

In the first quarter of the year, sales up +13.4%, with EBITDA growth of +40.6%

Agrate Brianza, May 7, 2025 - The Board of Directors of Intercos S.p.A. (ICOS.MI), at today's meeting chaired by Dario Gianandrea Ferrari, approved the Interim Report for the period ended March 31, 2025.

First Quarter 2025 Group Highlights:

- **Net Sales** of **€250.8 million** in Q1 2025, up **+13.4%** (+13.1% at constant exchange rates) or **+€29.7 million**. Despite the challenging start to 2025 for the Beauty market, the Group reports excellent growth both compared to the first quarter of the previous year, impacted by the Cyber-Attack, and compared to the first quarter of 2023 (+6.9%). The Make-up segment was confirmed as the main growth driver, supported by a significant recovery of the Multinationals compared to the first quarter of 2024.
- **Adjusted EBITDA** in the first quarter of 2025 totaled **€29.3 million**, increasing **+40.6%** on the previous year (**+€8.4 million**). Growth was driven not only by the excellent sales performance, but also by a marked improvement in profitability, with EBITDA as a percentage of net sales expanding by **+225** basis points compared to the first quarter of 2024. Cumulative Adjusted EBITDA for the last twelve months thus surpassed the **€150 million** level.
- The **Net Financial Position** was **€126.9 million**, or **€84.4 million** excluding the IFRS 16 accounting impact, reflecting a slight increase - mainly due to the increased investment to support the Group's expansion plans. Financial leverage (net financial position on adjusted EBITDA over the last twelve months) of 0.84x, substantially in line with the previous year (0.80x).

Renato Semerari, CEO of Intercos

“We are very satisfied with the results for the first quarter of 2025. Against already clearly challenging market dynamics at the beginning of 2025, particularly in the US and China, our Group once again demonstrated its ability for resilience, with sales growth both compared to the first quarter of 2024 (+13%) and of 2023 (+7%). In particular, we are very satisfied with the performance of our main Business Unit, Make-up, which thanks to growth of +23% returned to account for more than 60% of overall Group sales. The strong top line growth was also seen across all the regions in which Intercos operates, with the Americas, EMEA and Asia all growing by double-digits. In particular, Asian growth continued to clearly counter the general market, growing significantly (+18% in the quarter) both in China and in Korea. The recovery in EBITDA (+40.6% to Euro 29.3 million), as expected, was also very satisfying, resulting in the EBITDA margin on net sales increasing by 225Bps compared to 2024.

Within a still complex market environment, particularly in the United States, these results validate our optimism on our Group’s potential. Orders continue to be robust, confirming Intercos’ resilience, while the renewed interest in the innovative products developed by our Group across all regions in which we operate was confirmed also by the feedback from our customers at the Cosmoprof trade fair. The current uncertainties permeating global trade, not only for the Beauty sector, we believe over the medium-term will favor producers who, like Intercos, have global, well-balanced footprints close to the end markets”.

Sales by Business Unit, Commercial area, customer type

€/mln	1Q25	1Q24	Var.	% vs. 1Q24
<u>Business Unit</u>				
Make-up	157.5	127.9	29.6	23.2%
Skincare	35.4	39.5	(4.1)	(10.3%)
Hair&Body	57.9	53.7	4.2	7.8%
Total Net Sales	250.8	221.1	29.7	13.4%
<u>Commercial Company</u>				
EMEA	128.4	117.1	11.4	9.7%
Americas	71.1	60.6	10.5	17.3%
Asia	51.2	43.4	7.8	18.0%
Total Net Sales	250.8	221.1	29.7	13.4%
<u>Customer Type</u>				
Multinationals	129.1	100.7	28.4	28.2%
Emerging Brands	105.6	106.5	(0.9)	(0.8%)
Retailers	16.1	13.9	2.2	15.5%
Total Net Sales	250.8	221.1	29.7	13.4%

Sales by Business Unit, Commercial area, customer type

In the first quarter of 2025, Intercos Group **Sales** totaled **€250.8 million**, increasing significantly on the same period of 2024 (+13.4% or +13.1% at constant exchange rates). The good result benefitted, among other matters, both from the excellent Make-up performance and the 2024 comparison base which had been impacted by the cyber-attack.

Analyzing revenues by **business unit**:

- In Q1 2025, the **Make-up** business unit reported sales of **€157.5 million**, up **+23.2%** on the first three months of 2024. Excellent performances were seen across all regions, including Asia, in which significant growth had already emerged by Q1 2024, and all customer types, with the Multinationals performing particularly well. The Prestige segment reported the strongest growth.
- The **Skincare** business unit for the first quarter of 2025 reported sales of **€35.4 million**, decreasing on 2024 (-€4.1 million), also due to the excellent performance recorded in Q1 2024. Despite volatility on a quarterly basis, the Group confirms the good results expected for 2025.
- **Hair & Body** reported sales of **€57.9 million**, up **+8%** on 2024. The Business Unit's growth was driven mainly by Hair Care products, with Fragrances substantially in line with the previous year. As previously indicated, following years of significant expansion, the business unit is expected to consolidate the growth in volumes achieved so far for the current fiscal year.

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

- **EMEA** reported sales of **€128.4 million** in Q1 2025, growth of **+9.7%** on the same period of the previous year. The growth was supported by a positive contribution both from the Make-up and Skincare business units, with a significant contribution from the Multinationals, and in particular the Prestige channel.
- Sales in the **Americas** amounted to **€71.1 million**, an increase of **+17.3%** on the previous year. The Make-up and Hair & Body business units drove growth, posting positive performances in both the Prestige and Mass segments, despite a still weak market environment.
- **Asia** continued to see sustained growth, coming to account for **20.4%** of consolidated Group sales. As in 2024, again in the first quarter of 2025, double-digit growth is reported (**+18%**), with sales of **€51.2 million**. The result reflects the excellent performance of Korea and China, thanks to the contribution of the local brands and the Multinationals operating in both the Make-up and Skincare areas.

Sales by Business Unit, Commercial area, customer type

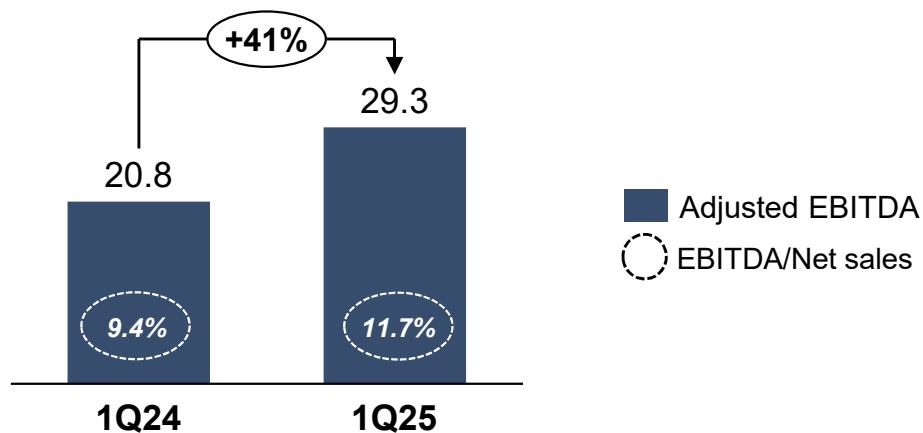
Finally, with regards to sales by **customer type**:

- The **Multinationals** saw the strongest growth **(+28.2%)**, reporting sales of **€129.1 million** in the first quarter of 2025. The Make-up business unit significantly contributed to the growth across all Regions and both the mass and prestige segments.
- The **Emerging Brands** remained stable overall compared to 2024, reaching **€105.6 million** of net sales, and consolidating the good performance of the first quarter of the previous year. The Asian brands in this regard grew significantly, while the US brands were affected by a weaker market environment.
- The **Retailers** reported sales of **€16.1 million**, seeing good growth **(+15.5%)**, although representing less than 7% of total Group sales.

In terms of the sales breakdown by customer type, as in the previous year, from the first quarter of 2025, the classification of a number of customers was slightly reviewed in order to reflect a number of changes to company details (e.g. certain Emerging Brands being acquired/disposed of by multinationals reclassified to the respective cluster).

Consolidated EBITDA

Group **Adjusted EBITDA** in Q1 2025 was **€29.3 million**, significantly up on 2024 **(+€8.4 million or +40.6%)**. As previously indicated, the excellent performance was driven by strong sales growth and a marked improvement in profitability for both the Make-up and Skincare business units. Adjusted EBITDA on net sales was in fact **11.7%**, a sharp increase on **9.4%** in the previous year **(+225 basis points)**.



Outlook & Guidance

Innovation continues to be central to our business model and ensures our Group's unique position in the global Beauty market. This is of even greater significance within a soft market environment, in which brands seek to strengthen their innovation pipelines to gain market share. Moreover our **product and geographic diversification**, another pillar of our Group, now assumes even greater strategic importance.

At **Cosmoprof**, the world's largest Beauty fair, the Group held **approximately 450 meetings with customers**, who were interested in discovering the new trends and formulations proposed by Intercos for the coming years.

Intercos continues to develop **new patents and formulations**, conceived also at regional level for the local markets in which Intercos and its customers operate.

Against a backdrop of trade wars triggered by tariff policies, Intercos will continue to benefit **from its high level of geographic diversification**. With **two** production plants in the **US**, **one** in **Brazil**, **five** in **Italy**, **one** in **Switzerland**, **one** in **Poland**, **one** in **India**, **four** in **China**, and **one** in **South Korea**, Intercos is the best outsourcing option in the global Beauty market, being able to provide innovation to customers in a more efficient way all over the World.

We expect that, in the current environment, the Group's broad geographic footprint over the medium term will offer **viable alternatives** for the supply chains of Beauty brands globally, who will most likely increase the localization of production and consequently their outsourcing.

In light of the first quarter results and order in-take trends, the Group confirms its guidance for 2025, which forecasts an **increase in net sales over 2024** in a range of **+5% to +7%** at constant exchange rates.

OTHER INFORMATION

DECLARATION OF THE EXECUTIVE OFFICER FOR FINANCIAL REPORTING

Mr. Stefano Zanelli, 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 Q1 2025 results shall be presented to analysts and investors on May 7, 2025 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.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

H1 2025 Report
Q3 2025 Report

August 4, 2025
November 6, 2025

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 5,200, 11 research centers, 16 production facilities and 16 commercial offices across three continents. Intercos for more than 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.
 - 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.

OTHER INFORMATION

New "Innovation" area organizational structure

The Board of Directors approved, among other matters, a new organizational structure so as to optimize and rationalize the "Innovation" Function, enabling the achievement of major synergies.

Therefore, we highlight the establishment of a single integrated "Innovation Make-up & SHPC" function reporting directly to Ms. Ludovica Arabella Ferrari, as "Group Chief Innovation Officer Make-up & SHPC", as well as the transfer of the "Global Regulatory Affairs" department to the "HR, Organization, Legal & Sustainability" area, reporting directly to Ms. Maria D'Agata, as "Group Chief HR, Organization, Legal, Regulatory & Sustainability Officer".

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.

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