Press release

Regulated information
Nazareth (Belgium)/Rotterdam (The Netherlands), 13 February 2020

Fagron realises turnover growth of 13.4%; REBITDA increases to € 117.0 million

Operational cash flow increases to € 98.8 million

Financial highlights of 2019[1]

- **Turnover increased to € 534.7 million (+13.4%); organic turnover growth of 8.3%**
- **REBITDA[2] increased to € 117.0 million (+9.9%); EBITDA +13.2%**
- **Net profit[3] up 30.3% at € 55.7 million**
- **Strong operating cash flow[4] of € 98.8 million**
- **Net financial debt /REBITDA ratio of 2.33 at the end of 2019**
- **Dividend proposal of € 0.15 per share**

Strategic and operational highlights

- **Integration of acquisitions in Mexico, Brazil and Czech Republic started**
- **Successful start for Fagron Genomics**
- **Strong improvement in operational working capital to 8.1% of turnover (2018: 10.2%)**
- **Sale of HL Technology completed**

Rafael Padilla, CEO of Fagron: *"Fagron achieved very good results in 2019, with strong growth in both turnover and REBITDA. Turnover increased by 13.4% to € 534.7 million, supported by a healthy organic growth and the contribution from a number of strategic acquisitions in 2019. REBITDA also showed a good development, increasing by 9.9% to € 117.0 million, while we continued to invest in the further development of our organization and activities.*

In 2019 we took further important steps to strengthen our foundation. The acquisitions in our various geographical markets have strengthened both our product proposition and our positioning as the global market leader in niche markets. The establishment of Fagron Genomics and the successful launch of various genetic tests has added a promising branch to our activities.

In North America we successfully completed the integration of Humco. The resulting commercial synergies further reinforce Fagron's competitive position and contributed to the very strong performance of Brands and Essentials. The sterile compounding facilities in Wichita are on track to achieve the stated turnover target by 2022 at the latest. Due to a change in the services provided to certain large customers turnover growth in the fourth quarter was slightly lower, but with a higher profitability.

In Europe the sterile GMP-compounding facility in the Netherlands, which has been fully operational again since July, saw turnover growth level off somewhat in the fourth quarter due to the complex process to get

[1] The 2019 figures are compared to the 2018 figures, adjusted for the impact of IFRS 16.
[2] EBITDA before the non-recurring result.
[3] Net profit from continuing operations.
[4] Operational cash flow corrected for discontinued operations.

commitment of new hospitals. Genomics showed a promising development with growth accelerating in the course of the year. Furthermore, we made a start on integrating Dr. Kulich Pharma, the company we acquired in the Czech Republic.

Over the past year we significantly strengthened our position in Latin America with several acquisitions. Following the acquisition of Cedrosa we now have access to the rapidly growing Mexican market, while the acquisition of Levviale, Apace and Ortofarma strengthened our leading position in Brazil. We started integrating these companies in the second half of the year. The Latin American activities also continued their strong organic performance.

With the successes we achieved in 2019 we have further strengthened our foundation and we look forward to reaping the continued benefits of this in 2020."

Financing update – New sustainable credit facility with improved terms

On 1 August 2019, Fagron entered into a new syndicated multi-currency credit facility of € 375 million with improved terms, resulting in greater flexibility and lower financing costs. The new credit facility has a maturity of five years with two one-year extension options.

The credit facility is a so-called Sustainability Linked Loan. The interest on the new credit facility is linked to Fagron's sustainability aim to reduce greenhouse emissions (Scope 1 and Scope 2 of the GHG protocol) in six years by approximately 30%. Based on the annual progress measured, a discount or surcharge can be applied to the credit facility's interest rate.

As of 2020 the sustainability aim to reduce greenhouse emissions in six years by approximately 30% is also linked to the variable remuneration of management.

Update buy-and-build

In 2019 Fagron strengthened its position in Mexico with the acquisition of Central de Drogas, S.A. de C.V. ('Cedrosa'). With this acquisition Fagron enters the attractive and growing Mexican market for personalised medicine. Cedrosa realized a turnover of around € 22.5 million and an EBITDA-margin of 14.5% in 2018. Fagron further strengthened its market leadership in Brazil with the acquisitions of Levviale, Apace and Ortofarma Laboratories. These three acquisitions realised a combined turnover of approximately € 9.9 million and an EBITDA-margin of approximately 7.4% in 2018. Furthermore, Fagron acquired Dr. Kulich Pharma in the Czech Republic. Dr. Kulich Pharma realised turnover of around € 5.1 million and an EBITDA-margin of approximately 17.8% in 2018.

Operational update - Start construction of new repackaging facility in Poland

In 2019, Fagron started with the construction of a new GMP facility for the repackaging of raw materials in Krakow, Poland. The new facility will not only replace the current Polish facility but is also an important step in the process to more centralise the repackaging of raw materials in Europe. The total investment is currently estimated at € 8 million. The new facility is expected to be operational in the second semester of 2020 and a structural annual margin improvement of € 2 million is expected as of 2021.

Final settlement with US Department of Justice

In November 2019 Fagron reached a final settlement with the US Department of Justice regarding the previously announced civil investigation in the context of the sector-wide investigation into the pricing of pharmaceutical products. The final settlement entails a payment by Fagron of US$ 22.3 million.

The settlement agreement with the US Department of Justice does not contain an admission of wrongdoing, fault or liability of any kind by Fagron. With this settlement, all ongoing investigations by the

US Department of Justice against Fagron and its subsidiaries will be terminated and there will be no further exposure and associated costs for Fagron.

HL Technology

On 10 October 2019 Fagron signed an agreement with the management of HL Technology for the sale of the activities. The purchase price amounted to € 5.2 million and the transaction was completed on 24 October. HL Technology is deconsolidated as of 1 October 2019.

Settlement AnazaoHealth

At the end of October 2019 Fagron reached a settlement with the former owner of AnazaoHealth, who claimed compensation of up to US$ 20 million in relation to the acquisition of AnazaoHealth. Fagron contested this claim. The confidential settlement agreement includes a payment by Fagron that does not qualify as material for Fagron.

Changes to Board of Directors

Following the successful private placement of the remaining shareholding in Fagron by Waterland and Baltisse in October 2019, Frank Vlayen, Matthias Geyssens, Judy Martins and Marc Janssens stepped down as non-executive directors of Fagron NV. In December the Board of Directors of Fagron decided to co-opt Rob ten Hoedt as non-executive and independent director of Fagron. His appointment is subject to approval by the general meeting of shareholders of Fagron.

Events after balance sheet date

Acquisition of Gako

At the end of January 2020, Fagron completed the acquisition of the activities of German company Gako. Gako is a leading global developer, manufacturer and supplier of mixing equipment that pharmacists can use for the compounding of semi-solid dermatological formulations (primarily creams and ointments) directly in the final packaging or in bulk packaging. In 2019 Gako generated turnover of € 4.5 million with an EBITDA margin of approximately 15%. The acquisition price for the Gako activities was € 5.7 million with the transaction comprising all the technologies, scientific data, and patents and trademarks, as well as the Gako production facility in Bamberg (Germany).

Partnership with Azelis

At the beginning of February 2020, Fagron entered into a partnership with Azelis Australia for the distribution of Essentials and Brands in Australia and New Zealand. Fagron’s local activities have been transferred to Azelis in an asset deal. The move allows Azelis and Fagron to strengthen their combined positioning in the competitive Australian market.

Income statement and balance sheet

Income statement (x € 1,000)	2019	2018	Δ	2018 incl. IFRS 16	Δ
Net turnover	**534,695**	**471,679**	**13.4%**	**471,679**	**13.4%**
Gross margin	322,010	290,735	10.8%	290,735	10.8%
As % of net turnover	*60.2%*	*61.6%*		*61.6%*	
Operating costs	205,009	191,677	7.0%	184,305	11.2%
As % of net turnover	*38.3%*	*40.6%*		*39.1%*	
EBITDA before non-recurrent result	**117,001**	**99,059**	**18.1%**	**106,431**	**9.9%**
As % of net turnover	*21.9%*	*21.0%*		*22.6%*	
Non-recurrent result	-3,294	-6,012	-45.2%	-6,012	-45.2%
EBITDA	**113,706**	**93,047**	**22.2%**	**100,419**	**13.2%**
As % of net turnover	*21.3%*	*19.7%*		*21.3%*	
Depreciation and amortization	29,319	19,575	49.8%	26,389	11.1%
EBIT	**84,388**	**73,472**	**14.9%**	**74,030**	**14.0%**
As % of net turnover	*15.8%*	*15.6%*		*15.7%*	
Financial result	-14,502	-18,636	-22.2%	-19,722	-26.5%
Profit before taxes	69,886	54,835	27.4%	54,307	28.7%
Taxes	-14,199	-11,553	22.9%	11,553	22.9%
Net profit from continued operations	**55,687**	**43,282**	**28.7%**	**42,754**	**30.3%**
Result from discontinued operations	-14,147	-377	3656.8%	-377	3656.8%
Net profit	**41,540**	**42,905**	**-3.2%**	**42,377**	**-2.0%**
Recurrent net profit[5]	**58,082**	**49,491**	**17.4%**	**48,963**	**18.6%**
Net profit per share (€)	0.58	0.60	-3.3%	0.59	-1.7%
Recurrent net profit per share	0.81	0.69	17.4%	0.68	19.1%
Average number of outstanding shares	71,797,971	71,740,277	0.1%	71,740,277	0.1%

[5] Recurrent net profit is defined as the profit before non-recurring items and revaluation of financial derivatives, corrected for taxes.

Income statement (x € 1,000)	H2-2019	H2-2018	Δ	H2 2018 incl. IFRS 16	Δ
Net turnover	**279,296**	**240,755**	**16.0%**	**240,755**	**16.0%**
Gross margin	166,076	148,806	11.6%	148,806	11.6%
As % of net turnover	*59.5%*	*61.8%*		*61.8%*	
Operating costs	104,665	98,400	6.4%	94,643	10.6%
As % of net turnover	*37.5%*	*40.9%*		*39.3%*	
EBITDA before non-recurrent result	**61,411**	**50,406**	**21.8%**	**54,163**	**13.4%**
As % of net turnover	*22.0%*	*20.9%*		*22.5%*	
Non-recurrent result	-1,897	-1,346	41.0%	-1,346	41.0%
EBITDA	**59,513**	**49,060**	**21.3%**	**52,817**	**12.7%**
As % of net turnover	*21.3%*	*20.4%*		*21.9%*	
Depreciation and amortization	15,655	10,076	55.4%	13,567	15.4%
EBIT	**43,858**	**38,984**	**12.5%**	**39,250**	**11.7%**
As % of net turnover	*15.7%*	*16.2%*		*16.3%*	
Financial result	-7,457	-8,162	-8.6%	-8,727	-14.6%
Profit before taxes	36,401	30,822	18.1%	30,523	19.3%
Taxes	-7,485	-6,313	18.6%	-6,313	18.6%
Net profit from continued operations	**28,916**	**24,509**	**18.0%**	**24,210**	**19.4%**
Result from discontinued operations	-308	-377	-18.3%	-377	-18.3%
Net profit	**28,609**	**24,133**	**18.5%**	**23,833**	**20.0%**
Recurrent net profit[6]	**30,076**	**27,240**	**10.4%**	**26,951**	**11.6%**
Net profit per share (€)	0.40	0.34	17.6%	0.33	21.2%
Recurrent net profit per share	0.42	0.38	10.5%	0.38	10.5%
Average number of outstanding shares	71,855,666	71,740,277	0.2%	71,740,277	0.2%

Balance sheet (x € 1,000)	31-12-2019	31-12-2018
Intangible fixed assets	418,137	391,388
Property, plant and equipment	121,208	73,439
Deferred tax assets	18,420	16,061
Financial assets	4,287	2,158
Operational working capital	44,763	49,029
Other working capital	-63,251	-50,733
Equity	246,440	209,716
Provisions and pension obligations	11,431	18,943
Financial instruments	507	131
Deferred tax liabilities	339	259
Net financial debt	284,847	252,294

[6] Recurrent net profit is defined as the profit before non-recurring items and revaluation of financial derivatives, corrected for taxes.

Notes to the consolidated results[7]

Income statement

Consolidated turnover amounted to € 534.7 million, an increase of 13.4% (+12.4% at constant exchange rates) compared to 2018. Organic growth amounted to 8.3% (+7.5% at constant exchange rates). More detailed information on turnover development by region can be found under 'Key figures by segment'.

(x € 1,000)	2019	2018	Total growth	Total growth CER	Org. growth	Org. growth CER
Fagron	528,462	464,504	+13.8%	+12.8%	+8.3%	+7.4%
HL Technology	6,233	7,174	-13.1%	-16.4%	+16.2%	+11.9%
Fagron Group	534,695	471,679	+13.4%	+12.4%	+8.3%	+7.5%

(x € 1,000)	H2-2019	H2-2018	Total growth	Total growth CER	Org. growth	Org. growth CER
Fagron	277,444	237,219	+17.0%	+15.8%	+9.5%	+8.3%
HL Technology	1,853	3,536	-47.6%	-49.9%	+7.4%	+2.7%
Fagron Group	279,296	240,755	+16.0%	+14.8%	+9.5%	+8.3%

CER = Constant Exchange Rates

The **gross margin** increased by 10.8% to € 322.0 million. The gross margin as a percentage of turnover decreased by 140 basis points to 60.2%. The decline was partly attributable to the consolidation of acquisitions with a lower gross margin.

Operating costs as a percentage of turnover were 38.3% in 2019, a decline of 80 basis points compared to 39.1% in 2018. Operating costs increased by € 20.7 million or 11.2% to € 205.0 million in 2019. The increase was mainly due to the acquisition and integration of acquisitions made in 2018 (Humco) and 2019 (Cedrosa, Ortofarma, Levviale, Apace and Dr. Kulich Pharma).

EBITDA before the non-recurring result increased by 9.9% (+9.4% at constant exchange rates) to € 117.0 million in 2019. EBITDA before the non-recurring result as a percentage of turnover decreased by 70 basis points to 21.9%.

The **non-recurring result** was a negative € 3.3 million and related mainly to the settlement reached in 2019 with the former owner of AnazaoHealth in the United States, redundancy costs and acquisition-related costs. In 2018 the non-recurring result was a negative € 6.0 million.

EBITDA increased by 13.2% to € 113.7 million. EBITDA as a percentage of turnover was unchanged at 21.3%.

Depreciation and amortization amounted to € 29.3 million, an increase of 11.1% compared to € 26.4 million in 2018.

EBIT was € 84.4 million, up 14.0% compared to 2018.

The **financial result** improved by 26.5% to a negative € 14.5 million.

[7] The 2019 figures are compared to the 2018 figures, adjusted for the impact of IFRS 16.

The **effective tax rate** as a percentage of the profit before taxes was 20.3% in 2019 (2018: 21.3%). The **effective cash tax rate** was 22.5% in 2019 (2018: 22.0%).

The **net profit from continuing operations** was € 55.7 million, an increase of 30.3% compared to 2018. The **result from discontinued operations** related mainly to the final settlement with the US Department of Justice. The **net profit** amounted to € 41.5 million, a decline of 2.0% compared to € 42.4 million in 2018.

Balance sheet

The key movements at balance sheet level can be summarized as follows.

The **intangible fixed assets** increased by € 26.7 million in 2019. The increase was mainly caused by the recognition of goodwill as a result of the acquisitions made in 2019.

Property, plant and equipment increased by € 47.8 million in 2019. The increase was mainly due to the application of IFRS 16 and to investments.

The **operational working capital** as a percentage of turnover amounted to 8.1%, down 210 basis points compared to 10.2% in 2018.

Net financial debt increased by € 32.6 million to € 284.8 million in 2019. The net financial debt/REBITDA ratio was 2.33 at 31 December 2019.

The table below shows the development of net financial debt in 2019.

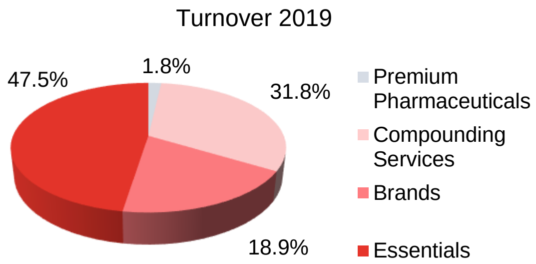
(x € 1,000)	
Net financial debt on 31 December 2018	**252,294**
Operational cash flow	-98,785
Acquisitions	27,123
Divestments	-4,401
Investments	22,174
Capital increase	-2,472
Settlement with US DoJ	21,610
Paid dividend	8,609
Net interests	14,941
Exchange rate differences	2,014
Impact IFRS 16	41,740
Net financial debt on 31 December 2019	**284,847**

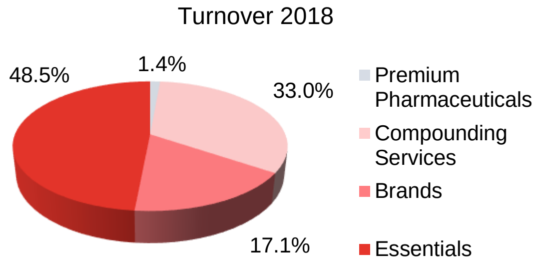
Net operational capex was € 22.2 million (4.1% of turnover) in 2019. Capex consisted mainly of investments in a new repackaging facility for raw materials in Poland, existing facilities in the United States, Brazil and Spain (Fagron Genomics), automation of logistics processes, and software implementations. Excluding the investment of up to € 5.1 million in the new repackaging facility in Poland, capex amounted to 3.2% of turnover in 2019.

Key figures per segment[8]

Fagron (excluding HL Technology)

(x € 1,000)	H2-2019	H2-2018	Δ	2019	2018	Δ
Turnover	277,444	237,219	+17.0%	528,462	464,504	+13.8%
REBITDA[9]	61,241	53,982	+13.4%	116,018	105,494	+10.0%
REBITDA-margin	22.1%	22.8%		22.0%	22.7%	





Turnover at Fagron (excluding HL Technology) increased by 13.8% (+12.8% at constant exchange rates) to € 528.5 million in 2019. Organic turnover growth amounted to 8.3% (+7.4% at constant exchange rates), with all continents where Fagron is active contributing to the growth. REBITDA increased by 10.0% (+9.5% at constant exchange rates) to € 116.0 million. REBITDA as a percentage of turnover decreased by 70 basis points to 22.0%.

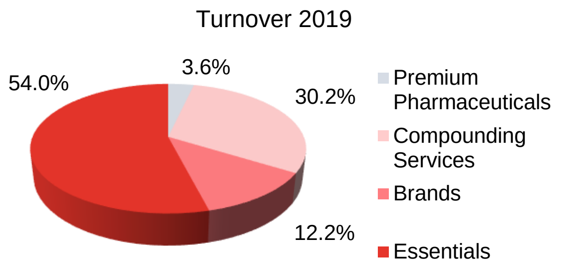
The table below shows the turnover development and exchange rate effects at Fagron (excluding HL Technology) in 2019.

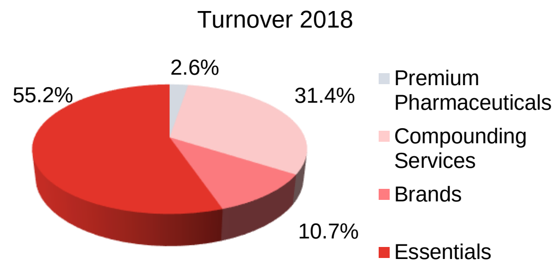
(x € 1,000)	Impact
Turnover in 2018	**464,504**
Development Europe[10]	+5,168
Development Latin America	+10,530
Development North America	+18,681
Currency effect BRL/euro	-2,668
Currency effect US$/euro	+7,121
Currency effect other	-490
Contribution of acquisitions	+25,616
Turnover in 2019	**528,462**

[8] The 2019 figures are compared to the 2018 figures, adjusted for the impact of IFRS 16.
[9] EBITDA before the non-recurring result.
[10] The Europe segment comprises the Fagron activities in Europe, South Africa and Australia.

Fagron Europe[11]

(x € 1,000)	H2-2019	H2-2018	Δ	2019	2018	Δ
Turnover	128,324	122,550	+4.7%	257,001	250,086	+2.8%
REBITDA[12]	32,542	32,291	+0.8%	67,133	66,708	+0.6%
REBITDA-margin	25.4%	26.3%		26.1%	26.7%	





The turnover of the Europe segment increased by 2.8% in 2019 (+2.9% at constant exchange rates) to € 257.0 million. Adjusted for the acquisition of Dr. Kulich Pharma (Czech Republic) organic turnover growth was 1.9% (+2.1% at constant exchange rates). REBITDA increased slightly to € 67.1 million. REBITDA as a percentage of turnover decreased by 60 basis points to 26.1%.

Compounding Services reported a slight decrease in turnover due to the growing number of registrations of non-sterile compounds by Fagron. Consequently, this turnover is now reported under the Premium Pharmaceuticals segment, whose share in total turnover increased as a result. The turnover of the GMP-certified sterile compounding facility in the Netherlands, which has been fully operational again since July 2019, saw turnover growth level off somewhat in the fourth quarter due to the complex process to get commitment of new hospitals.

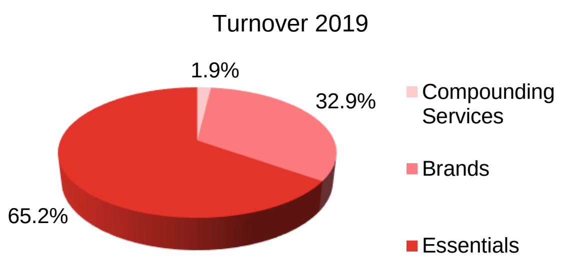
The success of Fagron Genomics is reflected in the growth of the share of Brands. Sales of genetic tests totalled over 8,200 units in 2019. In October Fagron Genomics introduced the NutriGen DNA test for professional nutrigenomic advice in Europe, South Africa and Mexico. Initial sales are promising.

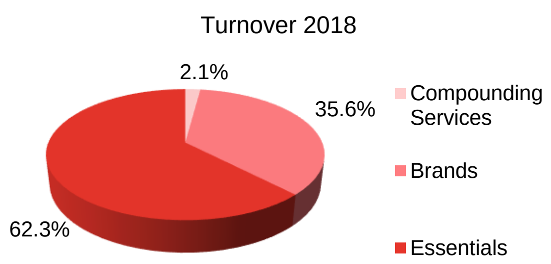
In the second half of the year Fagron started the integration of Dr. Kulich Pharma in the Czech Republic, which provides operating synergies.

[11] The Europe segment comprises the Fagron activities in Europe, South Africa and Australia.
[12] EBITDA before non-recurring result.

Fagron Latin America

(x € 1,000)	H2-2019	H2-2018	Δ	2019	2018	Δ
Turnover	73,134	52,050	+40.5%	125,552	100,930	+24.4%
REBITDA[13]	14,966	10,873	+37.6%	25,351	21,032	+20.5%
REBITDA-margin	20.5%	20.9%		20.2%	20.8%	





The turnover of the Latin America segment increased by 24.4% in 2019 (+27.1% at constant exchange rates) to € 125.6 million. Organic turnover growth at constant exchange rates was 10.4%. REBITDA increased by 20.5% to € 25.4 million. REBITDA as a percentage of turnover decreased by 60 basis points to 20.2%.

In the second half of the year, Fagron started on integrating the companies acquired in Mexico (Cedrosa) and Brazil (Levviale, Apace and Ortofarma). The acquisition of Cedrosa marks Fagron's debut on the attractive Mexican market. The first Fagron Academies were organized in Mexico to inform prescribers and pharmacists about the possibilities and developments in personalized medicine.

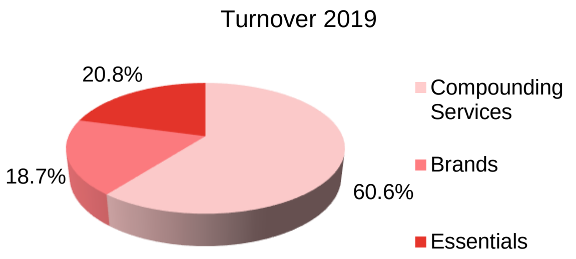
The decline in the share of Brands in total turnover was mainly due to the acquisitions made in 2019 as these companies are primarily active in Essentials.

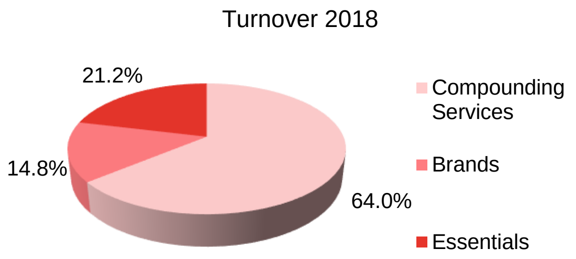
The Compounding Services activities in Colombia once again reported strong growth with turnover growth of 19.0% (at constant exchange rates).

[13] EBITDA before non-recurring result.

Fagron North America

(x € 1,000)	H2-2019	H2-2018	Δ	2019	2018	Δ
Turnover	75,985	62,619	+21.3%	145,910	113,488	+28.6%
REBITDA[14]	13,733	10,818	+26.9%	23,534	17,754	+32.6%
REBITDA-margin	18.1%	17.3%		16.1%	15.6%	





The turnover of the North America segment increased by 28.6% in 2019 (+21.8% at constant exchange rates) to € 145.9 million. Organic turnover growth was 22.7% (+16.5% at constant exchange rates). REBITDA increased 32.6% to € 23.5 million. The REBITDA margin increased to 16.1%, up 50 basis points compared to 2018.

The sterile activities of Fagron (Compounding Services) in the United States performed in line with expectations, realising turnover growth of 21.7% in 2019 (+15.3% at constant exchange rates). Turnover growth at the sterile compounding facilities in Wichita was 35.8% in 2019 (+28.7% at constant exchange rates). The sterile compounding facilities in Wichita are on track to achieve the stated turnover target by 2022 at the latest. Due to a change in the services provided to certain large customers turnover growth in the fourth quarter was a little lower, but with a higher profitability. AnazaoHealth realised turnover growth of 12.9% (+7.0% at constant exchange rates). In the fourth quarter of 2019, Anazao further focused on the product offer of the 503A-facility in Tampa (Florida). As a result, Anazao stopped with certain low-margin nuclear products. The impact on turnover will amount to approximately US$ 5 million on an annual basis.

For the full year 2019 the turnover of Brands and Essentials grew by 40.6% (+33.2% at constant exchange rates) compared to 2018. Organic turnover growth amounted to 24.6% (+18.4% at constant exchange rates). The intensive collaboration between Fagron and Humco, which was acquired in April 2018, is providing commercial synergies and benefits of scale, creating a strong and competitive player in the US market.

HL Technology

(x € 1,000)	H2-2019	H2-2018	Δ	2019	2018	Δ
Turnover	1,853	3,536	-47.6%	6,233	7,174	-13.1%
REBITDA[15]	170	180	-5.9%	983	937	+4.9%
REBITDA-margin	9.2%	5.1%		+15.8%	+13.1%	

[14] EBITDA before non-recurring result.
[15] EBITDA before non-recurrent result.

As mentioned earlier, the sale of HL Technology was completed in October 2019 with the activities being deconsolidated with effect from 1 October 2019.

Dividend

The Board of Directors will propose to the General Meeting of Shareholders to pay a gross dividend of € 0.15 per share for 2019, an increase of 25% compared to € 0.12 per share for 2018.

Statement by the Statutory Auditor

The statutory auditor, Deloitte Bedrijfsrevisoren CVBA, represented by Ine Nuyts, has confirmed that the audit procedures have been substantially completed. The audit procedures have revealed no material adjustments that would have to be made to the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement included in the press release.

Conference call

Rafael Padilla (CEO) and Karin de Jong (CFO) will elaborate on the 2019 financial results during a conference call today. The conference call will begin at 9:30 a.m. CET. From 10 minutes in advance, you will be able to call in using the numbers and confirmation code below:

Belgium: +32 (0)2 404 0659
Netherlands: +31 (0)20 703 8211
Spain: +34 91 419 2307
United Kingdom: +44 (0)330 336 9128
United States: +1 323 994 2093
Confirmation Code: 6386261

The presentation will be available from 9:00 a.m. CET on http://investors.fagron.com.

Financial calendar 2020

14 April	Trading update, first quarter of 2020
11 May	General Meeting of Shareholders
6 August	Half-year figures 2020
13 October	Trading update, third quarter of 2020

The results and trading updates will be published at 7:00 a.m. CET.

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

For more information

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Fagron profile

Fagron is a leading global company active in pharmaceutical compounding, focusing on delivering personalised medicine to hospitals, pharmacies, clinics and patients in 36 countries around the world.

The Belgian company Fagron NV is located in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. Fagron's operational activities are driven by the Dutch company Fagron BV. Fagron BV's head office is located in Rotterdam.

Important information regarding forward-looking statements

Certain statements in this press release could be considered 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 guarantees that such forward-looking statements will, in fact, materialise 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.

Consolidated income statement

(x € 1,000)	2019	2018
Operating income	**536,681**	**473,395**
Turnover	534,695	471,679
Other operating income	1,985	1,716
Operating expenses	**452,293**	**399,923**
Trade goods	212,685	181,253
Services and other goods	81,995	82,144
Employee benefit expenses	124,695	112,573
Depreciation and amortization	29,319	19,575
Other operating expenses	3,600	4,379
Operating profit	**84,388**	**73,472**
Financial income	1,682	643
Financial expenses	-16,183	-19,279
Profit before income tax	**69,886**	**54,835**
Taxes	14,199	11,553
Net profit for the year from continued operations	**55,687**	**43,282**
Net profit (loss) for the year from discontinued operations (attributable to equity holders of the company)	-14,147	-377
Profit for the period	**41,540**	**42,905**
Attributable to:		
Equity holders of the company (net result)	41,056	42,486
Non-controlling interest	485	419
Earnings (loss) per share attributable to owners of the parent during the period		
Profit (loss) per share (in euros)	**0.57**	**0.59**
From continued operations	0.77	0.60
From discontinued operations	-0.20	-0.01
Diluted profit (loss) per share (in euros)	**0.56**	**0.59**
From continued operations	0.75	0.60
From discontinued operations	-0.19	-0.01

Consolidated statement of comprehensive income

(x € 1,000)	2019	2018
Net result for the financial year	**41,540**	**42,905**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	-540	-352
Tax relating to items that will not be reclassified	135	88
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	556	-11,647
Other comprehensive income for the year net of tax	**151**	**-11,911**
Total comprehensive income for the year	**41,692**	**30,994**
Attributable to:		
Equity holders of the company	41,207	30,575
Non-controlling interest	485	419
Total comprehensive income for the year	**41,692**	**30,994**
Total comprehensive income for the year attributable to equity holders of the company:		
From continued operations	55,354	30,952
From discontinued operations	-14,147	-377
Total comprehensive income for the equity holders	**41,207**	**30,575**

Consolidated statement of financial position

(x € 1,000)	2019	2018
Non-current assets	**562,052**	**483,046**
Goodwill	389,326	365,135
Intangible fixed assets	28,811	26,252
Property, plant and equipment	87,606	73,302
Lease assets	33,601	137
Financial assets	4,287	2,158
Deferred tax liabilities	18,420	16,061
Current assets	**239,189**	**199,726**
Inventories	77,479	74,658
Trade receivables	44,588	38,289
Other receivables	10,438	9,200
Cash and cash equivalents	106,684	77,579
Total assets	**801,240**	**682,772**
Equity	**246,440**	**209,716**
Shareholders' equity (parent)	242,028	205,841
Non-controlling interest	4,413	3,875
Non-current liabilities	**363,029**	**285,250**
Provisions	5,653	13,759
Pension obligations	5,778	5,183
Deferred tax liabilities	339	259
Borrowings	322,619	265,883
Lease liabilities	28,189	35
Financial instruments	451	131
Current liabilities	**191,771**	**187,806**
Borrowings	34,119	63,889
Lease liabilities	6,604	66
Trade payables	77,303	63,918
Taxes, remuneration and social security	31,842	31,395
Other current payables	41,847	28,538
Financial instruments	56	
Total liabilities	**554,800**	**473,056**
Total equity and liabilities	**801,240**	**682,772**

Consolidated statement of changes in equity

(x € 1,000)	Share capital & share	Other reserves	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance as of 31 December 2017	**507,670**	**-233,226**	**-18,823**	**-74,223**	**181,398**	**3,483**	**184,881**
Profit for the period				42,486	42,486	419	42,905
Other comprehensive income		-11,884			-11,884	-27	-11,911
Total comprehensive income for the period		**-11,884**		**42,486**	**30,602**	**392**	**30,994**
Capital increase							
Declared dividends				-7,184	-7,184		-7,184
Share-based payments		1,025			1,025		1,025
Balance as of 31 December 2018	**507,670**	**-244,085**	**-18,823**	**-38,921**	**205,841**	**3,875**	**209,716**
Profit for the period				41,056	41,056	485	41,540
Other comprehensive income		98			98	53	151
Total comprehensive income for the period		**98**		**41,056**	**41,154**	**538**	**41,692**
Capital increase	2,472				2,472		2,472
Declared dividends				-8,621	-8,621		-8,621
Share-based payments		1,182			1,182		1,182
Balance as of 31 December 2019	**510,142**	**-242,805**	**-18,823**	**-6,486**	**242,028**	**4,413**	**246,440**

Consolidated cash flow statement

(x € 1,000)	2019	2018
Operating activities		
Profit before income taxes from continued operations	69,886	54,835
Profit before income taxes from discontinued operations	-14,147	-377
Taxes paid	-15,741	-11,928
Adjustments for financial items	14,502	18,636
Total adjustments for non-cash items	22,785	19,837
Total changes in working capital	-110	-7,727
Total cash flow from operating activities	**77,175**	**73,278**
Investment activities		
Capital expenditure	-22,174	-15,694
Proceeds from sold shareholdings	3,140	
Investments in existing shareholdings (subsequent payments) and in new holdings	-24.554	-38,917
Total cash flow from investment activities	**-43,588**	**-54,611**
Financing activities		
Capital increase	2,472	
Dividends	-8,609	-7,174
New borrowings	418,315	71,624
Reimbursement of borrowings	-401,723	-44,290
Interest received	1,682	643
Interest paid	-16,623	-19,014
Total cash flow from financing activities	**-4,486**	**1,789**
Total net cash flow for the period	**29,102**	**20,456**
Cash and cash equivalents – start of the period	77,579	60,771
Gains or losses on currency translation differences	3	-3,648
Cash and cash equivalents – end of the period	106,684	77,579
Changes in cash and cash equivalents	**29,102**	**20,456**
Net cash flow from discontinued operations		
Total cash flow from operating activities	-21,610	-377
Total cash flow from investment activities		
Total cash flow from financing activities		
Total net cash flow from discontinued operations	**-21,610**	**-377**