



## *Strong organic growth in core markets underscores resilience of Dermapharm Holding SE's corporate strategy*

- » Robust, double-digit organic growth in high-margin "branded pharmaceuticals" largely offsets projected decline in vaccine production.
- » Revenue in "Other healthcare products" segment down year on year due to temporary consumer reticence, particularly in France.
- » Consolidated revenue falls as projected by 6.4% year on year to EUR 298.7 million; above-average profitability in the vaccine business in the prior-year quarter leads to decline in adjusted EBITDA in Q1 2024 by 16.2% to EUR 88.7 million.
- » Board of Management confirms outlook for 2024 overall, continues to expect consolidated revenue of EUR 1,170–1,210 million and adjusted EBITDA of EUR 305–315 million.

### **Grünwald, 15 May 2024 – Dermapharm Holding SE ("Dermapharm"), a rapidly growing manufacturer of branded pharmaceuticals and other healthcare products, today publishes its results for the first three months of 2024.**

The existing portfolio in the "Branded pharmaceuticals" segment again recorded strong organic growth in Q1 2024 as against the prior-year quarter, meaning that the decline in vaccine revenue was largely, albeit not entirely, compensated for. In addition, the consumer reticence observed in recent months, particularly in France, caused revenue at Arkopharma to decline temporarily. Consolidated revenue declined slightly as a result, falling by 6.4% year on year to EUR 298.7 million (Q1 2023: EUR 319.1 million).

The tapering off of the vaccine business also impacted EBITDA. Adjusted EBITDA declined by 16.2% to EUR 88.7 million (Q1 2023: EUR 105.8 million). This translates to a margin of 29.7% (Q1 2023: 33.2%). After adjusting for the vaccine business, however, EBITDA and the EBITDA margin rose sharply – demonstrating the robustness and profitability of the Dermapharm Group's underlying sustainable business.

"We are very satisfied with the Q1 performance, particularly in the 'Branded pharmaceuticals' segment. Efforts to integrate Montavit and Arkopharma are going according to plan and represent the crucial foundation for further international expansion. We have shown that we are able to grow under our own steam, even without vaccines. We are also proud to have re-attained our pre-pandemic level of product availability. Our 'Made in Europe' business model remains a vital competitive advantage and our customers have recognised this", states Dr Hans-Georg Feldmeier, Chairman of the Board of Management of Dermapharm Holding SE.



In the "**Branded pharmaceuticals**" segment, strong organic growth in the core therapeutic areas and Montavit, which was consolidated in mid-2023, can almost completely compensate for the projected decline in revenue from vaccine production. Revenue fell by only EUR 7.0 million, or 4.7%, to EUR 143.0 million (prior-year period: EUR 150.0 million); adjusted EBITDA amounted to EUR 71.2 million or 49.8% of revenue (prior-year period: EUR 79.9 million or 53.3%). The strong performance of the existing business was reflected in the EBITDA trend, as adjusted for the vaccine business and Montavit: absent these factors, both absolute EBITDA and the adjusted EBITDA margin increased – with the latter rising by more than 10 percentage points to more than 40%.

The "**Other healthcare products**" segment generated EUR 99.1 million in revenue in the first three months of 2024 (prior-year period: EUR 105.7 million). The slight decline in revenue was due in particular to the economic downturn observed in recent months and the associated decrease in consumption in France, which is Arkopharma's largest sales market. Accordingly, adjusted EBITDA also decreased to EUR 18.5 million (prior-year period: EUR 25.8 million). The adjusted EBITDA margin amounted to 18.7% (prior-year period: 24.4%). Arkopharma's revenue can be expected to recover over the course of financial year 2024.

Revenue in the "**Parallel import business**" segment fell by 10.7% to EUR 56.6 million (prior-year period: EUR 63.4 million). This decrease was due primarily to below-average product availability at the end of 2023/beginning of 2024, which has since improved. EBITDA amounted to EUR 0.2 million (prior-year period: EUR 1.5 million), due to a change in the product mix in reaction to poorer product availability. The segment's EBITDA margin decreased accordingly in the first three months of 2024 to 0.4% (prior-year period: 2.4%).

The Group's performance in Q1 2024 was in line with our underlying projections. In light of this, the Board of Management confirms the guidance from the 2023 Annual Report and continues to expect consolidated revenue to grow to between EUR 1,170–1,210 million in financial year 2024 and adjusted consolidated EBITDA of between EUR 305–315 million.

The full interim statement for Q1 2024 is available from today at <https://ir.dermapharm.de/>.

IFRS figures for 2024 and the prior-year period<sup>1</sup>

(excluding segment reconciliation/Group holding company)

EUR million	Q1 2024	Q1 2023	Change
<b>Consolidated revenue</b>	<b>298.7</b>	<b>319.1</b>	<b>-6.4%</b>
<i>Branded pharmaceuticals</i>	<i>143.0</i>	<i>150.0</i>	<i>-4.7%</i>
<i>Other healthcare products</i>	<i>99.1</i>	<i>105.7</i>	<i>-6.2%</i>
<i>Parallel import business</i>	<i>56.6</i>	<i>63.4</i>	<i>-10.7%</i>
<b>Adjusted consolidated EBITDA*</b>	<b>88.7</b>	<b>105.8</b>	<b>-16.2%</b>
<i>Branded pharmaceuticals</i>	<i>71.2</i>	<i>79.9</i>	<i>-10.9%</i>
<i>Other healthcare products</i>	<i>18.5</i>	<i>25.8</i>	<i>-28.3%</i>
<i>Parallel import business</i>	<i>0.2</i>	<i>1.5</i>	<i>-86.7%</i>
<b>Adjusted EBITDA margin* (%)</b>	<b>29.7</b>	<b>33.2</b>	<b>-3.5 pp</b>
<i>Branded pharmaceuticals</i>	<i>49.8</i>	<i>53.3</i>	<i>-3.5 pp</i>
<i>Other healthcare products</i>	<i>18.7</i>	<i>24.4</i>	<i>-5.7 pp</i>
<i>Parallel import business</i>	<i>0.4</i>	<i>2.4</i>	<i>-2 pp</i>
<b>Consolidated EBITDA</b>	<b>85.7</b>	<b>98.0</b>	<b>-12.6%</b>
<i>Branded pharmaceuticals</i>	<i>68.9</i>	<i>72.7</i>	<i>-5.2%</i>
<i>Other healthcare products</i>	<i>17.8</i>	<i>25.2</i>	<i>-29.4%</i>
<i>Parallel import business</i>	<i>0.2</i>	<i>1.5</i>	<i>-86.7%</i>
<b>EBITDA margin (%)</b>	<b>28.7</b>	<b>30.7</b>	<b>-2.0 pp</b>
<i>Branded pharmaceuticals</i>	<i>48.2</i>	<i>48.5</i>	<i>-0.3 pp</i>
<i>Other healthcare products</i>	<i>18.0</i>	<i>23.8</i>	<i>-5.8 pp</i>
<i>Parallel import business</i>	<i>0.4</i>	<i>2.4</i>	<i>-2 pp</i>

\* Q1 2024 EBITDA adjusted by EUR 3.0 million in non-recurring expenses in connection with the reduced shareholding in Wellster Healthtech Group GmbH and the relocation of Candoro ethics GmbH NM and THC Pharm GmbH to Friedrichsdorf. Q1 2023 EBITDA adjusted by EUR 7.8 million in non-recurring expenses relating to the acquisition of the Arkopharma Group.

<sup>1</sup> The figures for the prior-year quarter have been adjusted to reflect the change in the segment structure in Q2 2023.



## 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 400 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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