

PRESS RELEASE

ELICA S.p.A.:

MEETING WITH TRADE UNION REPRESENTATIVES

ANNOUNCEMENT OF THE NEW ORGANISATIONAL STRUCTURE OF THE ITALY COOKING AREA

Fabriano, March 31, 2021 - Elica S.p.A. today communicated to the trade union representatives - FIM, FIOM and UILM - the new organisational structure necessary to ensure the business continuity of the entire Group. The reorganisation, in line with the 2021-2023 industrial plan, establishes for the Italy Cooking area the conversion of the production site of Mergo into a high-end hub, the transfer of the greater-standardization production lines to the Jelcz-Laskowice plant in Poland and the integration into the Mergo plant of the activities currently carried out at the Cerreto site.

Such reorganisation, that takes into account the current regulations on the prohibition of redundancies in the manufacturing sector, consider an overall impact of about 400 employees at the Mergo and Cerreto plants. This painful choice will help to safeguard the strategic importance and centrality of the Fabriano and Mergo sites and will make it possible to keep the heart and the head of the Group in the Marche region.

This difficult decision has become necessary as the significantly negative results of the Italian entity is jeopardising the competitiveness of the Group's products on the market and therefore its survival. The Company since 2016 has invested around Euro 45 million in the Cooking division in Italy, recording an overall operating loss of Euro 21.5 million in the last five years. Not even the continual use of social security schemes and the signing of major agreements with the Trade Unions were able to prevent this decision being made.



Elica has remained the Italian bulwark of the historic household appliance district which, over the last twenty years, has been forced to sell many of its prestigious brands to global players who now produce mostly in Asia and Turkey. This situation therefore required the urgent decision to reorganise the Italy Cooking area, reviewing its industrial footprint, in order to safeguard the future of the Group.

The Company is committed to manage the employment impact through the analysis of all available social solutions and tools that will hopefully be set out in agreement with the Trade Unions, the social partners and the institutional bodies.

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