

# MID & SMALL IN MILAN 2021

# LABOMAR



Palazzo Mezzanotte - Milan, 1<sup>st</sup> December 2021

 1. HERITAGE, VISION & MISSION

 2. LABOMAR IN ITS REFERENCE MARKET

 3. LABOMAR GROWTH PATH

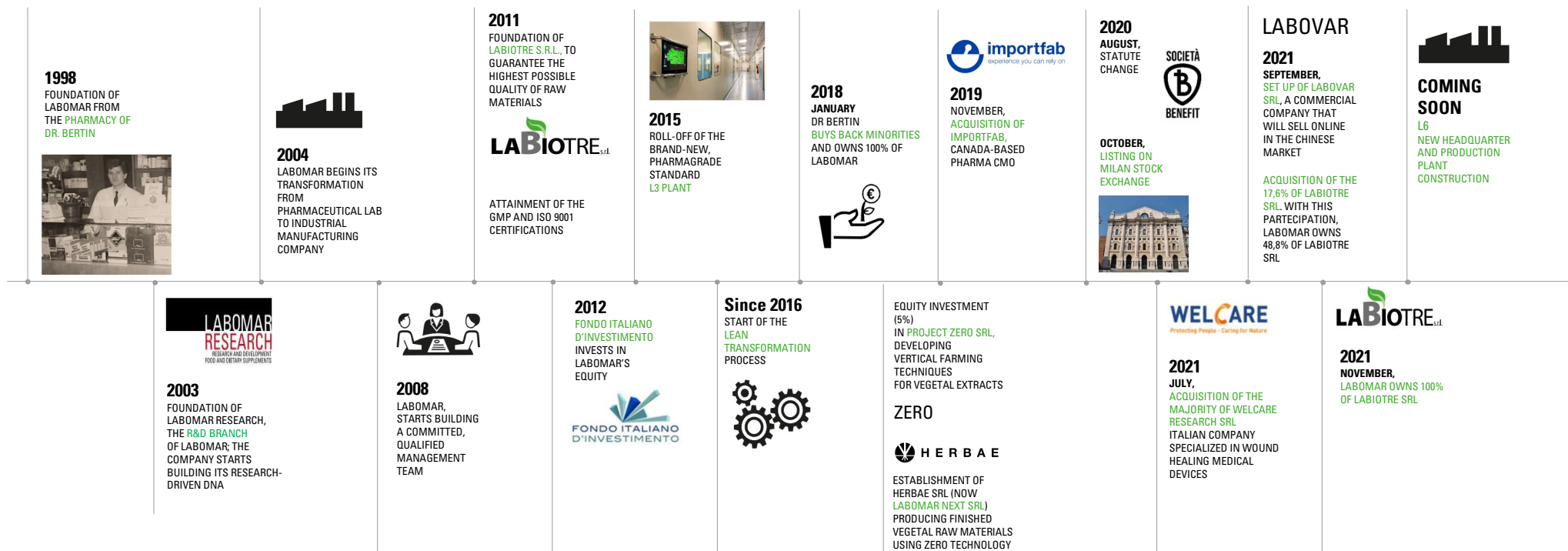
# 1. HERITAGE, VISION & MISSION

## 2. LABOMAR IN ITS REFERENCE MARKET

## 3. LABOMAR GROWTH PATH

# HERITAGE

LABOMAR



# VISION

WE IMPROVE WELLNESS AND THE  
QUALITY OF PEOPLE LIFE



# MISSION

WE WORK TOGETHER WITH PASSION,  
TO CONCEIVE AND MANUFACTURE  
PRODUCTS AND SERVICES FOR WELL-  
BEING, WITH RESPECT TO THE  
ENVIRONMENT

WE INNOVATE WITH COURAGE,  
PROUD TO BELONG TO A GREAT  
FAMILY



# OUR VALUES



SUSTAINABILITY

LABOMAR



WE STRONGLY BELIEVE IN SUSTAINABILITY



# SUSTAINABILITY

LABOMAR



## OUR GOAL FOR 2022\*



\* depending on the Certifying Body availability, SOURCE: Management



# SUSTAINABILITY - 1<sup>ST</sup> LABOMAR IMPACT REPORT

LABOMAR


LABOMAR

Impact  
Report  
2020



## SHARED BENEFIT GOALS:





## SUSTAINABILITY - HUMAN CAPITAL

LABOMAR

- The “**Growth at Labomar**” project → professional development plans and training courses
- The “**Labomar Well-Being**” Project → of health and safety, corporate welfare issues and wellness
- The “**BE Labomar Book**” Project → promote the involvement of staff through clear internal communication on company values and activities
- The “**Labomar Diversity & Inclusion**” Project → diversity and inclusion are opportunities to invest in

1. VISION & MISSION

2. LABOMAR IN ITS REFERENCE MARKET

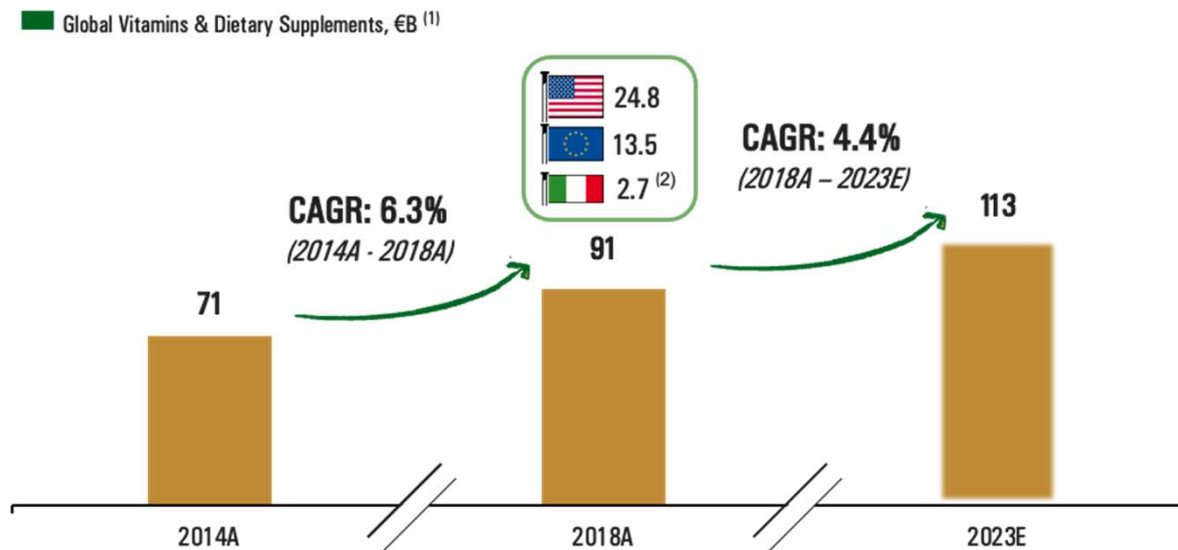
3. LABOMAR GROWTH PATH

## TRENDS

LABOMAR



a buoyant sector, with some clear trends...



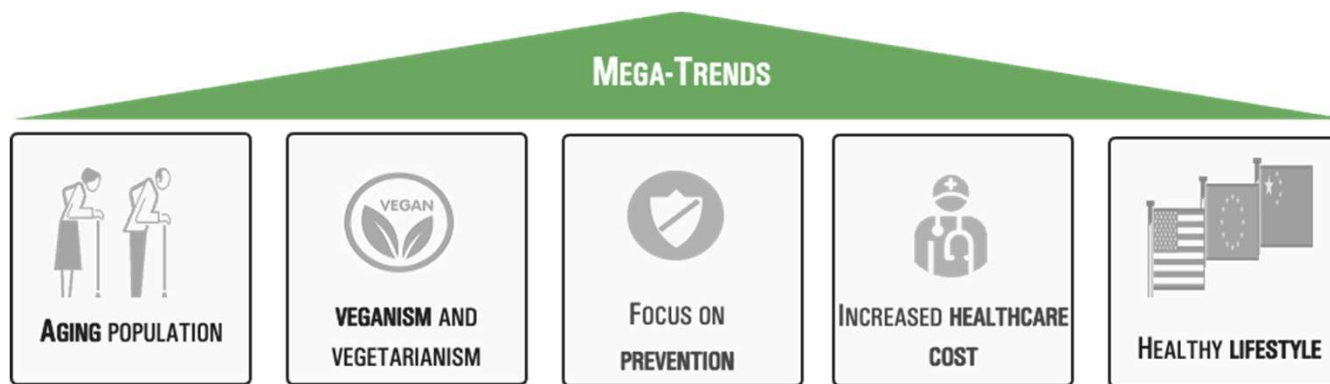
**IN THE PERIOD AUGUST 2020 - JULY 2021,  
THE SECTOR HAS REACHED A SIZE OF ALMOST 4 €B<sup>(3)</sup>**

1. SOURCE: PWC Report "Vitamins & Dietary Supplements Market Overview" July 2020

2. According to Federsalus, which tracks also sales on the Parapharmacy and Large Scale Retail Trade channels, the Italian market has reached a size of 3.3 €B in 2018.

3. SOURCE: Federsalus Report "Il Mercato degli integratori" July 2021

 the nutraceutical end-market keeps registering attractive growth rates on the tail-wind of tangible mega-trends



 Italy is the largest nutraceutical market in the European Union and the pioneering market worldwide for product innovation

...temporarily affected by the Pandemic

### LABOMAR's business model

Most of our products are promoted by companies using Medical Representatives networks to Prescribers or Pharmacists

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Most of our products are promoted in Pharmacies owing to pharmacist's advice

### COVID-19 market adversities

Impossibility to visit regularly Prescribers and Pharmacists by Medical Representatives, limited activity in Pharma Retail

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Pharmacy Retailers were strictly focused on Covid -19 related Products (i.e. face masks)

... temporarily affected by the Pandemic

## LABOMAR's business model

Cough&Cold and Probiotics segments  
represent 25% of Labomar Total Turnover

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Labomar acts as a "Make to Order"  
Company

## COVID-19 market adversities

Strong temporary reduction of sell out due to  
mask use and social distance rules  
determining:

- reduction in cough&cold pathologies
  - reduction in all hygiene associated  
infections (i.e. diarrhea in children)
- 

Customer's fear to "miss out" determined  
some overstock situation



... temporarily affected by the Pandemic

## LABOMAR's business model

Labomar R&D is focused on long term and high value New Projects

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A huge range of different products realized (orders backlog with confirmed prices)

## COVID-19 market adversities

Most of big pharma Customers decided to postpone new market launches from 2021 to 2022

---

Difficulties in supply of raw materials and unfavorable prices evolution

## QUEBEC WAS ONE OF THE CANADIAN REGIONS MOST AFFECTED BY THE PANDEMIC:

Stricter anti Covid-19 rules (in retail too),  
manufacturing shut down for cosmetic  
products



Significant public contribution  
to maintain job security and support  
the crisis

Lack of Raw Materials  
(especially API or primary packaging)



Delay of production from 1<sup>st</sup> Half to  
2<sup>nd</sup> Half 2021



1H 2021



LABOMAR

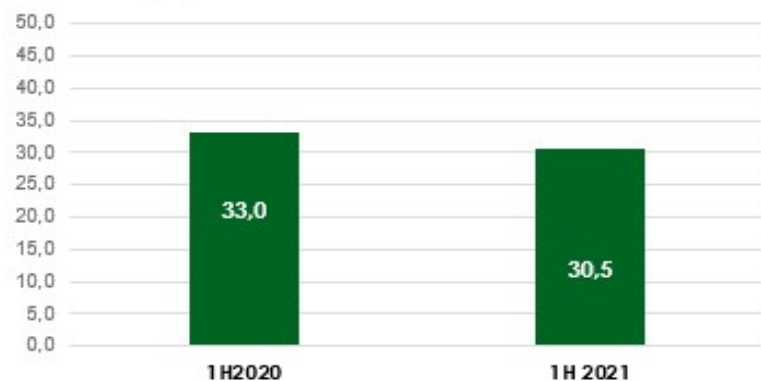
# **HOW DID COVID-19 IMPACT ON ECONOMIC AND FINANCIAL 1<sup>st</sup>H RESULTS?**

# 1H 2021- Main Consolidated P&L indicators

LABOMAR

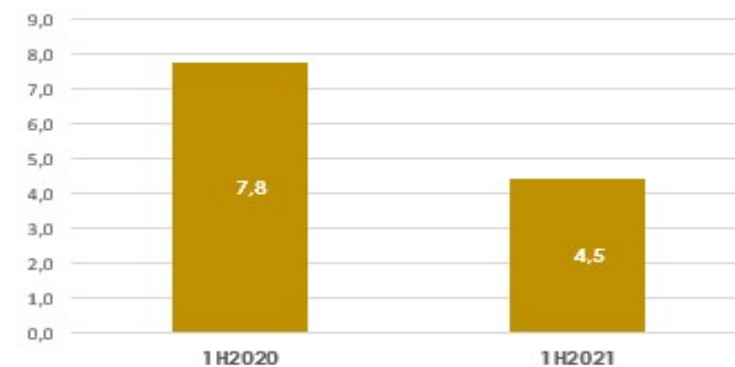
## REVENUES

Total Revenues (€M)



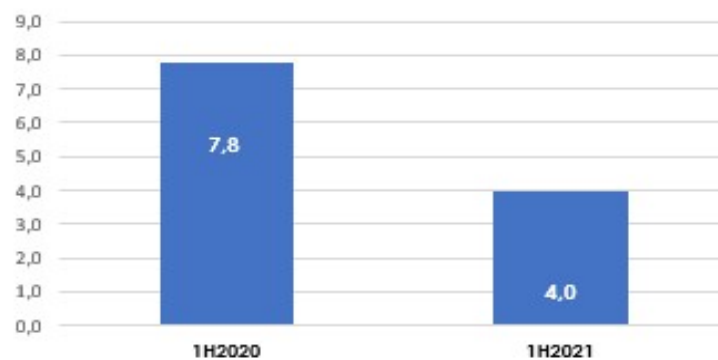
## EBITDA

EBITDA (€M and % Total Revenues)



## EBITDA ADJUSTED <sup>1</sup>

EBITDA ADJUSTED (€M and % Total Revenues)



## EBIT

EBIT (€M and % Total Revenues)

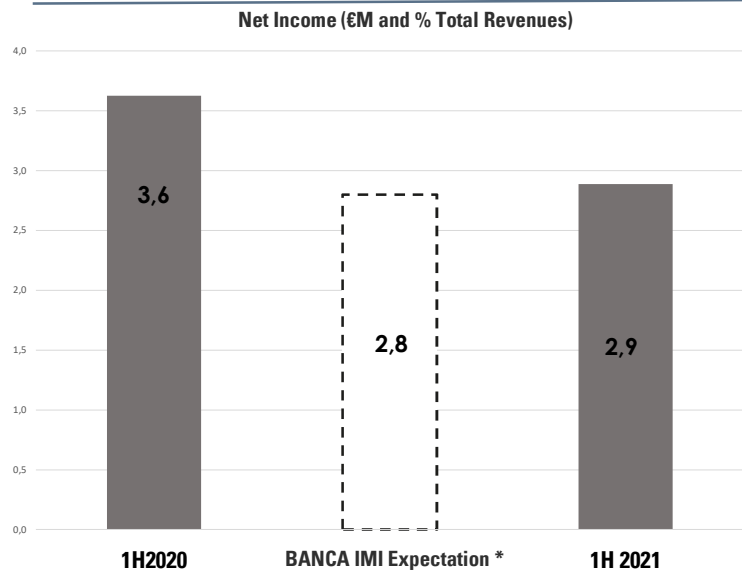


1: EBITDA Adjusted 1H2021 does not include non-recurring costs of Euro +0,5 million relating to the listing contribution, while the 1H2020 figure does not include non-recurring items.  
Source: Company Consolidated Financial Statements 30 June 2021

# 1H 2021

# LABOMAR

## NET INCOME



DESPITE OF EBITDA REDUCTION, THANKS TO:

- ✓ **THE CONTRIBUTION GIVEN BY THE CANADIAN GOVERNMENT TO IMPORTFAB** TO SUPPORT COMPANIES DURING THE PANDEMIC FOR THE RESTRICTIONS ADOPTED,
- ✓ **THE DEFINITIVE DETERMINATION OF THE RESIDUAL EARN OUT DUE TO THE SELLERS OF IMPORTFAB**, ON WHICH AN EARLY SETTLEMENT AGREEMENT WAS REACHED AND FOR A GREATER VALUE FOR LABOMAR SPA
- ✓ **THE POSITIVE EFFECT ON € / \$CAD EXCHANGE RATES** AND
- ✓ **THE REDUCED TAX IMPACT BY PATENT-BOX** CONTRIBUTES



**COVID-19 AND THE COMPLEXITY OF THE MARKET HAVE BEEN WELL MANAGED BY THE GROUP**

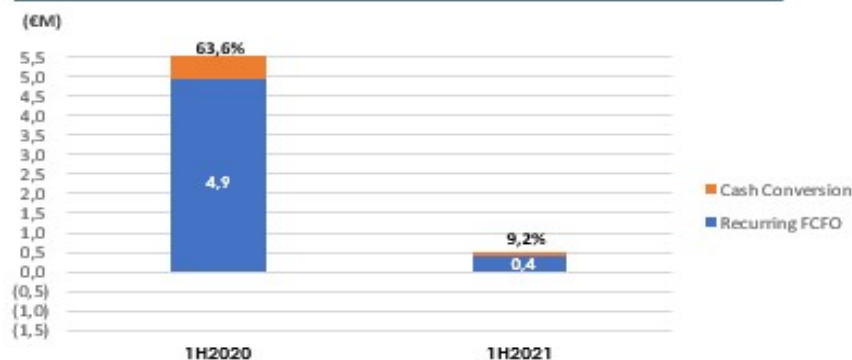
1. Banca IMI Equity Daily (September 27, 2021)

Source: Company Consolidated Financial Statements 30 June 2021

# 1H 2021 - Main Consolidated Financial indicators

LABOMAR

## CASH CONVERSION FROM OPERATION E NWC



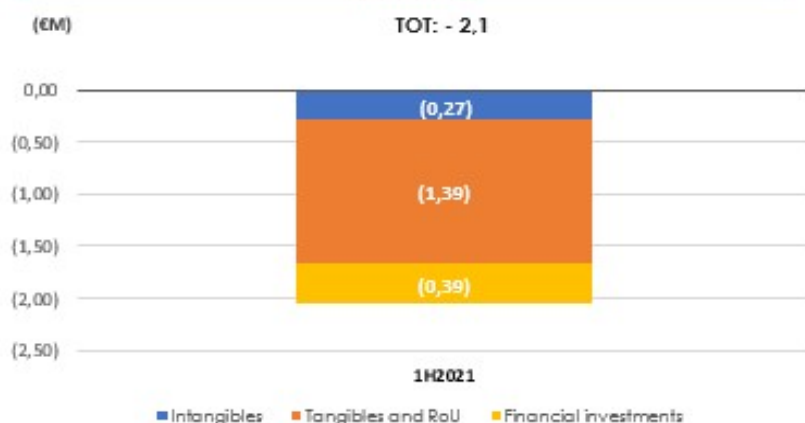
Recurring FCFO = EBITDA + cash from Trade Net Working Capital  
Cash conversion = FCFO / EBITDA

## TRADE NET WORKING CAPITAL



		1H2020	1H2021
DSO	gg	61	66
DPO	gg	-98	-92
DIO	gg	100	106

## CASH FLOW ABSORPTION FOR CAPEX



## NET FINANCIAL POSITION

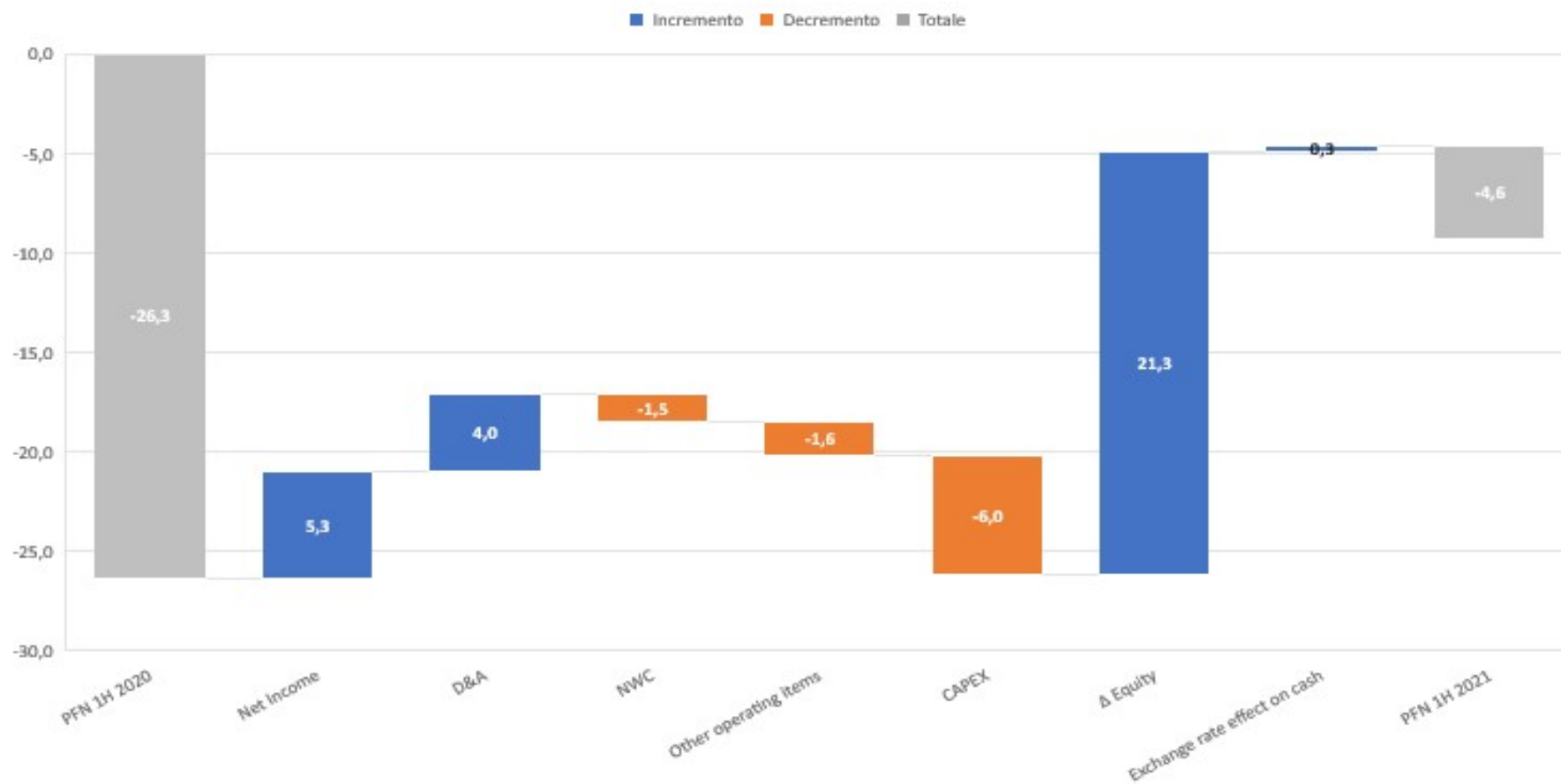


\*: Cash includes also 'Cash in trust'

# 1H 2021 – Cash evolution

LABOMAR

(1H2020 – 1H2021 Consolidated, €M)

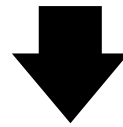


Source: Company Consolidated Financial Statements 30 June 2021

# HOW DID LABOMAR FACE THE PANDEMIC?



With more reactive Customers



increase in **R&D Projects in therapeutical areas** such as:



Immunity



Sleep and stress disorders



Gastroenterology



Cardiovascular

LABOMAR

To support a greater complexity  
and dimension and to maximize  
synergies with Importfab,  
Welcare and Labiotre

➔ Top Management enforcement





For **2H 2021**, expected  
**double digit growth in  
Turnover vs 2H 2020**

Recovering the 1° Half 2021  
gap

Exceeding the 2020 Full  
Year Dimension

**GOAL:**  
**LABOMAR GROUP EXPECTS TO REALIZE**  
**2021 FULL YEAR TOP LINE WITH A**  
**“LOW SINGLE DIGIT GROWTH”**



**“Like for Like Growth”  
will be further  
accelerated by...**

↗ The contribution in Revenues and Margins deriving from **Welcare** inclusion in the perimeter

↘ Also **Labiotre Srl** will be included in Labomar Group perimeter, even if only for December

**MEANWHILE, LABOMAR WILL COMPLETE  
THE PROCESS TO ACHIEVE THE B-CORP  
CERTIFICATION IN 2022**

A UNIQUE BUSINESS MODEL

LABOMAR

# LABOMAR'S ROLE IN ITS SECTOR: A UNIQUE BUSINESS MODEL



# A UNIQUE BUSINESS MODEL

LABOMAR

## ALL PHARMACEUTICAL FORMS AND ALL THERAPEUTICS AREAS<sup>1</sup>

CATEGORIES	
Probiotics	
Cough & Cold	
Sleep & Stress disorders	
Vitamins	
Cardiovascular	
Gastroenterology	
Antioxidants	
Energy	
Minerals	
FSMP	
Immune System	
Laxatives	
Others	

<b>LIQUIDS</b>
Syrup, Suspension, Emulsion, Nanoemulsion, Ionized water, Extemporaneous sol
<b>TABLETS</b>
Chewable, Swallowable, Microtablets 3mm, Sublingual, Film covered, Modified release, Multilayer, Gastro-resistant
<b>POWDERS</b>
Soluble, Orodispersible, Granulated, Gastro-resistant
<b>CAPSULES</b>
Hard capsules, animal and vegetal origin
<b>OTHER</b>
Creams, Gels, Ointments, Lotions

## BIG PHARMA COMPANY



## Example of Products



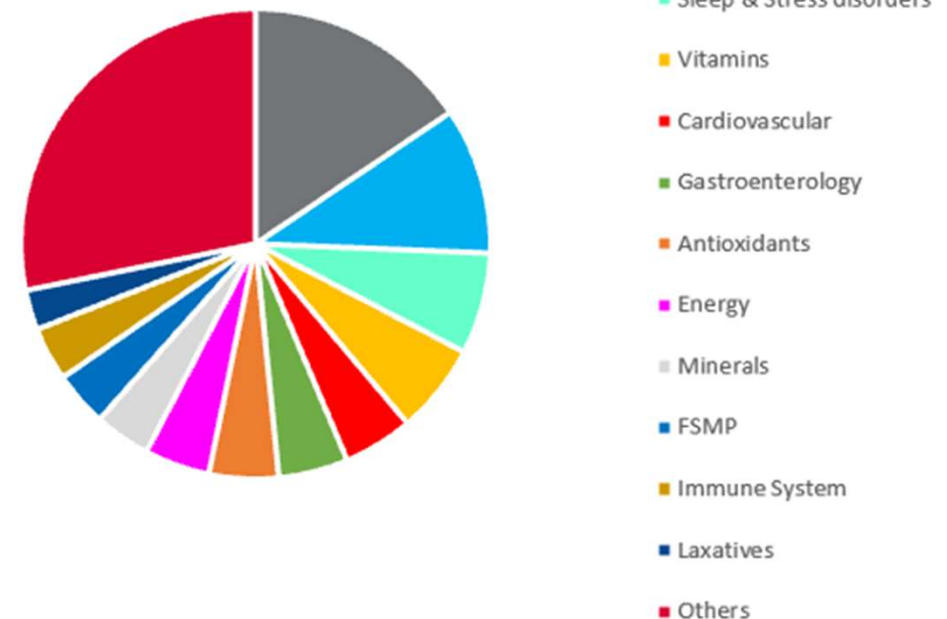
1. Only referred to Labomar stand alone'

# A UNIQUE BUSINESS MODEL

LABOMAR

CATEGORIES	TURNOVER 2020 %
Probiotics	15,54%
Cough & Cold	10,09%
Sleep & Stress disorders	6,98%
Vitamins	6,21%
Cardiovascular	4,81%
Gastroenterology	4,80%
Antioxidants	4,78%
Energy	4,51%
Minerals	3,86%
FSMP	3,78%
Immune System	3,71%
Laxatives	2,75%
Others	28,18%

TURNOVER 2020 %

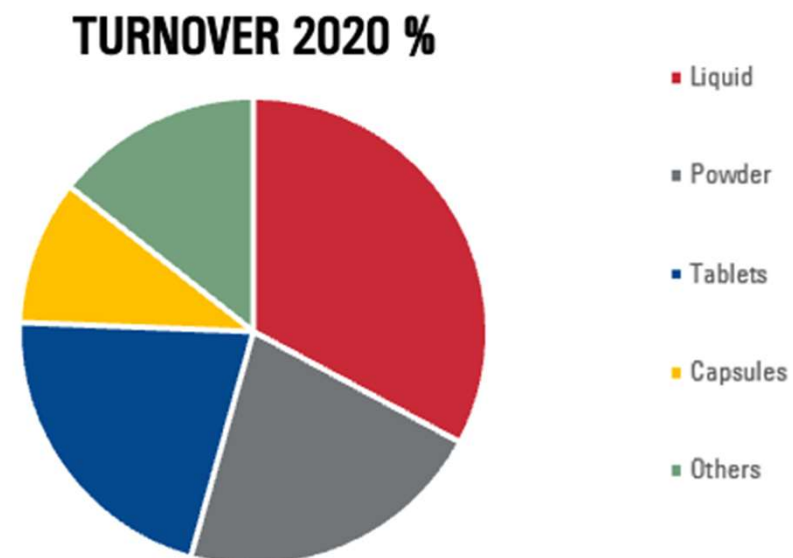


Note: Data only referred to Labomar stand alone (2020)  
SOURCE: Management

## A UNIQUE BUSINESS MODEL

LABOMAR

PHARMACEUTICAL FORMS	TURNOVER 2020 %
Liquid	32,83%
Powder	21,50%
Tablets	21,29%
Capsules	10,00%
Others	14,38%



Note: Data only referred to Labomar stand alone (2020)

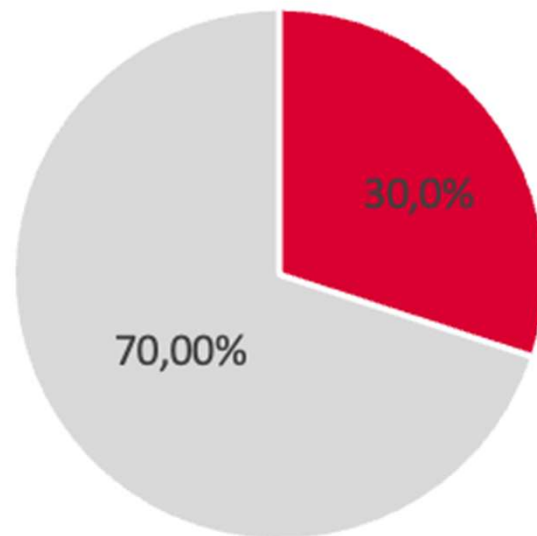
SOURCE: Management



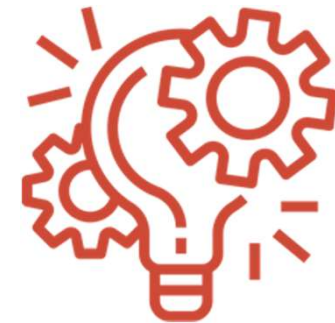
## A UNIQUE BUSINESS MODEL

LABOMAR

% IP Turnover 2020



■ Turnover from IP ■ Others



DNA INNOVATOR

Note: Data only referred to Labomar stand alone (2020)  
SOURCE: Management

## LABOMAR R&D department goals are:

INCREASING  
BIOAVAILABILITY AND  
SOLUBILITY OF  
INGREDIENTS POORLY  
BIOAVAILABLE

IMPROVE PRODUCTS  
EFFICACY TO ENSURE THE  
BEST USER EXPERIENCE TO  
THE CUSTOMER  
AND TO THE FINAL  
CONSUMER

PROPOSE QUALITY  
AND INNOVATIVE  
PRODUCTS WITH  
HIGH SCIENTIFIC  
KNOW-HOW LEVEL



8 PLATFORM  
PATENTS



5 FORMULATION  
PATENTS

LABOMAR R&D is specialized in **PATENTS AND TECHNOLOGIES**  
with the aims to improve DELIVERY OF POORLY ABSORBABLE  
SUBSTANCES

We perform several clinical studies and produce scientific publications together with the most **important Italian universities and clinical research organizations**



Milano



Torino



Venezia



Padova



Ferrara



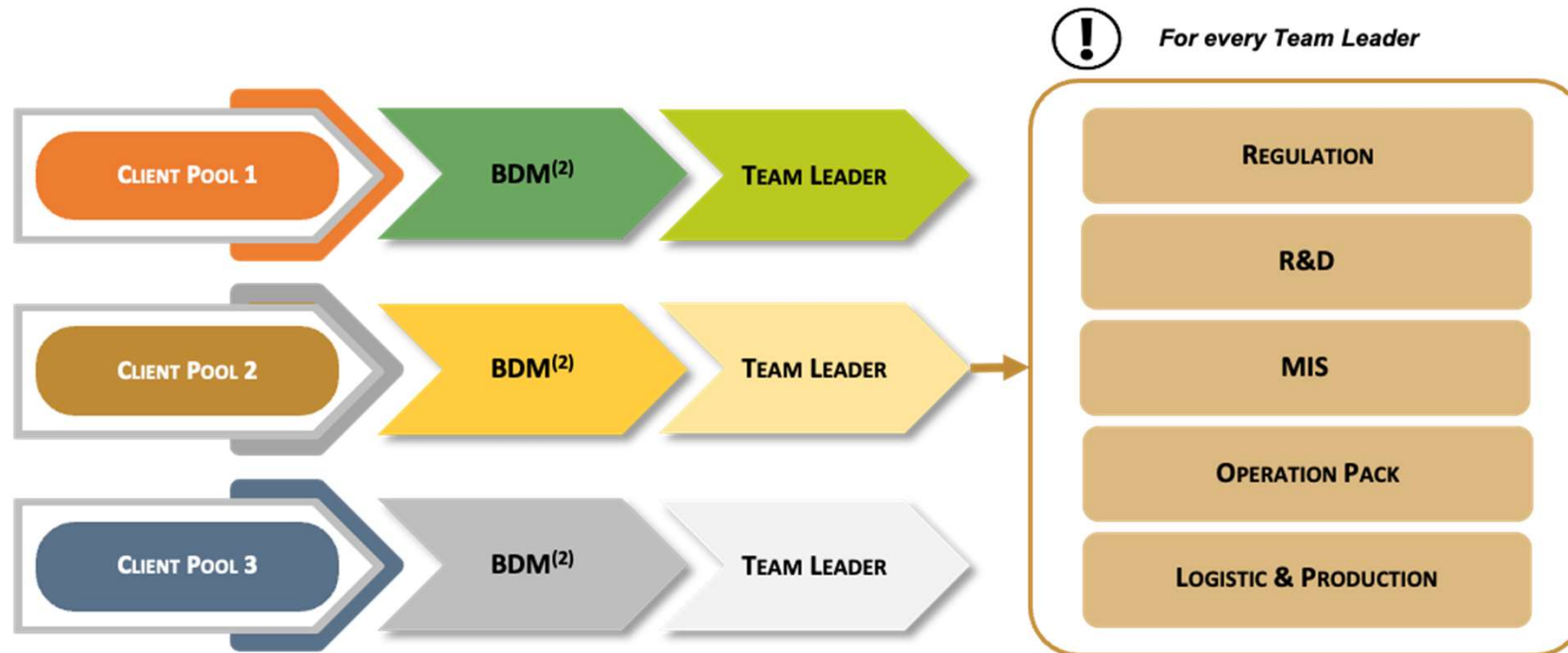
Pavia



Bologna

UNIVERSITÀ DEGLI STUDI

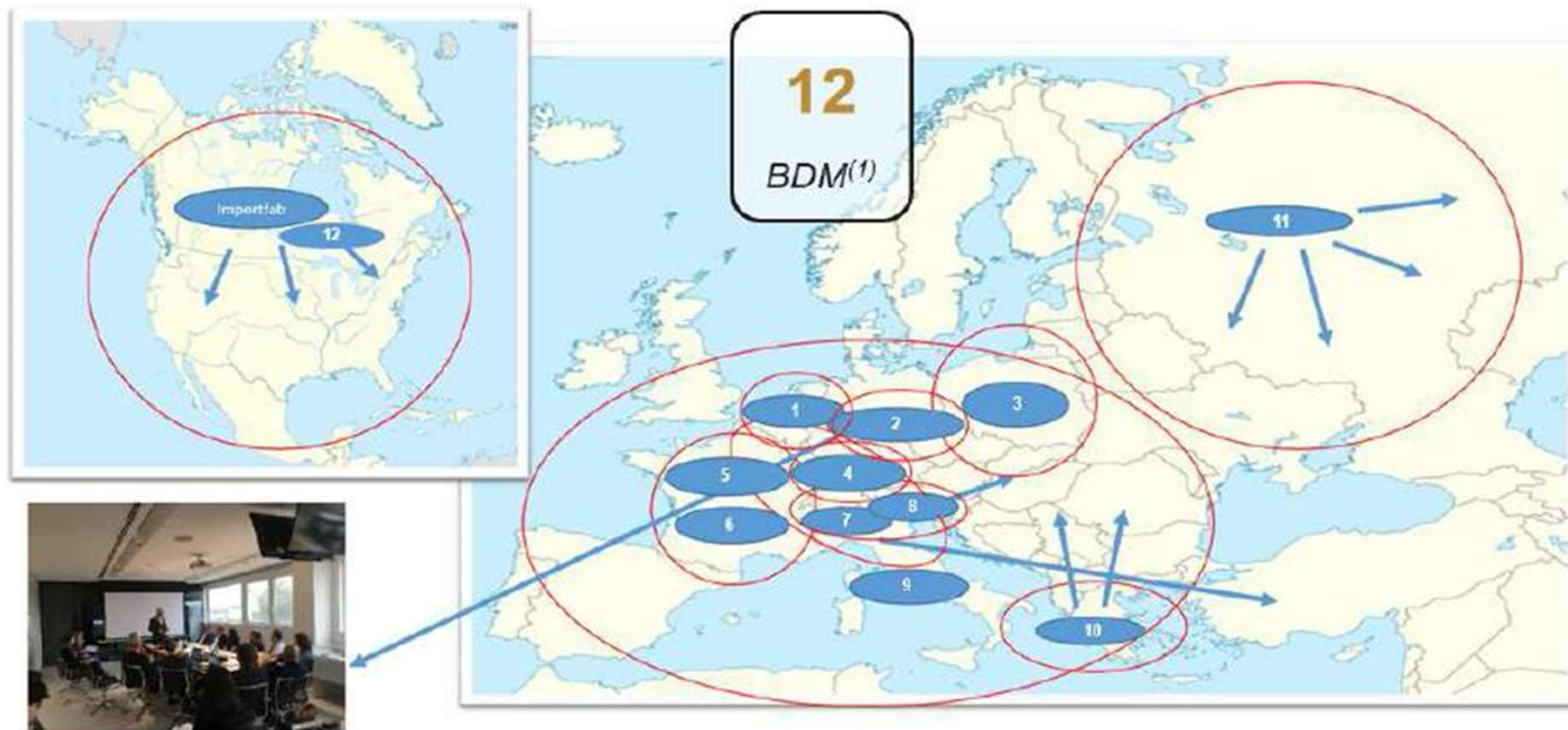
with a unique salesforce for unparalleled client coverage<sup>1</sup>



1. Only referred to Labomar stand alone

2. 'BDM' means 'Business Development Manager'

with a unique salesforce for unparalleled client coverage<sup>1</sup>



1. Only referred to Labomar stand alone

2. 'BDM' means 'Business Development Manager'

1. VISION & MISSION

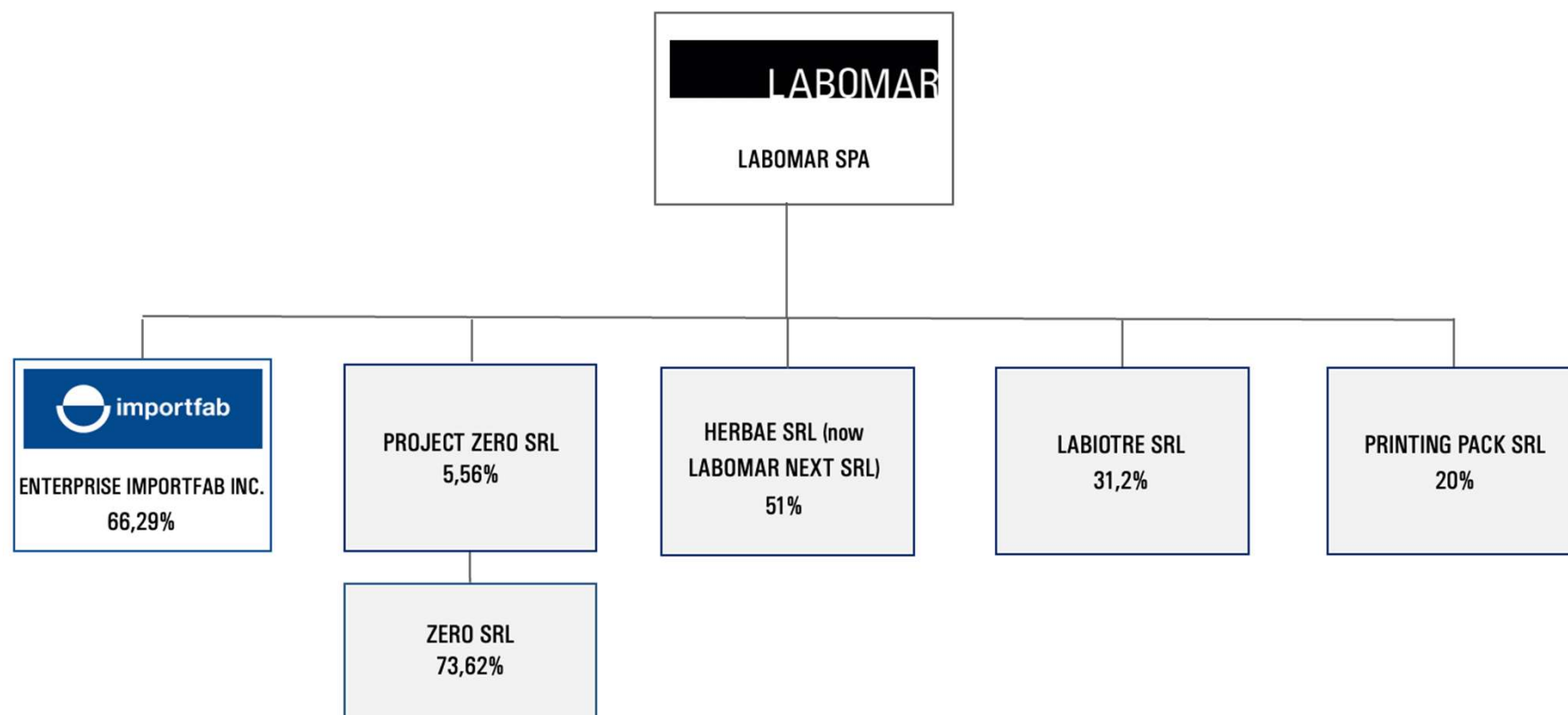
2. LABOMAR IN ITS REFERENCE MARKET

**3. LABOMAR GROWTH PATH**

BEFORE

LABOMAR

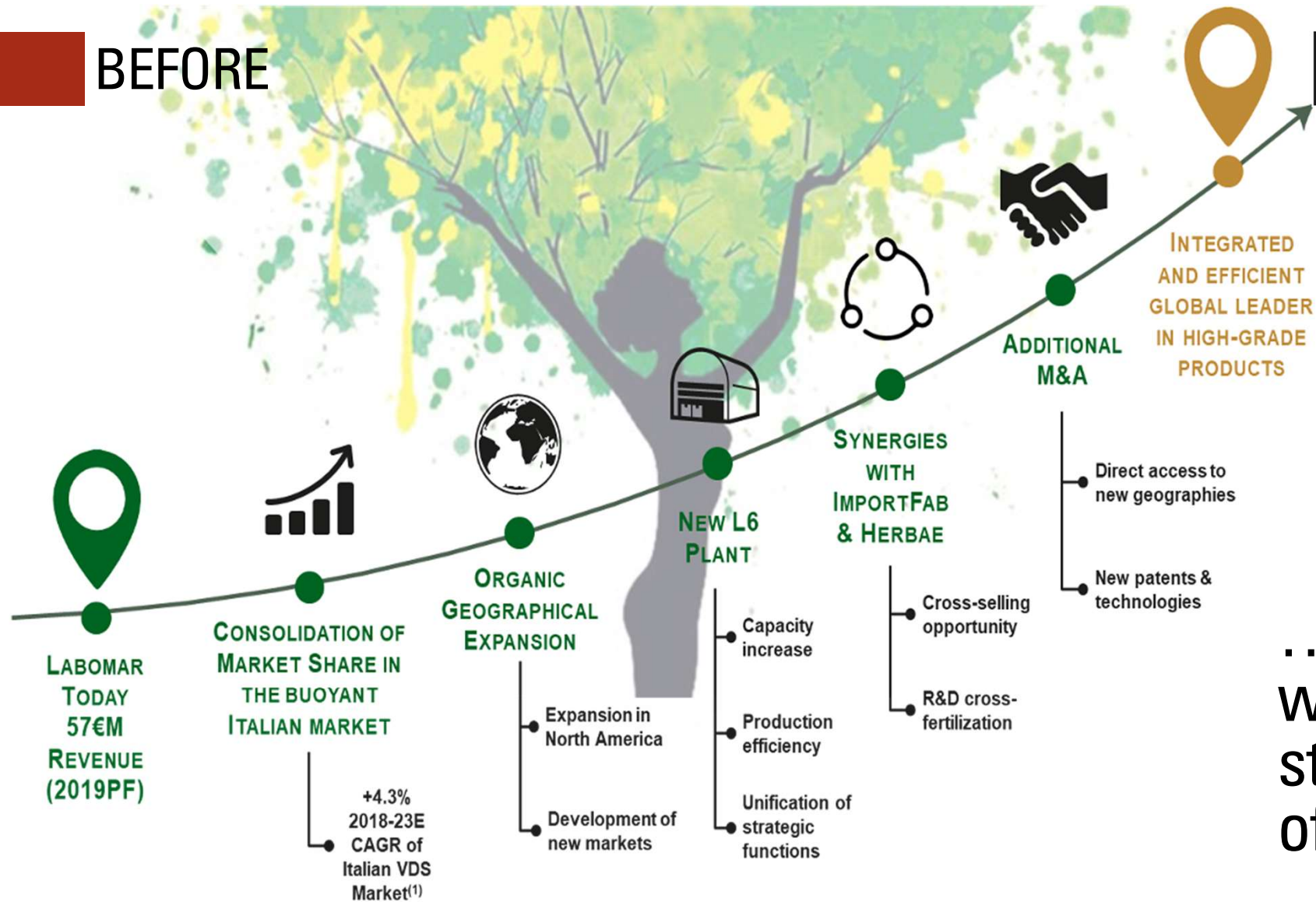
## Situation prior to listing...





BEFORE

LABOMAR



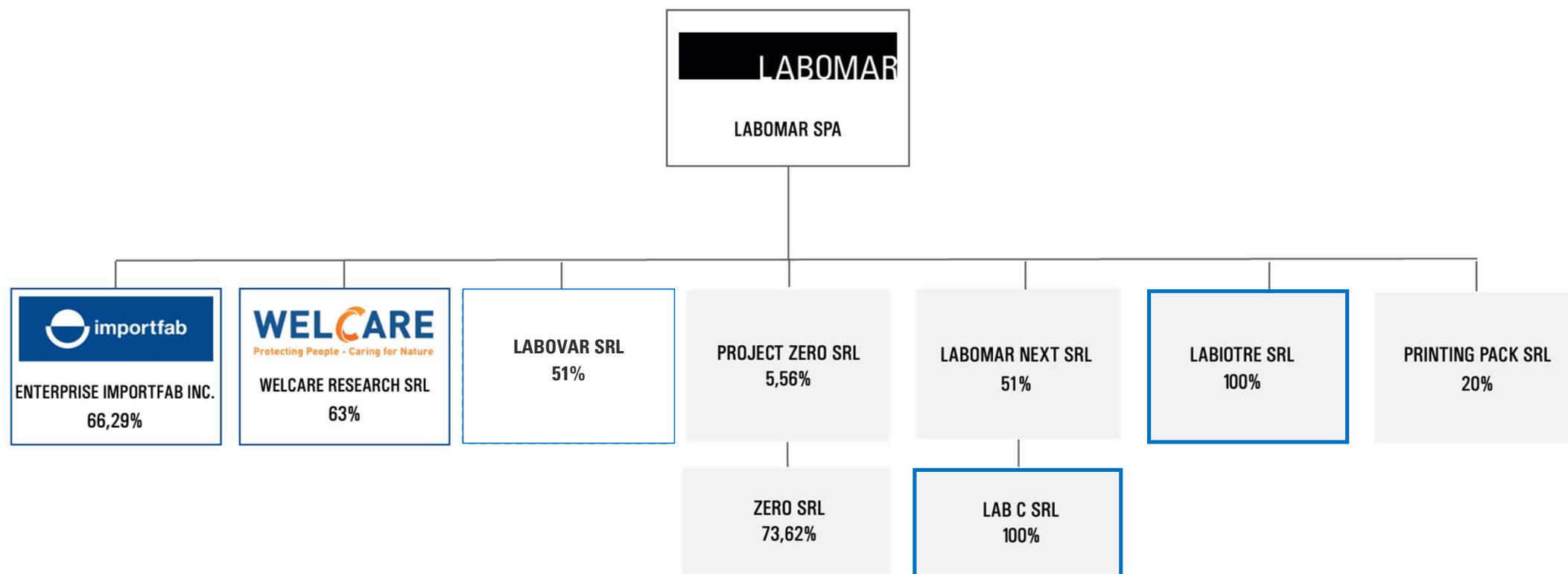
... and what  
were our  
strategic pillars  
of growth

1. SOURCE: Euromonitor, Technavio 2018

NOW

LABOMAR

after 1 year of listing



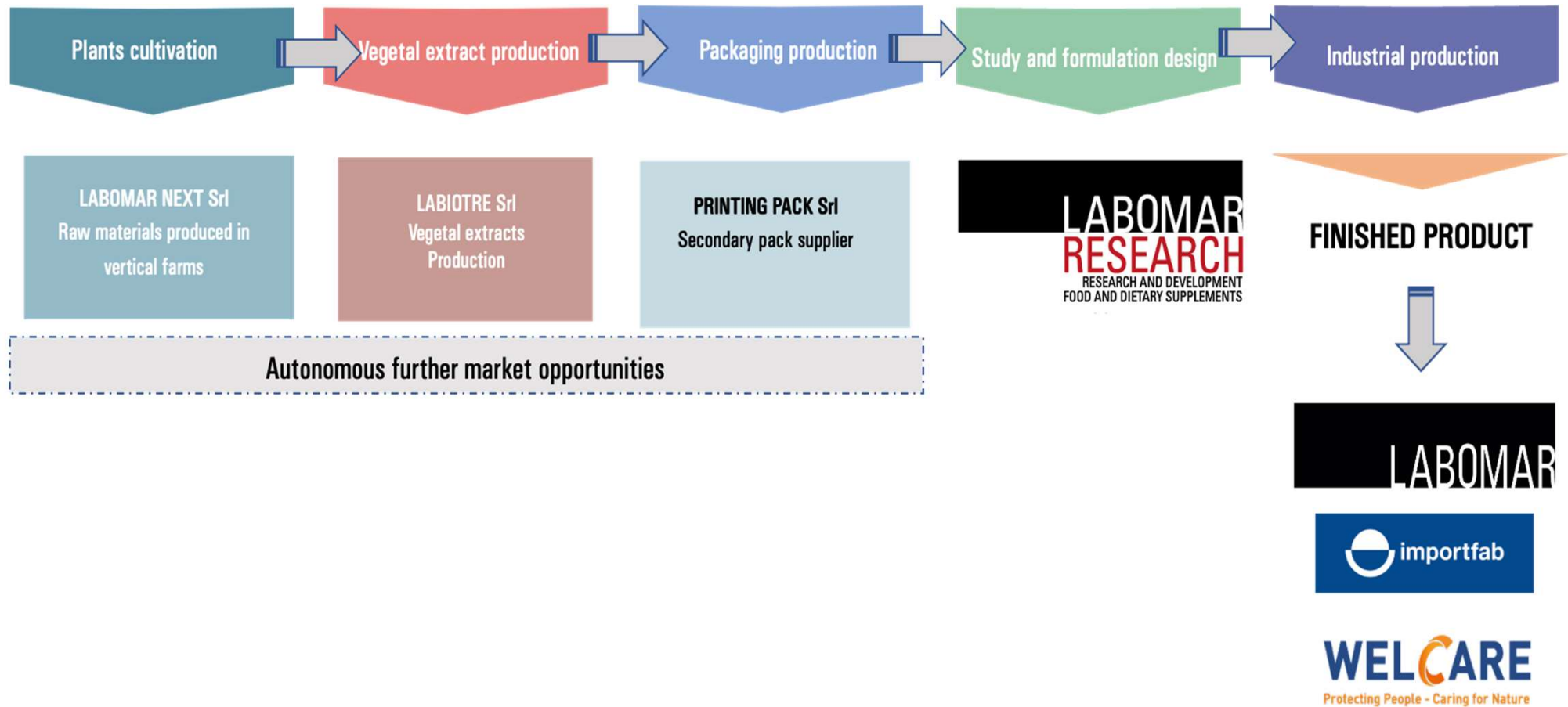
Source: Management

 NOW LABOMAR

**LABOMAR IS BECOMING  
A SYSTEM INTEGRATOR  
TO OVERSEE THE ENTIRE VALUE CHAIN**

# THE VALUE CHAIN

LABOMAR

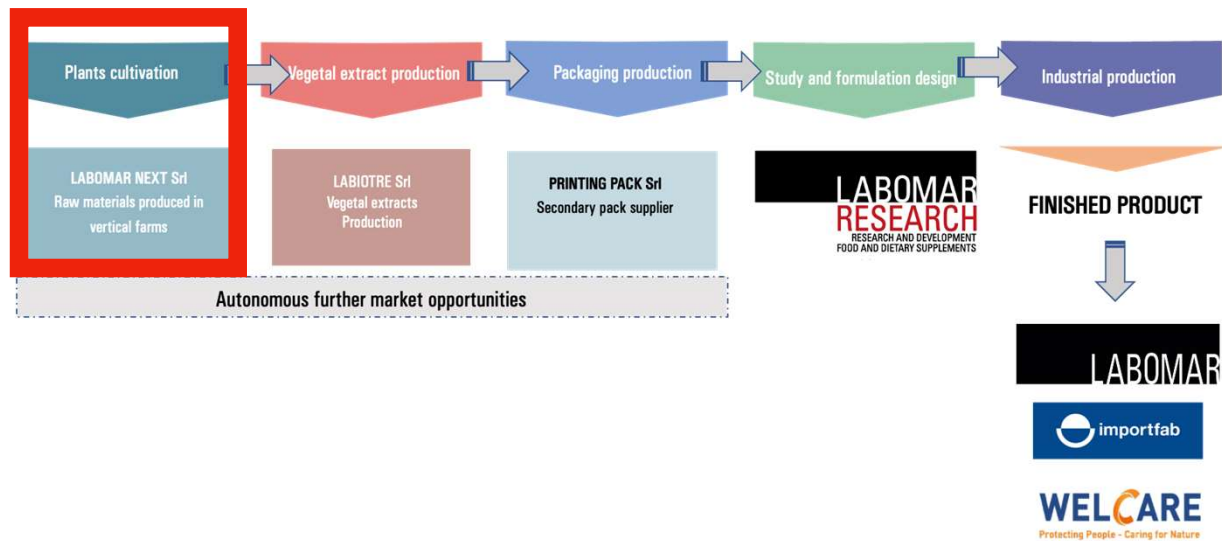


# THE VALUE CHAIN

LABOMAR

LABOMAR  
NEXT

the  
BLU OCEAN project



an industry hitting many Sustainable Development Goals





**AGRONOMIST**



**BIOLOGIST**



**ENGINEER**



**CODER**

# 6-YEAR MULTIDISCIPLINARY R&D PROCESS







## **BIOREACTORS:** **PLANTS EXPRESSING ACTIVE PRINCIPLES RELEVANT IN**

FUNCTIONAL FOOD

NUTRACEUTICALS

COSMETICS

PHARMACEUTICALS

LABOMAR  
NEXT

LABOMAR

FUNCTIONAL FOOD

NUTRACEUTICALS

COSMETICS

PHARMACEUTICALS

raw materials, ingredients, processed products

ZERO'S FARMING PLATFORM

## 3 ONGOING R&D PROJECTS:



next generation  
nutraceutical ingredients



medical Cannabis



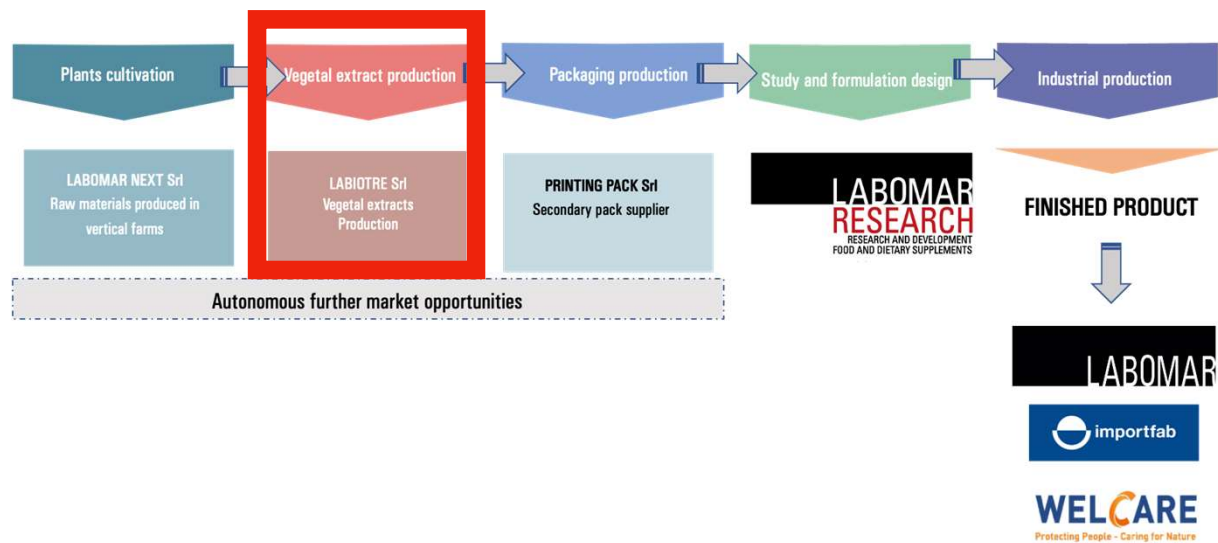
a functional dressing

# THE VALUE CHAIN

LABOMAR



a strategic integration upstream  
of the supply chain





Labiotre is an Italian company founded in 2011 with the aim of producing **botanical extracts** with a full control on the production chain, in order to guarantee the **highest qualitative standards**.

From the deep knowledge of botany, Labiotre research and develop innovative extraction methods that allows it to make the most from the plants, while respecting their physiology.





### Multiextracts

Combination of phytocomplexes from  
different botanical parts or species



### Phytobilayer

Liposomal extracts with enhanced  
bioavailability



### Fermented extracts

Botanical substrates fermented by  
anaerobic microorganisms



### Labiotech extracts

Studied extracts with standardization  
in peculiar active molecules

Each Labiotre extract or fraction embodies a set of peculiarities that make it optimal for a specific formulation. This feature allows the customer to choose the most appropriate category for the final preparation among the different categories of products offered.





## FOCUS ON **SOFT-GELS**

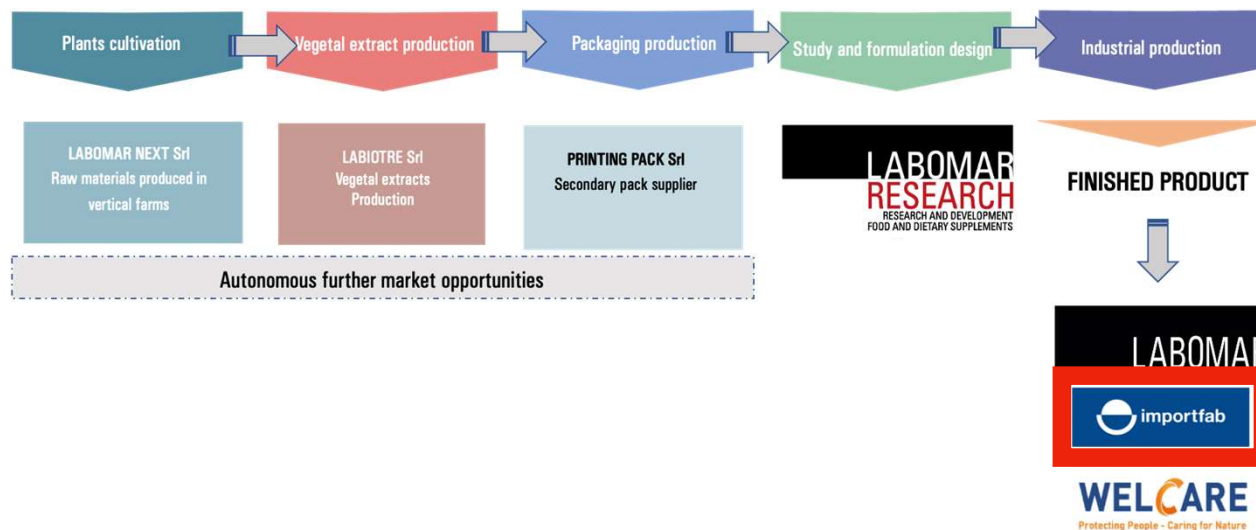
A totally new plant, built with the highest quality standards, that offers flexibility of the batch sizes, owing to the different production lines, and liability thanks to the deep expertise of the technicians.

# THE VALUE CHAIN

LABOMAR



an Highway for  
North American presence



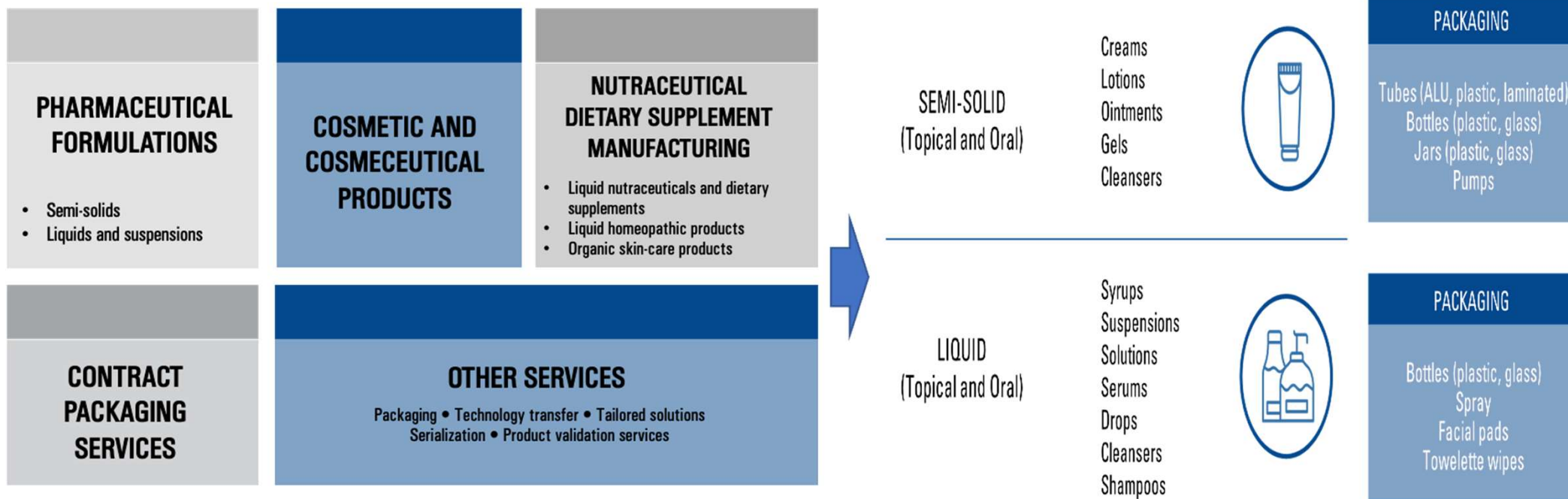




IMPORTFAB is a well-established contract manufacturer in Canada, since 1990.

Reliable reference point in the manufacturing and packaging of semi-solid and liquid products. Essentially, a benchmark for modern, efficient production, assured through the use of highly performing equipment.





## A VERY PRESTIGIOUS CLIENT PORTFOLIO:

- PALADIN LABS INC.
- GALDERMA (NESTLE' GROUP)
- ALUMIERMD COSMETICS
- DORMER LABORATORIES INC.
- PHARMASCIENCE
- PHARMASCIENCE INTERNATIONAL



## Labomar Synergies with ImportFab:

OPPORTUNITIES FOR FURTHER DEVELOPMENT  
OF THE EUROPEAN MARKET, THROUGH  
IMPORTFAB PRODUCTIONS, IN THE FIELD OF  
FUNCTIONAL COSMETICS

OPPORTUNITIES TO REACH NEW MARKETS,  
SUCH AS CANADA AND NORTH AMERICA,  
THANKS TO IMPORTFAB PRODUCTIONS AND  
ITS CERTIFICATION (SANTE' CANADA AND FA)



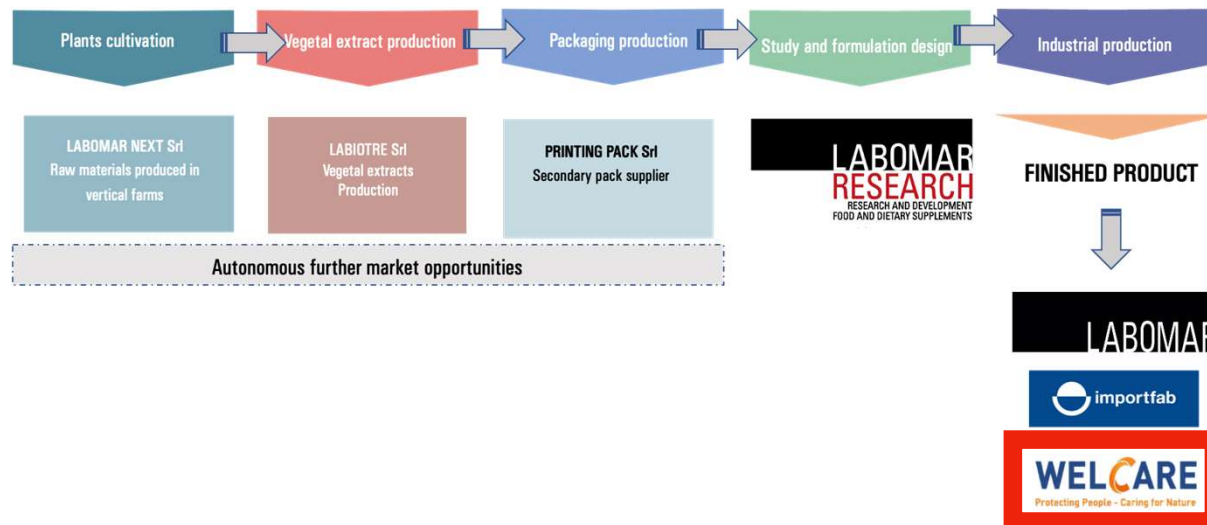
**Health  
Canada**

# THE VALUE CHAIN

LABOMAR



A boost for internationalization  
and complementary business





"WE DEVELOP SAFE, EFFECTIVE AND INNOVATIVE SOLUTIONS TO PREVENT AND SOLVE SKIN INFECTIONS AND LESIONS RELATED TO HYGIENE AND PATHOLOGIES"

Marco Grespigna



Company founded in

2001



10%

of yearly turnover  
is invested in R&D  
and production capacity.



Patented Products for  
Skin Care and Wound care



Present in more  
than 20  
markets across

5 continents





**Italy** as an opportunity to improve our turnover:

- HOSPITAL
- RETAIL (PHARMACIES)
- WHOLESALERS-COOP
- DISTRIBUTORS



HOSPITAL



PHARMACY



HOME CARE

and the rest of the world



**New countries in 2021:** Greece, Albania, Oman, Iran



# proprietary technology

FORMAT	MEDICAL DEVICES	DISINFECTANTS	COSMETICS
Creams	✓	✓	✓
Gel	✓	✓	✓
Bandages	✓		
Liquid solutions / lotions	✓	✓	✓
Pre-soaked wipes (single or multi packs)	✓	✓	✓
Pre-soaked gloves (single or multi packs)	✓	✓	✓



# A CLEAR SYNERGY WITH LABOMAR AS FULL SERVICE CONTRACT MANUFACTURING COMPANY

Welcare Industries is able to support business partners in:

- Product development
- Regulatory assessments
- Manufacturing
- Marketing and communication assistance
- National and international commercial support



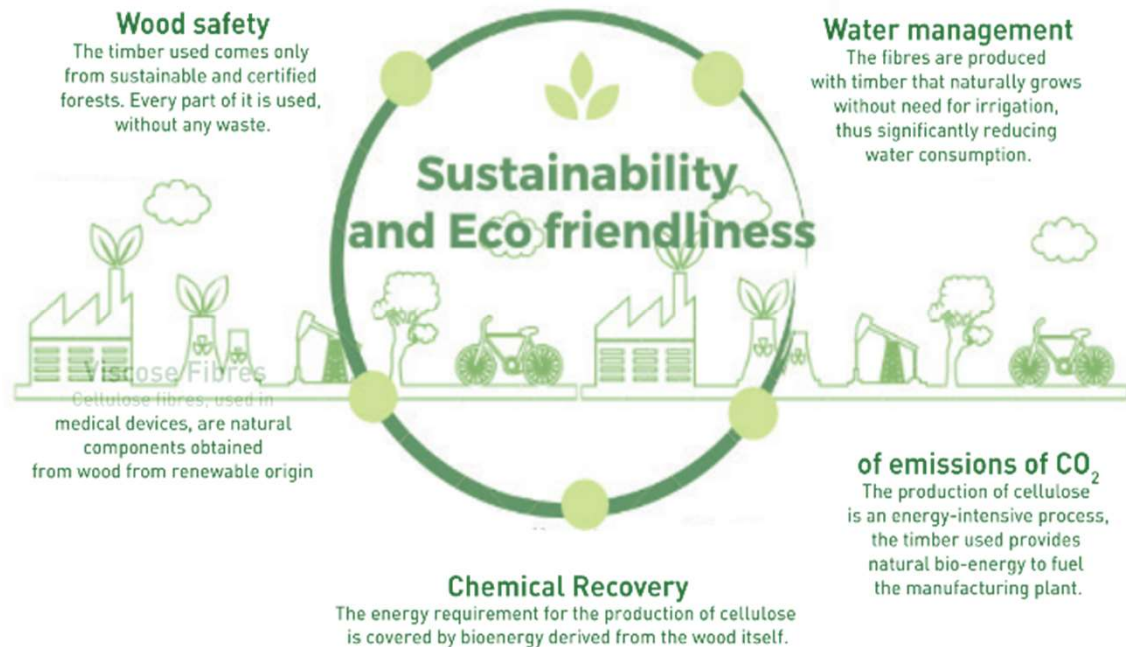
UNI CEI EN ISO 13485: 2016  
Medical Device Quality  
Management Systems



UNI EN ISO 9001: 2015  
Quality Management Systems



UNI EN ISO 14001: 2015  
Environmental Management  
Systems



 $+$  $=$  LABOVAR

A new channel and a first step for Far East growth:

- ✓ a great opportunity to operate in one of the largest marketplaces in the world (China),
- ✓ bringing top-quality products and a business model focused on digital sales platforms.

# LABOVAR

LABOMAR



## WHO

**Labomar and Sesa**, reference player in Italy in technological innovation and digital services for the business segment, through its subsidiary Var Group SpA, active in the Software and System Integration sector

## WHAT

establishment of a New.Co. (**51% Labomar and 49%Var Group**) for the **development of Chinese market digital e-commerce platforms for Nutraceutical products.**

**First revenues expected from 2<sup>nd</sup>H 2022**

GLOBAL REACH

LABOMAR



NOT ONLY CROSS SELLING,  
BUT ALSO GEOGRAPHICAL EXPANSION

LABOMAR

THANK YOU FOR YOUR ATTENTION!

LABOMAR



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