

# Pilulka

SPO

## New Lease of Life

Pilulka's 2022 results disappointed with weak operating profitability, slow and expensive expansion and a fast cash burn rate. Management plans to address these concerns and to turn the company around by 2025. The upcoming SPO offers the company a new lease of life and to investors a new opportunity to re-enter at a lower level.

- ✓ It has been a three-year roller coaster ride for Pilulka stock since the company went public in 2020. Fast growth, foreign expansion and restrictions from the Covid-19 pandemic have all contributed to the cost pressure and sucked capital from the firm.
- ✓ Pilulka doubled its sales when compared to 2019 and has put its feet into three new markets. The growth was, however, slower and more expensive than forecast, so the contribution to the bottom line has been negative so far. High marketing costs seem to be the key problem here.
- ✓ The new management outlook for 2023-2026 addresses some of the concerns. The company must get bigger to unlock economies of scale and expansion into neighbouring Hungary and Austria should offer bigger synergies than Romania did. Cost cutting and a fall in marketing costs should help increase the EBITDA margin to a solid 3.7% in 2026.
- ✓ A second share offer allows the management to pursue its goal to build a CEE online-pharmacy and gives shareholders a new opportunity to enter the stock market at a lower level. The long-term reasons to own Pilulka shares remain intact. It's a bet on the deregulation of the Rx market in Central Europe and a bet on the Kasa brothers' management skills.
- ✓ Assuming the CZK 236 mil net capital injection, our model suggests fair price for Pilulka at around CZK 450-550 per share. Deregulation of the Rx market could increase the value by more than CZK 100 per share on our numbers.

**Sector:**  
Pharmacy/E-Commerce

**Country:**  
Czechia / CEE

**Share Price:** CZK 480

**Fair Price:** CZK 495

**Market Capitalization:**  
CZK 1,450 mil\*

**Enterprise Value:**  
CZK 1,356 mil\*

**Number of Active Customers:**  
743,000 (Dec 2022)

**Number of Pharmacies:**  
107 (Dec 2022)

*\*) Assuming 0.5 mil shares issued at CZK 500 per share.*

KEY FIGURES									
	SALES	EBITDA	EBITDA	NET PROFIT	ROCE	DEBT/EBITDA	EV/SALES	EV/EBITDA	PER
	MARGIN								
	CZK mil	CZK mil	%	CZK mil	%				
2026E	4,227	156	3.69	74.9	20.3	-0.774	0.317	8.59	19.5
2025E	3,589	89.8	2.50	2.34	0.666	-0.582	0.392	15.7	624
2024E	3,021	31.5	1.04	-52.1	-16.1	-1.46	0.468	44.9	-28.0
2023E	2,611	-8.43	-0.323	-103	-35.8	11.1	0.523	-162	-14.1
2022	2,465	-0.744	-0.030	-65.7	-30.2	-73.8	0.687	-2,277	-24.9
2021	2,413	29.0	1.20	-25.7	-18.1	-1.87	1.70	141	-165

Source: Pilulka, Helgi Library; E = Management estimates for 2023-2026 incl. 0.5 mil of newly issued shares @ CZK 500 (net profit figures calculated by Helgi Library). Valuation multiples calculated at historical prices until 2022 and at CZK 480 for 2023-2026

Data tells a story



# 1 Investment Summary

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Pilulka's 2022 results were disappointing with weak operating profitability, slow and expensive foreign expansion and a fast cash burn rate. The weak results and the need to raise further cash further worsened the sentiment towards the stock, so Pilulka is down 26% when compared to the year-end (and it's down 60% within the last 12 months). Many will question the long-term profitability prospects of the company now.

A number of things could be blamed for the bad news, starting from the Covid pandemic with its market lockdowns, the energy crisis, a slowdown in the economy and more expensive capital. The whole e-commerce sector slowed considerably and its stocks have been punished and re-rated. Pilulka's west-European peers DocMorris and Shop Apotheke trade 93% and 58% off their peaks, for example.

Many "non-profit" e-commerce companies had to strengthen their balance sheets (such as DocMorris off-loading its B2B business in Switzerland), started cutting costs and focused on their core business model to address the changed environment. With loss-making operating profitability and most of the capital from IPO gone now, Pilulka needs to strengthen its capital base and to improve its cash generation.

When looking at details of 2022 results, an unsolicited advice from an outsider could be:

- ✓ To raise additional cash to be able to continue expansion
- ✓ To go back to its original story building an online-pharmacy as opposed to its currently very opportunistic business model
- ✓ To cut costs across the board especially in terms of marketing
- ✓ To limit investments until the core business model turns cash positive
- ✓ To increase transparency investors to better understand the business model

Easy to say, but hard to do, the Management seems to be aware of the challenges ahead. The new outlook for 2023-2026 and details provided in the investment prospectus address many of the concerns. The management intends to turn the company around with an EBITDA margin rising to 3.7% in 2026. The way to get there is:

- ✓ The Company needs to get bigger to unlock its economies of scale. Sales are expected to increase to CZK 4.22 bil until 2026, or more than 14% a year on average
- ✓ Foreign expansion should represent a third of the growth driven increasingly by Hungary and Austria
- ✓ Czech and Slovak operations should further improve their profitability and cash generation to reach EBITDA margin of approximately 4.5% in 2026
- ✓ Fixed costs should fall from 14% of sales in 2020 to less than 9% in 2026 due partly to better utilization of spare capacity such as warehouses
- ✓ Variable cost per purchase are expected to decline 9.3% to CZK 224 per purchase in 2022-2026
- ✓ Marketing costs are expected to fall from 7.4% in 2022 to 5.8% in 2026



The updated business plan and its targets assume the company will raise the needed cash. In 1Q23, the company had to get a further CZK 44 mil in short-term debt and the new business plan is only fully achievable if the planned CZK 236 mil arrives in the company's accounts.

In our view, the SPO offers a new lease of life for the company and is an opportunity for investors to re-enter. "No man ever steps in the same river twice" Heraclitus reportedly quoted adding "for it's not the same river and he's not the same man."

Given the hefty share price weakness across e-commerce, the fast-changing environment and the updated management plans, the river appears to be very different when compared to 2-3 years ago. The long-term reasons to own Pilulka shares remain intact, however. It's a bet on the deregulation of the Rx market in Central Europe and a bet on the Kasa brothers' management skills.

The rising share of online pharmacy sales in a number of European countries confirms the bull case for the online pharmacy business. The 113% appreciation of Shop Apotheke shares so far this year and early signs of recovery on the e-commerce market might provide further support and momentum in the short-term.

Assuming CZK 236 mil of new capital will boost the company's balance sheet, we value Pilulka stock at CZK 450-550 per share. It would then be trading at an EV/EBITDA of around 8.5-9.0x expected in 2026:

#### PILULKA - KEY FIGURES

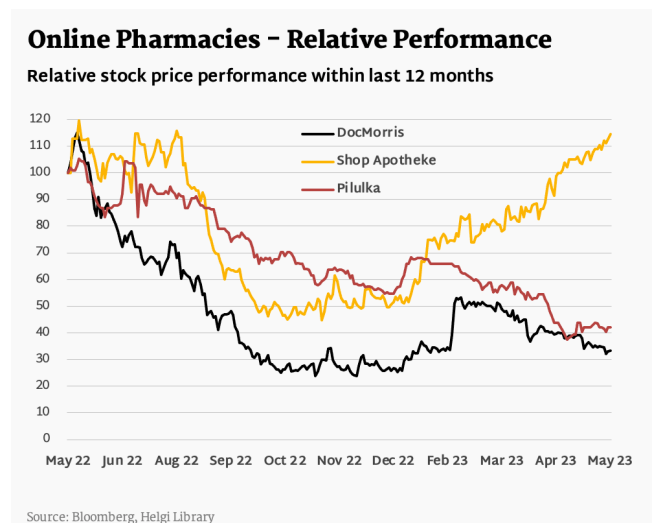
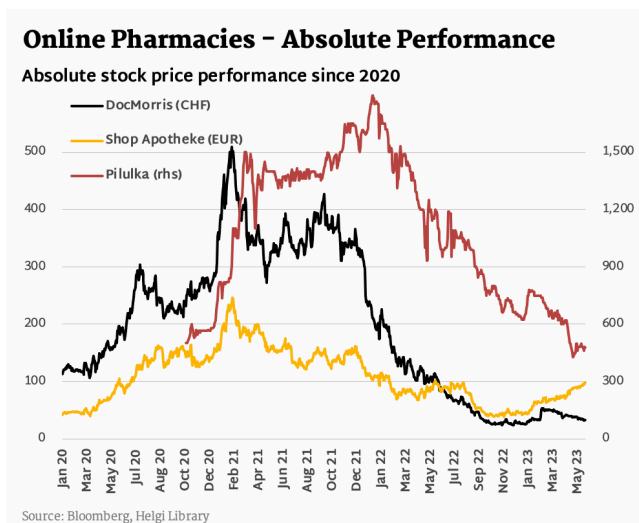
INCOME STATEMENT						BALANCE SHEET							
		2022	2023E	2024E	2025E	2026E			2022	2023E	2024E	2025E	2026E
SALES	CZK mil	2,465	2,611	3,021	3,589	4,227	ASSETS	CZK mil	606.0	718.0	704.8	765.3	907.3
EBITDA	CZK mil	-0.7	-8.4	31.5	89.8	156.0	FIXED ASSETS	CZK mil	196.9	224.9	237.0	248.2	239.2
EBIT	CZK mil	-47.60	-69.39	-29.88	27.49	103.6	CURRENT ASSETS	CZK mil	405.3	488.2	462.8	512.2	663.1
FINANCIAL COST	CZK mil	11.6	26.0	14.3	17.4	20.9	WORKING CAPITAL	CZK mil	71.0	84.6	100.3	117.5	135.2
PRE-TAX PROFIT	CZK mil	-63.9	-103.3	-52.1	2.3	74.9	EQUITY	CZK mil	140.2	286.9	234.8	237.1	312.1
NET PROFIT	CZK mil	-65.7	-103.3	-52.1	2.3	74.9	NET DEBT	CZK mil	54.9	-93.6	-46.0	-52.3	-120.7
RATIOS						VALUATION*							
		2022	2023E	2024E	2025E	2026E			2022	2023	2024	2025	2026
ROE	%	-38.3%	-48.7%	-20.1%	1.0%	27.3%	MKT. CAPITALIZATION	USD mil	74.7	66.1	66.1	66.1	66.1
ROCE	%	-30.2%	-35.8%	-16.1%	0.7%	20.3%	ENTERPRISE VALUE	USD mil	77.2	61.8	64.0	63.7	60.6
EBITDA MARGIN	%	0.0%	-0.3%	1.0%	2.5%	3.7%	SHARES	mil	2.52	3.02	3.02	3.02	3.02
EBIT MARGIN	%	-1.9%	-2.7%	-1.0%	0.8%	2.4%	SHARE PRICE	CZK	650.0	480.0	480.0	480.0	480.0
NET MARGIN	%	-2.7%	-4.0%	-1.7%	0.1%	1.8%	EV/EBITDA		-2,276.5	-161.0	44.6	15.6	8.5
NET DEBT / EBITDA		-73.8	11.1	-1.5	-0.6	-0.8	EV/SALES		0.69	0.52	0.46	0.39	0.31
NET DEBT / EQUITY	%	39.2%	-32.6%	-19.6%	-22.0%	-38.7%	P/E		n.m.	n.m.	n.m.	n.m.	19.3
COST OF FUNDING	%	9.0%	9.5%	9.4%	9.4%	9.4%	P/BV		11.7	5.1	6.2	6.1	4.6

Source: Company Data, Management Forecast for 2023-2026, Helgi Library calculations, \*Ratio calculated at CZK 480 per share for 2023-2026, otherwise at year-end share price

The deregulation of the Rx market could add a further CZK 300 mil to the value of the company by our calculation, or more than CZK 100 per share. More details can be seen in the valuation section on Page 7.

## 2 Valuation

Pilulka stock price has fallen 73% from its peak and 26% from the end of last year and trades at around CZK 480 per share. In absolute terms, the fall wiped out more than CZK 3.2 bil in "theoretical market value" of the company. Almost three years after its roller-coaster performance following its IPO, the stock is moving back to close to its issue price of CZK 424 per share. When looking at stock performance of the favourite west-European online pharmacies DocMorris and Shop Apotheke (down 93% and 53% from their peaks), Pilulka seemed to have followed a similar manic-depressive path:

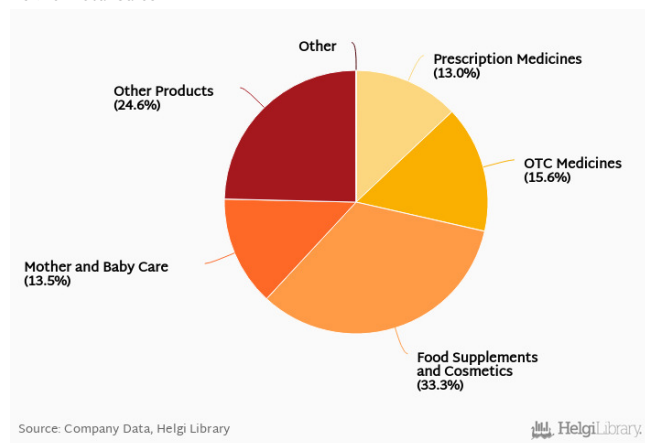


While similar in share price performance, Pilulka has got carried away a little from its benchmark peers from the business point of view. Three years ago when entering the Stock market, Pilulka presented itself as a potential CEE online pharmacy disruptor. The speed of deregulation of prescription drugs sale was often mentioned to be one of the key factors affecting share price in the future.

With no progress in a prescription drugs market deregulation in the Czech Republic and elsewhere in the CEE, Pilulka had to find the growth elsewhere to deliver on its promises. With sale of Rx and OTC medicine falling from 29% in 2020 to 18% of total sales in 2022, Pilulka is less of an online-pharmacy than it was two years ago:

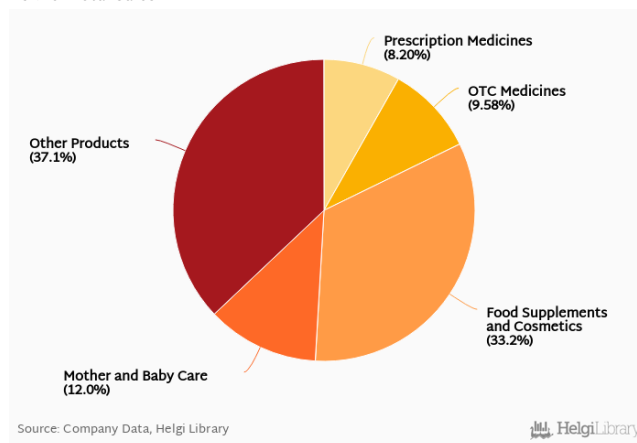
Pilulka – Sales Breakdown by Product in 2020

As % of Total Sales



Pilulka – Sales Breakdown by Product in 2022

As % of Total Sales



We still believe the story of Pilulka could be significantly "spiced up" when Rx deregulation comes, though the company will increasingly be compared with traditional e-commerce players rather than Shop Apotheke and DocMorris like in the past.

We have therefore added more non-online pharmacies to the benchmark comparison to better understand the company's performance and we are paying more attention to electronics retailers (such as Alza, or Electro World) as electronics goods created 60% of Pilulka sales growth in 2020-2022.

The above just confirms that Pilulka's business model remains heavily opportunistic and the management ready to grab market opportunities. In short, the crux of the Pilulka tale is a bet on the management and the Kasa brothers in particular.

We still like the trend of consumer migration from off to online and believe this to be long-term and structural, so Pilulka stays in the right field of business. And we remain persuaded that the Rx drug deregulation will ultimately arrive. We therefore add a potential optional leg to the FCF valuation and try to calculate the addition of Pilulka's profits and value assuming a fifth of the market is deregulated by 2035.

Assuming CZK 236 mil of net cash to be raised at the SPO, we set the fair price of Pilulka at CZK 495 per share as of the end of 2023, implying a market capitalization of close to CZK 1,500 mil.



## 2.1 Discounted free cash flow model (DCF)

The valuation model of discounted free cash flow suggests a fair value in a wide range of CZK 450–550 per share, assuming CZK 236 mil net cash addition from the upcoming SPO. This would value the company at CZK 1.35–1.55 bil assuming all new shares are subscribed. That is a significant reduction compared to the previous targets mainly due to three reasons:

- ✓ Deterioration in the company's profitability outlook
- ✓ Higher risk related to the company's business model
- ✓ Higher market interest rates

From the valuation point of view, the 2022 profit disappointment and lower profitability outlook means a bigger part of the company's valuation moves into the future, which is now discounted with higher interest rates. However, lower profits in the near future also mean a higher risk to investors, which again reduces the market value of the company:

As seen above, less than 5% of the target fair value is generated until 2027 and more than 73% comes from after 2032. Due to low margins and ambitious expansion plans, the company might still be "cash-hungry" in the future, exposing shareholders to the risk of additional capital strengthening.

This means the valuation model is extremely sensitive to the assumptions used, be it terminal growth or by how much the cost of capital discounts future earnings. A growth rate change of 1% pp for the period beyond 2032 would, for example, change the firm's value by almost CZK 165 mil, or more than 10%:

PILULKA - DISCOUNTED FREE CASH FLOW MODEL	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	>2032
<b>BREAKDOWN OF FREE CASH FLOW</b>											
SALES	2,611	3,021	3,589	4,227	4,941	5,675	6,358	6,902	7,459	8,026	
EBIT	-69.4	-29.9	27.5	103.6	126.8	146.5	164.6	179.5	193.6	205.6	
- CORPORATE TAX	0.0	0.0	0.0	0.0	-22.4	-26.1	-29.6	-32.5	-35.8	-38.4	
+ DEPRECIATION	61.0	61.4	62.3	52.4	50.5	53.2	57.0	61.8	67.4	71.9	
+/- CHANGE IN WORKING CAPITAL	-13.7	-15.7	-17.2	-17.7	-16.8	-16.9	-14.0	-8.7	-7.0	-5.9	
- CAPITAL EXPENDITURES	-47.9	-42.5	-42.5	-42.5	-42.3	-49.4	-56.7	-63.6	-69.0	-74.6	
<b>FREE CASH FLOW</b>	<b>-70.0</b>	<b>-26.7</b>	<b>30.1</b>	<b>95.8</b>	<b>95.9</b>	<b>107.2</b>	<b>121.3</b>	<b>136.5</b>	<b>149.1</b>	<b>158.6</b>	<b>2,692</b>
<b>COST OF CAPITAL (WACC)</b>											
<b>COST OF CAPITAL (WACC)</b>	<b>11.4%</b>	<b>11.3%</b>	<b>11.3%</b>	<b>11.5%</b>	<b>11.1%</b>	<b>10.4%</b>	<b>10.5%</b>	<b>10.4%</b>	<b>10.6%</b>	<b>10.5%</b>	<b>8.5%</b>
COST OF EQUITY	12.00%	12.00%	12.00%	12.00%	12.00%	11.00%	11.00%	11.00%	11.00%	11.00%	10.00%
COST OF DEBT	9.45%	9.44%	9.44%	9.44%	7.00%	7.00%	7.00%	5.00%	5.00%	5.00%	4.00%
EQUITY AS % OF ASSETS	77.3%	73.8%	74.2%	79.4%	83.0%	84.7%	86.8%	89.3%	93.1%	91.5%	75.0%
GROWTH	-22.7%	-61.9%	-212.7%	218.4%	0.1%	11.8%	13.2%	12.5%	9.2%	6.3%	3.00%
CUMULATIVE DISCOUNT FACTOR	100.0%	89.8%	80.7%	72.4%	65.1%	59.0%	53.4%	48.4%	43.8%	39.6%	39.6%
DISCOUNTED FREE CASH FLOW	-70	-24	24	69	62	63	65	66	65	63	1,066
CUMULATIVE DISCOUNTED FREE CASH FLOW	-70	-94	-70	0	62	125	190	256	321	384	1,450
<b>ENTERPRISE VALUE (2023)</b>	<b>1,450</b>										
<b>NET DEBT (2023)*</b>	<b>-93.6</b>										
<b>100% EQUITY VALUE</b>	<b>1,544</b>										
<b>FAIR VALUE PER SHARE</b>	<b>515</b>										

Source: Pilulka, Helgi Library, Management forecast for 2023-2026, Helgi Library's estimates for 2027-2032, \*Assuming CZK 236 mil net capital increase



The sensitivity of the valuation model could be used to test the potential change of assumptions to get a fair price back to CZK 1,000 per share, for instance. To get there, we would have to see (at least one of the following):

- ✓ Sales some 7% higher until 2030, i.e. adding a further CZK 1 bil
- ✓ EBITDA margin 1.7% higher in 2030 instead of the 3.7% forecast
- ✓ Lower cost of capital by 320 bp (at 7.2% instead of 10.4% in 2030)
- ✓ Higher terminal growth beyond 2030 at approximately 6% (instead of 3% now)

We can model the other way around too. Assuming Pilulka did not raise the required CZK 236 mil, a simple adjustment of the higher net debt would shift the target price by 15% to CZK 436 per share. In reality, this would have to be even lower since the company would have to change its expansion plans and would not deliver its financial targets.

On the other hand, the company's current outlook and our valuation does not reflect any upside from the potential deregulation of the Rx drug market. Assuming i) the market gets deregulated from 2027, ii) 22% of the Rx market to be online by 2035 and iii) Pilulka to have a 7.5% market share with a 5% EBITDA margin, CZK 130 per share could be added to the value of the company in today's prices, based on our calculation:

PILULKA - DISCOUNTED FREE CASH FLOW MODEL OF RX ONLINE BUSINESS	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	'32-40	>2040
<b>BREAKDOWN OF FREE CASH FLOW</b>										
ONLINE MARKET FROM RX MEDICINES	0	482	1,493	2,569	4,241	5,468	7,116	8,888		
PILULKA'S Market Share	5.0%	5.0%	5.2%	5.3%	5.5%	5.5%	5.9%	6.3%		
PILULKA'S Sales from Online Rx	0.0	24.1	76.9	136.1	231.1	300.8	419.8	560.0		
PILULKA'S EBITDA Margin from Online Rx	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%		
PILULKA'S EBITDA from Online Rx*	0.0	1.2	3.8	6.8	11.6	15.0	21.0	28.0		
PILULKA'S Need for Working Capital for Online Rx	-16.9	-0.7	-1.6	-1.8	-2.8	-2.1	-3.6	-4.2		
PILULKA'S Capex for Online Rx	0.0	-0.2	-0.8	-1.4	-2.3	-3.0	-4.2	-5.6		
<b>Free Cash Flow from Online Rx</b>	<b>-16.8</b>	<b>0.3</b>	<b>1.5</b>	<b>3.7</b>	<b>6.4</b>	<b>10.0</b>	<b>13.3</b>	<b>18.2</b>	<b>398</b>	<b>1,392</b>
<b>COST OF CAPITAL (WACC)</b>										
<b>COST OF EQUITY</b>	<b>11.3%</b>	<b>11.5%</b>	<b>11.1%</b>	<b>10.4%</b>	<b>10.5%</b>	<b>10.4%</b>	<b>10.6%</b>	<b>10.5%</b>	<b>9.0%</b>	<b>8.5%</b>
COST OF EQUITY	12.00%	12.00%	12.00%	11.00%	11.00%	11.00%	11.00%	11.00%	10.11%	10.00%
COST OF DEBT	9.44%	9.44%	7.00%	7.00%	7.00%	5.00%	5.00%	5.00%	4.11%	4.00%
EQUITY AS % OF ASSETS	74.2%	79.4%	83.0%	84.7%	86.8%	89.3%	93.1%	91.5%	81.6%	75.0%
GROWTH	...	-101.7%	429.9%	141.1%	73.3%	55.0%	32.8%	37.5%	20.4%	4.00%
CUMULATIVE DISCOUNT FACTOR	80.7%	72.4%	65.1%	59.0%	53.4%	48.4%	43.8%	39.6%		20.1%
DISCOUNTED FREE CASH FLOW	-13.6	0.2	1.0	2.2	3.4	4.8	5.8	7.2	105	280
CUMULATIVE DISCOUNTED FREE CASH FLOW	-13.6	-13.4	-12.4	-10.2	-6.7	-1.9	3.9	11.1	105	389
<b>ENTERPRISE VALUE (2023)</b>	<b>389</b>									
<b>NET DEBT (2023)</b>	<b>0.0</b>									
<b>100% EQUITY VALUE (CZK mil)</b>	<b>389</b>									
<b>FAIR VALUE PER SHARE (CZK)</b>	<b>130</b>									

Source: Pilulka, Helgi Library's estimates

This might look like a distant future, especially, as only 0.7% of the Rx market was online in Germany in 2022, three years after agreeing to open the market. However, things might move pretty fast when consensus is found. In Sweden, for example, the share of online Rx already reached 13% in 2022..



## 2.2 Comparison with DocMorris, Shop Apotheke and Talea

Comparison of Pilulka as a potential CEE online-pharmacy with listed market peers was not easy back in 2020. This might be less important now with lower exposure of Pilulka to the pharmacy market, but we believe it's still worth it. Apart from Swiss DocMorris and German Shop Apotheke Europe, we have added data for Italy's Talea Group (formerly known as Farma) to the benchmark set.

### DocMorris

DocMorris (formerly known as Zur Rose) is the largest European online pharmacy and one of the largest distributors of drugs in Switzerland. Apart from the wholesale distribution to hospitals, the company offers its 10 mil customers sale of OTC as well as prescription drugs through its online platform. The company's product portfolio also includes food supplements, body and beauty products, sport nutrition products and mother care. In addition to its home market in Switzerland, DocMorris is active in Germany (through its brand DocMorris), Holland, Spain and France and employs more than 2,300 people:

#### DOCMORRIS - KEY FIGURES

INCOME STATEMENT		2022	2023E	2024E	2025E	2026E	BALANCE SHEET		2022	2023E	2024E	2025E	2026E
SALES	CHF mil	1,608	1,143	1,213	1,532	1,403	ASSETS	CHF mil	1,099	997	996	1,027	1,068
EBITDA	CHF mil	-77.7	-30.2	7.2	49.3	55.4	FIXED ASSETS	CHF mil	96.8	96.3	97.4	102.6	107.7
EBIT	CHF mil	-140.3	-76.2	-43.4	-3.8	5.7	CURRENT ASSETS	CHF mil	395.9	341.8	355.1	388.8	407.8
FINANCIAL COST	CHF mil	29.6	18.3	17.1	15.0	15.0	WORKING CAPITAL	CHF mil	99.8	34.6	43.0	45.2	75.9
PRE-TAX PROFIT	CHF mil	-169.9	-99.5	-65.5	-35.3	-14.3	EQUITY	CHF mil	350.8	249.3	179.4	151.7	140.4
NET PROFIT	CHF mil	-171.1	-101.5	-69.8	-27.7	-11.3	NET DEBT	CHF mil	397.9	129.6	150.7	195.6	195.6
RATIOS		2022	2023E	2024E	2025E	2026E	VALUATION*		2022	2023E	2024E	2025E	2026E
ROE	%	-41.0%	-33.8%	-32.6%	-16.8%	-7.7%	MKT. CAPITALIZATION	USD mil	298	363	363	363	363
ROCE	%	-21.0%	-13.6%	-10.2%	-4.1%	-1.6%	ENTERPRISE VALUE	USD mil	734	505	528	577	577
EBITDA MARGIN	%	-4.8%	-2.6%	0.6%	3.2%	3.9%	SHARES	mil	10.0	10.0	10.0	10.0	10.0
EBIT MARGIN	%	-8.7%	-6.7%	-3.6%	-0.2%	0.4%	SHARE PRICE	CHF	27.1	33.0	33.0	33.0	33.0
NET MARGIN	%	-10.6%	-8.9%	-5.8%	-1.8%	-0.8%	EV/EBITDA		-8.6	-15.3	67.3	10.7	9.5
NET DEBT / EBITDA		-5.1	-4.3	21.1	4.0	3.5	EV/SALES		0.42	0.40	0.40	0.34	0.38
NET DEBT / EQUITY	%	113.4%	52.0%	84.0%	129.0%	139.3%	P/E		-1.6	-3.3	-4.7	-11.9	-29.3
COST OF FUNDING	%	5.3%	4.4%	5.8%	4.6%	4.3%	P/BV		0.8	1.3	1.8	2.2	2.4

Source: Bloomberg consensus, Helgi Library, \*Ratio calculated at CHF 33 per share for 2023-2026, otherwise at year-end share price





## Shop Apotheke

Shop Apotheke Europe is a Dutch-registered but mostly Germany-exposed company involved in online distribution of pharmaceutical products to retail customers. The company markets and distributes prescription, non-prescription medications, pharmacy-related beauty and personal care products as well as natural food and health products. Shop Apotheke operates its online pharmacies in eight European countries including Germany, Belgium, Spain, Italy, France, Austria and Holland:

### SHOP APOTHEKE EUROPE - KEY FIGURES

INCOME STATEMENT		2022	2023E	2024E	2025E	2026E	BALANCE SHEET		2022	2023E	2024E	2025E	2026E
SALES	EUR mil	1,204.4	1,510.8	1,879.2	2,304.9	2,668.5	ASSETS	EUR mil	729.5	784.6	822.7	878.2	888.5
EBITDA	EUR mil	-29.7	19.6	51.8	92.7	129.6	FIXED ASSETS	EUR mil	85.4	89.7	94.2	98.9	103.8
EBIT	EUR mil	-69.2	-32.2	-3.2	35.1	81.3	CURRENT ASSETS	EUR mil	343.9	355.9	387.0	437.7	450.6
FINANCIAL COST	EUR mil	8.5	12.6	9.4	12.5	25.4	WORKING CAPITAL	EUR mil	60.8	73.3	90.7	103.0	104.4
PRE-TAX PROFIT	EUR mil	-84.1	-44.8	-12.7	22.6	55.9	EQUITY	EUR mil	354.6	359.2	350.5	371.0	419.0
NET PROFIT	EUR mil	-77.6	-42.4	-14.2	18.4	48.0	NET DEBT	EUR mil	61.5	84.4	88.8	89.8	89.4
RATIOS		2022	2023E	2024E	2025E	2026E	VALUATION*		2022	2023E	2024E	2025E	2026E
ROE	%	-20.2%	-11.9%	-4.0%	5.1%	12.2%	MKT. CAPITALIZATION	USD mil	885	2,034	2,034	2,034	2,034
ROCE	%	-18.4%	-9.0%	-2.8%	3.6%	9.0%	ENTERPRISE VALUE	USD mil	957	2,133	2,138	2,140	2,139
EBITDA MARGIN	%	-2.5%	1.3%	2.8%	4.0%	4.9%	SHARES	EUR	18.1	18.1	18.1	18.1	18.1
EBIT MARGIN	%	-5.7%	-2.1%	-0.2%	1.5%	3.0%	SHARE PRICE		41.8	96.0	96.0	96.0	96.0
NET MARGIN	%	-6.4%	-2.8%	-0.8%	0.8%	1.8%	EV/EBITDA		-27.5	92.9	35.2	19.7	14.1
NET DEBT / EBITDA		-2.1	4.3	1.7	1.0	0.7	EV/SALES		0.7	1.2	1.0	0.8	0.7
NET DEBT / EQUITY	%	17.3%	23.5%	25.3%	24.2%	21.3%	P/E		-9.7	-40.9	-121.9	94.5	36.1
COST OF FUNDING	%	3.5%	4.7%	3.4%	4.4%	5.0%	P/BV		2.1	4.8	4.9	4.7	4.1

Source: Bloomberg consensus, Helgi Library, \*Ratio calculated at EUR 96 per share for 2023-2026, otherwise at year-end share price

## Talea Group (Farmae)

Talea Group is Italy's retail online firm distributing products in the area of health care and wellness. Similar to DocMorris and Shop Apotheke, Talea offers OTC drugs, orthopaedic products, homeopathic remedies, health care instruments, mother care products, herbals and products for pets to more than 1 mil retail customers:

### TALEA GROUP - KEY FIGURES

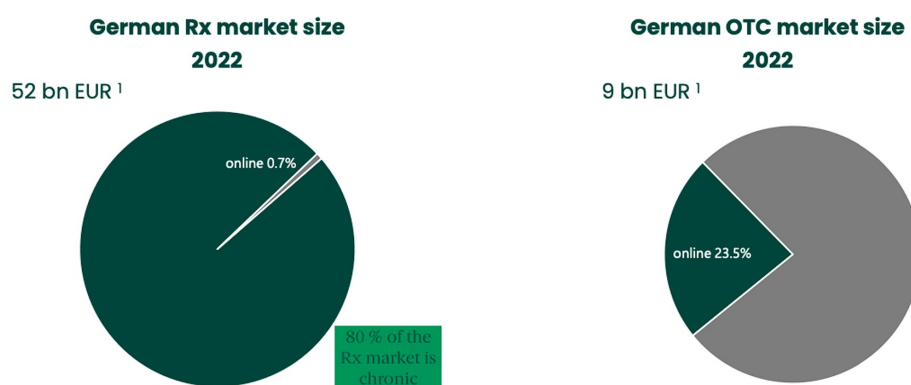
INCOME STATEMENT		2021	2022	2023E	2024E	2025E	BALANCE SHEET		2021	2022	2023E	2024E	2025E
SALES	EUR mil	82.5	116.3	148.0	181.0	222.0	ASSETS	EUR mil	106.1	124.4	119.4	130.7	146.9
EBITDA	EUR mil	2.00	2.12	3.90	7.50	11.9	FIXED ASSETS	EUR mil	3.3	4.6	5.1	5.6	6.2
EBIT	EUR mil	0.31	-0.06	0.90	4.30	8.60	CURRENT ASSETS	EUR mil	40.3	53.5	50.6	60.8	76.0
FINANCIAL COST	EUR mil	0.09	0.78	1.00	0.80	0.70	WORKING CAPITAL	EUR mil	-5.2	-6.0	-4.2	-5.0	-6.0
PRE-TAX PROFIT	EUR mil	0.05	-0.84	-0.10	3.50	7.90	EQUITY	EUR mil	40.2	39.6	39.6	42.1	47.6
NET PROFIT	EUR mil	-0.09	-0.91	-0.10	2.50	5.50	NET DEBT	EUR mil	3.3	17.9	18.6	16.8	12.0
RATIOS		2021	2022	2023E	2024E	2025E	VALUATION*		2021	2022	2023E	2024E	2025E
ROE	%	-0.4%	-2.3%	-0.3%	6.1%	12.3%	MKT. CAPITALIZATION	USD mil	252	88	84	84	84
ROCE	%	-0.3%	-1.4%	-0.2%	3.9%	8.5%	ENTERPRISE VALUE	USD mil	256	109	106	104	98
EBITDA MARGIN	%	2.4%	1.8%	2.6%	4.1%	5.4%	SHARES	EUR	5.73	6.80	6.80	6.80	6.80
EBIT MARGIN	%	0.4%	-0.1%	0.6%	2.4%	3.9%	SHARE PRICE		32.3	11.0	10.6	10.6	10.6
NET MARGIN	%	-0.1%	-0.8%	-0.1%	1.4%	2.5%	EV/EBITDA		106.5	43.6	23.2	11.8	7.0
NET DEBT / EBITDA		1.6	8.4	4.8	2.2	1.0	EV/SALES		2.6	0.8	0.6	0.5	0.4
NET DEBT / EQUITY	%	8.2%	45.2%	47.0%	39.8%	25.1%	P/E		n.m.	n.m.	n.m.	28.7	13.0
COST OF FUNDING	%	0.5%	3.4%	3.9%	3.1%	2.6%	P/BV		4.6	1.9	1.8	1.7	1.5

Source: Bloomberg consensus, Helgi Library, \*Ratio calculated at EUR 10.6 per share for 2023-2026, otherwise at year-end share price

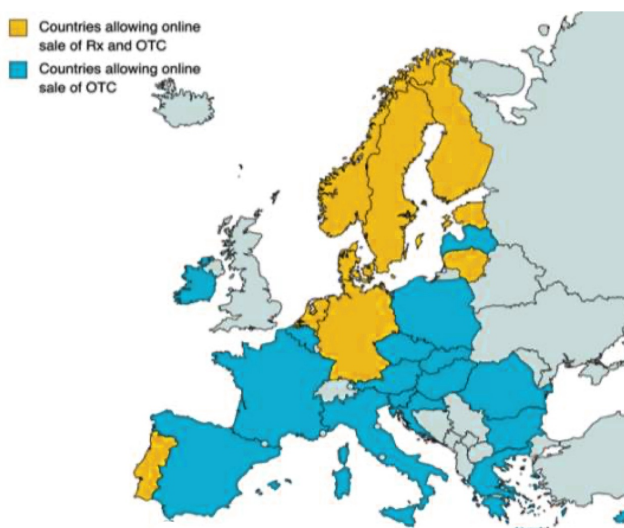
Potential liberalization of distribution of prescription drugs represents the cherry on the cake in the Pilulka story. While central European countries seem to be far from there yet, a number of western European countries such as Germany, Switzerland, the Netherlands and the Scandinavians have been gradually opening their markets.

Germany, for example, already approved a law in August 2019 allowing online distribution of drugs. Following years of arguing about the details, the German prescription drugs market is expected to open online in 2024. With only 0.7% of Rx medicines distributed online in 2022 (a market worth EUR 52 bil), one can imagine the potential upside for the well-positioned market players:

### German Rx and OTC Market in 2022



### Online Drug Deregulation in Europe



While deregulation of distribution of prescription drugs progresses, online sales still represent only approximately 2% of the total volume of prescription drugs sold. That's compared to a 20% share of consumer electronics sold online.

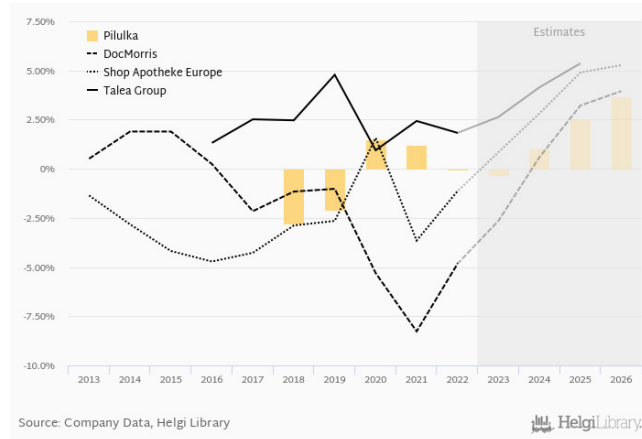
Unlike Pilulka, online revenues of DocMorris and Shop Apotheke are already generated by both OTC as well as prescription drugs. This allows them to cannibalize the offline market more quickly and to achieve faster and more profitable growth when compared to Pilulka.

Both west European firms have been trying to consolidate European markets fast, both organically as well by acquisitions, to build up their client base and overall size enough to achieve economies of scale. Both companies have also been active in a dozen European countries and have already built a base of almost 10 and 6 mil customers.

The differences are visible in the structure of sales (prescription drugs account for a quarter of sales at Shop Apotheke in the DACH region) as well as in the higher profit margins of west European firms (mid-term EBITDA margin targets at 6-8%) when compared to Pilulka. Although they are still loss-making and their prices lost 60-90% of their value since their peaks, many investors still believe in the turnaround:

### Pilulka – Online Pharmacies' Profitability Outlook

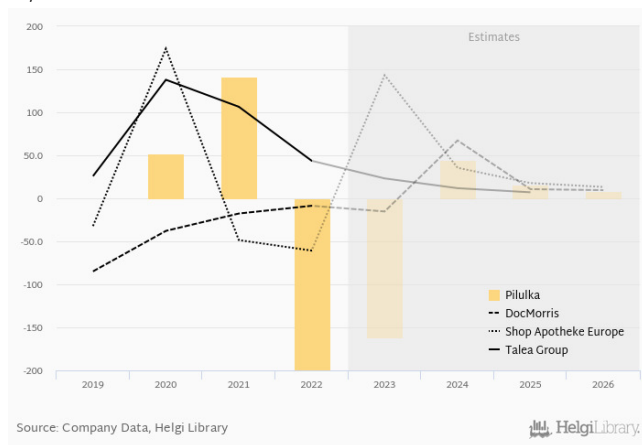
EBITDA Margin (%)



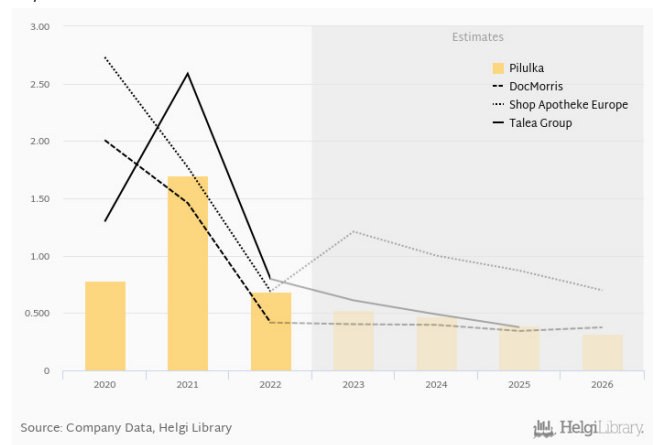
Sales of prescription drugs bring companies increased customer loyalty and lower marketing costs as a result (share of repeated orders is around 80% at DocMorris and Shop Apotheke) and further options of expansion into complementary areas of business such as telemedicine, for instance. Sales of prescription drugs also bring interesting savings from economies of scale as the average basket size of prescription drugs is 4 times higher at DocMorris while logistics costs remain unchanged. That's something Pilulka will be unable to offer to its customers or shareholders for a couple of years to come...

West-Europeans trade at an EV/EBITDA of around 15x expected in 2026, so Pilulka offers a discount only if it delivers stronger profitability from 2026 on:

Pilulka - Online Pharmacies' Valuation on Earnings  
EV/EBITDA



Pilulka - Online Pharmacies' Valuation on Sales  
EV/SALES



As seen above (and below), Pilulka stock seems to be more expensive on most traditional valuation multiples where earnings are included. It gets cheaper in time when compared to sales, though the lower-quality sales structure of Pilulka demands a discount when compared to pure online pharmacies:



COMPARATIVE VALUATION - EV / EBITDA	2022	2023E	2024E	2025E	2026E
SHOP APOTHEKE	-27.5	92.9	35.2	19.7	14.1
ZUR ROSE	-8.6	-15.3	67.3	10.7	9.5
TALEA GROUP	43.6	23.2	11.8	7.0	...
AVERAGE	-18.1	38.8	51.2	15.2	11.8
PILULKA	-2,276.5	-168.2	46.5	16.2	8.9
<b>IMPLIED FAIR VALUE OF PILULKA (VS. ZUR ROSE &amp; SHOP APOTHEKE)*</b>	<b>-12.3</b>	<b>-58.0</b>	<b>439.4</b>	<b>375.0</b>	<b>518.9</b>

COMPARATIVE VALUATION - EV / SALES	2022	2023E	2024E	2025E	2026E
SHOP APOTHEKE	0.68	1.20	0.97	0.79	0.68
ZUR ROSE	0.42	0.40	0.40	0.34	0.38
TALEA GROUP	0.80	0.61	0.49	0.38	...
AVERAGE	0.63	0.74	0.62	0.50	0.53
PILULKA	0.69	0.54	0.48	0.41	0.33
<b>IMPLIED FAIR VALUE OF PILULKA (VS. ZUR ROSE &amp; SHOP APOTHEKE)*</b>	<b>445.9</b>	<b>502.3</b>	<b>507.1</b>	<b>492.8</b>	<b>624.5</b>

COMPARATIVE VALUATION - EBITDA MARGIN	2022	2023E	2024E	2025E	2026E
SHOP APOTHEKE	-2.5%	1.3%	2.8%	4.0%	4.9%
ZUR ROSE	-4.8%	-2.6%	0.6%	3.2%	3.9%
TALEA GROUP	1.8%	2.6%	4.1%	5.4%	...
AVERAGE	-1.8%	0.4%	2.5%	4.2%	4.4%
<b>PILULKA</b>	<b>0.0%</b>	<b>-0.3%</b>	<b>1.0%</b>	<b>2.5%</b>	<b>3.7%</b>

Source: Bloomberg, Companies, Helgi Library, \*Assuming a 20% discount



Pilulka also looks relatively expensive when customer base is compared. At the end of 2022, a single Pilulka customer was valued at over USD 100 compared to USD 29 of a customer at DocMorris, or USD 80 at Talea Group. At current prices, Pilulka's average customer is valued at USD 81:

NUMBER OF CLIENTS (mil)		2019	2020	2021	2022	2023E	2024E	2025E
Zur Rose	<i>mil</i>	7.08	10.50	12.40	10.40	11.00	13.00	15.00
Shop Apotheke	<i>mil</i>	4.70	6.30	7.90	9.50	11.00	12.50	14.00
Talea Group	<i>mil</i>	0.33	0.55	0.80	1.10	1.40	1.65	2.00
PILULKA	<i>mil</i>	0.43	0.57	0.72	0.74	0.85	0.98	1.13
SALES PER CLIENT (USD)		2019	2020	2021	2022	2023	2024	2025
Zur Rose	<i>USD</i>	196.1	152.1	155.1	169.4	113.9	102.2	111.9
Shop Apotheke	<i>USD</i>	169.0	179.8	160.7	148.7	161.1	176.3	193.1
Talea Group	<i>USD</i>	128.9	136.3	123.5	124.0	124.0	128.7	130.2
<b>AVERAGE</b>	<i>USD</i>	<b>164.7</b>	<b>156.1</b>	<b>146.4</b>	<b>147.4</b>	<b>133.0</b>	<b>135.8</b>	<b>145.1</b>
PILULKA	<i>USD</i>	129.3	142.7	154.5	151.1	139.7	140.2	144.5
DIFFERENCE TO AVERAGE		-21.5%	-8.6%	5.5%	2.5%	5.0%	3.3%	-0.4%
EBITDA PER CLIENT (USD)		2019	2020	2021	2022	2023	2024	2025
Zur Rose	<i>USD</i>	-2.00	-8.07	-12.82	-8.18	-3.01	0.60	3.60
Shop Apotheke	<i>USD</i>	-4.48	2.82	-5.87	-3.66	2.09	4.86	7.76
Talea Group	<i>USD</i>	6.16	1.28	3.00	2.27	3.27	5.33	6.98
<b>AVERAGE</b>	<i>USD</i>	<b>-0.11</b>	<b>-1.32</b>	<b>-5.23</b>	<b>-3.19</b>	<b>0.78</b>	<b>3.60</b>	<b>6.11</b>
PILULKA	<i>USD</i>	-2.69	2.15	1.86	-0.05	-0.45	1.46	3.62
DIFFERENCE TO AVERAGE		2413.1%	-262.4%	-135.5%	-98.6%	-157.6%	-59.4%	-40.8%
VALUE PER CLIENT (USD)		2019	2020	2021	2022	2023	2024	2025
Zur Rose	<i>USD</i>	136.0	276.4	200.7	28.7	33.0	27.9	24.2
Shop Apotheke	<i>USD</i>	136.5	413.2	291.7	93.1	184.9	162.7	145.3
Talea Group	<i>USD</i>	167.5	189.9	314.7	79.8	60.1	51.0	42.1
<b>AVERAGE</b>	<i>USD</i>	<b>146.7</b>	<b>293.2</b>	<b>269.0</b>	<b>67.2</b>	<b>92.7</b>	<b>80.5</b>	<b>70.5</b>
PILULKA	<i>USD</i>	...	120.2	266.2	100.5	80.8	70.1	60.8
DIFFERENCE TO AVERAGE		...	-59.0%	-1.0%	49.5%	-12.8%	-13.0%	-13.7%

Source: Company data, Helgi Library estimates and calculation

Taking a simple average of the three west-European peers as a benchmark and applying a 20% discount for the lower quality business model and higher risk, Pilulka could be worth CZK 444-541 per share. That's assuming a successful SPO.



## 2.3 Comparative valuation (Czech equities and European e-commerce)

The Comparison with traditional Czech stocks is difficult to make since Pilulka is expected to be loss-making until 2025. The Czech equity market (ex banks) trades at an EV/EBITDA of around 7x and PE of 13x expected in 2024. That's way out of reach for Pilulka for now:

COMPARED WITH CZECH STOCKS (PX)	EV / EBITDA			Price to Earnings (PER)		
	2022	2023	2024	2022	2023	2024
ČEZ	6.2	6.8	4.6	9.8	20.8	16.7
KOFOLO	8.5	7.6	7.2	28.1	19.9	15.1
Colt CZ Group	7.1	6.6	6.0	9.9	9.8	8.4
Philip Morris CR	8.9	9.0	9.3	15.2	15.1	15.5
Photon Energy	9.7	8.9	7.9	27.2	13.5	10.8
<b>AVERAGE (TOTAL)</b>	<b>8.1</b>	<b>7.8</b>	<b>7.0</b>	<b>18.0</b>	<b>15.8</b>	<b>13.3</b>
PILULKA	Neg.	Neg.	46.5	-24.9	-14.6	-29.0

Source: Bloomberg, Helgi Library

When compared to European e-commerce industry, we get a similar outcome. Pilulka could be "properly valued" only after the year 2024 when it becomes "sufficiently" profitable and becomes "interesting" only in 2026 when the EBITDA margin picks up to 3.7%. The comparison with loss-making peers such as About You or DocMorris on the 2023 multiples (EV to Sales) shows that Pilulka is still relatively expensive:

COMPARATIVE VALUATION	EV / EBITDA			EBITDA MARGIN			EV / SALES		
	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
Zalando SE	24.4	15.5	12.0	3.8%	5.8%	6.7%	0.93	0.90	0.81
ASOS PLC	6.7	7.9	5.3	4.5%	4.0%	5.6%	0.30	0.31	0.29
ABOUT YOU Holding SE	-7.9	-4.3	-21.0	-4.7%	-7.7%	-1.4%	0.37	0.33	0.29
boohoo group plc	41.8	11.7	11.1	0.9%	3.5%	3.7%	0.37	0.41	0.41
Boozt AB	15.1	14.4	12.0	7.5%	7.6%	8.0%	1.13	1.09	0.97
Nelly Group AB	-28.1	305.3	10.1	-1.0%	0.1%	3.0%	0.27	0.32	0.31
THG PLC	21.5	20.7	12.3	2.8%	3.1%	5.2%	0.61	0.64	0.64
ALLEGRO	18.1	16.2	13.1	24.6%	22.4%	24.0%	4.46	3.63	3.17
SHOP APOTHEKE	-27.5	92.9	35.2	-2.5%	1.3%	2.8%	0.68	1.20	0.97
ZUR ROSE	-8.6	-15.3	67.3	-4.8%	-2.6%	0.6%	0.42	0.40	0.40
TALEA GROUP	43.6	23.2	11.8	1.8%	2.6%	4.1%	0.80	0.61	0.49
Walgreens Boots Alliance	9.9	12.6	11.7	5.5%	4.4%	4.6%	0.55	0.56	0.53
ANSWEAR.COM	14.4	13.9	13.3	6.4%	6.0%	5.0%	0.92	0.83	0.66
<b>AVERAGE</b>	<b>9.5</b>	<b>39.6</b>	<b>14.9</b>	<b>3.5%</b>	<b>3.9%</b>	<b>5.5%</b>	<b>0.91</b>	<b>0.87</b>	<b>0.76</b>

Source: Bloomberg, Companies, Helgi Library



## 3 Financial Results and Outlook

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### 3.1 Financial results in 2022

Pilulka reported consolidated sales of CZK 2.47 bil and nil EBITDA in 2022, which were well below the targets of CZK 2.92 bil in sales and EBITDA of CZK 72.5 mil that management announced in June 2021.

The results disappointed on all main lines from a weak top line growth, negative operating profitability, slow and expensive foreign expansion and fast cash burn rate. A wide range of things could be blamed for the bad news. However, in our view a few things stand out:

- ✓ Significant increase in marketing costs rising from 5.4% in 2020 to 7.4% of sales in 2022 (to almost CZK 122 mil)
- ✓ 52% growth in operating expenses in 2020–2022 (CZK 246 mil increase)
- ✓ Slow and expensive expansion with disappointing results from Romania and delays in the rollout in Hungary
- ✓ A shift from the online pharmacy concept with Rx and OTC medicine sales falling from 29% in 2020 to 18% of total sales in 2022 (and a nominal fall of CZK 72 mil in 2020–2022)
- ✓ Weak offline business with 45 closed branches incl. franchises in 2020–2022 (or a 30% decline)
- ✓ Fast cash burn due partly to non-core investments

Czecho-slovak business managed to stay profitable, though a declining and relatively low margin of 1–2% on the EBITDA level are still rather disappointing.

Announcement of the 2022 financial results added to the already negative market sentiment and the stock is off 26% from the end of last year, further discouraged by potential dilution from the upcoming capital increase.

### 3.2 Share Capital Increase

The company plans to raise up to CZK 236 mil in new capital, or 0.5 mil shares (up to 20% of total). Current shareholders will have a pre-emptive right to subscribe new shares at the bottom of the range in the first round followed by other investors taking the rest.

The raising of capital offers a new lease of life for the company and an opportunity for investors to re-enter, especially following the recent share price drop.

Raising additional capital is also the only option for the company to pursue its ultimate goal, to build up a Central European online pharmacy. The company has taken additional debt of CZK 44 mil in the first quarter of 2023 to fix the liquidity issue, so the alternative to the capital injection would have likely been a cut in expansion plans and heavy cost cutting to get cash positive as soon as possible.



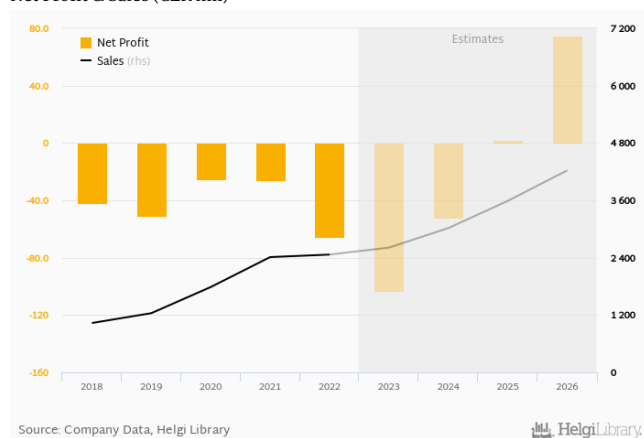
### 3.3 Management Outlook

The management has introduced an updated financial plan for 2023–2026 as part of the SPO process. The plan is based on a renewed expansion into the new markets to achieve economies of scale and regional diversification. In more detail, the key assumptions are the following:

- ✓ Sales are expected to grow 14.4% a year to CZK 4.22 bil in 2026 and foreign markets should form 41% of the total (up from 29% in 2022)
- ✓ Hungary and Austria should contribute a third to the top line growth and should form 12.3% of total sales in 2026 (compared to 0.1% in 2022)
- ✓ Profitability should improve significantly with EBITDA profit raising to CZK 156 mil, or 3.7% of sales in 2026
- ✓ Operational leverage and a significant decline in marketing costs should be additional drivers of the profit improvement
- ✓ The management assumes no need for additional capital until 2026, neither equity nor debt, as the expansion should generate enough cash to cover even the working capital needs

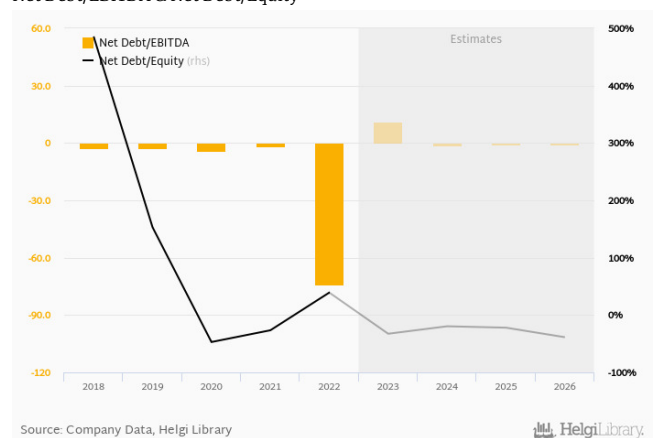
#### Pilulka – Profits & Sales

Net Profit & Sales (CZK mil)



#### Pilulka – Indebtedness

Net Debt/EBITDA & Net Debt/Equity



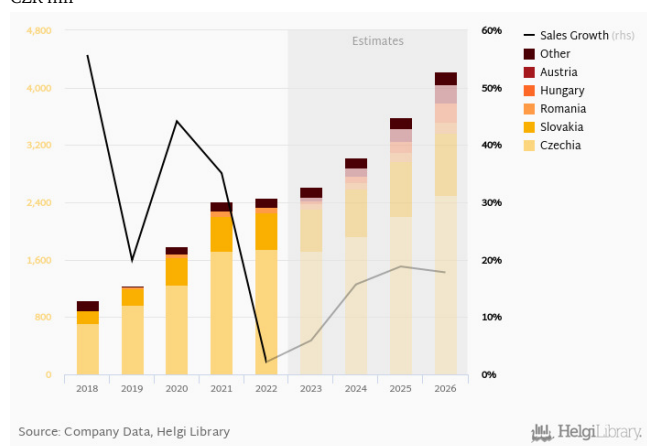
Pilulka operates in a fast-changing environment. There will surely be many challenges the Management will face to deliver on its goals. We try to pick four key areas which we consider important to watch for in the near future:

- ✓ Sales growth and its structure – how much is Pilulka diverging from its online-pharmacy concept?
- ✓ Cost of the growth – how profitable is the sales growth?
- ✓ Efficiency and economy of scale – how do bigger volumes translate into higher margins?
- ✓ Funding of growth – how is the ambitious growth funded?

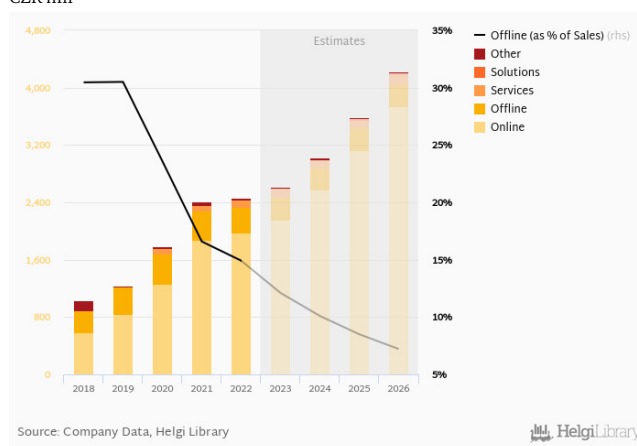
## Sales growth and structure

The management expects sales to reach CZK 4.22 bil in 2026 implying an average annual growth of 14.4%. Foreign markets should form 41% of the total (up from 29% in 2022) with Hungary and Austria accounting for more than CZK 500 mil. Share of online sales should increase to almost 89% by 2026. Sales from high margin services and solutions should rise to CZK 167 mil, though their contribution is expected to stay limited at around 4.0% of total in three years' time:

Pilulka - Sales by Country  
CZK mil

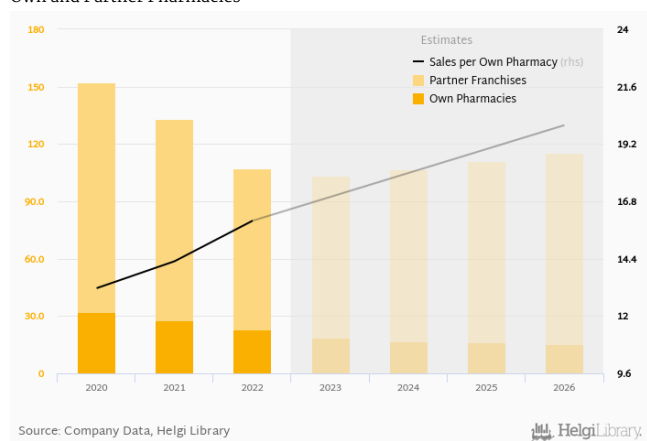


Pilulka - Sales by Segment  
CZK mil

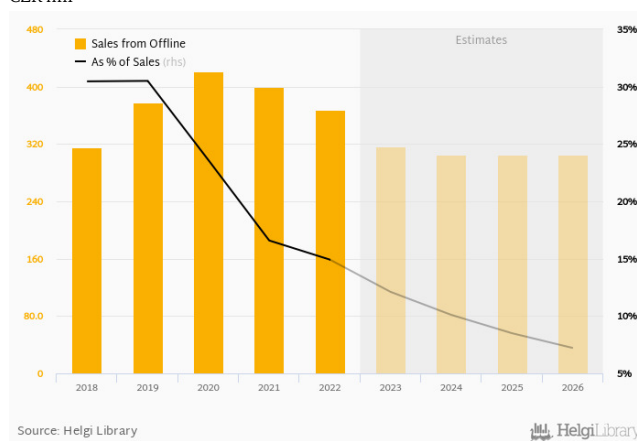


The geographical and segmental mixture are important parts of the model describing Company's strategy, but it's the product structure of the sales we are most interested in. In between 2020 and 2022, sale of Rx and OTC drugs fell from 28.6% to 17.8% of total sales. More importantly, the sales fell 14% in absolute terms from CZK 510 mil to CZK 438 mil and the decline happened in both, online as well as offline segments.

Pilulka - Number of Pharmacies  
Own and Partner Pharmacies



Pilulka - Offline Sales  
CZK mil



With CZK 368 mil of sales in 2022 (or 15% of total), the offline business is not a crucial part of the company's overall business. Having said that, the brick and mortar concept was considered an important part of the overall multi-channel distribution strategy of the company, especially until the Rx market is deregulated.

In addition, more than 85% of the growth in sales in between 2020–2022 came from two segments – Cosmetics and drugstore, and Electrical/electronic devices. This suggests that Pilulka's growth has been very opportunistic. This is not necessarily a bad thing, especially as the Covid-19 pandemic offered extra opportunities. When looking at the details, three questions pop up:

- ✓ How much is Pilulka dependant on a cafeteria system and how profitable is it?
- ✓ What is the real gross margin under such a sales mix?
- ✓ Does Pilulka have enough capital to fund lower-margin business?

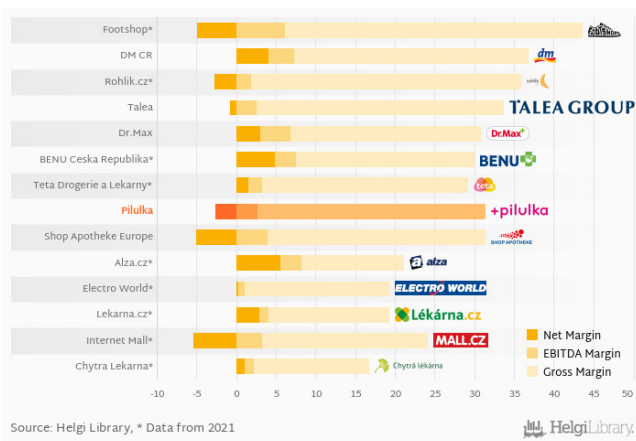
The high exposure to the cafeteria system (30–40% of total in 2022) is a clear risk given its relative size and nature of the business. The management pointed out that Pilulka terminated cooperation with one cafeteria partner in 2023 which could lead to a loss of sales of 10–15%, or more than CZK 200 mil in 2023. We assume high share of cafeteria business was one of the reasons for relative high marketing cost. Since 2023, these sales should gradually be replaced, which should also help reducing marketing costs, both relatively as well as absolutely.

Pilulka needs to get bigger to achieve economies of scale, i.e. to better utilize its fixed and partly variable costs. But the growth must be profitable. It's a completely different game if one operates with a 20% gross margin.

Consequently, a shift to lower margin business (such as electronics, or cosmetics) requires even bigger volumes (as seen on example of Alza) and/or additional needs for funding:

### From Gross to Net margin

2022 or latest



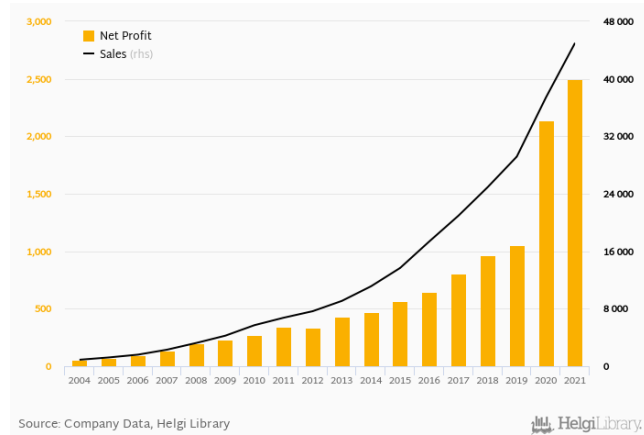
A minimum gross margin exceeding 25% is therefore a key assumption we work with and signal, Pilulka's business model is viable in the medium term, something to watch for.

## Cost of the Growth

Alza.cz seems to be operating just fine with a gross margin of around only 20%. To do so, however, one has to have a scale, higher value products such as electronics and/or the operational efficiency to be able to generate an EBITDA margin exceeding 8%:

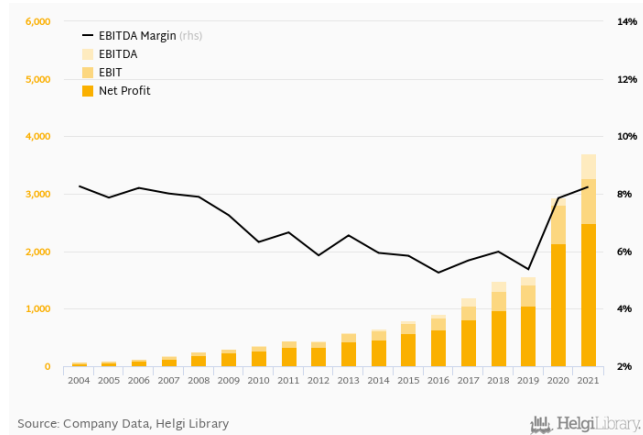
### Alza.cz - Profits & Sales

Net Profit & Sales (CZK mil)



### Alza.cz - From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (CZK mil)

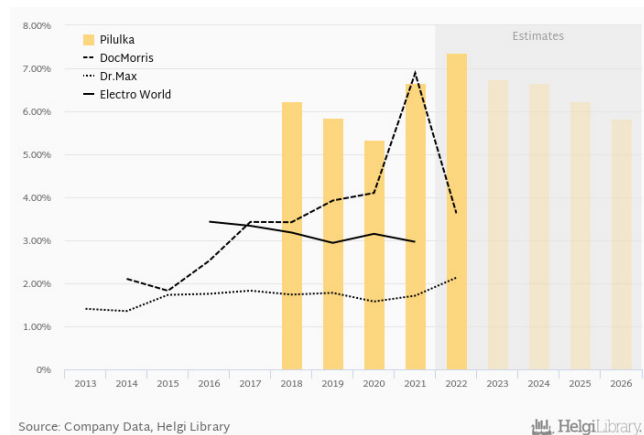


The problem is when you don't have either of the above, obviously. We suspect the goal to get bigger has cost Pilulka too much in the last two years. Apart from extra cost and investment in foreign expansion, in our view it's the high marketing costs that are to blame.

Marketing costs reached CZK 182 mil in 2022, twice as much as in 2020. In relative terms, they accounted for 7.4% of sales compared to 5.4% in 2020. In other words, Pilulka paid 12.7% marketing costs for the extra CZK 679 mil sales it generated in 2021-2022:

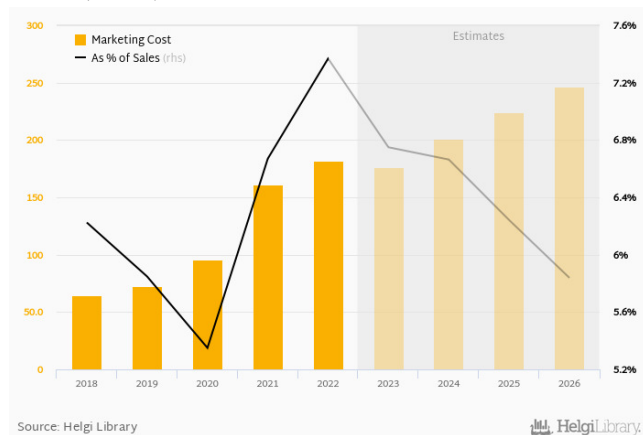
### Pilulka - Cost of Marketing

As % of Sales



### Pilulka - Marketing Cost

Absolute (CZK mil) & As % of Sales



The management has invested heavily into Pilulka's brand in the last two years to utilize the market opportunities the Covid-19 pandemic offered, something which won't be seen in the future. Together with some spending cuts, marketing costs are expected to drop below 6% of sales by 2026.

## Efficiency and Economy of Scale

Scale is mighty in the e-commerce business and regional presence brings further spice to the table, so the rationale for Pilulka's CEE expansion is easy to understand. Also, potential benefits in the form of economies of scale from bigger sales are clearly quantified in the management's financial plan:

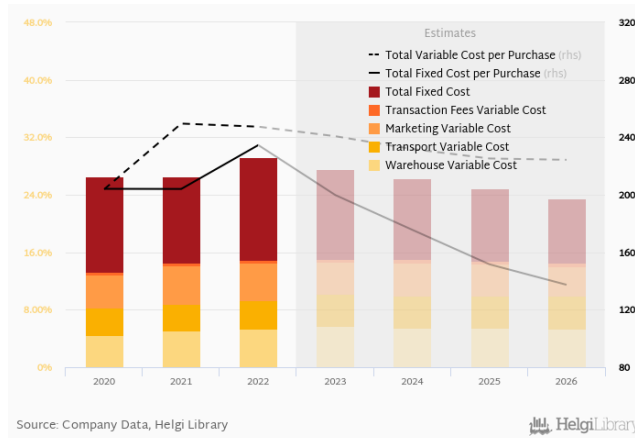
- ✓ Fixed costs should drop from 14.2% of sales in 2022 to 8.9% in 2026
- ✓ Variable costs per purchase are expected to decrease by 9.3% between 2022 and 2026 to CZK 224 per purchase.

Fast growth, foreign expansion and the Covid-19 pandemic all contributed to the pressure on the cost side. Operating costs increased by more than 50% in 2020-2022, or CZK 246 mil. In relative terms, they accounted for 29.2% of sales in 2022 compared to 26.5% in 2020. This is roughly the difference in the EBITDA margin the company achieved in 2022 compared to the management's targets made in 2021.

This is already water under the bridge. As part of the foreign expansion, Pilulka invested heavily into new capacity, spending more than CZK 50 mil on warehouses in Olomouc and Bratislava. With the investments already made and a 30% warehouse capacity free to serve Hungary and Austria, the economics should be better now. Fixed costs are expected to increase only 7.8% by 2026 and variable costs should remain flattish at around 15% of sales in the next years:

### Pilulka - Variable and Fixed Cost

As % of Sales and per Purchase



Again, potential deregulation of the Rx market offers another catalyst to increase the company's efficiency. The average size of a package at online pharmacies is usually small and light when compared to most e-commerce players, resulting in relatively lower storage and transport costs. This opens a vast competitive advantage and higher profitability prospects, if the market with prescription drugs becomes deregulated. At DocMorris for example, the average cost of prescription drugs sold amounts to Kč 5,000.

## Funding of Growth

Entrance on the stock exchange in 2020 strengthened Pilulka's capital position and reduced dependency on external funding, especially by suppliers. The firm has risen CZK 212 mil in the IPO process and ended 2020 with CZK 228 mil of capital, net cash of CZK 135 mil and net working capital of CZK 38 mil. At the end of 2022, net cash changed into a net debt of CZK 55 mil (and CZK 99 mil at the end March 2023 when a further CZK 44 mil debt was taken) and net working capital increased to CZK 71 mil.

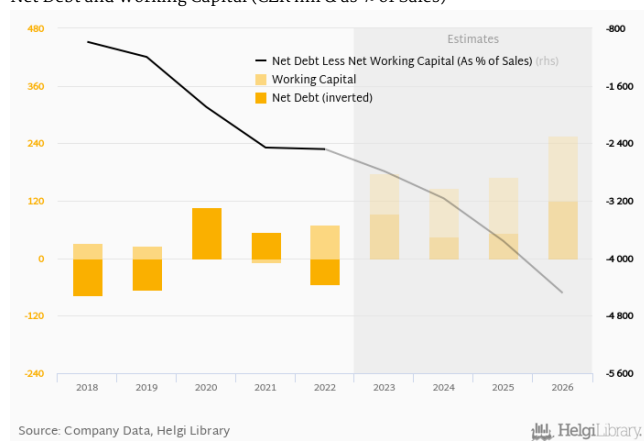
In other words, Pilulka has consumed CZK 91 mil of cash in 2020–2022 (and CZK 135 mil at the end of March 2023).

The growth could be cash-hungry and capital spending needs to be watched carefully. That's especially true for Pilulka, which does not have the benefit of support from its wholesale partners like its key competitors have (Dr. Max and Benu purchasing more than 90% of goods from its wholesale mothers)

With the new plan and money raised from the SPO, the management does not expect to tap capital markets until 2026:

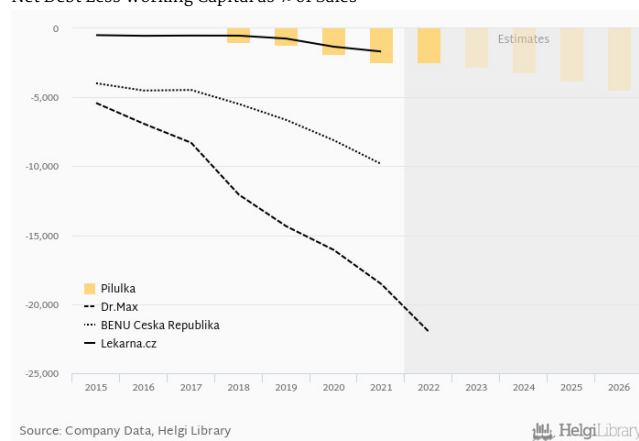
### Pilulka's Indebtedness

Net Debt and Working Capital (CZK mil & as % of Sales)



### Indebtedness Comparison

Net Debt Less Working Capital as % of Sales





## 4 Financial Statements

### Income Statement

INCOME STATEMENT		2019	2020	2021	2022	2023	2024	2025	2026
Sales	CZK mil	1,239	1,786	2,413	2,465	2,611	3,021	3,589	4,227
Cost of Goods	CZK mil	1,112	1,292	1,753	1,756	1,910	2,207	2,625	3,098
Gross Profit	CZK mil	127	494	659	709	701	813	964	1,130
Staff Cost	CZK mil	146	167	224	259	262	295	342	392
Warehouse Cost	CZK mil	44.8	80.1	122	131	150	166	196	228
Transport Cost	CZK mil	45.0	69.1	91.3	98.9	117	136	164	192
Marketing Cost	CZK mil	72.4	95.5	161	182	176	201	224	247
Other Cost	CZK mil	-155	55.3	32.0	38.7	3.86	-16.6	-50.6	-85.3
EBITDA	CZK mil	-25.8	26.9	29.0	-0.744	-8.43	31.5	89.8	156
Depreciation	CZK mil	19.0	25.8	43.1	46.9	61.0	61.4	62.3	52.4
EBIT	CZK mil	-44.8	1.10	-14.0	-47.6	-69.4	-29.9	27.5	104
Net Financing Cost	CZK mil	7.23	24.6	11.0	11.6	26.0	14.3	17.4	20.9
Financing Cost	CZK mil	3.63	2.53	0.777	4.76	7.97	7.87	7.78	7.68
Financing Income	CZK mil	0.018	0	0	0	0	0	0	0
FX (Gain) Loss	CZK mil	3.62	22.0	10.2	6.86	18.0	6.46	9.59	13.2
Extraordinary Cost	CZK mil	0	1.61	-0.356	4.72	7.97	7.87	7.78	7.68
Pre-Tax Profit	CZK mil	-52.1	-25.1	-24.7	-63.9	-103	-52.1	2.34	74.9
Tax	CZK mil	-1.31	0.549	0.994	1.75	0	0	0	0
Minorities	CZK mil	-5.25	-3.79	-0.175	0	0	0	0	0
Net Profit	CZK mil	-50.7	-25.6	-25.7	-65.7	-103	-52.1	2.34	74.9
Net Profit Avail. to Common	CZK mil	-45.5	-21.8	-25.5	-65.7	-103	-52.1	2.34	74.9
Dividends	CZK mil	0	0	0	0	0	0	0	0

Source: Company Data, Helgi Library

### Growth Momentum

GROWTH RATES		2019	2020	2021	2022	2023	2024	2025	2026
Staff Cost Growth	%	34.2	14.1	34.5	15.7	0.892	12.8	15.8	14.7
Total Revenue Growth	%	19.9	44.1	35.1	2.16	5.93	15.7	18.8	17.8
EBITDA Growth	%	-10.7	-204	8.05	-103	1,033	-474	185	73.6
EBIT Growth	%	9.86	-102	-1,381	239	45.8	-56.9	-192	277
Pre-Tax Profit Growth	%	24.2	-51.8	-1.66	159	61.6	-49.6	-104	3,100
Net Profit Growth	%	...	-52.0	16.9	158	57.3	-49.6	-104	3,100

Source: Company Data, Helgi Library

### Profit Ratios

RATIOS		2019	2020	2021	2022	2023	2024	2025	2026
ROA	%	-15.6	-6.08	-4.72	-11.0	-15.6	-7.32	0.319	8.96
ROE	%	-153	-16.1	-12.1	-38.3	-48.7	-20.1	0.992	27.3
ROCE	%	-42.5	-20.0	-18.1	-30.2	-35.8	-16.1	0.666	20.3
Gross Margin	%	10.3	27.6	27.3	28.8	26.8	26.9	26.9	26.7
EBITDA Margin	%	-2.08	1.50	1.20	-0.030	-0.323	1.04	2.50	3.69
EBIT Margin	%	-3.62	0.061	-0.582	-1.93	-2.66	-0.989	0.766	2.45
Net Margin	%	-4.10	-1.43	-1.06	-2.66	-3.96	-1.72	0.065	1.77
Payout Ratio	%	0	0	0	0	0	0	0	0

Source: Company Data, Helgi Library



## Balance Sheet

BALANCE SHEET		2019	2020	2021	2022	2023	2024	2025	2026
Intangible Assets	CZK mil	49.8	53.6	82.8	89.8	95.3	95.8	90.3	88.3
LT Investments & Receivables	CZK mil	0	0	4.05	9.18	51.5	83.8	116	118
Property, Plant & Equipment	CZK mil	33.2	35.2	62.4	74.4	56.8	38.4	25.1	18.1
Current Assets	CZK mil	226	378	412	405	488	463	512	663
Other ST Assets	CZK mil	< 0.001	0	0	0	0	0	0	0
Inventories	CZK mil	76.6	90.6	155	187	164	191	228	270
Receivables	CZK mil	139	155	185	197	198	227	266	310
Cash & Cash Equivalents	CZK mil	9.59	132	71.6	20.7	126	45.2	18.1	83.3
Goodwill	CZK mil	30.3	27.9	25.9	23.6	21.3	19.0	16.7	14.4
Non-Current Assets	CZK mil	113	117	175	197	225	237	248	239
Total Assets	CZK mil	345	498	589	606	718	705	765	907
Trade Payables	CZK mil	190	246	348	314	278	317	377	445
Short-Term Debt	CZK mil	76.2	0	0	60.0	60.0	60.0	60.0	60.0
Other ST Liabilities	CZK mil	4.22	0	0	0	0	0	0	0
Current Liabilities	CZK mil	270	246	348	374	337	377	437	505
Long-Term Debt	CZK mil	0	24.6	21.3	24.8	23.9	22.9	21.9	20.9
Other LT Liabilities	CZK mil	42.0	3.20	0.110	0.126	0	0	0	0
Non-Current Liabilities	CZK mil	42.0	27.8	21.5	24.9	23.9	22.9	21.9	20.9
Liabilities	CZK mil	301	270	385	466	431	470	528	595
Share Capital	CZK mil	2.00	2.50	2.50	2.52	...	...	...	...
Equity Before Minority Interest	CZK mil	37.7	218	204	139	286	234	236	311
Minority Interest	CZK mil	-5.85	-9.74	-0.275	-1.21	-1.21	-1.21	-1.21	-1.21
Equity	CZK mil	43.5	228	204	140	287	235	237	312

Source: Company Data, Helgi Library

## Growth Momentum

GROWTH RATES		2019	2020	2021	2022	2023	2024	2025	2026
Shareholders' Equity Growth	%	176	401	-6.42	-31.9	106	-18.2	1.52	31.6
Total Asset Growth	%	12.6	44.5	18.3	2.86	18.5	-1.84	8.59	18.5
Net Debt Growth	%	-13.0	-261	-49.3	-201	-271	-50.8	13.5	131
Total Debt Growth	%	-7.25	-67.7	-13.3	297	-1.03	-1.19	-1.21	-1.22

Source: Company Data, Helgi Library

## Balance Sheet Ratios

RATIOS		2019	2020	2021	2022	2023	2024	2025	2026
Net Debt	CZK mil	66.6	-107	-54.3	54.9	-93.6	-46.0	-52.3	-121
Total Debt	CZK mil	76.2	24.6	21.3	84.8	83.9	82.9	81.9	80.9
Working Capital	CZK mil	26.0	-0.594	-7.73	71.0	84.6	100	118	135
Capital Employed	CZK mil	139	116	167	268	309	337	366	374
Net Debt/Equity	%	153	-47.0	-26.6	39.2	-32.6	-19.6	-22.0	-38.7
Net Debt/EBITDA		-2.58	-3.99	-1.87	-73.8	11.1	-1.46	-0.582	-0.774
Cost of Financing	%	4.59	5.02	3.38	8.98	9.45	9.44	9.44	9.44
Current Ratio		0.834	1.53	1.18	1.08	1.45	1.23	1.17	1.31
Quick Ratio		0.551	1.16	0.737	0.584	0.960	0.720	0.651	0.779

Source: Company Data, Helgi Library





## Cash flow

CASH FLOW		2019	2020	2021	2022	2023	2024	2025	2026
Total Cash From Operations	CZK mil	-22.3	-2.46	27.8	-40.1	-55.7	-7.39	46.4	109
Change in Working Capital	CZK mil	5.00	-5.64	7.14	-18.7	-13.7	-15.7	-17.2	-17.7
Non-Cash Items	CZK mil	4.38	3.00	3.27	-2.57	0.303	-1.00	-1.00	-1.00
Depreciation	CZK mil	19.0	25.8	43.1	46.9	61.0	61.4	62.3	52.4
Net Profit	CZK mil	-50.7	-25.6	-25.7	-65.7	-103	-52.1	2.34	74.9
Capital Expenditures	CZK mil	-48.7	-26.4	-78.9	-69.3	-47.9	-42.5	-42.5	-42.5
Net Change in LT Investment	CZK mil	0	1.52	-14.4	-5.53	-40.0	-30.0	-30.0	0
Total Cash From Investing	CZK mil	-48.7	-24.9	-93.3	-74.8	-87.9	-72.5	-72.5	-42.5
Dividends Paid	CZK mil	0	0	0	0	0	0	0	0
Issuance Of Shares	CZK mil	61.6	212	11.7	0.590	250	0	0	0
Issuance Of Debt	CZK mil	5.69	-62.3	-6.35	63.4	-1.00	-1.00	-1.00	-1.00
Total Cash From Financing	CZK mil	67.3	150	5.32	64.0	249	-1.00	-1.00	-1.00
Effect of FX Rates	CZK mil	0	0	0	0	0	0	0	0
Net Change In Cash	CZK mil	-3.78	122	-60.2	-50.9	105	-80.9	-27.1	65.2

Source: Company Data, Helgi Library

## Cash Flow Ratios

RATIOS		2019	2020	2021	2022	2023	2024	2025	2026
Days Sales Of Inventory	days	25.2	25.6	32.3	38.9	31.4	31.6	31.7	31.8
Days Sales Outstanding	days	41.1	31.7	27.9	29.2	27.7	27.4	27.1	26.7
Days Payable Outstanding	days	62.4	69.6	72.4	65.2	53.0	52.5	52.4	52.4
Cash Conversion Cycle	days	3.85	-12.3	-12.1	2.95	6.01	6.49	6.40	6.18
Cash Earnings	CZK mil	-31.7	0.171	17.4	-18.8	-42.4	9.27	64.7	127
Free Cash Flow	CZK mil	-71.1	-27.3	-65.5	-115	-144	-79.9	-26.1	66.2
Capital Expenditures (As % of Sales)	%	3.93	1.48	3.27	2.81	1.83	1.41	1.18	1.01

Source: Company Data, Helgi Library

## E-Commerce

E-COMMERCE		2019	2020	2021	2022	2023	2024	2025	2026
Number of Parcels Sold	mil	0.765	1.16	1.41	1.49	1.64	1.95	2.37	2.75
Basket Size	CZK	1,101	1,092	1,334	1,321	1,321	1,321	1,321	1,360
Basket Size (EUR)	EUR	42.0	41.2	50.1	48.9	54.1	54.1	54.1	55.8
Basket Size (USD)	USD	48.8	49.6	61.6	60.2	60.2	60.2	60.2	62.0
Order Frequency		1.80	2.04	1.96	2.01	2.21	2.41	2.61	2.81
Active Customers	mil	0.425	0.569	0.721	0.743	0.852	0.982	1.13	1.30

Source: Company Data, Helgi Library



## Other Ratios

OTHER RATIOS		2019	2020	2021	2022	2023	2024	2025	2026
Employees		267	285	363	383	368	395	436	476
Cost Per Employee	USD per month	2,023	2,214	2,374	2,570	2,699	2,834	2,976	3,124
Cost Per Employee (Local Currency)	CZK per month	45,601	48,724	51,441	56,424	59,245	62,207	65,317	68,583
Operating Cost (As % of Sales)	%	0.562	16.8	16.8	18.3	17.1	16.1	14.8	13.8
Staff Cost (As % of Sales)	%	11.8	9.33	9.29	10.5	10.0	9.77	9.52	9.27
Effective Tax Rate	%	2.51	-2.19	-4.03	-2.73	0	0	0	0
Revenues From Abroad	CZK mil	272	538	695	716	887	1,096	1,384	1,722
Domestic Revenues	CZK mil	967	1,248	1,717	1,749	1,724	1,925	2,205	2,505
Revenues From Abroad (As % Of Total)	%	21.9	30.1	28.8	29.1	34.0	36.3	38.6	40.7
Total Revenue Growth (5-year average)	%	...	...	...	30.0	20.4	19.5	15.0	11.9
Total Revenue Growth (10-year average)	%	...	...	...	...	...	...	...	...
Customers	mil	0.425	0.569	0.721	0.743	0.852	0.982	1.13	1.30
Sales from Online	CZK mil	842	1,267	1,880	1,973	2,162	2,581	3,125	3,740
Sales from Offline	CZK mil	378	421	400	368	316	305	305	305

Source: Company Data, Helgi Library

## Geographical Breakdown

SALES GEOGRAPHY		2019	2020	2021	2022	2023	2024	2025	2026
Sales in Czechia	CZK mil	967	1,248	1,717	1,749	1,724	1,925	2,205	2,505
Sales in Slovakia	CZK mil	234	392	489	514	583	670	770	860
Sales in Romania	CZK mil	19.2	47.8	74.0	74.0	76.8	90.0	125	160
Sales in Hungary	CZK mil	0	0	0	3.10	47.5	90.0	160	270
Sales in Austria	CZK mil	0	0	0	0.500	46.7	111	170	250
EBITDA in Czechia	CZK mil	-9.67	30.7	40.6	30.8	26.8	63.6	89.6	112
EBITDA in Slovakia	CZK mil	-3.51	6.75	5.89	5.62	10.5	9.43	22.9	38.6
EBITDA in Romania	CZK mil	-0.383	-10.6	-17.5	-20.1	-8.98	-5.92	-2.09	0.740
EBITDA in Hungary	CZK mil	0	0	0	-11.0	-18.5	-17.3	-11.2	1.66
EBITDA in Austria	CZK mil	0	0	0	-6.20	-18.2	-18.3	-9.35	2.86
EBITDA Margin in Czechia	%	-1.00	2.46	2.37	1.76	1.55	3.31	4.06	4.48
EBITDA Margin in Slovakia	%	-1.50	1.72	1.21	1.09	1.80	1.41	2.97	4.48
EBITDA Margin in Romania	%	-2.00	-22.2	-23.6	-27.1	-11.7	-6.58	-1.67	0.463
EBITDA Margin in Hungary	%	0	0	0	0	-38.9	-19.2	-7.00	0.614
EBITDA Margin in Austria	%	0	0	0	0	-39.0	-16.5	-5.50	1.15

Source: Company Data, Helgi Library

## Key Macro Assumptions

KEY MACRO ASSUMPTIONS		2019	2020	2021	2022	2023	2024	2025	2026
Population	mil	10.7	10.7	10.7	10.7	10.7	10.6	10.6	10.6
GDP	USD bil	251	242	279	299	318	334	348	366
GDP Per Capita	USD	23,440	22,638	26,111	28,013	29,797	31,377	32,791	34,493
Total Health Expenditure, Total (USD)	USD bil	19.1	22.4	25.1	27.2	29.3	31.2	32.9	35.0
Total Health Expenditure (As % of GDP)	%	7.61	9.24	9.00	9.11	9.22	9.33	9.44	9.56
Private Health Expenditure (As % of Total)	%	15.0	12.3	13.0	14.0	15.0	15.7	16.4	17.1
Public Health (As % of Gov. Expenditures)	%	15.6	17.1	16.5	16.0	15.9	15.8	15.6	15.5

Source: Company Data, Helgi Library



## Pharmacy Infrastructure

PHARMACY INFRASTRUCTURE		2019	2020	2021	2022	2023	2024	2025	2026
Number of Pharmacies		2,547	2,506	2,496	...	...	...	...	...
Number of Pharmacies per 10,000 People		2.38	2.34	2.34	...	...	...	...	...
Number of Pharmacists		7,686	7,594	7,600	...	...	...	...	...
Number of Pharmacists per Pharmacy		3.02	3.03	3.04	...	...	...	...	...
Number of Prescriptions	mil	74.1	77.2	75.1	...	...	...	...	...
Sales per Pharmacy	CZK mil	36.1	40.7	42.4	...	...	...	...	...
Sales of Rx and OTC Medicines per Pharmacy	CZK mil	21.6	23.1	23.5	...	...	...	...	...

Source: Company Data, Helgi Library

## Sales of RX and OTC Medicines

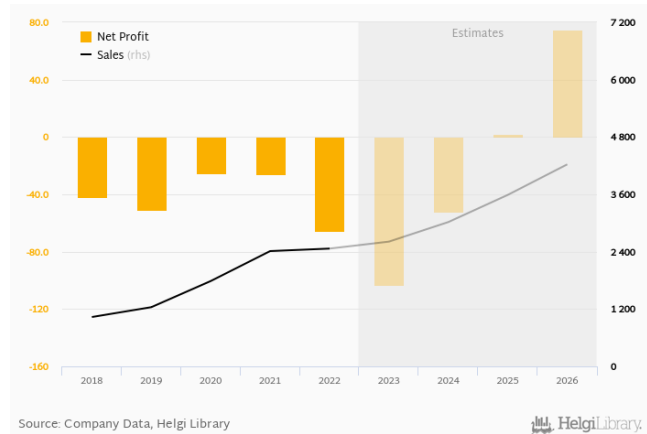
SALES OF RX AND OTC MEDICINES		2019	2020	2021	2022	2023	2024	2025	2026
Pharmaceutical Sales	CZK mil	91,973	101,984	105,749	105,749	111,037	116,589	122,418	128,539
Pharmaceutical Sales (as % of GDP)	%	1.63	1.92	1.75	1.61	1.59	1.59	1.60	1.60
Pharmaceutical Sales (as % of Health Care Expenditures)	%	21.4	20.7	19.4	17.7	17.3	17.0	16.9	16.8
Pharmaceutical Sales per Capita	USD	381	434	457	452	475	499	525	552
Sale of RX Medicines	CZK mil	39,924	40,976	41,709	42,300	43,721	45,178	46,672	48,202
Sale of OTC Medicines*	CZK mil	52,049	61,008	64,040	63,450	67,316	71,411	75,746	80,337
Share of RX Medicines (as % of Total)	%	43.4	40.2	39.4	40.0	39.4	38.8	38.1	37.5
Share of OTC Medicines (as % of Total)	%	56.6	59.8	60.6	60.0	60.6	61.3	61.9	62.5

Source: Company Data, Helgi Library

## 5 Pilulka in Pictures

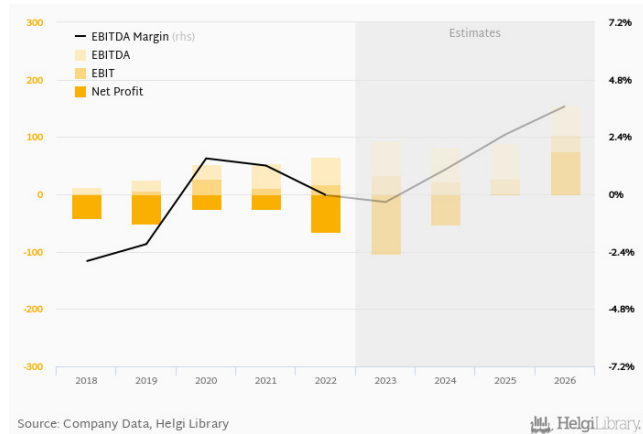
### Pilulka - Profits & Sales

Net Profit & Sales (CZK mil)



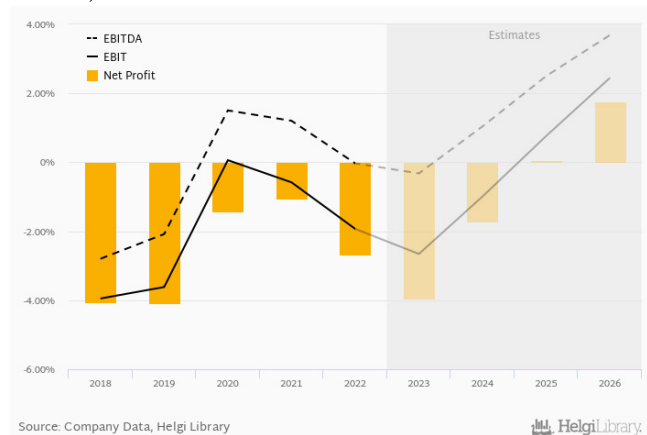
### Pilulka - From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (CZK mil)



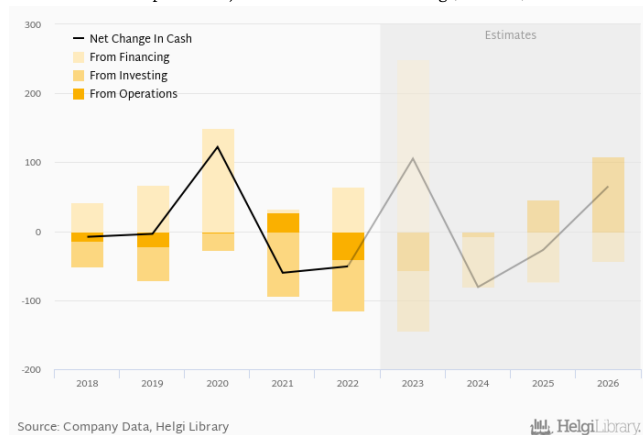
### Pilulka - Profit Margins

Net Profit, EBIT & EBITDA as % of Sales



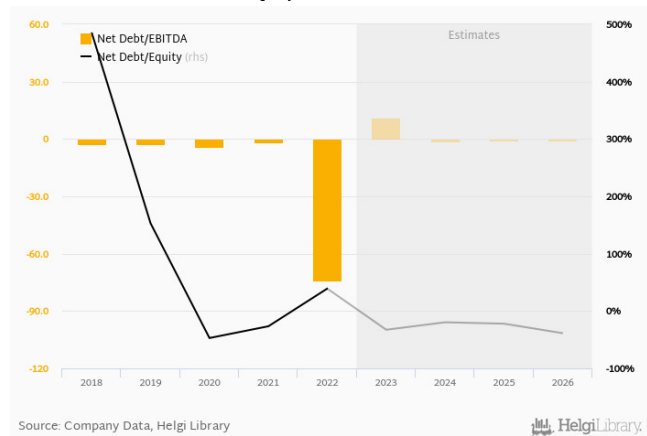
### Pilulka - Cash Flow

Total Cash from Operations, Investment and Financing (CZK mil)



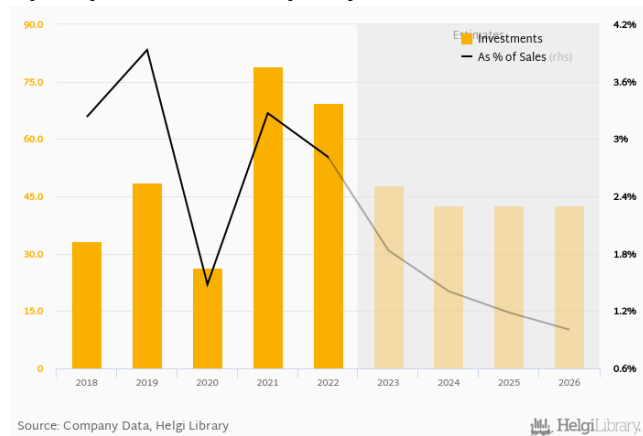
### Pilulka - Indebtedness

Net Debt/EBITDA & Net Debt/Equity



### How Much Does Pilulka Invests?

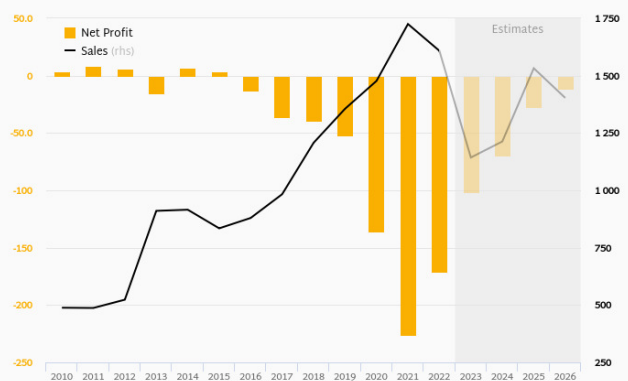
Capital Expenditure (CZK mil) & Capital Expenditure (as % of Sales)



# DocMorris in Pictures

## DocMorris – Profits & Sales

Net Profit & Sales (CHF mil)

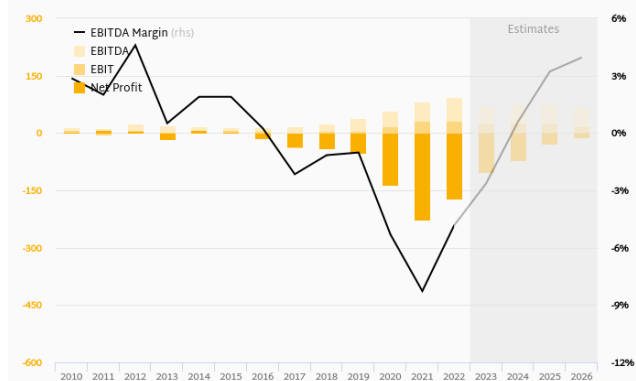


Source: Company Data, Helgi Library

Helgi Library

## DocMorris – From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (CHF mil)

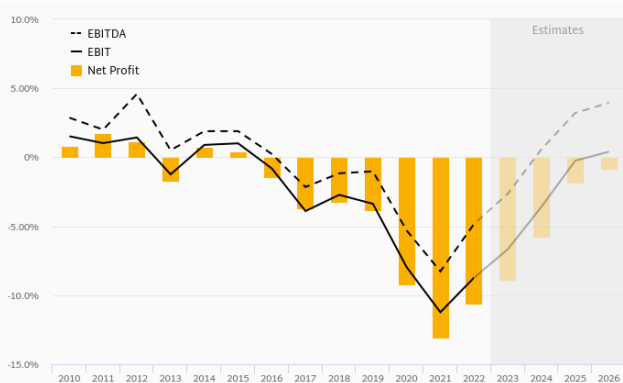


Source: Company Data, Helgi Library

Helgi Library

## DocMorris – Profit Margins

Net Profit, EBIT & EBITDA as % of Sales

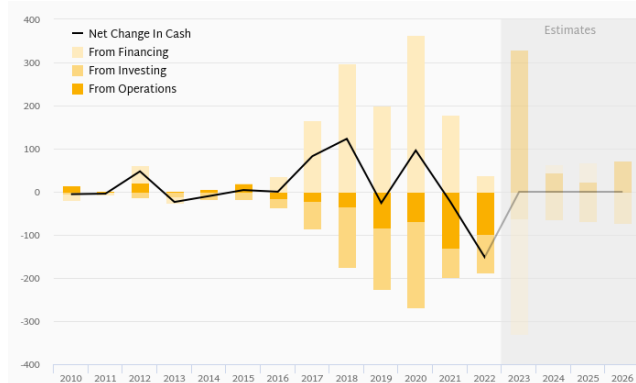


Source: Company Data, Helgi Library

Helgi Library

## DocMorris – Cash Flow

Total Cash from Operations, Investment and Financing (CHF mil)

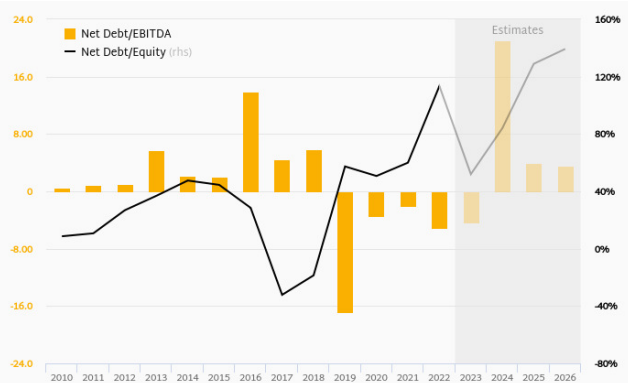


Source: Company Data, Helgi Library

Helgi Library

## DocMorris – Indebtedness

Net Debt/EBITDA & Net Debt/Equity

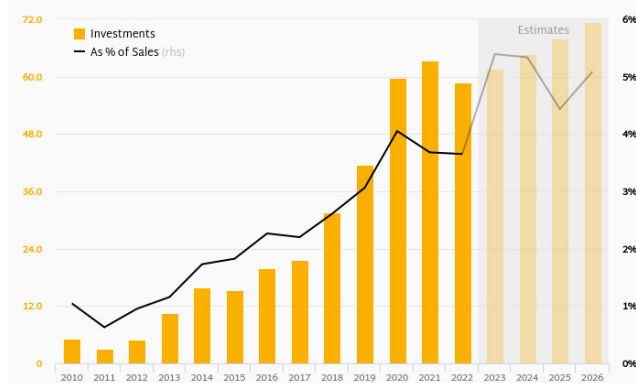


Source: Company Data, Helgi Library

Helgi Library

## How Much Does DocMorris Invests?

Capital Expenditure (CHF mil) & Capital Expenditure (as % of Sales)

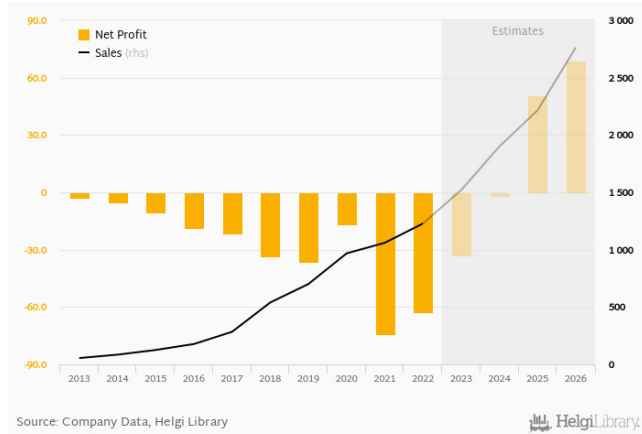


Source: Company Data, Helgi Library

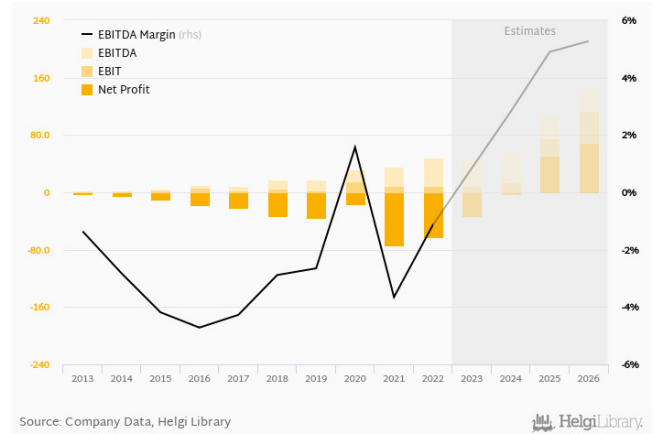
Helgi Library

# Shop Apotheke in Pictures

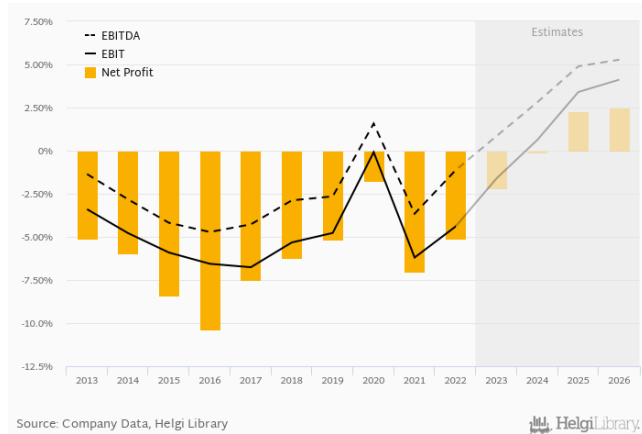
**Shop Apotheke Europe – Profits & Sales**  
Net Profit & Sales (EUR mil)



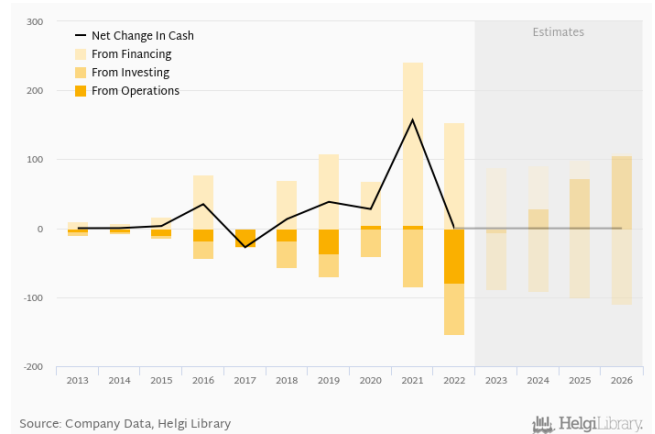
**Shop Apotheke Europe – From EBITDA to Net Profit**  
Net Profit, EBIT & EBITDA (EUR mil)



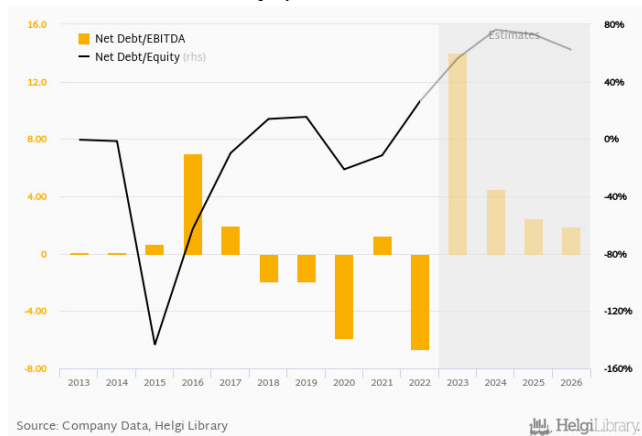
**Shop Apotheke Europe – Profit Margins**  
Net Profit, EBIT & EBITDA as % of Sales



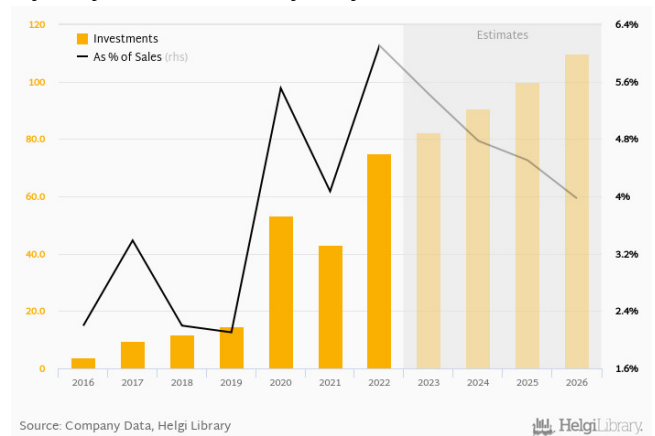
**Shop Apotheke Europe – Cash Flow**  
Total Cash from Operations, Investment and Financing (EUR mil)



**Shop Apotheke Europe – Indebtedness**  
Net Debt/EBITDA & Net Debt/Equity



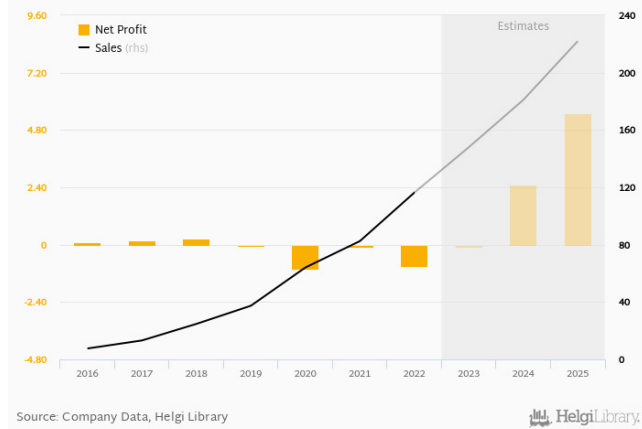
**How Much Does Shop Apotheke Europe Invests?**  
Capital Expenditure (EUR mil) & Capital Expenditure (as % of Sales)



# Talea Group in Pictures

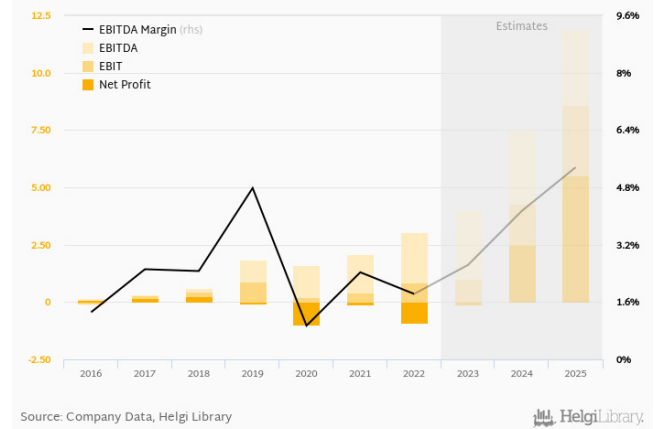
## Talea Group – Profits & Sales

Net Profit & Sales (EUR mil)



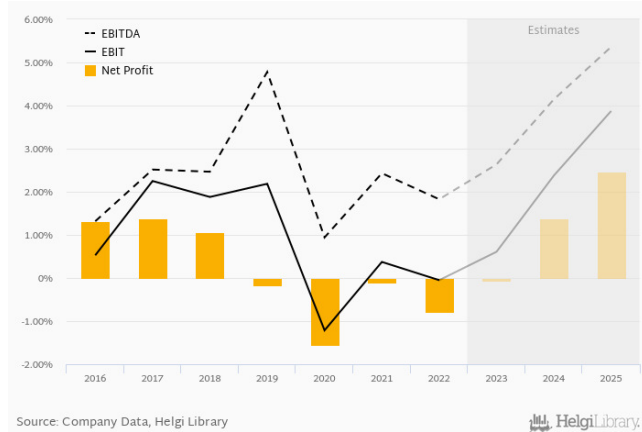
## Talea Group – From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (EUR mil)



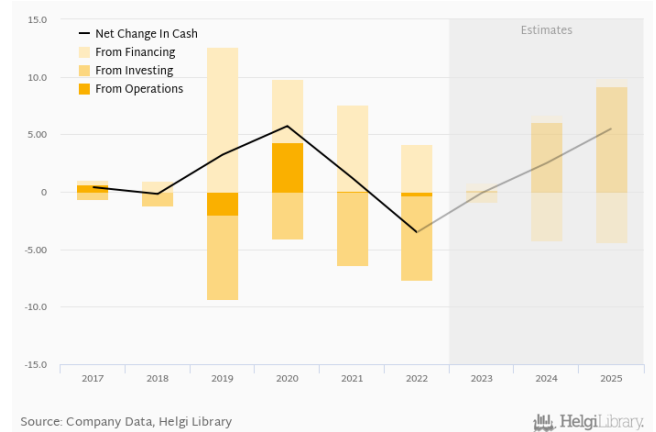
## Talea Group – Profit Margins

Net Profit, EBIT & EBITDA as % of Sales



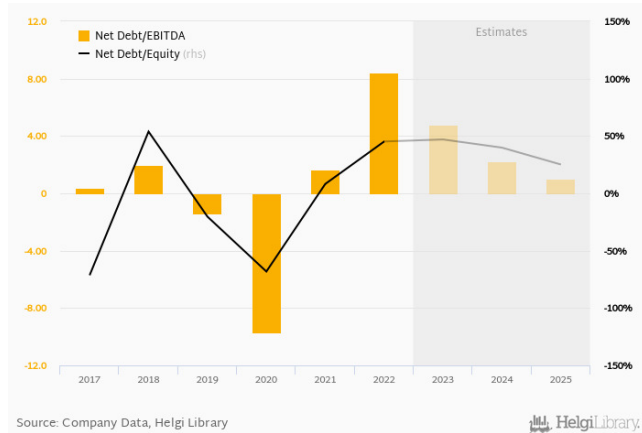
## Talea Group – Cash Flow

Total Cash from Operations, Investment and Financing (EUR mil)



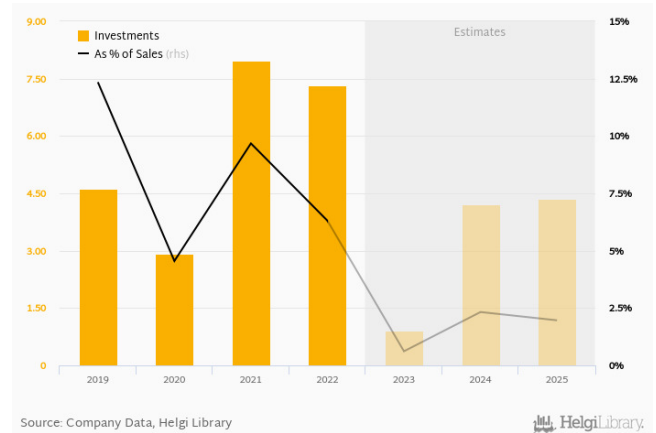
## Talea Group – Indebtedness

Net Debt/EBITDA & Net Debt/Equity



## How Much Does Talea Group Invests?

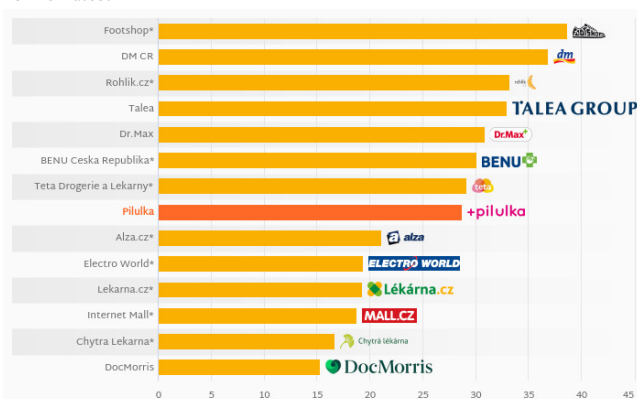
Capital Expenditure (EUR mil) & Capital Expenditure (as % of Sales)



## 6 Comparison Pilulka within e-commerce/pharmacy Industry

### Who Operated with the Highest Gross Margin?

2022 or latest

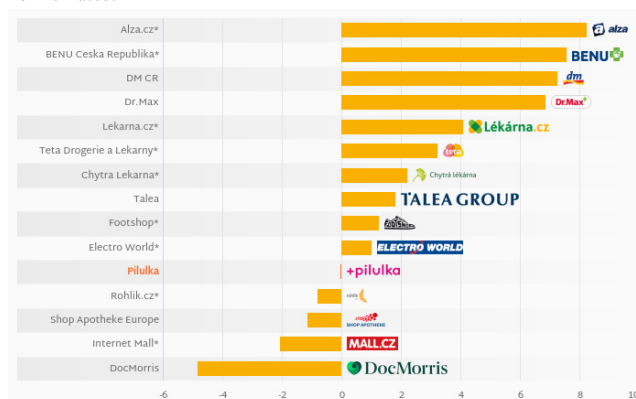


Source: Company Data, Helgi Library, \* Data from 2021

Helgi Library

### Who Operated with the Highest EBITDA Margin?

2022 or latest

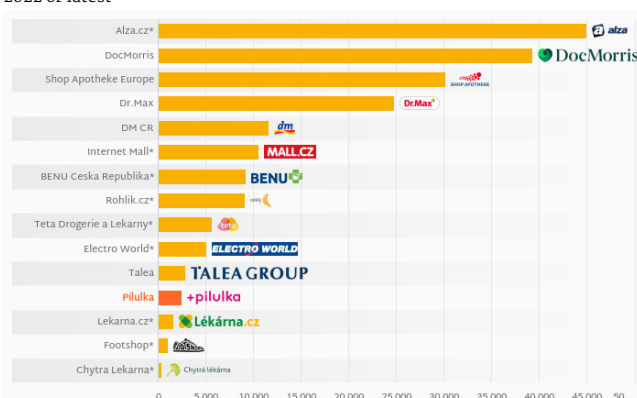


Source: Company Data, Helgi Library, \* Data from 2021

Helgi Library

### Who Was the Largest by Sales?

2022 or latest

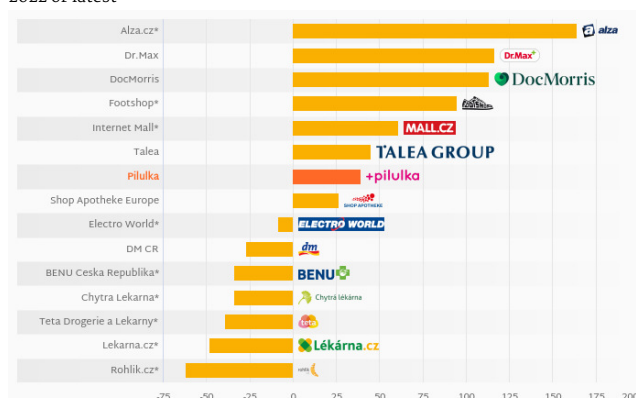


Source: Company Data, Helgi Library, \* Data from 2021

Helgi Library

### Net Debt to Equity

2022 or latest

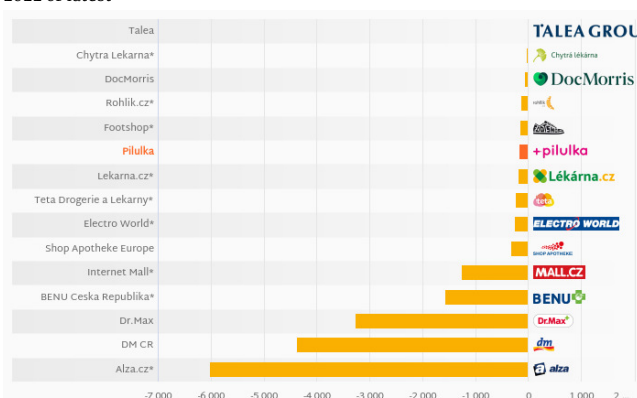


Source: Company Data, Helgi Library, \* Data from 2021

Helgi Library

### Net Debt & Working Capital to Equity

2022 or latest

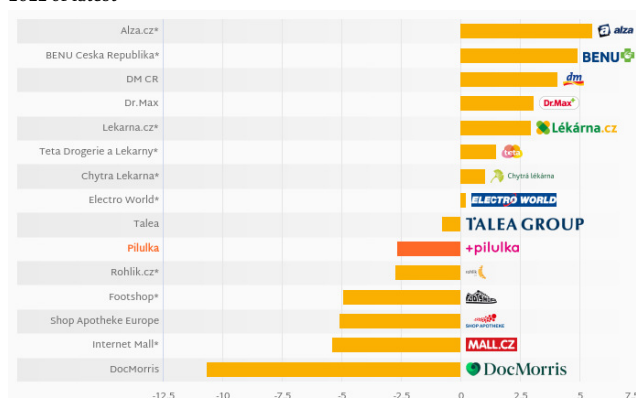


Source: Helgi Library, \* Data from 2021

Helgi Library

### Net Margin

2022 or latest



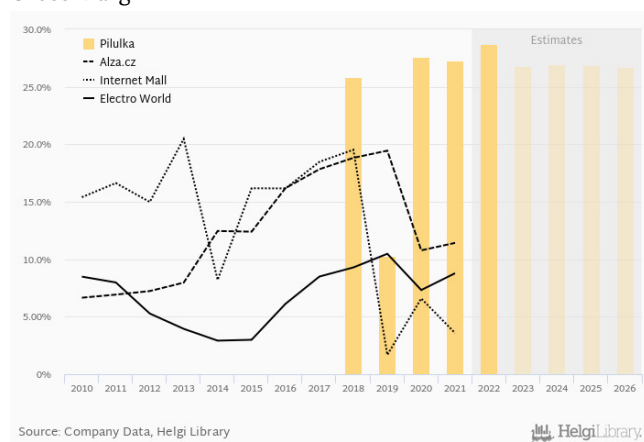
Source: Company Data, Helgi Library, \* Data from 2021

Helgi Library

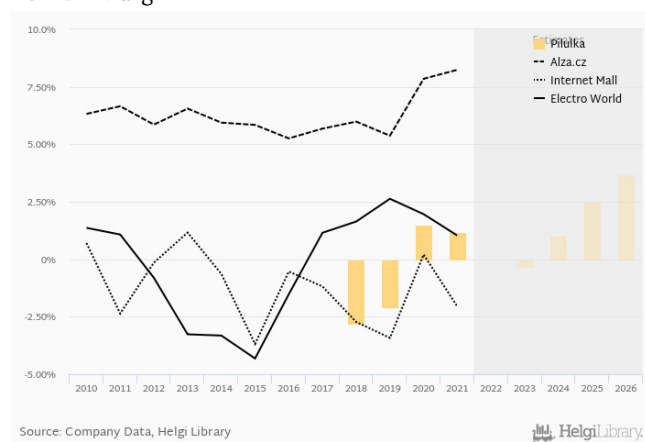


## 7 Pilulka vs. Electronics/e-commerce Industry

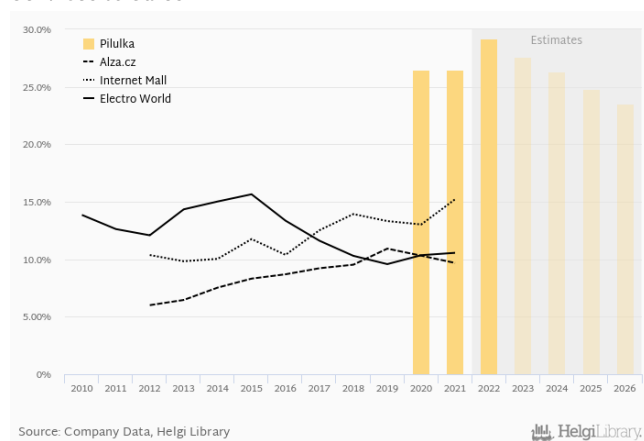
### Gross Margin



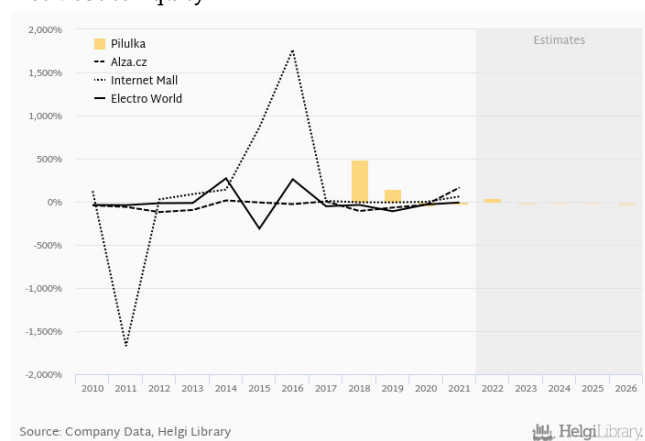
### EBITDA Margin



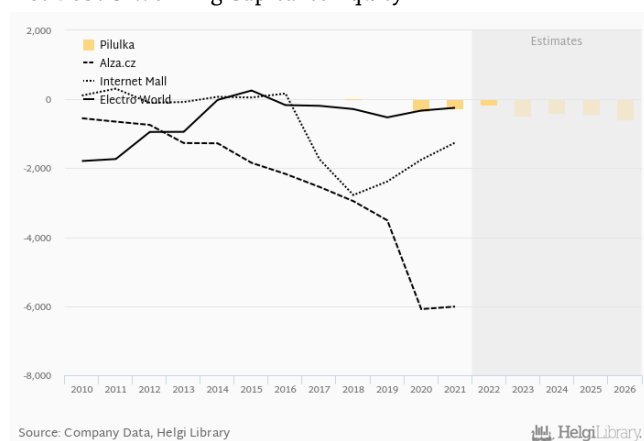
### Services to Sales



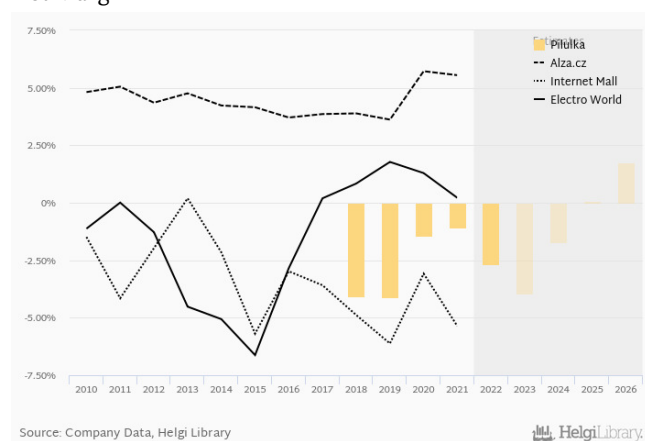
### Net Debt to Equity



### Net Debt & Working Capital to Equity

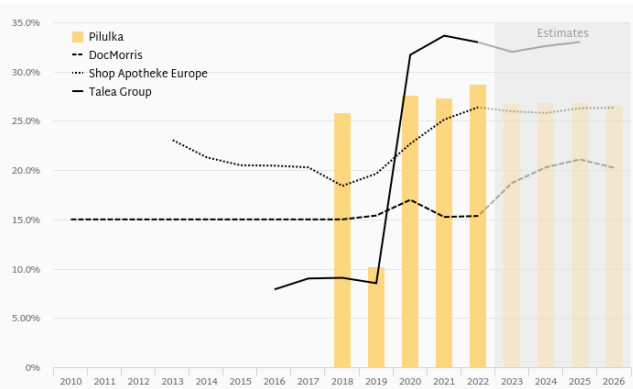


### Net Margin



## 8 Pilulka vs. online pharmacies

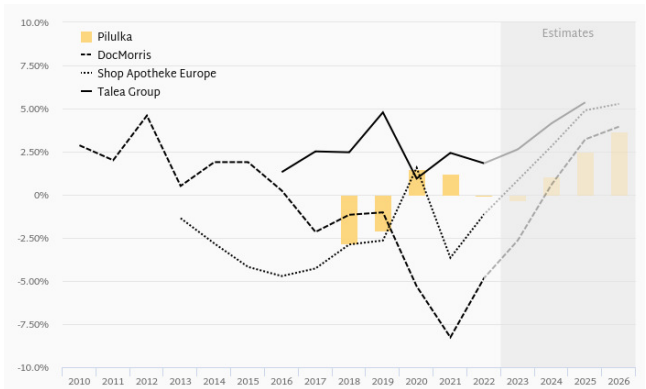
### Gross Margin



Source: Company Data, Helgi Library

HelgiLibrary

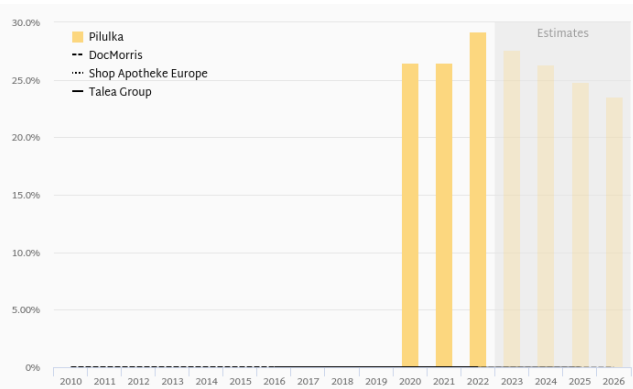
### EBITDA Margin



Source: Company Data, Helgi Library

HelgiLibrary

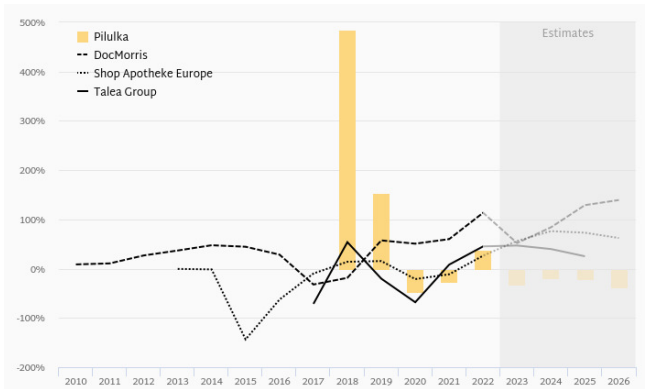
### Services to Sales



Source: Company Data, Helgi Library

HelgiLibrary

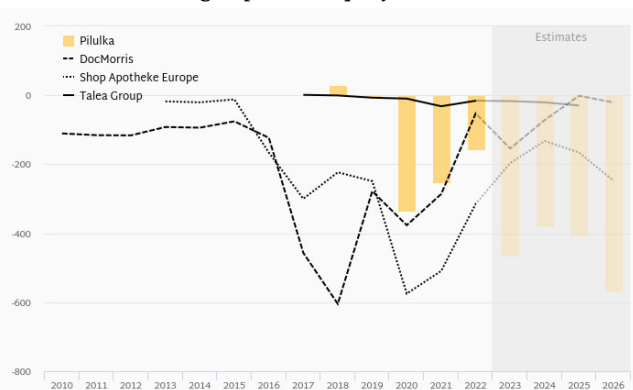
### Net Debt to Equity



Source: Company Data, Helgi Library

HelgiLibrary

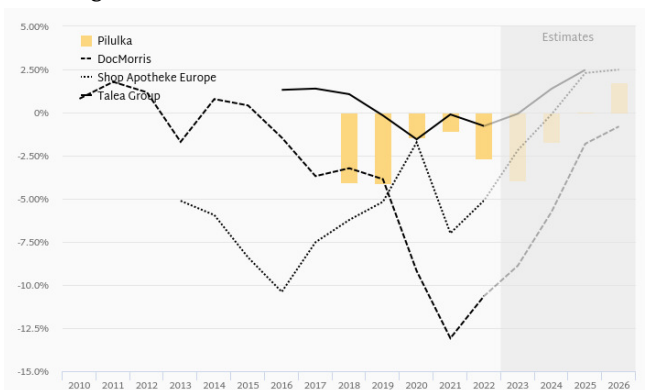
### Net Debt & Working Capital to Equity



Source: Company Data, Helgi Library

HelgiLibrary

### Net Margin

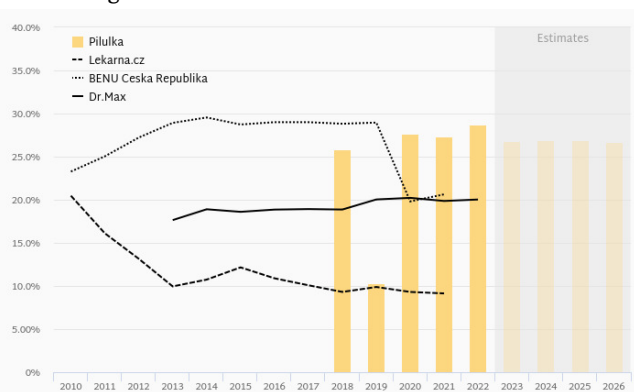


Source: Company Data, Helgi Library

HelgiLibrary

## 9 Pilulka vs. Czech pharmacies

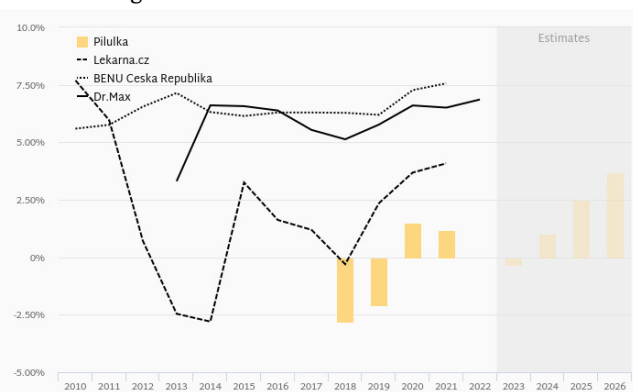
### Gross Margin



Source: Company Data, Helgi Library

HelgiLibrary

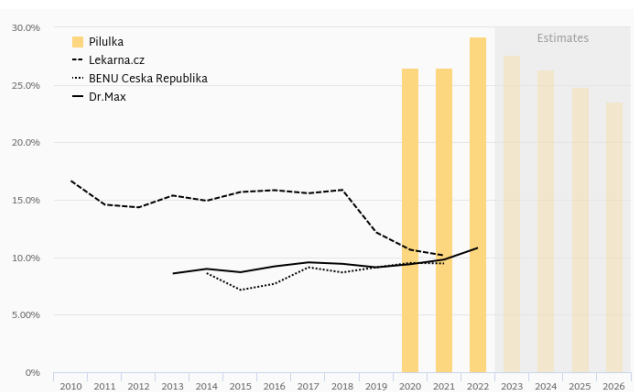
### EBITDA Margin



Source: Company Data, Helgi Library

HelgiLibrary

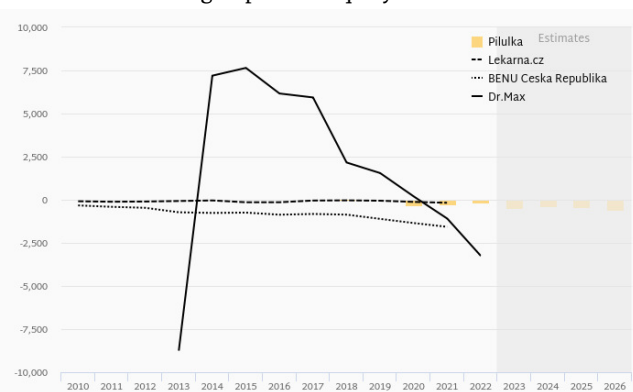
### Services to Sales



Source: Company Data, Helgi Library

HelgiLibrary

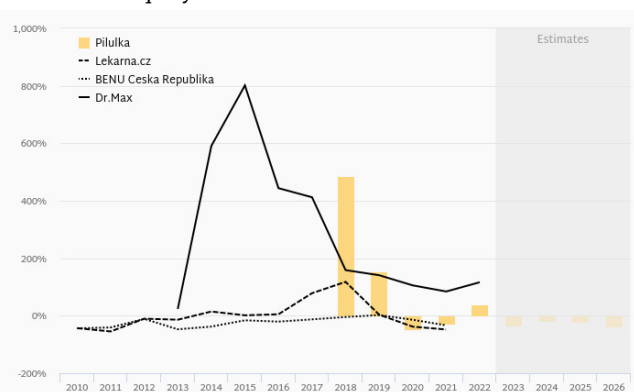
### Net Debt & Working Capital to Equity



Source: Company Data, Helgi Library

HelgiLibrary

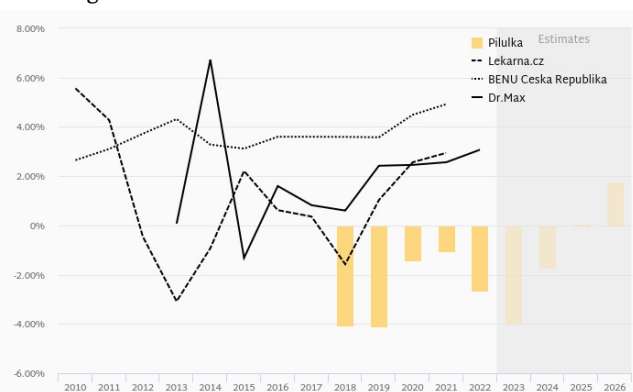
### Net Debt to Equity



Source: Company Data, Helgi Library

HelgiLibrary

### Net Margin

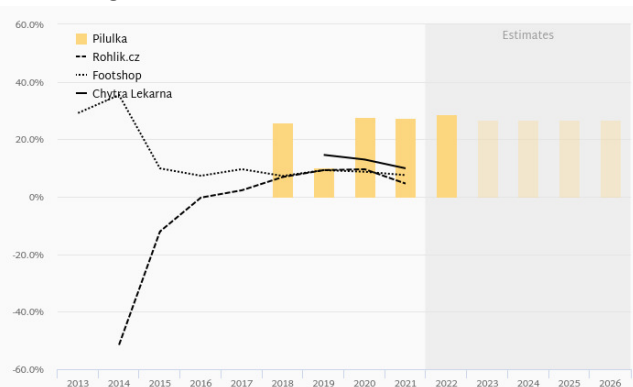


Source: Company Data, Helgi Library

HelgiLibrary

## 10 Pilulka vs. Czech e-commerce start-ups

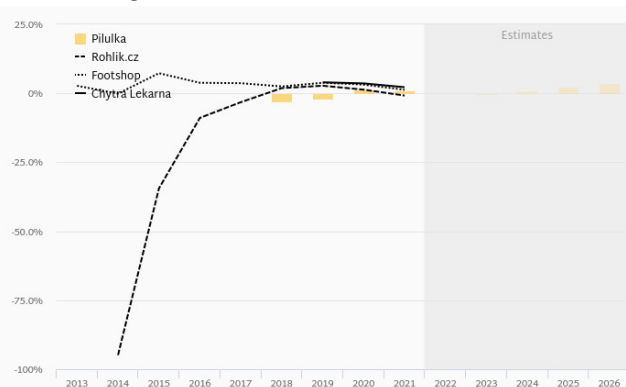
### Gross Margin



Source: Company Data, Helgi Library



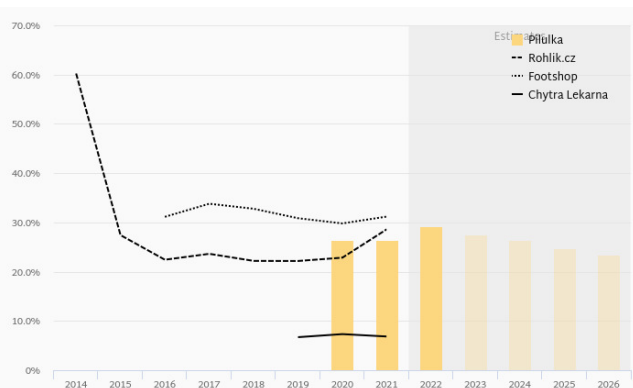
### EBITDA Margin



Source: Company Data, Helgi Library



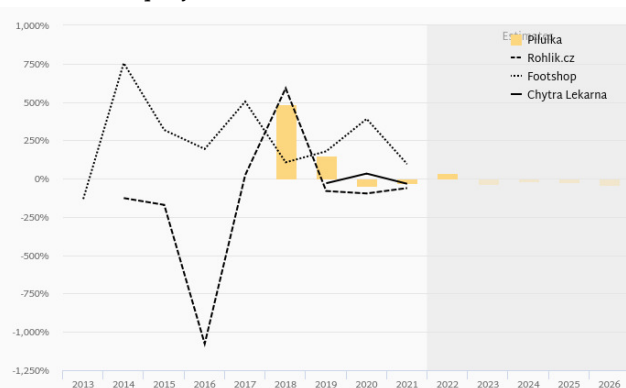
### Services to Sales



Source: Company Data, Helgi Library



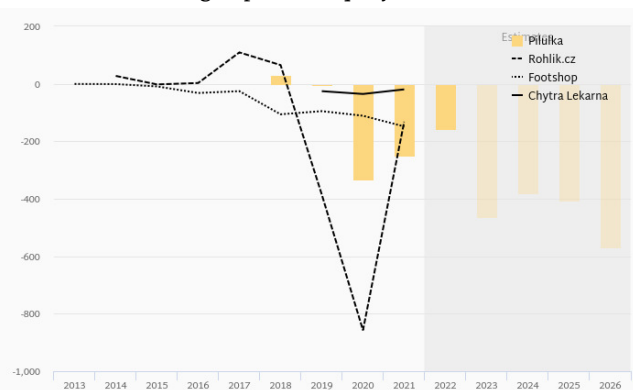
### Net Debt to Equity



Source: Company Data, Helgi Library



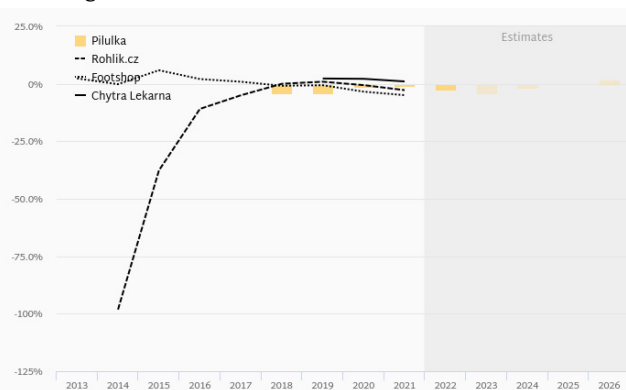
### Net Debt & Working Capital to Equity



Source: Company Data, Helgi Library



### Net Margin



Source: Company Data, Helgi Library





## ABOUT HELGI LIBRARY

Helgi Library is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Library also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 99% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgilibrary.com](mailto:info@helgilibrary.com).

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