ARISTON GROUP

2022 FULL-YEAR RESULTS

March 2nd, 2023

OUR KEY INVESTMENT THESIS ... AND HOW IT PLAYED OUT IN 2022

ARISTON GROUP

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

- Acceleration of HHP and HPWH sales, on the back of the energy transition trend in Europe
- Demand for gas products sustained by renewal of installed base for higher efficiency, along with other energy transitions around the world

2 UNIQUELY BALANCED COMMITMENT TO BOTH HOT WATER AND HEATING

- Increasing synergies and appeal for fully sustainable solutions
- Water-heating technology diffusion facilitated by adoption of heating heat pumps in Europe
- Hot water: robust performance in high-potential markets, destocking-driven weakness in Americas in H2 and production disruption due to floods

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

- Distributed, centrally-managed procurement mitigated supply chain disruptions
- Geographic diversification reduced impact of China lockdowns & Russia-Ukraine war
- Ongoing recovery at two manufacturing plants after the floods in September – after several weeks of suspension

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

- Robust organic growth at +9% (ex-FX)
- Chromagen – deal closed in January 2022, integration progressed according to plan
- Centrotec Climate Systems – the largest M&A deal in company history announced in September 2022, closed on January 2nd 2023

5 SOLID FINANCIAL PERFORMANCE AT TOP- AND BOTTOM-LINE, LEAN BALANCE SHEET

- Total growth ca. +20%
- Solid Q4 performance drove FY EBIT Adjusted margin to 9.4%
- NWC decreased to 12% of sales, improved from September peak
- FY FCF lower than last year, significant generation in Q4

2022 SAY/DO

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OUTLOOK FOR 2022

“FY2021 record results prove that we are well positioned to deliver strong performance, even in the most uncertain market environments. We warmly thank all Ariston employees across our regions, brands and functions for their contribution to building our future”

MID-TERM GUIDANCE

OVER THE CYCLE:
- MID-SINGLE-DIGIT ORGANIC GROWTH
- ADJUSTED EBIT MARGIN > 10%

PLUS M&A

- Organic growth above mid-term guidance thanks to the tail of 2021 recovery, on top of ca. 5% added by Chromagen
- Perduring cost inflation and trade turbulences, especially in H1
- Pricing actions expected to sustain margins despite minor dilution resulting from the Chromagen acquisition
- Although this outlook can not include any consequences arising from the development in Ukraine and Russia, our global diversification mitigates risk from geo-political events
- Return towards normal seasonality: revenues, margins and cash flow
- Tax rate seen normalizing to ca. 23% (base case, subject to country mix)
- Continued scouting and pursuit of M&A options in our space, in different sizes and geographies

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Outlook given one year ago	Actual performance
«Organic growth above mid-term guidance thanks to the tail of 2021 recovery, on top of ca. 5% added by Chromagen»	**9%** organic + **3.9%** FX + **6.8%** Chromagen
«Perduring cost inflation and trade turbulences, especially in H1»	Situation started improving at the end of the year
«Pricing actions expected to sustain margins despite minor dilution resulting from the Chromagen acquisition» *EBIT Adjusted margin expectations trimmed from >10% to 9%-10% after the onset of war in Ukraine*	Pricing actions successfully implemented. FY EBIT Adjusted margin: **9.4%**
«Return towards normal seasonality: revenues, margins and cash flow»	Historic seasonality respected In **Q4**, **double-digit** AdjEBIT margin and >100% of yearly cash flow
«Tax rate seen normalizing to ca. 23% (base case, subject to country mix)»	22%
«Continued scouting and pursuit of M&A options in our space, in different sizes and geographies»	Announced acquisition of **Centrotec Climate Systems** (closed on Jan 2 2023)

NEW IN Q4 2022

RANGE EXTENSION OF NIMBUS HEAT PUMPS

- Built-In (pictured): all the hydraulic and system components inside a special cabinet that fits inside the external wall of a house, mainly addressing new buildings segment
- Split Hybrid: extension of hybrid technology from monobloc-only to split architecture, allows to bring the advantages of this solution to all installation conditions

AXIOS ELECTRIC STORAGE WATER HEATERS

- New platform launched in South Africa
- Axios has been developed to satisfy new customer needs with improved easiness of installation and maintenance and highest energy efficiency, with 50L to 250L capacity
- The new Axios marks the debut of the global Ariston brand in the water-heating in South Africa

FOR PROFESSIONALS: NEW ARISTON NET PRO

- Worldwide release of a brand new ARISTON NET PRO tele-diagnosis platform featuring:
    - Renewed user experience, widened product coverage and enhanced functionalities
    - Active Care: predictive maintenance powered by AI algorithms
- Refresh of “extended warranty” service contracts – now named SMART+PROTECTION – including ARISTON NET PRO tele-diagnosis to improve technicians’ operational efficiency together with quality and speed of service

Q4 2022 & FY 2022 NET REVENUE BY DIVISION

€M	Q4 2022	Q4 2021	Change	o/w M&A
Thermal Comfort	600.3	521.8	+15.0%	35.4
Burners	28.1	26.6	+5.7%	
Components	25.1	26.6	-5.8%	
Total	**653.5**	**575.0**	**+13.6%**	**35.4**

€M	FY 2022	FY 2021	Change	o/w M&A
Thermal Comfort	2,187.4	1,807.0	+21.1%	135.4
Burners	95.9	94.6	+1.4%	
Components	95.5	85.8	+11.3%	
Total	**2,378.8**	**1,987.3**	**+19.7%**	**135.4**

KEY COMMENTS

- Thermal comfort: energy transition-related acceleration of sales of heating systems in Europe
- Growth generally driven by price and mix, with Water Heating YoY volume decrease in H2 against very strong comparables. Significant miss in sales due to flooded plants in Italy
- Burners: benefit from favourable mix change with surge in dual-fuel prevailing on decrease in oil
- Components: growth still driven by pricing and favourable mix despite Q4 decrease, due to different monthly distribution of sales (Q3 was +30%)
- Chromagen’s integration progressing according to plan – sales above expectations with a low-single-digit margin

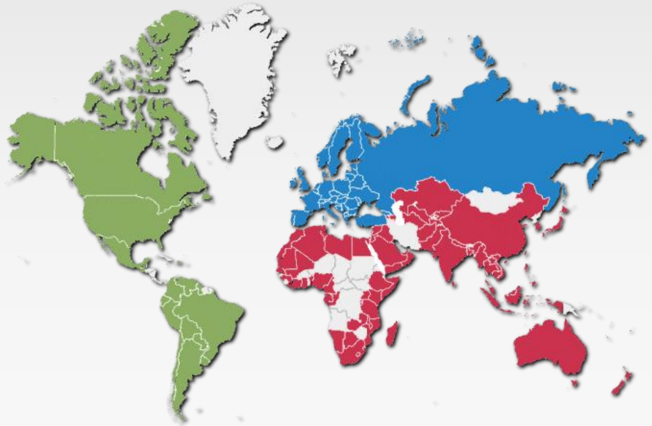
Q4 2022 & FY 2022 Net Revenue by Area

€M	Q4 2022	Q4 2021	Change	o/w M&A
Europe	418.7	366.9	+14.1%	1.5
Americas	88.2	83.9	+5.1%	0.9
Asia/Pacific & MEA	146.6	124.3	+18.0%	32.9
Total	**653.5**	**575.0**	**+13.6%**	**35.4**

€M	FY 2022	FY 2021	Change	o/w M&A
Europe	1,536.7	1,322.6	+16.2%	5.6
Americas	300.3	279.5	+7.4%	1.9
Asia/Pacific & MEA	541.8	385.3	+40.6%	127.8
Total	**2,378.8**	**1,987.3**	**+19.7%**	**135.4**

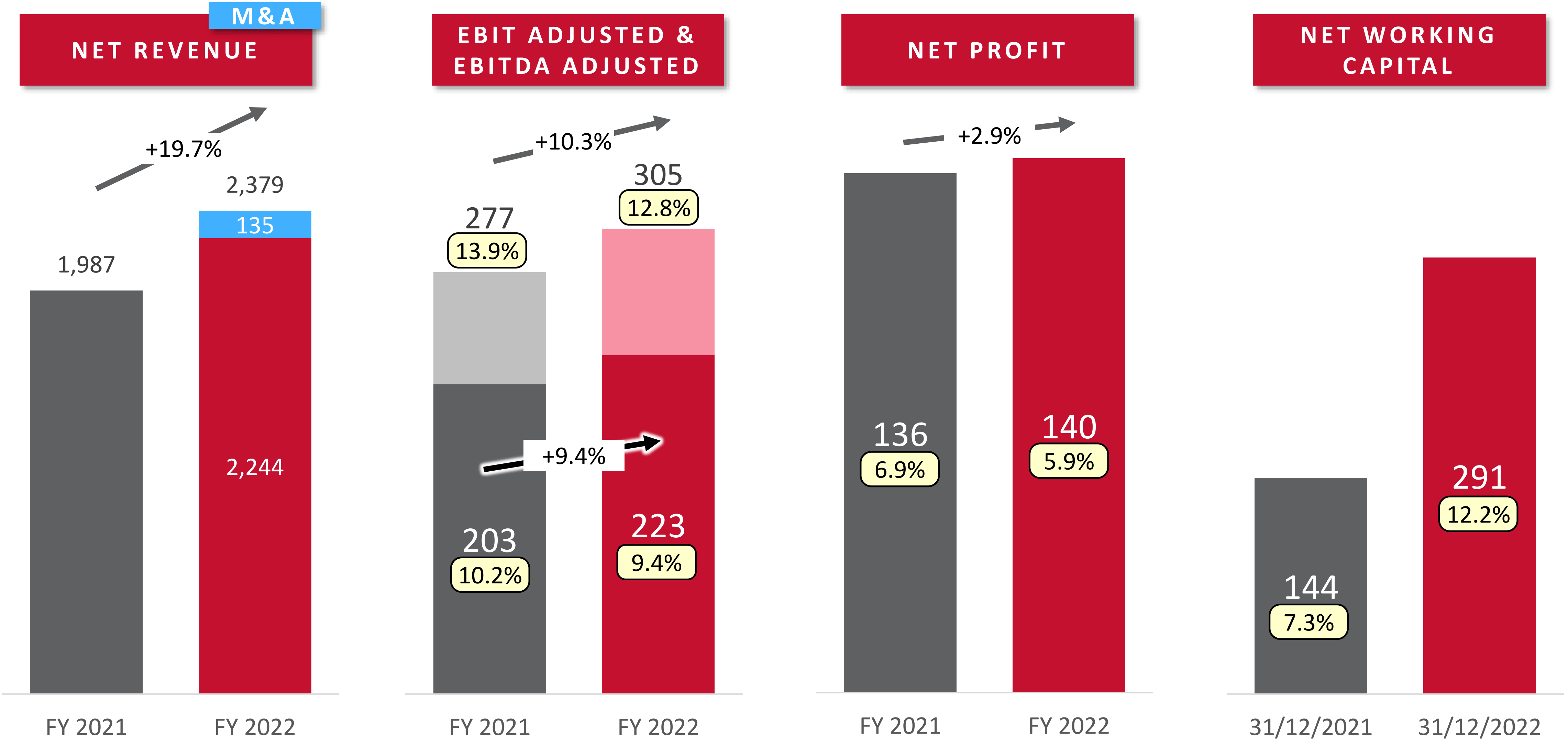
KEY COMMENTS

- Continuing growth momentum in Europe
- Americas – FX driven. US slowdown mostly due to destocking of Water Heating equipment after abnormally high sales in 2021. Demand reduction in Mexico
- Asia/Pacific & MEA influenced by slowdown of Chinese construction market and lack of products from flooded plants in Italy
- Overall FX tailwinds of ca. 2.9% in Q4 (3.9% for the full year)



FY 2022 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 net revenue

FY 2022 Condensed Income Statement

€M	FY 2022	FY 2021	Change
Net revenue	2,378.8	1,987.3	+19.7%
EBITDA adjusted	**305.3**	**276.8**	**+10.3%**
% on net revenue	***12.8%***	***13.9%***	
EBITDA	283.5	246.9	+14.8%
% on net revenue	*11.9%*	*12.4%*	
EBIT adjusted	**222.6**	**203.4**	**+9.4%**
% on net revenue	***9.4%***	***10.2%***	
EBIT	193.7	171.2	+13.2%
% on net revenue	*8.1%*	*8.6%*	
Profit before tax	*179.8*	*165.4*	*+8.7%*
Net Profit	**140.3**	**136.3**	**+2.9%**
Tax rate	*22.0%*	*17.6%*	
Net Profit adjusted[1]	**162.9**	**151.8**	**+7.3%**

Key Comments

- Organic net revenue increase mainly driven by Thermal Comfort in Europe
- Pricing actions fully offset cost inflation in absolute value
- SG&A increase to fuel growth
- Seasonal improvement of margin % in Q4 as expected
- Minor margin % dilution due to Chromagen
- Major components of adjustments:
  - Damage repair from flooding (Genga and Cerreto D’Esi plants), net of initial insurance reimbursement
  - Multi-year restructuring program
  - Expenses related to M&A
  - PPA amortization (on EBIT only)

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

FY 2022 Cash Flow

€M	FY 2022	FY 2021	Change
EBITDA	**283.5**	**246.9**	**+14.8%**
Provisions and write-downs	17.7	21.4	-17.3%
Change in working capital[1]	(115.8)	(13.2)	n.s.
Tax paid	(35.4)	(39.5)	-10.3%
Other Assets and Liabilities	(19.1)	(24.9)	-23.6%
Operating cash flow	**130.9**	**190.7**	**-31.3%**
Capex (without right-of-use assets)	(78.6)	(78.1)	+0.6%
IFRS16 lease payments	(23.1)	(22.2)	+3.9%
Other changes	34.1	(2.0)	n.s.
Free Cash Flow	**63.4**	**88.3**	**-28.3%**

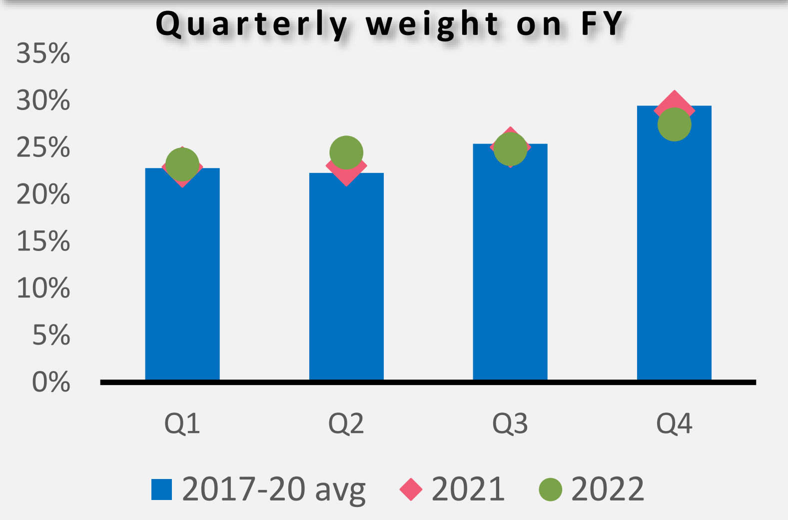
KEY COMMENTS

- Net working capital significantly improved in Q4. FY absorption influenced by missing revenue (Americas & floods) and high inventories due to inflation and stockpiling
- Continued discipline on DPO and satisfactory performance on credit quality
- 2022 movement of Other Assets and Liabilities substantially coincides with (non-monetary) unrealized FX and write-downs
- Capex at 3.3% of net sales
- Other changes: majority of increase related to positive MtM
- Strong FCF generation in Q4 (>€120M), mostly driven by NWC reduction

[1] Change in working capital does not include FX effect.

BUSINESS SEASONALITY

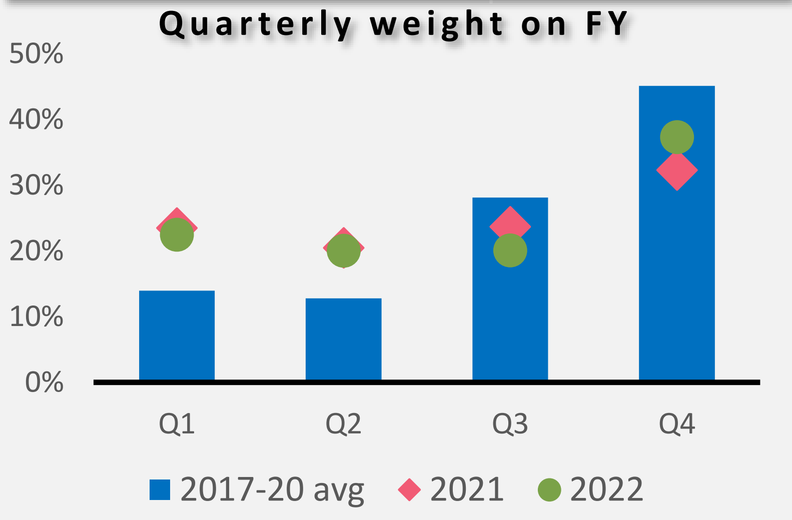
NET REVENUE



1. Demand for heating-related products is predictably concentrated towards the second part of the year

2021 and 2022 were no exception

EBIT ADJUSTED

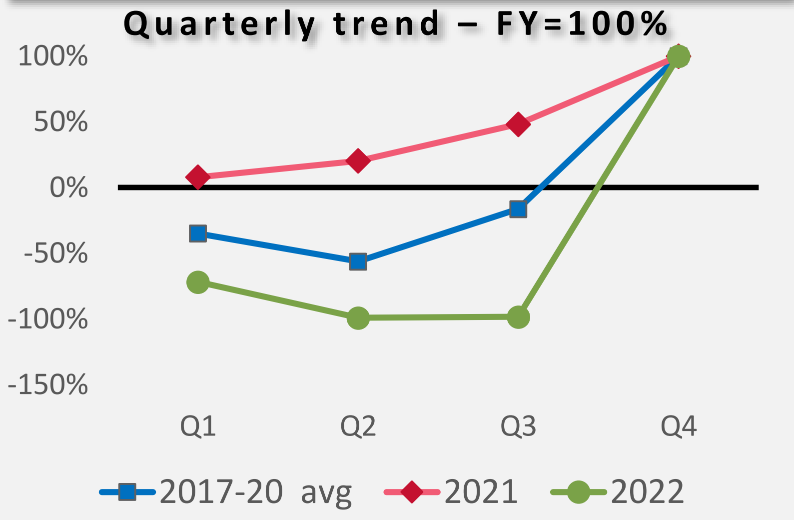


2. Operating leverage gives margins an even more pronounced seasonality

2021 had a more even distribution than the average year

Q4 2022 driven by operating leverage and productivity

CUMULATED FCF



3. The last quarter of the year typically generates >100% of yearly FCF

2021 was the only year in recent history with positive FCF every quarter

Trend was even more evident in Q4 2022

As anticipated, 2022 marked a return towards historic seasonality after the 2021 anomaly.
FCF generation was even more skewed than usual towards year-end.

TOTAL NET FINANCIAL INDEBTEDNESS
REFERENCE: ESMA 32-382-1138 GUIDELINES

€M	31/12/2022	31/12/2021
Liquidity	1,011.6	694.2
minus: Current financial indebtedness	(86.2)	(94.2)
minus: Non-current financial indebtedness	(865.2)	(450.9)
Net Financial Indebtedness (ESMA guidelines)[1]	**60.2**	**149.0**
Adjustments: Put & call options, escrow accounts and positive MtM	*38.6*	*35.8*
Net Financial Indebtedness adjusted[1] ***(previous calculation method)***	***98.9***	***184.8***

KEY COMMENTS

At 31 December 2022:

- Liquidity ready for the Centrotec Climate Systems deal (€635M paid on Jan 2, 2023)
- €430M additional committed unused credit lines to fuel organic & inorganic growth
- Non-current bank debt >4yr duration, with >90% of maturities in 2025-2027
- Low sensitivity to inflation: >50% of LT debt is fixed-rate or hedged
- Debt consists in bank credit lines plus €4M in acquisition-related put & call options
- Largest share of Adjustments (>€35M) relates to positive MtM of derivatives

[1] Positive for net cash, negative for net debt.

Dividend Proposal

for approval by the Annual General Meeting of May 4, 2023

Dividend per Share	**€ 0.13**
Total Payout	€ 48.2M
Payout ratio (on consolidated Net Profit)	34%
Payment date	May 24, 2023

ARISTON GROUP + CENTROTEC CLIMATE SYSTEMS = €3 BILLION TOP LINE
KEY FIGURES FY2022 PRO-FORMA

€M

	ARISTON GROUP Legacy	+ WOLF, BRINK, PROKLIMA, nedair	= ARISTON GROUP at 2023 perimeter
Revenues	2,379	682	3,061
EBITDA Adj. *[margin]*	305 *[12.8%]*	84 *[12.3%]*	389 *[12.7%]*
EBIT Adj. *[margin]*	223 *[9.4%]*	64 *[9.3%]*	286 *[9.3%]*
Net Income	140	39	180
Free cash flow	63	30	93
# countries (direct presence)	43	11	44
# plants	25	6	31
# people	7,975	2,735	10,710

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

CENTROTEC CLIMATE SYSTEMS NOW CALLED "WOLF-BRINK" – INTEGRATION STARTED

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Signing
15th Sep 2022

Closing
2nd Jan 2023

Transaction closing and start of discovery

Post-Merger Integration (PMI)

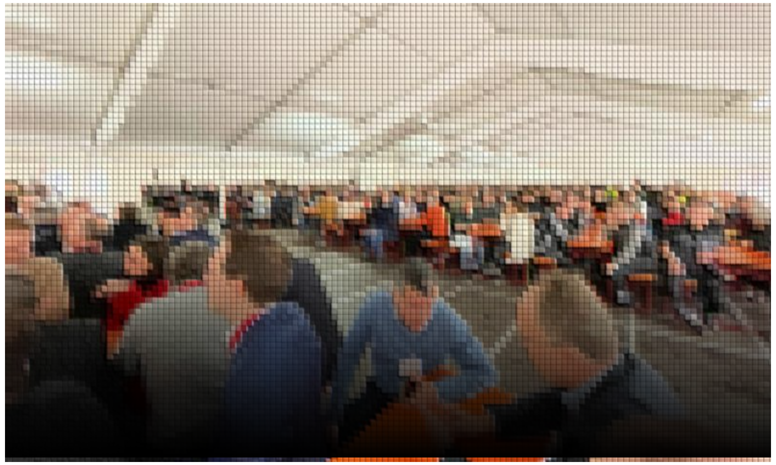
✓ **Transaction activities**	• Completed all activities required to enable the closing by 2nd Jan 2023	**Value creation**	• Structured PMI program to identify, size, implement & track synergies – growth, cost, cash
✓ **Business Continuity & Discovery**	• Assure continuation of all business operations to enable planned growth in 2023 • Start of the discovery phase WEBA* cluster	**Communication & change management**	• Team building initiatives and change management • Define communication at closing and after

Closing celebration and PMI Kick-off, Mainburg 11-12th January 2023

✓ Celebration event with core 75+ managers of WEBA* and Group organization

✓ Townhall with ~2,700 Wolf-Brink colleagues, of which ~1,000 in person

✓ Kick-off of Value Creation workstreams



* WEBA stands for Wolf Elco Brink Atag

Outlook for 2023

GENERAL
- Further improvement / stabilization of supply chain situation
- Strong increase in HP production capacity

TOP LINE
- Growth at unchanged perimeter in line with mid-term guidance
- Consolidation of Centrotec Climate Systems will add >30% inorganic growth

PROFITABILITY
- Expected EBIT Adjusted margin 9.2%-10%
- Decrease in raw materials compensated by inflation on components, labour cost, energy, ground logistics. Higher-than-average Opex in R&D and newly-launched digital initiatives

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

M&A
- Integration of Centrotec Climate Systems
- 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