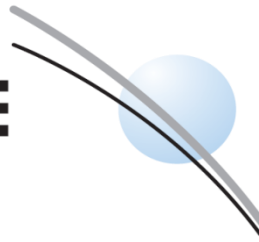


**Dermapharm Holding SE**



INVESTOR AND ANALYST CONFERENCE CALL

**H1 2020**

Grünwald, 9 September 2020

# Disclaimer

This publication includes statements, estimates, opinions and projections with respect to the anticipated future performance of Dermapharm Holding SE (together with its consolidated subsidiaries, “Dermapharm”) and such statements, estimates, opinions and projections (“Forward-Looking Statements”) reflect various assumptions concerning anticipated results based on Dermapharm’s current business plan or publicly available sources which have not been independently verified or assessed by Dermapharm and which may prove to be incorrect.

The Forward-Looking Statements reflect current expectations based on the current business plan and various other assumptions, involve significant risks and uncertainties, should not be read as a guarantee of future performance or results and may not necessarily be accurate indications of whether or not such results will be achieved. The Forward-Looking Statements only speak as of the date of this publication. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of Dermapharm and the estimates given herein. These factors include those discussed in Dermapharm’s financial statements which are available on Dermapharm’s website. Each recipient of this publication should make its own assessment of the validity of Forward-Looking Statements and other assumptions and, Dermapharm accepts no liability with respect to any Forward-Looking Statements or other assumptions.

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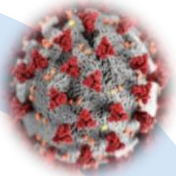
1. Highlights H1 2020
2. Financial figures H12020
3. Outlook FY 2020
4. Q & A

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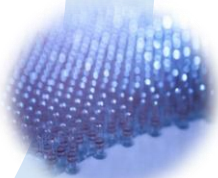
# Highlights H1 2020: Dermapharm's strategy proves resilience



**COVID-19:** Our approach “**made in Germany**” pays off – constant ability to deliver supported by classification as **critical infrastructure**



**In-house development** based on pipeline of > 50 ongoing development projects, four new product launches so far



Recent **M&A activities:** Progress in integration of **Allergopharma** into segment branded pharmaceuticals and other healthcare products



Further **internationalisation** by integrating Allergopharma's foreign subsidiaries into Dermapharm Group

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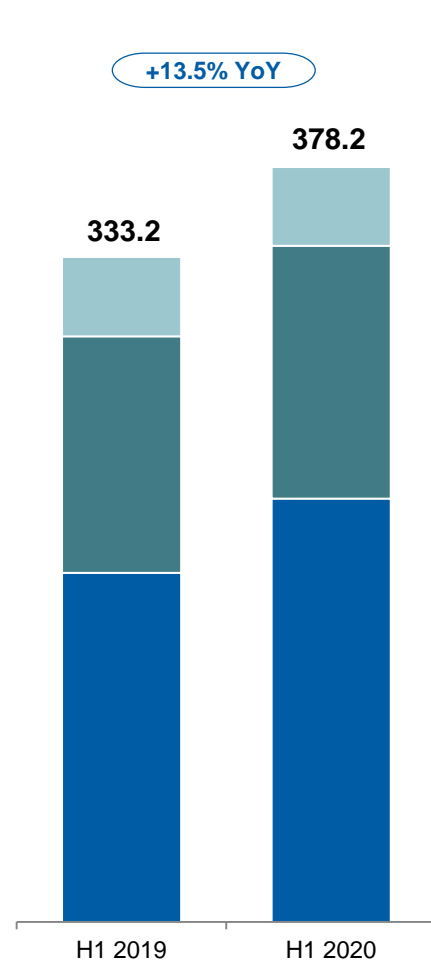
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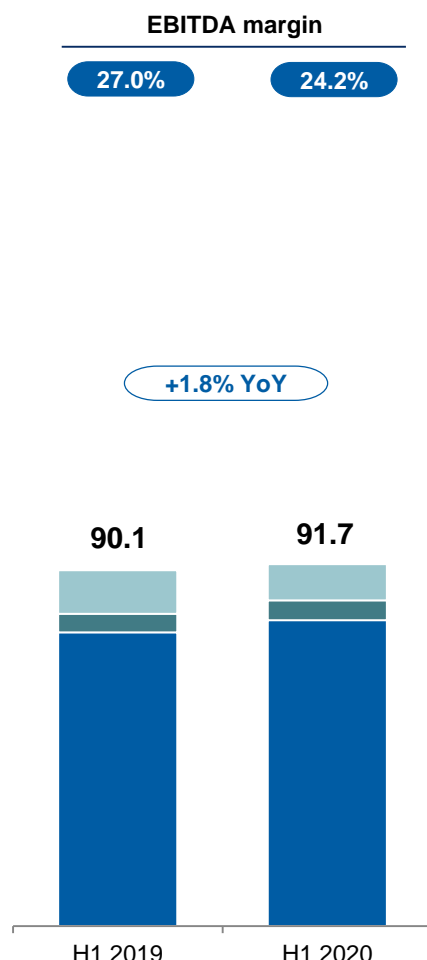
# Dermapharm Group

## Strong overall growth despite COVID-19 pandemic

### Total Revenue (€m)



### EBITDA<sup>(1)</sup> (€m, adjusted)



### Comments

Significant revenue growth of 13.5% to €378.2m, due to

- **consolidation** of latest acquisition in H1 2020
- **organic growth** in **branded pharmaceuticals** and **parallel import** business
- while **demand for herbal extracts** has not fully picked up again

EBITDA growth of 1.8% to €91.7m (adjusted) and 5.0% to €85.7m (unadjusted) driven by

- **secured sources** of APIs access
- **Made in Germany** approach pays off - **all German production sites** are part of **critical infrastructure**
- **no dismissal of employees, short-time work terminated**, field force visits doctors and pharmacies again, where possible

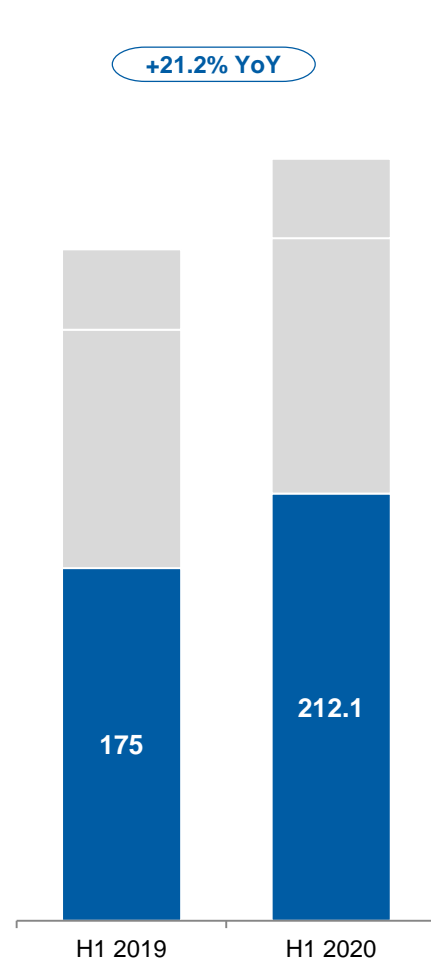
■ Branded pharmaceuticals and other healthcare products ■ Parallel import business ■ Herbal extracts

Note: (1) EBITDA H1 2020 adjusted for non-recurring costs of €6.0m in connection with the acquisition and restructuring of Allergopharma as well as PPA-effects for Allergopharma and Fyta. | Group EBITDA also includes EBITDA from reconciliation of €-2.7 (Group Holding). EBITDA H1 2019 adjusted for non-recurring costs of €8.5 million in connection with the acquisitions of Euromed and Fitvia and further M&A efforts, PPA-Effects and accruals for restructuring of Bio-Diät Berlin and its subsidiary Kräuter Kühne | Group EBITDA also includes EBITDA from reconciliation of € -2.7 million (Group Holding).

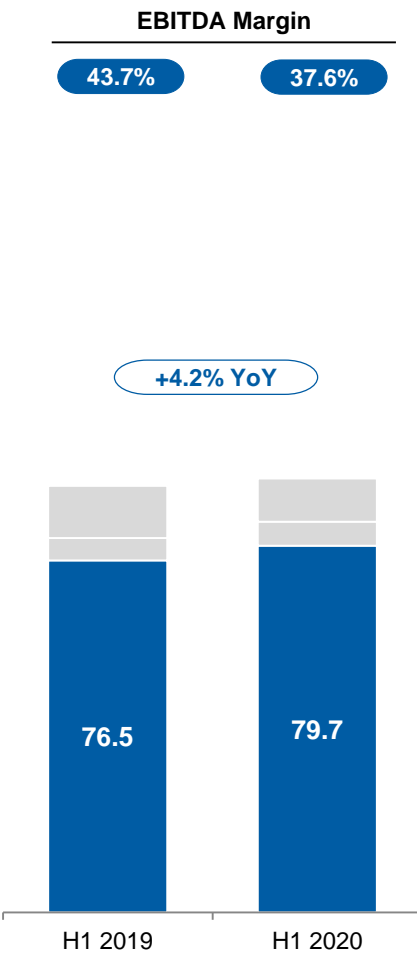
# Branded pharmaceuticals and other healthcare products

Further growth expansion driven by integration of acquisition

## Revenue (€m)



## EBITDA<sup>(1)</sup> (€m, adjusted)



## Comments

Revenues up by 21.2% to €212.1m

- mainly based on **consolidation** of **Fitvia** and **Allergopharma**
- lower sales from **medical devices**
- stockpiling effects within our supply chains in Q1 were **compensated in Q2**

**EBITDA up** by 4.2% to €79.7m (adjusted) and 5.0% to €75.2m (unadjusted). Disproportional growth compared to revenues, due to

- increased costs to maintain productions through the pandemic
- start-up costs for further internationalisation
- the first time **consolidation** of **Fitvia** and **Allergopharma** with a generally lower margin

Note: (1) EBITDA H1 2020 adjusted for non-recurring costs of €4.5m in connection with the acquisition and restructuring of Allergopharma.  
EBITDA H1 2019 adjusted for non-recurring costs of €of € 4.9 million in connection with the acquisitions of Euromed and Fitvia and further M&A efforts, accruals for restructuring of Bio-Diät Berlin and it's subsidiary Kräuter Kühne



# Parallel import business

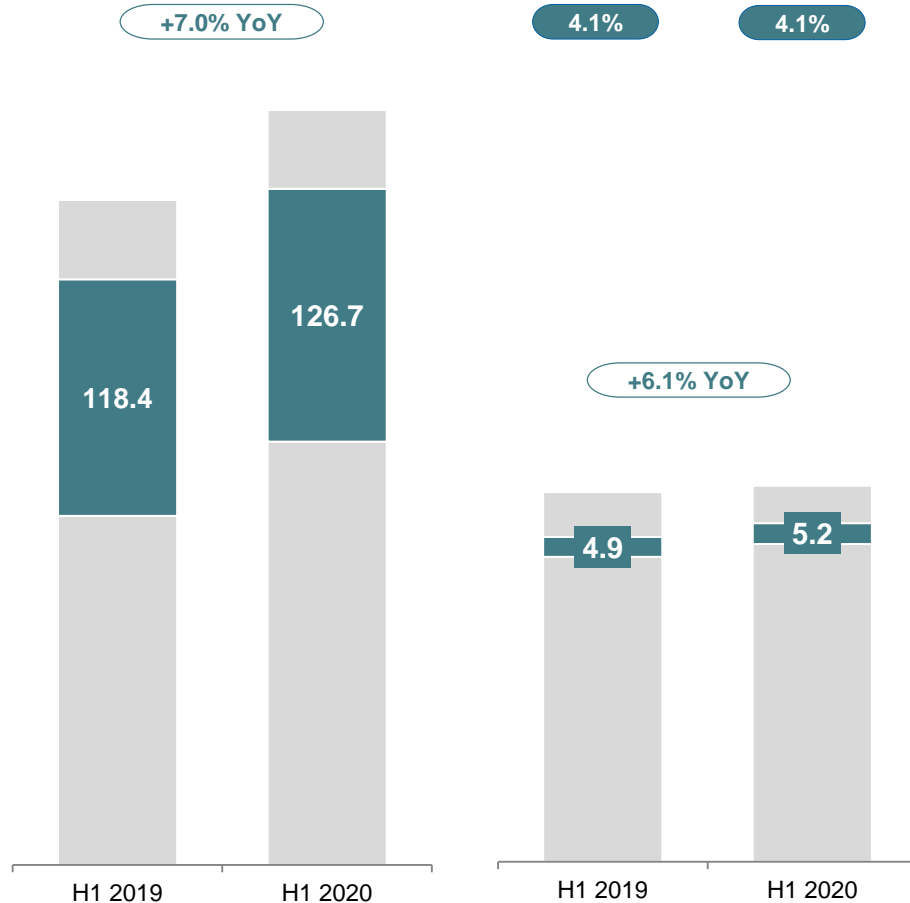
Growth driven by COVID-19 resulting in higher demand and intact sources of supply

## Revenue (€m)

## EBITDA (€m)

## Comments

### EBITDA Margin



Revenues increased by 7.0% to €126.7m

- **higher demand** for parallel imported originator products was partly **compensated in Q2**
- Increasing demand for reimported narcotics
- Further headwind from direct marketing of OTC products
- Maintaining stable market share in growing market, #5 in German PI market

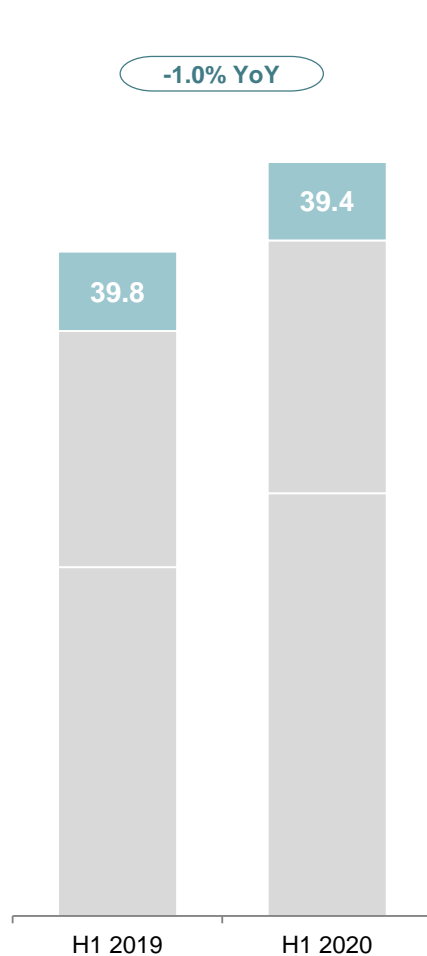
EBITDA increased by 6.1% to €5.2m, driven by

- Higher share of high-margin products, such as **reimported narcotics**
- **selected OTC products** out of branded pharmaceuticals portfolio marketed via **axicorp's own call center**

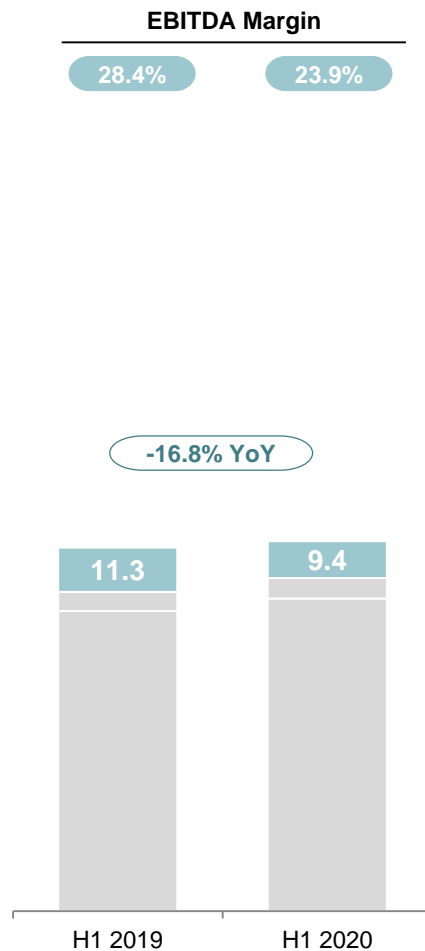
# Herbal extracts

Decreasing demand due to COVID-19 pandemic

## Revenue (€m)



## EBITDA<sup>(1)</sup> (€m, adjusted)



## Comments

**Revenues decreased** by 1.0% to €39.4m, comprising **Euromed**

- weak demand for herbal extracts in Q1 due to Corona pandemic could partly be compensated by **higher sales in Q2**

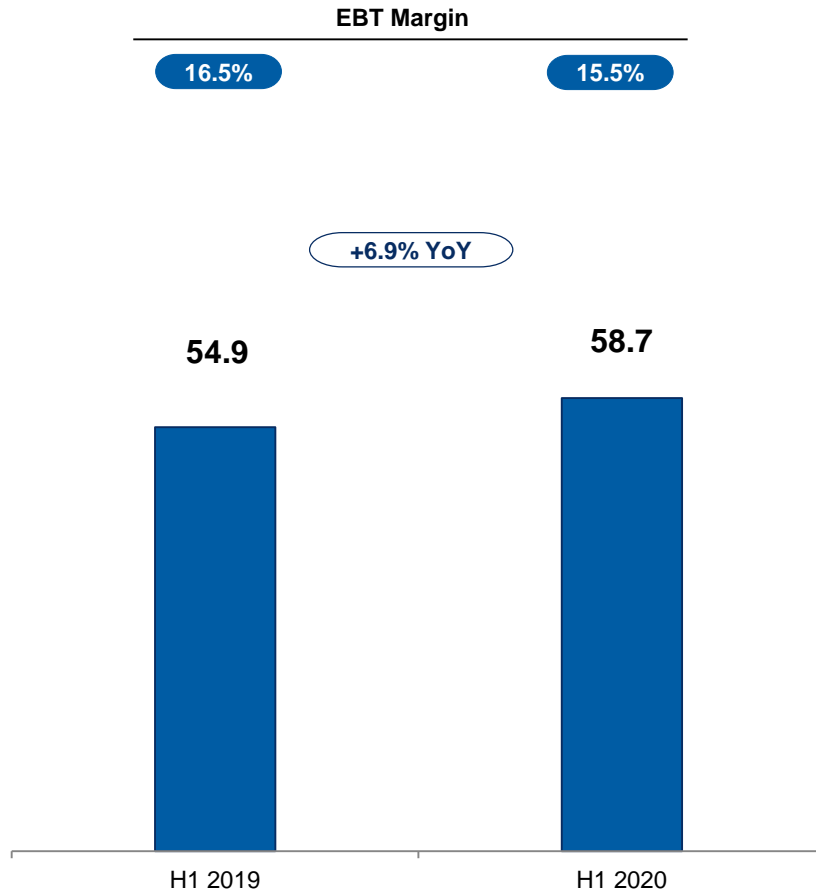
**EBITDA decreased** by 16.8% to €9.4m, comprising **Euromed** and “at-equity investment valuation” of the **FYTA-Group**

- **business continuity** despite challenging corona circumstances
- **build-up of inventory** should be balanced in the course of the year
- H1 2019 impacted by PPA adjustments of €3.6m and in H1 2020 of €1.5m

# Earnings before tax (Group EBT)

Result increased due to M&A and business growth

## Earnings before tax (EBT)<sup>(1)</sup> (€m)



## Comments

- **EBT increased** by 6.9% to €58.7m (unadjusted) resulting in a **margin** of 15.5%

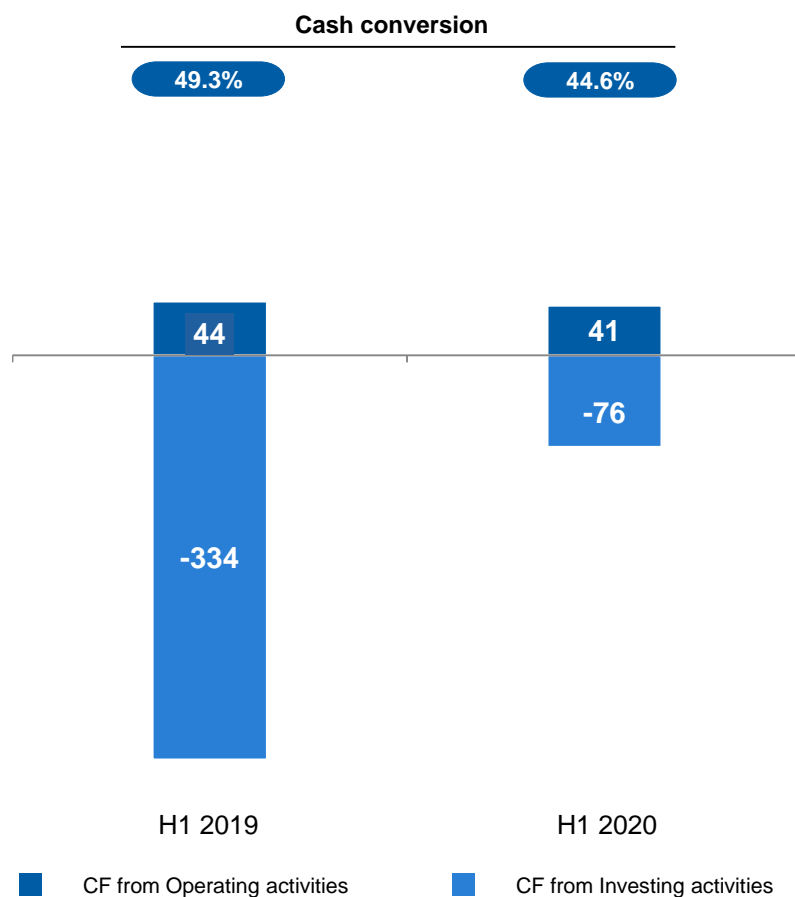
## Mainly influenced by

- lower **depreciation and amortisation** (€1.5m) while H1 2019 included PPA step-ups from acquisition activities (Euromed)
- **financial result** of €-6.2m above previous year level (H1 2019: €-2.3m) mainly due to “at equity” results of Fyta

# Strong cash flows and cash conversion

Reflecting strong dedication to future growth

## Cash flow and cash conversion<sup>(1)</sup>(€m) in % of Group EBITDA

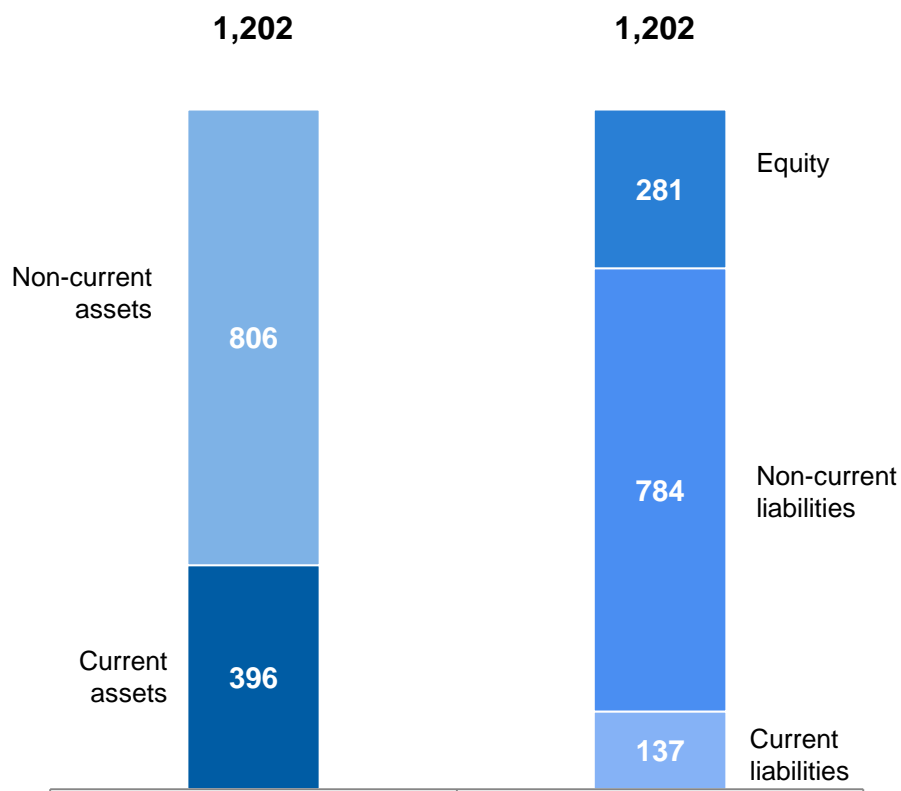


## Comments

- **CF from operating activities** decrease mainly influenced
  - by **increased active working capital** in H1 2020 due to internal inventory build-up
- **CF from investing activities** reflecting in H1 2020
  - acquisition of **Allergopharma**
  - normal level of **R&D activities** and **replacement investments**
- **Free cash flow: €-35m H1 2020 (H1 2019 €-290m)**
- **Cash conversion decreased** in H1 2020 to **44.6%**

# Balance sheet of Dermapharm Group

## Balance Sheet as of 30 June 2020 (€m)



## Comments

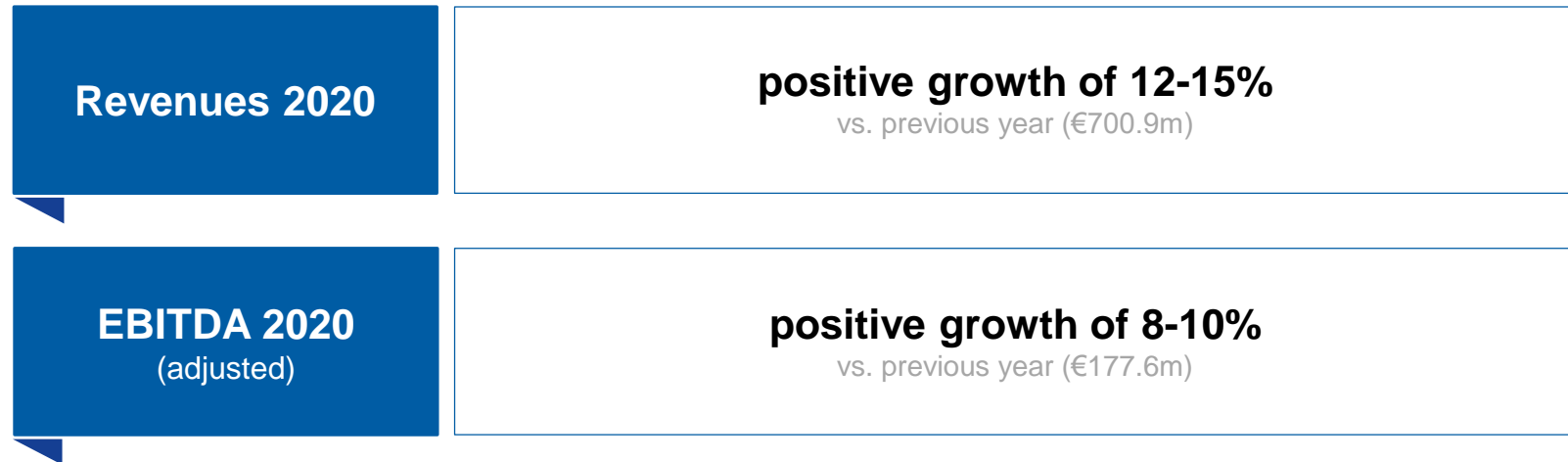
- **Total assets increased to €1,202m** (31 December 2019: €1,045m)
- **Non-current assets** on rose to **€806m** (31 December 2019: €692m) driven by integration of Allergopharma
- **Current assets increased to €396m** (31 December 2019: €353m), mainly due to
  - increase in inventory
  - higher trade receivables
- **Equity of €281m** decreased by -1% due to higher dividend payment (31 December 2019: €285m)
  - **equity ratio** decreased by -3.8pp to 23.4%
- **Current and non-current financial liabilities** amounting to **€649m** (31 December 2019: €580m) driven by financing Allergopharma
  - Financial structure consists of syndicated loan, promissory note loan, real estate loans
- **Net debt / adjusted EBITDA<sup>(1)</sup>: 2.9 x**

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## Growth strategy on track and informing guidance 2020



**Growth rates** are based on **organic growth** supported by **new launches** of **in-house developments**.

**Guidance for the financial year 2020** also includes **growth impulses** from the acquisition of **Allergopharma**.

**Impact of effects** resulting from the **corona crisis** is **considered**.

However, due to the **high insecurity** regarding further development of the **COVID-19 pandemic**, the present forecast is made under **significantly increased uncertainty**.

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1. Highlights FY 2019
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