
Faes Farma
Financial Results & Business
Update
Third quarter 2021

October 2021



Content

01



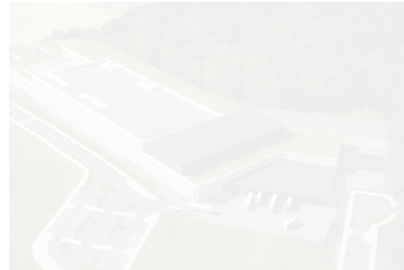
Highlights

02



Sales
Performance
Q3 2021

03



Financials

04

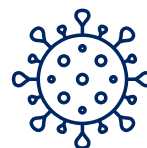
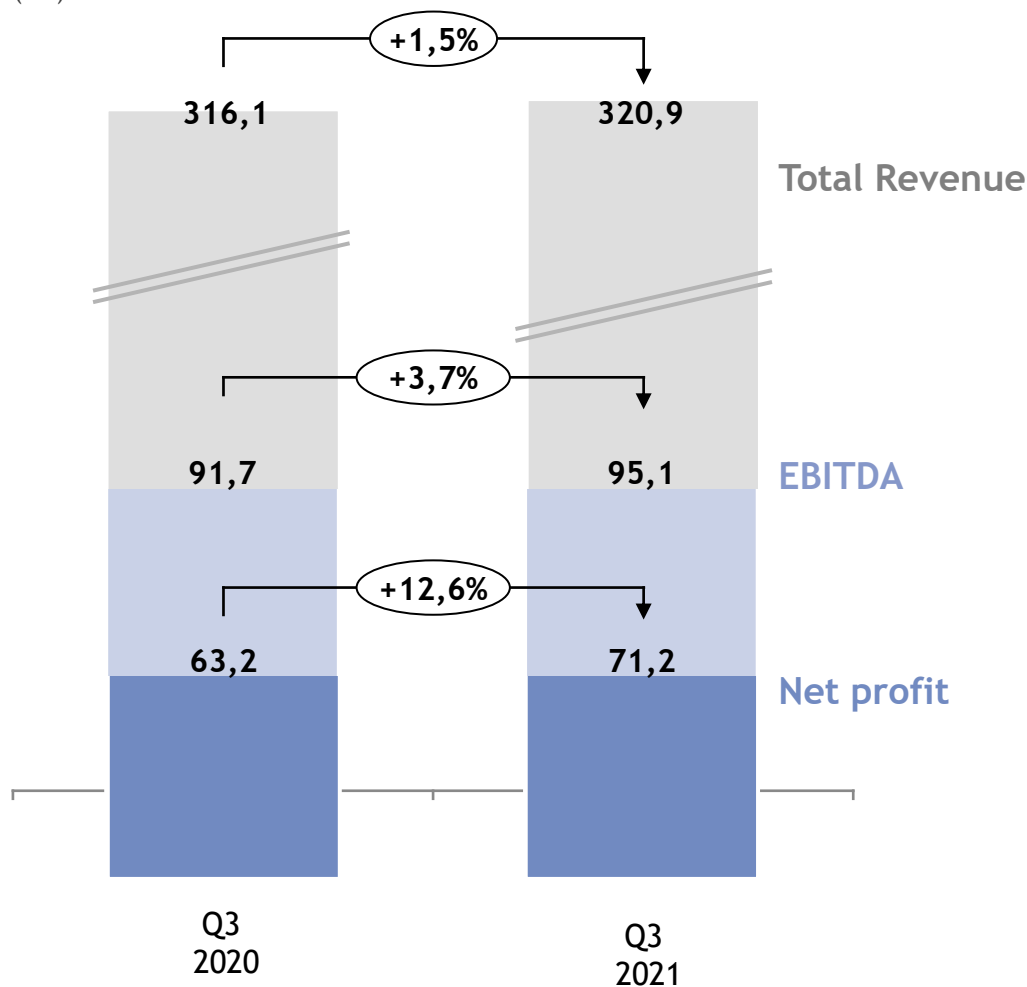


2021
Guidance

Key financial results and highlights

Highlights: Third quarter 2021

(M€)



Covid-19 Impact

- In our main market, Japan, we see orders resume to the licensee (Taiho) in Q3 after 9 months without purchases due to the overstock in 2020. Sell-out continues to grow 13% and market share has reached 16,1%.
- The negative impact of Covid on the pharmacy business is softening (-1% vs LY*) and we see the Consumer channel returning to pre-Covid levels (+6% vs LY*)



Positive underlying business performance

- Organic growth of the company of between 3% and 4% excluding the overstock impact of Bilastine driven by:
 - Significant increase in global sales of Calcifediol (+39%) and Mesalazine (+18%)
 - Double digit growth in subsidiaries LATAM (+25% without Global Farma) and direct global exports (+17%)
 - Sales above the internal target in Animal Nutrition



Bottom line results

- Net profit improves in Q3 due to the recovery of income and the 3,5<m€ of net milestone from Hikma USA. Expenses at the same level as 2020 due to the reduction in business activity.

Income Statement

(Thousands €)

	September 2021	% sales	September 2020	% sales	% change 2021/2020
Total Revenue	320.876		316.126		1,5%
Ordinary income/sales	295.105		290.969		1,4%
Other operating income	25.770	8,7%	25.157	8,6%	2,4%
Cost of sales	(105.497)	35,7%	(104.805)	36,0%	0,7%
Gross margin	215.378	73,0%	211.321	72,6%	1,9%
Personnel expenses	(61.238)	20,8%	(59.737)	20,5%	2,5%
Other operating expenses	(59.063)	20,0%	(59.911)	20,6%	-1,4%
EBITDA	95.077	32,2%	91.673	31,5%	3,7%
Deprec.& impairment of fixed assets	(11.841)	4,0%	(14.885)	5,1%	-20,4%
EBIT	83.236	28,2%	76.788	26,4%	8,4%
Financial profit/(loss)	(70)	0,0%	(1.075)	-0,4%	-93,5%
Profit before taxes	83.166	28,2%	75.714	26,0%	9,8%
Corporate Tax	(12.037)	4,1%	(11.818)	4,1%	1,9%
Consolidated profit	71.129	24,1%	63.896	22,0%	11,3%
Minority interests	28	0,0%	(696)	0,2%	-104,0%
Profit to the Parent Company	71.157	24,1%	63.200	21,7%	12,6%

Content

01



Highlights

02



Sales
Performance
Q3 2021

03



Financials

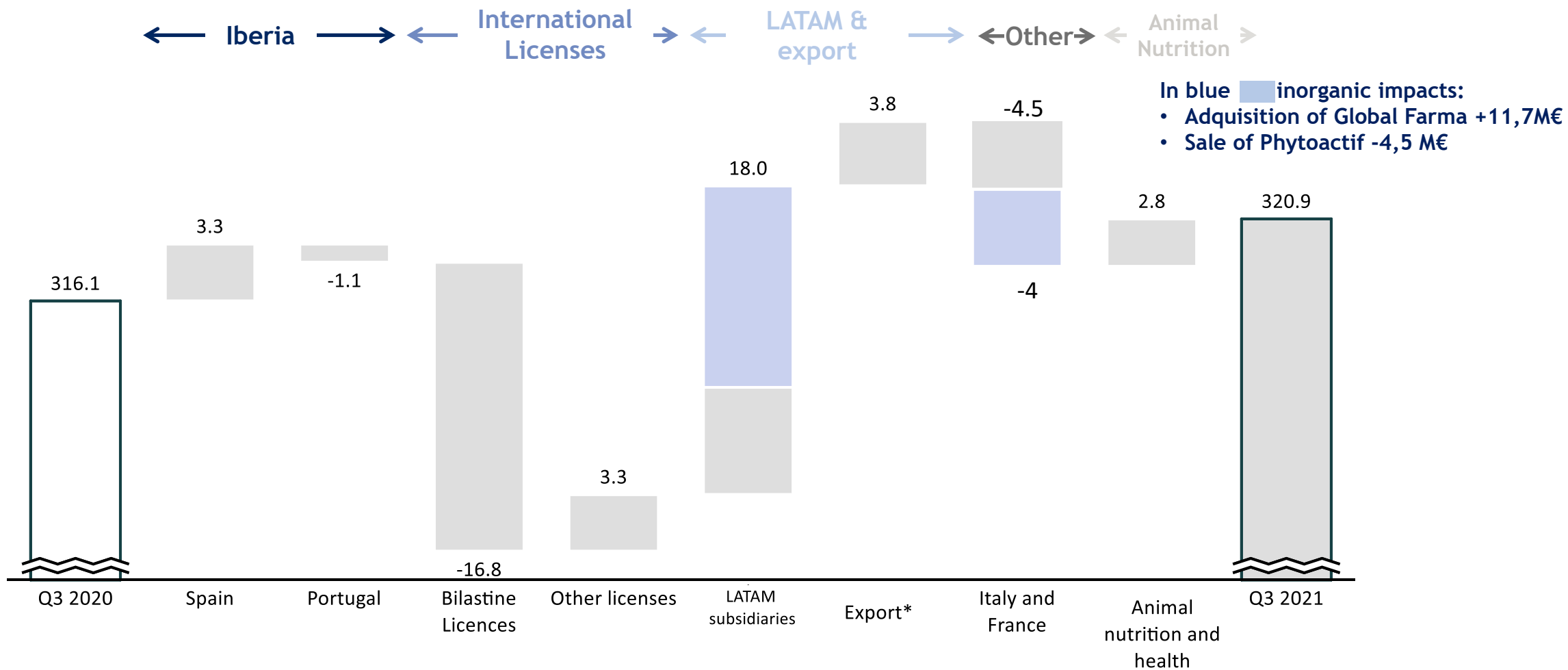
04



2021
Guidance

Covid-19 impact in Bilastine licences slows down

Revenue evolution per business area [Q3 2020 - Q3 2021, M€]

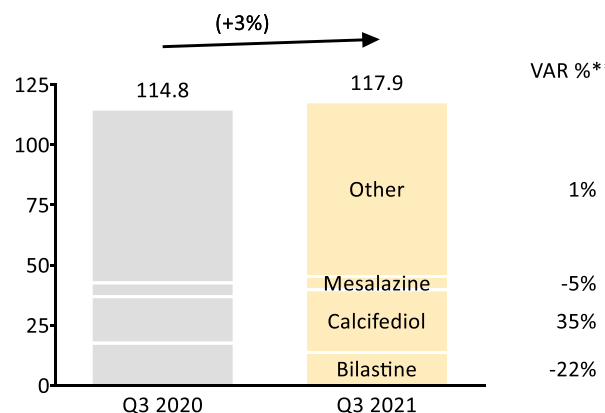


Sales performance Iberia- Outperforming the market driven by Calcifediol

Spain

(M€)

Total Revenue Q3 21 vs Q3 20



Market sales Spain (IQVIA)

TOTAL PHARMA MARKET*	
MARKET SPAIN	FAES FARMA
+1,8%	+6,8%

PRESCRIPTION MARKET*	
MARKET SPAIN	FAES FARMA
+2,4%	+7,2%

- Sales in line with internal targets (Prescription 102%, Pharmacy 99% and Consumer 111%). Overall 102%.
- Growth significantly above the pharma market trend due to the continuous positive evolution of Calcifediol (38% sell out, 35% sell in) and the contribution of the respiratory franchise.
- Bilastine sales in units grow +9,8% until September. The negative impact on sell in is completely related to the price reduction of -45% since July.

* Source IQVIA until June

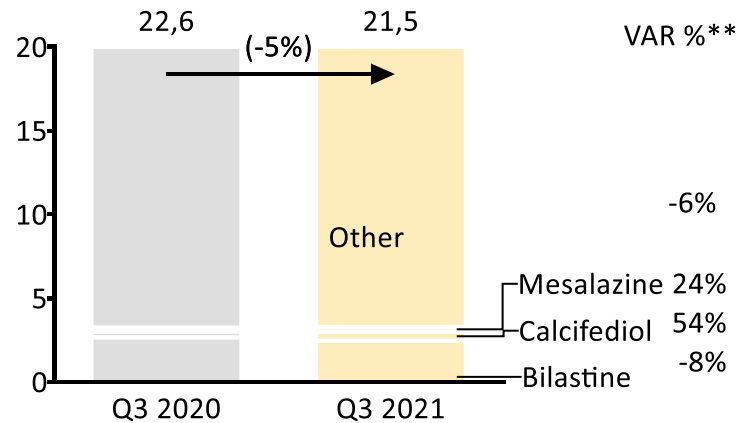
**The percentages are calculated based using euro figures

Sales performance Iberia

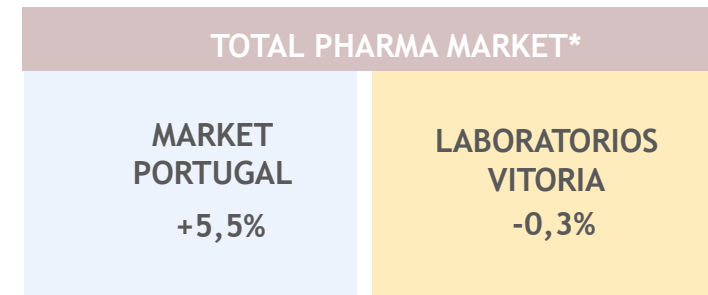
Portugal

(M€)

Total Revenue Q3 21 vs Q3 20



Market sales Portugal(IQVIA)



- YTD sales decline slows down thanks to a positive Q3

* Source IQVIA until June

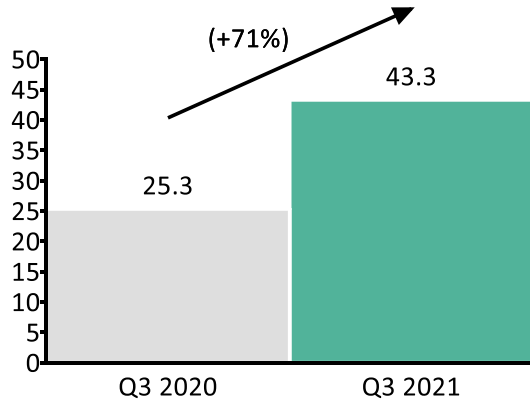
**The percentages are calculated based using euro figures

Double digit growth both in LATAM and Exports

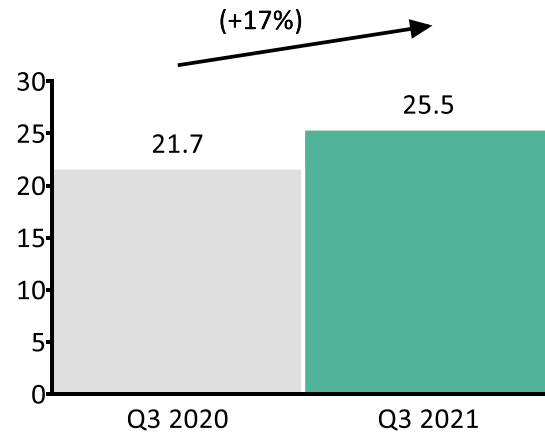
LATAM and Export

(M€)

Total Revenue Q3 21 vs Q3 20

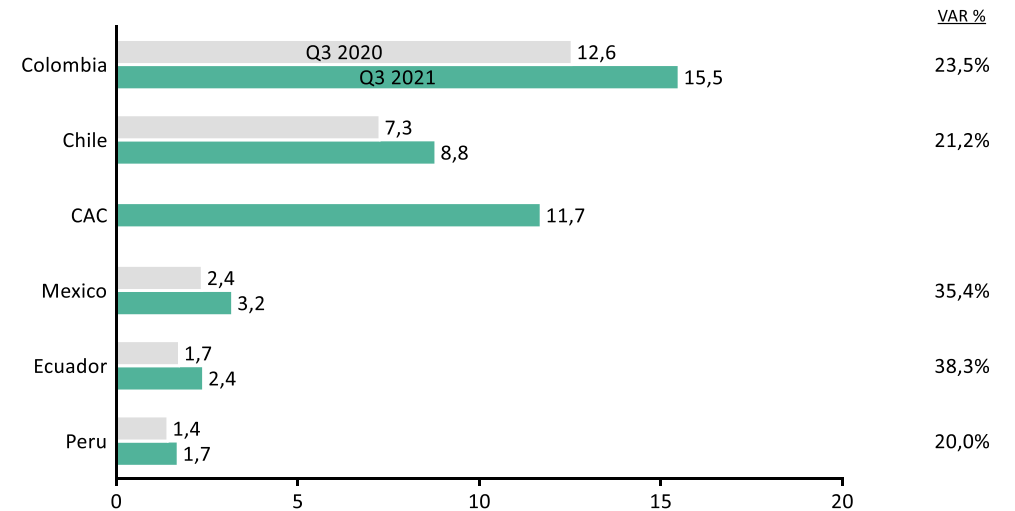


LATAM subsidiaries



Export*

LATAM subsidiaries



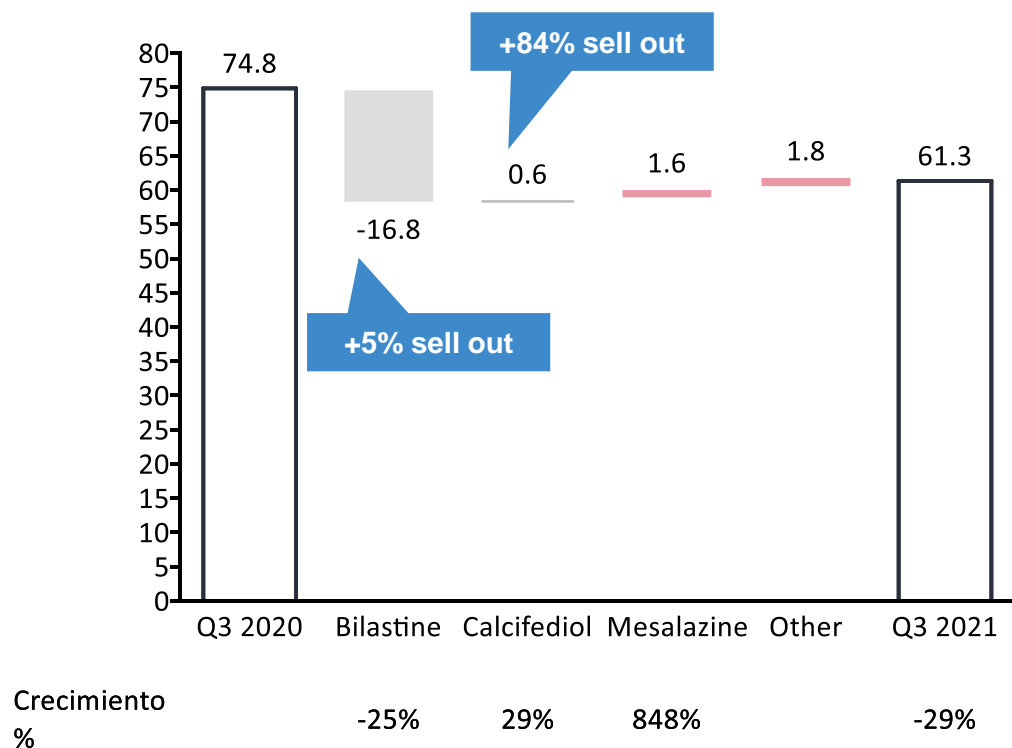
- The acquisition of global Global Farma (Central America & Caribbean) contributes until June 11,7 M€ in sales, resulting in total growth in LATAM +71 %. Organic growth of the other units is +25%.
- Exports grow in line with the evolution of the recent years

Licenses: Resumption of sales of Bilastine to Japan and milestone from Hikma USA improve position in Q3

International Licenses

(M€)

Total Revenue Q3 21 vs Q1 20



- Increase of +5% in bilastine in the global licensed market
- Exports to Taiho(Japan) fall in line with expectations, resuming orders in Q3 (July and September) with a regulated level of stock.
- Sales increase in the local market in Japan of +13% (in Yens) while the antihistamine market decreases -13%. This leads 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
- Mesalazine launch successes in September: Orion (Nordics) sales are above expectations. In Poland, Recordati achieved a market share of 20% in volume.

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

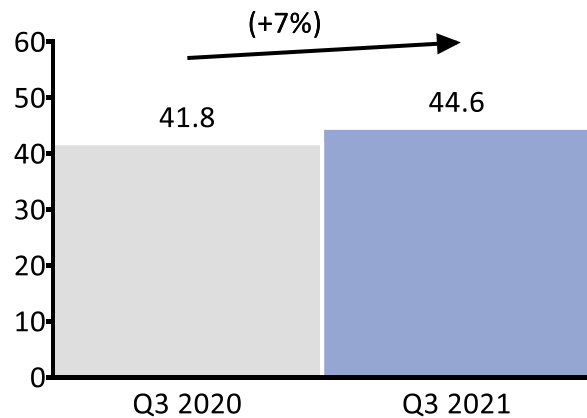
** Calcifediol sell out data until June from our partners in Belgium, Poland and Italy

Animal Nutrition and Health slightly above expectations

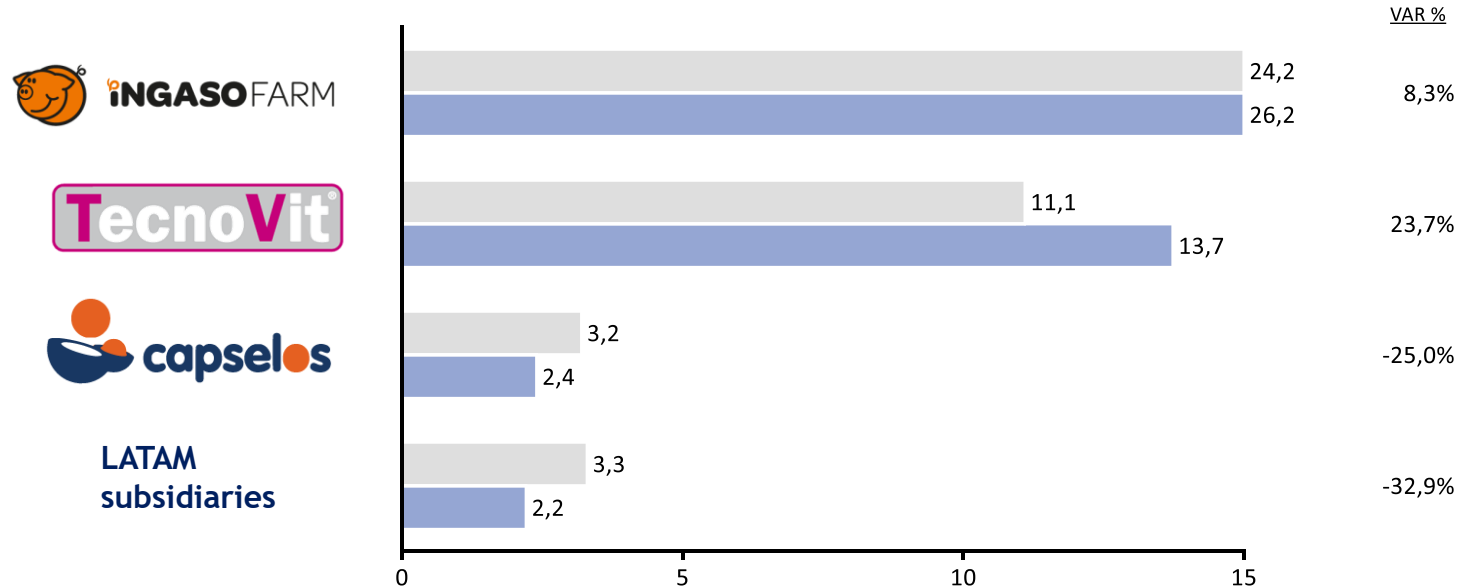
Animal Nutrition and Health

(M€)

Total revenue Q3 21 vs Q3 20



- Good sales performance in the core subsidiaries Ingaso and Tecnovit in Iberia.
- Sales slightly above internal target.
- Reduction of sales in LATAM subsidiaries due to the negative impact of Covid-19 on the price of meat, which has caused the closure of some producers. Capselos sales reduction is related to customers focusing on their sales in LATAM and Southeast Asia.



Content

01



Highlights

02



Sales
Performance
Q3 2021

03



Financials

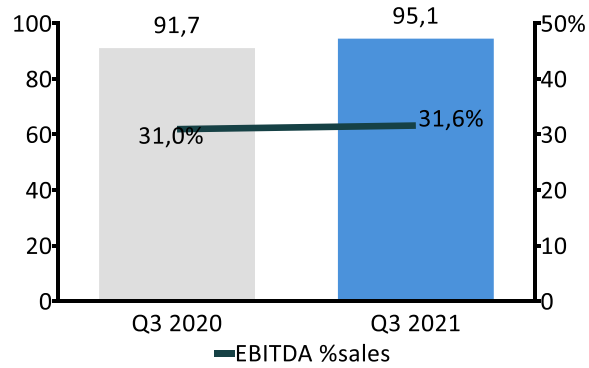
04



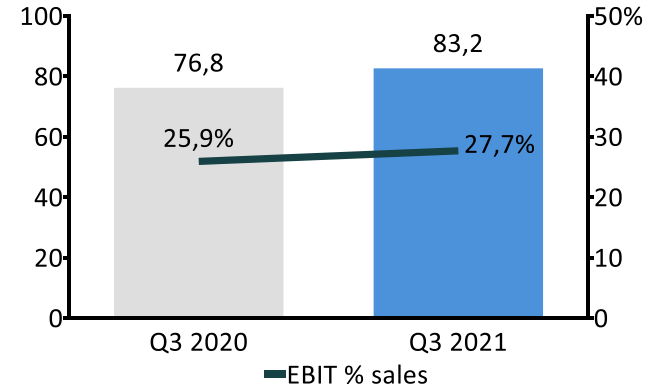
2021
Guidance

Earning performance

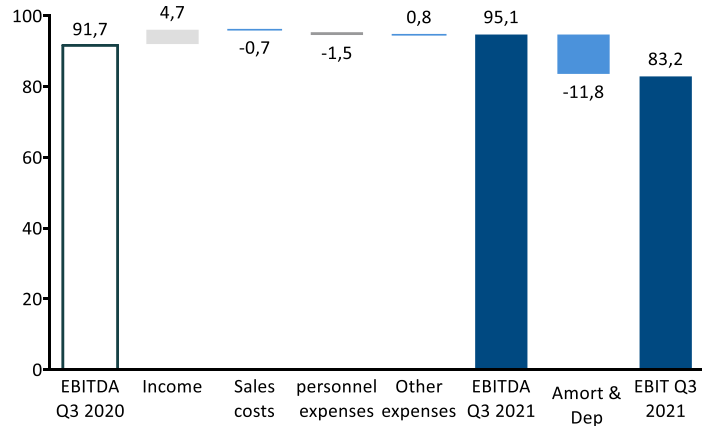
EBITDA Q3 21 vs Q3 20 (M EUR)



EBIT Q3 21 vs Q3 20 (M EUR)



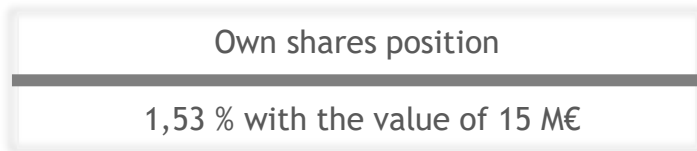
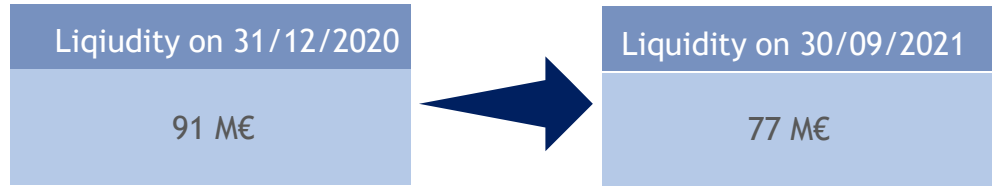
EBITDA movements Q3 21 (M EUR)



- Evolution of the income statement above expectations.
- Operating profit is improving as negative factors related to Covid-19 and the decreases in bilastina prices in Japan and Spain are offset by cost savings and the milestone related to the future licensing of Bilastine in the USA

Cash position

Reduction in liquidity as a results 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 activity (Global Farma in Guatemala).



- The 2021-2023 triennium will see a very relevant investment effort related to the construction of the new manufacturing plant. However, the use of external financing is currently not expected

Faes Farma stock position

Evolution of the share Price and capitalization

Share Price (€)

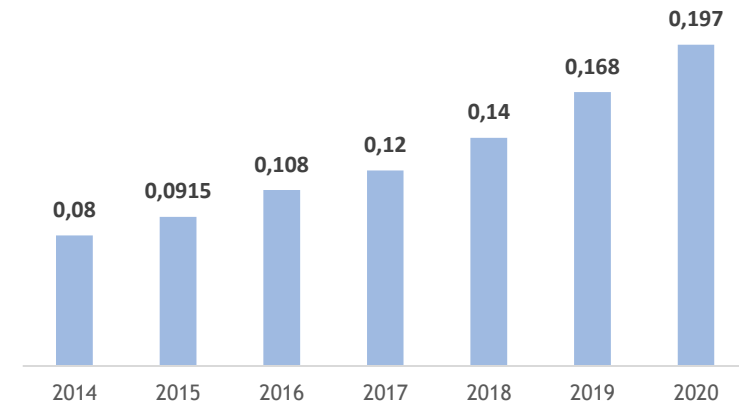


Capitalization (M€)



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

DIVIDEND PER SHARE* (EUR)



*Dividend related to payments in the year

Content

01



Highlights

02



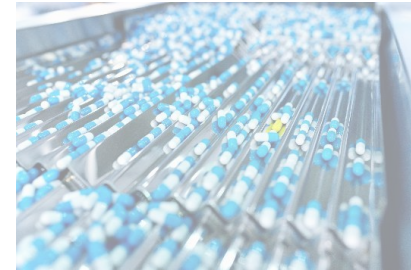
Sales
Performance
Q3 2021

03



Financials

04



2021
Guidance

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%) and loss of the patent in Spain (-45% in price)

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)

Milestone from license of bilastine in USA

Progressive normalization in 2H is confirmed, the signing of the bilastine license in the US is included in the estimates

Net sales¹

Single digit growth

vs. Full year 2020 (380M€)

Net Profit

Between 89M€ - 93M€

vs. Full year 2020 (85M€)

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