



Dermapharm publishes Half-Year Financial Report 2020 and confirms growth course despite corona pandemic

- » Group revenue up 14% year-on-year to EUR 378 million
- » Adjusted EBITDA of EUR 92 million around 2% above previous year's level
- » Forecast for 2020 raised to 12-15% revenue and 8-10% EBITDA growth

Grünwald, 9 September 2020 – Dermapharm Holding SE ("Dermapharm"), a leading producer of patent-free branded pharmaceuticals for selected therapeutic areas, published its report for the first half of 2020 today.

Dermapharm was able to increase its revenues by 13.5% to EUR 378.2 million (previous year: EUR 333.2 million) in the first half of 2020 on the basis of final IFRS Group financial figures, which were subjected to an auditor's review. The Group's earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted for non-recurring special effects of EUR 6.0 million, rose by 1.8% to EUR 91.7 million (previous year: EUR 90.1 million). The adjusted EBITDA margin was 24.2% and thus 2.8 percentage points below the previous year's figure. Unadjusted Group EBITDA amounted to EUR 85.7 million, which equates to an increase of 5.0% over the same period of the previous year (EUR 81.6 million) and an unadjusted EBITDA margin of 22.7%.

The results for the first half of 2020 reflect both the success of Dermapharm's growth strategy and the fact that the first six months of the year were strongly affected by the Covid-19 pandemic. While the "Branded Pharmaceuticals and Other Healthcare Products" and "Parallel Import" segments contributed to the positive development of results, the company recorded a slight decline in the "Herbal Extracts" segment.

Revenues in the "Branded Pharmaceuticals and Other Healthcare Products" segment increased by 21.2% to EUR 212.1 million (previous year: EUR 175.0 million). This increase was mainly due to the first-time consolidation of Allergopharma, the sales contributions of Fitvia and Bellavia, which were not included in the previous year's period, and organic growth in this segment and can be attributed to the consistent implementation of the corporate strategy of focusing on selected niche markets. The segment's reported EBITDA for the first half of 2020 increased by 5.0% to EUR 75.2 million (previous year: EUR 71.6 million). At 35.5% (previous year: 40.9%), the segment's EBITDA margin was below the level of the comparable period in the previous year due to the margins of the above-mentioned acquisitions that were below the segment average.

In the "Parallel Import Business" segment, revenues increased by 7% to EUR 126.7 million in the first half of 2020 (previous year: EUR 118.4 million). Reported EBITDA increased by 6.1% to EUR 5.2 million (previous year: EUR 4.9 million), which equates to an EBITDA margin of 4.1% (previous year: 4.1%). Sales in the "Herbal Extracts" segment declined to EUR 39.4 million (previous year: EUR 39.8 million) due to the effects of the Covid-19 pandemic. The segment experienced weaker demand in Spain and the USA, in particular, which had already recovered by the end of the first half of the year, however. Reported EBITDA amounted to EUR 7.9 million (previous year: EUR 7.7 million), resulting in an EBITDA margin of 20.1% (previous year: 19.3%).

"Our business model has proven to be robust in times of a pandemic. Our growing product range means that we are very well positioned in attractive niche markets. The acquisition of Allergopharma follows this strategy very consistently," commented Dr. Hans-Georg Feldmeier, CEO of Dermapharm Holding SE.

Including Allergopharma, Dermapharm is therefore raising its forecast and now expects an increase of 12-15% in revenues and 8-10% in adjusted EBITDA over the previous year. Due to the high uncertainty regarding the further development of the Covid-19 pandemic, the present forecast is based on increased uncertainty.

The complete Half-Year Report 2020 is available as of today on the website ir.dermapharm.de.


Key financial figures by annual comparison in accordance with IFRS

in EUR millions	H1 2020	H1 2019	Change
Group revenue	378.2	333.2	13.5%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	212.1	175.0	21.2%
<i>Parallel Import Business</i>	126.7	118.4	7%
<i>Herbal Extracts</i>	39.4	39.8	-1%
Adjusted Group EBITDA*	91.7	90.1	1.8%
Adjusted EBITDA margin* (in %)	24.2	27.0	-2.8pp
Group EBITDA	85.7	81.6	5%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	75.2	71.6	5%
<i>Parallel Import Business</i>	5.2	4.9	6.1%
<i>Herbal Extracts</i>	7.9	7.7	2.6%
Group EBITDA margin (in %)	22.7	24.5	-1.8pp
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	35.5	40.9	-5.4pp
<i>Parallel Import Business</i>	4.1	4.1	-0.0pp
<i>Herbal Extracts</i>	20.1	19.3	0.8pp

* EBITDA H1 2020 adjusted for non-recurring expenses in connection with the acquisition of Allergopharma and restructuring expenses, as well as PPA effects amounting to EUR 6.0 million. EBITDA in H1 2019 was adjusted for non-recurring expenses in connection with the acquisitions of Euromed, Fitvia and other acquisition efforts, PPA effects and EUR 8.5 million in restructuring expenses at Bio-Diät-Berlin and its subsidiary Kräuter Kühne.

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 380 active pharmaceutical ingredients for more than 1,300 marketing authorisations (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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