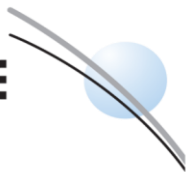


**Dermapharm Holding SE**



INVESTORS' AND ANALYSTS' CONFERENCE CALL  
**Q3 2024**

Grünwald, 14 November 2024

# AGENDA

## Q3 2024

1. Financial figures Q3 2024
2. Outlook 2024
3. Q&A





# 1 Financial figures Q3 2024



# Continuously strong growth of the existing product portfolio

delivered by the German core and the international branded pharma business incl. Montavit

Dermapharm



Excluding the  
expiring vaccine  
business

**Revenue**

**+€52.0m<sup>1</sup>**

Significant revenue growth driven by branded pharmaceuticals' segment, more than compensating for decline in other healthcare products...

**EBITDA**

(adjusted)

**+€24.7m**

... higher profitability of branded products segment...

**EBITDA margin**

(adjusted)

**+1.4%pts.**

... increases the profitability of the Group

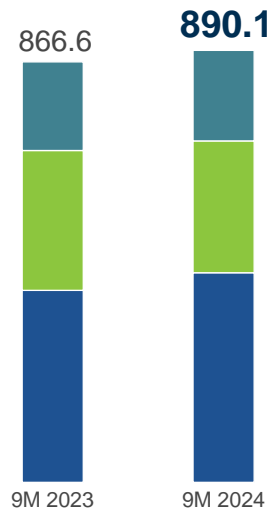
<sup>1</sup> Montavit contributed €28.0m and €3.6m to revenue and EBITDA in 9M 2024 vs. €6.9m and €0.3m revenue and EBITDA in 9M 2023.

Strong growth in the high-margin branded pharmaceuticals business, partly offset by lower other healthcare products revenues and results compared to prior year

## Total Revenue

€m

**+2.7%**  
YoY

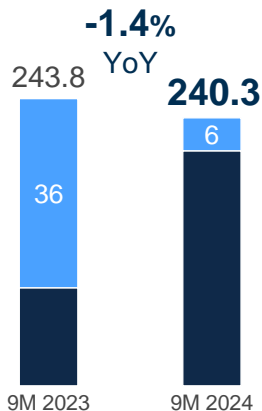


## Adj. EBITDA<sup>1</sup>

€m

### EBITDA<sup>1</sup> Margin

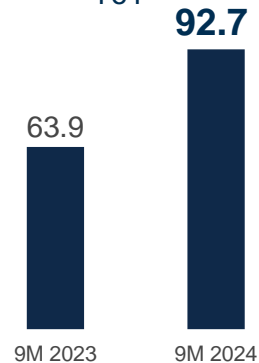
|        |       |       |
|--------|-------|-------|
| unadj. | 24.0% | 26.3% |
| adj.   | 28.1% | 27.0% |



## EAT<sup>2</sup>

€m

**+45.1%**  
YoY



**Revenue increase of +2.7% to €890.1m** in the YTD period driven by

- strong organic growth in underlying branded pharmaceuticals products both, in Germany and abroad as well as
- consolidation of Montavit as of July 2023 more than compensating for decline in
- Arkopharma and
- expiring vaccine business

**Adj. EBITDA decreases by -1.4% to €240.3m** (increases by **+12.3%** to **€234.1m at reported level**) driven by

- favourable gross margin trend,
- offset by labour cost increases and inflation-related increases in other operating expenses

Branded pharmaceuticals Other healthcare products Parallel import business Dermapharm Group Adjustments

<sup>1</sup> 9M 2023 EBITDA adjusted for non-recurring costs of €35.5m, thereof €8.4m in connection with acquisitions, share purchases and M&A transactions, €13.2m in connection with PPA effects, €7.2m for the deconsolidation of fitvia, bellavia and mibe UK and €6.6m for the impairment of Corat | Group EBITDA also includes EBITDA from reconciliation of € -4.3m (Group Holding) |

9M 2024 EBITDA adjusted for non-recurring costs of €6.2m, thereof €1.8m in connection with additional costs for property in Carros, €2.2m in connection with share reduction in Wellster Healthtech Group GmbH and €1.2m in connection with the relocation of Candoro ethics GmbH NM and THC Pharm GmbH to Friedrichsdorf | Group EBITDA also includes EBITDA from reconciliation of -€3.9m (Group Holding).

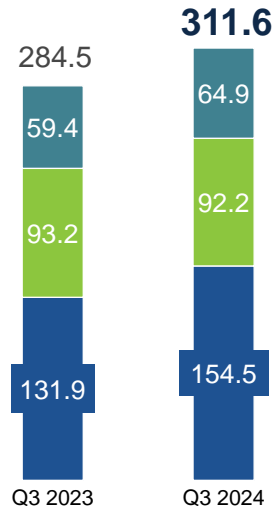
<sup>2</sup> EAT = Earnings after tax.

Strong growth in the high-margin branded pharmaceuticals business continues in Q3, Arkopharma revenues at and reported EBITDA above Q3 2023 level

## Total Revenue

€m

**+9.5%**  
YoY



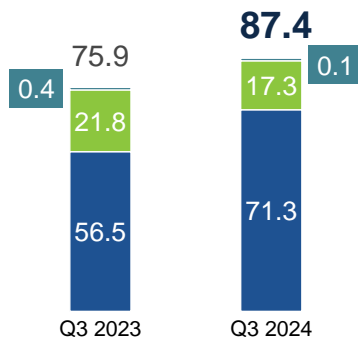
## Adj. EBITDA<sup>1</sup>

€m

### EBITDA<sup>1</sup> Margin

|        |       |       |
|--------|-------|-------|
| unadj. | 25.1% | 27.9% |
| adj.   | 26.7% | 28.0% |

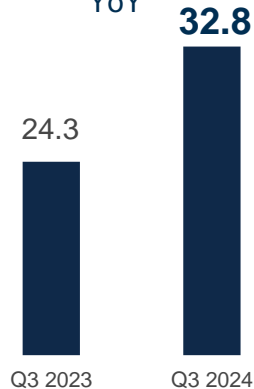
**+15.1%**  
YoY



## EAT<sup>2</sup>

€m

**+35.0%**  
YoY



**Revenue increase** of **+9.5%** to **€311.6m** (Q3 2024) driven by

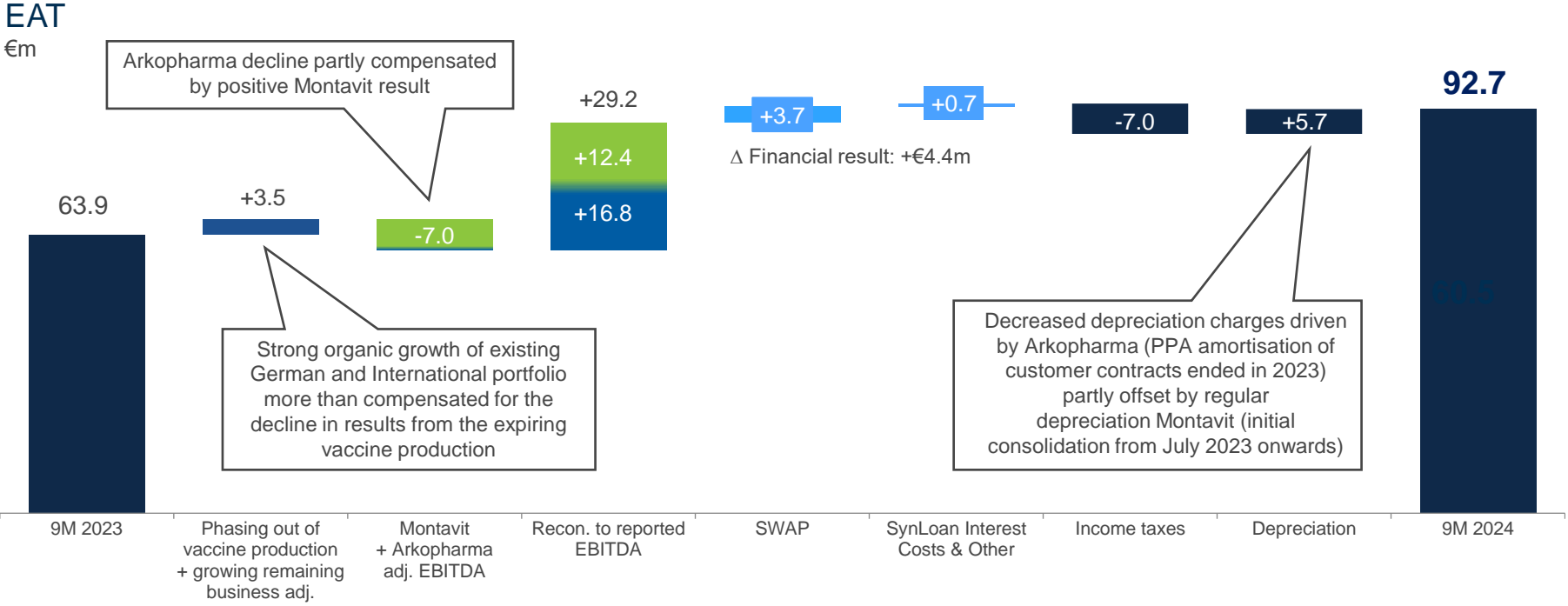
- German core and international business along with strong growth of Allergopharma and
- Arkopharma topline in line with Q3 2023 with over-proportionate EBITDA (reported) growth offset by lower revenues of Candoro ethics (relocation) and Anton Hübner (postponement to October 2024)
- **Adj. EBITDA increase** by **+15.1%** to **€87.4m** (Q3 2024), increase by **+22.0%** to **€87.1m** at **reported level**)
- Q3 2024 stand-alone **adjustments** amounted to **€0.2m** in connection with Candoro ethics relocation

<sup>1</sup> Q3 2023 EBITDA adjusted for non-recurring costs of €4.5m, thereof €4.4m with PPA effects at Arkopharma and €0.1m resulting from acquisition costs | Group EBITDA also includes EBITDA from reconciliation of € -2.9m (Group Holding) | Q3 2024 EBITDA adjusted for non-recurring costs of €0.2m in connection with the relocation of Candoro ethics GmbH NM and THC Pharm GmbH to Friedrichsdorf | Group EBITDA also includes EBITDA from reconciliation of -€1.4m (Group Holding).

<sup>2</sup> EAT = Earnings after tax.

# Earnings after tax (EAT)

Increase mainly impacted by ...



# Dermapharm Group

## EBITDA adjustments

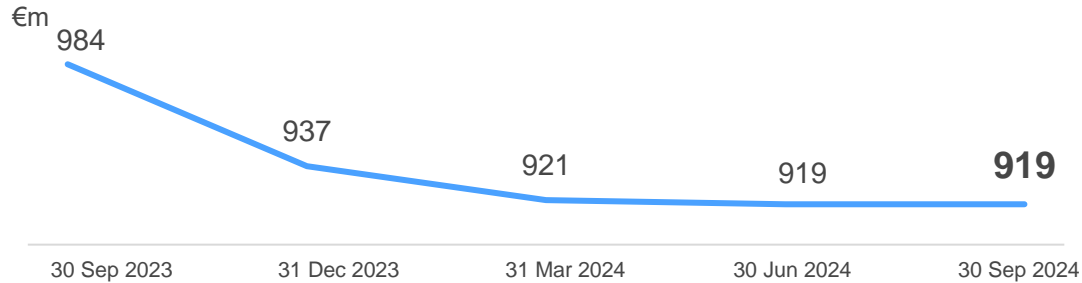
| €m   | 9M 2024    | 9M 2023     |  |
|--|------------|-------------|--|
| PPA-effects  |            | 13.1        | Arkopharma   |
| Derecognition of PPA effects from sale of property | 0.7        |             | Property in Berlin (Branded pharmaceuticals)   |
| Additional cost of property                        | 1.8        |             | Arkopharma (Carros)  |
| Acquisition costs                                  |            | 8.4         | Arkopharma, Candoro ethics, Wellster, Montavit   |
| Share reduction                                    | 2.2        |             | Wellster decline in participation triggering a GW reduction partly offset by increased (share in) equity |
| Deconsolidation                                    |            | 7.3         | fitvia, bellavia, mibe UK  |
| Impairment   |            | 6.6         | Corat  |
| Relocation to Friedrichsdorf                       | 1.2        |             | Candoro ethics   |
| Others   | 0.3        |             |  |
| <b>Total</b>                                       | <b>6.2</b> | <b>35.5</b> |  |



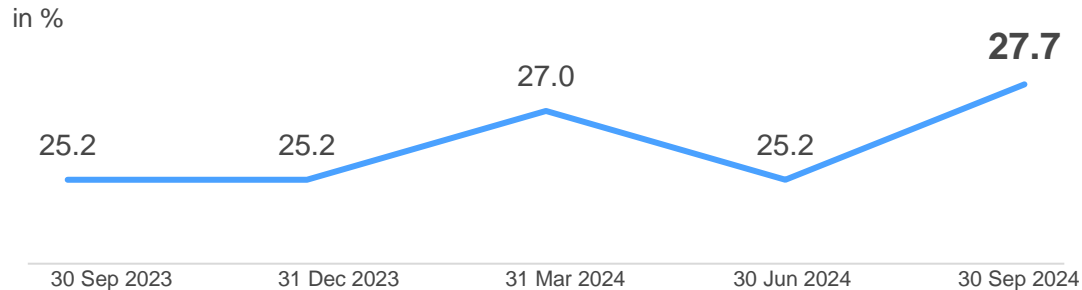
# Net debt reduction

by €65m since September 2023 proves ability of underlying business to generate cash

## Net debt



## Equity ratio



- **Ongoing net debt reduction** in 2024 compared to September 2023 by
  - €25m repayment of term loan B,
  - €25m reduction of RCF, partly offset by
  - initial recognition of Montavit bank liabilities and
  - increased cash and cash equivalents
  - further loan repayments of ~€50m, largely relating to the promissory note, scheduled for Q4 2024
- **Net debt / adjusted EBITDA<sup>1</sup>**: 3.0 in line with syn loan provisions
- Comfortable **interest cover ratio<sup>2</sup>** of 5.9
- **Increasing equity ratio**, due to favourable group result compensating for the dividend driven equity reduction as of June 2024

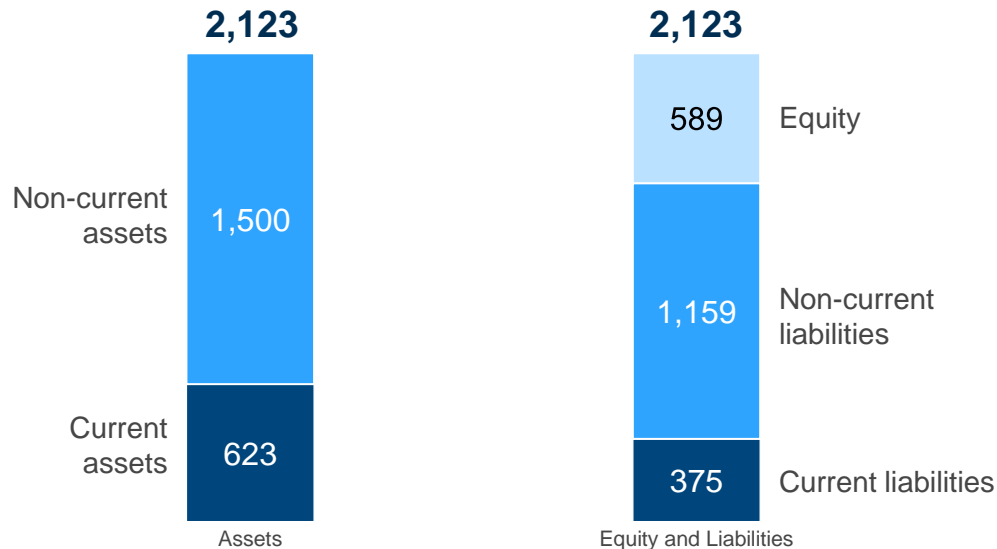
<sup>1</sup> rolling 12M adjusted EBITDA as of 30 Sep 2024.

<sup>2</sup> Interest Cover = adj. EBITDA / interest expenses (long and short-term loans)

# Balance Sheet of Dermapharm Group

## Balance sheet as of 30 September 2024

€m



- **Total assets** increased to €2,123m (31 December 2023: €2,161m)
  - Decrease of non-current assets (€1,500m; 31 December 2023: €1,530m) and higher current assets (€623m; 31 December 2023: €630m)
- **Equity ratio** increased to 27.7% of total assets
- **Current and non-current liabilities** total €1,534m in line with comparable figures (31 December 2023: €1,616m)
- **Net debt / adjusted EBITDA<sup>1</sup>**: 3.0

# Working capital

Moderate net working capital increase by <2% driven by higher inventory levels, cash cycle improves by 9 days

| €m                         | 9M 2024      | 9M 2023      | YoY          |
|----------------------------|--------------|--------------|--------------|
| Inventory                  | 346.9        | 333.2        | +4.1%        |
| Trade payables             | 92.2         | 86.0         | +7.2%        |
| Trade receivables          | 123.0        | 123.4        | -0.4%        |
| <i>Net working capital</i> | <i>377.7</i> | <i>370.6</i> | <i>+1.9%</i> |
| <b>Days</b>                |              |              |              |
| DIO                        | 107          | 110          | -2.1%        |
| DSO                        | 38           | 41           | -6.3%        |
| DPO                        | 61           | 57           | +7.1%        |
| <i>Cash cycle</i>          | <i>85</i>    | <i>93</i>    | <i>-9.5%</i> |

Higher **inventory** levels driven by

- Underlying growth in revenues<sup>1</sup>
- Inflationary production cost increases (labour and materials)
- Generally higher buffer stock to secure ability to deliver products in light of multiple crises (esp. Ukraine and the Middle East)

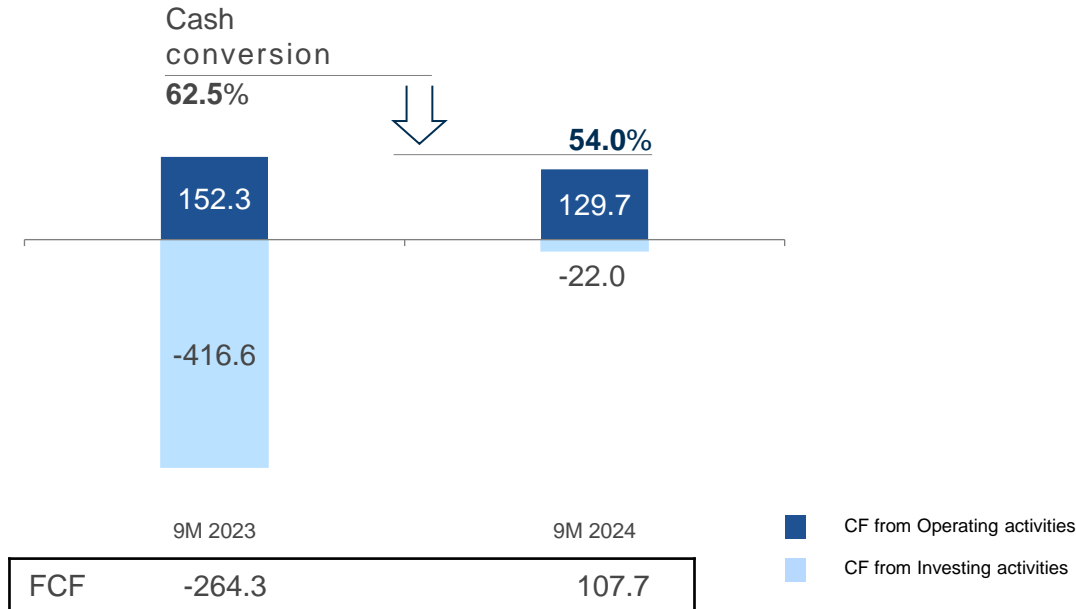
**Cash cycle** favourably impacted by moderate DPO increase by 4 days compared to September 2023

# Strong cash flows and cash conversion

Positive cash conversion impact from vaccine production in 9M 2023

## Cash flow and cash conversion<sup>1</sup>

€m and in % of Group EBITDA

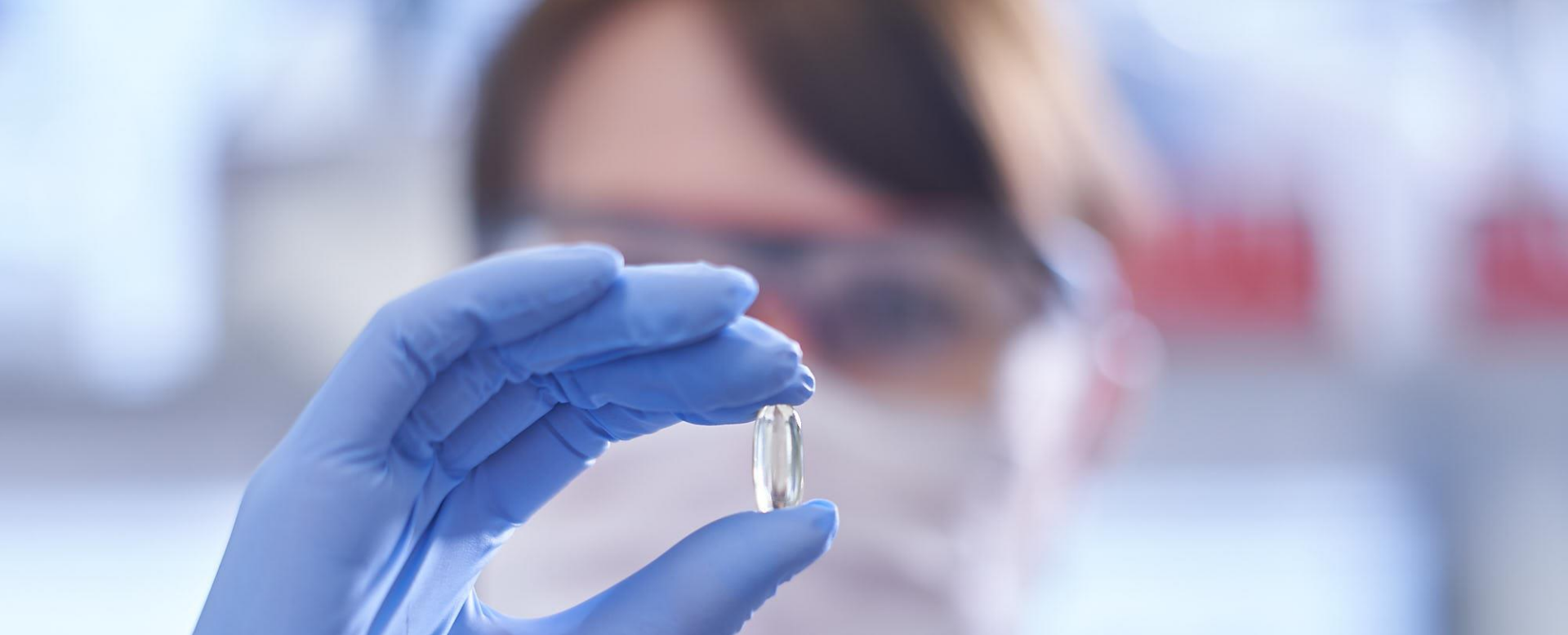


- **CF from operating activities in 9M 2024** declines by €22.7m
- **CF from investing activities** reflecting
  - normal level of R&D activities and replacement investments net of the sale of a property in Berlin
- **Free cash flow: €107.7m** in 9M 2024 (9M 2023: -€264.3m)

<sup>1</sup> Cash conversion defined as operating cash flow / (adjusted) EBITDA.

# Cash Flow from operating activities

|   | 9M 2024      | 9M 2023      | YOY          |  |
|---|--------------|--------------|--------------|--|
| <b>EBT</b>  | <b>137.5</b> | <b>101.7</b> | <b>+35.8</b> |  |
| Depreciation / amortisation fixed assets  | 62.3         | 69.1         | -6.8         | ▪ 9M 2023 showed higher PPA amortisation of Arkopharma's customer contracts recorded as part of the PPA  |
| (Net) increase in working capital   | -46.3        | -26.4        | -20.0        | ▪ Higher inventory level driven by revenue growth, production cost increase, buffer stocks and phasing of purchases<br>▪ Inventory increase partly offset by higher payables   |
| (Net) increase in provisions for employee benefits, other non-cash items, gain / loss on disposal of non-current assets | 5.0          | 7.1          | -2.1         | ▪ Largely resulting from the reversal of non-cash items including mainly the non-cash reduction of the participation in Wellster in 2024 and deconsolidation effects regarding fitvia, bellavia and mibe UK in 2023 and PPA related losses from the disposal of a property in Berlin |
| Profit sharing of at-equity investments   | -0.7         | 7.5          | -8.2         | ▪ Reversal of at-equity results of Hasan and Wellster  |
| Interest expense / income   | 29.7         | 35.0         | -5.4         | ▪ Reclassification of (net) interest expenses  |
| Income tax payments   | -57.8        | -41.8        | -16.0        | ▪ Tax payments relate to fiscal years 2021 and 2022 which have been favourably impacted by the vaccine business leading to increased tax payments  |
| <b>CF from operating activities</b>   | <b>129.7</b> | <b>152.3</b> | <b>-22.7</b> |  |

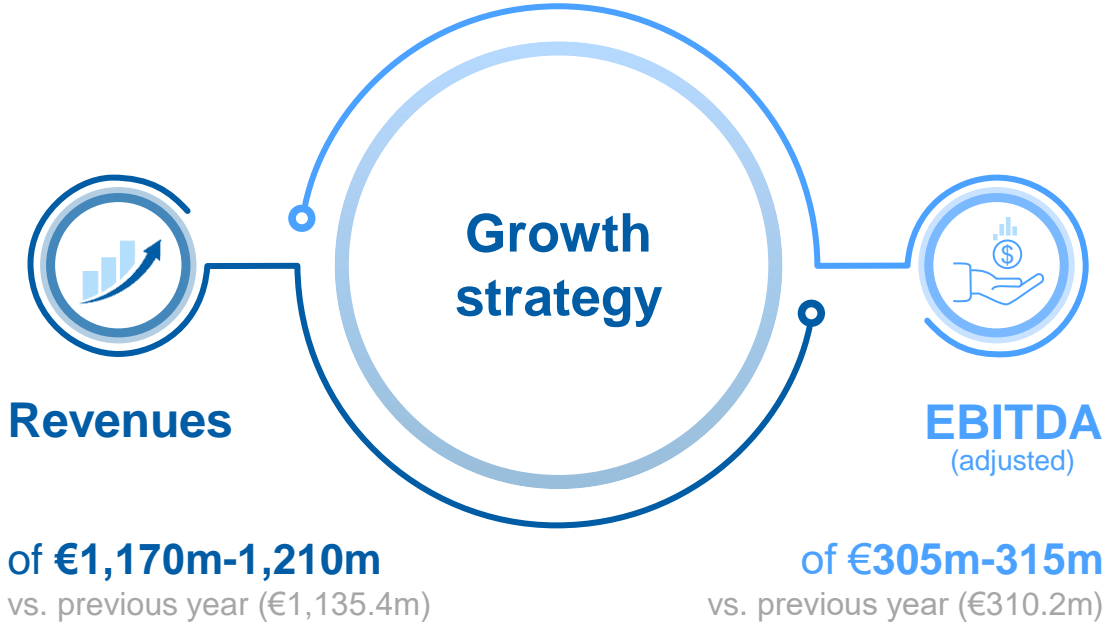


2

## Outlook 2024

# Outlook 2024

Strong performance of the existing portfolio in Branded Products compensates for the current underperformance of Other Healthcare Products



- Overall, the 9M 2024 trend at Group level is in line with the underlying assumptions. In particular, the strong performance of the underlying branded pharmaceutical portfolio compensates for the performance of other healthcare products.
- Based on the development of the first nine months of the year and a positive outlook for the last quarter the Management Board confirms the 2024 guidance expecting Group sales to grow to between €1,170m and €1,210m and adjusted Group EBITDA to between €305m and €315m.



3

Q&A





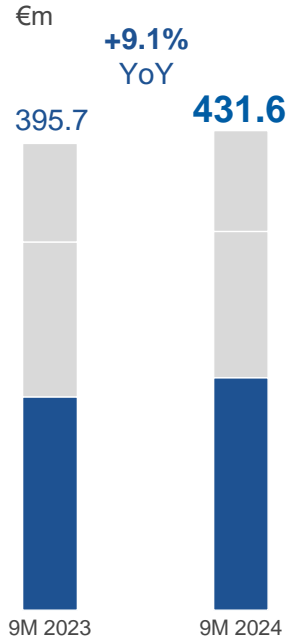
Backup



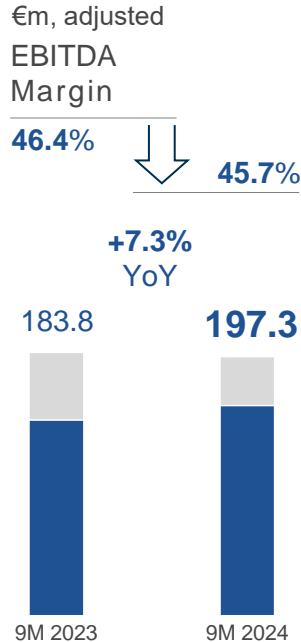
# Branded pharmaceuticals

Strong organic growth almost offset decline from expiring vaccine business

## Revenue



## EBITDA<sup>1</sup>



### Revenue increase of +9.1% to €431.6m

- Strong organic growth of existing portfolio
- and consideration of Montavit (initially consolidated July 2023)
- completely offset decline in revenue from phasing out of vaccine production.

The organic growth over 9M 2024 of the branded pharmaceuticals' business was >10% excluding the vaccine business and Montavit.

Adjusted **EBITDA increased** by +7.3% to **€197.3m**, reported **EBITDA increased** by +18.7% to **€192.3m**.

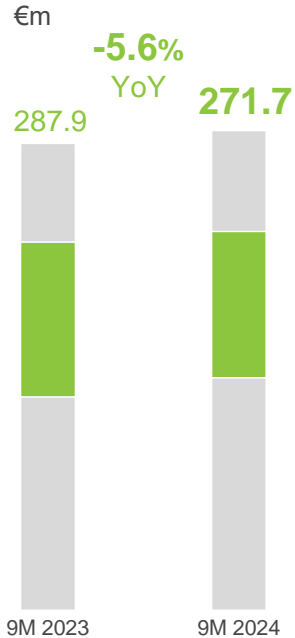
Excluding the vaccine business and Montavit, EBITDA and EBITDA margin increased, the latter to >40%.

<sup>1</sup> EBITDA 9M 2023 adjusted for non-recurring costs of €21.8m in connection with the acquisition of Arkopharma.  
EBITDA 9M 2024 adjusted for non-recurring costs of €5.0m in connection with the reduction in shareholding in Wellster Healthtech Group GmbH and additional property for Arkopharma in Carros.

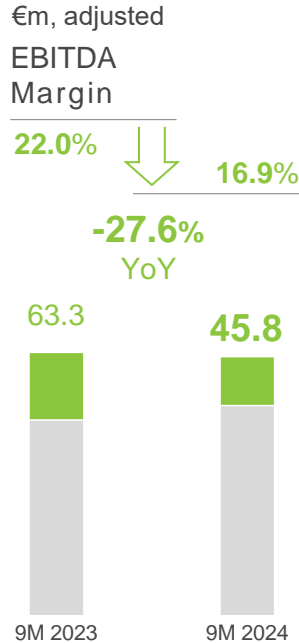
# Other healthcare products

Lower consumer spending drives decline in Arkopharma revenues in H1 2024

## Revenue



## EBITDA<sup>1</sup>



**Revenue declined by -5.6% to €271.7m,** driven by

- reluctant consumer spending in France (Arkopharma's major market) in H1 2024 and high sales to the French pharmacy market due to an above-average price increase and new product launches in H1 2023
- despite growing competition resulting in increase in volume and price pressure Arkopharma's Q3 2024 revenues are in line with previous year
- Candoro ethics behind our expectations due to relocation to Friedrichsdorf and challenging market environment.

**EBITDA decreased by -27.6% to €45.8m** (adjusted, reported EBITDA by **-10.1%** to **€44.6m**)

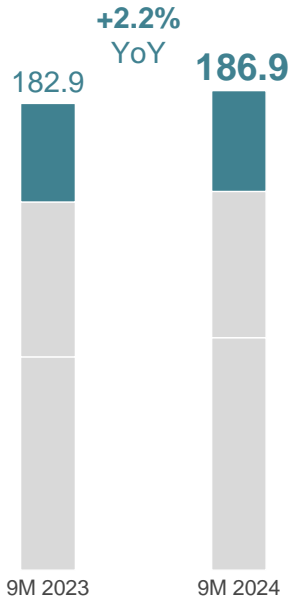
<sup>1</sup> EBITDA 9M 2023 adjusted for non-recurring costs of €13.7m in connection with the acquisition of Arkopharma.  
EBITDA 9M 2024 adjusted for non-recurring costs of €1.2m in connection with the relocation of Candoro ethics GmbH NM and THC Pharm GmbH to Friedrichsdorf.

# Parallel import business

... affected by poor product availability over the last months and a temporary adverse change in product mix

## Revenue

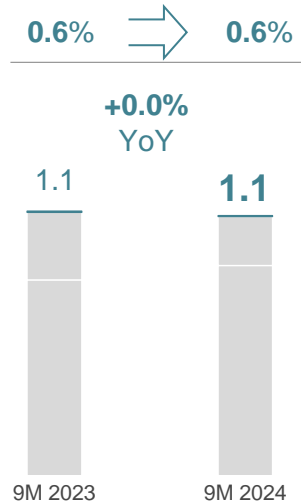
€m



## EBITDA

€m, adjusted

EBITDA  
Margin



**Revenues increased** by +2.2% to **€186.9m**, driven by

- high product availability, goods purchase prices and growing market in this segment. In operational terms, the availability of goods was improved through a targeted build-up of inventories to an appropriate level. At the same time, productivity was increased in production. Sales declines in the inventory portfolio were also offset by successful new product launches.

**EBITDA remained stable** at **€1.1m**

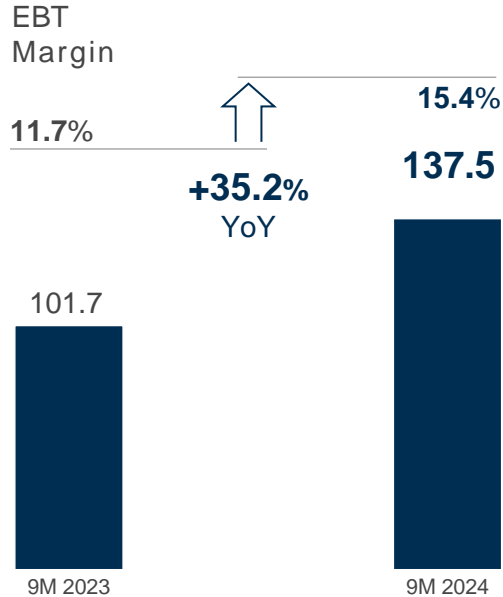
- Positive revenue effects were partially offset by increased sales deductions due to portfolio-related increases in health insurance rebates.

# Earnings before tax (Group EBT)

EBT increase due to higher (unadjusted) EBITDA and reduced appreciation

## Earnings before tax (EBT)<sup>1</sup>

€m



- **EBT increased** by **+35.2%** to **€137.5m** translating to a **margin of 15.4%**

Significantly higher **EBT result** mainly driven by

- higher (unadjusted) EBITDA (+€25.7m)
- reduced depreciation (+€5.7m)
- and the significantly more positive financial result of -€31.6m in the current period (9M 2023: -€44.2m)

<sup>1</sup> Calculation of EBT based on unadjusted Group EBITDA of €137.0m (6M 2023) and €147.0m (6M 2024), respectively.

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The Forward-Looking Statements reflect current expectations based on the current business plan and various other assumptions, involve significant risks and uncertainties, should not be read as a guarantee of future performance or results and may not necessarily be accurate indications of whether or not such results will be achieved. The Forward-Looking Statements only speak as of the date of this publication. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of Dermapharm and the estimates given herein. These factors include those discussed in Dermapharm's financial statements which are available on Dermapharm's website. Each recipient of this publication should make its own assessment of the validity of Forward-Looking Statements and other assumptions and, Dermapharm accepts no liability with respect to any Forward-Looking Statements or other assumptions.

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