

Record EBITDA in second quarter of Euro 43.2 million (+15%), following strong sales growth (+10%) and sharply increasing profitability.

Agrate Brianza, August 1, 2024 - The Board of Directors of Intercos S.p.A. (ICOS.MI), at today's meeting chaired by Dario Gianandrea Ferrari, approved the Half-Year Financial Report for the period ended June 30, 2024.

- **Net Sales** in the second quarter of **€278.9 million**, up **+9.9%** on the second quarter of the previous year, thanks to Skincare and Hair&Body growth and the Make-up business unit, which matched the very strong levels of the previous year (period which reported growth of +22.8%). Thanks to this performance and despite a first quarter which was heavily impacted by the Cyber attack (-5.8% on the previous year), increased sales to **€499.9 million** are reported for the first half of the year, growth of **+2.4%** (+3% at constant exchange rates). The excellent order-intake continues, increasing on the same period of the previous year (May-June) and following the records achieved in the preceding six-month period.
- **Adjusted EBITDA** in Q2 of **€43.2 million**, growth of **+15% (+€5.6 million)** on the previous year. The performance benefited both from excellent sales and a sharp increase in profitability, with Group Adjusted EBITDA on net sales at **15.5%**, significantly up on the preceding quarters, and increasing **+70Bps** on the previous year. Adjusted EBITDA of **€64 million** was therefore reported for the period (-5% on first half 2023), recovering most of the one-off contraction in the first quarter as a result of the Cyber Attack. Adjusted EBITDA in the first six months on net sales excluding packaging costs (value added sales) was 16.5% (17.2% in the first half of 2023).
- **Adjusted Net Profit** for the first half of **€22.9 million**, decreasing **-14.9% (-€4 million)** on the previous year, mainly as a result of the first quarter result, with a partial recovery in the second quarter, in addition to increased amortization, depreciation and taxes. Net of the adjustments, the Consolidated Profit was equal to €17.9 million.
- **Net Financial Position** of **€114.1 million** (or €70.2 million excluding IFRS16), decreasing **€8.6 million** on June 30, 2023. **Financial leverage** (net financial position on adjusted EBITDA over the last twelve months) of **0.85x**, in line with the previous year, despite EBITDA in the first quarter of 2024 decreasing as a result of the Cyber attack.
- For the third consecutive year, **EcoVadis**, the sustainability rating company and among the most respected in the Beauty sector, has awarded Intercos the **Platinum** medal, ranking the Group among the top 1% of global enterprises in the sector in terms of **ESG** performance.

Renato Semerari, CEO of Intercos

"Our Group reports a very positive second quarter, recovering from the difficulties experienced in the first three months of the year due to the Cyber attack of February. Over the last three months, we in fact returned double-digit growth both for sales and Adjusted EBITDA, achieving new records. Second quarter sales totalled Euro 278.9 million, up +10.2% on the previous year at constant exchange rates, despite a very high 2023 base (the second quarter of the previous year saw growth of +31.3%). Adjusted EBITDA was Euro 43.2 million, growth of +15% and with the net sales margin rebounding comfortably above 15%. These results have enabled us to offset the difficulties in the first quarter and to report sales growth for the first half of the year, while recovering a significant portion of the accumulated adjusted EBITDA shortfall in the first three months of the year.

Looking to the results by business unit, second quarter growth was driven by the strong Hair&Body and Skincare results, while Make-up reported substantial stability against the very high levels seen in the second quarter of 2023. This Business Unit - that was the one most impacted by the Cyber Attack in the first three months - also suffered the many repercussions caused by the attack due to the impossibility to order raw materials in a timely manner, following system blockages which delayed production flows also into the beginning of the second quarter. It is noted however that the Make-up Business Unit saw a significant recovery in profitability in the second quarter, also thanks to the gradual acceleration of sales, contributing concretely to the excellent EBITDA generation over the last three months. Looking to the half-year results, the Skincare and Hair&Body business units, less impacted by the Cyber attack, respectively reported growth of +15.2% for sales and +15.8% for EBITDA, and of +19.1% for sales and of +15.9% for EBITDA.

Analyzing the results by geographic area, the second quarter confirmed the strong growth emerging in Asia, with both China and Korea growing by double-digits. EMEA also, after the Cyber Attack-related difficulties, returned to double-digit growth. The Americas however saw a slight decline in sales in the second quarter, due to the build-up of problems related to the Cyber Attack and a substantially weakened market trend.

Finally, the positive order in-take trend also continued. Following six months in which order in-take records were continuously beaten (between November 2023 and April 2024), the months of May and June 2024 also reported increased orders on the previous year, with the prestige customers continuing to contribute to the rebalancing between the mass and prestige markets served.

Renato Semerari, CEO of Intercos

Finally, it is important to highlight that our international growth strategy saw the start of works to expand our factories in Korea and in China, in addition to the opening of a Marketing/Commercial office and a research laboratory in Mumbai. This shall ensure that we are ever closer to the Indian market and more proactive in seizing the very significant future growth opportunities presented.

Despite the difficulties in the first quarter of the year as a result of the Cyber attack, we are very satisfied with the speed in which the Group reacted, as evident in the second quarter performances whereby - as previously outlined - Intercos set new records.

The ability to anticipate market trends thanks to our ongoing focus on innovation, together with the diversification of our business model, are factors which make our Group unique globally and allow us to look to the future with optimism.

We confirm therefore the forecast growth for the second half of the year, with sales expected to increase on the second half of 2023 within a range of approximately +10% and +13% - well above the growth forecast for the Beauty market globally."

Group Highlights

€/mln	1H24	1H23	% vs. 1H23	2Q24	2Q23	% vs. 2Q23
Net Sales	499.9	488.4	2.4%	278.9	253.8	9.9%
Industrial gross profit	99.9	100.9	(1.0%)			
% on net sales	20.0%	20.7%	(67Bps)			
Adjusted EBITDA	64.0	67.4	(5.0%)	43.2	37.5	15.0%
% on net sales	12.8%	13.8%	(99Bps)	15.5%	14.8%	70Bps
EBITDA	58.5	64.8	(9.7%)			
% on net sales	11.7%	13.3%	(156Bps)			
EBIT	35.1	42.9	(18.1%)			
% on net sales	7.0%	8.8%	(176Bps)			
PBT	30.7	35.6	(13.9%)			
% on net sales	6.1%	7.3%	(116Bps)			
Net Income	17.9	25.0	(28.5%)			
% on net sales	3.6%	5.1%	(154Bps)			
Adjusted Net Income	22.9	26.9	(14.9%)			
% on net sales	4.6%	5.5%	(93Bps)			

Sales by Business Unit, Commercial area, customer type

€/mln	1H24	1H23	Var.	% vs. 1H23	2Q24	2Q23	Var.	% vs. 2Q23
<u>Business Unit</u>								
Make-up	283.4	304.2	(20.8)	(6.8%)	155.5	156.4	(0.9)	(0.6%)
Skincare	83.0	72.1	11.0	15.2%	43.6	39.9	3.6	9.1%
Hair&Body	133.5	112.1	21.4	19.1%	79.8	57.5	22.3	38.9%
Total Net Sales	499.9	488.4	11.5	2.4%	278.9	253.8	25.1	9.9%
<u>Commercial Company</u>								
EMEA	263.3	258.2	5.1	2.0%	146.3	131.1	15.1	11.5%
Americas	135.5	151.4	(15.9)	(10.5%)	74.9	78.9	(4.1)	(5.2%)
Asia	101.1	78.8	22.3	28.3%	57.7	43.7	14.0	32.0%
Total Net Sales	499.9	488.4	11.5	2.4%	278.9	253.8	25.1	9.9%
<u>Customer Type</u>								
Multinationals	229.3	254.8	(25.4)	(10.0%)	124.7	127.6	(2.8)	(2.2%)
Emerging Brands	237.1	189.0	48.1	25.5%	136.5	101.7	34.8	34.2%
Retailers	33.4	44.6	(11.2)	(25.0%)	17.6	24.5	(6.9)	(28.1%)
Total Net Sales	499.9	488.4	11.5	2.4%	278.9	253.8	25.1	9.9%

The excellent results for the **second quarter**, which featured record sales of **€278.9 million**, up **+9.9%** (+10.2% at constant exchange rates), have enabled the Group to report sales of **€499.9 million** for the first half, also growth of **+2.4%** (or +3% at constant exchange rates) on the previous year, despite the delays to the production, billing and procurement processes in the first quarter and at the beginning of the second as a result of the Cyber attack.

Analyzing revenues by **business unit**:

- **Make-up** reported sales in the second quarter of **€155.5 million**, in line with the excellent performances of the previous year (Q2 2023 reported growth of +22.8% on 2022). The performance, although good, was impacted by the impossibility to order raw materials during the period of the cyber attack and slowing, also at the beginning of the second quarter, the resumption of production processes. The first half of the year therefore reported sales of **€283.4 million**, decreasing **-6.8%**. The excellent order in-take also from prestige customers in the first six months of the year shall contribute to the expected increased Group sales for the second half of the year.
- **Skincare** in the second quarter reported sales of **€43.6 million**, thereby resuming solid growth rates **(+9.1%)**. The period however reported sales of **€83 million**, up **+15.2%** on the first half of 2023. As for the Hair&Body business unit and differing from Make-up, the production plants serving this business unit were less impacted by the Cyber attack. Both quarters therefore contributed to the growth, thanks also to the excellent Emerging Brand and Multinational customer performance both in North America and in Asia.
- **Hair & Body** in the second quarter reported sales of **€79.8 million**, an increase of **+38.9%**. The business unit therefore reported significant growth in the first half of the year to **€133.5 million** **(+19.1%)**. Performances continue to be supported by increases among the European customer base.

Sales by Business Unit, Commercial area, customer type

In terms of sales by **commercial area**:

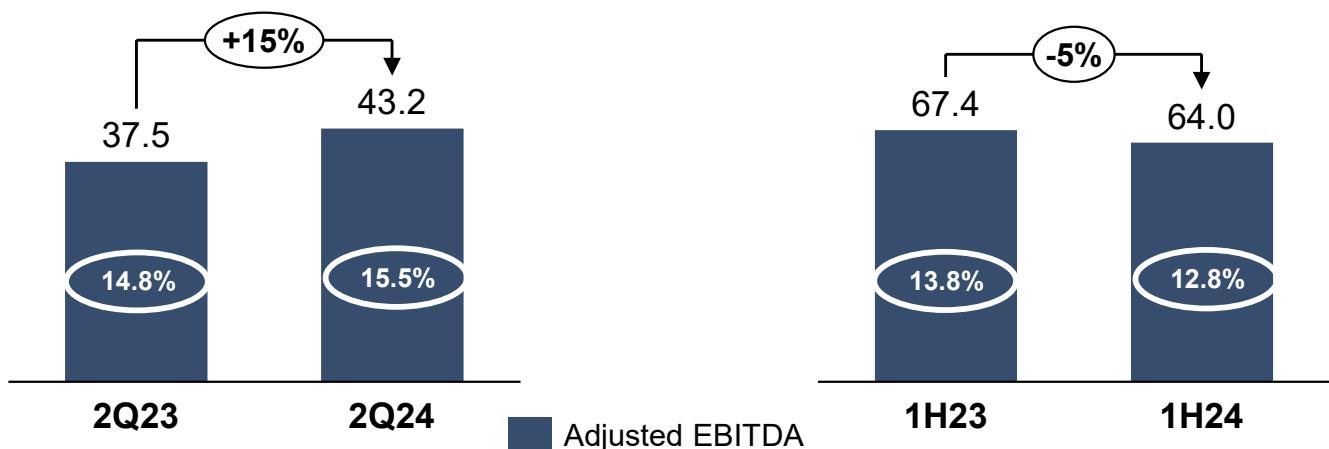
- **EMEA** reported sales in the second quarter of **€146.3 million**, thereby recovering double-digit growth (+11.5%). This supported sales of **€263.3 million** in the first half of the year, growth of **+2%** on the first six months of 2023. Hair&Body and the Emerging Brands performed very strongly.
- The **Americas** was the only geographical area which did not see increased sales in the second quarter at **€74.9 million**, contracting on the previous year (-5.2%). Sales of **€135.5 million** were therefore reported in the first half of the year, a decrease of **-10.5%** on the first half of 2023, a combination of the significant impact caused by the Cyber Attack at the production plants serving the area, together with a less dynamic Beauty market than in the past, particularly in the Make-up segment.
- **Asia** again returned excellent results in the second quarter, with sales of **€57.7 million**, up **+32.0%** on 2023, thanks once again to double-digit growth both in China and in Korea. Sales of **€101.1 million** were reported in the first half of the year, growth of **+28.3%** on the previous year. Both the Make-up and Skincare performances were excellent.

Finally, with regards to sales by **customer type**:

- **Multinational** customers in the second quarter reported sales of **€124.7 million**, in line with the excellent results of 2023 (+22% on 2022). This customer type was impacted in the second quarter by the slowdown of Make-up production processes as a result of the inefficiencies arising in the raw material procurement processes. Sales of **€229.3 million** were therefore reported for the first half of the year, decreasing **-10%** on 2023 and substantially reflecting the reduction in sales in the first quarter. The Skincare business unit however reported good results.
- The **Emerging Brands** customers saw significant growth, with sales of **€136.5 million** in the second quarter (+34.2% on 2023). Sales of **€237.1 million** (+25.5%) were therefore reported for the first half of the year. This increase was across all business units and all geographic areas, including China, driven by the excellent sales of the local brands, both in the mass and prestige segments.
- **Retailers** reported sales of **€17.6 million** in the second quarter, decreasing **-28.1%**, and sales of **€33.4 million** in the first half of the year, contracting **-25%**. The Retailers share of business is significantly lower than the others (accounting for approximately 7% of Group sales). Performances over the short-term may therefore be subject to greater volatility. In particular, the reduction in the first half of the year is due to the sales lost as a result of the Cyber Attack and the financial difficulties experienced (as previously announced) by a Group customer (The Body Shop), whose share in the previous year was quite material.

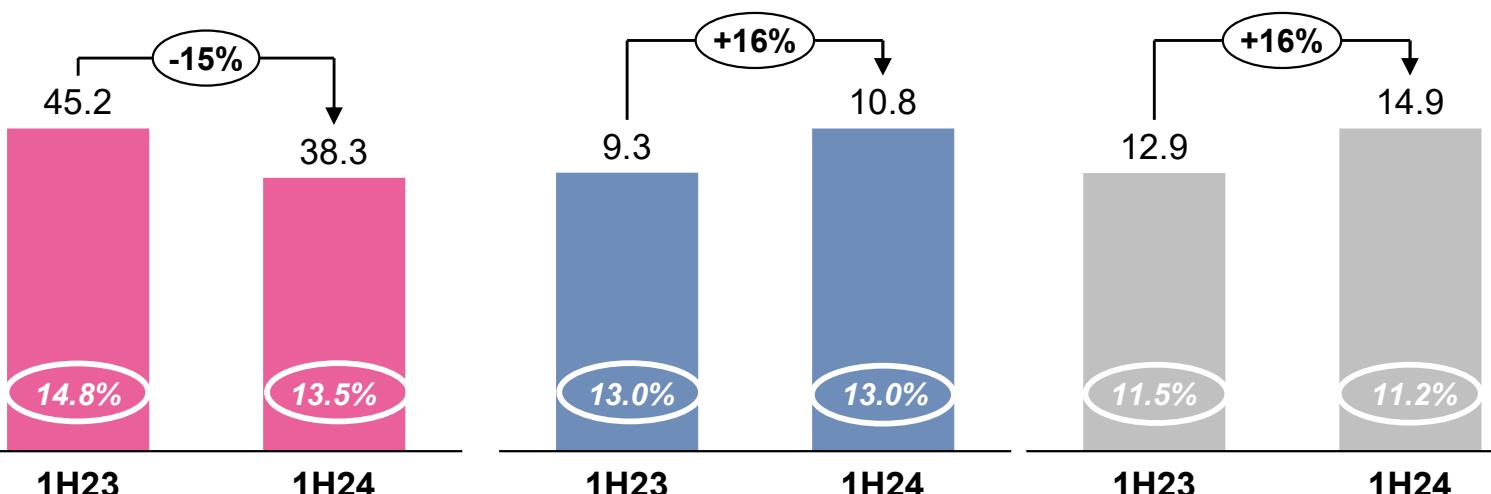
EBITDA

Strong sales growth and increased profitability in the second quarter allowed for a significant recovery of the EBITDA lost in the initial three months of the year as a result of the Cyber Attack. The Group in the second quarter hit record levels both in terms of sales and **EBITDA Adjusted**, with the latter up **+15%** (or **+€5.6 million**) on 2023. Adjusted EBITDA on net sales in the second quarter rebounded well above 15%, at **15.5%** and increasing **+70Bps** on 2023. The increased profitability was due to (i) increased volumes and therefore improved cost absorption in the production processes and of overheads and (ii) the initial impacts of reorders from our prestige customers, supporting a better mix of products sold. This therefore amounted in the first six months of 2024 to **€64 million**, a slight decrease on the previous year (-5% or **-€3.4 million**). Adjusted EBITDA on value added sales (sales net of packaging costs) was **16.5%**, slightly decreasing on the first six months of 2023 (-72Bps), although sharply rebounding over recent months as a result of that outlined above. Excluding the adjustments, Group EBITDA amounted therefore to €58.5 million, decreasing -10% on the previous year, also due to the one-off costs incurred for the cyber attack. For a breakdown of non-recurring expenses, reference should be made to page 12 of the Press Release.



1H24 vs 1H23 - Adjusted EBITDA by Business Unit

■ Make-up ■ Skincare ■ Hair&Body



With regards to EBITDA by Business Unit:

- **The Adjusted EBITDA** in the first half of the year of the **Make-Up** Business Unit was **€38.3 million**, decreasing **-15%** (or **-€6.9 million**), entirely as a result of the Cyber impact in the first quarter. As previously indicated, this Business Unit was hit hardest by the attack. The overall recovery and also in terms of the margin on net sales was excellent in the second quarter of the year, which both increased on the previous year. The continued improvement of the products sold mix in the second quarter (prestige vs mass customers), together with the good volumes and improved industrial productivity, supported the gradual increase of the business unit's profitability.
- **The Adjusted EBITDA** in the first six months of the year of the **Skincare** Business Unit was up **+16%** (or **+€1.5 million**), to **€10.8 million**. Both the Asian and American markets contributed to the Business Unit's growth.
- In the same period, **the Adjusted EBITDA** of the **Hair&Body** Business Unit amounted to **€14.9 million**, increasing on the first half of 2023 (**+16%**). The growth of the Business Unit continued, thanks also to collaborations with new customers and the continued strength of the fragrances market.

Net Profit for the period

The **Adjusted Group net profit** was **€22.9 million** in the first half of 2024 (-14.9% or -€4 million). The reduction is due to the decrease in EBITDA in the first quarter, increased amortization and depreciation and the temporary increase in the tax rate. The latter shall be gradually reabsorbed over the course of the second half of the year. On the other side, net financial expenses decreased on the previous year. The Group Net Profit was €17.9 million, which includes non-recurring expenses and the relative tax impact. For further details on the difference between the Adjusted and Unadjusted Result, reference should be made to page 12 of this Press Release.

Cash Flow and Net Financial Debt

€/mln	1H24	1H23	Var.
Adjusted EBITDA	64.0	67.4	(3.4)
Adjustments (*)	(3.1)	(0.7)	(2.4)
Change in Trade Working Capital	(22.9)	(24.7)	1.8
Other changes in Working Capital	9.0	14.7	(5.7)
Capex (**)	(23.8)	(49.3)	25.5
Operating Cash Flow	23.2	7.4	15.7
Changes in long term Assets & Liabilities	(1.1)	(4.1)	3.0
Fin. Expenses	(4.4)	(7.2)	2.8
Income taxes	(12.8)	(10.6)	(2.2)
Dividends	(17.7)	(14.4)	(3.3)
Other changes in Equity and others	(1.0)	(3.1)	2.1
Cash Flow	(13.9)	(32.0)	18.1

(*) considering only the portion of adjustments at EBITDA level with monetary impact and which in the first half of the year amounted to €3.1 million out of total adjustments of €5.5 million.

(**) Investments also take into account the portion of capitalisations resulting from IFRS 16 accounting, which, following the renewal of certain lease contracts, resulted in the first half of 2023 in an increase in net capitalizations of €23.5 million (€1.5 million in the first half of 2024).

Net Financial Position

€/mln	1H24	1H23	Var.
Net Debt (excl. IFRS16)	70.2	76.5	(6.3)
Net Debt	114.1	122.7	(8.6)
<i>Leverage Ratio (*)</i>	<i>0.85x</i>	<i>0.87x</i>	<i>(0.02x)</i>

(*) Calculated as the Net Financial Position / Adjusted EBITDA over the last twelve months

Operating cash flow in the first six months totalled **€23.2 million**, increasing **+€15.7 million** on the previous year, thanks to the improved management of trade working capital, and the fact that the first half of the previous year was impacted by extraordinary capitalizations totalling €23.5 million following the application of IFRS16 due to the renewal of a number of lease contracts.

Thanks to the improvement in Operating cash flow, **Net cash flow** also improved by **+€18.1 million** on the previous year, generating therefore - before the dividends distributed in the first half of 2024 - cash of **€3.8 million**.

The **net financial debt** at June 30, 2024 was **€114.1 million**, improving **€8.6 million** on the previous year, with financial leverage remaining substantially unchanged at **0.85x**. The Net Financial Debt at June 30, 2024, excluding the accounting impact from the application of IFRS16 was **€70.2 million**, improving **€6.3 million** on June 30, 2023.

Outlook & Guidance

The excellent results in the second quarter confirm our previously announced expectations, which forecast a recovery of the sales lost due to the Cyber attack in the first quarter and a return to profitability growth.

The global Beauty market also performed in line with expectations. As announced on the publication of the 2023 results, the Americas, and in particular the US, reported fluctuating results in the first six months of the year, after seeing a slight decrease in volumes over a number of months. We consider a recovery possible in the second half of the year, although consumption may be impacted in the periods preceding the national elections. EMEA performed strongly in the first half of the year and we expect this trend to continue also in the second half of the year. For Asia, and in particular China, although general market growth is not at exceptional levels, we expect the local brands to continue to expand over the medium-term. These brands are now more mature and present to the local markets more innovative products, and therefore now enjoy improved credibility, allowing them to position themselves also at higher price points than in the past. In addition, the regulations to be implemented in China for the introduction of new cosmetics products have become significantly more stringent and require solid know-how both by producers and formulators, therefore increasing the barriers to entry for possible new competitors.

In this context, we expect the Group to continue on the expected growth trajectories announced to the market. Order in-take continues to be robust and we therefore now enjoy a stronger order book than in the previous year (+12.5%), and decisively more exposed to prestige customers than one year ago. We expect to continue to benefit from Chinese market dynamics, while we remain optimistic on Korean growth, where the Group's second largest research center continues to develop new successful formulas. Both countries have begun works to expand the production capacity at our plants. Finally, looking to the West, the consolidated relations with our customers will continue to benefit from the current trend for increased outsourcing also by the multinationals, while we shall continue to work also with the emerging brands, not only in the Make-up segment, but also in the Skincare and Hair&Body segments.

On the basis of that reported, we confirm our expectations for the remainder of 2024, with an increase in sales in the year of between +6% and +8% vs. 2023. In particular, we expect sales in the second half of 2024 to increase in a range of between approximately +10% and +13%, significant growth on the second half of 2023, and well ahead of the growth expectations for the overall beauty market.

In May-June 2024, the Company's order in-take (excluding contract manufacturing, and in particular the Hair&Body Business Unit) reached €124 million (+€6 million or +5% over the previous year), of which €22 million related to Skincare (in line with 2023) and €103 million related to Make-up (+€6 million or +6%). The result was particularly positive also in view of the very strong growth trends reported in the previous releases and the increase in prestige customer orders.

The Order Book at the end of June 2024 was overall at €346 million, increasing +13% on the previous year (or +€38 million, of which +€33 million for make-up and +€6 million for skincare), due to very solid orders and a small portion of backlog still not invoiced as a result of the Cyber Attack.

OTHER INFORMATION

ISSUE OF THE HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2024

The Half-Year Financial Report for the period ended June 30, 2024 approved today by the Board of Directors will be made available in accordance with the legally-established deadlines and means.

DECLARATION OF THE EXECUTIVE OFFICER FOR FINANCIAL REPORTING

Mr. Pietro Oriani, as Executive Officer for Financial Reporting, declares - in accordance with paragraph 2, Article 154-bis of Legislative Decree No. 58/1998 ("Consolidated Finance Act") - that the accounting information included in this press release corresponds to the underlying accounting records.

RESULTS PRESENTATION CONFERENCE CALL

The H1 2024 results shall be presented to analysts and investors on August 1, 2024 at 6.30 PM (CET). The conference may be followed by connecting to the following numbers: +39 02 8020911 (from Italy), +44 1 212818004 (from UK), +1 718 7058796 (from USA), (for journalists +39 02 8020927). The supporting presentation for the conference call shall be made available on the company website www.intercos-investor.com in the "Investor Relations" section at the following link: <https://www.intercos-investor.com/investors/documenti-finanziari/presentazioni/> and on the "1info" storage mechanism at www.1info.it. From the day subsequent to the call, a recording of the call shall be made available on the same website.

UPCOMING FINANCIAL CALENDAR EVENTS

Q3 2024 Report

November 6, 2024

AGREEMENT OF A NEW SENIOR LOAN FOR EURO 330 MILLION

It is announced that, in view of the approaching conclusion of the current loan agreement signed on December 17, 2019 between the Company and a syndicate of banks of December 2024, the Company has negotiated a new 5-year senior loan agreement with a syndicate of banks consisting of "Intesa Sanpaolo S.p.A.", "BNP Paribas, Italian Branch", and "UniCredit S.p.A.", which was signed on July 31, 2024.

SUPPLEMENTATION TO THE PRESS RELEASE OF 07.05.2024 REGARDING THE RESIGNATION OF A SENIOR DIRECTOR

It is recalled that, as previously disclosed to the market on May 7, 2024, following his resignation on the same date and effective as of August 2, 2024, Mr. Pietro Oriani - Group Chief Financial Officer, Executive Officer for Financial Reporting ("Executive Officer") and Senior Director of the Company - today concludes his position at Intercos after overseeing the activities related to the approval of the Half-Year Financial Report at June 30, 2024.

Supplementing that announced last May 7 regarding the amounts due to Mr. Pietro Oriani in various forms following the conclusion of his employment with the Company, it is noted that the Board of Directors' meeting of the Company held today, in light of the efforts made and the objectives achieved in the first half of 2024, resolved, following the favorable opinion of the Appointments and Remuneration Committee ("ARC") and the Related Parties Committee, to recognize to Mr. Pietro Oriani, although concluding due to voluntary resignation and therefore in derogation of the current policy on remuneration adopted by the Company, the rights arising from his participation in the "Short Term Incentive Plan 2024" in the event of achievement of the corporate and individual objectives to which it is linked. Achievement of the above objectives shall be verified on the approval of the consolidated financial statements at December 31, 2024 by the Company's Board of Directors. It is specified that the amount to be paid to Mr. Pietro Oriani in a lump sum by June 2025 will be determined and quantified on the basis of the level of achievement of the aforementioned objectives between a minimum amount of Euro 96,000 ("target") and a maximum amount of Euro 144,000 (in case of "overperformance").

APPOINTMENT OF THE EXECUTIVE OFFICER FOR FINANCIAL REPORTING AND GROUP CHIEF FINANCIAL OFFICER AD INTERIM

It is hereby announced that today, the Board of Directors of the Company, having heard the favorable opinion of the Control and Risk Committee, the ARC and the Board of Statutory Auditors of the Company, appointed Mr. Vittorio Brenna, Chief Operating Officer of the Intercos Group, as the new Executive Officer pursuant to Article 154-bis of the CFA, in compliance with the professionalism requirements under the Company's current By-Laws in accordance with the law. Mr. Vittorio Brenna takes over the role of Group Chief Financial Officer ad interim and Executive Officer for Financial Reporting ad interim until a new Group Chief Financial Officer is identified, who will also assume the role of Executive Officer for Financial Reporting.

IDENTIFICATION CODES

ISIN Code of the Shares: IT0005455875

Symbol: ICOS

INTERCOS GROUP

Intercos is one of the leading business-to-business operators internationally in the creation, production and marketing of cosmetics (Make-up) and Skincare products, in addition to hair and body care products (Hair&Body), for leading domestic and international brands, emerging brands and retailers serving the cosmetics market and the wider beauty sector. Founded in 1972 by Dario Ferrari, Intercos lists the top cosmetics brands among its customers, with a staff of 5,500, 12 research centers, 16 production facilities and 16 commercial offices across three continents. Intercos for 50 years has interpreted beauty, creating cosmetic products and becoming a trend setter which predicts, anticipates and influences new cosmetic trends, meeting the demands of a range of customers with products for all price ranges.

NOTE AND DEFINITIONS

Alternative performance measures, not covered by IFRS, are used by management for a better assessment of the Group's operating and financial performance and are in line with the Group's performance policies and control parameters. These measures should not be considered to replace those set out in the IFRS.

The alternative performance measures not stemming directly from the financial statements are outlined below:

- EBITDA: this is defined as the sum of net profit for the period, plus income taxes, financial income and expense, and the effects of valuing equity investments held as financial investments using the equity method and amortization and depreciation.
- Adjusted EBITDA: this is obtained by deducting from EBITDA those components evaluated by the Company as non-recurring, i.e., particularly significant events that are not linked to the ordinary performance of the core businesses or that do not determine cash flows and/or changes in the amount of equity.
- Adjusted Net Profit: this is obtained by deducting from profit those components evaluated by the Company as non-recurring, i.e., particularly significant events that are not linked to the ordinary performance of the core businesses or that do not determine cash flows and/or changes in the amount of equity and the relative tax impacts.
- Net debt (cash) or net financial position: the sum of current and non-current financial payables, net of current and non-current financial receivables, including cash and cash equivalents;

Other definitions:

- Rep Fx: percentage change at current exchange rates.
- C Fx : percentage change at constant exchange rates.
- Order-in-take: means all orders legally placed and processed by a company during the accounting period or fiscal year under review.
- Order Book: open order book at a certain date

DISCLAIMER

The information presented in this document has not been audited. This document may contain forward-looking statements relating to future events and results of operations, financial position and cash flows of Intercos. These statements by nature contain an element of risk and uncertainty in that they depend on future events and developments. The actual results may even diverge significantly from those announced, due to a range of factors.

CONTACTS

Media Relations:

Image Building

Via Privata Maria Teresa, 11 20123 – Milan

Tel. +39 02 89011300

intercos@imagebuilding.it

Group Financial Sr. Director & IR:

Intercos S.p.A.

Andrea Tessarolo

tel. +39 039 65521

investor.relations@intercos.com

APPENDIX

Reclassified Consolidated Income Statement

€/mln	1H24	1H23	Delta	Var.%
Net Sales	499.9	488.4	11.5	2.4%
COGS	(400.0)	(387.5)	(12.5)	3.2%
Industrial gross profit	99.9	100.9	(1.0)	(1.0%)
: sales	20.0%	20.7%		
Research & Development and innovation costs	(21.3)	(20.0)	(1.3)	6.6%
Selling expenses	(15.1)	(15.3)	0.2	(1.5%)
General and administrative expenses	(26.2)	(24.4)	(1.8)	7.4%
Other operating income (expenses)	(2.2)	1.7	(3.9)	(232.0%)
Operating Profit (EBIT)	35.1	42.9	(7.8)	(18.1%)
: sales	7.0%	8.8%		
D&A (***)	(23.4)	(21.9)	(1.5)	6.8%
EBITDA	58.5	64.8	(6.3)	(9.7%)
Adjustements (*)	(5.5)	(2.6)	(2.9)	
Adjusted EBITDA	64.0	67.4	(3.4)	(5.0%)
: sales	12.8%	13.8%		
Financial income (expenses)	(4.4)	(7.2)	2.8	(39.0%)
Profit before taxes (EBT)	30.7	35.6	(5.0)	(13.9%)
Income taxes	(12.8)	(10.6)	(2.2)	20.4%
Net income	17.9	25.0	(7.1)	(28.5%)
Adjustments (**)	(5.0)	(1.9)	(3.1)	
Adjusted Net income	22.9	26.9	(4.0)	(14.9%)

(***) All functional areas include amortization and depreciation which are restated here for calculating EBITDA

Adjustments to EBITDA and Net Profit

€/mln	1H24	1H23
Management Long Term Incentive Plan	(1.0)	(1.8)
One-off costs related to re-organizations (mainly personnel costs and layoff)	(0.5)	(0.5)
Cyber Cost	(2.1)	0.0
Costs for general and legal consultancies	(3.8)	(0.3)
Write-Off Bad Debt Provision related to "The Body Shop" customer	(1.4)	0.0
Sale of asset	3.3	0.0
Adjustments (*) at EBITDA level	(5.5)	(2.6)
Tax impact arising from above adjustments	1.5	0.7
Taxes related to prior year	(1.0)	0.0
Adjustments (**) at Net Income level	(5.0)	(1.9)

APPENDIX

Reclassified Consolidated Balance Sheet

€/mln	30Jun24	31Dec23	Delta
Tangible Assets	235.9	239.0	(3.1)
Intangible Assets	57.6	56.2	1.5
Goodwill	133.3	134.0	(0.7)
Investments	1.5	1.5	0.0
Deferred tax assets	27.3	25.7	1.6
Other non-current Assets/Liab.	(11.5)	(10.9)	(0.5)
Non-current Assets	444.1	445.4	(1.3)
Inventory	215.6	168.5	47.1
Trade Receivables	171.1	167.7	3.4
Trade Payables	(211.1)	(183.5)	(27.6)
Other current Assets/Liab.	(57.3)	(48.3)	(9.0)
Net Working Capital	118.3	104.4	14.0
Capital Employed	562.4	549.8	12.7
Net Debt	114.1	100.2	13.9
Equity	448.3	449.5	(1.2)

Consolidated cash flow

€/mln	1H24	1H23	Delta
Cash flows provided by (used in) operating activities	32.4	40.4	(8.0)
Cash flows provided by (used in) investing activities	(20.3)	(24.8)	4.4
Cash flows provided by (used in) financing activities	(15.5)	(41.4)	25.8
Net increase (decrease) in cash and cash equivalents	(3.4)	(25.7)	22.3
Dividends distribution	(17.7)	(14.4)	(3.4)
Cash and cash equivalents, at beginning of the year	152.8	183.2	(30.4)
Of which, change in exchange differences	(0.2)	2.6	(2.8)
Cash and cash equivalents, at end of the year	131.9	140.6	(8.7)
Net increase (decrease) in cash and cash equivalents	(21.2)	(40.1)	18.9

APPENDIX

Consolidated Income Statement from the Notes to the Financial Statements

€/mln	1H24	1H23	Delta	Var.%
Revenues	499.9	488.4	11.5	2.4%
Cost of sales	(400.0)	(387.5)	(12.5)	3.2%
Industrial Gross Profit	99.9	100.9	(1.0)	(1.0%)
Research, Development and Innovation Costs	(21.3)	(20.0)	(1.3)	6.6%
Selling Expenses	(15.1)	(15.3)	0.2	(1.5%)
General and Administrative Expenses	(26.2)	(24.4)	(1.8)	7.4%
Other income and expenses	(2.2)	1.7	(3.9)	(232.0%)
EBIT	35.1	42.9	(7.8)	(18.1%)
Financial income	5.2	9.1	(3.9)	(42.7%)
Financial expense	(9.6)	(16.3)	6.7	(41.0%)
EBT	30.7	35.6	(5.0)	(13.9%)
Income taxes	(12.8)	(10.6)	(2.2)	20.4%
Net Profit	17.9	25.0	(7.1)	(28.5%)

Consolidated Balance Sheet from the Notes to the Financial Statements

€/mln	30Jun24	31Dec23	€/mln	30Jun24	31Dec23
ASSETS			EQUITY		
NON-CURRENT ASSETS			Share Capital	11.3	11.3
Property, plant and equipment	235.9	239.0	Other reserves	108.5	108.5
Intangible assets	57.6	56.2	Retained earnings	326.4	327.7
Goodwill	133.3	134.0	Total Equity owners of the parent	446.2	447.5
Equity Investments	1.5	1.5	Non-controlling interest equity	2.1	2.0
Deferred tax assets	38.2	35.7	TOTAL EQUITY	448.3	449.5
Other non-current assets	1.0	0.9	LIABILITIES		
Financial non-current assets	0.7	0.3	NON-CURRENT LIABILITIES		
Non-current assets	468.1	467.5	Bank borrowings and other lenders	45.8	48.1
CURRENT ASSETS			Provisions for risks and charges	1.7	1.9
Inventories	215.6	168.5	Deferred tax liabilities	10.9	10.0
Trade receivables	171.1	167.7	Other non-current liabilities	0.2	0.2
Other current assets	20.5	19.0	Employee benefits	10.6	9.8
Other financial assets	2.6	5.3	Non-current liabilities	69.1	70.0
Cash and cash equivalents	131.9	152.8	CURRENT LIABILITIES		
Current assets	541.6	513.4	Current bank borrowings and other lenders	196.1	200.1
TOTAL ASSETS	1,009.7	980.9	Other financial payables	7.3	10.4
			Trade payables	211.1	183.5
			Provisions for risks and charges	0.0	0.0
			Other current liabilities	77.8	67.4
			Current liabilities	492.3	461.4
			TOTAL LIABILITIES AND EQUITY	1,009.7	980.9