



## Press release

### **STADA delivers double-digit growth in 2019 as it invests to lead Consumer Healthcare and Generics core segments**

- STADA reported 12% growth in Group sales to EUR 2.61 billion, with a 24% rise in adjusted EBITDA to EUR 625.5 million in its 2019 year-end results, as the Group closed and integrated recently announced acquisitions.
- STADA's continuous implementation of a growth mindset culture delivered strong sales increases across core markets and meaningful market-share gains throughout Europe.
- CEO Peter Goldschmidt commented: "These outstanding 2019 results support accelerated investment in our long-term growth journey and position STADA as the go-to partner for generics and consumer healthcare."

**Bad Vilbel, March 12, 2020** – Double-digit growth in both sales and EBITDA by STADA ('the Group') in 2019 is providing the basis for further organic growth and business development activity in the current financial year ending December 2020.

In 2019, STADA reported group sales that advanced by 12% to EUR 2.61 billion, comprising Generics sales that rose by 11% to EUR 1.53 billion and Branded Products sales that increased by 13% to EUR 1.07 billion. The Group progress included strong organic sales growth of 8%.

Through manufacturing productivity initiatives and ongoing operating efficiencies, STADA further strengthened both its supply-chain integrity and its low-cost operating model. These measures were reflected in adjusted EBITDA improving by 24% to EUR 625.5 million.

Executive Board: Peter Goldschmidt (CEO) / Dr. Wolfgang Ollig / Miguel Pagan Fernandez  
Supervisory Board Chairman: Dr. Günter von Au



“These outstanding results are enabling us to accelerate our investment not only in our own product development but also broadly into external co-development and product in-licensing. This supports our sustainability and long-term growth as we continue to build the best team in the industry”, said STADA CEO Peter Goldschmidt.

As a preferred partner, STADA signed more than 50 licensing deals during 2019, including in prospective high-growth areas such as biosimilars.

“During 2019, we showed agility to gain market share from our competitors in all major European markets”, Goldschmidt observed. “Based on the outstanding results achieved by our industry-leading team, we will be able to continue our entrepreneurial growth journey and position STADA as the go-to-partner for generics and consumer healthcare.”

STADA broadly outperformed its competitors and achieved substantial market-share gains in almost all of its core markets during 2019. Double-digit sales advances were recorded in Germany, Italy, Spain, France and the United Kingdom. In Russia, a newly appointed management team is implementing a turnaround strategy to address a decline in 2019.

While doubling down on its European presence, STADA continued to invest in Emerging Markets, especially in Middle East, Vietnam and the Philippines.

### **Key Developments in 2019**

The introduction of Amlodipine/Valsartan generics in Europe following a successful patent revocation, the addition of the Grippostad Complex extension to the popular cold remedy brand, as well as the launch of an innovative, ready-to-use formulation of Bortezomib in 14 countries, were among key product launches for STADA in 2019.

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An extended biosimilars alliance with Xbrane will provide the Group with further development opportunities. Furthermore, STADA launched its first-to-market Movymia teriparatide biosimilar across Europe in August 2019. In November, a major strategic partnership with Alvotech bolstered STADA's pipeline with seven biosimilar candidates.

Acquisitions agreed towards the end of 2019, and recently closed, have also significantly strengthened STADA's presence in central Europe, Russia and CIS. Transactions for Takeda's portfolio of around 20 OTC brands in Russia and the CIS and for Walmark in central Europe will lend considerable critical mass to the Group's consumer healthcare operations. In addition, acquiring Ukraine's Biopharma gives STADA strong growth potential in both prescription and OTC products. STADA also broadened its consumer healthcare portfolio in Europe last year by buying five skincare brands and a pediatric cough remedy from GSK.

### **Optimistic Outlook For 2020**

CEO Peter Goldschmidt highlighted the importance of welcoming and smoothly integrating around 1,300 new colleagues into STADA's developing growth culture, as a result of the Takeda, Walmark and Biopharma acquisitions. In addition, he expressed confidence and optimism for 2020 and beyond.

The five ongoing strategic priorities for STADA remain constant and key actions are in place for implementation: Superior growth through pipeline acceleration; Leading sales and marketing capabilities; Highly efficient and reliable supply chain; Benchmark low-cost operating model; and Value-driven growth culture.

Acting with integrity on these priorities would, Goldschmidt said, enable STADA to deliver on its purpose of caring for people's health as a trusted partner.

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## Financial Details

**Reported Group Sales** in the 12 months to December 31 2019 increased by 12% to EUR 2,608.6 million (2018: EUR 2,330.8 million). This was driven by sales advances and market-share gains in all core markets other than Russia, where a turnaround plan is being implemented by a newly appointed management team. Key growth drivers of generics sales were Germany, Italy, Spain and France, and the consumer health segment generated strong momentum in Germany and the United Kingdom.

**Group Sales Adjusted** for currency and portfolio effects increased by 8% to EUR 2,608.6 million (2018: EUR 2,410.7 million). The exchange-rate fluctuations had only a minor effect of less than 1 percentage point.

**Reported EBITDA** for the 12 months to December 31 2019 increased by 15% to EUR 612.8 million (2018: EUR 530.6 million). This development was based on strong operating results in the majority of core markets. Adjusted EBITDA showed an increase of 24% to EUR 625.5 million (2018: EUR 503.5 million).<sup>1</sup>

**Cash Flow from Operating Activities** increased by 39% to EUR 444.1 million (2018: EUR 320.3 million) due to a significantly higher gross cash flow as a result of a significant increase in EBITDA. In addition, there were cash inflows from the increase in trade accounts payable. This was countered by higher cash outflows from the increase in inventories and trade accounts receivable. **Free Cash Flow** strongly increased to EUR 179.1 million (2018: EUR 20.0 million), aided by the increased cash flow from operating activities and higher returns on investments.

**Net Debt** amounted to EUR 1,078.8 million as of December 31, 2019 (December 31, 2018: EUR 1,079.5 million).

<sup>1</sup> The major difference between reported EBITDA and adjusted EBITDA related to severance expenses in Germany and Europe.



### **About STADA Arzneimittel AG**

STADA Arzneimittel AG is headquartered in Bad Vilbel, Germany. The company focuses on a two pillar strategy consisting of generics, including specialty pharmaceuticals and non-prescription consumer health products. Worldwide, STADA Arzneimittel AG sells its products in approximately 120 countries. In financial year 2019, STADA achieved adjusted Group sales of EUR 2,608.6 million and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 625.5 million. As of December 31, 2019, STADA employed 11,100 people worldwide.

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