INTERCOS GROUP
Global Cosmetic Manufacturer

INTERIM CONSOLIDATED REPORT AT MARCH 31, 2019

PREPARED IN ACCORDANCE WITH IFRS ENDORSED BY THE EUROPEAN UNION

Intercos S.p.A.
Registered office in Milan
Piazza Generale Armando Diaz 1

Corporate Information

BOARD OF DIRECTORS *

Name	Office
Dario Gianandrea Ferrari	Chairman and CEO
Renato Semerari	CEO
Ludovica Arabella Ferrari	Director
Gianandrea Ferrari	Director
Nikhil Thukral Kumar	Director
James Michael Chu	Director
Ciro Piero Cornelli	Director
Decio Masu	Director
Ginevra Ott	Director
Maggie Fanari	Director
Junbae Kim	Director

BOARD OF STATUTORY AUDITORS *

Name	Office
Nicola Pietro Lorenzo Broggi	Chairman
Matteo Tamburini	Standing auditor
Maria Maddalena Gnudi	Standing auditor
Francesco Molinari	Alternate auditor
Simone Alessandro Marchiò	Alternate auditor

INDEPENDENT AUDITORS

EY S.p.A.

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* The current board of directors and board of statutory auditors will remain in office until the date of the shareholders' meeting called to approve the financial statements for the year ended December 31, 2019.

INTERIM REPORT ON OPERATIONS
AT MARCH 31, 2019

Introduction

The Interim Consolidated Report at March 31, 2019 of the Intercos Group is prepared in accordance with the provisions of Art. 154 *ter*, paragraph 5 of Legislative Decree 58/98 – T.U.F., as amended, and drawn up in accordance with IAS 34 – “Interim Financial Reporting”, issued by the International Accounting Standards Board (IASB).

The notes to the interim consolidated financial statements at March 31, 2019, pursuant to IAS 34, are presented in a condensed form and do not include all the information required for annual financial statements, in that they refer solely to those components which, by amount, composition or variation, are necessary for an understanding of the results of operations, cash flows and financial position of the Group as at that date. Therefore, the interim consolidated financial statements at March 31, 2019 should be read in conjunction with the 2018 annual consolidated financial statements of Intercos S.p.A.

The accounting policies and basis of preparation of the interim consolidated financial statements have been applied on basis consistent with those applied in the annual consolidated financial statements at December 31, 2018, except for the adoption of IFRS 16. The new standard eliminates the distinction between operating and finance leases for purposes of the preparation of financial statements by lessees, specifically, for all lease contracts with a lease term of more than 12 months.

On first-time adoption, the Group elected the following practical exemptions allowed by IFRS 16:

- not to assimilate, on transition, leases with a remaining lease term of less than 12 months at the date of January 1, 2019 with short-term leases and leases of low-value assets of less than $5 thousand.

In order to recognize the impact of the retroactive recalculation resulting from the application of the new standard, the prior years presented for comparison purposes are restated under the full retrospective approach.

All amounts are expressed in thousands of euros, unless otherwise indicated.

The preparation of the Interim Consolidated Report has required the use of estimates by management.

With the intention of providing additional disclosure that reflects the parameters for analysis and control used by management to assess the Group’s performance, the following pages present the reclassified consolidated statement of financial position at March 31, 2019 and the reclassified consolidated income statement for the three months then ended, as well as the comparative statements at December 31, 2018 and March 31, 2019, respectively, supplemented with non-GAAP alternative performance measures.

The reclassifications had no effect on the net profit or on the equity reported in the interim consolidated financial statements.

The alternative performance measures identified in the reclassified consolidated income statement and the reclassified consolidated statement of financial position, not established by IFRS, are used by management to provide information for a better assessment of the results of operations and the financial position of the Group. Such performance measures should not be construed as a substitute for the performance measures established by IFRS.

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

- **EBITDA:** is calculated as profit before taxes, financial income (expenses) without any adjustment and depreciation, amortization and impairment reversals (losses). EBITDA also excludes income (expenses) from the management of unconsolidated companies and securities, as well as gains or losses on disposal of consolidated equity investments, classified under financial income (expenses) or, for the share of the profit (loss) of investments accounted for using the equity method (non-operating), within the result from investments accounted for using the equity method.
- **Adjusted EBITDA**: is calculated by deducting the following, if applicable, from EBITDA, as defined above:
  - impairment of goodwill, if any;
  - amortization of the portion of the purchase price allocated to intangible assets in a business combination, as established in IFRS 3;
  - restructuring costs, under specific and significant restructuring plans;
  - nonrecurring other income (expenses) referring to particularly significant events unrelated to ordinary business operations.
- **Operating working capital:** includes inventories and trade receivables and payables.
- **Net working capital**: is given by operating working capital net of other current assets and liabilities.
- **Net invested capital**: is the sum of non-current assets, non-current liabilities and net working capital.
- **Net debt (cash) or net financial position**: is given by the sum of current and non-current financial liabilities net of short- and long-term financial receivables, including cash and cash equivalents.
- **Headcount**: is given by the number of employees registered in the payroll book on the last day of the period under consideration.

IMPACTS ARISING FROM THE ADOPTION OF IFRS 16

On January 13, 2016, the IASB published the new accounting standard IFRS 16 "Leases". This new standard supersedes IAS 17 "Leases" and introduces accounting methods better suited to reflect the nature of the leases in the financial statements.

IFRS 16 is applicable from January 1, 2019. Specifically, IFRS 16 introduces a single accounting model for leases in the financial statements of lessees according to which an asset is recognized for the right to use the underlying asset and a financial liability is recognized for the obligation to make future lease payments. Moreover, the nature of the expenses relating to the above lease is altered, insofar as IFRS 16 substitutes the accounting of expenses for operating leases on the straight-line basis, with the depreciation of the right-of-use asset and the interest expense on lease liabilities.

Lessors continue to classify leases as operating or finance with lessor accounting substantially unchanged from IAS 17.

The Group applied IFRS 16 starting on January 1, 2019 (date of first-time application) and chose not to assimilate, on transition, leases with a remaining lease term of less than 12 months at January 1, 2019 with short-term leases and leases of low-value assets of less than $5 thousand.

In order to recognize the effect of the retroactive recalculation resulting from the application of the new standard, the prior years presented for comparison purposes were restated under the full retrospective approach.

Finally, an information system was identified and implemented that is considered suitable for supporting the new presentation of leases in the income statement, statement of financial position and cash flows statement.

The main assumptions used by the Group to estimate the impacts arising from the application of IFRS 16 at January 1, 2019 and the reconciliation of the main income statement and balance sheet data are reported below.

The key assumptions, besides those mentioned previously by the Group, are the following:

- all contracts outstanding at the date of first-time application of the new standard and regarding the right-of-use of third-party assets were assessed in light of the new accounting rules;
- as part of the assessments performed, the Group considered also non-structured agreements as a lease from a legal standpoint, but which could nevertheless contain a lease based on the new lease definition contained in IFRS 16. The Group therefore decided not to use the practical expedient that allowed leases to be identified on the basis of assessments already conducted in accordance with IAS 17 and IFRIC 4 – "Determining whether an Arrangement Contains a Lease";
- for contracts managed as "finance" leases based on the previous accounting rules, no changes were made: therefore, the continuity of the accounting amounts and the interest rate previously applied was maintained; the amounts of these contracts have not been included in the notes commenting on the application of the new standard;
- in defining the scope of application of the standard, low-value contracts (i.e. below $5 thousand) and those with a short duration (term less than 12 months) were managed separately. The expenses

relating to these contracts will continue to be recognized in the income statement as operating expenses identified separately, and regard mostly certain computer equipment;

- the value assigned to the assets for the right-of-use was estimated as the value of the financial liability calculated based on the method set out in the new standard;
- in cases where it was not possible to identify clearly the separation between payments for the right-of-use of the asset (lease component) and payments for services or maintenance (non-lease component) relating to the same asset, the Group decided not to effect this separation and to consider the entire payment as a lease component.

With regard to the definition of the incremental borrowing rate (IBR) at the date of initial application of the new standard:

- a method of estimating the IBR was established for application to all contracts having similar characteristics, which are considered as a single portfolio of contracts. It was therefore decided to elect the adoption of the practical expedient of simplification to establish this parameter, as allowed by the new principle;
- the starting point for establishing the IBR at the date of first-time application of the new standard is the average loan rate in effect at December 31, 2018 of the parent company, with maturity dates similar to the average of the contracts that were being remeasured. This rate can be appropriately adjusted based on the requirements of the new accounting rules to simulate a theoretical marginal loan rate consistent with the contracts being assessed depending on the country and the financial structure of the subsidiaries.

The impacts produced by the application of this standard are presented in the following pages.

Reclassified Consolidated Statement of Financial Position

(in € thousands)	12/31/2018	IFRS 16 Impacts	**12/31/2018 Restated**
Fixed assets	**297,195**	**27,380**	**324,575**
Inventories	117,476	0	117,476
Trade receivables	116,023	0	116,023
Trade payables	(121,645)	0	(121,645)
Operating working capital	***111,853***	***0***	***111,853***
Other current assets and liabilities, net (*)	(34,795)	(155)	(34,950)
Net working capital	***77,058***	***(155)***	***76,903***
Other non-current assets and liabilities, net (**)	3,087	594	3,681
Investments accounted for using the equity method	6,114	-	6,114
Net invested capital	***383,454***	***27,819***	***411,273***
Assets held for sale and related liabilities	**-**	**-**	**-**
Equity	***199,476***	***(1,550)***	***197,926***
Cash and cash equivalents	(94,367)	-	(94,367)
Financial payables	278,345	29,369	307,714
Net financial position	***183,978***	***29,369***	***213,347***
Total sources	***383,454***	***27,819***	***411,273***

Notes on the reconciliation between the reclassified consolidated statement of financial position and the consolidated statement of financial position are the following:

(*) Includes the items Other current assets, Other current liabilities and Derivatives.
(**) Includes the items Deferred tax assets, Other non-current receivables, Non-current provisions for risks, Deferred tax liabilities, Other non-current liabilities and Employee benefit obligations.

Reclassified Consolidated Income Statement by Function

(in € thousands)	Q1 2018	IFRS 16 Impacts	**Q1 2018 restated**
Revenues	**154,982**	**-**	**154,982**
Cost of sales	(125,143)	82	(125,061)
Industrial gross profit	**29,840**	**82**	**29,922**
Industrial gross margin	*19.3%*	*0.0%*	*19.3%*
Research & Development and innovation costs	(9,328)	1	(9,328)
Selling expenses	(5,963)	48	(5,916)
General and administrative expenses	(6,391)	25	(6,366)
Other operating income (expenses)	1,221	-	1,221
Result from investments accounted for using the equity method (operating)	(944)	-	(944)
Nonrecurring income (expenses)	(195)	-	(195)
Operating profit (EBIT)	**8,240**	**156**	**8,395**
EBIT margin	*5.3%*	*0.0%*	*5.4%*
Depreciation, amortization and impairment reversals (losses)	(7,208)	(1,041)	(8,249)
EBITDA (*)	**15,448**	**1,197**	**16,644**
Nonrecurring income (expenses)	(195)	-	(195)
Adjusted EBITDA (*)	**15,642**	**1,197**	**16,839**
Adjusted EBITDA margin	*10.1%*	*0.0%*	*10.9%*
Financial income (expenses), net (**)	(3,878)	(187)	(4,065)
Result from investments accounted for using the equity method (financial)	-	-	-
Profit before taxes (EBT)	**4,362**	**(31)**	**4,330**
Income taxes	(3,948)	20	(3,929)
Profit (loss) for the period	**413**	**(12)**	**402**

(*) For additional details, reference should be made to the notes on pages 3 and 4.
(**) Financial income (expenses) is the sum of financial income (expenses) without any adjustment.

KEY DATA

Highlights of the Group

(in € thousands)	**Q1 2019**	Q1 2018 Restated	Change
Revenues	*172,202*	*154,982*	*17,220*
EBITDA	*23,747*	*16,644*	*7,103*
Adjusted EBITDA	***24,635***	*16,839*	*7,796*
Adjusted EBITDA margin	***14.3%***	*10.9%*	*3.4%*
Operating profit (EBIT)	*14,513*	*8,395*	*6,118*
EBIT margin	*8.4%*	*5.4%*	*3.0%*
Profit before taxes (EBT)	*13,349*	*4,330*	*9,019*
EBT margin	*7.8%*	*2.8%*	*5.0%*
Profit for the period	*9,614*	*402*	*9,212*
Profit margin	*5.6%*	*0.3%*	*5.3%*

(in € thousands)	**3/31/2019**	12/31/2018 restated	Change
Net working capital	*99,562*	*76,903*	*22,659*
Net working capital turnover	*7.12*	*8.99*	*-1.87*
Net invested capital	*432,612*	*411,273*	*21,339*
Non-current assets	*356,502*	*357,119*	*(616)*
Net financial position	*222,649*	*213,347*	*9,302*

	3/31/2019	3/31/2018 restated	Change
Headcount (number) at	*3,548*	*3,501*	*47*
Earnings per share (basic and diluted) – in euros	*0.10*	*0.004*	*0.10*

RECLASSIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

Reclassified Consolidated Statement of Financial Position

(in € thousands)	**3/31/2019**	12/31/2018 Restated
Fixed assets	**323,991**	**324,575**
Inventories	122,139	117,476
Trade receivables	121,388	116,023
Trade payables	(103,143)	(121,645)
Operating working capital	***140,385***	***111,853***
Other current assets and liabilities, net (*)	(40,823)	(34,950)
Net working capital	***99,562***	***76,903***
Other non-current assets and liabilities, net (**)	3,642	3,681
Investments accounted for using the equity method	5,417	6,114
Invested capital	***432,612***	***411,273***
Equity	***209,963***	***197,926***
Cash and cash equivalents	(85,197)	(94,367)
Financial payables	307,846	307,714
Net financial position	***222,649***	***213,347***
Total sources	***432,612***	***411,273***

Notes on the reconciliation between the reclassified consolidated statement of financial position and the consolidated statement of financial position are the following:

(*) Includes Other current assets, Other current liabilities and Derivatives.
(**) Includes Deferred tax assets, Other non-current receivables, Non-current provisions for risks, Deferred tax liabilities, Other non-current liabilities and Employee benefit obligations.

Consolidated net financial position - net debt (cash)

(in € thousands)	**3/31/2019**	12/31/2018 Restated
Current net financial position	**(19,374)**	**(34,114)**
Non-current net financial position	213,158	218,092
Non-current financial payables from IFRS 16 application	28,865	29,369
Total Non-current net financial position	**242,023**	**247,461**
Total net financial position – net debt (cash)	**222,649**	**213,347**
of which:		
Total net financial position – net debt (cash) (excluding IFRS 16 impacts)	**193,784**	**183,978**

Reclassified Consolidated Income Statement by Function

(in € thousands)	**Q1 2019**	Q1 2018 restated
Revenues	**172,202**	**154,982**
Cost of sales	(132,642)	(125,061)
Industrial gross profit	**39,559**	**29,922**
Industrial gross margin	*23.0%*	*19.3%*
Research & Development and innovation costs	(9,939)	(9,328)
Selling expenses	(6,506)	(5,916)
General and administrative expenses	(8,800)	(6,366)
Other operating income (expenses)	1,694	1,221
Result from investments accounted for using the equity method (operating)	(607)	(944)
Nonrecurring income (expenses)	(888)	(195)
Operating profit (EBIT)	**14,513**	**8,395**
EBIT margin	*8.4%*	*5.4%*
Depreciation, amortization and impairment reversals (losses)	(9,234)	(8,249)
EBITDA (*)	**23,747**	**16,644**
Nonrecurring income (expenses)	(888)	(195)
Adjusted EBITDA (*)	**24,635**	**16,839**
Adjusted EBITDA margin	*14.3%*	*10.9%*
Financial income (expenses), net (**)	(1,182)	(4,065)
Result from investments accounted for using the equity method (financial)	18	-
Profit before taxes (EBT)	**13,349**	**4,330**
Income taxes	(3,735)	(3,929)
Profit for the period	**9,614**	**402**
Of which:		
- attributable to owners of the parent	9,568	395
- attributable to non-controlling interests	46	6
Earnings per share:		
Basic and diluted - in euros	0.10	0.004

(*) For additional details, reference should be made to the notes on pages 3 and 4.
(**) Financial income (expenses) is the sum of financial income (expenses) without any adjustment.

The breakdown of the headcount of the Group at March 31, 2019 is as follows:

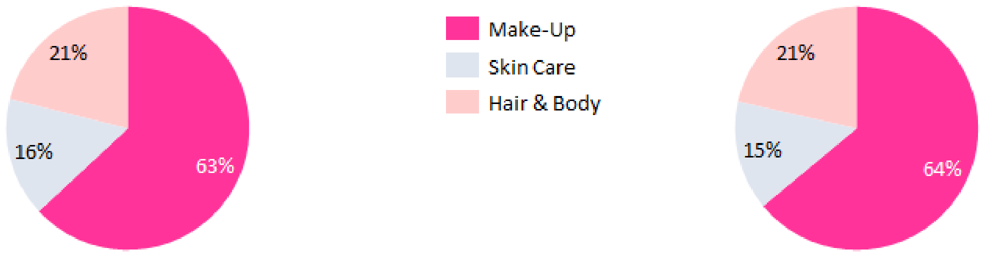
Group headcount (number)	3/31/2019	3/31/2018
Executives and mid-level managers	276	267
White collars	1,269	1,239
Blue collars	2,003	1,995
Total	**3,548**	**3,501**
Temporary	2,750	**2,092**
Total	**6,298**	**5,593**

At March 31, 2019, the total headcount of Intercos Group is 6,298 of whom 3,548 are permanent and 2,750 are temporary.

Profit and financial performance of the Intercos Group

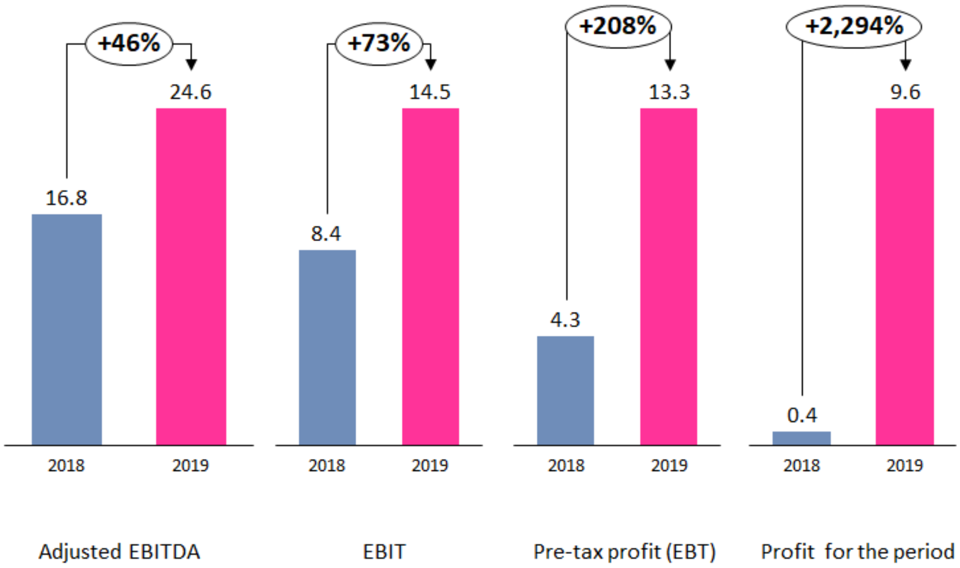
(in € millions)

Revenue to Q1 2019 €172.2MM | **Revenue to Q1 2018 €155MM**



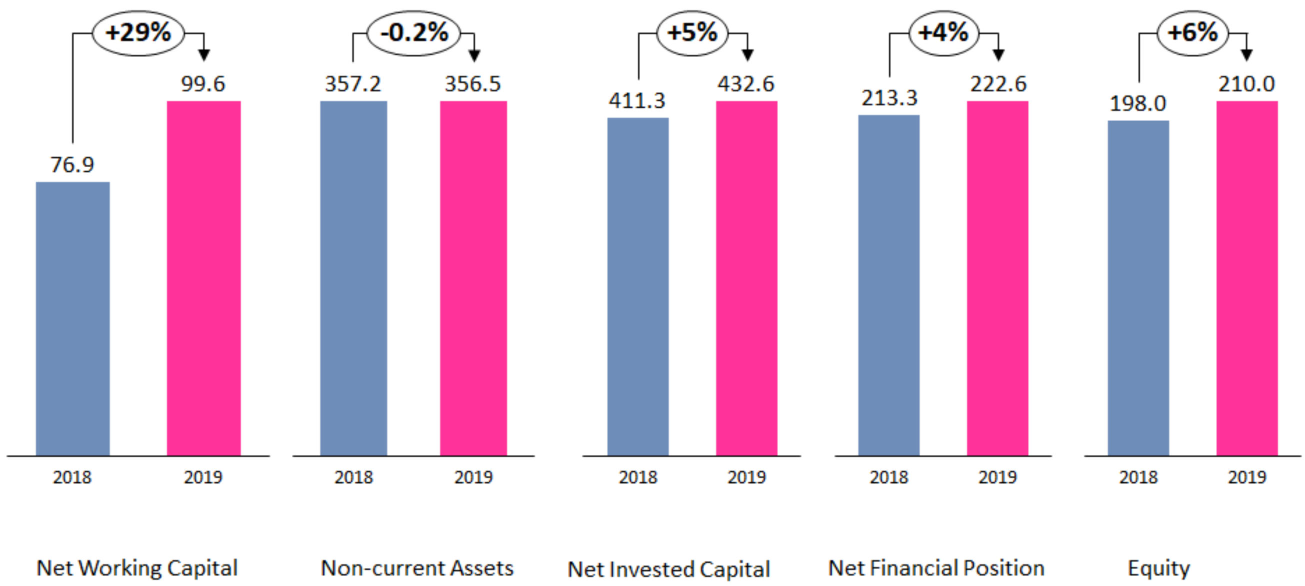
Main Profit Performance Indicators – Q1 2018 *(restated)* and Q1 2019

(in € millions)



Main Financial Performance Indicators 12/31/2018 *(restated)* and 3/31/2019

(in € millions)



The Group reported double-digit growth (+11.1%) and closed the first quarter 2019 with revenues of €172,202 thousand and an increase of €17,220 thousand compared to €154,982 thousand in the first quarter 2018.

Adjusted EBITDA increased by +46.3% (€24,635 thousand) thanks to higher margins in each of the CGUs for a total 14.3% margin in the first quarter 2019, or +3.4% higher than the 10.9% margin reported in the first quarter 2018 restated (€16,839 thousand).

Operating profit (EBIT) is €14,513 thousand with an 8.4% margin versus €8,395 thousand in the first quarter 2018 and a 5.4% margin, or a +3.0% margin increase.

Capital expenditures in property, plant and equipment and intangible assets during the first three months of 2019 total €5,030 thousand and €1,788 thousand, respectively.

The consolidated net financial position is €222,649 thousand. This is an improvement of 16.6% (or €36,997 thousand) compared to the end of the first quarter 2018 restated (€259,646 thousand) which was still impacted by the investment sustained for the acquisition of the Cosmint Group. The same figure compared to the net financial position at December 31, 2018 restated (€213,347 thousand) is 4.4% higher.
If the impact of the application of IFRS 16 is not considered at March 31, 2019, the net financial position would have been €193,785 thousand against €183,978 thousand at December 31, 2018 (+5.3%).

Total equity of the Group is €209,963 thousand compared to €197,926 thousand at December 31, 2018 restated. The increase of €12,037 thousand is largely due to the profit reported in the first quarter 2019.

Structure of the Group

Group organization

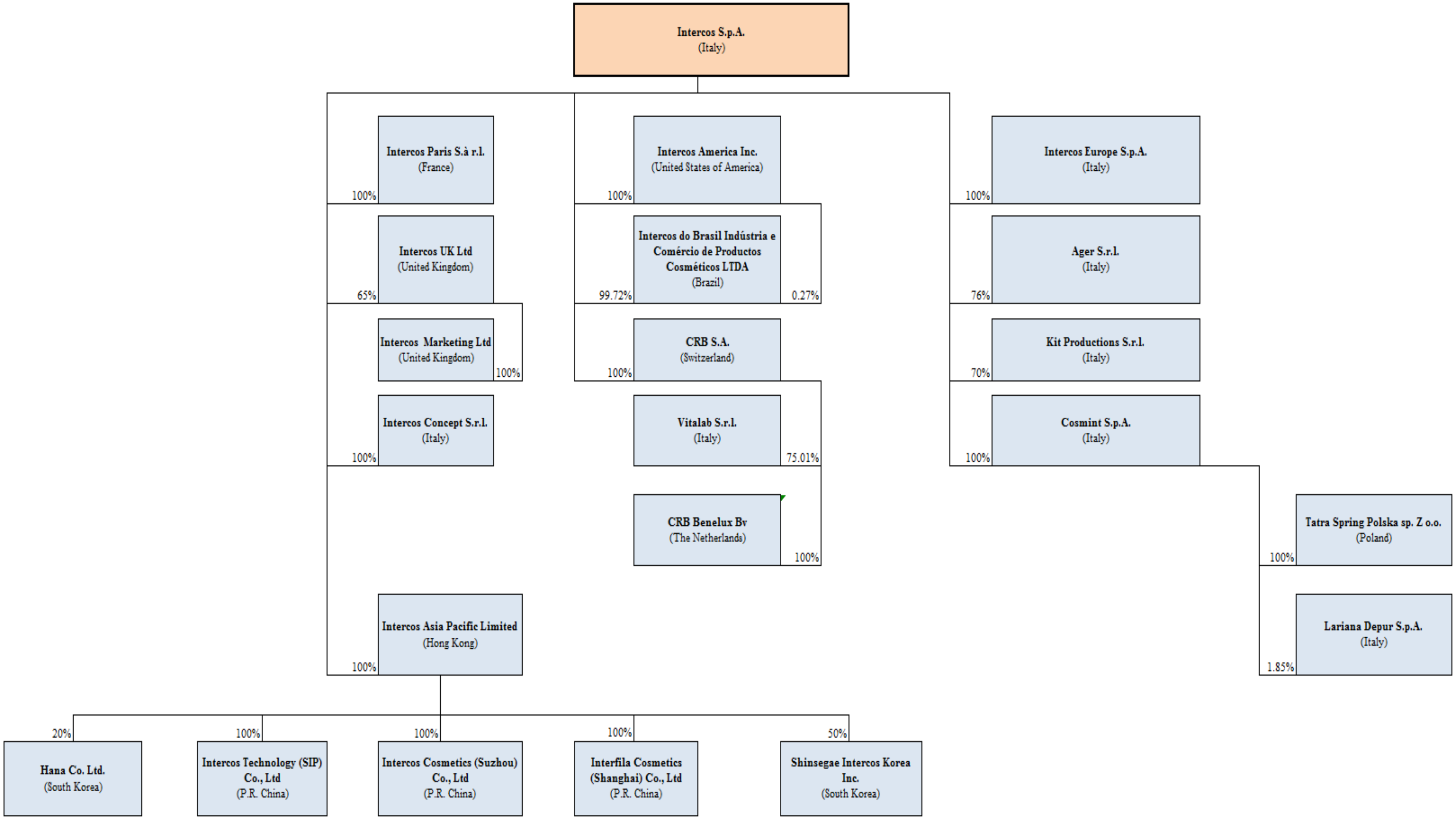
Intercos S.p.A. is a corporation organized under the laws of the Republic of Italy, with its registered office in Milan, Piazza Diaz 1.

The Group's business was reorganized into three areas identified on the basis of the following operating segments:

- ***Make-up Business Unit:*** specialized in the creation, development, manufacture and marketing of powders, emulsions, lipsticks, nail polishes and types of cosmetics using delivery systems in the form of pens/pencils for the face, eyes and lips.
- ***Skin Care Business Unit:*** specialized in the manufacture and marketing of cosmetic and skin care creams.
- ***Hair & Body Business Unit:*** specialized in the manufacture and marketing of skin, hair and body products.

The Group's main manufacturing facilities are at the plant sites in Italy, the United States, Switzerland, China, Poland, Brazil and South Korea.

The Group's organization structure is updated to the closing date of the interim consolidated financial statements at March 31, 2019 and shows the operating companies and those in liquidation.



COMPOSITION OF THE GROUP AND RELATED TRANSACTIONS AND INVESTMENTS

The consolidated financial statements at March 31, 2019 include the financial statements and/or accounting data of Intercos S.p.A. (group holding company) and the subsidiaries and other companies (Italian and foreign) that carry out manufacturing and marketing activities, consolidated line-by-line or accounted for using the equity method.

The area of consolidation follows:

SUBSIDIARIES

(consolidated line-by-line)

Company	Head Office	Currency	Capital in '000 of currency	Percentage of ownership	
				Direct	Indirect
Intercos Europe S.p.A.	Milan	Euro	3,000	100.00%	
Kit Productions S.r.l.	Pessano con Bornago (Milan)	Euro	10	70.00%	
Marketing Projects S.r.l. in liquidation	Milan	Euro	40	100.00%	
Ager S.r.l.	Monza	Euro	31	76.00%	
Intercos America Inc.	Wilmington, New Castle, Delaware (USA)	US dollar	10	100.00%	
Intercos do Brasil Indústria e Comércio de Productos Cosméticos ltda	Atibaia (Brazil)	Brazilian real	34,877	99.72%	0.27%
Intercos Paris S.à r.l.	Paris (France)	Euro	14	100.00%	
Intercos UK Ltd	Barnstaple (UK)	British pound	0.1	65.00%	
Intercos Marketing Ltd	South Molton (UK)	British pound	0.001		100%
CRB S.A.	Puidoux (Switzerland)	Swiss franc	100	100.00%	
Vitalab S.r.l.	Milan	Euro	160		75.01%
CRB Benelux B.V.	Maastricht (Netherlands)	Euro	18		100.00%
Intercos Technology Co. Ltd.	Suzhou (P.R.C.)	US dollar	8,400		100.00%
Interfila Cosmetics (Shanghai) Co. Ltd	Shanghai (P.R.C)	US dollar	2,700		100.00%
Intercos Cosmetics Suzhou Co. Ltd.	Suzhou (P.R.C.)	US dollar	12,800		100.00%
Intercos Asia Pacific Limited*	Hong Kong	US dollar	29,104*	100.00%	
Intercos Concept S.r.l.	Milan	Euro	10	100.00%	
Cosmint S.p.A.	Olgiate Comasco	Euro	1,586	100.00%	
Tatra Spring Polska Spólka zoo	Garwolin (Poland)	Polish zloty	50		100.00%

* The investment in Intercos Asia Pacific is recorded for USD 29,101 thousand and HKD 26 thousand; the latter, converted at the exchange rate at the transaction date, is equal to €3 thousand.

During the period under examination, the area of consolidation changed as a result of the cessation of every activity and the definitive closing of any receivable or payable position whatsoever of the company Marketing Projects S.r.l. in liquidation, 100%-owned by Intercos S.p.A. and in a wind-up since June 14, 2012. Therefore, on January 31, 2019 the shareholders' meeting of the company approved the final liquidation financial statements at December 31, 2018 and the liquidation distribution plan pursuant to art. 2492 of the Italian Civil Code and authorized the liquidator of the company to file these with the Milan Company's Register together with the request to cancel the company from the Register.

SUBSIDIARIES CONSOLIDATED BY EQUITY METHOD

Company	Headquarters	Type of business conducted	Date of financial statements	Accounting principles applied	Share capital €/000	Total assets €/000	Total liabilities €/000	Currency	% Holding	% Voting rights	Ownership > 50% of voting rights but not control	Ownership < 50% of voting rights but control	Ownership > 20% of voting rights but not significant influence	Ownership < 20% of voting rights but significant influence	Amount €/000
Direct control															
Hana Co.Ltd	Hwasung, South Korea	Packaging	3/31/2019	IFRS	925	29,717	17,589	KRW	20%	20%	N/A	N/A	?	N/A	2,443
Shinsegae Intercos Korea	South Korea	Cosmetics Prod.	3/31/2019	IFRS	21,285	44,473	38,526	KRW	50%	50%	N/A	N/A	?	N/A	2,974

COMPANY ACCOUNTED FOR AT COST

Company	Headquarters	Currency	Capital in €/000	Percentage ownership	
				Direct	Indirect
Lariana Depur S.p.A.	Como	EUR	24		1.85%

All amounts in the interim consolidated financial statements and tables are expressed in thousands of euros, unless otherwise indicated.

The exchange rates used for the translation of amounts expressed in currencies other than the euro are the following:

	Income Statement Q1 2019	Statement of Financial Position 3/31/2019	Income Statement Q1 2018	Statement of Financial Position 12/31/2018
	Q1 Average	*At period-end date*	*Q1 Average*	*At year-end date*
U.S. dollar	1.1356	1.1235	1.2294	1.1450
Pound sterling	0.8723	0.8583	0.8834	0.8945
Swiss franc	1.1325	1.1181	1.1650	1.1269
Chinese renminbi (yuan)	7.6615	7.5397	7.8149	7.8751
Brazilian real	4.2767	4.3865	3.9929	4.4440
South Korean won	1,278.5400	1,276.4600	1,318.1300	1,277.9300
Polish zloty	4.3020	4.3006	n.a.	4.3014

SEGMENT REPORTING

At March 31, 2019, the Group's operations were organized into three areas identified on the basis of the product lines indicated below:

- ***Make-up Business Unit:*** specialized in the creation, development, manufacture and marketing of powders, emulsions, lipsticks, nail polishes and types of cosmetics using delivery systems in the form of pens/pencils for the face, eyes and lips.
- ***Skin Care Business Unit:*** specialized in the manufacture and marketing of cosmetic and skin care creams.
- ***Hair & Body Business Unit:*** specialized in the manufacture and marketing of skin, hair and body products.

The Group's main manufacturing facilities are at the plant sites in Italy, the United States, Switzerland, China, Poland, Brazil and South Korea.

Financial information by business unit is periodically reviewed by the board of directors and used for planning and budgeting.

Detailed information on each identified segment for the first three months ended March 31, 2019 and March 31, 2018 restated, is presented in the following tables.

Q1 2019 - *(in € thousands)*	**Make-up line**	**Skin Care line**	**Hair & Body line**	**Total**
Revenues	108,601	27,256	36,345	172,202
Adjusted EBITDA (*)	17,627	3,754	3,254	24,635
Depreciation, amortization and impairment reversals (losses)	(6,415)	(1,023)	(1,796)	(9,234)
Nonrecurring income (expenses)				(888)
Financial income (expenses)				(1,182)
Result from investments accounted for using the equity method				18
Income taxes				(3,735)
Profit for the period				9,614
Net invested capital at 3/31/2019	281,232	71,606	79,775	432,612

Q1 2018 - *(in € thousands)* - restated	**Make-up**	**Skin Care**	**Hair & Body**	**Total**
Revenues	99,147	22,582	33,254	154,982
Adjusted EBITDA (*)	12,370	1,586	2,884	16,839
Depreciation, amortization and impairment reversals (losses)	(5,807)	(825)	(1,618)	(8,249)
Nonrecurring income (expenses)				(195)
Financial income (expenses)				(4,064)
Income taxes				(3,929)
Profit for the period				402
Net invested capital at 12/31/2018	265,180	68,785	77,308	411,273

(*) For additional details on Adjusted EBITDA, reference should be made to the comments on page 4.

The **Make-up BU** recorded revenues of €108,601 thousand, up €9,454 thousand (+9.5%) compared to the same period of the prior year due to advances made by the Asian subsidiaries and Intercos America Inc.
Adjusted EBITDA is €17,627 thousand and €5,152 thousand (+42%) and higher than in the first quarter 2018 restated (€12,370 thousand). The Adjusted EBITDA margin is 16.1% for the first three months of 2019 vs. 12.4% in the first three months of 2018 restated and a change of +3.7%. The improvement is the result of higher sales and a better margin on the product mix sold.

Skin Care BU: revenues total €27,256 thousand, up €4,674 thousand (+20.7%) compared to the first three months of 2018 restated.
Adjusted EBITDA is €3,754 thousand, growing €2,169 thousand (+136.8%) over the first quarter 2018 restated. This increase comes not only from higher sales but also from a significant growth in the total margin of the product mix sold. The Adjusted EBITDA margin in fact is 13.8% and an increase of 6.8% compared to 7.0% in the first quarter 2018 restated.

Detailed information on revenues by geographical regions is reported according to the location in which the recipient of the invoice has its headquarters.

(in € thousands)

Sales by business unit	Q1 2019	Q1 2018 restated
Make-Up	108,601	99,147
Skin Care	27,256	22,582
Hair & Body	36,354	33,254
Total	**172,202**	**154,982**

(in € thousands)

Revenues by geographical region	Q1 2019	Q1 2018 restated
Americas	47,617	39,562
EMEA	100,190	95,464
Asia	24,395	19,956
Total	**172,202**	**154,982**

The different trends in sales by geographic region in the first quarter 2019 compared to the corresponding period of the prior year are described below:

- The Americas region recorded a 20% increase in sales, particularly in the Prestige market segment of emerging brands customers.
- EMEA region sales total €100,190 thousand against €95,464 thousand in the same period last year, recording an increase of €4,726 thousand (+5%) attributable mainly to the Prestige market segment of emerging brands customers.
- The Asia region reports overall sales of €24,395 thousand, up +22% (€19,956 thousand in the same period of 2018). Such increase rewards the Group's strategy to raise sales volumes with local emerging brands and retailers. Additionally, although to a lesser extent, a growth in sales was recorded with multinational customers.

Notes to the consolidated statement of financial position

1. *Property, plant and equipment*

The changes in property, plant and equipment during the first three months of 2019 are as follows:

(in € thousands)	*January 1, 2019 restated*	*Increases / Depreciation*	*Increases / Depreciation Immobiliare Cometa*	*Translation differences / Reclassifications*	*Decreases / Utilizations*	*March 31, 2019*
Historical cost						
Land and buildings	**219,911**	374	-	2,298	-	**222,582**
Plant and machinery	**209,237**	1,026	-	1,669	(24)	**211,907**
Industrial equipment	**47,901**	266	-	27	(6)	**48,188**
Office furniture and equipment	**18,392**	100	-	221	(13)	**18,700**
Motor vehicles and internal transportation equipment	**3,945**	53	-	(57)	(49)	**3,892**
Cell phones	**59**	-	-	-	-	**60**
Assets under construction and payments on account	**7,177**	3,210		(318)	(289)	**9,781**
Total	**506,621**	**5,030**	**-**	**3,840**	**(381)**	**515,110**
Accumulated depreciation						
Land and buildings	**108,390**	2,545	56	1,120	(0)	**112,111**
Plant and machinery	**152,209**	3,315	-	920	(26)	**156,418**
Industrial equipment	**41,515**	752	-	(102)	(6)	**42,159**
Office furniture and equipment	**14,212**	314	-	125	(13)	**14,638**
Motor vehicles and internal transportation equipment	**2,650**	153	-	(79)	(48)	**2,675**
Cell phones	**28**	1	-	-	-	**29**
Total	**319,004**	**7,080**	**56**	**1,983**	**(93)**	**328,031**
Net carrying amount	**187,617**	**(2,051)**	**(56)**	**1,857**	**(288)**	**187,079**

2. *Intangible assets*

The changes in intangible assets during the first three months of 2019 are the following:

(in € thousands)	*January 1, 2019*	*Increases*	*Decreases/ Adjustments / Translation differences*	*Reclassifications*	*Amortization*	*March 31, 2019*
Development costs	**14,664**	287	32	1,547	(1,539)	**14,990**
Patent and software rights	**3,784**	30	3	127	(388)	**3,556**
Concessions and licenses	**2,521**	-	34	131	(160)	**2,526**
Assets under development	**7,489**	1,500	-	(1,727)	-	**7,262**
Other intangible assets	**536**	(29)	-	(74)	(11)	**422**
TOTAL	**28,993**	**1,788**	**69**	**4**	**(2,098)**	**28,755**

3. Borrowings from banks and other lenders

Borrowings from banks and other lenders and relative maturity dates are provided in the following tables:

(in € thousands)

March 31, 2019	Short-term	Medium-term	Long-term	Total
Intercos S.p.A. bonds	32	117,698	-	117,730
Medium/long-term bank borrowings (syndicate)	16,680	66,879	-	83,559
Medium/long-term bank borrowings (CRB)	330	4,710	-	5,040
Medium/long-term bank borrowings (Cosmint)	3,695	20,278	-	23,973
IFRS 16 Leases	4,986	23,879	-	28,865
Finance leases payable	1,815	8,578	-	10,393
Other financial payables	340	-	-	340
Derivatives (liabilities)	224	-	-	224
Medium/long-term debt	**28,101**	**242,022**	**-**	**270,124**
Revolving credit facility Intercos S.p.A.	19,815	-	-	19,815
Revolving credit facility Intercos China	15,602	-	-	15,602
Bank overdrafts	2,305	-	-	2,305
Short-term debt	**37,722**	-	-	**37,722**
Borrowings from other lenders	-	-	-	-
Factoring companies payable	-	-	-	-
Total	**65,823**	**242,023**	**-**	**307,846**

Details of the remaining debt outstanding at March 31, 2019 are as follows:

Company	*Bank*	*Amount*	*Internal rate of return*	*Description*
Intercos S.p.A.	Bank syndicate	60,534	1.5% - 2.50%	Tranche in EUR
Intercos S.p.A.	Bank syndicate	10,411	4.844%	Tranche in USD
Intercos S.p.A.	Institutional investors	117,730	3.776%	Bonds
Cosmint Group S.p.A.	Bank syndicate	23,973	1.89%	Tranche in EUR
Intercos Europe S.p.A.	Bank syndicate	12,614	2.58%	Tranche in EUR
		225,262		
CRB S.A.	BCV Bank	1,118	1.85%	Mortgage in CHF
CRB S.A.	BCV Bank	3,922	2.18%	Batiplus in CHF
		5,040		

The internal rate of return is the rate used for IAS 39 measurements on the loans shown in the table.

Financial data:

Total equity of the Group is a €209,963 thousand compared to €197,926 thousand at December 31, 2018 restated, with an increase of €12,037 thousand.

The net financial position at March 31, 2019 is analyzed as follows:

(in € thousands)	**3/31/2019**	12/31/2018 restated
Cash and cash equivalents	(85,197)	(94,367)
Borrowings from banks and other lenders	65,823	60,253
Current financial position	**(19,374)**	**(34,114)**
Borrowings from banks and other lenders	213,158	218,092
Financial payables from IFRS 16 application	28,865	29,369
Non-current financial position	**242,023**	**247,461**
Net financial position - debt (cash)	**222,649**	**213,347**
of which:		
Total net financial position (excluding IFRS 16 impacts)	**193,785**	**183,978**

The consolidated net financial position is €222,649 thousand. This is an improvement of 16.6% (or €36,997 thousand) compared to the end of the first quarter 2018 restated (€259,646 thousand) which was still impacted by the investment sustained for the acquisition of the Cosmint Group. The same figure compared to the net financial position at December 31, 2018 restated (€213,347 thousand) is 4.4% higher and signals an improvement in the trend of previous years.

If the impact of the application of IFRS 16 is not considered, at March 31, 2019 the net financial position would be €193,785 thousand against €183,978 thousand at December 31, 2018 (+5.3%).

4. *Financial position data summary*

The equity and financial structure of the Group at March 31, 2019 compared to December 31, 2018 is represented as follows:

(in € thousands)	**3/31/2019**	**12/31/2018 restated**
Inventories	122,139	117,476
Trade receivables and other receivables	137,905	128,813
Income taxes receivable	3,388	3,406
Current non-financial liabilities (*)	(163,871)	(172,792)
Net working capital	**99,562**	**76,903**
Property, plant and equipment	187,079	187,617
Other intangible assets (**)	136,887	136,933
Other non-current assets (*)	32,512	32,544
Investments in other companies	24	24
Non-current assets	**356,502**	**357,119**
Employee benefit obligations	**(10,400)**	**(9,607)**
Provisions	**(476)**	**(440)**
Other non-current liabilities (*)	**(12,576)**	**(12,702)**
Net invested capital	**432,612**	**411,273**
Financed by:		
Current net financial position (*)	(19,374)	(34,114)
Non-current net financial position (*)	242,023	247,461
Total net financial position	**222,649**	**213,347**
Equity	**209,963**	**197,926**
Total	**432,612**	**411,273**

(*) Details of the composition of these items are provided in the "Reconciliation Schedule" on page 26.

(**) Includes goodwill.

Inventories total €122,139 thousand at March 31, 2019 and increased by €4,663 thousand compared to December 31, 2018 restated (+4.0%), even though the inventory turnover ratio was in line with that of year-end 2018.

Trade receivables amount to €121,388 thousand at March 31, 2019 and the change is an increase of €5,366 thousand (+4.6%), with collection times approximating those at the end of 2018.
Trade payables come to €103,143 thousand at March 31, 2019, with a decrease of €18,503 thousand.

Equity increased by €12,037 thousand owing to the positive change in exchange differences on translating foreign operations of €2,667 thousand and the negative change in the fair value hedge reserve of €59 thousand, the actuarial loss of €539 thousand, the net profit for the period of €9,614 thousand and also the positive consolidation reserve of €354 thousand.

5. Reconciliation schedules

The reconciliations between the equity and financial structure previously presented and the items included in the interim consolidated statement of financial position at March 31, 2019 are as follows:

(in € thousands)	**3/31/2019**	**12/31/2018 restated**
are composed of:		
Trade payables and other payables	(156,171)	(167,632)
Taxes payable	(7,700)	(5,160)
Current non-financial liabilities (reclassified format)	**(163,871)**	**(172,792)**

(in € thousands)	**3/31/2019**	**12/31/2018 restated**
are composed of:		
Deferred tax assets	20,634	20,007
Non-current security deposits	882	834
Investments	5,417	6,114
Receivables for indirect taxes	5,523	5,534
Other non-current assets	56	56
Other non-current assets (reclassified format)	**32,512**	**32,544**

(in € thousands)	**3/31/2019**	**12/31/2018 restated**
are composed of:		
Deferred tax liabilities	(12,382)	(12,495)
Other non-current liabilities	(194)	(207)
Other non-current liabilities (reclassified format)	**(12,576)**	**(12,702)**

(in € thousands)	**3/31/2019**	**12/31/2018 restated**
are composed of:		
Cash and cash equivalents	(85,197)	(94,367)
Financial payables (current portion)	65,824	60,253
Current net financial position (reclassified format)	**(19,374)**	**(34,114)**

(in € thousands)	**3/31/2019**	**12/31/2018 restated**
are composed of:		
Financial payables (non-current portion)	242,023	247,461
Non-current net financial position (reclassified format)	**242,023**	**247,461**

6. Sales analysis

The Group companies contributed to sales (revenues from sales and services) as summarized below:

(in € thousands)

Company	**Q1 2019**	**Q1 2018**
Intercos Europe S.p.A.	65,393	66,416
Intercos America Inc.	20,694	13,357
Intercos Cosmetics Suzhou Co. Ltd	6,133	5,511
Intercos Technology Co. Ltd	20,980	17,282
Interfila Cosmetics (Shanghai) Co. Ltd	8,654	8,293
CRB S.A.	12,517	9,294
Cosmint S.p.A.	34,373	34,692
Tatra Spring Polska SP ZOO	7,930	5,677
Other companies	3,331	3,564
Aggregate Total	**180,005**	**164,085**
Eliminations	(7,803)	(9,103)
Consolidated Total	**172,202**	**154,982**

During the first three months of 2019, the Group reported revenues from sales of €172,202 thousand compared to €154,982 thousand in the first three months of 2018, with an increase of €17,220 thousand, or 11.1%.

Additional details on the performance of each business unit is presented under segment reporting on page 19.

7. Income statement data summary

(in € thousands)	**Q1 2019**	Q1 2018 restated
Cost of sales	**(132,642)**	**(125,061)**
Net operating costs and nonrecurring expenses, of which:	**(25,047)**	**(21,527)**
Research & Development and innovation costs	(9,939)	(9,328)
Selling expenses	(6,506)	(5,916)
General & administrative expenses	(8,800)	(6,366)
Other operating income (expenses)	1,694	1,221
Result from investments accounted for using the equity method (operating)	(607)	(944)
Nonrecurring income (expenses)	(888)	(195)

Cost of sales totals €132,642 thousand in the first quarter 2019 and as a percentage of revenues is 77.0% compared to 80.7% in the first quarter 2018 restated, highlighting an improvement of 3.7%.

Industrial gross profit

Income statement data *(in € thousands)*	**Q1 2019**	**Q1 2018 restated**
Industrial gross profit	39,559	29,922

The industrial gross profit margin is 23.0% vs. 19.3% in the first quarter 2018 restated. The 3.7% margin increase can be traced to the combined effect of higher volumes and margins by mix of customers and products sold.

Gross operating profit (Adjusted EBITDA)

Income statement data *(in € thousands)*	**Q1 2019**	**Q1 2018 restated**
Gross operating profit (Adjusted EBITDA)	24,635	16,839

Adjusted EBITDA is €24,635 thousand for a 14.3% margin vs. 10.9% in the first quarter 2018 restated (€16,839 thousand). The increase of €7,796 thousand, which translates into a 3.4% margin increase, derives from the attention placed by management on fixed costs in order to significantly contain expenses in order to support the Group's investments.

Operating profit (EBIT)

Income statement data *(in € thousands)*	**Q1 2019**	**Q1 2018 restated**
Operating profit (EBIT)	14,513	8,395

Operating profit (EBIT) is €14,513 thousand and an 8.4% margin compared to €8,395 thousand and a 5.4% margin in the first quarter 2018 restated. The higher margin of +3.0% corresponds to an increase in operating profit of €6,118 thousand.

Profit before taxes (EBT)

Income statement data *(in € thousands)*	**Q1 2019**	**Q1 2018 restated**
Profit before taxes (EBT)	13,349	4,330

Profit before taxes (EBT) is €13,349 thousand vs. €4,330 thousand in the first quarter 2018 restated. This was achieved not only thanks to the margin effects previously mentioned but also to lower net financial expenses incurred in the first quarter 2019 compared to the first quarter 2018 restated. The change between the two quarters is €9,019 thousand with a margin increase of 5.0%.

Profit for the period

Income statement data *(in € thousands)*	**Q1 2019**	**Q1 2018 restated**
Profit for the period	9,614	402

Profit for the period is €9,614 thousand and an increase of €9,212 thousand compared to the first quarter 2018 restated (€402 thousand).

Related party transactions:

In general, related party transactions are carried out on an arm's length basis.

There were no atypical and/or unusual transactions during the period.

Details of the most important transactions entered into during the period with related parties, including joint ventures, are as follows:

(in € thousand)	**Cost for materials, services and leases and rent**	**Employee benefit expenses**	**Other revenues and costs**	**Financial expenses**	**Financial income**	**Trade receivables**	**Trade payables**	**Financial payables**
Dafe International S.r.l.	*(33)*	-	-	-	-	-	*45*	-
Sci Maragia	*(9)*	-	-	-	-	-	*121*	-
Je m'en fous	-	-	-	-	-	-	*(1)*	-
Arterra Bioscience S.r.l	*(233)*	-	-	*(3)*	-	-	*391*	*340*
My Style	-	-	-	-	-	-	-	-
Interior	-	-	*(1)*	-	-	-	*1*	-
Catterton	*(1)*	-	-	-	-	-	*1*	-
Vault	*(172)*	-	-	-	-	-	-	-
Maragia USA Inc.	*(7)*	-	-	-	-	-	*7*	-
Comelli Gabelli e ass.	*(29)*	*(6)*	-	-	-	-	*29*	-
Family and relatives of Dario Ferrari	-	*(39)*	-	-	-	-	-	-
Total	***(483)***	***(45)***	***(1)***	***(3)***	**-**	**-**	***594***	***340***

(in € thousands)	Revenues	Other revenues	Cost for materials, services and leases and rent	Employee benefit expenses	Other revenues and costs	Financial expenses	Financial income	Trade receivables	Trade payables	Financial payables
Intercos Korea LTD	*338*	*31*	*(221)*	-	-	-	-	*942*	*218*	-
Total	***338***	***31***	***(221)***	**-**	**-**	**-**	**-**	***942***	***218***	**-**

BUSINESS OUTLOOK

A substantially positive trend is expected for the full year 2019, in effect confirming the Group's expectations, as set out in its business plan.

SIGNIFICANT NONRECURRING EVENTS AND TRANSACTIONS

There were no significant nonrecurring events and transactions during the first quarter.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER AND TRANSACTIONS SUBSEQUENT TO MARCH 31, 2019

During the first quarter of the year under examination, the area of consolidation changed as a result of the cessation of every activity and the definitive closing of any receivable or payable position whatsoever of the company Marketing Projects S.r.l. in liquidation, 100%-owned by Intercos S.p.A. and in a wind-up since June 14, 2012. Therefore, on January 31, 2019 the shareholders' meeting of the company approved the final liquidation financial statements at December 31, 2018 and the liquidation distribution plan pursuant to art. 2492 of the Italian Civil Code and authorized the liquidator of the company to file these with the Milan Company's Register together with the request to cancel the company from the Register.

INTERCOS GROUP
Global Cosmetic Manufacturer

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2019

(in € thousands)	**March 31, 2019**	**December 31, 2018 restated**
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	*187,079*	*187,617*
Intangible assets	*28,755*	*28,993*
Goodwill	*108,132*	*107,940*
Investments	*5,442*	*6,139*
Deferred tax assets	*20,634*	*20,007*
Other non-current assets	*6,460*	*6,423*
Non-current assets	***356,502***	***357,119***
CURRENT ASSETS		
Inventories	122,139	117,476
Trade receivables	121,388	116,023
Other current assets	19,905	16,196
Derivatives	85,197	94,367
Cash and cash equivalents	348,630	344,061
TOTAL ASSETS	***705,133***	***701,180***
EQUITY		
Share capital	10,818	10,818
Other reserves	66,005	66,005
Retained earnings	130,489	118,539
Equity attributable to owners of the parent	207,312	195,362
Equity attributable to non-controlling interests	2,651	2,564
TOTAL EQUITY	***209,963***	***197,926***
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings from banks and other lenders	242,023	247,461
Provisions	476	440
Deferred tax liabilities	12,382	12,495
Other non-current liabilities	194	207
Employee benefit obligations	10,400	9,607
Non-current liabilities	***265,476***	***270,209***
CURRENT LIABILITIES		
Borrowings from banks and other lenders	*58,459*	*56,704*
Other financial payables	*7,364*	*3,548*
Trade payables	*103,143*	*121,645*
Other current liabilities	*60,728*	*51,147*
Current liabilities	***229,695***	***233,045***
TOTAL EQUITY AND LIABILITIES	***705,133***	***701,180***

Consolidated Income Statement for the first quarter ended March 31, 2019 and March 31, 2018 restated – unaudited

(in € thousands)	**Q1 2019**	**Q1 2018 restated**
Revenues	***172,202***	***154,982***
Cost of sales	*(132,642)*	*(125,061)*
Industrial gross profit	***39,559***	***29,922***
Research & Development and innovation costs	*(9,939)*	*(9,328)*
Selling expenses	*(6,506)*	*(5,916)*
General and administrative expenses	*(8,800)*	*(6,366)*
Other operating income (expenses)	*1,694*	*1,221*
Result from investments accounted for using the equity method (operating)	*(607)*	*(944)*
Nonrecurring income (expenses)	*(888)*	*(195)*
Operating profit (EBIT)	***14,513***	***8,395***
Financial income	*2,312*	*1,696*
Financial expenses	*(3,494)*	*(5,760)*
Result from investments accounted for using the equity method (financial)	*18*	*0*
Profit before taxes (EBT)	***13,349***	***4,330***
Income taxes	*(3,735)*	*(3,929)*
Profit for the period	***9,614***	***402***
Attributable to:		
- owners of the parent	*9,568*	*395*
- non-controlling interests	*46*	*6*
Earnings per share:		
Basic and diluted	0.10	0.004

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED MARCH 31, 2019 AND MARCH 31, 2018 RESTATED – UNAUDITED

(in € thousands)	**Q1 2019**	**Q1 2018 restated**
Profit for the period	***9,614***	***402***
Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax effect		
- Actuarial gains (losses) on remeasurement of defined benefit plans	*(725)*	*252*
- Tax effect	*186*	*7*
Actuarial gains (losses), net of tax effect	***(539)***	***259***
Other comprehensive income that will be reclassified subsequently to the income statement, net of tax effect		
- Exchange differences on translating foreign operations	*2,667*	*(440)*
Exchange differences on translating foreign operations	***2,667***	***(440)***
- Cash flow hedge	*(78)*	*110*
- Tax effect	*19*	*(26)*
Cash flow hedge, net of tax effect	***(59)***	***84***
Comprehensive income for the period	***11,683***	***305***
Attributable to:		
- owners of the parent	*11,596*	*278*
- non-controlling interests	*88*	*27*

(in € thousands)	**Attributable to owners of the parent**				**Attributable to non-controlling interests**		**Total**
Description	Share capital	Other reserves (Share premium reserve)	Reserves and retained earnings	Profit for the period	Share capital	Profit for the period	
Balances at January 1, 2019 Restated	**10,818**	**66,005**	**71,451**	**47,087**	**2,459**	**106**	**197,926**
Appropriation of 2018 profit	-	-	47,157	(47,157)	106	(106)	-
Capital increase	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	2,615	-	52	2,667
Other comprehensive income, net of tax effect	-	-	-	(587)	-	(11)	(598)
Consolidation reserve	-	-	355	-	(1)	-	354
Profit for the quarter ended March 31, 2019	-	-	-	9,568	-	46	9,614
Balances at March 31, 2019	**10,818**	**66,005**	**118,893**	**11,596**	**2,564**	**87**	**209,963**

Consolidated Statement of Cash Flows for the first quarter ended March 31, 2019 and March 31, 2018 restated – unaudited

(in € thousands)	**Q1 2019**	**Q1 2018 restated**
Profit from continuing operations	*9,614*	*402*
Profit for the period	***9,614***	***402***
Depreciation, amortization and impairment reversals (losses)	*9,234*	*8,249*
Nonrecurring income (expenses)	*888*	*195*
Change in provisions	*(597)*	*(778)*
Financial income (expenses)	*1,182*	*3,878*
Decrease / (Increase) in inventories	*(3,200)*	*(7,771)*
Decrease / (Increase) in trade receivables, net	*(3,863)*	*7,633*
Increase / (Decrease) in trade payables	*(19,530)*	*(18,905)*
Decrease / (Increase) in other assets	*(5,453)*	*416*
Increase / (Decrease) in other payables	*8,599*	*4,974*
Cash flows provided by (used in) operating activities (a)	***(3,126)***	***(1,705)***
Acquisition of property, plant and equipment, net	*(5,030)*	*(4,988)*
Acquisition of intangible assets, net	*(1,788)*	*(1,612)*
Disposals of property, plant and equipment and intangible assets	*288*	*213*
Acquisition of investments	*697*	*1,063*
Cash flows provided by (used in) investing activities (b)	***(5,834)***	***(5,324)***
Increase / (Decrease) in borrowings from banks and other lenders	*2,331*	*5,678*
Interest paid during the year	*(4,062)*	*(4,151)*
Cash flows provided by (used in) financing activities (c)	***(1,732)***	***1,527***
Change in equity (d)	*354*	-
Net increase (decrease) in cash and cash equivalents (a)+(b)+(c)+(d)	***(10,339)***	***(5,502)***
Cash and cash equivalents, at beginning of the period	*94,367*	*68,777*
Of which, change in exchange differences	*(1,169)*	*(70)*
Cash and cash equivalents, at end of the period	*85,197*	*63,345*
Net increase (decrease) in cash and cash equivalents during the period	***(10,339)***	***(5,502)***