



Dermapharm Holding SE: High-margin existing business in branded pharmaceuticals segment drives organic growth at German and international companies

- » Impressive organic growth in existing branded pharmaceuticals business at German and international companies compensates for drop in revenue due to scheduled end of pandemic-related boom in vaccine production
- » EBITDA (unadjusted) rises by 7.3% to EUR 147.0 million, unadjusted EBITDA margin improves by 1.9 percentage points to 25.4%
- » Consolidated revenue and EBITDA (adjusted) drop slightly year-on-year to EUR 578.5 million and EUR 153.0 million, respectively, due to weaker H1 at Arkopharma Group in France. Adjusted EBITDA margin at 26.4%.
- » Board of Management expects high-revenue in H2 and thus confirms guidance for FY 2024 with consolidated revenue of EUR 1,170–1,210 million and adjusted EBITDA of EUR 305–315 million

Grünwald, 27 August 2024 – Dermapharm Holding SE ("Dermapharm"), an innovative and rapidly growing manufacturer of branded pharmaceuticals and other healthcare products, today published its report (reviewed by the auditor) for the first half of the current 2024 financial year and confirmed the preliminary consolidated figures (IFRS). The final figure for consolidated revenue in the first six months of financial year 2024 remained virtually unchanged as against the prior-year period (down 0.6% from EUR 582.1 million to EUR 578.5 million), demonstrating once more the resilience of the corporate strategy. Unadjusted EBITDA and the unadjusted EBITDA margin increased to EUR 147.0 million (prior-year period: EUR 137.0 million) and 25.4% (prior-year period: 23.5%), respectively. The adjustments declined significantly by EUR 25.0 million to EUR 6.0 million, with adjusted EBITDA amounting to EUR 153.0 million or 26.4% of net income (prior-year period: EUR 168.0 million or 28.9%).

"We are very pleased with how the business performed in the first six months of financial year 2024 and see this as validating our corporate strategy. The organic growth in our existing business, both in Germany and abroad, is proving to be a sustainable growth driver that largely compensates for the known burdens. It also includes gaining an ever greater market share in allergology and successfully integrating our recent acquisition Montavit within a very short space of time to bring it on track operationally. The end of the pandemic-related boom in vaccine production and the revenue decline at Arkopharma in the first half of the year were a challenge, but the breadth of our product portfolio in the branded pharmaceuticals segment is paying off. We will continue on our growth trajectory in the next six months and achieve our targets," said Dr Hans-Georg Feldmeier, Chairman of the Board of Management of Dermapharm Holding SE.



Branded pharmaceuticals

Revenue in the "**Branded pharmaceuticals**" segment rose significantly by 5.0% to EUR 277.1 million (prior-year period: EUR 263.9 million). Unadjusted EBITDA improved by 14.5% to EUR 121.0 million in H1 2024 (prior-year period: EUR 105.7 million), with the unadjusted EBITDA margin rising to 43.7% (prior-year period: 40.1%). The scheduled end of vaccine production was offset by organic growth in the existing business and (inorganic) revenue contributions from Montavit, which following a comprehensive restructuring by Dermapharm has been contributing to a positive EBITDA since July 2023. Adjusted EBITDA amounted to EUR 126.0 million in H1 2024 (prior-year period: EUR 127.3 million), with the adjusted EBITDA margin at 45.5% (prior-year period: 48.2%).

Other healthcare products

In the "**Other healthcare products**" segment, the positive development in the B2B herbal extracts business at Euromed was unable to offset the weaker revenue at Arkopharma in the first half of 2024. As well as the consumer reticence in France, Arkopharma's primary sales market, the prior-year period had benefited from price increases that caused revenue to be generated early. In addition, the product launches in 2024 will mainly boost growth in the second half of the year. Against this background, the segment's revenue declined by 7.8% from EUR 194.7 million in the prior-year period to EUR 179.5 million. Adjusted EBITDA in the segment amounted to EUR 28.5 million in the reporting period (prior-year period: EUR 41.5 million), and the adjusted EBITDA margin amounted to 15.9% (prior-year period: 21.3%). The segment's unadjusted EBITDA and unadjusted EBITDA margin in H1 2024 amounted to EUR 27.4 million (prior-year period: EUR 32.1 million) and 15.3% (prior-year period: 16.5%), respectively.

Parallel import business

Revenue in the "**Parallel import business**" segment fell only slightly, decreasing by 1.2% to EUR 122.0 million (prior-year period: EUR 123.5 million). EBITDA amounted to EUR 1.1 million (prior-year period: EUR 0.7 million), representing a rise of 57.1%. The improved product availability and sales conditions and successful product launches contributed to the positive performance.

Board of Management confirms outlook for 2024 overall

The performance in the first half of 2024 laid a good foundation for the further course of the business. It is expected that the Group will continue to expand as projected thanks to persistently high demand for products in the "Branded pharmaceuticals" segment, the anticipated improvement in business development at Arkopharma and a continuing positive performance from Euromed's B2B business. Given this, and based on current knowledge and information, the Board of Management expects that consolidated revenue and adjusted EBITDA will be within the published ranges of EUR 1,170–1,210 million and EUR 305–315 million, respectively.

The full report on the first half of 2024 was published today at <https://ir.dermapharm.de/en>.



IFRS figures for H1 2024 and the prior-year period

(excluding segment reconciliation/Group holding company)

EUR million	H1 2024	H1 2023	Change
Consolidated revenue	578.5	582.1	-0.6%
<i>Branded pharmaceuticals</i>	277.1	263.9	5.0%
<i>Other healthcare products</i>	179.5	194.7	-7.8%
<i>Parallel import business</i>	122.0	123.5	-1.2%
Adjusted consolidated EBITDA*	153.0	168.0	-8.9%
<i>Branded pharmaceuticals</i>	126.0	127.3	-1.0%
<i>Other healthcare products</i>	28.5	41.5	-31.3%
<i>Parallel import business</i>	1.1	0.7	57.1%
Adjusted EBITDA margin* (%)	26.4	28.9	-2.5 pp
<i>Branded pharmaceuticals</i>	45.5	48.2	-2.7 pp
<i>Other healthcare products</i>	15.9	21.3	-5.4 pp
<i>Parallel import business</i>	0.9	0.6	0.3 pp
Consolidated EBITDA	147.0	137.0	7.3%
<i>Branded pharmaceuticals</i>	121.0	105.7	14.5%
<i>Other healthcare products</i>	27.4	32.1	-14.6%
<i>Parallel import business</i>	1.1	0.7	57.1%
EBITDA margin (%)	25.4	23.5	1.9 pp
<i>Branded pharmaceuticals</i>	43.7	40.1	3.6 pp
<i>Other healthcare products</i>	15.3	16.5	-1.2 pp
<i>Parallel import business</i>	0.9	0.6	0.3 pp

* H1 2024 EBITDA was adjusted for non-recurring items amounting to EUR 6.0 million.

H1 2023 EBITDA was adjusted for non-recurring items amounting to EUR 31.0 million.



Company profile

Dermapharm – Pharmaceutical Excellence "Made in Europe"

Dermapharm is an innovative and rapidly growing manufacturer of branded pharmaceuticals and other healthcare products. Founded in 1991, the Company is based in Grünwald near Munich. In addition to its main location in Brehna near Leipzig, Dermapharm also operates other production, development and distribution locations in Germany, the rest of Europe and the United States.

In the "Branded pharmaceuticals" segment, Dermapharm has more than 1,300 marketing authorisations with more than 390 active pharmaceutical ingredients. Dermapharm's portfolio of pharmaceuticals is tailored to selected therapeutic areas in which the Company is a market leader, especially in Germany. The Company's integrated business model extends from in-house product development and production through quality management and logistics to the distribution of branded pharmaceuticals by a trained pharmaceutical sales force.

Dermapharm bundles food supplements, herbal pharmaceuticals, cosmetics, medical devices, herbal extracts and medicinal cannabis in its "Other healthcare products" segment. In this segment, Dermapharm can tap the expertise of Arkopharma, the market leader for herbal food supplements in France, and 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 also operates the "Parallel import business" segment under the axicorp brand. axicorp imports originator pharmaceuticals from other EU Member States and resells them to pharmaceutical wholesalers and pharmacies in Germany. This enables axicorp to benefit from the different pricing structures in the individual EU member states. Based on revenue, axicorp is currently the sixth largest parallel importer in Germany.

With a consistent R&D strategy and numerous successful product and company acquisitions and by stepping up its internationalisation efforts, the Group is continuously optimising its business activities and seeks external growth opportunities in addition to organic growth.

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