



CORPORATE PRESENTATION

November 2016



STADA STRATEGY

TAPPING OUR FULL POTENTIAL



Ready for change

Delivering growth

NEW CORPORATE CULTURE AND STRUCTURE

NEW LOGO AS SYMBOL OF CHANGE AND RENEWAL

New Group structure

New Group-wide incentivization model



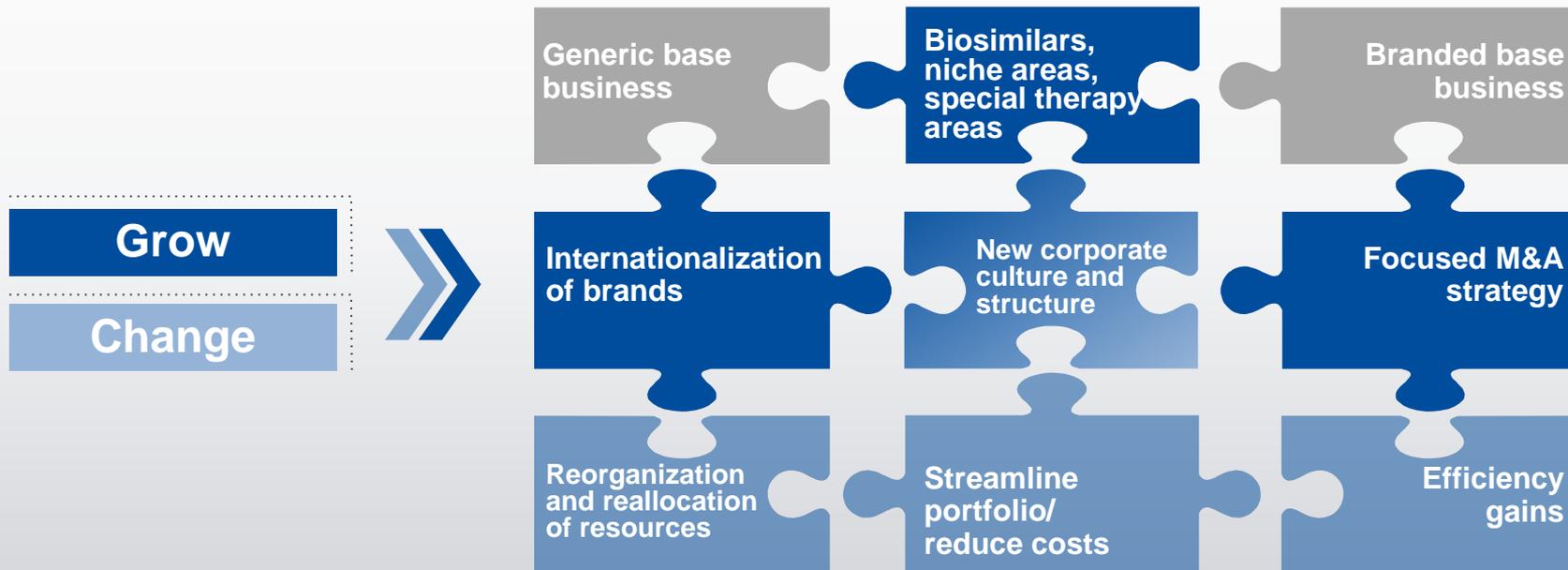
Enhance culture
to further
boost company
performance

Improved networking of
individual business units

Greater degree of transparency

READY FOR CHANGE – DELIVERING GROWTH

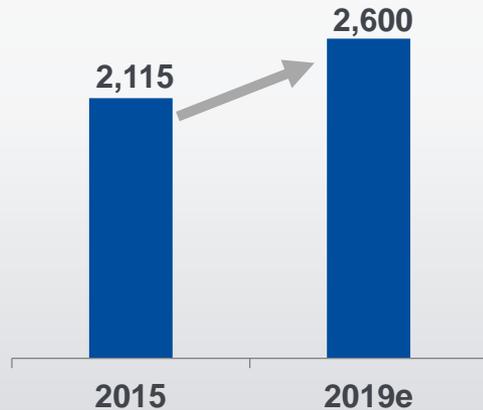
BUILDING ON EXISTING BUSINESS AND NEW INITIATIVES



GROUP MID-TERM GUIDANCE 2019

Sales¹

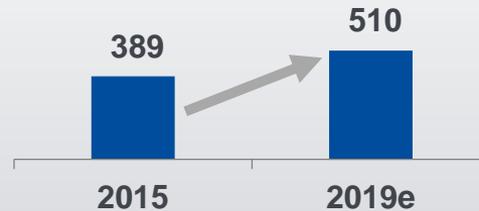
€m



CAGR '15-'19 ▲ +5%

EBITDA²

€m



CAGR '15-'19 ▲ +7%

Net income²

€m

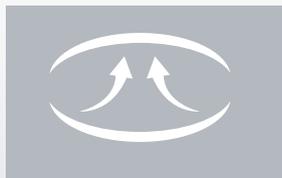


CAGR '15-'19 ▲ +11%

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

ASSUMPTIONS GROUP MID-TERM GUIDANCE 2019

**Organic growth
existing business**



**Constant
exchange
rates**



**Stable tax
environment and
current interest
levels**



**Stable regulatory
environment for
generics business**

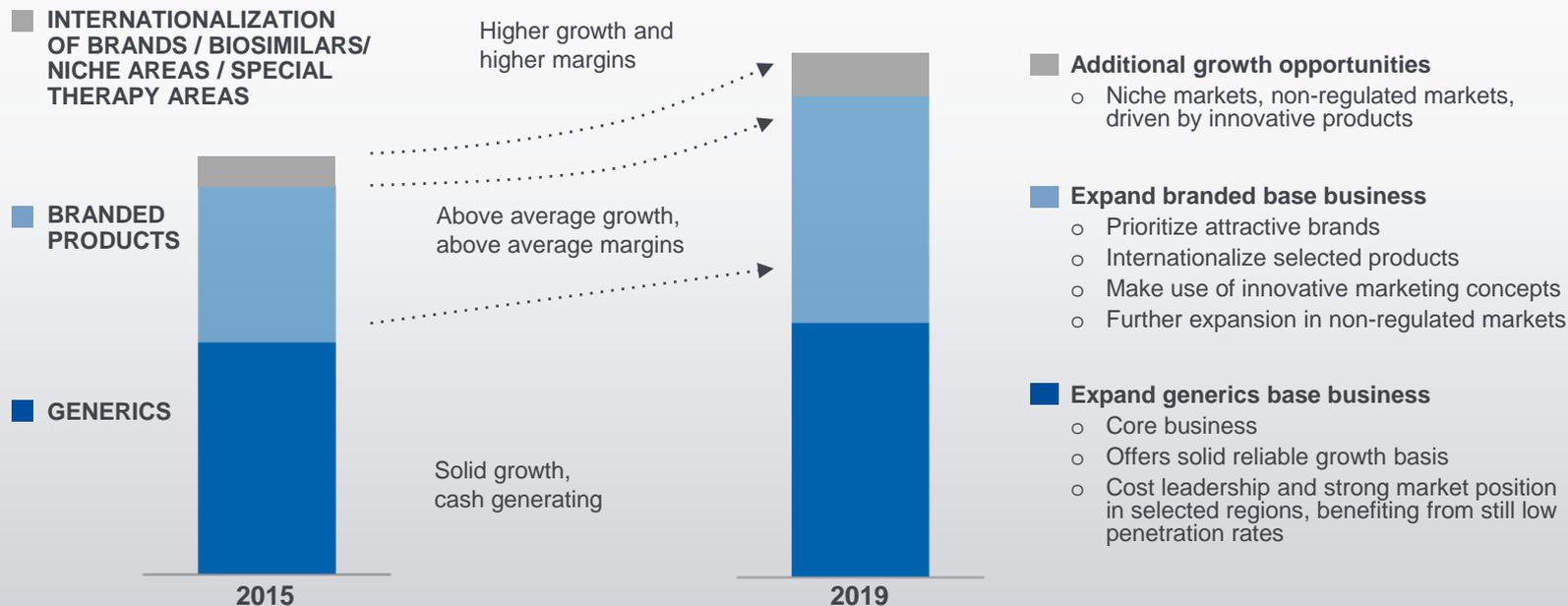


**Guidance
range: +/- 5%**

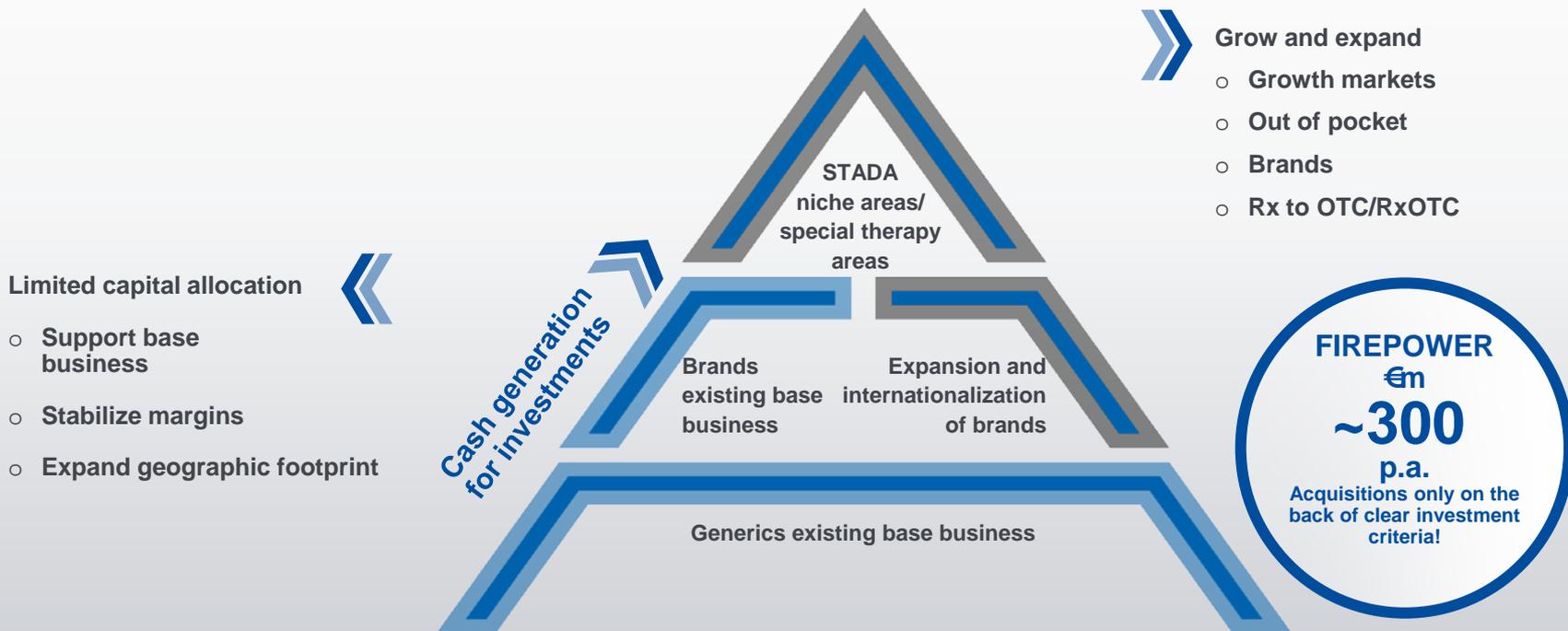


REFINED STRATEGY

BUILD ON GENERICS, EXPAND BRANDED PRODUCT BUSINESS AND STRIVE FOR ADDITIONAL GROWTH OPPORTUNITIES



FOCUSED M&A-STRATEGY IN-LICENSING AND SELECTIVE “BOLT-ON”-ACQUISITIONS



GENERICIS

CLEAR STRATEGY FOR CONTINUOUS GROWTH



Continue to grow base business and defend market positions



Expansion in attractive / less regulated markets



Rollout of the biosimilar portfolio



Ongoing efficiency initiatives to sustain attractive margin level

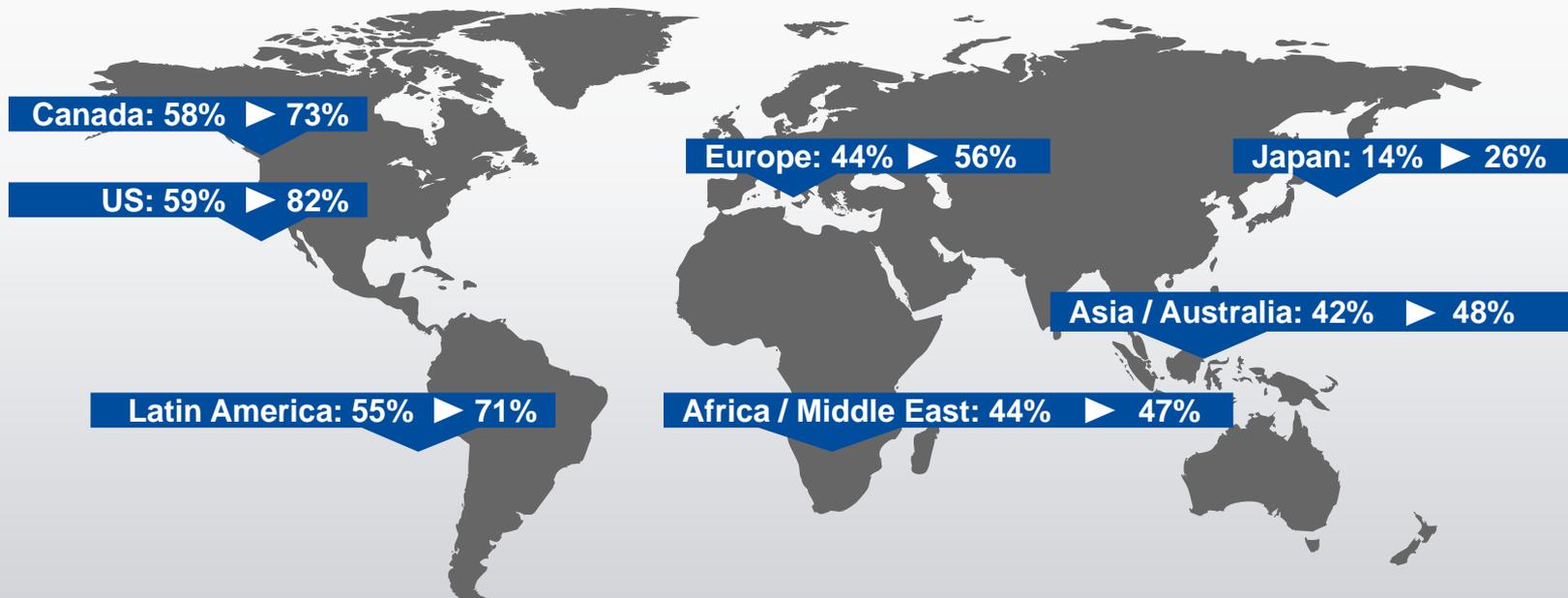


Selective M&A activity in growing markets

GENERICS

THE MARKET IS DRIVEN BY HIGH VOLUME GROWTH

Generics continue to take an increasing share of the scripts in all markets



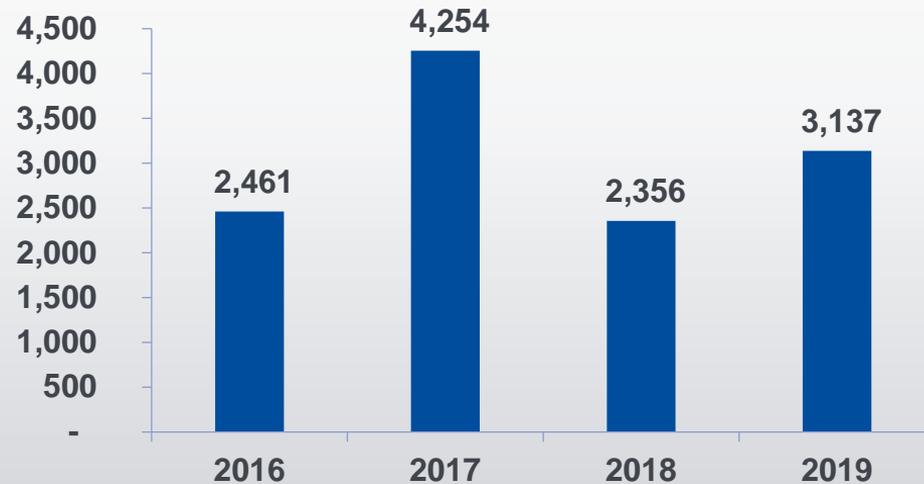
Generic volume market share 2006 vs. 2015. Source: IMS Health: "Why we need Generic medicines"; 2016.

GENERICS

FUTURE PATENT EXPIRATIONS

Patent expiration in Germany, France, Italy, Spain and UK

€bn



> €12 bn of sales coming off patent in our key markets by 2019 not including biosimilars

Source: IMS Health Midas.

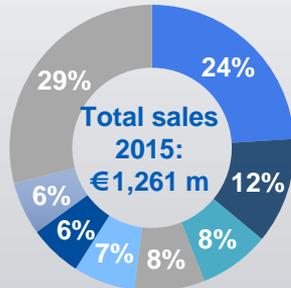
GENERICS - STADA'S TOP 5 GENERIC MARKETS

Growth rates¹ (ex-manufacturer sales before discounts) and market positions²

Market Growth CAGR 15-20		Germany	Italy	Spain	Belgium	Russia
Germany	4.8%	1. Novartis	1. Teva	1. Cinfa	1. STADA	1. Sanofi
Italy	8.4%	2. Teva	2. Mylan	2. Teva	2. Novartis	2. STADA
Spain	7.7%	3. STADA	3. Novartis	3. STADA	3. Teva	3. Novartis
Belgium	6.9%		4. STADA			
Russia	6.9%					

STADA's sales split regional

- Germany
- Italy
- Spain
- Belgium
- Russian Fed.
- France
- Serbia
- Other



- STADA occupies leading market positions in key Western and Eastern European generic markets
- Benefits from attractive market growth
- Trend of increasing generic penetration in STADA's key markets

1) Source: IMS Generic Forecasts. 2) Source: IMS Health Midas. 3) Incl. Commercial business.

BUILD ON FULL GENERIC PIPELINE AND EXPAND BIOSIMILARS PORTFOLIO

Generic base business

Volume growth and product launches in Generic base business
More than 2,000 product launches (SKU's) by 2019

Biosimilars

Portfolio expansion from currently 2 to 7 products



1) Adjusted for portfolio and currency effects.

BRANDED PRODUCTS STRATEGY

- Capitalize on strong platforms (e.g. T&R in UK) and internationalize successful brands
- Stretch existing brands (e.g. Fultium, Lactoflora) in existing markets
- Switch Rx generics to OTC / Upgrade generic OTCs to full brands (e.g. Care)
- In-license innovative formulations or delivery systems (e.g. Combogesic)
- Expand into new categories/attractive niches/new geographies
- Take advantage of innovative marketing opportunities (e.g. e-commerce/build on centers of excellence)



BRANDED PRODUCTS INTERNATIONAL SCOPE

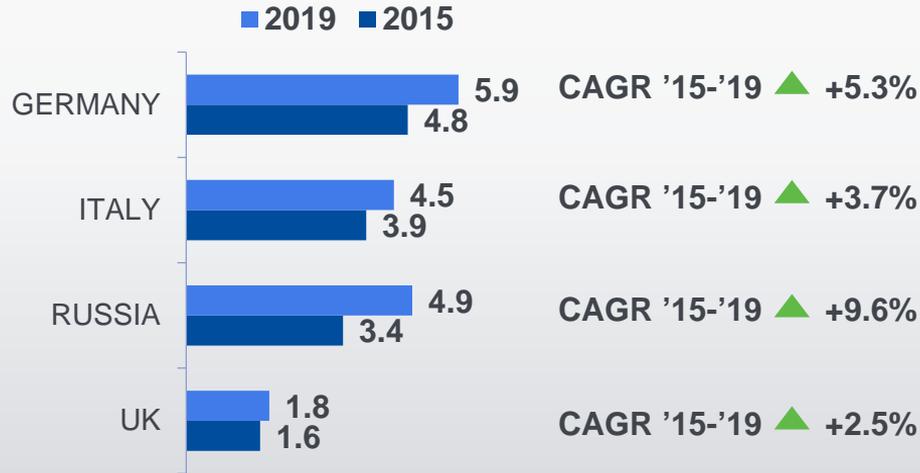
- Demographics, Urbanization and increasing income level
- Greater health awareness and desire for self-care
- New communication and distribution channels
- Rx-to-OTC/Otx-to-OTC switches and vice versa
- World growth trend: 2015: \$ 80.6 billion/2019: \$ 98.5 billion, CAGR: 5.1%

1) Ex-manufacturer Sales. Source: IMS OTC Review 2016.

BRANDED PRODUCTS STADA'S KEY MARKETS

2015 OTC growth in selected markets¹

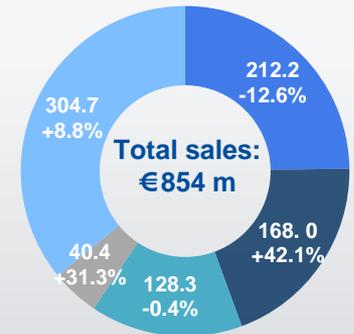
In LCD billion



STADA sales

Sales 2015 in €m
Growth vs. 2014

- Russian Fed.
- UK
- Germany
- Italy
- Rest of World



1) Source: IMS OTC Review 2016.

STADA IS REPRESENTED IN KEY CATEGORIES

OPPORTUNITY TO WIDEN SCOPE IN KEY AFFILIATES

Germany

- Topical Pain
- Cough & Cold
- Sleeping Aid
- Suncare
- Vitamins & Minerals
- Mouth ulcer



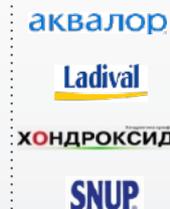
UK

- Topical Pain
- Cough
- Headlice
- Dermatology
- Vitamins & Minerals
- NRT/Vaping
- OTC- Generics



Russia

- Topical pain
- Rhinitis
- Urology
- Lifestyle & mens health



Spain

- Sun protection
- Rheumatology
- Venous disease
- Probiotics
- Dermatology



Austria

- Topical pain
- Venous disease
- Cough & Cold
- Suncare
- Vitamins & Minerals
- Food Intolerances



Belgium

- Topical pain
- Venous disease
- Probiotics
- Cardio Management
- Diabetes Management
- Womens health



INTERNATIONALIZATION OF BRANDS SELECTED CASE STUDIES

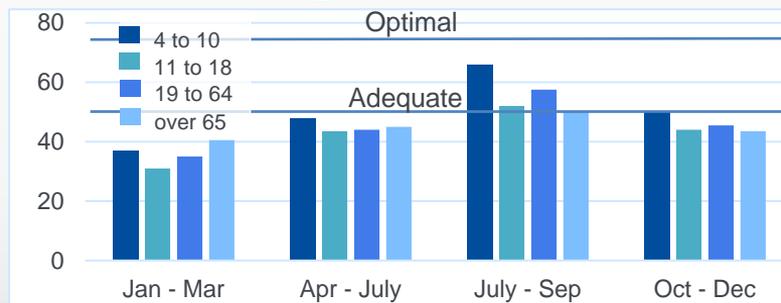


SELECTED CASE STUDIES: FULTIUM – HUGE POTENTIAL IN STADA KEY MARKETS

Massive potential in EU



We all need extra D₃



THE TIMES
**Doctors warn everyone
to take Vitamin D pills**



Everyone in the UK should have an intake of 10mcg (400IU) for prevention of insufficiency

SELECTED CASE STUDIES: HEDRIN – GROWTH THROUGH INNOVATION

Launched in 2006



- First licensed non-pesticide head lice treatment in UK
- Top OTC launch in UK 2006 – Brand leadership by June
- Revolutionized the market

Today




More potential for growth in new markets



BRANDED PRODUCTS

SELECTED CASE STUDIES: LACTOFLOORA

Probiotics – the friendly micro-warriors

“OUR BODY IS A PLANET”

- The intestinal microbiota is composed by **100,000 billion of microorganisms** coming from **500 to 1000 species**.
- The gut microbiota is **supporting the body’s immune and digestive functions** and thus is an **essential element** to have a body in optimal health
- Probiotics can **restore intestinal microflora** which often become **unbalanced** due to **illness, stress, age, traveling** or use of **antibiotics**.



Probiotic **range** from STADA, with a **complete formula** and **the best strains**, that offers one **solution for every situation** with the objective to solve health problems (**cure**) and prevent diseases (**care**).



- **Lactoflora is launched in Spain, Ireland, Poland, Portugal**
- **Food Supplement status gives opportunity of quick launches in other markets**

NEW PRODUCT LAUNCHES AND INTERNATIONALIZATION OF PRODUCTS

Branded base business

Volume growth and product launches in Branded base business

Internationalization of brands

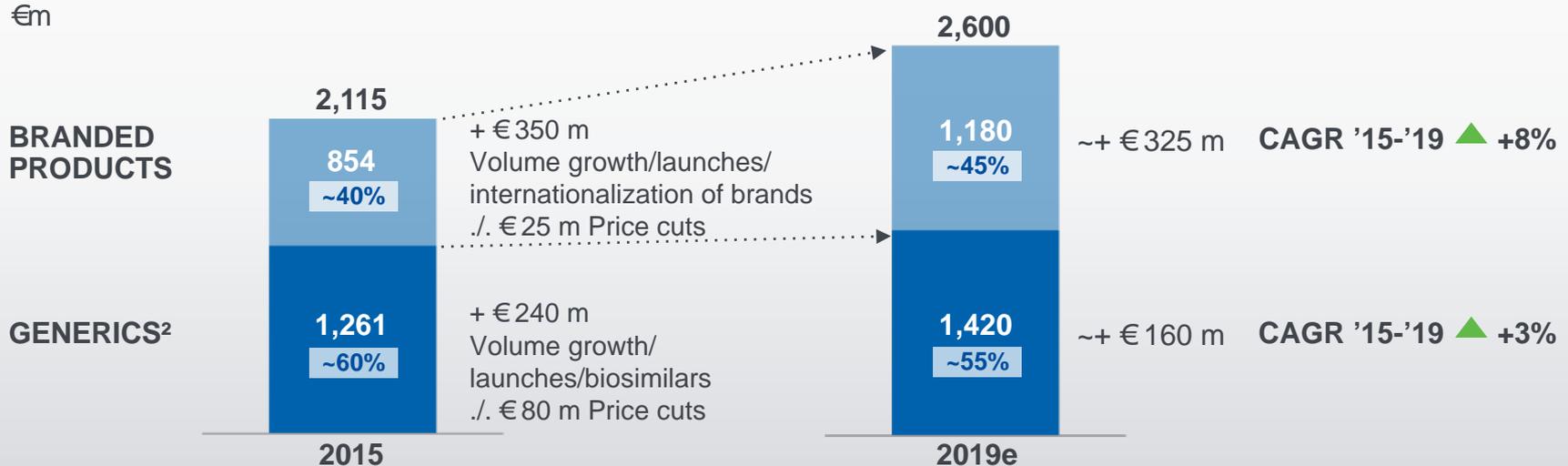
Focus on most attractive brands



1) Adjusted for portfolio and currency effects.

OUR PATH TO 2019 SALES GROWTH

Sales¹



1) Adjusted for portfolio and currency effects.

2) Including commercial business.

PORTFOLIO OPTIMIZATION STREAMLINE ORGANIZATIONAL SET UP AND INTERNAL PROCESSES

Organization

- **Consolidate:** Consolidation of German entities to gain synergies and improve market positioning
- **Simplify:** Optimize number of legal entities within the Group to reduce complexity
- **Eliminate:** Discontinue selected SKUs in the Branded Products and Generics segment to strengthen the product portfolio



Processes

- **Harmonize:** Harmonize Group end-to-end processes such as record to report, purchase to pay to allow standardized operations
- **Automation:** Further automation of corporate processes to reduce process times
- **Centralize:** Bundle expertise for selected processes to streamline operations



EXPECTED
SAVINGS

~ €40 m

until 2019e

REDUCTION OF COGS

P – Prices

- Continuous renegotiation of APIs
- Continuous renegotiation of finished goods

U – Utilization

- Reduce set-up times
- Optimize batch sizes
- Reduce small volume products

S – Suppliers

- Reduce number of suppliers
- Transfers from own manufacturing sites
- Transfers to own manufacturing sites

H – Harmonization

- Dossiers
- Packaging materials
- Equipment park



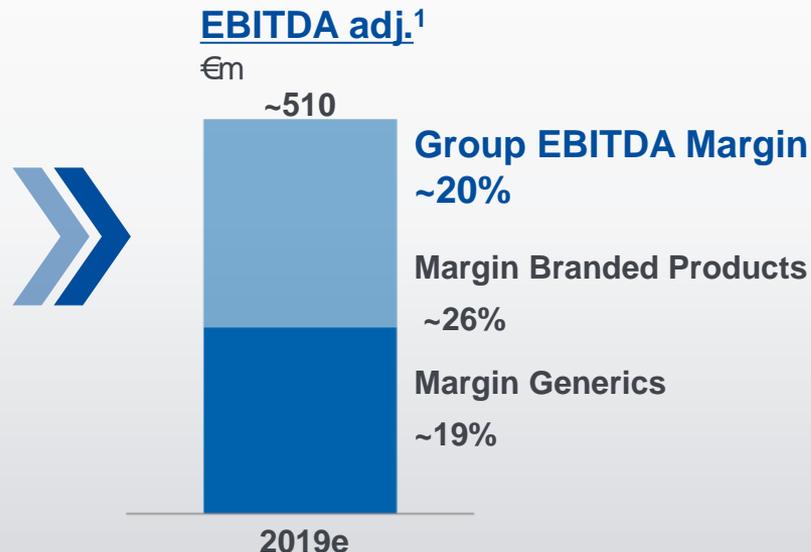
OUR PATH TO 2019 ADJUSTED EBITDA GROWTH

- + €120 m**
 - Volume growth and product launches in Generic base business & brands
 - Internationalization of brands
 - Biosimilars

- + €105 m**
 - Savings from reorganization/ efficiency gains & COGS

- / €105 m**
 - Price cuts in Generics and Branded Products

Total: + ~ €120 m



1) Adjusted for special items.

Q3/2016 UPDATE

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.) ¹	507	504	1%	1,568	1,522	3%
EBITDA	88	100	-11%	289	281	3%
EBITDA (adj.) ²	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.) ²	44	42	4%	140	127	10%

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

GENERICS

Q3 Segment Results

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

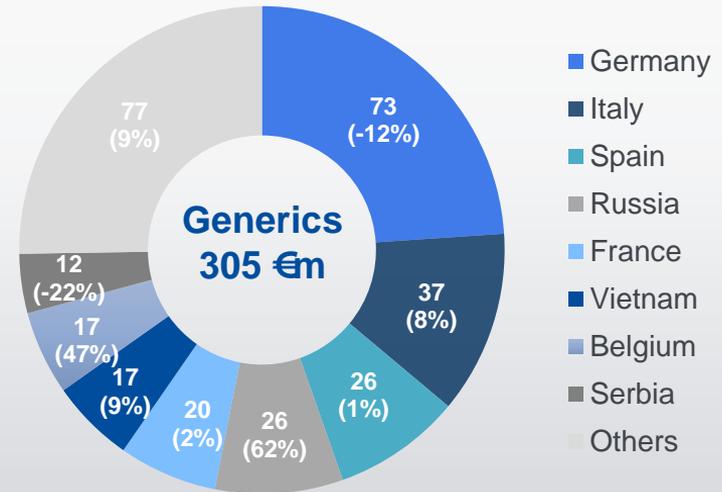
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items

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.) ¹	204	214	-5%	624	600	4%
EBITDA (adj.) ²	53	72	-27%	161	181	-11%
Margin (adj.) ²	25.9%	33.2%		26.4%	30.0%	

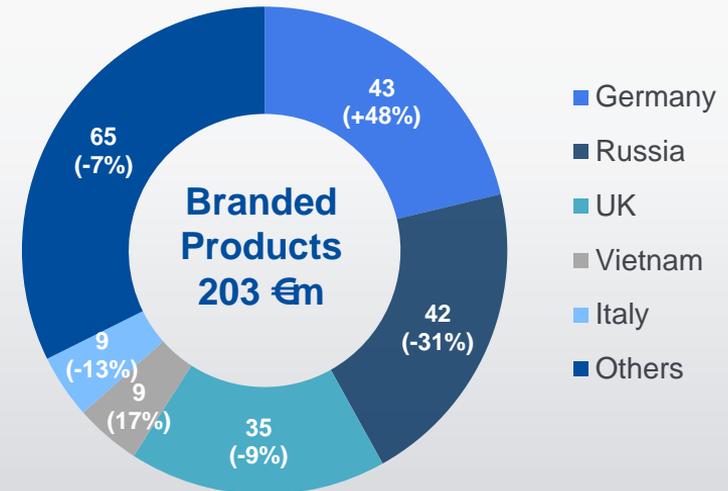
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items

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
Operating Cashflow	85	97	-13%	198	138	44%
Free Cashflow (before dividends)	64	55	16%	79	11	644%
Free Cashflow (adj.)¹ (before dividends)	90	74	22%	133	69	94%

1) Adjusted for significant investments, acquisitions and disposals

LEVERAGE NET DEBT/EBITDA (ADJ.)

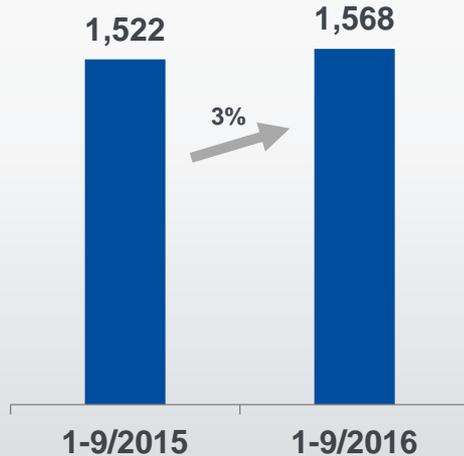


1) Linear extrapolation of the adjusted EBITDA of the reporting period on a full year basis

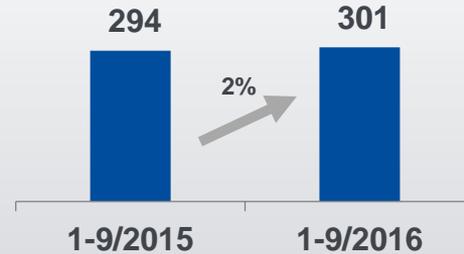
WELL ON TRACK TO REACH FY2016 OUTLOOK

Sales (adj.¹)

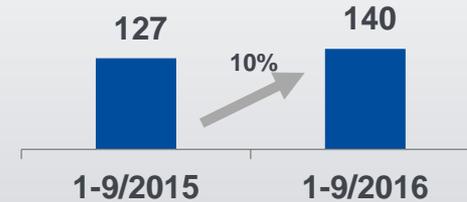
€m



EBITDA (adj.²)



Net income (adj.²)



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

OUTLOOK 2016

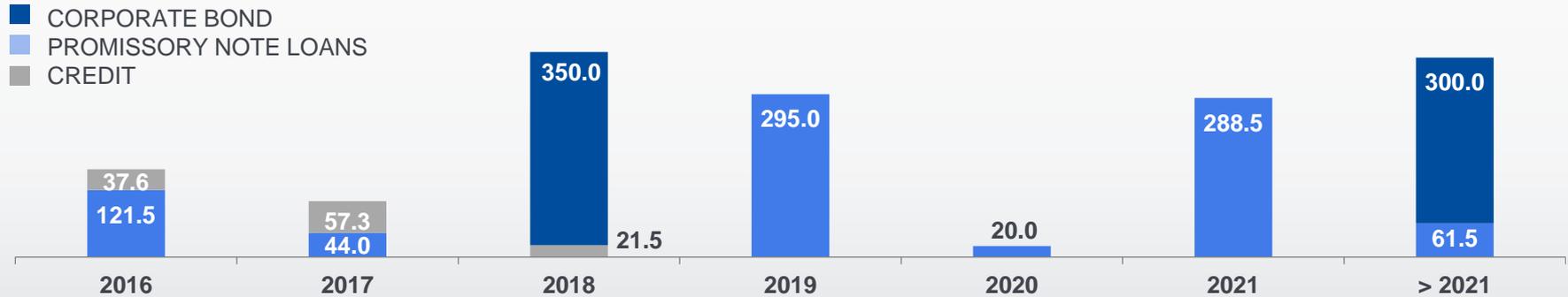
	<u>Before</u>	<u>New</u>
Sales adj. ¹	Slight growth	<input checked="" type="checkbox"/>
EBITDA adj. ²	Slight growth	<input checked="" type="checkbox"/>
Net income adj. ²	Slight growth	Minimum of €180m

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

APPENDIX

FINANCING STRUCTURE

Remaining terms of financial liabilities due to banks as of June 30, 2016 in €m



- **Net debt to adjusted¹ EBITDA ratio: 3.0² (1-6/2015: 3.7²)**
- **Cash and cash equivalents: € 385.5 m** (December 31, 2015: € 143.2 m)
- Access to firmly pledged credit lines from banking partners for many years
- In April 2016, STADA took up promissory note loans with a total nominal value of € 350 m with an average interest coupon of approx. 1% (term of five and seven years, fixed and variable)

1) Adjusted for special items.

2) Net debt to adjusted EBITDA ratio of the reporting period on the basis of linear extrapolation.

SENSITIVITY ANALYSIS FOR MAJOR EXCHANGE RATES

Exchange rate effects¹



+1/-1 Ruble / €

EBITDA €m ~+/- 0.9



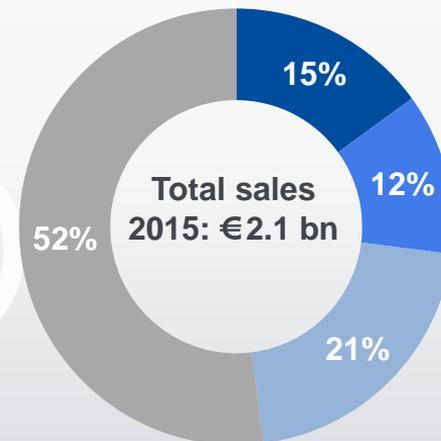
+1/-1 Pence / €

EBITDA €m ~+/- 1.8

Share of sales according to currencies¹

% / €m

- RUB
- GBP
- OTHERS
- EUR



1) Functional currencies, translation.

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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