



## *Dermapharm confirms profitable growth in first half of 2019*

- » Expanded product range and successfully integrated subsidiaries drive growth in revenues and earnings
- » Revenues in the segment "Branded pharmaceuticals and other healthcare products" increased by 7.2%
- » Newly created segment "Herbal extracts" generates further growth impulses
- » Management Board confirms positive expectations for full year 2019

**Grünwald, 12 September 2019 – Dermapharm Holding SE ("Dermapharm"), a leading producer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany with a growing international presence, published its half-year financial report for the first six months of 2019 today. The company has confirmed its preliminary IFRS Group financial figures for the first half of the year published on 23 August and its forecast for the full year. The introduction of new products and the further development of its current portfolio, the successfully integrated subsidiaries Strathmann and Trommsdorff as well as the new segment "Herbal extracts" contributed significantly to the positive development of business in the first half of the year.**

On the basis of final IFRS Group financial figures, which were reviewed by an auditor, Dermapharm managed to increase its Group revenues by 18.9% year-on-year to EUR 333.2 million in the first half of 2019 (previous year: EUR 280.3 million). Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 90.1 million\* in the reporting period and were thus 27.1% higher than in the same period of the previous year (previous year: EUR 70.9 million\*\*). Dermapharm increased its adjusted EBITDA margin accordingly to 27.0% (previous year: 25.3%). Unadjusted EBITDA in the first half of 2019 amounted to EUR 81.6 million (previous year: EUR 67.1 million), so that the unadjusted EBITDA margin also improved to 24.5% (previous year: 23.9%).

"A number of new, attractive branded pharmaceuticals have enriched our portfolio since the beginning of 2019," commented Dr Hans-Georg Feldmeier, CEO of Dermapharm Holding SE. "These include our newly launched products such as the muscle relaxant Myditin® or the new nasal spray Momekort®, which helps to alleviate hay fever symptoms. We currently have around 50 further development projects in the pipeline to further diversify our product portfolio. In-house product development has always been one of our main strengths and contributes to our sustained organic growth."

In the segment "Branded pharmaceuticals and other healthcare products," which includes many well-known brands such as Dekristol®, Solacutan® and Ampho-Moronal®, total revenues rose by 7.2% to EUR 175.0 million (previous year: EUR 163.2 million), while unadjusted segment EBITDA increased disproportionately by 11.0% to EUR 71.6 million (previous year: EUR 64.5 million). The company thus achieved a slightly improved, very high unadjusted EBITDA margin of 40.9% (previous year: 39.5%) in this segment. In the "Parallel import business" segment, revenues amounted to EUR 118.4 million (previous year: EUR 117.1 million). Segment EBITDA fell by 9.3% to EUR 4.9 million in the reporting period (previous year: EUR 5.4 million). In a slightly growing market for parallel imported pharmaceuticals, the increasing number of discount tenders of the health insurance funds is having an effect here. Accordingly, the segment's EBITDA margin was 4.2% (previous year: 4.6%). The segment "Herbal extracts," newly created at the beginning of 2019, contributed EUR 39.8 million to Group revenues in the first half of the year. The unadjusted segment EBITDA amounted to EUR 7.7 million, which equates to an unadjusted EBITDA margin of 19.5%. Dermapharm is also present in the Spanish market via the Spanish company Euromed, which made a major contribution to revenues and earnings in the new segment.

"The figures for the first half of 2019 reflect many successes of our growth strategy compared to the previous year. On the one hand, we made full use of the synergies from the integration of Strathmann and Trommsdorff for the first time in this half year. In the previous year, these companies with lower overall contributions to revenues and earnings and Trommsdorff were only consolidated for five months. On the other hand, we are also consolidating Euromed, our newly acquired Spanish company, in 2019 for the first time," said Dr Hans-Georg Feldmeier.



For the second half of the year, the Management Board generally expects the positive operating development to continue. However, factors such as the changed legal situation in the parallel import business, the seasonality of the new segment "Herbal extracts," the pending final regulatory requirements for FYTA and also the initiated integration of Fitvia, which was acquired in the first half of 2019, will have an impact on earnings. Against the backdrop of the company's conservative planning approach, the Management Board of Dermapharm Holding SE confirms its current revenues and earnings forecast for fiscal year 2019.

The complete half-year report 2019 is available as of today online at [ir.dermapharm.de](http://ir.dermapharm.de).

### Key financial figures for H1 2019 year-on-year

in EUR millions	H1 2019	H1 2018	Change
<b>Group revenues</b>	<b>333.2</b>	<b>280.3</b>	<b>+ 18.9%</b>
<i>Branded pharmaceuticals and other healthcare products</i>	175.0	163.2	+ 7.2%
<i>Parallel import business</i>	118.4	117.1	+ 1.1%
<i>Herbal extracts</i>	39.8	-	-
<b>Adjusted Group EBITDA</b>	<b>90.1*</b>	<b>70.9**</b>	<b>+ 27.1%</b>
<b>Adjusted EBITDA margin (in %)</b>	<b>27.0*</b>	<b>25.3**</b>	<b>+ 1.7pp</b>
<b>Group EBITDA</b>	<b>81.6</b>	<b>67.1</b>	<b>+ 21.6%</b>
<i>Branded pharmaceuticals and other healthcare products</i>	71.6	64.5	+ 11.0%
<i>Parallel import business</i>	4.9	5.4	(9.3%)
<i>Herbal extracts</i>	7.7	-	-
<b>Group EBITDA margin (in %)</b>	<b>24.5</b>	<b>23.9</b>	<b>+ 0.6pp</b>
<i>Branded pharmaceuticals and other healthcare products</i>	40.9	39.5	+ 1.4pp
<i>Parallel import business</i>	4.2	4.6	(0.4pp)
<i>Herbal extracts</i>	19.5	-	-

\* EBITDA in H1 2019 adjusted for non-recurring expenses of EUR 8.5 million related to the acquisitions of Euomed, Fitvia and other acquisition efforts, PPA effects and restructuring costs at Bio-Diät-Berlin and its subsidiary Kräuter Kühne.

\*\* EBITDA in H1 2018 adjusted for non-recurring expenses of EUR 3.8 million related to the preparation of the IPO and the acquisitions of Strathmann and Trommsdorff.



### **Company profile: Dermapharm – Pharmaceutical Excellence “Made in Germany”**

Dermapharm is a leading manufacturer of patent-free branded pharmaceuticals for selected markets in Germany. Founded in 1991, the company is based in Grünwald near Munich and has its main manufacturing facility in Brehna near Leipzig. The company’s integrated business model comprises in-house development, in-house production and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a medical and pharmaceutical sales force. Dermapharm holds more than 900 marketing authorizations (Arzneimittelzulassungen) for approximately 250 active pharmaceutical ingredients, which are marketed as pharmaceuticals, dietary supplements or supplemental balanced diets. This assortment makes the company unique. In addition to Germany, the company’s core markets also include Austria and Switzerland. The company plans to further expand its international presence. Dermapharm’s business model also includes a parallel import business, which operates under the “axicorp” brand. Based on revenues, Dermapharm was among the top five parallel import companies in Germany in 2018. In the “Herbal extracts” segment, Dermapharm has access to the growth market for plant pharmaceuticals through the Spanish company Euromed S.A., one of the leading manufacturers of plant extracts and plant-based active ingredients.

With a consistent development strategy and numerous successful product and company acquisitions over the past 25 years, Dermapharm has continuously optimized its business and provided external growth impulses in addition to organic growth. Dermapharm intends to continue on this profitable growth course in the future. The company is focusing on a three-pillar strategy: in-house development of new products, increase of its international footprint and further acquisitions.

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