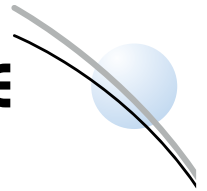




Dermapharm Holding SE



INTERIM STATEMENT
Q3 **2023**

Consolidated results at a glance

		9M 2023	9M 2022
Revenue	EUR million	866.6	734.3
Adjusted EBITDA*	EUR million	243.8	239.4
Adjusted EBITDA margin*	%	28.1	32.6
Unadjusted EBITDA	EUR million	208.4	231.9
Unadjusted EBITDA margin	%	24.0	31.6
Operating result	EUR million	145.9	166.9
EBT	EUR million	101.7	159.5
Consolidated net profit for the period	EUR million	63.9	103.5
Earnings per share	EUR	1.21	1.94
		30 September 2023	31 December 2022
Total assets	EUR million	2,159.3	1,412.8
Equity	EUR million	545.2	532.5
Equity ratio	%	25.2	37.7
Cash and cash equivalents	EUR million	117.4	151.0
Net debt	EUR million	984.0	367.8

* 9M 2023 EBITDA was adjusted for non-recurring expenses amounting to EUR 35.5 million.

9M 2022 EBITDA was adjusted for non-recurring expenses amounting to EUR 7.5 million.



Financial Calendar 2024

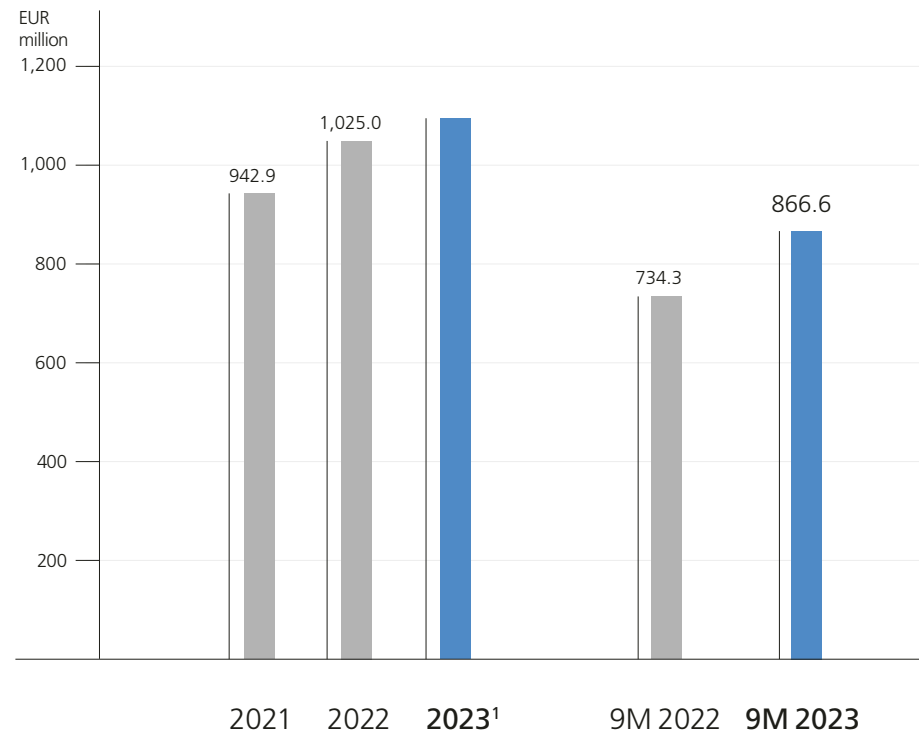
Publication of 2023 Annual Report	28 March 2024
Publication of Q1 Quarterly Report	15 May 2024
Annual General Meeting	05 June 2024
Publication of 2024 Half-Yearly Financial Report	27 August 2024
Publication of Q3 Quarterly Report	14 November 2024

REPORT ON ECONOMIC POSITION

Revenue and earnings performance

Revenue trend

Year-on-year and 9M revenue trend



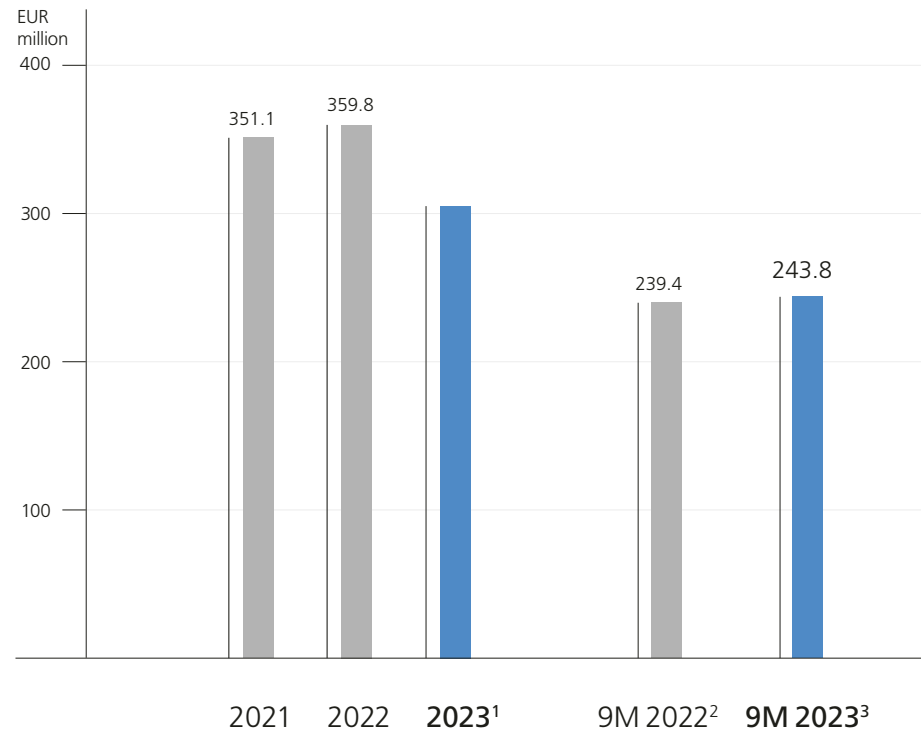
From a strategic and operating standpoint, Dermapharm Holding SE performed in line with expectations in the first nine months of 2023. This was primarily due to the revenue from the initial consolidation of Arkopharma. The existing portfolio also performed very well. However, earnings only partially offset the decline in the vaccine business.

Consolidated revenue increased by 18.0% to EUR 866.6 million as compared to the prior-year period (9M 2022: EUR 734.3 million).

¹ Estimated revenue for the year is currently at the upper range of the growth forecast between EUR 1,080 million and EUR 1,110 million.

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

Year-on-year and 9M adjusted EBITDA trend



The adjusted consolidated EBITDA for the first nine months of 2023 amounted to EUR 243.8 million, up 1.8% on the prior-year period (9M 2022: EUR 239.4 million). As a result, the adjusted EBITDA margin amounted to 28.1% (9M 2022: 32.6%).

Unadjusted EBITDA decreased to EUR 208.4 million as compared to the prior-year period (9M 2022: EUR 231.9 million). This corresponds to a 24.0% unadjusted EBITDA margin (9M 2022: 31.6%).

In the commentary below, the prior-year figures have been adjusted to reflect the change in the segment structure in early 2023.

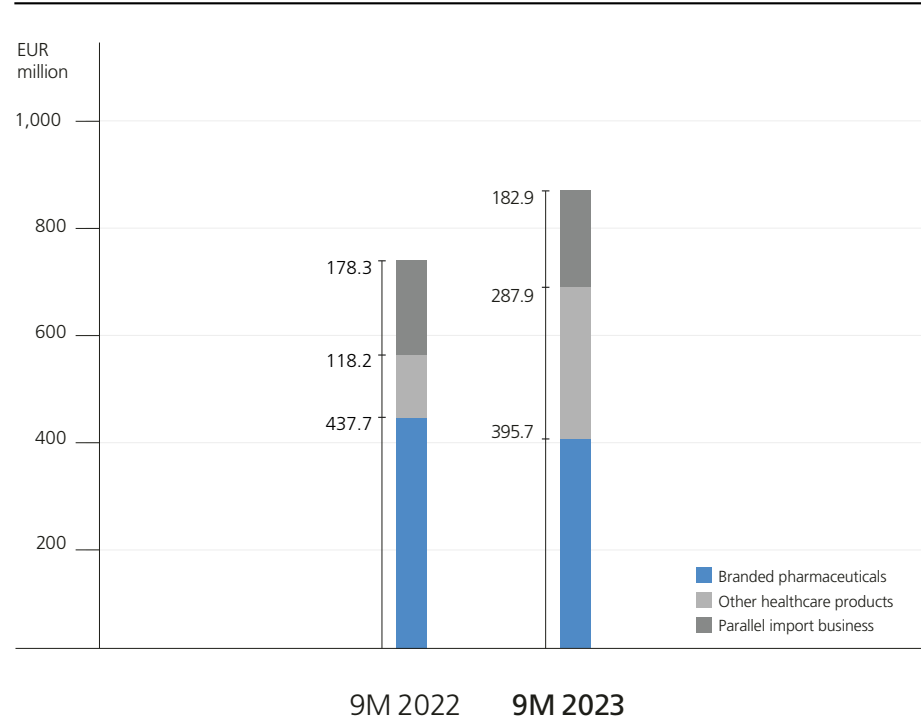
¹ Estimated EBITDA is currently at the upper range of the forecast between EUR 300 million and EUR 310 million.

² 9M 2022 EBITDA adjusted by EUR 3.2 million in non-recurring expenses relating to acquisition costs for Corat, C³-Group, Cernelle and Nutravis, EUR 3.4 million in connection with the purchase price allocation (IFRS 3), EUR 0.3 million in restructuring costs for fitvia and EUR 0.7 million in consulting fees in connection with further acquisition projects.

³ 9M 2023 EBITDA adjusted by EUR 8.4 million in non-recurring expenses relating to the acquisitions, share purchases and M&A deals not completed, EUR 13.2 million in connection with the purchase price allocation (IFRS 3), EUR 7.2 million for the deconsolidation of fitvia, bellavia and mibe UK and the EUR 6.6 million impairment on the Corat equity investment.

Performance of the segments

9M revenue trend by segment



Branded pharmaceuticals

Revenue in the “Branded pharmaceuticals” segment decreased by 9.6% to EUR 395.7 million (9M 2022: EUR 437.7 million). This decrease was due to the significant scaling back of vaccine production as the pandemic faded; this was only partially offset by high demand for products from the existing portfolio.

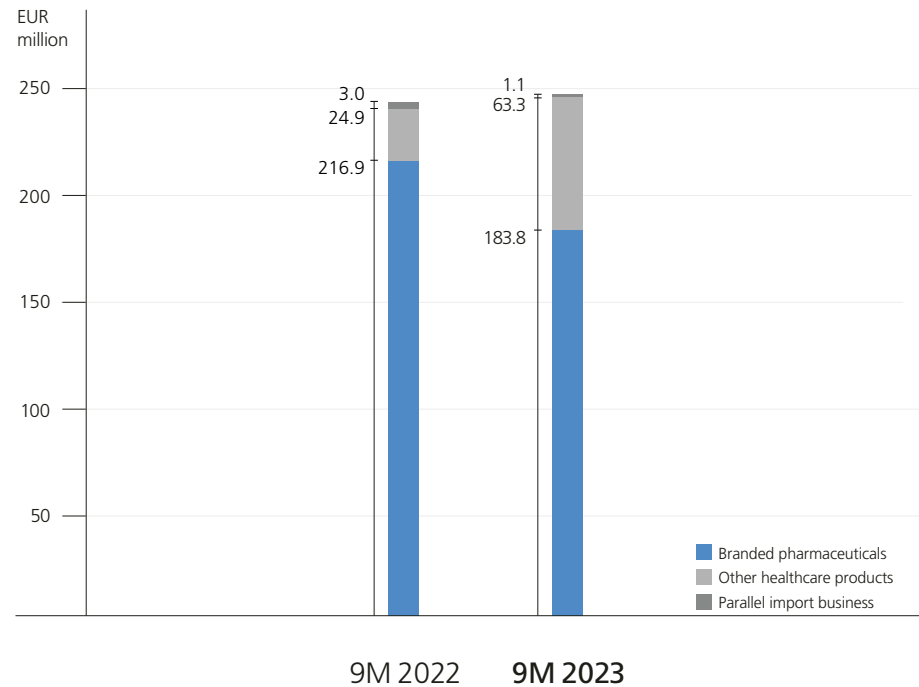
Other healthcare products

The “Other healthcare products” segment generated EUR 287.9 million in revenue in the first nine months of 2023 (9M 2022: EUR 118.2 million). The increase in revenue was due mainly to the first-time consolidation of Arkopharma revenue. The global rise in demand for herbal extracts and food supplements also continued to have a positive effect in this regard.

Parallel import business

Revenue in the parallel import business rose by 2.6% to EUR 182.9 million (9M 2022: EUR 178.3 million). This increase is due mainly to the high availability of products and good procurement prices. This positive trend was offset in part by higher discounts to health insurance organisations in connection with the German Act for More Safety in the Supply of Pharmaceuticals (Gesetz für mehr Sicherheit in der Arzneimittelversorgung, “GSAV”).

9M EBITDA trend by segment¹



¹ Adjusted for non-recurring items.

Branded pharmaceuticals

The adjusted EBITDA amounted to EUR 183.8 million, representing a year-on-year decrease of 15.3% (9M 2022: EUR 216.9 million). The segment's adjusted EBITDA margin amounted to 46.4% (9M 2022: 49.6%).

Unadjusted EBITDA decreased to EUR 162.0 million (9M 2022: EUR 212.7 million). The segment's unadjusted EBITDA margin amounted to 40.9% (9M 2022: 48.6%).

Other healthcare products

Adjusted EBITDA amounted to EUR 63.3 million (9M 2022: EUR 24.9 million). The adjusted EBITDA margin thus amounted to 22.0% (9M 2022: 21.1%).

The unadjusted EBITDA amounted to EUR 49.6 million (9M 2022: 21.5 million), and the EBITDA margin amounted to 17.2% (9M 2022: 18.2%).

Parallel import business

EBITDA for this segment declined by 63.9% to EUR 1.1 million (9M 2022: EUR 3.0 million). This decrease is due to a change in the product mix. The segment's EBITDA margin decreased accordingly in the first nine months of 2023 to 0.6% (9M 2022: 1.7%).

REPORT ON EXPECTED DEVELOPMENTS

Given that the Company's performance in the first nine months of financial year 2023 was in line with expectations, and in light of the positive outlook for the final quarter of the current financial year, the Board of Management expects both consolidated revenue and adjusted EBITDA to reach the upper range of the published forecast of between EUR 1,080 and 1,110 million and EUR 300 and 310 million, respectively.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2023

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 2023	31 December 2022
Non-current assets		
Intangible assets	562,093	305,044
Goodwill	582,171	271,319
Property, plant and equipment	326,397	225,673
Investments accounted for using the equity method	27,174	34,920
Equity investments	1,488	441
Other non-current financial assets	32,457	41,493
Total non-current assets	1,531,780	878,890
Current assets		
Inventories	333,182	255,721
Trade receivables	123,440	96,715
Other current financial assets	25,190	14,656
Other current assets	24,656	15,790
Tax assets	3,648	43
Cash and cash equivalents	117,428	151,021
Total current assets	627,543	533,947
Total assets	2,159,323	1,412,836

Equity and liabilities EUR thousand	30 September 2023	31 December 2022
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	369,917	355,357
Other reserves	21,344	21,604
Equity attributable to owners of parent	545,891	531,592
Non-controlling interests	-663	900
Total equity	545,228	532,491
Non-current liabilities		
Provisions for employee benefits	108,729	89,277
Non-current financial liabilities	1,034,391	511,560
Other non-current financial liabilities	1,424	-
Other non-current liabilities	13,243	11,198
Deferred tax liabilities	118,356	50,518
Total non-current liabilities	1,276,144	662,553
Current liabilities		
Other provisions	28,505	24,925
Current financial liabilities	61,785	4,887
Trade payables	85,985	56,100
Other current financial liabilities	3,870	2,369
Other current liabilities	63,991	33,157
Tax liabilities	93,816	96,354
Total current liabilities	337,952	217,792
Total equity and liabilities	2,159,323	1,412,836

Condensed statement of comprehensive income

EUR thousand	9 months ended	
	30 September 2023	30 September 2022
Revenue	866,553	734,259
Change in inventories	1,081	-1,029
Own work capitalised	10,048	10,963
Other operating income	20,550	11,147
Cost of materials	-333,968	-282,183
Personnel expenses	-196,656	-138,111
Depreciation, amortisation and reversal of impairment	-70,045	-65,345
Other operating expenses	-151,681	-102,829
Operating result	145,883	166,872
Share of profit/loss of companies accounted for using the equity method, after tax	-7,546	-315
Financial income	7,185	469
Financial expenses	-43,835	-7,493
Financial result	-44,196	-7,340
Earnings before taxes	101,687	159,532
Income tax expenses	-37,789	-56,020
Profit or loss for the period	63,899	103,512

EUR thousand	9 months ended	
	30 September 2023	30 September 2022
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods:</i>		
Actuarial gains/losses from remeasurement of defined benefit pension plans	-205	38,538
Deferred taxes on items that will not be reclassified	44	-11,637
Profits/losses from remeasurement of equity instruments	-	-5,820
<i>Other comprehensive income which may be reclassified to profit or loss in subsequent periods:</i>		
Foreign operations – currency translation differences	-100	-2,046
Other comprehensive income, after tax	-261	19,035
Total comprehensive income for the period	63,638	122,547
Profit or loss for the period attributable to		
Owners of the parent	65,062	104,345
Non-controlling interests	-1,163	-833
	63,899	103,512
Total comprehensive income for the period attributable to		
Owners of the parent	64,801	123,379
Non-controlling interests	-1,163	-833
	63,638	122,547
Earnings per share		
Basic (= diluted) earnings per share (EUR)	1.21	1.94

Condensed statement of cash flows

EUR thousand	9 months ended	
	30 September 2023	30 September 2022
Earnings before taxes	101,687	159,532
Depreciation, amortisation / (reversal of impairment) of fixed assets	69,129	65,127
(Increase)/decrease in working capital (assets)	-17,519	-45,522
Increase/(decrease) in working capital (liabilities)	-8,849	7,542
Increase/(decrease) in provisions for employee benefits	1,835	776
Other non-cash items	7,128	-1,736
Share of (profit)/loss of companies accounted for using the equity method, after tax	7,546	315
(Gain)/loss on disposal of non-current assets	-1,848	-170
Interest expense/(income)	35,032	6,055
Income tax payments	-41,819	-29,701
Net cash flows from operating activities	152,321	162,219
Proceeds from the disposal of intangible assets and property, plant and equipment	284	421
Proceeds from disposals of financial assets	-	10,000
Business combinations, less cash	-389,395	-70,512
Payments for investments in intangible assets and property, plant and equipment	-28,241	-28,373
Payments for investments in financial assets	-	-25
Dividends from companies accounted for using the equity method	201	-
Interest received	502	136
Cash flows from investing activities	-416,649	-88,353

EUR thousand	9 months ended	
	30 September 2023	30 September 2022
Dividends paid	-56,532	-116,833
Proceeds from borrowings	715,000	77,450
Repayments of borrowings	-396,341	-58,927
Payments of lease liabilities	-5,003	-3,286
Interest paid	-25,745	-3,903
Cash flows from financing activities	231,379	-105,498
Net increase/decrease in cash, cash equivalents and bank overdrafts	-32,949	-31,631
Cash, cash equivalents and bank overdrafts as at 1 January	151,019	161,414
Effect of exchange rate changes on cash and cash equivalents	187	812
Effect on cash funds of changes in the group of consolidated companies	-829	-
Cash, cash equivalents and bank overdrafts as at 30 September	117,428	130,594
Bank overdrafts as at 1 January	-2	-
Bank overdrafts as at 30 September	0	-3
Cash and cash equivalents as at 30 September	117,428	130,597

Segment reporting

9 months ended 30 September in EUR thousand	Branded pharmaceuticals*		Other healthcare products**		Parallel import business		Reconciliation/ Group holding company		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	399,215	440,351	312,261	138,560	186,068	179,392	-30,991	-24,043	866,553	734,259
<i>of which intersegment revenue</i>	3,468	2,620	24,360	20,336	3,162	1,087	-30,991	-24,043	-	-
Revenue from external customers	395,747	437,731	287,900	118,224	182,905	178,305	-	-	866,553	734,259
Revenue growth	-10%	7%	144%	25%	3%	6%	-	-	18%	10%
EBITDA (unadjusted)	162,038	212,747	49,590	21,526	1,066	2,950	-4,312	-5,322	208,382	231,902
<i>of which earnings from investments accounted for using the equity method</i>	-7,546	-315	-	-	-	-	-	-	-7,546	-315
EBITDA margin (unadjusted)	41%	49%	17%	18%	1%	2%	-	-	24%	32%

* As from 1 July 2023 with Montavit.

** As from 5 January 2023 with Arkopharma Group; as from 1 February 2022 with Candoro ethics (formerly C³ Group).

9 months ended 30 September 2022 in EUR thousand	Branded pharmaceuticals and other healthcare products	Herbal extracts*	Parallel import business	Reconciliation/ Group holding company	Group
Revenue	475,781	74,662	185,568	-1,752	734,259
<i>of which intersegment revenue</i>	1,232	483	37	-1,752	-
Revenue from external customers	474,549	74,179	185,531	-	734,259
Revenue growth	8%	36%	6%	-	10%
EBITDA (unadjusted)	219,676	13,601	4,009	-5,385	231,902
<i>of which earnings from investments accounted for using the equity method</i>	-315	-	-	-	-315
EBITDA margin (unadjusted)	46%	18%	2%	-	32%

* As from 1 February 2022 with Candoro ethics (formerly C³ Group).

IMPRINT

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