



CORPORATE PRESENTATION

Analyst Call Q2/H1 2017

August 3, 2017



UPDATE ON RENEWED TAKEOVER OFFER

» STADA's Executive and Supervisory Board recommend acceptance of the renewed takeover offer by Bain Capital and Cinven

▪ Financially attractive offer

- Financial consideration of Euro 66.25 per share – consisting of Euro 65.53 offer price plus a dividend of Euro 0.72; total offer price increased by Euro 0.25 compared with the initial offer
- Attractive premium of 49.5% on the last uninfluenced share price underpinned by fairness opinions

▪ Increased transaction security

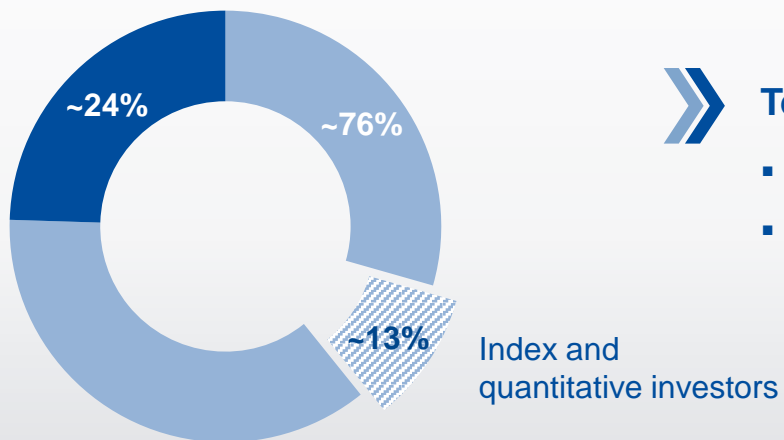
- Reduced minimum acceptance threshold of 63% vs. 67.5% for the initial offer
- Binding tender commitments accounting for approx. 20% of STADA's outstanding shares

▪ In the best interest of the company and its stakeholders

- Financially strong partners with extensive industry expertise and a global network in the health care sector
- Clearly committed to STADA's introduced strategy; aiming to expand STADA's position as a global pharmaceutical company and to significantly drive forward STADA's growth and profitability

Note: We refer readers to the published version of the Reasoned Joint Statement of the Executive Board and the Supervisory Board (<https://www.stada.com/investor-relations/takeover-offer.html>) for detailed information on the assessment of the consideration and the derivation of the individual premiums and multiples shown here as well as the intentions of the bidder.

CURRENT SHAREHOLDER STRUCTURE



- Institutional investors
 - ▨ thereof ~ 13% index and quantitative investors
- Retail investors



Tender process currently underway and supported by

- Numerous PR activities/mailings
- Two experienced proxy solicitors

Source: Orient Capital. Shareholder analysis based on share register as of July 4, 2017.

EFFICIENCY GAINS ALREADY BECOMING VISIBLE

- **Portfolio optimization:**
 - ~ 1,000 SKU's identified in the first project
 - further pruning candidates to be observed
- **Internationalization**
 - 7 products launched in H1
 - further launches planned in the next quarters (e.g. Hedrin, Probiotics, Fultium-D3)
 - additional products identified
- **Procurement**
 - further optimization of sourcing contracts currently underway
- **Global production and supply chain optimization**
 - projects already initiated

Q2/2017: GOOD OPERATING PERFORMANCE

Group Sales & Earnings

- Increase in all adjusted sales and earnings figures

Generics

- Double-digit earnings growth and significant margin improvement
- Particularly strong growth in Belgium and Italy

Branded Products

- Robust earnings growth
- Particularly strong sales growth in Russia

Cash flow

- Growth of gross cash flow
- Decrease in cash flow due to higher increase in inventories

Leverage

- Net debt slightly decreased
- Leverage at 2.3
(December 31, 2016: 2.8)

Strong Pipeline

- 194 product introductions in Q2
(branded products and generics)

GENERICS

KEY HIGHLIGHTS

» **Dynamic sales development in Belgium resulting from volume effects due to the early termination of the sales contract with Omega**

» **Reorganization of STADApHarm and cell pharm in Germany completed end of June**

» **Key product launches in Q2/2017:**

- **Abacavir/Lamivudine**
- **Caspofungin**
- **Entecavir**

» **Generics business strong and healthy!**

BRANDED PRODUCTS

KEY HIGHLIGHTS

» Strong sales in Russia mainly due to volume effects

» Ongoing internationalization of brands incl. Histasolv (Poland), MobiflexCaD3 (Belgium) and GlucoCare (Poland)

» Reorganization of STADA GmbH and STADAvita in Germany completed end of June

» Internationalization of branded products well on track!

FINANCIAL OVERVIEW

Group results

€m	Q2/2017	Q2/2016	Δ	H1/2017	H1/2016	Δ
Sales	576.9	537.5	+7%	1,143.2	1,034.7	+10%
Sales (adj.) ¹	557.9	535.7	+4%	1,096.4	1,032.4	+6%
EBITDA	112.4	115.5	-3%	220.9	200.7	+10%
EBITDA (adj.) ²	129.2	110.2	+17%	237.7	202.3	+18%
Financial result	-9.6	-12.4	-23%	-19.2	-25.0	-23%
Income taxes	9.8	12.9	-24%	24.9	24.7	+1%
Net Income	41.1	52.4	-22%	90.3	82.0	+10%
Net Income (adj.) ²	60.8	56.0	+9%	114.1	96.1	+19%

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

GENERICIS

STRONG INCREASE IN EARNINGS AND MARGINS

Segment results

€m	Q2/2017	Q2/2016	Δ	H1/2017	H1/2016	Δ
Sales	348.5	319.9	+9%	674.4	627.2	+8%
Sales (adj.) ¹	336.6	318.1	+6%	648.3	624.9	+4%
EBITDA (adj.) ²	81.3	66.0	+23%	150.7	129.6	+16%
EBITDA margin (adj.) ²	23.3%	20.6%	+270bps	22.3%	20.7%	+160bps

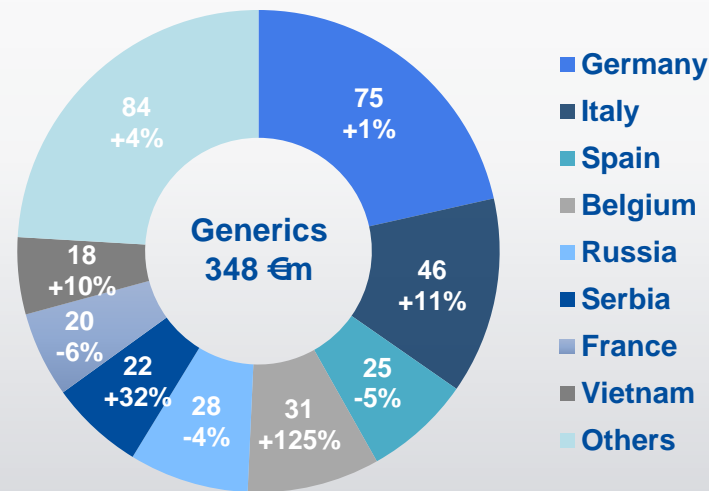
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items.

GENERICICS

Q2 segment sales

- » Germany: sales stable despite a more selective tender approach and stronger focus on profitability
- » Italy: strong growth due to positive volume and price effects, product launches and decreasing sales discount
- » Belgium: dynamic growth due to positive volume effects resulting following change in distribution model after early termination of the sales contract with Omega end of 2016
- » Russia: decrease due to portfolio adjustments and termination of sales cooperation for one product
- » Serbia: strong increase due to first-time consolidation effect of a wholesaler and increased focus on direct sales

Sales by country Q2/2017 in €m



BRANDED PRODUCTS

GOOD GROWTH IN SALES AND EARNINGS

Segment results

€m	Q2/2017	Q2/2016	Δ	H1/2017	H1/2016	Δ
Sales	228.4	217.5	+5%	468.8	407.3	+15%
Sales (adj.) ¹	221.3	217.5	+2%	448.1	407.3	+10%
EBITDA (adj.) ²	64.4	60.4	+7%	121.4	108.6	+12%
EBITDA margin (adj.) ²	28.2%	27.8%	+40bps	25.9%	26.7%	-80bps

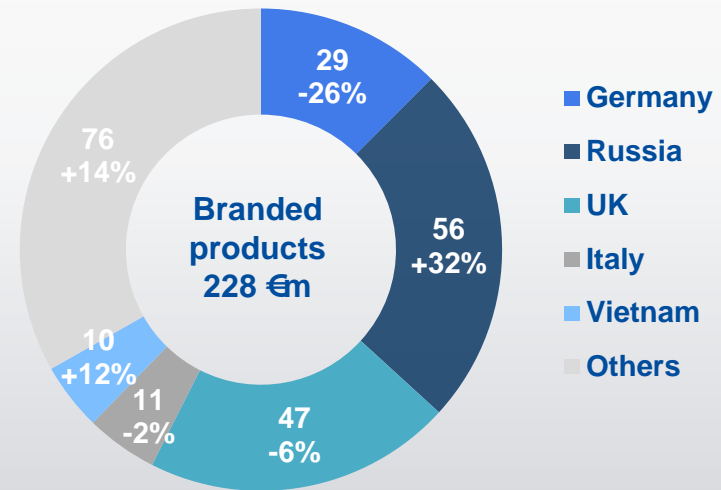
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items.

BRANDED PRODUCTS

Q2 segment sales

- » Russia: Increase due to positive volume and translation effects
- » UK: Decrease mainly due to negative currency effects
- » Germany: decrease mainly due to high comps and reduction of seasonal annual orders and relaunch of Ladival planned for 2018
- » Vietnam: increase due to competitive advantage through STADA's EU-GMP standard factories

Sales by country Q2/2017 in €m

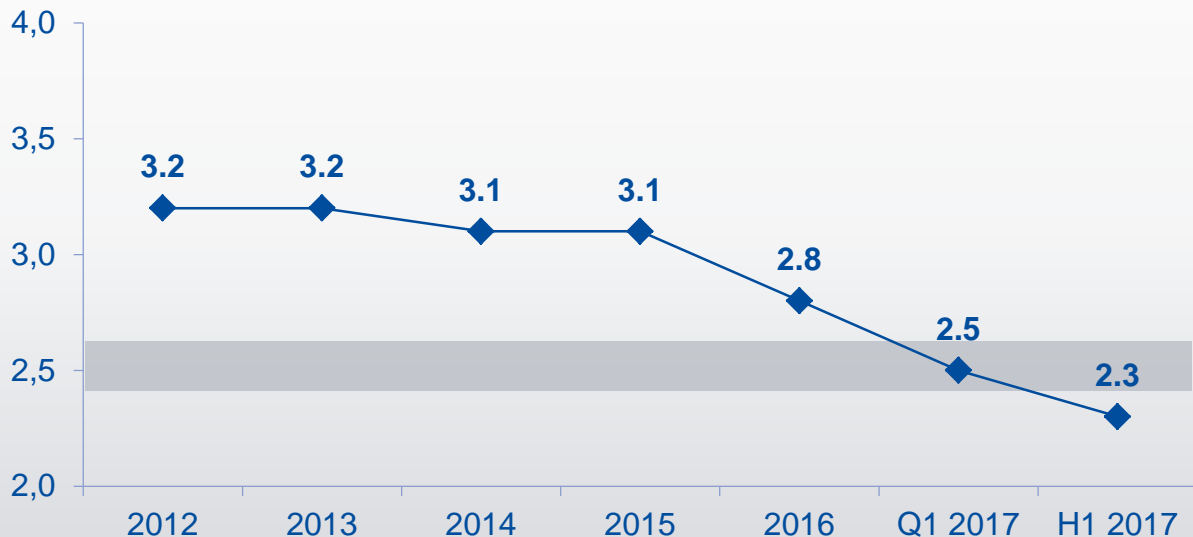


CASH FLOW DEVELOPMENT

€m	Q2/2017	Q2/2016	Δ	H1/2017	H1/2016	Δ
Operating cash flow	29.2	65.9	-56%	89.5	113.0	-21%
Capex (maintenance and other minor investments net of disposals)	-26.5	-43.5	-39%	-46.7	-70.5	-34%
Free cash flow (adj.)¹ (before dividends)	2.7	22.4	-88%	42.8	42.5	+1%
Acquisitions net of disposals	-11.9	-13.4	-11%	-26.5	-27.5	-4%
Free cash flow (before dividends)	-9.2	9.0	--	16.3	15.0	+9%

1) Adjusted for significant investments, acquisitions and disposals.

NET DEBT TO ADJUSTED EBITDA FURTHER IMPROVED



2017 TARGET
Below 3*

Net debt improved by 7.3 €m to 1,110.9 €m (December 31, 2016: 1,118.2 €m)

1) Before acquisitions and possible takeover.

GROUP GUIDANCE 2017 CONFIRMED

Target

Sales adj.¹ €2,280 – 2,350m



EBITDA adj.² €430 – 450m



Net income adj.² €195 – 205m



STADA well on track to meet full-year guidance!

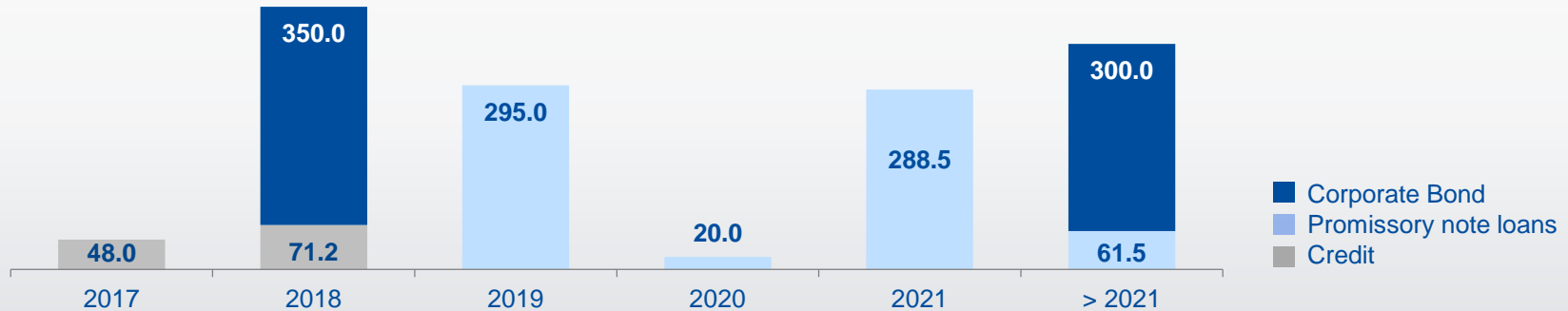
1) Adjusted for currency and portfolio effects. 2) Adjusted for special items.

APPENDIX

FINANCING STRUCTURE

Remaining terms of financial liabilities as of June 30, 2017

Figures given in €m; nominal values



- Net debt to adjusted¹ EBITDA: 2.3 (1-6/2016: 3.0)²)
- Cash and cash equivalents: 320.8 €m (December 31, 2016: 352.6 €m)
- Access to firmly committed credit lines from banking partners for many years

1) Adjusted for special items.

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

RECONCILIATION Q2/2017

in € million ¹	Q2/2017 reported	Impairments / write-ups on fixed assets	Effects from purchase price allocations and product acquisitions ²	Consultancy services in connection with the takeover process	Reversal of tax provisions	Q2/2017 adjusted
EBITDA	112.4	-	-0.2	17.1	-	129.2
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	48.4	-17.5	-4.4	-	-	26.4
Financial income and expenses	10.7	-	-	-	-	10.7
Income taxes	9.8	3.0	0.5	4.8	10.4	28.5
Result distributable to non-controlling shareholders	2.5	0.3	0.1	-	-	2.9
Result distributable to shareholders of STADA Arzneimittel AG (net income)	41.1	14.2	3.6	12.3	-10.4	60.8

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.

RECONCILIATION H1/2017

in € million ¹	H1/2017 reported	Impairments / write-ups on fixed assets	Effects from purchase price allocations and product acquisitions ²	Consultancy services in connection with the takeover process	Reversal of tax provisions	H1/2017 adjusted
EBITDA	220.9	-	-0.3	17.1	-	237.7
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	79.2	-18.2	-9.0	-	-	52.0
Financial income and expenses	21.5	-	-	-	-	21.5
Income taxes	24.9	3.3	1.2	4.8	10.4	44.6
Result distributable to non-controlling shareholders	5.0	0.3	0.2	-	-	5.5
Result distributable to shareholders of STADA Arzneimittel AG (net income)	90.3	14.6	7.3	12.3	-10.4	114.1

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.

FINANCIAL CALENDAR / CONTACT

Financial Calendar 2017

August 30, 2017	Annual General Meeting 2017
November 9, 2017	Publication of the first nine months of 2017 results

Please note that these dates could be subject to change.

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The Executive Board of STADA Arzneimittel AG
Engelbert Coster Tjeenk Willink (Chairman), Dr. Bernhard Düttmann, Dr. Barthold Piening