

RESULTS AT A GLANCE: FIRST QUARTER OF 2021

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

In a quarter still heavily impacted by COVID-19, Reig Jofre managed to keep its sales on par with the first quarter of 2020 adjusted for this effect. The drop in prescriptions and decline in bacterial seasonal winter infections were one of the key factors affecting these results.

As at the end of the first quarter, **sales exceeded €62 million**, a slight increase on the same period of the previous year. Some product ranges achieved growth despite of the environment, and this offset the impact on sales from social distancing measures. Careful cost management boosted EBITDA by 9% to €8.8 million.

Both the **Pharmaceutical Technologies division**, which mostly manufactures and sells products for hospital use, and the **Specialty Pharmacare** division, which produces prescription medical products, posted year-on-year growth, a remarkable result in a pharmaceutical market that is contracting in many European countries.

The Pharmaceutical Technologies division (44% of sales) achieved 2% growth thanks to the good performance of injectable products, which rose by 10%, especially internationally (outside Spain). Oral antibiotic product ranges continued to decline as social distancing measures meant fewer infections.

The Specialty Products division (30% of sales) rose by 3% thanks to the growth of its dermatology segment, which represents 41% of this division's sales and whose main markets are Spain and the Nordic countries. However, the osteoarticular segment contracted due to fewer patient visits, which, in turn, meant fewer new prescriptions.

Consumer Healthcare (26% of sales) declined by 6%, despite growth in certain food supplement ranges under the FORTE PHARMA brand aimed at strengthening the immune system, vitamins, probiotics and jellies. Others, such as weight management and over-the-counter products, recorded lower revenues than in the first quarter of 2020.

PHARMACEUTICAL TECHNOLOGIES

Antibiotics
Injectables / lyophilisates

44%

€27.6
million
+2%

SPECIALTY PHARMACARE

Dermatology
Osteoarticular

30%

€19.1
million
+3%

CONSUMER HEALTHCARE

OTC
Weight control
Energy
Stress and sleep
Beauty

26%

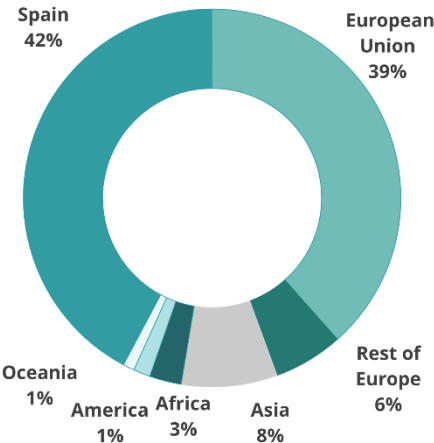
€15.4
million
-6%

Spain accounted for 42% of sales. Its revenues fell back by 11% due to lower consumption of antibiotics and fewer new prescriptions, reflecting a market that has not seen any growth this year.

The other European markets advanced by 4%, especially northern Europe, where we have a presence through our subsidiary in Sweden. Growth and a recovery in demand are beginning to be felt in the UK too.

The other countries, which together make up 13% of sales, achieved 34% growth in revenues, with the Asian market, which represents 8% of Reig Jofre’s revenues, being of particular note.

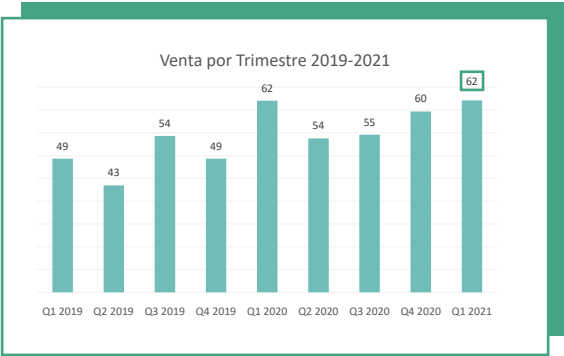
Sales by geographical region



REIG JOFRE generated 58% of its revenues internationally (outside Spain). Technological specialisation, the creation of our own sales networks in eight countries and the steady build up of licensing and distribution agreements has allowed us to achieve global scale for our products. This geographic diversification of revenues will undoubtedly be a key factor in the coming months, as recovery is expected to progress at different speeds across Europe and in the other markets in which we have a presence.

Performance and key indicators

The company closed the first quarter with sales of €62.1 million, which translated into 4% growth as compared with the last quarter of 2020 and was, indeed, the quarter with the highest revenues in Reig Jofre’s history.



COVID affected all divisions during this quarter. Despite this, sales were on par with the first quarter of 2020.

The gross margin improved due to the product mix, rising to 61.4% of sales, up from 60.4% at the end of Q1 the previous year.

Personnel expenses went up by only 1%. Costs to recruit staff for the new plant were offset by achieving greater efficiencies in the other areas of the business.

Other operating costs 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 climbed to €8.8 million, up 9% on the same period in 2020. An improved gross margin and cost control produced an EBITDA/sales ratio of around 14%

The company kept its financial expenses in check and used its favourable cash position to reduce their impact.

Consolidated net profit amounted to €3.7 million, 11% higher than in the first quarter of the previous year

Capital expenditure and funding

Capital expenditure on technology and expanding capacity in 2021 amounted to €3.1 million in this quarter.

The bulk of this was to renovate facilities at the Toledo factory, taking advantage of the temporary drop in demand in this quarter, and to adapt the Barcelona plant for the manufacture of the COVID-19 vaccine.

In addition, -€1.1 million was channelled into R&D projects as part of ongoing efforts to develop new products.



Net financial debt shrank to €49.6 million, from €55 million at the end of 2020, thanks to an improved cash position.

Reig Jofre's liquid assets rose by more than €6 million year on year. Its debt/EBITDA ratio was 1.8, compared with 2.1 in December 2020 and 2.7 in December 2019.



MANUFACTURE OF JANSSEN'S COVID-19 VACCINE

The new injectable vial manufacturing plant will be ready for five-shift operations from the end of the second quarter of 2021. The technology transfer agreement signed in December with Janssen Pharmaceuticals (owned by Johnson & Johnson) will make it possible to manufacture of this product on a large scale, to meet the supply needs identified by this company, up to a maximum of 250 million doses a year.

Outlook 2021



The key drivers of revenues growth in 2021 will be the recovery of the European market for antibiotics and other prescription products, international growth through our subsidiaries and licensing and distribution agreements, and the manufacture of the Janssen Pharmaceutical COVID-19 vaccine.

The new plant will make a significant contribution to the Pharmaceutical Technologies division's revenues. We also believe that the recovery of economic activity and easing of social distancing measures will translate into further growth in our Specialty Pharmacare product ranges from the second half of the year onwards. We are confident the Consumer Healthcare division, that part of the business that is the most sensitive to a recovery in consumer spending, will see a reversal of the first quarter trend.

Get updates on REIG JOFRE as they happen by registering with the **subscriptions centre** on the company website: www.reigjofre.com

About REIG JOFRE

Founded in 1929 in Barcelona, REIG JOFRE is a family-run pharmaceutical company, listed on the Spanish stock exchange, dedicated to the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements at its four plants in Toledo (2), Barcelona and Malmö (Sweden). REIG JOFRE organises its product development activities into three business divisions: (1) *Pharmaceutical Technologies* specialising in sterile and lyophilised injectables and penicillin-derived antibiotics; (2) *Specialty Pharmacare* specialising in dermatology, osteoarticular disorders and women's health; and (3) *Consumer Healthcare* with consumer products under the Forté Pharma brand mostly in France, Belgium, Spain and Portugal, and other over-the-counter areas. REIG JOFRE has more than 1,100 employees, direct sales in 7 countries and more than 130 sales partners in 72 countries around the world. The company closed 2019 with turnover of €200 million. REIG JOFRE is listed under the ticker RJF. Registered capital: 76,802,279 shares

Further information

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INCOME STATEMENT

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

BALANCE

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
EQUITY AND LIABILITIES		
Share capital	38.031	38.401
Share Premium	19.000	19.000
Treasury shares	-1.137	-1.695
Reserves	123.470	129.578
Own equity instruments	62	623
Profit attributable to the parent company	3.292	3.661
Exchange differences	-2.085	-1.037
Other comprehensive income	-110	-174
Equity attributable to parent company	180.525	188.357
Non-controlling interests	-73	-71
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