Alkaloid AD Skopje

Business Plan for 2017 - resume

December 2016

80 years
ALKALOID
SKOPJE

About Alkaloid

Alkaloid AD Skopje is a company which eight decades, has been operating in the field of manufacturing drugs, cosmetic and chemical products and processing botanical raw materials. Our organizational structure corresponds to the needs of our customers, and therefore our joint stock company consists of two profit centers:

- Pharmaceuticals and
- Chemicals, Cosmetics and Botanicals.

Alkaloid Group is comprised of two subsidiaries in the country as well as 15 subsidiaries and 3 representative offices abroad in Serbia, Montenegro, Kosovo, Albania, Bosnia and Herzegovina, Croatia, Slovenia, Switzerland, Bulgaria, Turkey, Ukraine, the Russian Federation, and the USA. The company has around 1,300 employees in the country and around 350 employees in subsidiaries and representative offices abroad.



Aspirations and values

We are devoted to continuous growth; and therefore we have set a course of action to globalize our name. Our objective is to assure consistency and enhancement of the business performances by maintaining / reinforcing our positions in the current markets and reasonably expanding to new ones.

Vision

Our vision is to develop as an export oriented pharmaceutical company with a stable market position, open to new markets and new partnerships, a company which manufactures and sells generic drugs of the highest quality by implementing the state-of-the-art manufacturing technologies and business standards.

Mission

Our mission is continual pursuit for a healthier world, superior quality of our products and services, but also professionalism and success of the business operations.

Imperative

Our imperative is to protect the interests of our employees, our customers, shareholders and business partners, and our principal commitment is **THE HEALTH ABOVE ALL.**

Business Plan for 2017

The Business Plan for 2017 is based on:

- Realistic expectations, projections and opportunities of the current and new markets and products;
- Risk management policies;
- Increasing the efficiency of company resources.

In accordance with its strategic guidelines Alkaloid will in 2017 remain on the course of growth, continue investing in production facilities and modern technologies, personnel and the community in general.

The business plan for 2017 anticipates investment of around 10% of the consolidated sales in tangible and intangible assets from own sources, a growth in consolidated sales of at least 7% compared to the expected for 2016, as well as a growth in pre-tax consolidated profit of at least 8% in comparison with the expected for 2016.

The breakdown by Profit Centres anticipates that the PC Pharmaceuticals will account for 83% of the consolidated sales, while PC Chemistry, Cosmetics and Botanicals 17%.

It is expected that the domestic market will account for 39% of the consolidated sales, whereas 61% will come from exports.

- First priority: will remain the region;
- Second priority: EU countries, USA, Russia and CIS countries;
- Third priority: Other markets.

The business plan of the company for 2017 was adopted by the Managing Board of Alkaloid AD Skopje at its session held on December 26th 2016**.**

Key performance indicators:

Consolidated (in 000 EUR)	2015	2016 estimate*	2017 PLAN
Sales revenues	127.584	**134.000**	**144.000**
EBITDA	18.776	**21.000**	**24.000**
Net Profit	10.818	**12.000**	**13.000**

* Preliminary estimates for 2016 may vary from final results