

Regulated information - inside information

Nazareth (Belgium)/Rotterdam (The Netherlands), 10 October 2024 – 7:00 AM CET

Fagron reports outstanding third quarter 2024 performance with 12.1% revenue growth and reaffirms full-year outlook

Fagron, the leading global player in pharmaceutical compounding today publishes its quarterly results for the period ending 30 September 2024.

Key Highlights

- Continued topline momentum with 12.1% reported revenue growth (15.7% at CER) and 12.2% organic growth at CER, delivering €214.5 million
- Strong organic growth across all regions and segments, underscoring the strength of our structural growth drivers
- Global operational excellence initiatives remain a key contributor to revenue development
- Three strategic acquisitions signed across all regions and segments: Purifarma (B&E, Brazil), Ritedose (CS, North America), EuroOTC (B&E, Germany)
- Maintain FY 2024 revenue outlook of €850 – €870 million and improvement in profitability year-on-year

Rafael Padilla, CEO of Fagron:

Q3 has been another strong period for Fagron, highlighting the strength of our business model and the consistent execution of our strategy. Our focus on operational excellence and targeted growth investments continues to deliver positive results across all regions.

In EMEA, we have delivered an improving performance, driven by our diversified business model, and Poland remains resilient as we continue to advance on our strategic initiatives. Latin America saw accelerated growth, especially in Brazil, benefitting from our commercial and operational excellence efforts. North America remains a key driver of growth, with Compounding Services and B&E both delivering very strong results.

We are also pleased to announce the signing of three acquisitions, which support our goal of securing market leadership globally. With the acquisition of Purifarma in Brazil, and EuroOTC, a raw material business in Germany, we are progressing towards our objective of global leadership in B&E. Lastly, we acquired a book of business from Ritedose in North America, which has a fully compatible product portfolio with FSS. We remain committed to exploring market opportunities globally, while maintaining our disciplined M&A approach.

Looking to the end of the year, we are confident in our outlook and reiterate our full-year 2024 and mid-term guidance."

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Key Financial Figures

Q3 2024

(€ '000)	Revenue per region					
	Q3 '24	Q3 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
EMEA	73,564	66,179	11.2%	11.2%	4.0%	4.1%
Latin America	44,053	45,245	-2.6%	10.7%	-2.6%	10.7%
North America	96,866	79,959	21.1%	22.2%	18.6%	19.7%
Group	214,483	191,384	12.1%	15.7%	8.5%	12.2%

(€ '000)	Revenue per segment					
	Q3 '24	Q3 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	80,423	78,034	3.1%	8.3%	1.8%	7.0%
Brands	33,085	30,831	7.3%	14.6%	7.3%	14.6%
Compounding Services (CS)	100,974	82,519	22.4%	23.1%	15.4%	16.1%

9M 2024

(€ '000)	Revenue per region					
	9M '24	9M '23	Δ	Δ CER	Δ Organic	Δ Organic CER
EMEA	233,883	212,263	10.2%	10.3%	3.4%	3.5%
Latin America	130,007	125,696	3.4%	7.5%	3.4%	7.5%
North America	279,936	224,998	24.4%	24.8%	23.5%	23.9%
Group	643,826	562,957	14.4%	15.5%	11.5%	12.6%

(€ '000)	Revenue per segment					
	9M '24	9M '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	251,621	244,880	2.8%	4.1%	1.2%	2.6%
Brands	98,706	91,428	8.0%	10.5%	8.0%	10.5%
CS	293,499	226,649	29.5%	29.7%	23.9%	24.2%

Outlook

Assuming no significant changes in current market conditions, we reaffirm our FY 2024 revenue guidance of €850 – €870 million and improvement in profitability year-on-year. Our medium-term objectives remain unchanged.



Regional highlights

EMEA

(€ '000)	Q3 '24	Q3 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	34,690	31,895	8.8%	9.0%	5.7%	5.8%
Brands	11,107	10,970	1.2%	1.4%	1.2%	1.4%
CS	27,768	23,315	19.1%	18.9%	3.0%	2.9%
Total revenue	73,564	66,179	11.2%	11.2%	4.0%	4.1%

- Revenue development in EMEA was driven by improvements in Brands and Essentials, along with sustained growth in Compounding Services.
- Strong performance in Brands and Essentials offset the impact of Poland, and we continue to focus on operational excellence across Europe.
- Compounding Services benefitted from robust demand, drug shortages and strong comparables following last year's product launches.
- Acquisition of EuroOTC raw materials will enhance our presence in Germany, creating synergies through increased scale and enhanced customer engagement~~broader customer access~~.
- The integration of LSP (UK) and Parma Produkt (Hungary) is progressing well, and already contributing to results.

Latin America

(€ '000)	Q3 '24	Q3 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	27,049	29,622	-8.7%	4.3%	-8.7%	4.3%
Brands	15,952	14,612	9.2%	24.2%	9.2%	24.2%
CS	1,052	1,012	4.0%	5.7%	4.0%	5.7%
Total revenue	44,053	45,245	-2.6%	10.7%	-2.6%	10.7%

- Revenue in Latin America saw strong underlying growth across both Brands and Essentials.
- Essentials revenue development reflects our consistent focus on maintaining market leadership and driving operational excellence. Brands saw very pleasing growth by leveraging our broad product portfolio, increased customer stickiness and brand loyalty, and innovation strength.
- Compounding Services (Colombia) revenue performance primarily reflects robust demand and shifting consumer spending dynamics this quarter in the market.
- The acquisition of Purifarma, marking a significant milestone in cementing our market position in Brazil. Operating three facilities and employing ~180 people, Purifarma will integrate into Fagron's infrastructure, driving synergies through increased operational leverage, procurement savings and an enhanced product portfolio.

North America

(€ '000)	Q3 '24	Q3 '23	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	18,685	16,517	13.1%	14.1%	13.1%	14.1%
Brands	6,027	5,250	14.8%	15.9%	14.8%	15.9%
CS	72,154	58,192	24.0%	25.1%	20.5%	21.6%
Total revenue	96,866	79,959	21.1%	22.2%	18.6%	19.7%



- North America's robust revenue growth was driven by both Compounding Services and Brands & Essentials.
- Brands & Essentials revenue growth accelerated, reflecting improvements under various pillars of operations including product availability, supply chain and procurement.
- Compounding Services growth was driven by new customer wins, increased revenue from existing customers, drug shortages, and process improvements. By quarter-end, the Boston facility could ship to 46 states.
- Investment in the Anazao site at Tampa is on track to be operational by the end of the year.
- The acquisition of a book of business from Ritedose includes their customer base, inventory and sales force, further expanding our operations.

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

20 February 2025	Full year results 2024
10 April 2025	Trading update first quarter 2025
31 July 2025	Half year results 2025
9 October 2025	Trading update third quarter 2025

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.