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# Faes Farma Financial Results & Business Update *First Quarter 2021*

April 2021



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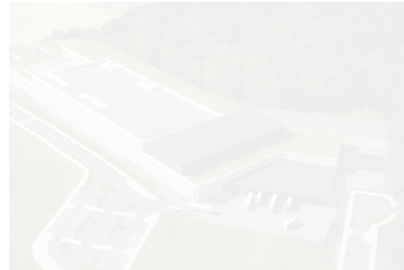
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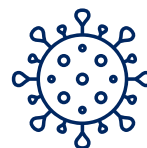
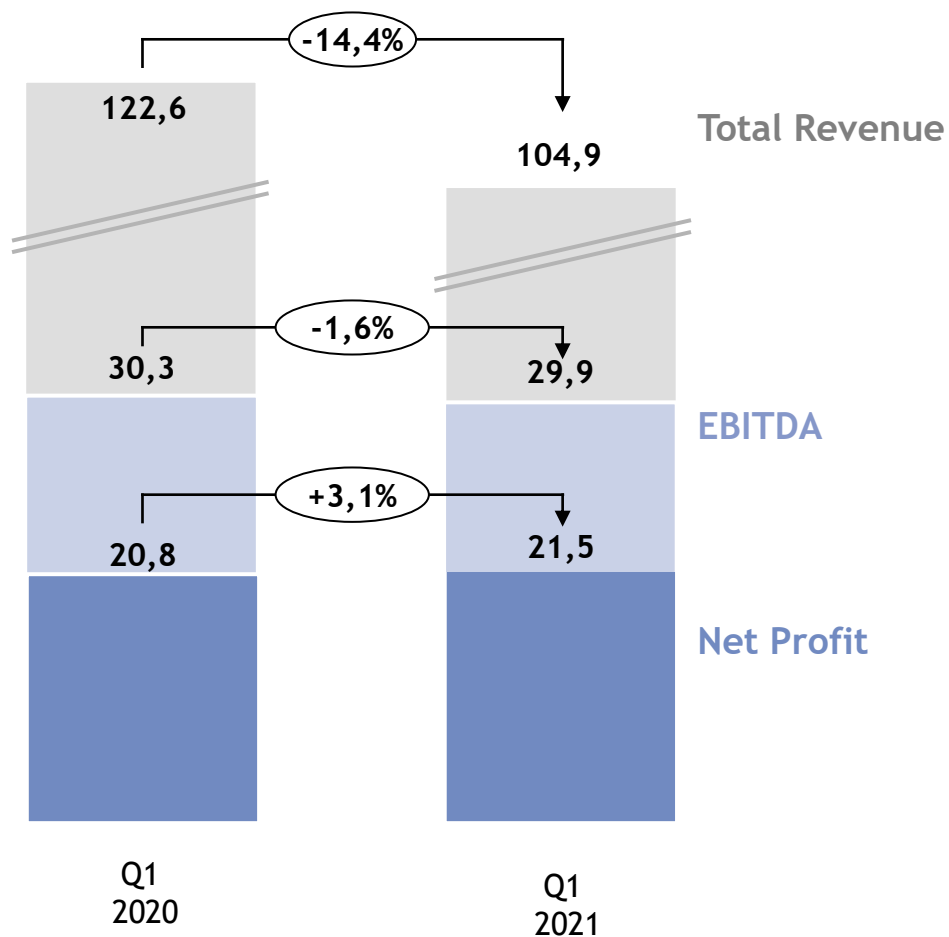


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# Key financial results and highlights

## Highlights: First Quarter 2021

(M€)



### Covid-19 Impact

- Significant drop in orders from Taiho (Japan) due to the excess stock related to the market decline in 2020. Local market sales are growing and led to a Q1 market share between 16-17%, confirming the leading position in the Japanese antihistamine market.
- The business reports against a pre-Covid quarter which included a stock build of customers in March 2020 that will phase out in Q2.



### Calcifediol and Mesalazine growth

- Significant increase in global sales: +29% of Calcifediol and +7% of Mesalazine



### Bottom line results

- Material cost reduction, especially of commercial budgets
- Net profit result finishes above Q1 2020, a record amount for a quarter

# Income Statement

(Thousands €)

	March 2021	% sales	March 2020	% sales	% change 2021/2020
<b>Total Revenue</b>	104.924		122.642		(14,4%)
Ordinary income/sales	94.969		113.510		(16,3%)
Other operating income	9.955	10,5%	9.132	8,0%	9,0%
Cost of sales	(33.374)	35,1%	(42.137)	37,1%	(20,8%)
<b>Gross margin</b>	<b>71.550</b>	<b>75,3%</b>	<b>80.505</b>	<b>70,9%</b>	<b>(11,1%)</b>
Personnel expenses	(20.237)	21,3%	(21.229)	18,7%	(4,7%)
Other operating expenses	(21.452)	22,6%	(28.933)	25,5%	(25,9)
<b>EBITDA</b>	<b>29.861</b>	<b>31,4%</b>	<b>30.343</b>	<b>26,7%</b>	<b>(1,6%)</b>
Deprec.& impairment of fixed assets.	(3.944)	4,2%	(4.487)	4,0%	(12,1%)
<b>EBIT</b>	<b>25.917</b>	<b>27,3%</b>	<b>25.856</b>	<b>22,8%</b>	<b>0,2%</b>
Financial profit/(loss)	(4)	0,0%	(476)	0,4%	(99,2%)
<b>Profit before taxes</b>	<b>25.913</b>	<b>27,3%</b>	<b>25.380</b>	<b>22,4%</b>	<b>2,1%</b>
Corporate Tax	(4.427)	4,7%	(4.471)	3,9%	(1,0%)
<b>Consolidated profit</b>	<b>21.486</b>	<b>22,6%</b>	<b>20.909</b>	<b>18,4%</b>	<b>2,8%</b>
Minority interests			(62)	0,1%	(100%)
<b>Profit of the Parent Company</b>	<b>21.486</b>	<b>22,6%</b>	<b>20.847</b>	<b>18,4%</b>	<b>3,1%</b>

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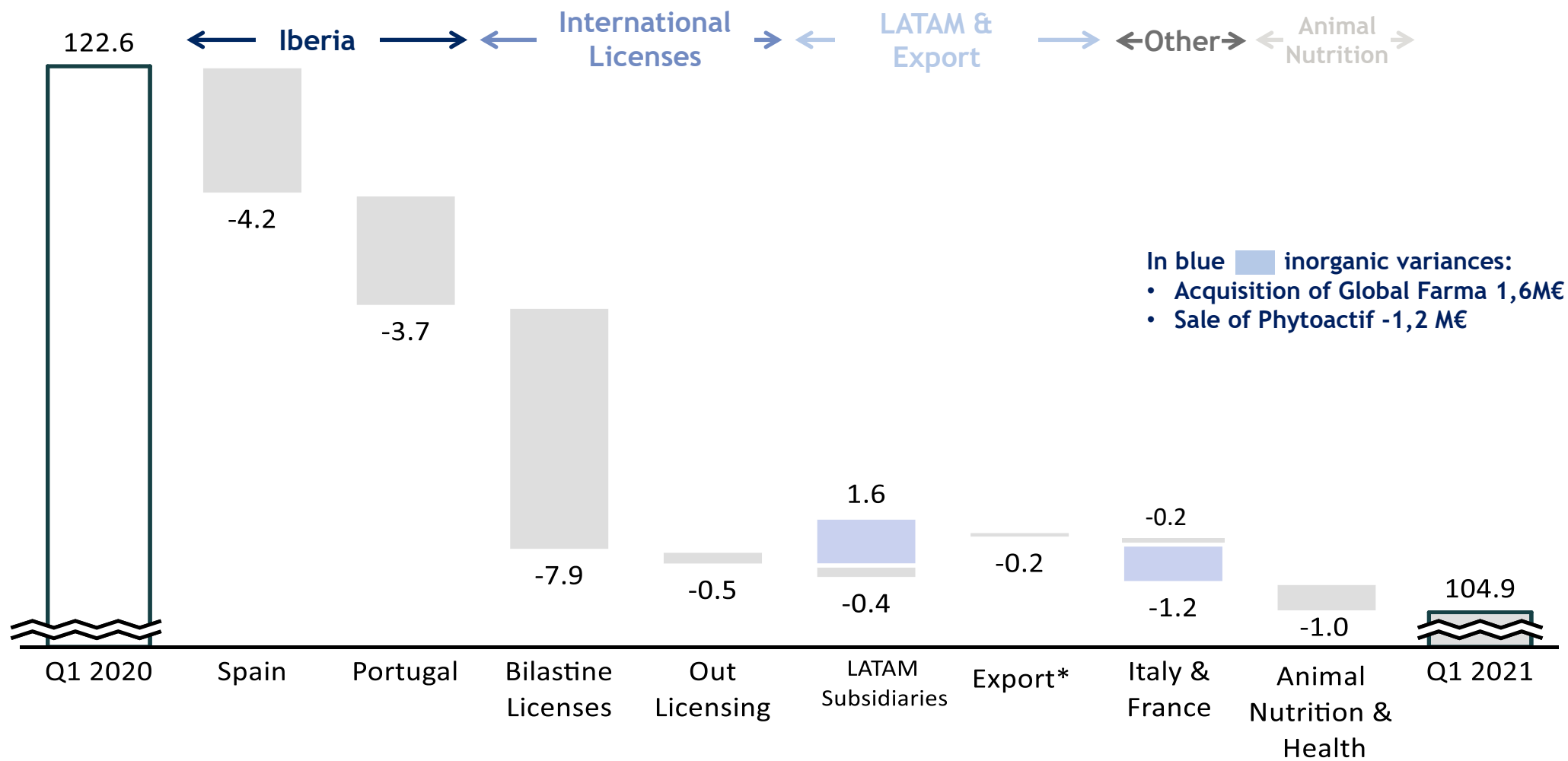
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# Covid-19 impact in Iberia and Bilastine licenses

Revenue evolution per business area [Q1 2020 - Q1 2021, M€]



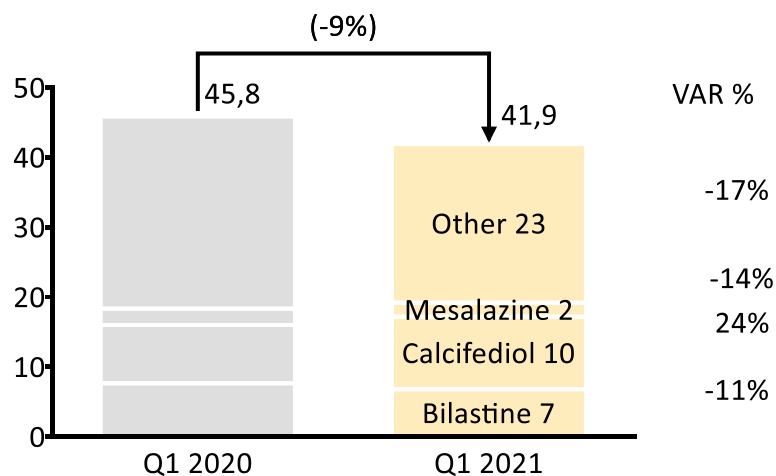
\*Includes Export, API and Nigeria  
Spain includes Others

# Sales Performance Iberia

## Spain

(M€)

Total Revenue Q1 21 vs Q1 20



- Good commercial performance in a declining market situation
- Sales in line with internal targets (Prescription 103%, Pharmacy 92% and Consumer 103%). Overall 99%
- Pharmacy: continued significant reduction of products for diseases related to cold / otorhinolaryngology and prudent stock levels at customers due to uncertainty of demand for summer products

Market sales Spain (IQVIA)

TOTAL PHARMA MARKET *	
MARKET SPAIN	FAES FARMA
-8,5%	+0,2%

PRESCRIPTION MARKET *	
MARKET SPAIN	FAES FARMA
-7,0%	+0,8%

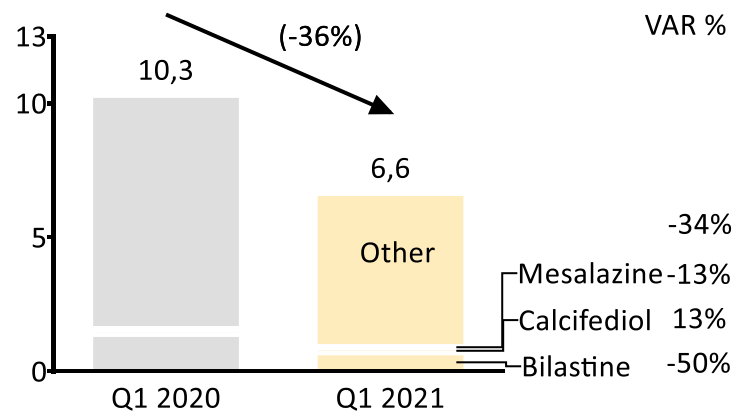
\* Source IQVIA until March  
The percentages are calculated based on euro figures

# Sales Performance Iberia

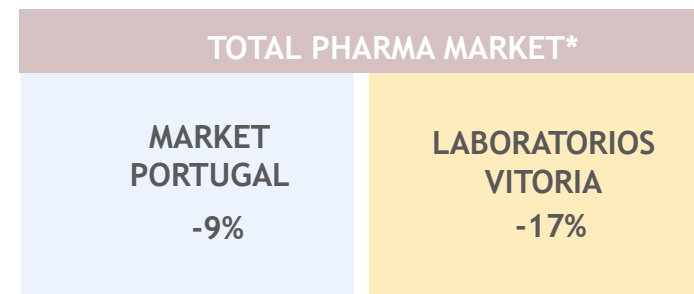
## Portugal

(M€)

Total Revenue Q1 21 vs Q1 20



Market sales Portugal (IQVIA)



- Continued impact from face masks and lockdowns on Bilaxten and Rosilan (>1m€)
- Market decline of the pharmacy and Consumer business
- More positive Outlook on Q2

\*Source IQVIA until March  
The percentages are calculated based on euro figures

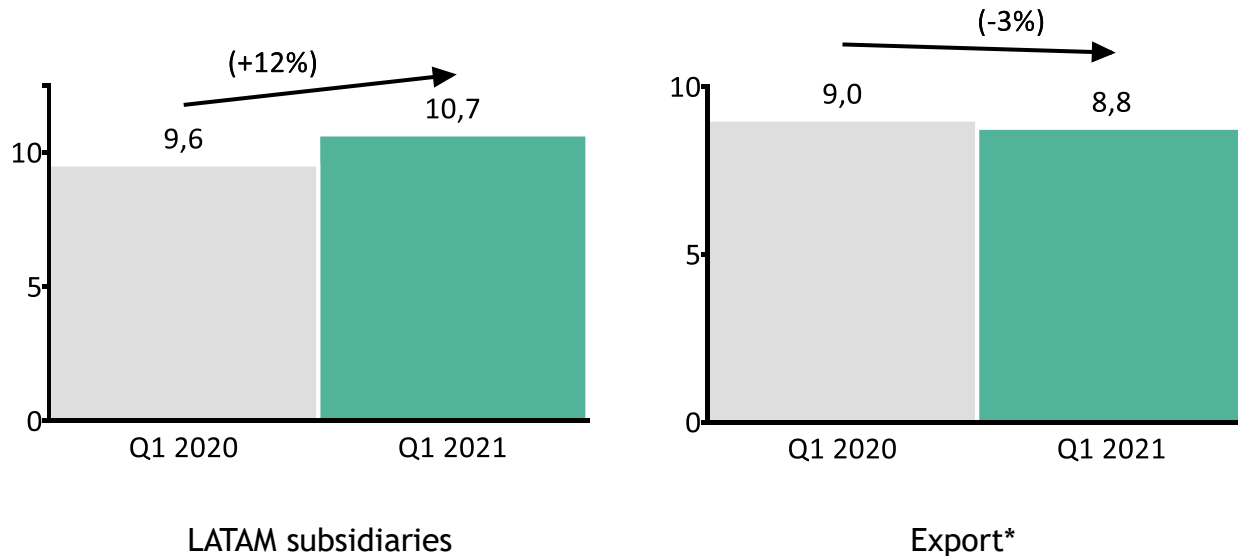


# LATAM drives the growth of the international business

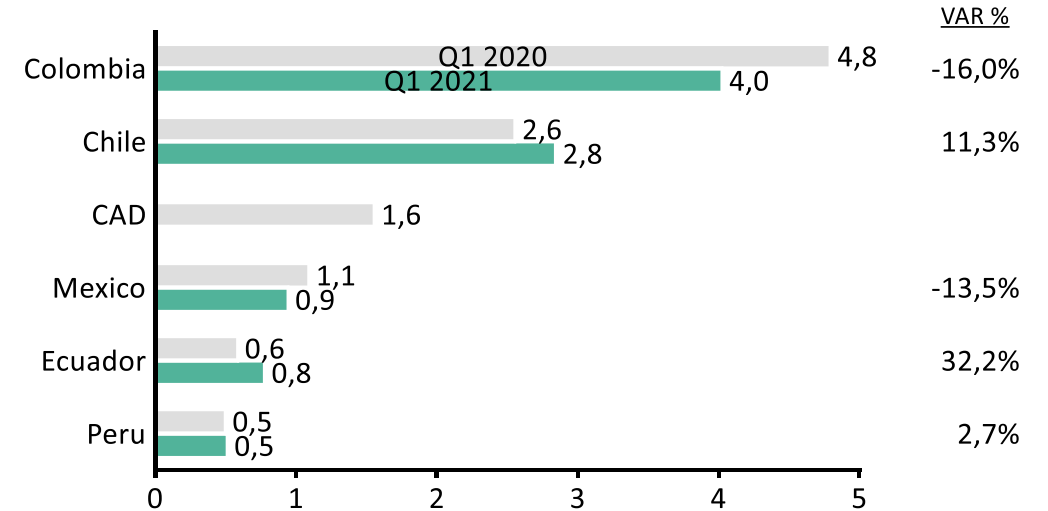
## LATAM and Export

(M€)

Total revenue Q1 21 vs Q1 20



## LATAM subsidiaries



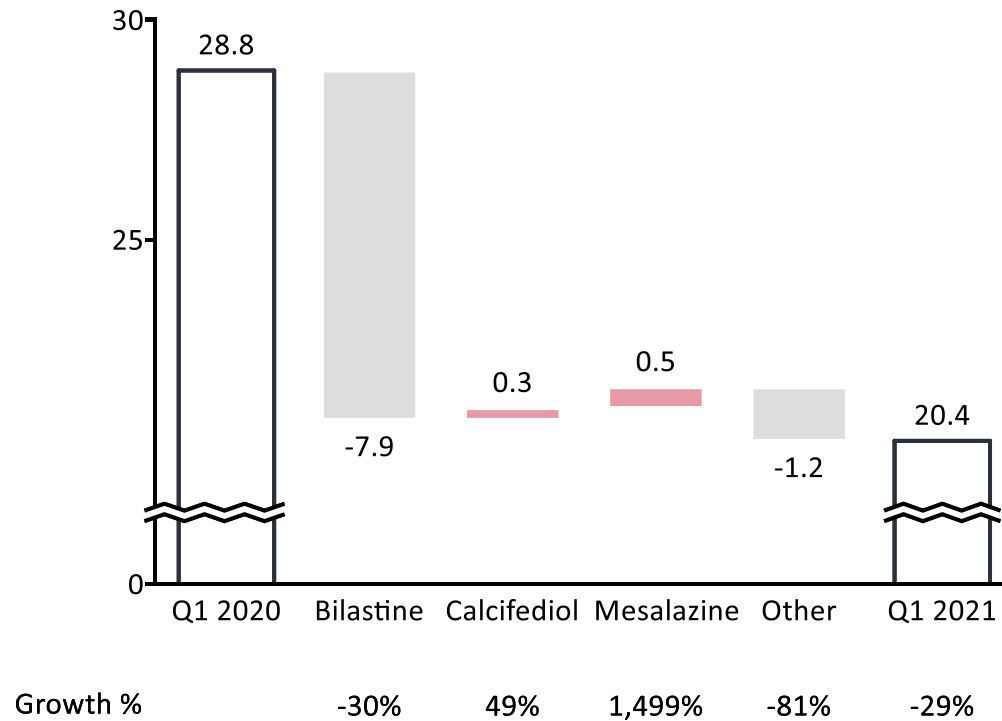
- The acquisition of Global Farma (Central America Dominican - CAD) contributes from March 1,6M in sales
- Some business units (Colombia, Mexico) suffer from currency devaluations
- In exports, sales fell slightly although they were above expectations for Q1

# Licenses: Bilastine achieved leadership in the antihistamine market in Japan, yet orders were impacted by excess stock at the partner

## International Licenses

(M€)

Total Revenue Q1 21 vs Q1 20



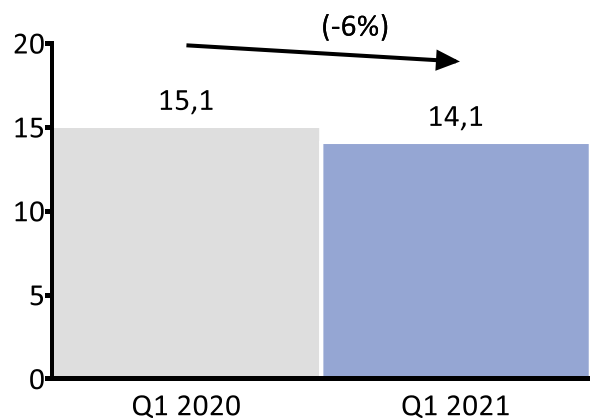
- Sales increase in the local market in Japan lead to a share of 16% -17%, confirming the leading position in the antihistamine market in Japan
- Exports to Taiho (Japan) fall in line with expectations, caused by the overstock generated in 2020
- Growth in Calcifediol and Mesalazine due to geographical expansion
- Highlight: Mesalazine suppositories launch in Germany (via the partner: Recordati)

# Animal Nutrition and Health in line with expectations

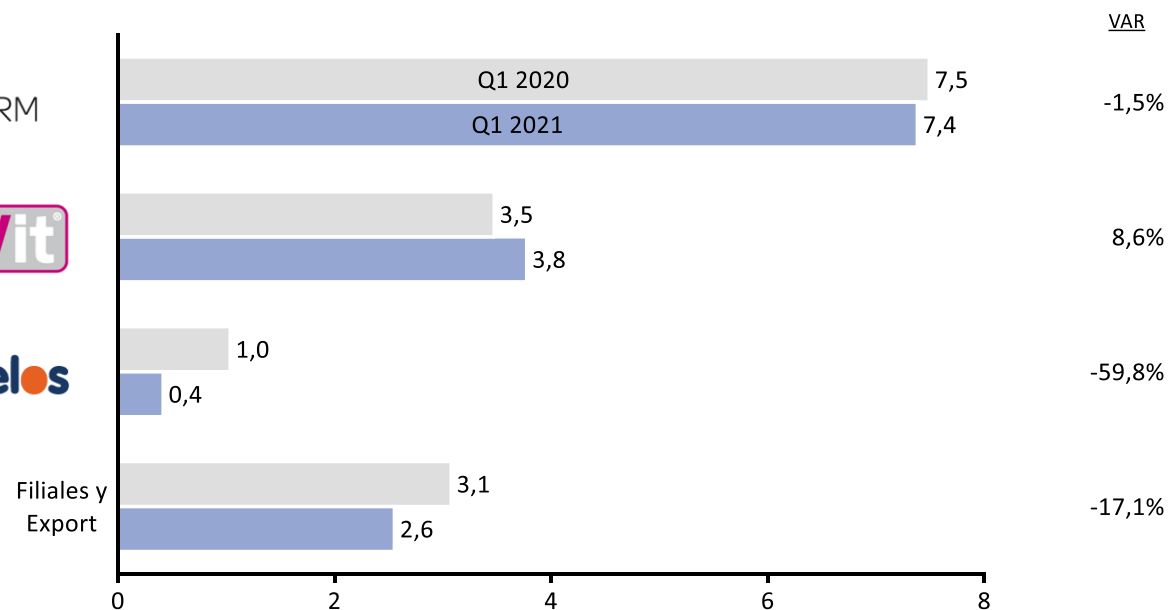
## Animal Nutrition and Health

(M€)

Total Revenue Q1 21 vs Q1 20



- Good performance of sales in the animal nutrition and health area. The small decrease compared to the same period last year is a consequence of the stockpiling effect that was made in March 2020 and that phased out in the following months
- Sales slightly above internal target



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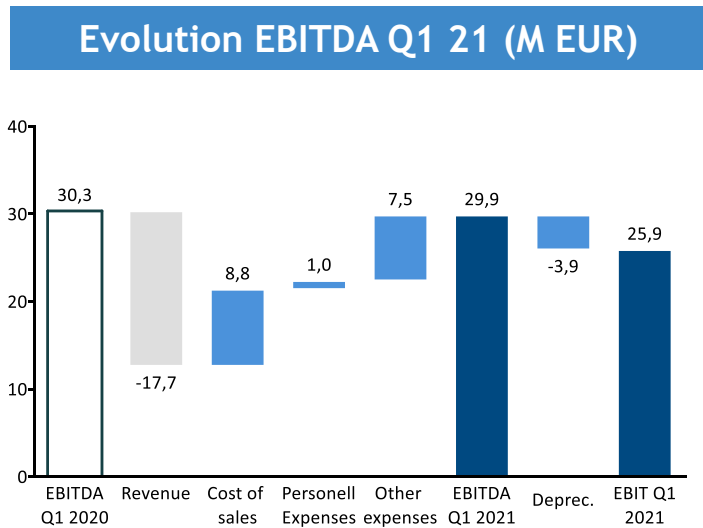
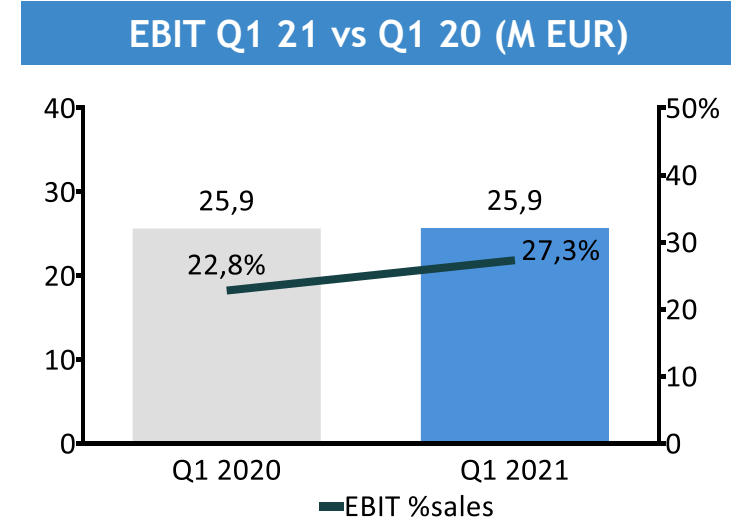
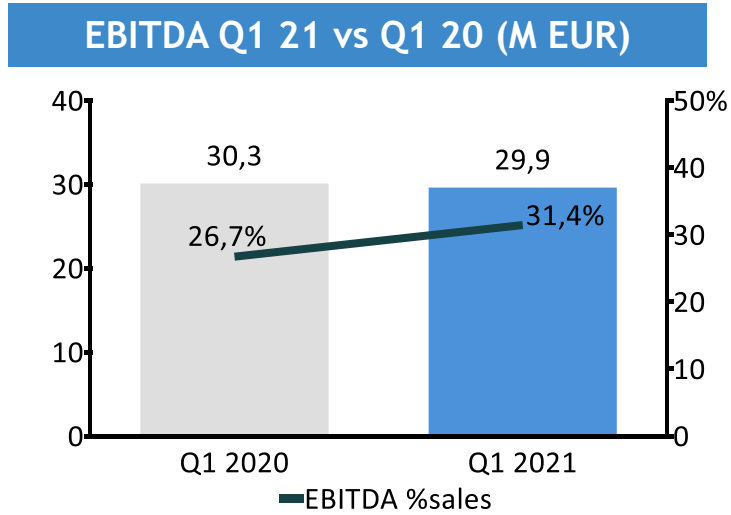
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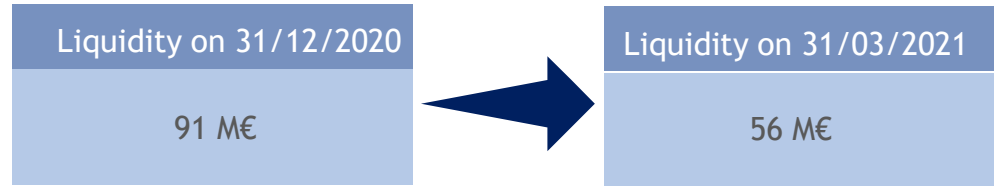
# Earnings performance



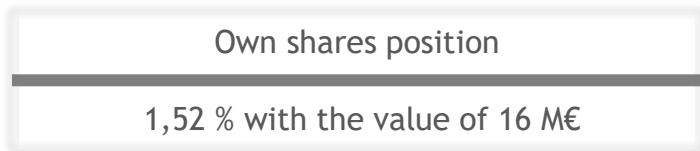
- Compliance with recently anticipated annual guidance, moderate to low single digit growth
- Despite the drop in revenue due to the stockpiling effect in 2020, and thanks to cost savings, operating profit remains in line with last year

# Cash position

## Reduction in liquidity as a result of investments



- The reduction in liquidity is the result of the strategic plans for 2021: investment in R & D, a new manufacturing plant and M&A operation (Global in Guatemala).



- 2021 will involve a very relevant investment for the first phase of the construction of the new pharmaceutical plant, however the use of external financing is currently not yet expected

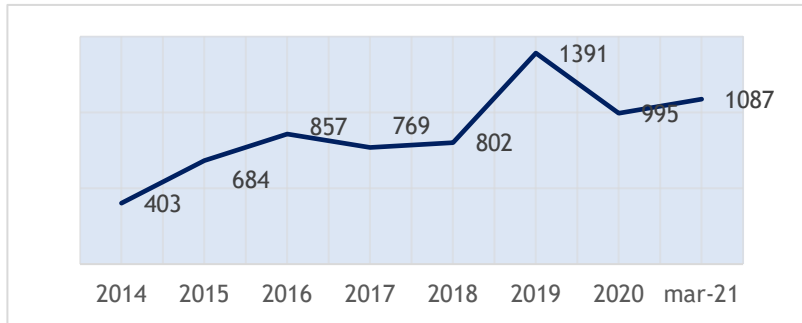
# Faes Farma stock position

## Evolution of the share price and capitalization

Share price

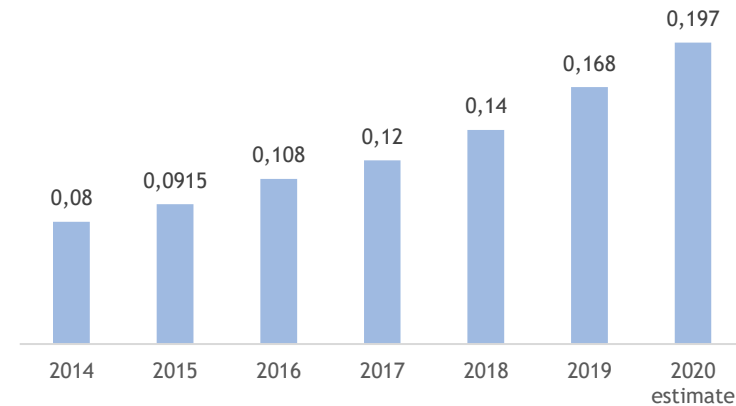


Capitalization (M€)



- Stable value per share in the recent period, while the market capitalization increased due to the shares issues via Scrip Dividend
- Dividend increases in line with the companies results

DIVIDEND PER SHARE\* (EUR)



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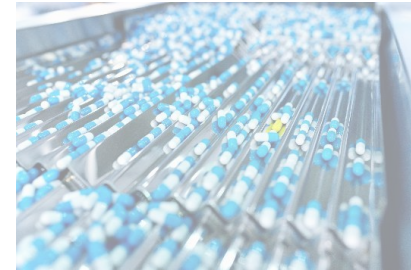
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# Net profit to increase in 2021, compensating the adverse impact from the external environment

## Perspective 2021



Accumulation of **Bilastine** stock at key partners following the antihistaminic market reduction in 2020 due to the **Covid-19** pandemic

**Bilastine** market price reduction in Japan (~6,3%)

Slow down of **Healthcare** sales in Spain and Italy



Sales growth via expansion of **Calcifediol** and **Mesalazine** licenses

Revenue growth of our business in **LATAM** both organically and inorganically (Global Farma)

Positive growth of the **Iberian pharmaceutical business** (Calcifediol, Mesalazine and Respiratory)

*Significant contrast between the negative impact related to Covid-19 in H1 of 2021, with a recovery planned in H2*

**Net Sales<sup>1</sup>**

**Single digit growth**

vs. Full year 2020 (380M€)

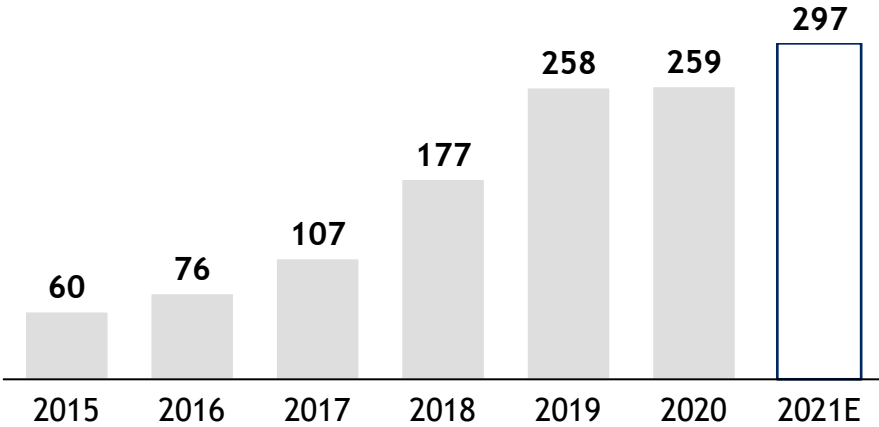
**Net Profit**

**Between 87M€ - 91M€**

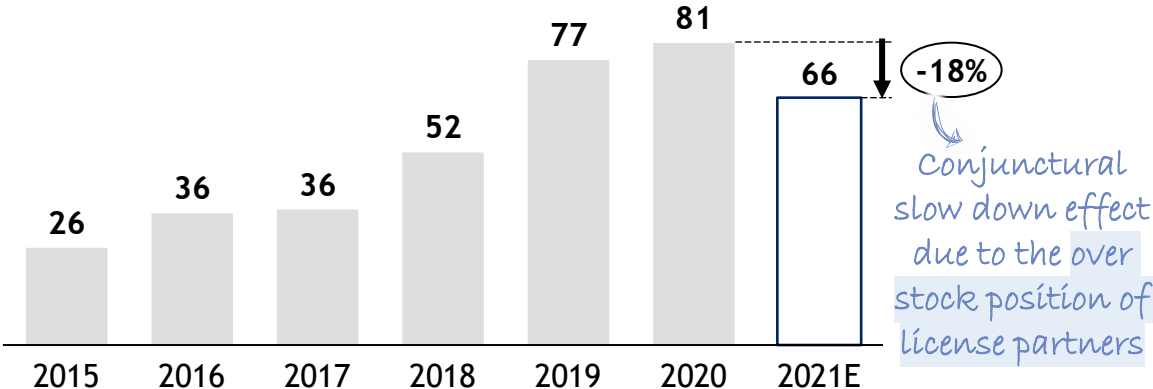
vs. Full year 2020 (85M€)

# Bilastine Licenses: the key adverse driver 2021 expectations due to the conjunctural effect from Covid-19 in 2020

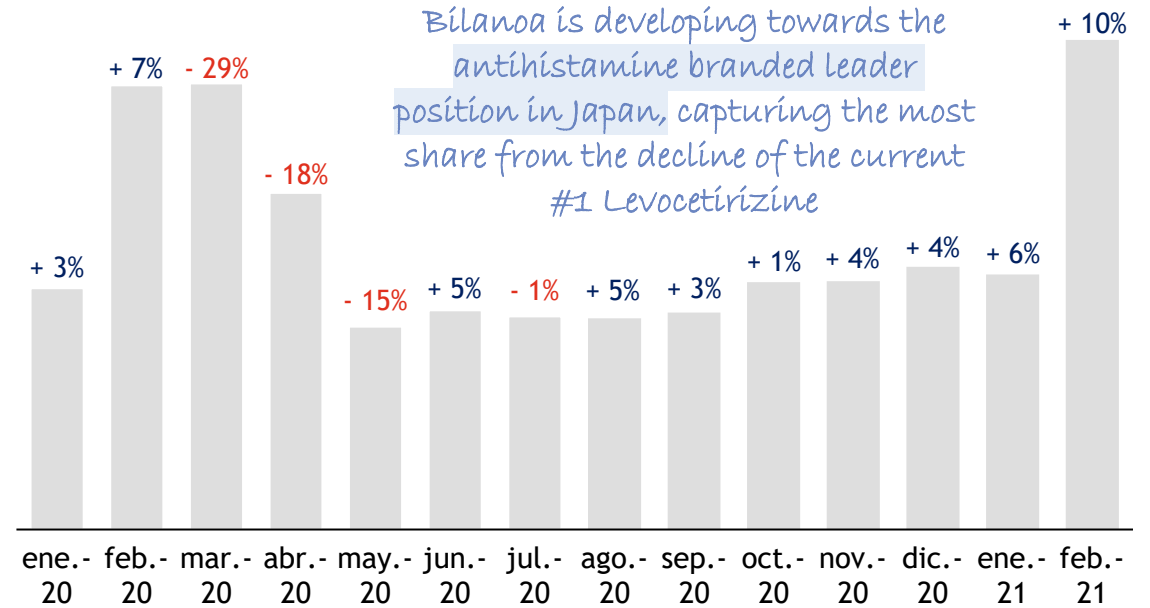
Bilastine sales of partners [M€]



Revenue Faes Farma Bilastine licenses [M€]



Evolution Bilanoa® in Japan [Sales vs LY, Yen]



Market Share 2020 vs. 2019	+ 0,8 p.p.	<b>13,7%</b>
Market Share Jan21 vs. Jan20	+ 3,1 p.p.	<b>15,1%</b>

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