



The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A today approved the Group's Interim Financial Report as of 31 March 2024.

EBITDA Margin reached 13.5%, exceeding historical levels

Double-digit growth (+11.5%) in EBITDA in Q1 2024, evidence of an increasingly reliable organisation management.

- **Revenue** in Q1 2024 was € 65.6 million- stable compared to the extraordinary revenue recorded in Q1 2023, and this stability comes after two quarters of unprecedented high revenue.
- Q1 2024 **EBITDA** was € 8.9 million, up 11.5% compared to € 7.9 million in Q1 2023.
- Q1 2024 **EBITDA Margin** of 13.5%, improved from 12.1% in Q1 2023.
- Q1 2024 **Operating Result (EBIT)** was € 5.1 million compared to € 4.2 million in Q1 2023 (+20,7%).
- **Profit for the period** in Q1 2024 was € 2.8 million compared to € 2.9 million in Q1 2023.
- The Group's **Net Financial Position** as of 31 March 2024 was € 43.6 million, stable compared to 31 December 2023.

Verdellino (Bergamo, Italy), 15 May 2024 - The Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. - an Italian independent Contract Development & Manufacturing Organisation (CDMO) that develops and manufactures contract products for the pharmaceutical, nutraceutical, and cosmetics industries, listed on Euronext STAR Milan (ticker: FF), today approved the Group's Interim Financial Report as of 31 March 2024, prepared under IAS/IFRS Accounting Standards issued by the IASB (International Accounting Standards Board) and not subject to audit.

Q1 2024 reported **Consolidated Revenue of € 65.6 million**, in line with Q1 2023, which saw an exceptional revenue increase.

The **Pharmaceuticals Business Unit** recorded revenue of € 17.6 million in Q1 2024, +4.9% compared to the same period of 2023 (€ 16.8 million).

Nutraceuticals Business Unit revenue in Q1 2024 was € 39.8 million compared to € 40.7 million in the previous period with a slight decrease of 2.1%.

The contribution of the **Cosmetic Business Unit** in Q1 2024 was € 8.1 million, an increase of 0.3% compared to the same quarter of the previous year, showing the first signs of recovery after the integration and reorganisation process.

Fine Foods & Pharmaceuticals N.T.M. S.p.A. CEO Giorgio Ferraris said: "The first quarter 2024 showed revenue in line with 2023, with double-digit EBITDA growth and increasing margins that highlighted a reliable organisational management. Despite the international economic and geopolitical situation, we expect for 2024 a revenue growth trend in line with historical levels and overall margin improvement."



EBITDA in Q1 2024 was € 8.9 million, **+11.5%** compared to € 7.9 million in Q1 2023. There was a decrease in the Raw Material costs to Sales Revenue ratio to approximately 58.6% compared to 60.1% as of 31 March 2023, and a progressive improvement in the organisational efficiency.

EBITDA Margin in Q1 2024 was **13.5% compared to 12.1% in Q1 2023**. The improvement in margins was mainly due to a decrease in purchasing raw materials, packaging, and energy costs on revenue.

The Group's **Operating result (EBIT)** for the period benefited from what above, and was € 5.1 million, with an increase of € 0.9 million compared to 31 March 2023 **(+21%)**.

Group **Income Before Taxes** in Q1 2024 was € 4 million, compared to € 4.3 million in Q1 2023. This figure was negatively impacted by the absence of the positive effects generated by the asset management.

Q1 2024 closed with a **profit for the period of € 2.8 million, stable** compared to Q1 2023 result of € 2.9 million.

Tangible Fixed Assets increased by approximately € 1.8 million in Q1 2024, due to net investments of approximately € 5.3 million and depreciation for the period of € 3.5 million.

Intangible fixed assets and rights of use were €16.3 million as of 31 March 2024, in line with the previous year-end. Other non-current receivables and payables decreased by about € 0.8 million.

Working capital as of 31 March 2024 was € 44.3 million compared to € 42.6 million at the end of the previous financial year. The Commercial Net Working Capital of € 50.7 million (€ 48.1 million as of 31 December 2023) saw an increase in trade receivables (€ 5.8 million) and trade payables (€ 0.8 million), and a decrease in inventories (€ 2.5 million). Other current receivables and payables decreased by approximately € 0.8 million.

Shareholders' Equity as of 31 March 2024 was € 129.6 million, (€ 126.9 million as of 31 December 2023).

The Group's **Net Financial Position** as of 31 March 2024 of € 43.6 million was stable compared to 31 December 2023 and showed a positive cash flow from operating activities of about € 5.6 million, net CAPEX made in the period of about € 5.5 million and purchase of treasury shares of about € 0.1 million.

SIGNIFICANT EVENTS OCCURRING AFTER 31 March 2024

No significant events occurred after the end of the period.

BUSINESS OUTLOOK

Despite the current international economic and geopolitical situation, and temporary shifts in some customers' inventory management, the target markets continue to expand. The Group is set on growing its market share and will persist in developing its business across three key sectors: Nutraceuticals, Pharmaceuticals, and Cosmetics by strengthening their operations. Fine Foods will seize any opportunities for growth through external lines.

The Nutra BU commercial strategies implemented, which focus on product quality, innovation, and enhancing customer support services, were confirmed. Fine Foods confirms the production capacity increase by expanding the current plant, which will bring favourable results on the top line in the 2024-2028 five-year period. Initial investments are expected to start in the second half of the year.

In 2024, the Pharma BU will continue its preparatory activities for the strong growth expected buoyed by significant multi-year agreements signed with key international customers. Fine Foods confirms that work for the production plant expansion started at the end of 2023, and will be completed in 2025. The new site will start generating revenue from 2026.

The Cosmetic BU's organisation, integration, process optimisation and investments made due to increased efficiency and enhanced capacity to fulfil customer demands are showing positive signs. We expect a shift in trends leading to an increase in the top line and profit margins, contributing positively to the Group's results.



The management is confident that the Group's revenue growth and margin improvement historical trends will continue in the upcoming quarters. Along with its financial objectives, the Group intends to continue its sustainability programme in this and future financial years, and serve as a benchmark for customers by assessing products that align with the evolving market demands, which include sustainability.

Under Art. 154-bis, paragraph 2 of the Consolidated Law on Financial Intermediation (TUF), the Manager responsible for preparing the corporate financial reports, Pietro Bassani, declared that the accounting information contained in this press release corresponds to the document results, accounting books and records. This press release is available on the website www.finefoods.it, in the Investor Relations/Press Releases section. The Interim Financial Report as of 31 March 2024 is available today from the 1Info authorised storage system (www.1Info.it), on website www.finefoods.it (Investor relations/Financial Reports section) and at the Company's registered office. The presentation of the 31 March 2024 results, approved today by the Board of Directors, is available at www.finefoods.it (Investor relations/Presentations section).

Attachments:

1. Consolidated income statement
2. Consolidated comprehensive income statement
3. Consolidated statement of financial position
4. Consolidated cash flow statement
5. Consolidated Shareholders' equity changes

Fine Foods & Pharmaceuticals N.T.M. S.p.A., listed on Borsa Italiana's Euronext STAR Milan (Ticker: FF) is an Italian independent CDMO (Contract Development and Manufacturing Organisation) It develops and manufactures contract products for the pharmaceutical, nutraceutical and cosmetics industries. Founded in 1984, Fine Foods proved to be a reliable and capable strategic partner for customers in the reference sectors. The company's organisation can provide successful design process and solid, long-term partnerships. The continuous search for excellence is part of the company's business model and includes research and development, innovation, process reliability, product quality, ESG, and sustainable management of the Group's supply chain. Fine Foods is a benefit corporation which relies on certifications and ratings under international standards. These guarantee its sustainability commitment across the business. With €251.8 million revenue in 2023, Fine Foods is a growing and future-oriented company.

For further information:

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Consolidated income statement

<i>(amounts in € units)</i>	3 months 31 March 2024	3 months 31 March 2023
Revenue and income		
Revenue from contracts with customers	65,564,696	65,560,388
Other revenue and income	264,086	228,337
Total revenue	65,828,782	65,788,725
Operating costs		
Costs for consumption of raw materials, change in inventories of finished goods and work in progress.	38,426,273	39,416,667
Personnel costs	11,634,821	11,161,688
Costs for services	6,337,369	6,781,231
Other operating costs	565,724	480,458
Amortisation, depreciation, and impairment losses	3,796,105	3,748,501
Total operating costs	60,760,292	61,588,546
Operating result	5,068,490	4,200,180
Changes in fair value of financial assets and liabilities	(19,496)	1,101,887
Financial income	8,336	20,086
Financial charges	(1,083,042)	(1,054,022)
Income before taxes	3,974,288	4,268,131
Income taxes	1,156,496	1,361,792
Profit/(loss) for the financial year	2,817,791	2,906,338

Consolidated comprehensive income statement

<i>(amounts in € units)</i>	3 months 31 March 2024	3 months 31 March 2023
Profit /(loss) for the financial year (A)	2,817,791	2,906,338
Components that will not be subsequently reclassified to profit/(loss) for the financial year		
Revaluation of net employee benefit liabilities/assets	-	-
Tax effect	-	-
Other comprehensive income (B) components	-	-
Comprehensive profit/(loss) (A+B)	2,817,791	2,906,338



Consolidated statement of financial position

	As of 31 March 2024	As of 31 December 2023
<i>(amounts in € units)</i>		
Assets		
Non-current assets		
Property, plant and machinery	108,684,299	106,919,123
Goodwill	11,507,954	11,507,954
Other intangible fixed assets	1,676,951	1,634,888
Rights of use	3,088,138	3,165,607
Other non-current assets	626,614	688,139
Deferred tax assets	5,496,079	6,234,232
Total non-current assets	131,080,036	130,149,943
Current assets		
Inventories	40,004,751	42,459,682
Trade receivables	43,903,752	38,057,766
Tax receivables	17,967	320,689
Other current assets	8,634,167	7,740,856
Current financial assets	3,466,976	3,832,865
Cash and other liquid assets	13,888,641	19,000,047
Total current assets	109,916,253	111,411,905
Total assets	240,996,289	241,561,848
Shareholders' equity		
Share Capital	22,770,445	22,770,445
Other reserves	114,048,701	114,167,028
Employee benefit reserve	181,073	181,073
FTA reserve	(6,669,789)	(6,669,789)
Profit/(loss) carried forward	(3,499,489)	22,610
Profit/(loss) for the financial year	2,817,791	(3,522,098)
Total Shareholders' Equity	129,648,732	126,949,268
Non-current liabilities		
Non-current bank borrowings	41,324,409	9,734,877
Employee benefits	2,208,636	2,201,653
Provision for risks and charges	2,105	2,105
Provision for deferred taxes	273,475	263,381
Non-current lease payables	957,221	1,032,604
Total non-current liabilities	44,765,846	13,234,620
Current liabilities		
Current bank borrowings	18,309,960	55,269,592
Trade payables	33,200,566	32,369,462
Taxes payable	1,010,761	575,488
Current lease payables	332,581	354,377
Other current liabilities	13,727,843	12,809,041
Total current liabilities	66,581,711	101,377,960
Total Shareholders' equity and Liabilities	240,996,289	241,561,848



Consolidated cash flow statement

	3 months 31 March 2024	3 months 31 March 2023
PROFIT FROM OPERATING ACTIVITIES AFTER TAX	2,817,791	2,906,338
Adjustments to reconcile profit after tax with net cash flows:		
Depreciation and impairment of property, plant and machinery	3,483,403	3,357,350
Amortisation and impairment of intangible fixed assets	196,420	196,564
Amortisation of rights of use	116,283	194,588
Financial income	107,537	(20,086)
Financial charges	954,028	1,036,765
Changes in fair value of financial assets and liabilities	19,496	(1,101,887)
Financial charges on financial liabilities for leases	13,141	17,257
Income taxes	408,250	1,322,783
Gains on the disposal of property, plant and machinery	(23,926)	15,709
Current assets write-downs	304,524	238,825
Net change in severance indemnity and pension funds	6,982	(122,835)
Net change in deferred tax assets and liabilities	748,246	39,010
Interest paid	(1,074,706)	(1,021,690)
Changes in net working capital:		
(Increase)/decrease in inventories	2,398,005	(8,951,249)
(Increase)/decrease in trade receivables	(6,093,584)	(12,438,848)
(Increase)/decrease in other non-financial assets and liabilities	416,762	1,637,920
Increase/(decrease) in trade payables	831,104	8,552,478
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,629,756	(4,141,009)
Investments:		
Investments in tangible fixed assets	(5,304,285)	(4,586,163)
Disposal of tangible fixed assets	79,632	5,369
Investments in intangible fixed assets	(238,482)	(256,346)
Net (investments)/disposals in financial assets	195,783	(1,859,409)
NET CASH FLOWS FROM INVESTMENTS	5,267,351	(6,696,550)
Financing:		
New financing	162,734	15,348,796
Funding repayment	(5,382,224)	(12,499,411)
Principal payments - lease liabilities	(135,992)	(163,056)
Sale/(purchase) of treasury shares	(118,327)	(87,963)
CASH FLOWS FROM FINANCING	(5,473,809)	2,598,366
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,111,405)	(8,239,193)
Cash and short-term deposits as of 1 January	19,000,047	10,232,262
Cash and short-term deposits as of 31 March	13,888,641	1,993,070



Consolidated Shareholders' equity changes

	Share Capital	Legal reserve	Negative reserve for treasury shares in the portfolio	Merger surplus reserve	Share premium reserve	Extraordinary reserve	Other reserves	FTA reserve	Employee benefit reserve	Profits/losses carried forward	Profit/loss for the financial year	Total Shareholders' equity
Balance as of 1 January 2024	22,770,445	5,000,000	(14,021,029)	29,741,389	86,743,750	2,286,638	4,416,281	(6,669,789)	181,073	22,610	(3,522,098)	126,949,268
Profit/(loss) for the financial year											2,817,791	2,817,791
Other income statement components												
Comprehensive profit/(loss)	-	-	-	-	-	-	-	-	-	-	2,817,791	2,817,791
Dividends												-
IRS derivatives provision												-
Purchase of treasury shares			(118,327)									(118,327)
2023 profit allocation										(3,522,098)	3,522,098	-
Balance as of 31 March 2024	22,770,445	5,000,000	(14,139,356)	29,741,389	86,743,750	2,286,638	4,416,281	(6,669,789)	181,073	(3,499,488)	2,817,791	129,648,733