

MAY 5TH 2022

EARNING CALL

1Q22 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.

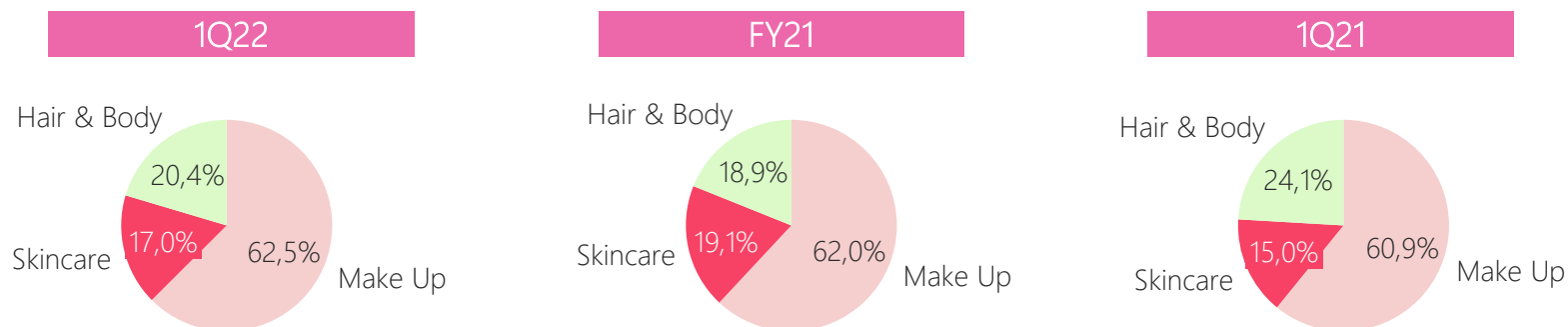
1Q22 results overview

€m	1Q22	1Q21	% vs 1Q21	
			Rep FX	c FX
Revenues	174,6	144,2	21%	18%
Adj. EBITDA	19,1	15,9	20%	
Adj. EBITDA %	10,9%	11,0%		
NFP	154,8	201,4		



- **Net Sales** amounted to €174.6m, increasing by €30.4m compared to 1Q21 (+21.1% also on a like-for-like basis, and +17.8% at c FX). Performances recorded by our American and European customers were particularly positive. The excellent growth of Skincare continues, together with the strong recovery of Make-up.
- **Adjusted EBITDA** was equal to €19.1m, growing by €3.2m vs. last year, or by +20%, in line with the increase in sales. Adjusted EBITDA on net sales was 10.9%.
- **Net Debt** stood at €154.8m. This is a €46.6m improvement vs. 31Mar21 and a temporary deterioration of €28.2m vs. 31Dec21. 1Q22 cash absorption was driven by (i) the increase of inventory in anticipation of the excellent order book in a context that still sees the persistence of supply chain disruption and, (ii) the increase in trade receivables following the progressive increase in turnover in the quarter. Leverage ratio (Net debt on LTM adjusted EBITDA) was 1.48x.

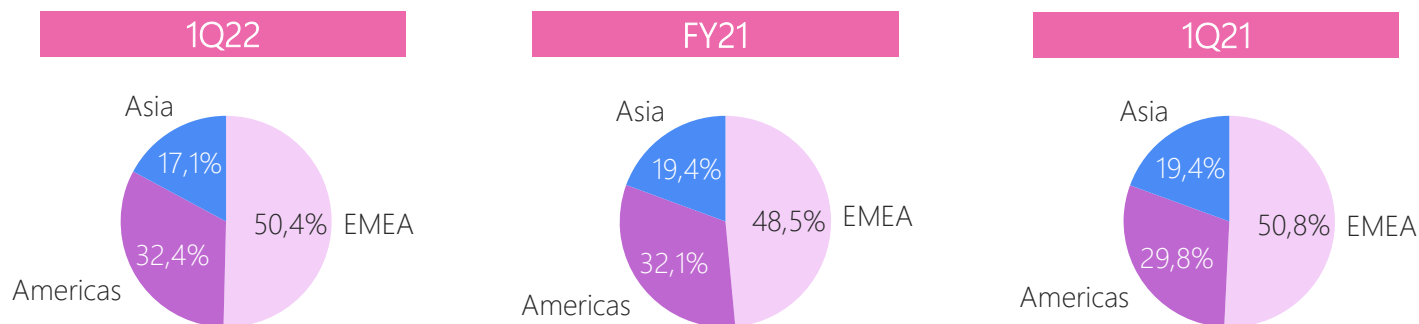
Revenues by BU's



€m	1Q22	1Q21	% vs 1Q21
Revenues	174,6	144,2	21%
Make Up	109,2	87,8	24%
Skincare	29,8	21,7	37%
Hair & Body	35,6	34,8	3%

- **Make-up** net sales exceeded pre-pandemic levels. Growth characterized all commercial areas, in particular North America and Europe, supported by the excellent performance of the prestige segment.
- **Skincare** sharp growth was mainly driven by EMEA sales, followed by US, in particular in the prestige segment.
- **Hair & Body** lower increase in sales still reflecting the exceptional sales of hand sanitizer in 1Q21. Excluding this impact, sales growth reached +14%. Also thanks to the new agreement signed with Dolce & Gabbana Beauty, we expect good growth rates of this business unit in the medium term.

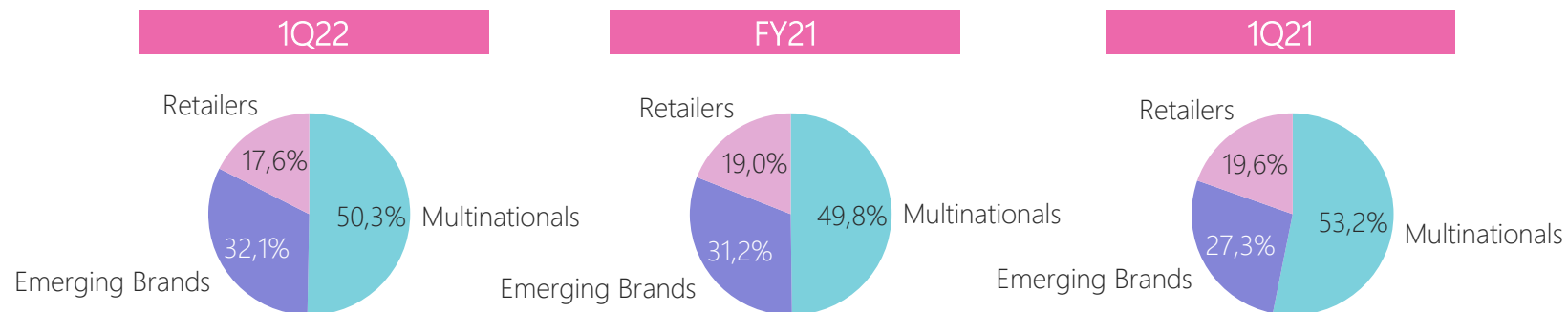
Revenues by Region (Commercial Company)



€m	1Q22	1Q21	% vs 1Q21
Revenues	174,6	144,2	21%
EMEA	88,0	73,2	20%
Americas	56,7	43,0	32%
Asia	29,9	28,0	7%

- EMEA growth was driven by both mass and prestige segments, with excellent performances of Italian, British and French clients.
- Americas post-pandemic recovery remains the strongest in the world, mainly supported by US Emerging Brands and Multinationals.
- Asia posted good results, but performance was affected by the new lockdowns. Korea continues to report sales above expectations, supporting the growth in the area.

Revenues by Customer Type



€m	1Q22	1Q21	% vs 1Q21
Revenues	174,6	144,2	21%
Multinationals	87,9	76,7	15%
Emerging Brands	56,1	39,3	43%
Retailers	30,7	28,3	9%

- **Multinationals** sales grew mainly thanks to the excellent performance achieved in US that characterized the Make-up business unit.
- **Emerging Brands** kept on growing at an excellent rate. US and EMEA contributed the most: more mature markets are evolving rapidly, testifying the ongoing trend that sees emerging brands gaining market shares in the beauty market.
- **Retailers** benefitted from fewer restrictions due to the pandemic compared to last year, especially in EMEA.

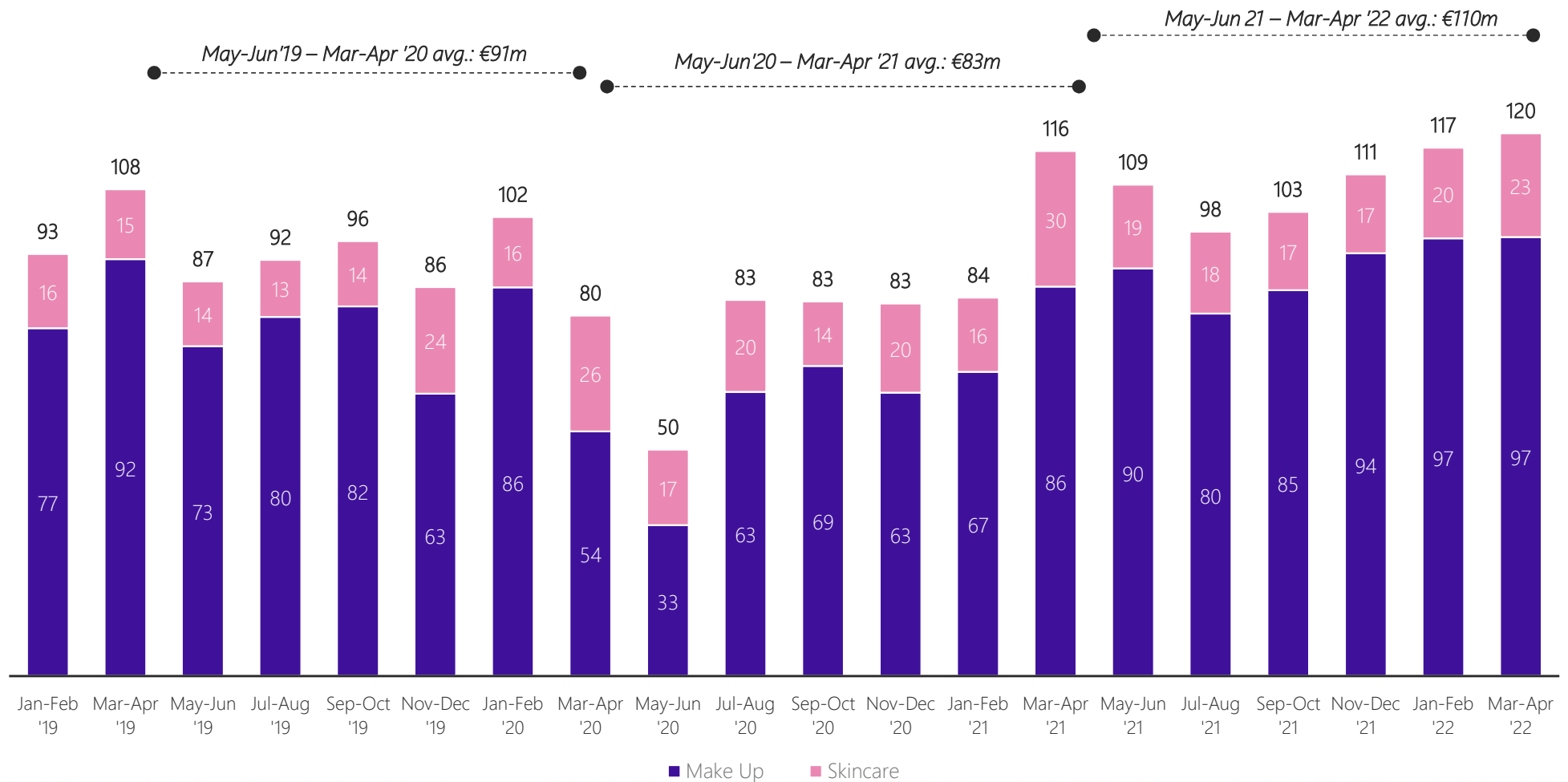
Outlook and Guidance

- The week of April 25th saw the reopening of Cosmoprof, following our Beauty Event start-up in March. We have welcomed around 150 customers, from multinationals to emerging brands, interested in discovering the new trends and new formulations proposed by Intercos for the years to come.
- As already mentioned in the publication of the annual results, we continue to observe, with great regret, the evolution of the geopolitical tensions that are affecting the Ukrainian population. The evolution of the war is leading to a high level of volatility in terms of energy costs, causing limited visibility of the inflationary impacts on our direct costs as well as on raw materials and packaging.
- In February Hong Kong was hit hard by a new wave of infections due to the pandemic, and in March China decided to close some cities, including Shanghai. Its port, the biggest in the world, has seen the closure of the main part of its operations. Lockdowns are putting further pressure on supply chain and they are forcing to review the expected growth of the Asian market, especially in China. We believe that our Group will be better positioned than others to go through these difficult times. We are well diversified in terms of geographic areas and products, more exposed to the western world than in the Asian market and growing above expectations in Korea.
- The Group is continuing to achieve strong growth in orders, as evidenced by the evolution of the order-in-take and the order book.
- In light of the above, the Group confirms the expectations previously communicated to the market, which foresee growth in 2022 in terms of net sales in a range between 10 and 15%. This factors in the supply chain complexities causing longer lead times to transform orders into turnover.

Outlook and Guidance- Firm order-in-take strong recovery, continuing the solid rebound

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

Change vs. 2019 (%)



Outlook and Guidance - Strong firm order book continues, well above 2019

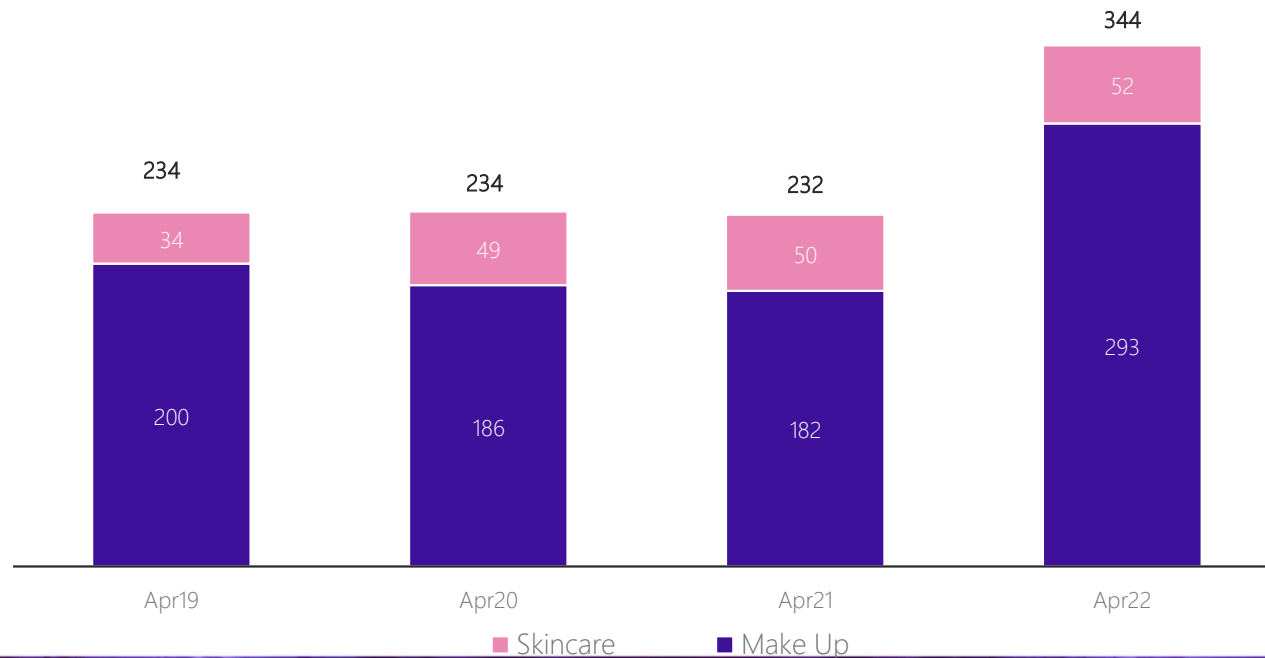
Total firm order book evolution by business unit (€m) — excluding contract manufacturing business units (e.g. Hair & Body)

Change vs. 2019
(total order book, %)

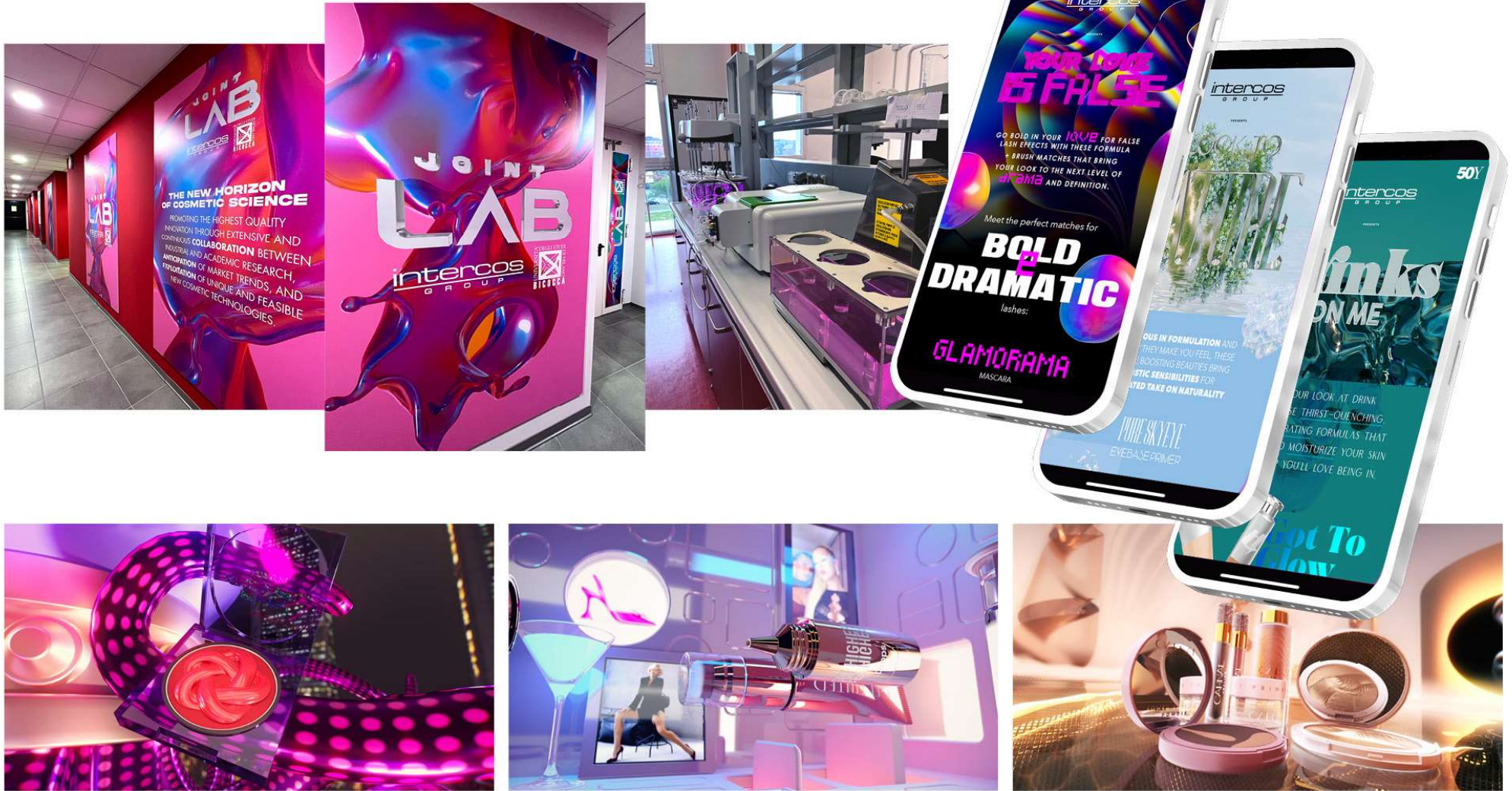
0%

(1%)

+47%



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.