



Dermapharm Holding SE: outstanding start to financial year 2023

- » Consolidated revenue up 37.8% to EUR 319.1 million
- » Adjusted consolidated EBITDA rises 40.9% to EUR 105.8 million
- » Strong organic growth in the existing portfolio
- » Arkopharma Group acquired in January 2023 contributes to revenue and earnings for the first time
- » Board of Management confirms outlook for 2023 overall, expects consolidated revenue of EUR 1,080–1,110 million and adjusted EBITDA of EUR 300–310 million.

Grünwald, 15 May 2023 – Dermapharm Holding SE ("Dermapharm"), a rapidly growing manufacturer of branded pharmaceuticals, increased its consolidated revenue by 37.8% to EUR 319.1 million in the first quarter of financial year 2023 (previous year: EUR 231.6 million). Adjusted consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) also rose, climbing by 40.9% to EUR 105.8 million (previous year: EUR 75.1 million). Consequently, the adjusted consolidated EBITDA margin improved by 0.8 percentage points to 33.2%. Unadjusted consolidated EBITDA amounted to EUR 98.0 million (previous year: EUR 71.3 million) and the unadjusted consolidated EBITDA margin amounted to 30.7%.

"From an operating standpoint, the business performed in line with expectations in the first three months of 2023, despite the continuing effects of the war in Ukraine, the energy crisis and rising inflation. Thanks to our comprehensive value chain, broadly diversified product portfolio and high efficiency in purchasing, production and distribution, we succeeded in generating further growth and maintaining our ability to deliver. The key growth drivers in the first quarter stemmed from our acquisition of the Arkopharma Group, strong organic growth in our existing portfolio and a return to growth in the 'Parallel import business' segment," said Dr Hans-Georg Feldmeier, Chairman of the Board of Management of Dermapharm Holding SE.

Performance of segments on target

Revenue in the **"Branded pharmaceuticals and other healthcare products"** segment amounted to EUR 161.4 million in the first three months of 2023, representing a 10.8% increase (previous year: EUR 145.7 million). Adjusted EBITDA also improved during the same period, climbing by 17.0% to EUR 81.2 million (previous year: EUR 69.4 million), and the adjusted EBITDA margin increased to 50.3% (previous year: 47.6%). Unadjusted EBITDA rose to EUR 74.0 million (previous year: EUR 66.4 million). The segment's unadjusted EBITDA margin amounted to 45.8% (previous year: 45.6%). This positive performance was due primarily to the stable demand for products in the existing portfolio and organic growth in the dermatologics, allergology, and pain and inflammation therapeutic areas.

The **"Herbal extracts"** segment generated revenue of EUR 91.3 million in the first quarter of 2023 (previous year: EUR 25.6 million). The significant year-on-year increase in revenue was due to the additional contributions to revenue from the Arkopharma Group, which was subject to initial consolidation at the beginning of the year. Adjusted EBITDA amounted to EUR 24.1 million (previous year: EUR 6.1 million) and the adjusted EBITDA margin was 26.4% (previous year: 23.8%). The unadjusted EBITDA amounted to EUR 23.4 million (previous year: 5.4 million), and the EBITDA margin amounted to 25.6% (previous year: 21.1%).



Revenue in the **"Parallel import business"** segment rose by 9.9% to EUR 66.4 million in the reporting period (previous year: EUR 60.4 million). The segment outperformed the competition thanks to a healthy order intake and good availability of products in the parallel import business. Growth was also lifted by the OTC product line. EBITDA for this segment increased by 50.0% to EUR 1.8 million (previous year: EUR 1.2 million). The EBITDA margin rose accordingly, increasing from 2.0% in the previous year to 2.7%.

Outlook for full year confirmed as is

In light of the stable business development in the first quarter of 2023, Dermapharm is pleased to confirm its outlook for 2023. The Board of Management 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 interim statement for Q1 2023 is available from today at <https://ir.dermapharm.de/>.

Q1 2023 financials vs. prior year

(excluding segment reconciliation/Group holding company)

EUR million	Q1/2023	Q1/2022	Change
Consolidated revenue	319.1	231.6	+37.8%
<i>Branded pharmaceuticals and other healthcare products</i>	<i>161.4</i>	<i>145.7</i>	<i>+10.8%</i>
<i>Herbal extracts</i>	<i>91.3</i>	<i>25.6</i>	<i>+256.6%</i>
<i>Parallel import business</i>	<i>66.4</i>	<i>60.4</i>	<i>+9.9%</i>
Adjusted* consolidated EBITDA	105.8	75.1	+40.9%
<i>Branded pharmaceuticals and other healthcare products</i>	<i>81.2</i>	<i>69.4</i>	<i>+17.0%</i>
<i>Herbal extracts</i>	<i>24.1</i>	<i>6.1</i>	<i>+295.1%</i>
<i>Parallel import business</i>	<i>1.8</i>	<i>1.2</i>	<i>+50.0%</i>
Adjusted* EBITDA margin (%)	33.2	32.4	+0.8 pp
<i>Branded pharmaceuticals and other healthcare products</i>	<i>50.3</i>	<i>47.6</i>	<i>+2.7 pp</i>
<i>Herbal extracts</i>	<i>26.4</i>	<i>23.8</i>	<i>+2.6 pp</i>
<i>Parallel import business</i>	<i>2.7</i>	<i>2.0</i>	<i>+0.7 pp</i>
Consolidated EBITDA	98.0	71.3	+37.4%
<i>Branded pharmaceuticals and other healthcare products</i>	<i>74.0</i>	<i>66.4</i>	<i>+11.4%</i>
<i>Herbal extracts</i>	<i>23.4</i>	<i>5.4</i>	<i>+333.3%</i>
<i>Parallel import business</i>	<i>1.8</i>	<i>1.2</i>	<i>50.0%</i>
EBITDA margin (%)	30.7	30.8	-0.1 pp
<i>Branded pharmaceuticals and other healthcare products</i>	<i>45.8</i>	<i>45.6</i>	<i>+0.2 pp</i>
<i>Herbal extracts</i>	<i>25.6</i>	<i>21.1</i>	<i>+4.5 pp</i>
<i>Parallel import business</i>	<i>2.7</i>	<i>2.0</i>	<i>+0.7 pp</i>

* Q1 2023 EBITDA was adjusted for non-recurring expenses amounting to EUR 7.8 million. Reconciliation/Group holding company EUR -1.3 million.
Q1 2022 EBITDA was adjusted for non-recurring expenses amounting to EUR 3.7 million. Reconciliation/Group holding company EUR -1.6 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, food supplements 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.

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