



## **New Merz Strategy Bears Fruit: Record Sales in Fiscal 2014/15**

- **Over 50% of product sales from core areas aesthetics and special neurology**
- **EBIT increased to EUR 255.6 million**
- **Product pipeline well stocked**

**Frankfurt, November 11, 2015 – Merz Pharma has reported record sales of EUR 1,157.0 million in the 2014/15 fiscal year, representing a 16.4% rise on the 2013/14 figure. At EUR 255.6 million, EBIT surpassed the previous year's result by EUR 8.4 million or 3.4%.**

The key drivers of growth were the new focus areas of aesthetics and special neurology – these now account for more than half of Group revenue thanks to the successful integration of acquisitions and further expansion in key markets. This is exemplified by Ulthera, a U.S. company purchased by Merz in 2014 for up to USD 600 million: with its innovative technology for non-invasive face-lifting, it emerged as the largest growth-driver in the space of just one year.

“Fiscal year 2014/15 marks a strategic milestone for Merz,” commented CEO Philip Burchard. “Our revenues and EBIT have far exceeded our forecasts. We have succeeded in generating more than half our product sales from our core business areas. At the same time, our attractive product pipeline made exceptional progress. As a result of new product launches in particular, we are ideally positioned in many markets to continue our growth strategy into the future as well.”

Merz again grew significantly in fiscal 2014/15 and successfully boosted Group revenue by 16.4% to EUR 1,157.0 million (2013/14: EUR 994.0 million). This included a contribution of more than EUR 100 million from business at Ulthera, while the products Xeomin, Bocouture and Belotero also performed strongly.

The Consumer Care segment accounted for 6% of Group revenue and posted sales of EUR 69.9 million – an increase of EUR 2.1 million over the previous year.

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### **Innovations continue to drive growth**

At EUR 148.8 million in fiscal 2014/15, Group-wide research and development expenses were EUR 1.9 million higher than in the previous year; the spending was focused on further advancing the neurotoxin products Xeomin and Bocouture and developing innovative products for the aesthetics market. One example of this is the FDA clearance in the USA for “Radiesse Hands”, a product that helps to counter the effects of aging on the dorsum of the hands.

### **Strong expansion in emerging markets**

Of the total product sales, EUR 391.4 million came from the EMEA region (Europe, Middle East and Africa), EUR 325.2 million from North America, EUR 61.9 million from the Asia-Pacific region and EUR 47.2 million from Latin America. Encouraged by promising growth rates, Merz continued on its expansion course and founded subsidiaries in Malaysia, the Philippines, India, Thailand, Indonesia and Vietnam. In Latin America, a subsidiary was formed in Columbia, and all the remaining shares were acquired in the Merz-Biolab joint venture in Brazil.

### **Important steps for future growth**

Alongside spending on its own R&D, Merz plans to invest up to EUR 25 million by way of corporate venture capital in start-up companies or research projects in an early development stage in the aesthetics sector.

A further key element is the syndicated loan that Merz secured in May this year – a EUR 200 million borrowing facility that can be increased to up to EUR 500 million should Merz need to access capital quickly.

In addition, Merz GmbH & Co. KGaA, the parent of the Merz Pharma Group, has a very high equity ratio of 71.7%.

### **Workforce becomes more international**

As of the June 30, 2015 reporting date, Merz had a total of 2,754 employees, of whom 1,750 were located outside of Germany (previous year 1,548). This represents 64% of the Group headcount.

### **Positive outlook for 2015/2016**

Philip Burchard is upbeat in his assessment of the coming fiscal year: “Merz has set its sights high but, backed by our well-stocked product pipeline and our expansion into new countries, we are well-equipped for



the future. We are very confident that, with our focus on the core business areas of aesthetics and special neurology, we are pursuing the right strategy for the company.”

**About the Merz Pharma Group**

Merz is a privately held pharmaceutical company based in Frankfurt, Germany, with 33 subsidiaries in European countries, North America, Latin America, and Asia-Pacific. The company is active in research, development, and distribution of innovative products in the areas of aesthetic medicine, dermatology and neurologically induced movement disorders.

In the Aesthetics segment Merz offers a balanced portfolio of products for minimally invasive treatments. With the dermal fillers Radiesse, Belotero, and Glytone and the botulinum neurotoxin Bocouture/Xeomin as well as the Neocutis line of anti-aging products, the company is a major player in the global aesthetics market. The company's offerings were supplemented by ultrasound-technology after the acquisition of Ulthera in mid 2014. For the treatment of neurologically induced movement disorders, Merz developed Xeomin, the first botulinum toxin that is free of complex proteins.

With its tetesept and Merz Spezial brands, Merz Consumer Care is the leading provider of OTC medication, dietary supplements and skincare products in the German-speaking countries.

The Merz Pharma Group employs 2,754 people worldwide. The Company generated revenue of EUR 1,157.0 million in fiscal year 2014/15 (previous year: EUR 994.0 million).

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