# **TALEA GROUP**

**DIGITAL PEOPLE ORIENTED** 

# **Investor Presentation**

July 24, 2023



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2014	2018	2019	2020	2021	2022	2023
Riccardo Iacometti establishes Farmaè	First co- marketing initiatives	Listing on Stock exchange AIM Market Launch of Beautyè and new logistics hub	Acquisitions of Sanort and Valnan	Acquisition of Amicafarmacia	Acquisition of Farmaeurope Entry of new product categories (e.g. Pet)	Farmaè Group evolves into Talea Group Launch of Telea Media Launch of Talea Logistics and new logistics hub International
,	,	,	,	,	,	Acquisition of Mood and Gooimp 2

# TALEA GROUP'S MODEL



**≁**farmaè

amicafarmacia

★farmaeurope

Consumers Area (online + <mark>retail)</mark>

>sanort

beautyè



# TALEA GROUP

DIGITAL PEOPLE ORIENTED

**People First** 

valnan

Industrial Area

(services)

TALEA MEDIA

# THE THREE STRATEGIC KEY PILLARS

Our growth strategy in the Consumers and Industrial Area

Needs (Consumers Area)

Ability to **reach the relevant communities**, therefore no longer just «consumers» and «customers» but also the **expressed and unexpressed needs** of Individuals and Companies within the relevant market.

Digital Evolution (Consumers & Industrial Area)

Ability to **evolve business models thanks to digital culture**, hence to family brands that are digitally evolved, competitive and close to People and Companies.

In order to accelerate **business growth**, one needs to build around People and Companies new services and channels to exploit all available **skills** to generate **performance**, also in cross-cutting markets, based on **digital know-how**. Data Economy (Industrial Area)

Ability to generate growth and thus prosperity within the relevant markets thanks to Data Analysis, which is the group's strategic value and a prerequisite for thriving in the Data Economy.

# OUR GROWTH STRATEGY

### ORGANIC GROWTH CONSUMERS AREA

**Consolidating market leadership** in the e-retailing of health, wellness and beauty products with the brands:

- Farmaè
- Amicafarmacia
- Farmaeurope,
- Sanort
- Beautyè
- Mood

#### DEVELOPMENT OF VALUE-ADDED BUSINESS FOR INDUSTRIAL AREAS

Seizing new revenue opportunities in business services with: 1. Talea Media, the Group's new brand for managing an ecosystem of digital opportunities for companies.

2. Valnan, Italian Excellence in Digital Communication and Marketing.

### <u>M&A</u> <u>OPPORTUNITIES</u>

Scouting for new valueaccretive projects:

1. In cross-border markets, with the aim of expanding the product offering.

2. In existing market to further consolidate leadership.

#### INTERNATIONALIZATION PROCESS

#### Expand internationally:

1. Development of the multi-store approach in the main European countries (**Germany, France, Spain, England, Austria**).

2. Strategic industrial partnerships.

# **Consumers** Area

🛧 farmaè amicafarmacia 🖈 formoeurope

Sanort
Beautyè



# TALEA GROWTH ABOVE MARKET AVERAGE IN ALL THE SECTOR

PHARMA

+10,60%

Jan-Jun 2023 vs Jan-Jun 2022

\*Source: IQVIA

+37,50%

### FARMAE' + AMICAFARMACIA + FARMAEUROPE

BEAUTY

+15,02%

Jan-Jun 2022 vs Jan-Jun 2023

\*Source: NPD

+38%

**BEAUTYE'** 

### DESIGN

+**I8%**\*J

an-Jun 2023 vs Jan-Jun 2022

\*Source: Report Area Studi Mediobanca

+60%

MOOD

# TALEA GROUP IS THE UNDISPUTED LEADER ON THE ITALIAN MARKET

### Top 5 players represent the 46% of Market Revenues



Source: IQVIA 2020

Talea Group, including Amicafarmacia, represents **55% of top 5 players**, with the leadership in the online health and wellness market.

### Traffic Share leadership Farmaè + Amicafarmacia + Farmaeurope

	Dom	ain (71)	Traffic Share	Country Rank	Monthly Visits	Unique Visitors	Desktop vs Mobile	Visit Duration	Pages/Visit Bo
1	ł	efarma.com	10.27%	#627	2.386M	1.586M	21.4%	00:02:13	3.17
2	*	farmae.it	9.02%	#581	2.096M	1.225M	20.9% 79.1%	00:03:54	4.95
3	\$	farmacialoret	6.27%	#703	1.457M	900,350	28.0% 72.0%	00:03:22	6.80
4	•	redcare.it	6.22%	#553	1.445M	822,812	20.0% 🔳 80.0%	00:03:35	3.97
5		farmasave.it	5.41%	#734	1.257M	737,123	26.0% 74.0%	00:03:51	5.81
6	38	1000farmaci	4.75%	#1,189	1.103M	800,873	30.9% 69.1%	00:02:12	3.29
7	•	farmacosmo.it	4.15%	#905	964,202	621,105	20.3% 79.7%	00:03:04	7.34
8	-	docpeter.it	4.04%	#1,229	939,284	660,775	22.4% 77.6%	00:02:17	4.02
9	af	amicafarmac	3.81%	#1,181	886,726	569,414	25.1% 74.9%	00:03:27	4.96
10	(T)	topfarmacia.it	3.58%	#786	831,308	459,795	24.6% 75.4%	00:04:06	9.35
11	*	farmaciaigea	2.74%	#2,069	636,243	455,522	19.3% 80.7%	00:01:32	3.05
12		tuttofarma.it	2.06%	#2,359	478,070	346,434	20.6% <b>9</b> 79.4%	00:01:47	2.56
13		drmax.it	1.92%	#2,049	447,263	283,316	42.9% 57.1%	00:02:26	3.35
14	+	farmacierave	1.88%	#4,117	436,611	273,469	17.7% 82.3%	00:01:48	2.11
15	¥	anticafarmac	1.83%	#2,084	425,395	308,512	23.5%	00:02:45	5.98
16	*	farmaeurope	1.82%	#4,092	424,248	287,816	22.1%	00:03:36	3.91
17	1	farmaciauno.it	1.74%	#2,688	404,659	278,577	24.7% 75.3%	00:03:15	3.99
18		semprefarma_	1.70%	#1.935	394.510	234,276	20.4%	00:02:54	6.72

#### Source: Similarweb

## A FIVE STAR REPUTATION



### Current TrustScore

4.5 \*\*\*\*

Based on 373.000 reviews received

Number of days with current TrustScore 12

Reviews received in the last 28 days 2% 2,210

### TrustScore comparison Current TrustScore 4.5 \*\*\*\*

Category average (Beauty and wellness products store)

3.6 🗙 🗙 🛧 🖈



Your TrustScore is higher than the average in your

## A WIDE RANGE OF PRODUCTS

### More than 100.000 SKUs in 2022



# CONSUMERS AREA GROWTH STRATEGY

Achieving a profitable Growth

PEOPLE Ability to reach the relevant communities, therefore no longer just «consumers» and «customers» but also the expressed and unexpressed needs of Individuals and Companies within the relevant market.	COMMERCIAL Increasing the sensitivity and loyalty of prospects over a much broader, cross sectional range, in current target markets as well as upcoming entries into cross-border category segments. The drive to truly serve all needs to achieve People's well-being, well-being broadly intended as a lifestyle.	SERVICES Improvement of Logistics Capacity Shipping in 24 hours Weekend delivery Dinner time delivery Option of delivery choice for the consumer Telephone purchase and Technical support	TECH E MARKETING Evolution of technological platforms Artificial intelligence Media mix evolution and communication activities (e.g. TV campaign) Acquisition and retention of market share (e.g. repurchase)	SUSTAINABILITY The evolution of the Customers Area is driven by the principle of sustainable growth, where sustainable refers to both the continuation of the revenue growth story and the EBITDA issues. Always in favour of consumer engagement logics that make ESG principles an absolute value also in the willingness to buy.
Talea People	Broader range Entry into new Categories	Development of new Services	New purchasing experience on digital platforms New Media Mix	Sustainable and balanced choices

# TALEA LOGISTICS FOR THE BENEFIT OF OUR CUSTOMERS

Logistics challenges in a complex ecosystem

IMPLEMENTATION OF LOGISTICS <u>HUBS</u>	<u>WAREHOUSE</u> <u>AUTOMATION</u>	SPEED SERVICES	INTEGRATING B2B LOGISTICS SOLUTIONS	<u>SUSTAINABILITY</u>
New 12,000-sqm automated logistics hub to be opened in Piedmont in 2023 in addition to the 5,000-sqm existing one in Tuscany.	Investment in technology and system integration to automate processes and operations in logistics hubs in order to streamline costs and evolutions.	Thanks to new warehouses and automated processes, 24-hour delivery services in Central and Northern Italy (e.g. Farmaè Speed; Amica Speed).	Capitalising on logistics know-how and Group investments to benefit small/medium-sized Italian companies approaching the online business.	Embracing the Group's ESG challenges to choose the best logistics solution for People and the Environment.
Supporting growth in size	Speed of execution	Delivery within 24 hours	Development of new services	Sustainable and balanced choices

# **Industrial Area**

# TALEA MEDIA

To manage an ecosystem of digital opportunities for businesses

Italian Excellence in Digital Communication and Marketing

# Talea Media





Targets: Health, Wellness and Beauty Industries (B2B)

Interlocutors: Chief Marketing Officer, Media Center, Market Research and Analysis Company

**Revenue stream: Media contracts** 

Digital assets: Own digital properties

Business Model: Publisher, Data Economy

Targets: Health, Wellness and Beauty Industries, Food and beverage Industries, Tech Industries, Retail Industries (B2B, B2C, B2B2C)

Interlocutors: Chief Marketing Officer

Revenue stream: Consulting, Project contracts

Digital assets: Brands digital assets

Business Model: Online communication and marketing consultancy

# TALEA MEDIA'S MODEL

<u>CONSULTING</u>	<u>DATA ANALYSIS</u>	<u>CREATIVITY</u>	<u>DIGITAL</u> <u>MARKETING</u>	DATA ECONOMY
Advisory activity aimed at understanding the customer's actual needs and proposing customised engagement solutions. Target 1: all Health, Wellness and Beauty industries Target 2: Italian and foreign start-ups Target 3: new international players wishing to enter the Italian market	Supporting companies' growth by analysing available data through an analysis model. Tool 1: Customised BI for each client Tool 2: Interactive dashboards Tool 3: Reporting and supporting	Supporting companies in the construction of new digital languages in terms of both visuals and content. Asset 1: creative concepts Asset 2: new online storytelling Asset 3: visual and tone of voice	Developing strategies aimed at engaging and acquiring leads and customers through proprietary digital channels and the use of media. Instrument 1: Media Budget Instrument 2: services in digital Marketing	<ul> <li>A business analytics approach to capitalise on the asset represented by millions of active customers who interact daily on our platforms.</li> <li>Target 1: all Health, Wellness and Beauty industries</li> <li>Target 2: Italian and foreign start-ups</li> <li>Target 3: new international players wishing to enter the Italian market</li> </ul>

### M&A OPPORTUNITIES



Opportunity for acquisition of high potential leading targets, active in the online channel, also in the Pharma business sector (cross-industry strategy).

Opportunity for acquisition of homologous and heterogeneous realities in cross-border markets, always aiming at the absolute value of People's Wellbeing, also in the domestic and working environment through the centrality of the digital asset. Acquisition opportunities for service companies in the Media, Communication, Digital Marketing and Social content areas, in order to further enhance the technical offer already present in the Industrial area through Talea Media and Valnan.

# INTERNATIONALIZATION PROCESS

#### **BUYER PERSONAS**

In 2022, an in-depth analysis of people's purchasing propensities in the main European markets (Germany, France, Spain, England, Austria) was started with the consultancy of specialised companies.

A clear identification of the target consumers emerged.

#### **CATEGORY**

After understanding the different purchasing behaviour for each country, we worked on defining the main supply drivers with our partner industries in order to position ourselves on the platforms with ad hoc views and categories.

### <u>TECH &</u> <u>MARKETING</u>

Launch of view sites for each target country with language translation of each engagement content.

Creation of an ad hoc marketing plan with a dedicated budget in order to speed up entry through performance marketing.

#### **LOGISTICS**

Implementation within the new Supply Chain of flows and procedures aimed at managing the different procurement and delivery logics on the European consumer.

Negotiation with the main international forwarding agents to guarantee the best delivery flows from Italy, always supported by respect for the principles of sustainability.

# 2025 Roadmap

## 2025 Industrial KPI

		2022		Target 2025	CAGR 22-25
CONSUMERS	Active customers	1 m		1.7 m	16.5%
<b>92%</b> of Group turnover is Digital by 2025	Products sold	12 m		22 m	21.4%
	SKUs	100,000		150,000	14.5%
	Media Budget	€ 9.1 m		€ 15 m	18%
INDUSTRIAL	Industrial customers	180		400	30.5%
<b>8%</b> of Group total turnover by 2025	Sessions on platforms	60 m		90 m	16.0%
SUPPLY CHAIN & LOGISTIC TARGET					

#### 80% of deliveries within 24 hours

Bringing processes and functions into **one single integrated model** 

Talea Logistics: more than **100,000** products in stock for the benefit of end consumers and companies

Opening logistics hubs for **fast shipping services (Speed)** 

## 2025 Financial KPI



Note: all numbers in the graphs are in € millions. Sums may add up to slightly different numbers due to rounding. (\*) Cumulative capex period 2023-2025.

Industrial 8%

International

Market 5%

# FY2022 Results and 1H2023 KPIs



Revenues Adj. 75.3 M (+37.2% YoY)

Revenues Area Consumer 72.1 M (+38.1% YoY)

3

Revenues Area Industrial 3.2 M (+18.6% YoY)



No. of products **7.7 M (+30.9% YoY)** 

No. of active customers (consumer) **33.0%** 



# Revenues Adj. 120.9M No. of orders 2.4 M No. of products 12.1 M Conversion rate **4.0%** 5 Revenues 4° quarter 2022 vs 4° quarter 2021 +38% No. of active customers (consumer) **1.0 M** No. of service customers (industrial) **180**

# Positive EBITDA Margin thanks to revenues growth and despite inflationary trend

€/mln	2022	2021	YOY
SALES adj (*)	120,9	85,9	40.8%
Gross margin	38,4	27,8	10,6
Gross margin	31.7%	32.5%	-0.8%
Selling and distribution as percentage of sales	-25,3%	-25,4%	0.1%
Administrative costs as percentage of sales	-6,4%	-6,7%	0.2%
Other operating expenses as percentage of sales	0,0%	-0,1%	0.1%
Adjusted ebitda (**)	2,5	2,7	-0,2
Adjusted ebitda margin %	2,1%	3,2%	-1.1%
Ebit	0,0	0,3	-0,3
Net result	-0,8	-0,1	-0,7

(\*) including comarketing revenues

(\*\*) adjusted for cost of integration of Amica Farmacia and other non recurring costs

- Strong growth of ADJ Revenues \* consolidating leadership in the market
- Strong performance of all the e-commerce platforms driven also by the introduction of new categories such as pet food and enlargment of SKUs
- Gross margin stood at 32% slightly below last year
- Positive ADJ EBITDA at € 2.5 mln despite increasing in purchasing and operational costs mainly due to inflationary dynamics. The company has decided to transfer only a limited amount of that to final consumers.
- ADJ EBITDA margin at 2.1%

### Main Financial Highlights

Revenues Adj (€/m)



(\*) including comarketing revenues

EBITDA Adj (€/m)



(\*\*) adjusted for cost of integration of Amica Farmacia and other non recurring costs

# Net Profit (€/m)

-1



Net Financial Debt (€/m)



# Net Financial Debt Bridge €/m



\* Including IFRS 16 effect of €3.4 mln

### Governance

**Deloitte** 



ALANTRA





(\*) Owned by Riccardo Iacometti (70%), Andrea Iacometti (20%) and Cinzia Rossi (10%). In addition, Riccardo Iacometti holds 200,000 ordinary shares equal to 2.92% included into the Free Float

# Thank you



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