

March 4th 2025

EARNINGS CALL

FY24 RESULTS

intercos
GROUP

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Stefano Zanelli, the Manager in charge of preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of the Legislative Decree no.58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

Agenda

***FY24 Executive
Summary***

FY24 Financials

Outlook & Guidance

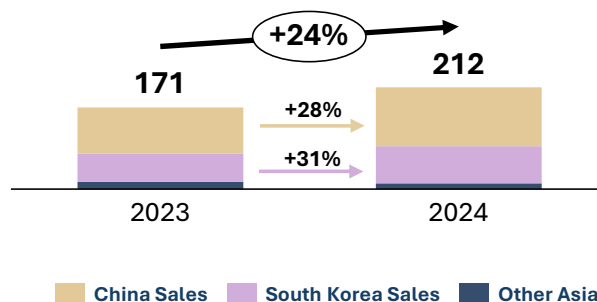
FY24 Executive Summary

Net Sales

€1,064.9m

+7.8% Rep FX vs. FY23
+8.2% c.FX vs. FY23

Asia Sales performance



Adj. EBITDA

€143.3m

+4.3% or +€5.9m vs. FY23
17.5% on Value Added Sales (+13Bps)
+90Bps 2H24 EBITDA on Value Added Sales vs. 2H23

Adj. Net Income

€56.7m

+0.4% or +€0.2m vs. FY23

Net Debt

€97.7m

0.68x Net Debt to Adj. EBITDA ratio
€55.1m excluding IFRS16

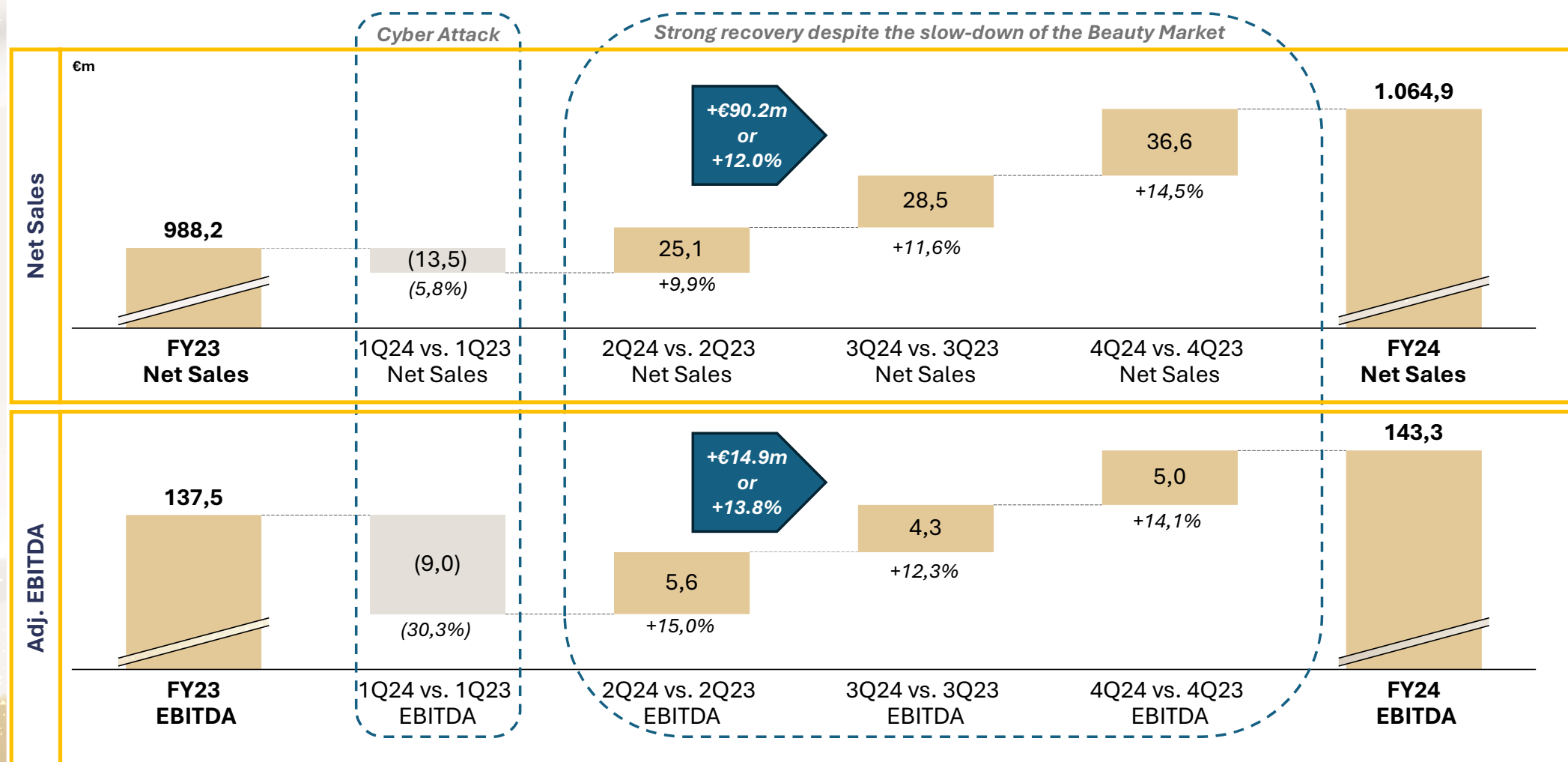
Dividends

Proposal

€19m

Approx. €0.20 per share
Payout Ratio of approx. 39% of consolidated Net Profit

FY24 Executive Summary – FY progression



FY24 Executive Summary – 4Q24 & FY24 main kpi's

4Q	€m	4Q24	4Q23	% vs 4Q23	
				Rep FX	c FX
	Revenues	289.8	253.2	14.5%	14.5%
	Adj. EBITDA	40.1	35.2	14.1%	
	Adj. EBITDA %	13.9%	13.9%	(4Bps)	

Third quarter in a row posting double digit growth at **both** top line and EBITDA level.

FY	€m	FY24	FY23	% vs FY23	
				Rep FX	c FX
	Revenues	1,064.9	988.2	7.8%	8.2%
	Adj. EBITDA	143.3	137.5	4.3%	
	Adj. EBITDA %	13.5%	13.9%	(45Bps)	
	Adj. EBITDA on VAS %	17.5%	17.4%	13Bps	
	Adj. Net Income	56.7	56.5	0.4%	
	Adj. Net Income %	5.3%	5.7%		
	Net Debt	97.7	100.2		
	Net Debt/Adj. EBITDA	0.68x	0.73x		

FY Group **record** in terms of Revenues, EBITDA, Net Income

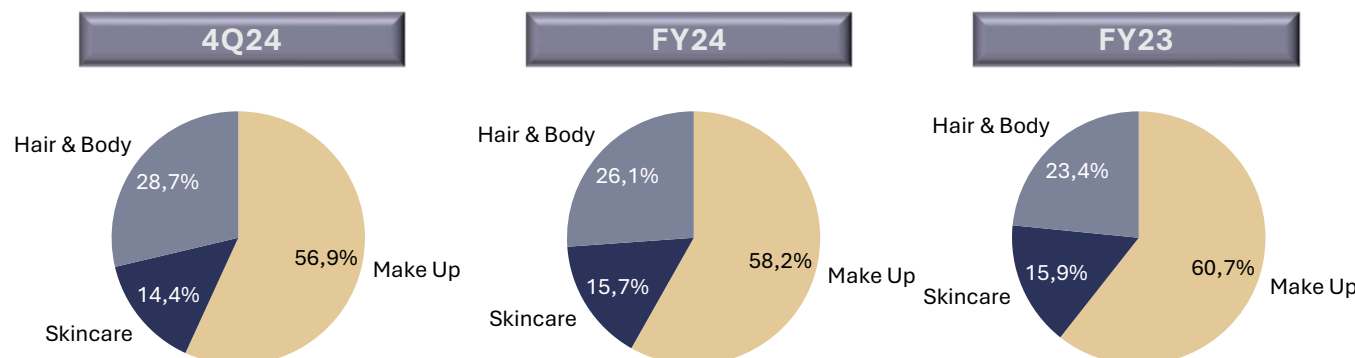
2H24 Adj. EBITDA on Value Added Sales growing by **+90Bps** vs. 2H23

Lowest leverage ratio ever since listed

VAS (Value Added Sales) = Net sales – Packaging cost;
Full Service Sales = Sales including the packaging component

FY24 Financials – 4Q24 and FY24 Revenues by BU's

Business Units



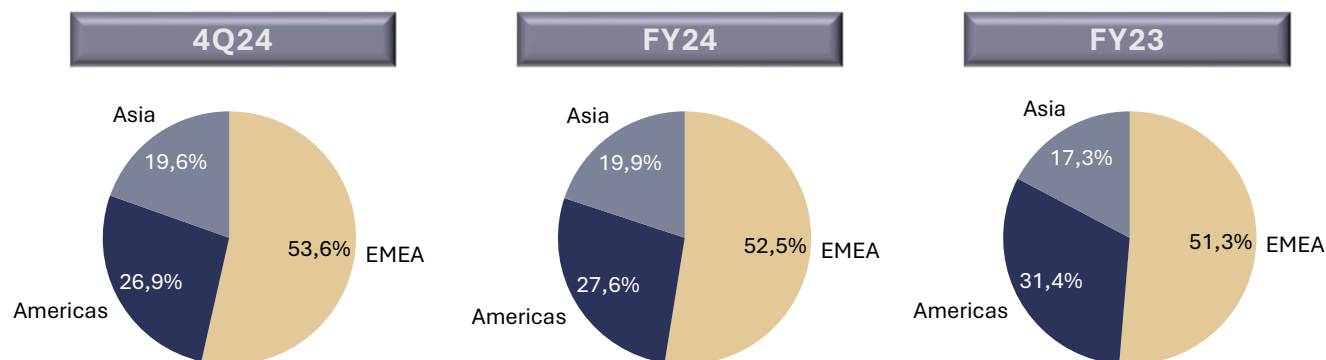
- **Make-up** reported 4Q24 revenues of **€164.8m** up by **+13.4%** vs. 4Q23. Sales growth was driven by strong performances in Asia and EMEA, both from Multinational companies and Emerging brands. Sales to prestige clients showed significant expansion. As a consequence, FY24 net sales amounted to **€619.8m**, up by **+3.4%**. In the year, the Business Unit was the most affected by the cyberattack, recording in 1Q24 a decline of -13.5%. However, the excellent performance in 2H24 allowed for a full recovery of the gap, closing the year with growth compared to FY23.
- **Skincare** has shown a decline in 4Q24, closing at **€41.9m** (-€6m). This should be considered in light of the strong growth reported in 4Q23 (+40.1% vs. 4Q22 – i.e. high comps). Looking at the FY performance, Skincare closed another year with further growth, reaching **€167.1m** (+6.1% vs. FY23), mainly thanks to Asian local brands and retailers, followed by Multinational companies in America.
- **Hair & Body** recorded revenues of **€83.1m** in 4Q24, up by **+38.8%** vs. 4Q23. The business unit reported another year of strong expansion, closing the year with revenues of **€278m**, up by **+20.2%**. The BU continued to take full benefit from the excellent performance of the fragrance market. Deodorants also performed well.

	€m	4Q24	4Q23	% vs 4Q23
4Q	Revenues	289.8	253.2	14%
	Make Up	164.8	145.4	13%
	Skincare	41.9	47.9	(13%)
	Hair & Body	83.1	59.9	39%

	€m	FY24	FY23	% vs FY23
FY	Revenues	1064.9	988.2	8%
	Make Up	619.8	599.4	3%
	Skincare	167.1	157.5	6%
	Hair & Body	278.0	231.3	20%

FY24 Financials – 4Q24 and FY24 Revenues by Region

Regions



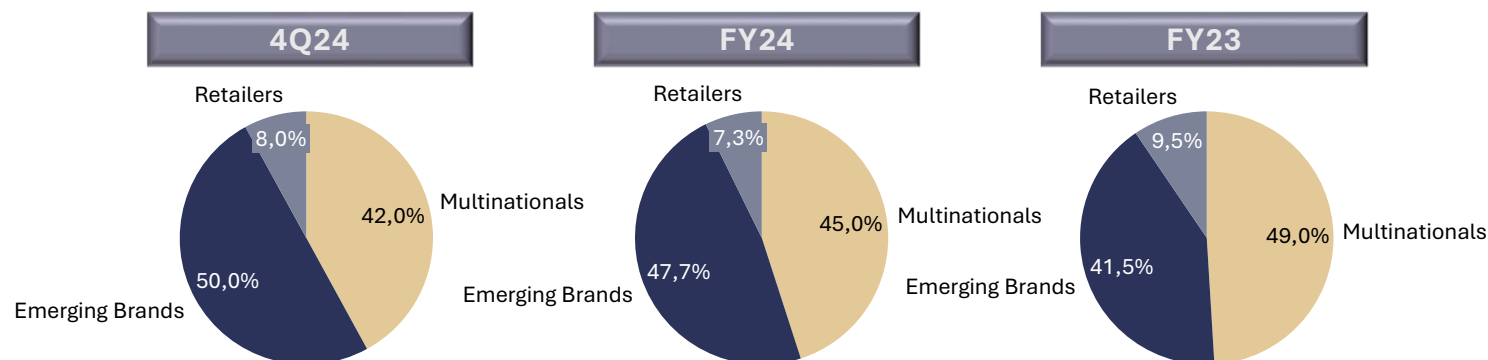
- **EMEA** 4Q24 net sales amounted to **€155.2m**, up by **+22.5%**. The increase in sales, both over the year (**+10.3%**) and in the last quarter, was mainly driven by the strong performance of Multinationals in Make-up and Emerging Brands in Hair & Body.
- **Americas** has shown some signs of recovery in 4Q24, closing with a slight growth (**+1.8%** at **€77.9m**), mainly thanks to the performance of Multinationals in Make-up. The region was the only geographical area to report a slight decline during the year (**-5.5%**), contributing with **€293.4m** of sales. This was due to the fact that the American plant was among the most affected by the cyber-attack and in addition, the local Beauty market has progressively softened its pace across FY24.
- **Asia** reported another quarter of strong growth, with 4Q24 sales at **€56.7m** (**+13.4%** vs. 4Q23). The year closed with revenues of **€212m**, up by **+24.3%** compared to FY23, despite a declining Chinese Beauty market. The excellent performance was driven by the success of local brands, both in Make-up and Skincare, in both China and South Korea.

	€m	4Q24	4Q23	% vs 4Q23
4Q	Revenues	289.8	253.2	14%
	EMEA	155.2	126.6	23%
	Americas	77.9	76.5	2%
	Asia	56.7	50.0	13%

	€m	FY24	FY23	% vs FY23
FY	Revenues	1064.9	988.2	8%
	EMEA	559.5	507.2	10%
	Americas	293.4	310.5	(6%)
	Asia	212.0	170.5	24%

FY24 Financials – 4Q24 and FY24 Revenues by Customer Type

Customer Type



- **Multinationals** 4Q24 sales showed a good recovery, reaching **€121.8m** (+7.1% vs. 4Q23), mainly thanks to the Make-up business unit. The performance allowed to close the year with sales amounting to **€479.3m**, close to FY23 levels.
- **Emerging Brands** clients proved once again to be the main driver of growth, with 4Q24 sales amounting to **€144.9m** (+27.7% vs. 4Q23) and FY24 revenues increasing by nearly **+€100m**, reaching **€508.3m**. The growth characterized both mass and prestige segments, and it was consistent across all regions, as well as across all business units.
- **Retailers**, as previously reported during the year, is a less diversified cluster of clients, and the smallest client group (approximately 7% of the Group's total sales). As a result, overall sales performance may be influenced by fluctuating trends among individual brands. FY24 closed with revenues of **€77.3m**, marking a -17.5% decline compared to the previous year mainly as a result of the financial crisis of the client The Body Shop.

	€m	4Q24	4Q23	% vs 4Q23
4Q	Revenues	289.8	253.2	14%
	Multinationals	121.8	113.7	7%
	Emerging Brands	144.9	113.4	28%
	Retailers	23.1	26.0	(11%)

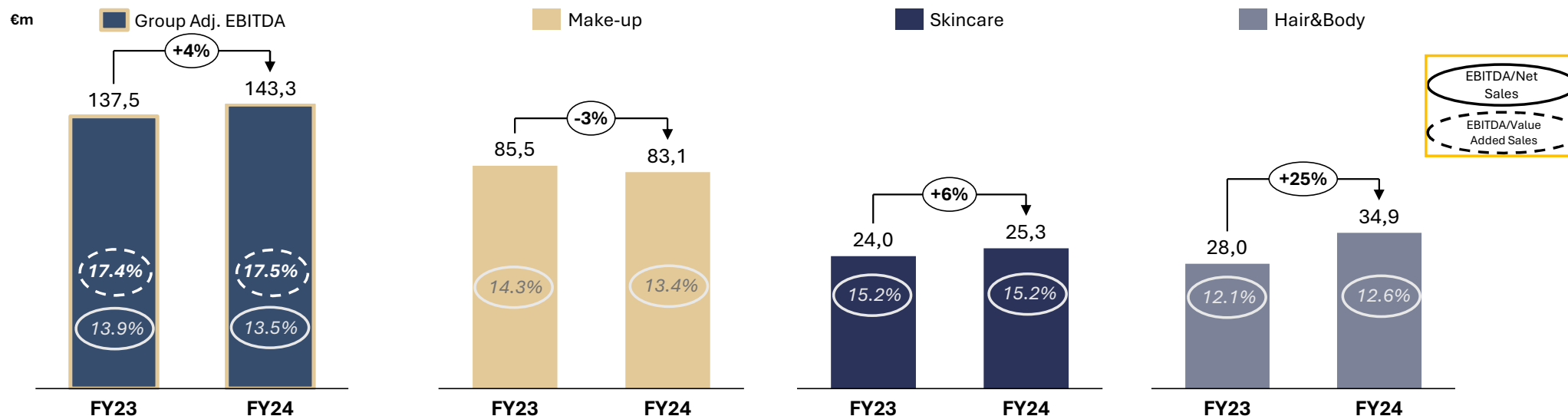
	€m	FY24	FY23	% vs FY23
FY	Revenues	1064.9	988.2	8%
	Multinationals	479.3	484.6	(1%)
	Emerging Brands	508.3	409.8	24%
	Retailers	77.3	93.8	(18%)

FY24 Financials – Results overview

- FY24 **Net Sales** exceeded one billion euros for the first time, reaching a record level of **€1,064.9m**, up +7.8% compared to FY23 and **+8.2%** at constant exchange rates. This new record was achieved despite the challenging FY23 base (revenues grew by +20% at c.FX vs. FY22), the cyber-attack, and the market slowdown in 2H24. As previously mentioned, the Group's performance in **China** was excellent, significantly overperforming the Beauty market in the region, Western beauty players performances and direct competitors.
- FY24 **Adjusted EBITDA** was equal to **€143.3m** (**+4.3%** vs. FY23). FY24 performance reflects the 1Q24 significant decrease following the cyber-attack (-€9m or -30.3%) and the last nine months of FY24 performance: in that period, EBITDA grew double digits, increasing by **+€14.9m** (or **+13.8%**). The strong performance in the last three quarters of FY24, was achieved despite less favourable market conditions and the increase in sales in "Full-Service" (i.e. containing pack invoicing), which inevitably diluted the Group's profitability. FY24 Adj. EBITDA on net sales stood at **13.5%**, down 45Bps compared to FY23. Adj. EBITDA on value-added sales (sales net of packaging costs) showed a strong recovery in 2H24 (**+90Bps**), reaching in the year **17.5%**, up **+13Bps** vs. FY23, despite the production inefficiencies caused by the cyber-attack.
- FY24 **Adjusted Net income** stood at **€56.7m** (**+0.4%** vs. FY23). Despite the increase in adjusted EBITDA and lower net financial charges, which offset the increase in D&A, FY24 was impacted by the rise in tax rate. The Group's net result amounted to €48.8m, down from FY23 mainly due to an increase in non-recurring expenses.
- 31Dec24 **Net Debt** amounted to **€97.7m**, down by **€2.5m** vs. LY. Leverage ratio (Net Debt on LTM Adj. EBITDA) was 0.68x. Net Debt excluding IFRS16 liability amounted to **€55.1m**, in line with **€54.3m** of 31Dec23.

€m	FY24	FY23	Var. vs FY23	% vs FY23
Net Sales	1064.9	988.2	76.7	7.8%
Gross Margin	207.0	199.4	7.7	3.8%
Gross Margin %	19.4%	20.2%	(73Bps)	
Adj. EBITDA	143.3	137.5	5.9	4.3%
Adj. EBITDA/Net Sales	13.5%	13.9%	(45Bps)	
Adj. EBITDA/Value Added Sales	17.5%	17.4%	+13Bps	
EBITDA (*)	133.8	130.9	2.8	2.2%
EBIT (*)	84.1	85.5	(1.4)	(1.6%)
PBT (*)	74.0	72.4	1.6	2.3%
Net Income (*)	48.8	52.4	(3.7)	(7.0%)
Adj. Net Income	56.7	56.5	0.2	0.4%
Adj. Net Income %	5.3%	5.7%	(39Bps)	
(*) Includes non recurring items				
€m	31Dec24	31Dec23	Var. vs 31Dec23	
Net Debt	97.7	100.2	(2.5)	
Net Debt/Adj. EBITDA	0.68x	0.73x	(0.05x)	

FY24 Financials – Adjusted EBITDA by BU



- Make-up Adj. EBITDA** stood at **€83.1m**, a slight decrease compared to last year (€85.5m). The performance of the second half of the year (+**€4.4m** vs. 2H23) allowed to recover most of the EBITDA lost in the first half (-**€6.9m**), heavily impacted by the cyber-attack which caused operational inefficiencies. The decline in profitability reflects the decline reported in 1H24: 2H24 EBITDA margin was overall in line with the one of 2H23 (13.4% vs. 13.7%), despite the significant increase in "full-service" sales (i.e. sales including the dilution arising from higher invoice of packaging).
- Skincare Adj. EBITDA** amounted to **€25.3m**, increasing vs. FY23 (+**€1.4m** or +**6%**). The growth was driven by sales increasing by +**6.1%**, mainly thanks to Asia and Americas performance, and stable profitability vs. FY23 (**15.2%** on net sales).
- Hair&Body Adj. EBITDA** stood at **€34.9m**, up by +**€7m** vs. LY (+**24.9%**). The excellent performance of the fragrance market has allowed the Business Unit to record exceptional growth rates also in FY24. Higher volumes allowed to increase the absorption of fixed costs, and therefore profitability, which went from **12.1%** in FY23 to **12.6%** in FY24.

FY24 Financials – Cash Flow and Net Debt

- FY24 **Operating Cash Flow** amounted to **€57.1m**, in line with last year. FY24 main changes vs. FY23 include (i) a higher cash absorption coming from other payables and receivables mainly due to higher VAT receivables, lower payables to personnel, and higher anticipations to vendors (-€17.6m), offset by (ii) lower increases in assets due to renewals of lease contracts (+€22.3m), and (iii) an higher Adjusted EBITDA (+€5.9m), offset by (iv) higher non-recurring expenses having a cash impact, also due to the Cyber Attack (-€5.7m). Capex increased by €10.2m, reflecting the expansion plans underway in China and South Korea. As for trade working capital, the improvement in DSO in 2H24, together with the significant decrease in inventories (-€22.3m in the second half), allowed to reabsorb the increase recorded in 1H24.
- FY24 **cash flow** before dividends improved by **+€14.1m** vs. LY, amounting to **€20.5m**. Lower financial expenses and lower cash out coming from long term liabilities helped to achieve such result. FY24 Net cash flow was positive and equal to €2.5m after €18m of dividends distribution.
- 31Dec24 **Net Debt** was thus equal to **€97.7m**, down by **€2.5m** compared to 31Dec23. This decrease, together with the growth in EBITDA, allowed the Group to further reduce financial leverage, now equal to **0.68x** (it was equal to **0.73x** at 31Dec23). If we exclude the accounting impact deriving from the IFRS16 accounting principle, the net financial position at 31Dec24 is equal to **€55.1m**, substantially in line with last year.

€m	FY24	FY23	Var. vs FY23
Adjusted EBITDA	143.3	137.5	5.9
Adjustments (*)	(7.6)	(2.0)	(5.7)
Change in TWC	1.1	(3.1)	4.2
Other Chg. in NWC	(8.8)	8.8	(17.6)
Capex	(65.1)	(55.0)	(10.2)
Capex due to IFRS16 accounting principle	(5.8)	(28.1)	22.3
Operating Cash Flow	57.1	58.2	(1.1)
Changes L/T Assets & Liab.	(2.8)	(11.6)	8.9
Fin. Expenses	(10.1)	(13.1)	3.0
Taxes	(25.3)	(20.0)	(5.3)
Chg in Equity & Others	1.5	(7.0)	8.5
Cash Flow before Div. Dist.	20.5	6.4	14.1
Dividends Distribution	(18.0)	(16.0)	(2.0)
Cash Flow post Div. Dist.	2.5	(9.6)	12.1
Net Debt Opening	100.2	90.7	
Net Debt Closing	97.7	100.2	
€m	FY24	FY23	Var. vs FY23
Net Debt	97.7	100.2	(2.5)
Leverage Ratio (**)	0.68x	0.73x	(0.05x)
Net Debt excl. IFRS16	55.1	54.3	0.7

(*) Refer to the cash impact only of the adjustments at EBITDA level (€7.6m out of €9.6m of total FY24 Adjustments).

(**) Net Debt/Adj. EBITDA

Outlook & Guidance

Topic	Update
Where we stand	<p>We enter FY25 aware that the Chinese market as a whole has not yet shown signs of recovery, that the US market is struggling to regain momentum, and that Europe has progressively reduced its growth pace in the last part of 2024. In a market environment showing overall soft trends, we also see more uncertainties linked to geopolitical tensions, which are now including risks of trade wars that would put additional pressure in the short-term.</p> <p>However, Intercos has proven over the years its ability to deal with complex market conditions. Especially in the current context, we believe that the superiority of the innovation that we propose to clients in every region of the world represents a fundamental asset for Beauty players in order to defend or gain market shares across the globe. Moreover, the brand's search for more flexible supply chains plays in our favour: we are the only B2B player in the world to have 16 production plants located in all the main markets, from China to South Korea, from India to Brazil, from the US to Poland, from Switzerland to Italy. Our widespread presence represents a significant competitive advantage, especially in a context of protectionist policies, allowing us to propose the best and most efficient solutions for Beauty brands worldwide, not only compared to our direct competitors, but also compared to the supply chains of many of our customers.</p> <p>Intercos' diversification in terms of customers, market segments served, and product categories offered, allows the Group to grow even in important regions where markets have been declining, such as China in 2024. Moreover, Intercos central position in the Beauty industry, gives to the Group an in-depth knowledge of all the current and future customer trends in the different continents. We believe that this positioning is unique and that it is a fundamental asset for both the Group and its clients.</p>
Expected FY25 market evolution and Guidance	<p>Considering the above points, we currently expect FY25 Beauty market growth at approx. +4% and therefore slightly below recent historical trends. Our Group has always demonstrated its ability to grow above market levels, and we expect this to continue in FY25. As such, we expect sales to grow in a range between +5% and +7% vs. FY24.</p>

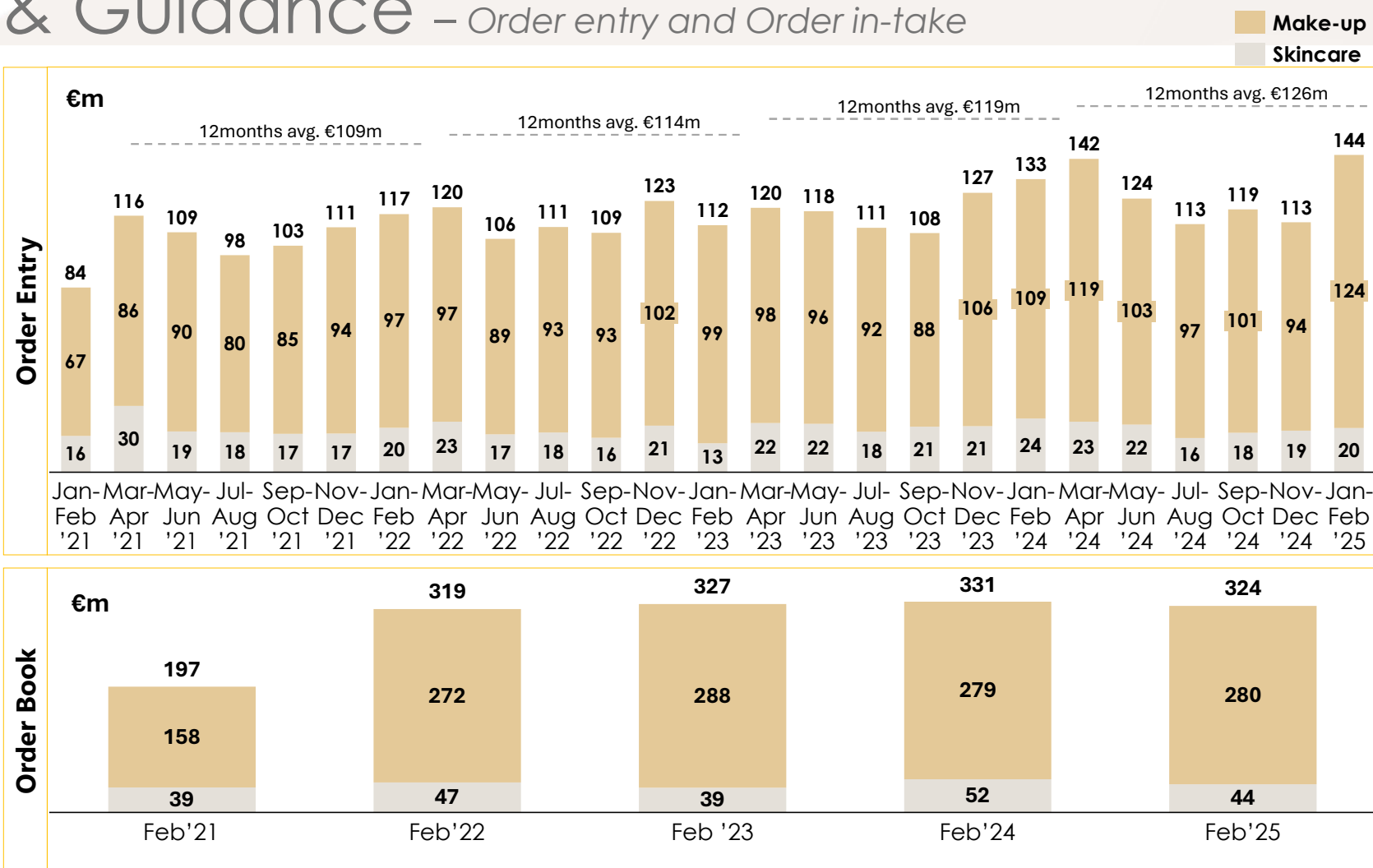
Outlook & Guidance – *Order entry and Order in-take*

*Total firm order-in-take
by business unit
excluding contract
manufacturing (e.g.
Hair & Body).*

New record reached in Jan-Feb25 driven by material increase of Make-up Order Entry

Total firm order book evolution by business unit excluding contract manufacturing business units (e.g. Hair & Body)

*Robust Order Book,
sustaining FY25 sales
progression.*



Appendix

P&L and Related Adjustments

€m	FY24	FY23	Var. vs FY23	% vs FY23
Net Sales	1064.9	988.2	76.7	7.8%
COGS	(857.9)	(788.8)	(69.0)	8.8%
Industrial gross profit	207.0	199.4	7.7	3.8%
% on net sales	19.4%	20.2%		
Research & Development and innovation costs	(40.4)	(38.0)	(2.4)	6.4%
Selling expenses	(29.6)	(29.4)	(0.2)	0.5%
General and administrative expenses	(51.8)	(49.1)	(2.7)	5.6%
Other operating income (expenses)	(1.1)	2.7	(3.7)	n.a.
Operating Profit (EBIT)	84.1	85.5	(1.4)	(1.6%)
% on net sales	7.9%	8.7%		
D&A (**)	(49.6)	(45.4)	(4.2)	9.3%
EBITDA	133.8	130.9	2.8	2.2%
Adjustments (*)	9.6	6.5	3.0	
Adjusted EBITDA	143.3	137.5	5.9	4.3%
% on net sales	13.5%	13.9%	0.0	
Financial income (expenses)	(10.1)	(13.1)	3.0	(23.1%)
Profit before taxes (EBT)	74.0	72.4	1.6	2.3%
Income taxes	(25.3)	(20.0)	(5.3)	26.5%
Net income	48.8	52.4	(3.7)	(7.0%)
Adjustments (**)	7.9	4.0	3.9	
Adjusted Net income	56.7	56.5	0.2	0.4%

€m	FY24	FY23
Management Long Term Incentive Plan	(0.2)	1.5
One-off costs related to personnel (mainly layoff)	1.1	1.1
Cyber Cost	2.3	0.0
Consultancy & legal costs	7.6	1.5
Write-Off Bad Debt Provision related to "The Body Shop" customer	2.1	2.4
Sale of asset	(3.3)	0.0
Adjustments (*) at EBITDA level	9.6	6.5
Write-off tax asset & other tax assets realignment	0.0	(0.7)
Tax impact arising from above adjustments	(2.7)	(1.8)
Taxes related to prior year	1.0	0.0
Adjustments (**) at Net Income level	7.9	4.0

(***) All functional areas include amortization which are deducted for the construction of the EBITDA

Balance Sheet and Cash Flow

€m	31Dec24	31Dec23	Var. vs 31Dec23
Tangible Assets	248.5	239.0	9.6
Intangible Assets	63.2	56.2	7.0
Goodwill	133.7	134.0	(0.3)
Investments	1.5	1.5	0.0
Deferred tax assets	29.3	25.7	3.6
Other non-current Assets/Liab.	(11.8)	(10.9)	(0.9)
Non-current Assets	464.5	445.4	19.1
Inventory	193.3	168.5	24.8
Trade Receivables	160.6	167.7	(7.2)
Trade Payables	(202.2)	(183.5)	(18.7)
Other current Assets/Liab.	(39.5)	(48.3)	8.8
Net Working Capital	112.1	104.4	7.7
Capital Employed	576.6	549.8	26.8
Net Debt	97.7	100.2	(2.5)
Equity	478.9	449.5	29.3

€m	FY24	FY23	Var. vs FY23
Cash flows provided by (used in) operating activities	99.4	103.1	(3.7)
Cash flows provided by (used in) investing activities	(61.4)	(53.7)	(7.7)
Cash flows provided by (used in) financing activities	15.8	(61.5)	77.4
Net increase (decrease) in cash and cash equivalents	53.8	(12.1)	65.9
Dividends distribution	(18.0)	(16.0)	(2.0)
Cash and cash equivalents, at beginning of the year	152.8	183.2	(30.4)
Of which, change in exchange differences	(1.4)	2.3	(3.6)
Cash and cash equivalents, at end of the year	190.0	152.8	37.2
Net increase (decrease) in cash and cash equivalents	35.8	(28.1)	63.9

Definitions

For the purpose of providing information in line with the performance analysis and control parameters of the Group, non-IFRS alternative performance measures are used by management to provide information for a better assessment of the results of operations and the financial position of the Group as described below. Such performance measures should not be interpreted as a substitute for the conventional performance measures established by IFRS.

The details of the content of the alternative performance measures not arrived at directly from the financial statements are defined as follows:

- **c.FX:** Constant exchange rates
- **EBITDA:** is defined as the sum of profit for the year plus income taxes, financial income and expenses and the effects of the valuation of investments using the equity method net of equity investments held for financial investment purposes and amortization, depreciation and write-downs.
- **Adjusted EBITDA:** is given by EBITDA less items of a non-recurring nature, that is, by particularly significant events that are not in the ordinary course of business or that have no effect on cash flows and/or changes in equity.
- **Adjusted Net income:** is given by Net income less items of a non-recurring nature, that is, by particularly significant events that are not in the ordinary course of business or that have no effect on cash flows and/or changes in equity net of the related tax impacts.
- **Net indebtedness (cash) or net financial position/net debt:** is given by the sum of current and non-current financial payables net of current and non-current financial receivables, including cash and cash equivalents.
- **Order-in-take:** indicates the aggregate of legally placed and processed orders by a company during the reporting period.
- **Order Book:** is the order backlog opened at any one given date.
- **VAS:** Value Added Sales (Net Sales – cost of packaging)