

Barcelona (Spain), February 28, 2018

## **RESULTS PREVIEW: YEAR 2017**

REIG JOFRE CLOSES 2017 WITH AN INCREASE IN SALES OF 4.3% IN A YEAR MARKED BY THE GROWTH OF ITS TRADITIONAL BUSINESS UNITS AND A SIGNIFICANT RECOVERY OF THE ANTIBIOTICS AND NUTRITIONAL SUPPLEMENTS PRODUCT LINES

- The good performance of the two business units of Reig Jofre in the last quarter (areas of technological- and therapeutic specialization) allowed to achieve annual sales growth of 4.3% and set the turnover at € 168M, (total income of € 170M).
- The continuous good evolution of injectables, dermatology and respiratory/ENT was complemented with the correction over the last quarter of the decrease in sales of the nutritional supplements line in France and antibiotics.
- The company increased personnel expenses by 7% and operating expenses by 6%, due to the reinforcement of the productive and R&D structures for the ongoing investments. Despite this, EBITDA maintained a positive evolution of 0.6% compared to 2016 and stood at € 15.8M.
- Net result grew by 14.9% compared to 2016 and reached € 8.8M, partly due to the favorable fiscal impacts for higher deductions in R&D and the partial reversal of the negative effect of tax credit deterioration in the previous year.
- The company improved its treasury position by reducing € 11M its net financial debt, which stood at € 18.3M, a debt/EBITDA ratio of 1.2 times compared to 1.8 times in 2016.
- The Board of Directors of Reig Jofre intends to maintain the dividend policy and propose at the next Shareholders' Meeting a dividend distribution in the form of a scrip dividend, similar to that of the previous year.
- Reig Jofre will present 2017 detailed results at Madrid Stock Exchange on Friday, March 2 at 10.00 hours CET. The event will be broadcasted live via webcast.



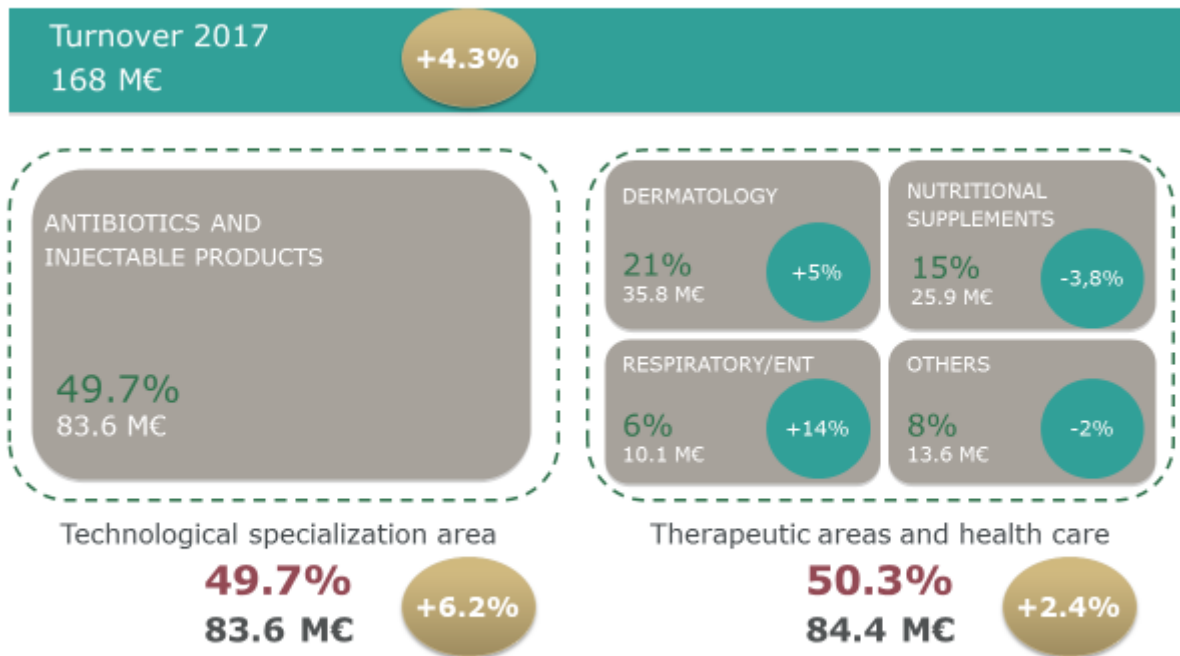
## 1. TURNOVER EVOLUTION

Reig Jofre closed 2017 with a turnover of 168 million euros, a growth of 4.3% over year 2016.

The **area of technological specialization** in antibiotics and injectable products contributed 49.7% of sales and grew by 6.2%, due to the continued good performance of the injectable line (+90% in 2016 and +23.5% in 2017) and the restoration in the last quarter of the year of the supply of raw material in the antibiotic line, which had significantly affected its results over the last year (-14% in 2016 and -2.2% in 2017).

The **area of therapeutic specialization** in dermatology and respiratory/ENT mainly, and healthcare with Forte Pharma nutritional supplements, contributed 50.3% of the turnover, with a combined growth of 2.4%, motivated by the good evolution of dermatology (+ 6%) and respiratory (+ 14%) and the recovery of nutritional supplements after the change of management in the last quarter of the year (-17% in 2016 and -3.8% in 2017).

### SALES EVOLUTION BY BUSINESS AREA



*"Others" includes primarily: products from non-core therapeutic areas and consumer healthcare products*



## 2. RESULTS PRESENTATION

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Reig Jofre will present 2017 detailed results at Madrid Stock Exchange on Friday, March 2 at 10.00 hours CET. RSVP is appreciated at: [investors@reigjofre.com](mailto:investors@reigjofre.com)

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

## 3. 2017 PROFIT AND LOSS ACCOUNT

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<i>(in euro)</i>	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>Turnover</b>	<b>167,983,166</b>	<b>161,134,290</b>
Changes in inventories	-108,495	3,657,720
Procurements	-63,970,940	-65,024,011
Work carried out for fixed assets	3,743,101	342,806
Other operating income	2,436,973	3,780,539
Personnel expenses	-49,355,219	-45,977,794
Other operating expenses	-44,941,197	-42,227,136
<b>EBITDA</b>	<b>15,787,389</b>	<b>15,686,414</b>
Depreciation and amortization	-6,829,299	-5,946,361
Government grants for non-financial assets and others	64,877	42,362
Impairment and results on disposals	-11,481	1,965,542
<b>Operating income</b>	<b>9,011,486</b>	<b>11,747,957</b>
Financial income	68,711	164,745
Financial expenses	-946,495	-1,238,683
Variation in fair value of financial instruments	106,662	172,888
Impairment and results from disposal of financial instruments	0	1,410,880
Exchange differences	-237,241	-296,669
<b>Profit before taxes</b>	<b>8,003,123</b>	<b>11,961,118</b>
Income tax	807,905	-4,294,278
<b>Net result</b>	<b>8,811,028</b>	<b>7,666,840</b>



#### 4. BALANCE SHEET ON DECEMBER 31, 2017

<i>(in euro)</i>	30/09/2017	30/09/2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	27,744,603	27,946,893
Other intangible assets	32,521,414	32,191,043
Property, plant and equipment	46,748,718	36,537,702
Available-for-sale assets	605,490	1,167,058
Non-current financial assets	716,081	591,049
Deferred tax assets	13,762,867	11,838,829
<b>TOTAL NON-CURRENT ASSETS</b>	<b>122,099,173</b>	<b>110,272,574</b>
<b>Current assets</b>		
Inventories	27,509,105	33,008,585
Trade and other receivables	35,161,239	36,048,884
Current tax assets	27	1770
Other current financial assets	3,272,957	11,144,454
Other current assets	3,605,774	6,636,038
Cash and cash equivalents	11,688,831	8,181,654
<b>TOTAL CURRENT ASSETS</b>	<b>81,237,933</b>	<b>95,021,385</b>
<b>TOTAL ASSETS</b>	<b>203,337,106</b>	<b>205,293,959</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	32,076,589	31.607.110
Reserves	102,183,036	95,792,056
Treasury shares	-702.981	-2,092,374
Interim dividend paid during the year	0	0
Profit attributable to the parent company	8,828,435	7,676,288
Exchange differences	-811.598	-330,066
Other comprehensive income for assets available for sale	19,400	-19,039
Other items of equity	12,169	638,193
<b>Equity attributable to parent company</b>	<b>141.605.049</b>	<b>133,272,168</b>
Non-controlling interests	-45,806	-16.964
<b>TOTAL EQUITY</b>	<b>141,559,243</b>	<b>133,255,204</b>
<b>Non-current liabilities</b>		
Capital grants	145,375	210,254
Provisions	682,236	613,531
Financial liabilities with credit institutions	9,478,644	11,989,392
Financial lease liabilities	7,612,622	5,244,334
Derivative financial instruments	0	0
Other financial liabilities	6,098,347	6,579,355
Deferred tax liabilities	3,293,605	3,346,745
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>27,310,829</b>	<b>27,983,611</b>
<b>Current liabilities</b>		
Provisions	244,959	314,339
Financial liabilities with credit institutions	4,728,595	12,692,240
Financial lease liabilities	1,351,019	592,771
Short-term derivative financial instruments	0	101,110
Other financial liabilities	716,710	402,345
Trade and other payables	23,975,413	25,787,514
Current tax liabilities	972,079	1,652,749
Other current liabilities	2,478,259	2.512.076
<b>TOTAL CURRENT LIABILITIES</b>	<b>34,467,034</b>	<b>44,055,144</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>203,337,106</b>	<b>205,293,959</b>



Receive Reig Jofre's news by registering in the company's **subscription center** of the new corporate website: **[www.reigjofre.com](http://www.reigjofre.com)**

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### **About Reig Jofre**

Founded in 1929 in Barcelona, Reig Jofre is a pharmaceutical company focused on the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements. The company directs its R&D to develop new indications and/or dosage forms of known active principles, generic medicines with a special focus on beta-lactam and lyophilized injectable antibiotics, topical dermatological products, OTCs and nutritional supplements as well as the development of new innovative molecules in partnership with start-ups and research centers. Reig Jofre has over 900 employees, 4 development and manufacturing centers in Europe (2 in Toledo, 1 in Barcelona and 1 in Sweden), direct sales in 7 countries and over 130 commercial partners in 64 countries worldwide. The company reached sales of €161 M in 2016.

Reig Jofre trades on the Spanish stock exchange under the ticker RJF. Total outstanding shares: 64,153,178 shares.

### **For further information**

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