

Regulated information – inside information

Nazareth (Belgium)/Rotterdam (The Netherlands), 15 February 2024 – 7AM CET

## **Fagron delivers strong performance with 12% topline growth and 14% increase in REBITDA for FY 2023**

Fagron, the leading global player in pharmaceutical compounding today publishes its full year results for the period ending 31 December 2023.

### **Key Highlights**

- **Strong topline performance with 11.6% reported revenue growth (12.5% at CER) and 10.5% organic revenue growth at CER supported by growth across all regions**
- **13.9% REBITDA increase translates to 40bps REBITDA margin uplift YoY to 19.5%, reflecting synergies from North America acquisitions and operational excellence benefits**
- **Operating cash flow increases by 13.9% to €124.6 million resulting in improved leverage ratio of 1.4x**
- **Acquisition of London Specialist Pharmacy in the United Kingdom**
- **Dividend proposal of €0.30 per share (+20%)**
- **Good progress on greenhouse gas intensity reduction target**
- **FY '24 outlook of high single-digit organic sales growth and continued improvement in profitability**

### **Rafael Padilla, CEO of Fagron:**

*“I am very pleased to present another set of strong results, exemplifying the resilience of Fagron’s diversified business model. In line with our guidance, we have delivered outstanding organic revenue growth of 10.5% at CER YoY and an improved margin, as we progressed on successfully integrating our acquisitions in North America whilst also driving operational excellence globally.*”

*Growth in the EMEA region normalized towards the end of this year as expected, reflecting a solid performance across most of our markets and the impact of the anticipation on the local reimbursement reform in Poland. In Latin America we continued to focus on our commercial and operational efforts, as customer demand keeps improving while the competitive pressures remain. North America continues its excellent performance, driven by growth at FSS and Anazao, as existing and new customers increase their outsourcing of compounding, and strong underlying trends in the prevention and lifestyle segment as well as drug shortages persist. As anticipated, the ongoing integration of our Letco and Boston acquisitions and increased operational efficiency boosted profitability in the region.*

*The acquisition of London Specialist Pharmacy allows us to enter the compounding market in the United Kingdom, further diversifying our EMEA footprint, whilst adhering to our disciplined acquisition strategy.*

*For full year 2024, we expect high single-digit organic revenue growth and our profitability to improve YoY. We remain confident in achieving our mid-term objectives and continue to look for attractive growth opportunities that support our strategic ambitions.”*



## FY 2023 Key Financial Figures

(€ '000)	Revenue per region					
	FY '23	FY '22	Δ	Δ CER	Δ Organic	Δ Organic CER
EMEA	284,912	276,409	3.1%	3.5%	1.9%	2.2%
Latin America	169,230	162,336	4.2%	2.3%	4.2%	2.3%
North America	308,850	245,136	26.0%	29.4%	22.0%	25.5%
<b>Group</b>	<b>762,991</b>	<b>683,881</b>	<b>11.6%</b>	<b>12.5%</b>	<b>9.6%</b>	<b>10.5%</b>

(€ '000)	Revenue per segment					
	FY '23	FY '22	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	327,406	332,499	-1.5%	-2.2%	-2.6%	-3.2%
Brands	122,087	115,058	6.1%	6.4%	5.2%	5.5%
Compounding Services (CS)	313,498	236,323	32.7%	36.1%	29.0%	32.3%

(€ '000)	Group		
	FY '23	FY '22	Δ
REBITDA	148,954	130,724	13.9%
REBITDA margin	19.5%	19.1%	40bps
Net EPS (€)	0.97	0.96	1.0%
Free cash flow <sup>1</sup>	101,502	90,961	11.6%

### Outlook

Assuming no significant changes in current market conditions, we expect high-single digit organic revenue growth and an increase in profitability for 2024 year-on-year. Our medium-term objectives remain unchanged.

We remain committed to our disciplined acquisition strategy in all regions where we are active as part of Fagron's growth strategy.

### Dividend

The Board of Directors will propose to the General Meeting of Shareholders a gross dividend of €0.30 per share for 2023.

### Webcast

Rafael Padilla (CEO) and Karin de Jong (CFO) will discuss the 2023 full year results in a webcast starting at 9.30 AM CET. Registration to the webcast is available via this [link](#). The presentation for the call will be available to download from the Fagron [website](#) around 8.00 AM CET.

<sup>1</sup> Adjusted for one-offs. Including one-offs: €86.2 million



## Business Review

### EMEA

(€ '000)	FY '23	FY '22	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	148,582	149,635	-0.7%	-1.3%	-0.9%	-1.6%
Brands	47,503	46,130	3.0%	3.2%	-0.3%	-0.2%
CS	88,826	80,643	10.1%	12.7%	8.3%	10.6%
<b>Total revenue</b>	<b>284,912</b>	<b>276,409</b>	<b>3.1%</b>	<b>3.5%</b>	<b>1.9%</b>	<b>2.2%</b>

(€ '000)	FY '23	FY '22	Δ
REBITDA	61,142	60,575	0.9%
REBITDA margin	21.5%	21.9%	-40bps

Revenue development in the EMEA region was driven by continued strong performance at Compounding Services partly offset by the performance at Brands and Essentials.

Brands and Essentials revenue development reflected the impact of a slowdown in the Polish market in the run up to the implementation of the new reimbursement system. Excluding this impact we saw solid demand across our markets as we benefit from our diversified footprint in the region. Our successful innovative product launches and improved product availability driven by our commitment to operational excellence further contributed to underlying performance.

The strong revenue growth in Compounding Services reflects solid performance across our markets driven by the enforcement of our registration activities, stock compounding and drug shortages in some countries.

After the strong improvement of the REBITDA margin in the first semester, on the back of operational benefits of the Polish repackaging facility and the pricing pass-through, the trend in the second half of the year reflected the low volumes in Poland in anticipation of the local regulatory changes.

As the Polish market adjusts to the new situation in 2024, we expect to minimize the impact of the new reimbursement system with strategic actions. Given our competitive and commercial strengths and resilient business model, we are confident about our positioning in the attractive Polish market.

### Latin America

(€ '000)	FY '23	FY '22	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	112,767	112,923	-0.1%	-2.8%	-0.1%	-2.8%
Brands	52,870	46,544	13.6%	12.8%	13.6%	12.8%
CS	3,593	2,869	25.2%	30.8%	25.2%	30.8%
<b>Total revenue</b>	<b>169,230</b>	<b>162,336</b>	<b>4.2%</b>	<b>2.3%</b>	<b>4.2%</b>	<b>2.3%</b>

(€ '000)	FY '23	FY '22	Δ
REBITDA	28,003	28,885	-3.1%
REBITDA margin	16.5%	17.8%	-130bps



Revenue development in Latin America reflected growth in Brands and Compounding Services, slightly offset by the Essentials performance.

Essentials revenue development reflects our effort to maintain our market leadership in a heightened competitive environment, increasingly compensated by the strengthening customer demand in the second half of the year. Brands strong revenue development reflects the benefits of our broad product portfolio and product launches, evidencing the competitive advantage of our innovative power.

Compounding Services (Colombia) continued its strong revenue growth, driven by customer wins, increasing orders from existing customers and product launches. As market leader, we are promoting the development of personalized medicine in the country, particularly in dermatology.

As anticipated, the region's REBITDA and REBITDA margin showed the impact of our focus on maintaining market share in a heightened competitive environment. However, our sustained focus on executing our operational excellence programs resulted in an improved REBITDA margin in the second half of the year compared to the first half.

### North America

(€ '000)	FY '23	FY '22	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	66,057	69,941	-5.6%	-3.0%	-10.2%	-7.4%
Brands	21,714	22,384	-3.0%	-0.4%	-1.0%	1.7%
CS	221,079	152,810	44.7%	48.6%	39.9%	43.8%
<b>Total revenue</b>	<b>308,850</b>	<b>245,136</b>	<b>26.0%</b>	<b>29.4%</b>	<b>22.0%</b>	<b>25.5%</b>

(€ '000)	FY '23	FY '22	Δ
REBITDA	59,809	41,265	44.9%
REBITDA margin	19.4%	16.8%	260bps

Revenue growth in North America is reflecting Compounding Services' continuing strong performance, both at Fagron Sterile Services (FSS) and Anazao.

Organic revenue at the Brands and Essentials segment continued its recovery through the year following the completed consolidation of our repackaging activities at our Letco facility, and integration of sales forces and IT systems.

At Compounding Services, revenue prolonged its strong growth trajectory, driven by outstanding performance at both FSS (Wichita and Boston) and Anazao. Increasing orders from existing customers, new customer wins, and drug shortages supported the segment's performance. The combined run rate of the Wichita and Boston sterile outsourcing facilities was almost US\$165 million (annualized) at year-end. The Boston facility reached break-even in the fourth quarter as new licenses continue to come in. Investment in the Anazao site in Tampa is progressing as planned and the new facility is scheduled to become operational in 2024.

The REBITDA margin continued to improve as the integration of the Letco and Boston acquisition progressed, further supported by improved operational efficiency at our Wichita facility.



### M&A Developments

The integration of our acquisitions is progressing in line with expectations. In January 2024, we completed the acquisition of Parma Produkt in Hungary. In February, we acquired London Specialist Pharmacy, allowing us access to the compounding market in the United Kingdom and further diversifying our EMEA footprint.

### Quality and ESG Developments

We remain committed to ensuring the highest standards of quality across our business, and over the course of 2023, we were audited at 12 facilities globally resulting in minor observations and no warning letters. Our focus on quality remains a key competitive advantage and we will continue to invest further in driving best practices across all our operations.

Social and Governance indicators	2023	2022
Units of compounded medicine supplied (in million)	18.8	11.2
Class 1 recall: may cause serious health consequences	0	1
Class 2 recall: may cause temporary or reversible health consequences	5	7
Class 3 recall: health consequences unlikely	10	3
Women in management positions	40.4%	40.6%

In 2023, Fagron made further progress with our ESG targets. We made good progress on our greenhouse gas intensity reduction target by realizing a 24.4% reduction compared to 2019. In October 2023, the Science Based Targets initiative (SBTi) approved our near-term science-based emission reduction targets to meet the goals of the Paris Agreement of limiting global warming to 1.5°C.

Climate impact	FY '23	Target <sup>2</sup>	Unit
Carbon footprint intensity (location based) <sup>3</sup>	-24.4%	-30%	tCO <sub>2</sub> eq/€m revenue at CER
Carbon footprint reduction (market based) <sup>4</sup>	+1%	-42%	tCO <sub>2</sub> eq

<sup>2</sup> Carbon footprint intensity vs financial year 2019, carbon footprint reduction vs financial year 2021.

<sup>3</sup> Scope 1, 2 and 3 business travel

<sup>4</sup> Scope 1 and 2



## Financial Review

### Income statement

(€ '000)	FY '23	FY '22	Δ
<b>Net revenue</b>	<b>762,991</b>	<b>683,881</b>	<b>11.6%</b>
Gross margin	461,322	402,586	14.6%
<i>As % of net revenue</i>	60.5%	58.9%	160bps
Operating expenses	309,164	270,062	14.5%
<i>As % of net revenue</i>	40.5%	39.5%	100bps
Share-based payments and LTI	3,204	1,799	78.0%
<b>EBITDA before non-recurrent result</b>	<b>148,954</b>	<b>130,724</b>	<b>13.9%</b>
<i>As % of net revenue</i>	19.5%	19.1%	40bps
Non-recurrent result	-1,010	2,665	-137.9%
<b>EBITDA</b>	<b>147,944</b>	<b>133,389</b>	<b>10.9%</b>
<i>As % of net revenue</i>	19.4%	19.5%	-10bps
Depreciation and amortization	39,311	35,480	10.8%
<b>EBIT</b>	<b>108,633</b>	<b>97,909</b>	<b>11.0%</b>
<i>As % of net revenue</i>	14.2%	14.3%	-10bps
Financial result excl. hedge	-20,473	-14,909	-37.3%
Revaluation hedge instrument (non-cash)	-3,714	4,769	-177.9%
Financial result	-24,187	-10,140	-138.5%
<b>Profit before income tax</b>	<b>84,445</b>	<b>87,769</b>	<b>-3.8%</b>
Taxes	-13,401	-17,703	24.3%
<b>Net profit (loss)</b>	<b>71,044</b>	<b>70,066</b>	<b>1.4%</b>
Net profit (loss) per share (€)	0.97	0.96	1.0%
Average number of outstanding shares	72,999,583	72,874,673	0.2%

(€ '000)	H2 '23	H2 '22	Δ
<b>Net revenue</b>	<b>391,418</b>	<b>355,316</b>	<b>10.2%</b>
Gross margin	235,721	212,015	11.2%
<i>As % of net revenue</i>	60.2%	59.7%	50bps
Operating expenses	157,343	143,892	9.3%
<i>As % of net revenue</i>	40.2%	40.5%	-30bps
Share-based payments and LTI	1,608	720	123.4%
<b>EBITDA before non-recurrent result</b>	<b>76,771</b>	<b>67,402</b>	<b>13.9%</b>
<i>As % of net revenue</i>	19.6%	19.0%	60bps
Non-recurrent result	-513	3,465	-114.8%
<b>EBITDA</b>	<b>76,258</b>	<b>70,868</b>	<b>7.6%</b>
<i>As % of net revenue</i>	19.5%	19.9%	-40bps
Depreciation and amortization	20,353	19,760	3.0%
<b>EBIT</b>	<b>55,904</b>	<b>51,108</b>	<b>9.4%</b>
<i>As % of net revenue</i>	14.3%	14.4%	-10bps
Financial result excl. hedge	-11,287	-8,870	-27.2%
Revaluation hedge instrument (non-cash)	-2,355	916	-357.0%
Financial result	-13,641	-7,954	-71.5%
<b>Profit before income tax</b>	<b>42,263</b>	<b>43,154</b>	<b>-2.1%</b>



Taxes	-4,500	-8,387	46.3%
<b>Net profit (loss)</b>	<b>37,763</b>	<b>34,767</b>	<b>8.6%</b>
Net profit (loss) per share (€)	0.52	0.48	8.3%
Average number of outstanding shares	73,032,701	72,889,027	0.2%

**Consolidated revenue** increased by 11.6% (12.5% at CER) compared to 2022 to €763.0 million. Organic revenue growth was 9.6% (10.5% at CER) compared to 2022.

**Gross margin** increased by 14.6% to €461.3 million. Gross margin as a percentage of revenue increased 160 basis points compared to 2022 to 60.5%.

**REBITDA** (EBITDA before non-recurring result) increased by 13.9% (15.1% at CER) compared to the 2022 to €149.0 million. **REBITDA margin** increased 40 basis points compared to 2022 to 19.5%. The non-recurring result amounted to -€1.0 million and related mainly to restructuring costs compensated by release of earn-outs in EMEA. **EBITDA** increased by 10.9% compared to 2022 to €147.9 million.

**Depreciation and amortization** increased by 10.8% compared to 2022 to €39.3 million.

**EBIT** increased by 11.0% compared to 2022 to €108.6 million. **EBIT margin** slightly decreased with 10 basis points compared to 2022 to 14.2%.

**Profit before income tax** decreased by 3.8% compared to 2022 to €84.4 million. The effective tax rate as a percentage of profit before income taxes was 15.9% compared to 20.2% in 2022. The effective cash tax rate was 22.2% compared to 19.9% in 2022.

**Net profit** increased by 1.4% compared to 2022 to €71.0 million. **Earnings per share** increased by 1.0% compared to 2022 to €0.97.

### Balance sheet

(€ '000)	31-12-2023	31-12-2022
Intangible assets	482,921	463,401
Property, plant, and equipment	147,935	143,596
Deferred tax assets	28,904	24,785
Financial assets	4,199	4,210
Financial instruments	3,300	13,277
Other non-current fixed assets	4,579	3,731
Operational working capital	71,058	71,203
Other working capital	-33,373	-30,347
Equity	467,627	410,518
Provisions and pension obligations	4,588	4,763
Financial instruments	371	181
Deferred tax liabilities	1,976	4,352
Net financial debt	233,735	274,042



**Operating working capital as a percentage of annualized revenue** amounted to 9.3%, a decrease of 90 basis points compared to 2022, mostly driven by focus on inventory management and improved collection.

**Net financial debt** decreased by €40.3 million to €233.7 million as of 31 December 2023. The **net financial debt/REBITDA ratio** was 1.4x at 31 December 2023 compared to 1.9x at both 30 June 2023 and 31 December 2022.

**Net operational capex** increased by 108.0% compared to 2022 to €38.5 million (5.0% of revenue). Excluding the one-off investments in North America and the acquisition of registration and exclusive license and distribution rights in EMEA, maintenance capex was 3.0% of revenue, in line with our regular 3 to 3.5% level.

Adjusted for the above-mentioned one-off capex, **free cash flow** increased by 11.6% compared to 2022 to €101.5 million.

#### Financial calendar 2024

11 April 2024	Trading update first quarter 2024
1 August 2024	Half year results 2024
10 October 2024	Trading update third quarter 2024

#### Statement by the statutory auditor

The statutory auditor, Deloitte Bedrijfsrevisoren BV, represented by Ine Nuyts, has confirmed that the audit procedures have been substantially completed. The audit procedures revealed no material adjustments that should be applied to the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement as included in this press release.

#### Further information

Karen Berg  
Global Investor Relations Manager  
Tel. +31 6 53 44 91 99  
[karen.berg@fagron.com](mailto:karen.berg@fagron.com)

#### About Fagron

Fagron is a leading global company active in pharmaceutical compounding, focusing on delivering personalized medicine to hospitals, pharmacies, clinics, and patients in more than 30 countries around the world.

The Belgian company Fagron NV has its registered office in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. Fagron's operational activities are managed by the Dutch company Fagron BV, which is headquartered in Rotterdam.

#### Important information regarding forward-looking statements

Certain statements in this press release may be deemed to be forward-looking. Such forward-looking statements are based on current expectations and are influenced by various risks and uncertainties. Consequently, Fagron cannot provide any guarantee that such forward-looking statements will, in fact, materialize and cannot accept any obligation to update or revise any forward-looking statement as a result of new information, future events or for any other reason.

*In the event of differences between the English translation and the Dutch original of this press release, the latter prevails.*





## Consolidated income statement

(€ '000)	2023	2022
<b>Operating income</b>	<b>767,193</b>	<b>695,346</b>
Revenue	762,991	683,881
Other operating income <sup>5</sup>	4,202	11,466
<b>Operating expenses</b>	<b>658,560</b>	<b>597,437</b>
Trade goods	301,670	281,374
Services and other goods	128,709	116,342
Employee benefit expenses	186,512	158,130
Depreciation and amortization	39,311	35,480
Other operating expenses	2,358	6,111
<b>Operating profit</b>	<b>108,633</b>	<b>97,909</b>
Financial income	5,324	8,833
Financial expenses	-29,512	-18,973
<b>Profit before tax</b>	<b>84,445</b>	<b>87,769</b>
Taxes	13,401	17,703
<b>Net profit (loss)</b>	<b>71,044</b>	<b>70,066</b>
<b>Attributable to:</b>		
Shareholders of the company (net profit)	70,547	69,612
Non-controlling interest(s)	497	454
<b>Profit (loss) per share attributable to shareholders during the period</b>		
Profit (loss) per share (€)	0.97	0.96
Diluted profit (loss) per share (€)	0.97	0.96

<sup>5</sup> The decrease relates mainly to the badwill of the 2022 acquisition of the 503B facility in Boston (€5.5 million).



## Consolidated statement of comprehensive income

(€ '000)	2023	2022
<b>Net profit (loss) for the financial year</b>	<b>71,044</b>	<b>70,066</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of post-employment benefit obligations	253	1,964
Tax relating to items that will not be reclassified	-63	-491
<b>Items that may be subsequently reclassified to profit or loss</b>		
Interest hedge	-438	7,384
Currency translation differences	2,997	18,468
<b>Other comprehensive income for the year net of tax</b>	<b>2,750</b>	<b>27,325</b>
<b>Total comprehensive income for the year</b>	<b>73,794</b>	<b>97,391</b>
<b>Attributable to:</b>		
Shareholders	73,297	96,936
Non-controlling interests	497	454



## Consolidated statement of financial position

(€ '000)	2023	2022
<b>Non-current assets</b>	<b>671,053</b>	<b>653,000</b>
Goodwill	434,361	429,768
Intangible assets	48,560	33,633
Property, plant, and equipment	109,825	104,086
Leasing and similar rights	38,110	39,510
Financial assets	4,199	4,210
Financial instruments	2,515	13,277
Other non-current fixed assets	4,579	3,731
Deferred tax assets	28,904	24,785
<b>Current assets</b>	<b>335,901</b>	<b>318,010</b>
Inventories	113,938	108,337
Trade receivables	62,052	60,722
Financial instruments	4,268	451
Other receivables	22,636	23,163
Cash and cash equivalents	133,008	125,337
<b>Total assets</b>	<b>1,006,954</b>	<b>971,010</b>
<b>Equity</b>	<b>467,627</b>	<b>410,518</b>
Shareholders' equity (parent)	463,754	404,541
Non-controlling interests	3,872	5,977
<b>Non-current liabilities</b>	<b>364,070</b>	<b>389,484</b>
Provisions	1,993	2,024
Pension obligations	2,596	2,739
Deferred tax liabilities	1,976	4,352
Debt	325,039	346,673
Financial instruments	440	0
Lease liabilities	32,026	33,697
<b>Current liabilities</b>	<b>175,258</b>	<b>171,009</b>
Debt	0	9,461
Lease liabilities	9,678	9,548
Trade payables	104,932	97,856
Tax liabilities for the current year	10,129	7,993
Other current taxes, remuneration and social security	33,854	30,777
Other current payables	16,294	15,191
Financial instruments	371	181
<b>Total liabilities</b>	<b>539,328</b>	<b>560,493</b>
<b>Total equity and liabilities</b>	<b>1,006,954</b>	<b>971,010</b>



## Consolidated statement of changes in equity

(€ '000)	Share capital & share	Other reserves	Cash flow hedge reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as of 1 January 2022</b>	<b>520,785</b>	<b>-277,154</b>		<b>-18,823</b>	<b>95,297</b>	<b>320,105</b>	<b>5,361</b>	<b>325,466</b>
Profit (loss) for the period					69,612	69,612	454	70,066
Other comprehensive income		19,780	7,384			27,163	161	27,325
<b>Total comprehensive income for the period</b>		<b>19,780</b>	<b>7,384</b>		<b>69,612</b>	<b>96,775</b>	<b>616</b>	<b>97,391</b>
Capital increase	453					453		453
Declared dividends					-14,592	-14,592		-14,592
Share-based payments		1,799				1,799		1,799
<b>Balance as of 31 December 2022</b>	<b>521,238</b>	<b>-255,575</b>	<b>7,384</b>	<b>-18,823</b>	<b>150,317</b>	<b>404,541</b>	<b>5,977</b>	<b>410,518</b>
Profit (loss) for the period			-3,583		74,130	70,547	497	71,044
Other comprehensive income		3,404	-438			2,967	-217	2,750
<b>Total comprehensive income for the period</b>		<b>3,404</b>	<b>-4,021</b>		<b>74,130</b>	<b>73,514</b>	<b>280</b>	<b>73,794</b>
Capital increase	3,293					3,293		3,293
Treasury shares				-2,257		-2,257		-2,257
Declared dividends					-18,175	-18,175	-225	-18,400
Share-based payments		2,429				2,429		2,429
Change in non-controlling interests		409				409	-2,160	-1,751
<b>Balance as of 31 December 2023</b>	<b>524,531</b>	<b>-249,333</b>	<b>3,363</b>	<b>-21,080</b>	<b>206,273</b>	<b>463,754</b>	<b>3,872</b>	<b>467,627</b>



## Consolidated cash flow statement

(€ '000)	2023	2022
<b>Operating activities</b>		
Profit before taxes from continued operations	84,445	87,769
Taxes paid	-18,762	-17,454
Adjustments for financial items	24,188	10,140
Total adjustments for non-cash items	41,069	31,143
Total changes in working capital	-6,306	-2,140
<b>Total cash flow from operating activities</b>	<b>124,633</b>	<b>109,458</b>
<b>Investment activities</b>		
Capital expenditure	-38,473	-18,497
Investments in existing shareholdings (subsequent payments) and in new holdings	-6,283	-53,997
Proceeds from sold shareholdings	0	3,226
<b>Total cash flow from investment activities</b>	<b>-44,757</b>	<b>-69,269</b>
<b>Financing activities</b>		
Capital increase	3,293	453
Purchase own shares	-2,257	0
Dividends	-18,265	-14,571
New debt	0	135,000
Reimbursement of debt	-28,000	-85,727
Payment of lease obligations	-11,797	-9,396
Interest received	5,324	3,569
Interest paid	-22,578	-15,476
<b>Total cash flow from financing activities</b>	<b>-74,279</b>	<b>13,852</b>
<b>Total net cash flow for the period</b>	<b>5,598</b>	<b>54,042</b>
Cash and cash equivalents – start of period	125,337	70,646
Gains (losses) from currency translation differences	2,072	649
Cash and cash equivalents – end of period	133,008	125,337
<b>Changes in cash and cash equivalents</b>	<b>5,598</b>	<b>54,042</b>



## Development net financial debt

(€ '000)	
<b>Net financial debt on 31 December 2022</b>	<b>274,042</b>
Operational cash flow	-124,633
Capital increases	-3,293
Purchase own shares	2,257
Acquisitions and subsequent payments for acquisitions	6,388
Capital expenditure	38,473
Dividends paid	18,265
Net interests	17,253
Exchange rate differences	-5,090
Impact IFRS 16	10,074
<b>Net financial debt on 31 December 2023</b>	<b>233,735</b>

## Alternative performance indicators

(€ '000)	2023	2022
<b>Operating profit (EBIT)</b>	<b>108,633</b>	<b>97,909</b>
Depreciation and amortization	39,311	35,480
<b>EBITDA</b>	<b>147,944</b>	<b>133,389</b>
Non-recurring result <sup>6</sup>	1,010	-2,665
<b>REBITDA</b>	<b>148,954</b>	<b>130,724</b>
<b>Net financial debt</b>		
Non-current financial debt	325,039	346,673
Non-current lease liabilities	32,026	33,697
Current financial debt	0	9,461
Current lease liabilities	9,678	9,548
Cash and cash equivalents	133,008	125,337
<b>Total net financial debt</b>	<b>233,735</b>	<b>274,042</b>
Inventories	113,938	108,337
Trade receivables	62,052	60,722
Trade payables	-104,932	-97,856
<b>Operational working capital</b>	<b>71,058</b>	<b>71,203</b>
Total cash flow from operating activities	124,633	109,458
Capital expenditure	-38,473	-18,497
<b>Free cash flow</b>	<b>86,160</b>	<b>90,961</b>

<sup>6</sup> Including the badwill of the 2022 acquisition of the 503B facility in Boston (€5.5 million).