Remedia
Farmaceutica REMEDIA S.A.

Remedia
Distribution & Logistics

# Company group profile

August 2019

www.remedia.ro

www.remediadl.ro

RMAH – symbol Bucharest Stock Exchange – www.bvb.ro

# Milestones

**1957**
Established regional distributor

**1991**
Privatized Farmaceutica REMEDIA: 27 pharmacies in Hunedoara and Alba counties

**1994**
Pharmaceutical marketing and distribution company

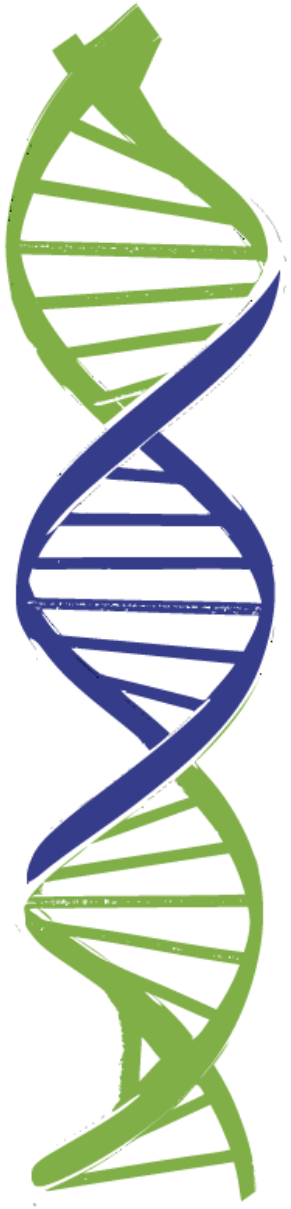
**2000**
V.TARUS RoAgencies acquired main share package of Farmaceutica REMEDIA SA

**1996**
Listed on Bucharest Stock Exchange – symbol RMAH

**2006**
Merger between V.TARUS RoAgencies S.R.L. and Farmaceutica REMEDIA S.A.

**2015**
Separation of wholesale activities from the retail ones, imposed by the legal regulation

**2019**
- 110 Euro mil turn-over
- 620 employees
- 89 REMEDIA Pharmacies
- 2.500 Distribution customers
- Pharmaceutical and healthcare services



# Our Mission

- Launching and promoting innovative pharmaceutical business concepts
- Offering quality healthcare services adapted to the customers needs
- Respecting the ethical and professional international standards

# Business model

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- **100 REMEDIA Pharmacies**
- **Healthcare Services**

Separation of wholesale from the retail activities Pursuant to the legal regulation

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- **Distribution**
- **Hospital business**
- **Logistic services**
- **Regulatory Affairs**
- **Marketing & Promotion Activities**
- **Other sales** (packing materials)

Medical events
Medical publications

TARUS Media
medical publications
thebmj
MEDICA ACADEMICA
MÆdica a Journal of Clinical Medicine

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# Business areas

***consolidated***

**110 mil Euro**
**TO net 2019**

**Goods**
**98%**

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**89 REMEDIA Pharmacies**
**23 mil Euro TO (21%)**
**21% Net margin**

380 Employees

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**>Distribution**
**2500 Customers**
**61 mil Euro TO (55%)**
**5% Net margin**

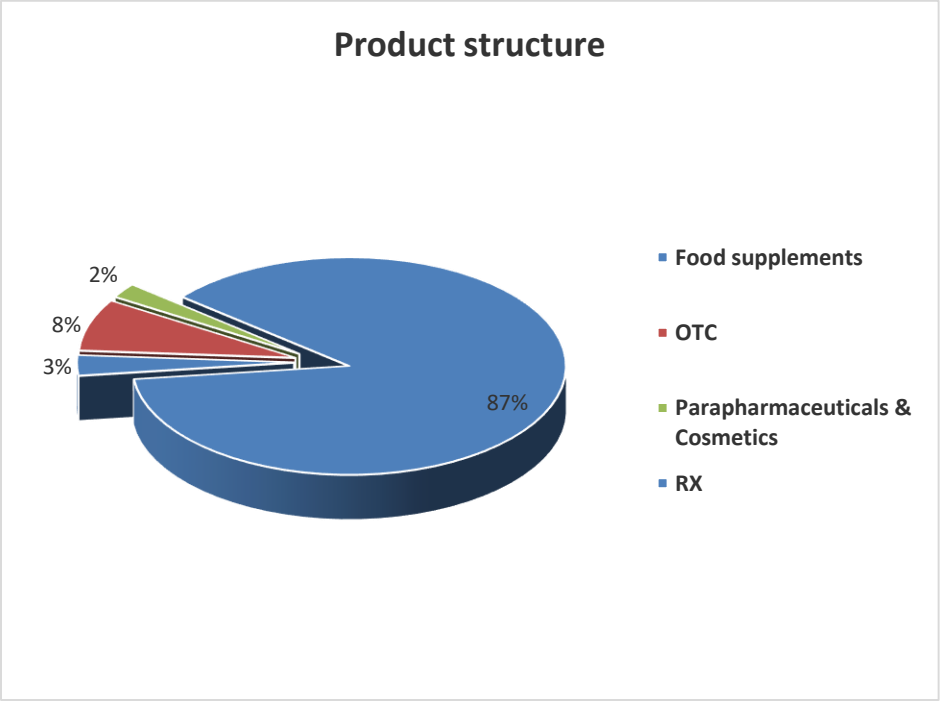
**>Hospital business**
**400 Hospital**
**23 mil Euro TO (21%)**
**4% Gross margin**

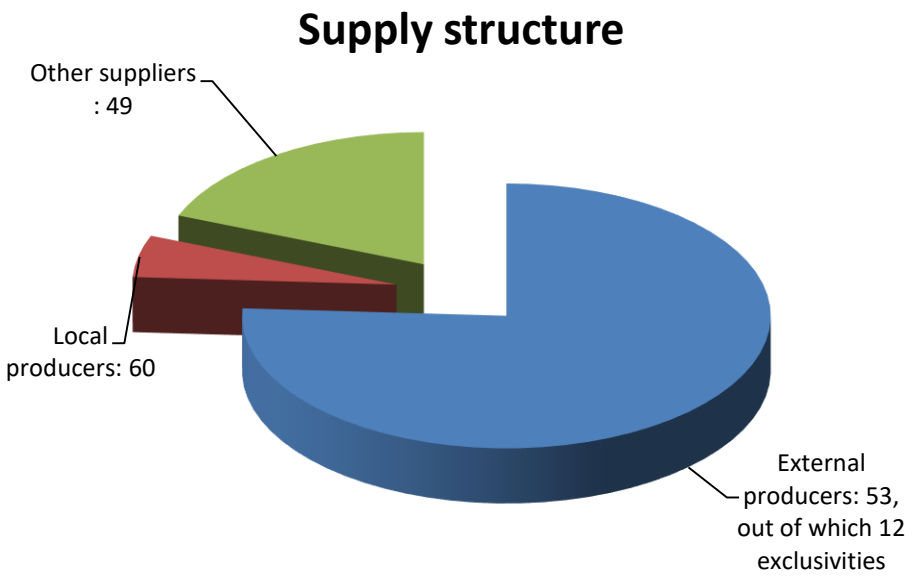
240 Employees

**Services**
**2%**

**Marketing & promotion**
**Regulatory affairs**
**Logistic services**

# Sales by product category




**Portfolio:**

- **Active products: 15.000 out of which**
- **9.700 in stock**

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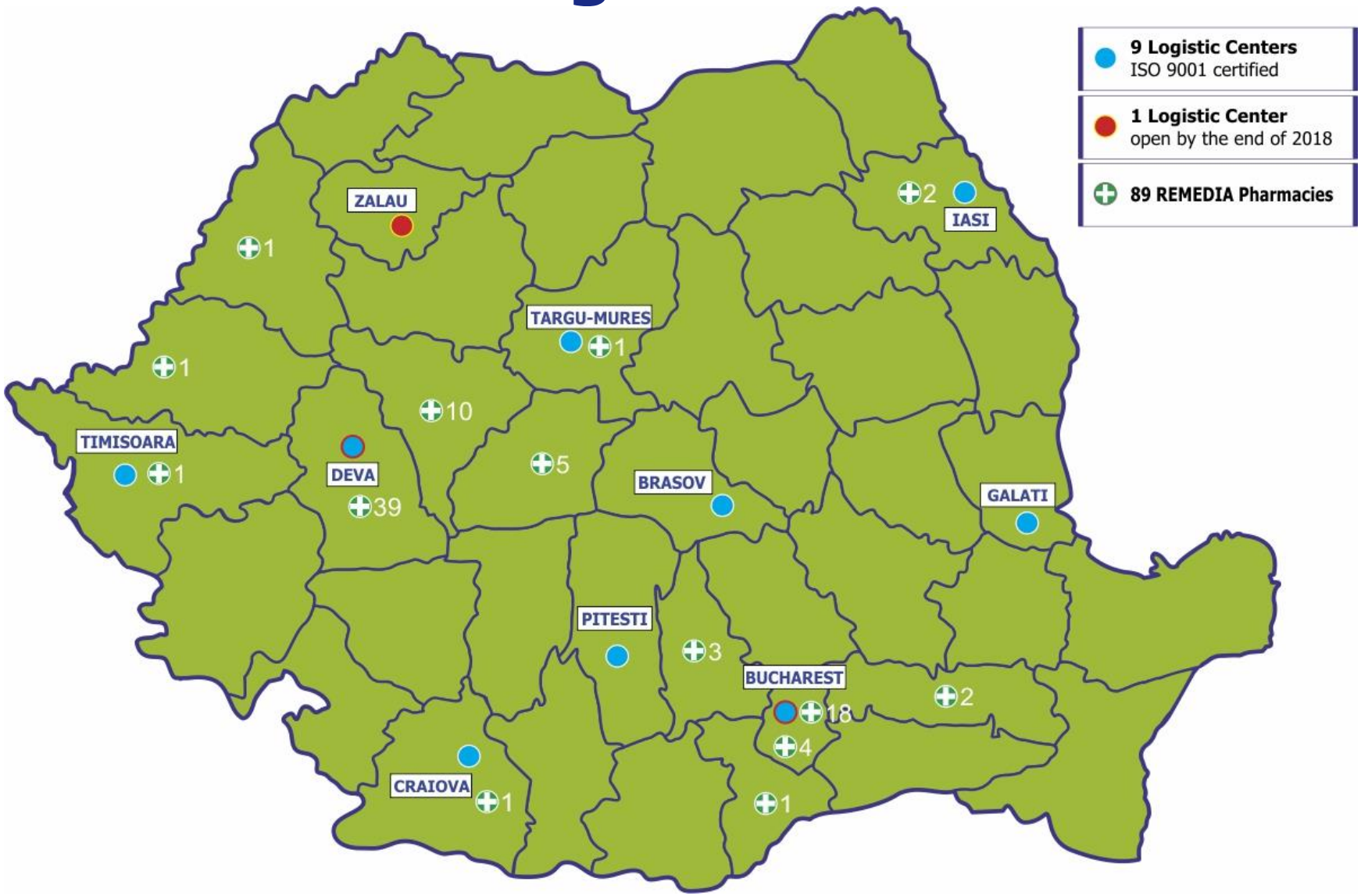
# National coverage



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# REMEDIA Pharmacies

ALLERGIKA

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# REMEDIA Pharmacies

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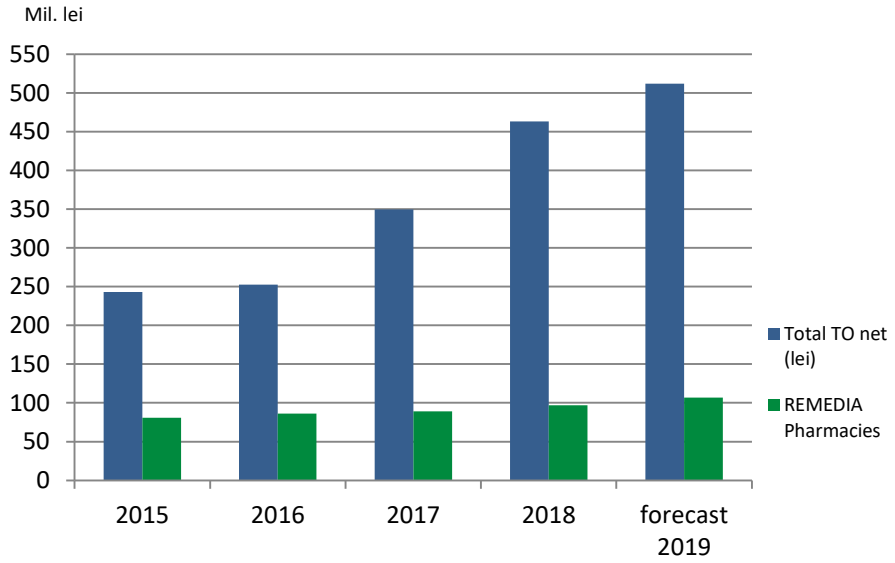
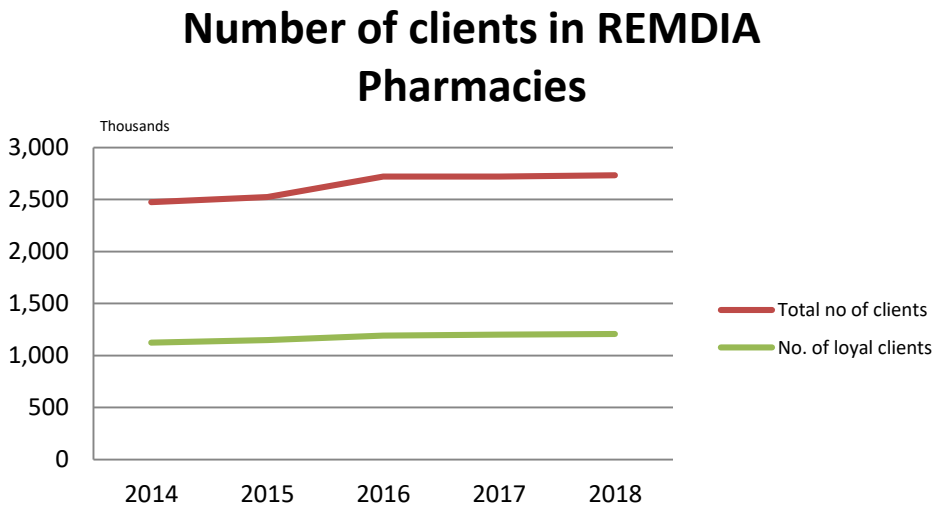
# REMEDIA Pharmacies - Key facts




## Presence in the market

- 89 REMEDIA Pharmacies, including REMEDIA Baby store
- REMEDIA Natural dedicated area and customized preparations
- 280 pharmacists (out of 380 staff) + 20 beauty advisors
- E-learning platform to the own pharmacists

## Customer service focused

- 24H Free Call Center phone advice
- High Standards of Ethics
- Professionally trained pharmacists
- Materna program for Bucharest

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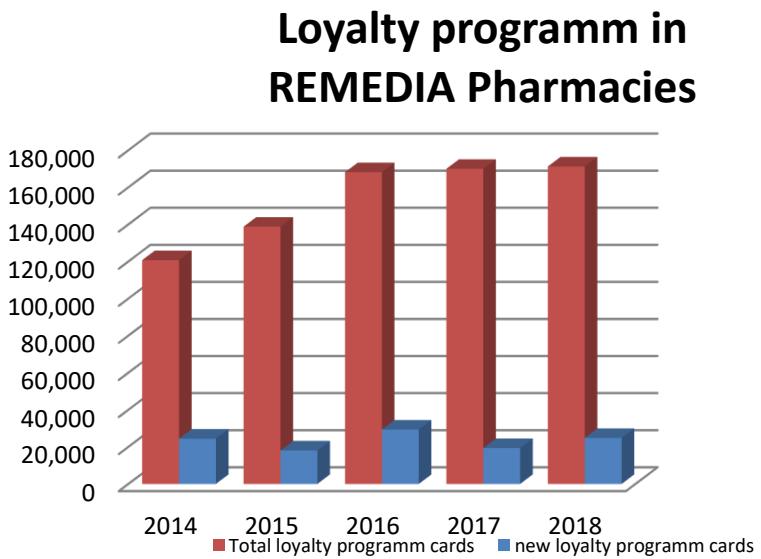
# REMEDIA Pharmacies - Promoted Services




## REMEDIA Baby - e-shop Platform
## Diverse portfolio, competitive prices

- Toys and books
- Newborn items
- Grate childcare
- Children cosmetics
- Baby diapers
- Baby food
- Food supplements
- Pregnant and mother products

## Diversified services:

- GDPR system implemented in 2018 in compliance with EU Directives
- Development of marketing programm for loyal clients
- Portfolio in line with customers needs
- Special campaigns dedicated to patients benefits

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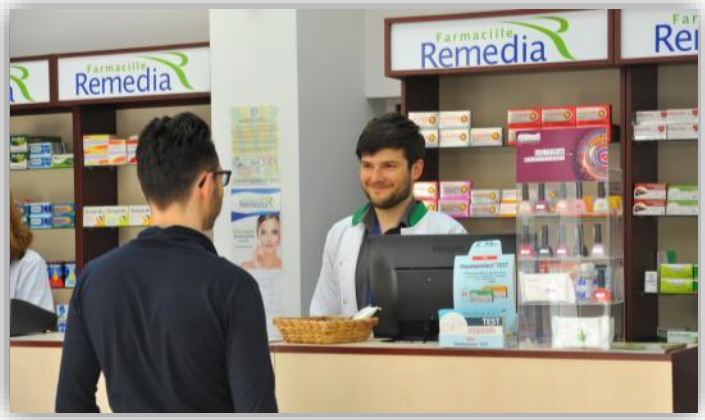
# REMEDIA Pharmacies - recommendation



## Recommendation by Disease

INN selected on medical prescription-dynamic database:

- 3 recommended products/disease
- health conditions

  - pain
  - cold
  - IBS
  - immunity
  - stress / anxiety / insomnia
  - diet
  - allergy
  - gynecological
  - prostate disease / potency

## Associated Recommendation to client

Additional treatment suggestion by main product classes :

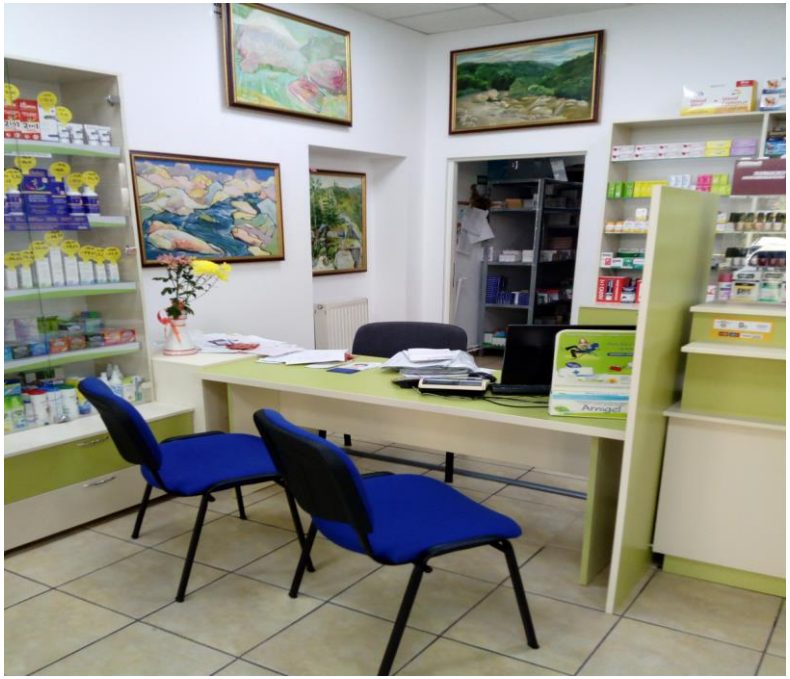
2-3 secondary classes related to the main one (e.g. antibiotics: antifungal, restore intestinal flora)

Each secondary class contains a brief help message and 3 recommended products

# Marketing & Promotional Activities

- **On-line sales: www.farmaciileremedia.ro**
  - Para-pharmaceutical products & medical devices
  - *OTC under processing*

- **Conciliation by the Patient flow management system in REMEDIA pharmacy**



- **Special projects:**

REMEDIA pharmacies offers the receipts prepared in the own Laboratory in collaboration with **FAGRON**

FAGRON

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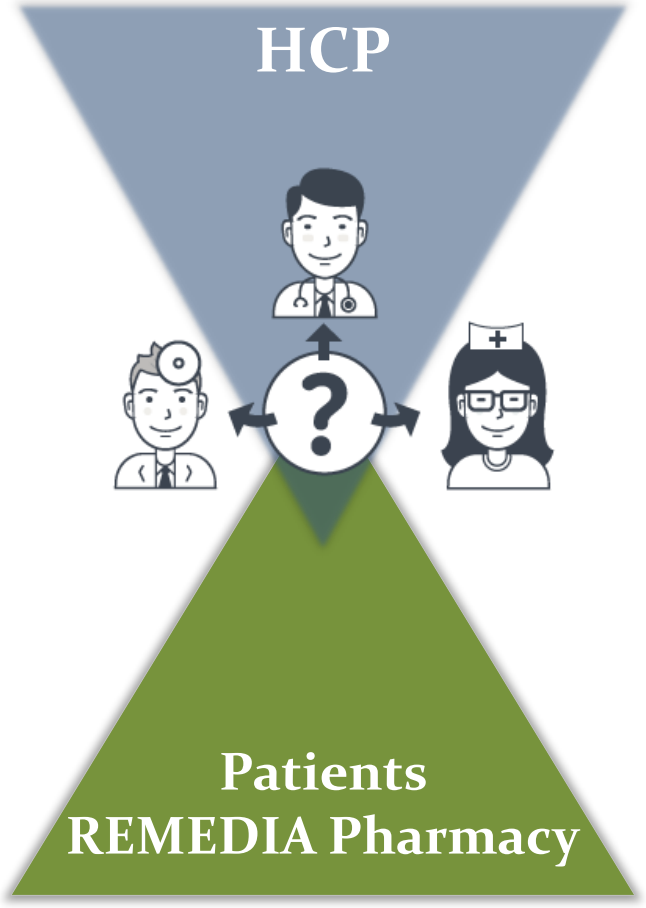
# REMEDIA Pharmacies - Value Innovation

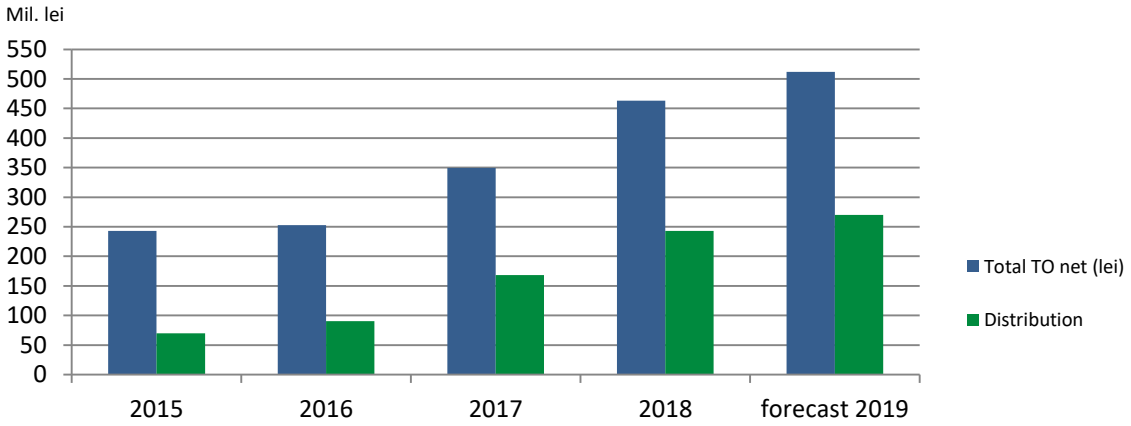



## Additional promoted services :

- Conciliation and recommendation
- The receipts prepared in the own laboratory
- Patients flow management system
- Blood pressure and blood sugar levels offered at request
- Telemedicine services

**Future project: *Home Delivery (HD)***

# Distribution



## National coverage

- 100% territorial coverage by direct distribution through 8 logistic centers
- Special distribution services at high standards in line with customers special orders and requests

## Delivering to over 2.500 reliable and selected customers:

- Private independent pharmacies
- Private chain of pharmacies
- Key Accounts (KA)

## Sales force: over 45 people

- 2 Regional Sales Manager
- 5 Area Sales Manager
- 19 Sales Agents
- 20 Call center Agents

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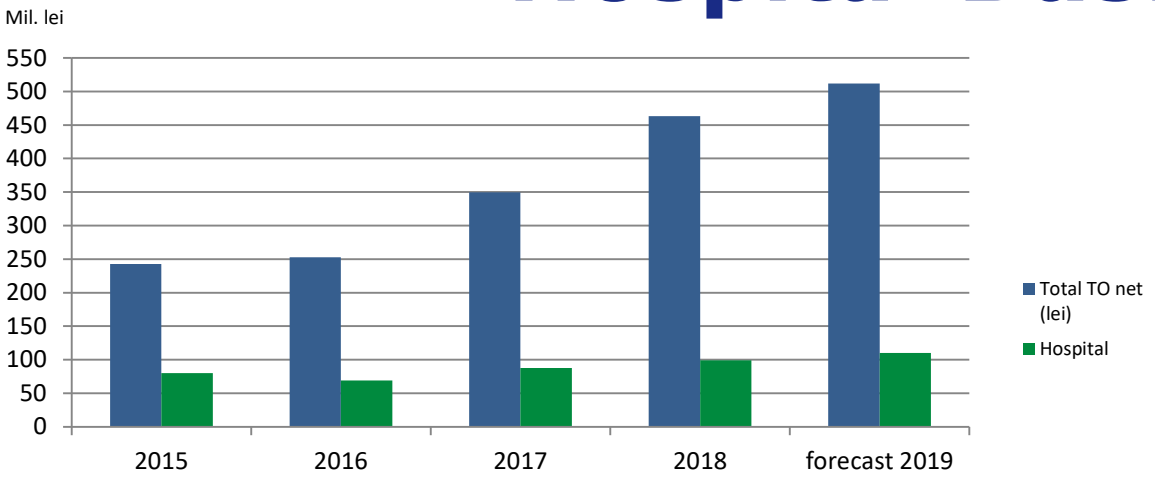
# Hospital Business



## Products / National programms

- Pharmaceuticals
- special program deliveries; hemophilia, thalasemia, oncology, newborns
- Sanitary materials

## Over 3.200 biddings/year

- Public Hospitals (92% of TO) & Medical Centers for Diagnosis and Treatment
- Private Hospitals & Medical Centers (8% of TO)

## Sales Force

- National Sales Manager
- 3 Key Account Mangers
- 4 Sales Agent
- 3 Bid Pricing Analyst
- 1 Contracts coordinator

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# Logistic services

# National logistic centers

**9 (nine) logistic centers are characterized through GDP-compliant warehouses and monitored and recorded temperature measuring via central control systems, air-conditioning throughout as well as access codes and alarms :**

- 2 central logistic centers : Bucharest and Deva
- 7 local logistic centers : Timisoara, Tg Mures, Brasov, Iasi, Pitesti, Craiova, Galati (Satu Mare / Zalau - opening process)

- Surface area: over 7.500 sqm
- Cold Chain and Ambient Stock Management
- Narcotics Distribution Management

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# Logistic structure

## Logistic operations

- 180.000 logistic lines/month, out of which:
  - picking lines (expedition): 160.000
  - receiving lines: 20.000
- 35.000 out-documents/month

| Logistic Center | Orders | Picking Lines | Invoices Received | Lines Received | Cross-docking lines |
|---|---|---|---|---|---|
| DEVA | 10.500 | 58.800 | 1.100 | 7.000 | 4.700 |
| BUCHAREST | 14.500 | 58.500 | 400 | 8.500 | 14.500 |
| Local Warehouse (7) | 10.000 | 42.700 | 700 | 4.500 | 0 |
| **TOTAL per month** | **35.000** | **160.000** | **2.200** | **20.000** | **19.200** |

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# Bucharest Logistic Center

## Warehouse facilities

- Total area: 2.580 sqm
- 10.000 locations for separate products
- 1.400 Epal for merchandise stands
- 50 sqm rooms for cold chain products
- 8 landing platforms for trucks and vans
- JUNGHEINRICH VNA Man-Up, Electric & diesel stackers

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# Logistic Transport

**National Fleet**: 45 vans of volumes between 2,5 $m^3$ - 16 $m^3$

**Equipped** with:

- KONVECTA temperature control system
- TESTO monitoring system
- GPS fleet monitoring

**Fleet daily operating capacity** :

- over 290 $m^3$
- more than 32 to

**National coverage**

- 2 deliveries/day to the clients located up to 25 km around logistic centers
- 1 delivery/day to the clients located up to 200 km around logistic centers
- Twice a week deliveries to the clients located outside these areas

**External Transport services**

- Moldova
- Slovenia
- Austria
- other EU countries

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# Logistic services

- Warehousing – Consignment stock
- Picking and packaging
- Expedition documents processing
- Delivery to the final clients
- Recall management
- EAP program management

# Our Clients

NOVARTIS

BAYER

ucb Pharma

GEROT LANNACH
a business unit of G.L. Pharma GmbH

Chiesi

DESITIN
SUCCESS IN CNS

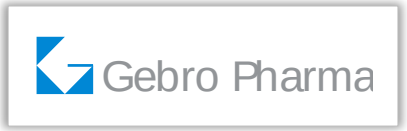
Montavit

FAGRON

Remedia Distribution & Logistics

# Regulatory affairs

## Ongoing Registrations Agreements



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# Marketing and Promotion

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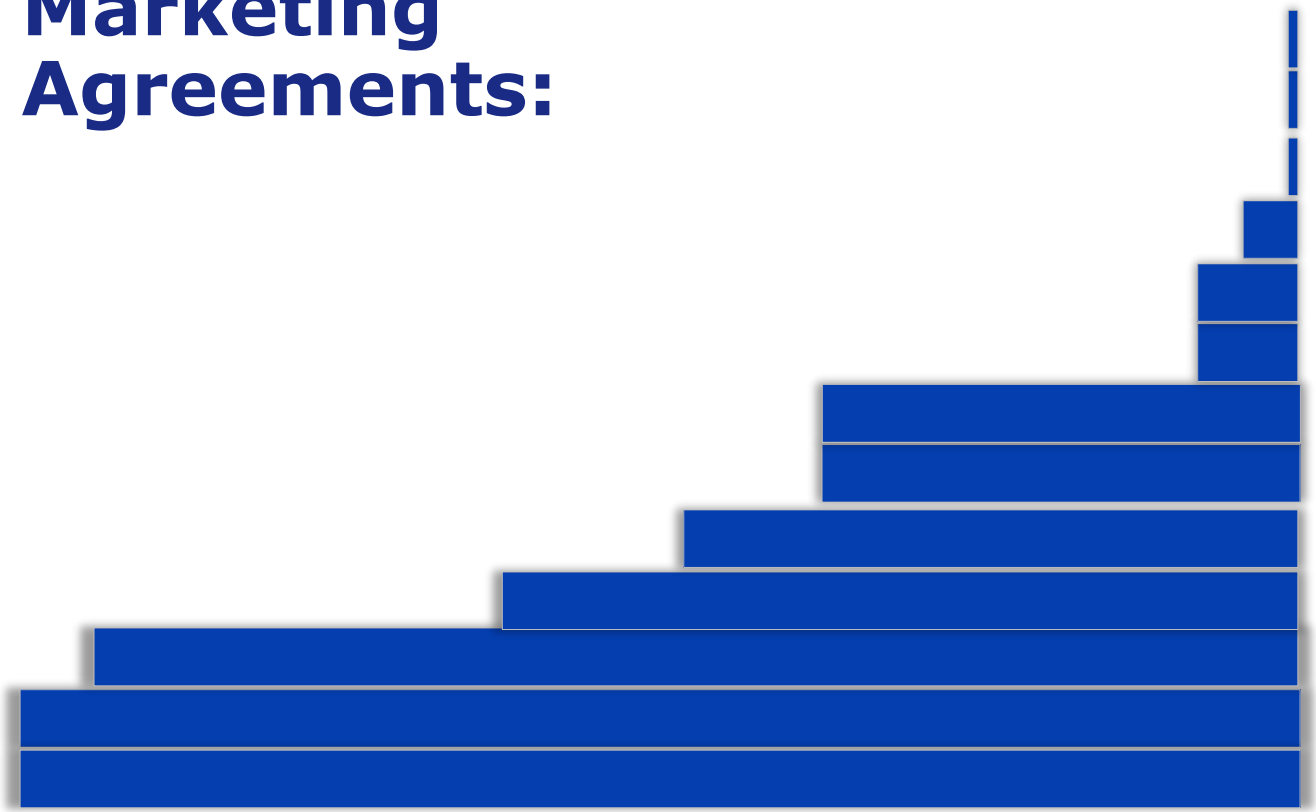
# Marketing & Promotional Activities

## Ongoing Marketing Agreements:



1996 1997 2002 2005 2007 2014 2016

2019 Projects

ircon
BENOSTAN
Algopirin
ALLERGIKA
MEDIMAR
DG DOETSCH GRETHER AG
Nano Repro
Pint-Pharma GmbH
Gebro Pharma
AURIGA INTERNATIONAL
DR. F. KÖHLER CHEMIE
TRENKA
ROWA WAGNER
Pharmanovia

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# Marketing & Promotional Activities

## Divisions by therapeutical area of activity

**1.** ***Special Chronic Diseases***

**Cardio-Vascular Surgery, Diabetology**

1 Business Unit Manager
5 Medical Representatives

Gebro Pharma

ROWA WAGNER

TRENKA

DG DOETSCH GRETHER AG
BEAUTY & BODY CARE · OTC · PHARMA

2. ***Retail Team***

**GP, Pediatric**

**Dermo-cosmetic &Therapeutic Skin**

1 Business Unit Manager
10 Medical Representatives

ALLERGIKA
... Ihr Allergie Spezialist

AURIGA INTERNATIONAL

MEDIMAR

ircon
"Prin Stiinta Prevenim si Invingem"

Capricorn life sciences

Nano Repro

BENOSTAN
NATURE'S TREATMENT

3. ***Hospital Team***

**Neonatology**

1 Business Unit Manager
2 Medical Representatives

DR. F. KÖHLER CHEMIE
Arzneimittel

**Alprostadil "REMEDIA" 500 µg**

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# Marketing & Promotional Activities

**Promotion team : 20**

3 Business Unit Managers
17 Medical Representatives

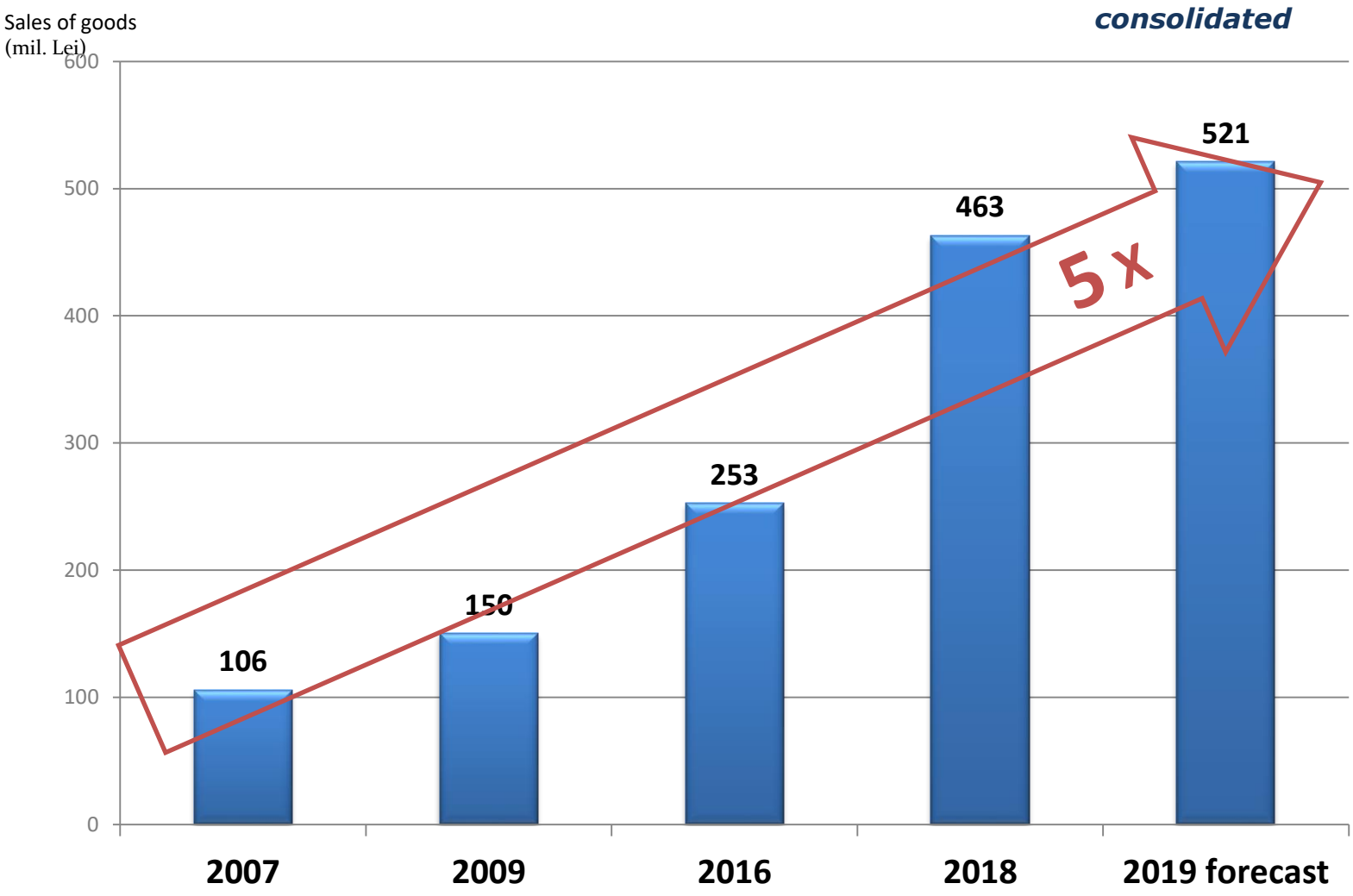
**+ 1 Field Force**

| Marketing and Promotion Division | Business Unit Manager | Medical Reps | TOTAL |
|---|---|---|---|
| Chronic-diseases | 1 | 5 | 6 |
| Retail Team | 1 | 8 | 9 |
| Hospital Team | 1 | 4 | 5 |
| TOTAL | 3 | 17 | 20 |

# Key Figures and facts

- Long term growth
- Business Pillars
- Sustainable value added
- CSR

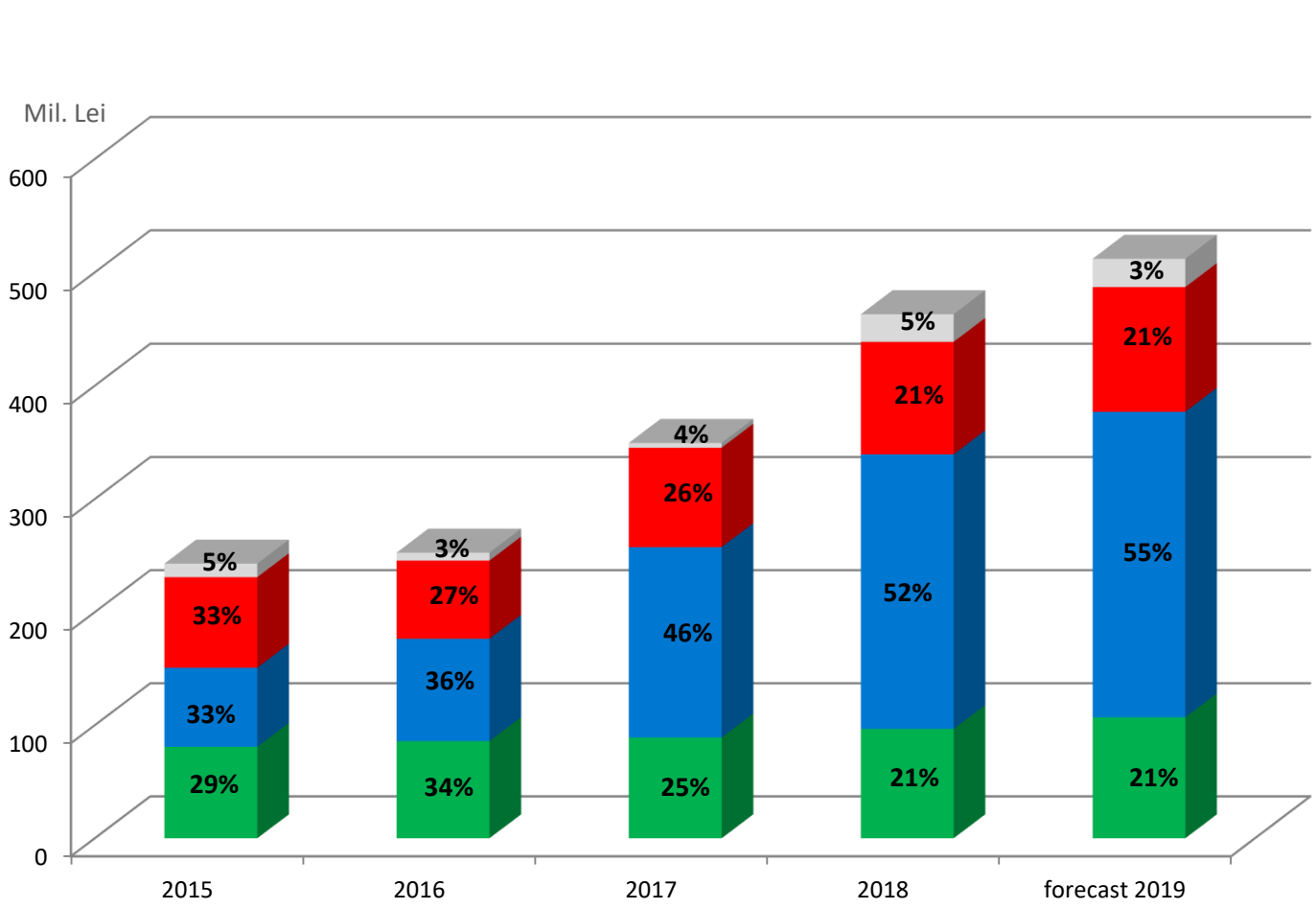
# Long-term profitable growth



Sales of goods

# Business Pillars

*consolidated*

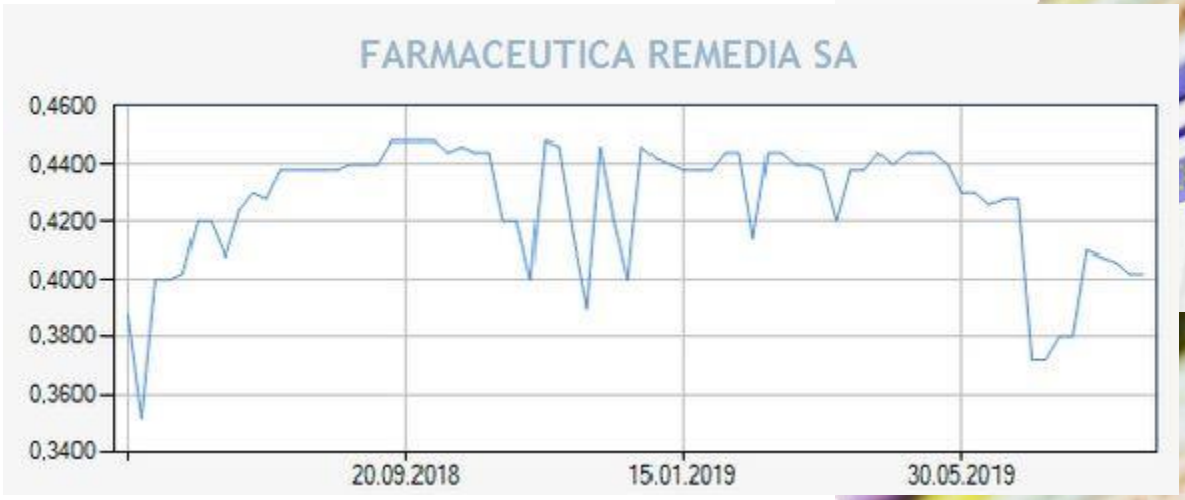


| Farmaceutica Remedia Balance Sheet(RON) | dec.-16 | dec.-17 | dec.-18 |
|---|---|---|---|
| | consolidat | consolidat | consolidat |
| Total Assets | 165,837,428 | 203,590,867 | 294,395,558 |
| | | | |
| Cash | 18,815,551 | 10,042,684 | 3,525,871 |
| A/R (clients) | 69,284,808 | 104,041,931 | 150,720,279 |
| Inventory | 36,923,931 | 49,050,883 | 98,186,559 |
| Expenses in advance | 80,725 | 200,008 | 312,481 |
| Other Current Assets | 996,487 | 970,890 | 2,620,956 |
| Total Current Assets | 126,101,502 | 164,306,396 | 255,366,146 |
| | | | |
| Tangible Assets | 30,758,758 | 31,212,706 | 31,082,924 |
| Intangible Assets | 8,222,526 | 7,355,142 | 7,150,766 |
| Financial Investments | 754,642 | 716,623 | 795,723 |
| Total Long-Term Assets | 39,735,926 | 39,284,471 | 39,029,412 |
| | | | |
| A/P (suppliers) | 120,533,620 | 152,641,012 | 241,058,212 |
| Other ST payables | 2,752,868 | 4,573,425 | 5,044,104 |
| Payables to shareholders | 205,414 | 214,756 | 241,226 |
| ST Loans* | 64,342 | 19,336 | 36,938 |
| Current Liabilities | 123,556,244 | 157,448,529 | 246,380,480 |
| | | | |
| LT Loans* | 175,389 | 91,209 | 18,105 |
| Other LT liabilities | 1,273,137 | 1,399,221 | 1,374,199 |
| LT Liabilities | 1,448,526 | 1,490,430 | 1,392,304 |
| | | | |
| Provisions | 0 | 0 | 10,449 |
| | | | |
| Share capital | 10,608,980 | 10,608,980 | 10,608,980 |
| Reserves & others | 28,955,653 | 30,277,556 | 32,955,209 |
| Profit | 1,268,025 | 3,765,372 | 3,048,136 |
| Equity | 40,832,658 | 44,651,908 | 46,612,325 |
| | | | |
| Total Liabilities & Equity | 165,837,428 | 203,590,867 | 294,395,558 |

| Farmaceutica Remedia Income Statement | dec.-16 | dec.-17 | dec.-18 |
|---|---|---|---|
| (RON) | consolidat | consolidat | consolidat |
| Sales of goods | 253,394,546 | 351,354,340 | 463,200,718 |
| Discounts given | -2,153,515 | -2,742,148 | -2,298,309 |
| Net Sales | 251,241,031 | 348,612,192 | 460,902,409 |
| | | | |
| COGS | 224,141,318 | 314,539,008 | 421,485,590 |
| Discounts Received | -4,969,675 | -7,792,888 | -10,073,506 |
| Net COGS | 219,171,643 | 306,746,120 | 411,412,084 |
| | | | |
| Gross Margin | 32,069,388 | 41,866,072 | 49,490,325 |
| Gross Margin (%) | 12.76% | 12.01% | 10.74% |
| | | | |
| Other Operating Revenues | 4,525,708 | 4,491,883 | 4,930,155 |
| | | | |
| Personnel | -20,744,028 | -25,346,354 | -31,786,780 |
| Other Operating Expenses | -13,531,480 | -15,409,998 | -18,022,452 |
| Total Operating Expenses | -34,275,508 | -40,756,352 | -49,809,232 |
| | | | |
| EBITDA | 2,319,588 | 5,601,603 | 4,611,248 |
| EBITDA Margin | 0.92% | 1.61% | 1.00% |
| | | | |
| Depreciation | -702,805 | -752,782 | -764,201 |
| Provisions - net | 221,716 | 466,404 | 16,416 |
| Bad debts lost | -207,183 | -711,924 | -146,391 |
| EBIT | 1,631,316 | 4,603,301 | 3,717,072 |
| EBIT Margin | 0.65% | 1.32% | 0.81% |
| | | | |
| | | | |
| Financial Revenues | 569,425 | 364,844 | 156,052 |
| Financial Expenses | -616,690 | -244,563 | -190,096 |
| Financial income | -47,265 | 120,281 | -34,043 |
| EBT | 1,584,051 | 4,723,582 | 3,683,028 |
| EBT Margin | 0.63% | 1.35% | 0.80% |
| Tax on Profit | -316,026 | -958,210 | -634,893 |
| Net Profit | 1,268,025 | 3,765,372 | 3,048,136 |
| Net Profit Margin | 0.50% | 1.08% | 0.66% |

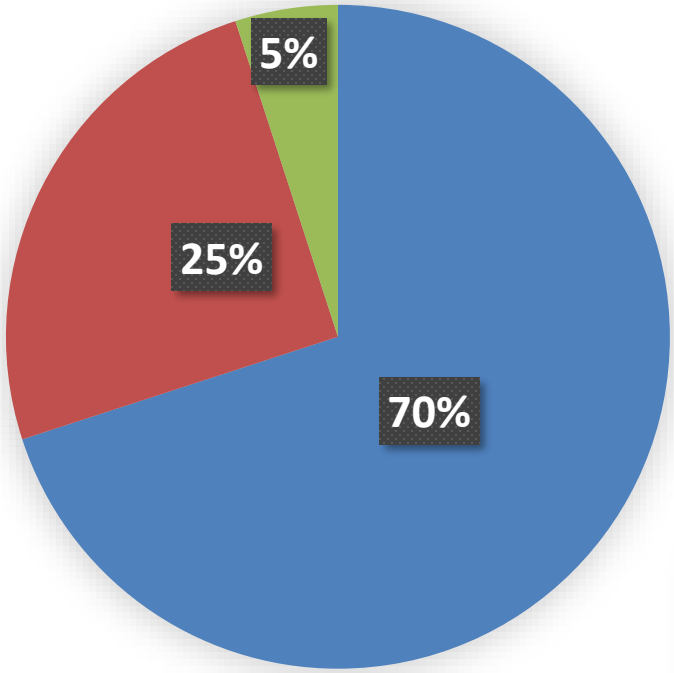
# Sustainable value added

## for our customers, investors and our employees



*Source: Bucharest Stock Exchange* – http://www.bvb.ro

# Shareholder structure




**Total No. of Shares:** 106.089.800
**Share Capital:** 10.608.980 Lei
**Market Capital**: 41.375.022 Lei (~ 10 mil. Euro)

*1.08.2019: 1 Euro = 4.7340 RON. Source: http://www.bnr.ro*

# The unique Human Resources Philosophy continuous developing

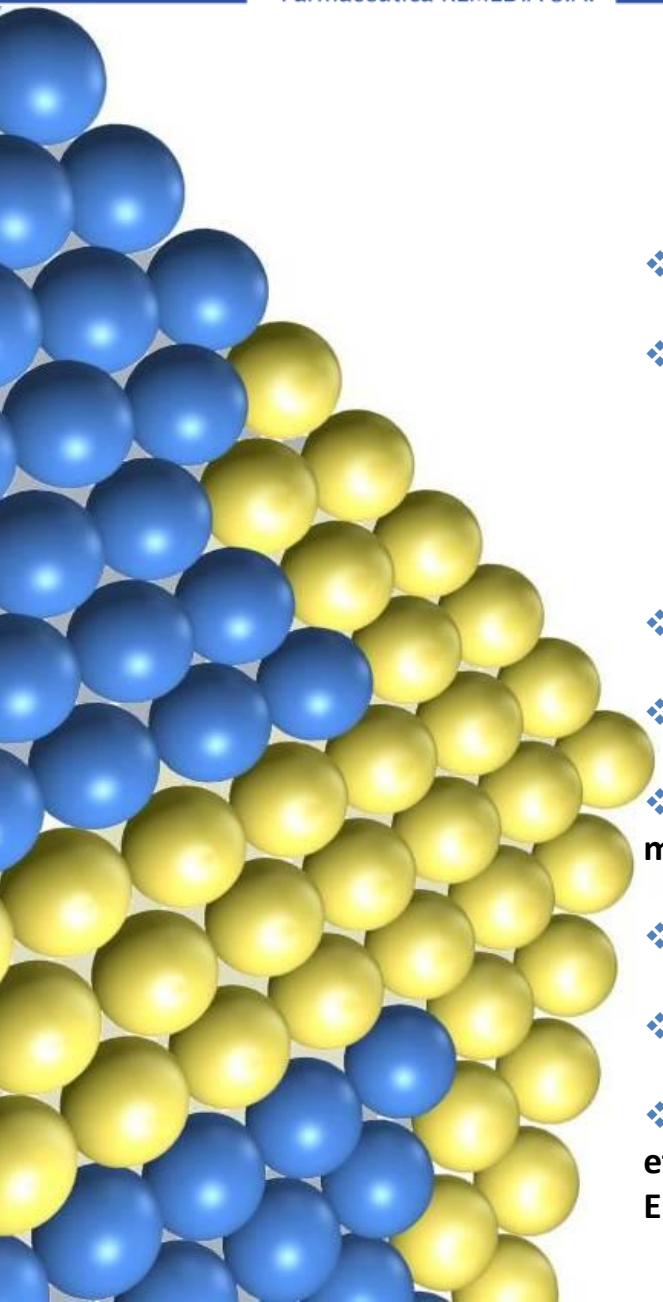
Remedia Farmaceutica REMEDIA S.A.

380 Employees

Remedia Distribution & Logistics

240 Employees

- Pharmacists motivational policy development
- Permanent personnel and professional training development
- Identifying the frame for each employee to deliver success
- Attracting and integrating experienced people and developing young talents
- **„Run for Health”** -the project initiated in Deva to bring contribution to a healthier, more active staff and community



# Objectives 2019

***consolidated***

- **Consolidation and efficiency of *REMEDIA Pharmacies***

- **Projects development in *REMEDIA Pharmacies*:**
  - Healthcare services conciliation development
  - Dermo-cosmetics, OTC and Non-Rx portfolio developing
  - Receipts prepared in the own laboratories
  - Consolidation in Bucharest and expanding in rural area

- **Optimizing Hospital Business to over 3.500 biddings/year**

- **Sales & distribution consolidation by strategic partnerships**

- **Developing logistic services nationwide by offering customised delivery models**

- **Improving performance through continuous training of employees**

- **Total TO net: Eur 110 mil, over the market growth rate vs 2018**

- **ERP Development: integrated IT solutions for WMS & TMS, e-commerce, efficient procurement, stock management, serialisation, GDPR, compliant with EU Directives**

Remedia Farmaceutica REMEDIA S.A.

Remedia Distribution & Logistics

# Corporate Social Responsibility

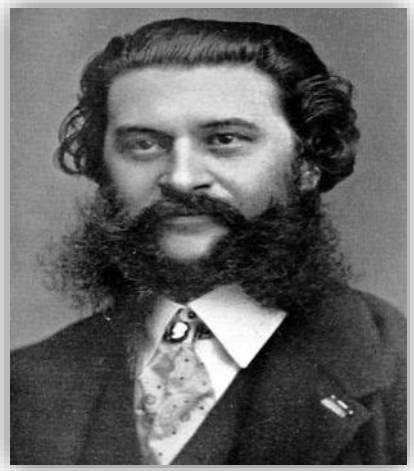
## *Respect for community values*

National Gymnastic Team-"Cetate Deva"

**Sports**

"AUSBLICKE" exhibition, Klosterneuburg , Vienna
**FIVE PLUS** Art Gallery, Vienna

**Art**



"Johann Strauss Festival"

**Culture**

- Supporting **National Artistic & Aerobic Gymnastic Team**, National Sport College "Cetate Deva"
- Organizing student **Painting Summer Schools and Exhibitions** in Romania and Austria
- Sponsoring **"Johann Strauss Festival"** in Bucharest, Timisoara, Cluj-Napoca
- Sustaining the activities of the **Romanian Cultural Institute in Vienna**

# About TARUS Media

TARUS Media

*publisher of the*

***The British Medical Journal-Romanian Edition (BMJRo)***
***Medica Academica, Maedica J Clin Med,*** *and* ***Romanian Journal of Clinical and Experimental Dermatology***

thebmj
British Medical Journal
Ediția în limba română

MEDICA ACADEMICA

MÆdica
a Journal of Clinical Medicine

*Health Events organiser*

TARUS Media
HEALTH EVENTS

Launched in 2006, TARUS Media is a leading company in health promotion in Romania. The goal of TARUS Media is to bring the latest ideas and concepts of health in Romania, providing medical and pharmaceutical communities a chance to implement models that have proven to be successful in other parts of the world.

Based on our health expertise, we have created a market niche and became a leader in both specialized publishing by successful editorial projects: **The British Medical Journal-Romanian Edition, Medica Academica, Maedica J Clin Med** and international healthcare events.

**TARUS Media is the perfect marketing platform for companies seeking to reach the communities of Romanian health professionals working either in their home country or abroad and patients.**

# TARUS Media = a 360°marketing platform

## British Medical Journal-Romanian Edition

defines the medical information offer through its international perspective and diversity of addressed topics.

## Medica Academica

is, by excellence, the journal addressed to health professionals, focusing on three main fields of interest: leadership/career, specialized materials and health policies in Romania.

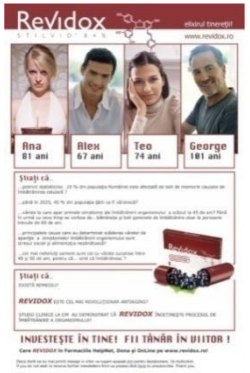
## Maedica

It was created to bring the science closer to the healthcare professionals.

## Romanian Journal of Clinical and Experimental Dermatology

## Newsletter

the monthly source of news updates for Romanian physicians and pharmacists



## Social media

online interactivity and communication with health professionals through Facebook and LinkedIn

## Health Events

Focus on launching new products and international events for the Romanian health system. Due to our skills, services, products and expertise, we use a partnership approach which enables us to deliver high quality events, contributing significantly to a sustainable branding.

# Thank you!

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