

# Non-Deal Roadshow Presentation

October 2023



# DISCLAIMER

**This presentation may contain information about future events**, such information would not only be historical facts, but would reflect the wishes and expectations of the company's management. The words "believes", "expects", "plans", "forecasts", "estimates", "projects", "aims" and the like are intended to identify statements that necessarily involve known and unknown risks.

**Known risks include uncertainties, which are not limited to the impact of** price and service competitiveness, acceptance of services in the market, service transactions by the company and its competitors, regulatory approval, currency fluctuation, changes in the mix of services offered and other risks described in the Company's reports.

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**This presentation was updated as of June 30, 2023**, and the Company does not assume any obligation to update it in light of new information or future developments.





# EUROFARMA AT GLANCE

One of the Leading LatAm Pharma Companies

**+50** Years  
of history



Products in the pharma'  
main segments



**+12,000 employees**



**#1** prescription  
pharma in Brazil<sup>1</sup>



**#3** pharma  
in LatAm<sup>2</sup>



## LEADERSHIP

**#1** in sales  
+5,000 own representatives

**#1 CAGR PPP in Brazil**  
15.9% CAGR PPP in Brazil  
among five main players



## COMPETITIVENESS

**R\$1.7 bn / 20.5%**  
EBITDA YTD<sup>3</sup> / Margin

**R\$2.2 bn / 26.0%**  
Adjusted EBITDA<sup>4</sup> YTD<sup>3</sup> /  
Margin



## EXPANSION

**22 countries**  
presence

**100%**  
LatAm coverage



## INNOVATION

**+360 projects**  
in the pipeline until 2028

**R\$628 mm**  
R&D Expenses YTD<sup>3</sup>  
**7.4%** of net revenue



## RECOGNITION

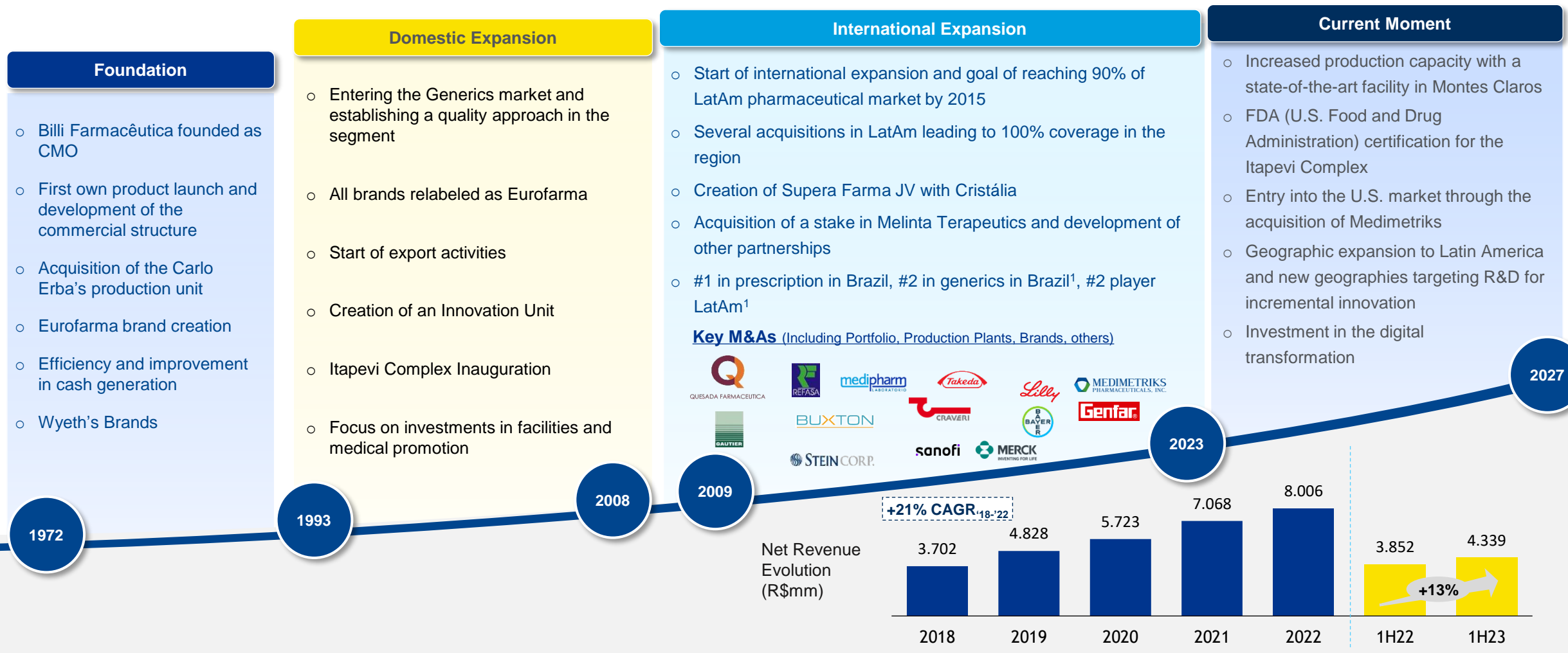
**19 years** Great Place to  
Work

**5x** Sustainability Ranking<sup>5</sup>  
(the only pharma company)

(1) Eurofarma, Momena and Supera; Close-up Jun/23; (2) Jun/23 Retail Real PPP. Regional-based pharma; (3) YTD June/2023; (4) Adjusted for R&D expenses; (5) Guia Exame Award

# UNIQUE AND SUCCESSFUL HISTORY OF GROWTH AND PROFITABILITY

50+ years in the field to become one of the leaders in the pharmaceutical industry



# LEADERSHIP ACROSS THERAPEUTIC CLASSES

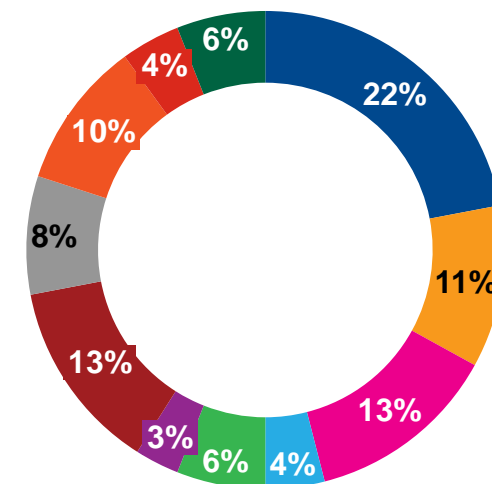
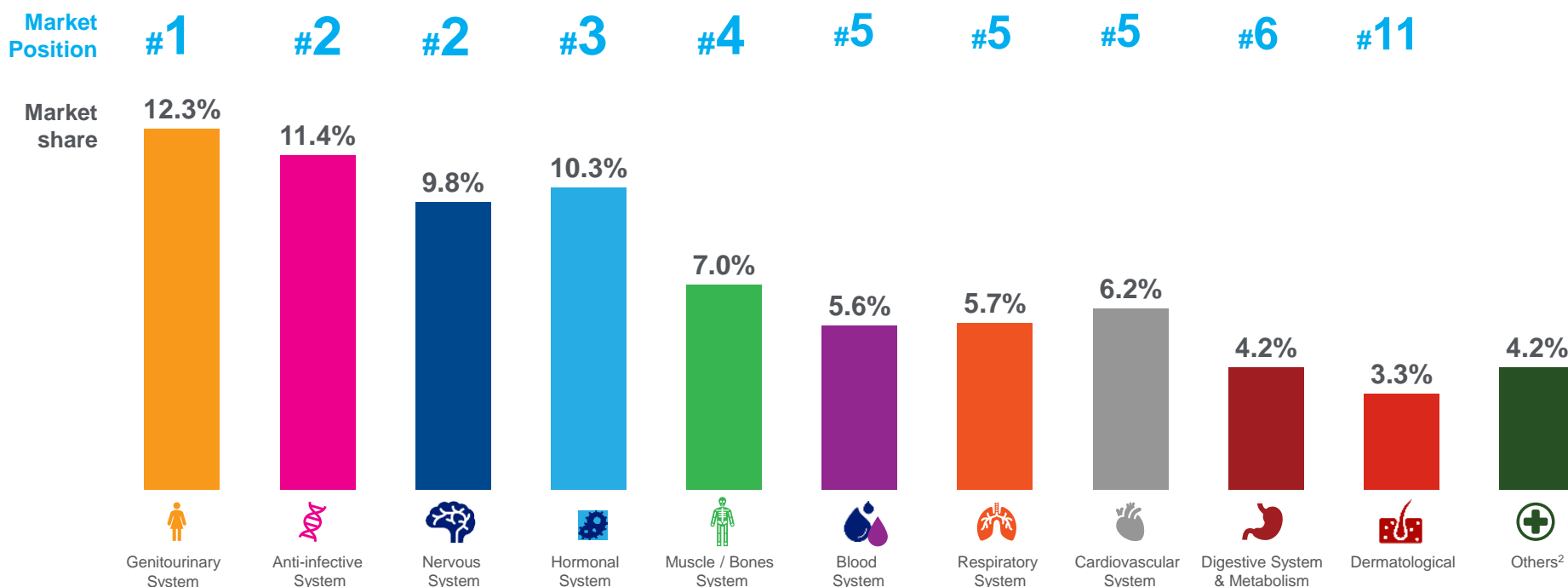
Eurofarma's portfolio is strategically positioned to support continuous growth

## Market Share by ATC Level I (Brazil) - Dec/22

Market Size (R\$ bn)	8.0	11.3	21.4	4.1	8.3	6.5	12.1	12.6	26.3	10.4	28.3
Growth x Market <sup>(1)</sup>	+1.8%	+10.3%	+2.8%	+14.7%	+15.3%	(0.2%)	(4.4%)	+12.4%	+4.7%	(5.7%)	(8.3%)

**Total Addressable Market**  
R\$ 149.4 bn

**Eurofarma's Therapeutic  
Class I Portfolio<sup>3</sup>**



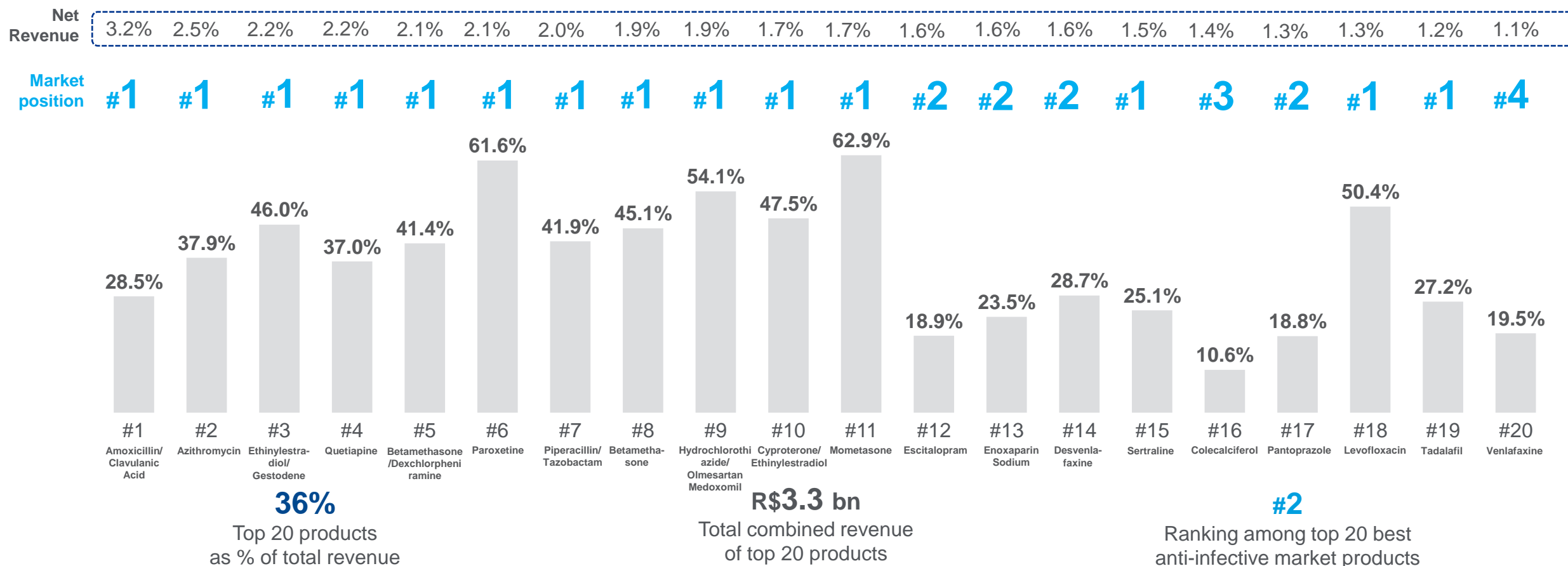
Source: Company Materials

Note: (1) Eurofarma compounding annual growth rate from Dec/2018 to 2022 compared to sector compounding annual growth rate; (2) Others (antineoplastic and immunomodulatory agents + hospital solutions + antiparasitic, insecticide and repellent products + miscellaneous); (3) Considering ATC Level I classes in which the Company is present as a % of the total addressable market.

# LEADERSHIP ACROSS THERAPEUTIC CLASSES (CONT'D)

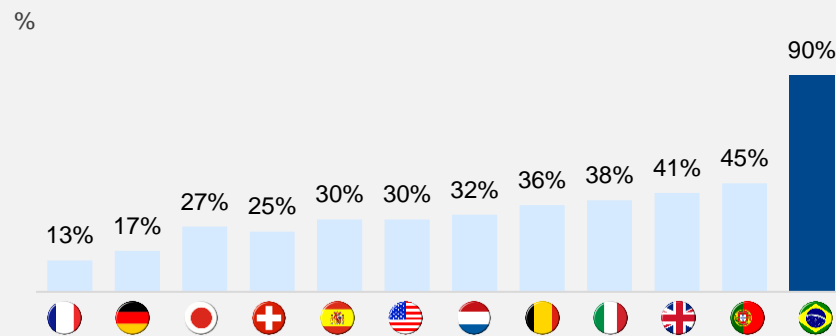
Eurofarma's portfolio is strategically positioned to support continuous growth

## Market Share by ATC Level I (Brazil) - Dec/22



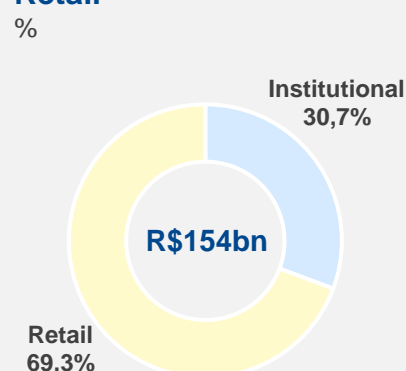
# FAVORABLE DEMOGRAPHICS & MARKET DYNAMICS TO SUSTAIN STRONG EXPANSION IN UPCOMING YEARS

## % of Out-of-Pocket Spending in the Pharmaceutical Retail Market



*Relevant portion of out-of-pocket spending is less risky when compared to other global markets*

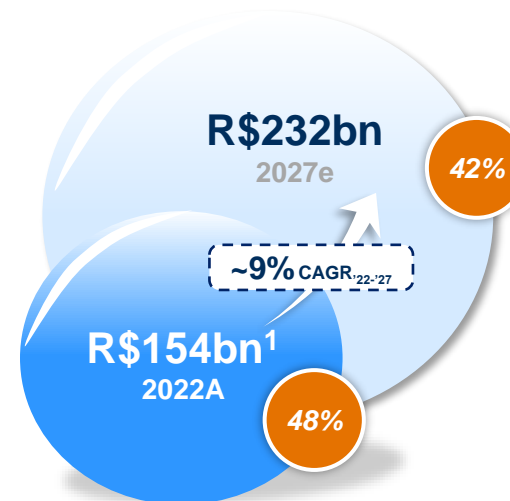
## Market Distribution Between Institutional and Retail<sup>(1)</sup>



*Furthermore, the portion of sales not made in the retail segment has low risk since the sale is made directly to the institutions*

### Brazil TAM

% of Total Latin America TAM



### Latin America TAM (Ex-Brazil)



## Key Growth Drivers



**Demographics / Aging Population**



**Greater National Reach**



**Annual Adjustments with Higher Tickets Products**



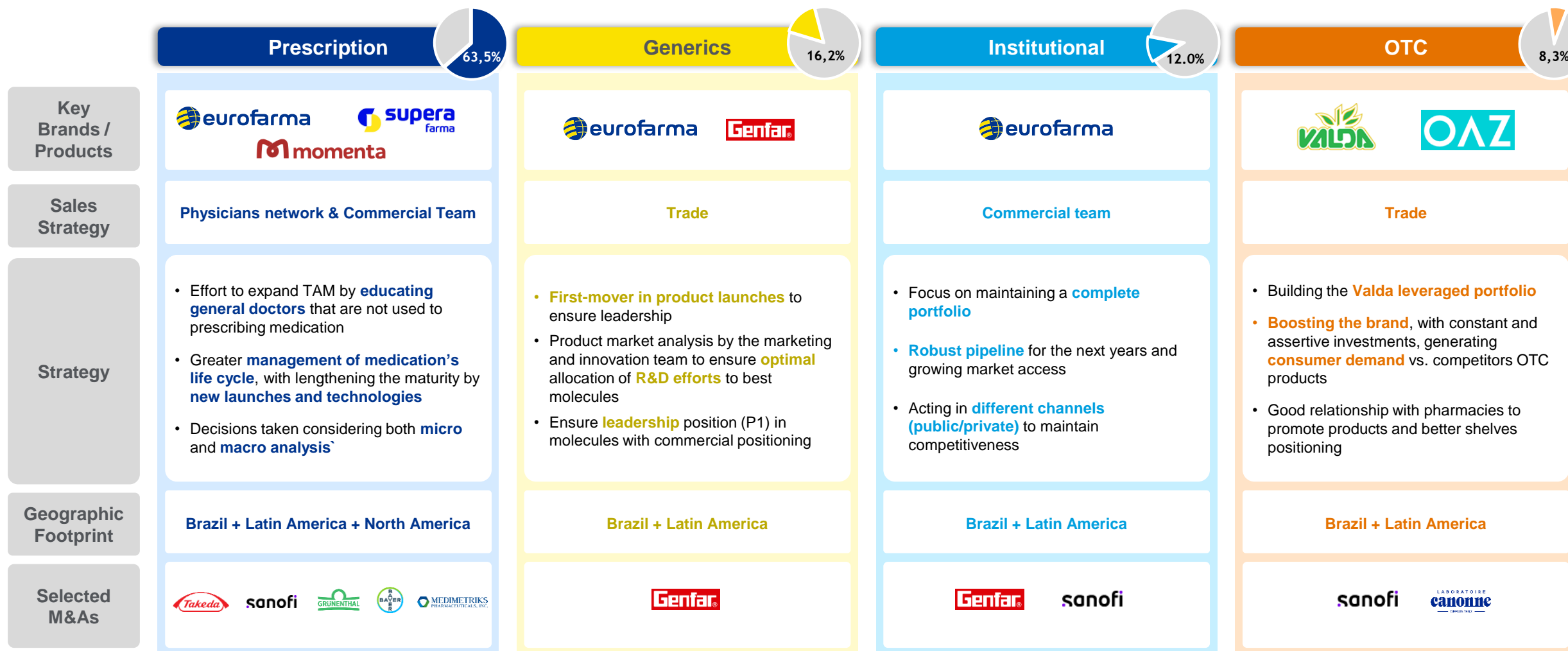
**High Level of New Product Launches**



**LatAm Market Maturation**



# STRATEGY CONSISTING OF MAXIMIZING PERFORMANCE IN EVERY FIELD



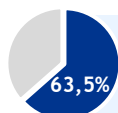
Source: Company Materials

Note: (1) Eurofarma Corp (Eurofarma+Momenta+Supera)

% of 1H23 Net Revenues<sup>1</sup>



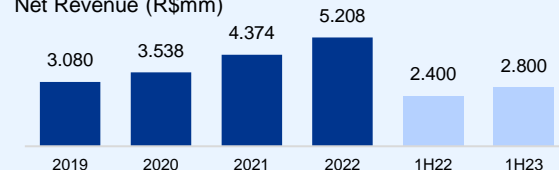
# COMPLETE & DIVERSIFIED PORTFOLIO



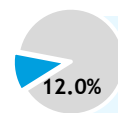
## Prescription

- Capillary and **robust commercial team**
- Effort to **expand TAM** by **educating general doctors**
- Greater **management** of the **medication's life cycle**, with **lengthening the maturity** by new launches
- Decisions taken considering both micro and macro analysis of data**

Net Revenue (R\$m)



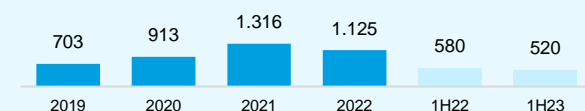
**1,355**  
SKUs



## Institutional

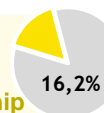
- Focus on maintaining a **complete portfolio**
- Robust pipeline** for the next years and **growing market access**
- Acting in **different channels** (public/private) to **maintain competitiveness**

Net Revenue (R\$m)



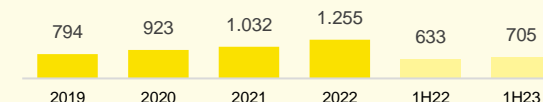
**285**  
SKUs

## Generic



- First-mover** in **product launches** to ensure **leadership**
- Product market analysis by **marketing and innovation team** to ensure optimal **R&D efforts to best molecules**
- Ensure **leadership position (P1)** in molecules with **commercial positioning**
- After-sales effort as a key differentiator**

Net Revenue (R\$m)



**367**  
SKUs



## OTC and Others<sup>2</sup>

- Strategy to ensure a **good relationship with pharmacies** to promote their products and better shelves positioning
- Building the **Valda leveraged portfolio**
- Boosting the brand**, with constant and assertive investments, **generating consumer demand**

Net Revenue (R\$m)<sup>3</sup>



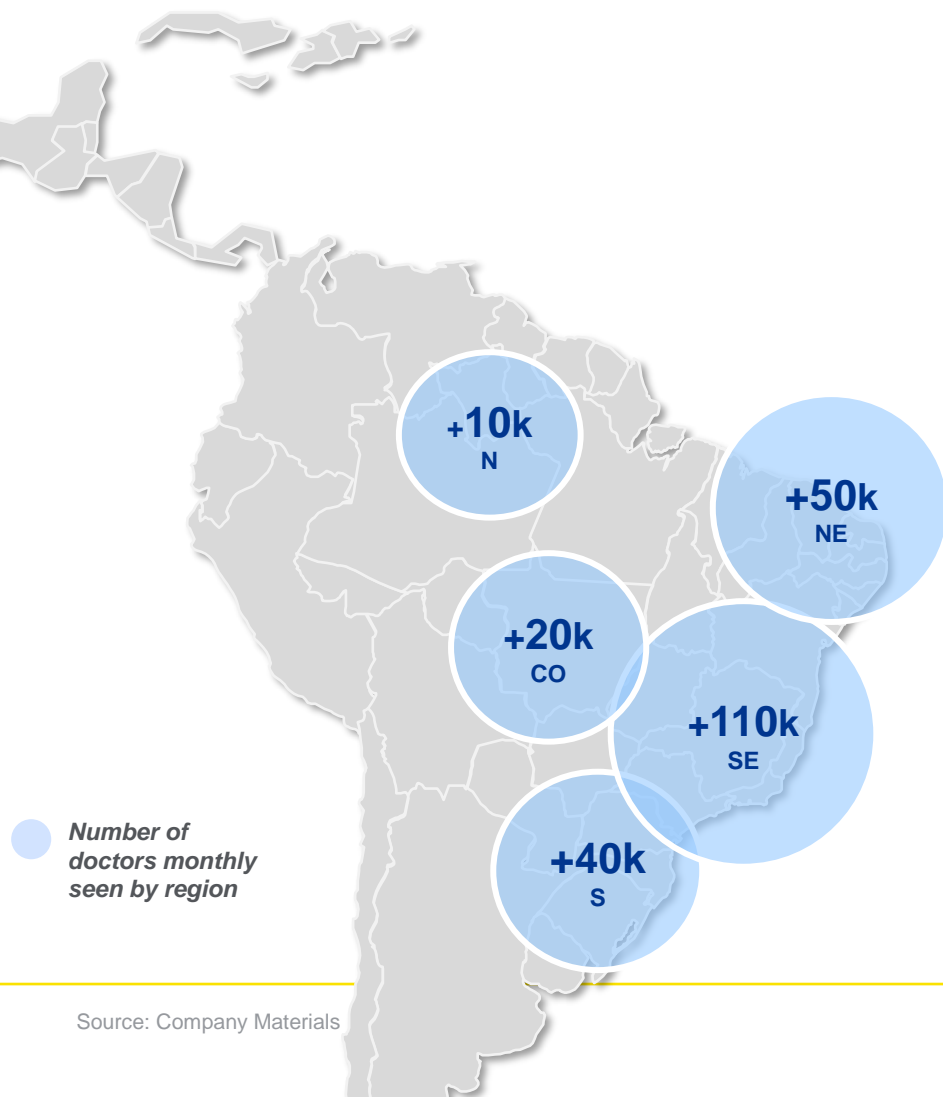
**192**  
SKUs



# POWERFULL, BROAD AND INCENTIVIZED SALESFORCE

Unparalleled reach backed by several KPIs to support a strong sales performance

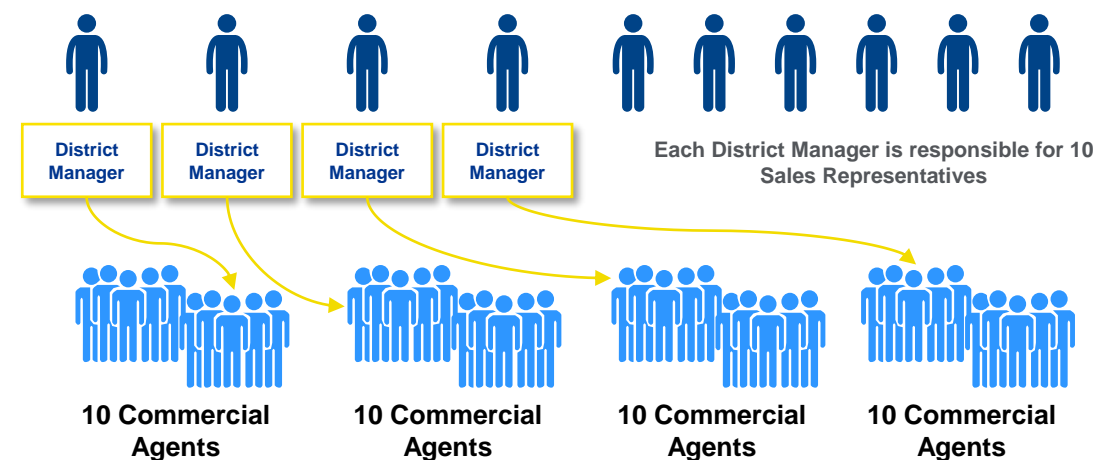
Prescription Only



**Eurofarma's** structure and organization allows the Company not only to reach **483k** doctors in Brazil, but also to guarantee capillarity for the Company

5 NATIONAL MANAGERS  
38 REGIONAL MANAGERS  
328 DISTRICT MANAGERS  
3,091 AGENTS

Each Regional Manager is responsible for 10 District Managers



Periodic performance meetings in work cycles (ranging from 20 to 40 days)



Monthly trainings involving district managers and commercial representatives



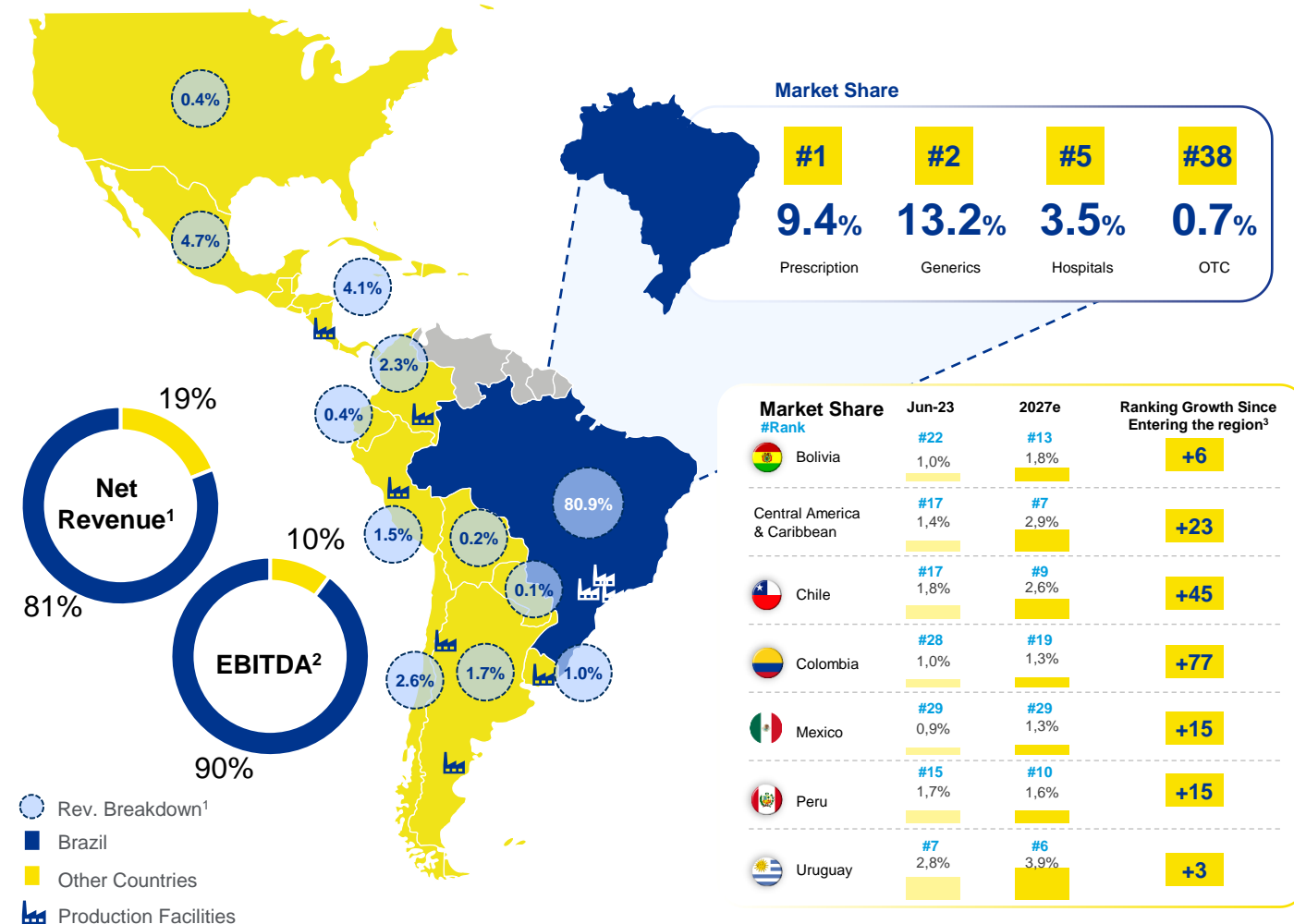
Global and individual sales goals to achieve team expectancy



Commercial agents' autonomy to ensure a customized visit for each doctor

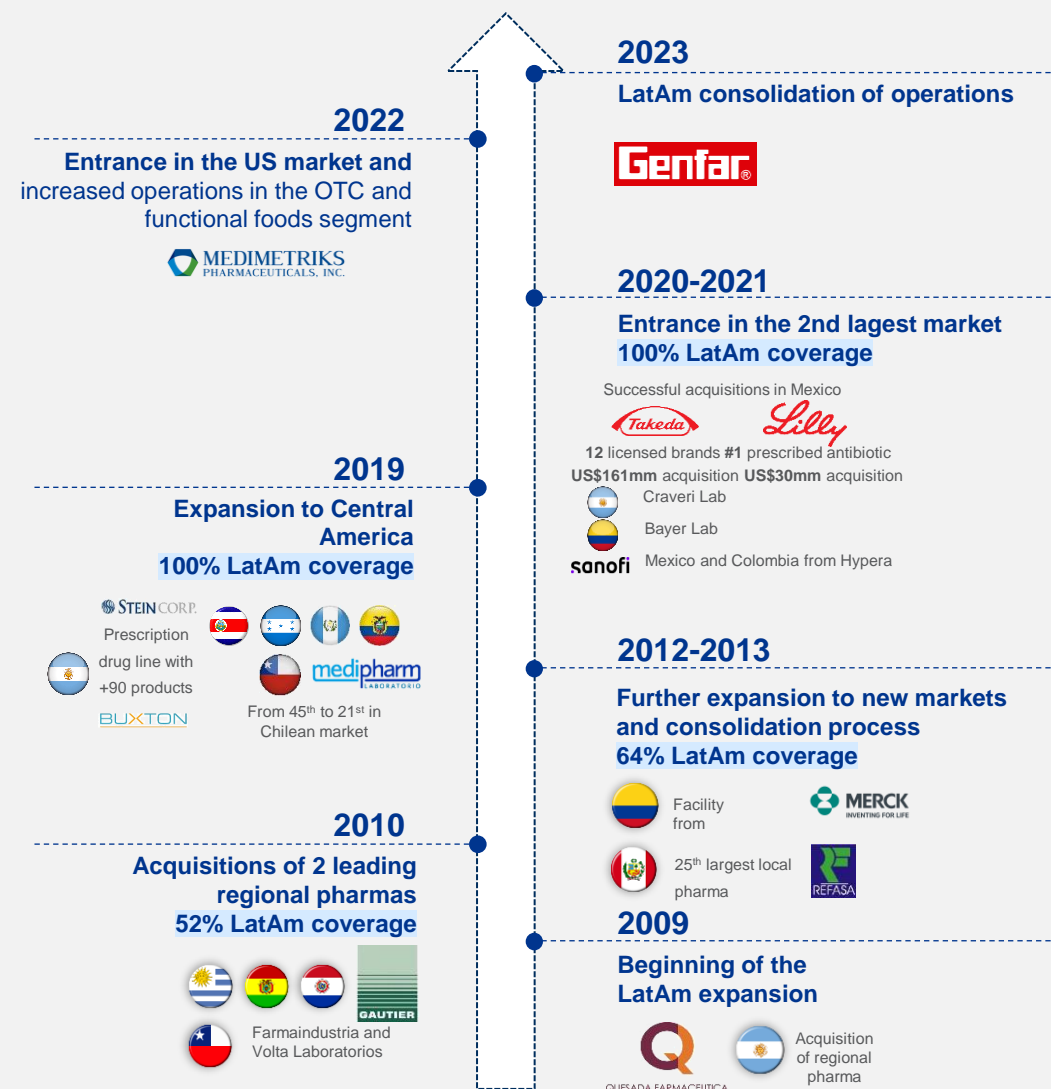
# GEOGRAPHIC CAPILLARITY & INTERNATIONALIZATION STRATEGY

Robust footprint backed by continuous organic and inorganic growth



Source: Company Materials

Note: (1) Revenue Breakdown as of Jun-2023; (2) Managerial Data (Total EBITDA adj. by R&D); (3) Position growth until Jun/23



# EXPERIENCED MANAGEMENT TEAM & HIGH GOVERNANCE STANDARDS



**Maurizio Billi \***  
Global CEO &  
Controlling Shareholder  
+40 Years of Experience

- Value Capture Unit (Current Business)
- Value fronts for the future
- Value-Enabling Corporate Roles
- \* Part of Controlling Shareholders Group

CEO Brazil

To be  
announced



**Marco Billi \***  
International CEO  
+11 Years of experience



**Alexandre Palhares**  
Global CFO  
+15 Years of experience



**Maria Del Pilar**  
Global New Business  
+30 Years of experience



**Martha Penna**  
Global Innovation  
+30 Years of experience



**Roberta Rezende**  
Global Operations  
+29 Years of experience



**Daniela Panagassi**  
HR Global Director  
+20 Years of experience



**Maira Billi \***  
Animal Health Director  
+12 Years of experience

## Corporate Governance & ESG Initiatives

### Great Place to Work



**19 years**  
in a row as one of the  
best places to work in  
Brazil and Central  
America and the  
Caribbean

**1<sup>st</sup>** Brazilian pharma  
with a commitment to  
neutralize 100% of  
direct CO<sub>2</sub> emissions

**1<sup>st</sup>** Brazilian pharma  
with ISO 50001:2018  
certification



**2.4%**  
Turnover



**3 out of 5**  
VPs are woman



**50%**  
female leadership



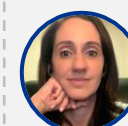
**Independent Audit**  
Since 2018



## Board of Directors



**5 out of 9**  
Independent Members



Juliana  
Rozenbaum



Marcelo  
Martins



Claudio  
Roberto Ely



Cristina  
Palmaka



Nelson  
Mussolini



# ESG INITIATIVES

## Principles and practices supporting Eurofarma since its inception

### Environmental



**1<sup>st</sup> Brazilian pharma with a commitment to neutralize 100% of direct CO<sub>2</sub> emissions**

#### Energy Efficiency

- 1<sup>st</sup> Brazilian pharma with **ISO 50001:2018** certification
- **Agreement with Omega Energia, contracting 15.6 MWm, making the Company's energy matrix 100% renewable until 2024**

#### Water Efficiency

- **Increased reuse** in utility processes to 61% (66,616 m<sup>3</sup>)
- **Reduction of 4% in total water consumption**, weighted by the volume produced, totaling 434,518 m<sup>3</sup>

#### Circular Economy

**+VERDE** Decontamination of primary packaging by consumers and with homemade solutions

- **100% of medication packaging** contains guidelines on correct disposal
- **30% recycled material** in secondary packaging
- **23.5 million units** sold in 2022, **+91%** over 2021

### Social

#### Eurofarma Institute

- With headquarters in the cities of Itapevi and São Paulo, the Eurofarma Institute (IE) expanded its activities in 2022, with the start of its operations in Montes Claros (MG)
- Since its founding, IE has worked continuously to offer transformative education with +130,000 attendances
- In 2022, the Institute invested R\$17 million with around 14 thousand direct beneficiaries.

#### Lactare

- First private milk bank in Brazil
- Since 2019, it promotes breastfeeding and helps save lives
- Since its creation, it has expanded its reach among donor mothers and babies hospitalized in neonatal Intensive Care Units (ICU) of several public hospitals, located in the regions of Itapevi and Greater São Paulo.
- In 2022, it received ISO: 9001 NBR certification, which attests to the quality of the management system.



Program that works on 4 priority fronts (Gender, Race, People with Disabilities and LGBTQIA+), has the direct participation of 150 employees in affinity groups

### Governance

- Independent Audit Since 2018
- Board composed by 9 members, 4 independent
- Listed and Type A registered in CVM

#### Committee Structure

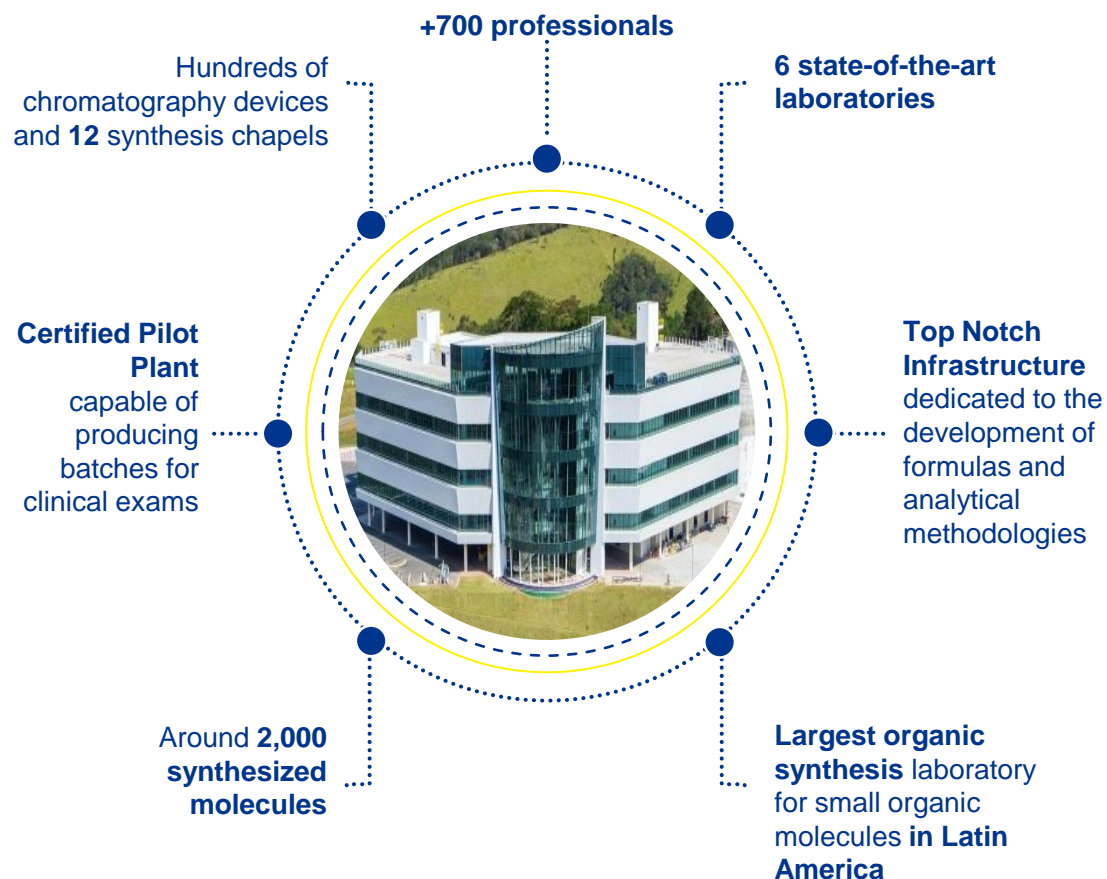
- Audit and Compliance Committee (CAC)
- Personnel and Organization Committee (CPO)
- ESG Committee (ASG)
- Related-Party Transactions Committee

# INNOVATION-LED ECOSYSTEM SUPPORTING NEW PRODUCT LAUNCH

Going beyond with constant new initiatives across LatAm



## EUROLAB | Innovation Hub



### Eurofarma's Key Initiatives



Similar and Generics



Incremental Innovation



Radical Innovation - Partnerships

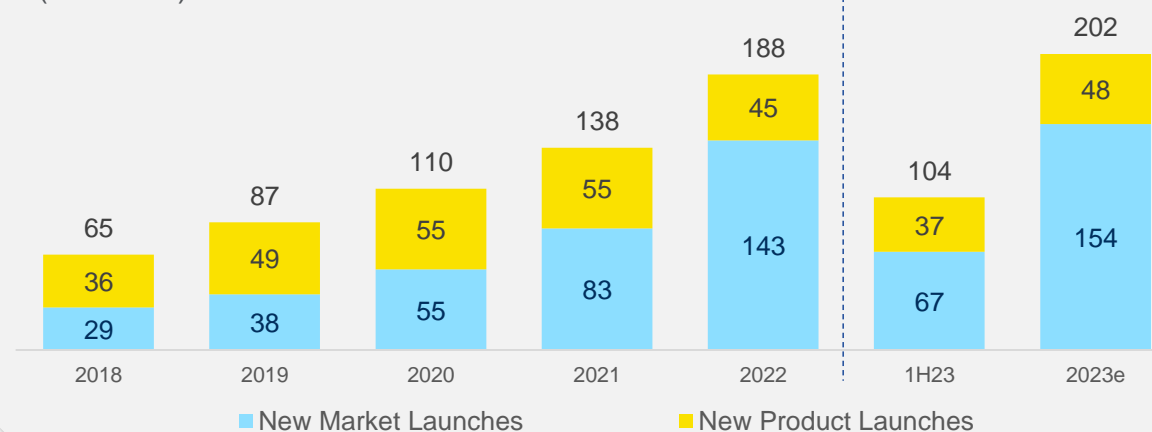


Own Radical Innovation



Early Stages Drugs

### New Products & Market Launches (# of units)

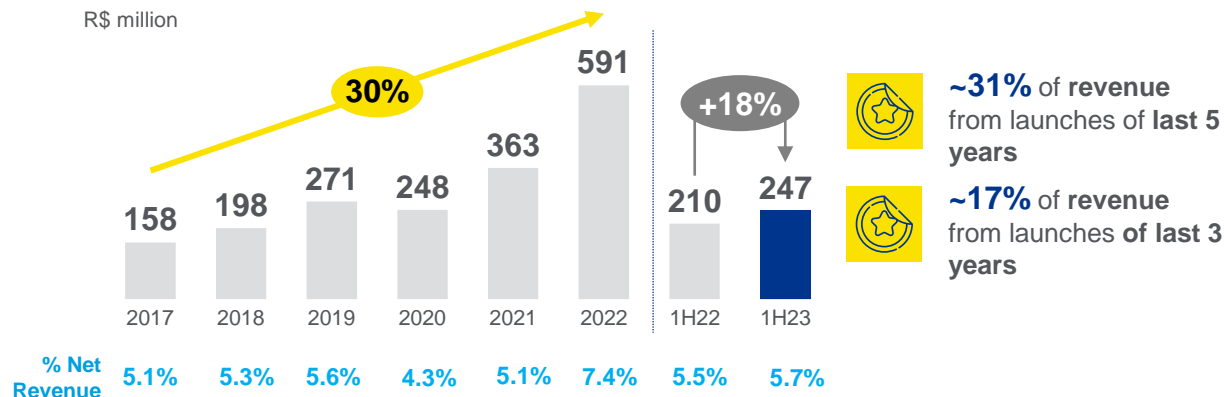


# HIGHEST EFFICIENCY AMONG PEERS

Strong focus in R&D capabilities supporting innovation pipeline and portfolio renewal rate

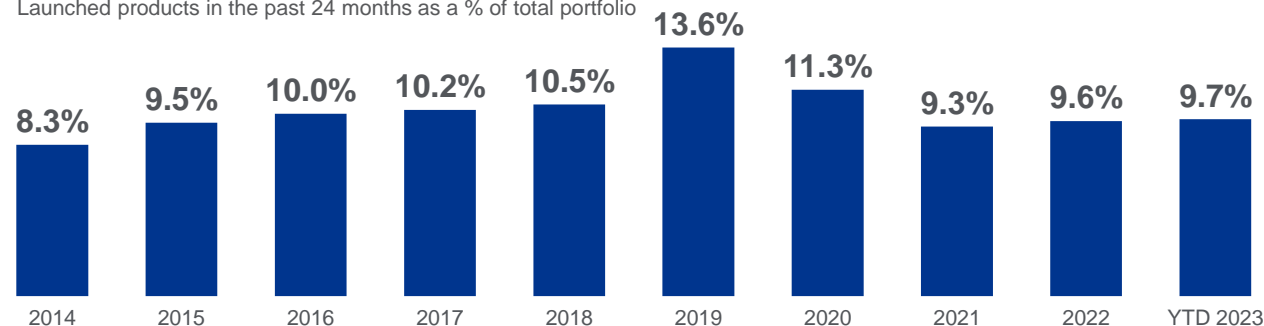
## R&D Investments

R\$ million



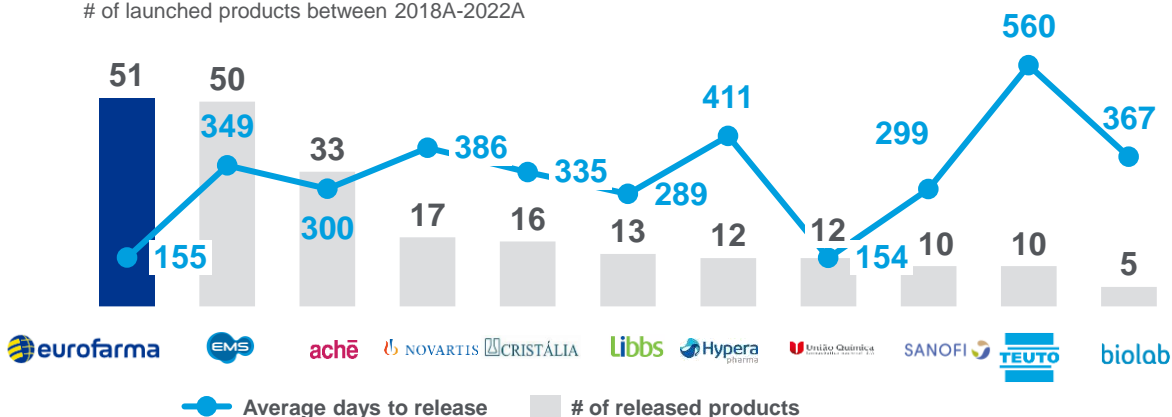
## Eurofarma's Portfolio Renewal Index

Launched products in the past 24 months as a % of total portfolio



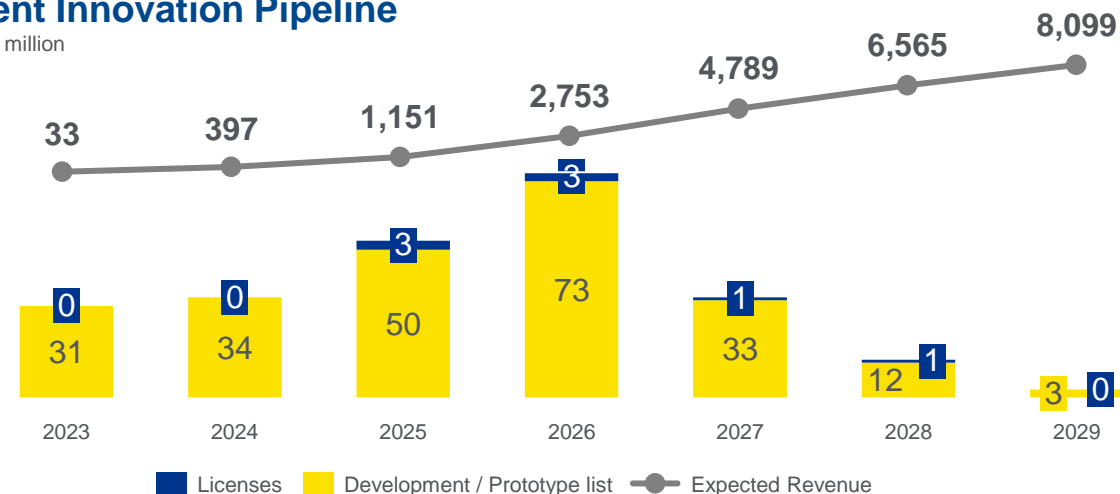
## Highest Efficiency in Product Development and Launches

# of launched products between 2018A-2022A



## Current Innovation Pipeline

# and R\$ million



# INNOVATIVE DNA GOES BEYOND NEW INITIATIVES

Euro Ventures fund: crucial step in the Company's innovation process

## Treatments

- Neurodegenerative
- Auto-Immune
- Rare Diseases
- Oncology

Goal of investing in ~25 startups  
and over US\$100 mm (+5 year and  
~80% US)

Opening Investment Bids



## Different Focus

- Precise medicine
- Genetic Modification
- Artificial Intelligence

Opportunities not accessible  
through licensing or own  
R&D

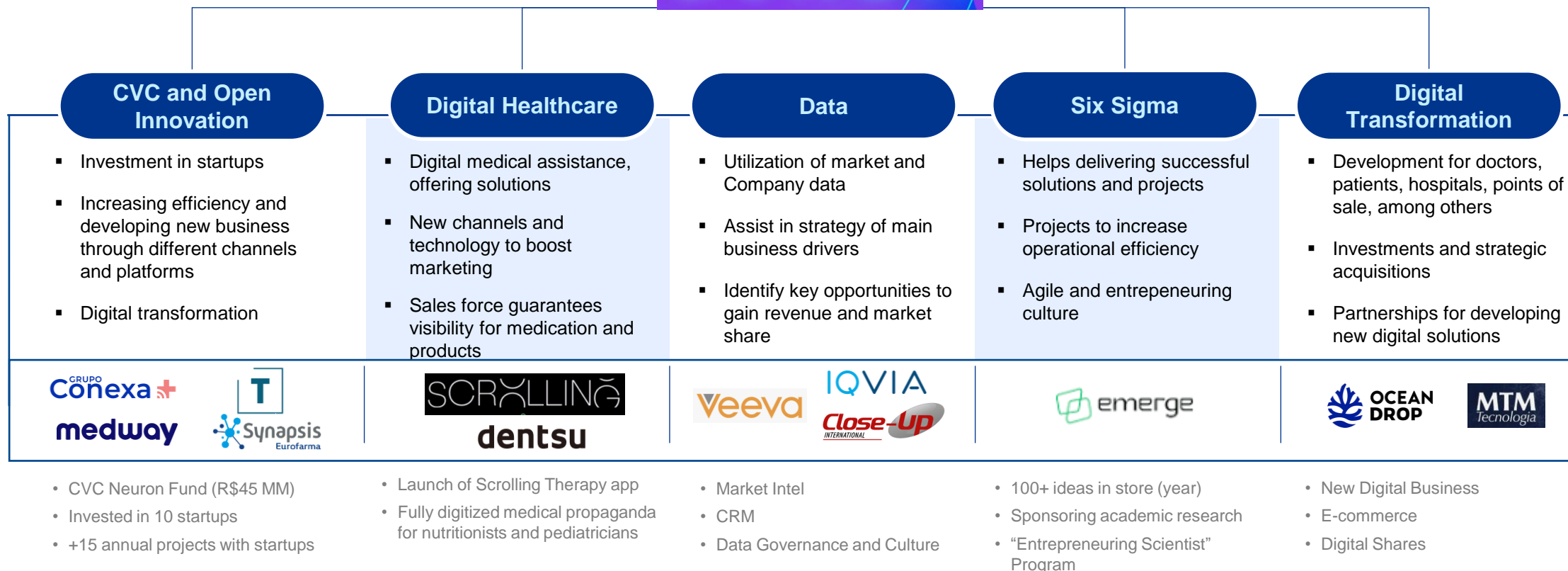
Focus on Early-Stage  
Innovation that is both  
transformational and disruptive  
(research, pre-clinic, phase1)

Fund represents an important first step towards Eurofarma building its own innovative platform with an eye for the future



# EURON: INNOVATIVE STRATEGY WITH NEW INITIATIVES

Platform focused on offering new solutions using technology and data



# STATE-OF-THE-ART PRODUCTION CAPABILITIES

**Itapevi Industrial Complex**  
One of the most advanced Pharma Parks and Innovation Centers in LatAm

*Designed to support the company's expansion plans in the coming years*



Formats Produced  
**+80 Lines of active production**

Capsule	Tablet
Pill	Ointment
coated Pill	Powder
Moisturizer	Lyophilized Powders
Elixirs	Solutions
Emulsions	Aerosol Solutions
Gel	Suspensions
Effervescent Granules	Syrup



**300k m<sup>2</sup>**  
Total Area



**109k m<sup>2</sup>**  
Total Constructed Area



**521mm**  
Units / year of installed capacity

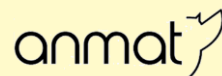


**+2,000**  
Employees in the manufacturing area



**+600**  
Scientists & dedicated professionals

**Certifications**



**Additional Plant under construction in Montes Claros / MG**  
*Strategical expansion to a different state with expected tax benefits*



**300k m<sup>2</sup>**  
Total Area



**109k m<sup>2</sup>**  
Total Constructed Area



**120mm**  
Units / year of installed capacity



**R\$2.2bn**  
Total expected investment

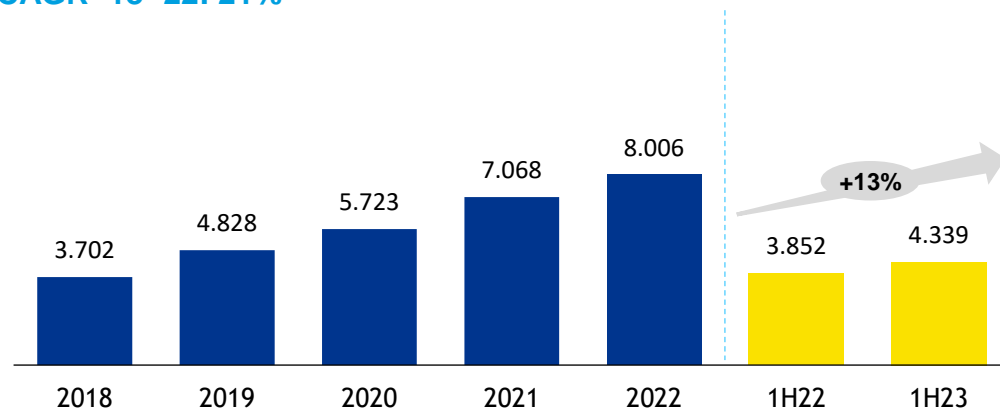
**+7 Potential certification**

to be obtained from different health agencies Around the world<sup>1</sup>

# RESILIENCY, GROWTH & PROFITABILITY

## Net Revenue Evolution | R\$mm

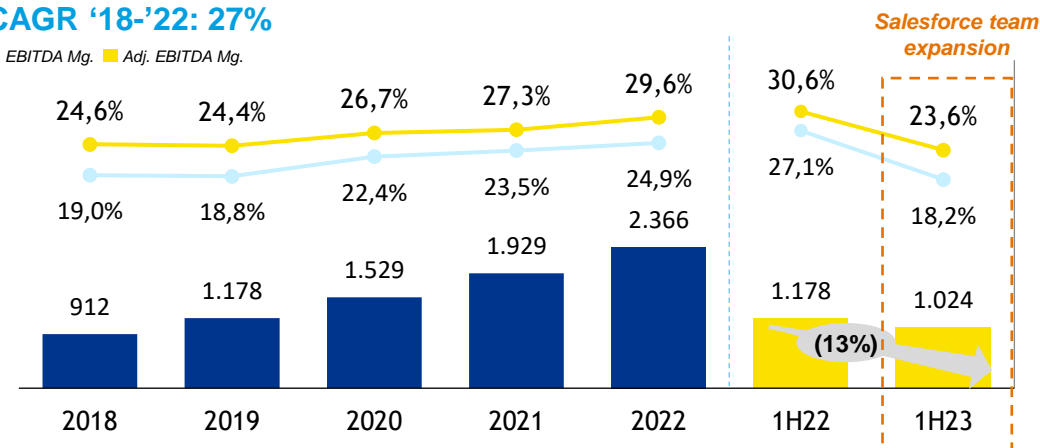
CAGR '18-'22: 21%



## R&D Adj. EBITDA & Margin | R\$mm, %

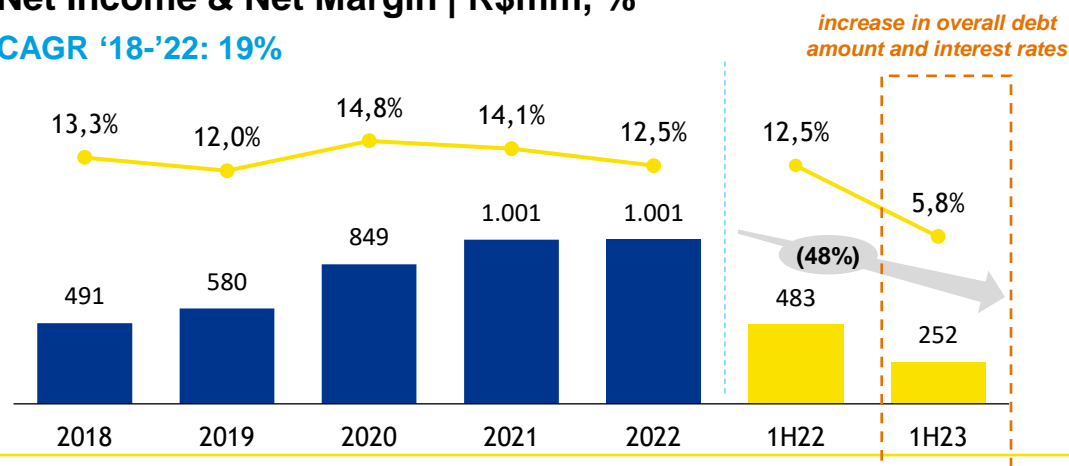
CAGR '18-'22: 27%

EBITDA Mg. Adj. EBITDA Mg.

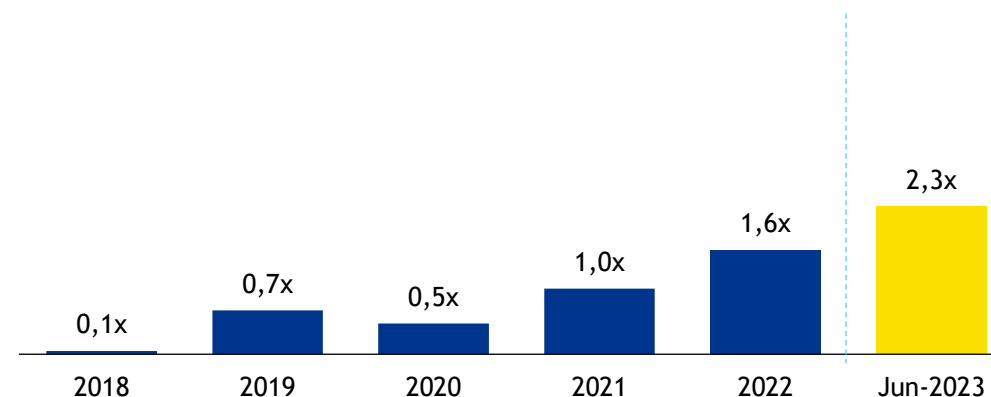


## Net Income & Net Margin | R\$mm, %

CAGR '18-'22: 19%

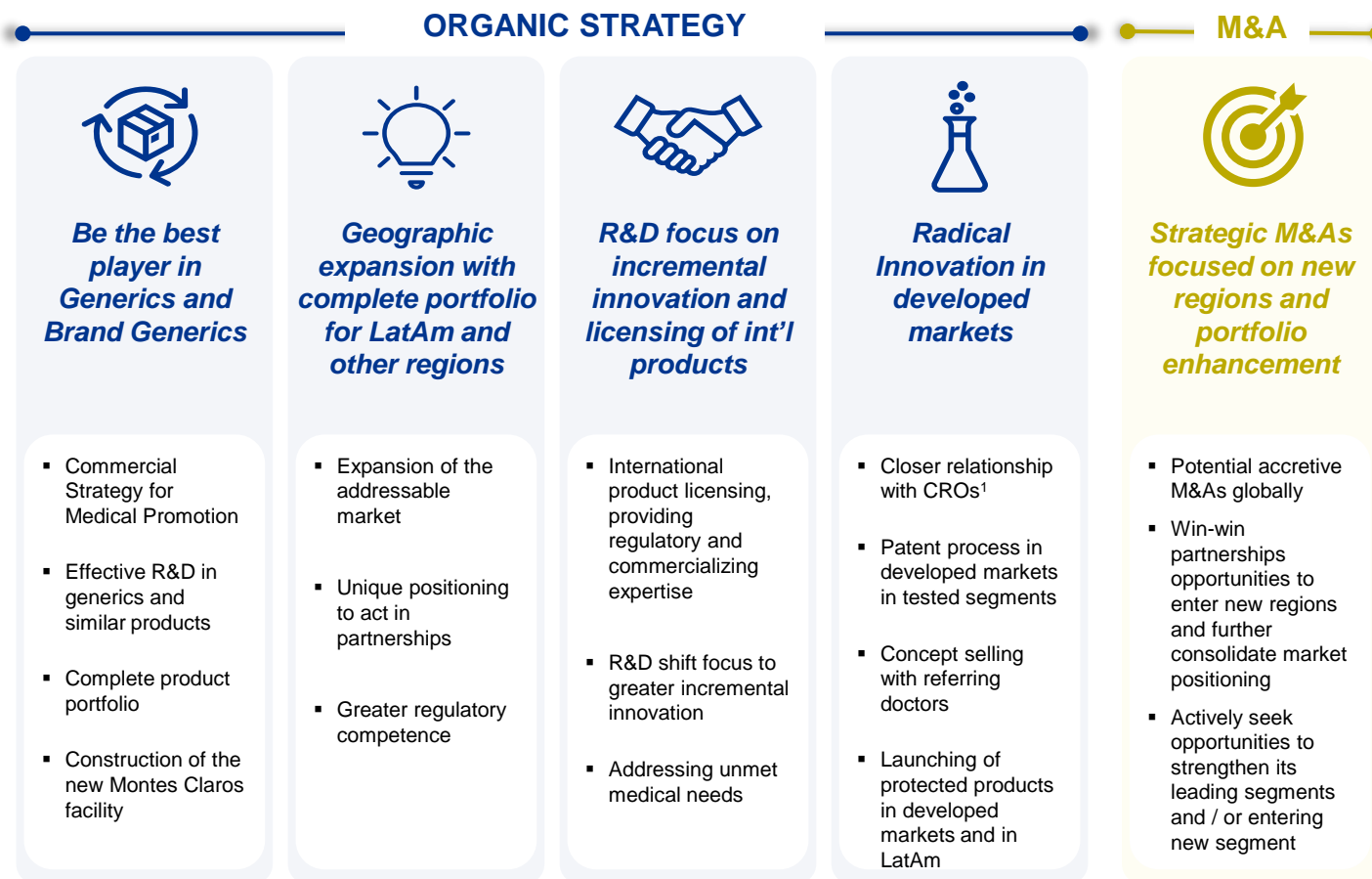


## Net Debt / EBITDA | x

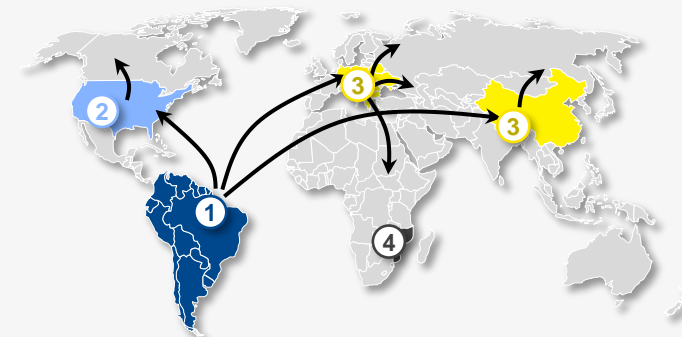


# GROWTH PLAN DESIGNED TO SUSTAIN GROWTH FOR THE NEXT 50 YEARS

Eurofarma's strategic plan follows a logical set of capabilities that mitigates execution risk



## Global market and long-term positioning



- 1**

  - Leadership in Latin America with the increase of M&As and with Eurofarma's product placement
  - Organic growth across geographies
- 2**

  - Penetration into the US market
  - Increase Eurofarma's footprint by entering the underpenetrated markets of women's health, dermatology and anti-infectives
  - Understand how this market works and consolidate
- 3**

  - Expansion into Asian and European markets; given the similarity of this market to Brazil, Eastern Europe is an opportunity to quickly establish a foothold in this region
  - Acquisitions in China, focusing on innovative companies to strengthen new product development
- 4**

  - Entry into new markets that are not yet part of the Company's opportunity map
  - The more radical innovation the Company carries out and the more products it develops, the easier it is to penetrate global markets





# Appendix

# PRESCRIPTION

Successful sales strategy with leadership in medical promotion



## #1 Prescription Player

- Largest Coverage: **+82% of Medical Prescribers** in Brazil



## Complete Portfolio

- Presence in **all therapeutic classes**
- **R&D** with a constant level of **new launches**



## Unparalleled Nationwide Distribution Capillarity

- **91% of Cities** (Brazil)
- **99% of Pharmacies**



## Strong and Highly Skilled Sales Platform

- Largest salesforce in the industry with **+5,000 salespeople**



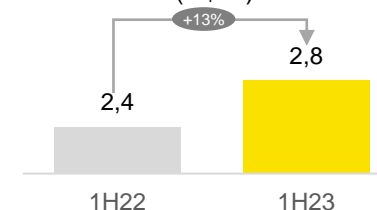
## Engagement Leadership

- **6.2 mm Medical Visits** in 2022, **+21% over 2021**

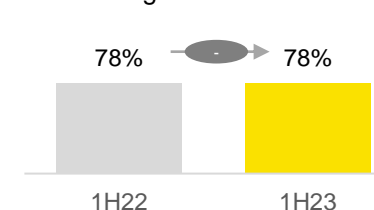


## Strong Marketing Strategies and Brand Awareness

Net Revenue (R\$ bi)



Gross Margin<sup>2</sup>



(1) YTD June/2023; (2) Adjusted and managerial data

# GENERICS

Revenue keeps growing



- **First-mover** movement in **product launches** to ensure Company leadership



- Product market analysis by the marketing and innovation team to ensure **optimal allocation of R&D efforts** to the best molecules

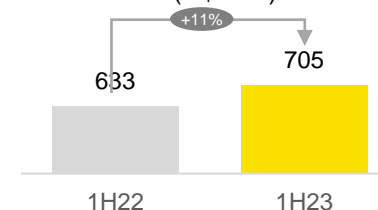


- Ensure **leadership position (P1)** in molecules with **commercial positioning**

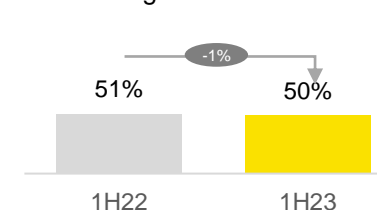


- **After-sales effort** as a key differentiator and revenue driver for Eurofarma

Net Revenue (R\$ mm)



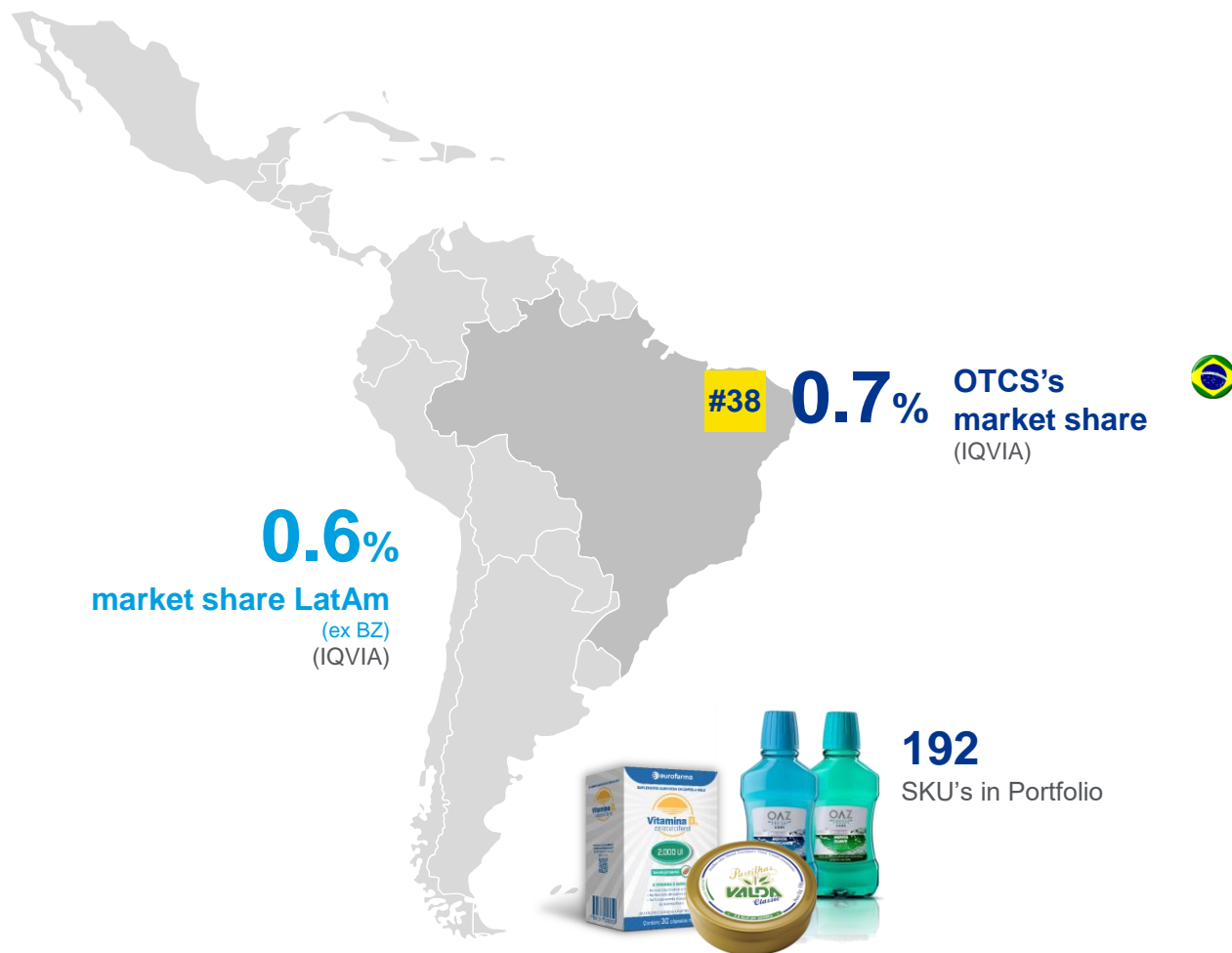
Gross Margin<sup>2</sup>



(1) YTD June/2023; (2) Adjusted and managerial data

# OVER THE COUNTER

## Integration of Valda portfolio



- Strategy to ensure a **good relationship with pharmacies** to promote their products and **better shelves positioning**

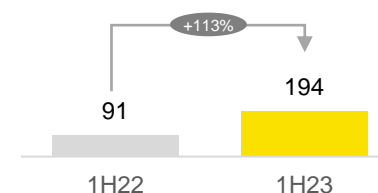


- Building the Valda leveraged portfolio**

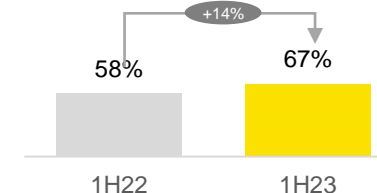


- Boosting the brand**, with constant and assertive investments, **generating consumer demand** vs. competitors OTC products

Net Revenue (R\$ mm)



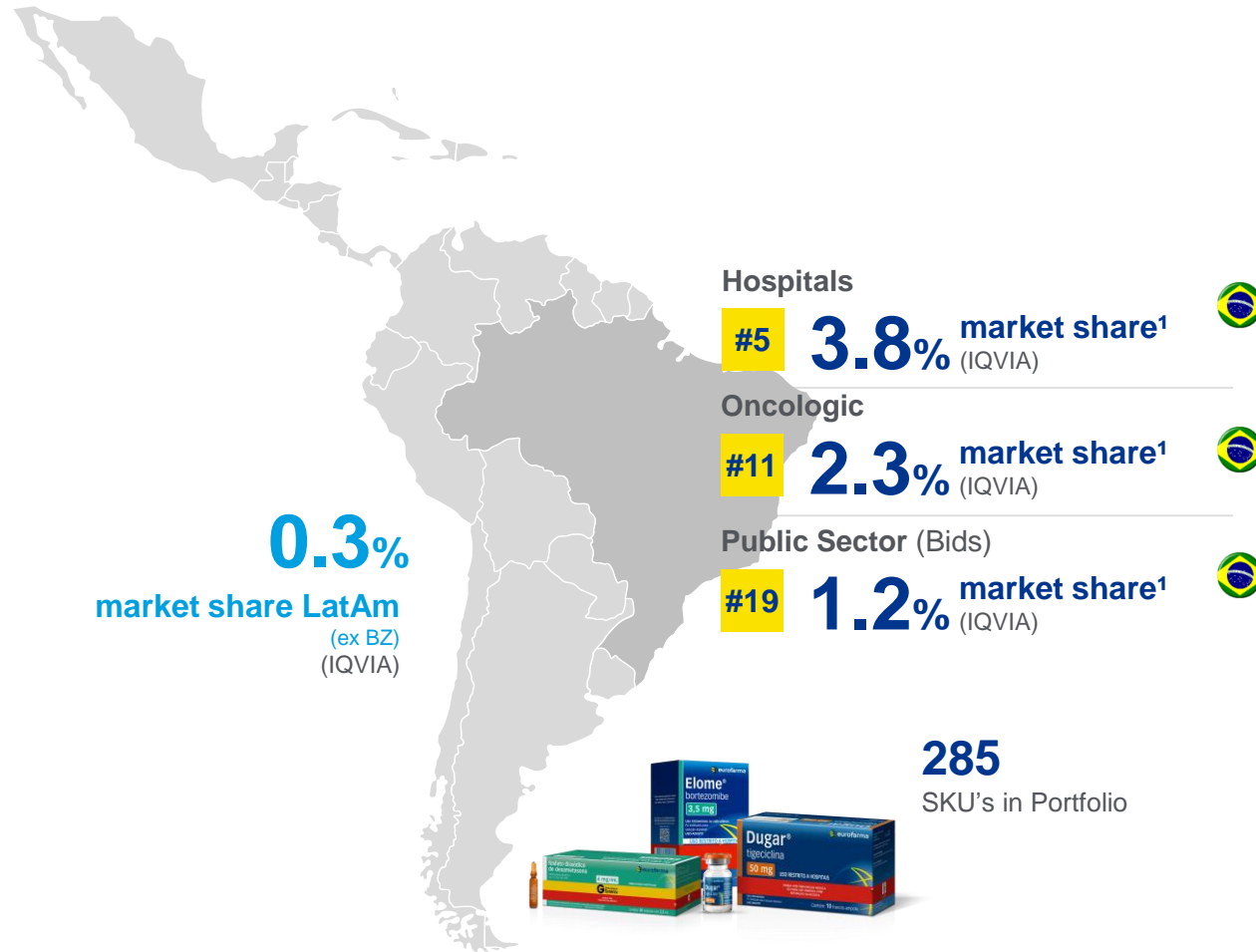
Gross Margin<sup>2</sup>





# INSTITUTIONAL

## Hospitals, Oncologic and Public Sector



- Focus on maintaining a **complete portfolio**

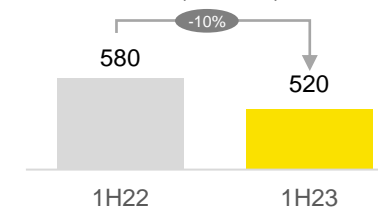


- Robust pipeline** for the next years and growing market access

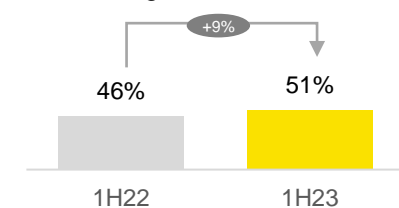


- Acting in **different channels** (public/private) to maintain competitiveness

Net Revenue (R\$ mm)







Gross Margin<sup>2</sup>



(1) YTD June/2023; (2) Excluding multinational pharma companies not based in Brazil; (3) Adjusted and managerial data

# KEY DRUG CLASSIFICATIONS IN EUROFARMA MARKETS

	Reference Drug	Prescription (Branded Generic)	Similar	INN Generic
Product Example				
Patent Protection <sup>1</sup>	Expired on 12/24/2002	No	No	No
Bioequivalence	NA	Mandatory in Brazil since 2014	Mandatory in Brazil since 2014	Mandatory in Brazil since 2009
Promotion	Limited efforts by originator after patent expiration	Intensive detailing to physicians by specialized salesforce	At POS by salesforce	More limited efforts by salesforce at POS
Pricing	Premium to Prescription, Similares and Generics	Premium to Similares and INN Generics, disc to Reference	Premium to generics, disc to Reference and Prescription	Mandatory 30% discount to Reference

Source: Company Materials

Note: (1) Brazil and most LatAm countries are signatories of the WTO TRIPS Agreement;



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