



RESULTS

First Quarter 2020

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TABLE of CONTENTS

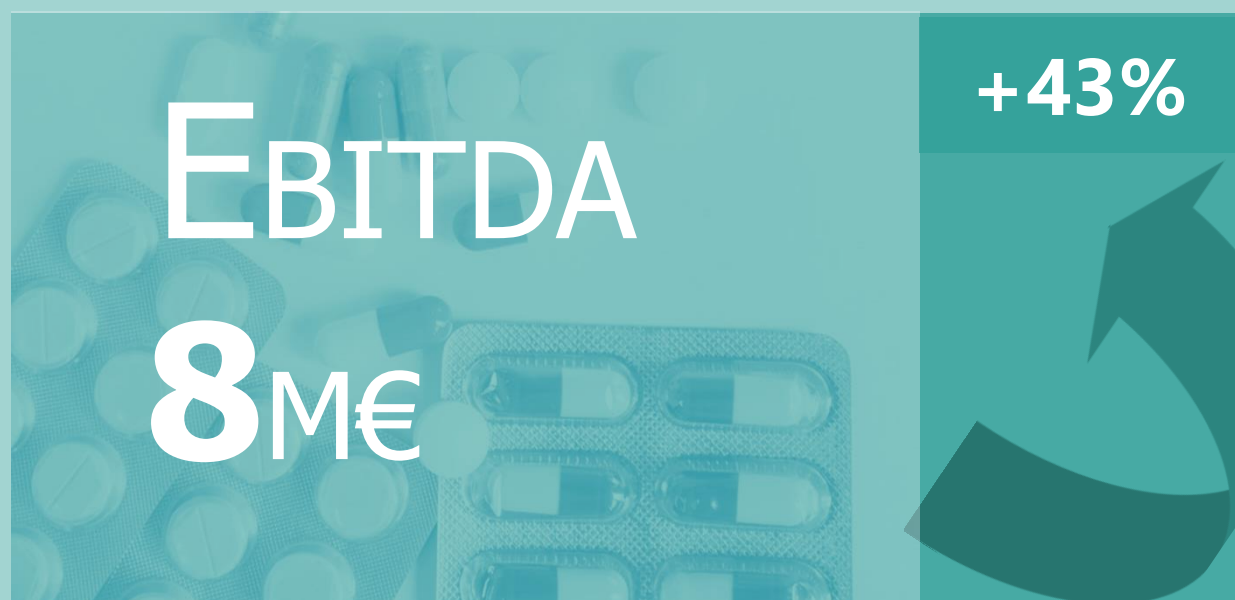
01. 2020 FIRST QUARTER RESULTS

02. PERFORMANCE OF BUSINESS UNITS

03. INCOME STATEMENT AND BALANCE SHEET

04. OUTLOOK 2020

REIG JOFRE invoices € 62M in the First Quarter of 2020, with a growth of 26%



- Relevant growth in Pharmaceutical Technologies, + 12%, quantitative leap in Specialty Pharmacare, + 92% and good performance in Consumer Healthcare + 7%
- The growth reflects the revenue from the new Osteoarticular business acquired in mid-2019
- Special mention may be made of the performance in the domestic market, + 60%, due to the new Osteoarticular product area and the manufacture of injectable essential drugs in the first weeks of the COVID-19 crisis.
- Profitability on sales has evolved positively, thanks to the containment of operating expenses, which is partly due to the current uncertainties. However, the essential drugs associated with COVID-19 treatment have a lower profitability than the company average and little impact on the result.
- EBITDA stands at 13% over sales, and registered a growth of 43% compared to the first quarter of the previous year
- Investments continue at the expected level, with the main volume associated with the construction of the new Injectables Plant in Barcelona
- The debt/EBITDA ratio has decreased in comparison to the end of 2019 and currently stands at 2.5
- Production in the new plant is expected to suffer some delay due to the difficulty occasioned by the COVID-19 crisis in relation to the completion of the work and the commissioning of the lyophilisation lines, initially planned for the second half of 2020

Revenue per Business Unit

PHARMACEUTICAL TECHNOLOGIES



Antibiotics
Injectables / lyophilized

44 %

27.1 M€
+12%

- Growth of injectables linked to ICU treatment of intubated COVID-19 patients. Hospital sales focused on sedative, analgesic and muscle relaxant products manufactured in Barcelona.
- Increase in the sale of antibiotic products manufactured in Toledo for the treatment of bacterial infections associated with COVID-19 cases that lead to these pathologies.
- Launch of the Sodium Oxybate molecule in various EU countries, out of patent

SPECIALTY PHARMACARE



Dermatology
Osteoarticular
Women's Health and
Others

30 %

18.5 M€
+92%

- The new Osteoarticular Product line contributes some 8 million euros to the Specialty Pharmacare division, driving QoQ growth up to 92%
- Growth at constant perimeter is 6% over the first quarter of 2019
- In the Other Products area, contract manufacturing (CMO) of a medicated gel for the treatment of Parkinson's began at the Malmö semi-solid products plant

CONSUMER HEALTHCARE



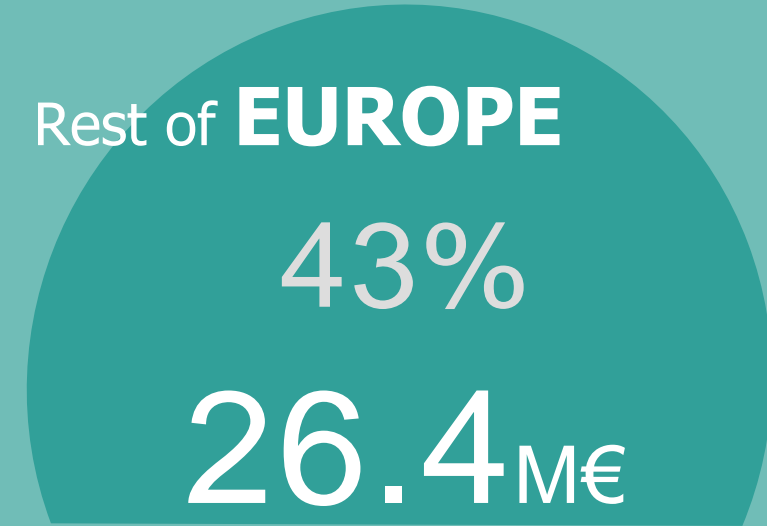
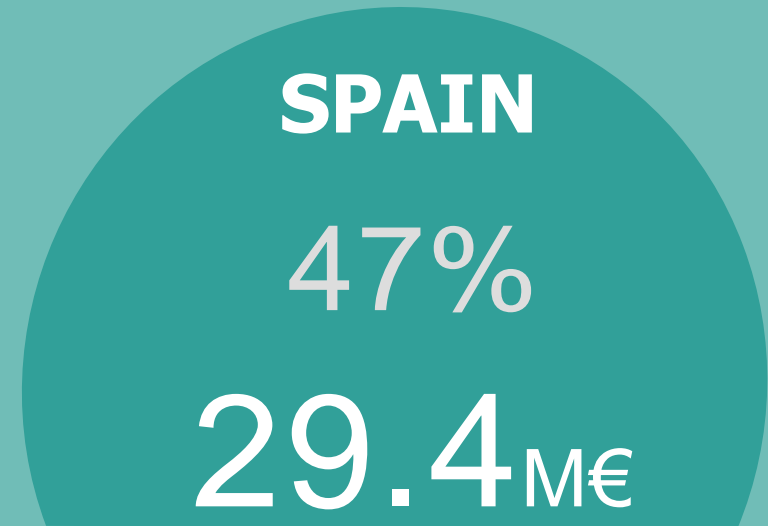
OTC
Weight control
Energy
Stress and sleep
Beauty

26 %

16.4 M€
+7%

- Solid performance in the OTC area, especially in disinfectant products, such as Alcohols, despite their having a smaller contribution to the group's profitability.
- Within the Nutritional Supplements area, the positive performance of FORTE PHARMA's natural energy and immune system strengthening ranges in France compensates for a slight drop in weight control that we hope may recover in the second quarter, although market uncertainties are significant in this range.

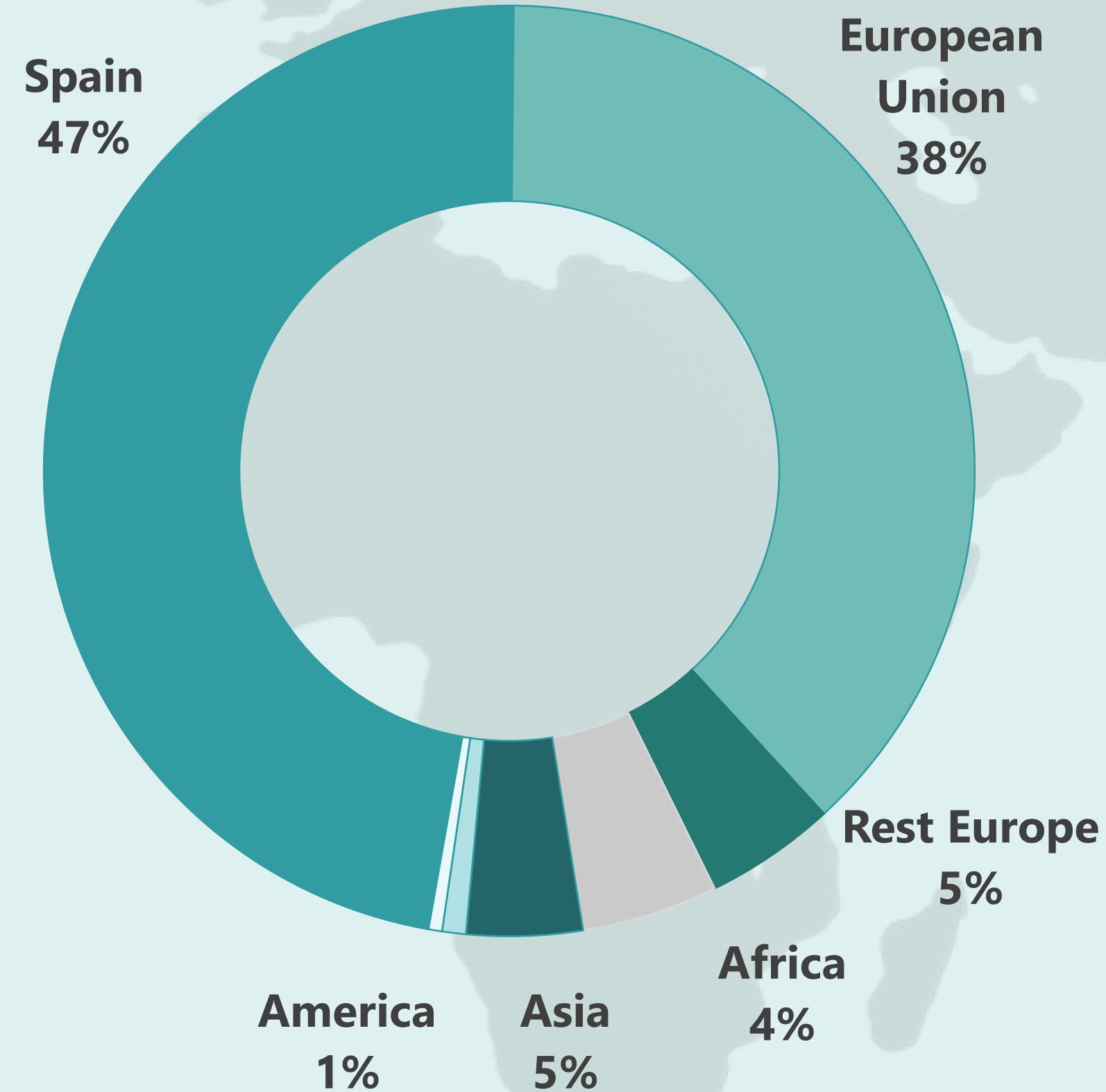
Sales by Geographic Area



% International Sales*



* Sales outside Spain



- The Spanish market grew by 60% due to the effect of the new Osteoarticular business and manufacture for the essential medicines market during the COVID-19 crisis
- In the rest of the markets, the growth of other European markets in which we have our own network is notable, especially the Nordic countries, the UK and France, due to the growth in demand linked to essential medicines.
- Sales revenue in Asia is maintained compared to 2019

The weight of CDMO (contract development and manufacturing) in sales decreased in this Q1 from the 18% registered in the previous year, due to the obligation to supply the domestic market and the decrease in this activity in the Swedish business, in favour of the sale of own-brand products.



Q1 2020

INCOME STATEMENT BALANCE SHEET

Income Statement

Q1 2020

thousands of euros	31/03/2020	31/03/2019
Net turnover	62,060	49,343
Procurements	-23,726	-19,275
Changes invent. finished goods/work in progress	-870	1,744
Gross margin	37,463	31,812
Capitalized costs	1,427	1,293
Other operating revenue	7	0
Staff Expenses	-15,637	-13,727
Other operating expenses	-15,224	-13,768
EBITDA	8,037	5,610
Amortisation of PPE	-4,015	-2,527
Allocation of grants	6	6
Impairment losses/gains disposal of n.c. assets	0	0
Operating profit	4,027	3,088
Financial results	-162	-233
Income inv. in assoc. & joint vent.	3	4
Profit b. tax from cont. operations.	3,867	2,859
Income tax expense	-580	-429
Consolidated profit for the year	3,287	2,430

QoQ performance

- A growth in sales of 26% was achieved driven by revenue from the new Osteoarticular product business, which contributed 8 of the 13 million euros of growth.
- The gross margin decreased to 60% from the 64% of the previous year due to the product mix in Pharmaceutical Technologies and the product costs of the newly acquired business, the manufacturing of which is outsourced.
- Staff Costs grew by 14%, the greatest impact being due to the incorporation of around 50 new staff members linked to the new business acquired.
- Operating costs grew by 11%, also contributing to the improvement in EBITDA/Sales ratio. There has been a certain slowdown in Marketing Expenses due to possible uncertainties in performance for the year.
- EBITDA has grown by 43% thanks to sales growth and the control of operating expenses.
- The Pre-tax Profit grew by 35% incorporates the effect of the amortization of intangible assets acquired in 2019 related to the Osteoarticular area.

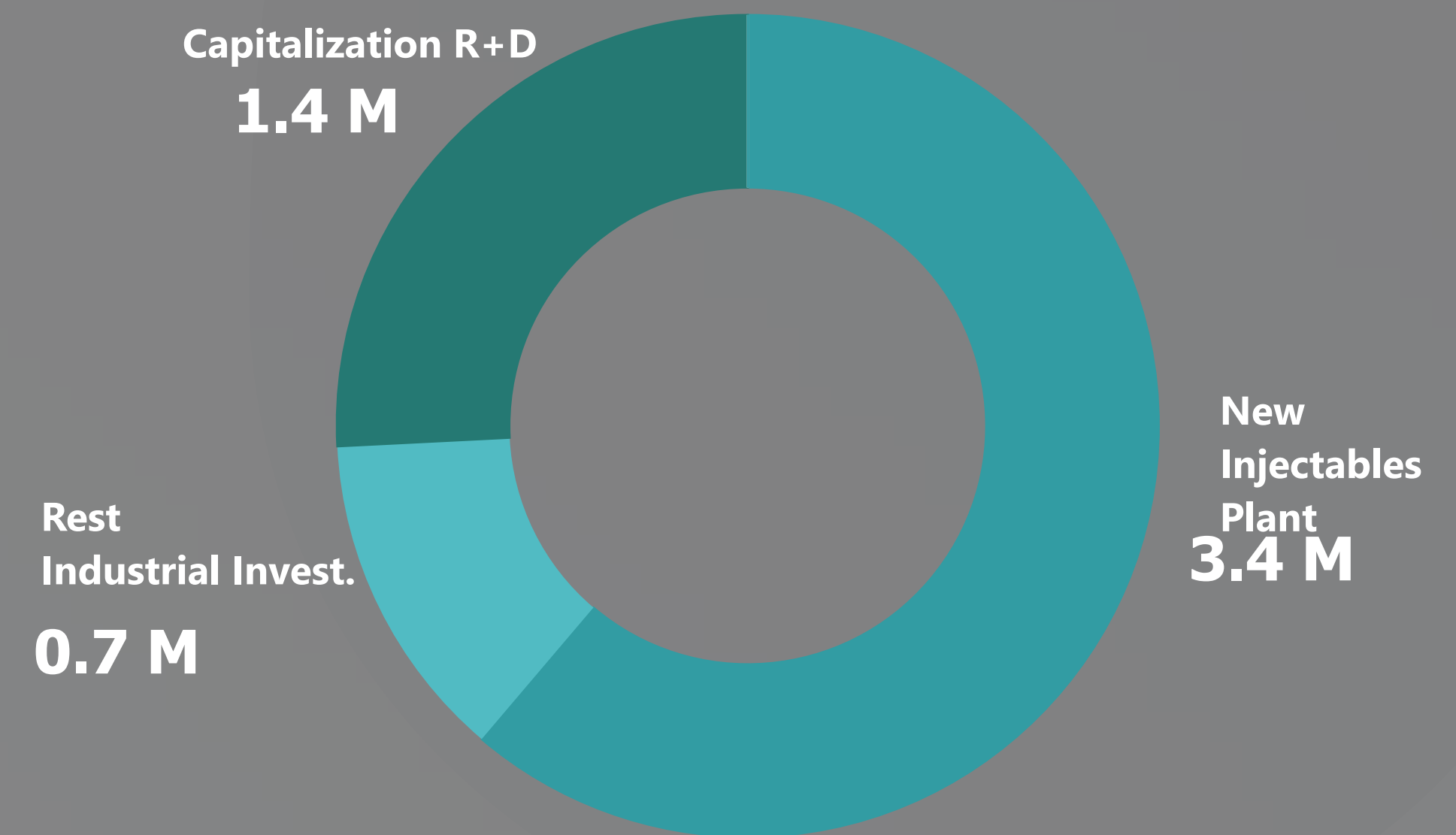
Balance

Q1 2020

thousands of euros	31/03/2020	31/03/2019
ASSETS		
Goodwill	29,402	27,515
Other intangible assets	86,641	48,625
Property, plant and equipment	84,240	57,736
Investments in associates/affiliates	1,223	311
Equity instruments fair value	1204	1,107
Other non-current financial assets	625	334
Deferred tax assets	14,631	14,486
TOTAL NON-CURRENT ASSETS	217,967	150,113
Inventory	37,347	34,638
Trade and other receivables	51,040	38,086
Current tax assets	4,490	0
Other current financial assets	2,085	2,536
Other current assets	2,078	3,973
Cash and cash equivalents	7,120	8,540
TOTAL CURRENT ASSETS	104,161	87,774
TOTAL ASSETS	322,128	237,887

INVESTMENT Q1 2020

5.5
million €



- Non-current assets have seen an increase due to the incorporation of intangible fixed assets linked to the new business, with a gross value of 48M euros, as well as investments in industrial capacity, mainly related to the construction of the new Barcelona Injectables Plant.
- Non-current assets increased, reflecting the increase in sales, and the liquid assets remain at levels close to those of the first quarter of the previous year.

Balance

Q1 2020

thousands of euros

31/03/2020

31/03/2019

EQUITY AND LIABILITIES

Capital	38,031	32,525
Share premium	19,000	0
Treasury shares	-1,137	-900
Reserves	123,470	119,092
Other equity instruments	62	34
Profit e.g. Attrib. to parent	3,292	2,434
Translation differences	-2,085	-1,226
Other compr. income av. sale assets	-110	-115
Equity attributable to the Parent	180,525	151,843
Non-controlling ownership interests	-73	-63
TOTAL SHAREHOLDERS' EQUITY	180,452	151,781
Grants	1,721	75
Provisions	897	803
Financial liabilities Bank borrowings	15,271	6,406
Financial liabilities from leases	22,248	21,753
Other financial liabilities	5,352	6,149
Deferred tax liability	2,987	3,186
Other non-current liabilities	13,000	0
TOTAL NON-CURRENT LIABILITIES	61,475	38,372
Provisions	25	46
Financial liabilities Bank borrowings	13,178	8,113
Financial liabilities from leases	6,371	3,455
Other financial liabilities	359	990
Trade and other payables	40,434	30,169
Current tax liabilities	4,720	1,451
Other current liabilities	15,114	3,511
TOTAL CURRENT LIABILITIES	80,201	47,735
TOTAL EQUITY AND LIABILITIES	322,128	237,887

NET FINANCIAL DEBT

Q1 2020	56 million €
closure 2019	53 million €

Debt | EBITDA

Q1 2020	2.52
closure 2019	2.67

FINANCIAL DEBT

62.8M

LEASE LIABILITY
IFRS 16 APPLICATION

11.8M

BANK BORROWINGS

51M

- Net financial debt grew by 17M compared to the end of the first quarter of 2019, due to the financing of investments in technology and production plants. There is a € 3M variation compared to the situation at the closure of 2019
- The liability includes 26M euros of balances for deferred payment of the corporate acquisition operation, due in 2020 and 2021

We expect a 2020 of growth in sales and profit, despite market uncertainties. In the second half of the year, revenues from Osteoarticular products will already reflect this business's organic growth.

The second quarter of the year will reflect the growth in the production of essential medicines defined by the Spanish Ministry of Health and the European Commission, organizations with which the company has maintained close contact in recent weeks. This impact will focus on Spain, France, the UK and the Nordic markets, as well as other markets in which the number of patients in intensive care units may still increase.

In the Pharmaceutical Technologies Division, the new line at the Toledo Plant already has high levels of occupancy, while we hope that the new Sterile Injectables Plant in Barcelona will become operational in the first half of 2021, with an estimated delay of between one and two quarters with respect to initial planning, subject to the de-escalation process of the preventive measures throughout Europe.

Consumer Healthcare has undergone a seasonal adjustment in demand, and we anticipate growth in natural energy products, vitamins and probiotics, especially in France and Benelux, and Spain, where we also foresee growth in the disinfection, alcohols, oxygenated waters and chlorhexidine ranges. Other ranges, such as weight control, present higher uncertainties, which will be cleared throughout the second quarter.

We expect the Specialty Pharmacare division, with a significant volume of products for chronic treatments sold in Pharmacies, to maintain the forecast revenue levels.

Reig Jofre launched a clinical study to evaluate the efficacy of the food supplement *Manremyc*® among a group of health professionals in order to assess its effectiveness in reducing the incidence of COVID-19 and, in the event of infection, to demonstrate its capacity to reduce the severity of the infection.

The company is dedicated to guaranteeing the safety of all its employees through the observance of the preventive and control measures established in the different European headquarters.

LINKS AND SUPPLEMENTARY INFORMATION

LATEST NEWS

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SUBSCRIPTION CENTRE

<http://www.reigjofre.com/es/noticias/centro-suscripcion>



Thank you

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