

## RESULTS NOTE: SECOND QUARTER OF 2021

### REIG JOFRE sales held steady in the second quarter of 2021 with 3% growth in its EBITDA.

Reig Jofre managed to maintain its revenue figure compared to the first half of 2020, when sales were driven by essential medicines linked to COVID-19.

At the end of the first half, sales exceeded **€116 million**, a figure in line with the same period of the previous year. Some product ranges achieved growth in this context, which offset the impacts of lower demand for antibiotics and OTC products as a result of social distancing measures. EBITDA grew by 3%, reaching €13.3 million, which enabled consolidation of profitability on sales of this magnitude exceeding 11%.

The **Pharmaceutical Technologies division**, which mostly manufactures and sells products for hospital use, had a decrease in their revenue, while the **Speciality Pharmacare division**, which produces prescription medical products, was already showing clear signs of recovery. With clear growth in the second quarter, **Consumer Healthcare** was able to reverse the first quarter's trend and achieved a higher revenue figure than that of 2020.

#### PHARMACEUTICAL TECHNOLOGIES

Antibiotics  
Injectables/Lyophilisates

45%

€52.6 million  
-6%

#### SPECIALITY PHARMACARE

Dermatology  
Osteoarticular

32%

€36.5 million  
+9%

#### CONSUMER HEALTHCARE

OTC  
Weight management  
Energy  
Stress and sleep  
Beauty

23%

€27.0 million  
+1%

The Pharma Tech division (45% of sales) incurred a 6% drop in revenues due to lower demand for essential medicines linked to the COVID-19 crisis, compared to the first half of 2020. The antibiotics and anaesthetics product ranges declined as fewer bacterial infections occurred and hospital interventions reduced.

The Speciality Pharmacare division grew by 9%. The recovery of medical prescription products, which began in the first quarter, was consolidated both in the dermatological areas and in the osteoarticular ranges. The domestic market and other European countries, where Reig Jofre has a direct presence (UK, Sweden and Poland), were the markets that promoted this recovery.

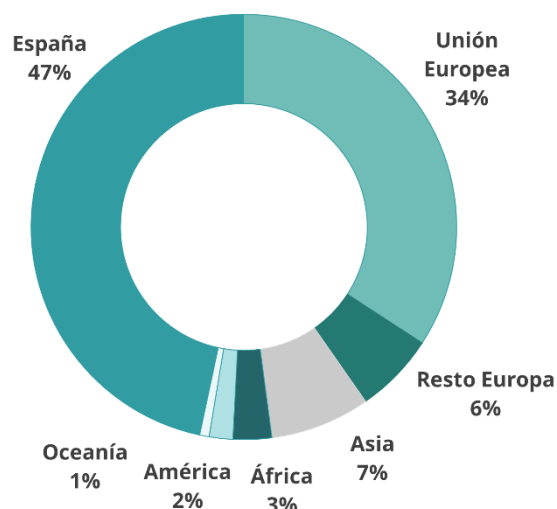
Consumer Healthcare grew by 1% in sales. OTC disinfection ranges (alcohols, chlorhexidine, etc.) and other respiratory products reduced in demand, while certain ranges of FORTE PHARMA brand food supplements aimed at strengthening the immune system, vitamins, probiotics and gels continued to grow strongly in its main markets, France and Benelux.

Spain represents 47% of the group's sales. Its revenues fell back by at least 1% due to lower consumption of antibiotics and essential medicines, offset by the growth in Speciality products.

The other European markets had a 5% decline, replicating the trends of decline in essential medicines and recovery in demand for prescription products.

The other countries, which together make up 13% of sales, achieved 17% growth in revenues, with the Asian market, which represents 7% of Reig Jofre's revenues, being of particular note.

### Sales by geographical region.



REIG JOFRE has managed to maintain revenue levels both in the domestic market, with a 1% minimum drop, and in the international markets, where it obtained 53% of sales and which, in this half, have grown by around 2%. The start-up of Reig Jofre's new subsidiary in Poland, and expansion through new manufacturing and distribution agreements will continue to drive international growth.

### Performance and Key Indicators

The first half closed with a sales figure of €116 million, a figure slightly higher than the first half of 2020. Let us remember that this period was the maximum in hospital medicinal product consumption due to the needs resulting, in particular, from patients admitted to the ICU.

Due to the lower weight in sales of essential medicines that have a lower margin, and the growth in Specialty Pharmacare and Consumer Healthcare, the gross margin stands at 62%, two points above the same period of 2020.

Personnel Expenses increased by 3%, mainly due to hiring technical staff in the new injectable plant.

Other operating expenses increased by 4%, due to costs associated with the new plant. Commercial and marketing expenses, which are still contained but already show some growth will be carefully managed according to the evolution of revenues in the year.

Gross margin improvement and moderate growth of expenses enabled EBITDA/Sales profits to reach 11.5%, almost one point above the 10.6% level closing the previous year's sales.

EBITDA reached €13.3 million, a 3% growth compared to the same period in 2020.

The increase in amortisations is due to new investments gradually entering into production.

Financial expenses grew because of the debt associated with completed investments, both industrial and corporate operations, although the company's cash position allowed us to reduce its impact.

For the previously mentioned purposes, Profit before taxes amounted to €3.6 million, 8% lower than in the first half of the previous year.

## Investment and Funding

Investments in technology and expanding capacity in 2021 amounted to €8.8 million in this half.

It essentially corresponds to two projects: on the one hand, a comprehensive renovation of the facilities at the Toledo plant, which meant, among other improvements, a new HVAC purified air management infrastructure, all in a period of lower worldwide consumption of antibiotics; and on the other hand, to the adaptation of the Barcelona Plant for the manufacture of the COVID-19 vaccine.

In addition, €2.3 million were capitalised, corresponding to the progress made during 2021 on the ongoing R&D projects.



### NEW INJECTABLE PRODUCTS PLANT

The start-up of the new Barcelona plant, which will triple our capacity for manufacturing sterile injectable products, will take place in the second half of 2021, which should already be reflected in this year's revenue.

Net Financial Debt shrank to €53.2 million, from €55.1 million at the end of 2020, thanks to an improved cash position.

The Debt/EBITDA ratio was 2.0, a similar level to 2.1 in December 2020, due to the exceptional cash position, which is not expected to be maintained by the end of the year.

## NEW PLANT AND TECHNOLOGY TRANSFER OF COVID-19 VACCINE

The Technology Transfer agreement for the COVID-19 vaccine will be completed in the second half of 2021.

Once the process is completed, Janssen will define the supply needs it will require from Reig Jofre, within its global vaccine supply network.

## Outlook for 2021



The new plant will start up in the second half of this year, helping to improve the Pharmaceutical Technologies division's revenues in 2021.

We also believe that, starting in the second half of the year, recovery of economic activity and easing of social distancing measures will translate into further growth in our Speciality Pharmcare and Consumer Healthcare ranges, as has already happened in this second quarter.

The key drivers for revenue growth in 2021 will be: the recovery of the world market for antibiotics, the consolidation of growth in prescription and OTC products; international growth through our subsidiaries and licensing and distribution agreements.

Get updates on REIG JOFRE as they happen by registering with the company's **subscription centre** on the company website: [www.reigjofre.com](http://www.reigjofre.com)

### **About REIG JOFRE**

Founded in 1929 in Barcelona, REIG JOFRE is a family-run pharmaceutical company, listed on the Spanish stock exchange's continuous market, dedicated to the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements at its four plants in Toledo (2), Barcelona and Malmö (Sweden). REIG JOFRE organises its product development activities into three business divisions: (1) *Pharmaceutical Technologies* specialising in sterile and lyophilised injectables and penicillin-derived antibiotics; (2) *Speciality Pharmicare* specialising in dermatology, osteoarticular disorders and women's health; and (3) *Consumer Healthcare* with consumer products under the Forté Pharma brand mostly in France, Belgium, Spain and Portugal, and other OTC areas. REIG JOFRE has more than 1,100 employees, direct sales in 7 countries and more than 130 sales partners in 72 countries around the world. The company closed 2019 with turnover of €200 million. REIG JOFRE is listed under the code RJF. Share capital: 76,802,279 shares

### **Further information**

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## INCOME STATEMENT

| thousand euros                                       | 6/30/2020      | 6/30/2021      |
|--|----------------|----------------|
| <b>Turnover</b>                                      | <b>115,826</b> | <b>116,115</b> |
| Procurements   | -45,286        | -42,793        |
| Changes in inventories                               | -740           | -979           |
| <b>Gross margin</b>                                  | <b>69,800</b>  | <b>72,343</b>  |
| Work carried out for fixed assets                    | 2,849          | 2,321          |
| Other operating income                               | 70             | 279            |
| Personnel expenses                                   | -31,188        | -32,036        |
| Other operating expenses                             | -28,556        | -29,569        |
| <b>EBITDA</b>  | <b>12,976</b>  | <b>13,337</b>  |
| Depreciation and amortization                        | -8,138         | -8,679         |
| Govern. grants for non-financial assets and others   | 11             | 11             |
| Impairment and results on disposals                  | 0              | -2             |
| <b>Operating income</b>                              | <b>4,849</b>   | <b>4,668</b>   |
| Financial result                                     | -304           | -494           |
| Results from entities accounted by the equity method | -3             | 18             |
| <b>Profit before taxes</b>                           | <b>4,542</b>   | <b>4,192</b>   |
| Income tax   | -681           | -629           |
| <b>NET RESULT</b>                                    | <b>3,861</b>   | <b>3,563</b>   |

## BALANCE

| thousand euros                                      | 6/30/2020      | 6/30/2021      |
|---|----------------|----------------|
| <b>ASSETS</b>                                       |                |                |
| Goodwill  | 29,703         | 29,926         |
| Other intangible assets                             | 86,324         | 81,128         |
| Property, plant and equipment                       | 85,444         | 90,939         |
| Investments in equity-accounted investees           | 1,218          | 1,877          |
| Non-current financial assets measured at fair value | 1,204          | 1,171          |
| Other non-current financial assets                  | 637            | 583            |
| Deferred tax assets                                 | 14,629         | 14,875         |
| <b>TOTAL NON-CURRENT ASSETS</b>                     | <b>219,159</b> | <b>220,499</b> |
| Inventories   | 43,778         | 47,140         |
| Trade and other receivables                         | 44,181         | 42,248         |
| Current tax assets                                  | 5,390          | 5,908          |
| Other current financial assets                      | 1,784          | 759            |
| Other current assets                                | 2,272          | 2,982          |
| Cash and cash equivalents                           | 8,907          | 16,171         |
| <b>TOTAL CURRENT ASSETS</b>                         | <b>106,312</b> | <b>115,208</b> |
| <b>TOTAL ASSETS</b>                                 | <b>325,471</b> | <b>335,707</b> |
| <b>EQUITY AND LIABILITIES</b>                       |                |                |
| Share capital                                       | 38,031         | 38,401         |
| Share Premium                                       | 19,000         | 19,000         |
| Treasury shares                                     | -1,202         | -1,558         |
| Reserves  | 123,482        | 129,162        |
| Own equity instruments                              | 62             | 622            |
| Profit attributable to the parent company           | 3,858          | 3,570          |
| Exchange differences                                | -1,550         | -734           |
| Other comprehensive income                          | -110           | -175           |
| <b>Equity attributable to parent company</b>        | <b>181,572</b> | <b>188,288</b> |
| Non-controlling interests                           | -64            | -75            |
| <b>TOTAL EQUITY</b>                                 | <b>181,509</b> | <b>188,213</b> |
| Capital grants                                      | 1,715          | 2,355          |
| Provisions  | 897            | 287            |
| Financial liabilities with credit institutions      | 30,870         | 28,821         |
| Lease liabilities                                   | 17,139         | 15,097         |
| Other financial liabilities                         | 5,357          | 5,988          |
| Deferred tax liabilities                            | 2,985          | 3,220          |
| Other non current liabilities                       | 13,000         | 0              |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                | <b>71,964</b>  | <b>55,768</b>  |
| Provisions  | 24             | 26             |
| Financial liabilities with credit institutions      | 12,632         | 10,333         |
| Lease liabilities                                   | 5,580          | 5,398          |
| Other financial liabilities                         | 473            | 3,749          |
| Liabilities from contracts with customers           | 0              | 7,247          |
| Trade and other payables                            | 49,148         | 46,669         |
| Current tax liabilities                             | 1,970          | 3,134          |
| Other current liabilities                           | 2,171          | 15,170         |
| <b>TOTAL CURRENT LIABILITIES</b>                    | <b>71,999</b>  | <b>91,726</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>325,471</b> | <b>335,707</b> |