

Press release

Medios acquires Dutch market leader in pharmaceutical compounding services

Important first step in building the leading European Specialty Pharma platform – Mid-term targets to be reached already in 2025

Berlin, March 18, 2024 – Medios, the leading provider of Specialty Pharma Solutions in Germany, today announced the acquisition of Ceban Pharmaceuticals B.V. ("Ceban"). Ceban is a fast-growing leading pharmaceutical compounding platform with operations in the Netherlands, Belgium, and Spain. In 2023, Ceban is expected to realize revenue of c. €160 million and an EBITDA-adjusted of c. €29 million corresponding to a margin of c. 18% in 2023. The acquisition marks an important step in Medios' growth strategy aimed at building the leading European Specialty Pharma platform.

Highlights:

- Ceban is the Dutch market leader in compounding and has growing market positions in Belgium and Spain.
- The acquisition strongly positions Medios to benefit from the significant growth in homecare, clinics, and hospitals in the Netherlands and Belgium.
- Value creation through diversification, leveraging synergy and cross-selling opportunities.
- Ceban's internationally experienced management team will stay in the company and further drive growth in existing and new geographies.
- The purchase price for 100% of Ceban shares includes a cash component of €235.3 million and 1.7 million Medios shares.
- Medios preliminary figures for 2023: Group revenue increased by c. 11.0% to around €1.8 billion; EBITDA pre¹ increased by 10.3% to around € 60.5 million with an accordingly stable EBITDA pre¹ margin of 3.4%.
- Assuming the completion of the acquisition of Ceban in the second quarter of 2024 Medios expects a substantial increase in revenue and margin for FY 2024: revenue in a range of €1.9 to €2.1 billion and in a range of EBITDA pre from €82 to €91 million, which reflects a margin of around 4.3% based on the mean value of the respective revenue and EBITDA pre¹ range.
- Mid-term outlook for FY 2025: Revenue of around €2.15 billion and EBITDA pre of approx. €110 million reflecting a margin of 5.1% in FY 2025.

Matthias Gaertner, CEO of Medios: "The acquisition of Ceban is an important milestone for our European expansion strategy. With its market leading position in the Netherlands and growing market positions in Belgium and Spain, Ceban is excellently positioned for further growth and highly profitable. Through our established Specialty Pharma platform in Germany, we are also creating cross-selling opportunities and synergies in procurement. Moreover, the portfolio of Ceban offers a strategic diversification of our activities, while tapping into attractive growth markets. All in all, this is a truly transformative transaction for Medios. I am extremely proud that we once again can deliver on our promises and expect to deliver on our ambitious mid-term targets already in 2025."

Jeroen van der Hamsvoort, CEO of Ceban Pharmaceuticals: “We are excited to become part of Medios. Its nationwide network of pharmacies provides us access to the interesting and sizable German market, in which Medios has built an impressive leading position. Moreover, the strategy of Medios fits seamlessly with our international strategic ambitions. Medios’ strong and long relationship with major pharmaceutical companies will allow us to benefit from a solid supply chain, excellent product availability, and a very strong purchase power. We look forward to building the leading European Specialty Pharma platform together.”

Strategic rationale

The leading European Specialty Pharma platform

The acquisition of Ceban is an important milestone in the execution of Medios’ strategy to build the leading European Specialty Pharma platform. It enables Medios to set up an international network of GMP laboratories to become the preferred partner for compounding of personalized medicines.

Synergies

Furthermore, combining both companies’ strengths offers significant mutual strategic, operational, and commercial synergies, such as procurement savings. The combined platform and network create immediate upselling and cross-selling opportunities in complementary geographical markets.

Diversification

With this step Medios not only diversifies geographically but it will also diversify the offering of Medios as it adds complementary products and services. The acquisition of Ceban gives Medios an outstanding position in the Dutch pharmaceutical market. Ceban’s leading pharmacy, hospital, and clinic network in the Netherlands combined with Medios’ in-depth knowledge and experience in sterile compounding, positions the company well to exploit further growth potential in the attractive Dutch market. It also strongly positions the company to drive further growth in Belgium and Spain and to expand into additional European countries. Medios’ unique network of c. 800 specialized partner pharmacies in Germany can be leveraged to expand distribution of Ceban’s APIs (active pharmaceutical ingredients) in Germany, the largest pharmaceutical market in Europe.

Ceban pharmaceuticals

Ceban has a market leading position in pharmaceutical compounding in the Netherlands, a top-3 position in Belgium and a top-5 position in Spain. It supplies around 3,300 pharmacies and more than 200 hospitals and it owns a chain of pharmacies with 23 own pharmacies in the Netherlands.

The company covers the entire value chain – from the procurement of APIs to sterile and nonsterile compounding of pharmaceuticals and supply via public and hospital pharmacies to home care services including the assistance of patients at home. Ceban has long-lasting relationships with parties across the chain and is strongly positioned to benefit from the significantly growing demand for pharmaceutical compounding by clinics, pharmacies, and hospitals.

Ceban has been growing its revenue at an average organic growth rate of more than 10% over the last three years, to a preliminary revenue of c. €160 million in 2023. The preliminary EBITDA-adjusted amounts to c. €29 million in 2023, resulting in a respective margin of c. 18%.

Ceban will continue to operate under its own brand names. Ceban's strong and experienced management team has committed to remain fully involved to further drive growth in already existing markets and in new geographies within Europe.

Transaction details

Medios will acquire a 100% interest in Ceban Pharmaceuticals B.V. from funds managed by Bencis. The purchase price for the transaction includes a cash component of €235.3 million and 1.7 million new Medios shares valued approx. €23.9 million*. The newly issued shares will be subject to a hard lock-up period of 24 months.

The purchase price is financed by Medios from existing cash and an already committed credit facility. The 1.7 million new shares will be issued out of authorized capital against contributions in kind.

The completion of the transaction is subject to the fulfilment of customary closing conditions. The closing of the transaction is expected for the second quarter of 2024.

Preliminary financials FY 2023

Based on preliminary and unaudited figures (IFRS), Medios has reached its guidance and once again grew strongly in the financial year 2023. From January to December 2023, Consolidated revenue increased by c. 11.0% to around €1.8 billion (previous year: €1.61 billion) and thus met the most recent forecast. EBITDA pre¹ increased by 10.3% to around € 60.5 million (previous year: €54.9 million) exceeding the most recent forecast of around €60 million. Accordingly, the EBITDA pre¹ margin remained at the previous year's level of 3.4%.

New guidance for 2024 and outlook for 2025

Assuming the completion of the acquisition of Ceban in the second quarter of 2024, Medios expects revenue in a range of €1.9 to €2.1 billion in the FY 2024 along with an EBITDA pre¹ in a range of €82 to €91 million, reflecting a margin of around 4.3% based on the mean value of the respective revenue and EBITDA pre range.

With the realization of synergies and further organic growth Medios expects for FY 2025 revenue to grow to around €2.15 billion and an EBITDA pre of around €110 million, which reflects an increased EBITDA pre¹ margin of c. 5.1%.

* Based on the closing price of the Medios shares in the XETRA trading system of Frankfurt Stock Exchange on March 14, 2024.

¹ EBITDA is defined as consolidated earnings before interest, taxes, depreciation and amortization. EBITDA pre is adjusted for special charges for stock options and expenses for M&A activities and for one-time performance-based payments for the acquisition of compounding volumes as well as from 2024 expenses for ERP-System implementation.

About Medios AG

Medios AG is the leading provider of Specialty Pharma Solutions in Germany. As a competence partner and expert, Medios covers all relevant aspects of the supply chain in this field: from pharmaceutical supply to the manufacture of patient-specific therapies including blistering. The focus is on optimal patient care via specialized pharmacies.

Medios AG is Germany's first listed Specialty Pharma company. The shares (ISIN: DE000A1MMCC8) are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

www.medios.ag

About Ceban Pharmaceuticals

Ceban has modern GMP-compliant manufacturing facilities for sterile and nonsterile pharmaceutical compounding and the repacking of APIs. Ceban also owns the "Medsen" chain of 23 pharmacies in the Netherlands. Ceban currently supplies a total of around 3,300 pharmacies and more than 200 hospitals in the Netherlands, Belgium, and Spain with APIs, and both sterile and non-sterile compounded medicines. Sterile preparations include ophthalmic preparations, analgesics, and antibiotics; non-sterile preparations cover antipsychotics, antiemetics, analgesics, diuretics, and antibiotics.

www.cebanpharma.com

About Bencis:

Bencis is an independent investment company that supports business owners and management teams in achieving their growth ambitions. Working out of offices in Amsterdam, Brussels and Düsseldorf, Bencis has been investing in strong and successful businesses in the Netherlands, Belgium and Germany since 1999.

www.bencis.com

Contact

Claudia Nickolaus
Head of Investor & Public Relations, ESG Communications
Medios AG
Heidestraße 9 | 10557 Berlin
T +49 30 232 566 800
c.nickolaus@medios.ag
www.medios.ag



Disclaimer

This communication contains forward-looking statements that are subject to certain risks and uncertainties. Future results could differ materially from those currently anticipated as a result of various risk factors and uncertainties, including, but not limited to, changes in business, economic and competitive conditions, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings and the availability of financing.

