



Dermapharm confirms its profitable growth in 2018 and presents positive outlook for 2019

- » Revenue and earnings growth in 2018 resulted from successful product development, further internationalization and successful acquisitions
- » Revenue of the highly profitable "Branded Pharmaceuticals and Other Healthcare Products" segment rose by 49.4%
- » Expansion of the product portfolio to include the new therapeutic area "Pain Treatment" and the new segment "Herbal Extracts"
- » Growth in revenue expected to continue in 2019 with a disproportionately high EBITDA increase
- » Proposed dividend of EUR 0.77 per share for 2018 planned

Grünwald, April 17, 2019 – Dermapharm Holding SE ("Dermapharm"), a leading manufacturer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany with a growing international presence, today published its complete Annual Report 2018, confirming the preliminary IFRS Group financial figures for the year and the positive business development with significant revenue growth and a further increase in profitability. Dermapharm also plans to continue its profitable growth in 2019.

On the basis of final, audited IFRS Group financial figures, Dermapharm managed to increase its sales revenues by 22.5% year-on-year to EUR 572.4 million in 2018 (previous year: EUR 467.1 million). Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 143.4 million in fiscal year 2018¹ (previous year: EUR 112.9 million²). The adjusted EBITDA margin thus increased to 25.1% (previous year: 24.2%). Unadjusted EBITDA in 2018 amounted to EUR 139.6 million (previous year: EUR 110.2 million). The unadjusted EBITDA margin also improved to 24.4% (previous year: 23.6%).

"After our first year on the stock exchange, we see Dermapharm fully on course both operationally and strategically. We fully met our sales and EBITDA forecasts for 2018 and will therefore propose a dividend of EUR 0.77 per share to our shareholders at the Annual General Meeting. In addition, we have consistently implemented our strategy as planned and thus laid the foundation for further profitable growth," commented Dr. Hans-Georg Feldmeier, CEO of Dermapharm Holding SE.

The "Branded Pharmaceuticals and Other Healthcare Products" segment, in which Dermapharm currently has more than 900 marketing authorizations for more than 250 active pharmaceutical ingredients, made a major contribution to sales and earnings growth in 2018. Segment sales increased by 49.4% to EUR 334.7 million (previous year: EUR 224.1 million), while segment EBITDA rose by 27.0% to EUR 132.8 million (previous year: EUR 104.6 million). The company thus continued to achieve a very high EBITDA margin of 39.7% (previous year: 46.4%) in this segment. Sales in the "Parallel Import Business" segment amounted to EUR 237.8 million (previous year: EUR 243.0 million). The slight decline in sales of 2.1% was mainly due to portfolio optimization in 2018, as the concentration on high-margin products was accompanied by dispensing with sales of high-priced products with very low margins. This strategy is also reflected in the positive EBITDA development: segment EBITDA increased by 26.8% to EUR 9.0 million (previous year: EUR 7.1 million). The EBITDA margin thus also improved to 3.8% (previous year: 2.9%). axicorp, the subsidiary responsible for the Parallel Import Business, was thus able to further expand its position as the No. 4 German importer and at the same time increase its profitability.

In order to continue its success story in 2019 and beyond, numerous measures were taken last year as part of the growth strategy. The company relies on three pillars: expanding its product portfolio by introducing new products developed in-house, expanding its international business activities and making successful acquisitions. Last year, Dermapharm received 33 new market approvals, including 10 for Germany. The market approvals relate to the muscle relaxant Myopridin[®], the wart-therapeutic

¹ EBITDA for 2018 adjusted for one-time costs of EUR 3.8 million related to the stock exchange listing and the acquisitions of Strathmann and Trommsdorff.

² EBITDA for 2017 adjusted for one-time costs of EUR 2.7 million related to the preparation of the stock exchange listing.



Verrucutan® and the medical skin care product Physiotop with the OLT active system (patent pending). At the same time, the product pipeline of approximately 50 ongoing development projects was successfully developed further. With a view to expanding its international business activities, the first product approvals were already obtained for the subsidiaries in the United Kingdom and Italy in the preparatory year 2018. In addition, bite away® and Herpotherm®, the hyperthermia products acquired at the end of 2017, were successfully rolled out in so far twelve European countries and international sales partners acquired.

Fiscal year 2018 was also marked by successful M&A activities. For instance, Dermapharm acquired the German pharmaceutical manufacturers Strathmann and Trommsdorff in January 2018. The acquisitions supplement the company's portfolio with well-known brands for existing therapeutic areas such as the anti-inflammatory skin cream Ebenol® or Tromcardin® complex, an electrolyte combination with cardiac micronutrients. At the same time, products such as Myopridin® or Keltican® forte provide Dermapharm with access to the new therapeutic area "Pain Treatment." The acquisition of the Spanish company Euromed S.A. was also initiated in December 2018 and completed in January 2019. The leading manufacturer of plant extracts and plant-based ingredients has access to and know-how on the Spanish pharmaceutical market and strengthens Dermapharm's value chain and expertise in the growth market for herbal pharmaceuticals. With a 20% stake in the FYTA Group, a Dutch company specializing in the production of medical cannabis, Dermapharm also secured access to another growth market in March 2019.

"Our M&A strategy has always been an important part of Dermapharm's success story. The many successful acquisitions at the end of 2017 and the beginning of 2018 are also reflected in the very positive sales and earnings development of the past year. At the same time, we are supplementing our product portfolio in selected niche markets and opening up new markets," said Karin Samusch, member of the Management Board of Dermapharm Holding SE, in reference to the acquisitions.

For 2019, Dermapharm expects the scheduled launch of further attractive RX and OTC products as well as revenue and earnings contributions from the new segment "Herbal Extracts" for the first time. The company will also continue its international expansion in 2019. Through Euromed, Dermapharm plans to open up the Spanish market for its own products and further advance the international roll-out of hyperthermia products. Against the backdrop that the dynamic sales and earnings growth in 2018 was also significantly influenced by the numerous M&A activities and that Euromed S.A. will now be consolidated in the Group for the first time in 2019, Dermapharm expects revenue to increase by between 14% and 19% in fiscal year 2019 compared to the previous year with a disproportionately high increase in EBITDA of between 17% and 22%. This forecast does not include any sales and earnings contributions from the investment in the FYTA Group.

The complete Annual Report 2018 is available on the website ir.dermapharm.de as of today.



IFRS financial figures for 2018 compared to the previous year

in EUR millions	2018	2017	Change
Group revenue	572.4	467.1	+ 22.5%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	<i>334.7</i>	<i>224.1</i>	<i>+ 49.4%</i>
<i>Parallel Import Business</i>	<i>237.8</i>	<i>243.0</i>	<i>(2.1%)</i>
Adjusted Group EBITDA*	143.4	112.9	+ 27.0%
Adjusted EBITDA margin* (in %)	25.1	24.2	+ 0.9pp
Group EBITDA	139.6	110.2	+ 26.7%
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	<i>132.8</i>	<i>104.6</i>	<i>+ 27.0%</i>
<i>Parallel Import Business</i>	<i>9.0</i>	<i>7.1</i>	<i>+ 26.8%</i>
EBITDA margin (in %)	24.4	23.6	+ 0.8pp
<i>Branded Pharmaceuticals and Other Healthcare Products</i>	<i>39.7</i>	<i>46.4</i>	<i>(6.7pp)</i>
<i>Parallel Import Business</i>	<i>3.8</i>	<i>2.9</i>	<i>+0.9pp</i>

* EBITDA 2017 and 2018 adjusted for one-time costs of EUR 2.7 million and EUR 3.8 million, respectively, for IPO preparations or the IPO and the acquisitions of Strathmann and Trommsdorff. Trommsdorff GmbH & Co. KG was consolidated for the first time as of February 1, 2018, when Dermapharm acquired full control of the company. Accordingly, the sales and earnings contribution was not included in the consolidated result until February 2018.

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 approximately 900 marketing authorizations (*Arzneimittelzulassungen*) for more than 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.

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 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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