



# Business Update 2022

28 February 2023

## Highlights



## Evolution 2022



## Financial Review



# Highlights

## Business

- **Licensing and International Pharma** prove again strong growth drivers in 2022.
- **International revenues** exceed domestic revenues for the first time.
- **Double-digit growth** in the top molecules (+12,5%).
- **Cost inflation** due to the macroeconomic situation.

## Financials

- **Record year of revenues and profit** in line with guidance, despite cost inflation.
- The main industrial investments (Derio and Huesca) continue on track.

## R&D

- Approval of bilastine Ophthalmic in Europe, launch planned for mid 2023
- Bilastina Parenteral for acute allergy processes submitted for registration.
- Completed bilastine Minus 6 clinical trial supporting application to extend the indication for bilastine 10 mg in children under 6 years of age
- Patent granted for calcifediol soft capsules in Brazil.

## ESG

- Implementation of the newly launched internal sustainability strategy.

## Key figures

Total Income

**+7,7%**

462 M€

Income top 3 molecules

**+12,5%**

170 M€

EBITDA

**+6%**

121 M€

EBIT

**+8,8%**

101 M€

Net profit

**+8,6%**

89,5 M€

Capitalization

**+5,5%**

1.091 M€

# Guidance for 2022 achieved, growing and creating shareholder value in a year of high macroeconomic volatility.

	Guidance		2022 Results	
<b>Net Sales</b>	<p>Growth of <b>~8%</b> vs. 2021</p> <p>2022E: 422M€ - 437M€</p>	➔	<p><b>438,7 M€</b></p> <p>+10,1%</p>	✓
<b>PBT</b> <i>Profit before taxes</i>	<p>Growth of <b>~10%</b> vs. 2021</p> <p>2022E: 100M€ - 104M€</p>	➔	<p><b>101,4 M€</b></p> <p>+9,1%</p>	✓
<b>NP</b> <i>Net Profit</i>	<p>Growth of <b>~11%</b> vs. 2021</p> <p>2022E: 89M€ - 93M€</p>	➔	<p><b>89,5 M€</b></p> <p>+8,6%</p>	✓

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## Evolution 2022

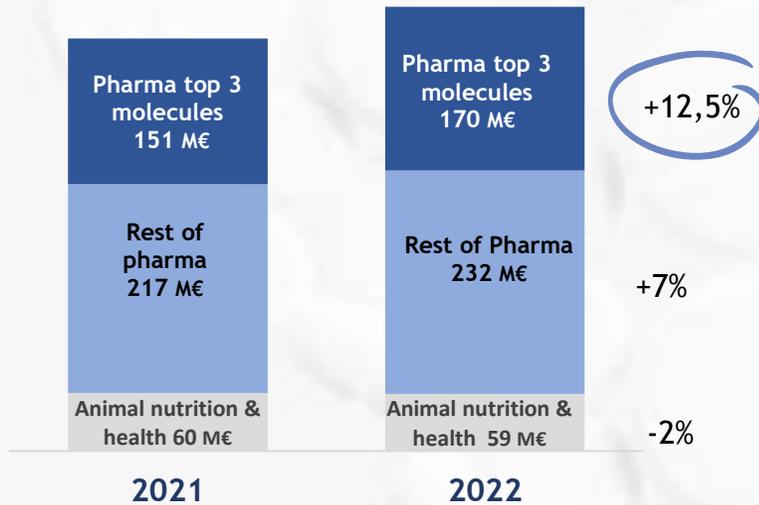


## Financial Review



# Growth driven by pharma's top 3 molecules and international business

### Total income by product line



### Total income National vs International



The data in the graphs are rounded



## Growth of the top 3 molecules

Income Bilastine

**+15,9%**

110 M€

Income Calcifediol

**+7,4%**

45 M€

Income Mesalazine

**+5,5%**

15 M€

- **Bilastine:** overall growth driven by Japan, Brazil and Canada, despite the decline in Europe due to the patent expiry in July 2022.
- **Calcifediol:** continued strong growth in the markets where it is present. Major launch in Mexico in Q4 2022. Delayed launches in other new licence markets.
- **Mesalazine:** good performance in new licences in Europe.

## Spain Pharma - Sales were stable (-1%). The rest of the products offset the end of the antidiabetic licence and the price reduction of bilastine

Total income (M€)			
	2021	2022	%var
<b>Spain Pharma</b>	<b>161,6</b>	<b>160,2</b>	<b>-1%</b>
Medical Visit	108,6	103,5	-5%
Bilastine	16,4	13,9	
Calcifediol	36,0	37,7	
Mesalazine	8,2	7,6	
Rest	47,9	44,3	
Healthcare & Consumer	53,0	56,7	7%

The data in the table are rounded

The positive trend in prescription continues despite the impacts of the end of MSD's diabetes licence (Ristaben& Ristfor) since July 2022 and the end of the bilastine patent since mid-2021.

Calcifediol growth continues at more moderate rates due to the normalisation of the pandemic.

Significant growth in Respiratory line (+62%).

The sales of OTC products in pharmacies is developing positively with Ricola, Nasofaes and Profaes leading the way.

# International - LATAM with a +21%, is the main engine of international growth

Total income (M€)			
	2021	2022	%var
<b>International (without licenses)</b>	<b>127,0</b>	<b>146,8</b>	<b>16%</b>
<b>Subsidiaries LATAM</b>	<b>65,3</b>	<b>79,2</b>	<b>21%</b>
Central America Dominican	22,8	25,6	
Colombia	20,4	22,3	
Chile	12,0	15,8	
Mexico	4,6	7,4	
Ecuador	3,2	5,2	
Peru	2,3	2,8	
<b>Subsidiaries Europe</b>	<b>37,3</b>	<b>40,3</b>	<b>8%</b>
Portugal	28,4	31,1	
Italy	8,9	9,1	
<b>Exports &amp; Africa</b>	<b>24,4</b>	<b>27,4</b>	<b>12%</b>

The data in the table are rounded

Positive sales performance continues in all Latam subsidiaries.  
Calcifediol launched in November in Mexico .

Positive performance in Portugal driven by the top 3 molecules, especially bilastine.

Exports and Africa grow, consolidating the trajectory of recent years by new launches and the reinforcement of commercial activity.

# Licences - Record revenue year, +20%, almost 96M EUR for licensing as a whole

Bilastine: Strong growth in markets outside Europe

Total income (M€)			
	2021	2022	%var
Licenses	79,7	95,5	20%
Bilastine	67,2	80,1	
Other products	12,5	15,4	

The data in the table are rounded

## BILASTINE

Growth in Japan due to the recovery of Taiho after stock regularization.

Patent expiry in Europe in June 2022.

Continued positive performance in markets such as Asia Pacific, Brazil and Canada.

Launched in Q3 2022 in Australia, sixth largest allergy market globally.

## OTHE PRODUCTS

**Calcifediol:** Regulatory progress in relevant projects such as Brazil, Australia and the UK. Delayed launches in Eastern Europe.

**Mesalazine:** Launch in the UK and good sales performance in Poland. More modest in the Nordic countries and Germany.

# Animal Nutrition and Health - heavy impact in the sector due to the commodity crisis



## Total income (M€)

	2021	2022	%var
<b>Animal nutrition and health</b>	<b>60,4</b>	<b>59,3</b>	<b>-2%</b>
Ingaso Farm	36,1	34,3	
Tecnovit	19,0	19,5	
Capselos	2,5	2,1	
LATAM Subsidiaries	2,8	3,4	

The data in the table are rounded

Cost inflation impact in 2022 that has been moderating over the year, leading to increased prices, margin drops and lower demand

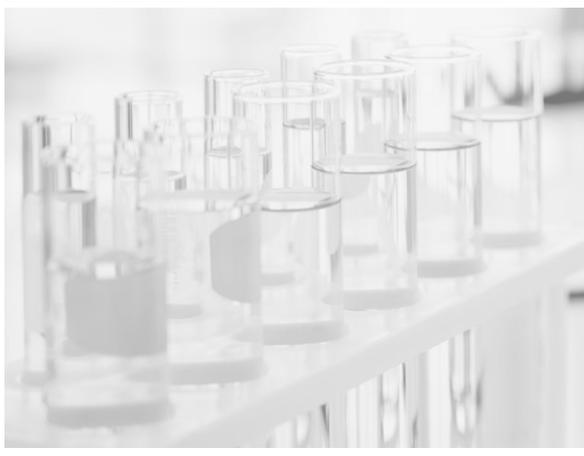
Limited topline impact in the local market but international sales were impacted due to loss of certain customers.

Impact on Capselos due to increased costs and decreased orders from a key customer.

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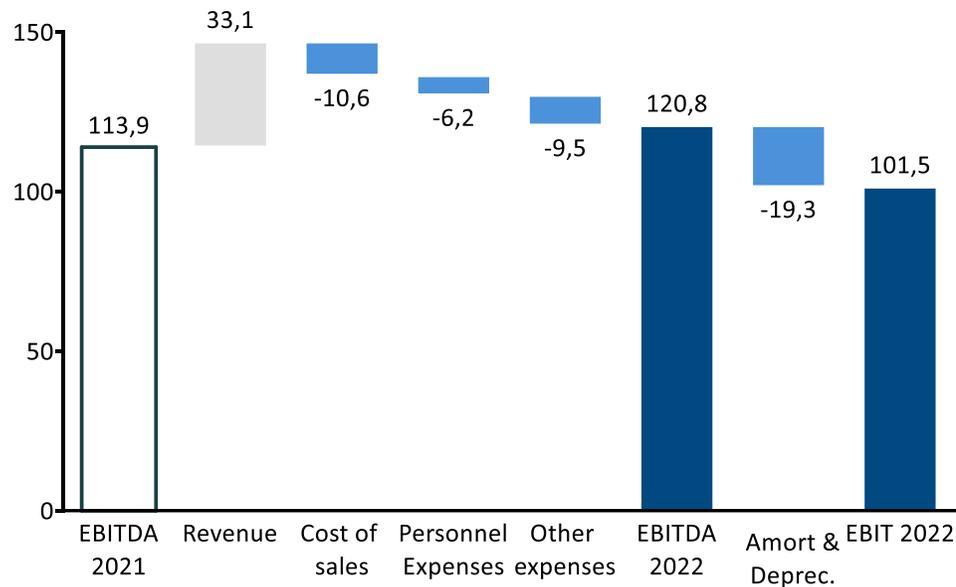
# Income Statement

(Thousand €)	2022	% of sales	2021*	% of sales	% change 2022/2021
<b>Total Income</b>	<b>461.719</b>		<b>428.641</b>		<b>+7,7%</b>
Ordinary income/sales	438.754		398.557		+10,1%
Other operating income	22.965	5,2%	30.084	7,5%	-23,7%
Cost of sales	-156.739	-35,7%	-146.160	-36,7%	+7,2%
<b>Gross margin</b>	<b>304.980</b>	<b>69,5%</b>	<b>282.481</b>	<b>70,9%</b>	<b>+8%</b>
Personnel expenses	-91.201	-20,8%	-85.033	-21,3%	+7,3%
Other operating expenses	-92.586	-21,1%	-83.078	-20,8%	+11,4%
Loss on fixed assets	-439	-0,1%	-459	-0,1%	-4,4%
<b>EBITDA</b>	<b>120.754</b>	<b>27,5%</b>	<b>113.911</b>	<b>28,6%</b>	<b>+6%</b>
Depreciation of fixed assets	-19.271	-4,4%	-17.257	-4,3%	+11,7%
Impairment of fixed assets	-	-	-3.399	-0,9%	-
<b>EBIT</b>	<b>101.483</b>	<b>23,1%</b>	<b>93.255</b>	<b>23,4%</b>	<b>+8,8%</b>
Financial gains/losses	-62	-0,0%	-289	-0,1	-78,5%
<b>Profit before tax</b>	<b>101.421</b>	<b>23,1%</b>	<b>92.966</b>	<b>23,3%</b>	<b>+9,1%</b>
Corporate tax	-11.919	-2,7%	-10.520	-2,6%	+13,3%
<b>Consolidated Profit</b>	<b>89.502</b>	<b>20,4%</b>	<b>82.446</b>	<b>20,7%</b>	<b>+8,6%</b>
Minority interests	48		-56		
<b>Profit to the Parent Company</b>	<b>89.550</b>	<b>20,4%</b>	<b>82.390</b>	<b>20,7%</b>	<b>+8,7%</b>

- 2021 included a 5M€ Milestone from Hikma- USA license agreement.
- Inflation and increasing commercial expenses.
- Full-period Global Farma depreciation.
- Exchange rate variances.

# EBITDA evolution

## EBITDA movements 22 (M€)



The data in the chart are rounded

- Main impacts on **cost of sales** / gross margin:
  - COGS inflation in Animal Nutrition and Health.
  - COGS increase in Pharma since Q3 related to materials inflation, a trend that is expected to continue in 2023.
  - Margin offset by positive mix of Licensing and International sales growth.
- Increase in **other expenses** mainly driven by:
  - Transport and utility inflation
  - Commercial expenses increase due to investments in LATAM
- Increases in personnel expenses mainly related to the expansion of sales force in LATAM.
- Despite cost increase, EBITDA in 2022 exceeds €120M thanks to strong revenue performance. Excluding 2021's one-off effects, EBITDA growth would have been in the mid-high single digit.

## 2022 Cash flow- Stable cash position despite record level of investments

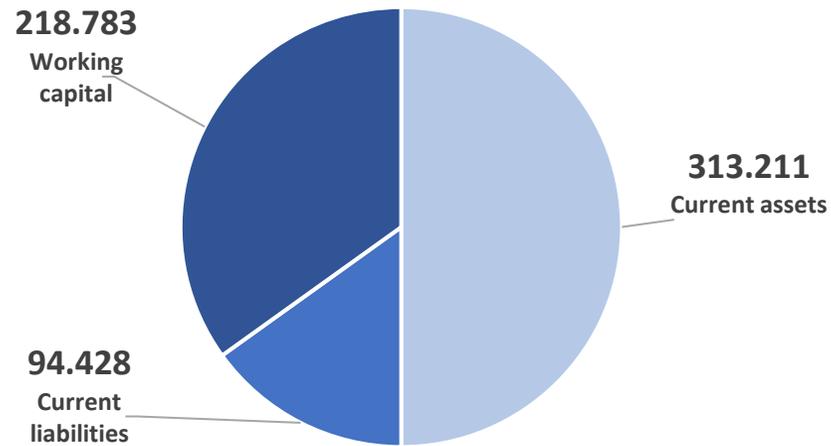
(Thousand €)	2022	
Profit before tax	101.421	
Depreciation and amortisation	19.271	
Other operations	-13.904	→ Tax payments and changes in working capital, especially due to increases in stock.
<b>Cash generated from operations (a)</b>	<b>106.788</b>	
<b>Cash used in investments (b)</b>	<b>-92.172</b>	→ The investments are mainly due to the new pharmaceutical production plant under construction in Derio (Vizcaya)
<b>Activity cash flow (a+b)</b>	<b>14.616</b>	
<b>Cash used in financing (c)</b>	<b>-18.459</b>	→ Payment of dividends in January and June 2022.
<b>Cash flow generated during the period (a+b+c)</b>	<b>-3.843</b>	
Cash at 31/12/2021	70.254	
Cash at 31/12/2022	66.411	

# Solid financial position and liquidity solvency

(Thousand €)

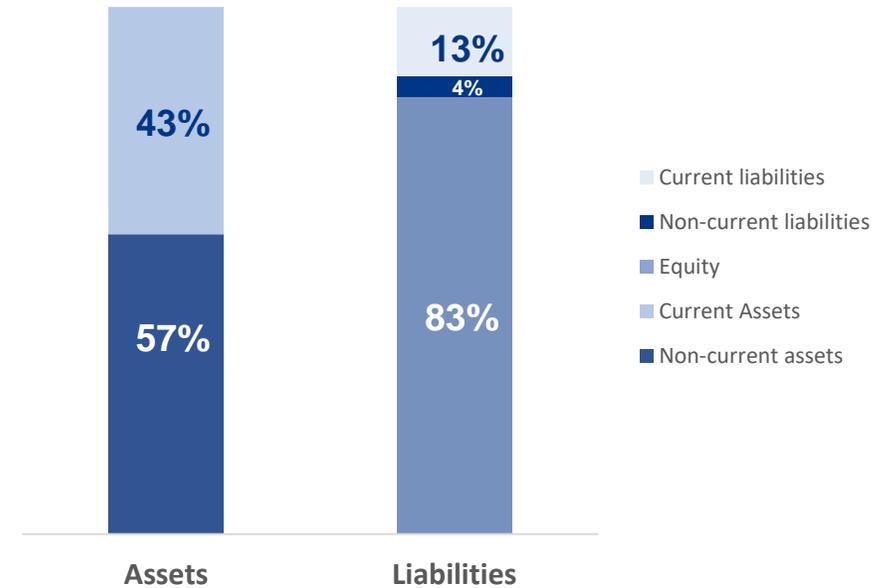
## Working capital

### Solvency



## Structure of the balance sheet

### Solidity



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