

Dermapharm Holding SE



INTERIM STATEMENT Q1

2022

CONSOLIDATED RESULTS AT A GLANCE

		Q1 2022	Q1 2021
Revenue	EUR million	231.6	212.2
Adjusted EBITDA*	EUR million	75.1	63.7
Adjusted EBITDA margin*	%	32.4	30.0
Unadjusted EBITDA	EUR million	71.3	62.8
Unadjusted EBITDA margin	%	30.8	29.6
Operating result	EUR million	58.1	51.8
Earnings before taxes	EUR million	57.4	49.0
Consolidated net profit	EUR million	37.1	36.2
Earnings per share	EUR	0.69	0.67

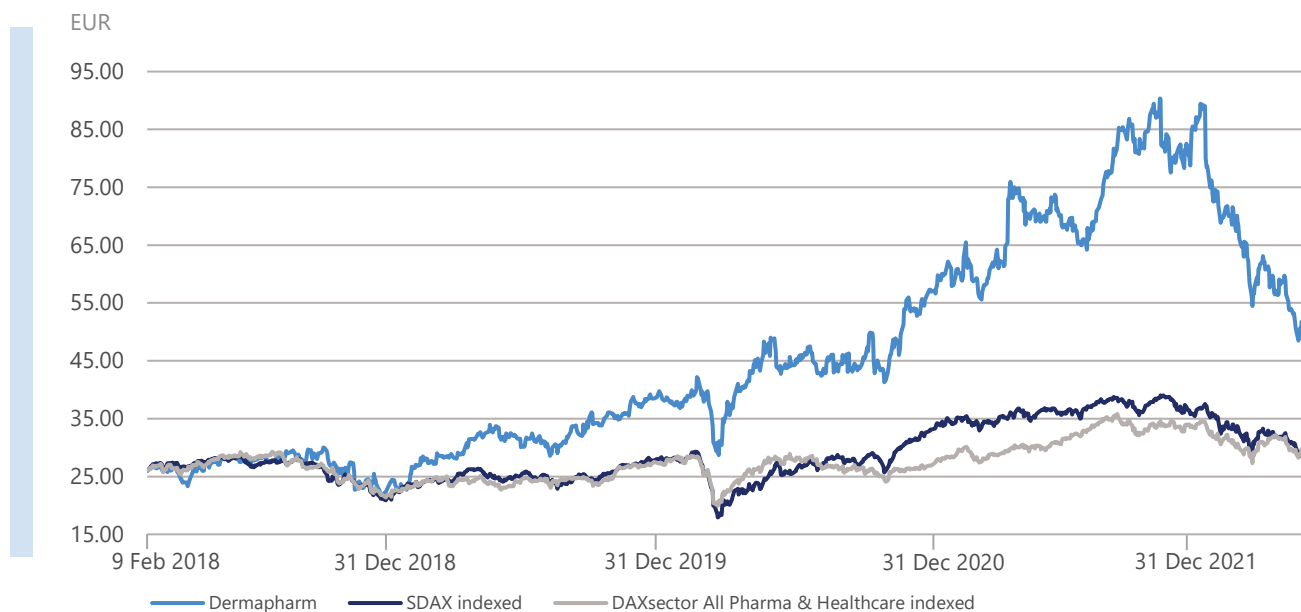
		31 March 2022	31 December 2021
Total assets	EUR million	1,461.3	1,407.0
Equity	EUR million	536.4	499.8
Equity ratio	%	36.7	35.5
Cash and cash equivalents	EUR million	127.5	161.4
Net debt	EUR million	455.5	419.7

* Q1 2022 EBITDA adjusted for non-recurring costs of EUR 3.7 million.
 Q1 2021 EBITDA adjusted for non-recurring costs of EUR 0.9 million.

Financial calendar 2022

Virtual Annual General Meeting 2022	1 June 2022
Publication of the preliminary figures for H1 2022	23 August 2022
Publication of 2022 Half-Yearly Financial Report	7 September 2022
Publication of Q3 Interim Statement	16 November 2022

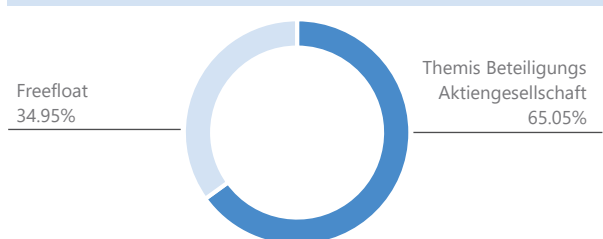
SHARE INFORMATION



The shares at a glance (XETRA)

High (3 November 2021)	EUR 90.35
Low (20 December 2018)	EUR 21.625
Closing price (13 May 2022)	EUR 51.75
Trading volume (9 February 2018 to 13 May 2022, Ø number of shares)	43,526 shares
Market capitalisation (as at 31 March 2022)	EUR 3,106.6 million

Shareholder Structure



General information

German Securities Code (WKN)	A2GS5D
ISIN	DE000A2GS5D8
Ticker symbol	DMP
Type of shares	No-par value ordinary bearer shares
Initial listing	9 February 2018
Number of shares	53.84 million
Stock exchange	Regulated Market (Prime Standard) of the Frankfurt Stock Exchange

General information

Analysts	Harald Hof, Alster Research Charlotte Friedrichs, Berenberg Alexander Thiel, Jefferies Daniel Wendorff, ODDO BHF Dennis Berzhanin, Pareto Securities Dr. Daniel Grigat, Stifel
Designated Sponsors	Berenberg Stifel

Information based on voting rights notifications received pursuant to German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") as at 17 May 2022

REPORT ON ECONOMIC POSITION

1. Course of business

Dermapharm Holding SE held its own in a turbulent economic environment in the first three months of 2022. This was due in particular to the continued high demand for products in the Group's portfolio, notably the Trommsdorff products such as Tromcardin which performed far better than expected. Growth was also buoyed by the ongoing vaccine production in cooperation with BioNTech SE. In addition, the now integrated Cernelle and C³ Group acquisitions made their first contributions to revenue and earnings.

Consolidated revenue increased by 9.1% to EUR 231.6 million as compared to the prior-year period (Q1 2021: EUR 212.2 million). At the same time, adjusted EBITDA increased by 17.9% to EUR 75.1 million (Q1 2021: EUR 63.7 million). Unadjusted EBITDA amounted to EUR 71.3 million, representing a 13.5% increase (Q1 2021: EUR 62.8 million).

The adjusted EBITDA margin amounted to 32.4% (Q1 2021: 30.0%). The unadjusted EBITDA margin amounted to 30.8% (Q1 2021: 29.6%).

The overall performance in the first three months of 2022 has underscored the fact that Dermapharm's business model has proven it can remain successful in the long-term, even in the face of the COVID-19 pandemic and the Ukraine conflict.

Segment Branded pharmaceuticals and other healthcare products

In the "Branded pharmaceuticals and other healthcare products" segment, Dermapharm significantly increased revenue by 11.8% to EUR 145.7 million (Q1 2021: EUR 130.3 million). The increase was attributable primarily to the stable demand for products in the existing portfolio, as well as the vaccine production in cooperation with BioNTech SE.

This resulted in an adjusted EBITDA of EUR 69.4 million, representing a year-on-year increase of 18.0% (Q1 2021: EUR 58.8 million). The segment's adjusted EBITDA margin amounted to 47.6% (Q1 2021: 45.1%).

Unadjusted EBITDA rose to EUR 66.4 million (Q1 2021: EUR 58.7 million). The segment's unadjusted EBITDA margin amounted to 45.6% (Q1 2021: 45.0%).

Segment Herbal extracts

In the "Herbal extracts" segment, Dermapharm generated revenue of EUR 25.6 million in the first three months of 2022 (Q1 2021: EUR 20.0 million).

This revenue growth is attributable primarily to the integration of the new acquisitions Cernelle and the C³ Group. Cernelle has been allocated to this segment since 1 December 2021, while the C³ Group was included for the first time as at 1 February 2022. In addition, Euromed recorded slight year-on-year growth.

Adjusted EBITDA amounted to EUR 6.1 million (Q1 2021: EUR 5.5 million). The adjusted EBITDA margin amounted to 23.8% (Q1 2021: 27.5%). The unadjusted EBITDA amounted to EUR 5.4 million (Q1 2021: EUR 4.8 million), and the unadjusted EBITDA margin amounted to 21.1% (Q1 2021: 24.0%).

Segment Parallel import business

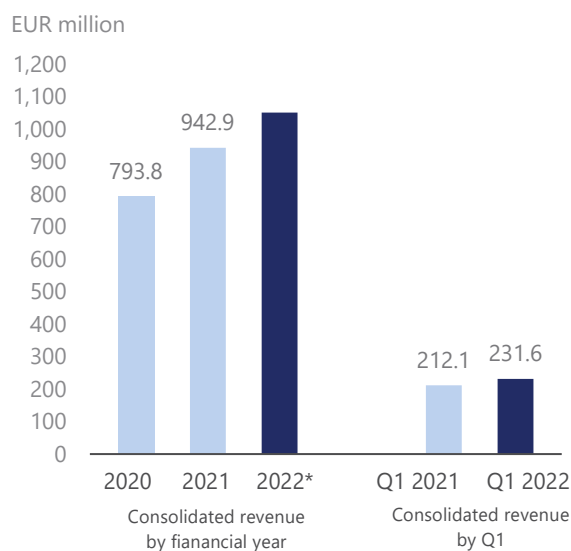
Revenue for the parallel import business decreased by 2.4% to EUR 60.4 million (Q1 2021: EUR 61.9 million). The decline is due primarily to the persistently lower demand seen across the entire parallel import market, and lower sales prices. The increased participation in health insurance discount agreements following the entry into force of the German Act for More Safety in the Supply of Pharmaceuticals (*Gesetz für mehr Sicherheit in der Arzneimittelversorgung*, "GSAV") led to a further revenue decline.

EBITDA was above the previous year's level at EUR 1.2 million (Q1 2021: EUR 1.0 million). The segment's EBITDA margin rose in the first three months of 2022 to 2.0% (Q1 2021: 1.6%).

2. Revenue and earnings performance

Revenue trend

Yearly and quarterly comparison of revenue trend

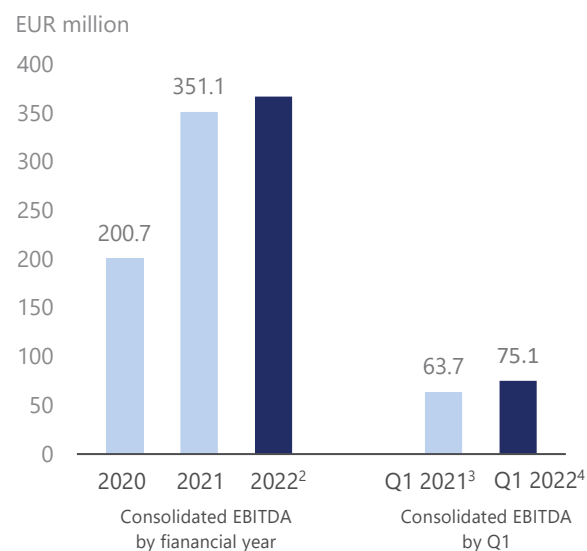


* Estimated annual revenue in line with forecast growth of 10-13%

- Revenue in the first three months of 2022 amounted to EUR 231.6 million, up by 9.1% year on year (Q1 2021: EUR 212.2 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA)

Yearly and quarterly comparison of EBITDA¹ trend



¹ Adjusted for non-recurring expenses.

² Estimated EBITDA in line with forecast growth of 3-7%.

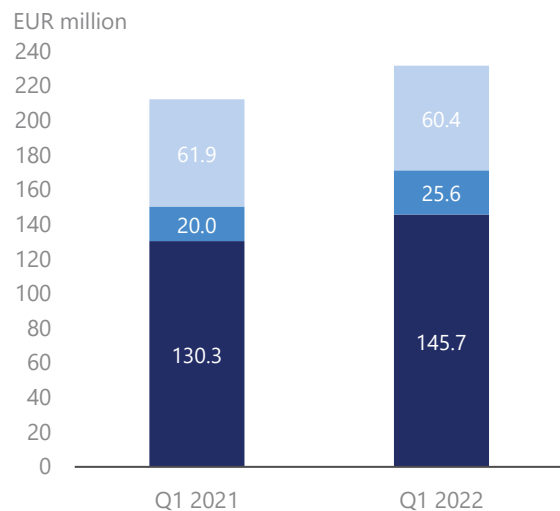
³ Q1 2021 EBITDA adjusted by non-recurring expenses in connection with the acquisition of Allergopharma and by EUR 0.9 million as part of the purchase price allocation of FYTA.

⁴ Q1 2022 EBITDA adjusted by non-recurring expenses of EUR 3.0 million in connection with the adjustment of acquisition cost at CORAT and C³, as well as an adjustment in connection with the purchase price allocation (IFRS 3) at Cernelle amounting to EUR 0.7 million.

- The adjusted consolidated EBITDA for the first three months of 2022 amounted to EUR 75.1 million, up 17.9% on the prior-year period (Q1 2021: EUR 63.7 million). As a result, the adjusted EBITDA margin amounted to 32.4% (Q1 2021: 30.0%).
- At the same time, unadjusted EBITDA increased from EUR 62.8 million to EUR 71.3 million. This corresponds to a 30.8% unadjusted EBITDA margin (Q1 2021: 29.6%).

Performance of the segments

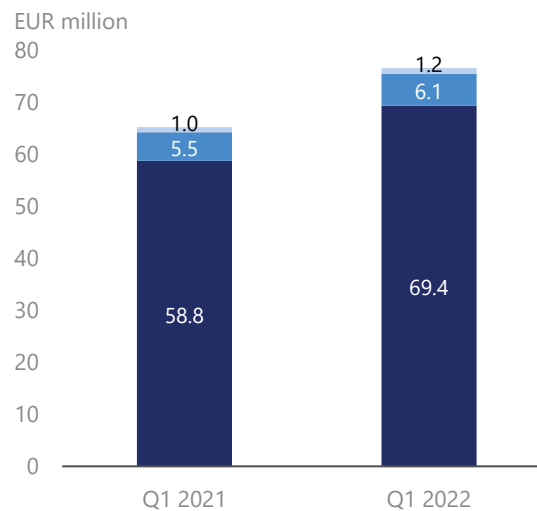
Quarter-on-quarter revenue trend by segment



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

- Revenue in the "Branded pharmaceuticals and other healthcare products" segment increased by 11.8% to EUR 145.7 million in the first three months of 2022 (Q1 2021: EUR 130.3 million).
- Revenue for the "Herbal extracts" segment increased by 28.0% from EUR 20.0 million to EUR 25.6 million.
- Revenue in the "Parallel import business" segment decreased by 2.4% to EUR 60.4 million in the reporting period (Q1 2021: EUR 61.9 million).

Quarter-on-quarter EBITDA trend by segment



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

- Adjusted EBITDA in the "Branded pharmaceuticals and other healthcare products" segment increased by 18.0% to EUR 69.4 million (Q1 2021: EUR 58.8 million). At 47.6% (previous year: 45.1%), the segment's adjusted EBITDA margin was 2.5 percentage points higher than in the prior-year period.
- Adjusted EBITDA for the "Herbal extracts" segment increased by 10.9% from EUR 5.5 million to EUR 6.1 million. The adjusted EBITDA margin amounted to 23.8% (Q1 2021: 27.5%).
- EBITDA in the "Parallel import business" segment amounted to EUR 1.2 million in the first three months of 2022 (Q1 2021: EUR 1.0 million). This represents a 20.0% increase. As a result, the EBITDA margin amounted to 2.0% (Q1 2021: 1.6%).

REPORTS ON EXPECTED DEVELOPMENTS

Based on a solid first quarter of 2022, Dermapharm is pleased to confirm its forecast for financial year 2022. Despite the lingering uncertainties due to the ongoing crisis in Ukraine and the potential for a resurgence of the COVID-19 pandemic, the Board of Management continues to assume that consolidated revenue will increase by 10-13% and consolidated EBITDA by 3-7% year on year.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

Rounding differences may arise due to the different presentation of figures in EUR million in the economic report and EUR thousand in the interim consolidated financial statements and segment reporting.

CONDENSED STATEMENT OF FINANCIAL POSITION

Assets		
EUR thousand	31 March 2022	31 December 2021
Non-current assets		
Intangible assets	293,864	294,842
Goodwill	324,351	264,729
Property, plant and equipment	232,034	222,288
Investments accounted for using the equity method	28,952	28,261
Equity investments	25,926	25,899
Other non-current financial assets	51,895	51,729
Total non-current assets	957,022	887,747
Current assets		
Inventories	268,218	243,601
Trade receivables	91,332	72,517
Other current financial assets	4,971	15,183
Other current assets	12,219	26,169
Tax assets	14	339
Cash and cash equivalents	127,547	161,414
Non-current assets held for sale	-	-
Total current assets	504,301	519,222
Total assets	1,461,323	1,406,969

Equity and liabilities		
EUR thousand	31 March 2022	31 December 2021
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	375,325	337,954
Other reserves	4,130	4,732
Equity attributable to owners of parent	534,085	497,316
Non-controlling interests	2,285	2,518
Total equity	536,370	499,834
Non-current liabilities		
Provisions for employee benefits	129,062	128,878
Non-current financial liabilities	575,810	574,721
Other non-current financial liabilities	-	-
Other non-current liabilities	12,212	11,867
Deferred tax liabilities	38,300	36,056
Total non-current liabilities	755,384	751,522
Current liabilities		
Other provisions	20,391	18,684
Current financial liabilities	6,786	5,580
Trade payables	60,080	52,101
Other current financial liabilities	411	822
Other current liabilities	25,313	29,630
Tax liabilities	56,588	48,796
Total current liabilities	169,569	155,613
Total equity and liabilities	1,461,323	1,406,969

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q1 2022	Q1 2021
Revenue	231,641	212,211
Change in inventories	4,215	5,847
Own work capitalised	4,082	3,495
Other operating income	3,373	2,339
Cost of materials	(93,317)	(88,142)
Personnel expenses	(44,290)	(40,717)
Depreciation, amortisation and reversal of impairment	(12,570)	(11,427)
Other operating expenses	(35,048)	(31,828)
Operating result	58,087	51,777
Share of profit/loss of companies accounted for using the equity method, after tax	690	(400)
Financial income	1,086	106
Financial expenses	(2,460)	(2,459)
Financial result	(684)	(2,753)
Earnings before taxes	57,402	49,024
Income tax expenses	(20,265)	(12,778)
Profit or loss for the period	37,138	36,246
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods:</i>		
Actuarial gains/losses from remeasurement of defined benefit pension plans	-	-
Deferred taxes relating to items not subject to reclassification	-	-
Gains/losses from remeasurement of property, plant and equipment	-	-
<i>Other comprehensive income which may be reclassified to profit or loss in subsequent periods:</i>		
Foreign operations - currency translation differences	(602)	47
Other comprehensive income, after tax	(602)	47
Total comprehensive income for the period	36,536	36,293
Profit or loss for the period attributable to		
Owners of the parent	37,371	36,312
Non-controlling interests	(233)	(66)
	37,138	36,246
Total comprehensive income for the period attributable to		
Owners of the parent	36,769	36,359
Non-controlling interests	(233)	(66)
	36,536	36,293
Earnings per share		
Basic (=diluted) earnings per share (EUR)	0.69	0.67

CONDENSED STATEMENT OF CASH FLOWS

EUR thousand	Q1 2022	Q1 2021
Profit or loss for the period	57,402	49,024
Depreciation, amortisation / (reversal of impairment) of fixed assets	12,538	11,291
(Increase)/decrease in working capital (assets)	(22,853)	(28,521)
Increase/(decrease) in working capital (liabilities)	2,215	15,479
Increase/(decrease) in provisions for employee benefits	184	290
Other non-cash items	(134)	(483)
Share of (profit)/loss of companies accounted for using the equity method, after tax	(690)	400
(Gain)/loss on disposal of non-current assets	(17)	(49)
Interest expense/(income)	1,046	2,162
Income tax payments	(10,179)	(11,781)
Net cash flows from operating activities	39,512	37,813
Proceeds from the disposal of intangible assets and property, plant and equipment	10	130
Proceeds from disposals of financial assets	10,000	-
Business combinations less cash and cash equivalents	(70,561)	-
Cash outflows for investments in intangible assets and property, plant and equipment	(10,621)	(9,508)
Payments for investments in financial assets	(25)	-
Dividends from companies accounted for using the equity method	136	-
Cash flows from investing activities	(71,061)	(9,378)
Proceeds from borrowings	20,000	-
Repayments of borrowings	(20,493)	(603)
Payments of lease liabilities	(1,220)	(1,124)
Interest paid	(1,319)	(1,696)
Cash flows from financing activities	(3,033)	(3,422)
Net increase/decrease in cash, cash equivalents and bank overdrafts	(34,582)	25,012
Cash, cash equivalents and bank overdrafts as at 1 January	161,414	120,300
Effect of exchange rate changes on cash and cash equivalents	(29)	432
Cash, cash equivalents and bank overdrafts as at 31 March	126,803	145,745
Bank overdrafts as at 1 January	0	0
Bank overdrafts as at 31 March	(744)	0
Cash and cash equivalents as at 31 March	127,547	145,745

SEGMENT REPORTING

Q1 2022 EUR thousand	Branded pharmaceuticals and other healthcare products	Herbal extracts	Parallel import business	Reconciliation / Group holding company	Group
Revenue	146,452	25,714	60,352	(877)	231,641
<i>of which intra-segment revenue</i>	721	157	-	(877)	-
Revenue from external customers	145,732	25,557	60,352	-	231,641
Revenue growth	12%	28%	(3%)	-	9%
EBITDA	66,352	5,351	1,248	(1,604)	71,347
<i>of which earnings from investments accounted for using the equity method</i>	690	-	-	-	690
EBITDA margin	46%	2%	2%	-	31%

* As of 1 February 2022 with C³ Group

Q1 2021 EUR thousand	Branded pharmaceuticals and other healthcare products	Herbal extracts	Parallel import business	Reconciliation / Group holding company	Group
Revenue	130,570	20,066	61,938	(363)	212,211
<i>of which intra-segment revenue</i>	308	55	-	(363)	-
Revenue from external customers	130,262	20,011	61,938	-	212,211
Revenue growth	23%	6%	(8%)	-	10%
EBITDA	58,730	4,768	1,039	(1,734)	62,804
<i>of which earnings from investments accounted for using the equity method</i>	574	(974)	-	-	(400)
EBITDA margin	45%	24%	2%	-	30%

IMPRINT

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