## CFH RO: Strong Q1 2026, with margins boosted by volume growth and lower input costs | POSITIVE

* CFH delivered strong Q1 2026 results, with earnings growth materially ahead of revenues amid lower raw material costs, favourable mix and disciplined cost control. Q1'26 revenues increased by 7.3% Y/Y to RON 268.8m, while EBITDA advanced by 30.0% Y/Y to RON 50.7m. Q1'26 net profit rose by 53.2% Y/Y to RON 30.9m. EBITDA margin expanded by 3.3pp Y/Y to 18.9%, while net margin improved to 11.5% from 8.0% in Q1'25.

* Operationally, the quarter was primarily driven by continued volume growth in the core Cold Cuts segment, which advanced by 8% Y/Y to RON 235.6m and represented around 88% of total revenues. Importantly, growth was volume-led, with management highlighting broadly stable average selling prices Y/Y. Within Cold Cuts, the flagship Cris-Tim brand grew by 6% Y/Y to RON 166.7m, while premium brand Matache Măcelaru materially outperformed, increasing by 14% Y/Y to RON 34.2m. Other brands and private label production increased by 9% Y/Y. Ready Meals delivered a more moderate but still positive performance, with revenues increasing by 3% Y/Y to RON 29.4m, primarily supported by a 6% increase in average selling price per tonne, which more than offset the 3% decline in volumes.

* The key positive surprise in the quarter came from margins and cost control. Operating expenses increased by only 0.6% Y/Y to RON 226.3m, despite higher personnel expenses (+13.5% Y/Y) and increased advertising and marketing spending (+66% Y/Y, tied to post-IPO brand investment and new product launches). The main operational driver behind EBITDA expansion was the improvement in raw material costs, with raw materials, consumables and merchandise expenses declining by 5.7% Y/Y to RON 137.3m.

* Segment profitability remained heavily skewed towards Cold Cuts, which generated EBITDA of RON 41.6m (+31% Y/Y), while Ready Meals EBITDA increased by 26% Y/Y to RON 8.3m. Below EBITDA, EBIT increased by 39.3% Y/Y to RON 37.4m despite a 9.6% Y/Y increase in D&A. Financial result also improved materially, with financial costs declining by 71.3% Y/Y to RON 1.2m following refinancing and capital optimisation initiatives completed during 2025.

* Forward looking, management reiterated a constructive outlook for 2026, targeting revenues of around RON 1.2b, EBITDA of RON 209.3m and gross profit of RON 146.6m.

2026 represents a major investment year for the company, with planned CAPEX of RON 226.8m, the largest annual investment programme in the company's history, of which around RON 175m is allocated to the Investalim project focused on capacity expansion, automation and logistics infrastructure.

* The Q1 2026 earnings call will take place on 19 May 2026 at 12:00 local time. Interested participants may register at investors.cristim.ro.