

Q3 2023 Earnings call presentation.

● SEVENUM | 31 OCTOBER 2023





Presenting
live from our
headquarters.





Today's presenters.

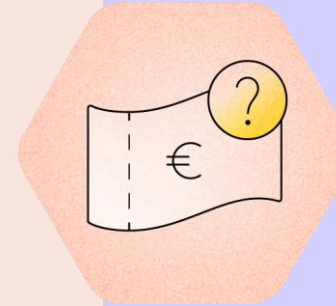
Jasper Eenhorst,
Chief Financial Officer.

Olaf Heinrich,
Chief Executive Officer.

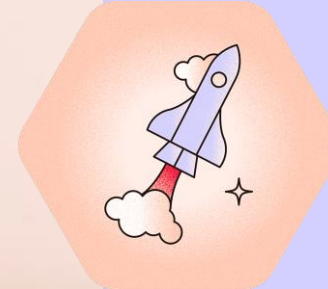


Today's agenda.

1 Financial performance.



2 Update on business and strategy.



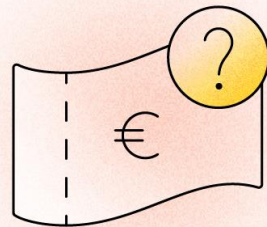
3 Outlook and guidance.





1

Financial performance.

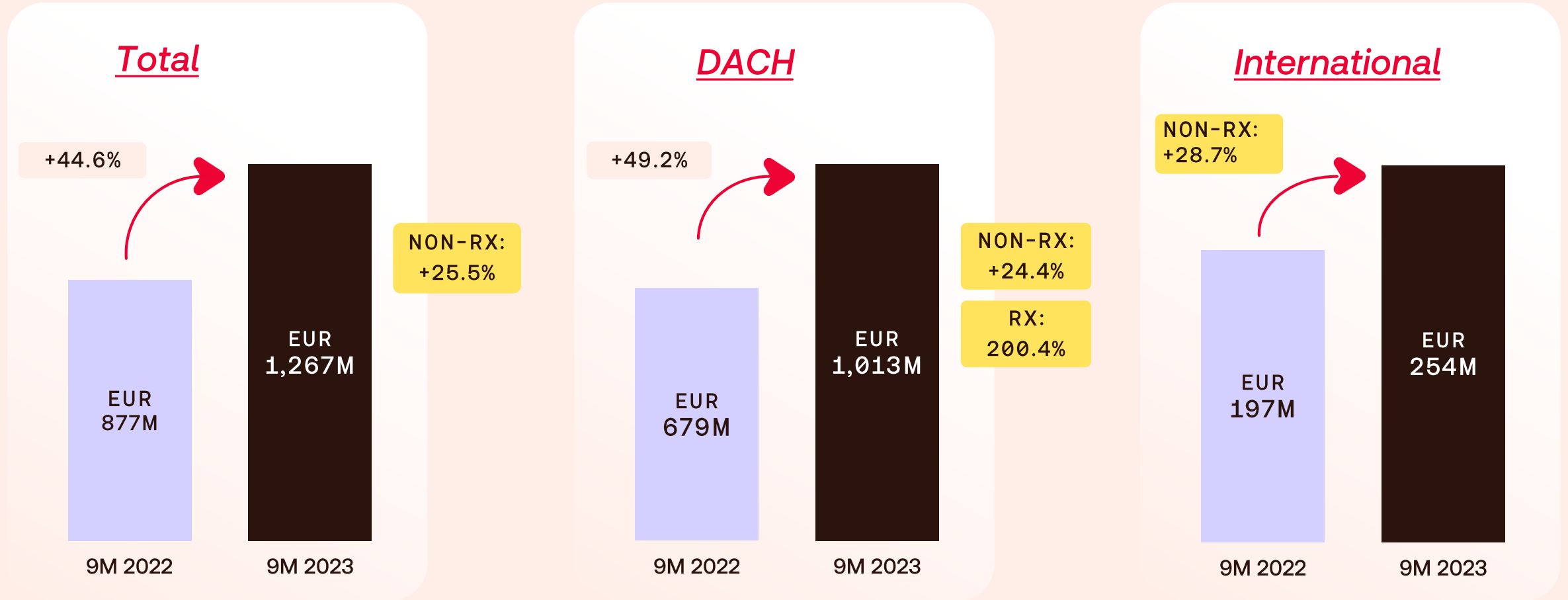


9M 2023 highlights.

- ▶ **Fast organic and non-organic growth.**
Total sales up 67% in Q3 and 45% YTD (excl. MediService: 26% in Q3 and 24% YTD). Non-Rx growth of 27% in Q3 and 26% YTD.
- ▶ **Continued gain in active customers.**
+0.4M in Q3 and 1.6M y.o.y. to 10.5M. NPS (Customer Satisfaction) continued to be high (>70).
- ▶ **Record EBITDA.**
Adj. EBITDA 3.2% in Q3, 2.9% YTD (4pp better y.o.y.).
Improvements achieved across all components of P&L.
- ▶ **Solid cash position.**
Year-to-date positive FCF; cash balance above EUR 200M.
- ▶ **Raised guidance for full year 2023 confirmed.**
Non-Rx growth 20-30%, total net sales EUR 1.7-1.8bn, adj. EBITDA margin 1.5-3%, FCF EUR -20M to 20M.
- ▶ **MediService on plan.**
Full-year outlook confirmed.

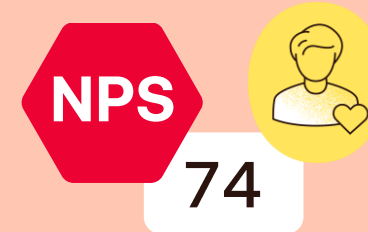
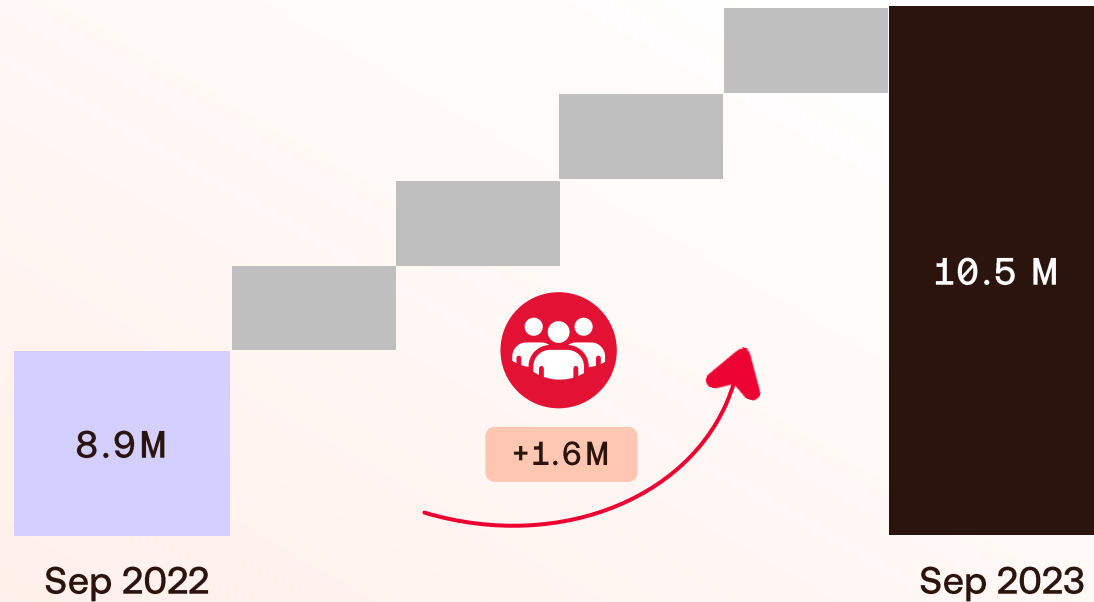


Double-digit growth continues across the Group.

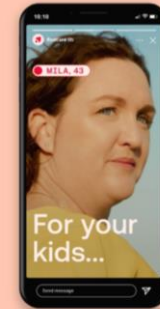


Continuously strong net promoter score, *basket value up.*

Number of customers



Net Promoter Score
Q3 2023 (2022: 73)



Average Shopping Basket Value
Q3 2023 (2022: 59.75)

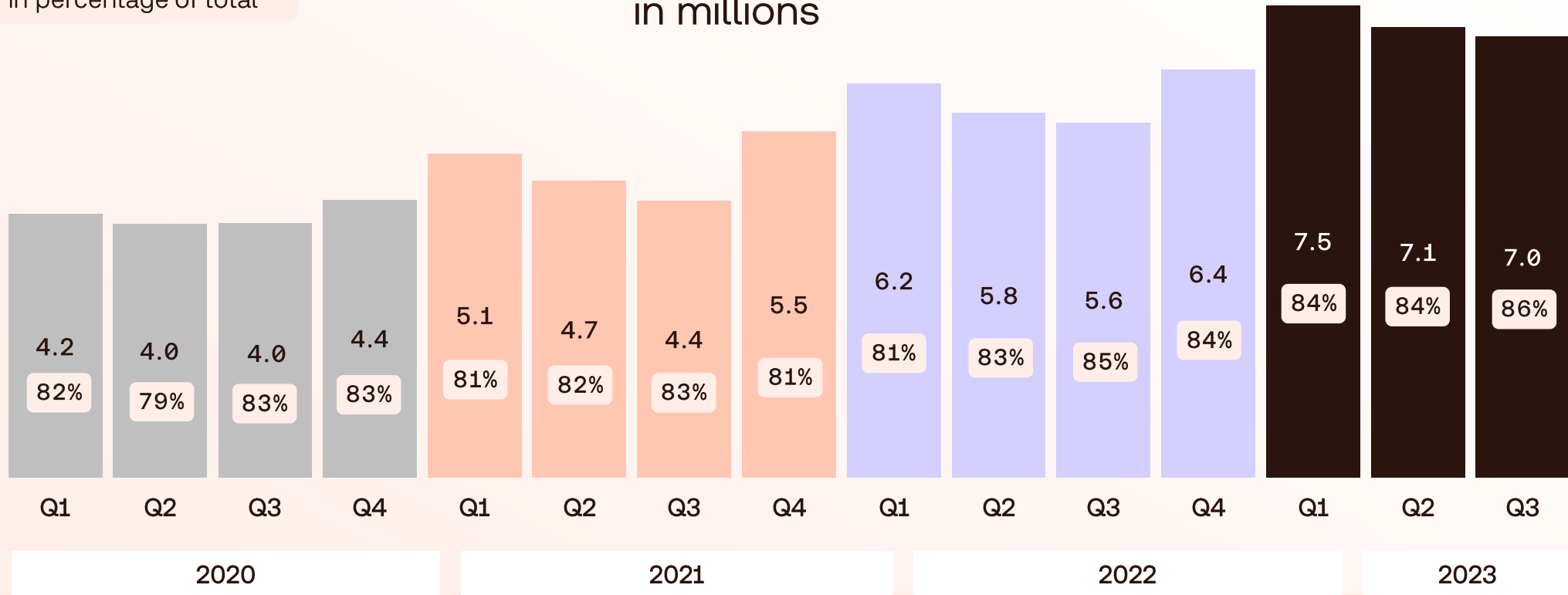


Customer loyalty remains high, orders up 1.4 million.



Share of repeat orders
in percentage of total

Number of orders
in millions



Source: Redcare Pharmacy

Orders: sales to end-customers / patients (B2C) both own-stock and platform business.
Repeat orders: exclude platform-only customers.



Group adj. EBITDA EUR 37 million, up EUR 46 million.

MediService included since mid-Q2.

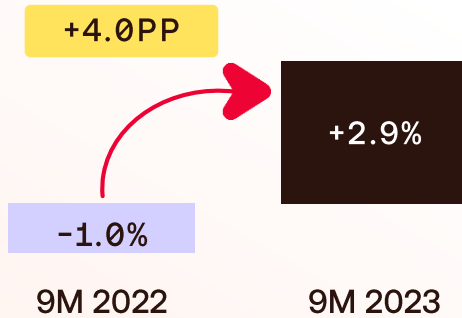
| in millions of euros, <i>adjusted numbers</i> | Q3 | | | 9M | | |
|--|---------|---------|----------------------|---------|---------|----------------------|
| | 2022 | 2023 | Better or (worse) | 2022 | 2023 | Better or (worse) |
| Sales | 285 | 476 | 67.1% | 877 | 1,267 | 44.6% |
| Gross profit margin | 28.1% | 23.0% | (5.1) pp | 27.4% | 25.2% | (2.2) pp |
| Selling & distribution margin | (24.2)% | (17.0)% | 7.2 pp | (25.2)% | (19.4)% | 5.8 pp |
| Administrative cost margin | (3.5)% | (2.9)% | 0.6 pp | (3.3)% | (2.9)% | 0.4 pp |
| Adj. EBITDA margin | 0.4% | 3.2% | 2.8 pp | (1.0)% | 2.9% | 4.0 pp |
| Adj. EBITDA | 1 | 15 | 14 | (9) | 37 | 46 |
| EBITDA | (6) | 12 | 18 | (29) | 27 | 56 |

Adjustments in 9M 2023 EUR 10.4M (9M 2022: EUR 19.9): EUR 6.1M (non-cash) from non applicability of IFRS 3 accounting of the 2021 business acquisitions, remainder are costs of the employee stock options programme (non-cash) and one-off external costs related to projects including acquisitions.

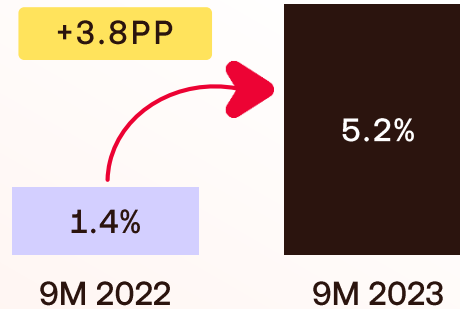


Adj. EBITDA from -1% to +2.9%, up across the Group.

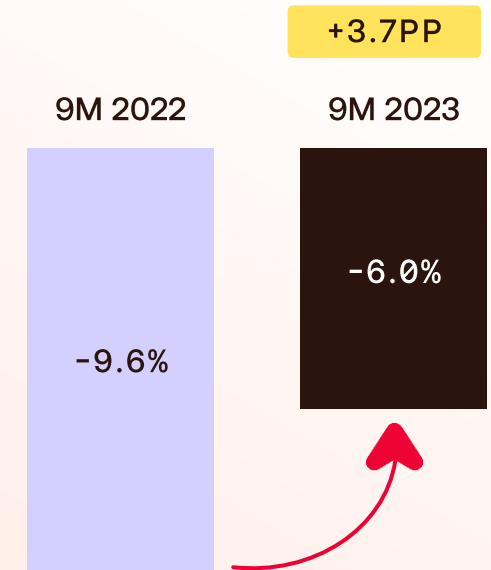
Total Redcare



DACH segment

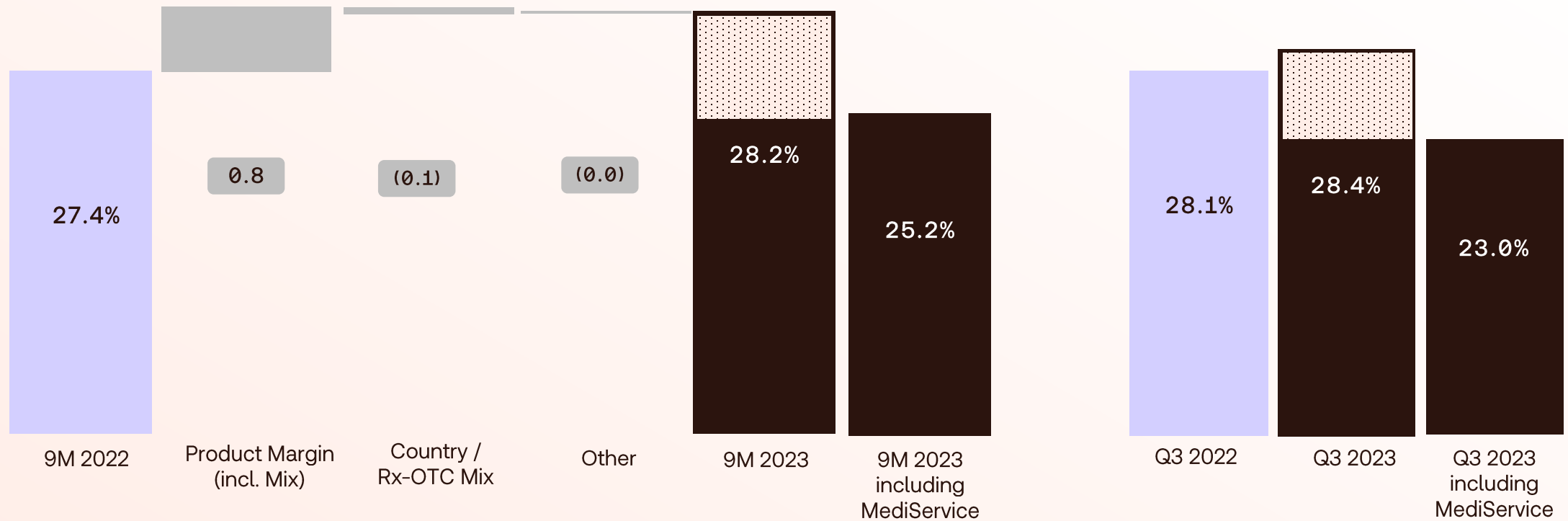


International Segment



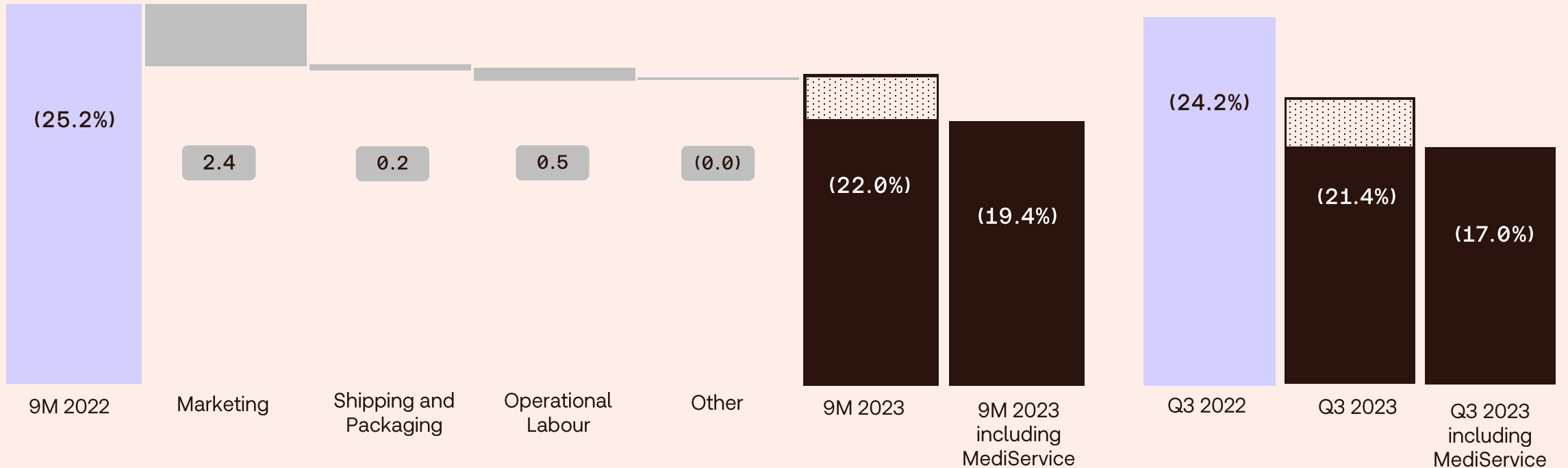
Underlying 9M gross profit margin up 0.8pp.

Adjusted gross profit margin
in percentage of sales



Efficiency and savings across the Group.

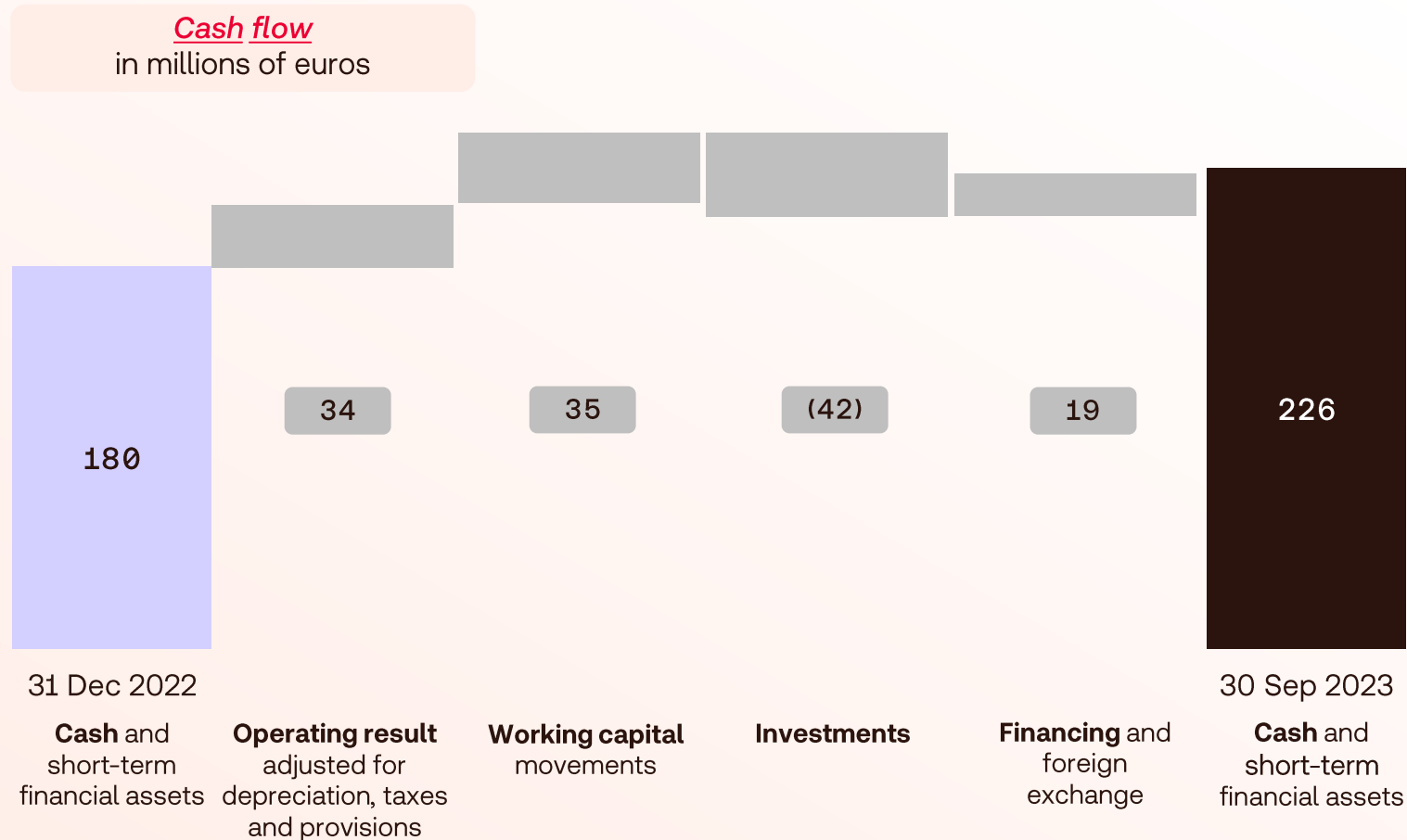
Adjusted S&D costs
in percentage of sales



Source: Redcare Pharmacy



Cash management on plan.



Operating result: EUR 34 million

Reflective of the positive adj. EBITDA achieved year to date.

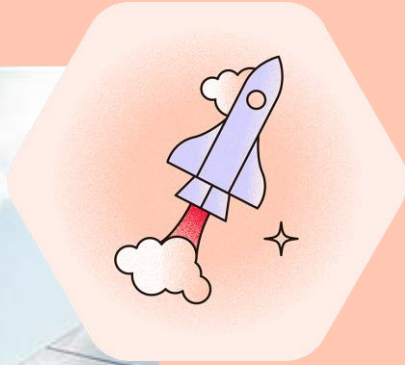
Working capital and Investments: EUR -7 million

Working capital includes favourable impact from seasonality which generally reverses in the fourth quarter.

Financing: EUR +19 million

Mainly cost of debt and leasing, offset by EUR +29 million from the Q2 capital increase, related to the acquisition of share in MediService.





Update on business and strategy.

2



Business and strategy highlights.

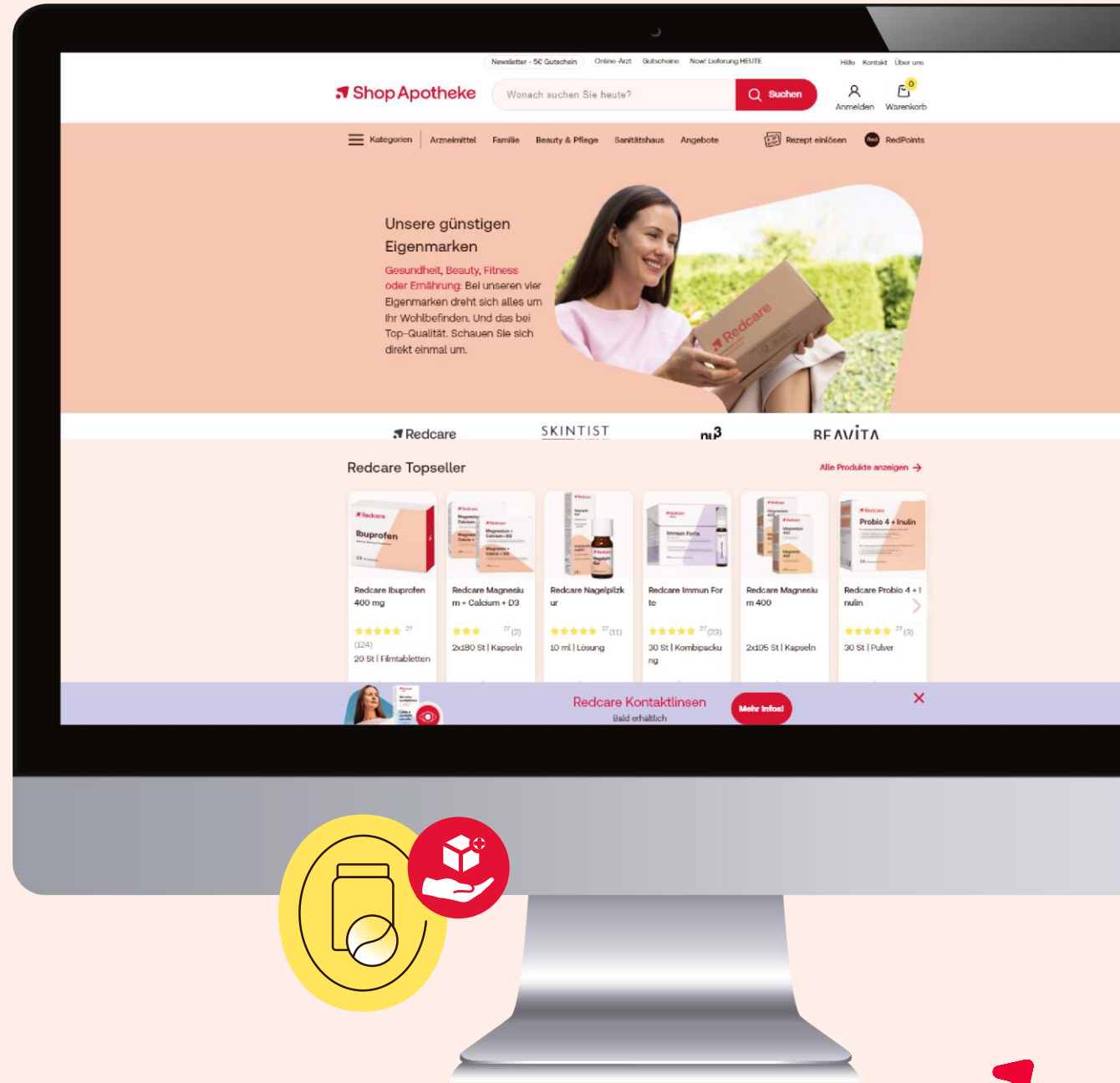


- ▶ Celebrating three months of our new corporate brand.
- ▶ Recent visual relaunch of our webshops in Germany and Austria.
- ▶ Decisive developments on e-Rx in Germany.

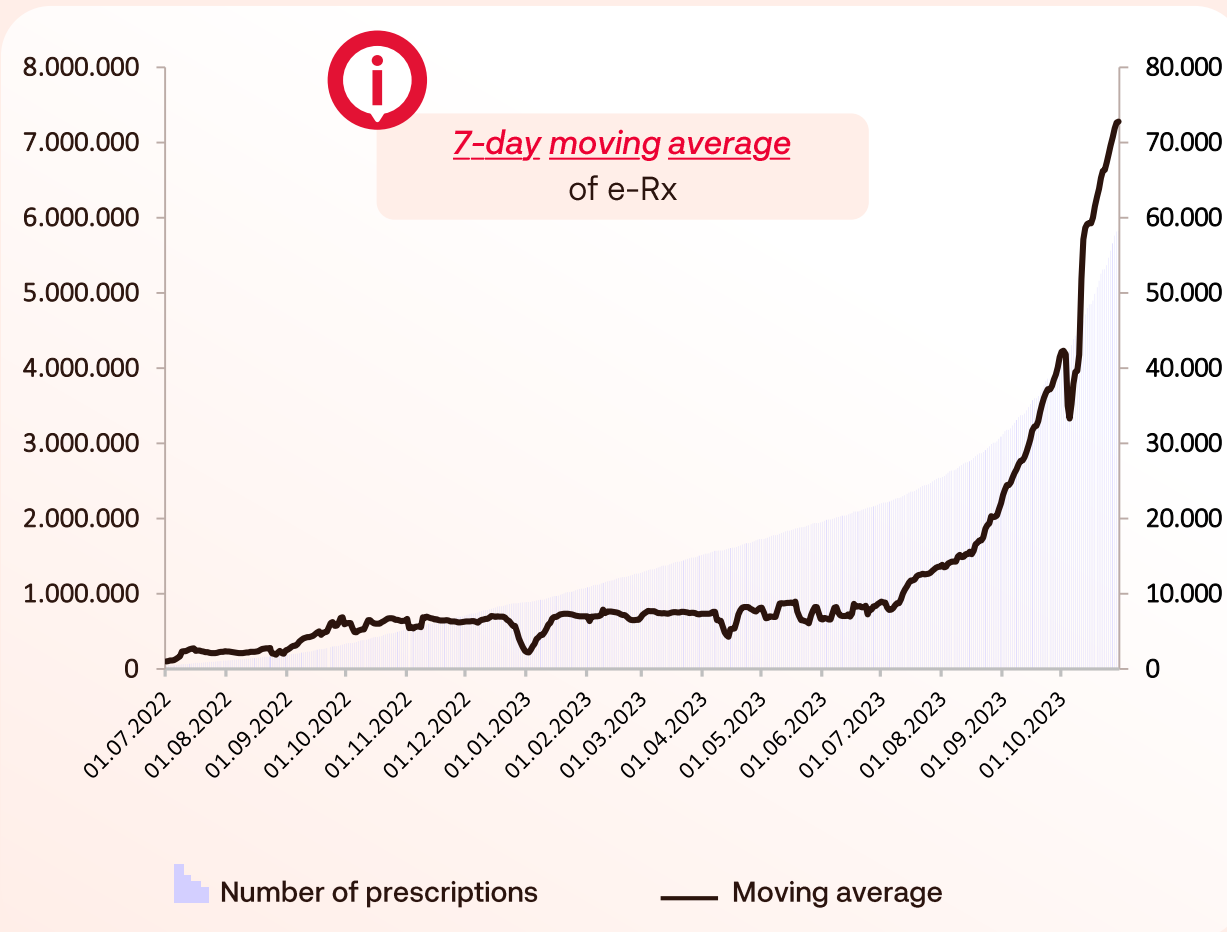


Successful relaunch in Germany and Austria.

- ▶ New visual design, reflecting our corporate approach.
- ▶ Local hero names kept.
- ▶ Overall high acceptance by our customers.



Number of e-prescriptions keeps growing.



Increasing acceptance among healthcare professionals.

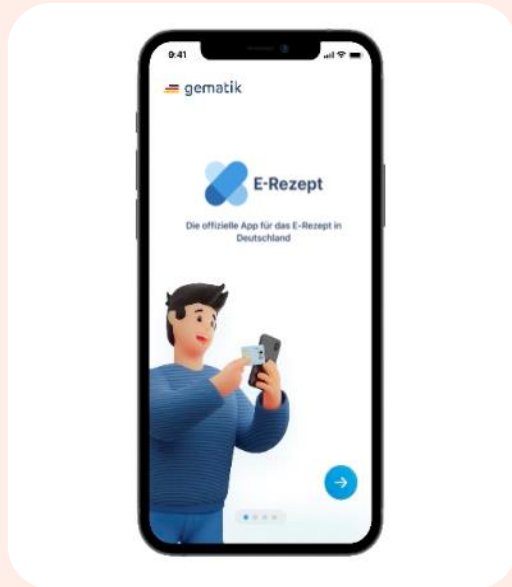
- ▶ After 1 July, the number of prescriptions reached a new high; by the end of October close to 6 million redeemed.
- ▶ Currently more than 14,000 doctors are issuing and over 16,000 local pharmacies filling e-prescriptions; an all-time high has been reached (as of 30 October).

E-prescriptions mandatory as of 1 January 2024.



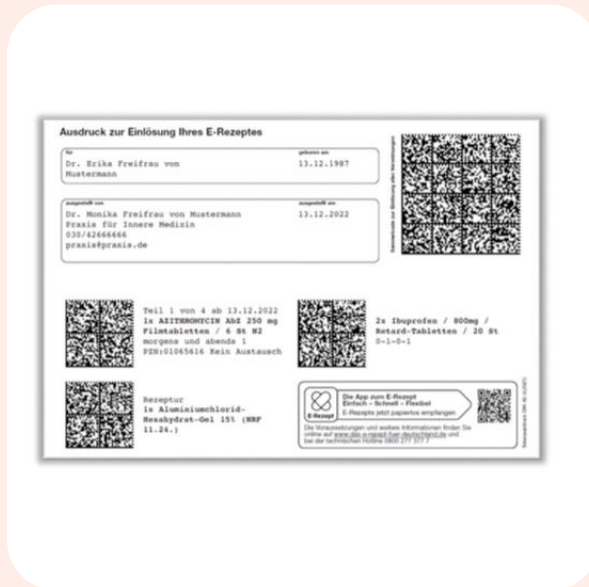
Current ways to submit e-prescriptions.

Gematik app. ✓



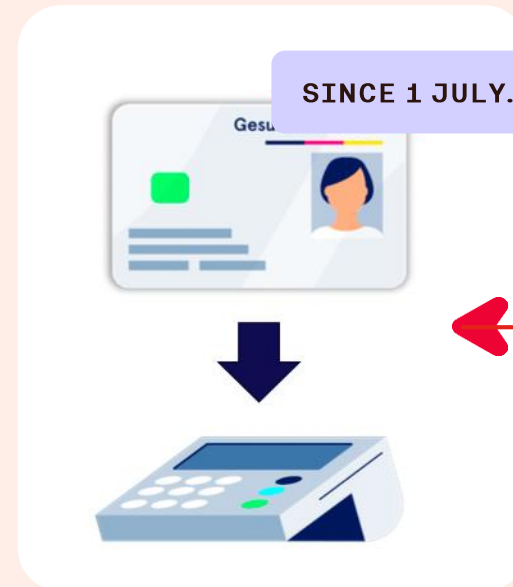
eGK plus PIN.

Paper print-out. ✓



Not digital,
on patients' request.

eGK plug-in



eGK without PIN.

- ▶ Discriminatory way since not suitable for online pharmacy customers.
- ▶ Restricts patients' free choice of pharmacy.
- ▶ Since plug-in is needed, disadvantage for immobile patients and people living in rural areas.



Our fully-digital answer for everyone.

Presenting the eGK NFC mobile solution.

- ▶ A non-discriminatory way of redeeming e-prescriptions compared to eGK plug-in. Safe and straight-forward, both ways require a card, but no PIN.
- ▶ No statutory changes for eGK NFC mobile needed.
- ▶ Ongoing talks with gematik, BMG and other stakeholders on product level.
- ▶ Technologically ready to get started.

Target launch date 31 December 2023.



3



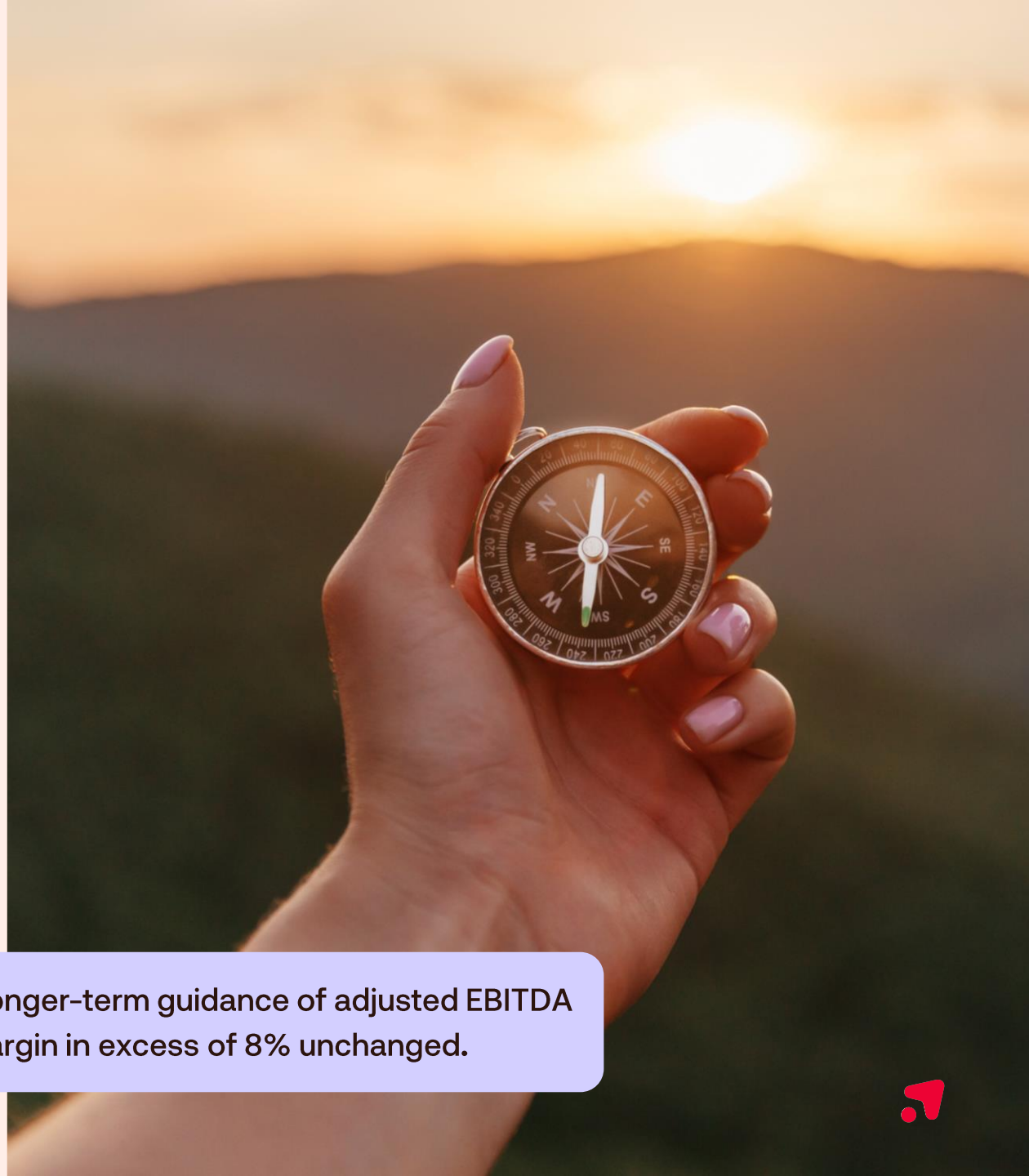
Outlook and guidance.

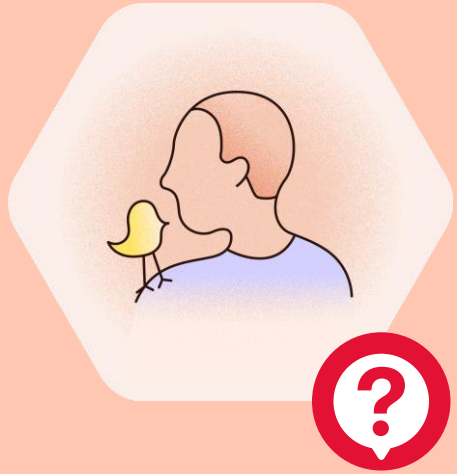


Raised guidance *reconfirmed in Q3.*

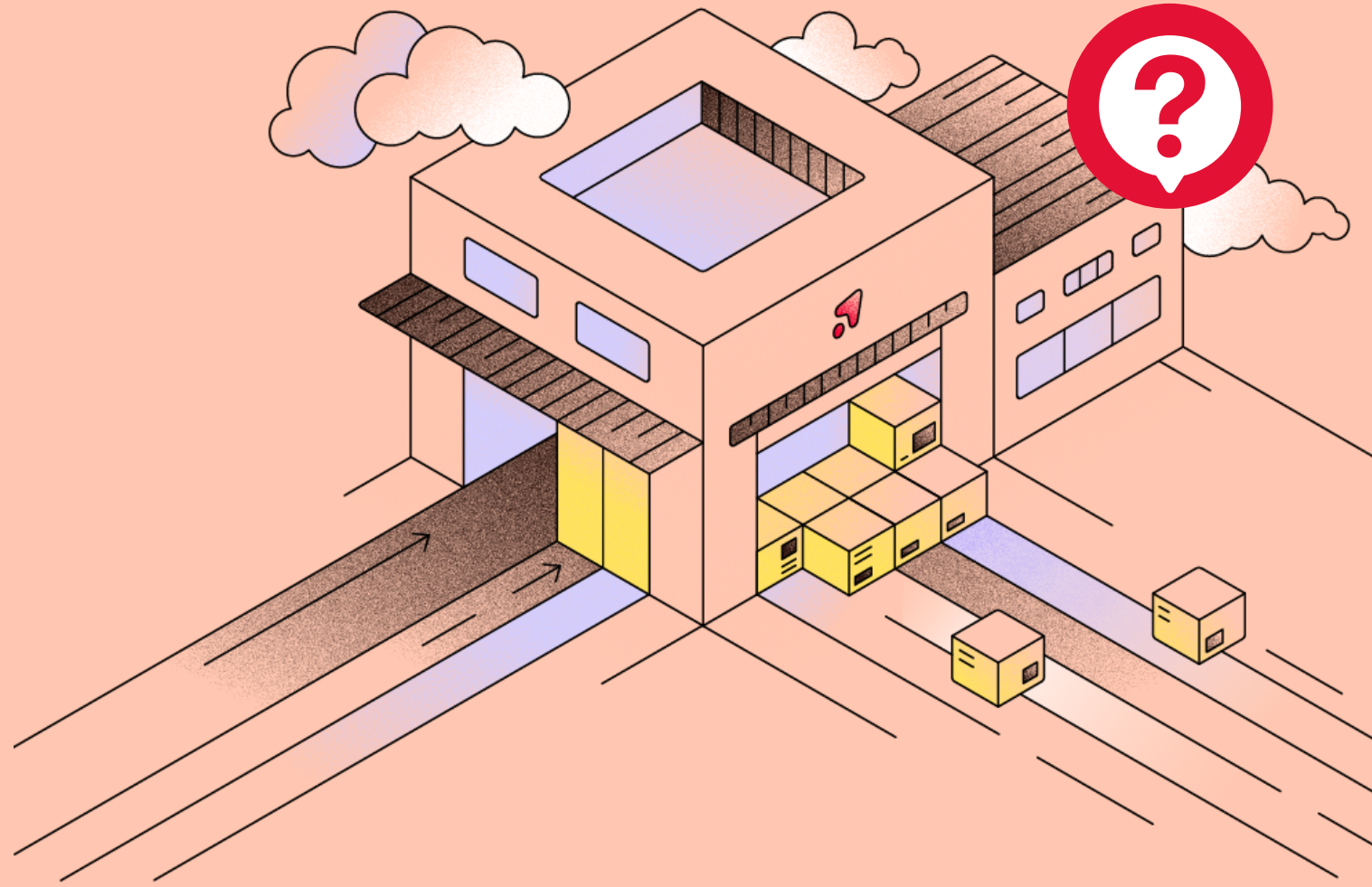
- ▶ Non-Rx growth 20-30%
- ▶ Total net sales EUR 1.7–1.8 billion.
- ▶ Adj. EBITDA margin 1.5-3%
- ▶ Free cash flow EUR -20M to 20M

Mid- to longer-term guidance of adjusted EBITDA margin in excess of 8% unchanged.





Time to
ask questions.



Thank you.



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 Redcare