



## Press Release

### **STADA leverages positive momentum and raises targets for future-oriented program “STADA Plus”**

- **Significantly increased adjusted EBITDA target 2019 at Euro 570 to 590 million (previously: approx. Euro 510 million)**
- **Increased adjusted Group sales target 2019 at Euro 2.650 to 2.700 billion (previously: approx. Euro 2.600 billion)**
- **Adjusted EBITDA margin of about 23 percent expected mid-term**
- **STADA-CEO Matthias Wiedenfels: “Within our future-oriented program ‘STADA Plus’ we have identified additional significant growth potential and started concrete initiatives with significantly positive impact on sales and profitability. With our new mid-term EBITDA-margin target we will significantly improve our competitive position.”**

Bad Vilbel, March 17, 2017 – At its meeting today, on March 17, 2017, the Executive Board of STADA Arzneimittel AG increased the medium-term growth targets for the Group for 2019 as compared to the medium-term targets communicated on July 11, 2016.

According to the revised targets, adjusted Group sales of Euro 2.650 to 2.700 billion (previously: about Euro 2.600 billion) will now be achieved in financial year 2019. Based on yet uncertified figures, STADA has reached adjusted Group sales of Euro 2.151 billion in 2016. In terms of adjusted EBITDA, the Executive Board expects a corridor between Euro 570 and 590 million (previously: about Euro 510 million), adjusted net income is expected to increase remotely due to a slightly increasing tax quota to between Euro 250 and 270 million (previously: about Euro 250 million). Based on yet uncertified figures, the company has reached an adjusted EBITDA of roughly Euro 406 million and an adjusted net income of approx. Euro 184 million. Cash flow from operating activities will improve to between Euro 560 and 580 million (2016: Euro 333.5 million), the adjusted EBITDA margin will be approximately 22 percent in 2019. The Executive Board also expects further efficiency enhancements which will lead to a further improvement in the adjusted EBITDA margin to about 23 percent in the medium term.

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



„We have successfully managed the transition year 2016. As part of our revised corporate strategy we have pressed ahead many changes, outperformed our targets and laid cornerstones for a successful future of STADA”, says Matthias Wiedenfels, Chairman of the Executive Board at STADA Arzneimittel AG. “Our strategy has gained significant momentum within the last six months. Thanks to this positive momentum we are able to leverage even more ambitious potentials. Within our future-oriented program ‘STADA Plus’ we have identified additional significant growth potential and started concrete initiatives with significantly positive impact on sales and profitability. With our new mid-term EBITDA-margin target we will significantly improve our competitive position. We will make STADA more efficient, stronger and more viable.“

The increase in the medium-term growth targets for 2019 is a reflection of the interim results from the “STADA Plus” program to improve performance that was introduced in the summer of 2016. As part of this program, STADA in the coming years will implement a range of measures which, are aimed at tapping into potentials in existing and new markets, on the reduction of complexity both in the portfolio as well as in the organization, and on improving the cost basis. Additional value enhancement potentials have also been identified as part of the strategy project that was launched at the beginning of the year. An expanded package of measures has been defined to leverage these, mainly concerning a further strengthening of both, Generics and Branded Products, as well as further cost reduction potentials.

In Generics, the company has confirmed and substantiated its growth plants in the area of biosimilars. Accordingly, STADA will in 2019 launch four major biosimilars in its core markets – pegfilgrastim, rituximab, teriparatide, adalimumab – whereby approval from the European Medicines Agency (EMA) has already been received for teriparatide. Investments in the sales infrastructure that are necessary for a successful market launch will be made in the current and in the coming financial year. Over the course of the next few years, STADA will intensify its sales efforts in the generics business in selected European markets that offer significant potential. Profitability in Generics will also be increased

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considerably through the harmonization of the product and dosage portfolio in the various markets.

In Branded Products, STADA is increasing its efforts to internationalize branded products that have achieved success in local markets. Seven products have already been selected in this regard and work on their internalization has been underway for months. To this end, the organizational structure of Branded Products will be consistently aligned toward central management of the internationalization. The company has already identified further attractive Brands which are currently only positioned as regional champions and which STADA believes to be able to reach international success. These products are going to be prepared for an international market launch in the medium term. As is the case in the Generics segment, the Group has also started an initiative to reduce product complexity in the Branded Products segment.

As part of “STADA *Plus*”, the company is also tackling further cost reduction potentials, especially in the area of production and purchasing. These include the optimization of supply chain management as well as an optimization of the procurement process and organization. Here, STADA expects significant savings potential. Beyond that, long-term improvement measures to reduce internal production costs are being reviewed. These include, for example, the introduction of a global production system as well as the optimization of the production network. Both of these are measures that STADA will use to secure its long-term competitiveness.

This is on top of the fact that it has been possible to implement the measures more quickly, which means that they will likely contribute to improved profitability earlier than previously assumed. The medium-term growth targets are also based on the following assumptions:

- organic sales growth in the core segments of Generics and Branded Products
- no significant disposals that would impact sales and earnings
- forward projection of current currency relations, the current interest rate levels and largely unchanged tax framework conditions in the countries where STADA has Group companies.

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- forward projection of current regulatory conditions in markets relevant for STADA

Additional information regarding the “STADA *Plus*” growth program as well as the additional growth and efficiency enhancement potentials will be provided by the Company at the Analyst Meeting and at the Annual Press Conference on March 23, 2017.

#### **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:

STADA Arzneimittel AG / Media Relations / Stadastraße 2–18 / 61118 Bad Vilbel – Germany /  
Tel.: +49 (0) 6101 603-165 / Fax: +49 (0) 6101 603-215 / E-mail: [press@stada.de](mailto:press@stada.de)

Or visit us in the Internet at [www.stada.com](http://www.stada.com).

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Chairman of the Supervisory Board: Carl Ferdinand Oetker