

REIG  JOFRE
TRADITION OF INNOVATION

Q2

RESULTS

Second Quarter of 2022





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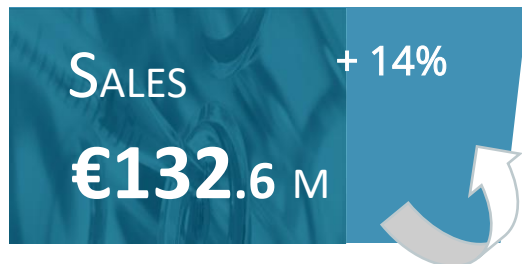
Q2 2022

RESULTS

01

RESULTS FOR SECOND QUARTER OF 2022

REIG JOFRE grew by 14% in revenue and 6% in EBITDA in the first half of 2022



○ The sales figure for the first half of 2022 reached 132 million euros, exceeding the same period of 2021 by 14%. Recovery from the sale of antibiotics and good performance in the Forté Pharma ranges of food supplements have been the main drivers of this growth.

○ Sales in the domestic market grew by 6%, especially in the ranges of antibiotic and injectable products, and in the Consumer Healthcare division, while medical prescription products displayed a more moderate increase.

○ Remarkable revenue growth is achieved in Europe (30%), due to the recovery in countries in which REIG JOFRE has its own companies and specialized sales networks: Sweden, France, UK and Poland mainly.

○ The Pharmaceutical Technologies division shows the largest growth (21%), thanks to the recovery of the antibiotics market in domestic and international markets, after a strong contraction of these products in 2021.

○ In June 2022, the Group's EBITDA reached 14.2 million euros, a 6% increase over the previous year.

○ Larger amortizations of investments in technology impacted the consolidated half year results, amounting to 3.6 million euros, a 2% increase.

○ Industrial investment reached 2.7 million euros corresponding mainly to the new manufacturing line of the Swedish plant, which concentrates the development and production of the group's dermatological products.



REVENUE BY BUSINESS UNIT

PHARMACEUTICAL TECHNOLOGIES



Antibiotics
Injectables / Lyophilizates

48%

€63.4
million
+21%

SPECIALTY PHARMACARE



Osteoarticular
Dermatology

28%

€37.1
million
+2%

CONSUMER HEALTHCARE



OTC
Energy
Stress and sleep
Weight control
Beauty

24%

€32.0
million
+18%

- This division grew by 21% in 2022, mainly due to the recovery of the antibiotics market, after a reduction in the global consumption of these products in 2021 caused by the social distancing measures.
- The new injectable plant in Barcelona begins the manufacture of its own product, once terminated the agreement for the technology transfer and manufacture of the covid 19 vaccine.
- The domestic market grew by an outstanding 10%, although the European markets provided greater growth.

- The medical prescription product division, which had achieved a 14% growth in 2021, in a market that was already clearly recovering, consolidated sales levels and increased revenue by 2%.
- New launches in the dermatological area will enable these growth rates to be improved in the second half of the year.
- Geographically we can highlight the improvement of sales in the UK and especially in Poland, where REIG JOFRE created a subsidiary in 2021.

- The Consumer Healthcare division doubled the growth rate of the previous year, growing by 11% in Spain and 21% in other European countries, headed by France.
- OTC products, especially in the respiratory and ORL product ranges, continue clearly recovering, a trend that began in 2021.
- The Forté Pharma line of food supplements continued growing in its main market - France, Belgium, and the rest of Europe.

% International sales

PHARMACEUTICAL TECHNOLOGIES



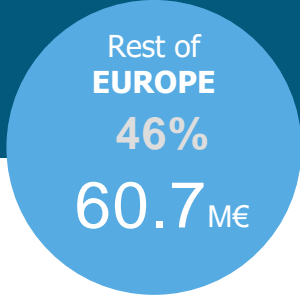
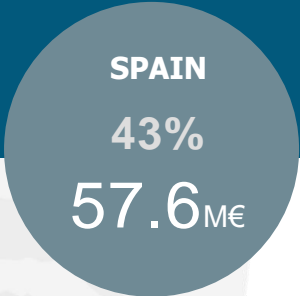
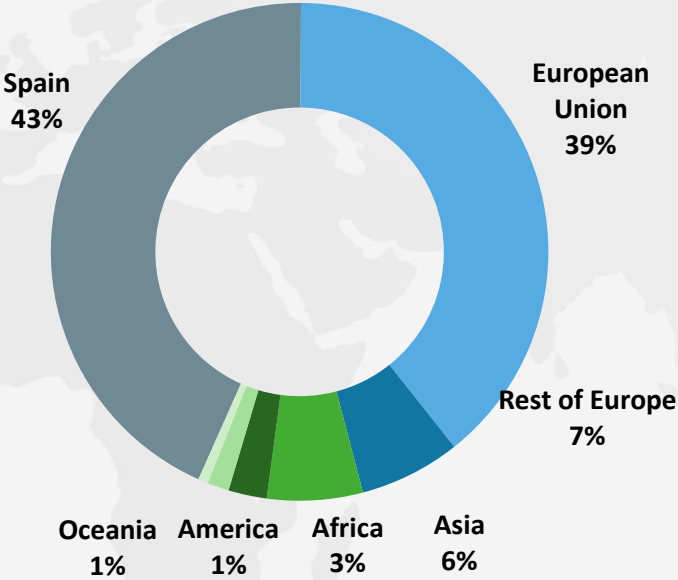
SPECIALTY PHARMACARE



CONSUMER HEALTHCARE



SALES BY GEOGRAPHICAL AREA



- Revenue grew in the Spanish market due to a greater consumption of antibiotics as well as good progress in consumer healthcare products: OTC and Forté Pharma food complements, revenue increased by 6% over the previous year.
- The rest of the European markets grew by an outstanding 30%. Demand for hospital products has recovered and shows a trend for acceleration in France and Benelux, in the Forté Pharma ranges. Our subsidiary in the UK and the new subsidiary in Poland show the greatest percentages of growth .
- Sales in the rest of the world fell by 6%, due to lower demand for hospital supply linked to some specific agreements initiated in 2020. This area is expected to once again contribute growth, especially from the Pharmaceutical Technologies division.

13% | CDMO

Contract Development Manufacturing Organization
(Third-party manufacturing)

INCOME STATEMENT

&

BALANCE SHEET

02

INCOME STATEMENT

2Q 2022

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

2022 / 2021 Outlook

- A significant 14% growth in sales figures, with a 59% gross sales margin, slightly less than the same period in 2021, due to the greater weight of antibiotics, whose margin is below the average, and the pressure on the cost of materials.
- The R&D capitalization rate (work performed for fixed assets) less than the previous year.
- Personnel expenses grew by 9% mainly due to an increase in the workforce because of the greater industrial activity in the first half of the year.
- Other operating expenses were managed efficiently, growing by 5%, much lower than the increase in revenue.
- EBITDA stands at 14.2 million euros, a 6% increase over the previous year and 10.7% on sales.
- Amortization expense grew by 8% and is expected to continue to grow in the second half of 2022 due to the progressive entry into operation of investments in technology and industrial capacity.
- Financial expenditures are at the projected level due to the larger debt, and the financial result also receives a negative impact due to exchange rate differences.
- Profit before tax thus reaches €4.3 million, 2% more than the first half of 2021.

BALANCE SHEET

Q2 2022

thousand euros

30/06/2022

30/06/2021

ASSETS

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
TOTAL NON-CURRENT ASSETS	211.804	220.499

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
TOTAL CURRENT ASSETS	116.993	115.208

TOTAL ASSETS

328.797

335.707

- Non-current assets reflect the effects from moderate investment and depreciation of both tangible assets and intangible assets (brands and products purchased, as well as R&D projects that have already been completed).
- There is an increase in the stock level in 2Q of 2022, linked to greater industrial activity and growth of sales. Trade debtors also increase due to the greater revenue and seasonality of the of Consumer Healthcare. Therefore, cash flow is reduced compared to the same period in 2021. These working capital levels will normalize in the following quarters.

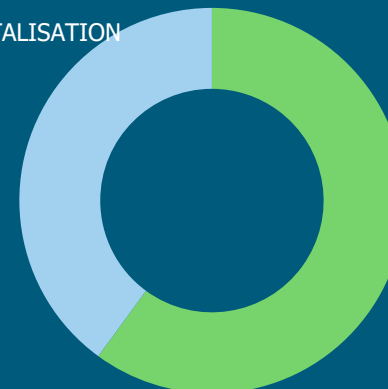
2022 INVESTMENT

€4.4
million

R&D CAPITALISATION
1.7 M

CAPEX
INDUSTRIAL

2.7 M



- **Industrial investments** in technology and capacity increase fall once the in the new Barcelona plant were completed. The main project of 2022 corresponds to the enlargement of the Swedish factory with a new production line at the end of 2022.
- **R&D projects** are capitalized to a value of €1.7 million, although the total expenditure of the Group (capitalized and non-capitalized) amounts to almost €6 million, equivalent to 5% of consolidated revenue.

BALANCE SHEET

2Q 2022

thousand euros	30/06/2022	30/06/2021
TOTAL EQUITY	191.062	188.213
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
TOTAL NON-CURRENT LIABILITIES	57.388	55.768
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
TOTAL CURRENT LIABILITIES	80.347	91.726
TOTAL EQUITY AND LIABILITIES	328.797	335.707

- Non-current liabilities increased due to the finance of investments and the loans received for R&D projects.
- Within the current liabilities, other current liabilities for payment of the debt to the osteoarticular business seller have reduced by €13 million, which is offset by increased financial debt.

NET FINANCIAL DEBT

year-end
2Q22

69.9 € million

year-end
2021

69.0 € million

Debt | EBITDA

year-end
2Q22

2.5

year-end
2021

2.5

FINANCIAL
DEBT

73.4M

LEASE DEBT
APPLICATION NIIF 16

11.1M

CORPORATE DEBT
CREDIT AND OTHER

62.3M

- **Net financial debt** has increased slightly this semester, at €69.9 million. Nevertheless, due to the improvement of EBITDA, the **Debt/EBITDA** ratio remains at 2.5, the same level as the close of 2021.
- Our expectation is to end the year in a better liquidity and indebtedness position, if the forecast investments are maintained. This position enables sufficient level of comfort to face new investment projects.

OUTLOOK

2022

03

Outlook for 2022

REIG JOFRE resumes its strategic growth plan in 2022, in a market context in which the demand for hospital products is clearly recovering and with the operational start-up of the new injectables plant in Barcelona, which has already begun manufacturing its products.

The first six months of 2022 allows us to reach the maximum historical sales figure for REIG JOFRE in the first half of a year: 132 million euros. 2021 closed with annual sales of 236 million euros.

The **PHARMACEUTICAL TECHNOLOGIES** division (48% of revenue) recovers the growth path according to its strategic plan prior to the pandemic, with a robust +21% in sales. If to the recovery of the antibiotics market, we add the beginning of revenue from the ramp-up of the new Barcelona plant of injectable products in the second half of the year, the forecast is that this growth will continue in double-digits in 2022.

The fact that this growth occurs to a large extent in the ranges with the most penalized regulated prices (antibiotics) and the pressure on material costs, could have an impact on margins. Regarding the new Plant, this year it will not yet reach capacity to guarantee optimal operating efficiency, which is expected in 2023.

The **SPECIALTY PHARMACARE** division (28% of revenue) has grown by +2% after 2021 in which the recovery of prescription product demand and international expansion enabled a growth of 14%. We expect to consolidate this growth by the end of 2022, although not in double-digit figures as in the previous year, as the launches in progress in the dermatology area will have their main impact from 2023.

CONSUMER HEALTHCARE (24% of revenue) has grown by an outstanding 18%. Forté Pharma brand products continue with double-digit growth, as in the previous year, especially in the principal markets: France, Belgium and Spain. OTC products, especially those for respiratory conditions and ORL in general have returned to relevant growth, thus recovering pre-covid levels.

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

RJF SHARE PERFORMANCE

04

RJF SHARE PERFORMANCE 2022

SCRIP DIVIDEND 2022

- Remuneration 0.04€/ cash or shares
- 97.2% shareholders opt for shares
- Issuance of 990,533 shares (1.26% capital)

AVERAGE DAILY VOLUME

- Average growth of 5,6% in the last 6 years
- 0,61x annualized turnover on free float

SHAREHOLDERS BASE

Shareholder	% capital
REIG JOFRE INVESTMENTS S.L.	62.7%
KAIZAHARRA CORPORACION EMPRESARIAL S.L.	10.1%
ONCHENA, S.L.	5.8%
QUAERO CAPITAL FUND SWITZERLAND	3.0%

ANALYSTS COVERING THE STOCK

bankinter.
Securities



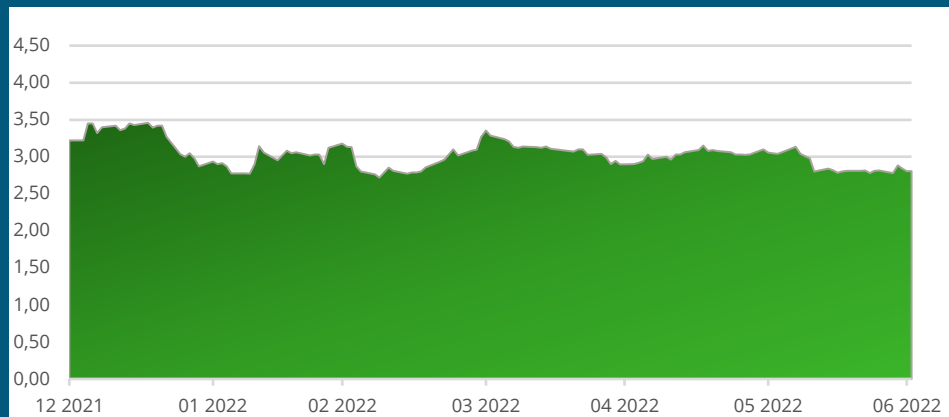
solventis

OTHER ACTIONS

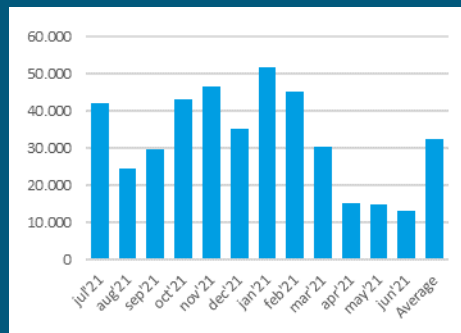
- Liquidity Program 1H 2022
- Temporary Shares buyback program 2H 2022

MARKET CAP €217M

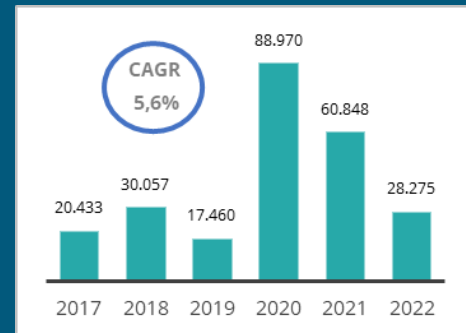
Data as of June 30, 2022



AVERAGE DAILY VOLUME TRADED (YoY)



AVERAGE DAILY VOLUME TRADED (2017-2022)



LINKS AND FURTHER INFORMATION

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Thank you

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