



# ARISTON GROUP INVESTOR PRESENTATION

July 10<sup>th</sup>, 2023



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## 1. ARISTON GROUP OVERVIEW





2022

**€2.4B** REVENUES  
(**€3.1B** PRO-FORMA<sup>1</sup>)



2022

**€223M** ADJ. EBIT  
(**€286M** PRO-FORMA<sup>1</sup>)  
AND **9.4%** (9.3%<sup>1</sup>) MARGIN



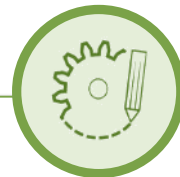
**43**

COUNTRIES OF DIRECT PRESENCE  
AND **150+** COUNTRIES SERVED



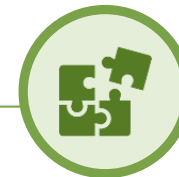
**44 : 56**

PROPORTION OF RENEWABLE VS.  
FOSSIL FUEL PRODUCTS IN EUROPE  
(TARGET: 60 : 40 IN 2025)



**#28**

PRODUCTION SITES AND  
**#30** R&D CENTERS<sup>1</sup>



**#18**

LARGE M&A AND BOLT ON  
ACQUISITIONS SINCE 2014

# A GLOBAL COMPANY WITH STRONG LOCAL ROOTS



Aristide Merloni founds the Industrie Merloni in the Marche Region, in Italy, starting the production of weighing scales.



In the Eighties, the company enters the heating sector and sets up up subsidiaries in Eastern Europe and Asia. In the Nineties, it acquires Racold, the largest water heating company in India, and opens its first factory in China.



In 2011, the company confirms its leadership in Switzerland by acquiring Cipag SA and Domotec AG. In 2013, it finalises the acquisition of DhE, an Italian leader in heating components.



The company acquires NTI, among the leaders in the condensing boiler segment in Canada and USA. In the same year, historical Arcevia and Osimo plants win the World Class Manufacturing bronze medal.



The company reaches an agreement with Whirlpool for the reindustrialisation of the Albacina site, to establish a competence centre for renewables. Brand wise, the Company launches "The Ariston Comfort Challenge", the first Ariston global campaign.



The company celebrates the 90th Anniversary since its foundation.



The company finalizes the acquisition of Chromagen, a leading Israeli water heating player with solid footprint in Australia.



In the Sixties the company starts the production of gas cylinders and electric water heaters. In the Seventies, a period of intense growth, it creates the Ariston brand.

The company pursues a remarkable growth by acquiring historical companies and brands such as Chaffoteaux, ELCO, Cuenod and Ecoflam.



In 2014 the company acquires ATAG, a Dutch high-end brand in the heating industry, and South African water heating player Heat Tech Geysers. In the same year, it inaugurates a new plant in Vietnam. In 2015 it opens a new branch in Indonesia and debuts on the Danish market with the acquisition of Gastech-Energi A/S.



The company establishes a R&D centre dedicated to renewable and high-efficiency solutions nearby the Milan headquarters, in Italy. Investments continue with the acquisition of HTP, a well-established brand on the US, and of Atmor, an Israeli water heating company.



The company signs an agreement of Calorex, a leading company in Mexico that is the authorized licensee of the American Standard brand in the USA. In the same year, its Italian plant in Cerreto D'Esi, receives the World Class Manufacturing (WCM) bronze medal.



The company changes its name to Ariston Group. In the same year, it signs an agreement for the acquisition of Chromagen. It is again in 2021 that Ariston Group lists on Euronext Milan.

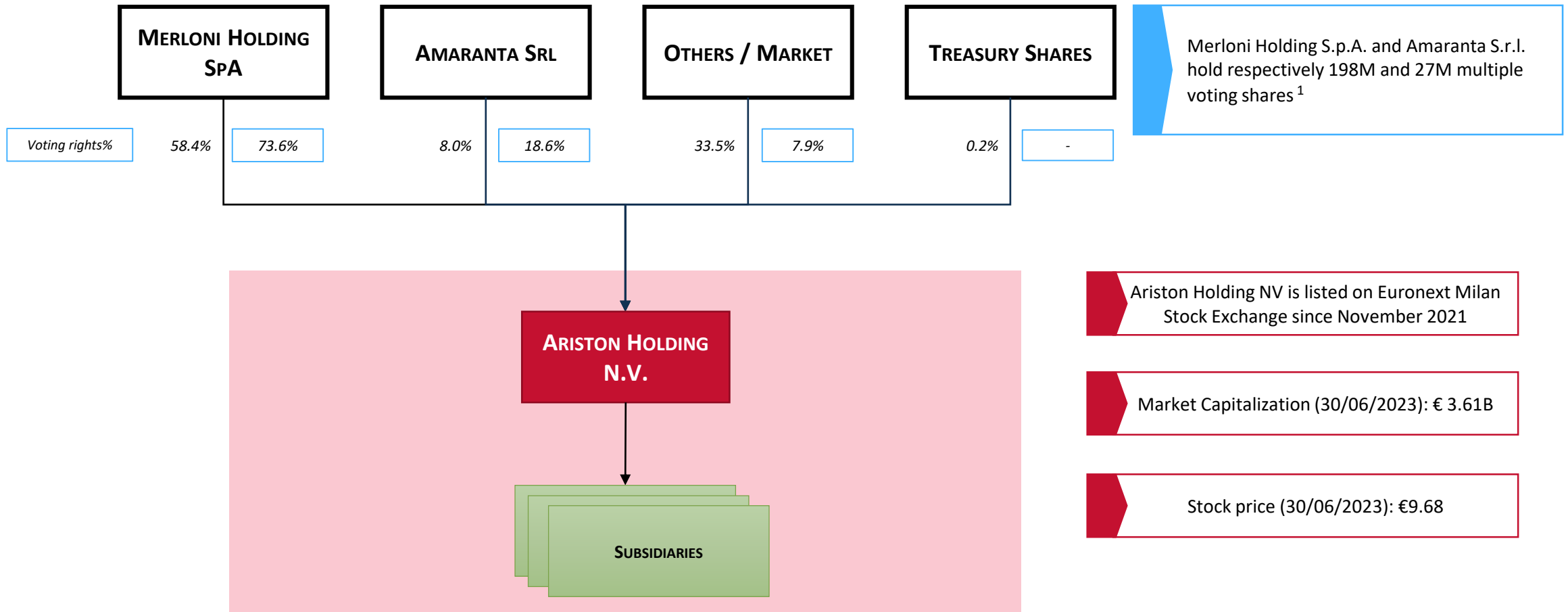


The company finalizes the acquisition of CENTROTEC Climate Systems\*, pioneer of new-generation high-efficiency heat pumps, successfully operating in domestic ventilation and air-handling and with a solid positioning in Europe.



\*CENTROTEC Climate Systems now called Wolf-Brink


# SHAREHOLDING AND SIMPLIFIED ORGANIZATION CHART




**HIGHLY COMMITTED ANCHOR FAMILY SHAREHOLDER**



# EXPERIENCED TEAM WITH TRACK RECORD IN DELIVERING GROWTH AND PROFITABILITY



**PAOLO MERLONI**  
EXECUTIVE CHAIRMAN




**LAURENT JACQUEMIN**  
CHIEF EXECUTIVE OFFICER




**UMBERTO G. CROVELLA**  
SENIOR EXECUTIVE VP THERMAL COMFORT



**CARLO ANDREATINI**  
EXECUTIVE VP AMERICAS AND EUROPE



**PIERLUIGI ASTORINO**  
CHIEF OPERATING OFFICER




**SABRINA BAGGIONI**  
CHIEF DIGITAL AND MARKETING OFFICER




**MARCO CONTI**  
EXECUTIVE VP COMPONENTS DIVISION




**GIULIANO CONTICINI**  
EXECUTIVE VP BURNERS DIVISION



**COSIMO CORSINI**  
CSO AND EXECUTIVE VP ASIA & MEAR



**STEFANO DEMATTÈ**  
EXECUTIVE VP HEATING BU



**RICCARDO GINI**  
CHIEF FINANCIAL OFFICER



**THOMAS KNEIP**  
EXECUTIVE VP OF WOLF-BRINK




**LUCA MEZZOPERA**  
CHIEF QUALITY AND PARTS & SERVICES OFFICER




**GABRIELE MONTESI**  
EXECUTIVE VP ELCO AND ATAG



**VITO SARACINO**  
CHIEF BUSINESS DEVELOPMENT OFFICER



**GIORGIO SCALONI**  
EXECUTIVE VP WATER HEATING BU



**PATRIZIA VALSESIA**  
CHIEF PEOPLE OFFICER

**17 EXPERIENCED  
TEAM MEMBERS**

# A PORTFOLIO OF HIGH-QUALITY GLOBAL AND NATIONAL ICONIC BRANDS



## ARISTON GROUP'S GLOBAL BRAND

ITALIAN HOME COMFORT, CUTTING-EDGE TECHNOLOGY,  
PROVEN EXPERTIZE AND HIGH-QUALITY PRODUCTS

## ARISTON GROUP'S PREMIUM BRANDS

ELCO: "PEACE OF MIND" SYSTEM SOLUTIONS; BEST IN-CLASS  
DIRECT MAINTENANCE AND REPAIR SERVICES

WOLF: NEW-GENERATION HEAT PUMPS,  
PIONEERS IN NATURAL REFRIGERANTS

## RELEVANT NATIONAL BRANDS



## 2. DESCRIPTION OF THE GROUP



1



**CHAMPION OF SUSTAINABLE COMFORT** ACROSS ALL STAGES OF THE **ENERGY TRANSITION**

2



**UNIQUELY BALANCED COMMITMENT** TO BOTH **HOT WATER** AND **HEATING**

3



**GLOBAL FOOTPRINT OF 40+ MARKETS** SUPPORTED BY AN **INTEGRATED AND AGILE INDUSTRIAL BACK-END**

4



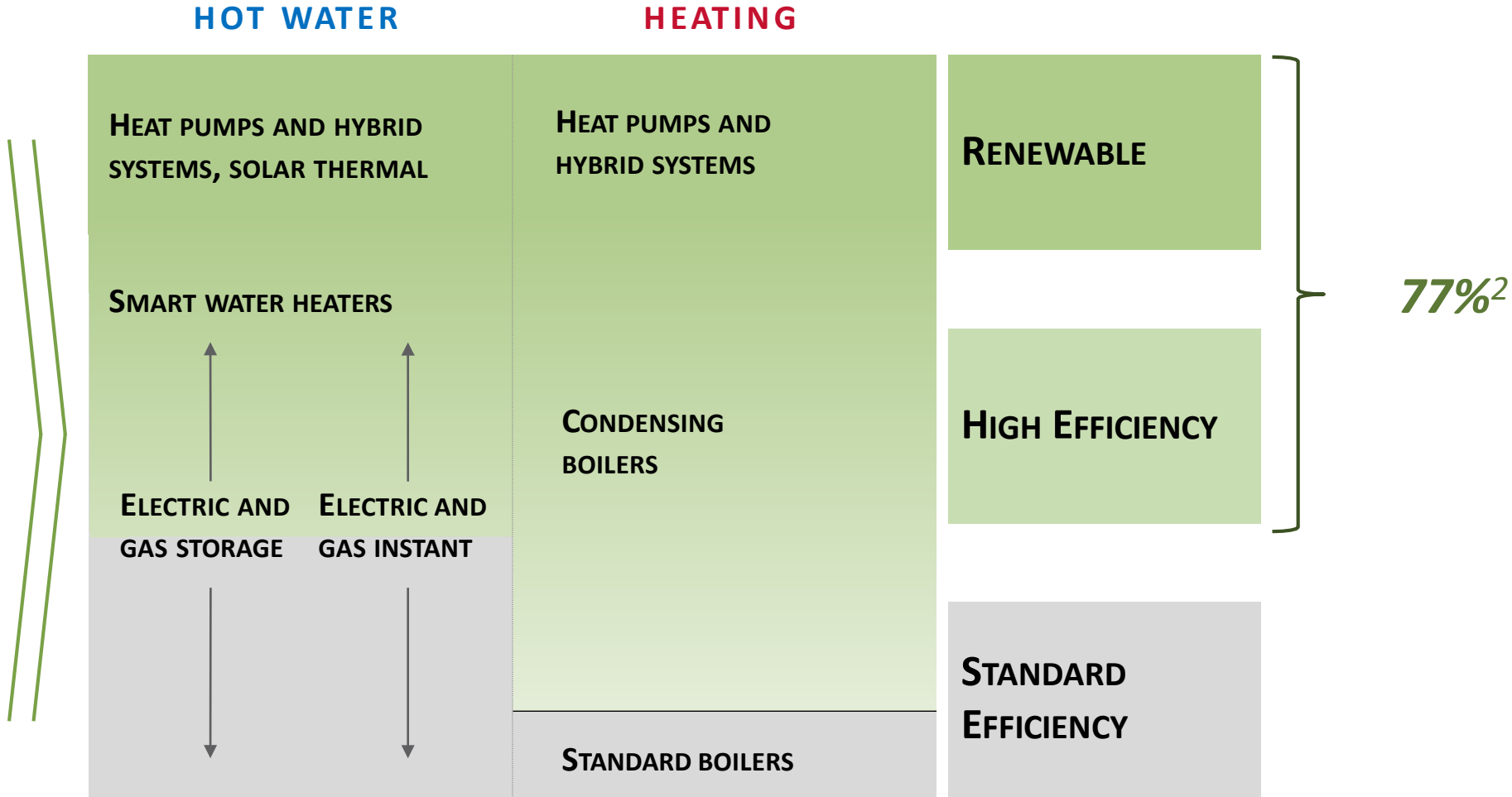
**PROFITABLE GROWTH** COMBINING **STEADY ORGANIC EXPANSION** WITH PROVEN **M&A TRACK RECORD**

# CHAMPION OF SUSTAINABLE COMFORT ACROSS ALL STAGES OF THE ENERGY TRANSITION

## SUSTAINABILITY URGENCY

**36%**  
EUROPEAN ENERGY<sup>1</sup>  
EMISSIONS COMING FROM  
BUILDINGS

HOT WATER AND HEATING  
ACCOUNTING FOR  
c. **80%**  
OF EUROPEAN RESIDENTIAL  
ENERGY CONSUMPTION

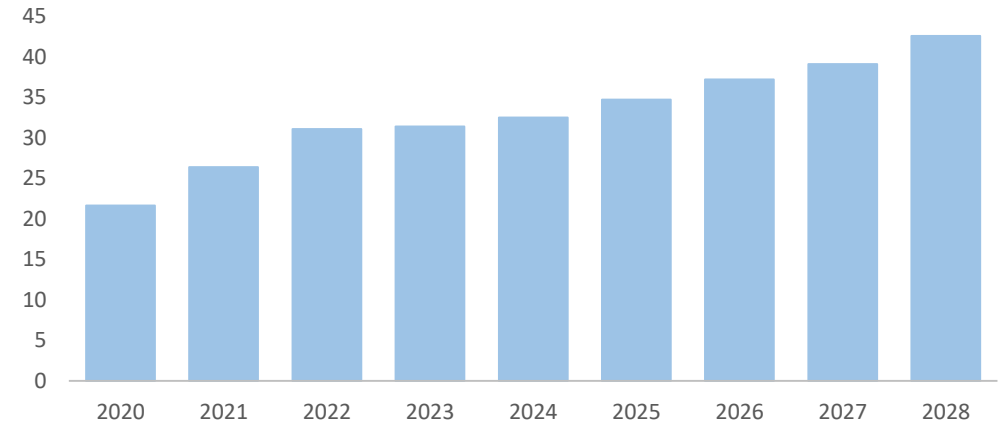


Sources: IEA Energy Technology Perspectives; Climate Watch; EU Renovation Wave Strategy; BRG Building Solutions. <sup>1</sup>17.5% of global energy related greenhouse gases emissions coming from buildings; <sup>2</sup>Based on 2022 products revenues, excluding services, burners and components.

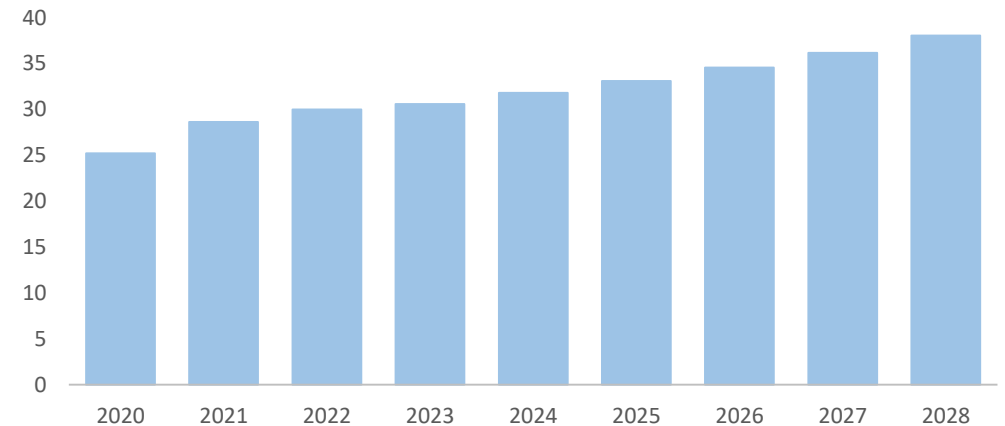
# THE HOT WATER AND HEATING MARKETS: GROWTH UNDERPINNED BY STRONG TRENDS

- 1** **REPLACEMENT OF EXISTING INSTALLED BASE**
  - MAINTENANCE & REPAIR SERVICES
  - REPLACEMENT (CYCLE SHORTENING)
  - RENOVATION
- 2** **PENETRATION IN EMERGING ECONOMIES**
  - GROWING URBANIZATION
  - PRODUCTS PENETRATION
  - RISING MIDDLE CLASS
- 3** **SUSTAINABILITY URGENCY**
  - RENEWABLE ENERGY
  - ENERGY EFFICIENCY
  - ELECTRIFICATION
- 4** **REGULATIONS**
  - EUROPE LEADERSHIP (GREEN DEAL, INCENTIVES, CIRCULAR ECONOMY)
  - OTHER REGIONS WITH EMERGING FOCUS
- 5** **DIGITAL IMPACT**
  - CONNECTED HOME & SERVICES
  - DIGITAL ROUTE-TO-MARKET
  - DIGITAL OPERATIONS & FUNCTIONS

**TOTAL HEATING MARKET (VALUE IN €B)**



**TOTAL HOT WATER MARKET (VALUE IN €B)**



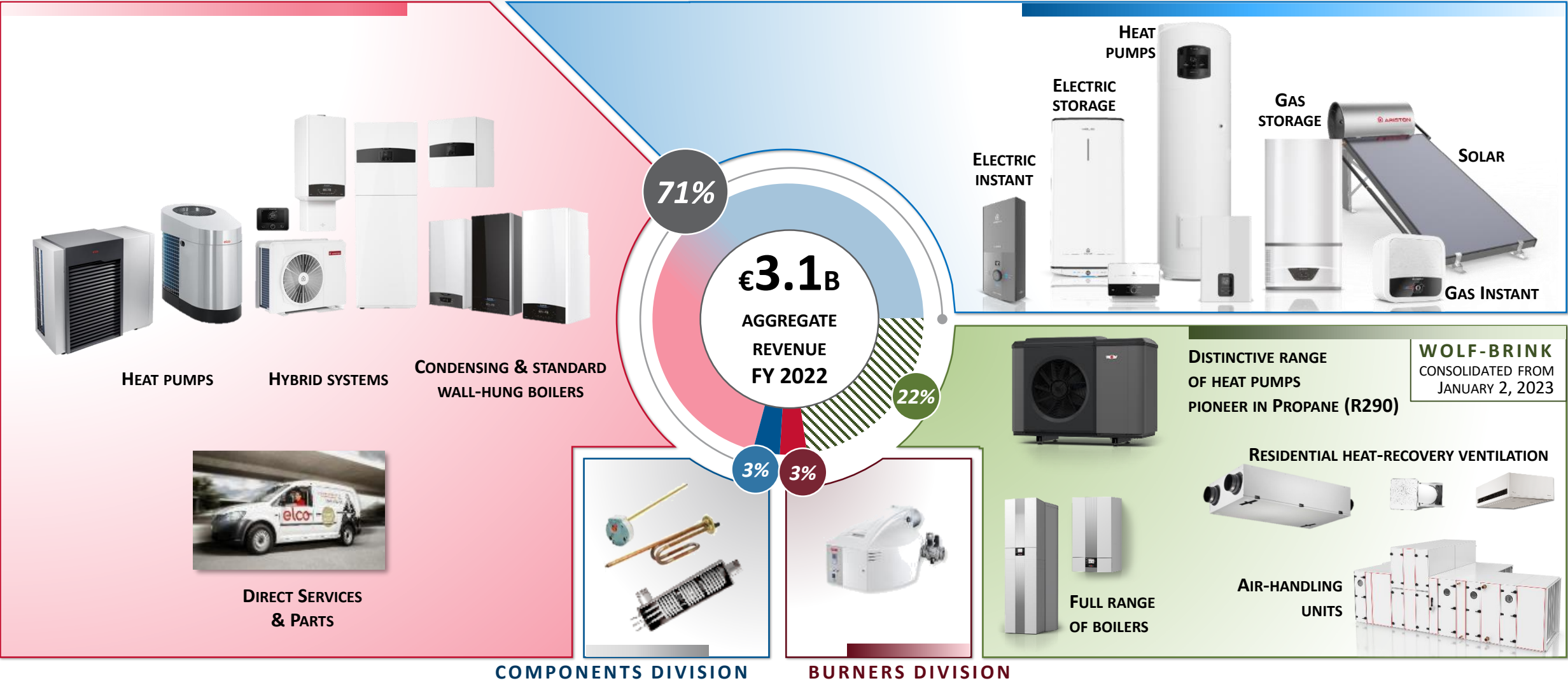
# >3BN REVENUE WITH A SIGNIFICANT COMMITMENT TO HOT WATER AND SPACE HEATING

2022 DATA – INCLUDING WOLF-BRINK

## ARISTON THERMAL COMFORT DIVISION

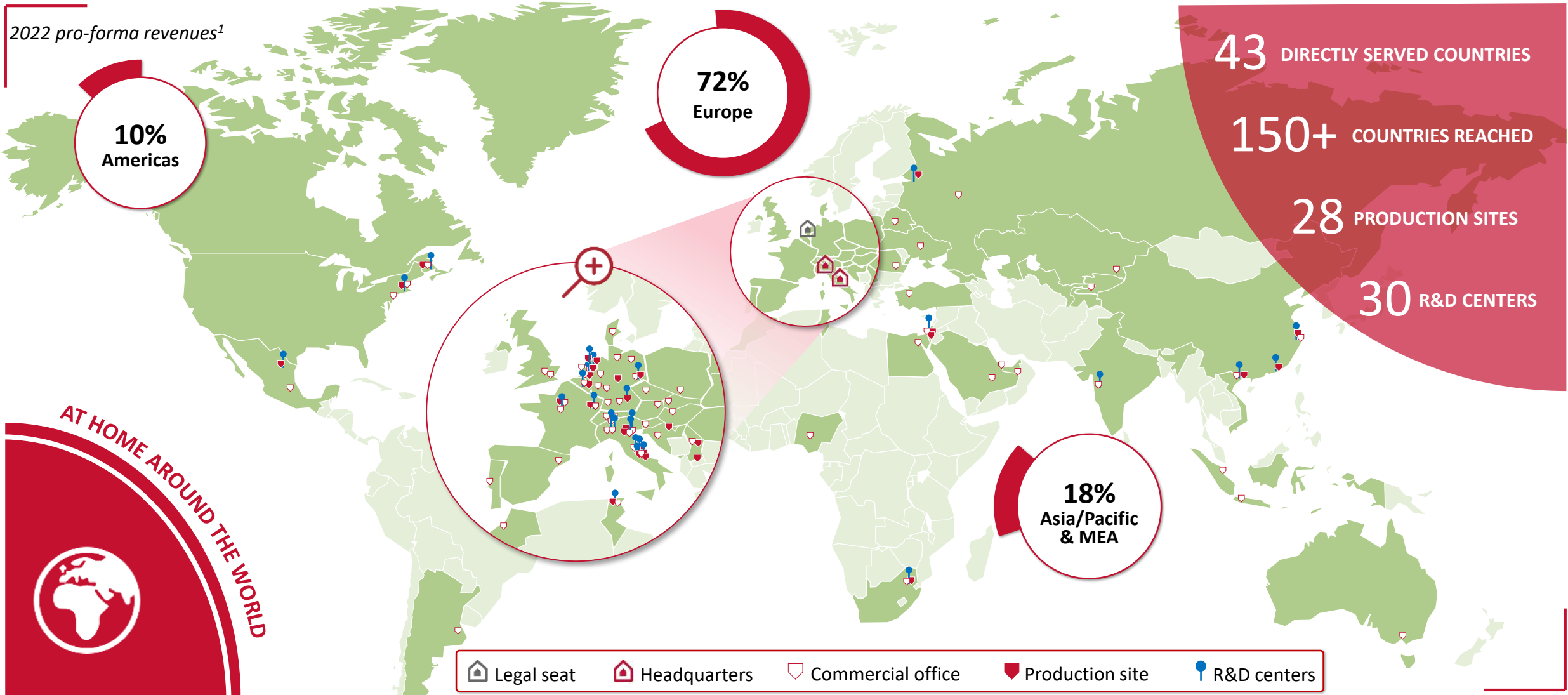
### HEATING

### HOT WATER



Sums may not add up exactly to 100% due to rounding

# AN INTEGRATED & AGILE INDUSTRIAL BACK-END SERVING 40+ MARKETS



<sup>1</sup>Pro-forma with Wolf-Brink acquired on Jan 2<sup>nd</sup>, 2023

# R&D AS A LEVER TO SUCCESSFULLY DEVELOP HIGHLY-EFFICIENT TECHNOLOGIES AND ENERGY TRANSITION SOLUTIONS ACROSS THE WORLD

### 3 LEVELS OF R&D CENTRES

**GLOBAL**  
COORDINATION

**REGIONAL**  
CUSTOMIZATION

**SUPPORT**  
SPECIFIC PRODUCTS

**TARGET >50% SCOPE 3 GHG EMISSIONS REDUCTION PER MILLION EURO VALUE ADDED (2021 BASE YEAR) BY 2030**

### WIDE RANGE OF PATENTS AND REGISTERED DESIGNS



**VELIS EVO**  
WALL HUNG ELECTRIC STORAGE WATER HEATER

**DISTINCTIVE KNOW HOW**

### ENERGY TRANSITION

**STRONG EFFORT ON R&D ON HEAT PUMPS AND OTHER RENEWABLE SOLUTIONS**

**HYDROGEN-BASED BOILERS**

**GREEN HYDROGEN LAB**

**DEMAND/RESPONSE READINESS**

100% H<sub>2</sub>

### RESEARCH COLLABORATIONS



### ONGOING DIGITALIZATION

**NEW ENGINEERING TOOLS**

**ENHANCE CUSTOMER ENGAGEMENT**

### QUALITY CERTIFICATES



### MULTIPLE AWARDS AND RECOGNITIONS





## USA HEAT PUMP WATER HEATERS

- Launch of the first American Standard HPWH in USA
- Production line in Mexico
- Available in 50 & 80 gal size
- Demand-Response ready
- High efficiency and low noise
- Integrated leak sensor and optional shut-off valve
- Aqua Comfort link mobile APP



## WOLF HIGH-POWER MONOBLOCK R290 HEAT PUMP CHA-16/20

- Extension of the product range of the very successful CHA-07 & CHA-10
- High power output, perfectly suited for renovation requirements of single family homes and small multifamily buildings
- Fastest-growing segment in German heat pump market (+113% in '22)
- Natural & environmentally friendly refrigerant R290 allows higher flow temperatures – makes it very well suited for existing buildings with radiators
- A benchmark in performance, efficiency, sound level and dimensions



## INDIA NEW STORAGE & MICROSTORAGE PLATFORMS

The Indian offer has been completely renewed with:

- Maximum (“five-star”) energy efficiency rating
- New sophisticated aesthetic
- New advanced functions and improved usability, including temperature control for the first time in the microstorage category 1,3,6 liters in India



## “EXPERT SERVICE” AFTER-SALES TOOL FOR SERVICE CENTERS

- New digital tool for our service centers network, all key after-sales processes with one entry point for our partners
- Designed with customer-centric approach, aims at doing business with Ariston easier
- Technicians can register interventions, activate extended warranty contracts and get technical information on the go, thanks to the innovative APP available on all mobile stores

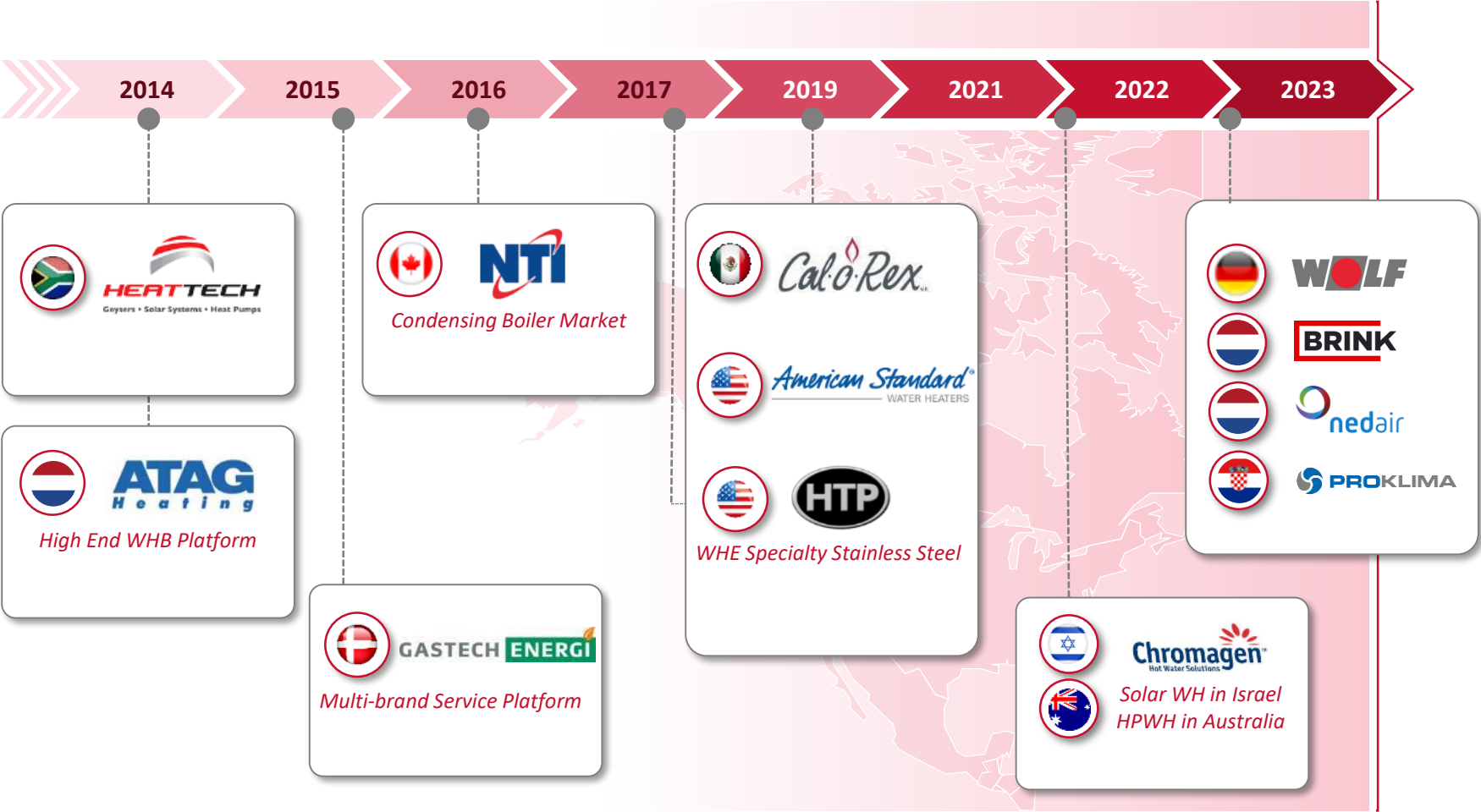
# EFFECTIVE LEVERAGE ON M&A TO FUEL GROWTH

KEY DRIVERS OF VALUE CREATION

**ACCESS TO NEW MARKETS / TECHNOLOGIES**

**FLEXIBLE ACQUISITION STRUCTURE**

**SOLID SYNERGIES EXECUTION**



**IMPROVED PROFITABILITY OF ACQUIRED COMPANIES AFTER INTEGRATION**



**ACCESS TO NEW MARKETS / TECHNOLOGIES**

- ✓ **ACCESS TO GERMAN MARKET:** STRENGTHENING PRESENCE IN THE LARGEST EUROPEAN MARKET, EXPECTED TO ACCELERATE ON ENERGY TRANSITION
- ✓ **ACCESS TO NEW TECHNOLOGIES:** HEAT PUMPS (NEW-GENERATION HP), VENTILATION (LEADING HEAT-RECOVERY TECHNOLOGY) AND AIR HANDLING (MID- AND LARGE-SIZE COMMERCIAL OFFER)



**FLEXIBLE ACQUISITION STRUCTURE**

- ✓ THE ACQUISITION WAS FINANCED WITH A COMBINATION OF **CASH, NEW SHARES AND CREDIT LINES ALREADY AVAILABLE**
- ✓ LEVERAGE POST-ACQUISITION AT **1.5x (NET DEBT/EBITDA ADJ.)\***



**SOLID SYNERGIES EXECUTION**

- ✓ **MULTIPLE SOURCES OF SYNERGIES IDENTIFIED AND ALREADY ACTIONED:** FROM TOP-LINE AND OPERATIONS TO PRODUCT & TECHNOLOGY PLATFORMS
- ✓ **EXPECTED SYNERGIES €20-25M/YEAR AT STEADY STATE (2025)**

# WOLF-BRINK ACQUISITION BRINGS TOP LINE ABOVE €3 BILLION

## KEY FIGURES FY2022 PRO-FORMA

(€M)



at 2023 perimeter

<b>Revenues</b>	2,379	682	3,061
<b>EBITDA Adj. [margin]</b>	305 [12.8%]	84 [12.3%]	389 [12.7%]
<b>EBIT Adj. [margin]</b>	223 [9.4%]	64 [9.3%]	286 [9.3%]
<b>Net Income</b>	140	39	180
<b>Free cash flow</b>	63	30	93
<b># countries</b> (direct presence)	43	11	44
<b># plants</b>	25	6	31
<b># people</b>	7,975	2,735	10,710

### Key value proposition

Global player;  
Wide portfolio of water-heating and heating sustainable solutions

Strong position in Germany & selected EU markets;  
R290 heat pumps, ventilation, air handling



Adjustments on EBITDA/EBIT consist in costs & revenues not related to normal business operations 2022. Acquired entities data preliminary and unaudited. Acquired entities consolidation started from January 2023.

3. SUSTAINABILITY



# 2030 ESG Plan



## 1. Solutions

Sustainable energy solutions

Enable the energy transition with renewable, efficient and smart solutions

100 mln

tCO<sub>2</sub>e emission avoided thanks to the renewable and high efficiency products we sell in the regions we operate

Smart homes for sustainable living

>5 mln

of connectable products sold

## 2. Operations

Resources productivity and circularity

Turn Ariston Group into a climate neutral industrial ecosystem

42%

Scope-1 and Scope-2 absolute GHG emissions reduction (2021 base year)

>50%

Scope 3 GHG emissions reduction per million euro value added (2021 base year)

Responsible supply chain

Leading the sustainable transformation in the value chain

100%

Strategic Suppliers aligned with our ESG journey

## 3. People & Communities

Excellent employee experience and engagement

Towards a world-class employer

Be a certified world class employer that builds a sustainable working environment

Education for the future

Drive innovation through inclusive education projects

100%

Countries engaged in projects that foster awareness on sustainable thermal comfort as an enabler for social development

## 4. Customers

Beyond customer proximity

Be on our customers' side along their full journey through thermal comfort

Deliver excellent, tailored solutions and services to B2B and B2C customers and increase the loyalty of professionals

Trustworthy quality excellence

Excellence services & support along the whole product life cycle

>85

Quality score per year in the cumulative Group Quality Excellence index (GQE index)

## 5. Governance

Long-sighted sustainable governance

Continuously enhance a responsible ESG approach in everything we do

Ongoing yearly commitment to meet high governance standards on sustainability

# Environmental



## Solutions

*Smart sustainable comfort for a better future*



## Operations

*A decarbonised business with a circular approach*

**7** AFFORDABLE AND  
CLEAN ENERGY



**8** DECENT WORK AND  
ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



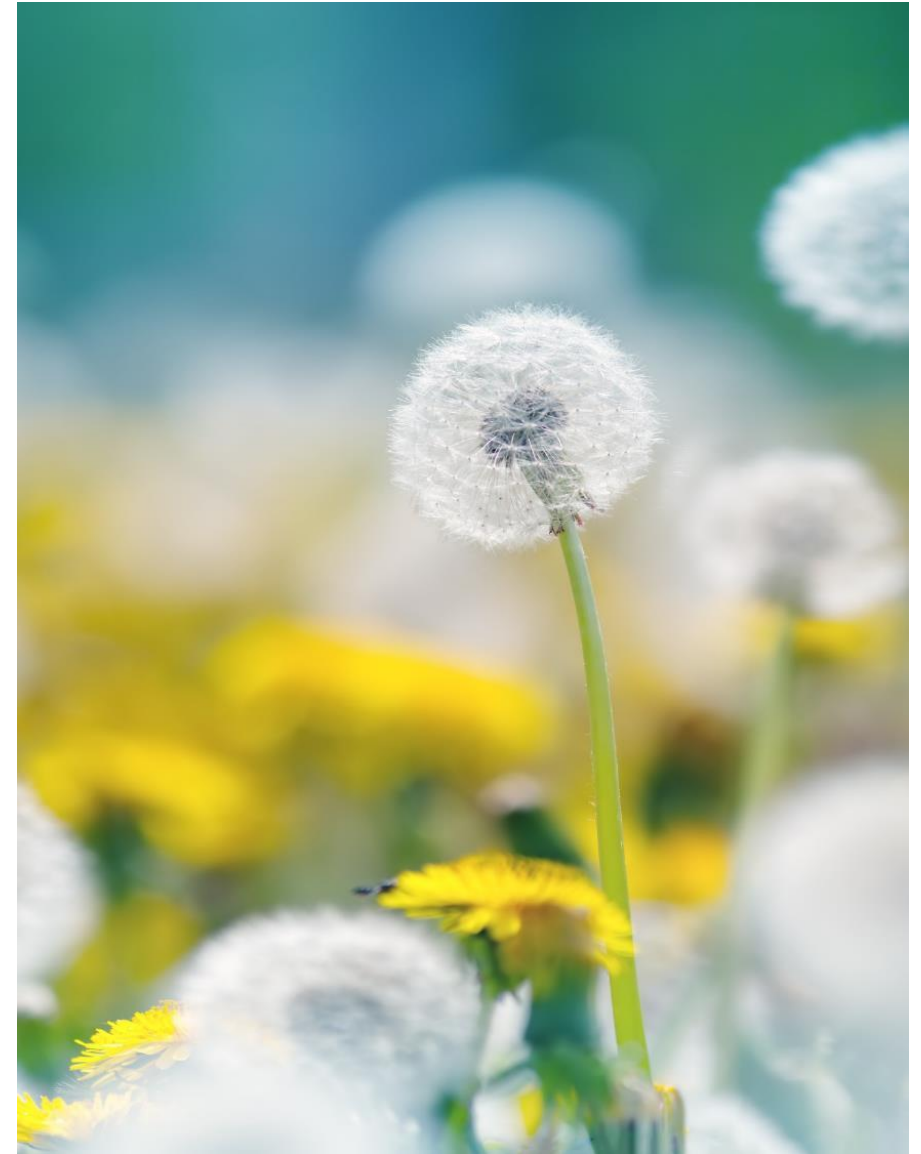
**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



## 2030

### Sustainable energy solutions

100  
mln

tons of CO2e emissions avoided thanks to the renewable and high efficiency products we sell in the regions we operate

### Resource productivity and circularity

42%

Scope 1 and Scope 2 absolute GHG emissions reduction

>50%

Scope 3 GHG emissions reduction per million euro value added

## 2025



100% Heating gas condensing technologies' revenues from hydrogen-ready solutions in Europe



>60% Revenues in Europe generated by renewable technologies vs <40% from fossil fuel products



Launch of Demand Response ready products in Europe and USA by 2023



Launch of Home Energy Management ready products and accessories in Europe and USA by 2023



Set ESG vendor rating criteria and policy for strategic suppliers by 2023



>80% of products and services purchased from local suppliers



50% of strategic suppliers assessed on ESG performance

# DECARBONIZATION STRATEGY: PRIORITY ACTIONS ON PRODUCTS AND OPERATIONS

## EMISSIONS REDUCTION

### ✓ Investing on highly efficient and renewable solutions

- 98.25% of total emissions from the *use of sold products*
- Quadrupled the production capacity of heat pumps, a pillar of the EU decarbonization strategy, in the last 4 years.

### ✓ Sustainable capacity increase

- Plants interventions to improve efficiency and reduce impact, starting from historical sites
- *Green energy* procurement increase
- Water and waste management optimization, towards a circular approach
- Production sites closer to final market and supplier base
- Operations digitalization
- *World Class Methodology* expansion

AG has committed to set near-term company-wide emission reductions in line with climate science with the SBTi.



Creation of dedicated cross-functional teams, involving more than 100 people around the world

Expert consultants supporting the project development



# Social



## People & Communities

*Empowering people to achieve more*

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**17** PARTNERSHIPS FOR THE GOALS



**13** CLIMATE ACTION



**2030** 

*Excellent employee experience and engagement*

To be a certified world class employer that builds a sustainable working environment

**100%**

*Education for the future*

Countries engaged in projects that foster awareness on sustainable thermal comfort as an enabler for social development

**2025**



>60% of managerial positions filled through internal career paths



At least 30% female in Ariston Group Management by 2030



Towards a global coordinated effort, taking into account each country specific needs

# PEOPLE STRATEGY & COMMUNITIES: PRIORITY ACTIONS ON OUR HR ROADMAP

## ✓ Branding and Engagement

- Attract new and diverse talents
- Share a corporate culture, fostering a strong sense of community through inclusive, engaging and coherent messages

## ✓ Resources development

- Reinforce learning activities, leveraging on digital platforms
- Career development, increasing career mapping activities and internal mobility opportunities

## ✓ Diversity and Inclusion


- Involve and educate employees on their cognitive biases
- Disseminate awareness at all levels

## ✓ Digitalisation of HR processes

- Increase data quality and control
- Analyse trends and generational shifts to anticipate employees needs

## ✓ CSR around the world

- Educational activities
- *Non-profit* organization support to bring comfort to people in need



Launch of *weARe*, the first global Intranet, with the aim of becoming *one team*



11 specific upskilling programs  
> 280 hours carried out  
> 130 workshop hosted virtually

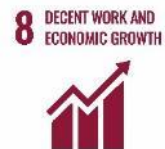
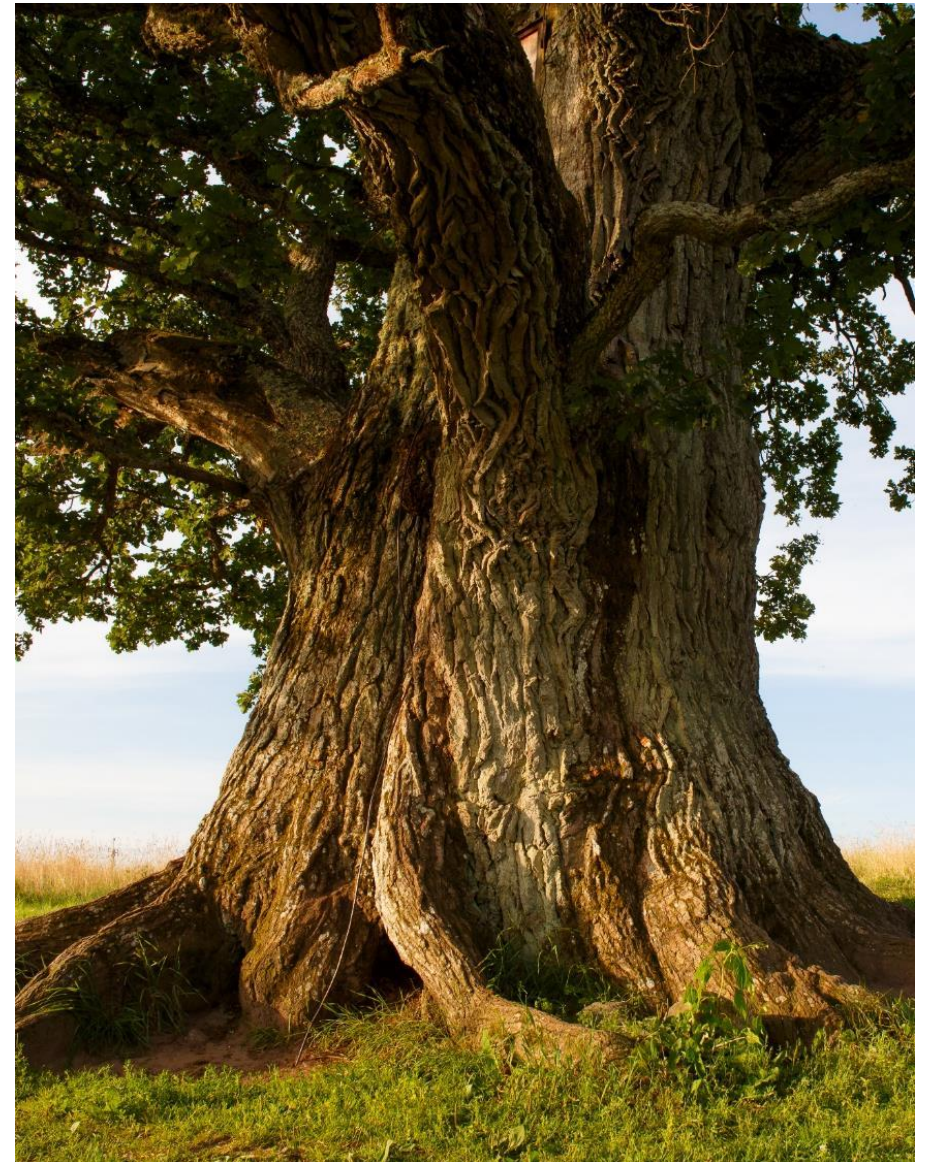
**2022**

CSR projects implemented in 4 continents according to local needs

# Governance

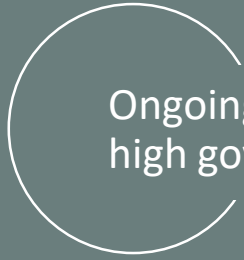


Creating value responsibly



## 2030

*Long-sighted sustainable governance*



Ongoing yearly commitments developed to meet high governance standards on sustainability

## 2025



At least 33% female among the Group Board of Directors members



Risk and Crisis Management enhancement



Codes of Business Conduct continuous improvement: Code of Ethics, corruption and bribery, human rights



Tax Strategy strengthening

# STRUCTURE AND PROCESSES CONTINUOUS IMPROVEMENT: PRIORITY ACTIONS FOR A SUSTAINABLE GOVERNANCE MODEL

## ✓ Sustainability Governance Model

- *ESG Committee* at Board of Directors Level
- *ESG Council* at Group Management level
- *ESG Director & dedicated team*

## ✓ Risk management

- *Enterprise Risk Management (ERM)* process in place, including ESG risks

## ✓ Business Continuity Plan

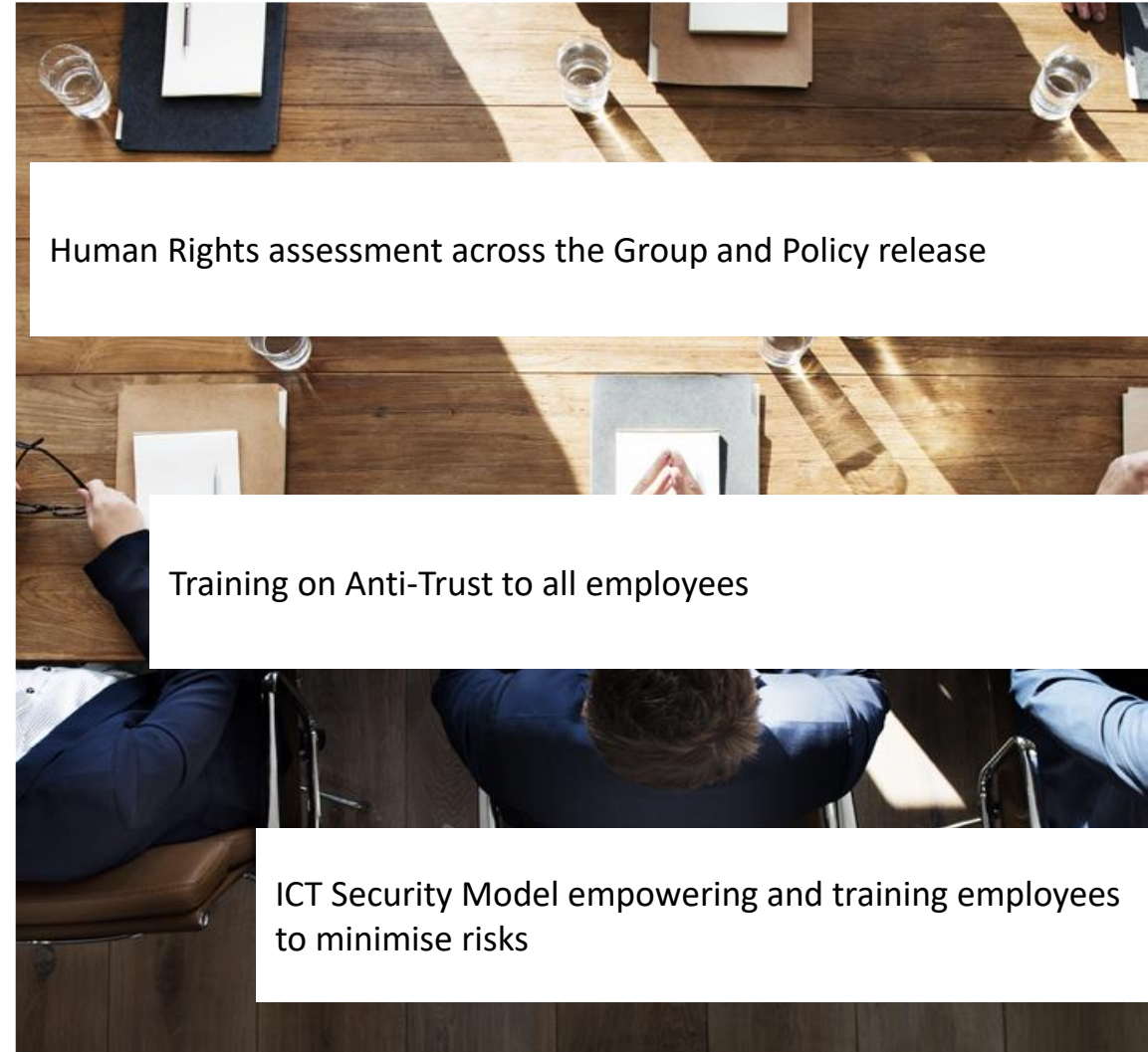
- Definition of resources, services and activities required to ensure continuity of critical organizational functions

## ✓ Digital transformation and cyber-security model

- Digitalization across processes, activities and services to guarantee data management transparency, accountability and traceability
- Upgrade current cyber-security approach to a comprehensive risk management model

## ✓ Group Tax Strategy

- Foster transparency on taxation, including purposes, principles and relative governance structure



Human Rights assessment across the Group and Policy release

Training on Anti-Trust to all employees

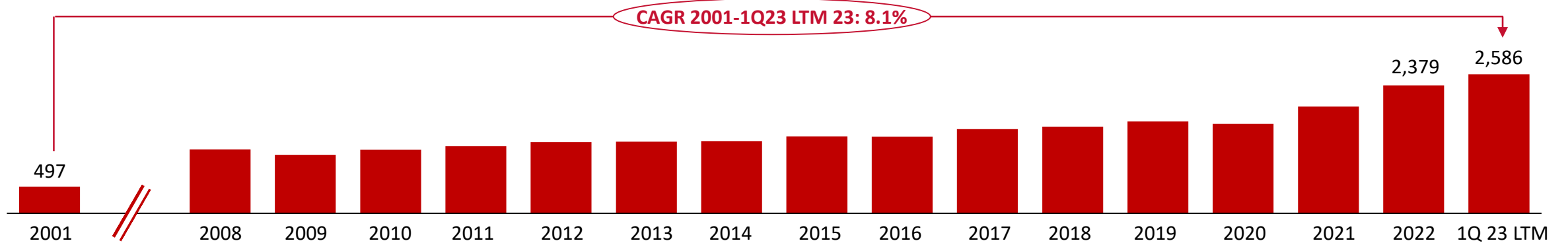
ICT Security Model empowering and training employees to minimise risks

## 4. FINANCIAL PERFORMANCE

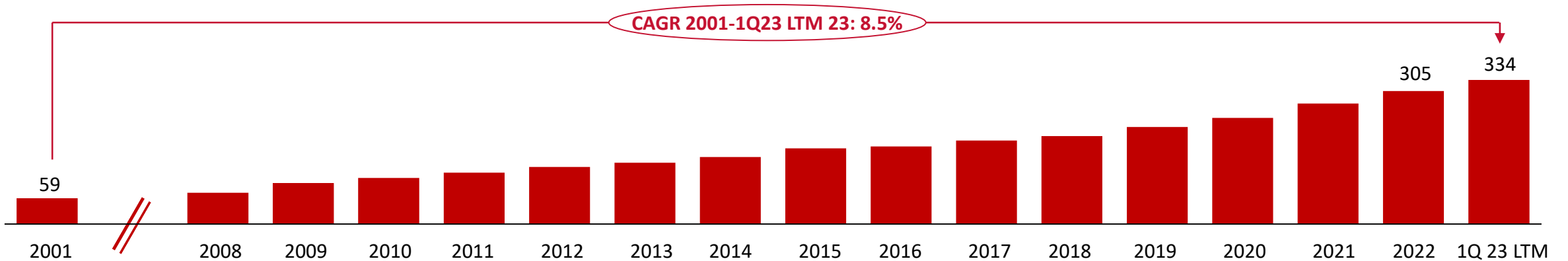


# SOLID FINANCIAL PERFORMANCE: LIMITED IMPACT FROM MACRO ENVIRONMENT AND EVEN MORE RESILIENT MARGINS

Revenues (€M)



Adj. EBITDA (€M)



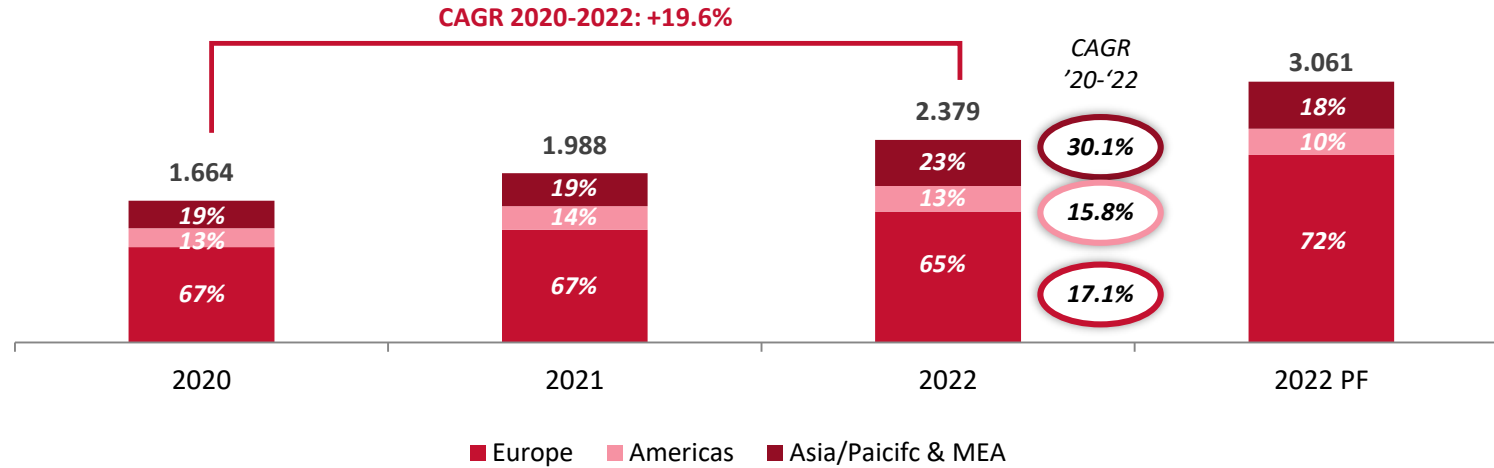
Note: figures adjusted for non recurring events or transactions, restructuring or employment termination agreements, other events not representative of normal business operations. Financial figures from 2001 to 2017 are reported according to Italian GAAP and therefore not fully comparable with figures since 2018. <sup>1</sup> Figures are accounted under the IFRS9, IFRS15 and IFRS16; <sup>2</sup> 2020 Adj. EBITDA net of €5m COVID-19 cost, that are recasted to recurring operations; <sup>3</sup> EBITDA 2001 not adjusted.



# NET REVENUE PERFORMANCE & EBITDA ADJUSTED

(€M)

## NET REVENUE<sup>1</sup>

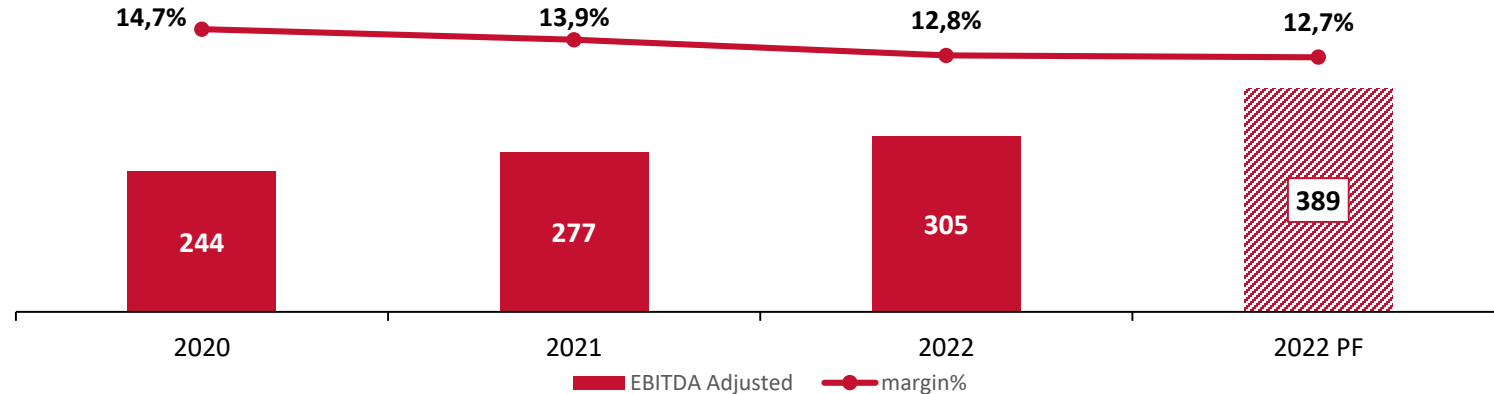


## KEY COMMENTS

### NET REVENUE

- Revenues CAGR growth of 19.6% over the period 2020-2022 thanks to organic and inorganic growth
- Pro-forma including Wolf-Brink acquisition, Europe share increases with Germany becoming the main Country

## EBITDA Adjusted & Margins



### EBITDA ADJUSTED

- Marginality slightly decreasing due to post Covid inflation impact on raw material and logistics mitigated by cost efficiency initiatives and price increase
- Wolf-Brink EBITDA Adj. % aligned with legacy Ariston performance, prior to synergies execution

<sup>1</sup> Geographical % split may not add to 100% because of rounding

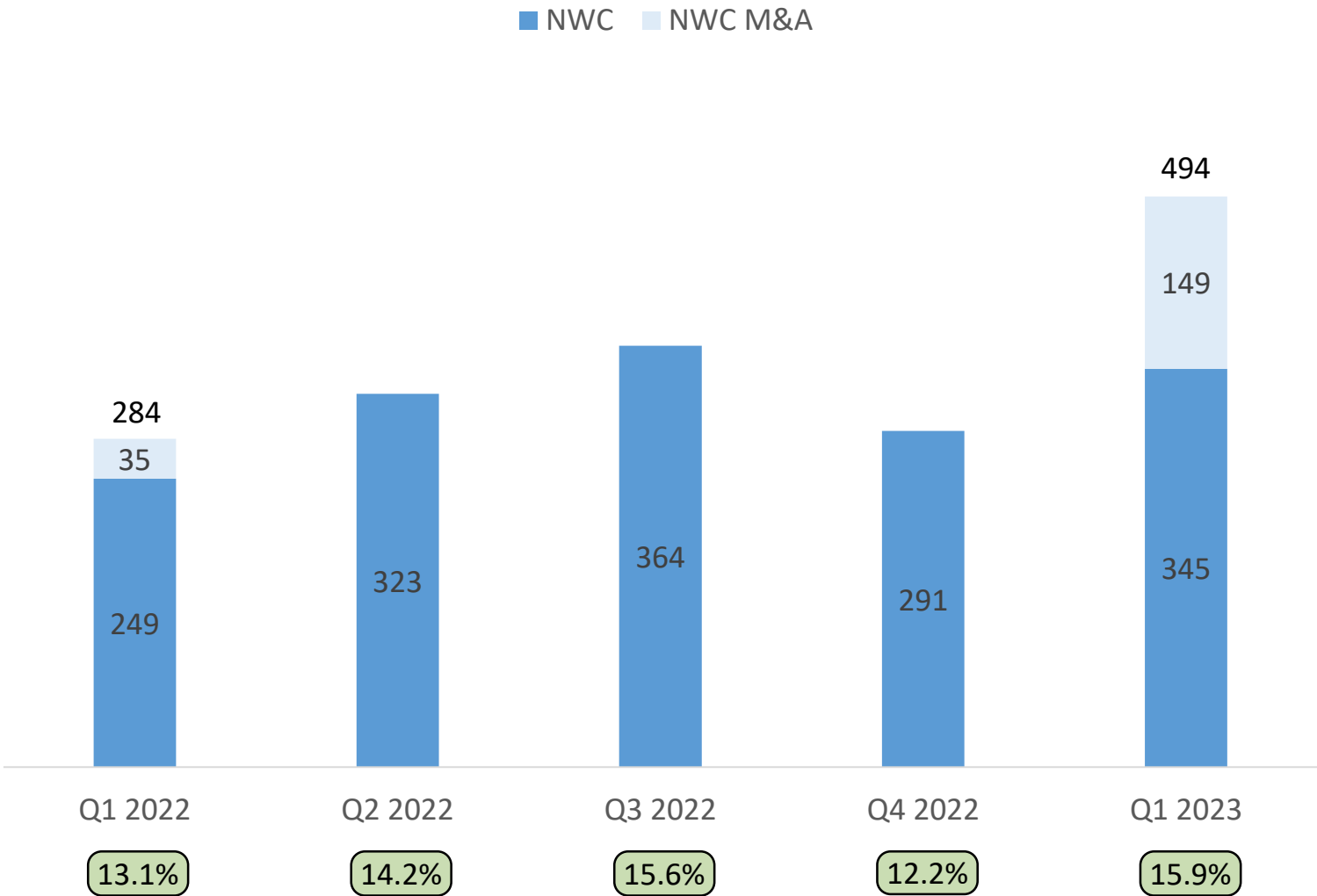


# NET WORKING CAPITAL EVOLUTION

(€M)

## KEY COMMENTS

- Business seasonality usually drives NWC decrease towards year-end
- 2022 increase influenced by missing revenue (Americas & floods) and high inventories due to inflation and stockpiling. Significantly improved in Q4
- Q1 2023 influenced by seasonality and Wolf-Brink acquisition
- NWC/net revenue ratio better than industry standards, despite temporary increase



# CASH FLOW AND NET DEBT

(€M)

	FY 2021	FY 2022	Q1 2022	Q1 2023
<b>EBITDA Adjusted</b>	<b>277</b>	<b>305</b>	<b>70</b>	<b>99</b>
<i>% on net revenue</i>	<i>13.9%</i>	<i>12.8%</i>	<i>12.7%</i>	<i>13.0%</i>
Capex	(78)	(79)	(5)	(16)
<i>% on net revenue</i>	<i>3.9%</i>	<i>3.3%</i>	<i>0.9%</i>	<i>2.1%</i>
<b>EBITDA Adjusted – Capex</b>	<b>199</b>	<b>227</b>	<b>65</b>	<b>82</b>
<i>% cash conversion</i>	<i>72%</i>	<i>74%</i>	<i>92%</i>	<i>83%</i>
<b>Free Cash Flow</b>	<b>88</b>	<b>63</b>	<b>(45)</b>	<b>(36)</b>
<b>Net Cash / (Debt)<sup>1</sup></b>	<b>185</b>	<b>99</b>	<b>75</b>	<b>(593)</b>
<b>Net Leverage<sup>2</sup></b>	<b>0,7x</b>	<b>0,3x</b>	<b>0,3x</b>	<b>(1,5)x</b>

## KEY COMMENTS

- Robust cash conversion ratio
- Capex spending consistent with mid-term guidance (c. 3% on net revenue over the period)
- Consistent and recurring cash-flow generation
- Net cash position since IPO, turned to Net debt as a result of Wolf-Brink acquisition in January 2023

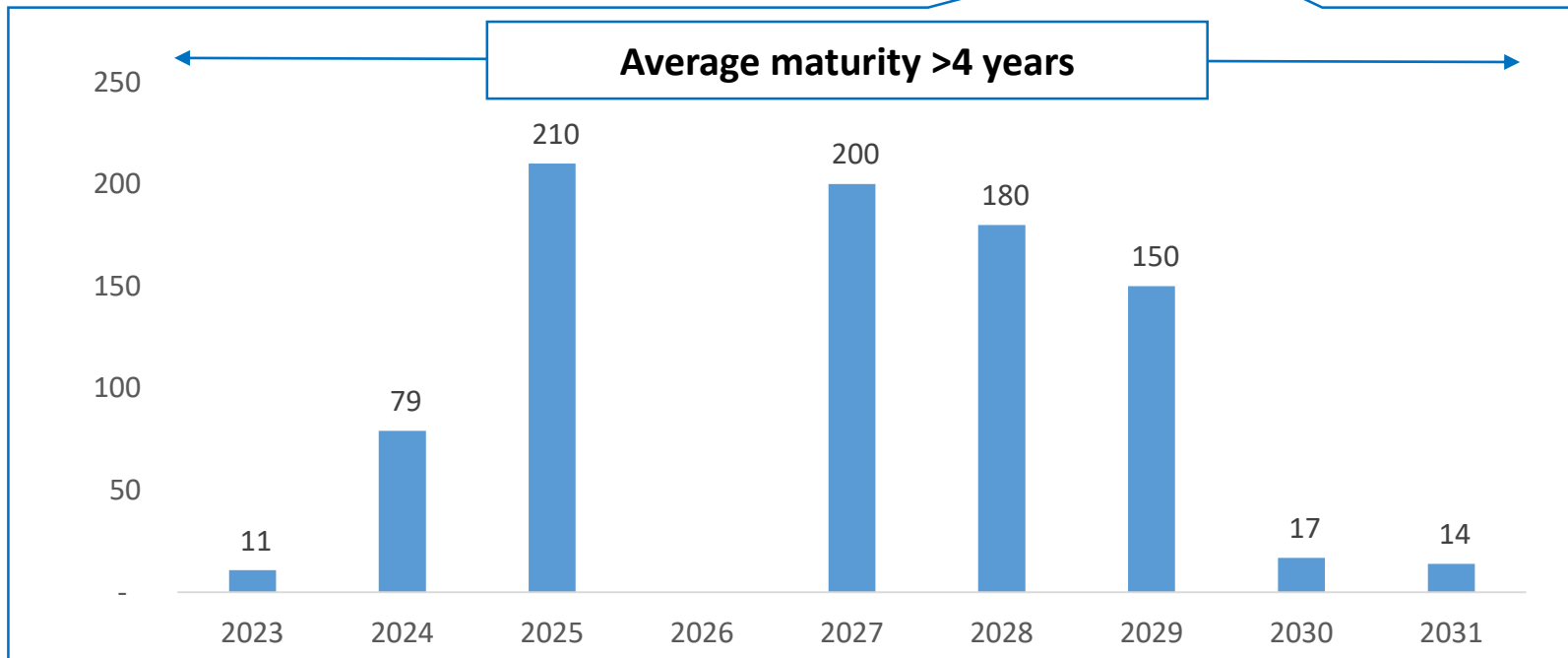
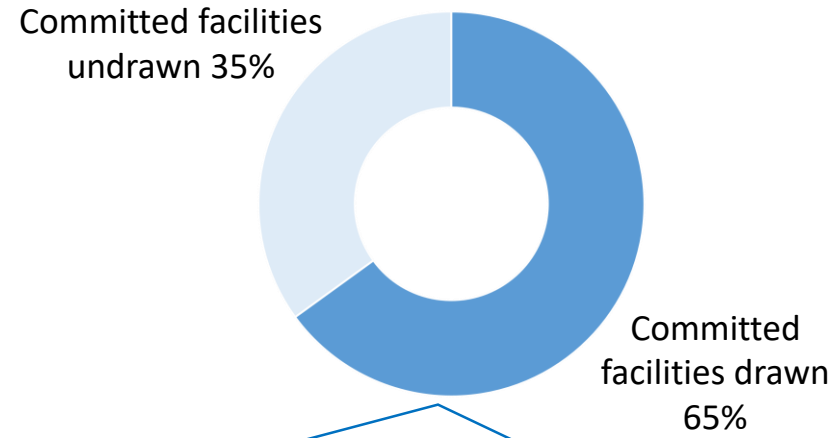
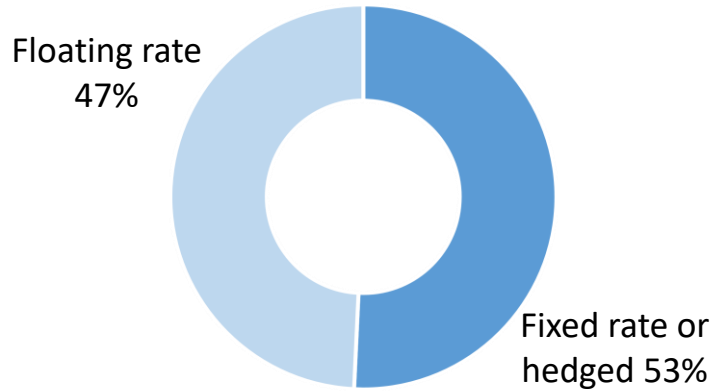


<sup>1</sup>includes the positive MTM on derivatives and Escrow accounts, does not include Put&Call liabilities

<sup>2</sup>defined as Net Debt / EBITDA Adjusted (pro-forma LTM EBITDA Adjusted for Q1)

# MEDIUM/LONG-TERM DEBT MATURITY PROFILE (AS OF 31 MARCH 2023)

(€M)



## KEY COMMENTS

### FINANCIAL DEBT AT ARISTON GROUP LEVEL

- 73% of Debt held at Ariston Holding NV
- Committed Bank credit lines, totalling €1.3B, of which approximately 65% is drawn
- All existing debt is unsecured and unguaranteed

### INTEREST/HEDGING

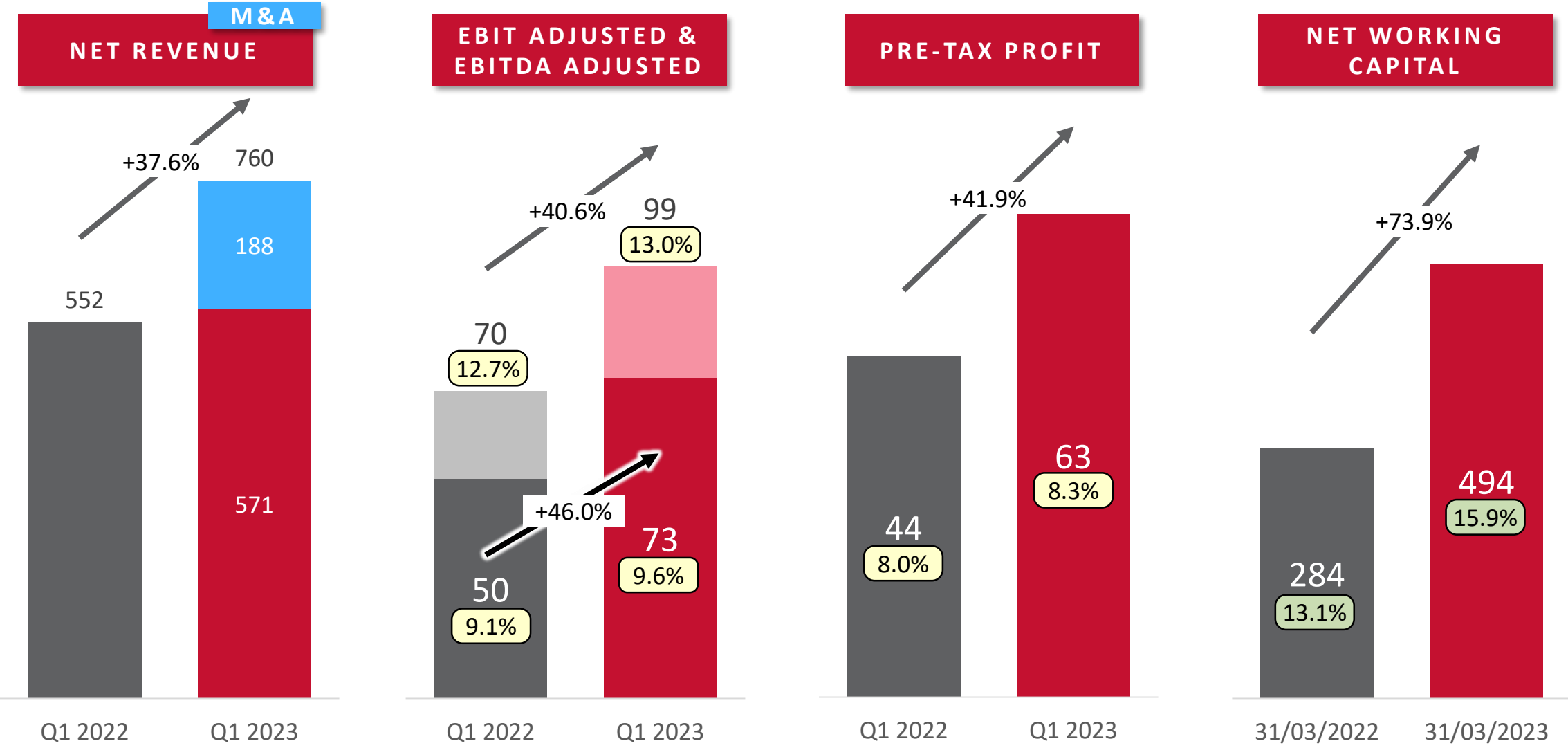
- 53% of bank financing is fixed rate / hedged and 47% at variable rate

### AVAILABLE LIQUIDITY

- Cash and cash equivalents €363M
- Unused portion of committed credit lines €460M

# Q1 2023 FINANCIALS

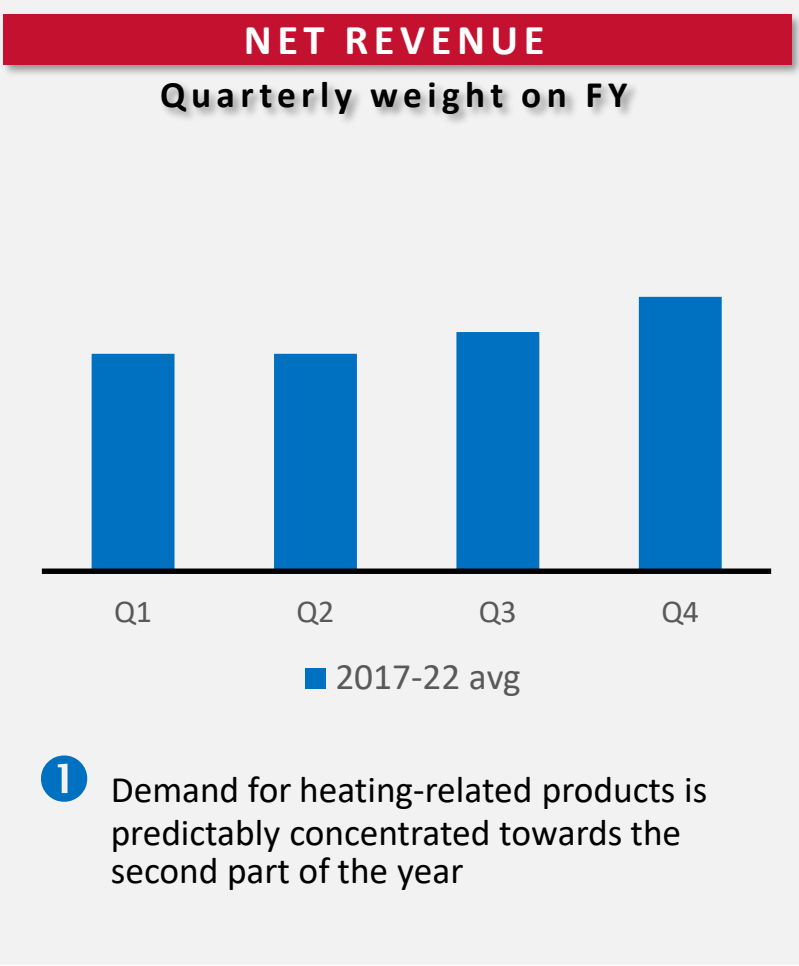
(€M)



Note: Adjustments for non-recurring events or transactions, restructuring or employment termination agreements, other events not representative of normal business operations.

% percentage of Q1 net revenue  
% percentage of L12M net revenue

# BUSINESS SEASONALITY



**Q1 2023 revenue & FCF in line with historical performance**  
**Strong Q1 EBIT Adjusted % might indicate a more balanced seasonality for margins throughout the year**

5. MID-TERM GUIDANCE



# OUTLOOK FOR THE REST OF 2023 (AS INDICATED ON MAY 3)

## TOP LINE

- Previous outlook: organic in line with mid-term guidance and >30% addition from Wolf-Brink
- Overall growth expectations unchanged at Group level, though more skewed in favour of Wolf (inorganic)

## PROFITABILITY

- As previously indicated, EBIT Adjusted margin expected in 9.2%-10% range
- Q1 trends allow for an optimistic look at the upper part of the range

## CASH FLOW

- Further normalization of NWC
- Insurance reimbursement for expenses & business interruption from 2022 floods
- Expectation for a robust performance despite higher-than-average Capex. Generation will be concentrated in H2

## M&A

- Wolf-Brink integration
- Continued scouting and pursuit of M&A options in our space, in different sizes and geographies

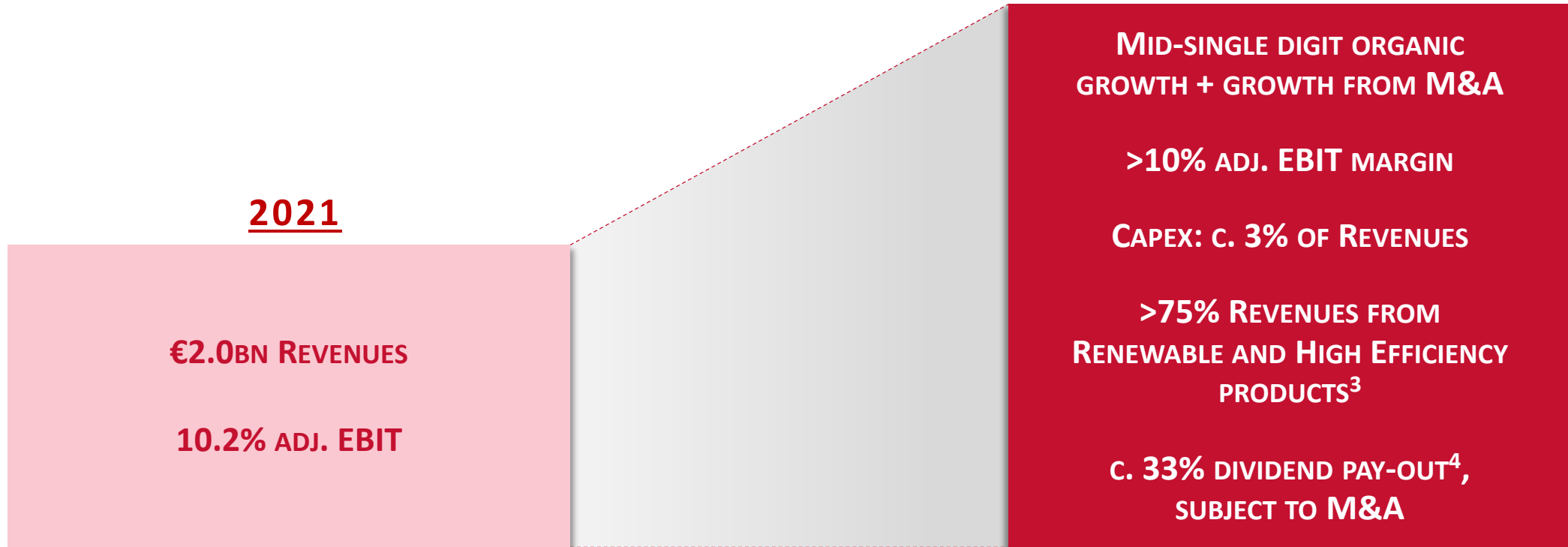
### MID-TERM GUIDANCE

OVER THE CYCLE:

- MID-SINGLE-DIGIT ORGANIC GROWTH (INCLUDES FX)
- EBIT-ADJUSTED MARGIN > 10%

**PLUS M&A**

**MEDIUM-TERM GUIDANCE<sup>1,2</sup>**  
**(OVER THE CYCLE)**



<sup>1</sup> The Group has not defined, and does not intend to define, "medium-term". The Group's medium-term objectives should not be read as forecasts, projections or expected results and should not be read as indicating that the Group is targeting such metrics for any particular year. They are merely objectives that result from the pursuit of its expansion strategy;

<sup>2</sup> The Group's ability to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond its control. The objectives are also subject to known and unknown risks, uncertainties and other factors that may result in the Group being unable to achieve them;

<sup>3</sup> Excludes services, burners and components;

<sup>4</sup> Subject to shareholder approval and compliance with legal and contractual requirements.



APPENDIX



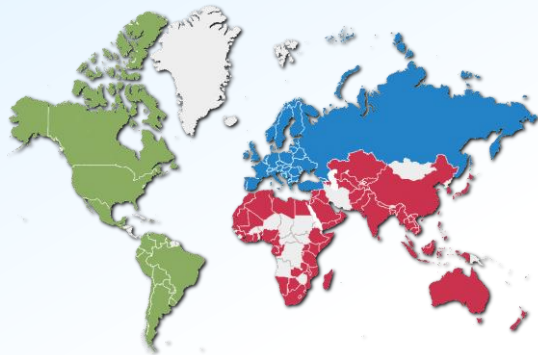


## GLOBAL REACH AND SUPPLY CHAIN

43

COUNTRIES DIRECTLY SERVED

### WORLDWIDE OPERATIONS



PRESENCE ACROSS 5 CONTINENTS



## 360° LEADERSHIP ACROSS THE ENTIRE CATEGORY ALLOWS PROFIT FROM ALL LONG-TERM TRENDS

- ✓ SWITCH TOWARDS HIGH-EFFICIENCY AND RENEWABLE (HEAT PUMP/SOLAR)
- ✓ DIFFUSION OF HOT WATER IN EMERGING MARKETS FOLLOWING URBANIZATION AND INCREASE IN AVERAGE INCOME
- ✓ MORE NEED FOR SEPARATE HOT WATER GENERATORS WHERE COMBI BOILERS ARE REPLACED BY HEAT PUMPS FOR HEATING
- ✓ ZERO-EMISSION BUILDINGS MAY REQUIRE LESS POWER FOR HEATING BUT HOT WATER REQUIREMENTS ARE UNCHANGED



## INNOVATION AND DIGITAL LEADERSHIP

### PRODUCT DEVELOPMENT

- ✓ PLATFORM-BASED APPROACH
- ✓ 4 CORE MACRO-GEOGRAPHIES (EUROPE, AMERICAS, ASIA, MEA)

### INNOVATION

- ✓ 3 BREAK-THROUGH PRODUCTS (HYBRID, FLAT, HPWH)
- ✓ DEMAND RESPONSE PILOTS ONGOING

### DIGITAL

- ✓ CONNECTED PRODUCTS
- ✓ ENERGY EFFICIENCY ALGORITHMS & SOFTWARE

# HOT WATER: GROWING CATEGORY LEADERSHIP COVERING DIVERSE TECHNOLOGIES

RENEWABLE		ELECTRIC	GAS	INDIRECT
<p><b>HEAT PUMPS WATER HEATING   HPWH</b></p> <ul style="list-style-type: none"> <li>• WALL HUNG &amp; FLOOR STANDING, 80 TO 800LT</li> <li>• MONOBLOCK &amp; SPLIT</li> <li>• RESIDENTIAL AND COMMERCIAL RANGES</li> </ul>	<p><b>SOLAR WATER HEATING   SWH</b></p> <ul style="list-style-type: none"> <li>• DIRECT AND INDIRECT MODELS</li> <li>• FLAT PANELS AND VACUUM TUBES</li> <li>• COLLECTORS, CYLINDERS, ACCESSORIES, FULL SYSTEMS</li> </ul>	<p><b>ELECTRIC STORAGE WATER HEATING   ESWH</b></p> <ul style="list-style-type: none"> <li>• WALL HUNG &amp; FLOOR STANDING, 6 TO 300 LT</li> <li>• SMALL, MED, FLAT &amp; BIG GLOBAL PLATFORMS</li> <li>• MECHANIC TO ELECTRONIC UP TO PREMIUM WITH WI-FI</li> </ul>	<p><b>GAS STORAGE WATER HEATING   GSWH</b></p> <ul style="list-style-type: none"> <li>• WALL HUNG &amp; FLOOR STANDING</li> <li>• CONVENTIONAL AND CONDENSING</li> </ul>	<p><b>CYLINDERS   CYL</b></p> <ul style="list-style-type: none"> <li>• FULL RANGE OF CYLINDERS AND BUFFERS FOR BOILERS AND HEATING HEAT PUMPS</li> <li>• ENAMELED AND STAINLESS STEEL TANK</li> </ul>
		<p><b>ELECTRIC INSTANTANEOUS WATER HEATING   EIWH</b></p> <ul style="list-style-type: none"> <li>• POINT OF USE &amp; MULTI-POINT</li> <li>• MECHANIC TO THERMOSTATIC, UP TO 36kW</li> <li>• SQUARE-/ ROUND-/ SLIM-SHAPED</li> </ul>	<p><b>GAS INSTANTANEOUS WATER HEATING   GIWH</b></p> <ul style="list-style-type: none"> <li>• NATURAL &amp; FORCED FLUE</li> <li>• MECHANIC / THERMOSTATIC</li> </ul>	





## SUPPORTING ENERGY TRANSITIONS ALL OVER THE WORLD

- ✓ EUROPE: AIR-TO-WATER HEAT PUMPS, HYDROGEN-READY CONDENSING GAS BOILERS, HYBRID SYSTEMS
- ✓ RENOVATION STRONGLY ENCOURAGED BY INCENTIVES AND ENFORCED THROUGH REGULATION
- ✓ ONGOING RAPID EXPANSION OF HEAT PUMP PRODUCTION CAPACITY (4X IN LAST 4 YEARS)
- ✓ REST OF THE WORLD: FUEL TRANSITION FROM COAL TO GAS, EFFICIENCY IMPROVEMENT THROUGH ADOPTION OF CONDENSING GAS BOILERS



## FULL RANGE OF SERVICES

### DIRECT SERVICES & PARTS



### APPLICATION SOLUTIONS



### SMART HOME & CONTROL SOLUTIONS



## INNOVATION AND DIGITAL LEADERSHIP<sup>1</sup>

### PRODUCT DEVELOPMENT

- ✓ PLATFORM-BASED APPROACH
- ✓ 3 CORE MACRO-GEOGRAPHIES

### INNOVATION

- ✓ NEW-GENERATION AND THERMALLY-DRIVEN HEAT PUMPS
- ✓ HYDROGEN BOILER

### DIGITAL

- ✓ CONNECTED SERVICES & REMOTE CONTROL
- ✓ CONTROL PLATFORM FOR SYSTEM PURPOSES
- ✓ DIRECT-TO-CONSUMER CHANNEL

# HEATING: BROAD PORTFOLIO OF STATE-OF-THE-ART TECHNOLOGIES COVERING ALL HYDRONIC RESIDENTIAL AND COMMERCIAL NEEDS



**DIRECT SERVICES & PARTS**

## RENEWABLE & HIGH EFFICIENCY

**RENEWABLE – RESIDENTIAL PRODUCTS**

- ELECTRIC HEATING HEAT PUMP SPLIT & MONOBLOC
- THERMALLY DRIVEN HEAT PUMP
- HYBRID
- BUILT IN CONNECTIVITY

**HIGH EFFICIENCY – RESIDENTIAL PRODUCTS**

- CONDENSING GAS BOILERS
- COMBI AND SYSTEM
- VERSIONS FOR SPECIAL INSTALLATIONS (STORAGE, EXT, BUILT IN, FLOOR STANDING)

**HIGH EFFICIENCY – COMMERCIAL PRODUCTS**

- CONDENSING - GAS AND OIL
- OUTPUT UP TO 2MW
- RANGE OF SYSTEM COMPONENTS

## STANDARD EFFICIENCY

**RESIDENTIAL STANDARD PRODUCTS**

- COMPLETE PRODUCT RANGE FOR NATURAL & FORCED FLUE

## SERVICES

**DIRECT SERVICES & PARTS**

---

**APPLICATION SOLUTIONS**

# COMPONENTS: A TECHNOLOGY LEADING PLAYER IN HEATING ELEMENTS AND THERMOSTATS FOR DOMESTIC, PROFESSIONAL AND LIGHT INDUSTRIAL APPLICATIONS

**BUSINESS UNIT AT A GLANCE**

**GROUP REVENUES CONTRIBUTION<sup>1</sup>**

**€96m 2022 REVENUES**

**SALES IN 4 CONTINENTS**

**34M COMPONENTS SOLD WORLDWIDE IN 2022**

**KEY TAKEAWAYS**

**MARKET**

- ✓ EMEA LEADERSHIP

**MANUFACTURING**

- ✓ 4 HIGHLY AUTOMATED PLANTS
- ✓ 3 R&D CENTERS

**OFFER**

- ✓ INNOVATIVE PORTFOLIO
- ✓ DISTINCTIVE RANGE IN PROFESSIONAL APPLICATIONS

**INNOVATION**

- ✓ INTERNAL AND THROUGH M&A

**FOCUS ON CRITICAL THERMOSTATS AND HEATING ELEMENTS**

**WATER HEATING SOLUTIONS**

**HEAT PUMP ELECTRIC BACK-UP HEATER**

**PROFESSIONAL APPLICATIONS**

**DOMESTIC APPLIANCES**

**LIGHT INDUSTRIAL APPLICATIONS**



<sup>1</sup> Based on 2022 pro-forma revenues.

# BURNERS: HIGH EFFICIENCY PRODUCTS WITH A COMPLETE COVERAGE FROM RESIDENTIAL TO MID-DUTY APPLICATIONS ACROSS MANY KEY GEOGRAPHIES

### BUSINESS UNIT AT A GLANCE

**GROUP REVENUES CONTRIBUTION<sup>1</sup>**

**€96m** 2022 REVENUES

AMONG GLOBAL LEADERS

SALES IN 4 CONTINENTS

### KEY TAKEAWAYS

**MARKET**

- ✓ STRONG IN **FRANCE, GERMANY, NETHERLANDS** [AND PRE-WAR **RUSSIA**]

**MANUFACTURING**

- ✓ **3** HIGHLY FLEXIBLE PLANTS
- ✓ **4** R&D CENTERS

**OFFER**

- ✓ COMPLETE PORTFOLIO FEATURING **LOW-NOX** AND **ULTRA-LOW NOX TECH**

**INNOVATION**

- ✓ **COMBUSTION CYCLE OPTIMIZATION** TO LIMIT EMISSIONS

### COMPLETE PRODUCT OFFERING

**RESIDENTIAL**

**COMMERCIAL**

**INDUSTRIAL**

**LIGHT & MID DUTY PROCESS**

<sup>1</sup> Based on 2022 pro-forma revenues.

# RECLASSIFIED CASH FLOW STATEMENT

(€M)

Cash Flows (€ million)	2022	2021
Net Financial Indebtedness adjusted at the beginning of the period	<b>184.8</b>	<b>-143.6</b>
EBITDA	283.5	246.9
Taxes paid	-35.4	-39.5
Provisions and other changes from operating activities	-1.4	-3.5
Changes in net operating working capital	-115.8	-13.2
<b>Cash flows from Operating activities</b>	<b>130.9</b>	<b>190.7</b>
Capital expenditure	-78.6	-78.1
IFRS 16 leasing payment	-23.1	-22.2
Other changes	34.1	-2.0
<b>Free Cash flow</b>	<b>63.4</b>	<b>88.3</b>
<b>Cash flows from Financial investments activities</b>	<b>-77.2</b>	<b>-8.1</b>
<b>Cash flows from Other activities</b>	<b>-72.1</b>	<b>248.2</b>
<b>Total Net Cash flow</b>	<b>-86.0</b>	<b>328.5</b>
Net Financial Indebtedness adjusted at the end of the period (*)	<b>98.9</b>	<b>184.8</b>

## KEY COMMENTS

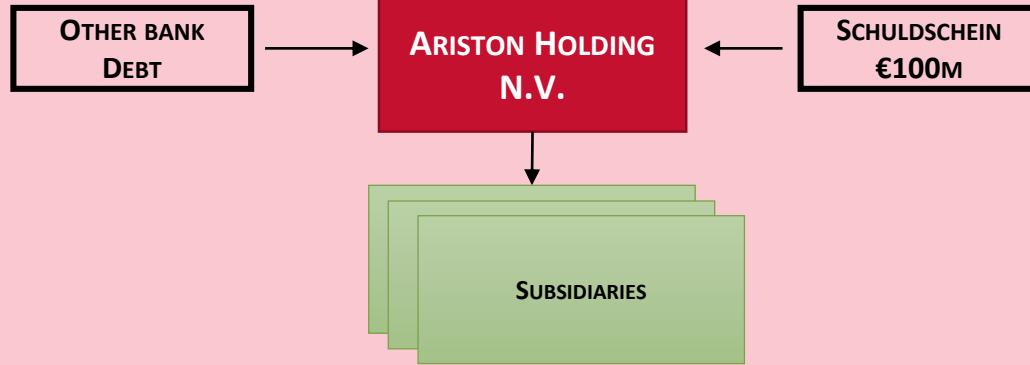
- Financial investment activities included the cash outflow for the business acquisition and the Call options. The delta between 2022 and 2021 on Financial investment activities was due to the acquisition of the Chromagen group and the Put & Call execution to acquire the minority of HTP (now named Ariston Thermo USA LLC).
- Cash absorption in Other activities in 2022 mainly includes: €-46.4M in dividends, €-12.5M for the buy-back of treasury shares and €-11.3M in financial and FX charges



\*Positive figures represent Net Cash

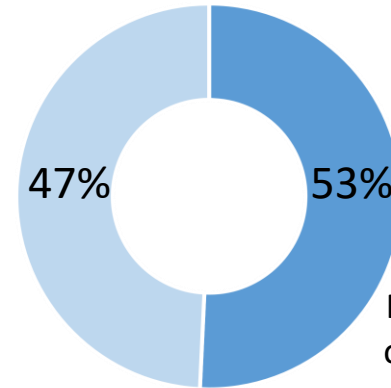
# DEBT PROFILE AND MATURITY DISTRIBUTION (AS OF 31 MARCH 2023)

## Debt structure

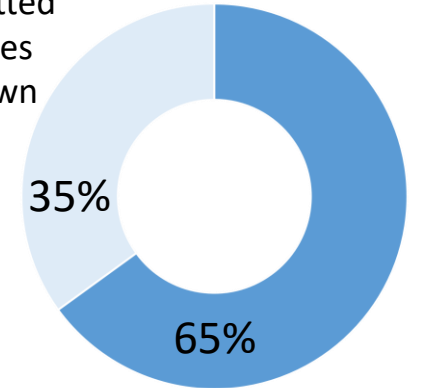


## Debt maturity profile and distribution<sup>1</sup>

Floating rate



Committed facilities undrawn



Committed facilities drawn

### 73% financial debt at Ariston Holding NV level

- ✓ Committed Bank credit lines, totalling €1.3B, of which approximately 65% was drawn
- ✓ All existing debt is unsecured and unguaranteed

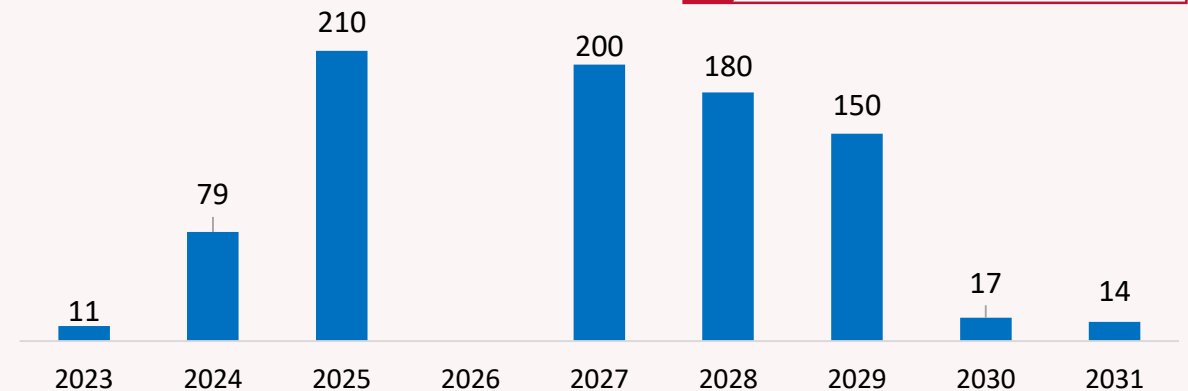
### Interest/hedging

- ✓ 53% of bank financing is Fixed rate/hedged and 47% at variable rate

### Available liquidity

- ✓ Cash and cash equivalents €363M
- ✓ Unused portion of committed credit lines €460M

(€M)



AVERAGE MATURITY > 4Y

<sup>1</sup> Excluding IFRS 16 financial liabilities and MTM hedging derivatives



### Disclaimer

*This document contains forward-looking statements that relate to future events and future operating, economic and financial results of Ariston Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may differ materially from those reflected in forward-looking statements due to a variety of factors, most of which are outside of the Group's control, including the direct and indirect consequences resulting from the ongoing developments in Ukraine and Russia.*

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