



KBC Small & Mid Cap Conference

Brussels, 12 December 2018

Constantijn van Rietschoten, CCO



Contents



1. Personalized Medicine	3
2. Pharmaceutical Art	7
3. Fagron	14
4. Fagron Innovations	26
5. H1-2018 Results	32
6. Q3-2018 Trading Update	47
7. Shareholder Structure	54



What is Personalized Medicine?



Tailoring of a treatment to the personal characteristics of a person, based on the genes, proteins and lifestyle



Genetic test to reveal predisposition to diseases



Prevention of diseases



Early detection of diseases



Accurate diagnosis



Personalized treatment

Global Market for Personalized Medicine



Global Market for Personalized Medicine



North America

Personalized medicine
~\$ 4.5b

Essentials/Brands
~\$ 450m

Fagron share
FCS



Fagron share
E/B



Europe

Personalized medicine
~\$ 3.0b

Essentials/Brands
~\$ 300m

Fagron share
FCS NL



Fagron share
E/B



South America

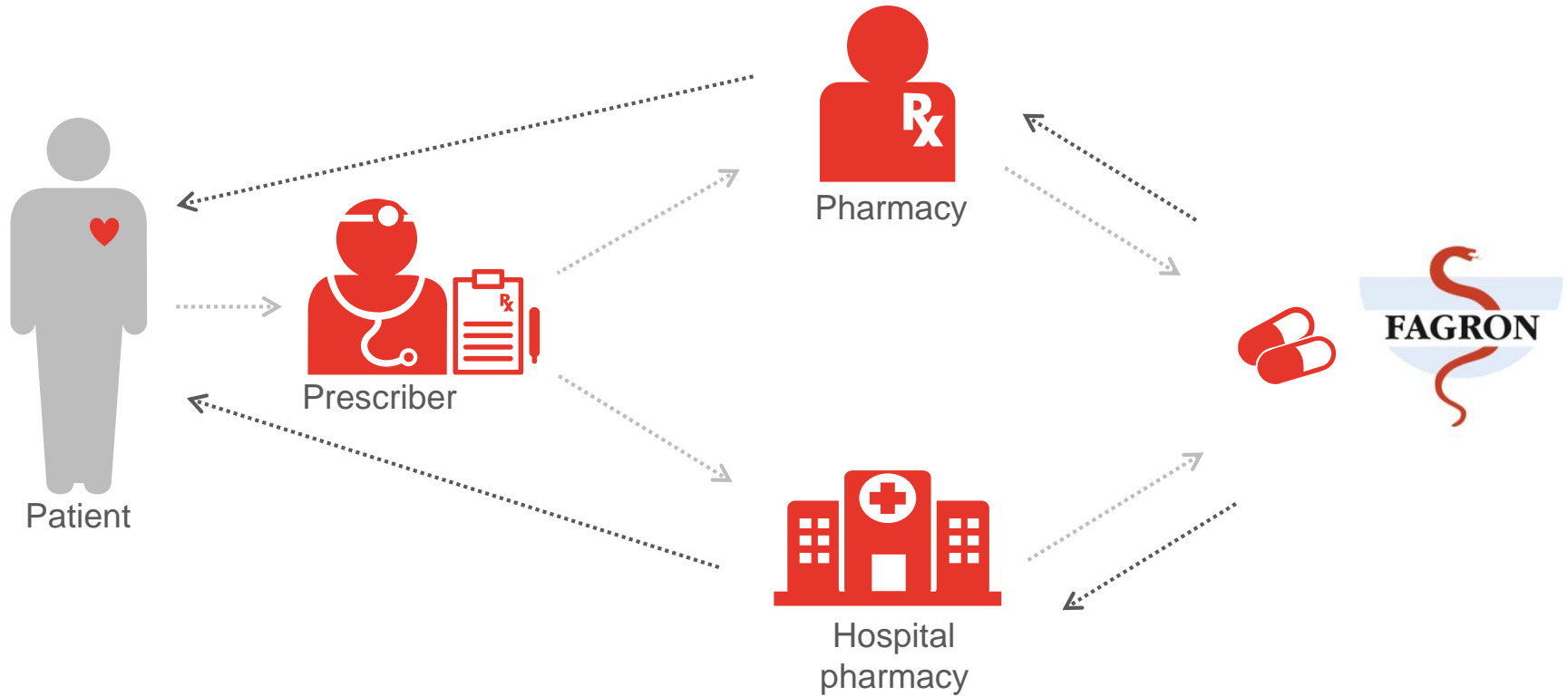
Personalized medicine
~\$ 1.8b

Essentials/Brands
~\$ 180m

Fagron share
E/B



Process from Prescriber to Patient



Pharmaceutical Art





FSBA
Hoogeveen, NL



FCS Belgium
Bornem, BE



Pharmaline
Oldenzaal, NL



Fagron Greece
Trikala, GR



Infinity Pharma
Campinas, BR



EMERGENCY USE ONLY
NO KEYS

Fagron Sterile Services
Wichita, US

Fagron France

Thiais – France





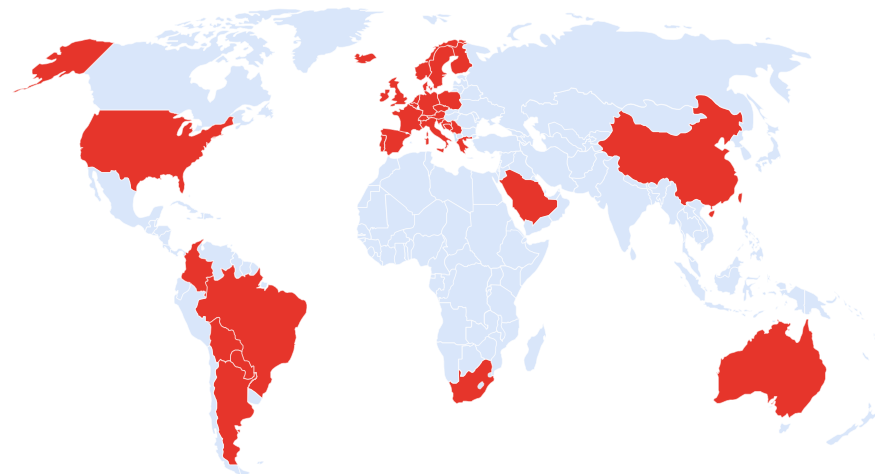
Farmaceutische **GRON**dstoffen
Founded in 1990

Global leader in personalized medicine

Complying with highest quality standards

Scientific driven product innovations

Disciplined acquisition strategy, creating synergies and cross-selling opportunities



35

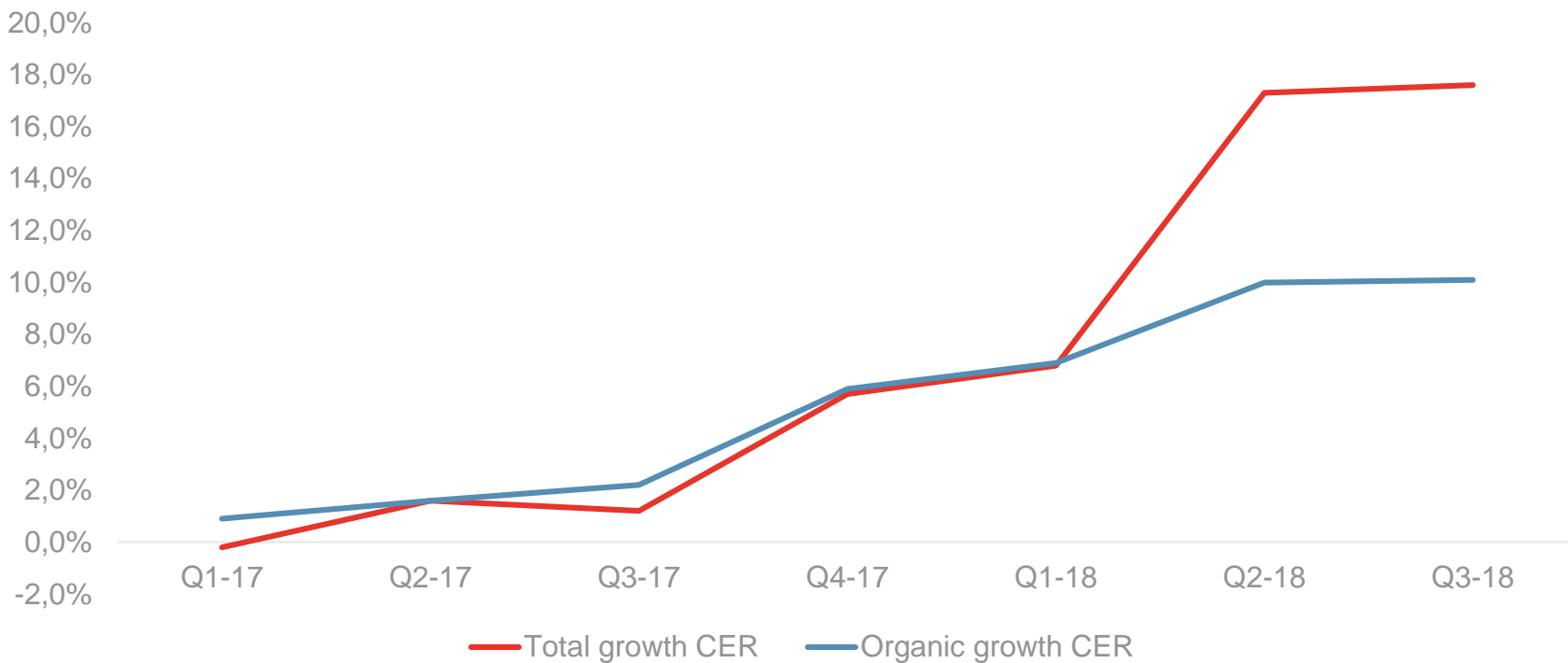


51



2,354

Fagron Growth Development



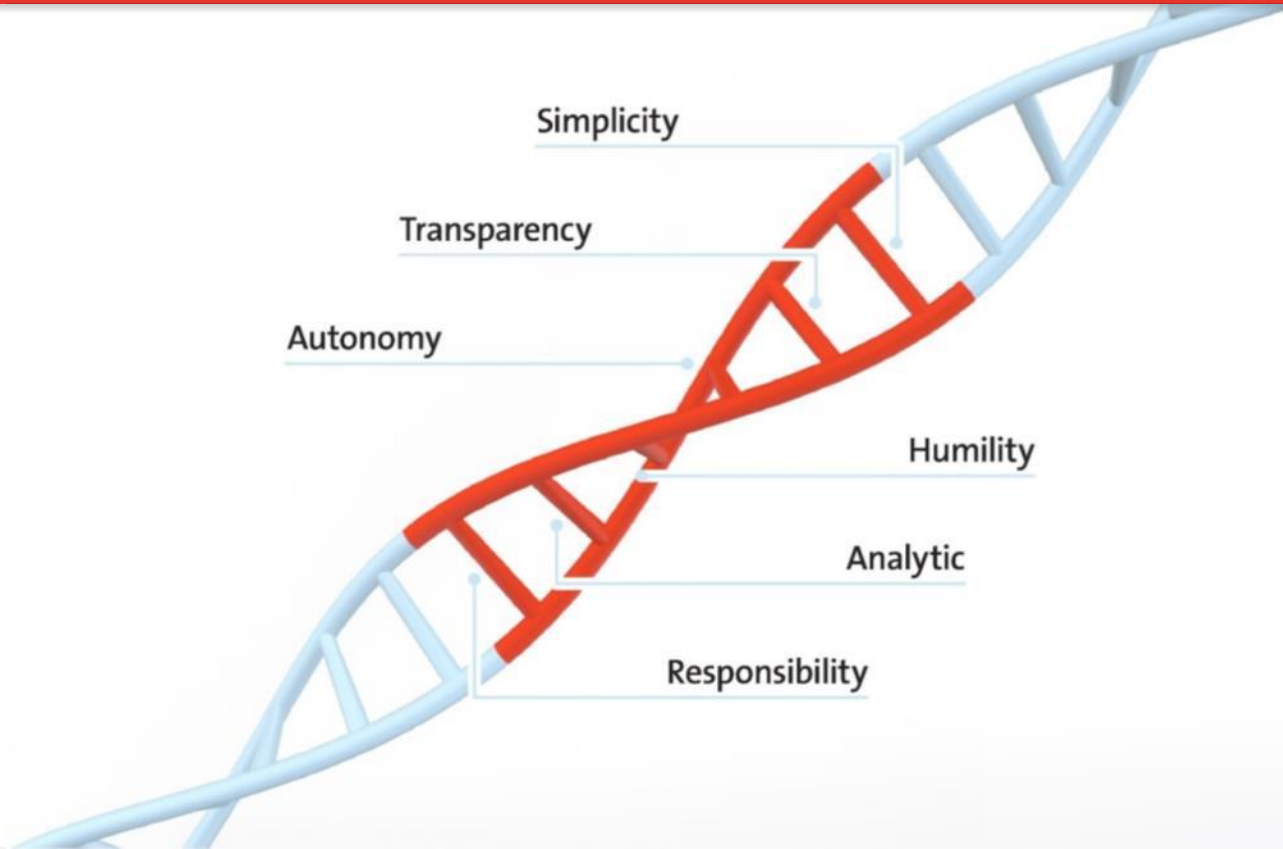
Fagron DNA, Strategy and Leadership



Fagron South Africa Johannesburg - South Africa



Fagron Family Rules



Fagron Values



Customer
is number 1



Speed of
execution



Entrepreneurship



Creativity



Quality

Fagron Strategy

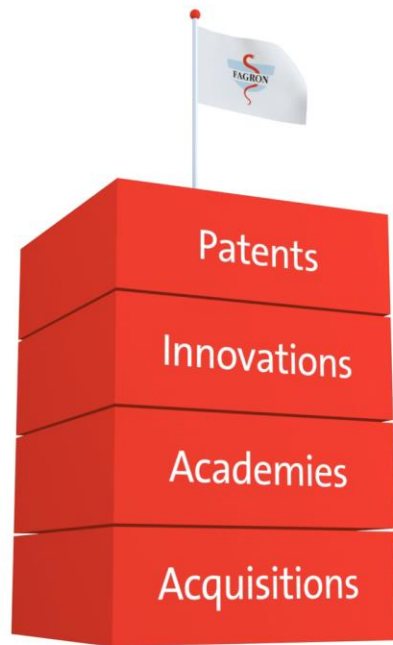


Fagron Strategy



Fagron Strategy

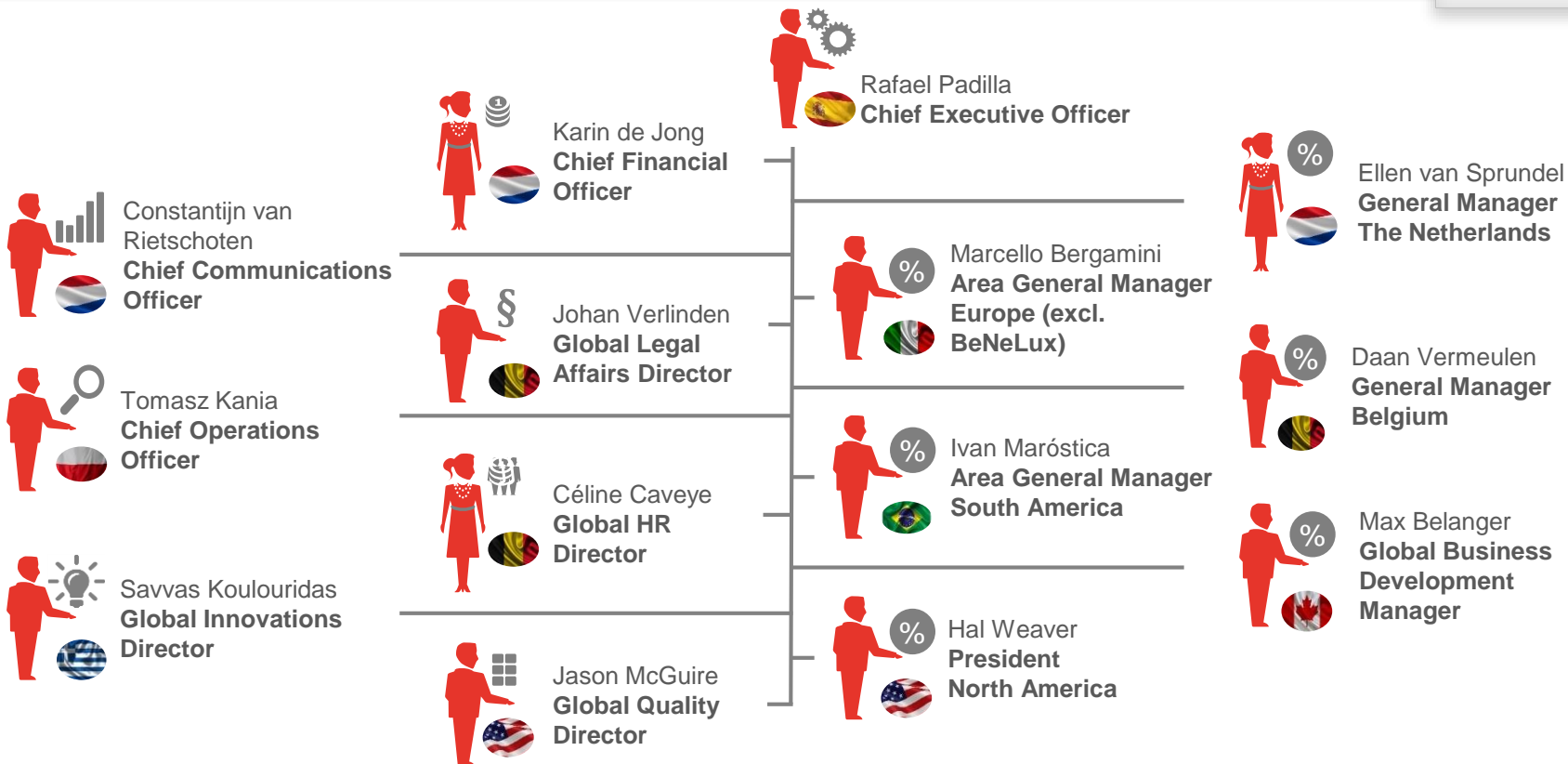




Fagron Strategy



Fagron Leadership Team



Fagron Innovations



Fagron Technologies Jundiai - Brazil



- Digital solutions for compounding pharmacies
- Market leader in Brazil (>50%)
- Launch in US scheduled for 2019



Prescriber



Customer



Pharmacy



Phytocomplex that
promotes relaxation

A 3D illustration of a human brain, split vertically. The left half is a solid, reddish-pink color, while the right half is a semi-transparent, wireframe mesh. Four red circular markers with white numbers are placed on the right side of the brain, corresponding to the list items.

1 Improves quality of sleep

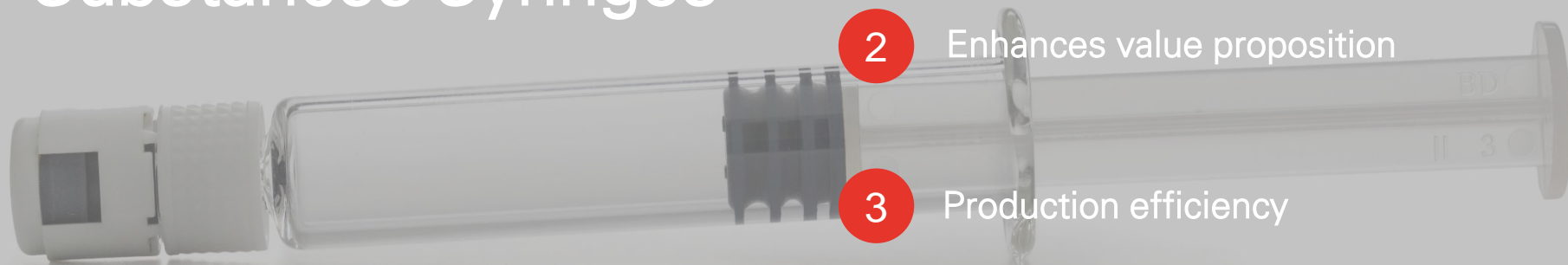
2 Quick effect

3 No toxicity

4 Mechanism of action

- 1 Use of **genetic information** to diagnose, prevent and cure
- 2 Identification of genetic variations for more **effective** personalized treatments
- 3 Focus on **3 key markets**: Personal genomics, clinical genetics and clinical sequencing

Sterile **Controlled** Substances Syringes



1 Acceleration of top-line growth

2 Enhances value proposition

3 Production efficiency

4 Project timeline: Q1-2019



- Fagron developed and introduced MioDesin® and Gestrinone in Pentravan® for the treatment of Endometriosis and Leiomyoma

ISSN: 2573-9563
Journal of Clinical Review & Case Reports
Research Article
Treatment of Endometriosis and Leiomyoma with the Association of Miodesin and Gestrinone in Pentravan Through the Vaginal Route
 Hugo Maia¹, Wilson Saback², Clarice Haddad³ and Paulo R. Sitya⁴
¹Medical Coordinator, Instituto de Mulher, Hospital Memorial D'Or Hospital, Curitiba, Brazil, Brazil
²Department of G&G Sciences, State University of Bahia (UNEB), Salvador, Bahia, Brazil
³Instituto de Mulher, Hospital Memorial D'Or Hospital, Salvador, Bahia, Brazil
⁴Gynecology and Obstetrics, Universidade Luterana do Brasil, Canoas, Rio Grande do Sul, Brazil
 Corresponding author: Hugo Maia, Instituto de Mulher, Hospital Memorial D'Or, Curitiba, Brazil. E-mail: hugo.maia@memorial.com.br
 Accepted 09 May 2018, accepted 17 May 2018, Published 30 May 2018

Abstract
Introduction: The effects of Miodesin® (Gestrinone) on uterine volume and pain scores were investigated in a group of patients with endometriosis and endometrioma. Miodesin® was used either alone or in combination with vaginal gestrinone.
Patient and Methods: Forty-two patients with uterine leiomyoma and endometriosis were enrolled for this study and divided into 2 groups according to the treatment received. In Group A (n=20), they were treated with a single dose of vaginal gestrinone (2.5 mg) plus a single dose of Miodesin® (200 µg) per study. In Group B (n=22), patients received a single dose of gestrinone 2.5 mg plus a single dose of Miodesin® (200 µg) per study. (Fagron, Brazil). In Group A (n=20) patients were treated only with Miodesin®. All medications were administered regularly according to Fagron's® (Fagron, Switzerland).
Results: The average uterine size before treatment was 200 (sd: 13.6) and 212 (sd: 23.2) in group A and B, respectively and they were not statistically different. After the second month a significant reduction in uterine volume was observed in all treated groups. However, the reduction in uterine volume was greater in group than in group B. The proliferation rates in both uterine and endometrial gland measured by Ki-67 were low with a mean value of 7% with no significant difference between groups at month 6. Treatment with gestrinone demonstrated significantly lower pain scores (VAS) when used either alone or in combination with Miodesin®. However, this decrease was significantly greater in group B than in group A. Treatment with Miodesin alone (Group C) also decreased significantly pain scores.
Conclusion: Miodesin treatment increased the efficacy of Gestrinone to reduce pelvic pain and uterine volume in patients with endometriosis and leiomyoma.
Keywords: Endometriosis, Miodesin, Gestrinone, Endometrioma, Leiomyoma, Pelvic Pain
Introduction
 Leiomyoma is a tumor whose growth is accelerated by hormones such as progesterone and androgen [1]. Gestrinone, which is an agonist of both estrogen and progesterone, is used for the treatment of uterine leiomyoma. The administration of gestrinone through the vaginal route would be to use lower doses of Gestrinone together with uterine relaxing effect of endometriosis. The presence of a good number of inflammatory cells inside the uterine endometrium may be the cause of the inflammatory condition [1].
 This medicinal plant has been shown to suppress the production of tumor necrosis factor (TNF) alpha, pro-inflammatory cytokine. The flavone treatment acts through a 50% reduction of inflammatory mediators to inhibit TNF alpha production, decreasing function of the inflammatory cascade [2]. The current clinical application of this medication is the treatment of various inflammatory conditions such as arthritis and psoriasis [3]. The emergence of leiomyoma depends on the hyperplasia of the myometrium. The application of gestrinone and endometriosis may be the development of this pathogenesis is associated by inflammation. For instance, TNF alpha increased activation of DNA production in myometrium and increases alpha-fetoprotein, increasing tumor cell growth (EMT) production and stimulating their growth [4]. Furthermore, the presence of a good number of inflammatory cells inside the leiomyoma suggests that inflammation plays a pivotal role in its

The Effect of the Association of Miodesin with Gestrinone on Deep Endometriosis Pain
 #1 (May 2018)
 Objective: Gestrinone is a testosterone derivative with anti estrogenic and progesterone and androgenic properties. The objective of this study was to investigate the effect of low doses of gestrinone together with Miodesin® in Pentravan® on deep endometriosis pain. Methods: This study was carried out in 42 patients with deep endometriosis and severe pain treated vaginally with gestrinone associated with Miodesin® in Pentravan®. Miodesin® is the brand name of a vaginal extract prepared from the Uterine Intrauterine by Fagron (Switzerland) and standardized to contain 4% of norethide alkaloids which are known to be potent inhibitors of NF-kappaB activation. Patient Intervention: The patients were divided in two groups. In group A (n=20) they were treated with a low dose of gestrinone in Pentravan® (2.5 mg) plus a single dose of Miodesin® (200 µg) per study. In group B (n=22) gestrinone was administered in the same dose together with Miodesin®. Miodesin® was used in the vagina daily in a dose of 500 mg in 3 ml of Pentravan®. Patients in both groups were concomitantly treated orally with 100 mg of ibuprofen (400 mg of ibuprofen and 400 mg of ibuprofen tablets to relieve endometriosis side effects and provide hepatic protection. Alan Amino Measure) The main outcome investigated was the decrease in total pain scores evaluated by visual analogic scale (VAS) before and after two months of treatment. Results: Gestrinone in the lower dose of 2.5 mg significantly decreased total pain scores (VAS) in both groups. Before treatment they were 6.0 before the second month, pain scores decreased significantly to 3.0 and 3.8 in group A and B, respectively. The difference between the groups was statistically significant (p=0.0002). There were also significantly more pain free patients in group B than in Group A (50% versus 20%). Side effects were affecting 20% of the patients in both groups and consisted mainly in oily skin. Liver enzymes were not affected and SHBG levels decreased in both groups. Conclusion: These results suggest that vaginal Miodesin significantly increased the effectiveness of Gestrinone to treat pelvic pain in patients with deep endometriosis, relieving 50% of them pain free after the second month of treatment.

H1-2018 Results



Fagron US

Minneapolis - US



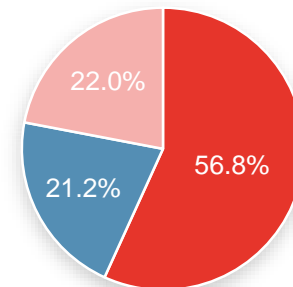
H1-2018 Headlines



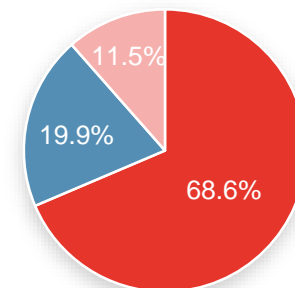
Financial

- Turnover increased 5.0% (12.1% CER) to € 230.9m
- REBITDA increased 1.1% (6.9% CER) to € 48.7m
- Recurrent net profit increased 6.6% to € 22.3m
- Operational cash flow of € 34.4m
- Net financial debt/REBITDA ratio of 2.72

Turnover



REBITDA



■ Europe* ■ South America ■ North America

* Including HL Technology and Rest of the World.

Operational Review H1-2018



Florien

Piracicaba – Brazil



Consolidated Turnover

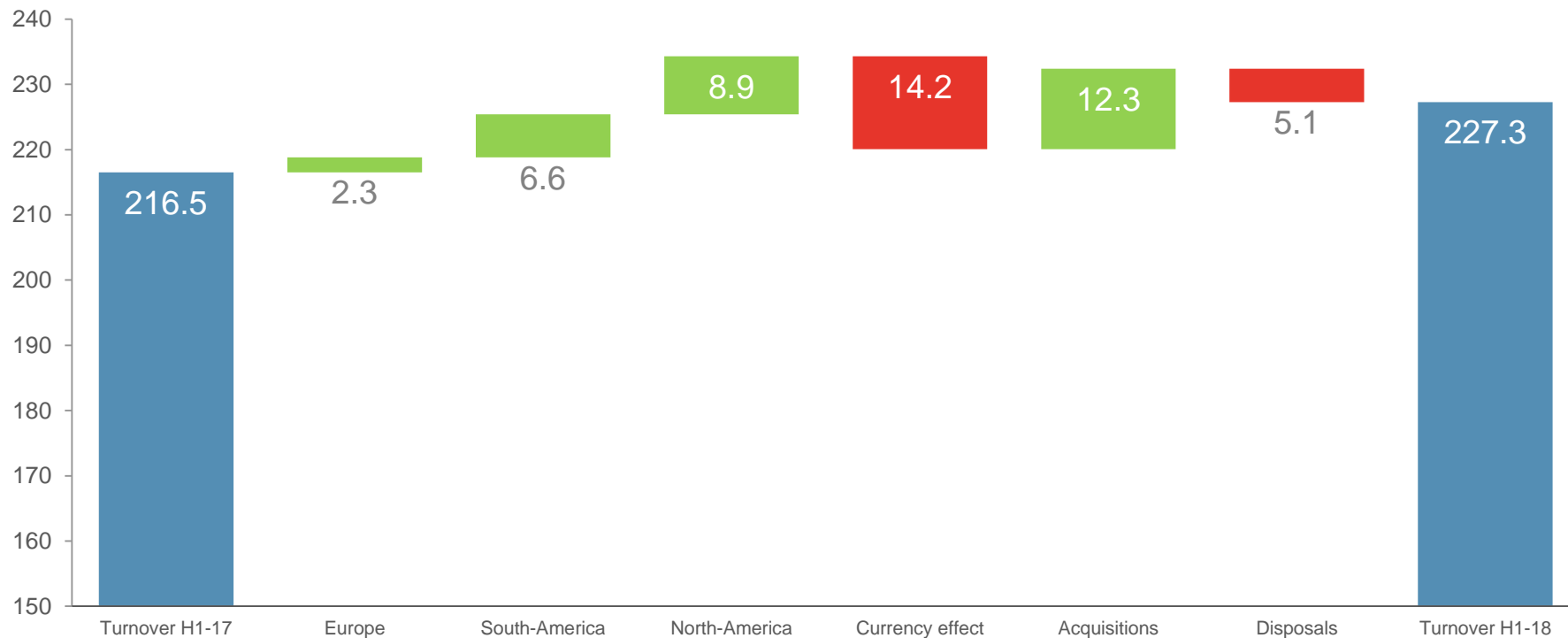


(x € 1,000)	H1-2018	H1-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Fagron	227,285	216,551	+5.0%	+12.1%	+1.7%	+8.4%
HL Technology	3,638	3,461	+5.1%	+14.2%	+5.1%	+14.2%
Total	230,923	220,012	+5.0%	+12.1%	+1.7%	+8.5%

CER = constant exchange rates

- Organic turnover growth CER of 8.5%
- Organic turnover growth CER in all regions
- Growth acceleration in North- and South-America in Q2

Turnover Development



(x € 1,000)	H1-2018	H1-2017	Δ
Turnover	127,536	127,220	+0.2%
REBITDA	32,667	32,724	-0.2%
REBITDA margin	25.6%	25.7%	

CER = constant exchange rates

- Organic turnover growth CER of 1.9%
- REBITDA decreases 0.2%; margin decreases 10bps to 25.6%
- Focus on innovative products resulted in strong growth of Brands
- Temporarily reduction of capacity in one of the Dutch compounding facilities to be able to invest in further increasing the quality of the facility and processes

(x € 1,000)	H1-2018	H1-2017	Δ
Turnover	48,880	49,450	-1.2%
REBITDA	9,691	10,054	-3.6%
REBITDA margin	19.8%	20.3%	

CER = constant exchange rates

- Organic turnover growth CER of 13.3%
- REBITDA decreases 3.6%; margin decreases 50bps to 19.8%
- Strong turnover growth driven by:
 - Growth of underlying markets and growth in number of compounding pharmacies (+8.8% to 7,545)
 - Focus on the development and introduction of innovations and patented concepts
- 25 new innovations introduced during Consulfarma in Brazil
- All Chemistry fully integrated and rebranded to Organic Compounding

(x € 1,000)	H1-2018	H1-2017	Δ
Turnover	50,869	39,880	+27.6%
REBITDA	5,610	5,452	+2.9%
REBITDA margin	11.0%	13.7%	

CER = constant exchange rates

- Organic turnover growth CER of 22.3%
- REBITDA increases 2.9%; margin decreases 270bps to 11.0%
- REBITDA margin decreased due to the FTE increase at FSS-Wichita
- FCS-sterile performing in-line with expectations
 - Organic growth CER of 27.5% (Q2-18: 34.6%)
 - FSS-Wichita CER: +76.2% (Q2-18: 90.9%)
- Essentials/Brands:
 - Organic growth CER of 7.6%, driven by all activities
 - Good progress on integration of Humco

Financial Review H1-2018



Pharmaline

Oldenzaal – The Netherlands



Financial Review H1-2018



Turnover
(in € million)
230.9

- Turnover increases 5.0% or 12.1% at CER
- Organic increase of 1.7% or 8.5% at CER

Gross margin
(in € million)
141.9

- Gross margin increased by € 5.0m (+3.7%)
- Gross margin as percentage of turnover decreased to 61.5% due to the renewal of contracts in H2-17 and the sale of the French pharmacy
- Gross margin increased 70bps compared to H2-17

Operating costs
(in € million)
-93.3

- Operating costs as a percentage of turnover remained unchanged and amounted to 40.4% in H1-18
- Operating costs increased by 5.1%, mainly due to the acquisition and integration of Humco and the increase of FTE at FSS in Wichita

REBITDA
(in € million)
48.7

- REBITDA increased by 1.1% (+6.9% CER) to € 48.7m
- REBITDA as percentage of turnover decreased by 80bps to 21.1%

Non-recurring
(in € million)
-4.7

- Non-recurring result amounts to -€ 4.7m and consists of the settlement with the former owners of JCB Laboratories (US), dismissal costs and acquisition costs

EBITDA
(in € million)
44.0

- EBITDA decreased by 6.8% to € 44.0m due to the increase in non-recurring elements (mainly JCB settlement)

Financial Review H1-2018



DA
(in € million)
-9.5

- DA amounted to € 9.5m, an increase of 8.6% compared to H1-17, partly due to amortization of the Humco brand

EBIT
(in € million)
34.5

- EBIT decreased by 10.3% to € 34.5m

Fin. result
(in € million)
-10.5

- Financial result decreased by 21.2% to € 10.5m
- The decrease was mainly due to the repayment of the bond in July 2017, offset by FX-results and higher debt due to the Humco acquisition

Financial Review H1-2018



Taxes
(in € million)
-5.2

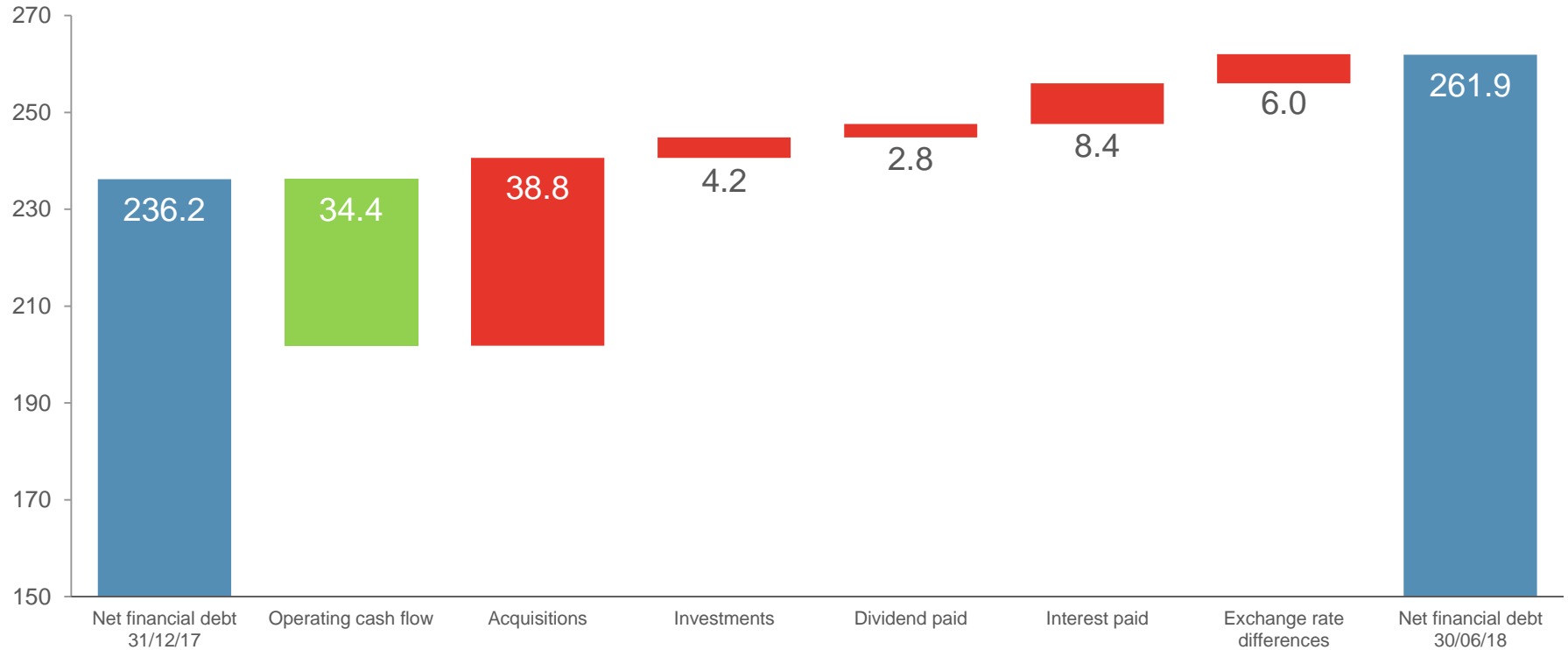
- Effective tax rate amounted to 21.8% compared to 18.6% in H1-17
- Effective cash tax rate amounted to 15.1%

Net profit
(in € million)
18.8

- Net profit amounted to € 18.8m, a decrease of 10.8% compared to H1-17
- Recurrent net profit increased by 6.6% to € 22.3m

Net Financial Debt

consolidated



Summary



- Turnover growth driven by all areas - Acceleration in Q2
- Good progress with integration Humco
- Investing in people, systems and product development to further accelerate growth
- Focus remains on:
 - Continued strong organic growth
 - Targeted acquisitions in our core markets
- Positive about the future and confident that the positive trend will continue in 2018



Q3-2018 Trading Update



Fagron Hellas

Trikala - Greece



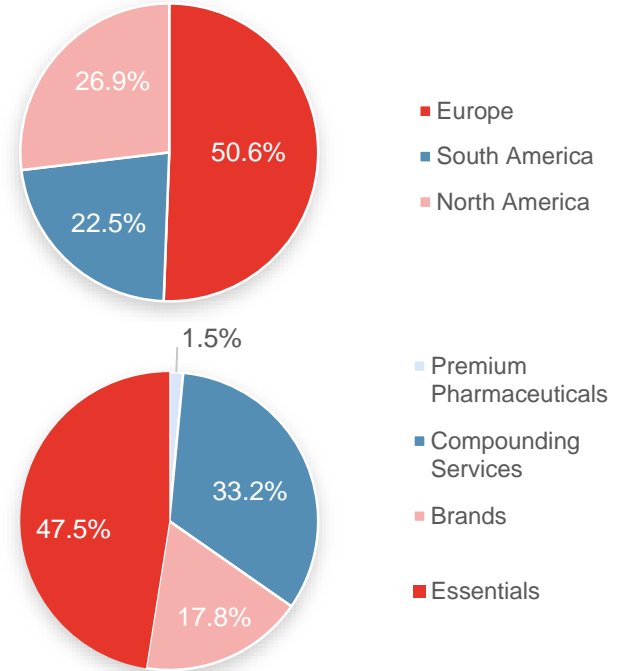
Headlines Q3-2018



Highlights

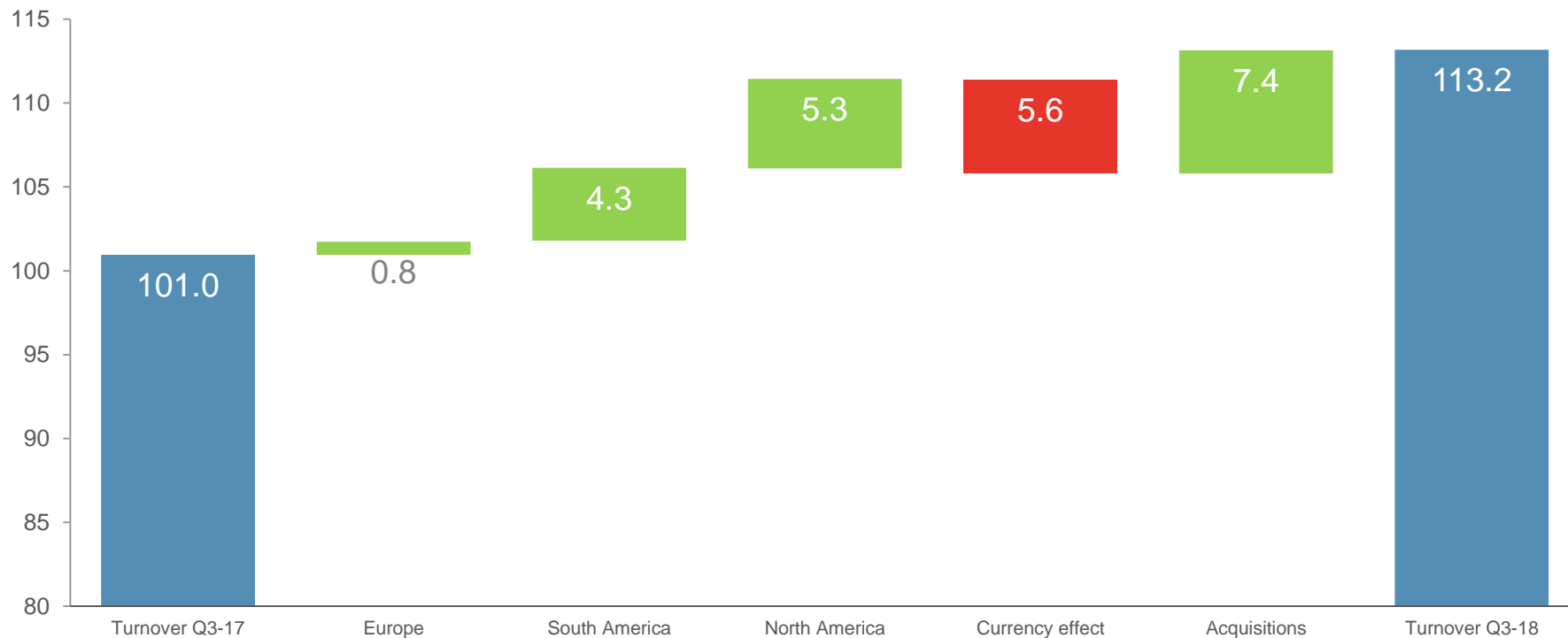
- Turnover increased by 11.8% to € 114.9m
- Organic growth CER of 10.1%
- Growth driven by all regions
- Solid growth of Brands

Turnover Q3-2018



Excluding HL Technology.

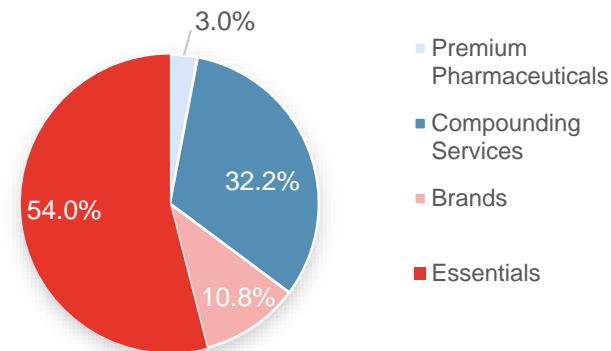
Turnover Development



(x € 1,000)	Q3-2018	Q3-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	57,316	56,664	+1.2%	+1.4%	+1.2%	+1.4%

CER = constant exchange rates

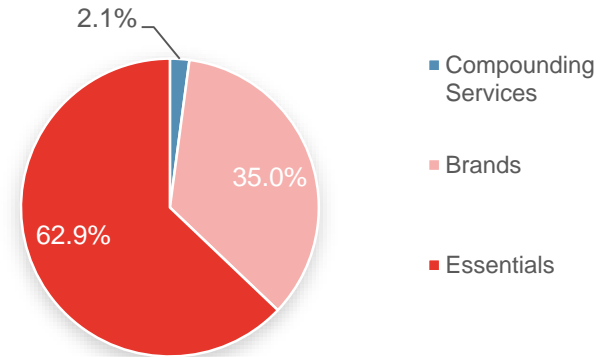
- Organic growth CER of 1.4%
- Strategic focus on Brands resulted in strong growth
- Temporarily reduction of capacity in one of the Dutch compounding facilities to be able to invest in further increasing the quality of the facility and processes. Negative impact of € 1.5m in Q3-2018



(x € 1,000)	Q3-2018	Q3-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	25,467	25,753	-1.1%	+21.9%	-5.2%	+16.9%

CER = constant exchange rates

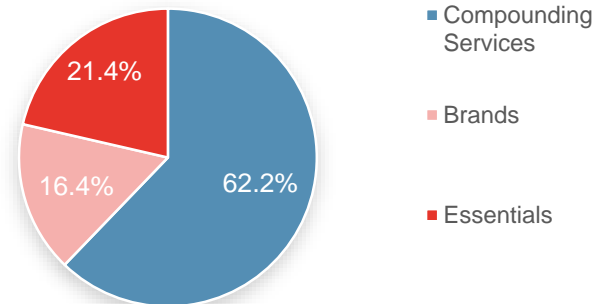
- Organic growth CER of 16.9%
- Strong growth of Essentials and Brands in Brazil
 - Essentials: High product availability
 - Brands: Continued launch of new and innovative products
- Strong growth at FCS in Colombia



(x € 1,000)	Q3-2018	Q3-2017	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	30,392	18,543	+63.9%	+63.5%	+29.9%	+28.8%

CER = constant exchange rates

- Organic growth CER of 28.8%
- FCS-sterile performing in-line with expectations
 - Organic growth CER of 33.5%
 - Organic growth CER FSS-Wichita: +84.2%
- Essentials/Brands:
 - Organic growth CER of 14.2%, driven by Brands and Essentials
 - Good progress with integration of Humco



Summary



- Strong turnover growth driven by all areas
- Good progress with integration Humco
- Focus remains on:
 - Further expansion of leading market positions in key regions
 - Innovation-driven organic growth
 - Strategic acquisitions
- Confident about Q4-2018
- Excellently positioned for further growth in 2019



Shareholder Structure



FSBA

Hoogeveen - The Netherlands



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.	3,496,585	4.87%
Evermore Global Advisors, LCC	2,203,472	3.07%
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.