

REIG  JOFRE

Q2

RESULTS

Second Quarter of 2021



DISCLAIMER

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

This information is provided in summary form and does not purport to be complete. The information contained in this presentation should not be construed as advice or a recommendation to investors or potential investors to hold, purchase or sell Reig Jofre shares and does not take into consideration your specific investment objectives, financial situation or needs.

This presentation may contain forward-looking statements including statements about Reig Jofre's intent, beliefs and expectations with respect to business and operations, market conditions, operating income and financial conditions, capital adequacy, specific provisions and risk management practices. Readers should not rely unduly on these forward-looking statements.

Reig Jofre is under no obligation to publicly disclose the results of revising these forward-looking statements to reflect the occurrence of unanticipated events. Although the information forecast has been prepared with due care and attention, the actual results may vary materially either positively or negatively. Forecasts and hypothetical examples are subject to uncertainty and contingencies beyond Reig Jofre's control.

Past performance is no guarantee of future results.



TABLE OF CONTENTS

- 01. 2021 RESULTS
- 02. PERFORMANCE OF THE BUSINESS UNITS
- 03. INCOME STATEMENT AND BALANCE SHEET
- 04. OUTLOOK FOR 2021
- 05. RJF SHARE PERFORMANCE



Q2 2021

RESULTS

BUSINESS UNITS

REIG JOFRE's sales figure held steady in the first half of 2021 achieving 3% growth in its EBITDA

SALES
€116.1 million

EBITDA **+3%**
€13.3 million

CONSOLIDATED NET PROFIT **-8%**
€3.6 million

- The first half closed with sales of €116 million, at a level similar to the first half of 2020. Recovery from the sale of prescription medical products from the Speciality Pharmacare division offset the lower consumption of essential medicines due to the lower incidence of COVID-19.
- This sales stability was achieved in the domestic market, while the rest of Europe fell slightly. In the rest of the world, double-digit growth was achieved, a cumulative 17% to June 2021.
- Consumption of antibiotics, and some consumer healthcare ranges declined. However, a remarkable recovery is already apparent in dermatology and osteoarticular products, as well as in food supplements for energy and immune system strengthening.
- In Q2, cumulative EBITDA reached €13.3 million, with 3% growth compared to the previous year, also improving the company's sales profitability.
- Expenditure associated with the start-up of the new plant in Barcelona and higher amortisations had an impact on the quarter's consolidated net profit, which stands at €3.6 million, which represents an 8% drop compared to 2020.
- Industrial capital expenditures reached €8.8 million, the greatest impacts being associated with completion of the new plant in Barcelona and adaptation of facilities for the manufacture of the COVID-19 vaccine and comprehensive renovation of facilities undertaken in the Toledo plant.
- The Debt/EBITDA ratio stands at 2.0 improving the 2020 closing level.

Revenues by Business Unit

PHARMACEUTICAL TECHNOLOGIES



Antibiotics
Injectables/Lyophilisates

45 %

€52.6 million
-6%

SPECIALITY PHARMACARE



Dermatology
Osteoarticular

32 %

€36.5 million
+9%

CONSUMER HEALTHCARE



OTC
Weight control
Energy
Stress and sleep
Beauty

23 %

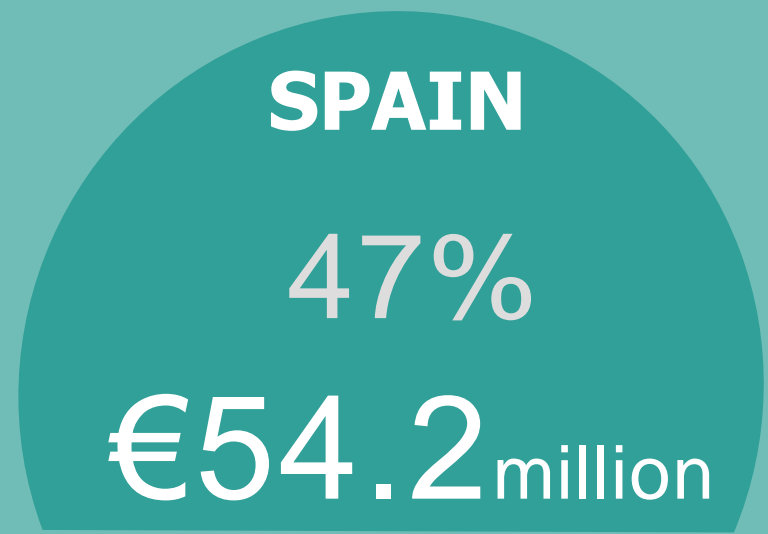
€27.0 million
+1%

- The Pharmaceutical Technologies division declined 6% in the first quarter of 2021, due to the lower demand for essential medicines.
- The consumption of antibiotic products is notably reduced by the COVID prevention measures, a trend that already began at the end of 2020. The Toledo plant has embarked on a complete renovation project of facilities taking advantage of this low demand to have full capacity when the trend for the relaxation of social distancing measures is reversed.
- The new injectables plant is in the final stages of preparation prior to the start of production.

- The Dermatology division, which represents about 40% of this unit, grew both domestically and in the rest of Europe, a recovery of sales that, in the Spanish market, already shows demand levels similar to the pre-COVID period.
- The Osteoarticular Products division reached €16 million of income within this division, which also shows the ability to achieve positive growth compared to the same period in 2020.
- In both cases, the effects of patients' medical visits returning to normal was seen, in parallel with development of the vaccination process throughout Europe, having an impact above all in the countries where Reig Jofre is present with its own commercial networks: Spain, Sweden, UK and Poland.

- The Consumer Healthcare division managed to reverse the first quarter's declining trend and showed a slight growth of 1% in that half. Although OTC products in the respiratory, ENT and disinfection product ranges were in decline, the rest of the portfolio offset this effect by achieving a trend change that we believe will continue over the year.
- The FORTE PHARMA Food Supplements Line, which accounts for 70% of revenue, grew by 3%, especially in the Vitamins, Gels and Immune System Strengthening ranges, while weight control ranges have not yet recovered the levels of previous years.

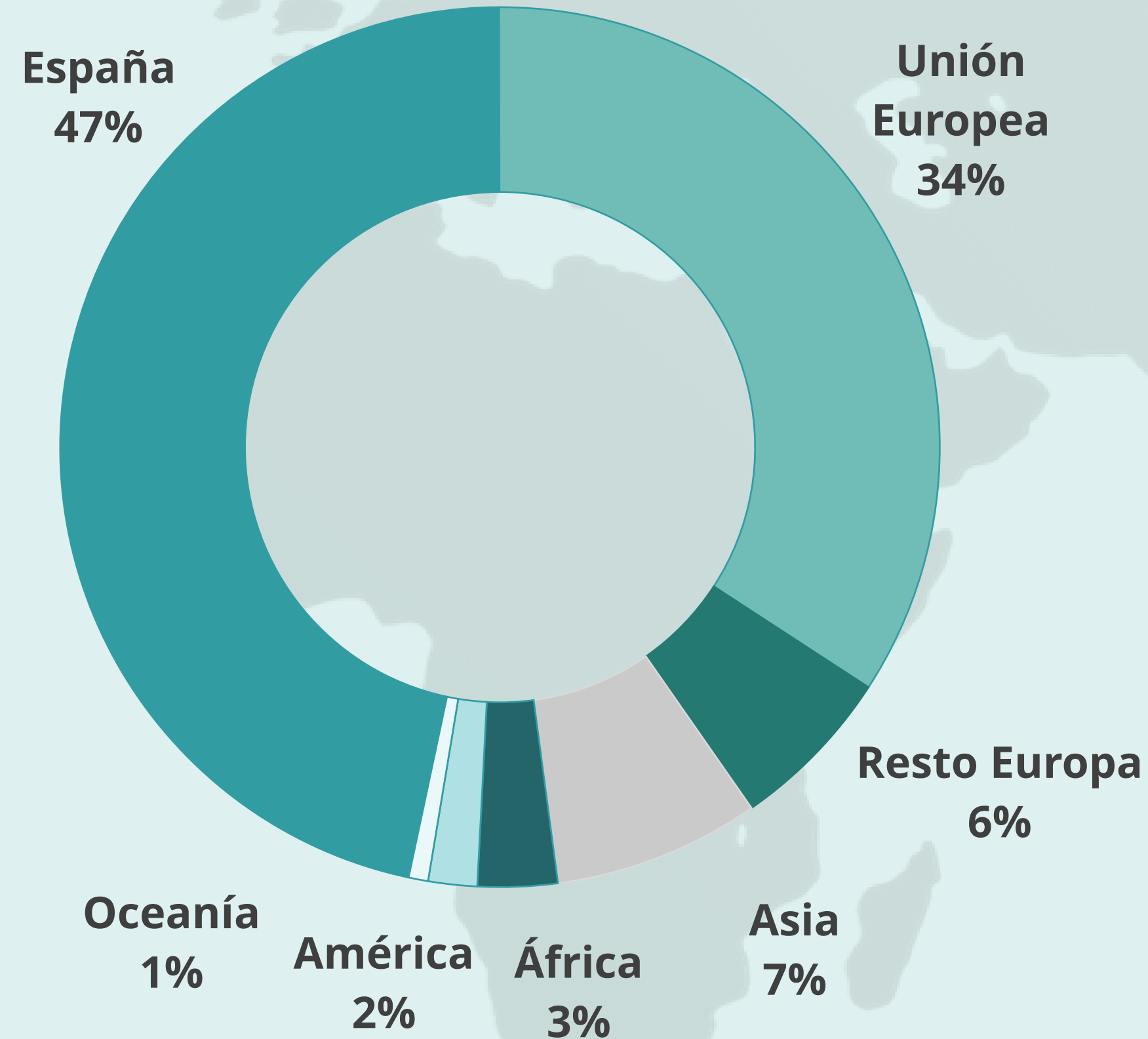
Sales by Geographical Region.



% International Sales*



* Sales outside of Spain



- The Spanish market remained at the previous year's level, with a slight reduction of 1%, due to lower consumption of antibiotics and essential medicines, offset by the growth in Speciality Pharmacare.
- The other European markets were down 5%. The impact was mainly due to the aforementioned reduction in the consumption of medicines linked to COVID-19.
- Sales in the rest of the world grew by 17%, especially in Asia, where the Pharmaceutical Technologies division already accounts for more than 16% of its revenue.

CDM (Contract development and manufacturing) accounted for 18% of sales. The implementation of the new capacity in 2021 will increase the weight of this activity during the year.





Q2 2021

INCOME STATEMENT BALANCE SHEET

Income Statement

Q2 2021

thousand euros	6/30/2020	6/30/2021
Turnover	115,826	116,115
Procurements	-45,286	-42,793
Changes in inventories	-740	-979
Gross margin	69,800	72,343
Work carried out for fixed assets	2,849	2,321
Other operating income	70	279
Personnel expenses	-31,188	-32,036
Other operating expenses	-28,556	-29,569
EBITDA	12,976	13,337
Depreciation and amortization	-8,138	-8,679
Govern. grants for non-financial assets and others	11	11
Impairment and results on disposals	0	-2
Operating income	4,849	4,668
Financial result	-304	-494
Results from entities accounted by the equity method	-3	18
Profit before taxes	4,542	4,192
Income tax	-681	-629
NET RESULT	3,861	3,563

Performance

- A slight increase in the sales figure in this first half, which nevertheless allows for a better gross margin, standing at 62.3% of sales, from 60.3% with which the same period of the previous year closed, due to the lower margin associated with essential medicines, with greater weight in 2020.
- There was a fall in the amount of R&D (work performed for fixed assets) capitalised, without having a significant impact on development projects.
- Personnel expenses increased by 3% compared to the first half of 2020, mainly due to hiring technical staff for the new plant in Barcelona.
- Other operating expenses increased by 4%, mainly due to the new injectable plant's start-up costs, and a slight increase in commercial and marketing expenses.
- EBITDA stands at €13.3 million, a 3% increase over the previous year. EBITDA profitability on sales, 11.5%, thus exceeding 2020's closing level of 10.6%.
- The amortisation expense reflects the start-up of capital expenditures and is expected to grow at a faster rate by incorporating the new plant into the assets coming into operation.
- Financial expenditures are at the projected level, and their growth is largely due to positive exchange rate differences that impacted on 2020.
- Profit before tax amounted to €3.6 million, 8% below the first half of 2020, largely due to the higher level of amortizations.

Balance sheet

Q2 2021

thousand euros	6/30/2020	6/30/2021
ASSETS		
Goodwill	29,703	29,926
Other intangible assets	86,324	81,128
Property, plant and equipment	85,444	90,939
Investments in equity-accounted investees	1,218	1,877
Non-current financial assets measured at fair value	1,204	1,171
Other non-current financial assets	637	583
Deferred tax assets	14,629	14,875
TOTAL NON-CURRENT ASSETS	219,159	220,499
Inventories	43,778	47,140
Trade and other receivables	44,181	42,248
Current tax assets	5,390	5,908
Other current financial assets	1,784	759
Other current assets	2,272	2,982
Cash and cash equivalents	8,907	16,171
TOTAL CURRENT ASSETS	106,312	115,208
TOTAL ASSETS	325,471	335,707

CAPEX 2021

11.1

€ million

R&D
CAPITALISATION

2.3
million

CAPEX
INDUSTRIAL

8.8
million

- Capital expenditure on industrial capacity and technology totalling €8.8 million. The two main projects are: on the one hand the renovation of facilities and infrastructures at the Antibiotics Plant in Toledo, which meant, among other improvements, a total renovation of the HVAC purified air management systems, taking advantage of the drop in demand in this half, and the completion of the necessary capital expenditures for the manufacture of the COVID-19 vaccine.
- There was an increase in the level of stocks in Q2 2020, mainly due to the preparation for the manufacture of the vaccine from the second half, which will continue in the next quarters. Exceptionally high cash positions will shrink in the third quarter when significant planned payments are made.

Balance sheet

Q2 2021

thousand euros	6/30/2020	6/30/2021
ASSETS		
TOTAL EQUITY	181,509	188,213
Capital grants	1,715	2,355
Provisions	897	287
Financial liabilities with credit institutions	30,870	28,821
Lease liabilities	17,139	15,097
Other financial liabilities	5,357	5,988
Deferred tax liabilities	2,985	3,220
Other non current liabilities	13,000	0
TOTAL NON-CURRENT LIABILITIES	71,964	55,768
Provisions	24	26
Financial liabilities with credit institutions	12,632	10,333
Lease liabilities	5,580	5,398
Other financial liabilities	473	3,749
Liabilities from contracts with customers	0	7,247
Trade and other payables	49,148	46,669
Current tax liabilities	1,970	3,134
Other current liabilities	2,171	15,170
TOTAL CURRENT LIABILITIES	71,999	91,726
TOTAL EQUITY AND LIABILITIES	325,471	335,707

- Non-current liabilities are basically reduced by the reclassification to current liabilities from the last payment for the purchase of the osteoarticular business.
- At 30 June 2021, other current liabilities included €15 million for this item which will be paid in July 2021.

NET FINANCIAL DEBT

Q2, 2021
year-
end
2020
year-
end

53.2 € million

55.1 € million

Debt | EBITDA

Q2, 2021
year-
end
2020
year-
end

2.0

2.1

FINANCIAL
DEBT
69.4million

LEASE DEBT
UNDER IFRS 16

10.8million

CORPORATE DEBT
CREDIT AND OTHER

58.6million

- Net financial debt fell by €1.9 million compared with year-end 2020 due to the slower pace of new capital expenditure accompanied by debt repayment associated with the new facilities and corporate operations.
- This drop and EBITDA growth put the Debt/EBITDA ratio at 2.0, below the 2.1 level at year-end 2020.



Q2 2021

OUTLOOK FOR 2021

Outlook for 2021

After closing 2020 with sales of €230 million, with a 15% growth driven by the sale of essential medicines and the impact of the incorporation of the new osteoarticular product business, 2021 closed this first half at the same level of sales as the same period of the previous year, but with a significantly different mix of sales, and differentiated impacts on the three business units.

In the **PHARMACEUTICAL TECHNOLOGIES** division (45% of revenue), the 6% decline in revenue in the first half of the year should be reversed in the second half of the year by the impact of the start-up of the new Injectable Products Plant in Barcelona, the resumption of activity in all the Toledo Plant lines, and the manufacture of the COVID-19 vaccine

The **SPECIALITY PHARMACARE** division (32% of revenue), has already begun a clear recovery, both in Dermatology and in Osteoarticular products, both in the domestic market and in the rest of Europe, especially in countries where we have own specialised commercial networks, UK and Sweden. The start of sales from our new subsidiary in Poland also contributes to this growth. We will thus strengthen our direct international presence, while continuing to develop distribution and licensing agreements in other countries.

In **CONSUMER HEALTHCARE** (23% of revenues), our FORTE PHARMA brand is expected to continue growing in its ranges of vitamins, gels, probiotics, and sleep management, especially in its main markets France and Benelux, as well as in other countries to which they export its products, including Spain and Portugal. Other ranges, such as weight control and OTC products, will have a slower recovery, which will occur as consumption recovers and COVID prevention measures are relaxed, which will have an impact on mild conditions returning to the usual pre-COVID levels.

In the second half of 2021 we hope we can continue to consolidate the recovery of the Speciality Pharmacare and Consumer Healthcare divisions, while the growth of our largest division, Pharmaceutical Technologies, will be conditioned by the recovery in world demand for antibiotics, caused by the easing of social distancing measures and the increase in surgical interventions, and by the start of manufacturing in the new plant. We are confident that, all things considered, Reig Jofre will be able to conclude a financial year of growth in revenue and profits, which will be the basis for 2022, in which the newly installed production capacity will allow an even greater boost to the Group's sales.



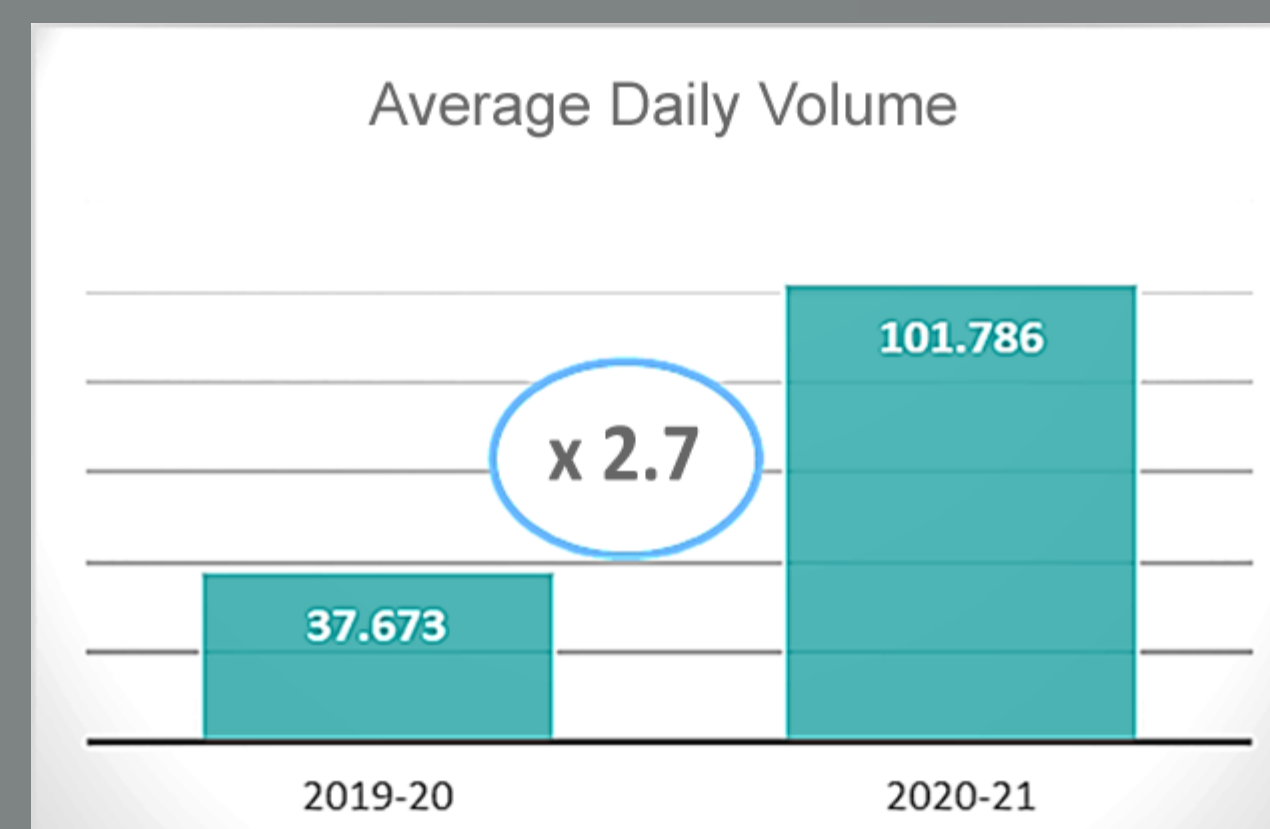
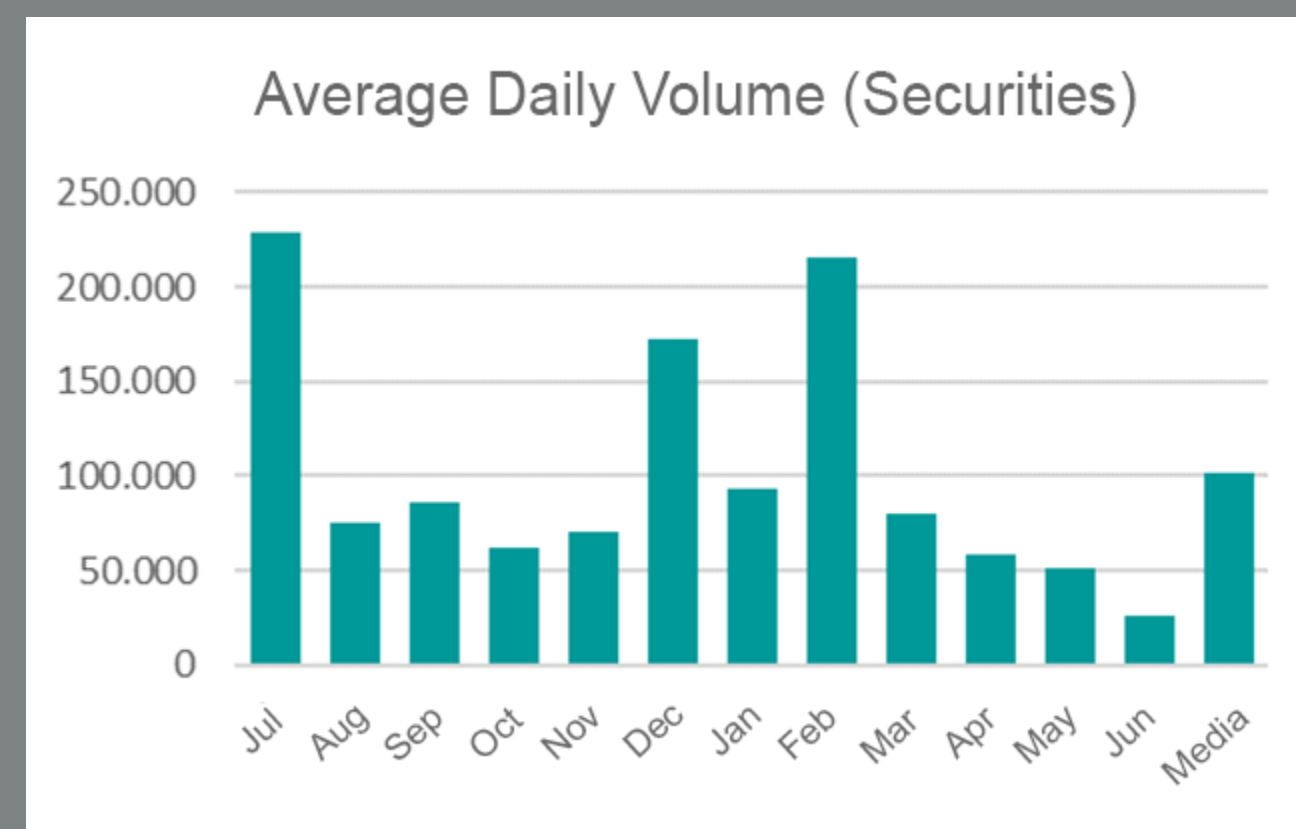
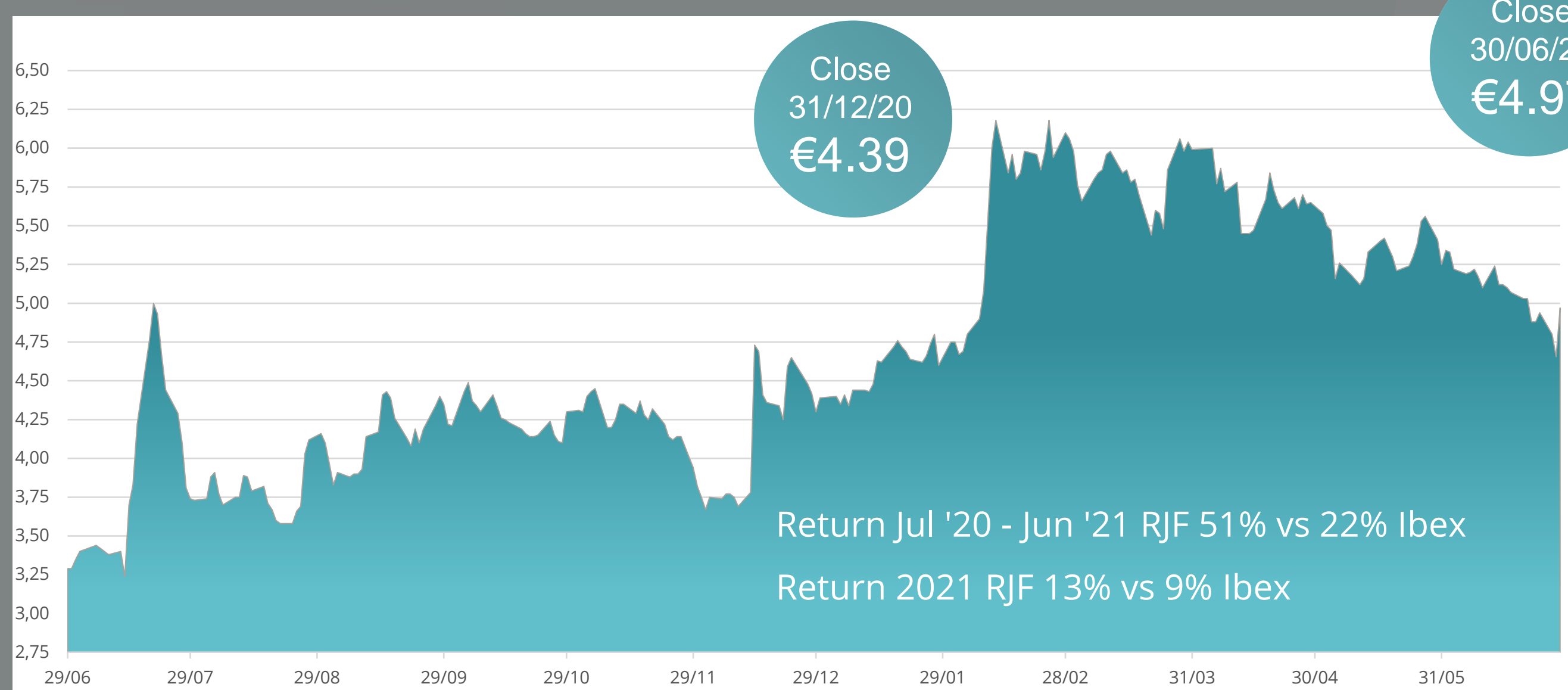
Q2 2021

RJF SHARE PERFORMANCE

RJF Share Performance Jul '20 – Jun '21

Market capitalisation of €382 million

Data as at 30 June 2021



REIG JOFRE 2021

Following completion of the Scrip Dividend distribution in July 2021, Reig Jofre's capital is divided into 77,802,279 shares. As at 26 July, the main shareholders and their holdings were:

Shareholder	% capital
REIG JOFRE INVESTMENTS SL	62.7%
KAIZAHARRA CORPORACION EMPRESARIAL SL	10.1%
ONCHENA, S.L.	5.8%

At the end of the free allocation rights trading period, 97.6% of the share capital chose to receive new shares in payment to the flexible dividend. The resulting pay-out was 62% of the consolidated income.

The resulting capital increase was 629,805 shares, which began trading on 21 July

LINKS AND FURTHER INFORMATION

LATEST NEWS

www.reigjofre.com/en/news

SUBSCRIPTION CENTRE

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

REIG  JOFRE

Q2

Thank you

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

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