Regulated information | Consolidated results for the 2017 financial year
Nazareth (Belgium) / Rotterdam (The Netherlands), 7 February 2018

Fagron turnover increased by 3.6% to € 436.9 million and net profit increased to € 47.0 million

Rafael Padilla appointed CEO and member Board of Directors

Highlights - Financial

- **Organic turnover growth accelerated to 4.2% in the second half**
- **REBITDA[1] increased 5.7% to € 95.7 million or 21.9% of turnover**
- **EBIT increased 317.2% to € 74.6 million or 17.1% of turnover**
- **Strong operational cash flow of € 84.2 million**
- **Net financial debt/REBITDA ratio declined from 3.18 to 2.48**
- **Dividend proposal of € 0.10 per share**
- **Further growth of turnover and profitability expected in 2018**

Strategic - operational

- **Active buy-and-build strategy continued with acquisitions in Croatia and Brazil**
- **Appointments**
  - **Rafael Padilla appointed as CEO and co-opted as member of the Board of Directors**
  - **Ivan Marostica succeeded Rafael Padilla as Area General Manager of Fagron South America**
  - **Blake Keller succeeded Rita Hoke as President of Fagron North America**
  - **Marcello Bergamini appointed Area General Manager of Fagron Europe (excl. Benelux)**

Rafael Padilla, CEO of Fagron: *"Fagron realised strong results in 2017. After good growth in turnover and profit in the first six months, our core activities in Europe, South America and North America also contributed positively in the second half of the year. Turnover increased by 3.6% to € 436.9 million in 2017, while the REBITDA increased by 5.7% to € 95.7 million. Organic turnover growth accelerated in the second half of the year to 4.2%.*

In order to consolidate our market leadership in the pharmaceutical compounding market, in August 2017 we finalised the acquisition of Kemig, a leading supplier of pharmaceutical raw materials and packaging materials to pharmacies and wholesalers in Croatia and Bosnia and Herzegovina. We realised a second takeover in October with the acquisition of Brazil-based All Chemistry, a renowned supplier of pharmaceutical raw materials to compounding pharmacies.

In 2017, we successfully started with the worldwide introduction of innovative concepts developed by Fagron, such as FagronLab™ (advanced compounding equipment) and TrichoConcept™ (patented total solution for alopecia). We will launch the TrichoTest™ (genetic test) in March 2018. The TrichoTest™ enables prevention and treatment of alopecia to be tailored to the individual characteristics of a person, based on the diagnosis. In 2018 we will continue to actively focus on the development of innovative products and concepts and proceed with our active buy-and-build strategy.

[1] EBITDA before non-recurrent result.

The new sterile compounding facility in Wichita, the United States, secured several licences in 2017. Licences for the states of Arkansas and Maine were received in the fourth quarter, bringing the current total to 48. Although the sterile activities in the United States performed in line with expectations in 2017, we believe we can further accelerate growth in 2018 with the appointment of Blake Keller.

A number of changes were made to the board and management in 2017, including my appointment as CEO. Together with the experienced and motivated Fagron team, we will successfully expand the business further in the coming years. In this context, the focus will be on strong organic growth supplemented by targeted acquisitions in our core markets. I am confident that our strategic focus will provide significant value for our shareholders and other stakeholders."

Koen Hoffman, Chairman of the Board of Directors: *"Over the past few months, Mr. Rafael Padilla has proven himself to be a dynamic and inspiring leader, with the right skills and experience to lead the group in an effective manner and to launch the right strategic initiatives to take the group to the next level in terms of performance and value creation. We are convinced that Mr Padilla and his experienced leadership team will be able to expand the group's leading market positions via innovation-driven organic growth and strategic acquisitions. In addition to his appointment as Chief Executive Officer, the Board of Directors has decided, on the advice of the nomination and remuneration committee, to co-opt Mr Padilla as a member of the Board of Directors of Fagron. We will propose Mr Padilla's formal appointment to the General Meeting of Shareholders."*

Fagron

(x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Turnover	215,208	211,602	+1.7%	436,934	421,839	+3.6%
REBITDA[2]	47,616	45,026	+5.8%	95,727	90,597	+5.7%
REBITDA margin	22.1%	21.3%		21.9%	21.5%	

Fagron's turnover increased by 3.6% (2.1% at constant exchange rates) in 2017, to € 436.9 million. Organic turnover growth amounted to 4.2% (2.7% at constant exchange rates), supported by all the continents on which Fagron operates. The REBITDA increased by 5.7% to € 95.7 million. The REBITDA as a percentage of turnover increased by 40 base points to 21.9%.

The table on the next page summarises the turnover development and currency effects for Fagron in 2017.

[2] EBITDA before non-recurrent result.

(x € 1,000)	Impact
Turnover from continued operations in 2016	**421,839**
Development Europe[3]	4,737
Development South America	4,219
Development North America	3,173
Currency effect BRL/Euro	6,735
Currency effect USD/Euro	-1,552
Currency effect other	903
Contribution HL Technology	-725
Contribution of acquisitions	3,343
Contribution of divestments	-5,739
Turnover from continued operations in 2017	**436,934**

The income statement and balance sheet, the notes to the consolidated results and the key figures per segment are available on page 6 of this press release. The consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated cash flow statement are available on page 13 of this press release.

Changes in the Executive Committee

The Board of Directors has decided to terminate the mandate of Ms Rita Hoke as a member of the Executive Committee. The Board of Directors is grateful to Ms Hoke for her dedication and commitment.

As of 7 February 2018, the composition of the leadership team of Fagron is as follows:

Rafael Padilla	Chief Executive Officer
Karin de Jong	Chief Financial Officer
Constantijn van Rietschoten	Chief Communications Officer
Tomasz Kania	Chief Operations Officer
Blake Keller	President North America
Ivan Marostica	Area General Manager South America
Marcello Bergamini	Area General Manager Europe (excl. Benelux)

Dividend

Confidence in the future and the solid cashflow enable Fagron to pay out a dividend to its shareholders in addition to the buy-and-build strategy. The Board of Directors will propose to the General Meeting of Shareholders to pay a gross dividend of € 0.10 per share for 2017.

Statement by the Statutory Auditor

The statutory auditor, PwC Statutory Auditors BCVBA, represented by Peter Van den Eynde, has confirmed that the audit, which is nearing completion, has to date not revealed any material misstatement in the draft

[3] The Europe segment consists of the activities of Fagron in Europe, South Africa and Australia.

consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows.

Furthermore, the statutory auditor confirms that the accounting data reported in this press release is consistent, in all material respects, with the draft consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows, from which it has been derived.

Conference call

Rafael Padilla (CEO) and Karin de Jong (CFO) will elaborate upon the 2017 results today in a conference call. The conference call starts at 9:30 CET. From 10 minutes in advance, you will be able to call in using the numbers and confirmation code below:

The Netherlands: +31 (0)20 721 92 51
Belgium/Europe: +32 (0)2 404 06 59
United States: +1 323 794 21 49
United Kingdom: +44 (0)330 336 91 05
Confirmation code: 3804144

The presentation will be available from 9:00 CET on http://investors.fagron.com.

As from 8 February, the conference call may be listened to or downloaded from Fagron's corporate website (http://investors.fagron.com/).

Financial calendar 2018

12 April	Trading update, first quarter 2018
14 May	Annual General Meeting
3 August	Half-year results 2018
11 October	Trading update, third quarter 2018

The results and trading updates are published at 7:00 CET.

In the event of differences between the English translation and the Dutch original of this press release, the latter prevails.

For more information

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Fagron profile

Fagron is a leading global company active in pharmaceutical compounding and focused on delivering tailored pharmaceutical care to hospitals, pharmacies, clinics and patients in 34 countries around the world.

The Belgian company Fagron NV is located in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. The operational activities of Fagron are driven by the Dutch company Fagron BV. The head office of Fagron BV is located in Rotterdam.

Forward-looking statements - important reservations

Certain statements in this press release could be considered to be forward looking. Such forward-looking statements are based on current expectations and are influenced by various risks and uncertainties. Consequently, Fagron cannot provide any guarantees that such forward-looking statements will in fact materialise and cannot accept any obligation to update or revise any forward-looking statement as a result of new information, future events or for any other reason.

Income statement and balance sheet

Income statement (x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Net turnover	**215,208**	**211,602**	**1.7%**	**436,934**	**421,839**	**3.6%**
Gross margin	131,221	131,683	-0.4%	269,823	265,171	1.8%
As a % of net turnover	*61.0%*	*62.2%*	*-1.3%*	*61.8%*	*62.9%*	-1.1%
Operating costs	-83,605	-86,657	3.5%	-174,096	-174,574	0.3%
As a % of net turnover	*38.8%*	*41.0%*	*-2.1%*	*39.8%*	*41.4%*	-1.5%
EBITDA before non-recurrent result	**47,616**	**45,026**	**5.8%**	**95,727**	**90,597**	**5.7%**
As a % of net turnover	*22.1%*	*21.3%*	*0.8%*	*21.9%*	*21.5%*	0.4%
Non-recurrent result	-2,643	-1,559	-69.5%	-3,570	-3,233	-10.4%
EBITDA	**44,973**	**43,467**	**3.5%**	**92,157**	**87,364**	**5.5%**
As a % of net turnover	*20.9%*	*20.5%*	*0.4%*	*21.1%*	*20.7%*	0.4%
Depreciation and amortisation	-8,801	-11,083	20.6%	-17,550	-21,119	16.9%
Impairment	0	-48,364	100.0%	0	-48,364	100.0%
EBIT	**36,172**	**-15,980**	**326.4%**	**74,607**	**17,881**	**317.2%**
As a % of net turnover	*16.8%*	*-7.6%*	*24.4%*	*17.1%*	*4.2%*	12.8%
Financial result, excluding revaluation of financial derivatives	-6,057	-13,852	56.3%	-19,355	-25,529	24.2%
Revaluation of financial derivatives	0	-12	100.0%	713	1,284	-44.5%
Profit before taxes	30,115	-29,845	200.9%	55,965	-6,364	979.4%
Taxes	-4,122	-4,849	15.0%	-8,918	-11,748	24.1%
Net profit (loss) from continued operations	**25,992**	**-34,694**	**174.9%**	**47,047**	**-18,112**	**359.8%**
Result from discontinued operations	0	-1,509	100.0%	0	-2,045	100.0%
Recurrent net profit[4]	28,181	16,107	75.0%	49,060	29,603	65.7%
Net profit per share (€)	0.36	-0.52	169.2%	0.65	-0.34	291.2%
Recurrent net profit per share (€)	0.39	0.23	69.6%	0.68	0.55	23.6%
Average number of shares	71,740,277	70,975,839	1.1%	71,740,277	53,956,847	33.0%

Balance sheet (x € 1,000)	31/12/2017	31/12/2016
Intangible fixed assets	344,495	371,006
Property, plant and equipment	69,535	72,879
Deferred tax assets	11,355	9,698
Financial assets	2,232	2,123
Operational working capital	36,135	39,770
Other working capital	-25,266	-29,972
Equity	184,881	152,875
Provisions and pension obligations	17,210	18,456
Financial instruments	0	8,530
Deferred tax liabilities	198	236
Net financial debt	236,197	285,408

[4] Recurrent net profit is defined as the profit before non-recurring items and revaluation of financial derivatives, corrected for taxes.

Notes to the consolidated results

Income statement

The **consolidated turnover** amounted to € 436.9 million, an increase of 3.6% (2.1% at constant exchange rates) compared to 2016. Organic growth amounted to 4.2% (2.7% at constant exchange rates). The turnover development per segment is set out in more detail in 'Key figures per segment'.

(x € 1,000)	2017	2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Fagron	430,132	414,180	3.9%	2.4%	4.5%	2.9%
HL Technology	6,802	7,659	-11.2%	-9.5%	-11.2%	-9.5%
Fagron Group	436,934	421,839	3.6%	2.1%	4.2%	2.7%

(x € 1,000)	H2-2017	H2-2016	Total growth	Total growth CER	Org. growth	Org. growth CER
Fagron	211,868	208,503	1.6%	3.4%	2.3%	4.1%
HL Technology	3,341	3,100	7.8%	14.0%	7.8%	14.0%
Fagron Group	215,208	211,602	1.7%	3.5%	2.4%	4.2%

CER = Constant Exchange Rates

The **gross margin** increased by 1.8% to € 269.8 million. The gross margin as a percentage of turnover decreased by 110 base points to 61.8%, primarily as a result of the renewal of a number of contracts.

The **operating costs** decreased by 0.3% in 2017, to € 174.1 million. The operating costs as a percentage of turnover decreased by 150 base points to 39.8% in 2017. In the second half of 2017, the operating costs decreased by 3.5%, or € 3.1 million, to € 83.6 million. The decrease in the second half of 2017 was mainly due to cost savings in Europe and in the activities focused on the sale of raw materials in the United States and to the sale of the compounding facility in Paris (France).

The **EBITDA before non-recurrent result** increased by 5.7% to € 95.7 million in 2017. The EBITDA before non-recurrent result as a percentage of turnover increased by 40 base points to 21.9%.

The **non-recurrent result** amounted to -€ 3.6 million compared to -€ 3.2 million in 2016.

The **EBITDA** increased by 5.5% to € 92.2 million. The EBITDA as a percentage of turnover increased by 40 base points to 21.1%.

Depreciation and amortisation amounted to € 17.6 million, compared to € 21.1 million in 2016. This decrease was mainly due to the accelerated depreciation of assets in 2016 at Freedom Pharmaceuticals and Fagron Academy in the United States, and HL Technology in Switzerland.

The **EBIT** amounted to € 74.6 million, an increase of 317.2%, or € 56.7 million, in comparison to 2016. This increase was largely caused by the recognition of an impairment of € 48.4 million in 2016.

The **financial result excluding the revaluation of the financial derivatives** amounted to -€ 19.4 million, an improvement of 24.2% compared to -€ 25.5 million in 2016.

- The financial costs decreased by € 15.4 million, or 41.5%, to € 21.8 million in 2017. This decrease was primarily due to lower interest charges as a result of lower average net debt and a lower interest rate (-€ 12.6 million). In addition, the costs in connection with the refinancing in 2016 were not recurring in 2017 (-€ 4.5 million).
- The financial income decreased by € 9.3 million, or 79.2%, to € 2.4 million. This decrease was mainly due to the non-recurring recognition of an income item of € 10 million in 2016 as a result of the waivers which led to a change in expected cash flows.

The **revaluation of the financial derivatives** amounted to € 0.7 million, a decrease of 44.5% compared to 2016. These financial derivatives do not qualify as hedging instruments according to IAS 39.

The **effective tax rate** as a percentage of the profit before taxes was 15.9% in 2017.

The **net profit** from continued operations amounted to € 47.0 million, an increase of € 65.2 million compared to 2016.

Balance sheet

The main changes at balance-sheet level can be summarised as follows.

The **intangible non-current assets** decreased by € 26.5 million in 2017. The decrease in the intangible non-current assets was mainly due to the weakening of the Brazilian real and the US dollar against the euro, and the sale of the compounding facility in Paris (France).

Property, plant and equipment decreased by € 3.3 million in 2017. This decrease was mainly due to the weakening of the Brazilian real and the US dollar against the euro.

Operational working capital decreased by 9.1% to € 36.1 million and amounted to 8.2% of turnover in 2017.

The **net financial debt** decreased by € 49.2 million in 2017, to € 236.2 million. The net financial debt / REBITDA ratio on 31 December 2017 was 2.48, significantly below the level of 3.25 as set in the Revolving Credit Facility and the Note Purchase Agreement.

The table below summarises the development in the net financial debt in 2017.

(x € 1,000)	
Net financial debt on 31 December 2016	**-285,408**
Operational cash flow	84,247
Investment activities	-13,410
Net interest paid	-28,560
Exchange rate differences	6,933
Net financial debt on 31 December 2017	**-236,197**

The **net operational capex** amounted to € 10.0 million (2.3% of turnover) in 2017. The capex consisted primarily of investments in new compounding facilities in the United States, the Netherlands and South Africa, improvements to facilities in Brazil, Belgium and the Czech Republic, the automation of logistics processes, and software implementations. The compounding facilities mentioned earlier have been operational since March 2017 (Wichita, US) and June 2017 (Hoogeveen, the Netherlands and Johannesburg, South Africa).

Key figures per segment

Fagron (excluding HL Technology)

(x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Turnover	211,868	208,503	1.6%	430,132	414,180	3.9%
REBITDA[5]	47,347	45,417	4.3%	95,577	90,122	6.1%
REBITDA margin	22.3%	21.8%		22.2%	21.8%	

Fagron's turnover increased by 3.9% (2.4% at constant exchange rates) in 2017, to € 430.1 million. Organic turnover growth amounted to 4.5% (2.9% at constant exchange rates), supported by all the continents on which Fagron operates. The REBITDA increased by 6.1% to € 95.6 million. The REBITDA as a percentage of turnover increased by 40 base points to 22.2%.

[5] EBITDA before non-recurrent result.

The table below summarises the turnover development and currency effects for Fagron (excluding HL Technology) in 2017.

(x € 1,000)	Impact
Turnover from continued operations in 2016	**414,180**
Development Europe[6]	4,737
Development South America	4,219
Development North America	3,173
Currency effect BRL/Euro	6,735
Currency effect USD/Euro	-1,552
Currency effect other	1,035
Contribution of acquisitions	3,343
Contribution of divestments	-5,739
Turnover from continued operations in 2017	**430,132**

Fagron Europe[7]

(x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Turnover	120,195	121,558	-1.1%	249,082	246,904	0.9%
REBITDA[8]	30,577	32,218	-5.1%	63,301	63,138	0.3%
REBITDA margin	25.4%	26.5%		25.4%	25.6%	

The turnover of the Europe segment increased by 0.9% (0.5% at constant exchange rates) in 2017, to € 249.1 million. Corrected for the acquisition of Kemig (Croatia) and the divestment of the compounding facility in Paris (France), the organic turnover growth was 2.4% (1.9% at constant exchange rates). The REBITDA increased by 0.3% to € 63.3 million. The REBITDA as a percentage of turnover decreased by 20 base points to 25.4%.

As indicated in the trading update for the third quarter of 2017, organic growth in the second half of 2017 was curbed by limited availability of Fagron's pharmaceutical raw materials. Because of this, a backlog arose in the supply of raw materials to customers. Important steps towards a structural solution were taken in the fourth quarter of 2017, whereby the capacity for analysing raw materials was increased while, at the same time, the dependency on external parties was limited. The backlog is expected to be largely cleared in April 2018.

Fagron opened a new compounding facility in Hoogeveen (the Netherlands) in June 2017. This facility is specialised in the production of pre-filled (sterile) glass injection syringes with a long shelf life for the hospital market. This new facility plays an important role in Fagron's strategy to reinforce its position in the hospital sector. In June 2017, Fagron also finalised the sale of a compounding facility in Paris (France). The activities and results of the compounding facility in Paris were deconsolidated as of 1 July 2017. Fagron finalised the

[6] The Europe segment consists of the activities of Fagron in Europe, South Africa and Australia.
[7] The Europe segment consists of the activities of Fagron in Europe, South Africa and Australia.
[8] EBITDA before non-recurrent result.

acquisition of Kemig in August 2017. Kemig is a leading supplier of pharmaceutical raw materials and packaging materials to pharmacies and wholesalers in Croatia, and Bosnia and Herzegovina. Kemig has been consolidated since 1 July 2017.

Mr Marcello Bergamini (Italian nationality) has been appointed Area General Manager Europe, with the exception of the Netherlands and Belgium. Mr Bergamini qualified as a pharmacist and has been working at Fagron for more than eight years, most recently in the position of General Manager of Fagron Italy. Mr Bergamini and the General Managers of Fagron's activities in the Netherlands and Belgium report directly to Rafael Padilla, CEO of Fagron.

Fagron South America

(x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Turnover	53,784	48,896	10.0%	103,282	91,130	13.3%
REBITDA[9]	10,761	9,331	15.3%	20,815	18,072	15.2%
REBITDA margin	20.0%	19.1%		20.2%	19.8%	

The turnover of the South America segment increased by 13.3% (5.9% at constant exchange rates) in 2017, to € 103.3 million. Corrected for the acquisition of All Chemistry (Brazil), the organic turnover growth was 11.9% (4.6% at constant exchange rates). The REBITDA increased by 15.2% to € 20.8 million. The REBITDA as a percentage of turnover increased by 40 base points to 20.2%.

Most of Fagron Brazil's purchases is in US dollars. The strengthening of the Brazilian real relative to the US dollar (+8.4%) resulted in lower purchase prices. It is common practice that this positive currency effect is fully passed on to Fagron's customers via lower sales prices in Brazilian real. There is a direct correlation between the strengthening in percentage of the Brazilian real relative to the US dollar and the growth of Fagron Brazil in US dollar. The decrease in sales prices in Brazilian real and the unfavourable effect of this on turnover growth at constant exchange rates was offset by a strong growth in volume, enabling Fagron Brazil to further strengthen its position as market leader in Brazil in 2017.

Fagron announced the acquisition of All Chemistry in October 2017. All Chemistry is a renowned supplier of pharmaceutical raw materials to compounding pharmacies in Brazil. All Chemistry's results have been fully consolidated with effect from 1 October 2017.

Following the recent appointment of Rafael Padilla as CEO of Fagron, Ivan Marostica is taking on Mr Padilla's former role as Area General Manager Fagron South America. Mr Marostica (Brazilian nationality) studied Business Administration at the Pontifical Catholic University of Campinas and has been active in the Brazilian pharmaceutical compounding market for more than 16 years. Mr Marostica was one of the founders of Pharma Nostra (currently: Infinity Pharma), a Brazilian company acquired by Fagron in 2011. Mr Marostica reports directly to the CEO of Fagron.

[9] EBITDA before non-recurrent result.

Fagron North America

(x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Turnover	37,888	38,049	-0.4%	77,769	76,147	2.1%
REBITDA[10]	6,009	3,867	55.4%	11,461	8,912	28.6%
REBITDA margin	15.9%	10.2%		14.7%	11.7%	

The turnover of the North America segment increased by 2.1% (4.2% at constant exchange rates) in 2017, to € 77.8 million. The REBITDA increased by 28.6% to € 11.5 million. The REBITDA as a percentage of turnover increased by 300 base points to 14.7% compared to 2016.

The turnover from sterile compounding activities increased by 15.5% (17.8% at constant exchange rates) in 2017. The turnover increased by 6.5% (15.7% at constant exchange rates) during the fourth quarter of 2017. The sterile activities are performing in line with expectations. Licences for the states of Arkansas and Maine were received in the fourth quarter of 2017, bringing the total number of licences received to 48.

The sale of raw materials and concepts for pharmaceutical compounding decreased by 24.3% in 2017 (-22.8% at constant exchange rates) compared to 2016. This is due to the changed reimbursement system in the United States in 2015. The turnover decreased by 7.1% at constant exchange rates during the fourth quarter of 2017 but was stable compared to the previous quarters in 2017.

Blake Keller has succeeded Rita Hoke as President of Fagron North America. Ms Hoke managed the division through a difficult period and ensured it achieved a stable basis. Now that a firm foundation has been laid, it is time for a phase of accelerated growth, which calls for a new type of leadership. Fagron North America's growth potential will be further realised with the appointment of Mr Keller (US nationality). Mr Keller qualified as a pharmacist and has performed various roles at Walgreens Boots Alliance and Premise Health over the past 17 years. Mr Keller reports directly to the CEO of Fagron.

HL Technology

(x € 1,000)	H2-2017	H2-2016	Δ	2017	2016	Δ
Turnover	3,341	3,100	7.8%	6,802	7,659	-11.2%
REBITDA[11]	269	-390	168.9%	150	475	-68.5%
REBITDA margin	8.0%	-12.6%		2.2%	6.2%	

The turnover of HL Technology, the segment that focuses on the development, production and introduction of innovative precision components and orthopaedic tools for the dental and medical industry, decreased by 11.2% (-9.5% at constant exchange rates) to € 6.8 million in 2017. The REBITDA decreased by € 0.3 million to € 0.2 million. The effects of the cost-saving programme implemented in the second quarter of 2017 were already clearly visible in the second half of 2017.

[10] EBITDA before non-recurrent result.
[11] EBITDA before non-recurrent result.

Consolidated income statement

(x € 1,000)	2017	2016
Operating income	**441,550**	**425,054**
Turnover	436,934	421,839
Other operating income	4,616	3,215
Operating expenses	**366,942**	**407,173**
Trade goods	167,718	158,191
Services and other goods	79,858	79,218
Employee benefit expenses	100,700	96,801
Depreciation and amortisation	17,550	21,119
Impairment	0	48,364
Other operating expenses	1,116	3,480
Operating profit	**74,607**	**17,881**
Financial income	3,154	12,996
Financial expenses	-21,796	-37,242
Profit before income tax	**55,965**	**-6,364**
Taxes	8,918	11,748
Net profit for the year from continued operations	**47,047**	**-18,112**
Net profit (loss) for the year from discontinued operations (attributable to equity holders of the company)	0	-2,045
Profit for the period	**47,047**	**-20,157**
Attributable to:		
Equity holders of the company (net result)	46,658	-20,562
Non-controlling interest	389	405
Earnings (loss) per share attributable to owners of the parent during the period		
Profit (loss) per share (in euros)	**0.65**	**-0.38**
From continued operations	0.65	-0.34
From discontinued operations	0.00	-0.04
Diluted profit (loss) for the year per share (in euros)	**0.65**	**-0.38**
From continued operations	0.65	-0.34
From discontinued operations	0.00	-0.04

Consolidated statement of comprehensive income

(x € 1,000)	2017	2016
Net result for the financial year	**47,047**	**-20,157**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	1,497	-599
Tax relating to items that will not be reclassified	-374	150
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	-16,534	22,077
Other comprehensive income for the year net of tax	**-15,411**	**21,628**
Total comprehensive income for the year	**31,636**	**1,471**
Attributable to:		
Equity holders of the company	31,237	1,088
Non-controlling interest	399	384
Total comprehensive income for the year	**31,636**	**1,471**
Total comprehensive income for the year attributable to equity holders of the company:		
From continued operations	31,237	3,133
From discontinued operations	0	-2,045
Total comprehensive income for the equity holders	**31,237**	**1,088**

The unrealised currency translation differences of -€ 16.5 million are primarily the result of the weakening of the Brazilian real with respect to the euro as of 31 December 2017.

Consolidated statement of financial position

(x € 1,000)	2017	2016
Non-current assets	**427,617**	**455,707**
Intangible fixed assets	344,495	371,006
Property, plant and equipment	69,535	72,879
Financial assets	2,232	2,123
Deferred tax assets	11,355	9,698
Current assets	**166,430**	**412,346**
Inventories	62,865	60,054
Trade receivables	32,220	32,879
Other receivables	10,574	23,829
Restricted funds	0	220,622
Cash and cash equivalents	60,771	74,962
Total assets	**594,047**	**868,053**
Equity	**184,881**	**152,875**
Shareholders' equity (parent)	181,398	149,792
Non-controlling interests	3,483	3,083
Non-current liabilities	**300,925**	**309,125**
Provisions	12,476	12,776
Pension obligations	4,733	5,680
Deferred tax liabilities	198	236
Borrowings	283,518	290,433
Current liabilities	**108,241**	**406,053**
Borrowings	13,450	290,559
Trade payables	58,950	53,163
Taxes, remuneration and social security	27,168	34,977
Other current payables	8,673	18,825
Financial instruments	0	8,530
Total liabilities	**409,166**	**715,178**
Total equity and liabilities	**594,047**	**868,053**

Consolidated statement of changes in equity

(x € 1,000)	Share capital & premium	Other reserves	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance as of 1 January 2015	**345,760**	**-239,909**	**-18,823**	**-154,501**	**-67,473**	**2,700**	**-64,772**
Profit for the period				-20,562	-20,562	405	-20,157
Other comprehensive income		21,650			21,650	-22	21,628
Total comprehensive income for the period	**0**	**21,650**	**0**	**-20,562**	**1,088**	**384**	**1,471**
Capital increase	216,092				216,092		216,092
Share-based payments		85			85		85
Balance as of 31 December 2016	**561,852**	**-218,174**	**-18,823**	**-175,063**	**149,792**	**3,083**	**152,875**
Profit for the period				46,658	46,658	389	47,047
Other comprehensive income		-15,422			-15,422	10	-15,411
Total comprehensive income for the period	**0**	**-15,422**	**0**	**46,658**	**31,236**	**399**	**31,636**
Capital increase							
Share-based payments		370			370		370
Balance as of 31 December 2017	**561,852**	**-233,226**	**-18,823**	**-128,405**	**181,398**	**3,483**	**184,881**

Consolidated cash flow statement

(x € 1,000)	2017	2016
Operating activities		
Profit before income taxes from continued operations	55,965	-6,364
Profit before income taxes from discontinued operations	0	-2,422
Taxes paid	3,398	-12,831
Adjustments for financial items	18,643	24,103
Total adjustments for non-cash items	16,169	62,049
Total changes in working capital	-9,927	2,969
Total cash flow from operating activities	**84,247**	**67,504**
Investment activities		
Capital expenditure	-10,032	-14,777
Proceeds from sold shareholdings	6,400	0
Investments in existing shareholdings (subsequent payments) and in new holdings	-8,109	-8,155
Total cash flow from investing activities	**-11,741**	**-22,932**
Financing activities		
Capital increase	0	216,092
New borrowings	122,193	147,814
Reimbursement of borrowings	-398,023	-156,206
Interest received	3,154	2,240
Interest paid	-31,713	-38,501
Total cash flow from financing activities	**-304,391**	**171,438**
Total net cash flow for the period	**-231,885**	**216,010**
Cash and cash equivalents - start of the period (including restricted cash)	295,585	75,474
Gains or losses on currency translation differences	-2,929	4,100
Cash and cash equivalents - end of the period (including restricted cash)	60,771	295,585
Change in cash and cash equivalents (including restricted cash)	**-231,885**	**216,010**
Net cash flow from discontinued operations		
Total cash flow from operating activities	0	-9,279
Total cash flow from investing activities	0	-6,147
Total cash flow from financing activities	0	0
Total net cash flow from discontinued operations	**0**	**-15,426**