



Dermapharm continues on its profitable growth course in first half of 2019

- » Revenue up 19% year-on-year to EUR 333 million
- » Adjusted EBITDA of EUR 90 million around 27% above previous year's level
- » Adjusted EBITDA margin improves from 25% to 27%
- » Positive outlook confirmed for full year 2019

Grünwald, 23 August 2019 – Dermapharm Holding SE (“Dermapharm”), a leading producer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany with a growing international presence, published its unaudited preliminary IFRS Group financial figures for the first half of 2019 today. The company once again grew dynamically during this period and managed to further improve its profitability.

Revenue in the first half of 2019 increased by 19% to EUR 333 million (previous year: EUR 280 million). Dermapharm also significantly increased its earnings before interest, taxes, depreciation and amortization (EBITDA) in the reporting period disproportionately to total revenue. Group EBITDA adjusted for non-recurring expenses in the amount of EUR 8.5 million increased by 27% to EUR 90 million (previous year: EUR 71 million). Accordingly, the adjusted EBITDA margin improved to 27.0% (previous year: 25.4%). Unadjusted Group EBITDA amounted to EUR 82 million, which equates to an increase of 22% over the same period of the previous year (EUR 67 million) and an unadjusted EBITDA margin of 24.6%.

“The results for the first half of 2019 reflect the success of our growth strategy,” commented Dr. Hans-Georg Feldmeier, CEO of Dermapharm Holding SE. “We grew organically through new product launches and further development of our current portfolio. Our acquisitions Trommsdorff and Strathmann were integrated very successfully and contribute significantly to organic growth. We also opened up the Spanish market via Euomed and at the same time created our new segment ‘Herbal Extracts’.”

Dermapharm also secured access to the growth market for medical cannabis by acquiring a minority stake in the Dutch cannabis producer FYTA in March 2019. Most recently, the company acquired 70% of the shares in fitvia GmbH, Wiesbaden, Germany. In addition to tea, fitvia sells food and dietary supplements, snacks and mueslis, which are successfully distributed in several European countries via a social media and influencer marketing concept. The transaction was closed on 16 July 2019, therefore fitvia will not be consolidated until the second half of the year.

“The future prospects for this year and beyond are very positive. Accordingly, we are massively expanding our existing capacities. In April, we celebrated the topping-out ceremony for our new logistics center in Brehna, near Leipzig. The new building expands the existing production site by around 12,400 sqm to a total of over 50,000 sqm and thus creates the logistical prerequisites for the further growth of the Dermapharm Group,” said Dr. Hans-Georg Feldmeier.

On the basis of the positive business development in the first half of 2019, the Management Board of Dermapharm Holding SE confirms the forecast issued for fiscal year 2019. The company continues to expect revenue growth of 14 to 19% over the previous year and an increase in adjusted EBITDA of 17 to 22% over the previous year.

Dermapharm will publish its final figures for the first half of 2019 together with its complete half-year financial report 2019 on 12 September 2019.


Key IFRS financial figures compared to previous year (preliminary)

in EUR millions	H1 2019	H1 2018	Change
Consolidated revenue	333	280	19%
Adjusted Group EBITDA*	90	71	27%
Adjusted EBITDA margin* (in %)	27.0	25.4	+ 1.6pp
Group EBITDA	82	67	+ 22%
EBITDA margin (in %)	24.6	23.9	+ 0.7pp

* EBITDA in H1 2019 adjusted for non-recurring expenses of EUR 8.5 million related to the acquisitions of Euromed and Fitvia, PPA effects and restructuring costs at Bio-Diät Berlin. EBITDA in H1 2018 adjusted for non-recurring expenses of EUR 3.8 million related to the preparation of the IPO and the acquisitions of Strathmann and Trommsdorff.

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 more than 900 marketing authorizations (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 plant pharmaceuticals through the Spanish company Euromed S.A., one of the leading manufacturers of plant extracts and plant-based active ingredients.

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 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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