



2015 RESULTS

March 2, 2016



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01. SOME BACKGROUND

MAIN STEPS IN REIG JOFRE'S HISTORY (i)

3 GENERATIONS AT THE HEAD OF THE FAMILY BUSINESS

1929

Foundation by Ramon Reig Jofré

1970

Juan M. Biosca, son-in-law of the founder

2006

Ignasi Biosca, grandson of the founder and current CEO

BUILDING-UP OF A COMPREHENSIVE PORTFOLIO OF DERMA AND RESPIRATORY PRESCRIPTION PRODUCTS AND OTC

1964-1999

Through the combination of own developments and several acquisitions in Spain



SALA

SPECIALISATION IN FREEZE-DRIED INJECTABLE GENERICS

1978-2009

Through the combination of own developments and several acquisitions of production capacity in Spain

1978

Acquisition of first lyophilizer

1998

Acquisition of Boehringer Ingelheim's factory in Barcelona (Sp) and setting up of central headquarters

2009

New manufacturing plant of sterile freeze-dried vials in Barcelona (Sp)

SPECIALISATION IN ANTIBIOTICS

1989-2004

Through the combination of own developments and several acquisitions of production capacity in Spain

2000

Acquisition of GlaxoSmithKline's factory of penicillin antibiotics in Toledo (Sp)

2003

New plant of injectable cephalosporin antibiotics in Toledo (Sp)

2004

Acquisition antibiotic MAs Anaclosil, Pulmictan, Ardine and ArdineClav

Spearhead of internationalisation through out-licensing agreements and contract development and manufacturing for other companies

MAIN STEPS IN REIG JOFRE'S HISTORY (ii)

MOVING FROM EXPORTS TO DIRECT INTERNATIONAL PRESENCE

2009-...

2009

Acquisition of Bioglan (Sw) specializing in topical pharmaceutical formulations

2014

Incorporation of RJ UK Ltd to centralize the commercial activity of Reig Jofre in UK

2014

Incorporation of RJ Europe Pte Ltd, joint-venture in Singapore to market pharma products in ASEAN countries

2014

Acquisition of international logistic center in Spain to Jansen (Johnson & Johnson Group)

REINVESTING CASHFLOWS IN R+D AND OPEN INNOVATION AGREEMENTS

2013-...

- New indications, and new routes of administration and dosage of known active principles
- Development of beta-lactam antibiotic generics in all dosage forms, but with a special focus on freeze-dried injections.
- New innovative molecules in partnership with start-ups and research centres
- Topical dermatological products, OTCs and nutritional supplements

REIG JOFRE BECOMES #5 SPANISH PHARMA CO. BY TURNOVER ON THE SPANISH STOCK EXCHANGE

December 2014

Reig Jofre merges with public company Natraceutical, a reference in Europe in the field of food supplements sold in pharmacies through the brand Forté Pharma

natraceutical



BUSINESS STRUCTURE

RJF PHARMA

(Manufacture and sale of own developments)

RJF CDMO

(Specialised contract development and manufacturing)

TECHNOLOGICAL-
SPECIALISATION
PRODUCTS

Antibiotics
Injectable
Freeze-dried

THERAPEUTIC-
SPECIALISATION
PRODUCTS

Dermatology
Respiratory/ENT
Gynaecology

FOOD SUPPLEMENTS AND
CONSUMER HEALTHCARE



SPECIALISED DEVELOPMENT AND PRODUCTION SITES



Barcelona Spain

- Surface: **19.799m²**
- Employees: **180**
- Development and manufacturing of:
 - **Lyophilized injectable forms** (ampoules and vials)
 - **Oral solids** (capsules, tablets, coated tablets and lozenges)
 - **Semisolids** (ointments, emulsions, micro-emulsions and creams)
 - **Liquids** (oral and topical solutions, syrups, liquids in single-dose sachets and swabs)
- **Food supplements**



Toledo Spain

2
PLANTS

- Surface: **15.297m² in two different plants**
- Employees: **254**
- Development and manufacturing of:
 - **Penicillin antibiotics in all dosage forms** (vials with sterile powder, oral dosages, sachets and syrups)
 - **Cephalosporin antibiotics in vials with sterile powder**
- Approved in 2013 by FDA



Malmö Sweden

- Surface: **5.900m²**
- Employees: **48**
- Development and manufacturing of:
 - **Dermatological products and cosmetics**
 - **Semisolids** (ointments, emulsions, micro-emulsions and creams)
 - **Liquids** (oral and topical solutions, syrups, liquids in single-dose sachets and swabs)
- **Clinical trial material**

INTERNATIONAL LOGISTICS CENTER



Toledo Spain

- Surface: **5.400 m²**

MARKETS

DIRECT SALES IN 7 MARKETS

Spain
France
Nordic countries
Benelux
Portugal
UK
Singapore

155 reps

OVER 130 COMMERCIAL PARTNERS IN 58 MARKETS

International
distributors

International
licencees





02.
2015 RESULTS

FINANCIAL HIGHLIGHTS

P&L

- 156.91 M€ **turnover** (+2.9%), following general growth of 3 RJF Pharma categories and correction of RJF CDMO
- 17.16 M€ **EBITDA** (+14.6%) and 10.9% EBITDA margin, from 9.8% in 2014
- 11.0 M€ **profit before taxes** (+19.2%)
- 8.75 **net profit** (+27.6%)

BALANCE SHEET

- **Net financial debt** at 13.93 M€ (0.8x EBITDA)
- **Gross financial debt** down 3.26 M€ to 23.58 M€
- **Share capital:** 126.43 M€; **Reserves:** -4.53 M€;
Total equity: 126.17 M€

INVESTMENTS

- **R+D:** 7.5 M€
 - 4% sales (6.3 M€)
 - 1.2 M€ activated
- **Capex** in production sites: 7.6 M€
 - Expansion: 6.0 M€
 - Maintenance: 1.6 M€
- Total capex in 2014: 4.49 M€

THE SHARE

- **Reverse split** of 1x20 conducted in September 2015
- Current **free-float** at 13% aimed at 25% by end of 2016
- **Market cap** on March 1, 2016: 224 M€

BUSINESS HIGHLIGHTS

PRODUCT REGISTRATIONS / LAUNCHES

- In 2015, approval of 35 marketing authorisations for **10 proprietary Rx antibiotic/injectable molecules** in the following 18 markets:

Australia	Hong Kong	Philippines
Check Republic	Hungary	Singapore
Cyprus	Island	Spain
Denmark	Malaysia	Sweden
Georgia	Norwegian	UK
Holland	Pakistan	Ukraine

- By end 2015, **21 proprietary Rx antibiotic/injectable molecules** registration procedures ongoing in 42 markets in the 5 continents (to be approved in the forthcoming 2-3 years).

- Launch of proprietary gynaecological product **Nife-par** in Spain and regulatory procedure started in Europe
- Launch of proprietary derma product **Zalve** in Sweden and signed distribution agreements around Europe
- Launch of 10 Forté Pharma **food supplements** in France; 8 in Belgium; 3 in Spain and 3 in Portugal

PRODUCT ACQUISITIONS

- Acquisition of marketing authorisations in UK of derma products **Synalar, Metosyn, Crystacide** and **Micanol**
- February 2016 – acquisition of injectable anticoagulant **heparin**

NEW MARKETS

- **Japan** - Agreement with Japanese Maruishi Pharma for hospital sterile injectables and manufacturing approval by Japanese agency in 2/2016
- **UK**- setting up of subsidiary
- 7 new international markets, up to 58: **Zambia, Argentina, Ukraine, Sudan, Iraq, Monaco and Netherlands Antilles**
- Reinforcement of internationalisation budget by 0.5 M€

SALES BY BUSINESS AREAS

2015
turnover:
156.9 M€

+2.9%

RJF PHARMA
(Own development's manufacture
and sale)

79%
124.3 M€

RJF CDMO
(Specialised contract development and
manufacturing)

21%
32.6 M€

TURNOVER BY BUSINESS AREAS 2015

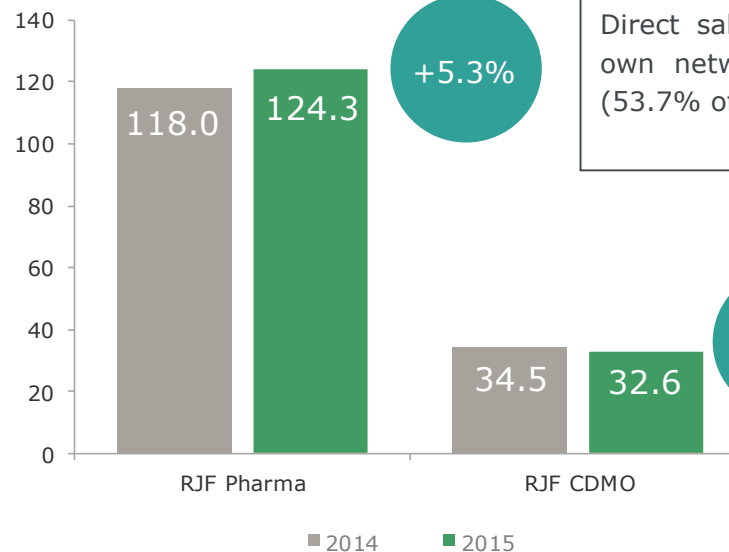
In million euro

RJF PHARMA

- Sales increase in all 3 product categories

RJF CDMO

- Partial correction at year end of the extraordinary 11.4% sales decrease in the first 9 months of the year.
- Final correction expected in 2016.



Direct sales of RJF PHARMA through own network amounted to 66.8 M€ (53.7% of RJF Pharma)

SALES BY BUSINESS AREAS

79%
124.3 M€

RJF PHARMA
(Own development's manufacture and sale)

RJF CDMO
(Specialised contract development and manufacturing)

TECHNOLOGICAL-
SPECIALISATION
PRODUCTS

Antibiotics
Injectable
Freeze-dried

50%
61.9 M€

+0.5%

- Top-3 markets: Spain, Italy, UK

THERAPEUTIC-
SPECIALISATION
PRODUCTS

Dermatology
Respiratory/ENT
Gyneacology

22%
27.4 M€

+22.1%

- Top-3 markets: Spain, UK, Sweden

FOOD SUPPLEMENTS AND
CONSUMER HEALTHCARE

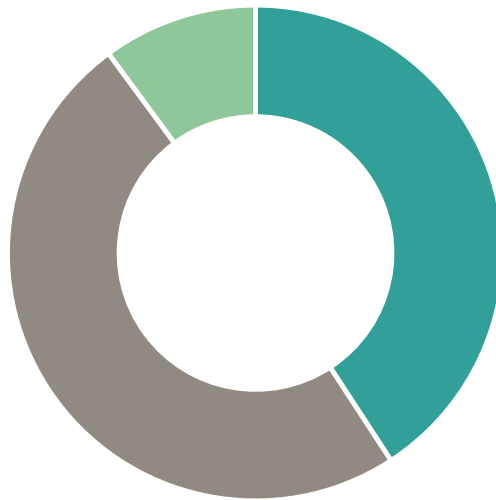
28%
35.0 M€

+3.0%

- Top-3 markets: France, Spain, Belgium

SALES BY GEOGRAPHICAL AREAS

SALES SPLIT BY GEOGRAPHICAL AREAS IN 2015
156.9 M€



- Spain
40.8%
- Europe
49.1%
- RoW
10.1%

- In 2015 Spain grew 4% and Europe progressed by 2%. **European markets** concentrated 89.9% of sales and had a total growth of 2.7%.
- **Rest-of-the-world markets** accounted for 10.1% of sales and grew 4.5%.
- Reig Jofre's **top-10 markets outside Spain** in 2015 were: France (16%), UK (9%), Sweden (6%), Germany (5%), Benelux (2%), Italy (2%), and Portugal, Denmark, Ireland and Switzerland with 1% each.

TOP-15 PRODUCTS

TOP-15 PRODUCTS IN RJF PHARMA 2015

PRODUCT	CATEGORY	% sales
#1	Antibiotic	13%
#2	Antibiotic	13%
#3	Antibiotic	6%
#4	Derma	5%
#5	Injectable	4%
#6	Food supplement	3%
#7	Respiratory/ENT	3%
#8	Food supplement	3%
#9	Food supplement	2%
#10	Food supplement	2%
#11	Respiratory/ENT	2%
#12	Derma	2%
#13	Derma	2%
#14	Injectable	2%
#15	Injectable	2%

- **Top-15** products within RJF Pharma accounted for 62.8% of sales and grew 3.0% in 2015.
- In 2014, these products represented 64.3% of RJF Pharma.

	2014	2015	Evol.
TOP 15	75.822.825	78.085.260	3,0%
Total RJF Pharma	117.990.833	124.285.277	5,3%
% Top 15 / RJF Pharma	64,3%	62,8%	

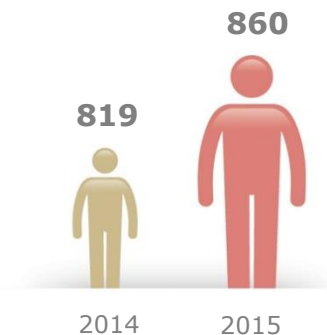
OPERATING INCOME

	2014	2015	Evol.
Turnover	152,49	156,91	2,9%
Changes in inventories	3,35	-1,61	
Procurements	-58,61	-57,52	
Gross margin on net sales	97,23	97,78	0,6%
% net sales	62%	63%	
Other operating income	0,16	1,61	
Personnel expenses	-41,34	-42,19	
Other operating expenses	-41,07	-40,04	
EBITDA	14,98	17,16	14,6%
% sales	10%	11%	
Depreciation and amortization	-4,95	-5,40	
Impairment and result on disposals	0,00	0,00	
Operating income	10,03	11,76	17,3%

- **EBITDA** increased by 14.6% to 17.16 M€, in line with guidance in H1 2015. EBITDA margin stood at 10.9% from 9.8% at end 2014.
- **Amortizations** increased 9.1% to 5.40 M€ due to higher investment levels. Amortizations in the coming years are estimated at around 5.0-5.5 M€
- All in all, **Operating income** reached 11.76 M€, +17.3% compared to 2014.

- **Turnover** in 2015 stood at 156.9 M€, +2.9% versus the previous year.
- **Gross margin** improved from 62% to 63% over net sales
- **Other operating income** include deferred-price sales with commercial partners, which according to IFRS are not accounted as ordinary income.
- With 860 employees (819 in 2014), **personnel expenses** represent the highest item in the operating expenses, accounting for 27% of sales in 2015, up 2.1%
- **Other operating expenses** decreased 2.5% after the merger.
- **R&D expenses** stood at 4% of sales in 2015.

EMPLOYEES



FINANCIAL RESULT AND TAXATION

	2014	2015	Evol.
Operating income	10,03	11,76	17,3%
Financial income	0,30	0,21	
Financial expenses	-0,93	-1,08	
Results from the disposal of financial instruments	0,00	-0,30	
Results from asset impairment	0,00	0,00	
Changes in fair value of financial assets	-0,03	0,14	
Results from entities accounted by the equity method	0,00	-0,04	
Exchange differences	-0,14	0,32	
Equity in the results of subsidiaries	0,00	0,00	
Profit before taxes	9,23	11,01	19,3%
Income tax	-2,38	-2,26	
% PBT	26%	21%	
Net result	6,85	8,75	27,8%

- Strong operating growth, followed by stable **financial results** led to an increase of 19.3% in **earnings before taxes**, to 11.01 M€.
- **Net result** improved 27.8%, to 8.75 M€

TAXATION

- Tax changes in Spain in 2015 + income from new subsidiary in UK with lower tax rate + tax credits, reduced **income tax expense** from 26% to 21%.
- 1.17 M€ of **tax losses** (out of total 68 M€, with no temporary limitation) were used in 2015's income tax expense. Without the effect of these tax losses, income tax would have amounted to 34.2%
- **Effective tax rate** in 2015 was set in 13.9%, which meant effective **tax cash out** of 1.53 M€, taking also into consideration additional R+D deductions.



03. 2015 BALANCE SHEET

ASSETS

(in euro)	31/12/2015	31/12/2014
ASSETS		
Non-current assets		
Goodwill	25,165,817	25,405,979
Other intangible assets	32,606,879	32,453,457
Property, plant and equipment	28,645,914	24,045,938
Non-current financial assets	10,273,336	9,962,273
Deferred tax assets	15,351,894	16,527,753
TOTAL NON-CURRENT ASSETS	112,043,840	108,395,400
Current assets		
Inventories	24,892,981	23,839,539
Trade and other receivables	34,318,332	29,870,526
Current tax assets	0	958,294
Other current financial assets	2,382,742	4,338,579
Other current assets	3,975,557	4,991,922
Cash and cash equivalents	9,440,170	8,349,509
TOTAL CURRENT ASSETS	75,009,782	72,348,369
TOTAL ASSETS	187,053,622	180,743,769

- On December 31, 2015 RJF had **tax credits** amounting to 15,35 M€ (resulting from 68 M€ tax losses and 4 M€ from deductions).
- **Capex** of 8.8 M€
 - Maintenance: 1.6 M€
 - Expansion: 6.0 M€
 - R+D: 1.2 M€
- **Strong investments** in production capacity in Spain for the expansion in Asia (Japan and Indonesia) and the US market in a second stage.
- **Non-current financial assets** include 8.5 M€ from the deferred cash-in from the sale of a subsidiary in 2013

EQUITY AND LIABILITIES

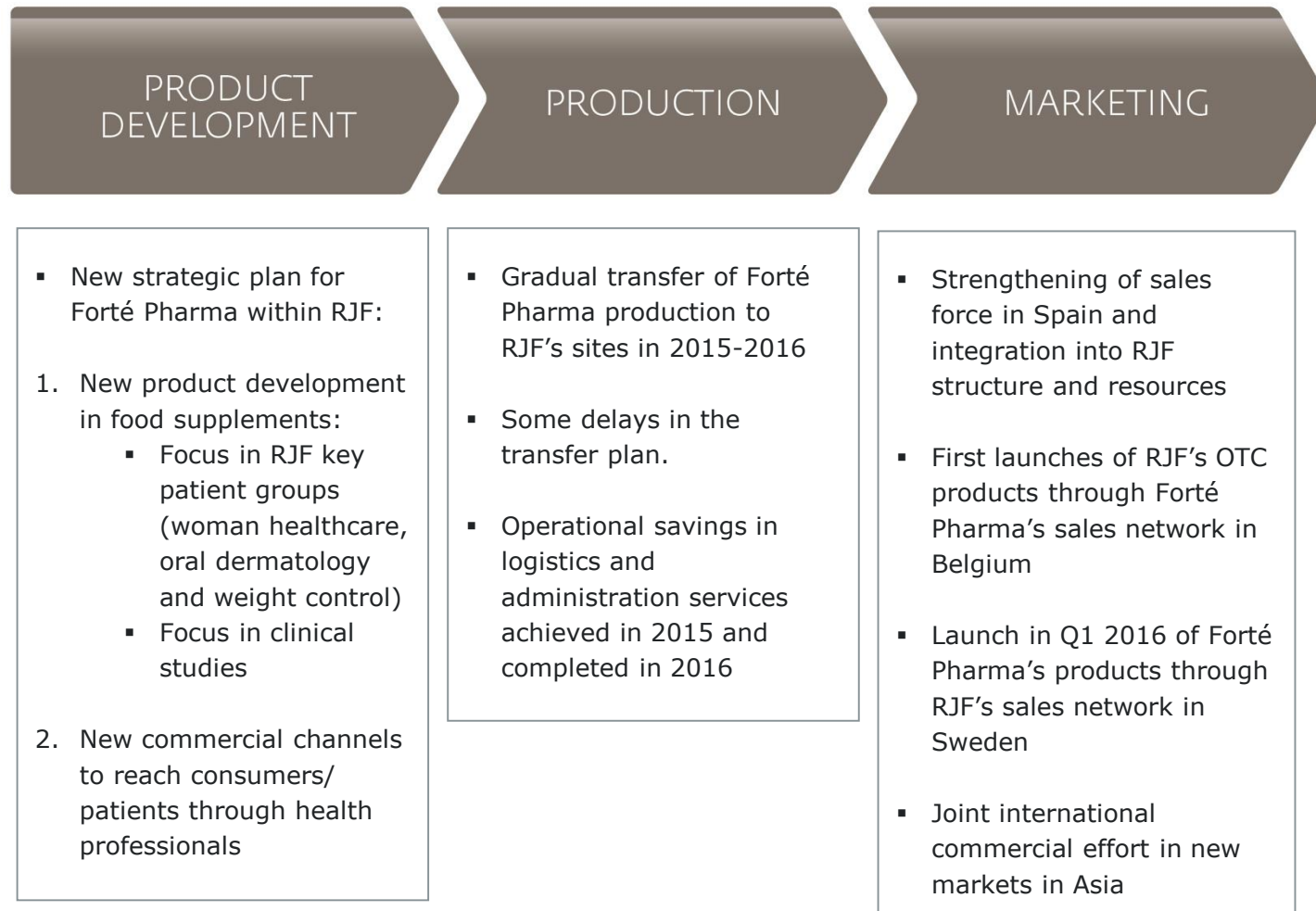
(in euro)	31/12/2015	31/12/2014
EQUITY AND LIABILITIES		
Equity		
Share capital	126,428,441	126,428,441
Reserves	-4,533,840	-6,791,795
Treasury shares	-4,917,032	-4,901,950
Interim dividend paid during the year	0	0
Profit attributable to the parent company	8,749,701	2,308,394
Exchange differences	436,893	1,057,767
Other comprehensive income for assets available for sale	8,978	43,331
Equity attributable to parent company	126,173,141	118,144,188
Non-controlling interests	1,344	27,516
TOTAL EQUITY	126,174,485	118,171,704
Non-current liabilities		
Capital grants	102,496	144,859
Provisions	1,070,453	969,762
Financial liabilities with credit institutions	4,520,937	5,805,594
Financial lease liabilities	5,828,683	6,408,506
Derivative financial instruments	273,998	419,457
Other financial liabilities	4,761,639	2,679,845
Deferred tax liabilities	3,768,083	4,829,060
TOTAL NON-CURRENT LIABILITIES	20,326,289	21,257,083
Current liabilities		
Provisions	400,748	419,308
Financial liabilities with credit institutions	6,720,668	10,181,723
Financial lease liabilities	586,042	596,388
Other financial liabilities	889,281	753,210
Trade and other payables	27,034,509	24,805,199
Current tax liabilities	2,321,162	1,426,954
Other current liabilities	2,600,438	3,132,200
TOTAL CURRENT LIABILITIES	40,552,848	41,314,982
TOTAL EQUITY AND LIABILITIES	187,053,622	180,743,769

- **Debt amortisation** amounted to 3.26 M€ in 2015, split into:
 - 6.06 M€ cash amortisation
 - 2.8 M€ new debt to finance investment in UK.
- **Cost of debt** in 2015: 3.5%.
- **Net financial debt** in 2015 stood at 15.28 M€ with **NFD/EBITDA ratio** at 0.8x.



04.
INTEGRATION PROCESS OF
FORTÉ PHARMA WITHIN
REIG JOFRE

INTEGRATION PROCESS OF FORTÉ PHARMA WITHIN RJF





05. FUTURE OVERVIEW

4 STRATEGIC PILLARS



BUSINESS AREAS 2014-2019

2014

Sales
152.5 M€

EBITDA
15 M€

78%

RJF PHARMA
(Own development's manufacture and sale)

RJF CDMO
(Specialised contract development and manufacturing)

22%

SPECIALISED-TECHNOLOGY
PRODUCTS

Antibiotics
Injectable
Freeze-dried

54%

THERAPEUTIC-
SPECIALTY PRODUCTS

Dermatology
Respiratory
Gyneacology

14%

FOOD SUPPLEMENTS AND
CONSUMER HEALTHCARE

32%

2019e

Sales
200 M€
CAGR: +5.6%

EBITDA
25 M€
CAGR: +10.8%

82%

CAGR: +6.7%

RJF PHARMA
(Own development's manufacture and sale)

RJF CDMO
(Specialised contract development and manufacturing)

18%

CAGR: +1.4%

SPECIALISED -TECHNOLOGY
PRODUCTS

Antibiotics
Injectable
Freeze-dried

43%
+1.9%

THERAPEUTIC-
SPECIALTY PRODUCTS

Dermatology
Respiratory
Gyneacology

19%
+13.0%

FOOD SUPPLEMENTS AND
CONSUMER HEALTHCARE

38%
+10.6%



06.
LINKS TO
COMPLEMENTARY INFO

LINKS TO COMPLEMENTARY INFORMATION

- Latest news: www.reigjofre.com/en/news
- Webcast on 2014 results: www.reigjofre.com/en/investors/webcasts
- Subscription center: www.reigjofre.com/en/subscription-center



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