



Video: Together we create the future of personalized medicine













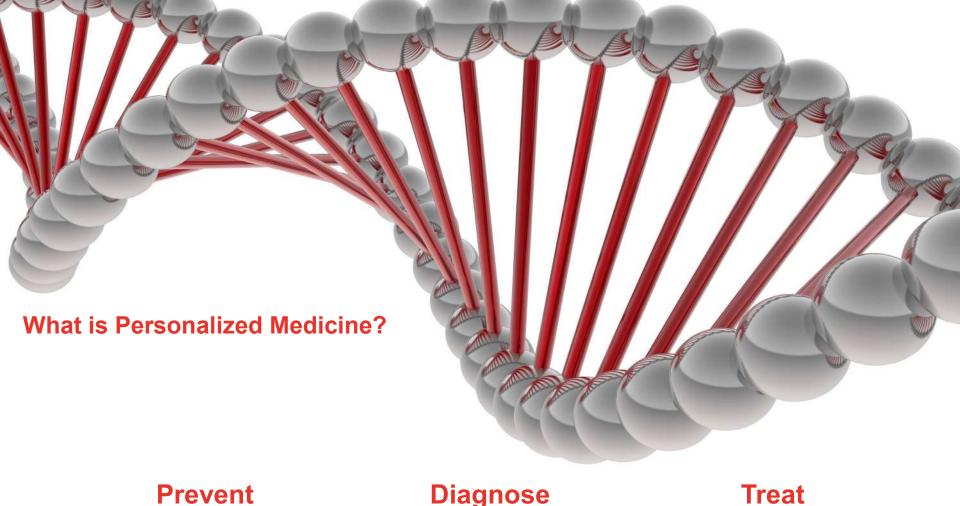






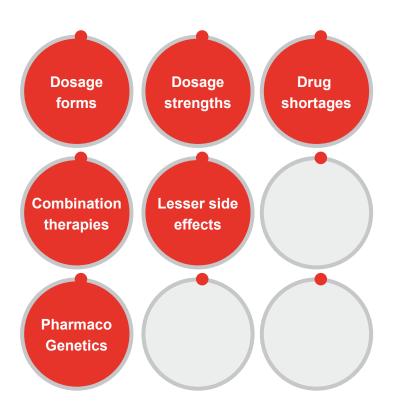






**Diagnose Treat** 

# **Key Drivers of Personalized Medicine**







## **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 ~\$ 450m

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





# Leadership team





## **Fagron Europe**



#### B&E

- Successful integration of Kemig (Croatia)
- Launch of Fagron Genomics in Barcelona
- Brands grow to 11% of sales, from 8% in 2017
- Healthy growth in Essentials

#### **FCS**

- Investing in sterile facility in NL to further improve quality and processes - € 4m of missed sales in 2018
- FSBA-facility in NL received GMP-status
- Introduction of midazolam cassettes and syringes to Dutch market
- Introduction of LIA to market by FCS Belgium



# **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
- REBITDA margin decreases by 50bps to 25.3%





## **Fagron South America**



#### B&E

- Successful integration of All Chemistry (now: Organic Compounding)
- Organic turnover growth at CER of 12.7%
- Growth driven by underlying market growth, good product availability and focus on Brands
- Brands represent 36% of sales well-filled pipeline for 2019

### **FCS**

- Turnover growth at CER of 14.4%
- Focus on distinctive and innovative Brands
- Better view on compounding markets in Central America creates future opportunities



## **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
  - 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**



#### B&E

- Acquisition and integration of Humco
- Successful implementation of multiple brand strategy
- Growth acceleration in 2018 13.9% organic growth in H2-18
- Strong growth in Brands (15% of sales in 2018)

### **FCS**

- Growth acceleration in 2018 32.6% organic growth in H2-18
- Growth of 72.8% in Wichita in 2018
- Wichita on-track to reach communicated turnover target
- Very well positioned to benefit from ongoing outsourcing trend



## **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







## **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%

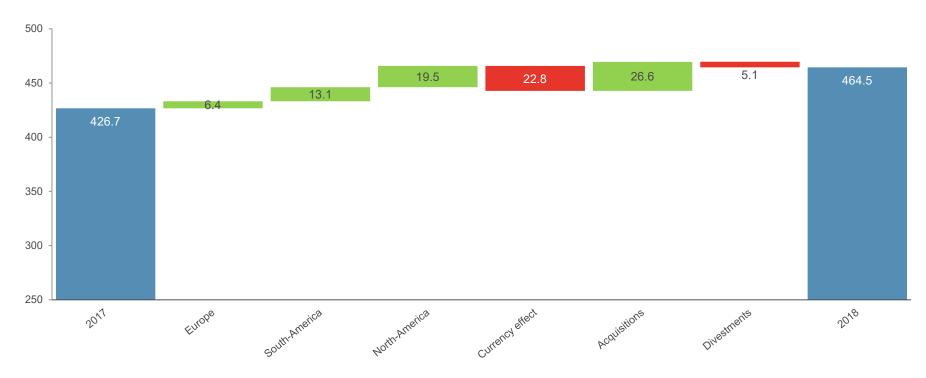
- Turnover +14.5% at CER
- Organic turnover growth of 3.9% (+9.3% CER)





# **Turnover Development**

## **Excluding HL Technology**





## **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

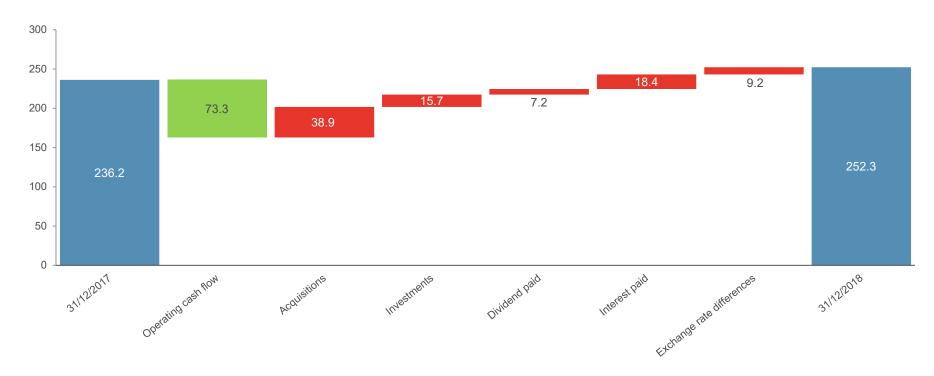
Recurrent net profit increases by

0.9% to € 49.5m



## **Net Financial Debt**

### Consolidated







Together, we create the future of personalized medicine

> Albert Mascarell-Creus Leader Fagron Genomics

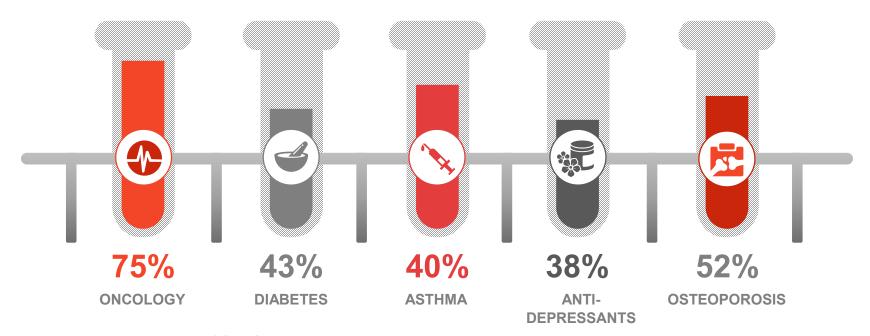






# The global pharmaceutical market is inefficient

Overmedication. One drug for all (standardization). Trial-error (or fashion) selection





% of patients with poor treatment results

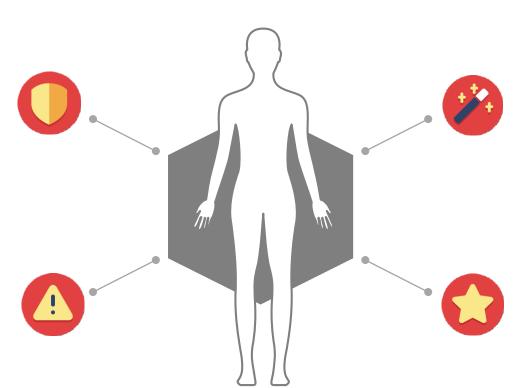
# Personalization is the key for treatments success

### DOSAGE ADJUSTMENT

 Increase or reduce the compound concentration based on expected efficacy.

# AVOID SECONDARY EFFECTS

 Understand the potential risks to suffer toxicity and select alternative treatments.

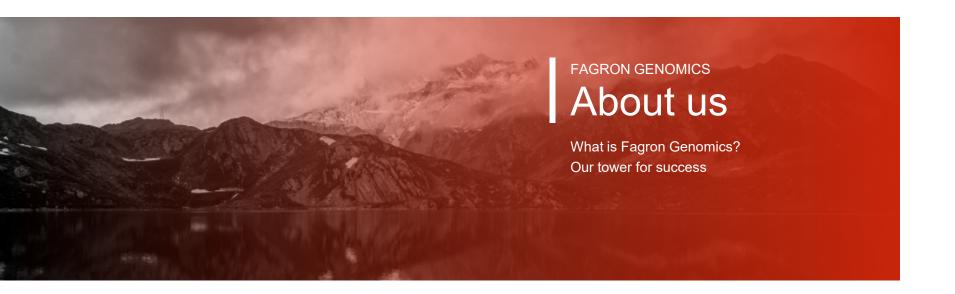


### **SELECT BEST DRUGS**

 Taylor made treatments to potentiate the response and efficacy to single and complex drugs

# COMFORT APPLICATIONS

- Multiple APIs in a single product
- Compounds synergy
- Alternative vehicles
- Fagron Brands





## Next Generation Genomics Laboratory

### **Massive Genotyping**

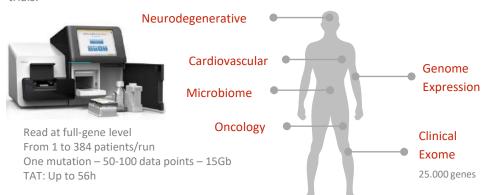
Gene mutation panels for pharmacogenomics, cancer, inflammation and custom assays.



From 16 to 828 mutations From 1 to 95 patients/run One mutation – 1-3 data points TAT: ~8 hours Hormonal pharmacogenetics Anesthetics pharmacogenetics Trichology pharmacogenetics

### **Next Generation Sequencing (NGS)**

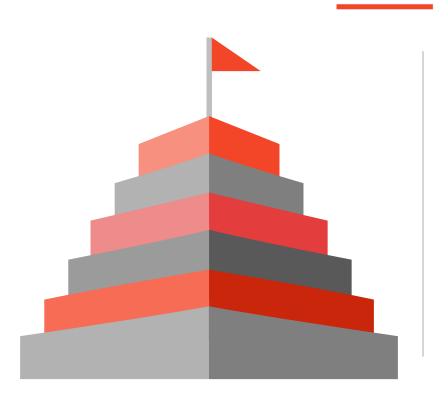
Powerfulness on genetics to unravel the patient's status. For physicians and clinical trials.







# A tower to define the roadmap to success



- PRESCRIBERS
  Empowered physician. Prescriptions of Brands.
- PHARMACIES (Brands + Essentials)
  Increase consumption of compounding services.
- ACADEMIES
  Spread the message. Educate. Awareness.
- PATENTS + INNOVATION
  Algorithms. IA. Patents. Fast go-to-market.
- 5 DIGITALIZATION
  Easy online platform to manage DNA data.
- 6 PERSONALIZATION
  Focus on personalized medicine.
  One patient, one treatment.







# Our analyses portfolio 2019



### TELOTEST™

Measure the cellular biological age through telomere length



#### PAIN-PGX™

Optimize dosage and select the best anesthetics drugs



#### TRICHOTEST™

Personalized treatment for alopecia



### NUTRITEST™

Personalized obesity and anti-aging nutritional treatments



#### BHRT-PGX™

Balance the hormonal replacement treatments

Focused on real patient needs.

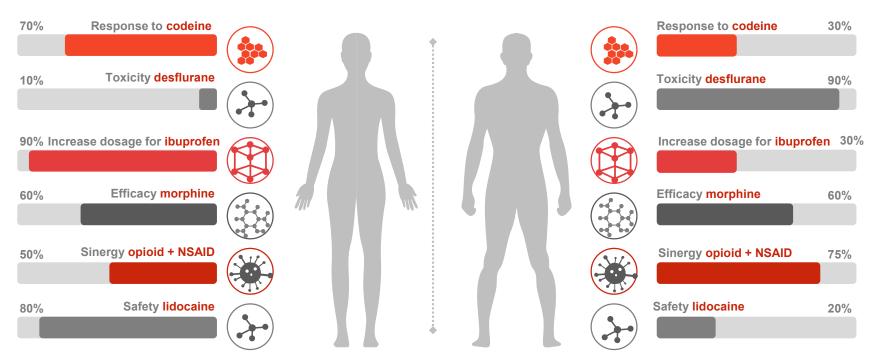
Empowers the physician through DNA information.

Oriented to improve treatments efficacy and patients fidelity.



# Selecting the best anesthetics for surgeries

More than 40 drugs analyzed | Avoid anesthetics complications | Reduce hospital costs.





# Closing the gap: from DNA to treatment



#### **GENE INTREPRETATION**

Color-based interpretation of the genetic variations found.



#### **GREEN-RED COMPOUNDS**

APIs and compounds recommended and to be avoided.



#### **CATEGORIES OVERVIEW**

Fast interpretation in order to provide clear and direct information to the patient



#### PERSONAL FORMULA

Created based on:

DNA variations

Clinical data

Medical protocols

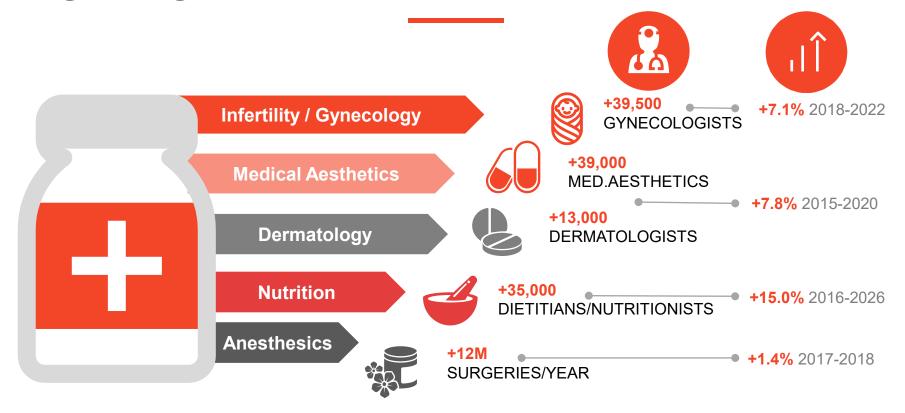
Pharmaceutical know-how







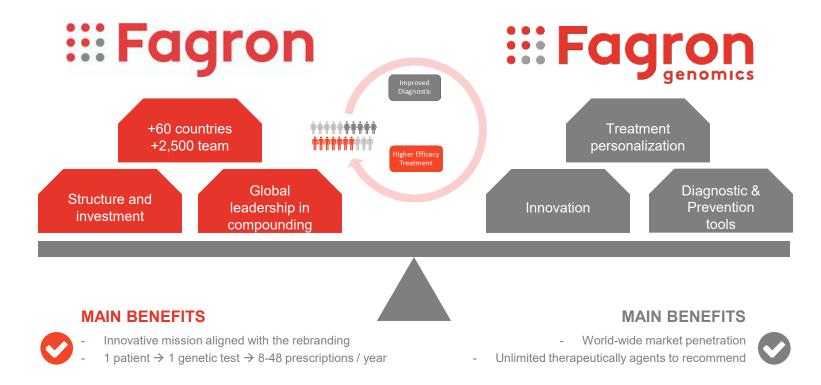
# A growing market volume







# Our synergy leads us to increase sales & margin









## **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

Video: 2019



Q&A

