

PharmaSGP reporting 34% revenue growth and increased profitability in Q3 2021

- Recorded at € 19.7 million, group revenue in Q3 2021 is around 34% above the previous year and around 40% above Q2 2021, both representing significant increases
- Strong revenue development largely driven by organic growth in the existing portfolio
- Integration of the acquired brand portfolio into the PharmaSGP platform is proceeding according to schedule and generating positive revenue and earnings contributions since September 2021
- Group revenue (€ 46.2 million) and adjusted EBITDA (€ 13.2 million) for the first nine months still impacted overall by Covid-19-related restrictions in H1 2021

Gräfelfing, November 16, 2021 - While area-wide lockdowns continued to weigh on the markets into the second quarter, a recovery of the OTC markets has been observed since the middle of the year. In this environment, PharmaSGP achieved the strongest quarter in the company's history, posting revenues of € 19.7 million and a 33.8% increase in revenues in the third quarter compared to the prior year (Q3 2020). By comparison with the second quarter of 2021, revenue was boosted by 40.1%. These figures indicate that the growth rate in Q3 2021 is significantly higher than that of the OTC market in Germany with 6% (Q3 2021 vs. Q3 2020). Organic business from the existing portfolio was the main driver of these positive developments. As of September, the first revenues from the acquired portfolio with the brands Baldriparan®, Formigran®, Spalt® and Kamol® contributed to the positive overall development. In the strategically important "Health Brands" category, revenues advanced from € 12.8 million (Q2 2021) to € 18.7 million, which reflects a growth rate of 46.1%.

Viewed over the first nine months of 2021, revenue amounted to € 46.2 million (previous year: € 48.6 million). The development in the first half of 2021, however, especially in the first quarter, was still burdened by the effects of the COVID-19 pandemic. Revenue in the "Health Brands" category – by contrast with the overall OTC market - developed positively in the first nine months of 2021, achieving growth of 2.5% by comparison with the same period of the previous year, reaching a value of € 42.8 million (previous year: € 41.7 million). In the "Beauty Brands" category, which was severely impacted by the pandemic, revenues were down as expected to € 3.4 million in the first nine months of 2021 (previous year: € 6.8 million). In the first nine months of 2021, earnings before interest, tax, depreciation and amortization adjusted for one-time costs and special effects (adjusted EBITDA) amounted to € 13.2 million (previous year: € 15.8 million). This corresponds to an adjusted EBITDA margin (measured against revenues) of 28.7 % (previous year: 32.5 %). In the third quarter of 2021, PharmaSGP was able to realise an adjusted EBITDA margin of 34.2%, a figure well above 30%. In the first nine months of 2021, unadjusted EBITDA amounted to € 12.5 million.

"Our strong organic growth in the third quarter, as well as the return to our usual margin level impressively demonstrates the potential of PharmaSGP's business model. We are very pleased that we are now back on the growth course with our business development," as CEO Natalie Weigand commented.

"Going forward, our growth will also benefit strongly from the acquisition of the brand portfolio we took on board end of August," adds Michael Rudolf, CFO of PharmaSGP. "The integration into our platform is proceeding as planned. We perceive significant value creation opportunities in the brands we have acquired, which we can leverage through our platform strategy."

The Executive Board continues to assume that the forecast for the 2021 financial year, which was adjusted in September following the expansion of the product portfolio, will be achieved. With a look to the 2021 financial year, the Management Board now expects revenues of between € 60 million and € 65 million. The adjusted EBITDA margin is expected to rise to between 27 % and 31 % by comparison with the 2020 fiscal year. The further course of the Covid-19 pandemic represents a key factor for the overall development and growth of PharmaSGP in 2021. It is assumed that no renewed negative impact will occur in the second half of 2021 with regard to the European OTC markets relevant for PharmaSGP.

PharmaSGP will publish the 9-month announcement on 30 November 2021, in the 'Publications' section of the company's website ir.pharmasgp.com.

OVERVIEW OF PRELIMINARY YEAR-ON-YEAR FIGURES

Group figures (in € million)	9M 2021	9M 2020	Δ
Revenues	46.2	48.6	-4.9 %
Adjusted EBITDA	13.2	15.8	-16.1 %
Unadjusted EBITDA	12.5	14.4	-13.0 %
Adjusted EBITDA margin	28.7 %	32.5 %	
Unadjusted EBITDA margin	27.1 %	29.7 %	

Revenues by regions (in € million)	9M 2021	9M 2020	Δ
Germany	31.8	33.7	-5.6 %
Italy	6.3	6.9	-8.8 %
Austria	5.8	5.0	+16.6 %
Other European countries	2.3	3.0	-23.7 %

Share of revenues by region	9M 2021	9M 2020	Δ
Germany	68.8 %	69.2 %	
Italy	13.6 %	14.2 %	
Austria	12.6 %	10.4 %	
Other European countries	5.0 %	6.2 %	

Revenues by product category (in € million)	9M 2021	9M 2020	Δ
Health Brands	42.8	41.7	+2.5 %
Beauty Brands	3.4	6.8	-50.1 %

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ABOUT PHARMASGP HOLDING SE

PharmaSGP is a leading consumer health company with a diversified portfolio of over-the-counter (OTC) pharmaceuticals and other healthcare products that are marketed with the focus on the pharmacy distribution channel. These products are mostly based on natural active pharmaceutical ingredients with documented efficacy and few known side effects.

The Company's core brands cover chronic indications, including rheumatic pain, nerve 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 also offers leading products against sexual weakness and vertigo symptoms. Since introducing the first product from the current product portfolio in 2012, PharmaSGP has successfully established its business model in other European countries, including Austria, Italy, Belgium, Spain and France. In September 2021, the product portfolio was expanded by the brands Baldriparan®, Formigran®, Spalt® and Kamol®, thus also strengthening or developing the indications pain and sleep disorder. The sales territory was expanded to include Switzerland and Eastern Europe.

In 2020, PharmaSGP generated revenues of € 63.2 million at an adjusted EBITDA margin of 26.9 %.

In order to further expand its competitive position, PharmaSGP plans to increase the number of indications covered by PharmaSGP's product offering, increase PharmaSGP's European footprint, and accelerate its growth strategy especially by capitalizing on selected M&A opportunities.