

Regulated information

Nazareth (Belgium)/Rotterdam (The Netherlands), 13 April 2021 – 7.00 am CET

Fagron realizes turnover of € 134.8 million

Strong operational performance in Latin and North America

Highlights of Q1-2021

- Reported turnover decreased 4.8% on sharply weaker BRL, USD and MXN versus EUR
- Turnover growth of 4.9% at constant exchange rates
- Strong operational performance in North and Latin America despite fewer doctor's visits and postponement of elective care
- Strong COVID-19 related decrease of prescriptions impacted performance in EMEA
- Wichita compounding facility on track; successful product launches offset lower demand due to COVID-19
- Transition to new repackaging facility in Poland to start in second half of April

Rafael Padilla, CEO of Fagron: *“As expected, the entire first quarter of 2021 was affected by far-reaching lockdowns in most of the regions where we are active, whilst the comparable year-earlier quarter was still virtually unaffected by COVID-19. In addition, currency effects had a downward impact on the reported turnover of our activities in North America and Latin America, while these regions showed a strong underlying operational performance. On balance Fagron as a whole realized slight organic turnover growth of 2.6% at constant exchange rates.*

In almost all the countries where we are active elective care was scaled back and doctor's visits were postponed, resulting in a decline in prescriptions across the market. This was clearly visible in EMEA in particular, where the number of prescriptions in the first quarter was lower not only compared to last year's level but also compared to the fourth quarter of 2020. This mainly affected Compounding Services and Essentials. In the earlier stages of the pandemic, this effect was offset by an increase in demand for COVID-19-related products, however this was not the case during the quarter under review because the health sector is now better equipped to deal with the situation.

The development outlined above resulted in a decline in turnover of more than 7% in EMEA. Thanks to our strong product portfolio and positioning, Fagron EMEA will be able to benefit once measures are eased and the number of prescriptions starts to increase. Moreover, we have taken more steps in EMEA to further increase the organization's efficiency. The transition of activities to the new GMP facility in Poland will commence in April with the facility representing an important step in the process to centralize the repackaging activities for EMEA.



Fagron Latin America realized strong organic growth of 21% at constant exchange rates. Although the countries where Fagron is active in this region were badly affected by COVID-19, pharmacies generally stayed open. Thanks to its scale and global network, Fagron is well equipped to cope with the challenging market conditions, as a result of which the company was able to improve its competitive position in these countries.

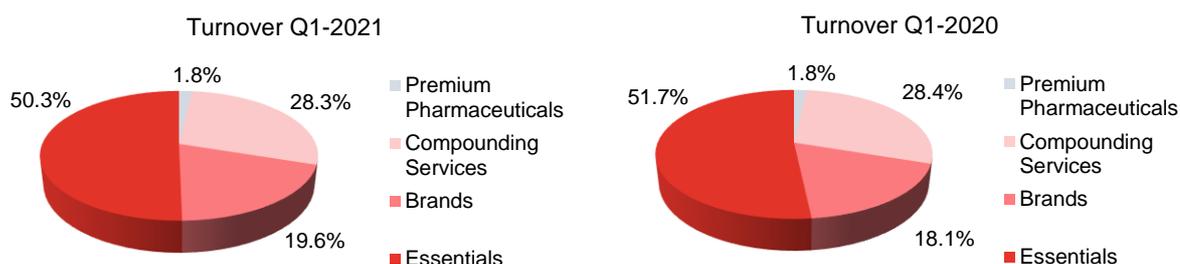
Fagron North America realized organic growth of more than 9% at constant exchange rates. Measures to contain COVID-19 vary strongly by region. During the first quarter of 2021, a number of states still had stringent restrictions in place, including important areas like California and the North East region, while other states started to reopen again. Although not yet back to pre-COVID-19 levels, we see elective care gradually returning once the measures are eased. During the quarter Fagron Sterile Services in Wichita once again successfully launched a number of new products, in response to COVID-19-related needs as well as general trends. Together with newly concluded contracts this gives us confidence that we will be able to further accelerate our growth in 2021.

All around the world vaccination programs will enable further relaxation of the restrictive measures, but the pace at which this is happening varies widely from region to region. This means that visibility continues to be limited by COVID-19. Our strong focus areas – prevention, lifestyle and outsourcing of sterile compounding activities by hospitals - have become even more relevant as a result of the pandemic. Together with a more focused organization and further expansion of the product portfolio this means that we are in an excellent position to benefit once the health sector returns to normal levels. We reiterate our expectation for growth in both turnover and profitability for the full year 2021.”

Key figures by segment

Fagron Group

(x € 1,000)	Q1-2021	Q1-2020	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	134,777	141,621	-4.8%	+4.9%	-7.0%	+2.6%



The turnover of Fagron Group decreased by 4.8% (+4.9% at constant exchange rates) to € 134.8 million in the first quarter of 2021. Organic turnover growth equaled 2.6% at constant exchange rates.

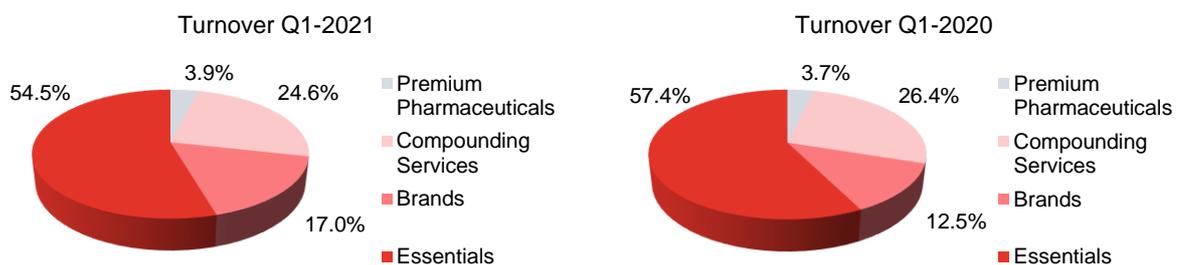


The table below shows the turnover development and exchange rate effects at Fagron Group in the first quarter of 2021.

(x € 1,000)	Impact
Turnover in Q1-2020	141,621
Development EMEA ¹	-7,196
Development Latin America	+3,688
Development North America	+7,180
Currency effect BRL/euro	-8,985
Currency effect US\$/euro	-3,665
Currency effect other	-965
Contribution acquisitions	+3,099
Turnover in Q1-2021	134,777

Fagron EMEA²

(x € 1,000)	Q1-2021	Q1-2020	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	63,110	68,074	-7.3%	-6.7%	-11.2%	-10.6%



The turnover of the EMEA segment decreased by 7.3% in the first quarter of 2021 (-6.7% at constant exchange rates) to € 63.1 million. Adjusted for the acquisitions of Gako (Germany) and Pharma Tamar (Israel) organic turnover growth was -11.2% (-10.6% at constant exchange rates).

Almost all the EMEA countries where Fagron is active were subject to (partial) lockdowns and other restrictive measures throughout the quarter. Whilst the demand for sterile compounding in The Netherlands remained strong, the effects of COVID-19 on elective care and doctor's visits impacted Compounding Services and Essentials. Brands sustained its strong performance. Whereas Brands and Essentials were able to benefit to a limited extent from the increased demand for COVID-related products in the first quarter of 2020, this effect was almost absent in the first quarter of 2021. Following the first wave of the pandemic the health sector is better prepared for the situation, partly thanks to increased knowledge and experience in the treatment of COVID-19 and because hospitals and pharmacies have adjusted their inventory policy to better cope with the situation. In addition, the shortage of certain products which arose during the first wave has largely been resolved.

¹ The EMEA segment comprises Fagron's activities in Europe, South Africa and Israel

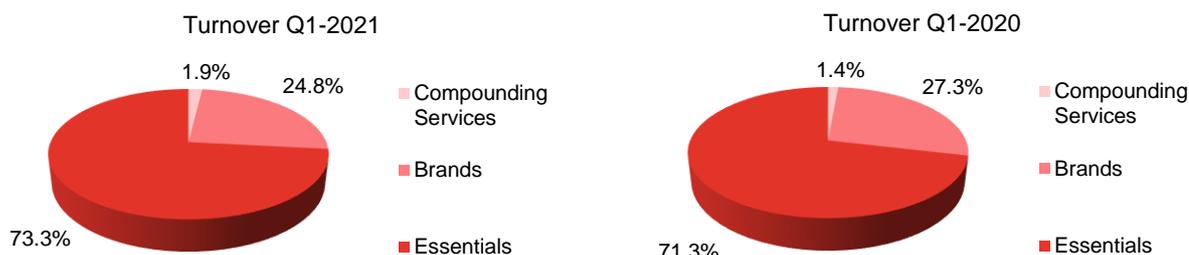
² The EMEA segment comprises Fagron's activities in Europe, South Africa and Israel



Turnover was also negatively impacted by last year's registration of a number of non-sterile preparations by other parties. The turnover of Premium Pharmaceuticals decreased slightly in the first quarter of 2021.

Fagron Latin America

(x € 1,000)	Q1-2021	Q1-2020	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	31,890	34,176	-6.7%	+21.3%	-6.9%	+21.0%



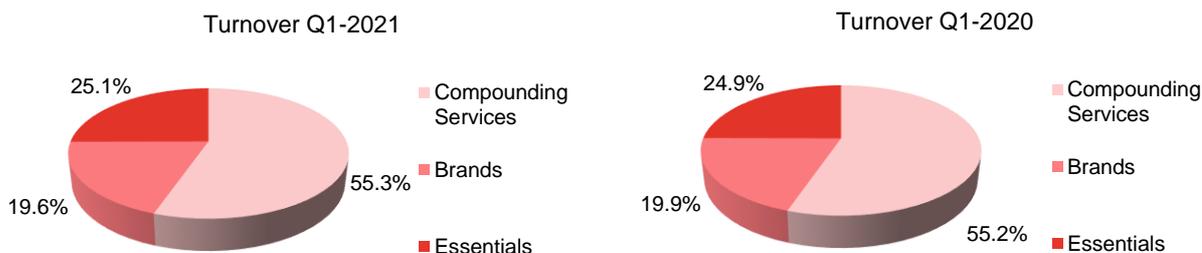
The turnover of the Latin America segment decreased by 6.7% in the first quarter of 2021 (+21.3% at constant exchange rates) to € 31.9 million, with the decline due to the sharp weakening of the Brazilian real and the Mexican peso versus the euro. Organic turnover growth at constant exchange rates was 21.0%.

Fagron's most important sales channel in this region are the pharmacies, which generally stayed open in spite of the measures to contain COVID-19. Thanks to its scale and global network and its flexible way of operating, Fagron is well equipped to cope with the challenges posed by sharp fluctuations in the Brazilian real and the Mexican peso. As a result, Fagron was able to improve its competitive position in Latin America.

The Compounding Services activities in Colombia, which account for a relatively small part of total turnover in Latin America, reported strong growth in turnover despite prescribers still being closed. Moreover, Fagron succeeded in attracting new customers and developing new products in Colombia.

Fagron North America

(x € 1,000)	Q1-2021	Q1-2020	Total growth	Total growth CER	Organic growth	Organic growth CER
Turnover	39,777	39,371	+1.0%	+10.4%	+0.1%	+9.4%





The turnover of the North America segment increased by 1.0% in the first quarter of 2021 (+10.4% at constant exchange rates) to € 39.8 million. The weakening of the US dollar versus the euro had a significant impact.

In North America measures to contain COVID-19 differ from state to state. A number of states had stringent restrictions in place during the first quarter of 2021, including important areas like California and the North East region, while other states started to reopen again. As a result, the level of elective care and prescriptions were impacted, hence the demand for compounds remained clearly below pre-COVID-19 levels.

The sterile activities of Fagron (Compounding Services) in the United States showed growth of 1.2% (+10.6% at constant exchange rates). Fagron Sterile Services (FSS) in Wichita generated turnover growth of 5.5% (+15.3% at constant exchange rates). In the first quarter of 2021 twelve new SKUs were launched in Wichita, with the expansion of the range of prefilled IV bags constituting the most strategic product launches. In March 2021 Wichita had a run rate of around USD 60 million (turnover; annual basis) despite a substantial decline in demand due to COVID-19. Based on the completed and planned launches of new SKUs as well as a higher level of automation and newly concluded contracts, growth is expected to accelerate in 2021. Fagron is confident of achieving its previously issued long-term turnover target, although there could be a delay depending on the further development of COVID-19. AnazaoHealth saw turnover decline by 2.3% (+6.8 % at constant exchange rates).

Brands and Essentials realized healthy growth in the first quarter of 2021 (+7.9% at constant exchange rates). In North America as elsewhere, these segments were no longer able to clearly benefit from additional demand for COVID-related products but there was a solid underlying development.

Conference call

Rafael Padilla (CEO) and Karin de Jong (CFO) will elaborate on the trading update for the 2021 first quarter during a conference call today. The conference call will begin at 9.30 am CET. You can dial in from 15 minutes before the start of the call using the numbers and access 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 9125

United States: +1 929 477 0324

Access code: 3642114

The presentation used during the conference call will be available to download at the [website](#) of Fagron as from 9.00 am CET.

Financial calendar for 2021

10 May Annual General Meeting of Shareholders

5 August 2021 first-half results

13 October Trading update on 2021 third quarter

Results and trading updates are published at 7.00 am CET.



For 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 guarantees 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.