



Fagron H1 2017 results

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Headlines H1 2017

Financial highlights

- Turnover growth of 5.5% (organic: 6.0%) to € 221.7 million
- REBITDA* growth of 5.6% to € 48.1 million (21.7% of turnover)
- Net profit growth of 27.0% to € 21.1 million
- Strong operational cash flow of € 49.5 million
- Net debt/REBITDA ratio of 2.66

Strategic and operational highlights

- Sterile facility in Wichita (US) licensed in 46 states
- Opening of new sterile facility in the Netherlands
- Sale of non-sterile facility in France
- Acquisition of Kemig, market leader in the sale of raw materials in Croatia and Bosnia and Herzegovina

* EBITDA before non-recurrent result.

Operational review H1 2017



LETS GEL KIT is a topical anaesthesia convenience pack used for the prevention of pain when suturing. The kit includes SuturaGel, pre-weighed active ingredients and topical syringes.

Consolidated turnover

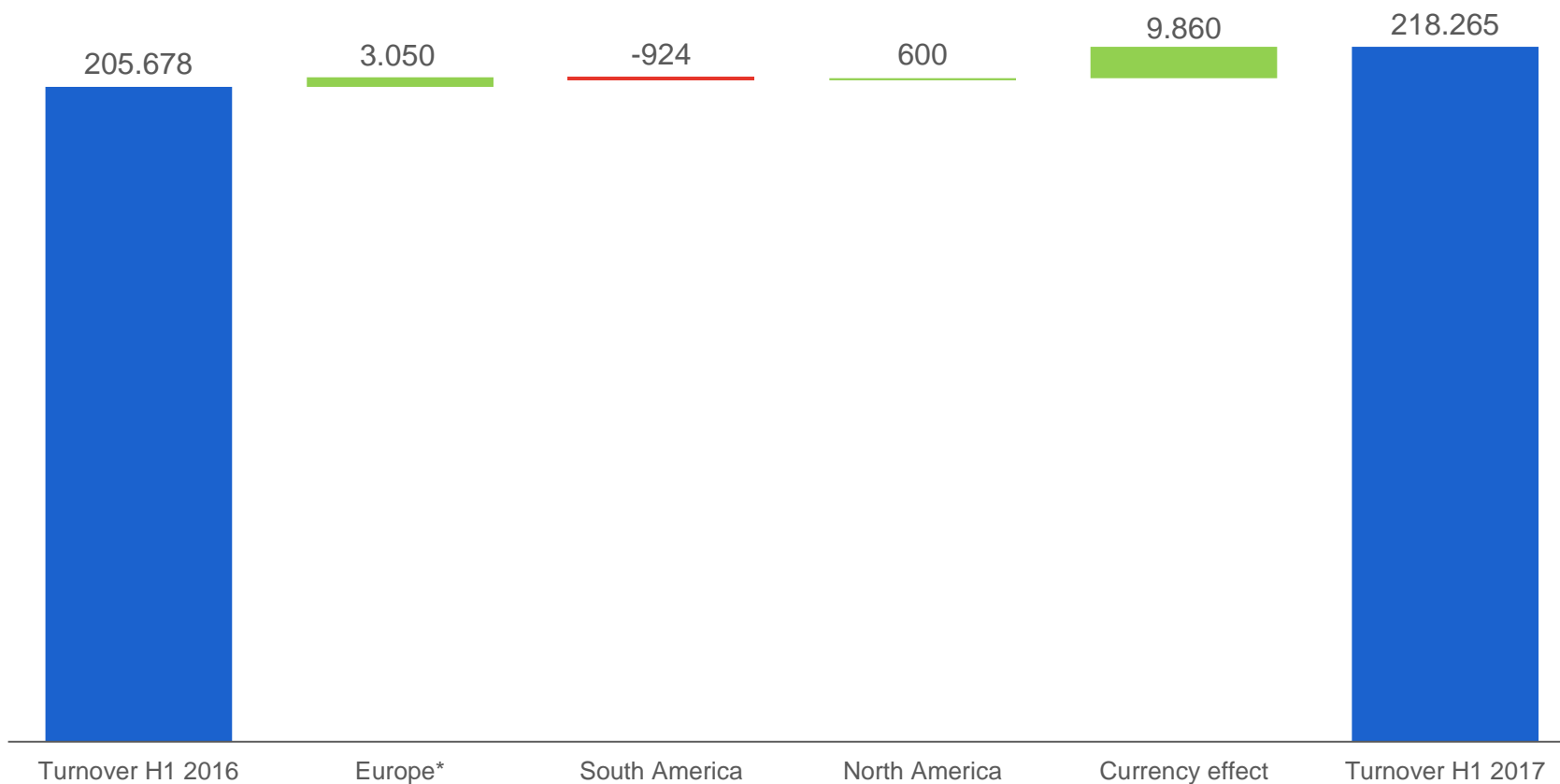
(x € 1,000)	H1 2017	H1 2016	Total growth	Total growth CER	Organic growth	Organic growth CER
Fagron	218,265	205,678	+6.1%	+1.3%	+6.6%	+1.8%
HL Technology	3,461	4,559	-24.1%	-25.4%	-24.1%	-25.4%
Total	221,725	210,237	+5.5%	+0.7%	+6.0%	+1.2%

CER = constant exchange rates

- Positive turnover developments in core activities in Europe, North America and South America

Turnover development

Excluding HL Technology (in € 1,000)



* The Europe segment consists of the operations of Fagron in Europe, South Africa and Australia. The increase for Europe excludes the negative effect of € 1 million due to the sale of a small compounding facility in Marseille (France) in 2016.

Fagron Europe

(x € 1,000)	H1 2017	H1 2016	Change
Turnover	128,886	125,346	+2.8%
REBITDA	32,724	30,920	+5.8%
REBITDA margin	25.4%	24.7%	

- ☞ Organic turnover growth of 3.7% (+3.3% CER)
- ☞ REBITDA increases 5.8%; margin increases 70bps to 25.4%
- ☞ Opening of sterile facility in the Netherlands, specializing in prefilled glass syringes
- ☞ Sale of a compounding facility in France with limited profitability/growth potential
- ☞ Acquisition of Kemig, a leading supplier of raw materials in Croatia and Bosnia and Herzegovina

Fagron South America

(x € 1,000)	H1 2017	H1 2016	Change
Turnover	49,498	42,234	+17.2%
REBITDA	10,054	8,741	+15.0%
REBITDA margin	20.3%	20.7%	

- ☞ Organic turnover growth of 17.2% (-2.2% CER)
- ☞ REBITDA increases 15.0%; margin decreases 40bps to 20.3%
- ☞ Significant volume growth in H1 2017, but
 - Majority of Fagron Brazil's purchases are in US dollars
 - Lower purchase prices, due to substantial strengthening of BRL/USD, fully passed on to customers
 - Decrease of prices in BRL had a negative impact on turnover growth at CER

Fagron North America

(x € 1,000)	H1 2017	H1 2016	Change
Turnover	39,880	38,098	+4.7%
REBITDA	5,452	5,045	+8.1%
REBITDA margin	13.7%	13.2%	

☞ Turnover growth of 4.7% (+1.6% CER)

☞ REBITDA increases 8.1%; margin increases 50bps to 13.7%

☞ Sterile activities

- Turnover growth of 22.7% (+19.1% CER)
- Wichita facility obtained 46 licenses and is performing in line with expectations

☞ Raw materials and compounding concepts activities

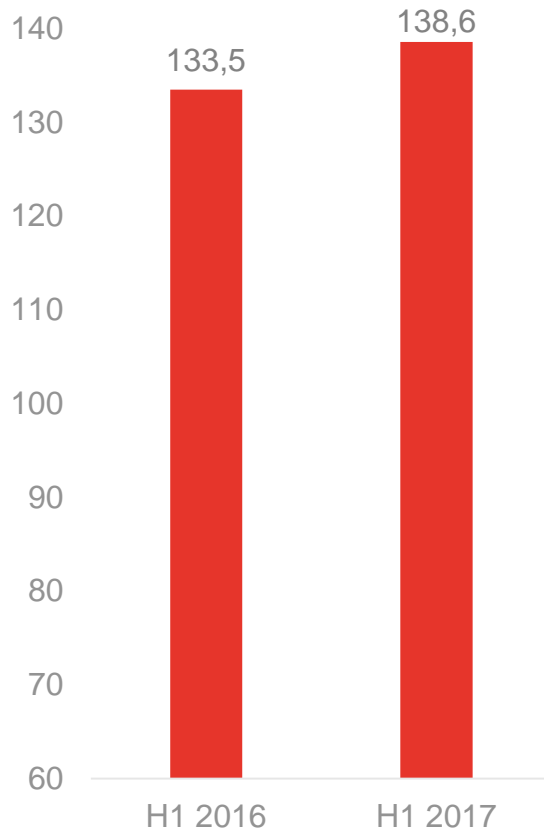
- Turnover decline of 26.7% (-28.8% CER)
- Second consecutive quarter of improvement
- Introduction of new innovations like Lets Gel Kit®

Financial review H1 2017



Pigmerise® MD is a medical device class 1 indicated as coadjuvant of the skin dyschromia treatment, especially in cases such as hyperpigmentation caused by vitiligo.

Consolidated – Gross margin

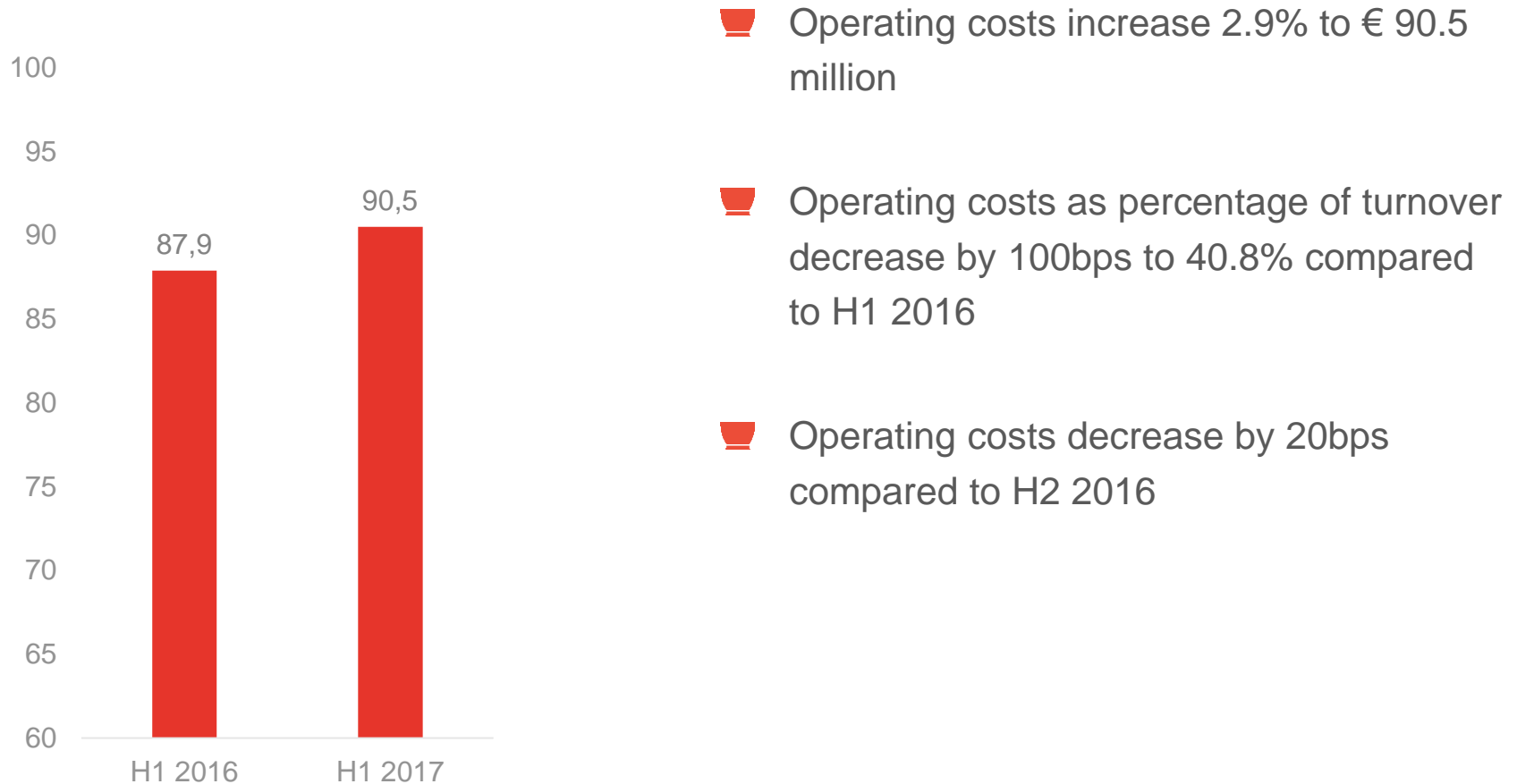


☞ Gross margin increases by € 5.1 million (3.8%)

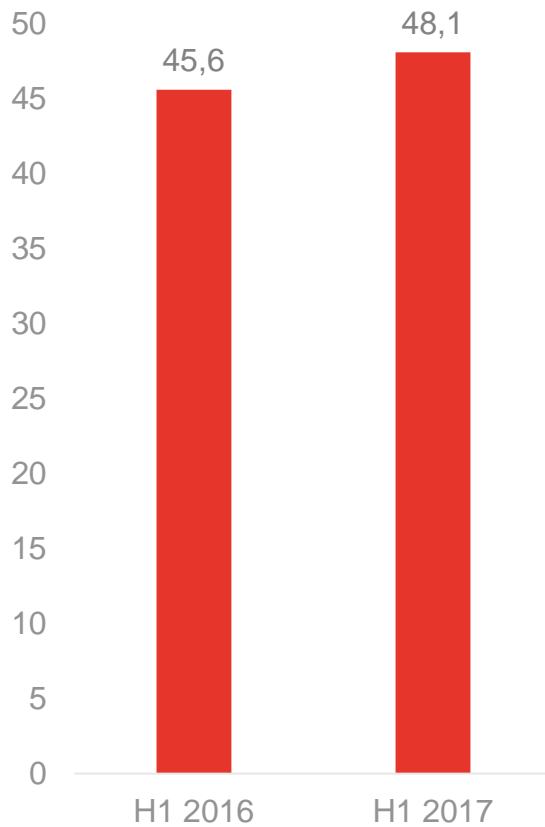
☞ Gross margin as percentage of turnover decreases by 100bps to 62.5% compared to H1 2016

☞ Gross margin increases 30bps compared to H2 2016

Consolidated – Operating costs



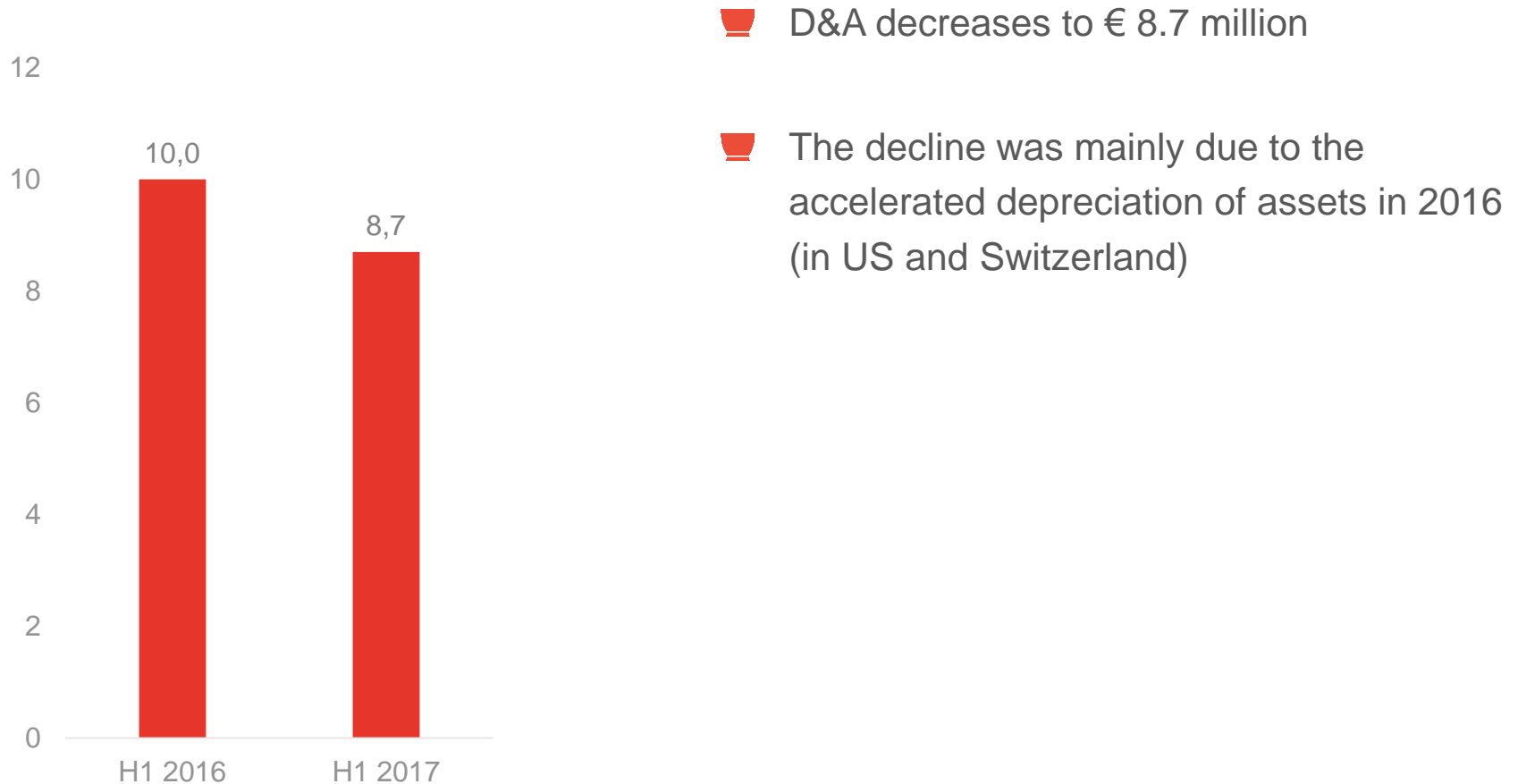
Consolidated – REBITDA



REBITDA increases by € 2.5 million or 5.6% to € 48.1 million or 21.7% of turnover

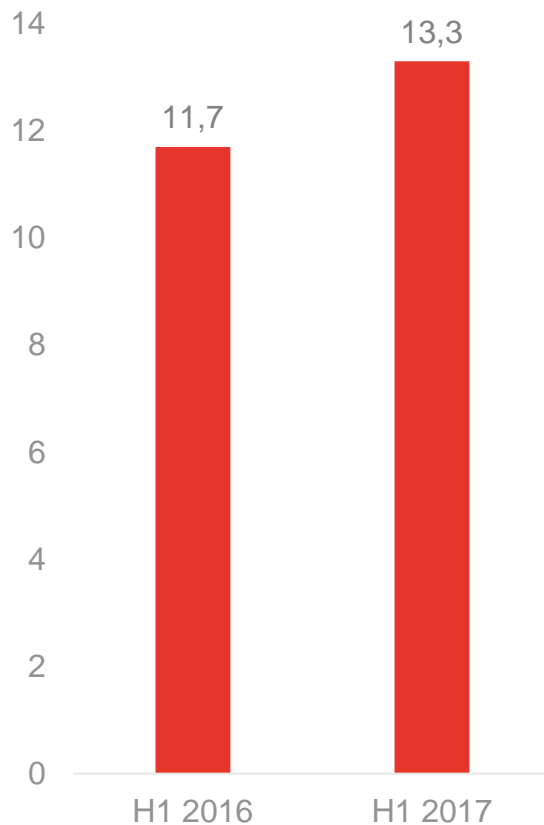
REBITDA growth driven by core activities in Europe, North and South America

Consolidated – Depreciation & Amortization



Consolidated – Financial result

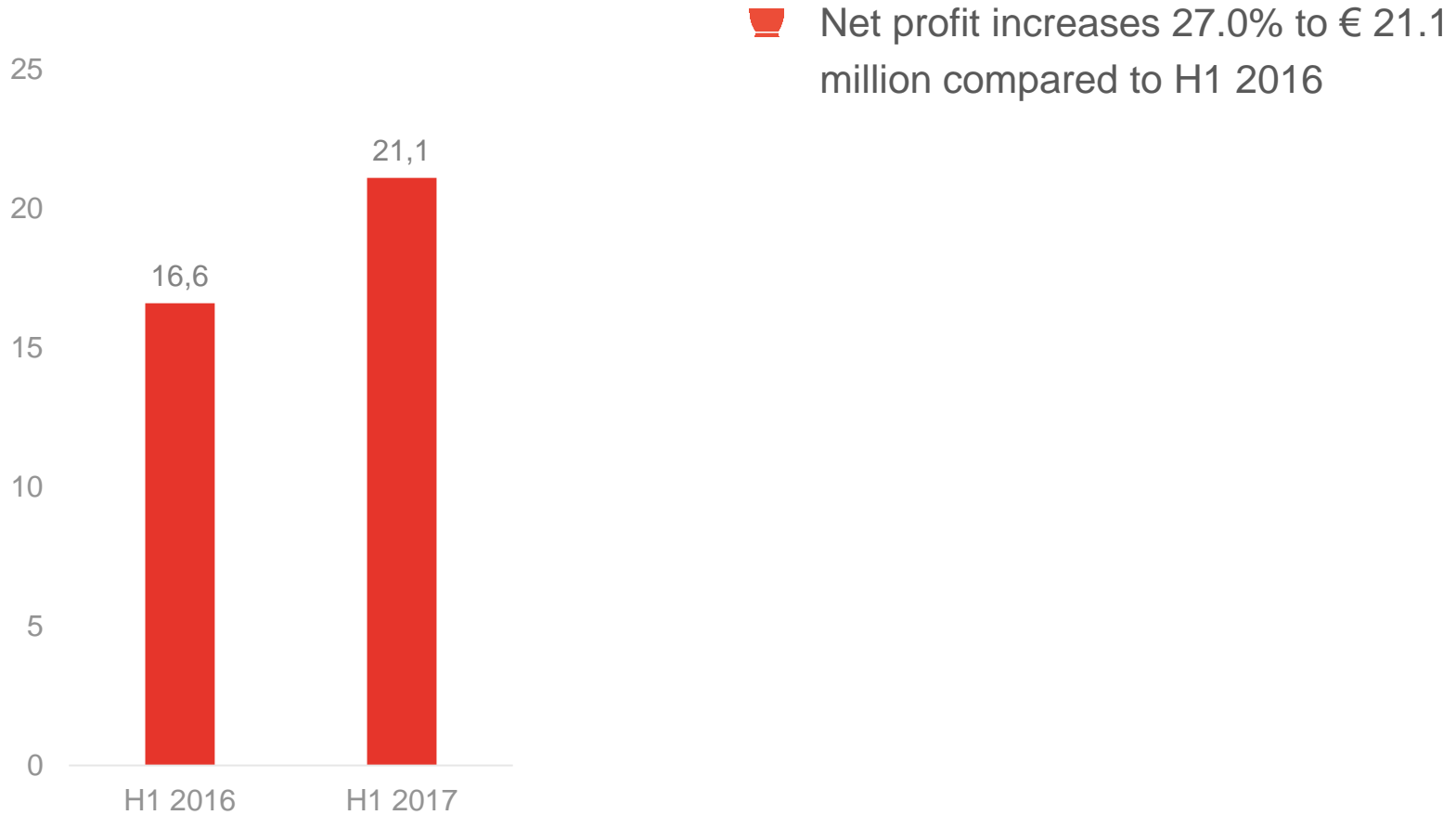
(excl. revaluation financial derivatives)



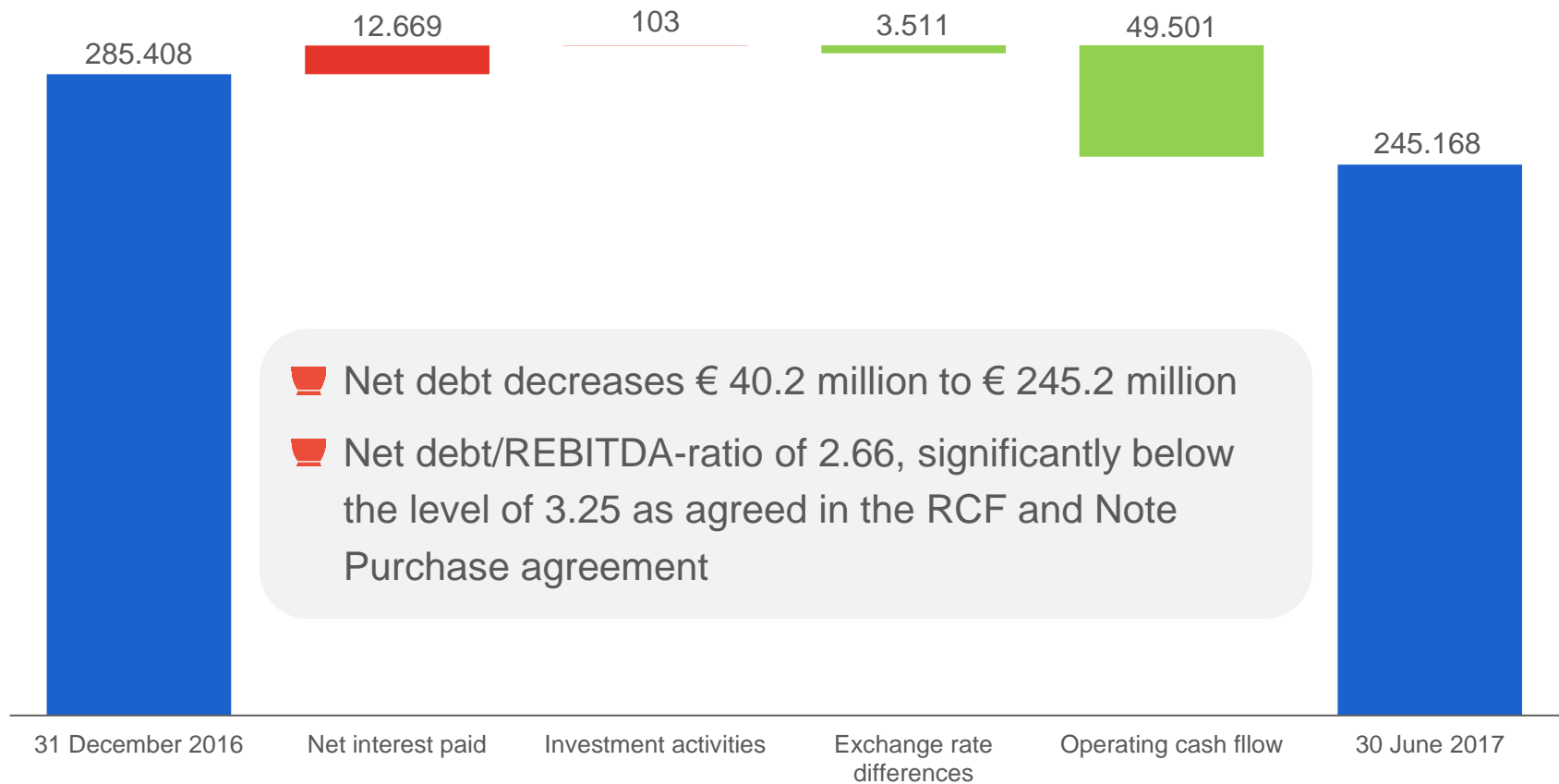
Financial result amounts to -€ 13.3 million, a decrease of 13.9%

- Financial costs decrease by € 7.6 million due to lower interest expenses and non-recurring costs in H1 2016 related to refinancing
- Financial income decreases by € 9.2 million. The decrease was due to the non-recurring recognition of an income item in H1 2016 as a result of the received waivers

Consolidated – Net profit



Consolidated – Net financial debt



Summary

- 🍷 Solid results with positive turnover developments in core activities
- 🍷 Operating costs well under control
- 🍷 Profitability increasing faster than turnover
- 🍷 Financial position significantly strengthened
- 🍷 Portfolio:
 - Facility in Wichita licensed in 46 states
 - Opening of a sterile facility in NL
 - Acquisition of Kemig (Croatia)
 - Sale of non-sterile facility in France



FagronLab® LF-800UV - Laminar flow cabinet, designed for compounding pharmacies.

Q&A



Disclaimer

Important information about forward-looking statements

Certain statements in this presentation may be considered “forward-looking”. Such forward-looking statements are based on current expectations, and, accordingly, entail and are influenced by various risks and uncertainties. The Company therefore cannot provide any assurance that such forward-looking statements will materialize and does not assume an obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.