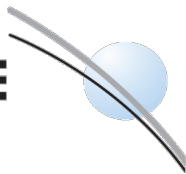


**Dermapharm Holding SE**



Dermapharm Group

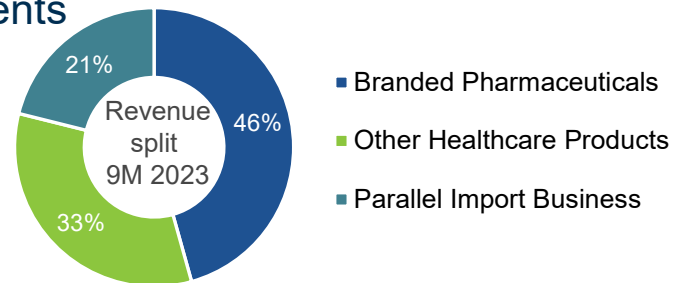
# **Dermapharm at a glance**

January 2024

## Company profile

- Innovative and rapidly growing manufacturer of branded pharmaceuticals and other healthcare products
- Founded in 1991 - Headquarters in Grünwald near Munich
- In addition to the main site in Brehna near Leipzig, further production, development and sales sites within Europe, primarily in Germany
- Dermapharm currently employs around 3,404<sup>1</sup> people worldwide

## Segments



## Key figures (IFRS)

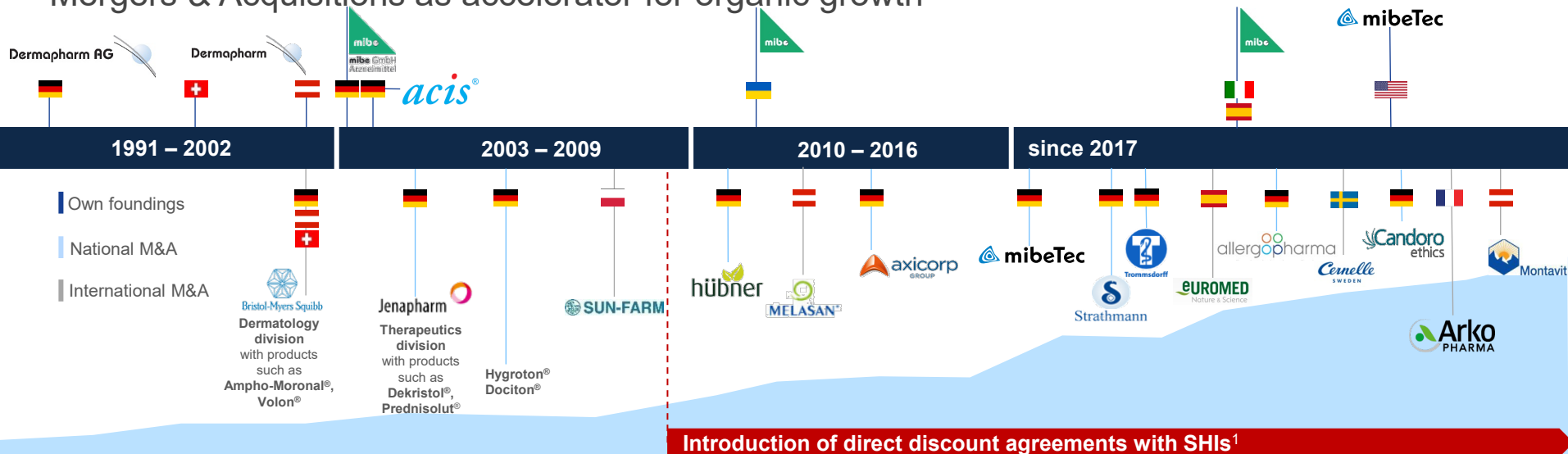
	LTM <sup>1</sup>	2022	2021	CAGR 2020 – LTM <sup>1</sup>
<i>in €m</i>				
Revenue	1,157.1	1,024.8	942.9	13.4%
<b>Adjusted EBITDA</b>	<b>364.2</b>	<b>359.8</b>	<b>351.1</b>	<b>18.6%</b>
<i>in % of revenue</i>	<b>31.5</b>	<b>35.1</b>	<b>37.2</b>	<i>Nm</i>
Unadjusted EBITDA	307.8	331.3	354.4	22.0%
<i>in % of revenue</i>	26.6	32.2	37.6	<i>nm</i>
Operating result	222.7	243.7	298.5	17.6%
EBT	158.5	216.3	293.0	8.1%
Profit or (loss) for the period	93.0	132.6	208.9	2.7%
Earnings per share (€)	1.8	2.5	3.9	3.1%
CF from operating activities	368.5	288.5	250.4	41.1%
Net debt	990.0	367.8	419.7	<i>nm</i>

## USPs

1. Clear focus on **Germany and Europe as a quality location**
2. High-growth pharmaceutical manufacturer in selected, **profitable niche markets**
3. In-house **R&D expertise** with a pipeline of >60 ongoing development projects
4. Successful **M&A track record**
5. Expansion of **international presence**

# Dermapharm history

## Mergers & Acquisitions as accelerator for organic growth



- Dermatological focus**
  - Branded pharmaceuticals as flagship products
  - Extension of established dermatological product portfolio
- Portfolio extension**
  - Acquisitions of original brands and in-licensing of generic products
  - Extension of therapeutic areas
- Further diversification**
  - Start of own R&D activities
  - Positioning in selected markets
  - Expansion of product portfolio to food supplements, dietary products and healthcare products
- Growth acceleration**
  - Acceleration in markets with low regulation (e.g. OTC)<sup>2</sup>
  - Internationalisation

<sup>1</sup> SHI = Statutory Health Insurance | <sup>2</sup> OTC = Over The Counter.

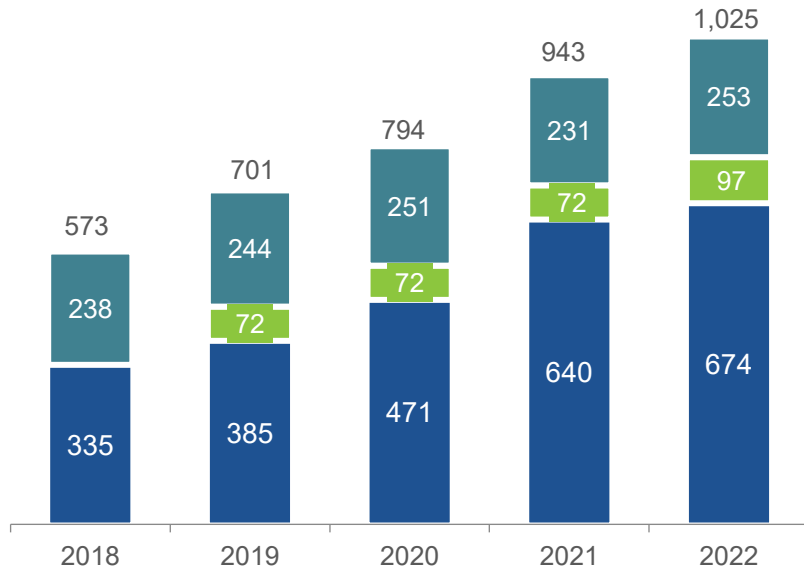
# Steady organic revenue growth supported by M&A activities

## Market access with increasing direct payer share



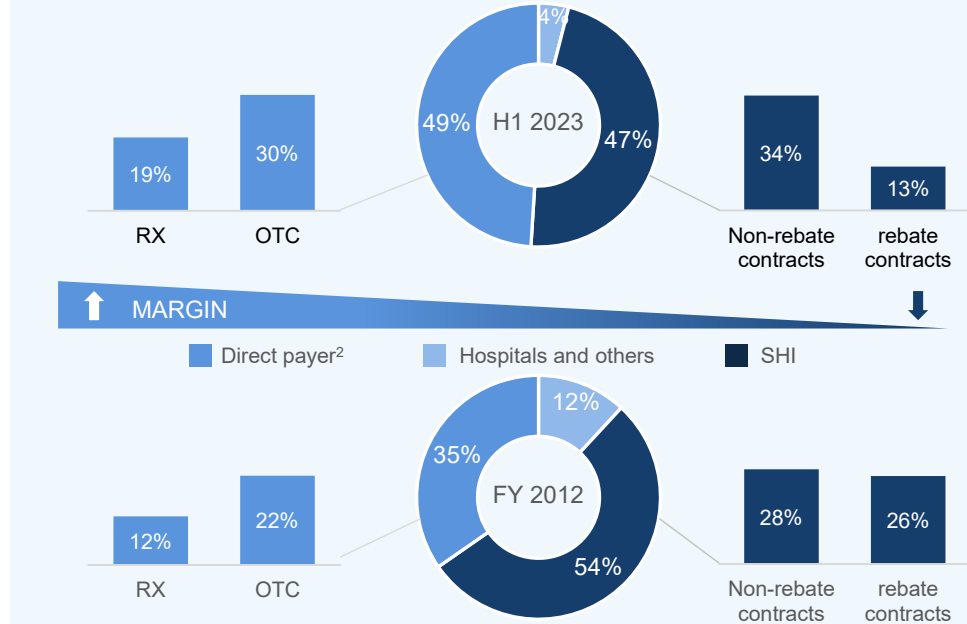
### Total Revenue €m

- Parallel import business
- Other healthcare products<sup>3</sup>
- Branded pharmaceuticals<sup>3</sup>



### Revenue by market access<sup>1</sup>

Branded pharmaceuticals & parts of other healthcare products



<sup>1</sup> Gross sales | <sup>2</sup> Including private health insurances.

Source: Insight Health (NV3, Apofusion), Applied services, internal data (Hospitals and other "special" customers, which cannot be shown by market research data)

<sup>3</sup> Until Q1 2023 Branded pharmaceuticals and other healthcare products, Herbal extracts, Parallel import business, from Q2 2023 onward Branded pharmaceuticals, Other healthcare products, Parallel import business

# Montavit

A pioneer in catheter gels based in Absam, Austria



Family-owned business with own R&D and manufacturing capabilities for pharmaceuticals and medical devices



Focus on therapeutic areas

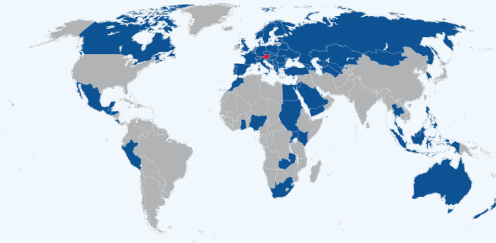
- Urology
- Gynecology
- Allergy therapy
- Herbal pharmaceuticals

Core competencies

- production of sterile gels
- Global player in coal tablets production and processing

Pioneer in catheter gels since 1971

- >90% market share with “Cathejell” in Austria



Represented in >80 countries worldwide via distributors

# Arkopharma at a glance

Leading producer for food supplements in Western / Southern Europe



Food supplements  
“made in France”  
headquartered in  
Carros close to Nice

## ArkophARMA

1 iconic umbrella brand

**>€200m**

Net Sales 2022

**40%**

International sales

**>20%**

EBITDA margin

**~7%**

future organic growth potential p.a.

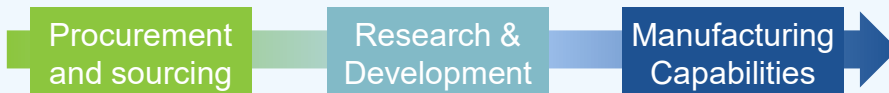
**#1**

Player in France<sup>1</sup>

**#3**

Player in Spain<sup>1</sup>

Fully integrated platform with a unique expertise in plant sourcing, manufacturing and natural product developments

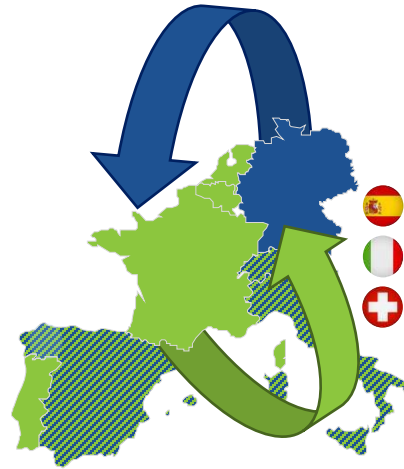
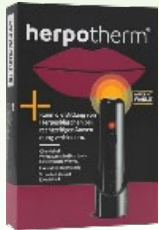


Strong commercial network giving access to more than 32,000 POS in seven European markets

# Portfolio synergies

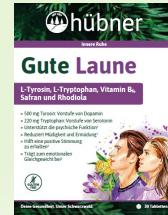
focused on product portfolios and geographies

## Dermapharm products in Arkopharma geographies



- Dermapharm
- Arkopharma
- Both companies

## Arkopharma products in Dermapharm geographies



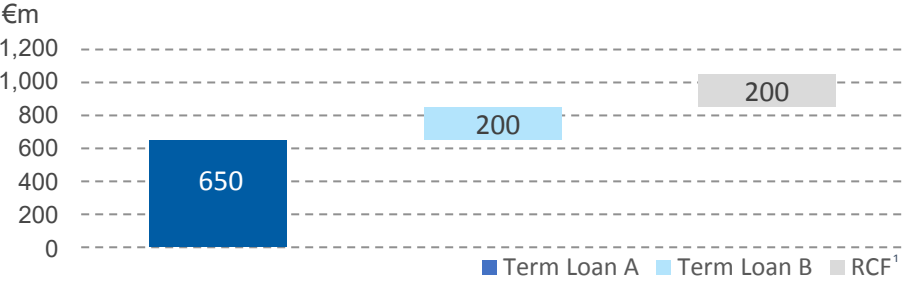
# New syndicated loan

combines long-term financing stability with high flexibility

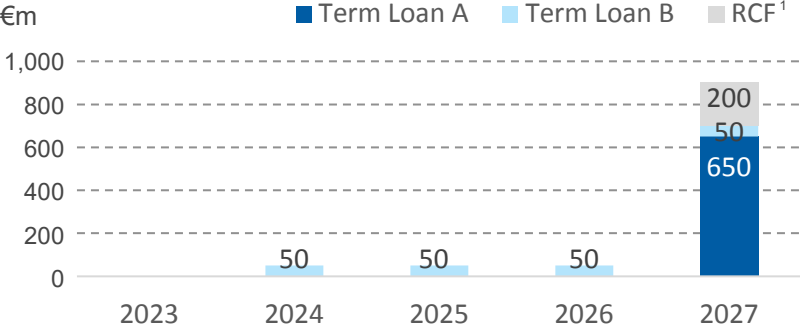
## Key Facts

Volume	€1,050 m (+ Incremental Option €200m)
Maturity	15 December 2027
Lender	6 banks with strong credit rating
Facilities	Term and revolving facilities
Repayment	€50m p.a. for term loan
Financial Covenant	Leverage Ratio

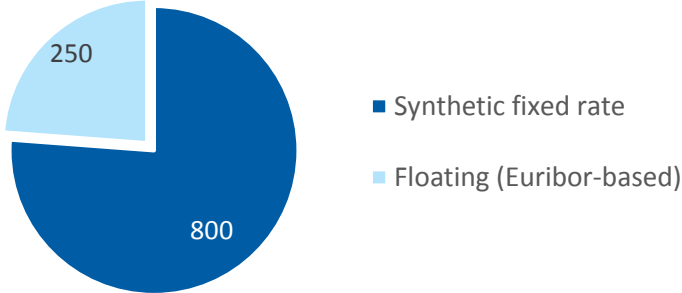
## Facilities



## Maturity



## Interest rate (plus margin)



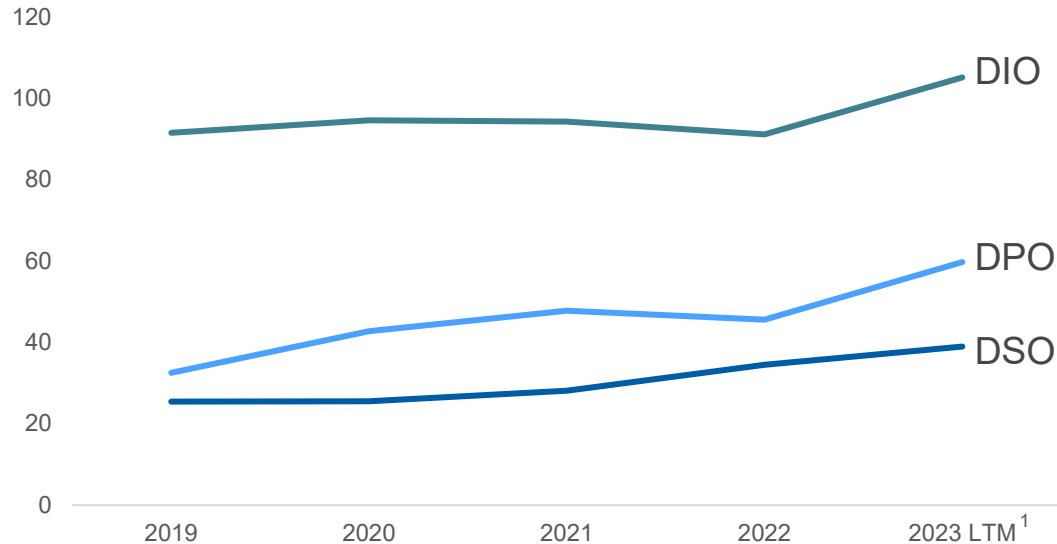
<sup>1</sup> RCF = Revolving Credit Facility.

# Focus on working capital management

## Consequent monitoring of cash conversion cycle

### Cash conversion

days



- High stock coverage (DIO) to ensure permanent ability to deliver on time
- Short payment terms (DSO) to ensure liquidity...
- ... and to secure settlement of liabilities (DPO)

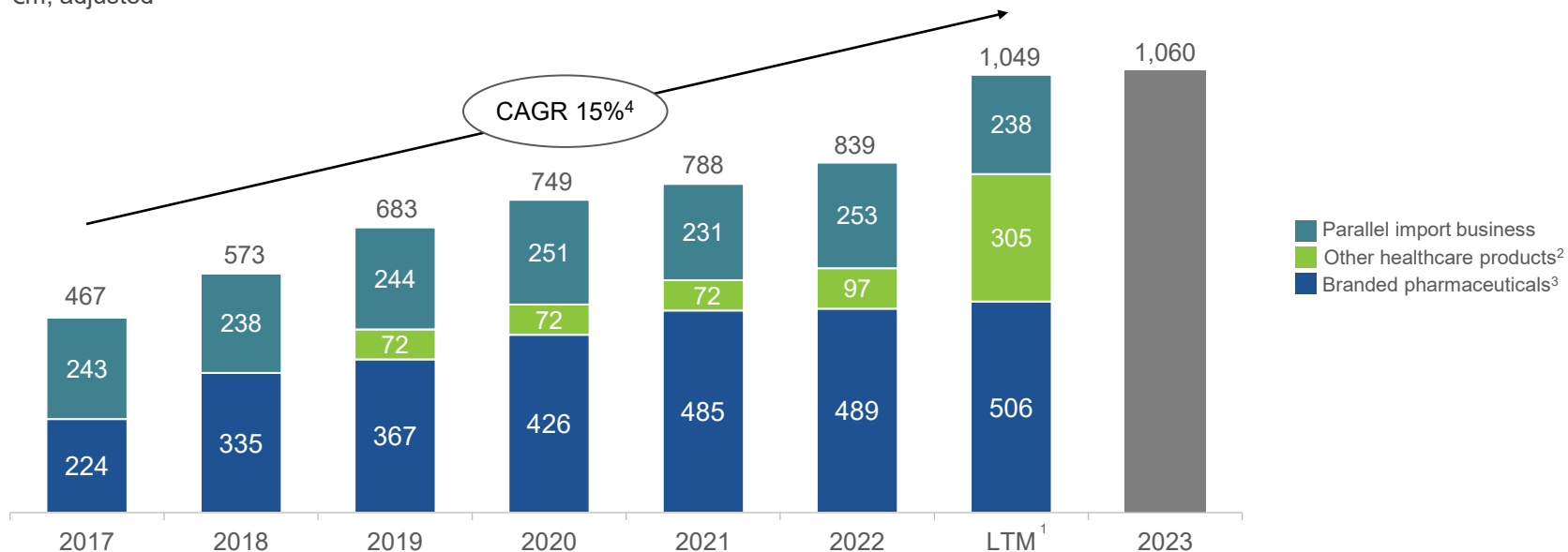
# Steady strong performance



Revenues (excl. vaccine business & fitvia) increased with a CAGR 2017-23 of 15%

## Revenue excl. vaccine business & fitvia

€m, adjusted

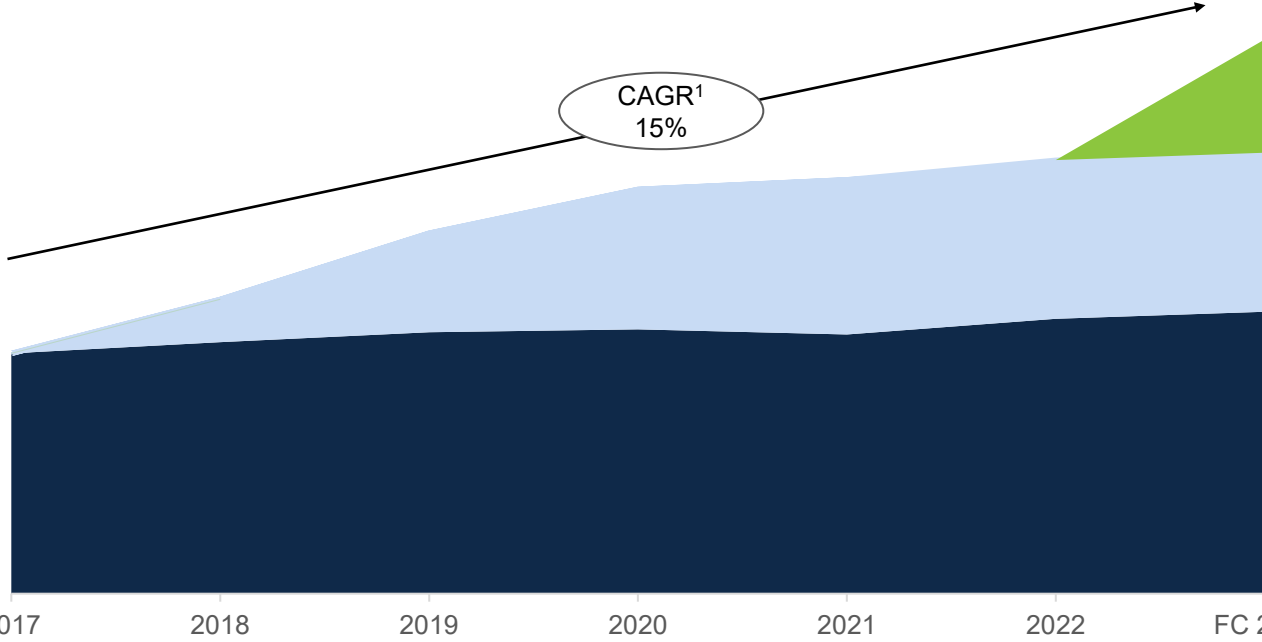


<sup>1</sup> LTM 9M 2023 + Q4 2022; <sup>2</sup> 2017-2022 Herbal extracts; <sup>3</sup> 2017-2022 Branded Pharmaceuticals & other healthcare products; <sup>4</sup> calculated with 5.75 years

# Successful execution of growth strategy

translating to a sustainable future organic growth of 3-5%

## Revenue



## Future growth drivers

- Arkopharma grew at a CAGR of 5.8% since 2019, organic growth of ~7% in 2023
- M&A transaction with organic growth of >3.0%
- Major successful acquisitions contributed to a strong development of all segments
- Especially Trommsdorff with strong development with products Tromcardin® complex and Keltican®
- Historical Dermapharm business with 2.3% organic growth
- Ongoing promotion of major organic growth drivers such as Dekristol® or Ketozolin®
- Continuous innovation with 4-6 new product launches p.a.

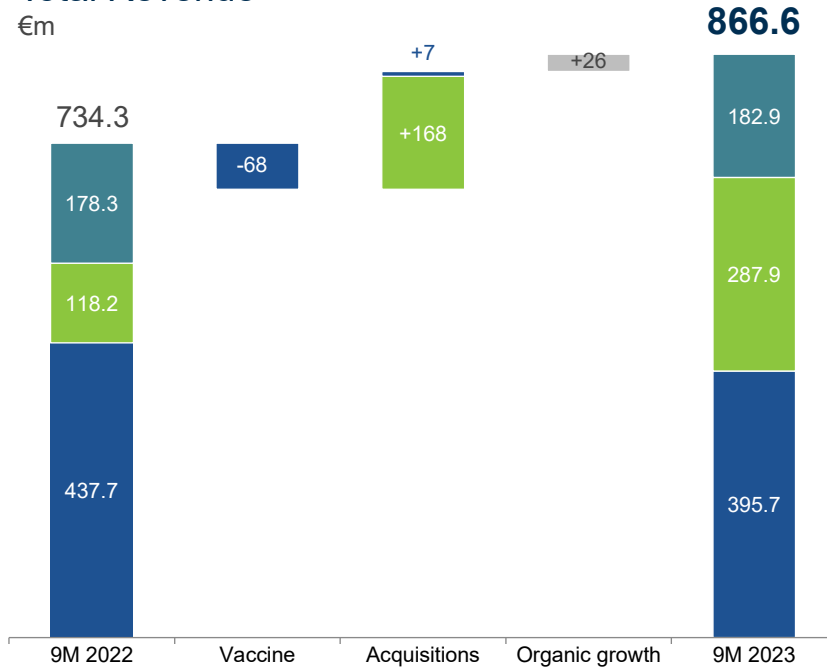
■ Dermapharm Group<sup>1</sup> ■ M&A transactions (Strathmann, Trommsdorff, Euromed, Allergopharma, Cernelle, Candoro ethics) ■ Arkopharma

<sup>1</sup> excl. vaccine production

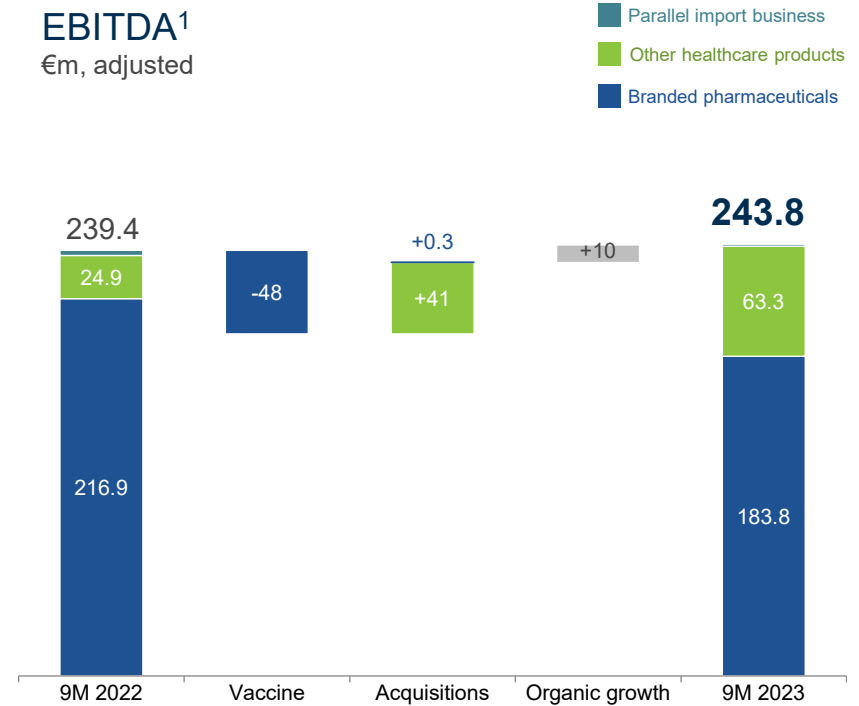
# Key drivers of revenue and adj. EBITDA development

Arkopharma is the driver of revenue and EBITDA growth supported by organic growth of the existing portfolio

## Total Revenue €m



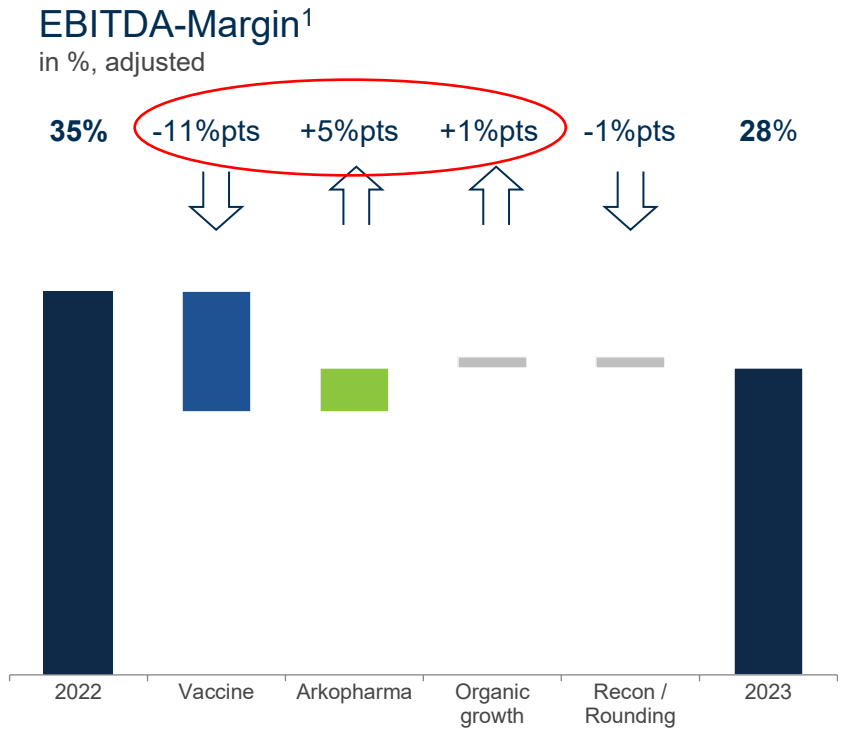
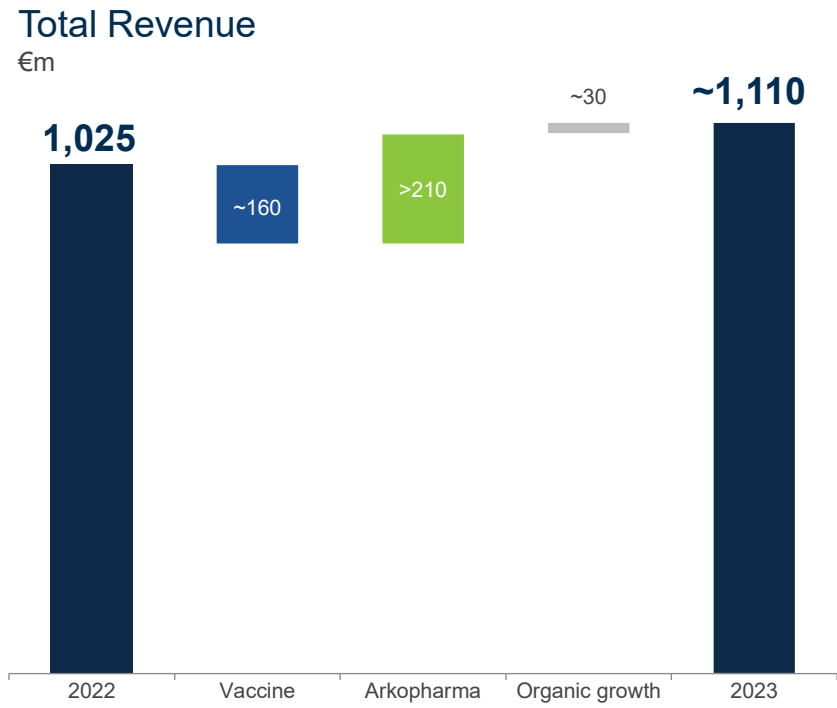
## EBITDA<sup>1</sup> €m, adjusted



<sup>1</sup> 9M 2022 EBITDA adjusted for non-recurring costs of €3.2m for acquisition costs for Corat, Candoro ethics (C<sup>3</sup>-Group), Cernelle and Nutravis, €3.4m in connection with the PPA-effects and €0.3m restructuring costs for fitvia and €0.7m consulting costs in connection with further acquisition efforts | Group EBITDA also includes EBITDA from reconciliation of € -5.3m (Group Holding).  
9M 2023 EBITDA adjusted for non-recurring costs of €8.4m in connection with acquisitions, share purchases and M&A transactions, €13.2m in connection with PPA effects, €7.2m for the deconsolidation of fitvia, bellavia and mibe UK and €6.6m for the impairment of Corat | Group EBITDA also includes EBITDA from reconciliation of € -4.3m (Group Holding).  
EBITDA of vaccine business is based on analysts' expectations of an EBITDA-Margin between 60-80%.

# Well on track to achieve guidance at the upper end

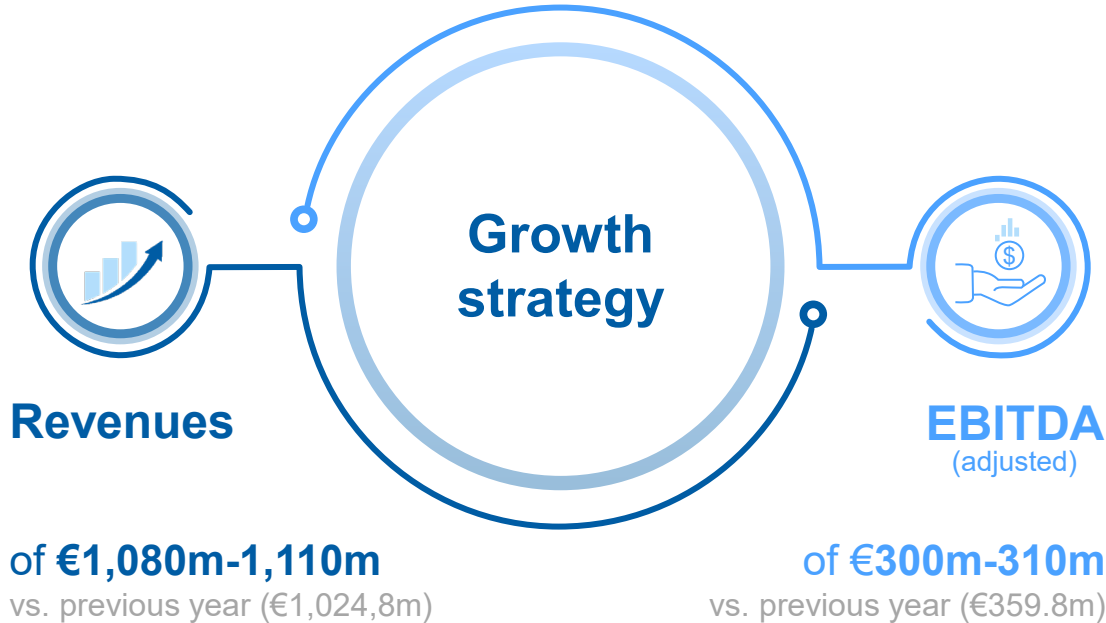
Arkopharma and organic growth compensate more than half of the margin deterioration following the end of the vaccine business



<sup>1</sup> EBITDA FY 2022 adjusted for non-recurring costs of €28.4m in connection with the acquisition of Corat, C3, Cernelle and Nutravivis, consulting costs in connection with further acquisition efforts, restructuring of fitvia and Spectrum, Cilian (exclusive right of negotiation), impairment of Corat, PPA-effects for Cernelle and C3 and severance pay for Executive Board (adjustment via Group Holding) | Group EBITDA also includes EBITDA from reconciliation of € -7.5m (Group Holding). EBITDA of vaccine business is based on analysts' expectations of an EBITDA-Margin between 60-80%.

# Outlook 2023

The positive Q3 2023 revenue and (adj.) EBITDA trading should translate to an achievement in FY23 in the higher range of the outlook



- Management confirms the existing revenue and EBITDA outlook.
- The favourable trading development of Arkopharma and the strong organic growth of the existing portfolio across the segments currently points at a realisation of the Group's targeted financials revenues and (adj.) EBITDA at the higher range of the respective forecast.

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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