
Faes Farma Financial Results & Business Update *First Half 2021*

July 2021



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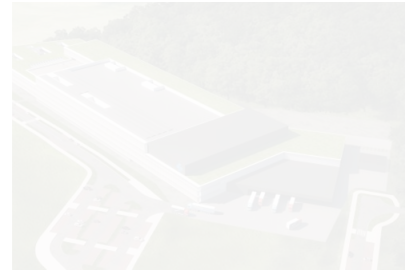
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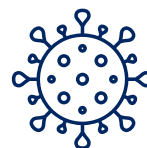
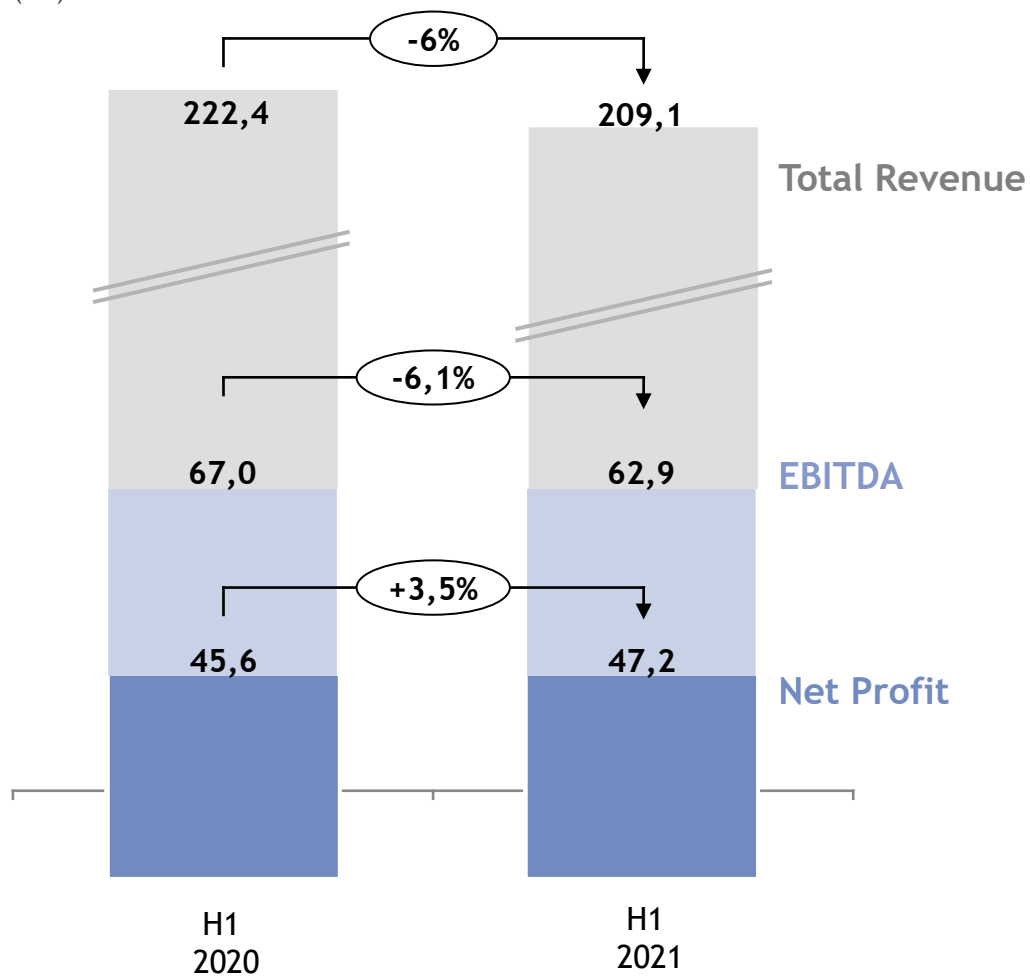


2021
Guidance

Key financial results and highlights

Highlights: First Half 2021

(M€)



Covid-19 Impact

- The significant drop in orders from Taiho (Japan) continues in Q2 due to the excess stock in 2020 related to last year's market decline. However, sell out performance is strong with Bilanoa taking the leading position of antihistamines in Japan with a market share between 16 and 17 percent.
- Continued negative impact on the Healthcare, Consumer and Bilastina Iberia business



Positive underlying business performance

- Organic growth of the company of +3% excluding the overstock impact of Bilastine driven by:
 - Significant increase in global sales of Calcifediol (+38%) and Mesalazine (+19%)
 - Double digit growth in subsidiaries and exports
 - Sales above the internal target in Animal Nutrition (+6%)



Bottom line results

- Net profit above H1 2020 due to cost reductions that compensate for the lower income

Income Statement

(Thousands €)

	June 2021	% sales	June 2020	% sales	% change 2021/2020
Total Revenue	209.040		222.400		-6,0%
Ordinary income/sales	192.213		201.311		-4,5%
Other operating income	16.827	8,8%	21.089	10,5%	-20,2%
Cost of sales	-66.816	34,8%	-71.239	35,4%	-6,2%
Gross margin	142.224	74,0%	151.161	75,1%	-5,9%
Personnel expenses	-42.646	22,2%	-42.234	21,0%	1,0%
Other operating expenses	-36.691	19,1%	-41.941	20,8%	-12,5%
EBITDA	62.887	32,7%	66.986	33,3%	-6,1%
Deprec. & impairment of fixed assets	-7.616	4,0%	-11.131	5,5%	-31,6%
EBIT	55.271	28,8%	55.855	27,7%	-1,0%
Financial profit/(loss)	-38	0,0%	-761	-0,4%	-95,0%
Profit before taxes	55.233	28,7%	55.094	27,4%	0,3%
Corporate Tax	-8.057	4,2%	-8.881	4,4%	-9,3%
Consolidated profit	47.176	24,5%	46.213	23,0%	2,1%
Minority interests	17	0,0%	-631	0,3%	
Profit of the Parent Company	47.193	24,6%	45.582	22,6%	3,5%

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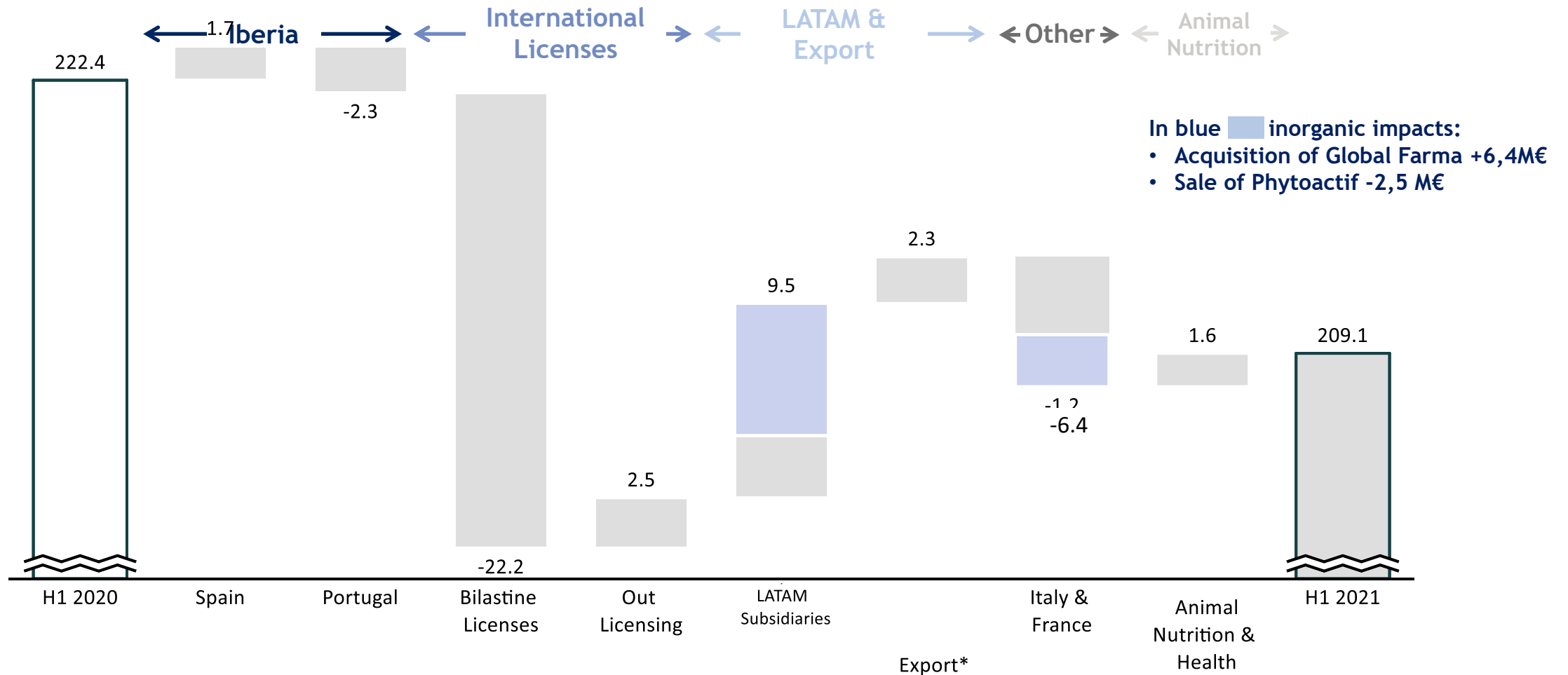
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Covid-19 impact in Iberia and Bilastine licenses

Revenue evolution per business area [H1 2020 - H1 2021, M€]

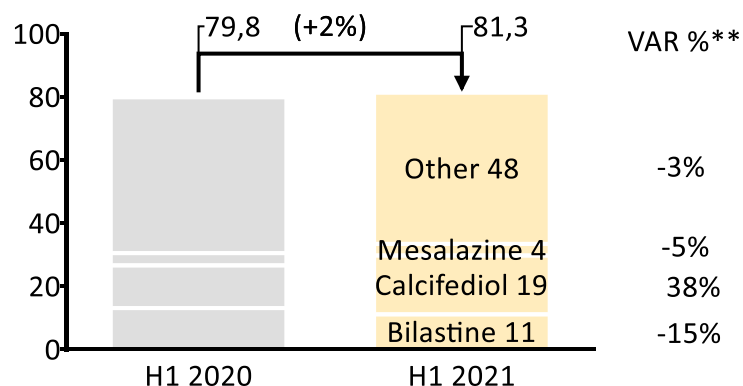


Sales performance Iberia- Outperforming the market driven by Calcifediol

Spain

(M€)

Total Revenue H1 21 vs H1 20



Market sales Spain (IQVIA)

TOTAL PHARMA MARKET*	
MARKET SPAIN	FAES FARMA
-0,2%	+6,7%

PRESCRIPTION MARKET*	
MARKET SPAIN	FAES FARMA
+0,8%	+7,2%

- Sales in line with internal targets (Prescription 102%, Pharmacy 96% and Consumer 102%). Overall 99%. June shows a growing positive trend both in pharmacy and consumer.
- Pharmacy: continued significant reduction of products for diseases related to cold / otorhinolaryngology. Pharmacies continue with reduced internal mobility, affecting the sales of impulse and non prescription products.
- Medical visits: restricted in Catalonia and with limitations in other regions
- Growth significantly above the pharma market trend due to the continuous positive evolution fo Calcifediol and despite the market situation and the first impacts in June of the expiration of the Bilastine patent

* Fuente IQVIA acumulado junio

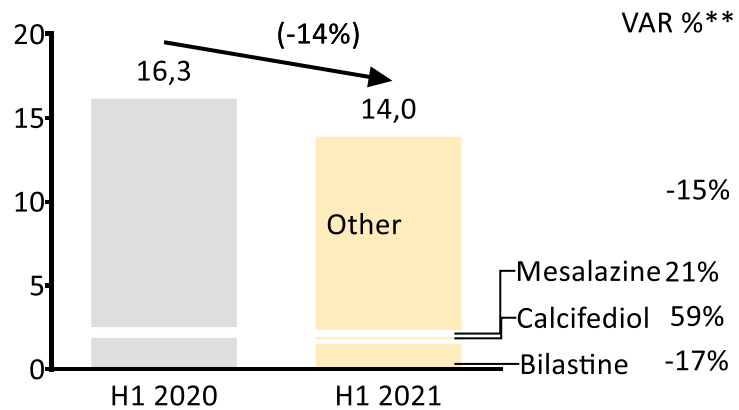
**Los porcentajes de variación se calculan sobre datos en euros

Sales performance Iberia

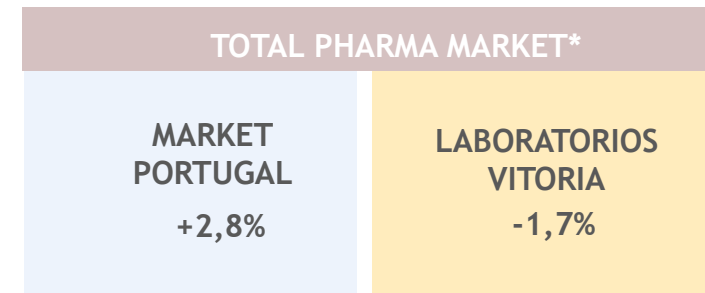
Portugal

(M€)

Total Revenue H1 21 vs H1 20



Market sales Portugal (IQVIA)



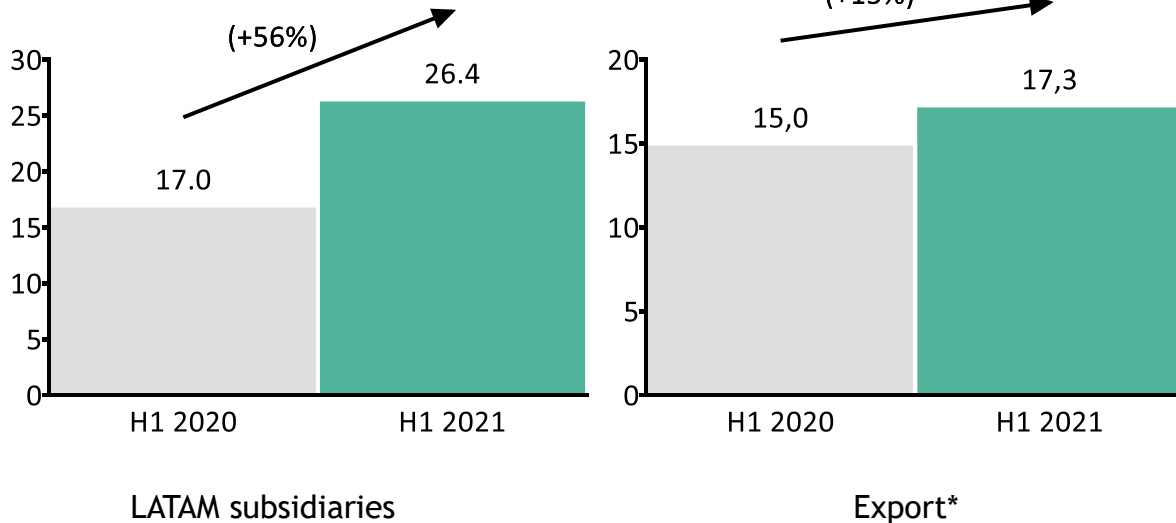
- Continued impact from face masks and lockdowns on Bilaxten and Rosilan
- Market decline of the pharmacy and Consumer business
- Excellent June performance , growing +32% in prescription and +11% in Pharmacy, which gives confidence for an improved trend in H2.

Double digit growth both in LATAM and Exports

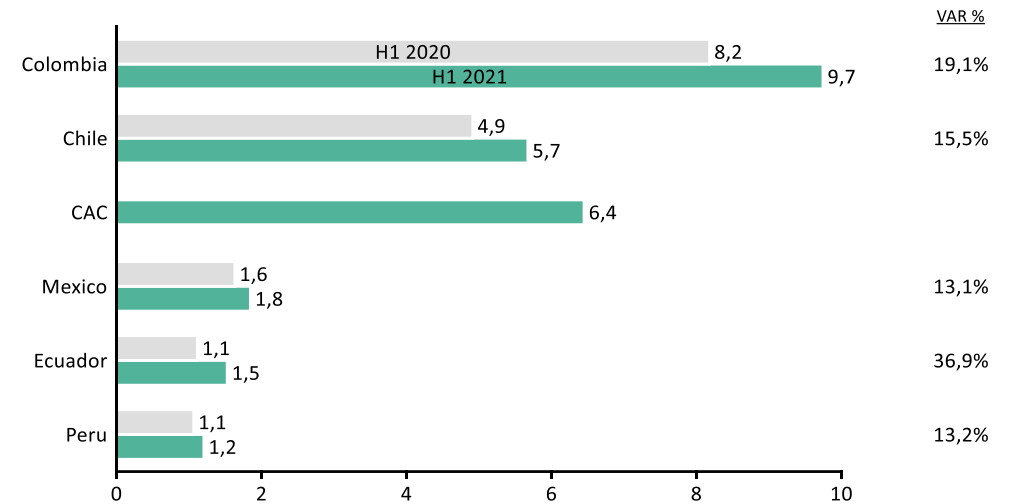
LATAM and Export

(M€)

Total revenue H1 21 vs H1 20



LATAM subsidiaries



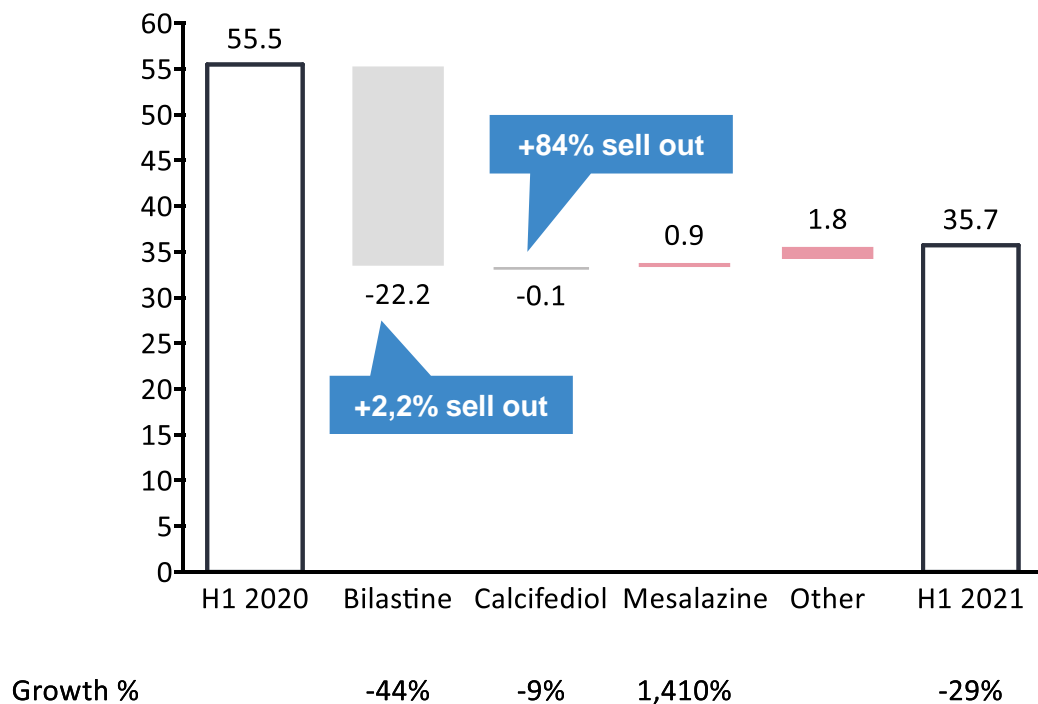
- The acquisition of global Global Farma (Central America & Caribbean) contributes until June 6,4 M€ in sales
- Organic growth of LATAM subsidiaries of 18%
- Exports grow in line with the evolution of the recent years

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 H1 21 vs H1 20



- Increase of +2,2% in bilastine in the market (impact on income directly related to the overstock situation)
- Exports to Taiho(Japan) fall in line with expectations, caused by the overstock generated in 2020. Orders confirmed to resume in Q3.
- Sales increase in the local market in Japan of +14% (in Yens) while antihistamine markets decreases -7%, lead to a market share above 16% and confirming Bilanoa as the leader in antihistamines in Japan.
- Growth of sell-out in calcifediol +84%** and mesalazine due to market expansion
- Highlight: Mesalazine suppositories launch in Germany (via the partner Recordati), Sweden and Finland (via the partner Orion). Will be launched in September in Norway, Poland and Denmark

*Bilastine data until June from IQVIA of the markets where our partners are present

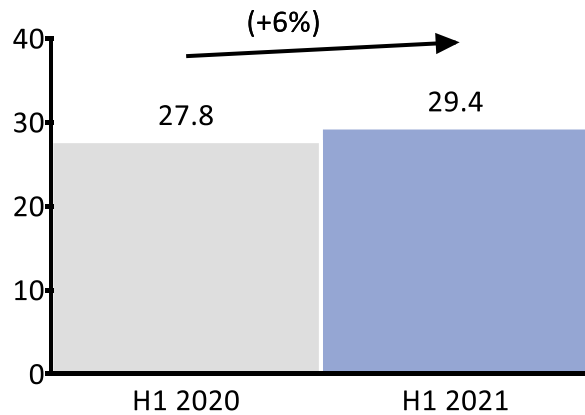
** Calcifediol sell out data until June from our partners in Belgium, Poland and Italy

Animal Nutrition and Health slightly above expectations

Animal Nutrition and Health

(M€)

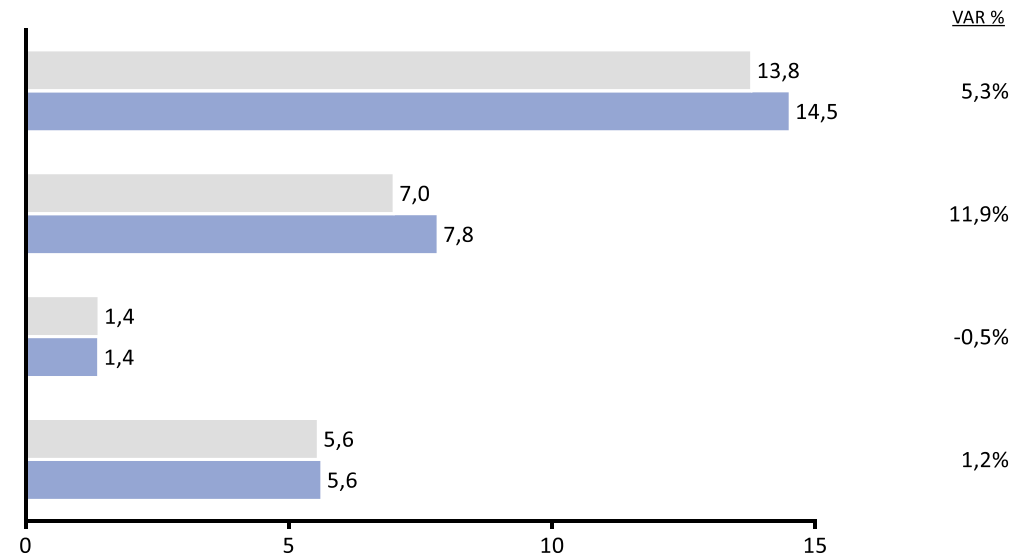
Total revenue H1 21 vs H1 20



- Good sales performance in the core subsidiaries Ingaso and Tecnovit in Iberia
- Sales slightly above internal target



Filiales LATAM



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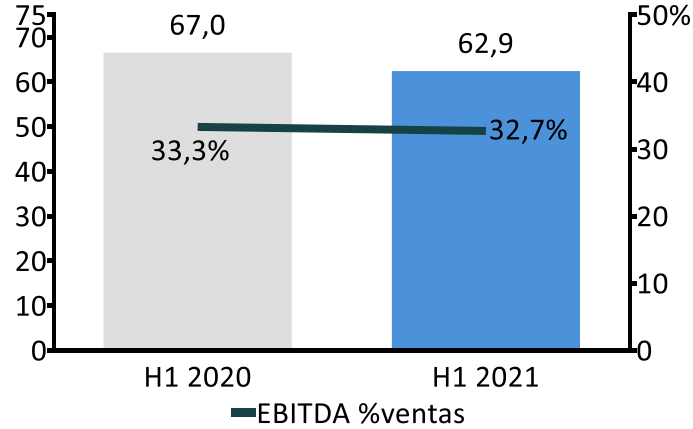
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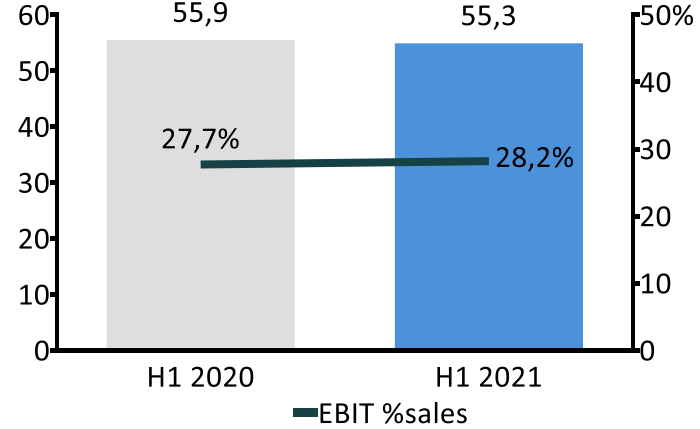
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Earnings performance

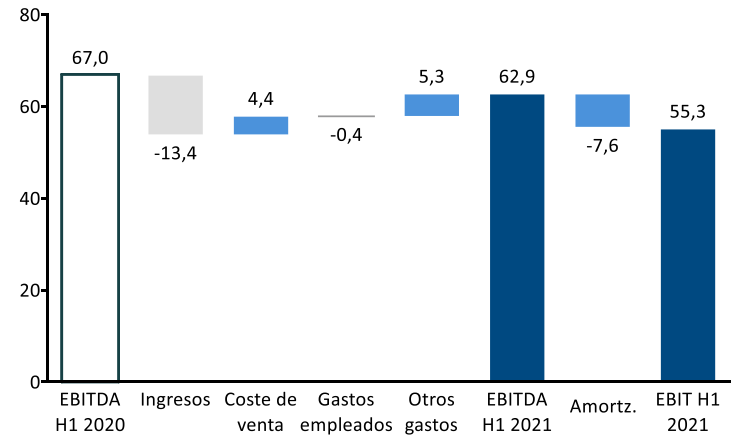
EBITDA H1 21 vs H1 20 (M EUR)



EBIT H1 21 vs H1 20 (M EUR)



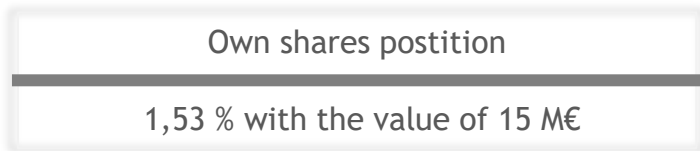
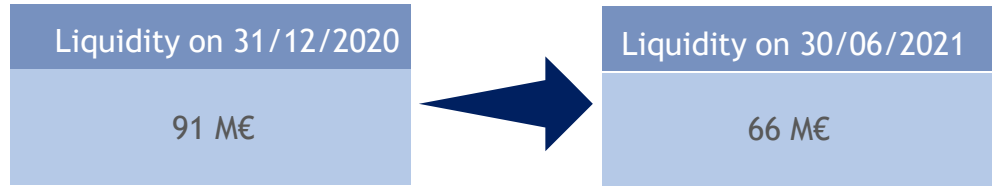
Movimientos EBITDA H1 21 (M EUR)



- 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 an M&A operation (Global Farma in Guatemala).



- The second half of 2021 will see a very relevant investment related to the first phase of the construction of the new manufacturing plant. However, the use of external financing is currently not yet expected

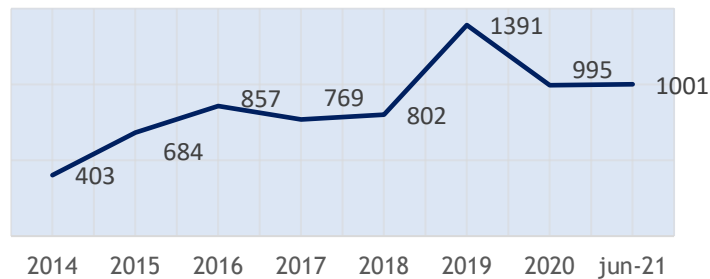
Faes Farma stock position

Evolution of the share Price and capitalization

Share price

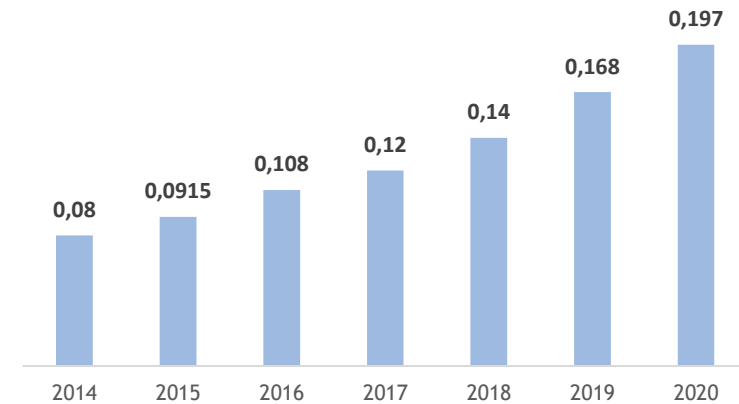


Capitalization (M€)



- Stable capitalization
- Dividend increases in line with the companies results

DIVIDEND PER SHARE* (EUR)



*Dividend related to payments in the year

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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)

H1 2021 results confirmed the negative impact related to Covid-19 while we expect a recovery in H2

Net Sales¹

Single digit growth

vs. Full year 2020 (380M€)

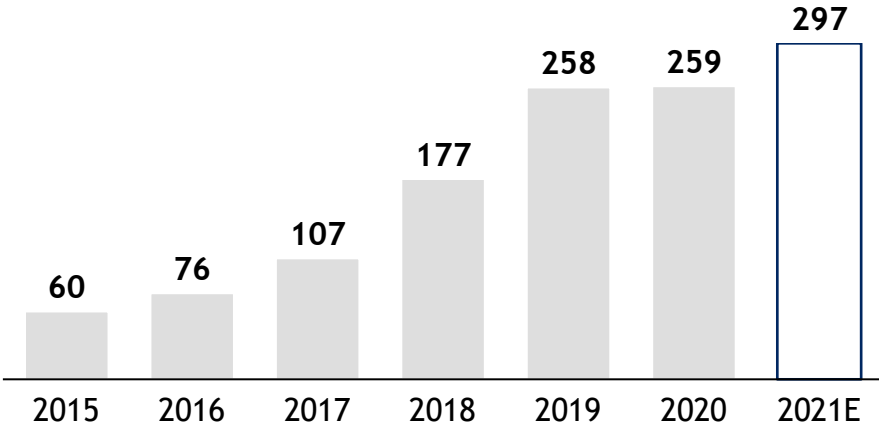
Net Profit

Between 87M€ - 91M€

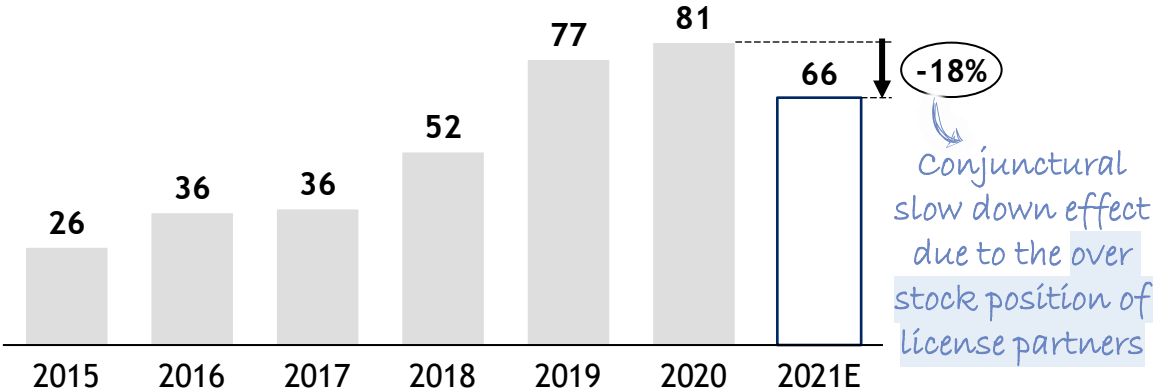
vs. Full year 2020 (85M€)

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

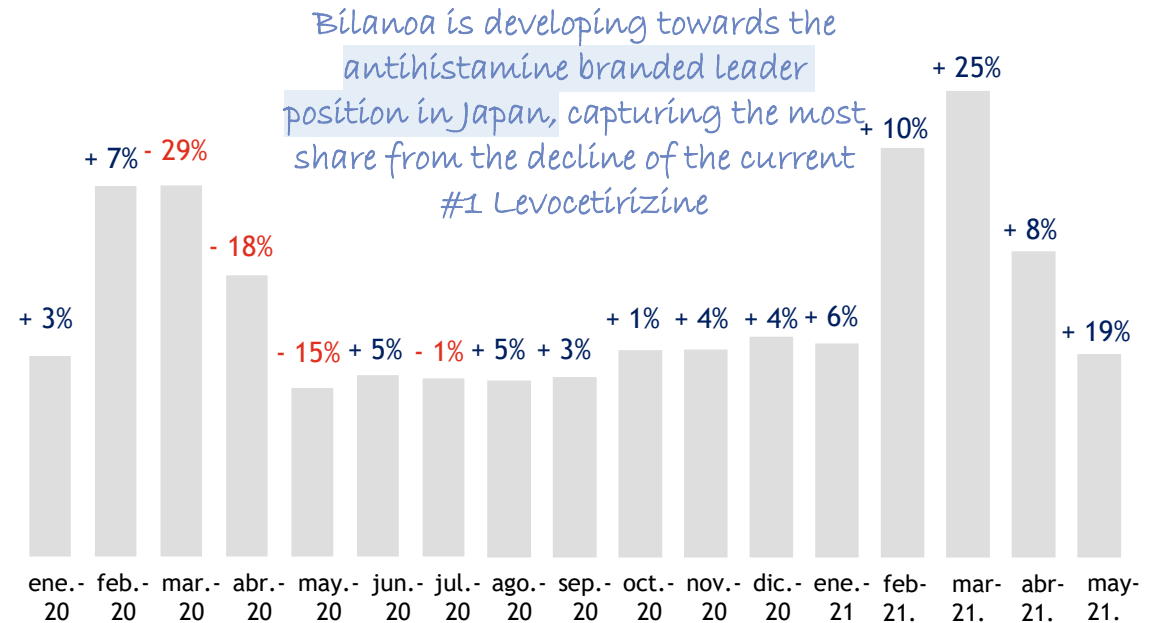
Bilastine sales of partners[M€]



Revenue Faes Farma Bilastine licenses[M€]



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



Market Share 2020 vs. 2019	+ 0,8 p.p.	13,7%
Market Share May21 vs. May20	+ 3,0 p.p.	16,4%

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