

# H1 2023 Results

**Matthias Gaertner, CEO**

**Falk Neukirch, CFO**

August 14, 2023

- 
- 1 Executive summary**
  - 2 Financial overview
  - 3 Guidance 2023, growth story
  - 4 Appendix

# Highlights H1 2023

Operations	<ul style="list-style-type: none"><li>• Positive business development in <b>both operating segments</b></li><li>• Successful acquisition of Blisterzentrum Baden-Württemberg GmbH (“bbw”) and start of <b>integration of Afs’ manufacturing volume</b> into Medios’ labs</li><li>• <b>Centralization of blister business</b> at the bbw site near Stuttgart - Kölsche Blister GmbH <b>sold</b></li><li>• Extended distribution network <b>of now 750 specialized pharmacies</b></li></ul>
Financials	<ul style="list-style-type: none"><li>• <b>Ongoing growth:</b> Revenue of €854m (YoY +7.7%); EBITDA pre of €29m (YoY +1.9%)</li><li>• Financials reflect bbw acquisition, strategically driven inventory build-up, and changed regulation</li><li>• <b>Excellent Q3 2023 expected</b> due to strategic focus on inventory management – July 2023 exceptionally strong</li><li>• <b>Guidance 2023 confirmed:</b> Ongoing growth in 2023 with expected revenue of up to €1.8bn, EBITDA pre of up to €63m</li></ul>
Strategy	<ul style="list-style-type: none"><li>• Implementation of <b>extended growth strategy 2025</b> developed: Ongoing talks with <b>potential</b> international M&amp;A targets</li><li>• Extended product range: <b>parenteral nutrition for prematurely-born babies</b></li><li>• Prepare <b>ESG-Reporting FY2023</b> already in line with new regulations to be applied by Medios still on a voluntary basis</li><li>• <b>2 Awards:</b> M&amp;A Awards 2023 for BEST “<b>M&amp;A DIRECTION</b>” &amp; “<b>Best Jobs with a future</b>”</li></ul>

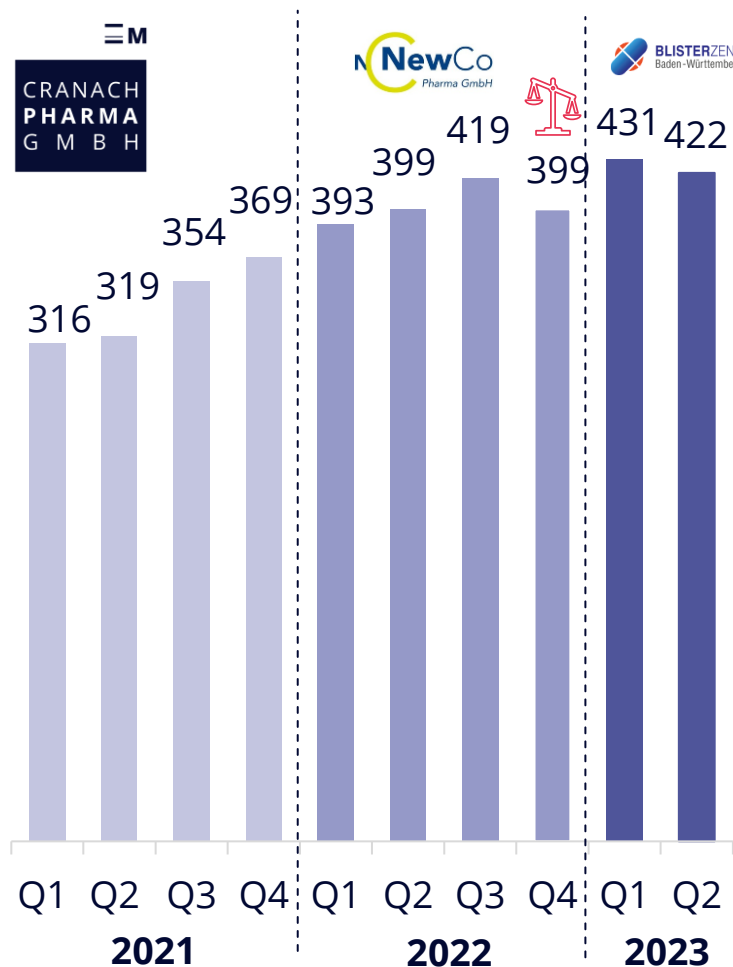
# Centralization of blister business at one site – Potential efficiency gains

## Sale of Kölsche Blister GmbH in June

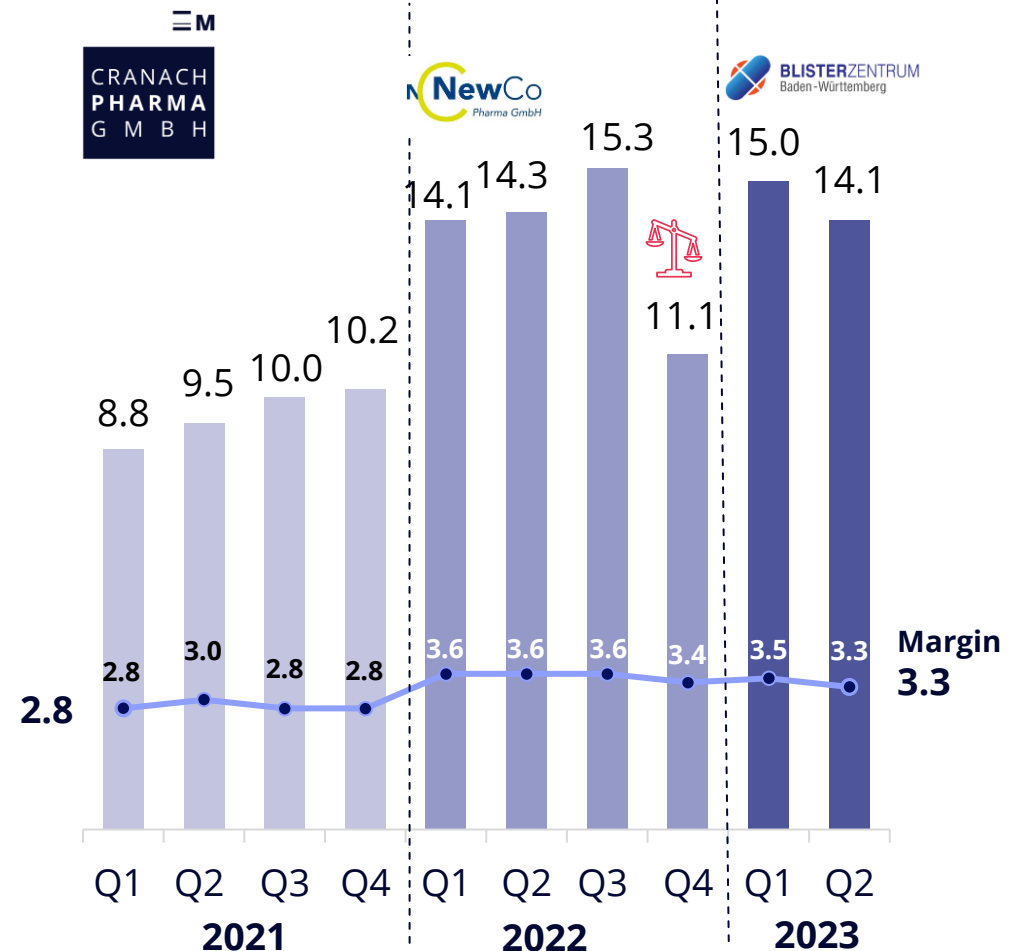
- **Kölsche Blister GmbH sold** to a strategic investor
- After acquiring bbw in January, **Medios concentrated its blister business** at the bbw site near Stuttgart, Germany
- **No significant impact on Medios earnings**, finances or assets
- Kölsche Blister GmbH will remain in Medios partner network, ongoing strategic cooperation with Medios – to result in **efficiency gains in the area of patient-specific blistering** in the medium-term
- Kölsche Blister revenue FY 2022: c. €12.6m

# QoQ almost stable despite burden due to regulatory changes

Revenue in €m

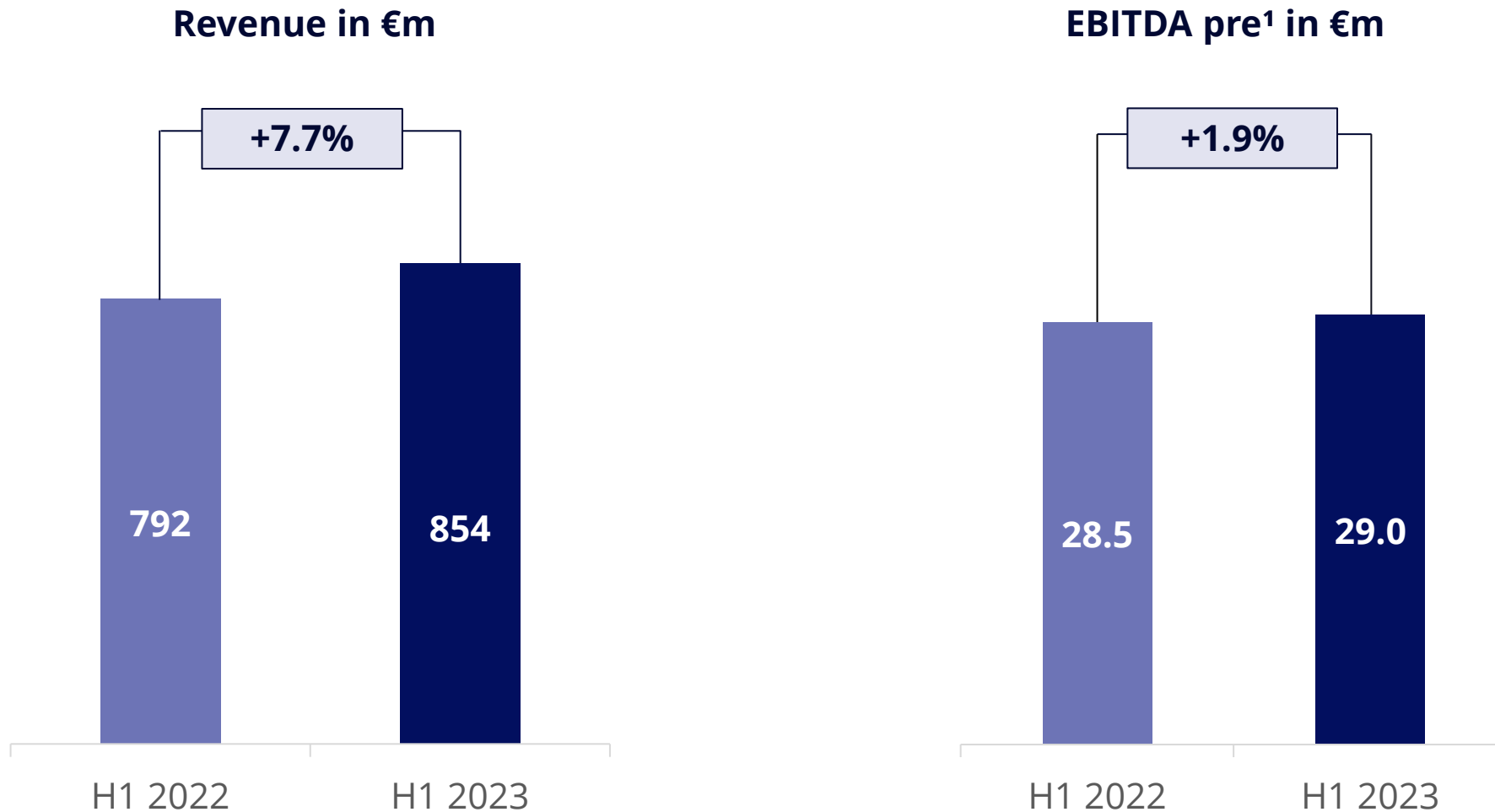


EBITDA pre<sup>1</sup> €m



<sup>1</sup> EBITDA pre is adjusted for special charges for stock options and expenses for M&A activities as well as from 2023 additionally for one-time performance-based payments for the acquisition of compounding volumes

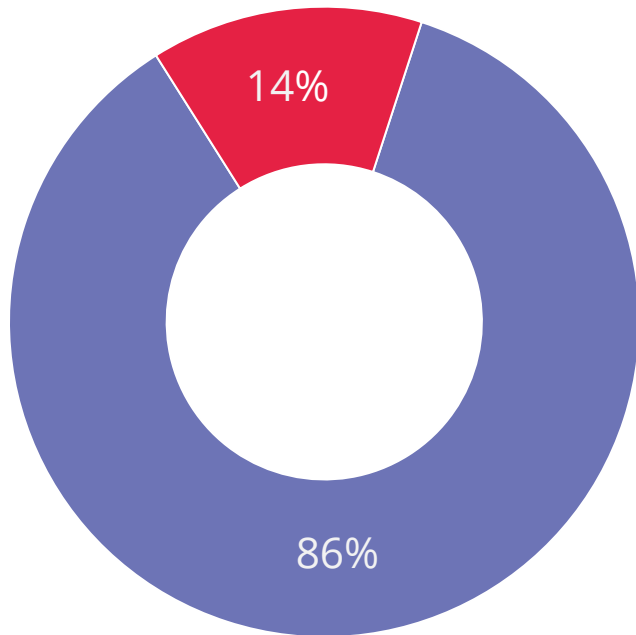
# Continuous and sustainable growth YoY



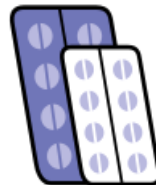
<sup>1</sup> EBITDA pre is adjusted for special charges for stock options and expenses for M&A activities as well as from 2023 additionally for one-time performance-based payments for the acquisition of compounding volumes

# Split by operative segments for H1 2023: Ongoing high EBITDA pre share for PST above target rate of 40%

Revenue by segment<sup>2</sup>

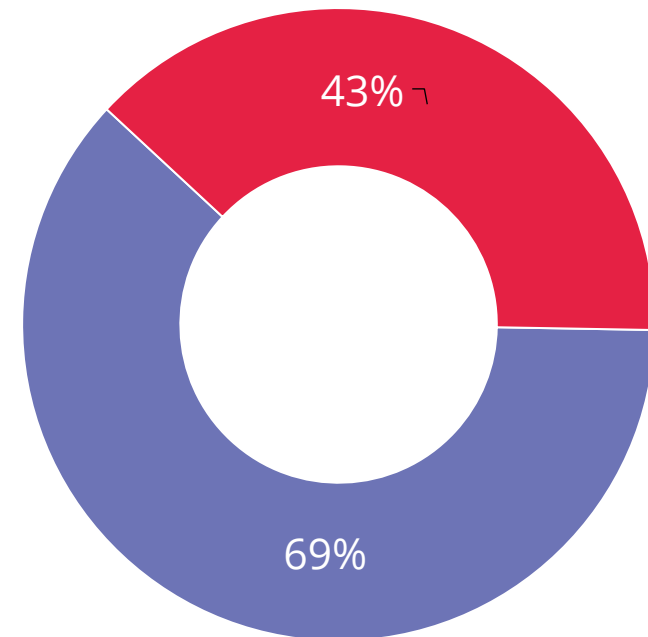


Patient-specific Therapies (PST)



Pharmaceutical Supply (PS)

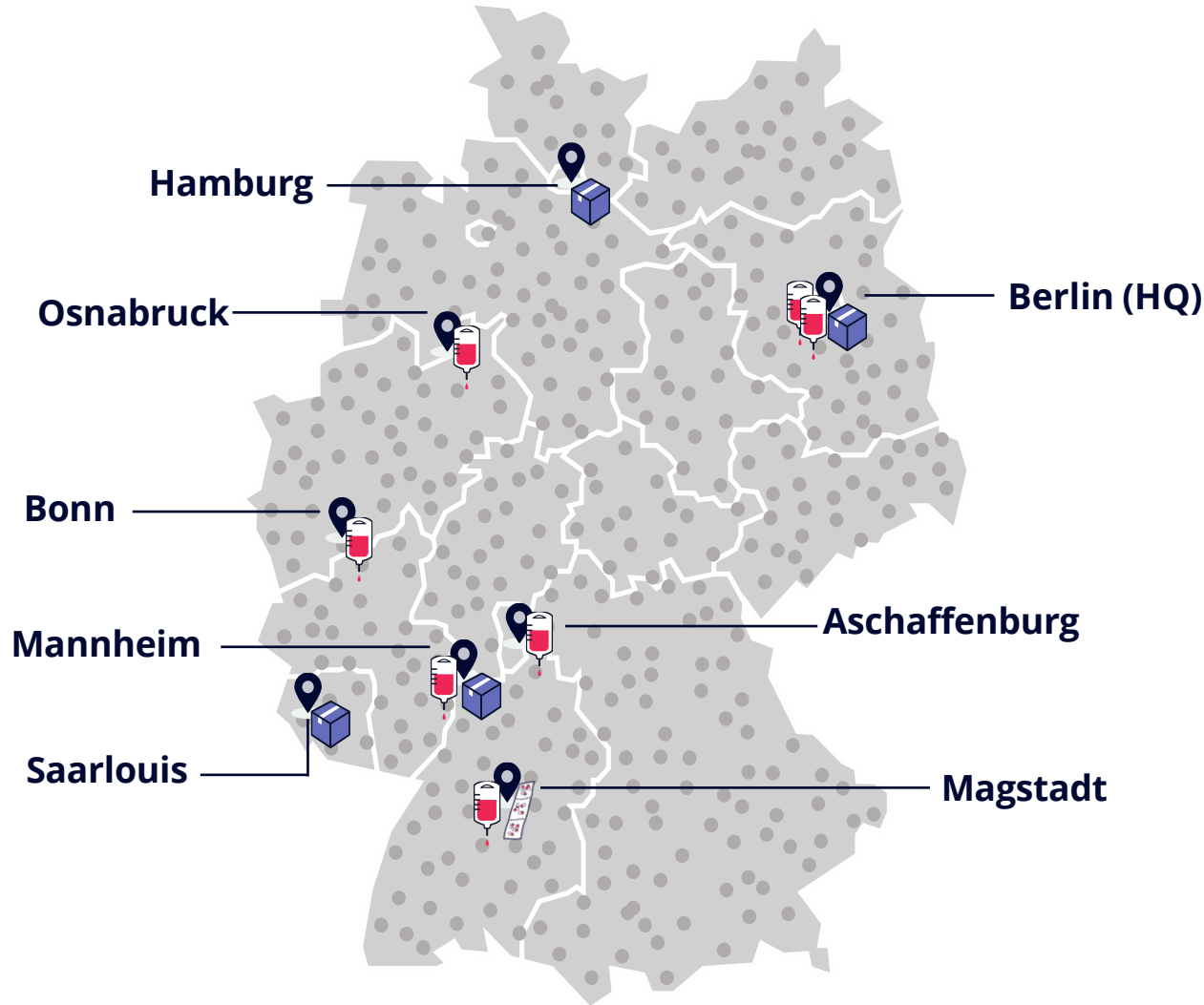
EBITDA pre<sup>1</sup> by segment<sup>2</sup>



<sup>1</sup> EBITDA pre is adjusted for special charges for stock options and expenses for M&A activities as well as from 2023 additionally for one-time performance-based payments for the acquisition of compounding volumes

<sup>2</sup> Including the segment "Services": Revenue = 0.05% | EBITDA pre = -12%

# Excellent geographic coverage through strong nationwide network of partners and own compounding facilities



- 7 GMP<sup>1</sup>- / 1 blistering **labs**
- 2 central / 2 regional **warehouses**
- Innovative IT-based platform **mediosconnect** in 5 federal states
- Around **750 specialized partner pharmacies**
- Around **330,000 individualized preparations** manufactured in 2022
- Goal for 2023: > **400,000 preparations**, depending on indication areas

- **Pharmaceutical supply**  
(Wholesale: warehouses)
- **Patient-specific therapies**  
(GMP compounding facilities)
- **Specialized partner pharmacies**



# ESG news H1 2023 – Twice awarded

## Further development of reporting systems

- **Goal:** Extend voluntary reporting in the Non-financial Consolidated Statement to already follow new CSRD<sup>1</sup> rules
- **Rating update and improvement:**

**S&P Global**



## M&A Award<sup>2</sup>

- **Award** in recognition of the best "M&A Direction" for:
  - Successful coordination of acquisition and integration of NewCo Pharma

## Deutschland Test Award<sup>3</sup> – „Best jobs with future“

- **Over 6,000** tested companies by IMWF<sup>4</sup>
- Medios ranks **#7** in the pharmaceutical industry – among renowned pharma companies

Branche/Unternehmen	Punkte
<b>Pharmaunternehmen</b>	
Vetter Pharma	100,0
Takeda	96,5
InfectoPharm	88,3
Boehringer Ingelheim	87,8
Aenova Group	87,0
Biotech	85,9
STADA	83,5
<b>Medios</b>	<b>83,5</b>
Roche	70,4
Grünenthal	68,5
Sandoz	68,1
Bayer	65,5
Engelhard Arzneimittel	64,6
Bristol-Myers Squibb	63,3
Sanofi	62,4
AstraZeneca	62,0

- 
- 1 Executive summary
  - 2 Financial overview**
  - 3 Guidance 2023, growth story
  - 4 Appendix

# H1 2023 – Financials

In € million	H1 2023	H1 2022	Δ%
Revenue	853.5	792.2	7.7%
Gross profit <sup>1</sup> <i>gross margin in %</i>	54.4 6.4%	53.4 6.7%	1.8%
EBITDA pre <sup>2</sup> <i>margin in %</i>	29.0 3.4%	28.5 3.6%	1.9%
Conversion rate in % ( <i>EBITDA pre/gross profit</i> )	53.3%	53.3%	0.0%
EBIT	15.4	16.1	-4.5%
EPS (€), undiluted	0.39	0.42	-7.1%
CF from operating activities	-75.2	9.9	<-100.0%
CF from investing activities	-16.4	-84.5	-80.7%
CF from financing activities	42.6	-15.6	<-100.0%
In € million	30 June 2023	31 Dec 2022	Δ%
Inventories	99.5	50.0	98.8%
Cash & cash equivalents	30.3	79.2	-61.8%
Equity <i>ratio in %</i>	458.0 72.9%	448.0 77.8%	2.2%

## Comments

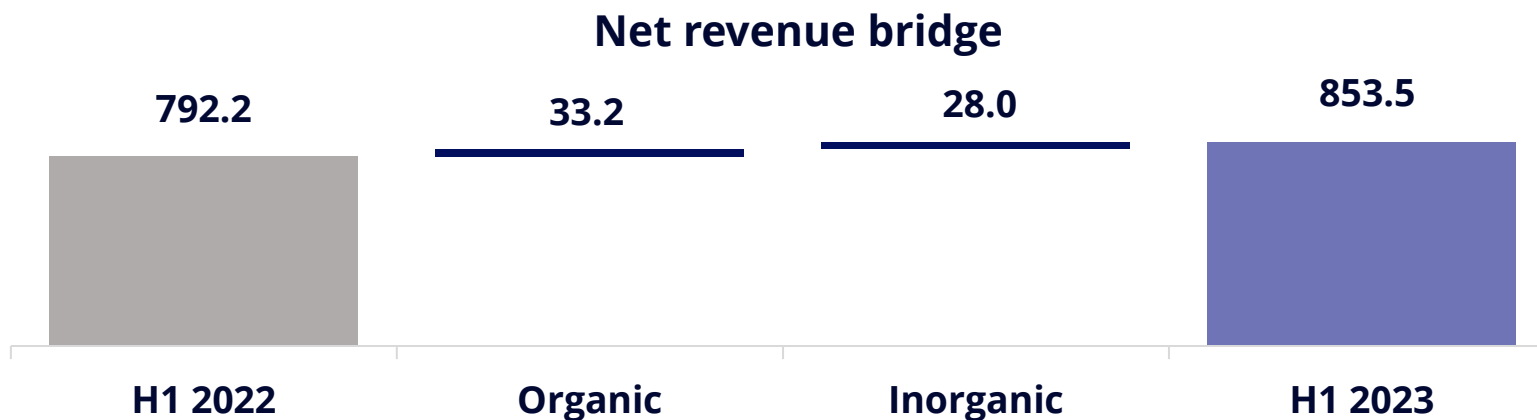
- **Record revenue** driven by contribution of both operative segments and inclusion of bbw in consolidated accounts for six months
- **Gross profit and EBITDA pre** further increased, with slightly lower margins mainly due to regulatory price deductions
- **Operating CF** burdened by a temporary increase in inventories of €50m up to €100m, mainly revenue-driven build-up of receivables, €5.7m for per-formance-based payment for compounding volumes acquisition
- **Investing CF** dominated by bbw acquisition (€19.2m)
- **Financing CF** of €43m reflects net drawings under Revolving Credit Facility for stock increase and acquisition of bbw
- Decrease in **cash & cash equivalents** mainly due to stock increase

# H1 2023 – Organic and inorganic revenue contributed to growth

H1 YoY Revenue in €m	H1 2022	Organic	Inorganic (bbw/Afs)	H1 2023
Pharmaceutical Supply	682.5	28.5	23.1	734.1
Patient-specific Therapies	109.5	4.5	4.9	118.9
Services	0.2	0.2	-	0.4
<b>Medios Group total</b>	<b>792.2</b>	<b>33.2</b>	<b>28.0</b>	<b>853.5</b>
<i>Medios Group total in %</i>		<i>4.2%</i>	<i>3.5%</i>	<i>7.7%</i>

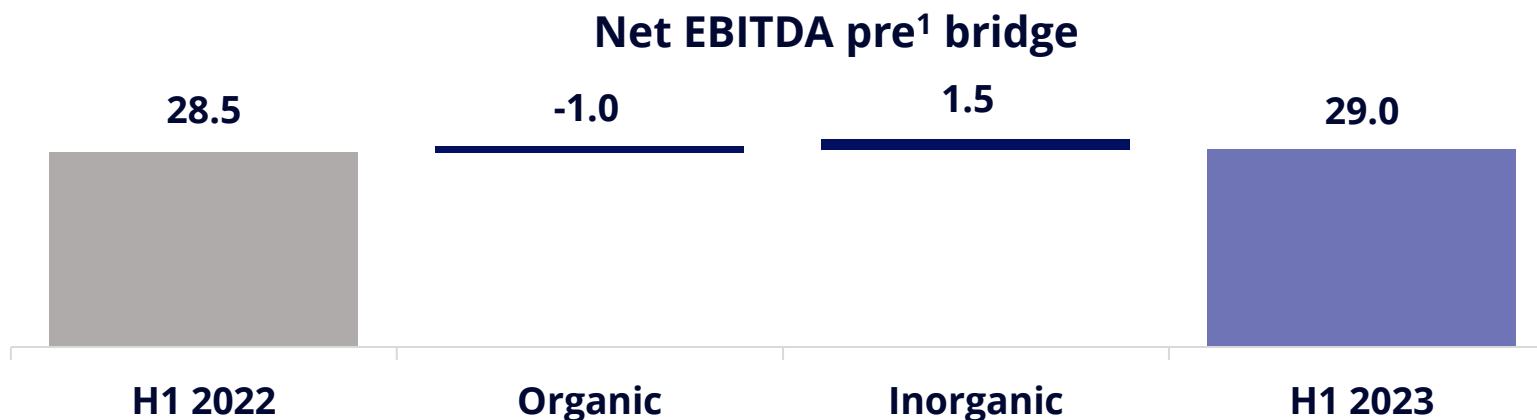
## Comments

- bbw acquisition led to revenue contribution of €28m mainly in PS segment (€23.1m in PS; €4.9m in PST)



# H1 2023 – EBITDA pre<sup>1</sup> driven by acquisition of bbw and integration of AfS' manufacturing volume into Medios' labs

H1 YoY EBITDA pre <sup>1</sup> in €m	H1 2022	Organic	Inorganic (bbw/Afs)	H1 2023	Comments
Pharmaceutical Supply	17.5	1.4	1.0	19.9	<ul style="list-style-type: none"> <li>• <b>EBITDA pre of PS</b> grew mainly organically but also inorganically through bbw acquisition</li> <li>• Successful integration of bbw and compounding from AfS led to EBITDA pre<sup>1</sup> contribution of €1.5 (€1.0m in PS; €0.5m in PST)</li> <li>• <b>Services</b> reflects mainly increased IT and personnel costs for central functions</li> </ul>
Patient-specific Therapies	13.2	-1.2	0.5	12.5	
Services	-2.2	-1.2		-3.4	
<b>Medios Group total</b>	<b>28.5</b>	-1.0	1.5	<b>29.0</b>	
<i>Medios Group total in %</i>		<i>-3.5%</i>	<i>5.3%</i>	<i>1.9%</i>	



# H1 2023 – YoY Group margin slightly decreased due to regulatory impacts

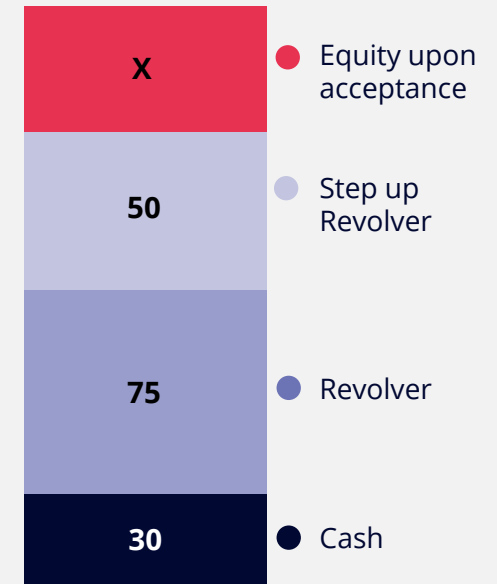
	Pharmaceutical Supply 'PS'		Patient-specific Therapies 'PST'		Internal Services and IFRS consolidation		Group	
In € million	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
<b>Total segment revenue</b> <i>delta (yoy in %)</i>	800.7 <b>12.0%</b>	714.9	140.5 <b>5.1%</b>	133.6	-87.7 <b>55.5%</b>	-56.4	853.5 <b>7.7%</b>	792.2
<b>Revenue - external</b> <i>delta (yoy in %)</i>	734.1 <b>7.6%</b>	682.5	118.9 <b>8.6%</b>	109.5	0.4 <b>77.2%</b>	0.2	853.5 <b>7.7%</b>	792.2
<b>EBITDA pre<sup>1</sup></b> <i>margin (% of revenue - total)</i>	19.9 <b>2.5%</b>	17.5 <b>2.4%</b>	12.5 <b>8.9%</b>	13.2 <b>9.9%</b>	-3.4 <b>3.9%</b>	-2.2 <b>4.0%</b>	29.0 <b>3.4%</b>	28.5 <b>3.6%</b>
<i>margin (% of revenue - external)</i>	<b>2.7%</b>	<b>2.6%</b>	<b>10.5%</b>	<b>12.1%</b>	<b>&lt;-100%</b>	<b>&lt;-100%</b>	<b>3.4%</b>	<b>3.6%</b>

# Ongoing strong financing power – to invest in future growth

## Available and future funds

- Approx. **€+37m annual** operating cash flow in 2023
- Approx. **€-5m** annual operating capex need
- Approx. **€30m** available cash end of June 2023
- Revolving credit facility **€75m**; available by end of June 2023  
€30m; repayment of drawings in Q3 2023 based on positive operating cash flow
- Covenants Revolver: Net leverage **potential up to 3**

## Financing power in €m

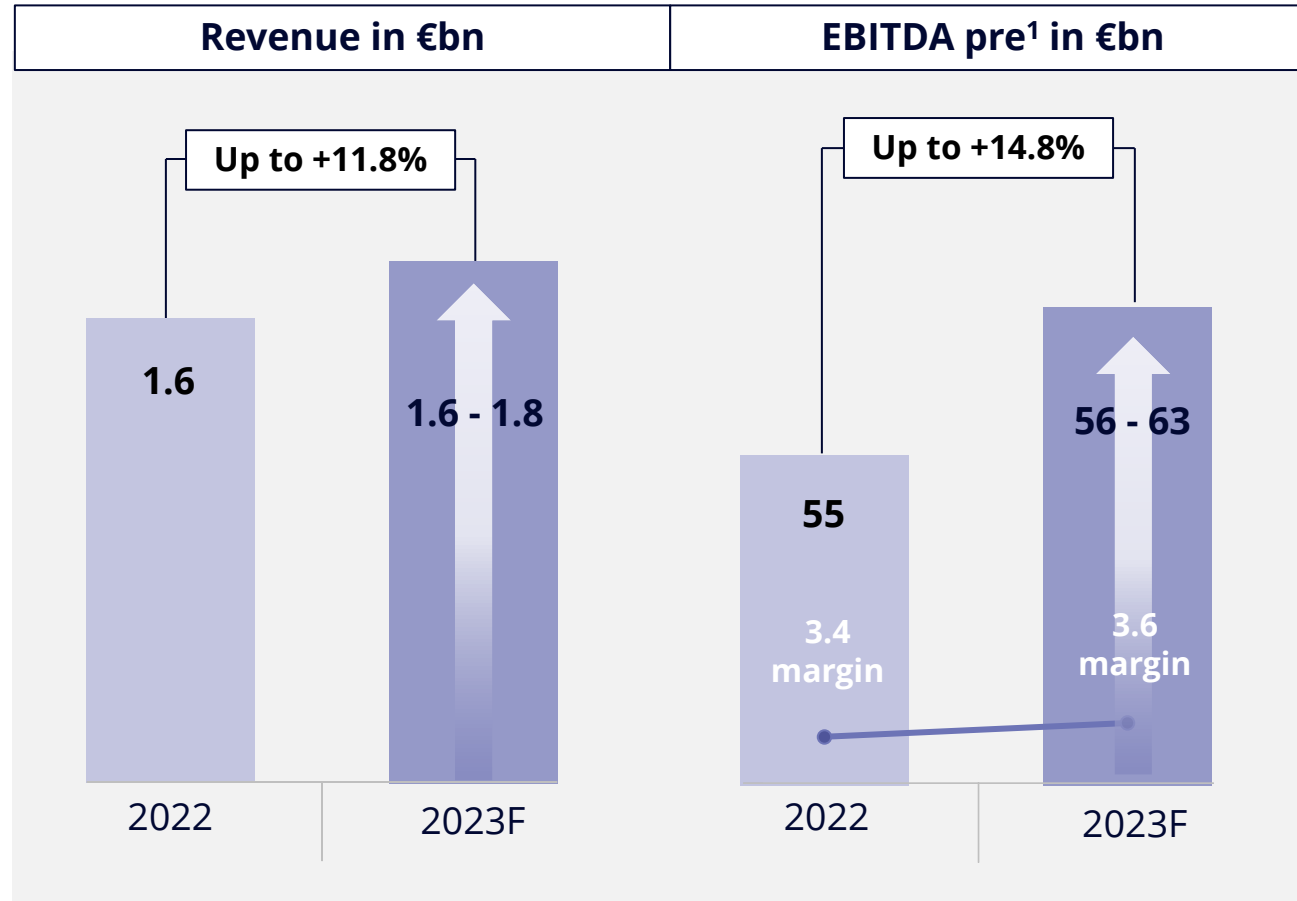


Financial scope large enough for organic and inorganic growth

- 
- 1 Executive summary
  - 2 Financial overview
  - 3 Guidance 2023, growth story**
  - 4 Appendix



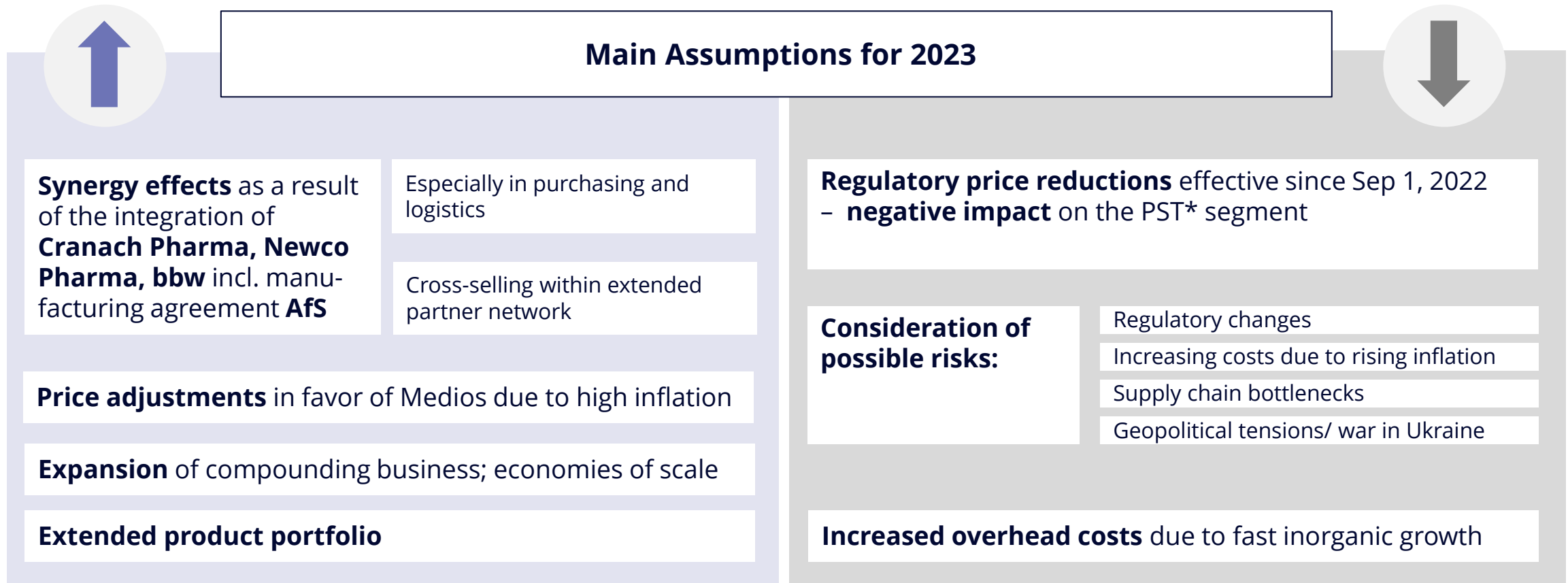
# Guidance FY 2023 confirmed (1/2) – Ongoing growth story



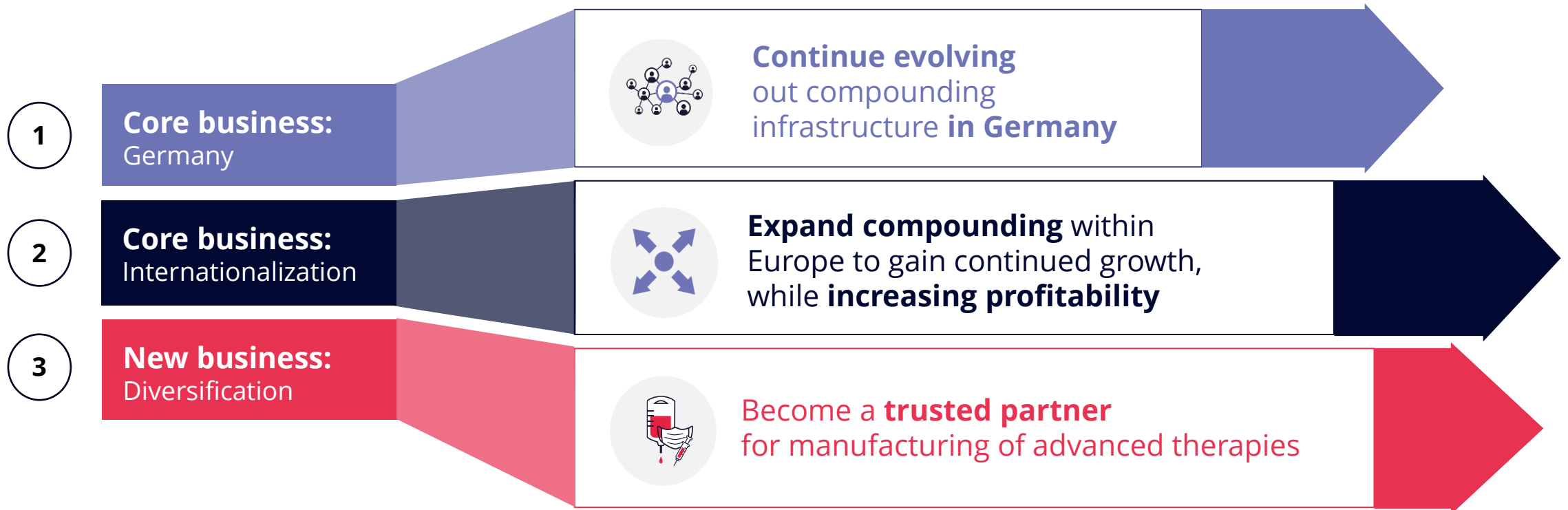
## Comments

- **Revenue expected** to reach **range of €1.6-1.8bn in 2023** (growth up to 11.8% compared to 2022)
- **EBITDA pre<sup>1</sup> expected** to reach range of €56-63m in 2023 (growth up to 14.8% compared to 2022)

# Guidance FY 2023 confirmed (2/2) – Main assumptions

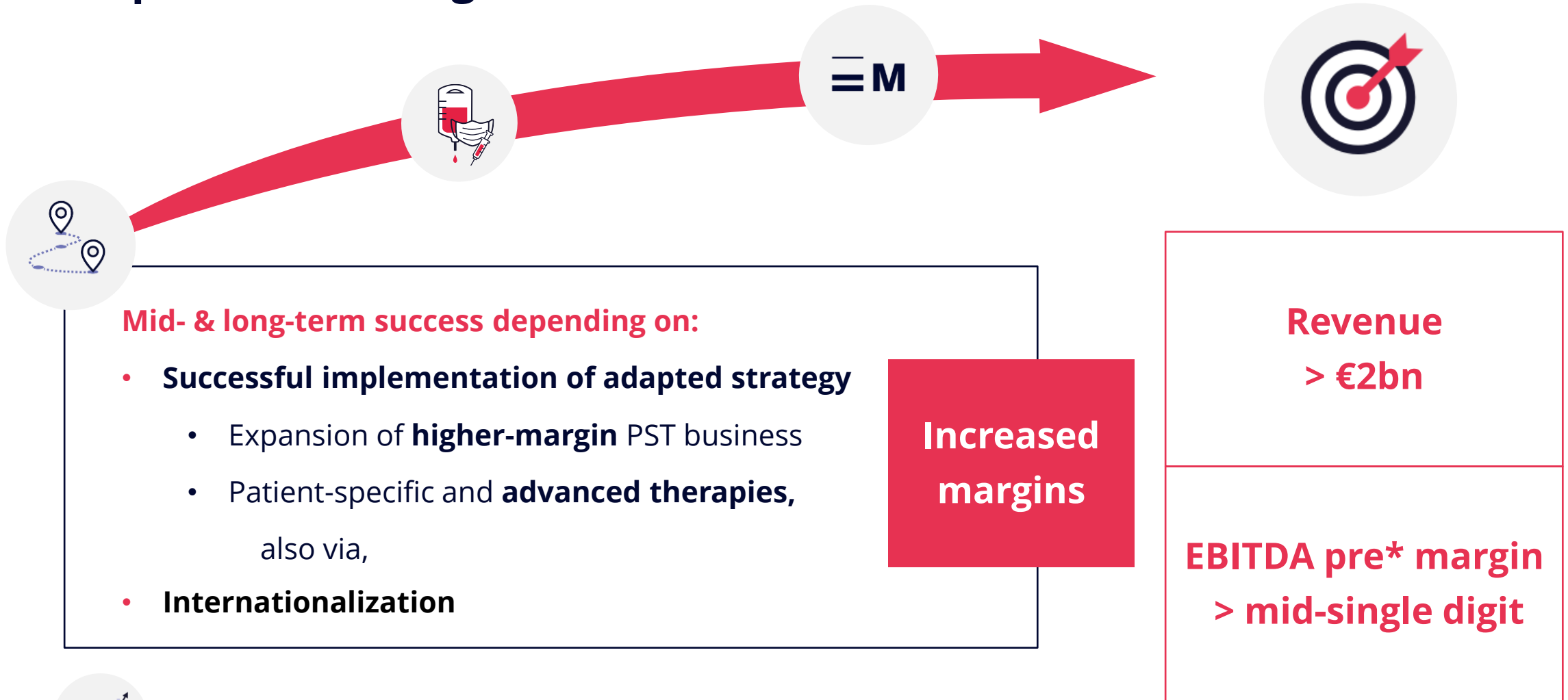


# Our strategic priorities moving forward



Goal: Risk diversification and margin increase

# Group Mid-term targets 2025-2027



**Growth drivers:** organic, M&A, economies of scale, cost efficiencies

\* EBITDA pre is adjusted for special charges for stock options and expenses for M&A activities as well as from 2023 additionally for one-time performance-based payments for the acquisition of compounding volumes

## Conclusion H1 2023

- **Solid performance** in H1 2023 - strengthening market leadership in Specialty Pharma
- **Diversification** and **continued focus on synergies mitigate impact from regulatory changes**
- **Excellent Q3 2023 expected** - supported by inflation-related price adjustments - July 2023 exceptionally strong
- **FY 2023 guidance confirmed:** Revenue up to €1.8b and EBITDA pre up to €63m
- **Ongoing talks** with several **potential M&A-targets** in Europe (outside Germany)

Growth story well on track

- 
- 1 Executive summary
  - 2 Financial overview
  - 3 Guidance 2023, growth story
  - 4 Appendix**

# H1 / Q2 2023 - Key figures (1/2)

in € thousand

	H1 2023	H1 2022	Δ in %	Q2 2023	Q2 2022	Δ in %
<b>Revenue</b>	<b>853,517</b>	<b>792,179</b>	<b>7.7%</b>	<b>422,278</b>	<b>399,224</b>	<b>5.8%</b>
Pharmaceutical Supply	734,146	682,456	7.6%	366,002	343,252	6.6%
Patient-Specific Therapies	118,948	109,484	8.6%	56,012	55,875	0.2%
Services	423	238	77.2%	265	97	172.3%
<b>EBITDA</b>	<b>25,908</b>	<b>26,788</b>	<b>-3.3%</b>	<b>12,615</b>	<b>13,501</b>	<b>-6.6%</b>
<i>Margin (in % of Revenue)</i>	<b>3.0%</b>	<b>3.4%</b>		<b>3.0%</b>	<b>3.4%</b>	
<b>EBITDA pre<sup>1</sup></b>	<b>29,007</b>	<b>28,456</b>	<b>1.9%</b>	<b>14,055</b>	<b>14,318</b>	<b>-1.8%</b>
<i>Margin (in % of Revenue)</i>	<b>3.4%</b>	<b>3.6%</b>		<b>3.3%</b>	<b>3.6%</b>	
Pharmaceutical Supply	19,885	17,456	13.9%	9,760	9,099	7.3%
Patient-Specific Therapies	12,520	13,246	-5.5%	5,964	6,353	-6.1%
Services	-3,397	-2,247	51.2%	-1,669	-1,134	47.2%
<b>EBIT</b>	<b>15,363</b>	<b>16,093</b>	<b>-4.5%</b>	<b>7,346</b>	<b>8,245</b>	<b>-10.9%</b>
<i>Margin (in % of Revenue)</i>	<b>1.8%</b>	<b>2.0%</b>		<b>1.7%</b>	<b>2.1%</b>	
<b>Comprehensive income before minority interests</b>	<b>9,266</b>	<b>9,972</b>	<b>-7.1%</b>	<b>4,437</b>	<b>4,934</b>	<b>-10.1%</b>

**Key Performance Indicator (KPI): Figures used to manage the Company's success**

# H1 / Q2 2023 - Key figures (2/2)

<b>in € thousand</b>	<b>H1 2023</b>	<b>H2 2022</b>	<b>Δ in %</b>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>Δ in %</b>
<b>Earnings per share (in €)</b>						
Undiluted	0.39	0.42	-7.1%	0.19	0.21	-9.5%
Diluted	0.39	0.42	-7.1%	0.19	0.21	-9.5%
<b>Investments (CAPEX)</b>	547	2,864	-80.9%	272	721	-62.3%
<b>Cash flow from operating activities</b>	-75,170	9,931	-856.8%	-49,831	12,459	-500.0%
<b>*Extraordinary expenses</b>	<b>3,099</b>	<b>1,667</b>	<b>85.9%</b>	<b>1,441</b>	<b>817</b>	<b>76.3%</b>
Expenses from stock options <sup>1</sup>	734	1,375	-46.6%	367	688	-46.7%
Other M&A expenses <sup>1</sup>	129	292	-55.9%	-32	130	-124.8%
Performance-related expenses for the acquisition of manufacturing volumes	2,237	0	n/a	1,106	0	n/a
<b>Employees as of 30 June</b>	514	501	2.6%			
<b>Employees (average)<sup>2</sup></b>	513	499	2.8%			
	<b>Jun 30, 2023</b>	<b>Dec 31, 2022</b>	<b>Δ in %</b>			
<b>Balance sheet total</b>	628,198	575,958	9.1%			
Equity	458,044	448,045	2.2%			
<i>Equity ratio (in %)</i>	<b>72.9%</b>	<b>77.8%</b>	<b>-6.3%</b>			

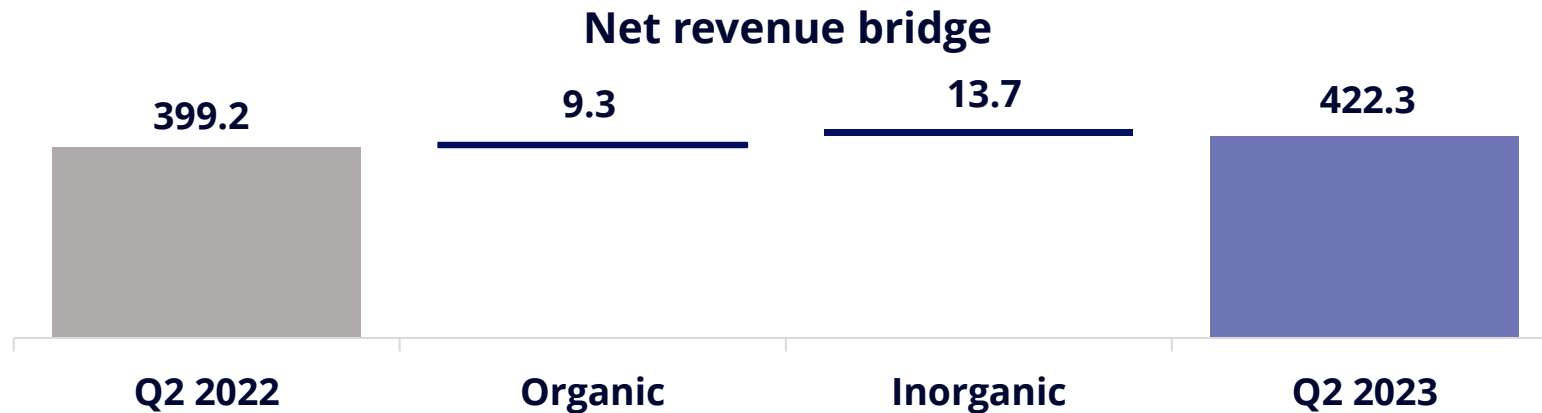


# Q2 2023 - Driven by acquisition of bbw and integration of AfS' manufacturing volume supported by organic growth

Q2 YoY Revenue in €m	Q2 2022	Organic	Inorganic (bbw/Afs)	Q2 2023
Pharmaceutical Supply	343.3	11.3	11.4	366.0
Patient-specific Therapies	55.9	-2.2	2.3	56.0
Services	0.1	0.2		0.3
<b>Medios Group total</b>	<b>399.2</b>	<b>9.3</b>	<b>13.7</b>	<b>422.3</b>
<i>Medios Group total in %</i>		<i>2.3%</i>	<i>3.4%</i>	<i>5.8%</i>

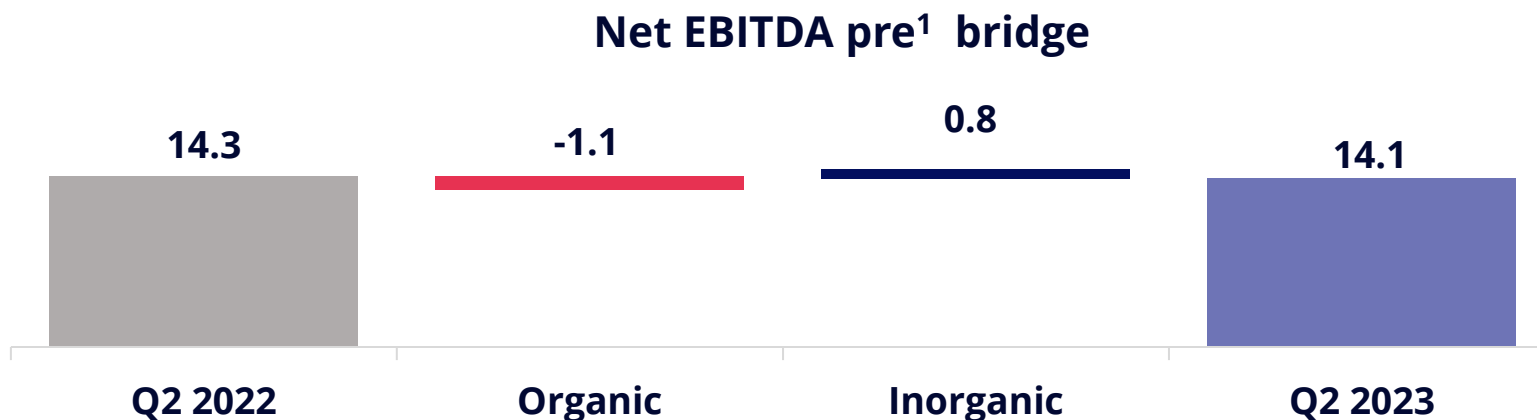
## Comments

- Inorganic growth driven by bbw/AfS integration
- Organic growth 2.3%



# Q2 2023 – Impacted by integration of bbw and AfS’ compounding and regulatory changes since Sep 2022

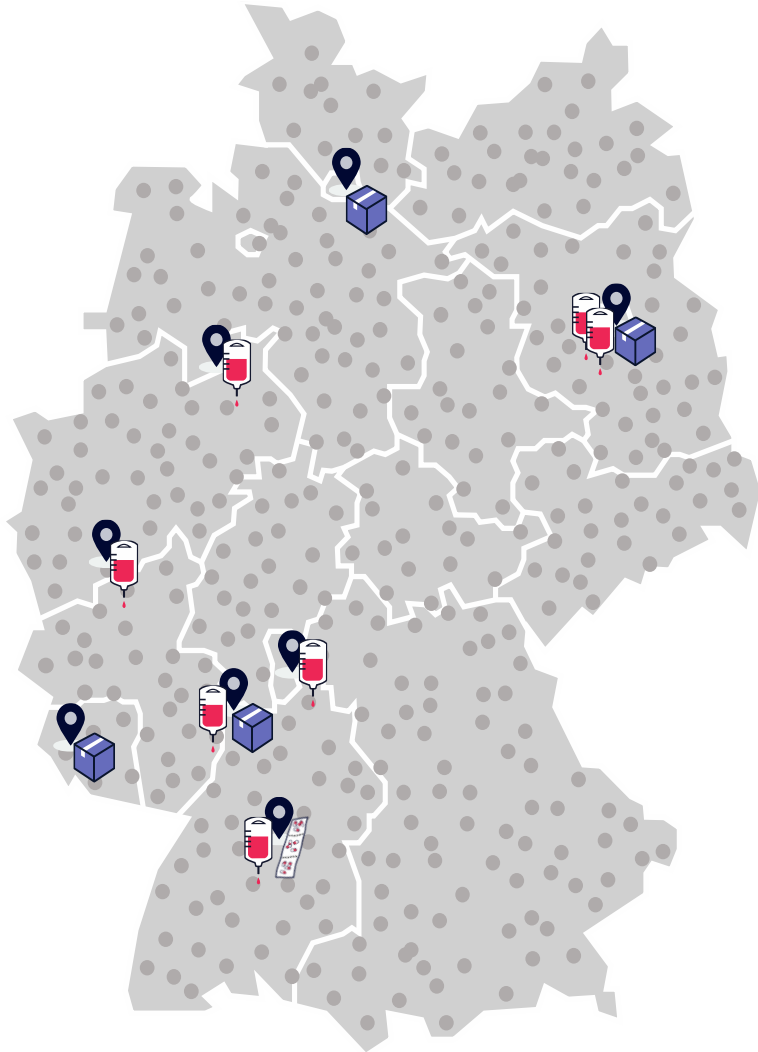
Q2 YoY EBITDA pre <sup>1</sup> in €m	Q2 2022	Organic	Inorganic (bbw/Afs)	Q2 2023	Comments
Pharmaceutical Supply	9.1	0.1	0.6	9.8	<ul style="list-style-type: none"> <li>• Successful integration of bbw and compounding from AfS led to EBITDA pre<sup>1</sup> contribution of €0.8m (€0.6m in PS; €0.2m in PST)</li> <li>• Segment <b>Services</b> reflects increased IT and personnel costs</li> </ul>
Patient-specific Therapies	6.4	-0.6	0.2	6.0	
Services	-1.1	-0.6		-1.7	
<b>Medios Group total</b>	<b>14.3</b>	-1.1	0.8	<b>14.1</b>	
<i>Medios Group total in %</i>		<i>-7.7%</i>	<i>5.6%</i>	<i>-1.8%</i>	



## Q2 2023 – YoY Group margin slightly decreased due to regulatory impacts

In € million	Pharmaceutical Supply 'PS'		Patient-specific Therapies 'PST'		Internal Services and IFRS consolidation		Group	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
<b>Total segment revenue</b> <i>delta (yoy in %)</i>	398.9 <b>10.6%</b>	360.7	64.5 <b>-5.2%</b>	68.1	-41.1 <b>39.3%</b>	-29.5	422.3 <b>5.8%</b>	399.2
<b>Revenue - external</b> <i>delta (yoy in %)</i>	366.0 <b>6.6%</b>	343.3	56.0 <b>0.2%</b>	55.9	0.3 <b>172.3%</b>	0.1	422.3 <b>5.8%</b>	399.2
<b>EBITDA pre<sup>1</sup></b> <i>margin (% of revenue - total)</i>	9.8 <b>2.4%</b>	9.1 <b>2.5%</b>	6.0 <b>9.2%</b>	6.4 <b>9.3%</b>	-1.7 <b>4.1%</b>	-1.1 <b>3.8%</b>	14.1 <b>3.3%</b>	14.3 <b>3.6%</b>
<i>margin (% of revenue - external)</i>	<b>2.7%</b>	<b>2.7%</b>	<b>10.6%</b>	<b>11.4%</b>	<b>&lt;-100%</b>	<b>&lt;-100%</b>	<b>3.3%</b>	<b>3.6%</b>

# 1. Push forward manufacturing business in Germany



- **Closing the white spots** in geographic coverage of Medios' partner network, especially in Bavaria and/or Eastern Germany – **Acquisition of labs** and /or conclude cooperation agreements
- Advance market penetration through innovative digital IT-based platform **mediosconnect**
- **Increase the number of doctors and surgeries** behind our partner pharmacies
- **Expansion and diversification** of Medios' indication areas:
  - For example, like the recent start of **parenteral nutrition for prematurely born babies** – diversify customer groups

- **Pharmaceutical supply**  
(Wholesale: warehouses)
- **Patient-specific therapies**  
(GMP compounding facilities)
- **Specialized partner pharmacies**

## 2. Prioritised markets are growing markets with attractive gross margins



The **gross margins** range from **10% - 60% \***

The **segment growth** rate ranges from **5% - 65% \***



The **total compounding market size\*** is estimated to be **~ €2bn**

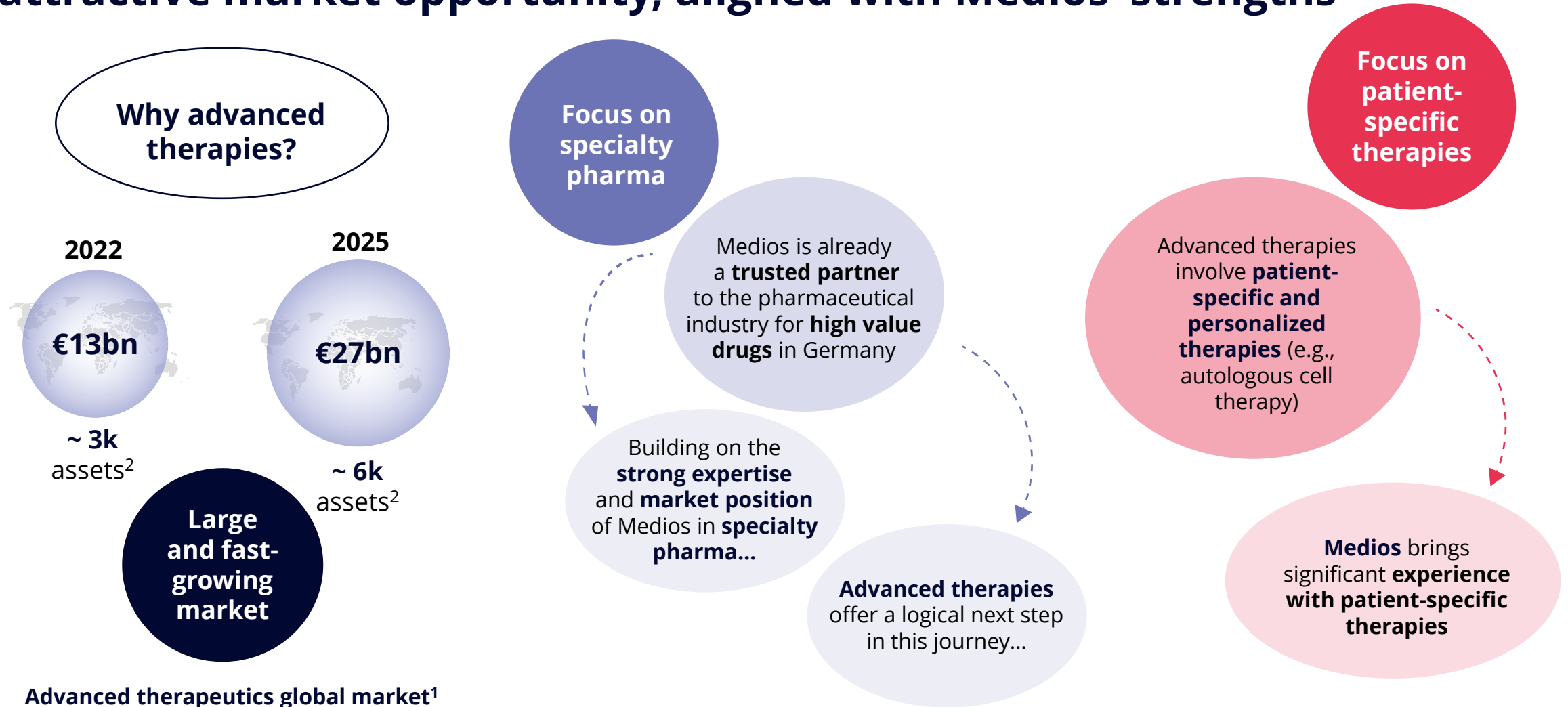


**Total population\*** of **~ 106m** and a total specialty pharma spending of **~ €17bn\***



\* In terms of the prioritized markets

### 3. Advanced therapies manufacturing represents a highly attractive market opportunity, aligned with Medios' strengths



# Contact



**Claudia Nickolaus**

Head of Investor & Public Relations, ESG Communications

Phone +49 30 232 566 800

[c.nickolaus@medios.ag](mailto:c.nickolaus@medios.ag)

# Disclaimer

This presentation has been produced by Medios AG (the „Company“). The facts and information contained herein are as up to date as is reasonably possible and are subject to revision in the future. None of the Company or its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied as to, and no reliance should be placed on, the accuracy or completeness of the information contained in this presentation. None of the Company or any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for any loss howsoever arising, directly or indirectly, from any use of this presentation. The same applies to information contained in other material made available at the presentation. While all reasonable care has been taken to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this presentation is selective in nature and is intended to provide an introduction to, and overview of, the business of the Company. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and /or the industry in which the Company operates. 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 in English or equivalent expressions in German.

The forward-looking statements, including but not limited to assumptions, opinions and views of the Company or information from third party sources, contained in this presentation are based on current plans, estimates, assumptions and projections and involve uncertainties and risks. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments. No obligation is assumed to update any forward-looking statements.

This presentation does not constitute or form a part of, and should not be construed as, an offer or invitation to subscribe for, or purchase, any securities and neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

In particular, this presentation does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities in the United States. The shares in the Company may not be offered or sold in the United States or to or for the account or benefit of „U.S. persons“ (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the „Securities Act“)) absent registration or an exemption from registration under the Securities Act. The shares in the Company have not been and will not be registered under the Securities Act.

This presentation speaks as of August 2023. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.



# H1 2023 Results

**Matthias Gaertner, CEO**

**Falk Neukirch, CFO**

August 14, 2023