



PharmaSGP – 9M 2020 Results

November 2020

Disclaimer

This document has been prepared by PharmaSGP Holding SE (the “Company” and, together with its consolidated subsidiaries, the “Group”). All material contained in this document and the information presented is for information purposes only and may not be relied upon for any purpose, and does not purport to be a full or complete description of the Company or the Group. This document does not, and is not intended to, constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of the Company, nor shall it or any part of it form the basis of, or be relied upon in connection with or act as any inducement or recommendation to enter into, any contract or commitment or investment decision or other transaction whatsoever.

This document is not directed at, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any such restrictions.

No representation, warranty or undertaking, express or implied, is made by the Company or any other entity of the as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein, for any purpose whatsoever. No responsibility, obligation or liability is or will be accepted by the Company or any of its officers, directors, employees, affiliates, agents or advisors in relation to any written or oral information provided in this document or in connection with it. All information contained in this document is subject to verification, correction, completion, updating and change without notice. Neither the Company nor any other entity of the Group undertake any obligation to provide the recipient with access to any additional information or to update this document or any information or to correct any inaccuracies therein.

A significant portion of the information contained in this document, including market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove accurate. Where any information and statistics are quoted from external sources, such information or statistics should not be interpreted as having been adopted or endorsed by the Company or any other person as being accurate. All statements in this document attributable to third-party industry experts represent the Company's interpretation of data, research opinion or viewpoints published by such industry experts, and have not been reviewed by them. Each publication of such industry experts speaks as of its original publication date and not as of the date of this document.

This document contains forward-looking statements relating to the business, financial performance and results of the Company, the Group or the industry in which the Group operates. These statements may be identified by words such as “expectation”, “belief”, “estimate”, “plan”, “target” or “forecast” and similar expressions, or by their context. Forward-looking statements include statements regarding strategies, outlook and growth prospects, future plans and potential for future growth, growth for products and services in new markets, industry trends and the impact of regulatory initiatives. These statements are made on the basis of current knowledge and assumptions and involve risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions. No obligation is assumed to update any forward-looking statements.

Some sources of market data included in this document were prepared before the pandemic spread of COVID-19, a novel strain of the coronavirus, and have not been updated for the potential effects of this pandemic. The Group is not able to determine whether the third parties who have prepared such sources will revise their estimates and projections due to the potential impact of COVID-19 on future market developments.

This document contains certain financial measures that are not calculated in accordance with IFRS and are therefore considered “non-IFRS financial measures”. The management of the Company believes that these non-IFRS financial measures used by the Company, when considered in conjunction with, but not in lieu of, other measures that are computed in accordance with IFRS, enhance an understanding of the Group's results of operations, financial position and cash flows. A number of these non-IFRS financial measures are also commonly used by securities analysts, credit rating agencies and investors to evaluate and compare the periodic and future operating performance and value of other companies with which the Company competes. These non-IFRS financial measures should not be considered in isolation as a measure of the Group's profitability or liquidity, and should be considered in addition to, rather than as a substitute for, income data or cash flow data prepared in accordance with IFRS. In particular, there are material limitations associated with the use of non-IFRS financial measures, including the limitations inherent in determination of each of the relevant adjustments. The non-IFRS financial measures used by the Company may differ from, and not be comparable to, similarly-titled measures used by other companies.

Certain numerical data, financial information and market data, including percentages, in this document have been rounded according to established commercial standards. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.

This document may not be published, distributed or transmitted in the United States, Canada, Australia or Japan. It does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities (the “Securities”) of the Company in the United States, Germany or any other jurisdiction. The Securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Securities of the Company have not been, and will not be, registered under the Securities Act. Any sale in the United States of the securities mentioned in this communication will be made solely to “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the Securities Act.

In the United Kingdom, this document is only made available to, and is only directed at, persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), or (ii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as “Relevant Persons”). This document is directed only at Relevant Persons and may not be acted on or relied on by persons who are not Relevant Persons.

This document is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, as amended, and as such does not constitute an offer to sell, or the solicitation of an offer to purchase, shares of the Company.

Highly experienced senior management team



Natalie Weigand

Chief Executive Officer

Selected previous experience

Johnson & Johnson



Michael Rudolf

Chief Financial Officer

Selected previous experience

McKinsey
& Company



Maria Schaecher

Chief Business Development
Officer

Selected previous experience

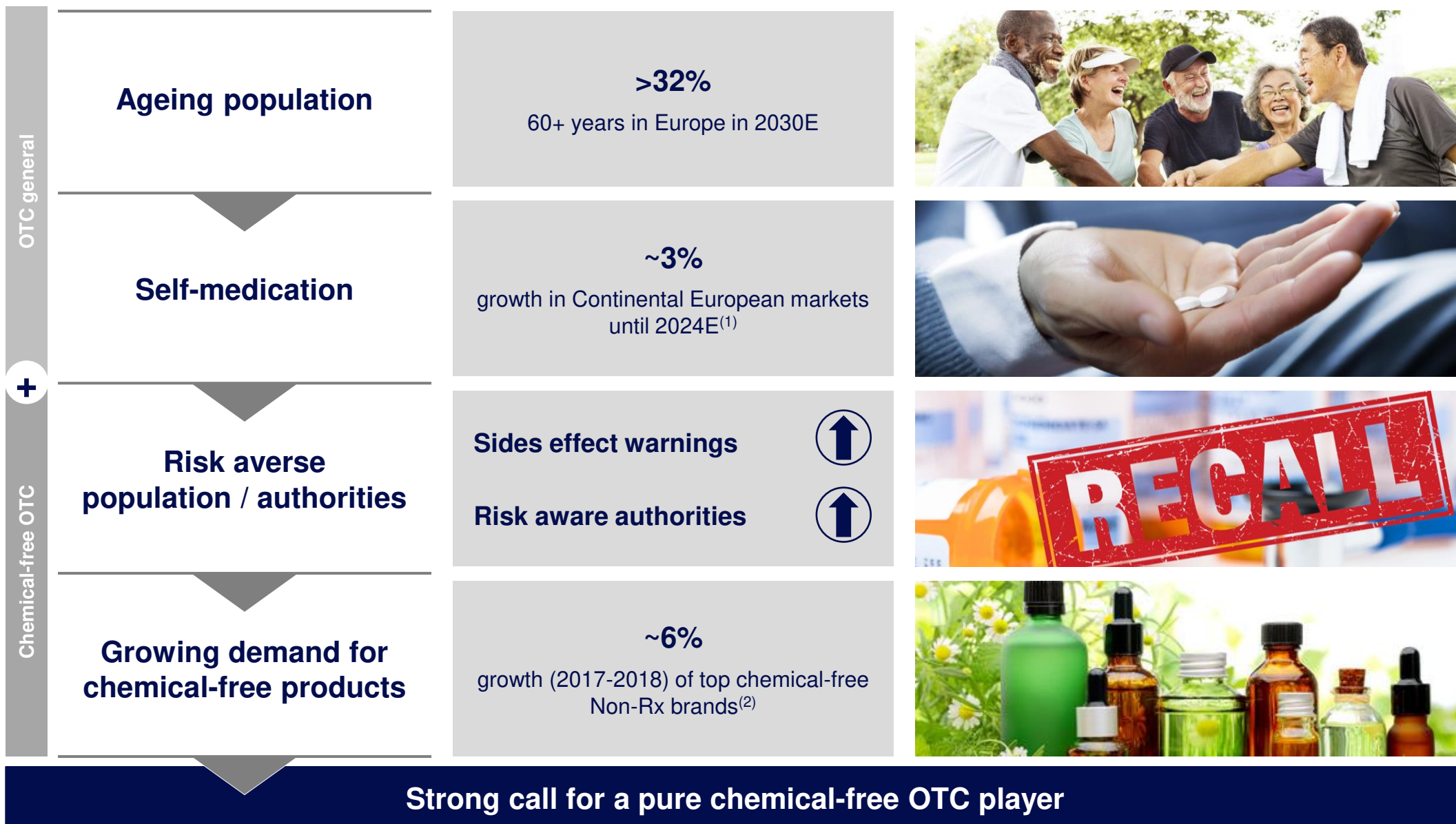
Johnson & Johnson



**“OUR MISSION:
PROVIDE CONSUMERS
WITH CHEMICAL-FREE OTC
DRUGS THROUGH BRANDS
THEY CAN TRUST”**



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



Key success factors of our sustainable business model

Leading brands



Restaxil®

RubaXX®

RubaXX[®]
Cannabis

DESEO®

Neradin[®]

TAUMEA®

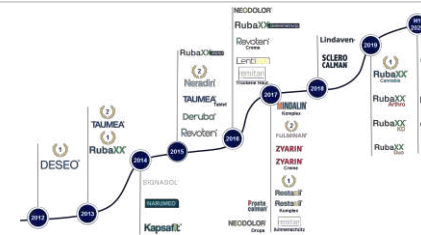
FULMINAN
SCHÖNE HAUT

SCHÖNE HAIR

First mover and innovation power



Hard to replicate and diversified portfolio



D2C marketing with high reach

**EINKAUF**AKTUELL®

ARD®



VERSION
femina

OGG

tele

TV

il venerdì

ORF 
Kultur und Information



Proprietary focus markets



~100m people
in Europe
suffer from
chronic
pain⁽¹⁾...

...while it is considered to be a non-curable condition...

... patients have
a constant desire
for pain relief

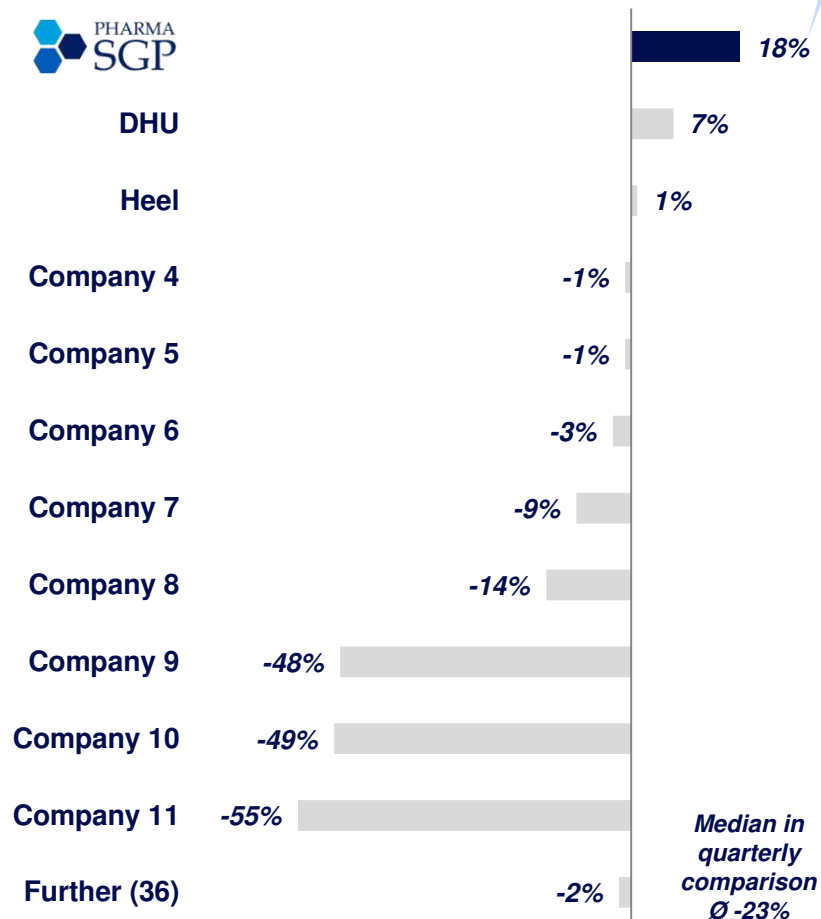


Our superior business model has proven to be resilient during the COVID-19 crisis

PharmaSGP-Ranking unchanged including Q3: 17%, still N° 1 position*

We clearly outgrow competition...











Quarterly comparison median vs. average monthly sales Q1 vs. Q2 2020 (in %)



...due to our asset-light and consumer focused business model

| | | | |
|-----|----------------------------------|---|---|
| I | Consumer | <ul style="list-style-type: none"> We provide health products which have typically a more stable demand in times of turmoil Based on our approach to provide solutions against chronic diseases our target group tends to continue their medication | ✓ |
| II | Sourcing & Production | <ul style="list-style-type: none"> Currently, no significant impact on sourcing and production yet due to well diversified network with a strong focus on Germany | ✓ |
| III | Go-to-market | <ul style="list-style-type: none"> No negative impact on our marketing activities as we target people who “stay at home” Academy and sales force activities not main driver to push our sales – compared to vast majority of other OTC companies | ✓ |
| IV | Distribution & Sales | <ul style="list-style-type: none"> Due to our DTC approach, we have established a continuous communication to our target people Multi-channel approach ensures availability of products also via online pharmacies | ✓ |

Our leading brands with clear focus on health are the backbone of our business

| Health | | | | | Beauty |
|--|--|--|---|---|---|
| Neuralgic pain | Nociceptive pain | Supplement | Urology | | Dermatology |
| Restaxil®  | RubaXX®  | RubaXX® Cannabis  | DESEO® Neradin®  | TAUMEA®  | FULMINAN® SCHÖNE HAUT  |
|  #1 in market for neuralgic pain |  #1 in market for nociceptive pain |  #1 in market for Non-RX hemp-oil products |  #1 in market for sexual weakness |  #2 in market for sexual weakness |  #2 in market for vertigo treatment |
| | | | |  #2 in market for collagen drinks | |

We further developed our strong umbrella brands in Q3 2020 ...

Restaxil®



Back Pain

Neck Pain

Diabetic
Polyneuropathy

Fibromyalgia

RubaXX®



Injuries

Overexertions

Rheumatism

Arthrosis

Arthritis

Osteoporosis

Gout

Clear #1 in chemical-free pain category

... and continue the execution of our growth strategy in Q4 2020

Key Launches

Line extension



**RubaXX
Curcuma**



**RubaXX
Schmerzgel**

Portfolio extension



**Prostacalman
Drops / Tablets**



Xanifen

Internationalisation



**RubaXX (TipureX)
Drops / Tablets**

Neradin (Lonvect)



Neradin

Xanifen

Continuous expansion of our umbrella brands through line extension

Continuous portfolio expansion through new indication areas such as men's and women's health

Increasing international presence with focus on France and Italy

Strong financial profile – rare combination of growth and profitability

**Strong,
profitable growth**

**Industry leading
EBIT margin**

**Capex and
working capital
light**

**Highly
cash generative
business model**

**Lean balance
sheet**

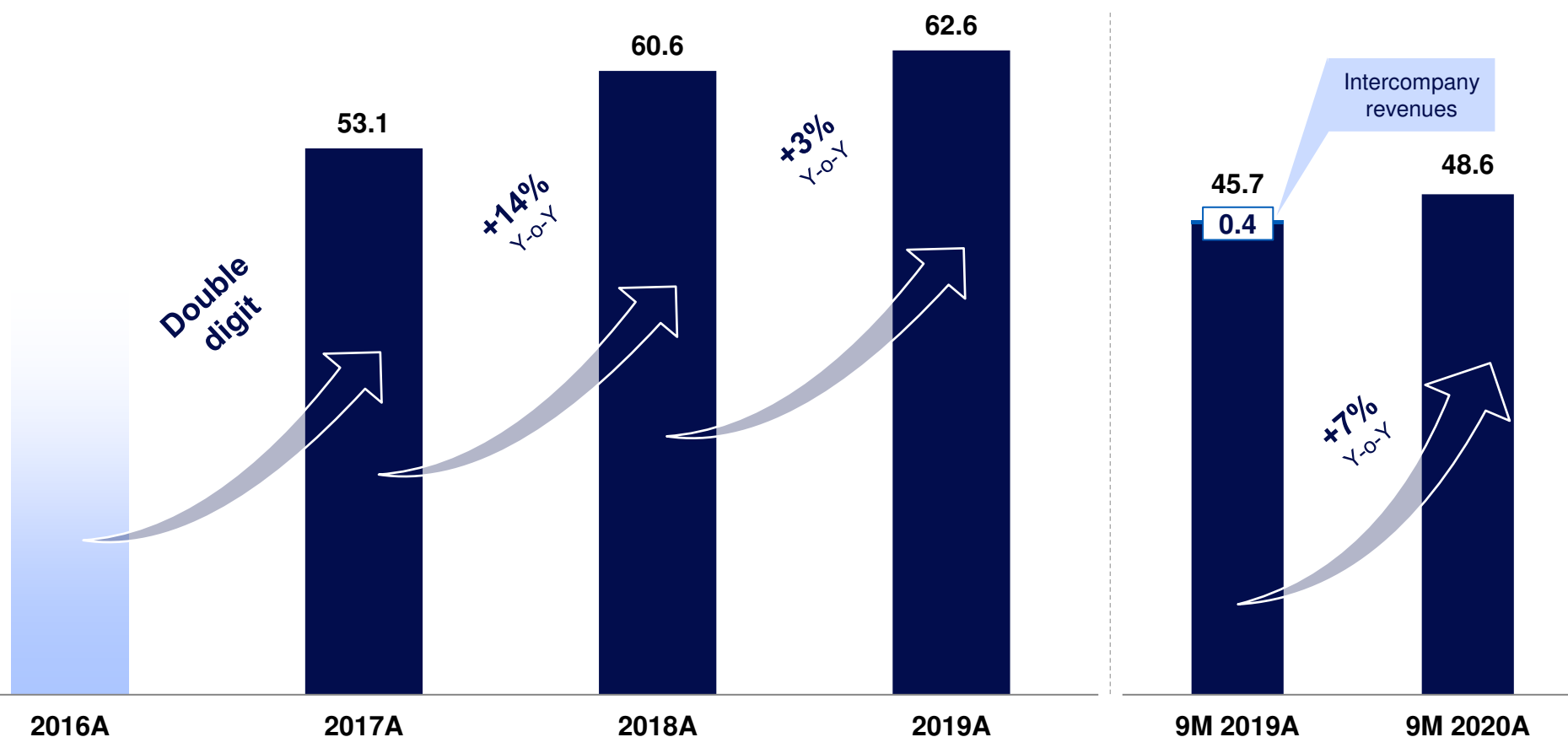
Debt free



Strong y-o-y top-line growth driven by our continuous launches

Revenues 2017A – 9M 2020

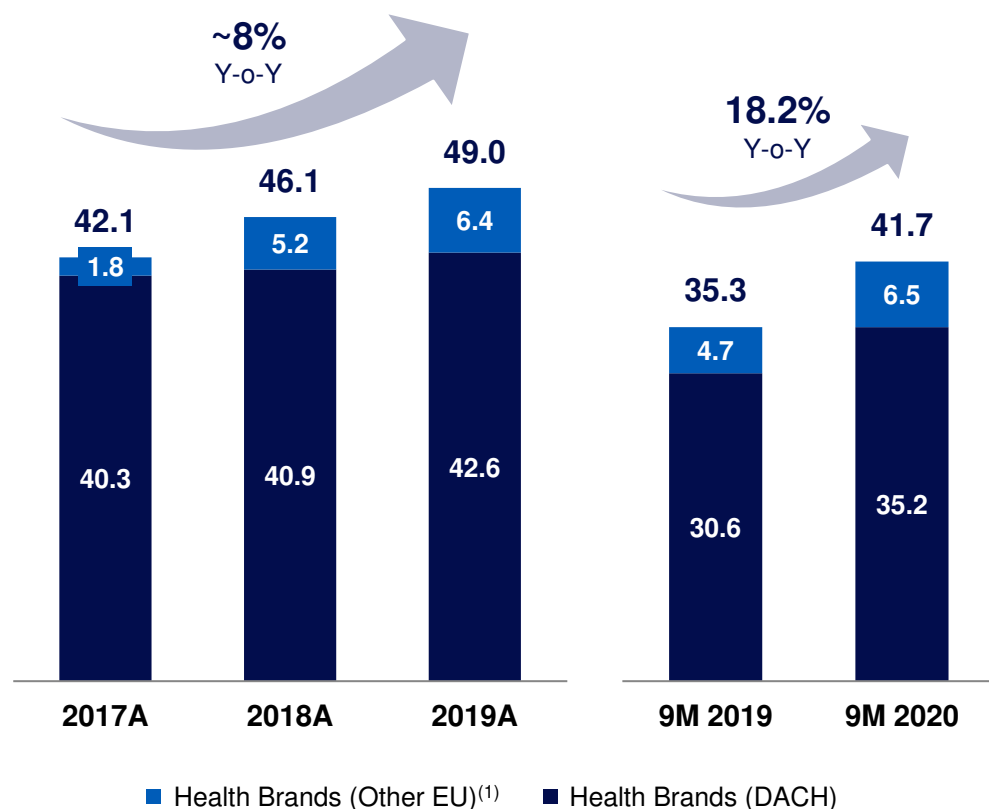
(in EURm)



Strong performance driven by our Health Brands and increasing international footprint

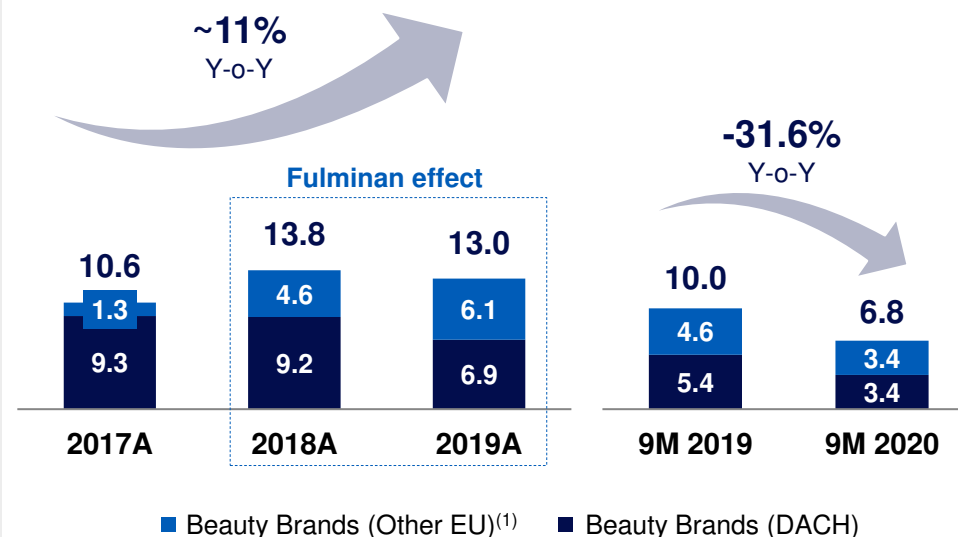
Revenue development Health Brands

(in EURm)



Revenue development Beauty Brands

(in EURm)



We steer our business to constantly achieve a high EBIT margin

Group EBIT development 2017A – 9M 2020

(in EURm)

EBIT
margin

29%

32%

36%

31%

32%⁽¹⁾

+20%
CAGR

+8%
CAGR

15.3

19.5

22.4

14.3

15.4

2017A

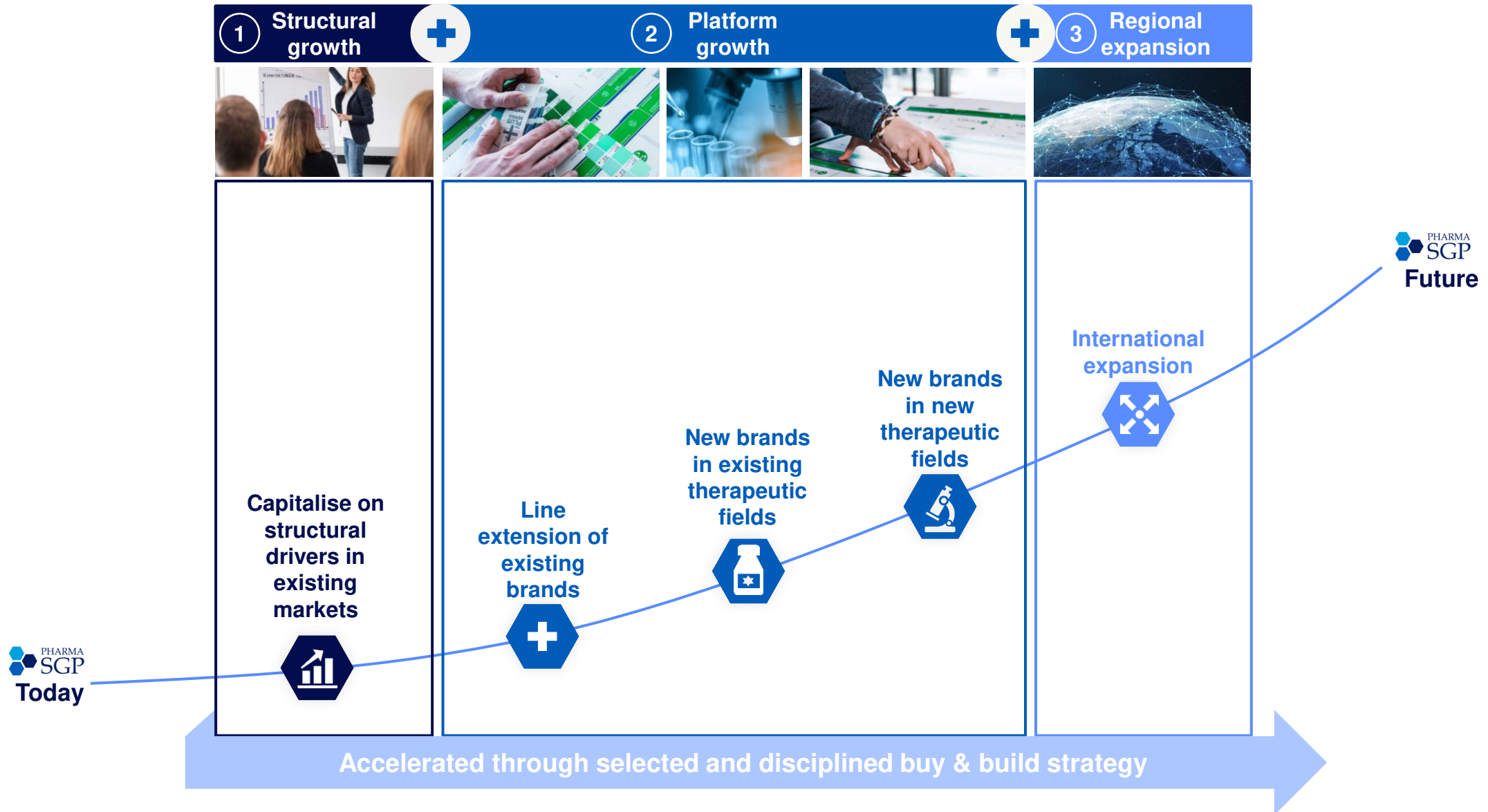
2018A

2019A

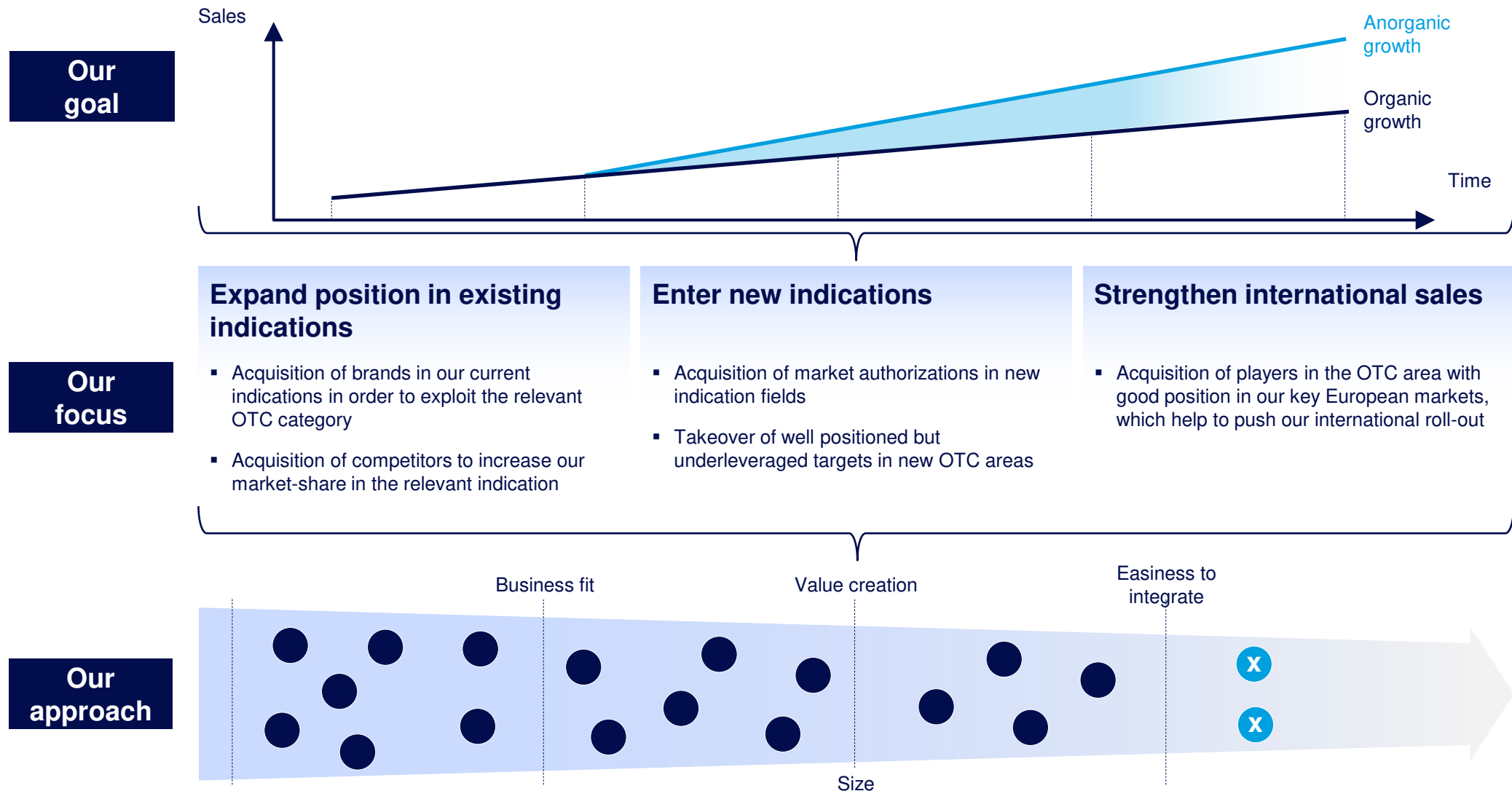
9M 2019

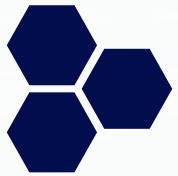
9M 2020

Multi-dimensional drivers for long-term growth



Accelerate growth with M&A activities





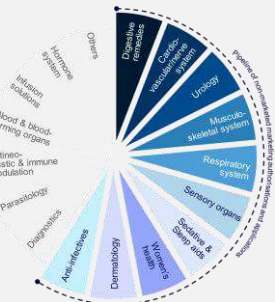
**“OUR GOAL AS A TRUSTED PARTNER FOR CONSUMERS WITH
CHRONIC CONDITIONS: TO BECOME THE LEADING COMPANY IN
EUROPE WITH THE BROADEST PORTFOLIO OF OTC
CHEMICAL-FREE PRODUCTS AND WITH LEADING BRANDS IN THEIR
CATEGORY.”**



Disciplined make or buy approach as core for our focused M&A strategy

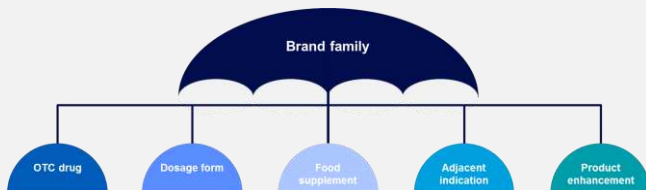
Business model driven
make or buy decision...

Initiatives to extend Non-RX clusters



MAKE OR BUY

Initiatives to extend brand families



...with clear M&A target criteria

**No
transformational
M&A**

Relevant size

**Value creation
potential**

I

Rationale

- Clear focus on Non-Rx products which fit into PharmaSGP's strategy
- No change of asset-light business model intended



II

Rationale

- Target companies with relevant revenue size to boost PharmaSGP's value in the long-term



III

Rationale

- Profitable OTC healthcare business with a potential margin uplift
- Focus on well established businesses that are easy to integrate

