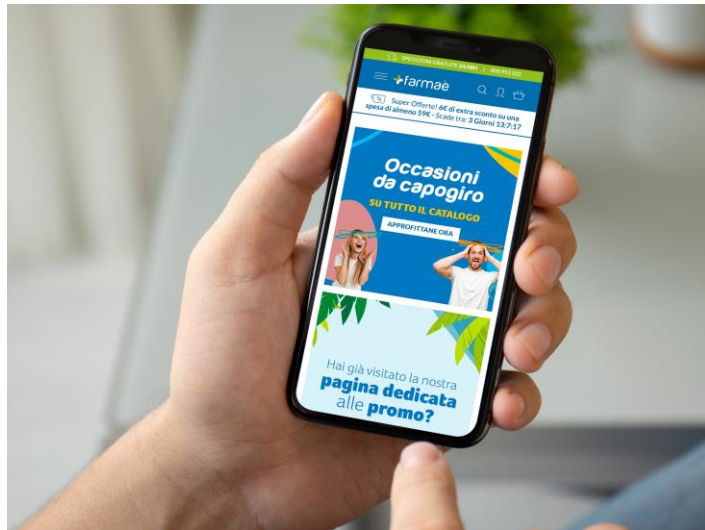


# FARMAE GROUP



## Alantra Virtual Roadshow

2-3 February 2021

## FARMAE' GROUP 2020 KEY FIGURES



**€65.4m**

Revenues 2020



**+75%**

YoY Growth



**+81%**

Revenues  
2015-2020 CAGR



**First Italian online e-Retailer** in pharma & personal care market



**10**  
Physical stores



**>40k**  
SKUs



**>40m**  
Site visits on the website in 2020



**ca. 3.6%**  
Average conversion rate in 2020



**2.7x**  
Repeated orders per year



**7.5m**  
Products sold

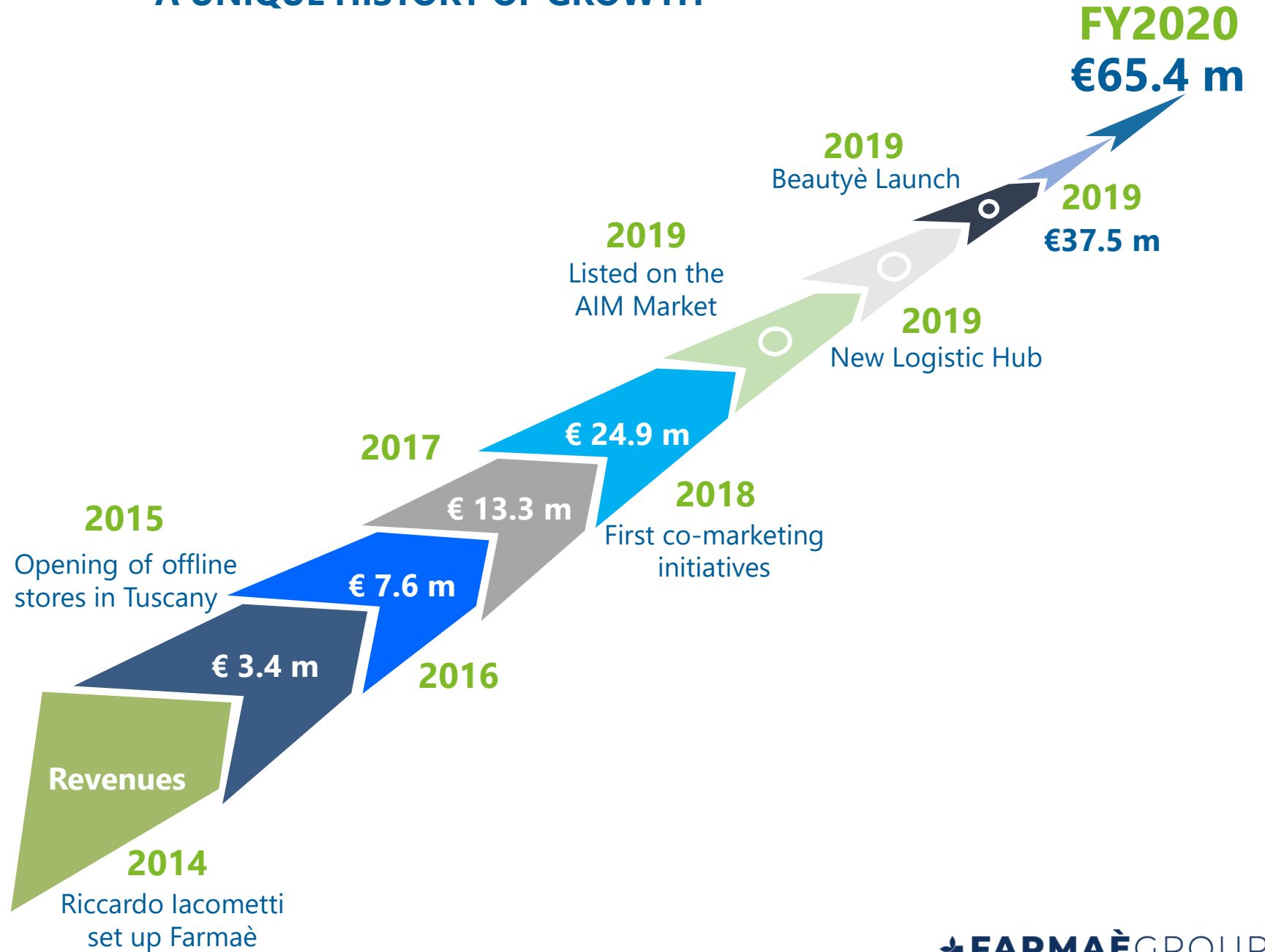
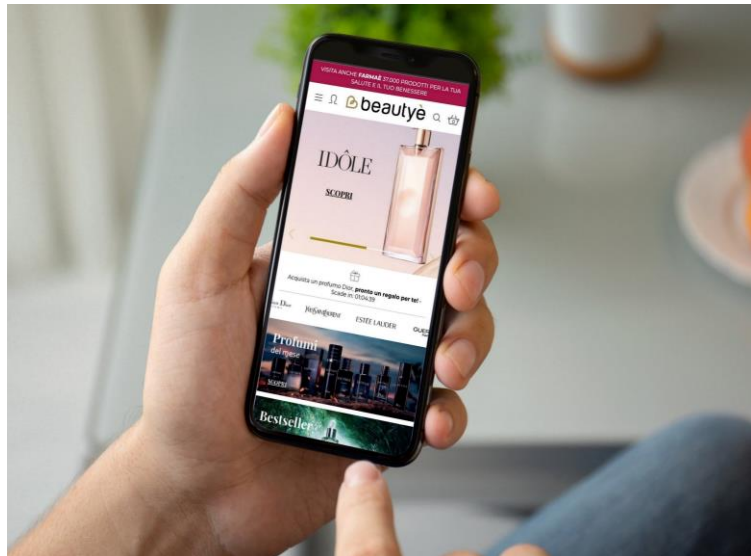


**€ 42.6**  
Average ticket in 2020 (net of VAT)

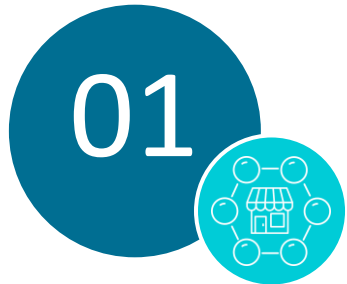


**>1.4m**  
Online orders received in 2020

# A UNIQUE HISTORY OF GROWTH



# A SCALABLE AND OMNICHANNEL BUSINESS MODEL BASED ON THREE PILLARS



## Commercial

### OnLife E-retail

Integration of online, offline, logistics and data in a single value chain

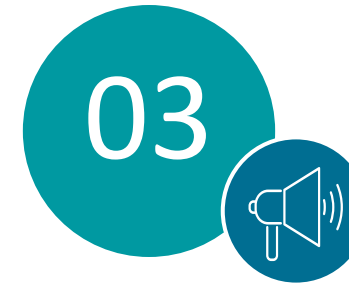
- Personalized, user-friendly and convenient shopping experience available 24/7
- 10 Offline Stores in Italy, thereof one Beautyè store in Viareggio



## Tech

### Tech Company

Constant introduction of innovations at both company and website level to take full advantage of Web 3.0 and Web 4.0, and constant integration between online and offline channel is one of the key elements used to improve the customer experience.



## Media

### Media Company

The careful management and processing of the amount of data generated by the website allows to make the definition of the best value proposition more effective

# THE REFERENCE POINT FOR CUSTOMERS AND THE INDUSTRY



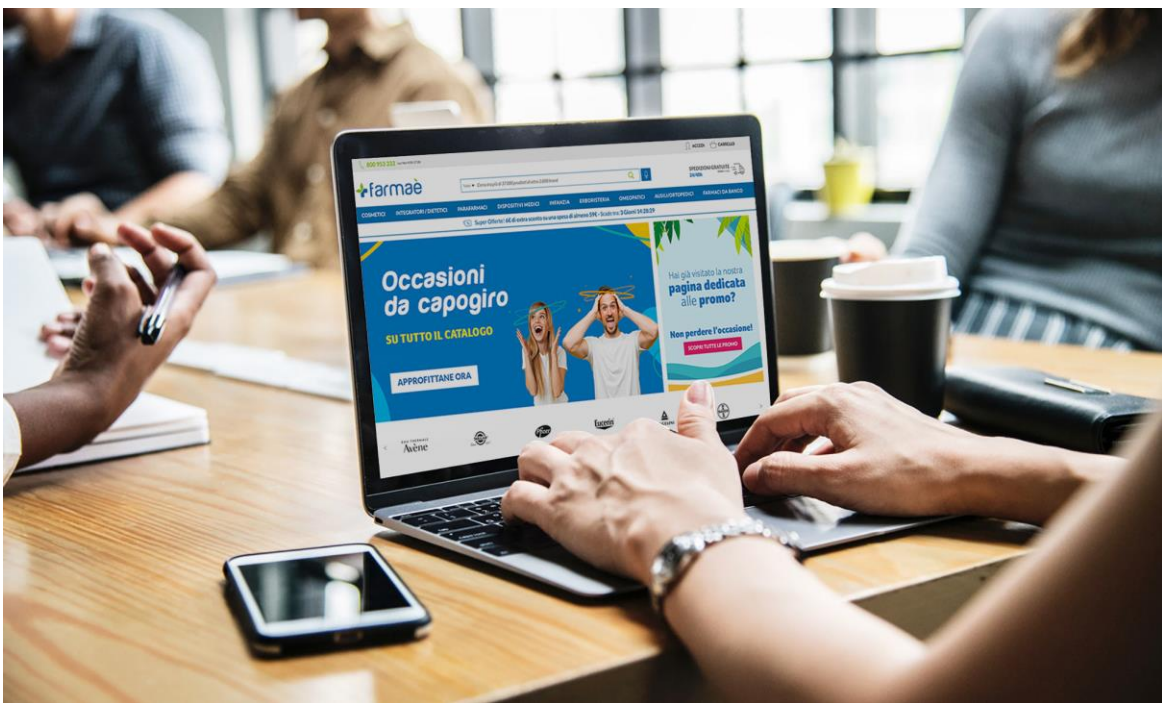
## Focus on Customers

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. **An efficient Customer Care** service with 8 pharmacists and 3 operating units.

## Focus on Industry

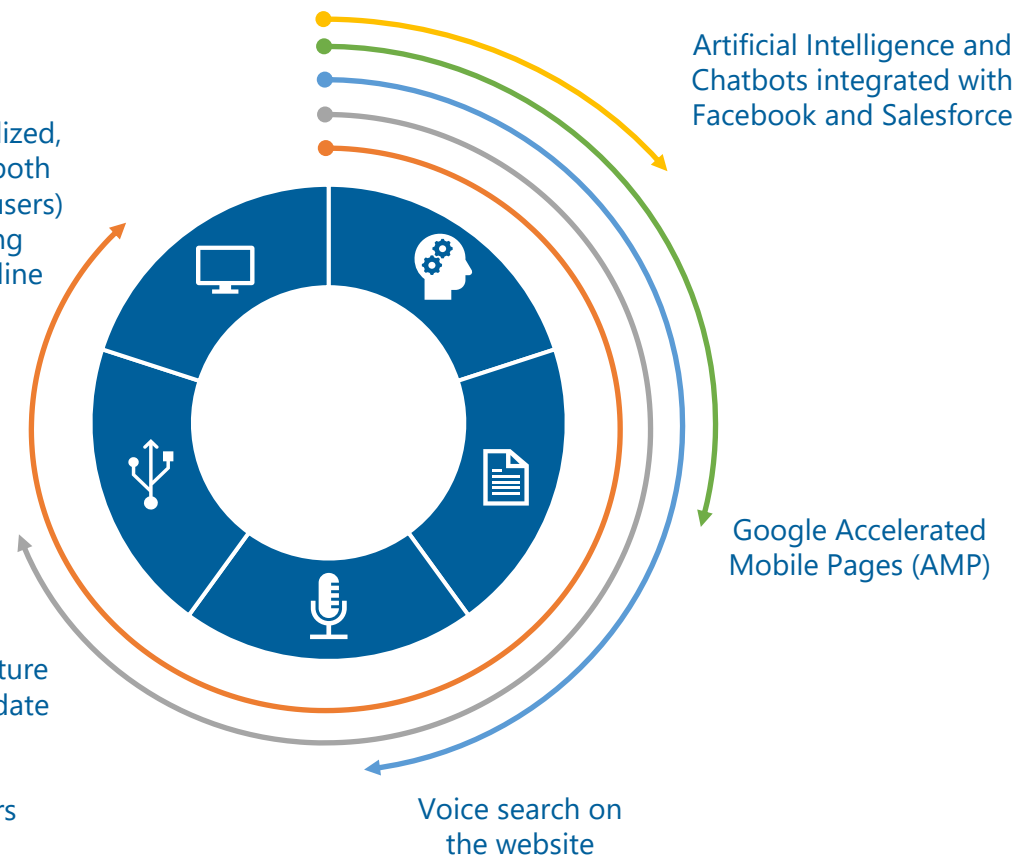
Unique **media platform** at the service of the **main industry players** through which it can improve market knowledge, recognize customers needs and realize effective marketing strategies and communication

# 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 TO EFFICIENTLY SERVE CUSTOMERS



**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.**

The investment, together with the willing to improve the stream of production, gave the possibility to **face the Covid-19 emergency and to answer rapidly and efficiently to Farmaè clients.**



**5,000 sqm**  
new warehouse to support growth



**4 couriers**  
responsible for national and foreign deliveries



**48 h**  
estimated maximum time for a delivery




**€ 19.90**  
minimum cost for free delivery



**Up to € 200 m**  
developable turnover

# GOVERNANCE


## BOARD OF DIRECTORS



-  **Riccardo Iacometti**  
Chairman & CEO



-  **Alberto Maglione**  
Vice President
-  **Dario Righetti**  
Independent Director

-  **Giuseppe Cannarozzi**  
Director
-  **Giovanni Bulckaen**  
Director

## BOARD OF STATUTORY AUDITORS

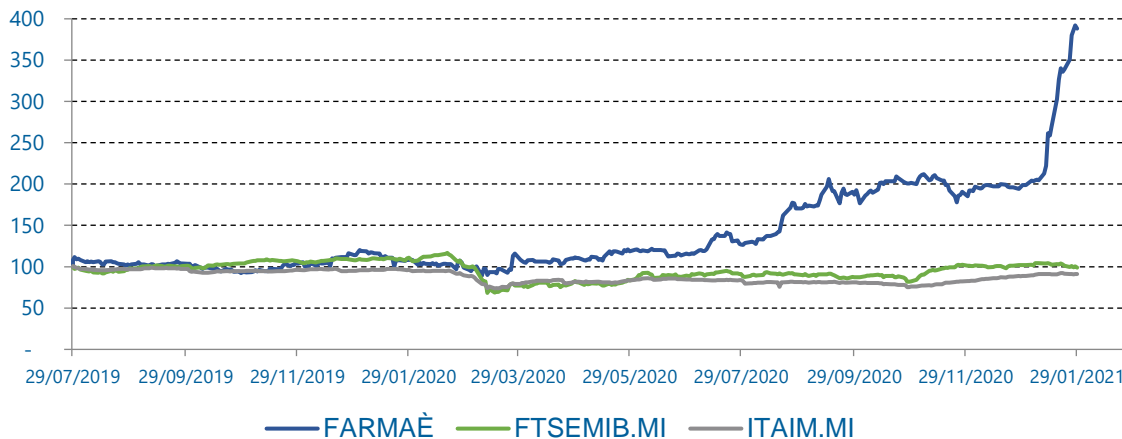
-  **Alberto Colella**  
Chairman

-  **Monica Barbara Baldini**  
Regular Statutory Auditor
-  **Massimo Mano**  
Alternate Statutory Auditor

-  **Marco Guidi**  
Regular Statutory Auditor
-  **Fabio Panicucci**  
Alternate Statutory Auditor

## STOCK FIGURES

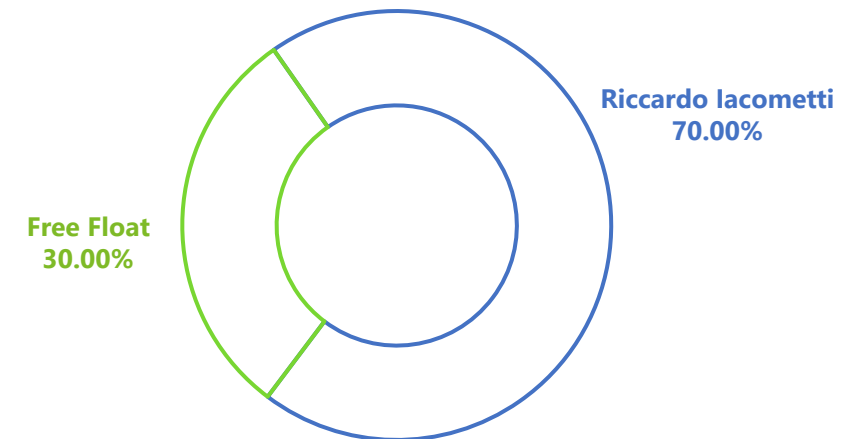
Outstanding shares post-IPO	5,734,000	Market	AIM Italia
Date IPO	July 29, 2019	Free Float	30.00%
Issue Price (€)	€ 7.50	Market Cap (29/01/2021)	€ 166.9m
		Share Price (29/01/2021)	€ 29.10



## AUDIT FIRM & NOMAD

**Deloitte.** ALANTRA

## SHAREHOLDERS







# Market Positioning

## FAVORABLE E-COMMERCE MARKET IN ITALY

2019



### E-commerce Market

€ 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 \*

€ 10.8 bn Personal Care & OTC Market Value  
€ 315 m Personal Care & OTC Online Market  
3.0% Penetration rate



### Beauty & Professional Market \*\*

€ 10.0 bn Beauty & Professional Market Value  
€ 470 m (+22% YoY) Online Beauty & Professional Market  
4.3% Penetration rate

9M2020\*\*\*

On-line  
Personal Care & OTC  
Market

**25.3m**  
**+76%**

Products sold

**€ 274m**  
**+59%**  
Turnover

Source: IQVIA (2019)

Politecnico di Milano/Osservatori.net

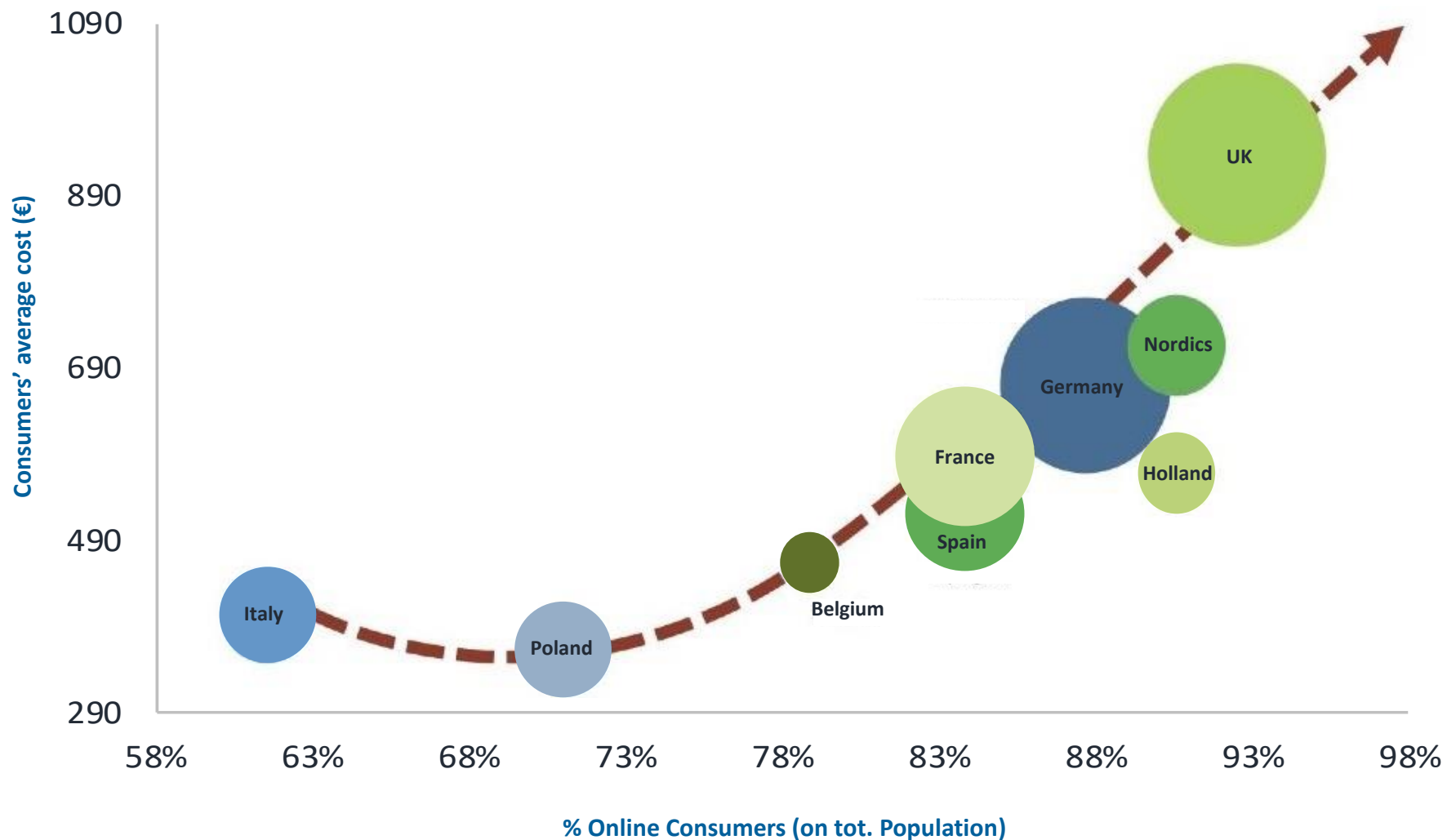
\* Sold through pharmacies and drugstores, retail price

\*\* Sold through Perfume Shops and Beauty Salons, retail price

\*\*\* Source: IQVIA 9M2020

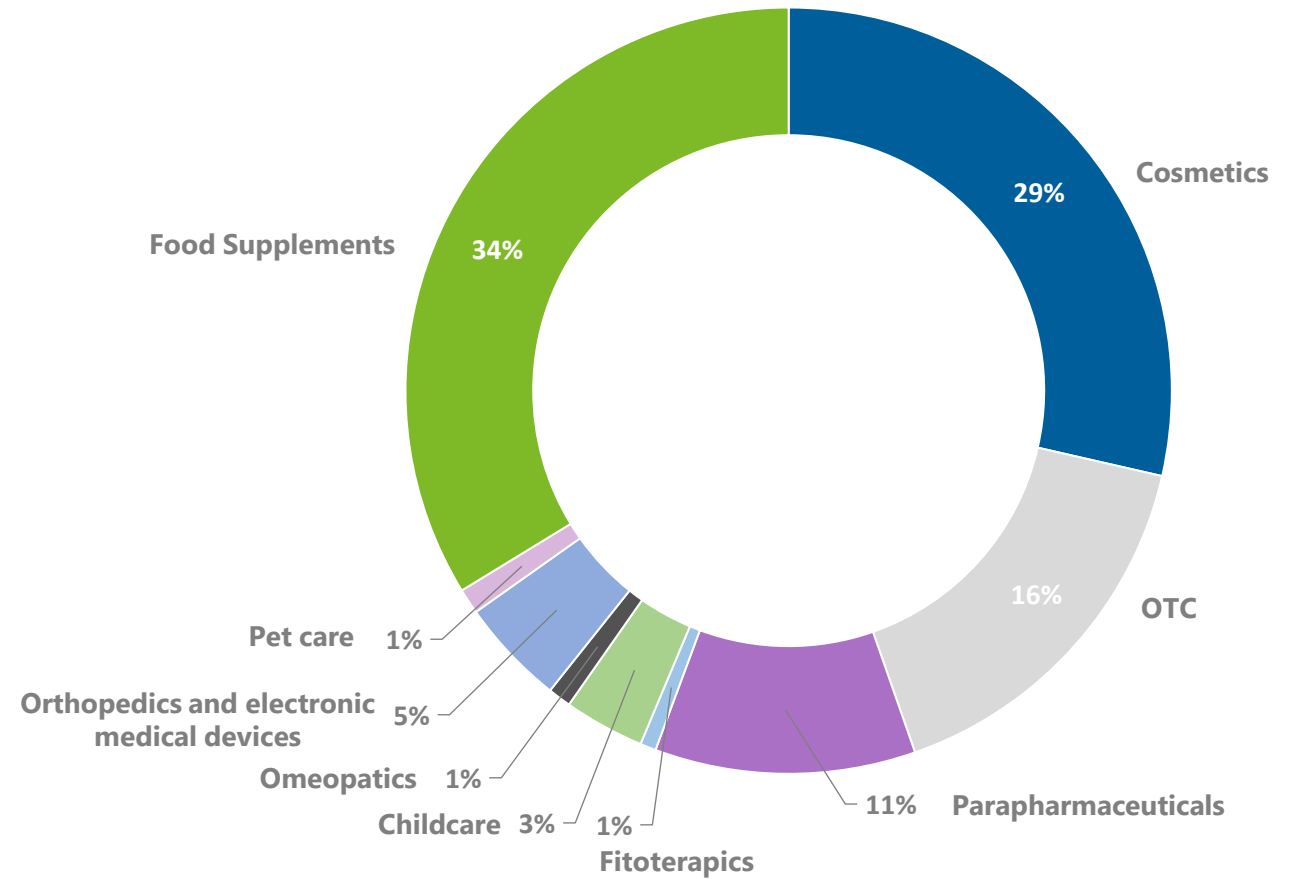
## COMPARISON WITH THE EUROPEAN MARKET

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



## A UNIQUE UNPARALLELED OFFERING...

- ~ 40k SKUs\*
- 33% average discount vs offline
- High value products with long shelf life
- Small weight and size
- Low return rates
- Extended customer lifetime



...THROUGH DEDICATED PLATFORMS TO ADDRESS DIFFERENT MARKETS

**+ FARMAÈ** GROUP

[www.farmaegroup.it](http://www.farmaegroup.it)

 **farmaè**

[www.farmae.it](http://www.farmae.it)

**9**

Stores in Italy  
&  
Digital platform

 **beautyè**

[www.beautyè.it](http://www.beautyè.it)

**1**

Store in Tuscany  
&  
Digital platform

 **Sanort\***

[www.sanort.com](http://www.sanort.com)

Heavy orthopedic  
platform  
for disabled, and  
healthcare items

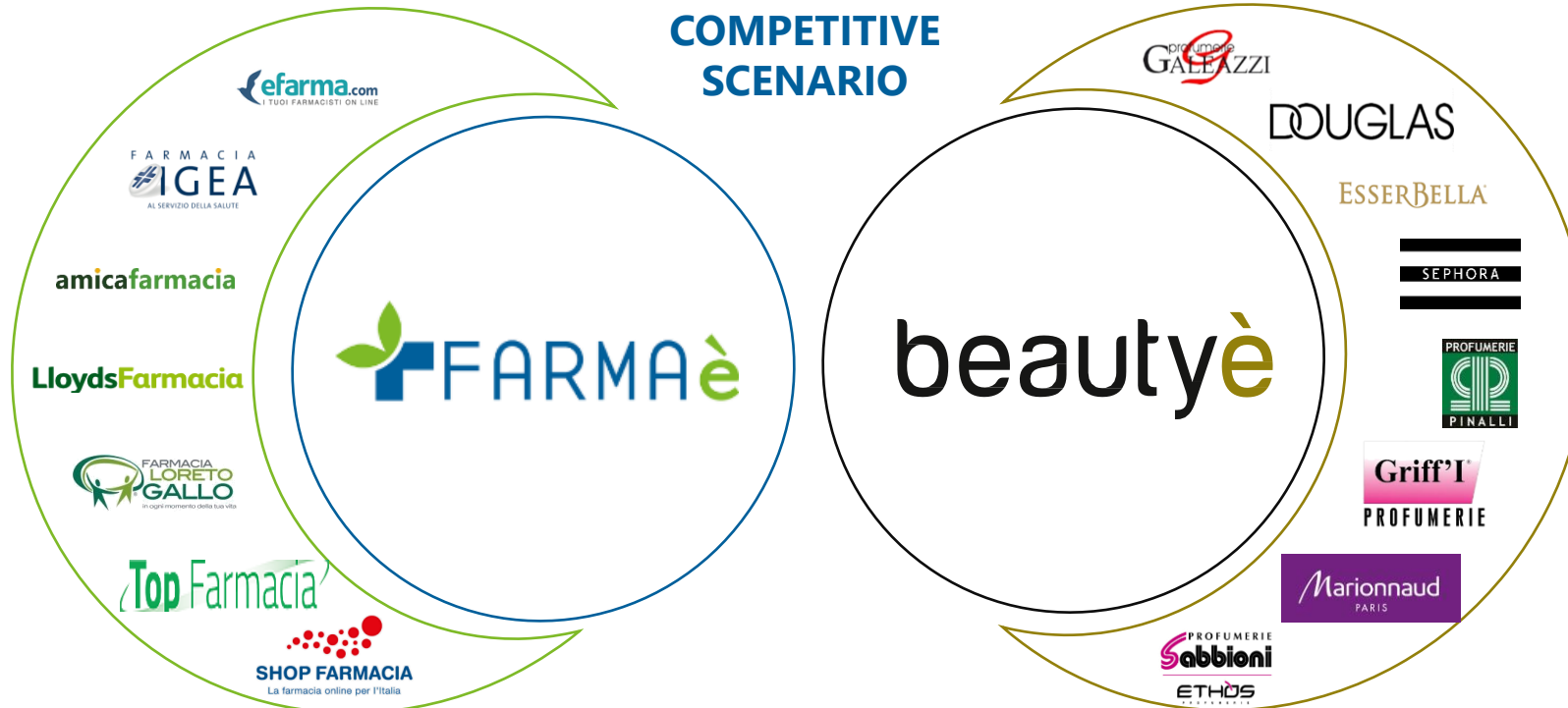
**valnan**  
COMMUNICATIONS

[www.valnan.it](http://www.valnan.it)

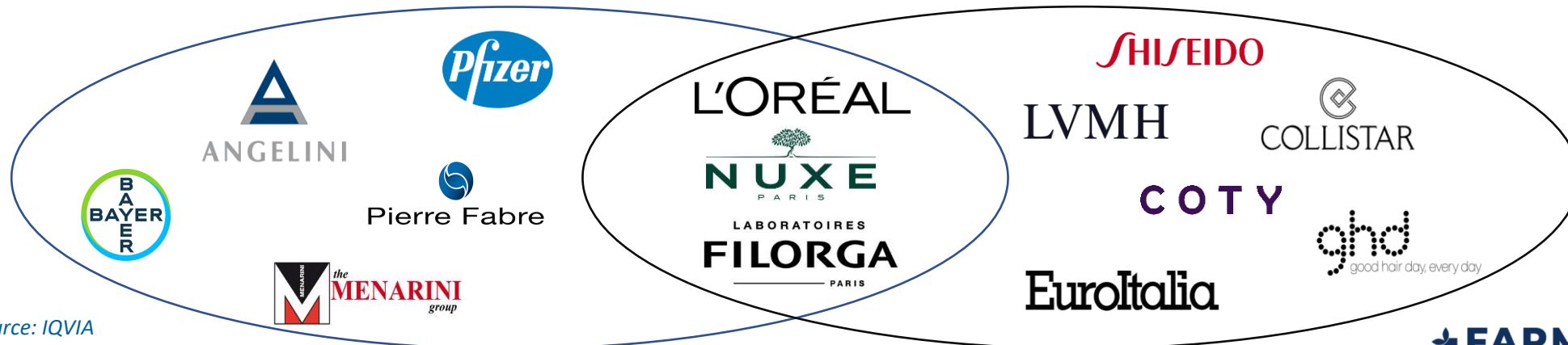
Online marketing  
agency  
specialized in  
Digital Advertising

# PHARMA AND BEAUTY INDUSTRIES AND PARTNERS

## COMPETITIVE SCENARIO

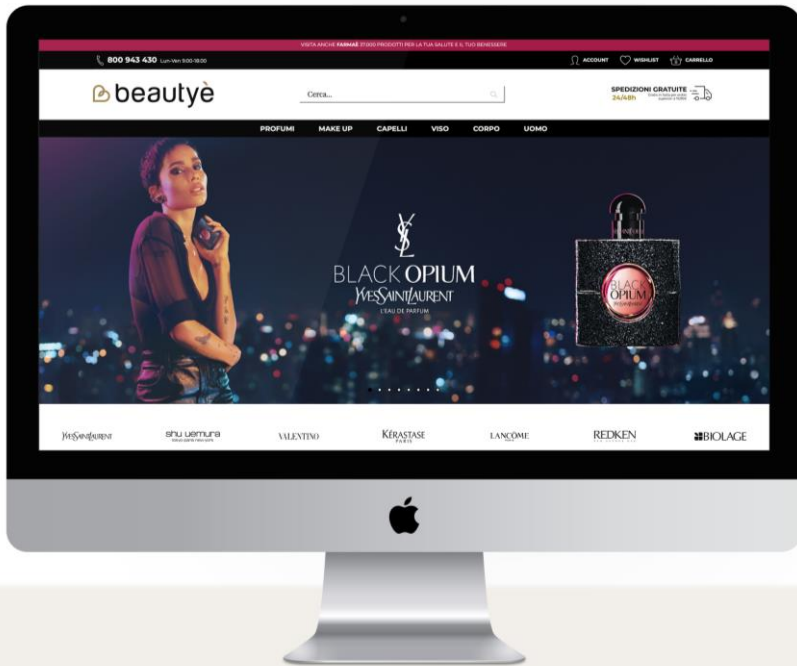


## PARTNERS



# BEAUTYÈ: A NEW CONCEPT FOR BEAUTY LUXURY & HAIR CARE PROFESSIONAL

- 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

# Beautyè represents 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

## Omni-channel

Integration of physical and online channels into a **single value chain**

## Cross-channel

Cross-channel **logic development**

## Media Platform

Strengthen relationships with strategic partners while consolidating its position in relation to its partners such as media on which to activate **marketing and communication actions**

## M&A

Scouting for M&A opportunities in order to **speed up growth**

## Enlarge Product offer

Introduction of **new categories** (Farma; Beauty; Mass market; Bio; Pet; Omeopatia; Orthopedia) to address attractive and complementary markets.

## Industrial Relations Development

Enhancing the commercial and marketing **relationship = MEDIA**

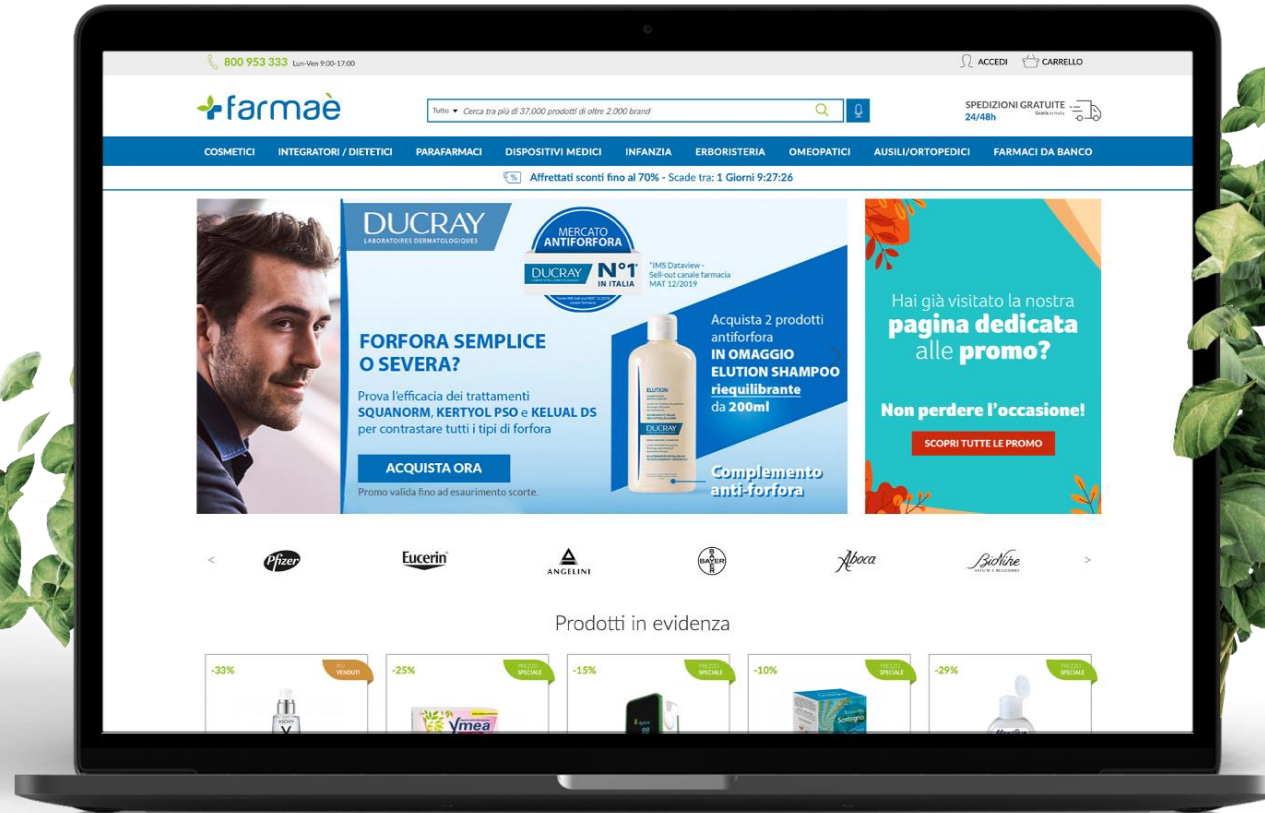
## New Stores

New format of larger size, able to accommodate, the two different types of commercial souls of Farmaè Spa: **Pharmacy and Beauty.**

## Strengthen internal capabilities

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

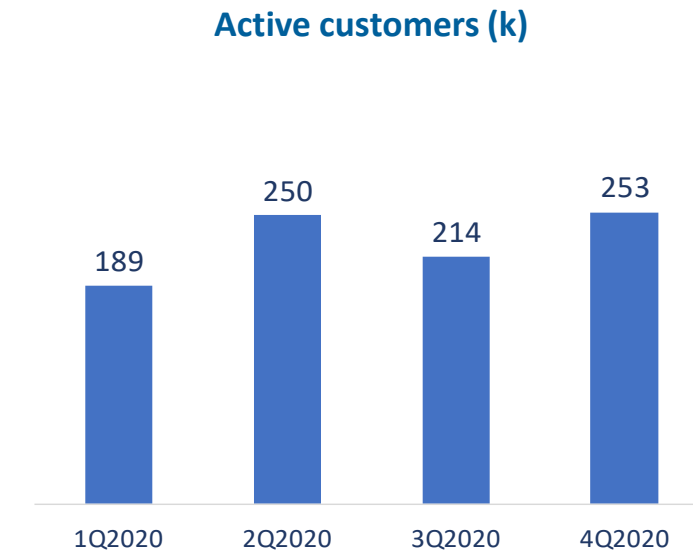
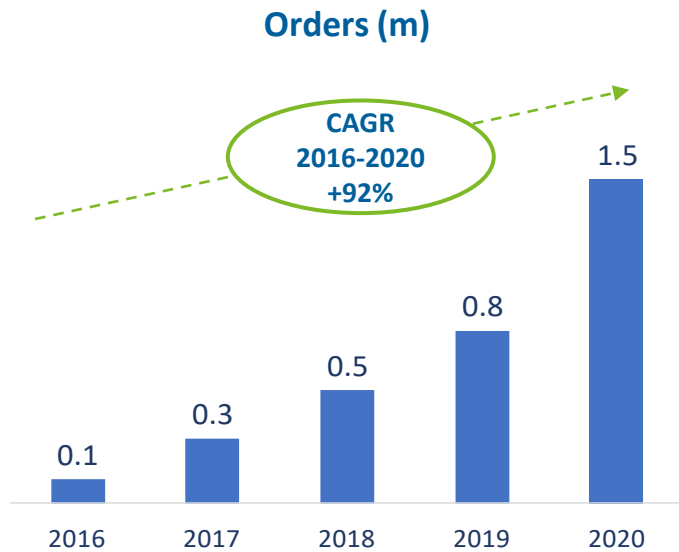
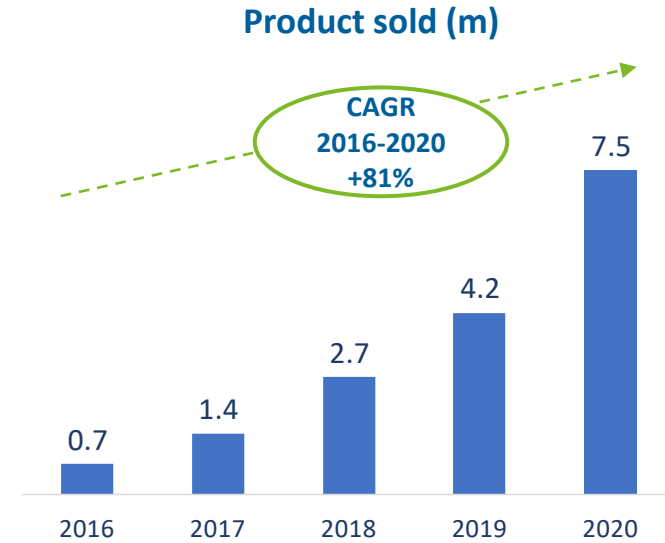
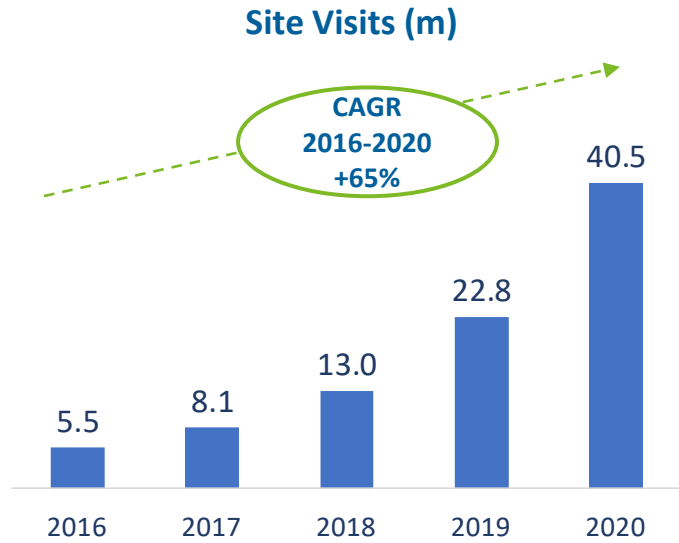




Financials

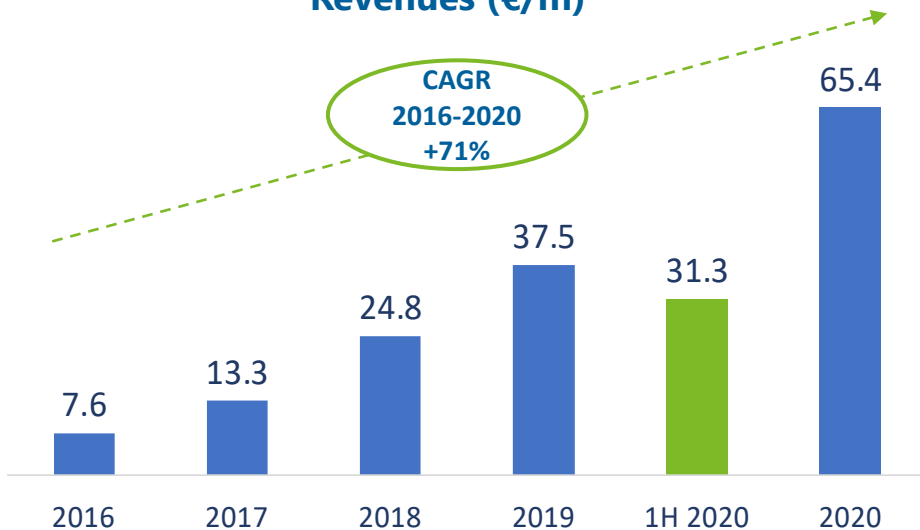


# AN EXPONENTIAL GROWTH

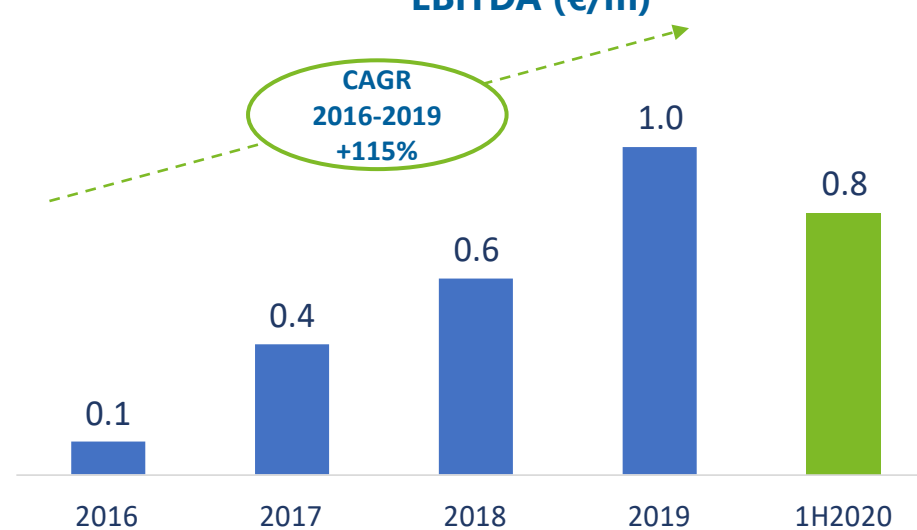


# 2019 RESULTS' STRONG IMPROVEMENT

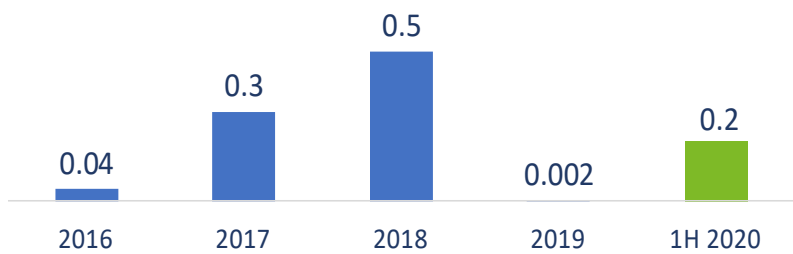
Revenues (€/m)



EBITDA (€/m)



EBIT (€/m)



Net Profit (€/m)



# 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** for both reception and express couriers; drivers carrying goods are not allowed to get off their trucks
- 4 All **meetings**, internally and with external visitors, have been **anceled** and replaced by video/conference call
- 5 **Three daily shifts** in March and April

## COVID-19 RELATED COSTS IN 1H2020

Cost of services negatively impacted by **Covid costs for Euro 232,000** due to the purchase of safety devices and to ensure interpersonal safety distance

Additional costs are related to **higher logistic costs** for the organisation of three daily shifts in March and April

**Higher transportation costs** for non-executed deliveries due to closures of red zones in about 2,500 municipalities

## PROFIT & LOSS STATEMENT

€/000	30/06/2020	30/06/2019	YoY %	2019
<b>Sales Revenues</b>	<b>31.310</b>	<b>17.855</b>	<b>76%</b>	<b>37.532</b>
Change in Inventories	2.564	907	183%	3.868
Other Revenues	348	-	-	-
<b>Value of Production</b>	<b>34.222</b>	<b>18.762</b>	<b>82%</b>	<b>41.400</b>
Materials used	23.235	13.108	77%	29.039
<b>Gross Margin</b>	<b>10.987</b>	<b>5.654</b>	<b>94%</b>	<b>12.361</b>
Costs of services	8.825	3.884	127%	9.439
Other operating costs	94	107	(12%)	106
<b>Total Operating Costs</b>	<b>32.154</b>	<b>17.099</b>	<b>88%</b>	<b>38.584</b>
Labour costs	1.243	817	52%	1.844
<b>EBITDA</b>	<b>825</b>	<b>847</b>	<b>(2%)</b>	<b>972</b>
Depreciation and amortisation	588	293	101%	970
<b>EBIT</b>	<b>238</b>	<b>554</b>	<b>(57%)</b>	<b>2</b>
Financial revenues (expenses)	(624)	(364)	n.m.	(86)
Extraordinary revenues (expenses)	0	0,3	n.m.	40
<b>EBT</b>	<b>(386)</b>	<b>190</b>	<b>n.m.</b>	<b>(44)</b>
Income taxes	93	(99)	n.m.	(20)
<b>Net profit</b>	<b>(294)</b>	<b>92</b>	<b>n.m.</b>	<b>(64)</b>

- **Revenues grew by 76% YoY**
- **Gross Margin** improved from **31.7% to 35.1% on revenues**
- **EBITDA almost flat** despite being negatively impacted by Covid direct related costs for Euro 232,000
- **H12020 EBITDA Adj at €1.1m**, to take into account the different technical form of obtaining financial resources, leasing vs mortgage contract
- In H12020 and H12019 P/L, PayPal and Braintree "Incasso sicuro" (Safe Collection) financial platforms costs have been accounted into Financial Expenses

## BUSINESS UNITS ANALYSIS

Business Units analysis confirms the strong growth in all business segments

€/m	30/06/2020	30/06/2019	YoY %
Online Sales	29.2	16.3	79%
Offline Sales	1.1	0.9	11%
Co-marketing	1.0	0.6	74%
Other Revenues	-	0.01	-
<b>Sales Revenues</b>	<b>31.3</b>	<b>17.9</b>	<b>76%</b>

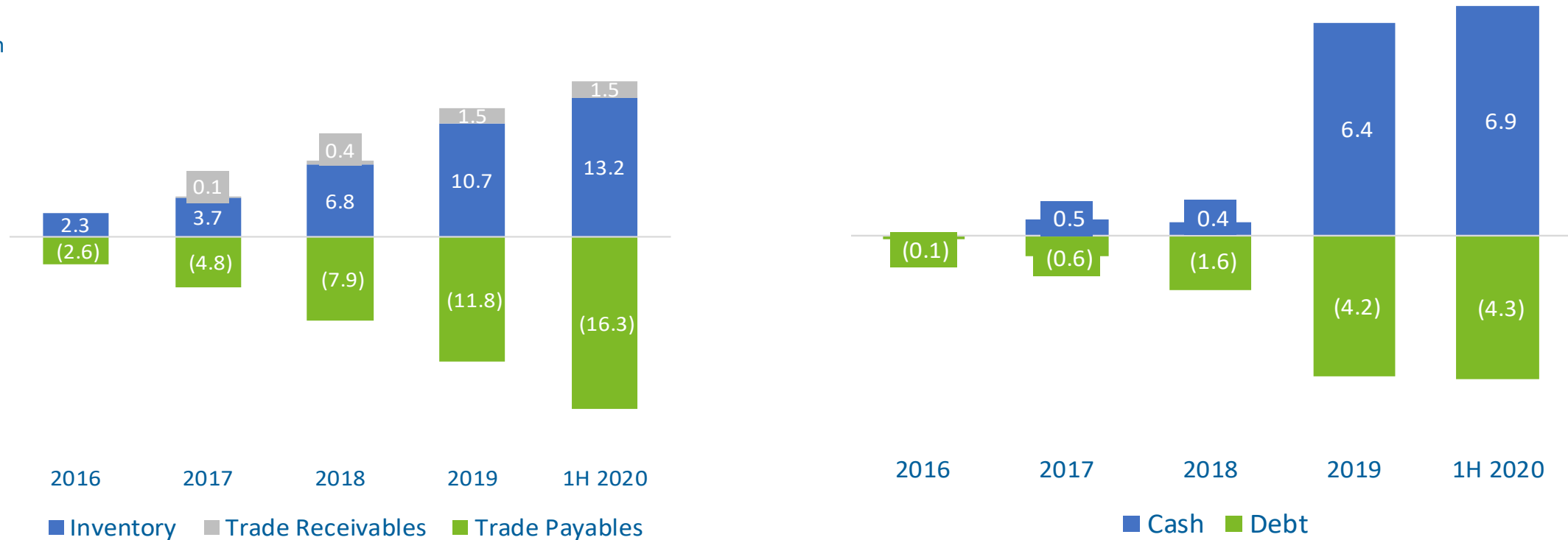
- + 79% YoY Online Sales growth, thanks to the increase of the number of references and the customer base expansion
- +11% YoY Offline growth. The new store opened in Cecina in June will display its sales in H2
- Co-marketing sales amounted to €1m, thanks to partnerships with the beauty and pharma companies, that see Farmaè as a major media company

- In 1H 2020, Farmaè's website has reached more than 20.8m of visits compared to 10.2m of 2019 (+104% YoY)
- Conversion rate higher than the national average, thanks to the innovative digital strategies
- Registered 0.7m of orders (+81% YoY) from more than 0.4m of active clients (+73% YoY)

## FINANCIAL HIGHLIGHTS

€/000	30/06/2020	31/12/2019
Fixed Assets	8,049	7,506
Net Working Capital	1,475	2,697
Net Financial Position	2,607	2,171
Net Equity	11,893	12,187

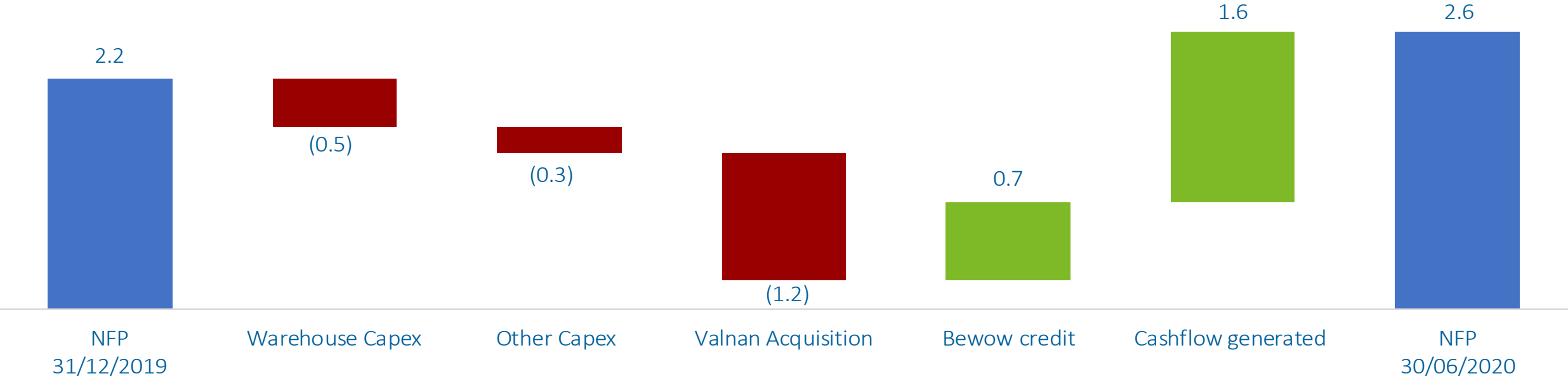
€/m





# NFP BRIDGE

€/m



- The Net Financial Position (NFP) is cash positive, equal to Euro + 2.6 million, compared to the NFP recorded at 31/12/2019 of Euro + 2.2 million
- Capex equal to 2.5% of revenues and were mainly linked to the automatization of the logistic hub
- Acquisition of Valnan, a digital media company specialized in Digital Consulting, Digital Advertising, Digital Tech and eCommerce

# STRENGTHENING THE GROUP'S OFFER: THE SANORT ACQUISITION

ACQUISITION OF THE ENTIRE SHARE CAPITAL OF SANORT FOR € 85.0 K



2019 RESULTS

**€575K**  
REVENUES

**€7K**  
EBITDA

**€44K**  
NFP (Cash)

- Sanort is an **online platform**
- Specialized in **aids for the disabled and elderly, and orthopedic and sanitary items**
- Farmaè will **improve its product range** entering in a market with great potential and high demand
- **Strategic choice** to increase the Group's offer offering simplicity and clarity in product selection

# STRENGTHENING THE MEDIA PLATFORM: THE VALNAN ACQUISITION

ACQUISITION OF THE ENTIRE SHARE CAPITAL OF THE DIGITAL AGENCY VALNAN S.R.L. ("VALNAN") FOR € 1.2 M



## 2019 RESULTS

€1.9M

REVENUES

€0.1M

EBITDA

€0.01M

NET PROFIT

€0.3M

Net Debt

- Valnan is an **online marketing agency**
- Specialized in **Digital Consulting, Digital Advertising, Digital Tech and eCommerce**
- Farmaè will **improve brands and products** by the end customers and optimise the budgets allocated for online advertising activities
- **Strategic choice** for the integration of Valnan's business intelligence within Farmaè perimeter while benefiting of an in-depth overview of the e-commerce guaranteed by Valnan's independence on market

# CONTACTS

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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

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 **FARMAÈ**GROUP