



Aceto
Annual Shareholder Meeting
Dec. 1, 2016

ACETO Corporation

Acquisition of Generic Drug-Related Assets of Citron Pharma and Lucid Pharma

December 1, 2016



“Sourcing & Supplying Quality Products Worldwide”



This presentation contains “forward-looking statements,” as defined by the Private Securities Litigation Reform Act of 1995, that can be identified by words such as “believes”, “expects”, “anticipates”, “plans”, “projects”, “seeks” and similar expressions and involve numerous risks and uncertainties. The Company’s actual results could differ materially from those anticipated or implied in such forward-looking statements as a result of certain factors, as set forth in the Company’s filings with the Securities and Exchange Commission.

Factors that may affect our results include, but are not limited to, our ability to remain competitive with competitors, risks associated with the generic product industry, dependence on a limited number of suppliers, risks associated with healthcare reform and reductions in reimbursement rates, difficulty in predicting revenue stream and gross profit, industry and market changes, the effect of fluctuations in operating results on the trading price of our common stock, risks associated with holding a significant amount of debt, inventory levels, reliance on outside manufacturers, risks of incurring uninsured environmental and other industry specific liabilities, governmental approvals and regulations, risks associated with hazardous materials, potential violations of government regulations, product liability claims, reliance on Chinese suppliers, potential changes to Chinese laws and regulations, potential changes to laws governing our relationships in India, fluctuations in foreign currency exchange rates, tax assessments, changes in tax rules, global economic risks, risk of unsuccessful acquisitions, effect of acquisitions on earnings, indemnification liabilities, terrorist activities, reliance on key executives, litigation risks, volatility of the market price of our common stock, changes to estimates, judgments and assumptions used in preparing financial statements, our ability to pursue and manage an effective growth strategy, failure to maintain effective internal controls, compliance with changing regulations, as well as other risks and uncertainties discussed in the “Risk Factors” section of our annual report for the year ended June 30, 2016 on Form 10-K, filed with the Securities and Exchange Commission on August 26, 2016.

Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. Any forward-looking statements speak only as of the date they were made. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

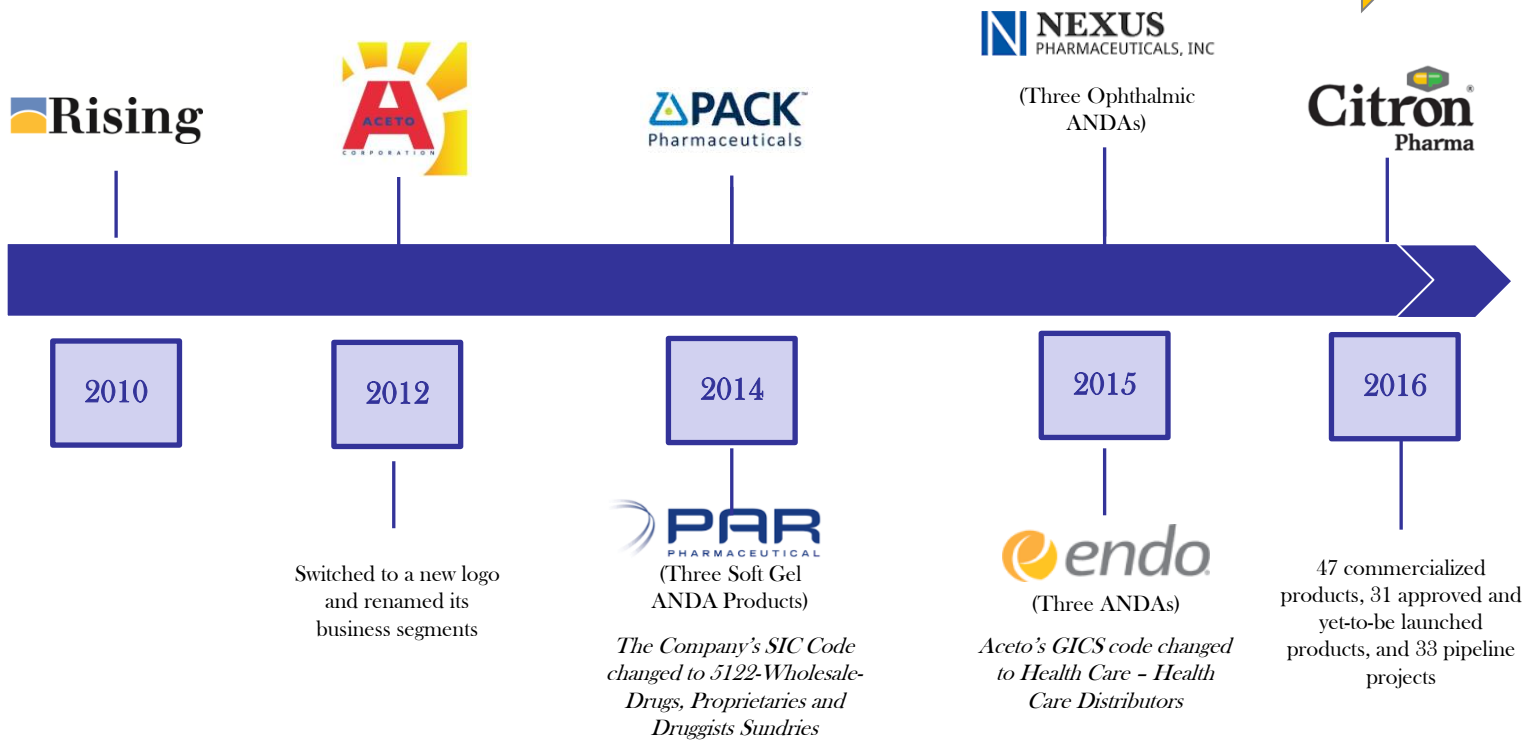
This presentation contains certain non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of the company. Pursuant to the requirements of Regulation G, the company has provided in the appendix to this presentation a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Management uses non-GAAP financial measures because it believes that they are meaningful measures of performance. The company’s method of calculating these non-GAAP financial measures may differ from the methods used by other companies and, as a result, the non-GAAP financial measures presented in this presentation may not be comparable to other similarly titled measures disclosed by other companies. Any analysis of non-GAAP financial measures should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP.



**Human Health Acquisitions and Developments
Drive ACETO's Financial Improvements**

Net Sales	\$346.6M		Net Sales	\$558.5M
Gross margin	15.6%		Gross margin	25.6%
Adj. EBITDA	\$17.9M		Adj. EBITDA	\$73.8M
Adj. EPS	\$0.47		Adj. EPS	\$1.50





Transaction Consideration	<ul style="list-style-type: none">✓ Total consideration of approximately \$412 million before potential earn-out payment<ul style="list-style-type: none">• Cash consideration of \$270 million payable upon closing• \$50 million unsecured deferred cash payment at the end of 5 years• ~\$92 million equity consideration based on 5.122 million shares✓ Net purchase price of \$332 million, after giving effect to \$80 million of expected tax benefits✓ 5-year earn-out; potential payment up to \$50 million based on the financial performance of four pre-specified pipeline products
Transaction Multiple	<ul style="list-style-type: none">✓ \$332 million net purchase price equal to 8.3x CYE 12/31/2016 projected Adjusted EBITDA✓ Excludes pro forma synergies
Financial Impact	<ul style="list-style-type: none">✓ Transaction expected to be accretive to GAAP EPS within 12 months of closing and accretive to non-GAAP EPS immediately
Financing	<ul style="list-style-type: none">✓ Combination of debt, equity, deferred payment and cash✓ Fully committed financing✓ Net covenant leverage of 3.6x combined pro forma Adjusted EBITDA
Closing	<ul style="list-style-type: none">✓ No shareholder vote required✓ Customary closing conditions and regulatory approvals, including Hart-Scott-Rodino review✓ Anticipated closing in late 2Q/early 3Q FY 2017



1 ACETO continues to build its track record of creating value through accretive M&A



2 Substantially advances ACETO's transformation toward Human Health



3 Adds significant value of 47 commercialized and 31 approved and yet-to-be launched generic drug products ; 33 Pipeline Products



4 Adds Scale to Rising Pharmaceuticals; Combines complementary asset-light business models, drug development and manufacturing partnerships, and product portfolios



5 Vimal Kavuru, founder and current CEO of Citron, will join ACETO's executive leadership team and Board of Directors



6 Transaction is expected to be accretive to GAAP EPS within 12 months of closing and accretive to Non-GAAP EPS immediately



7 Significant future cash tax savings to ACETO with an estimated net present value worth approximately \$80 million





Citron Pharma LLC

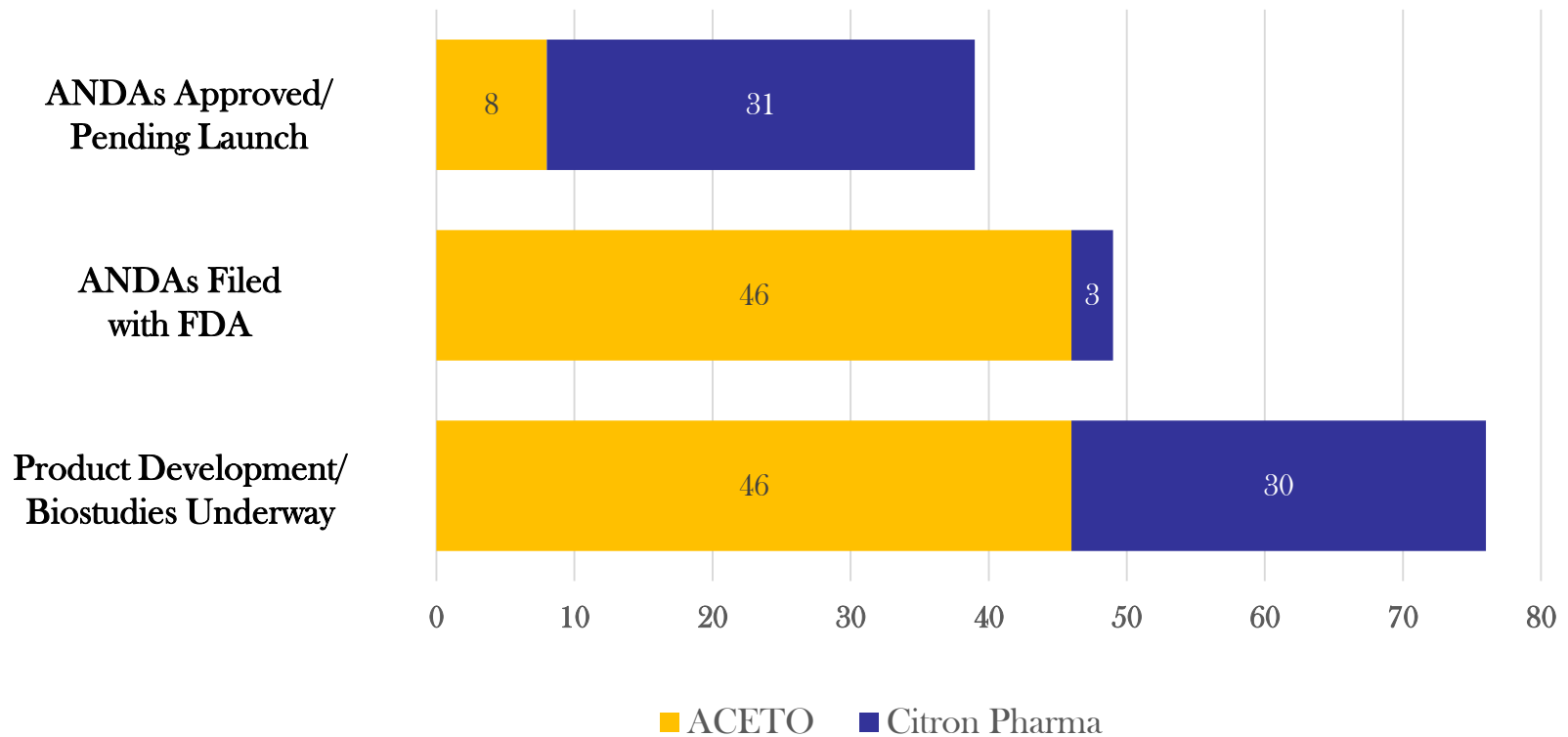
- ✓ U.S. focused generic pharmaceutical developer, marketer, supplier and distributor headquartered in East Brunswick, New Jersey
- ✓ Founded in 2013 by CEO Vimal Kavuru through the acquisition of distribution rights to 77 ANDAs from Pfizer
- ✓ Manufacturing partnership with leading vertically-integrated generic manufacturer, Aurobindo Pharma Ltd.

Lucid Pharma LLC

- ✓ Generic pharmaceutical provider to various agencies of the U.S. Federal Government including the Veterans Administration and Defense Logistics Agency
- ✓ 18 national contracts, nearly all of which have 5- year terms
- ✓ Supply contracts with Aurolife, a subsidiary of Aurobindo



164 Pipeline Projects¹



¹ ACETO: 100 pipeline projects; Citron 64 pipeline projects



By acquiring the generic-related assets of Citron, we are:

- ✓ Expanding Rising's portfolio of commercialized products by more than 50%
- ✓ Increasing the number of approved and yet-to-be-launched products by ~4-fold
- ✓ Increasing the number of pipeline products under development by nearly two-thirds
- ✓ Adding scale; increasing Human Health segment net sales by more than three-quarters on a pro forma full year basis

Substantially Advances ACETO's Transformation toward Human Health

Thank you
