

Regulated information – Inside information

Nazareth (Belgium)/Rotterdam (The Netherlands), May 13th, 2019 - 7:00am CET

Fagron enters Mexican market with acquisition of Cedrosa

Fagron announces today that it has entered into an agreement to acquire Central de Drogas, S.A. de C.V. ('Cedrosa'), a leading supplier of raw materials (Essentials) to compounding pharmacies and the pharmaceutical industry in Mexico, on May 10th, 2019. Through the acquisition of Cedrosa, Fagron enters the attractive (growing) Mexican market for personalized medicine, further strengthening its position in the Latin American continent. Cedrosa is located in Naucalpan, just northwest of Mexico City, employs 98 FTE, and reported turnover of Mex\$ 480 million (c. € 22.5 million) and an EBITDA-margin of 14.5%.

The acquisition perfectly fits Fagron's buy-and-build strategy as it opens up the interesting Mexican market for personalized medicine. With its favorable demographics, a rapidly growing middle class and a focus on prevention and lifestyle, the Mexican market represents substantial growth potential for Fagron.

Rafael Padilla, CEO of Fagron, said: *"The Mexican market for personalized medicine presents a very promising opportunity for Fagron to expand our existing footprint in Latin America. Although Mexico has the same growth drivers as Brazil, the market for personalized medicine in Mexico is still in its infancy, offering a lot of growth potential for Fagron. We are very excited to further develop, innovate and grow the market in Mexico, in close collaboration with the experienced team of Cedrosa. We look forward to welcoming our new colleagues from Cedrosa into the Fagron family."*

The acquisition price for Cedrosa amounts to Mex\$ 352.0 million (c. € 16.5 million) in cash, with the potential for an EBITDA-linked earn-out of up to Mex\$ 110.5 million (c. € 5.2 million) in cash over a two-year period. The total consideration for the acquisition of Cedrosa is capped at Mex\$ 462.5 million (c. € 21.7 million). The acquisition will be financed from the existing debt facilities of Fagron.

The transaction is expected to close in the third quarter of 2019 and is subject to customary closing conditions.

Conference call

Fagron will organize a conference call today to provide further information regarding the acquisition of Cedrosa in Mexico. The conference call starts at 10:00 CET. As of 10 minutes in advance, you will be able to dial in using the numbers and confirmation code below:

Belgium/Europe: +32 (0)2 404 0659
The Netherlands: +31 (0)20 703 8211
Spain: +34 91 419 2307
United Kingdom: +44 (0)330 336 9127
United States: +1 323 994 2093
Confirmation code: 3636991

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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