

Q1 2023 Trading Update

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 **Fagron**
personalizing
medicine



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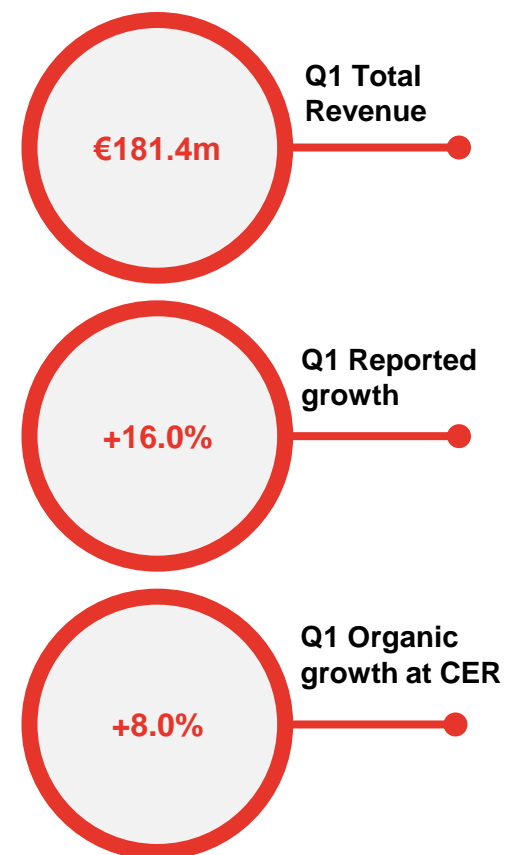
Strong revenue performance across all regions

Revenue growth of 16.0% driven by strong organic growth, M&A impact and FX tailwind

Revenue increase across all regions and businesses underpinned by strategic actions and improving operational excellence

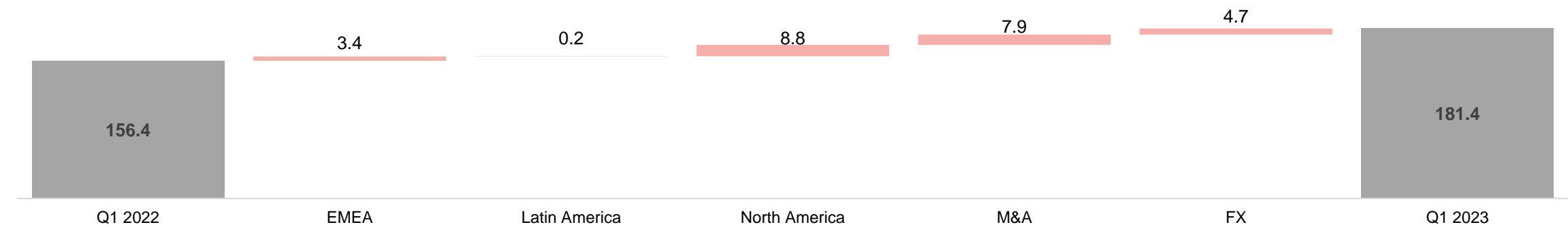
Acquisition of Wildlife Pharmaceuticals in South-Africa strengthens access to attractive local veterinary market; Integration of Letco and Boston progressing as planned

FY 2023 guidance reiterated



Revenue growth supported by organic growth, M&A and FX

Revenue Bridge (€ m)



Global

Inflationary pressure and broader macro uncertainty prevails

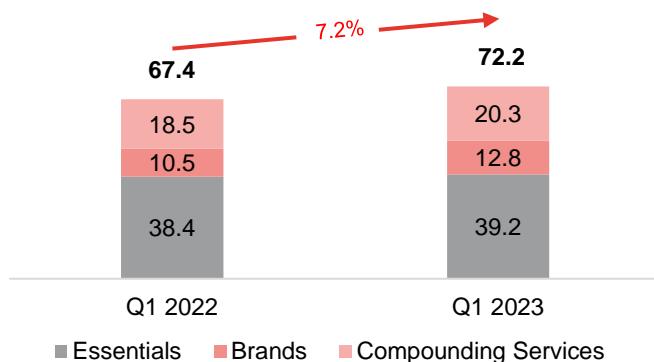
Continued focus on driving improvements in operational efficiency in line with One Global Fagron initiatives

Supply chain pressures, notably syringe shortages, continued to ease through the quarter

Pricing pass through in EMEA reaching end of cycle with increased sensitivity to further price increases

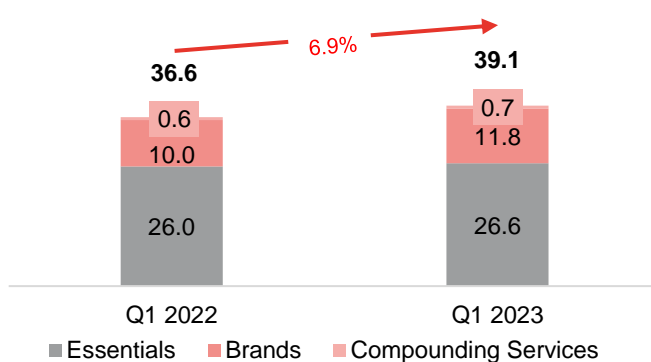
Driving operational efficiencies and protecting leading positions

EMEA



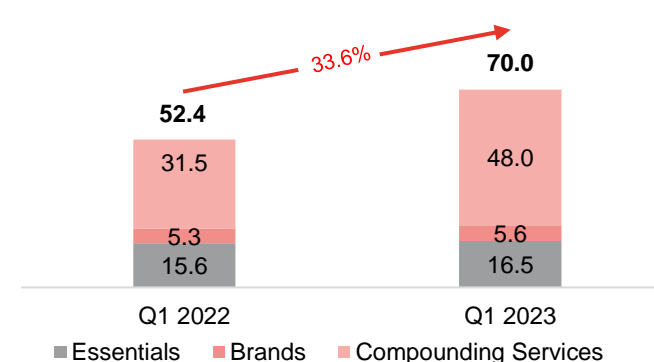
- Q1 revenue growth reflecting pricing pass through, however, customer sensitivity increasing
- B&E growth due to innovative product launches and improved product availability; Brands performance helped by drug shortages in certain countries
- Compounding Services saw recovery of elective care, new registrations, benefit of drug shortages

Latin America



- Brazilian market showed signs of recovery
- Continuation of heightened competitive environment
- Maintaining market leadership position
- Continued roll-out of operational efficiency programs and new product launches
- Compounding Services (Colombia) continues to deliver strong growth

North America



- US FSS* achieved run-rate of US\$125m; Boston integration progressing
- Strong growth for Anazao due to strong demand for preventive healthcare, supported by drug shortages
- B&E continued to be affected by deliberate slowdown in sales; Letco integration on track
- Boston audit concluded with two observations

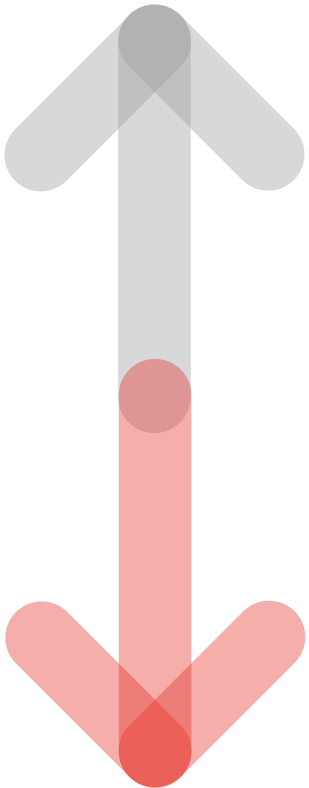
Managing risks in an evolving operating environment

	Risk	Change in risk status*	Comments
External disruption risk	Inflation	⬆️	<ul style="list-style-type: none"> Pricing pass through in EMEA reaching end of cycle
	Increasing competition	⬅️ ➡️	<ul style="list-style-type: none"> Strengthening commercial approach Maintaining market leadership
	Evolving regulatory environment	⬅️ ➡️	<ul style="list-style-type: none"> Heightened regulatory environment Continue investing in state-of-art infrastructure and processes
Supply chain risks	Sourcing	⬆️	<ul style="list-style-type: none"> Easing pressure supported by broader supplier base
	Logistics	⬆️	<ul style="list-style-type: none"> Ongoing focus on cost savings driven by centralization
Internal business drivers	Operational excellence	⬅️ ➡️	<ul style="list-style-type: none"> Global procurement team Better product availability
	Disciplined M&A	⬅️ ➡️	<ul style="list-style-type: none"> Buy & Build strategy Other strategic opportunities

FY 2023 outlook reiterated

Key business consideration in FY 2023

	Guidance FY 2023
Revenue	<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



- Drug shortages
 - Product breadth & innovation
 - Procurement savings
 - Regulatory dynamics
 - M&A
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- Macroeconomic environment
 - Inflation & currency
 - Competitive environment
 - Supply chain disruption





Questions

