

Frankfurt Seminar 2023

Berenberg

Frankfurt – 22 June 2023

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CEO

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 **Fagron**
personalizing
medicine



Global leader in pharmaceutical compounding

Our 3 segments
are active in 3 regions
with >3,000 people

Favorable market dynamics and strong market positioning

Leading positions in all key markets



Full integration across pharmaceutical compounding value chain

Globally serving



Hospitals



Pharmacies



Industries



Prescribers
/ patients



2022

Revenue
€684m

REBITDA
€131m

Net profit
€70m

Our values



Customer
is number 1



Creativity



Quality

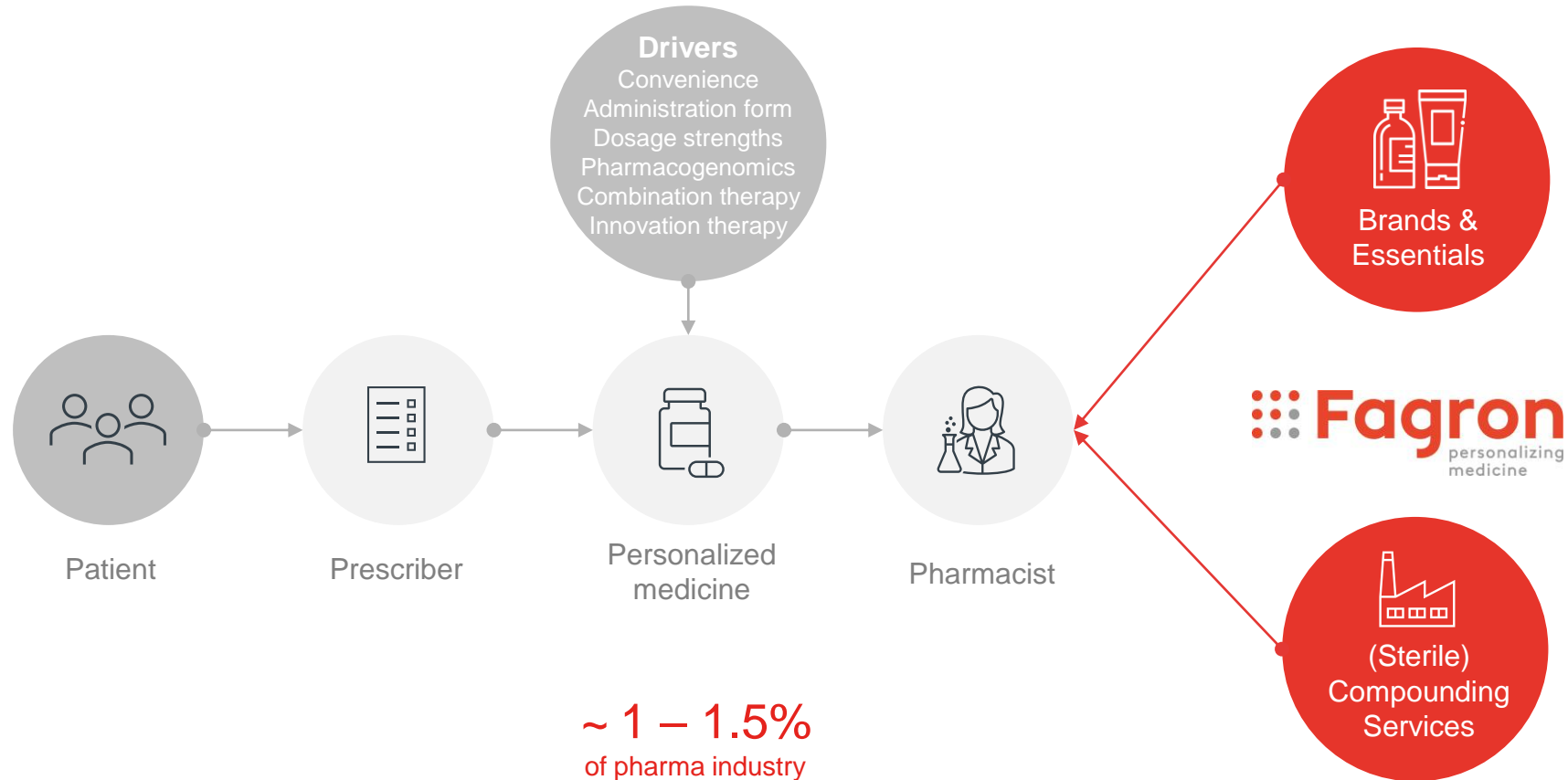


Speed
of execution

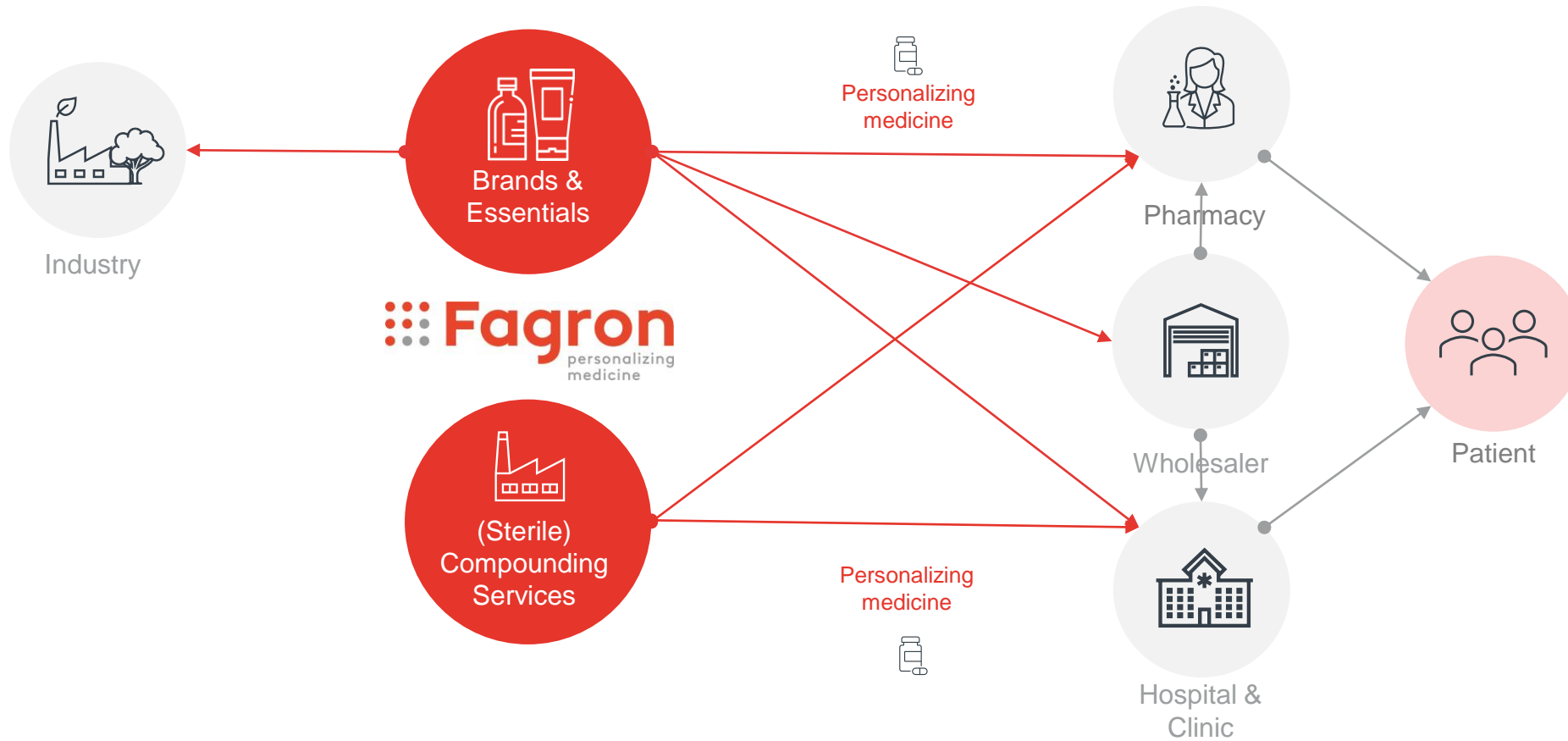


Entrepreneurship

Uniquely integrated across entire compounding value chain - Patient journey



Uniquely integrated across entire compounding value chain - Customer journey



Our Products & Services



Essentials

- Raw materials for Compounding (GMP repackaging)
- Packaging & Supplies



Brands

- Semi-finished products & Vehicles
- Laboratory equipment & Compounding software
- Pharmacogenomic testing



Compounding Services

- Sterile & non-sterile compounding
- Outsourcing for pharmacies & hospitals
- Registration & licensing of compounded products



Academy

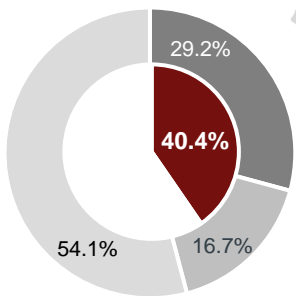
- Training & education
- Studies, innovations & concepts

Unrivalled global presence with increasing diversification

EMEA - 2022

21.9%
FY '22 REBITDA margin

+2.7%
FY '22 organic revenue growth

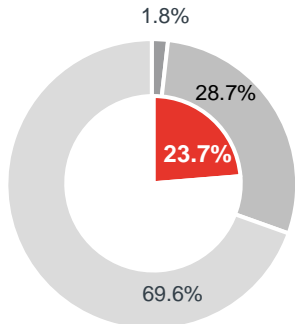


- Market leader in mature home markets
- Strong challenger positions in most other markets

Latin America - 2022

17.8%
FY '22 REBITDA margin

-1.1%
FY '22 organic revenue growth

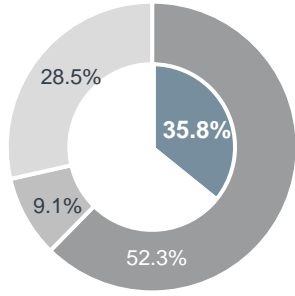


- Market leader in B&E
- Not significant at this stage in Compounding Services

North America - 2022

16.8%*
FY '22 REBITDA margin

+22.9%
FY '22 organic revenue growth



- Top 3 position in B&E
- Top 5 position in Compounding Services

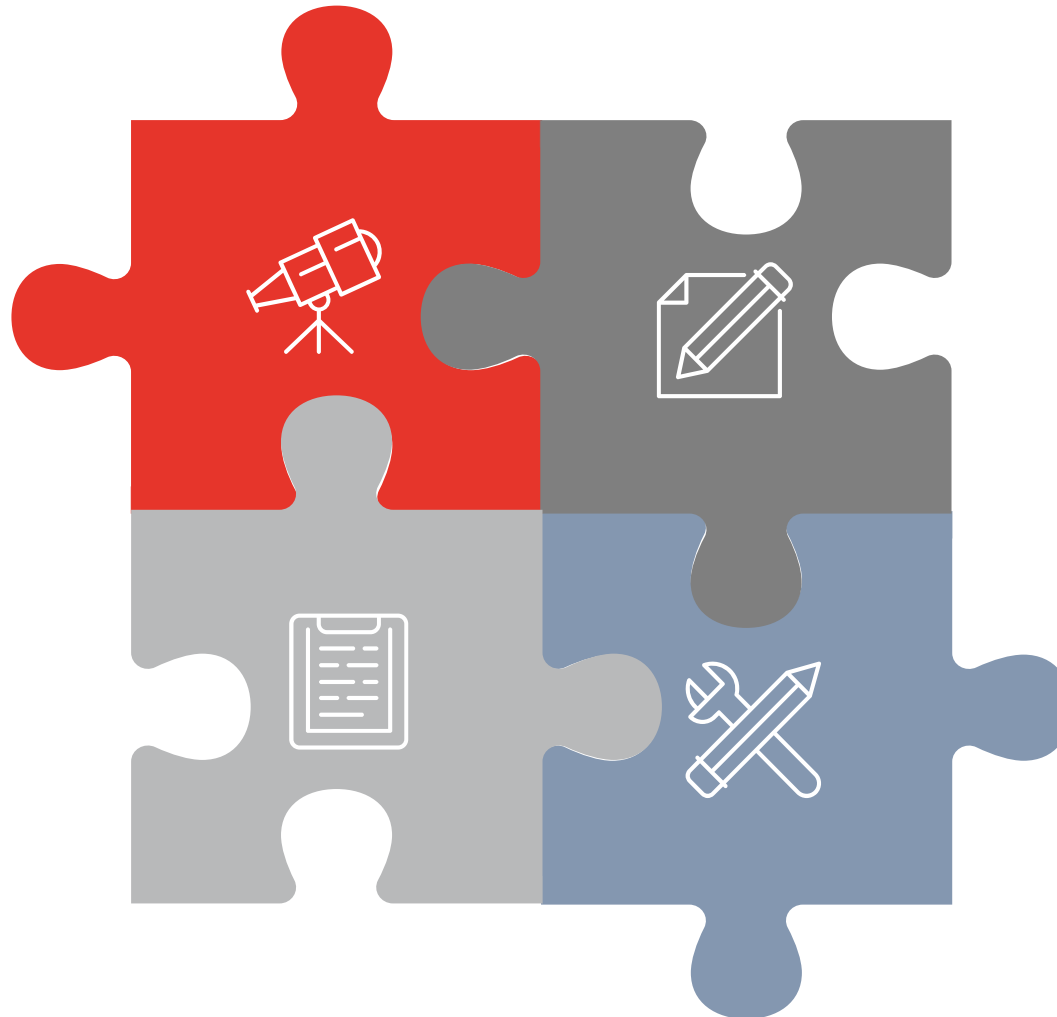
Global leader in niche pharmaceutical compounding market

Favorable secular trends

- Demographics
- Personalization
- Accessibility
- Regulation
- Market fragmentation

Strong M&A execution

- Strong M&A execution
- 5 deals FY'22
- Buy and build strategy
- Strong pipeline



Resilient business model

- Strong revenue growth
- Attractive margins
- Diversified geographical presence
- Broad product portfolio
- Innovation focus

Strong financial profile

- FY '22 free cashflow of €91m
- YE '22 Net Debt to EBITDA ratio at 1.9x

Strategic ambitions underpinned by operational enablers

Global leadership in
Brands & Essentials
across our markets

Become leading, global,
platform for **Sterile**
Outsourcing Services

Optimize **non-sterile**
compounding &
registration business

Build the organization
of **the future** with a
clear sustainable focus

One Global Fagron

Enablers

Global Operational
Excellence

Fagron Academy

Disciplined M&A

ESG focus

Sustainable value creation model with clear ESG objectives



Low impact on environment

Fagron minimizes its environmental impact by:

- Reducing greenhouse gas emissions and energy use
- Reducing emissions to air and soil
- Improving waste management



Benefits to our people

Fagron encourages a working environment where that enables employees to become the best version of themselves. Important topics include:

- Employee engagement
- Diversity
- Health & safety
- Human rights & labor rights
- Training & development



Responsibility in supply chain

Through its facilities and supply chain, Fagron has an influence on communities all over the world. Fagron strives to have a positive impact on the communities in which it operates. It expects business partners to conduct business in line with Fagron's Business Partner Code of Conduct



Giving Back

Fagron supplies products vital to the operation of healthcare systems. Besides improving patients' lives, Fagron gives back to the communities where it operates through:

- Fagron Academy: providing education on personalizing medicine
- Fagron Foundation: leveraging resources to increase healthcare access

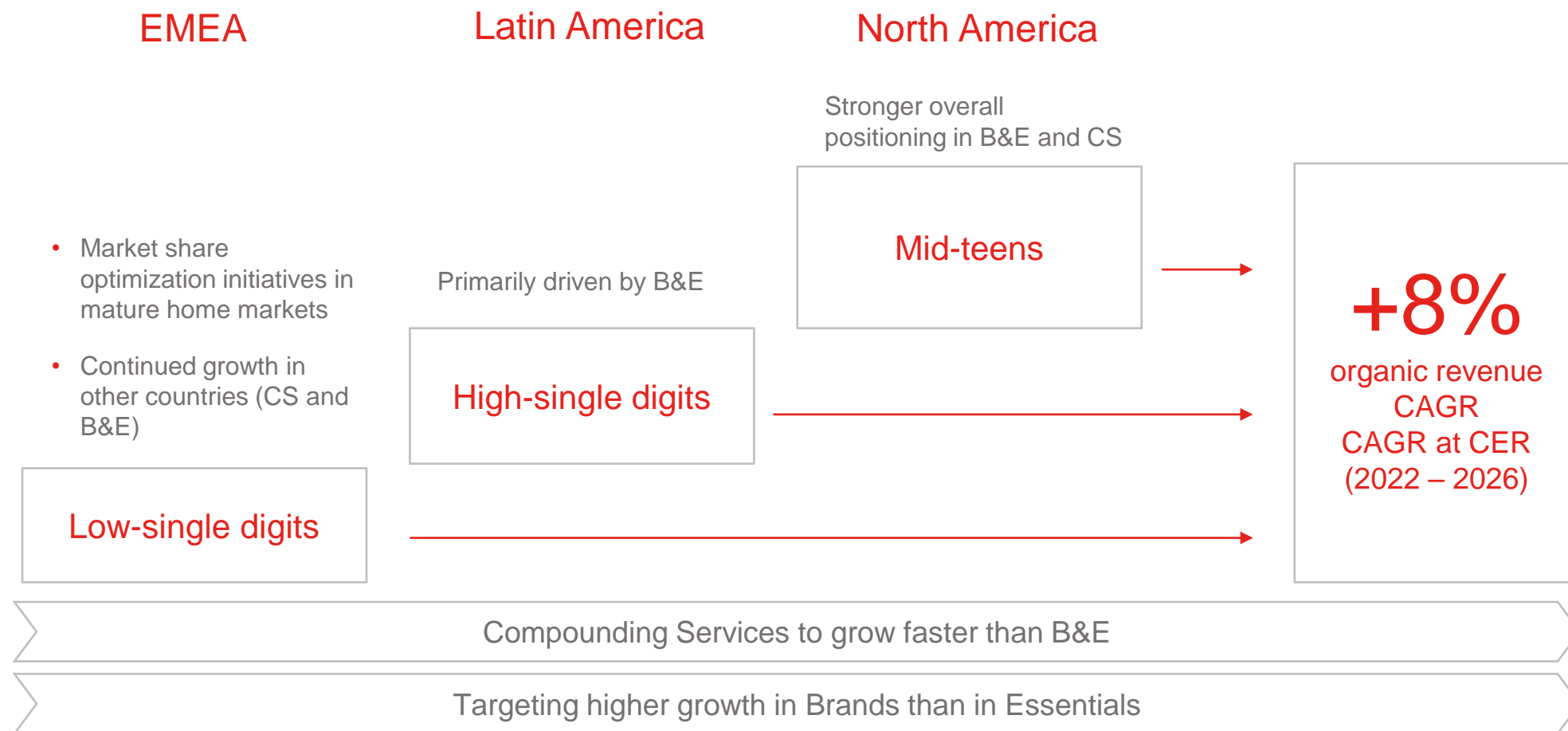


Good Governance

Fagron considers good governance a guideline to ensure a responsible way of doing business. Important topics include:

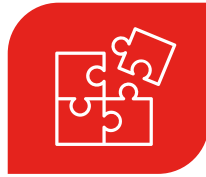
- Compliance with laws and regulations
- Corruption & bribery
- Fair tax policy
- Grievance mechanism
- Product quality & safety

Revenue growth to benefit from LFL in high-single digits



Growth upside from M&A opportunities

STRATEGIC CRITERIA



BUILDING OUT STERILE
PLATFORM,
CONSOLIDATE B&E



EXPAND & DIVERSIFY
PRODUCT PORTFOLIO

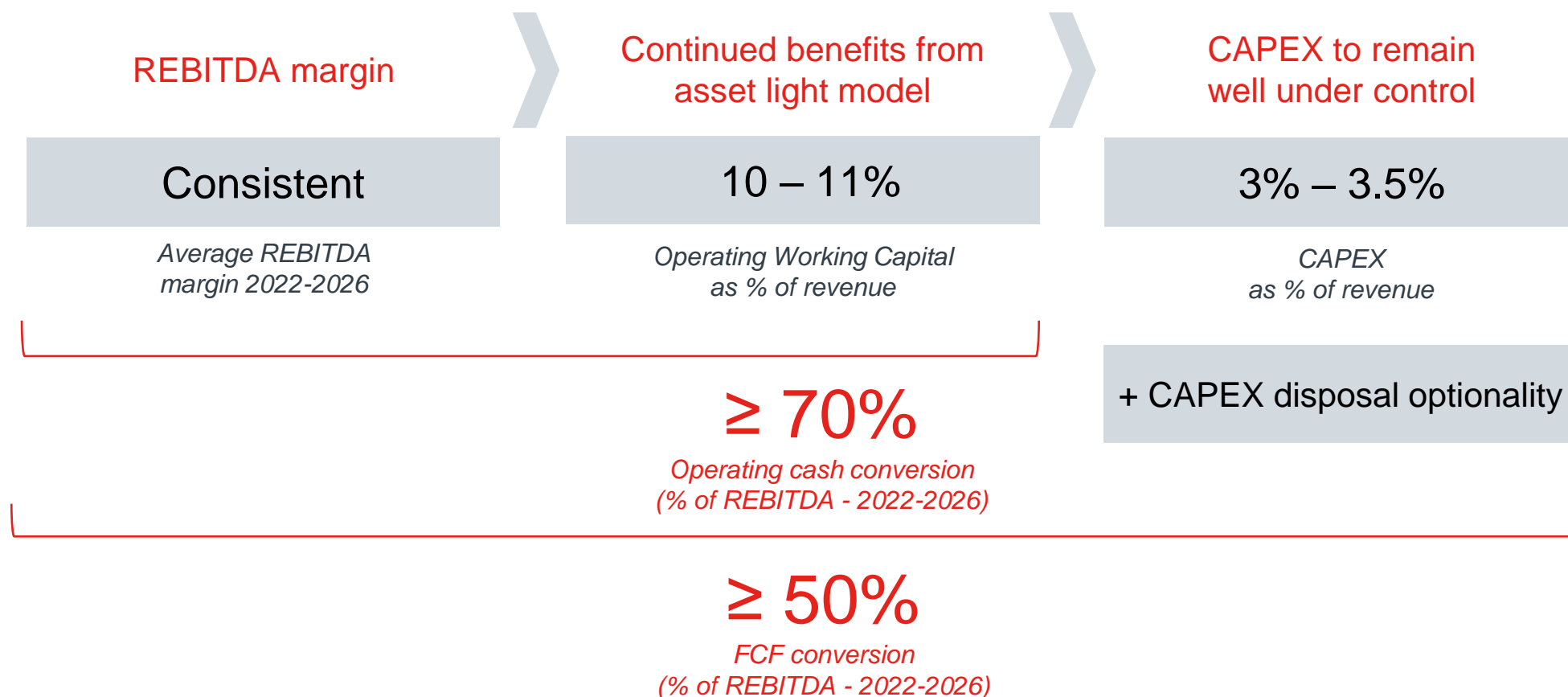


EXPLORE NEW
THERAPEUTIC AREAS

PRIORITIES

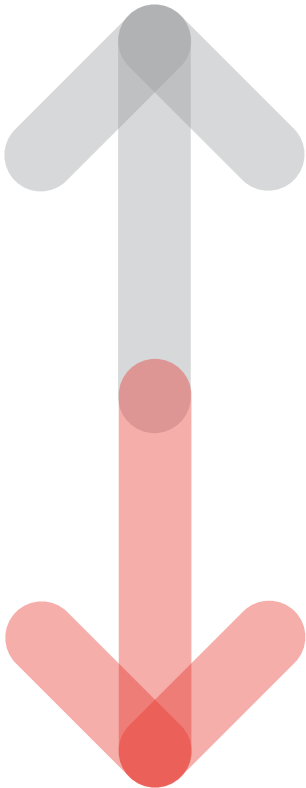
- Market share
- Strong commercial links
- Entrepreneurial approach
- Product assortment
- Synergies potential
- Partnerships
- Small to mid-size companies
- Buy & build approach

Cash generation & earnings conversion to remain sustainably high



FY 2023 outlook

	Guidance FY 2023
Revenue (at CER)	<ul style="list-style-type: none">• Mid-to-high single digit organic growth
REBITDA* margin	<ul style="list-style-type: none">• Increase in profitability
Capex as a % of revenue	<ul style="list-style-type: none">• 3 – 3.5% of revenue• One off capex in North America



Key business consideration in FY 2023

- Pricing pass-through
 - Product breadth & innovation
 - Procurement savings
 - Regulatory dynamics
 - M&A
-
- Macroeconomic environment
 - Inflation & currency
 - Competitive environment
 - Supply chain disruption



Ensuring compliance with increased regulatory standards

FDA audit process

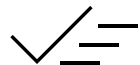
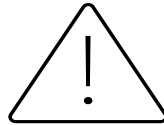
~2 years

Frequency of FDA audit at every facility



FDA issues Form 483 post audit with inspectional observations

Audited facility submits response to inspectional observations



No set timeline

FDA shares final establishment inspection report and issues FMD-145 letter when it considers inspection closed

B&E, St. Paul (repackaging)

- FDA inspection conducted in November 2021
- Warning letter issued by FDA in June 2022
- Monthly progress reports submitted with FDA
- FDA issues warning letter close-out letter on satisfactory verification of implemented corrective plan

FSS, Wichita (503B)

- FDA inspection conducted in March 2022
- Number of inspectional observations: 6
- FDA confirmed audit closure YE '22 (FMD-145)

FSS, Boston (503B)

- FDA audit conducted in February/March 2023
- Number of inspectional observations: 2
- Monthly progress reports submitted with FDA
- FDA expected to come with final establishment inspection report after final update submission

Anazao, Las Vegas (503B)

- FDA inspection conducted in July 2022
- Number of inspectional observations: 5
- Monthly progress reports submitted with FDA
- FDA expected to come with final establishment inspection report after final update submission

Other Facilities Status

- Anazao, Tampa (503A): Last FDA audit conducted in May 2019
- Letco, Decatur (repackaging): Last FDA audit conducted in March 2022

Our Purpose

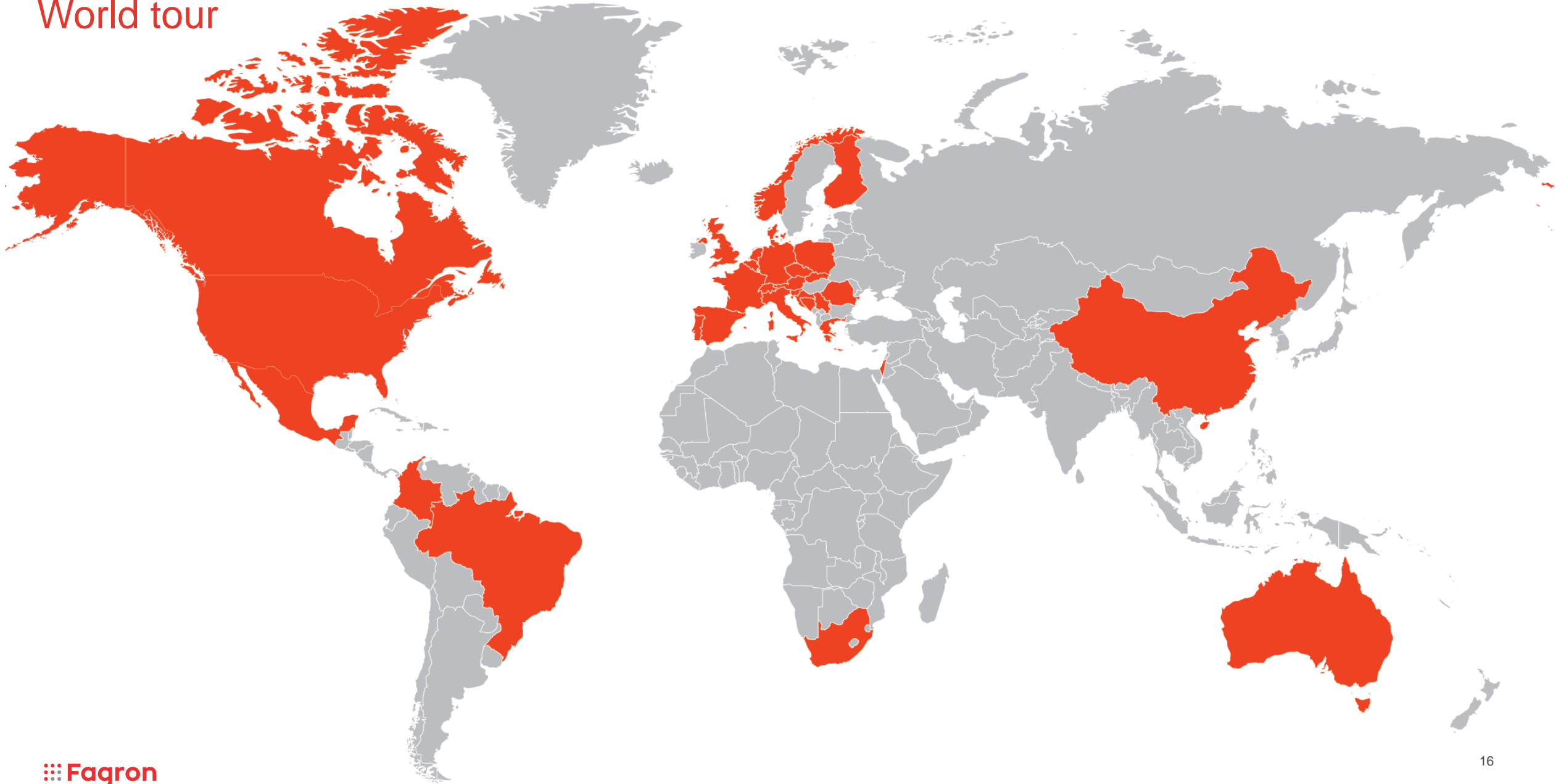
Together we enable pharmacists, prescribers, hospitals and the industry to provide quality, safety and service for their patients

We create value in healthcare by offering the entire range of products and services for compounding personalized medicine

Personalize medicine covers individual patient needs and increases effectiveness, quality and safety whilst reducing healthcare cost

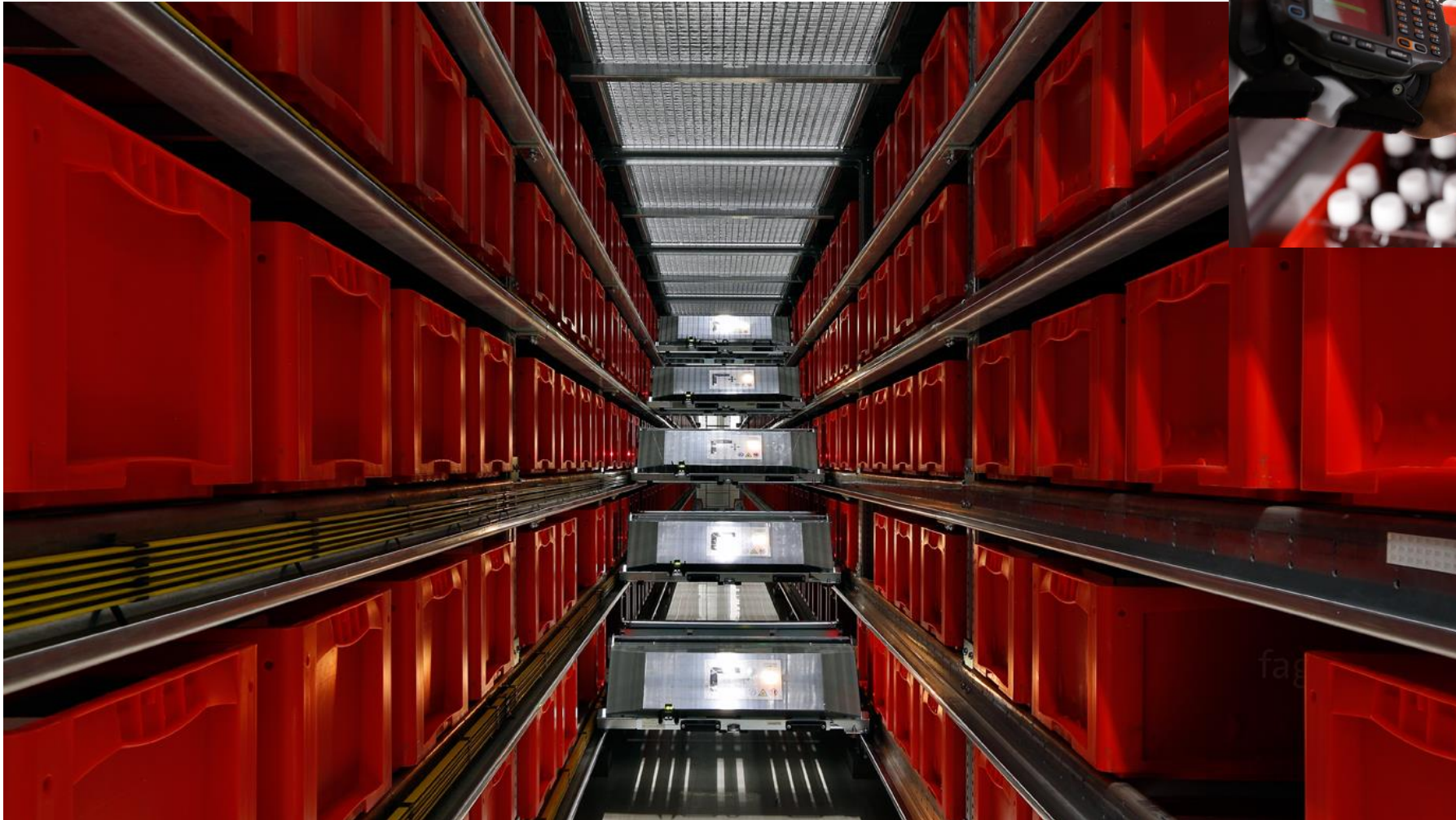


World tour



Fagron

World tour | EMEA



Fagron Belgium

● Warehouse

Fagron

World tour | EMEA



Fagron Lab

● Equipment



Fagron

World tour | EMEA



Fagron Genomics

● Pharmacogenomics

Fagron

World tour | NA



Compounding Services

● — Fagron Sterile Services US

Fagron

World tour | NA



Fagron US

● Warehouse



Fagron

World tour | LATAM



Fagron Tech Brazil

● — Software



Fagron

World tour | LATAM



Fagron Colombia

● — Fagron Family



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