

Ariston Group delivered 1.9 €B revenues and 97 €M adjusted EBIT in 9M 2024; guidance for 2024 and mid-term view remain unchanged

9M 2024 RESULTS HIGHLIGHTS

- **Net revenues¹ amounted to 1,906 million euro**, an overall decrease of 14.7% compared to 9M 2023, organic, of which 632 million euro in Q3, down 13.7% YoY due to prolonged weak market demand.
- **Adjusted EBIT¹ amounted to 97 million euro**, decreased by 56.4% compared to 9M 2023, of which 40 million euro generated in Q3, down 43.9% YoY. Adjusted EBIT margin in Q3 reached 6.3%, up 200bps QoQ thanks to efficiency initiatives.
- **Free cash flow at 14 million euro**, improved versus -24 million euro in 9M 2023, of which 37 million euro generated in Q3. First time with a 9M positive free cash flow since IPO.
- **Net debt² of 716 million euro**, compared to 611 million euro as of year-end 2023, due to dividend payments, cash-out for the Egypt plant acquisition and buyback.

2024 GUIDANCE AND MID-TERM VIEW

- **2024 guidance** is confirmed.
- **Organic net revenues guidance** between -12% and -15% YoY on a like-for-like basis¹. Due to the weak demand in Europe, mainly in Heating.
- **Adjusted EBIT margin guidance** circa 6%, due to revenues decrease, operating leverage, unfavorable country mix and labor cost inflation, partially offset by efficiency initiatives.
- **Mid-term view remains intact**. After a transitioning year, with very tough comparison and weak demand, in the mid-term we expect a mid-single-digit organic growth thanks to market demand recovery.

Maurizio Brusadelli, Chief Executive Officer commented: *“As expected market remained weak. We have successfully improved our margins from the previous quarter through a range of initiatives to reduce costs, and reprioritization of investments. Additionally, our disciplined stock management has increased our cash flow. As we continue to deliver on our product and sustainability roadmaps, Ariston Group’s long-term profitable growth remains our top priority, favoured by the energy transition”.*

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.

The Board of Directors of Ariston Holding N.V. (MTA/EXM; Bloomberg ticker: ARIS IM) met today and approved the consolidated report for the nine-months ending on September 30th 2024 (“9M 2024”).

9M 2024 CONSOLIDATED RESULTS¹

Net revenue amounted to 1,905.9 million euro, a decrease of 15.1% compared to the 2,245.4 million euro registered in the first nine months of 2023, organic of -14.7% and foreign exchange effect of -0.4%.

€M	9M 2024	9M 2023	Change
Thermal Comfort	1,781.4	2,110.4	-15.6%
Burners	63.9	66.4	-3.7%
Components	60.6	68.6	-11.7%
Total	1,905.9	2,245.4	-15.1%

€M	9M 2024	9M 2023	Change
Europe	1,354.6	1,663.1	-18.5%
Americas	190.2	189.8	0.2%
Asia/Pacific & MEA	361.1	392.5	-8.0%
Total	1,905.9	2,245.4	-15.1%

EBITDA reached 131.8 million euro, -56.5% compared to the 302.8 million euro registered in 9M 2023, while **EBIT** amounted to 29.6 million euro, compared to the 219.3 million euro of 9M 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 181.4 million euro, down by 39.8% compared to 301.4 million euro registered in 9M 2023, with a decrease in margin on net revenue from 13.4% to 9.5%, as a consequence of prolonged weak demand leading to negative operating leverage enhanced by destocking, country mix and labor inflation effects. This was partially mitigated by enhanced efficiency initiatives.

Adjusted EBIT amounted to 96.8 million euro, decreasing by 56.4% compared to the 222.2 million euro of 9M 2023. The corresponding margin on net revenue was down from 9.9% to 5.1%.

Free cash flow³ in the period amounted to 13.5 million euro, versus -24.3 million euro for 9M 2023. The improvement was driven by inventories reduction, with a lower net working capital absorption compared to 9M 2023 and CapEx optimization as part of efficiency initiatives.

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 715.9 million euro, mainly due to dividends payment, Egypt plant acquisition and buyback.

For comparative purposes, applying the calculation method used before the adoption of ESMA guidelines, net financial indebtedness went from 575.0 to 691.6 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.

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This additional periodic financial information is disclosed by Ariston on a voluntary basis and is not subject to auditing.

The Board of Directors is responsible for preparing additional periodic information as of 30 September, 2024, in accordance with the Dutch Financial Supervision Act and applicable international financial standards (IFRS).

The 9M 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.

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

About Ariston Group

Ariston Group is a global leader in sustainable thermal comfort that offers a unique, extensive range of solutions for hot water, space heating and air treatment, 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 4.6 "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:

(PARTIAL) RECLASSIFIED 9M 2024 INCOME STATEMENT

RECLASSIFIED 9M 2024 CASH FLOW STATEMENT

Attachments note: in 9M 2024 Ariston Thermo Rus LLC is deconsolidated from end-April and in 9M 2023 Ariston Thermo Rus LLC is included for the entire period.

RECLASSIFIED 9M 2024 INCOME STATEMENT

ARISTON GROUP

<i>(€M) – unaudited</i>	9M 2024		9M 2023	
REVENUE AND INCOME				
Net revenue	1,905.9	100.0%	2,287.0	100.0%
Other revenue and income	34.2	1.8%	40.6	1.8%
Revenue and income	1,940.1	101.8%	2,327.6	101.8%
Total operating expenses	1,910.5	100.2%	2,103.3	92.0%
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OPERATING PROFIT	29.6	1.6%	224.3	9.8%
Adjustment on operating profit	67.2	3.5%	2.9	0.1%
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OPERATING PROFIT, ADJUSTED	96.8	5.1%	227.1	9.9%
Financial income and expense	-34.7	-1.8%	-17.2	-0.8%
Profit (loss) on investments	-1.2	-0.1%	-1.0	0.0%
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PROFIT BEFORE TAX	-6.2	-0.3%	206.1	9.0%
Total depreciation & amortization	102.2	5.4%	84.0	3.7%
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EBITDA	131.8	6.9%	308.3	13.5%
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EBITDA ADJUSTED	181.4	9.5%	306.9	13.4%

RECLASSIFIED 9M 2024 CASH FLOW STATEMENT

ARISTON GROUP

<i>(€M) – unaudited</i>	9M 2024	9M 2023
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	-575.0	98.9
EBITDA	131.8	308.3
Taxes paid	-25.8	-50.8
Provisions and other changes from operating activities	48.5	18.8
Change in net operating working capital	-48.9	-197.2
NET CASH FLOW FROM OPERATING ACTIVITIES	105.6	79.1
Capital expenditures	-60.6	-82.6
IFRS16 leasing payments	-25.9	-23.7
Other changes	-5.5	2.9
FREE CASH FLOW	13.5	-24.3
Cash flow from financial investment activities	-26.3	-647.4
Cash flow from other activities	-100.9	-67.3
TOTAL CHANGE IN NET FINANCIAL POSITION	-113.7	-739.0
Non-cash items	-2.9	-19.4
NET FINANCIAL POSITION AT THE END OF THE PERIOD	-691.6	-659.5