

Q1_2023 FINANCIAL RESULTS

May 8th, 2023

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GROUP PRESENTATION & HIGHLIGHTS 2022

PHARMANUTRA GROUP

PharmaNutra holds 100% of Junia Pharma and Alesco and at the end of the year completed the acquisition of 100% of the shares in Akern S.r.l.

Only three years after the listing on the AIM market of the Italian Stock Exchange, **in December 2020 the Group switched to trading in the EURONEXT STAR MILAN.**



2022



AKERN
Science in body composition

Research and development of bioimpedance medical devices and software for body composition analysis

2010



Medical products and devices, OTC and dietary supplements for children

2003



Medical devices and dietary supplements for adults

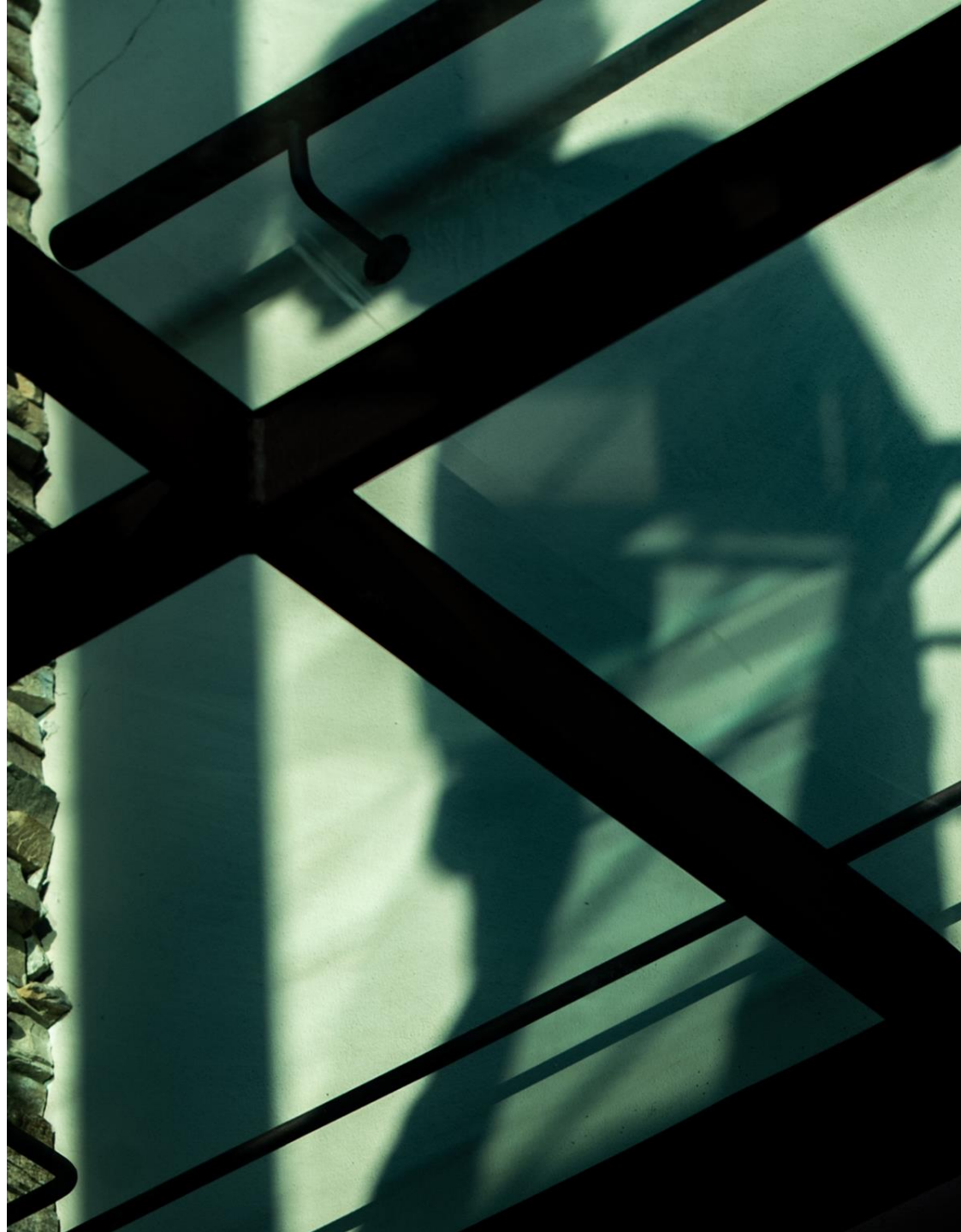
2000



Development and manufacturing of unique and innovative proprietary bioactive ingredients

HIGHLIGHTS Q1 2023

- Launch of the new line of products dedicated to sports nutrition: Cetilar® Nutrition, a truly innovative line of products developed thanks to the application of Sucrosomial® Technology.
- Set up of Pharmanutra España
- Historical record of monthly units sold on the Italian market in march: 404.340 units
- Signing of new distribution agreements for the distribution of the SiderAL® and Cetilar® lines in Kuwait, Indonesia and Mexico.
- New partnership with Ferrari-AF Corse; Cetilar® brand will be present on the two official Ferrari 499P prototypes participating in the WEC championship.



ECONOMIC AND FINANCIAL DATA

HIGHLIGHTS Q1 2023

- 25,3% Increase in Net Sales Revenues
- 25%* EBITDA Adjusted Growth
- 27,7% EBITDA Adjusted Margin on Revenues
- 33%* Net Result excl. non-recurring items increase
- EPS excl. non-recurring items of € 0,48 (€ 0,36 in Q1 22)
- Positive Net Financial Position of 2,9 million Euro

+ 25%

NET REVENUES € 23,6 M
(+25,3% COMPARE TO Q1 2022)

+ 25%*

EBITDA Adjusted € 6,6 M
(27,7% MARGIN ON REVENUES)
* excl. 2023 non recurring items

+ 33%*

NET RESULT excl. non-recurring Items € 4,6 M
(19,5% MARGIN ON REVENUES)
* excl. 2023 non recurring items

€2,9
Mio

POSITIVE NET FINANCIAL POSITION

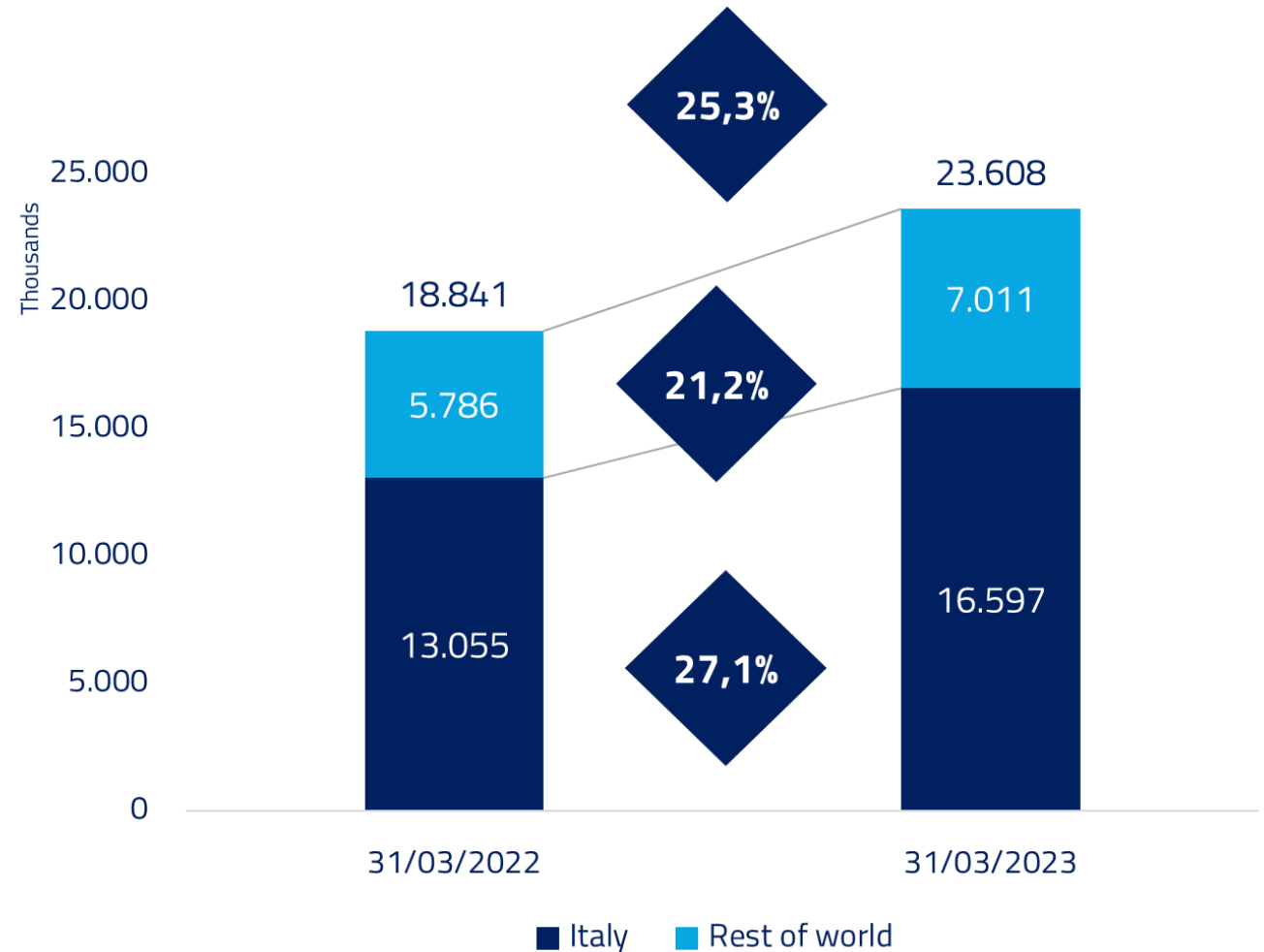
HIGHLIGHTS COMPARISON EXCLUDING AKERN

Amounts (€/000)	2023 excl. Akern	2022	Δ 23/22	2023 Total Group	Δ 23/22	2023 AKN	AKN Contribution
Net Sales Revenues	22.073	18.840	17,2%	23.608	25,3%	1.535	8,1%
EBITDA	6.692	5.264	27,1%	7.378	40,2%	686	13,0%
Net Result	4.975	3.486	42,7%	5.431	55,8%	456	13,1%
Net Result excl. non-recurring Items	4.178	3.486	19,9%	4.634	32,9%	456	13,1%
Earning per Share	0,52	0,36	43,1%	0,56	56,2%		13,1%
EPS excl. non-recurring Items	0,43	0,36	20,2%	0,48	33,3%		13,1%

NET REVENUES

Net revenues at 31.03.2023 accounted for € 23.6 million, recording a **growth of 25,3%** compared to the previous year. Revenues on domestic market grew by 27,1% while revenues on the foreign market recorded a growth of 21,2%.

Akern's net revenues accounted for € 1,5 million, about 6,5% on the total net revenues of the Group.



PROFIT AND LOSS

PHN GROUP PROFIT AND LOSS (€/000)	31/03/2023	Management Adjustments	31/03/2023 Adjusted	31/03/2022
A) REVENUES	24.575	(797)	23.778	18.967
Net Revenues	23.608	-	23.608	18.840
Other revenues	967	(797)	170	127
<i>of which non recurring other revenues</i>	<i>797</i>	<i>(797)</i>	<i>-</i>	<i>-</i>
B) OPERATING EXPENSES	17.197	-	17.197	13.703
Cost of goods sold and logistics	4.077	-	4.077	3.559
SG&A expenses	11.266	-	11.266	8.902
Personnel expenses	1.643	-	1.643	1.129
Other operating expenses	211	-	211	113
(A-B) EBITDA	7.378	(797)	6.581	5.264
<i>EBITDA Margin on Revenues</i>	<i>30,0%</i>		<i>27,7%</i>	<i>27,8%</i>
C) Amort., depr. and write offs	411	-	411	291
(A-B-C) EBIT	6.967	(797)	6.170	4.973
D) NET FINANCIAL INCOME/(EXPENSES)	118	-	118	7
Financial income	243	-	243	22
Financial expenses	(125)	-	(125)	(15)
E) NON RECURRING INCOME/(EXPENSES)	-	797	797	-
Non recurring Income/(Expenses)	-	797	797	-
(A-B-C+D) EBT	7.085	-	7.085	4.980
Current taxes	(1.654)	-	(1.654)	(1.494)
NET RESULT	5.431	-	5.431	3.486

REVENUES

Consolidated revenues accounted for € 23,6 million with an increase of 25% compared to the same period of the previous year. The increase is mainly driven from the growth in sales volume.

OPERATING EXPENSES

Increase in operating expenses is due to the higher sales volume, to Akern's consolidation and to the investments realized for the implementation of the new projects to sustain the Group's trademarks. So far, the implementation of the new businesses (USA, España, Cetilar® Nutrition) operationally started from the end of March has a limited economic impact.

NON-RECURRING ITEMS

Non-recurring other revenues

Non-recurring Income are related to the contractual indemnity owed by the shareholders at the time of the first listing for the definition of the tax liability related to the 2016 tax period.

Net Result excl. non recurring items (€/000)	31/03/2023	31/03/2022
Net Result	5.431	3.486
Contractual indemnity for tax disputes	(797)	-
Net Result excl. non recurring items	4.634	3.486

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	31/03/2023	31/12/2022	Δ 2022 vs 2021
Trade receivables	24.156	21.647	2.509
Inventories	7.419	5.261	2.158
Trade Payables	(15.238)	(16.882)	1.644
Operating Working Capital	16.337	10.026	6.311
Other receivables	8.280	4.958	3.322
Other Payables	(7.454)	(5.292)	(2.162)
Net Working Capital	17.163	9.692	7.471
Intangible assets	21.860	21.560	300
Tangible assets	20.001	17.055	2.946
Financial assets	1.734	1.310	424
Total Fixed Assets	43.595	39.925	3.670
Provisions and other L/T liabilities	(8.898)	(9.307)	409
NET INVESTED CAPITAL	51.860	40.310	11.550
Net Equity	54.798	50.948	3.850
Non current financial liabilities	14.078	14.110	(32)
Current financial liabilities	4.082	3.616	466
Non current financial assets	(1.502)	(1.503)	1
Current financial assets	(5.325)	(4.810)	(515)
Cash and cash equivalents	(14.271)	(22.051)	7.780
Net Financial Position	(2.938)	(10.638)	7.700
TOTAL SOURCES	51.860	40.310	11.550

Operating Working Capital

The increase in trade receivables is due to higher revenues. The increase in inventories refers to the implementation of purchasing strategies.

Other Receivables/Other Payables

The increase in other payables refers to the accounting of the current taxes related to the period. The increase in other receivables is due to the accounting of deferred costs and to the receivable owed by the shareholders at the time of the first listing for the definition of the tax liability related to the 2016 tax period.

Financial Assets

The increase in Financial assets is due to the establishment of Pharmanutra USA and Pharmanutra España.

Tangible Assets

The increase in Tangible assets is due to the progress of construction works for the new headquarter

CONSOLIDATED CASH FLOW

CASH FROM OPERATING ACTIVITIES

Change in operating working capital

Increase in trade receivables due to higher revenues and sales volumes.
Increase in inventories for the implementation of purchasing strategies.
Decrease in account payables due to the different dynamics of the trade working capital

Change in other assets/liabilities

Increase in other receivables due to the accounting of deferred costs related to marketing activities whose competence extends beyond March 31st and to the receivable owed by the shareholders at the time of the first listing for the definition of the tax liability related to the 2016 tax period.

CASH FROM INVESTING ACTIVITIES

Capex

The increase refers mainly to the progress of construction works for the new headquarter and to other operating capex during the period.

Net Financial Investments

Net financial investments refers to the establishment of Pharmanutra USA and Pharmanutra España.

CASH FROM FINANCING ACTIVITIES

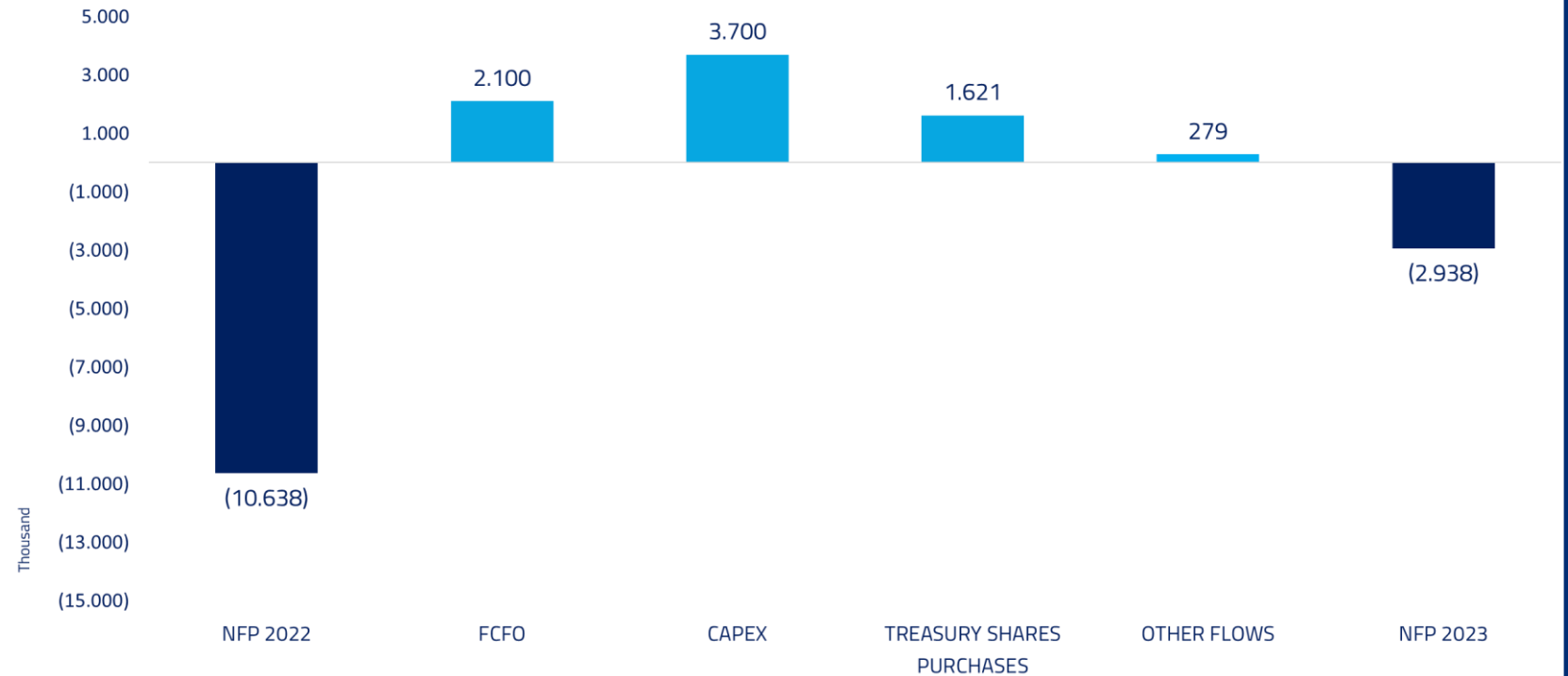
The changes in financing activities are mainly due to the purchases of treasury shares.

Cash Flow (€/000)	31/03/2023	31/03/2022
Net Result	5.431	3.486
NON MONETARY EXPENSES		
Amortization, depreciation and w.o.	411	291
Accrual for employees benefits	209	199
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in operating working capital	(6.328)	(2.523)
Changes in other assets/liabilities	(1.823)	337
CASH FROM OPERATING ACTIVITIES	(2.100)	1.790
Capex	(3.598)	(945)
Net Financial Investments	(335)	0
Changes in other non current assets	(89)	(447)
CASH FROM INVESTING ACTIVITIES	(4.022)	(1.392)
Dividend paid	0	0
Treasury shares purchases	(1.621)	(1.887)
Changes in financial liabilities	437	(399)
Changes in financial assets	(514)	(78)
Other changes	40	38
CASH FROM FINANCING ACTIVITIES	(1.658)	(2.326)
CHANGES IN LIQUIDITY	(7.780)	(1.928)
Cash and cash equivalents at the beginning of the period	22.051	29.409
Cash and cash equivalents at the end of the period	14.271	27.481

NET FINANCIAL POSITION

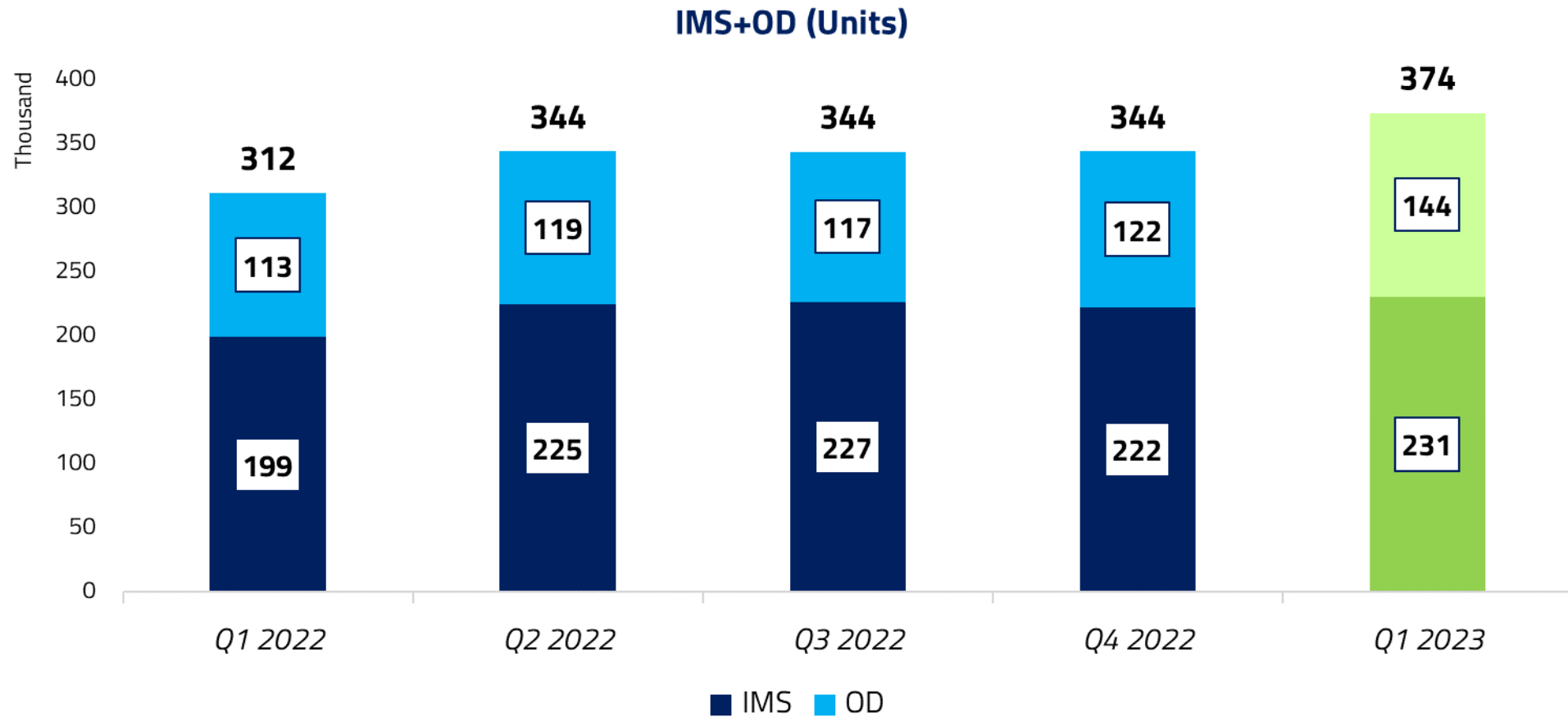
NFP

The Net Financial Position at 31.03.2023 accounted for € 2,9 million. The decrease compared to 31.12.2022 is mainly due to capital expenditures related to the construction of the new Headquarter and other operating capex (€ 3,7 million), to the purchases of treasury shares (€ 1,6 million). The cash flow from operations is affected by the accounting of deferred costs and by the implementation of purchasing strategies on inventories.



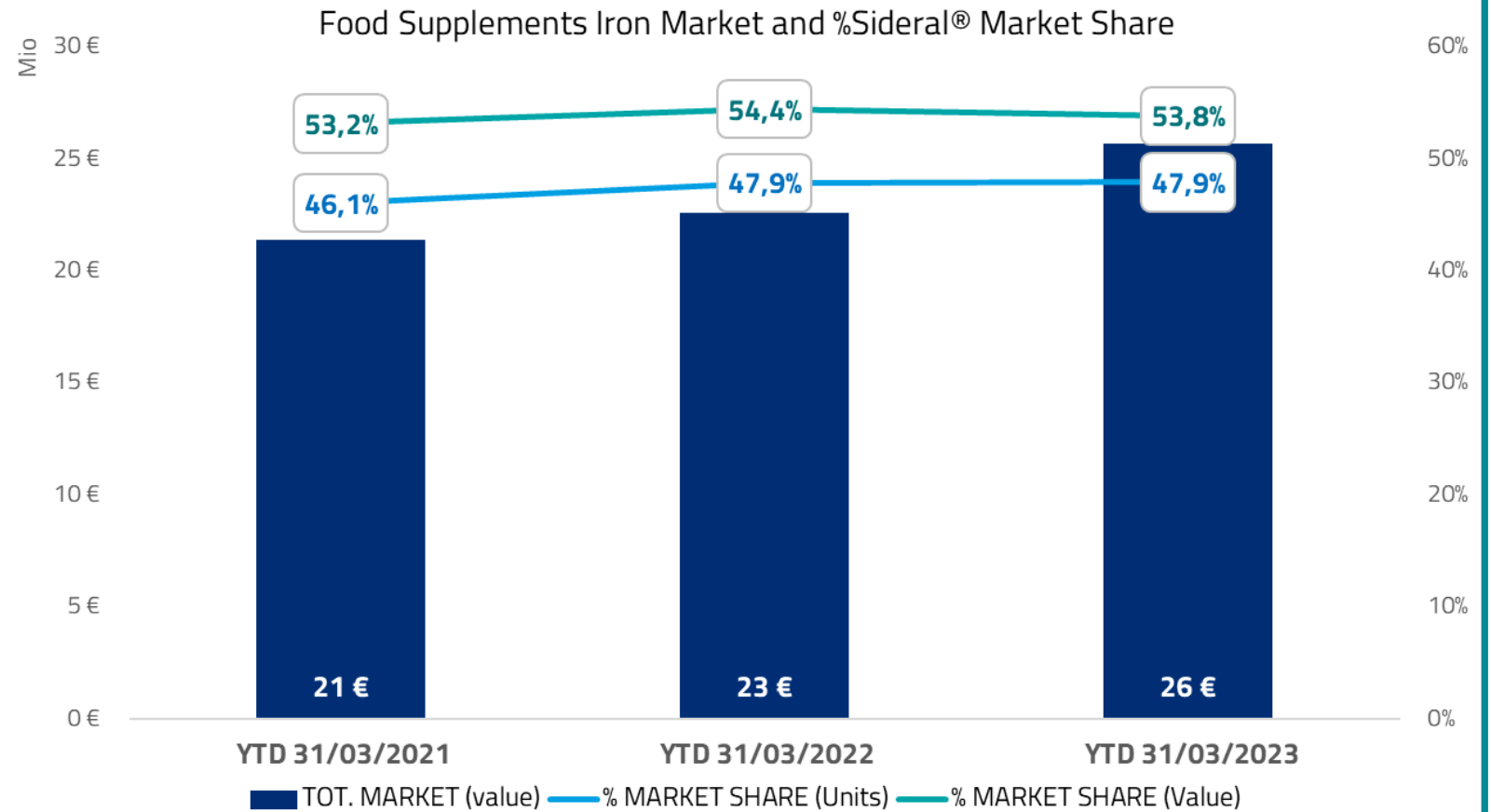
MARKET

Trend IMS & OD



Quarterly Average

IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY

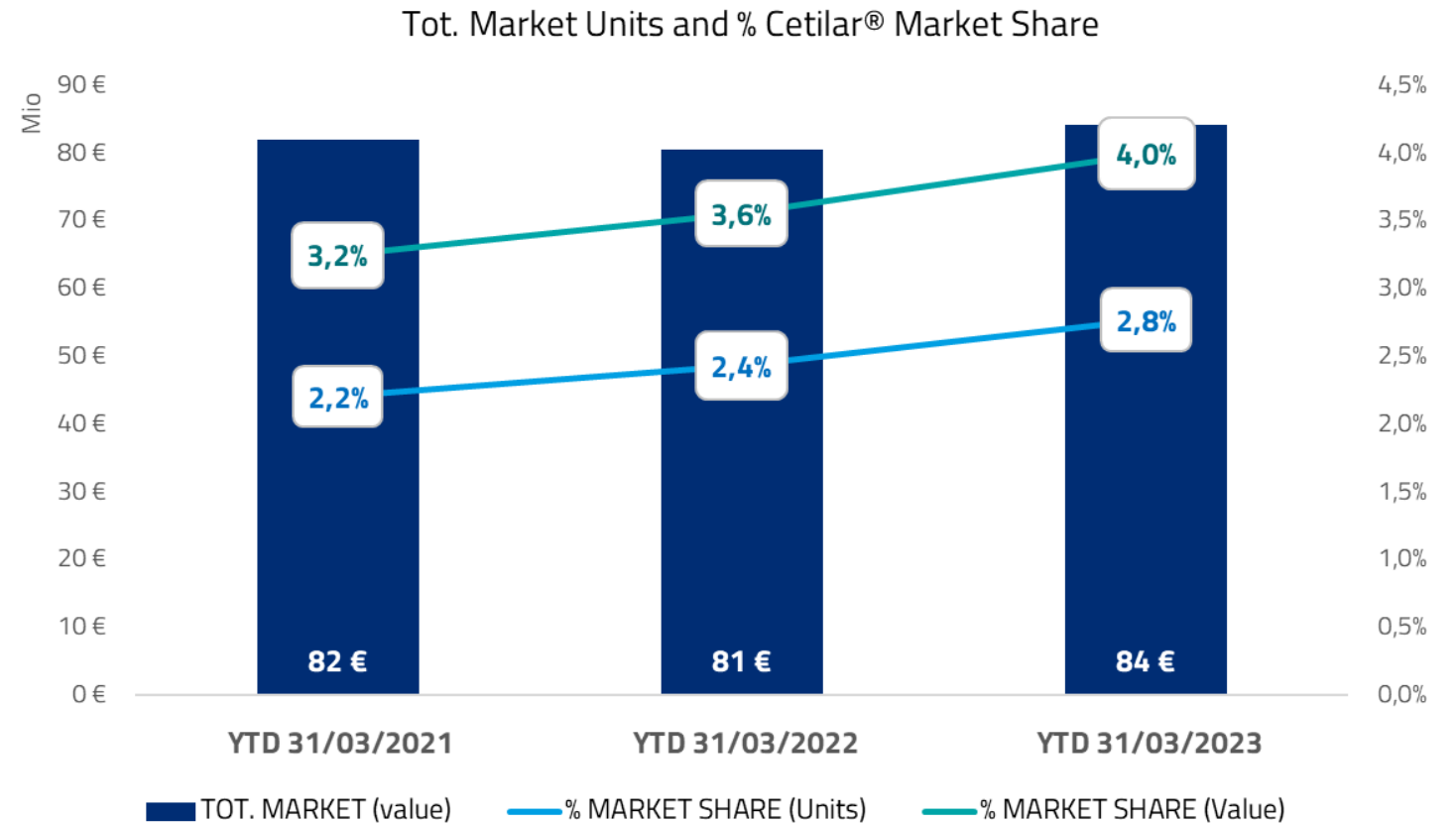


Excluding products that contain only lactoferrin

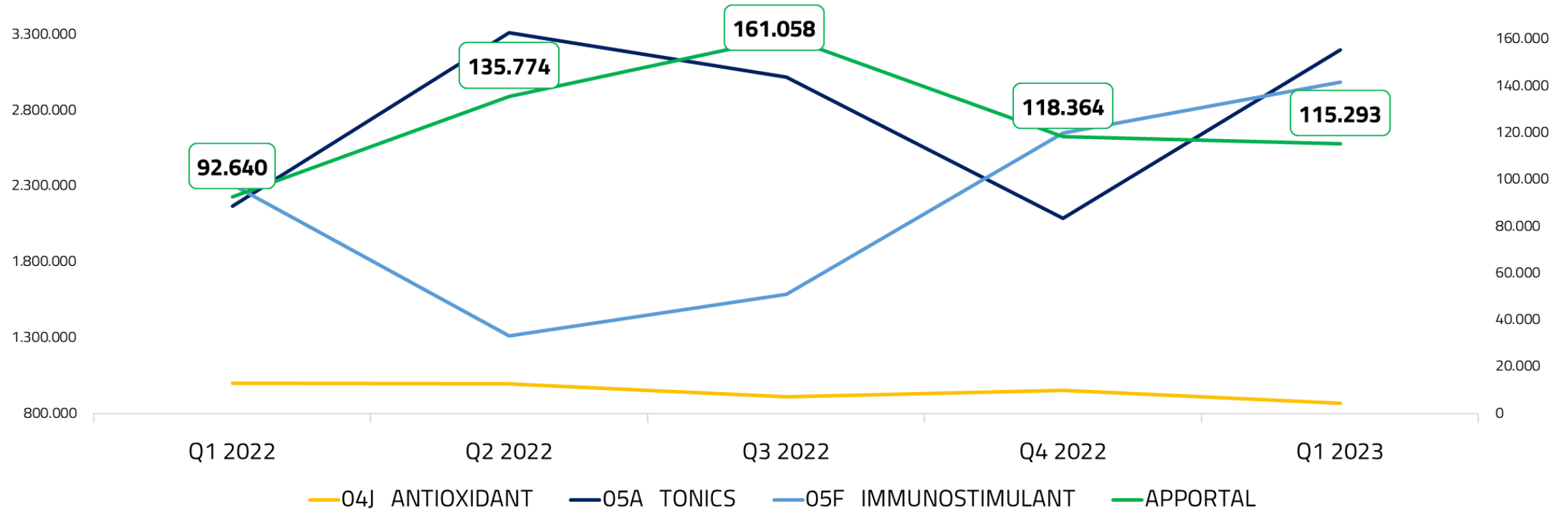
Source IQVIA

ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY

Source IQVIA



APPORTAL® COMPARED TO THE REFERENCE MARKETS



Source IQVIA

INTERNATIONAL DEVELOPMENT

New distribution contracts signed: **Indonesia, Kuwait, Mexico, Benelux, Chile, Uruguay, Guatemala, Panama, El Salvador, Costa Rica.**



COUNTRIES



PARTNERS

	COUNTRIES	PARTNERS
Contracts	71	44
Active Sales	54	37
On-going Registration	17	7
On-going Negotiation	11	11

OUTLOOK 2023

OUTLOOK 2023

- The **Group's existing business** foresees a **high double-digit organic growth** trend in terms of revenues and margins. Revenues on the domestic market are estimated to increase with a growth in line with 2022 (+20%). The Group marginality on revenues will be slightly affected by the implementation of the new businesses.
- Development of the new **Cetilar® Nutrition** product line sales which was launched at the end of March through a dedicated sales network and a specific e-commerce website.
- Starting the operations of **Pharmanutra España** with a specific sales network (so far 6 sales representative), 2 office staff and the finalization of logistic and distribution agreements.
- Launch of the activities of **Pharmanutra USA** (2 commercial staff already hired) with the recruitment strategy ongoing. Sales activities are expected to begin in September 2023.
- **Akern's** integration process is going on with synergies that will allow the company to further develop its presence on both Italian and foreign markets.
- The completion of the works for the construction of the **New Headquarters** is expected by the summer of 2023. Thanks to this investment, the Group will have the availability of its own research center and its own factory for the production of proprietary raw materials with a significant reduction in lead times.



