

PRESS RELEASE

ELICA S.p.A. BoD APPROVES H1 2022 RESULTS:

REVENUE OF EURO 290.2 MILLION (+8% vs H1 2021)

STRENGTHENING FURTHER IN Q2 (+10.4%)

GROWTH DRIVEN BY OWN BRAND SALES AND MOTORS DIVISION

**ADJUSTED EBIT OF EURO 18.5 MILLION (+11.1% vs H1 2021), WITH MARGIN FURTHER
IMPROVING IN Q2 TO 6.5% (6.1% IN Q2 2021):**

MORE THAN OFFSETTING EURO 37.0 MILLION COST INFLATION IN PERIOD

**NET FINANCIAL POSITION IMPROVES TO EURO 30.8 MILLION, DESPITE
EXTRAORDINARY COSTS OF EURO 7.7 MILLION AND EMC ACQUISITION CASH OUT OF
EURO 5.0 MILLION**

**CASH GENERATION, NET PROFIT GROWTH AND THE DEMONSTRATED EXECUTION
CAPACITY ALLOW A RETURN TO A SUSTAINABLE DIVIDEND POLICY, KEEPING THE
FOCUS ON INNOVATION, INVESTMENTS AND M&A**

**SHAREHOLDERS' MEETING CALLED TO APPROVE COUPON
OF EURO 0.06 PER SHARE**

**2022 GUIDANCE CONFIRMED
AMID SLOWING ECONOMY AND DEMAND**

H1 2022 key consolidated results:

- **Revenues: Euro 290.2 million, +7.7% (+5.8% organic, excluding currency effect) compared to the same period of the previous year, picking up 10.4% in Q2 (+6% organic, excluding currency effect), growing strongly thanks to the price-mix effect on cooking segment and the motors segment performance, although within a market impacted by the inflation uncertainties and supply chain disruption.**

- EMEA revenue, which accounts for 79% of the total, saw strong organic growth in H1 2022 (+7.2% on H1 2021), outperforming the general market and with consequent gaining of market share.
- Cooking segment reports revenue of Euro 226.5 million, with organic growth of 4.3% (-1.7% reported), strengthening in Q2, with considerable own brand sales growth (+13.4%). This improvement was mainly in the EMEA area and particularly for the NikolaTesla range of aspiration hobs, which now accounts for approx. 16% of Cooking revenue - up +28% on H1 2021 and by +54% on H1 2020.
- Motors segment revenue of Euro 63.7 million reports significant organic growth in H1 2022 of +14.7% (+63.5% reported), driven mainly by the heating segment and the consolidation of EMC and CPS, acquired on July 2, 2021 and contributing Euro 19.0 million in the period.
- Adjusted EBITDA¹: Euro 30.4 million, increasing +6.6% on Euro 28.5 million in H1 2021, due to the higher revenue driven by a positive price mix and the control of SG&A costs, offsetting the significant rise in raw material costs and components for Euro 37.0 million. EBITDA margin on revenue of 10.5%, substantially in line with the same period of the previous year.
- Adjusted EBIT² of Euro 18.5 million, up +11.1% on H1 2021 (Euro 16.7 million in H1 2021), with a margin on revenue of 6.4%, strengthening in Q2 to 6.5% (6.1% in Q2 2021) and significantly improving on the same period of the previous year (6.2% in H1 2021).
- The Adjusted Net Profit³ was Euro 14.4 million (compared to Euro 10.4 million in the same period of 2021). The Adjusted Group Net Profit was Euro 13.8 million, compared to Euro 7.6 million in H1 2021. The Minorities profit of Euro 0.6 million reduced on Euro 2.8 million in H1 2021, mainly due to the deconsolidation of PB India.
- Adjusted Net Financial Position⁴: Euro -30.8 million (excluding the IFRS 16 effect of Euro -13.7 million) compared to Euro -22.7 million at December 31, 2021. This increase relates to higher inventory, for a more efficient management of the footprint and the criticalities related to raw material availability, in addition to the payment of the third tranche for Euro 5.0 million for the acquisitions of EMC and CPS and the cash outlay of Euro 7.7 million for the agreement with the trade union for voluntary redundancies

¹ The value was adjusted considering the extraordinary negative effects from the execution of the 2021/2023 plan involving the reorganisation of the Cooking Business Unit for Euro 4.3 million, with a positive impact of Euro 3.2 million following the signing of a co-ownership agreement for a Group patent.

² The value was adjusted considering the extraordinary negative effects from the execution of the 2021/2023 plan involving the reorganisation of the Cooking Business Unit for Euro 4.3 million, with a positive impact of Euro 3.2 million following the signing of a co-ownership agreement for a Group patent.

³ The value was adjusted considering the extraordinary negative effects from the execution of the 2021/2023 plan involving the reorganisation of the Cooking Business Unit for Euro 4.3 million, with a positive impact of Euro 3.2 million following the signing of a co-ownership agreement for a Group patent.

⁴ The value indicated is net of the IFRS 16 effect and of the payables for investment acquisitions, as outlined in the NFP table.

(significantly decreasing on Euro -61.0 million at June 30, 2021). Operating cash of Euro 21.6 million was generated over the 12 months.

- The acquisition of the remaining 40% of Air Force S.p.A. was completed on July 1, 2022, bringing Elica S.p.A.'s ownership to 100%.
- Shareholders' Meeting called for September 28, 2022 to approve the distribution of an "ordinary dividend" of Euro 0.06 per share.

Fabriano, July 28, 2022 – The Board of Directors of **Elica S.p.A.**, the parent of a Group that is the leading manufacturer of kitchen range hoods, has today approved the H1 2022 consolidated results, prepared in accordance with IFRS.

"The results of the first half show how important it is to have a focused and responsive team. In such a dynamic moment, Elica people, all over the world, have shown what it means to work together and with passion". **Francesco Casoli, Chairman of Elica stated.**

"We are greatly satisfied with the Q2 results and the setting of new revenue and margin records. We have optimised cash generation so as to fund net working capital, allowing us to lead the way in terms of serving customers, while gaining market share, carrying out the industrial transition between Italy and Poland and undertaking M&A's, and without affecting the financial position. This is all testament to the strength of a team which is writing a new chapter in Elica's history and also that of our turnaround plan". **Giulio Cocci, Chief Executive Officer of Elica stated:** *"We have the people, products and the projects to build a successful future. This has allowed us to confirm 2022's and - after years - to return to the distribution of dividends in a context which poses challenges, but in which we know we can continue to do well"*

Elica Group Operating Performance

In H1 2022, Elica returned **Consolidated revenue of Euro 290.2 million**, +7.7% on H1 2021 (+7.0% organic, +5.7% organic, net of currency gains). The increase in sales is supported by the price-mix effect and the growing contribution of own brand sales (particularly in EMEA), despite the challenging procurement situation and the market uncertainties stemming from increasing inflation.

The global economic situation in the first half of the year was shaped by the Russia-Ukraine conflict, with a clear impact in particular in terms of energy and raw material cost inflation and the interruption to the supply chain. The geopolitical shock and the growing inflationary effect are weighing heavily on a recovery that looked strong in early 2022 thanks to the partial easing of the anti-COVID-19 restrictions.

Global range hood demand was estimated to have contracted -3.4% in H1 2022, marking a significant drop on Q1, with divergent performances across the geographic areas and with a particular impact in the EMEA region.

The Cooking segment, which accounts for 78% of total revenue, reports organic growth of +4.3% (-1.7% reported), having strengthened further in Q2. Own brand sales saw organic growth of +16.7% on H1 2021, driven in particular by the NikolaTesla range which, also thanks to the introduction of the NikolaTesla Fit, rose to account for 16% of Cooking revenue. Own brand sales in the Cooking segment accounted for 56% in H1 2022.

OEM revenue reports an organic contraction of -7.1% on the same period of the previous year. The segment performance was significantly impacted by the supply chain issues and the planned phase out for certain clients.

The **Motors** segment, accounting for 22.0% of total revenue, continues to grow strongly with organic growth of +14.7% (+63.5% reported, also thanks to the consolidation of E.M.C. and CPS, acquired at the beginning of July 2021, which contributed Euro 19.0 million in the period).

Adjusted EBITDA was Euro 30.4 million, up +6.6% on H1 2021 (Euro 28.5 million), with a margin on revenue of 10.5% substantially in line with the same period of the previous year, thanks to the revenue growth driven by a positive price mix and the control of the SG&A costs, offsetting the significant increase in raw material costs and the supply chain impacts, compared to H1 2021.

The **adjusted EBIT** was Euro 18.5 million, up +11.1% (Euro 16.7 million in H1 2021), with a margin on revenue of 6.4%, improving on the same period of the previous year (6.2% in H1 2022).

Net financial income of Euro 2.5 million is reported, compared to net expense of Euro 0.7 million in H1 2021. Exchange rate movements - and particularly of the Rouble - are the main factors impacting this result.

The **Adjusted Net Profit** was Euro 14.4 million (compared to Euro 10.4 million in the same period of 2021). The Adjusted Group Net Profit was Euro 13.8 million, compared to Euro 7.6 million in H1 2021. The Minorities profit of Euro 0.6 million decreased on Euro 2.8 million in H1 2021 and

reflects the performances of Ariaфина and Airforce which slightly contracted on the same period of 2021, in addition to the deconsolidation of Elica PB India compared to the same period of the previous year.

The Group Net Profit was Euro 12.3 million, compared to Euro 5.7 million in H1 2021.

<i>In Euro thousands</i>	H1 2022	%	H1 2021	%	22 Vs 21%
	revenue		revenue		
Revenue	290,234		269,459		7.7%
Adjusted EBITDA	30,407	10.5%	28,533	10.6%	6.6%
EBITDA	28,411	9.8%	27,167	10.1%	4.6%
Adjusted EBIT	18,521	6.4%	16,676	6.2%	11.1%
EBIT	16,525	5.7%	13,700	5.1%	20.6%
Net financial income (expenses)	2,456	0.8%	(739)	(0.3%)	432.3%
Income taxes	(6,061)	(2.1%)	(4,452)	(1.7%)	(36.1%)
Profit from continuing operations	12,920	4.5%	8,509	3.2%	51.8%
Adjusted Net Profit for the period	14,437	5.0%	10,368	3.8%	39.3%
Net Profit for the period	12,920	4.5%	8,509	3.2%	51.8%
Adjusted Group Net Profit	13,826	4.8%	7,594	2.8%	82.1%
Group Net Profit	12,309	4.2%	5,742	2.1%	114.4%
Earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	19.53		9.07		115.4%
Diluted earnings/(loss) per share on continuing operations and discontinued operations (Euro/cents)	19.53		9.07		115.4%

Elica Group Equity and Financial Performance Analysis

The Adjusted Net Financial Position at June 30, 2022 was Euro -30.8 million (net of the IFRS 16 effect of Euro 13.7 million and the non-current assets relating to the acquisition of investments), compared to Euro -46.6 million at June 30, 2021 (Euro -22.7 million at December 31, 2021).

The main impacts on the net financial position compared to the end of 2021 were from:

- the contribution from the growth in EBITDA and the change to working capital on the generation of operating cash which amounts to Euro 21.6 million (Euro 18.5 million in H1 2021);
- Capex of Euro 8.4 million (including IFRS effect)
- the negative impact from the payment of the third tranche for the acquisition of the companies E.M.C. S.r.l. and CPS S.r.l., now merged into EMC-Fime, for Euro 5.0 million;
- the cash out for dividends and other financial items for Euro 5.0 million;
- the execution of the first tranche of the share buy-back plan for Euro 1.0 million;
- the cash out for the "voluntary agreement" signed with the trade unions in execution of the Italian industrial footprint reorganisation plan for Euro 7.7 million.

<i>In Euro thousands</i>	Jun 30, 22	Dec 31, 21	Jun 30, 21
Cash and cash equivalents	70,426	99,673	73,215
Bank loans and borrowings (current)	(34,927)	(44,543)	(35,878)
Bank loans and borrowings (non-current)	(66,310)	(77,866)	(83,900)
Adjusted Net Financial Position	(30,811)	(22,736)	(46,563)
Lease payables IFRS 16 (current)	(4,390)	(4,106)	(3,672)
Lease payables IFRS 16 (non-current)	(9,330)	(8,314)	(6,122)
Adjusted Net Financial Position - Including IFRS 16 impact	(44,531)	(35,156)	(56,357)
Other payables for purchase of investments	(13,095)	(17,998)	-
Net Financial Position	(57,626)	(53,154)	(56,357)

Managerial Working Capital on annualised revenue was 5.9% at June 30, 2022, reducing on 9.1% for the first half of 2021.

	Jun 30, 22	Dec 31, 21	Jun 30, 21
<i>In Euro thousands</i>			
Trade receivables	93,890	82,186	92,291
Inventories	118,566	84,861	81,289
Trade payables	(178,451)	(141,222)	(124,511)
Managerial Working Capital	34,005	25,825	49,069
% annualised revenue	5.9%	4.8%	9.1%
Other net assets/ liabilities	(28,499)	(34,474)	(10,833)
Net Working Capital	5,506	(8,649)	38,236

Shareholders' Meeting Call

The Board of Directors of Elica S.p.A. approved the calling of the Shareholders' Meeting, for the distribution of an ordinary dividend, for September 28, 2022 at 9AM in single call.

The proposal concerns the distribution of a dividend of a unitary amount of Euro 0.06 for each of the 63,322,800 ordinary shares outstanding, net of the treasury shares held at the coupon date and gross of statutory withholdings. The date of coupon No. (9) shall be October 3, 2022, with record date of October 4, 2022 and payment date of October 5, 2022.

The Shareholders' Meeting call notice outlining the methods for participation and the report of the Board of Directors to the Shareholders' Meeting shall be made available to the public at the registered office, and also on the 1Info authorised storage mechanism at www.1info.it, in addition to the company website at <http://elica.com/corporation> (Investor Relations-Shareholders' Meeting Section), according to the terms and means established by the applicable legislation.

Significant events in the period and subsequent events

On February 10, 2022, the Board of Directors of Elica S.p.A. approved the additional periodic disclosure for the fourth quarter of 2021, prepared according to IFRS and the 2021 preliminary consolidated results.

On March 16, 2022, the Board of Directors of Elica S.p.A. approved the consolidated results at December 31, 2021 and the statutory financial statements at December 31, 2021, prepared in accordance with IFRS, in addition to the Directors' Report.

On March 21, 2022 the share buyback plan authorised by the Shareholders' Meeting of April 29, 2021 began (the "Buyback Plan"), to run until September 21, 2022 for a maximum number of acquirable treasury shares of 325,000 (approx. 0.5% of the subscribed paid-in share capital). By March 31, 7,500 shares had been acquired for a cash out of Euro 23,679.

On April 28, 2022, following the Shareholders' Meeting authorising the purchase of treasury shares and the execution of the relative acts of disposal, in accordance with Articles 2357 and 2357-ter of the Civil Code, in order to provide the company with a key strategic flexibility and operating tool, the Board of Directors confirmed the treasury share buy-back plan approved on March 16, 2022, which shall therefore continue according to the terms and limits established by today's Shareholders' Meeting motion.

On June 6, 2022, ahead of the Eurocucina 2022 International Furniture Fair, Elica S.p.A. met with the financial community to present its strategy and confirm the drivers that will support the Group's growth on the Cooking and Motors segments, presenting the Group's new "LHOV" flagship product, a revolution which integrates the hob, the range hood and the oven and marking a significant step in Elica's expansion into all facets of the Cooking segment. An entirely new product category, compact, powerful, automated and fully expressing the Group's long-standing drive for innovation.

On July 1, 2022, Elica S.p.A., following on from that announced on June 27, 2022, completed the acquisition from Urbano Urbani, the minority shareholder of the subsidiary Air Force S.p.A., of 40% of the latter's share capital, with Elica S.p.A.'s holding in Air Force S.p.A. therefore rising to 100%.

On July 11, 2022, Elica S.p.A. announced that on July 7, 2022 the first part of the Elica ordinary share buy-back plan concluded, having been announced to the market on March 16, 2022 and launching on March 21, 2022 as per the Shareholders' Meeting motion of April 29, 2021. In the period between March 21, 2022, and July 7, 2022, Elica acquired 325,000 ordinary shares (equal to 0.51 percent of the share capital), with a total value of Euro 1,010,780 and a volume-weighted average price of Euro 3.11.

As a result of the purchases made, Elica holds a total of 325,000 treasury shares , equal to 0.51% of the share capital.

On July 11, 2022, Elica S.p.A. initiated the second tranche of the treasury buy-back plan, as authorised by the Shareholders' Meeting of April 28, 2022 (the "Buy-back Plan"), according to the terms previously disclosed to the market. In execution of this Shareholders' Meeting motion, from July 11, 2022 and until January 11, 2023 a second tranche of the Buy-back Plan was launched, for a maximum 325,000 treasury shares (approx. 0.51% of the subscribed and paid-in share capital).

Outlook

The Group confirms 2022 Guidance despite a scenario of persistent volatility:

- Revenues in line with consensus despite a slowdown in demand in the second half of the year.
- Margins trend in line with 2022 objectives and with the medium-term growth path.
- Further improvement of the net financial position.

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

The Corporate Financial Reporting Manager Mr. Emilio Silvi 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.

Elica, a market player since the 1970's, is the leading global manufacturer of range hoods and extractor hobs and of motors for domestic ventilation. Chaired by Francesco Casoli and led by Giulio Cocci, the Group has seven plants, including in Italy, Poland, Mexico and China and employs more than 3,100 people. With many years' experience in the sector, Elica has combined meticulous care for design with judicious choice of high-quality materials and cutting-edge technology to guarantee maximum efficiency and low energy consumption, making the Elica Group the prominent market figure it is today. This has enabled the Group to revolutionise the traditional image of kitchen hoods: they are no longer seen as a simple accessory but as a design element that improves the quality of life.

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Definitions and reconciliations

Definitions

EBITDA is the operating result (EBIT) plus amortisation and depreciation and any impairment losses on Goodwill, brands and other tangible and intangible assets.

EBIT is the operating result 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/(charges) is the sum of the Share of profit/(loss) from Group companies, Financial income, Financial Charges and Exchange rate gains and losses.

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

The adjusted result attributable to the owners of the Parent is the result for the period attributable to the owners of the Parent, 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 H1 2022 and H1 2021 was calculated by dividing the Group profit 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 number of shares outstanding at period-end differs from that at December 31, 2021 and June 30, 2021 due to the launch of the treasury share buy-back plan.

The earnings (loss) per share so calculated does not match the earnings (loss) per share as per the consolidated Income Statement, which is calculated as per IAS 33, based on the average weighted number of shares outstanding.

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.

The Adjusted Net Financial Position is the sum of Cash and Cash equivalents, less Current and Non-current bank loans and borrowings, as reported in the Statement of Financial Position.

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

The Net Financial Position is the sum of the Adjusted Net Financial Position - Including IFRS 16 Impact and of the liabilities included among other payables arising in relation to the acquisition

of the new company, belonging to the consolidation scope. The result coincides with the Consob definition of the Net Financial Position

Reconciliations

in Euro thousands	H1 2022	H1 2021
Operating profit/(loss) - EBIT	16,525	13,700
(Impairment losses on Tangible and Intangible assets)	-	1,610
(Amortisation & Depreciation)	11,886	11,857
EBITDA	28,411	27,167
(Capital gain from patent sharing)	(3,200)	-
(Other revenue - adjustments)	(3,200)	-
(Cooking BU production reorganisation)	182	-
(Consumables - adjustments)	182	-
(Departure former chief executive officer)	-	600
(Cooking BU production reorganisation)	915	-
(Service expense - adjustments)	915	600
(Cooking BU production reorganisation)	81	-
(Other operating expenses and accruals - adjustments)	81	-
(Cooking BU production reorganisation)	3,596	-
(Other reorganisations)	422	766
(Restructuring charges - adjustments)	4,018	766
Adjusted EBITDA	30,405	28,533

in Euro thousands	H1 2022	H1 2021
Operating profit/(loss) - EBIT	16,525	13,700
(Capital gain from patent sharing)	(3,200)	0
(Other revenue - adjustments)	(3,200)	-
(Cooking BU production reorganisation)	182	0
(Consumables - adjustments)	182	-
(Departure former chief executive officer)	0	600
(Cooking BU production reorganisation)	915	0
(Service expense - adjustments)	915	600
(Cooking BU production reorganisation)	81	0
(Other operating expenses and accruals - adjustments)	81	-
(Cooking BU production reorganisation)	3,596	0
(Other reorganisations)	422	766
(Restructuring charges - adjustments)	4,018	766
(Impairment losses on Tangible assets)	-	1,610
(Impairments - adjustments)	0	1,610
Adjusted EBIT	18,521	16,676

in Euro thousands	H1 2022	H1 2021
Net Profit for the period	12,920	8,509
(Other revenue - adjustments)	(3,200)	-
(Consumables - adjustments)	182	-
(Service expense - adjustments)	915	600
(Other operating expenses and accruals - adjustments)	81	-
(Restructuring charges - adjustments)	4,018	766
(Impairments - adjustments)	-	1,610
(Income taxes on adjusted items)	(479)	(1,117)

Adjusted Net Profit for the period	14,471	10,368
(Profit/(loss) attributable to non-controlling interests)	(611)	(2,767)
(Adjustments to non-controlling interests)	0	(7)
Adjusted Group Net Profit	13,826	7,594

	30/06/2022	30/06/2021
Group Net Profit (in Euro thousands)	12,309	5,742
Outstanding shares at year-end	63,018,699	63,322,800
Earnings (loss) per share (Euro/cents)	19.53	9.07

in Euro thousands	30/06/2022	31/12/2021	30/06/2021
Other receivables	7,212	5,413	10,191
Tax assets	27,125	24,575	18,191
(Provision for risks and charges)	(18,284)	(22,069)	(8,263)
(Other payables)	(34,796)	(27,857)	(18,300)
(Tax liabilities)	(9,755)	(14,536)	(12,652)
Other net assets/ liabilities	(28,497)	(34,474)	(10,832)