

Fagron: Trading update first quarter of 2018



Rafael Padilla, CEO and Karin de Jong, CFO
12 April 2018



Headlines Q1-2018

Financial highlights

- ❑ Organic growth at CER of 6.8%
- ❑ Growth driven by all regions
- ❑ Growth at Essentials/Brands in North America

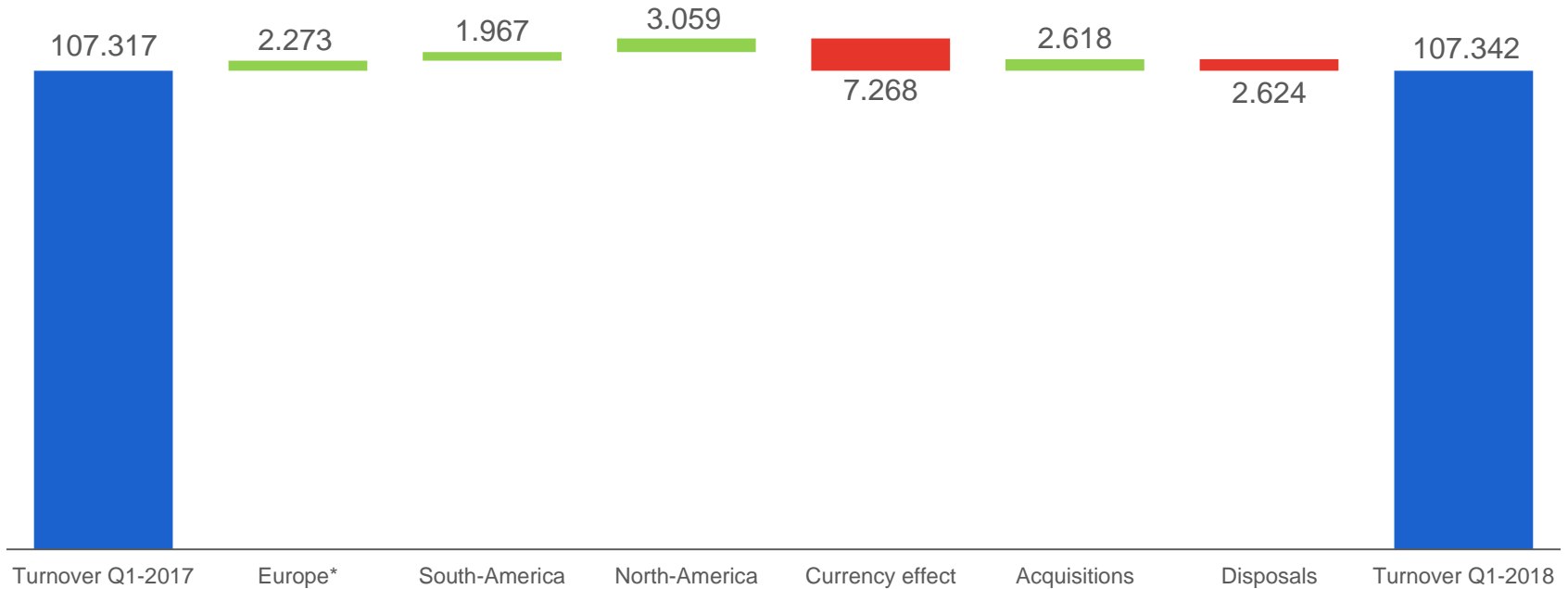
Strategic highlights

- ❑ Product availability issues in Europe largely solved
- ❑ Facility in Wichita receives California license
- ❑ Settlement with former owners of JCB
- ❑ Strategic acquisition of Humco (US)



Turnover development

Excluding HL Technology (in € 1,000)



* The Europe segment consists of the operations of Fagron in Europe, South Africa and Australia.

Fagron Europe

(x € 1,000)	Q1-2018	Q1-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	63,524	62,210	2.1%	1.5%	4.3%	3.7%

- Organic turnover growth at CER of 3.7%
- Essentials/Brands
 - Product availability issues largely solved – no material impact expected in Q2
 - Strong turnover growth in Brands
- Strategic decision to register a limited number of compounds in NL – Premium Pharmaceuticals

Fagron South-America

(x € 1,000)	Q1-2018	Q1-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	23,846	25,111	-5.0%	13.1%	-9.8%	7.4%

- Organic turnover growth at CER of 7.4%
- Strong growth in Brands
- Weakening of BRL/USD resulted in higher purchase prices – an effect that has been fully passed on to customers

Fagron North-America

(x € 1,000)	Q1-2018	Q1-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	19,972	19,995	-0.1%	15.3%	-0.1%	15.3%

- Organic turnover growth at CER of 15.3%
- Sterile activities performing in-line with expectations
 - 20.3% growth at JCB/FSS and AnazaoHealth
 - Wichita facility received license of California
- Growth of 1.1% at Essentials/Brands
- Strategic acquisition of Humco



Acquisition of Humco

- ❏ Excellent strategic fit and highly complementary
- ❏ Strengthening market position in US and abroad
- ❏ Substantial synergies and cross-selling opportunities
- ❏ Acquisition price of US\$ 47.5 million (in cash)
- ❏ Earn-out
 - Capped at US\$ 22.5 million (in cash)
 - Achieving EBITDA milestones in 2018 and 2019
- ❏ Net debt/ REBITDA-ratio Fagron remains below 3.0X



Summary

- ❏ Strong results driven by growth in core regions
- ❏ Focus remains on:
 - Strong organic growth through development of innovative products and concepts
 - Targeted acquisitions in our core markets
- ❏ Further growth of turnover and profitability expected in 2018



Q&A

