVENUES OF EURO 110.8 MILLION (-5%)
+2% TO FEBRUARY 2020**

**POSITIVE IMPACT FROM CASH GENERATION AND WORKING CAPITAL
ON NET FINANCIAL POSITION**

Consolidated Highlights – Q1 2020:

- **Revenue:** Euro 110.8 million, -5.0% on the same period of the previous year (-5.7% net of the currency effect); the negative impact from the volume reduction was partially offset by positive price/mix for +1.4%. Q1 2020 results impacted by the significant slowdown in March due to the COVID-19 emergency, which saw a gradual lockdown across the EMEA region and the world, in addition to the total or partial closure of production plants. Growth of 2% in the first two months of 2020 compared to the same period of 2019.
- **Cooking segment** overall declined 6.7% (-1.8% for own brand sales and -11.5% for OEM) due to this backdrop. Own brand sales continued to grow in the months of January and February (+9.8%), while OEM revenue was impacted by the slowdown or blockage of orders due to COVID-19 already from the end of February. The Motor segment, which maintained production operative, reported growth of 6.3% and featured a very strong performance in the months of January and February and a slowing in March.
- The EMEA market, the United States and Asia, particularly China, were significantly impacted by the progressive lockdowns and the slowdown or blockage of the supply chain, particularly in EMEA.
- **EBITDA:** Euro 10.9 million, up 7.1% on Euro 10.2 million in Q1 2019; the margin on revenue rose to 9.9% from 8.8% of the same period of the previous year. The negative impact on volumes was more than offset by the positive Price/Mix and operating efficiencies, particularly on personnel expense and SG&A costs, thanks to the company's quick reaction to effectively handle the COVID-19 emergency, despite the significant reduction in production volumes from the end of March;
- **EBIT:** Euro 4.3 million, substantially stable compared to Q1 2019 (+0.7%), with a margin on revenue of 3.9% (3.7% in Q1 2019);

- Net Profit of Euro 2 million, substantially in line with Euro 2.1 million in Q1 2019. Net Profit attributable to owners of the Parent of Euro 0.9 million, compared to Euro 1.3 million in Q1 2019, mainly due to Minorities of Euro 1.1 million, increasing compared to Euro 0.8 million of the same period of the previous year, reflecting mainly the strong Japanese and Indian markets performances, in which the COVID-19 related crisis emerged later.
- Net Financial Position¹: Euro -55.3 million (excluding IFRS 16 effect for Euro -10.7 million), compared to Euro -47.2 million at December 31, 2019 (Euro -67.4 million at March 31, 2019).
- COVID-19 update:
 - In order to effectively handle the COVID-19 emergency, the Elica Group immediately put in place all available worker protection measures and set up a Crisis Committee to monitor the developing situation. This Committee meets periodically and coordinates daily with the Leadership Team.
 - The company from the first week of March 2020 began to introduce smart working for all employees globally.
 - Since April 23, 2020, the company has begun to reopen in a reduced and gradual manner the factories in the Marche region - at Mergo and Cerreto - which were closed from March 24, 2020 following the imposition of restrictions by the government through the Prime Minister Decree of March 22, 2020. The Castelfidardo facility (Motors division), as covered by a permitted Ateco code, was however authorised to continue its operations and therefore was not subject to closure. The Polish facility has been operative since April 19, with the Indian and Mexican facilities currently still under lockdown.
- 2019-2025 Phantom Stock & Voluntary Co-investment Plan, identification of Beneficiaries and targets for the 2020-2022 plan cycle.

Fabriano, May 7, 2020 – The Board of Directors of **Elica S.p.A.**, the parent of a Group that is the leading manufacturer of kitchen range hoods, met today in Milan and approved the Q1 2020 consolidated results, prepared in accordance with IFRS.

*“The Group’s results for the initial two months of the year, up 2%, confirmed the strength of our strategy - particularly in terms of own brand sales - with the quarterly results demonstrating the solid operating performance - despite the considerable impact from the contingent situation in March - and confirming the business model as highly flexible and reactive to shifts in market demand - **stated Mauro Sacchetto, Chief Executive Officer of Elica.** - The COVID-19 related emergency has radically changed the general economic environment for the current year and our Group expects particularly to see the most significant impacts in Q2 2020. We immediately set up a Crisis Committee and are working around three key principles: safety - particularly of our employees - and a keen awareness of the changing needs of our customers, a constant focus on cost containment to support the operating margin and the cutting of capex, while improving liquidity to protect the Group’s financial stability. We hope that - united and through concrete*

¹ The value indicated is net of the IFRS 16 effect, as outlined in the reconciliation tables

actions - we can get out from this emergency as quick as possible so that we can resume building domestically and internationally”.

Elica Group Operating Performance

Elica for Q1 2020, due to the significant drop in sales volumes in March due to the COVID-19 emergency and the consequent lockdown, reports **Consolidated revenues of Euro 110.8 million**, -5.0% on the same period of 2019 (-5.7% at like-for-like exchange rates). Sales were up 2% to February 2020.

Market dynamics have progressively been impacted by the COVID-19 emergency, with global kitchen hood segment demand estimated to contract 14.4%² in Q1 2020. Specifically, a contraction of 1.5% was reported in North America, with a slight recovery in Latin America (+1.6%). The Asian markets significantly declined (-28.3%), particularly China, in addition to the EMEA market (-5%) due to the lockdown and the impacts from the ongoing pandemic.

Own brand sales grew across all the main product categories thanks to the extension and renewal of the range, up 9.8% in the initial two months of the year compared to the same period of 2019 (-1.8% in Q1 2020, -2.6% at like-for-like exchange rates, caused by the blockage in March). The NicolaTesla product accounted for 7.3% of total revenue in Q1 2020 (5.9% in Q1 2019).

The overall percentage of own brand sales out of the total Cooking segment revenue rose to 52% in Q1 2020 (49.5% in Q1 2020).

OEM revenues contracted 11.5% on the same period of the previous year (-11.2% at like-for-like exchange rates), declining across all markets due to the blockage of orders as a result of COVID-19 and the significant slowdown in the supply chain due to the lockdown, particularly in EMEA.

The **Motors** segment, which represents 14% of total revenue, reported an increase in the first quarter of the year of 6.3% (+6.4% at like-for-like exchange rates), despite the slowdown in March, thanks also to production remaining operative.

EBITDA of Euro 10.9 million was up 7.1% on the same period of 2019 (Euro 10.2 million), with a margin of 9.9%, up on 8.8% in Q1 2019. The growth in EBITDA was mainly due to the positive price/mix effect which, together with operating efficiencies on personnel expense and SG&A costs, more than offset the drop in volumes - particularly in March - due to the COVID-19 effect on business. Elica in fact promptly set up work and discussion Groups to inform, decide, manage and monitor the measures needed to tackle the consequences of the pandemic.

EBIT was Euro 4.3 million, substantially in line with Q1 2019 (+0.7%), mainly due to higher amortisation and depreciation stemming from the major investment plan supporting the development of the new product range launched in 2017 and 2018 and the volumes effect.

² Source: Elica Group, internal estimates

Net financial expense was Euro 0.6 million, reducing on Euro 0.9 million in Q1 2019.

Net Profit of Euro 2 million was substantially in line with Euro 2.1 million in Q1 2019. Minorities of Euro 1.1 million, increasing from Euro 0.8 million of the same period of the previous year, reflect mainly the strong Japanese and Indian market performances, in which the COVID-19 related crisis emerged later.

The Net Profit attributable to the owners of the Parent amounted to Euro 0.9 million (compared to Euro 1.3 million in the same period of 2019).

<i>In Euro thousands</i>	Q1 20	% revenue	Q1 19	% revenue	20 Vs 19%
Revenue	110,764		116,612		(5.0%)
EBITDA	10,945	9.9%	10,217	8.8%	7.1%
EBIT	4,293	3.9%	4,263	3.7%	0.7%
Net financial expenses	(607)	(0.6%)	(851)	(0.7%)	28.7%
Income taxes	(1,661)	(1.5%)	(1,322)	(1.1%)	(25.6%)
Profit from continuing operations	2,025	1.8%	2,090	1.8%	(3.1%)
Profit for the period	2,025	1.8%	2,090	1.8%	(3.1%)
Profit attributable to the owners of the Parent	893	0.8%	1,317	1.1%	(32.2%)
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	1.41		2.12		(33.5%)
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	1.41		2.12		(33.5%)

Elica Group Equity and Financial Performance

The Net Financial Position at March 31, 2020, net of the IFRS 16 effect of Euro 10.7 million, was Euro -55.3 million, compared to Euro -67.4 million at March 31, 2019 (Euro 47.2 million at December 31, 2019). The improvement mainly relates to the increase in the generation of operating cash of Euro 4 million compared to the same period of the previous year, thanks mainly to EBITDA growth and reduced inventory.

<i>In Euro thousands</i>	Mar 31, 20	Dec 31, 19	Mar 31, 19
Cash and cash equivalents	45,367	35,613	26,229
Bank loans and borrowings (current)	(45,553)	(27,317)	(43,107)
Bank loans and borrowings (non-current)	(55,110)	(55,451)	(50,492)
Net Financial Position	(55,296)	(47,155)	(67,370)
Lease payables IFRS 16 (current)	(3,276)	(3,525)	(2,706)
Lease payables IFRS 16 (non-current)	(7,409)	(8,233)	(8,185)
Net Financial Position - Including IFRS 16 impact	(65,981)	(58,913)	(78,261)
Assets for derivatives	1,069	498	596
Liabilities for derivatives (current)	(2,921)	(386)	(681)
Liabilities for derivatives (non-current)	(152)	(198)	(161)
Net Financial Position - Including IFRS 16 impact and Derivatives effect	(67,985)	(58,999)	(78,506)

The **Managerial Working Capital** on annualised revenue was 5.9% in Q1 2020, reducing compared to 7% in Q1 2019, thanks particularly to reduced inventories.

<i>In Euro thousands</i>	Mar 31, 20	Dec 31, 19	Mar 31, 19
Trade receivables	62,079	55,022	60,919
Inventories	72,319	72,890	80,454
Trade payables	(108,084)	(110,100)	(108,937)
Managerial Working Capital	26,314	17,812	32,436
% annualised revenue	5.9%	3.7%	7.0%
Other net receivables/payables	(11,928)	(9,671)	(12,659)
% annualised revenue	-2.7%	-2.0%	-2.7%
Net Working Capital	14,386	8,141	19,777
% annualised revenue	3.2%	1.7%	4.2%

Significant events in the period and subsequent events

- **On January 29, 2020**, in accordance with Article 2.6.2, paragraph 1, letter b) of the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A., Elica S.p.A. published the Financial Calendar for the year 2020.
- **On February 12, 2020**, Elica S.p.A. took note of the resignation of Mr. Davide Croff from the position of independent director tendered on February 11, 2020 with immediate effect, due to “personal reasons that made it impossible to continue to carry out the activities associated with the office of director with the necessary diligence.” Mr. Davide Croff, as far as the company is aware, did not hold Elica shares at the date of the relationship’s conclusion.
- **On February 13, 2020**, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2019, prepared according to IFRS and the 2019 preliminary consolidated results.
- **On March 12, 2020**, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2019 and the statutory financial statements at December 31, 2019, prepared in accordance with IFRS, in addition to the Directors’ Report.
- **On April 28, 2020**, the Shareholders’ Meeting of Elica S.p.A. met in ordinary session and **approved** the following matters on the agenda:
- **Separate financial statements at December 31, 2019 of Elica S.p.A.**, the Directors’ Report, the Board of Statutory Auditors’ Report, the Non-Financial Report and the Independent Auditors’ Report. The Shareholders’ Meeting also noted the consolidated results for 2019.
- **Number of directors established at seven and remuneration approved**; the Shareholders’ AGM approved the proposal of the Board of Directors to reduce from eight to seven the number of Board members, consequently reducing the overall gross remuneration accruing and confirming the insurance coverage, as approved by the Shareholders’ AGM of April 27, 2018 for the entire duration of mandate.
- **Two directors proposed by the Board of Directors appointed**, Mauro Sacchetto and Giovanni

Tamburi who will remain in office until the Shareholders' AGM called for the approval of the 2020 Annual Accounts. According to the company, the appointed directors do not hold Elica S.p.A. shares. The curricula vitae of the two appointed directors are available on the website <https://elica.com/corporation> (Corporate Governance - Other Documents section).

- **Amendment to the 2019-2025 long-term incentive plan called the Phantom Stock & Voluntary Co-investment Plan**, as per the conditions indicated in the updated Disclosure Document. The Illustrative Report of the Directors to the Shareholders' AGM on the proposal to amend the long-term incentive plan called the 2019-2025 Phantom Stock & Voluntary Co-investment Plan and the updated Disclosure Document, drawn up as per Annex 3A, Schedule 7 of the Issuers' Regulation, were published on March 27, 2020 and are available to the public at the registered office, in addition to the 1Info authorised storage mechanism at www.1info.it and on the website <http://corporation.elica.com> (Investor Relations - Shareholders' Meeting Section). In accordance with Article 123-ter, paragraphs 3 bis and 6 of Legislative Decree 58/1998, the Elica S.p.A. Shareholders' AGM, noting its content, approved the remuneration policy and report and voted in favour of its second section. The report was filed on March 27, 2020 and is available to the public on the company website <https://elica.com/corporation> (Investor Relations / Shareholders' Meeting section), in addition to the 1Info authorised storage mechanism at www.1info.it. The results of the vote will be made available to the public in accordance with Article 125-quater, paragraph 2 of the same Decree.
- **On April 28, 2020**, the Board of Directors of Elica S.p.A. confirmed the appointment of Mauro Sacchetto as Chief Executive Officer of the company. The assessments of the Directors Mauro Sacchetto and Giovanni Tamburi as non-independent, appointed by the Shareholders' AGM, were unchanged.

Managing the COVID-19 emergency

In order to effectively handle the COVID-19 emergency, the Elica Group immediately put in place all available worker protection measures and set up a Crisis Committee to monitor the developing situation. This Committee meets periodically and coordinates daily with the Leadership Team.

Managing the crisis centres on three key pillars:

1. Protection of individuals and the community through:

- The adoption of the available health protection measures (health protocol)
- Remote working from the first week of March
- The extension of COVID-19 health insurance to all employees
- Communication through internal and external channels
- Radio Elica

2. Achieving business objectives and serving customers through:

- Introduction of technical-organisational support for the protection of health
- The reorganisation of operations and the operational management of emergencies (adapting to customer needs and the regulatory framework)

- The introduction of significant actions to support margins and improve liquidity
- Continued 100% focus on new key products and strategic initiatives

3. Strong governance and ESG commitment through:

- Analysis of the technical-organisational measures adopted against that set out by the applicable regulation
- The analysis of possible significant impacts as per Legislative Decree 231/01
- Real-time monitoring of potential IT security threats

Outlook

- The Company is assessing the impact of COVID-19 on business and the potential recovery of the market demand curve, which are currently difficult to predict;
- Focus on cost containment measures and financial sustainability, assessing also the possibilities for a turn-around plan;
- Solid fundamentals to capitalise on the demand recovery in the second part of the year.

Statement pursuant to Article 154-bis, paragraph two, of the Consolidated Finance Act

The Executive Officer for Financial Reporting Mr. Giulio Cocci declares, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

Furthermore, in line with Borsa Italiana Notice No. 8342 of May 6, 2013 and Article 6.P.2 of the Self-Governance Code, in addition to the motion passed by the Shareholders' AGM of April 28, 2020 relating to the 2019-2025 Phantom Stock & Voluntary Coinvestment Plan, the Board of Directors of Elica S.p.A. today identified the Beneficiaries for the 2020-2022 plan cycle, in addition to the relative performance objectives.

The Disclosure Document is available on the website <http://corporation.elica.com>, Investor Relations/Shareholders' Meeting section, to which reference should be made for a detailed description of the Plan, in addition to the 1info authorised storage mechanism.

The information concerning the addressees and the number of rights respectively assigned are reported in the attached table, drawn up as per Framework 1, Scheme No. 7 of Annex 3A of the Issuers' Regulation.

Name Surname or Category	Office	Box 1 - Scheme 7 - Annex 3A - Issuers Regulation						
		Financial Instruments other than stock options						
		Section 2						
		New assignment instruments on the basis of the decision of the competent body for the implementation of the Shareholders' Meeting resolution BoD-RC - May 7th 2020						
		Date of the Shareholders' Meeting*	Type of financial instrument	Number of financial instruments assigned	Assignment Date	Instrument purchase price (if applicable)	Market Price at the date of the assignment	Vesting Period
Casoli Francesco	President	18/04/2019	Phantom Stock	243.489	07/05/2020	Without consideration	2.861 €	3 years
Other Employees or Partners of the Group - cluster 2		18/04/2019	Phantom Stock	218.369	07/05/2020	Without consideration	2.861 €	3 years
Other Employees or Partners of the Group - cluster 3		18/04/2019	Phantom Stock	115.297	07/05/2020	Without consideration	2.861 €	3 years

* Modification of long term incentive plan named "Piano di Phantom Stock & Co-investimento Volontario 2019-2025" in the terms and conditions stated in the Information Document published on 27th of March 2020 on the website <http://corporation.elica.com>.

The Elica Group has been active in the kitchen hood and stoves market since the 1970's. Chaired by Francesco Casoli and led by Mauro Sacchetto, today it is the world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers. With approx. 3,700 employees, the Elica Group has seven plants, including in Italy, Poland, Mexico, India and China. With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of materials and cutting-edge technology guaranteeing maximum efficiency and reducing consumption, making Elica the prominent market figure it is today. The company has revolutionized the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves quality of life.

For further information:

Investor Relations Elica S.p.A.:

Giulio Cocci - Group Chief Financial Officer
 Francesca Cocco – Lerxi Consulting – Investor Relations
 Tel: +39 (0)732 610 4205
 E-mail: investor-relations@elica.com

Press Office Elica S.p.A.:

Gabriele Patassi - Press Office Manager
 Mob: +39 340 1759399
 E-mail: g.patassi@elica.com

Image Building:

Tel: +39 02 89011300
 E-mail: elica@imagebuilding.it

Definitions

EBITDA is the operating profit (EBIT) plus amortisation and depreciation and any impairment losses on goodwill and brands. EBIT is the operating profit as reported in the consolidated income statement.

Adjusted EBITDA is EBITDA net of the relative adjustment items.

Adjusted EBIT is EBIT net of the relative adjustment items.

Net financial income/(expense) is the sum of the Share of profit/(loss) from associates, Financial Income, Financial Expense, Impairment of financial assets and Exchange rate gains and losses.

The adjusted profit is the result for the period, as published in the Consolidated Income Statement, net of the relative adjustment items.

The adjusted profit attributable to the Group is the result for the period attributable to the Group, as published in the Consolidated Income Statement, net of the relative adjustment items.

Adjustment items: earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations, as is the case for impairments, disputes considered atypical in terms of frequency and amount and restructuring charges.

The Earnings per Share for Q1 2019 and Q1 2020 was calculated by dividing the Profit/(loss) attributable to the owners of the Parent, as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The numbers of shares in circulation at the reporting date was 63,322,800, while at March 31, 2019 was 62,047,302.

Managerial Working Capital is the sum of Trade receivables with Inventories, net of Trade payables, as presented in the Consolidated Statement of Financial Position.

Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables. Other net receivables/payables comprise the current portion of Other receivables and Tax Receivables, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

Net Financial Position (NFP) is the sum of Cash and Cash equivalents and Other financial assets less Current bank loans and borrowings and amounts due under finance leases and to other lenders, as reported in the Statement of Financial Position and Non-current bank loans and borrowings and amounts due under finance leases and to other lenders, as reported in the Statement of Financial Position. Amounts due under finance leases were zero.

The Net Financial Position - Including IFRS 16 Impact is the sum of the Net Financial Position and current and non-current lease payables from application of IFRS 16, as per the Statement of Financial Position.

The Net Financial Position - Including IFRS 16 impact and Derivatives Effect is the sum of the Net Financial Position - Including IFRS 16 impact and the derivative instrument assets and liabilities, as per the Statement of Financial Position.

At March 31, 2020 and March 31, 2019 there were no adjustment items.

Reconciliations

<i>Euro thousands</i>	Mar 31, 20	Mar 31, 19
Operating profit – EBIT	4,293	4,263
(Amortisation & Depreciation)	6,652	5,954
EBITDA	10,945	10,217

	Mar 31, 20	Mar 31, 19
Profit attributable to owners of the Parent (<i>in Euro thousands</i>)	893	1,317
Outstanding shares at year-end	63,322,800	62,047,302

Earnings (loss) per share (Euro/cents)	1.41	2.12
---	-------------	-------------

<i>Euro thousands</i>	Mar 31, 20	Dec 31, 19	Mar 31, 19
Other receivables	6,600	5,374	6,409
Tax assets	12,511	14,966	13,038
(Provision for risks and charges)	(4,115)	(6,487)	(4,736)
(Other liabilities)	(18,123)	(15,749)	(20,081)
(Tax liabilities)	(8,801)	(7,775)	(7,289)
Other net assets/ liabilities	(11,928)	(9,671)	(12,659)