

August 3rd, 2023

Renewable solutions boost Ariston Group's H1 revenue (+34.5%) as profitability further increases

H1 2023 RESULTS HIGHLIGHTS

- **Net revenue at 1,526 million euro**, an overall increase of 34.5% compared to H1 2022 (+5.2% pro-forma)
- **EBIT adjusted amounted to 153 million euro¹**, increasing +61.9% versus H1 2022
- **Net Profit was 102 million euro**, with an increase of +53.7% compared to H1 2022
- **Free cash flow at -39 million euro**, versus -63 million euro in H1 2022
- **Net debt² of 703 million euro**, following cash-out for the acquisition of Wolf-Brink (formerly "CENTROTEC Climate Systems"), dividend payment, and seasonal increase in net working capital

EXTRAORDINARY GENERAL MEETING OF 27 JULY 2023

- Appointment of one executive and one non-executive member

CEO APPOINTMENT

- Maurizio Brusadelli appointed as Chief Executive Officer

*"The first 6 months of 2023 showcase the strength of our portfolio strategy. We are enjoying a very positive momentum in Germany – our largest market since this year – with both Wolf and Elco, while demand has not recovered yet in Italy, one of our main growth engines in 2022. The consolidated result shows a solid growth in revenues coupled with an even stronger growth in profitability" – commented **Paolo Merloni**, Executive Chairman – "I am also happy to welcome Maurizio Brusadelli as our new CEO. I'm convinced that his professional experience, along with his managerial and personal skills – which I could closely appreciate while working together in these first weeks – are the ideal fit for our Group and will help further accelerating our future development, meeting the commitment to generate value for our stakeholders in the long-term. On this respect, I take the opportunity to thank once again Laurent Jacquemin for his extraordinary contribution to Ariston Group's sustainable growth over the last 30 years – I'm happy that he will continue to accompany our development as Board member".*

"As I pass the baton to Maurizio, I'm proud to see the continuous development of our sustainable solutions around the world and that our decision to further accelerate on renewables and continue to reinforce

¹ Includes a € 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

Ariston Group's positioning in Europe is paying off" – added **Laurent Jacquemin** – "In my turn, I want to thank Paolo Merloni for his trust and friendship, as well as all the talented colleagues I had the privilege to work with over time. My very best wishes to Maurizio".

"I am excited to start my experience in Ariston Group as the new CEO and honoured by the trust expressed by the Board. I can build on a major legacy – made of a rich history, strong values, cutting-edge technologies, renowned brands and solid talents – and I'm keen to work with Paolo, the Group's management team and all the people around the world to capture the opportunities that our industry – at the heart of energy transition – will have", concluded **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 consolidated half-year report for the six months ending on June 30th 2023 ("H1 2023").

H1 2023 CONSOLIDATED RESULTS

Net revenue amounted to 1,525.6 million euro, a growth of 34.5% compared to the 1,134.5 million euro registered in the first half of 2022.

Once again the main growth driver was the strong demand for heating heat pumps in Germany and some neighbouring markets, benefitting the Group's activities through its Elco brand, and the business of the newly-acquired Wolf-Brink, while organic growth was flattish due to overall demand weakness in some other European markets, especially in Italy as a consequence of regulatory changes in incentive application.

€M	H1 2023	H1 2022	Change	o/w M&A
Thermal Comfort	1,433.8	1,042.4	+37.5%	403.8
Burners	43.4	43.8	-0.9%	
Components	48.4	48.4	+0.1%	
Total	1,525.6	1,134.5	+34.5%	403.8

€M	H1 2023	H1 2022	Change	o/w M&A
Europe	1,147.7	740.4	+55.0%	398.5
Americas	122.6	141.8	-13.5%	
Asia/Pacific & MEA	255.2	252.4	+1.1%	5.3
Total	1,525.6	1,134.5	+34.5%	403.8

The currency exchange effect turned negative in the second quarter totalling -0.5% for the half-year, while the consolidation for the entire period of the Wolf-Brink business, acquired in January, represented an addition of 35.6%. For a better evaluation of the underlying market trends, it is worth noting that pro-forma growth (including Wolf-Brink also in the H1 2022 comparison base) amounted to +5.2%.

EBITDA registered at 202.2 million euro, a growth of 52.4% with respect to the 132.7 million euro registered in H1 2022, while **EBIT** amounted to 146.1 million euro, up 64.9% compared to the 88.6 million euro of H1 2022.

These margins are also presented in an adjusted form, which is more useful to appreciate the trend of the normal business operations, by excluding costs or revenues not representative of them. The main adjustments in the period are direct costs incurred because of the flooding of September 2022 (net of any corresponding insurance reimbursements)³, and – on EBIT only – the PPA amortization related to past acquisitions.

EBITDA adjusted amounted to 206.7 million euro, a growth of 52.6% with respect to the 135.5 million euro registered in H1 2022, with an increase in margin on net revenue from 11.9% to 13.5%.

EBIT adjusted amounted to 153.3 million euro, up 61.9% compared to the 94.7 million euro of H1 2022. The corresponding margin on net revenue increased from 8.3% to 10.1% thanks to the normalization of some cost items (logistics, energy, raw materials), favourable market mix, and the carryover of pricing, along with a remarkable performance of Wolf-Brink.

Net Profit came to 101.9 million euro in the half-year, a 53.7% increase compared to the 66.3 million euro registered in H1 2022. Tax rate went from 23% to 25% as a consequence of the Wolf-Brink consolidation.

Free cash flow in the period amounted to -38.8 million euro, versus -62.8 million euro for H1 2022. The improvement is associated to higher EBITDA, partially compensated by higher absorption by net working capital, higher Capex and a normalization of “Other Changes” which included a significant increase of Mark-to-Market valuation of some assets in H1 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 703.3 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 ESMA guidelines, the net financial position went from 98.9 net cash to 658.2 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.

EXTRAORDINARY GENERAL MEETING AND APPOINTMENT OF THE CHIEF EXECUTIVE OFFICER

An Extraordinary General Meeting was held in Schiphol, The Netherlands on 27 July 2023. The agenda consisted in the following items:

- Appointment of Maurizio Brusadelli as Executive Director

³ Applies to direct costs and their reimbursements. Conversely, the first tranche of insurance compensation for business interruption from the flooding (4 million euro, or 26bps on net revenue) was booked in Q2 under “Other Revenue and income” and is included in all adjusted and unadjusted figures.

- Appointment of Laurent Jacquemin as Non-Executive Director

Both voting items were approved. The minutes of the meeting, including the voting results, are available in the “Governance -> Extraordinary General Meeting” section of corporate website www.aristongroup.com.

The Board of Directors, acknowledging the results of the Extraordinary General Meeting of July 27, thanked Laurent Jacquemin for his service as Chief Executive Officer until that date and proceeded with the appointment of Maurizio Brusadelli as Chief Executive Officer, effective immediately.

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Pursuant to the Instructions to the Rules of the Markets Organised and Managed by Borsa Italiana (Title IA.2, Section IA.2.1), Ariston Holding NV formally communicates that the month of May has been selected – until further notice – for the payment of dividends pertaining to the previous financial year.

This statement is being issued to comply with the obligations set forth by Borsa Italiana S.p.A. and should not be interpreted as a confirmation or indication about upcoming dividends. Any decision on this matter remains reserved to the Annual General Meetings of shareholders called to approve each financial year’s results.

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The half-year report is available in electronic format at the authorized repository www.1info.it and on the corporate website www.aristongroup.com in the “Investors & Governance” section. It has been prepared in accordance with the Dutch Civil Code and the applicable International Financial Reporting Standards (IFRS), is not subject to auditing and is not published in ESEF format.

The H1 2023 Analyst Presentation, which includes management’s outlook for 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.

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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:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

CONSOLIDATED H1 2023 INCOME STATEMENT

CONSOLIDATED H1 2023 CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(in million €)	At June 30, 2023	At December 31, 2022
Assets		
NON-CURRENT ASSETS		
Intangible assets		
<i>Goodwill</i>	1,254.3	312.7
<i>Other intangible assets</i>	168.3	129.9
Total intangible assets	1,422.6	442.6
Property, plant and equipment		
<i>Land and buildings excluding ROU</i>	162.4	125.9
<i>Land and buildings ROU</i>	54.6	47.4
Land and buildings	217.0	173.3
<i>Plant and machinery excluding ROU</i>	121.8	109.2
<i>Plant and machinery ROU</i>	1.4	1.6
Plant and machinery	123.2	110.8
<i>Other property, plant and equipment excluding ROU</i>	139.8	99.3
<i>Other property, plant and equipment ROU</i>	24.5	21.8
Other property, plant and equipment	164.2	121.1
Total property, plant and equipment	504.4	405.1
Investments in associates & Joint ventures	0.2	2.4
Deferred tax assets	104.5	101.2
Financial assets	5.2	6.1
Other non-current assets	8.4	7.0
Non-current tax receivables	1.3	2.1
Total non-current assets	2,046.5	966.4
CURRENT ASSETS		
Inventories	694.9	476.8
Trade receivables	367.5	308.4
Tax receivables	34.3	28.4
Current financial assets	42.9	47.1
Other current assets	103.4	50.8
Cash and cash equivalents	225.5	999.3
Total current assets	1,468.5	1,910.8
ASSETS HELD FOR SALE	0.3	1.3
TOTAL ASSETS	3,515.3	2,878.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(in million €)

	At June 30, 2023	At December 31, 2022
Liabilities and Equity		
NET EQUITY		
Share capital	46.5	46.1
Share premium reserve	711.3	313.3
Retained earnings and other reserves	591.0	510.3
Net profit attributable to the Group	101.6	140.3
Net equity attributable to the Group	1,450.3	1,010.0
Non-controlling interests and reserves	-0.6	2.1
Net profit attributable to non-controlling interests	0.3	0.1
Net equity attributable to non-controlling interests	-0.3	2.2
Net equity	1,450.0	1,012.2
NON-CURRENT LIABILITIES		
Deferred tax liabilities	67.6	61.8
Non-current provisions	69.9	59.6
Post-employment benefits	84.0	38.6
Non-current financing	833.6	865.2
Other non-current liabilities	17.9	12.0
Non-current tax liabilities	1.8	1.8
Total non-current liabilities	1,074.8	1,038.9
CURRENT LIABILITIES		
Trade payables	523.9	481.4
Tax payables	73.8	53.0
Current provisions	54.4	36.2
Current financial liabilities	59.2	49.7
Current loans	33.7	32.7
Other current liabilities	245.4	174.5
Total current liabilities	990.4	827.4
LIABILITIES HELD FOR SALE	0.0	0.0
TOTAL LIABILITIES AND NET EQUITY	3,515.3	2,878.5

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(in million €)

	For the six months ended June 30, 2023		For the six months ended June 30, 2022	
REVENUE AND INCOME				
Net revenue	1,525.6	100.0%	1,134.5	100.0%
Other revenue and income	26.4	1.7%	24.5	2.2%
Revenue and Income	1,552.0	101.7%	1,159.0	102.2%
OPERATING EXPENSES				
Change in inventories	-117.6	-7.7%	-118.1	-10.4%
Raw materials, consumables and goods for resale	797.6	52.3%	650.4	57.3%
Services	271.7	17.8%	225.9	19.9%
Personnel	341.7	22.4%	231.7	20.4%
Amortisation	56.1	3.7%	44.1	3.9%
Provisions	24.8	1.6%	16.5	1.5%
Write-downs	1.0	0.1%	0.0	0.0%
Other operating expenses	30.6	2.0%	19.9	1.8%
Operating expenses	1,405.9	92.2%	1,070.4	94.4%
OPERATING PROFIT	146.1	9.6%	88.6	7.8%
FINANCIAL INCOME AND EXPENSE				
Financial Income	6.9	0.5%	3.0	0.3%
Financial Expense	-19.4	-1.3%	-7.1	-0.6%
Exchange rate gains/losses	2.9	0.2%	-3.3	-0.3%
Financial Income and Expense	-9.7	-0.6%	-7.4	-0.7%
PROFIT (LOSS) ON INVESTMENTS				
Profit (loss) on investments	-0.6	0.0%	4.9	0.4%
PROFIT BEFORE TAX	135.8	8.9%	86.1	7.6%
TAXES	34.0	2.2%	19.8	1.7%
		25.0%		23.0%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	101.9	6.7%	66.3	5.8%
NET PROFIT	101.9	6.7%	66.3	5.8%
Net profit attributable to non-controlling Interests	0.3	0.0%	-0.1	0.0%
Net profit attributable to the Group	101.6	6.7%	66.4	5.9%
Basic earnings per share (€)	0.27		0.20	
Diluted earnings per share (€)	0.27		0.20	

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

(in million €)

	For the six months ended June 30, 2023	For the six months ended June 30, 2022	
CASH FLOW FROM OPERATING ACTIVITIES			
1	NET PROFIT	101.9	66.3
2	- Taxes	34.0	19.8
3	- Income and expense from financing and investment activities	10.3	2.5
4	- Amortisation excluding ROU	47.2	31.3
5	- Amortisation ROU	8.9	12.8
6	- Provisions	24.8	16.5
7	- Other adjustments	1.0	0.0
8	= GROSS OPERATING CASH FLOW (+1+2+3+4+5+6+7)	228.0	149.2
9	- Change in trade receivables	-16.1	-19.5
10	- Change in inventories	-116.6	-93.8
11	- Change in trade payables	-20.0	-21.0
12	- Change in other short-term assets/liabilities	-15.81	-16.1
13	- Change in provisions	-17.20	-19.7
14	- Tax paid	-31.5	-27.5
15	= NET OPERATING CASH FLOW (+8+9+10+11+12+13+14)	10.8	-48.4
CASH FLOW FROM INVESTMENT ACTIVITIES			
16	- Investments in intangible assets	-11.2	-7.2
17	- Investments in property, plant and equipment	-19.3	-12.2
18	- Business combinations	-626.9	-52.0
19	- Investments in financial assets	-1.4	-0.9
20	- Change in the scope of consolidation	80.3	-1.9
21	- Value of tangible and intangible assets sold	0.2	-0.1
22	= CASH FLOW FROM INVESTMENT ACTIVITIES (+16+17+18+19+20+21)	-578.4	-74.3
CASH FLOW FROM FINANCING ACTIVITIES			
23	- Financial expense paid	-14.5	-2.4
24	- Financial income collected	3.9	1.5
25	- Financial expense pursuant to IFRS16	-1.2	-0.9
26	- Other inflows (outflows) of cash classified as financing activities	1.8	-5.6
27	- Increase/decrease in short-term financial payables	5.0	5.2
28	- New loans	174.1	8.2
29	- Loans repayment	-318.8	-16.8
30	- Dividends	-48.3	-46.4
31	- Capital and reserves increase/distribution	0.0	0.0
32	- Proceeds from issue of ordinary shares	0.0	0.0
33	- Buyback/sale of treasury shares	0.0	0.0
34	= CASH FLOW FROM FINANCING ACTIVITIES (23 to 33)	-197.9	-57.1
35	= CASH FLOW FROM CONTINUING OPERATIONS (15+22+34)	-765.5	-179.8
36	CASH FLOW FROM DISCONTINUED OPERATIONS	0.0	0.0
37	= TOTAL CASH FLOW (35+36)	-765.5	-179.8
38	<i>Effect of changes in exchange rates</i>	-5.5	13.2
39	= TOTAL MOVEMENT IN CASH AND CASH EQUIVALENTS (37+38)	-771.0	-166.6
40	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	977.5	655.5
41	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (39+40)	206.5	488.9