

REIG  JOFRE

Q1

RESULTS

First quarter of 2021



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Past performance is no guarantee of future results.



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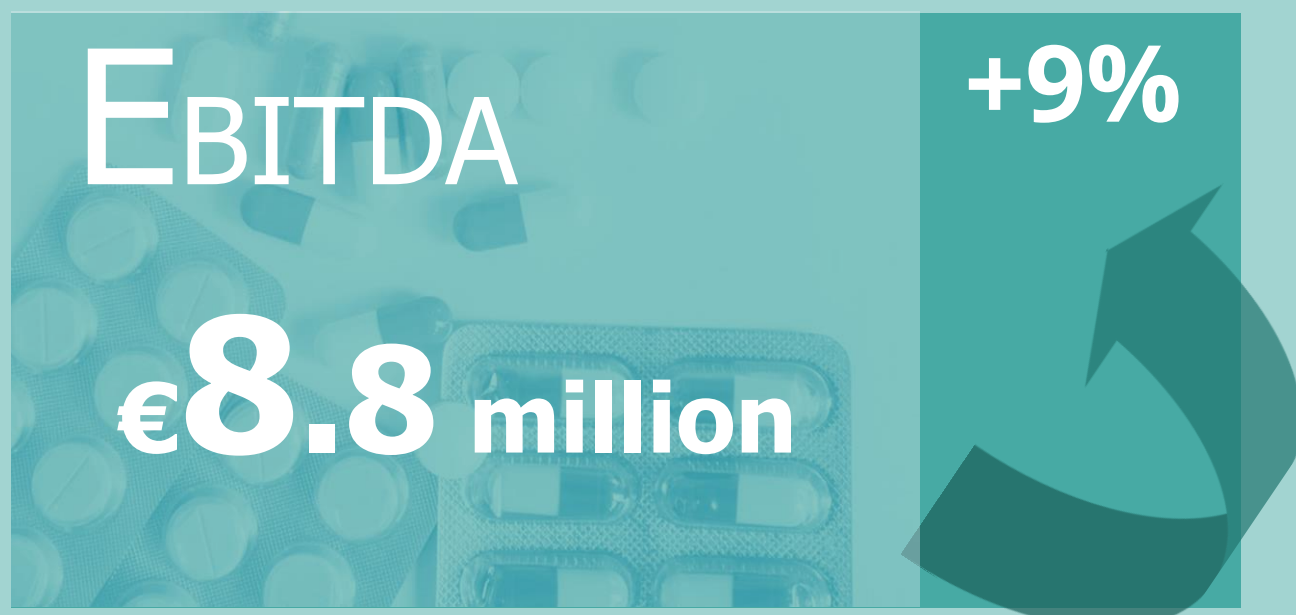


Q1 2021

RESULTS

BUSINESS UNITS

REIG JOFRE sales held steady in the first quarter of 2021 with 11% growth in net profit.



- Reig Jofre closed the first quarter with sales of €62 million, on par with the first quarter of 2020. The impact on some product ranges from COVID-19 was offset by growth in other divisions.
- At revenues level, we have compared a quarter in which all divisions were affected by COVID-19 against the first quarter of 2020 in which there was hardly any impact as the effects did not materialise until the second quarter of that year.
- Sales of prescription products continued to be affected by fewer patient visits. The lower incidence of certain milder conditions had a negative impact on antibiotic consumption and some consumer healthcare over-the-counter (OTC) ranges.
- Despite this, EBITDA reached €8.8 million in quarter 1Q, up 9.3% year on year, which translated into an improved return on sales.
- Consolidated net profit for the quarter amounted to €3.7 million, an increase of 11% on 2020
- Industrial capital expenditure amounted to €2.9 million. This was lower than in previous periods due to the completion of the new injectables plant in Barcelona, which is expected to start operations in quarter 2, 2021.
- The debt/EBITDA ratio was 1.8 below the level at the end of 2020.

Revenues by business unit

PHARMACEUTICAL TECHNOLOGIES



Antibiotics
Injectables / lyophilisates

€27.6
million
+2%

44%

- The Pharmaceutical Technologies division posted growth of 1.7% in the first quarter of 2021, driven by sales of injectable products, which went up by 10%.
- Sales of antibiotics manufactured at the Toledo plant declined in this quarter due to the lower incidence of bacterial infections, a trend that began in 2020 due to social distancing measures.
- The increased capacity of the new injectables plant is expected to boost revenues by the end of the second quarter, and more significantly from the third quarter onwards.

SPECIALTY PHARMACARE



Dermatology
Osteoarticular

€19.1
million
+3%

30%

- Dermatology, which accounts for 41% of this unit, grew by 15%, mainly owing to the higher demand for this product range in the Nordic markets and the start of a recovery in sales in the Spanish market, where demand for this product range reached levels similar to the pre-COVID-19 period.
- The Osteoarticular product segment generated €7.7 million in revenues within this division, a decline of 8% on the same period in 2020. The effect of fewer patient visits, which meant fewer new prescriptions for these treatments in countries where there are still strict distancing measures, continued to be felt.

CONSUMER HEALTHCARE



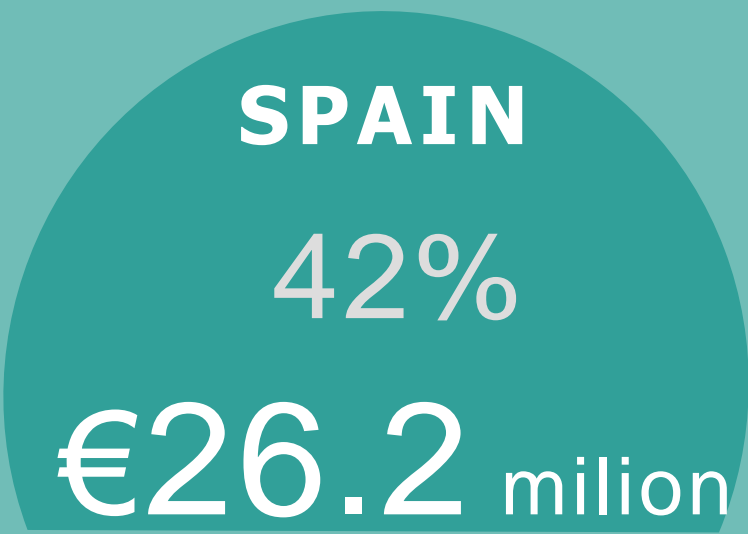
OTC
Weight control
Energy
Stress and sleep
Beauty

€15.4
million
-6%

26%

- The Consumer Healthcare division declined 6% in the quarter, mainly due to OTC products in the respiratory and ear, nose and throat (ENT) product ranges. The lower incidence of respiratory diseases was not offset by the growth in the disinfection product ranges.
- The FORTE PHARMA food supplements line reported a slight decline (2%) due to lower revenues from the weight-control product range in this quarter, which was to be anticipated in the wake of COVID-19. The FORTE PHARMA vitamin, jelly and immune system strengthening product ranges continued to grow in France and other European countries, as was the case in the quarters affected by COVID-19 in the previous year.

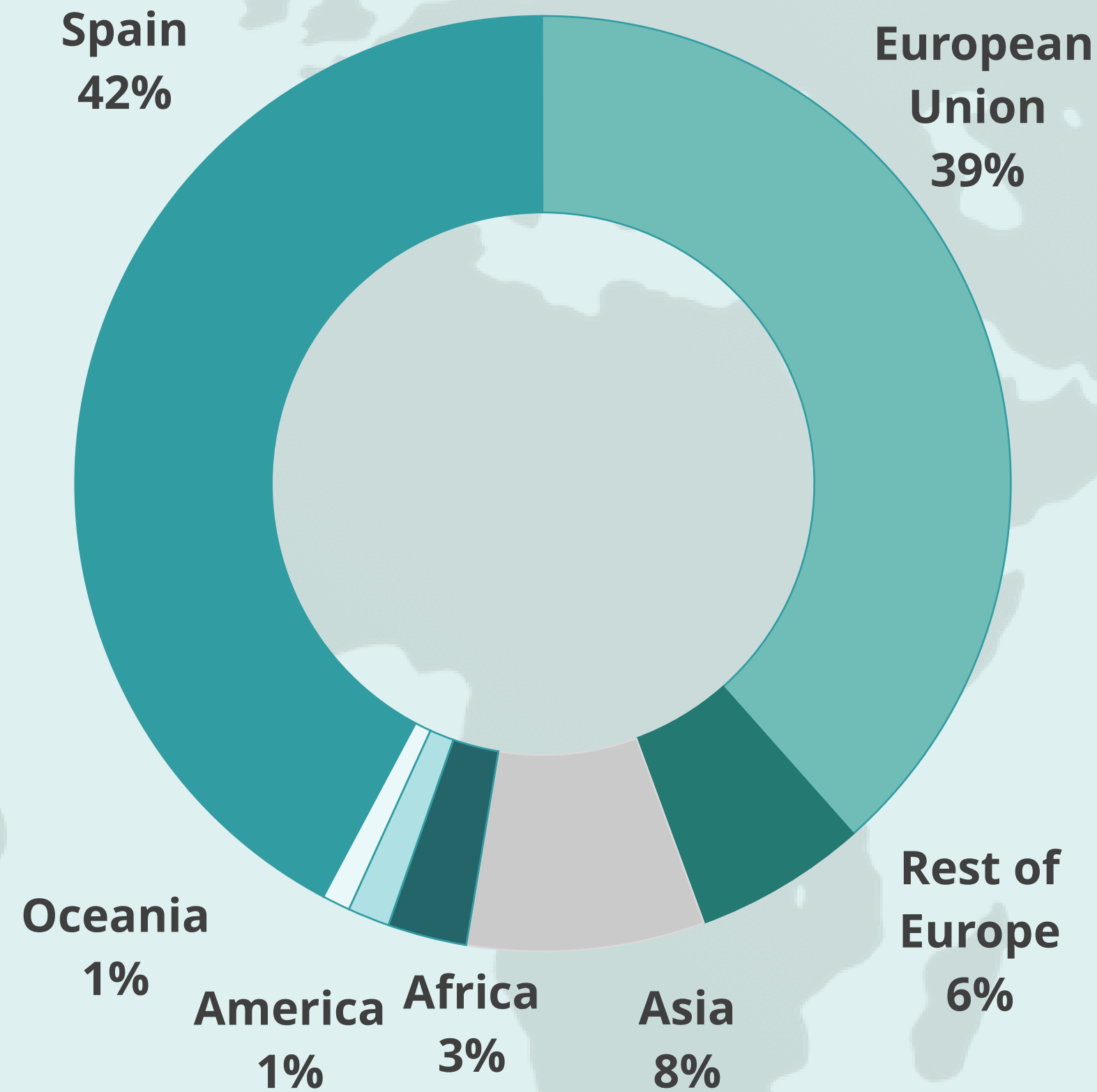
Sales by geographical region



% Sales International*



* Sales outside of Spain



- The Spanish market declined by 11% due to lower consumption of antibiotics, a drop in respiratory products and a decrease in prescriptions.
- The rest of the European markets grew by 4%, especially in the Nordic countries where Reig Jofre has a direct presence.
- Revenues in Rest of the World increased by 34%, especially in Asia, which now accounts for 8% of total sales. The Americas and Oceania also both delivered a good performance in quarter 1.

Contract development and manufacturing (CDM) accounted for 21% of sales. The go-live of new capacity in 2021 will impact the growth of this activity during the year.





1Q 2021

INCOME STATEMENT BALANCE SHEET

Income statement

1Q 2021

thousand euros	31/03/2020	31/03/2021
Turnover	62.060	62.115
Procurements	-23.726	-22.573
Changes in inventories	-870	-1.429
Gross margin	37.463	38.114
Work carried out for fixed assets	1.427	916
Other operating income	7	238
Personnel expenses	-15.637	-15.719
Other operating expenses	-15.224	-14.768
EBITDA	8.037	8.781
Depreciation and amortization	-4.015	-4.278
Government grants for non-financial assets and others	6	0
Impairment and results on disposals	0	-2
Operating income	4.027	4.501
Financial expenses	-250	-221
Other financial results	87	15
Financial result	-162	-205
Results from entities accounted by the equity method	3	7
Profit before taxes	3.867	4.303
Income tax	-580	-646
Net result	3.287	3.658

Changes

- The stable sales figure in the first quarter contributed to a higher gross margin due to the product mix, reaching 61.4% of sales, up from 60.4% at the end of the first quarter the previous year.
- There was a fall in the amount of R&D (in-house work on non-current assets) capitalised due to delays in progressing certain development projects.
- Personnel expenses were stable compared with the first quarter of 2020, growing by 1%. Costs to recruit staff for the new plant were offset by achieving greater efficiencies in the other areas of the business.
- Other operating expenses decreased by 3%. The company continued to keep a tight rein on sales and marketing expenses, maintaining its profitability in an environment of slower revenues growth.
- EBITDA reached €8.8 million, 14% of sales, thanks to margin improvements and cost management. Compared with the previous year, this indicator rose by 9%.
- The company also kept its financial expenses in check and used its favourable cash position to reduce their impact.
- Profit before tax amounted to €4.3 million, 11% higher than in 2020.

Balance sheet

1Q 2021

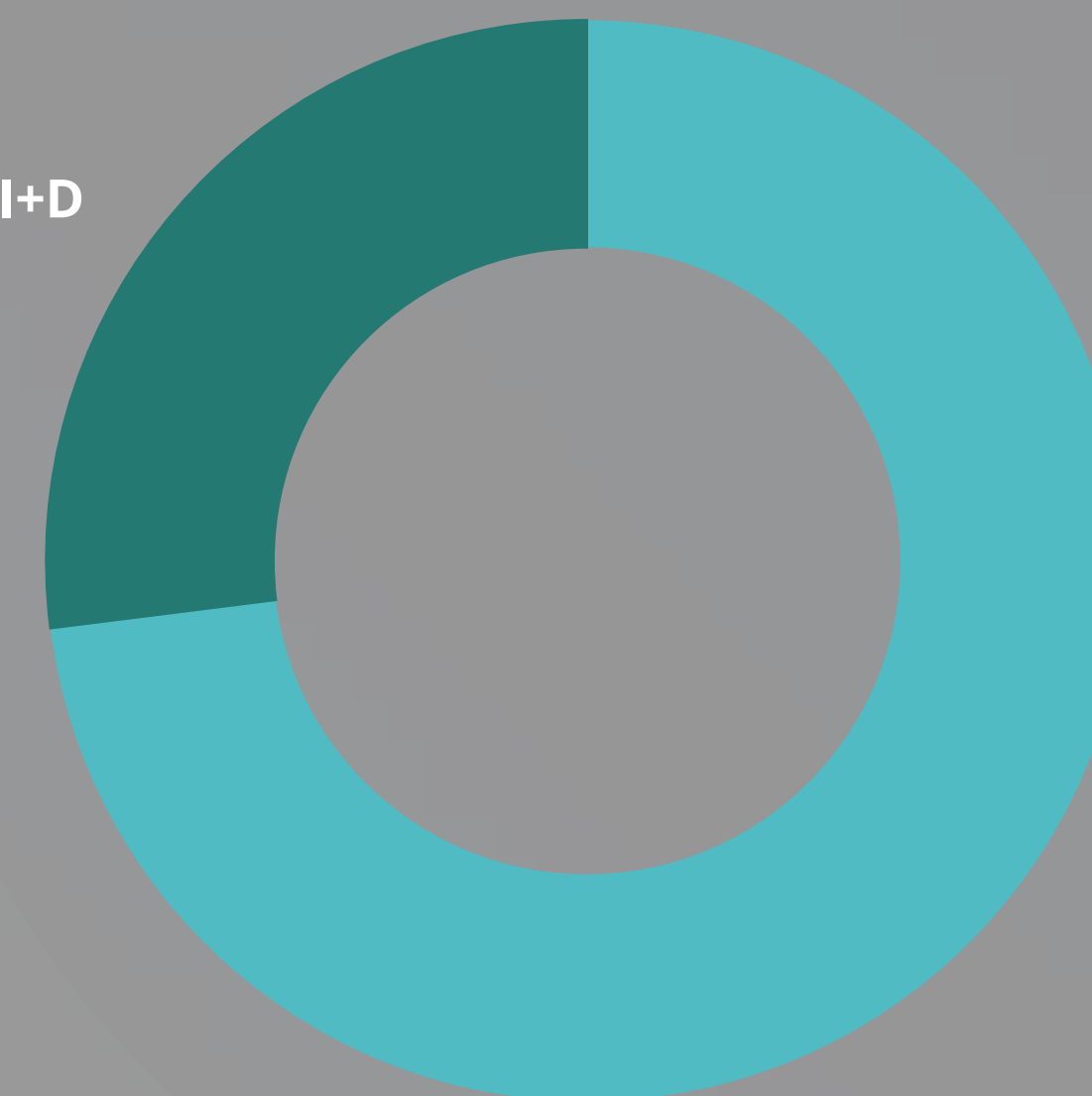
thousand euros	31/03/2020	31/03/2021
ASSETS		
Goodwill	29.402	29.850
Other intangible assets	86.641	81.799
Property, plant and equipment	84.240	86.043
Investments in equity-accounted investees	1.223	1.865
Non-current financial assets measured at fair value	1.204	1.171
Other non-current financial assets	625	576
Deferred tax assets	14.631	14.876
TOTAL NON-CURRENT ASSETS	217.967	216.180
Inventories	37.347	38.706
Trade and other receivables	51.040	49.824
Current tax assets	4.490	3.876
Other current financial assets	2.085	635
Other current assets	2.078	2.621
Cash and cash equivalents	7.120	13.816
TOTAL CURRENT ASSETS	104.161	109.478
TOTAL ASSETS	322.128	325.659

CAPEX 2021

4.0
€ million

Activación I+D

1.1
millio
n



CAPEX
Industrial
2.9
millio
n

- Capital expenditure on industrial capacity and technology totalling €2.9 million mainly related to a project to renovate facilities and infrastructure at the Toledo antibiotics plant, where the drop in antibiotic manufacturing activity provided an opportunity to make major changes without affecting the overall manufacturing capacity needed. Almost all the capital expenditure needed to manufacture Janssen Pharmaceuticals' COVID 19 vaccine has been made.
- Current assets were unchanged compared with the end of the first quarter of 2020, and the company's working capital was still at 19% of sales, the level at the end of 2020. The cash position also improved significantly, by around €6.7 million from March 2020 levels, and €2.2 million from year-end 2020.

Balance sheet

1Q 2021

thousand euros	31/03/2020	31/03/2021
TOTAL EQUITY	180.452	188.285
Capital grants	1.721	2.439
Provisions	897	287
Financial liabilities with credit institutions	15.271	24.837
Lease liabilities	22.248	14.476
Other financial liabilities	5.352	5.690
Deferred tax liabilities	2.987	3.247
Other non current liabilities	13.000	0
TOTAL NON-CURRENT LIABILITIES	61.475	50.976
Provisions	25	26
Financial liabilities with credit institutions	13.178	9.780
Lease liabilities	6.371	4.942
Other financial liabilities	359	3.692
Liabilities from contracts with customers	0	5.008
Trade and other payables	40.434	44.480
Current tax liabilities	4.720	3.337
Other current liabilities	15.114	15.132
TOTAL CURRENT LIABILITIES	80.201	86.397
TOTAL EQUITY AND LIABILITIES	322.128	325.659

- Non-current liabilities were significantly reduced by deferred payments on the purchase of the osteoarticular business, which have now become current liabilities. At 31 March 2021, other current liabilities included €15 million for this deferred payment.
- Current liabilities were reduced by the lower utilisation of working capital credit facilities, while improvements were made to the credit management of trade creditors and other operating liabilities.

NET FINANCIAL DEBT

49.6 € millions

55.1 € millions

Debt | EBITDA

1.8

2.1

FINANCIAL DEBT

63.4 million

LEASE DEBT
UNDER IFRS 16

9.5 million

CORPORATE DEBT
CREDIT AND OTHER

53.9 million

- Net financial debt fell by €5.5 million compared with year-end 2020 due to improved liquidity and lower utilisation of revolving credit facilities, as well as lower capital expenditure resulting in less incremental debt.
- Higher EBITDA brought the debt/EBITDA ratio to 1.8, significantly below the 2.1 at year-end 2020.



1Q 2021

OUTLOOK FOR 2021

Outlook for 2021

After closing 2020 with sales of EUR 230 million, the key drivers of revenue growth in 2021 will be the recovery of the domestic market for antibiotics and other prescription products, international growth through our subsidiaries and licensing and distribution agreements, and the manufacture of Janssen Pharmaceutical's COVID-19 vaccine.

In the **PHARMACEUTICAL TECHNOLOGIES** division (44% of revenues) essential medicines linked to COVID-19 will have less impact than in 2020 as intensive care unit (ICU) demand for patients admitted is lower than in the second and third quarters of last year, the quarters with the highest impact on sales of essential products needed by the healthcare system.

In view of the lower demand for antibiotics, the Toledo plant was able to initiate a project to renovate infrastructure and facilities in some of its sterile product production areas. The new injectable products plant in Barcelona will triple the current manufacturing capacity of these products. This new state-of-the-art plant is set to reach close to full capacity by 2021 given that it will be manufacturing Reig Jofre products and producing the COVID-19 vaccine at the same time.

The **SPECIALTY PHARMACARE** division (30% of revenues) will still be affected in the first half of the year by the reduction in patient visits and therefore a lower number of new prescriptions in Spain. Growth will be based on international expansion (outside Spain), in both dermatological and osteoarticular products. When our new subsidiary commences operations in Poland, it will give us the opportunity to develop this market, which has great potential for our product portfolio. We will consolidate our presence in Europe, where the Nordic markets have been growing significantly this year, driven by capacity expansions at our dermatological and other speciality products plant in Sweden.

At **CONSUMER HEALTHCARE** (26% of revenues), our FORTE PHARMA brand is expected to continue to grow in its vitamin, jelly, probiotic and sleep management ranges, which are well established in France, Benelux and Spain. Other ranges, such as weight management and OTC products, are expected to recover in the second and third quarters as consumption picks up again and normal activity resumes, resulting in mild infections returning to normal pre-COVID-19 levels.



1Q 2021

RJF SHARE PERFORMANCE

RJF share performance Apr'20-Mar'21



REIG JOFRE 2021

Reig Jofre's capital is divided into 76,802,279 shares. At 31 March, the main shareholders and their holdings were:

Accionista	% capital
REIG JOFRE INVESTMENTS SL	62,71%
KAIZAHARRA CORPORACION EMPRESARIAL SL	10,05%
ONCHENA, S.L.	5,83%

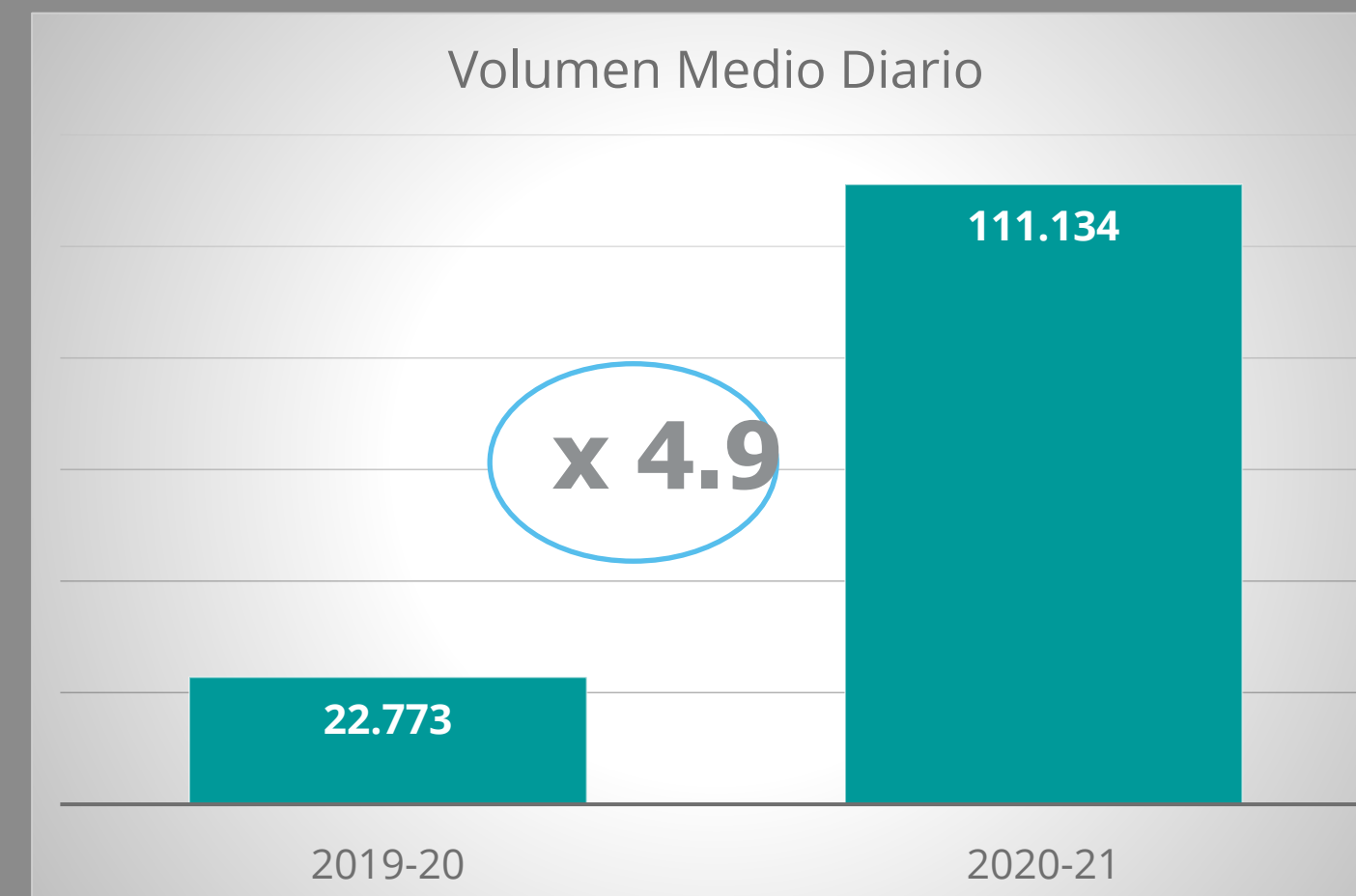
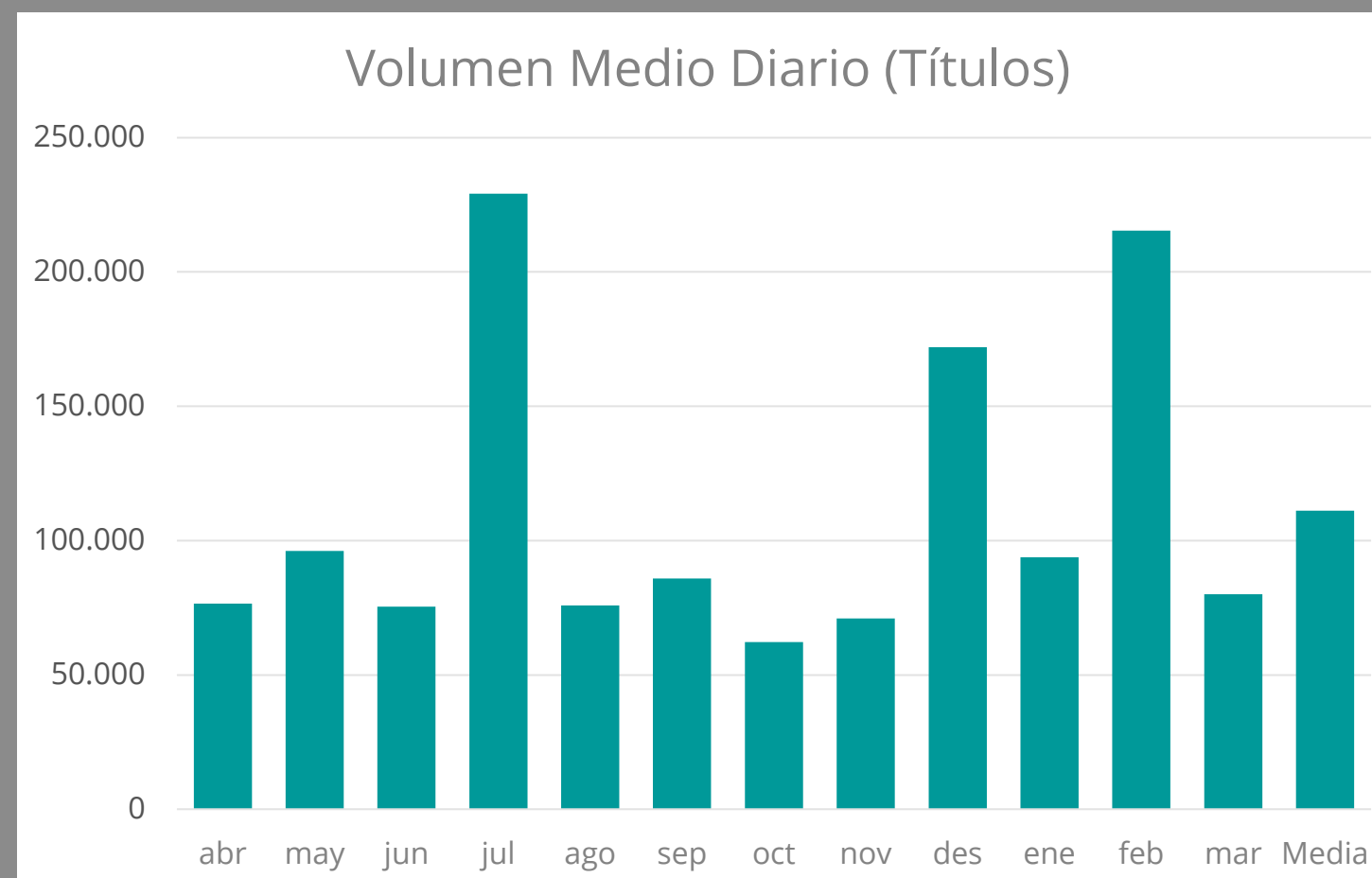
Last year saw a significant increase in the volume of securities traded, with a five-fold rise over the average daily volume of the previous 12 months.

The Board of Directors will propose to the Annual General Meeting to be held on 29 April 2021 the distribution of a scrip dividend of a maximum total amount of EUR 3,532,904.83. We estimate that this will ultimately represent an increase of 15% over the previous year's dividend, in line with the Group's improved results.

Market capitalisation of €464 million ⁽¹⁾

Return Apr'20-Mar'21 RJF **202%** vs **30%** Ibex

Return 2021 RJF **38%** vs **6%** Ibex



(1) Data at 31 March 2021

LINKS AND FURTHER INFORMATION

LATEST NEWS

<https://www.reigjofre.com/en/news/>

SUBSCRIPTIONS CENTRE

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

REIG  JOFRE

Q1

Thank you

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