PharmaSGP publishes H1 Report 2020 and confirms strong performance and positive outlook for the full year

- **Group revenues rise significantly by 7.2% to € 33.8 million in H1 2020, adjusted[1] EBIT increases disproportionately by 17.7% to € 10.6 million**
- **Systematic expansion of the product portfolio and advancing internationalization as key growth drivers**
- **Consistent implementation of the strategy for H2 2020: numerous product launches planned in both Germany and foreign markets, including the launch of the first PharmaSGP drugs in France**
- **Maria-Johanna Schaecher expands Management Board as CBDO – thus even stronger focus on internationalization and external growth in the future**
- **Forecast 2020: Compared to the first half of 2020 further increase in revenue growth and the adjusted EBIT margin**

Gräfelfing, September 30, 2020 – PharmaSGP Holding SE today published its full report for the first half of 2020. Despite a market environment strongly influenced by the corona pandemic, the successful course was continued in the first half of 2020. PharmaSGP increased its revenues driven by the development in foreign markets and the strong performance of the product category "Health Brands". Adjusted[1] EBIT increased disproportionately and resulted in an adjusted EBIT margin of 31.5%.

The 7.2% increase in Group revenues to € 33.8 million (H1 2019: € 31.6 million) was based on the growth rate in Germany that clearly outperformed the market, but especially also on the further expansion of international activities.

Revenues in PharmaSGP's home market Germany rose by 4.9% to € 24.6 million in the first half of 2020; this equates to a 72.7% share of total revenues (H1 2019: € 23.4 million or 74.2%). The successful international expansion contributed even more to the growth. Revenues in foreign markets increased by 13.8% to € 9.2 million or 27.3% of total revenues (H1 2019: € 8.1 million or 25.8%).

The consistent implementation of the strategy is also reflected in the significant rise in revenues of the product category "Health Brands", which increased by € 5.1 million to € 28.6 million in the first half of the year. In the German-speaking countries, the product category that is the main focus of PharmaSGP's product strategy increased by 20.3%, in the rest of Europe by 29.9%. As expected, revenues in the product category "Beauty Brands" declined by € 2.4 million to € 5.2 million (H1 2019: € 7.6 million).

Adjusted[1] earnings before interest and taxes (EBIT) increased disproportionately to revenues by 17.7% to € 10.6 million (H1 2019: € 9.0 million). The adjusted EBIT margin thus increased to 31.5% (H1 2019: 28.7%). Unadjusted EBIT amounted to € 9.5 million and corresponds to an unadjusted EBIT margin of 28.2%.

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[1] Adjusted for one-time effects of € 1.1 million that include consulting costs and fees for the Group's corporate and organizational structuring.

Natalie Weigand, CEO of PharmaSGP: *"We are extremely satisfied with our strong business performance in the first half of 2020. We have been very successful in further developing our product portfolio through line extensions, entering into new indication areas and further expanding the international markets. With a total of seven product launches, we even exceeded the planned number of new products in the first half of the year. In particular, we have significantly strengthened the 'Health Brands', which are the main focus of our product strategy."*

As a pure-play consumer health company with a clear focus on end consumers, a flexible D2C marketing approach and a very dynamic portfolio development, PharmaSGP has a clear competitive advantage. According to the strategy consultancy Sempora Consulting, the strengths of the business model became particularly evident during the market changes caused by the corona pandemic in the first half of 2020. In a performance comparison between close to 50 competitors on how they developed during the first half of the year, PharmaSGP ranked first by far.

In view of its good market positioning, PharmaSGP has many highly attractive growth opportunities – both organic and inorganic. In order to be able to exploit these opportunities even more consistently, both nationally and internationally, PharmaSGP has increased its management capacity by appointing Maria-Johanna Schaecher (55) Chief Business Development Officer (CBDO). Since September 16, 2020, Mrs. Schaecher is driving forward the implementation of the growth strategy together with CEO Natalie Weigand and CFO Michael Rudolf. Previously, Mrs. Schaecher held many top management positions in the healthcare, biotech and pharmaceutical industries and among others has significant operational experience in M&A and international expansion.

Due to the large number of product launches planned, in particular the upcoming launches of PharmaSGP's first drugs in the French market, the Management Board is quite optimistic for the full year 2020. The Management Board expects to be able to increase the revenue growth rate as well as the EBIT margin of the first half of 2020. These expectations are based on the assumption that there will not be another comprehensive lockdown in the second half of 2020 in connection with the corona pandemic in PharmaSGP's target markets and that product launches proceed as planned.

The complete H1 report 2020 is available for download as of today at ir.sgp-pharma.com in the "Publications" section.

KPI OVERVIEW H1 2020 BY ANNUAL COMPARISON

Group figures (in € million)	**H1 2019**	**H1 2020**	**CAGR**
Revenues	31.6	33.8	7.2%
Adjusted[1] EBIT	9.0	10.6	17.7%
Unadjusted EBIT	9.0	9.5	5.3%
Adjusted[1] EBIT margin	28.7%	31.5%	
Unadjusted EBIT margin	28.7%	28.2%	

Revenues by regions (in € million)	**H1 2019**	**H1 2020**	**CAGR**
Germany	23.4	24.6	4.9%
Italy	3.4	4.1	21.1%
Other European countries	4.7	5.1	8.5%

Share of revenues by regions	**H1 2019**	**H1 2020**
Germany	74.2%	72.7%
Italy	10.8%	12.1%
Other European countries	15.0%	15.2%

Revenues by product category (in € million)	**H1 2019**	**H1 2020**	**CAGR**
Health Brands	23.6	28.6	21.5%
Beauty Brands	7.6	5.2	-31.8%

[1] Adjusted for one-time effects of € 1.1 million that include consulting costs and fees for the Group's corporate and organizational structuring.

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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.