

November 11th 2021

EARNING CALL

Q3 Results

intercos
GROUP

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Pietro Oriani, the Manager in charge of preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of the Legislative Decree no.58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

What we will disclose

Q1 - Q3 results

- Revenues by:
 - Business Unit
 - Region (Commercial Company)
 - Client Type
- Order Book by Business Unit
- Order Entry by Business Unit
- Adjusted EBITDA
- Net Financial Position

Q2 - Q4 results

Full Consolidated Financial Statements and Consolidated Non-Financial Statements for Q4 and Interim Financial Report for Q2.

Market Key Highlights

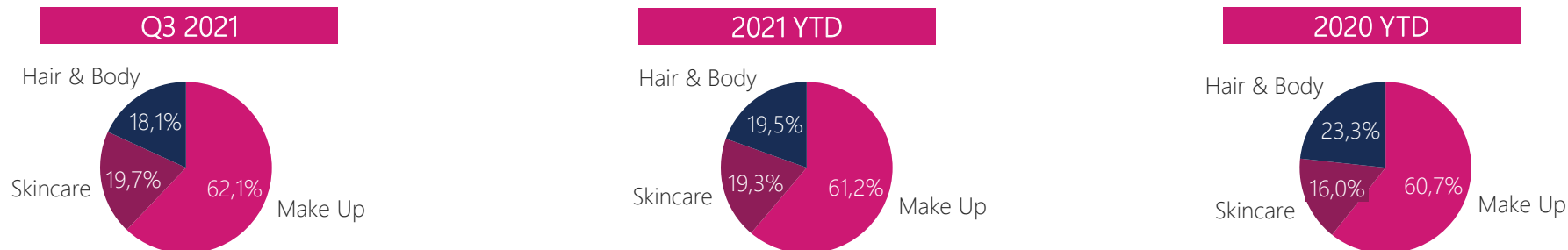
- Beauty Market recovering from Covid crisis and going back to pre-Covid levels across Regions and categories;
- By Category, Make Up is the only segment remaining 5-6% below 2019;
- By Region, strong acceleration of America with Europe displaying slow recovery. China growth pace slowing in past 3-4 months;
- Supply chain quickly became the key hurdle, hampering full impact recovery.

YTD and Q3 results overview

€m	YTD 2021	YTD 2020	YTD 2020 Aggr.	% vs 2020		% vs 2020 Aggr.	
				Rep FX	c FX	Rep FX	c FX
Revenues	485,4	438,6	468,9	+11%	+12%	+4%	+5%
Adj. EBITDA	70,6	62,3	63,7				
Adj. EBITDA %	14,5%	14,2%	13,6%				
NFP	180,1	222,2	222,2				

€m	Q3 2021	Q3 2020	% vs 2020	
			Rep FX	c FX
Revenues	170,8	161,0	+6%	+8%
Adj. EBITDA	26,5	20,6		
Adj. EBITDA %	15,5%	12,8%		
NFP	180,1	222,2		

Revenues by BU's

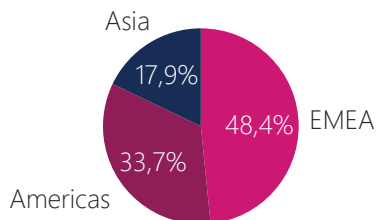


YTD (€m)	YTD 2021	YTD 2020	YTD 2020 Aggr.	% vs 2020	% vs 2020 Aggr.
Revenues	485,4	438,6	468,9	+11%	+4%
Make Up	296,9	266,1	277,7	+12%	+7%
Skincare	93,7	70,1	88,8	+34%	+6%
Hair & Body	94,8	102,4	102,4	(7%)	(7%)

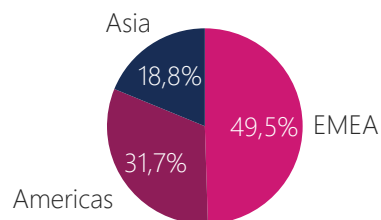
Q3 (€m)	Q3 2021	Q3 2020	% vs 2020
Revenues	170,8	161,0	+6%
Make Up	106,1	97,3	+9%
Skincare	33,7	30,1	+12%
Hair & Body	31,0	33,6	(8%)

Revenues by Region (Commercial Company)

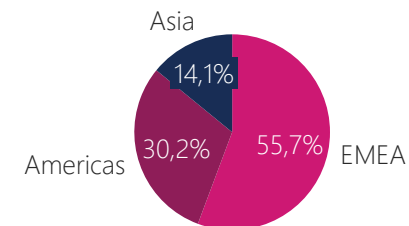
Q3 2021



2021 YTD



2020 YTD

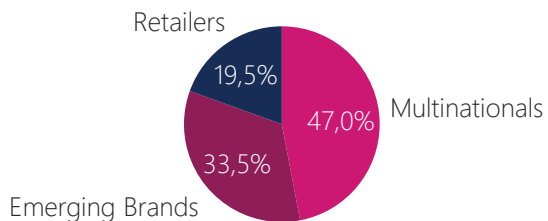


YTD (€m)	YTD 2021	YTD 2020	YTD 2020 Aggr.	% vs 2020	% vs 2020 Aggr.
Revenues	485,4	438,6	468,9	+11%	+4%
EMEA	240,1	244,2	243,8	(2%)	(2%)
Americas	154,0	132,5	133,9	+16%	+15%
Asia	91,3	61,9	91,2	+47%	0%

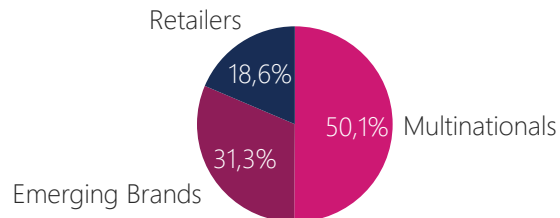
Q3 (€m)	Q3 2021	Q3 2020	% vs 2020
Revenues	170,8	161,0	+6%
EMEA	82,7	84,5	(2%)
Americas	57,6	48,2	+20%
Asia	30,5	28,3	+8%

Revenues by Customer Type

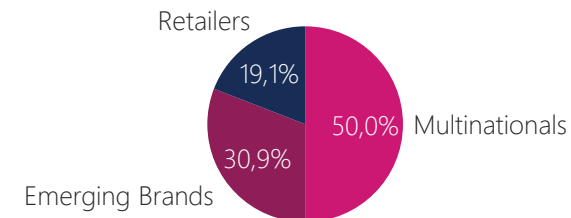
Q3 2021



2021 YTD



2020 YTD



YTD (€m)	YTD 2021	YTD 2020	YTD 2020 Aggr.	% vs 2020	% vs 2020 Aggr.
Revenues	485,4	438,6	468,9	+11%	+4%
Multinationals	243,1	219,4	231,0	+11%	+5%
Emerging Brands	151,8	135,6	150,0	+12%	+1%
Retailers	90,5	83,6	88,0	+8%	+3%

Q3 (€m)	Q3 2021	Q3 2020	% vs 2020
Revenues	170,8	161,0	+6%
Multinationals	80,3	78,5	+2%
Emerging Brands	57,3	53,4	+7%
Retailers	33,2	29,1	+14%

Source: Company information

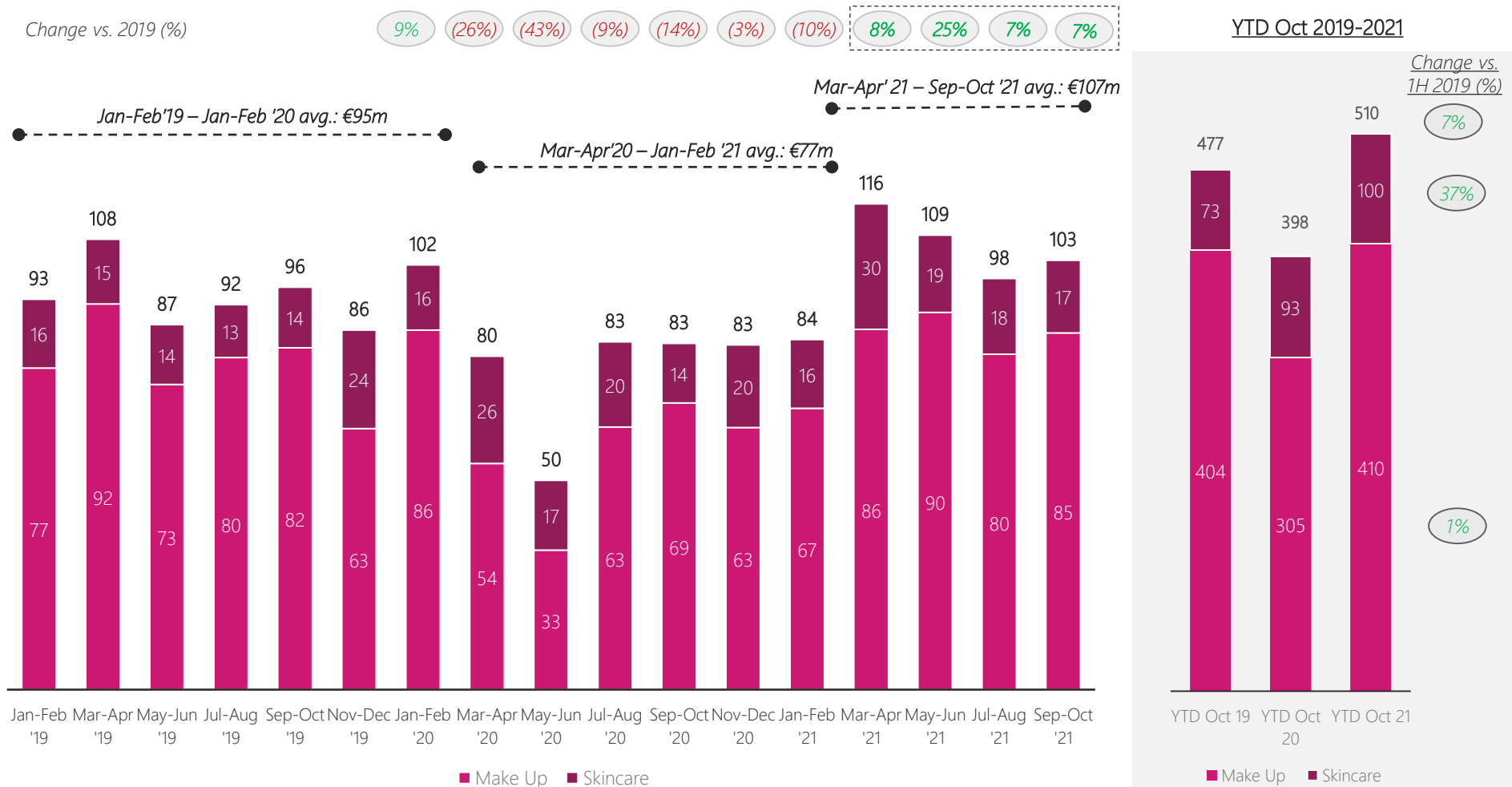
YTD Aggregated figures include
IK on a 12 month basis

Key activities highlights

- IPO;
- Collection Promotion:
 - 128 Make Up formulas presented
 - 143 clients met
- Price increase
- Digital transformation
 - AI;
 - Intercos Intelligence;
- M&A India
- Supply Chain crisis management.

Firm order-in-take strong recovery since March 2021 with solid rebound confirmed in September and October

Firm order-in-take by business unit (€m) — excluding contract manufacturing business units (e.g. Hair & Body)



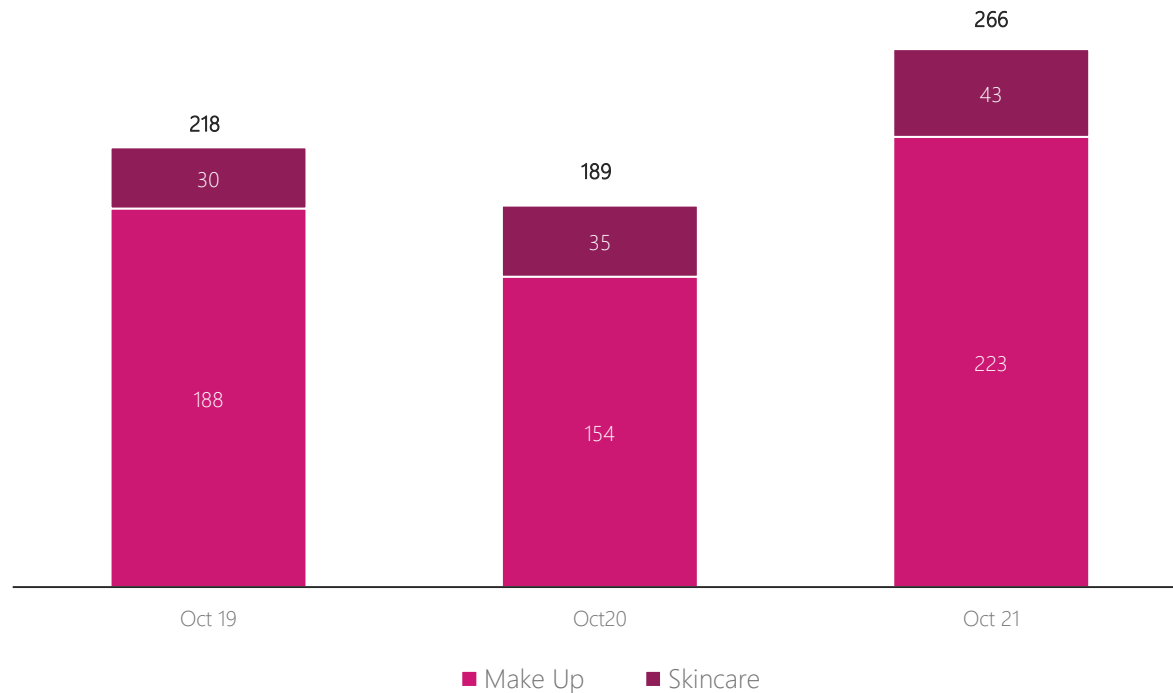
Strongest firm order book in years, well above 2019

Total firm order book evolution by business unit (€m) — excluding contract manufacturing business units (e.g. Hair & Body)

Change vs. 2019
(total order book, %)

-13%

22%



Supply Chain disruption

Current situation

Raw materials & packaging

- Market pressures on most commodity-based materials (e.g. special resins, cardboard, silicones and waxes) leading to **shortages, cost inflation and extended lead-times**, with Europe and Americas most impacted

Transportation

- **Air and Sea Freight cost and lead time increases** notably on routes from Asia
 - average 4/6 weeks lead time

Labour

- **Short term staffing challenges** for lower skilled associates notably in USA

Mitigants

- Leverage Intercos **global presence, diverse suppliers and distributor relationships** to source materials and rebalance across the factories
- **Compress internal supply chains** to reduce impact on customers
- **Tactical sourcing activities**
 - Extended purchases horizon
 - Market bidding and scouting
 - Spot opportunistic allocations



Recent News

- Transport and silicones getting worse
- MearlMica and Plastic Bottles shortage
- Some suppliers declared Force Majeure



Appendix

Definitions

For the purpose of providing information in line with the performance analysis and control parameters of the Group, non-IFRS alternative performance measures are used by management to provide information for a better assessment of the results of operations and the financial position of the Group as described below. Such performance measures should not be interpreted as a substitute for the conventional performance measures established by IFRS.

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

- **EBITDA:** is defined as the sum of profit for the year plus income taxes, financial income and expenses and the effects of the valuation of investments using the equity method net of equity investments held for financial investment purposes and amortization, depreciation and write-downs.
- **Adjusted EBITDA:** is given by EBITDA less items of a non-recurring nature, that is, by particularly significant events that are not in the ordinary course of business or that have no effect on cash flows and/or changes in equity.
- **Net indebtedness (cash) or net financial position:** is given by the sum of current and non-current financial payables net of current and non-current financial receivables, including cash and cash equivalents.
- **Order-in-take:** indicates the aggregate of legally placed and processed orders by a company during the reporting period.
- **Order Book:** is the order backlog opened at any one given date.