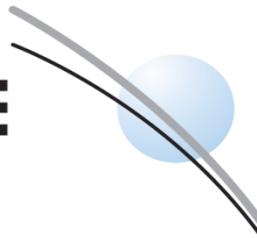


Dermapharm Holding SE



**Investor and Analyst Conference Call
Q3 2018**

Grünwald, November 20, 2018

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Today's agenda

1. Overview

2. Financial figures 9M 2018

3. Outlook FY 2018

Overview

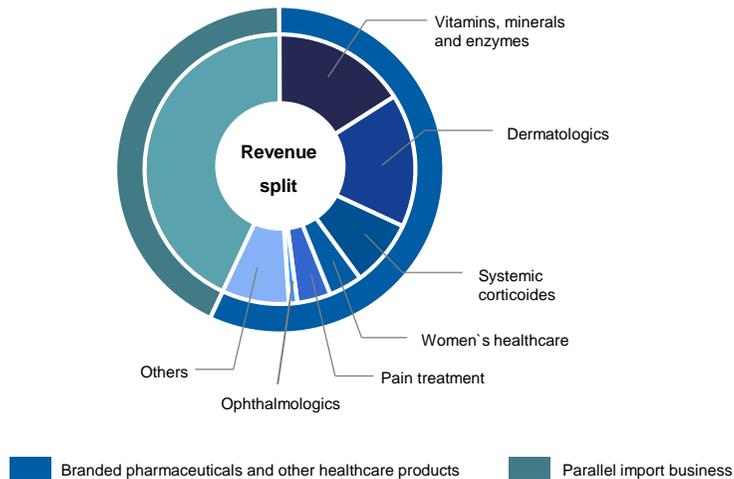
Section 1

Dermapharm – Pharmaceutical excellence “Made in Germany”

A leading German pharmaceutical company...

- Dermapharm is a **leader in branded pharmaceuticals** in selected markets in **Germany** and has an increasing international footprint
- **Flexible** pharmaceutical manufacturing and distribution capabilities with **highly efficient** and **low risk** R&D process based on patent-free APIs resulting in short time-to-market
- **~250** active pharmaceutical ingredients (APIs) and **~950⁽¹⁾** marketing authorizations (MA), which can be partly **leveraged internationally**
- A **top 5** parallel import business in Germany based on revenue
- Continuous **business optimization and growth** through **successful M&A**

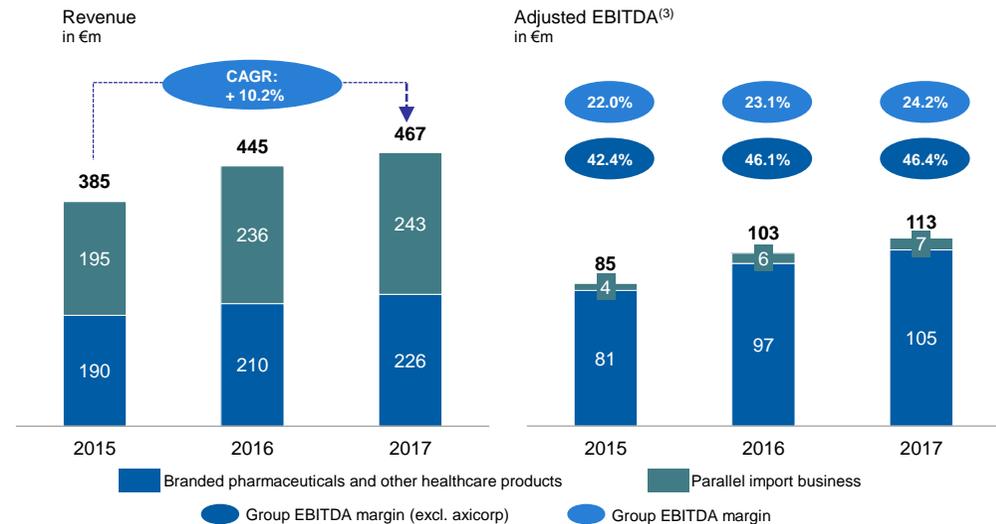
...with a highly attractive product portfolio⁽²⁾...



...based on an integrated business model...



...resulting in attractive financials



Dermapharm – The Management Team



Dr. Hans Feldmeier

**Chief Executive
Officer**

15 years company affiliation



Karin Samusch

**Chief Business
Development Officer**

27 years company affiliation



Stefan Grieving

**Chief Marketing
Officer**

8 years company affiliation



Stefan Hümer

**Chief Financial
Officer**

12 years company affiliation

Highlights Q3 2018 – Success story with profitable growth continued

Dermapharm

1

Significant revenue growth continues

Revenues increased by 22.7% to € 429.0 million

2

Disproportionate EBITDA⁽¹⁾ growth

Adjusted EBITDA⁽¹⁾ increased by 28.3% to € 106.4 million; adjusted EBITDA margin up to 24.8%

3

Significant growth impulses from Branded Pharmaceuticals

Branded Pharmaceuticals segment with 52.5% revenue growth

4

Product portfolio

Successful launch of self-developed products in different countries

5

M&A activities

Integration of the acquisitions of Strathmann and Trommsdorff are proceeding according to plan

6

Regional expansion

Subsidiaries established in Great Britain and Italy, sales managers appointed, regulatory approvals for some of Dermapharm's existing and newly developed products obtained

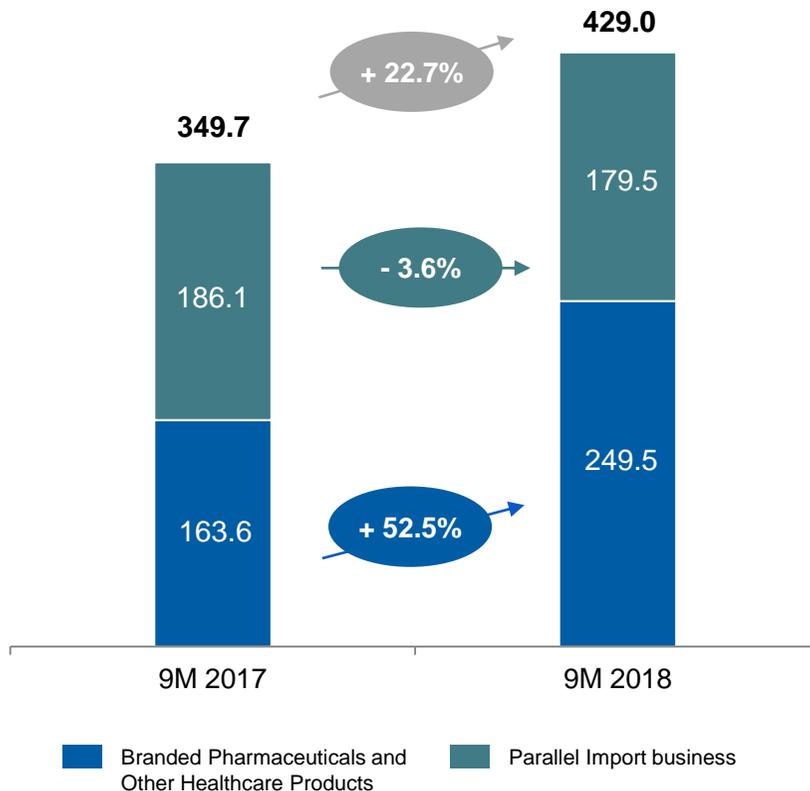
Financial figures 9M 2018

Section 2

Dermapharm Group Revenue – Driven by significant growth in Branded Pharmaceuticals segment

Dermapharm's revenue development

9M 2017 vs 9M 2018 €m, YoY growth (%)



Dermapharm Group

- **Strong revenue growth** of 22.7% to € 429.0 million
- **Main growth drivers:**
 - Successful company acquisitions and integration as well as
 - expansion of the product portfolio through introduction of new, self-developed products in selected markets.

Branded Pharmaceuticals & Other Healthcare Products

- **Revenues again significantly up by 52.5%** to € 249.5 million
- Increase from **consolidation of Strathmann and Trommsdorff** and also from **organic growth**

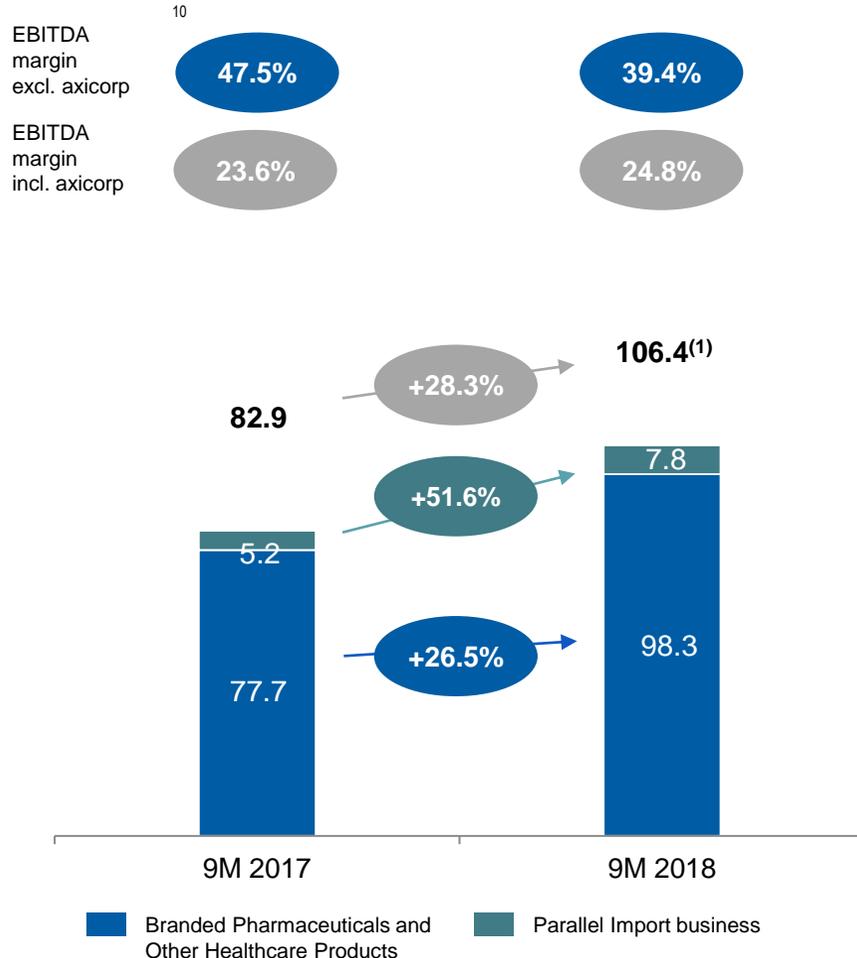
Parallel Import business

- Segment revenues **decreased by 3.6%** to € 179.5 million
- Decline due to **concentration on high-margin, but small-volume preparations**

Dermapharm Group EBITDA – Disproportional EBITDA growth

Dermapharm's EBITDA development

9M 2017 vs 9M 2018 €m, YoY growth (%)



Dermapharm Group

- EBITDA growth driven by **Branded Pharmaceuticals**
- One-time costs of € 1.4 million** for IPO preparations
- One-time costs of € 2.4 million** for brokerage and consulting in connection with the newly acquired companies Trommsdorff and Strathmann
- EBITDA up by 28.3%** to € 106.4 million (adjusted) and 23.8% to € 102.6 million (unadjusted)
- Strong EBITDA margin of 24.8%** (adjusted) and 23.9% (unadjusted)

Branded Pharmaceuticals & Other Healthcare Products

- EBITDA up by 26.5% to € 98.3 million (unadjusted)** and **increase mainly based** on positive development of gross profit while reducing expenses for SHI rebates and material costs, and
- EBITDA margin of 39.4%** (unadjusted) and below 2017 due to initial consolidation of Strathmann and Trommsdorff

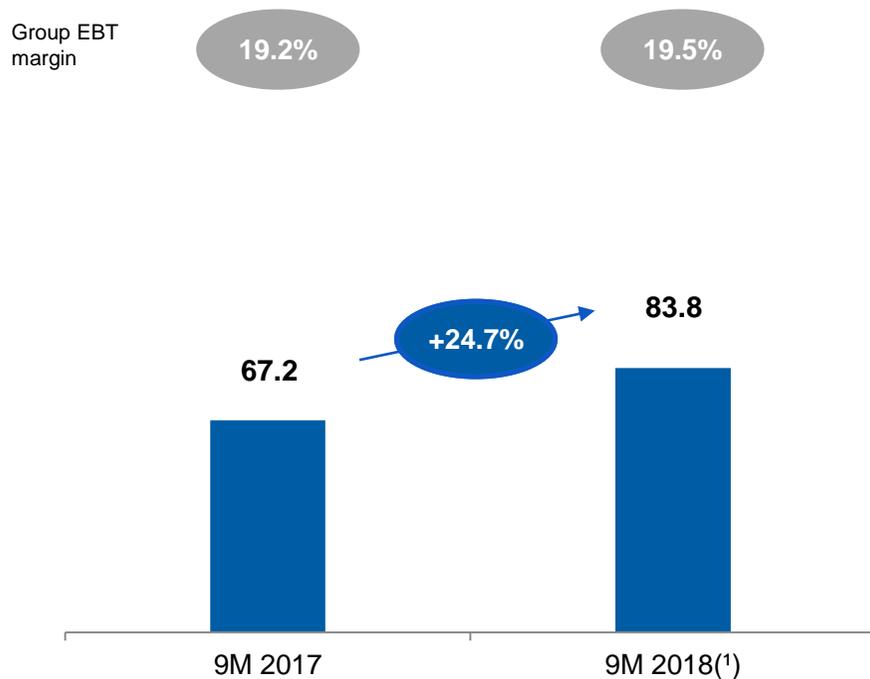
Parallel Import business

- Disproportional EBITDA growth of 51.6%** to € 7.8 million; EBITDA margin up to 4.4%
- Growth largely based on **optimization of the product portfolio** and **demand-driven sourcing**
- Costs were on a stable basis**

Earnings before tax (EBT) – Reflecting company’s high profitability

Dermapharm’s EBT development

9M 2017 vs 9M 2018 €m, YoY growth (%)



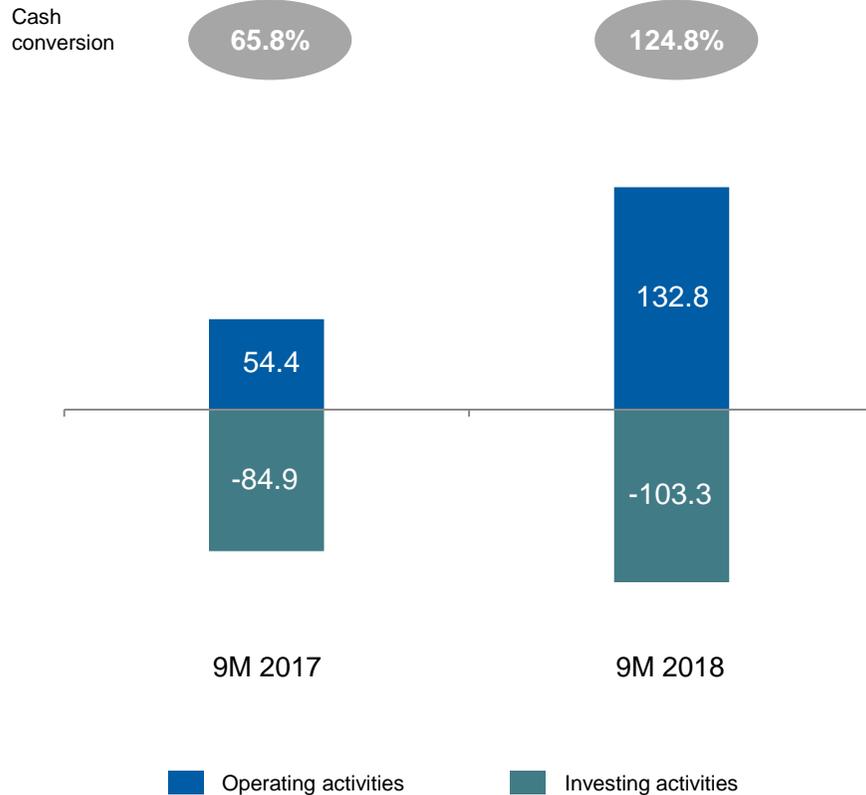
Comments

- **EBT (adjusted) increased by 24.7%** to € 83.8 million resulting in a **margin of 19.5%**
- **Depreciations and amortization at € 19.2 million** and € 8.0 million above the previous year
- **Financial result of € 2.3 million** below previous year’s level of € 3.3 million

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

Strong cash flow and cash conversion⁽¹⁾

in €m / in % of group EBITDA



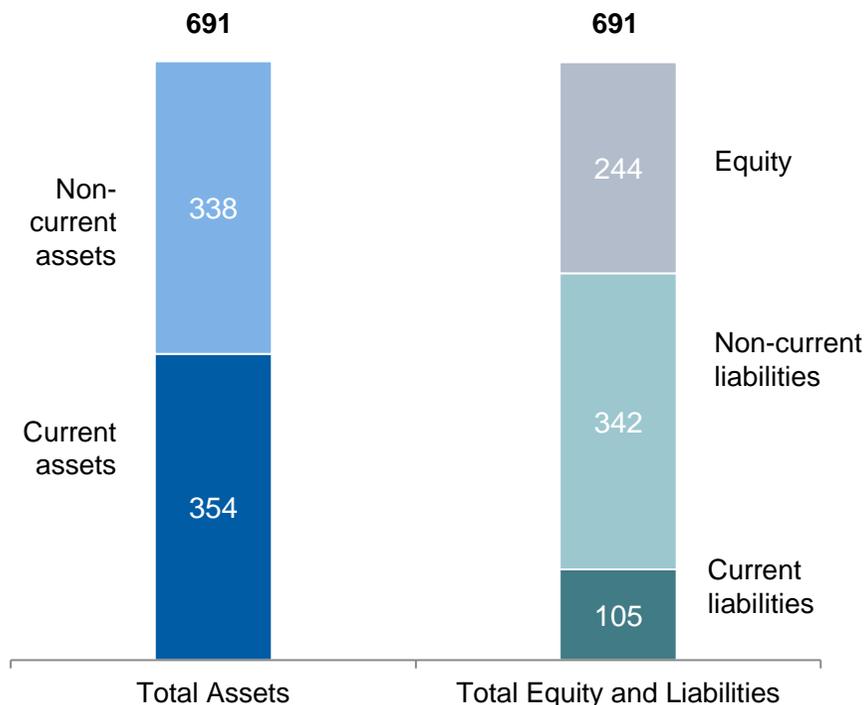
Comments

- **CF from operating activities up** due to positive business development
- **CF from investing activities** mainly reflecting M&A
- Strathmann
- Trommsdorff
- **Free cash flow: € 29.5 million** in 9M 2018
- **Cash conversion** increased in 9M 2018 to **124.8%**

Balance sheet of Dermapharm Group

Balance Sheet as of 30 September 2018

in €m



Comments

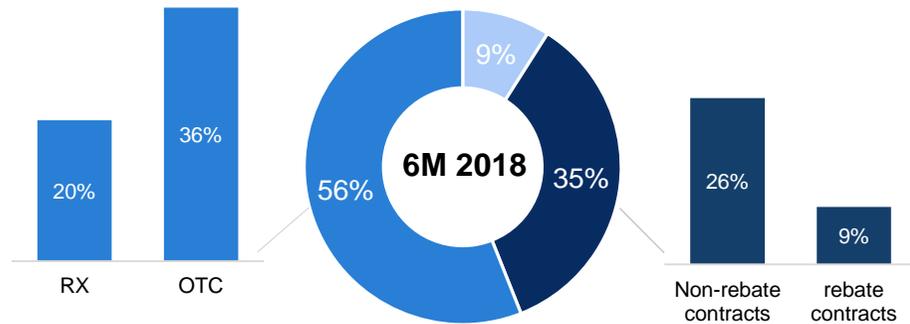
- **Total assets** increased to € 691.4 million
- **Non-current assets** increased mainly due to the increase in intangible assets, Goodwill and Property, plant and equipment
- **Current assets** increased mainly due to higher inventories, trade receivables and cash
- **Equity** increased to € 243.6 million
- **Current and non-current financial liabilities** amounted to € 277.9 million and € 29.0 million and mainly include
 - Bank loans, and
 - Promissory loans
- **Net debt / unadjusted EBITDA⁽¹⁾**: 0,8x

Outlook FY 2018

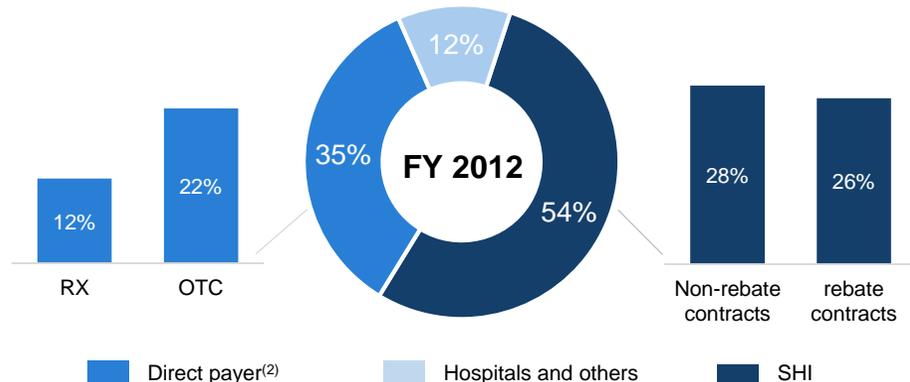
Section 3

Dermapharm follows a consequent portfolio strategy

Revenue by market access excl. axicorp⁽¹⁾



MARGIN



Comments

- **Acquisitions** of Trommsdorff, Strathmann, and the hyperthermic devices **further strengthen portfolio shift in 6M 2018**
- **Portfolio shift overall leads to**
 - an **increasing share of self-payers products** with strong margins
 - an **increasing share of OTC products**
 - **decreasing dependence** on a highly regulated SHI market
 - **higher independency from SHI rebate contracts** with low margins

Growth strategy – Update on in-house development

Q3 2018

Achievements

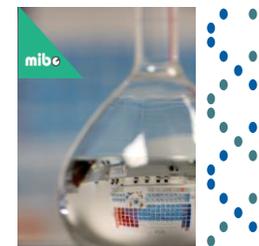
- All ongoing development projects on track
- **Several new products launched in different countries**
 - Germany: Myopridin®, Summavit® materna, Silicea® Nagelaufbauserum, Dekristolvit® 1.000 drops, Verrucutan®, Urocys®, Calcilac mono®, Lactofem Feuchtcreme®, **Silicea® Skin Repair Spray®**, **Physiotop®**, **easydrop®**
 - Austria: Metasol® 16 mg and 32 mg ampoules, Minoxidil® 2% and 5%, Dienovel®, bite away®, **Physiotop®**, **Chinaöl®**
 - Poland: Momecutan®, **Verrucutan®**, **Finapil®**
 - Switzerland: Amorocutan Nail lacquer®, bite away®, Herpotherm®, **Solacutan®**
 - Croatia: bite away®
 - Ukraine: Dekristol® 4.000, **Dekristol® 1000**



2018

Plans

- **More than 40 ongoing development projects** with new products for all product areas
- Out of this product pipeline **28 products to be registered** in the upcoming years in Germany and other European countries
- **Pruritherm® development** and clinical studies



Pruritherm®



Growth strategy – Update on internationalization

Q3 2018

Achievements

- **Subsidiaries established** in the UK and Italy (Feb 2018)
- **Sales managers** hired in the UK and Italy
- **Marketing authorizations obtained in EU** for several of recently developed pharmaceuticals
- Scheduled preparation of **European roll-out** of bite away® and Herpothem® and start in own markets
- Numerous **international sales partners** in the field of hyperthermic medical products gained through subsidiary mibeTec GmbH

2018

Plans

- Launch of first products in **UK and Italy**
- Entering **Spain**
- Continuous screening of **international M&A opportunities**
- **International roll-out** of bite away® and Herpothem® in **several countries and regions through different sales channels**



Growth strategy – Update on M&A activities

Q3 2018

Achievements

- Integration and consolidation of **Strathmann, Trommsdorff, Bio Diät and Hyperthermic-Medical-Devices** further **strengthen overall strategy with product portfolio** characterized by:
 - Focus on **niche markets with low competition**
 - Mainly **original products with USPs focusing on self-payers**
 - Extension of the therapy groups** by the area **pain treatment**
 - Marketing and sale** of former mibe products (Gabrilen, Hygroton, Suxilep) **by Trommsdorff and GP field force**
 - Preparation transfer logistics of Bio Diät** to mibe Brehna **completed**. Scheduled start from January 1, 2019
 - Successful certification** of MibeTec GmbH by TÜV-Süd for the products **bite away® and Herpotherm®**, this replaces the former owner as manufacturer
 - Increase in bite-away sales by > 100%** in all established sales channels (amazon / Rossmann) and **expansion into the pharmacy market**

2018

Plans

- Integration** of Bio-Diät-Berlin, Strathmann and Trommsdorff **on track**:
 - Leveraged product marketing through existing sales forces
 - Standardization of IT systems
 - Realization of synergies regarding i.e. overhead or sourcing
 - Cost reduction through site selection
- Dermapharm owns the **worldwide marketing rights for bite away® and Herpotherm®** and intends to **market** these devices **globally**
- International roll-out** of bite away® and Herpotherm® in **several counties and regions through different sales channels**



- Approval process** for closing the acquisition of **EUROMED S.A.**

EUROMED

Growth strategy – Expansion of production and logistics capacities

Q3 2018

Achievements

mibe GmbH in Brehna - Construction of a new Central Logistics building

- **Start of the construction project realized in September 2018**

2018/19

Plans

- **Completion of the project until September 2019**
- Following **Integration of logistics processes** of Strathmann and Trommsdorff

Melasan GmbH in Austria - Construction of a new production building

- **Planning and building permission is granted**
- This marks an **important milestone for growth in the food supplement sector**

- **Completion of the project until November 2019**



**Reserve area
20,000m²**

Business update on axicorp Group

Q3 2018

Achievements

- Reduction of purchase prices
- Further broadening of sourcing
- Further leverage of the call center
- Sale of **bite away®** to **6,500 pharmacies** via call center during the **introductory phase in the pharmacy market**

Examples of parallel imported originator-products:



2018

Plans

- Finalization of the **falsification guideline project**
- Ongoing **portfolio optimization**
- Launch of **additional Dermapharm-OTC products**

Leveraging the call center for additional OTC products:



Growth strategy on track and confirming guidance 2018

Revenues 2018

+20% to +25%

- over the previous year (2017: € 467 million)

**EBITDA
2018
(adjusted)**

+22% to +27%

- over the previous year (2017: € 113 million (adjusted))
-

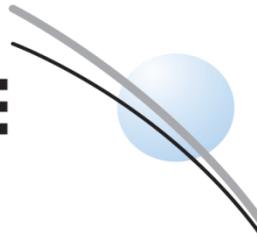
“Growth rates based on organic growth and the four acquisitions 2017/18, which are included in the forecast.”

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Dermapharm Holding SE



**Becoming the leading European pharmaceuticals
manufacturer in selected markets**