



PharmaSGP – Berenberg US Conference 2021

May 18th, 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⁽¹⁾



Risk averse population / authorities

Sides effect warnings



Risk aware authorities



Growing demand for chemical-free products

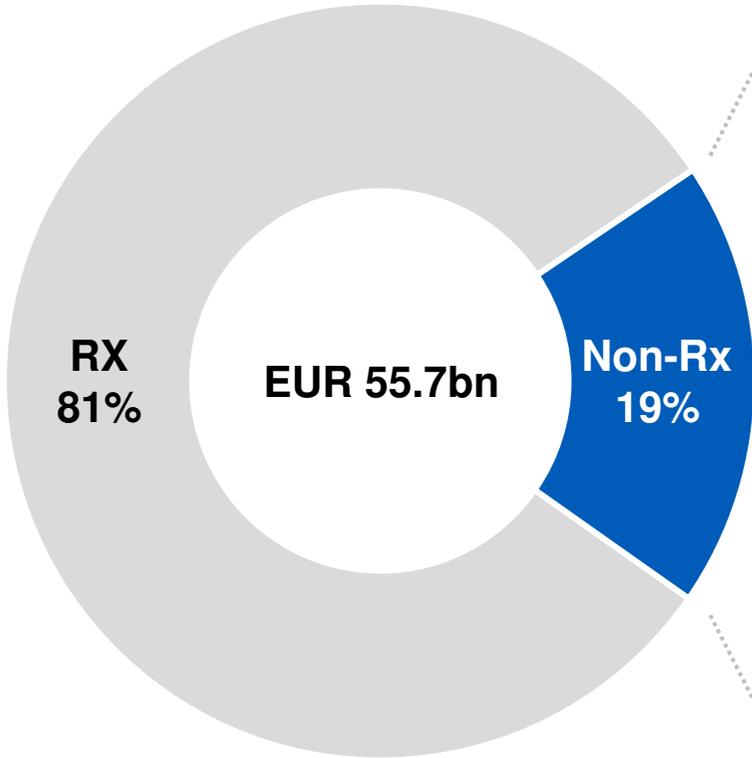
~6%

growth (2017-2018) of top chemical-free Non-Rx brands⁽²⁾



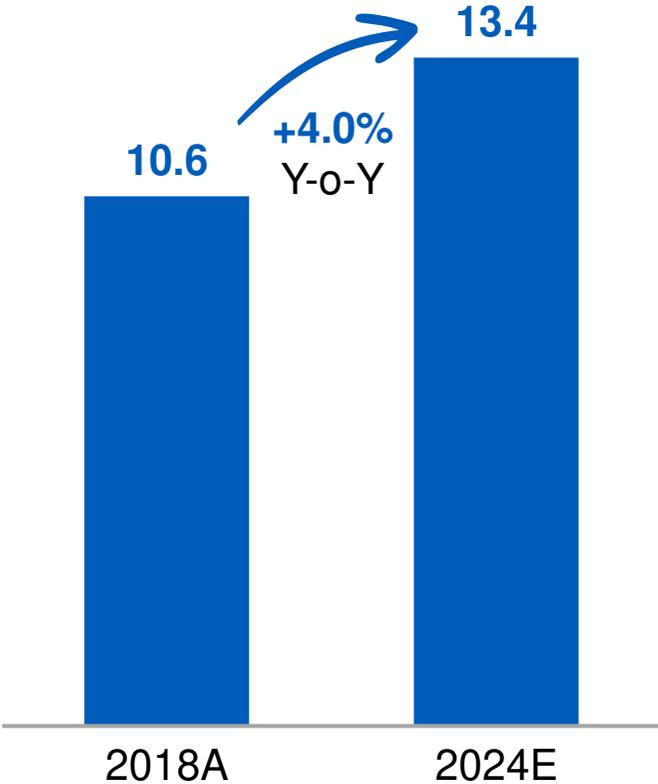
German self-medication market is huge and growing with a mid term growth estimate of 4%

German drug market (2018A)

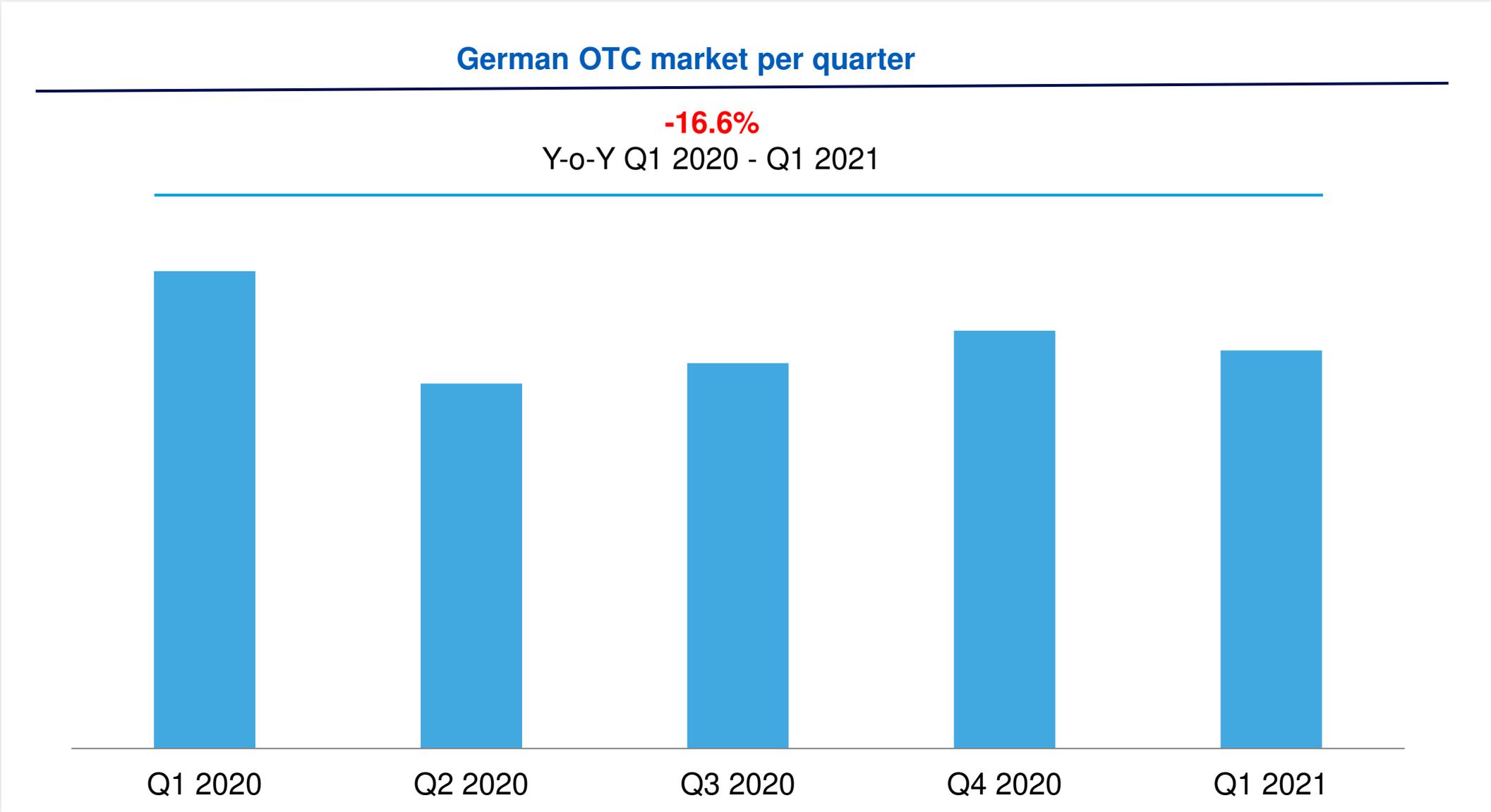


German Non-Rx market growth

in EUR bn



Covid-19 still affects the growth of the total OTC Market in 2021

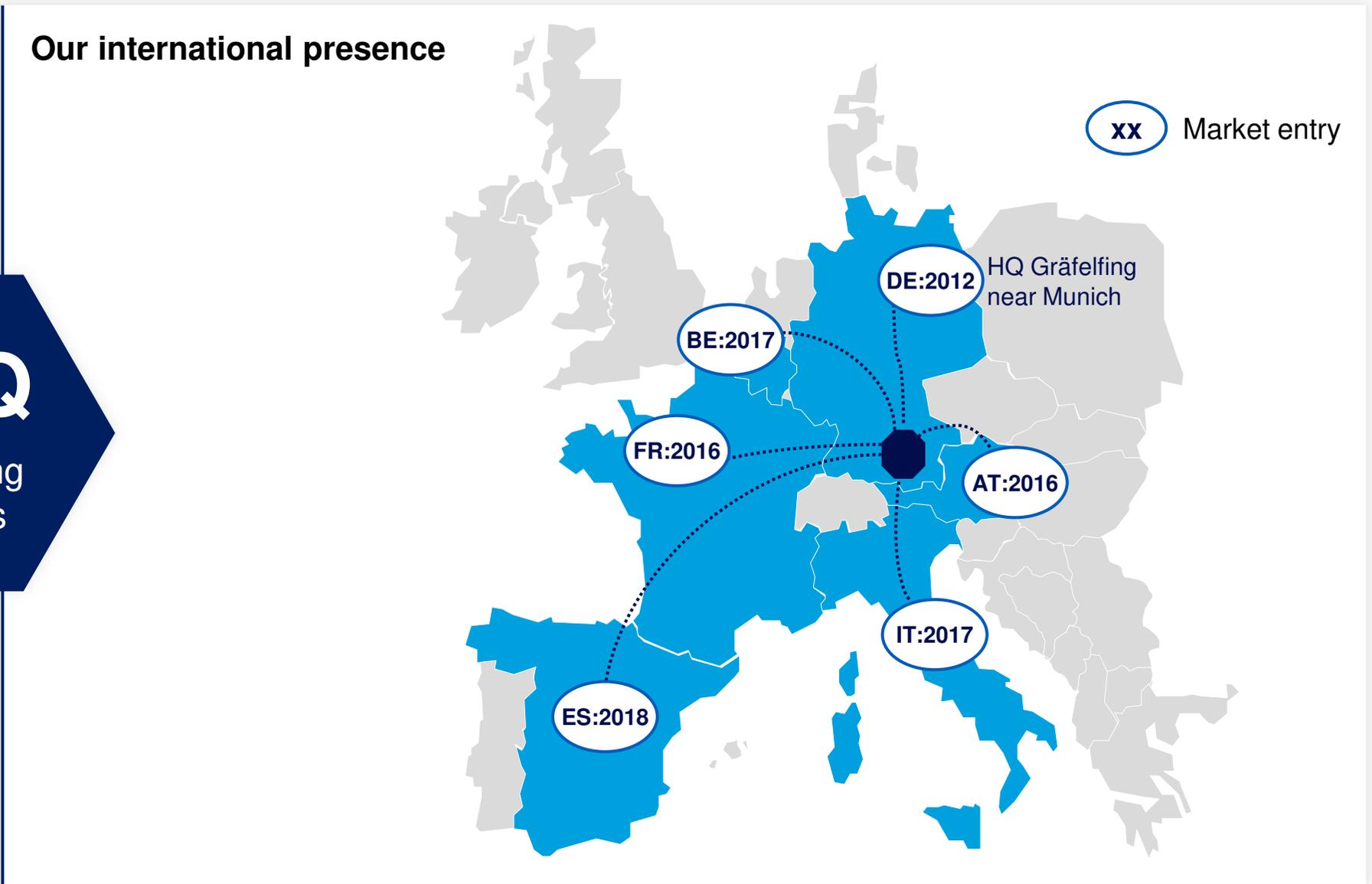


We have created a unique Pan-European platform that allows us to easily integrate and grow brands across all markets successfully.



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

1 HQ
6 operating countries



2 Highly diversified Pan-European supply chain

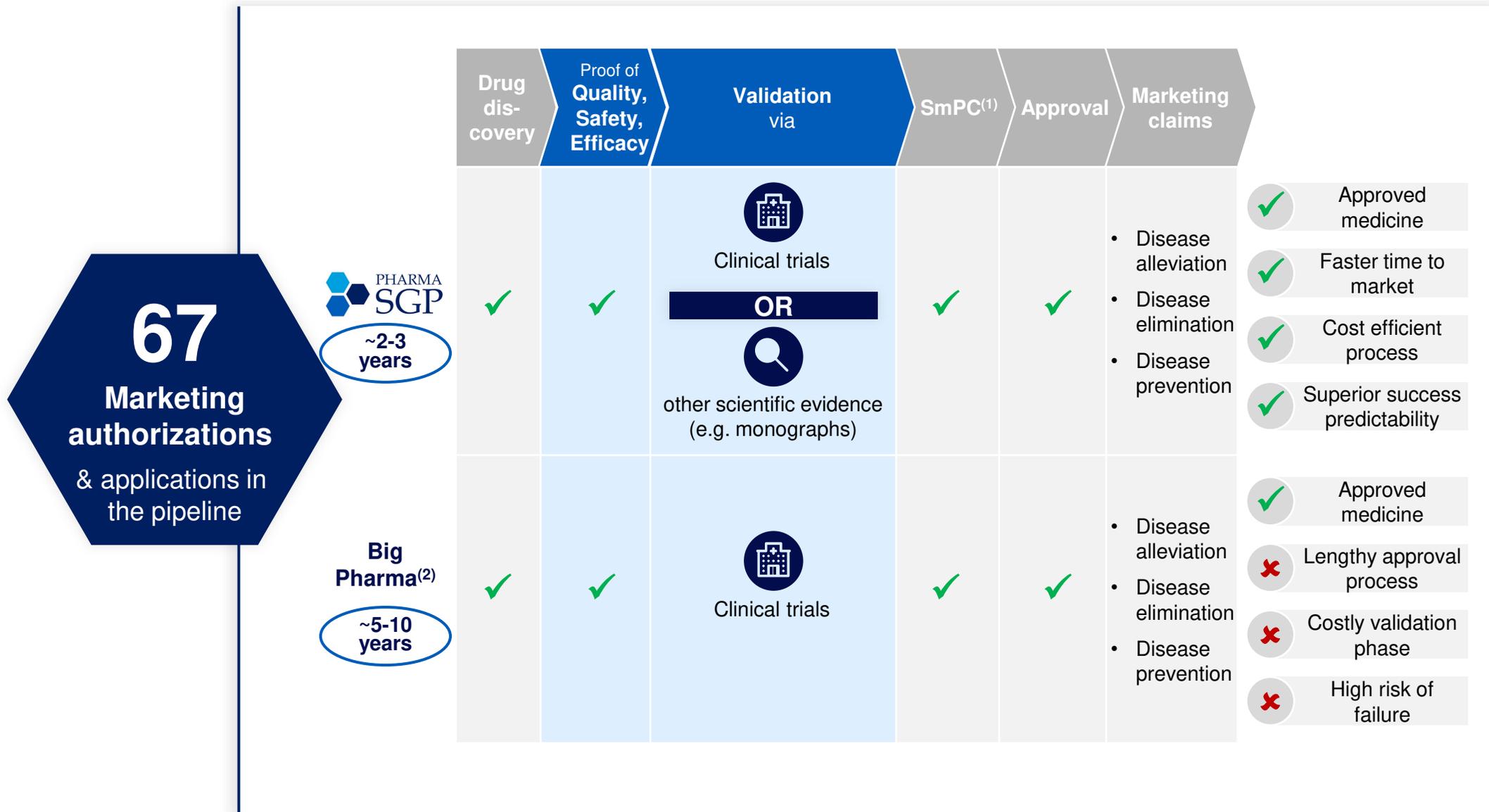
Full control via in-house PharmaSGP purchase and QS team

>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

Neuralgic pain	Nociceptive pain	Cannabis	Urology	Urology	Cardio-vascular
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Restaxil®

RubaXX®

RubaXX®
Cannabis

DESEO®

Neradin®

TAUMEA®



in market for neuralgic pain



in market for nociceptive pain



in market for Non-RX hemp products



in market for sexual weakness



in market for sexual weakness



in market for vertigo treatment

6

Leading category brands

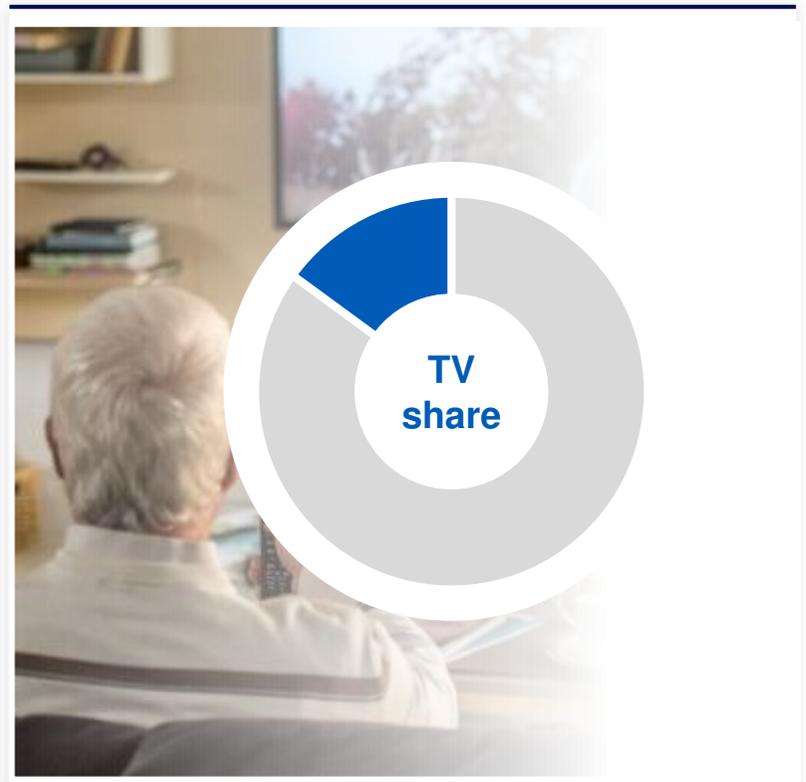
5 High target audience reach combined with exceptional commercial rates

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**

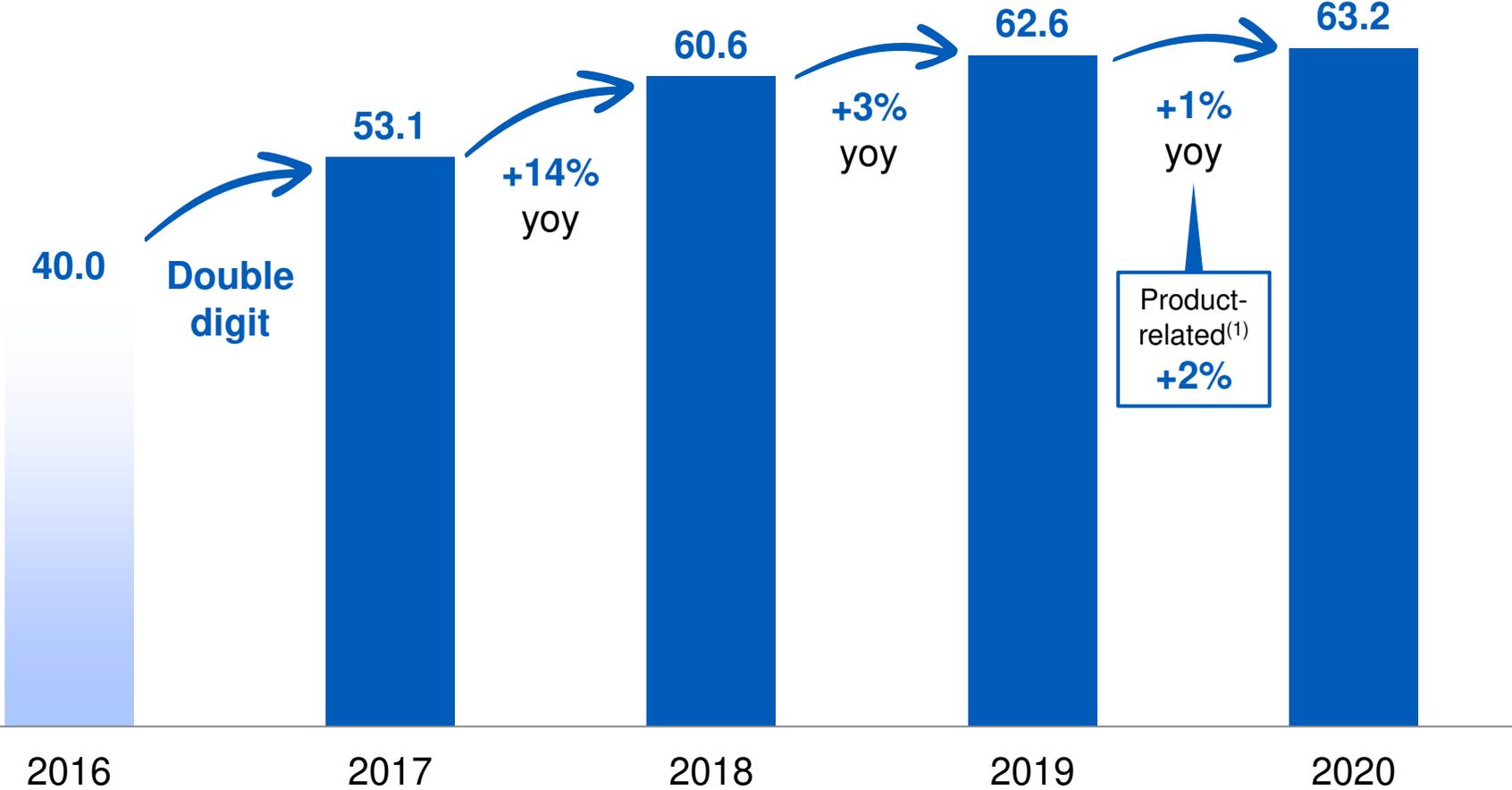
Debt free



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

Revenues 2017 – 2020

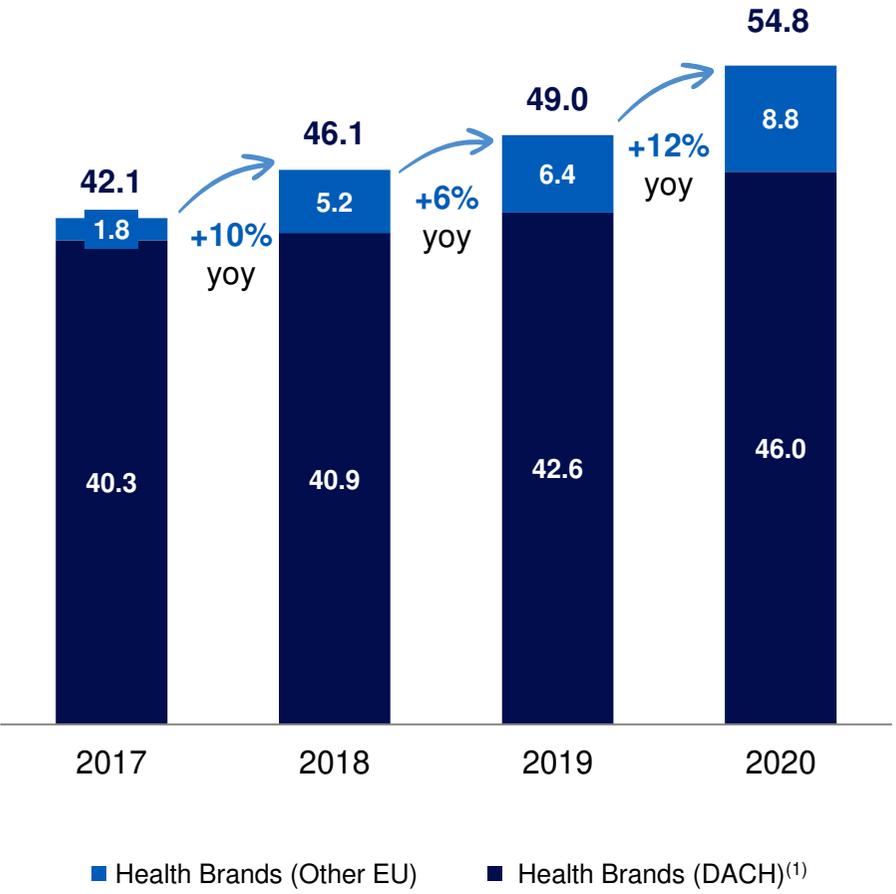
in EUR m



Strong performance driven by our Health Brands and increasing international footprint

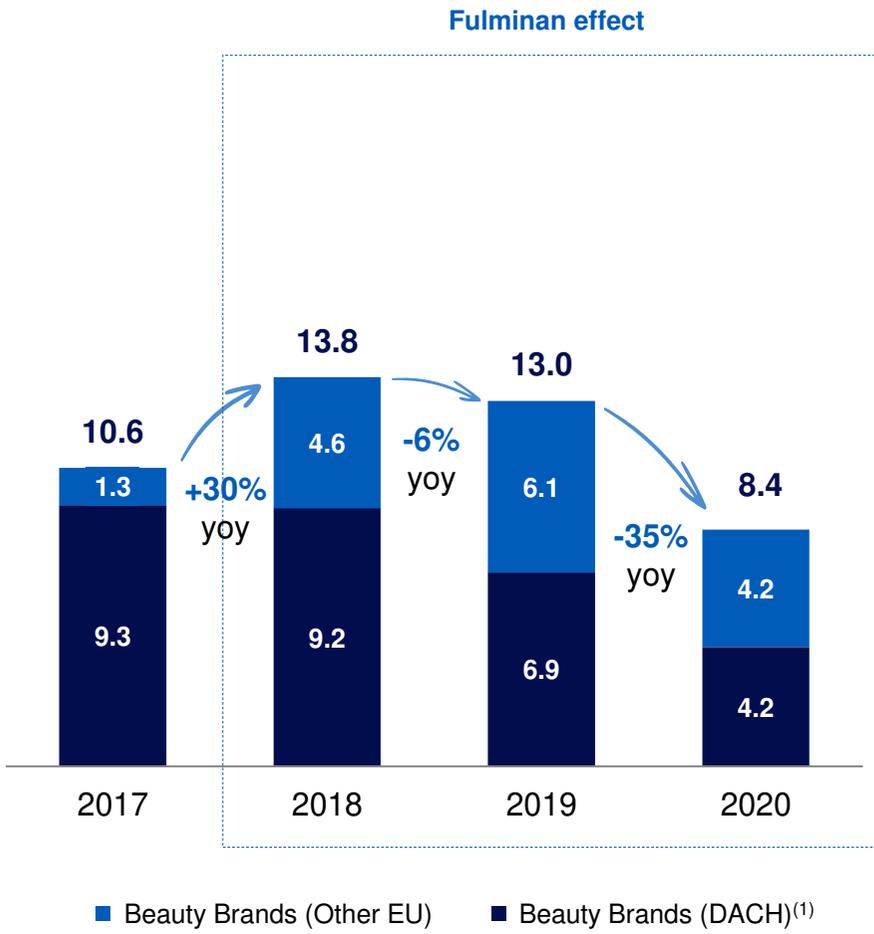
Revenue development Health Brands

in EUR m



Revenue development Beauty Brands

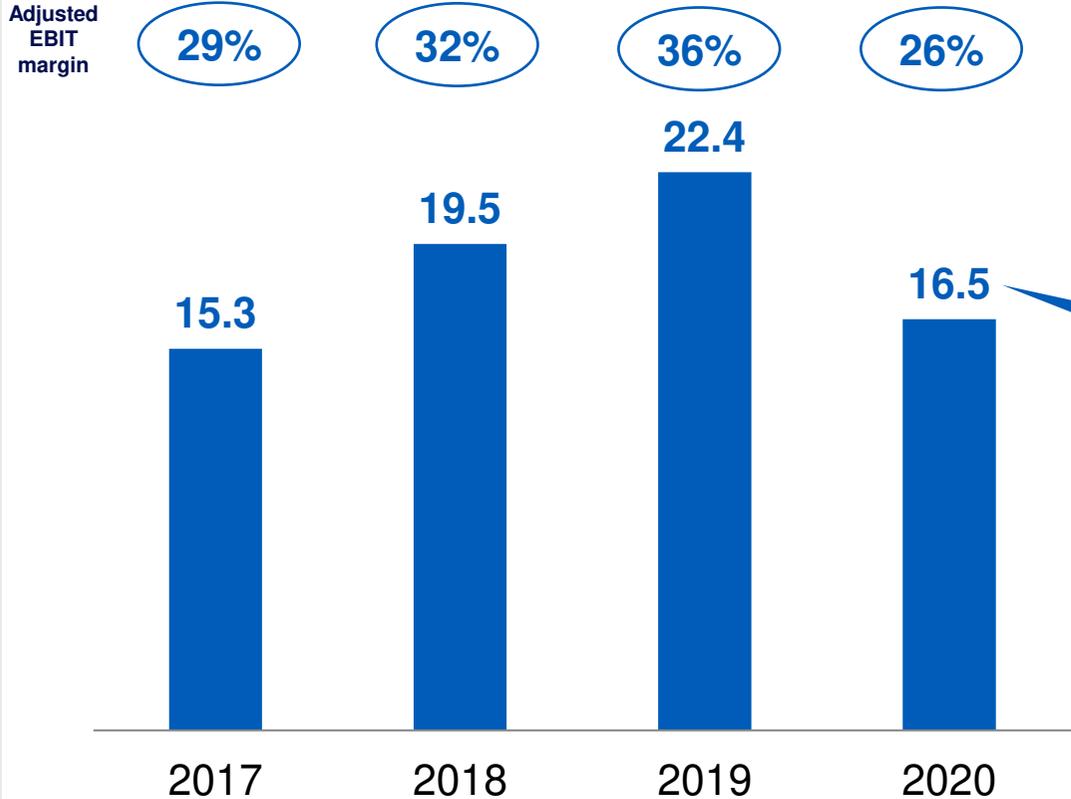
in EUR m



We steer our business to constantly achieve a high EBIT margin

Group adjusted EBIT development 2017 – 2020

(in EURm)



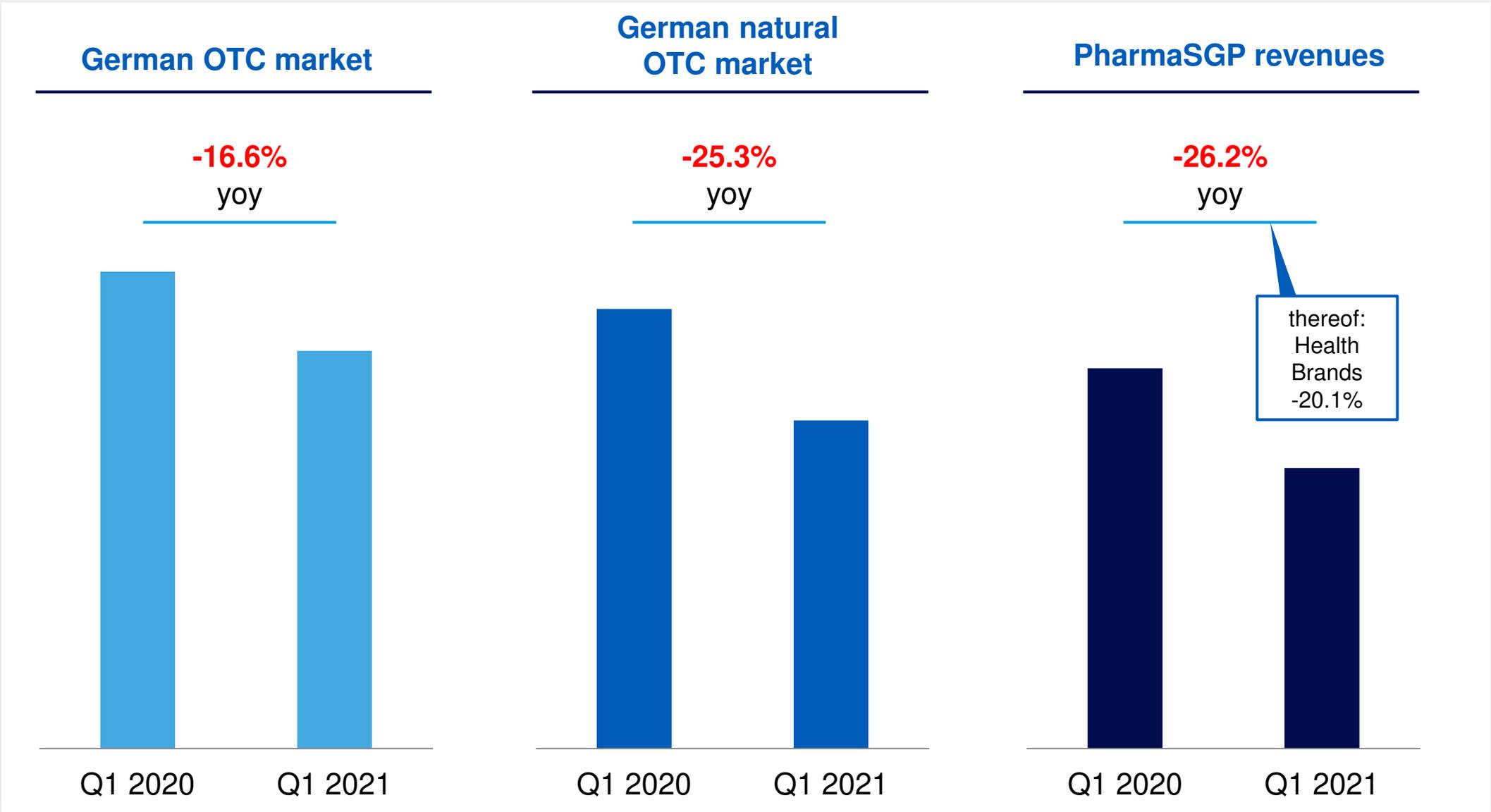
Main drivers for EBIT development in 2020:

- 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
Total adjustments	2.3

Q1 2021: PharmaSGP revenues in line with Natural OTC market development...

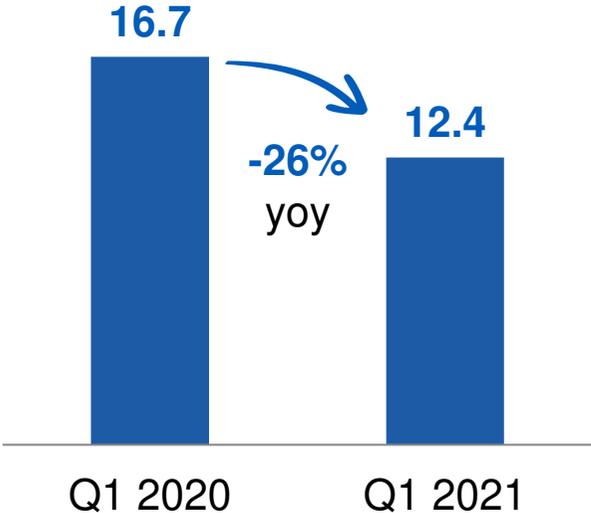


...and in line with forecast – EBIT managed based on reduced marketing and cost discipline

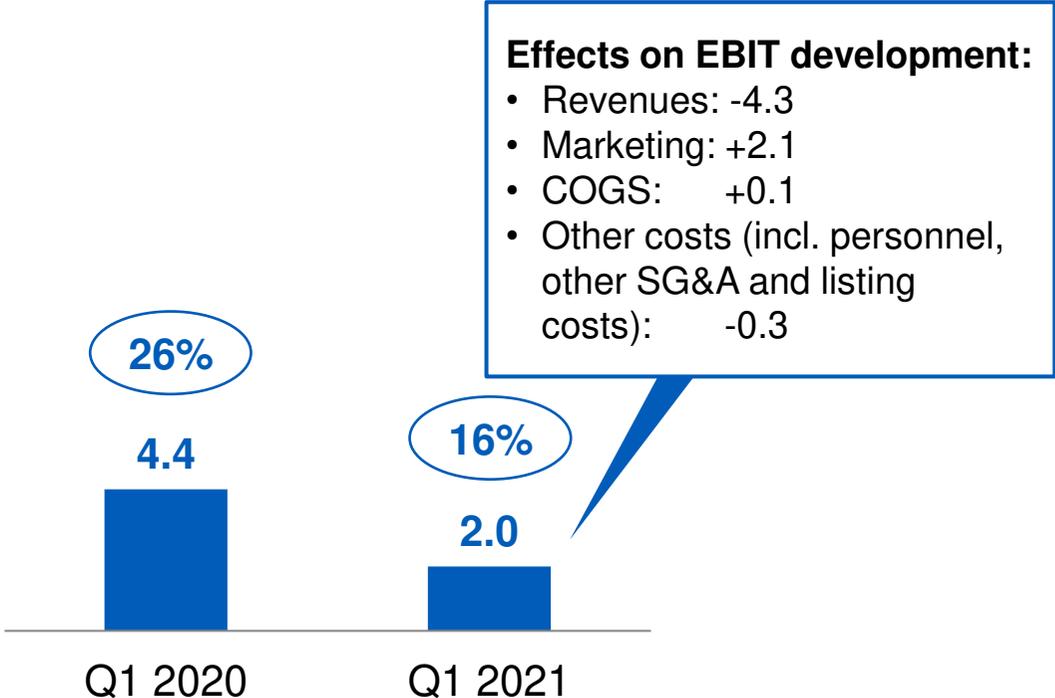
Revenues and adjusted EBIT development Q1 2020 vs. Q1 2021

in EUR m

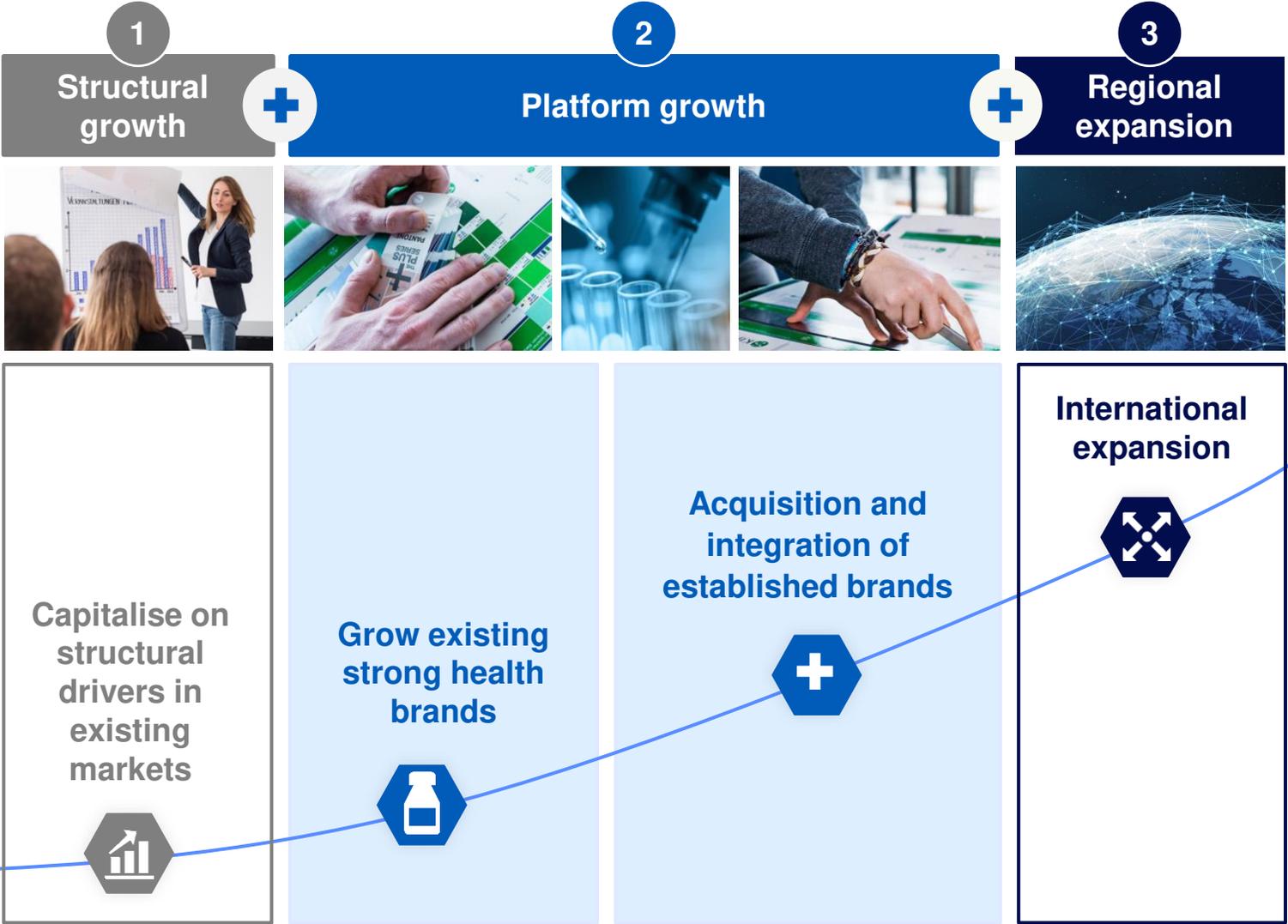
Revenue development



Adjusted EBIT development



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



PHARMA
SGP
Future

PHARMA
SGP
Today

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

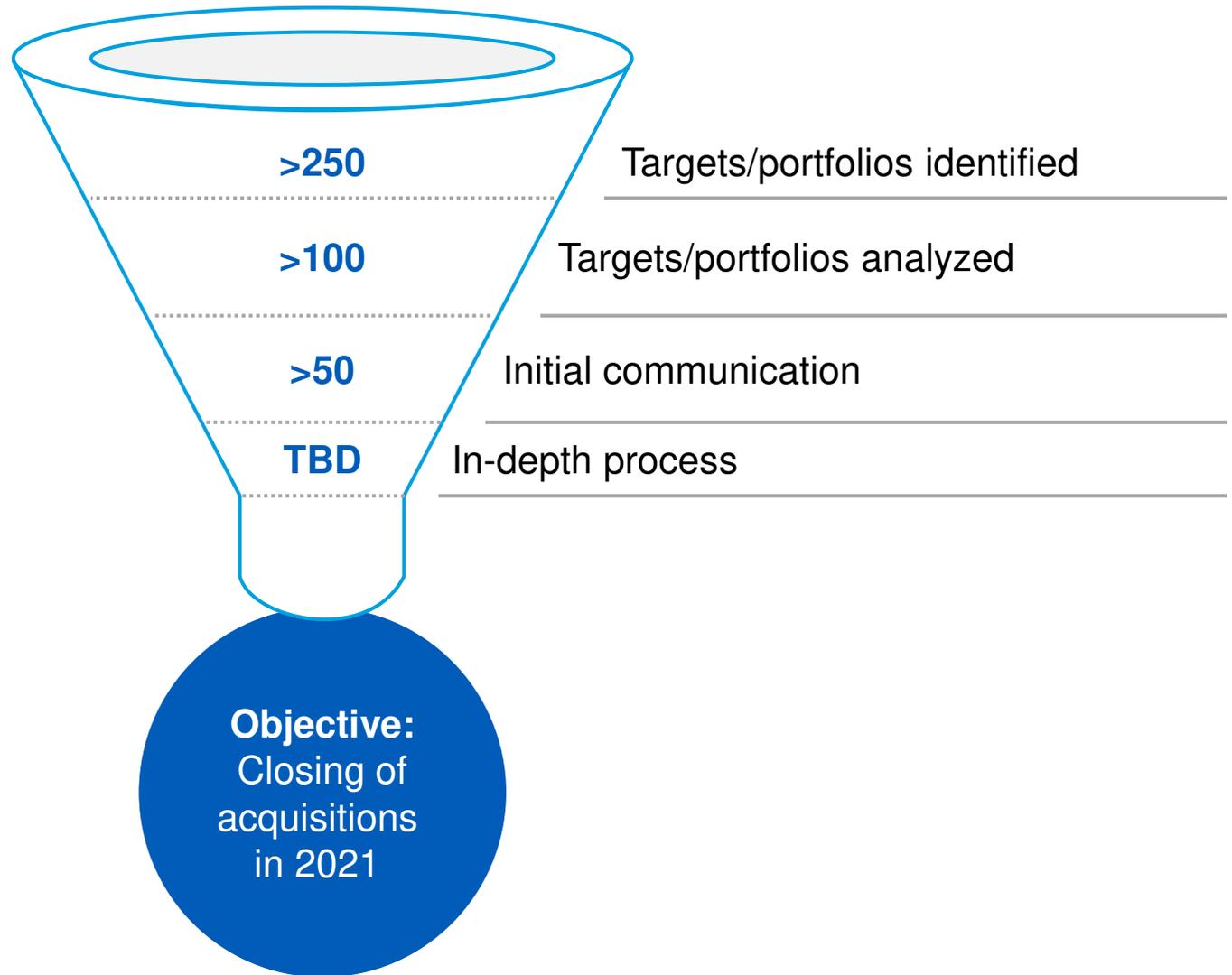
Brand/portfolio characteristics

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

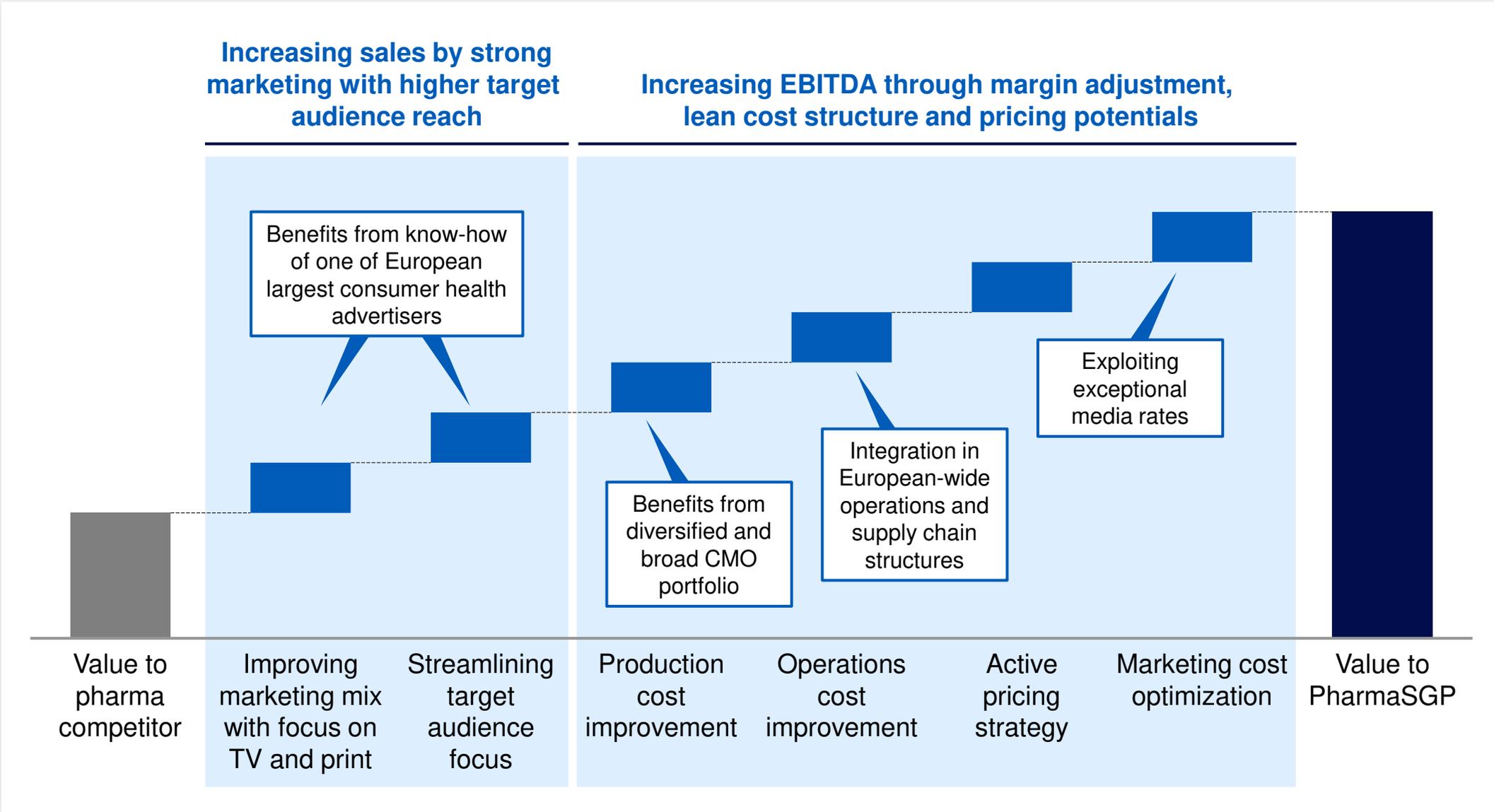
M&A status – high activity along the funnel

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.”

