



## GROUP PRESENTATION

**NEXT GEMs (3-4-5 November 2020)**





# **1 Company and Market Overview**

# Shedir Pharma Group – at the glance

A leading Italian player active in the healthcare sector with a strong specialization in nutraceuticals

**Foundation** Backed on the experience both in Nutraceutical and Pharmaceutical sectors Shedir Pharma was established

**Vision** Faithful to health

**Mission** It's our goal to provide a positive impact on the life of every person

💡 thanks to the creation of innovative products with high therapeutic effect

💡 through a distribution model which can rely on a wide and specialised network of agents approaching doctors and pharmacists (a model peculiar of the pharma sector)

12  
Years of  
history <sup>(1)</sup>



70+  
people <sup>(1)</sup>



~700  
Exclusive  
sales agents <sup>(1)</sup>



~ 400  
References <sup>(1)</sup>



~ 17  
Therapeutic  
areas <sup>(1)</sup>



31 Patent  
(~ 60 pending) <sup>(1)</sup>



28  
AIC <sup>(2)</sup>



Appealing growth, high margins, top quality products, impressive distribution network

Notes: (1) Updated to September 2020

Notes: (2) Autorizzazione all'Immissione in Commercio, updated to September 2020

# Shedir Pharma Group – What we do

**Shedir Group is focused on the development, formulation, distribution and sale of dietary supplements and drugs**

- The Group has organized its activities within 2 Business Units supported by captive companies operating in certain R&D and marketing activities

## Business Unit 1 – Shedir division

- Shedir division** is involved in the development, formulation, distribution and sale of **supplements, dermocosmetics and medical devices**
- Within the division, **Shedir Pharma Srl** is engaged in the products distribution, through **4 product lines**, with exclusive sales agents involved in the release to healthcare professionals (doctors and pharmacists)
- In **April 2019**, the Group launched **new line Shedir Pet**, to expand its products offer and to penetrate a growing market

 **5**  
Product  
Lines

 **90+**  
Brands

 **~600**  
Exclusive  
sales agents

 **300+**  
References

## Business Unit 2 – Dymalife division

- Dymalife division is involved in the development, formulation, distribution and sale of drugs and, marginally, dietary supplements.
- In 2017, the Group entered in the pharmaceutical sector through the acquisition of **pharmaceutical assets** and **the constitution of Dymalife Pharmaceutical Srl**.
- Dymalife Pharmaceutical sells **group A, group C and OTC medicines**, through **two** specific product lines: Dyma and Horizon. In order to offer a complete therapeutic treatment, the Company enriched these lines with supplements and medical devices.

 **2**  
Product  
Lines

 **30+**  
Brands

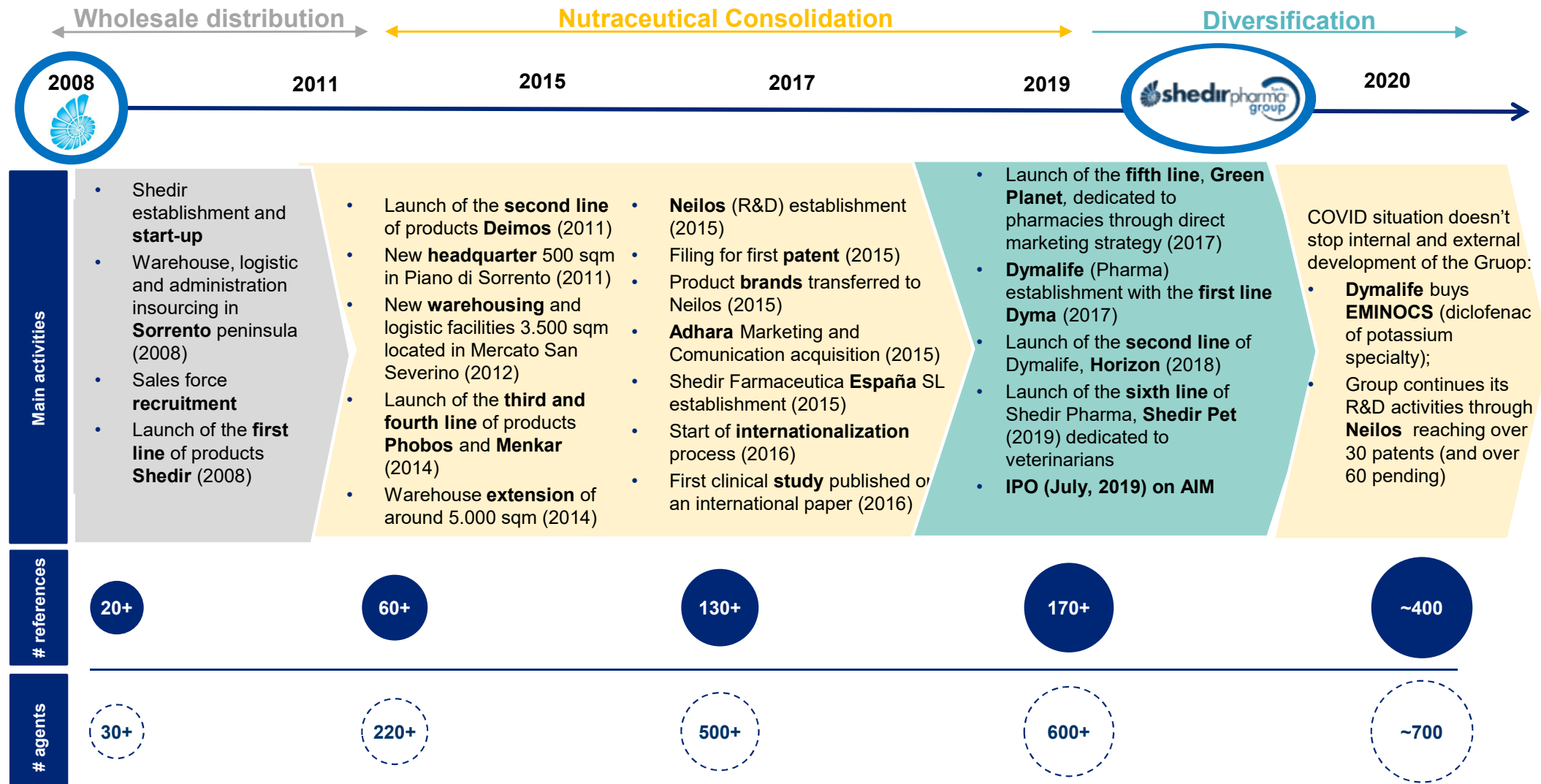
 **~100**  
Exclusive  
sales agents

 **100+**  
References

**An integrated offer of nutraceuticals and drugs**

# Shedir Pharma Group – History

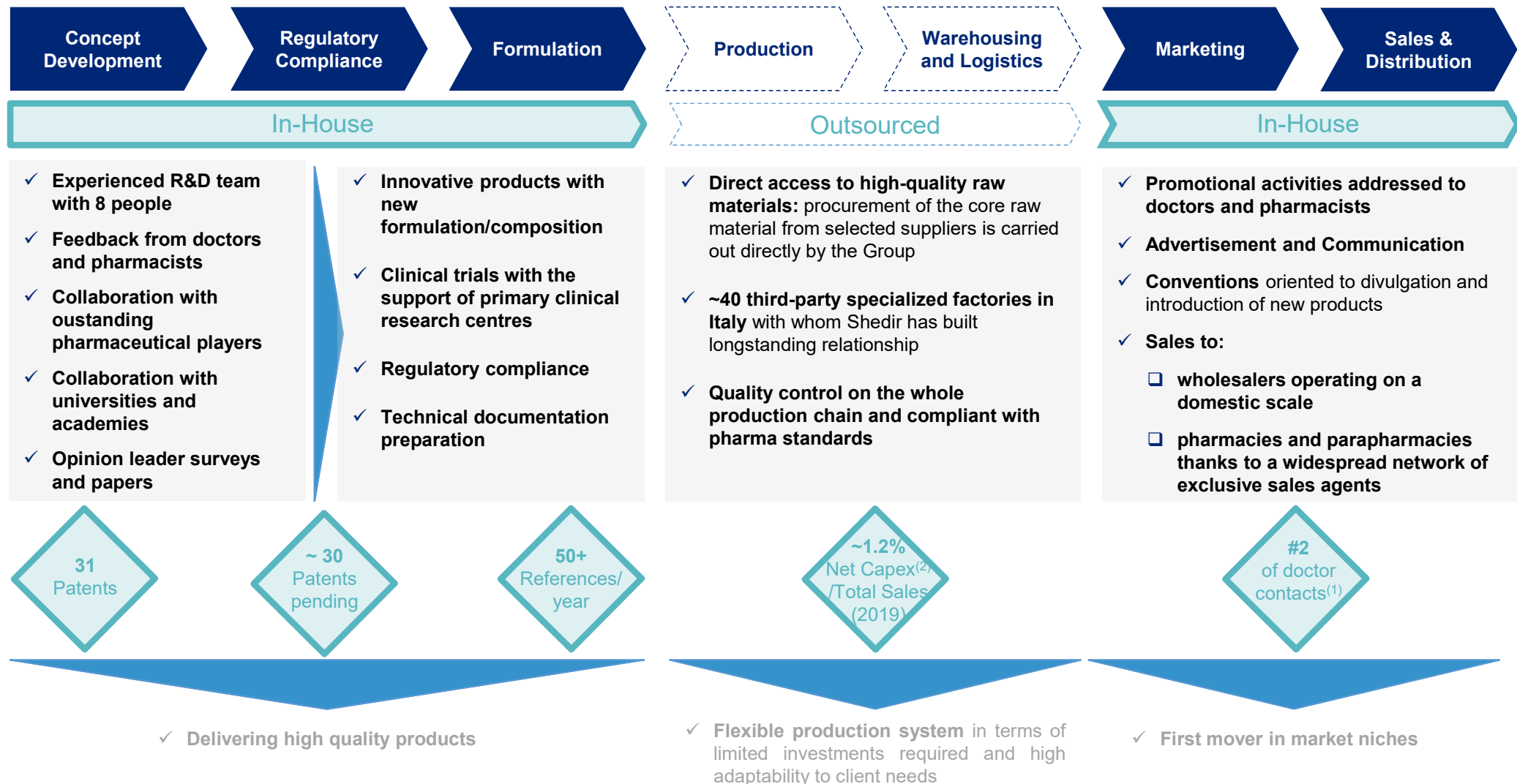
## Key milestones



A young, dynamic and fast-growing company

# Successful Asset-light Business Model

The Group oversees the entire value chain, from R&D to products' distribution




















Focus on the value-added activities along the value chain

Source (1) ABACAM

Notes (2) Net CAPEX excluding extraordinary capital expenditure

# Strong and diversified product portfolio

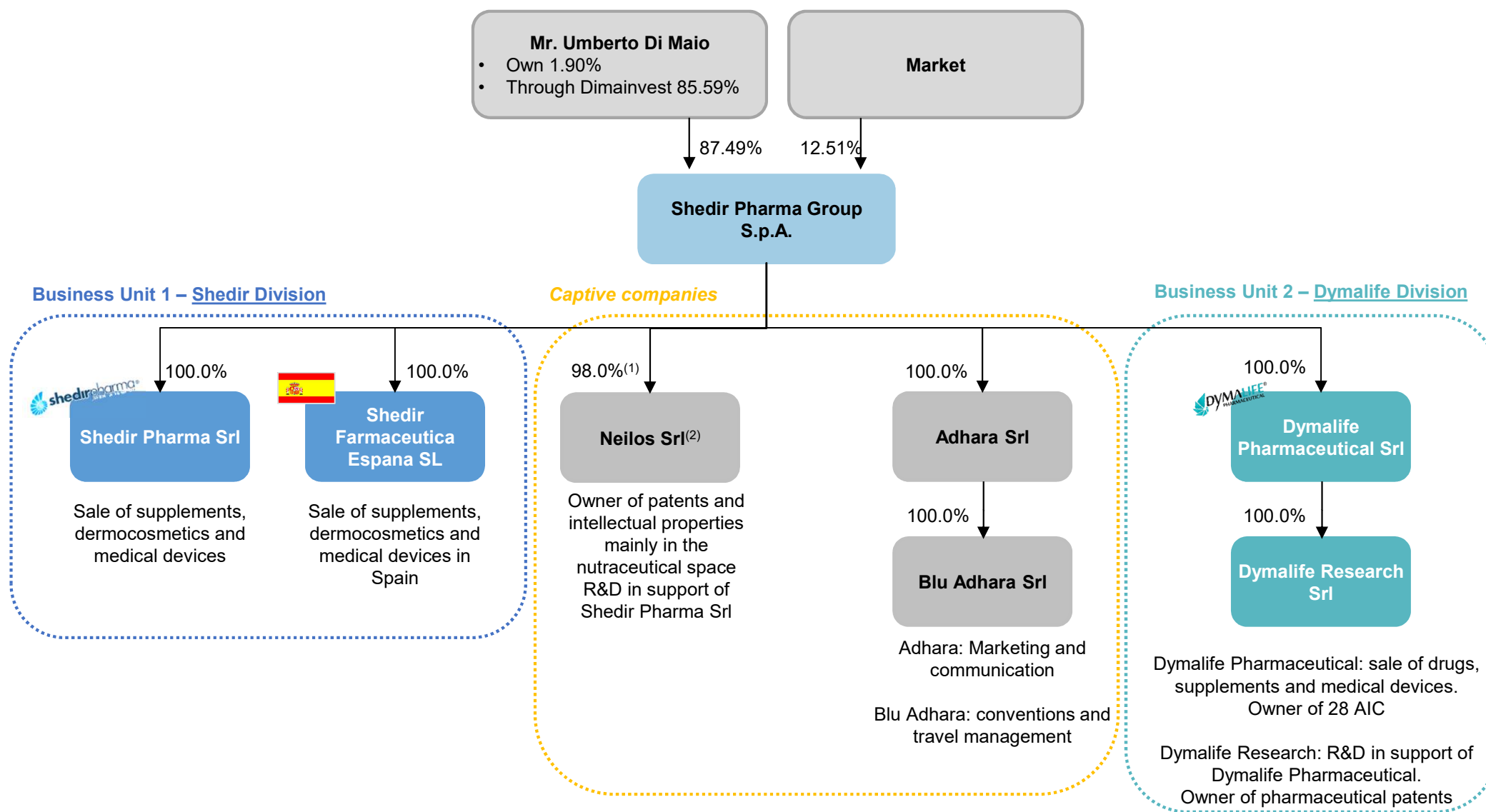
Shedir Pharma Group's activities are grouped into 2 Business Units (Shedir division and Dymalife division)

Business Units	2019 Key Figures	Product Lines and #References	Short Description	Main References
<b>SHEDIR DIVISION</b>  Supplements, dermocosmetics and medical devices	<ul style="list-style-type: none"> <li><b>Sales:</b> € 47.1m<sup>1</sup></li> <li><b>EBITDA Adj.:</b> € 10.4m</li> <li><b>Agents:</b> ~600</li> </ul>	 c. 22.1m #74  c. 12.1m #91  c. 6.0m #91  c. 4.6m #62   c. 0.1m #18	<ul style="list-style-type: none"> <li>Product Lines that meet the needs of physicians and consumers in 15 + therapeutic areas.</li> <li>Each PL is marketed by a dedicated network of agents</li> <li>PL strengthening the presence of the Group's products in the pharmacy</li> <li>Specialistic line dedicated to Veterinarians</li> </ul>	         
<b>DYMALIFE DIVISION</b>  Drugs and supplements	<ul style="list-style-type: none"> <li><b>Sales:</b> € 3.6m</li> <li><b>EBITDA Adj.:</b> € -0.7m</li> <li><b>Agents:</b> ~100</li> </ul>	 c. 2.5m #70  c. 1.1m #55	<ul style="list-style-type: none"> <li>Wide and diversified line of prescription drugs, dietary supplements and medical devices in their different pharmaceutical forms</li> </ul>	

- ✓ The diversified portfolio allows a stable turnover, enabling the Group to address eventual market/ regulatory changes in the pharmaceutical and nutraceutical sector
- ✓ Broad and diversified product portfolio, covering multiple therapeutic areas with market leading references
- ✓ Focus on brand awareness
- ✓ Integrated therapeutic offer dedicated to specialists (supplements, medical devices, dermocosmetics and drugs)
- ✓ Pharmacies as the main distribution channel: (i) Pharmacies are the leading distribution channel in the market; (ii) Products sold in pharmacy generally show the highest average sales price.



# Group Structure

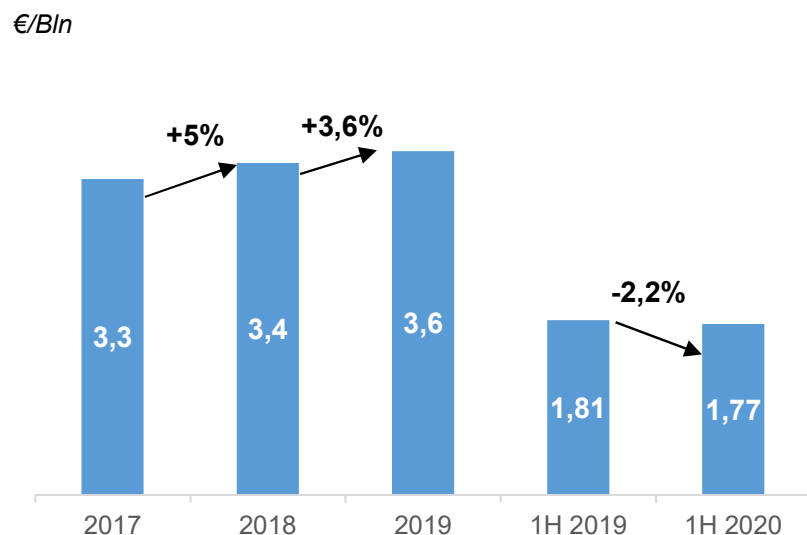




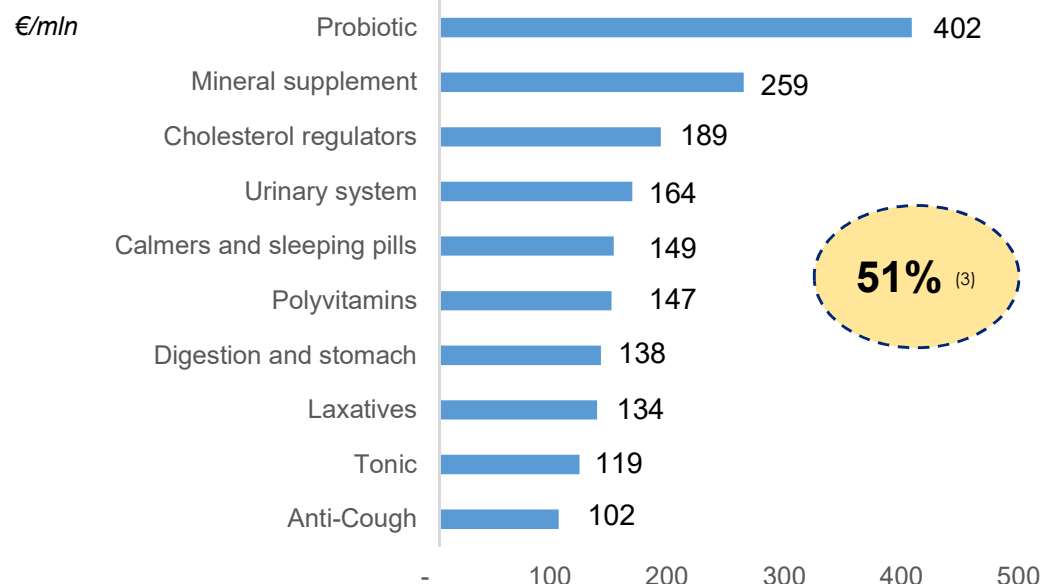
# Focus on the Italian Nutraceutical Market

Italian Nutraceutical Market has a value of about **3,5 €/Billions** with an increase of about 1% in the last 12 months<sup>1</sup>.

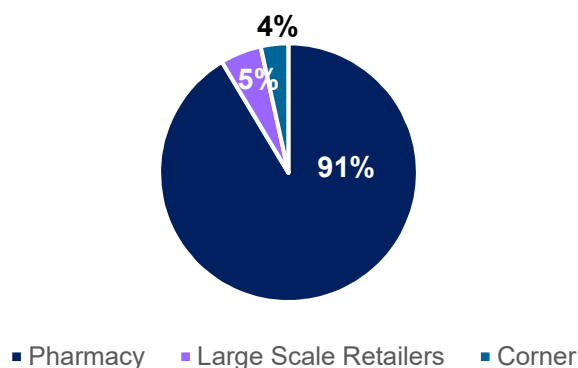
## Sell-out Market Value and Yearly Deviation<sup>2</sup>



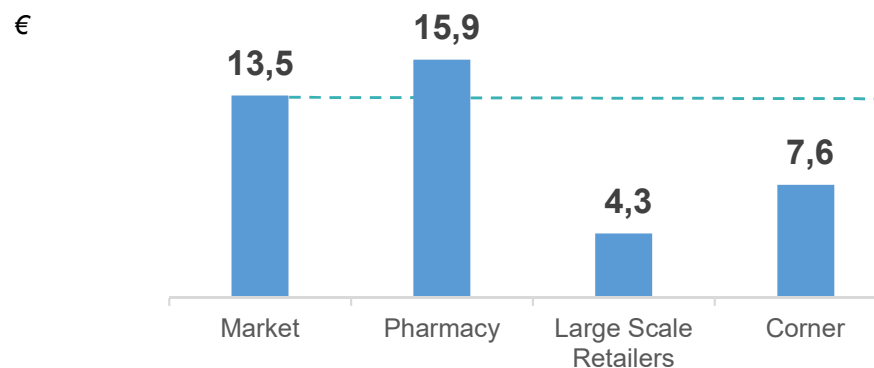
## Best 10 Market Segments covered by nutraceutical products<sup>1</sup>



## Sell-out by distribution channels<sup>1</sup>



## Average sales price by channels<sup>1</sup>

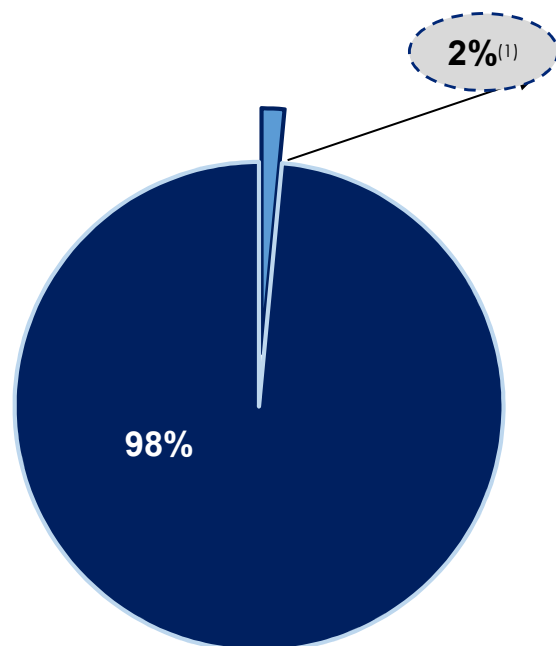


(1) IQVIA Solution Italy. MAT (Moving Annual Total, last 12 months) as June 2020;

(2) 1H 2020 deviation is compared to 1H 2019 YTD value;

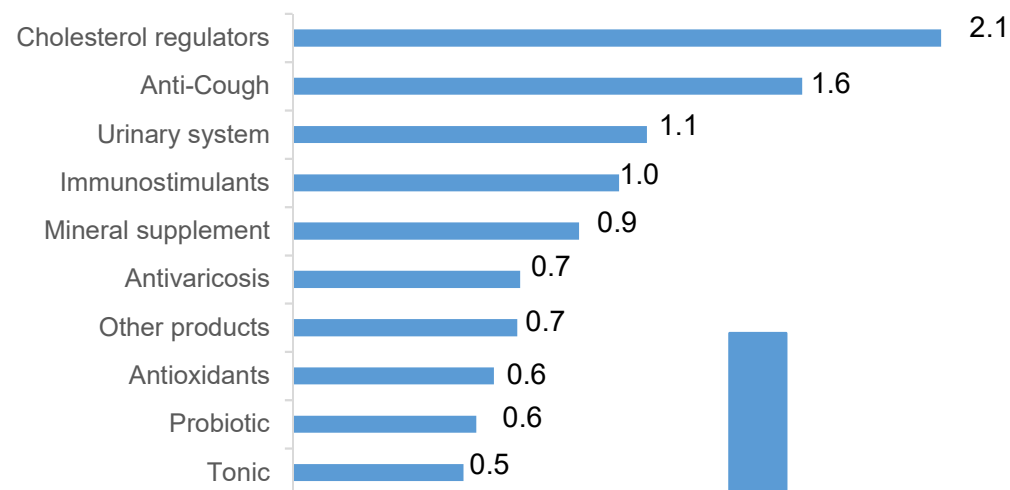
(3) Italian Market Share related to first 10 Segments.

# SHEDIR PHARMA – MARKET SHARE



## Best 10 Market Segment covered by Shedir Group – 1H 2020

€/mln

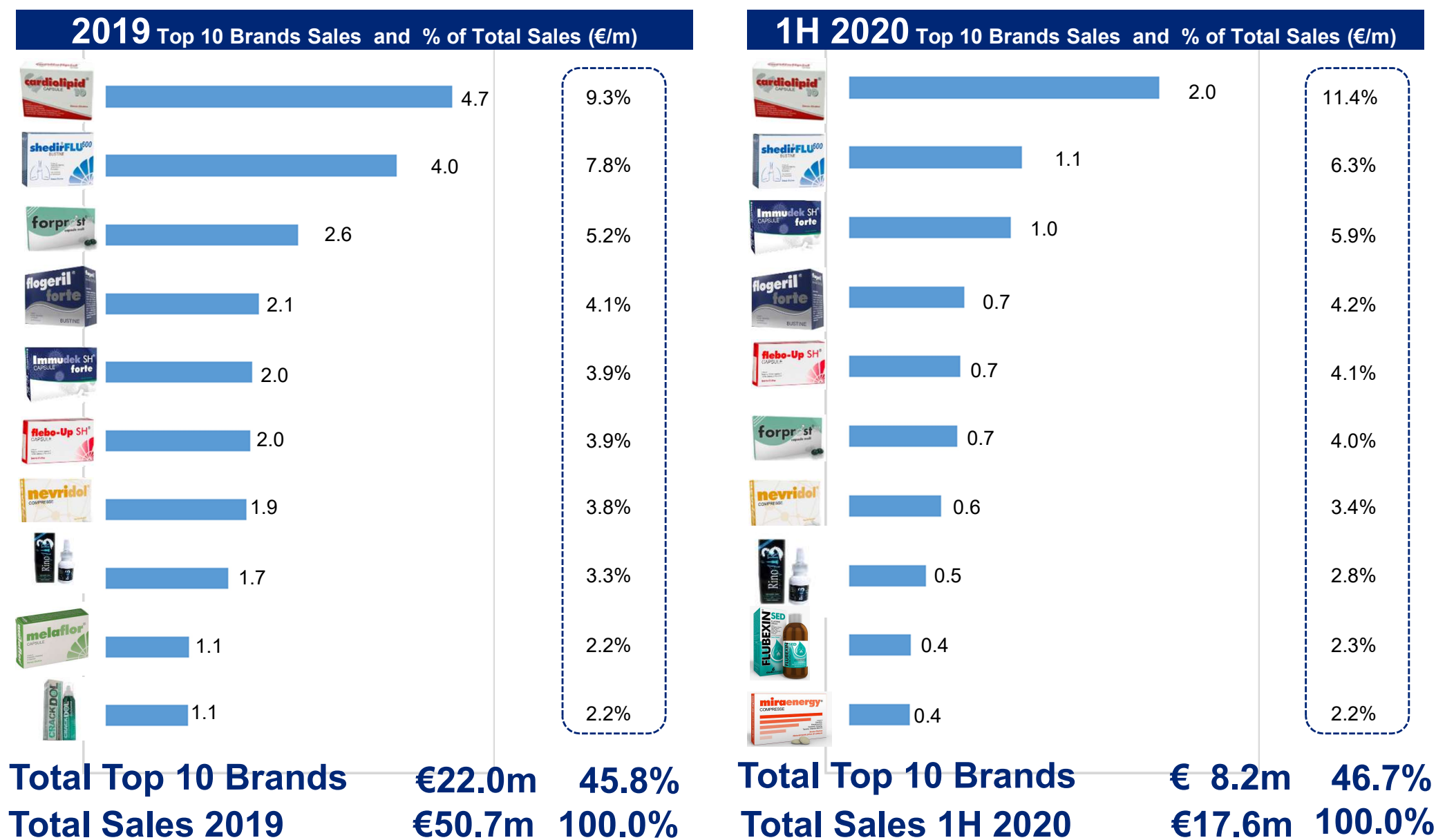


-10% (2)

((1) Market Share calculated according to the Quantity Sales in the Market Segments covered by the Shedir Group.(Source: IQVIA Solution Italy)

((2) In the 1H 2020 Shedir Group Unit Sales (in the first 10 Market Segments) reported the same decrease of the related Italian Market Segment

# Top 10 Brands

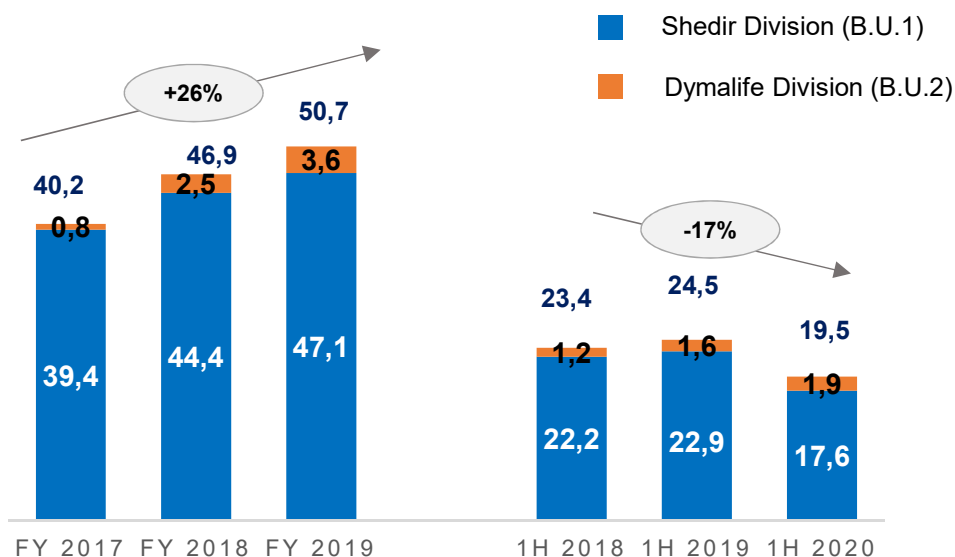


Product diversification allows the Group to preserve its market share and to reduce its revenues dependence on few brands

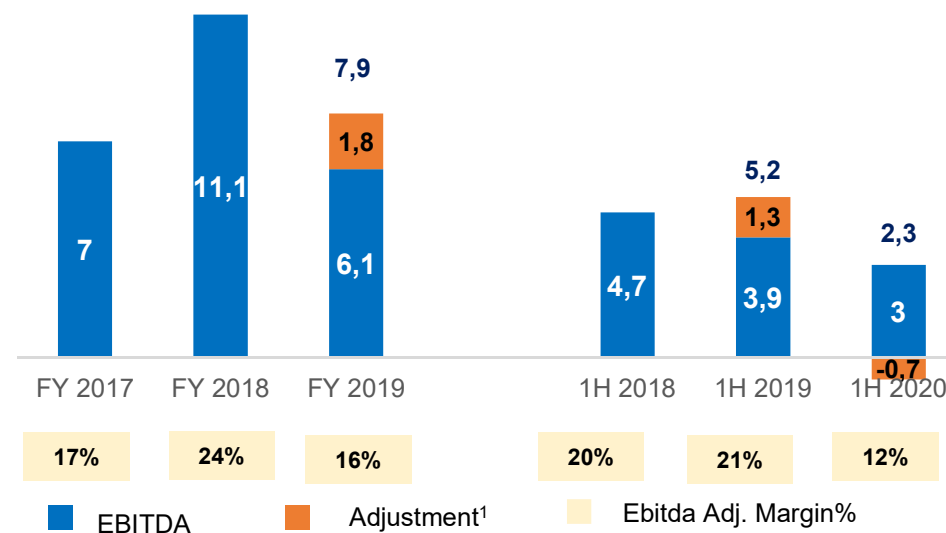
## **2 Financial overview**

# Shedir Pharma Group Key Figures 2017-2020

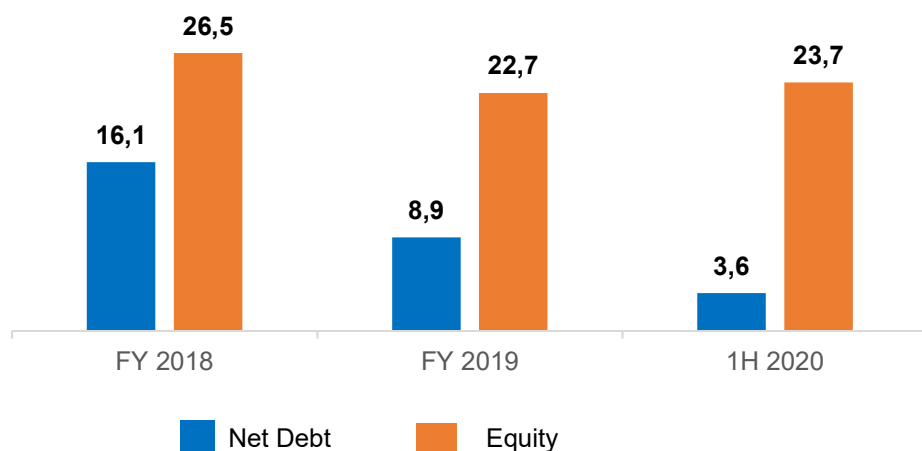
## TOTAL SALES (€m)



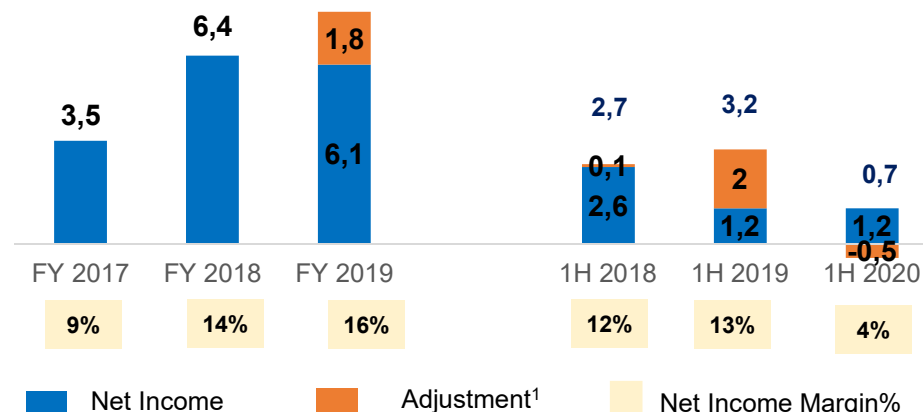
## EBITDA ADJ (€m)



## NET DEBT / EQUITY (€m)



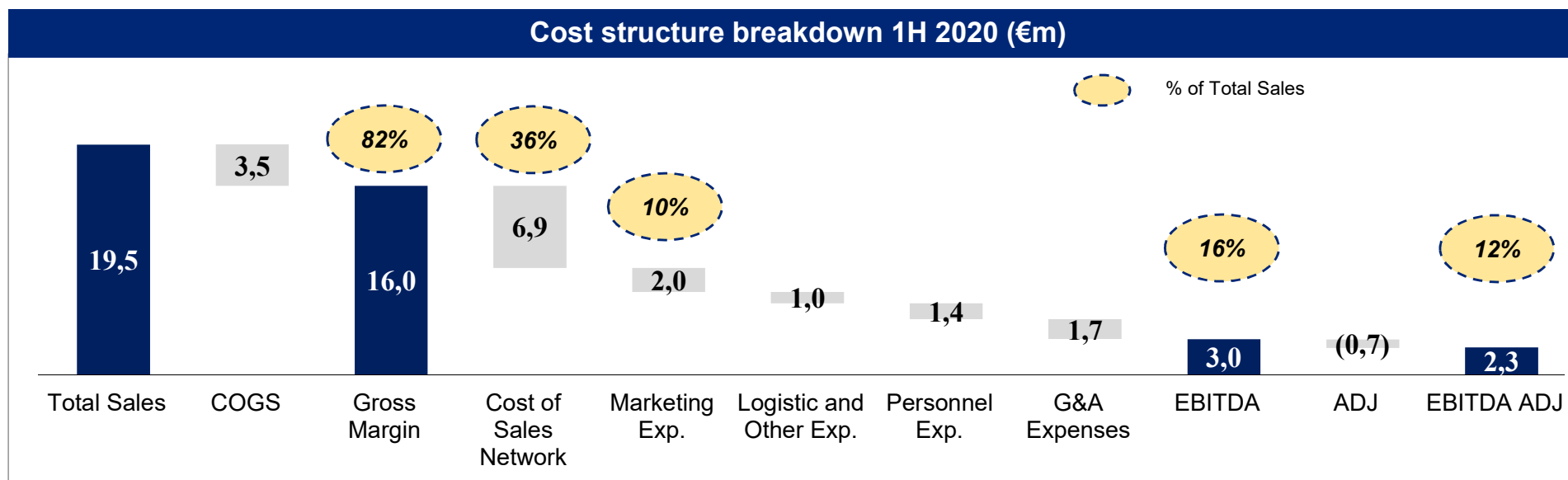
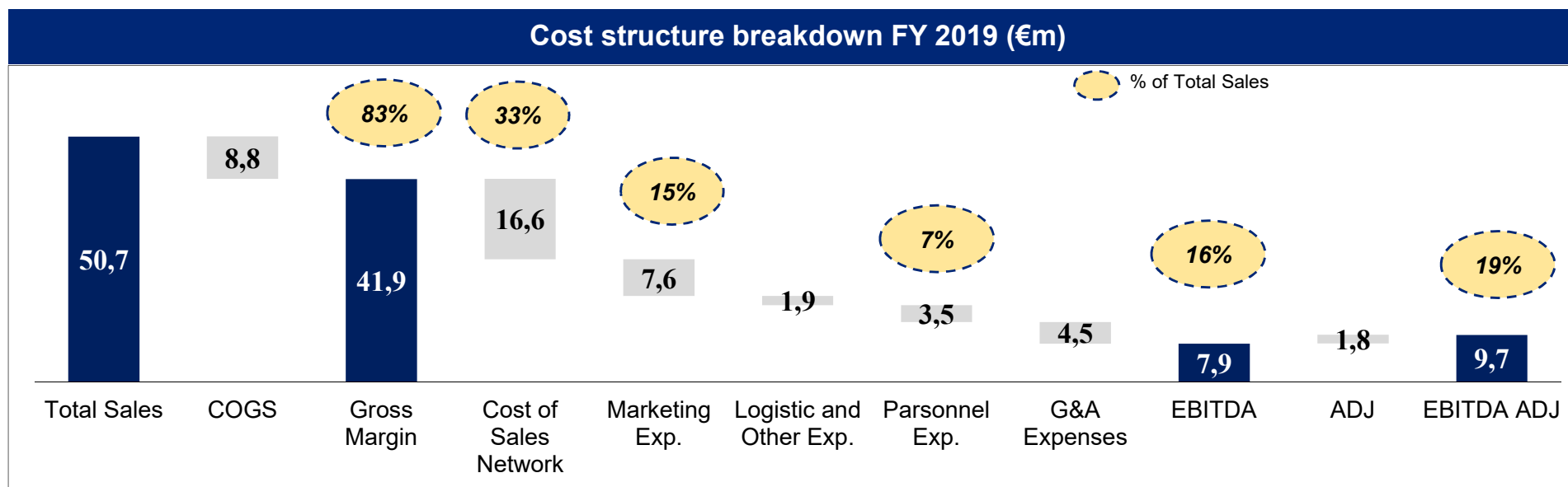
## NET INCOME (€m)



(1) For FY 2019 Adjustments refer mainly to Tax provisions and AIM listing costs; For the 1H 2020 they refer to Extraordinary incomes/costs..

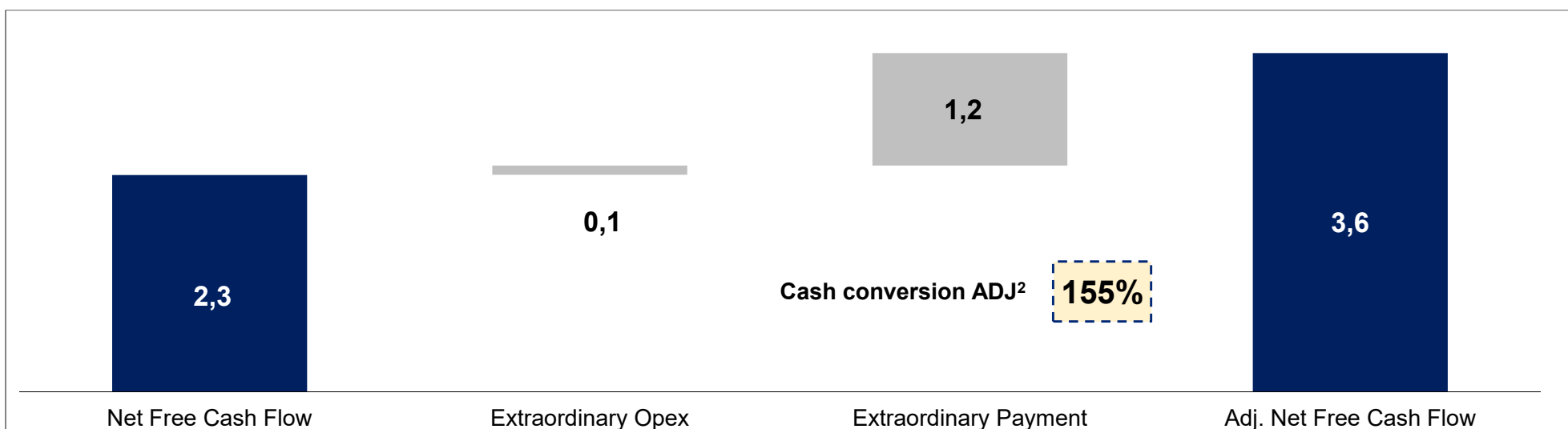
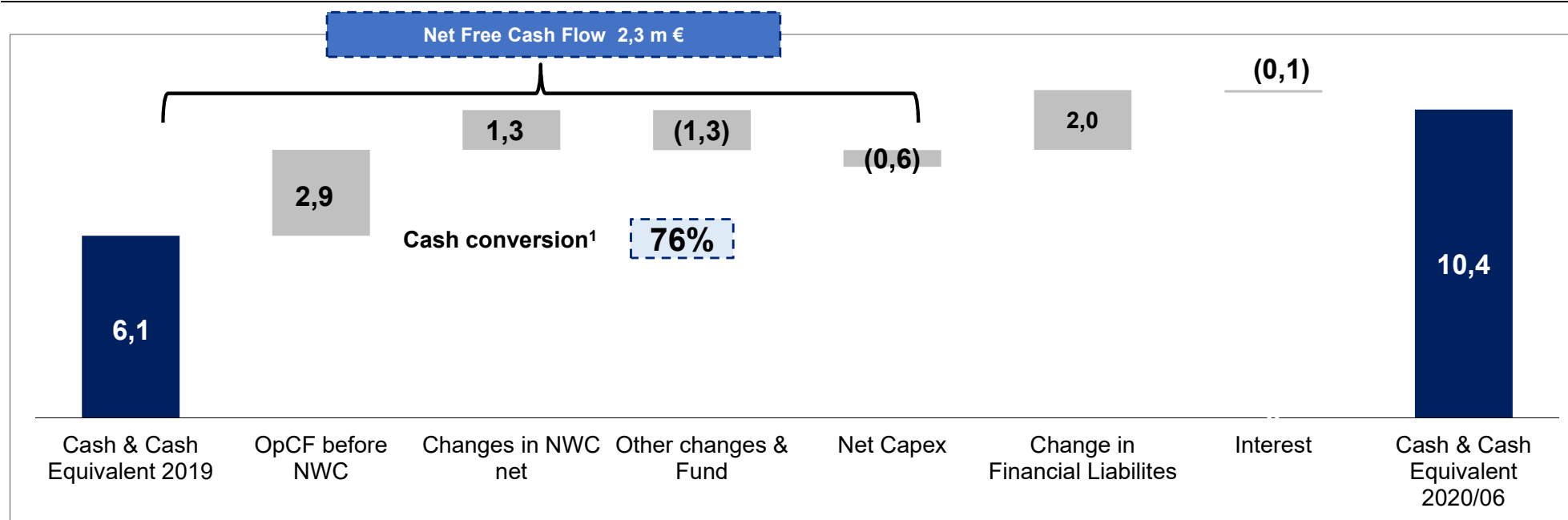
# Group Cost Structure as for FY 2019 and 1H 2020

€/mln



# Cash Generation 1H 2020 and Cash Conversion

€/mln



(1) Cash Conversion calculated as *Net Free Cash Flow* divided by the *EBITDA*

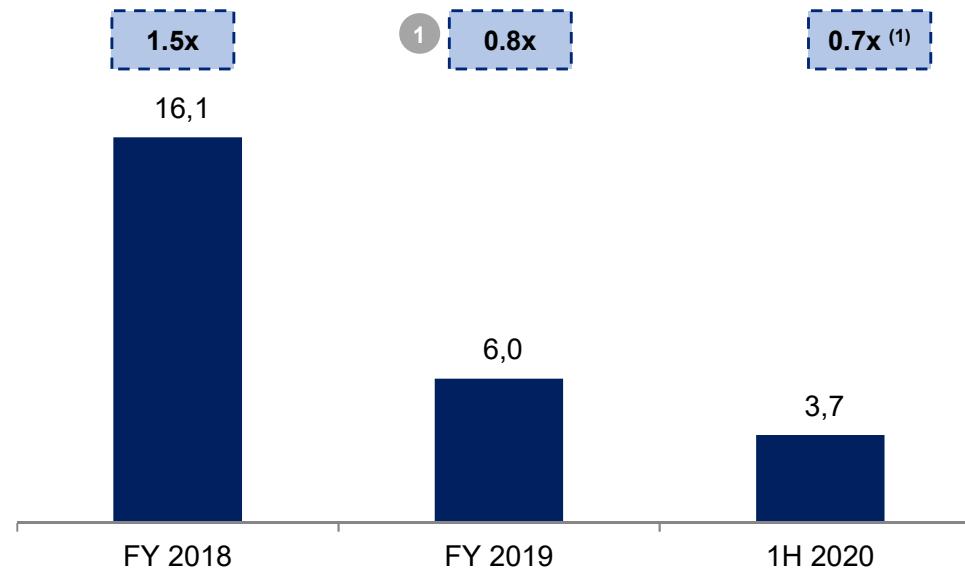
(2) Cash Conversion ADJ calculated as *Net Free Cash Flow* divided by the *EBITDA Adjusted* from extraordinary Items



# Net Debt Evolution

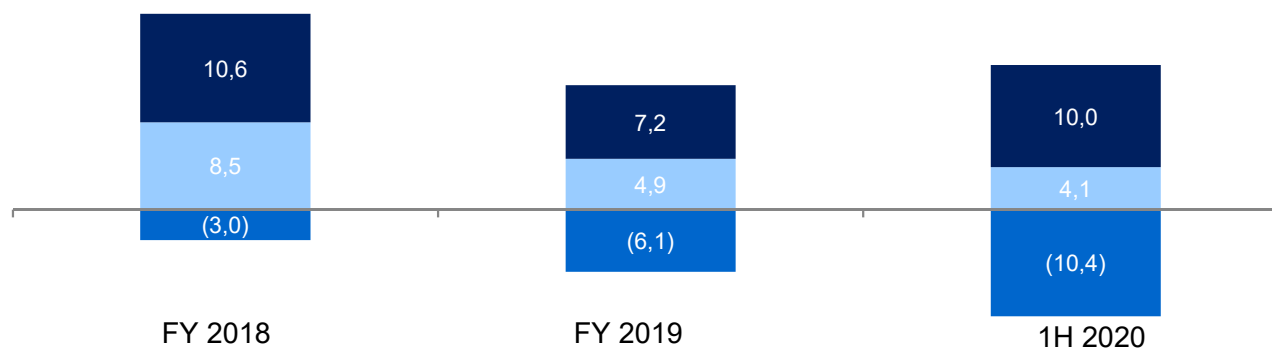
## Net Debt Evolution (€m)

Net Debt / Adj. Ebitda



1 Despite the growth of the business, the Group has maintained a balanced financial structure

## Net Debt Breakdown



■ Cash and cash equivalents ■ Current financial liabilities ■ Non-current financial liabilities ■ Financial assets

(1) Net Financial Position as at 30/6/20 divided by EBITDA LTM (EBITDA Adj. 2019 - EBITDA Adj. 2019 H1+ EBITDA Adj. 2020 H1)

## **3 COVID – 19 ISSUES**

# COVID-19 ISSUES (1)

A

## Compliance with Ministerial Health Protocols

- Constant and conspicuous information addressed to all employees regarding the updates of health protocols;
- Bi-weekly sanitation of the premises, environments, workstations and common areas by a specialized company;
- Assignment of personal protective equipment to all employees and the spacing of the workstations, making use of the various and large premises available to the Company;
- Smart working and use of video conference for Company's meetings.

B

## Impact on Shedir Group Activities

- Reduction on Marketing activities due to lockdown of medical offices;
- Re-schedule and/or reduction of Promotion events according to Government regulations;
- No issues or delay about supply and sales delivery activities.

# COVID-19 ISSUES (2)

C

## Business Actions taken by the Management during 1H 2020 period

- use of bank financing measures guaranteed by the Guarantee Fund for SMEs and grants for the purchase of anti-COVID equipment;
- activation of social unemployment benefits provided for the “Covid-19 Emergency”;
- Working Capital actions mainly on Stock and fixed Costs renegotiation;
- Re-organization of main Group Offices;
- Continuous monitoring of Market in order to identify best opportunities.

D

## Post Covid Planned Actions

- Sales Network re-organization in order to have a more flexibles and efficiency agency structure;
- Rationalise of references portfolio;
- Implementation of ERP and management internal control;
- Completion of internal and external development activities started in previous periods.

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