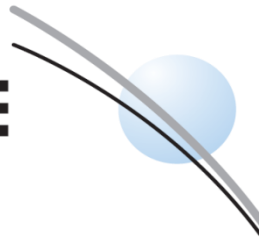


Dermapharm Holding SE



**Investor and Analyst Conference Call
Q1 2019**

Grünwald, May 21, 2019

Agenda

- 1. Overview**
- 2. Financial figures Q1 2019**
- 3. Outlook FY 2019**
- 4. Q&A**

Agenda

1. Overview

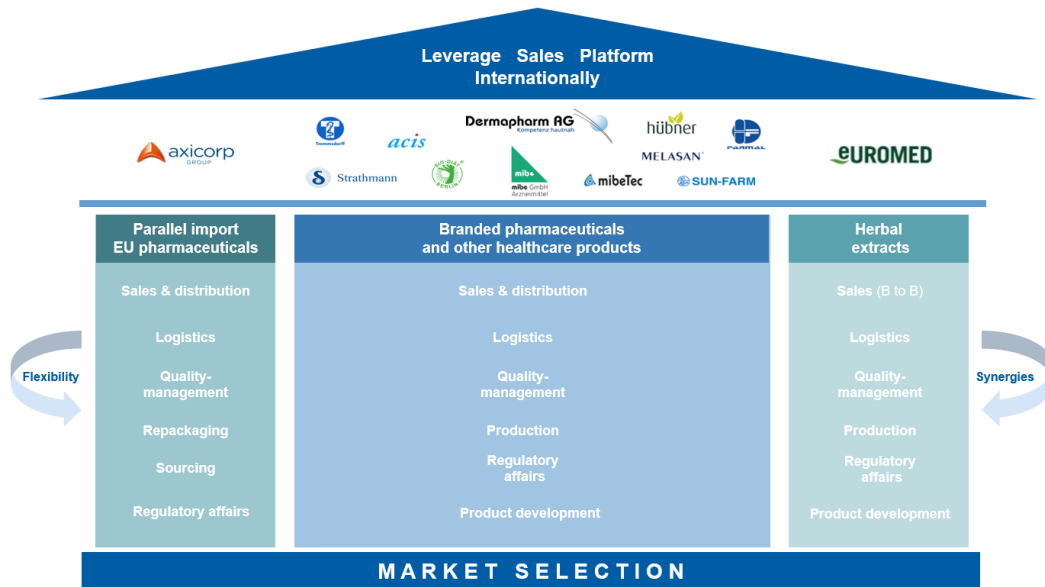
2. Financial figures Q1 2019

3. Outlook FY 2019

4. Q&A

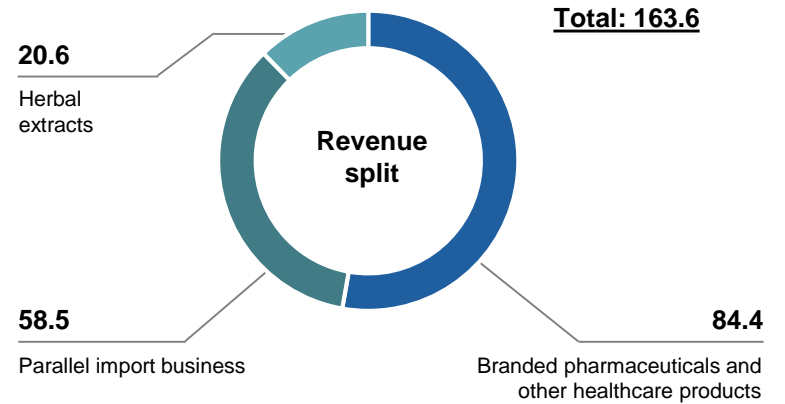
Dermapharm – Pharmaceutical excellence “Made in Germany”

Dermapharm’s integrated business model...



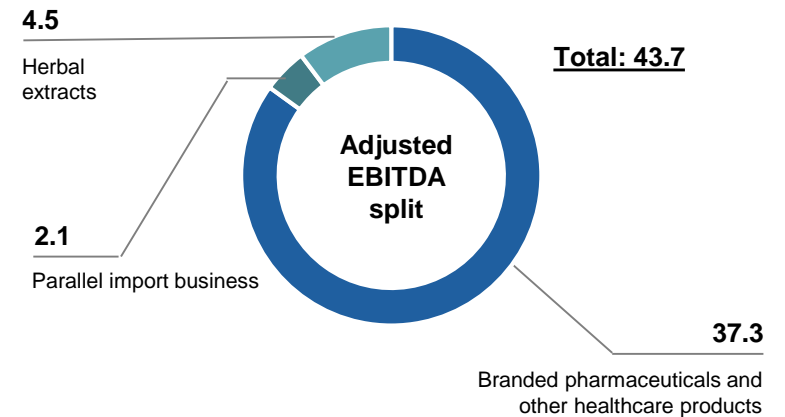
...results in attractive financials...

Group revenues Q1 2019 in € million



...and high margins

Adjusted Group EBITDA⁽¹⁾ Q1 2019 in € million



Dermapharm – Highlights Q1 2019 (1)



Successful product development

- All ongoing **development projects on track**
- News about important products, e.g.:
 - **Dekristol 20.000 – News from authorities**
 - **Hygroton 25 mg and 50 mg – Diuretic of first choice after “Dear Doctor Letter”**
 - **Myopridin via Trommsdorff**



Political framework conditions

- Significant changes in
 - **Patent legislation**
 - **Laws on parallel import business**
- **Counterfeiting directive successfully implemented for own products on February 9, 2019**



IT integration of subsidiaries

- **Trommsdorff**
- **Strathmann**
- **Bio-Diät-Berlin**

Dermapharm – Highlights Q1 2019 (2)



Ongoing investments in further growth

- **mibe GmbH Arzneimittel in Brehna (Germany)**
 - Construction of a **new central logistics hub** progressing as planned
 - **Topping-out ceremony** held on April 25, 2019 - **completion** of the project **until September 2019**
- **Melasan GmbH in Austria**
 - Construction of a **new production building** according to plan - **completion** of the project **until November 2019**
- All **maintenance investments** continue as planned



M&A activities

- **Acquisition and ongoing integration of Euromed** and thereby expansion of the portfolio with **new segment “Herbal extracts”**
- **Acquisition of CFP Packaging GmbH** enables access to equipment and know-how in the field of **special packaging for powder and liquid sticks**, as well as **new customers**
- **20% stake** in the **FYTA Group**, a Dutch company specializing in the production of **medical cannabis**



Internationalisation

- **Launch** of further products in **UK and Italy**
- **First steps** for setting up a **new entity in Spain**
- Continuous **screening** of **international M&A opportunities**
- **International roll-out** of **bite away®** and **Herpotharm®** in several countries and regions through different sales channels
- **E.g. UK’s** largest pharmacy-led health and beauty chain **“Boots”**

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1. Overview

2. Financial figures Q1 2019

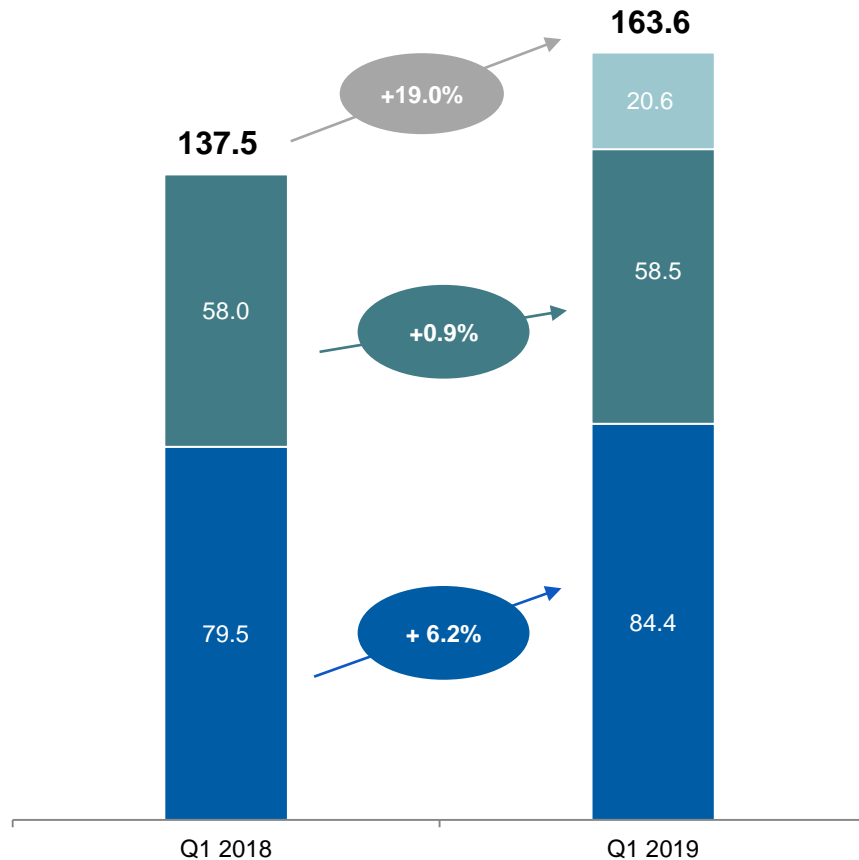
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Dermapharm Group Revenue – Growth from Branded Pharmaceuticals and new segment Herbal Extracts

Dermapharm's revenue development

Q1 2018 vs Q1 2019 €m, YoY growth (%)



■ Branded pharmaceuticals and other healthcare products ■ Parallel import business ■ Herbal extracts

Dermapharm Group

- Significant revenue growth of 19.0% to € 163.6 million
- Main growth drivers:
 - Successful acquisition and integration of Euromed as well as
 - expansion of the product portfolio through introduction of new, self-developed products in selected markets.

Branded pharmaceuticals & other healthcare products

- Revenues up by 6.2% to € 84.4 million
- Increase mainly from **organic growth**

Parallel import business

- Segment revenues **increased by 0.9%** to € 58.5 million
- Increase mainly due to **stable demand for parallel-imported original preparations** and the **intact supply capability** of Dermapharm

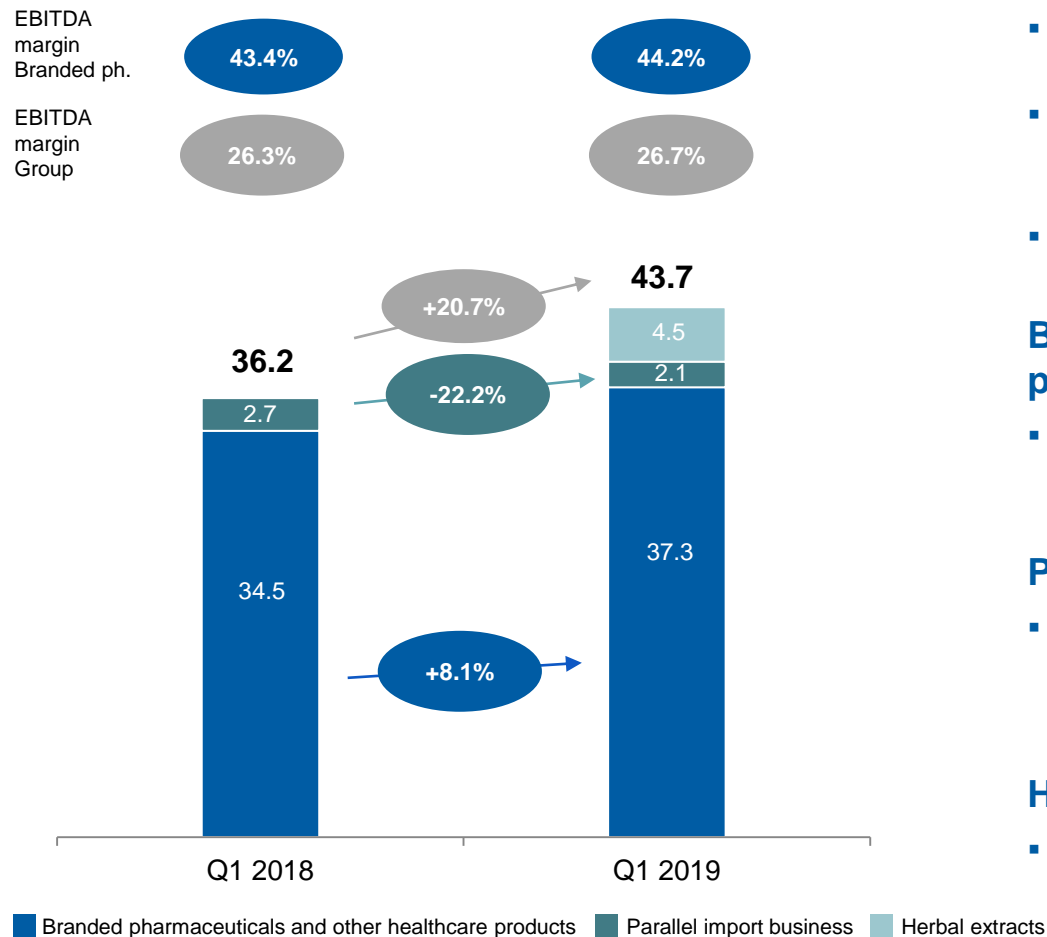
Herbal extracts

- New segment developing according to plan

Dermapharm Group EBITDA – Increase due to successful acquisition

Dermapharm's EBITDA⁽¹⁾ development

Q1 2018 vs Q1 2019 €m, YoY growth (%)



Dermapharm Group

- EBITDA up by **20.7%** to € 43.7 million (adjusted) and 14.6% to € 40.7 million (unadjusted)
- **Strong EBITDA margin of 26.7%** (adjusted) and 24.9% (unadjusted)
- **One-time costs adjustments: € 2.9 million** for Euromed acquisition and **€ 0.1 million** for consulting services in connection with acquisition efforts
- EBITDA growth driven by **Herbal Extracts**

Branded pharmaceuticals & other healthcare products

- EBITDA up by **8.1%** to € 37.3 million (adjusted) and increase mainly based on organic growth

Parallel import business

- EBITDA decrease of **22.2%** to € 2.1 million mainly due to increasing number of **SHI rebate contracts** for high-revenue originator drugs that are about to expire

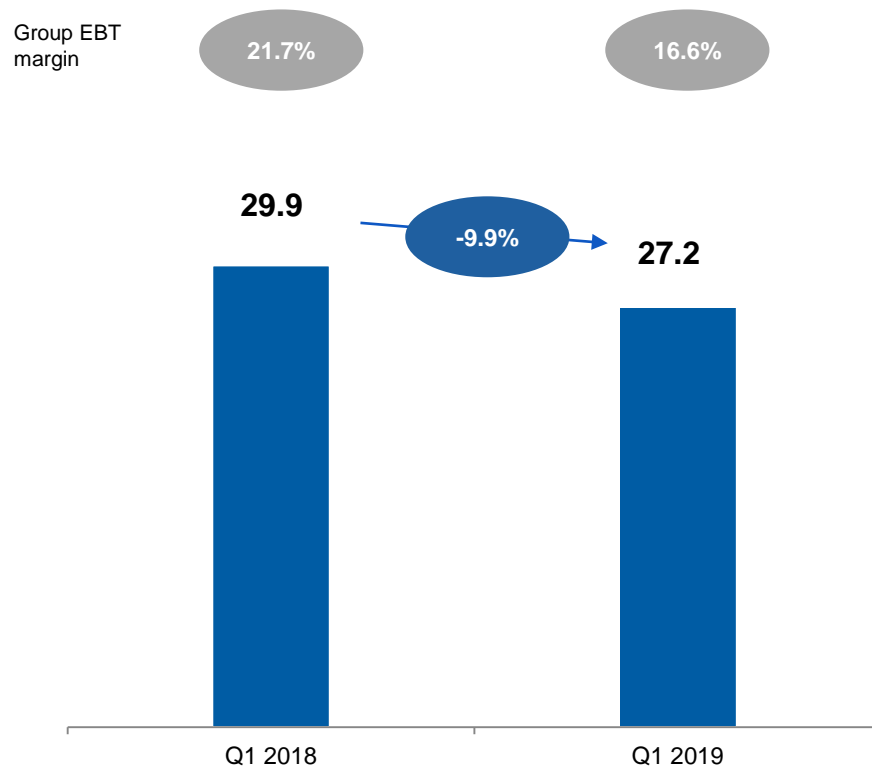
Herbal extracts

- **New segment with EBITDA of € 4.5 million according to plan**

Earnings before tax (EBT) – Reflecting investments in future growth

Dermapharm's EBT⁽¹⁾ development

Q1 2018 vs Q1 2019 €m, YoY growth (%)



Comments

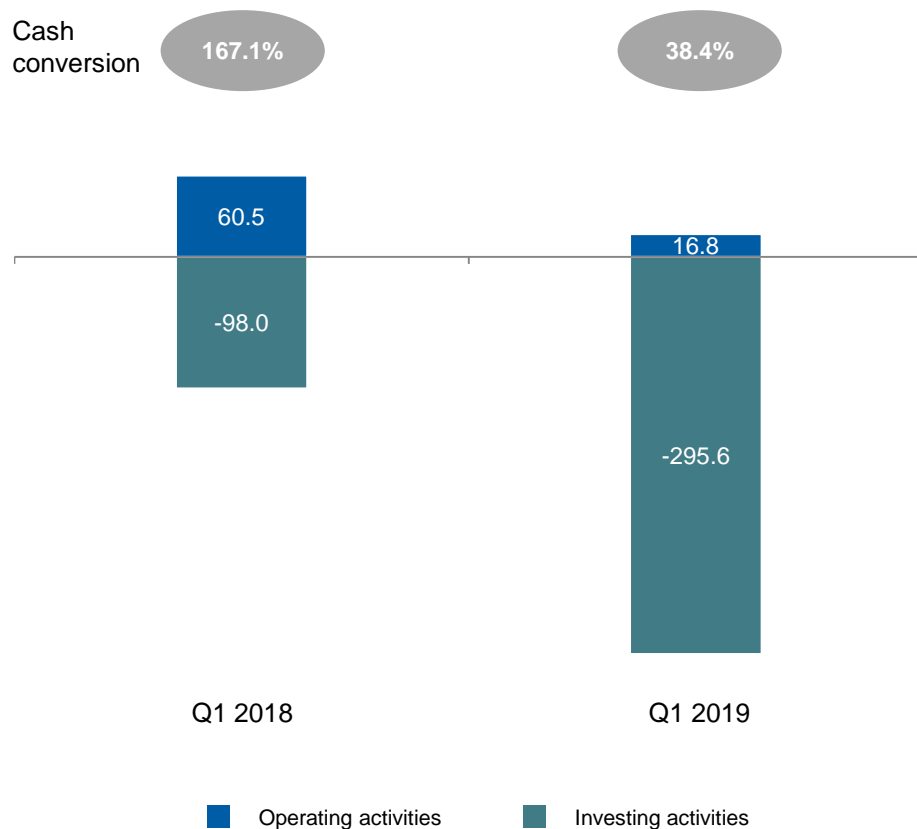
- **EBT decreased by 9.9%** to € 27.2 million (unadjusted) resulting in a **margin of 16.6%**
- **Depreciations and amortization increased by € 6.9 million** due to PPA step-ups from the acquisition activities
- **Financial result of € -1.5 million** below previous year's level of € -0.6 million

Note: (1) Calculation of EBT based on unadjusted Group EBITDA of € 40.7 million (Q1 2019) and € 35.5 million (Q1 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

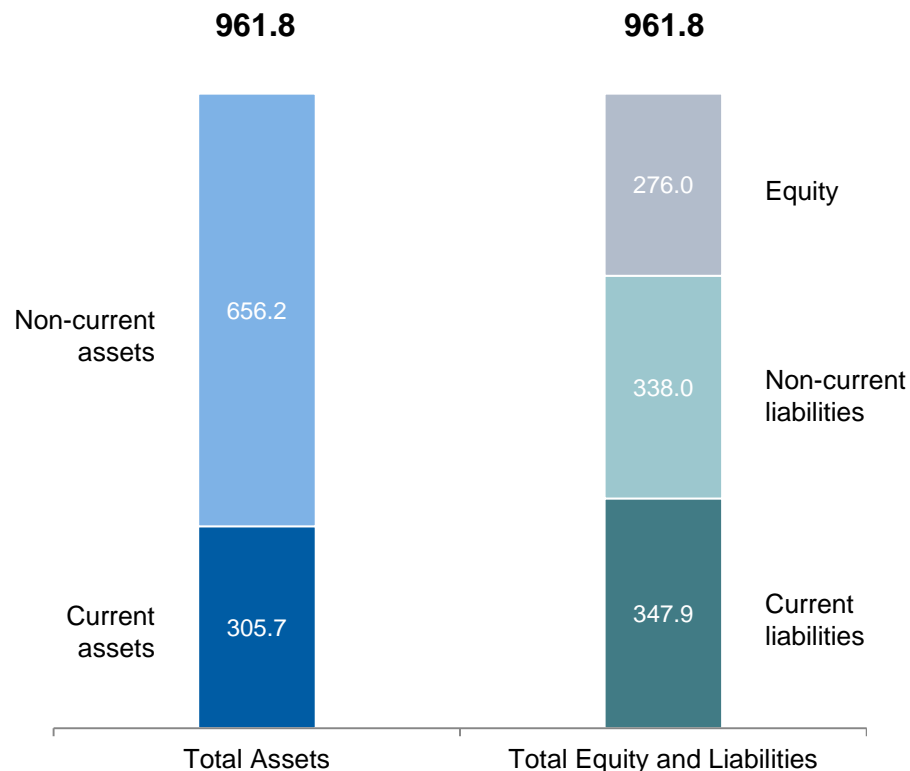
- **CF from operating activities down** due to income tax payments and a decrease in active working capital
- **CF from investing activities** mainly reflecting M&A
 - Euromed
 - FYTA
- **Free cash flow: € -278.8 million** in Q1 2019
- **Cash conversion** decreased in Q1 2019 to **38.4%**

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

Balance sheet of Dermapharm Group

Balance Sheet as of 31 March 2019

in €m



Comments

- **Total assets** increased to € 961.8 million
- **Non-current assets** increased mainly due to the increase in intangible assets, goodwill and property, plant and equipment
- **Current assets** decreased mainly due to lower cash and cash equivalents
- **Equity** increased to € 276.0 million
- **Current and non-current financial liabilities** amounted to € 260.9 million and € 241.7 million and mainly include
 - Bank loans
 - Promissory loans
- **Net debt / adjusted EBITDA⁽¹⁾**: 2.8 x

Note: (1) rolling Q1 2018 until Q1 2019.

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Growth strategy on track and conforming guidance 2019

Revenues
2019

+14% to +19%

- over previous year (2018: € 572 million)

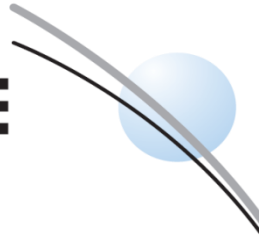
EBITDA 2019
(adjusted)

+17% to +22%

- over previous year (2018: € 143.4 million (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
FY 2018**

Q&A

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