

Q2 2023 Earnings call presentation.

● SEVENUM | 01 AUGUST 2023





Presenting live from our headquarters.

Jasper Eenhorst,
Chief Financial Officer.

Monica Ambrosi,
Associate Director, Investor Relations.

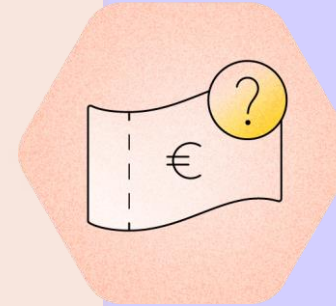
The Redcare logo is displayed on the facade of a modern building with a grid of windows. The logo consists of a red stylized arrowhead pointing up and to the right, followed by the word "Redcare" in a red, rounded, sans-serif font.

Redcare

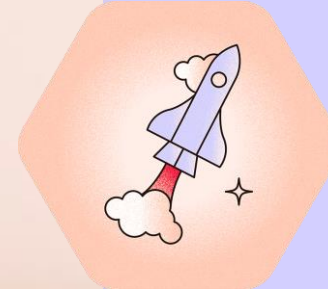


Today's agenda.

1 Financial performance.



2 Update on business and strategy.



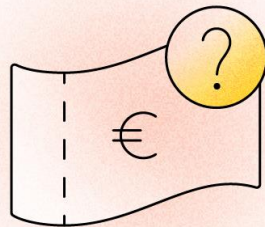
3 Outlook and guidance.





1

Financial performance.

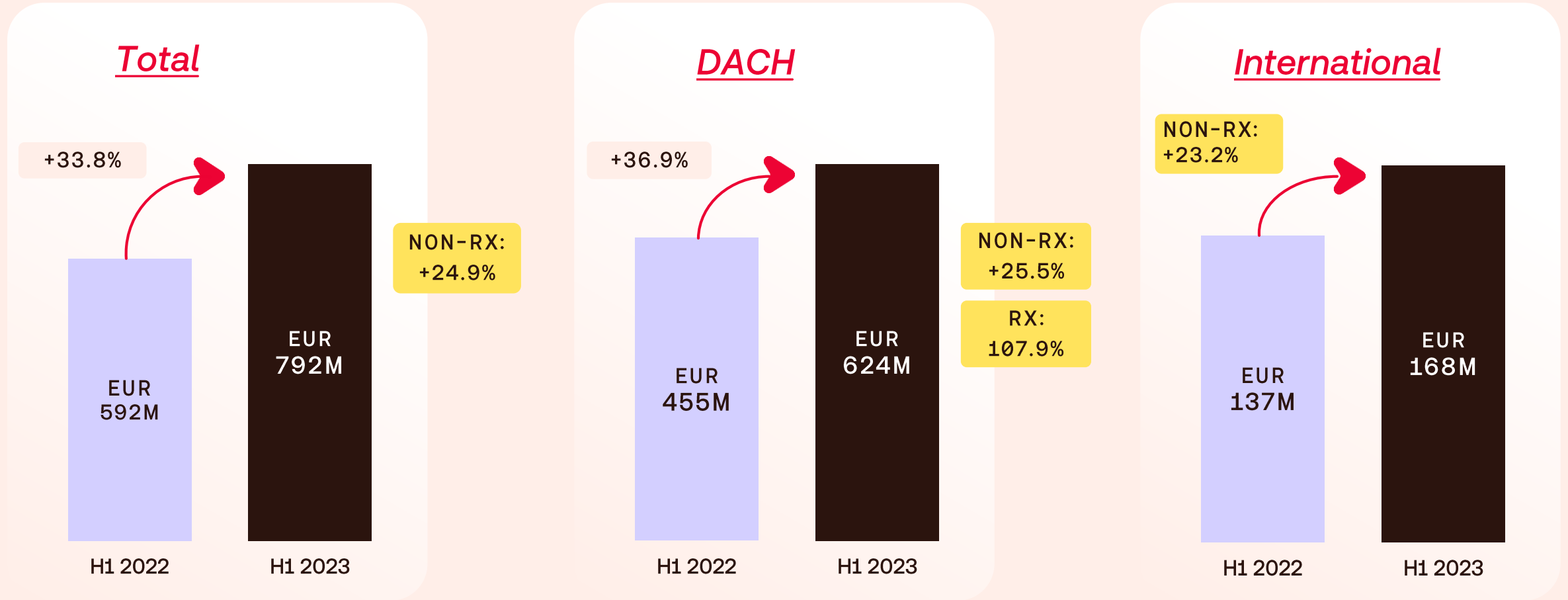


H1 2023 highlights.

- ▶ **Continued fast growth.**
Total sales up 46% in Q2 and 34% in H1. Excl. MediService, beyond 20% growth too; 25% Q2, 24% H1. Non-Rx sales growth 27% in Q2 and 25% in H1.
- ▶ **More than 10 million active customers.**
Gained 0.8M this half-year and 1.5M y.o.y. to 10.1M. NPS (Customer Satisfaction) continued to be high (~70).
- ▶ **Major year-over-year EBITDA improvement.**
Adj. EBITDA 3.2% in Q2 (5.3pp better y.o.y.), 2.8% in H1. Improvements achieved across all components of P&L. DACH at 5-6%.
- ▶ **MediService included since mid-May.**
Full year expected impact (7.5 months) EUR 300M sales and 2-3% EBITDA margin. H1 EUR 60M and EUR 1M net profit.
- ▶ **Cash inflow of EUR 64M half not seasonal.**
- ▶ **Guidance for full year 2023 raised.**
Non-Rx growth 20-30%, adj. EBITDA margin 1.5-3% (ref. to full updated guidance).

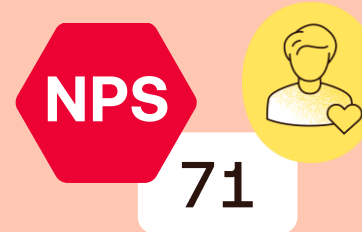
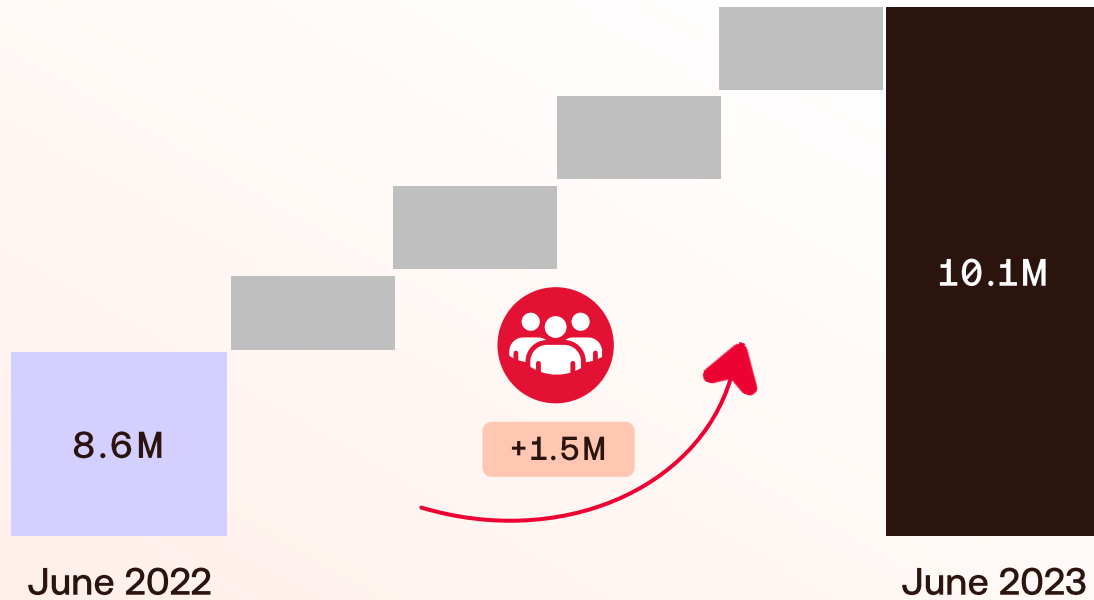


Double-digit sales growth continues.

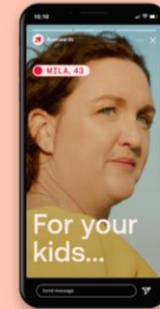
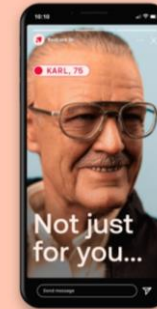


Surpassing 10-million active customers.

Number of customers



Net Promoter Score
Q2 2023 (2022: 74)



Average Shopping Basket Value
Q2 2023 (2022: 57.96)

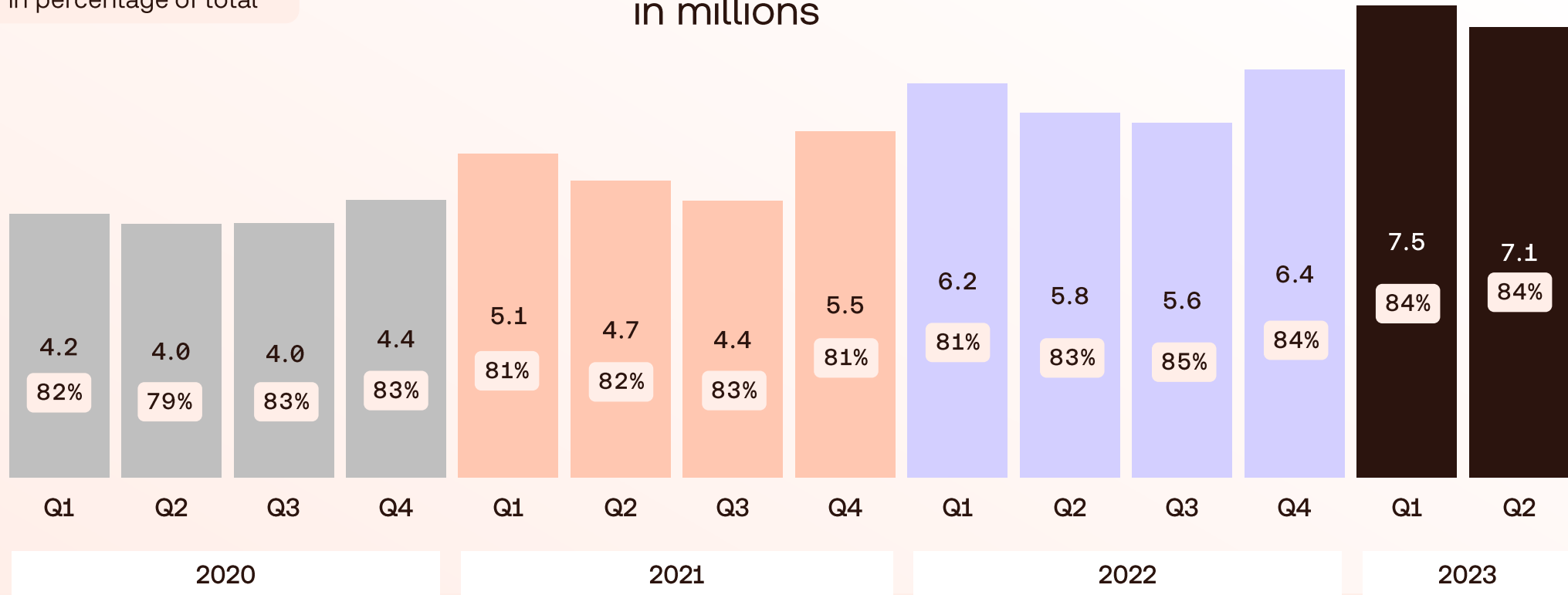


More than 14M orders in H1, high customer loyalty.



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.



EBITDA: effectiveness, efficiency, loyalty and scale.

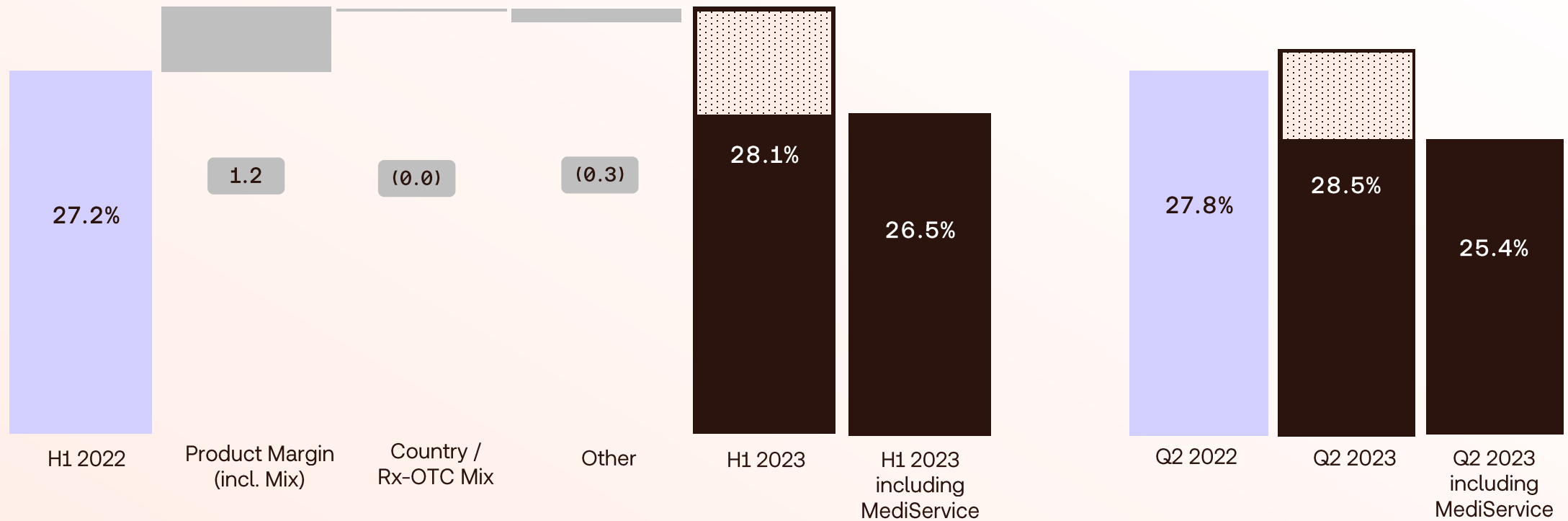
in millions of euros, <i>adjusted numbers</i>	Q2			H1		
	2022	2023	Better or (worse)	2022	2023	Better or (worse)
Sales	287	420	46.2%	592	792	33.8%
Gross profit margin	27.8%	25.4%	(2.4) pp	27.2%	26.5%	(0.7) pp
Selling & distribution margin	(26.3)%	(19.3)%	7.0 pp	(25.7)%	(20.8)%	4.9 pp
Administrative cost margin	(3.6)%	(2.9)%	0.7 pp	(3.3)%	(2.9)%	0.4 pp
Adj. EBITDA margin	(2.1)%	3.2%	5.3 pp	(1.8)%	2.8%	4.6 pp
Adj. EBITDA	(6)	13	19	(10)	22	32
EBITDA	(13)	11	24	(23)	15	38

Adjustments in H1 2023 EUR 6.9M (H1 2022: EUR 12.7M): EUR 4M (non-cash) from non applicability of IFRS 3 accounting of the 2022 business acquisitions, remainder are costs of the employee stock options programme (non-cash) and one-off external costs related to projects including acquisitions.



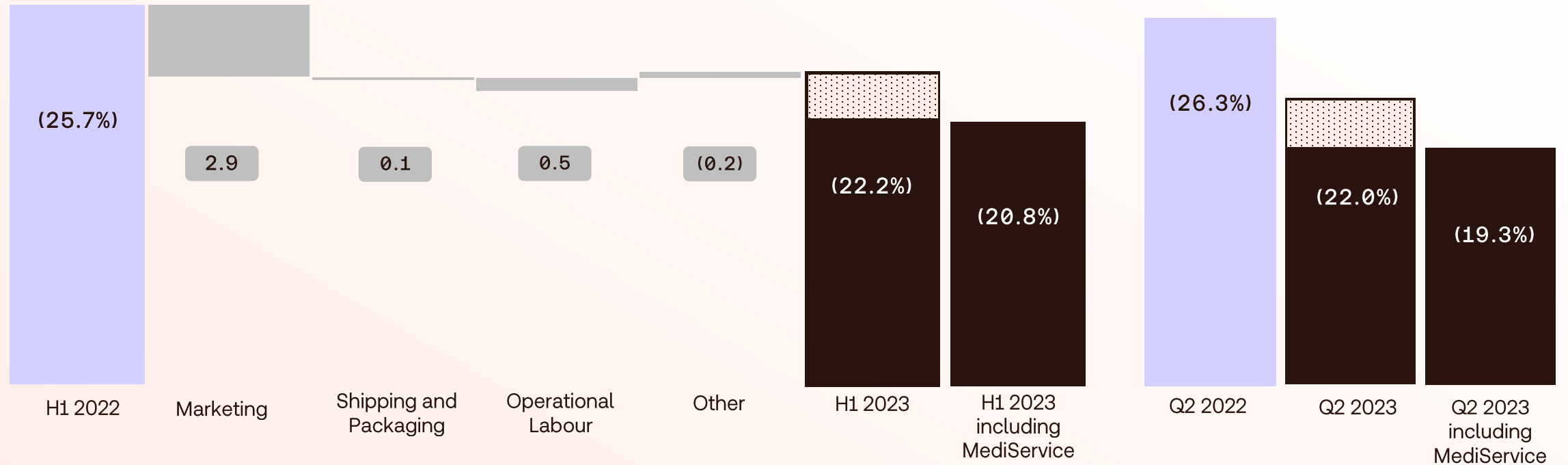
Underlying gross profit margin up 0.9pp in H1.

Adjusted gross profit margin
in percentage of sales



Operational and marketing efficiencies up 3.5pp in H1.

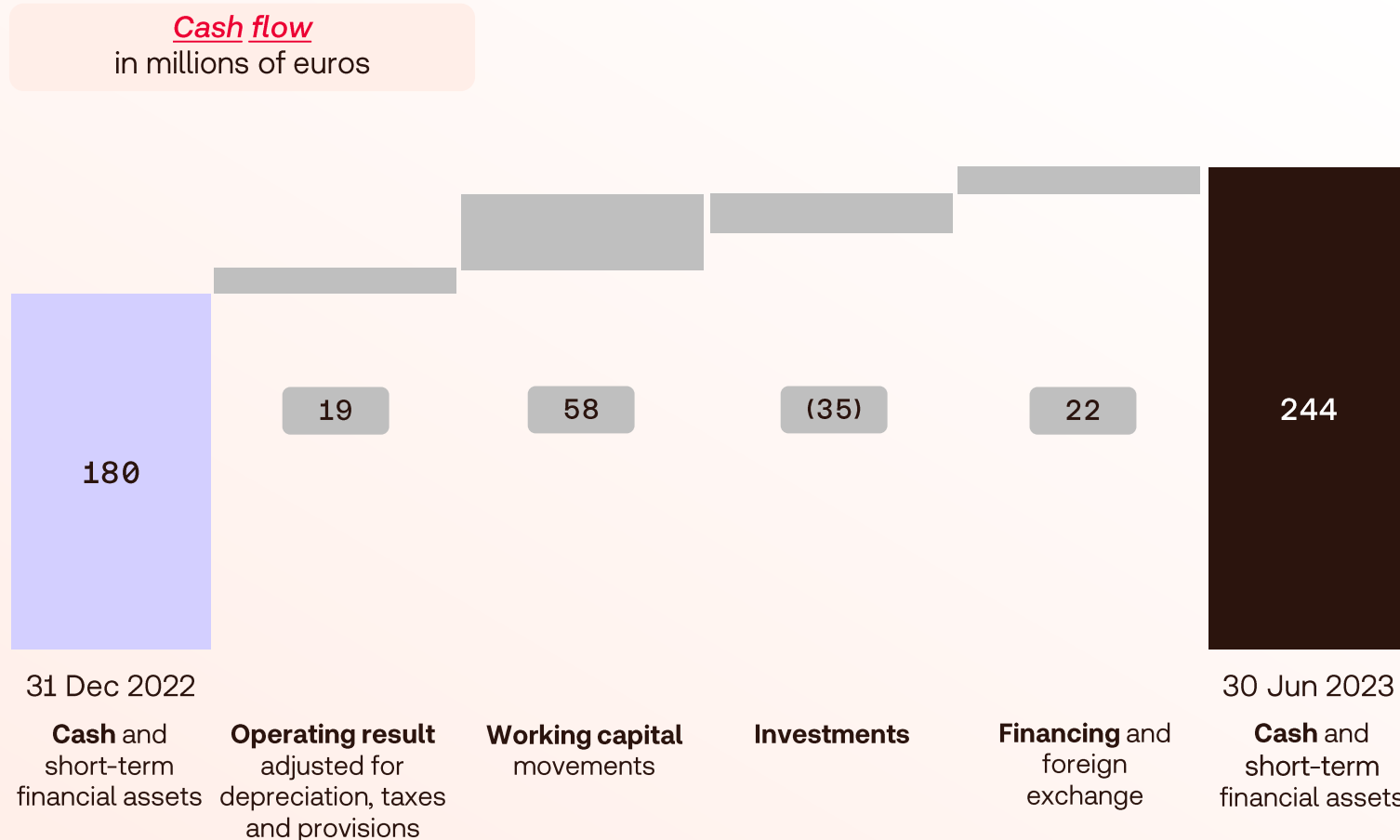
Adjusted S&D costs
in percentage of sales



Source: Redcare Pharmacy



Cash up EUR 64 million over the first 6 months.



Operating cash: EUR +77 million

Positive EBITDA and favourable working capital movements. Working capital included favourable timing and seasonality.

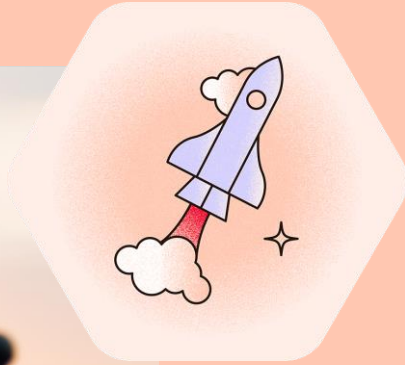
Investments: EUR -35 million

EUR 18 million related to IT and other regular investments. EUR 23 million related to MediService acquisition.

Financing: EUR +22 million

Mainly cost of debt and leasing, offset by EUR +29 million related to MediService acquisition.





2

Update on business and strategy.



Business and strategy *highlights.*



- ▶ Awarded MSCI AAA rating for Sustainability.
Among top 4% best of our industry globally.
- ▶ Launched rebranding of Redcare Pharmacy.
Official ticker symbol change to RDC.
- ▶ Strategic partnership with Galenica in MediService.
Announced in March, approved mid-May. Combining expertise.
- ▶ Appointment of Olaf Heinrich as new CEO.
- ▶ Promoted to MDAX.
- ▶ Nationwide roll-out of e-Rx in Germany announced by Gematik shareholders in June.

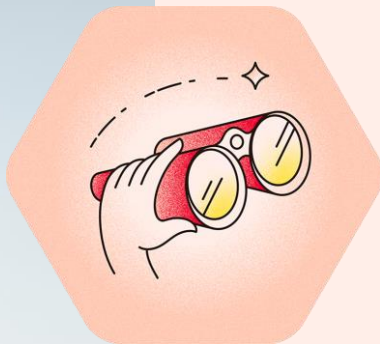




New corporate brand successfully launched.

- ▶ Ticker change event on 13 June at Frankfurt Stock Exchange.
 - ▶ Upgraded to MDAX.





Our vision.

Until every
human has
their *health.*





Our role.

**The one-stop
pharmacy**
guiding people
through health.

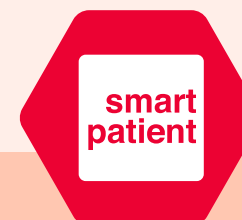


New corporate name, uniting our successful local hero brands.

 **Redcare**
PHARMACY

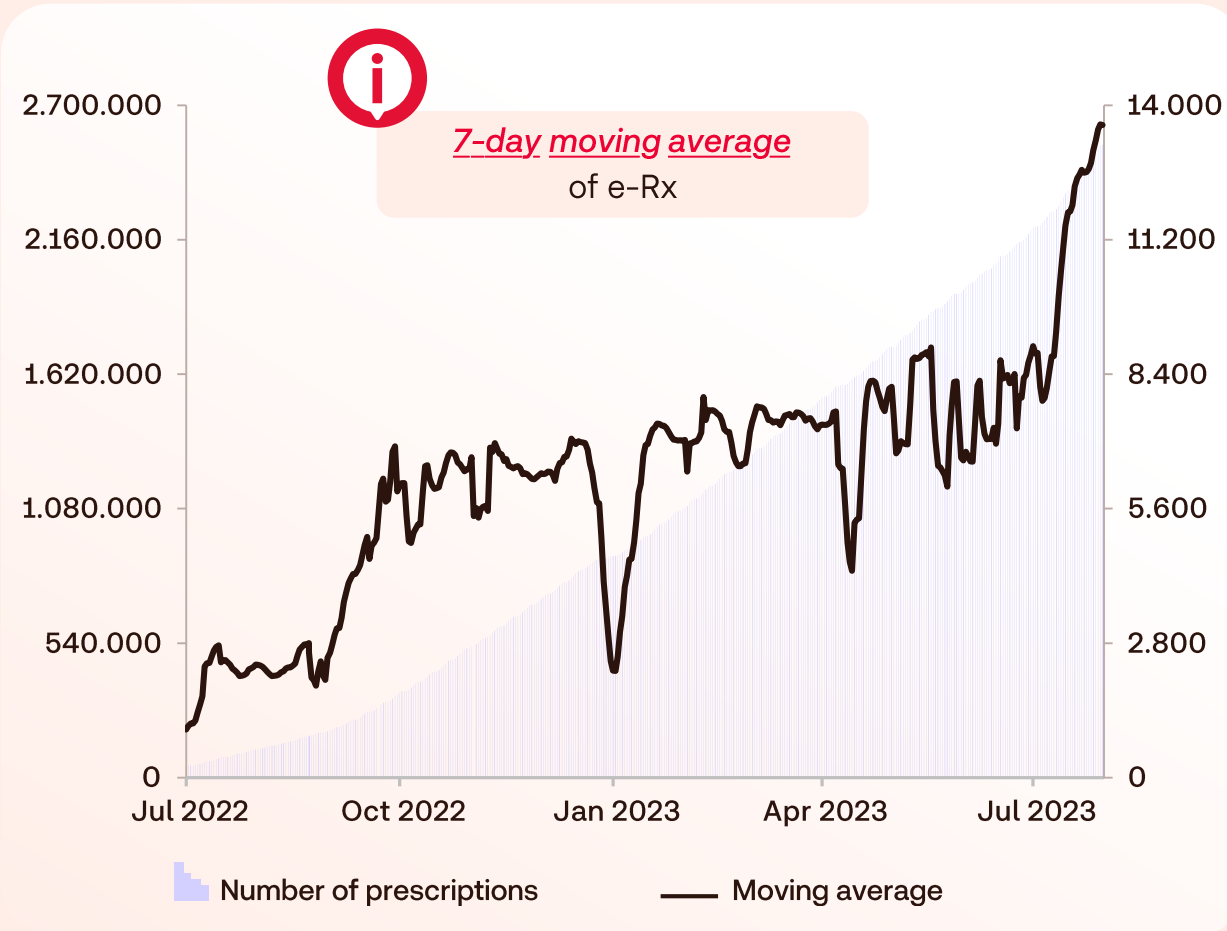
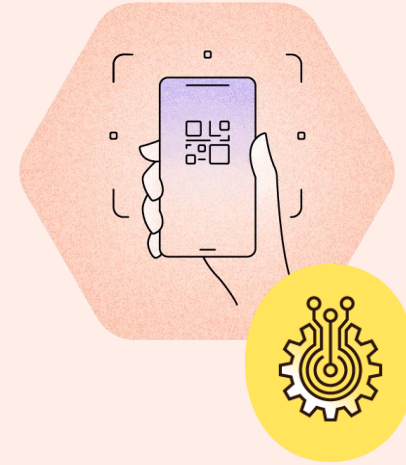


German and Austrian webshops
in new design during the course
of September.



 Shop Apotheke

Another step in the right direction.



Nationwide roll-out of e-Rx in Germany by Gematik announced on 22 June 2023.

- ▶ Number of prescriptions redeemed keeps rising – more than 2.5M by end July 2023.
- ▶ But more importantly, a significant increase after 1 July.
- ▶ Draft law published 13 July aims for e-Rx obligation for Germany by 1 January 2024.

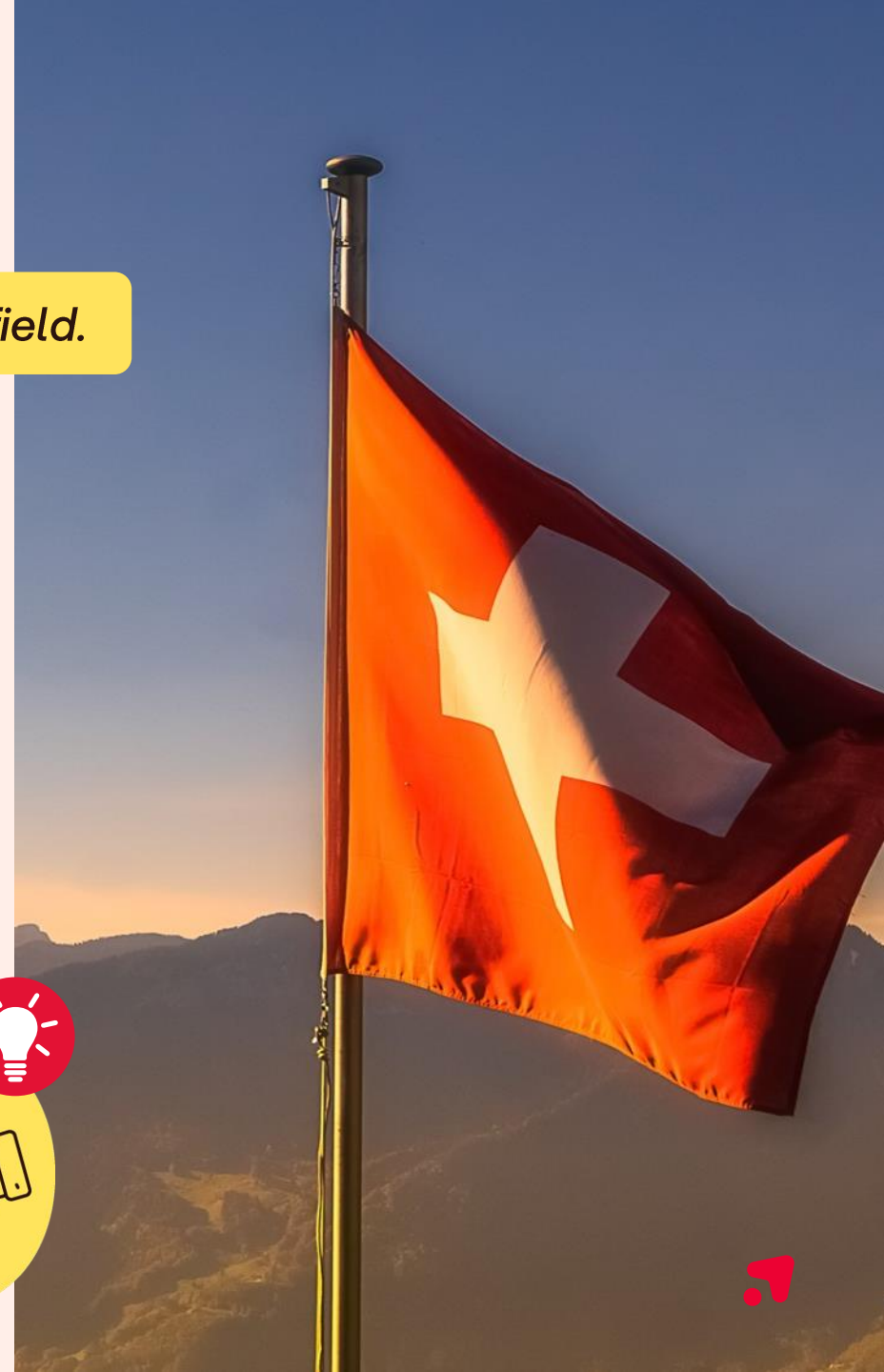


Redcare Pharmacy & Galenica.

Strategic alliance of leaders in their field.

Combining the best of both worlds.

- ▶ For the period mid-May to the end of 2023, MediService sales of around EUR 300 million are expected.
- ▶ Assortment expansion of shop-apotheke.ch to include a broader range of Swiss products to better meet our customers' needs.
- ▶ Gain of loyal customer base from MediService as experts in Rx.



3




Outlook and guidance.



Full year 2023 guidance raised.

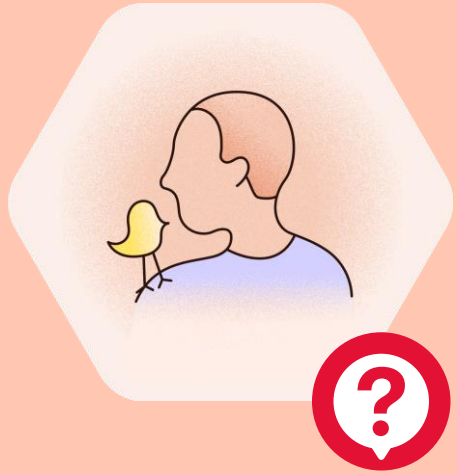
- ▶ Non-Rx growth 20-30%
(up from 10-20%).
- ▶ Total net sales EUR 1.7–1.8 billion.
- ▶ Adj. EBITDA margin 1.5-3%
(up from 0.5-2.5%).
- ▶ Free cash flow EUR -20M to 20M.

Free cash flow in the most commonly used definition, i.e. cash flow from operating activities plus investing activities excluding one-off business acquisition- and short-term cash investments.

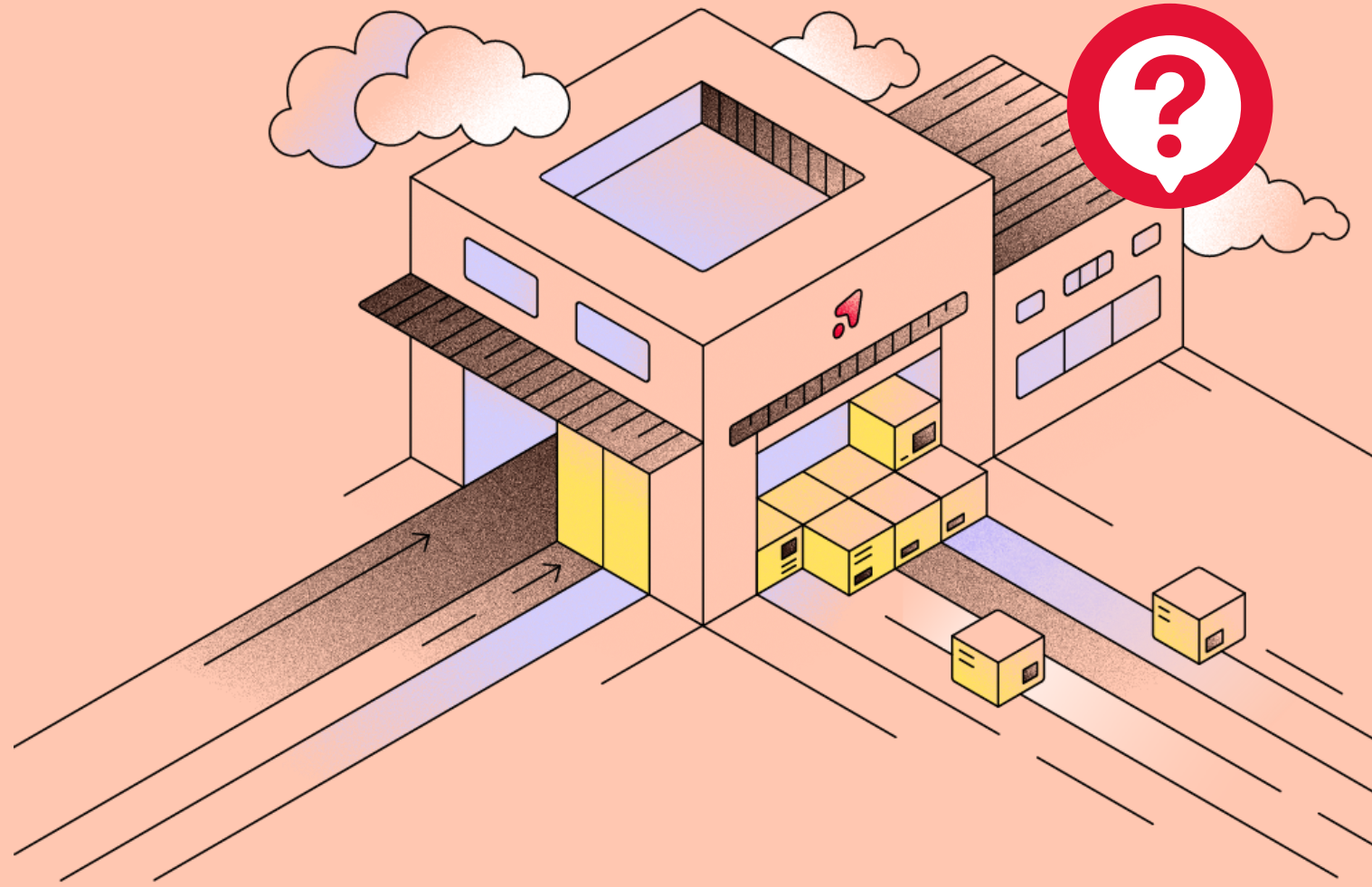


Mid- to longer-term guidance of adjusted EBITDA margin in excess of 8% unchanged.





Time to
ask questions.



Thank you.



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