



Dermapharm Holding SE: Growth in the first quarter of 2020 despite the corona pandemic

- » Group revenues increased by 17.7% to EUR 192.5 million
- » Adjusted Group EBITDA rose by 13.0% to EUR 49.4 million
- » Corona pandemic leads to increased demand in some therapeutic areas
- » Management Board confirms forecast for 2020 as a whole

Grünwald, 19 May 2020 – Dermapharm Holding SE (“Dermapharm”), a leading manufacturer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany with a growing international presence, published its figures for the first three months of 2020 today. The company increased its revenue by 17.7% to EUR 192.5 million in the reporting period (previous year: EUR 163.6 million). Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) also increased by 13.0% to EUR 49.4 million (previous year: EUR 43.7 million). The adjusted EBITDA margin was 25.7%, one percentage point below the previous year’s figure. Unadjusted EBITDA amounted to EUR 49.2 million and the unadjusted EBITDA margin was 25.6%.

“We continued on our growth course in the first three months of fiscal year 2020. The pharmaceutical industry has also been confronted with the corona pandemic and its effects since the beginning of the year. Dermapharm has adapted very quickly to the changed conditions. We immediately took all necessary measures to maintain business operations and at the same time took all necessary precautions to protect our employees,” commented Dr Hans-Georg Feldmeier, CEO of Dermapharm Holding SE.

All production sites of the Dermapharm Group in Germany have been classified as companies with critical infrastructure for the state community in accordance with § 6 of the BSI-KritisV and maintain operations accordingly even in times of crisis. With a view to the current situation, Feldmeier added: “On the one hand, our commitment to Germany as a business location pays off here. On the other hand, thanks to the great commitment of our employees, we were able to avoid delivery bottlenecks even in these challenging times.” Increased demand in some therapeutic areas contributed to higher growth in revenue than planned in the first quarter. Inventory effects within the supply chain played a significant role here. Dermapharm expects this demand effect to smooth out again in the further course of the year. Demand declined in the “Herbal Extracts” segment in the wake of the corona pandemic.

Dermapharm significantly increased its revenues in the “Branded pharmaceuticals and other healthcare products” segment in the first quarter of 2020 by 25.8% to EUR 106.2 million (previous year: EUR 84.4 million). The segment’s adjusted EBITDA thus increased by 17.2% to EUR 43.7 million (previous year: EUR 37.3 million). This increase was largely based on increased demand for products used to strengthen the immune system, particularly in the “vitamins/minerals/enzymes” therapeutic area, due to the corona pandemic. There was also increased demand for “systemic corticoids,” which have an anti-inflammatory effect and support the weakening of the immune response.

In the “Parallel import business” segment, revenues increased by 15.4% to EUR 67.5 million in the reporting period (previous year: EUR 58.5 million). This increase was mainly the result of a rise in demand for re-imported original preparations, which Dermapharm was able to meet by means of intact delivery capability and foresighted stockpiling. Due to the proportional growth of the high-margin product group “reimported narcotics” and the increased distribution of “well-known OTC products” via the company’s own call center, EBITDA in this segment increased disproportionately by 42.9% to EUR 3.0 million (previous year: EUR 2.1 million). The EBITDA margin rose from 3.6% in the first three months of the current fiscal year to 4.4%.

In the “Herbal extracts” segment, Dermapharm generated a revenue contribution of EUR 18.9 million in the first quarter of 2020 (Q1 2019: EUR 20.6 million). The segment recorded weaker demand, especially in Spain and the USA, due to the effects of the corona pandemic. The EBITDA contribution,



taking into account the negative result of the FYTA Group's at-equity investment of EUR -0.9 million, amounted to EUR 3.9 million. This equates to an EBITDA margin of 20.6%.

In view of the business development in the first quarter, Dermapharm confirms its forecast for 2020. The Management Board continues to expect organic growth in Group revenues and EBITDA in the upper single-digit percentage range in each case.

The complete quarterly report is available on the website ir.dermapharm.com as of today.

Key financial figures for Q1 2020 year-on-year

in EUR millions	Q1 2020	Q1 2019	Change
Group revenues	192.5	163.6	+17.7%
<i>Branded pharmaceuticals and other healthcare products</i>	<i>106.2</i>	<i>84.4</i>	<i>+25.8%</i>
<i>Parallel import business</i>	<i>67.5</i>	<i>58.5</i>	<i>+15.4%</i>
<i>Herbal extracts</i>	<i>18.9</i>	<i>20.6</i>	<i>-8.3%</i>
Adjusted* Group EBITDA	49.4	43.7	+13.0%
<i>Branded pharmaceuticals and other healthcare products</i>	<i>43.7</i>	<i>37.3</i>	<i>+17.2%</i>
<i>Parallel import business</i>	<i>3.0</i>	<i>2.1</i>	<i>+42.9%</i>
<i>Herbal extracts</i>	<i>3.9</i>	<i>4.5</i>	<i>-13.3%</i>
Adjusted* EBITDA margin (in %)	25.7	26.7	+1.0pp
<i>Branded pharmaceuticals and other healthcare products</i>	<i>41.1</i>	<i>44.2</i>	<i>-3.1pp</i>
<i>Parallel import business</i>	<i>4.4</i>	<i>3.6</i>	<i>+0.8pp</i>
<i>Herbal extracts</i>	<i>20.6</i>	<i>21.8</i>	<i>-1.2pp</i>
Group EBITDA	49.2	40.7	+20.9%
EBITDA margin (in %)	25.6	24.9	+0.7pp

* Q1 2020 EBITDA adjusted for non-recurring expenses in connection with the acquisition of Allergopharma amounting to EUR 0.2 million.

Q1 2019 EBITDA adjusted by non-recurring expenses of EUR 2.9 million in connection with the acquisition of Euromed and by non-recurring expenses of EUR 0.1 million for consultancy services in connection with further acquisition efforts.

Company profile:

Dermapharm – Pharmaceutical Excellence "Made in Germany"

Dermapharm is a leading manufacturer of patent-free branded pharmaceuticals for selected markets in Germany. Founded in 1991, the company is based in Grünwald near Munich and has its main manufacturing facility in Brehna near Leipzig. The company's integrated business model comprises in-house development, in-house production and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a trained medical and pharmaceutical sales force. Dermapharm has more than 250 active pharmaceutical ingredients for more than 900 marketing authorizations (Arzneimittelzulassungen), which are marketed as pharmaceuticals, dietary supplements or supplemental balanced diets. This range makes the company unique. Besides Germany, the company's core markets also include Austria and Switzerland. The company plans to further expand its international presence. Dermapharm's business model also includes a parallel import business that operates under the "axicorp" brand. Based on revenues, Dermapharm was among the top five parallel import companies in Germany in 2019. In the "Herbal extracts" segment, Dermapharm has access to the growth market for herbal pharmaceuticals through the Spanish company Euromed S.A., one of the leading manufacturers of herbal extracts and natural active ingredients.



With a consistent R&D strategy and numerous successful product and company acquisitions over the past 25 years, Dermapharm has continuously optimized its business and provided external growth impulses in addition to organic growth. Dermapharm intends to continue on this profitable growth course in the future. The company is focusing on a three-pillar strategy: in-house development of new products, increase of its international footprint and further acquisitions.

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