

# Kepler S.p.A. BNPP HYL F Conference

London – January 19, 2023



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## Today's presenters



**Maurizio Castorina**

*CEO*

- Joined in September 2017 as CEO of Nutrilinea
- Over 30 years of experience in Pharma
- 2017: CEO at Italfarmaco
- 2012 to 2016: CEO at Zambon
- 2002 to 2012: CEO of Takeda Italy and Regional VP for Southern Europe



**Morris Maracin**

*CFO*

- Joined Biofarma in 2018 as CFO
- 2015 to 2017: CFO at IPI Coesia Group
- 2004 to 2015: Various roles at Electrolux, including Finance Manager EMEA



**Matteo D'Antuono**

*VP Finance*

- Joined Biofarma in 2022 as Group Head of Finance
- 2018 to 2022: Finance & Supply-Chain Director at Mundipharma
- 2009 to 2018: Various roles at Snam, FlixBus and Deloitte

# Agenda

**1** BUSINESS OVERVIEW

**2** RECENT M&A

**3** Q3 22 RESULTS

**4** APPENDIX

# Biofarma Group at a glance

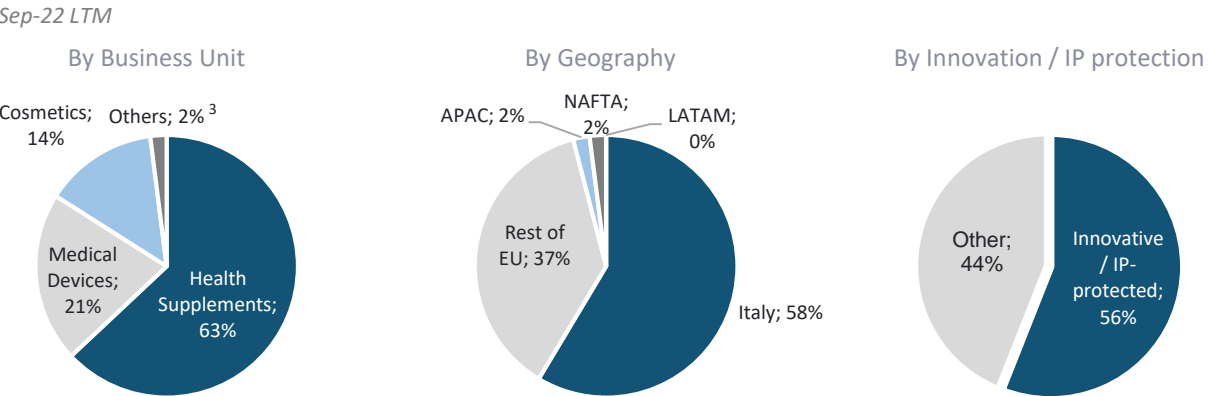
## Business overview

- Biofarma is a leading European CDMO fully focused on nutraceuticals, and the undisputed leader of the Italian market
- Biofarma is the result of a “buy-and-build” story, that led to the creation of a leading player with a wide portfolio of technologies and solutions
- The Company is large Pharmaceutical Companies’ (“PharmaCos”) and Consumer Health Clients’ (“CHCs”) manufacturing partner-of-choice for co-development projects thanks to:
  - An end-to-end CDMO proposition from market intelligence and R&D to finished dosage forms (“FDFs”) manufacturing and packaging
  - A proactive offer of innovative solutions (“push innovation model”), trying to anticipate market trends and clients’ needs also leveraging on a strong R&D department and a solid portfolio of differentiated technologies (e.g., Microencapsulation, Dry-Cap, T-Win)
- The Company operates in the resilient Nutraceuticals market underpinned by secular growth trends, benefitting from high entry barriers
- Biofarma’s differentiated positioning is based on:
  - Strong in-house R&D capabilities and a team of ~50 FTEs working on clinical studies to support products’ claims (over 85 patents and 70 trademarks)
  - Regulatory know-how with a dedicated team of ~23 FTEs, supporting clients in registering product dossiers both at local and international level
  - State-of-the-art manufacturing capabilities, with several “pharma-like” manufacturing equipment and quality control systems
- In Sep-22, Biofarma acquired Nutraskills, a fast growing and one of the leading French CDMOs, generating ~€21m LTM Sep-22 Revenues

## Main KPIs



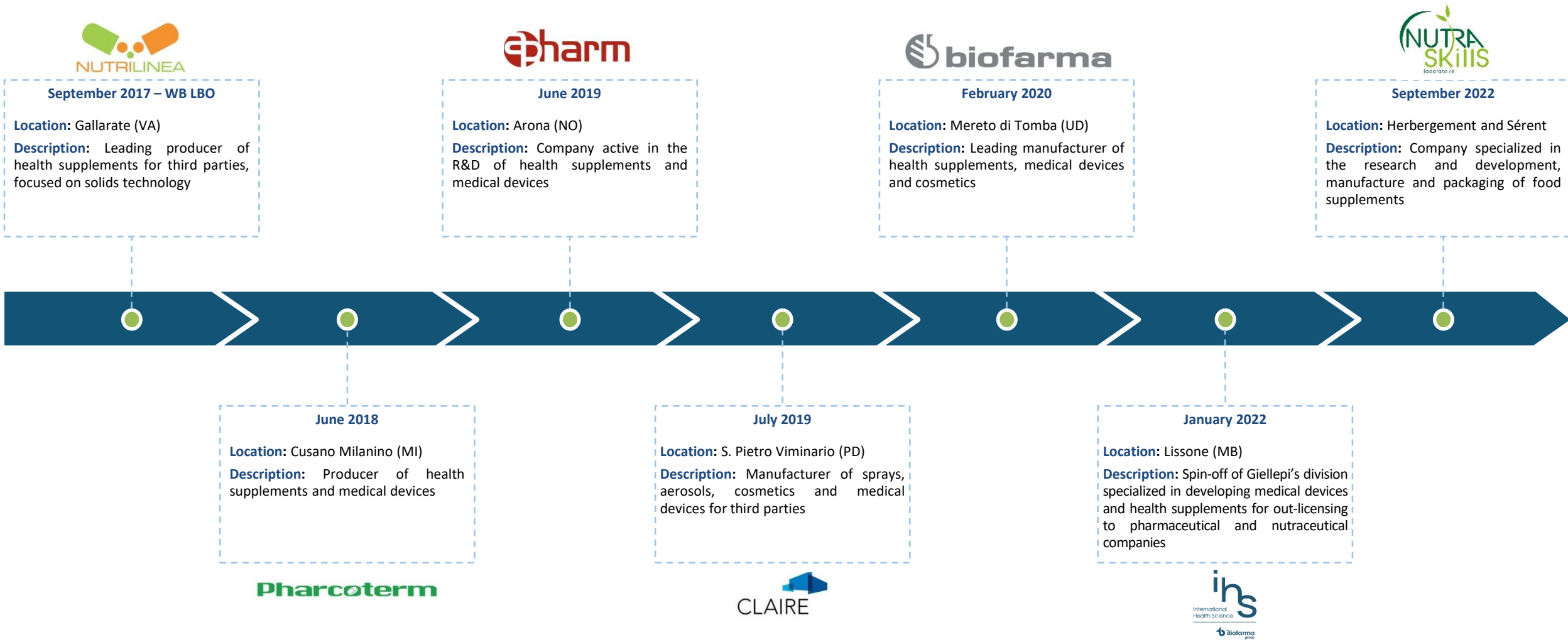
## Total Revenues breakdown



#1 Nutra CDMO in Europe in terms of revenue

Notes: (1) Incl. IHS and Nutraskills Revenues for '19, '20, '21 and 2022 YTD; (2) Includes €5.7m of cost synergies and €2.9m adjustments for rent savings related to Mereto’s plant acquisition finalized in March 2022, Cura EBITDA and Nutraskills QoE adjustments; (3) Mainly refers to government grants related to new products R&D. All data presented at Kepler level, i.e., including Nutraskills as well.

# Consolidation Platform with proven history of successful integration

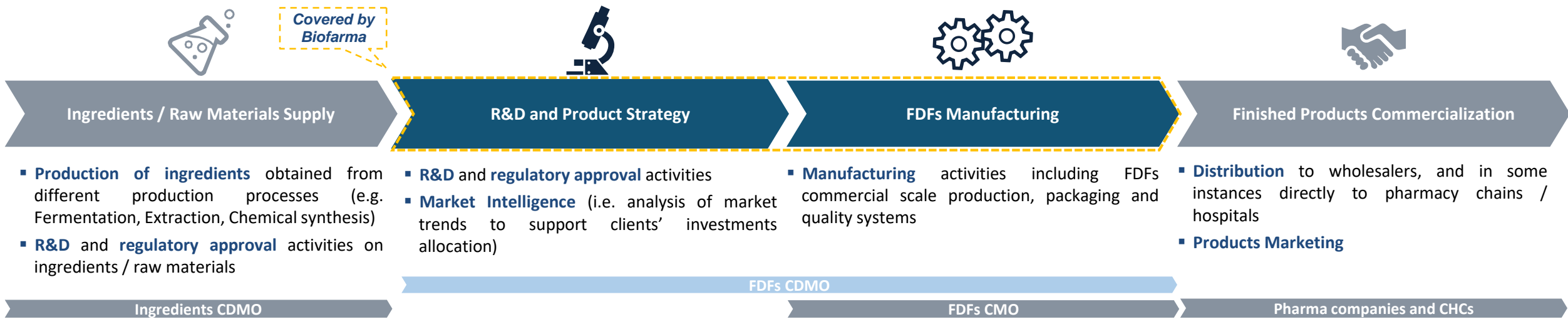


Management has been able to extract significant value from integration of acquired business (~€3.3m<sup>1</sup> synergies have already been delivered as of Sep-22, out of the €6.7m<sup>1</sup> identified at Closing to be realized by FY23). In the next phase of integration, management's goal is to select "best of breed" capabilities from each division and promote their sharing across the entire Group, in order to leverage its full potential

Notes: 1) Excl. Nutraskills

# Value chain and flexible business model

## Biofarma positioning within the value chain



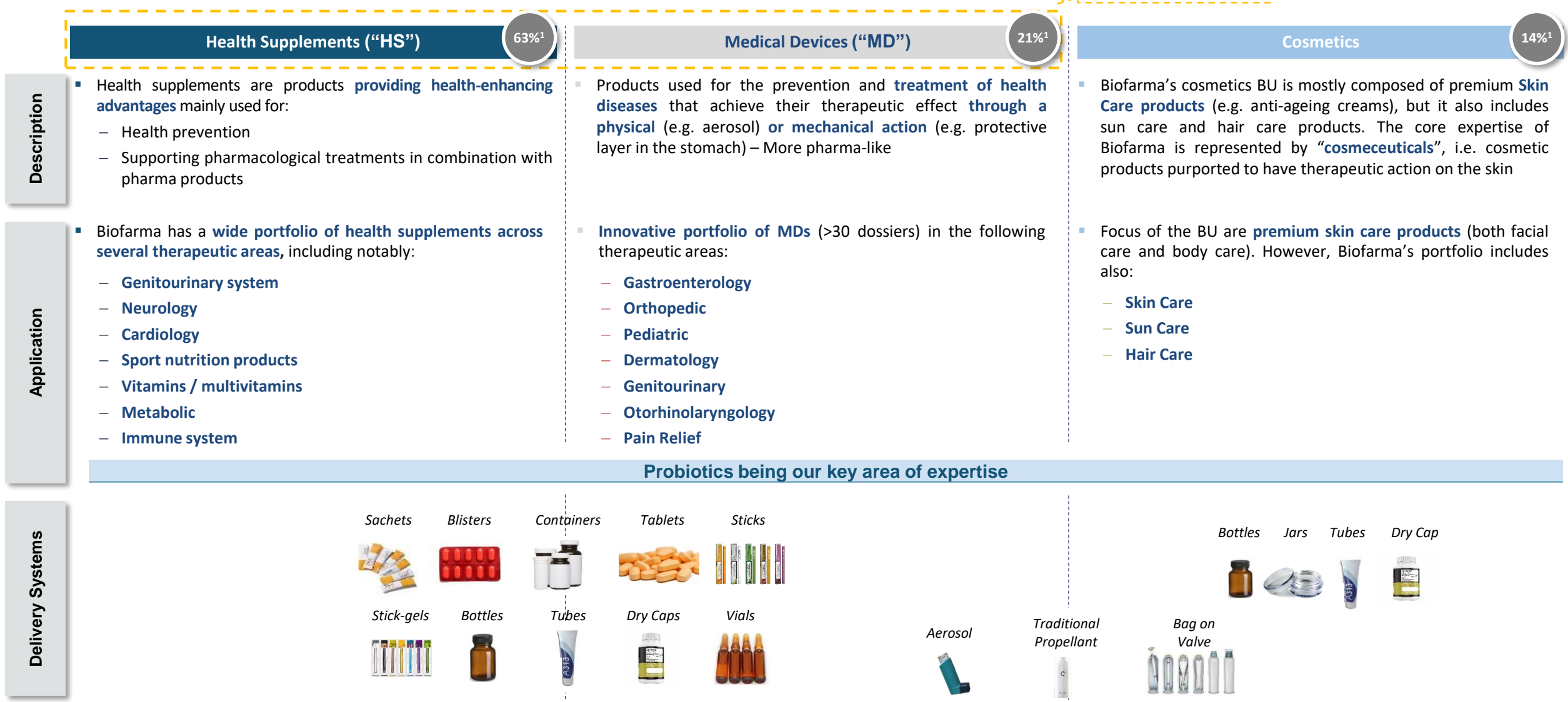
## Business model and positioning

- Business model based on:
  - An integrated CDMO value proposition from (i) market intelligence and R&D to (ii) finished dosage forms ("FDFs") formulation, manufacturing, and packaging. Biofarma is well-known in the market for its market intelligence and R&D capabilities
  - A proactive offer of innovative solutions ("push innovation model"), trying to anticipate market trends and clients' needs also leveraging on (i) Biofarma's strong R&D & Regulatory department (73 FTEs), (ii) a strong portfolio of differentiated technologies, and (iii) the culture of continuous innovation
- Biofarma widely recognized by customers as leading innovative player in the market thanks to:
  - A wide portfolio of innovative solutions including advanced technologies (e.g. micro-encapsulation, Dry-Cap), medical devices, and probiotics
  - "State-of-the-art" manufacturing capabilities, with several "pharma-like" equipment and quality control systems
  - Regulatory support at a global scale, helping clients conduct clinical studies to validate the clinical efficacy of products, thus allowing for further product differentiation and penetration of new markets

Innovative solutions (e.g. advanced technologies, medical devices & probiotics)



# Business units overview

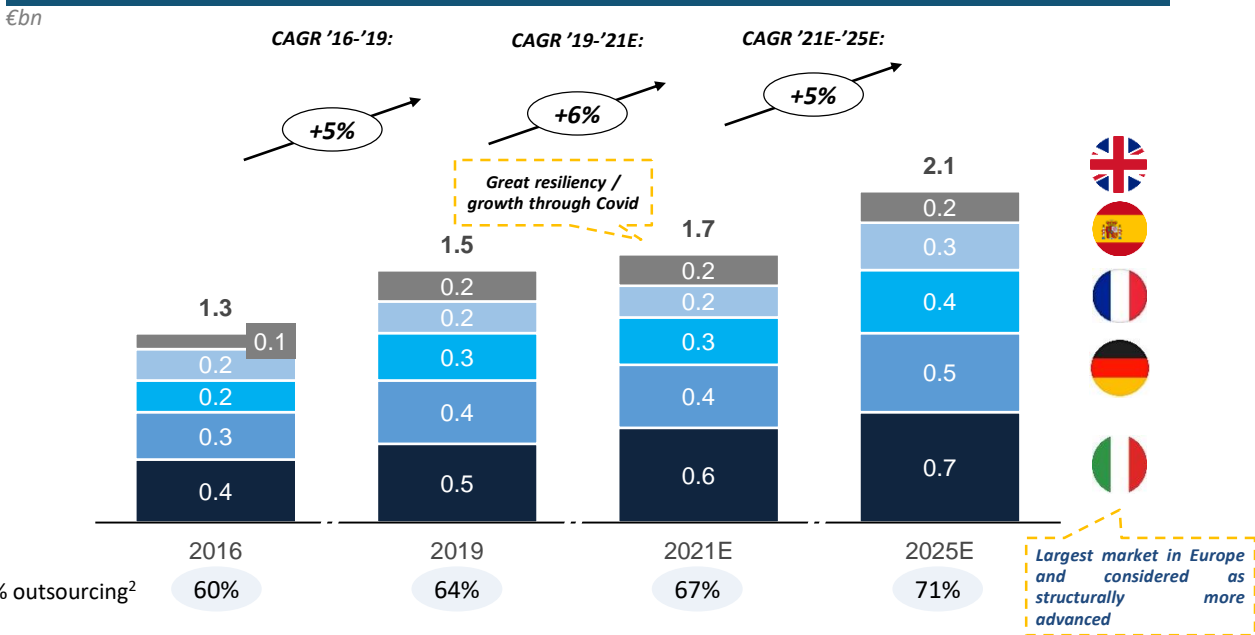


Note: (1) Incl. IHS and Nutraskills; excludes 2% of others



# Resilient Nutraceuticals market with strong growth drivers

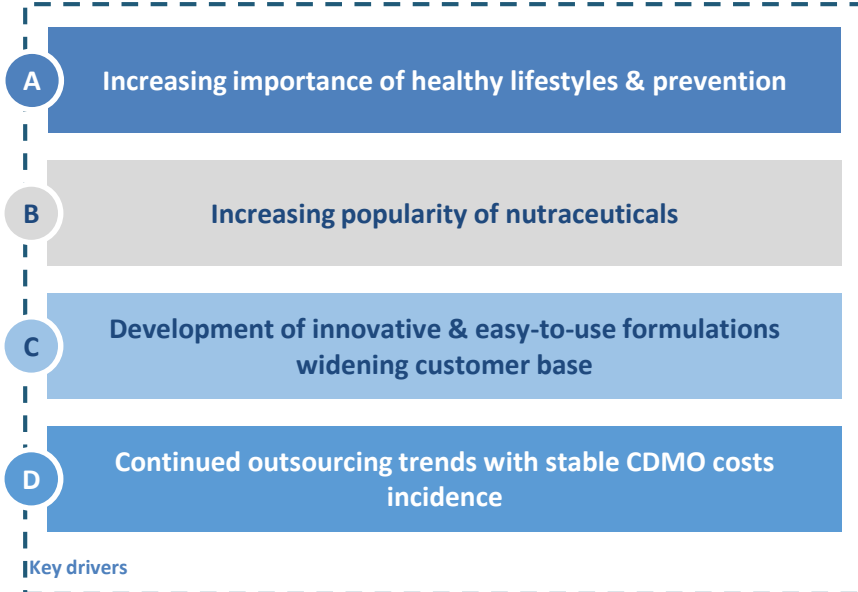
## Growing EU5 Nutraceuticals CDMO market<sup>1</sup>...



...with Italy being the largest and most advanced geography thanks to...

- ✓ Higher level of outsourcing from Pharma and CHCs (75% vs 60% in Germany)
- ✓ Higher awareness of health topics
- ✓ Strong pharma heritage in manufacturing
- ✓ Relevance of doctors' recommendations as a KPC

## Key growth drivers



A shift towards a more “scientific based approach”, with strong investments of large PharmaCos and CHCs

- Pharma-like standards
- Shift towards stricter regulation

**Total Growth +5%**

Notes (1) Includes health supplements and medical devices; (2) EU5 average  
 Sources: Proprietary surveys and a market report commissioned from a reputable market consulting firm (the “Market Consulting Firm”)

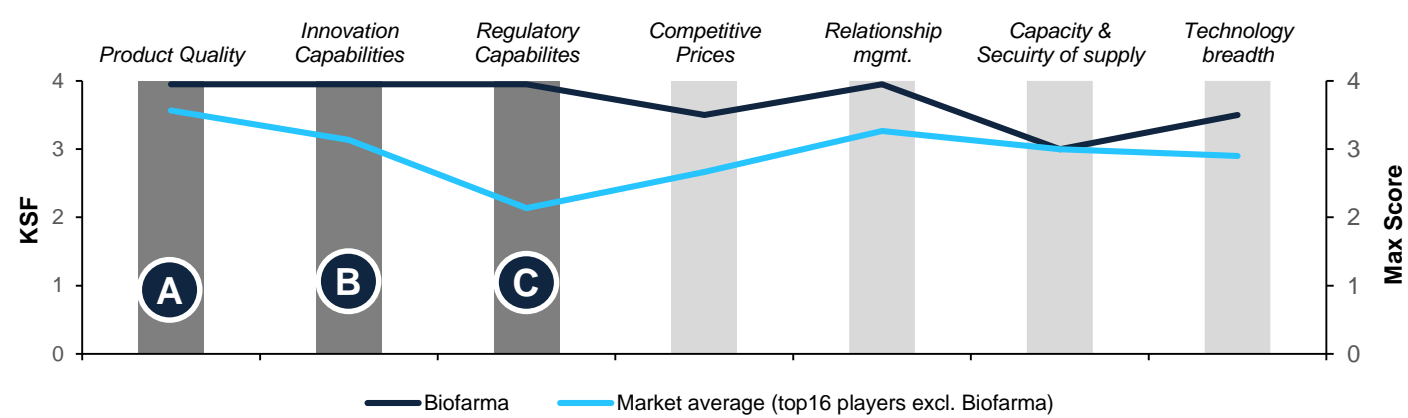
# Leading European nutra CDMO player in a highly fragmented market

## Leading European nutra CDMO Players by estimated revenues

Nutraceutical Revenue, €m, 2021A



## Biofarma consistently above market average across all relevant KSFs



### Most relevant KSFs for Innovation driven CDMOs such as Biofarma

- A** Outstanding and consistent product quality and reliability of service, granted by state-of-the-art manufacturing capabilities
- B** Wide portfolio of innovative products and solutions and ability to anticipate market trends and clients' needs by developing new innovative solutions
- C** Pan-European regulatory know-how (also providing regulatory support / advisory to clients)

Note: 1) Pro forma net revenue and income actual, incl. Cosmetics (excl. Nutraskills)  
 Source: Management estimates (Nutraceuticals Revenue), Market Consulting Firm

# Biofarma being recognized as top-notch across all relevant dimensions



**Focus on quality**

*Biofarma has state-of-the art manufacturing capabilities*

**Case studies**

- **Biofarma is recognized as a leader in the probiotics** thanks to, among other reasons, the capability to perform quality control on final product, e.g. "Cytofluorometry" technology enabling the bacterial count and allowing Biofarma to guarantee its clients a certain number of live micro-organisms for each probiotic product, thus improving its efficacy
- **Company is applying the pathogenic monitoring system ("PMS") across the manufacturing process** (instead of industry standards to do sample on final product only). A tier-1 multinational CHC company, which have had quality issue in the past, chose Biofarma because of PMS

*Historical partners that highly rated Biofarma quality*

**Focus on innovation capabilities**

*Biofarma being a proactive innovator well known in the market and strongly positioned on differentiating technologies*

**Case studies**

- **Biofarma is very well known across the industry for microencapsulation** (process through which Biofarma applies a coating around the ingredient, thus stabilizing the ingredient until the release is desired). This represents a major competitive advantage given its development by a new player would take 12-24 months
- **CHR Hansen selected Biofarma as partner-of-choice** for the development of the Dry-Cap delivery system

*Selected clients using microencapsulation capabilities*

**Focus on regulatory capabilities**

*Pan-European regulatory capabilities are a key strengths of Biofarma differentiating vs. smaller players*

**Case studies**

- **Biofarma proactively approached a tier-1 multinational CHC company** after its acquisition of an important brand, **preparing a benchmarking at a European level of the regulatory framework for each of the ingredients used in one of acquired brand's nutra products**, also proposing revised formulations to adapt the product to the regulatory requirements of other EU countries for a potential market entry
- **A tier-1 multinational CHC company recognized superior quality of Biofarma to define go-to-market strategy** also considering regulatory requirements

*Partners supported by Biofarma in regulatory field*

Tier-1 multinational CHC company

Tier-1 multinational CHC company

Sources: Market Consulting Firm; Management estimates; Market research



# Deep dive on key innovative technologies and capabilities

## Technology

### Microencapsulation



- Process through which Biofarma applies a **coating around the ingredient**, thus stabilizing the ingredient until the release is desired
- **One of the few nutra players to have this technology in EU**

### M-cap / Dry-cap



- **Technology that keeps separate the solid (powder) and liquid component of the product**
- **Increases stability and shelf life** (up to 24 / 36 months) of probiotics

## Delivery systems

### T win Stick Pack



- Patented technology that allows to have in the same delivery system 2 different but mixable powders that need to be kept separate until use
- **Excellent stability performances and cost efficient due to high productivity**

### Bag on Valve



- Technology consisting of a bag connected to an aerosol valve, which is immersed in a non-chemical, nonflammable compressed air-based propellant that **guarantees absolute safety and removes harmful emissions for the environment**
- **Used for medical devices and cosmetics products**

## Galenic Forms

### Multi-layer



- Technology for the oral administration – in a single product – of formulations with **various active substances or mixtures of active ingredients allowing for sustained and controlled release of the various substances**
- **It improves products' efficacy**

### Orally Disintegrated Tablets (ODT)



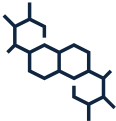
- **Tablets with a solid form that disintegrate in the mouth without water in approximately 30 seconds**
- It guarantees greater convenience and better compliance for a vast range of therapeutic indications and patient types

### Waterless Shampoo



- **Waterless eco-friendly formula** allows for a more concentrated hair product with **higher efficacy**
- Significant **weight reduction** leading to **production and logistics improvements leading to manufacturing and logistics efficiencies**

## Formulation capabilities



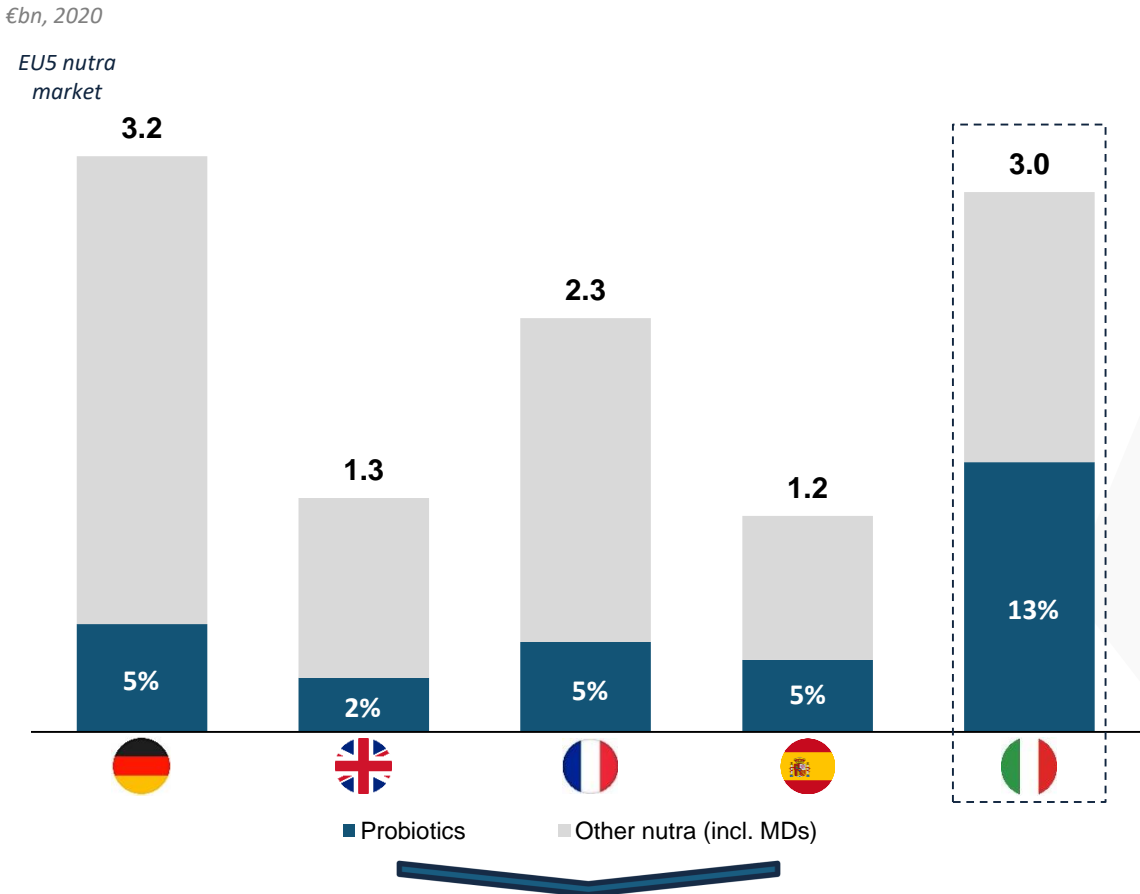
- The Company leverages its **strong formulation capabilities to meet large clients' needs**
- As an example, recently won three new products with tier-1 multinational company (a) from a competitor thanks to revised formulation capabilities

Biofarma widely recognized by the market as the leading innovative player

Sources: Market Consulting Firm; Management estimates; Market research

# Unrivalled expertise in probiotics

## Italy, the largest and most advanced probiotics market...



Biofarma is a leading manufacturer of probiotics in Europe with a ~29% market share

## ...with Biofarma being the undisputed leader

2020

	Product	Corporation	Biofarma's Customer?	Unique Supplier
#1	Enterolactis Plus		✓	✓
#2	Lactoflorene Plus	 <i>Si prende cura del tuo benessere</i>	✓	✓
#3	Yovis		✓	
#4	Enterolactis		✓	✓
#5	Vsl 3		✓	✓
#6	Prolife 10 Forte			
#7	Reuflor		✓	✓
#8	Dicoflor 30	 <i>Il meglio della ricerca, il buono della natura.</i>		
#9	Enterelle Plus	 NATURAL MICRO FOOD SUPPLEMENTS		
#10	Multicentrum	 GlaxoSmithKline		

**Top 10 probiotic products in Italy**

Biofarma produces 6 out of Top10 probiotics products in Italy and is sole supplier for 5 of them

Unrivalled expertise in probiotics, premium and highly growing niche with high manufacturing complexity and high margins

Sources: Market Consulting Firm; Management estimates; Market research

# Key credit highlights



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**3** Q3 22 RESULTS

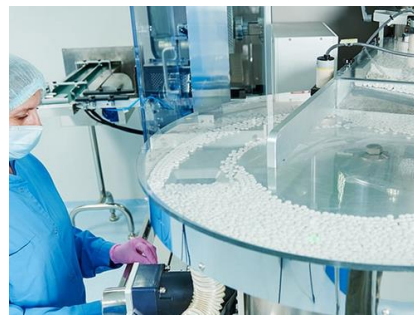
**4** APPENDIX



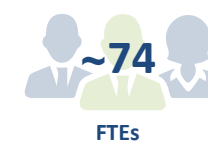
# Recent M&A – Nutraskills Group at a glance

## Business overview

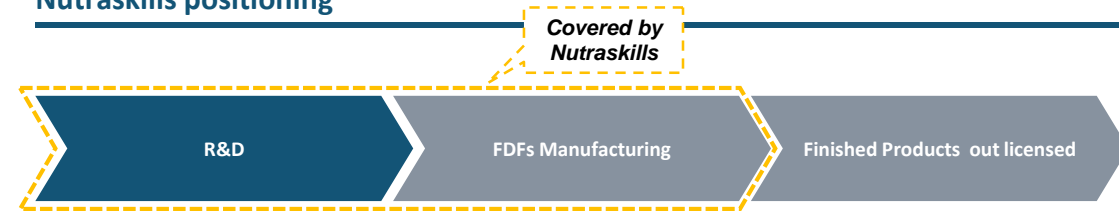
- On September 15, 2022, Biofarma completed the acquisition of Nutraskills, a French company specialized in R&D, manufacture and packaging of food supplements.
- Nutraskills is the result of the combination of:
  - Codilab:** a CMO specialist of dry-form food supplements (in particular tablets, capsules, powders)
  - Laboratoire Pierre Caron (“LPC”):** a CDO focused on the formulation and packaging (mostly pill jars) of food supplements for third parties, offering its clients a “full service” offer
- Nutraskills serves a combination of tier-1 pharma and consumer health clients and small-to-mid-sized local French clients that sell their products across a variety of channels (mostly pharmacies, but also organic stores and online)
- The company currently operates in two manufacturing sites in l’Herbergement (Codilab) and Sérent (LPC)
- Biofarma primarily funded the acquisition of Nutraskills Group through the issuance of approximately €38.5m in aggregate principal amount of additional subordinated PIK notes by an indirect company of the Issuer, the proceeds of which were contributed as equity to the Issuer and its subsidiaries, implying an accretive effect on leverage



## Main KPIs



## Nutraskills positioning



## Strategic rationale

- ✓ **Strengthening penetration in the French market by acquiring new plants in loco**
- ✓ **Clear cross-selling opportunities leveraging on Biofarma’s differentiated products and complementary of Nutraskills’ client base**
- ✓ **Strong local management team with proven management capabilities and experience in multinational companies**

*Crucial elements to penetrate the French market*



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# 3Q-22 Performance



## TOPLINE

- **YTD-22 Revenues stood at €215.9m**, growing by c. +16.6% vs PY (on a Like-for-Like basis) on the back of positive contribution of all business lines and geographies, driven by the execution of the defined 3-pillars strategy: (i) key customer penetration (ii) geographical expansion and (iii) technological innovation.



## PROFITABILITY

- **YTD-22 Adj. EBITDA margin at 21.8%**, increasing vs PY (at 20.7%), mainly due to (i) volumes growth, (ii) price increases and (iii) cost efficiency measures related to insourcing activities and manufacturing processes, being partially offset by (iv) cost increase at SG&A level to support the business growth and (v) raw materials cost increase.



## FINANCIAL POSITION

- **Strong deleveraging trend with Net Leverage as of Sep-22 at 4.5x** (at Kepler level), versus 5.3x opening leverage at Bond issuance, mainly on the back of the strong performance at Adj. EBITDA level, growing +22.7% vs PY.



## OTHER UPDATES AND SHORT TERM OUTLOOK

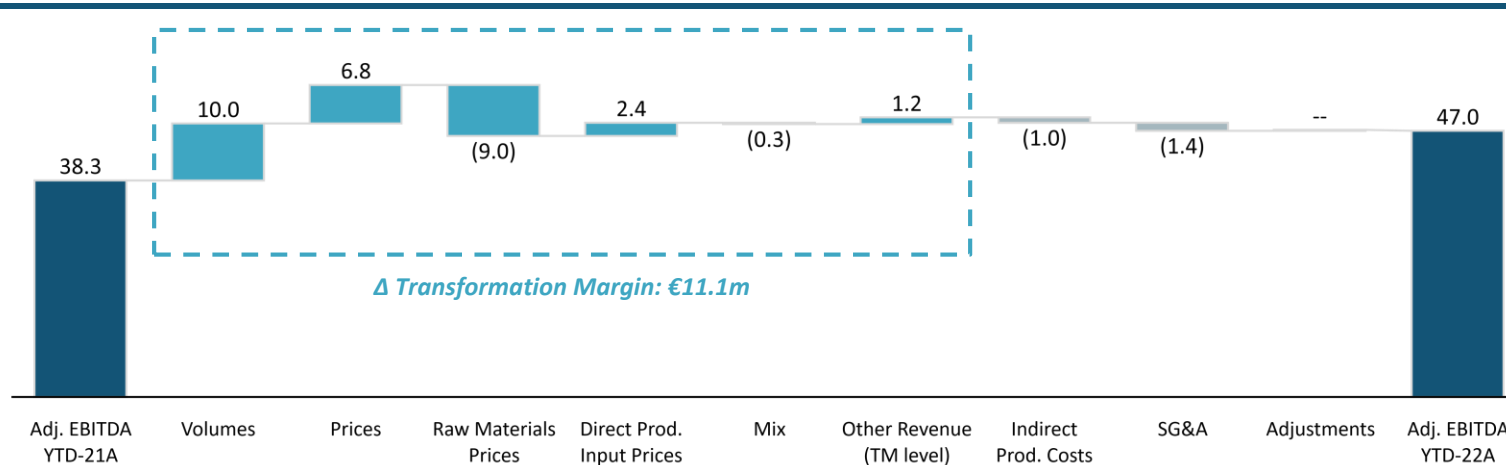
- Biofarma has recorded a **strong growth** in the first 9 months of 2022 (+16.6% vs. PY on a LfL basis), thanks to both key customers' penetration and new blue-chip client wins. As of today, this growth dynamic is continuing to be reflected in order collection of Q4-22;
- Despite the strong **inflationary** environment, Biofarma Group **has been able to pass on to customers** most (c. 70%) of the higher raw material prices by increasing selling prices, on the back of a constant dialogue and long-lasting relationships with customers. In addition, **hedging** contract recently closed allowed to cap Euribor exposure at an all-in rate of 1.52% for 3 years;
- Started **integration** activity of recently acquired French company **Nutraskills**, aiming at unlocking cross-selling in France and generate cost savings on procurement, insourcing of certain products, and SG&A.

# Profit & Loss: Current Trading as of September – YTD 2022a vs. YTD 2021a (on a Like for Like basis)

## Profit & Loss – YTD 2022A vs 2021A

YTD (€m)	Sep-22A	Sep-21A	Δ (%)	Δ
Net Sales	211.9	182.3	16.2%	29.5
Other Revenues	4.0	2.8	42.9%	1.2
<b>Total Revenues</b>	<b>215.9</b>	<b>185.1</b>	<b>16.6%</b>	<b>30.7</b>
Raw Material Costs	(103.0)	(88.7)	16.1%	(14.3)
<b>First Margin</b>	<b>112.9</b>	<b>96.5</b>	<b>17.0%</b>	<b>16.4</b>
First Margin (%)	52.3%	52.1%	+19bps	
Third Party Works Costs	(12.9)	(12.3)	4.8%	(0.6)
Direct Personnel Costs	(15.6)	(13.2)	18.3%	(2.4)
Other Direct Production Costs	(10.1)	(7.7)	30.1%	(2.3)
<b>Transformation Margin</b>	<b>74.3</b>	<b>63.2</b>	<b>17.5%</b>	<b>11.1</b>
Transformation Margin (%)	34.4%	34.2%	+27bps	
Indirect Personnel Costs	(3.7)	(3.8)	(0.9%)	0.0
Maintenance Costs	(3.2)	(2.6)	20.7%	(0.5)
Logistics and Storage Costs	(4.2)	(3.4)	22.1%	(0.8)
Other Indirect Production Costs	(1.2)	(1.5)	(20.0%)	0.3
<b>Second Margin</b>	<b>62.1</b>	<b>52.0</b>	<b>19.5%</b>	<b>10.1</b>
Second Margin (%)	28.8%	28.1%	+70bps	
<b>Total SG&amp;A Costs</b>	<b>(16.7)</b>	<b>(15.3)</b>	<b>9.3%</b>	<b>(1.4)</b>
% of revenue	(7.7%)	(8.3%)	+52bps	
<b>EBITDA</b>	<b>45.4</b>	<b>36.6</b>	<b>23.8%</b>	<b>8.7</b>
EBITDA Margin (%)	21.0%	19.8%	+122bps	
Adjustments <sup>1</sup>	1.6	1.6	--	-
<b>Adj. EBITDA</b>	<b>47.0</b>	<b>38.3</b>	<b>22.7%</b>	<b>8.7</b>
Adj. EBITDA Margin (%)	21.8%	20.7%	+109bps	

## EBITDA Bridge (€m)



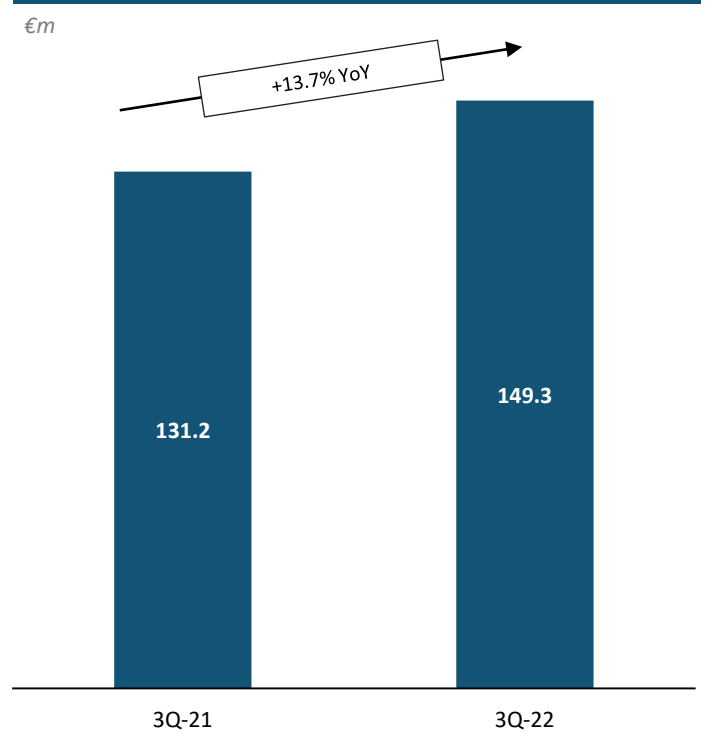
## Commentary

- Sales volume EBITDA impact: improvement of €10.0m due to the growth with Top 10 and Strategical Clients, as well as due to the growth in all Regions excluding APAC;
- Negative mix of €0.3m mainly due to lower level of Microincapsulation;
- Partial pass through executed, €6.8m Price increase, more than negatively offset by €9.0m cost increase;
- Other Sales improved by €1.2m due to higher R&D clinical-studies;
- Transformation margin €11.1m higher, where €9.9m of core business improvement has been reinforced by €1.2m higher R&D clinical-studies;
- Higher Maintenance, Logistic cost and Other Indirect costs reduce the positive Transformation margin effects;
- SG&A €1.4m are higher mainly due to higher Commercial activities (€0.3m), Personnel cost (€0.6m) and higher R&D expenditure (€0.5m) to further structure the company and propel future growth.

Note: (1) Adjustments include the rent savings related to Mereto's plant acquisition finalized in March 2022, Cura EBITDA and Nutraskills QoE adjustments. All data presented at Kepler level, i.e. including Nutraskills as well.

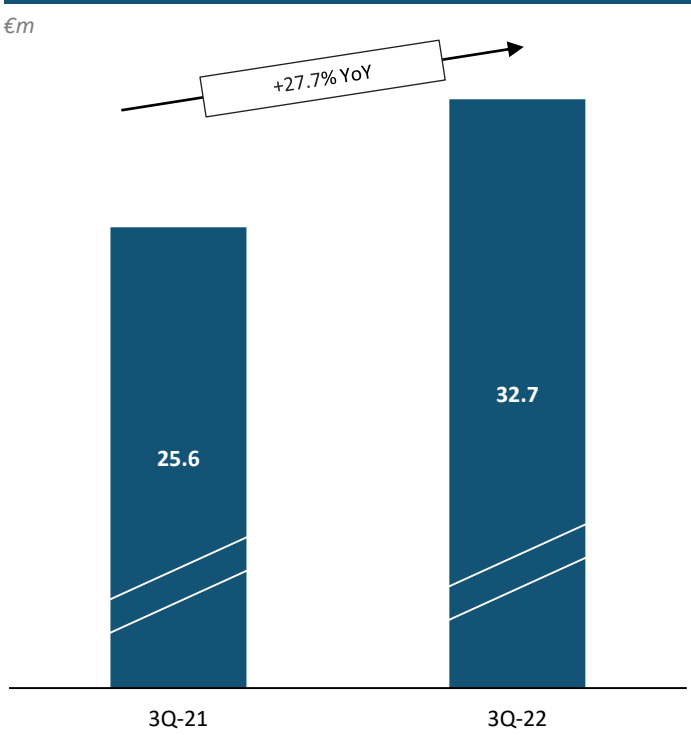
# Revenues: Deep-dive by Business Unit

## Health Supplements



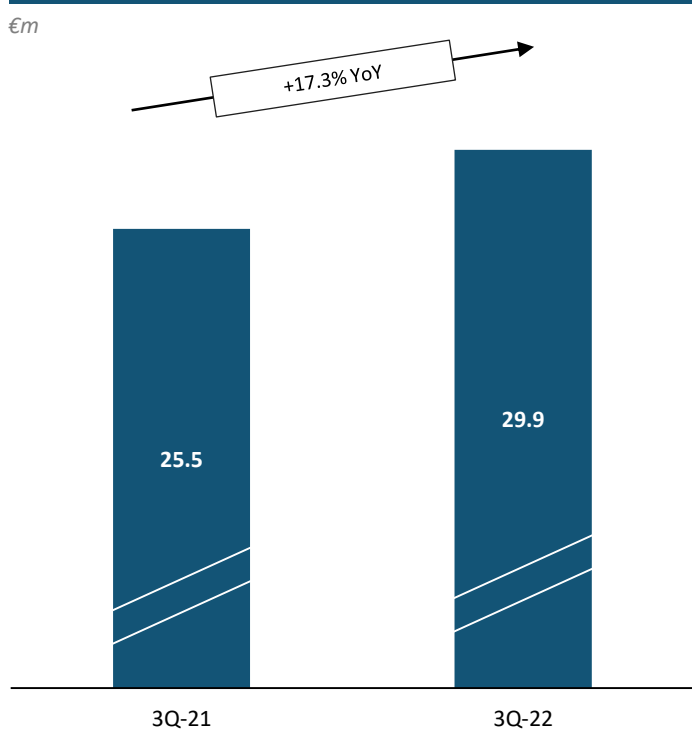
Health Supplements total revenues stood at €149.3m in 3Q-22 (+13.7% YoY), mainly thanks to new customers wins as well as growth with all existing customers with long-lasting relationships. Within existing customers, there is an important increase of the Tier 1 consumer healthcare clients' volumes.

## Medical Devices



Medical Devices total revenues stood at €32.7m in 3Q-22 (+27.7% YoY), supported by the increase in sales of Ziverex (Esoxx family) in Eastern Europe and Enterogermina in Italy.

## Cosmetics



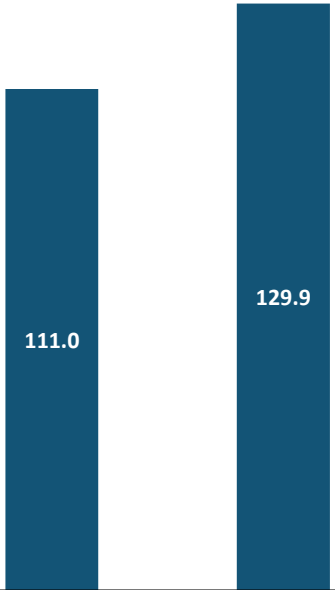
Cosmetics total revenues stood at €29.9m in 3Q-22 (+17.3% YoY), mainly thanks to new clients wins as well as increased business with existing clients. Furthermore, we highlight an important new client win in Israel and strong performance of BoV technology products in Northern Europe. Lastly, we established an important customer relationship with a leader player in pedicure treatment.

# Revenues: Deep-dive by Geography

## Italy

€m

+17.1% YoY



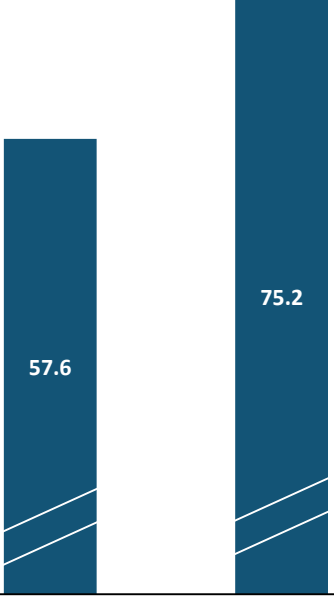
3Q-21      3Q-22

Italy total revenues stood at €129.9m in 3Q-22 (+17.1% YoY), with growth spread between new clients' acquisitions and existing clients.

## Other EMEA countries

€m

+30.5% YoY



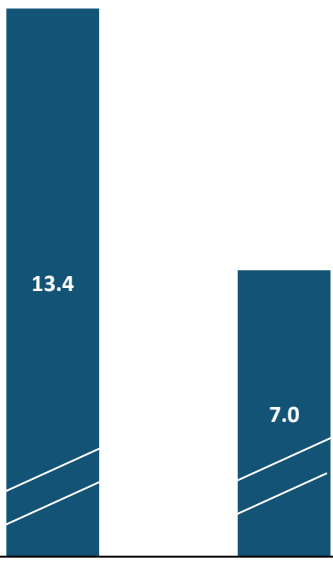
3Q-21      3Q-22

Other EMEA countries total revenues stood at €75.2m in 3Q-22 (+30.5% YoY), mainly on the back of higher revenues coming from Tier 1 consumer healthcare clients' volumes.

## Asia and Pacific

€m

-47.8% YoY



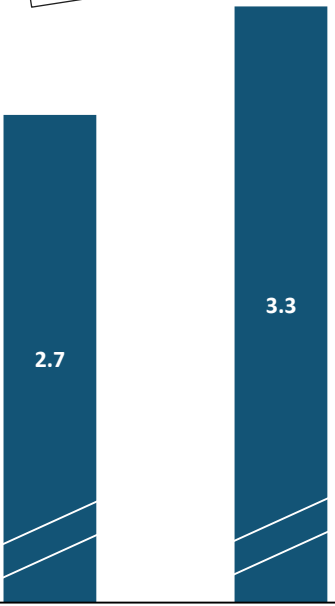
3Q-21      3Q-22

APAC total revenues stood at €7.0m in 3Q-22 (-47.8% YoY), mainly due to the stock build-up activity in 2021 of a large client.

## North America

€m

+21.0% YoY



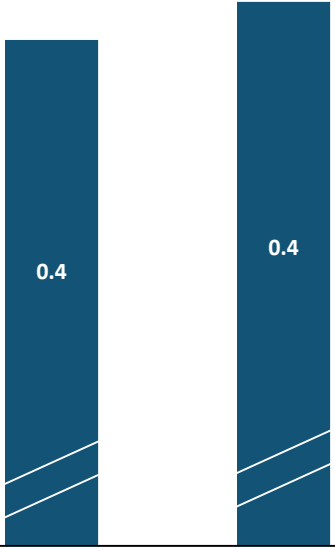
3Q-21      3Q-22

NAFTA total revenues stood at €3.3m in 3Q-22 (+21.0% YoY), mainly due to higher sales of VSL3 product.

## Latin America

€m

+7.5% YoY



3Q-21      3Q-22

LATAM total revenues stood at €0.4m in 3Q-22 (+7.5% YoY), mainly due to the growth of a tier-1 pharma client.

# Cash Flow YTD as of September 22

## Cash Flow - YTD September 22

€m	Sep-22
<b>Adjusted EBITDA</b>	<b>47.0</b>
Adjustments	(1.6)
<b>EBITDA</b>	<b>45.4</b>
Δ Receivables	(18.8)
Δ Payables	23.2
Δ Inventory	(21.3)
<b>Δ TWC</b>	<b>(16.9)</b>
Δ Other Working Capital	1.4
<b>Δ NWC</b>	<b>(15.5)</b>
Maintenance Capex	(0.8)
<b>Recurring Op. CF (pre-Tax)</b>	<b>29.1</b>
Cash Conversion (%)	64.2%
Growth Capex	(14.9)
o/w Manufacturing Capex	(10.6)
o/w R&D Capex	(3.0)
o/w Other / IT Capex	(1.3)
<b>Op. CF (pre-Tax)</b>	<b>14.2</b>
Cash Conversion (%)	31.3%

**Normative level of TWC at -€8.7m** (excl. €5.1m inventory build-up and €3.1m delay in cash collection).

**Normative level of Op. CF at +€23.6m** (excl. €5.1m inventory build-up, €3.1m delay in cash collection and €1.2m delay in collection of government grants)

## Commentary

### NWC

- **Receivables:** €18.8m increase is mainly linked to the volumes and minorly to delay in cash collection of €3.1m that will be recovered after the month-end closing;
- **Payables:** €23.2m increase related to higher volumes and to negotiated payment terms extension;
- **Inventory:** €21.3m increase is related for €16.2m by volume growth and for €5.1m related to extra-stock built up to avoid shortages and further cost increases;
- **Other WC items:** mainly related to the taxes and non-trade WC-items of which €1.2m related to government-grants cash-in postponed in early Q4-22;

### Capex

- **Maintenance:** €0.8m related to Gallarate and Mereto plants in order to maintain the production continuity;
- **Growth Capex:** €14.9m linked to:
  - **Manufacturing Capex:** €10.6m are related to: a) €0.6m to advance payment for extension of Gallarate plant, b) €8.0m for new machines and lines (basina, microencapsulator in Mereto, two new Sachet machines and others) c) €2.0m related to Gallarate plant extension;
  - **R&D Capex:** €3.0m investments in development of Scholl, Nestléé, Cooper and Pharmaton formulas;
  - **Other / IT Capex:** €1.3m, of which €0.8m investment in SAP new modules and ICT infrastructure, as well as €0.5m related to furnitures for new areas in Mereto, Monselice and Gallarate;

# Leverage as of September 22

## Leverage – September 22

€m	Sep-22
High yield bond	345.0
Cash and Cash Equivalent <sup>1</sup>	(16.4)
<b>Total net secured debt</b>	<b>328.6</b>
Other Debt <sup>2</sup>	13.4
<b>Total net debt</b>	<b>342.1</b>
<b>LTM PF Adj. EBITDA<sup>3</sup></b>	<b>75.2</b>
<b>Net Leverage</b>	<b>4.5x</b>

Vs 5.3x at closing

## Commentary

- **Strong deleveraging trend with Net Leverage as of Sept22 at 4.5x**, versus 5.3x opening leverage at Bond issuance, mainly on the back of the strong performance at EBITDA level, growing +22.7% vs PY alongside with a cash generation;
- **Total net Debt at €342.1m (or 4.5x Net Leverage)** as of Sept22 on the back of c. €358.4m Gross Debt, €16.4m cash on balance sheet and €75.2m YTD22 LTM PF Adj. EBITDA;
- Solid **cash and cash equivalents** position of **€16.4m**.

Notes: (1) Cash and Cash Equivalents as of September 30, 2022 is PF for the transaction costs related to the Acquisition. (2) Incl. leasing for €0.7m, Advanced Payments (“anticipi su fatture”) for €10.2m and long-term bank loans arisen from Nutraskills’ acquisition for €2.4m; (3) Incl. run rate cost synergies for an amount of €5.7 and €2.9m related to rental savings in connection with Mereto’s plant, 45% of Cura Beauty GmbH EBITDA and former Nutraskills QoE adjustments.  
All figures include Nutraskills Group.

# Agenda

**1** BUSINESS OVERVIEW


**2** RECENT M&A

**3** Q3 22 RESULTS

**4** APPENDIX



# Full and embraced commitment to the highest ESG standards



**Formal reporting process**

- In 2022, **Biofarma embarked on a reporting process** formalizes current commitment and lays the foundations for future initiatives structured and measurable over time



**SDGs focus**

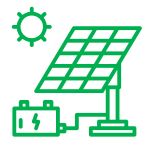
- Biofarma adheres to the 2030 Agenda**, signed in 2015 by the United Nations, which defines 17 **Sustainable Development Goals (SDGs)**



**Integrated approach**

- Integrated approach**, able to consider and intervene in the different areas of impact of the company's activity with the aim at pursuing a twofold objective **reducing the impact deriving from its operating activities and reducing, at the same time, operating costs**

With its own **Sustainability Policy**, Biofarma contributes to the achievement of 10 SDGs

**826 KWp**  
photovoltaic power installed



**55% of energy**  
of the Mereto site is self-produced through cogeneration



**3.3% contraction**  
on consumption per unit of value produced



**96%**  
of waste is non-hazardous

# Group Structure

