

# Acquisition of US-based Humco



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# About Humco

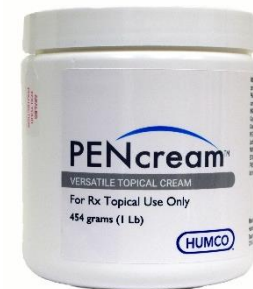
- Highly innovative and well-known company specialized in branded products for compounding
- Founded in 1872
- Located in Austin (TX) and Texarkana (TX)
- 45,000 customers, served through pharmacy chains and wholesalers

## Numbers:

- Sales US\$ 32 million
- EBITDA ~15% (normalized)
- FTE 140

## Sales-split:

- Brands ~60%
- Essentials ~40%



# Transaction details

## 🍷 Acquisition price

- US\$ 47.5 million (in cash)

## 🍷 Earn-out

- Capped at US\$ 22.5 million (in cash)
- Achieving EBITDA milestones in 2018 and 2019

## 🍷 Total consideration

- Capped at US\$ 70.0 million

## 🍷 Net debt / REBITDA-ratio Fagron remains below 3.0X



# Highly complementary

## 🍷 Excellent strategic fit for Fagron

## 🍷 Limited overlap in customer base

- Humco: ~ 45,000, through chains and wholesalers
- Fagron: ~ 10,000, smaller independent pharmacies

## 🍷 Limited overlap in product offer

- Humco: Focus on Brands - Small portfolio of Essentials
- Fagron: Focus on Essentials - Limited offer of Brands

## 🍷 Limited overlap in presence

- Humco: Local footprint - Mainly US
- Fagron: Global footprint - US, South-America and Europe

**ANHYDROUS  
BASE™**

ANHYDROUS BASE™  
VERSATILE TOPICAL CREAM

**LIPOSOMAL  
REGULAR™**

LIPOSOMAL REGULAR™  
VERSATILE TOPICAL CREAM

**HRT BOTANICAL™**

HRT BOTANICAL™  
HORMONE THERAPY TOPICAL CREAM

**Sānāre\*  
Advanced™**

SANARE ADVANCED™  
SCAR THERAPY TOPICAL CREAM

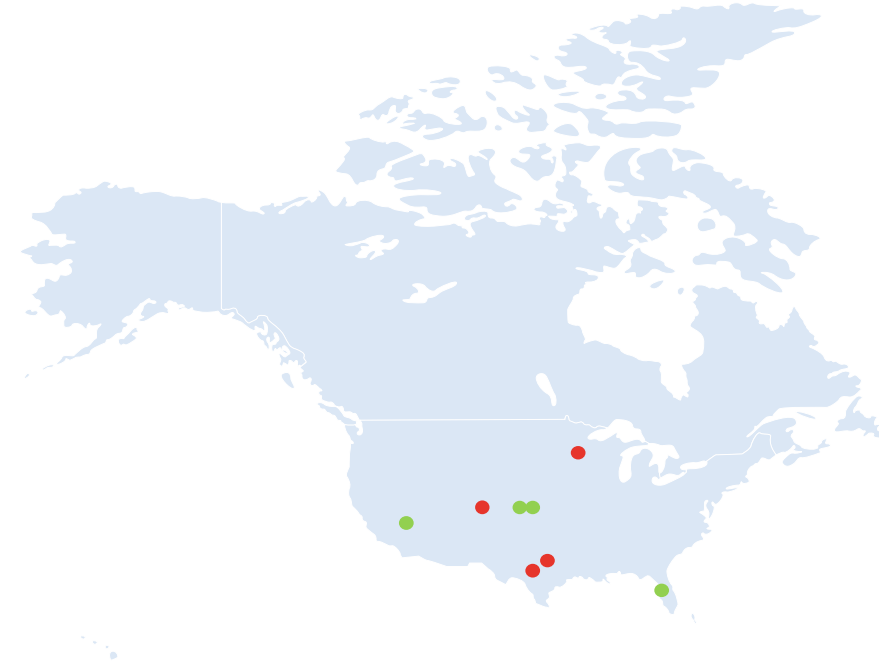
# Synergies and cross-selling opportunities

## Multiple brand strategy US-market

- Three brands
- Clear and distinctive positioning

## Focus on capturing synergies and cross-selling opportunities

- Synergies: Purchasing, analysis, repacking of APIs, production of Brands and back office integration
- Cross-selling: Broaden API-offer of Humco, expand Brands offer of Fagron and global roll-out of the Humco Brands



● Essentials/Brands



● FCS



# Summary

- 🍷 Excellent strategic fit and highly complementary
- 🍷 Strengthening market position in US and abroad
- 🍷 Substantial synergies and cross-selling opportunities
- 🍷 Net debt / REBITDA-ratio < 3.0X and sustainable cash flow generation
- 🍷 Focus remains on:
  - Strong organic growth through development of innovative products and concepts
  - Targeted acquisitions in our core markets



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.