



Press release

STADA: Earnings 2016 slightly above expectations – Growth to continue in 2017

- Adjusted net income +11 percent
- Significant improvement of Generics margin
- Accelerated sales and earnings growth of Branded Products in Q4
- Cash flow from operating activities increased significantly
- Further reduction of net debt – net debt to adjusted EBITDA ratio improved to 2.8
- Dividend proposal of Euro 0.72 per share (previous year: Euro 0.70)

Preliminary STADA Group key figures

	2016	2015	+/-	Q4/2016	Q4/2015	+/-
Group sales, reported	€ 2,151.7 million	€ 2,115.1 million	+2%	€ 610.0 million	€ 581.6 million	+5%
<i>Group sales, adjusted</i>	€ 2,180.0 million	€ 2,100.4 million	+4%	€ 611.6 million	€ 578.3 million	+6%
EBITDA, reported	€ 369.3 million	€ 377.1 million	-2%	€ 80.2 million	€ 95.9 million	-16%
<i>EBITDA, adjusted</i>	€ 405.7 million	€ 389.4 million	+4%	€ 105.1 million	€ 95.6 million	+10%
Net income, reported	€ 92.9 million	€ 110.4 million	-16%	€ -7.4 million	€ 20.5 million	>-100%
<i>Net income, adjusted</i>	€ 184.3 million	€ 165.8 million	+11%	€ 44.4 million	€ 38.9 million	+14%
Earnings per share, reported	€ 1.49	€ 1.79	-17%	€ -0.12	€ 0.33	>-100%
<i>Earnings per share, adjusted</i>	€ 2.96	€ 2.69	+10%	€ 0.71	€ 0.62	+14%
Dividend (proposed 2016)	€ 0.72	€ 0.70	+3%	--	--	--

All figures included in this press release are preliminary and not yet audited.

Executive Board: Dr. Matthias Wiedenfels (Chairman) / Helmut Kraft
 Chairman of the Supervisory Board: Carl Ferdinand Oetker



Bad Vilbel, March 1, 2017 – The Executive Board of STADA Arzneimittel AG has released the preliminary, non-audited figures for financial year 2016 today, March 1, 2017. The Group was able to drive key changes in the reporting year as part of the further developed corporate strategy. **Reported Group sales** increased by 2 percent to Euro 2,151.7 million in the reporting year (previous year: Euro 2,115.1 million). **Group sales adjusted** for currency and portfolio effects grew by 4 percent to Euro 2,180.0 million (previous year: Euro 2,100.4 million). **Reported EBITDA** decreased by 2 percent to Euro 369.3 million (previous year: Euro 377.1 million). **Adjusted EBITDA** showed an increase of 4 percent to Euro 405.7 million (previous year: Euro 389.4 million). Overall, there were one-time special items in the amount of Euro 116.7 million before or Euro 91.4 million after taxes (see “Preliminary STADA reconciliation – Preliminary special items 2016” on pages 6 and 7). **Reported net income** recorded a decrease of 16 percent to Euro 92.9 million (previous year: Euro 110.4 million). **Adjusted net income** increased by 11 percent to Euro 184.3 million (previous year: Euro 165.8 million). **Reported earnings per share** decreased to Euro 1.49 in 2016 (previous year: Euro 1.79). **Adjusted earnings per share** increased to Euro 2.96 (previous year: Euro 2.69).

Increase of dividend proposed

Despite the decrease in reported net income, in light of STADA’s dividend policy, which has been consistent for decades, the Executive Board is recommending to the Supervisory Board that a **dividend** of Euro 0.72 per share is proposed for financial year 2016 at the next Annual General Meeting on June 8, 2017 (previous year: Euro 0.70). This would represent an increase in the dividend of 3 percent compared to the prior year. The resulting total dividend payment of Euro 44.8 million (previous year: Euro 43.6 million) would reflect a distribution ratio of approximately 48 percent of reported net income.

Significant increase in cash flow from operating activities

Cash flow from operating activities amounted to Euro 333.5 million in financial year 2016 (previous year: Euro 311.7 million). **Free cash flow** was at Euro 160.9 million (previous year: Euro 133.5 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals amounted to Euro 243.0 million (previous year: Euro 212.4 million).



Net debt reduced

Net debt was reduced to Euro 1,118.2 million as of the reporting date (December 31, 2015: Euro 1,215.7 million). The **net debt to adjusted EBITDA** ratio improved to 2.8 in 2016 (previous year: 3.1).

Outlook for financial year 2017

For financial year 2017, the Executive Board expects Group sales of between Euro 2.280 and 2.350 billion, adjusted for currency and portfolio effects with an adjusted EBITDA between Euro 430 and 450 million and adjusted net income between Euro 195 and 205 million.

STADA will publish the final figures for financial year 2016 as part of the press and analysts' conference on March 23, 2017.



Preliminary STADA segment key figures Generics

	2016	2015	+/-	Q4/2016	Q4/2015	+/-
Sales, reported	€ 1,290.1 million	€ 1,261.4 million	+2%	€ 358.3 million	€ 333.2 million	+8%
<i>Sales, adjusted</i>	€ 1,297.0 million	€ 1,253.2 million	+3%	€ 352.7 million	€ 331.5 million	+6%
EBITDA, reported	€ 261.7 million	€ 233.2 million	+12%	€ 68.9 million	€ 73.2 million	-6%
<i>EBITDA, adjusted</i>	€ 270.8 million	€ 232.0 million	+17%	€ 77.3 million	€ 71.4 million	+8%
Margin, reported	20.3%	18.5%		19.2%	22.0%	
<i>Margin, adjusted</i>	21.0%	18.4%		21.6%	21.4%	

Reported sales of the **Generics** segment grew by 2 percent to of Euro 1,290.1 million in the reporting year (previous year: Euro 1,261.4 million). **Sales** of the **Generics** segment **adjusted** for portfolio effects and currency influences increased by 3 percent to Euro 1,297.0 million (previous year: Euro 1,253.2 million). Generics contributed 60.0 percent to Group sales (previous year: 59.7 percent).



Preliminary STADA segment key figures Branded Products

	2016	2015	+/-	Q4/2016	Q4/2015	+/-
Sales, reported	€ 861.6 million	€ 853.6 million	+1%	€ 251.7 million	€ 248.2 million	+1%
<i>Sales, adjusted</i>	<i>€ 883.0 million</i>	<i>€ 847.1 million</i>	+4%	<i>€ 258.8 million</i>	<i>€ 246.7 million</i>	+5%
EBITDA, reported	€ 188.0 million	€ 211.8 million	-11%	€ 30.1 million	€ 40.3 million	-25%
<i>EBITDA, adjusted</i>	<i>€ 202.4 million</i>	<i>€ 220.1 million</i>	-8%	<i>€ 41.3 million</i>	<i>€ 38.7 million</i>	+7%
Margin, reported	21.8%	24.8%		12.0%	16.2%	
<i>Margin, adjusted</i>	<i>23.5%</i>	<i>25.8%</i>		<i>16.4%</i>	<i>15.6%</i>	

Reported sales of the **Branded Products** segment increased by 1 percent to Euro 861.6 million in financial year 2016 (previous year: Euro 853.6 million). **Sales** of the **Branded Products** segment **adjusted** for portfolio effects and currency influences increased by 4 percent to Euro 883.0 million (previous year: Euro 847.1 million). Branded products contributed 40.0 percent to Group sales (previous year: 40.3 percent).



Preliminary STADA reconciliation – Preliminary special items 2016

in € million ¹	2016 reported	Impairments/write-ups on fixed assets	Effects from purchase price allocations and product acquisitions ²	Currency translation effects CIS/Eastern Europe ³	Measurement of derivative financial instruments	Portfolio adjustments/Restructuring expenses ⁴	Other ⁵	2016 adjusted
Earnings before interest, taxes, depreciation and amortization (EBITDA)	369.3	--	-2.9	9.1	--	28.2	2.0	405.7
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	182.7	-65.5	-14.3	--	--	--	--	102.9
Financial income and expenses	51.4	--	--	--	-0.5	--	--	50.9
Income taxes	32.7	12.8	3.1	1.1	0.1	5.3	4.0	59.1

Executive Board: Dr. Matthias Wiedenfels (Chairman) / Helmut Kraft
 Chairman of the Supervisory Board: Carl Ferdinand Oetker



Result distributable to non-controlling shareholders	9.6	0.5	-1.6	--	--	--	--	8.5
Result distributable to shareholders of STADA Arzneimittel AG (net income)	92.9	52.2	9.9	8.0	0.4	22.9	2.0	184.3

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 expenses, among other things, for the restructuring of the Germany business, the termination of main parts of the Aesthetics business, expenses in connection with the deconsolidation of the Egyptian subsidiary as well as the termination of a distribution agreement in Belgium.

⁵ Relates to miscellaneous extraordinary income and expenses, among other things, from a milestone payment received in the United Kingdom, tax rate changes in the United Kingdom as well as a severance payment for the former Chairman of the Executive Board.

Executive Board: Dr. Matthias Wiedenfels (Chairman) / Helmut Kraft

Chairman of the Supervisory Board: Carl Ferdinand Oetker



About STADA Arzneimittel AG

STADA Arzneimittel AG is a publicly-listed company with headquarters in Bad Vilbel, Germany. STADA consistently focuses on a multi-pillar strategy of generics and branded products (OTC) with an increasingly international market orientation. The Group is the only independent generics producer in Germany. Worldwide, STADA is represented in more than 30 countries with more than 50 subsidiaries. Branded products such as Grippostad and Ladival are among the highest selling in their product categories in Germany. In financial year 2015, STADA achieved Group sales of Euro 2,115.1 million, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of Euro 389.4 million and adjusted net income of Euro 165.8 million. As of December 31, 2015, STADA employed 10,532 people worldwide.

Additional information for journalists:

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