

Fagron: Turnover increases by 7.1% to € 109.9 million

Key points

- Turnover growth in Europe, South America and in the sterile activities in North America
- Sales of pharmaceutical raw materials in North America stabilize in first quarter of 2017
- New facility for sterile compounding in Wichita (Kansas, US) operational since the end of March 2017

Hans Stols, Fagron CEO: "The sterile compounding activities in the United States and the activities in South America and Europe have developed positively in the last quarter. As a result of our strong, often leading, market positions within Europe, we were able to achieve turnover growth in almost all countries. The substantial strengthening of the Brazilian real relative to the US dollar has resulted in purchasing advantages for our activities in Brazil. Although our customers in Brazil benefited from lower sales prices, turnover increased at constant exchange rates. Our Brazilian activities were able to achieve significant growth in volume and to further strengthen its market leadership in Brazil.

Sales of pharmaceutical raw materials in the United States stabilised compared to the last quarter of 2016. This marks a clear turnaround compared to decreasing turnover during the last six quarters.

The new 503B compounding facility in Wichita (Kansas) has been operational since the end of March. The new facility is currently licensed in 43 states. As management, we are positive about the opportunities and potential this new facility offers. We anticipate that the facility will generate about 100 million US dollars of turnover within three to five years.

For 2017, we remain positive about the opportunities in the various markets in which we are active."

Turnover (x € 1,000)	Q1 2017	Q1 2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Fagron Europe	63,023	61,023	3.3%	3.0%	3.3%	3.0%
Fagron South America	25,136	19,529	28.7%	0.4%	28.7%	0.4%
Fagron North America	19,995	20,026	-0.2%	-3.6%	-0.2%	-3.6%
Fagron (excl. HL Technology)	108,154	100,577	7.5%	1.2%	7.5%	1.2%
HL Technology	1,723	1,978	-12.9%	-15.0%	-12.9%	-15.0%
Fagron Group	109,877	102,556	7.1%	0.9%	7.1%	0.9%
Divestment in France ²	-	1,008	-	-	-	-
Total	109,877	103,563	6.1%	-0.1%	-	-

CER = constant exchange rates

¹ This press release was sent out by Fagron NV and Fagron BV.

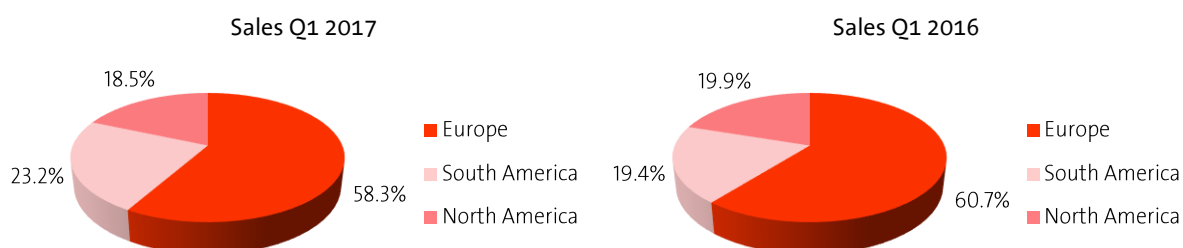
² The divestment in France refers to the sale of a small compounding pharmacy in Marseille, as announced in the press release of 5 August 2016.



Fagron press release – Trading update first quarter 2017

Fagron (excl. HL Technology and the divestment in France)

(x € 1,000)	Q1 2017	Q1 2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Turnover	108,154	100,577	7.5%	1.2%	7.5%	1.2%



Turnover of Fagron increased by 7.5% (+1.2% at constant exchange rates) to € 108.2 million in the first quarter of 2017. The following table summarises the turnover development and currency effects of Fagron in the first quarter of 2017 compared to the first quarter of 2016.

(x € 1,000)	Impact
Turnover in Q1 2016	100,577
Development Europe	1,854
Development South America	70
Development North America	-712
Currency effect Brazilian real / euro	5,469
Currency effect US dollar / euro	681
Currency effect other	214
Contribution of acquisitions in Q1 2017	-
Turnover in Q1 2017	108,154

Europe³

(x € 1,000)	Q1 2017	Q1 2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Turnover	63,023	61,023	3.3%	3.0%	3.3%	3.0%

Turnover in the Europe segment increased by 3.3% (+3.0% at constant exchange rates), from € 61.0 million in the first quarter of 2016 to € 63.0 million in the first quarter of 2017. Almost all countries in Europe contributed positively to the growth in turnover in the first quarter of 2017.

³ The Europe segment comprises the Fagron activities in Europe, South Africa and Australia.



South America⁴

(x € 1,000)	Q1 2017	Q1 2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Turnover	25,136	19,529	28.7%	0.4%	28.7%	0.4%

Turnover in the South America segment increased by 28.7% (+0.4% at constant exchange rates) to € 25.1 million in the first quarter of 2017. Fagron Brazil purchases most of its products in US dollars. The substantial strengthening of the Brazilian real relative to the US dollar (+19.5%) has enabled Fagron to purchase its products cheaper. As is customary, this positive currency effect has been fully passed on to Fagron customers by means of lower sales prices in Brazilian real. There is a direct correlation between the strengthening in percentage of the Brazilian real relative to the US dollar and the growth of Fagron Brazil in US dollar. The decrease in sales prices in Brazilian real and the unfavourable effect of this on turnover growth at constant exchange rates was offset by a significant growth in volume, enabling Fagron Brazil to further strengthen its position as market leader in Brazil.

North America⁵

(x € 1,000)	Q1 2017	Q1 2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Turnover	19,995	20,026	-0.2%	-3.6%	-0.2%	-3.6%

Turnover in the North America segment decreased by 0.2% (-3.6% at constant exchange rates) to € 20.0 million in the first quarter of 2017. Fagron's sterile compounding activities in the United States achieved strong, double-digit growth in turnover in the first quarter of 2017. The new 503B compounding facility in Wichita (Kansas) has been operational since the end of March. The new facility is currently licensed in 43 states. Sales of pharmaceutical raw materials and compounding concepts in North America continues to decrease relative to the same period of last year, but has stabilized in the first quarter of 2017 in comparison to the last quarter of 2016.

HL Technology

(x € 1,000)	Q1 2017	Q1 2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Turnover	1,723	1,978	-12.9%	-15.0%	-12.9%	-15.0%

Turnover of HL Technology, the segment that focuses on the development, production and introduction of innovative precision components and orthopaedic tools for the dental and medical industry, decreased by 12.9% (-15.0% at constant exchange rates) to € 1.7 million in the first quarter of 2017. The results of the strategic analysis with regards to HL Technology will be announced in the second quarter of 2017.

Conference call

Hans Stols (CEO) and Karin de Jong (CFO) will provide further details on the trading update of the first quarter of 2017 in a conference call today. The conference call begins at 9:30 CET. From 5 to 10 minutes in advance, participants will be able to call in using the numbers and confirmation code below:

The Netherlands: +31 (0)20 721 92 51

Belgium/Europe: +32 (0)2 404 06 59

⁴ The South America segment comprises Fagron activities in Brazil (around 98% of turnover) and Columbia (around 2% of turnover).

⁵ The North America segment comprises Fagron activities in the United States.



United States: +1 719 457 1036
United Kingdom: +44 (0)330 336 9105
Confirmation code: 1885885

The presentation is available from 9:00 CET on <http://investors.fagron.com>. As from Friday 14 April 2017, the conference call can be listened to on Fagron's corporate website (<http://investors.fagron.com>).

Financial calendar 2017

8 May	Annual and extraordinary general meeting of shareholders (link to convocation and agenda)
4 August	Half-year results 2017
12 October	Trading update, third quarter 2017

In case of inconsistencies, the Dutch press release prevails.

Additional Information

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Fagron profile

Fagron is a leading global company active in pharmaceutical compounding and focused on delivering tailored pharmaceutical care to hospitals, pharmacies, clinics and patients in 32 countries around the world.

The Belgian company Fagron NV is located in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. The operational activities of Fagron are driven by the Dutch company Fagron BV. The head office of Fagron BV is located in Rotterdam.

Forward-looking statements - important reservations

Certain statements in this press release could be considered to be forward looking. Such forward-looking statements are based on current expectations and are influenced by various risks and uncertainties. Fagron consequently cannot provide any guarantees that such forward-looking statements will in fact materialise and cannot accept any obligation to update or revise any forward-looking statement as a result of new information, future events or for any other reason.

