

R

# H1 2019 Results Conference Call

# Today's Presenters



**Walter Oberhänsli**  
Founder, Group CEO



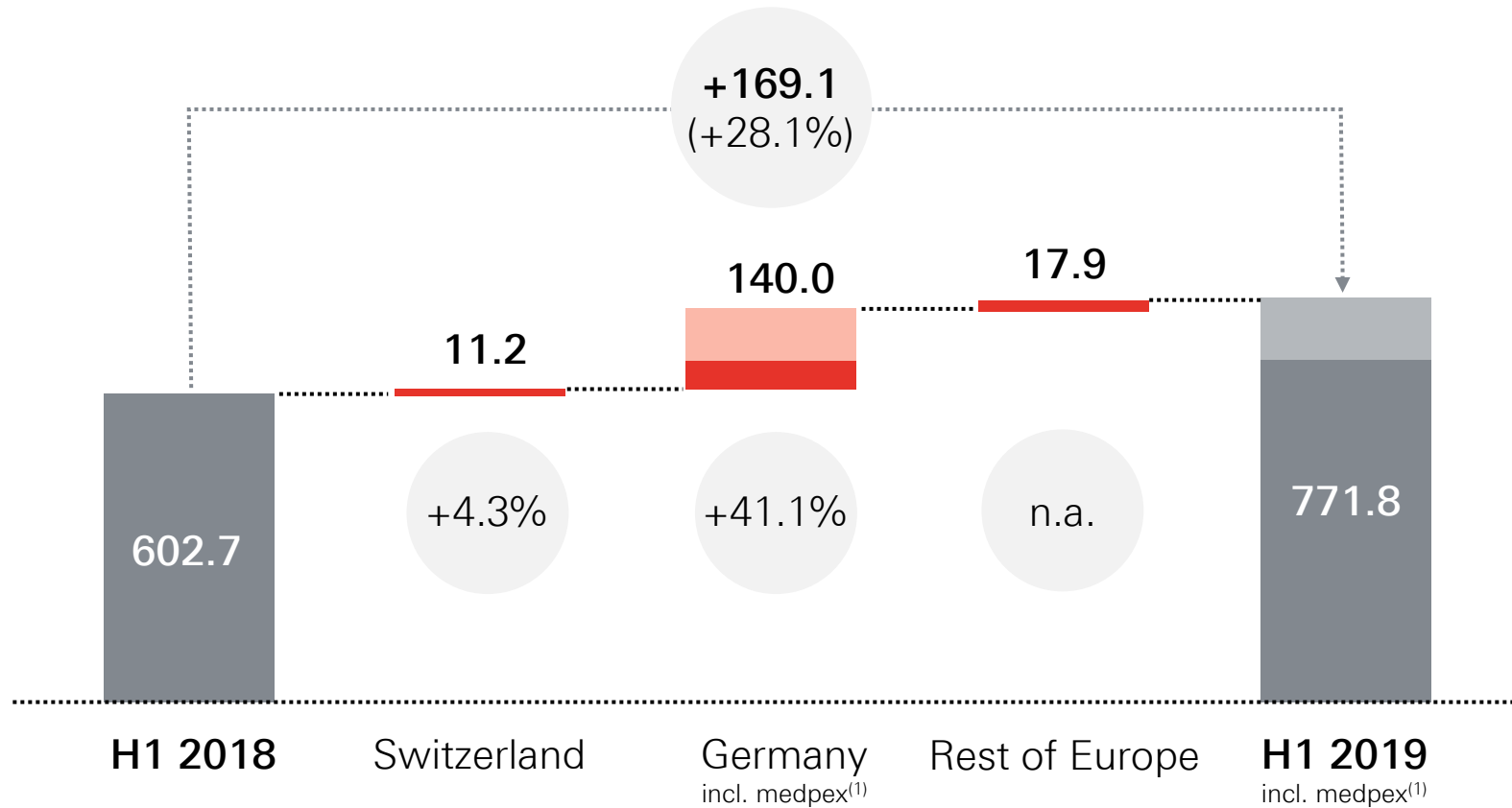
**Marcel Ziwica**  
Group CFO

# Financial Update

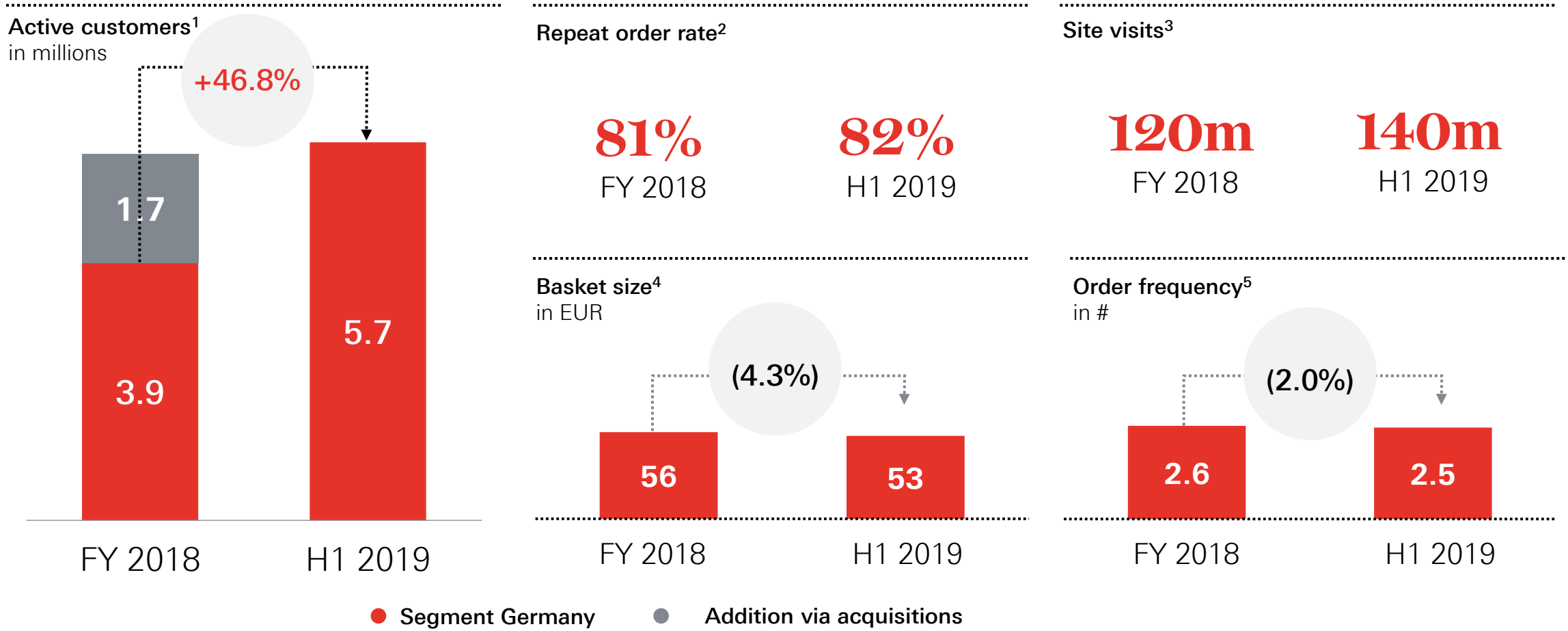
## Zur Rose Group Sales

# Group sales grow almost 30%

In Mio. CHF



# KPIs Segment Germany



Notes: Figures reflecting performance of entire German business regardless of consolidation progress of the acquired businesses; all numbers reflecting the performance in the last twelve months period ending 31 December 2018 and 30 June 2019 respectively | 1 Customers placing an order within the past twelve months | 2 Share of orders from existing customers in relation to total number of orders | 3 Number of website visits | 4 Basket size equals average value of the purchase per order | 5 Number of orders per active customer and year

## Zur Rose Group Income Statement

# Earnings on previous year level

In Mio. CHF	H1 2018	%	H1 2019	%
Sales	602.7		668.4	
Gross profit	96.2	16.0	104.8	15.7
Personnel expenses	-46.9	-7.8	-59.9	-9.0
Marketing expenses	-23.8	-3.9	-24.4	-3.6
Other operating income & expenses	-34.6	-5.7	-23.0	-3.4
EBITDA	-9.0	-1.5	-2.5	-0.4
EBIT	-16.7	-2.8	-17.1	-2.6
Net income	-17.6	-2.9	-17.1	-2.6

## Zur Rose Group Financials

# Balance Sheet

In Mio. CHF	31 Dec 2018	%	30 June 2019	%
Cash and cash equivalents	230.7		91.4	
Receivables	116.5		126.0	
Inventories	69.4		68.4	
Property, plant & equipment	34.3		54.5	
Intangible assets	264.6		456.2	
Other assets	11.0		19.1	
<b>Total assets</b>	<b>726.5</b>		<b>815.5</b>	
Financial liabilities	34.1		96.6	
Payables & accrued expenses	115.4		132.4	
Bonds	114.1		114.2	
Other liabilities	19.2		27.0	
<b>Equity</b>	<b>443.6</b>	<b>61.1</b>	<b>445.3</b>	<b>54.6</b>
<b>Total equity and liabilities</b>	<b>726.5</b>	<b>100.0</b>	<b>815.5</b>	<b>100.0</b>



## Outlook

# Group Outlook 2019

Management expects sales of CHF 1.6 billion (including medpex's total annual sales), corresponding to growth of over 30 percent compared to the previous year

Including all extraordinary items, the aim is to achieve break-even at EBITDA level, but at least an EBITDA margin in line with 2018 (minus 1.0 per cent)

# Strategy Update



# Ready to change the world of pharmacy

## DE

- Integration & synergies
- eRx focus

## CH

- Omnichannel
- Insurance cooperations

## ROE

- International expansion



Germany:

1. Integration and Synergies

# Zur Rose Group integration strategy a combination of four pillars

## Brands

One brand

## Organisation Culture

Shared DNA and vision

## IT Platform

One unified platform

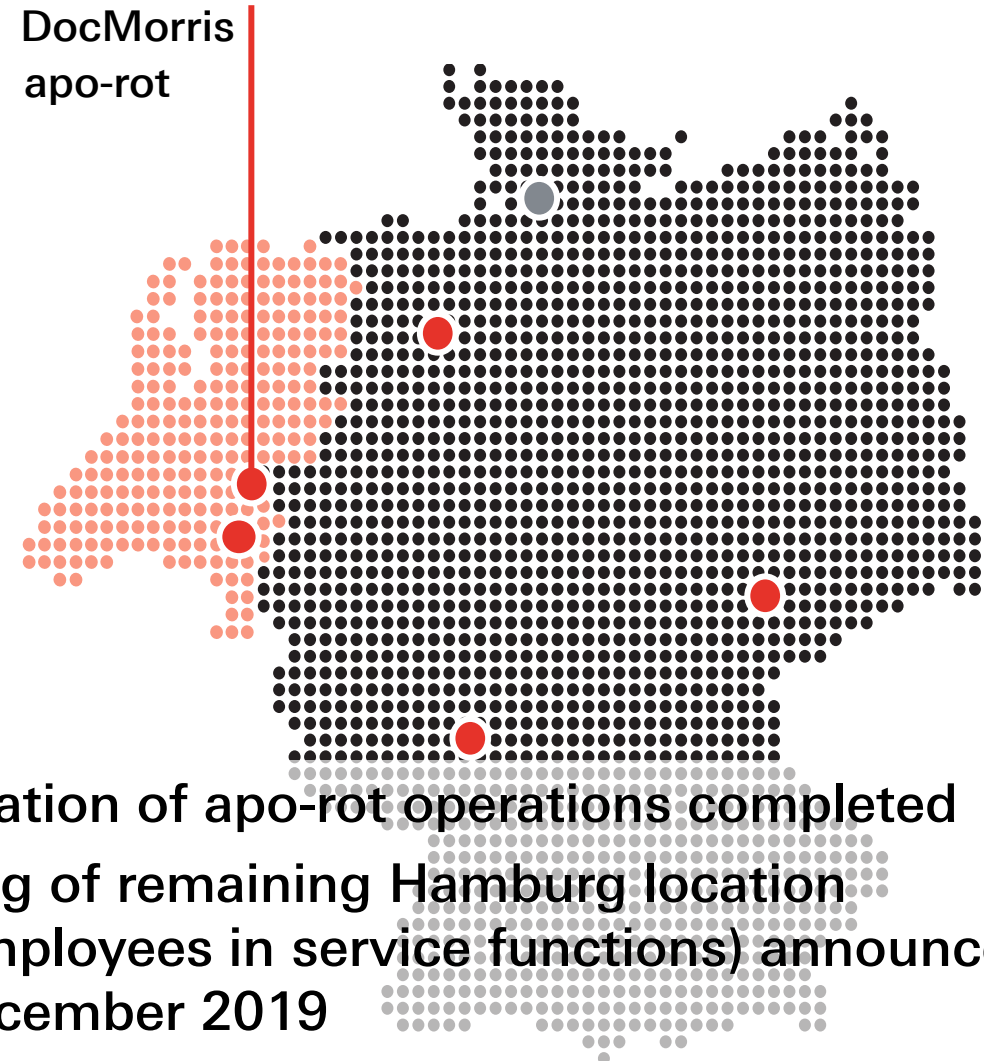
## Logistics

One logistics hub for Germany

Germany:

1. Integration and Synergies

## Scaling up Heerlen site




- Integration of apo-rot operations completed
- Closing of remaining Hamburg location (80 employees in service functions) announced for 31 December 2019
- Marketing, Service and IT will be bundled in Heerlen

Germany:

1. Integration and Synergies

## Completion of new warehouse building

- 
- Project on track for completion in 2021
  - Ongoing evaluation to integrate further operations in 2020 – ahead of initial integration plan
  - Potential for additional cost synergies in 2020



Germany:  
2. eRx Focus in Germany

## E-script introduction in Germany increasing convenience for patients to order online

- 
- A hand holding a white smartphone. The screen shows a red silhouette of a person's head and shoulders. Surrounding the phone is a network of red icons connected by thin white lines. The icons include: a speech bubble, a red car with a cross, a hand holding a card, a document with a heart, a pill, a document with a cross, a heart rate monitor, a heart with a cross, a person with a cross, and a document with a cross and a heart.
- E-script enables paperless submission process
  - Faster delivery
  - Lower handling cost

Germany:  
2. eRx Focus in Germany

# Increasing online penetration through eRx expected, unlocking substantial upside potential



Illustrative, assuming constant Zur Rose Group share of e-commerce market and constant total market size



Germany:  
2. eRx Focus in Germany

## Law to introduce E-script in Germany enacted

### Key topics of the law:

- 7 months time to clear up regulations currently prohibiting e-scripts in Germany
- Gematik to define specifications and licensing procedure for development of solutions by third party providers until June 2020
- E-script pilots instantly allowed with the purpose to provide input for the nationwide roll-out and the gematik specifications
- Pilot projects co-determine speed and specification of the nationwide eRx roll-out

Germany:  
2. eRx Focus in Germany

## eRx readiness

### **Technology**

eRx software leadership strengthened by acquisition of former joint-venture partner Ehealth-Tec in order to shape the design of the future architecture

### **Pilot projects**

Cooperations launched with insurance companies and SpiFa<sup>(1)</sup> to establish proof of concept and accelerate big-scale implementation

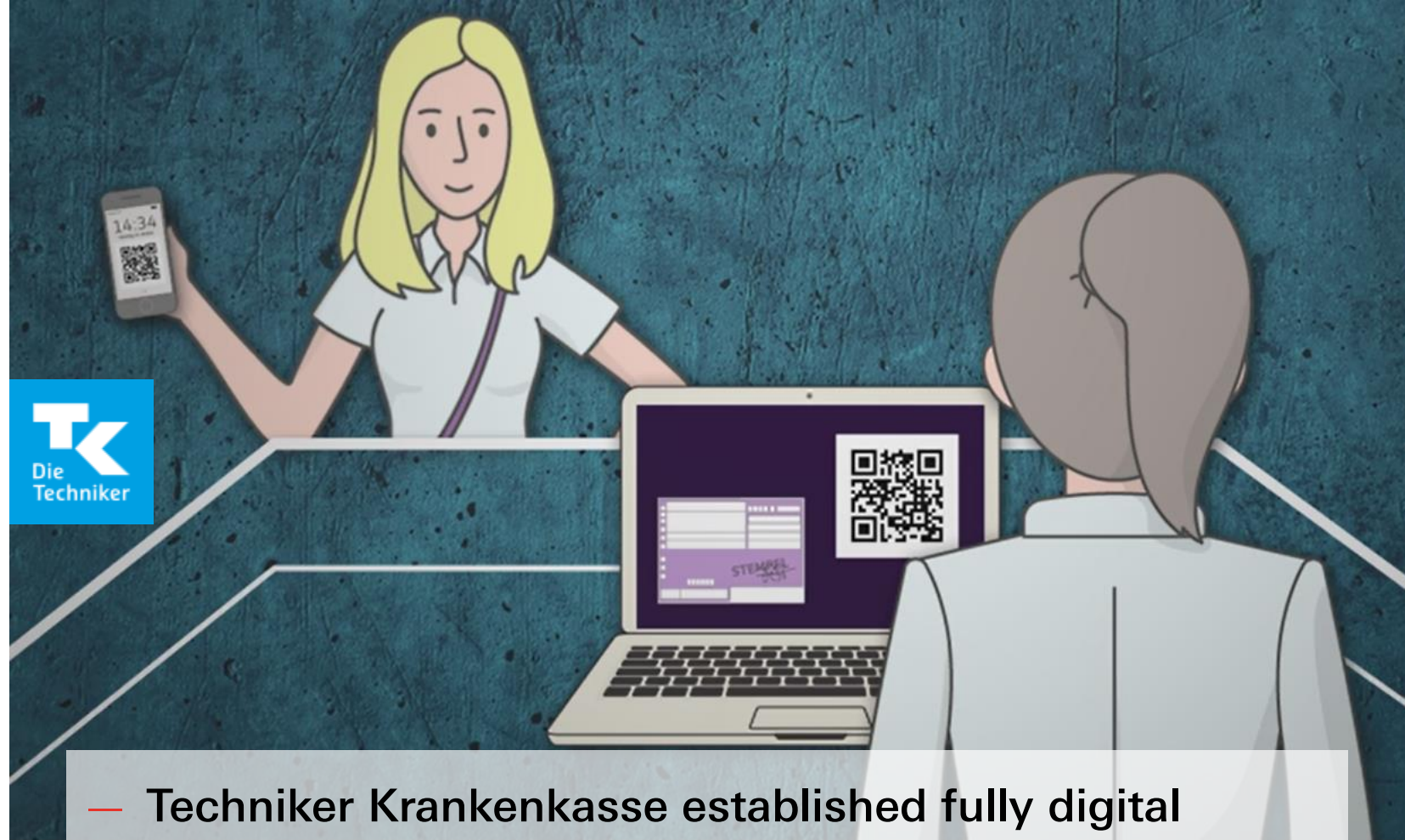
### **Awareness**

Boost awareness of e-script via education and broad marketing campaign



Germany:  
2. eRx Focus in Germany

## Case study - Fully digital e-script process in Techniker Krankenkasse pilot projet



- Techniker Krankenkasse established fully digital e-script process from physician to patient to pharmacy to insurance company in their pilot project
- First e-scripts already issued and filled
- Proof of concept: the electronic prescription works!

Switzerland:  
1. Omnichannel

# Step-up of cooperation via Joint Venture with Migros:

Further  
Roll-out  
Shop-in-Shop

Joint  
webshop

Innovative  
integrated  
care models

Stores CHF 0.00

tionen Service

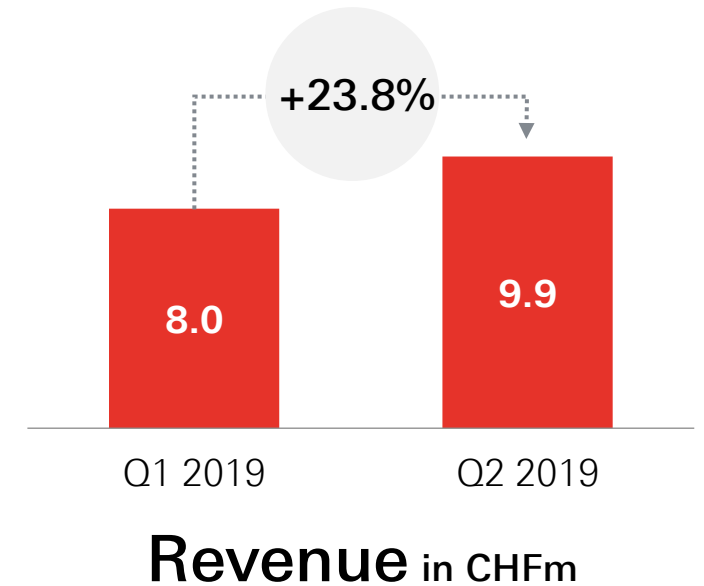
REZEPTKONTO

medbase



Rest of Europe  
1. International Expansion

# Marketplace model scaling rapidly



## Market entry



- Successful integration of Doctipharma to Promofarma marketplace technology
- Market entry Italy targeted in H2 2019

## Outlook

# Group Outlook 2022

The company aims to double its  
2018 sales by 2022

EBITDA target margin for 2022  
is 5 to 6 percent, corresponding  
to CHFm 120 to CHFm 150

# Vision

Vision:  
European Healthcare Ecosystem

# Widening presence across the ecosystem, whilst reinforcing barriers to entry





Vision:  
European Healthcare Ecosystem

# Achievements H1 2019

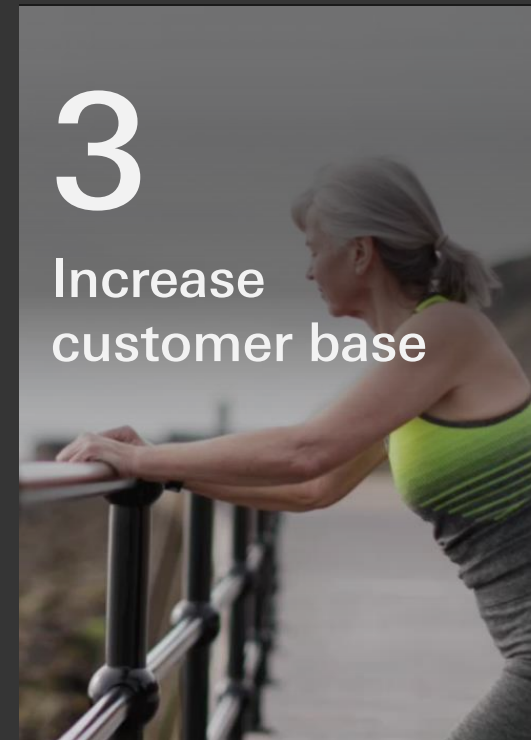
**1**  
Further improve  
technology  
competencies



**2**  
Launch of new  
cooperations

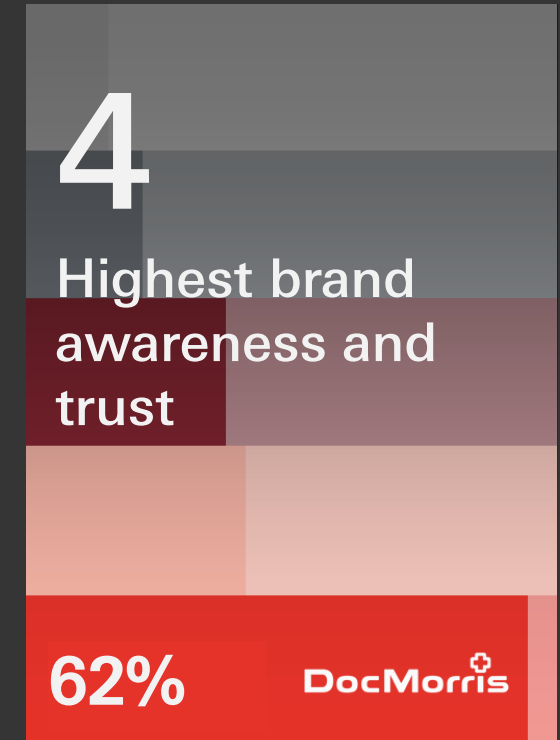


**3**  
Increase  
customer base



**4**  
Highest brand  
awareness and  
trust

**62%** **DocMorris**



# Contact Information

**Walter Oberhänsli**

Founder, Group CEO

[ir@zurrose.com](mailto:ir@zurrose.com)

+41 58 810 11 49

**Marcel Ziwica**

Group CFO

# Disclaimer

This presentation (the "Presentation") has been prepared by Zur Rose Group AG ("Zur Rose" and together with its subsidiaries, "we", "us" or the "Group") solely for informational purposes and has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of any of the Group. Zur Rose reserves the right to amend or replace the Presentation at any time, and undertakes no obligation to provide the recipients with access to any additional information. Zur Rose shall not be obligated to update or correct the information set forth in the Presentation or to provide any additional information. Nothing in this Presentation is, or should be relied upon as, a promise or representation as to the future.

Certain statements in this Presentation are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions, intense competition in the markets in which the Group operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting the Group's markets, and other factors beyond the control of the Group). Neither Zur Rose nor any of its respective directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak of the date of this Presentation. Statements contained in this Presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future.

This Presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for, underwrite or otherwise acquire, any securities of Zur Rose, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Group, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Presentation is not a prospectus and is being made available to you solely for your information and background and is not to be used as a basis for an investment decision in securities of Zur Rose or the Group.