



# Full Year 2020

Results  
Presentation

15/07/21



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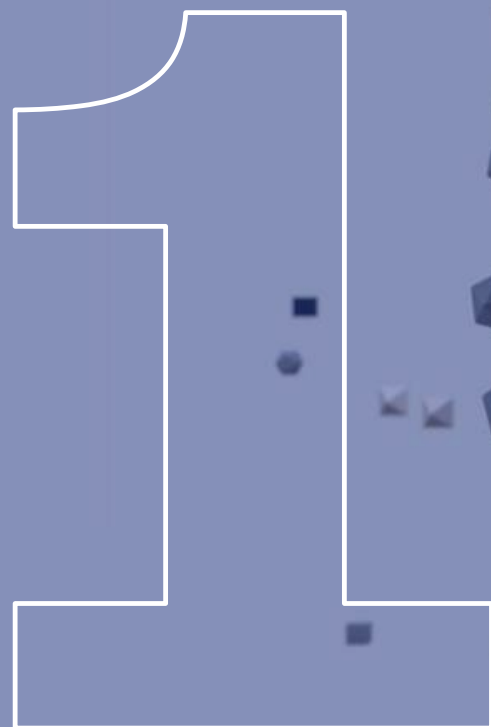
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# Fine Foods

We create value



# Financial highlights

	2020	2019	
<b>REVENUES</b>	€ 172.0 mln	€ 159.7 mln	+8%
<b>EBITDA*</b>	€ 22.3 mln	€ 20.3 mln	+10%
<b>EBITDA MARGIN *</b>	<b>13.0%</b>	<b>12.7%</b>	
<b>EBIT*</b>	€ 10.7 mln	€ 10.9 mln	- 2%

	H2-2020	H2-2019	
<b>REVENUES</b>	€ 96.6 mln	€ 76.5 mln	+ 26%

2020 and 2019 figures  
reported in this presentation  
have been prepared in  
accordance with IAS/IFRS

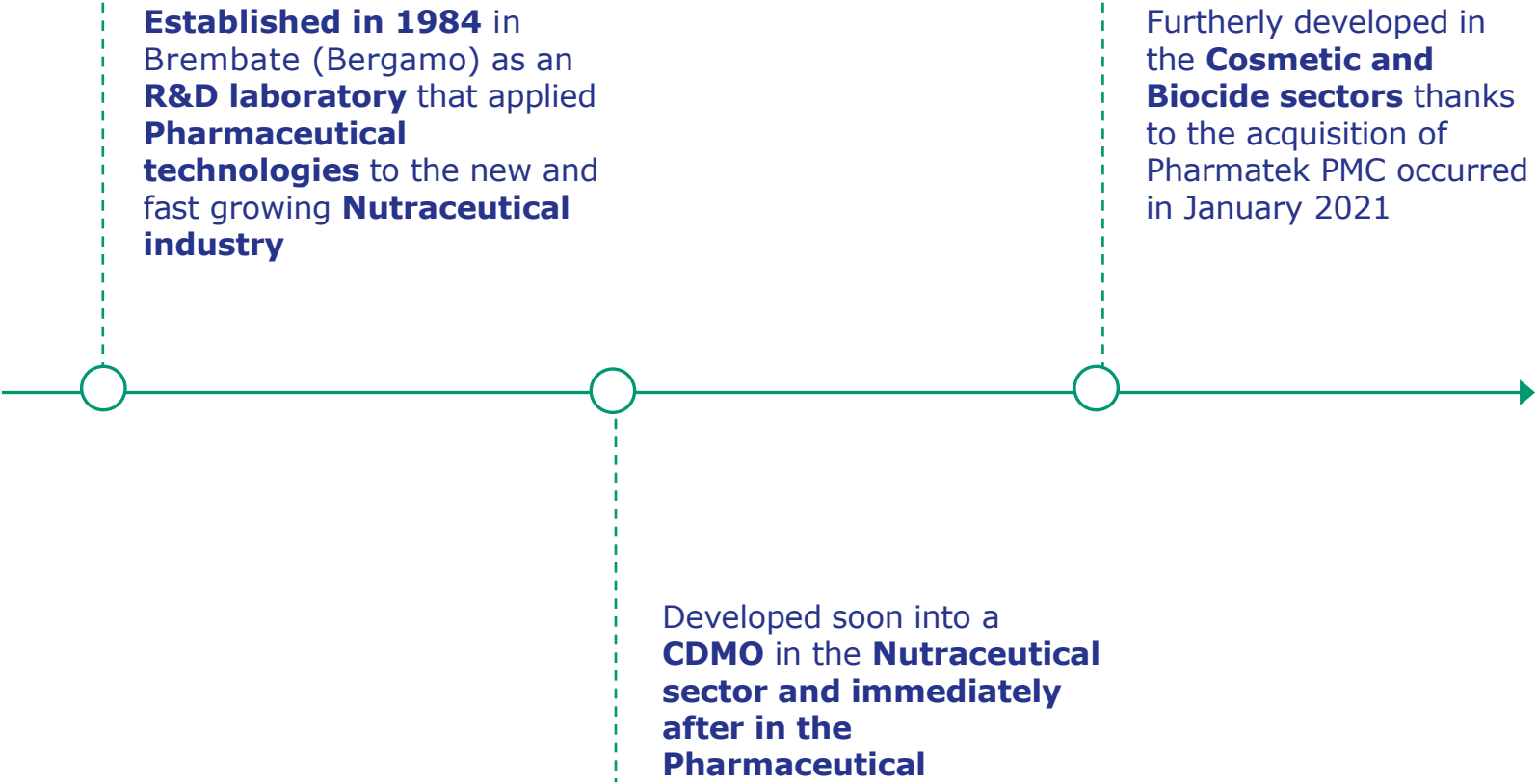


\* EBITDA AND EBIT ADJUSTED FOR NON RECURRING COSTS AMOUNTING TO 1.2 €M IN 2020 AND 2.8 €M IN 2019

# Fine Foods I.D.

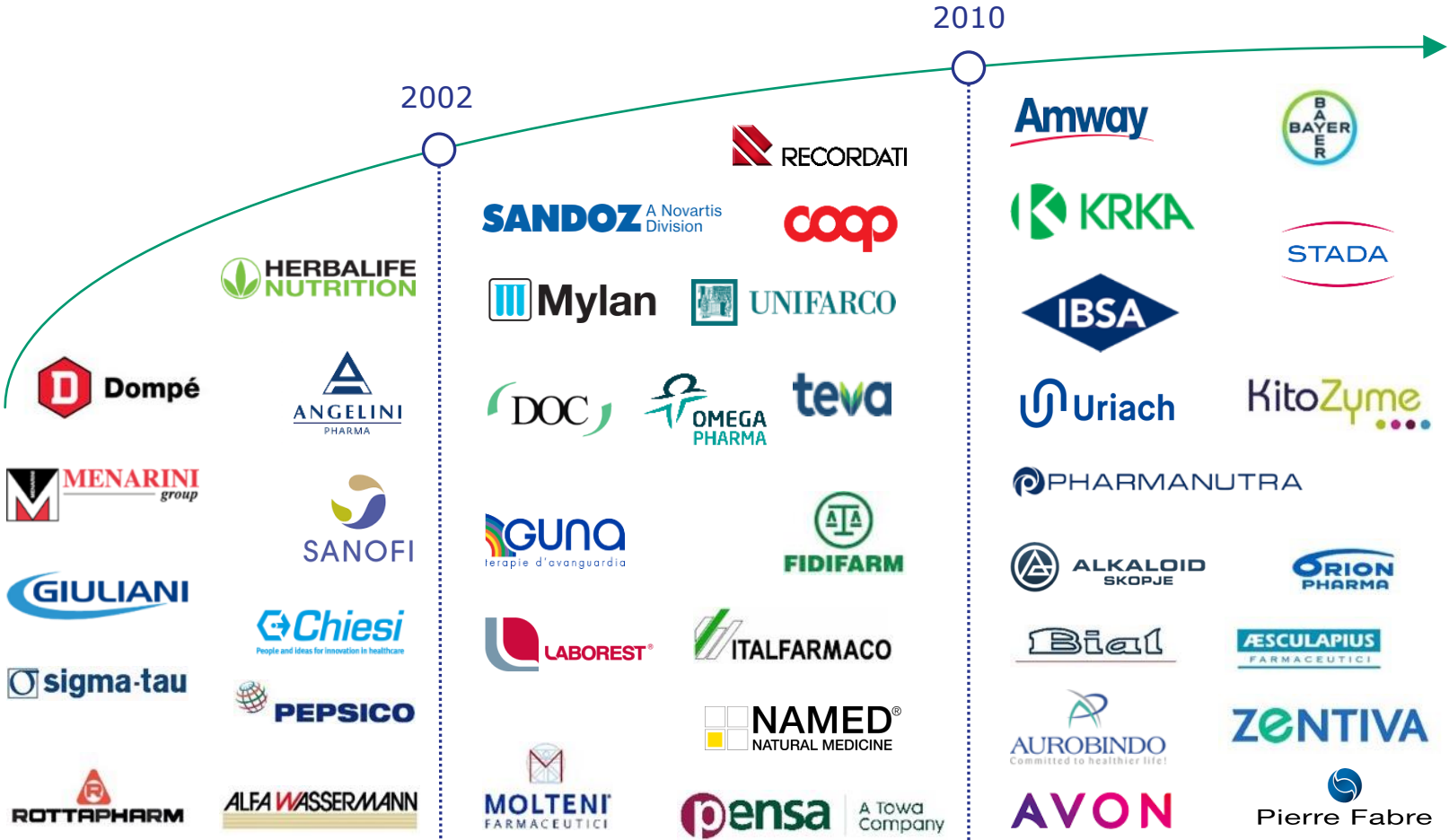
Fine Foods & Pharmaceuticals N.T.M. S.p.A., listed on the STAR segment of the MTA of Borsa Italiana, is an independent Italian Contract Development & Manufacturing Organisation (CDMO). It develops and manufactures finished products for the pharmaceutical and nutraceutical industry.

The Fine Foods Group is also active in the cosmetic, biocide and medical device industries with the recent acquisition of Pharmatek-PMC



# Customers' loyalty

Retained key clients acquired before 2002 and added several new ones afterwards



\* Sigma-Tau & Alfa Wassermann (now Alfasigma), Mylan (now Viartis), Fidifarm (now Dietpharm)





Selection  
of products

NUTRACEUTICALS



PHARMACEUTICALS



# Fine Foods key figures 2020



**172€m Revenues** in 2020  
with ~11% CAGR over the last  
10 years



**52€m increase** in revenues  
over the last 3 years



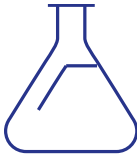
**~74% of products** sold in  
2020 has been delivered  
abroad <sup>(1)</sup>



**More than 100 customers**,  
mainly leading Pharmaceutical  
and Nutraceutical players



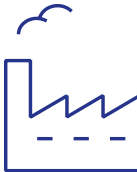
**~15% of employees**  
dedicated to R&D and QA



**162 new R&D Projects**  
in 2020



**~1.300 SKUs(2)**, tailored  
to client needs



**~100€m investments** over  
last 5 years

(1) 57€m revenues invoiced in Italy, of which  
12€m delivered abroad | (2) SKUs means  
“Stock-Keeping Units”, namely single product  
codes





# Fast growing Nutraceutical European Market

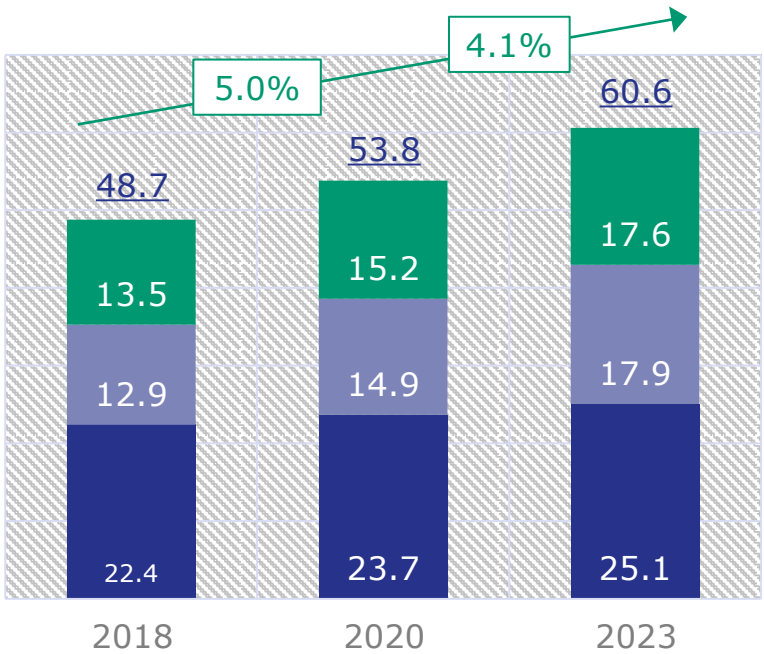
The European Nutraceutical Market has shown high, steady growth, and is expected to accelerate in coming years

Source: Euromonitor International, Consumer Health 2021 Edition/Health and Wellness 2020 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices



## EUROPEAN NUTRACEUTICAL MARKET VALUE

The **European Nutraceutical Market** has shown **high, steady growth**, and is **expected to accelerate** in coming years



	CAGR '18-'20	CAGR '20-'23
Vitamins & Dietary Supplements	6.0%	5.1.%
Functional Beverages	7.5%	6.3%
Functional Foods	2.9%	2.1%

Fine Foods reference market

Pharmaceutical  
European  
production  
shows consistent  
non-cyclical  
growth

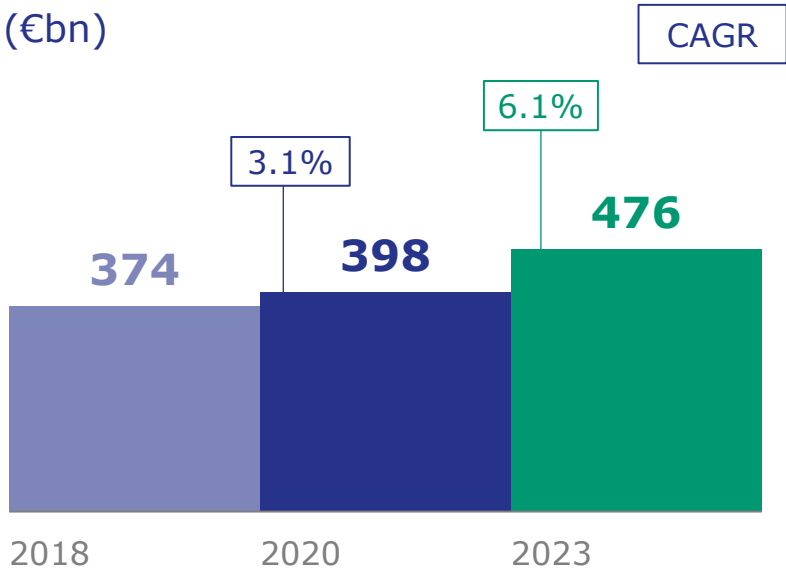
\* Source: Euromonitor International,  
Industrial, Pharmaceuticals, 2020  
Edition, Production MSP, EUR Fixed Ex  
Rates, Current Prices

\*\* Source: Prometeia  
– Farindustria 2020

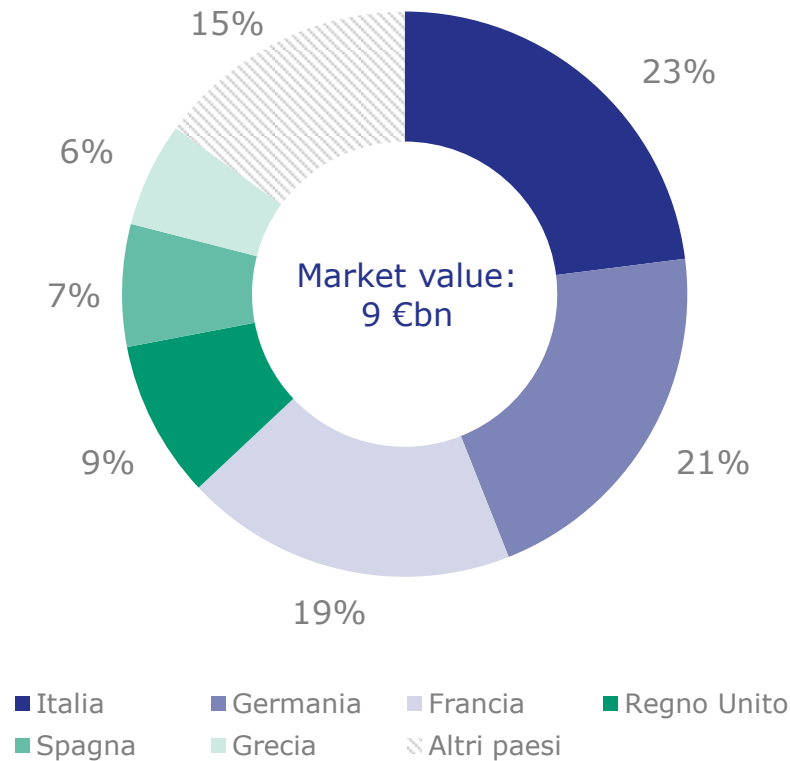


EUROPEAN PHARMACEUTICAL  
PRODUCTION\*

The European Pharmaceutical production is  
expected to continue its sound growth in coming  
years



EUROPEAN CDMOS (PHARMA)  
2018 MARKET VALUE\*\*



# Fine Foods is the largest Italian CDMO

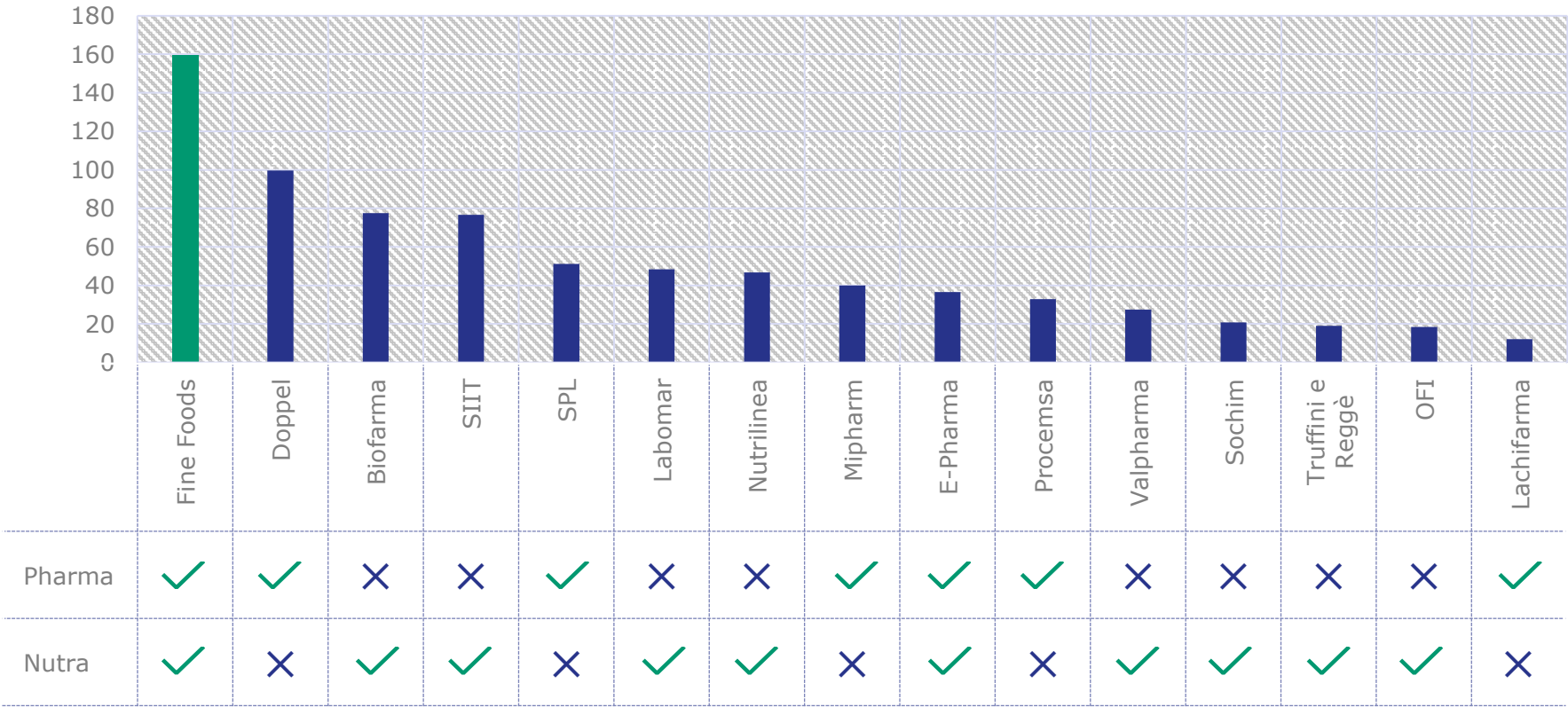
Note: Doppel, Biopharma, Nutrilinea, Mipharm, Procemsa and OFI are controlled by Private Equity investors

Source: Management elaboration on publicly retrievable selected information



## SELECTED FINE FOODS’ ITALIAN COMPETITORS

2019 REVENUES (€M)

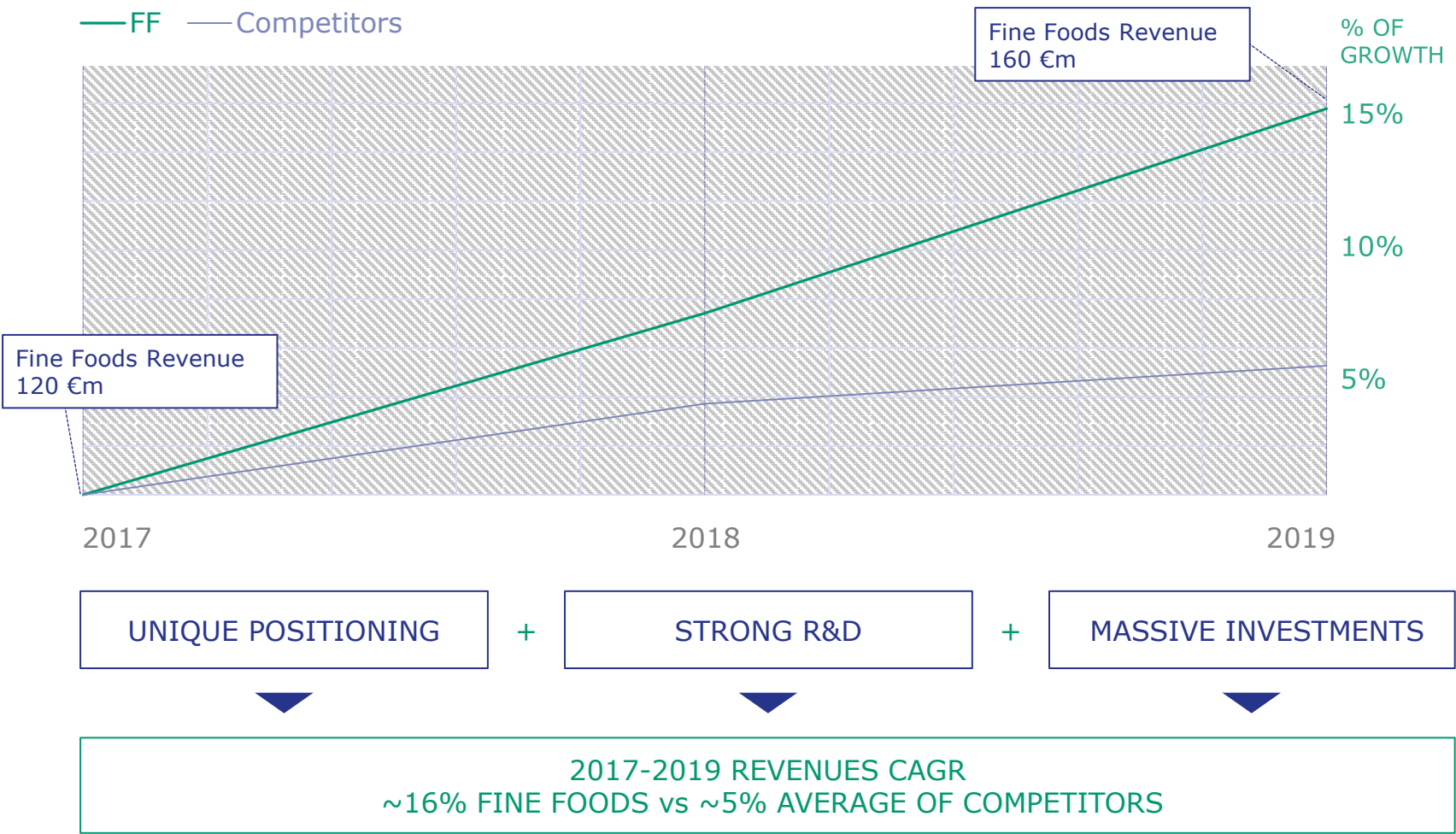


# Strongly outpaced peers

Fine Foods has substantially outgrown its panel of Competitors in the last 2 years

Sources: Management elaboration on publicly retrievable selected information

Methodology: the three variables' time series are divided by their respective value used as basis and multiplied by a factor of 100; the considered variables are Fine Foods and Competitors revenues



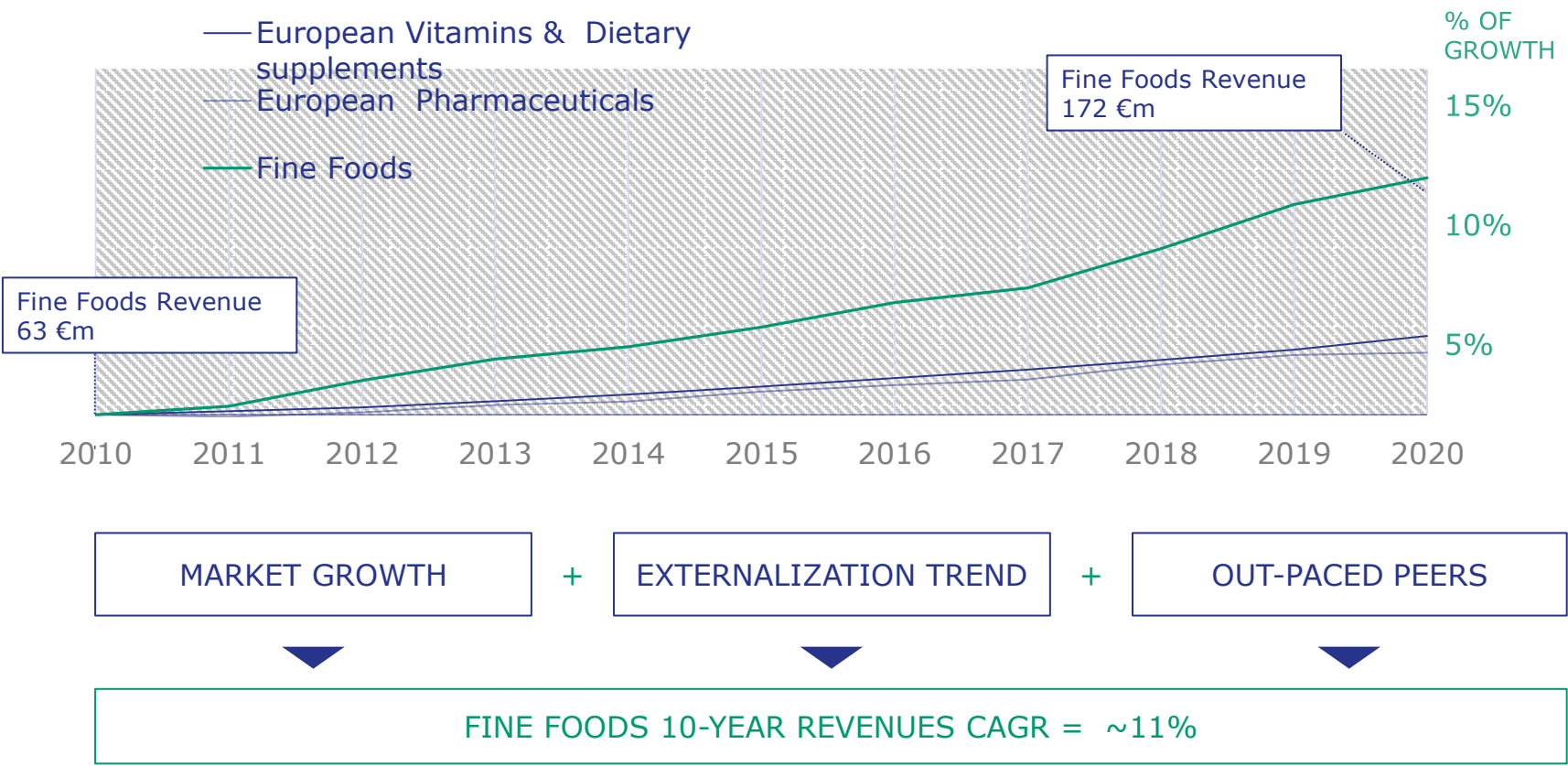
# Consistently outperforming the markets

Sources: Euromonitor International, Industrial, Pharmaceuticals, 2020 Edition Production MSP, EUR Fixed Ex Rates, Current Prices. Consumer Health, 2021 Edition/Health and Wellness 2020 Edition, Retail Value RSP, EUR Fixed Ex Rates, Current Prices

Methodology: the three variables' time series are divided by their respective 2010 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 production size

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 2020 sales at 2.7 x the 2010 level



2

# Research & Development





# R&D drives the growth

R&D has been an **integrating part of the Company's Business Model** since foundation

162



projects in 2020

37



new products  
in production in 2020

94



employees dedicated to scientific,  
technical, quality & control activities  
representing ~15% of total workforce

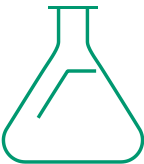


# R&D competitive advantages



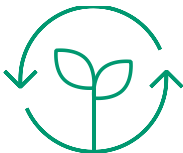
## INNOVATION

**Privileged access** to new raw materials and state-of-the-art technologies



## TECHNICAL EXPERTISE

**Highly trained staff** performs numerous advanced activities, from sensory tests to stability assessments (205 new stability tests started in 2020)



## SUSTAINABILITY

**Continuous research** of innovative solutions with lower environmental impact



## REGULATORY COMPETENCE

**Active FSE members**, substantial in-house regulatory expertise at the service of Customer's new developments



# Cross-functional R&D

**Pharma Technology Lab**  
to support **Food Supplement** innovative products

## Food Supplement R&D Lab

### Innovation Lab

TAILOR-MADE SOLUTIONS  
to support the most demanding customers

### Opportunity Lab

FORMULAE DATABANK  
Huge assortment of finished product formulations set to go

### Areas of competence

	CHOLESTEROL CONTROL		BONE HEALTH		FIBERS		SPORT FORMULATIONS
	ANTIOXIDANTS		TONICS & ENERGETICS		IMMUNE DEFENCE		ORAL REHYDRATION
	JOINT HEALTH		EYE HEALTH		DIGESTIVE TRACT HEALTH		WOMAN, MAN & CHILDREN HEALTH
	BRAIN & MEMORY		PROBIOTICS		WEIGHT CONTROL		MULTIVITAMINS & MINERALS





3

# Environmental Social & Governance



**Strong holistic  
ESG approach  
since foundation**

**Going green**  
implemented  
actions



E



**Environmental  
certification**

**HR innovative  
approach**



S



**Certified  
healthy &  
safety**

**Audited Social  
Responsibility**



G



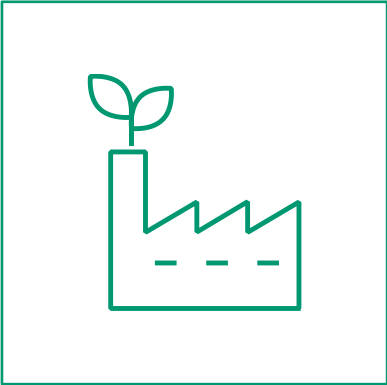
**Governance**



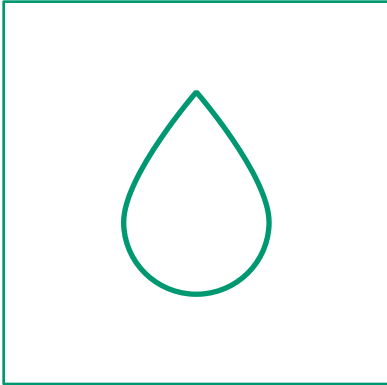


# Going green

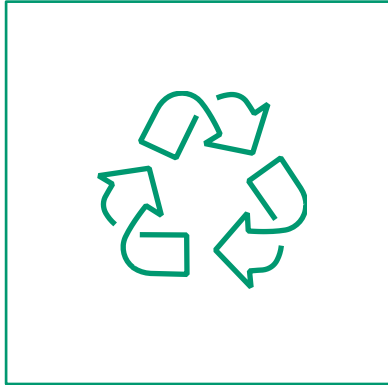
Implemented actions



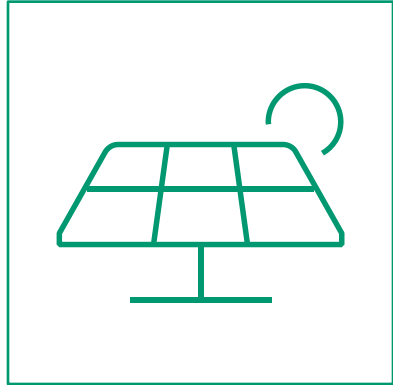
Installation of 2 **Co-generators**



Programs for **reduction of water** consumption



Programs for reduction of environmental **impact of waste**

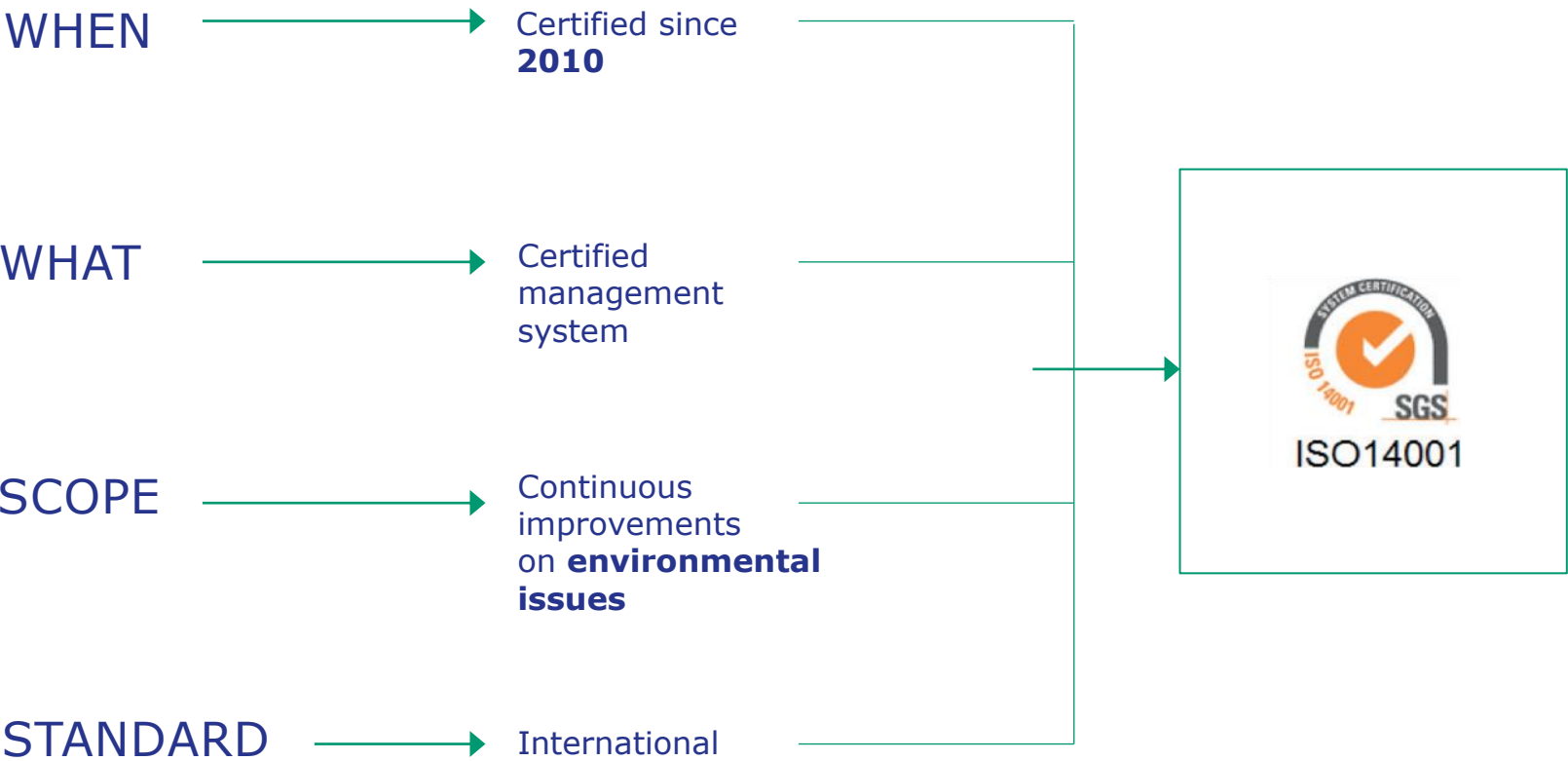


Installation of **Solar panels**



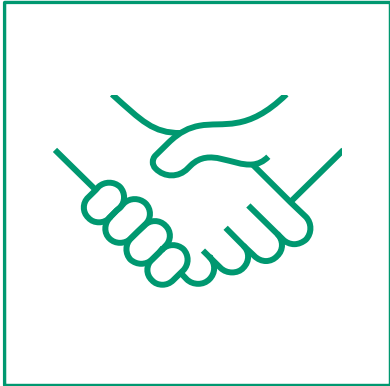


# Environmental certification



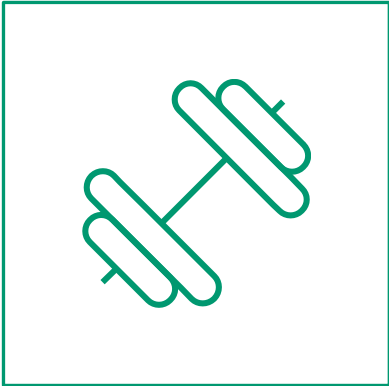
# HR innovative approach

Focus on Human Resources



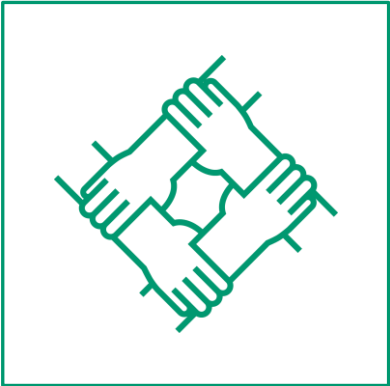
## WE HIRE → Our talents

Assessment Center to support an innovative and sophisticated recruiting process, including personality, skills and language tests



## WE TRAIN → Our experts

- Ad hoc training for all employees based on competences gap analysis
- Tutoring Programs for Production Operators



## WE ENGAGE → Our team

- Value Sharing
- CEO bi-annual Results Presentations to all employees
- Psychologist and Nutritionist available to employee
- Twice-weekly HR desk for employees
- Talent factory for young High Potentials



## WE VALUE → Our people

- Growth pattern for all employees
- High % of permanent employment after a period of temporary employment
- Diversity: gender, nationality, etc.
- A competitive compensation system based on internal and external benchmarking



# HR innovative approach

Employee engagement



**WOMEN**  
~ 43% of total employees, ~ 64% of white collar employees, ~ 40% of managers



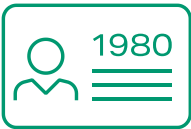
**TRAINING HOURS**  
~ 11,000 in 2020



**NATIONALITIES**  
17 different nationalities



**SATISFACTION**  
annual survey scoring ~ 85%



**AGE OF EMPLOYEES (ave.)**  
~ 41 years old



**RETENTION**  
average employee retention rate in the last three years ~ 97%

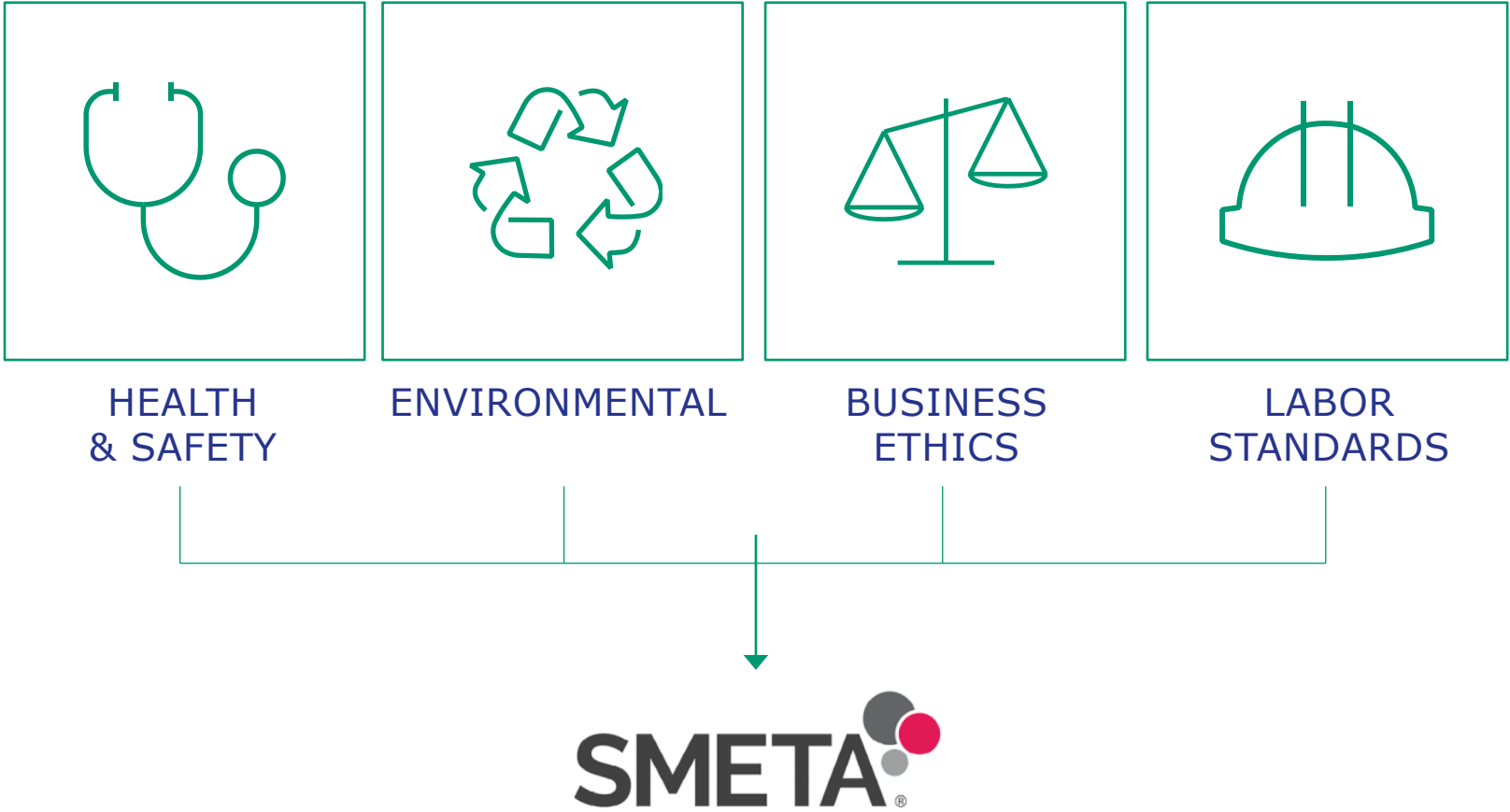


# Certified health & safety



# Audited social responsibility

Fine Foods has successfully been audited for the SMETA 4 Pillars, thus proving to be a reliable, sustainable and ethical company for all the stakeholders



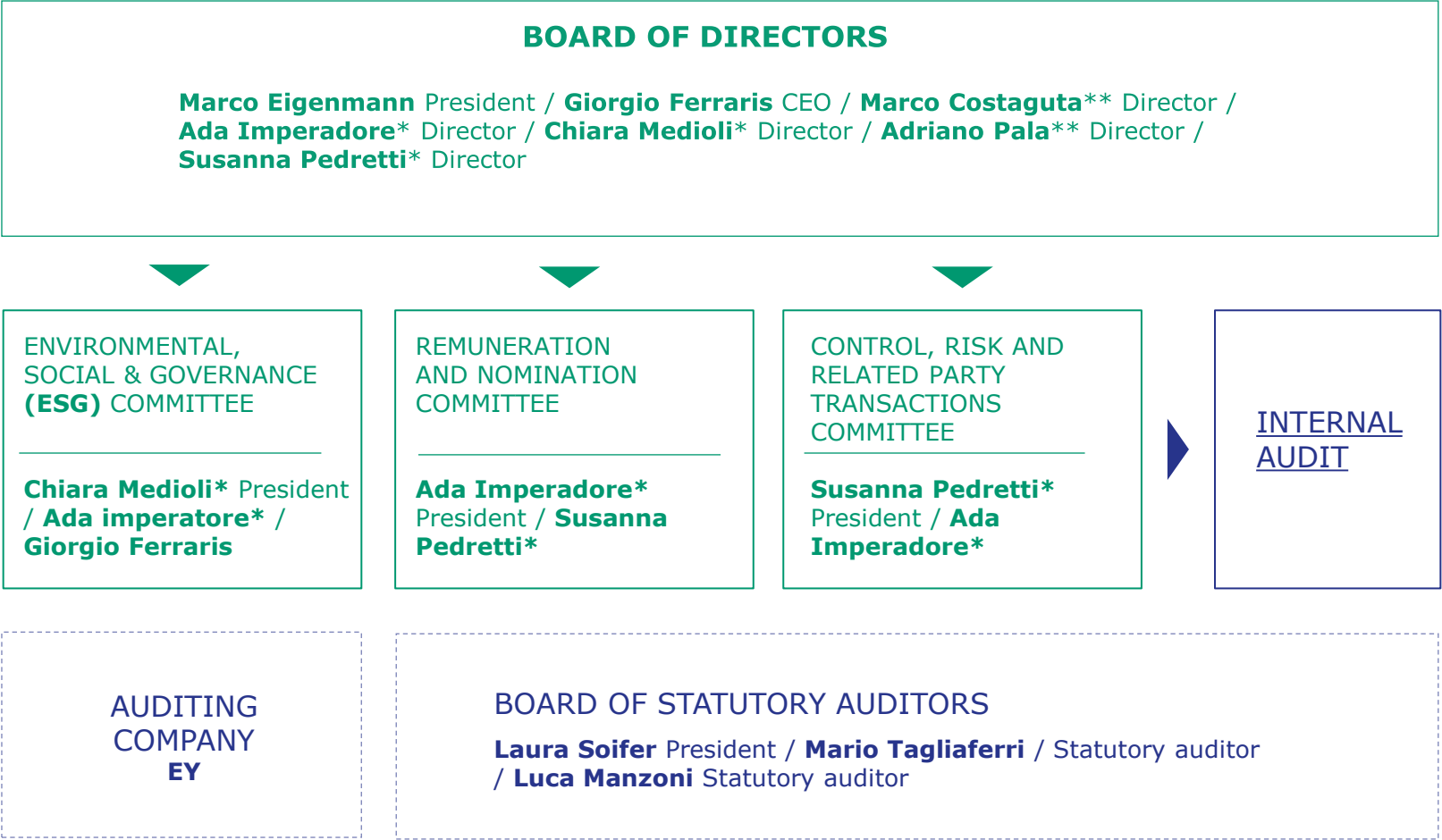
**SMETA** (Sedex Members Ethical Trade Audit) is the world's leading social audit which aims at assessing a company based on its organization's standards of labour, health and safety, environment and business ethics.



Sedex Member since **2016**

# Governance structure

Transparency and accountability  
for a shared value culture



\* **Independent Director** in accordance with article 148 paragraph 3 of the CFA, and of article 2 of the Corporate Governance Code

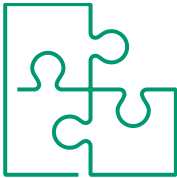
\*\*Non Executive Director





# Governance pillars

Fine Foods Governance is already compliant with the best practices expected by the MTA/STAR market and the Corporate Governance Code



## DIVERSIFICATION AND INDEPENDENCE

Board of Directors with a diversified set of competences and 40 per cent of independent directors



## GENDER EQUALITY

Full compliance with gender equality: three directors out of seven are women, as well as the President of the Board of Statutory Auditors.



## ORGANISATION AND RISK MANAGEMENT

Efficient internal control and risk management system



## SUSTAINABILITY

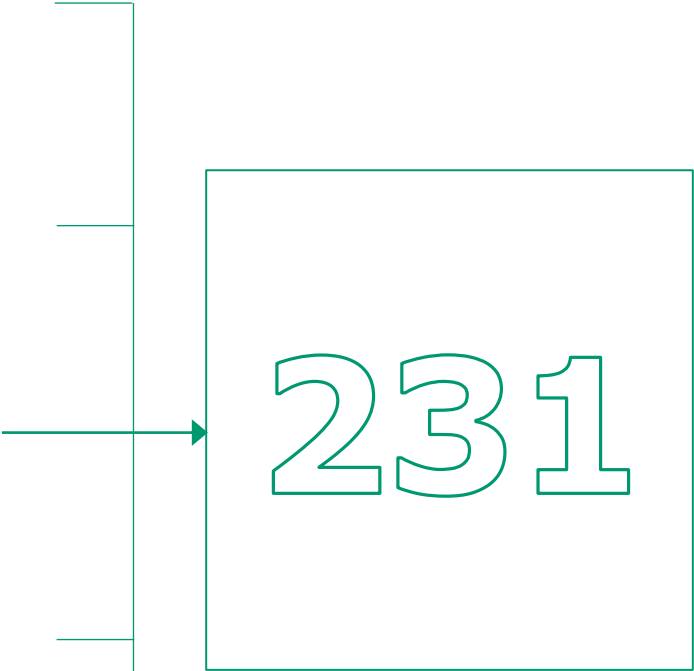
ESG Committee established to add environmental, social and governance factors to corporate strategies, generating value for shareholders and stakeholders in the medium to long term, in compliance with sustainable development principles



# Governance anticorruption and corporate liability



- WHEN → Since **2014**
- WHAT → **Organizational, managerial and control models**, to prevent crimes committed by employees and for which the company may be held liable.
- OBJECTIVE → **Avoid corruption** and corporate liability
- HOW → **Risk assessment**, code of ethics, whistleblowing
- VERIFIED → Independent controlling body (**ODV**)

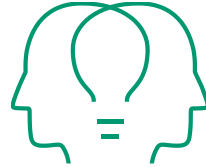


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# Pharmatek acquisition



# Pharmatek acquisition



Fine Foods, last 19 January 2021, **acquired 100% of Pharmatek PMC S.r.l.**



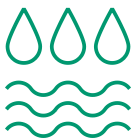
The price, for a maximum of **€ 17.2 million**, was paid in cash for a fixed component of € 11.2 million; the variable component of a maximum of € 6 million (earn-out) will be paid within the next three financial years.



Pharmatek new Board of Directors includes **Marco Eigenmann (President)**, **Marco Pessah (CEO)**, formerly Pharmatek sole shareholder and **Giorgio Ferraris**.

# Pharmatek know-how and technologies

Pharmatek is a CDMO active in the sector of cosmetics, biocides and medical devices manufactured in **different Pharmaceutical Forms**



liquids



gel



creams



ointments

Pharmatek **production** includes, among the others:

- BODY CREAMS
- FACE CREAMS
- TONIC LOTIONS
- SCRUBS
- TOOTHPASTE
- MOUTHWASH
- MOISTURIZERS
- DEODORANTS
- SKIN DISINFECTANTS
- SANITIZING GEL



Selection  
of products

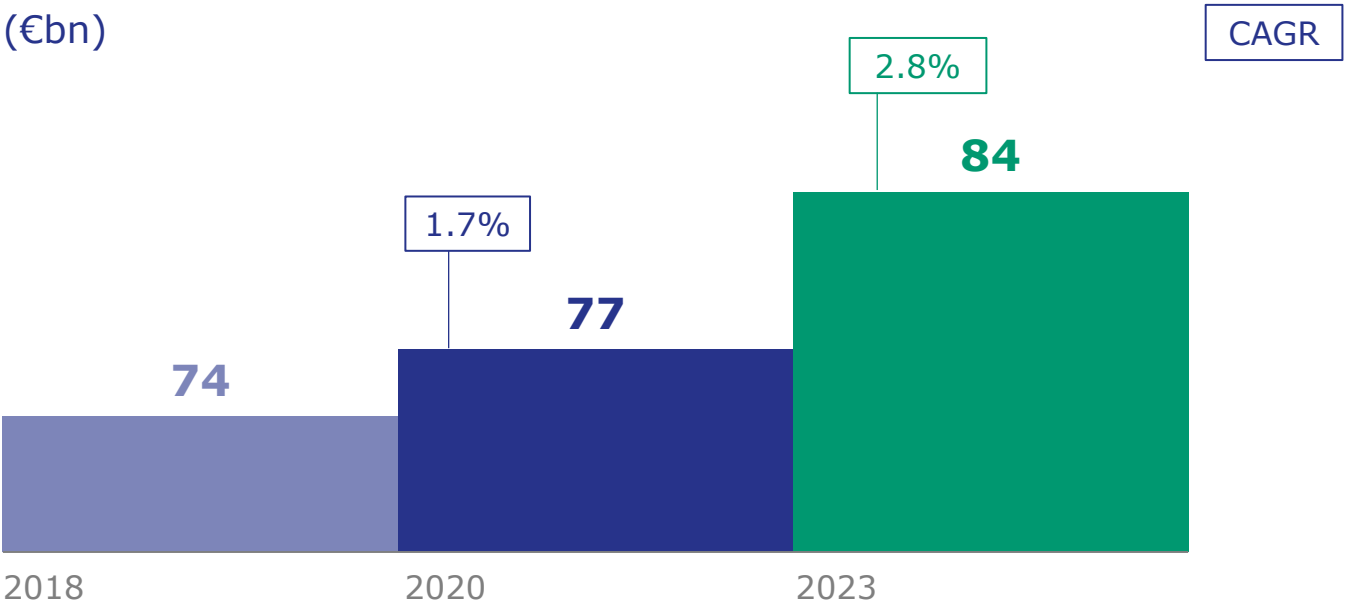




# Pharmatek reference markets

## EUROPEAN COSMETIC AND BIOCIDES MARKET

The **European Cosmetic and Biocides** market is expected to **accelerate growth** in coming years



Source: Euromonitor International, Consumer Health 2021 Edition/Beauty and Personal Care 2020 Edition, 2020/Home Care Edition 2021, Retail Value RSP, EUR Fixed Ex Rates, Current Prices

Cosmetics as per aggregation of Euromonitor’s Bath and Shower, Deodorants, Hair Care, Skin Care

Biocides as per aggregation of Euromonitor’s Oral Care, Dermatologicals, Surface Care, Adult Mouth Care



# Strong cross selling potential

- New CDMO market segments
- New commercial relationships
- Cross selling relationships with existing customers
- R&D synergies



FINE FOODS GROUP BUSINESS UNITS	<u>NUTRACEUTICALS</u>	<u>PHARMACEUTICALS</u>	<u>COSMETICS - BIOCIDES</u>
			<b>NEW</b>
Nutraceutical Clients	●		●
Pharmaceutical Clients	●	●	●
Cosmetic Clients	●		●

Source: Fine Foods



5

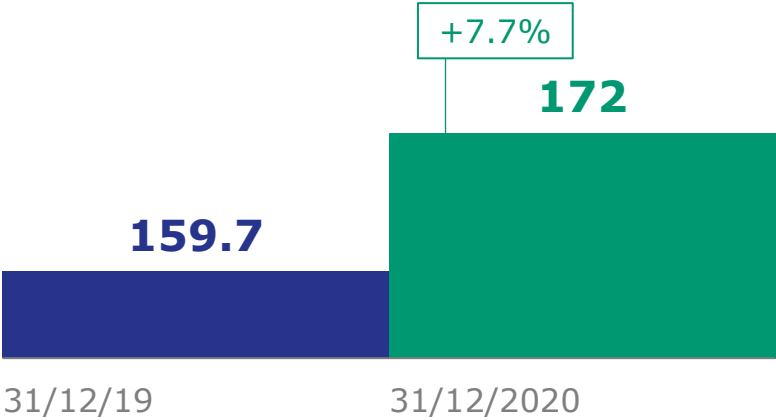
# Financials



# Fine Foods significant overall revenue growth

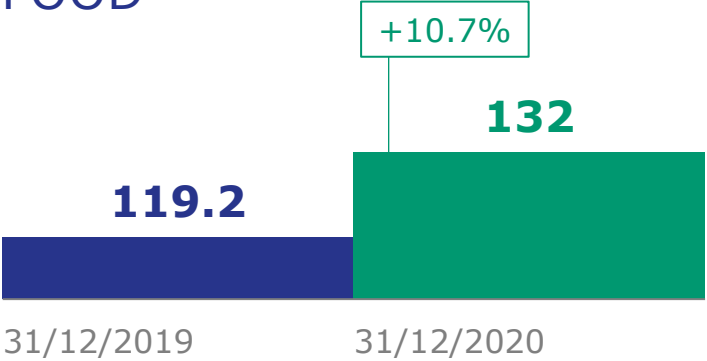
Increase in 2020 Revenues  
driven by very strong growth  
in H2-2020: +26% compared  
to H2-2019

## REVENUES

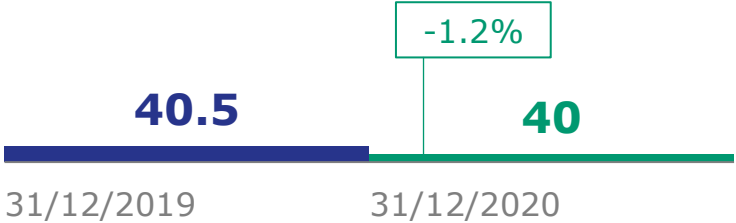


## Revenue break-down

### FOOD



### PHARMA



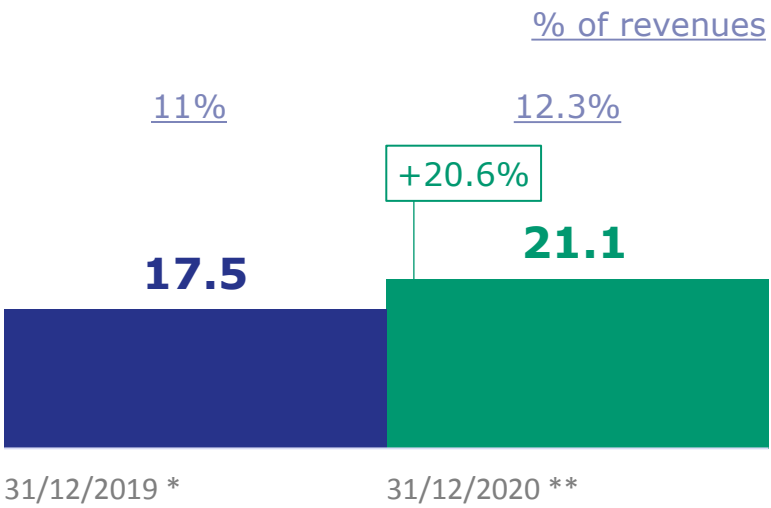
Figures according to IAS-IFRS principles



# Strong increase in EBITDA

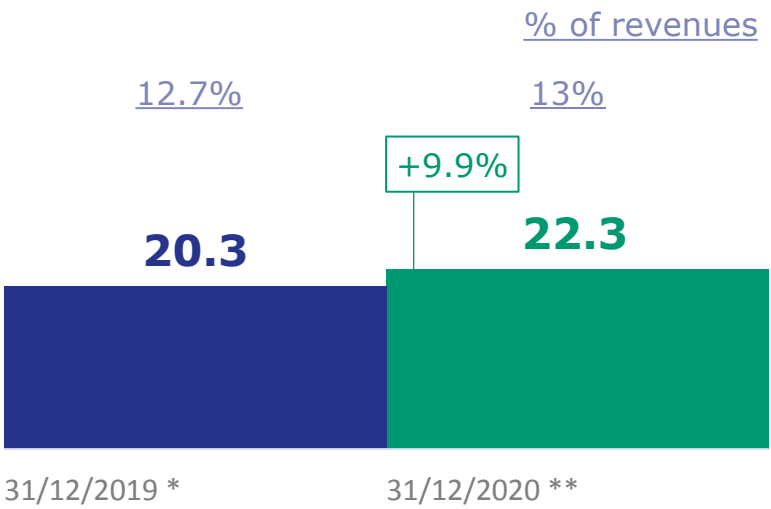
## EBITDA REPORTED

- Significant increase in overall Ebitda compared to 2019 driven by turnover growth
- Ebitda margin Adj. at 13% in line with historical trend



## EBITDA ADJUSTED

- \* 2.8 €m adjustment for non recurring costs:
  - 1.2 €m for plants expansion start-up costs
  - 1.3 €m for Nembro plant closing and production transfer costs
  - 0.3 €m for extraordinary consultancy fees
- \*\* 1.2 €m adjustment for non recurring costs:
  - 0.9 €m for Covid impacts
  - 0.3 €m for extraordinary consultancy fees



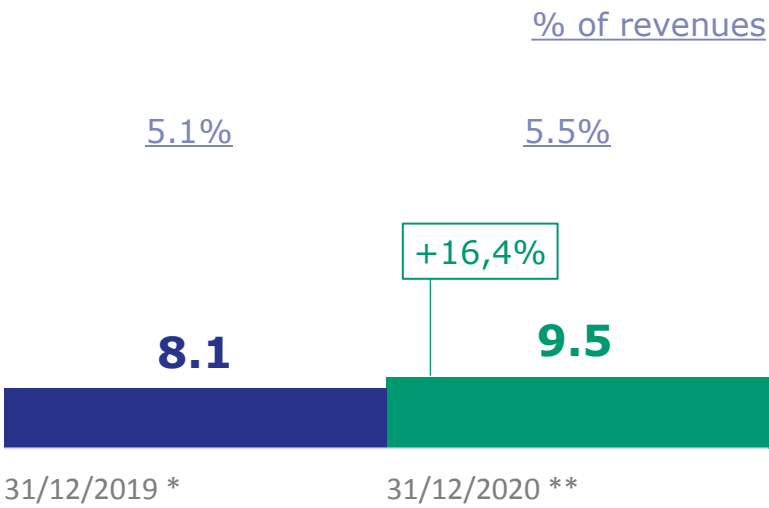
Figures according to IAS-IFRS principles



# EBIT affected by depreciation following strong investments

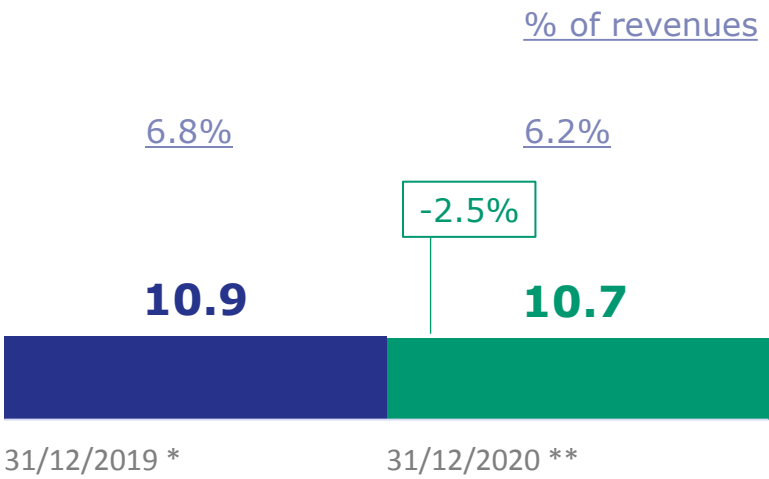
## EBIT REPORTED

- Ebit Reported increased compared to previous year despite of a further increase in depreciation (11.6 €m in 2020 vs 9.4 €m in 2019)
- Ebit Adjusted in line with previous year



## EBIT ADJUSTED

- \* 2.8 €m adjustment for non recurring costs
- \*\* 1.2 €m adjustment for non recurring costs



Figures according to IAS-IFRS principles



Net income  
driven by  
positive  
performance

NET INCOME REPORTED

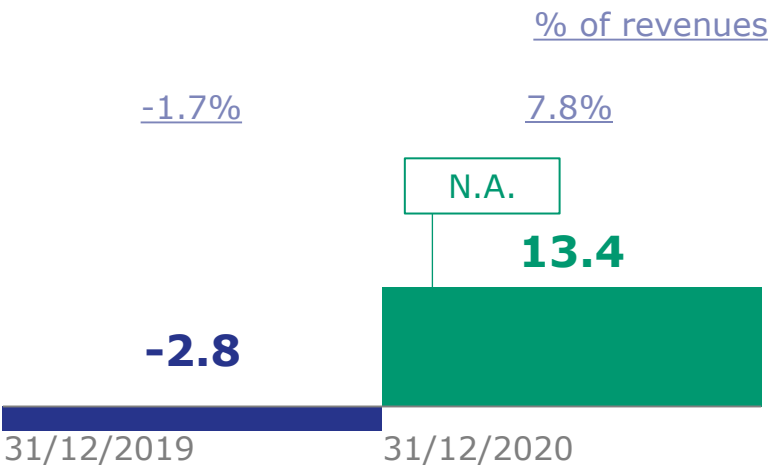
Net Income 2020 mainly impacted by:

- fair value evaluation on financial asset (+2.1 €m net of tax effect)
- fair value evaluation on warrants (+4.9 €m)

Net Income 2019 mainly impacted by:

- fair value evaluation on financial asset (+3.9 €m net of tax effect)
- fair value evaluation on warrants (-12.6 €m)

In addition to what reported in previous slides, the variance between these effects mainly explains the variation occurred from 2019 to 2020



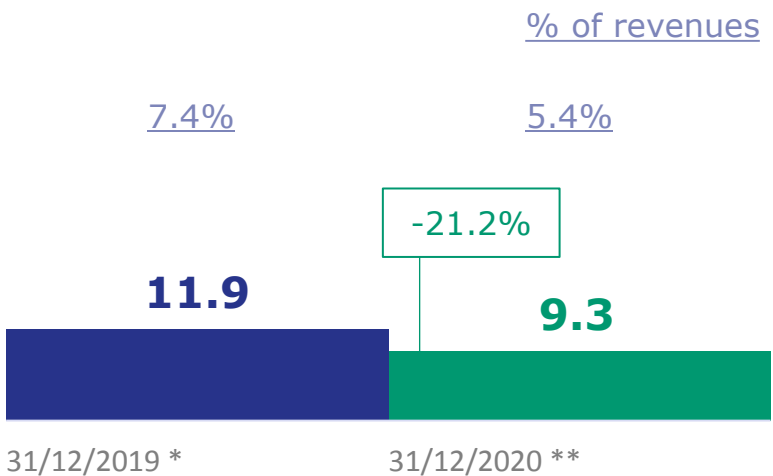
NET INCOME ADJUSTED

\* 14.7 €m Adjustments:

- 2.1 €m non recurring costs net of tax effect
- 12.6 €m negative effect of warrant fair value measurement

\*\* 4.1 €m Adjustments:

- 0.8 €m non recurring costs net of tax effect
- -4.9 €m positive effect on warrant fair value measurement



Figures according  
to IAS-IFRS principles



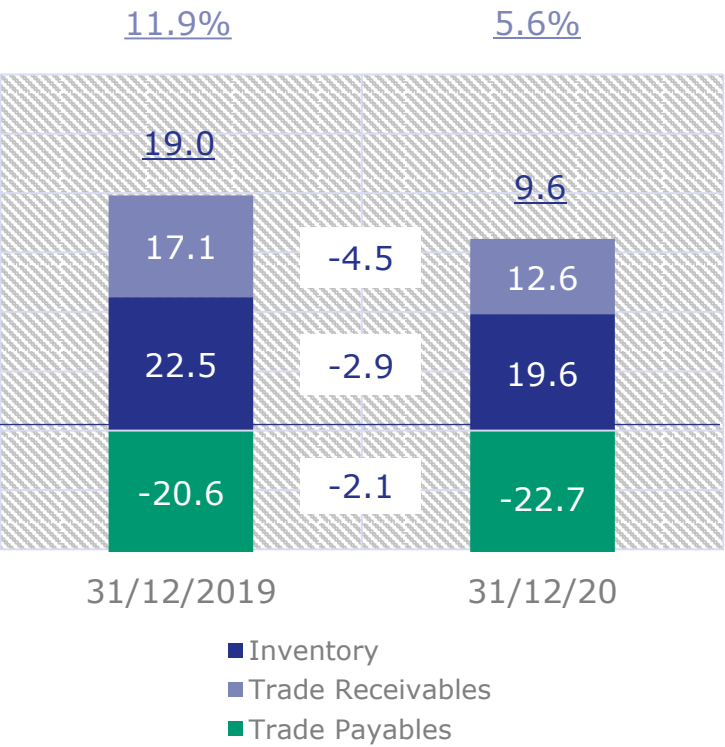


# Healthy capital allocation

% of revenues

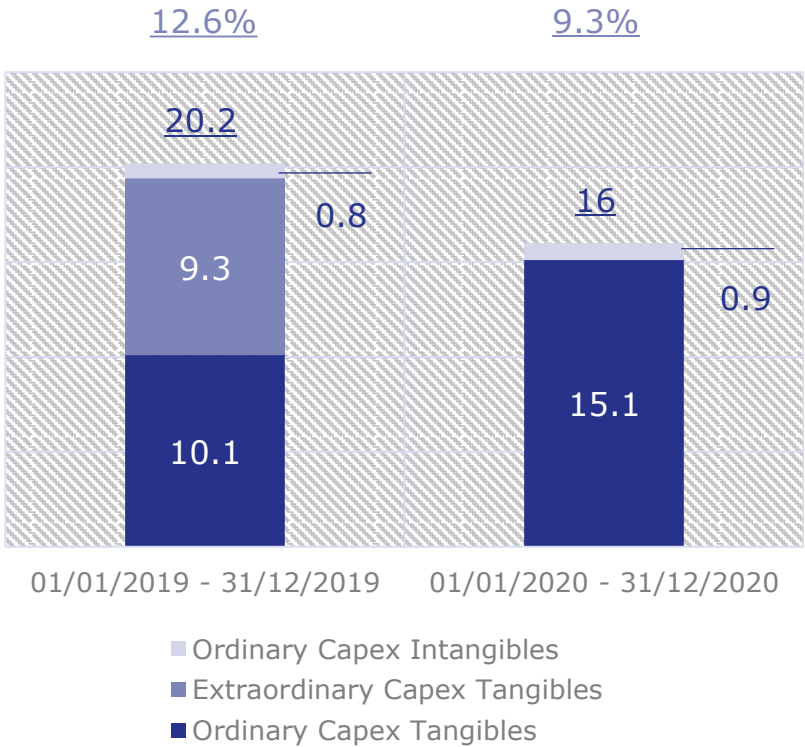
## NET WORKING CAPITAL

NWC strongly decreased compared to 2019 mainly **due to further improvement in collection terms and inventory management**



## CAPEX

Capex to support business expansion



Figures according to IAS-IFRS principles





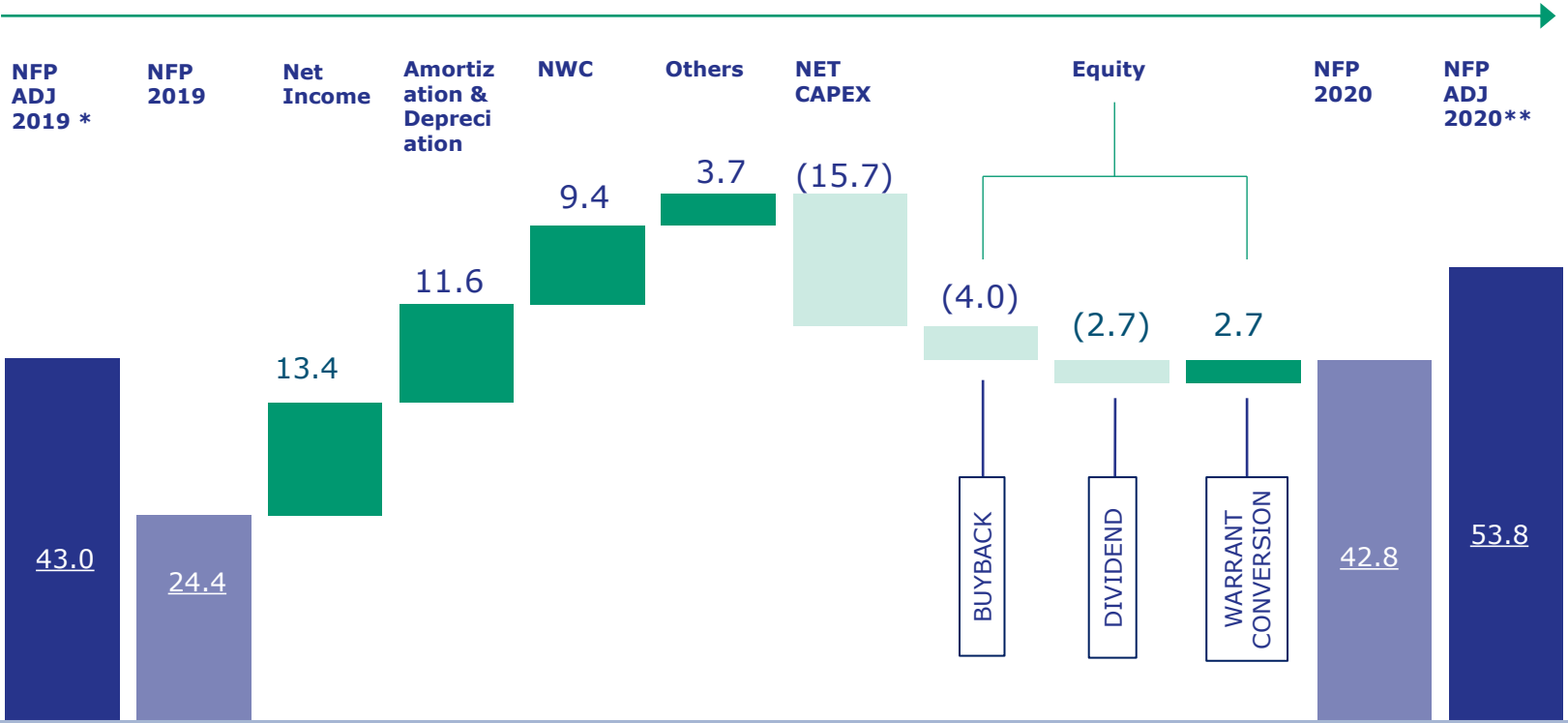
# Net financial position evolution

from 2019 to 2020

Figures according to IAS-IFRS principles

## MOST SIGNIFICANT CASH-IN AND CASH-OUT

Cash-in of 17.5 €m before equity cash out for Buy Back and Dividends of 6.7 €m



\*11.0 €m adjustment for warrant financial liability

\*\* 18.6 €m adjustment for warrant financial liability



6

# Shareholding structure



# Shareholding structure

As of 30.06.2021

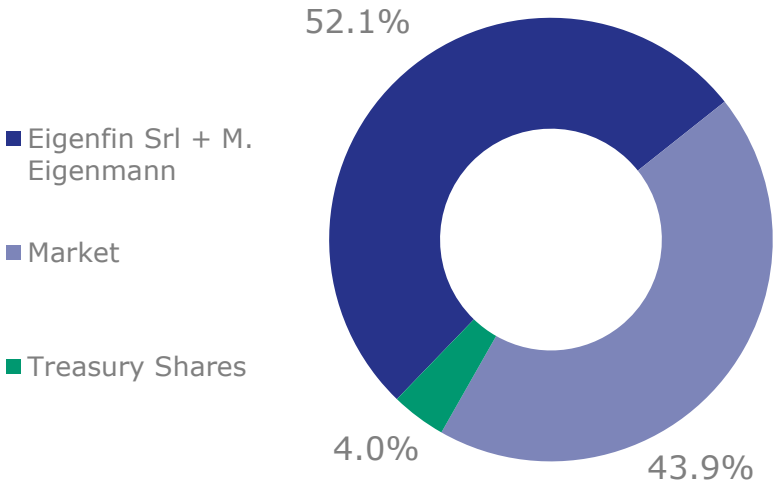
Fine Foods Shares	N. of shares (Mln)	%
Listed Shares	22.1	86%
Unlisted Shares	3.5	14%
Total Equity Capital	25.6	100%



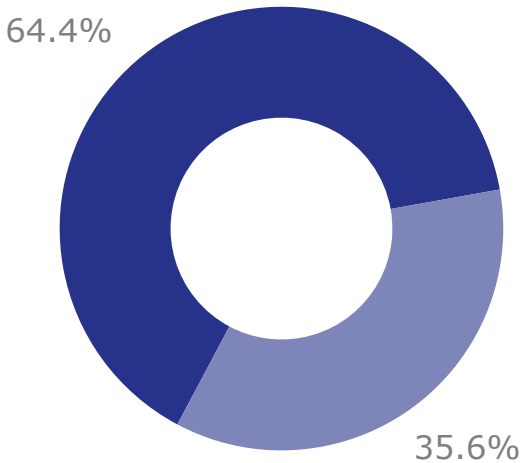
FLOATING ON  
LISTED SHARES  
~52%



% OF TOTAL EQUITY CAPITAL



% OF VOTING RIGHTS\*



\* Net of Treasury Shares



# Fine Foods shares

As of 30.06.2021

## Total Shares: 25,560,125

- Ordinary Shares – listed: 22,060,125
- Multiple Voting Rights Shares – unlisted: 3,500,000

## Controlling Shareholder: Marco Francesco Eigenmann even towards Eigenfin S.r.l.

- **52.1%** of Share Capital
- **64.4%** of voting rights (net of Treasury Shares)

## Buyback

- Max purchasable shares: **2,000,000**
- N. Treasury Shares as of 30.06.2021: **1,021,086**
- Total cash out: **11.3€m**
- % of Treasury Shares on Total Shares as of 30.06.2021: **4.0%**

## UNLISTED SHARES

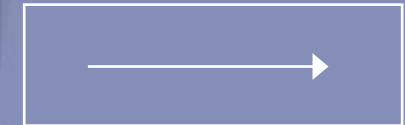
### Multiple Voting Rights Shares: 3,500,000

- Totally owned by Marco Francesco Eigenmann even towards Eigenfin S.r.l.
- Conversion Ratio: 1x in Ordinary Shares
- Conversion: among others at simple request of the owner
- Same rights as ordinary shares, other than voting rights.
- Each Multiple-voting Share provides the holder with three votes in all Shareholders' Meetings



# Fine Foods

Our way



# Why Fine Foods?



## Reliability

- SOLID TRACK RECORDS
- STRONG FINANCIALS
- CRITICAL MASS
- ADVANCED HR MANAGEMENT
- ROBUST MANAGEMENT STRUCTURE
- GRANULAR CONTROLLING



## Performance

- HIGH AND STABLE CAGR IN THE LAST 10 YRS
- HOLISTIC SUSTAINABILITY SINCE 2010
- LONG LASTING CUSTOMER'S RELATIONS
- GROWTH SUSTAINED BY R&D PARTNERSHIPS



## Future

- PHARMA FOOD COSMETIC UNIQUE PRESENCE
- CROSS FUNCTIONAL INNOVATIVE R&D
- ATTRACTIVE AND GROWING MARKETS
- STRUCTURE TO EXPLOIT M&A OPPORTUNITIES





# contacts

## **Fine Foods & Pharmaceuticals**

N.T.M. S.p.A.

Investor Relations

Tel. +39 035 4821382

[ir@finefoods.it](mailto:ir@finefoods.it)

## **CDR Communication**

IR Advisor

Paola Buratti

[paola.buratti@cdr-communication.it](mailto:paola.buratti@cdr-communication.it)

Media Relations

Marianna Tremolada

[marianna.tremolada@cdr-communication.it](mailto:marianna.tremolada@cdr-communication.it)

09/07/21

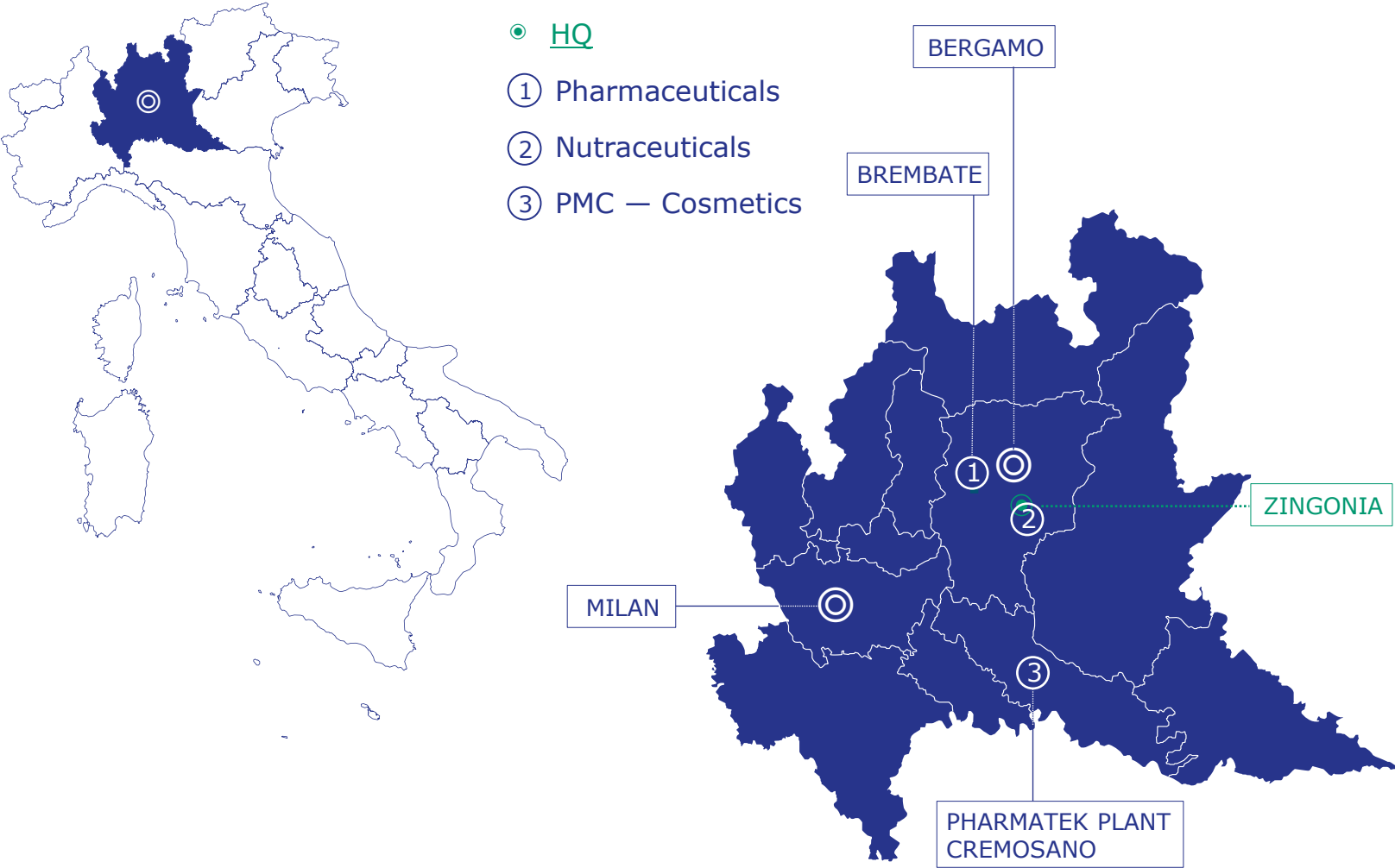


The background of the slide is a solid teal color. It is decorated with a dense, abstract pattern of various geometric shapes, including cubes, spheres, and polygons, in different shades of teal and white. These shapes are scattered across the slide, creating a modern, architectural feel. A thin white horizontal line is positioned near the top of the slide, and a thin white vertical line is positioned to the left of the word 'backup'.

**backup**

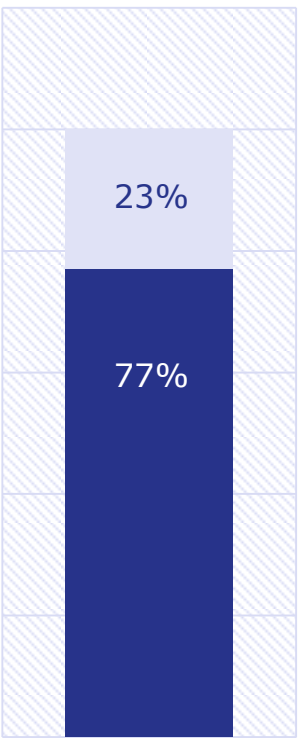


# Manufacturing plants geographical footprint



# Diversified Share of Wallet and Geographic Distribution of Top Customers

## 2020 CUSTOMERS AS % OF TOTAL REVENUES



■ Top 5    ■ Other



- ~ 60 Countries OW:
- Italy
  - Ue
  - Uk
  - Russia
  - South africa
  - Turkey
  - Malaysia
  - Israel
  - China
  - Switzerland
  - Thailand
  - Singapore
  - Taiwan
  - Australia
  - Hong kong
  - Japan
  - ...

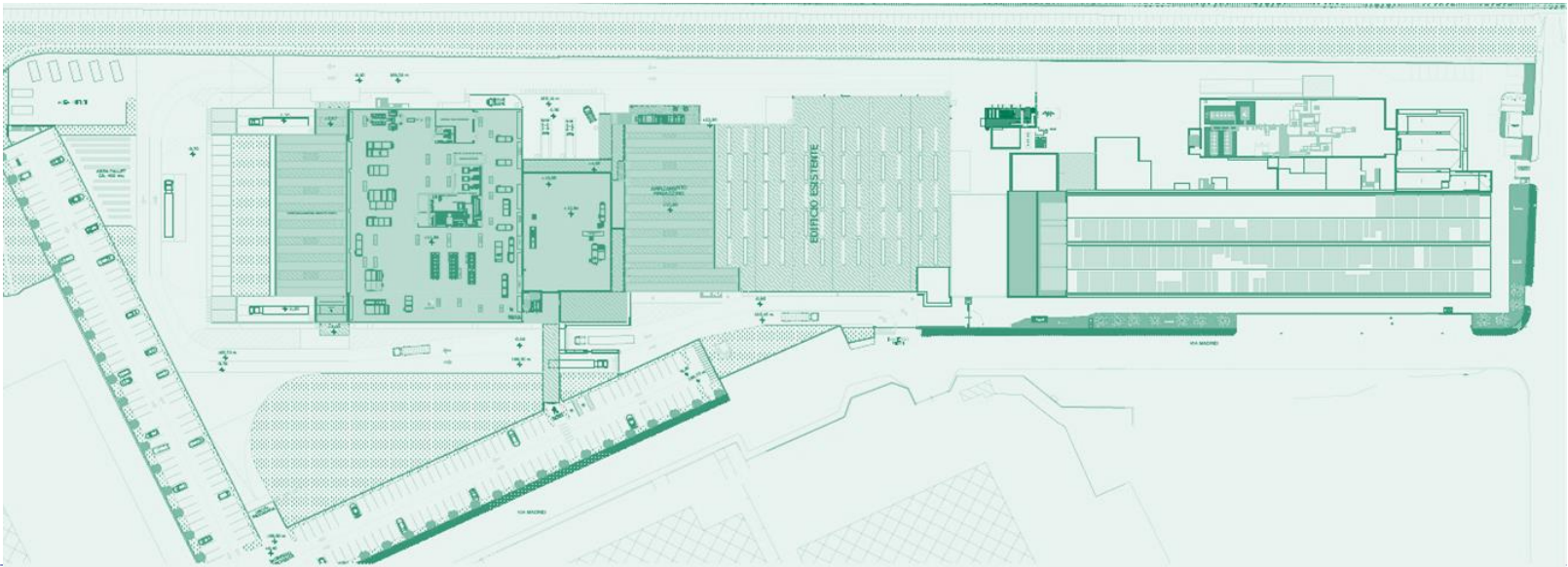


# Nutraceutical plant expansion

Zingonia

The operating complex covers **a total area of 45,600 sqm**  
**19.7€m** in CAPEX over the 2016-2019 period  
**The expansion increased the covered area by ~ 80% since 2016**

Pre-existing covered area:  Final covered area:  
**15,900 SQM** **28,800 SQM**



Note: all squared-meters data have been approximated to the nearest hundreds



# Pharmaceutical plant expansion

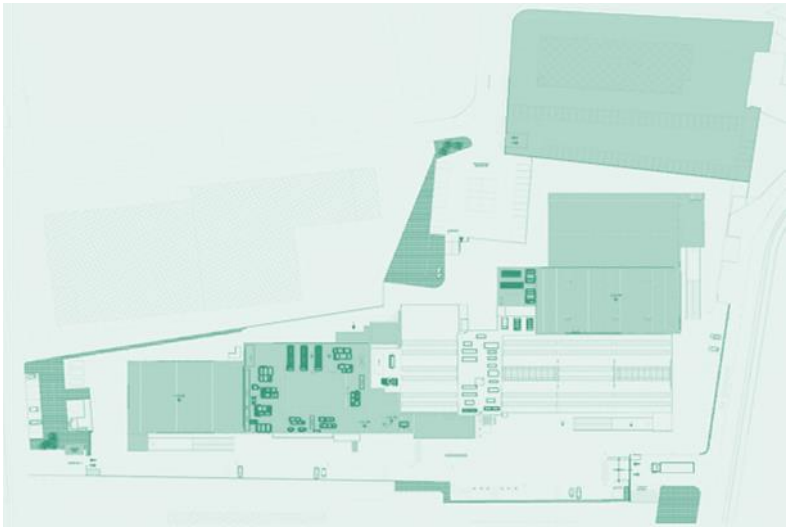
Brembate

The operating complex covers a **total area of 26,100 sqm**  
**15.2€m** for Plant Expansion over 2016-2019 and further **3.8€m** in 2020 for a new warehouse construction and the purchase of a 5,400 sqm land  
**The expansion increased the covered area by ~ 150% since 2016**

Pre-existing covered area:  
5,700 SQM



Final covered area:  
14,200 SQM



Note: all squared-meters data  
have been approximated to the  
nearest hundreds

