

H1–2019 Results Presentation



Milan, September 20, 2019

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H1 2019 results: very robust sales & profit growth

➤ REVENUES	€ 83.1 mln	(+18%)
➤ EBITDA*	€ 11.2 mln	(+19%)
➤ NET INCOME	€ 3.2 mln	(+15%)

Fine Foods & Pharmaceuticals N.T.M. S.p.A.



- Fine Foods & Pharmaceuticals N.T.M. S.p.A. (“Fine Foods”) is a **CDMO (Contract Development & Manufacturing Organization) of solid oral forms, for the Nutraceutical and Pharmaceutical industries**

TABLETS



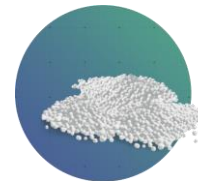
CAPSULES



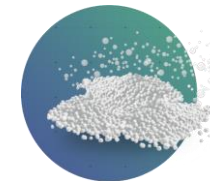
EFFERVESCENT TABLETS



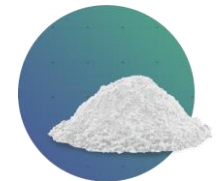
GRANULES



EFFERVESCENT GRANULES



POWDERS



- Fine Foods deliberately holds **no proprietary brands**, in order to maintain **healthy** partnerships and an **integer image with its clients**
- **Established in 1984** in Brembate (Bergamo), Fine Foods has grown steadily over time becoming a **leader in its reference market**
- A history of **continuous growth, innovation and fruitful client relationships**: revenues have grown from 50€m in 2009 to 139€m in 2018, reaching a 2018 EBITDA equal to 18.7€m, mostly organically
- H1 19 results show **strong sales growth (+18%)** thanks to both Business Units performances; profitability benefits from turnover increase (**EBITDA + 19%**)

Fine Foods Key Figures



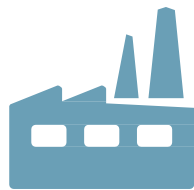
Revenues CAGR of 12% over the last 10 years



Ca. 75% of products sold in 2018 has been delivered abroad⁽¹⁾



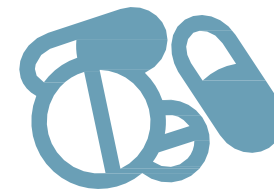
More than 100 customers, including leading Pharmaceutical and Nutraceuticals players



92 manufacturing lines in 1 Pharmaceutical plant and 1 Nutraceuticals plant



11% of employees dedicated to quality control and assurance



Ca. 1.300 SKUs⁽²⁾, tailored to client needs and delivered with high-quality standards

(1) 52€m revenues invoiced in Italy, of which 33€m delivered abroad | (2) SKUs means "Stock-Keeping Units", namely single product codes

Examples of Products Manufactured for Reference Clients



NUTRACEUTICALS



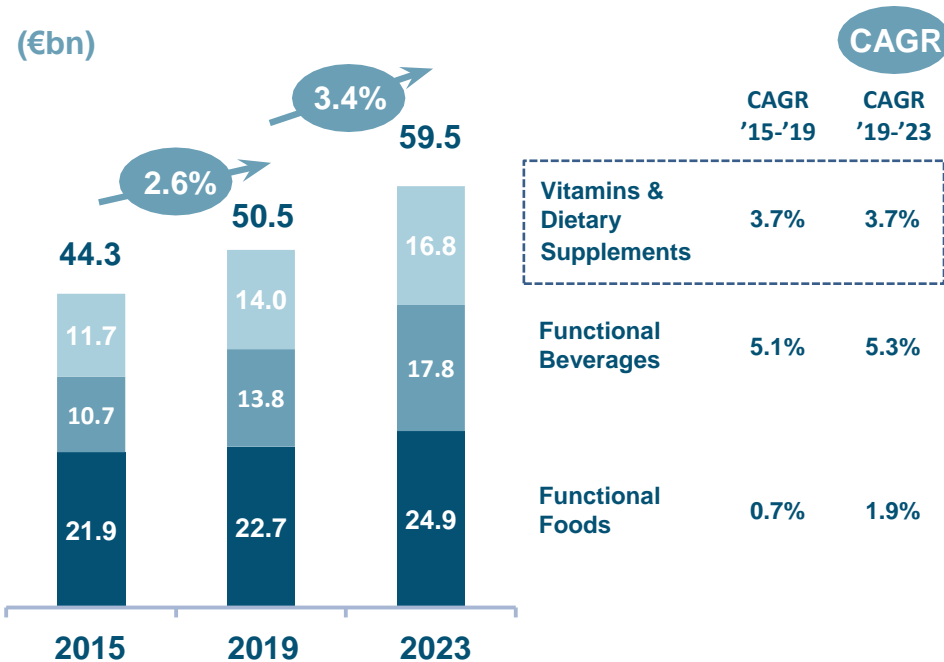
PHARMACEUTICALS

Source:
Company data

Focus on European Nutraceuticals Market

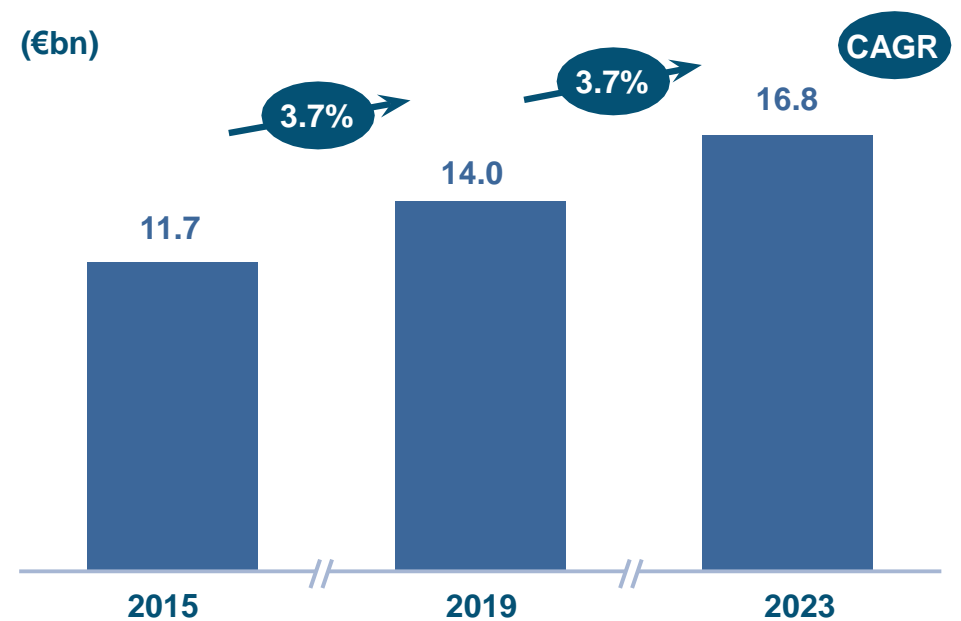


EUROPEAN NUTRACEUTICALS MARKET VALUE



📊 The **European Nutraceuticals market** has shown **high, steady growth**, and is **expected to accelerate** in coming years

EUROPEAN VITAMINS & DIETARY SUPPLEMENTS MARKET VALUE



📊 The **Vitamins & Dietary Supplements segment** has consistently shown **strong growth** in the last 5 years, **expected to continue** in coming years. CDMO-driven development and manufacturing, **mostly outsourced**

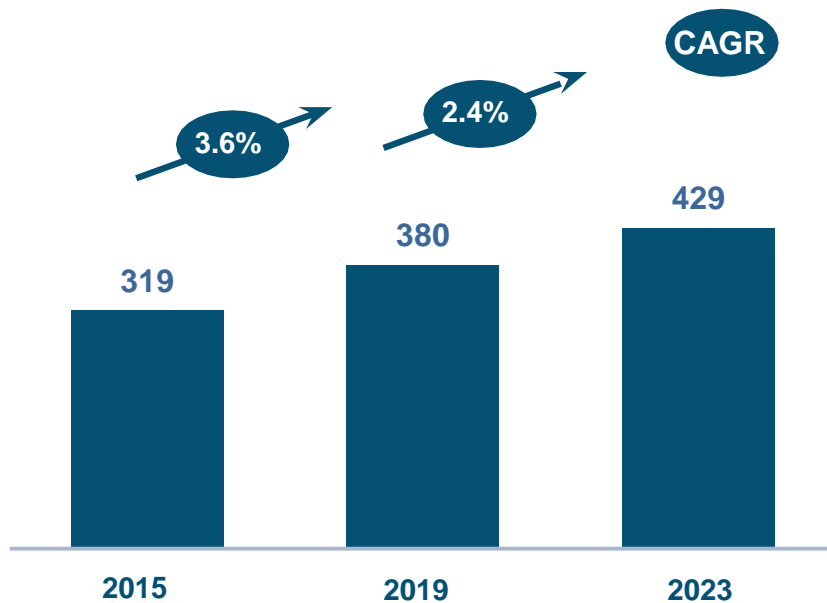
Source: Euromonitor

Focus on European Pharmaceuticals Market and CDMO



EUROPEAN PHARMACEUTICALS MARKET VALUE

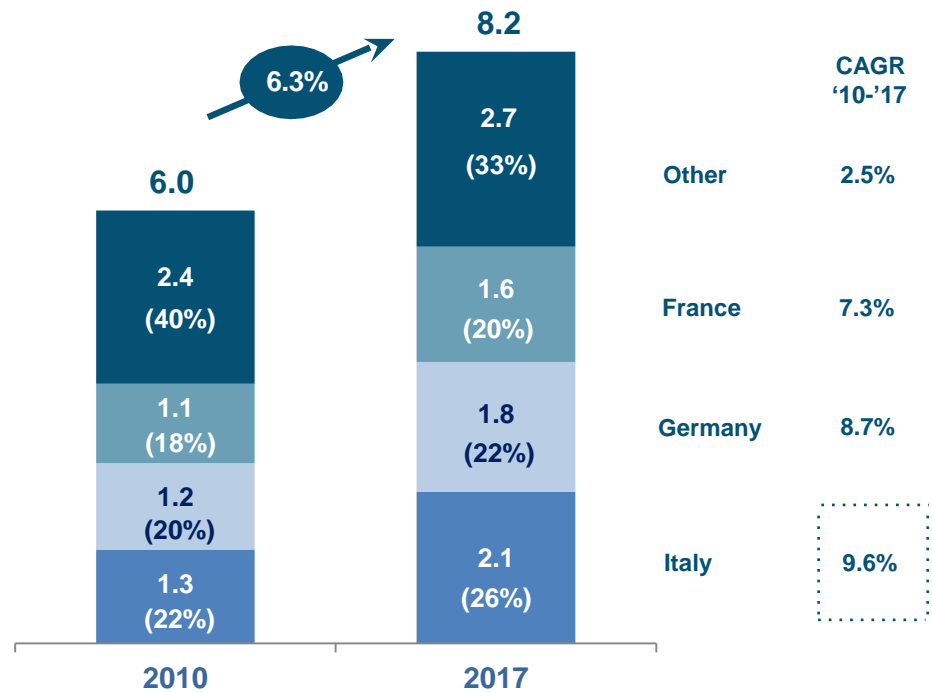
(€bn)



The **European Pharmaceuticals** market has been showing **consistent non-cyclical growth**

EUROPEAN CDMOS (PHARMA) MARKET VALUE

(€bn)



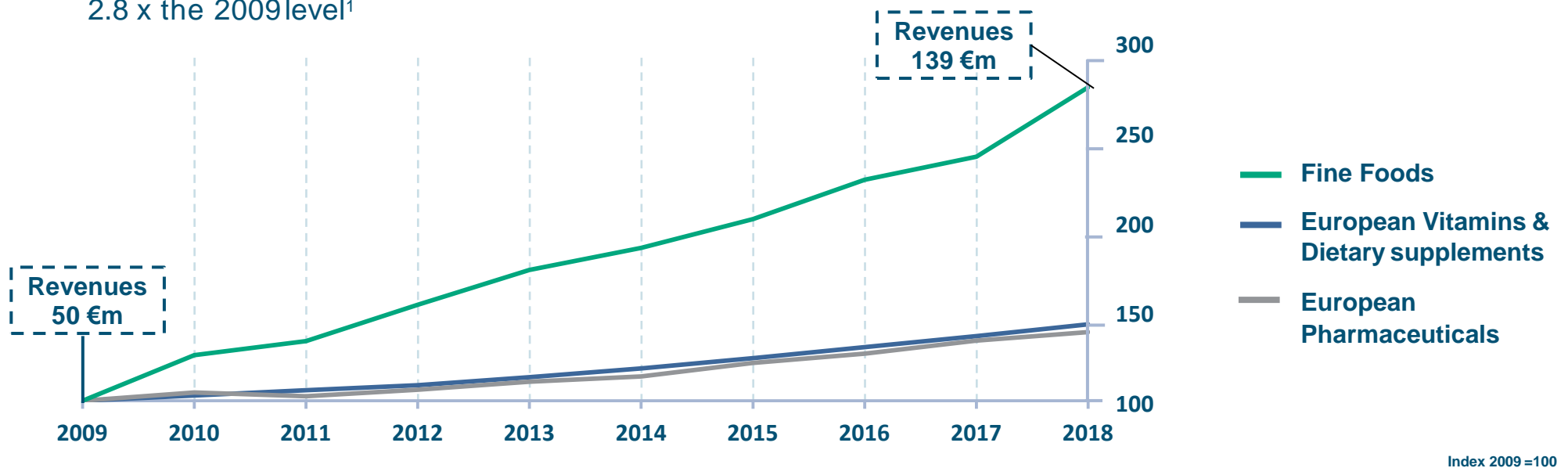
- Plenty of space for CDMOs to grow further along the outsourcing trend
- Italy shows one of the highest growth among European markets

Source: Euromonitor, Farindustria, Prometeia | Note: CDMO – Contract Development Manufacturing Organization

Performance Relative to Reference End-Markets



- Nutraceuticals and Pharmaceuticals markets show **high steady growth and resilience during recessions**
- Fine Foods has substantially outgrown its reference end-markets** in the last decade, with 2018 sales at 2.8 x the 2009 level¹



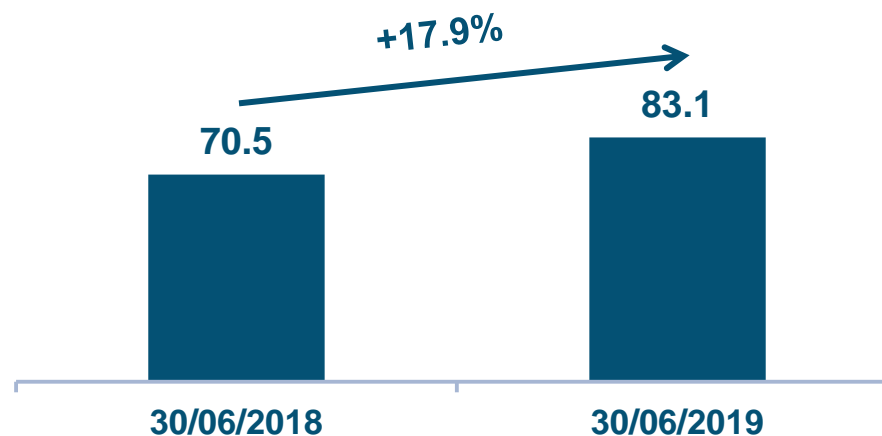
Sources: Euromonitor; Company data

Methodology: the three variables' time series are divided by their respective 2009 value (the basis) and multiplied by a factor of 100; the considered variables are Fine Foods revenues, European Nutraceuticals – Vitamins & Dietary Supplements segment size and European Pharmaceuticals market size

Strong sales growth in H1 2019

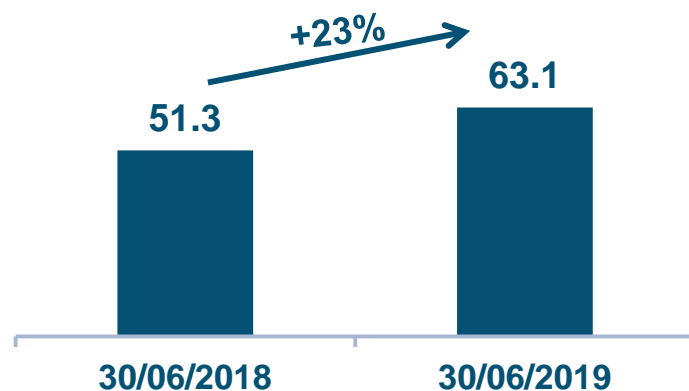


REVENUES

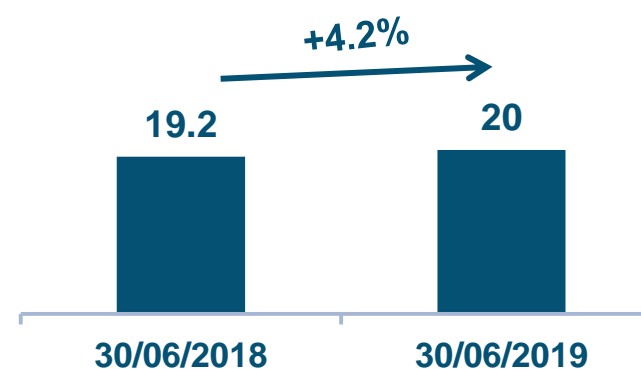


 **Attractive revenue growth** thanks to both Business Units performance

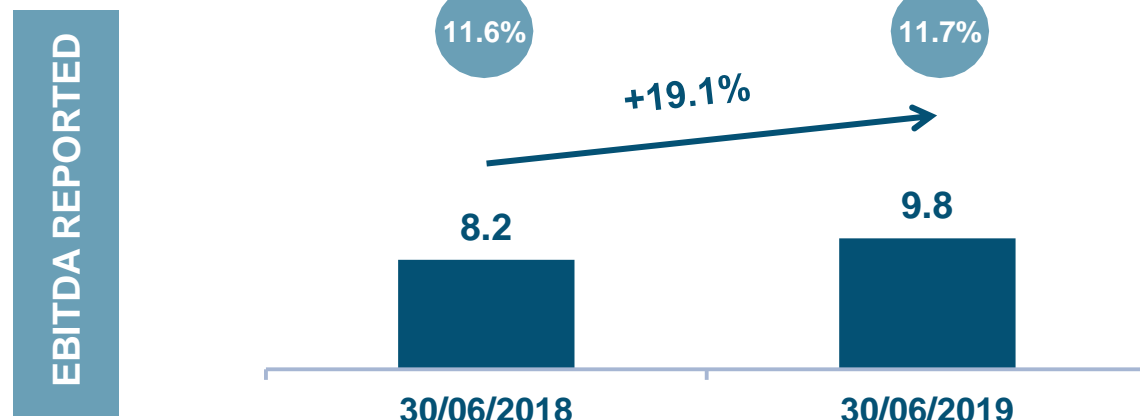
FOOD




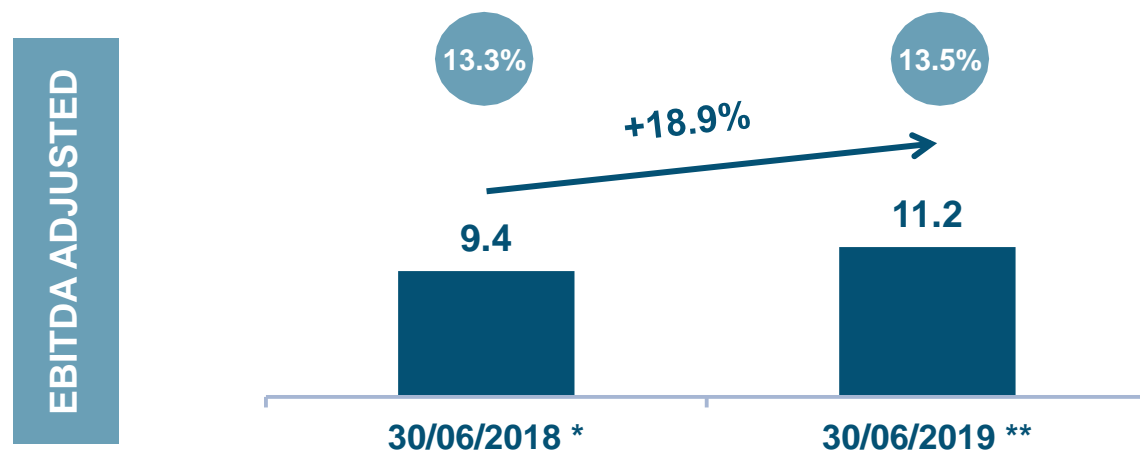
PHARMA



EBITDA increased by 19%



 **Profitability benefits** from the strong growth in turnover

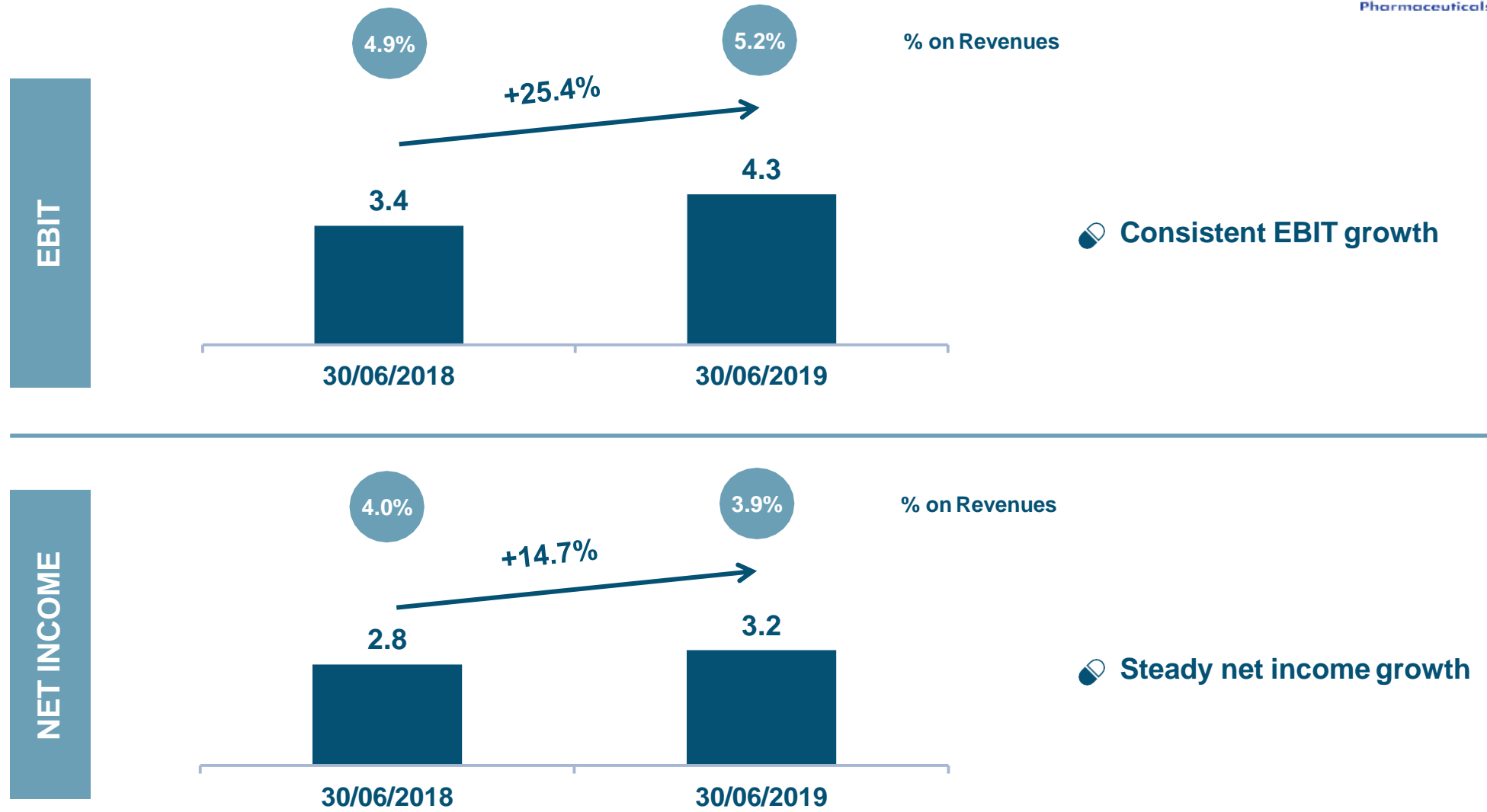


* 1.2 €m adjustment for Business Combination costs

** 1.4 €m adjustment :

- 0.8 €m for plants expansions start-up costs
- 0.6 €m for Nembro plant closing and production transfer costs

Consistent Improvements in Profitability

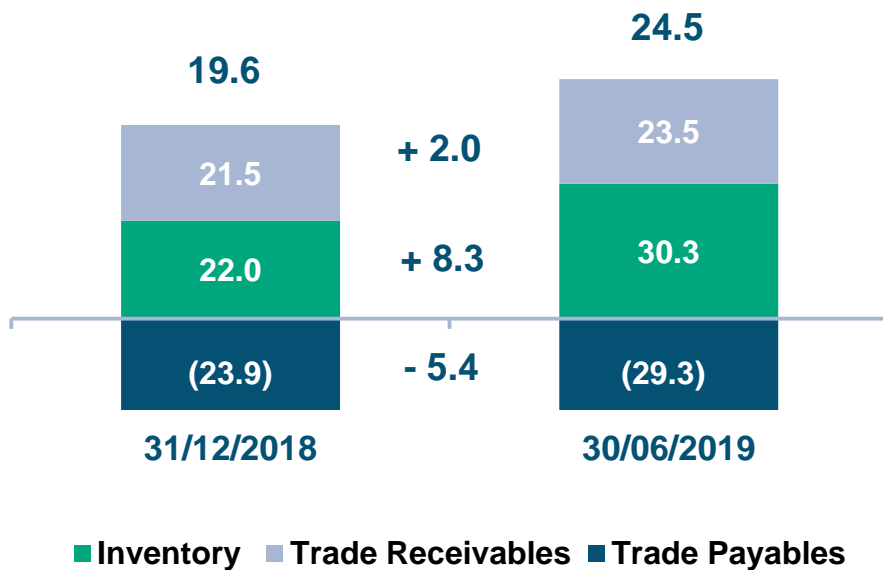


Healthy Capital Allocation



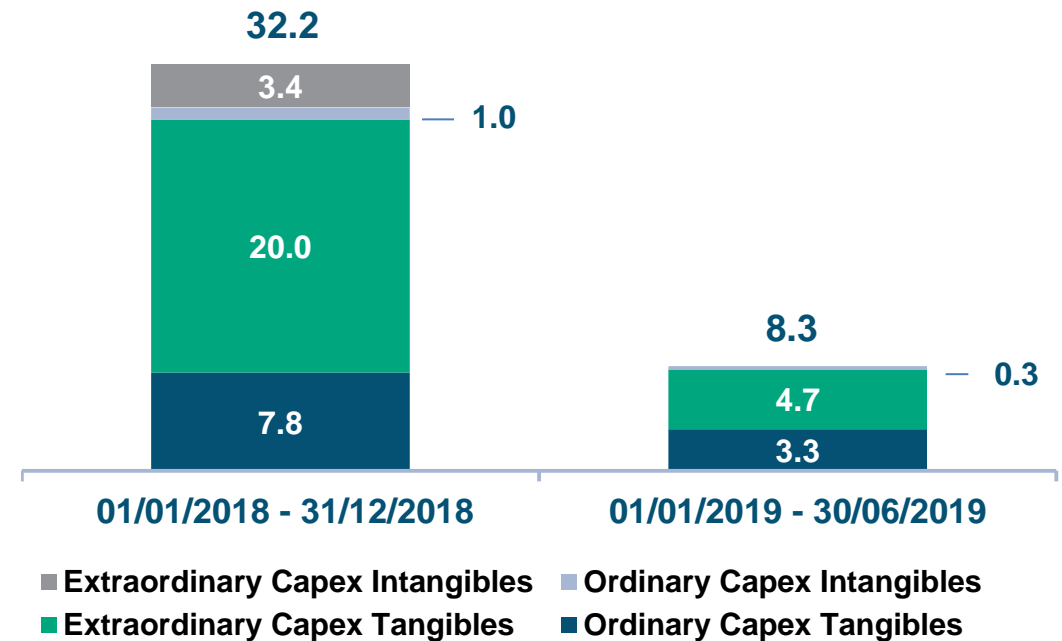
NET WORKING CAPITAL

Change in inventories is mainly due to significant order backlog: 20 €m turnover achieved in July



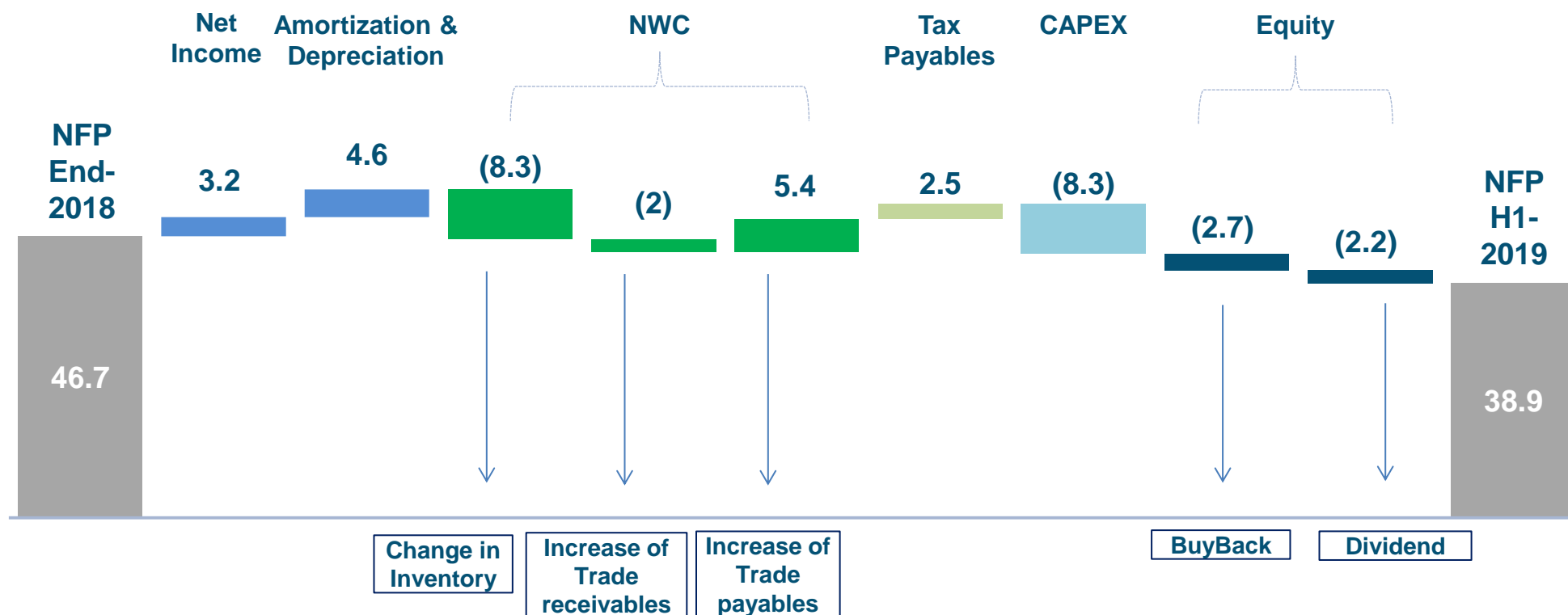
CAPEX

Capex support business expansion



Net Financial Position Evolution from end-2018 to H1-2019

Most Significant Cash-in and Cash-out



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