

Barcelona (Spain), February 28, 2020

**RESULTS PREVIEW: YEAR 2019**

## Reig Jofre reaches € 200 million in revenue and closes 2019 with a growth of 11% in sales and 20% in EBITDA

- The turnover was € 200.2 million (+ 11%), driven by the organic growth of all business units and the new product portfolio in health and joint pain acquired on July 1 and integrated into the *Specialty Pharmacare* business unit, that grew 41%
- *Pharmaceutical Technologies* and *Consumer Healthcare* business units contributed positive growth of 2% and 6% respectively
- Reig Jofre generated 45% of its sales in Spain, representing sales in the rest of Europe 45% and 10% in other countries. The most outstanding growth occurred in Spain since the new products portfolio incorporated contributed 87% of its sales in this market. The next growing markets were Finland and Japan
- Gross margin and EBITDA respectively achieved growth of 11% and 20% compared to previous year
- Operating expenses grew in line with the increase in sales, in the order of 12% if the effect of the non-recurring costs of the corporate operation located at 2.3 million euros was adjusted
- EBITDA showed an increase of 20% over the previous year, standing at € 19.7 million. The positive impact of the application of IFRS 16 on these expenses was offset by the transaction costs, which represented an adjusted EBITDA for both concepts of 19.3 million euros
- Because of higher amortizations, due to investment in industrial technology and depreciation of the assets acquired in the corporate operation, the result before taxes suffered a fall from the previous year and stood at 4.9 million of euros



- In 2019 Reig Jofre made investments totaling 71 million euros. 22 million euros corresponded to expansion and improvement of the industrial and technological capacity. The construction of the new injectables plant in Barcelona, which ends in 2020, represented about 80% of this magnitude
- The Articular Health business was acquired on July 1 through the purchase of assets from the company Bioibérica S.A. The total investment was estimated at 48 million euros, one part corresponding to fixed payment and another variable depending on the evolution of this product in the coming years
- R&D expenditure increased to 6% of the sales figure, of which 5.6 million euros were activated in 2019, compared to 4.8 million in 2018
- The financial debt with banks and other organizations stood at 50 million euros at year-end 2019, due to the impact of industrial investments, compared to 32.7 million euros the previous year. The application of IFRS 16 adds to this debt 12.8 million euros for future payments for lease agreements
- The liquidity of the company increased from 8 to 10 million euros in 2019
- Reig Jofre closed its Balance sheet in 2019 with 52.6 million of Net Debt (39.8 million without impact of IFRS 16), which represents 2.67 times EBITDA, level foreseen by the current investment plan, and that grows with respect to the 1.49 in which this ratio was located at the end of 2018
- Reig Jofre carried out a capital increase in 2019 for a total amount of 24 million euros, destined to the corporate operation
- A flexible dividend was distributed under the scrip dividend formula, what it meant the payment of 359 thousand euros for shareholders who opted for cash collection and the issuance of 1,012,390 shares for shareholders who converted their subscription rights
- Reig Jofre shares had a good performance during the year, having closed at a price of € 2.52 / share, which represents a 10.5% increase in value for the year
- In December, the second tranche of the temporary share buyback program was completed to provide the first tranche of the second share options plan
- Reig Jofre will present the Results of 2019 at the Madrid Stock Exchange next Thursday, March 5 at 10:00



## 1. TURNOVER EVOLUTION

Reig Jofre closed 2019 with a turnover of 200.2 million euros, a growth of 11% over year 2018.

### SALES EVOLUTION BY BUSINESS UNIT 2019



*Historical commitment to development: 78% of the company's sales come from its own products development*

*CDMO services (Contract Development & Manufacturing Organization / Development and Production to third parties), represents 18% of total billing, driven by value-added products (derma in Sweden, injectables, biotech and antibiotics derived from penicillin)*

The **pharmaceutical technologies unit** in antibiotics and injectables contributed 50% of sales and grew by 2%. Highlighted the good performance of the lyophilized injectables line in the Japan market, especially.

The **specialty pharmacare unit** in skin, hair and nail health; joint health and pain and women's health, contributed 26% of the turnover with an increase of 41% over the previous year, motivated by the incorporation of the semester sales of the new joint line.

The **consumer healthcare unit** that develops and markets products with its own brand like Forté Pharma, to respond to the needs of its consumers at the level of prevention and symptomatic relief in the areas of weight control, energy, stress & sleep disorders, and beauty, mainly, contributed 24% of sales with a growth of 6%. France being the main driving force for this growth, followed by Iberia and Benelux, thanks to the success of its new releases in the weight control, energy and sleep disorders ranges.



## 2. RESULTS PRESENTATION

Reig Jofre will present 2019 detailed results at Madrid Stock Exchange on Thursday, March 5 at 10.00 hours CET. RSVP is appreciated at: [investors@reigjofre.com](mailto:investors@reigjofre.com)

The event will be broadcasted live in Spanish and English via webcast, which can be accessed through the home page of Reig Jofre's web site: [www.reigjofre.com](http://www.reigjofre.com)

This year the company will commemorate its 90th anniversary and its first 5 years on the Stock Exchange, with a historical exhibition on the trading floor of Madrid Stock Exchange and a traditional Opening Bell Ringing.

## 3. 2018 PROFIT AND LOSS ACCOUNT

thousand euros	31/12/2019	31/12/2018
<b>Turnover</b>	200.207	180.468
Procurements	-75.426	-70.267
Changes in inventories	1.515	2.648
<b>Gross margin</b>	126.296	112.848
Work carried out for fixed assets	5.625	4.824
Other operating income	94	839
Personnel expenses	-57.132	-52.140
Other operating expenses	-55.192	-49.979
<b>EBITDA</b>	<b>19.691</b>	<b>16.393</b>
Depreciation and amortization	-13.148	-7.605
Government grants for non-financial assets and others	23	40
Impairment and results on disposals	-243	1.192
<b>Operating income</b>	<b>6.323</b>	<b>10.020</b>
Financial expenses	-1.048	-768
Other financial income–expenses	-85	76
<b>Financial result</b>	<b>-1.133</b>	<b>-692</b>
Results from entities accounted by the equity method	113	155
<b>Profit before taxes</b>	<b>5.303</b>	<b>9.483</b>
Income tax	-364	-231
<b>Net result</b>	<b>4.939</b>	<b>9.252</b>
<b>Adjusted EBITDA (IFRS 16 + Transaction Costs)</b>	<b>19.284</b>	<b>16.393</b>



#### 4. BALANCE SHEET ON DECEMBER 31, 2018

thousand euros	31/12/2019	31/12/2018
<b>ASSETS</b>		
Goodwill	29.730	27.598
Other intangible assets	85.879	39.121
Property, plant and equipment	83.917	54.728
Investments in equity-accounted investees	1.220	307
Non-current financial assets measured at fair value	1.204	1.167
Other non-current financial assets	658	425
Deferred tax assets	14.585	14.469
<b>TOTAL NON-CURRENT ASSETS</b>	<b>217.193</b>	<b>137.815</b>
Inventories	38.353	34.563
Trade and other receivables	40.542	33.856
Current tax assets	4.144	11
Other current financial assets	924	2.687
Other current assets	2.288	2.474
Cash and cash equivalents	10.171	8.269
<b>TOTAL CURRENT ASSETS</b>	<b>96.422</b>	<b>81.860</b>
<b>TOTAL ASSETS</b>	<b>313.615</b>	<b>219.675</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	38.031	32.525
Share Premium	19.000	0
Reserves	118.559	110.183
Treasury shares	-1.138	-900
Own equity instruments	62	34
Profit attributable to the parent company	4.942	9.266
Exchange differences	-1.146	-1.193
Other comprehensive income	-110	-115
<b>Equity attributable to parent company</b>	<b>178.200</b>	<b>149.800</b>
Non-controlling interests	-62	-59
<b>TOTAL EQUITY</b>	<b>178.138</b>	<b>149.741</b>
Capital grants	1.729	105
Provisions	897	803
Financial liabilities with credit institutions	8.893	7.020
Lease liabilities	33.603	14.036
Other financial liabilities	5.681	5.683
Deferred tax liabilities	3.103	3.242
Other non current liabilities	13.000	0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>66.907</b>	<b>30.889</b>
Provisions	82	45
Financial liabilities with credit institutions	6.518	3.649
Lease liabilities	7.582	1.536
Other financial liabilities	542	808
Trade and other payables	36.241	29.911
Current tax liabilities	2.508	902
Other current liabilities	15.098	2.194
<b>TOTAL CURRENT LIABILITIES</b>	<b>68.571</b>	<b>39.045</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>313.615</b>	<b>219.675</b>



Receive updated news about Reig Jofre by registering with the company's **subscription centre** via our corporate website: **[www.reigjofre.com](http://www.reigjofre.com)**

### **About Reig Jofre**

Founded in 1929 in Barcelona, Reig Jofre is a family-controlled pharmaceutical company listed on the Spanish Stock Exchange's continuous market and dedicated to the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements from its four plants in Toledo (2), Barcelona and Malmö (Sweden). Reig Jofre structures its product development activity in three business areas: (1) *Pharmaceutical technologies* specialized in sterile and lyophilized injectables, and antibiotics derived from penicillin; (2) *Specialty pharmacare* in Skin, Hair and Nail Health; Health and Joint Pain and Women's Health (developed and produced internally), and (3) *Consumer Healthcare* with products aimed at the consumer under the Forté Pharma brand, mainly in France, Belgium, Spain and Portugal, and other OTCs. Reig Jofre has more than 1000 employees, direct sales in 7 countries and more than 130 business partners in 70 countries around the world. The company closed 2018 with a turnover of 181 million Euros. Reig Jofre is listed the ticker RJF. Share capital: 76,062,457 shares

### **Further information**

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