

PharmaSGP publishes Q3 Interim Statement 2020

- **Group revenues raised by 6.2% to € 48.6 million in the first nine months of 2020; adjusted EBIT margin increased to 31.8%**
- **Consistent continuation of the growth strategy by expanding the product portfolio and advancing internationalization**
- **"Health Brands" with +18.2% and foreign markets with +21.4% key revenue drivers in the first nine months of 2020**
- **Hard, partially comprehensive lockdowns in the target markets in Q4, due to the rapidly increasing number of infections**
- **Adjustment of the 2020 forecast due to impaired sales performance and distribution in Q4**

Gräfelfing, November 30, 2020 - PharmaSGP Holding SE recorded an overall increase in revenues of 6.2% in a challenging environment, which was also influenced by the global Covid-19 pandemic in the third quarter of 2020. EBIT adjusted for one-time effects increased faster than revenues and resulted in an adjusted EBIT margin of 31.8%. Despite these achievements, the 2020 forecast has to be adjusted due to expected weaker fourth quarter following COVID-19-related restrictions.

PharmaSGP increased Group revenues in the reporting period to € 48.6 million (9M 2019: € 45.7 million). Revenues in Germany also developed slightly positive compared to the previous year at € 33.6 million (9M 2019: € 33.4 million), although the recovery of the German OTC market continued with reduced momentum and was also below the previous year's level in the third quarter. In line with PharmaSGP's growth strategy, revenues in foreign markets increased at a growth rate of 21.4% to € 15.0 million (9M 2019: € 12.3 million) and reached a 30.8% share of total revenues (9M 2019: 26.9%). The German revenue share was 69.2% (9M 2019: 73.1%).

During the first half of the year, PharmaSGP had already successfully developed its product portfolio through line extensions, the entry into new indication areas, and the expansion of international markets. The Group continued to expand its product portfolio consistently during the third quarter. RubaXX Gicht, a drug for the treatment of rheumatism and gout, strengthens the RubaXX® portfolio in Germany. An innovative CBD gel was introduced in Germany under the Restaxil® brand. In addition, Restaxil UMP B-Complex, a high-quality dietary supplement specially designed to support nerve health, has been rolled out in Germany and Austria. RubaXX® Estratto, a triple phytocomplex for joint function, was added to the RubaXX® brand in Italy. The Mavosten® brand was also further strengthened at the end of the third quarter with Mavosten® Forte.

"Health Brands", which are the main focus of PharmaSGP's product strategy, grew by € 6.4 million to € 41.7 million in the first nine months of 2020, representing an increase of 18.2% over the previous year. Revenues in this product category in the German-speaking region rose by 15.0%, and in the rest of Europe by 39.6%. As anticipated, revenues in the "Beauty Brands" product category decreased by € 3.2 million to € 6.8 million (9M 2019: € 10.0 million).

Thanks to the overall positive business development in the first nine months, earnings before interest and taxes (EBIT), after adjusting for one-time effects¹, grew faster than revenues, rising by 8.0% to € 15.4 million (9M 2019: € 14.3 million). The adjusted EBIT margin thereby increased to 31.8% (9M 2019: 31.3%).

In the first two months of the fourth quarter of 2020, PharmaSGP continued to consistently implement its strategy. For example, the promotion of the new drugs Tipurex (RubaXX[®]) for rheumatic pain and Lonvect (Neradin[®]) for sexual weakness started in the French market and numerous other products were launched in Germany and abroad.

With regard to the COVID-19 pandemic, the fourth quarter has so far been characterized by rapidly rising infection figures, which are significantly higher than in spring. As a result, restrictions on public life in target markets such as Italy, France and Austria have again been significantly extended, in some cases to the point of hard and comprehensive lockdowns.

Natalie Weigand, CEO of PharmaSGP, comments: *"While the COVID 19 pandemic in early 2020 had only a minor impact on our business development, this massively aggravated situation in European countries also had a negative impact on our sales performance and distribution in the fourth quarter. In particular for the new products launched from the end of the third quarter, sales figures are not developing as dynamically as usual and are not in line with our planning for the fourth quarter. In addition, restrictions in the logistics and distribution process have a negative impact on our overall portfolio."* For example, quarantine-related staff shortages at logistics partners lead to delays in product delivery. In addition, new products experience a significantly slower distribution set-up due to staff-related delays in booking the products in wholesalers' catalogues.

The previous forecast for the full year was based on the assumption that there would be no further comprehensive lockdown in the second half of 2020 in connection with the COVID-19 pandemic in the target markets of PharmaSGP and that product launches would contribute to growth as planned. As a result of the factors described above, the Management Board now expects revenue growth and an adjusted EBIT margin below the previous forecast. Previously, a further increase in revenue growth and the adjusted EBIT margin was forecast for the full year 2020 compared to the first half of 2020. In the first half of 2020, PharmaSGP revenue growth was 7.2 % year-on-year and the adjusted EBIT margin was 31.5 %. In view of the currently prevailing situation, which is characterised by the COVID-19 pandemic, it is not yet possible to make a reliable estimate of the revenues and earnings development for the fourth quarter and thus also for the concrete business development for the full year 2020.

The full statement for the first nine months of 2020 is available on the company's website at ir.sgp-pharma.com in the "Publications" section.

¹ The one-time effects amounted to € 1.4 million, and include costs for the corporate and organizational structuring of the PharmaSGP Group, among other items.

OVERVIEW OF KEY FIGURES YEAR-ON-YEAR

Group figures (in € million)	9M 2019	9M 2020	Δ
Revenues	45.7	48.6	6.2%
Adjusted ¹ EBIT	14.3	15.4	8.0%
Unadjusted EBIT	14.3	14.1	-1.7%
Adjusted ¹ EBIT margin	31.3%	31.8%	
Unadjusted EBIT margin	31.3%	28.9%	

Revenues by regions (in € million)	9M 2019	9M 2020	Δ
Germany	33.4	33.6	0.6%
Italy	5.4	6.9	28.0%
Other European countries	6.9	8.1	16.2%

Share of revenues by regions	9M 2019	9M 2020
Germany	73.1%	69.2%
Italy	11.8%	14.2%
Other European countries	15.1%	16.6%

Revenues by product category (in € million)	9M 2019	9M 2020	Δ
Health Brands	35.3	41.7	18.2%
Beauty Brands	10.0	6.8	-31.6%

¹ The one-off effects amounted to € 1.4 million and include costs for the corporate and organisational structuring of the PharmaSGP Group, among other things.

CONTACT

cometis AG
 Claudius Krause
 Phone: +49-611-20585528
 Email: ir@sgp-pharma.com

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.