

Regulated information

Nazareth (Belgium)/Rotterdam (The Netherlands), 14 April 2022 – 7.00 AM CET

Fagron reports 16% increase in revenue to € 156.4 million

Fagron, the leading global player in pharmaceutical compounding, today publishes its quarterly results for the period ending 31 March 2022.

Highlights

- **Strong top line growth despite challenging operating environment**
 - Revenue increased by 16.0% to € 156.4 million (10.2% at constant exchange rates), with growth across all regions
 - Organic growth of 13.3% (7.6% at constant exchange rates)
- **Navigating ongoing supply chain disruptions and risks**
 - Lingering pressure on supply chain due to COVID related issues with limited direct impact from Ukraine crisis thus far
 - Inventory management and cost efficiency key focus areas to maximize product availability with centralized procurement team
- **Continued rollout of disciplined acquisition strategy**
 - Acquisition of Hiperscan in Germany and Curaphar in the Netherlands further strengthens position in key markets
 - Letco acquisition and simultaneous divestment of 80% of contract manufacturing division in North America
 - Pharma-Pack acquisition in Belgium
- **Further progress on environmental and social initiatives**
 - Installed 1,000 solar panels
 - Launched the global female Fagron mentoring program
- **Reporting on Compounding Services and Premium Pharmaceuticals consolidated**

Rafael Padilla, CEO of Fagron:

“We have delivered robust results in the first quarter of 2022 through organic growth and M&A activities even though we are in the midst of an unpredictable operating environment given the lingering impact from COVID, ongoing supply chain challenges as well as rising inflation.”

In line with our disciplined acquisition strategy, we completed three acquisitions in the first quarter of this year with a view to solidifying our position in key European markets. We also strengthened our position in North America with the acquisition of Letco, the integration of which is progressing as planned. We remain committed to further consolidating the market and adding capabilities to Fagron through a rigorous assessment of market opportunities.

Supported by the favorable underlying secular trends from increased personalization and healthcare focus globally, we remain committed to our strategic priorities and feel confident in our ability to deliver to our mid-term targets, despite the current challenging environment.”



Segment highlights

Revenue per region

(€ '000)	Q1 '22	Q1 '21	Total growth	Total growth CER	Organic growth	Organic growth CER
Group	156,381	134,777	16.0%	10.2%	13.3%	7.6%
EMEA	67,362	63,110	6.7%	5.9%	4.5%	3.6%
Latin America	36,591	31,890	14.7%	3.2%	14.7%	3.2%
North America	52,428	39,777	31.8%	22.7%	27.3%	18.4%

Revenue per segment

(€ '000)	Group		
	Q1 '22	Q1 '21	Δ%
Brands	25,751	26,448	-2.6%
Essentials	79,986	67,754	18.1%
Compounding Services	50,644	40,574	24.8%

(€ '000)	EMEA			Latin America			North America		
	Q1 '22	Q1 '21	Δ%	Q1 '22	Q1 '21	Δ%	Q1 '22	Q1 '21	Δ%
Brands	10,493	10,745	-2.3%	10,000	7,907	26.5%	5,257	7,796	-32.6%
Essentials	38,390	34,396	11.6%	25,963	23,378	11.1%	15,633	9,981	56.6%
Compounding Services	18,479	17,969	2.8%	627	605	3.6%	31,538	22,000	43.4%

EMEA

- Revenue from Compounding Services (combined with Premium Pharmaceuticals) increased slightly, supported by the sales from registered products following the acquisition of Curaphar.
- Essentials revenue showed a strong recovery while Brands revenue declined marginally due to the drop in demand for COVID-related products we saw last year.

Latin America

- Positive exchange rate impact this quarter.
- Underlying performance reflects impact of increased Omicron infections and a challenging economic environment.

North America

- Compounding Services reported strong revenue growth driven by new product introductions and the conclusion of new contracts despite the planned Wichita plant closure earlier this year.
- FSS on track to realize the run rate of US\$ 125 million (annualized) at year end 2022, with automatic labelling and visual inspection and the implementation of a third shift planned.
- Brands and Essentials revenue growth supported by the Letco acquisition while the integration is progressing as planned.

Conference call

Rafael Padilla (CEO) and Karin de Jong (CFO) will elaborate on the developments in the first quarter of 2022 starting at 9.30 AM CET. Registration to listen to this explanation is available via this [link](#). The presentation by means of which they will explain the developments will be available to download from the Fagron [website](#) from 9.00 AM CET.



Financial calendar 2022

9 May 2022	Annual general meeting of shareholders 2022
4 August 2022	2022 half year results
13 October 2022	Trading update third quarter 2022

Results and trading updates are published at 7.00 AM CET.

Further information

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About Fagron

Fagron is a leading global company active in pharmaceutical compounding, focusing on delivering personalized medicine to hospitals, pharmacies, clinics and patients in 35 countries around the world.

Belgian company Fagron NV has its registered office in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. Fagron's operational activities are managed by the Dutch company Fagron BV, which is headquartered in Rotterdam.

Important information regarding forward-looking statements

Certain statements in this press release may be deemed to be forward-looking. Such forward-looking statements are based on current expectations and are influenced by various risks and uncertainties. Consequently, Fagron cannot provide any guarantee that such forward-looking statements will, in fact, materialize 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.

In the event of differences between the English translation and the Dutch original of this press release, the latter prevails.