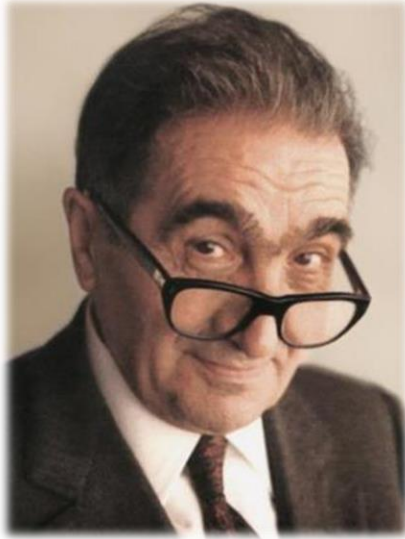


# ARISTON GROUP INTRODUCTION

March 2023





**OUR PHILOSOPHY**

*“THERE IS NO VALUE IN THE ECONOMIC SUCCESS OF ANY INDUSTRIAL INITIATIVE UNLESS IT IS ACCOMPANIED BY A COMMITMENT TO SOCIAL PROGRESS”*

**ARISTIDE MERLONI, 1967**

“

**OUR VISION**

**SUSTAINABLE COMFORT FOR EVERYONE**

”

“

**OUR MISSION**

**TO BE THE WORLD’S PREFERRED PARTNER IN DELIVERING ENERGY EFFICIENT AND RENEWABLE SOLUTIONS FOR HEATING AND HOT WATER**

”



2022

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



2022

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



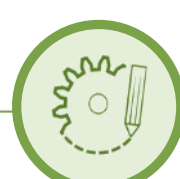
**43**

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



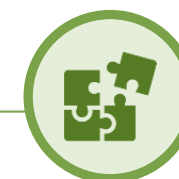
**44 : 56**

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



**#31**

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



**#18**

LARGE M&A AND BOLT ON  
ACQUISITIONS SINCE 2014

# KEY CHARACTERISTICS

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**

5 

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



# OVERVIEW OF DIVISIONS - BALANCED COMMITMENT TO BOTH HOT WATER AND HEATING

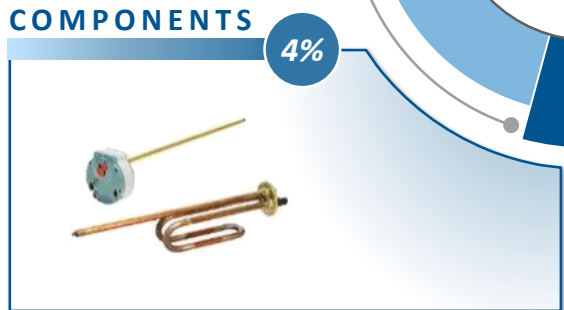
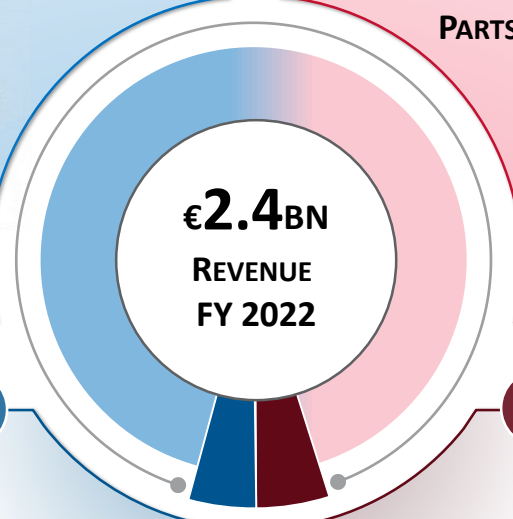
REVENUE SPLIT

HOT WATER

THERMAL COMFORT

92%

HEATING



- BROAD PORTFOLIO FOCUSING ON RENEWABLE AND HIGH EFFICIENCY**
- FULL RANGE OF SERVICES**
- INNOVATION & DIGITAL LEADERSHIP**

- GLOBAL REACH AND SUPPLY CHAIN**
- CATEGORY LEADERSHIP**
- INNOVATION & DIGITAL LEADERSHIP**



## GLOBAL REACH AND SUPPLY CHAIN

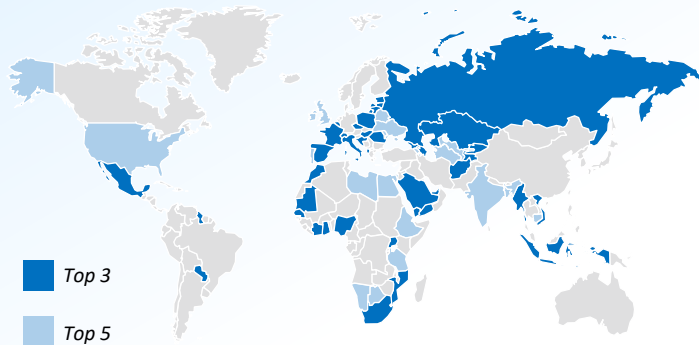
43

COUNTRIES DIRECTLY SERVED

44

TOP 3 MARKET SHARE<sup>1</sup>

### 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 WILL REQUIRE LESS AND LESS HEATING BUT THE NEED FOR HOT WATER WILL BE 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



Source: management estimates based on third party market data.

<sup>1</sup> Market shares based on 2020 volumes, including markets not served directly – ranking limited to technologies covered

# HOT WATER: GROWING CATEGORY LEADERSHIP COVERING DIVERSE TECHNOLOGIES



**ELECTRIC INSTANT    ELECTRIC STORAGE    HEAT PUMPS    GAS STORAGE    GAS INSTANT    SOLAR    CYLINDERS**

RENEWABLE	ELECTRIC	GAS
-----------	----------	-----

**HEAT PUMPS WATER HEATING | HPWH**

- WALL HUNG & FLOOR STANDING, 80 TO 800LT
- MONOBLOCK & SPLIT
- RESIDENTIAL AND COMMERCIAL RANGES

**ELECTRIC STORAGE WATER HEATING | ESWH**

- WALL HUNG & FLOOR STANDING PLATFORMS, 6 TO 300 LT
- SMALL, MED, FLAT & BIG GLOBAL PLATFORMS
- MECHANIC TO ELECTRONIC UP TO PREMIUM WITH WI-FI

**GAS STORAGE WATER HEATING | GSWH**

- WALL HUNG & FLOOR STANDING
- CONVENTIONAL AND CONDENSING

**CYLINDER & SOLAR WATER HEATING | SWH & CYL**

**SOLAR**

- DIRECT AND INDIRECT MODELS
- FLAT PANELS AND VACUUM TUBES

**FULL RANGE OF CYLINDERS FOR WHB AND HHP**

**ELECTRIC INSTANTANEOUS WATER HEATING | EIWH**

- POINT OF USE & MULTI-POINT
- MECHANIC TO THERMOSTATIC, UP TO 36kW
- SQUARE-/ ROUND-/ SLIM-SHAPED

**GAS INSTANTANEOUS WATER HEATING | GIWH**

- NATURAL & FORCED FLUE
- MECHANIC / THERMOSTATIC



## 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**

**HYBRID SYSTEMS**

**HEAT PUMP**

**CONDENSING & STANDARD WALL-HUNG BOILER**

## RENEWABLE & HIGH EFFICIENCY

- RENEWABLE – RESIDENTIAL PRODUCTS**
- HEATING HEAT PUMP SPLIT & MONOBLOC
  - 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

## SERVICES

- RESIDENTIAL STANDARD PRODUCTS**
- COMPLETE PRODUCT RANGE FOR NATURAL & FORCED FLUE

- DIRECT SERVICES & PARTS**
- 
- APPLICATION SOLUTIONS**

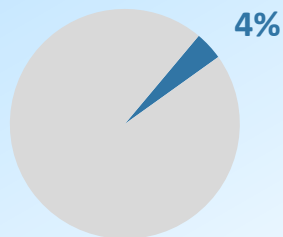


# COMPONENTS: A TECHNOLOGY LEADING PLAYER IN HEATING ELEMENTS AND THERMOSTATS FOR DOMESTIC, PROFESSIONAL AND LIGHT INDUSTRIAL APPLICATIONS



## 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



**HEAT PUMP ELECTRIC BACK-UP HEATER**



**DOMESTIC APPLIANCES**

**PROFESSIONAL APPLICATIONS**



**LIGHT INDUSTRIAL APPLICATIONS**



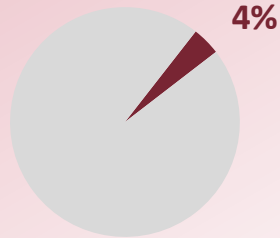
<sup>1</sup> Based on 2022 Revenues.

# 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>



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



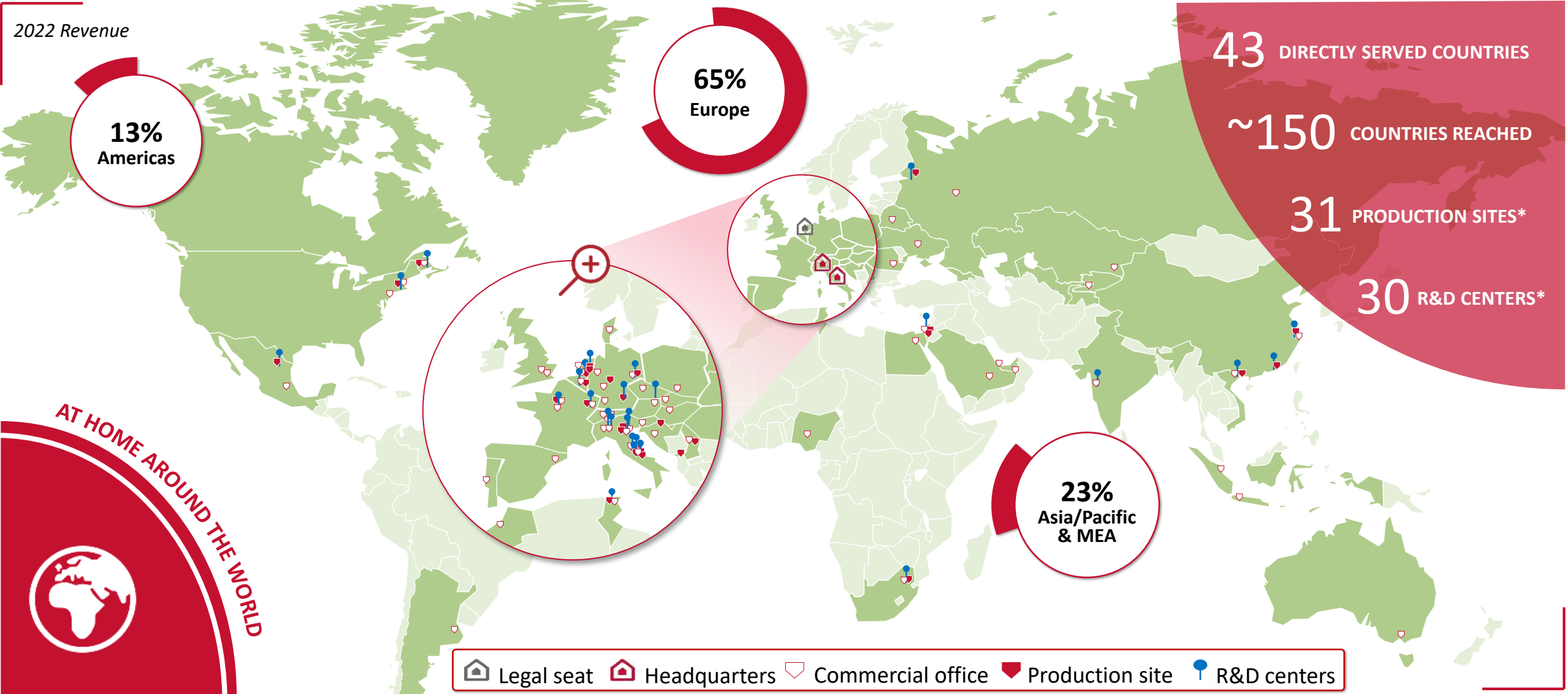
RESIDENTIAL

COMMERCIAL

INDUSTRIAL

LIGHT & MID  
DUTY PROCESS

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



\* Including Centrotec Climate Systems (Wolf, Brink, Ned-Air and Proklima brands), consolidated from 2023 on.

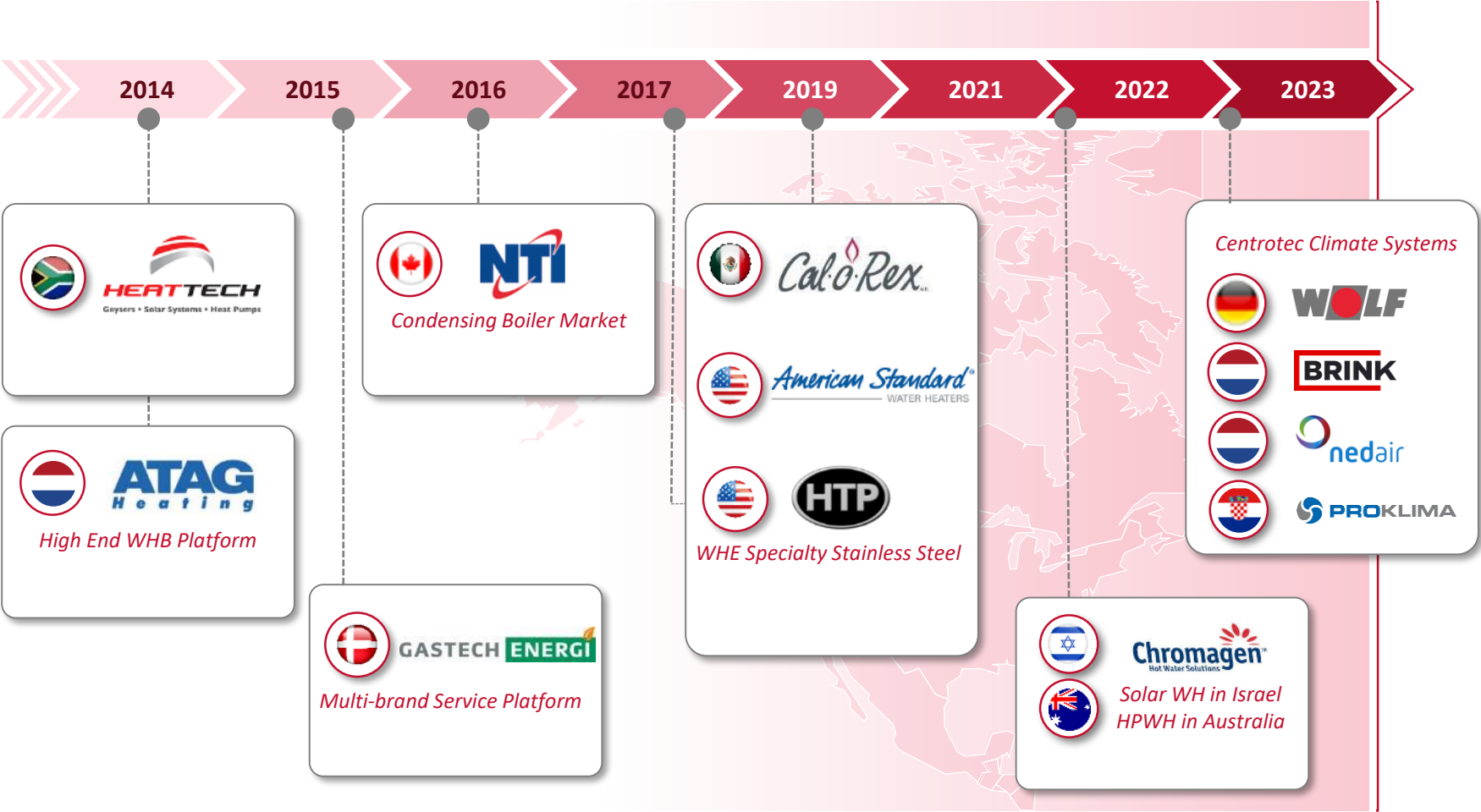
# EFFECTIVE LEVERAGE ON M&A TO SUPPORT GROWTH

KEY DRIVERS OF VALUE CREATION

**ACCESS TO NEW MARKETS / TECHNOLOGIES**

**FLEXIBLE ACQUISITION STRUCTURE**

**SOLID SYNERGIES EXECUTION**

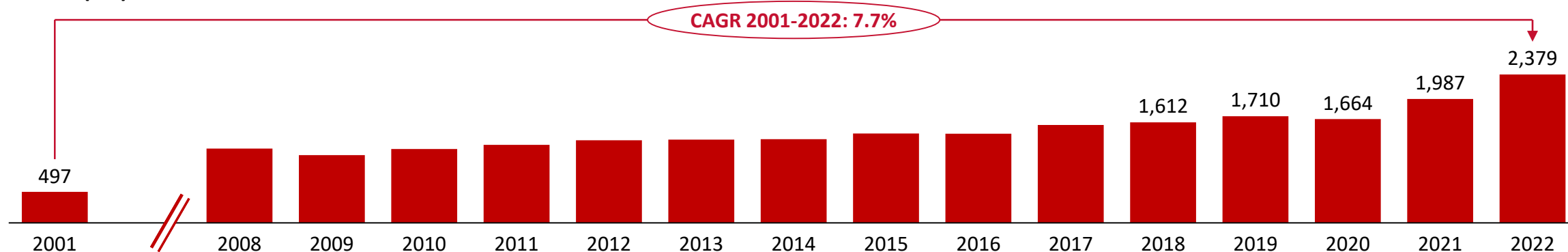


**IMPROVED PROFITABILITY OF ACQUIRED COMPANIES AFTER INTEGRATION**

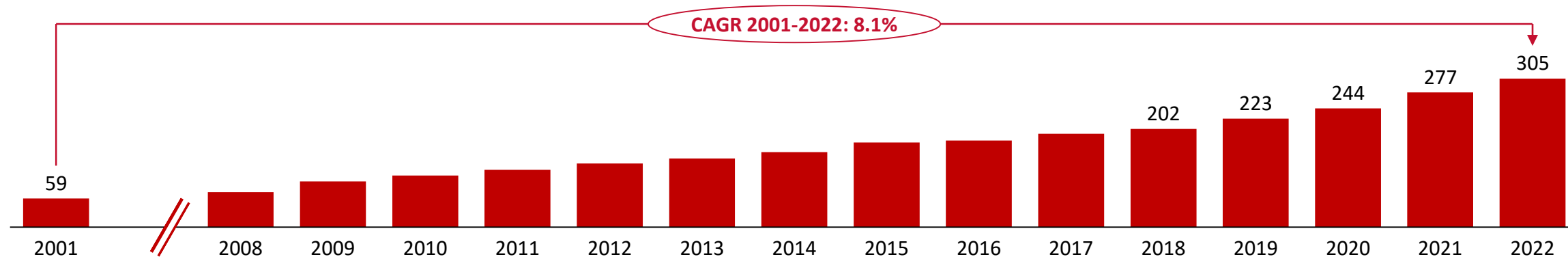


# SOLID FINANCIAL PERFORMANCE: LIMITED IMPACT FROM MACRO ENVIRONMENT AND EVEN MORE RESILIENT MARGINS

Revenues (€M)



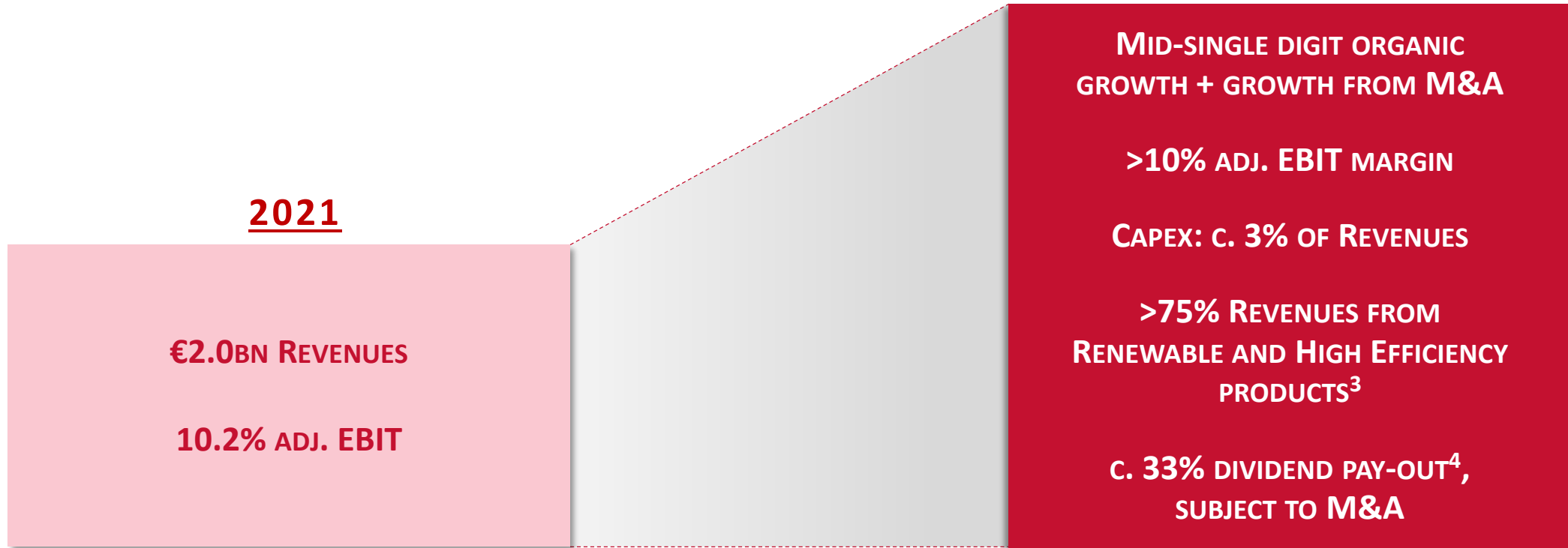
Adj. EBITDA (€M)



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.



**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.







### **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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