Alkaloid AD Skopje

Business Plan for 2018 - summary

December 2017

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 16 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 1,472 employees in the country and 355 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 2018

The Business Plan for 2018 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 2018 remain on the course of growth, continue investing in production facilities and modern technologies, personnel and the community in general.

The business plan for 2018 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 2017, as well as a growth in pre-tax consolidated profit of at least 7% in comparison with the expected for 2017.

The breakdown by Profit Centres anticipates that the PC Pharmaceuticals will account for 84% of the consolidated sales, while PC Chemistry, Cosmetics and Botanicals 16%.

It is expected that the domestic market will account for 37% of the consolidated sales, whereas 63% 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 2018 was adopted by the Managing Board of Alkaloid AD Skopje at its session held on December 27th 2017.

Key performance indicators:

Consolidated (in 000 EUR)	2016	2017 estimate*	2018 PLAN
Sales revenues	134.634	**144.000**	**153.900**
EBITDA	21.047	**22.000**	**23.500**
Net Profit	11.881	**12.600**	**13.500**

* Preliminary estimates for 2017 may vary from final results