



Dermapharm Holding SE continues on its growth course in third quarter of 2020

- » Group revenue rose by 11.5% to EUR 577.2 million
- » Adjusted Group EBITDA increased by 4.4% to EUR 139.0 million; corresponding adjusted EBITDA margin at 24.1%
- » Cooperation agreement on vaccine production with BioNTech
- » Management Board confirms forecast for fiscal year 2020

Grünwald, 16 November 2020 – Dermapharm Holding SE (together with its consolidated subsidiaries “Dermapharm”), a leading manufacturer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany, published its financial figures for the first nine months of 2020 today. The company increased its sales by 11.5% in the reporting period to EUR 577.2 million (same period of the previous year: EUR 517.6 million). At the same time, earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted for non-recurring expenses and provisions totalling EUR 7.5 million increased by 4.4% to EUR 139.0 million (same period of the previous year: EUR 133.1 million). Accordingly, the adjusted EBITDA margin was 24.1%. Unadjusted EBITDA increased to EUR 131.5 million, resulting in an unadjusted EBITDA margin of 22.8%.

Dr. Hans-Georg Feldmeier, CEO of Dermapharm Holding SE, commented as follows: “Even in these challenging times, our business model continues to prove its strength. Thanks to our growing product range, we are very well positioned in attractive niche markets. We have thus succeeded in compensating for risks in other sub-markets in a dynamic environment by consistently exploiting opportunities in some sub-markets and risks in others. I would also like to emphasise the very successful development in our international markets. We are particularly pleased that we were able to conclude a cooperation and supply agreement with BioNTech for the production of the COVID-19 vaccine BNT162b2.”

Dermapharm managed to significantly increase its sales in the segment “Branded Pharmaceuticals and other Healthcare Products” by 20.2% to EUR 331.9 million (same period of the previous year: EUR 276.2 million). Its most important product Dekristol® benefitted from the increased demand for products that strengthen the immune system. Dermapharm also achieved a record result with its hyperthermic product bite away® in Germany, however the launch in the United States was significantly slowed down by COVID-19 and the temporary lockdown. Its highly flexible production in Germany ensured that the company was able to meet demand for its products at all times and avoid supply bottlenecks. International activities also contributed to the good results of the first 9 months. This year’s acquisition of Allergopharma also had a positive effect on the growth in revenue. Adjusted EBITDA increased by 9.1% to EUR 124.2 million year-on-year (9M 2019: EUR 113.8 million). Accordingly, the segment’s adjusted EBITDA margin was 37.4% (9M 2019: 41.2%).

Sales in the “Parallel Import Business” segment increased by 2.4% to EUR 189.6 million in the reporting period (same period of the previous year: EUR 185.1 million). This increase was mainly the result of increased demand for re-imported original preparations. EBITDA in this segment fell by 13.9% to EUR 6.2 million (9M 2019: EUR 7.2 million). This was due to pandemic-related changes in the product range towards low-margin products. Accordingly, the segment’s EBITDA margin dropped to 3.3% in the first nine months of 2020 (9M 2019: 3.9%).

The “Herbal Extracts” segment generated a sales contribution of EUR 55.7 million with Euromed in the first nine months of 2020 (9M 2019: EUR 56.3 million). The weaker demand in this segment was also due to the COVID-19 pandemic; the effects of the pandemic were particularly noticeable in Spain and the United States. The adjusted EBITDA contribution, taking the negative result of the at-equity



investment in the FYTA Group into account, amounted to EUR 12.8 million (9M 2019: EUR 16.2 million) and thus remained below expectations. Accordingly, the segment's adjusted EBITDA margin was 23.0% (9M 2019: 28.8%).

In September 2020, Dermapharm also signed a cooperation and supply agreement with BioNTech SE for the production of the COVID-19 vaccine BNT 162b2. Within a very short period of time, production capacities for formulation as well as filling and packaging have been established at the company's German site and have already received the official production permits for vaccine production. This has created the necessary conditions to support BioNTech in the global fight against the pandemic once the vaccine has been approved. With the short-term implementation of the vaccine production, Dermapharm has shown that its broad and flexible positioning in Germany allows the company to react quickly and purposefully to market changes and to take advantage of opportunities.

Thanks to its diverse portfolio with both high-growth and stable products, Dermapharm is well positioned in the market and sees attractive growth opportunities for the company in the current final quarter and beyond. For financial year 2020, the Management Board anticipates further Group growth compared to the previous year and, on the basis of the development in the third quarter of 2020, confirms the increased sales and earnings forecast, which was published with the half-year figures for 2020, taking Allergopharma into account. Thus, the Management Board continues to expect an increase of 12-15% in revenue and 8-10% in adjusted EBITDA compared to the previous year.

The complete Q3 2020 Interim Statement will be available as of today on the website ir.dermapharm.de.

Key financial figures 9M 2020 compared to the previous year

in EUR millions	9M 2020	9M 2019	Change
Group revenue	577.2	517.6	+11.5%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	<i>331.9</i>	<i>276.2</i>	<i>+20.2 %</i>
<i>Parallel Import Business</i>	<i>189.6</i>	<i>185.1</i>	<i>+2.4%</i>
<i>Herbal Extracts</i>	<i>55.7</i>	<i>56.3</i>	<i>-1.1%</i>
Adjusted Group EBITDA¹	139.0	133.1	+4.4%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	<i>124.2</i>	<i>113.8</i>	<i>+9.1%</i>
<i>Parallel Import Business</i>	<i>6.2</i>	<i>7.2</i>	<i>-13.9%</i>
<i>Herbal Extracts</i>	<i>12.8</i>	<i>16.2</i>	<i>-21.0%</i>
Adjusted Group EBITDA margin (in %)¹	24.1	25.7	-1.6pp
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	<i>37.4</i>	<i>41.2</i>	<i>-3.8 pp</i>
<i>Parallel Import Business</i>	<i>3.3</i>	<i>3.9</i>	<i>-0.6pp</i>
<i>Herbal Extracts</i>	<i>23.0</i>	<i>28.8</i>	<i>-5.8pp</i>
Group EBITDA	131.5	124.6	5.5%
EBITDA margin (in %)	22.8	24.1	-1.3pp

¹ 9M 2020 EBITDA adjusted for non-recurring expenses and provisions of EUR 7.5 million
9M 2019 EBITDA adjusted for non-recurring expenses and provisions of EUR 8.5 million



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 380 active pharmaceutical ingredients for more than 1,300 marketing authorisations (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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