

Ariston delivered 653 €M net revenue and 30 €M adjusted EBIT in challenging heating market conditions; the sector relevance to drive energy transition remains solid

Q1 2024 RESULTS HIGHLIGHTS

- **Net revenue at 653 million euro**, an overall decrease of 14.0% compared to Q1 2023
- **Adjusted EBIT amounted to 30 million euro**, decreasing 58.9% compared to Q1 2023
- **Free cash flow at -51 million euro**, versus -36 million euro in Q1 2023
- **Net debt¹ of 680 million euro**, compared to 611 million euro as of year-end 2023 as a consequence of the seasonal front-loading of net working capital and cash-out for the Egyptian plant acquisition

Paolo Merloni, Executive Chairman commented: *“Following the very solid performance recorded in the last two years, our Q1 results are affected by harshly mutated market conditions. Demand for heat pumps is rebasing, with the market re-adjusting after its recent peaks induced by volatile and off-balance regulatory measures. In this context, we delivered on our product roadmap and further consolidated our global footprint, continuing to invest in our future; we are also focused on the Wolf-Brink integration, with strong collaboration and synergies generated to date already exceeding expectations”.*

Maurizio Brusadelli, Chief Executive Officer added: *“We anticipate 2024 to be a settling year for our industry. Heating demand in many European markets - and particularly in our biggest markets Germany, Italy and France - slowed down after strong growth in the past year and affected our performance in Europe. Nonetheless the recent formal adoption of the Energy Building Performance Directive (EBPD) in Europe further strengthens the regulatory framework in support of buildings’ decarbonization, which we are ready to capitalize on growth opportunities as market recovers. Furthermore, we are among the leading players in the global water heating business, which proves to be more resilient, enhancing our ability to safeguard profitability”.*

¹ 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 disclosure of additional periodic financial information for the quarter ending on 31 March 2024 (“Q1 2024”).

Q1 2024 CONSOLIDATED RESULTS

Net revenue amounted to 653.2 million euro, a decrease of 14.0% compared to the 759.7 million euro registered in the first quarter of 2023, with an organic contribution of -13.6% and foreign exchange effect of -0.4%.

€M	Q1 2024	Q1 2023	Change
Thermal Comfort	611.3	713.6	-14.3%
Burners	21.5	22.4	-3.6%
Components	20.4	23.7	-14.1%
Total	653.2	759.7	-14.0%

€M	Q1 2024	Q1 2023	Change
Europe	466.2	570.0	-18.2%
Americas	70.6	67.9	+4.1%
Asia/Pacific & MEA	116.4	121.9	-4.5%
Total	653.2	759.7	-14.0%

EBITDA reached 56.8 million euro, -41.5% compared to the 97.3 million euro registered in Q1 2023, while **EBIT** amounted to 22.6 million euro, compared to the 70.4 million euro of Q1 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 most significant adjustment for the period is related to the PPA amortization related to past acquisitions.

Adjusted EBITDA amounted to 58.3 million euro, down by 40.8% compared to 98.6 million euro registered in Q1 2023, with a decrease in the margin on net revenue from 13.0% to 8.9%.

Adjusted EBIT amounted to 30.0 million euro, decreasing by 58.9% compared to the 73.1 million euro of Q1 2023. The corresponding margin on net revenue was down from 9.6% to 4.6% as a consequence of operating leverage combined with destocking, country mix and labour inflation effects.

Free cash flow in the period amounted to -50.5 million euro, versus -36.3 million euro for Q1 2023. The decrease was mainly due to lower EBITDA generated by the business in the current

adverse market conditions, partially offset by reduced working capital absorption compared to Q1 2023.

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 679.6 million euro, due to negative cash flow and the cash-out for the Egyptian plant acquisition.

For comparative purposes, applying the calculation method used before the adoption of ESMA guidelines, net financial indebtedness went from 575.0 to 645.9 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.

RELEVANT EVENTS FOLLOWING 31 MARCH 2024

The new Board of Directors, in the meeting held today, confirmed Paolo Merloni Executive Chairman and completed the appointments of the committees' members, which are now composed as follows: (a) Audit Committee: Antonia Di Bella (Chairman), Laurent Jacquemin and Ignazio Rocco di Torrepadula; (b) Compensation & Talent Development Committee: Roberto Guidetti (Chairman), Ignazio Rocco di Torrepadula and Marinella Soldi; (c) ESG Committee: Roberto Guidetti (Chairman), Katja Gerber and Marinella Soldi; and (d) Strategic Committee: Paolo Merloni (Chairman), Guido Krass, Enrico Vita and Andrea Guerra. As of today, based on the Company's available information, the newly appointed directors hold Ariston shares as indicated in the explanatory notes published before the last shareholder meeting.

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As mentioned in the press release issued on 27 April 2024, with Presidential Decree no 294 signed by President Putin and published on 26 April 2024 in the Official Russian Gazette, the subsidiary Ariston Thermo Rus LLC has been placed under the temporary management of JSC Gazprom Household systems, a subsidiary of the Gazprom group. On 29 April 2024, the Russian Ambassador in Italy justified the decree with the "geo-political anti-Russian initiatives" of the Italian authorities. To date, the Company is still assessing the implications of such initiative as well as exploring potential remedies or solutions. Ariston Thermo Rus LLC contributed to c. 3% of the Q1 consolidated net revenue.

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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 31 March, 2024, in accordance with the Dutch Financial Supervision Act and applicable international financial standards (IFRS).

The Q1 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 & Governance" section.

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

CONTACTS

www.aristongroup.com

Investor Relations

Albert William Pozzi

investor.relations@ariston.com

Corporate Communication

Federica Bruschetta

corporate.communication@ariston.com

Media Relations

Barabino & Partners

barabino.ariston@barabino.it

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 4.11 "Definition and reconciliation of the Alternative Performance Measures (APMs or non GAAP measures) to GAAP measures" in the annual 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 Q1 2024 INCOME STATEMENT

RECLASSIFIED Q1 2024 CASH FLOW STATEMENT

ARISTON GROUP
RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(€M) - unaudited</i>	Q1 2024		Q1 2023	
REVENUE AND INCOME				
Net revenue	653.2	100.0%	759.7	100.0%
Other revenue and income	16.5	2.5%	12.9	1.7%
Revenue and income	669.7	102.5%	772.5	101.7%
Total operating expenses	647.0	99.1%	702.1	92.4%
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OPERATING PROFIT	22.6	3.5%	70.4	9.3%
Adjustment on operating profit	7.4	1.1%	2.7	0.3%
ADJUSTED OPERATING PROFIT	30.0	4.6%	73.1	9.6%
Financial income and expense	-10.9	-1.7%	-7.3	-1.0%
Profit (loss) on investments	0.1	0.0%	-0.4	-0.1%
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PROFIT BEFORE TAX	11.9	1.8%	62.7	8.3%
Total depreciation & amortization	34.2	5.2%	26.8	3.5%
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EBITDA	56.8	8.7%	97.3	12.8%
ADJUSTED EBITDA	58.3	8.9%	98.6	13.0%

ARISTON GROUP
RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

<i>(€M) - unaudited</i>	Q1 2024	Q1 2023
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	-575.0	98.9
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EBITDA	56.8	97.3
Taxes paid	-13.5	-10.9
Provisions and other changes from operating activities	-1.8	3.1
Change in net operating working capital	-72.2	-102.3
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NET CASH FLOW FROM OPERATING ACTIVITIES	-30.6	-12.8
Capital expenditure	-11.5	-16.3
IFRS16 leasing payments	-8.7	-7.5
Other changes	0.3	0.3
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FREE CASH FLOW	-50.5	-36.3
Cash flow from financial investment activities	-21.3	-648.9
Cash flow from other activities	-12.4	-2.7
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TOTAL CHANGE IN NET FINANCIAL POSITION	-84.3	-687.9
Non-cash items	13.5	-3.7
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NET FINANCIAL POSITION AT THE END OF THE PERIOD	-645.9	-592.8