

PharmaSGP continues its highly profitable growth course in the third quarter of 2020

- **Group revenues grow by 6.2% to € 48.6 million; adjusted EBIT margin increased to 31.8%**
- **Consistent continuation of growth course by expanding the product portfolio and advancing internationalization**
- **Foreign markets and “Health Brands” remain key drivers of strong revenue growth**
- **Forecast 2020: Management Board confirms expectation of revenue growth and adjusted EBIT margin increasing further compared to first half of 2020**

Gräfelfing, November 10, 2020 – PharmaSGP Holding SE has continued its successful course in the first nine months of 2020, posting 6.2% revenue growth. The consumer health company thereby underscores the strengths of its business model, impressively asserting itself in a market environment that continues to be affected by the corona pandemic. The positive trend in foreign markets as well as the company’s systematic expansion of its portfolio in the “Health Brands” product category formed the key growth drivers. EBIT adjusted for one-time effects rose ahead of revenues, resulting in an adjusted EBIT margin of 31.8%.

On the basis of preliminary figures, Group revenues increased by 6.2% to € 48.6 million (9M 2019: € 45.7 million). Although the OTC market in Germany remained below the previous year’s level in the third quarter due to the corona pandemic, PharmaSGP’s revenues in Germany reported a slight uptrend compared to the previous year, amounting to € 33.6 million in the first nine months of 2020 (9M 2019: € 33.4 million). This corresponds to a 69.2% share of revenues (9M 2019: 73.1%). Revenues in foreign markets grew at an above-average rate of 21.4%, in line with the Group’s growth strategy. The positive business trend in Italy and Austria made a major contribution in this context. Overall, foreign revenues increased by € 2.7 million to € 15.0 million (9M 2019: € 12.3 million), thereby accounting for a 30.8% share of total revenues (9M 2019: 26.9%).

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 positive business development, 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%). Unadjusted EBIT amounted to € 14.0 million, which corresponds to an EBIT margin of 28.9%.

Natalie Weigand, CEO of PharmaSGP, comments: *“As part of our growth strategy, we are consistently and systematically developing our product portfolio by launching new products under existing brands, entering into new indication areas, and expanding international markets. With a large number of launches in Germany and abroad, we were very successful in the first nine months of 2020 in this context. At the same time, our pipeline is filled with new products planned for the fourth quarter of 2020. We will be launching two of our established drugs in France for the first time. For this reason, we are convinced that we are excellently positioned for the future, also in light of the general uncertainties in the market caused by the corona pandemic.”*

Based on the good market positioning, further new product launches in Germany and abroad, as well as the imminent launch of the first PharmaSGP drugs in the French market, the Management Board continues to be optimistic about the full year 2020, and confirms the forecast it published in the half-year report.

PharmaSGP will publish its full statement for the first nine months of 2020 on November 30, 2020, 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 PRELIMINARY FIGURES BY ANNUAL COMPARISON

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

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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.