



Dermapharm Holding SE: strong EBITDA growth in Q3 2021

- » Consolidated revenue up 16.1% to EUR 670.2 million
- » Adjusted consolidated EBITDA rises 63.9% to EUR 227.8 million
- » Sustained high demand for products to strengthen the immune system
- » Investments in fill & finish production facilities for Comirnaty®
- » "Herbal extracts" segment strengthened
- » Board of Management raises EBITDA forecast for the full year 2021

Grünwald, 16 November 2021 – Dermapharm Holding SE ("Dermapharm"), a rapidly growing manufacturer of branded pharmaceuticals, today publishes its results for the first nine months of 2021. The Company remained on its growth trajectory during this period. The revenue and earnings contributions were driven largely by high demand for products to strengthen the immune system and allergy therapeutics as well as vaccine production in cooperation with BioNTech SE.

Dermapharm increased revenue by 16.1% to EUR 670.2 million in the reporting period (prior-year period: EUR 577.2 million). Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) also rose, climbing by 63.9% to EUR 227.8 million (prior-year period: EUR 139.0 million). This translates into a year-on-year improvement in the adjusted EBITDA margin by 9.9 percentage points to 34.0%. Unadjusted EBITDA amounted to EUR 232.0 million and the unadjusted EBITDA margin amounted to 34.6%.

"We are extremely pleased with the progress we've made thus far in the current 2021 financial year. The long-standing partnerships with our suppliers are the basis for stable supply chains and ensure trouble-free operations in our plants. We have recorded an increase in revenue in both Dekristol® 20,000 I.U., which requires a prescription, and the OTC vitamin D products of the Dekristolvit product family. We're also pleased to have steadily expanded our market share in the area of allergy therapeutics over the course of the year with products such as Allergovit® and Acaroid®," said Dr Hans-Georg Feldmeier, Chairman of the Board of Management of Dermapharm Holding SE.

"As expected, the cooperation with BioNTech SE in the production of vaccines is going very well as a partnership and will be further expanded starting in 2022," continues Dr Feldmeier. Dermapharm invested in production facilities for filling, packaging and quality control and provides the network with additional packaging capacities of up to 250 million vaccine doses, or 42 million vials.

Revenue in the **"Branded pharmaceuticals and other healthcare products"** segment amounted to EUR 440.1 million in the first nine months of 2021, representing a 32.6% increase (prior-year period: EUR 331.9 million). Adjusted EBITDA also increased sharply during the same period, by 73.0% to EUR 214.9 million (prior-year period: EUR 124.2 million). Our adjusted EBITDA margin improved by 11.4 percentage points to 48.8%. This increase was due to the sustained high demand for products to strengthen the immune system, Allergopharma's revenue and earnings contribution, which in the previous year was not included in the Dermapharm Group's earnings until April 2020, and the vaccine production in cooperation with BioNTech SE.

The **"Herbal extracts"** segment generated revenue of EUR 54.6 million in reporting period (prior-year period: EUR 55.7 million). The exchange rate effects due to the weaker US dollar reduced the segment's revenue. However, this effect was largely offset by the incipient recovery in demand for herbal extracts on the global market. Taking into account the negative result from the investment in the FYTA Group, which is accounted for using the equity method, the segment's adjusted EBITDA increased by 23.4% to EUR 15.8 million (prior-year period: EUR 12.8 million). Consequently, the EBITDA margin also improved by 5.9 percentage points to 28.9% (prior-year period: 23.0%). Dermapharm strengthened its position in this segment by acquiring the Swedish company AB Cernelle. Cernelle is the world's only manufacturer of a special pollen extract used to treat benign prostate hyperplasia and chronic prostatitis with revenues of approximately EUR 7.0 million.



Revenue in the "**Parallel import business**" segment fell by 7.5% to EUR 175.4 million in the first nine months of the year (prior-year period: EUR 189.6 million). The revenue decline resulted from a general sustained drop in demand throughout the parallel imports market overall, which could not be offset by increasing revenue from re-imported anaesthetics and medicinal marijuana. EBITDA declined by an above-average 64.5% to EUR 2.2 million (prior-year period: EUR 6.2 million). The EBITDA margin declined accordingly from 3.3% in the prior-year period to 1.3%. In particular, the increased participation in health insurance discount agreements following the entry into force of the German Act for More Safety in the Supply of Pharmaceuticals (*Gesetz für mehr Sicherheit in der Arzneimittelversorgung*, "GSAV") led to an immediate deterioration of the margin.

Based on the aforementioned sales effects in the parallel import business and an increasing focus on high-margin Branded Pharmaceuticals, Dermapharm is adjusting its sales expectations and, in view of the very good business development to date, is raising its EBITDA forecast for 2021. The Management Board now anticipates growth in consolidated revenues of 15% to 20% (previously 24% to 26%) and consolidated EBITDA of 50% to 60% (previously: 45% to 50%).

The full interim statement for Q3 2021 is available from today at <https://ir.dermapharm.de/>.

9M 2021 financials vs. prior year

(excluding segment reconciliation/Group holding company)

EUR million	9M 2021	9M 2020	Change
Consolidated revenue	670.2	577.2	16.1 %
<i>Branded pharmaceuticals and other healthcare products</i>	440.1	331.9	32.6%
<i>Herbal extracts</i>	54.6	55.7	-2.0%
<i>Parallel import business</i>	175.4	189.6	-7.5%
Adjusted* consolidated EBITDA	227.8	139.0	63.9%
<i>Branded pharmaceuticals and other healthcare products</i>	214.9	124.2	73.0%
<i>Herbal extracts</i>	15.8	12.8	23.4%
<i>Parallel import business</i>	2.2	6.2	-64.5%
Adjusted* consolidated EBITDA margin (%)	34.0	24.1	9.9 pp
<i>Branded pharmaceuticals and other healthcare products</i>	48.8	37.4	11.4 pp
<i>Herbal extracts</i>	28.9	23.0	5.9 pp
<i>Parallel import business</i>	1.3	3.3	-2.0 pp
Consolidated EBITDA	232.0	131.5	76.4%
Consolidated EBITDA margin (%)	34.6	22.8	11.8 pp

* 9M 2021 EBITDA was adjusted for non-recurring expenses amounting to EUR -4.2 million.
9M 2020 EBITDA was adjusted for non-recurring expenses amounting to EUR 7.5 million.



Company profile:

Dermapharm – Pharmaceutical Excellence "Made in Germany"

Dermapharm is a rapidly growing manufacturer of branded pharmaceuticals. Founded in 1991, the Company is based in Grünwald near Munich. The Company's integrated business model comprises in-house development, production and the distribution of brand products by a trained pharmaceutical sales force. In addition to its main location in Brehna near Leipzig, Dermapharm also operates other production, development and distribution locations in Europe (primarily in Germany) and the United States.

In the "Branded pharmaceuticals and other healthcare products" segment, Dermapharm has approximately 1,300 marketing authorisations with more than 380 active pharmaceutical ingredients. Dermapharm's portfolio of pharmaceuticals, medical devices and food supplements are tailored to selected therapeutic areas in which the Company is a market leader, especially in Germany.

In the "Herbal extracts" segment, Dermapharm can tap the expertise of the Spanish company Euromed S.A., a leading global manufacturer of herbal extracts and plant-based active ingredients for the pharmaceuticals, nutraceuticals, foodstuffs and cosmetics industries.

Dermapharm's business model also includes the "Parallel import business" segment that operates under the "axicorp" brand. Based on revenue, Dermapharm was among the top five parallel import companies in Germany in 2020.

With a consistent R&D strategy and numerous successful product and company acquisitions and by stepping up its internationalisation efforts, Dermapharm has continuously optimised its business over the past 30 years and sought external growth opportunities in addition to organic growth. Dermapharm is firmly committed to continuing on this profitable growth course in the future.

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