Dermapharm opens new logistics center in Brehna

- » Centralisation of logistics and expansion of the production space to approximately 12,000 m²
- » Short distances between production and logistics ensure the best possible availability of goods
- » Structural conditions for further growth of the Dermapharm Group established

Grünwald, February 05, 2020 — Dermapharm Holding SE ("Dermapharm"), a leading manufacturer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany with a growing international presence, opened the new logistics center of its subsidiary mibe GmbH Arzneimittel in Brehna near Leipzig at the turn of the year.

This step has expanded the shipping capacities of the Group to approx. 12,000 m² of usable space. The fact that the Brehna site is both Dermapharm's main logistics hub and its largest production site allows for synergies in production and dispatch logistics to be achieved that enable cost savings, save resources and offer customers advantages.

Since the start of the year, nearly 100 employees have been responsible for the smooth processing of orders and the dispatch of more than 40 million packages which Dermapharm sends to its customers from Brehna every year. The delivery of the goods to the customer is carried out by certified forwarding agents. Dermapharm's customers in Germany include pharmaceutical wholesalers, pharmacies, hospitals and health food shops. In the export business, Dermapharm supplies both its own subsidiaries' warehouses, e.g. in Poland and Switzerland, and pharmaceutical wholesalers in Austria and Croatia. The products are also shipped to various international export markets such as Canada and Australia.

"I am very proud of my teams, who made the relocation of the warehouse during ongoing operations possible and without interrupting the supply chain," said Dr. Hans-Georg Feldmeier, CEO of Dermapharm.

At the same time as the construction of the new warehouse, production capacities were also expanded in the existing production buildings. Five machines for manufacturing sticks were installed in new production rooms. The integration of the former company CfP, which Dermapharm acquired from bankruptcy 12 months ago, has been completed as planned. Dermapharm had taken over all of CfP's employees and can now offer them state-of-the-art and competitive jobs. "Sticks are very interesting for us, as they make the intake of Hübner Eisen Vital very user-friendly. We sell around 20 million sticks per year to China alone, which is our largest sales market," explains Feldmeier. In addition to the stick production lines, a new 4-digit fully automatic filling line for liquid, over-the-counter drugs, so-called liquids, was also commissioned in Brehna. The main product on this line is China-Oel, a proven drug for the relief of symptoms of colds and the flu. The new filling line doubles the filling capacity by another five million units per year.

By expanding its capacity and putting its logistics center into operation, Dermapharm has created the structural prerequisites for the further growth of the Group. At the same time, significant cost savings will be achieved through concentration and by using the latest technologies. With its commitment to Germany as a production location, Dermapharm achieves the highest quality and the best possible delivery readiness at competitive prices.

Corporate News

Dermapharm Holding S€

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 inhouse development, in-house production and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a medical and pharmaceutical sales force. Dermapharm has more than 900 marketing authorisations (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 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 optimised 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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