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Faes Farma  
Financial Results & Business  
Update  
*Third quarter 2021*

October 2021



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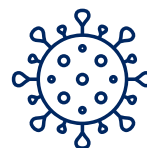
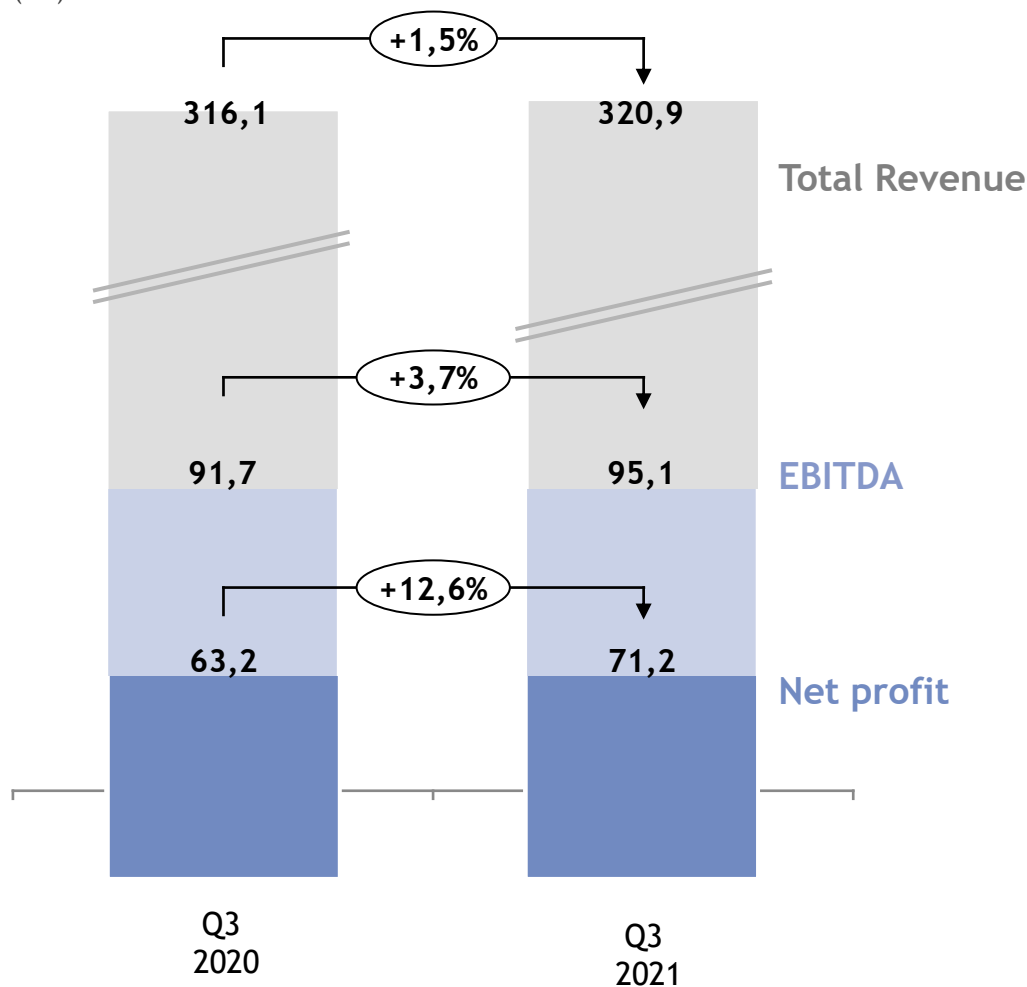


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# Key financial results and highlights

## Highlights: Third quarter 2021

(M€)



## Covid-19 Impact

- In our main market, Japan, we see orders resume to the licensee (Taiho) in Q3 after 9 months without purchases due to the overstock in 2020. Sell-out continues to grow 13% and market share has reached 16,1%.
- The negative impact of Covid on the pharmacy business is softening (-1% vs LY\*) and we see the Consumer channel returning to pre-Covid levels (+6% vs LY\*)



## Positive underlying business performance

- Organic growth of the company of between 3% and 4% excluding the overstock impact of Bilastine driven by:
  - Significant increase in global sales of Calcifediol (+39%) and Mesalazine (+18%)
  - Double digit growth in subsidiaries LATAM (+25% without Global Farma) and direct global exports (+17%)
  - Sales above the internal target in Animal Nutrition



## Bottom line results

- Net profit improves in Q3 due to the recovery of income and the 3,5<m€ of net milestone from Hikma USA. Expenses at the same level as 2020 due to the reduction in business activity.

# Income Statement

(Thousands €)

	September 2021	% sales	September 2020	% sales	% change 2021/2020
<b>Total Revenue</b>	<b>320.876</b>		<b>316.126</b>		<b>1,5%</b>
Ordinary income/sales	295.105		290.969		1,4%
Other operating income	25.770	8,7%	25.157	8,6%	2,4%
Cost of sales	(105.497)	35,7%	(104.805)	36,0%	0,7%
<b>Gross margin</b>	<b>215.378</b>	<b>73,0%</b>	<b>211.321</b>	<b>72,6%</b>	<b>1,9%</b>
Personnel expenses	(61.238)	20,8%	(59.737)	20,5%	2,5%
Other operating expenses	(59.063)	20,0%	(59.911)	20,6%	-1,4%
<b>EBITDA</b>	<b>95.077</b>	<b>32,2%</b>	<b>91.673</b>	<b>31,5%</b>	<b>3,7%</b>
Deprec.& impairment of fixed assets	(11.841)	4,0%	(14.885)	5,1%	-20,4%
<b>EBIT</b>	<b>83.236</b>	<b>28,2%</b>	<b>76.788</b>	<b>26,4%</b>	<b>8,4%</b>
Financial profit/(loss)	(70)	0,0%	(1.075)	-0,4%	-93,5%
<b>Profit before taxes</b>	<b>83.166</b>	<b>28,2%</b>	<b>75.714</b>	<b>26,0%</b>	<b>9,8%</b>
Corporate Tax	(12.037)	4,1%	(11.818)	4,1%	1,9%
<b>Consolidated profit</b>	<b>71.129</b>	<b>24,1%</b>	<b>63.896</b>	<b>22,0%</b>	<b>11,3%</b>
Minority interests	28	0,0%	(696)	0,2%	-104,0%
<b>Profit to the Parent Company</b>	<b>71.157</b>	<b>24,1%</b>	<b>63.200</b>	<b>21,7%</b>	<b>12,6%</b>

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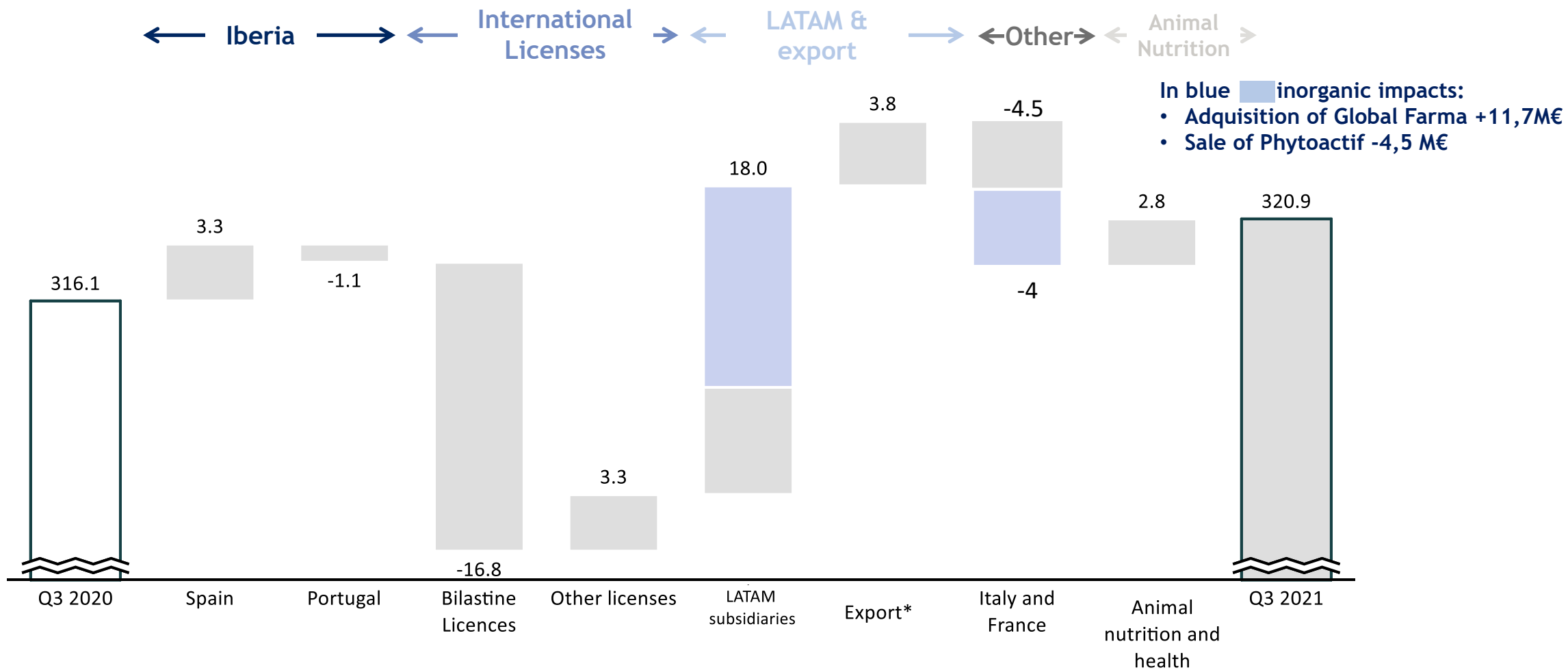
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# Covid-19 impact in Bilastine licences slows down

Revenue evolution per business area [Q3 2020 - Q3 2021, M€]

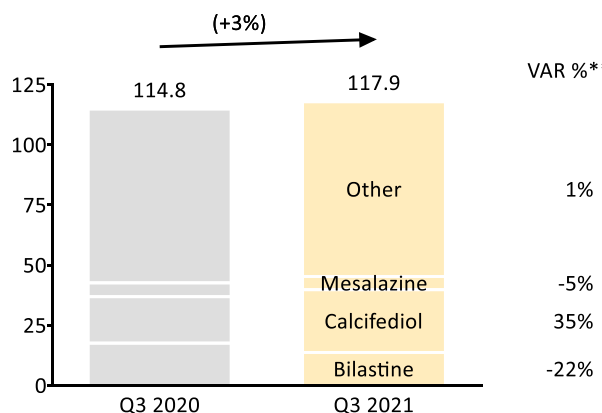


# Sales performance Iberia- Outperforming the market driven by Calcifediol

## Spain

(M€)

Total Revenue Q3 21 vs Q3 20



Market sales Spain (IQVIA)

TOTAL PHARMA MARKET*	
MARKET SPAIN	FAES FARMA
+1,8%	+6,8%

PRESCRIPTION MARKET*	
MARKET SPAIN	FAES FARMA
+2,4%	+7,2%

- Sales in line with internal targets (Prescription 102%, Pharmacy 99% and Consumer 111%). Overall 102%.
- Growth significantly above the pharma market trend due to the continuous positive evolution of Calcifediol (38% sell out, 35% sell in) and the contribution of the respiratory franchise.
- Bilastine sales in units grow +9,8% until September. The negative impact on sell in is completely related to the price reduction of -45% since July.

\* Source IQVIA until June

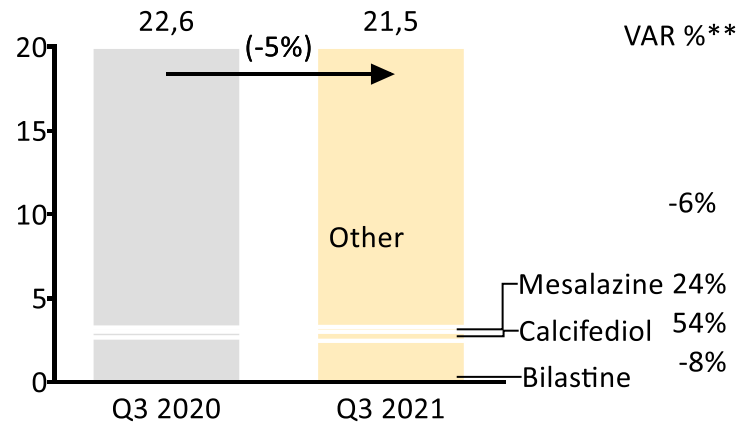
\*\*The percentages are calculated based using euro figures

# Sales performance Iberia

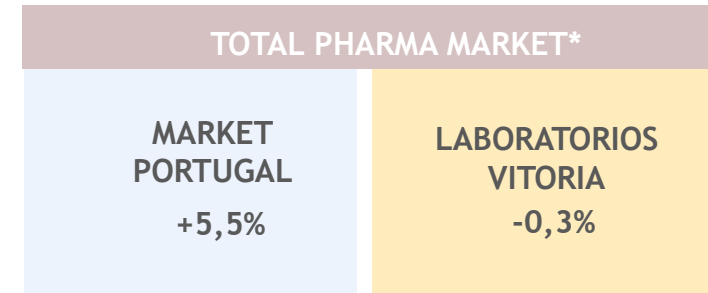
## Portugal

(M€)

Total Revenue Q3 21 vs Q3 20



Market sales Portugal(IQVIA)



- YTD sales decline slows down thanks to a positive Q3

\* Source IQVIA until June

\*\*The percentages are calculated based using euro figures

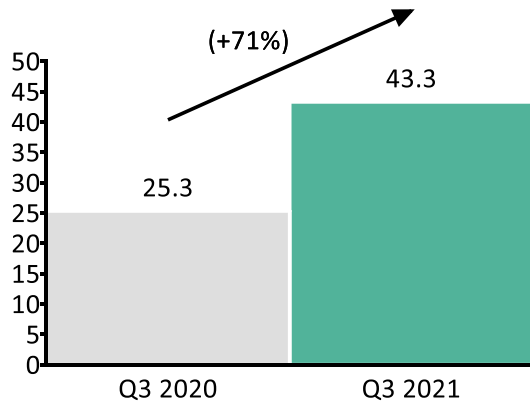


# Double digit growth both in LATAM and Exports

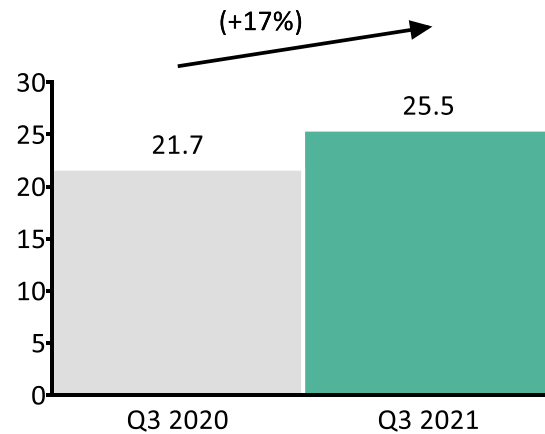
## LATAM and Export

(M€)

### Total Revenue Q3 21 vs Q3 20

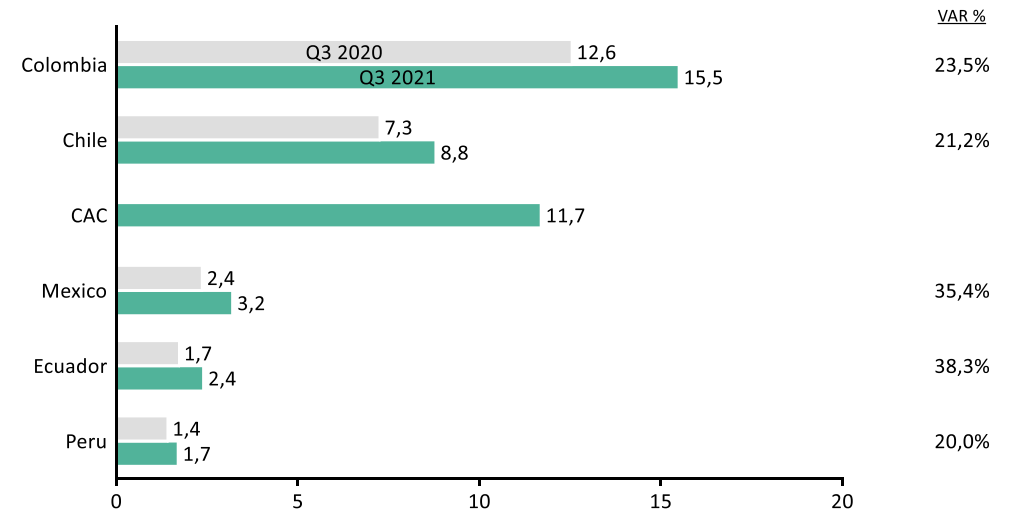


LATAM subsidiaries



Export\*

### LATAM subsidiaries



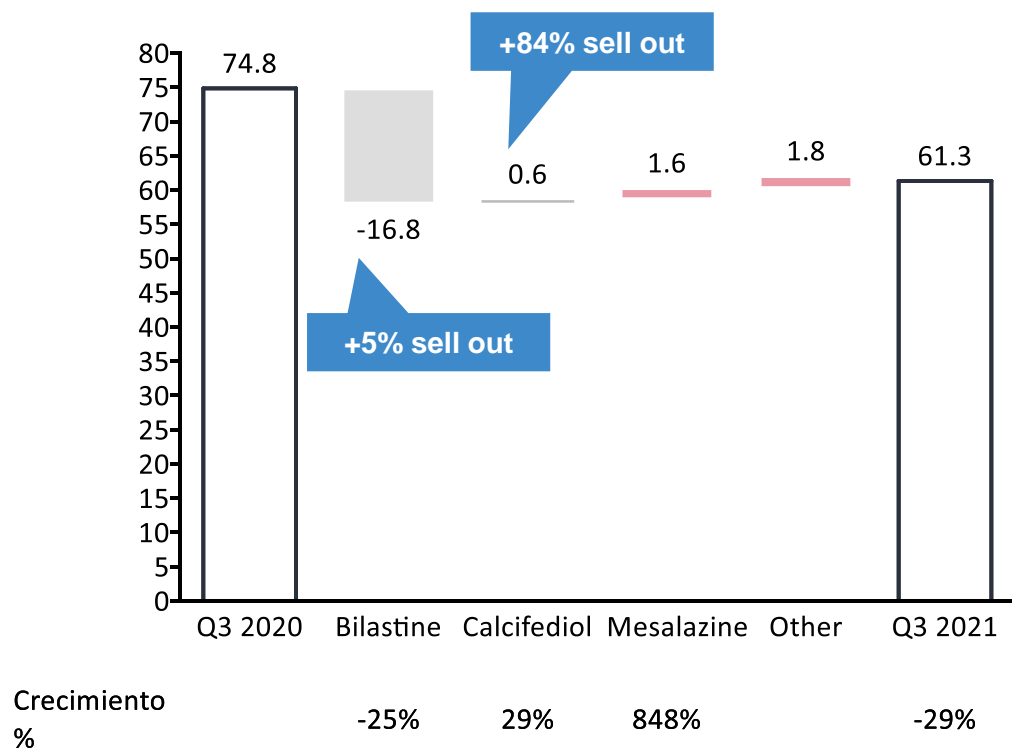
- The acquisition of global Global Farma (Central America & Caribbean) contributes until June 11,7 M€ in sales, resulting in total growth in LATAM +71 %. Organic growth of the other units is +25%.
- Exports grow in line with the evolution of the recent years

# Licenses: Resumption of sales of Bilastine to Japan and milestone from Hikma USA improve position in Q3

## International Licenses

(M€)

Total Revenue Q3 21 vs Q1 20



- Increase of +5% in bilastine in the global licensed market
- Exports to Taiho(Japan) fall in line with expectations, resuming orders in Q3 (July and September) with a regulated level of stock.
- Sales increase in the local market in Japan of +13% (in Yens) while the antihistamine market decreases -13%. This leads to a market share above 16% and confirming Bilanoa as the leader in antihistamines in Japan.
- Growth of sell-out in calcifediol +84%\*\* and mesalazine due to market expansion
- Mesalazine launch successes in September: Orion (Nordics) sales are above expectations. In Poland, Recordati achieved a market share of 20% in volume.

\*Bilastine data until August from IQVIA of the markets where our partners are present

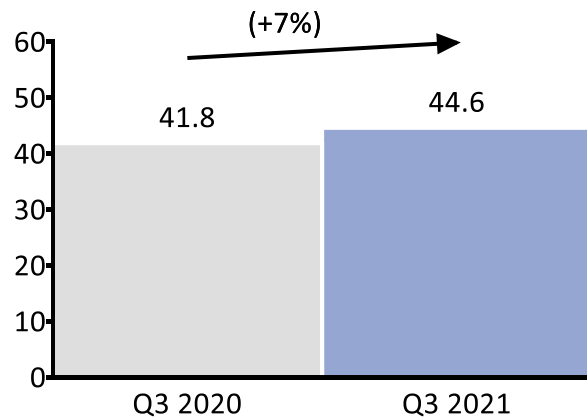
\*\* Calcifediol sell out data until June from our partners in Belgium, Poland and Italy

# Animal Nutrition and Health slightly above expectations

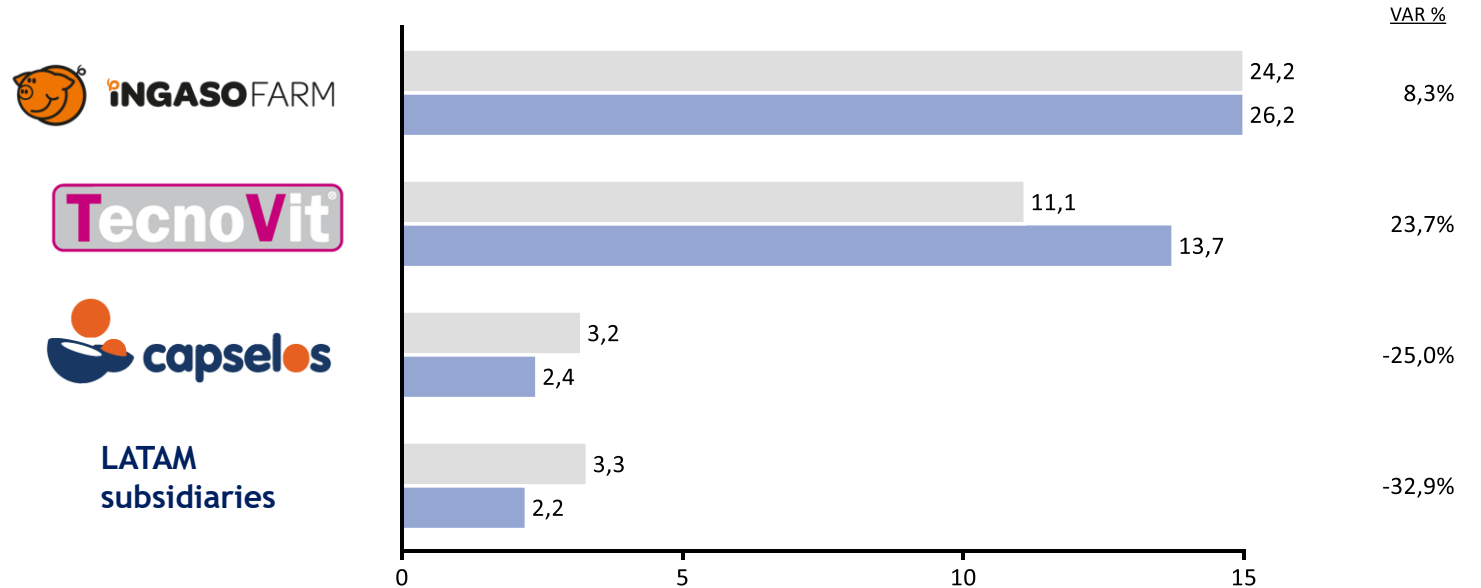
## Animal Nutrition and Health

(M€)

### Total revenue Q3 21 vs Q3 20



- Good sales performance in the core subsidiaries Ingaso and Tecnovit in Iberia.
- Sales slightly above internal target.
- Reduction of sales in LATAM subsidiaries due to the negative impact of Covid-19 on the price of meat, which has caused the closure of some producers. Capselos sales reduction is related to customers focusing on their sales in LATAM and Southeast Asia.



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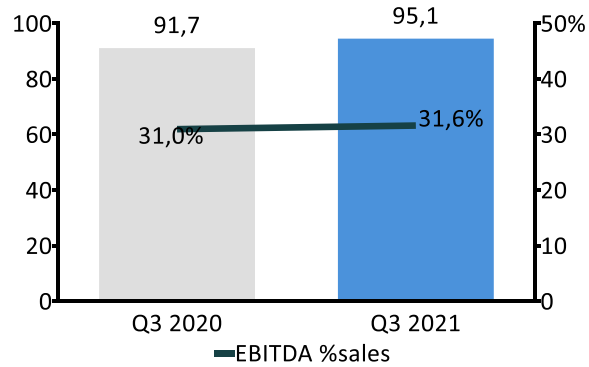
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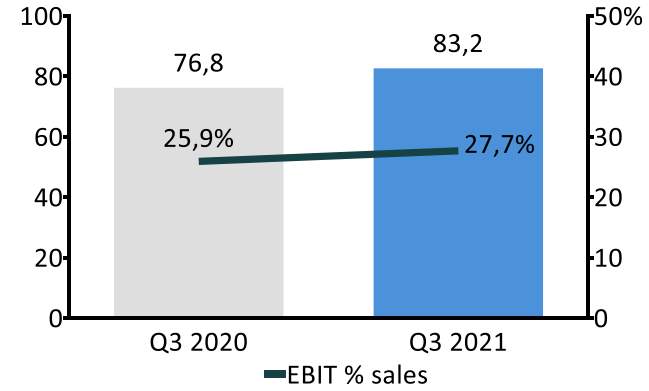
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# Earning performance

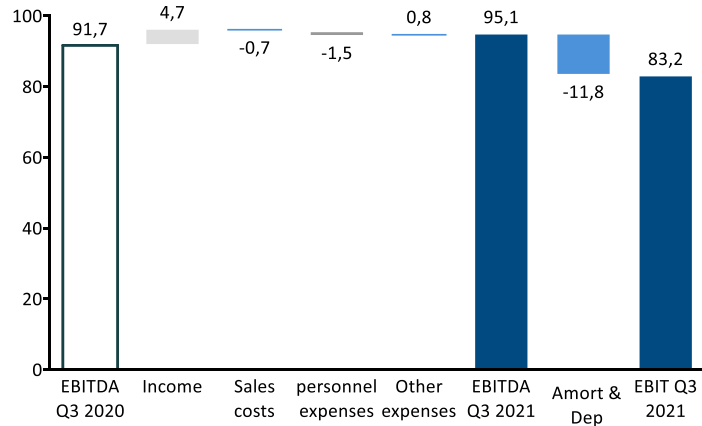
**EBITDA Q3 21 vs Q3 20 (M EUR)**



**EBIT Q3 21 vs Q3 20 (M EUR)**



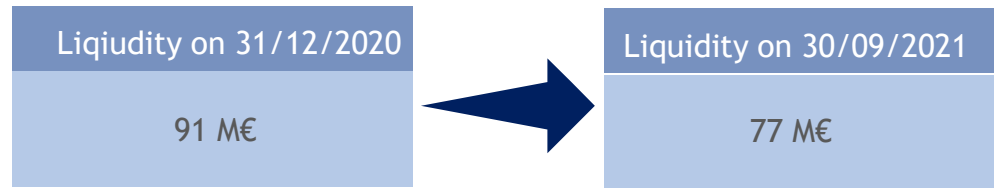
**EBITDA movements Q3 21 (M EUR)**



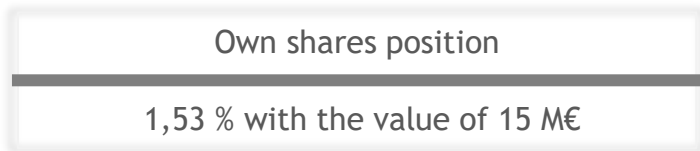
- Evolution of the income statement above expectations.
- Operating profit is improving as negative factors related to Covid-19 and the decreases in bilastina prices in Japan and Spain are offset by cost savings and the milestone related to the future licensing of Bilastine in the USA

# Cash position

## Reduction in liquidity as a results of investments



- The reduction in liquidity is the result of the strategic plans for 2021: investment in R & D, a new manufacturing plant and M&A activity (Global Farma in Guatemala).



- The 2021-2023 triennium will see a very relevant investment effort related to the construction of the new manufacturing plant. However, the use of external financing is currently not expected

# Faes Farma stock position

## Evolution of the share Price and capitalization

Share Price (€)

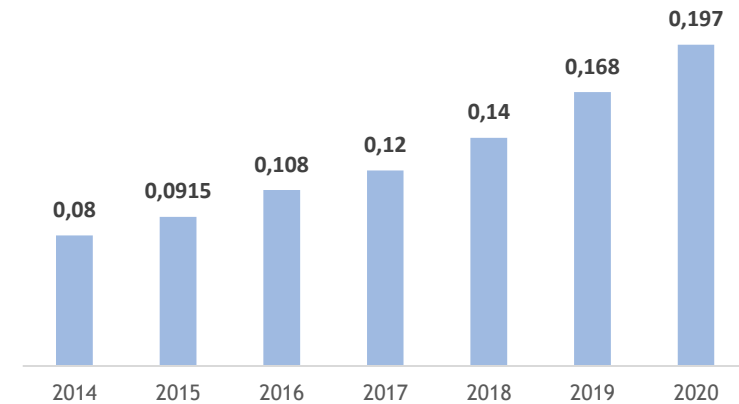


Capitalization (M€)



- Stable capitalization
- Dividend increases in line with the companies results

DIVIDEND PER SHARE\* (EUR)



\*Dividend related to payments in the year

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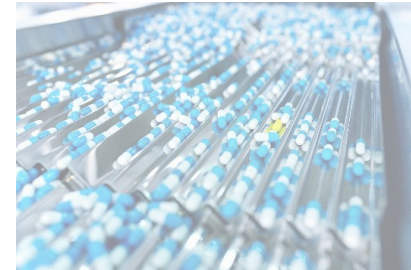
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# Net profit to increase in 2021, compensating the adverse impact from the external environment

## Perspective 2021



**Accumulation of Bilastine stock at key partners** following the antihistaminic market reduction in 2020 due to the **Covid-19 pandemic**

**Bilastine market price reduction** in Japan (~6,3%) and loss of the patent in Spain (-45% in price)

Slow down of **Healthcare sales** in Spain and Italy



**Sales growth via expansion of Calcifediol and Mesalazine licenses**

Revenue growth of our business in **LATAM** both organically and inorganically (Global Farma)

Positive growth of the **Iberian pharmaceutical business** (Calcifediol, Mesalazine and Respiratory)

Milestone from license of bilastine in USA

*Progressive normalization in 2H is confirmed, the signing of the bilastine license in the US is included in the estimates*

**Net sales<sup>1</sup>**

**Single digit growth**

*vs. Full year 2020 (380M€)*

**Net Profit**

**Between 89M€ - 93M€**

*vs. Full year 2020 (85M€)*

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