



**AIM Italia Conference - London**  
October 21, 2019



- 
- Corporate Overview
  - Market
  - Business Model & Strategy
  - Financials

# Agenda



# Corporate Overview



## Farmaè is the first Onlife eRetailer for Beauty and Personal Care (BPC) and OTC products in Italy

Onlife retail is a new economic paradigm characterised by the integration of online, offline, logistics and data in a single value chain. Today, the company operates mainly in e-commerce, marketing over 37,000 references in 10 different product categories, and is also present across Italy with 7 Farmaè Stores.

- First Leading Market position
- 28% of Market Share in 2018\*
- ~539k of Clients as of June 2019
- ~ 13m of Site Visits in 2018
- 2.7m of Products Sold in 2018
- ~ 94% of Sales CAGR 2015 - 2018



- 1 Leadership and first mover advantage in the ramping up Italian online market for Beauty and Personal Care and OTC products
- 2 A unique story of growth and disruptive potential in a market providing huge room for expansion
- 3 Scalable and value-added platform for both customers and strategic industrial partners
- 4 Best in class and innovative technology to improve performances and customer satisfaction
- 5 Omnichannel highly scalable business model driven by data matching between online and offline
- 6 Unparalleled offering with excellent lead times, attractive prices and unmatched service level

# A Story of Growth



**2014**

Riccardo Iacometti  
launches Farmaè  
e-commerce platform

**2015**

Opening of offline  
stores in Tuscany

**2016-2017**

Outstanding growth of  
users and products  
sold online

**2018**






First co-marketing  
initiatives and  
warehouse expansion

**2019**






Listed on the AIM  
Market



**BOARD OF DIRECTORS**

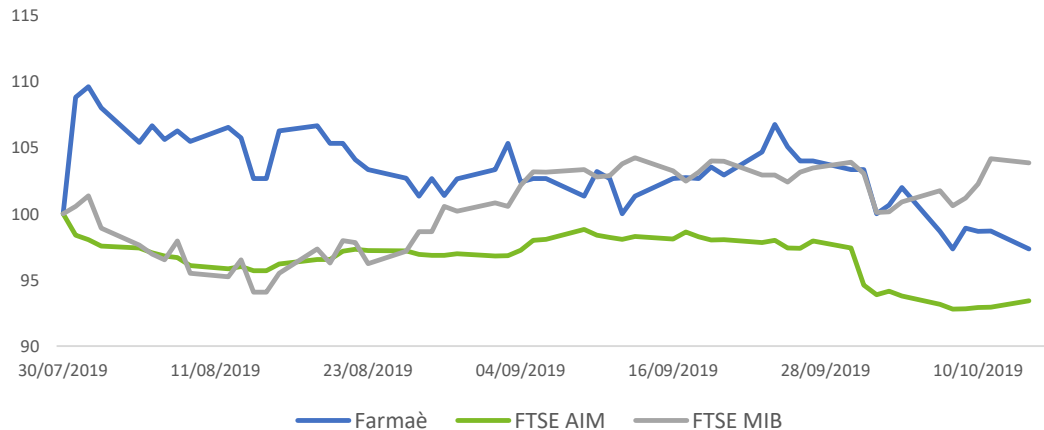
-  **Riccardo Iacometti**  
Chairman & CEO
-  **Albero Maglione**  
Director
-  **Maurizio Paganini**  
Director
-  **Dario Righetti**  
Independent Director
-  **Giuseppe Cannarozzi**  
Director

**BOARD OF STATUTORY AUDITORS**

-  **Alberto Colella**  
Chairman
-  **Monica Barbara Baldini**  
Regular Statutory Auditor
-  **Giovanni Bulckaen**  
Regular Statutory Auditor
-  **Massimo Mano**  
Alternate Statutory Auditor
-  **Fabio Panicucci**  
Alternate Statutory Auditor

**STOCK FIGURES**

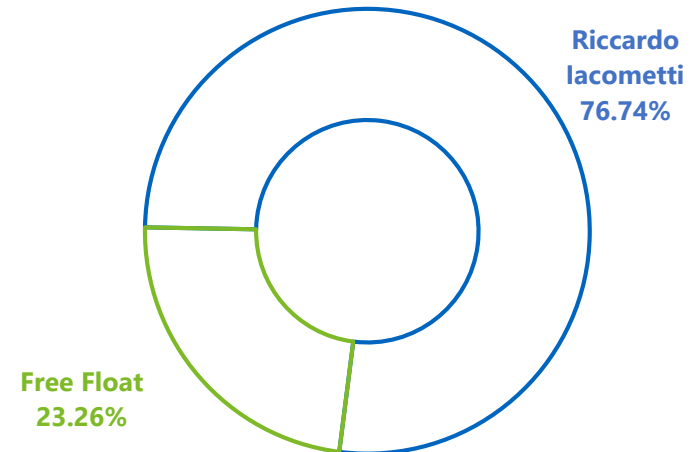
Outstanding shares post-IPO	5,734,000	Market	AIM Italia
Date IPO	July 29, 2019	Free Float	23.26%
Issue Price (€)	€ 7.50	Market Cap (14/10/2019)	€ 41.8m
Market Cap (€/M) @ IPO	€ 43.0m	Share Price (14/10/2019)	€ 7.3



**AUDIT FIRM**

**Deloitte.**

**SHAREHOLDERS**





Riccardo Iacometti  
*Chairman & CEO*

- 30+ years of experience in the Health and Beauty Sector

**Prior experience:**

- Country general manager for Italy at Alliance Healthcare



Alberto Maglione  
*Business Development Manager*

**Responsibilities:**

- Corporate strategy and competitive positioning
- Project manager of all business operations online



Maurizio Paganini  
*CFO*

**Responsibilities:**

- Finance, Administration and Control

**Prior experience:**

- CFO for Italy at Alliance Healthcare





Market

### Leader with 28% of Market Share in 2018 in the ramping up Italian online market for Beauty and Personal Care and OTC products



Pharma and Beauty market  
€ 10.8 bn

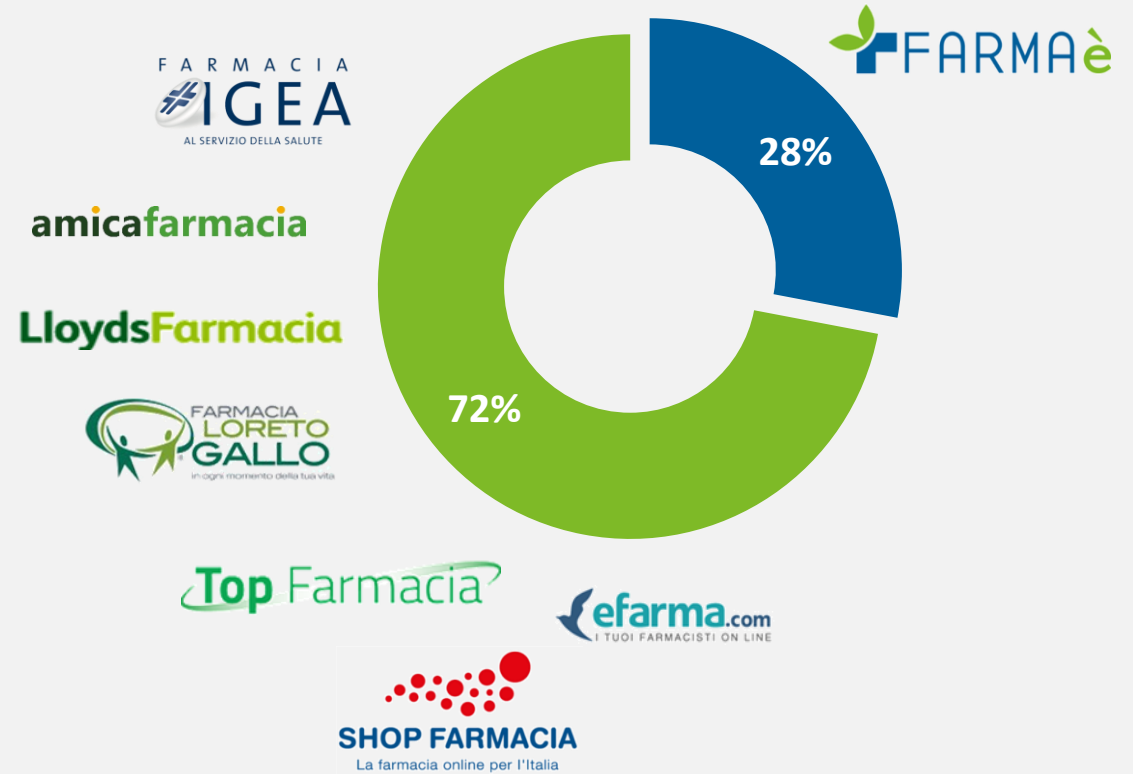


Online market for Beauty and Personal Care and  
OTC products  
€ 155 m



Online web shopper increased by 8% to 23.5 m

### Competition in the online market for BPC and OTC products



## A unique story of growth of a disruptive potential in a market providing for huge room for expansion

The best has yet to come

### Farmaè Key Success Drivers

Conversion Rate has grown from 2.1% to 4.0% in the last 3 years

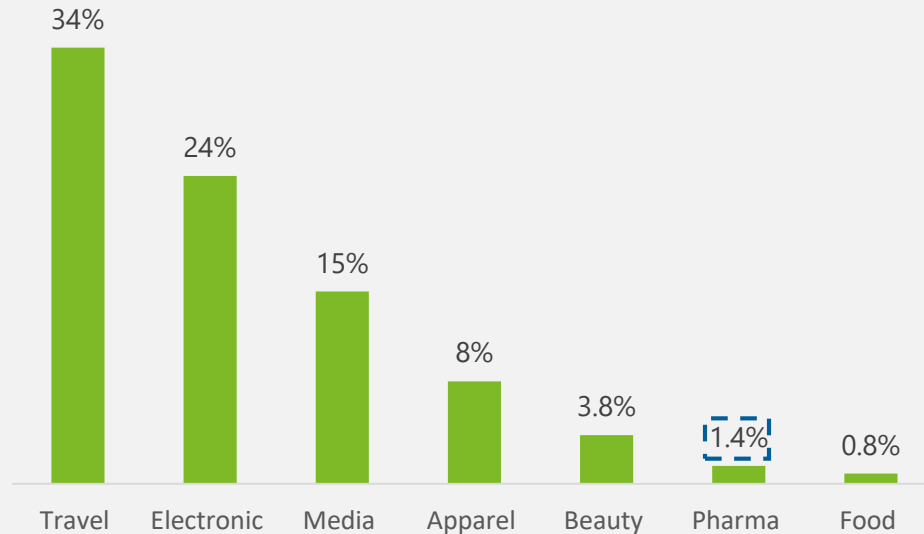
Number of products sold has increased from 0.7m in 2016 to 2.7m in 2018

Italy is much less developed in terms of e-retail and has an ample room for growth

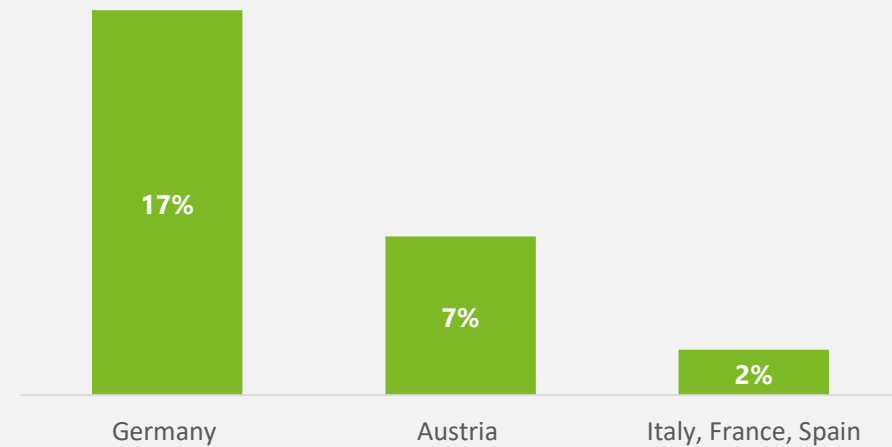
Higher penetration on the online channel is observed for more mature product categories

### The Italian Market provides huge growth opportunities

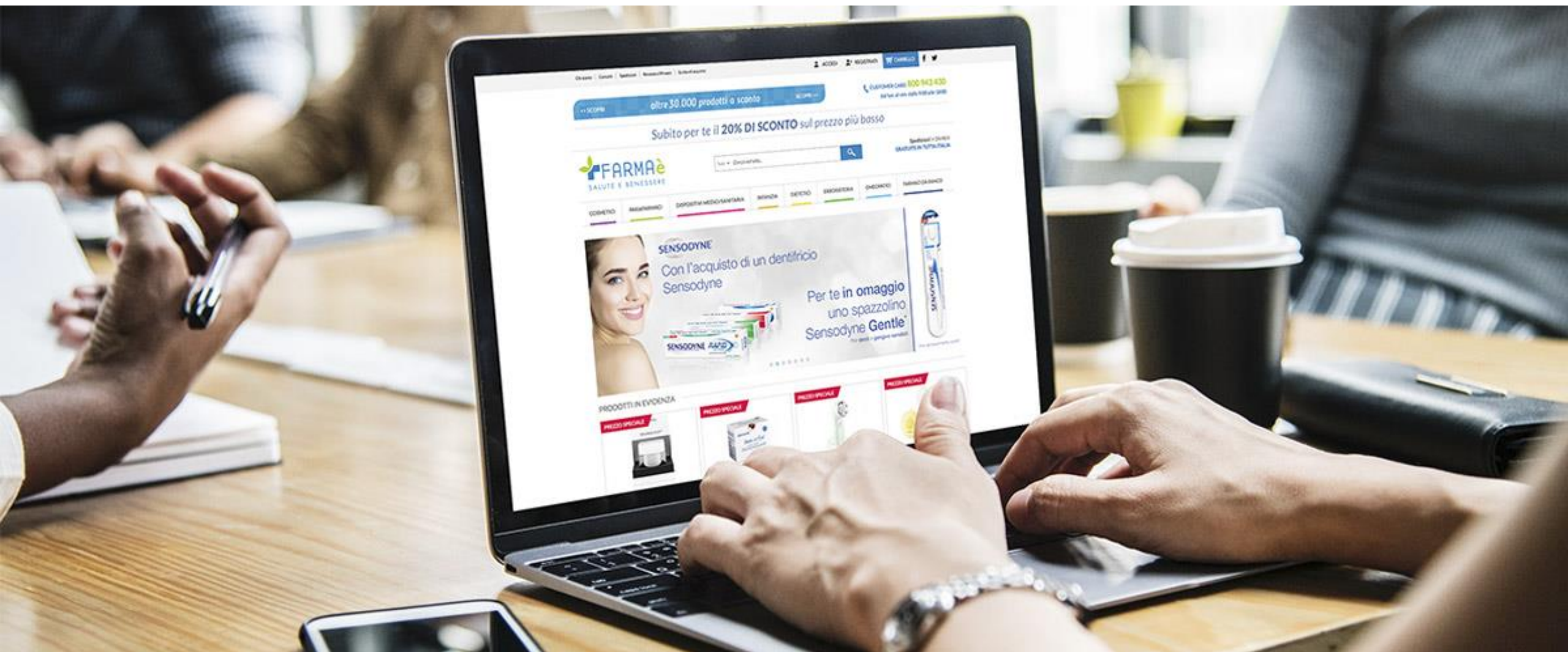
E-commerce product categories in Italy – Penetration rate



E-commerce BPC and OTC penetration by Country



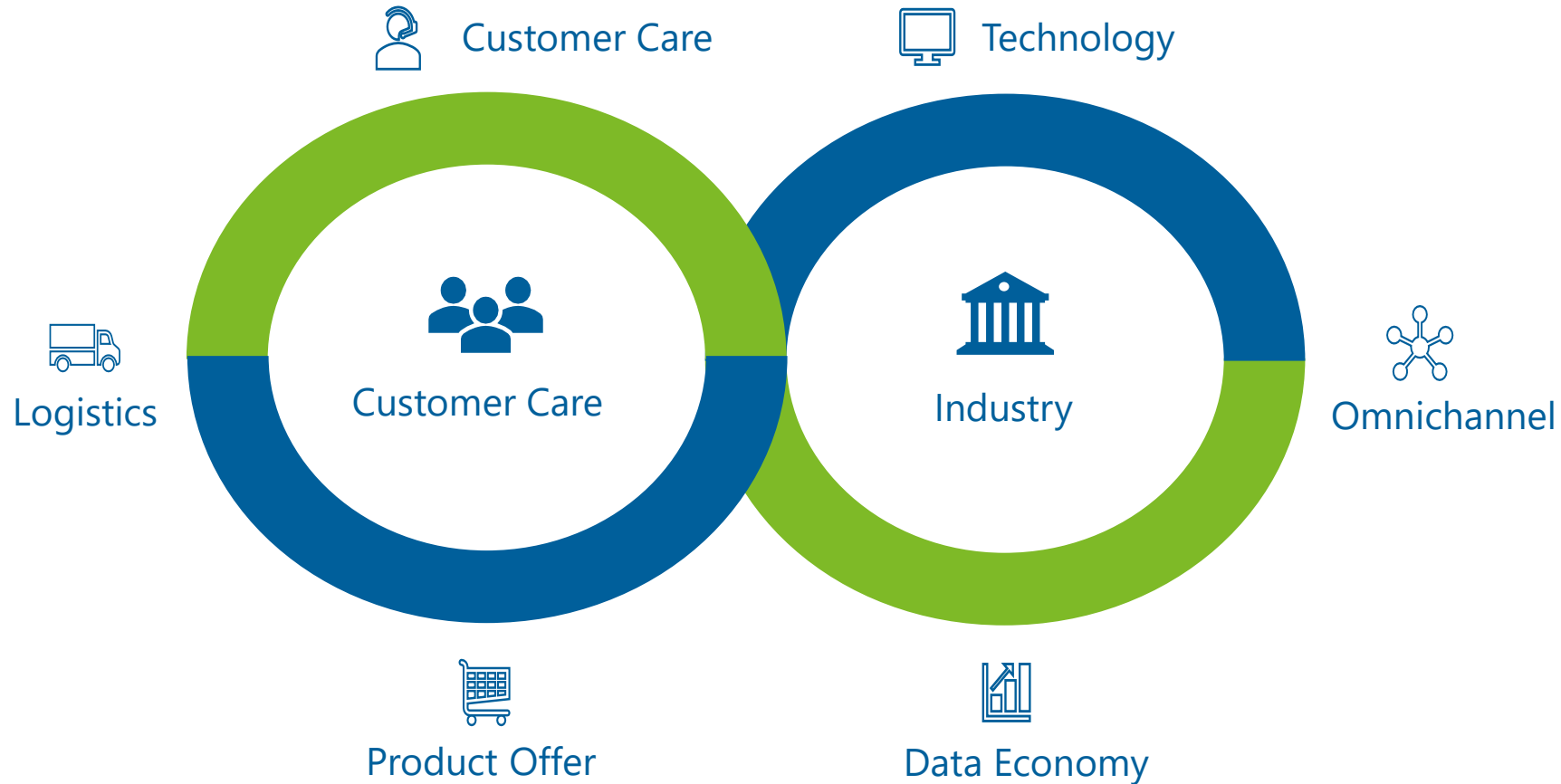




# Business Model & Strategy



## Scalable and value-added platform for both customers and strategic partners



Unique customer experience thanks to the state-of-the-art and scalable e-commerce platform which enables a personalized, user-friendly and convenient shopping experience available 24/7

Unique media platform at the service of the main industry players through which improve market knowledge, recognize customers needs and realize effective marketing strategies and communication

### Scalable and value-added platform for both customers and strategic partners

#### Key Success Factors

- Big players invest their media budget to leverage on Farmaè's valuable data property
- Set up digital commercial and communication strategies
- Guarantee customized campaigns
- Ensure direct access to final customer
- Capability to analyze purchasing behaviours
- Cross sell and web analytics functions



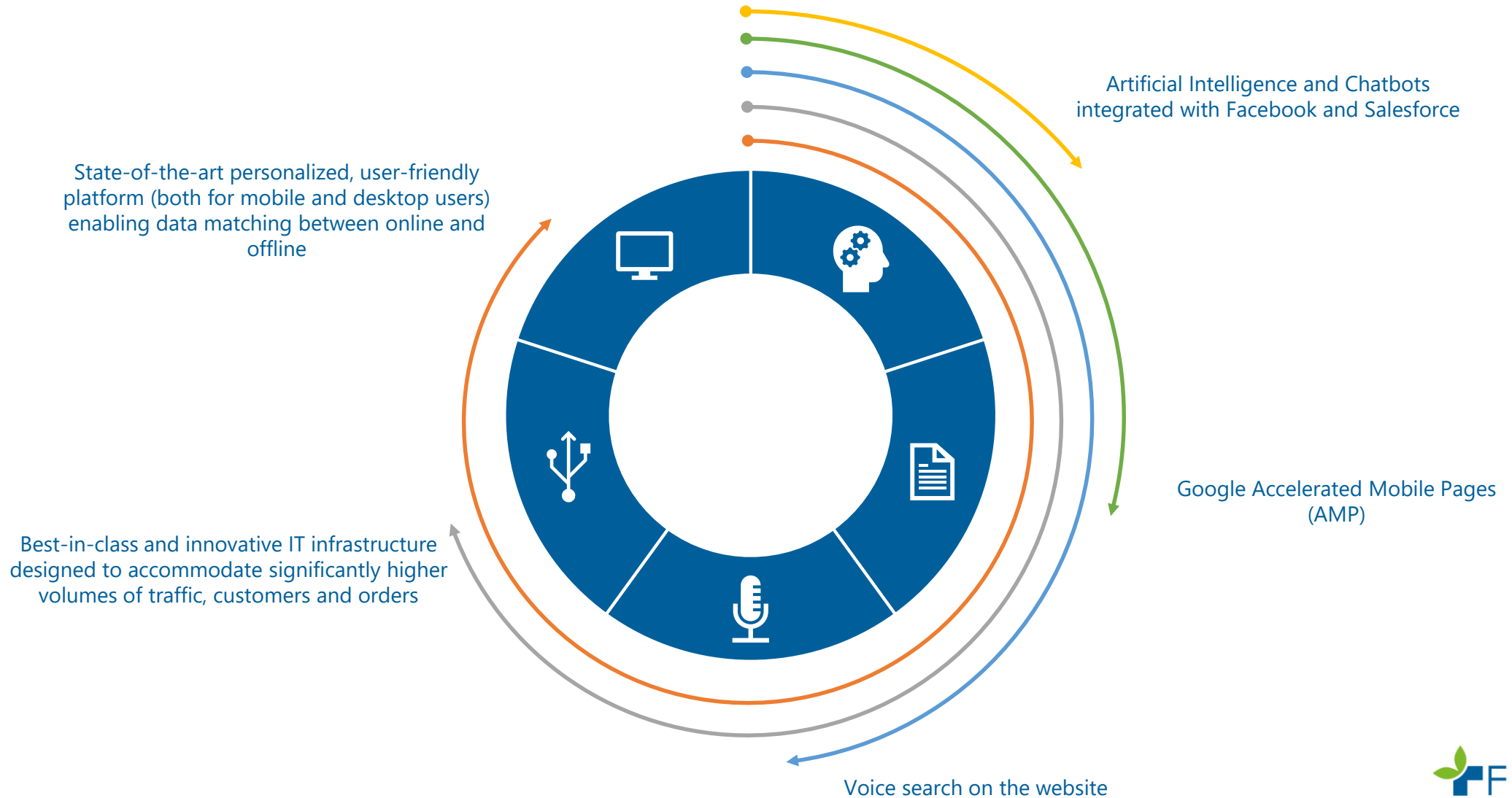
#### Farmaè selected partners



**Pharma and beauty companies are interested in partnering with Farmaè to set up their digital commercial strategy and to improve the positioning of their products**



## Best in class and innovative technology to improve performances and customer satisfaction



## Omnichannel highly scalable business model driven by data matching between online and offline

Outstanding capabilities to match data between online and offline

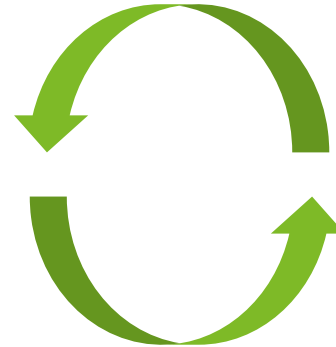
Superior customer experience through opportunity to buy across channels

Enhance Farmaè brand perception

### Online



- State-of-the-art and scalable e-commerce platform
- Personalized, user-friendly and convenient shopping experience available 24/7
- Media platform through which recognize customers needs and realize effective marketing strategies



### Offline

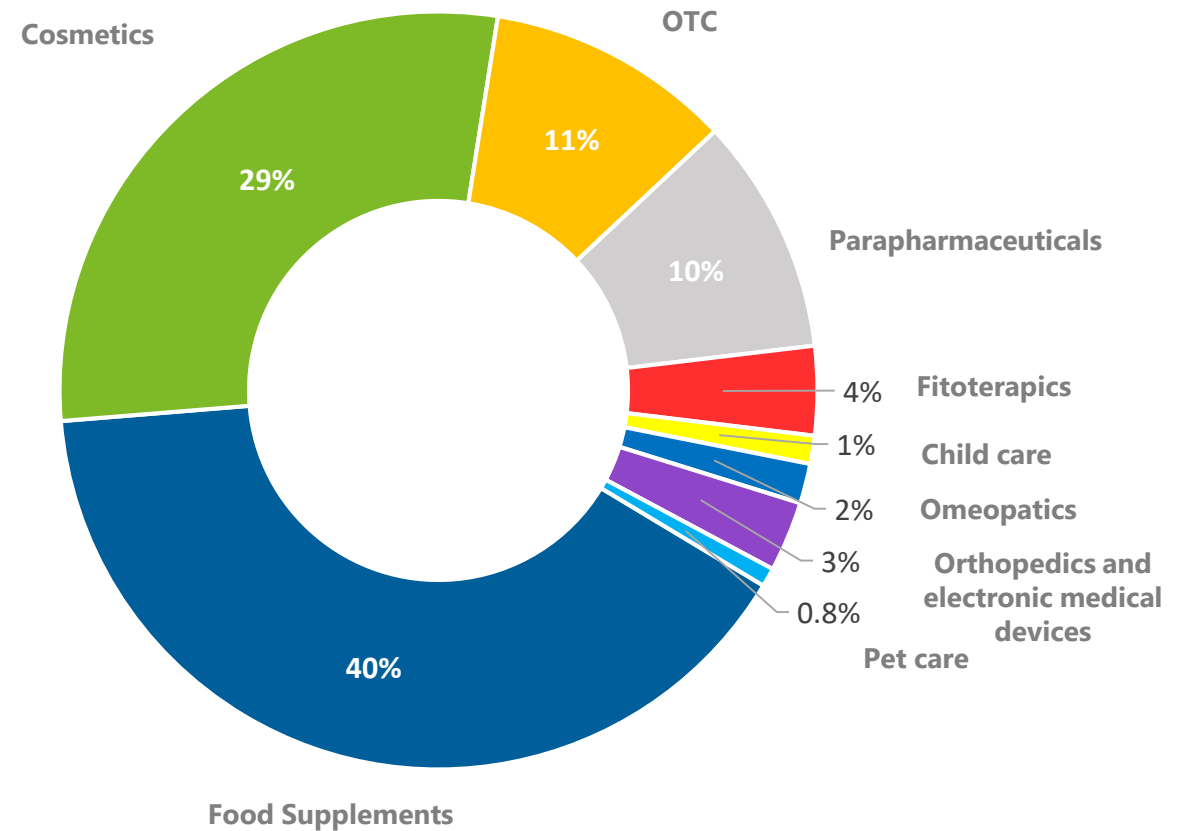


- 7 brick & mortar stores in 2019 in Tuscany
- Dedicated and integrated touch boxes directly connected to the web-based platform
- Real life experience for recurring and new customers



## Unparalleled offering with excellent lead times, attractive prices and unmatched service level

- Almost 40k SKUs\*
- Average 31% discount vs offline
- Semi-automated warehouse (2.8k parcels per day)
- Customer care team composed of highly specialized pharmacists
- High value products with long shelf-life
- Small weight and size
- Low return rates
- Extended customer lifetime
- High conversion rate



## Clear strategy to consolidate market leadership

### Enlarge product offer

Address new attractive end markets by adding highly complementary product categories with dedicated platforms:

- professional hair products
- luxury cosmetics

### Strengthen internal capabilities and technology

Hiring of new professionals in key business areas such as Customer Care, Marketing, and Finance and further expand technological edge



### Efficient logistics & service

Set-up of a fully owned 5,000 square meters warehouse in Pisa which will allow:

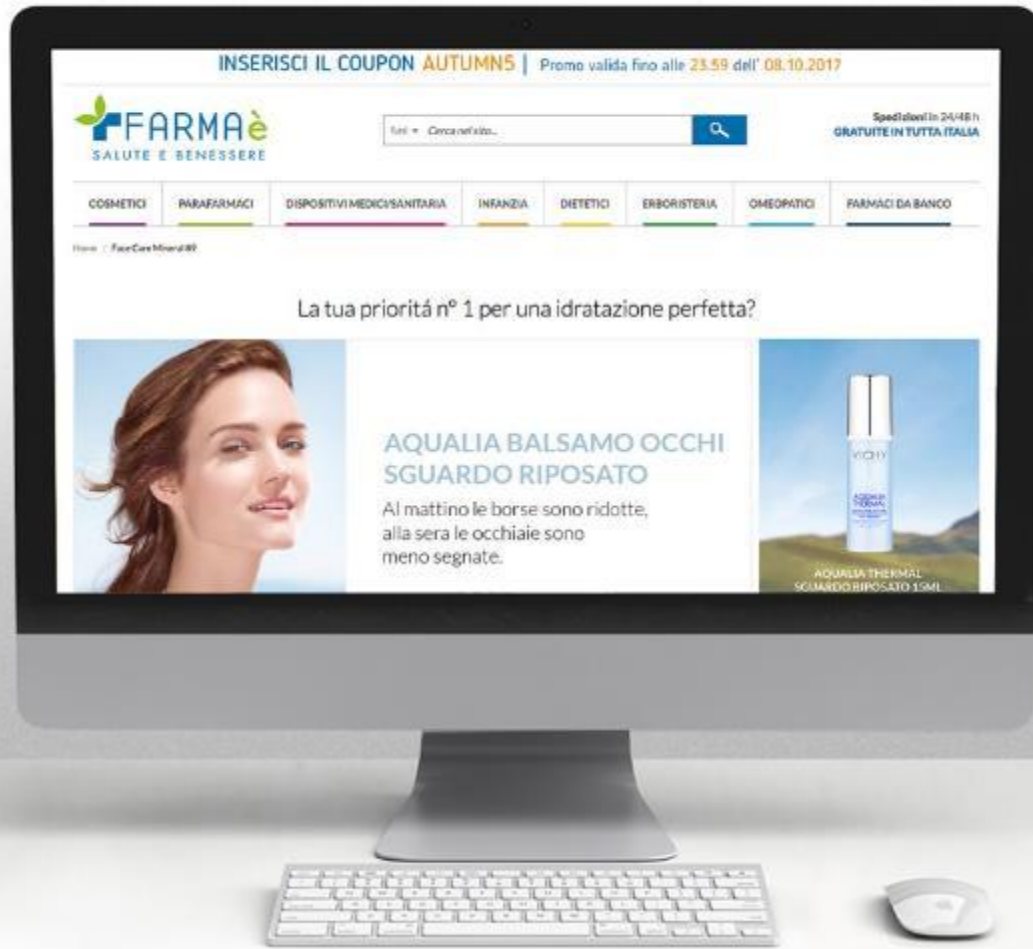
- up to 32,000 orders per day;
- enhancement of the accuracy and efficiency of the fulfillment processes;
- operating costs reduction
- profitability improvement

### Omnichannel strategy

Consolidation of the omnichannel strategy and opening **20 additional stores in the next three years**

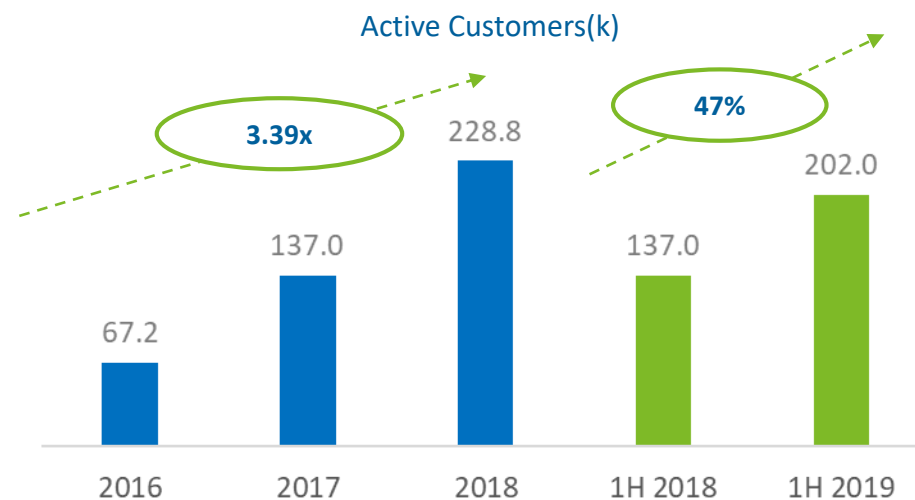
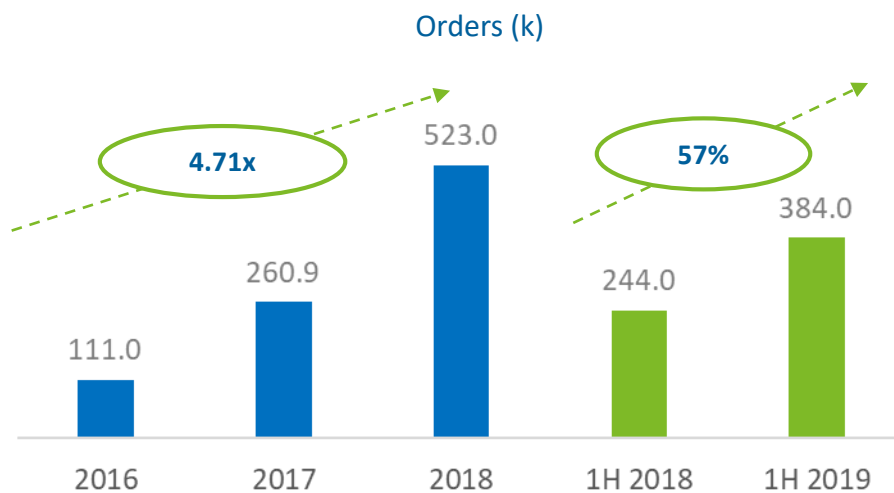
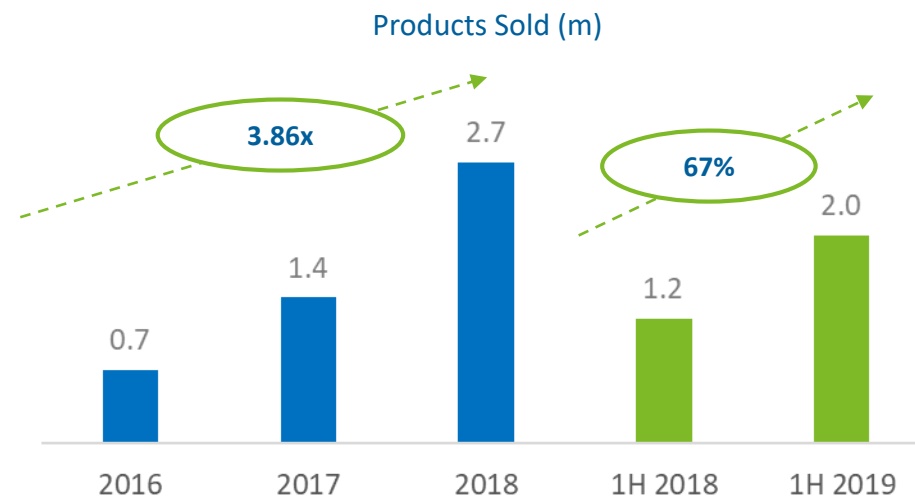
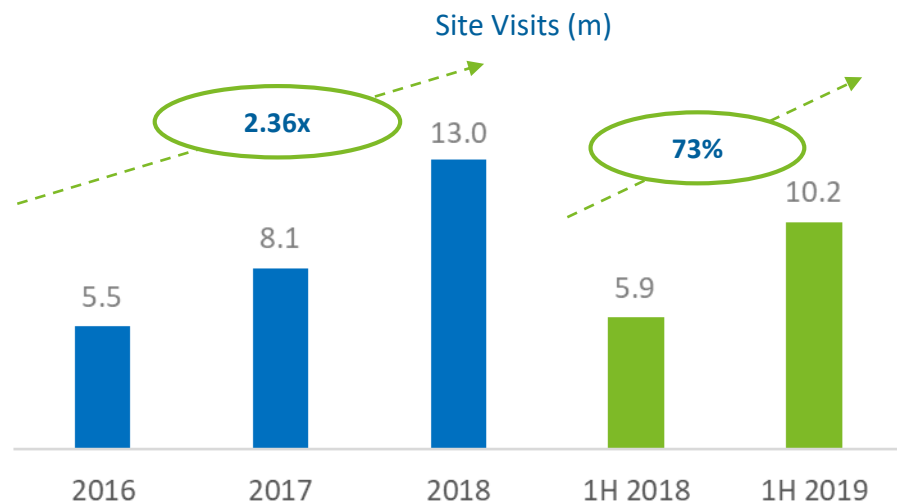
### The media platform of choice for beauty and pharma companies

Beauty and pharma companies are interested in partnering with Farmaè to set up their **digital commercial and communication strategies** and to improve the positioning of their products.



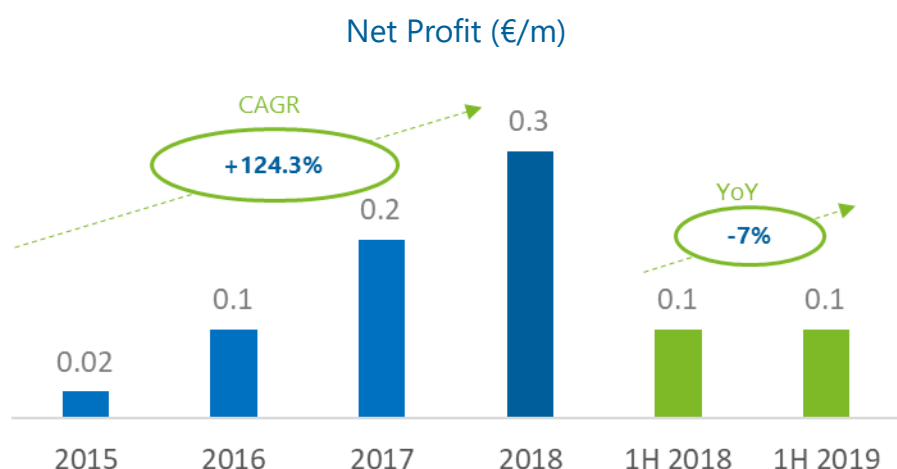
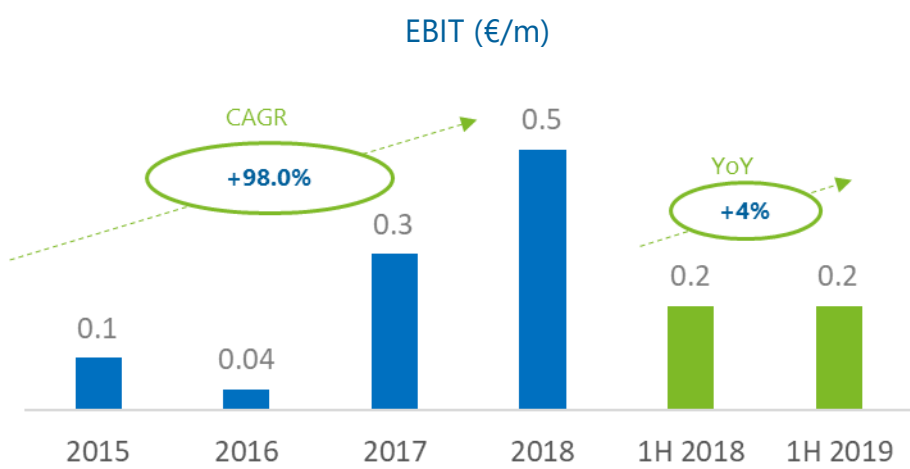
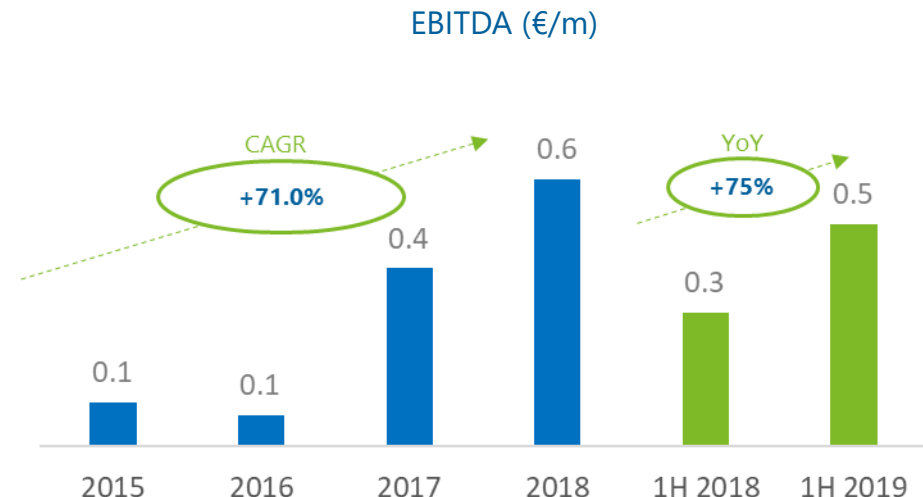
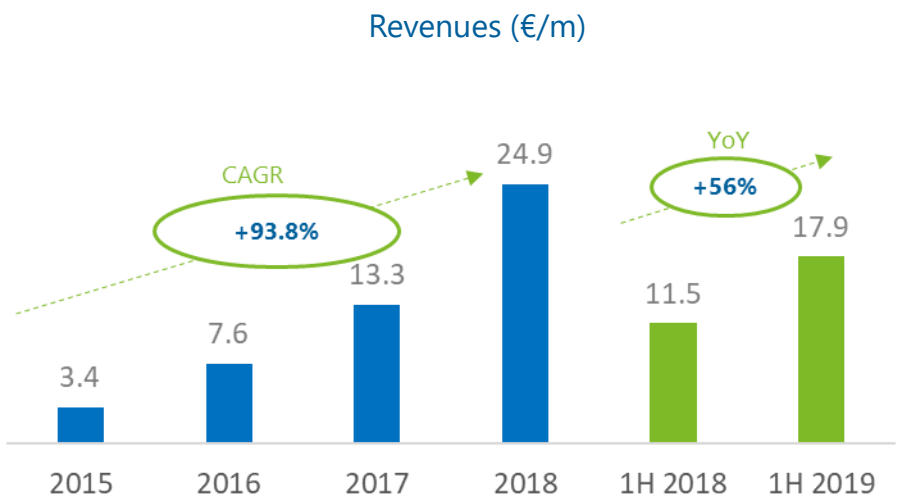
Financials

Impressive KPIs improvement shows Farmaè's ability to increase and consolidate its brand awareness





Stellar revenue growth mainly driven by the expansion of online sales (+103.4% CAGR) and the new openings of brick & mortar stores (+26.2% CAGR)



## Business Units analysis confirms the strong growth in all business segments, in particular in the online sales

€/K	06/30/2019	06/30/2018	YoY %	12/31/2018
Online Sales	16,272	10,690	52%	22,788
Offline Sales	972	748	30%	1,710
Co-marketing	600	15	3900%	255
Other Revenues	12	13	-11%	26
<b>Sales Revenues</b>	<b>17,855</b>	<b>11,466</b>	<b>56%</b>	<b>24,779</b>

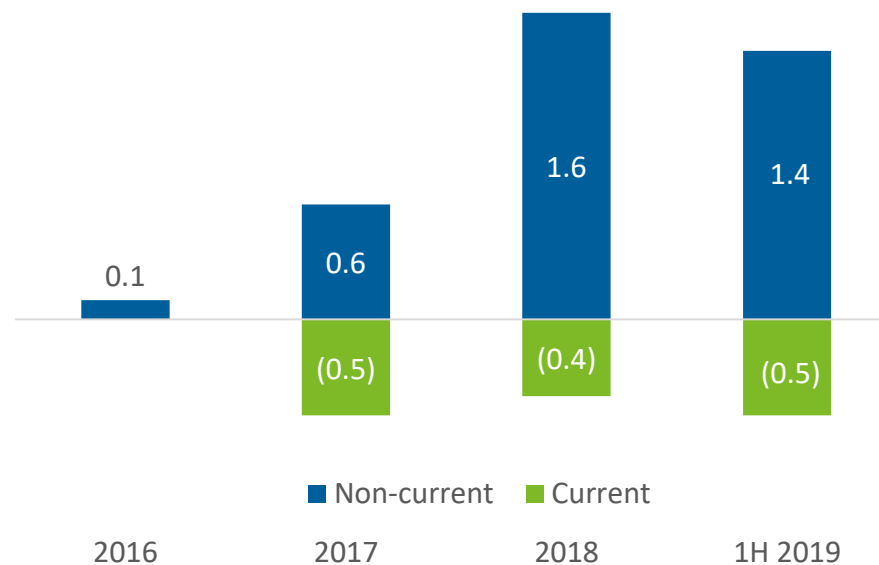
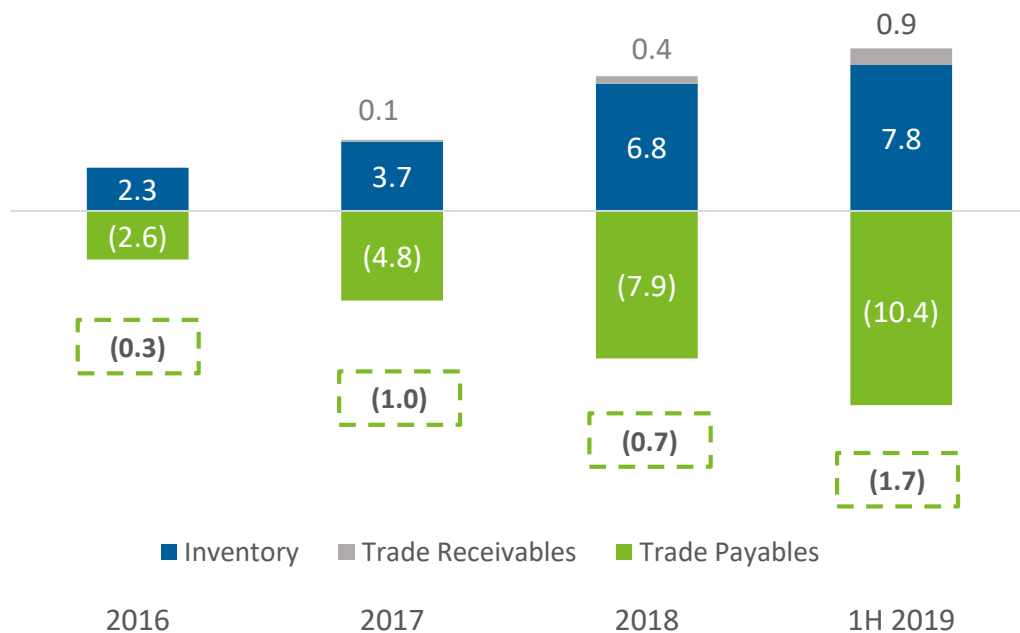
- + 52% YoY Online Sales growth, thanks to the increase of the number of references and the customer base expansion
- +30% YoY Offline growth, thanks to the new store opening in Cecina and stores' like for like performance
- Co-marketing sales amounted to € 0.6m, thanks to partnerships with the beauty and pharma companies, that see Farmaè as a major media company

- In the first half 2019, Farmaè's website has reached more than 10.2m of visits compared to 5.9m of the first half 2018 (+73% YoY)
- Conversion rate higher than the national average, thanks to the innovative digital strategies
- Registered 0.4m of orders (+57% YoY) from more than 0.2m of active clients (+47% YoY)

### Farmaè enjoys a structurally negative commercial working capital

€/K	30/06/2019	12/31/2018
Fixed Assets	4,807	3,900
Net Working Capital	-1,378	-317
Net Financial Position	-959	-1,209
Net Equity	-2,337	-2,246

- Continue Net Working Capital Management improvement, reducing inventory days for better procurement management
- Net Debt improvement from € 1.2m to € 0.96m





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