Brevane Dispensing Systems S.A.S.

Supporting information

FY2025 accounts | EUR millions

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Financial statements, forecasts, comparable companies, transactions and DCF calculations are in the valuation workbook.

1 First and last mandatory prompts

You are asked to submit the first and last prompt when using the AI chat (those are on top of your 6 available prompts). You must copy and paste them directly into the chat, **without modification**. You are allowed to use them at the beginning/end of your Part I's prompts.

The first mandatory prompt:

For this exam, follow these instructions for the next 7 prompts in this chat. Use only the information contained in this chat and in any file I upload here. Do not rely on memory, prior conversations, custom instructions, or personal context outside this chat. Do not assume knowledge of my previous work unless it appears in this chat or in the uploaded files. Keep answers concise and task-focused. When I later ask for the transcript, reproduce all prompts and responses from this chat exactly, in chronological order, without omission, rewriting, summarization, reordering, or cleanup.

The last mandatory prompt:

Produce a complete Markdown transcript of this conversation for my examination submission. Include every user prompt and AI response, in chronological order, up to and including this request (but excluding your response to this request). Requirements: 1) Reproduce the original text of each message exactly, without summarizing, paraphrasing, correcting, reorganizing or omitting any content. 2) Clearly identify each message as User or Assistant, preserving its original order. 3) Include timestamps only if they are available from the conversation record. Do not invent them. 4) For uploaded files, report their filenames at the point where they were attached. Do not reproduce or summarize their contents, including the Excel workbook or PDF documents. 5) Include the mandatory opening prompt, all six examination prompts, any additional instructions or follow-up messages, and the AI's responses. 6) If any message is unavailable or cannot be reproduced exactly, explicitly identify that limitation. Never reconstruct missing text from memory or invent content. Said so, create a downloadable .md file containing the transcript. If direct file creation is unavailable, provide the complete Markdown text so that I can save it manually. Do not add an introduction, commentary, evaluation or summary.

2 Company profile

Brevane Dispensing Systems S.A.S. | Company information, January 2026

The business

Brevane Dispensing Systems S.A.S. designs and manufactures pumps, sprays and airless dispensers. The company was founded in 1981 at Évreux, in Normandy, and is privately held: the founding family owns the majority of the shares and a financial investor has held a minority stake since 2019. Brevane employs about 2,100 people at three plants and reported revenue of EUR 400.0m in FY2025, of which about 78% in Europe, 12% in North America and the rest mainly in the Middle East and Asia.

FY2025	Personal Care	Healthcare
Revenue	EUR 260.0m (65%)	EUR 140.0m (35%)
Products	Fine-mist sprays, fragrance and lotion pumps, airless dispensers	Nasal-spray pumps, multi-dose preservative-free pumps
Customers	About 180 beauty brand owners	About 40 pharmaceutical and consumer-health companies
Plants	Évreux (France), Brno (Czech Republic)	Freiburg (Germany), validated cleanroom

Personal Care

Personal Care supplies dispensing systems for skincare, fragrance, haircare and body care. Brands increasingly favour airless dispensers, which protect sensitive formulas from air and allow refill formats, and Brevane has expanded its airless range accordingly. The ten largest Personal Care customers account for about 52% of the family's revenue. The largest, Lisaure Group, accounted for about 8.5% of Brevane's FY2025 revenue, mainly for its existing fragrance ranges.

Healthcare

Healthcare supplies nasal-spray and multi-dose pumps for prescription and over-the-counter (OTC) medicines. Each pump is part of the medicine's registration: it is referenced in the customer's product dossier and tested with the formulation. Changing the pump of an approved product therefore requires new testing and a regulatory variation, and customers rarely change supplier during the life of a product. Fennara Consumer Health, a customer since 2017, accounted for about 5% of FY2025 revenue, with pumps for several products, including its prescription corticosteroid nasal spray.

Product development and qualification

New Personal Care programs are developed with the customer's packaging teams over 12 to 24 months, including tooling, decoration and line qualification. Once the customer has approved the components and the production line, series deliveries for a launch normally begin three to four months before the product reaches the market, while the customer fills and ships its launch stocks. In Healthcare, development takes longer and includes stability and functional testing with the medicine.

Contracts and pricing

Personal Care prices are agreed annually with each customer. Most contracts index the cost of standard resins to published market prices, adjusted quarterly.

Healthcare supply agreements run for three to five years and specify minimum annual volumes. Healthcare prices are reviewed on 1 January of each year on the basis of the previous year's documented cost changes, and any increase is agreed with the customer. The January 2023 review, which followed the resin and energy cost increases of 2022, recovered about half of the documented increase. Brevane commits capacity dedicated to a single customer only under a supply agreement with minimum annual volumes.

Production and capacity

Plant	Production	Capacity (EUR m of revenue, 2025 prices)	FY2025 utilization
Évreux, Brno	Personal Care: airless dispensers and lotion pumps at Évreux; fine-mist sprays and fragrance pumps at Brno	350	74%
Freiburg	Healthcare: nasal-spray and multi-dose pumps, assembled in a validated cleanroom	180	78%

Two capacity projects were completed over 2024–2025: an extension of the Freiburg cleanroom, in operation since the end of 2024, and a new airless line at Évreux, installed and qualified during 2025. Taking into account changeovers, validation runs and maintenance, management considers practical maximum utilization to be about 92%. Additional Healthcare capacity requires validated cleanroom space; a new line takes about twelve months from order to validated production.

Materials and suppliers

The main raw materials are plastic resins, mainly polypropylene and polyethylene, together with stainless-steel springs and balls and elastomer gaskets. Personal Care uses standard resin grades, bought from several suppliers under annual contracts.

Healthcare pumps are moulded from a medical-grade polypropylene that is certified for pharmaceutical use and referenced in customers' product dossiers. Veltrona Polymers is the only qualified source of this grade; qualifying an alternative grade would take 18 to 24 months, including testing and customers' regulatory variations. Purchases of medical-grade polypropylene amounted to about 12% of Healthcare revenue in FY2025. Purchase prices are fixed under the current supply agreement until 31 December 2026.

3 Management information and forecasts

Brevane management | Forecast memorandum, January 2026

FY2025 results

Revenue rose by 5.8% to EUR 400.0m, with volume growth in both product families. Reported EBITDA was EUR 62.0m, a margin of 15.5%. Utilization was 74% in Personal Care and 78% in Healthcare, as the two capacity projects came into operation. Net debt at 31 December 2025 was EUR 180.0m (financial debt of EUR 205.0m less cash of EUR 25.0m).

Reported EBITDA includes EUR 1.8m of pre-launch costs for the new airless line at Évreux. The line's operating team, at a cost of about EUR 0.15m a month, was in place throughout 2025 to install and qualify the line with Lisaure before series production. These costs continue until series deliveries begin. Management considers them non-recurring and presents management-adjusted EBITDA of EUR 63.8m, excluding them.

Management Case 2026–2030

EUR m	2025A	2026E	2027E	2028E	2029E	2030E
Revenue – Personal Care	260.0	287.6	311.8	321.2	330.8	340.7
of which: new airless program (Lisaure)	–	19.8	36.0	37.1	38.2	39.3
Revenue – Healthcare	140.0	147.0	154.3	162.1	170.2	178.7
Revenue	**400.0**	**434.6**	**466.2**	**483.3**	**501.0**	**519.4**
Revenue growth	5.8%	8.6%	7.3%	3.7%	3.7%	3.7%
Utilization – Personal Care	74%	81%	86%	88%	89%	90%
Utilization – Healthcare	78%	80%	83%	86%	89%	92%
EBITDA margin	15.5%	17.0%	17.8%	18.1%	18.3%	18.5%
D&A	22.0	23.0	23.6	24.1	24.6	25.0
CapEx / revenue	8.5%	6.5%	5.5%	4.8%	4.5%	4.4%

2025A EBITDA margin on reported EBITDA. The complete forecast is in the valuation workbook.

Revenue. Excluding the new airless program, management expects Personal Care revenue to grow by 3.0% a year (1.5% volume, 1.5% price/mix) and Healthcare revenue by 5.0% a year (3.5% volume, 1.5% price/mix), in line with recent years.

The new airless program supplies Lisaure's refillable skincare range from the line installed at Évreux in 2025. Lisaure qualified the line in the fourth quarter of 2025. The forecast assumes series deliveries from January 2026 for Europe and from October 2026 for international markets, at full-rate monthly revenue from the start of deliveries of EUR 1.2m for Europe and EUR 1.8m for international markets. Program revenue is therefore EUR 19.8m in 2026 and EUR 36.0m in 2027, and then grows with the rest of Personal Care.

Margins. Revenue less variable costs is 34% of revenue in Personal Care and 40% in Healthcare, the FY2025 levels, which management expects to maintain; the forecast assumes that material costs move in line with selling prices. Fixed costs were EUR 80.6m in FY2025, excluding the pre-launch costs, and are expected to rise by 2.5% a year. As series deliveries are assumed to begin in January 2026, the forecast includes no pre-launch costs. The EBITDA margin rises to 18.5% by 2030 as the new capacity is used.

Investment and working capital. No further capacity projects are planned: existing capacity accommodates the forecast volumes, with utilization reaching about 90% in Personal Care and 92% in Healthcare in 2030. Capital expenditure of 6.5% of revenue in 2026 completes the tooling of the airless program. It then declines towards 4.4% of revenue by 2030, as the recently installed equipment requires less replacement. Operating working capital is expected at 14% of revenue, against 14.5% at the end of 2025.

Valuation parameters. Management uses a WACC of 9.5%, a continuing growth rate of 2.0% and a tax rate of 25%. The continuing value applies the 2.0% growth rate to the 2030 free cash flow; management has not prepared a separate projection of capital expenditure beyond 2030.

Capacity request not included in the forecast

In December 2025 Fennara asked Brevane to reserve 55 to 65 million pumps a year from 2028 for the OTC version of its corticosteroid nasal spray, whose prescription version uses a Brevane pump. The request is non-binding. Brevane quoted EUR 0.21 per pump, conditional on a supply agreement with minimum annual volumes; the price would be reviewed annually from 2029. Fennara expects to select its supplier or suppliers by June 2026. Initial deliveries in 2027 would be about a quarter of the annual volume.

Freiburg cannot produce these volumes in addition to the forecast: its utilization would reach about 93% in 2028 and 99% in 2030. The volumes would require a dedicated line, which Brevane

would order only after signing a supply agreement:

- capital expenditure of EUR 13.0m (EUR 5.0m in 2026 and EUR 8.0m in 2027), depreciated over ten years, and about twelve months from order to validated production;
- fixed operating costs of EUR 1.6m a year from July 2027, validation costs of EUR 1.0m in 2027 and maintenance capital expenditure of EUR 0.3m a year from 2028;
- variable costs in line with the rest of Healthcare.

4 Lisaure: results-call excerpt

Lisaure Group | FY2025 results conference call, 12 February 2026 | Edited excerpt

Hélène Marchetti Chief Executive Officer

Good morning, everyone. 2025 was a solid year. Group sales reached EUR 3.4 billion, up 4.1% like-for-like. Skincare grew by 6%, fragrance by 2%, and make-up was flat. Travel retail was weak in the second half, mainly in Asia, and we expect that to continue in the first part of 2026.

Our main priority for 2026 is the launch of our new refillable skincare range. Consumers buy the dispenser once and then replace only the inner refill, which reduces packaging and builds loyalty. The full range covers serums, creams and eye care in airless packaging, with more references than any launch we have made.

We have decided to launch the range in Europe in September 2026, rather than in the spring as we indicated in October. Consumer testing of the refill mechanism took longer than we planned, and an autumn launch fits the retail calendar better. The international rollout, in North America, the Middle East and our main Asian markets, will start in October 2027 instead of early 2027. This also gives us time to complete product registrations in two Asian markets.

Our ambition for the range is unchanged. As refills build a base of repeat purchases, we expect it to become one of the most important franchises in our skincare portfolio by 2029.

Thomas Ravel Chief Financial Officer

On the financial side, we will invest about EUR 45m in advertising and promotion behind the launch, mainly in the second half of 2026 and in 2027. Because of the number of references and the refill system, we will build launch stocks somewhat earlier than for a normal launch, so inventories will rise during the summer. The packaging components are qualified and our partners' lines are ready, so the timing now depends on our own launch calendar, not on supply. For 2026 we expect operating margin to be broadly stable at around 15.8%, with the launch costs offset by mix and savings.

Question Julia Brandt, equity analyst

To be clear on timing: the range is on shelf in Europe from September 2026, so the full year 2027 in Europe, and the rest of the world only from October 2027?

Hélène Marchetti

Yes, that is right. Europe launches in September and is on shelf for the whole of 2027. International markets start in October 2027. We have not changed the volumes we expect at maturity, or the volumes we have shared with our partners; what has changed is the start date.

Question Marc Delorme, equity analyst

Does the delay reflect any doubt about consumer demand for refills?

Hélène Marchetti

No. The tests were positive: repurchase intent for the refills was well above our usual benchmarks. We wanted the refill mechanism to be right before launch, and we are confident in the range.

5 Fennara: results-call excerpt

Fennara Consumer Health | FY2025 results conference call, 19 February 2026 | Edited excerpt

Anders Lykke Chief Executive Officer

Thank you, and good afternoon. Fennara delivered organic sales growth of 5.2% in 2025, to EUR 1.9 billion, with good performances in allergy and respiratory care and in digestive health. Our operating margin improved by 40 basis points to 19.1%.

The most important event of the year came in December, when the authorities approved the switch of our corticosteroid nasal spray for allergic rhinitis from prescription to over-the-counter status in our main European markets. It is the largest switch in our history. We plan to launch the OTC product in time for the 2028 allergy season, and we expect it to become one of our three largest brands.

To prepare, we are investing about EUR 60m in two new filling lines at our main manufacturing site, with a combined capacity of about 90 million units a year. Construction starts this spring. We plan the first commercial batches in September 2027, to build stocks for the launch, and we expect the lines to run at about 70% of capacity in 2028 and about 85% from 2029.

The spray device is the same as in the prescription product. It is already validated with our current pump supplier, which keeps the switch simple from a regulatory point of view.

Maren Solberg Chief Financial Officer

Capital expenditure for the new lines will be about EUR 20m in 2026 and EUR 40m in 2027. Group capital expenditure will therefore be around 6% of sales in both years before returning to about 4%. We will also build inventories in the second half of 2027 ahead of the launch.

Question Lena Vogt, equity analyst

At these volumes, will you rely on a single pump supplier?

Anders Lykke

That is under review. Supply security matters at this scale, so we are looking at dual sourcing of the pump. A second device would need its own validation work, so we will weigh that against timing. We expect to conclude our component sourcing by the middle of the year. We have not yet placed orders or signed supply agreements for components for the new lines.

Question Lena Vogt, equity analyst

How firm is the volume plan if the OTC launch builds more slowly?

Maren Solberg

Our plan assumes a gradual ramp-up, which is why we expect about 70% utilization in the first year. Our component agreements will reflect that: we commit to minimum volumes once the launch plan is final, and we keep flexibility above that.

Question Daniel Okafor, equity analyst

Does the switch change the economics of the prescription product?

Anders Lykke

Prescription volumes will decline gradually as consumers move to the OTC product, but the OTC market is several times larger, and pricing is set by us rather than by reimbursement. Overall, we expect the franchise to roughly double its sales by 2030.

6 Veltrona: results-call excerpt

Veltrona Polymers | FY2025 results conference call, 26 February 2026 | Edited excerpt

Katrin Wessel Chief Executive Officer

Good morning. 2025 was a difficult year for the polyolefin industry. New capacity in Europe and imports kept pressure on prices for standard grades, and our sales fell by 3% to EUR 2.6 billion, on volumes up 1%. EBITDA was EUR 285m, with the margin down 1.2 points.

Our specialty businesses held up well. Medical and pharmaceutical grades, about 8% of group sales, grew by 6%. These grades go into drug-delivery devices, diagnostics and primary packaging, and they require certified production, full documentation and strict change control.

We are now concentrating all production of medical-grade polypropylene at our certified site in Belgium and will stop medical production at our older site at the end of 2026. The Belgian site has dedicated lines and the quality system that pharmaceutical and device customers require, and it gives them a single, fully documented source. Supply is not restricted: all current medical customers will be supplied in full from the certified site.

Jonas Behr Chief Financial Officer

On pricing: from 1 January 2027, our medical grades will carry a premium of about 20% over current contract prices. The premium reflects the cost of the certified site, dedicated capacity and our extended change-notification commitments. Most medical-grade contracts run until the end of 2026, so the new terms will apply as they are renewed from January 2027. Standard grades are not affected. With the capacity available in Europe, we expect standard-grade prices to remain broadly stable in 2026 and 2027.

Question Sophie Laurent, equity analyst

A 20% increase is significant. Will customers not switch to other suppliers?

Katrin Wessel

Switching a medical grade is not simple. The grade is referenced in our customers' files and, often, in their customers' regulatory dossiers, so requalifying another grade typically takes between eighteen months and two years. We have discussed the new terms with our main accounts. They value security of supply and documentation, and we do not expect significant losses.

Question Sophie Laurent, equity analyst

What do you assume for volumes and margin in the medical business?

Jonas Behr

We assume stable medical volumes in 2027 and the full premium on renewed contracts. Together with lower costs from consolidating production, we expect the medical business to add around 1.5 points to the group EBITDA margin from 2027.

Question Henrik Dahl, equity analyst

Are you planning similar changes for packaging grades?

Katrin Wessel

No. Standard packaging grades are a volume business. There we are focused on costs and on recycled content, which is where our packaging customers want to work with us.