

ODDO BHF Forum

Lyon, France / 5 - 9 January 2023

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Global IR Manager

 **Fagron**
personalizing
medicine



Who we are

Global leader in pharmaceutical compounding

Our values



Customer is number 1



Creativity



Quality



Speed of execution



Entrepreneurship

Present in **19** countries
Active in **35** countries
>3,000 people
3 divisions

MSCI ESG Rating **AAA**



Favorable market dynamics and strong **market positioning**

Leading positions in all key markets

2021

Revenue
€574m

REBITDA
€118m

Net result
€61m

Full integration across the compounding value chain

Globally serving;



Hospitals



Pharmacies



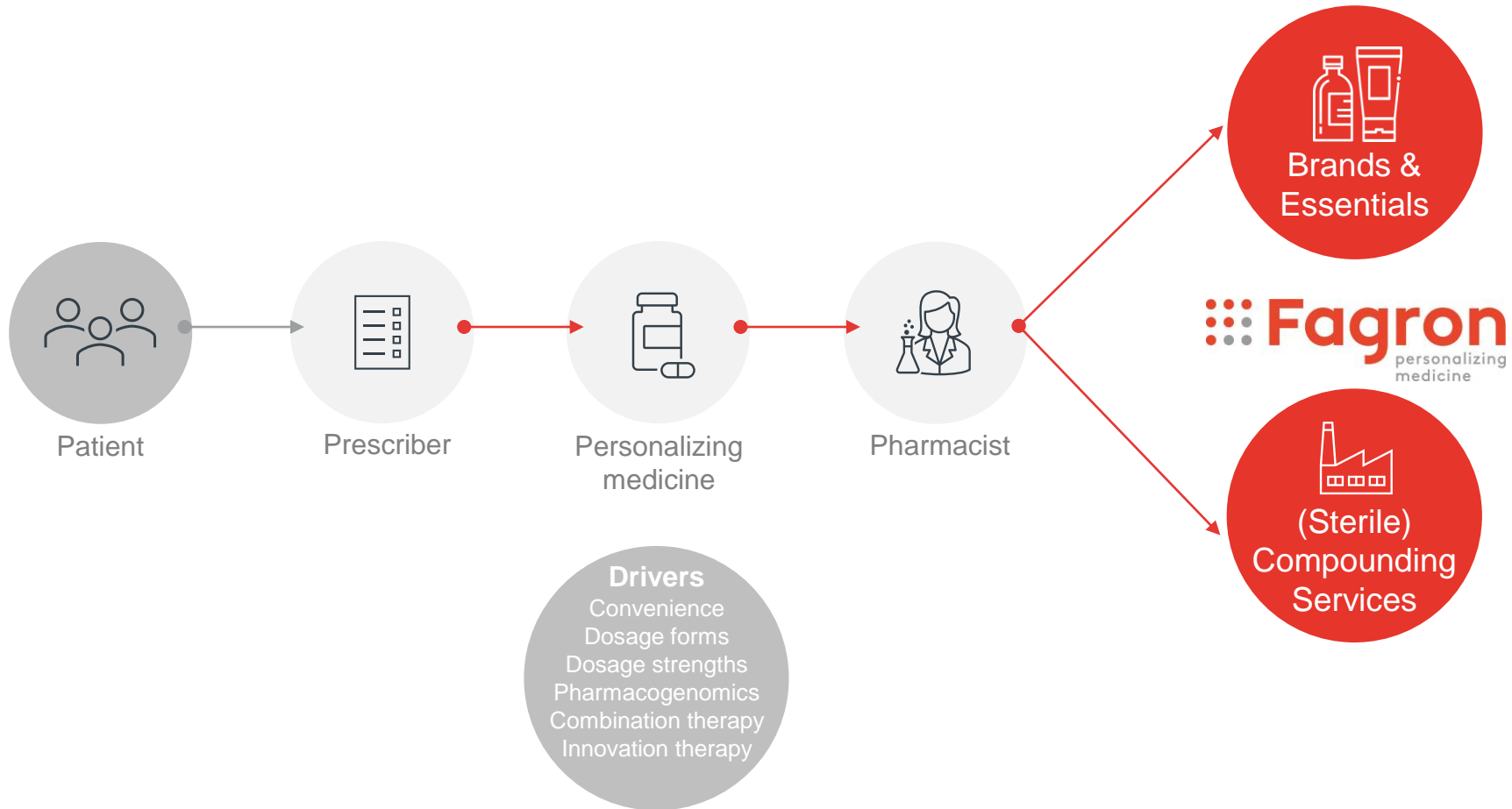
Industries



Prescribers / patients

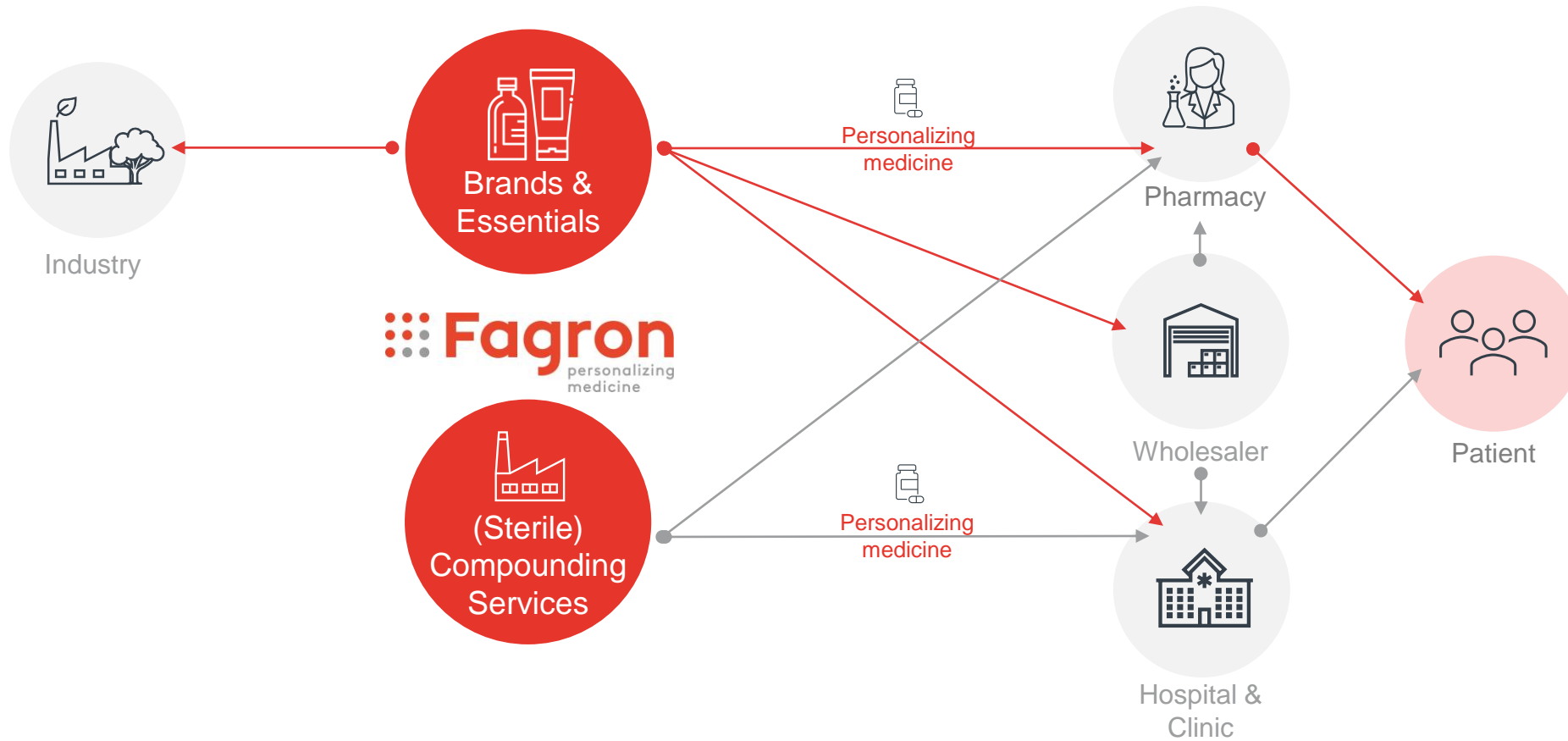
Who we are

Uniquely integrated across entire compounding value chain - Patient journey



Who we are

Uniquely integrated across entire compounding value chain - Customer journey



Who we are

Our Products & Services



Essentials

- Raw materials for Compounding (GMP repackaging)
- Packaging & Supplies



Brands

- Semi-finished products & Vehicles
- Laboratory equipment & Compounding software
- Pharmacogenomic testing



Compounding Services

- Sterile & non-sterile compounding
- Outsourcing for pharmacies & hospitals
- Registration & licensing of compounded products



Academy

- Training & education
- Studies, innovations & concepts

Market opportunity

Expected mid-term growth of global compounding market ~6%



Global market to grow at
~6.0% CAGR over
2021 – 2026

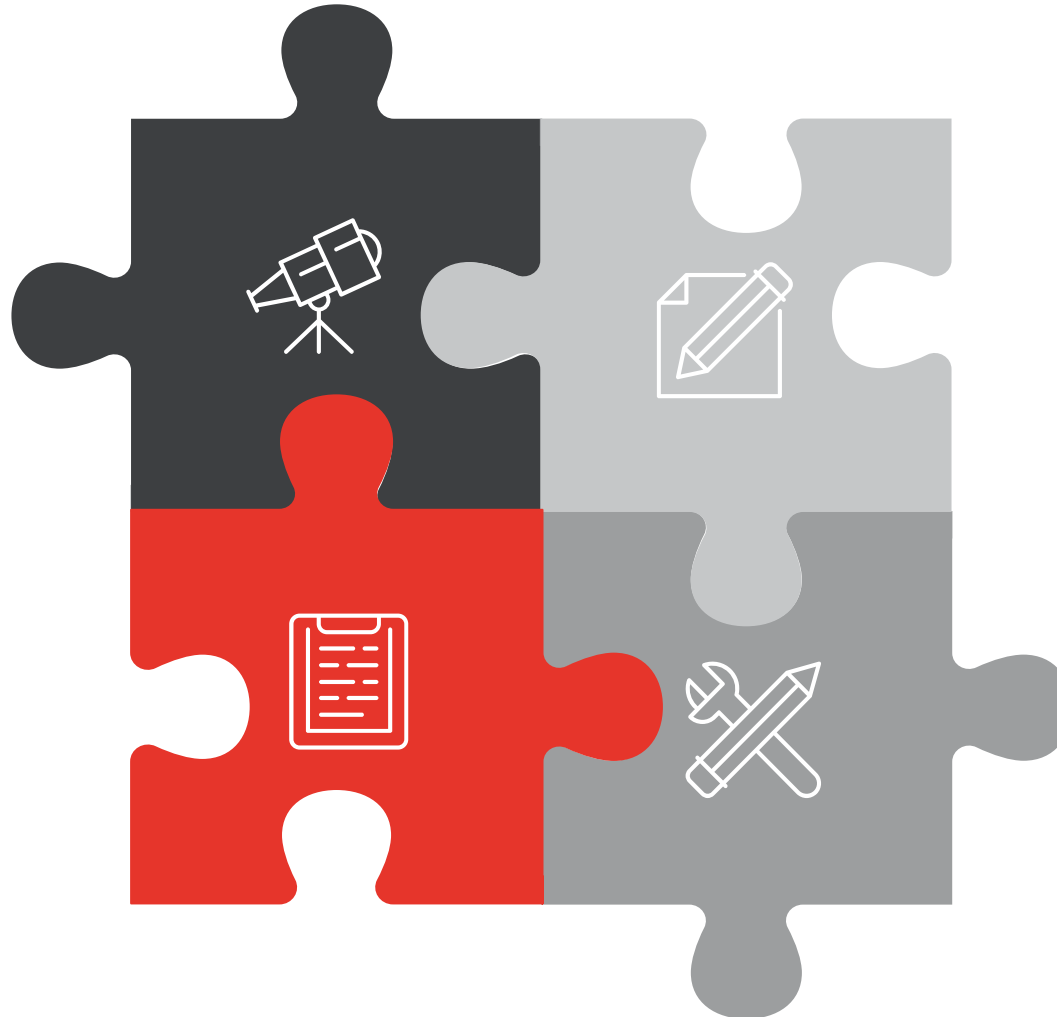
Global leader in niche pharmaceutical compounding market

Favorable secular trends

- Demographics
- Personalization
- Accessibility
- Regulation
- Market fragmentation

Strong M&A execution

- Strong M&A execution
- 5 deals announced YTD
- Buy and build strategy
- Strong pipeline





Resilient business model

- Strong revenue growth
- Attractive margins
- Diversified geographical presence
- Broad product portfolio
- Innovation focus

Strong financial profile

- Free cashflow increased by 44.3% in H1 2022
- Net Debt to EBITDA ratio at 2.2x at the end of H1 2022 versus 2.1x at end of FY 2021

Strategic priorities to drive improved growth and value creation

 Brands & Essentials		 Compounding Services	
Essentials	Brands	Sterile	Non-sterile
Continue broadening our product portfolio leveraging our innovation capabilities			
Maintain highest quality standards			
M&A to add incremental growth			
Increase operational efficiency	Accelerate organic growth		
	Organize brands globally and sell locally		Optimize non-sterile compounding business & positioning in the Netherlands
	Roll-out of Fagron Academy across all countries		

Strategic ambitions underpinned by operational enablers

Global leadership in **Brands & Essentials** across our markets

Become leading, global, platform for **Sterile Outsourcing Services**

One Global Fagron

Enablers

Global Operational Excellence

Fagron Academy

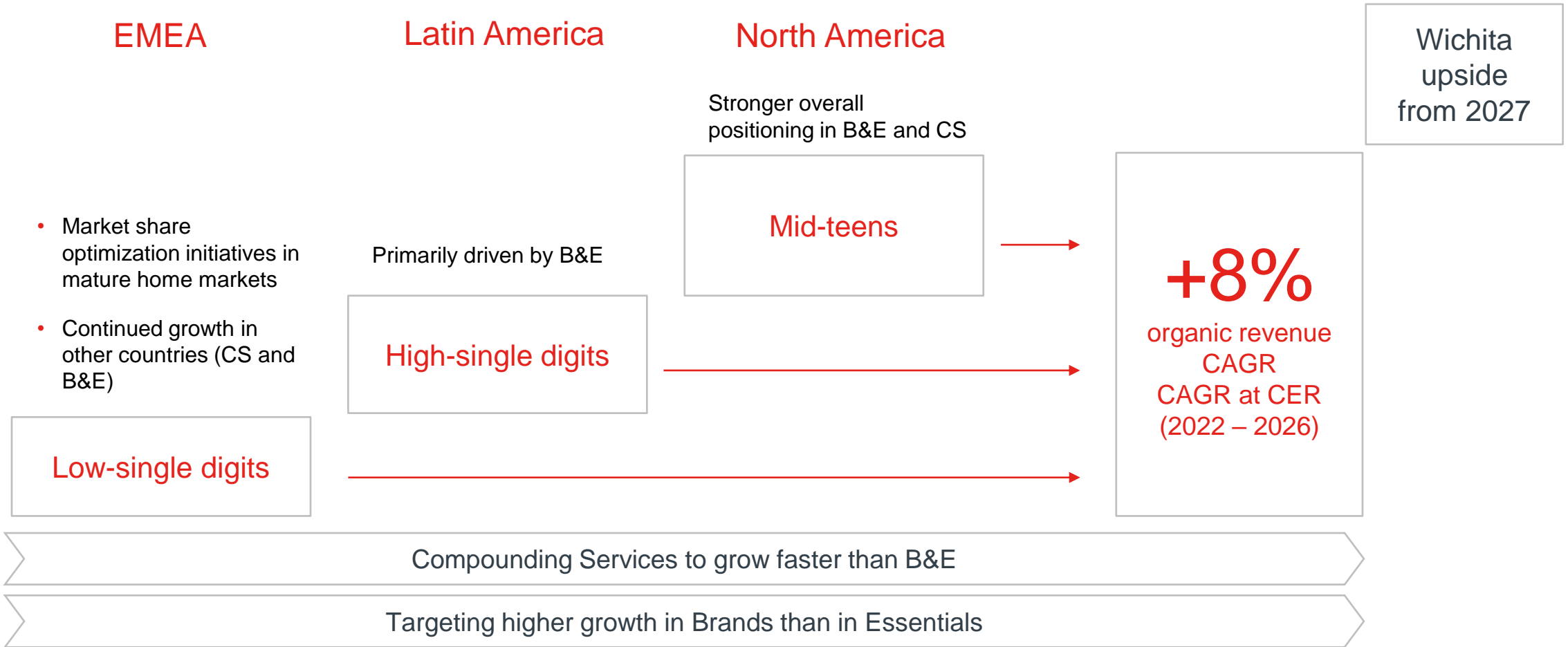
Disciplined M&A

ESG focus

Optimize **non-sterile compounding** & registration business

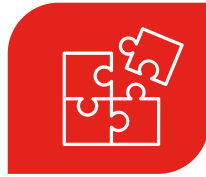
Build the organization of **the future** with a clear sustainable focus

Revenue growth to benefit from LFL in high-single digits



Growth upside from M&A opportunities

STRATEGIC CRITERIA



BUILDING OUT STERILE
PLATFORM,
CONSOLIDATE B&E



EXPAND & DIVERSIFY
PRODUCT PORTFOLIO

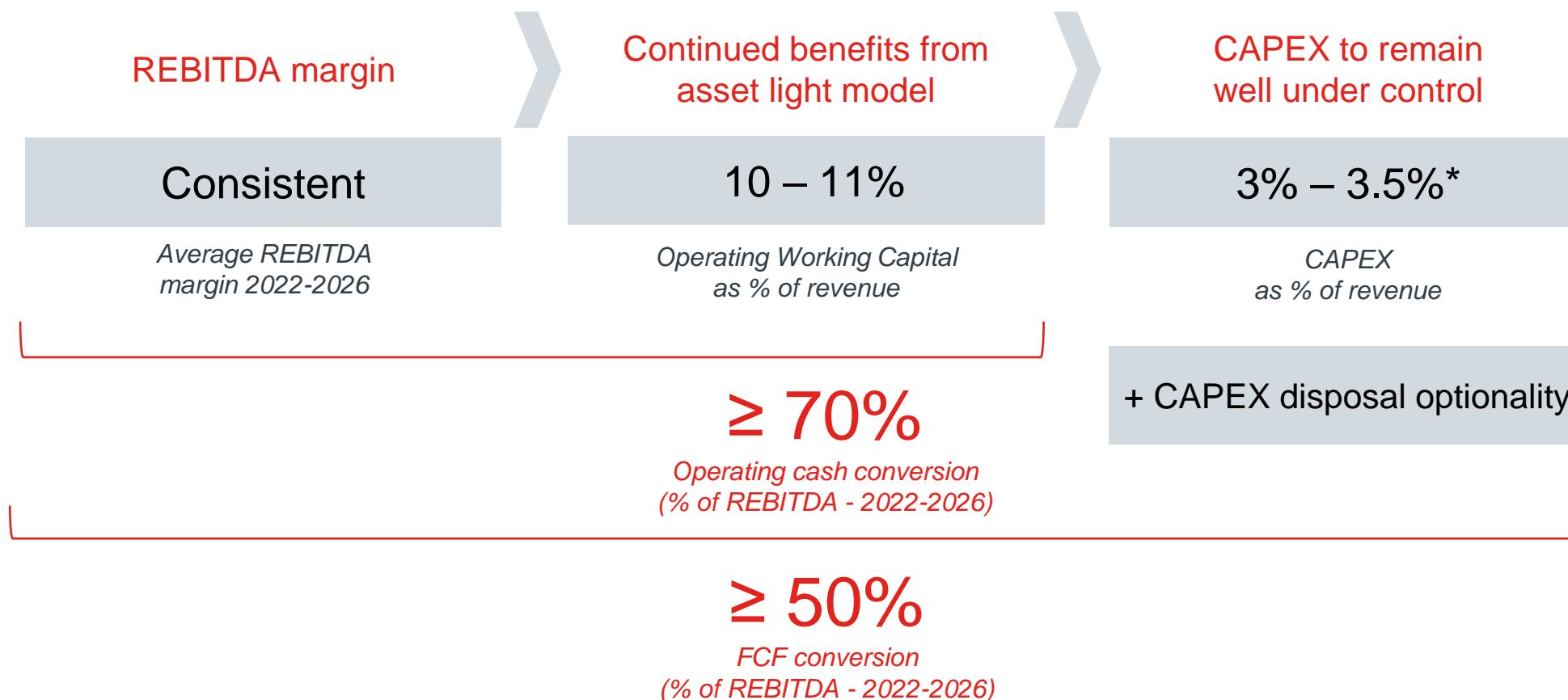


EXPLORE NEW
THERAPEUTIC AREAS

WHAT WE PRIORITIZE

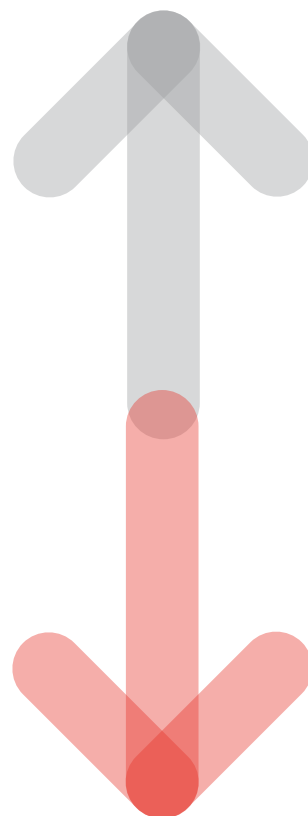
- Market share
- Strong commercial links
- Entrepreneurial approach
- Product assortment
- Synergies potential
- Partnerships
- Small to mid-size companies
- Buy & build approach

Cash generation & earnings conversion to remain sustainably high



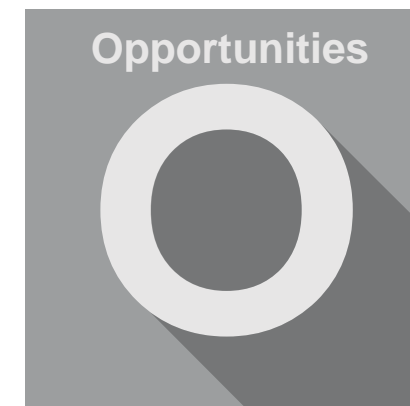
Full year 2022 outlook

	H1 2022	Guidance
Revenue*	€328.6m	FY 2022 €670m – €690m
REBITDA margin*	19.3%	H2 margin to be higher than H1
Capex as % of revenue	2%	FY 2022 3 – 3.5%



Key business consideration in H2 2022

- Accelerated integration
- Pricing pass through
- Product breadth & innovation
- Operational excellence
- Regulatory dynamics
- Inflation & currency
- Supply chain disruptions
- Syringe shortages
- Increasing competition
- Geopolitical developments



Ensuring compliance with increased regulatory standards

FDA audit process



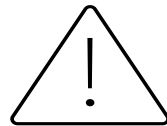
~2 years

Frequency of FDA audit at every facility

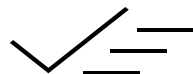


FDA issues Form 483 post audit with inspectional observations

Audited facility submits response to inspectional observations



No set timeline



Final establishment inspection report (EIR) shared by FDA when it considers inspection closed

St. Paul Facility (repackaging)

- FDA inspection conducted in November 2021
- Warning Letter issued by FDA in June 2022
- Monthly progress reports submitted with FDA
- FDA issues warning letter close-out letter on satisfactory verification of implemented corrective plan

FSS, Wichita (503B)

- FDA inspection conducted in March 2022
- Number of inspectional observations: 6
- Submitted response to FDA in April
- FDA expected to come with final establishment inspection report

Anazao, Las Vegas (503B)

- FDA inspection conducted in July 2022
- Number of inspectional observations: 5
- Submitted response to FDA in August
- FDA expected to come with final establishment inspection report after final update submission (monthly updates in progress)

Other Facilities Status

- Anazao, Tampa (503A): Last FDA audit conducted in May 2019
- Letco, Decatur (repackaging): Last FDA audit conducted in March 2022
- FSS, Boston (503B): Remote Regulatory Assessment conducted in March 2021

Who we are

Our Purpose

Together we enable pharmacists, prescribers, hospitals and the industry to provide quality, safety and service for their patients

We create value in healthcare by offering the entire range of products and services for compounding personalized medicine

Personalize medicine covers individual patient needs and increases effectiveness, quality and safety whilst reducing healthcare cost



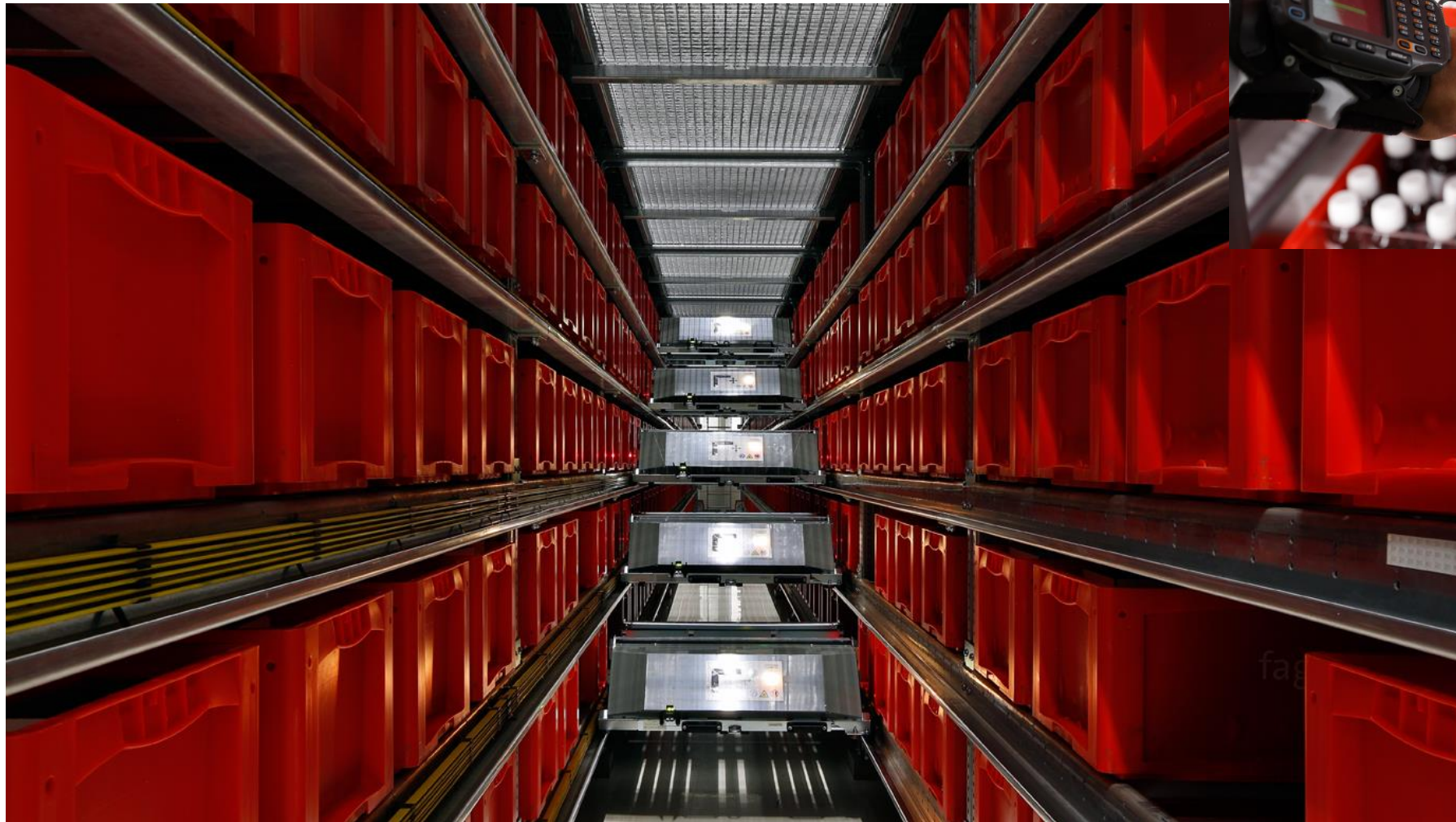


Questions



Fagron

World tour | EMEA



Fagron Belgium

● Warehouse

Fagron

World tour | EMEA



Fagron Lab

● Equipment



Fagron

World tour | EMEA



Fagron Genomics

● Pharmacogenomics

Fagron

World tour | NA



Compounding Services

● Fagron Sterile Services US

Fagron

World tour | NA



Fagron US

● Warehouse



Fagron

World tour | LATAM



Fagron Tech Brazil

● Software



Fagron

World tour | LATAM



Fagron Colombia

● Fagron Family



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