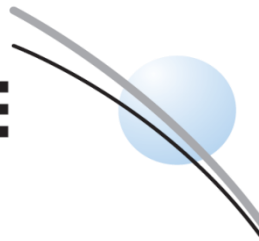


Dermapharm Holding SE



**Investor and Analyst Conference Call
H1 2019**

Grünwald, 12 September 2019

Agenda

- 1. Overview**
- 2. Financial figures H1 2019**
- 3. Outlook FY 2019**
- 4. Q&A**

Agenda

1. Overview

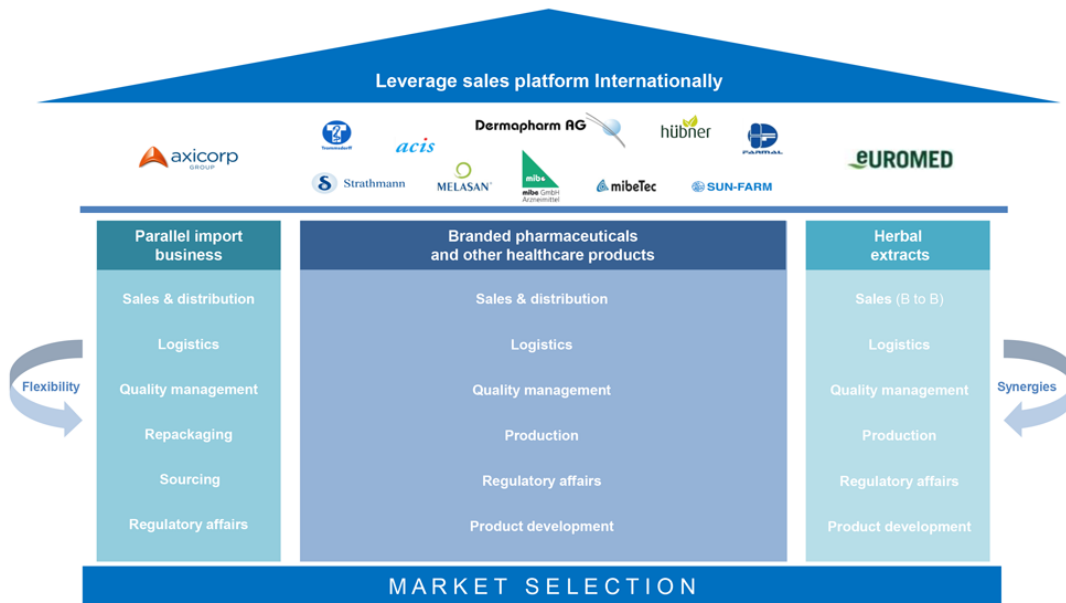
2. Financial figures H1 2019

3. Outlook FY 2019

4. Q&A

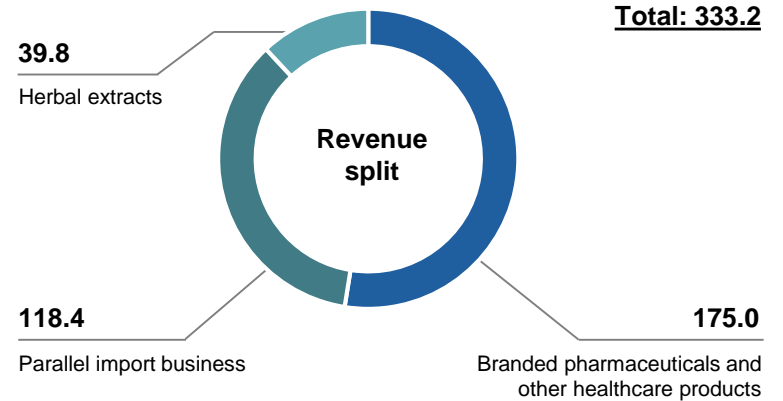
Dermapharm – Pharmaceutical excellence “Made in Germany”

Dermapharm’s integrated business model...



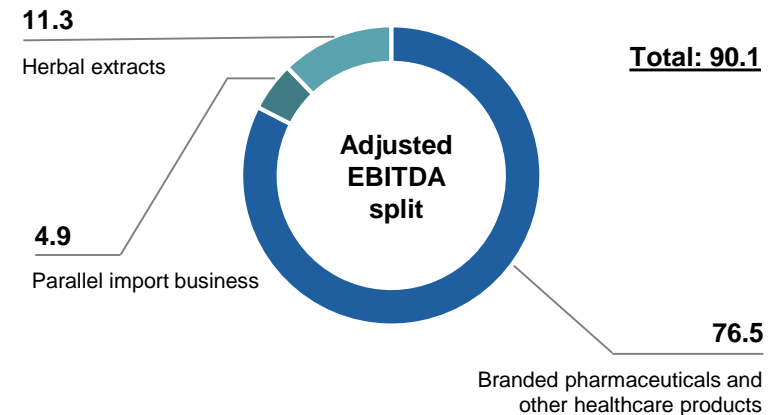
...results in attractive financials...

Group revenues H1 2019 in €m



...and high margins

Adjusted Group EBITDA⁽¹⁾ H1 2019 in €m



Dermapharm – Highlights H1 2019 (1/2)



Successful product development and expansion of facilities

- **Pipeline of 50 ongoing development projects on track**
- Update on Dekristol
- **Mibe GmbH Arzneimittel:** Construction of a **new central logistics hub** progressing as planned, **completion expected until September 2019**
- **Melasan GmbH:** Construction of a **new production building** developing as expected, **completion until November 2019**



Further Internationalisation

- **International roll-out of bite away® and Herpotherm®** in 15 European countries
- **First steps** for setting up a **new entity in Spain**
- Continuous **screening** of **international M&A opportunities**

Dermapharm – Highlights H1 2019 (2/2)

Attractive M&A activities



- Successful **integration** of **Strathmann** and **Trommsdorff**
- **New segment “Herbal Extracts”** based on acquisition of Euromed
- **FYTA – 20 % stake** in producer of **medical cannabis** for pharmaceutical application
- **Fitvia – 70 % stake** in company **specialized in healthy nutrition** (Closing: 16 July 2019)

Legal framework



- **New GSAV directive** since 16 August 2019: **legal promotion of parallel import business to persist**
- **New IFRS 16 standard “Leases”**

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1. Overview

2. Financial figures H1 2019

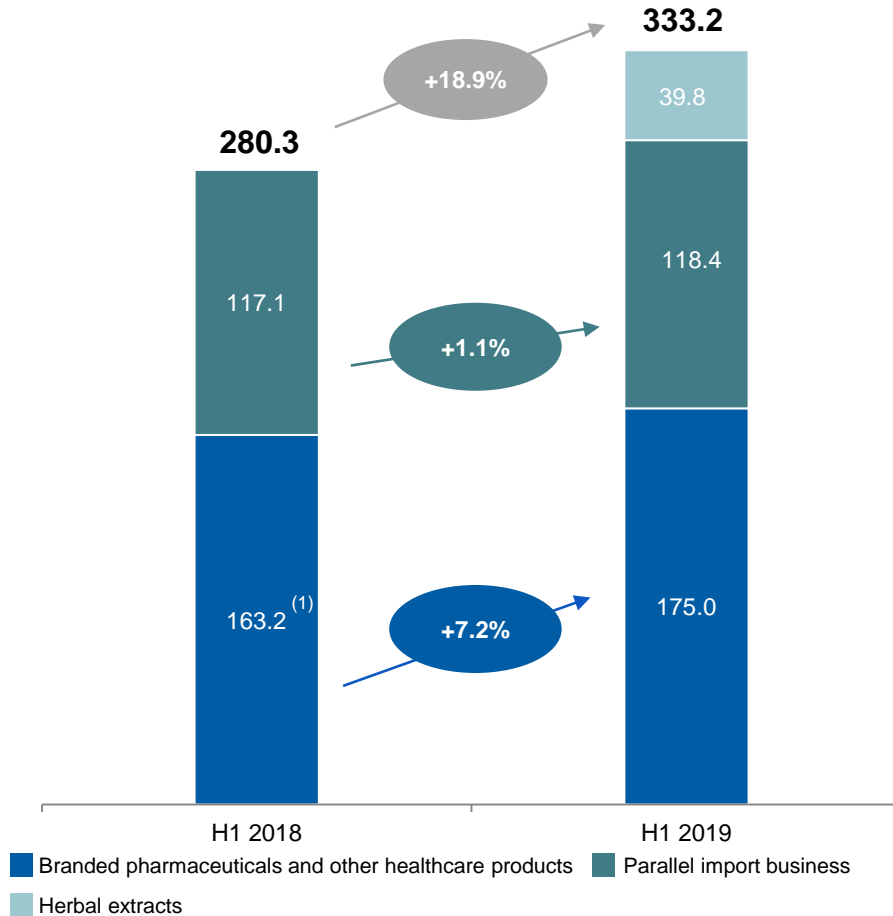
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Dermapharm Group Revenue – Growth in all segments

Dermapharm's revenue development

H1 2018 vs H1 2019 €m, YoY growth (%)



Dermapharm Group

- Significant revenue growth of 18.9 % to € 333.2 million
- Main growth drivers:
 - first-time consolidation of Euromed⁽²⁾ as well as
 - organic growth with the support of the expansion of the product portfolio

Branded pharmaceuticals & other healthcare products

- Revenues up by 7.2 % to € 175.0 million
- Increase mainly from organic growth and introduction of new, self-developed products in selected markets

Parallel import business

- Segment revenues increased by 1.1 % to € 118.4 million
- Increase due to a fundamentally stable demand in a slightly growing market for parallel-imported original preparations
- Unaffected by preparatory legislative changes

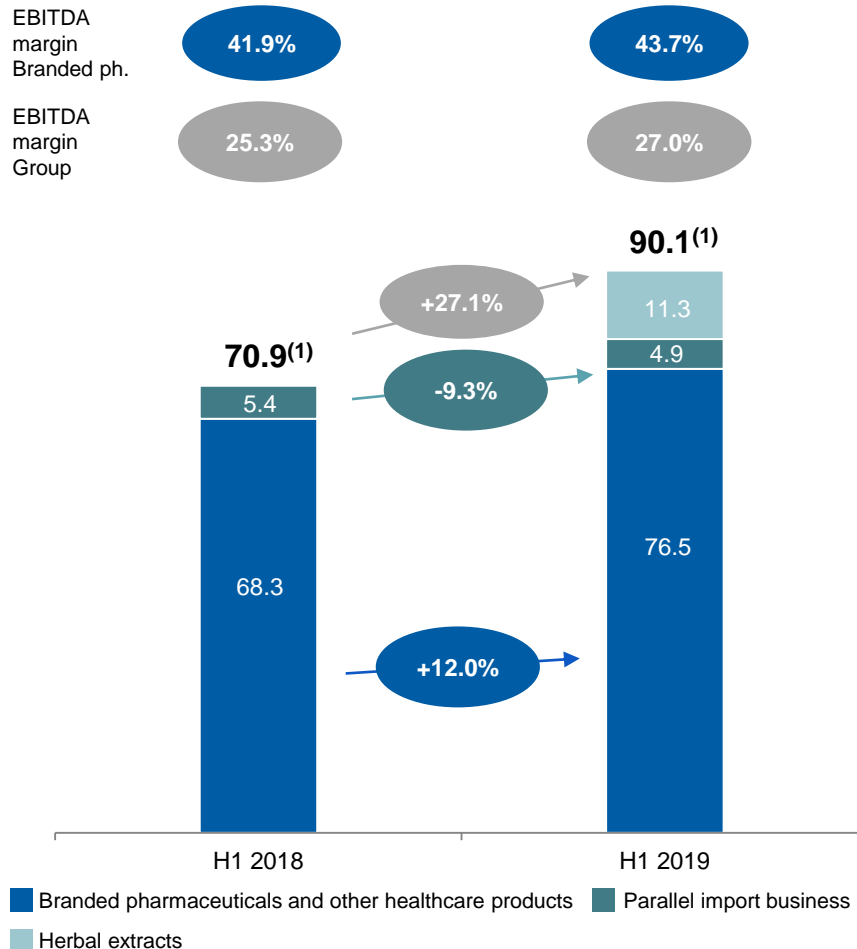
Herbal extracts

- New segment⁽²⁾ developing above plan
- Revenue growth of the four largest products with international customers in the EMEA economic regions and “The Americas”

Dermapharm Group EBITDA – Disproportional growth due to successful integration of the recent acquisition

Dermapharm's adjusted EBITDA⁽¹⁾ development

H1 2018 vs H1 2019 €m, YoY growth (%)



Dermapharm Group

- EBITDA up by 27.1 % to € 90.1 million (adjusted) and 21.6 % to € 81.6 million (unadjusted)
- Strong EBITDA margin of 27.0 % (adjusted) and 24.5 % (unadjusted)
- EBITDA growth driven by Herbal Extracts and Branded Pharmaceuticals
- € 8.5 million one-off costs adjustments: for Euromed, Fitvia and other M&A efforts as well as PPA-Effects; accruals for restructuring of Bio-Diät Berlin and its subsidiary Kräuter Kühne

Branded pharmaceuticals & other healthcare products

- EBITDA up by 12.0 % to € 76.5 million (adjusted) and increase mainly based on organic growth

Parallel import business

- EBITDA decrease of 9.3 % to € 4.9 million mainly due to a increasing number of SHI rebate contracts which adversely affect product margins for high-revenue originator drugs that are about to expire

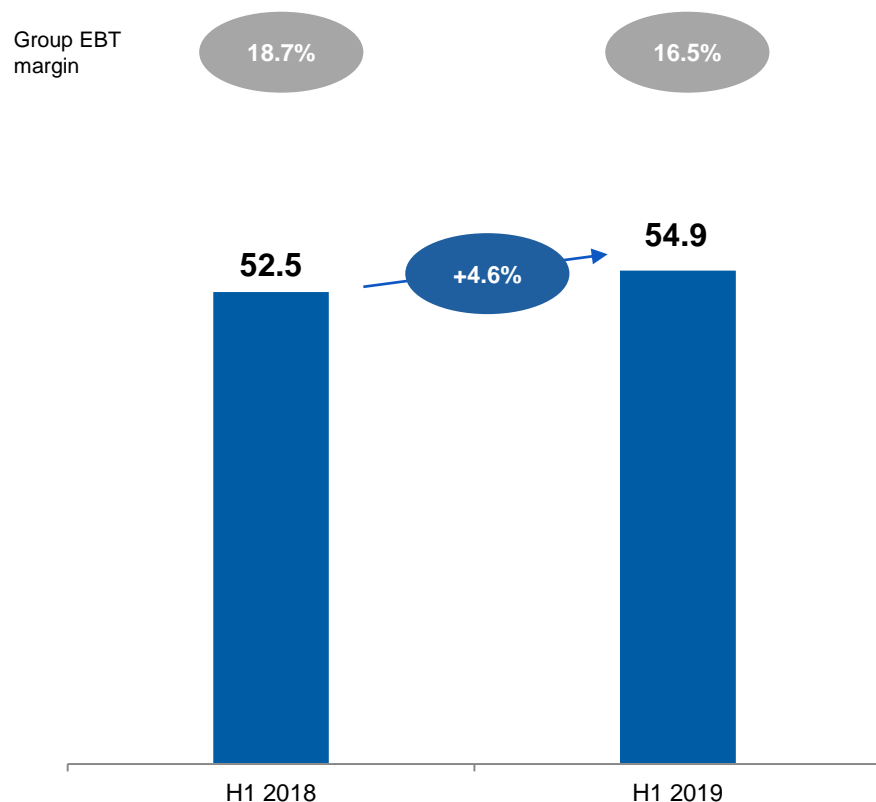
Herbal extracts

- New segment with a very good development of the adjusted half year result

Earnings before tax (EBT) – Influenced by successful acquisitions and investments in future growth

Dermapharm's EBT⁽¹⁾ development

H1 2018 vs H1 2019 €m, YoY growth (%)



Comments

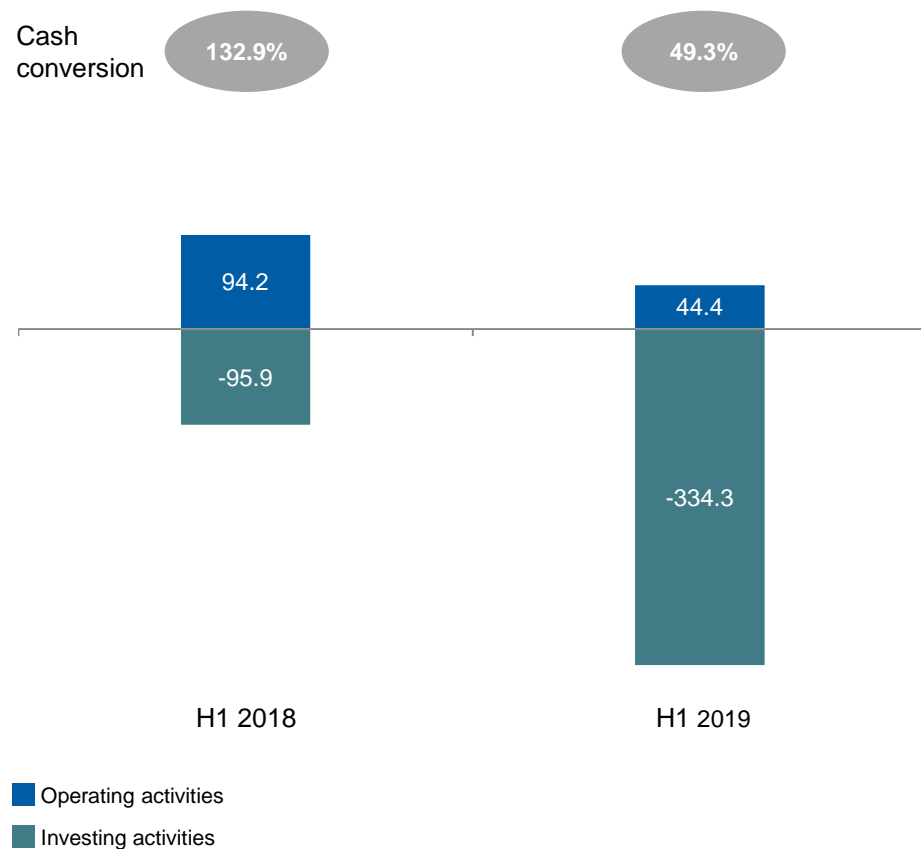
- EBT increased by 4.6 % to € 54.9 million (unadjusted) resulting in a lower margin of 16.5 %
- Mainly influenced by
 - increasing depreciations and amortisation with € 11.0 million on purchase price allocation related to the acquisition of Euromed and its initial consolidation into the group
 - the first-time application of the IFRS Standard 16 “Leases”
- Financial result increased by € 0.8 million to € -2.3 million due to the financing of the recent acquisitions

Note: (1) Calculation of EBT based on unadjusted Group EBITDA of € 81.6 million (H1 2019) and € 67.1 million (H1 2018), respectively.

Cash flows and cash conversion – Reflecting strong dedication to future growth

Cash flow and cash conversion⁽¹⁾

in €m / in % of group EBITDA



Comments

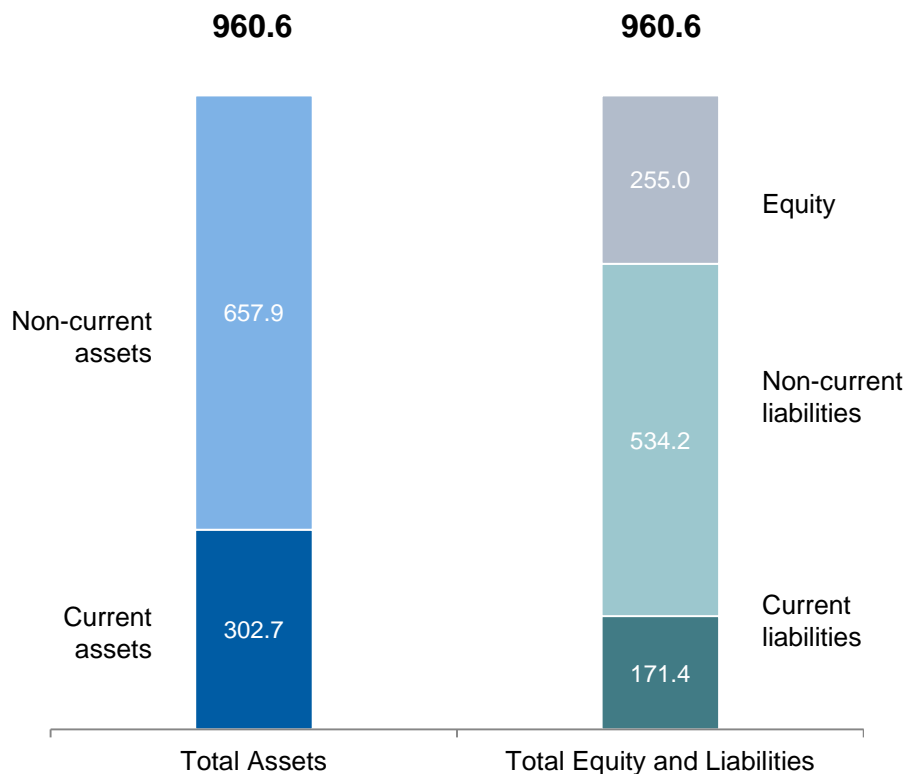
- **CF from operating activities** mainly influenced by **settlement of receivables** from Themis Beteiligungs-AG in the first half of 2018
- **CF from investing activities** reflecting **M&A** as well as **investments in property, plant and equipment**
 - Acquisition of Euromed
 - Minority stake in FYTA
 - Capacity expansion at mibe & Melasan
- **Free cash flow: € -290.0 million** in H1 2019
- **Cash conversion decreased** in H1 2019 to **49.3 %**

Note: (1) Cash conversion defined as operating cash flow / (adjusted) EBITDA.

Balance sheet of Dermapharm Group

Balance Sheet as of 30 June 2019

in €m



Comments

- **Total assets increased to € 960.6 million** (31 December 2018: € 704.6 million)
- **Non-current assets increased to € 657.9 million** (31 December 2018: € 333.3 million) mainly due to an increase in intangible assets, goodwill and property, plant and equipment as well as financial assets in connection with the recent acquisition and minority stake as well as the first-time application of the IFRS Standard 16 “Leases”
- **Current assets decreased to € 302.7 million** (31 December 2018: € 371.2 million) mainly due to decrease in cash and cash equivalents and payment of dividend for fiscal year 2018
- **Equity of € 255.0 million** nearly unchanged (31 December 2018: € 256.1 million)
- **Current and non-current financial liabilities amounted to € 524.4 million** (31 December 2018: € 307.7 million) mainly include
 - Syndicated loan
 - Promissory loans
- **Net debt / adjusted EBITDA⁽¹⁾: 2.6 x**

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Growth strategy on track and conforming with guidance 2019 of the Annual Report 2018

Revenues 2019	+14 % to +19 % vs. previous year (€572m)
EBITDA 2019 (adjusted)	+17 % to +22 % vs. previous year (€143.4m (adjusted))

“Growth rates are based on **organic growth, new launches of in-house developments** and growth from **Euromed** included in the forecast.”

Dermapharm Holding SE



**Investors' and Analysts' Conference Call
H1 2019**

Q&A

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