



# H1 2023 Results

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# Key Highlights

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**Rafael Padilla**  
CEO



# Strong revenue growth with resilient margin performance

Organic revenue growth of 8.4% at CER driven by strong performance at Wichita and Anazao in NA and by all segments in EMEA

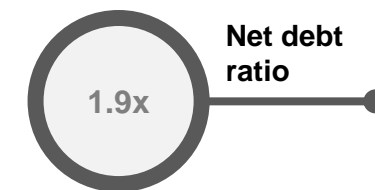
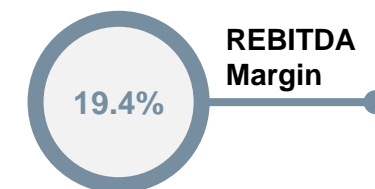
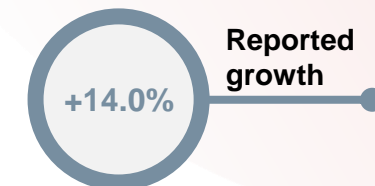
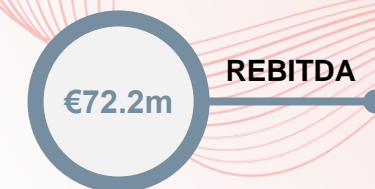
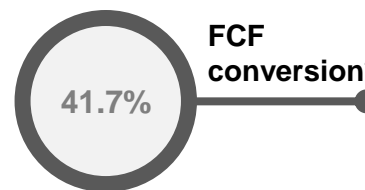
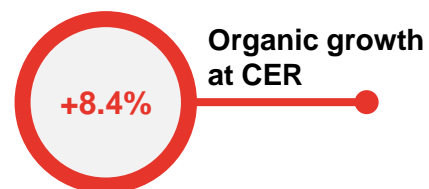
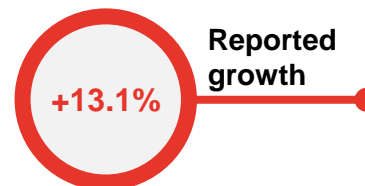
Revenue momentum across all businesses underpinned by strategic actions and improving operational excellence

Strong REBITDA growth of 14% YoY and margin increased 10bps YoY

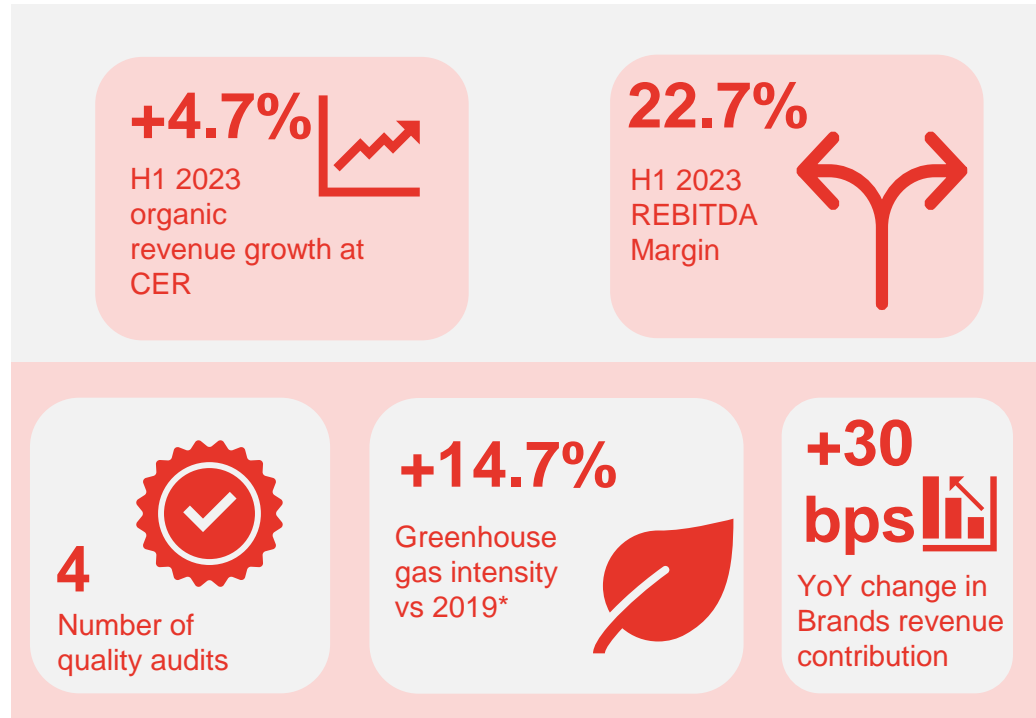
FCF growth reflecting one-off capex. Adjusting for that, FCF conversion would be 42%

Integration of Letco, Boston and Wildlife Pharmaceuticals progressing as planned

FY 2023 guidance: High single digit organic revenue growth; increase in profitability YoY



# EMEA: Successful competitive strengthening combined with operational excellence



Revenue growth reflects well-executed pricing pass through exercise; now concluded

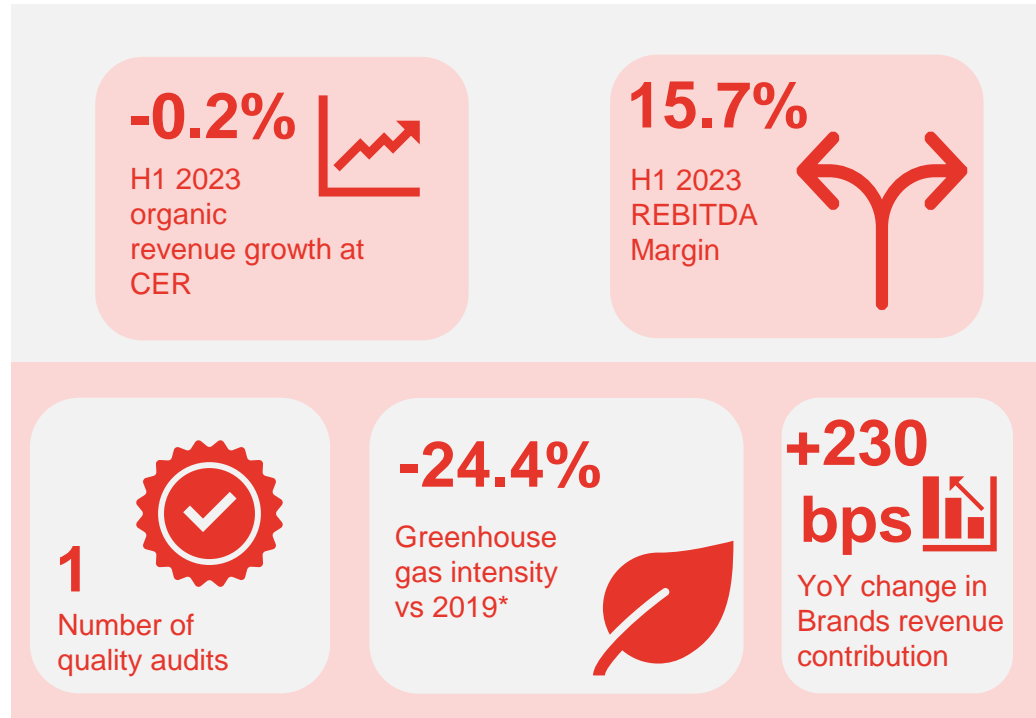
Efficiency improvements through the Poland cGMP repackaging facility

Innovations and reinforced registration capabilities supporting positive performance

Strong growth observed in Netherlands; demand remains strong across most markets

Continued diversification across markets

# Latin America: Committed to maintaining market leadership while driving operational efficiencies



Continued competitive pressure with signs of customer demand strengthening

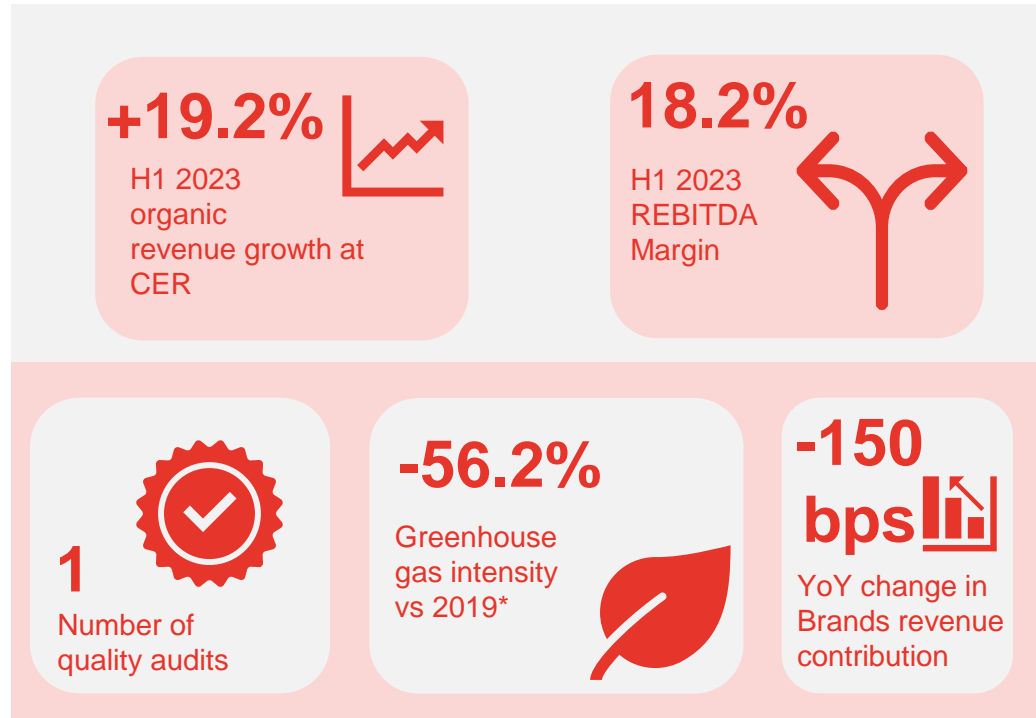
Distribution centralization completed; expected to support stronger performance in H2 2023

Consolidation of 3 brands to further enhance efficiency

Optimization of Brands strategy and launch of new products to drive operational margin

Continued diversification into Colombia and Mexico

# North America: Seizing market opportunity, focus on growth while maintaining high quality standards



Increased regulatory scrutiny reinforces focus on quality; committed to ensuring the highest standards

Successfully moved API repackaging to Letco; St. Paul facility to be closed by end of year

Build state-of-art cGMP repackaging facility in Decatur to strengthen market positioning

Boston integration on track and expect to reach breakeven in H2 2023; 27 state licenses secured

Anazao supported by strong demand for preventive healthcare and drug shortages; Tampa investment progressing as planned

# Managing risks in an evolving operating environment

	Indicators	Opportunity to risk bar	Comments
External factors	Inflation		Pricing pass through in EMEA reached end of cycle
	Competition		Strengthening commercial approach and maintaining market leadership
	Regulatory environment		Heightened regulatory scrutiny; prudent investments in high-quality infrastructure and processes
	Drug shortages		Continued drug shortages observed in EMEA and North America
Internal business drivers	Sourcing		Easing pressure supported by broader supplier base
	Operational excellence		Global procurement team and better product availability
	Disciplined M&A		Actively scanning opportunities; sellers awaiting better valuation





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# Financial Review

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**Karin de Jong**  
CFO



# H1 2023 financial highlights

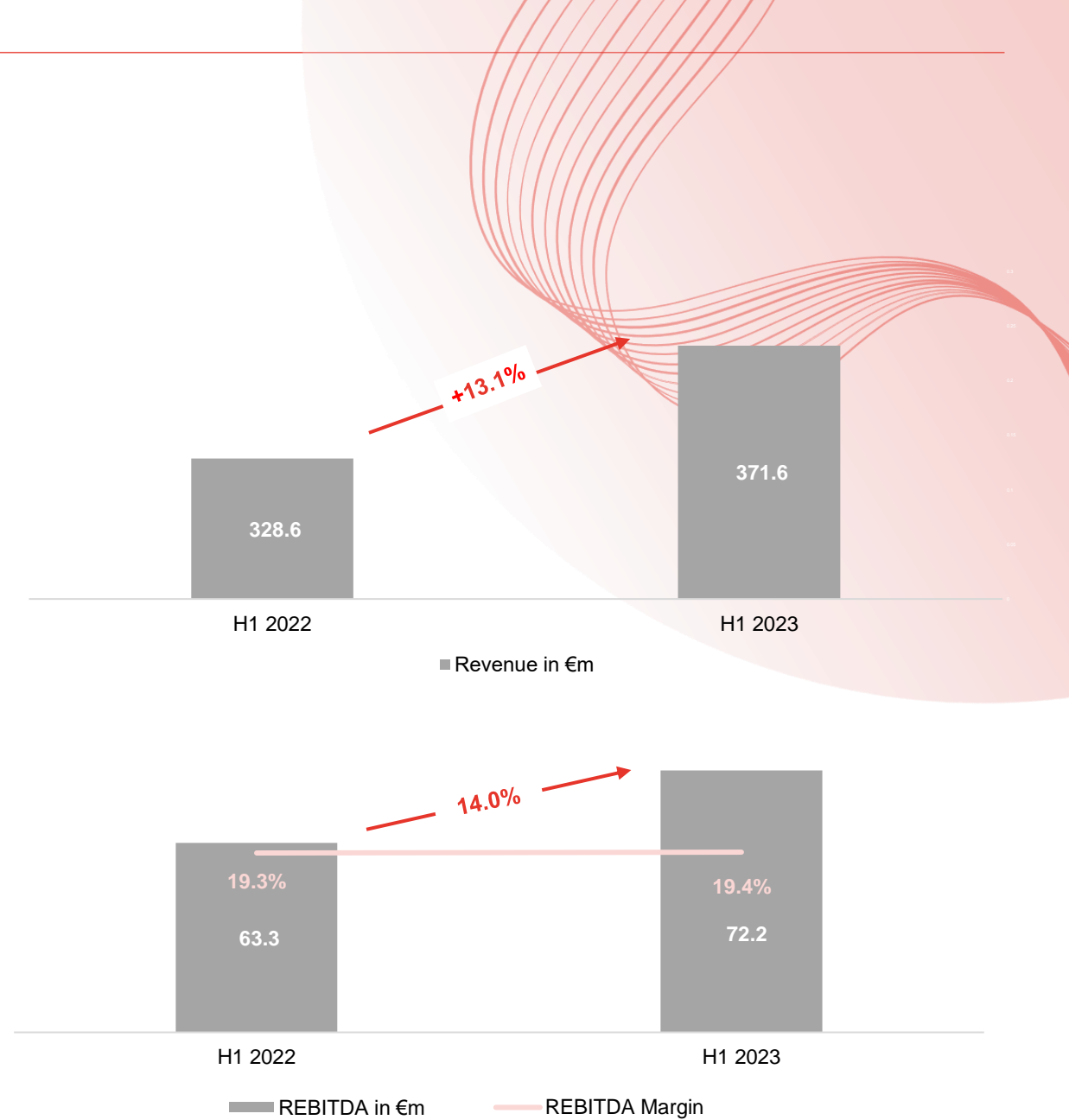
Revenue growth driven mainly by NA, EMEA and currency tailwind

Operating costs reflects inflation related increases and high volumes in NA

10bps margin improvement reflects pricing pass through in EMEA and benefits of operational excellence

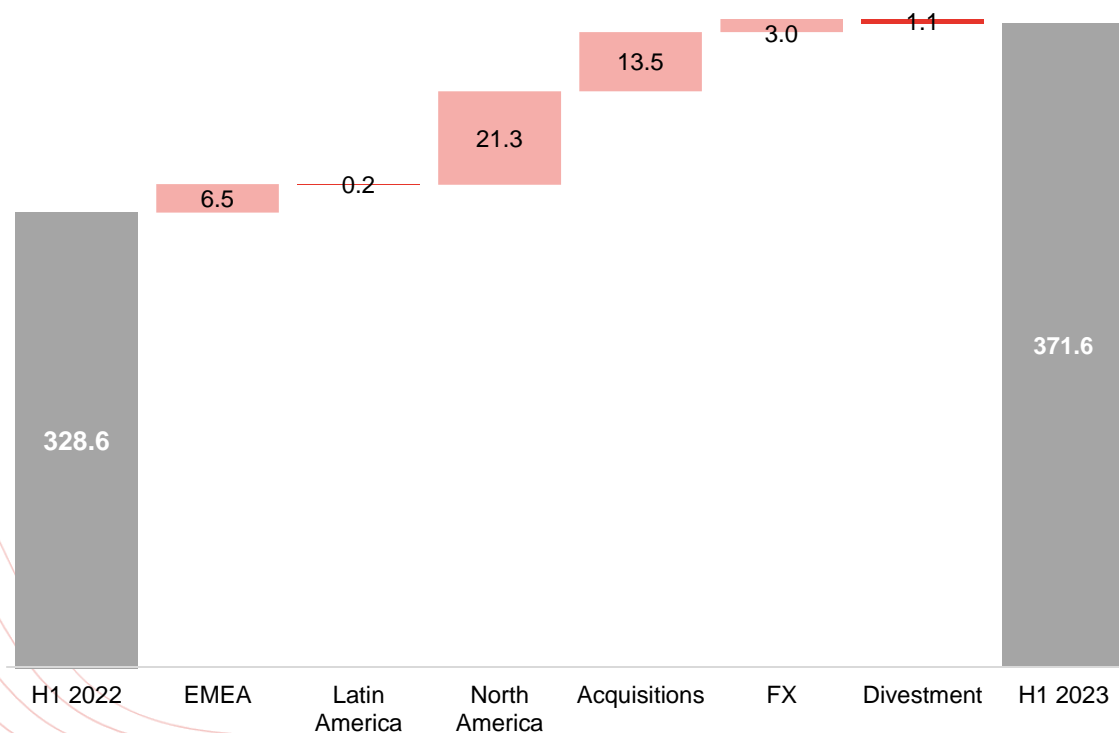
Operational cash flow improved by 12% to €43.3 million

Net Debt to EBITDA ratio at 1.9x at end of H1 2023



# Revenue growth supported by North America, EMEA and M&A

Revenue bridge  
(€m)



P&L statement

(€ m)	H1 2023	H1 2022	Δ
Net revenue	371.6	328.6	13.1%
Gross margin	225.6	190.6	18.4%
Operating expenses	151.8	126.2	20.3%
Share based payments and LTI	1.6	1.1	47.8%
<b>EBITDA before non-recurrent result</b>	<b>72.2</b>	<b>63.3</b>	<b>14.0%</b>
Non-recurrent result	-0.5	-0.8	37.9%
<b>EBITDA</b>	<b>71.7</b>	<b>62.5</b>	<b>14.7%</b>
Depreciation and amortization	19.0	15.7	20.6%
<b>EBIT</b>	<b>52.7</b>	<b>46.8</b>	<b>12.7%</b>
Financial result	-10.5	-2.2	-382.4%
Hedge result	-1.4	3.9	-135.3%
Profit before taxes	42.2	44.6	-5.5%
Taxes	-8.9	-9.3	4.5%
<b>Net profit</b>	<b>33.3</b>	<b>35.3</b>	<b>-5.7%</b>
<b>Net profit per share (€)</b>	<b>0.46</b>	<b>0.48</b>	<b>-4.2%</b>
Average number of outstanding shares	72,996,465	72,860,319	

# EMEA: Strong revenue growth supporting margin expansion

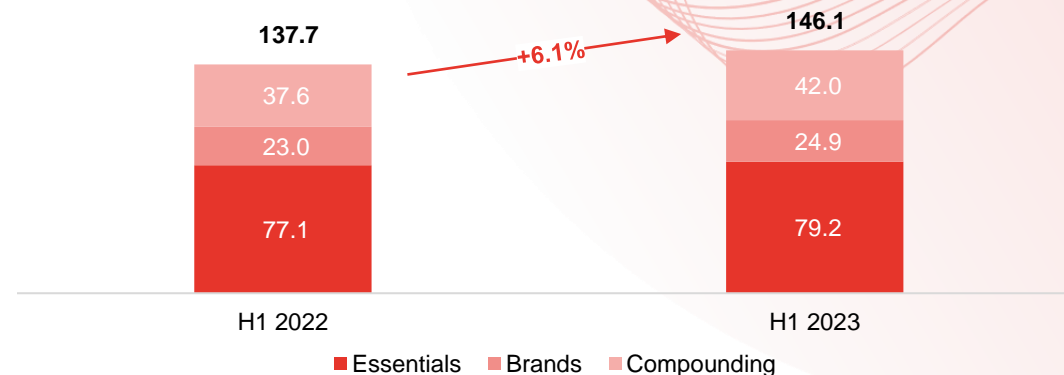
Revenue growth of 6.1% supported by positive results in all segments

Gross margin benefited from pricing pass through and improved sourcing

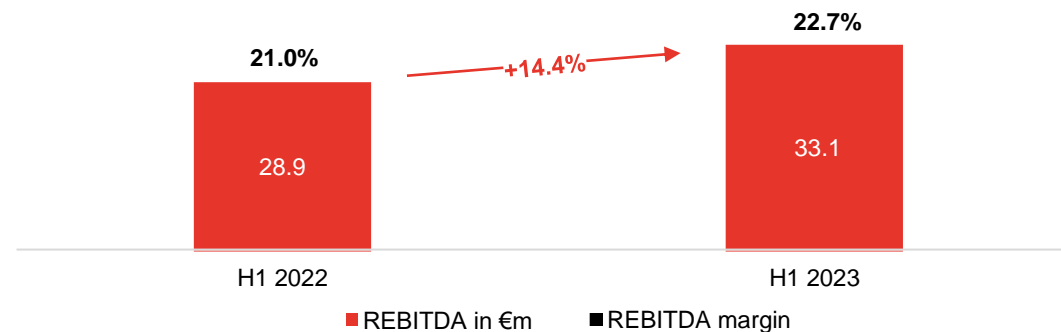
Operating costs were mainly affected by inflation related increases

REBITDA margin expansion supported by pricing pass through and efficiencies of Polish cGMP facility

## Revenue (€m)



## Profitability



# Latin America: Challenging environment impacts H1 2023 performance

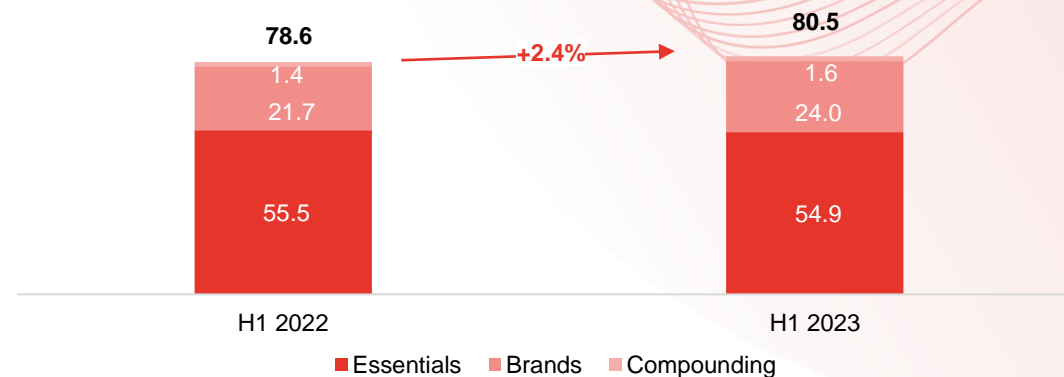
Revenue increased slightly supported by FX tailwind despite challenging macro economic conditions and heightened competitive environment

Gross margin affected by pricing while volume development was positive

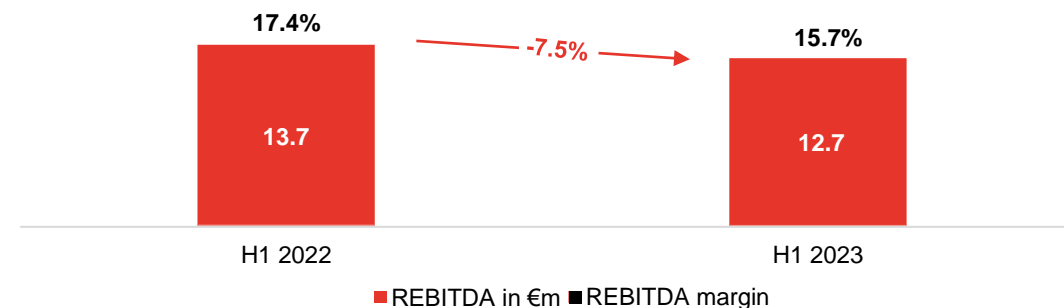
Continued strong focus on operating costs management

REBITDA margin decline reflects impact of protection market share

## Revenue (€m)



## Profitability



# North America: Strong revenue growth and resilient margin

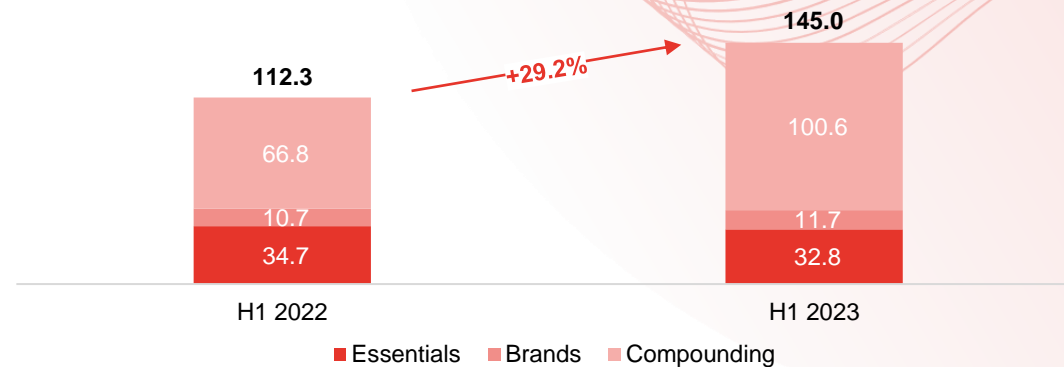
Revenue growth driven by impressive performance at FSS and Anazao

Gross margin improvement mainly driven by better product mix

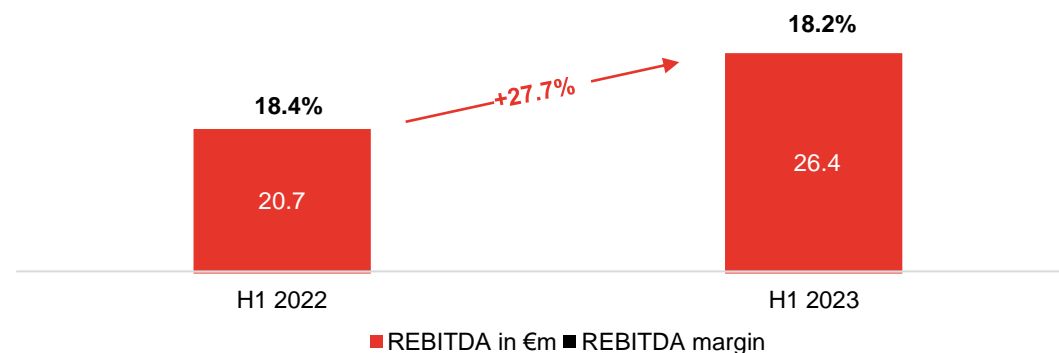
Development operating expenses mainly reflects growing scale at Wichita and Anazao

REBITDA margin improved by 270bps compared to H2 2022, driven by Letco & Boston integration as well as operational efficiency at Wichita

## Revenue (€m)



## Profitability



# Free cash flow generation intact when adjusting for one-off capex

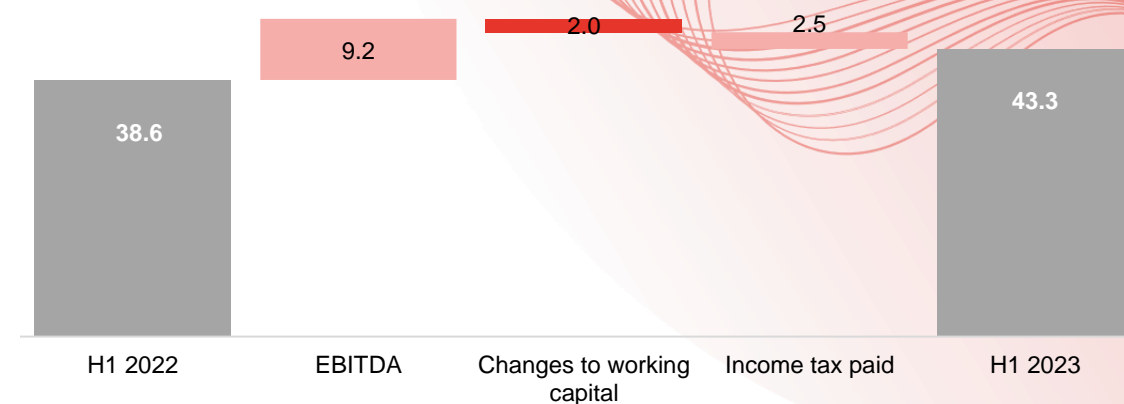
Operating working capital as percentage of revenue improved YoY reflecting improved payment terms in EMEA and NA

Operating working capital increased YoY, reflecting volume increase in NA

Capex was 5.6% of revenue; if adjusted for investments in EMEA licensing deal and Anazao, at 3.5% of revenue

Free cashflow of €30.1 million excluding one-off investments

## Cashflow from operating activities development (€m)

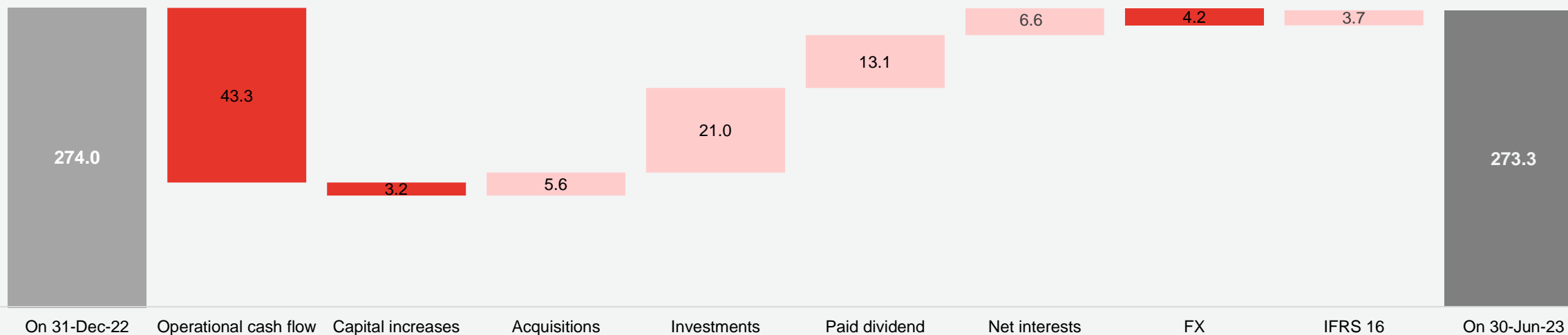


€m	H1 2023	H1 2022
<b>EBITDA</b>	<b>71.7</b>	<b>62.5</b>
Changes to working capital	(17.2)	(15.2)
Income tax paid	(11.2)	(8.7)
<b>Cashflow from operating activities</b>	<b>43.3</b>	<b>38.6</b>

# Strong balance sheet and sufficient room for M&A

## Net debt evolution YTD

in €m



Net financial debt decreased by €0.7 million to €273.3 million

Net Debt to EBITDA ratio remained unchanged at 1.9x

Sufficient headroom to support M&A strategy given 2.8x leverage threshold



# FY 2023 outlook

FY 2023  
Revenue

High single digit organic growth

FY 2023  
REBITDA margin

Increase in profitability

Capex

3.5% of revenue  
&  
One-off capex related to licensing deal, Tampa and Decatur

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# Conclusion

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**Rafael Padilla**  
CEO



# Global leader in niche pharmaceutical compounding market

**Together**  
we personalize  
medicine

01



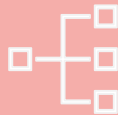
Capitalizing on unique market positioning

02



Strong cash generation capability

03



Operational excellence a key strategic focus

04



Disciplined M&A approach & strong execution capabilities

05



Sustainability remains a key strategic pillar

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# Questions

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