Q4 & FY 2023 Preliminary Results

ANALYSTS PRESENTATION

TUESDAY FEBRUARY 13TH, 2024

AGENDA

1 Q4 & FY PRELIMINARY RESULTS HIGHLIGHTS

2 INDUSTRY TREND

3 SALES DYNAMICS

4 ECONOMICS & FINANCIALS

5 CLOSING REMARKS

FY 2023 RESULTS

HIGHLIGHTS

NET SALES
473,2 M€

YoY Change
-75,4 M€ -13,7%
(organic: -12,8%)

EBIT ADJ
24,3 M€
5,1%

YoY Change
-8,8 M€
-0,9 pts

NFP
(41,3) M€
Leverage: ~ 0,9

YoY Change
-11 M€

- **Cooking**: Negative industry demand for the second year in a row, combined with high promotional activity, a slowdown in the real estate sector and reduced consumer purchasing power, resulted in a negative product mix.
- **Motors**: A year marked by a two-speed sales trend, led by the significant slowdown in the heating sector that began at the end of the first half of the year.

- **Margins protected** through effective cost management and flexibility of new production footprint in Europe

- **Net Financial Position** remains **solid** to support strategic investments and shareholders return.

Q4 2023 RESULTS

HIGHLIGHTS

NET SALES	YoY Change
113,0 M€	-16,5 M€ -12,7%
	(organic: -11,0%)

EBIT ADJ	YoY Change
4,9 M€	-2,6 M€
4,3%	-1,4 pts

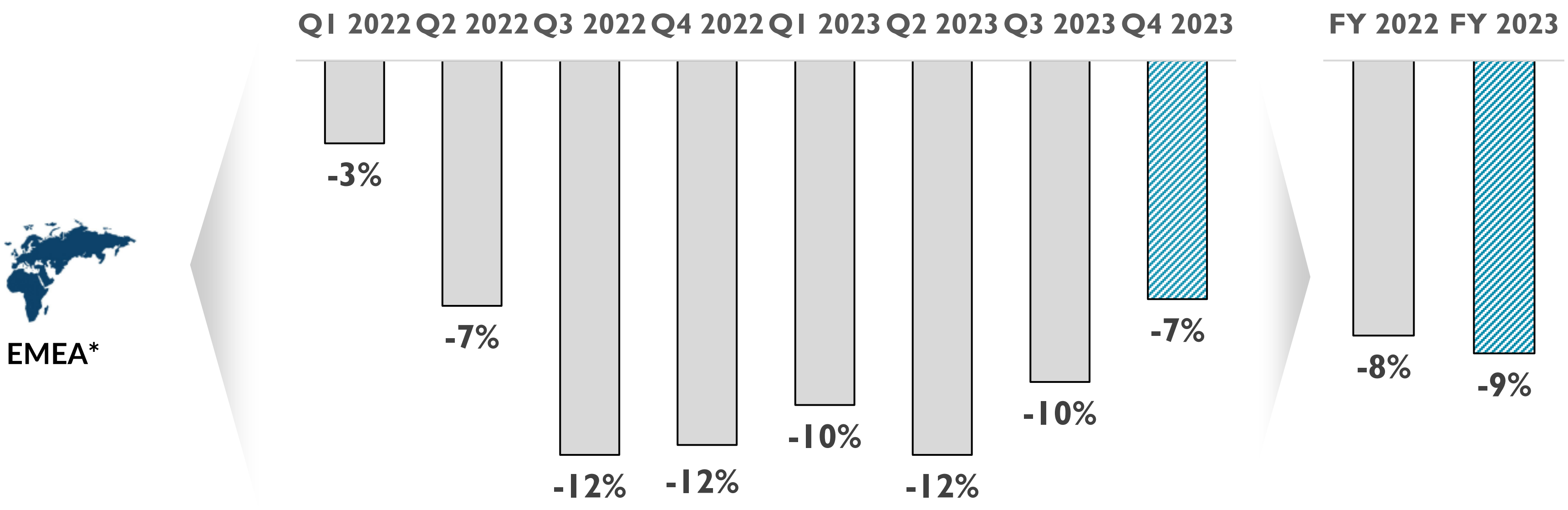
NFP	YoY Change
(41,3) M€	-11 M€
Leverage: ~ 0,9	

- Q4 results improved on a sequential basis (+7%) compared to Q3 2023. Growth in the North American region in both OEM and Own Brand cooking compared to LY, the latter driven by the new distribution strategy implemented in the region.
- Intensified promotional activities and a more aggressive business strategy, combined with a negative product mix, created pressure on margins.
- Strong inventory reduction delivered (~20M€ vs Q3)


INDUSTRY TREND

EMEA - COOKER HOODS INDUSTRY UNIT SHIPMENTS

Volume Data Change % vs LY

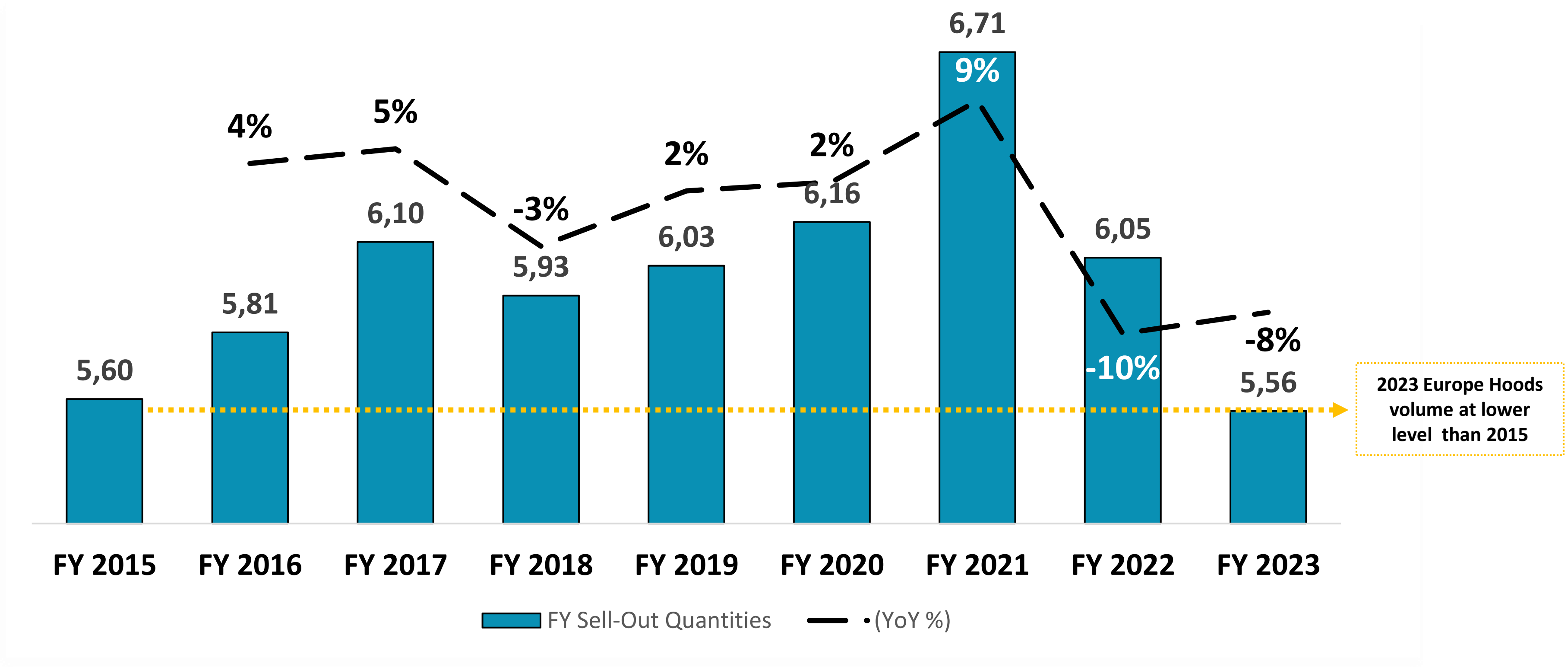


* Excluding Russia: SOURCE: ELICA GROUP ESTIMATES

FY 2015 - 2023 HOODS SELL OUT VOLUMES TREND

HOODS MARKET EU19 (excl. Russia)

Units

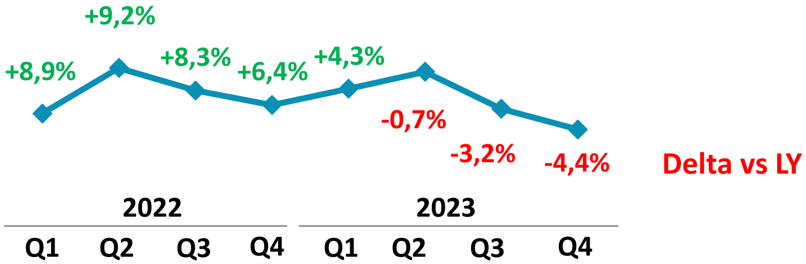


Source:: GFK

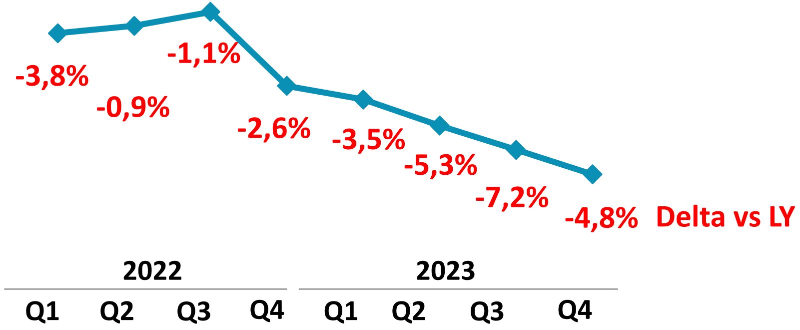
Industry's higher promotional activity and reduced consumer purchasing power……….driving negative price/mix

2022- 2023 AVERAGE PRICE TREND IN EUROPE (Excl. Russia)

HOODS



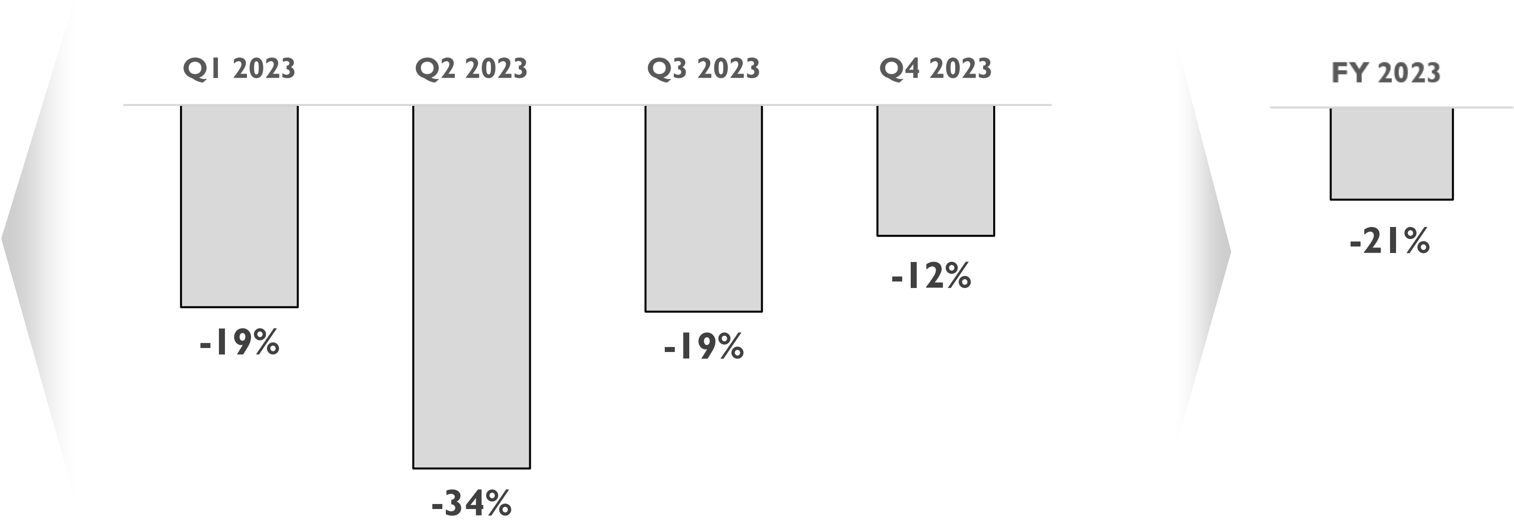
ASPIRATION HOBS



Source:: Internal Estimates

NORTH AMERICA – VENTILATION INDUSTRY UNIT SHIPMENTS

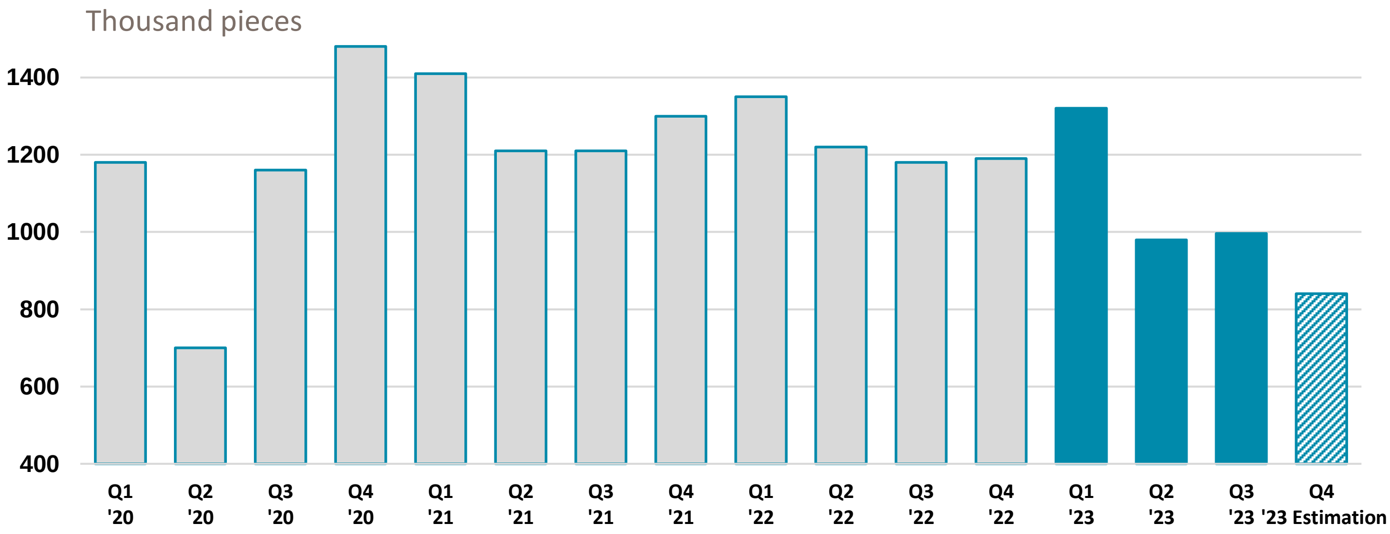
Volume Data Change % vs LY



* SOURCE AHAM and INTERNAL ESTIMATES

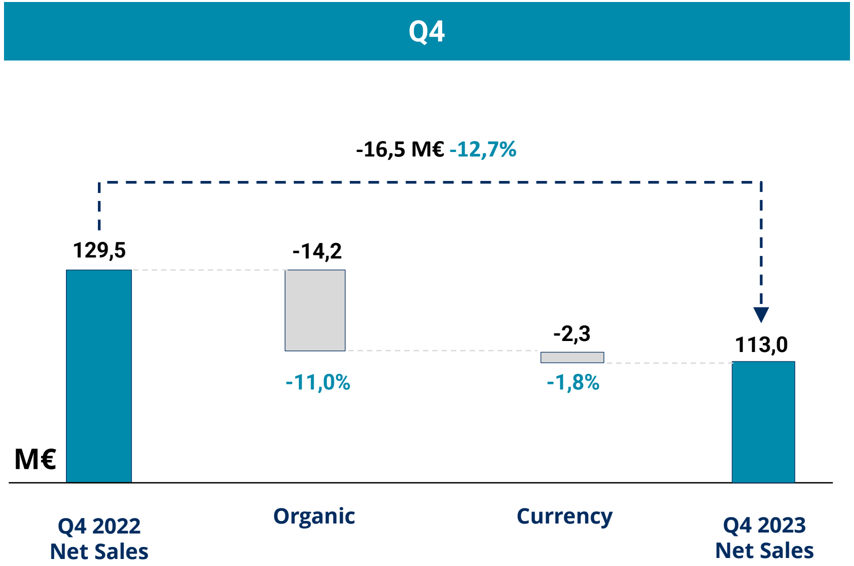
HEATING SECTOR MARKET TREND - BOILERS

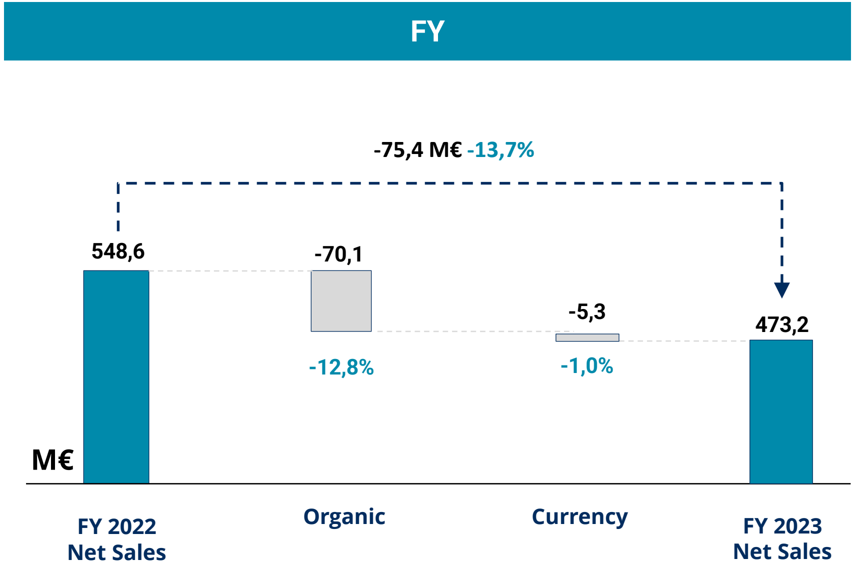
Germany | Italy | Netherlands
UK | France | Spain



SALES DYNAMIC

SALES KEY DRIVERS

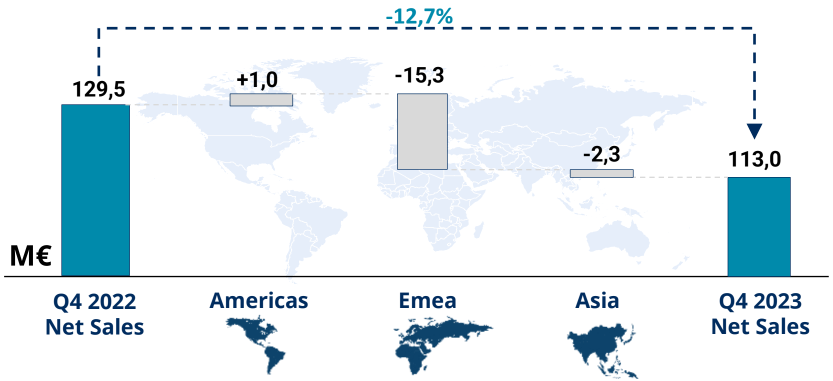




- Cooking: despite persistent weakness in market demand compared to last year, positive organic growth in NAR's OEM and Own Brand business, thanks to the new distribution strategy implemented in the region.
- Motors: Heating change in trend started in the 3rd quarter, also had a negative impact in the 4th quarter, due to the change in incentive regulations and the effect of the announcement of the legislation, along with the OEM customer destocking measures.

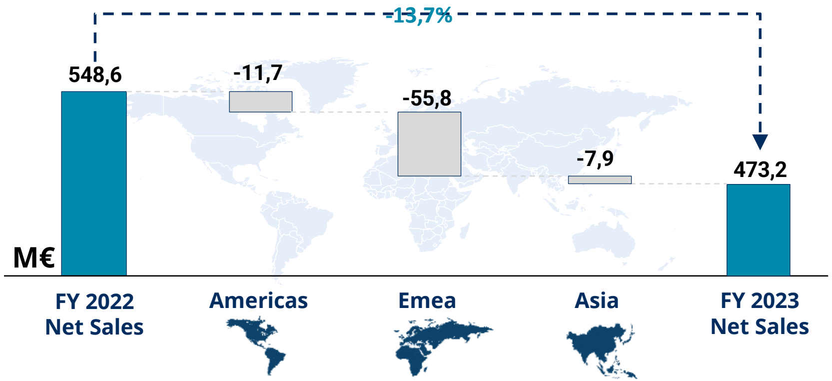
SALES DRIVERS & REGIONAL OVERVIEW

Q4



Q4 2022	17,3	102,2	10,0	129,5
Currency	-0,6 -3,5%	-1,1 -1,1%	-0,6 -6,0%	**-2,3** -1,8%
ORGANIC Growth	+1,7 +9,6%	-14,2 -13,9%	-1,7 -16,7%	**-14,2** -11,0%
YoY Change	**+1,0** +6,0%	**-15,3** -14,9%	**-2,3** -22,6%	**-16,5** -12,7%
Q4 2023	**18,4**	**86,9**	**7,8**	**113,0**
Regional weights	**16%**	**77%**	**7%**	

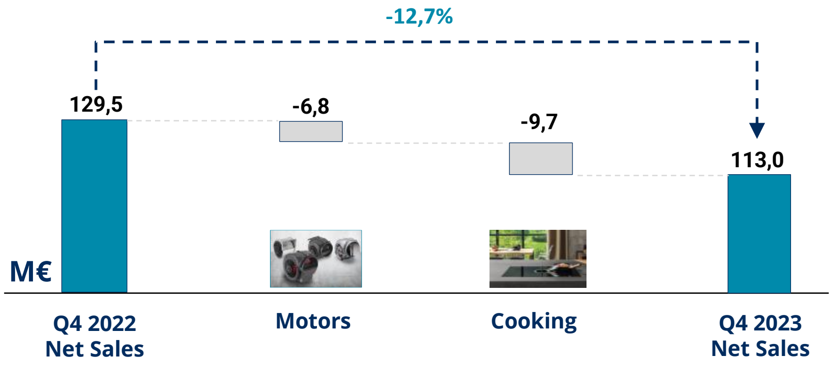
FY



FY 2022	80,3	429,9	38,4	548,6
Currency	-0,9 -1,1%	-2,1 -0,5%	-2,4 -6,2%	**-5,3** -1,0%
ORGANIC Growth	-10,8 -13,4%	-53,7 -12,5%	-5,6 -14,5%	**-70,1** -12,8%
YoY Change	**-11,7** -14,5%	**-55,8** -13,0%	**-7,9** -20,7%	**-75,4** -13,7%
FY 2023	**68,6**	**374,1**	**30,4**	**473,2**
Regional weights	**15%**	**79%**	**6%**	

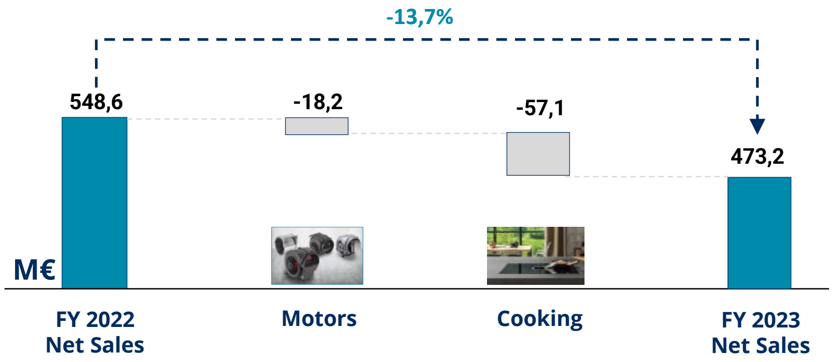
SALES BY BUSINESS

Q4



Q4 2022	30,5	99,1	129,5
Currency	+0,1 +0,3%	-2,4 -2,4%	**-2,3** -1,8%
ORGANIC Growth	-6,9 -22,5%	-7,3 -7,4%	**-14,2** -11,0%
YoY Change	**-6,8** -22,2%	**-9,7** -9,8%	**-16,5** -12,7%
Q4 2023	**23,7**	**89,3**	**113,0**
Business weights	**21%**	**79%**	

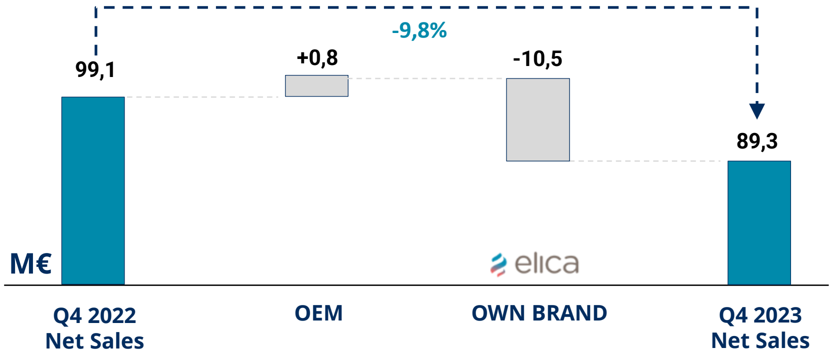
FY



FY 2022	125,7	422,8	548,6
Currency	+0,2 +0,1%	-5,5 -1,3%	**-5,3** -1,0%
ORGANIC Growth	-18,4 -14,6%	-51,7 -12,2%	**-70,1** -12,8%
YoY Change	**-18,2** -14,5%	**-57,1** -13,5%	**-75,4** -13,7%
FY 2023	**107,5**	**365,7**	**473,2**
Business weights	**23%**	**77%**	

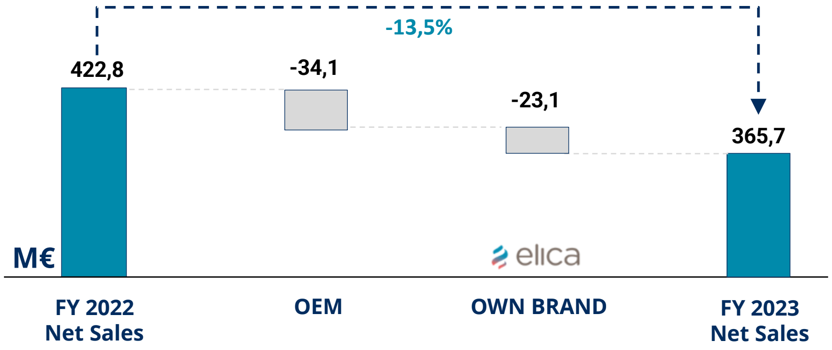
COOKING SALES BY BRAND

Q4



Q4 2022	35,3	63,8	99,1
Currency	-0,2 -0,7%	-2,2 -3,4%	**-2,4** -2,4%
ORGANIC Growth	+1,0 +2,8%	-8,3 -13,1%	**-7,3** -7,4%
YoY Change	**+0,8** +2,1%	**-10,5** -16,4%	**-9,7** -9,8%
Q4 2023	**36,1**	**53,3**	**89,3**
Brand weights	**40%**	**60%**	

FY



FY 2022	177,4	245,4	422,8
Currency	-0,3 -0,2%	-5,1 -2,1%	**-5,5** -1,3%
ORGANIC Growth	-33,8 -19,0%	-17,9 -7,3%	**-57,1** -12,2%
YoY Change	**-34,1** -19,2%	**-23,1** -9,4%	**-57,1** -13,5%
FY 2023	**143,4**	**222,3**	**365,7**
Brand weights	**39%**	**61%**	

ECONOMICS & FINANCIAL

MARGINS & KEY RESULT DRIVERS

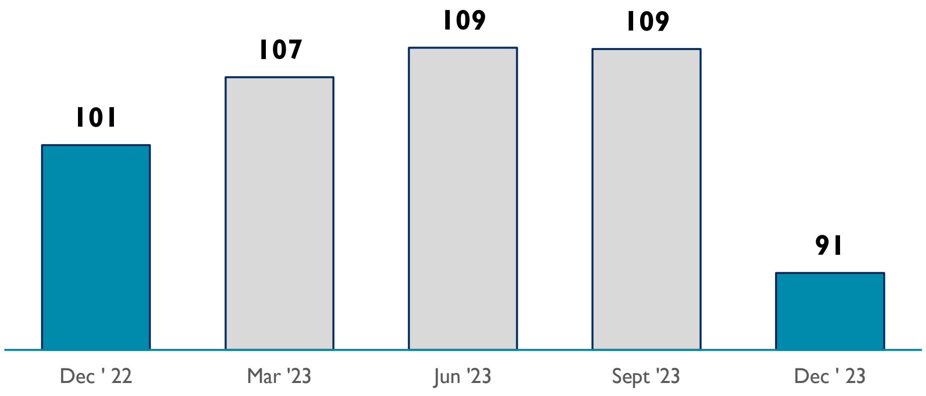
€M	Q4			FY		
	2023	2022	% VAR	2023	2022	% VAR
NET SALES	113,0	129,5	(12,8)%	473,2	548,6	(13,7)%
ADJ EBITDA	10,6	13,3	(20,2)%	48,1	56,6	(15,0)%
% NET SALES	9,4%	10,3%	-90 bps	10,2%	10,3%	-20 bps
ADJ EBIT	4,9	7,4	(34,3)%	24,3	33,0	(26,5)%
% NET SALES	4,3%	5,7%	-140 bps	5,1%	6,0%	-90 bps
NRI	(1,4)	(2,3)	35,7%	(2,7)	(5,7)	52,1%
EBIT	3,4	5,2	(33,7)%	21,5	27,3	(21,2)%
% NET SALES	3,0%	4,0%	-100 bps	4,6%	5,0%	-40 bps
PBT	1,3	3,9	(66,0)%	15,1	25,9	(41,4)%
% NET SALES	1,2%	3,0%	-180 bps	3,2%	4,7%	-150 bps
NET PROFIT	0,6	3,7	(83,3)%	11,3	18,2	(37,9)%
% NET SALES	0,5%	2,9%	-230 bps	2,4%	3,3%	-90 bps
MINORITIES	0,4	0,4	(0,2)%	1,5	1,6	(4,8)%
GROUP NET PROFIT	0,2	3,3	(93,5)%	9,8	16,6	(41,0)%
% NET SALES	0,2%	2,6%	-240 bps	2,1%	3,0%	-100 bps

CHANGES vs. PRIOR YEAR

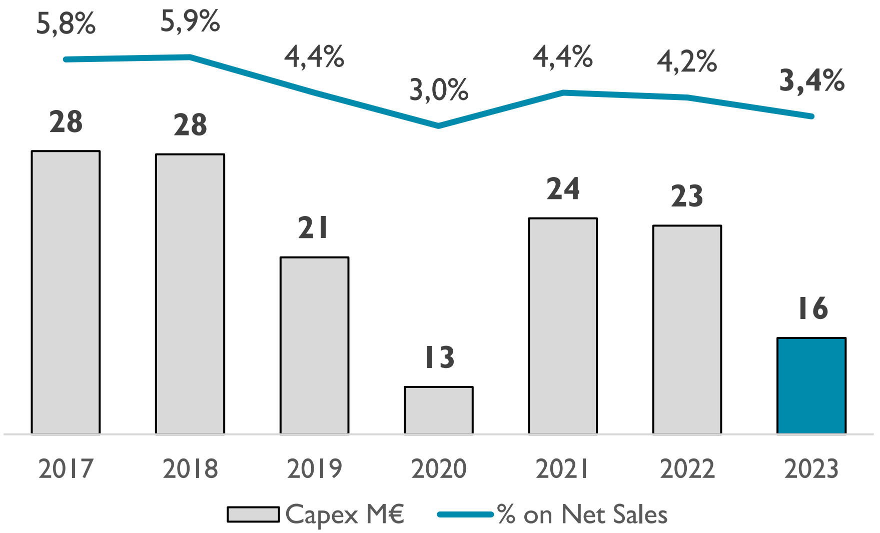
	Q4	FY
VOLUME	-	--
PRICE / MIX	--	-
RAW MATERIAL INFLATION	+	+
COST TAKEOUT	+	+
CURRENCY	-	-
D&A	-	-
ADJ EBIT	-2,5	-8,8
NRI	++	++
FINANCIAL COSTS	-	-
COMBINED TAX RATE	--	+
NET PROFIT	-3,1	-6,9

COST TAKEOUT AND PROJECT EXECUTION TO DEFEND MARGINS IN A NEGATIVE INDUSTRY MARKET

We Have Taken Proactive actions maximizing cash conversion



Reduced Inventory value by 10% vs. Last year



Optimized investments in key strategic initiatives

FY 2023 – NET FINANCIAL POSITION

€M	FY 2023	FY 2022	VAR
OPENING NFP	43,9	35,1	(8,8)
IFRS16 EFFECT	14,0	12,4	1,6
OPENING NFP NET of IFRS 16	29,9	22,7	(7,2)
OPERATING CASH FLOW	37,6	63,8	(26,2)
(*) CAPEX	(16,1)	(23,3)	7,2
TAXES	(2,7)	(6,5)	3,8
OPERATING FCF	18,8	34,1	(15,2)
% SALES	*4,0%*	*6,2%*	
Buy Back	(1,2)	(1,7)	0,5
Industrial Footprint Cash-out	(3,5)	(11,8)	8,3
M&A Cash Out	(7,0)	(13,1)	6,1
Dividend & Financial Items	(11,1)	(7,8)	(3,3)
Other NRI	(7,5)	(6,8)	(0,7)
CLOSING NFP NET of IFRS 16	41,3	29,9	(11,4)
LEVERAGE (NFP/EBITDA)	0,9	0,6	

COMMENTS

- Leverage under control despite Sales drop, Margin reduction and Cash-out for 16M€:
  - EU Manufacturing footprint relocation ~2,7M€
  - M&A (Last tranche EMC): ~7,0M€
  - Shares Buyback: ~1,2M€
  - Elica Dividend ~5,0M€
- Further CAPEX optimization (3,3% on Sales vs 4,2% LY)
- Q4 Strong Inventory reduction ~ 20M€

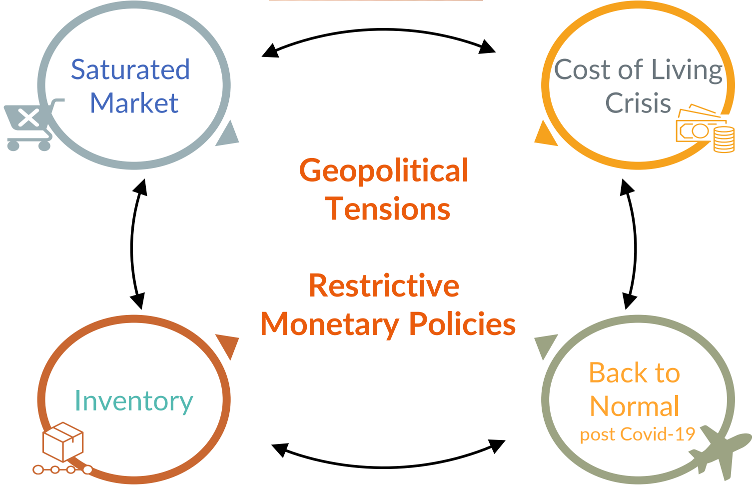
CLOSING REMARKS

3 YEARS OF TURNAROUND IN A DIFFICULT SCENARIO …

2021 -2023 Plan

MID TERM GOALS AND ENABLERS

GROWTH	PROFITABILITY	CASH GENERATION
✓ Full range aspiration hobs	✓ Decomplexity	✓ Working Capital Management
✓ Geo Expansion US market 2X	✓ Emea Footprint re-balance	✓ Capex Optmization
✓ Motors New product/Customer expansion	✓ Labour & Opex SG&A Re-sizing	✓ Reverse Factoring
	✓ Unprofitable Business Lines CUT	



✓ **2021-2023:** execution of a 3 years plan focused on **competitiveness & margins** improvement, while implementing **long term growth initiatives** in product & distribution …

… in a dramatic **market disruption** scenario since **H2 2022**, deepened by **geopolitical tensions** and restrictive monetary policies to fight **inflation**

… DELIVERED A STRONGER COMPANY

Delivering in 3 years the **highest performance in Elica history**

- **~91 M€** OPERATING PROFIT
- **~40 M€** NET PROFIT (EXCL. MINORITIES)
- **~8 M€** DIVIDENDS PAID TO SHAREHOLDERS

Numbers Talks:

€M	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
NET SALES	472,4	480,0	452,6	541,3	548,6	473,0
ADJ EBITDA	40,0	45,0	42,2	57,1	56,6	48,1
% NET SALES	8,5%	9,4%	9,3%	10,5%	10,3%	10,2%
ADJ EBIT	19,8	19,6	15,9	32,3	33,0	24,3
% NET SALES	4,2%	4,1%	3,5%	6,0%	6,0%	5,1%
GROUP NET PROFIT	-1,0	3,1	-1,8	12,1	16,6	9,8
% NET SALES	-0,2%	0,6%	-0,4%	2,2%	3,0%	2,1%

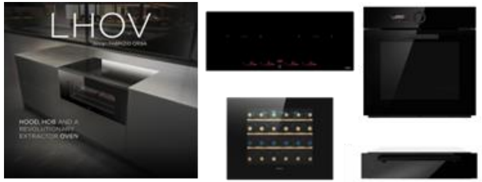
… WITH A NEW SET OF WEAPONS

How?

Maintaining **focus in defending margins** in a worsening market scenario, **generating resources to invest in our future:**

ENLARGED PRODUCT OFFER & SEGMENTS

COOKING



MOTORS

WIDER DISTRIBUTION NETWORK AND M&A

DISTRIBUTION

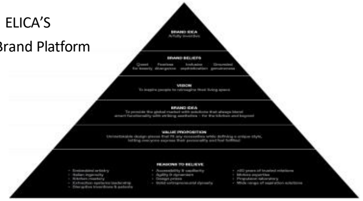
NEW DISTRIBUTORS IN CANADA AND U.S.A.

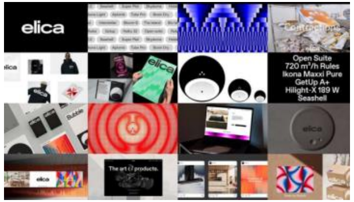
EMC ACQUISTION

EMC ELECTRIC MOTORS COMPANY

COMMUNICATION AND BRAND STRATEGY

ELICA'S
Brand Platform





ELICA RUNS TOGETHER WITH DUCATI CORSE:
SPONSORSHIP SIGNED FOR 2024 MOTOGP CHAMPIONSHIP

MotoGP Championship Figures

MEDIA FIGURES

MORE THAN
200 COUNTRIES RECEIVING LIVE TV SIGNAL

45,725 BROADCASTED HOURS

450 MILLION HOMES REACHED VIA CONTINENTAL NETWORKS

119 Media Partners

12.2B Impressions | **3B** Video Views | **400M** Engagement | **2.5B** Minutes Viewed

MEDIA REPRESENTATIVES

Media representatives
From 43 countries

TV Stations
Totatl of 2,426

Websites
A total of 256 reporters

Printed Media
A total of 2,732 journalists

Radio
A total of 143 Radio

200 COUNTRIES
Receiving TV signal

2024 EXPECTATIONS

	H1	H2	COMMENTS
DEMAND	Negative	Neutral	Still difficult market environment especially in the heating sector
PRICE/MIX	Negative	Negative	High promotional activity and product mix headwinds
INFLATION	Positive	Positive	Slightly positive net cost saving: negative labour inflation offset by raw materials tailwinds

STRATEGIC INVESTMENTS

Focus on **REVENUE GROWTH**: cooking transformation, **AWARENESS** and **SALES SUPPORT** to boost product innovation and a wider distribution network

PRIORITIES 2024 & BEYOND

- Focus on **REVENUE GROWTH:**
  - **COOKING Priorities**: Defend/Grow Market Shares, phase-in Elica new complete product range, new Elica brand strategy ready to be deployed, phase-in new OEM Customers
  - **MOTOR Priorities**: Growth market share, Heat-Pumps, Hydrogen
- FOCUS ON COST EFFICIENCY will continue without compromising **LONG-TERM GROWTH INITIATIVES**
- **NET FINANCIAL POSITION UNDER CONTROL** to support strategic investments and M&A
- KEEP THE FOCUS ON **SHAREHOLDER'S RETURN**

ANNEX: FINANCIAL HIGHLIGHTS

Q4 CONSOLIDATED INCOME STATEMENT

€M	4Q 23	4Q 22	%
Net Sales	**113.0**	**129.5**	-12.8%
EBITDA Adj	**10.6**	**13.3**	-20.2%
%	*9.4%*	*10.3%*	*-87 bps*
EBITDA	**9.2**	**11.1**	-16.4%
%	*8.2%*	8.5%	*-35 bps*
EBIT	**3.4**	**5.2**	-33.7%
%	*3.0%*	4.0%	*-96 bps*
Net Result	**0.6**	**3.7**	-83.3%
%	*0.5%*	*2.9%*	*-232 bps*
EPS* – Euro cents	**0,39**	**5.32**	*-92.6%*

(*) EPS is calculated by dividing the Net Result pertaining to the Group by the number of ordinary shares outstanding, excluding treasury shares at the same data.

FY CONSOLIDATED INCOME STATEMENT

elica

€M	FY 23	FY 22	%
Net Sales	**473.2**	**548.6**	-13.7%
EBITDA Adj	**48.1**	**56.6**	-15.0%
%	*10.2%*	*10.3%*	*-15 bps*
EBITDA	**45.4**	**50.8**	-10.7%
%	*9.6%*	*9.3%*	*33 bps*
EBIT	**21.5**	**27.3**	-21.2%
%	*4.6%*	*5.0%*	*-43 bps*
Net Result	**11.3**	18.2	-37.9%
%	*2.4%*	*3.3%*	*-93 bps*
EPS* – Euro cents	**15.74**	**26.47**	*-40.5%*

(*) EPS is calculated by dividing the Net Result pertaining to the Group by the number of ordinary shares outstanding, excluding treasury shares at the same data.

NET WORKING CAPITAL

€M	FY 23	FY 22	Δ
Trade receivables	26.7	48.5	(21.8)
% on annualized sales	*5.6%*	*8.8%*	*(320) bps*
Inventories	90.9	101.5	(10.6)
% on annualized sales	*19.2%*	*18.5%*	*70 bps*
Trade payables	(107.1)	(139.6)	32.5
% on annualized sales	*(22.6)%*	*(25.4)%*	*280 bps*
Managerial Working Capital	**10.5**	**10.4**	**0.2**
% on annualized sales	***2,2%***	***1.9%***	***30 bps***
Short term assets & liabilities	0.2	(12.6)	12.8
% on annualized sales	*0.0%*	*(2.3)%*	*230 bps*
Net Working Capital	**10.8**	**(2.2)**	**13.0**
% on annualized sales	***2.3%***	***(0.4)%***	***270 bps***

CONSOLIDATED CASH FLOW

€M	FY 23	FY 22
Operating Cash Flow	29.5	42.7
Capex (*)	(16.1)	(23.3)
Cash Flow from Financial Activities	(24.3)	(26.4)
Δ Net Financial Position	**(10.9)**	**(6.9)**

CONSOLIDATED B/S

	FY 23	FY 22		FY 23	FY 22
Net Operating Fixed Assets	187.3	181.2	Net Financial Position (*)	53.4	43.9
Net Working Capital	10.8	(2.2)	Group Equity Minorities	140.9 5.6	132.5 5.4
Net Financial Assets	1.9	2.9	**Total Shareholders' Equity**	**146.5**	**138.0**
Net Capital Employed	**199.9**	**181.8**	**Total Sources**	**199.9**	**181.8**

(*) Including IFRS 16 effect

FOCUS: NRI & MINORITIES

RESTRUCTURING COSTS & NRI

€M	2023		2022	
	Q4	FY	Q4	FY
PATENTS AGREEMENT	---	---	---	-3,2
RESTRUCTURING SG&A	0,6	1,5	1,2	2,2
INDUSTRIAL PLAN	0,1	0,4	0,5	6,2
OTHERS	0,6	0,8	0,5	0,5
TOT NRI	**1,4**	**2,7**	**2,3**	**5,7**

FOCUSED ONE-OFFS TO DELIVER INCREASING MARGINS & ELIMINATE LIABILITIES:

- Corporate SG&A Re-sizing
- Industrial Plan: additional voluntary exit agreement and operational execution costs.

MINORITIES

€M	2023			2022		
	MINORTY SHARES	Q4	FY	MINORTY SHARES	Q4	FY
ARIAFINA	49,0%	0,4	1,5	49,0%	0,4	1,6
TOT MINORITIES		**0,4**	**1,5**		**0,4**	**1,6**

- **ARIAFINA** (Japan) performance in line with 2022


elica
MetLife