Press release

Regulated information - inside information
Nazareth (Belgium)/Rotterdam (The Netherlands), 31 July 2025 – 7:00 AM CET

Fagron delivers strong performance with 11% topline growth and 12% increase in REBITDA for H1 2025

Fagron, the leading global player in pharmaceutical compounding today publishes its first half results for the period ending 30 June 2025.

Key Highlights

- **Strong revenue performance with 10.9% reported revenue growth (14.4% at CER[1]) and 11.3% organic growth at CER**
- **12.3% REBITDA increase translates to 30bps REBITDA margin uplift YoY to 20.0%, reflecting synergies from acquisitions and improving operational excellence**
- **Operating cash flow increased by 25.1% to €52.5 million**
- **Net earnings per share of €0.62, increased by 12.7% year-on-year**
- **$29 million one-off investment approved to expand Anazao's Las Vegas 503B facility, beginning in Q4 2025**
- **Fagron enters the attractive Australian and Serbian markets through the acquisition of Bella Corp, Uni-Chem and SB Trade; UK position solidified with the acquisition of Active Pharma**
- **Els Vandecandelaere to step down from the Board of Directors as of 30 September 2025; Ira Bindra to join as a non-executive director**
- **FY 2025 outlook and medium-term guidance reiterated**

Rafael Padilla, CEO of Fagron:

"I am proud of our strong first half performance, with all regions contributing to profitable growth. We have made meaningful operational progress, notably in product availability and procurement savings which have translated into top-line and margin expansion.

EMEA delivered another solid performance, reflecting the strength of our geographical diversification and recent M&A integration. In Latin America, we saw standout growth in our Brands business in Brazil, supported by a robust innovation pipeline. North America remains our growth engine, as we onboard new customers, broaden our product portfolio, and execute against our operational excellence agenda.

To maintain our strong growth momentum in the mid-term, we are making a one-off investment to expand Anazao's 503B facility in Las Vegas. This will significantly increase our capacity, enabling us to meet the rising demand and further scale our lifestyle and prevention offering in North America.

We are also pleased to announce four strategic acquisitions that reinforce our commitment to disciplined, value-accretive M&A. These acquisitions expand our presence into Australia and Serbia and strengthen our market position in the UK and are fully aligned with our long-term ambitions and investment approach.

We also wish to thank Els Vandecandelaere, who will be stepping down from the Board. Her guidance and commitment have been instrumental in Fagron's development into a leader in personalized medicine.

Looking ahead, we remain confident in our outlook and are reiterating both our FY 2025 and mid-term guidance. With a resilient, flexible business model and clear strategic focus, we are well positioned to continue to deliver sustainable growth."

[1] Constant Exchange Rate

H1 2025 Key Financial Figures

(€ '000)	Revenue per region					
	H1 '25	H1 '24	∆	∆ CER	∆ Organic	∆ Organic CER
EMEA	176,896	160,319	10.3%	10.1%	4.1%	3.8%
Latin America	86,865	85,954	1.1%	16.1%	1.1%	16.1%
North America	212,373	183,070	16.0%	17.3%	14.4%	15.6%
Group	**476,134**	**429,344**	**10.9%**	**14.4%**	**7.8%**	**11.3%**

(€ '000)	Revenue per segment					
	H1 '25	H1 '24	∆	∆ CER	∆ Organic	∆ Organic CER
Essentials	188,568	171,198	10.1%	15.1%	5.3%	10.3%
Brands	69,765	65,620	6.3%	13.4%	5.2%	12.3%
Compounding Services (CS)	217,801	192,525	13.1%	14.1%	11.0%	11.9%

(€ '000)	Group		
	H1 '25	H1 '24	∆
REBITDA	95,031	84,622	12.3%
REBITDA margin	20.0%	19.7%	30bps
Net EPS (€)	0.62	0.55	12.7%
Free cash flow	37,266	21,350	74.5%

Outlook

Assuming no significant changes in current market conditions, we reiterate our full year 2025 guidance of mid- to high- single digit organic growth at CER and a slight increase in profitability year-on-year. Capex is expected to remain at around 3.5% of revenue during FY 2025 (excluding one-off capex).

We remain committed to our disciplined acquisition strategy globally as part of our growth strategy, and we reiterate our medium-term objectives.

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.

Interim financial statements

Fagron's interim financial statements (unaudited) for the six-month period ended 30 June 2025 have been made available on Fagron's website together with the publication of this press release.

Business Review

EMEA

(€ '000)	H1 '25	H1 '24	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	92,773	81,741	13.5%	13.3%	3.4%	3.2%
Brands	27,628	25,043	10.3%	10.1%	7.5%	7.3%
CS	56,495	53,535	5.5%	5.3%	3.4%	3.2%
Total revenue	**176,896**	**160,319**	**10.3%**	**10.1%**	**4.1%**	**3.8%**

(€ '000)	H1 '25	H1 '24	Δ
REBITDA	38,510	34,039	13.1%
REBITDA margin	21.8%	21.2%	60bps

Revenue development in the EMEA region was driven by a solid performance across all the businesses and incremental contribution from M&A.

Brands and Essentials delivered strong growth, reflecting the continued focus on operational excellence, improved product availability and balanced geographical diversification.

Compounding Services saw increased demand from both sterile and non-sterile compounding within pharmacies and hospitals.

The REBITDA margin in the first semester shows an impressive increase year-on-year, primarily reflecting the benefits of our commercial strategy and improved operational excellence.

In July, we have completed three acquisitions in the region namely, Active Pharma Supplies in the UK, and Uni-Chem and SB Trade in Serbia. The latter two mark the entry of Fagron in Serbia, while the acquisition of Active Pharma further strengthens Fagron's presence and consolidates market leadership in the UK B&E market. The integration of all our acquisitions in this region is progressing as planned.

Latin America

(€ '000)	H1 '25	H1 '24	Δ	Δ CER	Δ Organic	Δ Organic CER
Essentials	53,662	55,030	-2.5%	12.4%	-2.5%	12.4%
Brands	31,314	28,708	9.1%	25.1%	9.1%	25.1%
CS	1,888	2,216	-14.8%	-7.9%	-14.8%	-7.9%
Total revenue	**86,865**	**85,954**	**1.1%**	**16.1%**	**1.1%**	**16.1%**

(€ '000)	H1 '25	H1 '24	Δ
REBITDA	15,113	14,895	1.5%
REBITDA margin	17.4%	17.3%	10bps

Revenue in Latin America reflects strong growth in Brands and Essentials, supported by operational enhancements. On a reported basis, the revenue growth shows the impact of the weakening Brazilian Real.

Essentials performance reflects a continued improvement in underlying demand and focussed commercial execution. Brands growth was underpinned by innovation, and targeted education leading to increasing prescriber adoption. As a result, Brands accounted for 36.9% of the total B&E revenue in Latin America (+260bps from H1 2024).

In the first half of the year, Compounding Services (Colombia) continued to reflect the changes in the healthcare system, that impacted customer purchasing patterns. We expect normalization over the second half of the year.

REBITDA margin continued its gradual progression year-on-year supported by benefits from our operational excellence initiatives.

North America

(€ '000)	H1 '25	H1 '24	∆	∆ CER	∆ Organic	∆ Organic CER
Essentials	42,132	34,427	22.4%	23.8%	22.4%	23.8%
Brands	10,823	11,869	-8.8%	-7.8%	-8.8%	-7.8%
CS	159,418	136,775	16.6%	17.9%	14.3%	15.6%
Total revenue	**212,373**	**183,070**	**16.0%**	**17.3%**	**14.4%**	**15.6%**

(€ '000)	H1 '25	H1 '24	∆
REBITDA	41,408	35,688	16.0%
REBITDA margin	19.5%	19.5%	0bps

Revenue growth in North America was driven by the continued outstanding performance of the region.

Despite a challenged performance at Brands for the first half of the year, revenue growth in B&E was driven by drug shortages and improved operational performance that supported better product availability.

Compounding Services maintained its strong growth trajectory, as it continued to benefit from new customer wins, increased revenue from existing customers and drug shortages in the first half of the year. The Boston facility was able to ship to 47 states at the end of the period.

The REBITDA margin remained flat for this region year-on-year, reflecting improved operational performance that was offset by facilitation of strong volume growth and overlapping costs at Anazao Tampa, among others.

During the period we completed the acquisition of CareFirst, announced earlier this year, and closed the acquisition of Bella Corp, a specialized supplier to compounding pharmacies in Australia, marking our entry into the APAC region. Integration of both businesses into the Group is currently underway.

Anazao will make a one-time investment of $29 million to expand our Las Vegas facility through 2025–26, with completion expected in 2028. This expansion will drive an incremental revenue capacity of $150m, positioning us to meet rising demand, boost automation, and uphold the highest standards of quality.

Quality and ESG Developments

Quality is and remains one of our top priorities. During the first six months of 2025, we successfully passed 16 quality audits across our organization. Furthermore, we fully implemented the corrective action plan that followed a warning letter we received last year at our Wichita facility, and in March the FDA acknowledged our corrective actions adequately address its requirements, pending a site visit.

With regards to recalls, in the reporting period Fagron faced very limited recalls:

Quality indicators	H1 '25	2024	2023
Class 1 recall: may cause serious health consequences	0	0	0
Class 2 recall: may cause temporary or reversible health consequences	1	4	5
Class 3 recall: health consequences unlikely	2	7	10

Our new sustainability strategy "Future Forward: Personalizing medicine" developed in 2024, is getting up to full speed. Actions and initiatives are taken across the three sustainability pillars: People, Operations and Compounding, with all plans on track. Furthermore, we are integrating the new acquisitions towards a robust 2025 ESG reporting.

M&A Developments

Fagron announces the acquisition of Bella Corp in Australia, Active Pharma Supplies in the UK, and Uni-Chem and SB Trade in Serbia. These investments support the Group's strategic ambition to grow in core markets, expand to new geographies, and strengthen capabilities through targeted acquisitions and capacity expansion. Several of these acquisitions were long-standing distribution partners of Fagron, which reinforces the strategic rationale behind the deals and supports a smoother integration process given our existing operational alignment.

The combined enterprise value of all the above acquisitions is c.€13m and are fully financed through Fagron's own resources. On a combined basis, these businesses will contribute mid-to-high teens million euros of revenue and operate with an EBITDA margin below Fagron's existing group margin.

Bella Corp is a specialized Australian supplier of premium quality materials, equipment and supplies to compounding pharmacies. Through this acquisition, Fagron has entered the APAC region with a solid market position in B&E.

Active Pharma is the market leader in the Essentials segment and provides active pharmaceutical substances and excipients to hospitals, pharmacies, special manufacturers and food supplement manufacturers in the UK. The acquisition marks a follow-up to our successful LSP transaction, strengthening Fagron's presence and consolidating market leadership in the UK B&E market.

Uni-Chem and SB Trade, the two leading players in the Serbian compounding market, expand Fagron's market presence in Southeast Europe and unlocks access to an emerging healthcare economy with significant long-term potential. Uni-Chem specializes in the import, sales, marketing, and distribution of pharmaceutical products, medical devices, laboratory consumables, and equipment. SB Trade holds licenses for repackaging and relabeling of active pharmaceutical ingredients and excipients.

Elsewhere, during the period Fagron completed the acquisitions of EuroOTC, CareFirst and Guinama, while Purifarma and Injeplast continue to advance their respective antitrust approval and are pending closure.

The integration of all closed acquisitions is progressing in line with expectations.

Organisational change

Els Vandecandelaere will be stepping down from the Board of Directors and remuneration committee at the end of her mandate on 30 September 2025. We thank Els for her hard work and contributions to Fagron. We are pleased to announce the nomination of Ira Bindra to join us as a non-executive director.

Financial Review

Income statement

(€ '000)	H1 '25	H1 '24	Δ
Net revenue	**476,134**	**429,344**	**10.9%**
Gross margin	299,898	264,438	13.4%
As % of net revenue	*63.0%*	*61.6%*	*140bps*
Operating expenses	203,598	178,461	14.1%
As % of net revenue	*42.8%*	*41.6%*	*120bps*
Share-based payments and LTI	1,269	1,354	-6.3%
EBITDA before non-recurrent result	**95,031**	**84,622**	**12.3%**
As % of net revenue	*20.0%*	*19.7%*	*30bps*
Non-recurrent result	1,146	-1,264	190.6%
EBITDA	**96,176**	**83,358**	**15.4%**
As % of net revenue	*20.2%*	*19.4%*	*80bps*
Depreciation and amortization	22,957	19,709	16.5%
EBIT	**73,219**	**63,649**	**15.0%**
As % of net revenue	*15.4%*	*14.8%*	*60bps*
Financial result excl. hedge	-14,218	-9,693	-46.7%
Hedge result	57	-2,242	102.6%
Financial result	-14,161	-11,936	-18.6%
Profit before income tax	**59,059**	**51,713**	**14.2%**
Taxes	-13,278	-11,062	-20.0%
Net profit (loss)	**45,780**	**40,651**	**12.6%**
Equity holders of the company (net results)	**45,559**	**40,426**	**12.7%**
Net profit (loss) per share (€)	0.62	0.55	12.7%
Average number of outstanding shares	72,952,685	72,986,905	0.0%

Consolidated revenue increased by 10.9% (14.4% at CER) compared to the first half of 2024 to €476.1 million. Organic revenue growth was 7.8% (11.3% at CER) compared to the first half of 2024.

Gross margin increased by 13.4% to €299.9 million. Gross margin as a percentage of revenue increased 140 basis points compared to the first half of 2024 to 63.0%, driven by geographical mix and procurement savings achieved.

REBITDA (EBITDA before non-recurring result) increased by 12.3% compared to the first half of 2024 to €95.0 million. **REBITDA margin** increased 30 basis points compared to the first half of 2024 to 20.0%. The non-recurring result amounted to €1.1 million and was mainly related to release of an earnout and disposal of a building. **EBITDA** increased by 15.4% compared to the first half of 2024 to €96.2 million.

Depreciation and amortization increased by 16.5% compared to the first half of 2024 to €23.0 million, and is mainly related to new facility in North America and new acquisitions.

EBIT increased by 15.0% compared to the first half of 2024 to €73.2 million. **EBIT margin** increased by 60bps compared to the first half of 2024 to 15.4%.

Profit before income tax increased by 14.2% compared to the first half of 2024 to €59.1 million. The effective tax rate as a percentage of profit before income taxes was 22.5% compared to 21.4% in the first half of 2024. The effective cash tax rate was 15.9% compared to 19.8% in the first half of 2024.

Net profit for the equity holders of the company increased by 12.7% compared to the first half of 2024 to €45.6 million. **Earnings per share** increased by 12.7% compared to the first half of 2024 to €0.62.

Balance sheet

(€ '000)	30-06-2025	31-12-2024
Intangible assets	535,138	508,342
Property, plant, and equipment	179,229	173,735
Deferred tax assets	25,856	29,519
Financial assets	3,950	4,219
Financial instruments	431	553
Other non-current assets	2,535	4,588
Operational working capital	129,013	104,649
Other working capital	-37,854	-41,686
Equity	505,405	505,358
Provisions and pension obligations	5,769	5,072
Financial instruments	1,027	648
Deferred tax liabilities	5,494	1,799
Net financial debt	320,603	270,660

Operating working capital as a percentage of revenue amounted to 13.8%, an increase of 150 basis points compared to the first half of 2024, mainly due to temporary inventory build-up in Latin America.

Net financial debt increased by €49.9 million to €320.6 million as of 30 June 2025, compared to year end 2024, mainly due to the closing of three transactions as well as the dividend payment. The **net financial debt/REBITDA ratio** stood relatively stable at 1.5x at 30 June 2025 compared to 1.4x at year-end 2024.

Net operational capex decreased by 26.2% compared to the first half of 2024 to €15.2 million (3.2% of revenue), due to a lower one-off capex year-on-year in first half of 2025. Corrected for these investments, maintenance capex was 3.1% of revenue, currently tracking lower than our guidance of around 3.5% for the full year.

Free cash flow increased by 74.5% compared to the first half of 2024 to €37.3 million. Operational cash conversion would be 55.2% and free cash flow conversion would be 39.9% excluding the one-off capex impact.

Financial calendar 2025

9 October 2025 Trading update third quarter 2025

Results and trading updates are published at 7.00 AM CET.

Further information

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About Fagron

Fagron is the leading global company active in pharmaceutical compounding, focusing on delivering personalized medicine to hospitals, pharmacies, clinics, and patients in more than 35 countries around the world.

The Belgian company Fagron NV is based on Venecoweg 20A in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. Fagron's operational activities are managed through the Dutch company Fagron BV. Fagron BV's head office is located 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.