

## REIG JOFRE

### Soft Q1, but temporary factors in play

- Q1 below estimates.** Q1 sales came in at €86.3m (-2% YoY), falling 6% short of our €91.6m estimate. Both the PharmaTech transformation plan and a supply chain disruption in Consumer weighed on performance. EBITDA was broadly flat year-on-year (€9.9m, +1% YoY), though it included €5.7m of capitalized work on fixed assets (vs €0.5m last year, the increase reflecting the development of the new biosimilar) and came in 18% below our figures (€12.2m). Net profit of €3.1m (-17% YoY) beat our estimate by 15%, largely due to a favourable tax effect (effective tax rate of -16.2% vs our 15% assumption). Net debt of €102m was roughly in line with end-2025 levels but slightly above our forecast of €97m, reflecting higher-than-expected capex in the quarter (€8.5m vs €4.1m).
- PharmaTech transformation plan continues.** Sales of €32m extended their downward trend (-9.4% YoY), coming in below our €36m estimate. The division remains held back by its operational transformation, now in its final phase. The new antibiotic production line in Toledo is on track, with first sales expected in Q3.
- One-off disruption weighs on Consumer Healthcare.** In March, supply of Forté Pharma products in France and Belgium was disrupted by a fire in the supply chain. The company did not quantify the impact but noted that sales are covered by insurance and will be recovered over the next two quarters.
- AGM approves dual share class structure.** At yesterday's AGM, shareholders approved the conversion of existing ordinary shares into Class A shares and the creation of non-voting Class B shares. The board was also granted authority to increase share capital over the next five years — in either share class — via cash contributions, with the express ability to disapply pre-emption rights. The CEO flagged potential for M&A in Europe, focused on synergistic operations or deepening presence in existing markets (i.e. UK, Poland, and France).
- Our view.** Results were overall below our expectations, but the miss is largely explained by two temporary factors: the Consumer disruption, which management expects to recover in the coming quarters; and PharmaTech, which has yet to show the potential of its post-transformation operating model. We leave our forecasts unchanged, though we acknowledge they carry some downside risk following 1Q26. On costs, opex growth of +11% came in above our FY +5% assumption; on revenues, the -2% YoY print in Q1 raises questions over the achievability of our +9% YoY FY estimate. A detailed review of Reig Jofre will follow in due course.

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	50.4	70.4	21.8	14.3
P/E Adj. (x)	14.3	14.4	25.2	33.4	16.2	11.7
EV/EBITDA (x)	7.5	7.0	11.4	7.8	6.6	5.6
Debt/EBITDA (x)	1.7	1.6	3.6	2.2	1.7	1.3
P/BV (x)	1.0	1.0	1.0	1.0	1.0	1.0
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	0.8	0.6	1.8	2.8

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

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Share Price (\*) € 2.77

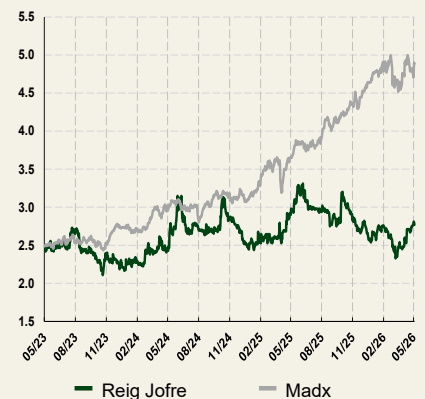
\*Share price at the close of 07 May 2025

### RJF.MC / RJF SM

Market Cap	€ 228 m
Enterprise Value	€ 312 m
Free Float	€ 48 m
N° Shares	82 m
Average Daily Volume	€ 43 k

### Performance

	1m	3m	12m
Absolute %	10.4	1.1	-4.6
Relative %	10.5	-0.9	-38.5



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Results review								
(€ m)	1Q25	2Q25	3Q25	4Q25	1Q26	YoY	1Q26E	Diff
PharmaTech	35.7	34.7	27.6	39.0	32.3	(9%)	36.4	(11%)
Specialty Pharma	29.8	29.2	27.0	34.0	36.1	21%	31.1	16%
Consumer Health	22.5	15.5	20.0	16.0	17.9	(20%)	24.1	(26%)
<b>Sales</b>	<b>88.0</b>	<b>79.4</b>	<b>74.6</b>	<b>89.1</b>	<b>86.3</b>	<b>(2%)</b>	<b>91.6</b>	<b>(6%)</b>
CoGS	(35.1)	(32.6)	(27.9)	(39.7)	(34.9)	(1%)	(36.2)	(4%)
<b>Gross profit</b>	<b>52.8</b>	<b>46.9</b>	<b>46.7</b>	<b>49.4</b>	<b>51.4</b>	<b>(3%)</b>	<b>55.4</b>	<b>(7%)</b>
Opex & Other	(42.9)	(42.6)	(36.9)	(42.9)	(41.4)	(3%)	(43.3)	(4%)
<b>EBITDA</b>	<b>9.9</b>	<b>4.3</b>	<b>9.8</b>	<b>6.5</b>	<b>9.9</b>	<b>1%</b>	<b>12.2</b>	<b>(18%)</b>
D&A	(6.1)	(6.3)	(6.1)	(6.3)	(6.5)	6%	(7.0)	(8%)
Result on sale of assets	0.1	0.1	(0.9)	(0.6)	(0.2)	(472%)	(1.5)	(85%)
<b>EBIT</b>	<b>3.8</b>	<b>(1.9)</b>	<b>2.8</b>	<b>(0.4)</b>	<b>3.3</b>	<b>(15%)</b>	<b>3.6</b>	<b>(10%)</b>
Net interest	(0.1)	(0.2)	(1.1)	3.8	(0.6)	775%	(0.3)	148%
Equity method & other	0.6	(0.8)	(0.7)	0.7	–	(100%)	(0.3)	(100%)
<b>Pretax profit</b>	<b>4.3</b>	<b>(3.0)</b>	<b>0.9</b>	<b>4.1</b>	<b>2.6</b>	<b>(39%)</b>	<b>3.1</b>	<b>(16%)</b>
Income taxes	(0.6)	0.8	(0.5)	(1.0)	0.4	(166%)	(0.5)	(191%)
<b>Net profit</b>	<b>3.7</b>	<b>(2.1)</b>	<b>0.4</b>	<b>3.1</b>	<b>3.1</b>	<b>(17%)</b>	<b>2.7</b>	<b>15%</b>
Gross margin	60.1%	59.0%	62.5%	55.5%	59.6%	-50bp	60.5%	
EBITDA margin	11.2%	5.4%	13.1%	7.3%	11.5%	29bp	13.3%	
EBIT margin	4.4%	(2.5%)	3.7%	(0.5%)	3.8%	-59bp	4.0%	
Tax rate	15.0%	27.6%	58.0%	24.1%	(16.2%)	n.m.	15.0%	
<b>Net debt</b>	<b>58</b>	<b>68</b>	<b>68</b>	<b>101</b>	<b>102</b>	<b>75%</b>	<b>97</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	0	0	0	0	0	0
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	0	0	0	0	0	0	Financial investments	0	0	0	0	0	1
<b>EBIT</b>	<b>11</b>	<b>13</b>	<b>4</b>	<b>6</b>	<b>14</b>	<b>22</b>	Disposals (acquisitions)	0	(7)	0	0	0	0
Net interest	(1)	(2)	3	(1)	(1)	(2)	Rights issues	0	0	0	0	0	0
Other non-operating results	1	1	(1)	(1)	(1)	(2)	Others	(2)	3	0	0	0	0
<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	0	0	0	0	0	0	<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	0	0	0	0	0	0
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>							
Nº 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>
Nº 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%	Goodwill & PPA intangibles	138	123	132	126	120	114
EBIT adjusted	14.2%	12.8%	(47.7%)	21.2%	72.0%	36.8%	Fixed operating assets	45	56	94	84	79	76
Net profit, reported	16.5%	10.5%	-56.6%	-28.1%	223.0%	52.6%	Non-operating assets	19	30	25	25	25	25
							Working capital	67	68	80	86	92	98
<b>Revenues by division</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	<b>Capital employed</b>	<b>269</b>	<b>277</b>	<b>330</b>	<b>320</b>	<b>315</b>	<b>313</b>
Pharmaceutical Tech	43.9%	44.6%	41.0%	42.1%	43.3%	43.8%	Working capital/sales	21.3%	20.0%	24.7%	24.3%	24.0%	23.7%
Specialty Pharma	33.2%	34.0%	36.1%	35.5%	34.7%	34.5%							
Consumer Healthcare	22.9%	21.4%	23.0%	22.4%	21.9%	21.7%							
							<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	44.6%	41.0%	41.4%	41.1%	40.8%	40.5%	Net debt adjusted(*)/EBITDA	1.7X	1.6X	3.6X	2.2X	1.7X	1.3X
Rest of EU	43.6%	48.0%	47.5%	48.0%	48.5%	49.0%	Gearing	28.3%	26.6%	45.9%	40.0%	34.0%	27.6%
Rest of World	11.8%	11.0%	11.1%	10.9%	10.7%	10.5%	Interest cover	9.0X	7.5X	(1.2X)	5.8X	14.3X	14.6X
<b>Per share data</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	<b>Margins &amp; ratios</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
EPS	0.12	0.13	0.06	0.04	0.13	0.20	EBITDA adj. margin	10.7%	10.6%	8.8%	11.3%	11.8%	12.4%
EPS adjusted	0.18	0.19	0.11	0.08	0.17	0.24	EBIT adj. margin	5.2%	5.5%	3.0%	3.3%	5.3%	6.7%
CFPS	0.39	0.43	0.36	0.44	0.49	0.53	Effective tax rate	10.5%	12.3%	22.6%	15.0%	15.0%	15.0%
FCFPS	0.06	0.01	0.12	0.16	0.19	0.24	Pay-out	34%	31%	40%	40%	40%	40%
BVPS	2.58	2.67	2.71	2.73	2.80	2.92	ROCE (EBT/CE)	3.9%	4.6%	1.1%	1.8%	4.5%	7.0%
DPS	0.04	0.04	0.02	0.02	0.05	0.08	ROE	6.8%	7.0%	4.1%	3.1%	6.2%	8.2%

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