



# PHARMANUTRA GROUP FY\_2023 FINANCIAL RESULTS

March 15th, 2024

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# HIGHLIGHTS 2023

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- Net Revenues € 100 Million reached in the year of 20th anniversary since establishment.
- Launch of the new line of products dedicated to sports nutrition: Cetilar® Nutrition. Set-up of Pharmanutra USA and establishment of Pharmanutra España.
- Completion of the new Group's headquarter for a total area of 5.300 m<sup>2</sup>, of which 2.200 m<sup>2</sup> dedicated to production, 1.600 m<sup>2</sup> for offices and 1.500 m<sup>2</sup> dedicated to complementary services. The investment amounts to € 24 million net of a tax benefit of € 1,3 million (Industry 4.0) related to machinery and equipments installed that will be splitted over the useful life of the fixed assets to which it refers.



# HIGHLIGHTS FY 2023

- Secured long term loan amounting to € 12M obtained by BPM to finance the new headquarters construction.
- Signing of 8 new Distribution Agreements for the distribution of products from the SiderAL® and Cetilar® lines in Asia, South America, Central America and Europe.
- Definition with the Revenue Agency (AdE) for the fiscal year 2016 and for the fiscal years 2017-2021, essential requirements to join the cooperative compliance institution.
- Definition with Revenue Agency of the “old Patent Box” tax regime for Apportal® and Ultramag®. The tax asset amounts to € 0,4 million.



# ECONOMIC AND FINANCIAL DATA

# HIGHLIGHTS FY 2023

- **21,1%** Increase in **Net Sales Revenues**
- **Investments related to new businesses** for **€ 4,6M** have limited the **EBITDA** increase to **8,7%**.
- **26,4% EBITDA margin** on net revenues. EBITDA margin related to the **recurring business 30,4%** (29,4% in 2022) on net revenues.
- **Net Result € 12,8 M** (€ 15,1 M in 2022). **Net Result excl. non-recurring items € 15,5 M** (+2,7% compared to 2022).
- **EPS of € 1,33** (€ 1,56 in 2022). **EPS excl. non-recurring items of € 1,60** (€ 1,56 in 2022).
- Negative **Net Financial Position** of 2,6 million Euro
- Proposed Dividend of **€ 0,85** per share (+6,3% compared to 2022).

+ 21,1%

**NET REVENUES € 100 M**

+ 8,7%

**EBITDA € 26,5 M**  
**(+8,7% COMPARED TO € 24,4 IN 2022)**

15,2%\*

**NET RESULT\* MARGIN ON REVENUES**  
\* excl. 2023 non-recurring items (definition with AdE for the FY 2017-2021)

€ 0,85

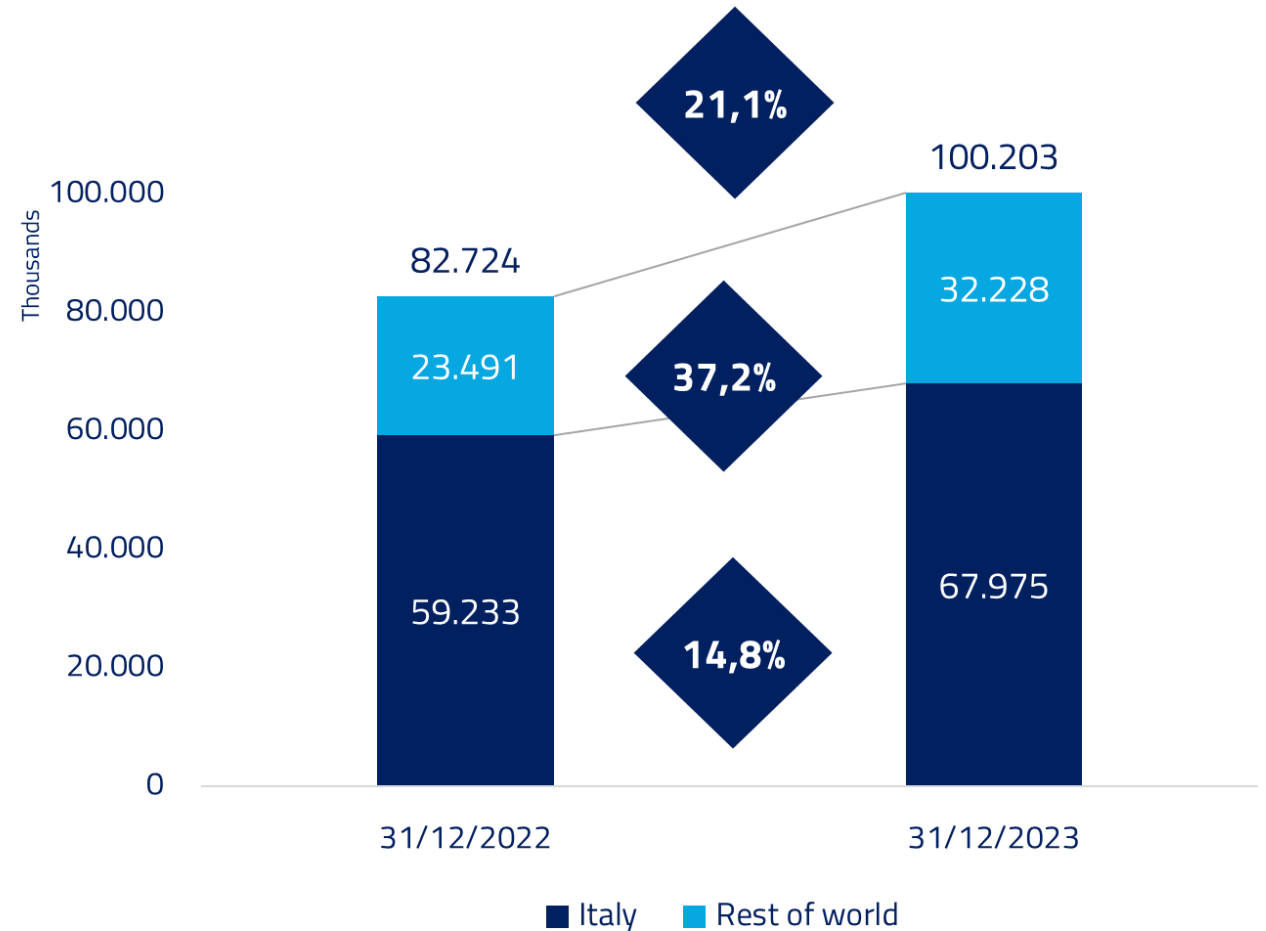
**PROPOSED DPS (€ 0,80 IN 2022)**

# NET REVENUES

Net revenues at 31.12.2023 accounted for **€ 100.2 million**, recording an historic milestone with **a growth of 21,1%** compared to the previous year.

Revenues on **domestic market grew by 14,8%** while revenues on the **foreign market recorded a growth of 37,2%**.

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





# NET REVENUES GROWTH



# PROFIT AND LOSS

PHN GROUP PROFIT AND LOSS (€/000)	31/12/2023	31/12/2022
<b>A) REVENUES</b>	<b>101.963</b>	<b>83.394</b>
Net Revenues	100.202	82.724
Other revenues	1.761	670
<b>B) OPERATING EXPENSES</b>	<b>75.479</b>	<b>59.035</b>
Cost of goods sold and logistics	19.803	15.146
SG&A expenses	48.022	38.081
Personnel expenses	6.807	5.101
Other operating expenses	847	707
<b>(A-B) EBITDA</b>	<b>26.484</b>	<b>24.359</b>
<i>EBITDA Margin on Revenues</i>	<b>26,0%</b>	<b>29,2%</b>
C) Amort., depr. and write offs	3.124	1.319
<b>(A-B-C) EBIT</b>	<b>23.360</b>	<b>23.040</b>
<b>D) NET FINANCIAL INCOME/(EXPENSES)</b>	<b>(100)</b>	<b>378</b>
Financial income	905	528
Financial expenses	(1.005)	(150)
<b>(A-B-C+D) EBT</b>	<b>23.260</b>	<b>23.418</b>
Current taxes	(7.806)	(8.370)
Previous years taxes	(2.622)	-
<b>NET RESULT</b>	<b>12.832</b>	<b>15.048</b>



## REVENUES

Consolidated revenues accounted for € 100 million with an increase of 21% compared to the previous year. The increase is the result of higher sales volume (+€ 12,5 million). The remaining part of the increase is due to the consolidation of Akern which was consolidated from July 1<sup>st</sup> in 2022.

## OPERATING EXPENSES

Increase in operating expenses is due to the higher sales volume, to the investments to set-up of the new businesses (USA, China, España, Cetilar® Nutrition) represented by personnel, commercial and administrative consultancies and marketing expenses, and to the marketing investments realized to sustain the Group's trademarks.

## TAXES

2023 Taxes include the definition with AdE for the fiscal years 2017-2021 and taxes referred to 2022 for a total amount of € 2,6 million.

Net Result excl. non recurring items (€/000)	31/12/2023	31/12/2022
<b>Net Result</b>	<b>12.832</b>	<b>15.048</b>
Definition of the fiscal years from 2017 to 2022	2.622	-
<b>t excl. non recurring items</b>	<b>15.454</b>	<b>15.048</b>

# RECLASSIFIED CONSOLIDATED BALANCE SHEET

Amounts in €/000	31/12/2023	31/12/2022	Δ 2023 vs 2022
Trade receivables	19.219	21.647	-2.428
Inventories	8.166	5.261	2.905
Trade Payables	(16.097)	(16.882)	785
<b>Operating Working Capital</b>	<b>11.288</b>	<b>10.026</b>	<b>1.262</b>
Other receivables	6.194	4.967	1.227
Other Payables	(6.966)	(5.292)	(1.674)
<b>Net Working Capital</b>	<b>10.516</b>	<b>9.701</b>	<b>815</b>
Intangible assets	22.542	21.560	982
Tangible assets	26.352	17.055	9.297
Financial assets	4.574	1.310	3.264
<b>Total Fixed Assets</b>	<b>53.468</b>	<b>39.925</b>	<b>13.543</b>
Provisions and other L/T liabilities	(6.958)	(9.307)	2.349
<b>NET INVESTED CAPITAL</b>	<b>57.026</b>	<b>40.319</b>	<b>16.707</b>
<b>Net Equity</b>	<b>54.407</b>	<b>50.948</b>	<b>3.459</b>
Non current financial liabilities	23.430	14.110	9.320
Current financial liabilities	4.585	3.616	969
Non current financial assets	(293)	(1.503)	1.210
Current financial assets	(6.178)	(4.801)	(1.377)
Cash and cash equivalents	(18.925)	(22.051)	3.126
<b>Net Financial Position</b>	<b>2.619</b>	<b>(10.629)</b>	<b>13.248</b>
<b>TOTAL SOURCES</b>	<b>57.026</b>	<b>40.319</b>	<b>16.707</b>

## Operating Working Capital

The increase in inventories refers to the implementation of purchasing strategies.

## Other Receivables/Other Payables

The increase in other receivables is due 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.

## Tangible Assets

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

## Financial Assets

The increase is due to the purchase of tax receivables (long term portion) and to the accounting of the «*Industria 4.0*» tax credit.

## Provisions and other L/T liabilities

The decrease refers to the payment of the provisions for Directors' severance indemnity and variable compensation and the utilization the Tax provision accrued in 2022.

## 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 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 decrease refers to the use of the provisions for Directors' severance indemnity and variable compensation and the use of the tax provision.

## CASH FROM INVESTING ACTIVITIES

### Capex

The Capex of the years 2022 and 2023 refer mainly to the costs for the construction of the new headquarter and to other operating capex during the periods.

### Other non current assets

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 loan.

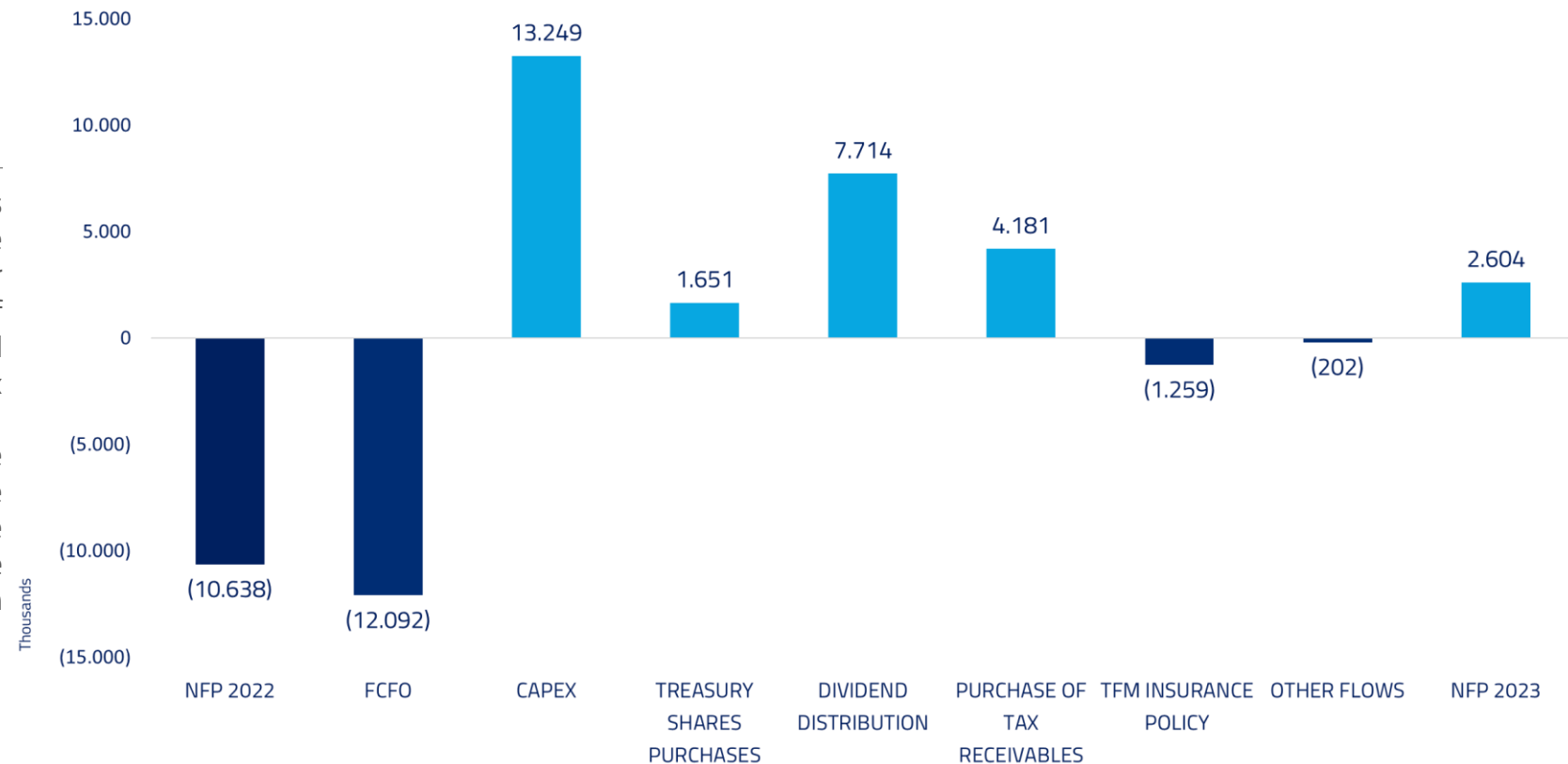
Cash Flow (€/000)	31/12/2023	31/12/2022
<b>Net Result</b>	<b>12.832</b>	<b>15.048</b>
<b>NON MONETARY EXPENSES</b>		
Amortization, depreciation and w.o.	3.124	1.319
Accrual for employees benefits	912	807
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
Changes in operating working capital	(1.462)	(410)
Changes in other assets/liabilities	(3.314)	702
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>12.092</b>	<b>17.466</b>
Capex	(12.697)	(25.890)
Net Financial Investments	0	250
Changes in other non current assets	(2.005)	(1.075)
<b>CASH FROM INVESTING ACTIVITIES</b>	<b>(14.702)</b>	<b>(26.715)</b>
Dividend paid	(7.714)	(6.852)
Treasury shares purchases	(1.651)	(2.362)
Changes in financial liabilities	10.291	11.375
Changes in financial assets	(1.434)	(301)
Other changes	(8)	31
<b>CASH FROM FINANCING ACTIVITIES</b>	<b>(516)</b>	<b>1.891</b>
<b>CHANGES IN LIQUIDITY</b>	<b>(3.126)</b>	<b>(7.358)</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>18.925</b>	<b>22.051</b>

# NET FINANCIAL POSITION

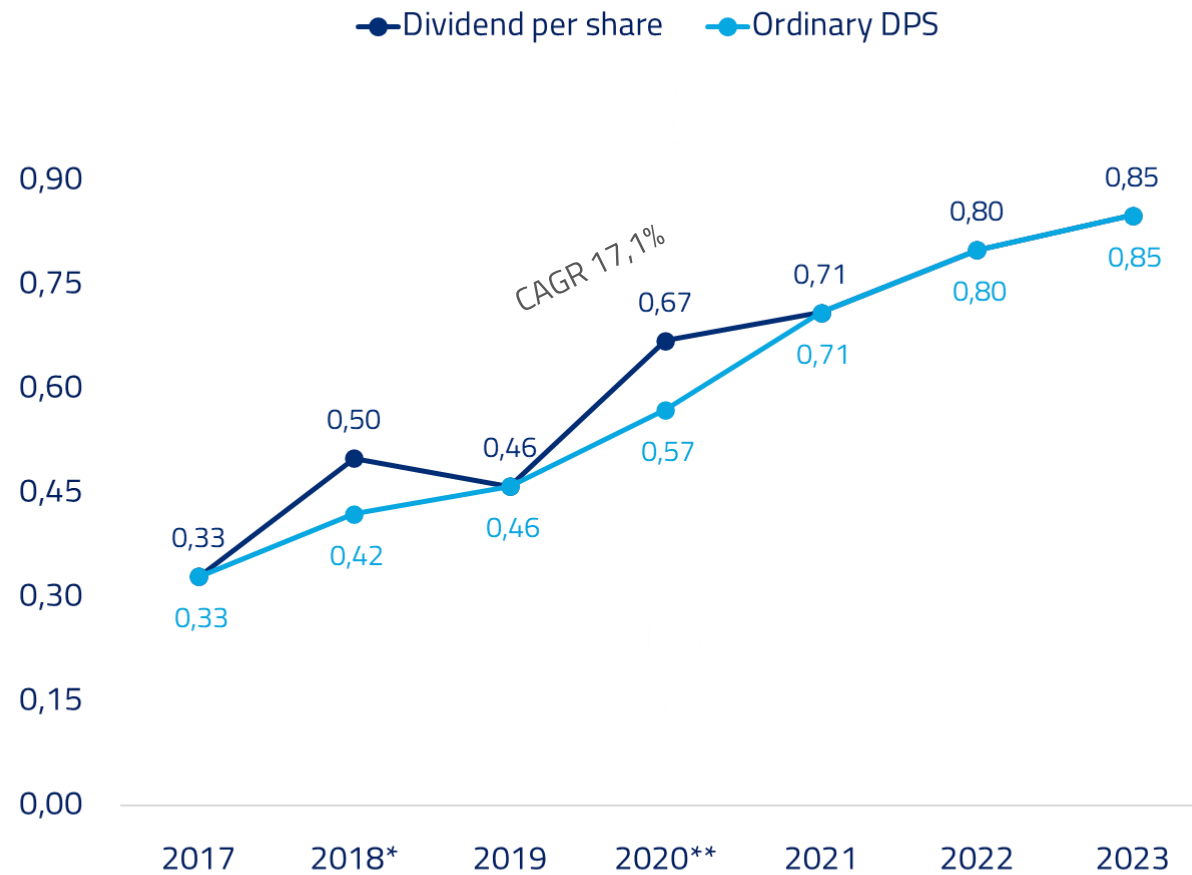
## NFP

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 (€ 13,3 million), to the purchases of treasury shares (€ 1,7 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 payment of the provisions for Directors' severance indemnity and variable compensation and the previous years taxes. It is also affected by the implementation of purchasing strategies on inventories.



# DIVIDEND PER SHARE



## Dividend Distribution

In line with the consolidated dividends distribution policy, the proposed dividend represents 52% of the consolidated Net result excluding non-recurring items.

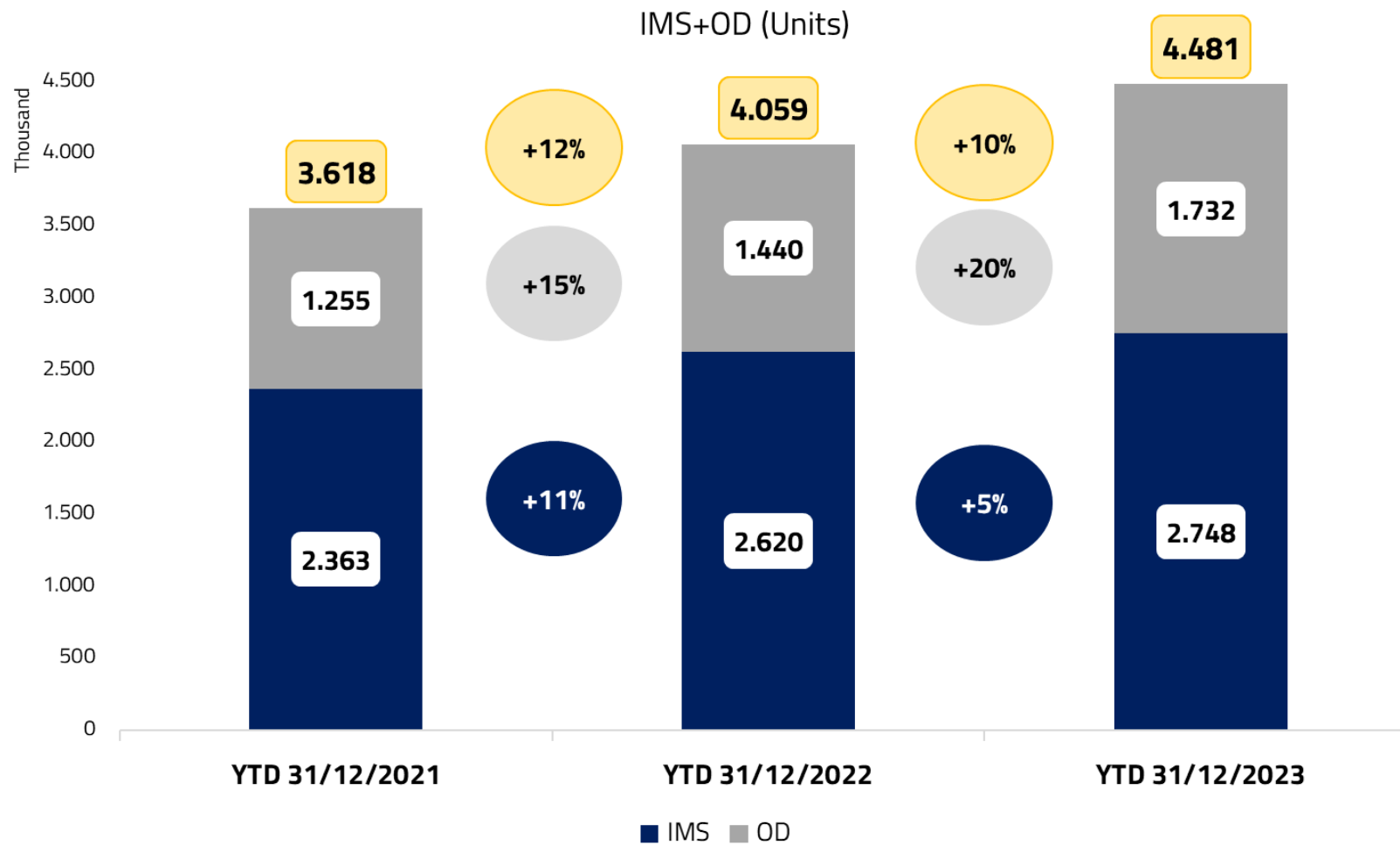
## Notes

\*DPS 2018 includes 0,42 from Pay-out and 0,08 from the benefit related to the 2015-2017 R&D tax credit

\*\*DPS 2020 includes 0,57 from Pay-out and 0,10 from the benefit related to the patent box

# MARKET

# Trend IMS & OD

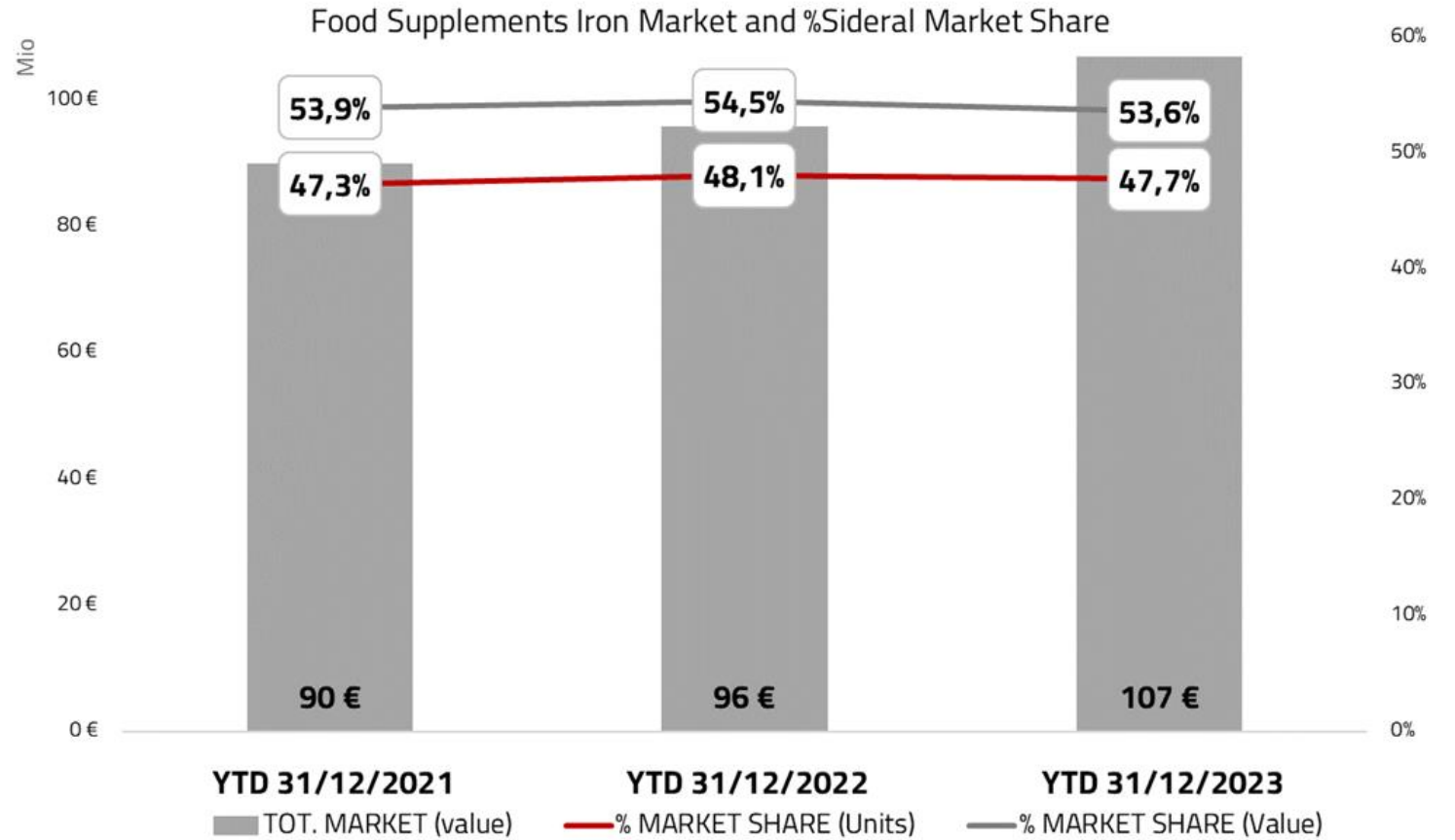




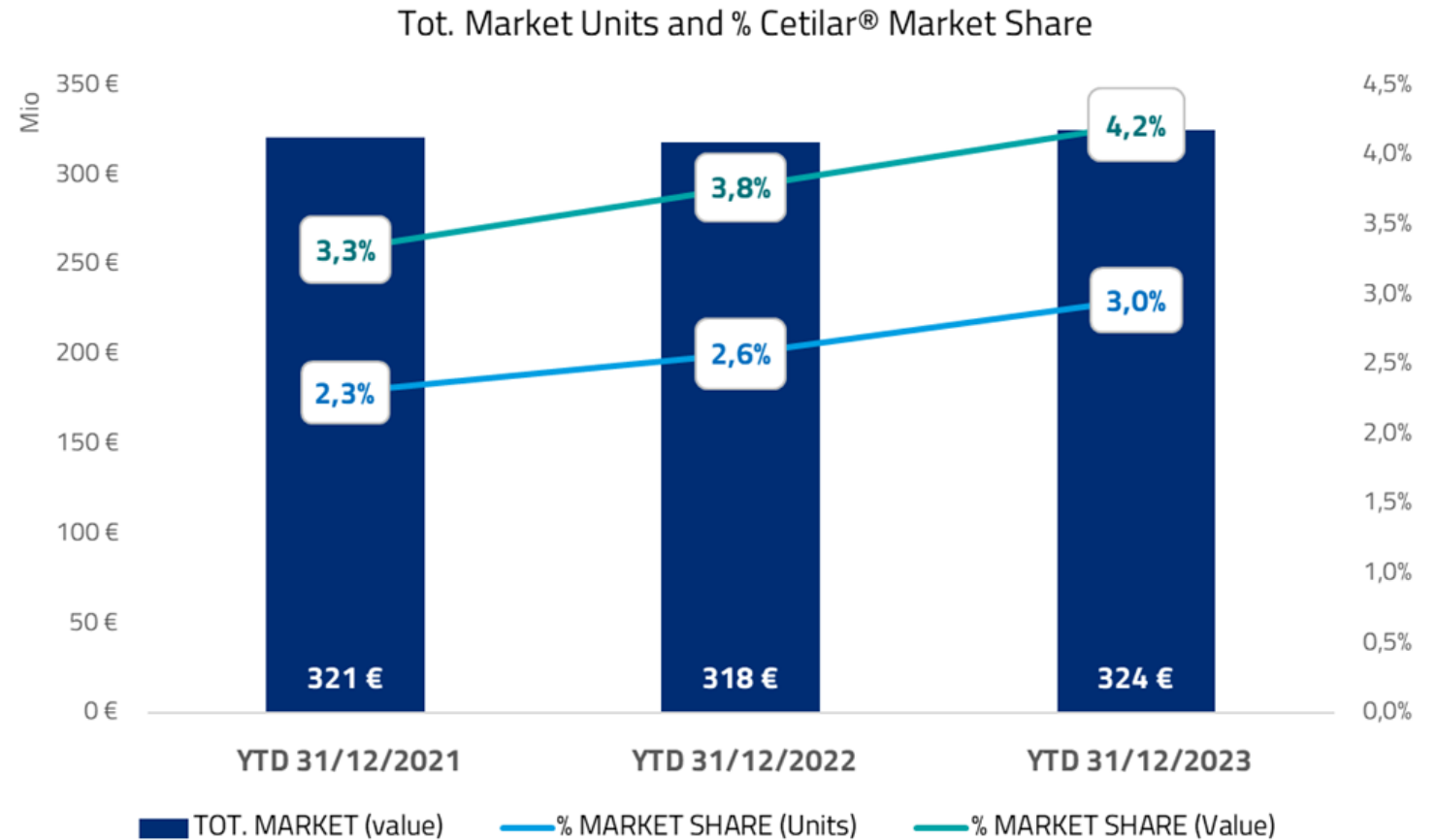
# IRON SUPPLEMENTS SIDERAL® MARKET SHARE IN ITALY

*Excluding products that contain only lactoferrin*

Source IQVIA

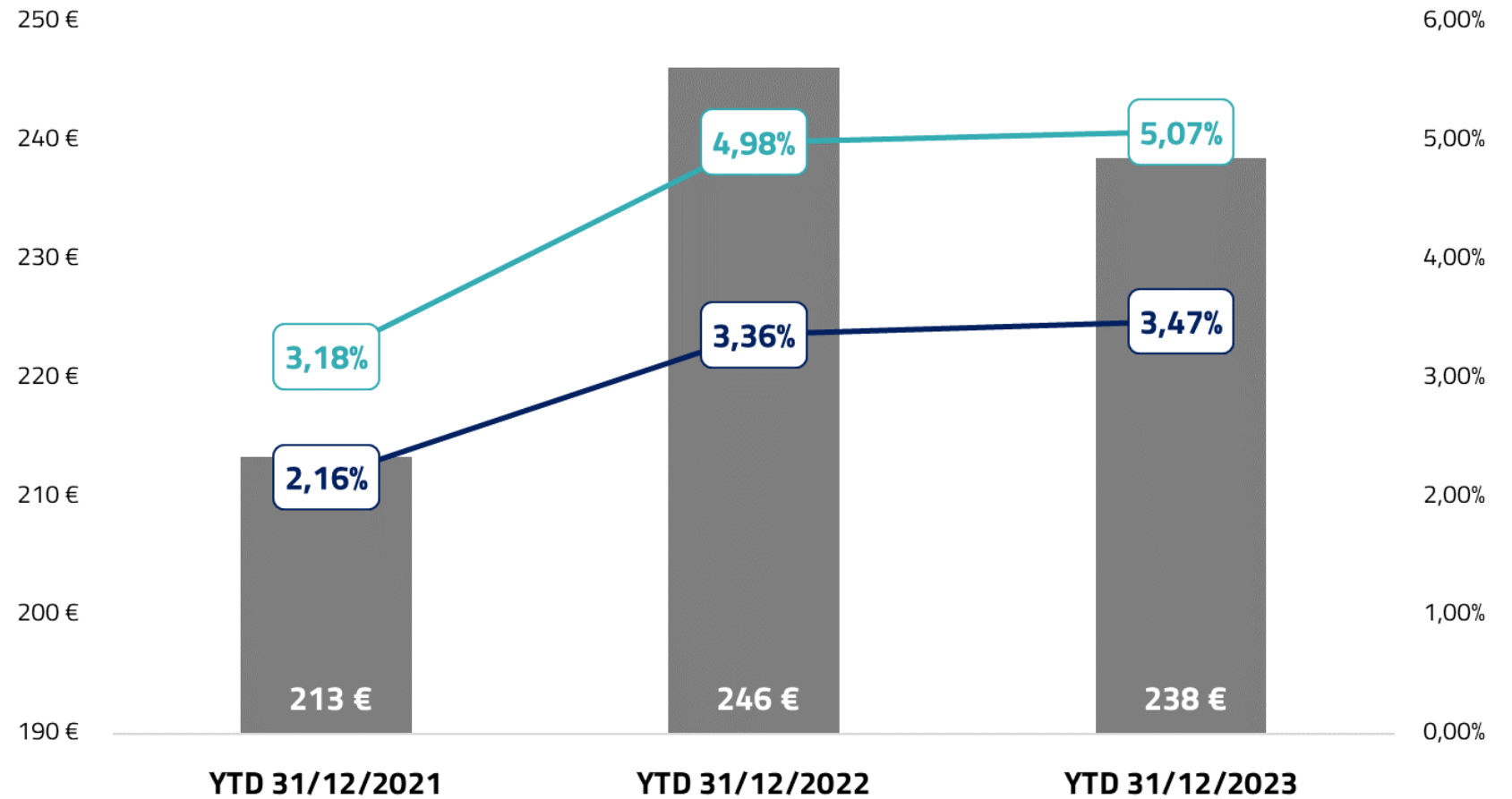


# ANTI-INFLAMMATORY TOPICAL CREAM CETILAR® MARKET SHARE IN ITALY



# APPORTAL® COMPARED TO THE REFERENCE MARKETS

Tonic Market and % Apportal Market Share

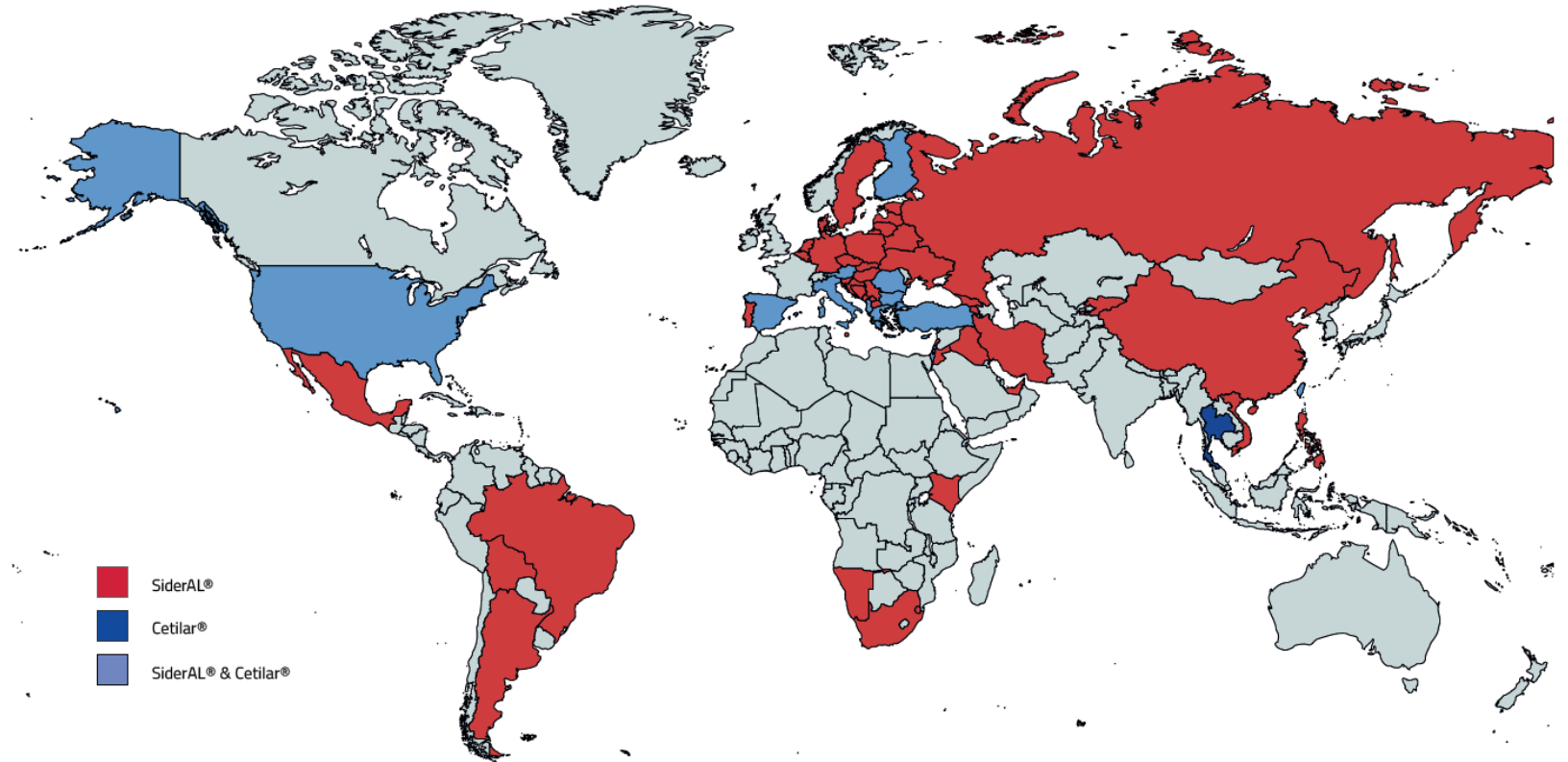


Source: Newline ricerche di mercato

# WORLDWIDE MARKET

## UNITS SOLD 2023

Europe:	3.999 K (+35%)
Middle East:	4.317 K (+23%)
South America:	455 K (+69%)
Others:	476 K (+11%)
Italy:	4.453 K (+10%)
<b>TOTAL:</b>	<b>13.700 K (+22,4%)</b>



Helping to improve **the life's quality** of billions of people in the world is **our main challenge.**

# OUTLOOK 2024

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- 2024 will be a challenging year both for maintaining the organic growth of the recurring business and for the development of the new projects launched in 2023 (**Cetilar® Nutrition, Pharmanutra Usa and Pharmanutra España**). The first quarter 2024 is expected to be in line with that of the previous year due to the dynamics linked to the changed inventory management policies of the Italian distribution channel and the dynamics of acquiring orders from abroad.
- It is expected that the investments planned to support the projects above will lead to a limited reduction in margins for the next two years.
- The BoD of 26<sup>th</sup> February 2024 approved the **merger by incorporation** of the subsidiaries Junia Pharma and Alesco into Pharmanutra. The merger is part of an organizational project of the Group and responds to the need to pursue greater management efficiency, **allowing the development of significant synergies** to optimize company processes and allow for efficiencies on the overall costs of the company structure. The reorganization will allow us to unify and integrate operational processes and obtain greater flexibility and efficiency in the use of our resources.



# OUTLOOK 2024

- As part of the process of joining the **cooperative compliance institution**, the project aimed to providing the Company with the **Tax Control Framework** was started. It will be an internal control system dedicated to the identification and management of tax risk, which is part of the corporate governance system, integrating and completing the internal control systems with which Pharmanutra is already equipped.
- In 2024 Pharmanutra will set up a joint venture together with professionals with over twenty years of experience in the field of treatment of sports/orthopedic pathologies and in sport-specific athletic training. The project is based on the creation of a center oriented towards optimizing the performance of professional and non-professional athletes, the treatment and resolution of medical and physical problems, and will represent a reference for observational and clinical studies over the products developed by the Group's R&D.





 PHARMANUTRA