



Site visit to our African Operations

April 2019

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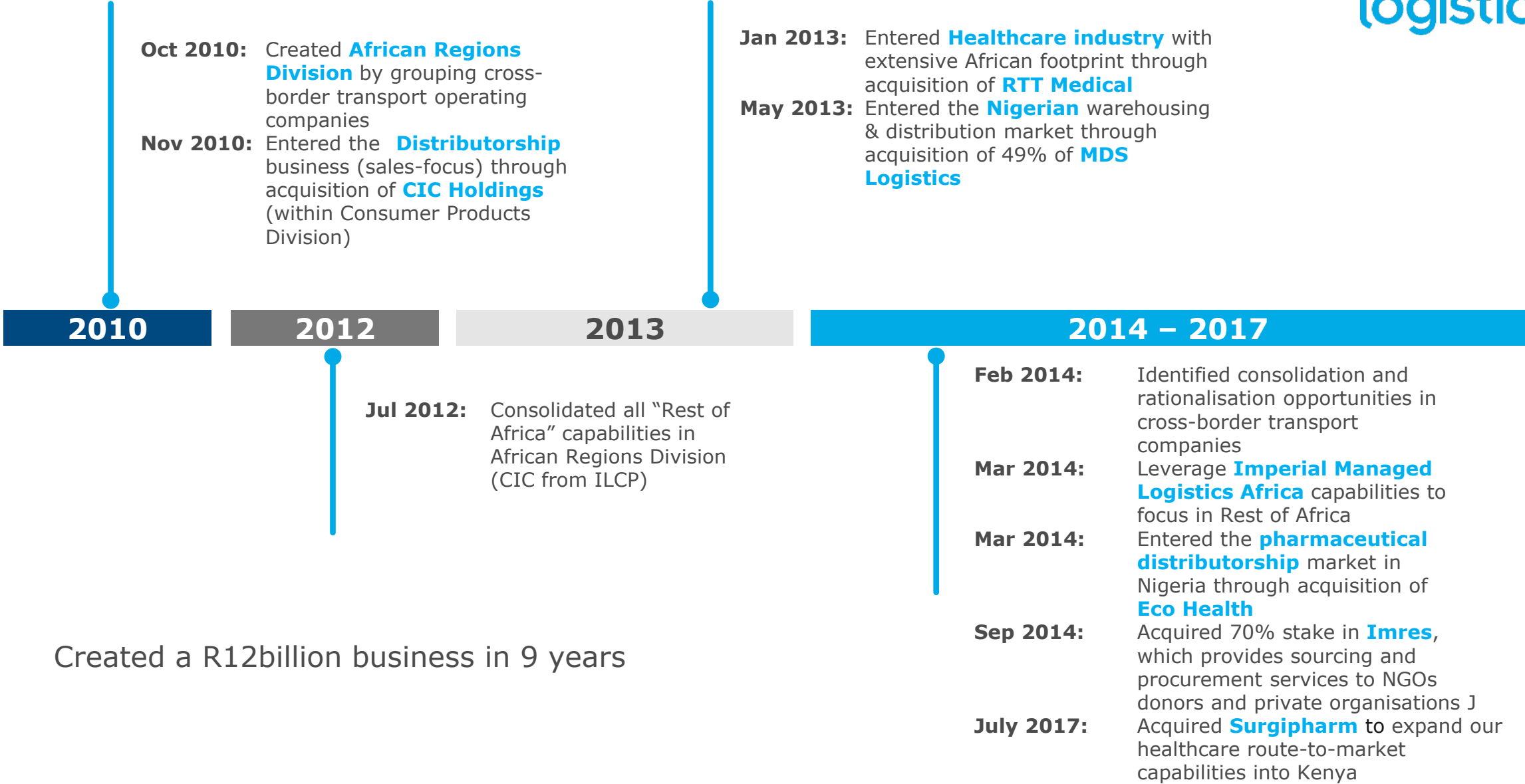
An abstract graphic featuring a world map in the center, composed of a grid of blue dots. The map is overlaid with various data points and lines. Red circles of different sizes are scattered across the map, some connected by thin red lines. There are also white circles and vertical lines of varying heights. The background is dark blue with a bokeh effect of out-of-focus light spots in red, orange, and white.

African Regions business positioning: leading distributor of pharmaceuticals & CPG in Southern, East & West Africa

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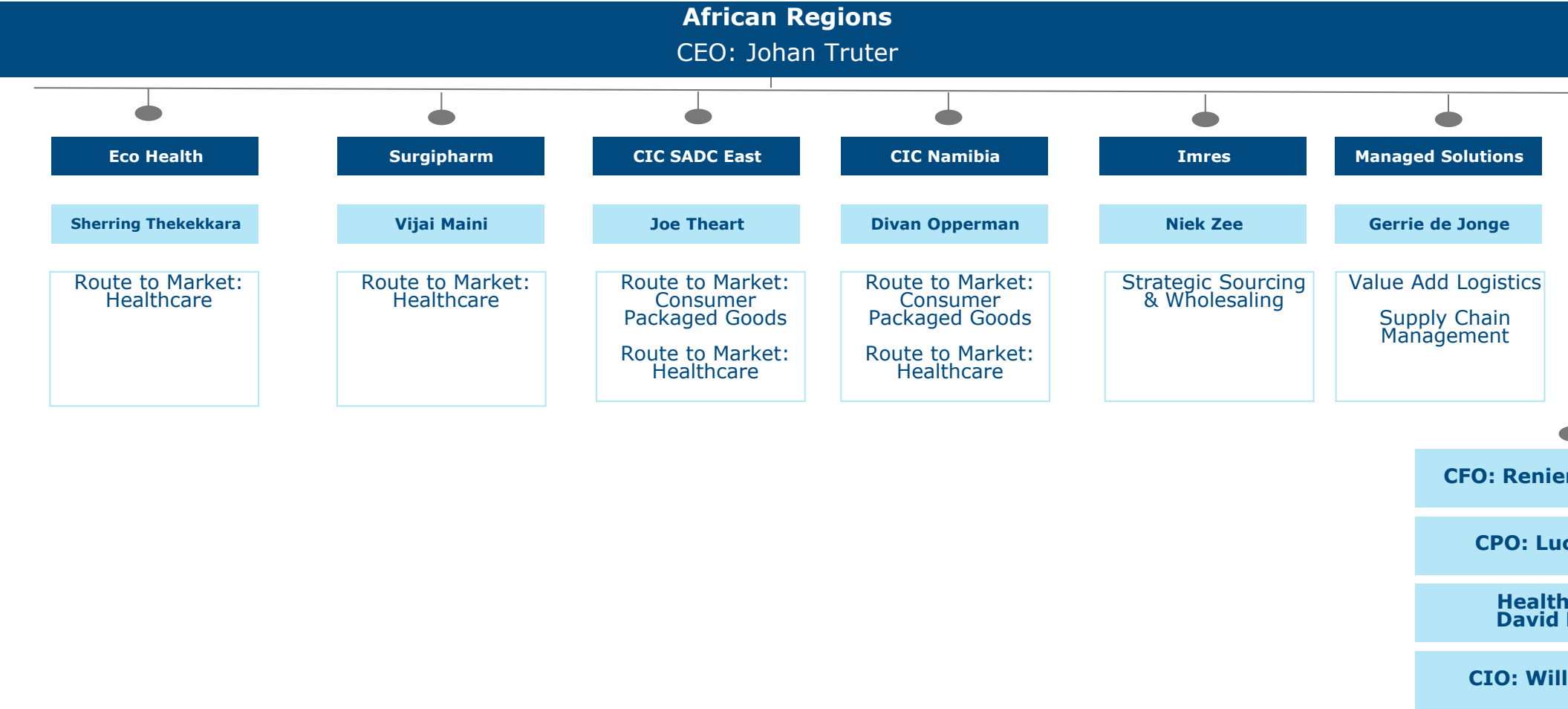
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Historical context



Created a R12billion business in 9 years

How we are organised



Our African Regions division at a glance

Working with brand owners across the continent



Deep experience in navigating the complexity, diversity & distinct challenges of the African continent

Unique distributor approach supported by local partnerships & benefitting from exclusive relationships with principals

Delivering HIV/AIDS medicine to 16 countries



Delivering premium brands by providing fully integrated, end-to-end RTM solutions for the unique distribution requirements of the African market



Established the first world-class pharmaceutical warehouse facilities of their kind in East & West Africa



More than 150 000 m² of warehousing, strategically placed at over 100 sites on the continent



Specialising in multi-channel solutions for delivering essential medicines & consumer health products



The principal trades in a risk-free environment as we take full responsibility for the debtor's book



Distribute c.80% of ethical pharmaceutical trade in Nigeria & c.20% in Ghana



Distribution network into all channels, with a pharma network into hospitals, pharmacies & government institutions, as well as all formal & informal consumer markets



Customisable solutions across the value network, including all logistical & sales functions



We conform to all regulatory & compliance standards

Compliance & quality

Meeting the needs of both client & consumer

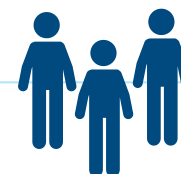
Local partnerships

- We give brand owners informed access to consumers through our extensive in-country networks
- Extensive on-the-ground expertise, resource, capability & geographic spread; uniquely placed to mitigate & manage the distinctive risk & complexity of the African continent



Governance & compliance

- Well tested & coordinated strategies for managing governance & corporate compliance
- We remediate, monitor & manage risks in addition to coordinating the utilisation of people, process & technology to improve effectiveness & help manage costs



Currency management

- Highly proficient in managing unpredictable exposures, unexpected costs, evolving exchange control regulations, international political, legal or system risk & numerous trade barriers in day-to-day business operations



Our footprint



- Pharma & healthcare logistics & supply chain management
- Pharma distributors (full RTM solution, including sales function)
- Pharma & medical supplies (wholesaling) (project work across multiple territories)
- Managed Solutions in East and West Africa, SA & SADC
- Logistics & supply chain management (various industries)
- Consumer distributors (full RTM solution including, sales function)
- In-country operations
- Countries serviced by agents

Why healthcare in Africa?

Growth opportunities

Growing population & middle class has seen the demand for pharmaceuticals & related healthcare products continue to grow across Africa	Strengthened relationships with brand principals through direct channel development, demand activation, inventory optimization, late localisation / labelling / kitting, serialisation & authentication
Patient affordability necessitates route-to-market efficiency & accelerates the shift towards lower cost generics	Increasing market diversity of product needs into oncology, non-communicable diseases & biopharmaceuticals
Reliance on in-country logistics & route-to-market service partnerships increases	Category expansion into animal health, surgicals, consumables & devices using existing capabilities in current markets
Donors transition spend to local suppliers & governments are increasingly engaging specialist service providers with proven abilities, systems & capacity	Integrated solution offerings including international freight & transportation management to augment our market leading distribution management & route-to-market capabilities
Growing demand from governments & funders for transparency, governance, compliance & product authentication	Geographical expansion through acquisitions & multi-market aggregation of smaller scale African markets

Fast facts – our positioning

- **Delivers 500 million patient packs** annually to 50 000 delivery points,
- **>50 000m²** world-class warehousing
- **Proven legitimacy & strong brand recognition** > 20 years relationships with multinational principals, donors & regulators
- **Sound governance**
- **Sophisticated systems**
- **Simplify & shorten supply chains**
- **Scale** through multi-market aggregation

End-to-end value chain in Healthcare



Providing end-to-end services across the healthcare value chain (between regional markets and continents)
Driving patients' access to affordable, quality assured medicines



Consumer Packaged Goods positioning



Why consumer packaged goods?

Rapidly urbanising population across Africa; offers strong growth potential & increasing consumer buying potential

Continued expansion of formal retailers into the market increases consumer choice & drives globalisation of brands

Transition from traditional channels to more formal models to drive strong governance & compliance & reduce illicit trading

In South Africa, further retail supply chain consolidation & focus on improving route-to-market efficiencies necessitate the rationalisation of the CPG distribution market

Continued economic pressure, reduced volume, increased cost focus & shifting product mix all present opportunities for logistics outsourcing

Growth opportunities

Strengthened relationships with brand principals through direct channel development, demand activation & promotions and inventory optimization

Integrated solution offerings including international freight & transportation management to augment our market leading distribution management & route-to-market capabilities

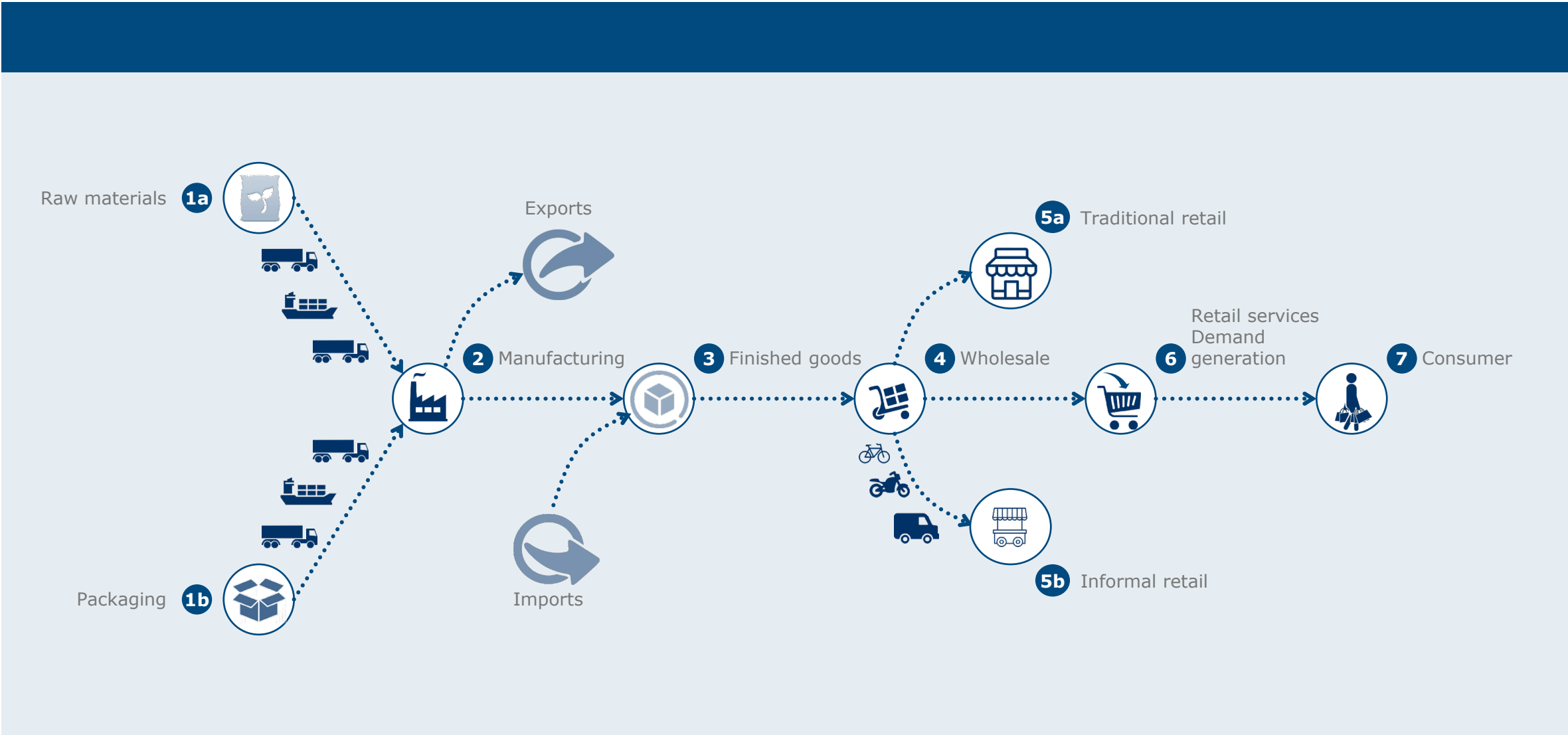
Expansion of capabilities into contract operations such as repackaging

Geographical expansion through acquisitions & multi-market aggregation of smaller scale African markets

Fast facts – our positioning

- **Proven** legitimacy, good operational governance controls & **strong brand recognition**
- **Extensive distribution footprint** in African countries
- **2.5** million CPG deliveries annually
> **50 000 delivery points**
- **R60 billion of product** delivered to retail outlets

End-to-end value chain in Consumer Packaged Goods



Key clients in Africa



Growth strategy

- Drive organic growth through:
 - Adding more categories
 - Expanding our channels
 - On-boarding new principals
 - Expansion of capabilities in existing markets - IFM, demand generation *et al*
- Introduce healthcare to existing CPG footprint
- Execute multi-market aggregation model to expand footprint into small to mid-size markets
- Selected strategic acquisitions complimenting our industry verticals and capabilities into new markets



Our managed solutions business in East Africa

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At a glance

- ISO 9001:2015 certified
- Apply GDP/ GWP in line with WHO Standards
- Corporate Member of KHF and KAPI
- Providing services across the value chain

Industry Verticals

- **Pharma**
- **Consumer Health**
- **Electronics**
- **Chemicals**
- **CPG** (expansion opportunities)

Geographies

- **Kenya, Ethiopia, Tanzania, Uganda, Rwanda**
- **SADC, Malawi**
- **Ghana & Nigeria**

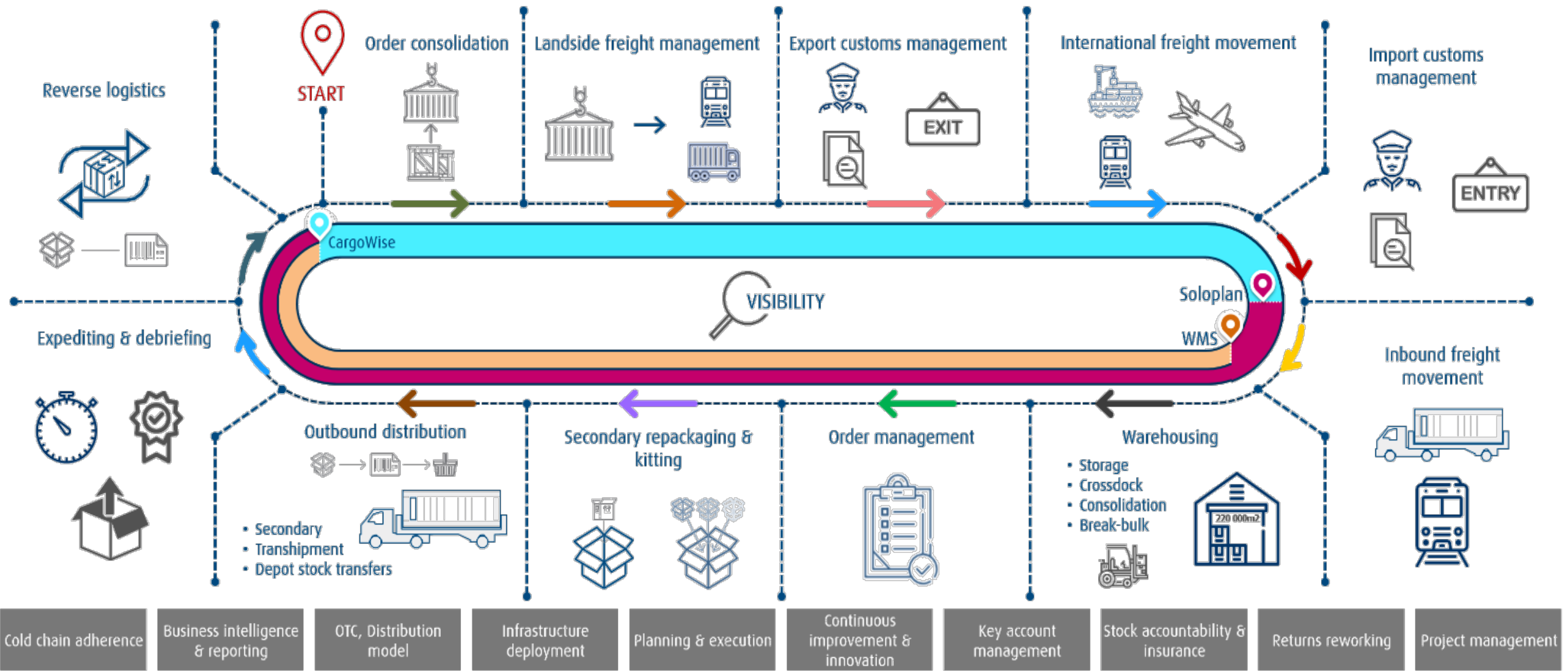


Worldclass facility

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Providing services across the value chain



Our end-to-end service offering



- Inbound Freight Management
- Warehousing
- Warehouse Bonded Facilities(IHD)
- Order Management
- 3rd Party Invoicing ("Back2Back")
- Debtor Management
- Outbound Distribution
- Export Management
- Reverse Logistics
- Cold Chain Management
- VAS (Value Added Services)
 - Secondary Repackaging
 - Coding
 - Kitting
 - Banding

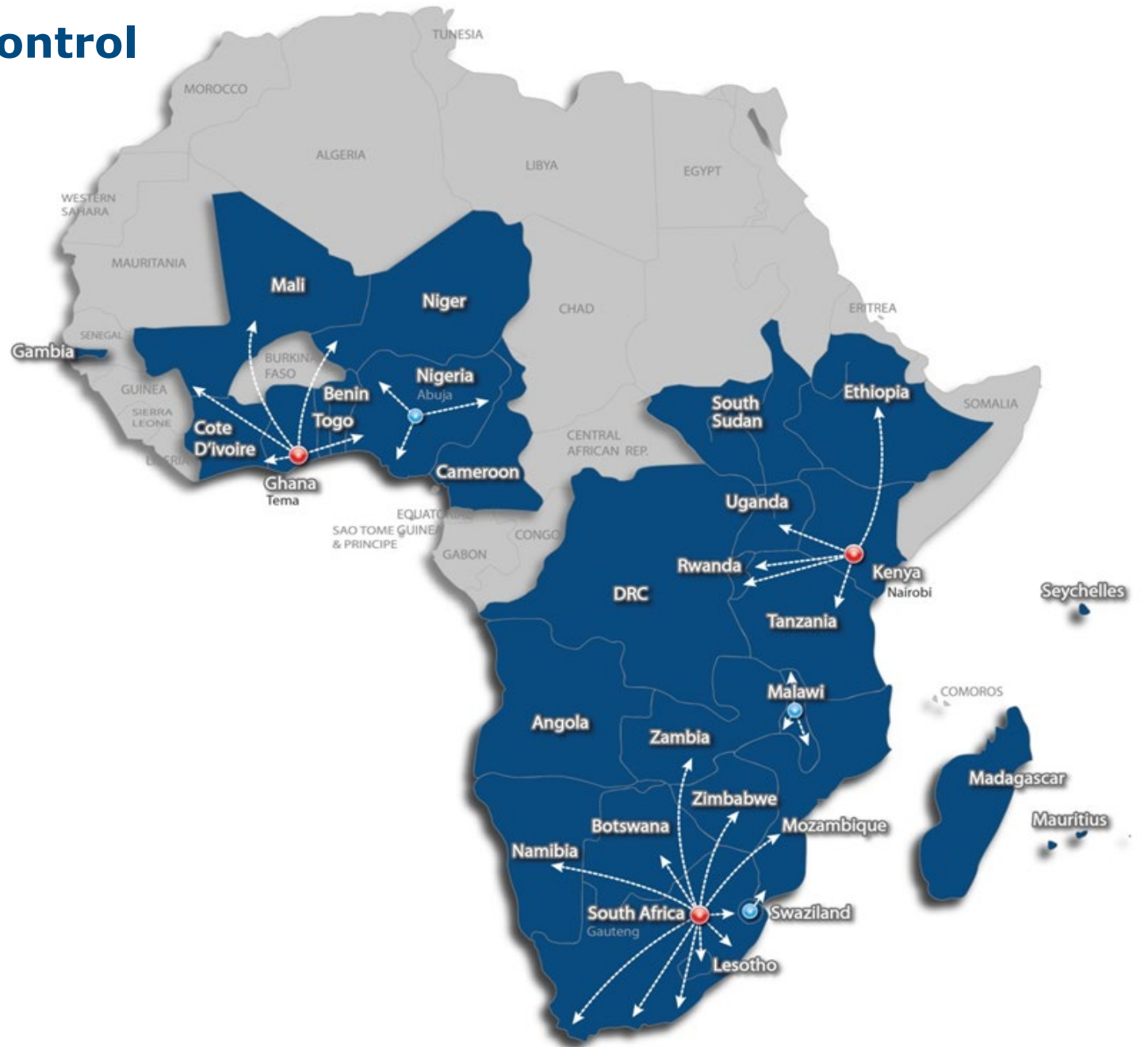
Ensuring governance, quality control & transparency

Regulatory

- Product registration
- Product retention
- GMP inspection follow up
- Pharmacovigilance
- Quality Assurance Assessment

MIS

- SAP ERP / EWM
- CRM
- FIORI
- SOLOPLAN



- Expansion within industry verticals - chemicals, electronics & home appliances, CPG
- Expansion of capabilities such as IFM
- Multi-market aggregation

Key clients

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Our Surgipharm business

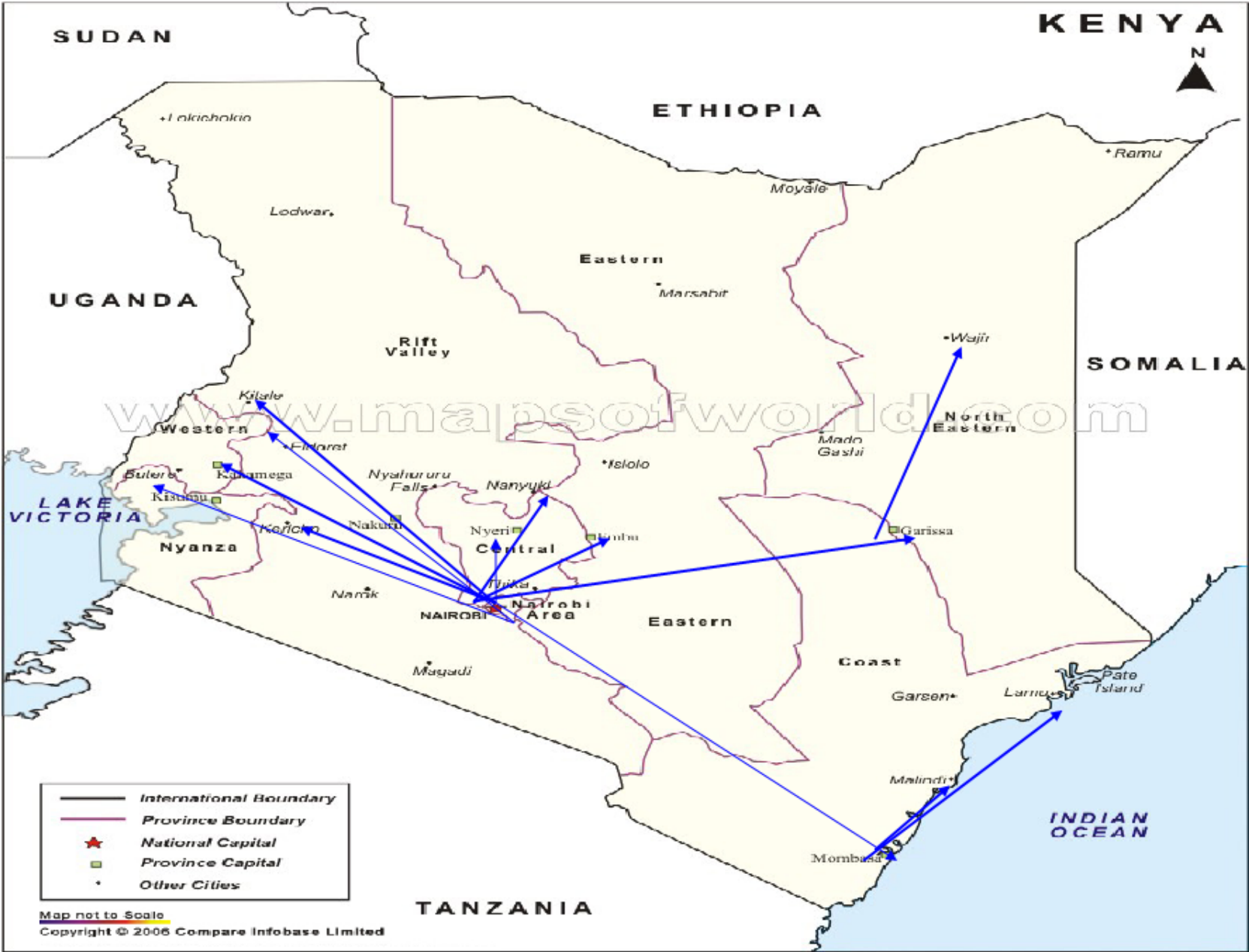
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- Founded in 1985 with the objective of effectively marketing and distributing quality pharmaceutical, medical, surgical, laboratory diagnostic and consumer care products that meet important health needs in East Africa
- Focused on the needs of principals and patients
- Today, Surgipharm is one of the most efficient and reliable pharmaceutical companies in Kenya - with branches in Nairobi and Mombasa and a highly motivated team of over 300 people:
 - One of the largest suppliers to all public and private hospitals countrywide
 - Access to a vast customer base with a wide distribution network of wholesalers and retail pharmacies across the country
 - Direct distribution to more than 85% of the pharma distribution channels
 - High importance to prescription generation
 - Established relationships with NGOs and other key institutions in Kenya
- Honoured as "Distributor of the Year in Anglophone Africa" by global health and hygiene company, Essity

- **Warehouse space:**
 - Nairobi: 49 000sq ft. and bulk storage of 90 000 sq. ft.
 - Mombasa: 5 000 sq. ft.
- All pharmaceuticals stores are air conditioned
- Cold storage facility for vaccines etc.
- Special facility for storage of controlled drugs such as narcotics, psychotropics etc.

Geographic reach



Market penetration

- To intensively cover all the existing markets in all the countries of operation through our marketing team and the distribution network

Product development

- To introduce new products from existing and new partners

Human capital

- To build an effective human resource base to stay competitive and progressive
- Working through small but focused teams for ideal representation in every business area

Portfolio coordination: to excel both in marketing and distribution

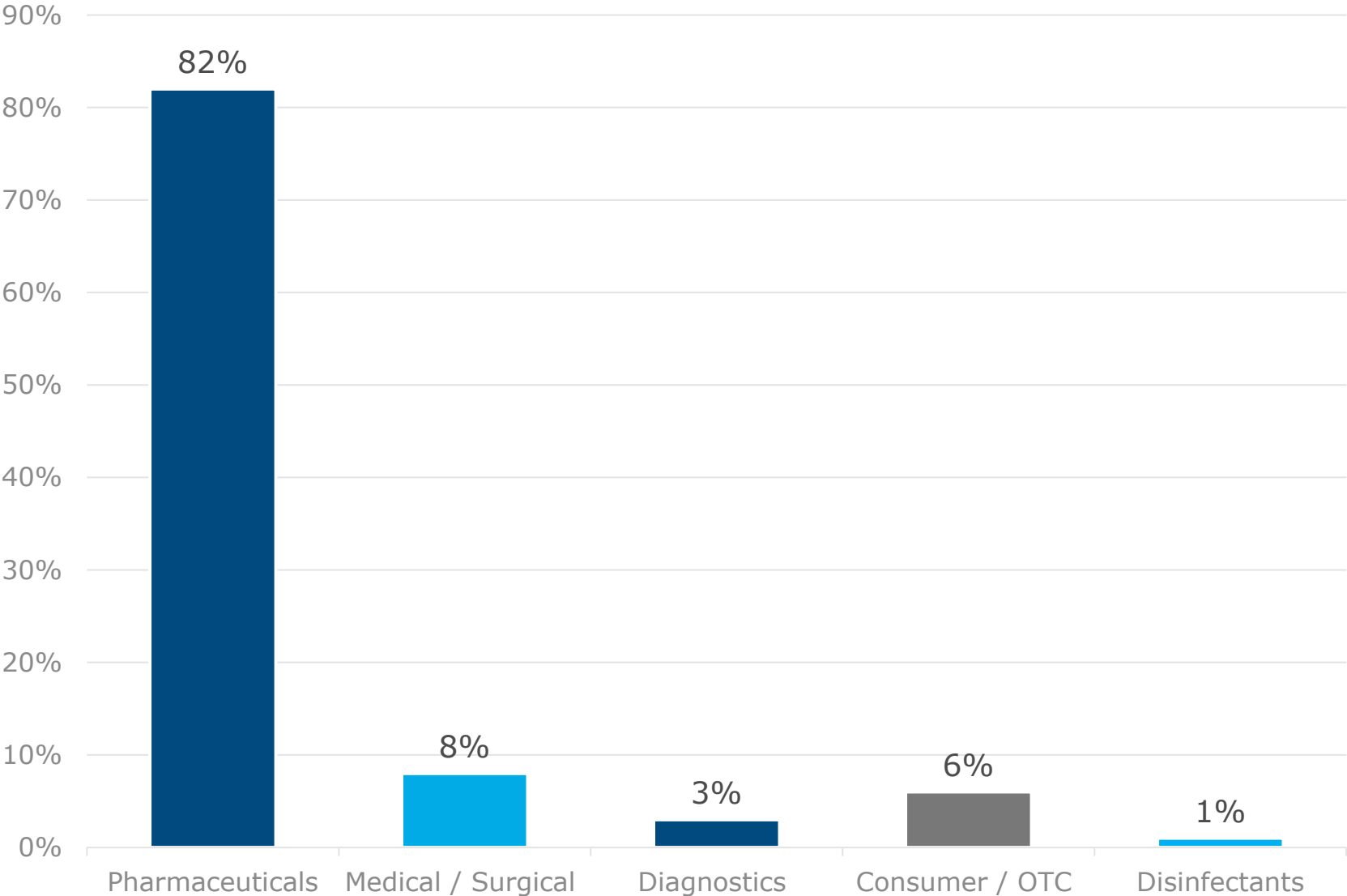
- To effectively use the vast distribution experience, contacts and infrastructure to compliment and augment the marketing efforts

Organic growth

- On-boarding of new principals
- High contract retention and renewal rates

Evolving client engagement

- Transactional to strategic partnerships through digital enablement



Key clients





Thank you

