

## REIG JOFRE

### Weak Q4: 2025 a transition year

- Weak Q4 EBITDA, as expected.** Sales increased 4% to €89m (9% ahead of our expectation), driven by Specialty Pharma; strong dermatology performance offset declines elsewhere, notably Antibiotics, which fell 17% on production downtimes. Gross profit was flat at €49m, with a gross margin down 2pp to 55.5% due to a weaker mix. Opex rose 17% on wage inflation and costs related to industrial upgrades at production plants. As a result, EBITDA fell 29% to €6.5m, in line with our estimate. EBIT was roughly breakeven, but €3.8m one-off financial income (revaluation of the stake in Syna therapeutics/LeanBio following full consolidations) allowed Reig to report €3.1m net profit vs our €0.3m.
- 2025 a transition year.** Full-year EBITDA fell 20% to €30.5m, mainly due to the temporary reduction in antibiotic production capacity as Reig implements industrial upgrades at its Toledo plant to comply with new regulation and improve efficiency and output. Management estimates this alone reduced EBITDA by €9.7m in the year (-25%). However, Reig indicates that underlying demand remains solid and expects volumes to recover as production ramps up again. In addition, antibiotic price increases approved by the Ministry of Health in January should support margins. Management estimates underlying organic growth, excluding non-recurring effects, added €4.1m (11%) to EBITDA in 2025.
- LeanBio acquisition.** Reig took control of LeanBio in December, after investing since 2018 and forming the Syna Therapeutics JV. Consolidation increased net debt up by ~€30m to €101m, above our €52m estimate, as we had not included the acquisition. The rationale is vertical integration into biologics and biosimilars, one of the fastest-growing areas in biotech as many first- and second-generation biologics face patent expiration. At the presentation, management highlighted the potential to develop end-to-end biological drug substance solutions, both in-house and for third parties, although without quantifying the opportunity.
- Better prospects for 2026.** The antibiotics plant should gradually restart operations, with the new line ramping up in 2H26, supporting stronger performance in 2026. Underlying results were in line with our expectations, so we leave our forecast unchanged for now. We incorporate LeanBio acquisition into our debt estimates and expect limited short-term P&L impact. However, this does not affect our valuation, as we add Lean Bio at acquisition cost in our estimated EV. We value RJF at €2.50-3.40 per share.

Financial Ratios	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA (€m)	34	36	28	40	45	51
Net profit (€m)	9	10	5	3	10	16
EPS (€)	0.12	0.13	0.06	0.04	0.13	0.20
Adj. EPS (€)	0.18	0.19	0.11	0.08	0.17	0.24
P/E (x)	21.1	20.6	44.6	62.4	19.3	12.6
P/E Adj. (x)	14.3	14.4	22.3	29.5	14.4	10.3
EV/EBITDA (x)	7.5	7.0	10.5	7.1	6.0	5.1
Debt/EBITDA (x)	1.7	1.6	3.6	2.2	1.7	1.3
P/BV (x)	1.0	1.0	0.9	0.9	0.9	0.8
ROE (%)	6.8	7.0	4.1	3.1	6.2	8.2
DPS (€)	0.04	0.04	0.02	0.02	0.05	0.08
Dividend yield (%)	1.6	1.5	0.9	0.6	2.1	3.2

(\*) Historical multiples based on average share price of the year

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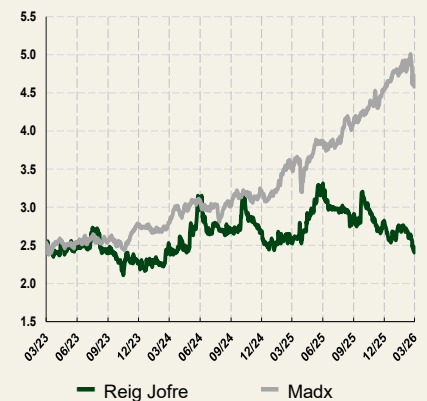
Share Price (\*) € 2.48

\*Share price at the close of 11 March 2026

### RJF.MC / RJF SM

Market Cap	€ 202 m
Enterprise Value	€ 285 m
Free Float	€ 36 m
N° Shares	83 m
Average Daily Volume	€ 94 k

Performance	1m	3m	12m
Absolute %	-7.5	-10.8	-3.0
Relative %	-3.7	-14.2	-37.8



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## REIG JOFRE: 4Q RESULTS REVIEW

(€ m)	4Q24	1Q25	2Q25	3Q25	4Q25	YoY	4Q25E	Diff
PharmaTech	39.8	35.7	34.7	27.6	39.0	(2%)	34.7	13%
Specialty Pharma	30.0	29.8	29.2	27.0	34.0	13%	30.8	10%
Consumer Health	16.1	22.5	15.5	20.0	16.0	(1%)	16.4	(3%)
<b>Sales</b>	<b>85.9</b>	<b>88.0</b>	<b>79.4</b>	<b>74.6</b>	<b>89.1</b>	<b>4%</b>	<b>81.9</b>	<b>9%</b>
CoGS	(36.7)	(35.1)	(32.6)	(27.9)	(39.7)	8%	(33.9)	17%
<b>Gross profit</b>	<b>49.2</b>	<b>52.8</b>	<b>46.9</b>	<b>46.7</b>	<b>49.4</b>	<b>0%</b>	<b>48.0</b>	<b>3%</b>
Opex	(40.0)	(42.9)	(42.6)	(36.9)	(42.9)	7%	(41.6)	3%
<b>EBITDA</b>	<b>9.2</b>	<b>9.9</b>	<b>4.3</b>	<b>9.8</b>	<b>6.5</b>	<b>(29%)</b>	<b>6.4</b>	<b>2%</b>
D&A	(5.4)	(6.1)	(6.3)	(6.1)	(6.3)	17%	(6.1)	3%
Result on sale of assets	(1.9)	0.1	0.1	(0.9)	(0.6)	n.m.	(1.2)	(46%)
<b>EBIT</b>	<b>1.9</b>	<b>3.8</b>	<b>(1.9)</b>	<b>2.8</b>	<b>(0.4)</b>	n.m.	<b>(0.9)</b>	<b>(53%)</b>
Net interest	0.6	(0.1)	(0.2)	(1.1)	3.8	n.m.	(0.1)	n.m.
Equity method & other	(0.1)	0.6	(0.8)	(0.7)	0.7	n.m.	1.3	n.m.
<b>Pretax profit</b>	<b>2.4</b>	<b>4.3</b>	<b>(3.0)</b>	<b>0.9</b>	<b>4.1</b>	<b>72%</b>	<b>0.3</b>	n.m.
Income taxes	0.1	(0.6)	0.8	(0.5)	(1.0)	n.m.	(0.0)	n.m.
<b>Net profit</b>	<b>2.5</b>	<b>3.7</b>	<b>(2.1)</b>	<b>0.4</b>	<b>3.1</b>	<b>27%</b>	<b>0.3</b>	n.m.
Gross margin	57.3%	60.1%	59.0%	62.5%	55.5%	-182bp	58.6%	
EBITDA margin	10.7%	11.2%	5.4%	13.1%	7.3%	-338bp	7.8%	
EBIT margin	2.2%	4.4%	(2.5%)	3.7%	(0.5%)	-267bp	(1.1%)	
Tax rate	(2.5%)	15.0%	27.6%	58.0%	24.1%	n.m.	14.9%	
<b>Net debt</b>	<b>57</b>	<b>58</b>	<b>68</b>	<b>68</b>	<b>101</b>	<b>78%</b>	<b>52</b>	

## KEY DATA

P&L account (€ m)	FY23	FY24	FY25	FY26E	FY27E	FY28E	Cash flow (€ m)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	316	339	324	353	385	414	Net profit	9	10	5	3	10	16
COGS	(134)	(140)	(130)	(139)	(150)	(161)	Depreciation	23	23	25	34	31	30
<b>Gross Profit</b>	<b>182</b>	<b>199</b>	<b>194</b>	<b>214</b>	<b>235</b>	<b>252</b>	Minorities	-	-	-	-	-	-
Opex	(149)	(163)	(166)	(174)	(189)	(201)	Non-cash adjustments	(1)	0	0	(2)	(2)	(2)
<b>EBITDA adj.</b>	<b>34</b>	<b>36</b>	<b>28</b>	<b>40</b>	<b>45</b>	<b>51</b>	<b>Total cash-flow (CF)</b>	<b>31</b>	<b>34</b>	<b>30</b>	<b>36</b>	<b>40</b>	<b>43</b>
D&A	(17)	(17)	(19)	(28)	(25)	(24)	Capex	(13)	(26)	(23)	(16)	(18)	(19)
<b>EBIT adj.</b>	<b>17</b>	<b>19</b>	<b>10</b>	<b>12</b>	<b>20</b>	<b>28</b>	Working capital investment	(12)	(4)	3	(6)	(6)	(6)
PPA amortization	(6)	(6)	(6)	(6)	(6)	(6)	<b>Operating FCF</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>18</b>
Non-recurring items	-	-	-	-	-	-	Financial investments	-	-	-	-	-	1
<b>EBIT</b>	<b>11</b>	<b>13</b>	<b>4</b>	<b>6</b>	<b>14</b>	<b>22</b>	Disposals (acquisitions)	-	(7)	-	-	-	-
Net interest	(1)	(2)	3	(1)	(1)	(2)	Rights issues	-	-	-	-	-	-
Other non-operating results	1	1	(1)	(1)	(1)	(2)	Others	(2)	3	-	-	-	-
<b>EBT</b>	<b>11</b>	<b>12</b>	<b>6</b>	<b>4</b>	<b>12</b>	<b>19</b>	<b>FCF before dividends</b>	<b>5</b>	<b>1</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>19</b>
Income tax expense	(1)	(1)	(1)	(1)	(2)	(3)	Dividends paid	(0)	(0)	(0)	(1)	(4)	(6)
Minorities	-	-	-	-	-	-	<b>Free-cash-flow (FCF)</b>	<b>5</b>	<b>1</b>	<b>9</b>	<b>12</b>	<b>11</b>	<b>13</b>
<b>Net profit, reported</b>	<b>9</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>10</b>	<b>16</b>	Share buybacks	-	-	-	-	-	-
Adjustments	5	5	5	4	4	4	<b>FCF after buy backs</b>	<b>5</b>	<b>1</b>	<b>9</b>	<b>12</b>	<b>11</b>	<b>13</b>
<b>Net profit adjusted</b>	<b>14</b>	<b>15</b>	<b>9</b>	<b>7</b>	<b>14</b>	<b>20</b>							
N° of shares (m)	80	81	82	82	82	82	<b>Balance sheet (€ m)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
N° of shares adjusted (m)	79	80	81	82	82	82	Shareholders' equity	204	214	220	222	229	238
Treasury stock (m)	1	1	1	1	1	1	Minority interests	-	-	-	-	-	-
							Provisions and other liabilities	7	7	9	9	9	9
<b>YoY Growth</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	Net debt	58	57	101	89	78	66
Sales	16.6%	7.2%	(4.4%)	9.0%	9.0%	7.5%	<b>Capital invested</b>	<b>269</b>	<b>277</b>	<b>330</b>	<b>320</b>	<b>315</b>	<b>313</b>
EBITDA adjusted	13.9%	6.9%	(21.2%)	40.9%	13.8%	13.0%							
EBIT adjusted	14.2%	12.8%	(47.7%)	21.2%	72.0%	36.8%	Goodwill & PPA intangibles	138	123	132	126	120	114
Net profit, reported	16.5%	10.5%	(56.6%)	(28.1%)	223.0%	52.6%	Fixed operating assets	45	56	94	84	79	76
							Non-operating assets	19	30	25	25	25	25
<b>Revenues by division</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	Working capital	67	68	80	86	92	98
Pharmaceutical Tech	44%	45%	41%	42%	43%	44%	<b>Capital employed</b>	<b>269</b>	<b>277</b>	<b>330</b>	<b>320</b>	<b>315</b>	<b>313</b>
Specialty Pharma	33%	34%	36%	35%	35%	34%	Working capital/sales	21.3%	20.0%	24.7%	24.3%	24.0%	23.7%
Consumer Healthcare	23%	21%	23%	22%	22%	22%							
							<b>Financial ratios</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Revenues by geography</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	Net debt/EBITDA	1.7X	1.6X	3.6X	2.2X	1.7X	1.3X
Spain	45%	41%	41%	41%	41%	41%	Net debt adjusted(*)/EBITDA	1.7X	1.6X	3.6X	2.2X	1.7X	1.3X
Rest of EU	44%	48%	47%	48%	48%	49%	Gearing	28.3%	26.6%	45.9%	40.0%	34.0%	27.6%
Rest of World	12%	11%	11%	11%	11%	10%	Interest cover	9.0X	7.5X	(1.2X)	5.8X	14.3X	14.6X
							<b>Margins &amp; ratios</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Per share data</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	EBITDA adj. margin	10.7%	10.6%	8.8%	11.3%	11.8%	12.4%
EPS	0.12	0.13	0.06	0.04	0.13	0.20	EBIT adj. margin	5.2%	5.5%	3.0%	3.3%	5.3%	6.7%
EPS adjusted	0.18	0.19	0.11	0.08	0.17	0.24	Effective tax rate	10.5%	12.3%	22.6%	15.0%	15.0%	15.0%
CFPS	0.39	0.43	0.36	0.44	0.49	0.53	Pay-out	33.6%	30.9%	40.0%	40.0%	40.0%	40.0%
FCFPS	0.06	0.01	0.12	0.16	0.19	0.24	ROCE (EBT/CE)	3.9%	4.6%	1.1%	1.8%	4.5%	7.0%
BVPS	2.58	2.67	2.71	2.73	2.80	2.92	ROE	6.8%	7.0%	4.1%	3.1%	6.2%	8.2%
DPS	0.04	0.04	0.02	0.02	0.05	0.08							

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