

Fagron strengthens strategic position in USA through highly complementary acquisition of Humco

Fagron announces today the acquisition of Humco, a leading developer, manufacturer and supplier of patented delivery vehicles and branded pharmaceutical products to over 45,000 pharmacies in the USA. The acquisition price for Humco amounts to US\$ 47.5 million (approximately € 38.6 million) in cash, with the potential for a performance linked earn-out of up to US\$ 22.5 million (approximately € 18.3 million) in cash over a two-year period. The total consideration for the acquisition of Humco is thus capped at US\$ 70.0 million (approximately € 56.9 million). The transaction includes all technologies, scientific data, patents and trademarks, as well as the production facility of Humco in Texas (USA).

Humco, founded in 1872 as Hutchison Medicine Company, realized a turnover of approximately US\$ 32 million (approximately € 26 million) and an EBITDA-margin in line with that of the activities of Fagron North-America in 2017. The company is focused on developing, manufacturing and commercializing innovative patented delivery vehicles (including topical and transdermal creams, syrups and suspensions) and branded pharmaceutical products that are cash-paid by the customer (not reimbursed). In 2016, Humco added a limited portfolio of active pharmaceutical ingredients to its product offer. Humco serves over 45,000 pharmacies in the USA, mainly indirectly through pharmacy chains and wholesalers. Humco is located in Austin (Texas, USA) and has a state-of-the-art FDA registered, cGMP compliant production facility in Texarkana (Texas, USA). All 140 employees from Humco join Fagron, bringing expertise to innovate and serve an expanded customer base worldwide.

"I am pleased to welcome Humco to Fagron Group. Their high-quality portfolio of branded pharmaceutical products and widely used patented delivery vehicles that are supplied to a broad customer base of pharmacy chains and wholesalers in the USA, is highly complementary to our extensive range of active pharmaceutical ingredients. Humco is an excellent strategic fit for Fagron. By combining the two companies, we create a strong competitive company with significant scale, strengthening our market position in the USA. Our global footprint and leading market positions in Europe and South-America will enable us to successfully launch and grow the innovative branded pharmaceutical products and delivery vehicles of Humco outside the USA. We look forward to welcome the Humco employees to the Fagron family," said Rafael Padilla, Fagron's CEO.

Following the transaction, Gregory Pulido, Humco's Chairman and CEO, will transition to the role of Executive Chairman while Andrew Pulido, Humco's current President, Global Pharmaceuticals, will assume the sole role of President at Humco.

"We are delighted and proud to become part of the Fagron Group. Being part of a large global organization and a world leader in pharmaceutical compounding, creates a more capable and dynamic company for our customers and employees. We complement each other, selling in adjacent markets with very little customer overlap, enabling a significant number of growth opportunities. While we introduce our successful and unique patented delivery vehicles and branded pharmaceutical products internationally, our customers can benefit from the excellent range of more than 1,600 high quality active pharmaceutical ingredients of Fagron," said Gregory Pulido.

Andrew Pulido said, *"I am honored to become Humco's President at such an exciting time. The joint activities of Fagron and Humco are extremely well positioned to capitalize on growth opportunities in the USA and around the world. I am confident that our expertise, creativity and dedication will enable us to offer increased value to our customers, suppliers and employees as well as to further extend Fagron's leadership in the market for personalized medication."*

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



Conference call

Fagron will organize a conference call today to provide further information regarding the acquisition of Humco. The conference call starts at 9:30 CET. As of 10 minutes in advance, you will be able to dial in using the numbers and confirmation code below:

The Netherlands: +31 (0)20 721 92 51

Belgium/Europe: +32 (0)2 404 06 59

United States: +1 646 828 81 57

United Kingdom: +44 (0)330 336 91 05

Confirmation code: 5213833

The presentation will be available from 9:00 CET on <http://investors.fagron.com>.

As from 4 April, the conference call may be listened to or downloaded on Fagron's corporate website (<http://investors.fagron.com/>).

In the event of differences between the English translation and the Dutch original of this press release, the latter prevails.

For more information:

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Fagron profile

Fagron is the leading global pharmaceutical compounding company, bringing personalized pharmaceutical care to hospitals, pharmacies, clinics and patients in 34 countries worldwide.

The Belgian company Fagron NV is located in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. The operational activities of Fagron are driven by the Dutch company Fagron BV. The head office of Fagron BV is located in Rotterdam.

