

Excellent start of the year for Fagron

Turnover increases 29.8% to € 117.8 million

Strong organic turnover growth of 16.8%

In the first quarter of 2015, the consolidated turnover of Fagron increases by 29.8% (22.5% at constant exchange rates) to 117.8 million euros. Organic turnover growth is 16.8% (10.2% at constant exchange rates).

Turnover (x 1,000 euros)	Q1 2015	Q1 2014	Total growth	Total growth CER	Organic growth	Organic growth CER
Fagron	114,952	88,274	30.2%	23.1%	16.8%	10.5%
HL Technology	2,848	2,494	14.2%	0.1%	14.2%	0.1%
Total	117,800	90,768	29.8%	22.5%	16.8%	10.2%

CER = constant exchange rates

Ger van Jeveren, CEO of Fagron: "Fagron had an excellent start of the year with turnover growth of 29.8% and organic turnover growth of 16.8%. As a result of the continuous strategic focus on optimising and innovating pharmaceutical compounding, turnover increased in every segment of our business model: Fagron Compounding Services, Fagron Trademarks and Fagron Compounding Essentials. Fagron's strong organic growth is primarily driven by increased volumes in Fagron Compounding Services, for both sterile and non-sterile compounding. In June 2015, the new Fagron Antibiotics compounding facility in the Netherlands will be operational. This facility will compound very specific medication for intravenous treatments and prophylaxis, based on cephalosporins and beta-lactam antibiotics, at the request of hospitals, clinics, homecare and healthcare centers. Turnover growth in Fagron Trademarks is the result of the successful launch of new concepts, vehicles and formulations. These will enable prescribers and pharmacists even better to provide their patients with tailor-made pharmaceutical care. In 2015, Fagron will further strengthen its position as global market leader through an active buy-and-build strategy and robust organic growth. We are very confident about the future, sustained by a strong and extensive R&D-pipeline of innovations to optimise pharmaceutical compounding. We confirm our outlook for 2015 and expect to realise a turnover of at least 500 million euros² with a REBITDA³-margin of 26%."

¹ This press release was sent out by Fagron NV and Fagron BV.

² Based on constant exchange rates (euro/US dollar of 1.250 and euro/Brazilian real of 3.100).

³ EBITDA before non-recurrent result.



Fagron

Turnover (x 1,000 euros)	Q1 2015	Q1 2014	Total growth	Total growth CER	Organic growth	Organic growth CER
Fagron Compounding Services	42,815	19,778	116.5%	101.8%	41.7%	32.1%
Fagron Trademarks	11,594	10,658	8.8%	4.6%	8.8%	4.6%
Fagron Compounding Essentials	60,543	57,838	4.7%	-0.4%	5.3%	0.2%
Total turnover	114,952	88,274	30.2%	23.1%	16.8%	10.5%

CER = constant exchange rates

Fagron Compounding Services

Fagron Compounding Services shows strong turnover growth of 116.5% (101.8% at constant exchange rates). Turnover increases from 19.8 million euros in the first quarter of 2014 to 42.8 million euros in the first quarter of 2015. Organic turnover growth amounts to 41.7% (32.1% at constant exchange rates). Turnover growth of this segment, with the highest margin, is mainly driven by increased demand for sterile and non-sterile compounded medication in Europe and the United States. In the non-sterile segment, Fagron has realised strong volume growth despite changes in the reimbursement system for healthcare in the United States. A correct pricing policy, high quality and innovative products and good relations with insurance companies and governments are important drivers of this growth. Fagron will further invest to offer pharmacists, prescribers and patients, who need personalised medication, innovative quality solutions and education. Fagron Academy plays a crucial role by offering approximately 2,000 Fagron Academy's per year to pharmacists, prescribers and patients to inform and educate them in tailor-made pharmaceutical compounding. Fagron will continue to focus on the sterile and aseptic segment in Europe and the United States to fulfil the growing need of hospitals to outsource sterile and aseptic compounding to Fagron's state-of-the-art sterile compounding facilities, that are fully compliant with the increasingly more stringent GMP standards. In this segment, Fagron is actively looking into potential acquisition targets. Turnover of Fagron Compounding Services is 37.2% of total turnover in the first quarter of 2015 versus 22.4% of total turnover in the first quarter of 2014.

Fagron Trademarks

Fagron Trademarks grows 8.8% (4.6% at constant exchange rates) to 11.6 million euros in the first quarter of 2015. This is the result of the successful global launch of SyrSpend® SF and Fagron Advanced Derma. Fagron's R&D team of 45 researchers and more than 300 pharmacists works closely together with pharmacists, prescribers and universities worldwide to develop new and innovative solutions to meet patients' specific needs. This is the foundation of the successful strategy of optimising and innovating pharmaceutical compounding to meet the growing need for individualised pharmaceutical patient care. In collaboration with academic research centers and dermatologists, Fagron's R&D department is developing an innovative solution for treatment of the chronic skin disease psoriasis. In psoriasis, affected cells show an extremely high turnover rate, causing them to build up on the surface of the skin and form scaly plaques. Psoriasis can affect the physical and psychological well-being of the patient and can have a profound impact on the patient's quality of life. Individual patient disease management is essential in the therapy of psoriasis and often requires individualised preparations. Treatment focuses on slowing down excessive cell reproduction to reduce skin inflammation and providing hydration, using, amongst others, active pharmaceutical ingredients and dermaceutical ingredients in suitable topical vehicles. Turnover of Fagron Trademarks is 10.1% of total turnover in the first quarter of 2015 versus 12.1% of total turnover in the first quarter of 2014.



Fagron Compounding Essentials

Turnover of Fagron Compounding Essentials grows 4.7% (-0.4% at constant exchange rates) to 60.5 million euros in the first quarter of 2015. Organic turnover growth amounts to 5.3% (0.2% at constant exchange rates). The continuous screening of the product portfolio, centralised purchasing of pharmaceutical raw materials from China and India, and a strong focus on innovations, enables Fagron to improve the margins of this segment every year. In this segment, Fagron has identified potential add-on acquisition candidates with the objective to further strengthen the leading positions in current markets. Turnover of Fagron Compounding Essentials is 52.7% of total turnover in the first quarter of 2015 versus 65.5% of total turnover in the first quarter of 2014.

HL Technology

HL Technology, the division focused on developing and introducing innovative precision components for the dental and orthopedic industry, achieves turnover of 2.8 million euros in the first quarter of 2015, an increase of 14.2% (0.1% at constant exchange rates) compared to the first quarter of 2014. HL Technology has a well-filled order book as a result of the continuous introduction of innovative products.

Dividend

A gross dividend of 1.00 euro per share will be proposed to the annual general meeting of shareholders to be held on 11 May 2015. This represents an increase of 39% compared to the dividend per share in 2014.

Outlook⁴

Based on the current portfolio Fagron expects in 2015 turnover of at least 500 million euros⁵ with a REBITDA⁶-margin of 26%.

Conference call

Ger van Jeveren (CEO) and Jan Peeters (CFO) will provide further details on the first quarter of 2015 trading update in a conference call today. The conference call starts at 09:30am CET. You can dial in 5-10 minutes prior to the start time using the numbers and confirmation code below:

Netherlands: +31 (0)20 716 8257
Belgium/Europe: +32 (0)2 404 0660
North-America: +1 646 254 3365
Confirmation code: 9228158

From 10:30am CET onwards a recording of the conference call may be listened to by calling:

Netherlands: +31 (0)20 708 5013
Belgium/Europe: +32 (0)2 789 7487
North-America: +1 347 366 9565
Replay passcode: 9228158

As of 10 April, the conference call may be listened to or downloaded from the Fagron investors website (<http://investors.fagron.com/>).

⁴ This press release contains data related to the future based on the current internal estimates and forecasts in addition to market forecasts. The statements concerning the future contain inherent risks and are only applicable on the date on which they are issued. There may be substantial differences between the actual results and the results cited in the statements about the future.

⁵ Based on constant exchange rates (euro/US dollar of 1.250 and euro/Brazilian real of 3.100).

⁶ EBITDA before non-recurrent result.



Financial calendar 2015

11 May	General meeting of shareholders
4 August	Half-year figures 2015
9 October	Trading update, third quarter of 2015

Results and trading updates will be published at 07:00am CET.

In the event of any discrepancy between the English translation and the original Dutch version of this press release, the latter shall prevail.

Fagron profile

Fagron is an innovative scientific pharmaceutical R&D company that is focused on optimising and innovating pharmaceutical compounding. Fagron offers Fagron Compounding Services, Fagron Trademarks and Fagron Compounding Essentials to pharmacies and hospitals in 32 countries worldwide. Pharmaceutical compounding is an essential part of pharmaceutical care that enables prescribers and pharmacists to fulfil the worldwide growing need for tailor-made medication. Fagron's own R&D department consists of 45 researchers and more than 300 pharmacists who are working continually on developing new concepts, vehicles and formulations to treat an increasing number of patients with tailor-made compounded medication.

The Belgian company Fagron NV is located in Waregem and is listed on Euronext Brussels and Euronext Amsterdam. The operational activities of Fagron are driven by the Dutch company Fagron BV. The head office of Fagron BV is located in Rotterdam.

For further information

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