

# 2011 Annual Results

Paris, March 20<sup>th</sup>, 2012



# Forward-looking statements

**This presentation contains forward-looking statements, including forecasts of future revenue and operating profit as well as expected business-related events.**

**Such statements are based upon the current beliefs and expectations of Stallergenes' management and are subject to risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements, due to various factors.**

**Without being exhaustive, such factors include economic situations and business conditions, including legal and product evaluation issues, fluctuations in currencies and demand, changes in competitive factors and reliance on suppliers.**



# Highlights 2011

## Dynamic growth and strong profitability

- Sales: 235 €m (+9%)
- Net result: 37 €m (+20%)
- Net cash 12/2011: 70 €m (58.7 €m 12/2010)

## Main achievements on our core business

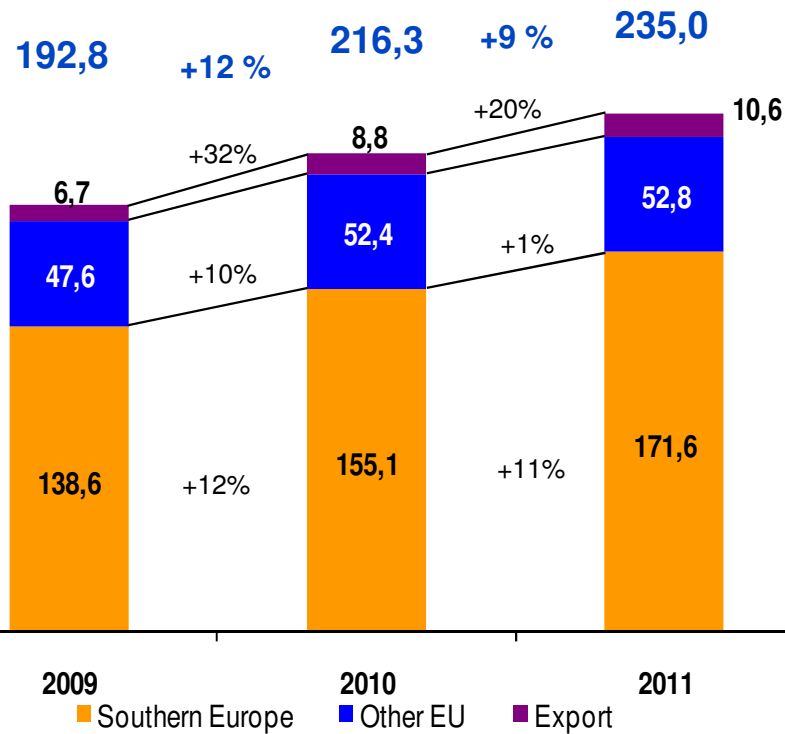
- **Continued international expansion: opening of new affiliates in 2011-2012:**
  - US
  - Australia
  - Turkey
  - Poland
  - Russia
  - Middle East
  - Argentina
  
- **Positive partnership with Shionogi in Japan**
  - Continued clinical development according to plan
  
- **Late-stage R&D pipeline advanced, on key allergens**

# 2011 sales : maintained growth in the higher range of the guidance (+9%)

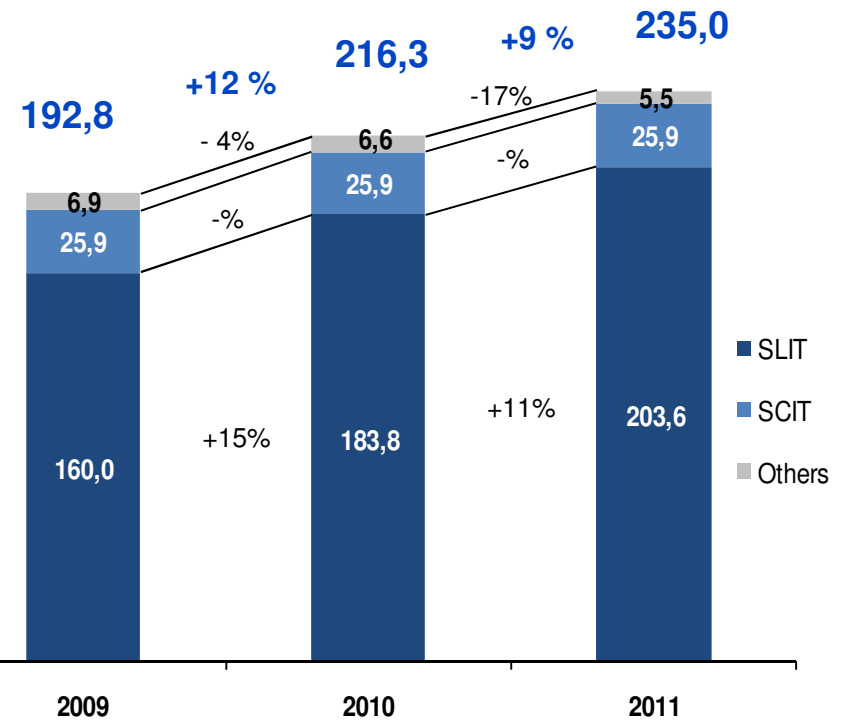
Strong growth driven by Southern Europe

SLIT is driving the growth

Sales per geographic segment (in €m)



Sales per product line (in €m)



## In grasses segment, Oralair® strengthens its market position

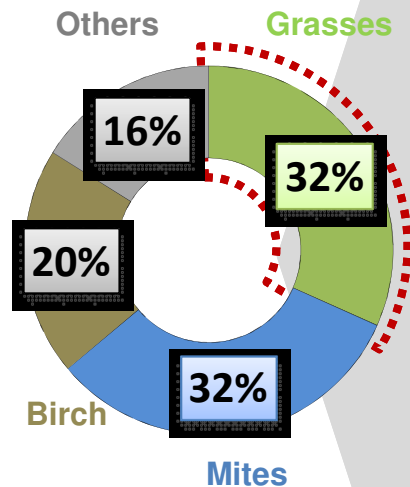
### Global picture

- Sensitization to grasses concerns 250 million people worldwide
  - 2 patients out of 3 are in Europe or in US
- Market impacted by 2 consecutive low pollen seasons

### Stallergenes picture

- Oralair® has been launched in 6 countries in 2011
  - First full season for 4 new countries (NL, CZ, SK, Austria)
- Oralair® now available in 14 countries
  - ... and to be launched in Australia at the end of March
- Oralair® allows Stallergenes to capture market share in grasses segment
  - Good acceptance of the discontinuous seasonal protocol

### EU market

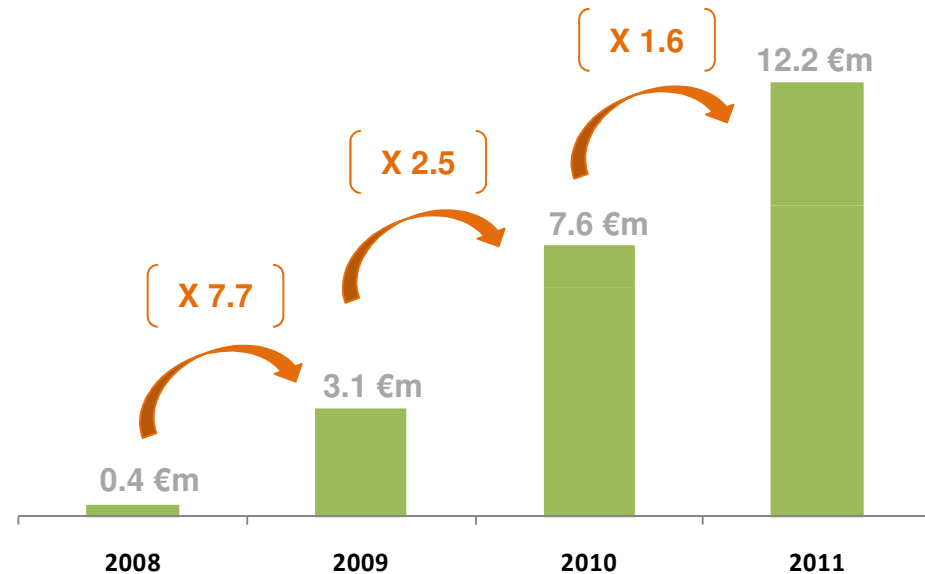


## In grasses segment, Oralair® is continuing its growth



### Oralair® sales evolution since launch (all countries)

- Oralair® sales 2011: 12.2 €m (+60%), continues its growth
- 2012: First full season for Spain, Italy and Australia
- 2012: Registration expected in Canada, Turkey



Source: IMS Health

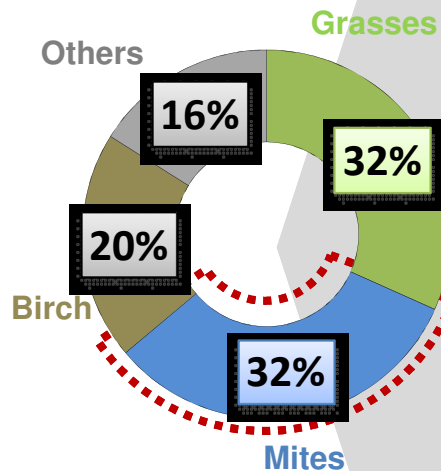


# Mites (HDM) is the most prevalent allergen worldwide

## Global picture

- Mites is the 1<sup>st</sup> allergen worldwide  
500 millions of sensitized people to D.ptc & D.far
- Universal allergen  
4 sensitized patients out of 5 are not European
- Prevalence is important  
Japan (41%), Australia (36%), USA (28%), Europe (19%)

## EU market



## Stallergenes picture

- HDM segment recorded **+10 points** growth in sales in 2011
- Stallergenes is **growing faster** than the HDM market in 2011 in new patients
- Stallergenes market share on HDM reaches **35%** in new patients in 2011 in Europe

Source: Stallergenes, Insight Health

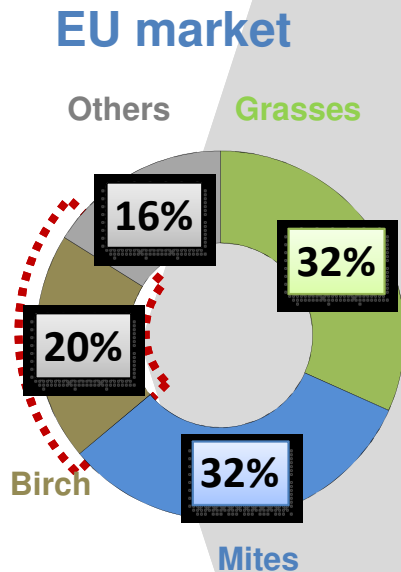
# Birch is an “explosive” allergen both in sales and new patients

## Global picture

- 80 million sensitized people against Birch allergen worldwide
- Birch allergen is present both in temperate & northern areas
- Trend: Increasing prevalence in EU
- Prevalence in EU is 8%  
~16% in Germany

## Stallergenes picture

- Stallergenes Birch segment turnover has grown by **+15 pts** in 2011
- Stallergenes market share on Birch reaches **20%** in new patients in 2011
- Stallergenes is growing faster than the Birch market in 2011 in new patients in Europe



Source: Stallergenes, Insight Health

# Stallergenes today: a strong pipeline

Product	Indication	Scope	Preclinical	Phase I	Phase II	Phase III	Marketed
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AR	Europe						
AR	USA						

VO 53 post-treatment Y5



AR	Europe						
AR	USA						
AR	Asthma	Japan					

VO 67



AR	Europe						
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VO 68



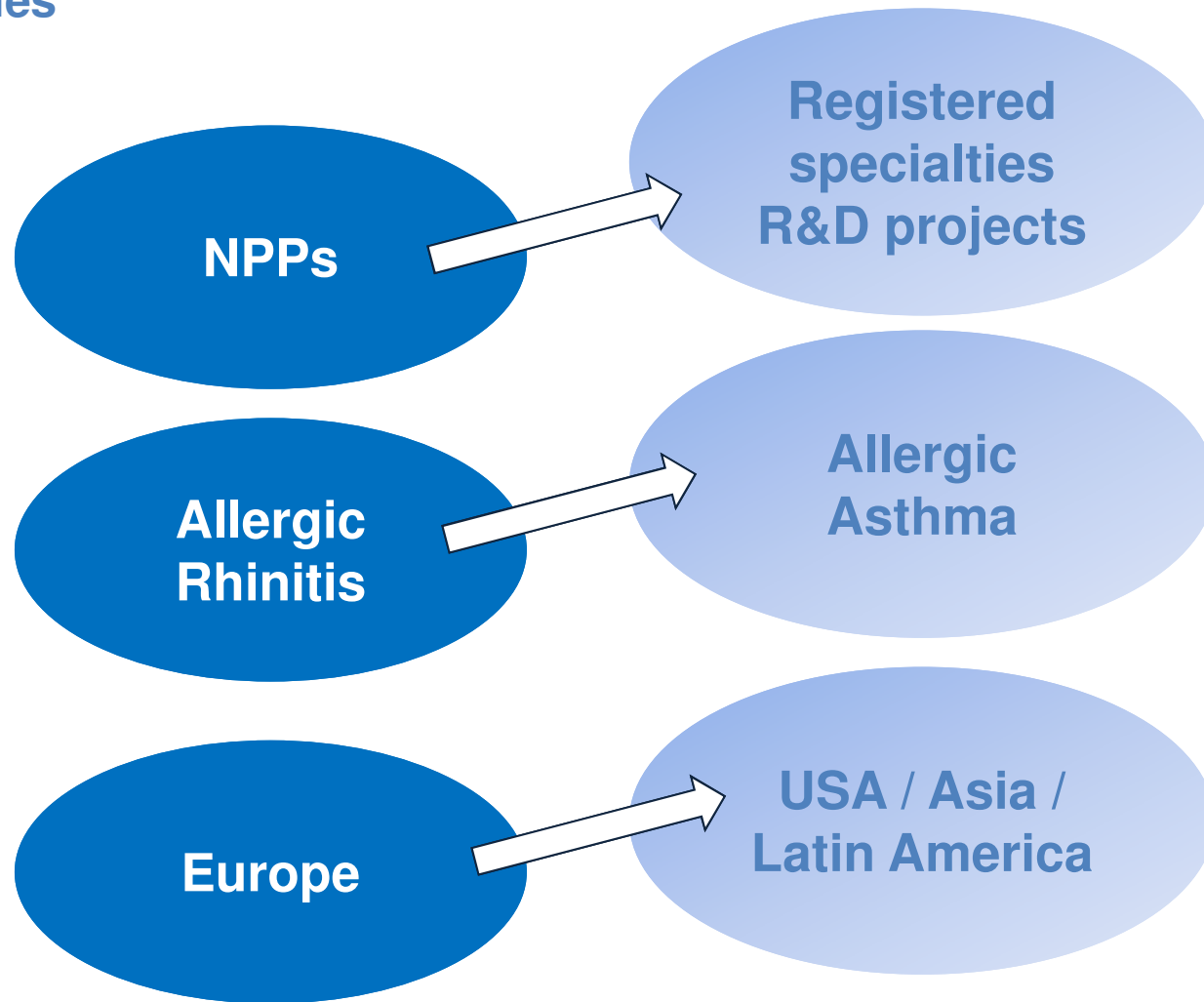
AR	Japan						
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## Internationalization will continue to be the growth driver


- **International development will be the main growth provider:**
  - Address new countries in Europe
  - Expand in the USA market
    - a bulk-market with a lot of patients whose need remains under served
  - Develop Asian AIT market
    - a market to create in Japan
  
- **Oralair® will be the spearhead of this international expansion**
  - Tablets contribute to enlarge the SLIT grasses segment in a competitive market
  
- **Development of key allergens according to major markets potential**
  - Europe: Grasses, Mites, Birch
  - USA: Grasses, Mites, Ragweed
  - Japan: Mites, Japanese Cedar

# Driving long-term growth

Capitalizing on our core competencies in order to expand the company's activities




## EBIT 2011 +21%, net margin 15.7% to the sales

 STALLERGENES	2010			2011		
	€m	%	R/n-1%	€m	%	R/n-1%
<i>Profit and Loss (details)</i>						
<b>Sales</b>	<b>216.3</b>	<b>100.0</b>	<b>12%</b>	<b>235.0</b>	<b>100.0</b>	<b>9%</b>
Cost of goods sold	- 48.7	-22.5	12%	- 55.2	-23.5	13%
S. G. & A.	- 90.8	-42.0	16%	- 99.5	-42.4	10%
R&D costs	- 41.2	-19.1	-11%	- 41.6	-17.7	1%
R&D revenues	<u>9.7</u>	<u>4.5</u>	<u>29%</u>	<u>16.0</u>	<u>6.8</u>	<u>65%</u>
<b>EBIT</b>	<b>45.3</b>	<b>20.9</b>	<b>40%</b>	<b>54.6</b>	<b>23.3</b>	<b>21%</b>
Financial costs	- 0.3	-0.1	-59%	0.3	0.1	-193%
Income tax	- 14.2	-6.6	52%	- 17.9	-7.6	26%
<b>Net result</b>	<b>30.8</b>	<b>14.2</b>	<b>39%</b>	<b>37.0</b>	<b>15.7</b>	<b>20%</b>
<i>Diluted EPS</i>	2.29 €		38%	2.73 €		20%
<b>Proposed dividend</b>	<b>0.75 €</b>		<b>36%</b>	<b>0.75 €</b>		<b>-</b>

1. 13% growth in cost of good sold include 2% due to the costs of the new grass pollen production site of Amilly (previously classified as R&D)
2. SG&A growth rate 'like by like' is 8% and not 10%: -2% impact is due to impact of governance change
3. R&D revenues 16.0 €m include 8.3 €m (2.4 €m in 2010) revenues from the Japanese development contract with Shionogi
4. Dividend proposed stable € 0.75 (27% pay-out) in order to face new coming investment challenges

# EBITDA 27% to the sales, 11 €m positive net cash flow


 <b>STALLERGENES</b>	Full year figures					
	2010			2011		
	€m	%	R/n-1%	€m	%	R/n-1%
<b>Cash Flow</b>						
<b>EBIT</b>	<b>45.3</b>	<b>20.9</b>	<b>40%</b>	<b>54.6</b>	<b>23.3</b>	<b>21%</b>
Non cash items	11.0	5.1	49%	9.6	4.1	-13%
<b>EBITDA</b>	<b>56.3</b>	<b>26.0</b>	<b>42%</b>	<b>64.3</b>	<b>27.4</b>	<b>14%</b>
Op. income tax	- 14.4	-6.6	74%	- 17.8	-7.6	24%
Working Capital var.	10.4	4.8	373%	- 1.9	-0.8	-119%
Shionogi advanced payments	21.6	10.0	-	- 7.3	-3.1	-134%
Capital expenditure net	- 16.8	-7.8	5%	- 17.4	-7.4	4%
<b>Free cash flow</b>	<b>57.1</b>	<b>26.4</b>	<b>225%</b>	<b>19.8</b>	<b>8.4</b>	<b>-65%</b>
Dividend	- 7.3	-3.4	23%	- 10.1	-4.3	38%
Treasury shares/ Stock-options	4.1	1.9	26%	1.4	0.6	-66%
Financial costs net of tax	- 0.2	-0.1	-60%	0.2	0.1	-191%
<b>Net cash flow</b>	<b>53.8</b>	<b>24.9</b>	<b>272%</b>	<b>11.3</b>	<b>4.8</b>	<b>-79%</b>

1  
2

1. Major variance with last year is due to variance in working capital requirement that were abnormally positive last year; this effect is partly reversed this year.
2. Shionogi revenues included in EBIT for 8.3 €m have only +1 €m cash impact and thus 7.3 €m are neutralized in cash flow statement.

Apart from these two unusual items, the net cash generation would be identical this year (21 €m) to last year (22 €m).

# From 33% up to 35% return on capital employed

 <b>STALLERGENES</b>	Full year figures					
	2010			2011		
	€m	%	R/n-1%	€m	%	R/n-1%
<b>Balance Sheet</b>						
Non current assets nets of provis	91.6		8%	99.1		8%
Op. Working Capital	2.6		-80%	4.7		85%
<b>Invested Capital</b>	<b>94.2</b>		<b>-4%</b>	<b>103.9</b>		<b>10%</b>
Equity [ROE%]	131.2	23.5	28%	159.5	23.2	22%
Financial debt/ (Net cash position)	- 58.7		ns	- 70.0		19%
Shionogi advanced payments	21.6		ns	14.3		-34%
<b>Capital Employed [ROCE%]</b>	<b>94.2</b>	<b>32.8</b>	<b>-4%</b>	<b>103.9</b>	<b>35.5</b>	<b>10%</b>

1  
2  
3

1. Strong net cash position up to 70 €m, cash at hand 77 €m.
2. Shionogi revenues 14 €m expected to be booked to P/L over the coming two years (see table).
3. Capital employed average increase of 3% over the last two years.

Shionogi contract financial summary			
Year \ €m	Upfront and milestone	R&D revenues	Differed revenues
	A	B	C=Cn-1+A-B
2010	24,0	2,4	21,6
2011	1,0	8,3	14,3
<b>Total</b>	<b>25,0</b>	<b>10,7</b>	<b>14,3</b>



## 2012 guidance

- **2012 will be a year of growth, despite the challenging context**
  - target for revenue growth between 5% and 7%
- **The profitability target is to maintain the profit margins at the current level**

# Future newsflow

## Highlights 2011

- **Dynamic growth above the market**
- **Strong growing profitability**
- **Acceleration of internationalisation**

## Q&A

**IT'S MY LIFE** **IT'S MY MISSION**  
I WANT TO LIVE LIKE EVERYONE ELSE I FIGHT TO WIN EVERY DAY



**I HAVE A SEVERE  
RESPIRATORY ALLERGY**

The biopharmaceutical company Stallergenes has been driving research and collaboration with the medical community for 50 years now and

**I'M AN IMMUNOTHERAPY  
RESEARCHER**

is at the forefront of allergen immunotherapy.

INNOVATION AT HAND  
PATIENTS AT HEART  **STALLERGENES**

## 2012, Stallergenes 50<sup>th</sup> anniversary



- 1962 Stallergenes' creation, based on the visionary intuition of Charles Mérieux
- 1989 Merger with the Pasteur Institute's Allergy Division
- 1992 Stallergenes launches Staloral® in Europe and reveals first SLIT clinical data
- 1999 Acquisition of Bayer's Allergen division, making Stallergenes the world's number 2
- 2002 Stallergenes launches Staloral® 300 in Europe
- 2003 Launch of the Clinical and Pharmaceutical Development Program
- 2009 Oralair® registered as a pharmaceutical specialty in 23 European countries
- 2012 20% R&D investment, 1000 employees, 16 affiliates: Stallergenes will pursue the company's development, ensuring continuity in the activities

## Long-term vision

- **Development of a differentiated product portfolio strategy,**
- **focused on internationalization and innovation,**
- **in order to establish Stallergenes as a leading global player.**
  - **Based on a continued significant R&D investment**
  - **With a priority of reinforcing market share and opening up of new strategic markets**