

# H1\_2023 FINANCIAL RESULTS

September 11th, 2023

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# GROUP PRESENTATION & HIGHLIGHTS 2023

# PHARMANUTRA GROUP

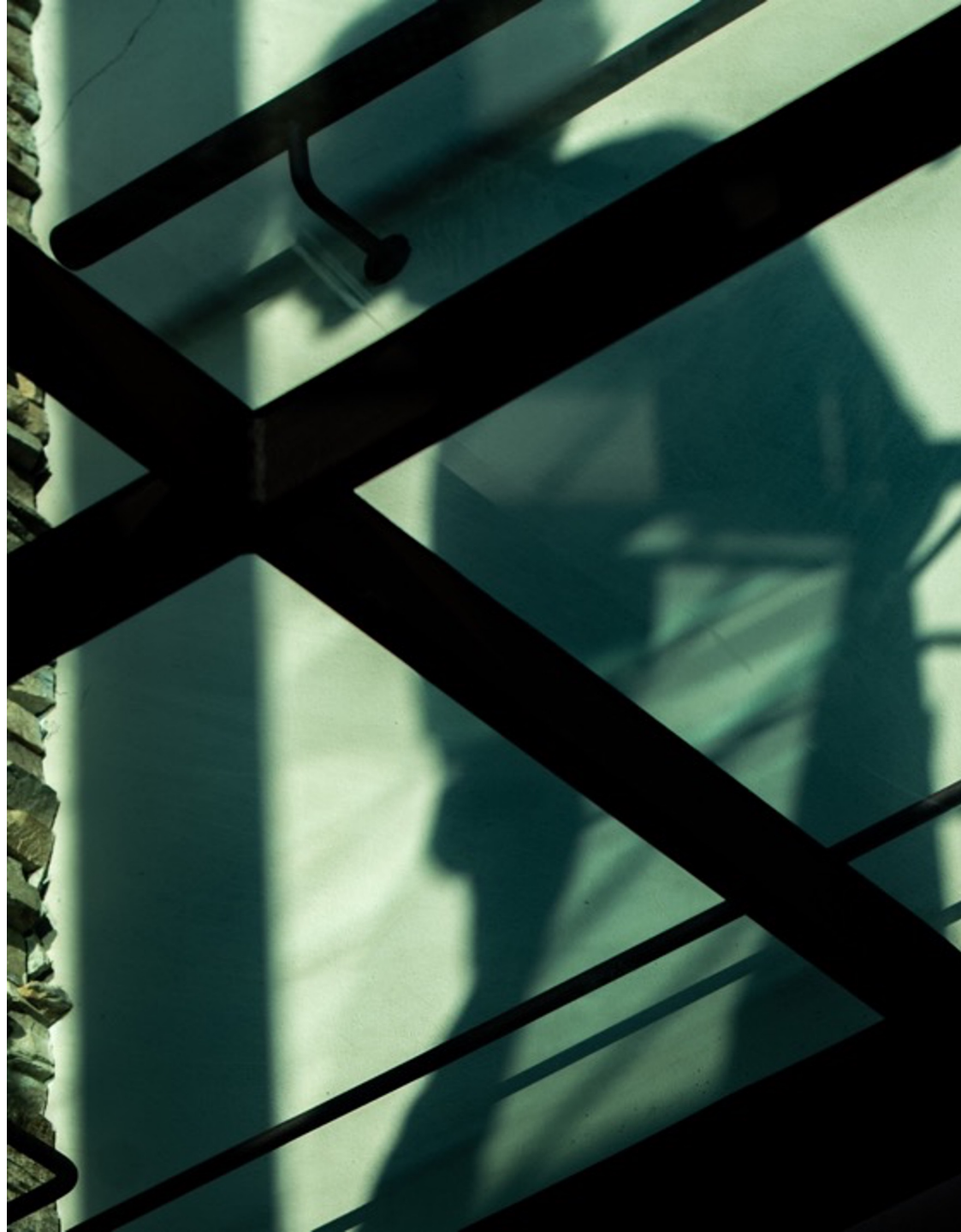
PharmaNutra holds 100% of Junia Pharma, Alesco and Akern.

Just 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.**



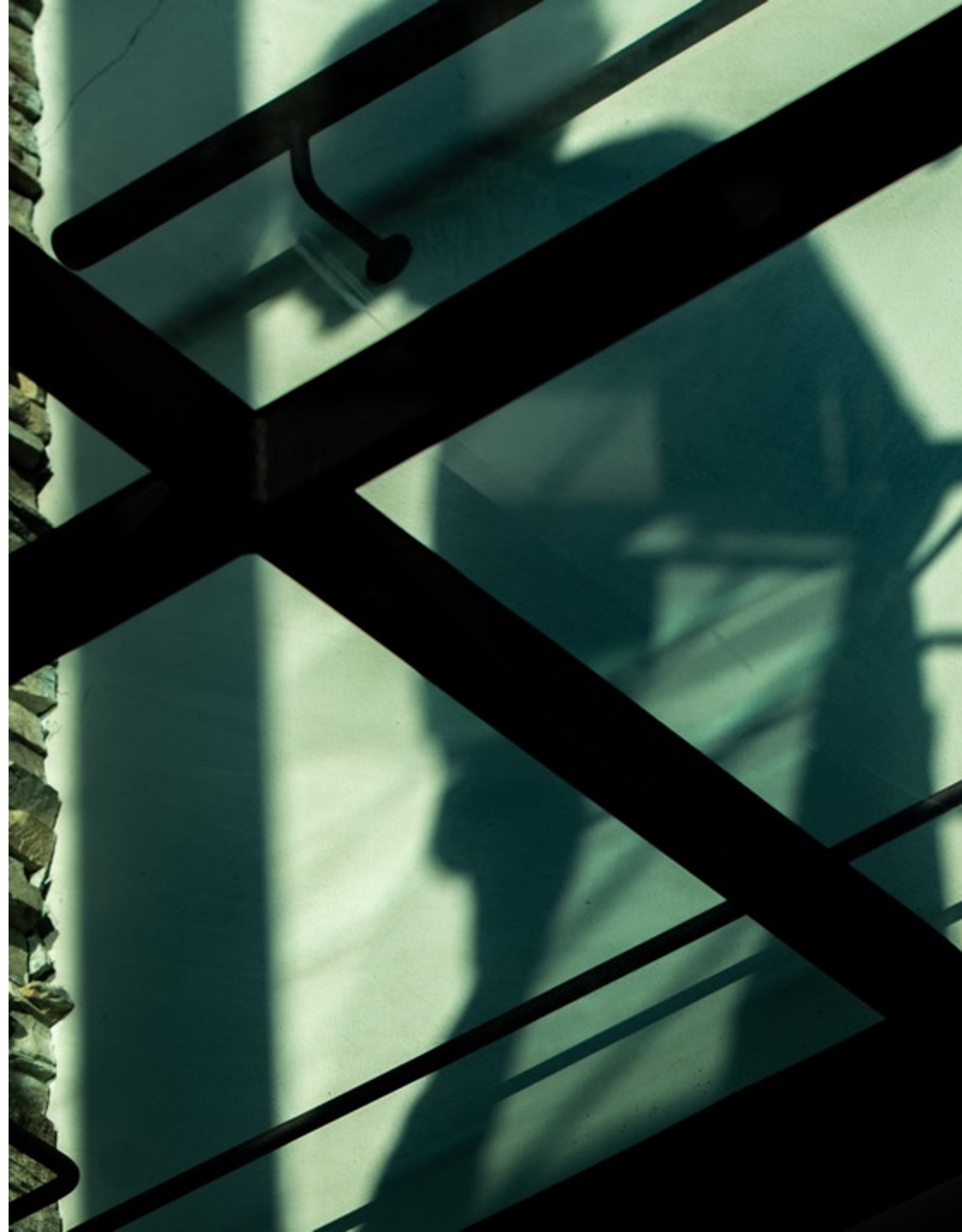
# HIGHLIGHTS H1 2023

- 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.
- Establishment of Pharmanutra España
- Signing of new distribution agreements for the distribution of the SiderAL® and Cetilar® lines in Kuwait, Indonesia, Mexico, Benelux, South and Central America
- Set-up of Pharmanutra USA



# HIGHLIGHTS H1 2023

- New partnership with Ferrari-AF Corse; Cetilar® brand is present on the two official Ferrari 499P prototypes participating in the WEC championship.
- New partnership with the spanish driver Fernando Alonso as a testimonial of Cetilar® Brand
- Accounting of accrual of € 2 million to the Tax provision based on the outcome of the analysis performed by AdE on the fiscal period 2017-2021. Once defined all the fiscal years still subject to be verified, we will apply for joining the cooperative compliance institution



# **ECONOMIC AND FINANCIAL DATA**

# HIGHLIGHTS H1 2023

- 25% Increase in Net Sales Revenues
- 13,2% EBITDA Growth
- 28,3% EBITDA Margin on Revenues
- +12,8% Net Result excl. non-recurring items \*
- -12% Net Result
- EPS excl. non-recurring items of € 0,96 (€ 0,85 in H1 22)
- EPS of € 0,75 (€ 0,85 in H1 22)
- Negative Net Financial Position of 10 million Euro

+ 25%

**NET REVENUES € 49,6 M**  
(+25% COMPARE TO H1 2022)

+13,2%

**EBITDA € 14 M**  
(28,3% MARGIN ON REVENUES)

+12,8\*

**NET RESULT € 9,2 M**  
(18,7% MARGIN ON REVENUES)  
\* 2023 non recurring TAX accrual

-€10  
Mio

**NEGATIVE NET FINANCIAL POSITION**



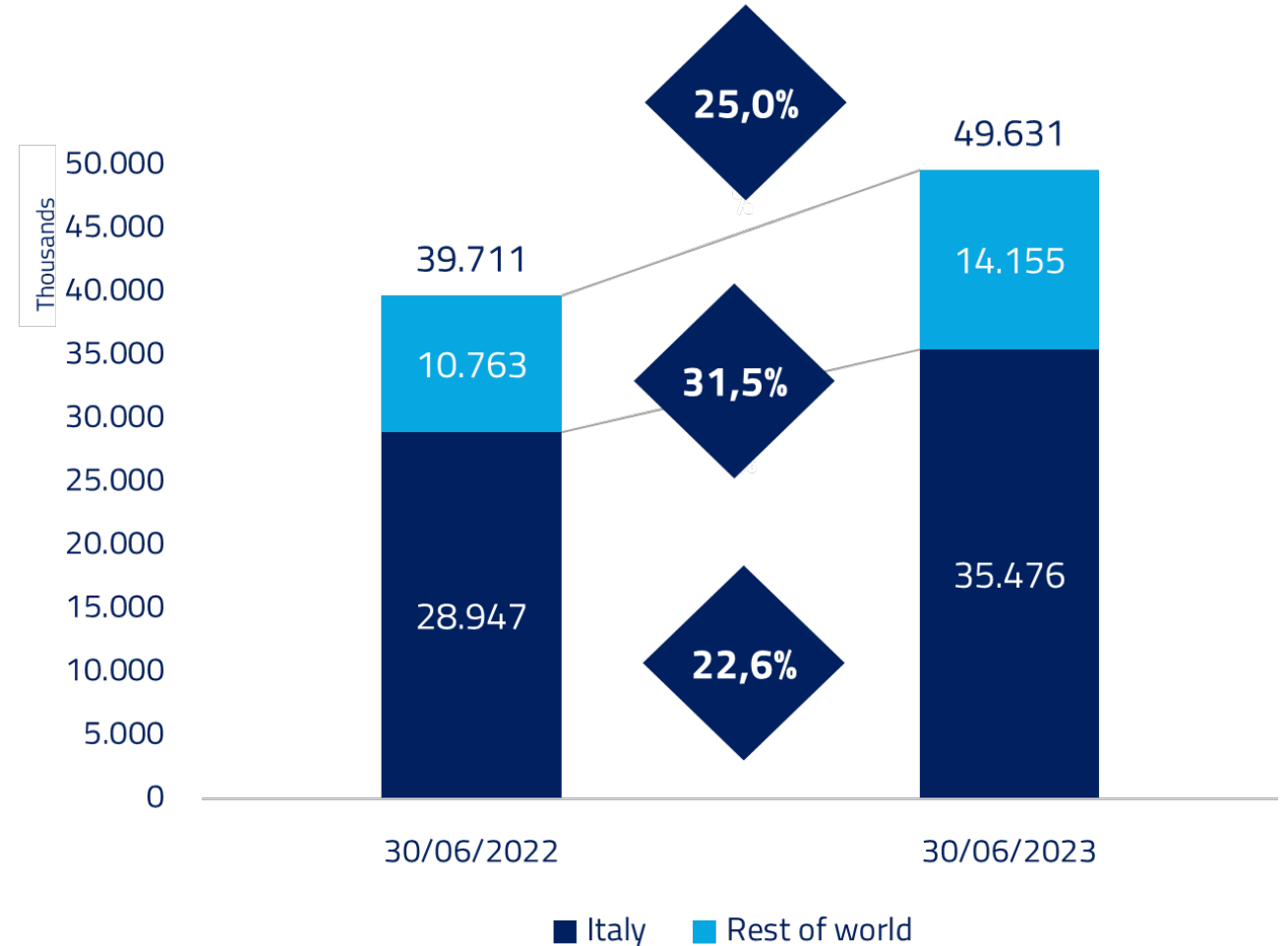
# P&L KPI PER NEW PROJECT

Amounts (€/000)	2023 PHN AS IS	NUTRITION	CINA	AKN	ESPANA	USA	2023 TOTAL GROUP	2022	Δ 2023 PHN AS IS/2022
Net Sales Revenues	46.698	84	153	2.691	6	0	49.632	39.711	<b>17,6%</b>
Operating expenses	32.139	743	237	1.634	298	528	35.578	27.296	<b>17,7%</b>
EBITDA	14.559	(658)	(84)	1.057	(292)	(528)	14.054	12.415	<b>17,3%</b>
<b>% on Net Revenues</b>	<b>31,2%</b>	<i>n.s</i>	<i>n.s</i>	<b>39,3%</b>	<i>n.s</i>	<i>n.s</i>	<b>28,3%</b>	<b>31,3%</b>	<b>-0,1%</b>
Net Result	8.131	(659)	(84)	664	(292)	(528)	7.232	8.232	<b>-1,2%</b>
Net Result excl. non-recurring Items	10.181	(659)	(84)	664	(292)	(528)	9.282	8.232	<b>23,7%</b>
EPS	0,84						0,75	0,85	<b>-1,1%</b>
EPS excl. non-recurring Items	1,05						0,96	0,85	<b>23,8%</b>

# NET REVENUES

Net revenues at 30.06.2023 accounted for € 49.6 million, recording a **growth of 25%** compared to the previous year. Revenues on domestic market grew by 22,6% while revenues on the foreign market recorded a growth of 31,5%.

Akern's net revenues accounted for € 2,7 million, about 5,4% on the total net revenues of the Group.



# PROFIT AND LOSS

PHN GROUP PROFIT AND LOSS (€/000)	30/06/2023	30/06/2022
<b>A) REVENUES</b>	<b>50.247</b>	<b>39.930</b>
Net Revenues	49.632	39.711
Other revenues	615	219
<b>B) OPERATING EXPENSES</b>	<b>36.193</b>	<b>27.515</b>
Cost of goods sold and logistics	8.967	6.883
SG&A expenses	23.465	18.054
Personnel expenses	3.296	2.309
Other operating expenses	465	269
<b>(A-B) EBITDA</b>	<b>14.054</b>	<b>12.415</b>
<i>EBITDA Margin on Revenues</i>	<b>28,0%</b>	<b>31,1%</b>
C) Amort., depr. and write offs	854	594
<b>(A-B-C) EBIT</b>	<b>13.200</b>	<b>11.821</b>
<b>D) NET FINANCIAL INCOME/(EXPENSES)</b>	<b>7</b>	<b>-</b>
Financial income	362	49
Financial expenses	(355)	(49)
<b>(A-B-C+D) EBT</b>	<b>13.207</b>	<b>11.821</b>
Current taxes	(5.975)	(3.589)
<b>NET RESULT</b>	<b>7.232</b>	<b>8.232</b>

## REVENUES

Consolidated revenues accounted for € 49,6 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 marketing investments realized for the implementation of the new projects to sustain the Group's trademarks. Moreover, operating expenses include investments to set-up the new businesses (USA, Cina, España, Cetilar® Nutrition) for a total amount of 1,8 million.

## TAXES

2023 Current taxes include the accrual of 2 million to the Tax provision based on the outcome of the analysis performed by AdE on the fiscal period 2017-2021.

Net Result excl. non recurring items (€/000)	30/06/2023	30/06/2022
<b>Net Result</b>	<b>7.232</b>	<b>8.232</b>
Tax provision accrual	2.050	-
<b>Net Result excl. non recurring items</b>	<b>9.282</b>	<b>8.232</b>

# RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	30/06/2023	31/12/2022	Δ 2023 vs 2022
Trade receivables	24.654	21.647	3.007
Inventories	7.338	5.261	2.077
Trade Payables	(16.267)	(16.882)	615
<b>Operating Working Capital</b>	<b>15.725</b>	<b>10.026</b>	<b>5.699</b>
Other receivables	6.959	4.958	2.001
Other Payables	(5.542)	(5.292)	(250)
<b>Net Working Capital</b>	<b>17.142</b>	<b>9.692</b>	<b>7.450</b>
Intangible assets	22.274	21.560	714
Tangible assets	25.156	17.055	8.101
Financial assets	3.150	1.310	1.840
<b>Total Fixed Assets</b>	<b>50.580</b>	<b>39.925</b>	<b>10.655</b>
Provisions and other L/T liabilities	(8.978)	(9.307)	329
<b>NET INVESTED CAPITAL</b>	<b>58.744</b>	<b>40.310</b>	<b>18.434</b>
<b>Net Equity</b>	<b>48.712</b>	<b>50.948</b>	<b>(2.236)</b>
Non current financial liabilities	22.037	14.110	7.927
Current financial liabilities	3.669	3.616	53
Non current financial assets	(291)	(1.503)	1.212
Current financial assets	(5.070)	(4.810)	(260)
Cash and cash equivalents	(10.313)	(22.051)	11.738
<b>Net Financial Position</b>	<b>10.032</b>	<b>(10.638)</b>	<b>20.670</b>
<b>TOTAL SOURCES</b>	<b>58.744</b>	<b>40.310</b>	<b>18.434</b>

## 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 purchase of tax receivables (current portion)

## Financial Assets

The increase is due to the purchase of tax receivables (long term portion)

## Tangible Assets

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

## Non current financial liabilities

The increase is due to the loan obtained from BPM to cover the investment costs of 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

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.

## CASH FROM INVESTING ACTIVITIES

### Capex

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

### Other non current asset

The increase is the result of the purchase of tax receivables and the collection of the TFM insurance policy

## CASH FROM FINANCING ACTIVITIES

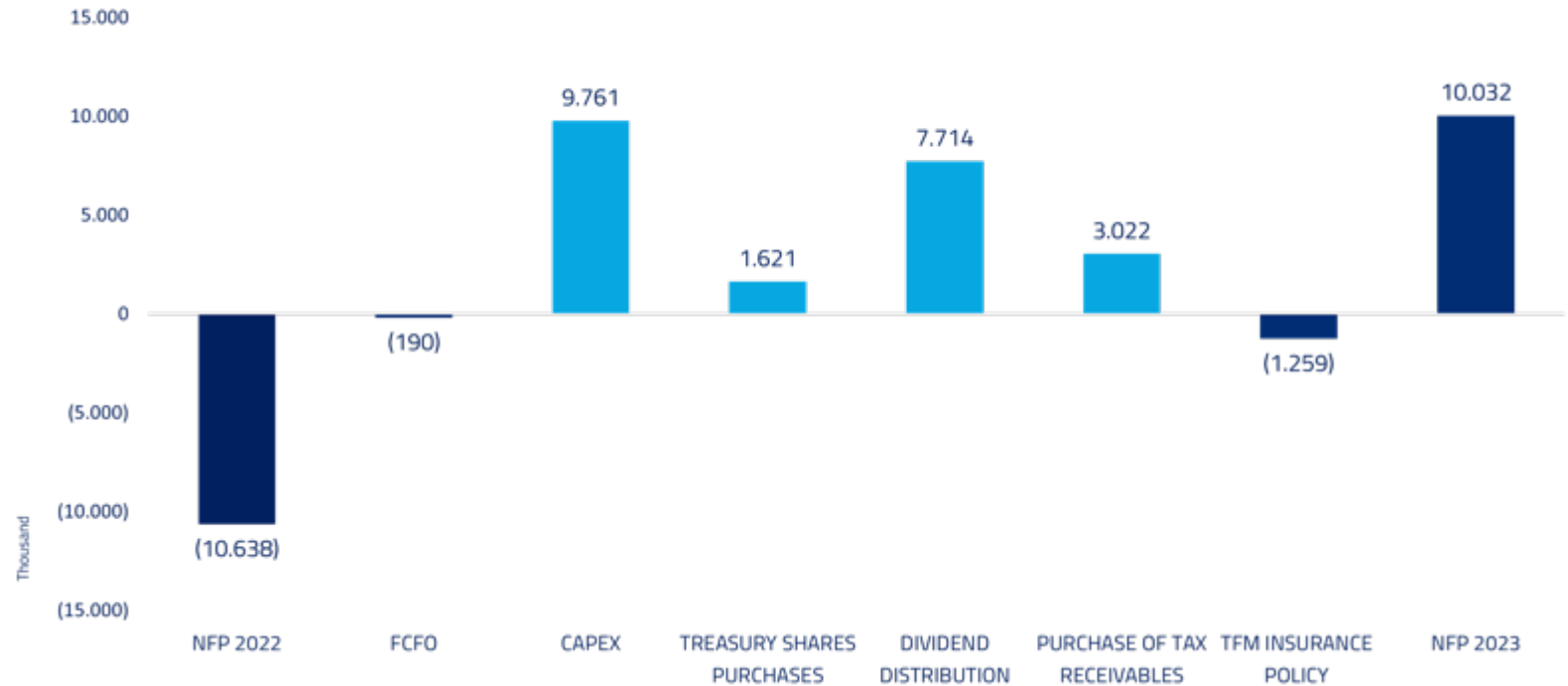
The changes in financing activities are mainly due to the distribution of dividends, purchases of treasury shares and new bank loans.

Cash Flow (€/000)	30/06/2023	30/06/2022
<b>Net Result</b>	<b>7.232</b>	<b>8.232</b>
<b>NON MONETARY EXPENSES</b>		
Amortization, depreciation and w.o.	854	594
Accrual for employees benefits	410	384
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
Changes in operating working capital	(5.821)	(4.113)
Changes in other assets/liabilities	(2.485)	649
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>190</b>	<b>5.746</b>
Capex	(9.550)	(5.339)
Net Financial Investments	0	0
Changes in other non current assets	(581)	(348)
<b>CASH FROM INVESTING ACTIVITIES</b>	<b>(10.131)</b>	<b>(5.687)</b>
Dividend paid	(7.714)	(6.873)
Treasury shares purchases	(1.621)	(2.159)
Changes in financial liabilities	7.981	5.413
Changes in financial assets	(310)	(250)
Other changes	(133)	18
<b>CASH FROM FINANCING ACTIVITIES</b>	<b>(1.797)</b>	<b>(3.851)</b>
<b>CHANGES IN LIQUIDITY</b>	<b>(11.738)</b>	<b>(3.792)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>22.051</b>	<b>29.409</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>10.313</b>	<b>25.617</b>

# NET FINANCIAL POSITION

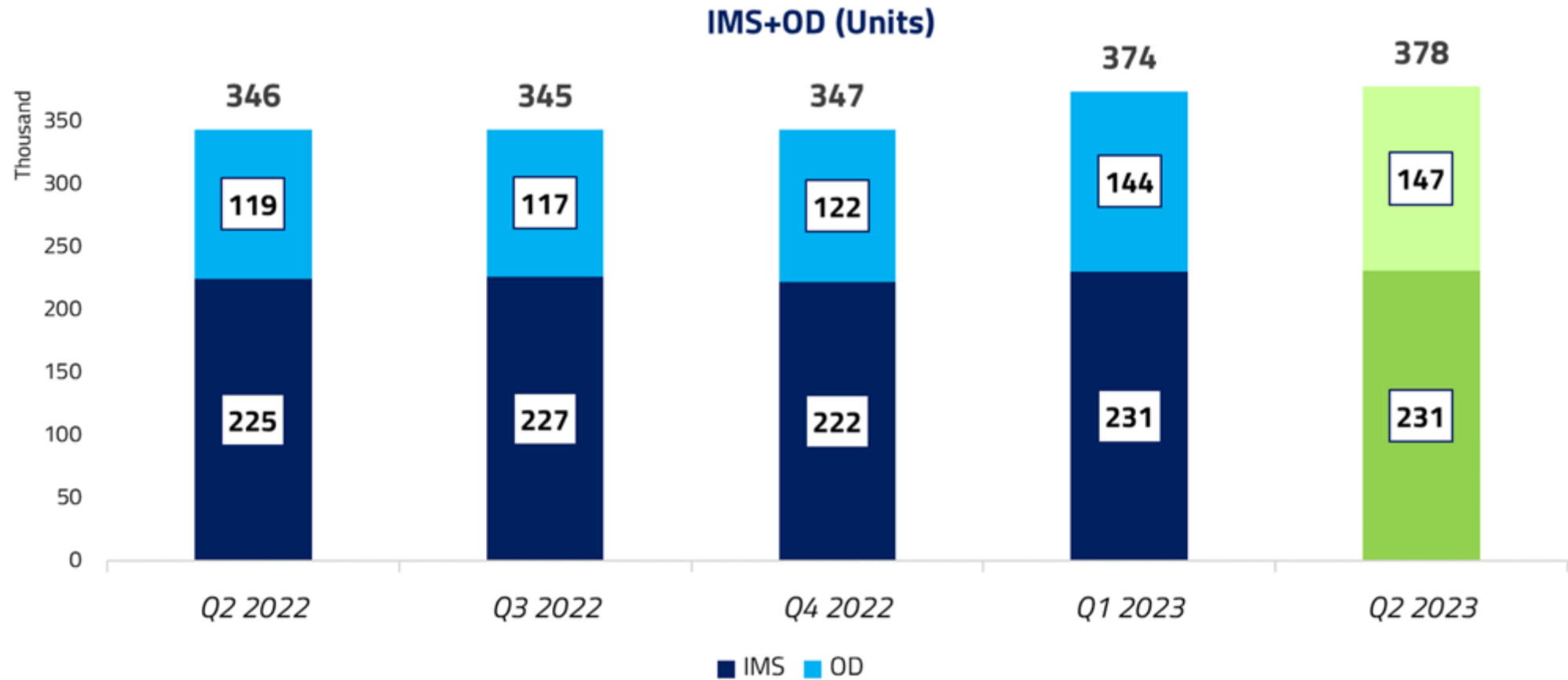
## NFP

The negative Net Financial Position at 30.06.2023 accounted for € 10 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 (€ 9,7 million), to the purchases of treasury shares (€ 1,6 million), to the dividend distribution (€ 7,7 million) and to the purchase of tax receivables (€ 3 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



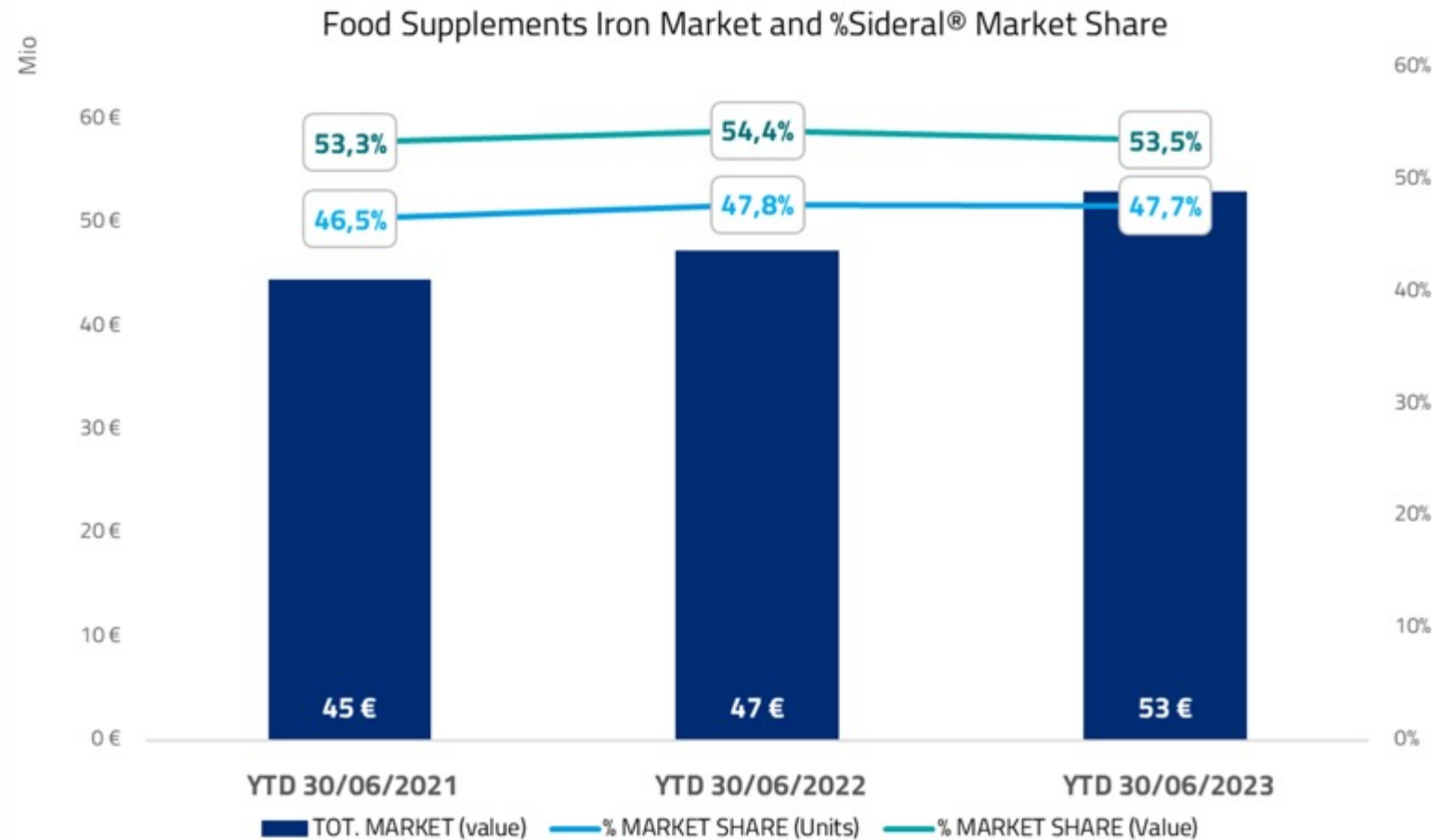
Quarterly Average



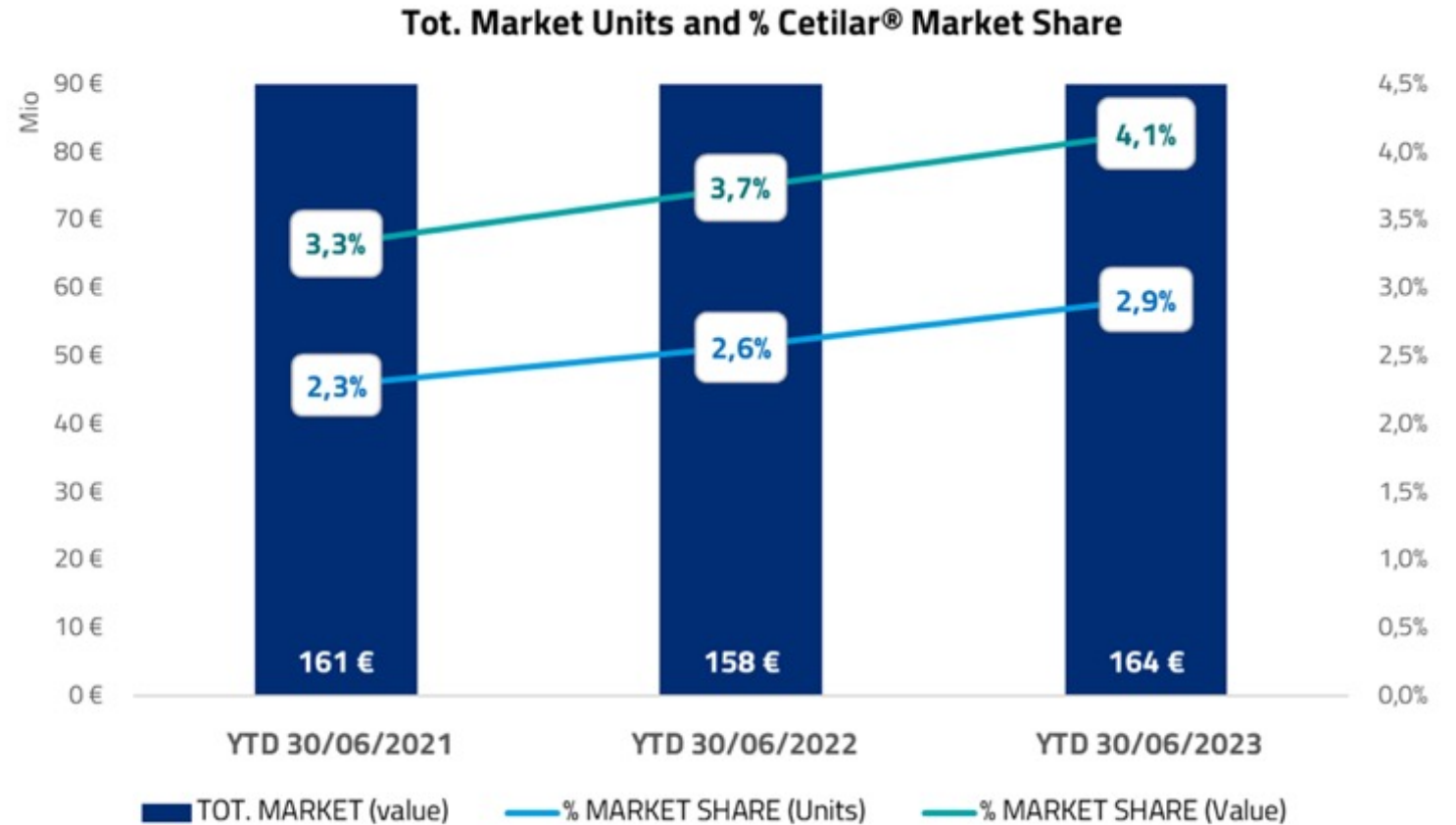
# IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY

*Excluding products that contain only lactoferrin*

Source IQVIA

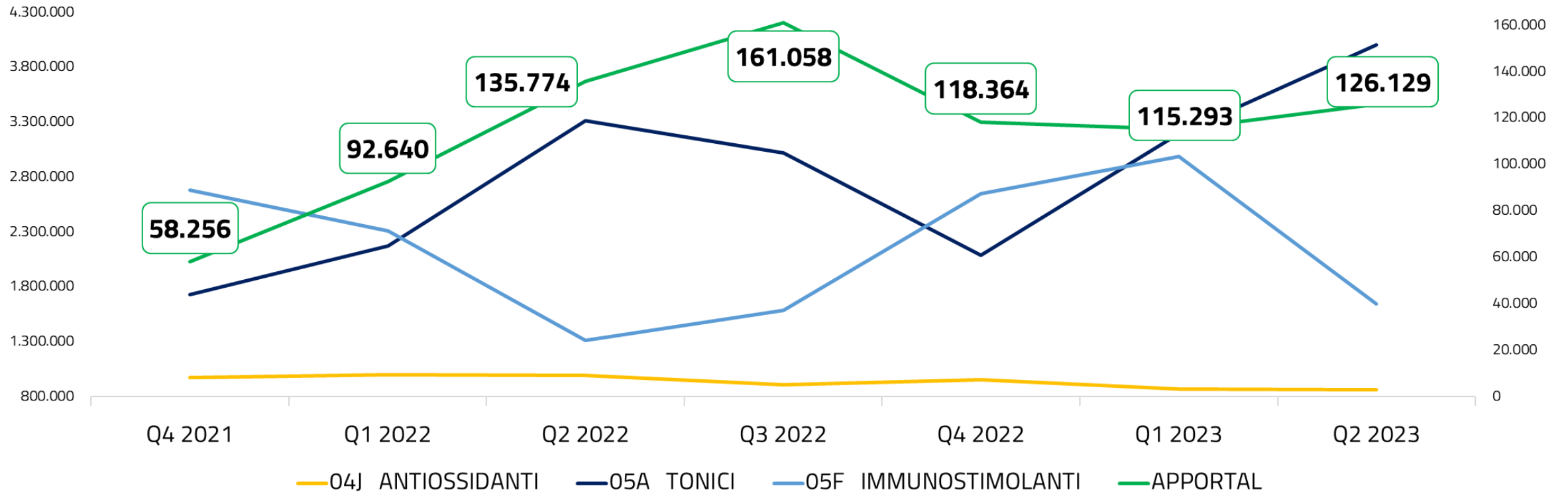


# ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY



Source IQVIA

# APPORTAL® COMPARED TO THE REFERENCE MARKETS



Source IQVIA

# INTERNATIONAL DEVELOPMENT

New distribution contracts signed: **Mexico, Indonesia, Kuwait, Benelux, Chile and Uruguay and Central America**



## COUNTRIES



## PARTNERS

	COUNTRIES	PARTNERS
<b>Contracts</b>	<b>85</b>	<b>50</b>
Active Sales	58	42
On-going Registration	27	8
<b>On-going Negotiation</b>	<b>4</b>	<b>5</b>

# OUTLOOK 2023

# OUTLOOK 2023

- The **Group's existing business** foresees a **high double-digit organic growth** trend in terms of revenues driven from sales on foreign markets. EBITDA is estimated in line with 2022 (29%).
- **Investments related to the new projects** (Cetilar Nutrition, PHN ESP, PHN USA and China) are estimated to Euro 5 million of which Euro 3 million related to marketing activities. No material revenues forecasted for 2023.
- **Pharmanutra España:** we are completing some regulatory activities to obtain the authorization to sell. It has been developed the CRM software for the sale force (8 people), defined the intercompany distribution agreement and signed the agreement for logistic and distribution activities,
- **Pharmanutra Usa:** 8 sales account executives have been hired and the first delivery of products has been executed. Almost finalized the design of the web site and the e-commerce platform.
- **Akern's:** growth of revenues and margins in line with budget. In progress the implementation of the Group's ERP
- Finalization of the definition for all open fiscal year with Italian tax authorities and beginning of the procedure to adhere at the cooperative compliance procedure.



