



Press release – May 3, 2018

STADA with solid business development in the first quarter of 2018

- STADA had a good start to the year
- Both generics and branded products contribute to higher adjusted Group sales
- Significant margin improvement in both segments
- Transformation programme has already yielded positive results through cost savings in purchase and efficiencies in administration
- Double-digit growth of net income
- Increase in cash flow and improvement in net working capital

STADA key figures: Group

	Q1/2018	Q1/2017	+/-
Reported Group sales	€558.1 million	€566.3 million	-1%
Adjusted Group sales	€573.4 million	€552.0 million	+4%
Reported EBITDA	€118.6 million	€108.6 million	+9%
Adjusted EBITDA	€118.4 million	€108.5 million	+9%
Reported net income	€56.7 million	€49.2 million	+15%
Adjusted net income	€60.9 million	€53.3 million	+14%
Reported earnings per share	€0.91	€0.79	+15%
Adjusted earnings per share	€0.98	€0.86	+14%

According to Dr. Claudio Albrecht, CEO: “We got off to a good start in financial year 2018. The substantial improvements in profitability in both the Generics and Branded Products segments and the marked increase in net income show that the measures implemented in the transformation process are paying off. Overall, we are on track to meet the growth targets we have set for 2018.”

Executive Board: Dr. Claudio Albrecht (CEO) / Mark Keatley

Supervisory Board Chairman: Dr. Günter von Au



Slight decrease in reported Group sales – increase in adjusted Group sales

In the reporting period, **reported Group sales** declined by 1 percent to €558.1 million. Sales generated by STADA Vietnam J.V. Co. Ltd. were no longer included. **Group sales adjusted** for portfolio and currency effects increased by 4 percent to €573.4 million. Both segments contributed to this growth.

Marked increase in both reported and adjusted EBITDA

Reported EBITDA increased by 9 percent to €118.6 million in the first quarter of 2018. **Adjusted EBITDA** grew by 9 percent to €118.4 million.

Significant increase in both reported and adjusted net income

Reported net income increased by 15 percent to €56.7 million in the reporting period. **Adjusted net income** grew by 14 percent to €60.9 million.

Increase in cash flow – improvement in net working capital

Cash flow from operating activities improved to €80.6 million in the first three months of 2018 (1-3/2017: €59.5 million). **Free cash flow** increased to €51.9 million (1-3/2017: €25.8 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals increased to €61.5 million (1-3/2017: €39.7 million). Net working capital improved from €678.8 million as of December 31, 2017, to €649.9 million as of March 31, 2018.

Reduction in net debt

As of March 31, 2018, **net debt** was reduced to €1,006.5 million (December 31, 2017: €1,054.7 million). The **net debt to adjusted EBITDA ratio** (LTM; before on a full-year basis/on linear extrapolation) improved in the first quarter of 2018 to 2.3 (1-3/2017: 2.6) including the funding provided by Nidda Healthcare Holding GmbH.



STADA key figures: Generics segment

	Q1/2018	Q1/2017	+/-
Reported sales	€326.8 million	€325.9 million	0%
Adjusted sales	€332.8 million	€319.0 million	+4%
Adjusted EBITDA	€82.3 million	€69.4 million	+19%
Adjusted EBITDA margin	25.2%	21.3%	

Sales development: Generics

Reported sales in the **Generics** segment in the first quarter of 2018 were more or less on a par with the previous-year quarter at €326.8 million. Sales generated by STADA Vietnam J.V. Co. Ltd. were no longer included.

Sales adjusted for portfolio and currency effects grew by 4 percent to €332.8 million.

Overall, the Generics segment accounted for 58.6 percent of Group sales (1-3/2017: 57.5 percent).

EBITDA and margin development: Generics

Adjusted EBITDA in the **Generics** segment increased by 19 percent to €82.3 million in the first three months of 2018.

The **adjusted EBITDA margin** was 25.2 percent (1-3/2017: 21.3 percent).



STADA key figures: Branded Products segment

	Q1/2018	Q1/2017	+/-
Reported sales	€231.3 million	€240.4 million	-4%
Adjusted sales	€240.6 million	€233.0 million	+3%
Adjusted EBITDA	€63.1 million	€57.0 million	+11%
Adjusted EBITDA margin	27.3%	23.7%	

Sales development: Branded Products

Reported sales in the **Branded Products segment** declined by 4 percent to €231.3 million in the first quarter of 2018.

Sales adjusted for portfolio and currency effects grew by 3 percent to €240.6 million.

Overall, the Branded Products segment accounted for 41.4 percent of Group sales (1-3/2017: 42.5 percent).

EBITDA and margin development: Branded Products

Adjusted EBITDA in the **Branded Products segment** increased by 11 percent to €63.1 million in the first three months of 2018.

The **adjusted EBITDA margin** in the **Branded Products segment** was 27.3 percent (1-3/2017: 23.7 percent).



STADA reconciliation of special items in the first quarter of 2018

(€ million ¹)	Reported first quarter of 2018	Impairment/write-ups on non-current assets	Effects from purchase price allocations and product acquisitions ²	Adjusted first quarter of 2018
Earnings before interest, taxes, depreciation and amortization (EBITDA)	118.6	--	-0.2	118.4
Balance from depreciation/amortization and impairment/write-ups for intangible assets (including goodwill), property, plant and equipment and financial assets	30.4	-1.8	-3.3	25.3
Financial income and expenses	-8.1	--	--	-8.1
Income taxes	22.4	0.5	0.4	23.3
Result attributable to non-controlling shareholders	1.0	--	-0.1	0.9
Result attributable to the shareholders of STADA Arzneimittel AG (net income)	56.7	1.3	2.9	60.9

1 Due to the presentation in € million, deviations may appear in the tables due to rounding.

2 Concerns additional depreciation/amortization and other valuation effects due to purchase price allocations and significant product acquisitions compared with the 2013 financial year as the base level.

About STADA Arzneimittel AG

STADA Arzneimittel AG is a publicly-listed company with headquarters in Bad Vilbel, Germany. The company focuses on a three-pillar strategy consisting of generics, non-prescription OTC products and specialty pharmaceuticals, biosimilars in particular. Worldwide, STADA is represented in about 30 countries with roughly 50 subsidiaries. Branded products such as Grippostad and Ladival are among the highest selling in their product categories in Germany. In financial year 2017, STADA achieved adjusted Group sales of Euro 2,255.3 million, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of Euro 433.9 million and adjusted net income of Euro 195.6 million. As of December 31, 2017, STADA employed 10,176 people worldwide.

Additional information for journalists:

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