



# ANALYST CONFERENCE CALL 9M/2016 RESULTS

November 10, 2016



# Q3: A HIGH PERFORMANCE DESPITE CHALLENGING ENVIRONMENT AND A STRONG PRIOR-YEAR QUARTER

## Generics

- Ongoing strong sales momentum: Russia with continued double-digit sales growth / Belgium recovering
- Segment margin significantly improved

## Branded Products

- Sales and margin impacted by challenging environment in Russia and weak GBP
- Germany again standing out with double digit sales growth

## Strong Pipeline

- 144 product introductions in Q3

## Cashflow

- Sequential improvement in Operating Cashflow
- Significant increase in Free Cashflow

## Net Income

- Financial result clearly improved
- Continued net income (adj.) growth

# FINANCIAL OVERVIEW

## Group Results

€m	Q3/2016	Q3/2015	Δ	9M/2016	9M/2015	Δ
Sales	507	508	0%	1,542	1,534	1%
Sales (adj.) <sup>1</sup>	507	504	1%	1,568	1,522	3%
EBITDA	88	100	-11%	289	281	3%
EBITDA (adj.) <sup>2</sup>	98	105	-6%	301	294	2%
Financial result	-13	-16	17%	-38	-50	25%
Income taxes	-3	-14	80%	-28	-34	20%
Net Income	18	36	-50%	100	90	11%
Net Income (adj.) <sup>2</sup>	44	42	4%	140	127	10%

1) Adjusted for currency and portfolio effects. 2) Adjusted for special items

# GENERICICS

## Q3 Segment Results

€m	Q3/2016	Q3/2015	Δ	9M/2016	9M/2015	Δ
Sales	305	292	4%	932	928	0%
Sales (adj.) <sup>1</sup>	304	290	5%	944	922	2%
EBITDA (adj.) <sup>2</sup>	64	49	30%	194	161	20%
Margin (adj.) <sup>2</sup>	21.0%	16.8%		20.8%	17.3%	

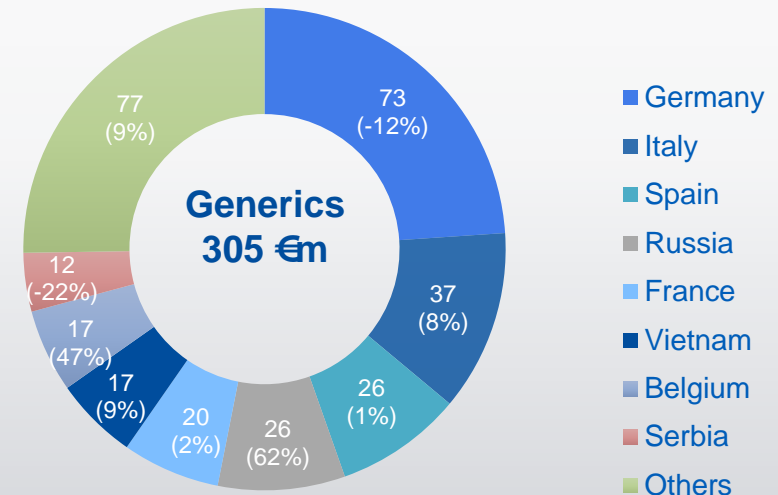
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items

# GENERICS

## Q3 Segment Results

- **Germany:** Following expired tenders more selected approach in renewals with stronger focus on profitability
- **Russia:** Ongoing sales momentum despite challenging environment
- **Belgium:** Strong sales growth in Q3, further recovery in Q4 expected

## Sales by country Q3/2016 in €m



# BRANDED PRODUCTS

## Segment Results

€m	Q3/2016	Q3/2015	Δ	9M/2016	9M/2015	Δ
Sales	203	216	-6%	610	605	1%
Sales (adj.) <sup>1</sup>	204	214	-5%	624	600	4%
EBITDA (adj.) <sup>2</sup>	53	72	-27%	161	181	-11%
Margin (adj.) <sup>2</sup>	25.9%	33.2%		26.4%	30.0%	

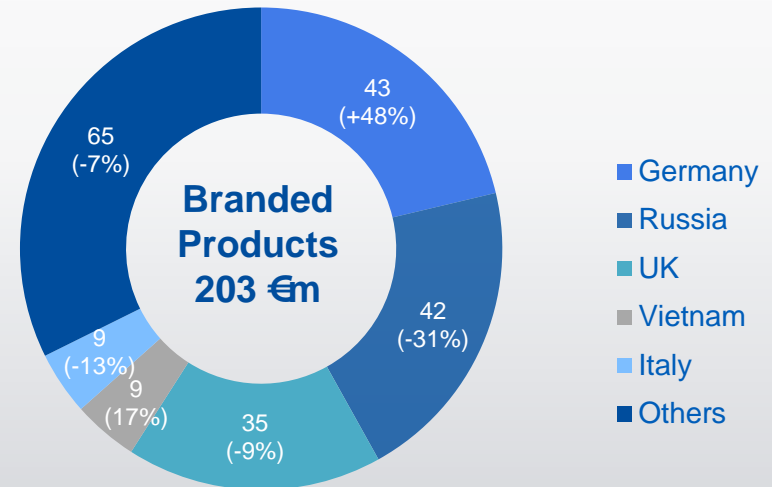
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items

# BRANDED PRODUCTS

## Q3 Segment Results

- **Germany:** Portfolio optimization / strong performance supported by early supply ahead of flu season / Ladival line extensions / Hoggar benefiting from successful marketing activities
- **Russia:** Challenging economic environment limits purchasing power of consumers
- **UK:** Business continues to grow in local currency

## Sales by country Q3/2016 in €m



# CASHFLOW DEVELOPMENT

	Q3/2016	Q3/2015	Δ	9M/2016	9M/2015	Δ
<b>Operating Cashflow</b>	85	97	-13%	198	138	44%
<b>Free Cashflow</b> (before dividends)	64	55	16%	79	11	644%
<b>Free Cashflow (adj.)<sup>1</sup></b> (before dividends)	90	74	22%	133	69	94%

1) Adjusted for significant investments, acquisitions and disposals



# LEVERAGE NET DEBT/EBITDA (ADJ.)

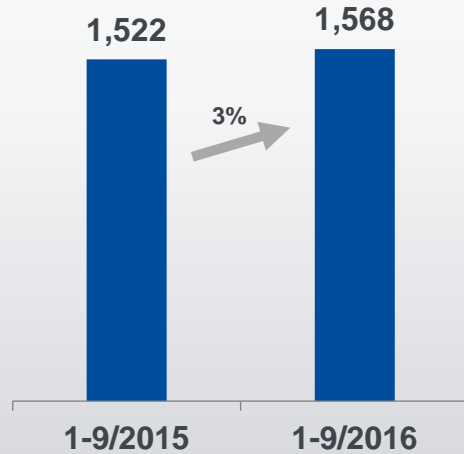


1) Linear extrapolation of the adjusted EBITDA of the reporting period on a full year basis

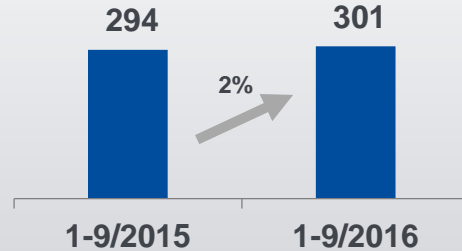
# WELL ON TRACK TO REACH FY2016 OUTLOOK

## Sales (adj.<sup>1</sup>)

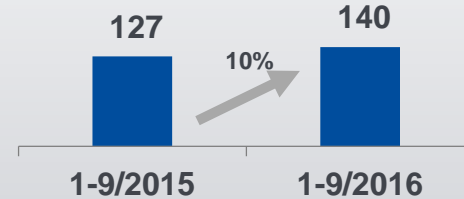
€m



## EBITDA (adj.<sup>2</sup>)



## Net income (adj.<sup>2</sup>)



1) Adjusted for currency and portfolio effects. 2) Adjusted for special items

# OUTLOOK 2016

	<u>Before</u>	<u>New</u>
Sales adj. <sup>1</sup>	Slight growth	<input checked="" type="checkbox"/>
EBITDA adj. <sup>2</sup>	Slight growth	<input checked="" type="checkbox"/>
Net income adj. <sup>2</sup>	Slight growth	Minimum of €180m

1) Adjusted for currency and portfolio effects. 2) Adjusted for special items.

# APPENDIX

# RECONCILIATION Q3

in € million <sup>1</sup>	Q3/2016 reported	Impairments/ write-ups on intangible assets	Effects from purchase price allocations and product acquisitions <sup>2</sup>	Currency effects CIS/Eastern Europe <sup>3</sup>	Measurement of derivative financial instruments	Other <sup>4</sup>	Q3/2016 adjusted
EBITDA	88.4	-	-0.4	2.2	-	8.1	98.3
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	51.7	-22.1	-3.7	-	-	-	25.9
Financial income and expenses	-12.9	-	-	-	-0.3	-	-13.2
Income taxes	2.8	3.6	2.1	0.2	-0.1	4.7	13.3
Result distributable to non- controlling shareholders	2.7	-	-0.6	-	-	-	2.1
Result distributable to shareholders of STADA Arzneimittel AG (net income)	18.3	18.5	1.8	2.0	-0.2	3.4	43.8

1) As a result of the presentation in € million, deviations due to rounding may occur in the tables.

2) Relates to additional scheduled depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions taking financial year 2013 as basis.

3) Relates to currency translation effects recorded in the income statement resulting from the fluctuation of the Russian ruble as well as other significant currencies of the region CIS/Eastern Europe.

4) Relates to miscellaneous extraordinary income and expenses, among other things, from a received milestone payment in the United Kingdom, tax rate changes in the United Kingdom and a severance payment for the previous Chairman of the Executive Board.

# RECONCILIATION 9M

in € million <sup>1</sup>	9M/2016 reported	Impairments/ write-ups on intangible assets	Effects from purchase price allocations and product acquisitions <sup>2</sup>	Currency effects CIS/Eastern Europe <sup>3</sup>	Measurement of derivative financial instruments	Other <sup>4</sup>	9M/2016 adjusted
EBITDA	289.1	-	0.8	6.6	-	4.1	300.6
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	115.1	-29.0	-12.5	-	-	-	73.6
Financial income and expenses	-38.9	-	-	-	0.3	-	-38.6
Income taxes	27.6	5.1	3.7	0.8	0.0	4.4	41.6
Result distributable to non- controlling shareholders	7.2	0.0	-0.3	-	-	-	6.9
Result distributable to shareholders of STADA Arzneimittel AG (net income)	100.3	23.9	9.9	5.8	0.3	-0.3	139.9

1) As a result of the presentation in € million, deviations due to rounding may occur in the tables.

2) Relates to additional scheduled depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions taking financial year 2013 as basis.

3) Relates to currency translation effects recorded in the income statement resulting from the fluctuation of the Russian ruble as well as other significant currencies of the region CIS/Eastern Europe.

4) Relates to miscellaneous extraordinary income and expenses, among other things, from a received milestone payment in the United Kingdom, tax rate changes in the United Kingdom and a severance payment for the previous Chairman of the Executive Board.

# FINANCIAL CALENDAR / CONTACT

## Financial Calendar 2017

March 23, 2017	Publication of FY 2016 results with analyst meeting
May 11, 2017	Publication of the Q1 2017 results
June 08, 2017	Annual General Meeting 2017
August 03, 2017	Publication of the Q2 2017 results
November 09, 2017	Publication of the Q3 2017 results

Please note that these dates could be subject to change.

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Dr. M. Wiedenfels (Chairman), H. Kraft