

Regulated information

Nazareth (Belgium)/Rotterdam (The Netherlands), 13 April 2023 – 7:00 AM CET

## Strong first quarter performance with 16% topline growth to €181 million

Fagron, the leading global player in pharmaceutical compounding today publishes its quarterly results for the period ending 31 March 2023.

### Key Highlights

- **Q1 2023 topline and organic growth across all regions**
  - Revenue increased by 16.0% to €181.4 million (12.8% at CER) driven by organic growth, acquisitions, and FX
  - Organic revenue growth of 11.0% (8.0% at CER)
- **Solid performance in EMEA and North-America and cautious return to organic revenue growth in Latin America**
  - Robust revenue growth trend in EMEA continues supported by pricing pass through as well as commercial and operational strengthening
  - Organic revenue growth in Latin America reflects initial signs of market stabilization and supported by improving operational efficiency
  - Revenue growth in North America driven by pleasing organic growth at FSS and continued good performance at Anazao. Combined run-rate of Wichita and Boston sterile outsourcing facilities was US\$125 million
- **Continued rollout of disciplined acquisition strategy**
  - Integration of Letco and 503B outsourcing facility in Boston in line with expectations
  - Acquisition of Wildlife Pharmaceuticals in South-Africa enables access to attractive veterinary market

### Rafael Padilla, CEO of Fagron:

*“Our performance in the first quarter reflects our focused execution, and resilience in the business model despite the uncertain macro-economic environment. All our regions have shown organic growth mainly reaping the benefits of the strategic initiatives on the operational and commercial front. The performance in EMEA has continued its upward trajectory following pricing pass-through and operational excellence and commercial initiatives bearing fruit. In Latin America, we have seen initial signs of recovery in the market although the competitive environment remains heightened. In North America, syringe supply continued to ease which resulted in improved performance at FSS, while Anazao’s firm performance was supported by strong underlying demand for preventive healthcare.*

*The acquisition of Wildlife Pharmaceuticals in South-Africa allows us to expand our footprint in the attractive therapeutic area of veterinary compounding, further solidifying our local positioning. We remain committed to further consolidating the market and continuously assessing market opportunities across all our regions.*

*We remain confident about the prospects of our business globally and reiterate our FY 2023 and midterm guidance provided earlier this year.”*



## Key Financial Figures

(€ '000)	Revenue per region					
	Q1 '23	Q1 '22	Δ	Δ CER	Organic Δ	Organic Δ CER
EMEA	72,241	67,362	7.2%	7.7%	4.6%	5.0%
Latin America	39,121	36,591	6.9%	0.6%	6.9%	0.6%
North America	70,031	52,428	33.6%	27.8%	22.4%	17.1%
<b>Group</b>	<b>181,392</b>	<b>156,381</b>	<b>16.0%</b>	<b>12.8%</b>	<b>11.0%</b>	<b>8.0%</b>

(€ '000)	Revenue per segment					
	Q1 '23	Q1 '22	Δ	Δ CER	Organic Δ	Organic Δ CER
Essentials	82,274	79,986	2.9%	-0.3%	-1.5%	-4.5%
Brands	30,158	25,751	17.1%	14.0%	13.2%	10.0%
Compounding Services (CS)	68,960	50,644	36.2%	32.8%	29.5%	26.5%

## Regional highlights

(€ '000)	EMEA			Latin America			North America		
	Q1 '23	Q1 '22	Δ%	Q1 '23	Q1 '22	Δ%	Q1 '23	Q1 '22	Δ%
Essentials	39,186	38,390	2.1%	26,596	25,963	2.4%	16,492	15,633	5.5%
Brands	12,766	10,493	21.7%	11,812	10,000	18.1%	5,580	5,257	6.1%
CS	20,289	18,479	9.8%	712	627	13.6%	47,958	31,538	52.1%

### EMEA

- EMEA revenue continued its positive development on the back of the impact from the pricing pass through year-over-year, operational excellence initiatives bearing fruit, and the continued strengthening of our commercial approach. As a result, we saw solid revenue growth across most of our markets.
- Brands and Essentials revenue reflects successful innovative product launches and the improved product availability driven by the completed transition to our Polish GMP repackaging facility, as well as drug shortages in some markets.
- Compounding Services revenue was supported by recovery of elective care, registrations, and drug shortages in some markets.
- To further strengthen our registration business, we have invested in registration and exclusive distribution and licensing rights in the Benelux of some products. We expect to start seeing the benefits thereof in the course of 2024.

### Latin America

- Positive exchange rate impact continued in Q1 2023.
- Brands and Essentials revenue development reflects the initial signs of strengthening customer demand. This, combined with the roll-out of our operational efficiency programs and innovative product launches reinforced our leading market position in a still heightened competitive environment.
- Compounding Services in Colombia showed solid growth, supported by customer wins, and increasing orders from existing customers.

### North America

- Brands and Essentials revenue development improving as the majority of our repackaging activities transferred to the Letco facility.



- Compounding Services developed solidly at both Anazao and our sterile outsourcing businesses. Strong FSS revenue growth was driven by continued easing of the syringe supply, customer wins, and increasing orders from existing customers. Anazao benefitted from strong underlying demand for preventive healthcare which was supported by drug shortages.
- The combined run rate of the Wichita and Boston sterile outsourcing facilities was US\$125 million (annualized).
- The investment in the Anazao site in Tampa is progressing as planned. Investment plans for repackaging activities are being assessed.
- As we remain committed to bring the audit of the St. Paul facility to a satisfactory closure, we submit monthly update reports with the FDA while implementation of our remedial action plan is progressing well.
- During the quarter, the FDA conducted a regular inspection at the Boston sterile outsourcing facility, resulting in two observations. We have submitted our response to these observations and will update the FDA regularly as we work towards a satisfactory closure of the inspection.

### Outlook

Assuming no significant changes in current market conditions, we continue to expect a mid-to-high single digit organic revenue growth for 2023, as well as an increase in profitability developing progressively through the year.

We remain committed to our disciplined acquisition strategy in all regions where we are active as part of Fagron's growth strategy.

Our medium-term objectives remain unchanged.

### Webcast

Rafael Padilla (CEO) and Karin de Jong (CFO) will discuss the trading update in a conference call starting at 9.30 AM CET. Registration to the webcast 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 8.00 AM CET.

### Financial calendar 2023

3 August 2023	Half year results 2023
12 October 2023	Trading update third quarter 2023

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 more than 30 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.*