

Introduction to Fagron

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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 €1.4 billion

::: Fagron

36 countries



52 locations 2,750 people



Fagron Global Presence 2019



- 28% of Group sales
- Sales of €145.9m
- +28.6% (org. +16.5% CER)
- REBITDA-margin 16.1%



- 24% of Group sales
- Sales of €125.6m
- +24.4% (org. +10.4% CER)
- REBITDA-margin 20.2%





- 48% of Group sales
- Sales of €257.0m
- +2.8% (org. +2.1% CER)
- REBITDA-margin 26.1%

Fagron Group
Sales of €534.7m
+13.4% (org. +7.5% CER)
REBITDA-margin 21.9%







Fagron Purpose



Together we create the future of personalized medicine.



















Fagron Leadership Team



Rafael Padilla Chief Executive Officer





Hal Weaver Leader North America



2000



Karin de Jong Chief Financial Officer



2008



Constantijn van Rietschoten Chief Communications Officer



2008



Ivan Marostica Leader Latin America



2001



Marcello Bergamini Leader Europe (e-NL)



2009



Céline Caveye Global HR Director



2011



Johan Verlinden Legal Affairs Director



2013



Ellen van Sprundel Leader The Netherlands



2001



Savvas Koulouridas Global Innovations Director



2008



Jason McGuire Global Quality Director



2015



Baris Arican
Chief Information Officer



2019





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

Brands/Essentials

~\$ 180m

Fagron share B&E ~50%



Personalized medicine ~\$ 4.5b
Brands/Essentials

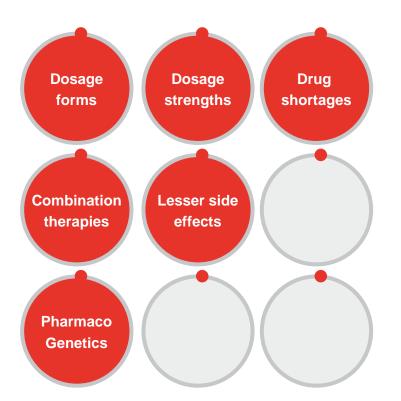
Brands/Essentials

~\$ 450m

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



Key Drivers of Personalized Medicine









2019 Highlights - Financial

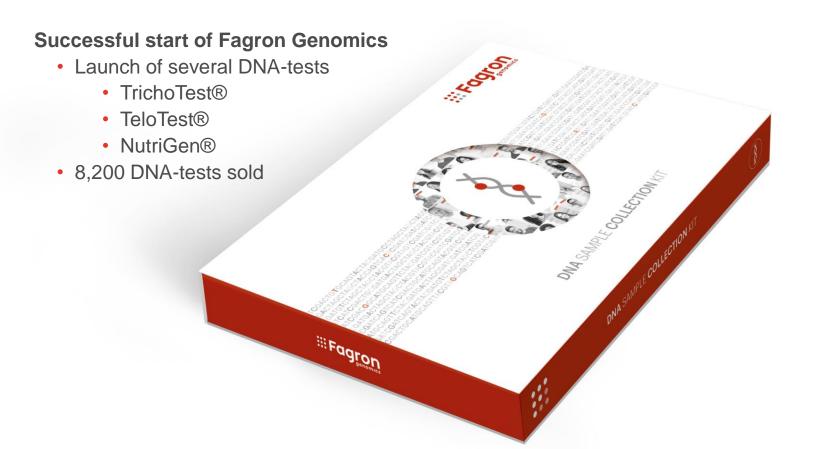
Turnover	€ 534.7m	+13.4%
REBITDA	€ 117.0m	+9.9%
EBITDA	€ 113.7m	+13.2%
Net profit*	€ 55.7m	+30.3%
Operational cash flow	€ 98.8m	+34.8%
Dividend proposal	€ 0.15	+25.0%



^{*} Net profit from continued operations



2019 Operational Highlights - Successful Start of Fagron Genomics





2019 Operational Highlights - Disciplined Acquisition Strategy



2019 Operational Highlights - New Sustainable Credit Facility

New sustainable credit facility of € 375m

- Improved terms and flexibility
- Sustainability Linked Loan
- Fagron aims to reduce greenhouse emissions in six years by approximately 30%
- Linked to the variable remuneration of management as from 2020





2019 Operational Highlights - Legacy Issues

Legacy Issues - Finalized

- Settlement with US DoJ
- Settlement with former owner Anazao
- Divestment of HL Technology









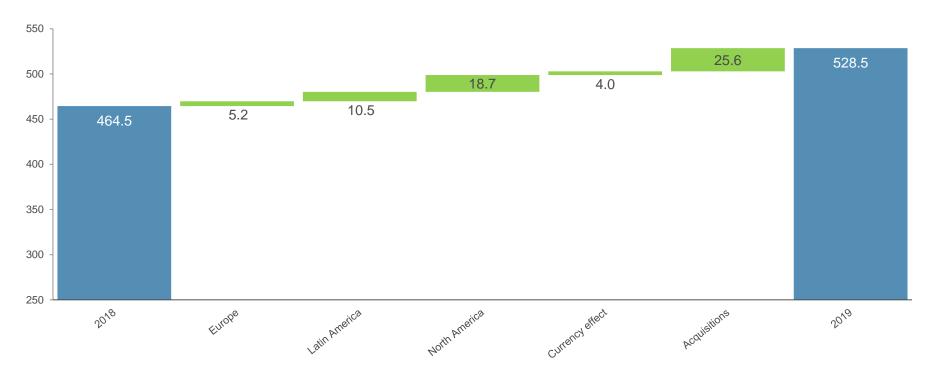
Acquisition of Gako

- Leading developer, manufacturer and supplier of mixing equipment for compounding dermatological formulations
- 2019 turnover of € 4.5m
- 2019 EBITDA-margin of ~15%



Turnover Development

Excluding HL Technology





Fagron Europe

(x € 1,000)	2019	2018	Δ
Turnover	257,001	250,086	+2.8%
REBITDA	67,133	66,708	+0.6%
REBITDA margin	26.1%	26.7%	

- Organic turnover growth of 1.9% (+2.1% CER*)
 - Growth rate at Dutch GMP-compounding facility flattens in Q4-19
 - Strong start of Fagron Genomics (8,200 tests sold)
- Integration of Dr. Kulich in Czech Republic started
- REBITDA margin decreases by 60bps to 26.1%



^{*} Deviation of 2.7% guidance



Fagron Latin America

(x € 1,000)	2019	2018	Δ
Turnover	125,552	100,930	+24.4%
REBITDA	25,351	21,032	+20.5%
REBITDA margin	20.2%	20.8%	

- Organic turnover growth of 7.7% (+10.4% CER)
 - Decrease (in %) of Brands fully caused by acquisitions in 2019
 - First Academies held in Mexico
 - Strong growth of 19.0% CER in Colombia
- Integration of Cedrosa, Levviale, Apace and Ortofarma started
- REBITDA margin decreases by 60bps to 20.2% due to lower contribution from acquisitions





Fagron North America

(x € 1,000)	2019	2018	Δ
Turnover	145,910	113,488	+28.6%
REBITDA	23,534	17,754	+32.6%
REBITDA margin	16.1%	15.6%	

- Organic turnover growth of 22.7% (+16.5% CER)
 - FSS: +35.8% (+28.7% CER)
 - Change in services to large customers limits growth but increases profitability
 - On-track to reach target by 2022 at the latest
 - Anazao: +12.9% (+7.0% CER)
 - Further focus in product offer (stopped with hot nuclear)
 - Brands & Essentials: +40.6% (+33.2% CER)
 - Intensive collaboration between Humco and Fagron
- REBITDA margin increases by 50bps y-o-y
 - Margin increases from 14.0% in H1 to 18.1% in H2







Financial Review - Turnover

(x € 1,000)	2019	2018	Δ
Fagron	528,462	464,504	+13.8%
HL Technology	6,233	7,174	-13.1%
Total	534,695	471,679	+13.4%

- Organic turnover growth of 8.3% (+7.5% CER)
- HL Technology divested in Q4-2019 deconsolidated as from 1 October 2019





Financial Review

Gross Margin

+10.8% to € 322.0m

FY-19: 60.2% (-140bps)

Operating costs

+11.2% to € 205.0m

due to acquisitions in 2018

(Humco) and 2019

REBITDA

+9.9% to € 117.0m

H2: +13.4% to € 61.4m



Financial Review

Non-recurrent result

-€ 3.3m

Consists of settlement with former owner Anazao, dismissal costs and acquisition costs

EBITDA

+13.2% to € 113.7m

H2: +12.7% to € 59.5m

DA

+11.1% to € 29.3m



Financial Review

Financial result
Improved by 26.5% to -€ 14.5m

Taxes

Effective tax rate of 20.3% Effective cash tax rate of 22.5%

Net profit

+30.3% to € 55.7m

Recurrent net profit

+18.6% to € 58.1m









Shareholder Structure

	Number of shares	% of voting rights
Alychlo NV / Marc Coucke	10,749,267	14.96%
NN Group NV	5,457,883	7.60%
The Capital Group Companies	4,700,267	6.54%
Norges Bank	2,215,429	3.07%
Evermore Global Advisors, LCC	2,203,472	3.07%

- 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 72,178,904. The total number of voting rights (denominator) is 72,178,904













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.

