



Dermapharm confirms profitable growth in 2019 and presents positive outlook for 2020 despite corona

- » Significant revenue and earnings growth in 2019 resulted from continuous product development, further internationalization and successful acquisitions
- » Dividend of EUR 0.80 per share proposed for 2019
- » Good start into 2020 thanks to the company's own production and secure supply chain
- » Stefan Hümer to step down from the Management Board at end of July, Hilde Neumeyer new CFO as of 1 July 2020

Grünwald, 8 April 2020 - Dermapharm Holding SE ("Dermapharm"), a leading manufacturer of patent-free branded pharmaceuticals for selected therapeutic areas, published its complete Annual Report 2019 today, thus confirming the preliminary IFRS Group financial figures for the year. Dermapharm managed to continue its positive business development with significant revenue and profit growth. Higher volumes in its current portfolio and its expanded product portfolio due to the introduction of new products the company developed itself for selected niche markets contributed to this. Dermapharm also consistently exploited synergies within the Group last year, expanded its international positioning and increased its profitability through successful company acquisitions.

On the basis of final, audited IFRS Group financial figures, Dermapharm managed to increase its sales revenues by 22.4% year-on-year to EUR 700.9 million in fiscal year 2019 (previous year: EUR 572.4 million). Dermapharm increased its earnings before interest, taxes, depreciation and amortisation (EBITDA), adjusted for non-recurring expenses of EUR 9.1 million, by 23.8% to EUR 177.6 million (previous year: EUR 143.4 million). Overall, Dermapharm was thus able to further increase its profitability in 2019 and achieved an adjusted EBITDA margin of 25.3% at Group level (previous year: 25.1%). Unadjusted EBITDA amounted to EUR 168.5 million, which equates to an increase of 20.7% compared to the previous year (EUR 139.6 million). This resulted in an unadjusted EBITDA margin of 24.0% (previous year: 24.4%).

"In fiscal year 2019, we were able to set the course for sustainable and profitable growth in the coming years and further expand our good market position. We have also taken an important step with our new logistics center in Brehna near Leipzig, which has now been in operation for several months," commented Dr. Hans-Georg Feldmeier, CEO of Dermapharm Holding SE. Dermapharm has thus considerably expanded the Group's dispatch capacities. The company ships more than 40 million packages annually from there to national and international customers. At the same time, the production capacities at the site have been expanded and new equipment for the production of direct sticks has been installed. "At present, in view of the corona pandemic, we do not see any notable restrictions in production with direct consequences on market supply. Dermapharm's main production sites have been classified as companies with critical infrastructure for the state community in accordance with § 6 of the BSI KritisV (Protection of Critical Infrastructures in Germany). We are therefore able to maintain production operations at all times and consider ourselves well prepared in view of the ongoing corona pandemic," added Feldmeier in reference to the current situation.

Strong sales growth in the highly profitable "Branded Pharmaceuticals and Other Healthcare Products" segment

The "Branded Pharmaceuticals and other Healthcare Products" segment, in which Dermapharm currently has more than 900 marketing authorisations with more than 250 active pharmaceutical ingredients, continued to contribute to the Group's sales and earnings growth in 2019. Segment sales increased by 15.1% to EUR 385.1 million (previous year: EUR 334.7 million), while segment EBITDA rose by 15.2% to EUR 153.0 million (previous year: EUR 132.8 million). Dermapharm thus continued to achieve a very high EBITDA margin of 39.7% (previous year: 39.7%) in this segment.



Sales in the "Parallel Import Business" segment increased to EUR 243.5 million (previous year: EUR 237.8 million). The increase in sales resulted in particular from a rising demand for parallel imported original preparations to meet government import quotas in the fiscal year. However, intense competition among importers with regard to discount tenders for high-revenue originator preparations had a negative impact on product margins in the year under review. Segment EBITDA declined to EUR 8.3 million (previous year: EUR 9.0 million). This in turn resulted in an EBITDA margin of 3.4% (previous year: 3.8%). axicorp, the subsidiary responsible for the Parallel Import business, is one of the top 5 parallel importers in Germany in terms of sales.

Sales of EUR 72.3 million were posted in the new "Herbal Extracts" segment. This segment includes sales of the newly acquired subsidiary Euromed, a leading manufacturer of standardised herbal extracts and natural active ingredients for the pharmaceutical, dietary supplement and cosmetic industries. The segment was able to further expand its business in the growth market for herbal medicines worldwide. Segment EBITDA amounted to EUR 12.8 million in total. Accordingly, the EBITDA margin in this segment was 17.7 %.

Positive outlook for fiscal year 2020

The Group also strengthened its presence in the field of dermatology by acquiring Allergopharma at the beginning of 2020. The company specializes in the subcutaneous hyposensitization of allergies and offers a wide range of high-dose hypoallergenic preparations, so-called allergoids, as well as a large selection of allergens for diagnostics. Dermapharm successfully completed the acquisition of Allergopharma on 31 March 2020, although the transfer of the Allergopharma business in China is not expected to take place until the second half of 2020.

The Management Board expects further Group growth in fiscal year 2020 compared to the previous year. Based on volume gains and successful launches of products the company has developed itself, the Management Board expects organic growth in Group sales and EBITDA in the upper single-digit percentage range.

"This forecast does not yet take into account the growth impetus from the acquisition of Allergopharma. After the final transfer of the sales unit in China, we will concretise our forecast accordingly. As the ongoing corona pandemic is having a negative impact on economic development in Europe, we cannot exclude possible negative effects on the forecast," explains Stefan Hümer, CFO of Dermapharm Holding SE.

Change in the Management Board

CFO Stefan Hümer will leave the company for personal reasons at his own request at the end of his contract term on July 31, 2020. He has been working as Head of Group Controlling & Finance for Dermapharm since 2006 and, most recently as Chief Financial Officer, played a decisive role in the successful development of the Group. Among his other achievements, he contributed to the successful integration of the numerous acquisitions into the Group in his function and helped initiate Dermapharm Holding SE's successful IPO in February 2018. The Supervisory Board thanks him for his great services to the company and wishes him all the best for the future. The Supervisory Board has appointed Hilde Neumeyer as his successor as Chief Financial Officer. She will take office on July 1, 2020. Mrs. Neumeyer has been working for Dermapharm in the finance and accounting department for 20 years this year. In her last position as authorized signatory, she was responsible for the management of Group accounting. Furthermore, Mrs. Neumeyer has been "Chief Compliance Officer" since the IPO. Prior to this, she had already worked for Novartis in accounting for 9 years. She has many years of financial know-how and is very familiar with the bookkeeping and accounting of large pharmaceutical companies as well as the company-specific financial topics at Dermapharm. The Supervisory Board wishes her all the best for her upcoming tasks!

The complete Annual Report 2019 is available on the website www.ir.dermapharm.de as of today.



IFRS financial figures for 2019 compared to the previous year

in EUR millions	2019	2018	Change
Group revenue	700.9	572.4	+ 22.4%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	385.1	334.7	+ 15.1%
<i>Parallel Import Business</i>	243.5	237.8	+ 2.4%
<i>Herbal Extracts</i>	72.3	-	-
Adjusted Group EBITDA*	177.6	143.4	+ 23.8%
Adjusted EBITDA margin* (in %)	25.3	25.1	+ 0.2pp
Group EBITDA	168.5	139.6	+ 20.7%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	153.0	132.8	+ 15.2%
<i>Parallel Import Business</i>	8.3	9.0	-7.8%
<i>Herbal Extracts</i>	12.8	-	-
EBITDA margin (in %)	24.0	24.4	- 0.4pp
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	39.7	39.7	0.0pp
<i>Parallel Import Business</i>	3.4	3.8	-0.4pp
<i>Herbal Extracts</i>	17.7	-	-

* EBITDA 2019 adjusted for non-recurring expenses and restructuring expenses amounting to EUR 9.1 million.
EBITDA 2018 adjusted for non-recurring expenses amounting to EUR 3.8 million.

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 trained medical and pharmaceutical sales force. Dermapharm has more than 250 active pharmaceutical ingredients for more than 900 marketing authorizations (Arzneimittelzulassungen), which are marketed as pharmaceuticals, dietary supplements or supplemental balanced diets. This range makes the company unique. Besides 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 that operates under the "axicorp" brand. Based on revenues, Dermapharm was among the top five parallel import companies in Germany in 2019. In the "Herbal Extracts" segment, Dermapharm has access to the growth market for herbal pharmaceuticals through the Spanish company Euromed S.A., one of the leading manufacturers of herbal extracts and natural active ingredients. With a consistent R&D 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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