

## RESULTS NOTE: SECOND QUARTER OF 2022

REIG JOFRE's revenues grew by 14% and EBITDA grew by 6% in the first half of the year

REIG JOFRE closes the best first half of its history with 132 million revenues, driven by the recovery of the global antibiotic market. The new injectable products plant in Barcelona begins manufacturing products developed by REIG JOFRE.

At the end of June, listed company REIG JOFRE achieved **€132 million in sales**, a 14% increase over the same period of the previous year. In addition to the increased demand for antibiotics manufactured in the plant in Toledo, there is the start of industrial manufacturing in the new plant in Barcelona and a strong growth in Consumer Healthcare sales. EBITDA grew by 6%, reaching 14.2 M€ which is also a record result in a semester.

The **Pharmaceutical Technologies** division, devoted to injectable and antibiotic products, is the leader of this growth, while the growth of the previous year in the **Specialty Pharmacare** division, focused on prescription medical products, has slowed down. **Consumer Healthcare**, the consumer products division, continues with strong growth, particularly in the FORTE PHARMA, brand in French and Belgian markets.



### Pharma Tech

48% sales | +21% in 2021

Recovery of sales due to greater demand of antibiotics both in Spain and internationally, well as other hospital medicines, due to the recovery of surgical operations. The new injectable products plant in Barcelona has begun manufacturing its own products, according to the pre-pandemic plan, which will be reflected in the revenue in the second half of the year. The plant is expected to achieve full production capacity in 2024 - 2025.

### Specialty Pharmacare

28% sales | +2% in 2021

After ending 2021 with the recovery of sales of prescription products and growing by 14%, this division continues to show growth. This trend could increase in the second half of the year thanks to growth in European countries where own medical visit networks are being promoted and especially in Poland, a subsidiary created in 2021. Also, in the second half the first impact of the launch of new dermatological products in Spain will be registered.

### Consumer Healthcare

24% sales | +18% in 2021

After a good 2021, with 8% growth in sales, the first half of 2022 has recorded an outstanding +18% increase in sales. The increase comes from the FORTE PHARMA brand with its ranges of food supplements as well as from the recovery in Spain of the OTC products in the respiratory area and ear care, which had fallen the previous year due to the lower incidence of infections during the pandemic, because of distancing measures.



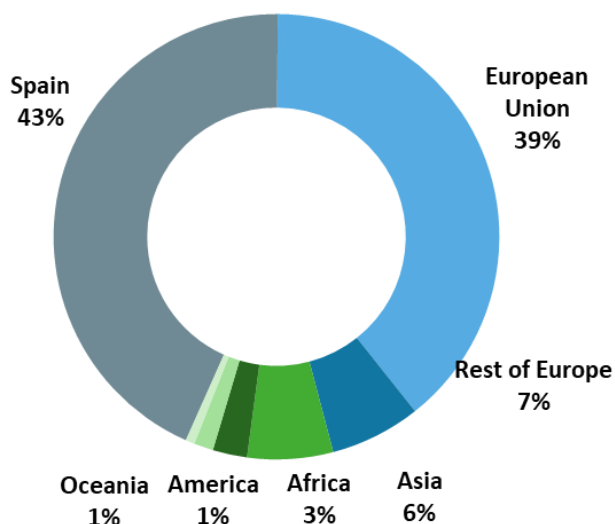
The international business increased its weight in 2022. REIG JOFRE obtains 57% of revenues from international markets (55% in 2021), which as a whole have grown by 21%. Demand for antibiotics has recovered, basis for the growth of the Pharmaceutical Technologies division, which obtains 65% of its revenues from outside Spain thanks to the acknowledgment of REIG JOFRE as a global benchmark manufacturer of injectable products and antibiotics.

### Sales by geographical region

Spain represents 43% of the group's sales. Revenues grew by 6%, led by the las Pharmaceutical Technologies and Consumer Healthcare divisions.

The other European markets, which amount to 46% of sales, have grown by 30%. The main promoter of growth is again the hospital products area of Pharmaceutical Technologies. In Consumer Healthcare, the brand FORTE PHARMA also grows in France, Belgium and Spain, and the new subsidiary in Poland is incorporated into this division.

The rest of the countries, which together account for 11% of sales, shrink by 6%, a trend that we expect will reverse in the second half of the year.



### NEW INJECTABLE PRODUCTS PLANT IN BARCELONA

Manufacturing of the first product batches in the first half of 2022



The first industrial batches of REIG JOFRE's injectable products were produced in the second quarter. The impact on revenue of the new installation, which will triple the manufacturing capacity of injectable products, will be seen in the second half of the year, and maximum production capacity is expected to be reached gradually from 2024 - 2025. The plant will be dedicated both to already consolidated products and to new own and third-party developments, and the technological capacities in the area of biological-based products will be exploited.

Once the agreement for technology transfer and manufacturing of the COVID-19 vaccine is terminated, the capacity of the new plant is released for other ongoing projects.

## Performance

Sales at the end of the first half of the year, 14% above the previous year, is due, to a large extent, to the recovery in the sales of antibiotics, one of the ranges with the smallest margin in our Pharma Tech product portfolio.

This, together with the pressure on the prices of materials, and the higher consumption of raw materials that the start of manufacturing at the new Barcelona plant entails, places the gross margin at 59% of sales (62% in 2021).

Personnel and Other operating expenses taken together, have grown by 7%, thus compensating the reduction of the gross margin.

On the one hand, personnel expenses have increased mainly due to the greater level of industrial activity and growth of the commercial network in Consumer Healthcare; on the other, the other operating costs grew by 5%, much lower than the growth of sales.

EBITDA reached €14.2 million, a 6% growth in comparison to the same period of 2021.

Depreciation of tangible fixed assets amounts to €9.4 million, representing a growth of 8% in comparison to 2021. This increase is due to industrial investments in technology and the increase in capacity as well as amortization of intangible assets, including the R&D project that have finalized.

This first half of 2022 records a financial cost greater than the previous year, due to the greater indebtedness associated to the investments, and a greater impact of the currency exchange rates.

Earnings before taxes were €4.2 million, 2% more than the same period in 2021.

## Investment and Funding

Having finalized the Barcelona Plant, the main project this year is the construction and commissioning of a new production line at the plant in Sweden, dedicated to the development and manufacture of the group's derma products.

Excluding the effect of IFRS 16, the Financial Debt with banks and other public bodies is already slightly reduced and stands at 62.3 million euros, thus initiating a change in trend compared to previous closings.

The Debt/EBITDA ratio remains at 2.5, the same level at the end of 2021.



### OUTLOOK FOR 2022

After 2021, characterized by the fall in demand of some of REIG JOFRE's main product ranges and investment for the ramp-up of the new plant in Barcelona, in 2022 it resumes its strategic growth plan, in which the demand for hospital products is clearly recovering and in which the new plant has already started manufacturing its products.

REIG JOFRE expects to end 2022 with the current growth rates in sales and EBITDA. The consolidation of the recovery of demand, the new launches, and the progressive use of the new manufacturing capacity available will be key for the growth of sales and results in 2022.

Receive the latest news on the Spanish publicly traded company REIG JOFRE by registering at its **subscription centre**:  
[www.reigjofre.com/es/noticias/centro-suscripcion/](http://www.reigjofre.com/es/noticias/centro-suscripcion/)

## 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 food supplements at its four plants in Toledo (2), Barcelona and Malmö (Sweden). REIG JOFRE organizes its product development activities into three business divisions: (1) *Pharmaceutical Technologies* specializing in sterile and lyophilized injectables and penicillin-derived antibiotics; (2) *Specialty Pharmacare* specializing in dermatology and osteoarticular disorders; 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 1,200 employees, direct sales in 8 countries (Spain, France, Portugal, Belgium, Sweden, United Kingdom, Poland, and Singapore), and a extensive sales partners network in more than 70 countries. REIG JOFRE achieved group sales of €236,2 million in 2021. REIG JOFRE is listed under the code RJF. Share capital: 77,432,084 shares.

## Further information

Inma Santa-Pau – Director of Communications and Investor Relations - [isantapau@reigjofre.com](mailto:isantapau@reigjofre.com)  
[www.reigjofre.com](http://www.reigjofre.com)



**INCOME STATEMENT**

thousand euros	30/06/2022	30/06/2021
<b>Turnover</b>	<b>132.556</b>	<b>116.115</b>
Procurements	-59.830	-42.793
Changes in inventories	5.767	-979
<b>Gross margin</b>	<b>78.492</b>	<b>72.343</b>
Work carried out for fixed assets	1.733	2.321
Other operating income	65	279
Personnel expenses	-35.017	-32.036
Other operating expenses	-31.088	-29.569
<b>EBITDA</b>	<b>14.186</b>	<b>13.337</b>
Depreciation and amortization	-9.384	-8.679
Govern. grants for non-financial assets and others	11	11
Impairment and results on disposals	4	-2
<b>Operating income</b>	<b>4.817</b>	<b>4.668</b>
<b>Financial result</b>	<b>-682</b>	<b>-494</b>
Results from entities accounted by the equity method	119	18
<b>Profit before taxes</b>	<b>4.254</b>	<b>4.192</b>
Income tax	-638	-629
<b>NET RESULT</b>	<b>3.616</b>	<b>3.563</b>

## BALANCE

thousand euros	30/06/2022	30/06/2021
<b>ASSETS</b>		
Goodwill	29.574	29.926
Other intangible assets	74.780	81.128
Property, plant and equipment	91.235	90.939
Investments in equity-accounted investees	1.978	1.877
Non-current financial assets measured at fair value	1.202	1.171
Other non-current financial assets	417	583
Deferred tax assets	12.618	14.875
<b>TOTAL NON-CURRENT ASSETS</b>	<b>211.804</b>	<b>220.499</b>
Inventories	50.117	47.140
Trade and other receivables	51.316	42.248
Current tax assets	6.048	5.908
Other current financial assets	952	759
Other current assets	5.019	2.982
Cash and cash equivalents	3.541	16.171
<b>TOTAL CURRENT ASSETS</b>	<b>116.993</b>	<b>115.208</b>
<b>TOTAL ASSETS</b>	<b>328.797</b>	<b>335.707</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	38.716	38.401
Share Premium	19.000	19.000
Treasury shares	-2.514	-1.558
Reserves	133.827	129.162
Own equity instruments	295	622
Profit attributable to the parent company	3.616	3.570
Exchange differences	-1.636	-734
Other comprehensive income	-154	-175
<b>Equity attributable to parent company</b>	<b>191.150</b>	<b>188.288</b>
Non-controlling interests	-88	-75
<b>TOTAL EQUITY</b>	<b>191.062</b>	<b>188.213</b>
Capital grants	3.040	2.355
Provisions	201	287
Financial liabilities with credit institutions	31.685	28.821
Lease liabilities	13.453	15.097
Other financial liabilities	6.093	5.988
Deferred tax liabilities	2.916	3.220
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>57.388</b>	<b>55.768</b>
Provisions	15	26
Financial liabilities with credit institutions	16.952	10.333
Lease liabilities	4.670	5.398
Other financial liabilities	545	3.749
Liabilities from contracts with customers	8.971	7.247
Trade and other payables	43.609	46.669
Current tax liabilities	3.502	3.134
Other current liabilities	2.083	15.170
<b>TOTAL CURRENT LIABILITIES</b>	<b>80.347</b>	<b>91.726</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>328.797</b>	<b>335.707</b>