



Dermapharm Holding SE publishes H1 2022 financial report, confirms outlook for 2022 overall

- » Consolidated revenue up year on year by 10.1% to EUR 471.1 million
- » Adjusted consolidated EBITDA grew by 8.5% to EUR 148.7 million
- » Adjusted consolidated EBITDA margin: 31.6%
- » Broadly diversified product portfolio is a key success factor
- » Outlook for 2022 confirmed

Grünwald, 7 September 2022 – Dermapharm Holding SE ("Dermapharm"), a rapidly growing manufacturer of off-patent branded pharmaceuticals for selected therapeutic areas in Germany, today published its report on the first half of 2022. Dermapharm also confirmed its preliminary consolidated figures (IFRS).

According to the finalised and reviewed IFRS consolidated figures, Dermapharm lifted its revenue in H1 2022 by 10.1% to EUR 471.1 million (previous year: EUR 427.8 million). Adjusted for non-recurring items amounting to EUR 6.1 million, the Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 8.5% to EUR 148.7 million (previous year: EUR 137.0 million). Our adjusted consolidated EBITDA margin declined by a mere 0.4 percentage points to 31.6% (previous year: 32.0%). Unadjusted consolidated EBITDA for the first six months of 2022 amounted to EUR 142.6 million (previous year: EUR 134.6 million), representing a sharp increase of 5.9%. The unadjusted consolidated EBITDA margin also declined slightly by 1.2 percentage points to 30.3% (previous year: 31.5%).

The Company's performance in the first half of 2022 was in line with projections. "We are pleased to announce a successful first half of the year despite having to contend with difficult conditions. Once again, our broadly diversified product portfolio enabled us to counterbalance fluctuations within individual product groups. We are continuing to systematically implement our growth strategy, and have made good progress in this regard during the first half of the year – thanks primarily to the outstanding dedication of our employees around the world. With our binding offer at the end of July 2022 to buy the French company Arkopharma – the market leader for food supplements on France's pharmacies market – we have laid the foundations for further growth and in the coming year will continue to push forward with our focus on internationalisation, particularly in western and southern Europe", said Dr Hans-Georg Feldmeier, Chairman of the Board of Management of Dermapharm Holding SE.

"Branded pharmaceuticals and other healthcare products" is the strongest segment – "Parallel import business" continues to grow

The **"Branded pharmaceuticals and other healthcare products"** segment accounted for the greatest share of the Group's revenue and earnings in H1 2022, with revenues up 9.8% to EUR 297.7 million during that period (previous year: EUR 271.2 million). The unadjusted EBITDA in the first six months of the year rose by 4.7% to EUR 134.8 million (previous year: EUR 128.7 million). The unadjusted EBITDA margin decreased by 2.2 percentage points year on year to 45.3% (previous year: 47.5%). This increase in revenue and earnings was due to the sustained high demand for products that strengthen the immune system, the vaccine production in cooperation with BioNTech SE, and organic growth in this segment.

In the **"Herbal extracts"** segment, revenue rose by 32.1% to EUR 51.9 million in the first half of 2022 (previous year: EUR 39.3 million). Unadjusted EBITDA grew by 8.3% to EUR 9.1 million (previous year: EUR 8.4 million). The unadjusted EBITDA margin decreased by 3.7 percentage points to 17.6% (previous year: 21.3%). The increase in revenue was due mainly to the contributions of AB Cernelle and C³ Group. The global increase in demand for herbal extracts also had a noticeable positive effect.



In the "Parallel import business" segment, the negative trend of recent months was brought to a halt. In the first half of 2022, revenue grew by 3.7% to EUR 121.5 million (previous year: EUR 117.2 million). Unadjusted EBITDA improved in tandem by 166.7% to EUR 2.4 million (previous year: EUR 0.9 million). This translates to a 2.0% unadjusted EBITDA margin (previous year: 0.8%). This increase was due on the one hand to the optimisation of operating processes and on the other to a year-on-year rise in demand for OTC products. However, a continued decline in the overall market for reimports as well as higher discounts to health insurance organisations in connection with the German Act for More Safety in the Supply of Pharmaceuticals (*Gesetz für mehr Sicherheit in der Arzneimittelversorgung*, "GSAV") continued to weigh down the segment's results.

Board of Management confirms outlook for 2022 overall

After a successful first half of 2022, the Board of Management is pleased to confirm its forecast for the full year and continues to expect an increase in consolidated revenue by between 10% and 13%, as well as an increase in adjusted consolidated EBITDA by between 3% and 7%.

Change in the Management Board

Hilde Neumeyer has left the company. She will be succeeded as Chief Financial Officer by Christof Dreibholz (55) on 1 November 2022. As an auditor and tax consultant, Mr Dreibholz has many years of experience in the areas of finance, controlling and accounting. Mr Dreibholz has been employed by Deloitte since 2002 and has been responsible for the implementation of financial due diligence projects as a partner since 2008. Mr Dreibholz has advised the Dermapharm Group on numerous national and international acquisitions and therefore knows the structures of the Dermapharm Group very well.

The full financial report on the first half of 2022 was published today at <https://ir.dermapharm.de/>.

H1 2022 financials vs. prior year (IFRS)

(excluding segment reconciliation/Group holding company)

EUR million	H1 2022	H1 2021	Change
Consolidated revenue	471.1	427.8	10.1%
<i>Branded pharmaceuticals and other healthcare products</i>	297.7	271.2	9.8%
<i>Herbal extracts</i>	51.9	39.3	32.1%
<i>Parallel import business</i>	121.5	117.2	3.7%
Adjusted consolidated EBITDA*	148.7	137.0	8.5%
Adjusted EBITDA margin* (%)	31.6	32.0	-0.4 pp
Unadjusted consolidated EBITDA	142.6	134.6	5.9%
<i>Branded pharmaceuticals and other healthcare products</i>	134.8	128.7	4.7%
<i>Herbal extracts</i>	9.1	8.4	8.3%
<i>Parallel import business</i>	2.4	0.9	166.7%
Unadjusted consolidated EBITDA margin (%)	30.3	31.5	-1.2 pp
<i>Branded pharmaceuticals and other healthcare products</i>	45.3	47.5	-2.2 pp
<i>Herbal extracts</i>	17.6	21.3	-3.7 pp
<i>Parallel import business</i>	2.0	0.8	1.2 pp

* H1 2022 EBITDA was adjusted for non-recurring expenses amounting to EUR 6.1 million.
H1 2021 EBITDA was adjusted for non-recurring expenses amounting to EUR 2.4 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-name 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 more than 1,200 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. At the beginning of 2022, the segment was expanded to include Germany-based C³ Group, which develops, manufactures and markets synthetic cannabinoids. C³ Group is the market leader for dronabinol in Germany and Austria.

Dermapharm's business model also includes the "Parallel import business" segment that operates under the "axicorp" brand. Based on revenue, axicorp was among the top five parallel import companies in Germany in 2021.

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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