

Sempora market study sees PharmaSGP as the winner in the corona crisis

- **PharmaSGP in 1st place by far among almost 50 OTC players in performance comparison of Q1 vs. Q2 2020**
- **Strategy consultancy Sempora Consulting sees significant competitive advantage for PharmaSGP**
- **Speed in product launches, flexibility in the marketing approach and a clear focus on the end user pave the way for sustainable market success**

Gräfelfing, September 2, 2020 – Thanks to its business model, PharmaSGP Holding SE is considered a winner in the corona crisis. Sempora Consulting, a strategy consultancy that specializes in the healthcare industry, has come to this conclusion in a performance comparison between OTC players in Germany.

According to the study, manufacturers with a strong focus on direct sales via doctors and pharmacies were particularly affected by the Covid-19 pandemic – in some cases with dramatic drops in sales. The study claims they were forced to massively cut back on their sales force support for pharmacies and doctors as a result of the contact restrictions. In addition, manufacturers whose product ranges focus on individual indications were found to be affected more severely.

By contrast, the clear winners in the crisis are those companies that have a clear focus on directly approaching target audiences (*D2C = direct to consumer*) and a broad portfolio with a high number of new products. PharmaSGP's business model is therefore superior to its competitors in the crisis. As a pure consumer health company with its clear D2C approach, PharmaSGP is said to be able to cope with structural market changes more promisingly. This is also underlined by the current study comparing the performance of OTC players in Germany on the basis of end customer sales in pharmacies. The performance comparison Q1 vs. Q2 2020 between nearly 50 companies shows that PharmaSGP is the winner in the crisis and comes in first place by far.

The study also gives PharmaSGP a good rating for the future. Speed in introducing products, flexibility in the marketing approach and a clear focus on the end user pave the way to sustainable market success. Unlike many other companies, PharmaSGP is claimed to be very well positioned and therefore has a significant competitive advantage. In addition, innovations with high relevance for the end consumer are a key factor in its successful business development.

“PharmaSGP has been 100% oriented towards the requirements and needs of consumers from the very beginning and has taken a direct sales approach. Since then, we have built up exceptional expertise in this area, which is a clear competitive advantage. Sempora's findings confirm our impression of the business and market development in the first half of the year and encourage us to use our strategy to take advantage of the opportunities in our highly attractive market,” said Natalie Weigand, CEO of PharmaSGP.

The complete study is available on the Sempora Consulting website under the following link: <https://www.sempora.com/files/pdf/200831%20Performance-Report%20OTC%20Manufacturers%20ENG.pdf>

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ABOUT PHARMASGP HOLDING SE

PharmaSGP is a pure-play consumer health company with a broad portfolio of leading chemical-free non-prescription pharmaceuticals sold over the counter (“OTC”) and other healthcare products. PharmaSGP’s products are sold exclusively through pharmacies. Its products are based on natural active pharmaceutical ingredients with documented efficacy and fewer known side effects than most chemical-based pharmaceuticals.

The Company’s core brands cover chronic indications, including pain and other age-related ailments. In Germany, PharmaSGP is the market leader for systemic chemical-free pain remedies with its brand families RUBAXX® for rheumatic pain and Restaxil® for neuralgic pain. Furthermore, PharmaSGP has introduced leading products against sexual weakness and vertigo symptoms.

Since introducing the first product from its current product portfolio in 2012, PharmaSGP has successfully exported its business model to other European countries, including Austria, Italy, France, Belgium and Spain, and it recently obtained marketing authorizations for three of its best-selling products in France.

PharmaSGP generated revenues of €62.6 million at an EBIT margin of 35.8% in 2019. In order to further expand its competitive position, PharmaSGP plans to increase the number of indications covered by PharmaSGP’s product offering, leverage established brand families to introduce new chemical-free OTC and other healthcare products, increase PharmaSGP’s European footprint, and accelerate its growth strategy by capitalizing on selected M&A opportunities.