



Dermapharm Holding SE surpasses one billion in revenue for first time in 2022 and maintains growth trajectory

- » Consolidated revenue rises 8.7% to EUR 1,024.8 million
- » Adjusted consolidated EBITDA grows by 2.5% to EUR 359.8 million
- » Consolidated revenue expected to increase to between EUR 1,080 and 1,110 billion in 2023
- » Adjusted consolidated EBITDA expected to amount to between EUR 300 and 310 million in 2023
- » Dividend proposal of EUR 1.05 per share for 2022

Grünwald, 28 March 2023 – Dermapharm Holding SE ("Dermapharm"), a rapidly growing manufacturer of branded pharmaceuticals, today published its full Annual Report 2022. Dermapharm confirms its preliminary consolidated figures (IFRS) for financial year 2022. Despite the difficult macroeconomic environment, Dermapharm succeeded in maintaining its growth trajectory. Both consolidated income and adjusted consolidated EBITDA rose to record highs in financial year 2022.

On the basis of the final, audited consolidated figures (IFRS), consolidated revenue rose by 8.7% year on year to EUR 1,024.8 million in 2022 (previous year: EUR 942.9 million). Adjusted for non-recurring items amounting to EUR 28.4 million, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 2.5% to EUR 359.8 million (previous year: EUR 351.1 million). Accordingly, Dermapharm generated an adjusted EBITDA margin of 35.1% (previous year: 37.2%). Unadjusted consolidated EBITDA amounted to EUR 331.3 million (previous year: EUR 354.4 million). This translates to an unadjusted consolidated EBITDA margin of 32.3% (previous year: 37.6%).

"In many respects, the overall conditions were challenging in financial year 2022. Despite the war in Ukraine, the energy crisis and rising inflation, we closed the 2022 financial year on a high note with an EBITDA margin of well over 30%. Our solid and resilient business model and our ability to adapt quickly to new market conditions once again proved resilient in the challenging market environment. Growth was driven primarily by our broadly diversified product portfolio with compounds such as Dekristol®, Ampho-Moronal®, Myditin®, Tromcardin® complex and Keltican®, which performed exceptionally well," said Dr Hans-Georg Feldmeier, Chairman of the Board of Management of Dermapharm Holding SE.

Branded pharmaceuticals and other healthcare products

The greatest contribution to consolidated revenue came from the "Branded pharmaceuticals and other healthcare products" segment. Its revenue rose by 5.3% as against 2021 to EUR 674.2 million (previous year: EUR 640.4 million). In addition to the growth driven by vaccine production, Dermapharm also recorded a renewed uptick in organic growth in material parts of its existing portfolio as the pandemic receded, helping to offset the decline in revenue at fitvia and mibeTec as customers' shopping habits with regard to those companies' products changed. The segment's adjusted EBITDA grew by 1.7% year on year to EUR 342.1 million (previous year: EUR 336.3 million). The adjusted EBITDA margin amounted to 50.7% (previous year: 52.5%). The adjustments made in connection with acquisitions, equity investments, impairment charges and restructuring measures amounted to EUR 21.5 million in total. Unadjusted EBITDA decreased by 4.2% to EUR 320.6 million in financial year 2022 (previous year: EUR 334.5 million). The unadjusted EBITDA margin declined slightly to 47.6% (previous year: 52.2%).

**Herbal extracts**

The "Herbal extracts" segment generated revenue of EUR 97.2 million in financial year 2022, significantly surpassing the figure of EUR 72.0 million recorded for 2021. The increase in revenue resulted from rising revenue at Euromed as well as the additional revenue contributions from AB Cernelle and the C³ Group, which were acquired at the end of 2021 and in 2022, respectively. The segment's adjusted EBITDA amounted to EUR 17.9 million (previous year: EUR 19.5 million) and its adjusted EBITDA margin was 18.4% (previous year: 27.0%). EUR 5.7 million in adjustments were made in connection with the purchase price allocation of AB Cernelle and the C³ Group as well as restructuring costs in relation to the C³ Group. The segment's unadjusted EBITDA amounted to EUR 12.2 million (previous year: EUR 24.5 million). Thus, the unadjusted EBITDA margin was 12.6% (previous year: 34.1%).

Parallel import business

Revenue in the "Parallel import business" segment increased by 9.9% to EUR 253.4 million (previous year: EUR 230.6 million). The increase in revenue was due to an incipient recovery in market growth in the parallel imports business after stagnation in recent years. This development was offset by higher health insurance discounts and further adjustments to reference prices, which resulted in reduced selling prices. The segment's EBITDA increased by 185.7% to EUR 6.0 million (previous year: EUR 2.1 million). This increase was due mainly to the general rise in the parallel imports market. The segment's EBITDA margin improved significantly in the year under review to 2.4% (previous year: 0.9%).

Annual General Meeting 2023 – dividend of EUR 1.05 per share

The Annual General Meeting of Dermapharm Holding SE will take place on 14 June 2023. For financial year 2022, the Board of Management and Supervisory Board are proposing a dividend of EUR 1.05 per share. The proposed dividend corresponds to a total distribution of EUR 56.5 million (previous year: EUR 116.8 million). This represents a distribution ratio of 42% (previous year: 56%) of the expected consolidated profit of EUR 134.2 million. The acquisition of Arkopharma will lead to an increase in financial liabilities in 2023. The Board of Management's goal in reducing the distribution ratio as compared to the previous year is to ensure that financial liabilities can be repaid quickly.

Outlook for financial year 2023

"2022 was a very successful financial year, but we are already looking ahead to 2023. In connection with the pandemic, vaccine production led to non-recurring effects in 2021 and 2022 that will not continue to the same extent. However, by acquiring Arkopharma, we succeeded in transferring this positive non-recurring effect into sustainable revenue and earnings growth while at the same time significantly expanding our portfolio of food supplements as well as our market presence in western and southern Europe," said Dr Feldmeier.

The Board of Management confirms the guidance published on 14 March 2023 and expects consolidated revenue to amount to between EUR 1,080 and 1,110 million and consolidated EBITDA to amount to between EUR 300 and 310 million in 2023.

The full Annual Report 2022 was published today at <https://ir.dermapharm.de/>.



**IFRS figures for 2022 and the previous year:
(excluding segment reconciliation/Group holding company)**

EUR million	2022	2021	Change
Consolidated revenue	1,024.8	942.9	+8.7%
<i>Branded pharmaceuticals and other healthcare products</i>	674.2	640.4	+5.3%
<i>Herbal extracts</i>	97.2	72.0	+35.0%
<i>Parallel import business</i>	253.4	230.6	+9.9%
Adjusted consolidated EBITDA*	359.8	351.1	+2.5%
<i>Branded pharmaceuticals and other healthcare products</i>	342.1	336.3	+1.7%
<i>Herbal extracts</i>	17.9	19.5	-8.2%
<i>Parallel import business</i>	6.0	2.1	185.7%
Adjusted EBITDA margin* (%)	35.1	37.2	-2.1 pp
<i>Branded pharmaceuticals and other healthcare products</i>	50.7	52.5	-1.8 pp
<i>Herbal extracts</i>	18.4	27.0	-8.6 pp
<i>Parallel import business</i>	2.4	0.9	+1.5 pp
Consolidated EBITDA	331.3	354.4	-6.5%
<i>Branded pharmaceuticals and other healthcare products</i>	320.6	334.5	-4.2%
<i>Herbal extracts</i>	12.2	24.5	-50.2%
<i>Parallel import business</i>	6.0	2.1	185.7%
EBITDA margin (%)	32.3	37.6	-5.3 pp
<i>Branded pharmaceuticals and other healthcare products</i>	47.6	52.2	-4.6 pp
<i>Herbal extracts</i>	12.6	34.1	-21.5 pp
<i>Parallel import business</i>	2.4	0.9	+1.5 pp

* 2022 EBITDA adjusted to eliminate non-recurring items amounting to EUR 28.4 million, incl. adjusted EBITDA of EUR -6.2 million at the Group holding company.
2021 EBITDA adjusted to eliminate non-recurring items amounting to EUR -3.3 million, incl. EBITDA of EUR -6.8 million at the Group holding company.



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. In January 2023, the segment was expanded to include Arkopharma, the market leader for herbal medicines and food supplements in France.

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 four parallel import companies in Germany in 2022.

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.

Contact

Investor Relations & Corporate Communications
Britta Hamberger
Tel.: +49 (0)89 – 64186-233
E-mail: ir@dermapharm.com