



beautyè



FARMAÈGROUP



Mid & Small Virtual Conference

31 March - 1,2 April, 2020



Every 30 seconds
there is

1.3 queries for Farmaè
or brand-related queries

In Italy:

3,822 searches on avg. every day

115K searches on avg. every month

Source: Google Internal data, Jan-March 2020



THE COVID-19 SANITARY EMERGENCY

Adopted stringent measures to avoid the outbreak inside the offices and the warehouses and to train our people on how to be safe

1 Smart working for people working at the call center, marketing and administrative department

2 Warehouse employees must maintain a safety distance of at least one meter and when this is not possible, gloves and a breathing mask FFP2 or FFP3 must be worn; sanitization three times a day of the warehouse

3 Safety procedures have been issued for the reception and for express couriers; drivers carrying goods are not allowed to get off their trucks

4 All meetings with external visitors have been canceled and replaced by video/conference call

5 Internal meetings take place only via phone or video conferencing

We are very close to our community and we are putting in place some ESG initiatives in order to support the local municipalities and Hospital

FARMAE'S GROWTH: FROM FEBRUARY UNTIL TODAY

40K

New Clients on <https://www.farmae.it>

+100%

Transaction Volumes

2.5M

Unique Users

4.6M

Sessions on the Website



LEADER IN THE ONLINE PHARMA & PERSONAL CARE MARKET

Revenues +82%

CAGR 2015 – 2019

328.9k

Active Clients as of
December 2019

4.2m

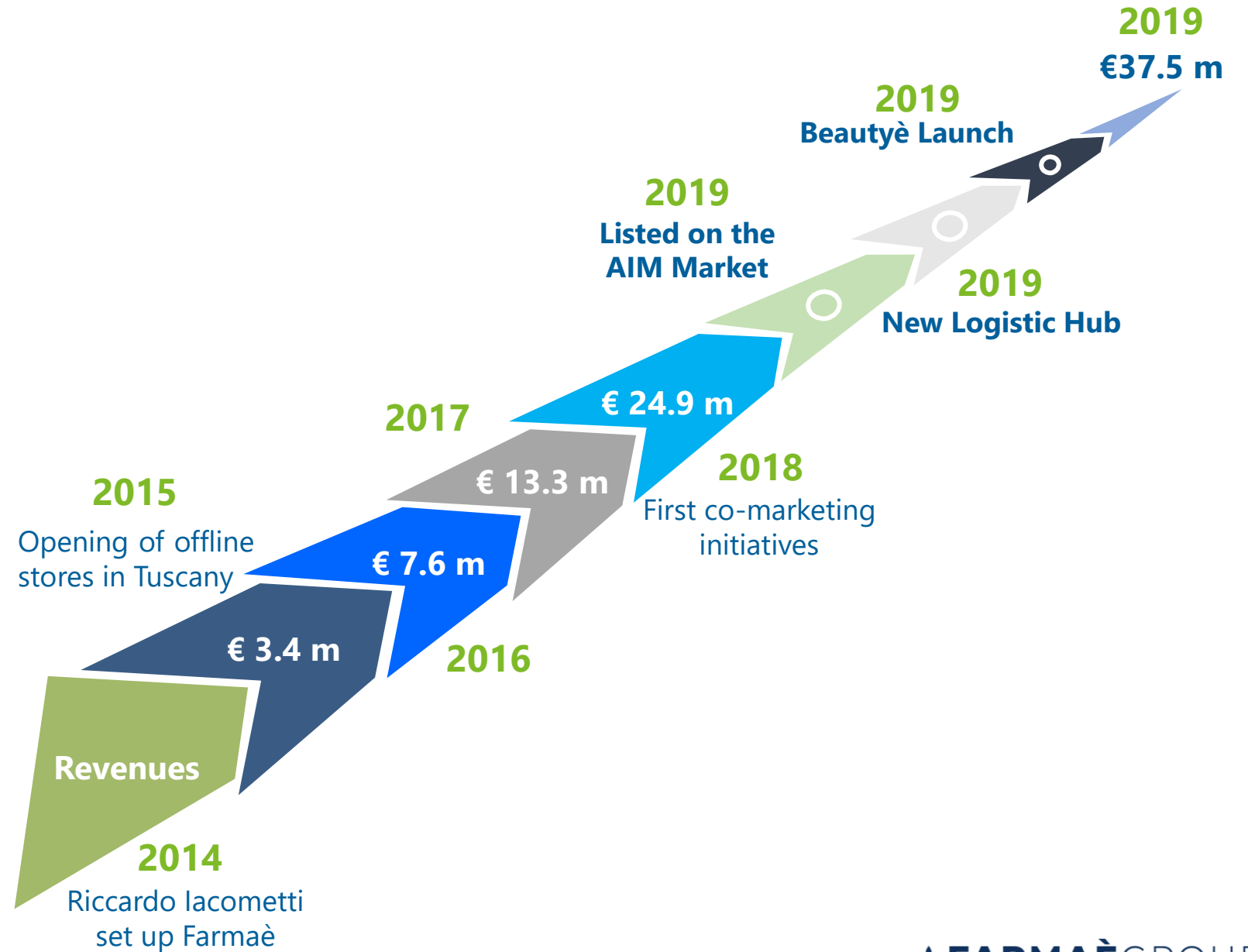
Products sold as of
December 2019

22.8m

Site visits as of
December 2019

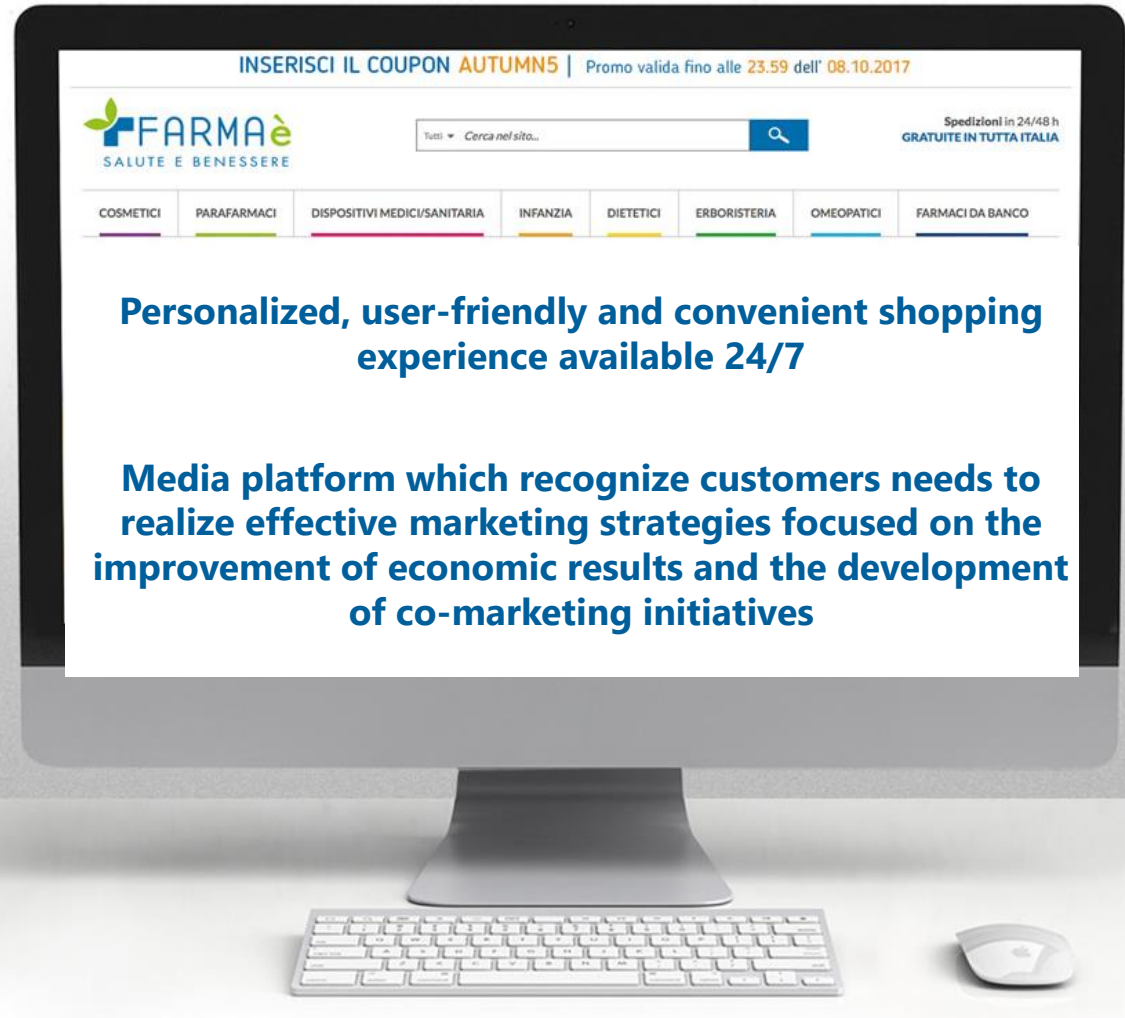


A UNIQUE HISTORY OF GROWTH

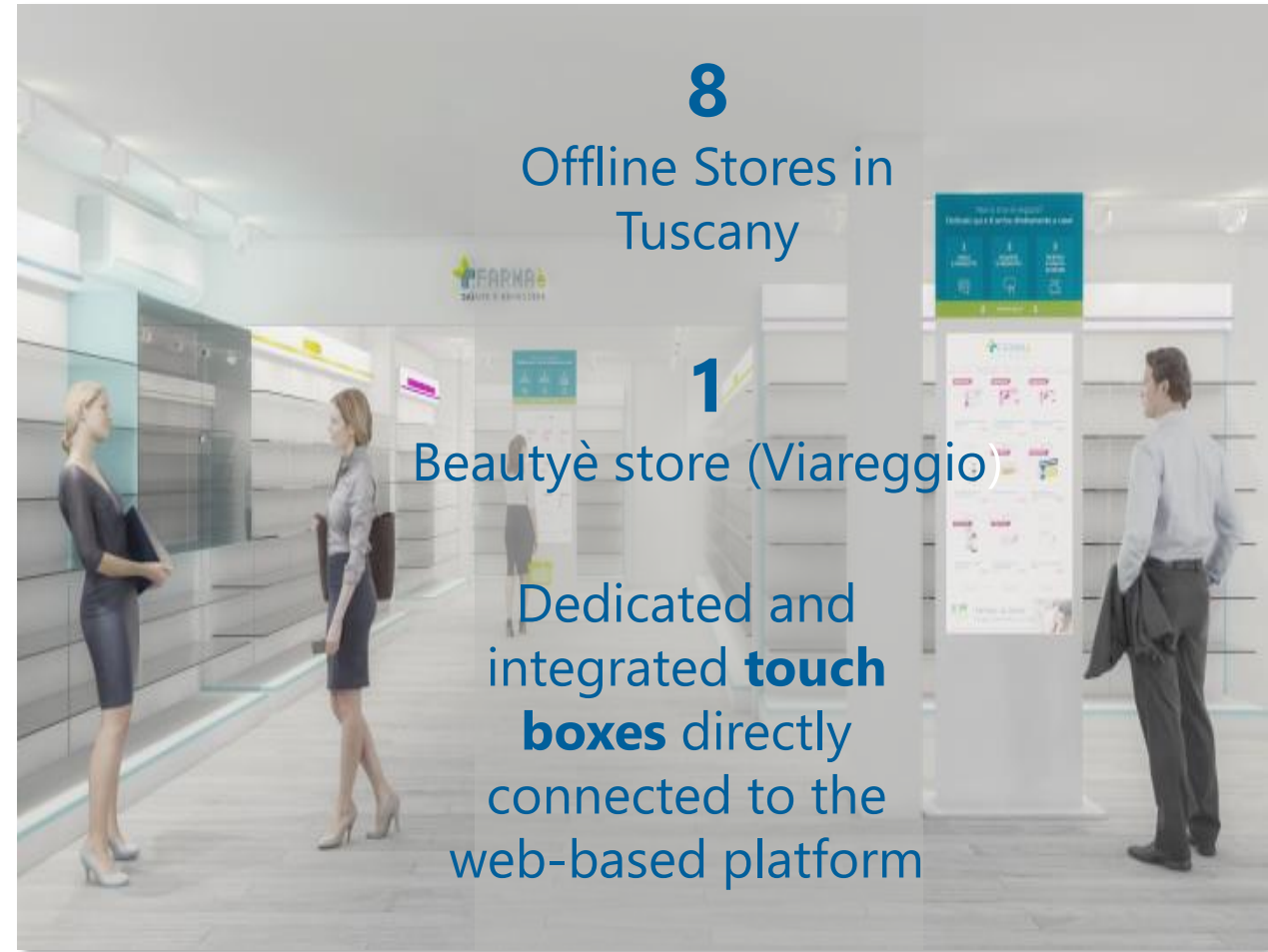


A SCALABLE AND OMNICHANNEL BUSINESS MODEL

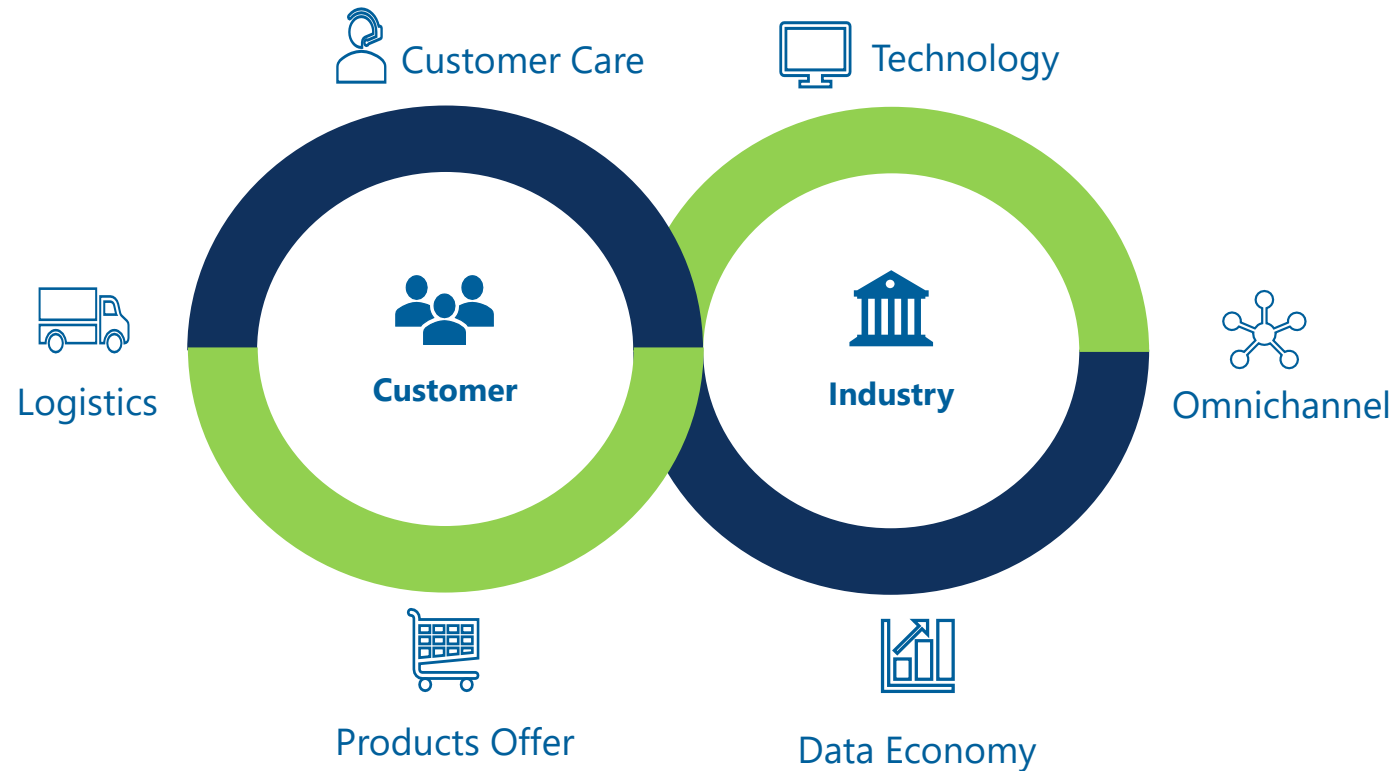
ONLINE



OFFLINE



THE REFERENCE POINT FOR CUSTOMERS AND THE INDUSTRY



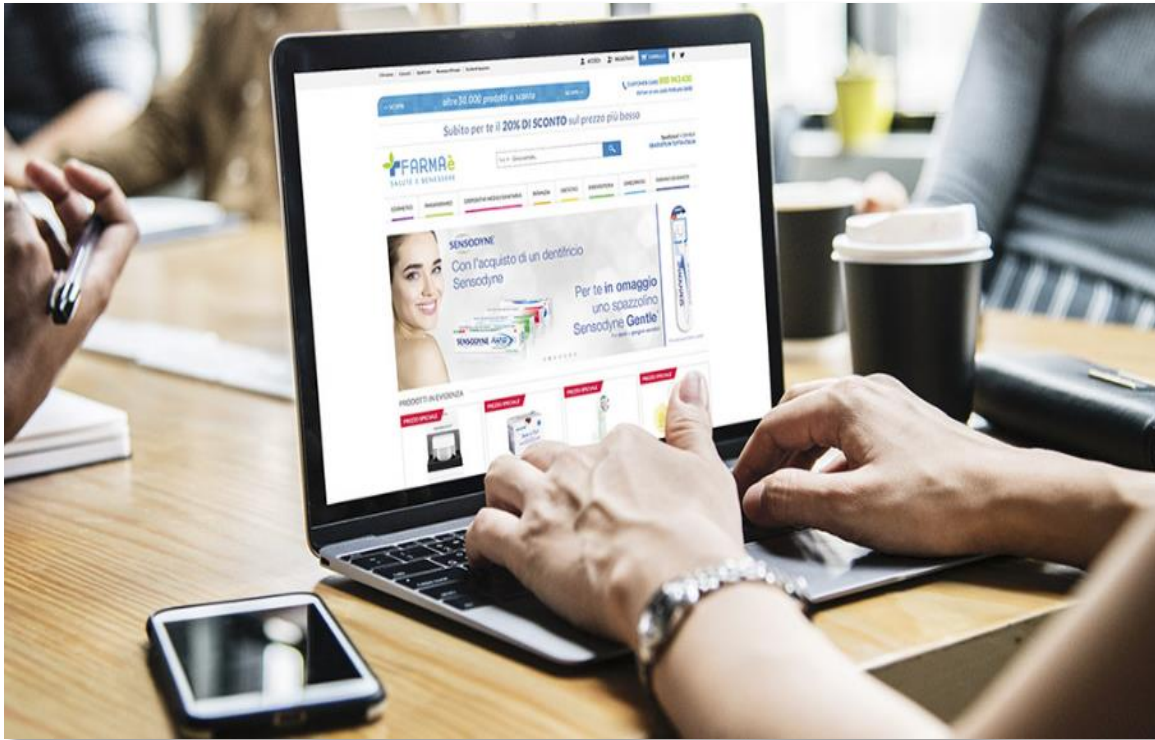
Focus on Customers

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

Focus on Industry

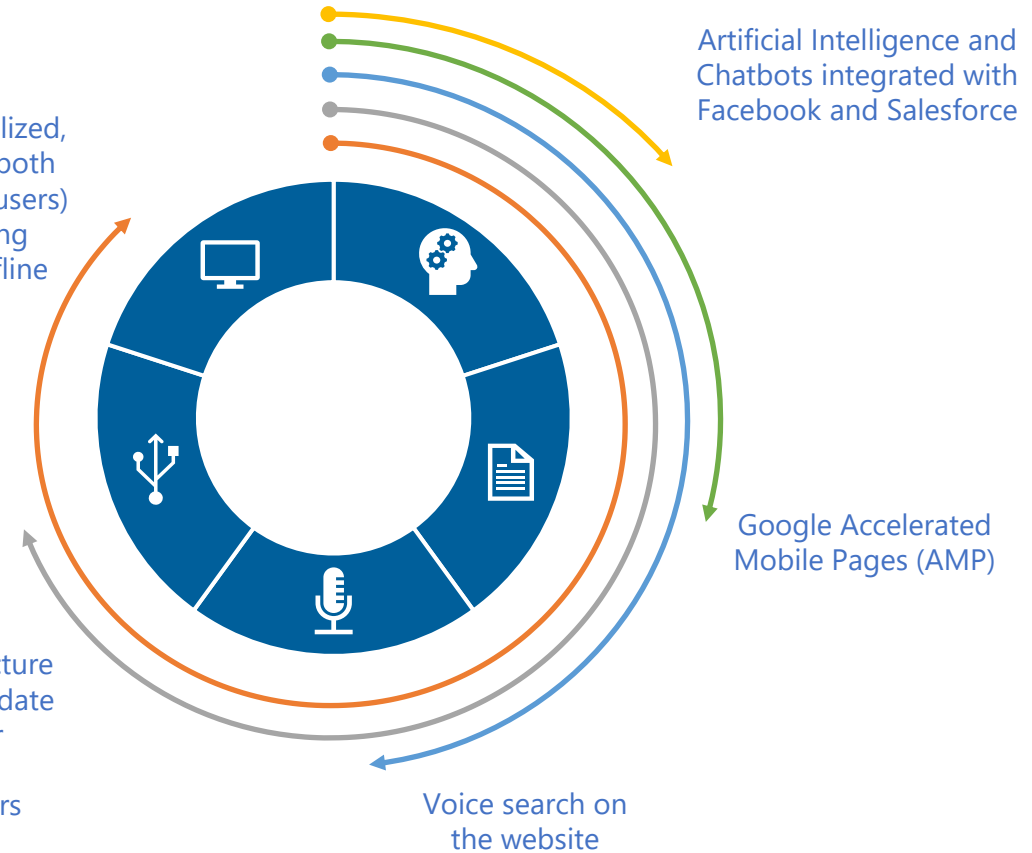
Unique **media platform** at the service of the **main industry players** through which it can improve market knowledge, recognize customers needs and realize effective marketing strategies and communication

THE BEST TECHNOLOGY TO PROVIDE THE BEST CUSTOMER EXPERIENCE



State-of-the-art personalized, user-friendly platform (both for mobile and desktop users) enabling data matching between online and offline

Best-in-class and innovative IT infrastructure designed to accommodate significantly higher volumes of traffic, customers and orders



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

AN ADVANCED LOGISTIC HUB



A new automated logistics hub located in Migliarino Pisano (PI), equipped with a state-of-the-art fully automated system, which allows to achieve significant efficiencies in inventory and order management and to speed up the delivery process.



5,000 sqm
new warehouse to support growth



4 couriers
responsible for national and foreign deliveries



48 h
estimated maximum time for a delivery



€ 150 m
storable goods



€ 19.90
minimum cost for free delivery



Up to € 300 m
developable turnover


GOVERNANCE


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

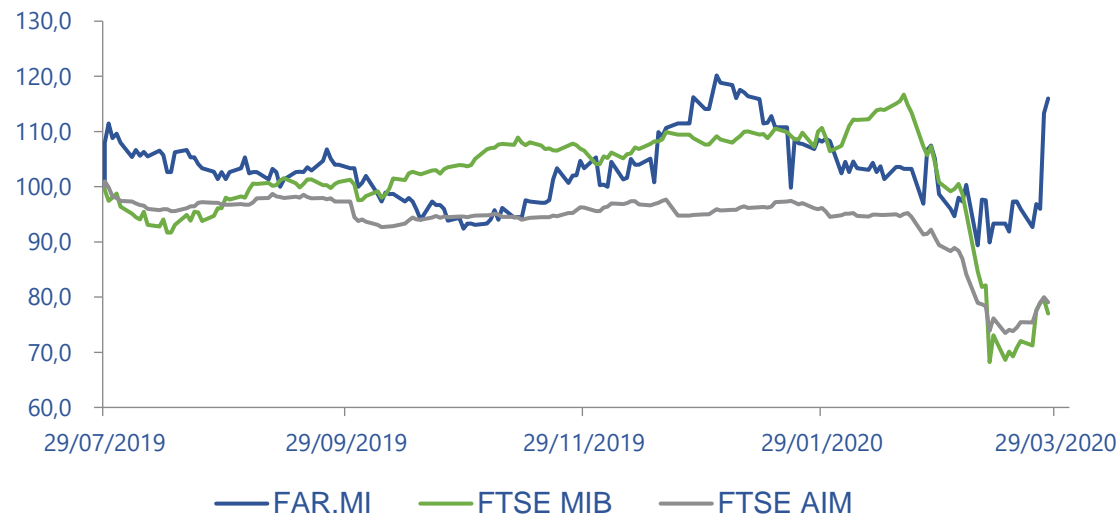
 **Giovanni Bulckaen**
Regular Statutory Auditor

 **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 (27/03/2020)	€ 49.9m
		Share Price (27/03/2020)	€ 8.7

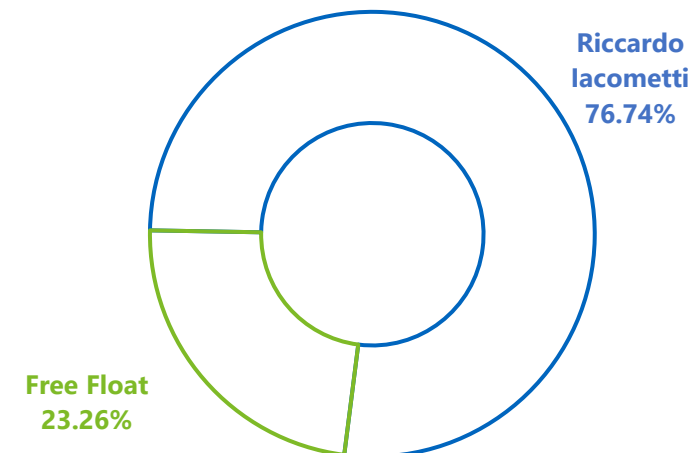


AUDIT FIRM & NOMAD

Deloitte.

ALANTRA

SHAREHOLDERS





Market Positioning

FAVORABLE E-COMMERCE MARKET IN ITALY

2019



E-commerce Market in Italy

€ 31.6 bn (+15%) E-commerce Market Value

€18.1 m (+21%) of purchases represented by Products

7.3% Penetration rate



Personal Care & Otc Market in Italy

€ 10.8 bn Personal Care & OTC Market Value

€ 240 m Personal Care & OTC Online Market

2.2% Penetration rate



Beauty & Professional Market

€ 10.9 bn Beauty & Professional Market Value

€ 470 m (+22% YoY) Online Beauty & Professional Market

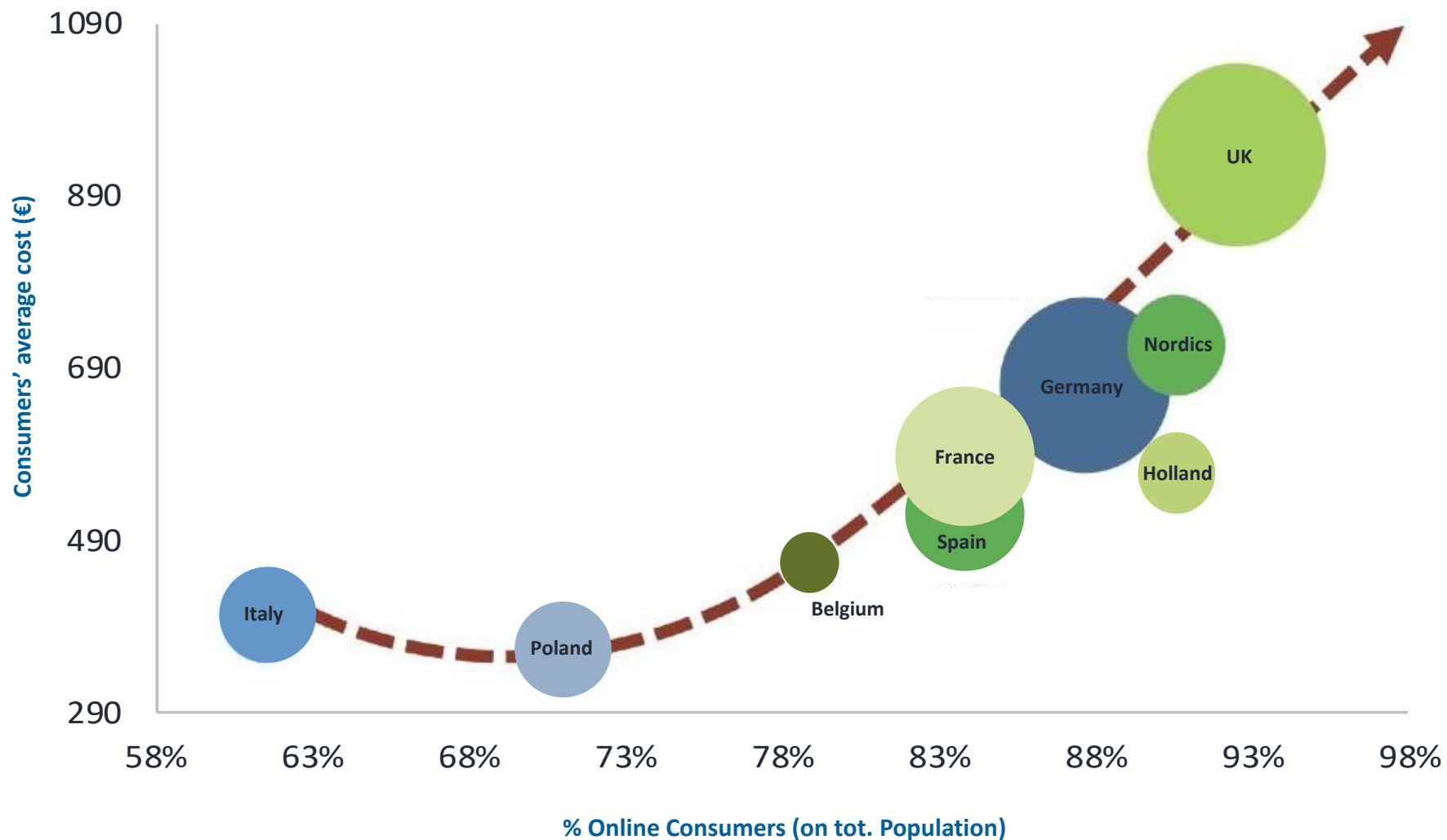
4.3% Penetration rate

Source: IQVIA (2019)

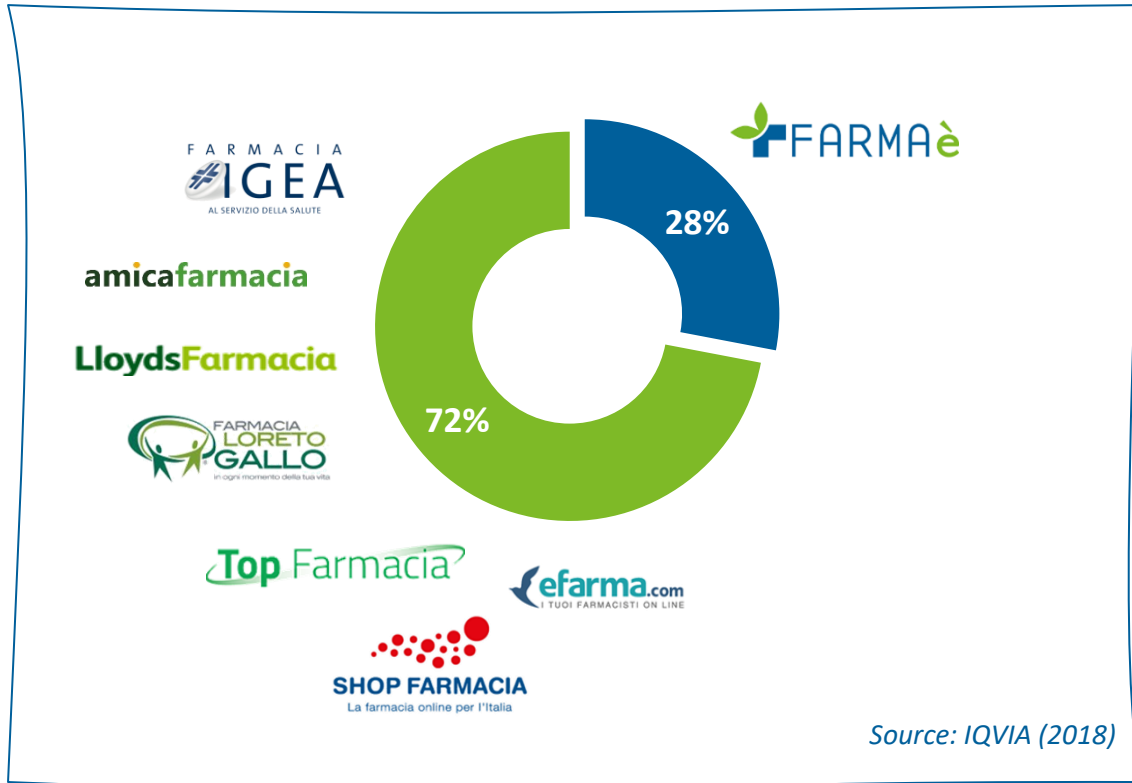
Politecnico di Milano/Osservatori.net

COMPARISON WITH THE EUROPEAN MARKET

Italy is less developed in terms of E-Retail if compared with other European countries:
large potential for growth



Competitive Scenario



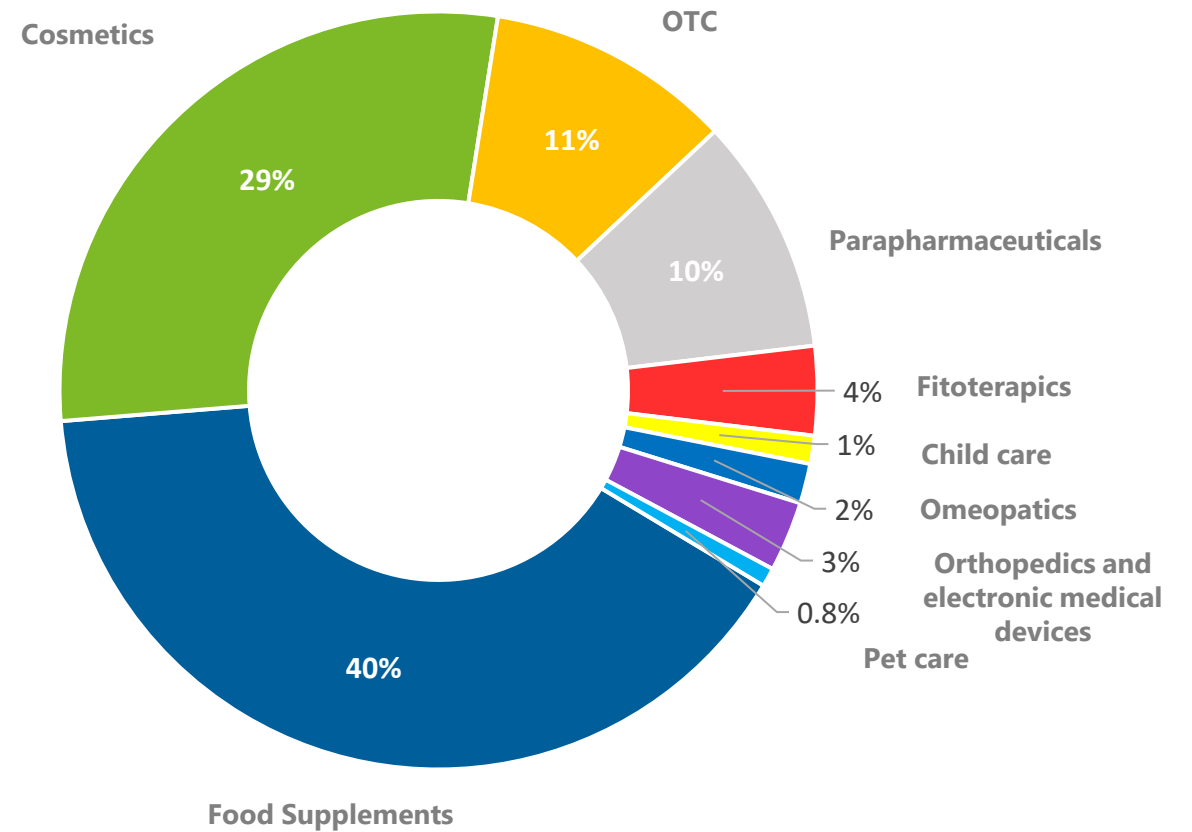
Farmaè Partners



- **Conversion Rate** from 2.1% to around 4.0% in the last three years
- An efficient **Customer Care** service with 8 pharmacists and 3 operating units

UNPARALLELED OFFERING

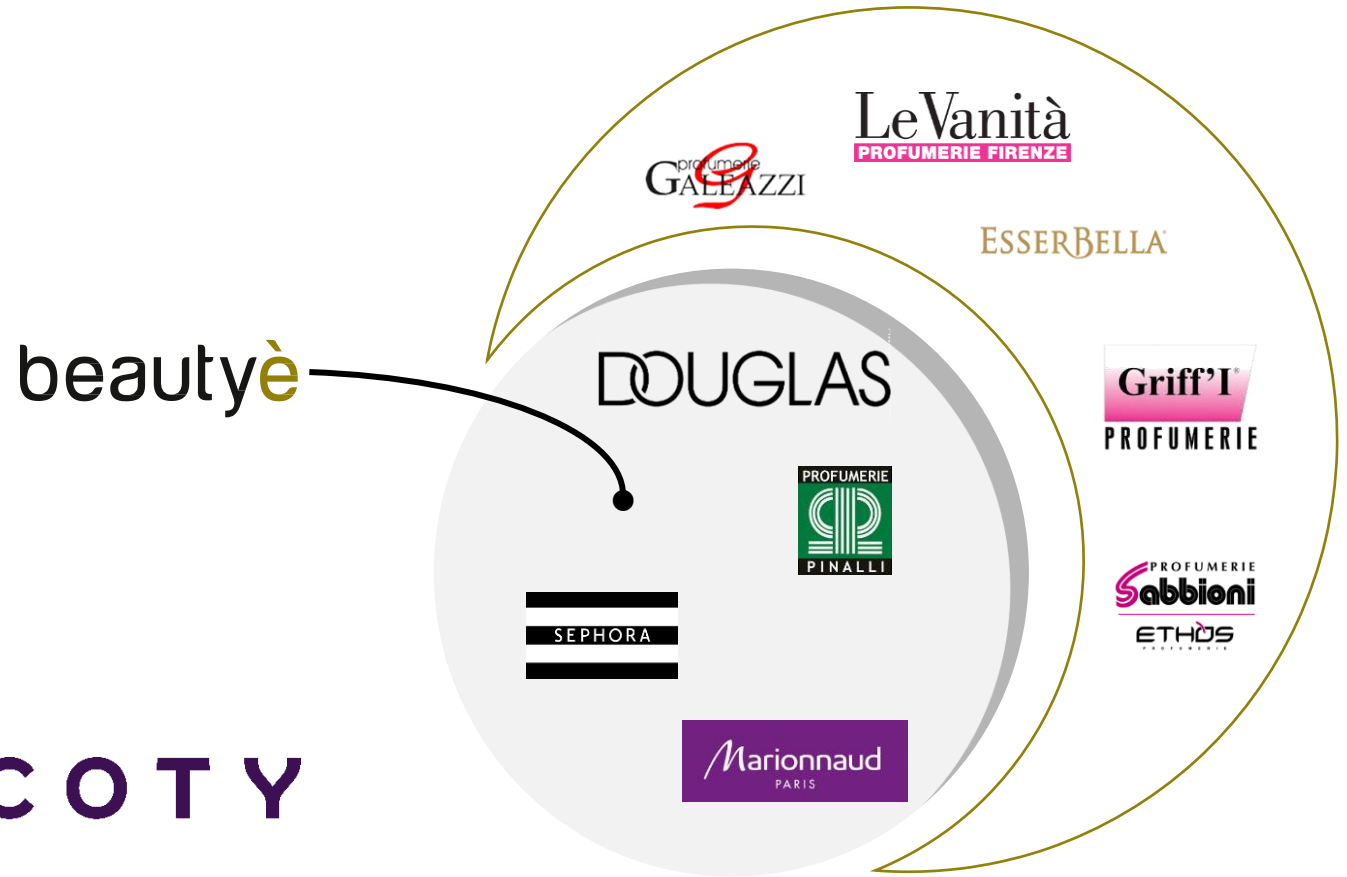
- ~ 40k SKUs*
- 31% average discount vs offline
- High value products with long shelf life
- Small weight and size
- Low return rates
- Extended customer lifetime



Great development potential thanks to:

- Leverage on www.farmaè.it's database
- Partnerships with main brands
- Tech Know-how
- Great investments of the main industries in the field
- High overlapping of consumers between luxury and hair care brands

Competitive Scenario



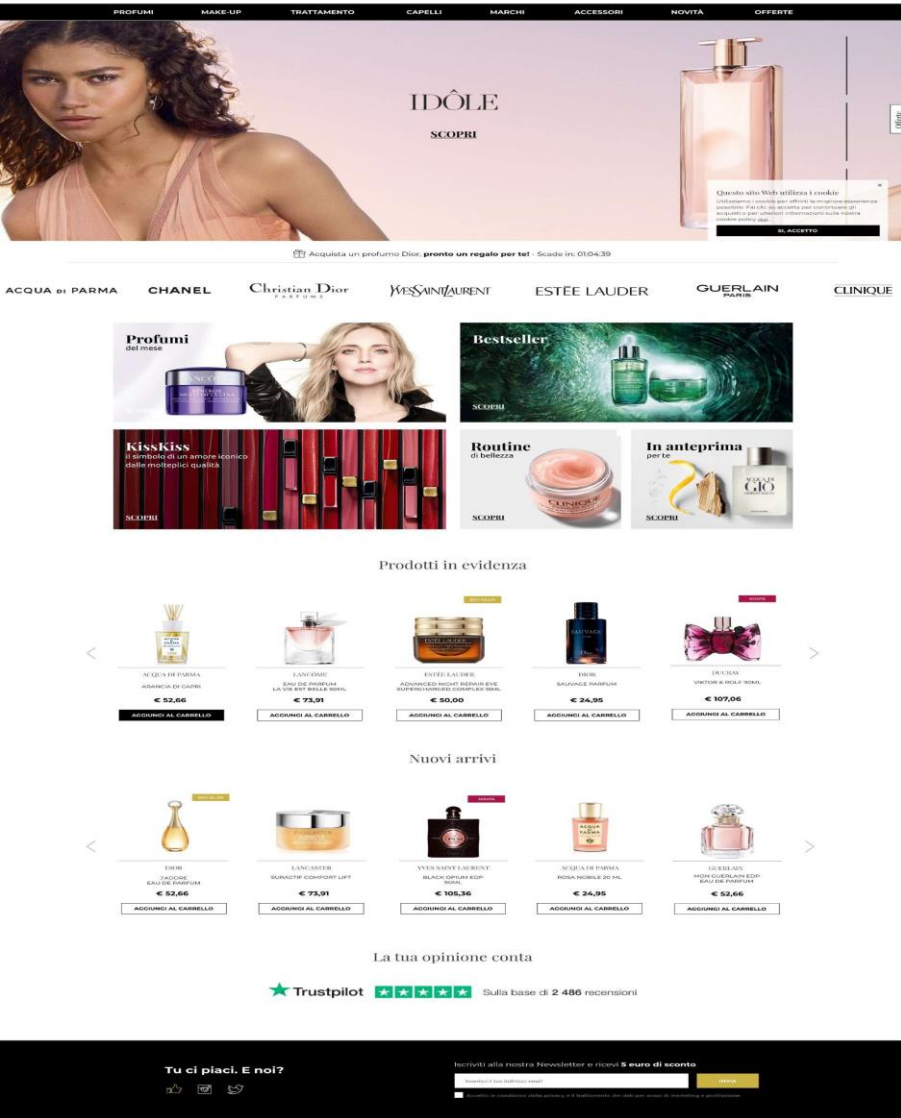
Industrial Partners

L'ORÉAL SHISEIDO COTY

EuroItalia

ghd
good hair day, every day

COLLISTAR



- A new platform dedicated to the offer of Luxury and Professional Products
- Products' contents provided directly by the brands
- Brands' Look&Feel Replication

BRANDS

GIORGIO ARMANI

LANCÔME
PARIS

VALENTINO

KÉRASTASE
PARIS

YVES SAINT LAURENT

MOSCHINO

REDKEN
5TH AVENUE NYC

DOLCE & GABBANA

narciso
rodriguez

SHISEIDO

HR
HELENA RUBINSTEIN

COLLISTAR

The new *Love Destination* on the sea-front of Viareggio

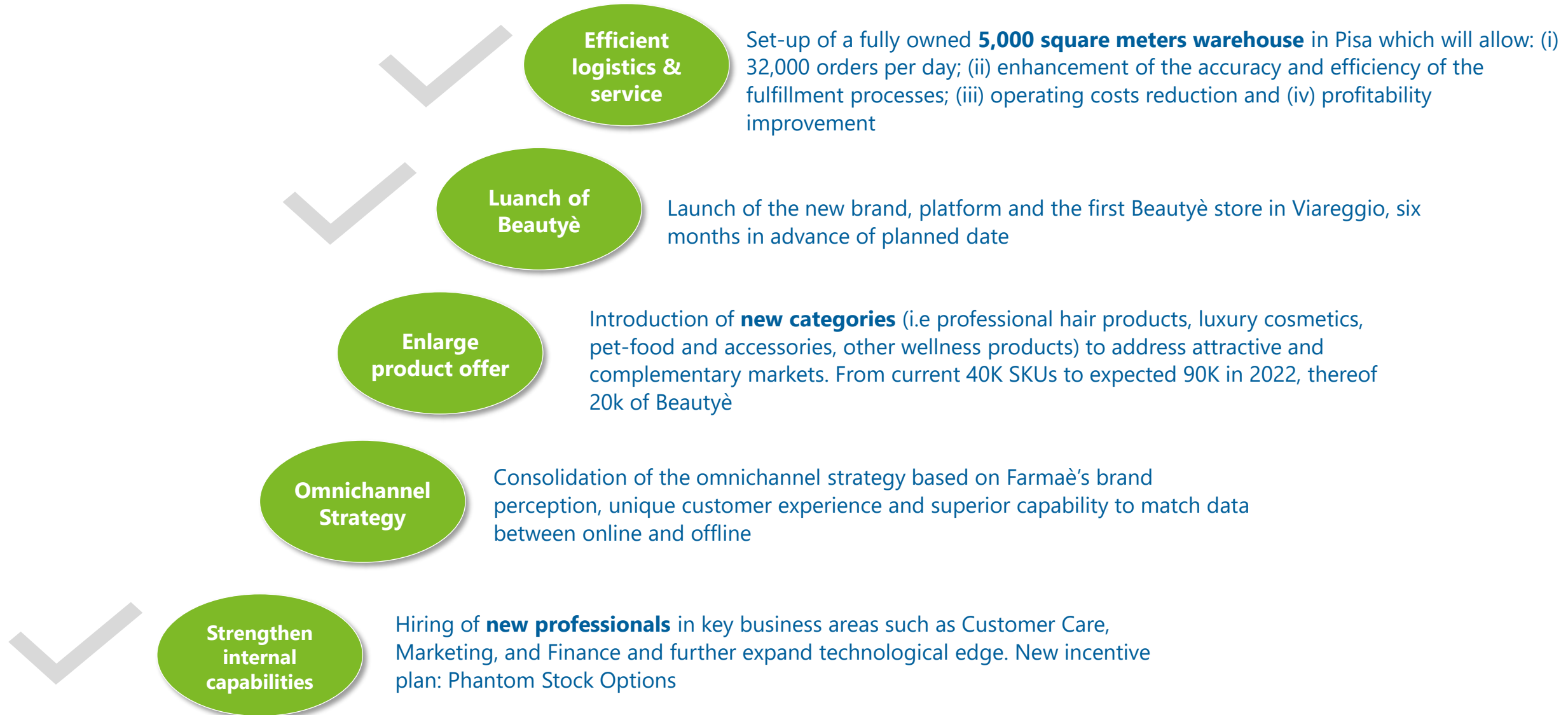
The **first interactive store** in Italy to guarantee an immersive customer experience

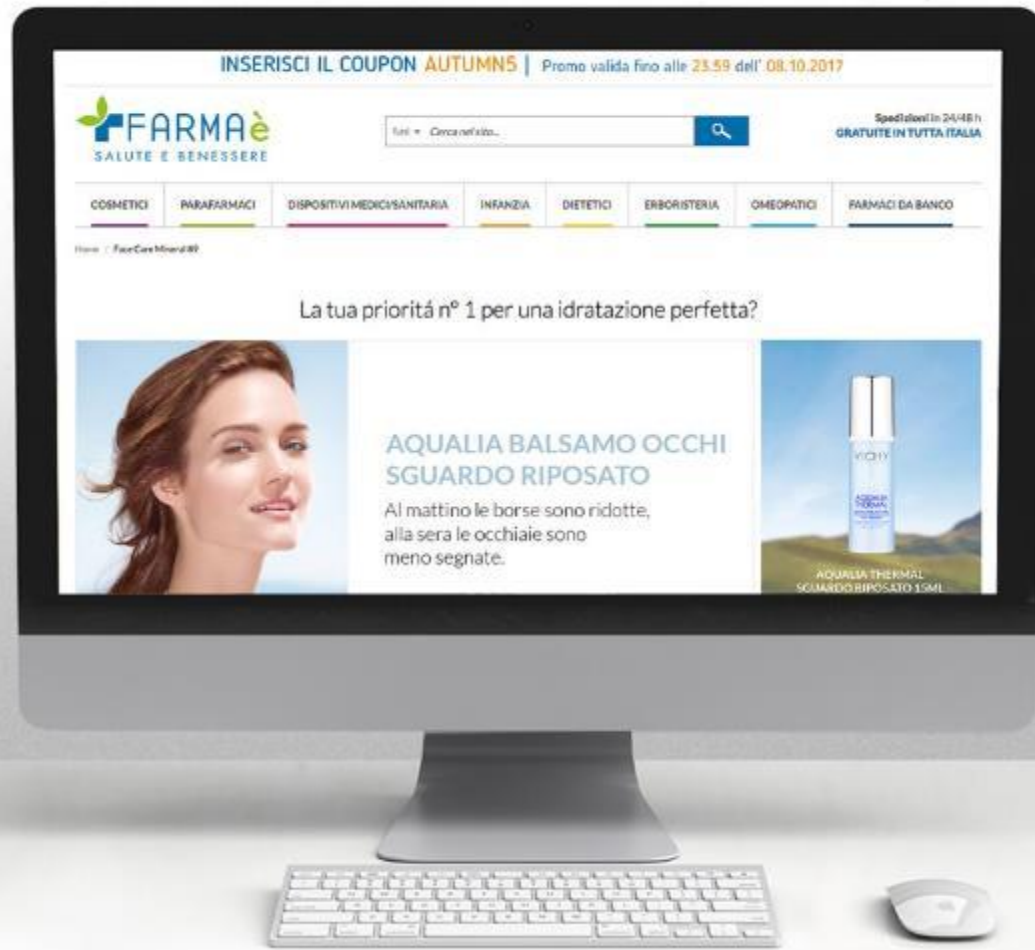
Enhanced audio / sensorial experiences with **home automation**

A **fully technological** Store built on 3 floors:

- **Ground floor:** dedicated to the world of luxury (make-up, skincare, fragrances)
- **1st floor:** dedicated to various beauty treatments for the hair
- **Basement:** where products can be purchased thanks to touch screens

A CLEAR STRATEGY TO CONSOLIDATE MARKET LEADERSHIP

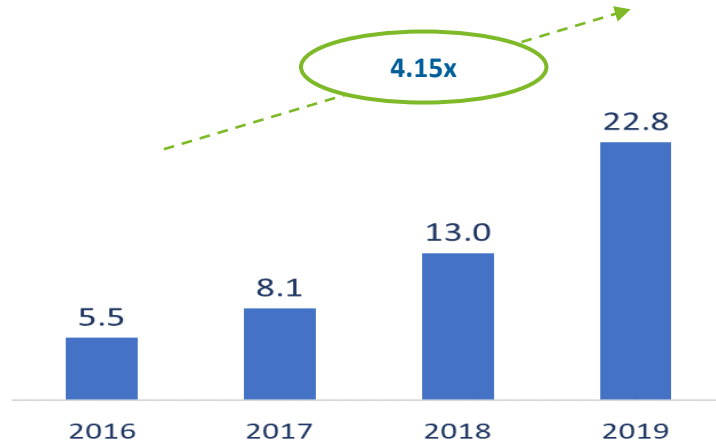




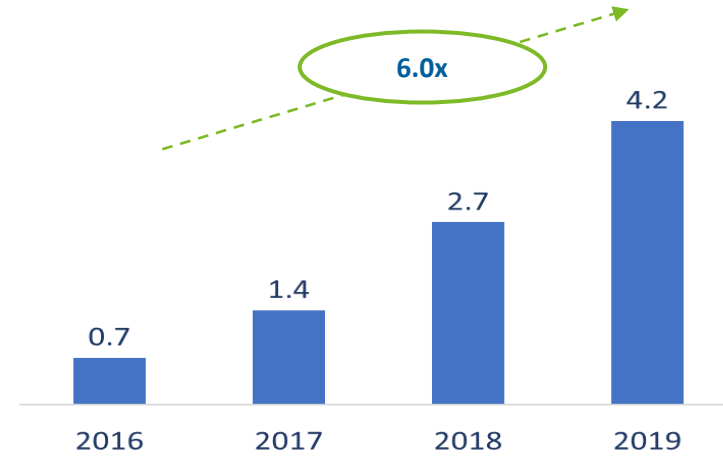
Financials

AN EXPONENTIAL GROWTH

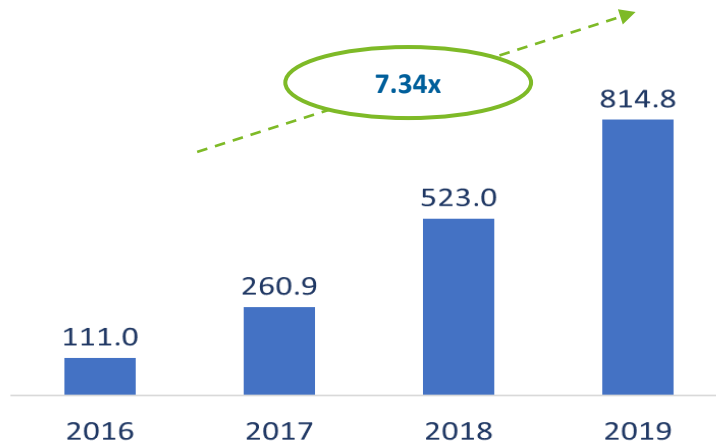
Site Visits (m)



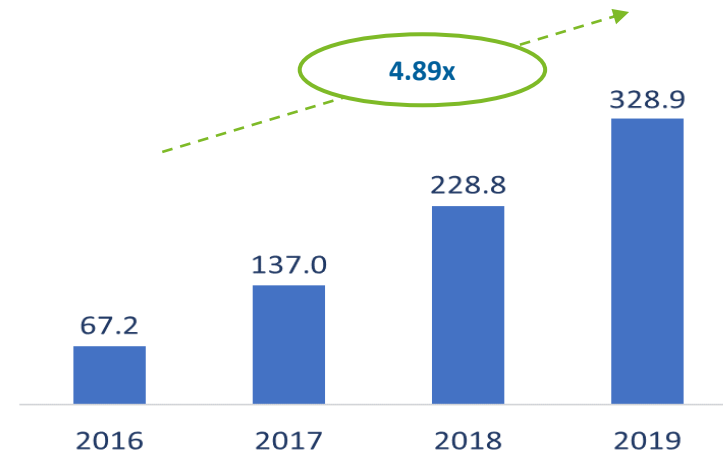
Products Sold (m)



Orders (k)

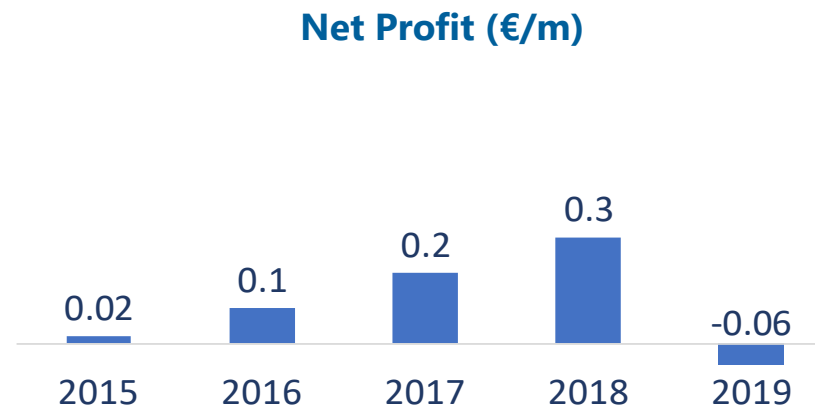
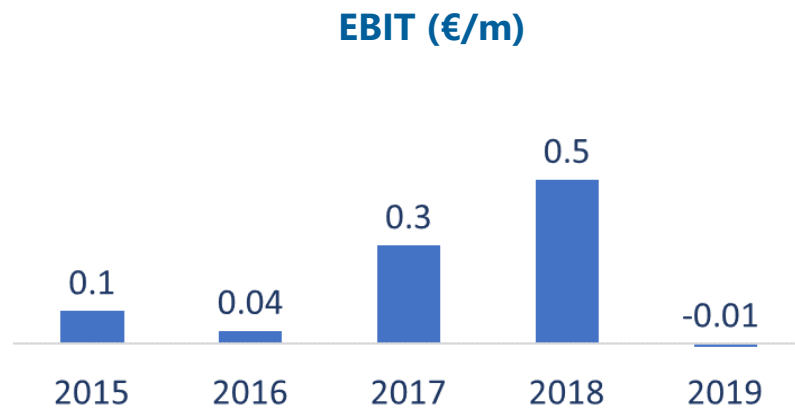
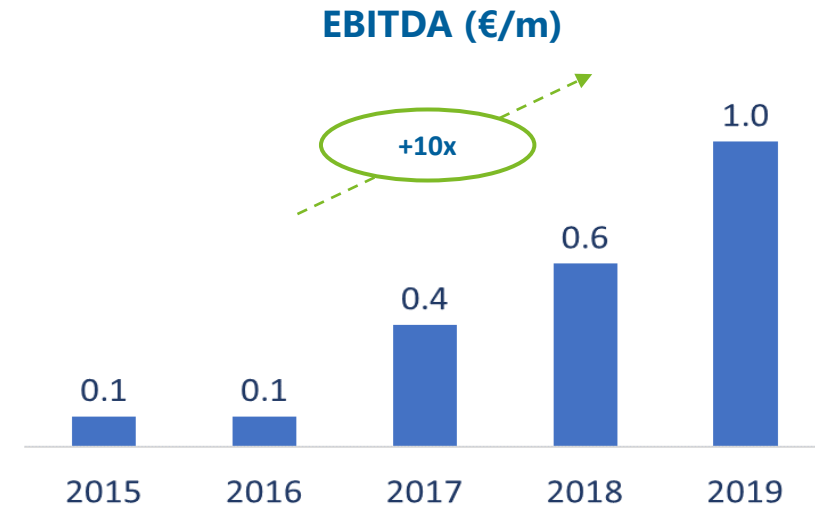
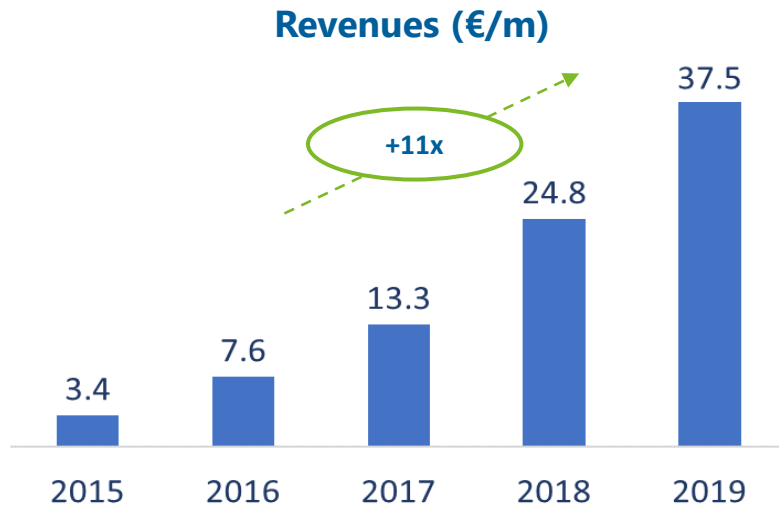


Active Customers(k)



2019 RESULTS' STRONG IMPROVEMENT

Stellar Revenue Growth mainly driven by the expansion of online sales (+87.7% CAGR) and the New Openings of brick & mortar stores (+32.1% CAGR)



PROFIT & LOSS STATEMENT

€/000	2019	2018	YoY %	Difference
Sales Revenues	37,532	24,779	51%	12,753
Change in Inventories	3,868	3,074	26%	794
Value of Production	41,400	27,853	49%	13,547
Materials used	29,039	19,012	53%	10,027
Costs of services	9,438	6,820	38%	2,618
Other operating costs	115	250	-54% -	135
Total Operating Costs	38,592	26,082	48%	12,510
Labour costs	1,844	1,152	60%	692
EBITDA	964	619	56%	345
Depreciation and amortisation	970	145	569%	825
EBIT	(6)	474	-101% -	480
Financial expenses	(79)	(95)	-17%	16
Extraordinary financial expenses	(62)	(12)	417% -	50
EBT	(44)	372	-112% -	416
Income taxes	(20)	(108)	-81%	88
Net profit	(64)	264	-124% -	328

- Revenues up 51% driven by online
- Personnel costs increased by 60% due to headcount growth (+21, from 37 to 58)
- Positive EBITDA at €1 m, +56%
- Growth of amortisation for €0.7 m linked to additional €4.6m investments (thereof €1.5 m for the IPO) carried on in H2 2019
- Tax credit for IPO not yet accrued in 2019 results

Business Units analysis confirms the strong growth in all business segments

€/000	12/31/2019	12/31/2018	YoY %
Online Sales	34,214	22,788	50%
Offline Sales	1,995	1,710	17%
Co-marketing	1,199	0,255	370%
Other Revenues	0,124	0,26	375%
Sales Revenues	37,532	24,779	51%

- + 50% YoY Online Sales growth, thanks to the increase of the number of references and the customer base expansion
- +17% YoY Offline growth, thanks to the new store opening in Cecina and stores' like for like performance
- Co-marketing sales amounted to €1.2m, thanks to partnerships with the beauty and pharma companies, that see Farmaè as a major media company

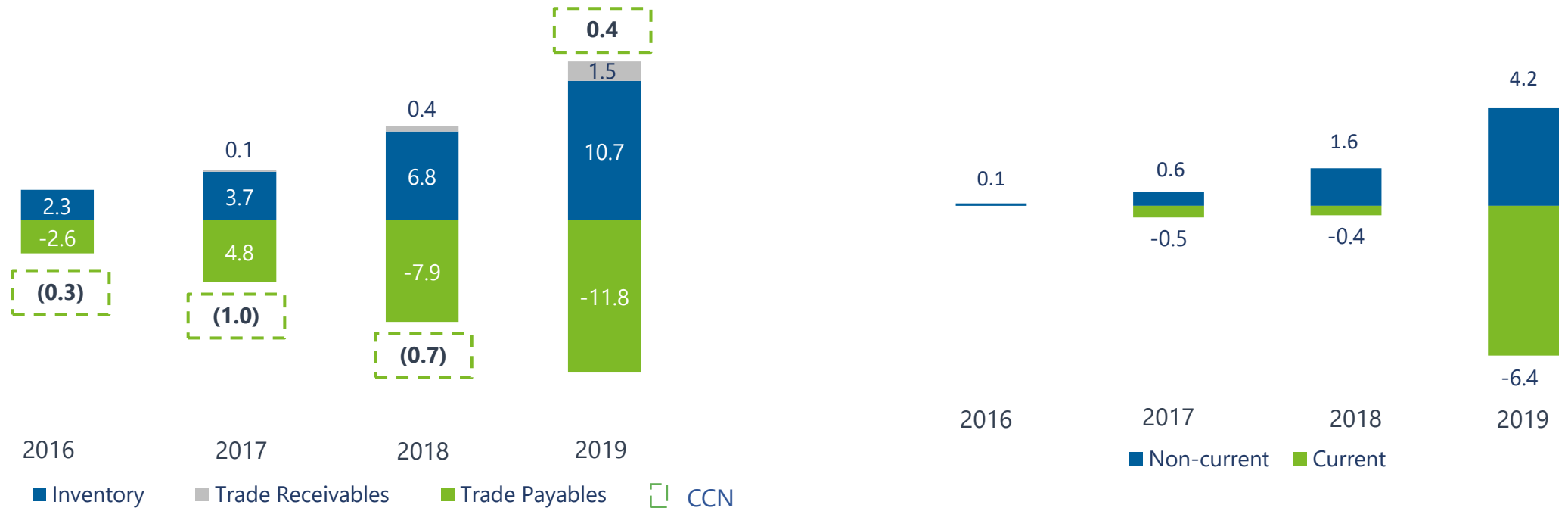
- In 2019, Farmaè's website has reached more than 22.8m of visits compared to 13.0m of 2018 (+75% YoY)
- Conversion rate higher than the national average, thanks to the innovative digital strategies
- Registered 0.8m of orders (+56% YoY) from more than 0.3m of active clients (+44% YoY)

FINANCIAL HIGHLIGHTS

Farmaè enjoys a structurally negative commercial working capital

€/000	12/31/2019	12/31/2018
Fixed Assets	7,506	3,900
Net Working Capital	2,697	(319)
Net Financial Position	2,171	(1,209)
Net Equity	12,187	2,246

- Net financial provision improvement from € -1.2m to €2.2m
- New investments for €4.6 m of which €1.5m IPO costs
- A new leasing contract of €3.9m to finance the new warehouse has been signed in February



Contatti



Farmaè S.p.A.

Via Aurelia Nord 141 – 55049 Viareggio
(LU)

 www.farmaegroup.it



Nomad

Alantra Capital Markets
+39 02 63 67 16 01

Specialist

Banca Profilo
+39 02 584081



IR Manager

Alberto Maglione
ir@farmaegroup.it
Ph. +39 0584 1660552

IR Advisor

Vincenza Colucci – CDR Communication
vincenza.colucci@cdr-communication.it
M. +39 335 69 09 547



Media Relations

Daniele Pinosa – SEC S.p.A.
pinosa@secrp.com
M. +39 335 7233872

Fabio Santilio – SEC S.p.A.
santilio@secrp.com
M. +39 339 8446521

Disclaimer

"This Presentation contains certain forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. Forward-looking statements contained in this Presentation, including assumptions, opinions and views of Farmaè S.p.A. ("**Farmaè**" or the "**Company**") or cited from third party sources, are solely opinions and forecasts reflecting current views with respect to future events and plans, estimates, projections and expectations which are uncertain and subject to risks. Market data used in this Presentation, which are not attributed to a specific source, are estimates made by the Company and have not been independently verified. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events which materially differ from those expressed or implied by the forward-looking statements. If certain risks and uncertainties materialize, or if certain underlying assumptions prove incorrect, the Company could be unable to achieve its financial targets and strategic objectives. A multitude of factors which are in some cases beyond the Company's control can cause actual events differ significantly from any anticipated development. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No one undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements refer only as of the date of this Presentation and are subject to change without notice. No representations or warranties, express or implied, are given as to the achievement or reasonableness of, and no reliance should be placed on, any forward-looking statements, including (but not limited to) any projections, estimates, forecasts or targets contained herein. Farmaè does not undertake to provide any additional information or to remedy any omissions in or from this Presentation. Farmaè does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this Presentation. This Presentation does not constitute a recommendation regarding the securities of the Company.

This Presentation is not an offer, or a solicitation of an offer, to buy, sell or exchange any securities in Italy, pursuant to Section 1, letter (t) and letter (v) of Legislative Decree no. 58 of February 24, 1998, or in any other Country or State and is not a prospectus or an offer document within the meaning of Italian laws and regulations."

THANK YOU

 **FARMAÈ**GROUP