



H1 2016 Results

Press and Analysts' Conference | August 4, 2016



Agenda

I. Overview

Dr. Matthias Wiedenfels, CEO

II. Financial results and Outlook

Helmut Kraft, CFO

III. Strategy

Dr. Matthias Wiedenfels, CEO

IV. Q&A

Executive Board

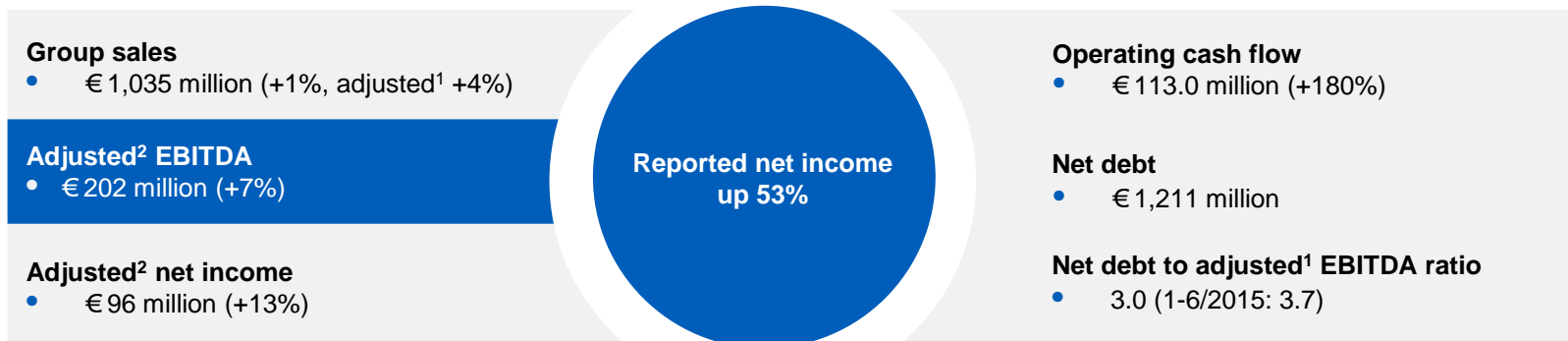
Overview

Dr. Matthias Wiedenfels

Highlights: STADA is Well on Track

- ➔ Business momentum used: Strong result in challenging environment.
- ➔ Efficiency potential systematically addressed: Lower costs, further improvement of working capital.
- ➔ Corporate structure optimized: New internal governance for more effective management.
- ➔ Clear targets communicated: Outlook 2016 confirmed, ambitious mid-term guidance presented.
- ➔ Further developed strategy launched: Future program for improving profitability.

Outstanding Performance 6M 2016



Further developments:

- Outlook 2016 confirmed
- Ambitious mid-term guidance 2019
- Dividend proposal of €0.70 p. s.

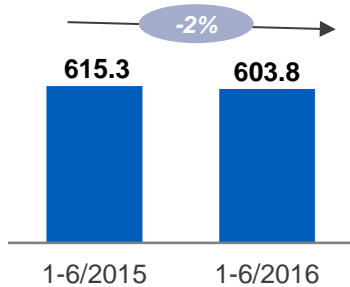
1) Adjusted for portfolio and currency effects. 2) Adjusted for special effects.

Financial results and Outlook

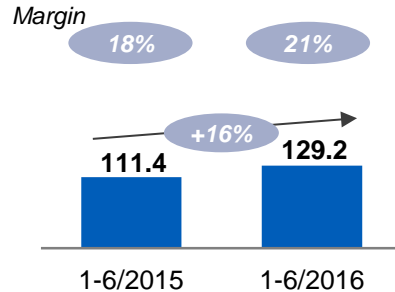
Helmut Kraft

Generics: Good Margin development

Sales (in € million)



Adj.¹ EBITDA (in € million)

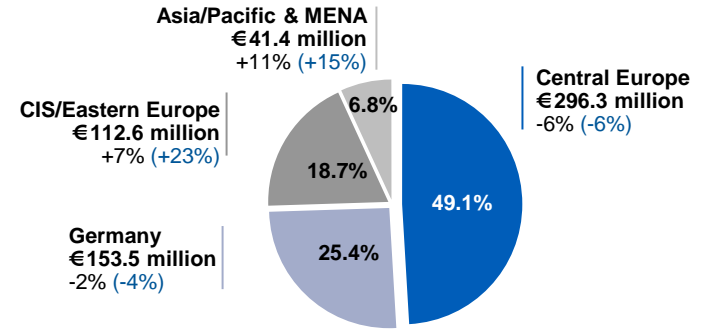


1-6/2016

- CIS/Eastern Europe with positive development in local currency
- Strong performance in the German market and Asia/Pacific & MENA
- Central Europe down (destocking Belgium)

1) Adjusted for special effects. (x) = Adjusted for portfolio and currency effects.
Press and Analysts' Conference · August 4, 2016

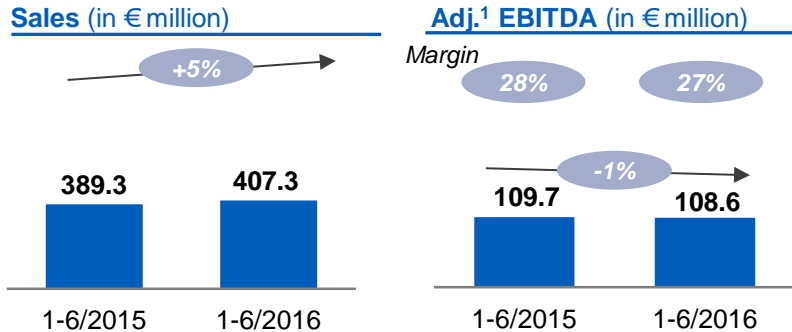
Regional Sales Development



Strategy

- Expansion of the biosimilar portfolio
- Focus on growth markets
- Cost leadership

Branded Products: Sound Momentum

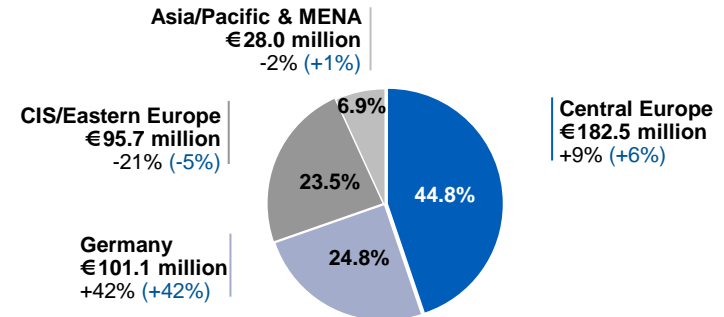


1-6/2016

- Strong growth in local currencies (+9%)
- UK recovered in Q2, Spain with momentum
- Germany with seasonal effects
- CIS/Eastern Europe remains challenging (currency weakness, reluctance to buy)

1) Adjusted for special effects. (x) = Adjusted for portfolio and currency effects.
Press and Analysts' Conference · August 4, 2016

Regional Sales Development

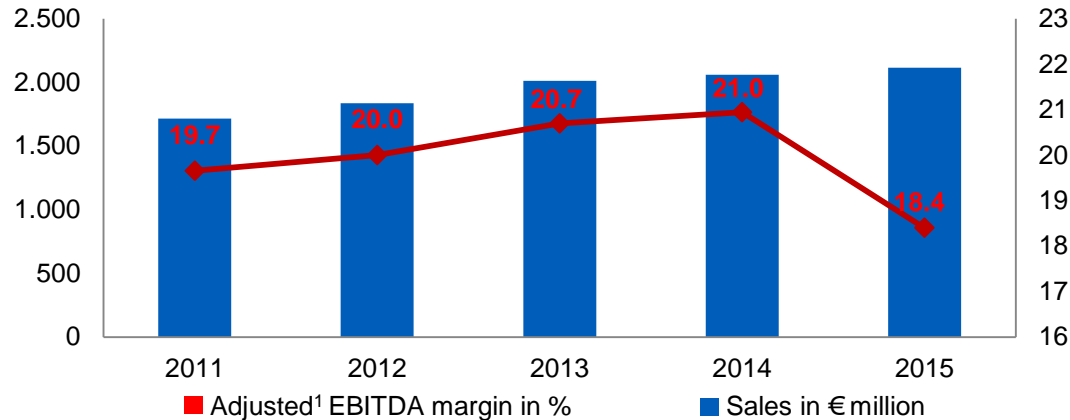


Strategy

- Internationalization
- Intelligent acquisitions
- Strong position in pharmacies

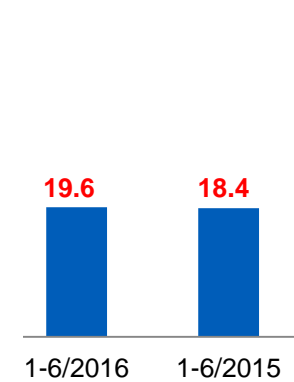
Improved Margins in 1-6/2016 Despite Negative Currency Effects

2011-2015



- Improved gross margin, primarily through reduced procurement and production costs as well as a changed product mix
- 2015 burdened by negative currency effects, notably from the CIS region

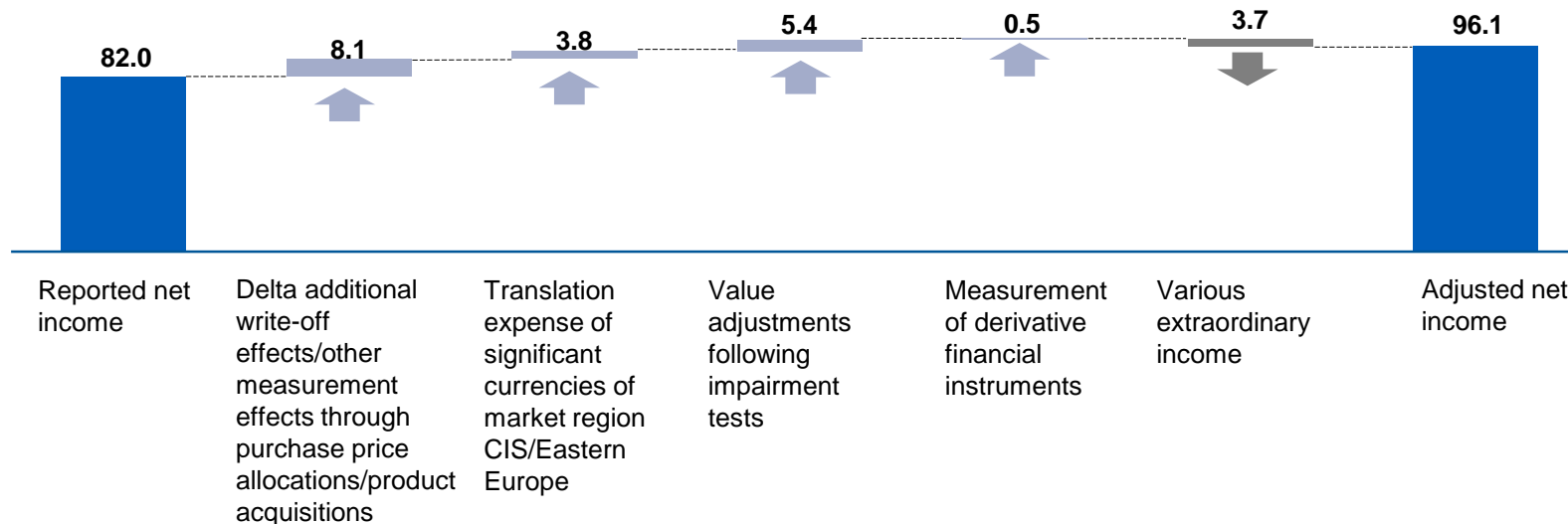
1-6/2015 vs. 1-6/2016



- UK recovered in Q2
- Germany with strong performance in generics and seasonal effects in brands
- CIS crisis still burdens

Only Minor Adjustments¹

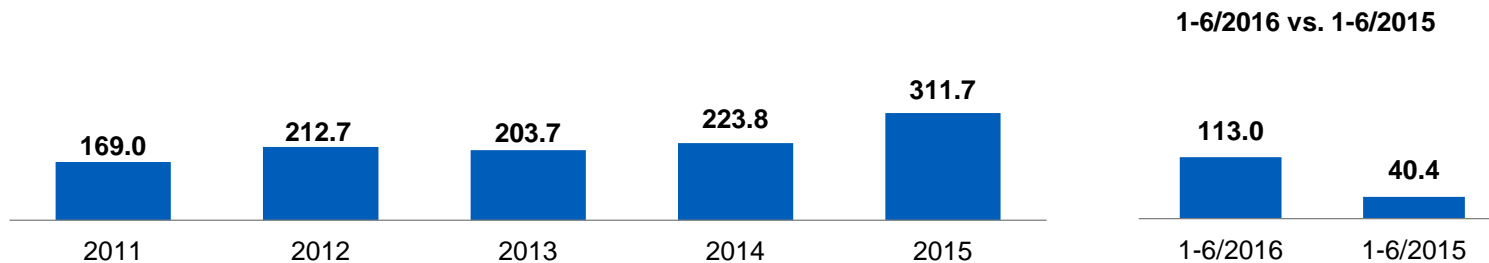
In €million



1) For a detailed definition, see STADA's Interim Report 1-6/2016.
Press and Analysts' Conference · August 4, 2016

Cash Flow at All-Time High

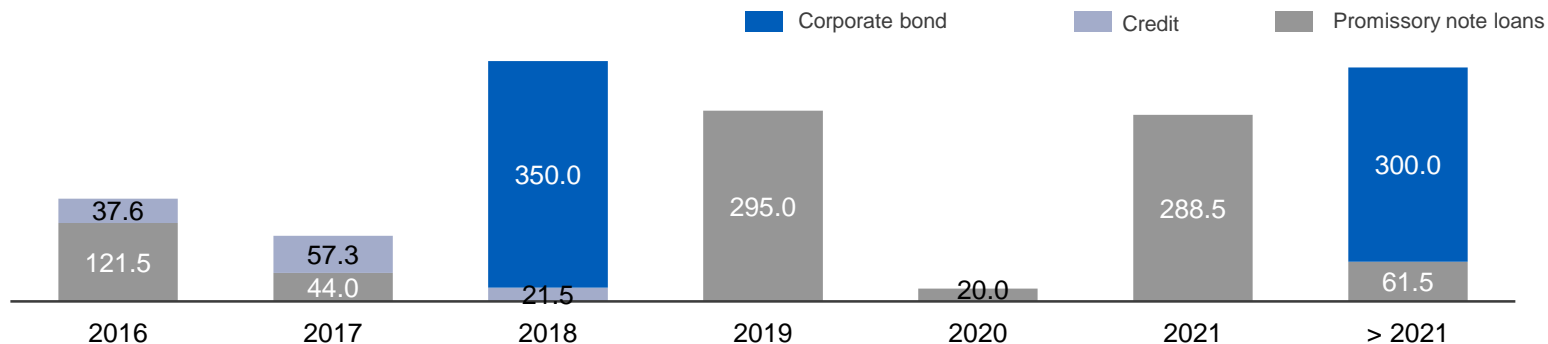
Cash Flow from Operating Activities (in €million)



- Strong operating profit in 1-6/2016
- Reduced interest costs
- Substantially improved tax rate
- Optimized net working capital

Financing Structure

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

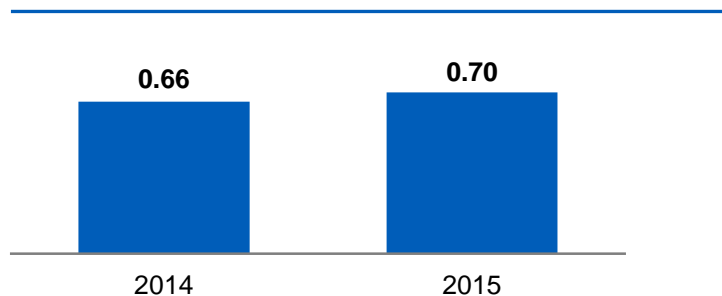


- Net debt to adjusted¹ EBITDA ratio: 3.0² (1-6/2015: 3.7²)
- Cash and cash equivalents: €385.5 million (December 31, 2015: €143.2 million)
- Access to firmly pledged credit lines from banking partners for many years
- In April 2016, STADA took up promissory note loans with a total nominal value of €350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

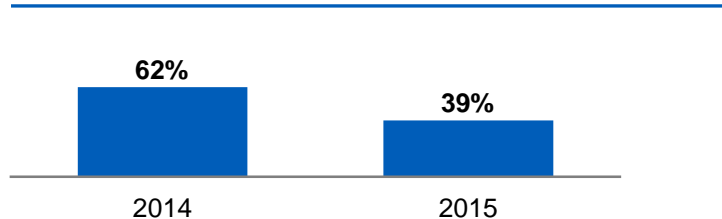
1) Adjusted for special effects 2) Net debt to adjusted EBITDA ratio of the reporting period on the basis of linear extrapolation

Dividend Increase of 6%

Dividend Proposal per STADA Share in €



Pay-Out Ratio



Dividend Payout

2015: € 43.6 million
(2014: € 40.0 million)

Dividend Policy

- Appropriate share of reported net income to shareholders
- Attractive dividend yield
- Distribution ratio above the average of comparable companies

Ambitious Mid-Term Guidance 2019

Sales (adjusted) ¹	€2,600m	CAGR 2015 - 2019: 5%
-------------------------------	---------	----------------------

EBITDA (adjusted) ²	€510m	CAGR 2015 – 2019: 7%
--------------------------------	-------	----------------------

Net Income (adjusted) ²	€250m	CAGR 2015 - 2019: 11%
------------------------------------	-------	-----------------------

Assumptions

- Constant exchange rates
- Organic
- Stable tax environment and current interest levels in STADA's markets
- Assuming stable regulatory environment
- Guidance range: +/- 5%

Driving factors

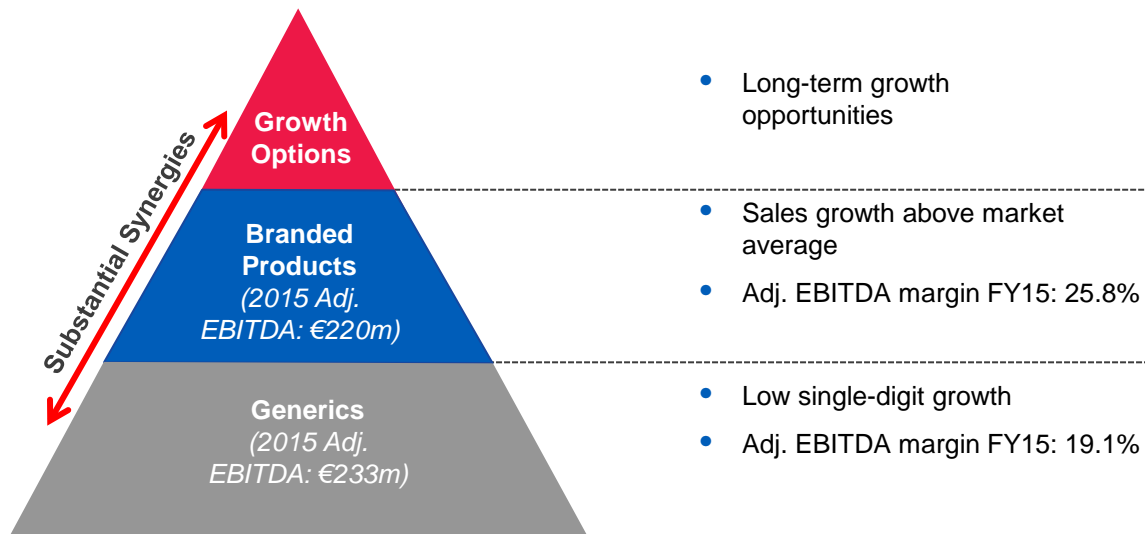
- Untapped growth potential
- Reporting lines along segments
- Adjusted incentive system
- Cost reductions

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

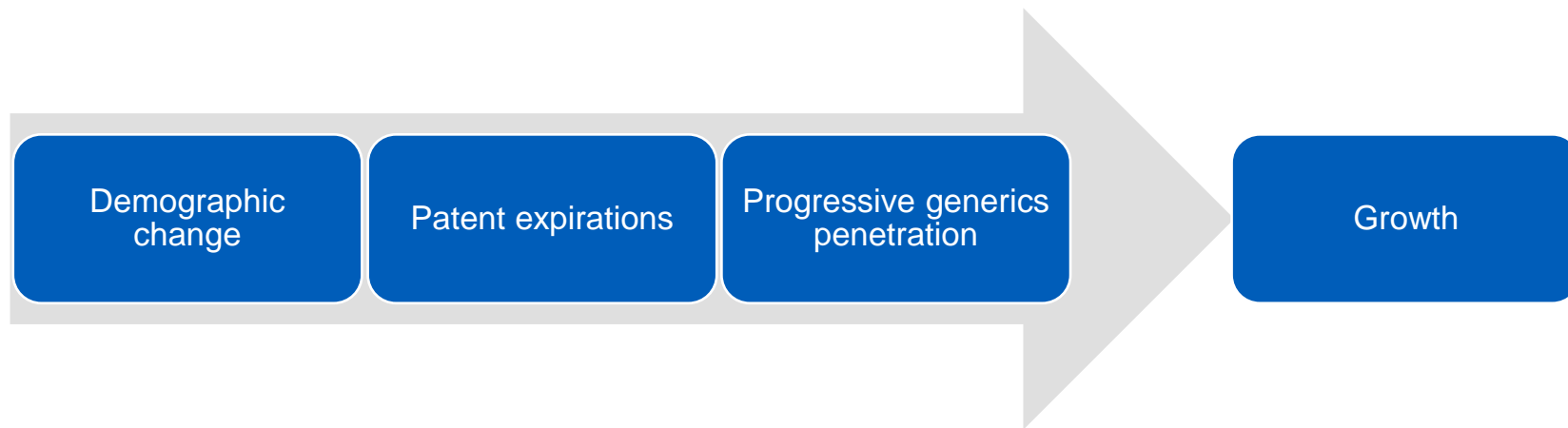
Strategy

Dr. Matthias Wiedenfels

STADA – Clear Strategy for Continuous Growth

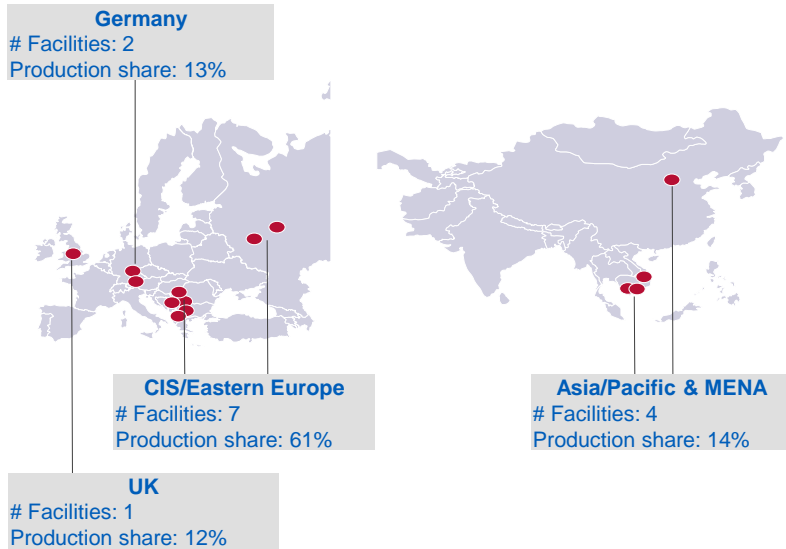


Generics is our “Bread-and-Butter“ Business Poised for Growth

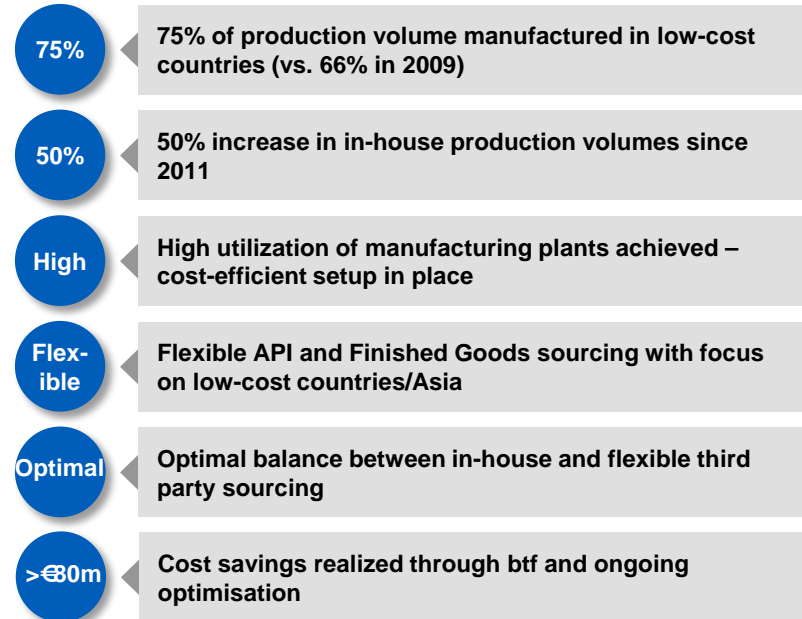


STADA with Excellent Cost Basis

Geographic Footprint of Key Production Facilities




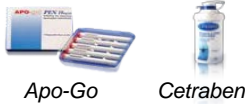




Active Production Portfolio Management



Strong Branded Products Platform as the Basis for Accelerated Internationalization

Strong Platforms in the UK, Russia and Germany

Country	FY15 Sales/ Growth ¹	Full Local Platform	Leading Local Brands
	• €212m (+14% vs. 2014)	✓	 Aqualor Vitaprost
	• €168m (+9% vs. 2014)	✓	 Apo-Go Cetraben
	• €123m ² (-1% vs. 2014)	✓	 Ladival Grippostad

Other Countries • €351m **Multiple**

Strong established platforms in key european countries and access to attractive growth markets

Internationalization of Leading Brands

 Apo-go (Parkinson's) 31 Countries	 Hedrin (Head Lice) 43 Countries	 Radian B (Muscular & Joint Pain) 34 Countries
 Ladival (Sun Protection) 24 Countries	 Grippostad (Cough and Cold) 29 Countries	 Vitaprost (Prostate Hyperplasia) 14 Countries
 Snup (Rhinitis) 18 Countries	 Chondroxid (Muscular & Joint Pain) 13 Countries	 Hexicon (Antiseptic) 14 Countries

Internationalization of Branded Products from core platform markets

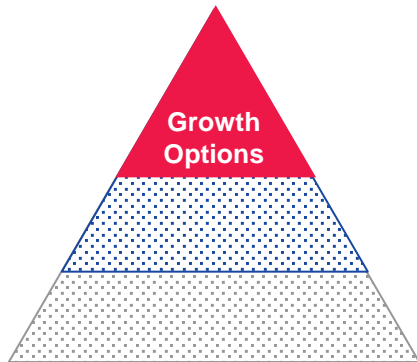
Our Leading Brands Target the Most Attractive Indications

	Cough and Cold	Skin Treatments/ Cosmetics	Vitamins, Minerals & Nutritional Supplements	Pain	Others
Selected Products	<p>аквалор Aqualor®</p> <p>Grippostad C</p> <p>SNUP®</p> <p>COVONIA</p>	<p>Ladival</p> <p>Multilind® hilft der Haut.</p> <p>Cetraben® As close to your skin as you are</p> <p>Zeroderma®</p> <p>Flexitol.</p>	<p>Fultium®-D₃</p> <p>Magnetrans®</p> <p>EUNOVA®</p> <p>Curazink®</p> <p>DAOSIN®</p>	<p>Mobilat® Tramal</p> <p>versatis® Die meisten Menschen haben ZALIFEPITE GDJE BOLII</p> <p>ZALDIAR®</p> <p>Transec® transdermalni preparat Za kontrolu kronične boli</p> <p>PALEXXIA®</p>	<p>APO-go®</p> <p>Витанпрост® 15 лет Vitaprost®</p> <p>ЛЕВОМЕКОЛЬ® Levomecol®</p> <p>Hedrin</p> <p>Hoggar®</p> <p>HIRUDOID®</p>
Selected Market Positions	<p>#1 Cough & Cold</p> <p>#1 Cough & Cold</p> <p>#1 Cough & Cold</p> <p>#2 Rhinitis</p>	<p>#1 Sun Protection¹</p> <p>#2 Foot Treatment</p> <p>#5 Sun Protection¹</p> <p>#5 Skin Eczema & Dry Skin</p>	<p>#1 Vitamin D3</p> <p>#1 Zinc Deficiency</p> <p>#1 Dietary Supplement</p> <p>#3 Dietary Supplement</p>	<p>#1 Muscular & Joint Pain</p> <p>#1 Non-Narcotics & Anti-Pyretics</p> <p>#1 Narcotics</p> <p>#1 Non-Narcotics & Anti-Pyretics</p>	<p>#1 Parkinson's</p> <p>#1 Anti-Bleeding</p> <p>#1 Inflammation of the Veins</p> <p>#2 Prostate Hyperplasia</p>

Note: Market positions reflect STADA estimates based on market data provided by various international market research institutes.

1) In pharmacies.

Focus on Growth Options



Selected Specialty Areas



Biosimilars
(Risk-averse strategy of biosimilar in-licensing)



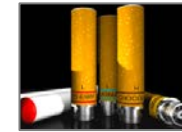
Aesthetics
(Expansion in aesthetic dermatology)



Apo-go
(Drug/device combination with nurse service for Parkinson's disease)



Daosin
(Acquisition in 2015; only product on market for histamine intolerance)



Socialites
(T&R entering market for electronic vaping/smoking cessation with acquisition of Socialites in Dec-2015)

Future Innovative Concepts

Product innovations in attractive niche markets

Value-added concepts

Innovative Go-to-markets concepts

Growth options will add more than €200m in the next five years

Buy-and-Build Case Study: Acquisition of Thornton & Ross (T&R)

T&R at a Glance

Transaction Details

- Acquired in Aug-2013
- Purchase price: € 226m¹
- EV/EBITDA 2013: 10x

Key Highlights

- #5 OTC Player in UK
- Strong OTC franchise

Synergistic Platform Effects

STADA Brands via T&R

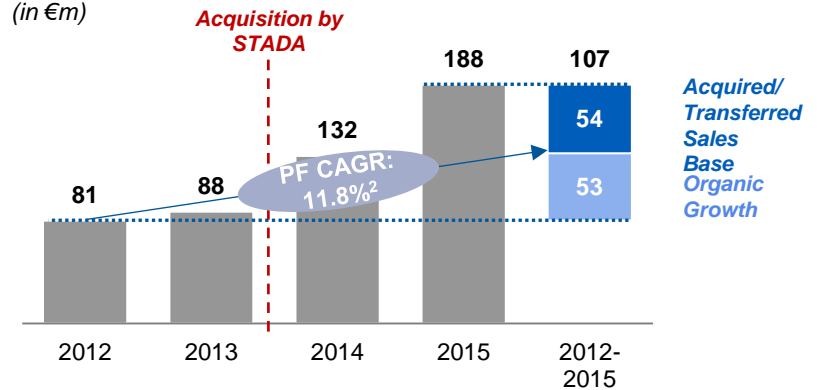


T&R Brands via STADA



Strong Organic Growth

(in €m)



Leveraging Platform

- Integration of STADA's UK business into T&R (2014)
 - Bolt-on acquisitions: Flexitol (2014) and Fultium (2014)
- ➔ Total sales contribution of €54m through transfer/acquisitions

1) Cash and debt-free basis. 2) Excluding transfer/M&A and FX-adjusted. Actual 2012-15 CAGR of c. 32%.

Conclusion: STADA is Well-Equipped for the Future

- ➔ STADA continues positive business development with new dynamics, confirms performance target.
- ➔ Highly motivated management team realigns STADA, systematically addresses potential.
- ➔ Growth program for improving profitability picks up speed.
- ➔ STADA wants continue to grow, sets ambitious targets for 2019.
- ➔ STADA is excellently positioned to benefit from future opportunities in the health care market.

We look forward to seeing you on STADA's AGM on August 26 and the Capital Markets Day on October 5, both in Frankfurt am Main.

Your Contact

STADA Arzneimittel AG

Investor Relations

61118 Bad Vilbel, Germany
Telephone: +49 (0) 6101 603-113
Fax: +49 (0) 6101 603-506
E-mail: ir@stada.de
www.stada.com

Media Relations

61118 Bad Vilbel, Germany
Telephone: +49 (0) 6101 603-165
Telefax: +49 (0) 6101 603-215
E-mail: press@stada.de
www.stada.com

Vice President Investor Relations

Dr. Markus Metzger
markus.metzger@stada.de

Director Media Relations

Christian Goertz
christian.goertz@stada.de