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Kedrion S.p.A.

FIRST HALF RESULTS 2018

Consolidated turnover of Euro 278.3 million and adjusted gross margin of 39.0%

Castelvecchio Pascoli (Lucca, Italy), 7 September 2018 – The Board of Directors of Kedrion S.p.A., a biopharmaceutical company that specializes in the development, production and distribution of plasma-derived therapies and in the collection of plasma, has today approved the financial results for the six months ended 30 June 2018.

The following key figures are reported on a consolidated basis.

In the first half of 2018, Kedrion recorded a **turnover** of Euro 278.3 million, a 2.4% increase compared to the same period in 2017. Growth was primarily recorded in the United States, the Group's main market with 38.1% of the total revenues, driven by immunoglobulin and by the introduction of KEDRAB®, a human rabies immunoglobulin for post-exposure prophylaxis against rabies.

As a result of the positive performance of the plasmaderivatives segment, the **adjusted gross margin** increased by 16.2%, reaching Euro 108.5 million (39.0% of revenues).

The **adjusted EBITDA** was Euro 66.9 million, representing a 24.0% margin and a 2.4% increase compared to the first half of 2017.

One-off costs for the period were Euro 37.5 million, of which Euro 33.4 million related to the Melville refitting project, including the unabsorbed costs of the plant and the write-down of inventories manufactured before the shutdown and expired in the first half of 2018. The significant one-off costs led to an **EBIT** of Euro 17.9 million, compared with Euro 40.4 million in the first half of 2017.

Group net income for the period was Euro 9.4 million (3.4% of turnover).

Kedrion made total gross **investments** for Euro 36.3 million (Euro 44.5 million in the first half of 2017), of which Euro 26.1 million dedicated to the plasma segment. As of 30 June, the Group's network included 28 plasma collections centers, of which 18 in the United States, 6 in Hungary and 4 in Germany.

Approximately Euro 1.9 million were invested in the Melville plant, as part of the project started in 2016, which envisaged a full refitting of the facility and a new fractionation and purification line for the proprietary Anti-D immunoglobulin (RhoGAM®). Following the completion of the Process Performance Qualification batches, on 23 July Kedrion Biopharma Inc. filed the relevant regulatory submissions with the US Food and Drug Administration.

The operational restart of the Melville fractionation activities led to an increase in inventory because of the intermediates to be released for further manufacturing subject to regulatory approval. As a result, the **net working capital** reached Euro 329.4 million, compared with Euro 285.6 million at the end of 2017.

The growth of the net working capital has also been the main driver of the increase in the **net financial position** to Euro 507.0 million from Euro 444.6 million at the end of 2017.

Key financial metrics for the first half of 2018

<i>In millions of Euro except %</i>	H1 2018	H1 2017	% Var
REVENUES	278.3	271.7	2.4%
ADJUSTED GROSS MARGIN¹	108.5	93.3	16.2%
<i>% of revenues</i>	39.0%	34.4%	
OTHER INCOME	22.1	49.7	-55.5%
EBITDA	29.4	52.5	-43.9%
<i>% of revenues</i>	10.6%	19.3%	
NON RECURRING ITEMS	-37.5	-12.9	190.6%
ADJUSTED EBITDA¹	66.9	65.4	2.4%
<i>% of revenues</i>	24.0%	24.1%	
EBIT	17.9	40.4	-55.7%
<i>% of revenues</i>	6.4%	14.9%	
GROUP NET INCOME	9.4	11.7	-19.9%
<i>% of revenues</i>	3.4%	4.3%	
CAPEX	36.3	44.5	-18.4%
<i>% of revenues</i>	13.1%	16.4%	
<i>In millions of Euro except %</i>	30-Jun-18	31-Dec-17	% Var
NET WORKING CAPITAL	329.4	285.6	15.3%
NET FINANCIAL POSITION	507.0	444.6	14.0%

¹ Excludes non-recurring items.

The unaudited consolidated financial statements for the six months ended 30 June 2018 are available on the Company's website www.kedrion.com under the section "Investor Relations".

For further information, please write to investor@kedrion.com

About Kedrion

Kedrion is a leading biopharmaceutical company that specializes in the development, production and distribution of plasma-derived therapeutic products for use in treating serious diseases, disorders and conditions such as immune system deficiencies and coagulation disorders.

The Company operates through a fully integrated business model from the collection of plasma in its own centers in the United States, Hungary and Germany to fractionation and production in its manufacturing facilities located in Italy, Hungary and the United States.

Headquartered in Castelvechio Pascoli (Italy), Kedrion has over 2,400 employees and a commercial presence in approximately 100 countries worldwide.

Kedrion places a high value on the welfare of those who benefit from its products, as well as on the people and the communities it serves.

Additional information about Kedrion can be found at kedrion.com

Disclaimer

This document contains forward-looking statements on overall economic development as well as on the business and assets position of Kedrion S.p.A. and its subsidiaries. These statements are based on current plans, estimates, forecasts and expectations of the company and are thus subject to risks and elements of uncertainty that could result in significant deviation of actual developments from expected developments. The forward-looking statements are only valid at the time of publication. Kedrion does not intend to update the forward-looking statements and assumes no obligation to do so.