



# PharmaSGP – Jefferies Pan-European Mid-Cap Conference

April 1<sup>st</sup>, 2021

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# Today's presenters



**Natalie Weigand**

Chief Executive Officer

Selected previous experience

*Johnson & Johnson*



**Michael Rudolf**

Chief Financial Officer

Selected previous experience

McKinsey  
& Company





**PHARMASGP IS A CONSUMER HEALTH COMPANY WITH A BROAD PORTFOLIO OF LEADING OTC PHARMACEUTICALS IN THEIR CATEGORIES.**

**WE HAVE CREATED A UNIQUE PAN-EUROPEAN PLATFORM THAT ALLOWS US TO EASILY INTEGRATE AND GROW BRANDS ACROSS ALL MARKETS SUCCESSFULLY.**





# We are addressing a sizeable Continental European Non-Rx market of more than EUR 30bn

OTC general

+

Chemical-free OTC

**Ageing population**

**>32%**

60+ years in Europe in 2030E



**Self-medication**

**~3%**

growth in Continental European markets until 2024E<sup>(1)</sup>



**Risk averse population / authorities**

**Sides effect warnings**



**Risk aware authorities**



**Growing demand for chemical-free products**

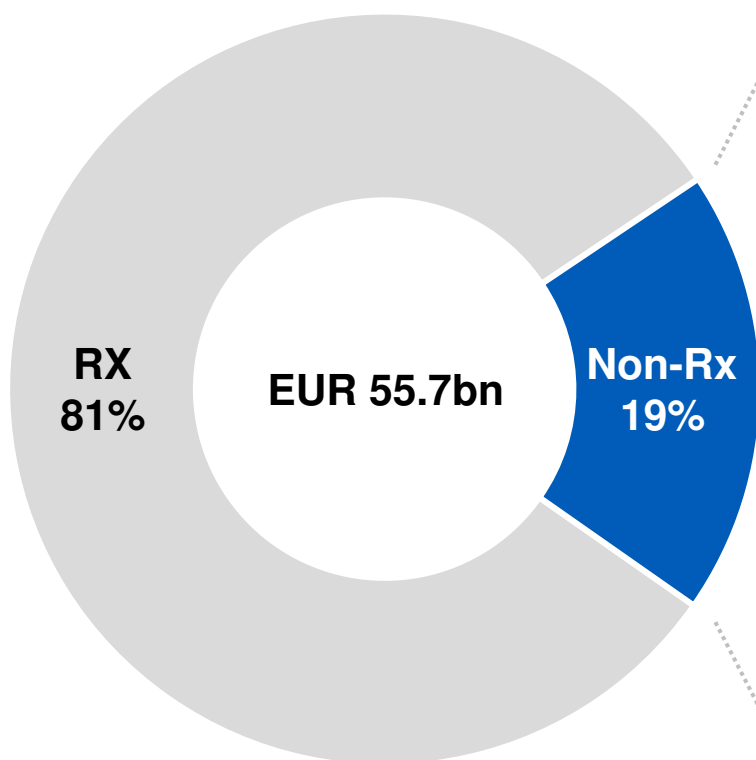
**~6%**

growth (2017-2018) of top chemical-free Non-Rx brands<sup>(2)</sup>



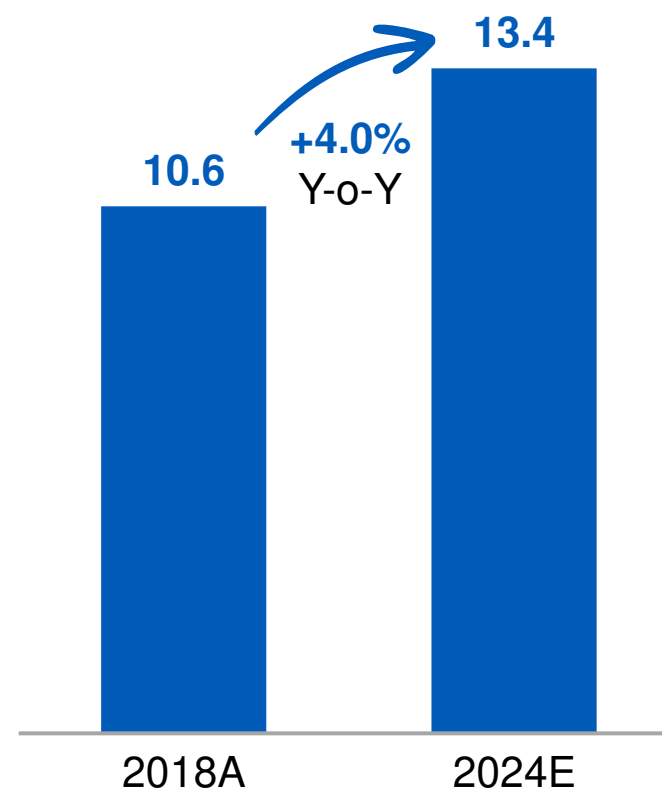
# German self-medication market is huge and growing with a mid term growth estimate of 4%

## German drug market (2018A)



## German Non-Rx market growth

in EUR bn

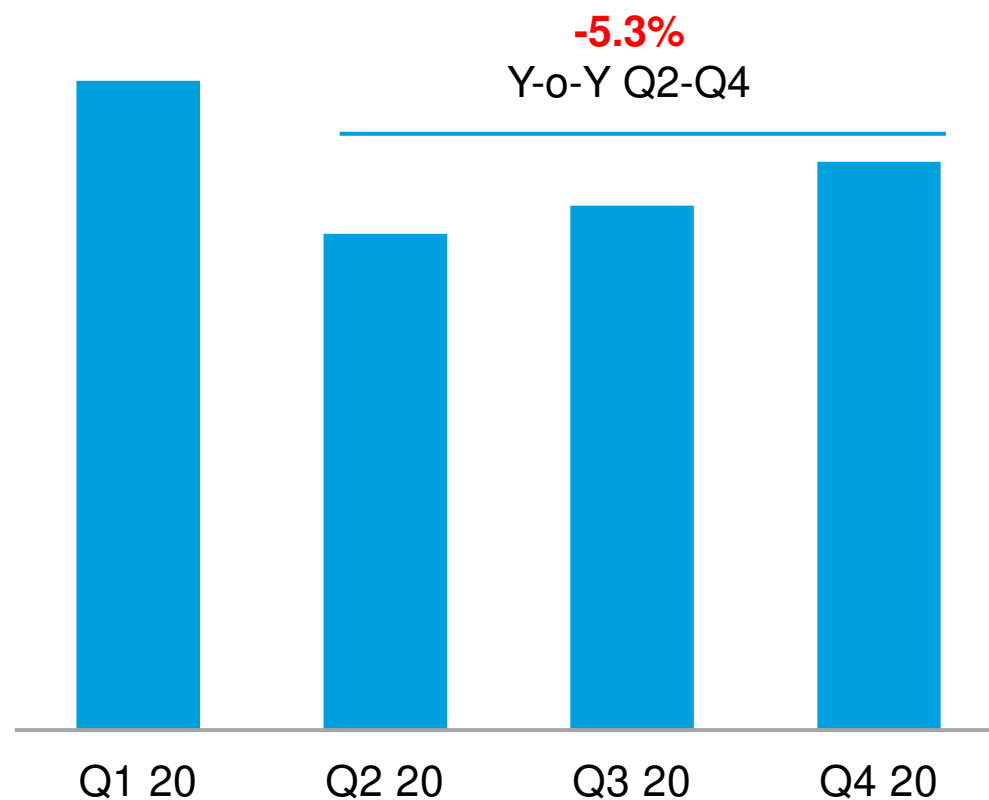


# Covid-19 has affected the growth of the total OTC Market in 2020

German OTC market (2020A)



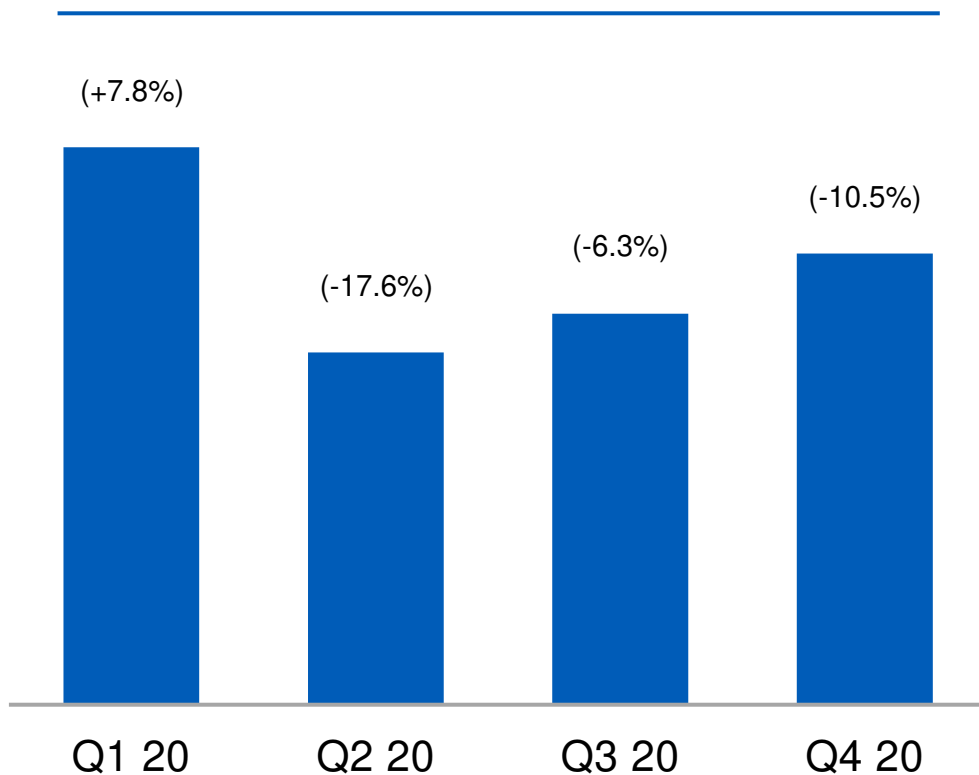
German OTC market per quarter (2020A)



# Natural OTC Market especially affected due to cough & cold category. PharmaSGP performs stable in this environment.

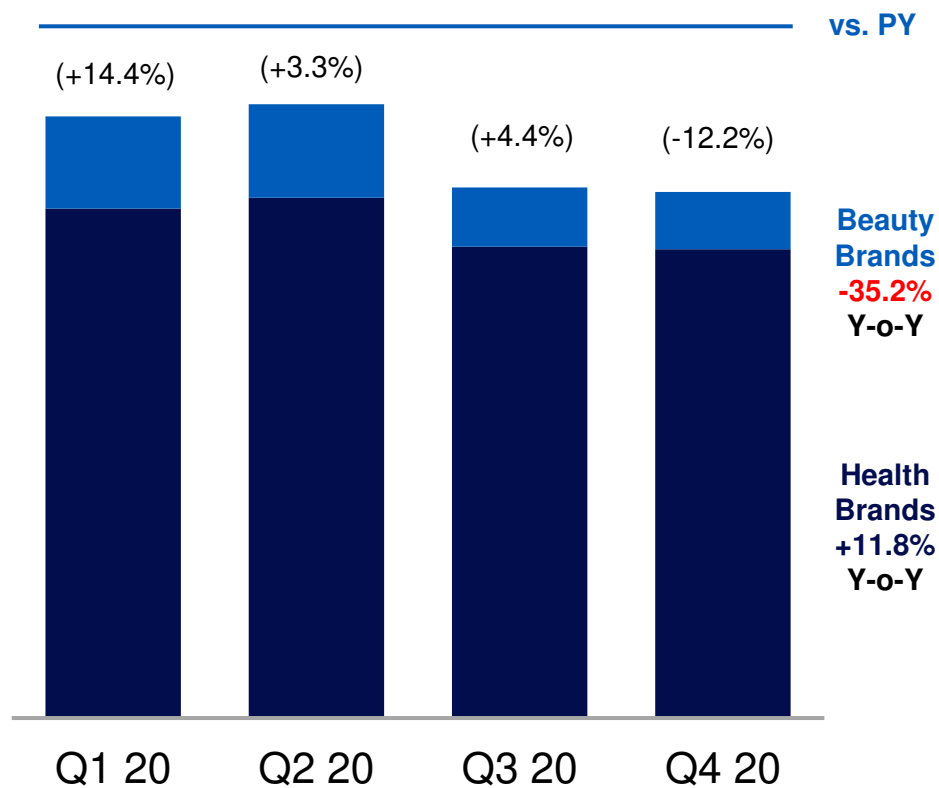
## German Natural OTC market (2020)

**-6.1%**  
Y-o-Y



## PharmaSGP Sales (2020)

**~1%**  
Y-o-Y

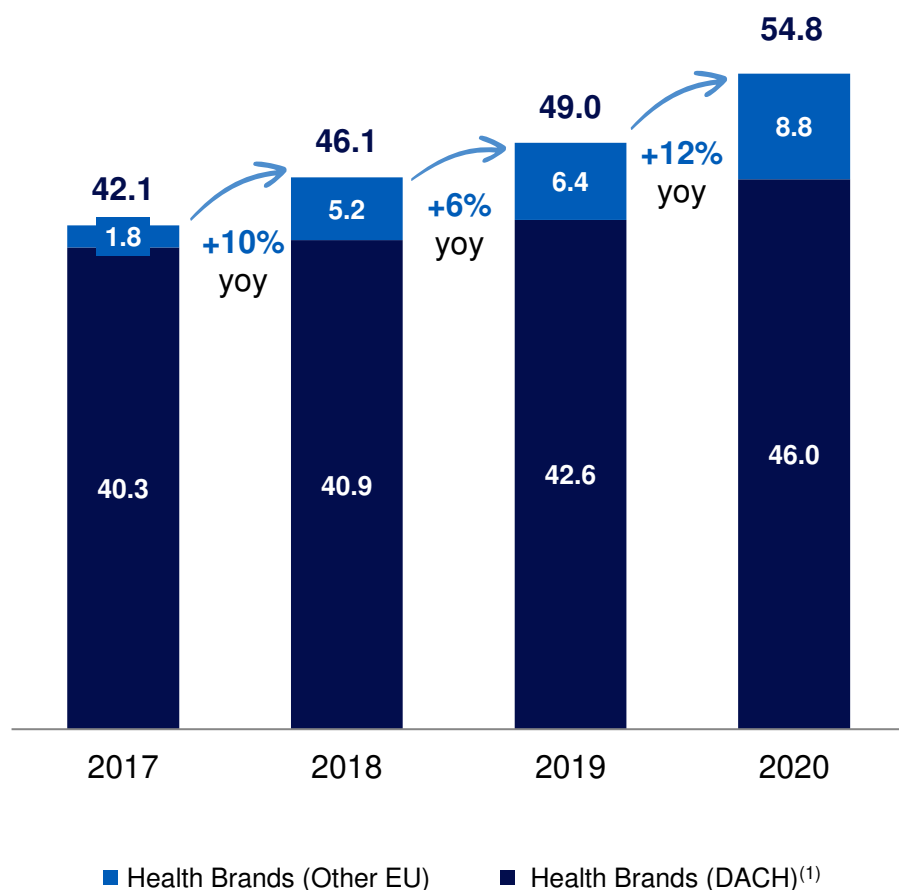




# Strong performance driven by our Health Brands and increasing international footprint

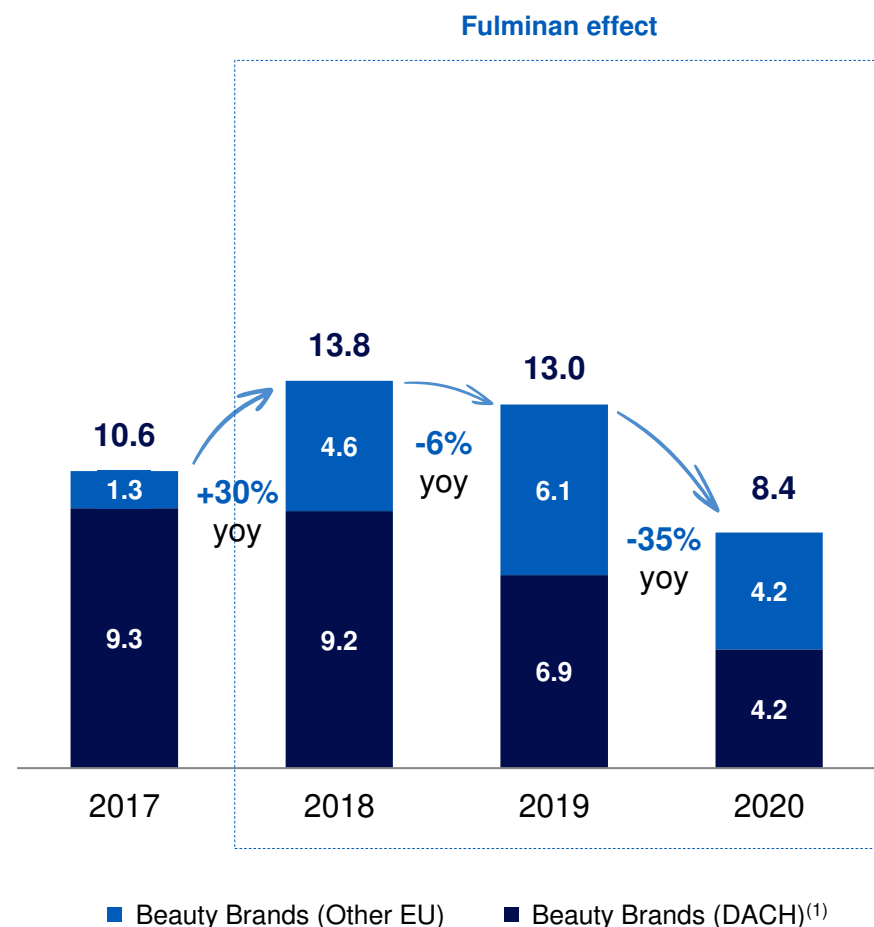
## Revenue development Health Brands

in EUR m



## Revenue development Beauty Brands

in EUR m



**We have created a unique Pan-European platform that allows us to easily integrate and grow brands across all markets successfully.**



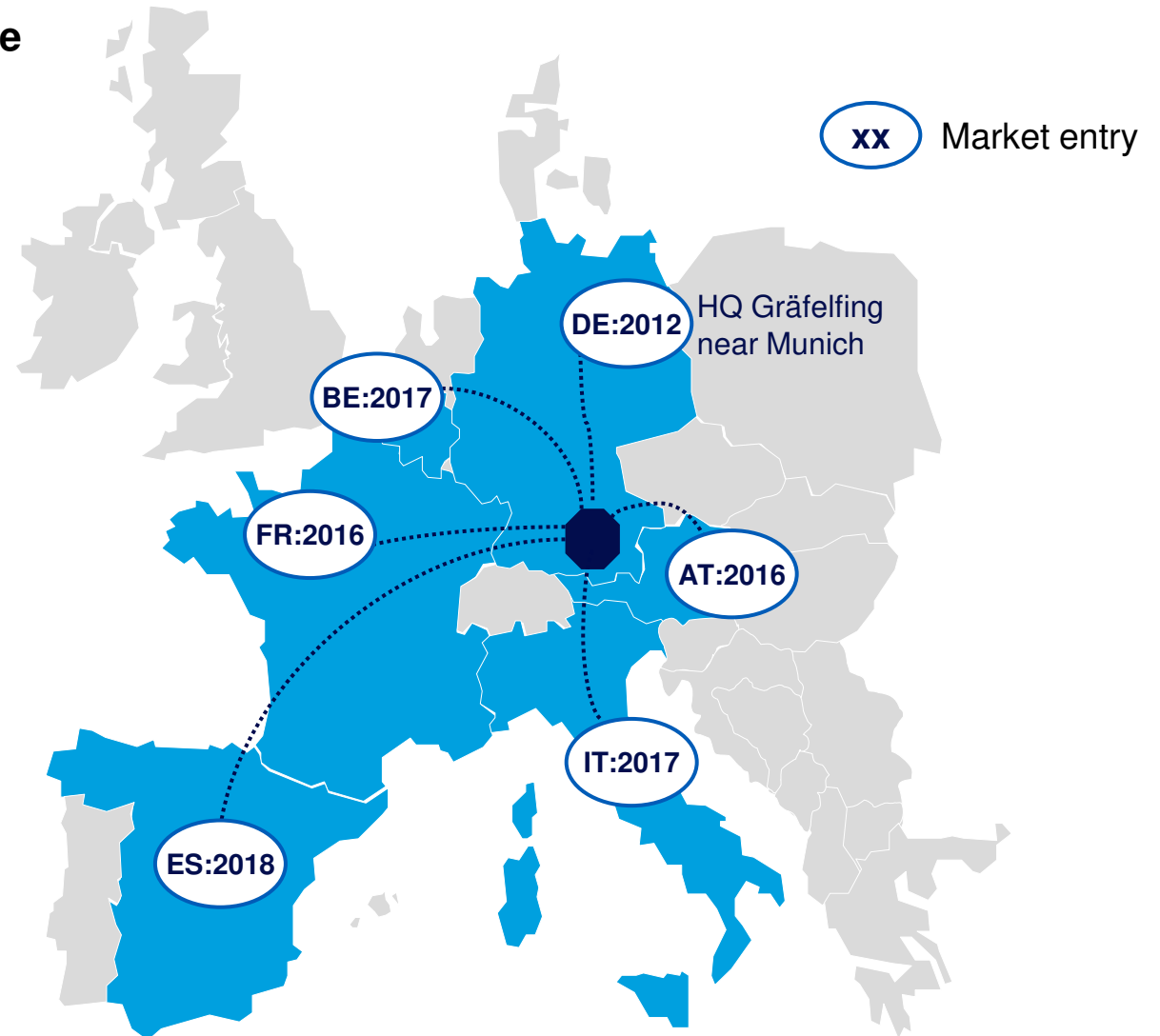
1

# Proven asset-light and scalable business model combined with highly efficient and established operations

## Our international presence

**1 HQ**

6 operating countries





## 2 Highly diversified Pan-European supply chain

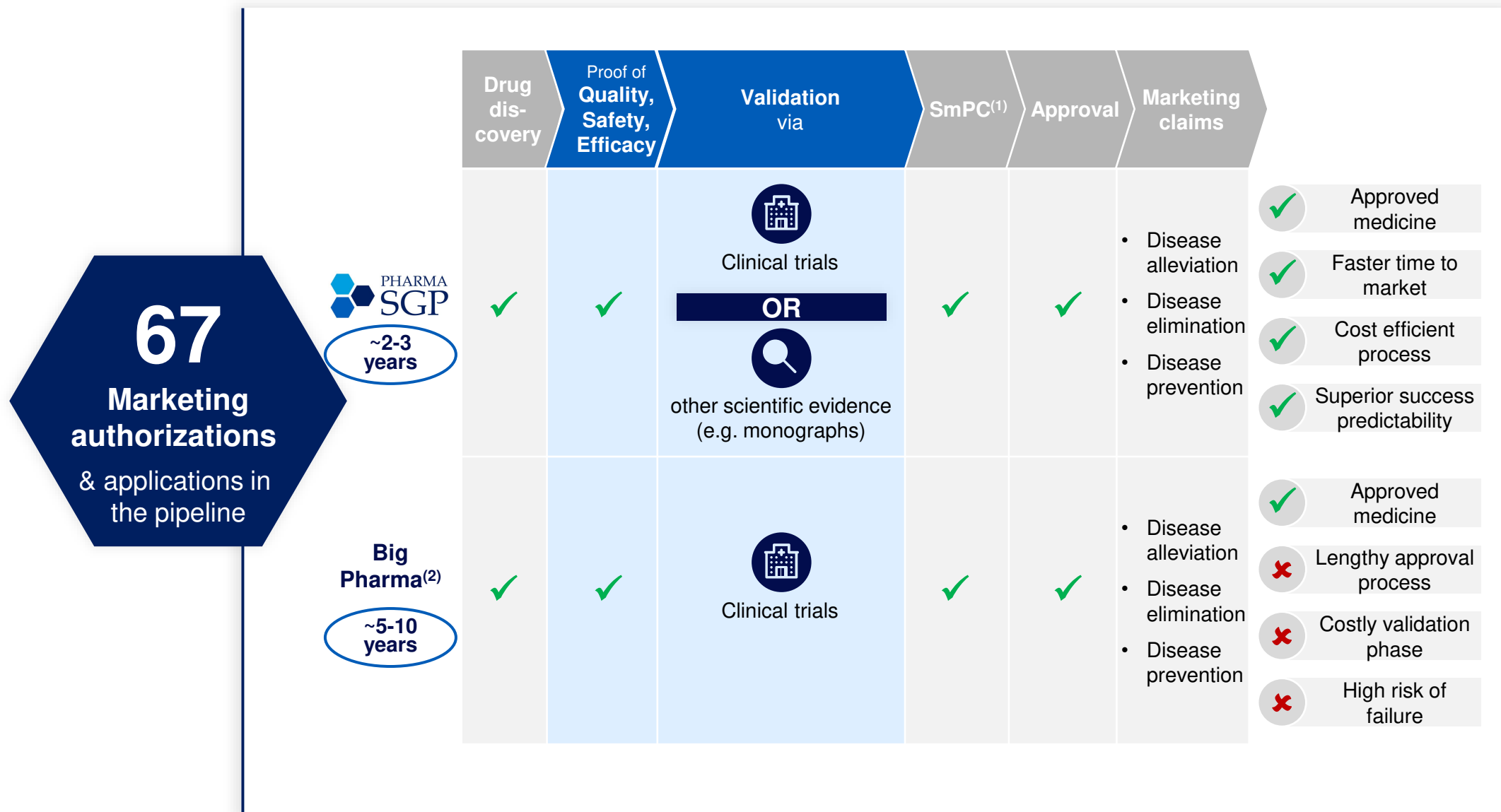
Full control via in-house PharmaSGP purchase and QS team

**>50**  
third party  
suppliers

- 1 CMOs from large to small and secondary suppliers (e.g. testing, ingredient sourcing, packaging)
- 2 Longstanding partnerships with CMOs
- 3 CMOs are responsible for production and quality issues
- 4 Highest quality standards / suppliers are mainly GMP certified
- 5 Regional scalability through standardized processes



### 3 Strong regulatory know-how and expertise



4

## Strong DTC marketing machine and proven track record in building leading consumer brands

6

Leading  
category  
brands

Neuralgic  
pain

Restaxil®



in market for  
neuralgic pain

Nociceptive  
pain

RubaXX®



in market for  
nociceptive pain

Cannabis

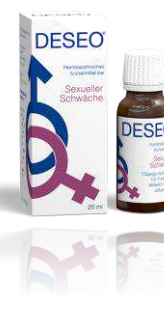
RubaXX®  
Cannabis



in market for  
Non-RX  
hemp products

Urology

DESEO®



in market  
for sexual  
weakness

Urology

Neradin®



in market  
for sexual  
weakness

Cardio-  
vascular

TAUMEA®



in market for  
vertigo  
treatment



5

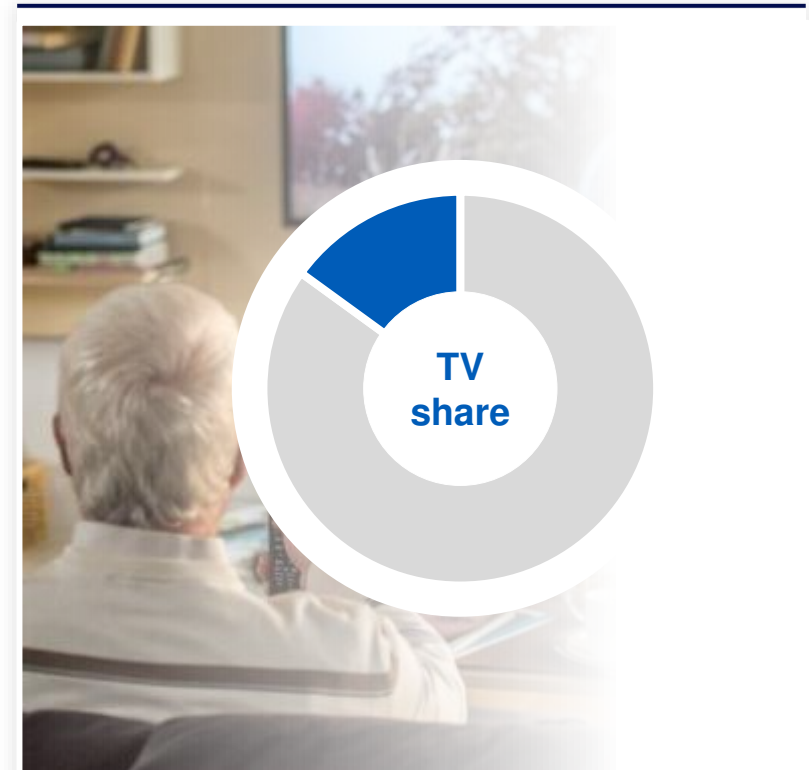
## High target audience reach combined with exceptional commercial rates

**111m**  
consumer  
reach/  
month

Print



TV



# Strong financial profile provides significant room for internal and external financing

**Strong,  
profitable  
growth**

**Industry leading  
EBIT margin**

**Capex and  
working capital  
light**

**Highly  
cash generative  
business model**

**Lean balance  
sheet**

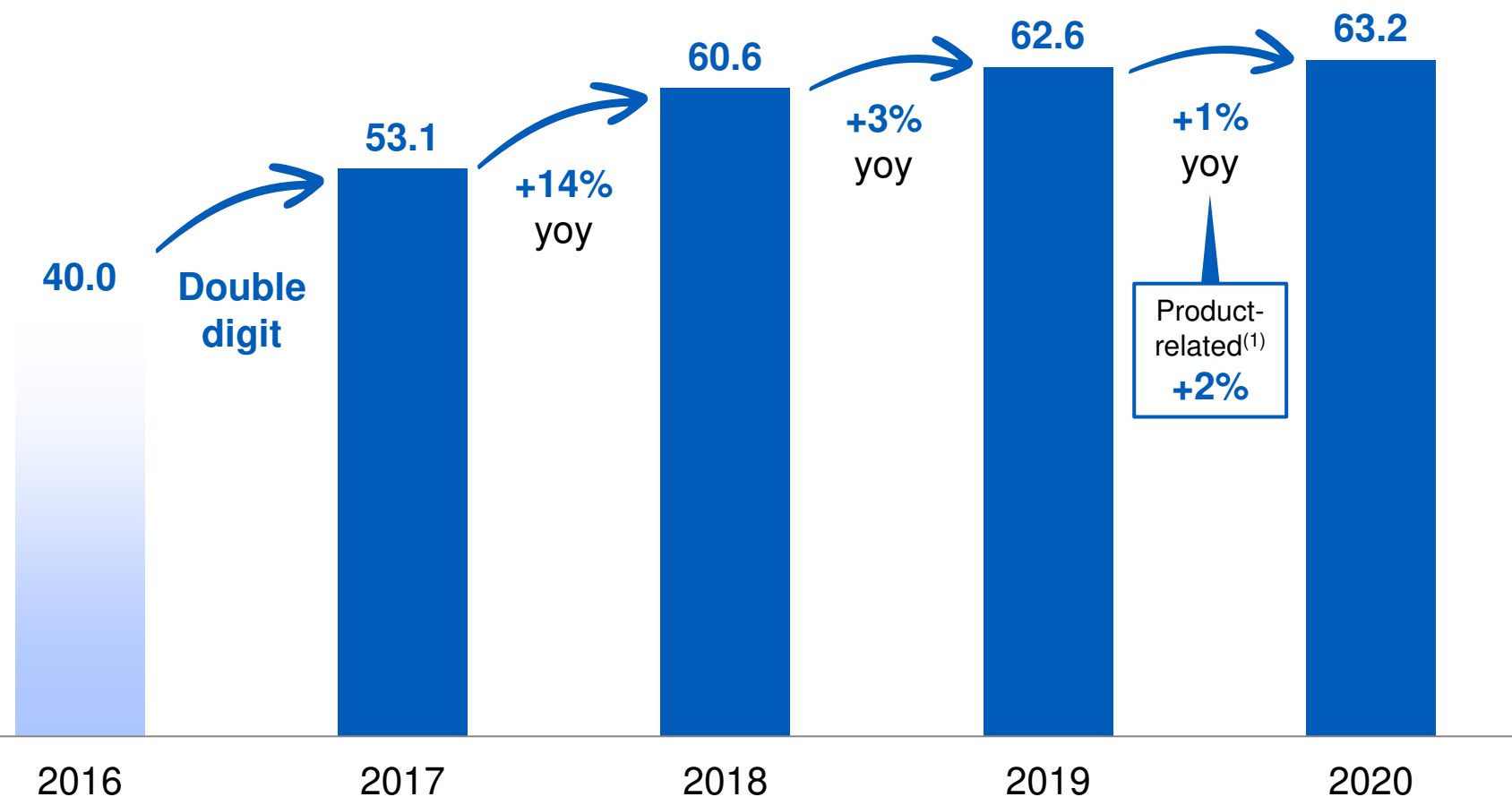
**Debt free**



# Strong y-o-y top-line growth impacted by Covid-19 in 2020

## Revenues 2017 – 2020

in EUR m



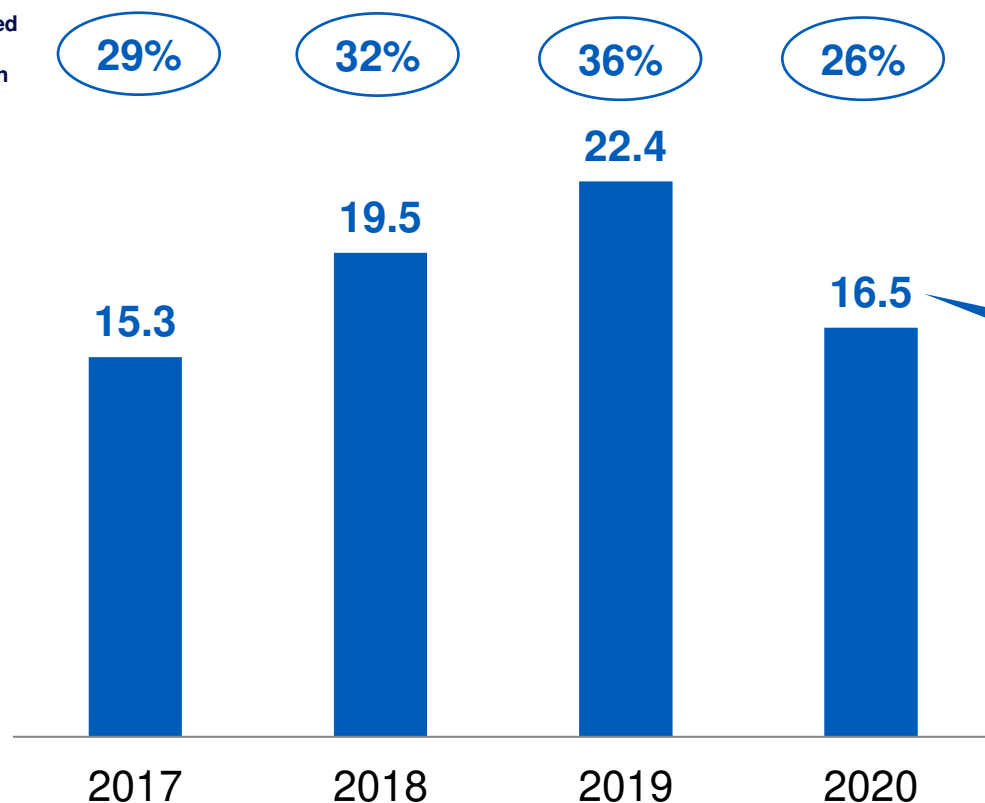


# We steer our business to constantly achieve a high EBIT margin

## Group adjusted EBIT development 2017 – 2020

(in EURm)

Adjusted  
EBIT  
margin



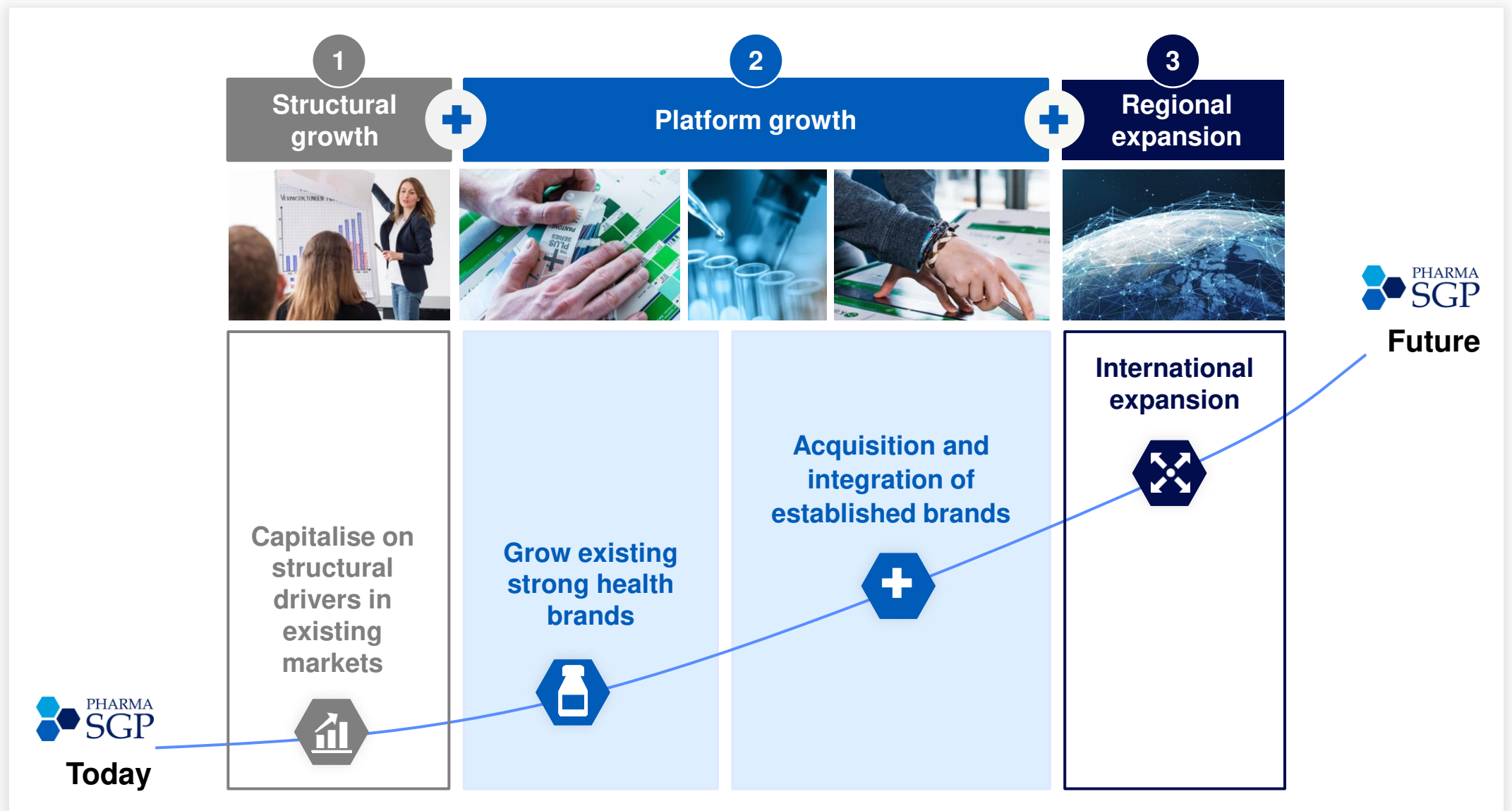
Main drivers for EBIT development in 2020:

- Covid-19-Lockdown in PharmaSGP's target markets with impact on Q4 revenues
- Non-cancellable marketing expenses in Q4 for unsuccessful new launches

EBIT adjustments:

corporate and organizational restructuring of the Group	1.3
legal fees for planned acquisitions	0.6
other adjustments	0.4
<b>Total adjustments</b>	<b>2.3</b>

# We have a clear growth strategy focusing on leveraging our unique platform in Europe!



# Acquisition profile: We have clear investment criteria



## Acquisition profile

### Financial profile

- At least 5-year commercialization
- Overall sales potential: up to 50m EUR

### Established brands/product portfolios

- Stand-alone
- Incorporated in a target company

### Acquisition type

- Share deal
- Asset deal

### Target markets

- All European markets
- Mid-/long-term: markets outside Europe

### Brand/portfolio characteristics

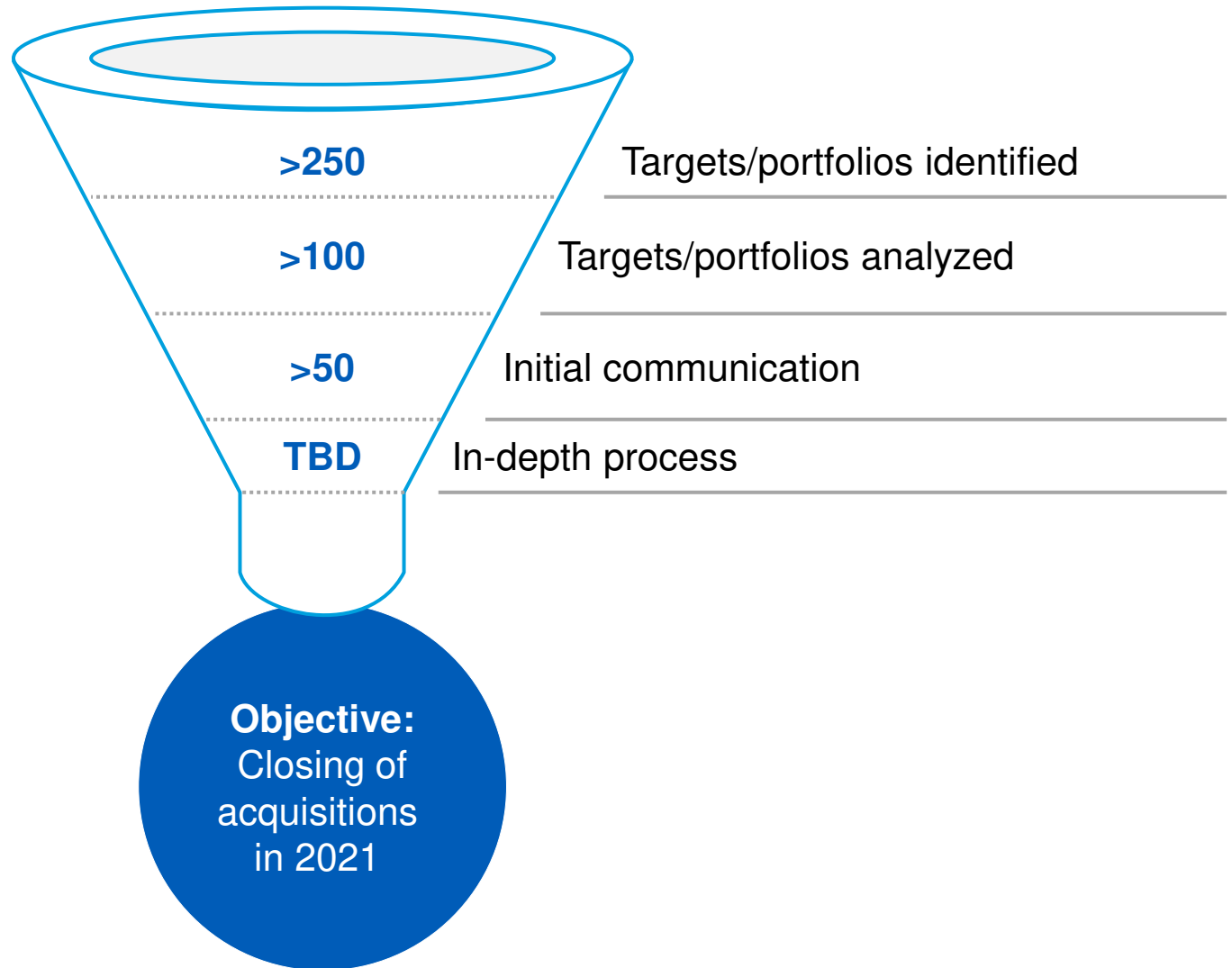
- Focus: Chronic indications
- Extension of existing and new indications
- D2C responsiveness
- Focus: „health“ – „beauty“ also allowed



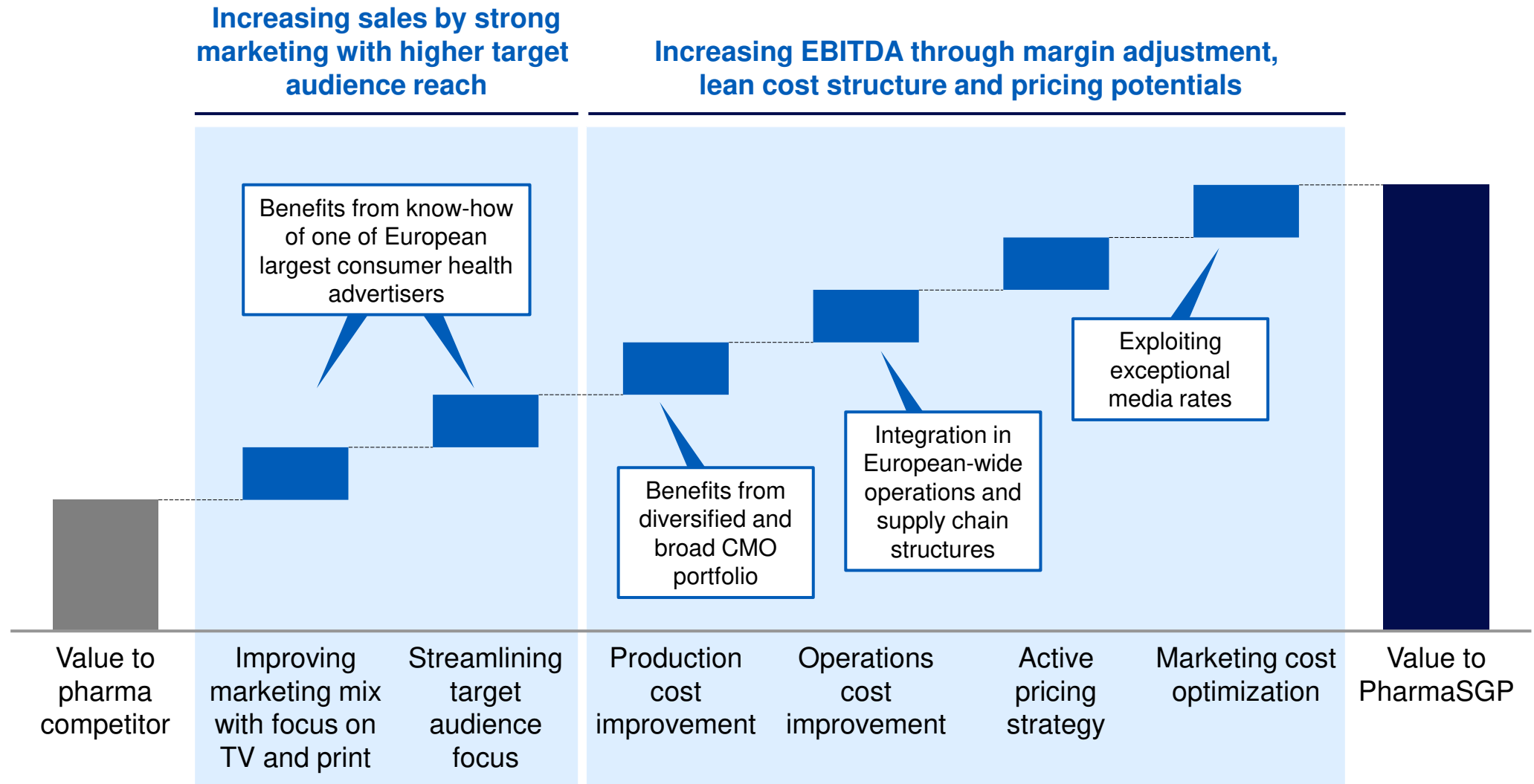
# M&A status – high activity along the funnel

## Deal aspiration

- Dedicated team established
- Structured and continuous process with highest management attention
- Targeting via
  - investment network (investment banks, pharma consultancies) established for all EU markets
  - Direct targeting via business networks



# Value creation based on sales and margin optimization



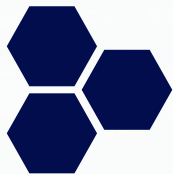
# Forecast 2021

## Key performance indicators

- Total revenue between EUR 56 million and EUR 60 million
  - stable to slightly positive development of Health category
  - decline in Beauty category
- Adjusted EBIT margin 27-30%

## Key assumptions

- No further Covid-19 disruption in the second half-year 2021
- Not taken into account: possible acquisitions



**“OUR GOAL AS A TRUSTED PARTNER FOR CONSUMERS WITH  
CHRONIC CONDITIONS: LEADING COMPANY IN EUROPE  
WITH THE BROADEST PORTFOLIO OF LEADING OTC  
BRANDS IN THEIR CATEGORY.”**

