

# H1 2023 RESULTS PRESENTATION

14/09/23



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1

WE CREATE  
VALUE

# Fine Foods at a glance



Italian independent CDMO working in the pharmaceutical, nutraceutical and cosmetics industries with three integrated Business Units



Strong partnership with multinational clients in all our reference markets



Listed on Borsa Italiana's Euronext STAR Milan (Ticker: FF)



Stable presence of Eigenfin S.r.l. and Marco Eigenmann in the shareholding structure



206.9 €M Revenues in 2022 with ~10% CAGR over the last 10 years



87.3 €M increase in revenues over the last 5 years (+73%)



~ 750 employees (+59% over the last 5 years) of which ~16% dedicated to R&D and QA

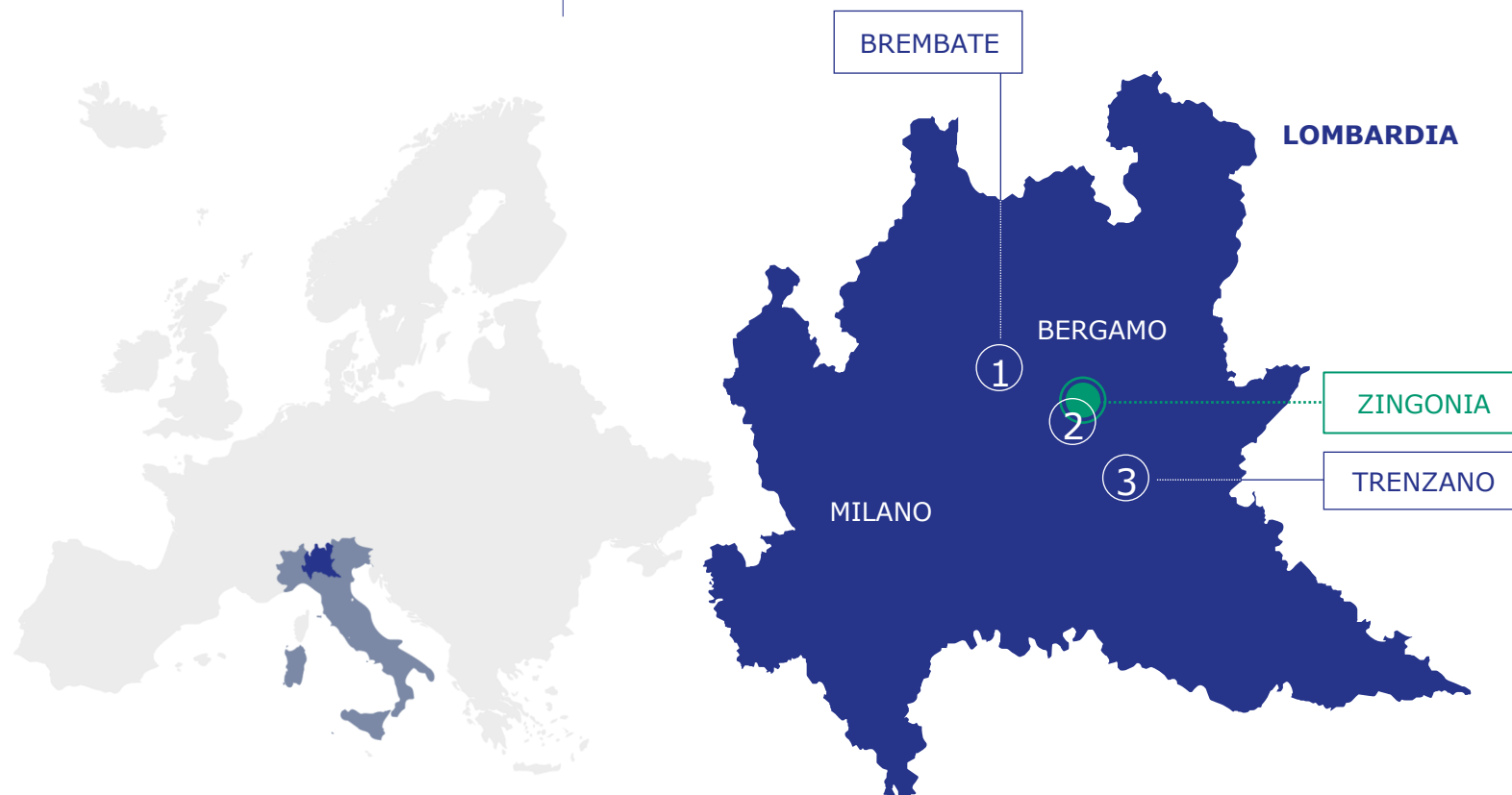


~ 60,000 sqm of covered area on a total area of more than 200,000 sqm

# Three production plants located in a European cluster of Excellence

**Italy and Lombardia, where our plants are located, are a cluster of excellence for our sectors.**

This has a positive impact on core skills and recruitment of qualified personnel

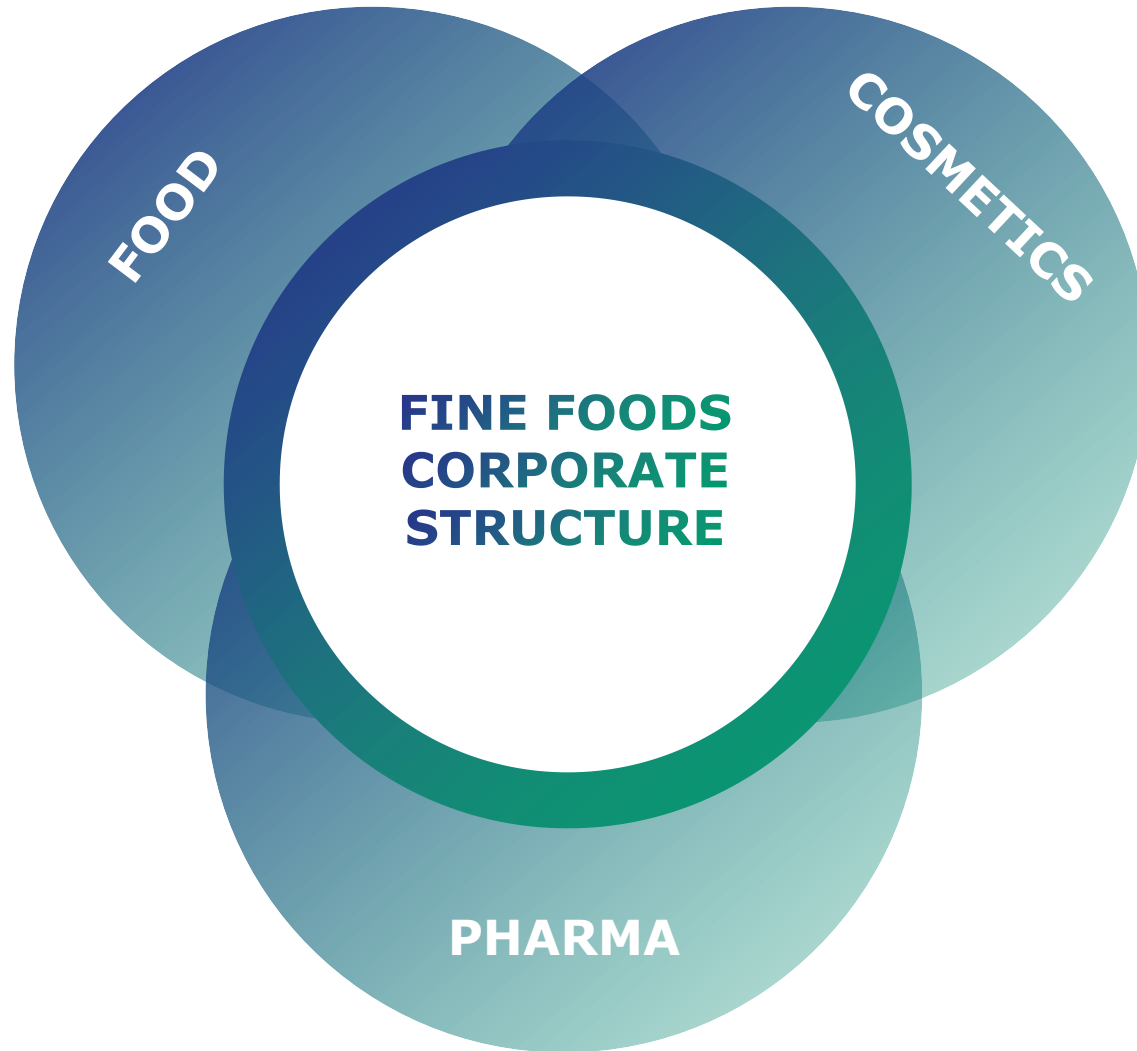


● HQ

- ① Pharmaceutical plant
- ② Nutraceutical plant
- ③ Cosmetics plant

# Strong Corporate culture

Three different integrated  
and cross-functional  
business units committed  
to Fine Foods' key  
business principles



# 3 Business Units

Cross-fertilised innovation is implemented by exploiting our expertise in different fields, best practices and technical knowledge to provide customers with new opportunities

PHARMACEUTICAL FORMS

FOOD

PHARMA

COSMETICS



Capsules



Tablets



Powders



Granules



Liquids



Creams & Lotions



Gels



Toothpaste



Parfum

PACKAGING



Bottles



Jars



Sticks



Sachet



Blister



Tubes



Roll-on



Bottles



Jars

PLANTS



ZINGONIA  
COVERED AREA 28,800 sqm  
TOTAL AREA 45,600 sqm



BREMBATE  
COVERED AREA 14,200 sqm  
TOTAL AREA 135,900 sqm



TRENZANO  
COVERED AREA 16,600 sqm  
TOTAL AREA 22,300 sqm



# Flexible and integrated business model

Fine Foods is positioned within the value creation chain of pharmaceuticals, nutraceuticals and cosmetics, focusing on the following main phases: business development, R&D, scale-up and production

## NUTRACEUTICALS AND COSMETICS

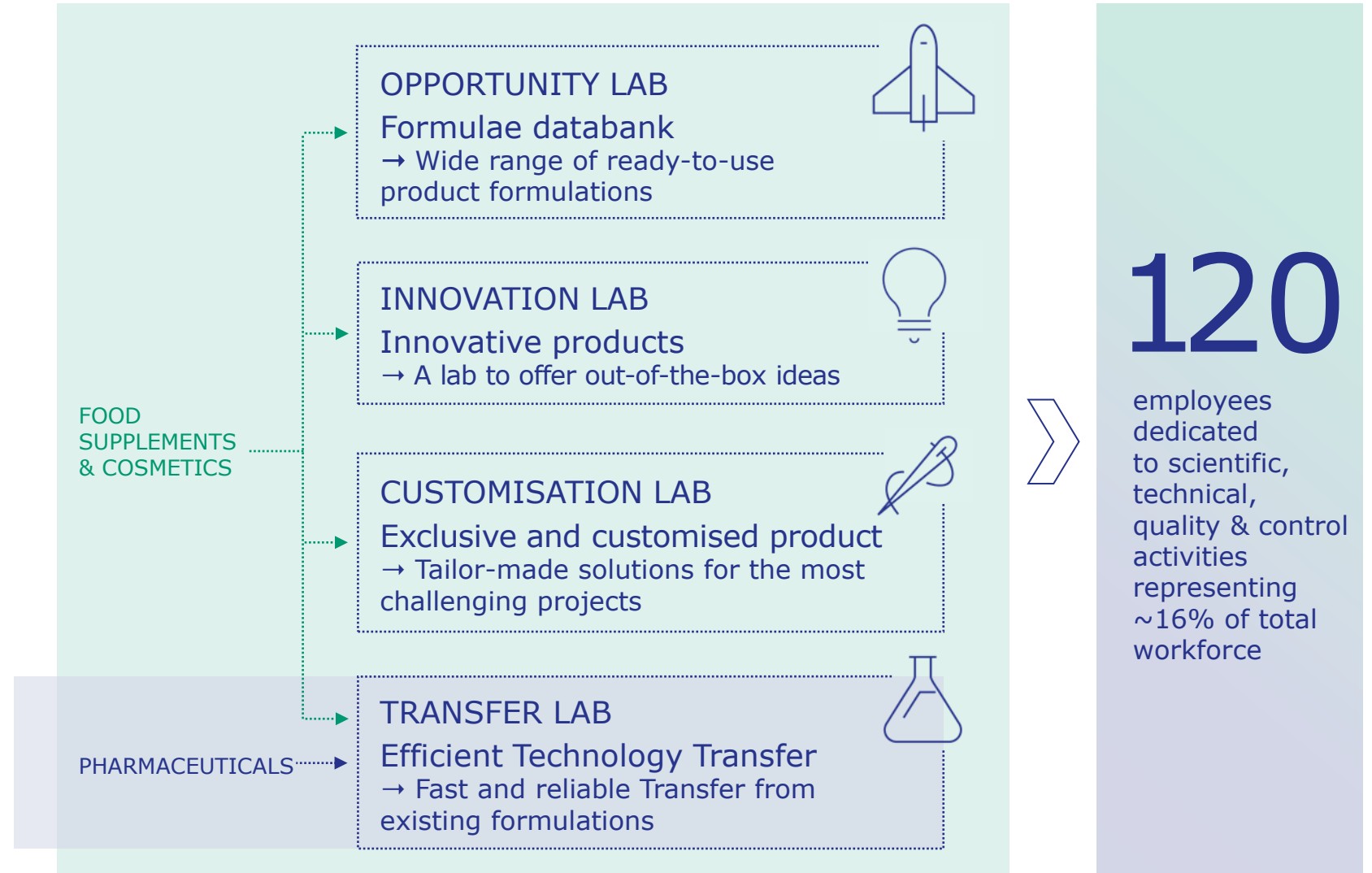


## PHARMACEUTICAL PRODUCTS

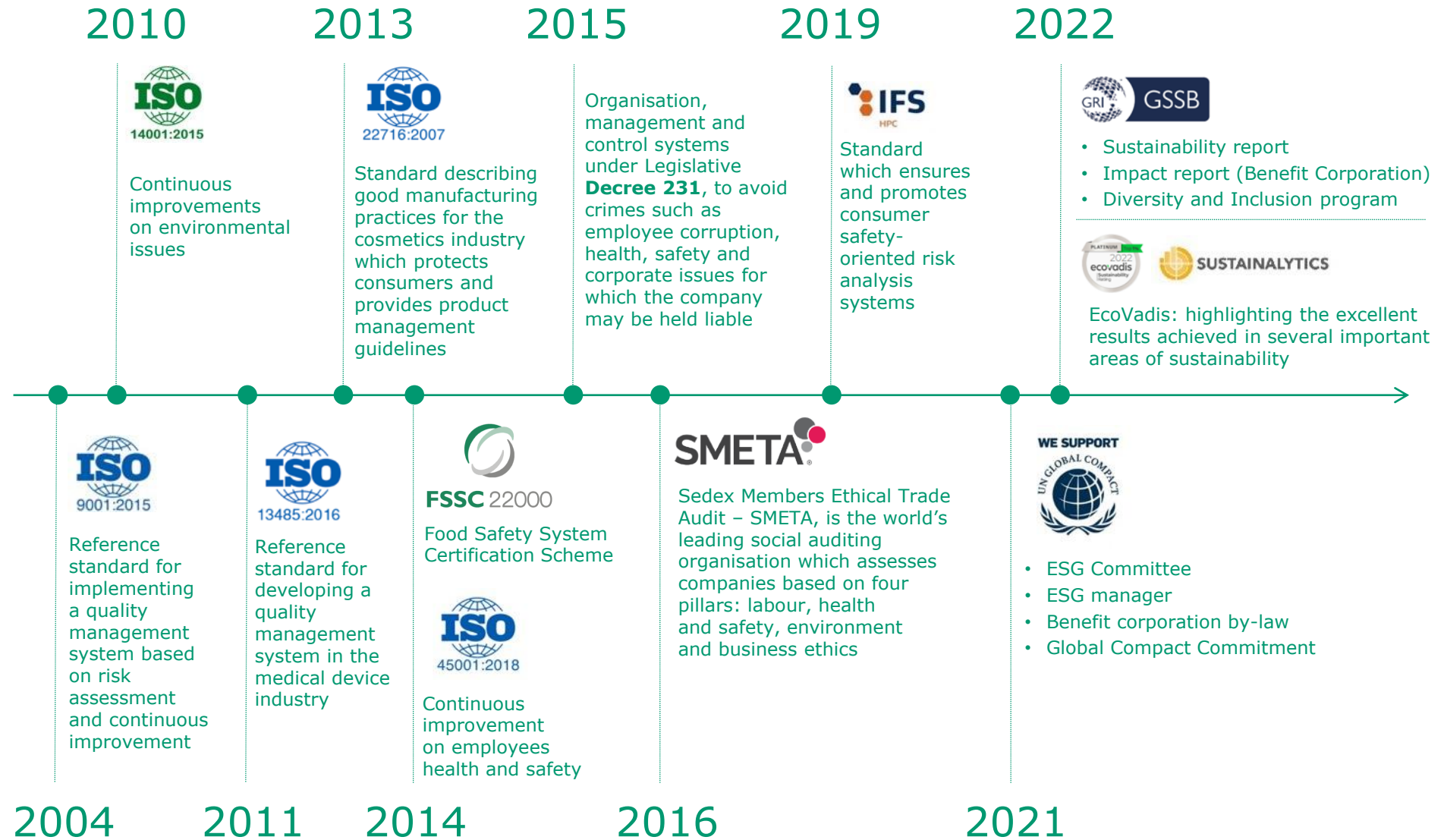


# R&D for efficient and high-quality product development

Using different approaches, based on customer needs, our R&D department defines, develops and delivers the best bespoke solutions



# Strong holistic ESG approach since foundation



Please note that each of the certifications included in this slide is held by one or more companies of the Group, as the case may be

# ESG main initiatives and results

## Environment



### CIRCULAR ECONOMY

- Programs for reduction of environmental impact of waste
- Testing new materials for the circular economy



### SUSTAINABLE PRODUCTS

- Environmental labelling consultation
- Product carbon footprint calculation support
- Product eco-design support



### ENVIRONMENTAL AND SOCIAL ASSESSMENT OF OUR SUPPLIERS

- 79% Value of purchases of raw materials and packaging from suppliers assessed by EcoVadis on ESG criteria



### SOCIAL RESPONSABILITY

- > 230 students involved in meetings on sustainability and orientation issues

## Social



### WE ATTRACT

~ 8,000 applications/year



### WE ENGAGE

~ 94% avg employee retention rate



### WE VALUE

~ 80/100 employee satisfaction in annual surveys



### WOMEN

~ 47% of managers  
~ 43% of Board members



### HEALTH PROGRAMME

- Nine active health initiatives
- Psychologist and Nutritionist available to employees
- Skin cancer screening programme

## Governance



### BOARD OF DIRECTORS

- 3 Women out of 7 Directors
- 3 Independent Directors out of 7
- 2 Non-executive Directors out of 7



### ESG COMMITTEE

- 2 Women out of 3
- 2 Independent out of 3
- Fine Foods CEO is member of the Committee



### REMUNERATION AND NOMINATION COMMITTEE

- 100% Women
- 100% Independent



### CONTROL, RISK AND RELATED TRANSACTIONS PARTY COMMITTEE

- 100% Women
- 100% Independent



# Selection of products

- Pharmaceuticals (Pharma BU)
- Nutraceuticals (Food BU)
- Cosmetics (Cosmetic BU)

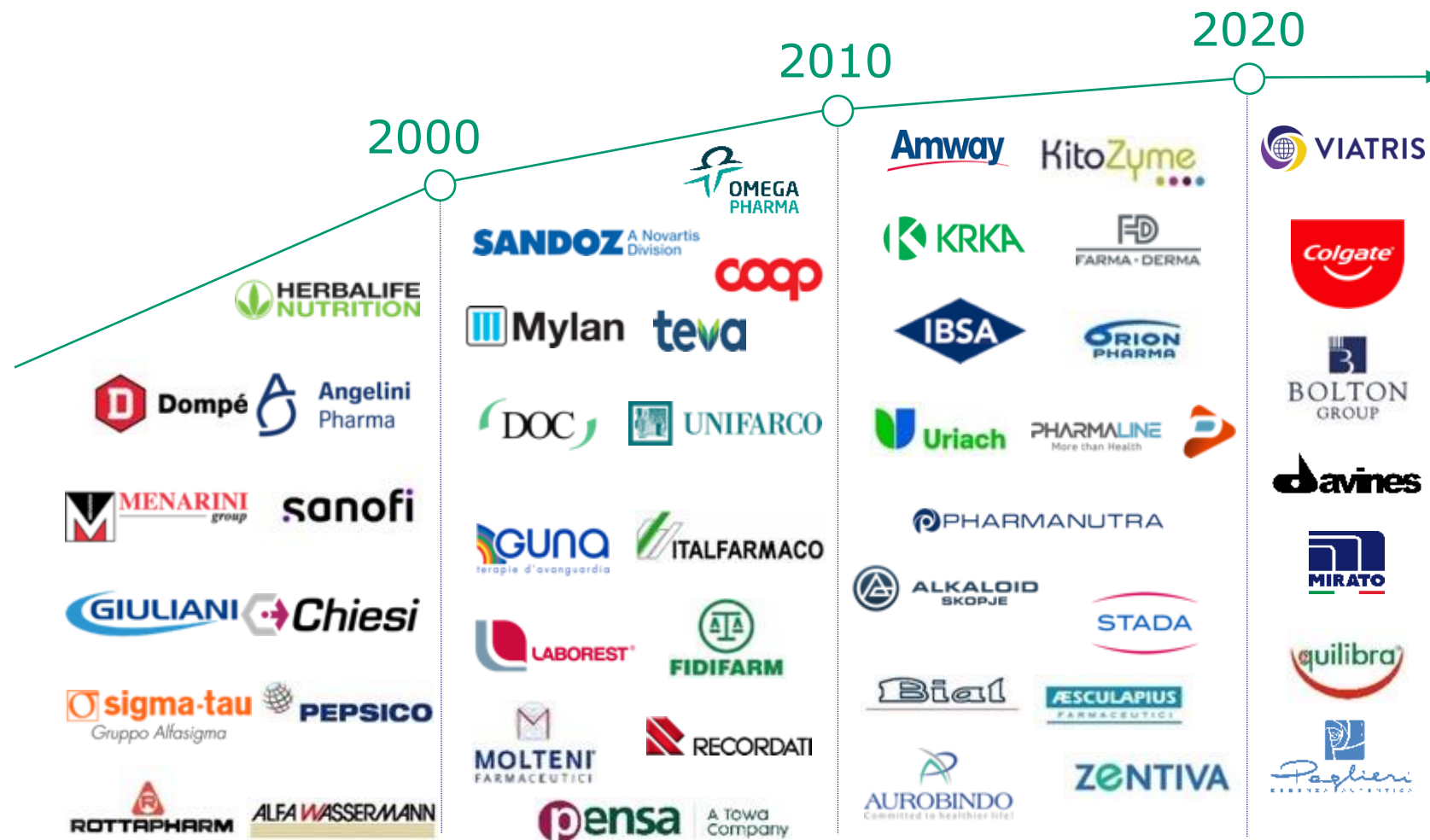


# Customers' loyalty

Retained key clients acquired before 2000 with several new ones added afterwards, including those derived from our recent acquisitions in the cosmetic industry, which consolidated our high customer retention rate.

Note: Sigma-Tau & Alfa Wassermann (now Alfasigma), Mylan (now Viatris), Fidifarm (now PharmaS), Omega Pharma (now Perrigo),

Colgate, Bolton, Mirato, Paglieri, Esi, Equilibra, Davines are clients of the new acquired Cosmetic Division

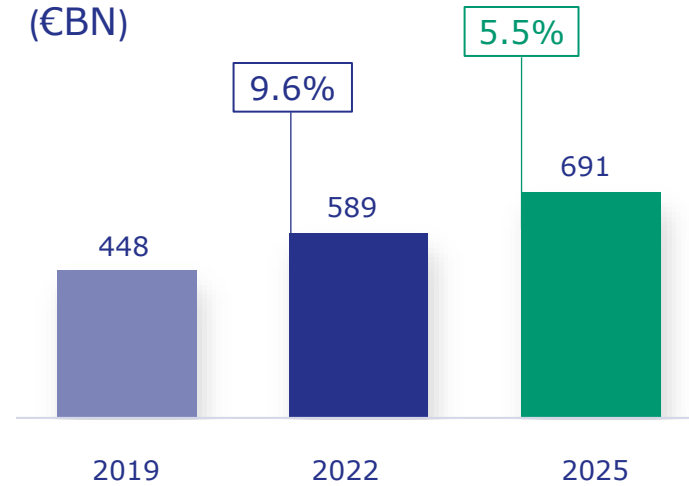


SELECTION OF CLIENTS

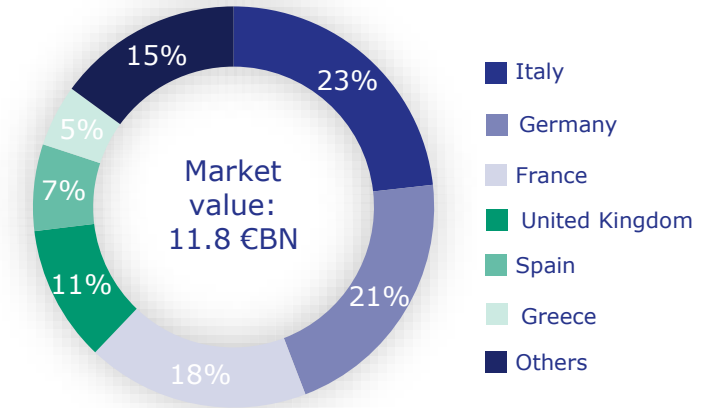
# European Reference Markets

CAGR

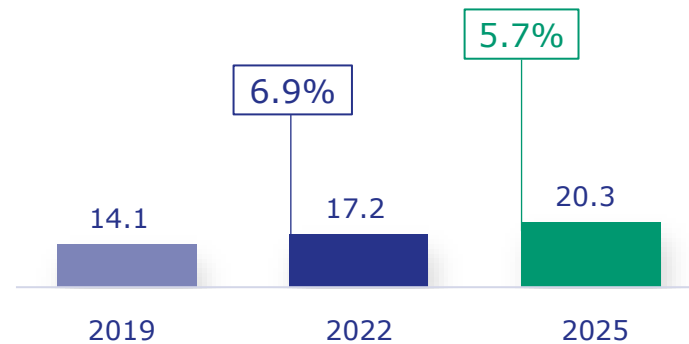
PHARMA<sup>1</sup>  
(€BN)



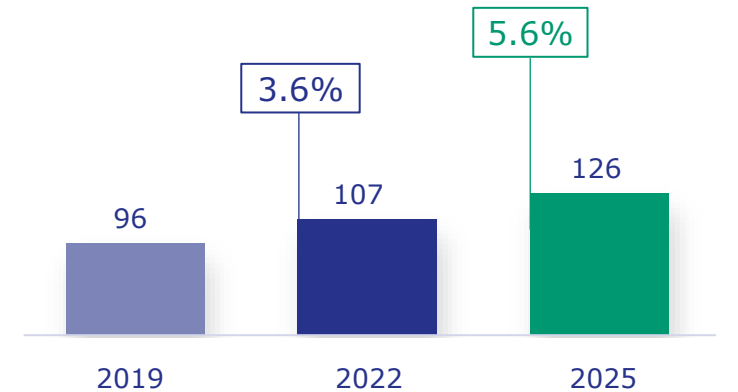
PHARMA<sup>2</sup> – CDMO



FOOD – DIETARY SUPPLEMENT<sup>3</sup> (€BN)



COSMETIC<sup>4</sup> (€BN)



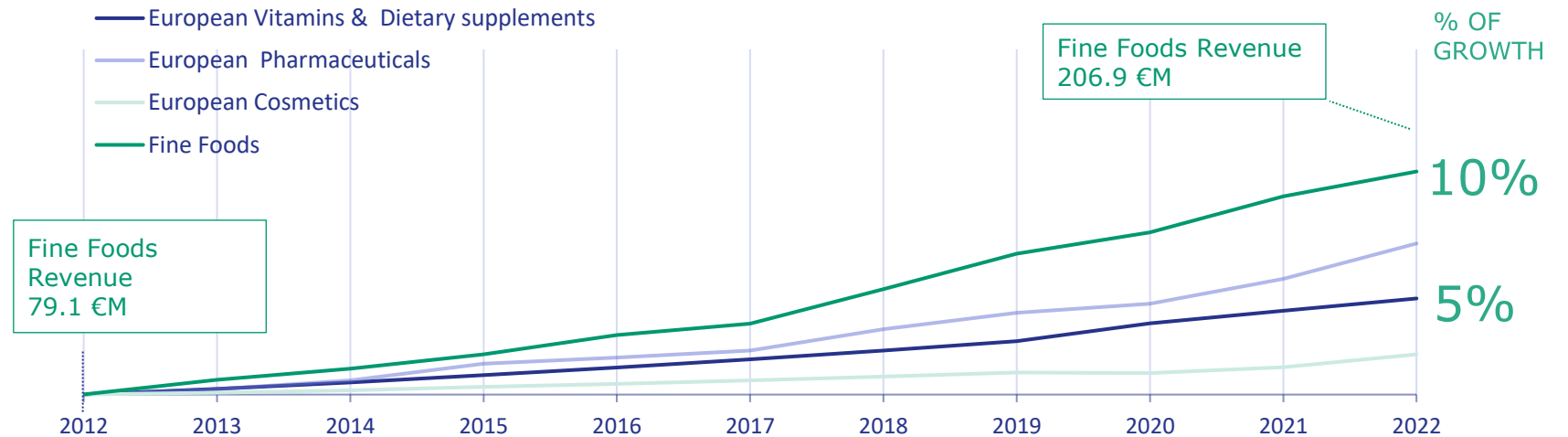
1-3-4 Source: Euromonitor International, Industrial, Pharmaceuticals 2022, data in Production MSP; Consumer Health 2023, Health and Wellness 2022, Beauty and Personal Care 2022, Home Care 2022, data in Retail Value RSP, EUR Fixed Ex Rates, Current Prices; Cosmetics as per aggregation of Euromonitor's Bath and Shower, Deodorants, Hair Care, Skin Care, Fragrances and Sun Care; Biocides as per aggregation of Euromonitor's Oral Care, Dermatologicals, Surface Care, Adult Mouth Care

2 Source: Prometeia – Farminustria 2022 on 2020 data

# Consistently outperforming Reference Markets\*

Reference markets **show high steady growth and resilience during recessions**

**Fine Foods has substantially outgrown its reference end-markets** in the last decade, with 2022 sales at 2.6X the 2012 level



\*Sources: Euromonitor International, Industrial, Pharmaceuticals, 2022 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2023 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices

Methodology: the three variables' time series are divided by their respective 2010 value (the basis) and multiplied by a factor of 100; the considered variables are Fine Foods revenues, European Nutraceuticals - Vitamins & Dietary Supplements segment size, European Pharmaceuticals production size and European Cosmetics size





# Why Fine Foods?

## Reliability

- Holistic sustainability since foundation
- Solid track records
- Advanced HR management
- Robust management structure
- Granular controlling

## Performance

- Solid track record with a 10-year revenue CAGR of 10%
- Long lasting customer's relations
- Employees' loyalty
- Growth sustained by R&D partnerships

## Positioning

- Pharma Food Cosmetic unique presence
- Critical mass
- Cross functional innovative R&D
- Attractive and growing markets
- Structure to exploit M&A opportunities

# 2

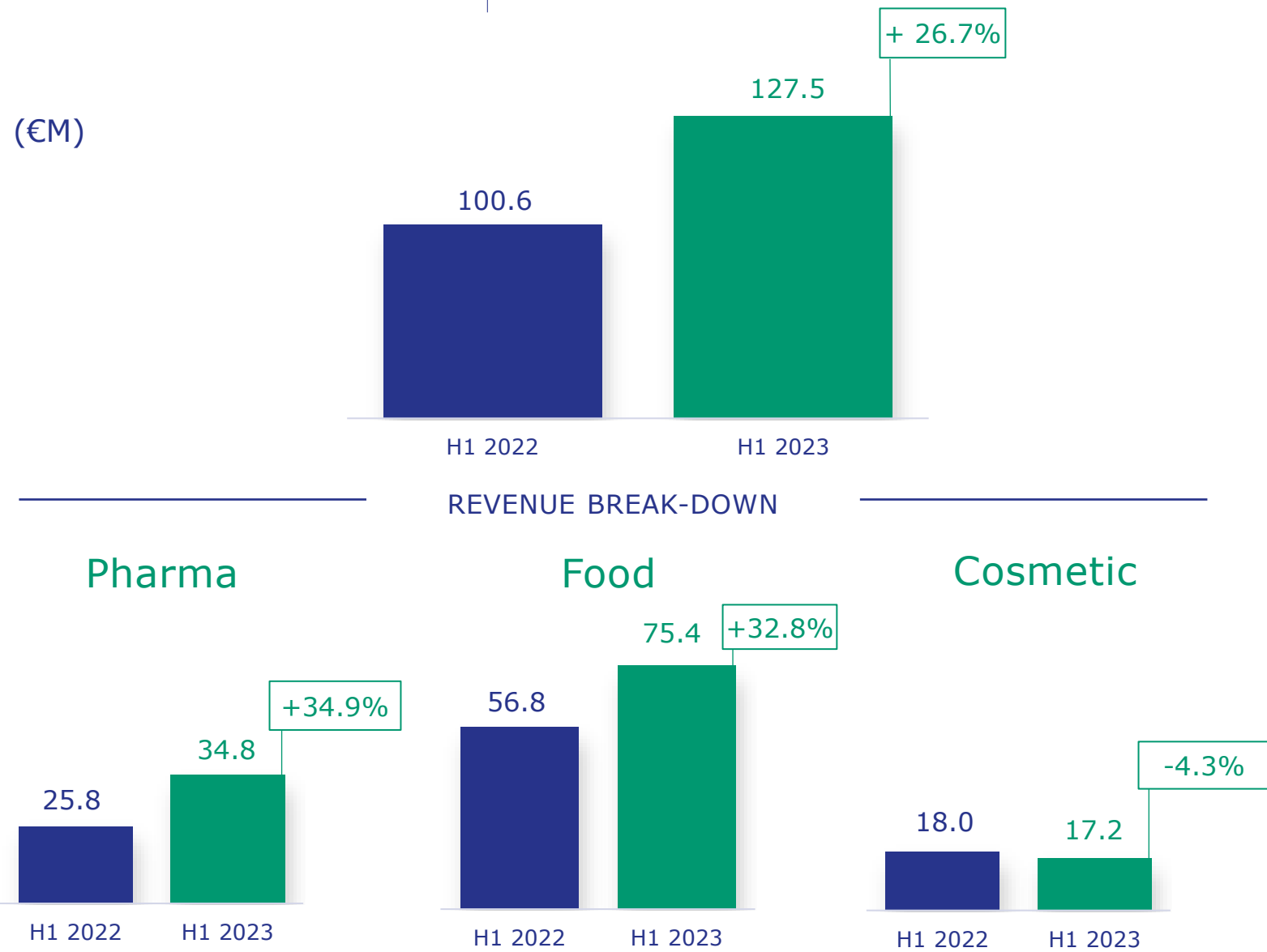
# FINANCIALS



# H1 2023 Consolidated Revenues

**Revenue Growth +26.9 €m vs H1 2022:**

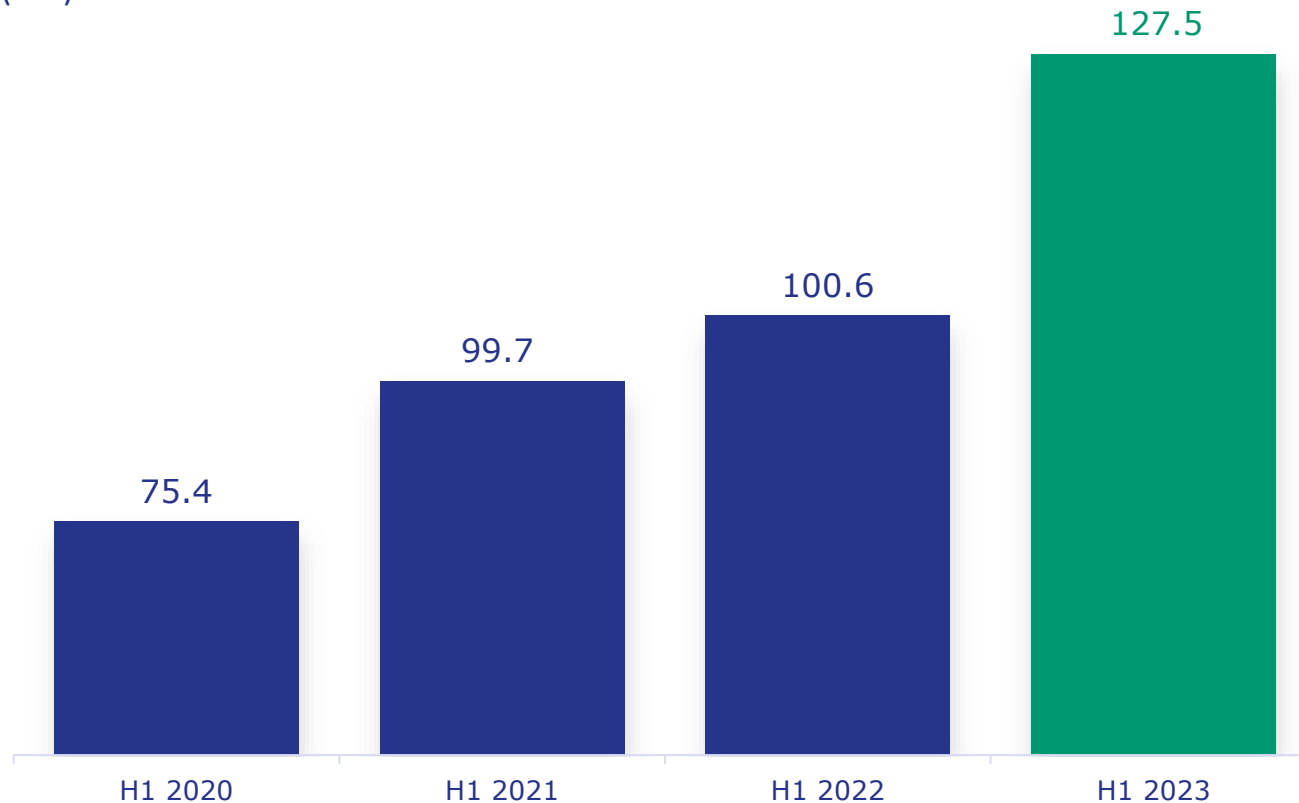
- Pharma BU **+9.0 €m** vs H1 2022
- Food BU **+18.6 €m** vs H1 2022
- Cosmetic BU **-0.8 €m** vs H1 2022



# H1 Group Revenue trends 2020 - 2023

Significant progress of Revenues since  
H1 2020 with a 19.1% CAGR

(€M)





# H1 2023 EBITDA

**EBITDA and EBITDA Margin** strongly **increased** compared to H1 2022

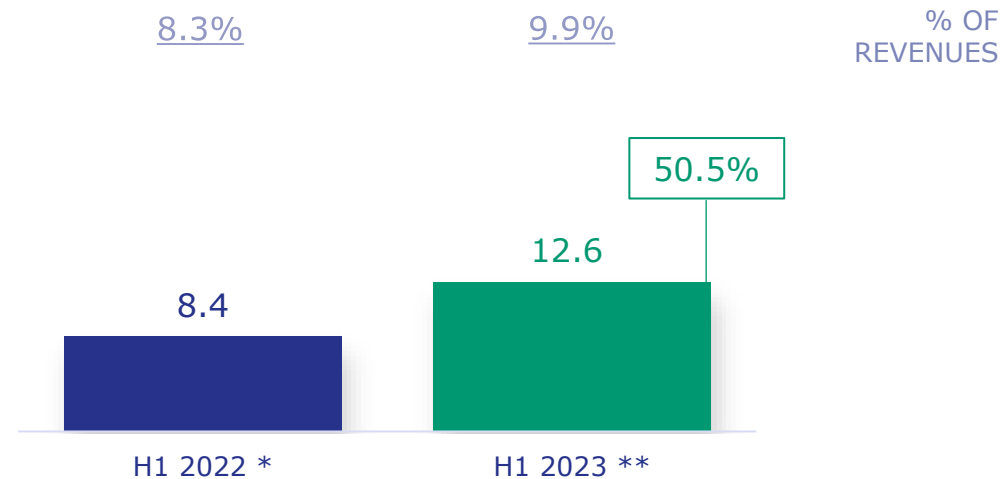
Improvement in marginality mainly due to:

- personnel cost impact reduction on turnover
- energy cost impact reduction on turnover (the energy percentage cost is still higher than the historical cost)
- better absorption of fixed costs on revenues

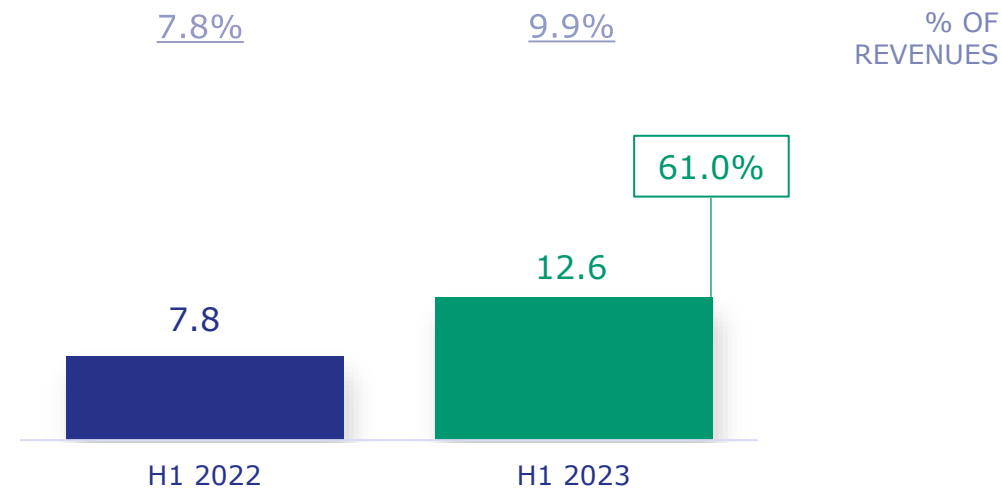
\*\* H1 2023 EBITDA has not been adjusted

\* 0.5 €M ADJ for non-recurring costs

ADJUSTED EBITDA (€M)



REPORTED EBITDA (€M)

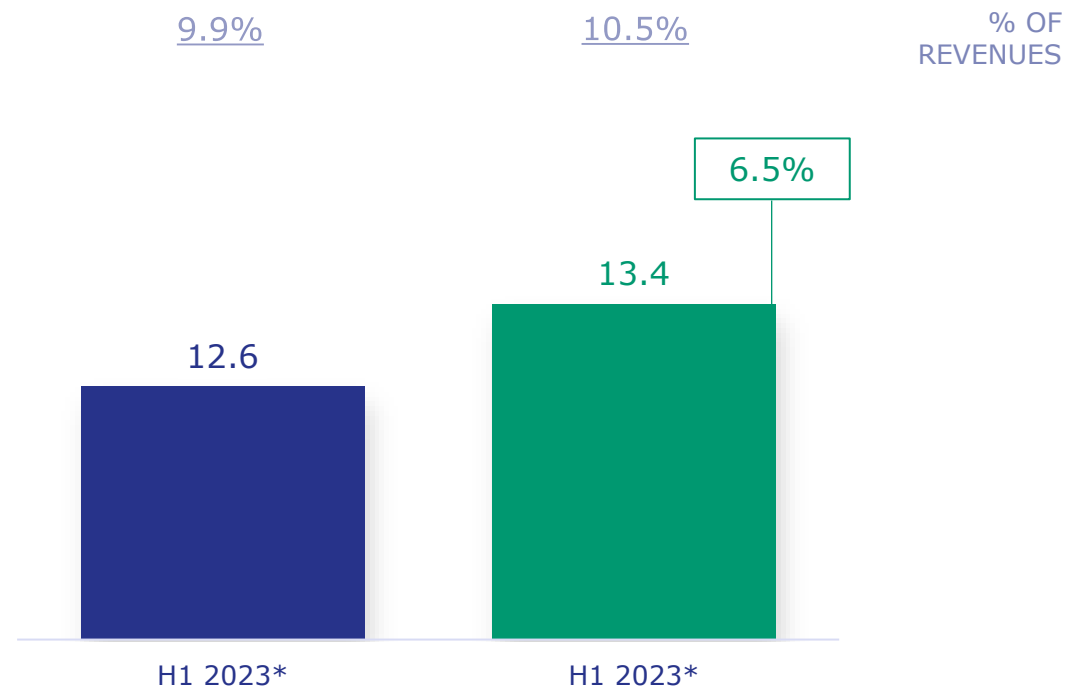


# H1 2023 Energy Impact on EBITDA

**H1 2023 Energy costs at 2 €M** with an incidence on revenues of 1.6% compared to 2.8% in H1 2022

Assuming the same Energy Cost incidence on Revenues in 9M 2021 – i.e. before the strong price increase occurred starting from Q4 2021 – **EBITDA in H1 2023 would be 10.5%** (10.2% in H1 2022)

(€M)



\* H1 2023 EBITDA has not been adjusted

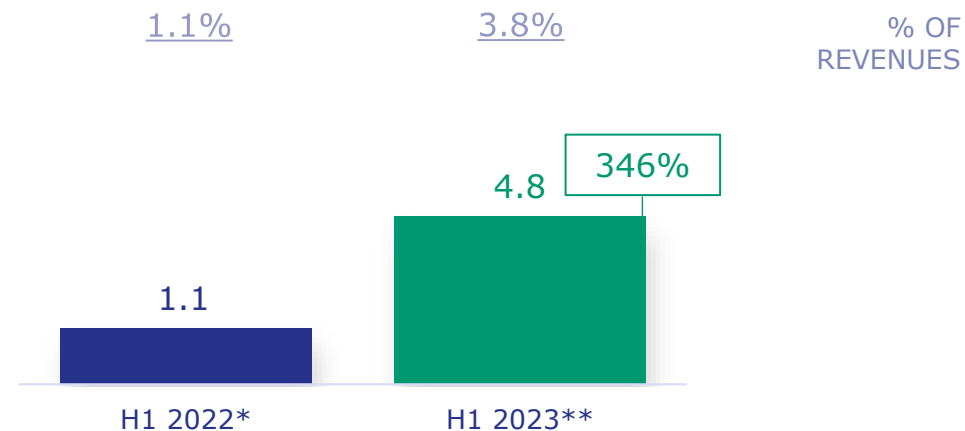
# H1 2023 EBIT

**Strong ADJ EBIT and ADJ EBIT Margin recovery** following EBITDA and EBITDA Margin increase

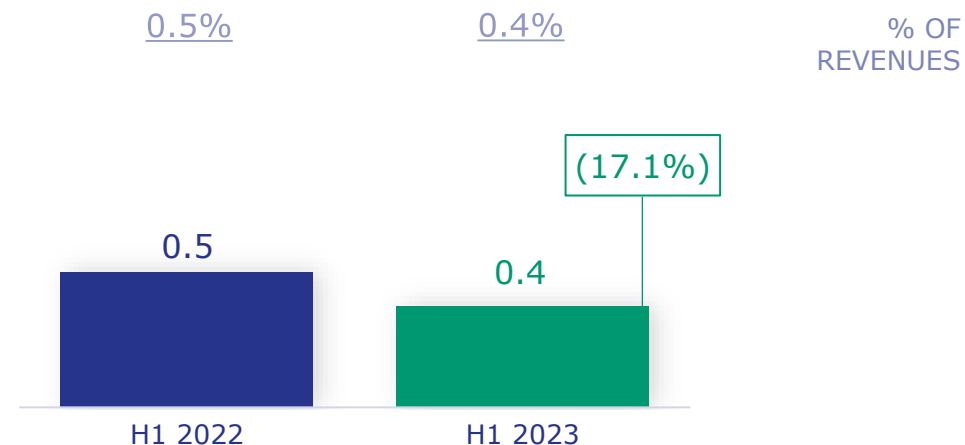
REPORTED EBIT affected by Pharmatek’s goodwill impairment for 4.4 €m

This impairment was part of the broader reorganisation of the Cosmetic Business Unit, which included the disposal of some non-strategic business lines.

ADJUSTED EBIT  
(€M)



REPORTED EBIT  
(€M)



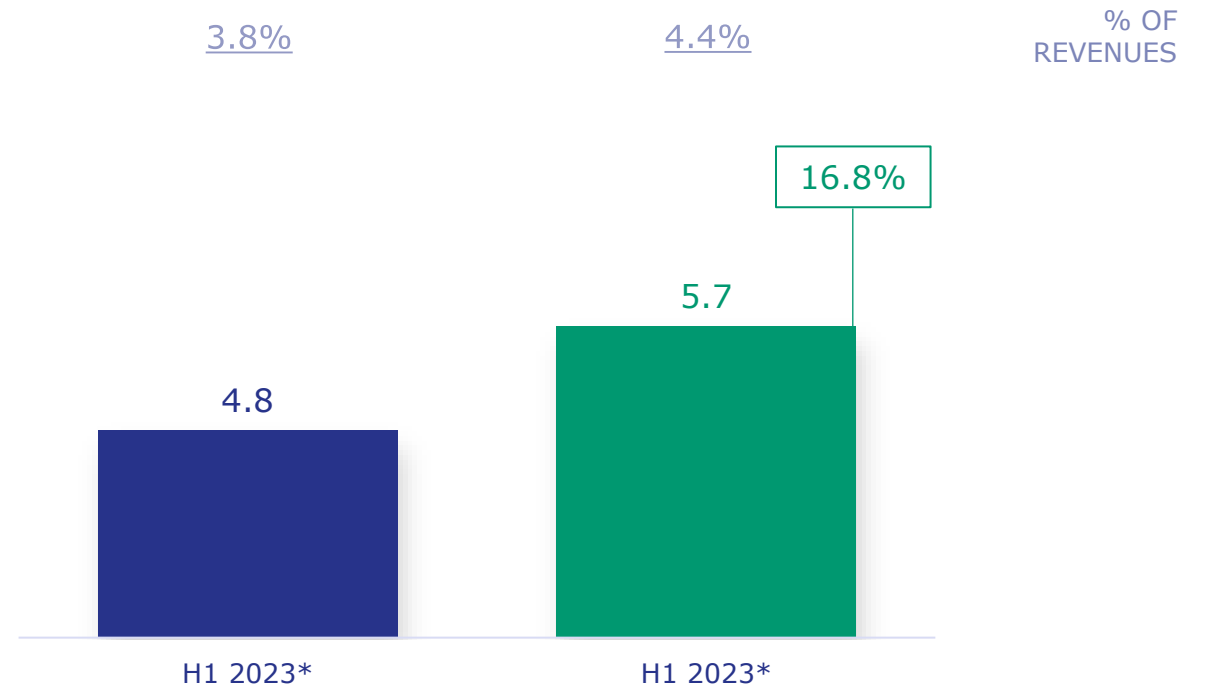
\* 0.5 €M ADJ for non-recurring costs

\*\* 4.4 €M ADJ for Pharmatek’s goodwill impairment

# H1 2023 Energy Impact on ADJ EBIT

Assuming the same Energy Cost incidence on Revenues in 9M-2021 – i.e. before the strong price increase occurred starting from Q4 2021 – **EBIT in H1 2023 would be close to 4.4%** (3% in H1 2022)

(€M)



\* 4.4 €M ADJ for Pharmatek's Goodwill Impairment



# H1 2023 Net Income

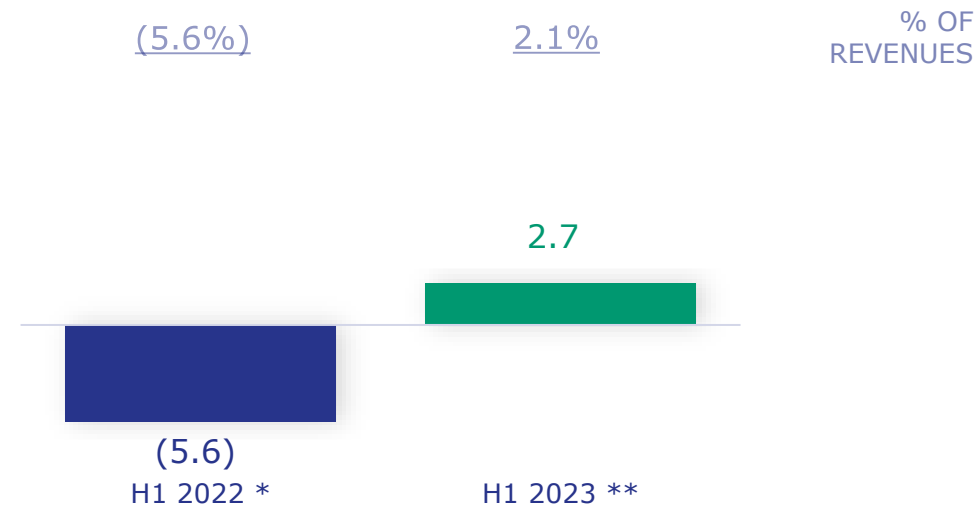
H1 2023 Net Income affected by:

- 1) **Financial charges: -2.3 €m**  
(increased by 1.7 €m compared to H1 2022 due to higher interest rates)
- 2) **Non-cash effects for fair value evaluation on financial assets: +1.7 €m**  
(increased by 7.5 €m compared to H1 2022)
- 3) **Income Taxes: -1.6 €m**  
(increased by 1.4 €m compared to H1 2022)

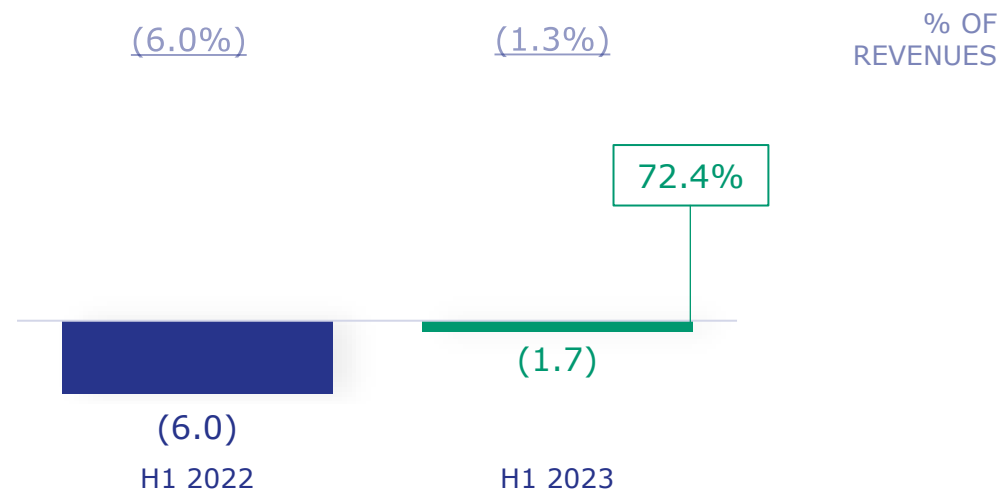
\* 0.4 €m ADJ for non-recurring costs net of tax effect

\*\* 4.4 €m ADJ for Pharmatek's Goodwill Impairment

ADJUSTED NET INCOME  
(€M)



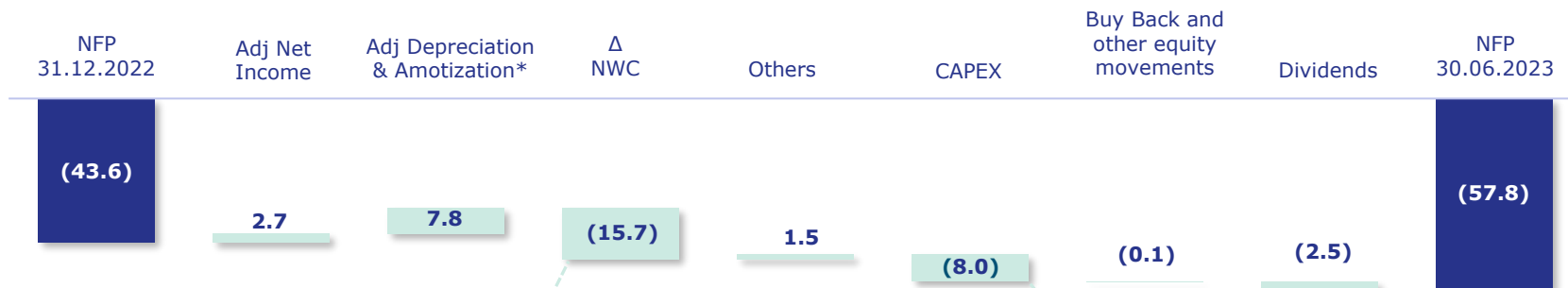
REPORTED NET INCOME  
(€M)



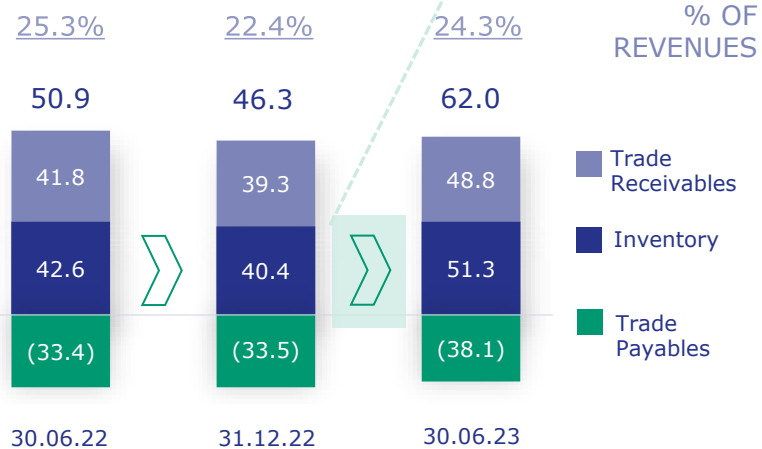
# Solid Capital Structure

Net Financial Position mainly impacted by NWC absorption due to strong increase in revenues

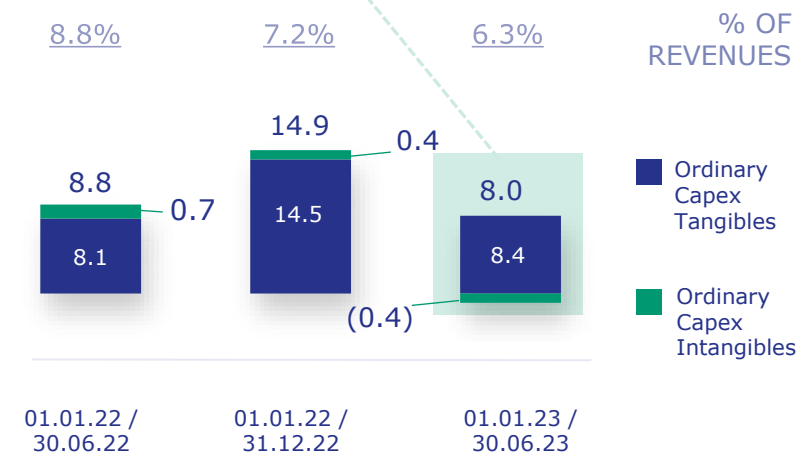
## NET FINANCIAL POSITION (€M)



## NET WORKING CAPITAL (€M)



## CAPEX AND INVESTMENTS (€M)



\* Depreciation & Amortization net of 4.4 €M  
Pharmatek's Goodwill Impairment as already included in Adj Net Income

# 3

# SHAREHOLDING STRUCTURE



# Shareholding structure

As of 13.09.2023

FINE FOODS SHARES	N. OF SHARES (MLN)	%
LISTED SHARES	22.1	86%
UNLISTED SHARES*	3.5	14%
TOTAL EQUITY CAPITAL	25.6	100%

FLOATING (ON LISTED SHARES)

~53.9%

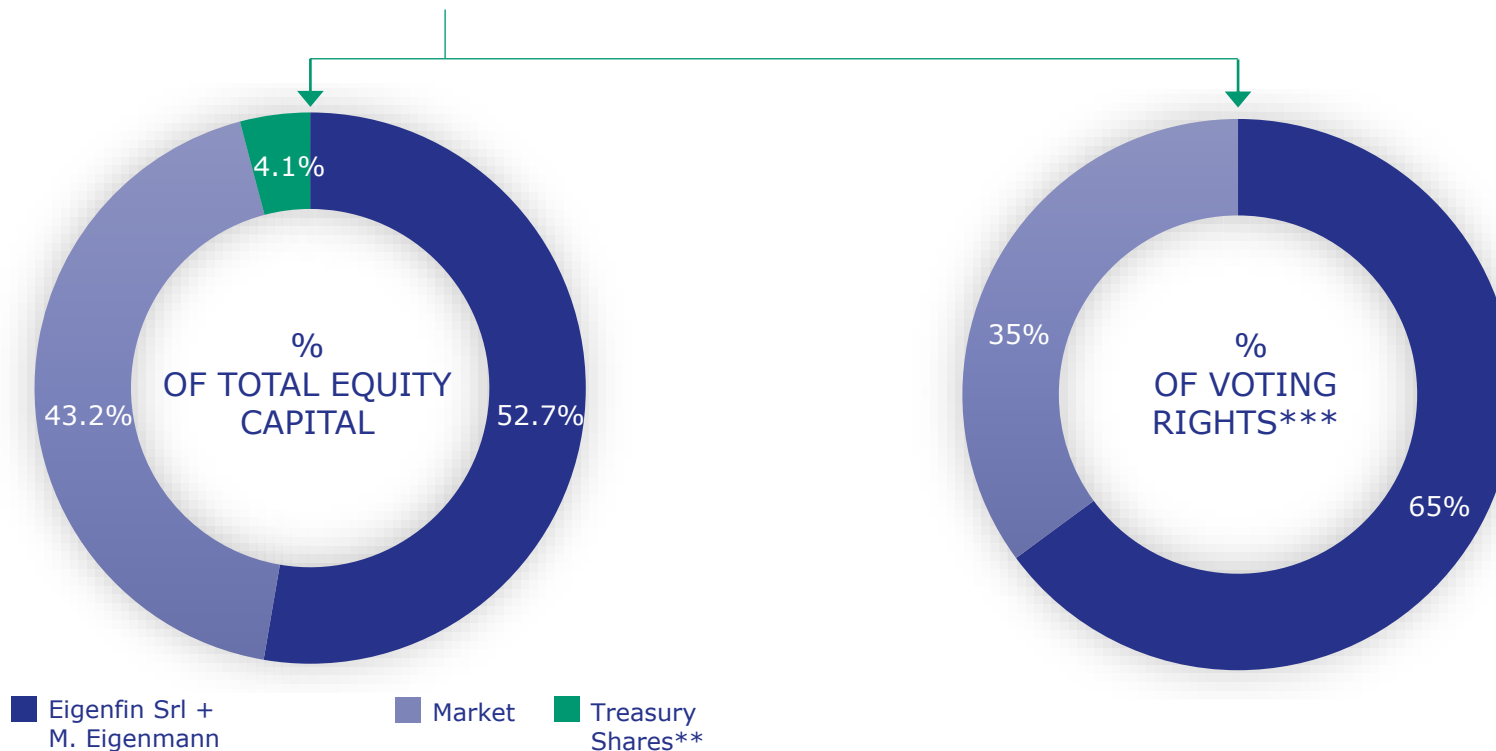
**\* Unlisted shares are Multiple Voting Rights Shares:**

- Owned by Marco Eigenmann through Eigenfin S.r.l.
- Conversion Ratio: 1x in Ordinary Shares
- Conversion: among others at simple request of the owner
- Same rights as ordinary shares, other than voting rights.
- Each Multiple-voting Share provides the holder with three votes in all Shareholders' Meetings

**\*\* Treasury Shares**

- N. Treasury Shares as of 13.09.2023: 1,044,913
- purchasable shares: max 20% of share capital for max 26.0 €M

\*\*\* Net of Treasury Shares



# 4

## INVESTOR INFORMATION & CONTACTS



# Investor Information

MARKET

EURONEXT STAR MILAN

ISIN CODE

IT0005215329

TICKER

FF

SPECIALIST

BANCA AKROS S.p.A.

Analyst: Gian Marco Gadini

E-mail: gianmarco.gadini@bancaakros.it

Recommendation: Accumulate

CORPORATE BROKER

INTERMONTE PARTNERS SIM S.p.A.

Analyst: Giorgio Tavolini

E-mail: giorgio.tavolini@intermonte.it

Recommendation: Outperform



# Contacts

Fine Foods & Pharmaceuticals N.T.M. S.p.A.

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Tel. +39 035 4821382

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Investor Relations & Communication Director: Carlo Larghi

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Investor Relations: [ir@finefoods.it](mailto:ir@finefoods.it)

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Media Relations: [media.relations@finefoods.it](mailto:media.relations@finefoods.it)

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# 5

## BACK UP ESG DETAILS



## Fine Foods' group sustainability pillars



# Ratings, ESG Commitment and Certifications

RATINGS



ESG COMMITMENT



BENEFIT CORPORATION  
Since 2021

231  
Organizational,  
managerial and control  
models to prevent  
crimes



New membership to the  
network of companies on  
Diversity and Inclusion issues

CERTIFICATIONS



Please note that each of the certifications included in this slide is held by one or more companies of the Group, as the case may be.

# People

We are committed to creating an environment taking into account human and social principles



**WE ATTRACT**  
~ 8,000 applications/year



**WE TRAIN**  
~ 15,160 training hours



**WE ENGAGE**  
~ 94% avg employee retention rate



**WE VALUE**  
~ 80/100 employee satisfaction in annual surveys



**WOMEN**  
~ 47% of managers  
~ 43% of Board members



**AGE OF EMPLOYEES**  
~ 59% of new hired under 30



**WORK – LIFE BALANCE**  
Home office and Flextime



**SAFETY AT WORK**  
Management system for health and safety is internationally certified since 2014\*



**SAFETY IMPROVEMENT**

- Risk reduction programmes
- Safety training and campaign

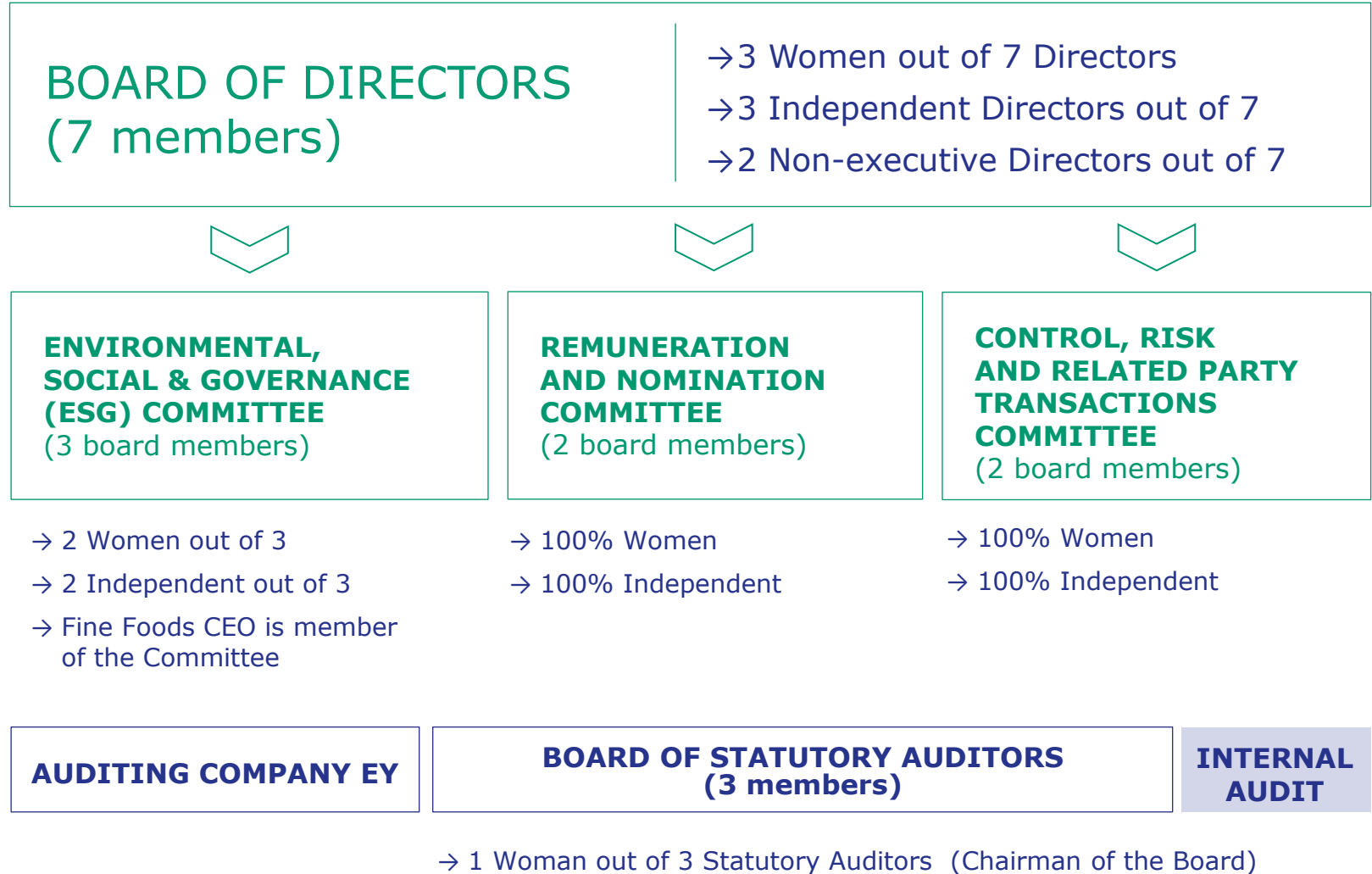


**HEALTH PROGRAMME**

- Nine active health initiatives
- Psychologist and Nutritionist available to employees
- skin cancer screening programme

# Corporate Governance

Our governance is structured around **an ESG responsible approach**. It allows us to pursue a sustainable growth while also ensuring continuity to all our stakeholders





# Suppliers' ESG management

## ENVIRONMENTAL AND SOCIAL ASSESSMENT OF OUR SUPPLIERS

79% 

Value of purchases of raw materials and packaging from suppliers assessed by EcoVadis on ESG criteria

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92% 

Value of purchases of raw materials and packaging from suppliers who have signed the Fine Foods Group Code of Conduct

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Ongoing joint improvements plan with suppliers to increase their standards

---

# Environment

We are committed to sustainably use our resources and reduce our environmental impact.



## CLIMATE

- **- 15% CO<sub>2</sub> emissions intensity**
- >370 MWh/annual energy from **photovoltaic systems**
- **+550 kW power by** renewable sources installed (tot. 850 kWp)



## WATER RESOURCES

- Programs for reduction of water consumption



## CIRCULAR ECONOMY

- Programs for reduction of environmental impact of waste
- Testing new materials for the circular economy
- Ecodesign projects for sustainable products



## ENVIRONMENT PROTECTION



Certified since 2010

# Relations with local communities

## SOCIAL RESPONSIBILITY

>230

students involved in meetings on sustainability and orientation issues

10

students accepted for internships and school-to-work projects

6

study orientation meetings for students

## TRADE ASSOCIATIONS



## MAIN COLLABORATIONS WITH UNIVERSITIES



# Sustainable products

Support and service to develop products that provide environmental, social and economic benefits while protecting environment, from the selection of raw materials, formula design, until the packaging final disposal

## OUR SERVICES



Environmental labelling consultation



Product carbon footprint calculation support



Product eco-design support

## OUR CERTIFICATIONS



Certifications for biological and/or natural origin cosmetic products.



Certification for organic and natural origin products, based on environmental sustainability and healthiness criteria.



Certification for biological and ecological cosmetic products.



Certification for products and packaging without any animal-derived ingredients.

Please note that each of the certifications included in this slide is held by one or more companies of the Group, as the case may be