

Ariston Group delivered 1.3 €B revenues and 57 €M adjusted EBIT in H1 2024, amid a significant heating market transition; mid-term view remaining intact

H1 2024 RESULTS HIGHLIGHTS

- **Net revenues¹ amounted to 1,274 million euro**, an overall decrease of 15.5% compared to H1 2023, of which 621 million euro in Q2, down 17.0% YoY, due to the weaker-than-expected market demand.
- **Adjusted EBIT¹ amounted to 57 million euro**, decreasing 62.3% compared to H1 2023, of which 27 million euro in Q2, down 65.6% YoY.
- **Free cash flow at -24 million euro**, improving versus -30 million euro in H1 2023. +27 million euro generated in Q2.
- **Net debt² of 721 million euro**, compared to 611 million euro as of year-end 2023, due to free cash flow seasonality, cash-out for the Egypt plant acquisition and dividends payment.

2024 GUIDANCE AND MID-TERM VIEW

- The **update on 2024 guidance**, shared in the 25 July “Preliminary Information” press release, is confirmed.
- **Net revenues guidance** updated from the lower part of the range between -1% and -5% YoY, including Russia, to the range between -12% and -15% YoY on a like-for-like basis¹. This is due to the unprecedented and prolonged weak demand in Europe, mainly in Heating.
- **Adjusted EBIT margin guidance** updated from the lower part of the range between 9.4% and 10% to circa 6%, due to the same drivers of the revenues decrease and in addition to operating leverage, unfavorable country mix and labor cost inflation.
- **Mid-term view remains intact**. After a transitioning year, with very tough comparison and weak demand, for the next years we expect a mid-single-digit organic growth driven by the recovery of the market demand along with our management actions.

Paolo Merloni, Executive Chairman commented: *“I strongly believe in the future of our industry as well as in the role that Ariston Group will play, and this conviction is driving my commitment to our Group also as main shareholder. Beyond contingent market conditions, we are focused on our strategy, leveraging our solid vision, consolidating our global footprint and accelerating Wolf-Brink synergies, with innovation and sustainability as our key levers.”*

¹ Ariston Thermo Rus LLC is deconsolidated from both end-April 2024 and 2023 P&L figures on a like-for-like basis (unaudited).

² Calculated according to ESMA 32-382-1138 guidelines.

Maurizio Brusadelli, Chief Executive Officer added: *“2024 confirmed to be a year of transition for our industry after recent peaks, with a weak heating demand in main European markets impacting our operating leverage. We have enhanced our initiatives to optimize costs and investments, focusing on simplification and synergies, without compromising our ability to capture the recovery in 2025 and mid-term.”*

The Board of Directors of Ariston Holding N.V. (MTA/EXM; Bloomberg ticker: ARIS IM) met today and approved the consolidated half-year report for the six-months ending on June 30th 2024 (“H1 2024”).

H1 2024 CONSOLIDATED RESULTS¹

Net revenue amounted to 1,274.4 million euro, a decrease of 15.5% compared to the 1,507.7 million euro registered in the first half of 2023, with an organic contribution of -15.3% and foreign exchange effect of -0.2%.

€M	H1 2024	H1 2023	Change
Thermal Comfort	1,190.1	1,415.9	-15.9%
Burners	42.5	43.3	-2.0%
Components	41.8	48.4	-13.6%
Total	1,274.4	1,507.7	-15.5%

€M	H1 2024	H1 2023	Change
Europe	913.5	1,131.3	-19.2%
Americas	128.1	122.6	4.5%
Asia/Pacific & MEA	232.7	253.8	-8.3%
Total	1,274.4	1,507.7	-15.5%

EBITDA reached 64.4 million euro, -67.8% compared to the 200.0 million euro registered in H1 2023, while **EBIT** amounted to -3.6 million euro, compared to the 144.1 million euro of H1 2023.

These margins are also presented in an adjusted form which is more suitable to appreciate the trend of the normal business operations, with the exclusion of costs or revenues not representative of them; the main significant adjustments for the period are the impairment on Russian subsidiary (“Ariston Thermo Rus LLC”) and the PPA amortization related to past acquisitions.

Adjusted EBITDA amounted to 113.2 million euro, down by 44.6% compared to 204.4 million euro registered in H1 2023, with a decrease in the margin on net revenue from 13.6% to 8.9%.

Adjusted EBIT amounted to 57.0 million euro, decreasing by 62.3% compared to the 151.3 million euro of H1 2023. The corresponding margin on net revenue was down from 10.0% to

4.5% as a consequence of prolonged weak demand leading to negative operating leverage enhanced by destocking, country mix and labor inflation effects.

Free cash flow³ in the period amounted to -23.9 million euro, versus -30.3 million euro for H1 2023. The improvement was mainly due to inventories reduction, with a lower net working capital absorption compared to H1 2023, and CapEx optimization.

Net Financial Indebtedness at the end of the period (calculated according to ESMA 32-382-1138 guidelines) went from 610.9 million euro at 31 December 2023 to 721.0 million euro, mainly due to negative free cash flow, Egypt plant acquisition and dividends payment.

For comparative purposes, applying the calculation method used before the adoption of ESMA guidelines, net financial indebtedness went from 575.0 to 687.5 million euro. The main differences are ESMA's inclusion – among liabilities – of put & call options related to acquisitions, and the neutralization of positive mark-to-market from derivatives.

RELEVANT EVENTS FOLLOWING 30 JUNE 2024

The Board approved the Buyback Program, aimed at acquiring, in one or more transactions, a maximum number of 3,000,000 ordinary shares in the capital of the Company, for a minimum price, excluding expenses, of the nominal value of the ordinary shares concerned and a maximum price of EUR 11, in continuity with previous buyback programs run in 2022-23, and which ordinary shares, when added to the treasury shares already held by the Company, will not exceed the legal limit.

The Buyback Program is to be executed in a period of 18 months from 1 August 2024 to 1 February 2026.

The Board also approved to grant to the Executive Directors, severally, the power to carry out all activities to implement the Buyback Program, including but not limited: (i) to enter into an agreement with the investment bank, (ii) to approve press releases on the Buyback Program, (iii) to purchase own ordinary shares in the capital of the Company in accordance with the limits and procedures set out above and the applicable laws and regulations, (iv) to approve updates to the market on the progress of the Buyback Program; and (v) to sign all other documents, acts and deeds in relation to the Buyback Program.

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The half-year report is available in electronic format at the authorized repository www.1info.it and on the corporate website www.aristongroup.com in the "Investors" section. It has been prepared in accordance with the Dutch Civil Code and the applicable International Financial Reporting Standards (IFRS), is not subject to auditing and is not published in ESEF format.

The H1 2024 Analyst Presentation, which includes management's outlook on the remaining part of the year, will be made available at the authorized repository www.1info.it and on the website www.aristongroup.com in the "Investors" section.

A conference call dedicated to financial analysts and investment professionals will be held today at 15:00 CEST.

³ Ariston Thermo Rus LLC has been deconsolidated from end-April in 2024 figures.

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About Ariston Group

Ariston Group is a global leader in sustainable thermal comfort that offers a unique, extensive range of solutions for climate comfort, water heating and air handling, as well as components and burners. Listed on Euronext Milan since November 2021, in 2023 the group reported almost 3.1-billion-euro revenues, with over 10,000 employees, direct presence in 40 countries in 5 continents, 29 production sites and 29 research and development centers. The group demonstrates its commitment to sustainability through the development of renewable and high efficiency solutions, such as heat pumps, water heating heat pumps, hybrids, domestic ventilation, air handling and solar thermal systems. The group also stands out for its continuous investment in technological innovation, digitalization, and advanced connectivity systems. The group operates under global strategic brands Ariston, Elco and Wolf, and brands such as Calorex, NTI, HTP, Chaffoteaux, Atag, Brink, Chromagen, Racold, as well as Thermowatt and Ecoflam in the components and burners business.

Alternative Performance Measures (APMs)

This document contains certain financial performance measures that are not defined in IFRS standards (non-GAAP measures). These measures comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415. For a full presentation and discussion of alternative performance measures, please refer to chapter 4.11 "Definition and reconciliation of the Alternative Performance Measures (APMs or non GAAP measures) to GAAP measures" in the half-year report.

Forward-looking statements

This announcement may contain certain forward-looking statements, estimates and forecasts reflecting management's current views with respect to certain future events. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Group operates or intends to operate. Forward-looking information is based on information available to the Group as of today and is based on certain key assumptions; as such, forward-looking statements speak only as of the date of this announcement. No assurance can be given that such future results will be achieved; actual events may materially differ as a result of risks and uncertainties faced by the Group, which could cause actual result to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. Except as required by applicable laws and regulations, the Group expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based; the Group expressly disclaims and does not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this document, and in any related oral presentation, including responses to questions following the presentation, or in connection with any use by any third party. Further information on the Group and its activities, including those factors that may materially influence its financial results, are contained in the reports and documents of the Group deposited with the AFM and CONSOB.

Attachments:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

CONSOLIDATED H1 2024 INCOME STATEMENT

CONSOLIDATED H1 2024 CASH FLOW STATEMENT

Attachments note: in H1 2024 Ariston Thermo Rus LLC is deconsolidated from end-April and in H1 2023 Ariston Thermo Rus LLC is included for the entire period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

<i>(in million €)</i>	At June 30, 2024	At December 31, 2023
Assets		
NON-CURRENT ASSETS		
Intangible assets		
<i>Goodwill</i>	894.2	894.1
<i>Other intangible assets</i>	606.0	618.3
Total intangible assets	1,500.2	1,512.4
Property, plant and equipment		
<i>Land and buildings excluding ROU</i>	201.6	197.4
<i>Land and buildings ROU</i>	53.5	56.3
Land and buildings	255.1	253.7
<i>Plant and machinery excluding ROU</i>	151.5	136.3
<i>Plant and machinery ROU</i>	1.2	1.4
Plant and machinery	152.7	137.7
<i>Other property, plant and equipment excluding ROU</i>	170.2	198.6
<i>Other property, plant and equipment ROU</i>	32.4	29.5
Other property, plant and equipment	202.6	228.1
Total property, plant and equipment	610.4	619.4
Investments in associates & Joint ventures	6.0	6.0
Deferred tax assets	118.0	114.6
Financial assets	5.4	4.4
Other non-current assets	7.6	7.8
Non-current tax receivables	0.9	1.4
Total non-current assets	2,248.4	2,266.0
CURRENT ASSETS		
Inventories	565.5	619.0
Trade receivables	334.8	361.3
Tax receivables	50.4	47.8
Current financial assets	30.6	35.1
Other current assets	75.0	87.4
Cash and cash equivalents	248.5	451.2
Total current assets	1,304.9	1,601.8
ASSETS HELD FOR SALE	0.3	0.3
TOTAL ASSETS	3,553.7	3,868.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

<i>(in million €)</i>	At June 30, 2024	At December 31, 2023
Liabilities and Equity		
NET EQUITY		
Share capital	46.5	46.5
Share premium reserve	711.3	711.3
Retained earnings and other reserves	698.0	553.6
Net profit attributable to the Group	-31.9	191.2
Net equity attributable to the Group	1,423.9	1,502.6
Non-controlling interests and reserves	-0.5	-0.1
Net profit attributable to non-controlling interests	-0.1	0.0
Net equity attributable to non-controlling interests	-0.6	-0.1
Net equity	1,423.3	1,502.5
NON-CURRENT LIABILITIES		
Deferred tax liabilities	218.7	214.3
Non-current provisions	69.5	73.8
Post-employment benefits	84.0	87.2
Non-current financing	898.4	942.1
Other non-current liabilities	22.4	20.5
Non-current tax liabilities	3.9	3.9
Total non-current liabilities	1,296.9	1,341.5
CURRENT LIABILITIES		
Trade payables	414.7	463.7
Tax payables	74.6	83.9
Current provisions	58.3	68.9
Current financial liabilities	42.5	72.5
Current loans	25.8	46.7
Other current liabilities	217.5	288.2
Total current liabilities	833.5	1,024.0
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE	0.0	0.0
TOTAL LIABILITIES AND NET EQUITY	3,553.7	3,868.0

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(in million €)

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
REVENUE AND INCOME				
Net revenue	1,274.4	100.0%	1,525.6	100.0%
Other revenue and income	27.1	2.1%	26.4	1.7%
Revenue and Income	1,301.6	102.1%	1,552.0	101.7%
OPERATING EXPENSES				
Change in inventories	19.9	1.6%	-117.6	-7.7%
Raw materials, consumables and goods for resale	561.6	44.1%	797.6	52.3%
Services	234.4	18.4%	271.7	17.8%
Personnel	339.5	26.6%	341.7	22.4%
Depreciation and amortisation	68.0	5.3%	56.1	3.7%
Additions and release of provisions	28.7	2.3%	24.8	1.6%
Write-downs	0.2	0.0%	1.0	0.1%
Other operating expenses	52.8	4.1%	30.6	2.0%
Operating expenses	1,305.1	102.4%	1,405.9	92.2%
OPERATING PROFIT (EBIT)	-3.6	-0.3%	146.1	9.6%
FINANCIAL INCOME AND EXPENSE				
Financial Income	5.7	0.4%	6.9	0.5%
Financial Expense	-24.4	-1.9%	-19.4	-1.3%
Exchange rate gains/losses	-6.7	-0.5%	2.9	0.2%
Financial Income and Expense	-25.4	-2.0%	-9.7	-0.6%
PROFIT (LOSS) ON INVESTMENTS				
Profit (loss) on investments	0.0	0.0%	-0.6	0.0%
PROFIT BEFORE TAX	-29.0	-2.3%	135.8	8.9%
TAXES	3.0	0.2%	34.0	2.2%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	-32.0	-2.5%	101.9	6.7%
NET PROFIT	-32.0	-2.5%	101.9	6.7%
Net profit attributable to non-controlling Interests	-0.1	-0.1%	0.3	0.0%
Net profit attributable to the Group	-31.9	-2.5%	101.6	6.7%
Basic earnings per share (€)	-0.09		0.27	
Diluted earnings per share (€)	-0.09		0.27	

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

(in million €)

	For the six months ended June 30, 2024	For the six months ended June 30, 2023	
CASH FLOW FROM OPERATING ACTIVITIES			
1	NET PROFIT	-32.0	101.9
2	- Taxes	3.0	34.0
3	- Income and expense from financing and investment activities	25.4	10.3
4	- Depreciation and amortisation excluding ROU	52.5	47.2
5	- Depreciation ROU	15.5	8.9
6	- Provisions	28.7	24.8
7	- Other adjustments	0.2	1.0
8	= GROSS OPERATING CASH FLOW (+1+2+3+4+5+6+7)	93.3	228.0
9	- Change in trade receivables	15.0	-16.1
10	- Change in inventories	21.6	-116.6
11	- Change in trade payables	-87.6	-10.8
12	- Change in other short-term assets/liabilities	35.9	-15.8
13	- Change in provisions	-30.5	-17.2
14	- Tax paid	-19.2	-31.5
15	= NET OPERATING CASH FLOW (+8+9+10+11+12+13+14)	28.5	20.0
CASH FLOW FROM INVESTMENT ACTIVITIES			
16	- Investments in intangible assets	-11.3	-11.2
17	- Investments in property, plant and equipment (PPE)	-16.9	-28.5
18	- Business combinations	-19.9	-546.6
19	- Investments in financial assets	-2.8	-1.4
20	- Change in the scope of consolidation	0.7	0.0
21	- Proceeds from sale of intangible assets and PPE	0.4	0.2
22	= CASH FLOW FROM INVESTMENT ACTIVITIES (+16+17+18+19+20+21)	-49.8	-587.6
CASH FLOW FROM FINANCING ACTIVITIES			
23	- Financial expense paid	-27.3	-14.5
24	- Financial income collected	11.7	3.9
25	- Financial expense pursuant to IFRS16	-1.7	-1.2
26	- Other inflows (outflows) of cash classified as financing activities	1.1	1.8
27	- Increase/decrease in short-term financial payables	-20.7	5.0
28	- New loans	-0.3	174.1
29	- Loans repayment	-75.9	-318.8
30	- Dividends	-63.1	-48.3
31	- Capital and reserves increase/distribution	0.0	0.0
32	- Proceeds from issue of ordinary shares	0.0	0.0
33	- Buyback/sale of treasury shares	0.0	0.0
34	= CASH FLOW FROM FINANCING ACTIVITIES (23 to 33)	-176.2	-197.9
35	= CASH FLOW FROM CONTINUING OPERATIONS (15+22+34)	-197.6	-765.5
36	CASH FLOW FROM DISCONTINUED OPERATIONS	0.0	0.0
37	= TOTAL CASH FLOW (35+36)	-197.6	-765.5
38	<i>Effect of changes in exchange rates</i>	-1.5	-5.5
39	= TOTAL MOVEMENT IN CASH AND CASH EQUIVALENTS (37+38)	-199.1	-771.0
40	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	440.0	977.5
41	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (39+40)	240.9	206.5