



Investor Presentation

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Contents



1. What is Compounding?
2. Fagron at a Glance
3. Compounding Markets
4. Fagron Innovations
5. 2017 Financial Results
6. Q1-2018 Trading Update
7. Shareholder Structure



What is Compounding?

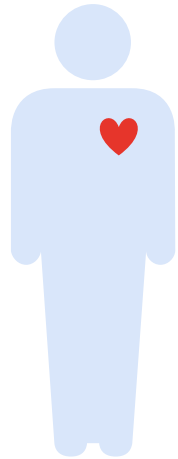


Fagron Netherlands

Capelle a/d IJssel -
The Netherlands



Compounding



Patient

The designing, developing, producing and marketing of personalized pharmaceutical products



Personalized medication



Alternative dosage forms



Alternative dosage strengths

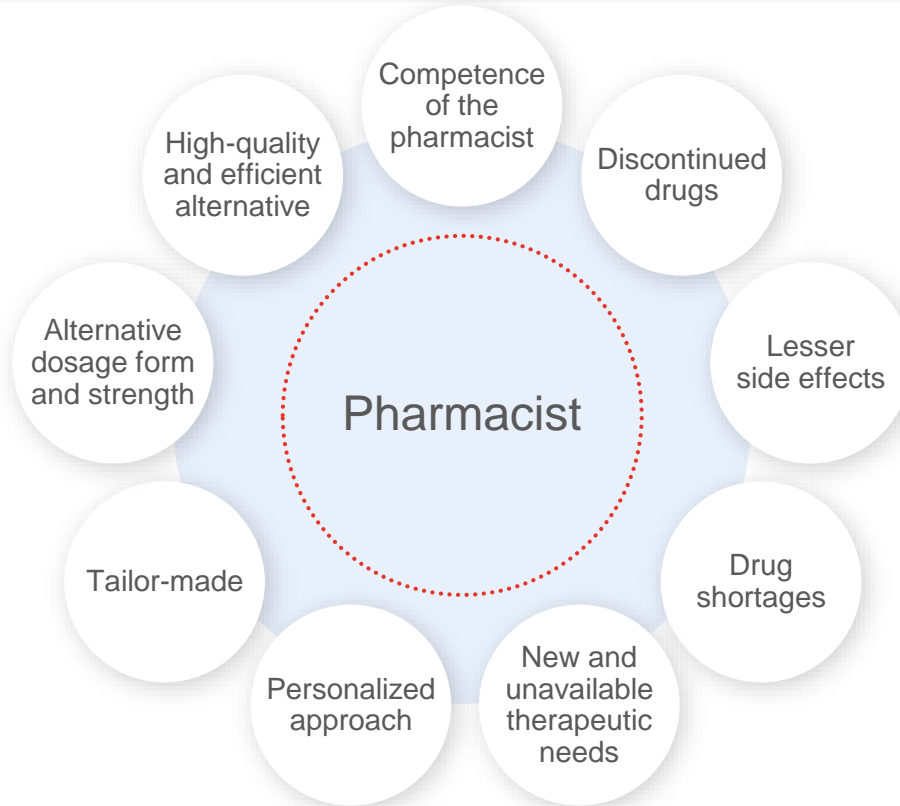


Combination therapy

Produced in pharmacies or by GMP outsourcing facilities based on scientific pharmaceutical knowledge



Key Drivers of Pharmaceutical Compounding



Pharmaline

Oldenzaal – The Netherlands



Fagron at a Glance

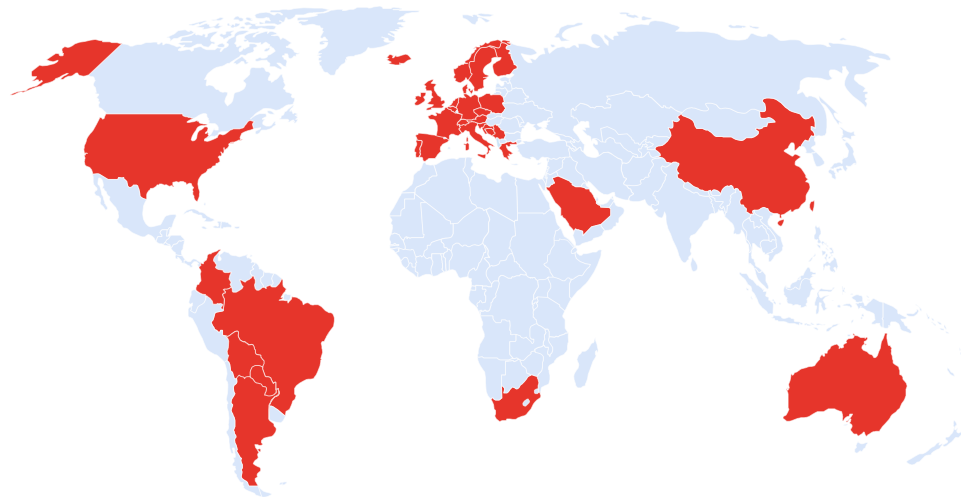


FArmaceutische **GRON**dstoffen
was founded in Rotterdam in 1990

Global market leader in compounded
personalized pharmaceutical care

2,000 FTE, incl. >200 pharmacists

Listed on Euronext Brussels and Amsterdam
since 5 October 2007



Turnover 2017
€ 436.9 million

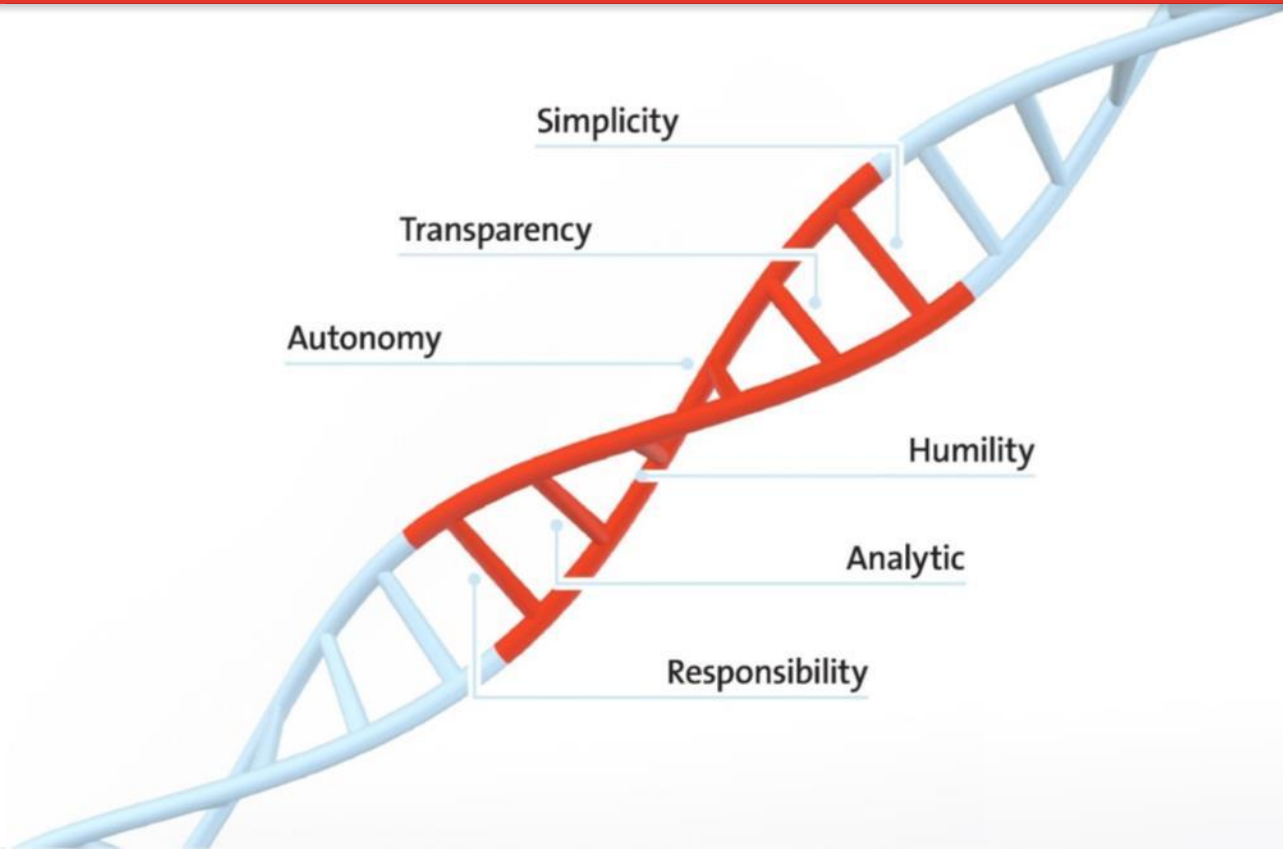
REBITDA 2017
€ 95.7 million

Active in
34 countries

Fagron Global Presence



Fagron Family Rules



Fagron Values



Customer
is number 1



Speed of
execution



Entrepreneurship



Creativity



Quality

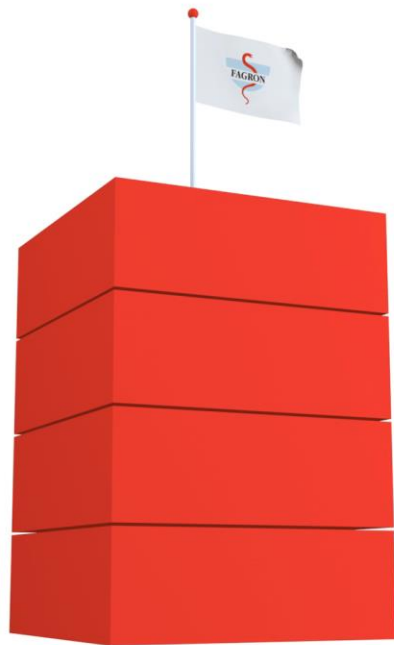
Leading the Future of Compounding



Fagron Strategy



Fagron Strategy

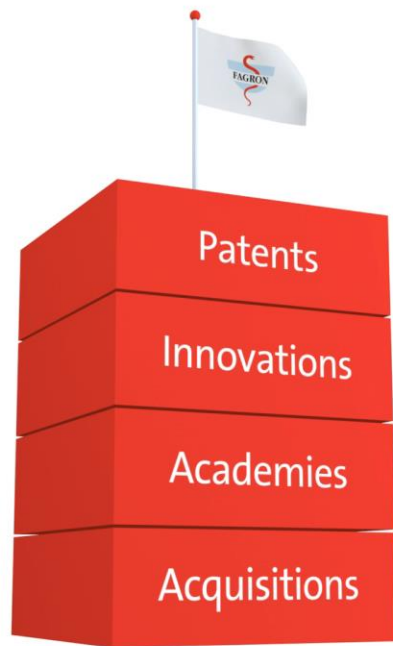


Fagron Strategy



Fagron Strategy







Compounding Markets



Fagron South Africa
Johannesburg - South Africa



Market

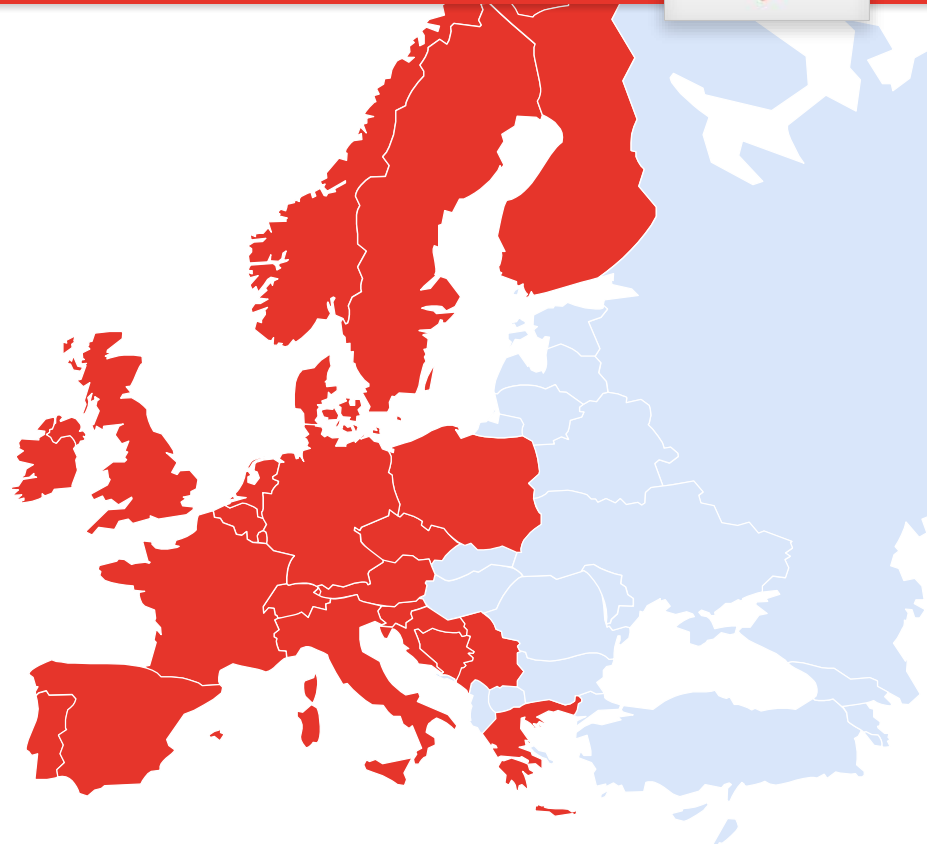
- ~ € 2.5 billion*
- ~ 1.5% of scripts compounded*
- 160,000 (hospital) pharmacies
- Cash-based & reimbursement
- Regulatory: Local authorities

Trends

- Ageing population and need for personalized medication increases demand for compounding
- Drug shortages and drug discontinuations
- Growing demand for lifestyle products



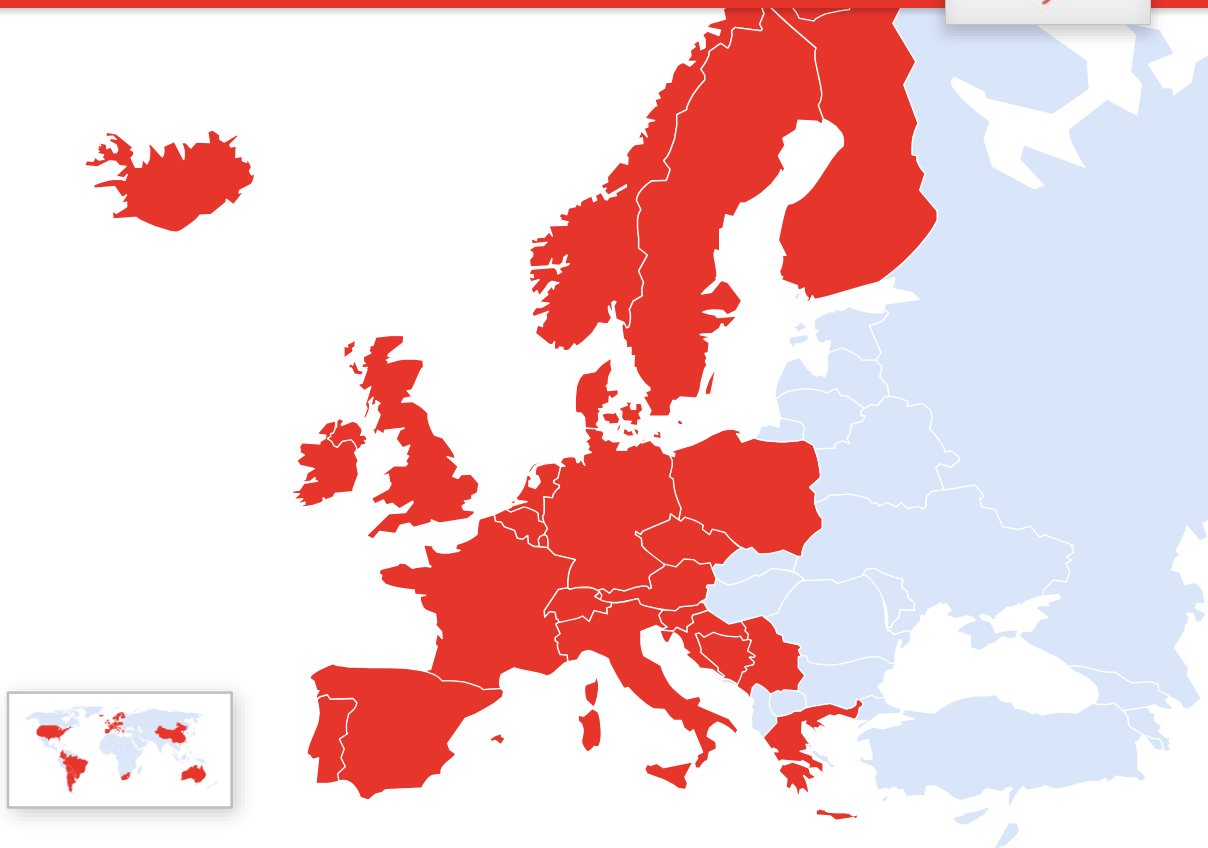
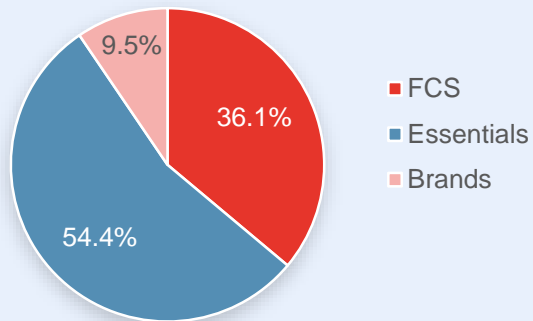
* Company estimates



Fagron Europe



| Europe | 2017 | Δ |
|----------|------------|----------------|
| Turnover | 249.1 | +0.5% CER |
| REBITDA | 63.3 | +0.3% |
| FTE | 1,053 | -4.5% |
| | FCS | B&E |
| Position | #1 (NL) | #1 - #3 |



Fagron South America



Market

- ~ US\$ 1.1 billion*
- ~ 8% of scripts compounded*
- 5,500 compounding pharmacies
- Cash-based - no reimbursement
- Regulatory: Anvisa

Trends

- Growing demand for lifestyle related products, like HRT, anti-ageing
- Growing middle-class
- Expansion of compounding due to highly innovation-driven market

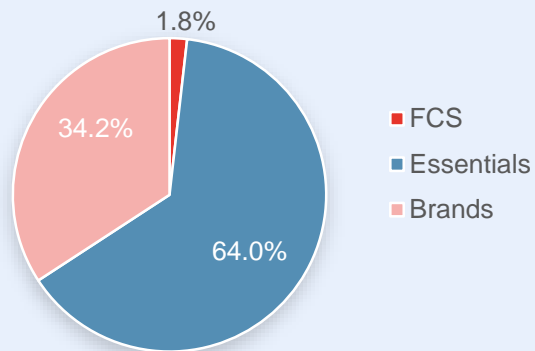


* Company estimates

Fagron South America



| SA | 2017 | Δ |
|----------|------------|----------------|
| Turnover | 103,282 | +5.9% CER |
| REBITDA | 20,815 | +15.2% |
| FTE | 622 | +8.2% |
| | FCS | B&E |
| Position | #1 (CO) | #1 (BR) |



Fagron North America

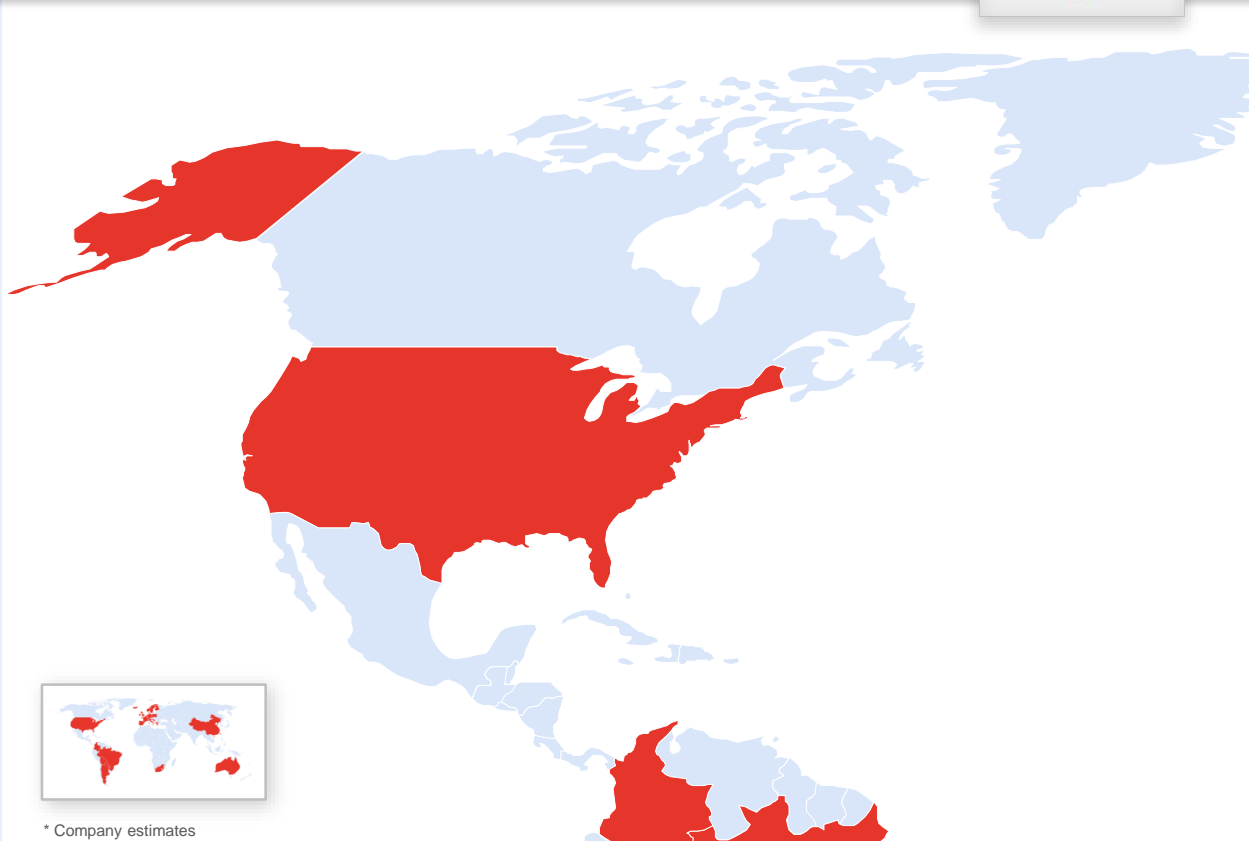


Market

- ~ US\$ 4.4 billion*
- ~ 1.5% of scripts compounded*
- 67,000 (hospital) pharmacies
- Mainly cash-based (limited reimbursement)
- Regulatory: FDA, DEA, SBoP

Trends

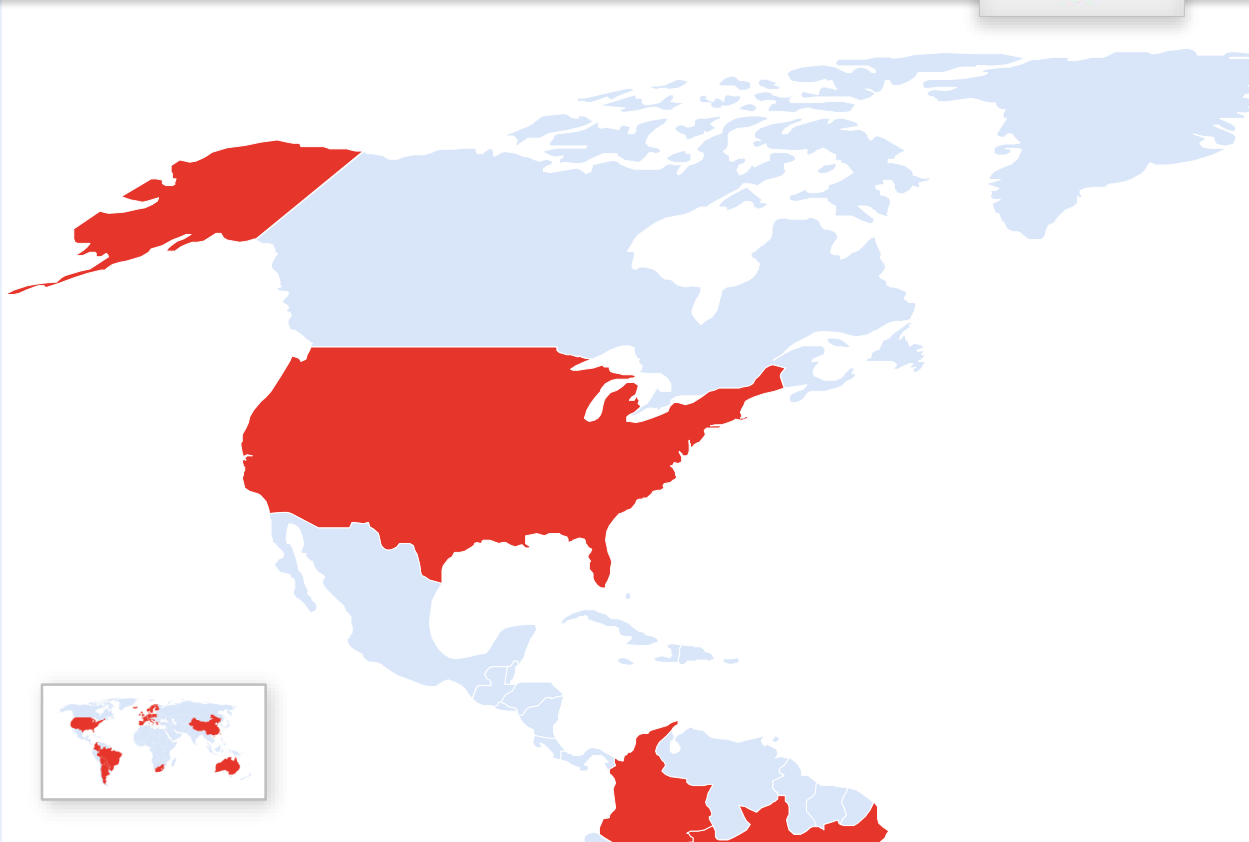
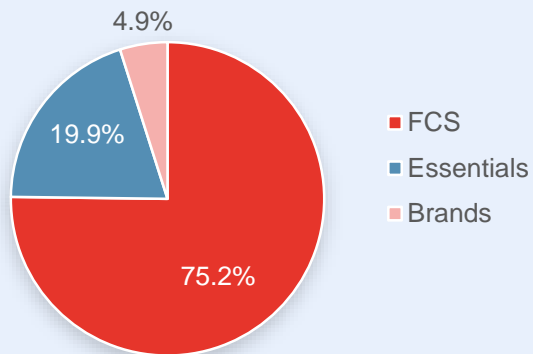
- Outsourcing by hospitals
- Focus on quality and efficiency
- Increasing regulatory requirements
- Growing demand for lifestyle products



Fagron North America



| NA | 2017 | Δ |
|----------|------------|----------------|
| Turnover | 77,769 | +4.2% CER |
| REBITDA | 11,461 | +28.6% |
| FTE | 379 | +21.1% |
| | FCS | B&E |
| Position | #6 | #4 |



Fagron Innovations



Fagron TrichoTest™



Fagron TrichoTest™



- Genetic technology - microarrays DNA printed on chips
- Developed by Fagron
- Analyses the gens' SNP related to alopecia, allowing a personalized and effective treatment
- Scientifically proven
- Personalized treatment based on the TrichoConcept™ vehicles
- Launch in Q3-2018



2 sterile swabs with labels
(saliva samples)



1 instruction for use



2 informed consent
forms (for Fagron
and the doctor)



4 labels



TrichoConcept™

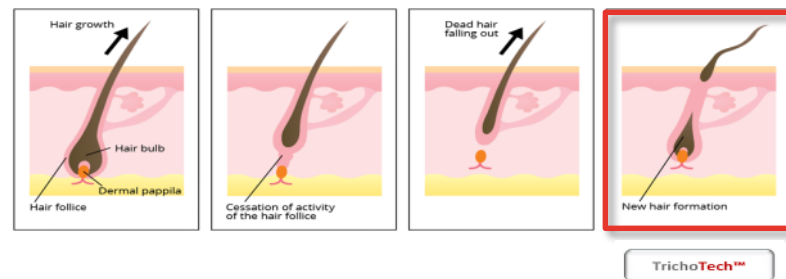


The perfect harmony between
active agents and vehicles in hair care.

Fagron TrichoConcept™



- Alopecia is excessive hair damage/loss
- Projected: \$ 7b in 2015 to \$ 12b in 2024
- Growth factors:
 - Awareness population to (topical) treatments
 - Increased healthcare expenditure (cash-based)
 - Development of innovative treatments for alopecia that are non-invasive & easy to apply
- **TrichoConcept™**
 - Innovative line of vehicles and final products
 - Based on TrichoTech™ technology
 - Developed by Fagron for advanced personalized alopecia treatment, favoring the Neogen phase
- TrichoTech™ technology is based on an phytocomplex to increase the effectiveness of treatment





FagronLab™ Concept

- Global product line of compounding equipment
- Designed and developed by Fagron
- Equipment offers accuracy, easiness and reproducibility of compounded preparations
- FagronLab™ was introduced in South America and Southern Europe in 2017
- In 2018, FagronLab™ will be launched in the rest of Europe and the USA



2017 Financial Results



Fagron Hellas

Trikala - Greece



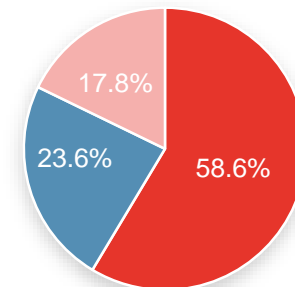
Financial

- Turnover increased 3.6% to € 436.9m
- REBITDA increased 5.7% to € 95.7m or 21.9% of turnover
- EBIT increased 317.2% to € 74.6m or 17.1% of turnover
- Strong operational cash flow of € 84.2m
- Net financial debt/REBITDA ratio declined from 3.18 to 2.48

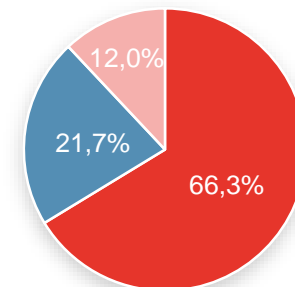
Strategic and operational

- Opening of sterile facilities in USA, the Netherlands and South Africa
- Divestment of non-sterile facility in France
- Acquisition of Croatian Kemig in August
- Acquisition of Brazilian All Chemistry in October

Sales



REBITDA



■ Europe* ■ South America ■ North America

* Including HL Technology and Rest of the World.

Consolidated Turnover



| (x € 1,000) | 2017 | 2016 | Total growth | Total growth CER | Organic growth | Organic growth CER |
|----------------------|----------------|----------------|--------------|------------------|----------------|--------------------|
| Fagron | 430,132 | 414,180 | +3.9% | +2.4% | +4.5% | +2.9% |
| HL Technology | 6,802 | 7,659 | -11.2% | -9.5% | -11.2% | -9.5% |
| Total | 436,934 | 421,839 | +3.6% | +2.1% | +4.2% | +2.7% |

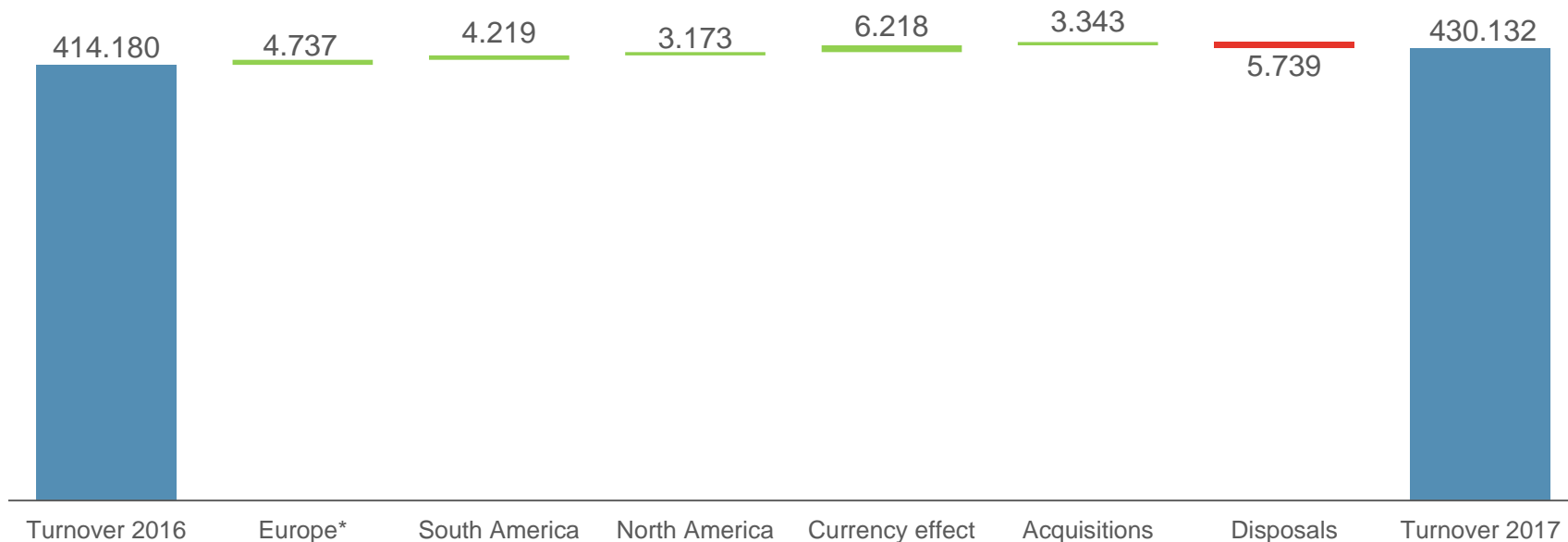
CER = constant exchange rates

- Organic turnover growth of 4.2% (+2.7% CER)
- Growth driven by positive turnover developments in Europe, North- 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.

| (x € 1,000) | H2-2017 | H2-2016 | Δ | 2017 | 2016 | Δ |
|-----------------------|---------|---------|-------|---------|---------|-------|
| Turnover | 120,195 | 121,558 | -1.1% | 249,082 | 246,904 | +0.9% |
| REBITDA | 30,577 | 32,218 | -5.1% | 63,301 | 63,138 | +0.3% |
| REBITDA margin | 25.4% | 26.5% | | 25.4% | 25.6% | |

CER = constant exchange rates

- Organic turnover growth of 2.4% (+1.9% CER)
- REBITDA increases 0.3%; margin decreases 20bps to 25.4%
- Growth in H2-2017 curbed by limited product availability and delivery delays
- Backlog expected to be largely cleared in April 2018

| (x € 1,000) | H2-2017 | H2-2016 | Δ | 2017 | 2016 | Δ |
|-----------------------|---------|---------|--------|-------------|--------|--------|
| Turnover | 53,784 | 48,896 | +10.0% | 103,282 | 91,130 | +13.3% |
| REBITDA | 10,761 | 9,331 | +15.3% | 20,815 | 18,072 | +15.2% |
| REBITDA margin | 20.0% | 19.1% | | 20.2% | 19.8% | |

CER = constant exchange rates

- Organic turnover growth of 11.9% (+4.6% CER)
- REBITDA increases 15.2%; margin increases 40bps to 20.2%
- Strong volume growth in 2017:
 - Majority of raw materials purchases are in US-dollar
 - Lower purchase prices, due to strengthening BRL/USD, fully passed on to customers
 - Decrease of prices in BRL had a negative impact on turnover growth at CER

| (x € 1,000) | H2-2017 | H2-2016 | Δ | 2017 | 2016 | Δ |
|-----------------------|---------|---------|--------|--------|--------|--------|
| Turnover | 37,888 | 38,049 | -0.4% | 77,769 | 76,147 | +2.1% |
| REBITDA | 6,009 | 3,867 | +55.4% | 11,461 | 8,912 | +28.6% |
| REBITDA margin | 15.9% | 10.2% | | 14.7% | 11.7% | |

CER = constant exchange rates

- Organic turnover growth of 2.1% (+4.2% CER)
- REBITDA increases 28.6%; margin increases 300bps to 14.7%
- Sterile activities are performing in line with expectations
 - Turnover growth of 15.5% (+17.8% CER)
 - Wichita facility obtained 48 licenses
- Raw materials activities
 - Turnover decline of 24.3% (-22.8% CER)
 - Turnover decline of 7.1% CER in Q4-17; stable compared to previous quarters in 2017

2017 Financial Review



Fagron Technologies Jundiai - Brazil



2017 Financial Review



Turnover
(in € million)
436.9

- Turnover increases 3.6% or 2.1% at CER
- Organic increase of 4.2% or 2.7% at CER

Gross margin
(in € million)
269.8

- Gross margin increases by € 4.7m (+1.8%)
- Gross margin as percentage of turnover decreases by 110bps to 61.8% compared to 2016

Operating costs
(in € million)
-174.1

- Operating costs decrease 0.3% to € 174.1m
- Operating costs as percentage of turnover decrease by 150bps to 39.8%
- Operating costs in H2-2017 decreased by 3.5%, mainly due to cost savings in Europe and in the raw materials activities in the US and to the sale of the facility in France

2017 Financial Review



REBITDA
(in € million)
95.7

- REBITDA increases 5.7% to € 95.7m
- REBITDA as percentage of turnover increases by 40bps to 21.9%

Non-recurring
(in € million)
-3.6

- Non-recurring result amounted to -€ 3.6m compared to -€ 3.2m in 2016

EBITDA
(in € million)
92.2

- EBITDA increases 5.5% to € 92.2m
- EBITDA as percentage of turnover increases by 40bps to 21.3%

2017 Financial Review



DA
(in € million)
-17.6

- DA amounted to € 17.6m compared to € 21.1m in 2016
- The decrease was mainly due to the accelerated depreciation of assets in 2016 (in US and Switzerland)

EBIT
(in € million)
74.6

- EBIT increases 317.2% to € 74.6m
- The increase was largely caused by the recognition of an impairment of € 48.4m in 2016

Fin. result
(in € million)
-19.4

- Financial results amount to € 19.4m, an improvement of 24.2%
- Financial costs decrease by € 15.4m due to lower interest expenses and non-recurring costs in 2016 related to the refinancing
 - The financial income decreases by € 9.3m due to the non-recurring recognition of an income item in 2016 as a result of the received waivers

2017 Financial Review



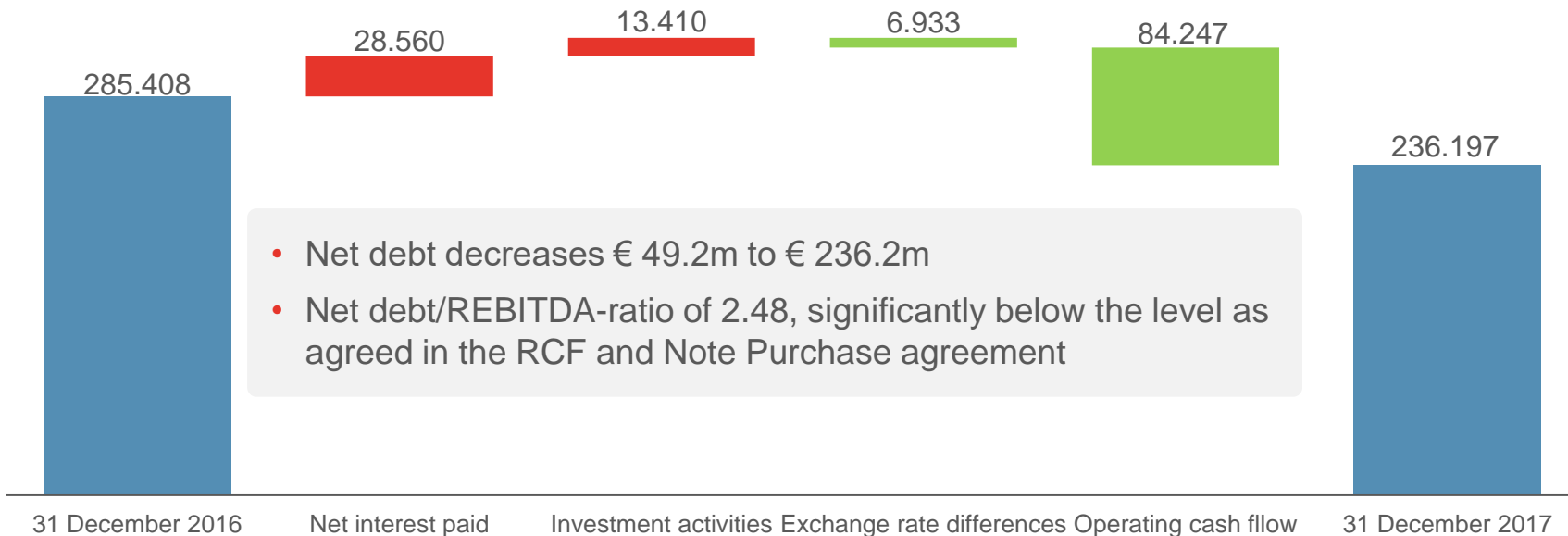
Taxes
(in € million)
-8.9

- Taxes decreased by 24.1% to € 8.9m
- Effective tax rate as a percentage of the profit before taxes was 15.9%

Net profit
(in € million)
47.0

- Net profit amounts to € 47.0m, an increase of € 65.2m compared to 2016

Net Financial Debt



2017 Summary



- Strong results driven by growth in core countries
- Operating costs well under control
- Profitability increasing faster than turnover
- Focus remains on
 - Strong organic growth through development of innovative products and concepts
 - Targeted acquisitions in core markets
- Further growth of turnover and profitability expected in 2018
- Dividend proposal of € 0.10 per share



Q1-2018 Trading Update



FSBA

Hoogeveen - The Netherlands



Q1-2018 Headlines



Financial highlights

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

Strategic highlights

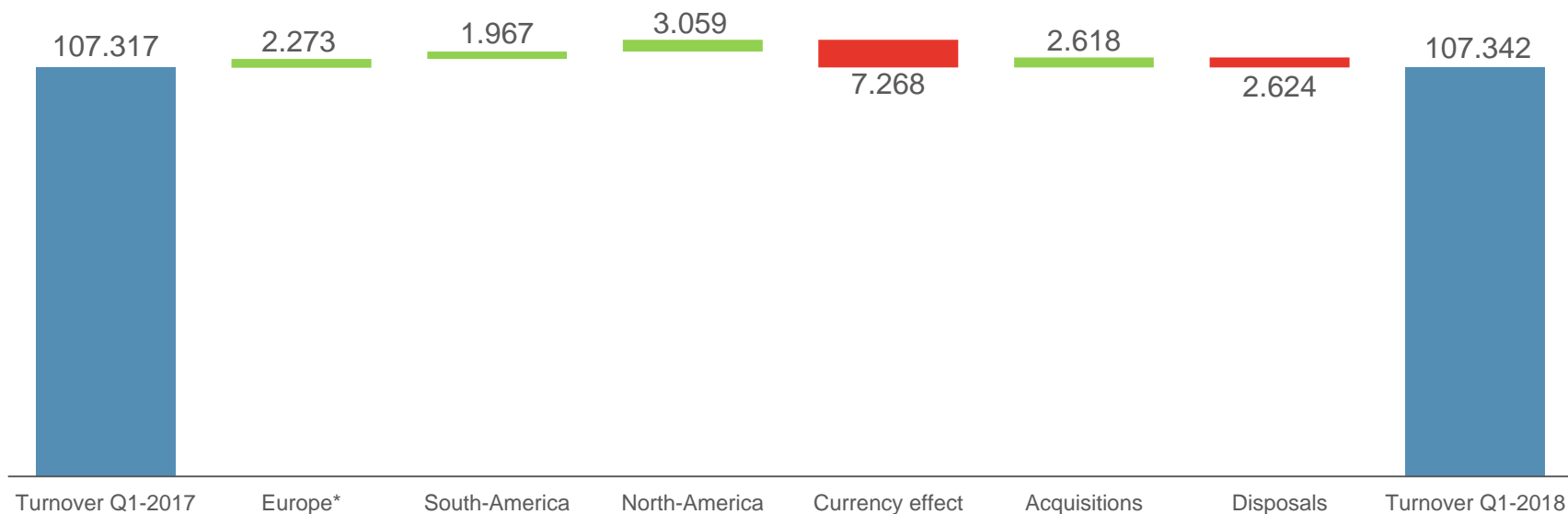
- Product availability issues in Europe largely solved
- Facility in Wichita receives California license
- Settlement with former owners of JCB
- Strategic acquisition of Humco (US)



Turnover Development



Excluding HL Technology (in € 1,000)



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

| (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 Q2-2018
 - Strong turnover growth in Brands
- Strategic decision to register a limited number of compounds in NL – Premium Pharmaceuticals

| (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

| (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



- Highly innovative and well-known company specialized in branded products for compounding
- Founded in 1872; 2017 turnover of US\$ 32 million
- 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



Synergies and cross-selling opportunities

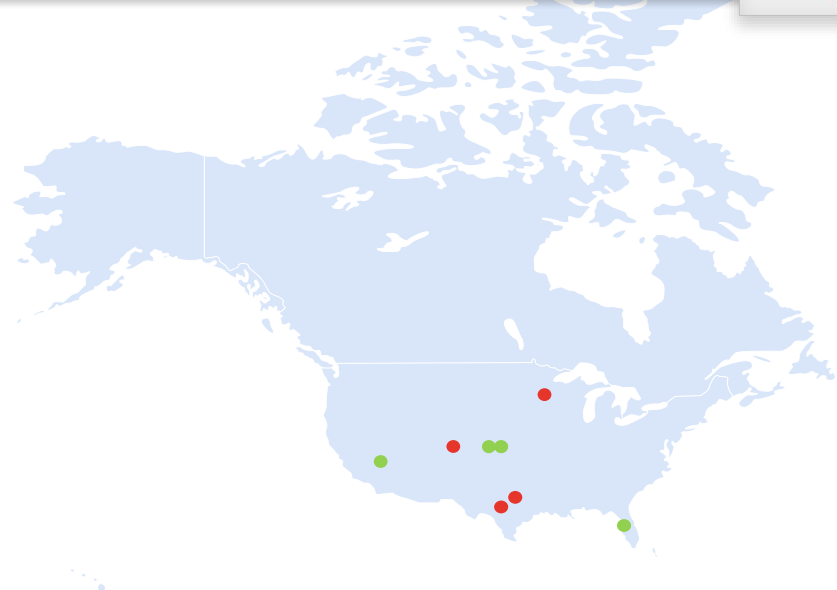


Multiple brand strategy US-market

- Three brands for Essentials/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



Q1-2018 Summary



- Strong results driven by growth in core regions
- Acquisition of Humco - Excellent strategic fit and highly complementary
- Focus remains on:
 - Strong organic growth through development of innovative products and concepts
 - Targeted acquisitions in core markets
- Further growth of turnover and profitability expected in 2018



Shareholder Structure



Fagron US

Minneapolis - US



Shareholder Structure



| | Number of shares | % of voting rights |
|--|------------------|--------------------|
| Waterland Private Equity Fund VI CV, Balcaen, Fagron | 22,656,725 | 31.54% |
| Alychlo NV / Marc Coucke | 10,749,267 | 14.96% |
| JPMorgan Asset Management Holdings Inc. | 3,602,460 | 5.01% |
| Evermore Global Advisors, LCC | 2,203,472 | 3.07% |
| Adrianus van Herk | 2,171,279 | 3.00% |
| Carmignac Gestion | 1,492,006 | 4.65% |

- Article 11 of the articles of association of the company specifies that participations must be notified as soon as a threshold of 3%, 5% and any multiple of 5% has been passed
- The number of Fagron shares with voting rights is 71,843,904. The total number of voting rights (denominator) is 71,843,904
- The notification of Carmignac Gestion was received on March 18, 2016 and is based on a denominator of 32,111,827



FAGRON



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.