

Following the merger with Natraceutical in December 2014

REIG JOFRE STARTS NATIONAL AND INTERNATIONAL PRESENTATION ROADSHOW

- Reig Jofre starts these days a round of meetings with national and international analysts and investors to present the new company after the merger with Natraceutical and the pillars for future growth.
- Based on the strong operational and financial structure, Reig Jofre has designed a five-year business plan that will combine organic growth and acquisitions.
- As the company already disclosed, after closing 2014 with a turnover of 152.5 M€ and EBITDA of 15 M€, Reig Jofre estimates that the organic growth of the business will allow to achieve in 2019 sales of 200 M€ and EBITDA of 25 M€.

Barcelona, October 15, 2015. The pharmaceutical company Reig Jofre starts this week a round of meetings with national and international analysts and investors to present the company after the merger with Natraceutical, review the business performance in the first half of the year and comment about its plans for the future.

Following the business integration of Natraceutical and former Reig Jofre in December 2014, the new Reig Jofre achieved last year sales of 152.5 million euros, EBITDA of 15 million euros and net profit of 6.9 million euros. This, according to pro-forma financial statements of the two integrated companies.

According to proforma figures, the compound annual growth rate of the new company between the years 2012-2014 was 6.2% in sales, 14.2% in EBITDA and 54.3% in net profit.

Also, according to the latest data released at the closing of June 2015, the company's net financial debt stands at 10.5 million euros, setting debt/EBITDA ratio below 1 time.



From the operational structure of the new Reig Jofre, an annual generation of net free cash above 7 million euros and the light debt structure, the company worked in recent months on a five-year business plan, with the following main lines:

Reig Jofre estimates its organic evolution will place turnover at 200 million euros and EBITDA at 25 million euros in 2019. This will represent an increase of 31% in sales and 67% in EBITDA in the period 2014-2019 and a progression of the EBITDA margin from 9.8% in 2014 to 12.5% in 2019.

In addition, the company does not exclude new corporate operations in its areas of strategic interest, which Reig Jofre would finance through its own cash generation, new debt with financial institutions or, depending on the size of the project, through the capital markets given its condition of listed company after the merger with Natraceutical.

Reig Jofre's business is divided into two areas: RJF Pharma, the consumer division that includes the development, manufacture and marketing of own products; and RJF CDMO, specialized contract development and manufacturing for other companies. At the end of 2014, RJF Pharma accounted for 78% of the turnover of the company, while RJF CDMO generated the remaining 22%. For 2019, the company estimates that RJF Pharma will increase weight in the total sales and provide 82% of the turnover while the CDMO area will contribute 18%.

RJF Pharma divides its product portfolio in three lines: specialized technology products (antibiotics, injectable and freeze-dried); specialty products in the therapeutic areas of dermatology, respiratory and gynecology; and nutritional supplements and OTC. The first of these categories accounted for 54% of sales of RJF Pharma in 2014, while specialty products contributed 14% of the turnover and nutritional supplements and OTC 32% of sales of this business area.

According to forward-looking projections, Reig Jofre estimates that all categories will grow in the coming years, although those that would experience a higher evolution would be specialty products, to provide 19% of RJF Pharma sales, and nutritional supplements and OTC, to grow from 32% to 38% of this division's turnover. Specialized technology products shall reduce its weight in the total of RJF Pharma, from 54% sales in 2014 to 43% at the end of 2019.

A higher growth in those categories that currently provide higher operating margins will back profitability improvements in these coming years.



To achieve these objectives, Reig Jofre has planned investments in its two business areas (RJF Pharma and RJF CDMO) amounting to 17 million euros. Particularly, Reig Jofre estimates investments of 9 million euros in R+D, additionally to the 5% of sales that the company already addresses to R+D through the profit and loss account. And also investments of 8 million euros in production capacity and technology, which will include already in 2016 a new line of sterile injectable antibiotics to meet the increasing demand.

Reig Jofre will also intensify its support to the nutritional supplements range, and especially to the Forte Pharma brand, integrated in the company as a result of the merger with Natraceutical. The goal for Forte Pharma, whose turnover stood in 2014 at around 30 million euros, is to set sales back at 50 million euros, as in the years prior to the financial crisis.

In terms of geographical expansion, Reig Jofre will continue strengthening its international positioning, which at the end of 2014 led the company to have 60% of its business outside Spain and agreements with over 100 partners in 50 markets.

In this regard, the company wishes to strengthen its position in the UK and the Nordic countries, where Reig Jofre has its own operations headquarters, especially by offering these countries the product portfolio resulting from the merger with Natraceutical.

Outside Europe, Asia and the US are key markets where Reig Jofre is working intensively on new contracts and agreements similar to the recently disclosed about Japan and Singapore. Reig Jofre estimates that sales outside Europe raise from 10% in 2014 to 15% in 2019. Spain will shift from 40% turnover in 2014 to 31% in 2019.

The company carried out in late September a reverse split with an equation of 1 new share for every 20 old ones. After that, the number of shares comprising Reig Jofre share capital is 63,214,220 actions. The company expects this operation to reduce volatility on the stock and attract the interest of institutional investors in the new post-merger project, in order to have a more diversified shareholder base.

According to Ignasi Biosca, CEO of Reig Jofre: *"2015 has been a very intense year, where it has been a priority to ensure the operational integration of the businesses following the merger with Natraceutical and laying the grounds for the stock exchange to properly reflect the value of the new business. We have a solid project in hand, with great opportunities for real growth"*.



Receive promptly Reig Jofre's news by registering in the company's **subscription center** of the new corporate website: **www.reigjofre.com**

About Reig Jofre

After the merger between Laboratorio Reig Jofre and Natraceutical, the new Reig Jofre is a pharmaceutical company whose business is divided into two major areas: one main for the development, manufacture and marketing of own products (approximately 78% of sales) and one of specialized manufacturing for thirds (22% of sales). At its core activity, the company specializes in the development of prescription and non-prescription pharmaceutical products, injectable generics based on specialized technologies, medical devices, food supplements and cosmetics. 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 food supplements as well as the development of new innovative molecules in partnership with start-ups and research centers.

Reig Jofre trades on the Spanish stock exchange under the ticker RJF. Total outstanding shares after the reverse split conducted in September 2015: 63,214,220.

For further information

Investors and analysts

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