



Barcelona (Spain), July 23, 2020

## RESULTS PRESENTATION: SECOND QUARTER 2020

**REIG JOFRE invoiced € 115M in the first quarter of 2020, with a growth in sales of 25% and an EBITDA of € 13M, 40% above the 2019 figure.**

The strong growth rate of 1Q20 is maintained at 26%



In a context still conditioned by the COVID 19 crisis, sales have tracked the growth rate registered in 1Q20, driven by the incorporation of the new Osteoarticular area, as well as the sales of essential drugs required by the health system.

**The three REIG JOFRE divisions show positive growth in terms of sales figures, driven by various market factors:**

The Pharmaceutical Technologies division represents 48% of sales in 2020. The **14%** growth has been achieved thanks to the manufacture and sale of essential medicines linked to the COVID 19 health crisis, mainly sedatives, pain relievers and muscle relaxants, both for the domestic market (the main destination), and for other European markets.

### PHARMACEUTICAL TECHNOLOGIES

Antibióticos  
Inyectables / Liofilizados

48%

55,7 M€  
+14%



The Specialty Products division registered growth of **82%** thanks to the new osteoarticular therapeutic area, which contributed sales of 14 million Euros. The rest of the division, focused on dermatology and women's health, achieved a solid growth of 6%, despite the fact that this rate may be reduced due to the interruption of medical visits to patients, which in turn reduces the number of new prescriptions issued.

### SPECIALTY PHARMACARE

Dermatología  
Osteoarticular  
Salud de la mujer y otros

29%

33,4 M€  
+82%



Sales in the Consumer Healthcare area grew by **4%**. The health crisis has favoured the growth of OTC disinfection ranges (alcohols, chlorhexidines, etc.), as well as certain ranges of nutritional supplements aimed at boosting the immune system and helping with energy levels, vitality and sleep, which have registered exceptional growth and have offset the slowing down of other ranges, such as those of weight control.

### CONSUMER HEALTHCARE

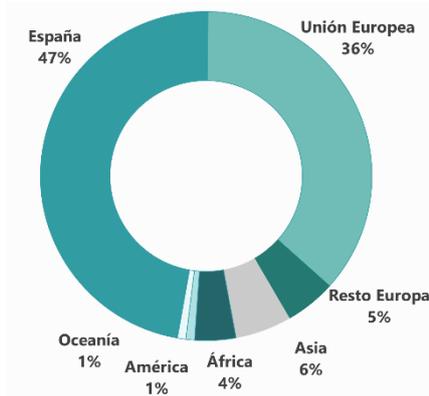
OTC  
Control de peso  
Energía  
Estrés y sueño  
Belleza

23%

26,7 M€  
+4%



## Evolution by Geographical Zone.



The domestic market represents 47% of turnover and has registered growth of the order of 50% during the first half, favoured by the consumption of essential drugs and by the new osteoarticular business, which concentrates almost 90% of its sales in Spain.

The European markets have registered less growth (+3%), partly due to the prioritization of the supply to the domestic market.

The rest of the countries, which together represent 11% of sales, have registered an excellent growth of 34% compared to the previous year.

Spain grew by more than 50%, with the rest of Europe growing at a moderate rate of 3% and the rest of world markets gaining weight, due to the company's international development strategy, and growing by +34%



## Evolution Results

The 25% growth in sales allows us to take advantage of synergies made available through the integration of the new business, without any increase in structural costs.

Despite a reduction in the gross margin, which stands at 60%, cost control measures have improved the EBITDA by 40%, reaching 13 million Euros in the first half.

Personnel expenses grew by 14%, mainly reflecting the integration of the new osteoarticular sales network, while other operating expenses increased by 8%, which is below revenue growth.

Amortization increased 57% due in part to new investments, but above all due to the impact of the amortization of intangible assets associated with the new business, which represents € 2.4M, 30% of the total.

Financial management focussed on cost adjustment and the positive impact of exchange rates has allowed for an exceptional improvement in the financial results.

**The increase in sales and cost control has enabled a 40% improvement in EBITDA and a 26% in Consolidated Profit**

## Investments and Financing

Investments in Technology and Capacity Expansion made in these two quarters total € 7.5M. Of these, € 5.3M correspond to the final tranche of investment in the new Plant.

**REIG JOFRE will complete the commissioning of the new Sterile Injectables factory in 2020. With an investment of € 30 million, it will be one of the most technologically advanced plants in Europe. The facility will become operative in 2021**

Similarly, more than € 3M has been invested into R&D projects.

Investment financing, together with the financing associated with the purchase of the new business, brings the financial debt to € 60 million, as expected. This data excludes the effect of IFRS 16.

The Debt/EBITDA ratio stood at 2.70, a level similar to that at the closure of the previous year, with the higher debt being offset by the improvement in EBITDA. The new debt is structured over a term of between 5 and 7 years and has been contracted at a fixed rate for the most part.

## COVID10 - Impacts and Opportunities

Despite the overall positive impact on the company's income, REIG JOFRE has expanded its financing lines in order to be in a position to face contingencies in scenarios of greater uncertainty, although no use of such lines is expected in the coming months.

The security and control measures implemented, and the emphasis placed on home working have enabled activity levels to be maintained without impacting on the activity of the Manufacturing Plants and Logistics Centres in Barcelona, Toledo, Malmö and Nice.

The response needs to COVID 19 have also generated project opportunities that may impact the company.

**REIG JOFRE thanks its team for their unconditional effort to maintain the plants' activity during recent months. This has allowed us to manufacture and distribute critical medicines to hospitals for the treatment of the most serious COVID 19 patients.**

THE TECHNOLOGICAL AND INDUSTRIAL CAPACITY OF REIG JOFRE WOULD POTENTIALLY ENABLE THE MANUFACTURE OF COVID 19 VACCINE TO ENSURE SUPPLY



With a new manufacturing plant for sterile injectable vials to enter operation in Q1 2021, and a manufacturing capacity that allows for the manufacture of up to 50 million vials per year whilst respecting the commitments of existing contracts, REIG JOFRE is positioned as one of the Spanish manufacturers capable of ensuring the manufacture and supply of COVID 19 vaccine to countries that require it.

REIG JOFRE already manufactures other vaccines at its facilities and is participating in vaccine development projects for the treatment of other infections.

In the event of the materialization of the COVID 19 Vaccine manufacturing project, it will be necessary to undertake certain complementary investments in order to adapt our auxiliary processes, although the estimation of the necessary cost and its duration would allow manufacturing to start within the required period.

STUDY TO EVALUATE THE EFFECTIVENESS OF MANREMYC

MANREMYC is a food supplement indicated for infections that are associated with an abnormal anti-inflammatory response.

The trial, which started in July and is expected to be completed in 2020, aims to evaluate the supplement's efficacy in reducing the risk of Covid 19 infection and, in cases of infection, to demonstrate its capacity to the infection's severity, whilst helping to control the anti-inflammatory response



## Outlook 2020

The first half of 2020 closed with a very good progression in terms of turnover and profit. The effect of inorganic growth generated by the acquisition of the osteoarticular business will disappear as of Q3, since the acquisition took place on July 1, 2019.

We are confident that, notwithstanding the slowdown in growth during the second half of the year due to this reason, REIG JOFRE can complete a year with sustained growth in terms of sales and a significant improvement in results and profitability.

This to be achieved from a position of financial solidity, long-term structuring of the debt that accompanies the return on investments, and a willingness to continue with the efforts in R&D that will allow us to develop new products across all our divisions.

Receive updated news about Reig Jofre by registering with the company's **subscription centre** via our corporate website: [www.reigjofre.com](http://www.reigjofre.com)

### **About Reig Jofre**

Founded in 1929 in Barcelona, Reig Jofre is a family-controlled pharmaceutical company listed on the Spanish Stock Exchange's continuous market and dedicated to the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements from its four plants in Toledo (2), Barcelona and Malmö (Sweden). Reig Jofre structures its product development activity in three business areas: (1) *Pharmaceutical technologies* specialized in sterile and lyophilized injectables, and antibiotics derived from penicillin; (2) *Specialty Pharmacare* in Dermatology, Osteoarticular, and Women's Health and (3) *Consumer Healthcare*, with products aimed at the consumer under the Forté Pharma brand, mainly in France, Belgium, Spain and Portugal, and other OTCs. Reig Jofre has more than 1,100 employees, direct sales in 7 countries and more than 130 business partners in 72 countries around the world. The company closed 2019 with a turnover of 200 million Euros. Reig Jofre is listed the ticker RJF. Share capital: 76,062,457 shares

### **Further information**

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