



Q3_2023 FINANCIAL RESULTS

November 6th, 2023

HIGHLIGHTS Q3 2023

HIGHLIGHTS 3Q 2023

- Net revenues (+18,5% compared to 3Q 2022) and EBITDA margin on net revenues in line with expectations (26,6%). Solid EBITDA margin from recurring business in line with 3Q 2022 (30%).
- Operating expenses related to the new business amounting to Euro 3 million.
- 2 Country Managers and 8 sales executives hired by PHN USA.
- Definition of the fiscal years from 2017 through 2022 with AdE for a total amount of Euro 3,5 million.
- Completion of the new Group's headquarter.



ECONOMIC AND FINANCIAL DATA

HIGHLIGHTS Q3 2023

- 18,5% Increase in Net Sales Revenues
- EBITDA in line compared to Q3 2022 despite operating investments related to new business of about Euro 3 million
- 26,4% EBITDA Margin on Revenues. Ebitda margin related to the recurring business 30,5% on net revenues
- Net Result Euro 9,7 million
- Net Result excl. non-recurring items* € 11,7 million
- EPS of € 1,01 (€ 1,33 in Q3 22)
- EPS excl. non-recurring items of € 1,21 (€ 1,33 in Q3 22)
- Negative Net Financial Position of 10 million Euro

+ 18,5%

NET REVENUES € 71,4 M

26,4%

EBITDA MARGIN ON REVENUES
19M € (-0,3% COMPARE TO 30/9/22)

16,3%*

NET RESULT* MARGIN ON REVENUES
* excl. 2023 non recurring items (TAX accrual)

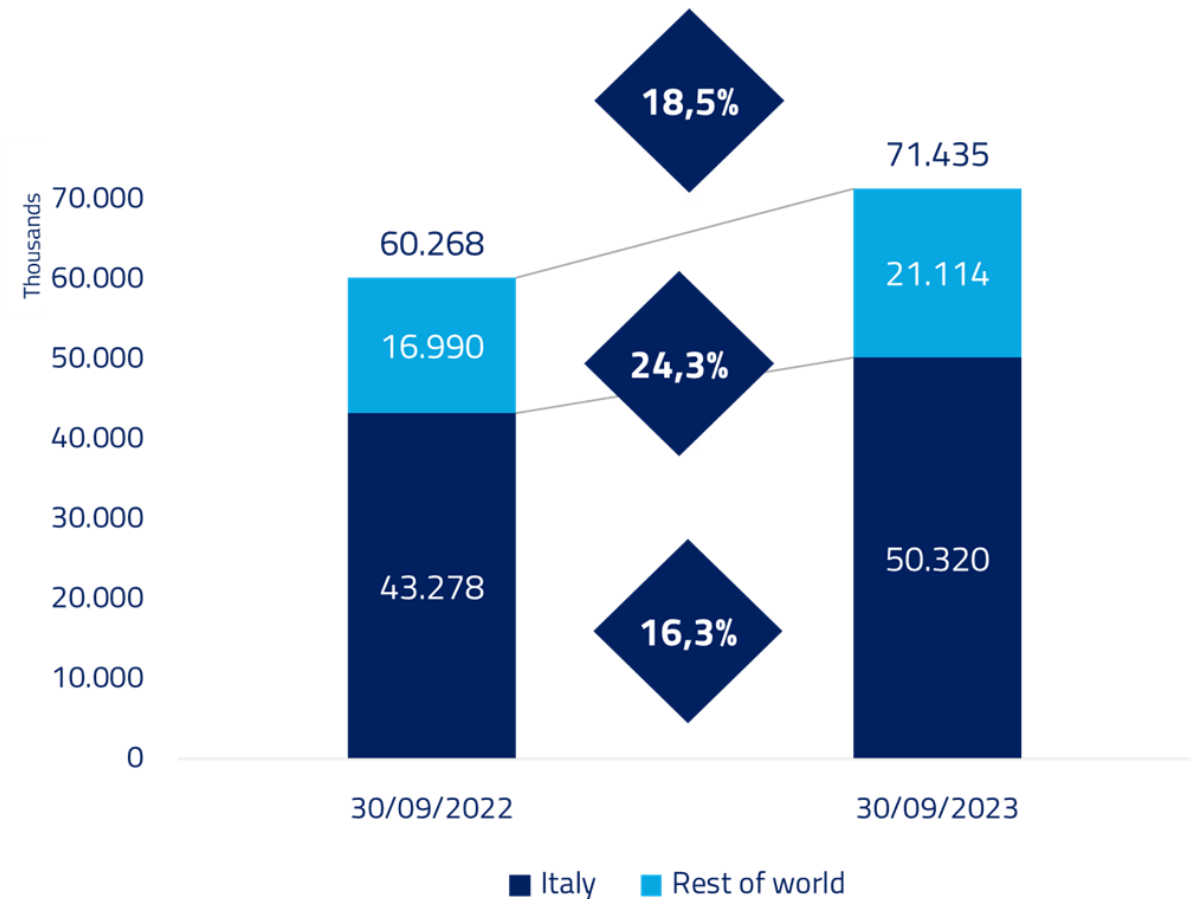
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NEGATIVE NET FINANCIAL POSITION

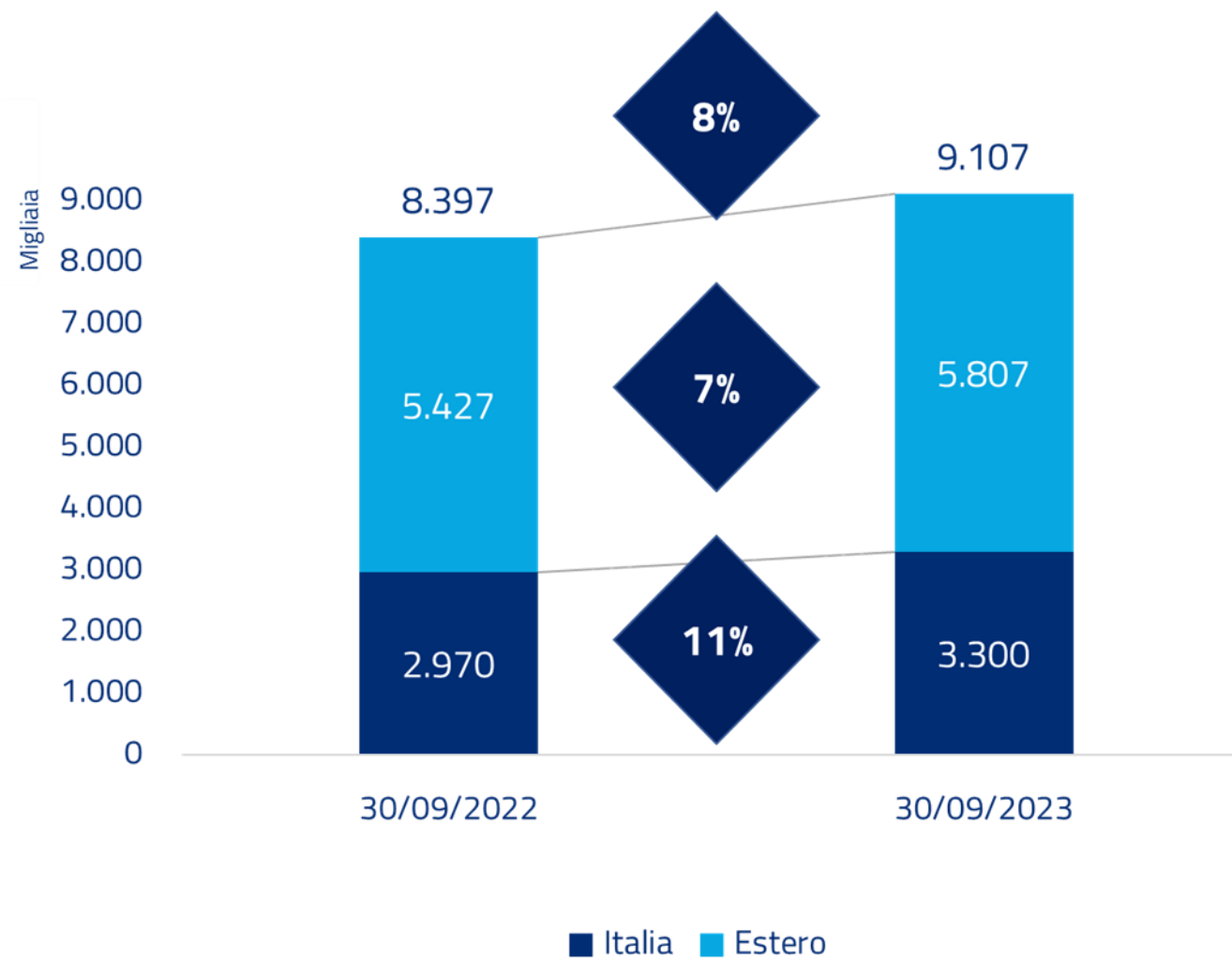
NET REVENUES

Net revenues at 30.09.2023 accounted for € 71.4 million, recording a **growth of 18,5%** compared to the previous year. Revenues on domestic market grew by 16,3% while revenues on the foreign market recorded a growth of 24,3%.

Akern's net revenues accounted for € 3,6 million, about 5% on the total net revenues of the Group.

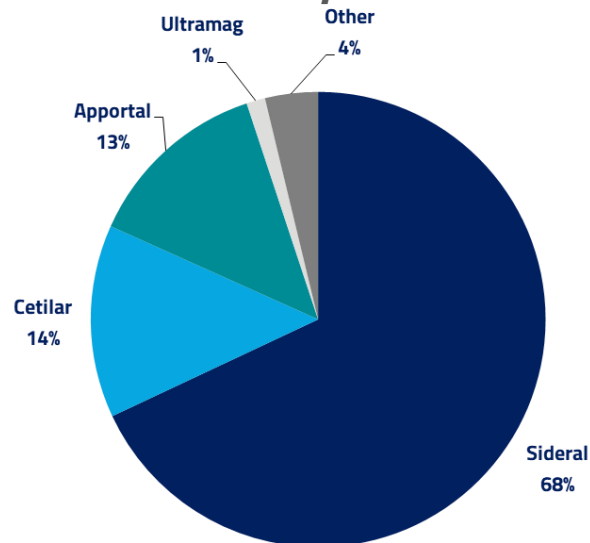


UNITS SOLD

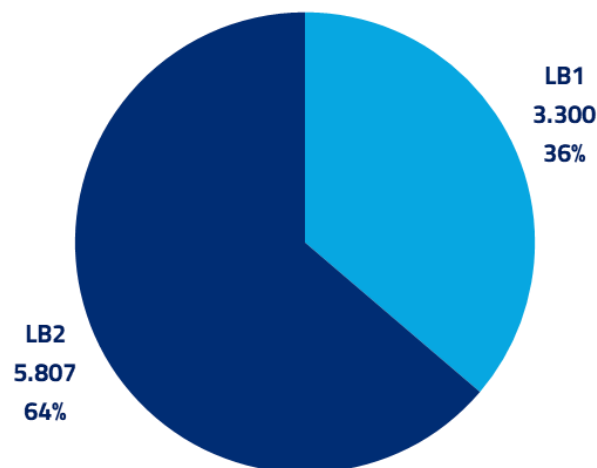


FINISHED PRODUCTS UNITS SOLD BY TRADEMARK (Units)

Breakdown by Trademark



Breakdown by Line of Business



F. P. Units Sold breakdown by Trademark

Units/000	F. P. Units Sold			Incidence %	
	2023	2022	Δ%	2023	2022
Sideral	7.615	7.034	8,3%	84%	84%
Cetilar	761	633	20,2%	8%	8%
Apportal	431	438	-1,4%	5%	5%
Ultramag	105	82	28,2%	1%	1%
Other	194	211	-8,0%	2%	3%
Total	9.107	8.397	8,4%	100%	100%

2023 F. P. Units Sold breakdown by TD and LB

Units/000	2023 F. P. Units Sold			Incidence %		
	LB1	LB2	TOTAL	%LB1	%LB2	%TOTAL
Sideral	2.026	5.590	7.615	61%	96%	84%
Cetilar	572	189	761	17%	3%	8%
Apportal	431	0	431	13%	0%	5%
Ultramag	77	28	105	2%	0%	1%
Other	194	0	194	6%	0%	2%
Total	3.300	5.807	9.107	100%	100%	100%

PROFIT AND LOSS

PHN GROUP PROFIT AND LOSS (€/000)	30/09/2023	30/09/2022
A) REVENUES	72.190	60.542
Net Revenues	71.434	60.270
Other revenues	756	272
B) OPERATING EXPENSES	53.160	41.447
Cost of goods sold and logistics	13.009	10.107
SG&A expenses	34.887	27.398
Personnel expenses	4.662	3.498
Other operating expenses	602	444
(A-B) EBITDA	19.030	19.095
<i>EBITDA Margin on Revenues</i>	<i>26,4%</i>	<i>31,5%</i>
C) Amort., depr. and write offs	1.265	973
(A-B-C) EBIT	17.765	18.122
D) NET FINANCIAL INCOME/(EXPENSES)	(69)	338
Financial income	557	466
Financial expenses	(626)	(128)
(A-B-C+D) EBT	17.696	18.460
Current taxes	(5.915)	(5.594)
Previous years taxes	(2.050)	-
Minority Interest Net Result	-	(27)
NET RESULT	9.731	12.839

REVENUES

Consolidated revenues accounted for € 71,4 million with an increase of 18,5% compared to the same period of the previous year. The increase is driven mainly from the growth in sales volume (+€ 7,0 million).

OPERATING EXPENSES

Increase in operating expenses is due to the higher sales volume, to Akern's consolidation and to the marketing investments realized to sustain the Group's trademarks.

Moreover, operating expenses include investments to set-up of the new businesses (USA, Cina, España, Cetilar® Nutrition) for a total amount of 3,0 million represented by personnel, commercial and administrative consultancies and marketing expenses.

TAXES

2023 Previous years taxes represents the accrual of 2 million to the Tax provision based on the definition with AdE for the fiscal years 2017-2021.

Net Result excl. non recurring items (€/000)	30/09/2023	30/09/2022
Net Result	9.731	12.839
Tax provision accrual	2.050	-
Net Result excl. non recurring items	11.781	12.839

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	30/09/2023	31/12/2022	Δ 2023 vs 2022
Trade receivables	24.576	21.647	2.929
Inventories	7.839	5.261	2.578
Trade Payables	(15.208)	(16.882)	1.674
Operating Working Capital	17.207	10.026	7.181
Other receivables	6.679	4.958	1.721
Other Payables	(7.427)	(5.292)	(2.135)
Net Working Capital	16.459	9.692	6.767
Intangible assets	22.596	21.560	1.036
Tangible assets	27.015	17.055	9.960
Financial assets	3.556	1.310	2.246
Total Fixed Assets	53.167	39.925	13.242
Provisions and other L/T liabilities	(8.456)	(9.307)	851
NET INVESTED CAPITAL	61.170	40.310	20.860
Net Equity	51.267	50.948	319
Non current financial liabilities	21.006	14.110	6.896
Current financial liabilities	3.894	3.616	278
Non current financial assets	(277)	(1.503)	1.226
Current financial assets	(5.145)	(4.810)	(335)
Cash and cash equivalents	(9.575)	(22.051)	12.476
Net Financial Position	9.903	(10.638)	20.541
TOTAL SOURCES	61.170	40.310	20.860

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 receivables is due to the accounting of deferred costs related to marketing activities and to the purchase of tax receivables (current portion)
The increase in other payables refers to the accounting of the current taxes related to the period.

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 finance the investment related to the construction 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

Change in Other asset/liabilities is due to the accrual to the tax provision and to the current taxes net of deferred expenses related to marketing activities and the payment of deferred compensation to the BoD.

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 due to the purchase of tax receivables and the collection of the TFM insurance policy

CASH FROM FINANCING ACTIVITIES

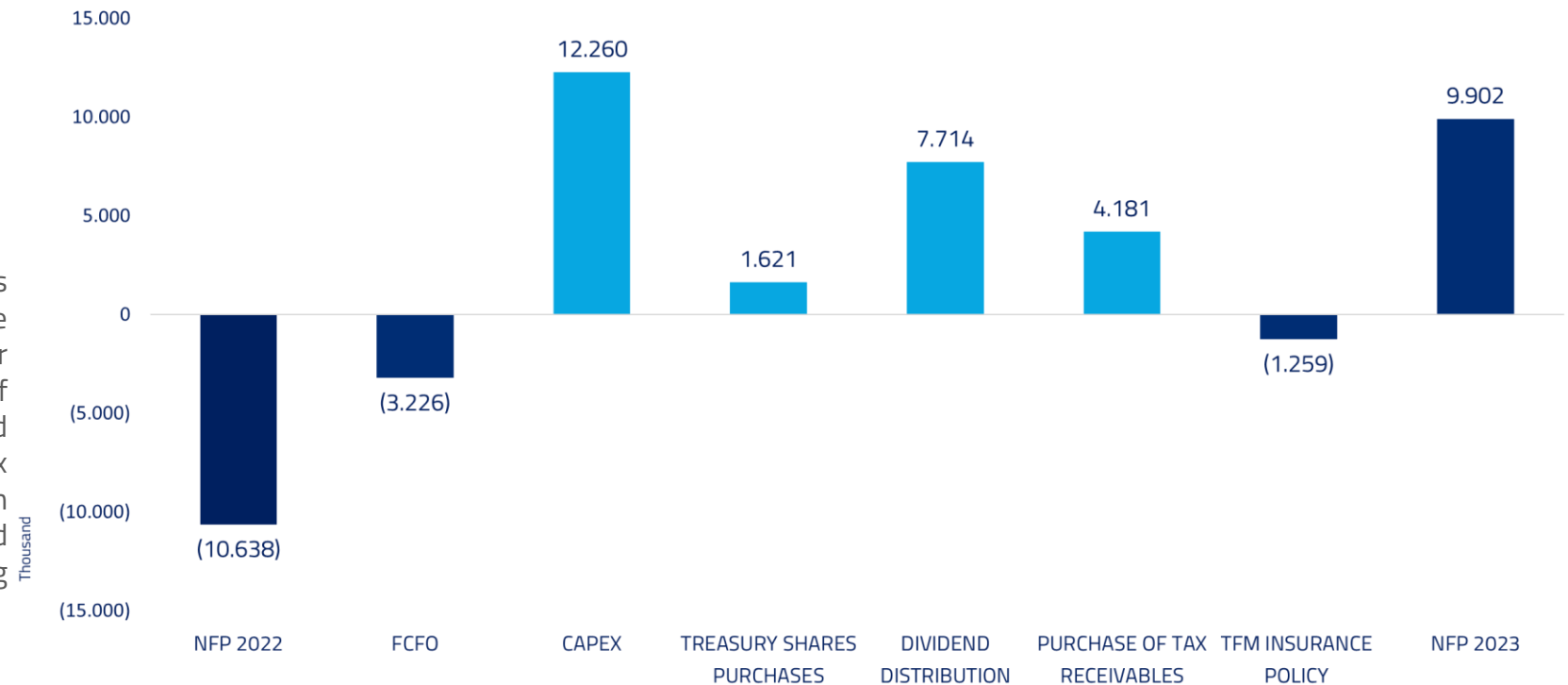
The changes in financing activities are mainly due to the distribution of dividends, purchases of treasury shares and new bank loans.

Cash Flow (€/000)	30/09/2023	30/09/2022
Net Result	9.731	12.839
NON MONETARY EXPENSES		
Amortization, depreciation and w.o.	1.265	973
Accrual for employees benefits	653	575
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in operating working capital	(7.325)	(6.824)
Changes in other assets/liabilities	(1.098)	1.162
CASH FROM OPERATING ACTIVITIES	3.226	8.725
Capex	(12.110)	(20.933)
Net Financial Investments	0	250
Changes in other non current assets	(987)	(418)
CASH FROM INVESTING ACTIVITIES	(13.097)	(21.101)
Dividend paid	(7.714)	(6.852)
Treasury shares purchases	(1.621)	(2.159)
Changes in financial liabilities	7.930	11.821
Changes in financial assets	(1.123)	(151)
Other changes	(77)	151
CASH FROM FINANCING ACTIVITIES	(2.605)	2.810
CHANGES IN LIQUIDITY	(12.476)	(9.566)
Cash and cash equivalents at the beginning of the period	22.051	29.409
Cash and cash equivalents at the end of the period	9.575	19.843

NET FINANCIAL POSITION

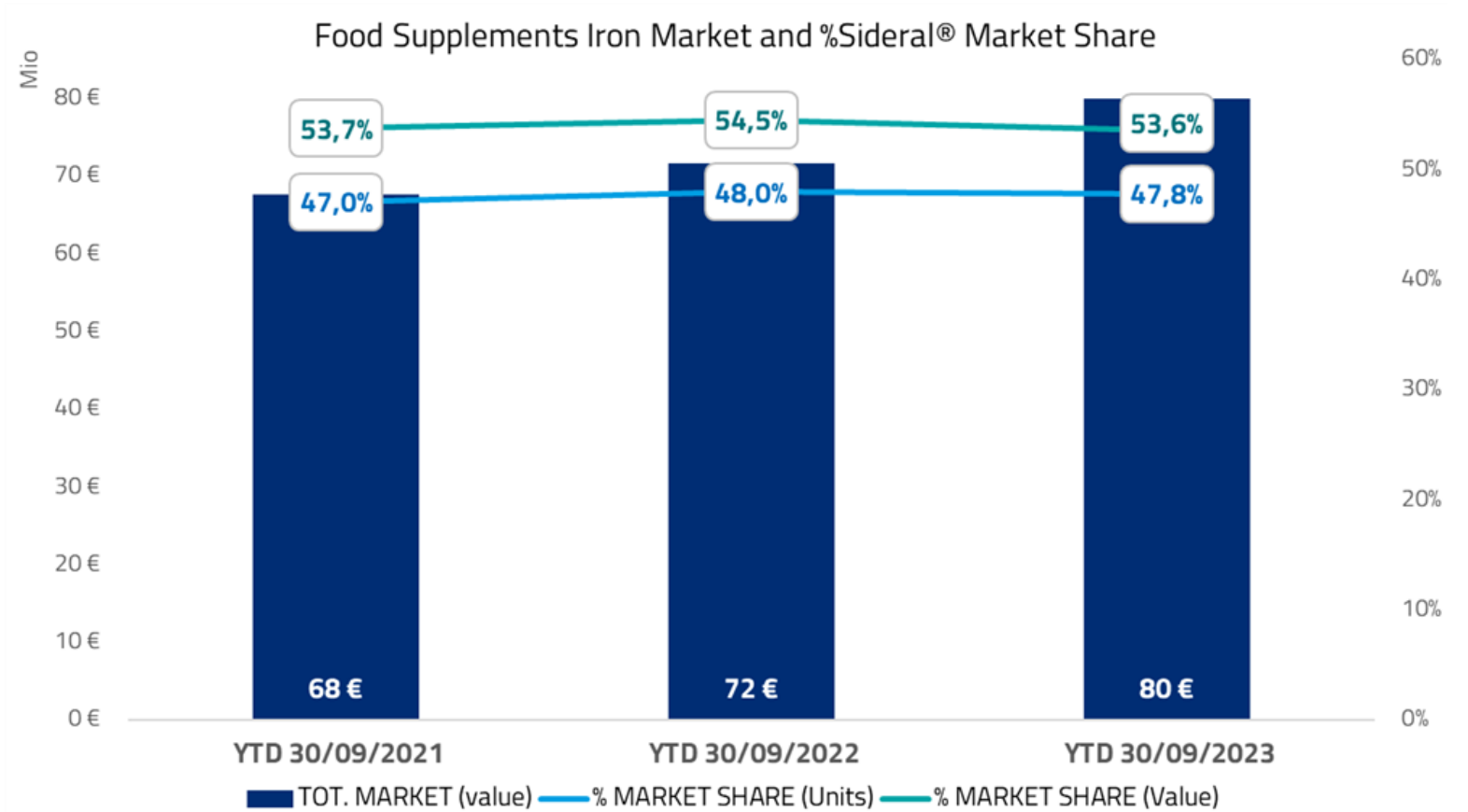
NFP

The decrease in NFP compared to 31.12.2022 is mainly due to capital expenditures related to the construction of the new Headquarter and other operating capex (€ 12,3 million), to the purchases of treasury shares (€ 1,6 million), to the dividend distribution (€ 7,7 million) and to the purchase of tax receivables (€ 4,2 million). The cash flow from operations is affected by the accounting of deferred costs and by the implementation of purchasing strategies on inventories.



MARKET

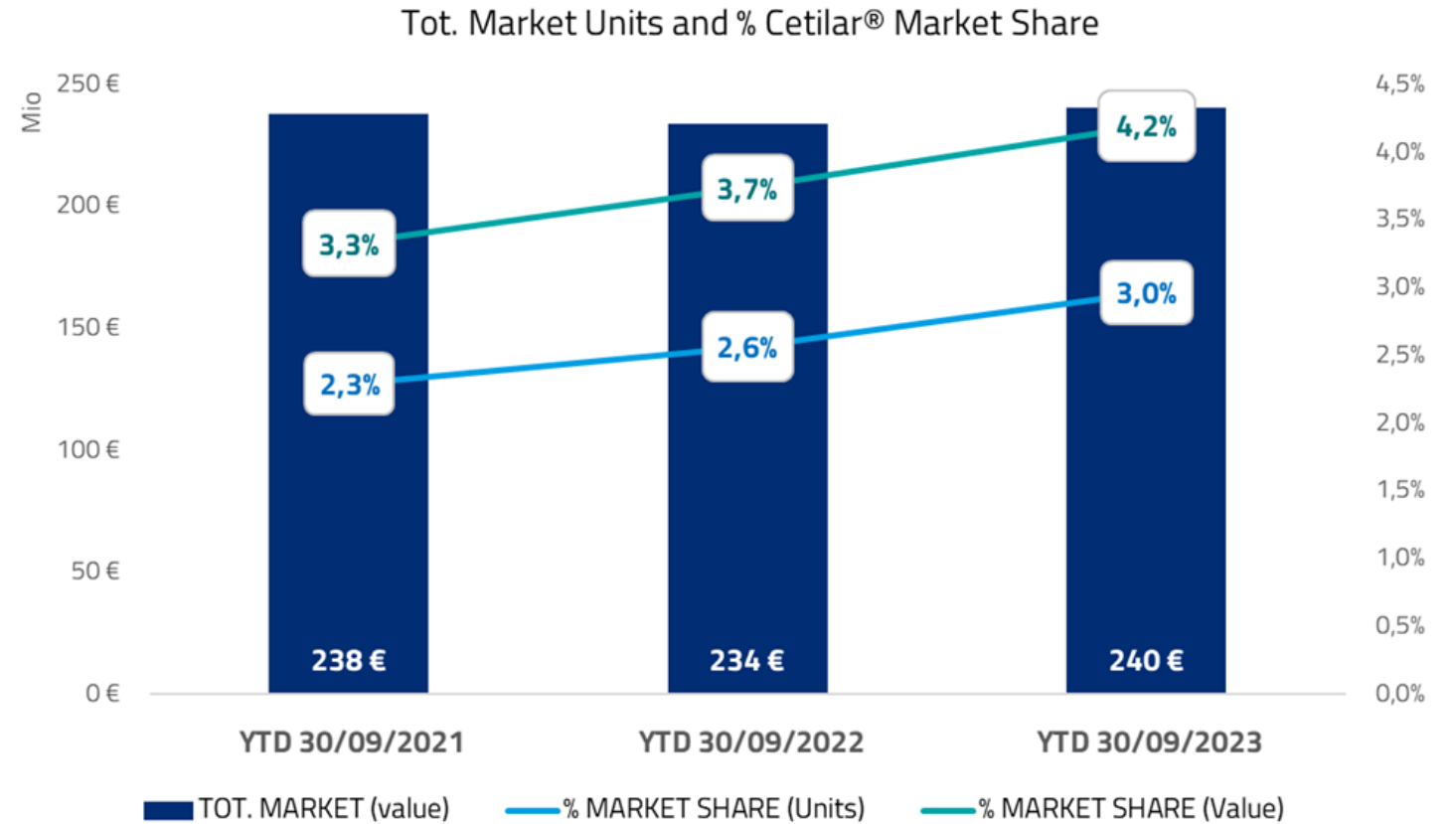
IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY



Excluding products that contain only lactoferrin

Source IQVIA

ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY



Source IQVIA

INTERNATIONAL DEVELOPMENT



COUNTRIES



PARTNERS

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

OUTLOOK 2023

OUTLOOK 2023

- The **Group's recurring 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 (around 29%).
- **Investments related to the new projects** (Cetilar Nutrition, PHN ESP, PHN USA and China) are estimated to Euro 5 million and are represented from commercial and recruiting expenses, consultancies, marketing and personnel expenses. No material revenues forecasted for 2023.
- **Pharmanutra España:** 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:** 2 regional manager and 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





 PHARMANUTRA
25 YEARS ANNIVERSARY