



REIG  JOFRE

3Q

RESULTS

Third Quarter 2020

DISCLAIMER

This presentation does not contain confidential material and may include publically-available market information that has not been independently verified by Reig Jofre.

This information is provided in summary form and is not intended to be complete. The information contained in this presentation should not be considered as advice or as a recommendation for investors or potential investors in relation to the possession, purchase or sale of Reig Jofre shares and does not take into account the particular investment objectives, financial situation or needs.

This presentation may contain forward-looking statements, including statements regarding Reig Jofre's intent, beliefs and expectations regarding business and operations, market conditions, operating results and financial position, capital adequacy, specific risk provisions and management practices. Readers should not place undue reliance on these forward-looking statements.

Reig Jofre assumes no obligation to publicly disclose the result of the revision of these forward-looking statements to reflect the occurrence of unanticipated events. While due care has been taken in preparing the forecast information, the actual results may materially vary in a positive or in a negative sense. Forecasts and hypothetical examples are subject to uncertainty and contingencies beyond Reig Jofre's control.

Past performance does not ensure future performance.



TABLE of CONTENTS

01. 2020 THIRD QUARTER RESULTS

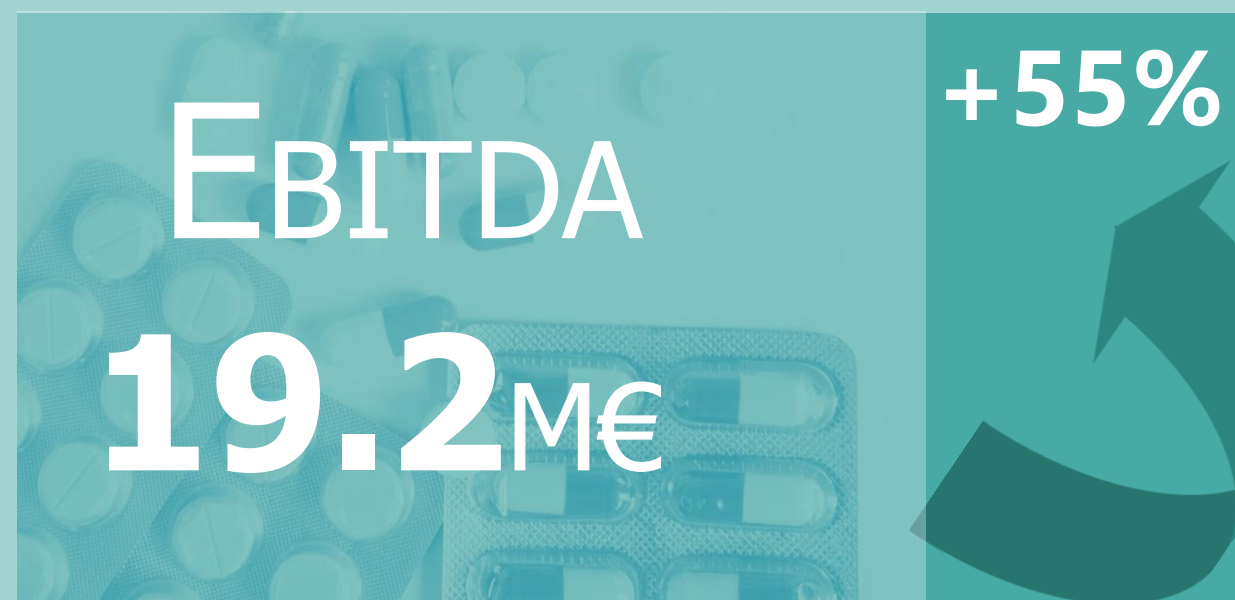
02. PERFORMANCE OF BUSINESS UNITS

03. INCOME STATEMENT AND BALANCE SHEET

04. COVID 19. FORECAST IMPACTS 2020

05. PERFORMANCE OF RJF STOCK

REIG JOFRE's turnover reached € 170M at the close of the third quarter of 2020, with a growth in sales of 16% and an EBITDA of € 19M



- At the close of September 2020, strong accumulated sales growth was maintained at 16%, driven by the incorporation of the new Osteoarticular business, the manufacture of essential medicines during the first semester, and the strong momentum of OTC ranges.
- In the quarter, the 3Q 2020 alone recorded a turnover of € 54.6M, similar to that of the 3Q of the previous year. In this 3Q, EBITDA reached € 6.3M, 15% higher than the EBITDA of the third quarter of 2019, thanks to the reduction of operating expenses.
- In this third quarter, a reduction in the sales of prescription products was observed, as a consequence of the interruption of medical visits. This is reflected in the Specialty Pharmacare Division, which saw its sales reduced by 5% compared to 3Q 2019.
- EBITDA stands at 11% over sales, and registered a growth of 55% compared to the first quarter of the previous year. If we adjust the expenses associated with the acquisition of the osteoarticular business in 2019, the adjusted growth would be 30%.
- Investments remain at the planned level, and the forecast for the commissioning of the new Injectables Plant in Barcelona is maintained for 2Q 2021.
- The debt/EBITDA ratio is 2.6, below the level registered at the close of 2019.

Revenue per Business Unit

PHARMACEUTICAL TECHNOLOGIES



Antibiotics
Injectables / Lyophilized

47 %

80.3M€
+11%

SPECIALTY PHARMACARE



Dermatology
Osteoarticular
Women's Health and
Others

29 %

49.4M€
+41%

CONSUMER HEALTHCARE



OTC
Weight control
Energy
Stress and sleep
Beauty

24 %

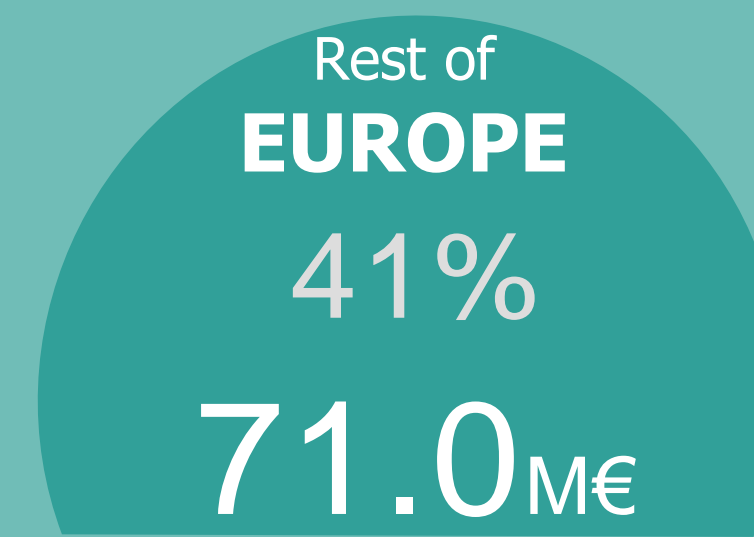
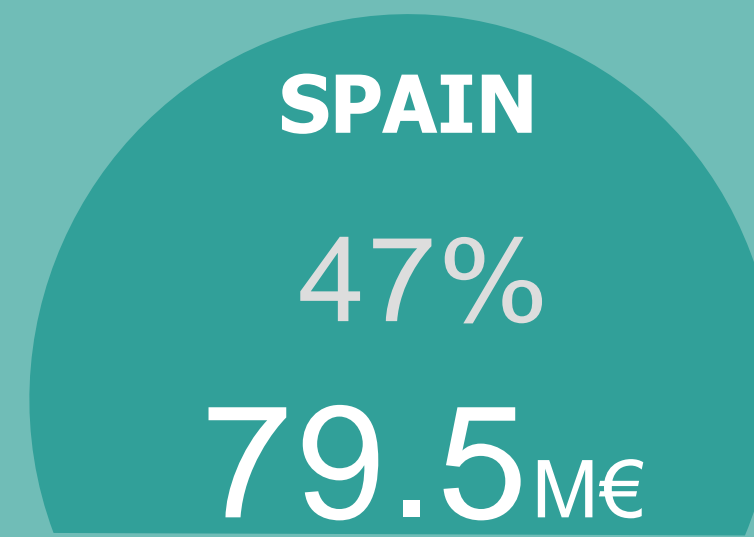
40.6M€
+3%

- The Pharmaceutical Technologies division continues to grow at a double digit rate. The boost in the sale of essential medicines linked to Covid 19, especially in 2Q, is complemented by the positive performance of demand for injectable products in 3Q, with special mention of the growth in Asian markets.
- To a large extent, the Barcelona plant has already been able to serve the orders which were re-scheduled due to the production needs of essential medicines linked to the first Covid wave in the first half of the year.
- Furthermore, the new Antibiotics manufacturing line in Toledo continues to experience a positive increase in its usage, despite the drop in global demand for certain types of oral antibiotics due to the lower incidence of other infections derived from the Covid 19 preventive measures.

- The new Osteoarticular Product portfolio acquired in July 2019 reaches € 22M in revenue within this division, and with its integration significant commercial synergies have been achieved. This has made it possible to record an exceptional growth of 41% accumulated to September.
- The rest of the division's areas have fallen by 6% compared to the first nine months of 2019, due to the decrease in visits to doctors, which in turn results in fewer new prescriptions being issued. This has had an impact also on the dermatological products, Reig Jofre's other major specialty area.

- The growth rate of the OTC range increased in the third quarter, reaching a cumulative 18%, with focus on the growth of sales of disinfectant products, Alcohols and Chlorhexidines especially, both in hospital sales and in pharmacy sales.
- The Food Supplements Line maintains the level of sales registered during the previous year, the FORTE PHARMA ranges of Vitamins, Jellies and the immune system strengthening have become the main areas of growth this year in France, while weight control decreased 9% compared to the previous year.

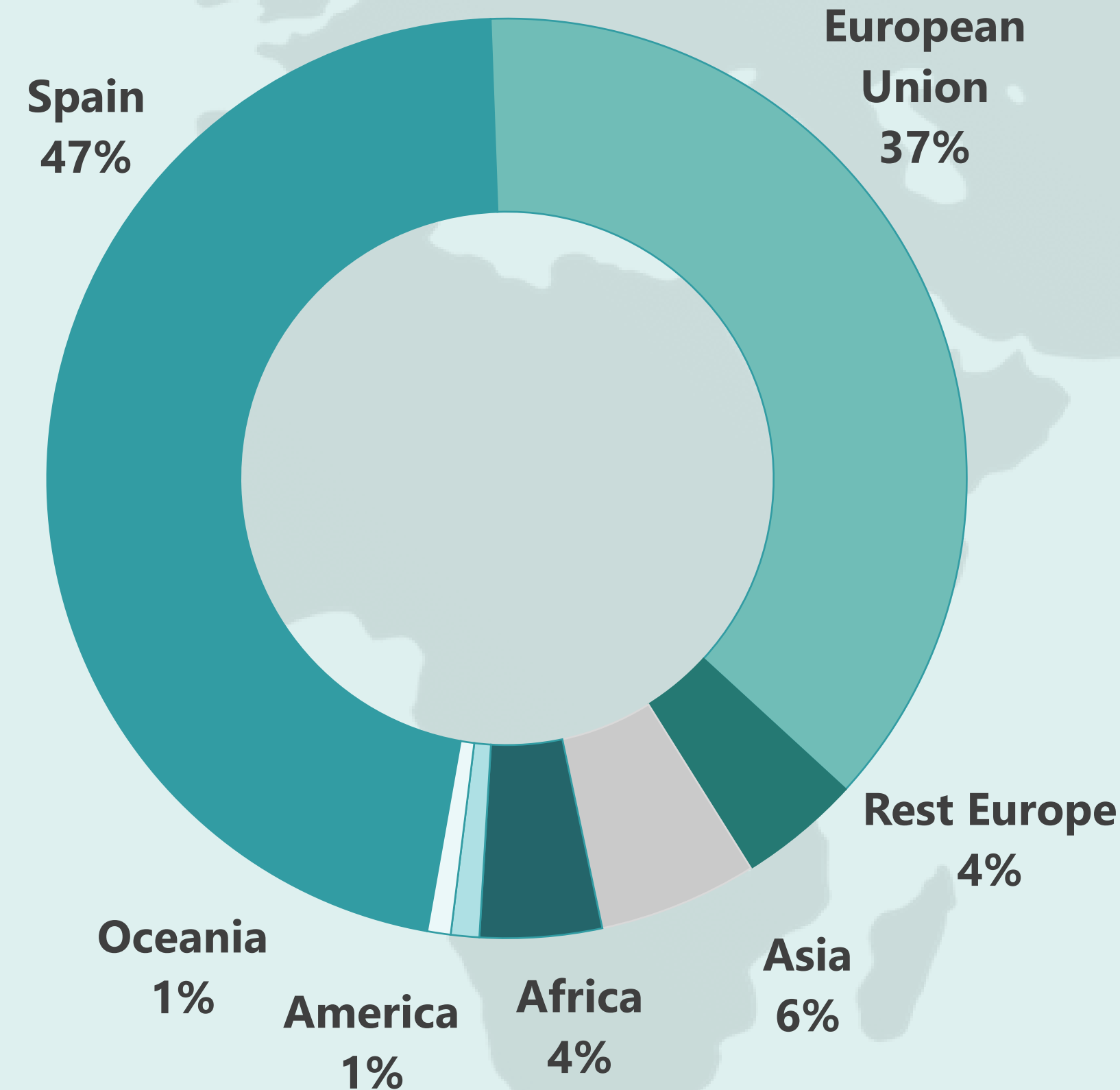
Sales by Geographic Area



% Sales International*



* Sales outside Spain



- The Spanish market grew by 24% due to the effect of the new Osteoarticular business and the sale of essential medicines in the COVID-19 crisis during first wave of pandemic in 1Q and 2Q, slowing down in 3Q in relation to the growth experienced in the first half of the year.
- The rest of the European markets grew by 5%, with special mention of the growth of the Osteoarticular range in new European countries.
- Revenues in the Rest of the World grew by 32% following the trend of previous quarters, which allows for the consolidation of expansion strategies in Asia and Africa especially.

The weight of CDMO (contract development and manufacturing) in sales decreased compared to the 18% registered the previous year, due to the priority supply requirements of the domestic market and the need to dedicate more capacity to the company's own products. The entry into operation of the new capacity in 2021 will impact the growth of this activity.





3Q 2020

INCOME STATEMENT BALANCE SHEET

Income Statement

3Q 2020

thousand euros	30/09/2020	30/09/2019
Turnover	170.406	147.102
Procurements	-66.724	-55.694
Changes in inventories	-1.741	-502
Gross margin	101.940	90.906
Work carried out for fixed assets	3.563	3.951
Other operating income	138	0
Personnel expenses	-48.756	-41.447
Other operating expenses	-37.640	-40.987
EBITDA	19.246	12.423
Depreciation and amortization	-12.555	-9.051
Government grants for non-financial assets and others	17	13
Impairment and results on disposals	3	26
Operating income	6.711	3.411
Financial result	-433	-756
Results from entities accounted by the equity method	9	21
Profit before taxes	6.287	2.676
Income tax	-943	-401
Net result	5.344	2.274
Adjusted EBITDA (Transaction Costs)	19.246	14.752

In 2019, exceptional expenses were incurred for the purchase of the osteoarticular business for € 2.3M

Evolution

- A growth in sales of 16% was based on the revenue from the new Osteoarticular business, and the growth in international markets.
- The gross margin is consolidated at 60% of sales, down from 62% the previous year due to the greater weight of the sale of essential medicines linked to Covid.
- The capitalization of R&D has experienced a decrease compared to the previous year due to the delay of certain projects, which will not, however, affect the group's development strategy in the medium term.
- Personnel Expenses grew 18%, mainly due to the associated cost of the newly-acquired business' sales network.
- Other operating expenses decreased 8%. Adjusting the effect of the expenses associated with the 2019 corporate operation, the reduction would be 3%. The main cause is the decrease in sales and marketing expenses due to restrictions on the undertaking of certain promotional activities.
- EBITDA grew 55% (30% if we consider the adjustment for transaction costs in 2019), and stands at 11% of revenues, in line with the first half of the year.
- Income before tax, standing at € 6.3M, grew 26% after adjustment for the effect of extraordinary expenses in 2019

Balance

3Q 2020

thousand euros	30/09/2020	30/09/2019
ASSETS		
Goodwill	29.660	28.988
Other intangible assets	84.722	90.972
Property, plant and equipment	84.451	72.278
Investments in equity-accounted investees	1.229	728
Non-current financial assets measured at fair value	1.218	1.182
Other non-current financial assets	673	673
Deferred tax assets	14.574	15.198
TOTAL NON-CURRENT ASSETS	216.528	210.018
Inventories	40.854	33.174
Trade and other receivables	44.779	44.070
Current tax assets	5.145	4.458
Other current financial assets	1.277	2.849
Other current assets	1.986	236
Cash and cash equivalents	7.481	6.691
TOTAL CURRENT ASSETS	101.522	91.478
TOTAL ASSETS	318.050	301.495

INVESTMENT YTD 3Q 2020

12,4
million €



- Non-current assets have seen an increase due to the incorporation of the investments in industrial capacity, mainly those related to the construction of the new Barcelona Injectables Plant, which represent a total investment in property, plant and equipment of more than 30M€ between 2018 and 2020.
- Current assets increased, reflecting the increase in sales. The company's working capital stands at 23% of sales (84 days of sale), a level slightly higher than at the end of the previous year, when it stood at 22%.

Balance

3Q 2020

thousand euros	30/09/2020	30/09/2019
TOTAL EQUITY	182.733	175.168
Capital grants	1.710	99
Provisions	897	803
Financial liabilities with credit institutions	28.742	6.091
Lease liabilities	15.900	25.406
Other financial liabilities	8.785	5.664
Deferred tax liabilities	2.922	3.863
Other non current liabilities	0	17.000
TOTAL NON-CURRENT LIABILITIES	58.956	58.927
Provisions	24	46
Financial liabilities with credit institutions	16.358	9.306
Lease liabilities	5.625	5.985
Other financial liabilities	480	645
Trade and other payables	37.786	31.120
Current tax liabilities	2.934	1.612
Other current liabilities	13.154	18.686
TOTAL CURRENT LIABILITIES	76.362	67.400
TOTAL EQUITY AND LIABILITIES	318.050	301.495

- Other current liabilities includes 13M€ of balances for deferred payment to the seller of the corporate acquisition operation
- The current financial liability has grown due to the use of short-term bank financing, associated with the growth in sales and WC.

NET FINANCIAL DEBT

3Q 2020 **68.4** million €

close 2019 **52.6** million €

Debt | EBITDA

3Q 2020 **2.58**

close 2019 **2.67**

FINANCIAL DEBT

75.9M

LEASE LIABILITY IFRS 16 APPLICATION

10.6M

BANK BORROWINGS

65.3M

- Net financial debt grew by 15.8M euros compared to the close of 2019, mainly due to the financing of the new injectables manufacturing plant and the debt associated with the purchase of the osteoarticular business.
- Despite this, the Debt/EBITDA ratio stands at 2.58, below the 2.67 reached at the end of 2019, due to the substantial improvement in EBITDA.



3Q 2020

COVID 19 IMPACTS FORESEEN IN 2020

COVID 19 | IMPACTS FORESEEN IN 2020

The totality of the IMPACTS in 2020 derived from Covid 19 will probably result in a slight drop in sales, mainly due to the effect of the reduction in medical visits. However, thanks to the integration of new products and international growth, a growth in revenue will be achieved in 2020.

INCREASE IN INCOME THROUGH GREATER DEMAND IN HOSPITALS AND NEW CONSUMER HABITS



PHARMACEUTICAL TECHNOLOGIES

The demand for essential medicines for hospital use in ICU and intubated patients, especially sedatives, analgesics and muscle relaxants experienced growth, especially in 2Q, and we think that it will also grow in 4Q.

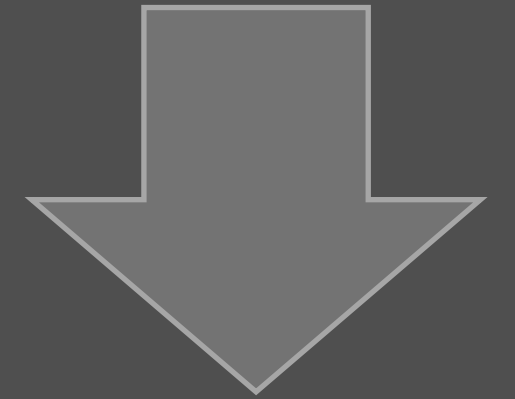


CONSUMER HEALTHCARE

OTC disinfection products experienced growth, especially Alcohols and Chlorhexidine, which are distributed through the hospital and pharmacy channels.

Within the Forté Pharma brand Food Supplements, the Vitamins, Jellies and the Immune System strengthening ranges experienced growth in sales in excess of 40%, with a special impact in France and Benelux.

DECREASE IN DEMAND DUE TO THE EFFECTS DERIVED FROM COVID-19 PREVENTION MEASURES



PHARMACEUTICAL TECHNOLOGIES

The preventive social distancing measures introduced as a consequence of Covid 19 have resulted in a lower incidence of other seasonal bacterial and viral infections, causing a significant reduction in the consumption of oral antibiotics.



SPECIALTY PHARMACARE

The decrease in visits to doctors has caused a drop in income in the portfolio of prescription products. Additionally, social distancing measures have led to a lower incidence of infections in the dermatological field, which has seen its sales reduced.



CONSUMER HEALTHCARE

Some Forté Pharma product ranges, such as weight control, have seen a reduction in their sales compared to the previous year.

COVID 19 | IMPACTS and OPPORTUNITIES



TECHNOLOGICAL AND INDUSTRIAL CAPACITY, POTENTIAL FOR THE MANUFACTURE OF INJECTABLE VACCINES

Construction of the new injectables plant in Barcelona began in 2018, and the plant is scheduled to enter operation in the first half of 2021. It has represented an investment of more than 30M€ and it is planned to be used at maximum capacity within 3-4 years. Both the manufacturing for third parties projects and the manufacturing of proprietary product projects designed to accompany an ambitious international expansion plan have advanced in parallel to the construction of this industrial capacity.

The evolution of the pandemic and the COVID 19 vaccine development projects may give rise to the opportunity of dedicating this production capacity, in part, to the manufacture of more than 50 million vials/year of said vaccine if an agreement is reached with any of the developers.

Despite this, there is no formalized agreement at the time of issuing this Results Note.



STUDY TO EVALUATE THE FOOD SUPPLEMENT AGAINST COVID 19

Last July, Reig Jofre started a study to evaluate the use of a new food supplement among health professionals in order to assess its capacity in reducing the risk of Covid 19 infection and, in cases of infection, aim to demonstrate its capacity in reducing the infection's severity, whilst helping to control the anti-inflammatory response.

This project has been delayed due to the low incidence rates of Covid 19 registered during the planned recruitment phase. At the current time, this phase has been completed and the results of the study are expected to be obtained in 1Q 2021.

Outlook 2020

Following the closure of the THIRD QUARTER, Reig Jofre expects to close 2020 with growth in sales and profit, although the growth percentages could be reduced in relation to those of the first nine months of the year. The investment projects have progressed at the expected pace and will enable the expected capacity increases to be reached in 2021. The R&D projects have suffered a certain delay in their execution due to the pandemic situation, which will not affect the launches planned for the medium term.

In the **PHARMACEUTICAL TECHNOLOGIES** Division (47% of revenues), the new sterile products line built at the Toledo Plant will contribute with high levels of occupation. A high level of demand is being registered once again, and is expected to be maintained, for essential medicines linked to Covid 19. Depending on the priorities established by the health authorities, the rescheduling of some orders planned for 4Q to 2021 is being contemplated, which may affect the export figures for 2020, although this should not negatively affect the closure of the year. The PHARMACEUTICAL TECHNOLOGIES Division is expected to register the highest organic growth in 2020.

The **SPECIALTY PHARMACARE** Division (29% of revenue) reflects the impact of a slowdown in its revenue due to reduced visits by patients to doctors, which in turn affects the number of new prescriptions issued. This effect is expected to continue until the end of the year, and thus the growth of this division will be sustained in international markets. This is foreseen especially in the European market, in which the Reig Jofre group companies and the partners network have incorporated the new osteoarticular product portfolio into their offer, with positive results.

In the second half of 2020, the growth levels of this sales unit will be reduced, as the income associated with the Osteoarticular product area will only reflect the organic growth of the business, which was incorporated into Reig Jofre in July 2019. Thanks to this operation, it will continue to be the division that most contributes to the group's growth.

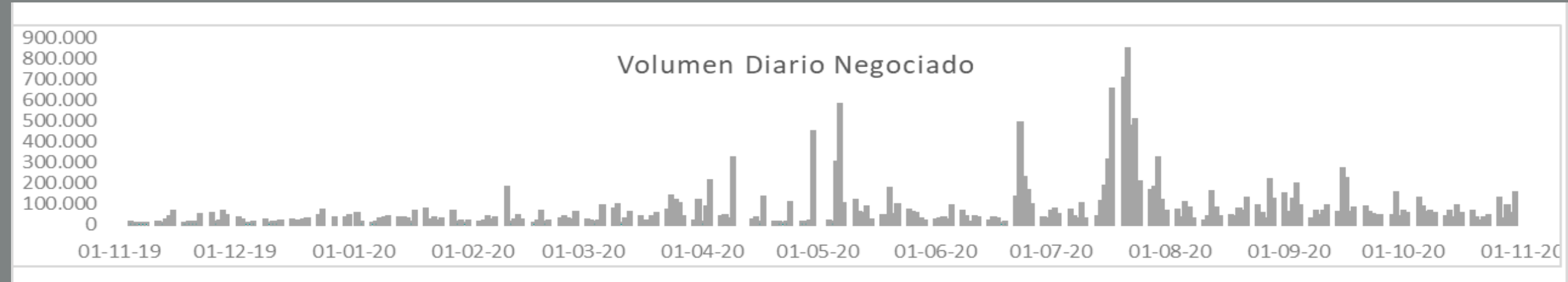
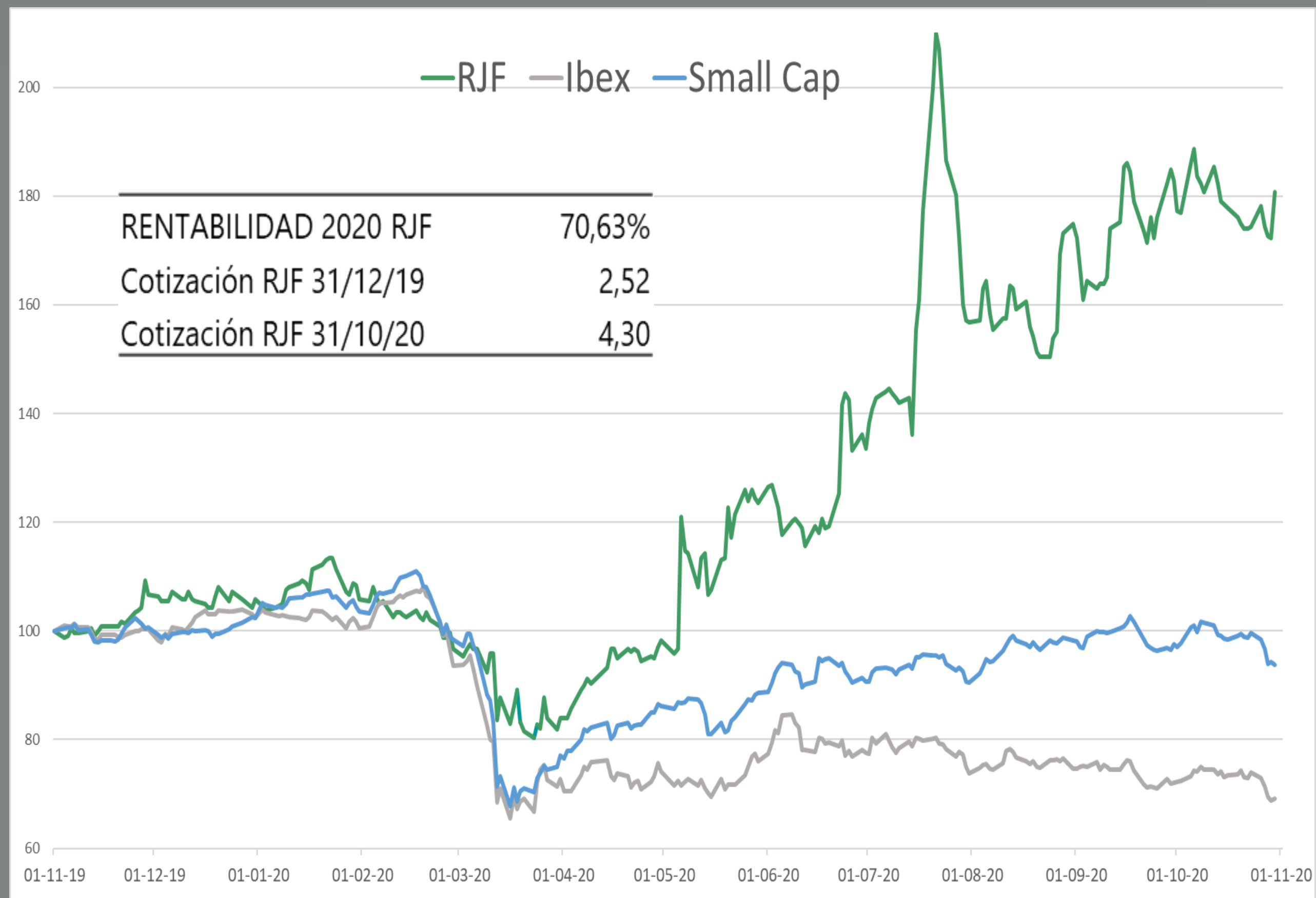
In **CONSUMER HEALTHCARE** (24% of revenue), continued strong growth is expected in the disinfection ranges (alcohols, hydrogen peroxide and chlorhexidines) within the OTC products related to the evolution of the pandemic. In the food supplements area, our Forté Pharma brand will continue to experience strong growth in its ranges of vitamins, jellies and probiotics, which are firmly established in France and Benelux, and which have registered strong growth in Spain. This will make it possible to offset the drop in revenue in other important ranges, such as weight control, which has seen its sales reduced compared to the previous year. Overall, moderate revenue growth is expected.



3Q 2020

EVOLUTION OF THE RJF SHARE

RJF Stock Evolution vs Ibex & Small Cap



SCRIP DIVIDEND REIG JOFRE 2020

On October 23, the new 739,822 shares issued (1% increase in the number of shares) as part of the execution of the scrip dividend process approved by the General Shareholders' Meeting on July 23, 2020, began trading.

3% of the capital opted for the cash dividend option, receiving 3.90 euro cents per share.

This operation made it possible to distribute some € 3M to shareholders, without significantly impacting the company's cash flow, thus allowing it to face the investment projects that the company is executing.

Reig Jofre's capital will be represented by 76,802,279 shares, the main shareholders and their stakes at October 31st being:

Shareholder	% capital
REIG JOFRE INVESTMENTS SL	62.71%
KAIZAHARRA CORPORACION EMPRESARIAL SL	10.05%
ONCHENA, S.L.	5.83%

LINKS AND SUPPLEMENTARY INFORMATION

NEWS

www.reigjofre.com/en/news

SUBSCRIPTION CENTRE

<https://www.reigjofre.com/en/news/subscription-center>



REIG  JOFRE

3Q

Thank you

Av. de les Flors
08970 Sant Joan Despi, Barcelona, Spain
T. +34 93 480 67 10
www.reigjofre.com

[Investor Relations](#)
investors@reigjofre.com