Record sales in first half-year of 2022

Agrate Brianza, August 4, 2022 - The Board of Directors of Intercos S.p.A. (ICOS.MI), at today's meeting chaired by Dario Gianandrea Ferrari, approved the Half-year Financial Report for the period ended 30 June 2022.

First half 2022 Consolidated Group Results Highlights:

- **Net Revenues** of **€367.9 million**, up **17.0%** on H1 2021 (+12.7% at constant exchange rates and consolidation scope). The growth was across all geographical areas and business units, with Make-up clearly outperforming the pre-pandemic 2019. The very positive trend in order entry continues.

- **Adjusted EBITDA** of **€48.7 million,** up **10.4%** (+**€4.6 million**) on H1 2021, thanks to excellent sales and stable Make-up and Skincare profitability. The adjusted EBITDA margin on Group net sales was **13.2%**, slightly contracting on H1 2021 (-79Bps) due to a temporary reduction in profitability for the Hair & Body segment only, impacted by energy costs and supply chain difficulties.

- **Adjusted Net Profit** of **€20.8 million** was significantly up on H1 2021 (**+54.4%** or +**€7.3 million**).

- **Net Financial Position** of **€125.1 million**, improving **€49.3 million** on June 30, 2021. Although the first half of the year featured global supply chain instability, requiring higher stock levels to handle the excellent level of orders, the Group maintained its net financial position in line with the end of the previous fiscal year. **Financial leverage** (net financial position on adjusted EBITDA) reduced further to **1.18x**.

- The continued focus on ESG together with the roll-out of the sustainability plan supported the achievement of an additional major objective in the first half of 2022 - the Intercos Group company CRB S.A., a major skincare manufacturer, achieved **Carbon Neutrality** and thereby contributes to the Group objective of cutting greenhouse gas emissions.

Renato Semerari, CEO of Intercos

"Our Group delivered significant growth in the first half of 2022. Revenues were up 17% on the previous year and 13% at constant exchange rates. Adjusted EBITDA also saw double-digit growth, up more than 10%. The Group's financial structure also strengthened, with a net financial position on EBITDA Adjusted ratio decreasing to 1.18x.
In a period of significant geopolitical and economic difficulties, amid spiraling inflation, severe anti-COVID restrictions in China and a global Supply Chain crisis which has not shown signs of improvement, Intercos reports excellent results for both Q1 and Q2. Particularly, Q2 saw record revenues and Adjusted EBITDA in the relevant period.
Our capacity for innovation, the commitment of our team and the actions taken to deal with inflationary impacts, have allowed the Group to continue on its growth trajectory and to maintain a substantially stable margin. This has allowed us to carry out the scheduled investments so as to strengthen our structure in view of the numerous projects planned and the forecasted further growth in the second half of the year.

The Make-up and Skincare business units report revenue growth respectively at 24% and 9%, with EBITDA growing at the same rate, thanks to profitability in line with the previous year. The Skincare business unit returned excellent results, despite the negative impact of the prolonged lock-down in China, the market most exposed to this category. Finally, the Hair & Body segment, still mainly operating on a contract manufacturing model - although reporting positive results - did not return EBITDA growth due to a less favourable product mix than the previous year, high energy costs and a decrease in production efficiency as a result of the Supply Chain crisis.

The first half results once again confirm the strength of our business model, which despite a number of external variables, continues to deliver significantly improving results. The resilience of the Beauty market, our capacity to develop increasingly innovative products, together with a diversification of Group sales in terms of geographical areas, customer types, market segments and products sold, allows us to look to the future with confidence despite the unstable global economic environment".

Group Highlights

€/mln	1H22	1H21	% vs. 1H21	2Q22	2Q21	% vs. 2Q21
Net Sales	367,9	314,6	17,0%	193,3	170,4	13,5%
Industrial gross profit	76,4	66,7	14,5%			
% on net sales	*20,8%*	*21,2%*	*(45Bps)*			
Adjusted EBITDA	48,7	44,1	10,4%	29,5	28,2	4,9%
% on net sales	*13,2%*	*14,0%*	*(79Bps)*	*15,3%*	*16,5%*	*(125Bps)*
EBITDA	45,1	37,8	19,3%			
% on net sales	*12,3%*	*12,0%*	*24Bps*			
EBIT	24,4	18,3	33,9%			
% on net sales	*6,6%*	*5,8%*	*84Bps*			
PBT	26,6	15,7	69,0%			
% on net sales	*7,2%*	*5,0%*	*223Bps*			
Net Income	18,2	17,4	4,5%			
% on net sales	*5,0%*	*5,5%*	*(59Bps)*			
Adjusted Net Income	20,8	13,4	54,4%			
% on net sales	*5,6%*	*4,3%*	*137Bps*			

Sales by Business Unit, Commercial area, customer segment

€/mln	1H22	1H21	Var.	% vs. 1H21	2Q22	2Q21	Var.	% vs. 2Q21
Business Unit								
Make-up	236,6	190,8	45,8	24,0%	127,4	103,0	24,4	23,7%
Skincare	65,3	60,0	5,3	8,8%	35,5	38,4	(2,8)	(7,4%)
Hair&Body	66,1	63,8	2,3	3,5%	30,4	29,0	1,4	4,7%
Total Net Sales	**367,9**	**314,6**	**53,3**	**17,0%**	**193,3**	**170,4**	**22,9**	**13,5%**
Commercial Company								
EMEA	176,7	157,5	19,2	12,2%	88,6	84,3	4,4	5,2%
Americas	124,5	96,4	28,1	29,2%	67,8	53,4	14,5	27,1%
Asia	66,8	60,8	6,0	9,9%	36,8	32,7	4,1	12,6%
Total Net Sales	**367,9**	**314,6**	**53,3**	**17,0%**	**193,3**	**170,4**	**22,9**	**13,5%**
Customer Type								
Multinationals	182,3	162,9	19,4	11,9%	94,4	86,2	8,2	9,5%
Emerging Brands	124,0	94,6	29,4	31,1%	67,9	55,3	12,6	22,8%
Retailers	61,7	57,1	4,5	7,9%	31,0	28,9	2,1	7,3%
Total Net Sales	**367,9**	**314,6**	**53,3**	**17,0%**	**193,3**	**170,4**	**22,9**	**13,5%**

Despite the continued global supply chain crises, worsening due to the recent and extensive Chinese lockdowns, Group **Revenues** in H1 2022 totalled **€367.9 million**, up **17%** also at constant consolidation scope (**+12.7%** c FX).

In Q2, revenues totalled €193.3 million, up 13.5% (+8.3% c FX), also at constant consolidation scope.

Analysing revenues by **business unit:**

- **Make-up** reports revenues of **€236.6 million**, up **24%** and outperforming pre-pandemic levels (+6% vs 2019). The Business Unit's growth was equally strong in both quarters. All geographical areas and customer types saw significant growth, with North America/EMEA and Emerging Brands/Multinationals particularly strong.
- **Skincare** reports revenues of **€65.3 million** in H1, up **8.8%.** The second quarter saw a slight contraction on the record achieved in the same period of the previous year, substantially due to the Chinese lockdown.
- **Hair & Body** reports revenues of **€66.1 million,** up **3.5%**. Excluding the exceptional factor of hand sanitizer sales in the first quarter of the previous year, growth in the period would amount to **10.4%.**

In terms of sales by **commercial area:**

- **EMEA** reported revenues of **€176.7 million,** up **12.2%** on H1 2021. The growth was particularly evident among the European Emerging brands.

- The **Americas** reported revenues of **€124.5 million,** up **29.2%** on the previous year. The area continues to report excellent performances, supported by the strong results both of the Multinationals and the Emerging Brands and on both the prestige and mass segments.

- **Asia** reported revenues of **€66.8 million**, up **9.9%** on H1 2021. The strong result is mainly driven by the excellent performances in Korea of the make-up segment and despite the impacts from the lockdown in China in Q2.

Finally, with regards to sales by **customer type:**

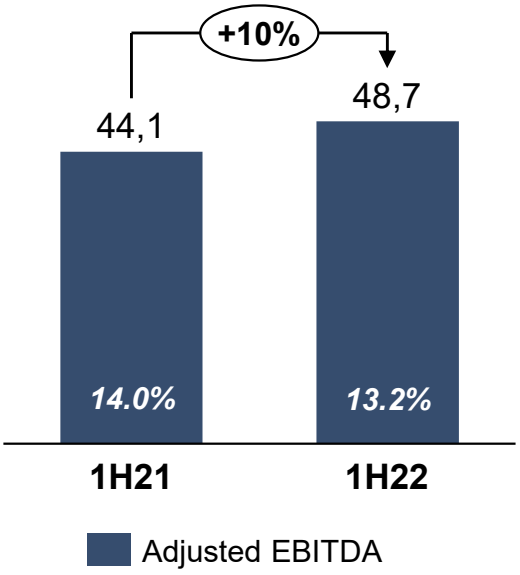
- **Multinational** customers reported revenues of **€182.3 million**, **up 11.9%**, thanks to excellent performances principally in the US and Korea and for the Make-up business unit.

- The **Emerging Brands** customers were confirmed as the main growth driver, reaching **€124 million (+31.1%).** The increase was mainly in the USA and the EMEA area and particularly in the prestige segment.

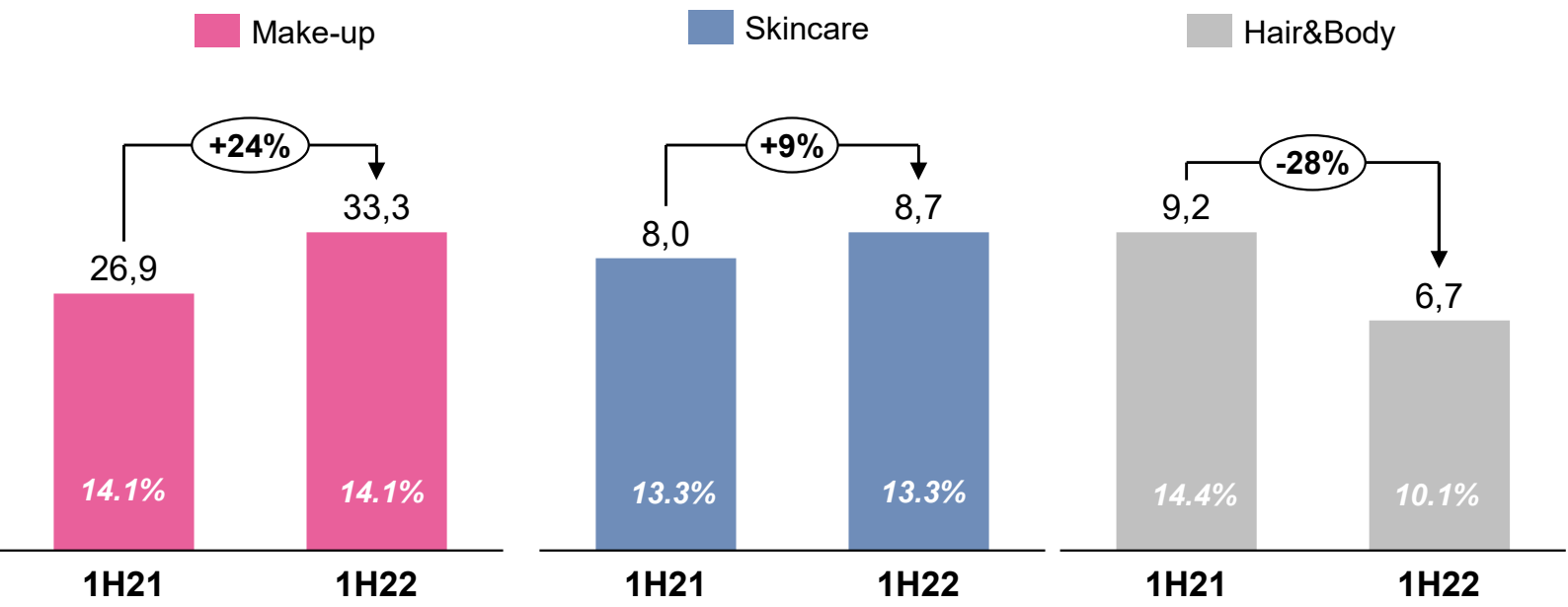
- The **Retailer** customers reported revenues of **€61.7 million**, growth of **7.9%.**

EBITDA

Group **Adjusted EBITDA** in H1 2022 was **€48.7 million**, up **10.4%** (or **+€4.6 million**), thanks to higher sales and the stable profitability of the two major business units (Make-up and Skincare).
Adjusted EBITDA on net sales contracted slightly from 14% in H1 2021 to 13.2% in 2022, due to reduced Hair & Body profitability, temporarily impacted by a less favourable product mix than the previous year, the impact of energy inflation and the drop in production efficiency due to material procurement difficulties.
Group EBITDA was €45.1 million, up 19.3% on the previous year. For a breakdown of non-recurring charges, reference should be made to page 11 of the Press Release.



Adjusted EBITDA by Business Unit



With regards to EBITDA by Business Unit:

- The Adjusted **EBITDA** of the **Make-Up** Business Unit was **€33.3 million**, up **24%** (or **+€6.4 million**). Despite the ongoing supply chain management difficulties and the Chinese lockdown in Q2, sales outperformed pre-pandemic levels, and the EBITDA margin on net sales was unchanged on the previous year.

- The **Skincare** business Adjusted **EBITDA** was **€8.7 million**, up **9%** (or +**€0.7 million**). Again in this case the business unit's profitability, despite significant inflationary pressures, remained unchanged on the previous year, with similar sales and EBITDA growth.

- The **Hair & Body** Business Unit Adjusted **EBITDA**, as anticipated, was **€6.7 million,** decreasing **28%** (or **-€2.5 million**). As previously indicated, the Hair & Body business unit, still essentially operating according to a contract manufacturing model, is most exposed to changes in the product mix, production efficiency and energy prices. Profitability is expected to improve in the second half of the year.

Net Profit

The Group Adjusted **Net profit** was **€20.8 million**, up **54.4%** (or +**€7.3 million**). The significant increase on H1 2021 is due, in addition to increased EBITDA, to the low cost of debt which was more than offset by currency gains. The Net Profit was €18.2 million. For further details on the difference between the Adjusted and Reported Result, reference should be made to page 11 of this Press Release.

Cash Flows and Net Fianancial Debt

€/mln	1H22	1H21	*Var.*
Adjusted EBITDA	**48,7**	**44,1**	**4,6**
Adjustments (*)	(1,7)	(5,0)	*3,3*
Change in Trade Working Capital	(39,3)	(9,9)	*(29,4)*
Other changes in Working Capital	14,5	7,5	*7,0*
Capex	(21,0)	(17,4)	*(3,6)*
Operating Cash Flow	**1,1**	**19,3**	***(18,2)***
Changes in long term Assets & Liabilities	(3,1)	(4,3)	*1,2*
Fin. Expenses	2,2	(2,5)	*4,7*
Income taxes	(8,4)	1,7	*(10,1)*
Other changes in Equity and others	9,7	5,4	*4,3*
Cash Flow	**1,5**	**19,6**	***(18,1)***

(*) considering only the adjustments at EBITDA level with cash impact (in 1H22 €1.7m out of €3.5m of total adjustments).

€/mln	1H22	1H21	*Var.*
Net Debt	**125,1**	**174,4**	***(49,3)***
Leverage Ratio (*)	*1,18x*	*1,95x*	*(0,77x)*

(*) Calculated as the Net Financial Position / Adjusted EBITDA over the last twelve months

Net cash flow in H1 2022 totalled **€1.5 million,** following an absorption of €28.2 million in Q1 and cash generation of €29.7 million in Q2. Compared to H1 2021, operating cash flow in the first six months decreased €18.2 million, mainly due to the increased stock levels in the first six months of the year in order to deal with the significant order levels amid supply chain unrealiability, and increased investments, which totalled, over the same period, €21 million.

The **Net financial debt** at June 30, 2022 was **€125.1 million**, improving €49.3 million on the same period of the previous year and substantially in line with December 31, 2021 (€126.6 million). The gradual decrease in the net financial position, together with continual EBITDA growth, has allowed the Group to further reduce its financial leverage, which is now 1.18x, decreasing 0.77x over the last twelve months.

Outlook & Guidance

The economic environment and, more generally, the external factors we manage on a daily basis continue to pose challenges that are difficult to foresee.

The three main cross-sector uncertainties we face are: (i) continued crises in the global supply chain; (ii) inflation, which shows no signs of abating and which is also being driven - particularly in Europe - by the energy crises resulting from the Russia-Ukraine conflict and (iii) the zero-COVID policy in China, which inevitably affects raw material supplies and thus the efficiency of the global supply chain on the one hand, and end consumption on the other. Finally, fears of possible recessions - mainly in the U.S. and Europe - may create short-term uncertainties in the market, though historically the Beauty sector has not been significantly affected by such events.

We believe that Intercos is well equipped, indeed better equipped than its competitors, to deal with these crises. In order, this is because: (i) our global presence has enabled us to diversify our supply sources, and together with the growth in our raw material stock this allows us to approach the second half of the year with improved production feasibility rates for orders in our portfolio compared to the first half of the year; (ii) our Group generates about 80% of its sales from products whose formulations are developed and maintained internally, and which are innovative products that are not easily replicated. This means our significant pricing power is guaranteed, a crucial element in the context of high inflation. This was also clear in H1 2022, as profitability in the Make-up and Skincare business units remained in line with the previous year's levels despite only one change in prices to manage rising inflation, at the end of 2021. In the second half of the year we will benefit from the previously announced temporary extra charges agreed with our clients to tackle rising direct and indirect energy prices; (iii) the slowdown in the Chinese market, which we believe to be temporary, will continue to have limited impacts as we are less reliant on Chinese customers than other large groups operating in the beauty sector. The contraction will also be mitigated by the growth we are seeing in other Asian markets including Korea. Furthermore, western emerging brands - which currently account for around 30% of the Group's turnover - are only now beginning to expand into the Chinese market, and their geographic expansion will allow us to grow further.

Finally, as regards potential recessions, historically the cosmetics market has always been resilient. Cosmetics are accessible even during difficult moments, and are in high demand among customers who, now more than ever, are keen to go out and to socialise once again. The strong recovery in the Make-up segment in H1 2022 is further evidence of this. A recession could cause a market shift away from the prestige segment and towards the mass/mastige category. Even in this event, the Group's diversification sees that total sales divided equally between the two segments.

Outlook & Guidance

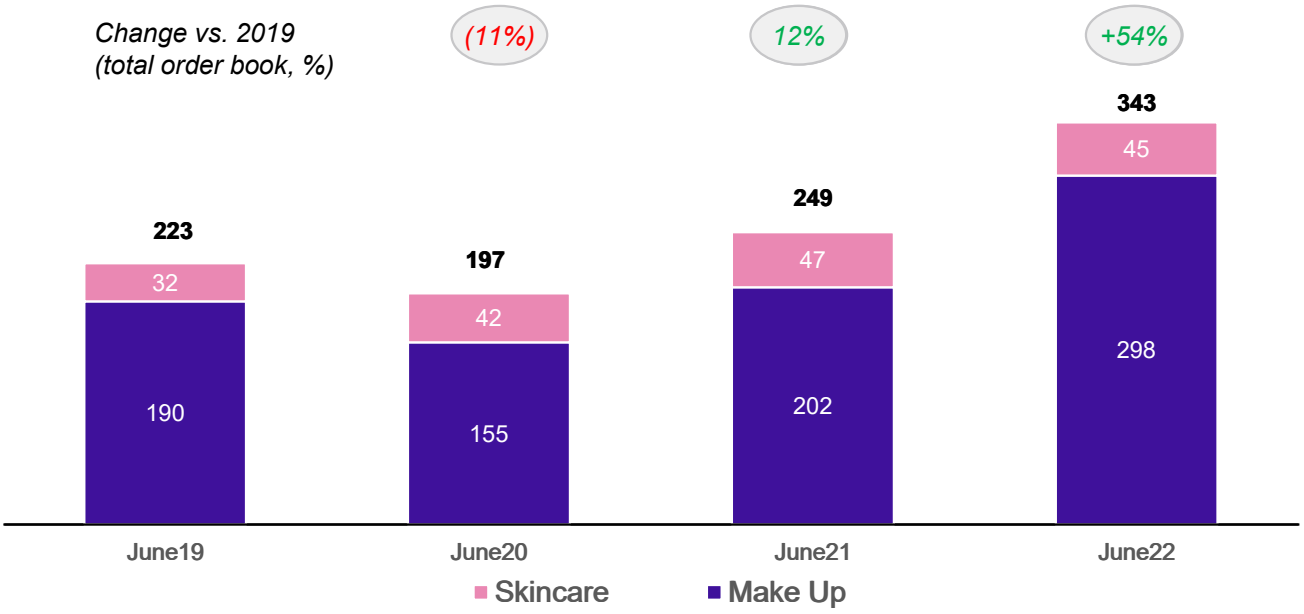
New globalization therefore calls for a fundamental principle: diversification. We believe that pursuit of the old standards of pure productive efficiency is no longer enough, that the goal should be an outlook based on resilience, security, reduced interdependence and greater proximity to end markets. Our Group has never sought internationalization based on mere productive efficiency alone. Over time, Intercos has increased its presence across global markets in order to understand them, anticipate trends, and make products that are highly innovative, all the while remaining close to the end consumers of our long-term clients and partners, minimising time-to-market. With sixteen production plants, twelve research centers and sixteen sales offices across the world, the Group is unique in the industry for its geographic, product and customer diversification. We therefore look to the future with confidence, both in the short and medium to long term.

This is confirmed by the robustness of our order portfolio and order volumes:

- At June 2022, the current Order Book (excluding the Hair & Body Business Unit) totalled Euro 343 million, up 37% on the previous year. Growth was driven by the Make-up business unit, which saw growth of 47% on the previous year and 56% on 2019, while the Skincare business unit remained substantially in line with the previous year and was up 40% on 2019.
- In the last two months (May-June 2022) - the Company's order intake (excluding the Hair & Body Business Unit) totalled Euro 106 million, substantially in line with the previous year, with Make-up accounting for Euro 89 million, in line with 2021 and up 21% on 2019, while Skincare accounted for Euro 17 million, in line with 2021 and up 20% on 2019.

As such, we feel confident in confirming the growth that was expected and announced at the beginning of the year, when we forecast net sales growth of between 10 and 15% in 2022 compared to 2021.

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



OTHER INFORMATION

AVAILABILITY OF THE HALF-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022
The Half-Year Financial Report as at 30 June 2022 approved today by the Board of Directors will be made available within the terms and in the manner prescribed by law.

DECLARATION OF THE EXECUTIVE OFFICER FOR FINANCIAL REPORTING
Mr. Pietro Oriani, as Executive Officer for Financial Reporting, declares - in accordance with paragraph 2, Article 154-*bis* of Legislative Decree No. 58/1998 ("Consolidated Finance Act") - that the accounting information included in this press release corresponds to the underlying accounting records.

CONFIRMATION OF THE MEETING OF THE INDEPENDENCE REQUIREMENTS FOR THE ENTIRE BOARD OF STATUTORY AUDITORS, INCLUDING MS. MONICA MANZINI, STATUTORY AUDITOR APPOINTED ON JUNE 29, 2022
We note that the Intercos Board of Statutory Auditors confirmed the existence of the independence requirements pursuant to the CFA and the Corporate Governance Code for the entire Board of Statutory Auditors, including for Ms. Monica Manzini, following her appointment as Statutory Auditor of Intercos by the Shareholders' Meeting on June 29, 2022. The outcome of the checks carried out as per the Corporate Governance Code were announced today by the Company's Board of Directors.

RESULTS PRESENTATION CONFERENCE CALL
The H1 2022 results shall be presented to analysts and investors on August 4, 2022 at 6.45 PM (CET). The conference may be followed by connecting to the following numbers: +39 02 8020911 (from Italy), +44 1 212818004 (from UK), +1 718 7058796 (from USA), (for journalists +39 02 8020927). The supporting presentation for the conference call shall be made available on the company website www.intercos-investor.com in the "Investor Relations" section at the following link: https://www.intercos-investor.com/investors/documenti-finanziari/presentazioni/ and on the "1info" storage mechanism at www.1info.it. From the day subsequent to the call, a recording of the call shall be made available on the same website.

UPCOMING FINANCIAL CALENDAR EVENTS
Q3 2022 Interim Results **November 7, 2022**

IDENTIFICATION CODES
ISIN Code of the Shares: IT0005455875
Symbol: ICOS

FURTHER INFORMATION
Intercos has taken note of Consob's call to attention No. 3 22 dated May 19, 2022 and the recommendations provided by ESMA on May 13, 2022 in the Public Statement "Implications of Russia's invasion of Ukraine on half yearly financial reports". The Company refers to that already stated in the press releases issued on the publication of FY21 and Q1 22 results, which acknowledged the minimal exposure in the affected markets (less than 1% of total direct sales).

INTERCOS GROUP
Intercos is one of the leading business-to-business operators internationally in the creation, production and marketing of cosmetics (Make-up) and Skincare products, in addition to hair and body care products (Hair&Body), for leading domestic and international brands, emerging brands and retailers serving the cosmetics market and the wider beauty sector. Founded in 1972 by Dario Ferrari, Intercos lists the top cosmetics brands among its customers, with a staff of approx. 6,400, 12 research centers, 16 production facilities and 16 commercial offices across three continents. Intercos for 50 years has interpreted beauty, creating cosmetic products and becoming a trend setter which predicts, anticipates and influences new cosmetic trends, meeting the demands of a range of customers with products for all price ranges.

OTHER INFORMATION

NOTE AND DEFINITIONS

Alternative performance measures, not covered by IFRS, are used by management for a better assessment of the Group's operating and financial performance and are in line with the Group's performance policies and control parameters. These measures should not be considered to replace those set out in the IFRS.

The alternative performance measures not stemming directly from the financial statements are outlined below:

• EBITDA: this is defined as the sum of net profit for the period, plus income taxes, financial income and expense, and the effects of valuing equity investments held as financial investments using the equity method and amortisation and depreciation.

• Adjusted EBITDA: this is obtained by deducting from EBITDA those components evaluated by the Company as non-recurring, i.e., particularly significant events that are not linked to the ordinary performance of the core businesses or that do not determine cash flows and/or changes in the amount of equity.

• Adjusted Net Profit: this is obtained by deducting from profit those components evaluated by the Company as non-recurring, i.e., particularly significant events that are not linked to the ordinary performance of the core businesses or that do not determine cash flows and/or changes in the amount of equity and the relaive tax impacts.

• Net debt (cash) or net financial position: the sum of current and non-current financial payables, net of current and non-current financial receivables, including cash and cash equivalents;

Other definitions:

- Rep Fx: percentage change at current exchange rates.
- C Fx : percentage change at constant exchange rates.
- Order-in-take: means all orders legally placed and processed by a company during the accounting period or fiscal year under review.
- Order Book: open order book at a certain date

DISCLAIMER

The information presented in this document has not been audited. This document may contain forward-looking statements relating to future events and results of operations, financial positionand cash flows of Intercos. These statements by nature contain an element of risk and uncertainty in that they depend on future events and developments. The actual results may even diverge significantly from those announced, due to a range of factors.

CONTACTS

Media Relations:
Image Building
Via Privata Maria Teresa, 11 20123 – Milan
Tel. +39 02 89011300
intercos@imagebuilding.it

Investor relator:
Intercos S.p.A.
Andrea Tessarolo
tel. +39 039 65521
investor.relations@intercos.com

APPENDIX

Reclassified Consolidated Income Statement

€/mln	1H22	1H21	Delta	*Var.%*
Net Sales	**367,9**	**314,6**	**53,3**	***17,0%***
COGS	(291,6)	(247,9)	(43,7)	*17,6%*
Industrial gross profit	**76,4**	**66,7**	**9,6**	***14,5%***
% on net sales	*20,8%*	*21,2%*		
Research & Development and innovation costs	(18,4)	(16,9)	(1,4)	*8,5%*
Selling expenses	(13,8)	(11,7)	(2,2)	*18,7%*
General and administrative expenses	(22,1)	(16,5)	(5,6)	*34,2%*
Other operating income (expenses)	2,4	(3,4)	5,8	*(170,4%)*
Operating Profit (EBIT)	**24,4**	**18,3**	**6,2**	***33,9%***
% on net sales	*6,6%*	*5,8%*		
D&A (**)	(20,7)	(19,6)	(1,1)	*5,7%*
EBITDA	**45,1**	**37,8**	**7,3**	***19,3%***
Adjustements (*)	(3,5)	(6,3)	2,7	
Adjusted EBITDA	**48,7**	**44,1**	**4,6**	***10,4%***
% on net sales	*13,2%*	*14,0%*		
Financial income (expenses)	2,2	(2,5)	4,7	*(185,9%)*
Profit before taxes (EBT)	**26,6**	**15,7**	**10,9**	***69,0%***
Income taxes	(8,4)	1,7	(10,1)	*(591,4%)*
Net income	**18,2**	**17,4**	**0,8**	***4,5%***
Adjustments (*)	(2,5)	4,0	(6,5)	
Adjusted Net income	**20,8**	**13,4**	**7,3**	***54,4%***

Adjustments to EBITDA and Net Profit

€/mln	1H22	1H21
IPO costs	(0,6)	
Costs related to M&A transactions		(0,0)
Management Long Term Incentive Plan	(1,6)	(1,3)
One-off costs related to re-organizations (mainly personal costs)	(1,0)	(4,9)
Contrubution to the Ukrainan population	(0,2)	
Other minor one-off costs	(0,1)	
Adjustments (*) at EBITDA level	**(3,5)**	**(6,3)**
Accrual regarding previous years taxes		(5,0)
Fiscal impact due to goodwill realignment		13,5
Tax impact mainly arising from above adjustments	1,0	1,7
Adjustments (*) at Net Income level	**(2,5)**	**4,0**

(**) All functional areas include D&A which are restated for the purpose of the EBITDA calculation

APPENDIX

Reclassified Consolidated Balance Sheet

€/mln	30Jun22	31Dec21	Delta
Tangible Assets	212,4	210,6	1,8
Intangible Assets	44,4	43,3	1,2
Goodwill	132,8	132,1	0,7
Investments	2,1	2,1	0,1
Deferred tax assets	20,0	20,5	(0,5)
Other non-current Assets/Liab.	(11,5)	(15,1)	3,6
Non-current Assets	**400,3**	**393,4**	**6,8**
Inventory	186,3	142,9	43,4
Trade Receivables	124,0	120,1	3,8
Trade Payables	(157,0)	(149,1)	(7,9)
Other current Assets/Liab.	(37,4)	(22,9)	(14,5)
Net Working Capital	**115,8**	**91,0**	**24,8**
Capital Employed	**516,1**	**484,5**	**31,6**
Net Debt	125,1	126,6	(1,5)
Equity	**391,0**	**357,8**	**33,2**

Consolidated cash flow

€/mln	1H22	1H21	Delta
Cash flows provided by (used in) operating activities	13,4	35,0	(21,6)
Cash flows provided by (used in) investing activities	(20,8)	(15,0)	(5,7)
Cash flows provided by (used in) financing activities	(42,4)	(62,5)	20,1
Net increase (decrease) in cash and cash equivalents	**(49,7)**	**(42,5)**	**(7,2)**
Cash and cash equivalents, at beginning of the year	207,0	225,4	(18,4)
Of which, change in exchange differences	(2,6)	(2,2)	(0,4)
Cash and cash equivalents, at end of the year	159,8	185,1	(25,3)
Net increase (decrease) in cash and cash equivalents	**(49,7)**	**(42,5)**	**(7,2)**

APPENDIX

Consolidated Income Statement from Notes to Financial Statements

€/mln	1H22	1H21
Revenues	***367,9***	***314,6***
Cost of sales	*(291,6)*	(247,9)
Industrial Gross Profit	***76,4***	**66,7**
Research, Development and Innovation Costs	*(18,4)*	(16,9)
Selling Expenses	*(13,8)*	(11,7)
General and Administrative Expenses	*(22,1)*	(16,5)
Other income and expenses	*2,4*	(3,4)
EBIT	***24,4***	**18,3**
Financial income	*6,3*	4,8
Financial expense	*(4,1)*	(7,3)
Profits from equity investments	**0,0**	**0,0**
EBT	***26,6***	**15,7**
Income taxes	*(8,4)*	1,7
Net Profit	***18,2***	**17,4**

APPENDIX

Consolidated Balance Sheet from Notes to Financial Statements

€/mln	30Jun22	31Dec21
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	*212,4*	*210,6*
Intangible assets	*44,4*	*43,3*
Goodwill	*132,8*	*132,1*
Equity Investments	*2,1*	*2,1*
Deferred tax assets	*28,9*	*28,7*
Other non-current assets	*1,1*	*0,9*
Non-current assets	***421,7***	***417,7***
CURRENT ASSETS		
Inventories	*186,3*	*142,9*
Trade receivables	*124,0*	*120,1*
Other current assets	*26,3*	*25,0*
Other financial assets	*6,3*	*0,0*
Cash and cash equivalents	*159,8*	*207,0*
Current assets	***502,7***	***495,0***
TOTAL ASSETS	***924,4***	***912,7***
EQUITY		
Share Capital	*11,3*	*11,2*
Other reserves	*108,5*	*108,5*
Retained earnings	*269,3*	*236,1*
Total Equity owners of the parent	*389,1*	*355,9*
Non-controlling interest equity	*2,0*	*1,9*
TOTAL EQUITY	***391,0***	***357,8***
LIABILITIES		
NON-CURRENT LIABILITIES		
Bank borrowings and other lenders	*215,9*	*253,9*
Provisions for risks and charges	*5,7*	*6,1*
Deferred tax liabilities	*8,9*	*8,2*
Other non-current liabilities	*1,3*	*0,7*
Employee benefits	*5,6*	*9,2*
Non-current liabilities	***237,4***	***278,1***
CURRENT LIABILITIES		
Current bank borrowings and other lenders	*68,1*	*70,7*
Other financial payables	*7,2*	*9,0*
Trade payables	*157,0*	*149,1*
Provisions for risks and charges	*0,0*	*0,0*
Other current liabilities	*63,7*	*47,9*
Current liabilities	***296,1***	***276,8***
TOTAL LIABILITIES AND EQUITY	***924,4***	***912,7***