

A close-up photograph of a young woman with long blonde hair, her eyes closed, smelling a bouquet of small yellow and white flowers. The background is a soft-focus field of similar flowers. A large blue curved banner is overlaid on the bottom half of the image.

# STALLERGENES GREER H1 2017 RESULTS PRESENTATION

GLOBAL WEBCAST  
31 AUGUST 2017

## OUR SPEAKERS TODAY

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**Fereydoun Firouz**

*Chairman and Chief Executive Officer*



**Nicola Lamacchia**

*Head of Finance, Europe/International*



**Natacha Gassenbach**

*Global Head of Communications & Investor Relations*

# FORWARD-LOOKING STATEMENT

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This document (including information incorporated by reference in this document), oral statements made and other information published by the company contain statements that are or may be forward-looking with respect to the financial condition and/or results of operations and businesses of the Company.

These statements can be identified by the use of forward-looking terminology such as 'believe,' 'expects,' 'project,' 'estimated,' 'forecast,' 'should,' 'plan,' 'may' or the negative of any of these, or other variations thereof, or comparable terminology indicating expectations or beliefs concerning future events. These forward-looking statements include risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

Without being exhaustive, such factors include economic situations and business conditions, including legal and product evaluation issues, fluctuations in currencies and demand, and changes in competitive factors. Actual results may differ from those set forth in the forward-looking statements, due to various factors. Save as required by applicable law, neither the Company nor any other person assumes any obligation to update these forward-looking statements or to notify any person of any such update.

## TODAY'S AGENDA

### Business Highlights

Fereydoun Firouz  
*Chairman and Chief Executive Officer*

### H1 2017 Financials

Nicola Lamacchia  
*Head of Finance, Europe/International*

### Innovation Update

Fereydoun Firouz  
*Chairman and Chief Executive Officer*

### Closing Remarks

Fereydoun Firouz  
*Chairman and Chief Executive Officer*

### Q&A Session

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## PURPOSE

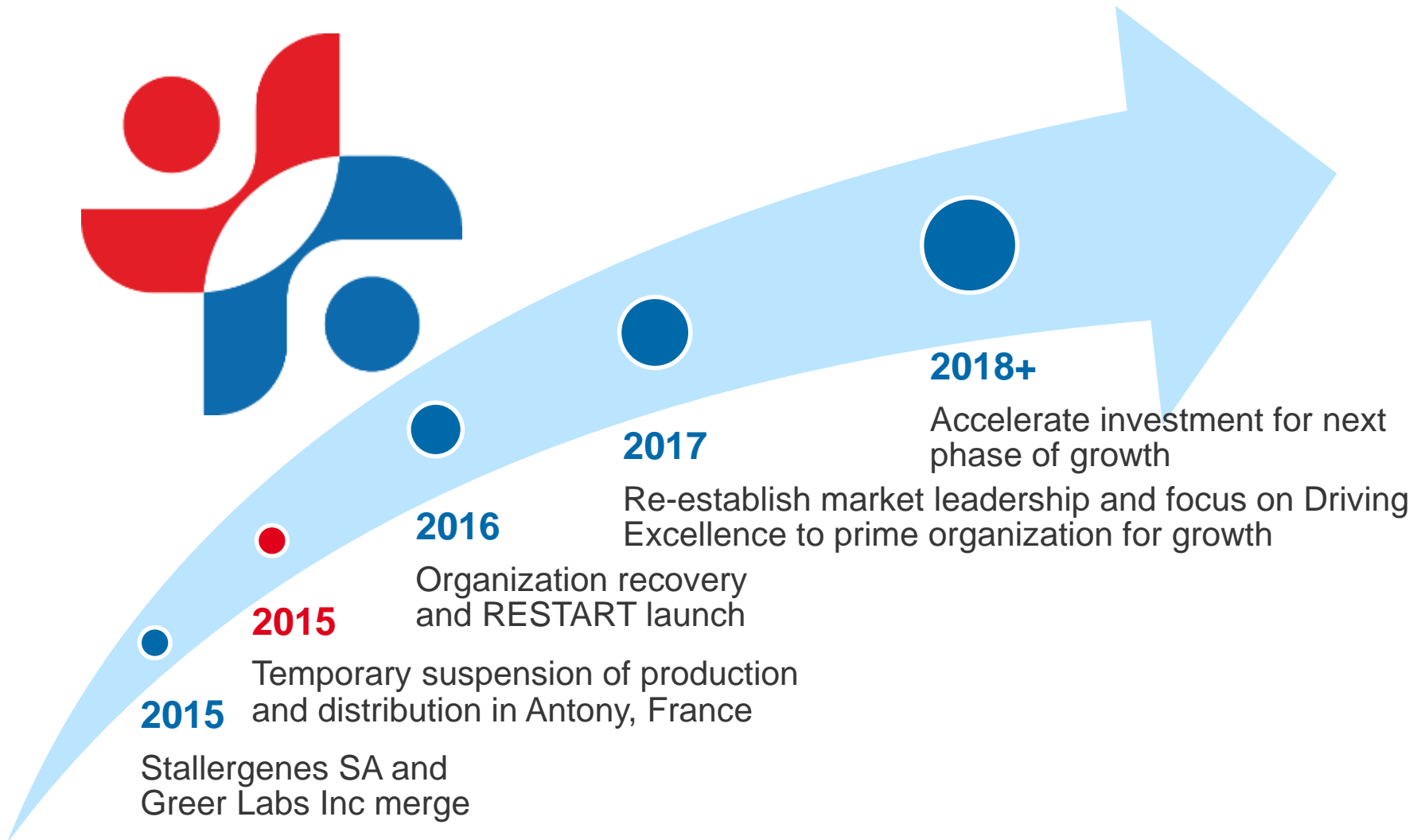
To enable people with allergies to live normal lives

## ASPIRATION

Change the treatment paradigm of allergy therapies by delivering curative medicines and innovative tools for patients, delivering double-digit year-on-year revenue growth

# TARGETING SUSTAINABLE GROWTH AND PROFITABILITY

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# OUR DRIVING EXCELLENCE INITIATIVES DELIVERING STRONG H1 2017 PERFORMANCE

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## CURRENT BUSINESS

- Leadership recovery well-underway in core markets
- Continues to strengthen commercial capabilities in North America



## BUSINESS EXPANSION

- Real-world evidence ORALAIR® data confirmed tablet benefits over symptomatic treatment long-term



## INNOVATION

- Patient enrollment completed for STG320 Phase III study, the largest clinical study on allergic rhinitis induced by house dust mite



## OPERATIONAL EXCELLENCE

- Lenoir, NC and San Diego, CA successfully completed FDA inspections
- On-going upgrades in Tech Ops, Quality and IT



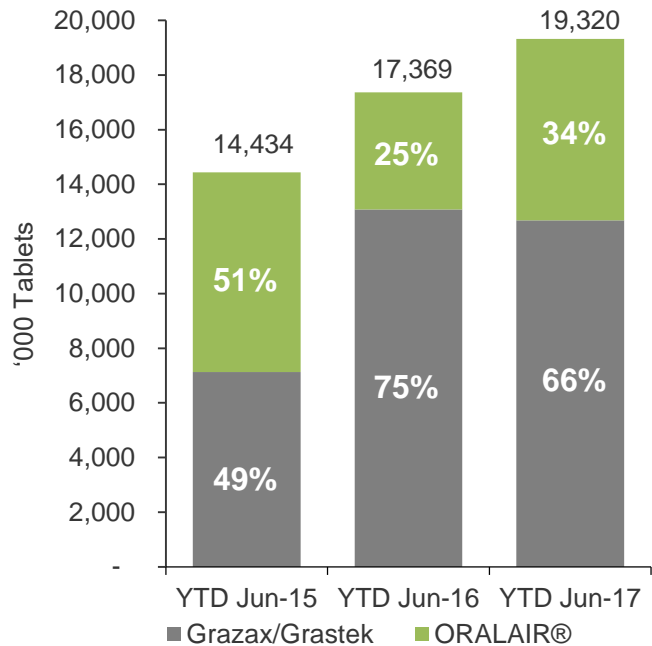
## FINANCIAL DISCIPLINE

- Revenue H1 2017: €129.6m [H1 2016: €78.1m]
- EBITDA H1 2017: €6.3 [H1 2016: €(45.1)m]

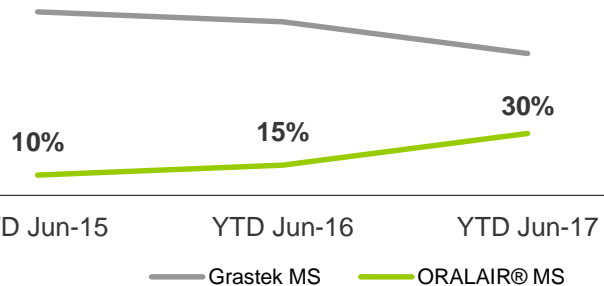
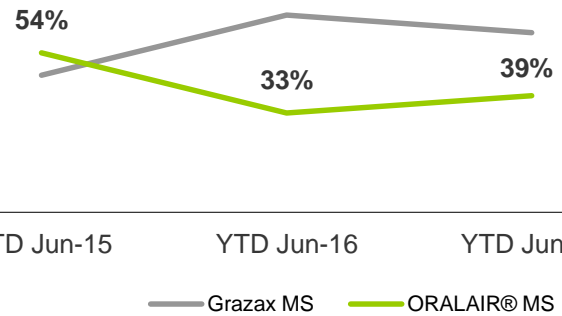
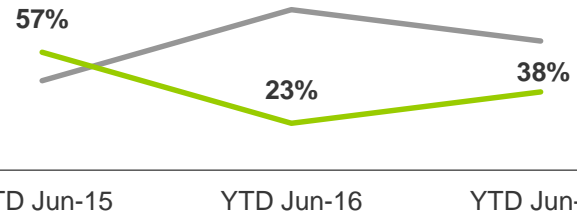
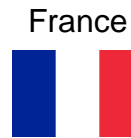


# ORALAIR® IS RE-GAINING MARKET SHARE IN ALL STRATEGIC MARKETS

**WORLDWIDE GRASS TABLETS MARKET**  
(tablets, '000)

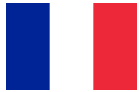


- ORALAIR® gained 9 points market share worldwide vs 2016
- ORALAIR® achieved 90% of pre-crisis sales (~6.6m tablets vs ~7.3m)
- Grass tablets market increased by >11% vs 2016

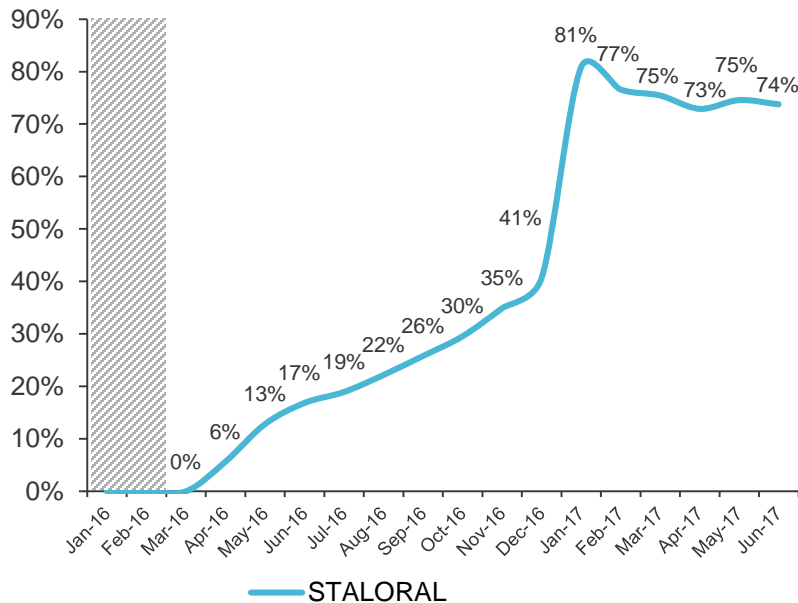


# STALORAL CONTINUES TO REGAIN MARKET SHARE IN FRANCE AND GERMANY

France



**STALORAL Top 14  
Sales 2016/2017 vs. 2014 (%YTD)**

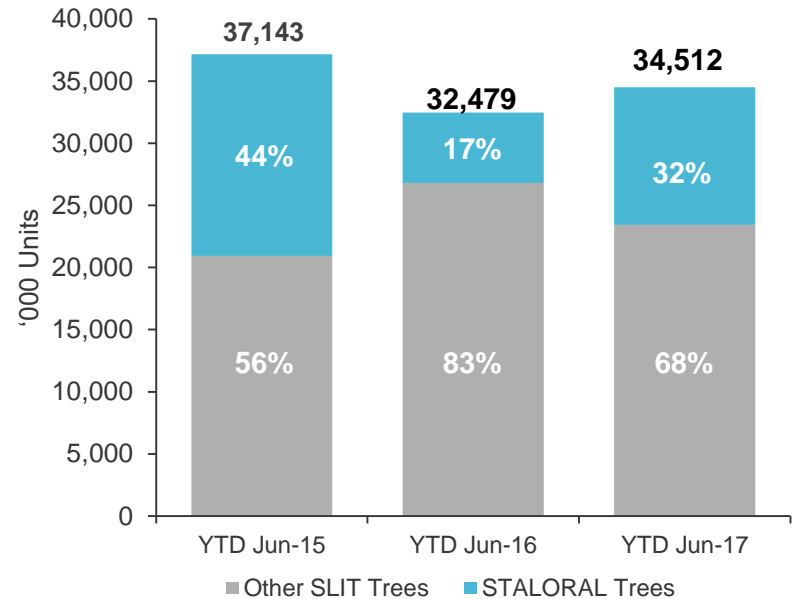


- STALORAL Top 14 References achieved 74% of 2014 sales in YTD June 2017
- STALORAL has maintained a steady performance above 70% since the beginning of 2017

Germany



**BIRCH TREES SLIT MARKET  
(‘000 units)**



- STALORAL is now the #1 product in the SLIT trees market segment
- STALORAL has regained 15 points market share versus same period last year
- STALORAL is the only SLIT trees product with a marketing authorization in Germany

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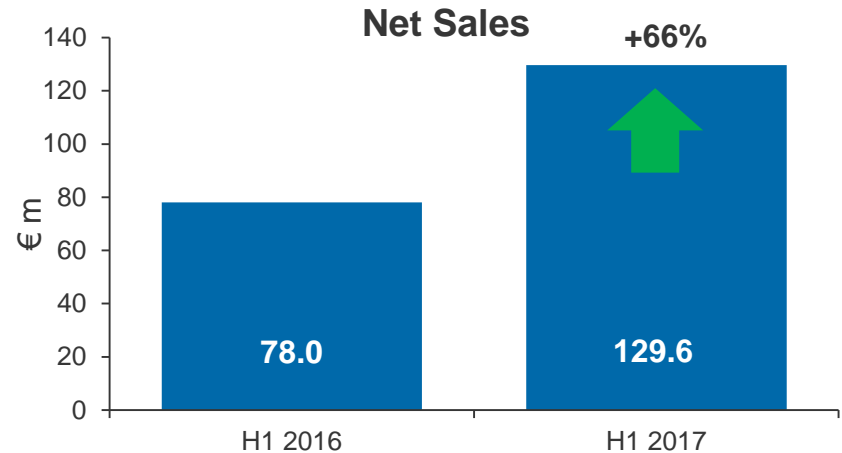
# H1 2017 FINANCIALS: ROBUST PERFORMANCE

€m	H1 2017 <i>unaudited</i>	H1 2016 <i>unaudited</i>	% Change <i>unaudited</i>
Total revenues	<b>129.6</b>	<b>78.1</b>	<b>66%</b>
Gross Margin	<b>83.4</b>	<b>34.7</b>	<b>140%</b>
As % of sales	<b>64%</b>	<b>45%</b>	
SG&A	<b>(65.1)</b>	<b>(71.3)</b>	
Net R&D costs	<b>(21.7)</b>	<b>(20.5)</b>	
EBIT	<b>(3.5)</b>	<b>(58.5)</b>	<b>94%</b>
EBITDA	<b>6.3</b>	<b>(45.1)</b>	<b>114%</b>
Net loss	<b>(8.9)</b>	<b>(39.0)</b>	<b>72%</b>

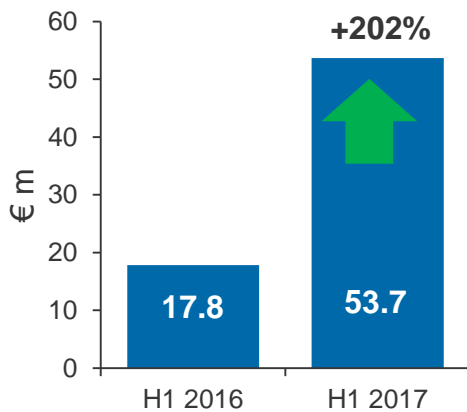
# STRONG RECOVERY IN KEY STRATEGIC MARKETS IN H1 2017

## H1 2017 NET SALES BY GEOGRAPHY

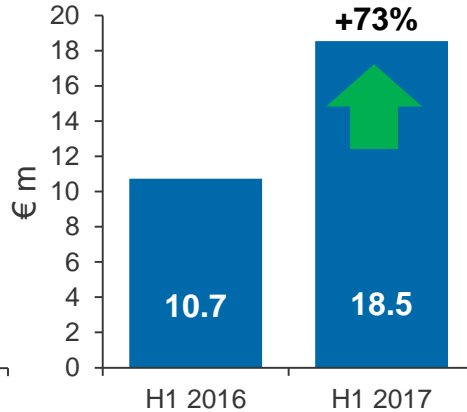
- Net sales increased by 66% as a result of RESTART program.
- STALORAL resumption in France drove 202% increase in Southern Europe.
- 73% rise in North & Central Europe due to Germany and Czech Republic.
- Russia and Australia markets drive 151% increase in International market.
- Competitive market pressures led to 2% growth in US.



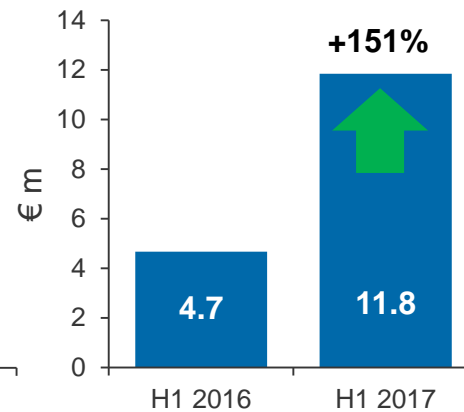
### Southern Europe



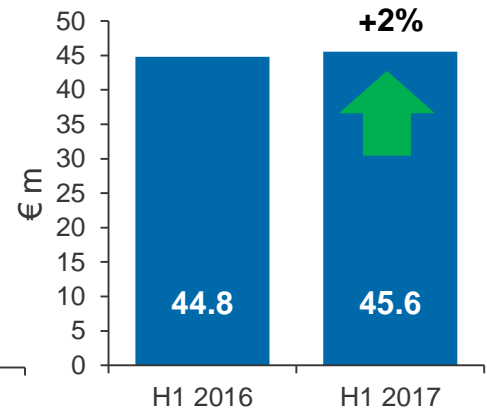
### North & Central Europe



### International Markets



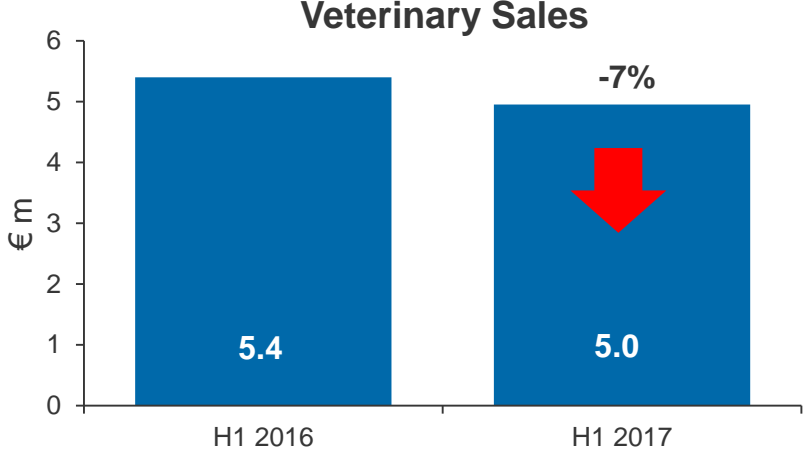
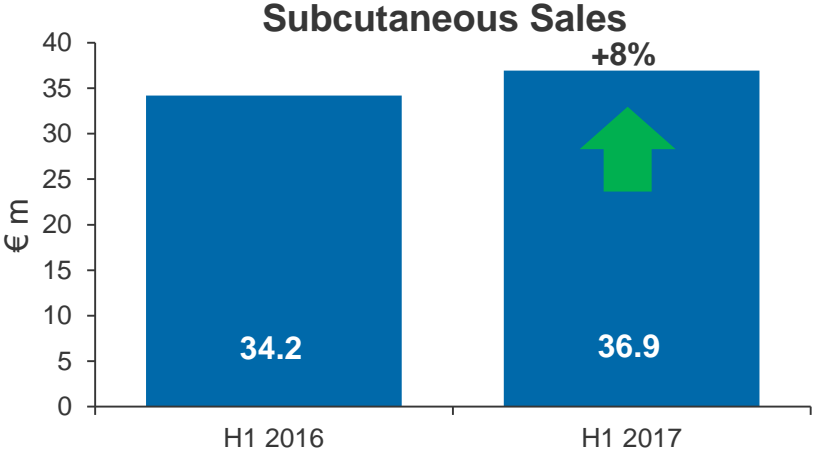
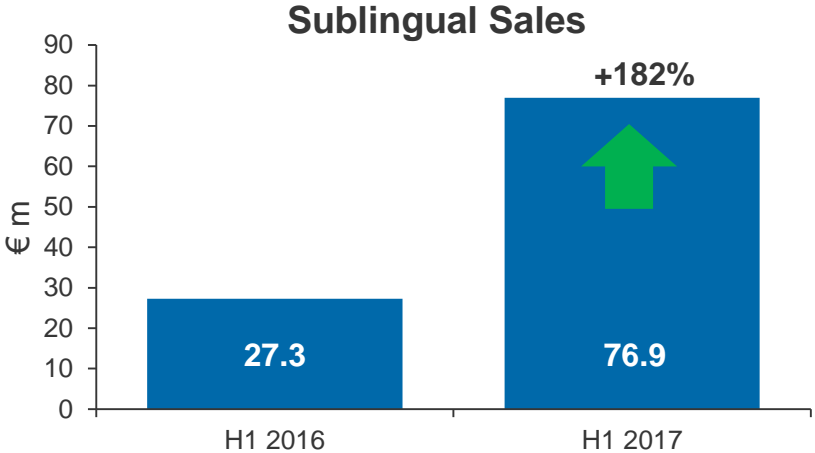
### US



# CONTINUED GROWTH IN SUBLINGUAL SUPPORTS H1 2017 SALES

## H1 2017 NET SALES BY PRODUCT CATEGORY

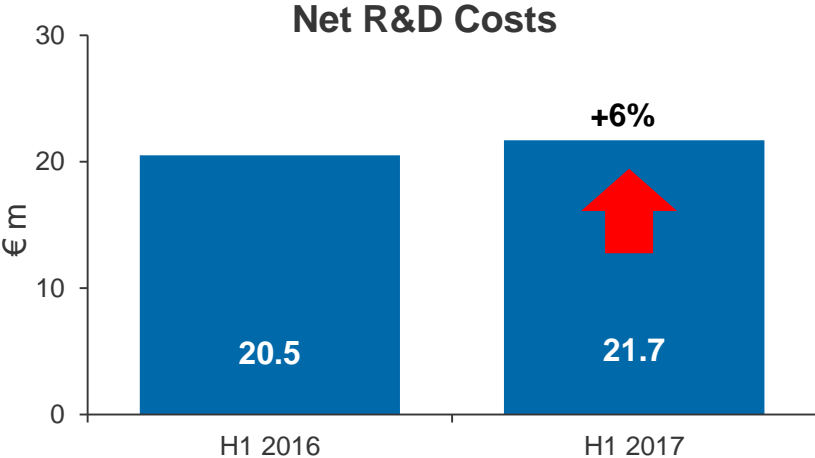
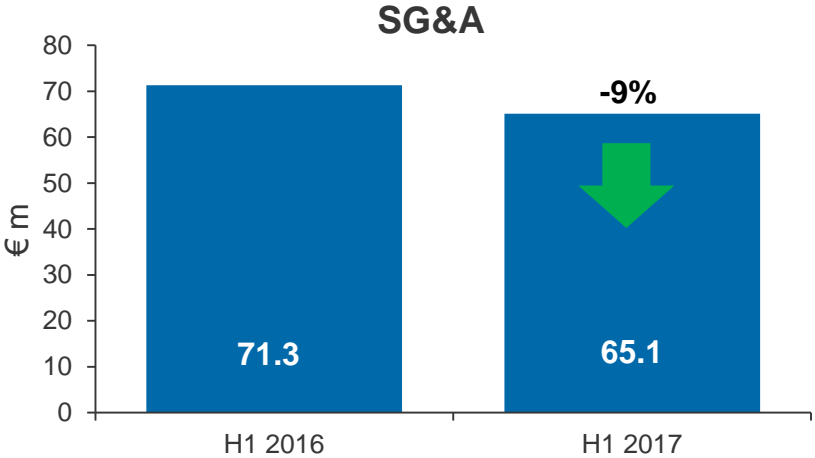
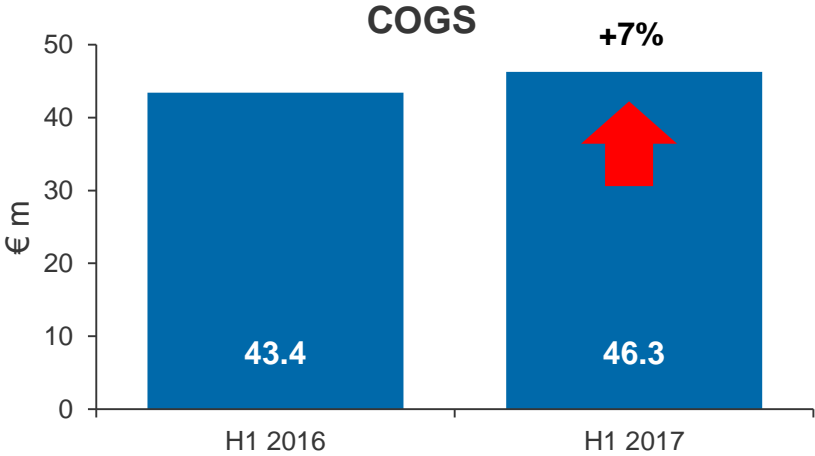
- Sublingual H1 2017 net sales of €76.9m were 182% higher versus H1 2016.
- Subcutaneous H1 2017 net sales of €36.9m show an 8% increase due to growth in Australia.
- Competitive market pressure in US led to Veterinary net sales of €5.0m, down 7%.



# COST MANAGEMENT REMAINS KEY PRIORITY

## H1 2017 COST MANAGEMENT HIGHLIGHTS

- Increase in COGs by €2.9m due to resumption of production at Antony manufacturing site.
- S, G & A cost reduction of over €6.2m as a result of continued cost management initiatives.
- Net R&D costs in H1 2017 increased to €21.7m from €20.5m in H1 2016.



# H1 2017 PERFORMANCE RESULTING IN REDUCED CASH NEEDS AND A NARROWED REVENUE GUIDANCE

## FREE CASH FLOW EVOLUTION AND KEY BALANCE SHEET INDICATORS

- Net cash outflow from operations of €12.0m as of 30 June 2017 vs. €49.9m at 30 June 2016
- Cash and cash equivalents balance of €47.6m at 30 June 2017 represents a H1 2017 net cash outflow of €22.8m
- External debt balance of €16.0m resulting in net cash position of €31.6m
- At 30 June 2017, total shareholders equity was €460.8m (31 December 2016 : €489.2m)

## OUTLOOK – 2017 GUIDANCE NARROWED

- 2017 revenue guidance\* narrowed to the range of €260m to €270m (compared with the previous guidance range of €240m to €270m)
- Continuing positive development of EBITDA

\*Guidance in constant currency



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# INNOVATION: EXPANDING CORE MARKETS AND BROADENING PORTFOLIO

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## Differentiation and Portfolio Upgrade

- BREATH: real-world evidence comprehensive program to demonstrate AIT value
- Allergen characterization for product consistency



## Focused Research and Strategic Alliance

- Predictive biomarkers for optimized treatment



## Pipeline Execution

- Completion of enrollment in STG320 Phase III clinical study to treat house dust mite induced allergy



## Business Development

- Explore disruptive technologies
- Focus on late stage assets



# BREATH: STRENGTHENING EVIDENCE OF AIT BENEFITS FOR PATIENTS AND PAYERS

Assess  
therapeutic  
impact on AR\*  
and AA\*\*  
patients

Real-life  
practice and  
patient  
experience

Use of new  
big data  
technologies

Scientific  
excellence

# BREATH



Bringing Real-world Evidence to Allergy Treatment for Health

The **FIRST** Global Real World Evidence program in AIT

**5**  
Studies

**3**  
Allergens  
(mites, grass, birch)

**~160,000**  
Patients

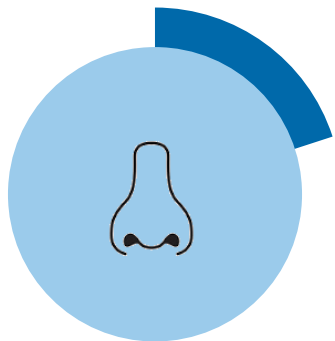
**8**  
Years  
Follow-up

**AR\* & AA\*\***  
Control

**AA\*\***  
Prevention

# ORALAIR®: REDUCING DISEASE BURDEN ON PATIENTS AND IMPROVING HEALTHCARE EFFICIENCY

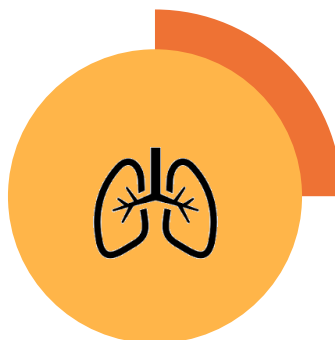
**Reduced Rhinitis progression** in Allergic Rhinitis (AR) patients with or without asthma at inclusion



**> 20%**

Reduction of AR medication use evolution vs symptomatic therapy up to 6 years after treatment cessation

**AR patients with asthma at inclusion**  
**Reduced Asthma progression**



**~ 25%**

Reduction of asthma medication use evolution vs symptomatic during treatment, maintained up to 6 years after treatment cessation

**AR patients without asthma at inclusion**  
**Less frequent Asthma onset**



**~ 32%**

Less AR patients initiating asthma medication during treatment and ~44 % less up to 6 years after treatment cessation vs symptomatic

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# PAVING THE WAY FOR FUTURE GROWTH

## H2 2017 PRIORITIES

- Achieve EU/Int'l sales acceleration to reclaim global market leadership end of 2017
- Right-size investment in the US market to strengthen core business leadership and US ORALAIR® market share gains while maintaining strong margins
- Continue to invest in Tech Ops, Quality and IT
- Control costs wisely with a focus on effective cash management
- Performance-driven culture to sustain company's turnaround

## Outlook FY 2017

€m	FY2015	FY2016	FY2017	Comments
	<i>Unaudited pro forma</i>	<i>actual</i>	<i>forecast</i>	
Total revenues	<b>273.1</b>	<b>186.4</b>	<b>260-270</b>	<ul style="list-style-type: none"> <li>• 2017 revenue guidance* narrowed to the range of €260m to €270m (compared with the previous guidance range of €240m to €270m)</li> </ul>
EBITDA	<b>(0.9)</b>	<b>(67.7)</b>	<b>positive</b>	<ul style="list-style-type: none"> <li>• Continuing positive development of EBITDA</li> </ul>

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