

## PRESS RELEASE

### **CLOSING OF THE JOINT VENTURE BETWEEN ELICA INDIA AND WHIRLPOOL OF INDIA TO DRIVE GROWTH ON INDIAN MARKET**

- **Consideration of approx. Euro 13.1 million for the sale of 33% of Elica's Indian subsidiary (at today's exchange rate)**
- **Elica S.p.A. will continue to exercise control over the Joint Venture and will consolidate the results in the financial statements**

**Milan, September 10, 2018 – Elica S.p.A.**, leading manufacturer of kitchen range hoods, listed on the MTA-STAR segment of the Italian Stock Exchange (Ticker: ELC), following on from the agreement signed for the sale to Whirlpool of India Limited of 33% of the share capital of the Indian subsidiary Elica PB India Private Ltd announced on June 1, 2018, having obtained antitrust approval in Europe and Turkey, and following satisfaction of all conditions stipulated by the agreement, announces the closing of the Joint Venture between Elica India and Whirlpool of India, set up to drive growth on the Indian market, drawing on the complementary nature of the two product ranges and Elica's brand reputation and leadership in the design, production and distribution of cooking products on the Indian market.

In accordance with this agreement, Elica S.p.A. has today sold to Whirlpool of India Limited 33% of the share capital of the Indian subsidiary Elica PB India Private Ltd., together with the other Indian minority shareholders that have sold 16%. On closing, Whirlpool of India Limited acquired in total 49% of the Indian subsidiary of Elica S.p.A..

Alongside the closing of the agreement and the acquisition of the investment, Whirlpool of India Limited signed an exclusive distribution agreement for a number of its cooking segment products with Elica PB India Private Ltd to speed up the development of its business on the Indian market, leveraging on Elica PB India's distribution structure which, over the last 2 years, has built a comprehensive network of mono-brand stores and reports annual growth rates of over 30%.

#### **Conditions and value of the operation**

Consideration for the sale of 33% of the Indian subsidiary Elica PB India Private Ltd, paid by Whirlpool of India Limited on the closing of the Joint Venture, was INR 1,092,163,974.14 (approx. Euro 13.1 million at today's exchange rate). Subsequent to the receipt of consideration by Whirlpool of India Limited, Elica S.p.A. will pay INR 105,599,616 (approx. Euro 1.3 million at today's exchange rate) to the other Indian shareholders against the waiving of some of their rights concerning the early conversion of the bond loan.

It is recalled, in fact, that on May 7 the early conversion of the Elica PB India Private Ltd. bond was announced, with Elica's holding in the Indian subsidiary increasing from 51% to the current 58.5%.

On the basis of the blocking agreement with the Indian shareholders, Elica S.p.A. will continue to exercise control over Elica PB India Private Ltd., and fully consolidate the company in its financial statements.

On completion of the operation, Elica PB India Private Ltd. and Whirlpool of India Limited signed an exclusive distribution contract and a manufacturing agreement in the name of and on behalf of Whirlpool concerning the latter's built-in cooking segment products.

Also, on closing, Elica S.p.A., Whirlpool of India Limited and the other Indian shareholders signed a shareholder agreement which stipulated, among other matters, a prohibition on the sale to third parties of their respective investments in Elica PB India Private Ltd within 90 days from the approval of the financial statements of Elica PB India Private Ltd for the year ending March 31, 2021.

In addition, the shareholder agreement includes a Put & Call option under which Whirlpool of India Limited may acquire (i.e. Elica and the other Indian shareholders may sell to Whirlpool of India Limited) the entire holding of these latter in Elica PB India Private Ltd..

### **Elica PB India Private Ltd. Key Financial Highlights**

In May 2010, the Elica Group entered the Indian market by setting up a joint venture with Mr. Pralhad Bhutada, launching therefore Elica PB India Ltd's operations, based in Pune, manufacturing and selling own brand and third-party brand products and leveraging also the branding and technical knowledge of the Elica Group. Entry into one of Asia's largest markets, featuring among the world's highest growth rates, has been a winning decision thanks to CEO Pralhad Bhutada's stewardship and a distribution and marketing strategy which has delivered.

Over the last two years, the Indian subsidiary has obtained significantly improved results, driven by revenue growth at rates of over 30% reaching Euro 24.3 million in 2017. The 2017 margin more than doubled on 2016, with an EBITDA margin of 14.3% over net revenues and a 2017 Profit of Euro 1.8 million. Strong cash generation has improved the Net Financial Position with Euro 2.3 million at the end of 2017.

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The Elica Group has been present in the cooker hood market since the 1970's, is chaired by Francesco Casoli and led by Antonio Recinella and today 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 over 3,800 employees and an annual output of approx. 21 million units, 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 material and cutting-edge technology guaranteeing maximum efficiency and reducing consumption making the Elica Group the prominent market figure it is today. The Group has revolutionised the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves the quality of life.

For further information:

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