

# Fagron 2020 Full-Year Results

Rafael Padilla, CEO  
Karin de Jong, CFO

February 11, 2021

**Together** we create the future  
of personalizing medicine.



## Fagron Team



Rafael Padilla  
Chief Executive Officer  
Started in 2002



Karin de Jong  
Chief Financial Officer  
Started in 2008



Constantijn van Rietschoten  
Chief Corp. Affairs Officer  
Started in 2008

## Looking Back – What would happen in 2020?

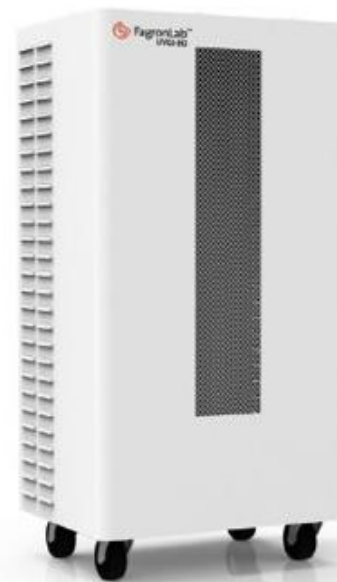


### 2020 Expectations

- ✓ Further growth in turnover and profitability
- ✓ Turnover growth driven by:
  - ✓ Organic growth
  - ✓ Disciplined acquisition strategy
- ⊞ Global roll-out of Genomics
- ✓ Strong R&D-pipeline will further drive growth of Brands
- ⊞ Enter into partnerships in new geographical markets

## 2020 Highlights - Financial

Turnover	€556.0m	+4.0%
REBITDA	€123.9m	+5.9%
EBITDA	€120.0m	+5.6%
Recurrent net profit	€62.9m	+8.3%
Operational cash flow	€93.0m	+20.4%
Dividend proposal	€0.18 p/s	



**FagronLab Air Sterilizer**  
Launched September 2020

# 2020 Highlights - Operational

## Launch of Innovations



40 new SKUs at FSS Wichita, USA (IV-Bags, L.E.T. Gel and Avastin Syringe)

Launched in 2020

## 2020 Highlights - Operational

### Launch of Innovations



Fagron NutriGen 2.0

Launched November 2020



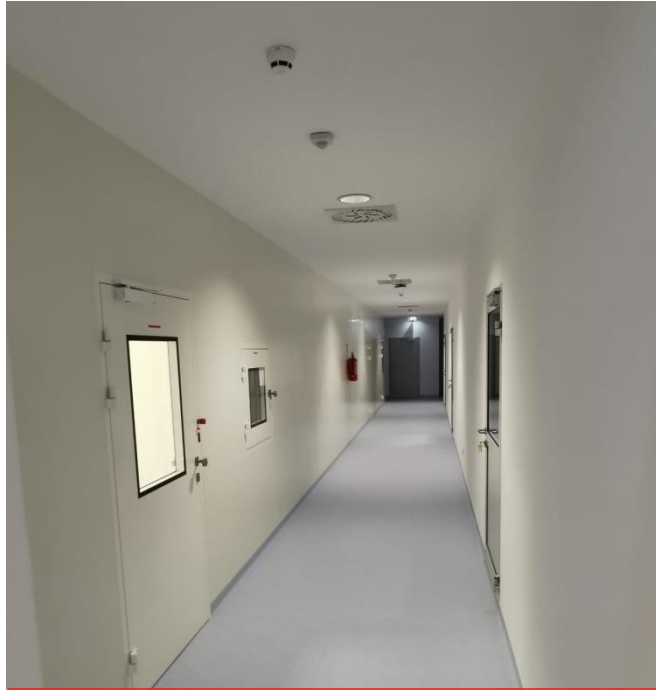
Imuno TF® Complex

Launched November 2020



## 2020 Highlights - Operational

Repackaging facility in Poland



Construction of facility (in- and outside) finished

Audit and licence process ongoing

Transfer of production expected to start in Q1-2021

# 2020 Highlights - Operational

Disciplined M&A



## Gako in Germany (Brands)

*Leading developer, manufacturer and supplier of mixing equipment for compounding*



## 2020 Highlights - Operational

Disciplined M&A



Pharma Tamar in Israel (B&E & CS)

*Leading developer, manufacturer and supplier of  
mixing equipment for compounding*

A row of medical syringes in a white tray, receding into the background. The syringes have blue barrels and white plunger tips. The labels on the syringes are visible, showing 'Lidocaine HCl' and other medical information. A large red circle is overlaid on the right side of the image, containing white text.

## 2020 Results per Segment

**Lidocaine HCl**  
2% (20mg per mL)  
10mg per 0.5 mL

Each mL contains: Sodium chloride 6mg, water  
Store at Room Temperature (20-25 C/68-77 F)

INJECTION SOLUTION

Lot #: 88888888888888  
Compounded: 88/88/8888  
BUD: 88/88/8888

71266-9050-01

88888888 N. VINCHIA, KS 67226 Phone: 888

## Fagron EMEA

(x € 1,000)	2020	2019	Δ
Turnover	267,379	257,001	+4.0%
REBITDA	64,711	67,133	-3.6%
REBITDA margin	24.2%	26.1%	

- Organic turnover growth of 0.5% CER
  - Mixed picture within the region
  - Brands & Essentials showed growth due to increased demand for COVID-19 related products
  - Acquisitions also contributed to B&E growth
  - Compounding Services decreased as a result of postponement of elective care & registrations
- REBITDA down 3.6% to € 64.7m



## Fagron Latin America

(x € 1,000)	2020	2019	Δ
Turnover	129,060	125,552	+2.8%
REBITDA	25,800	25,351	+1.8%
REBITDA margin	20.0%	20.2%	

- Organic turnover growth of 20.1% CER
  - Volume growth of 16.7%
  - Strong growth in Essentials and Brands
  - Acquisitions in 2019 also contributed to the growth
  - Decline of 5.3% CER in Colombia due to closure of prescribers
- REBITDA up 1.8% to € 25.8m





# Fagron North America

(x € 1,000)	2020	2019	Δ
Turnover	159,533	145,910	+9.3%
REBITDA	33,416	23,534	+42.0%
REBITDA margin	20.9%	16.1%	

- Organic turnover growth of 9.2% (+11.3% CER)
  - Brands & Essentials: +30.8% (+33.4% CER)
    - Increased demand COVID-19 related products
    - Centralization of sales force
  - FSS: +1.8% (+3.9% CER)
    - Postponement of elective care
    - 40 SKUs launched, including pre-filled IV-bags
  - Anazao: -9.9% (-8.2% CER)
    - Impact of COVID-19 and phasing-out of nuclear products
- REBITDA up 42.0% to € 33.4m
  - Strict cost controls, synergy benefits and favourable product mix



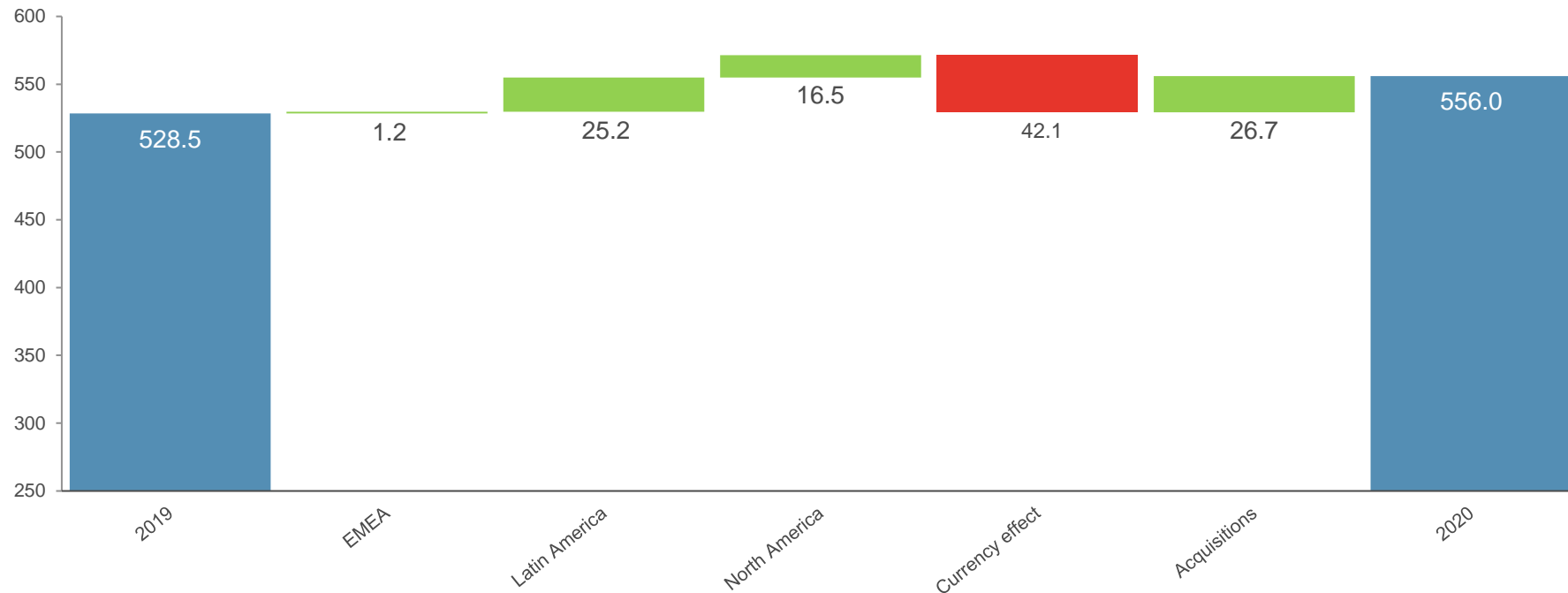


**2020  
Financials**



# Turnover Development

Excluding HL Technology



## Financial Review

### Gross Margin

+2.2% to € 329.1m

FY-20: 59.2% of sales (-100bps)

Lower revenue at Compounding,  
acquisitions and shift in product mix

### Operating costs

+0.1% to € 205.2m

FY-20: 36.9% of sales (-140bps)

### REBITDA

+5.9% to € 123.9m

FY-20: 22.3% of sales (+40bps)

## Financial Review

### Non-recurrent result

-€ 3.9m

Restructuring  
and acquisition costs

### EBITDA

+5.6% to € 120.0m

FY-20: 21.6% of sales (+30bps)

### DA

+6.7% to € 31.3m

## Financial Review

### Financial result

Increased by 3.6% to -€ 15.0m

### Taxes

Effective tax rate of 18.6%  
Effective cash tax rate of 24.8%

### Net profit

+44.5% to € 60.0m  
Recurrent net profit  
+8.3% to € 62.9m

## 2021 Expectations

- Further growth in turnover and profitability
- Streamlining EMEA-region
- Leveraging customers & SKUs at FSS US
- Strong R&D-pipeline
  - Products aimed at Prevention
  - Sterile compounds, incl. IV-bags
  - Global roll-out of Fagron Genomics
- Active and disciplined acquisition strategy aimed at EMEA and North America



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# Questions



