

# De' Longhi S.p.A.

## Preliminary 2022 revenues

In 2022, the De' Longhi Group achieved consolidated<sup>1</sup> revenues of approx. € 3,158 million, slightly down by around -2% (around -5.9% at constant exchange rates) compared to 2021. This trend was in line with the high end of the range of the company's guidance<sup>2</sup>, thanks also to a better than expected fourth quarter, albeit down on an annual basis (approx. -4% at current exchange rates and approx. -7% at constant exchange rates).

The CEO Fabio de' Longhi has commented:

*"I believe that the results obtained in terms of revenues in 2022 should be evaluated positively in the light of the several challenges and growing difficulties that the Group has faced, such as the dramatic geopolitical developments and the inflation dynamics which have inevitably deteriorated the consumers' trust and spending power.*

*Nonetheless, the Group was able to maintain a level of sales well in excess of 3 billion Euros, thanks to the strengthening of investments in communication to support our brands, the growth of the coffee segment and the diversification of our international presence.*

*In general, the fourth quarter performance, better than initial expectations - together with the effects of the actions implemented for the inventory reduction and cost control - heralds a possible trend in margins for the year just closed in line with the high end of our guidance, which estimated an adjusted Ebitda in the range of 320-340 million Euros.*

*With 2022 behind us, we are now facing a 2023 still full of uncertainties, deriving mostly from those macroeconomic and geopolitical factors that characterized the year that has just ended. In this context, we see a year with slightly decreasing sales; after a weak first half, due also to the further de-stocking by retailers and our strategic decision to exit the mobile air conditioning market in the United States, we see a slight recovery follow in the second half. At an operational level, we will be required to continue to carefully monitor the inventories level and the recovery of production and logistics efficiencies as well as cost control in general".*

Finally, it should be noted that the preliminary revenue figures shown in this press release have not been audited. The complete 2022 annual results will be submitted for approval to the Board of Directors in their meeting scheduled for March 13, 2023.

<sup>1</sup> The consolidated results for the twelve months of 2022 refer to the new scope of consolidation which also includes the Swiss group Eversys starting from 1 April 2021.

<sup>2</sup> The **guidance** on revenues for the year 2022 forecasts a decline at a "mid-single digit" rate.

## 2022 revenues by geography and product line

In 2022 we saw our Group close the first half of the year in positive territory, supported by a brilliant performance of coffee, and then show an overall decline in turnover in the following quarters at a mid-single digit rate. This change of scenario is attributable to various factors, such as the complex geopolitical framework and the unfavorable inflation dynamics, as well as to the challenging comparison with the extraordinary growth achieved in 2021.

These factors temporarily weakened the demand for goods in the European area, while in the other regions the Group was able to maintain the sales trend in positive territory.

More in details:

<i>EUR million</i>	<b>FY 2022</b>	<i>var. %</i>	<i>var. % at constant FX</i>	<b>Q4 2022</b>	<i>var. %</i>	<i>var. % at constant FX</i>
South West Europe	1,127.7	-7.5%	-8.3%	366.7	-7.3%	-8.2%
North East Europe	746.0	-12.9%	-14.5%	262.6	-15.4%	-16.2%
<b>EUROPE</b>	<b>1,873.8</b>	<b>-9.8%</b>	<b>-10.9%</b>	<b>629.3</b>	<b>-10.9%</b>	<b>-11.7%</b>
<b>Americas</b>	<b>623.8</b>	<b>10.8%</b>	<b>-1.1%</b>	<b>205.3</b>	<b>13.9%</b>	<b>-0.7%</b>
<b>MEIA</b>	<b>196.6</b>	<b>7.9%</b>	<b>-4.1%</b>	<b>41.8</b>	<b>13.0%</b>	<b>1.5%</b>
<b>Asia-Pacific</b>	<b>463.9</b>	<b>15.9%</b>	<b>12.2%</b>	<b>153.0</b>	<b>2.7%</b>	<b>5.5%</b>
<b>TOTAL REVENUES</b>	<b>3,158.0</b>	<b>-2.0%</b>	<b>-5.9%</b>	<b>1,029.4</b>	<b>-4.0%</b>	<b>-7.0%</b>

- **south-western Europe** showed a generalized drop in consumption, which affected the results for the year with a moderate weakness in the main markets of continental Europe; in the last quarter of 2022, the area showed similar dynamics to the previous months, with the exception of Germany and the Iberian region, with turnover in line with 2021;
- sales in **North-Eastern Europe** were down, mainly due to the direct impact of the Russian-Ukrainian conflict; the rest of the area, in both periods, recorded a generalized weakness, with the exception of a few markets, such as Poland and Hungary, which instead outlined a growing trend;
- the **MEIA** region remained in positive territory both in the twelve months and in the quarter, benefiting from a favorable exchange rate effect and a general development in the area;
- the **Americas** region achieved double-digit growth over the twelve months and in the last quarter, thanks to a significant acceleration in the coffee segment and supported by a positive effect of the currency component;
- finally, the **Asia Pacific** region achieved growth of approximately 16% over the twelve months, thanks to the expansion of the main markets such as China, Hong Kong, Australia and New Zealand; the turnover in the fourth quarter of the year also increased, mainly driven by the strong expansion of China and Hong Kong.

In terms of product segments:

- the **coffee machines** for households showed a positive trend, both in the twelve months and in the fourth quarter, thanks to the expansion of the core categories - fully automatic and manual machines - which benefited from greater resilience in consumption and a better market penetration;
- The **cooking and food preparation** segment closed the year and the quarter with a marked decline, due to an overall weakness in consumption in the sector and a challenging comparison with the results obtained by the Group in 2021;
- as regards the remaining segments, we point out the growth achieved in the year - and confirmed in the fourth quarter - by the **comfort** segment (portable air conditioning and heating), supported by the good performance of heating products, which was offset by the partial weakness in the twelve months of the **home care** category (floor care and ironing), which contracted in the last quarter of the year;
- finally, the contribution of the **professional coffee machines**, represented by the newly acquired Eversys, was largely positive, showing a very strong growth trend in all quarters of the year, with a total turnover doubled vs. 2021.

## Regulatory statements

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The manager responsible for the preparation of the company's accounts, Stefano Biella, hereby declares, as per article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this press release are fairly representing the accounts and the books of the company.

## Contacts

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The De' Longhi Group is one of the leading players in the small domestic appliance business dedicated to the world of coffee, cooking and food preparation, air conditioning, heating and home care.

Listed since 2001 on the Italian Stock Exchange MTA, De' Longhi distributes its products, with the De' Longhi, Kenwood, Braun, Ariete, Nutribullet and Magic Bullet brands, in more than 120 markets around the world and at end 2021 had over 10,000 employees. In 2021 it reported revenues of € 3.2 billion, an adjusted EBITDA of € 515 million and a net profit of € 311 million.