

# Acquisition of Ceban Pharmaceuticals B.V.

**Analysts' & Investors' Conference Call**

Berlin - March 19, 2024



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# Executive Summary: Transformative and value enhancing acquisition

Internationalization	<ul style="list-style-type: none"><li>• <b>First step in Medios internationalization</b></li><li>• <b>Immediate market entry</b> into three European countries: NL, BE, ES</li><li>• A leading position in compounding in Northwestern Europe</li></ul>
European Platform	<ul style="list-style-type: none"><li>• <b>First building block</b> to establish the leading European compounding platform</li><li>• <b>One-stop-shop on international scale</b></li><li>• Improve healthcare and <b>maintain accessibility for patients across Europe</b></li></ul>
Product diversification	<ul style="list-style-type: none"><li>• <b>Expanding the value chain</b> through 23 own pharmacies in NL</li><li>• <b>Entry into high-margin segment of APIs</b></li><li>• Also covering <b>high-margin non-sterile business</b></li></ul>
Substantial synergies	<ul style="list-style-type: none"><li>• Significant international <b>cross-selling opportunities</b> across borders for API</li><li>• <b>International sourcing</b> expertise to fight drug shortages</li></ul>
Attractive purchase price	<ul style="list-style-type: none"><li>• <b>Purchase price</b> comprises a <b>cash component of €235.3m</b> and 1.7m Medios shares (~€23.9m*):</li><li>• Only small portion of equity-linked financing</li><li>• Attractive multiple</li><li>• Immediately <b>accretive to EBITDA pre and EBITDA pre margin</b></li></ul>

# Proven track record of successful acquisitions



Jan 2021

*Leading specialty pharma wholesaler in Germany*

- Further establishing leadership position in Germany
- Expanding number of pharma supplied by +50%



Jan 2022

*Among the leading PST providers in Western Germany*

- Significantly expanding PST compounding capacities
- Significantly expanding geographic coverage of Germany for PST



Jan 2023

*Blistering activity*

- Expanding offering of premium value-adding services
- Accelerate business shift from PS to PST



Q2 2024<sup>1</sup>

*Market-leader in PST in the Netherlands*

- International expansion: NL, BE, ES
- Significantly expanding PST compounding platform
- Operating own pharmacies for the first time
- Attractive margins in a mature market
- Leverage and cross-selling opportunities

2021

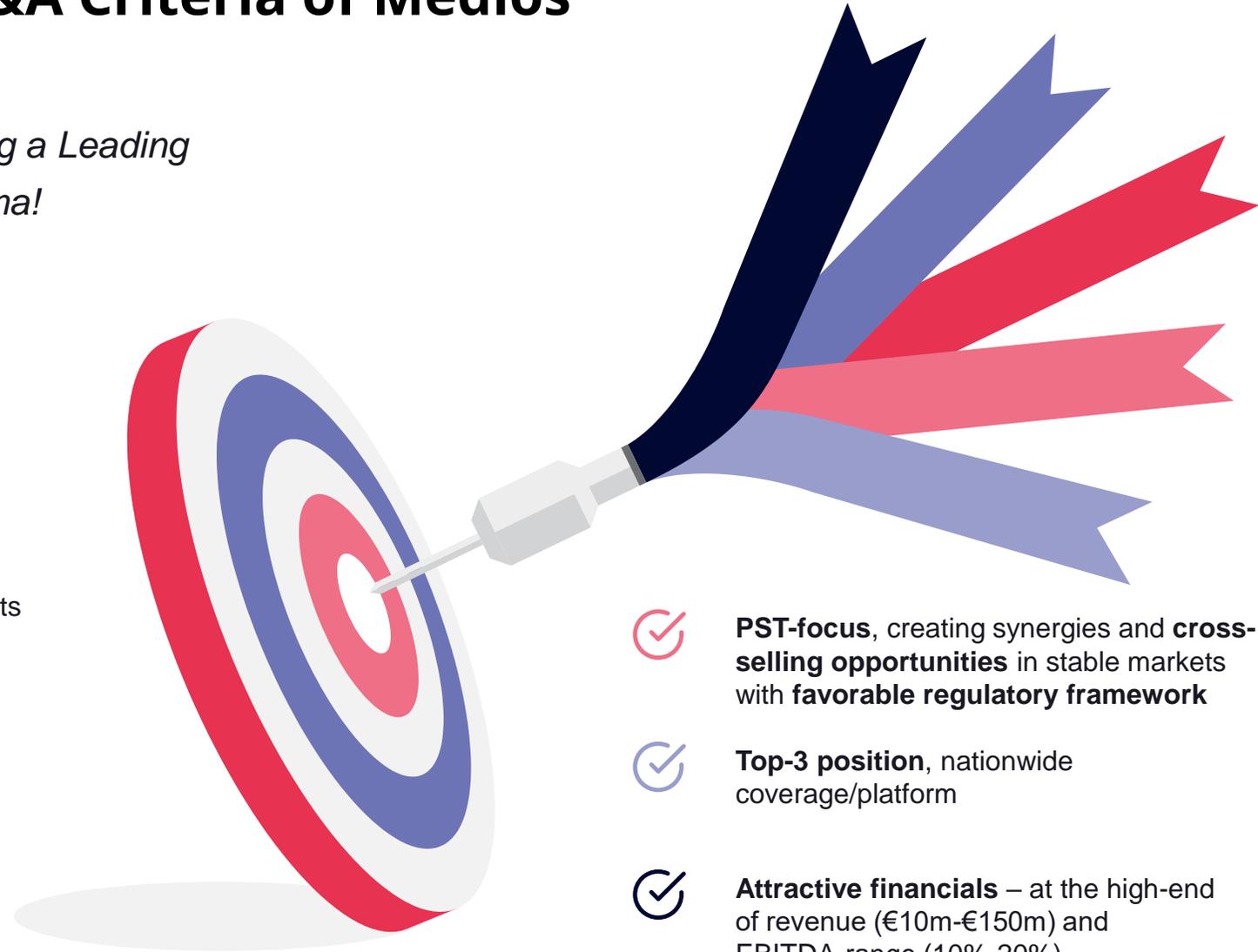
2022

2023

2024

# The Target meets all M&A Criteria of Medios

*Transformational transaction in creating a Leading European Platform for Specialty Pharma!*



- ✓ **Strategic fit** – Enabling Medios to achieve medium- to long-term targets
- ✓ **Experienced Management team** with strong commitment
- ✓ **Revenue synergy goals** to be realized <24 months

- ✓ **PST-focus**, creating synergies and **cross-selling opportunities** in stable markets with **favorable regulatory framework**
- ✓ **Top-3 position**, nationwide coverage/platform
- ✓ **Attractive financials** – at the high-end of revenue (€10m-€150m) and EBITDA-range (10%-20%)

# Snapshot Ceban Pharmaceuticals

## Ceban Pharmaceuticals



Founded  
**2004**



Headquarters  
**Breda, Netherlands**



Employees  
**~600**

## Financials 2023E

**~€160m**  
Revenue

**~€29m**  
EBITDA adj.

**~18%**  
EBITDA  
Margin adj.

## Market position per country\*



Netherlands  
**Market leading**



Belgium  
**#2**



Spain  
**#5**

**MEDIOS**

\* Market position per country of Ceban Pharmaceuticals is based on estimates of Medios.

- **Leading full-service compounding services platform**
- **Diversified business model** covering the full compounding value chain:
  - Compounding Services (non-sterile and sterile)
  - API Services
  - Chain of pharmacies (23 pharmacies operating under 'Medsen' brand)
- **Operating 4 well-invested GMP-compliant facilities**
  - 2 in the Netherlands: non-sterile and sterile compounding
  - 1 in Belgium: API repacking and (non)sterile compounding
  - 1 in Spain: API repacking
- Services **>200 hospitals & clinics**, and **>3,300 retail pharmacies**
- Realised an **organic revenue CAGR of ~10% (2021-2023E)**
- **Highly committed management team** with strong track record

# Ceban operates synergistic positions across the compounding value chain

	Compounding Services	API Services	Pharmacies
Description	<ul style="list-style-type: none"> <li>Tailor-made medication compounded at GMP-compliant facilities for pharmacies, hospitals, clinics, and homecare</li> <li>Compounding facilities:                             <ul style="list-style-type: none"> <li>Breda, NL: Sterile and non-sterile compounding</li> <li>Oostrum, NL: Sterile compounding</li> <li>Wilrijk, BE: Non-sterile and sterile compounding</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Sourcing, repacking and distributing APIs and excipients to pharmacies and hospitals compounding in-house</li> <li>Repacking facilities:                             <ul style="list-style-type: none"> <li>Wilrijk, BE</li> <li>Barcelona, ES</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>23 owned pharmacies across the Netherlands under the “Medsen” chain</li> <li>Automated digital services, including 24h dispensing machines</li> </ul>
Revenue breakdown	~45%	~15%	~40%
Presence	Netherlands, Belgium	Belgium, Spain	Netherlands
Synergies with Compounding Services		<ul style="list-style-type: none"> <li>✓ Timely access to APIs</li> <li>✓ Strong supply chain</li> <li>✓ In-depth relationships with pharmacies, hospitals and clinics</li> <li>✓ Starting point for Compounding Services</li> </ul>	<ul style="list-style-type: none"> <li>✓ Providing insight in market demand and dynamics</li> <li>✓ Negotiation power over wholesalers</li> <li>✓ Access to other pharmacies through sale of dispensing machines</li> <li>✓ Flexibility in distribution</li> </ul>



Repacking of APIs, Belgium



Capsule filling, the Netherlands

# Compounding Services



## The Netherlands

- Market leader in Compounding Services
  - Complete non-sterile offering
  - Expanding sterile offering
  - Highly innovative – quick go-to-market
- Unique business model, characterised by:
  - Covering the full-value chain – anticipation on developments
  - Supply chain security & strong logistics
  - Robust product development capabilities
- Well-positioned to benefit from the outsourcing trend

### Growth drivers

- ✓ Favourable regulatory environment, allowing for sterile and non-sterile outsourcing
  - Strong and developed non-sterile market
  - Rapidly growing sterile market
- ✓ Healthcare providers focusing on core activities, fuelling demand for outsourcing
- ✓ Regulation imposing increasingly strict quality & safety requirements while reducing costs
- ✓ Collaboration with hospitals and growth of clinics driving strong growth in sterile market
- ✓ Valuable insights - Medsen pharmacies and API Services

#### Oostrum Compounding Site

- Facility size 2,000 sqm
- Workforce 72
- Clean rooms 30
- Capacity (in use) 25-30%

#### Breda Compounding Site

- Facility size 3,000 sqm
- Workforce 81
- Clean rooms 22
- Capacity (in use) 70%



# API-Services and Compounding Services

## API Services

- Leading player in APIs for pharmacies and hospitals compounding in-house in Belgium and Spain
  - Complete offering of APIs and related products
  - Customers in 7 European countries
  - Product offer expanded following shortages/discontinuations
- Well-positioned to benefit from demographics, drug shortages and drug discontinuations

### Growth drivers

- ✓ Accessibility
  - Drug shortages and discontinuations
  - Supply chain disruptions
- ✓ Personalization – need for tailor-made medicines
  - Dose and/or format alteration
  - Combination therapies
- ✓ Demographics – ageing population, ...

## Compounding Services

- Starting in Q2-24 with Compounding Services
  - State-of-the-art new facility in Wilrijk (Belgium)
  - Approvals received from authorities to start with compounding (sterile and non-sterile)

### Growth drivers

- ✓ Favourable regulation towards outsourcing of compounding (regulatory changes in 2019 and 2021)
- ✓ Increased regulation for hospital compounding requires substantial investments, driving outsourcing
- ✓ Liberalisation results in slowly increasing outsourcing levels, fuelling compounding market growth

# Operational synergies (examples)



- Increased **purchasing power** as a result of higher volumes
- **Reduced cost of supply** by combining Medios' and Ceban's diversified sourcing
- **Supply chain security**



- **Economies of scale**
- Increased revenues through **cross-selling opportunities**
- **Sharing best practices** across the platforms



- **Cross-boarder supply** of compounded (non-sterile and sterile) products
- **Launch APIs in Germany** via extensive platform of Medios
- **Accelerate launch of cytostatic compounding** in The Netherlands through German knowledge center of Medios

# A truly transformative acquisition

Leading Specialty Pharma Platform	<ul style="list-style-type: none"><li>• <b>First step</b> to establish the <b>leading European Compounding platform</b></li><li>• Taking advantage of evolving <b>favorable regulatory environment</b>, fueling compounding market growth</li><li>• Complete offering provides <b>one-stop-shop</b> on international scale</li></ul>
Internationalization	<ul style="list-style-type: none"><li>• Important first step in <b>international expansion</b></li><li>• <b>Immediate market entry</b> into three European countries: NL, BE, ES</li><li>• Leading position in Compounding Services in NL</li></ul>
Diversification	<ul style="list-style-type: none"><li>• Adding complementary products and services</li><li>• Entry into <b>high-margin segment of APIs</b></li><li>• <b>High-margin non-sterile offering</b></li></ul>
Substantial synergies	<ul style="list-style-type: none"><li>• Significant international <b>cross-selling and upselling opportunities</b></li><li>• International sourcing providing <b>supply chain security and economies of scale</b></li><li>• Leveraging <b>expertise</b></li></ul>
Strong capabilities	<ul style="list-style-type: none"><li>• Strong and committed <b>management team</b> with proven track record</li><li>• Well-invested <b>sterile and non-sterile compounding facilities with headroom for growth</b></li><li>• Strong and <b>diversified customer base</b></li></ul>

# Transaction summary

## Acquisition Target

- 100% of Ceban Pharmaceuticals B.V., Breda/NL acquired from **funds managed by Bencis**
- **#1** in the Netherlands, among TOP-3 in Belgium and among TOP-5 in Spain in pharmaceutical compounding
- Supplies >3,300 pharmacies and >200 hospitals; owns a chain of 23 pharmacies in NL

## Size & Valuation

- Purchase price consists a cash component of €235.3m plus 1.7 million Medios shares worth c. €23.9m\*
- Hard lock-up period of 24 months
- 2023 Purchase Price/EBITDA adjusted multiple: **8.9\*** x based on Ceban's preliminary FY 2023 EBITDA-adjusted

## Financing

- Financing of cash component of **€235.3m**:
  - €200m via a credit facility at common market interest rates
  - €35.3m via own cash at hand

## Conditions & Timing

- Closing subject to regulatory approvals
- Ceban's management remains on board
- **Sellers of Ceban** will become shareholders in Medios
- Closing expected in Q2 2024

# Financing of acquisition



## The purchase price includes:

- €235.3m cash component
  - €200m committed credit facility
  - €35.3m cash at hand
- 1.7 million Medios shares: ~€23.9m\*
  - Hard lock-up period of 24 month
  - New shares to be issued out of authorized capital against contribution in kind
  - **Sellers of Ceban** will become new shareholders in Medios

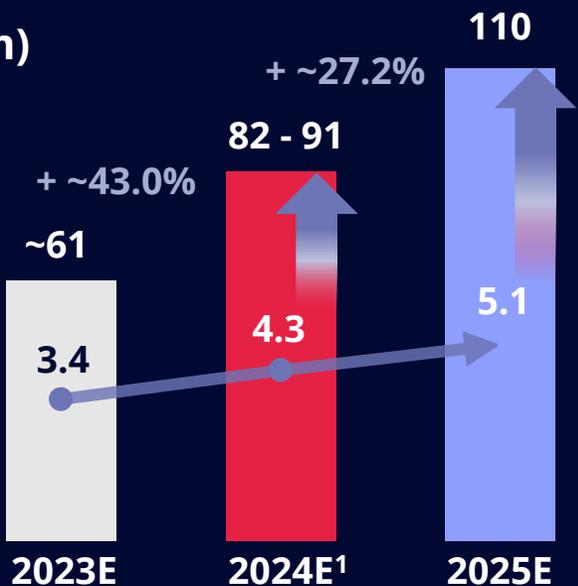
\* Based on the closing price (€14.04) of the Medios shares in the XETRA trading system of Frankfurt Stock Exchange on March 14, 2024

# Prelims 2023, guidance 2024, mid-term outlook 2025

Revenue (€bn)



EBITDA pre\* (€m)



Margin (%)



**MEDIOS**

<sup>1</sup> Graphics based on mean value for 2024

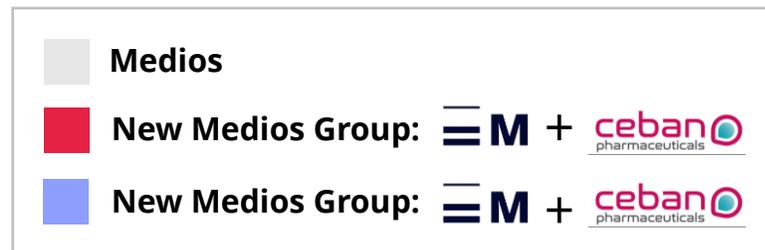
Preliminary results 2023, Guidance 2024, Outlook 2025

## New Group: Significant revenue & EBITDA pre\* increase expected

Guidance FY2023 met

Guidance FY 2024 based on:

- Ceban expected to be fully consolidated as of May 2024
- EBITDA pre\* adjusted by certain one-off-expenses
- EBITDA pre\* not adjusted by integration costs



\* EBITDA is defined as consolidated earnings before interest, taxes, depreciation and amortization. EBITDA pre is adjusted for special charges for stock options, expenses for M&A activities and for one-time performance-based payments for the acquisition of compounding volumes as well as from 2024 expenses for ERP-System implementation.

## Next Steps



- **Fulfillment of closing conditions**
- **Closing expected in Q2 2024**
- **Integration of Ceban Group as a separate foreign subsidiary of Medios: Integrate reasonable and legally necessary parts**
- **Ceban Group expected to be consolidated as of May, 2024**

# Clear strategy to build the leading European Specialty Pharma Platform





**THANK YOU FOR  
YOUR ATTENTION!**

**Q&A**

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