

Regulated information - inside information

Nazareth (Belgium)/Rotterdam (The Netherlands), 11 April 2024 – 7:00 AM CET

Record revenue of €209 million in first quarter reflecting 15% topline growth

Fagron, the leading global player in pharmaceutical compounding today publishes its quarterly results for the period ending 31 March 2024.

Key Highlights

- Revenue growth accelerated to 15.3% reported growth (14.9% at CER) resulting in €209.2 million, supported by all regions
- Organic growth at CER of 12.3% reflects the continued strong performance in North America and robustness in EMEA
- Global operational excellence initiatives on track and yielding efficiencies
- Integration of LSP and Parma Produkt progressing as planned; remain committed to disciplined acquisition strategy
- FY 2024 outlook of high single-digit organic sales growth and improvement in profitability reaffirmed

Rafael Padilla, CEO of Fagron:

"I am pleased to report another excellent quarter for Fagron with our teams delivering commendable results. The market dynamics across our regions are challenging, yet Fagron's business model proves resilient, affirming our unique global positioning and leadership."

Our organic growth is driven by our focused commercial strategy, operational efficiencies, and the successful implementation of our global excellence initiatives. North America in particular has seen record growth with strong underlying demand at both FSS and Anazao. In EMEA, we have delivered a strong performance despite the impact of the change in reimbursement policy in Poland, as other markets compensated adequately, further highlighting the strength of our diversification strategy. In Latin America, growth has slowed slightly this quarter due to seasonal effects, while the competitive and consumer dynamics remained unchanged.

We are on track with the integration of our recent acquisitions and remain committed to exploring market opportunities globally to further strengthen our position.

Overall, we are confident in our outlook and reiterate our FY 2024 and mid-term guidance, as we continue to capitalize on growth opportunities that support our strategic objectives."



Key Financial Figures

Q1 2024

(€ '000)	Revenue per region					
	Q1 '24	Q1 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
EMEA	79,590	72,241	10.2%	10.3%	3.7%	3.8%
Latin America	41,358	39,121	5.7%	0.9%	5.7%	0.9%
North America	88,282	70,031	26.1%	27.5%	26.1%	27.5%
Group	209,230	181,392	15.3%	14.9%	12.8%	12.3%

(€ '000)	Revenue per segment					
	Q1 '24	Q1 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	83,537	82,274	1.5%	0.2%	-0.3%	-1.7%
Brands	32,061	30,158	6.3%	4.9%	6.3%	4.9%
Compounding Services (CS)	93,632	68,960	35.8%	37.0%	31.2%	32.4%

Outlook

Assuming no significant changes in current market conditions, we expect for 2024 high single-digit organic revenue growth and an increase in profitability year-on-year.

We remain committed to our disciplined acquisition strategy in all regions where we are active as part of our growth strategy. Our medium-term objectives remain unchanged.

Regional highlights

EMEA

(€ '000)	Q1 '24	Q1 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	40,677	39,186	3.8%	3.5%	-0.1%	-0.5%
Brands	12,269	12,766	-3.9%	-3.9%	-3.9%	-3.9%
CS	26,644	20,289	31.3%	32.4%	15.8%	17.0%
Total revenue	79,590	72,241	10.2%	10.3%	3.7%	3.8%

- Revenue development in the EMEA region was driven by a sustained strong performance at Compounding Services partly offset by the weakness at Brands and Essentials.
- Brands and Essentials revenue reflects impact of the new reimbursement system in Poland, which is mostly offset by solid performance in our other European countries.
- Poland has demonstrated resilience during the quarter as we continue to execute on our strategic plan which includes enhancing partnerships efforts with medical professionals and pharmacists, new product launches at FagronLab, direct selling and, most importantly, proactively monitoring customer order trends to adjust product mix. Overall, price decreases across the market were partially offset by increasing volumes.
- Compounding Services revenue growth is supported by strong demand across all our markets, registrations, and drug shortages.
- We continue making progress on the integration of LSP in the United Kingdom and Parma Produkt in Hungary.



Latin America

(€ '000)	Q1 '24	Q1 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	26,418	26,596	-0.7%	-5.2%	-0.7%	-5.2%
Brands	13,854	11,812	17.3%	13.1%	17.3%	13.1%
CS	1,086	712	52.4%	26.9%	52.4%	26.9%
Total revenue	41,358	39,121	5.7%	0.9%	5.7%	0.9%

- Revenue development in Latin America is reflective of seasonality and the timing of the Easter holidays.
- Essentials revenue development reflects our effort to maintain market leadership in a heightened competitive environment. Brands saw robust revenue growth by leveraging our broad product portfolio, improved operational efficiency and innovation power.
- Compounding Services (Colombia) revenue growth mainly reflects strong demand supported by the successful promotion of the local development of personalized medicine, particularly in dermatology.

North America

(€ '000)	Q1 '24	Q1 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	16,442	16,492	-0.3%	0.9%	-0.3%	0.9%
Brands	5,939	5,580	6.4%	7.7%	6.4%	7.7%
CS	65,902	47,958	37.4%	39.0%	37.4%	39.0%
Total revenue	88,282	70,031	26.1%	27.5%	26.1%	27.5%

- North America continued its strong revenue growth trend supported by the exceptional performance at Fagron Sterile Services (FSS) and Anazao.
- Brands and Essentials revenue growth reflects further development quarter-on-quarter as we continue reaping the benefits of integration.
- Compounding Services continued its strong growth, as both our sterile outsourcing business and Anazao performed very well. This revenue growth is reflective of new customer wins, increased revenue from existing customers, and drug shortages. At the end of the quarter, the Boston facility is able to ship to 42 states.
- Investment in the Anazao site in Tampa is progressing as planned and is scheduled to become operational later this year.

Webcast

Rafael Padilla (CEO) and Karin de Jong (CFO) will discuss the trading update in a webcast starting at 9.30 AM CET. Registration to the webcast is available via this [link](#). The presentation for the call will be available to download from the Fagron [website](#) around 8.00 AM CET.

Financial calendar 2024

1 August 2024 Half year results 2024
10 October 2024 Trading update third quarter 2024

Further information

Karen Berg
Global Investor Relations Manager
Tel. +31 6 53 44 91 99
karen.berg@fagron.com



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.