



Frauenfeld, 16 April 2020

Press release

Zur Rose Group starts 2020 with strong growth

- **Significant revenue growth in all markets**
- **Draft law driving digitalisation ahead in Germany: e-prescriptions envisaged to be mandatory from 2022**
- **Ready for accelerated growth, courtesy of CHF 175 million convertible bond**

The Zur Rose Group continued along the growth track in the first quarter of 2020, with revenue rising 15.9 per cent in local currency terms. Revenue amounts to CHF 426.6 million (including medpex sales¹). In Germany the Group grew by 15.5 per cent in local currency terms and generated revenue of CHF 263.6 million. In Switzerland Zur Rose boosted revenue by 14.2 per cent to CHF 151.2 million despite cuts in the cost of medicines. In the Europe segment, which currently comprises just Spain and France, the Zur Rose Group grew by 63.9 per cent in local currency terms. The segment contributed CHF 12.4 million to Group revenue.

Increased demand in the mail-order business

Since the outbreak of the COVID-19 pandemic, customers and patients have been making increasing use of mail-order distribution: demand within the Group for medicines and healthcare products has seen significant growth. By contrast, Zur Rose is currently seeing a fall in demand in the physicians business in Switzerland: the decree by the Federal Council that only urgent interventions and treatments may be performed has caused many physicians and practices to reduce their operations sharply or even announce short-time working.

Germany: doctors' prescriptions to be electronic only from 2022

The German federal government is forging ahead with digitalisation: on 1 April 2020 it passed a draft Patient Data Protection Act (PDSG) stating amongst other things that from 1 April 2022 doctors' prescriptions should in principle be issued in electronic form only. The bill is envisaged to be approved by the Bundestag before the summer break and could come into effect after being agreed by the Federal Council in autumn 2020.

Financial flexibility for growth initiatives

At the end of March Zur Rose successfully placed a CHF 175 million convertible bond. These funds will allow it among other things to accelerate the market launch of e-prescription solutions in Germany and European initiatives to broaden the customer base, as well as investing in platforms and eco-system partnerships. They will also enable a rapid and flexible reaction to the considerable rise in demand for mail-order distribution since the start of the COVID-19 crisis.

¹ As the separation of the mail-order business has not yet been completed, in the first quarter of 2020 medpex had only a minor impact on the consolidated revenue of the Zur Rose Group.

CEO Walter Oberhänsli said of the challenges arising from the COVID-19 pandemic: “We are very proud of our employees, who are working to their limits throughout the Group every day to ensure our customers are supplied with the medicines they need as quickly as possible. Together, bricks and mortar and e-commerce pharmacies are seeing to it that elderly patients, often with multiple conditions, are as well protected as possible against the coronavirus – either by home deliveries or by mail-order.”

Outlook

The Zur Rose Group reaffirms the outlook announced on 19 March 2020. The effects of the COVID-19 crisis on business cannot yet be quantified at present and so have not been reflected in the outlook. However, overall the Group expects considerably more rapid market acceptance of mail-order distribution for medicines and digital healthcare services as a result of the global crisis.

Revenue , in CHF thousands (unaudited)	1.1.-31.3.2020	1.1.-31.3.2019	Change
Zur Rose Group including medpex	426,563	382,332	11.6%
Zur Rose Group including medpex, in local currency			15.9%
Zur Rose Group	364,993	327,058	11.6%
Zur Rose Group, in local currency			15.6%
Markets			
Germany including medpex	263,573	241,992	8.9%
Germany including medpex, in local currency			15.5%
Germany	202,004	186,719	8.2%
Germany, in local currency			14.7%
Switzerland	151,247	132,460	14.2%
Rest of Europe	12,353	7,993	54.5%
Europe, in local currency			63.9%
Business models			
B2C including medpex	296,259	272,327	8.8%
B2C	234,690	217,054	8.1%
Professional Services	118,561	102,125	16.1%
Marketplace	12,353	7,993	54.5%

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Agenda

23 April 2020	Annual General Meeting
19 August 2020	Half-Year Results
21 October 2020	Q3 Trading Update

Zur Rose Group

The Swiss Zur Rose Group is Europe's largest e-commerce pharmacy and one of the leading medical wholesalers in Switzerland. It also operates the leading marketplace in southern Europe for consumer health, beauty and personal care products commonly sold in pharmacies. The company is internationally present with strong brands, including Germany's best-known pharmacy brand DocMorris. Zur Rose employs more than 1,800 people at sites in Switzerland, Germany, the Netherlands, Spain and France. In 2019 it generated revenue of CHF 1,569 million (including medpex) and has around seven million active customers in core European markets.

With its business model, the Zur Rose Group offers high-quality, safe and cost-effective pharmaceutical care. It is also characterized by the continuous further development of digital services in the field of drug management using AI-supported applications and new technology. Zur Rose is furthermore actively driving ahead its positioning as a comprehensive provider of healthcare services. By creating a digital healthcare platform – the Zur Rose ecosystem – it networks products and digital services from qualified providers. The contribution made by Zur Rose will be to take these offerings to customers and patients and to make a relevant selection. The aim is to provide people with a seamless accompaniment and empower them to manage their own health optimally using products and digital solutions.

The shares of Zur Rose Group AG are listed on the SIX Swiss Exchange (securities number 4261528, ISIN CH0042615283, ticker ROSE). For further information please see zurrosegroup.com.