



Quilaban
uma fórmula de vida

2014 ANNUAL REPORT



QUILABAN

40 YEARS OF HISTORY

Quilaban – Química Laboratorial Analítica got its start in 1974.

A project developed upon the know-how of the pharmaceutical distribution since 1940, when founder Victor Hugo Cordeiro started the business, and in the import and selling of solutions for in vitro diagnostics and biotechnology business.

Based on high professional standards and excellence, Quilaban celebrated multiple partnerships, lasting for more than 20 years, in the area of diagnosis, becoming a reference partner in this market.

The entrepreneurial spirit of its shareholders led to the launch in 2004 of the Orthopedics new business unit and in 2005 of the Point-of-Care and Veterinary businesses, extending the products' portfolio and expanding business to new markets.

This expansion was also made to new geographies through the business internationalization.

In 2007, through the integration of Australpharma within the framework of the related companies, Quilaban started to export to Angola, reassigning to the market many of the skills developed in Portugal.

In 2010 extended once more its portfolio, complementing the area of Orthopaedics with clinical consumables for Healthcare business unit.

Over the past 10 years its revenue nearly quadrupled, reaching in 2014 EUR 29 million.

Quilaban is an important partner in the area of healthcare, acting as a key bond in promoting access to health through provision of pharmaceutical distribution solutions, diagnostics, healthcare, procurement, sourcing and export logistics solutions to Angola and, since 2014, also to Mozambique.

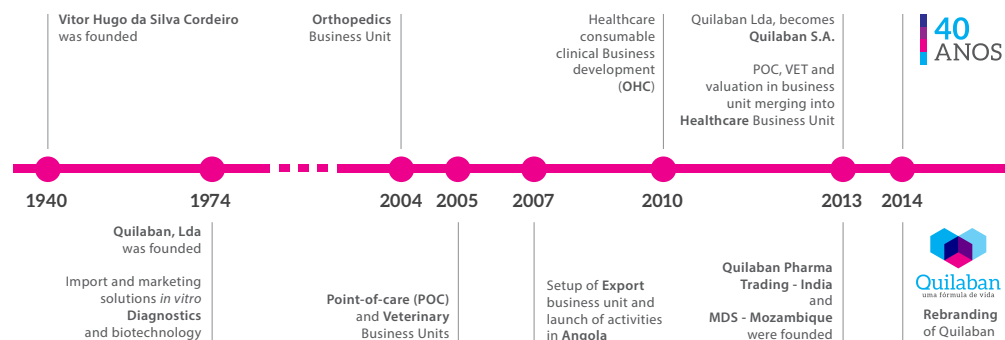
Its international presence spread also to India in 2013. Quilaban Pharma Trading Ltd, Mumbai, facilitates the procurement and sourcing of Indian products to the markets of Portugal, Angola and Mozambique.

People are a key success factor for Quilaban. The entrepreneurial culture, the empowerment of employees and the development of new business opportunities are permanent challenges to our staff. The diversity of our staff professional experiences and competencies adds value to our daily work.

In Quilaban there is a very strong commitment to employees, based on respect for the individuality of each one, promoting their development and their personal balance, building a strong identity between people and the organization.

In 2014 Quilaban celebrated 40 years.

Over the past 40 years of history, Quilaban has developed a strong corporate culture. We believe that the development of our skills, an open mind and a strong dynamic entrepreneurial are the groundwork of our future success.



HIGHLIGHTS

€29.0M
Revenue

1.149
Number of customers

93
Average number of employees

€2.9M
EBITDA

14.332
Trade references

11.1 M
Units traded

€7,8M
Equity

€26.6M
Assets

310
Diagnostic devices installed

1.465
POC devices installed

MISSION, VISION AND VALUES

► MISSION

To generate sustained value by **PROMOTING THE ACCESS TO HEALTHCARE.**

Our aim is to promote the access to healthcare, through distribution services and the supply of medicines as well as other health products.

► VISION

TO BE THE REFERENCE PARTNER IN THE DEVELOPMENT AND IMPLEMENTATION OF EFFICIENT, INTEGRATED AND INNOVATIVE SOLUTIONS, THAT PROMOTE THE ACCESS TO HEALTHCARE.

Our knowledge and experience in the healthcare markets, mainly in what concerns medicines supply combined with the proficiencies of our human resources and our strong culture of partnership, made us a reference in the market regarding healthcare.

Innovation and efficiency are fundamental traits of our company culture, allowing us to positively respond to the constant challenges the market presents to us.

We are passionate about our customers and committed in satisfying their needs, overcoming their expectations.

► VALUES

PARTNERSHIP

We promote the cooperation and integration of competencies through partnerships built upon trustful, wide and transparent relationships.

EFFICIENCY

We are very rigorous in the allocation of our resources, so they can be as cost effective as possible.

INNOVATION

Innovation is a key feature of our culture, making us creative and unique in our approaches and in the solutions we develop.

SERVICE

We serve passionately and in a consistent and determined way all of our customers, complying with our promises.

SIMPLICITY

We develop simple solutions and promote an easy relationship with our partners.

QUALITY

We are committed to a continuous improvement, having high standard levels of quality as a reference.



PEOPLE

People are a key driver for Quilaban strategy in the pursuit of its mission – Promoting the access to healthcare.

► TEAM

Quilaban employs 93 professionals.

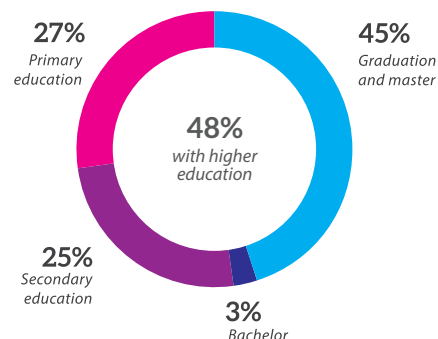
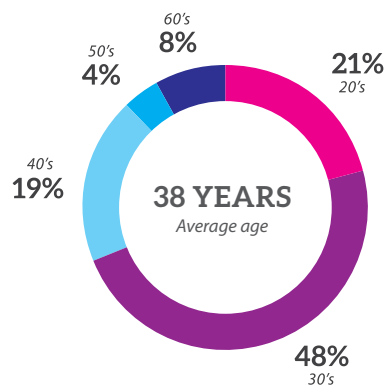
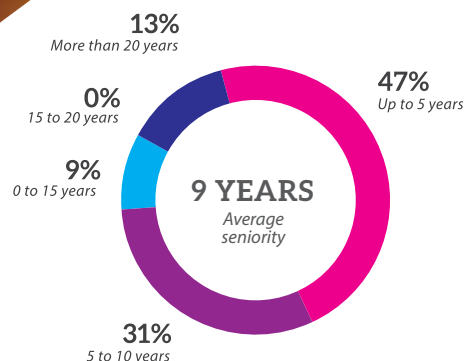
The experience of our senior employees is a reference to new starters, which from day one, at orientation, can discover our philosophy and embrace Quilaban professional project.

With an average seniority of nine years, Quilaban workforce has 13% of its employees with more than 20 years of experience.

The average age of our employees is 38 years old. Also here we can find people of different age groups, 21% of our team is under 30 years old and 12% is over 50 years old.

Having qualified persons is the key element for the successful implementation of Quilaban Strategy.

48% of our people have higher education.



2014 REVIEW

2014 was a year of intense transformation in Quilaban.

Following the restructuring process started in 2013, we continued in 2014 with the reorganization of the company management model. We have identified the expansion and the growth of our business portfolio as key drivers for the future development of the company.

This plan requires a strong commercial dynamic and development of the organization, supported by technological platforms, well-defined processes and a solid financial capacity. Also we believe that a strong competence in the area of products and services delivered by competent teams, aligned, motivated and customer oriented will build strong and structured relationships.

Although we register a decrease in this year revenue, we have strengthened the gross margins and managed efficiently our operational costs.

We introduced procedures for a more effective credit and stock management.

We developed initiatives that promote a closer approach to our customers and also the participation of our employees.

We obtained the Quality Certification Renewal.

Quilaban promoted several initiatives to strengthen the status of the company by introducing the program of social

responsibility and, through the maintenance of the best management practices and business development.

► QUALITY

At the beginning of the year, we review the Quality System Management, incorporating the modifications implemented in the management and organization model of Quilaban. This reform required changing the scope of the certification, implementing new processes, procedures, work instructions and templates and also reviewing the Quality Manual and Warehouses Procedures Manual.

Quilaban received its quality certification renewal until 2017, by the Certifying Entity - APCER. The quality of the products and services that we offer, the focus on the satisfaction of our customers and our efforts on continuous improvement are recognized by our business partners and became obvious in this certification.



The overall score of customer satisfaction in 2014 was of 96%.





53% of our customers are very satisfied and 43% are satisfied.

In comparison with 2013, about overall satisfaction, 39% of customers have increased their level of satisfaction and 1% reduced.

In 2014, the qualification of Quilaban as PME líder – a leader small and medium company, was renewed.



BUSINESS UNITS PERFORMANCE

	QUILABAN	DIAGNOSTICS	HEALTHCARE	PHARMA	EXPORTS
 Revenue	€ 29.0M	€ 5.1M	€ 4.4M	€ 9.4M	€ 10.1M
 YoY Growth	-8.0%	-0.5%	+41.0%	-26.9%	-0.9%
 Units traded	11,135,711	38,957	1,949,715	2,240,682	6,906,357
 Clients	1,149	296	899	68	33

FINANCIAL PERFORMANCE

Revenue was EUR 29 million in 2014, down 8% with a negative impact of EUR 2.5 million versus prior year.

The main factor for this was the drop of EUR 4.6 million in sales to customers of the “not pharmacy” segment in Pharma Business Unit. This was due to the gradual decrease of sales that has been felt in this segment, arising from a change on its business model, which is now based on direct purchases to producers.

This was counterbalanced by the continuous development of the business in Pharma Unit, in the “retail pharmacy” segment which presented a growth of 32% versus prior year and Healthcare Business Unit, grew 41% when compared to 2013.

Export Business Unit kept its revenue in line with the prior year, by EUR 10.1 million. The low growth in this area is a consequence of the optimization of the logistic process together with the reduction of stocks carried out by its main customer, Australpharma, in Angola during 2014. These measures were of exceptional nature and their effects were restricted to 2014.

The Business Unit of Diagnostics also had a contraction of its revenue, due to the regulatory reduction of prices imposed by the public sector customers, leading to a drop of 5.1% when compared to previous year.

FUTURE IN PERSPECTIVE

The focus on the customer will continue to drive our approach, ensuring proximity, service quality, innovation and communication.

In 2015 we will continue the path of growth started in 2014. We believe that a dynamic business environment and a diverse base of collaboration, keeping in mind knowledge share about markets, customers, policies, trends and operations will lead us to innovative solutions and will strengthen our business. This will also allow Quilaban to build long-term partnerships that create business value.

We are committed on the expansion of our business and will be specially focused on:

- Operating Costs Management, aiming to improve our cost effectiveness and efficiency.

Due to the development of Pharma Business Unit “Retail Pharmacy” segment, Export and Healthcare, the number of units traded presented a significant growth of 52.4% versus prior year, with a total of 11.1 million units.

EBITDA was EUR 2.9 million, despite presenting a decrease of 6.9% compared with prior year, the EBITDA margin growth by 12 basis points to 10.11%.

The operating profit reduction was driven by the lower turnover.

Operating expenses decreased by 0.6% compared to prior year, reaching EUR 5.0 million.

Operating profit in 2014 was EUR 2.0 million, presenting a reduction of 2% versus prior year. Although when comparing with the decrease in the business turnover of 8%, represents an improvement in the operating profit margin. Operating profit margin was 7.04% of revenue, 43 basis points higher than in 2013.

The net profit for the year stood at EUR 0.6 million, representing a net profitability rate of 2.2%, slightly above the 2013 level.

Net assets grew by EUR 0.4 million to EUR 26.6 million, by means of own capital resources financing of EUR 0.6 million, which also helped reducing the overall liabilities in EUR 0.2 million.

- Controlling Working Capital, mainly stocks and customers debt.
- People so that they can build on our values and set specific behavioural expectations and competencies.
- A strong customer service policy ensuring policies and procedures that encourage strong ties with clients, service quality, innovation, communication and obtaining feedback. We are confident that these will allow us to manage expectations and deliver customized solutions to our customers.

In 2015 Quilaban is committed to fulfil its mission and we believe that this strategy will bring significant growth and development both national and international.

	31-12-2014	31-12-2013
INCOME STATEMENT		
INCOME AND EXPENSES		
Revenue	29,014,951.23	31,549,811.76
Operating subsidies	24,745.67	-
Cost of goods sold and materials consumed	(21,123,906.14)	(23,387,700.97)
Supplies and services	(1,919,155.34)	(1,917,611.10)
Staff costs	(2,976,834.91)	(2,762,551.90)
Inventories impairment (losses/reversals)	-	29,151.10
Trade receivables impairment (losses/reversals)	126,283.12	(83,170.10)
Fair value (increases/decreases)	54.90	(97.03)
Other income and gains	360,108.49	383,464.78
Other expenses and losses	(572,359.97)	(660,648.34)
Operating profit before depreciation and amortisation =(EBITDA)	2,933,887.05	3,150,648.20
Depreciation and amortisation	(890,949.65)	(1,065,500.40)
Operating profit (before net finance costs and tax)	2,042,937.40	2,085,147.80
Finance costs	(1,109,657.61)	(1,063,171.53)
Profit before tax	933,279.79	1,021,976.27
Tax	(289,610.52)	(324,609.94)
Profit for the year	643,669.27	697,366.33

	31-12-2014	31-12-2013
BALANCE SHEET		
ASSETS		
Non-current assets:		
Tangible fixed assets	7,023,610.34	7,083,210.17
Intangible assets	38,051.41	24,710.08
Other financial assets	444,689.65	28,058.33
	7,506,351.40	7,135,978.58
Current assets:		
Inventories	4,583,690.41	4,800,933.93
Trade debtors	13,734,657.50	13,313,832.09
Suppliers advance	385,708.22	123,732.53
Taxes receivable	10,391.50	-
Other receivables	137,683.51	203,550.80
Prepayments and accrued income	125,144.39	86,319.73
Cash and cash equivalents	151,693.86	499,902.70
	19,128,969.39	19,028,271.78
TOTAL ASSETS	26,635,320.79	26,164,250.36
EQUITY AND LIABILITIES		
Equity:		
Share capital	6,000,000.00	6,000,000.00
Other equity instruments	52,400.00	52,400.00
Legal reserves	331,769.00	296,900.00
Other reserves	746,868.64	84,371.31
	7,131,037.64	6,433,671.31
Profit for the year	643,669.27	697,366.33
Shareholders'equity	7,774,706.91	7,131,037.64
Non-controlling interests	-	-
Total equity	7,774,706.91	7,131,037.64
Liabilities:		
Non-current liabilities:		
Borrowings	9,259,391.63	12,064,055.45
	9,259,391.63	12,064,055.45
Current liabilities:		
Trade creditors	3,954,783.00	4,053,289.03
Customers advance	50,005.97	-
Taxes payable	167,948.62	203,278.33
Borrowings	4,828,291.96	2,075,255.18
Other payables	598,687.93	637,334.73
Accruals and deferred income	1,504.77	-
	9,601,222.25	6,969,157.27
Total liabilities	18,860,613.88	19,033,212.72
TOTAL EQUITY AND LIABILITIES	26,635,320.79	26,164,250.36



Quilaban

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This is an extract of Quilaban's 2014 Annual Report.
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