

[CELLULARLINE GROUP]

9M 2022 Financial results

Reggio Emilia – 11 November 2022

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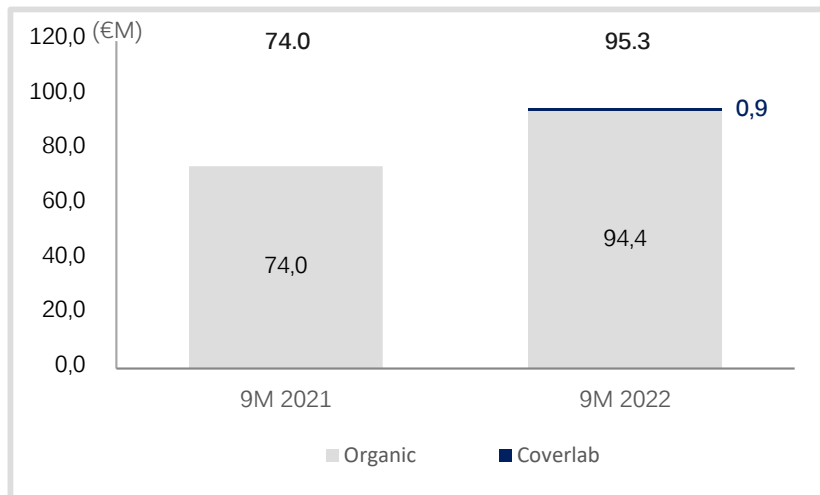
9M 2022 Highlights

- **Revenues +28,7% YTD**, thanks to **strong performance** both in **Italian and International markets** despite of challenging economic context and high level of inflation.
- **Top line growth continues also during the third quarter (+18.7%)**, confirming the soundness of the strategies put in place.
- **EBITDA Adj. was €10.9M** in 9M 2022, with a **solid 11.5% margin on Revenues**, although -0,9p.p. vs 9M 2021 as consequence of costs increase.
- **Net Result Adj. in the period was €3.7M**, slightly below compared to 9M 2021 (€4.2M).
- **Net Debt** at €45.3M€ as of 30 September 2022; while **net of Financial Lease contracts (ex IFRS 16) was €40.6M** vs €35.5M end of FY2021.
- The Group is ready to face **the fourth quarter of the peak season** confident to close the year-end with **significant top-line growth** sales, backed by the strong performance in the top line in 9M2021 and the several initiatives put in place, despite **geopolitical uncertainty** surrounding the **global economy**.
- E-commerce **strategic development activities** continue: acquisition of the Spanish social commerce **Allogio** <https://allogiocases.com/>

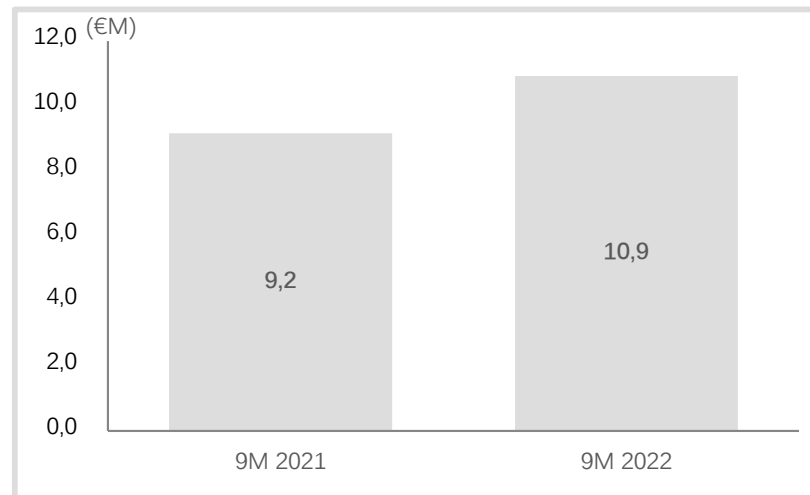


Key financials (€M)

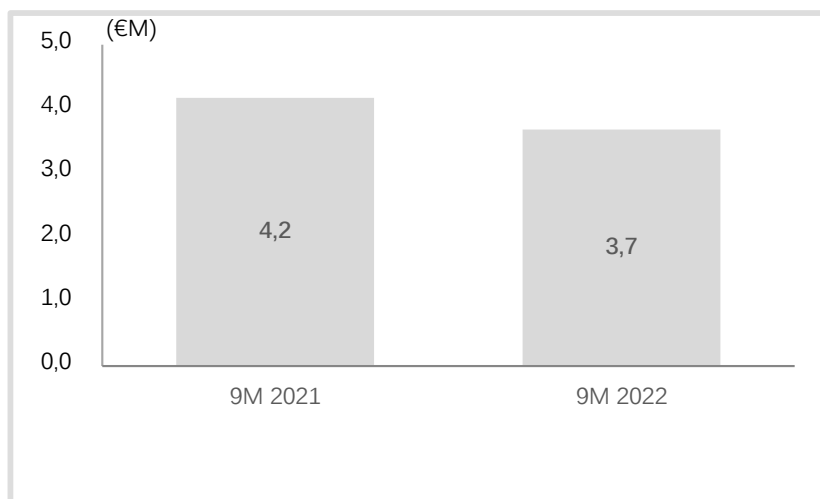
Revenues



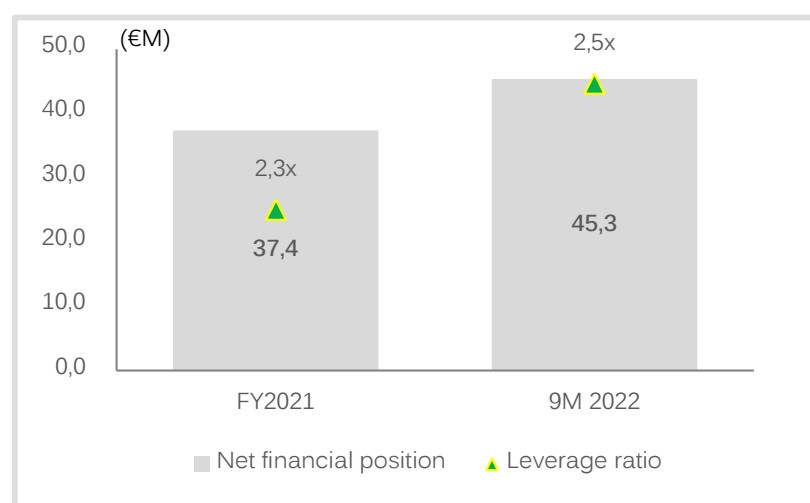
EBITDA Adj. ⁽¹⁾



Net Result Adj. ⁽¹⁾



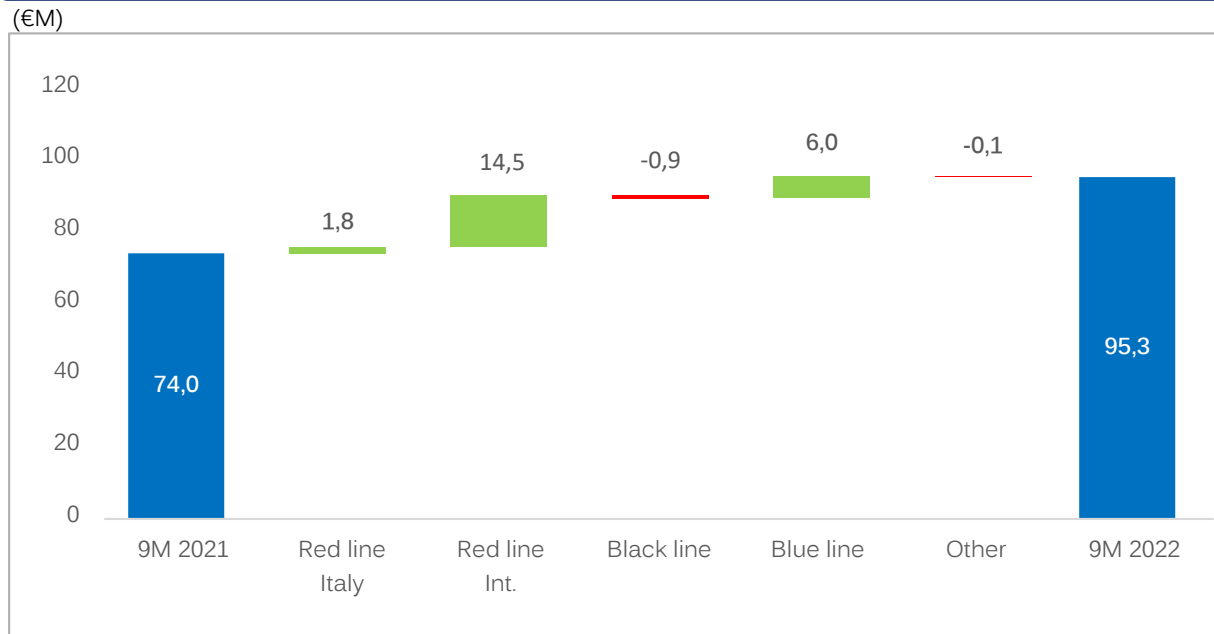
Net Debt



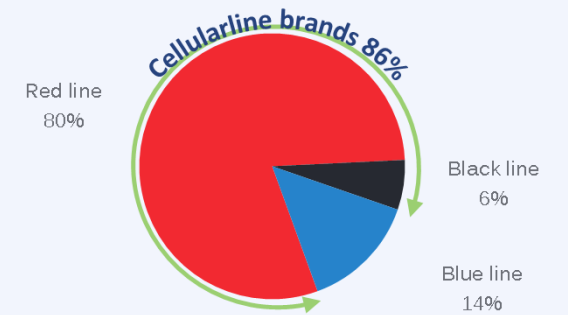
⁽¹⁾ Coverlab impact not material.

Focus on Revenues

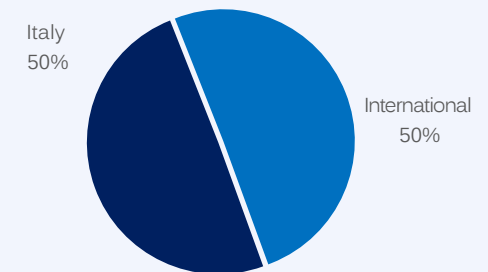
Revenues bridge



Product Line



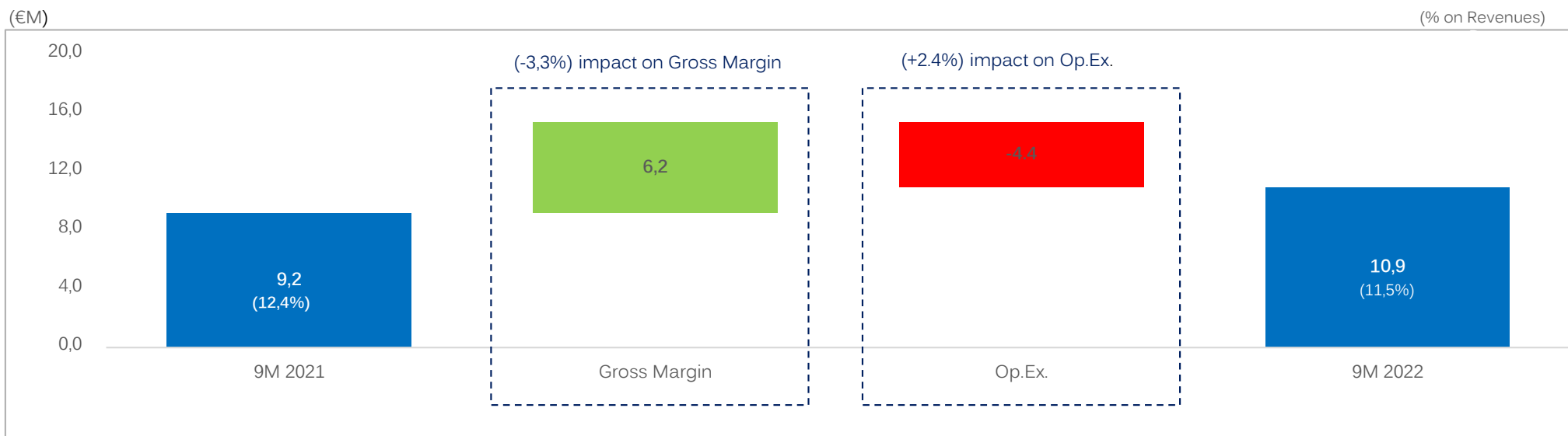
Geo



- Revenues +28.7% YTD 2022 - with a solid growth through all the three quarters - confirmed the endurance of the performance reaching €95.3M in the period.
- Red line ~80% of total Revenues showed strong rebound thanks to:
 - Progressive execution of the medium-long term strategy leads to an increasing demand for Cellularline products, both in Italy as well as international markets
 - Worldconnect, who benefitted from traffic recovery in the Airport Travel Retail Channel
 - Coverlab for €0.9M, social commerce start-up acquired in July 2021
- Blue line benefited from unbundling process of third-party-brands in distribution.
- Well balance contribution to the top line from International and Domestic markets with 50% share each.

Focus on EBITDA Adj.

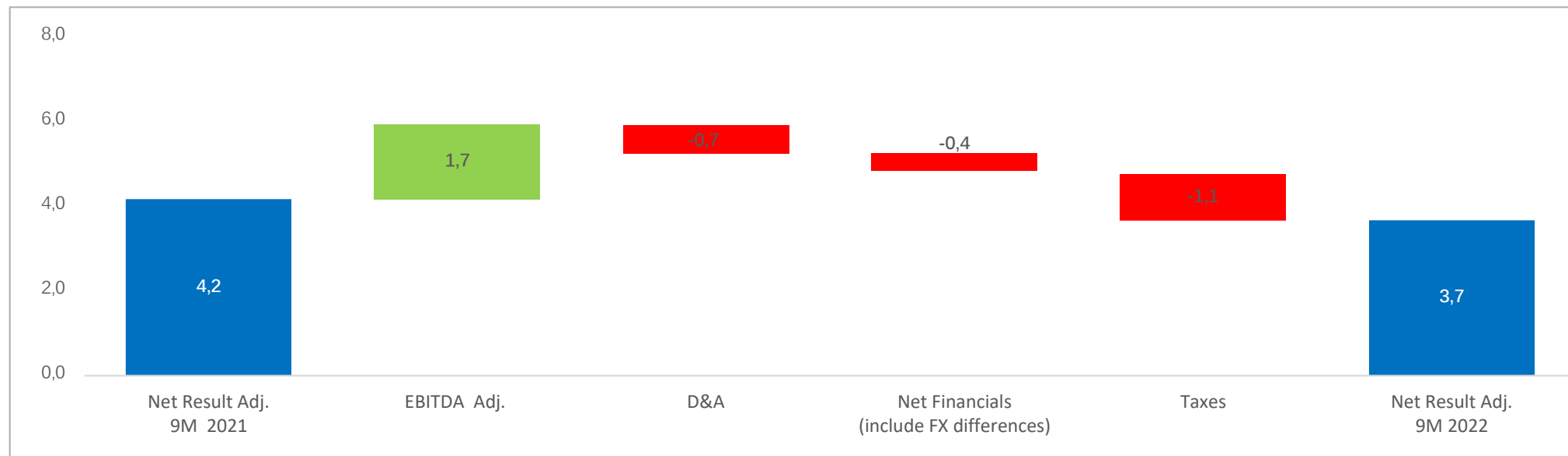
EBITDA Adj. bridge



- EBITDA Adj. hit €10.9M in 9M 2022, recording an increase of €1.7M in absolute terms, but saw a slightly decline in margin of 0.9%.
- Gross margin raised €6.2M, thanks to volume effect but recorded a minus 3.3% as a percentage on Revenues, as a consequences of:
 - USD appreciation
 - different contribution mix (Company, Business unit, product) to the top line growth
- Opex increased €4.4M in absolute terms in the period but declined 2.4% as incidence on Revenues due to greater absorption of fixed costs, given by the strong growth in Revenues and tight cost control put in place by the management
 - Main benefits raised from reduction in the incidence of *i)* personnel costs, *ii)* consultancy and *iii)* other commercial variable costs; while the incidence of transport costs increased.

Focus on Net Result Adj.

Net Result Adj. bridge

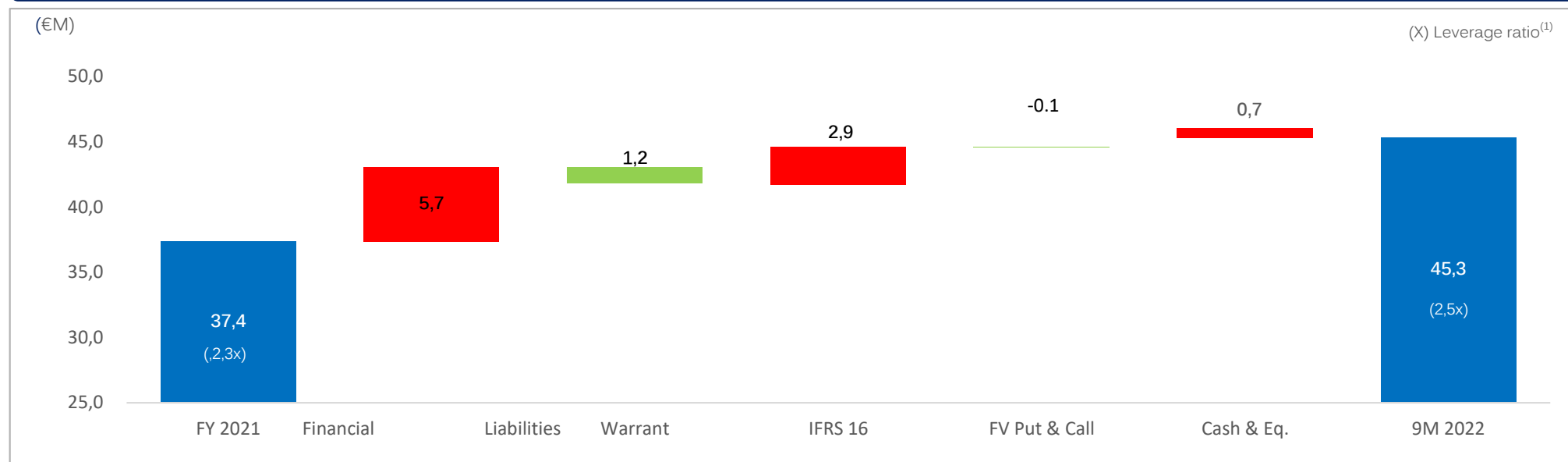


➤ Net Result Adj. €3.7M slightly decreased in 9M 2022 vs 9M 2021, as a consequences of different effects:

- positive contribution from EBITDA Adj., thanks to the improvement in the business performances
- increase in D&A, mainly due to amortization of new lease contract (ex IFRS16)
- higher Net financials mainly related to FX hedging costs, partially compensated by lower interest on financial debts
- overall lower benefit from taxes equal to €1.1M

Focus on Net Debt

Net Debt bridge



Net Debt

(€m)	FY 2021	9M 2022	Delta
Financial Liabilities	35,7	41,4	5,7
Warrant	1,2	0,0	-1,2
Oth. Fin. assets	-0,0	-0,1	-0,1
IFRS 16	1,8	4,7	2,9
Fair Value Put & Call	6,7	6,7	-0,0
Cash & Equivalents	-8,1	-7,4	0,7
Net Debt	37,4	45,3	7,9

- Net Debt as of 30 September 2022 was €45.3M, net of Financial lease contracts was €40.6M vs €35.5M in FY2021.
- Increase in NFP was mainly related to the higher Operating working capital required to support top line growth; although OWC incidence on Revenues decreased to 79.4% from 86.2% in 9M 2021.
- Cash flow from operation was also affected (i.e. inventory) by the the change in the method of transport (favoring sea transport over air transport) in order to limit costs but implying a higher volume of goods in transit.
- Credit line for Acquisition (€20.0M) plus uncommitted credit line of €13.6M give ample financial flexibility for further M&A activities.

¹Leverage ratio: Net Debt/ EBITDA Adj..

²Fair Value Put & Call refers to: Systema €0,6M; Worldconnect €4,4M and Coverlab €1,7M.

FY 2022 & Medium-term overview

- FY2022

- **The management is optimistic about the ongoing top-line growth for the rest of FY2022**, based on *i)* the performance recorded in 9M 2022 and *ii)* the benefits expected from the activities planned for the fourth quarter
- **EBITDA Adj. increase in absolute terms**, with slightly decrease in margin on revenues due to transitory cost effect related to inflation and transport cost.

- Medium Term Overview

The main objectives / initiatives included in the 2022-2025 Business Plan are:

- Brand & Products,
- Italian and International Market,
- Travel Retail
- E-commerce channels
- Organization, business processes
- ESG

Based on the information available to date and in the hypothesis of a normalization of the macroeconomic situation:

- **the Company overall confirms the long-term objectives and strategic target included in the Business Plan 2022-25.**

Q&A session



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