

Significant top-line and EBIT-adjusted growth in 9M 2023. Free cash flow improved year-on-year

9M 2023 RESULTS HIGHLIGHTS

- **Net revenue at 2,287 million euro**, an overall increase of +32.6% compared to 9M 2022 (+2.6% pro-forma)
- **EBIT adjusted amounted to 227 million euro¹**, increasing +62.8% versus 9M 2022
- **Profit Before Tax was 206 million euro**, with an increase of +68.9% compared to 9M 2022
- **Free cash flow at -31 million euro**, versus -62 million euro in 9M 2022
- **Net debt² of 704 million euro**, following cash-out for the acquisition of Wolf-Brink (formerly "CENTROTEC Climate Systems"), dividend payment, and seasonal increase in net working capital

"I'm very satisfied to see Ariston Group growing in scale and profitability also thanks to the excellent results of our new Wolf-Brink business. This is positioning us well for the long term, in a moment where European markets are highly volatile as regulatory frameworks and markets adapt for sustainability. At Ariston Group, we can offer competitive renewable, hybrid and energy-efficient solutions across the world, not just for heating but also hot water and air treatment", commented Paolo Merloni, Executive Chairman.

"In the last quarter, we benefited from prolonged strong momentum in Germany and other markets in Central Europe. We take pride in our ability to preserve and increase margins while continue to invest for the future, despite the challenges in some key markets, notably Italy, and exchange rate headwind", added Maurizio Brusadelli, Chief Executive Officer.

The Board of Directors of Ariston Holding N.V. (MTA/EXM; Bloomberg ticker: ARIS IM) met today and approved the disclosure of additional periodic financial information relating to the first nine months of 2023 ("9M 2023")

9M 2023 CONSOLIDATED RESULTS

Net revenue amounted to 2,287.0 million euro, growth of 32.6% compared to the 1,725.3 million euro registered in the first nine months of 2022.

Continuing the trend seen in the first half of the year, the main growth driver was the strong demand in Germany and some neighbouring markets, benefitting the Group's activities through its Elco brand, and the business of the newly-acquired Wolf-Brink; conversely, organic growth was negative at -1.9% due to overall demand weakness in some other European markets, especially in Italy as a consequence of regulatory changes in incentive application.

¹ Includes € 4M insurance compensation (first tranche) for the business interruption due to the flooding of two plants in 2022.

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

€M	9M 2023	9M 2022	Change	o/w M&A
Thermal Comfort	2,151.9	1,587.1	+35.6%	624.1
Burners	66.5	67.8	-1.9%	
Components	68.6	70.4	-2.5%	
Total	2,287.0	1,725.3	+32.6%	624.1

€M	9M 2023	9M 2022	Change	o/w M&A
Europe	1,701.6	1,118.1	+52.2%	616.3
Americas	189.8	212.1	-10.5%	
Asia/Pacific & MEA	395.7	395.2	+0.1%	7.8
Total	2,287.0	1,725.3	+32.6%	624.1

The currency exchange headwind was -4% in the third quarter, bringing the total for the nine months to -1.7%, while the consolidation for the entire period of the Wolf-Brink business, acquired in January, generate additional net revenues for 624.1 million euro (+36.2%). For a better evaluation of the underlying business trends, it is worth noting that pro-forma growth (including Wolf-Brink also in the 9M 2022 comparison base) amounted to +2.6%.

EBITDA registered 308.3 million euro, growth of 60.2% compared to the 192.5 million euro registered in 9M 2022, while **EBIT** amounted to 224.3 million euro, up 78.9% compared to the 125.4 million euro of 9M 2022.

These margins are also presented in an adjusted form, which is more useful to appreciate the trend in the normal business operations, by excluding costs or revenues not representative of them. The main adjustments in the period are insurance reimbursements related to the recovery costs after the flooding of September 2022 (net of related costs, some of which were sustained in 2022)³, expenses related to a multi-year restructuring program, and – on EBIT only – the PPA amortisation related to past acquisitions.

EBITDA adjusted amounted to 306.9 million euro, growth of 52.3% compared to the 201.5 million euro registered in 9M 2022, with an increase in margin on net revenue from 11.7% to 13.4%.

EBIT adjusted amounted to 227.1 million euro, up 62.8% compared to the 139.5 million euro of 9M 2022. The corresponding margin on net revenue increased from 8.1% to 9.9% thanks to the

³ Applies to direct costs and their reimbursements. Conversely, the first tranche of insurance compensation for business interruption from the flooding (4 million euro) was booked in Q2 under “Other Revenue and income” and is included in all adjusted and unadjusted figures.

normalisation of some cost items (logistics, energy, raw materials), favourable market mix, and the carryover of pricing, along with a remarkable performance of Wolf-Brink.

Profit before Tax came to 206.1 million euro in the nine months, a 68.9% increase compared to the 122.0 million euro registered in 9M 2022.

Free cash flow in the period amounted to -31.0 million euro, versus -62.3 million euro for 9M 2022. The improvement is associated with higher EBITDA, partially compensated by higher absorption by net working capital, higher CapEx and a normalisation of "Other Changes" which included a significant increase in the Mark-to-Market valuation of some assets in 9M 2022.

Net Financial Indebtedness at the end of the period (calculated according to ESMA 32-382-1138 guidelines) went from 60.2 million euro net cash at the beginning of the year to 704.1 million net debt, due to the negative cash flow, the payment of dividends, and especially the cash-out related to the acquisition of Wolf-Brink.

For comparison purposes: applying the calculation method used before the adoption of the ESMA guidelines, the net financial position went from 98.9 million euro net cash to 659.5 million euro net debt. 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, 2023, in accordance with the Dutch Financial Supervision Act and applicable international financial standards (IFRS).

The 9M 2023 Analyst Presentation, which includes management's outlook on the remaining part of the year, will be made available at the authorised repository www.1info.it and on the website www.aristongroup.com in the "Investors & Governance" section.

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

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About Ariston Group

Ariston Group is a global leader in sustainable solutions for hot water and space heating, components, and burners. In 2022 the Group, with the pro-forma inclusion of Wolf-Brink, reported almost 3.1 billion euro revenues. As of today, Ariston Group has over 10,000 employees, representative offices in 43 countries, 28 production sites and 30 research and development centers on 5 continents. Ariston Group is listed on Euronext Milan since November 2021.

Ariston Group demonstrates its commitment to sustainability through the development of renewable and high efficiency solutions, such as heat pumps, water heating heat pumps, hybrid solutions and solar thermal systems. The Group also stands out for its continuous investment in technological innovation, digitalization, and advanced connectivity systems.

The Group offers a full range of products, solutions, and services mainly under the global brands Ariston, ELCO and Wolf, and operates under iconic 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 2023 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 2023 INCOME STATEMENT

<i>(€M) - unaudited</i>	For the nine months ended September 30, 2023		For the nine months ended September 30, 2022	
REVENUE AND INCOME				
Net revenue	2,287.0	100.0%	1,725.3	100.0%
Other revenue and income	40.6	1.8%	30.1	1.7%
Revenue and income	2,327.6	101.8%	1,755.5	101.7%
Total operating expenses	2,103.3	92.0%	1,630.1	94.5%
OPERATING PROFIT	224.3	9.8%	125.4	7.3%
Adjustment on operating profit	2.9	0.1%	14.1	0.8%
OPERATING PROFIT, ADJUSTED	227.1	9.9%	139.5	8.1%
Financial income and expense	-17.2	-0.8%	-8.6	-0.5%
Profit (loss) on investments	-1.0	0.0%	5.2	0.3%
PROFIT BEFORE TAX	206.1	9.0%	122.0	7.1%
Total depreciation & amortization	84.0	3.7%	67.1	3.9%
EBITDA	308.3	13.5%	192.5	11.2%
EBITDA ADJUSTED	306.9	13.4%	201.5	11.7%

RECLASSIFIED 9M 2023 CASH FLOW STATEMENT

<i>(€M) - unaudited</i>	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	98.9	184.8
EBITDA	308.3	192.5
Taxes paid	-50.8	-30.3
Provisions and other changes from operating activities	18.8	-30.4
Change in net operating working capital	-197.2	-173.5
NET CASH FLOW FROM OPERATING ACTIVITIES	79.1	-41.8
Capital expenditures	-82.7	-34.6
IFRS16 leasing payments	-23.7	-17.6
Other changes	-3.7	31.7
FREE CASH FLOW	-31.0	-62.3
Cash flow from financial investment activities	-647.4	-75.7
Cash flow from other activities	-80.0	-46.0
TOTAL CHANGE IN NET FINANCIAL POSITION	-758.4	-183.9
NET FINANCIAL POSITION AT THE END OF THE PERIOD	-659.5	0.9