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Together we create the future of personalized medicine



Fagron – Personalizing medicine

- Unique player in a highly fragmented niche market
- Leading market positions
- Favorable market trends offering high single-digit growth opportunities
- Strong barriers to entry
- Strong cash generation
- Scalable business model
 - Disciplined buy-and-build strategy

FArmaceutische GRONdstoffen was founded in 1990

Global leader in personalizing medicine

- Favorable trends: Ageing population, focus on prevention and lifestyle, drug shortages and outsourcing by hospitals
- Scientific driven product innovations
- Strategic focus on innovation & quality improves competitive advantage
- Listed on Euronext Brussels and Amsterdam since 5 October 2007
- Market cap of € 1.3 billion

:::Fagron

35 countries



51 locations

2,354 people



Fagron Global Presence



- 25% of Group sales
- Sales of € 113.5m
- +45.9% (org. +25.1% CER)
- REBITDA-margin 13.1%



- 22% of Group sales
- Sales of € 100.9m
- -2.2% (org. +12.7% CER)
- REBITDA-margin 19.9%





- 53% of Group sales
- Sales of € 250.1m
- +1.8% (org. +2.7% CER)
- REBITDA-margin 25.3%

Fagron Group
Sales of € 471.7m
+8.8% (org. +9.3% CER)
REBITDA-margin 21.0%







Fagron Purpose



Together we create the future of personalized medicine.











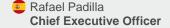








Fagron Leadership Team





Experienced team with on average 11 years of experience in compounding market

:::Fagron



Global Market for Personalized Medicine





Market Shares of Fagron



Personalized medicine ~\$ 3.0b

Brands/Essentials

~\$ 300m

Fagron share FCS NL ~50% Fagron share B/E ~45%



Personalized medicine ~\$ 1.8b

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Brands/Essentials

~\$ 180m

Fagron share B/E ~50%

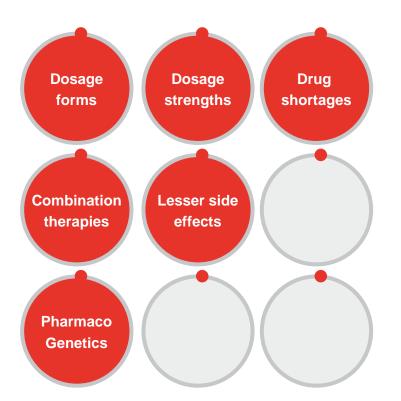


Personalized medicine ~\$ 4.5b
Brands/Essentials ~\$ 450m

Fagron share FCS ~7% Fagron share B/E ~12%



Key Drivers of Personalized Medicine





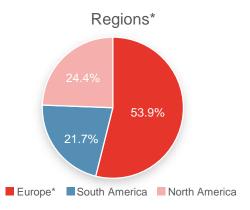


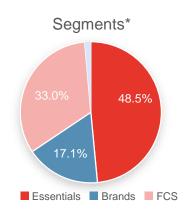


Consolidated Turnover

(x € 1,000)	2018	2017	Δ
Fagron	464,504	426,728	+8.9%
HL Technology	7,174	6,802	+5.5%
Total	471,679	433,529	+8.8%

- Turnover +14.5% at CER
- Organic turnover growth of 3.9% (+9.3% CER)





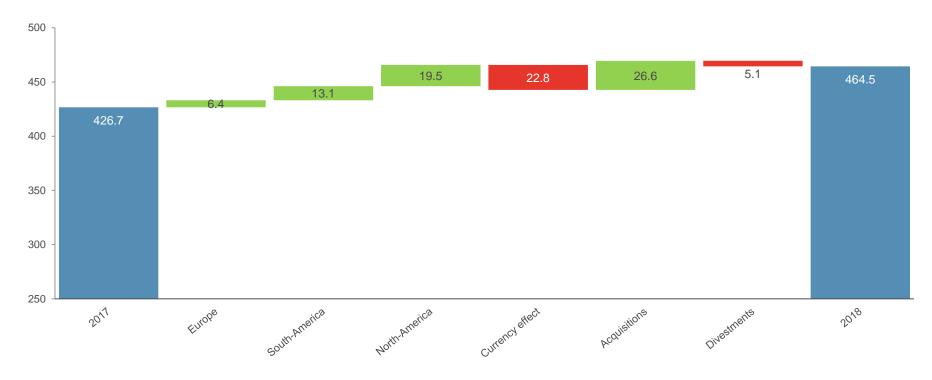




* Based on turnover, excluding HL Technology

Turnover Development

Excluding HL Technology





Fagron Europe

(x € 1,000)	2018	2017	Δ
Turnover	250,086	245,769	+1.8%
REBITDA	63,313	63,301	0.0%
REBITDA margin	25.3%	25.8%	

- Organic turnover growth of 2.7% (+2.7% CER)
 - Acceleration in H2 to 3.5% (H1: 1.9%)
 - € 4m negative impact on turnover due to reduction of capacity in Dutch facility
- FSBA-facility in NL received GMP-status
- Launch of Fagron Genomics in Spain
- REBITDA margin decreases by 50bps to 25.3%





Fagron South America

(x € 1,000)	2018	2017	Δ
Turnover	100,930	103,190	-2.2%
REBITDA	20,107	20,815	-3.4%
REBITDA margin	19.9%	20.2%	

- Organic turnover growth of -5.4% (+12.7% CER)
- Growth in CER driven by:
 - Strong growth of Brazilian compounding market
 - Good product availability
 - Focus on Brands (36% of turnover)
 - Strong growth in Colombia (+14.4% CER)
- REBITDA margin decreases by 30bps to 19.9%, but increased from 19.8% in H1 to 20.0% in H2





Fagron North America

(x € 1,000)	2018	2017	Δ
Turnover	113,488	77,769	+45.9%
REBITDA	14,847	11,461	+29.5%
REBITDA margin	13.1%	14.7%	

- Organic turnover growth of 19.5% (+25.1% CER)
- FCS performing in-line with expectations
 - Organic growth of 30.0% at CER
 - Acceleration in H2 to 32.6% (H1: 27.5%)
 - Wichita facilities grow 72.8% in 2018
- Brands & Essentials
 - Acceleration in H2 to 13.9% (H1: 7.6%)
 - Integration of Humco on-track
- REBITDA margin decreases by 160bps to 13.1%, but increases from 11.0% in H1 to 14.8% in H2







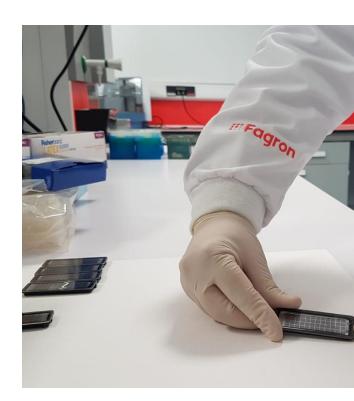
2018 Highlights

Highlights - Financial

- Turnover amounted to € 471.7 million in 2018, an increase of 14.5% CER
- Organic turnover growth accelerated to 10.1% CER in H2-2018
- REBITDA increased to € 99.1 million (+8.8% CER)
- Strong operational cash flow of € 73.3 million
- Net financial debt/REBITDA ratio of 2.63 at the end of 2018
- Dividend proposal of € 0.12 per share
- Further growth of turnover and profitability expected in 2019

Strategic - Operational

- Strategic focus on innovation and quality provides competitive advantage
- Fagron Sterile Compounding Facility in NL received GMP-certification
- Launch of Fagron Genomics start-up of NGS laboratory in Spain
- Focus on Brands led to an organic turnover growth of 23.4% CER
- All activities in the US showed very strong growth





Financial Review

Gross Margin

+9.1% to € 290.7m

FY-18: 61.6% (+10bps)

H2-18: 61.8% (+110bps)

Operating costs

+12.3% to € 191.7m due to acquisition/ integration of Humco & FTE increase Wichita

REBITDA

+3.5% (+8.8% CER) to € 99.1m Margin decreases to 21.0%



Financial Review

Non-recurrent result

Amounts to -€ 6.0m

Consists of settlement with former owners JCB, dismissal costs and acquisition costs

EBITDA

+1.0% to € 93.0m H2: +9.1% to € 49.1m

DA

+11.5% to € 19.6m
Increase mainly driven by amortization of the Humco brand



Financial Review

Financial result
Unchanged at -€ 18.6m

Taxes

Effective tax rate of 21.1% Effective cash tax rate of 21.8%

Net profit

-8.8% to € 42.9m

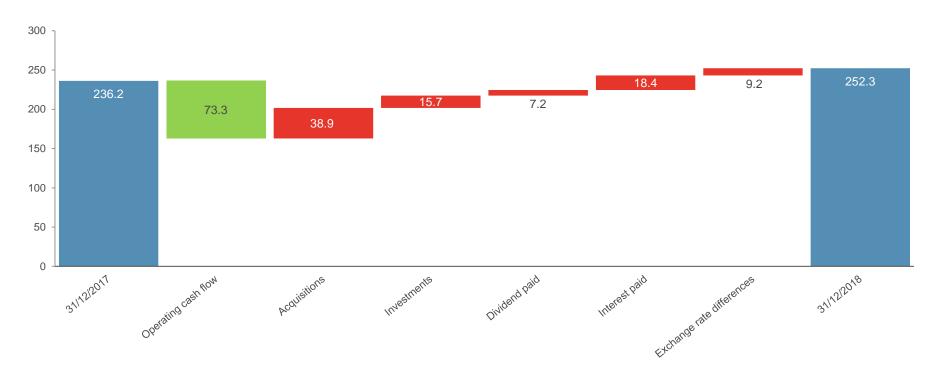
Recurrent net profit increases by

0.9% to € 49.5m



Net Financial Debt

Consolidated







Summary & Outlook 2019

- New Brand Identity & Purpose
- Turnover growth driven by all areas
- Growth acceleration in H2-2018
- Focus remains on:
 - strong organic growth, and
 - targeted acquisitions
- Strategic focus on innovation and quality improves competitive advantage
- Dividend proposal of € 0.12 p/s
- Further growth of turnover and profitability expected in 2019



Headlines Q1-2019

(x € 1,000)	Q1 2019	Q1 2018	Δ
Fagron	121,681	107,342	+13.4%
HL Technology	1,723	1,729	-0.3%
Total	123.405	109.071	+13.1%

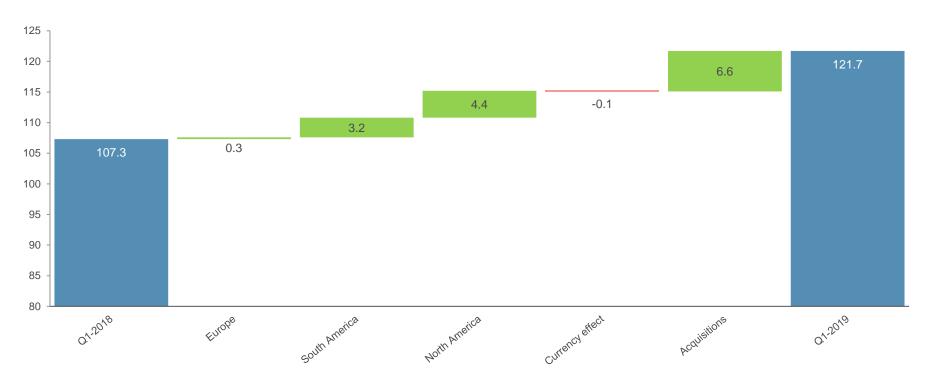
- Turnover +12.7% CER
- Organic turnover +7.1% CER
- · Strong growth in North and South America
- Brands realized organic turnover growth of 14.8% CER
- Further growth of turnover and profitability expected in 2019



::: Fagron

Turnover Development

Excluding HL Technology





Fagron Europe

(x € 1,000)	Q1 2019	Q1 2018	Org. growth	Org. growth CER
Turnover	63,499	63,524	0.0%	+0.4%

- Organic turnover +0.4% CER
- Brands represent 12.1% of turnover growth of 22.3% in Q1-19
- Successful launch of Fagron Genomics
- € 1.5m negative turnover impact due to the temporary reduction of the capacity at a Dutch compounding facility





Fagron South America

(x € 1,000)	Q1 2019	Q1 2018	Org. growth	Org. growth CER
Turnover	25,210	23,846	+5.7%	+13.2%

- Organic turnover +13.2% CER
- Growth driven by:
 - Underlying market growth
 - Good product availability of Essentials
 - Focus on innovative Brands





Fagron North America

(x € 1,000)	Q1 2019	Q1 2018	Org. growth	Org. growth CER
Turnover	32,973	19,972	+32.3%	+21.9%

- Organic turnover +21.9% CER
- FCS performing in line with expectations
 - Organic growth of 23.9% CER
 - Wichita (FSS) facilities grew 44.1% CER
 - AnazaoHealth facilities grew 13.2% CER
- Brands & Essentials
 - Fagron and B&B grew 15.2% CER
 - Brands represent 15.6% of turnover growth of 29.8%
 - Integration of Humco on track







Summary & Outlook 2019

- Turnover growth driven by strong growth in North and South America
- Focus remains on:
 - Strong innovation-driven organic growth in all regions
 - Disciplined acquisition strategy
- Strategic focus on innovation and quality improves competitive advantage
- Further growth of turnover and profitability expected in 2019





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%
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













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.

