

Interim Statement Q3 2024



PHARMA
SGP

PharmaSGP at a Glance

PharmaSGP is a consumer health company with a diversified portfolio of leading over-the-counter (OTC) pharmaceuticals and other healthcare products.

PharmaSGP's OTC products cover highly relevant and chronic indications. In a structurally growing market, it has thereby been able to establish market-leading positions in many important areas, such as rheumatic and neuralgic pain, sleep disorders or men's and women's health. In Germany for example, PharmaSGP is the market leader for systemic chemical-free OTC pain remedies with its brand families RubaXX® for rheumatic pain and Restaxil® for neuralgic pain (nerve pain).

With the acquisition of the established OTC brands Baldriparan®, Formigran®, Spalt® and Kamol® in September 2021, PharmaSGP has expanded its portfolio through further market leaders in their categories. For example, Baldriparan® is the No. 1 herbal sleep aid in pharmacies, and Formigran® is the leading OTC pharmaceutical against migraine.

Over the past eleven years, PharmaSGP has created a platform to successfully integrate and grow brands in all its European markets. Five key factors are the basis for the ongoing success:

- A proven, scalable asset-light business model combined with established processes
- A highly diversified European supply chain
- Broad and long-standing regulatory expertise
- A strong and specialized Direct-to-Consumer (D2C) marketing strategy

- A wide target group media reach of more than 165 million contacts per month

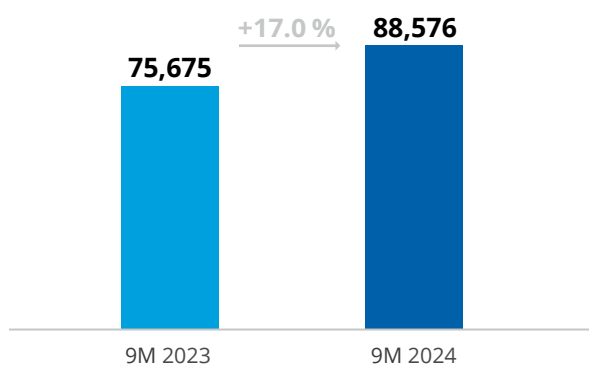
In order to focus on its success drivers, PharmaSGP has deliberately established a scalable, asset-light business model which can also be transferred quickly and efficiently to other target markets. The entire manufacturing process is handled by a diversified network of third-party manufacturers in Europe. In Germany and in foreign markets, individual local logistics providers supply wholesalers and to a lesser extent pharmacies directly. Combined with many years of experience of approval processes for new OTC pharmaceuticals in Germany and abroad, as well as regulatory requirements for other healthcare products, PharmaSGP's platform allows it to quickly and efficiently establish and grow both new and existing brands and to establish its business model in other countries with little investment. PharmaSGP's products are marketed directly to their target group, especially senior citizens, under well-known pharmaceutical brands via a specialized D2C marketing strategy with a wide target group media reach and efficient commercial media conditions.

Since the launch of the first product from the current product portfolio in 2012, PharmaSGP has successfully transferred its business model to Austria, Italy, Belgium, France and Spain. Since September 2021, the Group has expanded its operations to Switzerland and Eastern European EU countries.

Overview of Performance Indicators

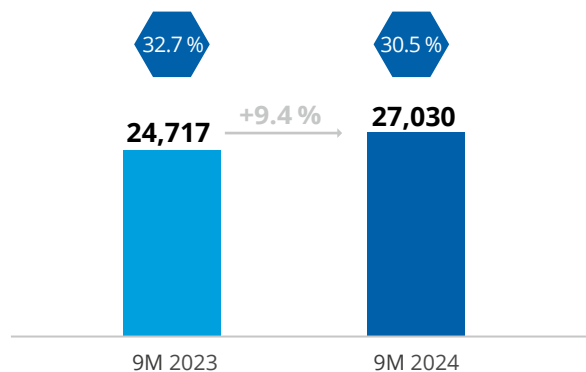
Revenues

in € thousand



Adjusted EBITDA

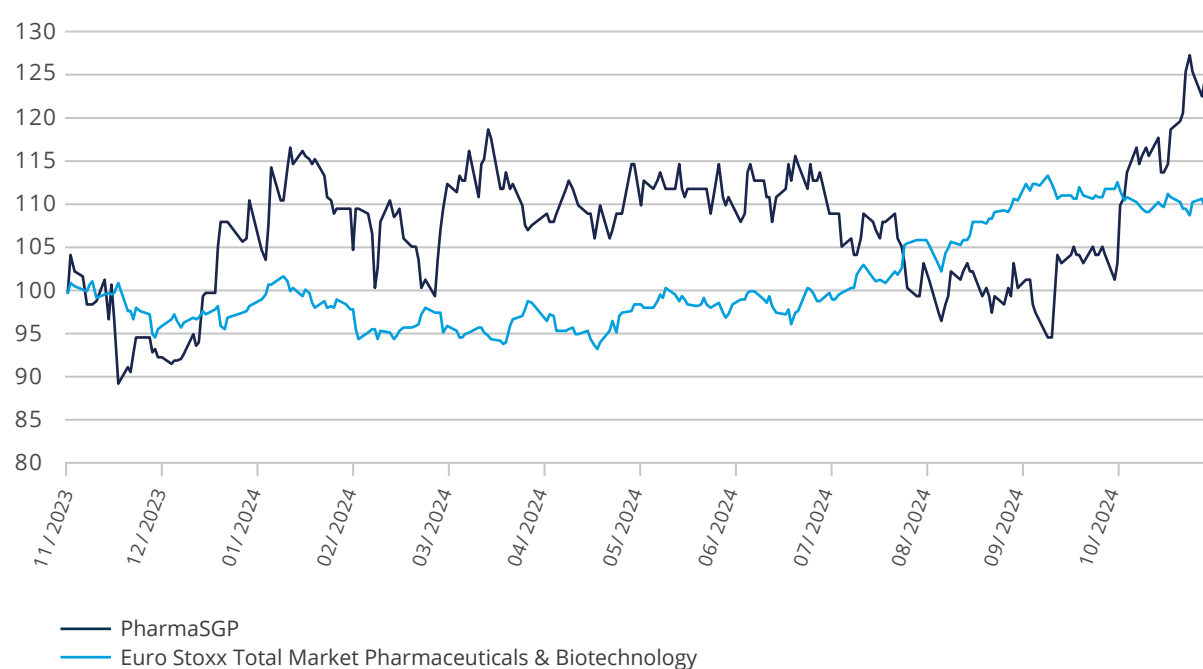
in € thousand



PharmaSGP on the Capital Market

In the twelve-month period from November 2023 to October 2024, the PharmaSGP share started at a price of € 20.30 and peaked at € 26.00. On 31 October 2024, the share closed at a price of € 24.60, which corresponds to a market capitalization of € 295.2 million or a share price performance of 21.2 % in this period. The benchmark index Euro Stoxx Total Market Pharmaceuticals & Biotechnology achieved a performance of 8.8 % in the same period.

Share Price*



*based on Xetra closing prices of Deutsche Börse AG
1 November 2023 = 100

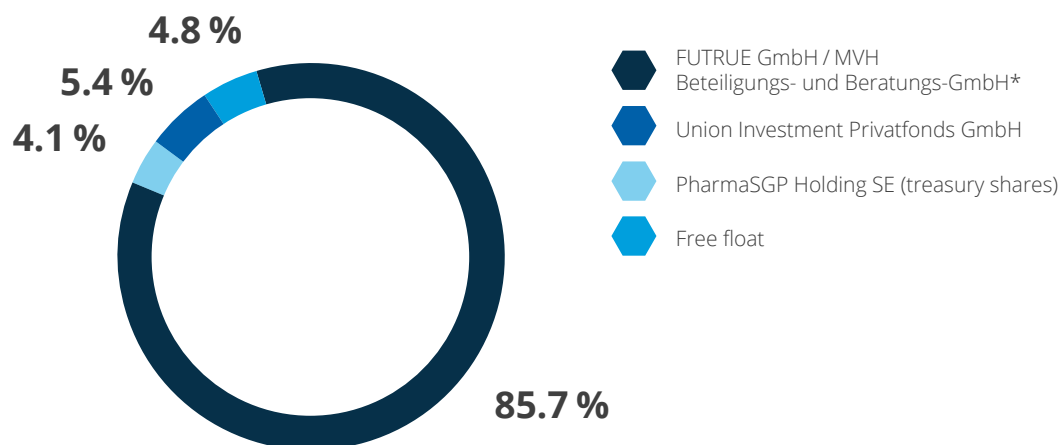
Master Data of the Share*

Security Identification Number (WKN)	A2P4LJ
ISIN	DE000A2P4LJ5
Ticker symbol	PSG
Type of shares	Ordinary bearer shares with no par value (no-par value shares)
Initial listing	19 June 2020
Number of shares	12.0 million
Closing price* (31 October 2024)	€ 24.60
High / low*	€ 26.00 / € 18.10
Market capitalization (31 October 2024)	€ 295.2 million
Stock exchange / segment	Frankfurt Stock Exchange / Prime Standard
Designated sponsor	Joh. Berenberg, Gossler & Co. KG

* based on Xetra closing prices of Deutsche Börse AG, relating to the period from November 2023 to October 2024

Shareholder Structure

Information based on the voting rights notifications received pursuant to the German Securities Trading Act, WpHG and other disclosed information (as of November 2024)



* Based on a voting agreement between FUTRUE GmbH and MVH Beteiligungs- und Beratungs-GmbH, there is a mutual attribution of voting rights between FUTRUE GmbH and MVH Beteiligungs- und Beratungs-GmbH with regard to all shares held by them in Pharma SGP Holding SE.

Economic Report

Course of Business of PharmaSGP

The recession in the manufacturing industry, continuing consumer restraint and uncertain investment conditions are responsible for the continued economic stagnation in Germany, PharmaSGP's core market. As a result, the already weak economy in Germany failed to return to a growth trajectory in the first nine months of the year.¹ The Kiel Institute for the Global Economy's (IfW) projections for gross domestic product (GDP) in the third quarter of 2024 show a decline of 0.1 % compared to the previous quarter. GDP in Germany already fell by 0.1 % quarter-on-quarter in the second quarter, while it had risen slightly by 0.2 % in the first quarter of 2024.²

In view of the stagnating economy, economic researchers expect GDP to fall by 0.1 % for the full year 2024 in their autumn forecast, following a growth forecast of 0.2 % in the summer. The forecast for the following year was also revised downwards by the IfW, with overall economic production in Germany expected to grow by only 0.5 % in 2025 (June 2024 forecast: 1.1 %).³ For the Eurozone, the Kiel-based economic researchers expect slight economic growth of 0.9 % in 2024, followed by a slightly stronger increase of 1.2 % in 2025.⁴

Global drivers such as rising life expectancy and increasing health awareness are ensuring a comparatively non-cyclical growth for companies in the pharmaceutical and healthcare market worldwide. These positive conditions are also reflected in the outlook for the OTC market. From 2024 to 2029, an annual growth in revenues of 3.0 % is expected in Germany⁵ and 4.0 % in Europe.⁶

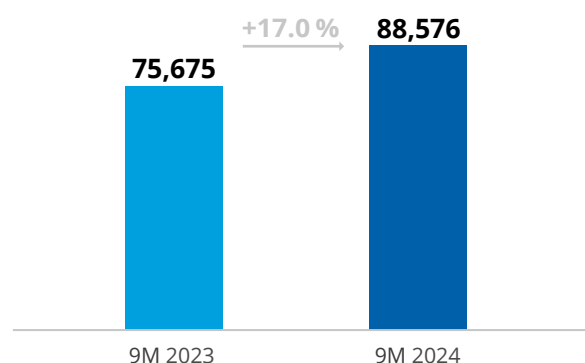
In the first nine months of 2024, the German OTC market has increased by 6.4 %.⁷ In this context, also PharmaSGP could expand its revenue base. In Germany, PharmaSGP's revenues have increased by 7.5 %,

outside Germany by 43.4 %. For the full Group, PharmaSGP achieved revenues of € 88,576 thousand in the nine-months period 2024, which corresponds to an increase of 17.0 % compared to the prior-year period. Due to that development, the Management Board has raised its revenue forecast for the financial year 2024 and now expects revenues in the range of € 112.0 million to € 117.0 million. With regard to adjusted EBITDA, the Management Board continues to expect a figure between € 35.0 million and € 38.0 million. This corresponds to an adjusted EBITDA margin of 31.3 % to 32.5 %.

On 12 September 2024, the Management Board of PharmaSGP Holding SE resolved with the approval of the Supervisory Board to buy back up to 594,405 shares of the Company by way of a public share repurchase offer. Until the expiration of the acceptance period, a total of 477,701 shares were offered for repurchase. The credit to the shareholders totaling € 10,247 thousand was issued in October 2024. The entire transaction will therefore not take effect until the fourth quarter of 2024 and is not recognized as a business transaction in this quarterly statement.

Revenues Development

in € thousand



- Growth was mainly achieved in the indication area "Pain" of the Health Brands category.
- Growth drivers were the core brands RubaXX®, Restaxil® and Neradin®.

¹ Institut für Weltwirtschaft (2024), Kieler Konjunkturberichte, Deutsche Wirtschaft im Herbst 2024, p. 3

² Ibid, p. 4

³ Ibid, p. 3

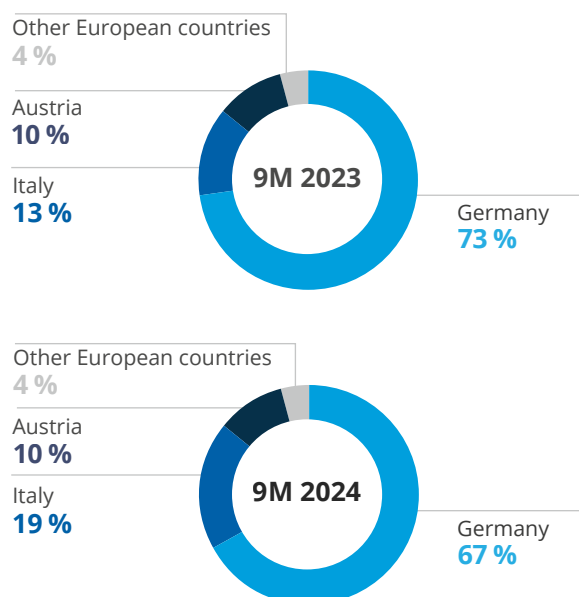
⁴ Institute für Global Economy (2024), Kieler Konjunkturberichte, Deutsche Wirtschaft im Herbst 2024, p. 22

⁵ <https://de.statista.com/outlook/cmo/otc-pharma/deutschland>

⁶ <https://de.statista.com/outlook/cmo/otc-pharma/europa>

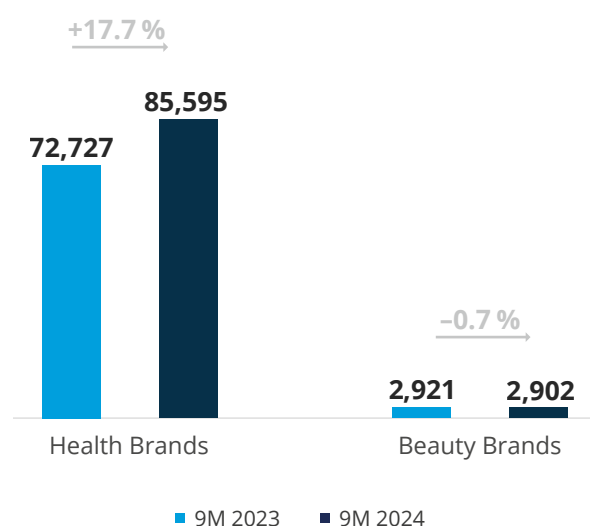
⁷ Insight Health Database, OTC-Market Germany (ApU) excluding diagnostica

Revenues by Region



- In the nine-months period of 2024, the Italian market contributes € 17,186 thousand to the Group's revenues. This increases Italy's share to 19 % of the total revenues of PharmaSGP.
- Germany remains the key market by volume.

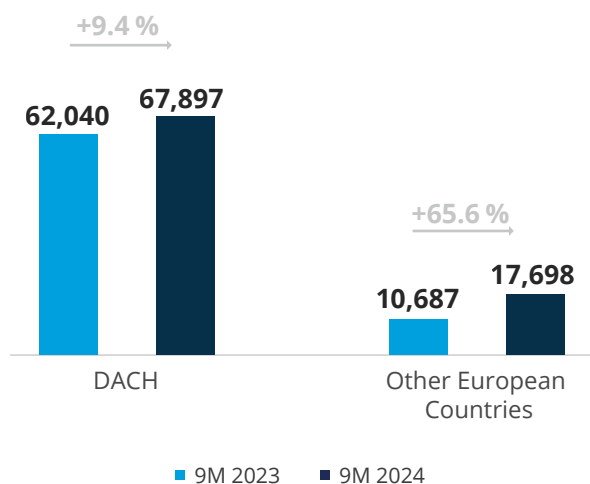
Revenues by Category in € thousand



- The Health Brands category growth steadily, in the third quarter of 2024, Health Brands have increased by 17.3 % compared to the prior-year quarter.
- The Beauty Brands category develops on a stable revenue level.

Revenues Health Brands

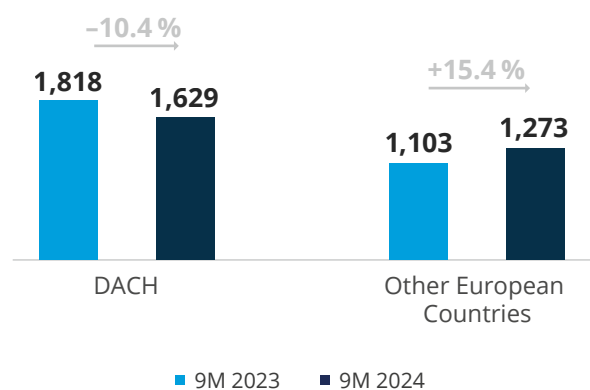
in € thousand



- The main growth markets are Italy and Austria, where the Group achieved an above-average growth of 81.0 % and 20.6 %.
- Thus, internationalization is progressing as planned.

Revenues Beauty Brands

in € thousand



- The DACH region recorded a decrease in revenues, which was almost offset by growth in other European countries.

Earnings Development

In the first nine months of 2024, PharmaSGP achieved an adjusted EBITDA of € 27,030 thousand, which corresponds to a margin of 30.5 %. Compared to the prior year period, adjusted EBITDA has improved by € 2,313 thousand or 9.4 %. The adjusted EBITDA margin has decreased by 2.2 percentage points.

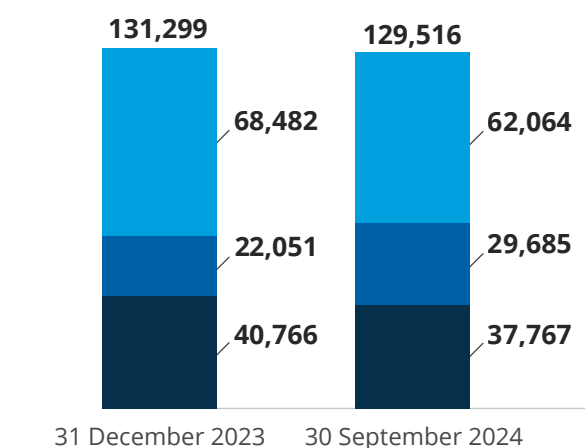
in € thousand	9M 2024	9M 2023	Change
adjusted EBITDA	27,030	24,717	9.4 %
adjusted EBITDA margin	30.5 %	32.7 %	
One-time effects	125	-40	
unadjusted EBITDA	26,905	24,757	8.7 %
unadjusted EBITDA margin	30.4 %	32.7 %	

While personnel expenses and expenses for raw materials, consumables and finished goods increased only moderately, there were cost increases in marketing and other operating expenses in the first nine months of 2024 due to investments in distribution channels and recruiting costs. These cost increases were only partially offset by the fixed cost degression in personnel expenses and the improvement in the COGS quota, with the result that adjusted EBITDA as a percentage of revenues decreased from 32.7 % in the first nine months of 2023 to 30.5 % in the current reporting period.

In the first nine months of 2024, one-time costs and special effects mainly comprise expenses for the long-term compensation of the Management Board and other, one-time, non-recurring and non-operative expenses.

Asset Position

Assets in € thousand



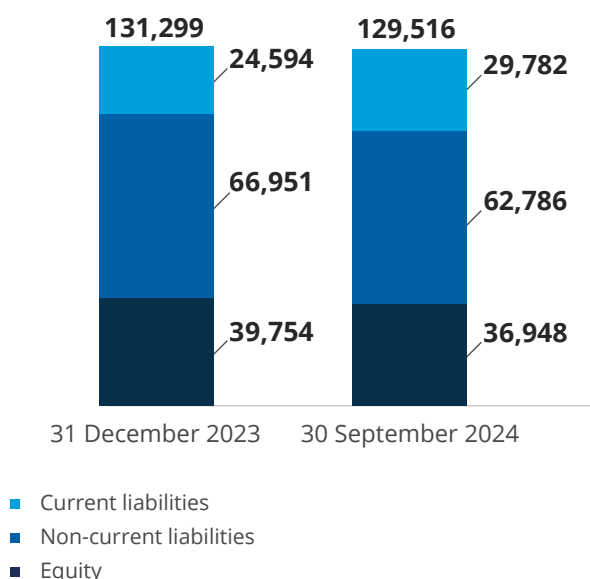
- Non-current assets
- Other current assets
- Cash and cash equivalents

Since last year's balance sheet date, **non-current assets** have decrease by € 6,418 thousand or 9.4 % to € 62,064 thousand as of 30 September 2024. Main changes were regular depreciation and amortization of intangible assets and capitalized right-of-use assets.

In the nine-month period 2024, **cash and cash equivalents** have decreased by € 2,999 thousand or 7.4 %. Major drivers were – amongst others – the dividend payment of € 16,307 thousand and the redemption of the syndicate financing of € 4,000 thousand. This is offset by cash inflows from operating activities of € 20,913 thousand; thus a total balance of cash and cash equivalents of € 37,767 thousand can be reported as of 30 September 2024.

The increase in **other current assets** of € 7,634 thousand results mainly from an increase in trade and other receivables as a result of the revenue increase; as of 30 September 2024, trade and other receivables amount to € 15,971 thousand.

Equity and liabilities in € thousand



Since the last balance sheet date, the **equity position** has decreased by 7.1 % to € 36,948 thousand as of 30 September 2024. This change results from the profit of the period of € 14,050 thousand, from the dividend payment of € 16,307 thousand, and from the measurement of interest rate hedges; the negative change in value of € 549 thousand of the interest rate hedges is recognized in equity.

The repurchase of 477,701 shares, resolved on 12 September 2024, will become effective in the fourth quarter of 2024; it will then result in a further decrease in equity of € 10,247 thousand.

Due to the scheduled redemptions for financial and lease liabilities, **non-current liabilities** have decreased to € 62,786 thousand as of 30 September 2024.

Current liabilities amount to € 29,782 thousand as of 30 September 2024. The increase of € 5,188 thousand or 21.1 % compared to the last balance sheet date mainly stems from higher trade payables and income tax liabilities.

Financial Position

in € thousand	9M 2024	9M 2023
Net cash flows from operating activities	20,913	17,412
Net cash flows used in investing activities	-1,327	-645
Net cash flows used in financing activities	-22,585	-12,813
Net increase (decrease) in cash and cash equivalents	-2,999	3,954
Cash and cash equivalents as of 1 January	40,766	32,642
Cash and cash equivalents as of 30 September	37,767	36,596

Compared to the prior year period, cash flows from **operating activities** have increased by 20.1 %. The increase stems from the operating result (unadjusted EBITDA +8.7 %) and the increase in income tax liabilities.

Cash flows used in **investing activities** were mainly incurred for PharmaSGP's marketing authorizations and qualification of contract manufacturers.

A total of € 22,585 thousand was spent on **financing activities** in the first nine months of 2024. This amount includes the dividend payment of € 16,307 thousand as resolved by the Annual General Meeting on 26 June 2024, redemption of financial liabilities and lease liabilities of € 4,355 thousand as well as interest payments for leases and the syndicate financing of € 2,955 thousand. PharmaSGP received in the first nine months of 2024 € 1,061 from interest rate hedges.

Condensed Interim Consolidated Financial Statements as of 30 September 2024

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

in € thousand	9M 2024	9M 2023
Revenues	88,576	75,675
Other operating income	94	126
Raw materials, consumables and finished goods	-7,870	-6,999
Personnel expenses	-6,038	-5,326
Marketing expenses	-40,226	-33,562
Other operating expenses	-7,631	-5,157
Earnings before interest, taxes, depreciation and amortization (EBITDA)	26,905	24,757
Depreciation and amortization	-7,039	-7,009
Earnings before interest and taxes (EBIT)	19,866	17,748
Finance income	2,293	1,389
Finance expenses	-3,389	-3,561
Profit before taxes	18,770	15,576
Income tax expense	-4,720	-3,928
Profit for the period	14,050	11,648
of which attributable to shareholders of PharmaSGP Holding SE	14,050	11,648
Basic and diluted earnings per share (€)	1.17	0.97

Condensed Consolidated Statements of Other Comprehensive Income

in € thousand	9M 2024	9M 2023
Profit for the period	14,050	11,648
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Gains and losses from cash flow hedges	333	587
Losses from hedging instruments reclassified to profit or loss	-1,061	-597
Attributable income taxes	179	2
Items that will not get reclassified to profit or loss:		
-	-	-
Other comprehensive income, net of taxes	-549	-8
Total comprehensive income	13,501	11,640
of which attributable to shareholders of PharmaSGP Holding SE	13,501	11,640

Condensed Consolidated Statements of Financial Position

in € thousand	30 September 2024	31 December 2023
Assets		
Non-current assets		
Intangible assets	60,475	66,056
Property, plant and equipment (PPE)	333	302
Right-of-use assets	587	874
Other non-current financial assets	669	1,250
Total non-current assets	62,064	68,482
Current assets		
Inventories	10,959	10,117
Trade and other receivables	15,971	9,189
Other assets	2,755	2,518
Other financial assets	–	227
Cash and cash equivalents	37,767	40,766
Total current assets	67,452	62,817
Total assets	129,516	131,299
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	12,000	12,000
Capital reserve	38,120	38,120
Retained earnings	– 13,104	– 10,847
Other reserves	– 68	481
Total shareholders' equity	36,948	39,754
Non-current liabilities		
Provisions	3	120
Financial liabilities	61,589	65,370
Other financial liabilities	305	219
Lease liabilities	125	452
Deferred tax liabilities	764	790
Total non-current liabilities	62,786	66,951
Current liabilities		
Provisions	3,424	3,322
Financial liabilities	7,723	7,711
Trade payables	13,047	9,920
Other liabilities	1,332	1,146
Other financial liabilities	684	635
Lease liabilities	483	444
Income tax liabilities	3,089	1,416
Total current liabilities	29,782	24,594
Total shareholders' equity and liabilities	129,516	131,299

Condensed Consolidated Statements of Cash Flows

in € thousand	9M 2024	9M 2023
Profit for the period	14,050	11,648
Depreciation and amortization of intangible assets, PPE and right-of-use assets	7,039	7,009
(Increase) / decrease in inventories	-842	-2,638
(Increase) / decrease in trade and other receivables	-6,781	-2,305
(Increase) / decrease in other assets	-1,445	-427
Increase / (decrease) in trade payables	3,318	1,326
Increase / (decrease) in other (financial) liabilities	328	-1,149
Increase / (decrease) in provisions	-14	-196
Interest (income) and expense	3,169	3,036
Income tax expense	4,720	3,928
Income tax payments	-2,668	-3,007
Interest paid	-1	-2
Interest received	40	189
Net cash flows from operating activities	20,913	17,412
Payments for investments in intangible assets	-1,259	-597
Payments for investments in PPE	-68	-48
Net cash flows used in investing activities	-1,327	-645
Dividends paid	-16,307	-5,875
Purchase of treasury shares	-	-286
Proceeds from derivatives	1,061	634
Payments from the settlement of derivatives	-	-37
Repayment of financial liabilities and other financing expenses	-4,029	-4,029
Repayment of lease liabilities	-355	-329
Interest paid	-2,955	-2,891
Net cash flows used in financing activities	-22,585	-12,813
Net increase (decrease) in cash and cash equivalents	-2,999	3,954
Cash and cash equivalents as of 1 January	40,766	32,642
Cash and cash equivalents as of 30 September	37,767	36,596

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