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# H1 2018 Results Conference Call

# Today's Presenters



**Walter Oberhänsli**  
Founder, Group CEO



**Marcel Ziwica**  
Group CFO

# Business Update

1 year after the IPO:

**Fully delivered on  
growth strategy**

- 1 "Give dynamic to core profit base"
- 2 "Lead the market in Rx"
- 3 "Obtain market leadership in OTC & BPC"
- 4 "Intensify cooperations with insurers"
- 5 "Innovate with e-health solutions"
- 6 "Acquisitions and international expansion"

Segment Switzerland

## Extension of physician supply business

- Customer focus and development of new services for physician's practices driving new customer acquisition
- Extension of market share from 23.1% in H1 2017 to 24.6% in H1 2018

Segment Switzerland

# Roll-out of further shop-in-shop pharmacies after successful launch in 2017



**12%**

**Price advantage on Rx<sup>(1)</sup>**

**Up to 35%**

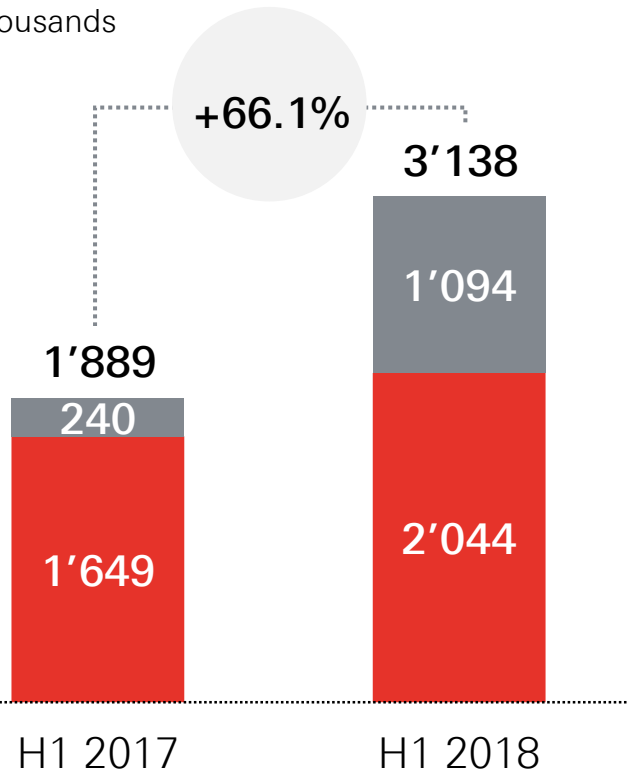
**Price advantage on OTC & BPC<sup>(2)</sup>**

**CUMULUS**

## Segment Germany

# Strong development of DocMorris KPIs

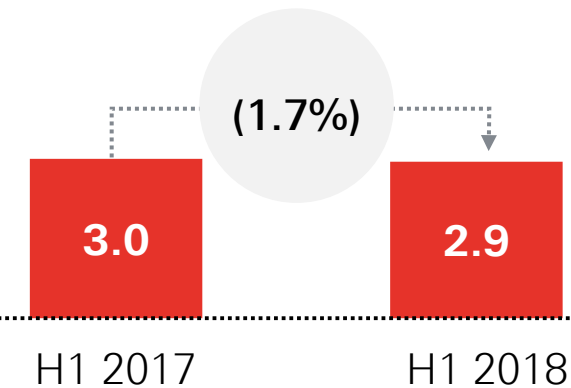
Active customers<sup>1</sup>  
in thousands



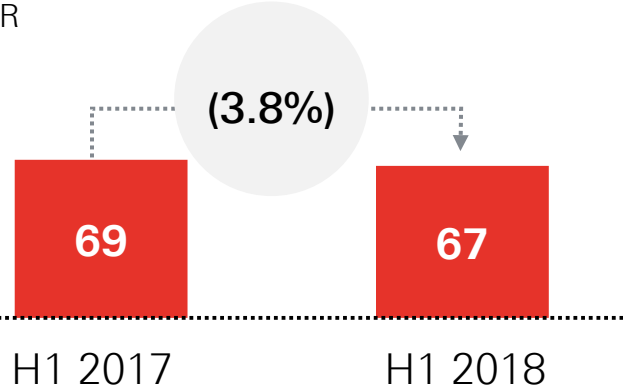
Repeat order rate<sup>2</sup>



Order frequency<sup>3</sup>  
in #



Basket size<sup>4</sup>  
in EUR



● DocMorris

● Rest of Germany



«Spahn: Better fair solution than Rx mail-order ban»  
Apotheke Adhoc,  
18.07.2018

A portrait of a man with short brown hair, wearing glasses, a dark blue suit jacket, a light blue shirt, and a dark tie. He is looking directly at the camera with a slight smile. The background is a dark, neutral color.

A ban on Rx mail-order would...

- be incompatible with the German constitution and European law<sup>(1)</sup>
- limit patients freedom of choice

Acquisitions and  
International Expansion

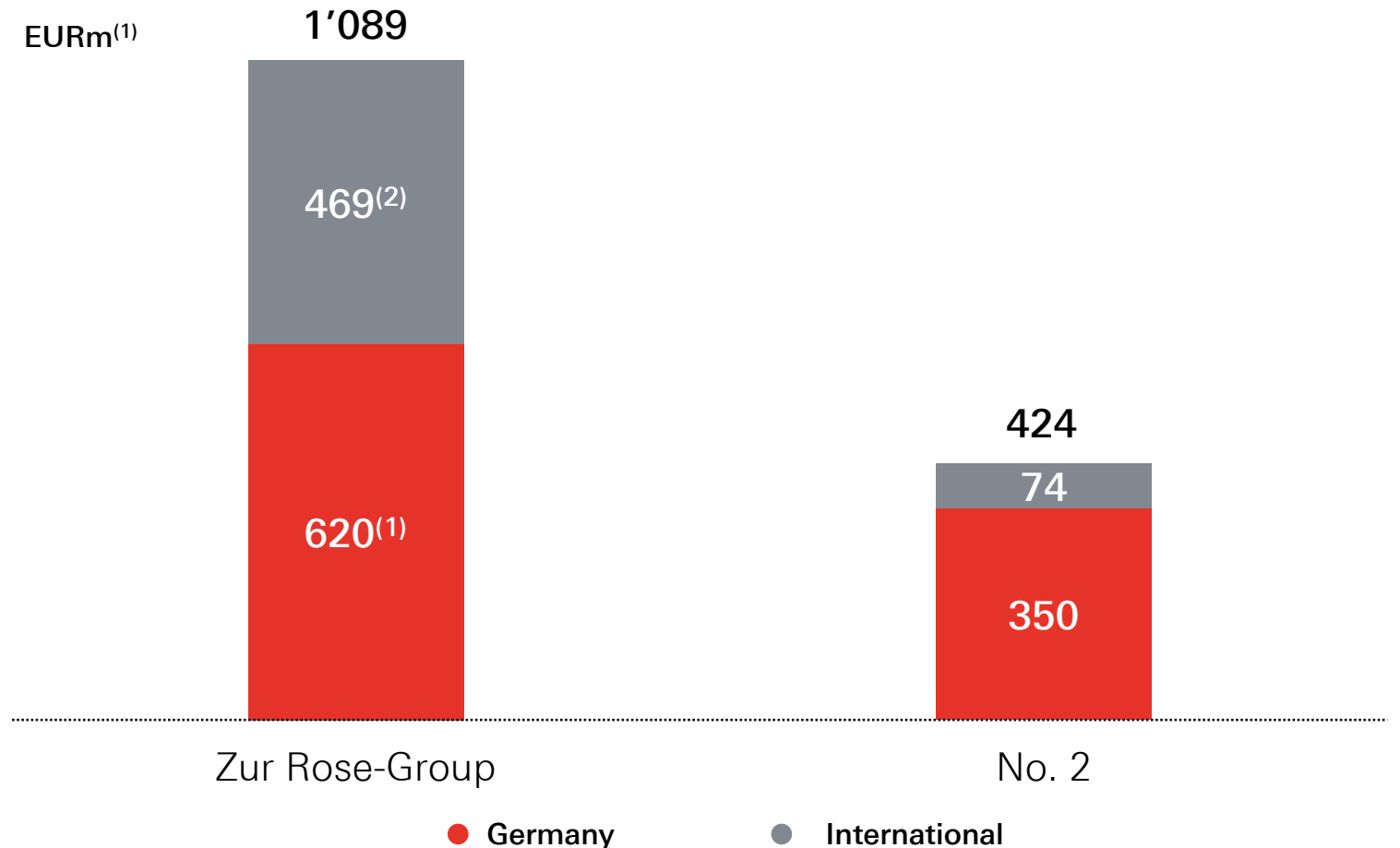
## Acquisition of apo-rot's e-commerce business

- Top 5 e-commerce pharmacy with EURm 100 in sales
- Closing of acquisition and integration of operations in Heerlen targeted before the end of the year
- Extension of market leadership and continuation of market consolidation



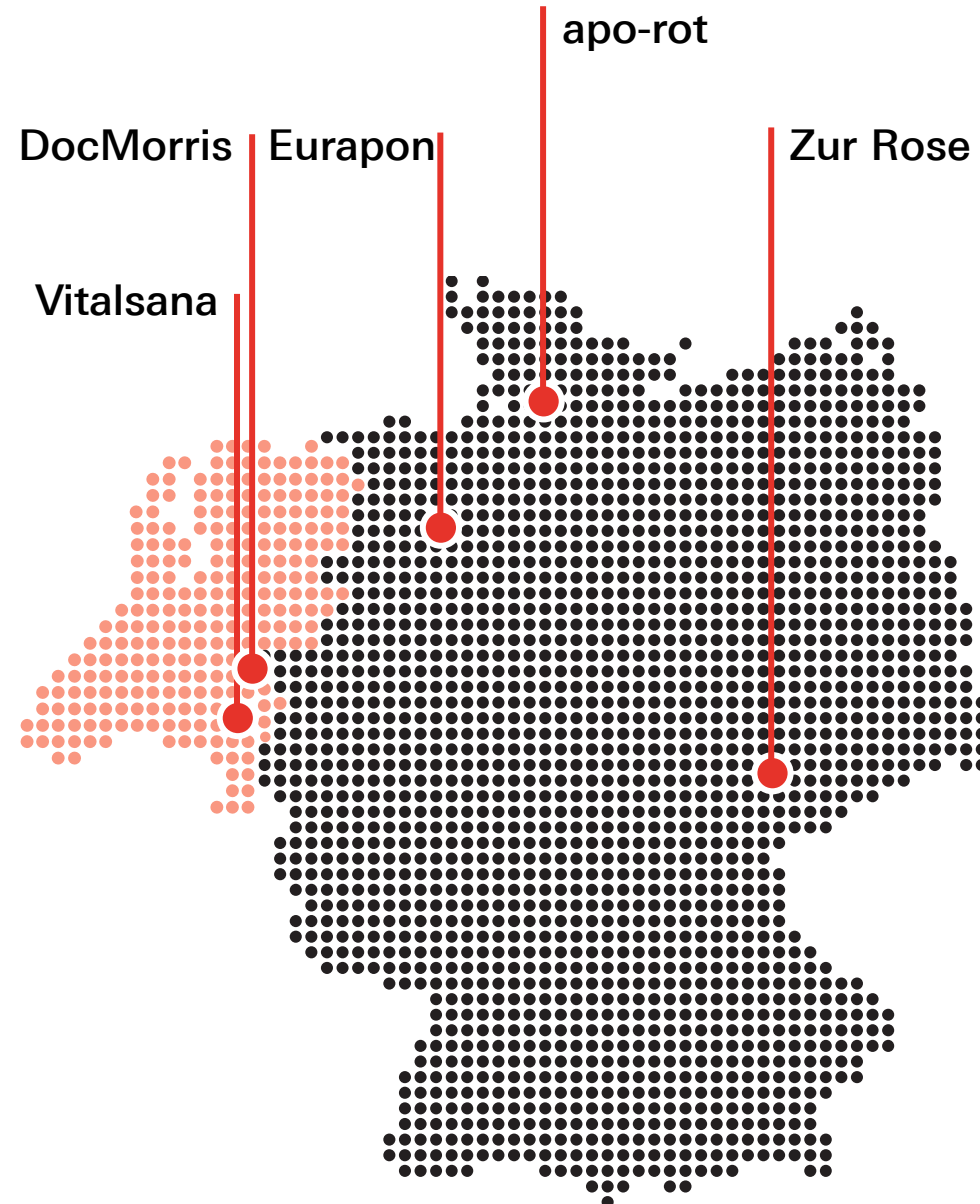
Acquisitions and  
International Expansion

Market leader in  
Rx, OTC,  
Germany and  
Europe



Acquisitions and  
International Expansion

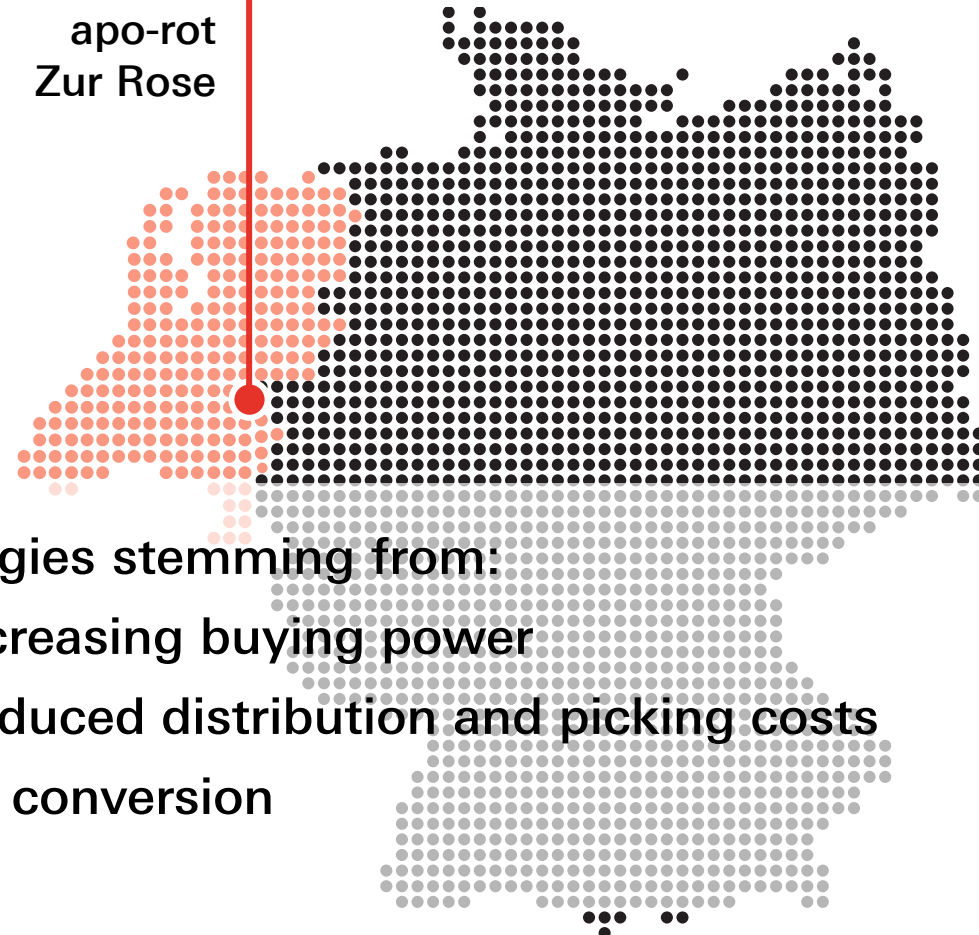
Pooling a  
significant  
proportion of  
operations in  
Heerlen...



## Acquisitions and International Expansion

...leading to improved contribution margin<sup>(1)</sup> for the acquired businesses in the range of 5-10%

DocMorris  
Eurapon  
Vitalsana  
apo-rot  
Zur Rose



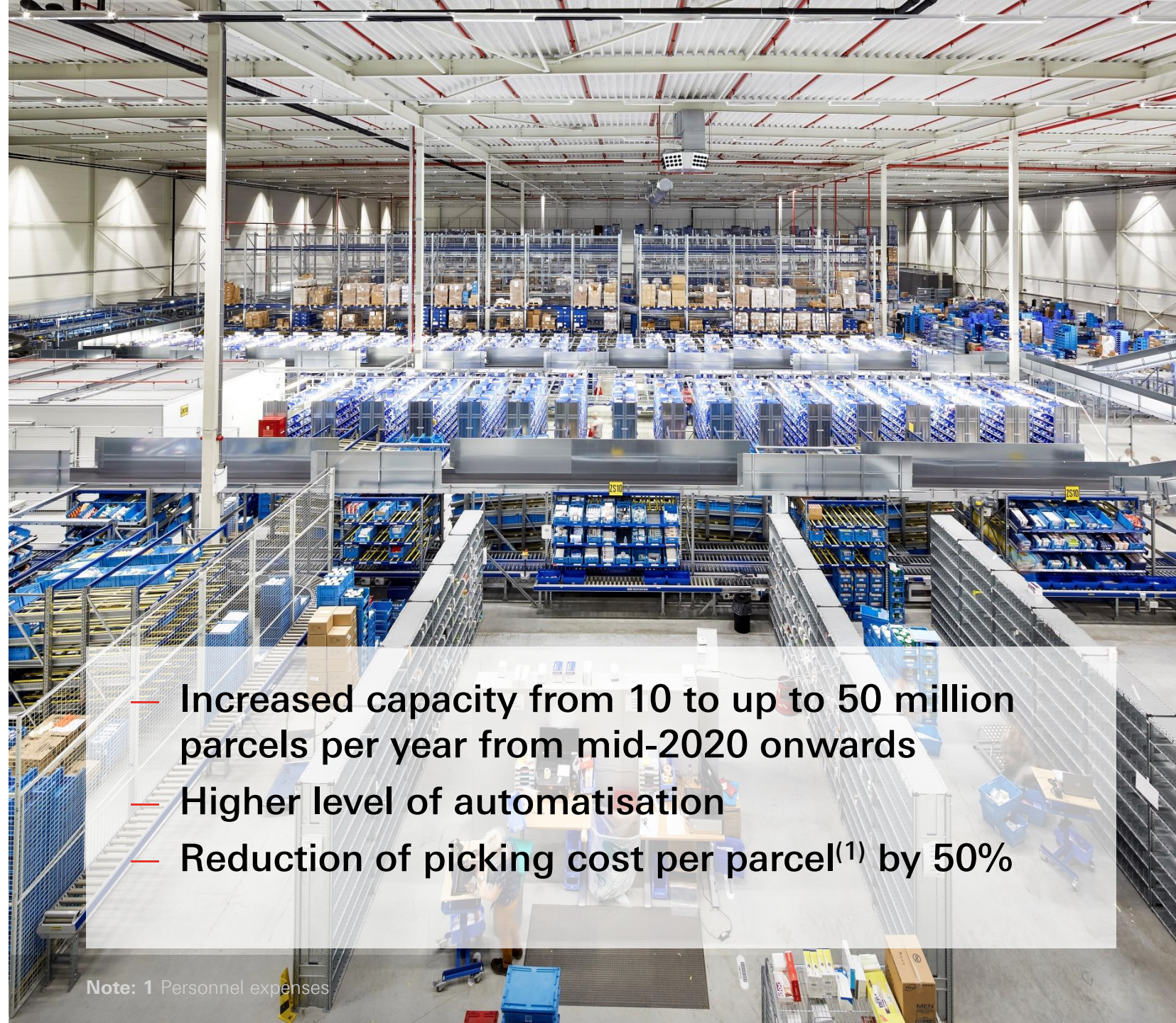
Synergies stemming from:

- Increasing buying power
- Reduced distribution and picking costs
- Rx conversion

Acquisitions and  
International Expansion

## Expansion of logistics in Heerlen

- Increased capacity from 10 to up to 50 million parcels per year from mid-2020 onwards
- Higher level of automatisaton
- Reduction of picking cost per parcel<sup>(1)</sup> by 50%



Acquisitions and  
International Expansion

## Acquisition of Promofarma accelerates international expansion and increases tech- capabilities



.....  .....

WORK HARD, HAVE FUN

MAKE THE FUTURE OF

PromoFarma  
**EXCITING**

- Leading marketplace for consumer health in Spain
- Self-developed microservice based platform
- 50% growth rate leading to EURm 19 sales in 2017

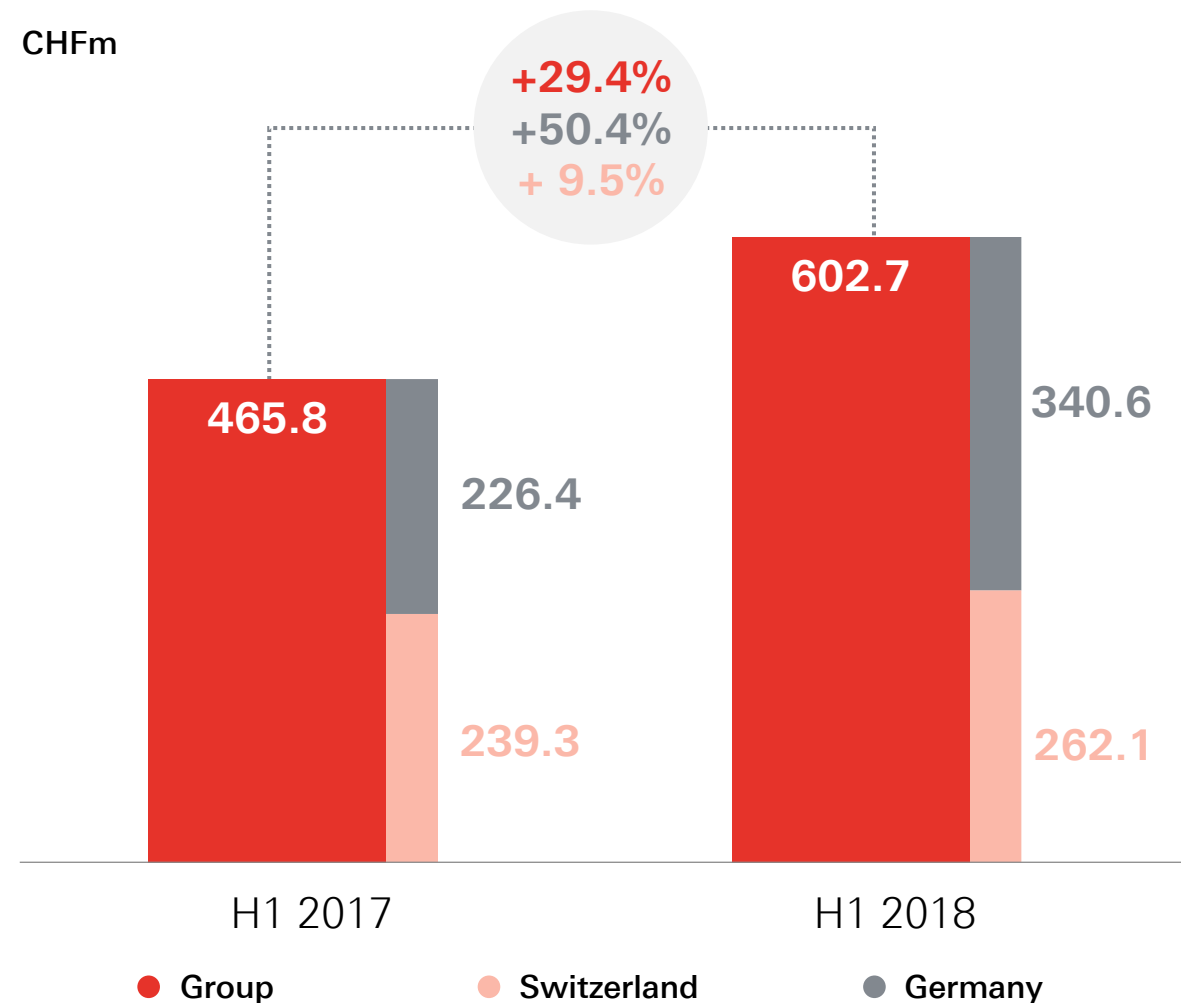
The image shows two men standing in front of a promotional graphic for Promofarma. The man on the left is wearing a green shirt over a white t-shirt with 'CUIDARME' and 'feliz' visible. The man on the right is wearing a grey blazer over a white t-shirt with 'DAR' visible. The background is a light blue wall with the promotional text and graphics.

# Financial Update



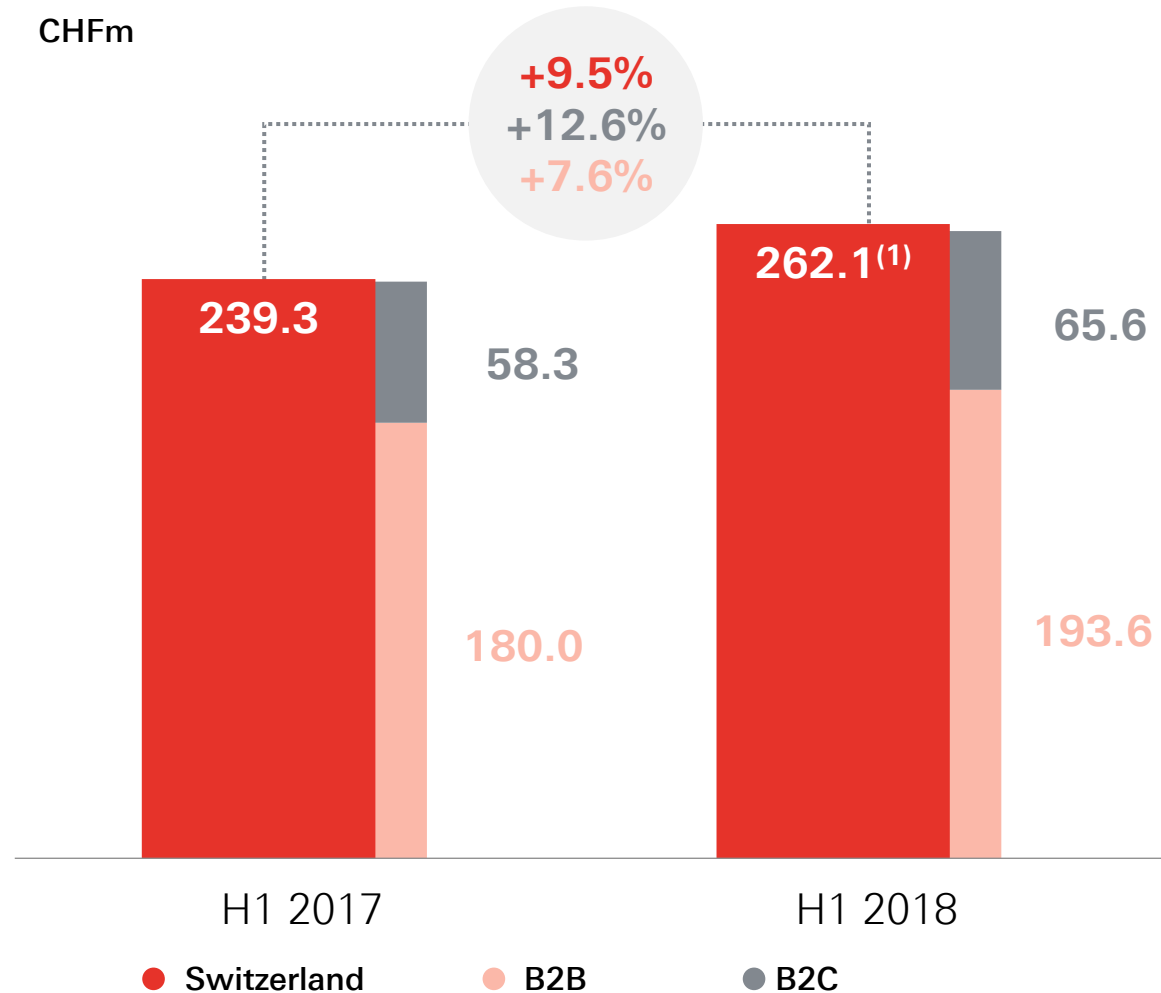
## Zur Rose Group Sales

**Group Sales  
growing at almost  
30%**



## Segment Switzerland

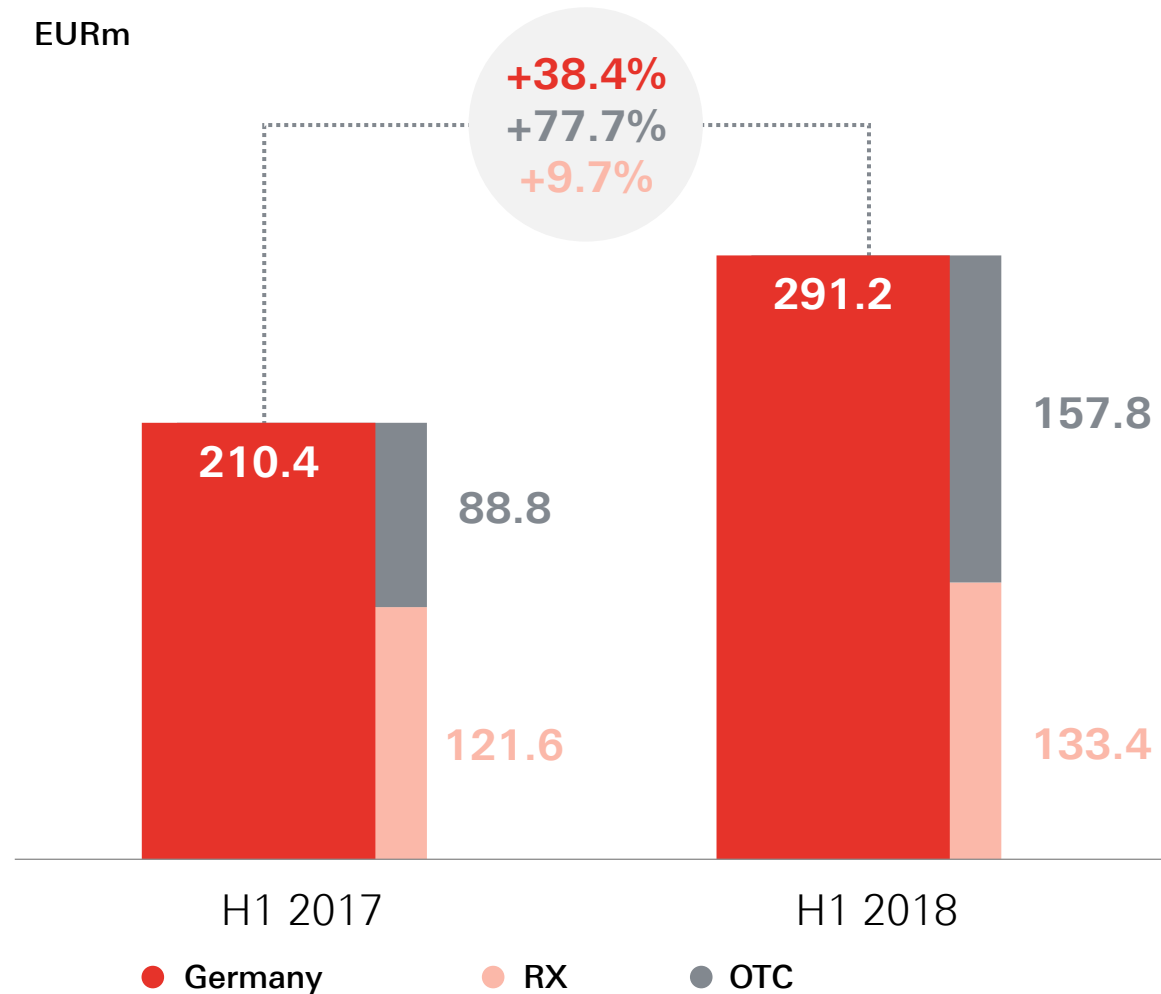
Sales growing at almost 10% despite regulatory price cuts



Note: 1 Including BlueCare sales of CHFm 2.9

## Segment Germany

Impressive growth rate solidifying leadership position in Germany

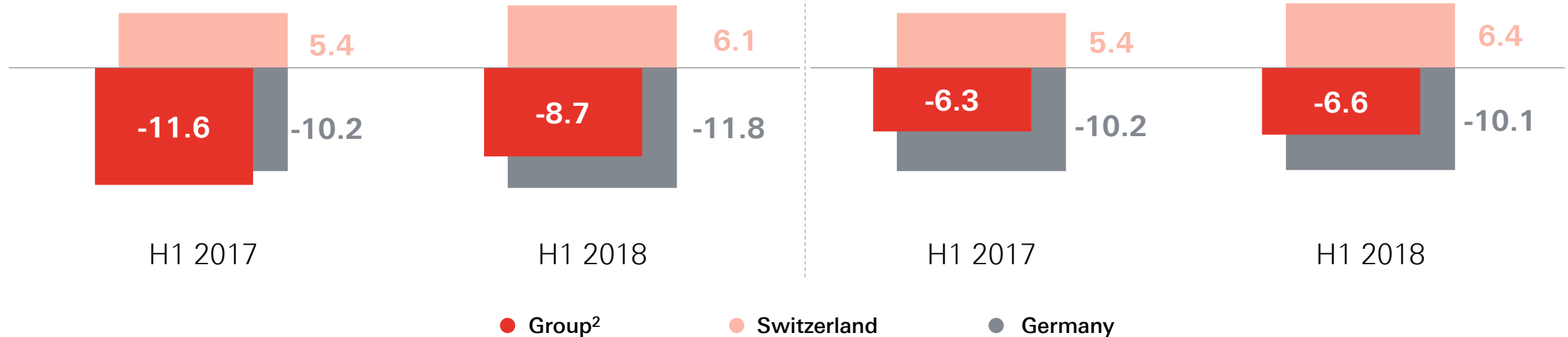


## Profitability

# EBITDA development in line with expectations

EBITDA  
CHFm

EBITDA adj.<sup>(1)</sup>  
CHFm



Note: 1 H1 2018: Segment Germany EBITDA adjusted by CHF 1.6 million M&A related costs and CHF 0.2 million restructuring expenses relating to the transfer of business to Heerlen and expenses related to the internationalisation, Segment Switzerland EBITDA adjusted by CHF 0.2 million IAS 19 expenses, Group EBITDA adjusted by CHF 0.2 million M&A related expenses | H1 2017: Group EBITDA adjusted by CHF 5.3 million IPO related extraordinary costs | 2 Difference between Group EBITDA and sum of Segment CH plus Segment DE equals EBITDA at corporate incl. intercompany eliminations

Outlook

## Group Outlook 2018

Outlook 2018  
remains unchanged

Sales growth of above  
+20% in local currencies on  
group level, driven by  
double-digit organic growth  
and closed acquisitions

>20%

Break-even on EBITDA  
level adjusted by one-offs

Taking advantage of  
mid-term profitable growth  
opportunities prioritized  
over short-term EBITDA  
improvement, in order to  
extend leadership position  
in a dynamic market  
environment

+/- 0

## Outlook

# Mid-term financial targets (2021)

Mid-term financial targets remain unchanged

EBITDA Group:  
Mid-term margin target of

4 – 5%

Sales growth  
Switzerland:  
Mid single-digit  
growth rate

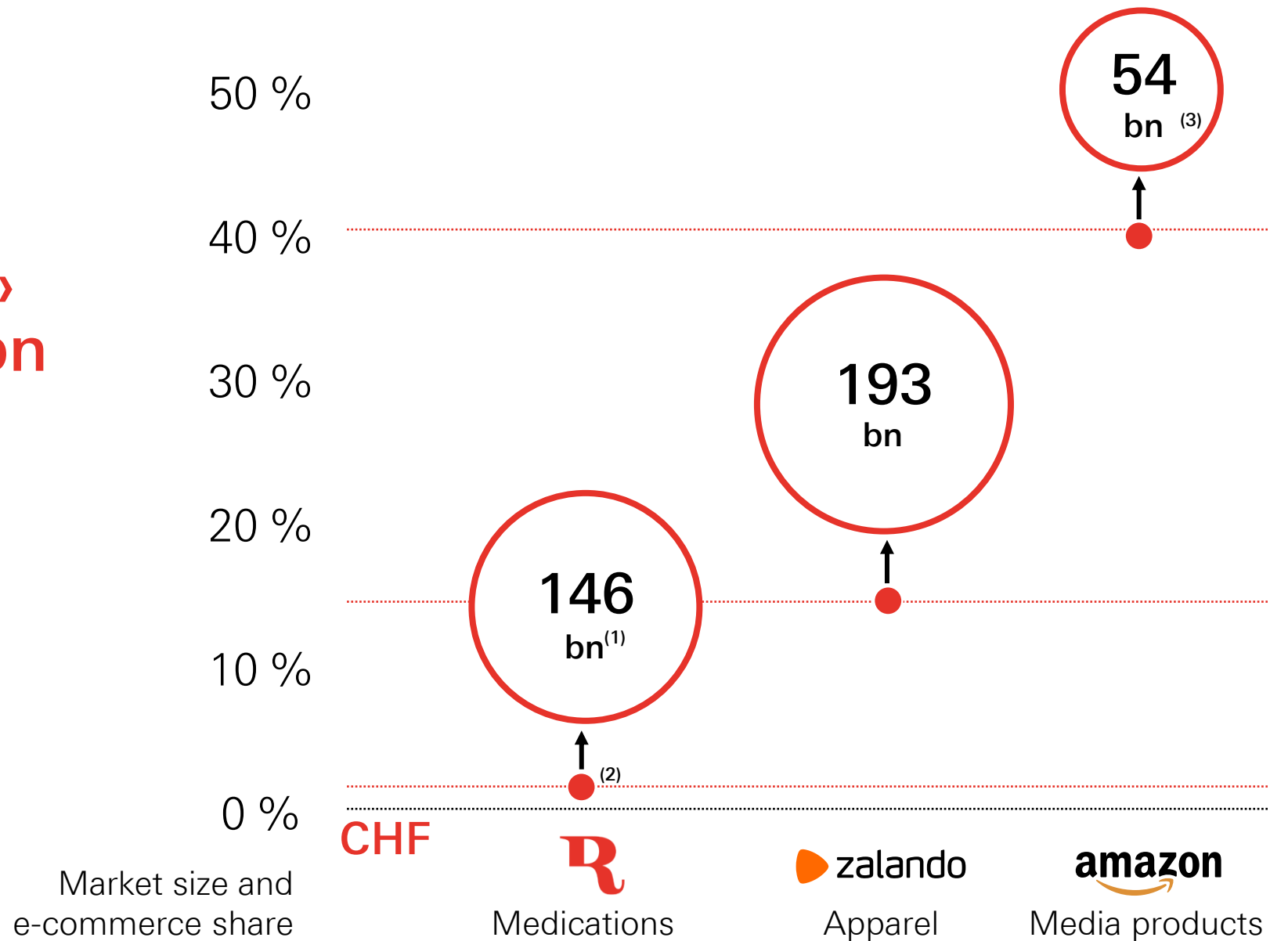
Sales growth  
Germany:  
Organic growth rate in  
the mid- to high-teens

~5%

15 – 19%

# Growth Initiatives

# Zur Rose Group: «Game Changer» in the CHF 146 bn medications market



Sources: Euromonitor, Market sizes for 2016, includes CH, DE, ES, FR, IT, UK


Notes: 1 medications include Rx and OTC & BPC, 2015, excl. VAT, 2015 CHF/EUR = 0.92346

2 Online penetration for Rx in Germany | 3 Media products include music, films and books



## E-Script on the horizon

**Dr. Gottfried Ludewig (BMG):  
«We can no longer carry out long-term defensive battles to prevent the E-Script.»**

- 
- German Ministry of Health is pushing E-Health
  - German Medical Assembly enacts telemedicine
  - E-Script logical next step and part of digital agenda
  - Second E-Health law announced to be enacted this year

E-Health Solutions

## E-Health platform



- Next level technology
- Increasing entry barrier and basis for growth
- Microservice based architecture allowing for agile product development and flexibility

Acquisitions and  
International Expansion

## Continuation of growth strategy

1.

Lead consolidation in  
the German OTC  
e-commerce market

2.

Platform to target  
European market

Q&A

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