

Q4 and FY 2023 Earnings call *presentation.*

● SEVENUM I 05 MARCH 2024





Presenting
live from our
headquarters.





Today's presenters.

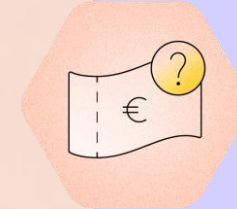
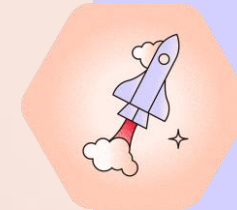
Olaf Heinrich,
Chief Executive Officer.

Jasper Eenhorst,
Chief Financial Officer.



Today's agenda.

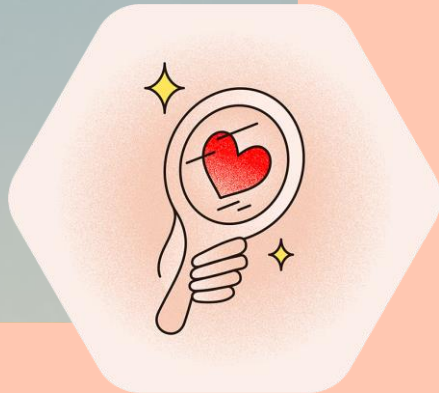
- 1** Highlights of 2023.
- 2** Business performance 2023.
- 3** Strategy update and outlook 2024.
- 4** Finance outlook and guidance 2024.





1

Highlights of 2023.



Highlights of 2023.

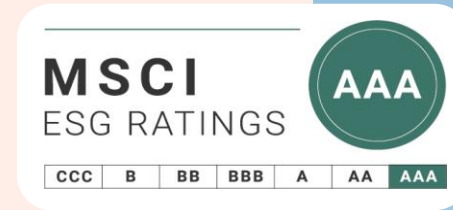
- ▶ Guidance fully achieved.
 - Across all elements, with record sales and major margin improvements.
- ▶ More than 10 million active customers reached.
 - Thanks to comprehensive services and offerings as the one-stop pharmacy for Europe.
- ▶ New corporate brand successfully launched.
 - Introduction of Redcare Pharmacy in June 2023.
 - *Until every human has their health.*

 **Redcare**
PHARMACY



Highlights of 2023.

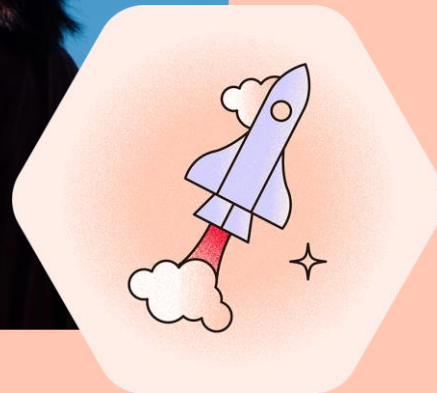
- ▶ Progress in sustainability driven forward.
 - MSCI AAA Rating for sustainability.
 - Recycled packaging material share increased to 93%.
- ▶ Strategic partnership with Galenica established.
 - Combination of online expertise and proficiency with specialty Rx leadership in Switzerland.
- ▶ The course for e-Rx in Germany finally set.
 - Announcement of mandatory e-Rx requirement as of 1 January 2024.
 - Development of eGK NFC solution specifications announced by gematik in December.



2



Business
performance
2023.

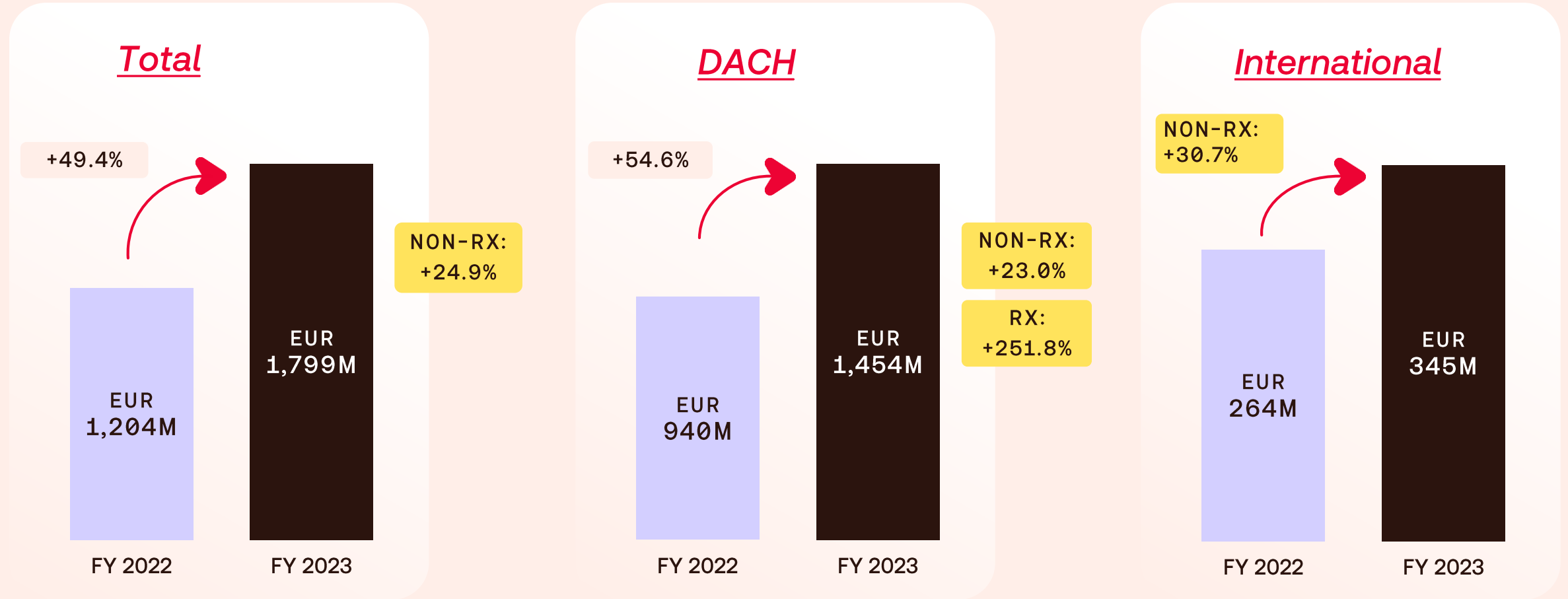


Ambitious guidance fully met.

- ▶ Fast total and organic growth.
Total sales up 62% in Q4 and 49% FY (excl. MediService: 23% in Q4 and 24% FY). Non-Rx growth of 23% in Q4 and 25% FY.
- ▶ Efficiency gains drive EBITDA.
Adj. EBITDA 3.1% in Q4, 3.0% FY (3.7 pp better vs. prior year). Improvements achieved across all components of P&L.
- ▶ Solid cash position.
Full-year positive FCF (EUR 8M); cash balance around EUR 200M.

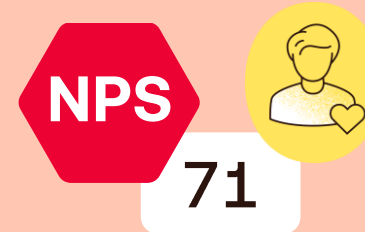
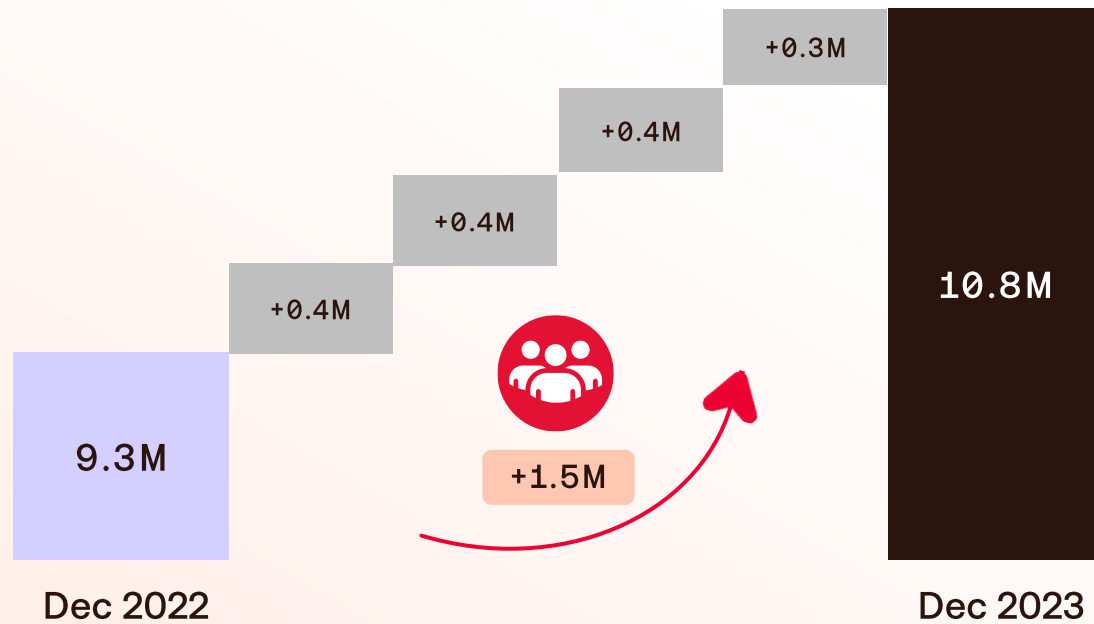


Continued fast growth across the Group.

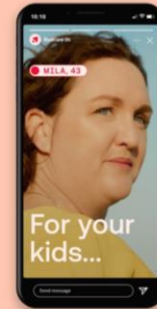
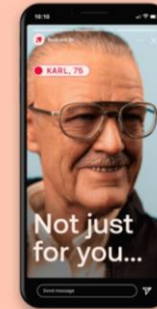


Active customers +1.5M, with an increased basket.

Number of customers



Net Promoter Score
FY 2023 (2022: 72)



€ 59.40

Average Shopping Basket Value
FY 2023 (2022: 58.28)

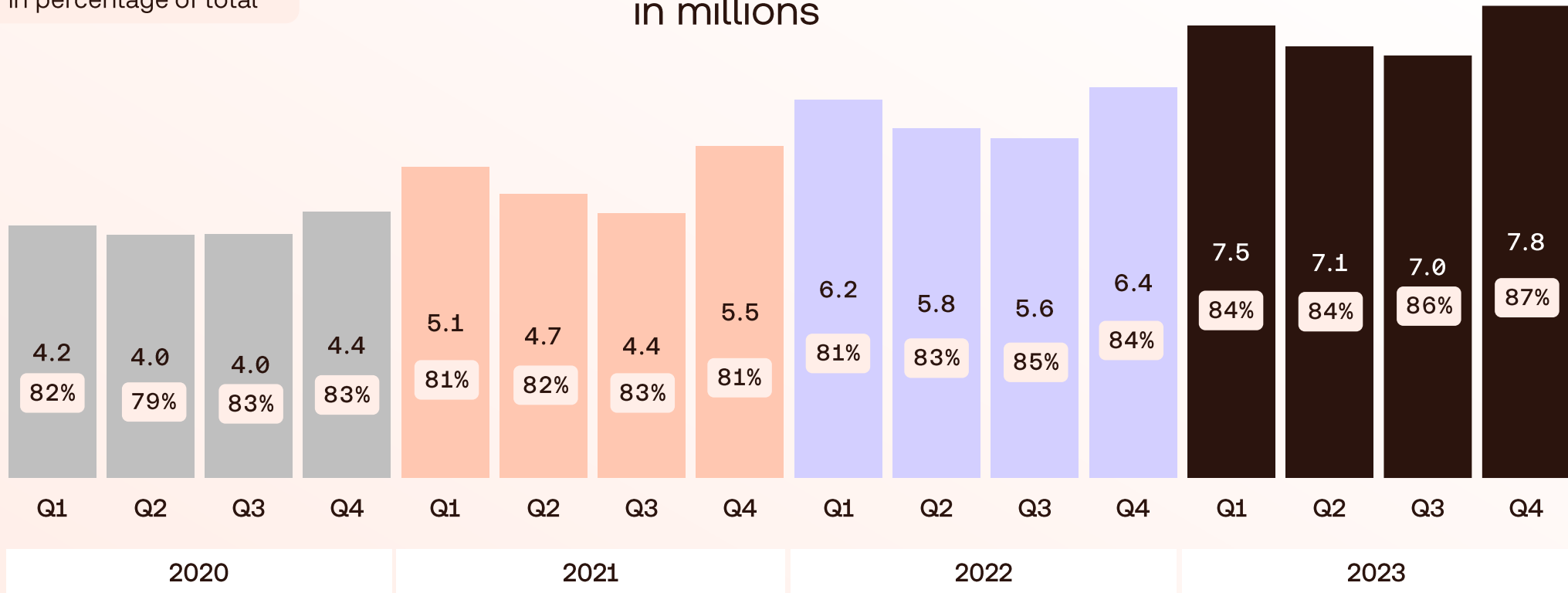


Fast increase of orders every year; over 29M in 2023.



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.



Adj. EBITDA up EUR 61M; growth, efficiency and scale.

MediService included since mid-Q2.

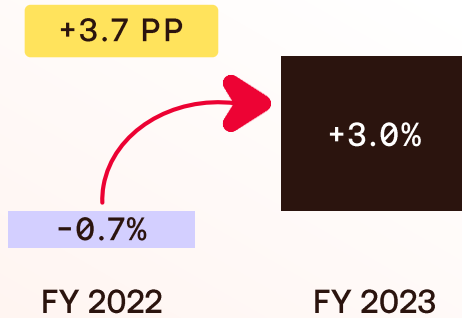
in millions of euros, <i>adjusted numbers</i>	Q4			FY		
	2022	2023	Better or (worse)	2022	2023	Better or (worse)
Sales	328	531	62.1%	1,204	1,799	49.4%
Gross profit margin	27.8%	22.8%	(5.0) pp	27.5%	24.5%	(3.0) pp
Selling & distribution margin	(23.8)%	(17.0)%	6.8 pp	(24.8)%	(18.7)%	6.1 pp
Administrative cost margin	(3.7)%	(2.8)%	0.9 pp	(3.4)%	(2.9)%	0.5 pp
Adj. EBITDA margin	0.3%	3.1%	2.8 pp	(0.7)%	3.0%	3.7 pp
Adj. EBITDA	1	16	15	(8)	53	61
EBITDA	(0)	13	13	(30)	40	70

Adjustments in FY 2023 EUR 13.5M (FY 2022: EUR 21.6M): EUR 8.1M (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.

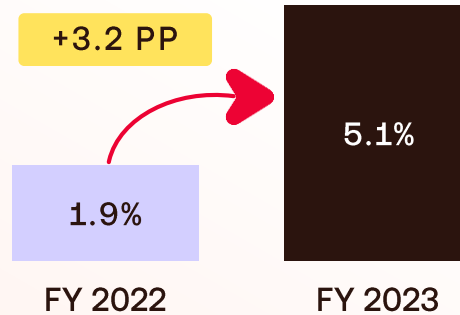


Adj. EBITDA +3.7 pp, DACH margin more than doubled.

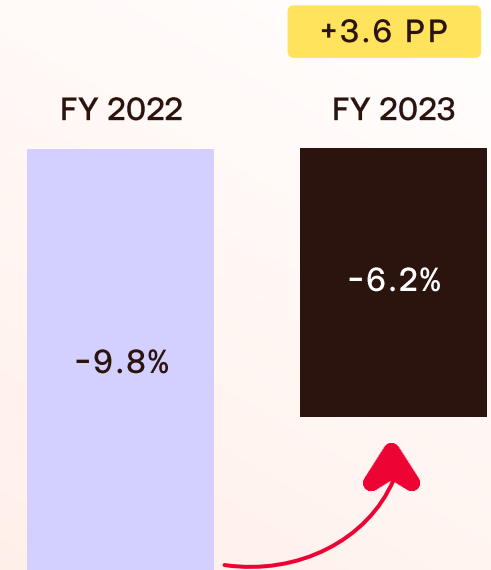
Total Redcare



DACH segment

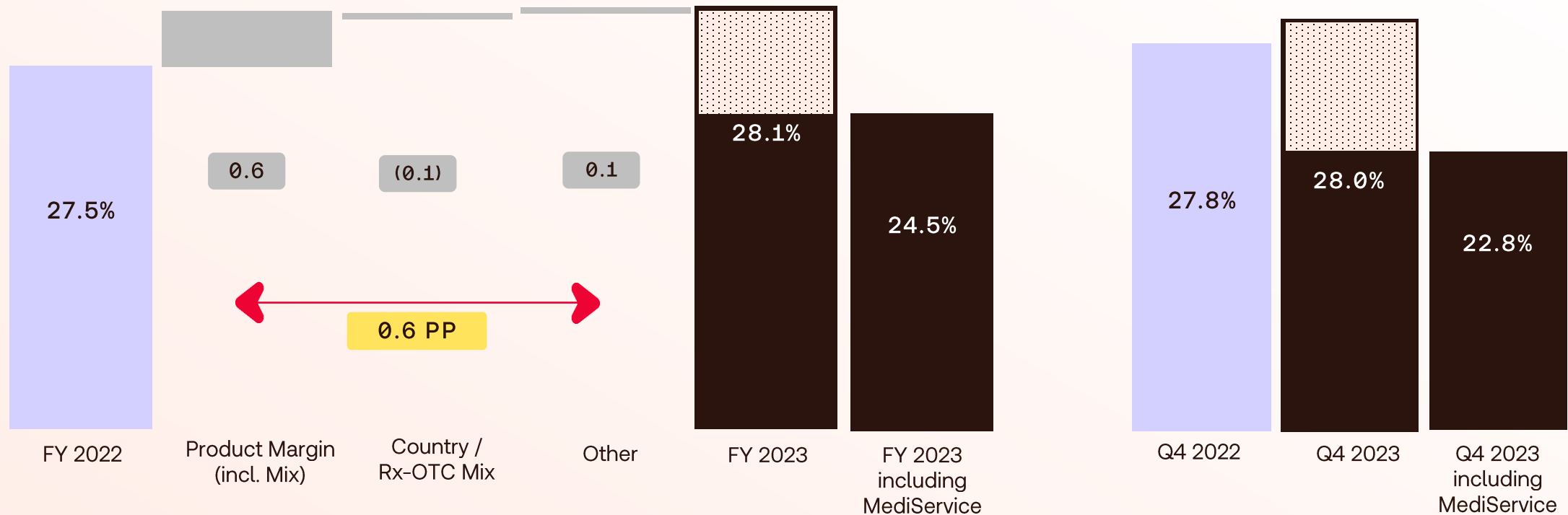


International Segment



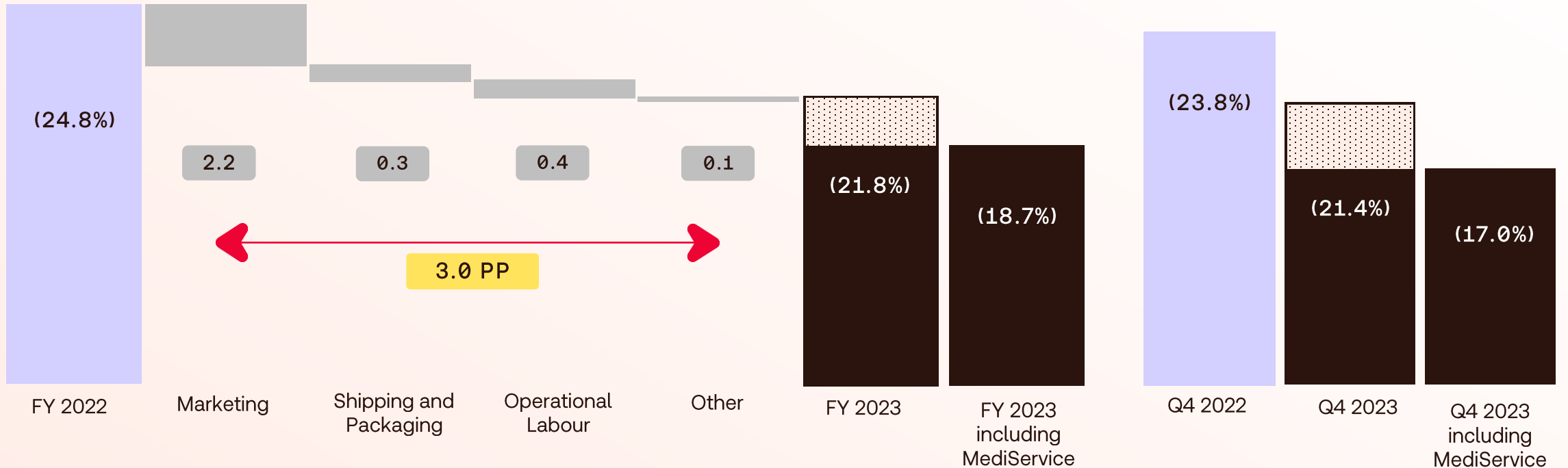
Fundamental improvement of 0.6 pp in gross profit margin.

Adjusted gross profit margin
in percentage of sales



Selling and distribution as percent of sales improved 3 pp.

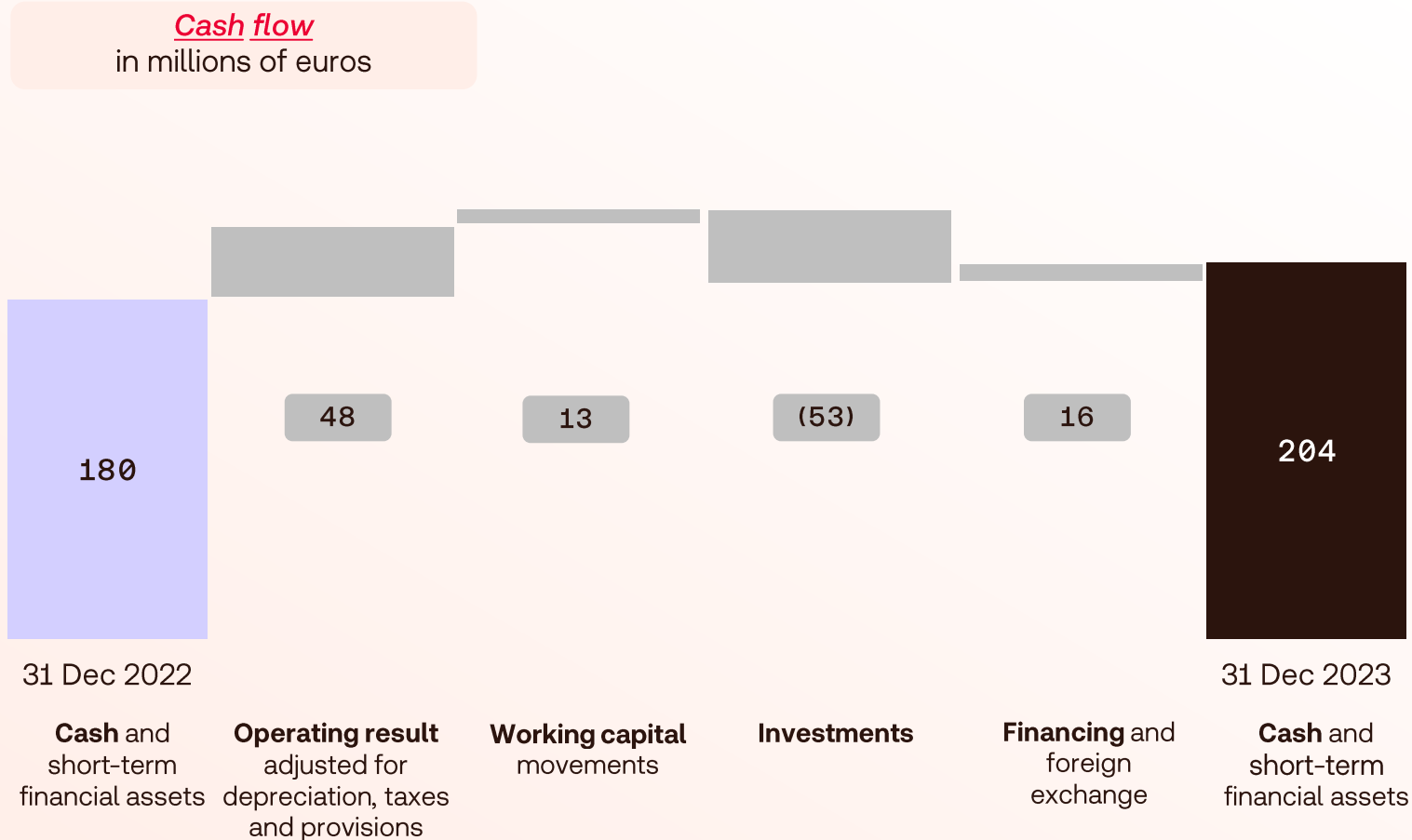
Adjusted S&D costs
in percentage of sales



Source: Redcare Pharmacy



Free cash flow EUR +8M, total cash balances EUR +24M.



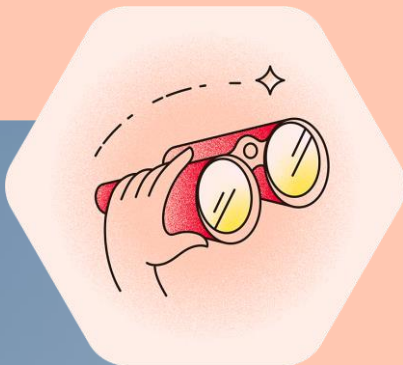
Operating result: EUR +48 million.
Positive adj. EBITDA achieved every quarter.

Working capital: EUR +13 million.
Inventory build-up at year-end and positive movement from MediService.

Investments: EUR -53 million.
Mostly IT investments and impact of MediService acquisition.

Financing: EUR +16 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.





Strategy update and outlook 2024.

3

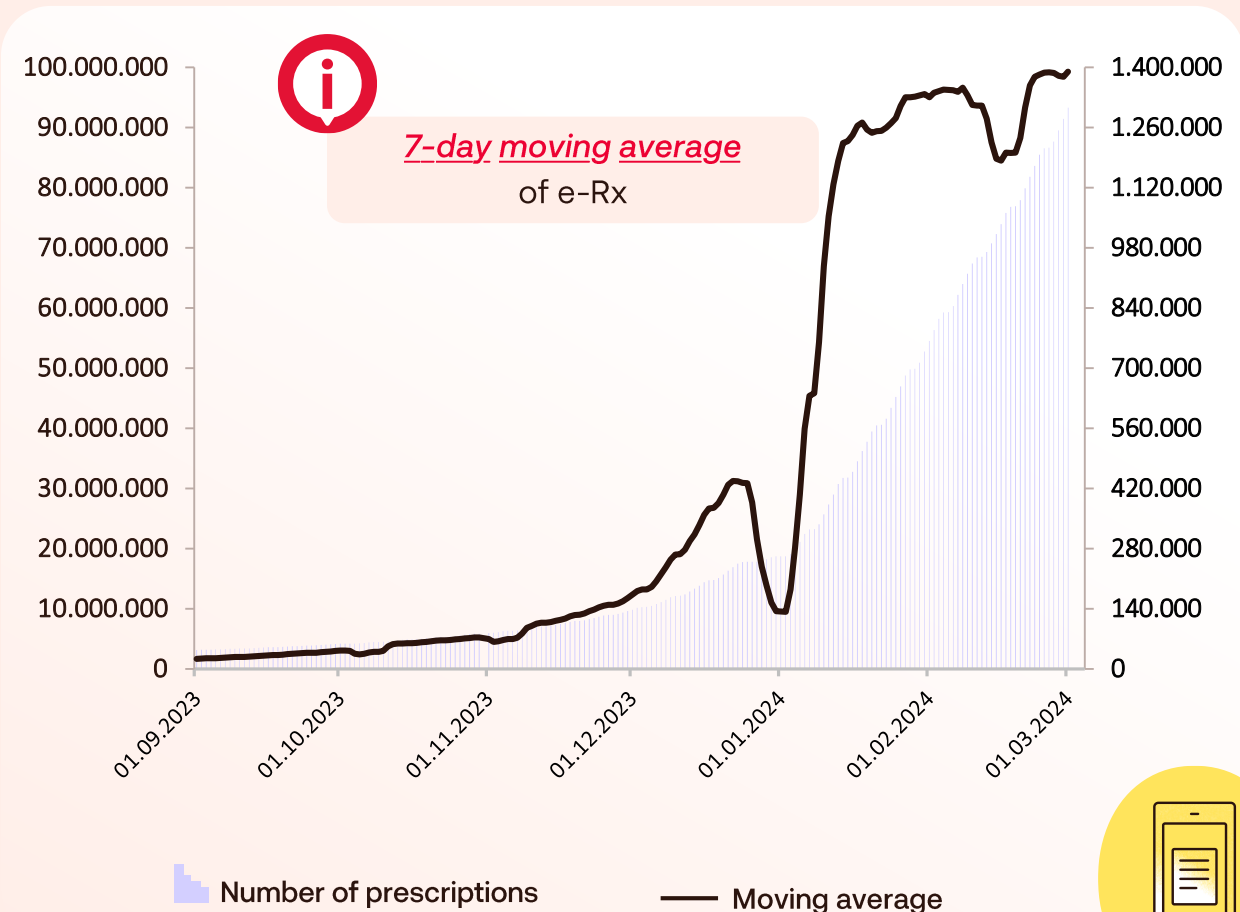


Strengthening our European online pharmacy leadership.

- ▶ Drive growth of our strong core non-Rx business, comprising OTC and BPC products as well as own brands.
- ▶ Unlock the success of our platform strategy through the expansion of NOW! and marketplace to other markets.
- ▶ Realise the strategic rationale of our Swiss partnership.
- ▶ Maximise our capacity and distribution.
- ▶ Become the leading online player in e-Rx.



The e-prescription has finally arrived.

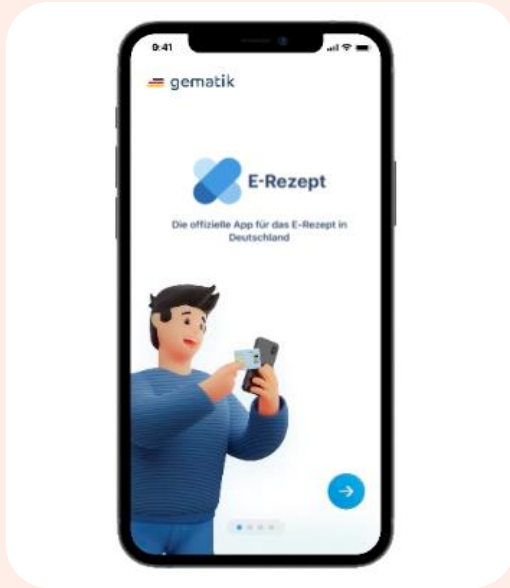


- ▶ Mandatory requirement of e-Rx re-instated by gematik (as of 01 January 2024).
- ▶ Increased acceptance from healthcare professionals ahead of deadline.
- ▶ More than 70% of all national health insurance prescriptions in Germany are electronic.
- ▶ Over 75% of all doctors issue e-prescriptions.
- ▶ From the start of 2024 over 95 million e-prescriptions redeemed.



Best positioned for e-Rx. Fully digital version on its way.

gematik app. ✓



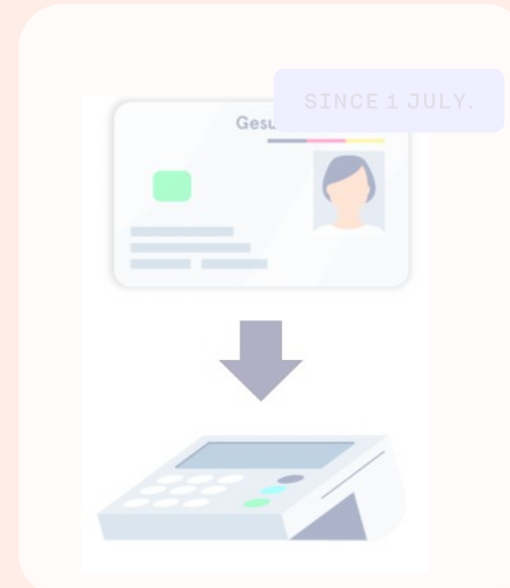
eGK plus PIN.

Paper print-out. ✓



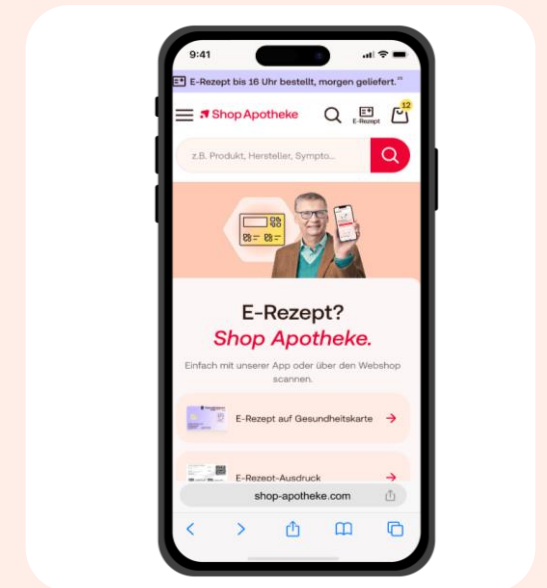
On patients' request.

eGK plug-in.



eGK without PIN.

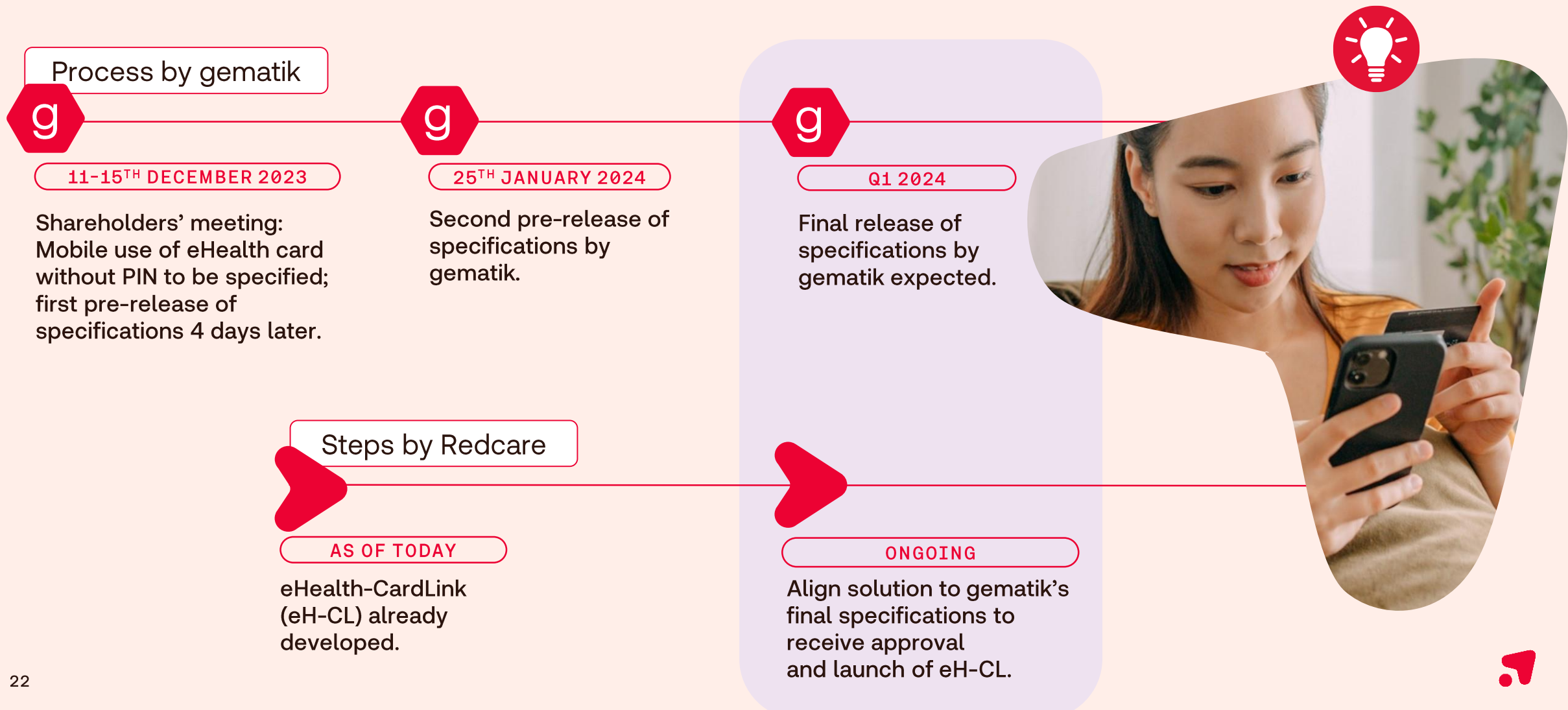
eHealth-CardLink.*



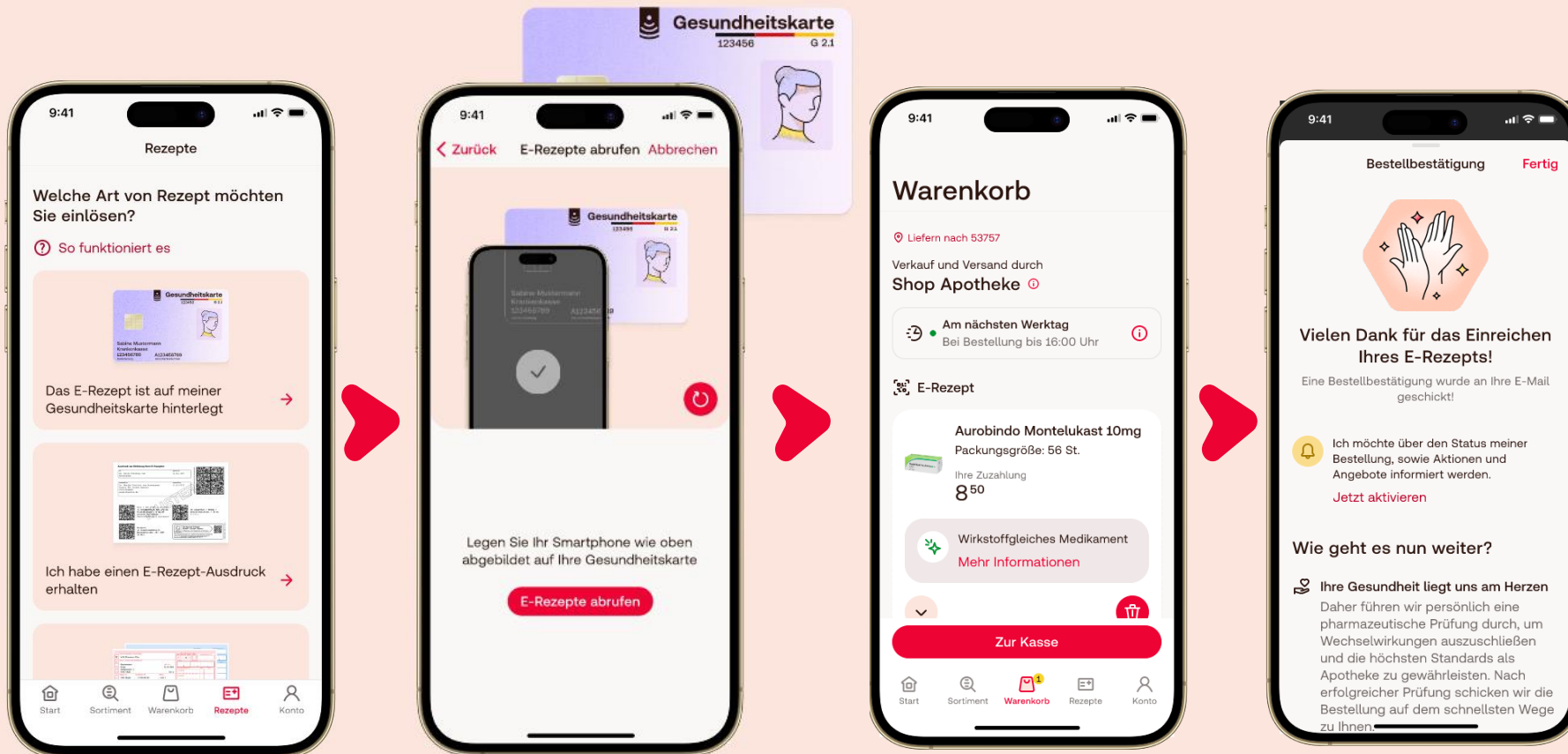
eGK without PIN.



Status quo on eHealth-CardLink.



eHealth-CardLink: It's as easy as ABC.



- A convenient step-by-step customer journey to redeem e-Rx.
- Additional information on split order, deliveries and payment.
- Extra health info with respective e-Rx order.



4

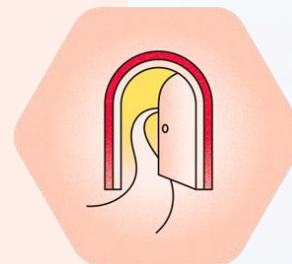


Finance
outlook and
guidance
2024.



Continued very fast growth expected.

- ▶ Strength across all our seven countries driving sales and solid margins.
- ▶ First year of full e-Rx (electronic prescriptions) implementation in DACH (Germany).
- ▶ (E)-Rx in 2024 too dynamic to give precise guidance.



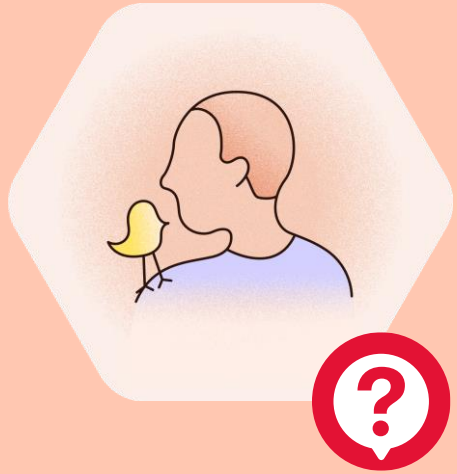
Guidance for *full-year 2024.*

- ▶ Total sales to increase to EUR 2.3-2.5 billion, a growth of 30-40%.
- ▶ Non-Rx sales growth 15-25%.
- ▶ MediService expected to grow by mid-single digits.
- ▶ Adj. EBITDA margin 2% to 4%.

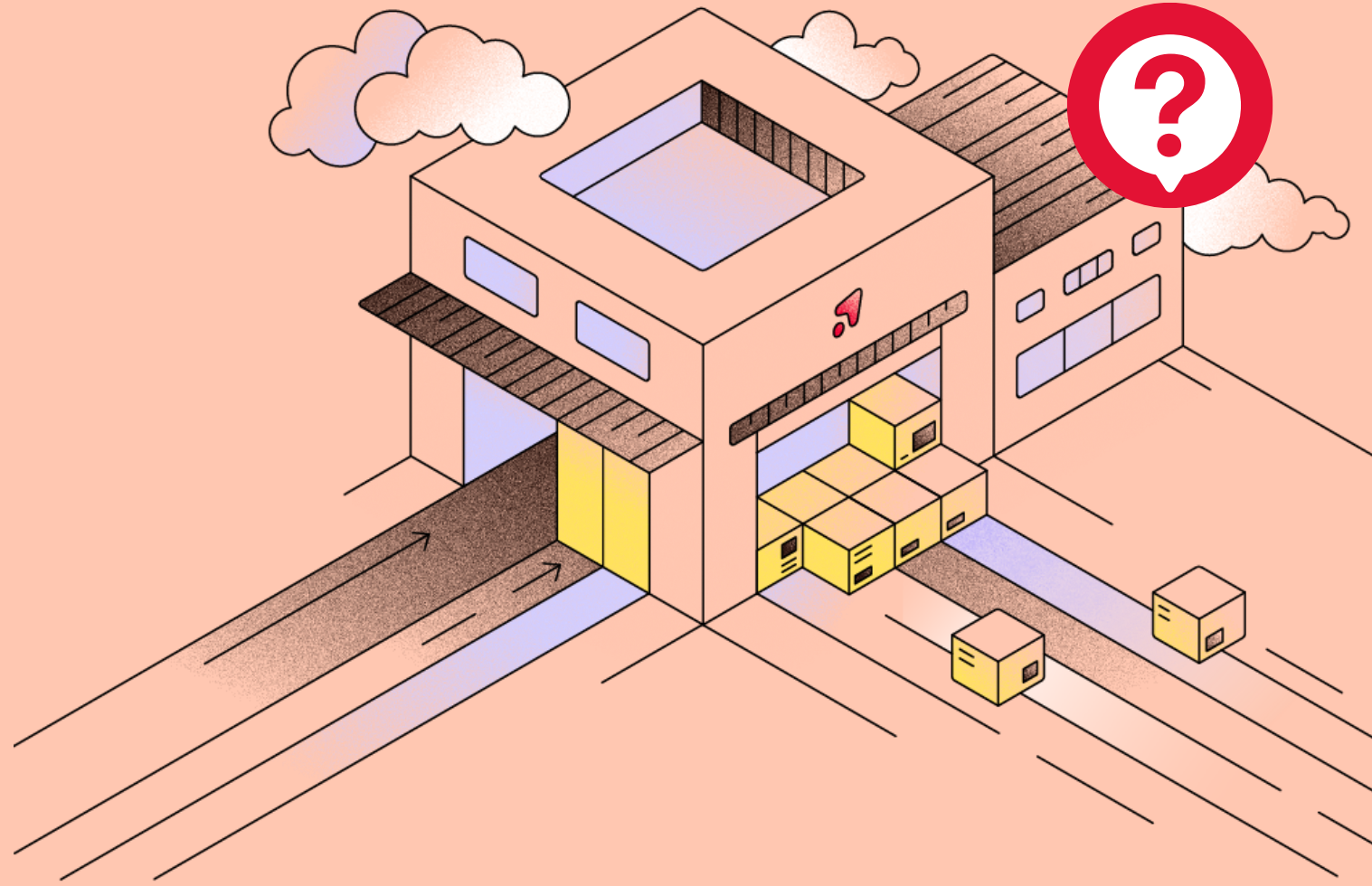


Mid- to longer-term guidance of adjusted EBITDA margin in excess of 8% unchanged.





Time to
ask questions.



Thank you.



Annual Report 2023 can be downloaded on our website:
www.ir.redcare-pharmacy.com

● SEVENUM I 05 MARCH 2024



 Redcare