



# **Biotest AG**

## **H1 2013 Conference call**

13 August 2013

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## Disclaimer

- This document contains forward-looking statements on overall economic development as well as on the business, earnings, financial and asset situation of Biotest AG and its subsidiaries. These statements are based on current plans, estimates, forecasts and expectations of the company and thus are subject to risks and elements of uncertainty that could result in deviation of actual developments from expected developments.
- The forward-looking statements are only valid at the time of publication. Biotest does not intend to update the forward-looking statements and assumes no obligation to do so.
- All figures reported relate to the Continuing Operations of the Biotest Group. After the sale of the Medical Diagnostic activities to Bio-Rad Laboratories Inc. and the sale of the segment Microbiological Monitoring to Merck KGaA, both activities are being reported as Discontinued Operation
- All comparative figures relate to the corresponding last year s period, unless stated otherwise.

## Biotest Group: Highlights H1 2013



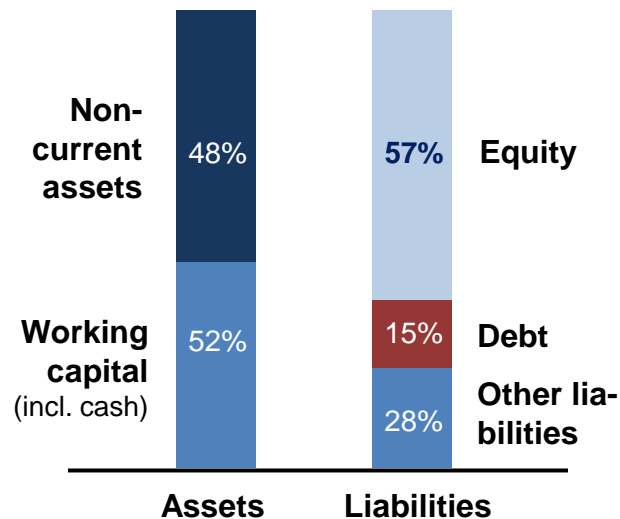
- Biotest H1 2013 Group Sales up by 10.5% to € 243.3m  
Increase largely attributable to an increase in volume and sales in international markets
- H1 2013 EBIT increase by 13.1% to € 25.9m
- Successful launch of Bivigam<sup>®</sup> in the US in February 2013
- Successful capital increase; placement of 1.46 m new preference shares, net proceeds € 73m
- Confirmation of guidance :  
FY 2013 sales increase of 10 - 15%  
FY EBIT increase of 10 - 15%



## Capital Increase 2013

## Comfortable situation to start with

### Balance Sheet as of 31 March 2013

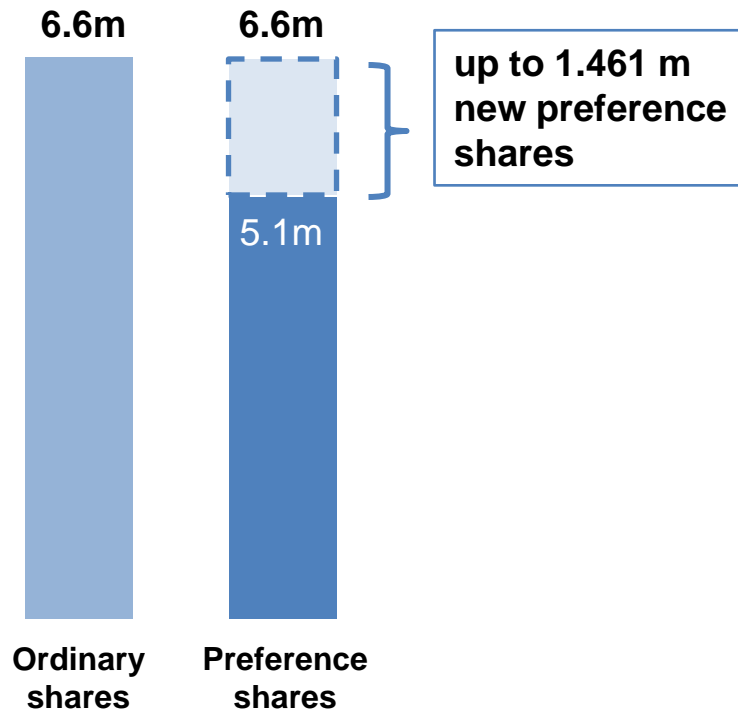


### Reasons for capital increase:

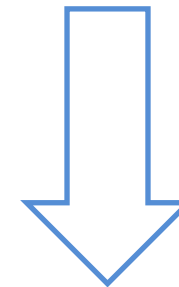
- Secure funding for biggest expansion project for Biotest (equity portion)
- Take advantage of
  - i) convincing equity story
  - ii) excellent track record
  - iii) positive outlook for the industry
  - iv) high desire of capital markets
- Offer shares to new investors
- Increase liquidity in preference shares

## Our plan for the capital increase

### No. of Biotest shares



8 May 2013: Announcement during Annual Shareholders' Meeting



29 June 2013/  
1 July 2013: Gross proceeds in Biotest's bank account

# Roadshow



Frankfurt (2x)



London



München



Kopenhagen



Heidelberg



Stockholm



Stuttgart



Oslo



Düsseldorf



Zurich



Köln



Madrid



Luxembourg



Boston

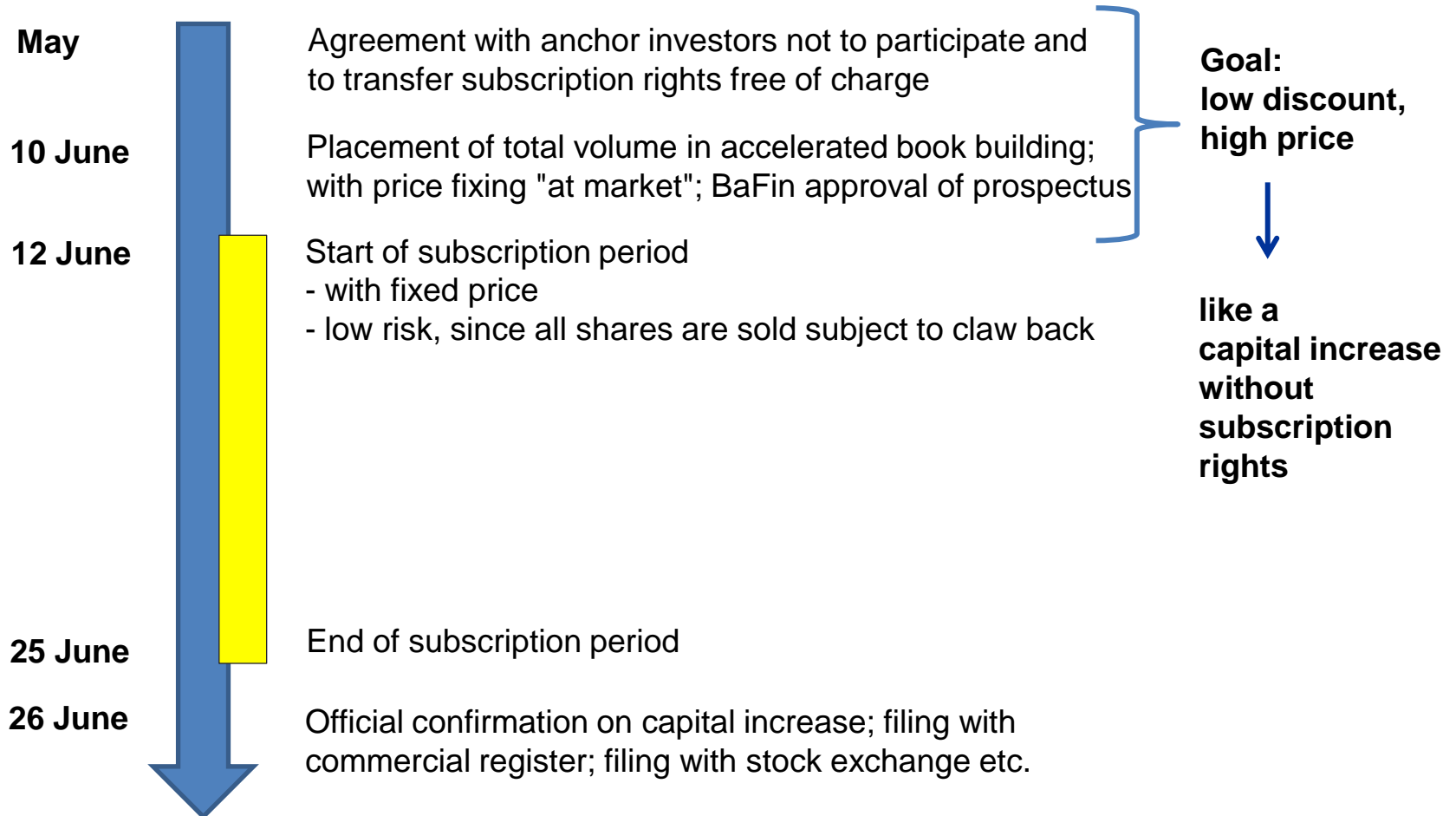


Paris



New York City

# Transaction structure: 100% pre-placement with clawback





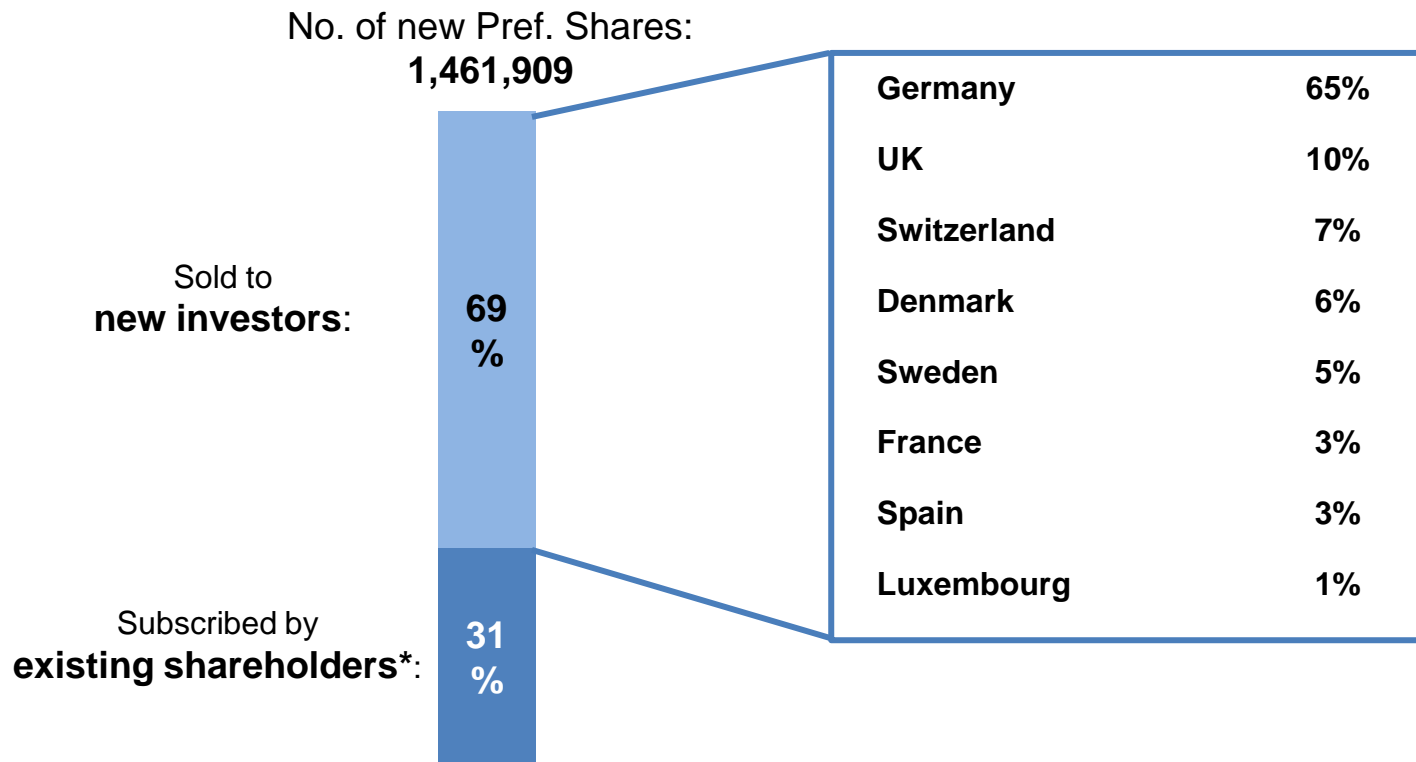
## Pricing for new shares

- Closing price of Biotest preference shares on Friday, 7 June 2013: **€ 52.50**
- 3-days volume weighted average share price (4-7 June 2013): **€ 53,85**
- Volume weighted average share price on 7 June 2013: **€ 53.18**
- **Subscription price:** **€ 52.00**
  - **Discount to € 52.50:** **0.95%**
  - **Discount to € 53.85:** **3.43%**
  - **Discount to € 53.18:** **2,22%**



**This is a fantastic low discount!**

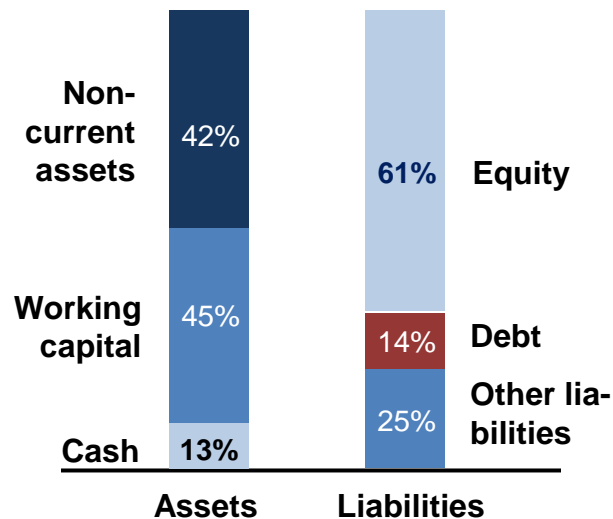
## Subscribers of new shares



\* 597,871 shares (40.9%) deliberately not subscribed by OGEL and KSK Special Funds, Biberach

## Very strong balance sheet

### Balance Sheet as of 30 June 2013



- With the successful capital increase Biotest is well prepared for new investments in expanding our capacity
- High equity portion allows a high debt capacity
- Higher number of shares outstanding and new investors should lead to an increased liquidity in our shares

## Next steps: secure debt financing and cash flow

External: capital markets, banks

Equity



Debt

Internal: Biotest Group

Existing cash flow



- Capital increase:
- Issuing of new shares

- Bonds/Schuldschein
- Syndicated loans
- Working capital loan

Cash flows will be used for:

- Development of new products (Fibrinogen, IgM Concentrate, etc.)
- Increase in working capital for anticipated growth
- Higher tax payments due to higher profits

73 m



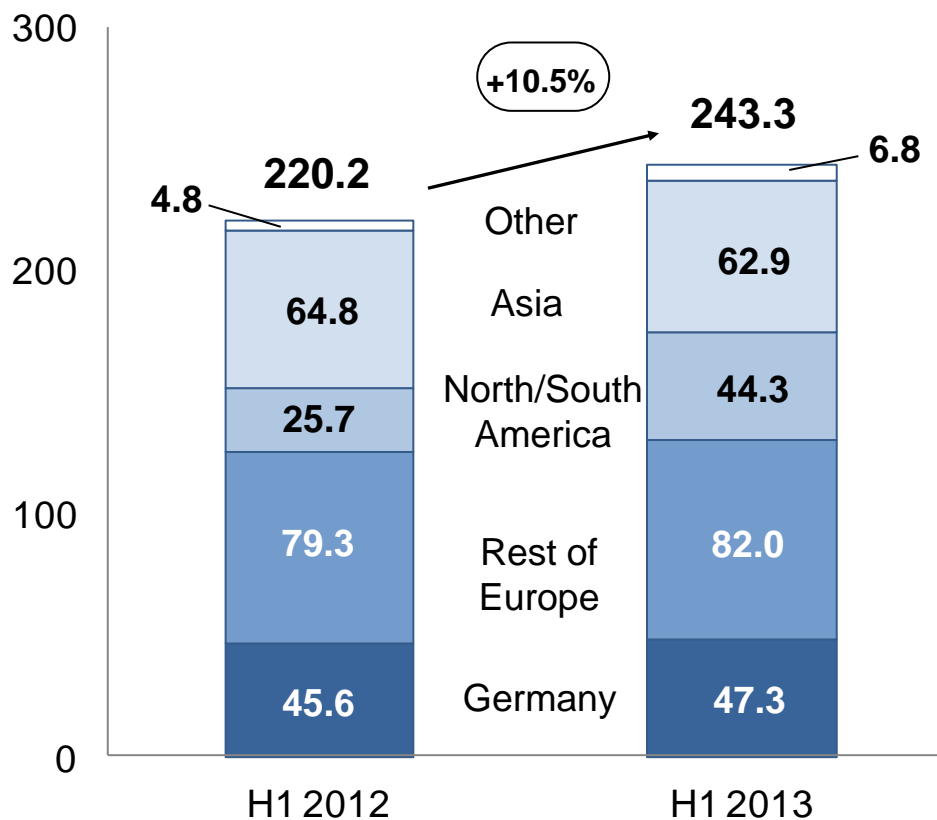
~ € 250 m



## Financials H1 2013

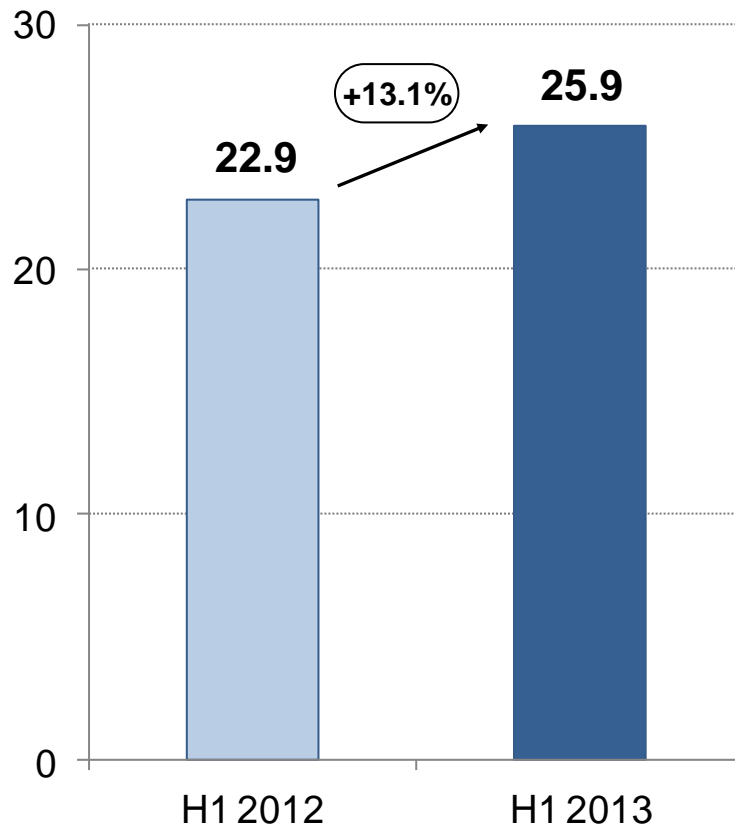
# Sales grow in line with expectations

Sales by region (€ million)

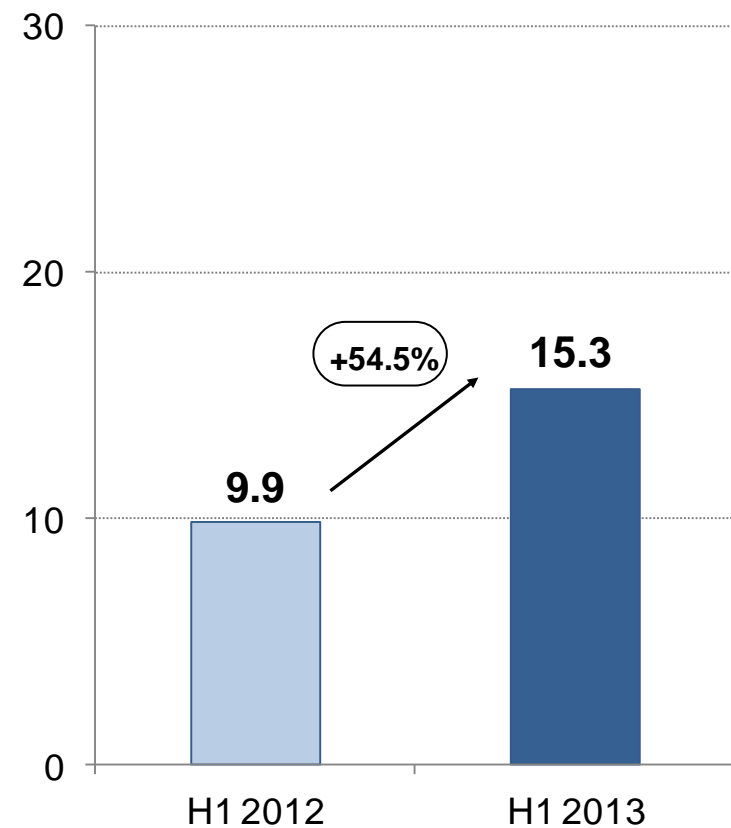


# Significant earnings increase

**EBIT (€ million)**

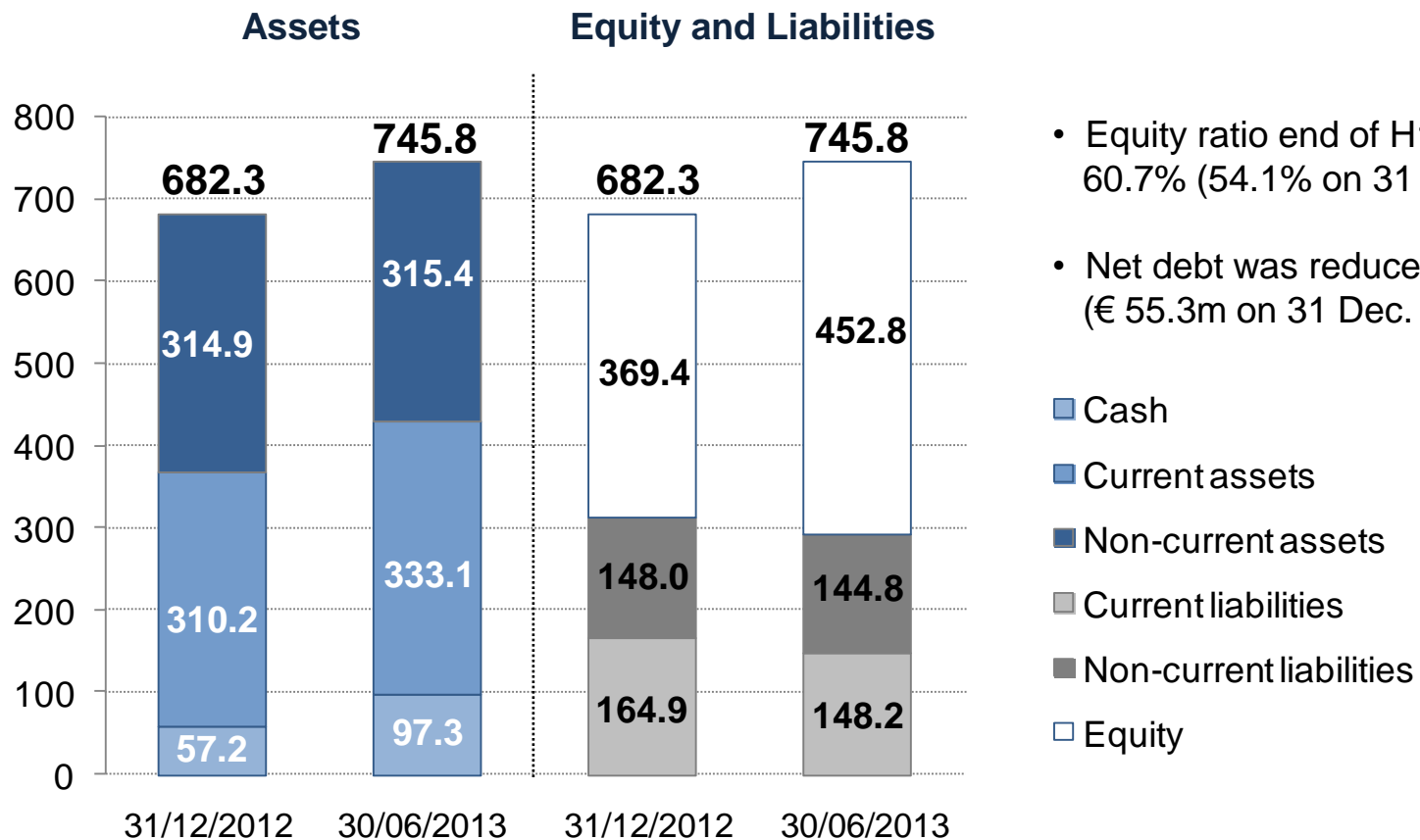


**Earnings after taxes (€ million)**



# Financial position: stronger equity base

## Financial Position of the Biotest Group (€ million)



- Equity ratio end of H1 2013 60.7% (54.1% on 31 Dec. 2012)
- Net debt was reduced to € 5.3m (€ 55.3m on 31 Dec. 2012)

- Cash
- Current assets
- Non-current assets
- Current liabilities
- Non-current liabilities
- Equity

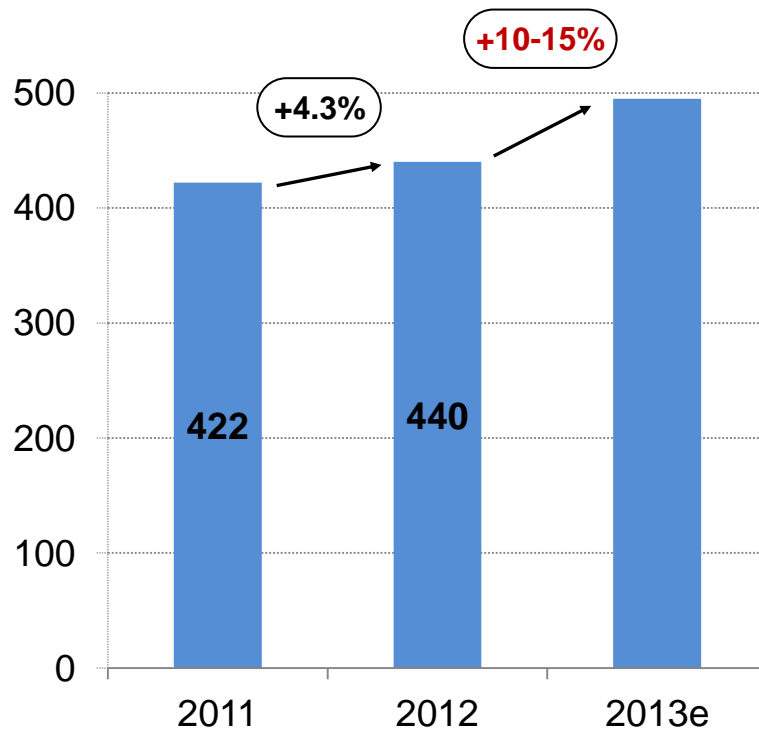


# Biotest confirms guidance 2013

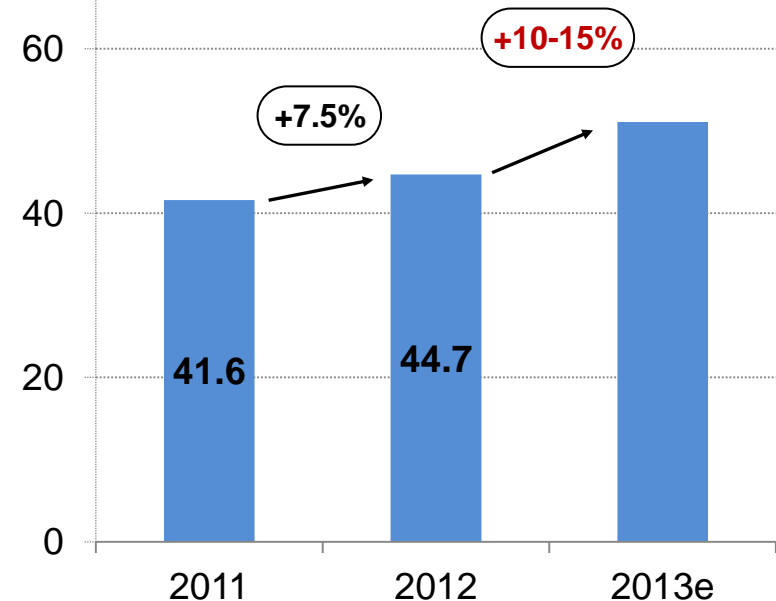
Sales growth 10 - 15 % vs. 2012

EBIT growth 10 - 15 % vs. 2012

**Sales (€ million)**



**EBIT (€ million)**





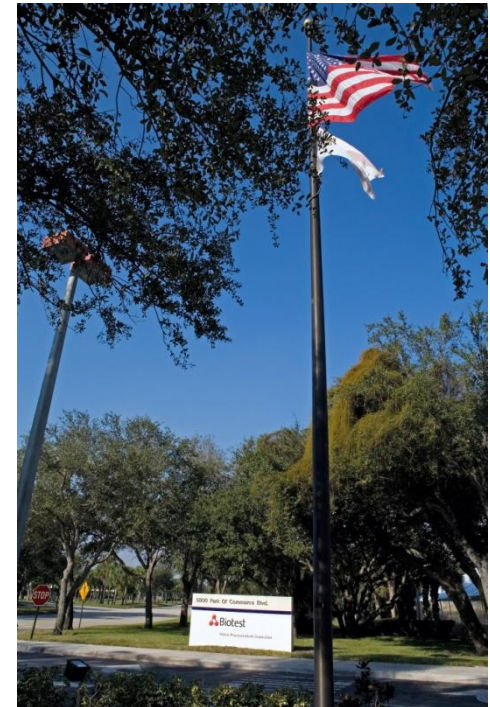
## Biotest Strategy for 2020

**Investments. Expansion. Future**

## Biotest investments in US until June 2013

- 2007: Acquisition of Nabi Pharmaceuticals Corp.: **USD 185m**
- Capacity enlargement in Boca Raton/ Florida: **USD 80m**
- Revenue 2012: **USD 100m**
- Employees:\* **750 FTE**

\* 30 June 2013



Production site Florida, USA

## **Biotest investments in Dreieich (2003-2013)**

**Total investment in Dreieich 2003 - 2013: € 165m**

- New plasma fractionation
- New coagulation factors production
- Enlargement immunoglobulin production
- New packaging/ upgrade filling
- Doubling of albumin production – to be finalised in Q3 2013
- Enlargement of logistics – to be finalised end of Q3 2013

### **Goals for the next years:**

- Capacity expansion
- New technology
- New products
- Quality improvement



Production site Dreieich

## Additional filling capacity & new packaging facility in Dreieich – finalised in Q2 2013

### Filling:

- New vessels (1,800 litres)
- New filling line (doubling of capacity)



### Packaging:

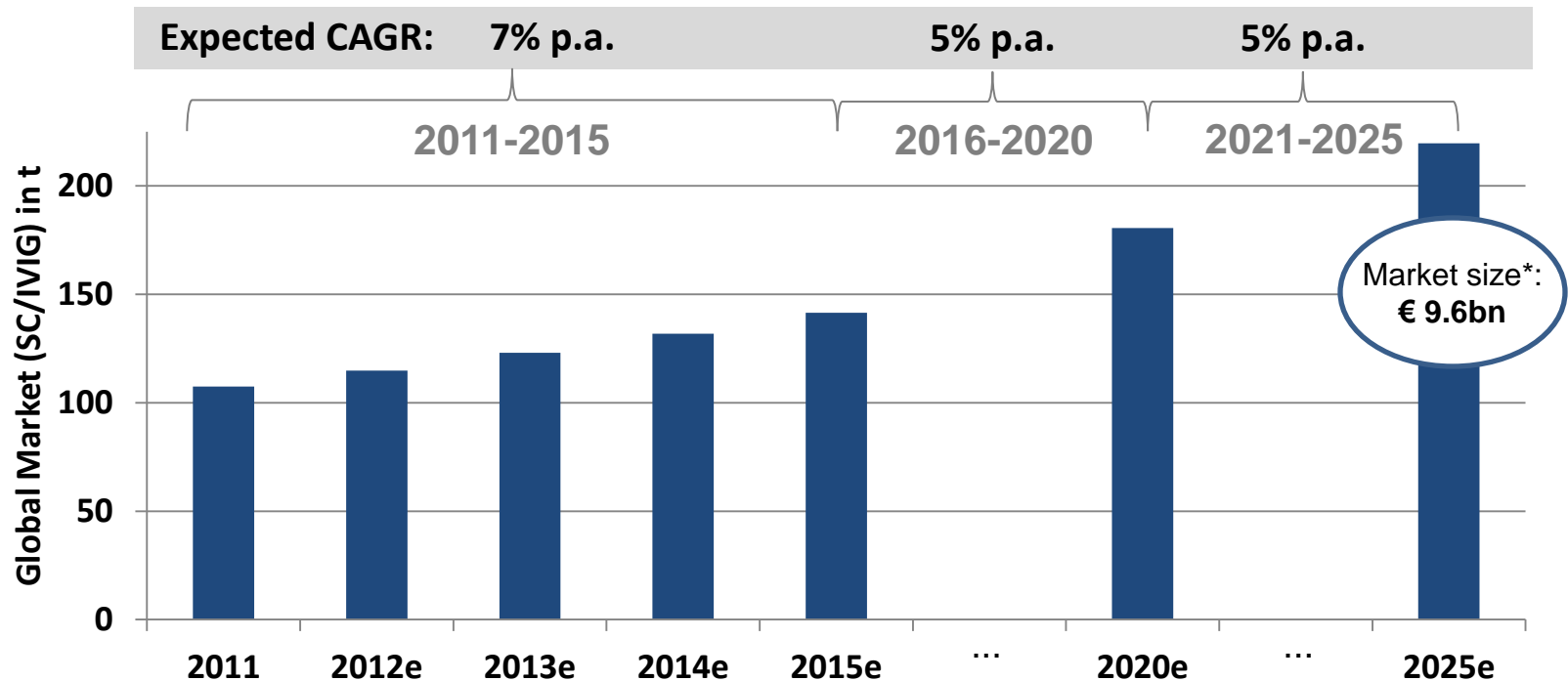
- New processes and machinery
- Increase from 3 to 6 million of packaging units
- All updates realised during ongoing operations



## New Biotest investments in Dreieich until 2018



## Global market trend immunoglobulin (SC/IVIG)



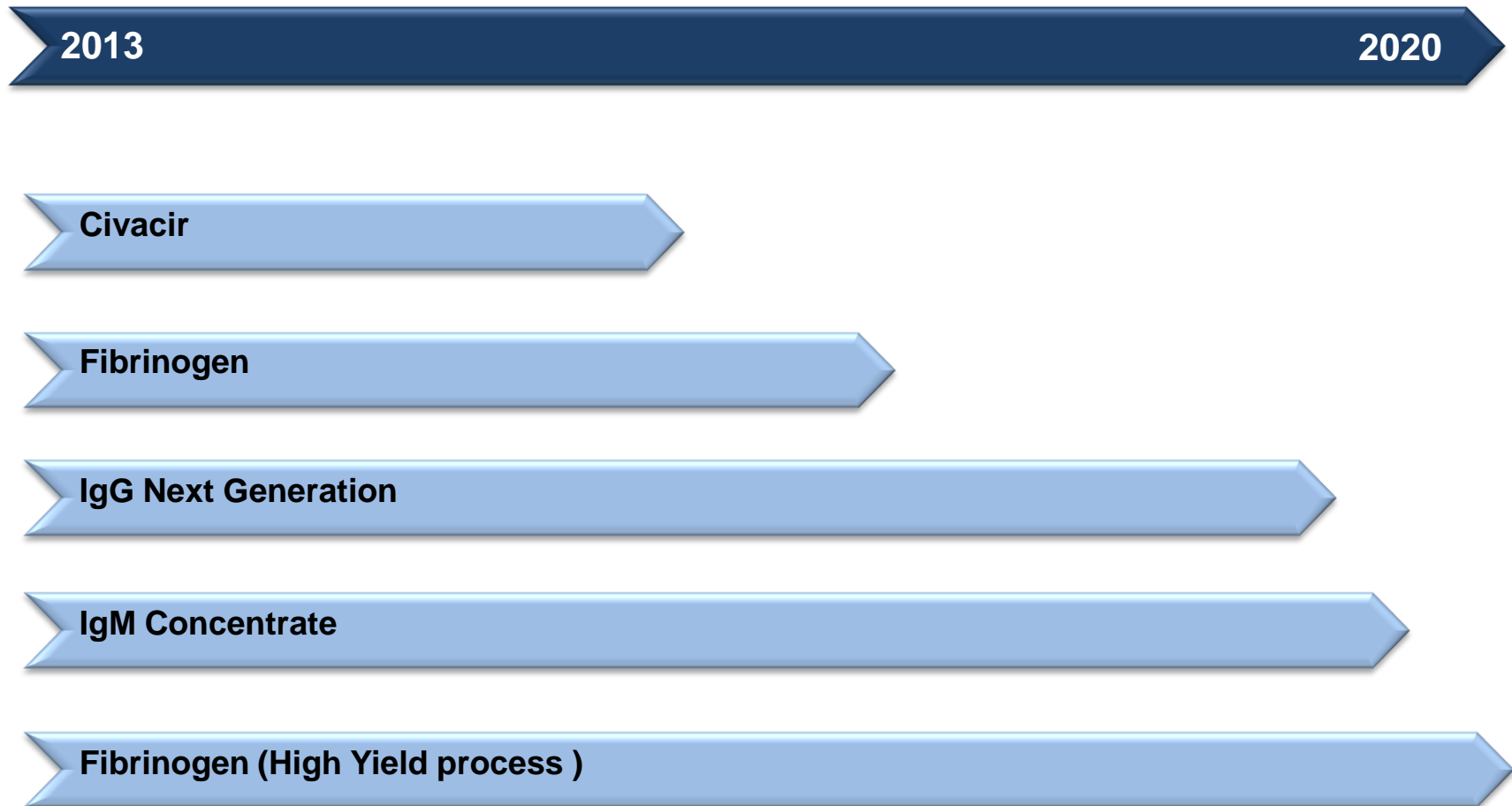
**The global Immunoglobulin market is expected to grow with an average growth rate of ~5% p.a. in the period between 2011 and 2025.**

Note: Expected CAGRs exclude the Alzheimer upside potential.

Sources: Biotest Market Research based on MRB (2012), UBS (29 May 2012, 3 December 2012).

\* based on 2012 price levels

# New plasma derived development products





## Biotest investments in further growth

Expansion of global capacity to:

**Plasma fractionation:**

**3 million litres/year**  
currently: 1.5 m litres/year

**Immunoglobulins:**

**13 t/year**  
currently: 5.5 t/year

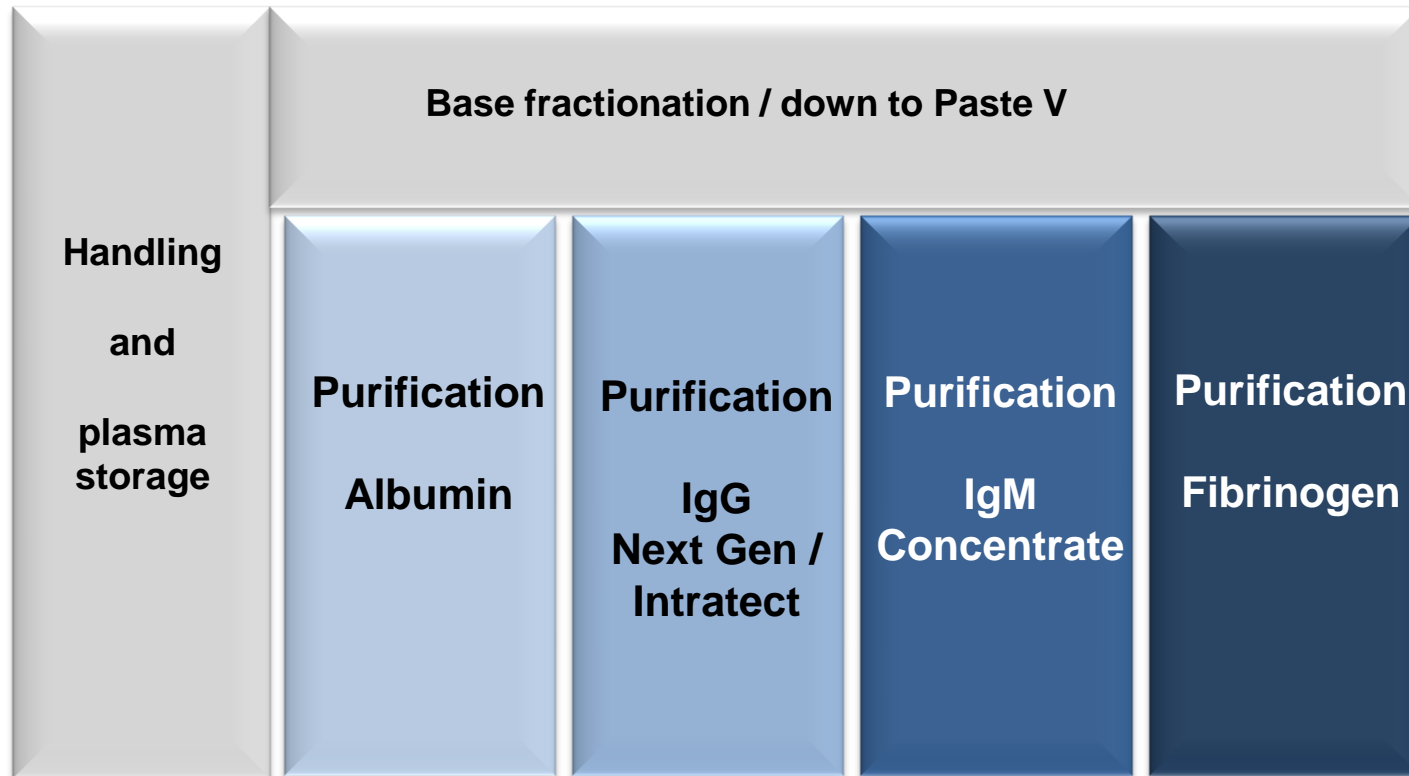
**Albumin:**

**75 t/year**  
currently: 21 t/year

- Capacity expansion programme in Dreieich
- Construction of new production plants at head quarter in Dreieich
- Duration: 2013 to 2018
- Investment: € 200 - 250m
- More than 300 additional jobs

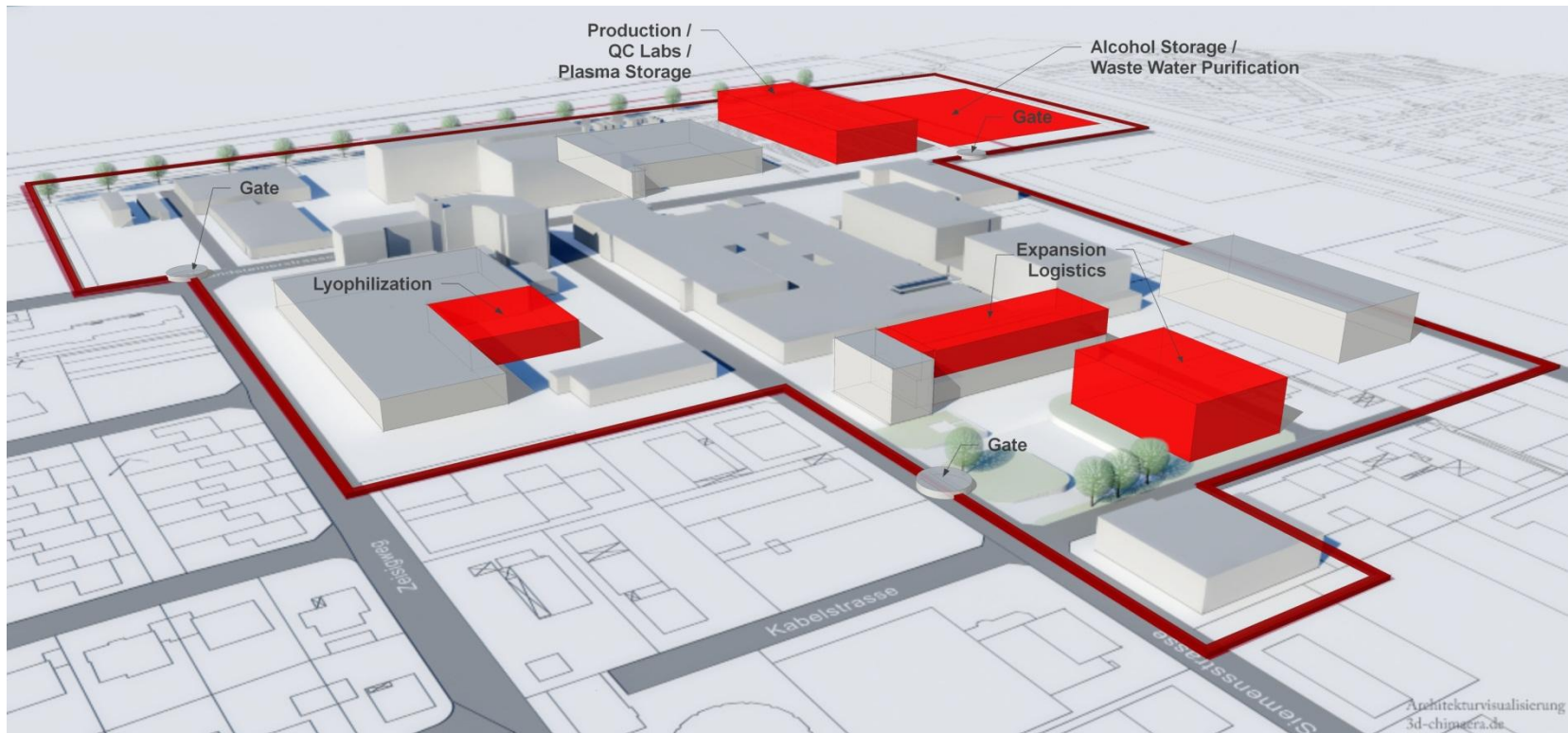
\* excluding already initiated projects  
(e.g. filling expansion)

## A modular approach for a production building

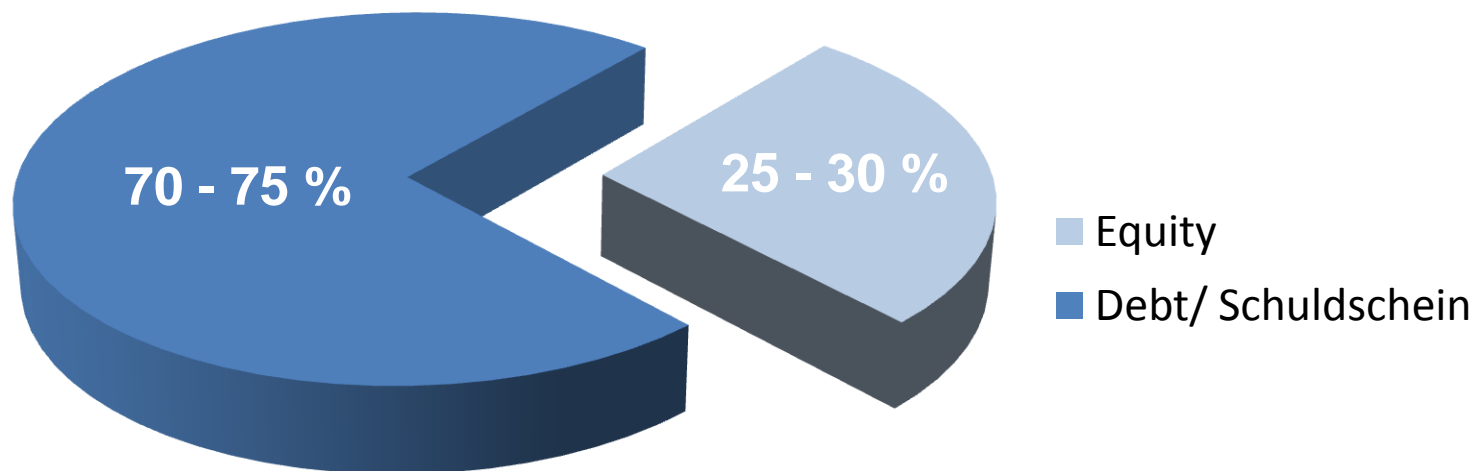


**Building(s) and equipment will be implemented stepwise in connection with the progress of the development products.**

# Location of capacity expansion Dreieich



## Balanced funding of expansion



Total CapEx (estimated): € 200 - 250m



## **Corporate Development and Internationalisation**

## Bivigam<sup>®</sup> strengthens position in the US



- Polyspecific intravenous immunoglobulin, comparable to Intratect<sup>®</sup>
- Excellent efficacy and safety profile
- Successful launch in February 2013, sales in H1 2013 of USD 14.4m
- Successful market introduction especially in home care treatment at premium price level without discount
- Continuous ramp up of production; full scale will be reached in 2014

## Business further internationalised



- **Scandinavia:**

- New distributor AntropPharma in Scandinavia
- Successful market introduction of Zutectra® at highest price in EU
- Further business extension planned in Scandinavia

- **Russia:**

- Merz Pharma GmbH as distributor
- Successful transfer of business
- Sales increase of 10% in H1 2013 vs. H1 2012

- **China:**

- New distributor – Wanbang Biopharma

- **Middle East:**

- Tender businesses
- Increase of sales

- **Greece:**

- Successful transfer of business to Vianex as distributor
- Further reduction of receivables
- Sales increase of 45% vs. previous year

## Vision – our road to 2020



- Consistent focus on biologics for the therapeutic areas of haematology, immunology and intensive care medicine
- Continuous investment in the development of new therapeutic options
- Worldwide operations with a strong base in Europe and the US
- Focused on growth

 **exceed € 1 billion in sales by 2020**



# Contact and Financial Calendar 2013

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## Financial Calendar 2013

**13 Aug. 2013**

**Q2 Report 2013**

**12 Nov. 2013**

**Q3 Report 2013**