

INTERIM STATEMENT Q3

2021

Dermapharm Holding SE



CONSOLIDATED RESULTS AT A GLANCE

		9M 2021	9M 2020
Revenue	EUR million	670.2	577.2
Adjusted EBITDA*	EUR million	227.8*	139.0*
Adjusted EBITDA margin*	%	34.0*	24.1*
Unadjusted EBITDA	EUR million	232.0	131.5
Unadjusted EBITDA margin	%	34.6	22.8
Operating result	EUR million	197.1	99.4
EBT	EUR million	191.4	90.3
Consolidated net profit	EUR million	137.5	61.6
Earnings per share	EUR	2.56	1.14

		30 September 2021	31 December 2020
Total assets	EUR million	1,340.5	1,224.4
Equity	EUR million	425.9	324.6
Equity ratio	%	31.8	26.5
Cash and cash equivalents	EUR million	118.7	120.3
Net debt	EUR million	483.2	486.8

* 9M 2021 EBITDA adjusted for non-recurring effects of EUR -4.2 million.
9M 2020 EBITDA adjusted for non-recurring effects of EUR 7.5 million.

Financial calendar 2021

Deutsches Eigenkapitalforum (virtual)	22 – 24 November 2021
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LETTER TO THE SHAREHOLDERS

*Dear ladies and gentlemen,
dear shareholders,*

The first nine months of financial year 2021 have been an absolute success for Dermapharm. Despite more difficult conditions, such as the wide-ranging lockdown measures in the first half of 2021 and higher costs for raw materials in the third quarter of 2021, we managed to continue our growth trajectory. The positive developments were driven largely by continued high demand for products to strengthen the immune system and allergy therapeutics as well as vaccine production in cooperation with BioNTech SE.

Compared to the prior-year period, consolidated revenue rose by 16.0% to EUR 670 million, while adjusted consolidated EBITDA increased by 64% to EUR 228 million. The adjusted consolidated EBITDA margin rose by 9.9 percentage points to 34.0%.

Thanks to increasing COVID-19 vaccination rates and the related easing of measures, our sales force was able to market and sell our products to specialists and pharmacies in the last two quarters with almost no restrictions. This was especially noticeable in terms of the change in revenue for our entire Dekristol® vitamin D product family. During the summer months, which typically see lower sales as many people are on holiday, demand increased sharply compared with the same quarter the year before. This was true both for high-dose Dekristol® 20,000 I.U., which requires a prescription, and for the over-the-counter versions of Dekristol.

Another important contribution to consolidated earnings came from the allergy product range, which has only been included in the consolidated financial statements since April of last year. In addition, the pharmaceuticals Allergovit® and Acaroid® strengthened their market position further over the course of the year.

An important driver of our success in the third quarter was vaccine production in cooperation with BioNTech SE. Since the beginning of May 2021, we have been producing the vaccine at the mibe location in Brehna and at the Allergopharma location in Reinbek. As a result, we have increased production capacity and are now able to produce up to 500 million vaccine doses annually. With demand for the vaccine remaining high, we are also expanding our filling and packing capacities in Brehna by year-end, which will enable us to fill and pack up to 42 million vials, or 250 million doses of the vaccine, starting in 2022. We will also continue our vaccine production in cooperation with BioNTech SE in 2022 and firmly expect a further cooperation in 2023.

In addition to investing in technical infrastructure, investments in other companies are the main factor that will ensure our successful growth over the long term. Our 24.9% stake in CORAT Therapeutics in July 2021 is intended to help us generate additional growth in the future. The aim of our investment in CORAT Therapeutics is not only to further expand our involvement in the fight against the COVID-19 pandemic, but also to take advantage of the increase in expertise in the area of pharmaceutical research. In addition, the acquisition of Swedish pharmaceutical company AB Cernelle at the beginning of November has expanded our value chain in the area of urology, while simultaneously allowing us to tap additional distribution channels in Asia and Europe.

For this reason, we are very optimistic about both the current fourth quarter and the coming financial year 2022. Our investments in fill and finish machines for vaccine production will serve as the basis for additional contributions to earnings. We will continue to assess the market for optimal additions to and expansions of our product portfolio and consider suitable acquisition opportunities. Another focus will be on expanding our international business activities. Our international companies in the UK, Spain and Italy are gradually developing into established units and are driving our international orientation forward.

Based on reduced demand in the parallel import market and an increasing focus on high-margin Branded Pharmaceuticals, we are adjusting our revenue guidance and raising our EBITDA guidance for 2021 in line with the positive outlook for the final quarter of the current financial year. We expect Group revenue to grow by 15% to 20% (previously: 24% to 26%) and Group EBITDA to increase by 50% to 60% (previously: 45% to 50%).

Grünwald, November 2021

The Board of Management

Dr. Hans-Georg Feldmeier
Chief Executive Officer

Hilde Neumeyer
Chief Financial Officer
Chief Compliance Officer

Dr. Jürgen Ott
Chief Marketing Officer

Karin Samusch
Chief Business
Development Officer

SHARE INFORMATION



Source: Closing prices XETRA

General information

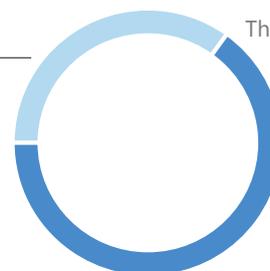
German Securities Code (WKN)	A2GS5D
ISIN	DE000A2GS5D8
Ticker symbol	DMP
Type of shares	No-par value ordinary bearer shares
Initial listing	9 February 2018
Number of shares	53.84 million
Stock exchange	Regulated Market (Prime Standard) of the Frankfurt Stock Exchange
Analysts	Charlotte Friedrichs, Berenberg Daniel Wendorff, ODDO BHF Alexander Thiel, Jefferies Dennis Berzhanin, Pareto Securities Dr. Marcus Wieprecht, Stifel Thomas Wissler, Alster Research
Designated Sponsors	Berenberg Mainfirst Bank

The shares at a glance (XETRA)

High (3 November 2021)	EUR 90.35
Low (20 December 2018)	EUR 21.625
Closing price (12 November 2021)	EUR 84.20
Trading volume (9 February 2018 to 12 November 2021, Ø number of shares)	41.665 shares
Market capitalisation (as at 30 September 2021)	EUR 4.490,3 million

Shareholder Structure

Free Float
34.95 %



Themis Beteiligungs-Aktiengesellschaft
65.05 %

Information based on voting rights notifications received pursuant to German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") as at 16 November 2021

REPORT ON ECONOMIC POSITION

1. Course of business

Dermapharm Holding SE excelled from a strategic and operating standpoint in the first nine months of 2021. This was due in particular to the continued high demand for products that strengthen the immune system, Allergopharma's earnings contribution, which was only included in the financial statements from April onwards in the same period of the previous year, and the vaccine production in cooperation with BioNTech SE.

Consolidated revenue increased by 16.1% to EUR 670.2 million as compared to the prior-year period (9M 2020: EUR 577.2 million). At the same time, adjusted EBITDA increased by 63.9% to EUR 227.8 million (9M 2020: EUR 139.0 million). Unadjusted EBITDA amounted to EUR 232.0 million, representing a 76.4% increase (9M 2020: EUR 131.5 million).

The adjusted EBITDA margin amounted to 34.0% (9M 2020: 24.1%). The unadjusted EBITDA margin amounted to 34.6% (9M 2020: 22.8%).

The overall performance in the first nine months of 2021 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.

Segment Branded pharmaceuticals and other healthcare products

In the "Branded pharmaceuticals and other healthcare products" segment, Dermapharm significantly increased revenue by 32.6% to EUR 440.1 million (9M 2020: EUR 331.9 million). This increase was attributable primarily to Allergopharma's revenue contribution, which was not included in the previous year's figures until April 2020, the sustained high demand for products to strengthen the immune system, the production of vaccines in cooperation with BioNTech SE as well as organic growth in this segment.

This resulted in an adjusted EBITDA of EUR 214.9 million, representing a 73.0% year-on-year increase (9M 2020: EUR 124.2 million). The segment's adjusted EBITDA margin amounted to 48.8% (9M 2020: 37.4%).

Unadjusted EBITDA rose to EUR 214.0 million (9M 2020: EUR 118.9 million). The segment's unadjusted EBITDA margin amounted to 48.6% (9M 2020: 35.8%).

Segment Herbal extracts

In the "Herbal extracts" segment, Euromed contributed EUR 54.6 million to revenue in 9M 2021 (9M 2020: EUR 55.7 million). The exchange rate effects due to the weaker US dollar reduced the segment's revenue. However, this effect was largely offset by the incipient recovery in demand for herbal extracts on the global market.

Adjusted EBITDA amounted to EUR 15.8 million (9M 2020: EUR 12.8 million). This was adjusted for effects relating to the purchase price allocation and the deconsolidation of the FYTA group amounting to EUR 5.1 million. The adjusted EBITDA margin thus amounted to 28.9% (9M 2020: 23.0%). The unadjusted EBITDA amounted to EUR 20.9 million (9M 2020: EUR 10.6 million), with an EBITDA margin of 38.2% above the previous year (9M 2020: 19.0%).

Segment Parallel import business

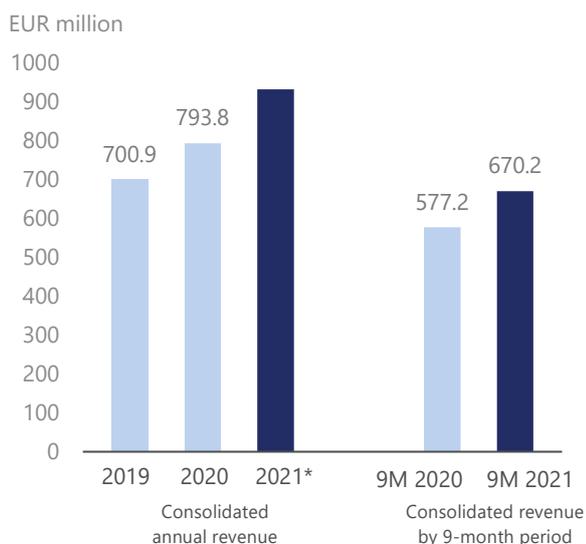
Revenue for the parallel import business decreased by 7.5% to EUR 175.4 million (9M 2020: EUR 189.6 million). The decline is due primarily to the lower demand seen across the entire parallel import market since the outbreak of the COVID-19 pandemic. The increase in revenue from reimported anaesthetics and medical cannabis could not offset this decrease.

EBITDA for this segment decreased disproportionately by 64.5% to EUR 2.2 million (9M 2020: EUR 6.2 million). The segment's EBITDA margin fell accordingly in the first nine months of 2021 to 1.3% (9M 2020: 3.3%). In particular, 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 an immediate deterioration of the margin.

2. Revenue and earnings performance

Revenue trend

Annual and 9M comparison of revenue trend

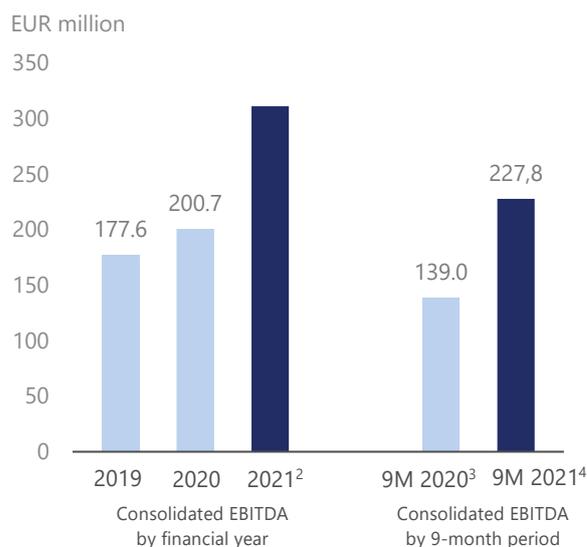


* Estimated annual revenue in line with forecast growth of 15-20%.

- Revenue in 9M 2021 amounted to EUR 670.2 million, up by 16.1% year on year (9M 2020: EUR 577.2 million).

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

Annual and 9M comparison of EBITDA growth¹



¹ Adjusted for non-recurring expenses.

² Estimated EBITDA in line with forecast growth of 50-60%.

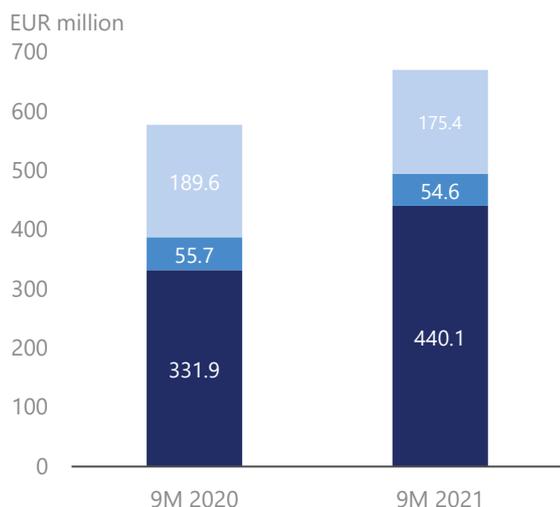
³ 9M 2020 EBITDA adjusted by non-recurring costs of EUR 5.3 million in connection with the acquisition of Allergopharm and by non-recurring costs of EUR 2.2 million for the purchase price allocation (IFRS 3) of FYTA

⁴ 9M 2021 EBITDA adjusted by non-recurring costs of EUR 0.1 million in connection with the acquisition of Allergopharma and Wellster, consulting fees of EUR 0.2 million in connection with further acquisition projects, restructuring costs of EUR 0.5 million for Fitvia, and costs of EUR 5.1 million in connection with the purchase price allocation (IFRS 3) and the deconsolidation of FYTA.

- Adjusted Group EBITDA for the first nine months of 2021 amounts to EUR 227.8 million, an increase of 63.9% compared to the same period last year. As a result, the adjusted EBITDA margin amounted to 34.0% (9M 2020: 24.1%).
- At the same time, unadjusted EBITDA increased from EUR 131.5 million to EUR 232.0 million. This corresponds to a 34.6% unadjusted EBITDA margin (9M 2020: 22.8%).

Performance of the segments

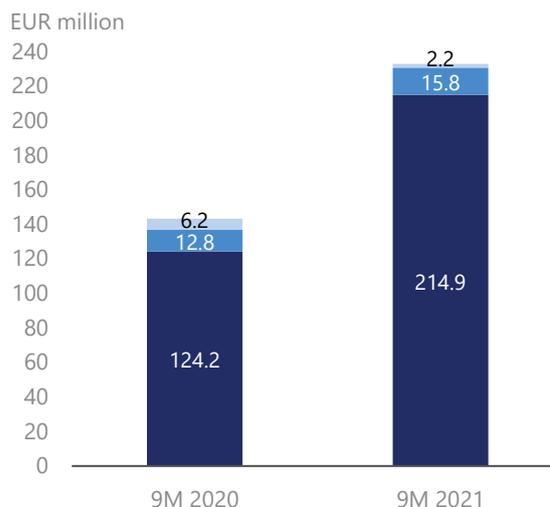
9M revenue trend by segment



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

- Revenue in the "Branded pharmaceuticals and other healthcare products" segment increased by 32.6% to EUR 440.1 million in 9M 2021 (9M 2020: EUR 331.9 million).
- Revenue for the "Herbal extracts" segment decreased by 2.0% from EUR 55.7 million to EUR 54.6 million.
- Revenue in the "Parallel import business" segment decreased by 7.5% to EUR 175.4 million in the reporting period (9M 2020: EUR 189.6 million).

9M EBITDA* trend by segment



* Adjusted for non-recurring effects.

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

- Adjusted EBITDA in the "Branded pharmaceuticals and other healthcare products" segment increased by 73.0% to EUR 214.9 million (9M 2020: EUR 124.2 million). At 48.8% (previous year: 37.4%), the segment's adjusted EBITDA margin was 11.4 percentage points higher than in the prior-year period.
- Adjusted EBITDA for the "Herbal extracts" segment increased by 23.4% from EUR 12.8 million to EUR 15.8 million. The adjusted EBITDA margin amounted to 28.9% (9M 2020: 23.0%).
- EBITDA in the "Parallel import business" segment amounted to EUR 2.2 million in 9M 2021 (9M 2020: EUR 6.2 million). This represents a 64.5% decrease. As a result, the EBITDA margin amounted to 1.3% (9M 2020: 3.3%).

3. Events after the reporting period

On 4 November 2021, Dermapharm expanded its portfolio in the "Herbal extracts" segment by acquiring AB Cernelle, a pharmaceuticals company based in Ängelholm, Sweden. AB Cernelle specialises in researching, developing and manufacturing phytopharmaceuticals derived from pollen extracts to treat urinary tract symptoms caused by benign prostate hyperplasia and chronic prostatitis. The acquisition has expanded the Dermapharm Group's value chain in this therapeutic area, while simultaneously allowing the Group to tap new distribution channels in Asia and Europe. The Board of Management expects the deal to close by the end of November 2021. Dermapharm AG will acquire all of the shares in AB Cernelle when the deal closes. AB Cernelle generated revenue of approximately EUR 7 million in 2020.

REPORT ON EXPECTED DEVELOPMENTS

Based on the aforementioned sales effects in the parallel import business and an increasing focus on high-margin Branded Pharmaceuticals, Dermapharm is adjusting its sales expectations and, in view of the very good business development to date, is raising its EBITDA forecast for 2021. The Management Board now anticipates growth in consolidated sales of 15% to 20% (previously 24% to 26%) and consolidated EBITDA of 50% to 60% (previously: 45% to 50%).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021

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	30 September 2021	31 December 2020
Non-current assets		
Intangible assets	291,820	297,342
Goodwill	266,397	266,268
Property, plant and equipment	212,936	199,619
Investments accounted for using the equity method	29,321	59,130
Equity investments	25,883	383
Other non-current financial assets	51,679	1,603
Total non-current assets	878,036	824,345
Current assets		
Inventories	238,486	205,726
Trade receivables	82,057	55,515
Other current financial assets	12,372	3,849
Other current assets	10,496	12,527
Tax assets	358	362
Cash and cash equivalents	118,682	120,301
Non-current assets held for sale	-	1,773
Total current assets	462,453	400,052
Total assets	1,340,489	1,224,396

Equity and liabilities EUR thousand	30 September 2021	31 December 2020
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	266,306	177,082
Other reserves	2,264	(9,746)
Equity attributable to owners of parent	423,201	321,966
Non-controlling interests	2,747	2,616
Total equity	425,947	324,582
Non-current liabilities		
Provisions for employee benefits	131,462	144,753
Non-current financial liabilities	575,637	580,759
Other non-current financial liabilities	-	261
Other non-current liabilities	11,103	11,222
Deferred tax liabilities	35,510	29,948
Total non-current liabilities	753,712	766,943
Current liabilities		
Other provisions	22,200	23,778
Current financial liabilities	26,073	26,044
Trade payables	52,014	50,370
Other current financial liabilities	145	4
Other current liabilities	31,356	23,823
Tax liabilities	29,043	8,852
Total current liabilities	160,830	132,872
Total equity and liabilities	1,340,489	1,224,396

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	9 months ended	
	30 September 2021	30 September 2020
Revenue	670,196	577,174
Change in inventories	12,429	24,851
Own work capitalised	11,038	10,140
Other operating income	18,003	6,460
Cost of materials	(259,509)	(281,797)
Personnel expenses	(122,540)	(112,666)
Depreciation, amortisation and reversal of impairment	(35,815)	(33,715)
Other operating expenses	(96,712)	(91,067)
Operating result	197,090	99,380
Share of profit/loss of companies accounted for using the equity method, after tax	(860)	(1,588)
Financial income	2,664	445
Financial expenses	(7,531)	(7,947)
Financial result	(5,727)	(9,090)
Earnings before taxes	191,363	90,290
Income tax expenses	(53,878)	(28,642)
Profit or loss for the period	137,485	61,647
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods:</i>		
Actuarial gains/losses from remeasurement of defined benefit pension plans	14,612	-
Deferred taxes relating to items not subject to reclassification	(3,193)	-
<i>Other comprehensive income which may be reclassified to profit or loss in subsequent periods:</i>		
Foreign operations - currency translation differences	591	(475)
Other comprehensive income, after tax	12,010	(475)
Total comprehensive income for the period	149,495	61,172
Profit or loss for the period attributable to		
Owners of the parent	137,936	61,287
Non-controlling interests	(451)	360
	137,485	61,647
Total comprehensive income for the period attributable to		
Owners of the parent	149,946	60,812
Non-controlling interests	(451)	360
	149,495	61,172
Earnings per share		
Basic (= diluted) earnings per share (EUR)	2.56	1.14

CONDENSED STATEMENT OF CASH FLOWS

EUR thousand	9 months ended	
	30 September 2021	30 September 2020
Earnings before taxes	191,363	90,290
Depreciation and amortisation/(reversals of impairment) of fixed assets	35,559	32,725
(Increase)/decrease in working capital (assets)	(52,013)	(40,554)
Increase/(decrease) in working capital (liabilities)	5,157	2,417
Increase/(decrease) in provisions for employee benefits	1,026	702
Other non-cash items	(9,592)	495
Share of (profit)/loss of companies accounted for using the equity method, after tax	860	1,588
(Gain)/loss on disposal of non-current assets	(273)	(157)
Interest expense/(income)	4,162	6,621
Income tax payments	(32,352)	(27,637)
Net cash flows from operating activities	143,897	66,489
Proceeds from the disposal of intangible assets and property, plant and equipment	2,210	724
Business combinations, less cash	-	(62,701)
Payments for investments in intangible assets and property, plant and equipment	(42,781)	(27,695)
Payments for investments in financial assets	(48,247)	(100)
Dividends from companies accounted for using the equity method	-	1,652
Cash flows from investing activities	(88,817)	(88,121)
Dividends paid	(47,379)	(43,072)
Proceeds from borrowings	10,000	58,442
Repayments of borrowings	(11,733)	(1,664)
Payments of lease liabilities	(3,327)	(3,366)
Proceeds from reimbursements of interest paid	-	1,286
Interest paid	(4,976)	(6,178)
Cash flows from financing activities	(57,415)	5,448
Net increase/decrease in cash, cash equivalents and bank overdrafts	(2,335)	(16,184)
Cash, cash equivalents and bank overdrafts as at 1 January	120,300	108,992
Effect of exchange rate changes on cash and cash equivalents	714	(390)
Effect on cash funds of changes in the group of consolidated companies	-	827
Cash, cash equivalents and bank overdrafts as at 30 September	118,680	93,245
Bank overdrafts as at 1 January	0	(5,963)
Bank overdrafts as at 30 September	(3)	(12,247)
Cash and cash equivalents as at 30 September	118,682	105,493

SEGMENT REPORTING

9 months ended 30 September 2021 EUR thousand	Branded pharmaceuticals and other healthcare products	Herbal extracts	Parallel import business	Reconciliation / Group holding company	Group
Revenue	441,226	54,719	175,454	(1,203)	670,196
<i>of which intersegment revenue</i>	1,104	71	28	(1,203)	-
Revenue from external customers	440,121	54,648	175,426	-	670,196
Revenue growth	33%	(2%)	(7%)	-	16%
EBITDA	213,954	20,885	2,219	(5,012)	232,045
<i>of which earnings from investments accounted for using the equity method</i>	1,738	(2,597)	-	-	(860)
EBITDA margin	49%	38%	1%	-	35%

9 months ended 30 September 2020 EUR thousand	Branded pharmaceuticals and other healthcare products	Herbal extracts	Parallel import business	Reconciliation / Group holding company	Group
Revenue	333,525	55,734	189,620	(1,705)	577,174
<i>of which intersegment revenue</i>	1,630	74	1	(1,705)	-
Revenue from external customers	331,895	55,660	189,619	-	577,174
Revenue growth	20%	(1%)	2%	-	12%
EBITDA	118,915	10,575	6,184	(4,167)	131,506
<i>of which earnings from investments accounted for using the equity method</i>	1,338	(2,926)	-	-	(1,588)
EBITDA margin	36%	19%	3%	-	23%

IMPRINT

Publisher

Dermapharm Holding SE
Lil-Dagover-Ring 7
82031 Grünwald
Germany

Tel.: +49 (89) 6 41 86 – 0
Fax: +49 (89) 6 41 86 – 130

E-Mail: ir@dermapharm.com
<https://ir.dermapharm.de>

Investor Relations & Corporate Communications

Dermapharm Holding SE
Britta Hamberger

Tel.: +49 (89) 641 86 – 233
Fax: +49 (89) 641 86 – 165

E-Mail: ir@dermapharm.com
<https://ir.dermapharm.de>

Concept, editing, layout and typesetting

Dermapharm Holding SE
Lil-Dagover-Ring 7
82031 Grünwald
Germany

Tel.: +49 (89) 6 41 86 – 0
Fax: +49 (89) 6 41 86 – 130

E-Mail: ir@dermapharm.com
<https://ir.dermapharm.de>

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Dermapharm Holding SE

Lil-Dagover-Ring 7
82031 Grünwald
Deutschland

Telefon: +49 (89) 6 41 86 – 0
Telefax: +49 (89) 6 41 86 – 130

E-Mail: ir@dermapharm.com
<https://ir.dermapharm.de>