



Press release – August 9, 2018

STADA's business development in the first six months of 2018 as expected

- Increase in adjusted Group sales – driven by both Generics and Branded Products
- Double-digit increase in reported and adjusted EBITDA – considerable margin improvement in the Generics segment
- Significant growth in reported and adjusted net income
- Positive development of cash flow from operating activities

STADA Group key figures

	Q2/2018	Q2/2017	+/-	H1/2018	H1/2017	+/-
Reported Group sales	€579.4 million	€576.9 million	0%	€1,137.5 million	€1,143.2 million	-1%
Adjusted Group sales	€598.1 million	€562.5 million	+6%	€1,171.6 million	€1,114.5 million	+5%
Reported EBITDA	€142.1 million	€112.4 million	+26%	€260.6 million	€220.9 million	+18%
Adjusted EBITDA	€143.3 million	€129.2 million	+11%	€261.7 million	€237.7 million	+10%
Reported net income	€108.6 million	€41.1 million	>100%	€165.3 million	€90.3 million	+83%
Adjusted net income	€88.8 million	€60.8 million	+46%	€149.7 million	€114.1 million	+31%
Reported earnings per share	€1.75	€0.66	>100%	€2.66	€1.45	+83%
Adjusted earnings per share	€1.43	€0.97	+46%	€2.40	€1.83	+31%

“In the first six months of 2018, STADA developed in line with our expectations. In addition to double-digit increase in our key earnings figures – including significant net income growth – we were able to considerably improve the margin of our Generics segment. We also pushed ahead with our strategic realignment, implementing steps such as acquiring the EMEA rights for Nizoral dandruff treatment

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shampoo and taking over distribution responsibility for our strongest-selling product APO-Go in Germany, with Scandinavia to follow shortly. As such, we remain on track to reach our targets for 2018," STADA CEO Dr. Claudio Albrecht strikes a positive balance.

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

Reported Group sales decreased by 1 percent in the first six months of 2018 to €1,137.5 million. Sales of STADA Vietnam J.V. Co. Ltd. are no longer included. **Group sales adjusted** for portfolio and currency effects increased by 5 percent to €1,171.6 million.

Increase in reported and adjusted EBITDA

Reported EBITDA increased by 18 percent in the reporting period to €260.6 million, while **adjusted EBITDA** rose by 10 percent to €261.7 million.

Significant increase in reported and adjusted net income

Reported net income grew by 83 percent in the first six months of the current financial year, rising to €165.3 million, while **adjusted net income** increased by 31 percent to €149.7 million.

Increase in cash flow from operating activities

Cash flow from operating activities increased to €95.0 million in the first six months of 2018 (1-6/2017: €89.5 million). Following the most recent investments, **free cash flow** totaled €99.6 million (1-6/2017: €16.9 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals increased to €61.6 million (1-6/2017: €43.5 million).

Improved equity ratio

The **equity ratio** as of June 30, 2018, improved to 34.3 percent (December 31, 2017: 31.4 percent). **Net debt** as of June 30, 2018, totaled €1,165.5 million, including a shareholders' loan (December 31, 2017: €1,054.7 million).



STADA key figures: Generics segment

	Q2/2018	Q2/2017	+/-	H1/2018	H1/2017	+/-
Reported sales	€345.5 million	€348.5 million	-1%	€672.4 million	€674.4 million	0%
Adjusted sales	€351.8 million	€341.6 million	+3%	€684.7 million	€660.6 million	+4%
Adjusted EBITDA	€101.3 million	€81.3 million	+25%	€183.6 million	€150.7 million	+22%
Adjusted EBITDA margin	29.3%	23.3%		27.3%	22.3%	

Sales and earnings development of the Generics segment

In the first six months of 2018, **reported sales** of the **Generics** segment totaled €672.4 million and were more or less on a par with the corresponding period of the previous year. The figure no longer includes generics sales of STADA Vietnam J.V. Co. Ltd. **Sales adjusted** for portfolio and currency effects increased by 4 percent to €684.7 million. Overall, the Generics segment accounted for 59.1 percent of Group sales in the reporting period (1-6/2017: 59.0 percent). **Adjusted EBITDA** increased by 22 percent to €183.6 million. The **adjusted EBITDA margin** was 27.3 percent (1-6/2017: 22.3 percent).



STADA key figures: Branded Products segment

	Q2/2018	Q2/2017	+/-	H1/2018	H1/2017	+/-
Reported sales	€233.9 million	€228.4 million	+2%	€465.1 million	€468.8 million	-1%
Adjusted sales	€246.3 million	€220.9 million	+11%	€486.9 million	€453.9 million	+7%
Adjusted EBITDA	€56.9 million	€64.4 million	-12%	€120.0 million	€121.4 million	-1%
Adjusted EBITDA margin	24.3%	28.2%		25.8%	25.9%	

Sales and earnings development of the Branded Products segment

In the first six months of 2018, **reported sales** of the **Branded Products** segment decreased by 1 percent to €465.1 million. The figure no longer includes branded product sales of STADA Vietnam J.V. Co. Ltd. **Sales adjusted** for portfolio and currency effects increased by 7 percent to €486.9 million. Overall, the Branded Products segment accounted for 40.9 percent of Group sales in the reporting period (1-6/2017: 41.0 percent). **Adjusted EBITDA** decreased by 1 percent to €120.0 million. The **adjusted EBITDA margin** was 25.8 percent (1-6/2017: 25.9 percent).



STADA reconciliation of special items in the second quarter of 2018

in € million ¹	Second quarter 2018, reported	Impairment/write-ups of non-current assets	Effects of purchase price allocations and product acquisitions ²	Severance payments	Change of tax status of STADA Arzneimittel AG	Second quarter 2018, adjusted
Earnings before interest, taxes, depreciation and amortization (EBITDA)	142.1	--	-0.2	1.4	--	143.3
Balance from depreciation/amortization and impairment/write-ups of intangible assets (including goodwill), property, plant and equipment, and financial assets	34.2	-4.8	-3.2	--	--	26.1
Financial income and expenses	-9.7	--	--	--	--	-9.7
Income taxes	-11.7	-0.3	0.5	--	28.9	17.5
Result distributable to non-controlling shareholders	1.3	--	-0.1	--	--	1.2
Result distributable to shareholders of STADA Arzneimittel AG (net income)	108.6	5.1	2.6	1.4	-28.9	88.8

¹ Due to the presentation in € million, there may be rounding differences in the tables.

² Relates to additional depreciation/amortization and other valuation effects resulting from purchase price allocations and significant product acquisitions, taking financial year 2013 as basis.

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STADA reconciliation of special items in the first six months of 2018

in € million ¹	First six months 2018, reported	Impairment/write-ups of non-current assets	Effects of purchase price allocations and product acquisitions ²	Severance payments	Change of tax status of STADA Arzneimittel AG	First six months 2018, adjusted
Earnings before interest, taxes, depreciation and amortization (EBITDA)	260.6	--	-0.3	1.4	--	261.7
Balance from depreciation/amortization and impairment/write-ups of intangible assets (including goodwill), property, plant and equipment, and financial assets	64.5	-6.6	-6.5	--	--	51.4
Financial income and expenses	-17.8	--	--	--	--	-17.8
Income taxes	10.7	0.2	1.0	--	28.9	40.8
Result distributable to non-controlling shareholders	2.3	--	-0.3	--	--	2.0
Result distributable to shareholders of STADA Arzneimittel AG (net income)	165.3	6.4	5.5	1.4	-28.9	149.7

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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 €2,255.3 million, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of €433.9 million and adjusted net income of €195.6 million. As of December 31, 2017, STADA employed 10,176 people worldwide.

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