



Business Update Q3 2022

27 October 2022

Highlights



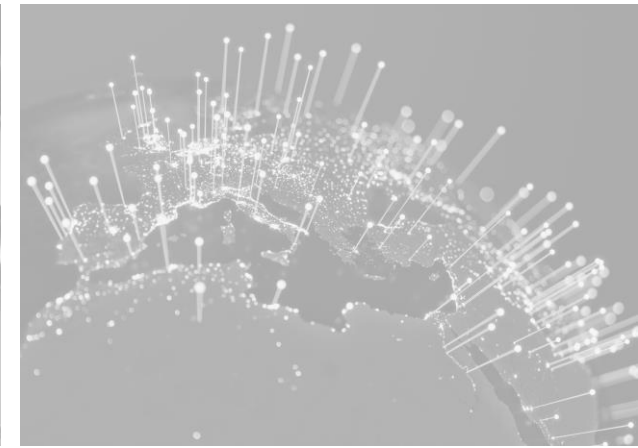
Evolution Q3 2022



Financial Review



Guidance 2022



Highlights

Business

- Licensing, Pharma Spain and International Pharma continue to drive the growth.
- Double-digit growth in the top 3 molecules (+13%).
- Cost inflation in Animal Nutrition and Health due to the macroeconomic situation.

Financials

- Earnings growth despite cost inflation
- The main industrial investments (Derio and Huesca) continue their course, without need for external financing

R&D

- Approval of bilastine Ophthalmic in Europe, launch planned Q3 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 gelatin capsules in Brazil.

ESG

- Implementation of the newly launched internal sustainability strategy

Key figures

Total Income

+10%

352 M€

Income top 3 molecules

+13%

126 M€

EBITDA

+6%

101 M€

EBIT

+4%

86 M€

Net profit

+5%

74 M€

Capitalization*

+11%

1.153 M€

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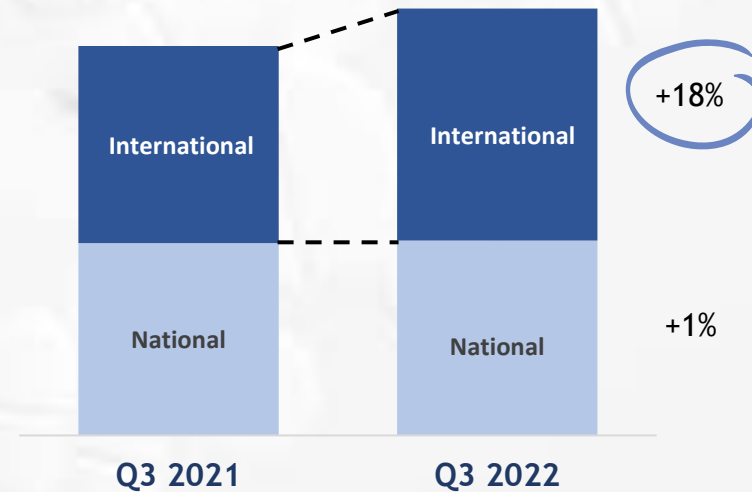
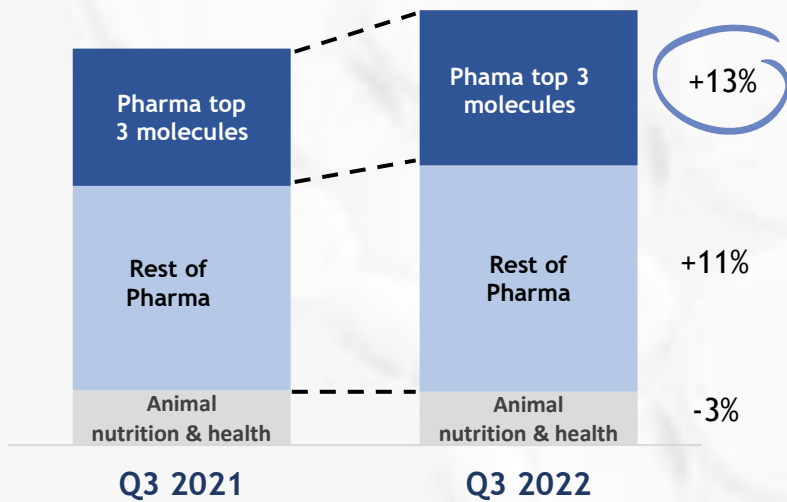
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Growth driven by pharma's top 3 molecules and international business

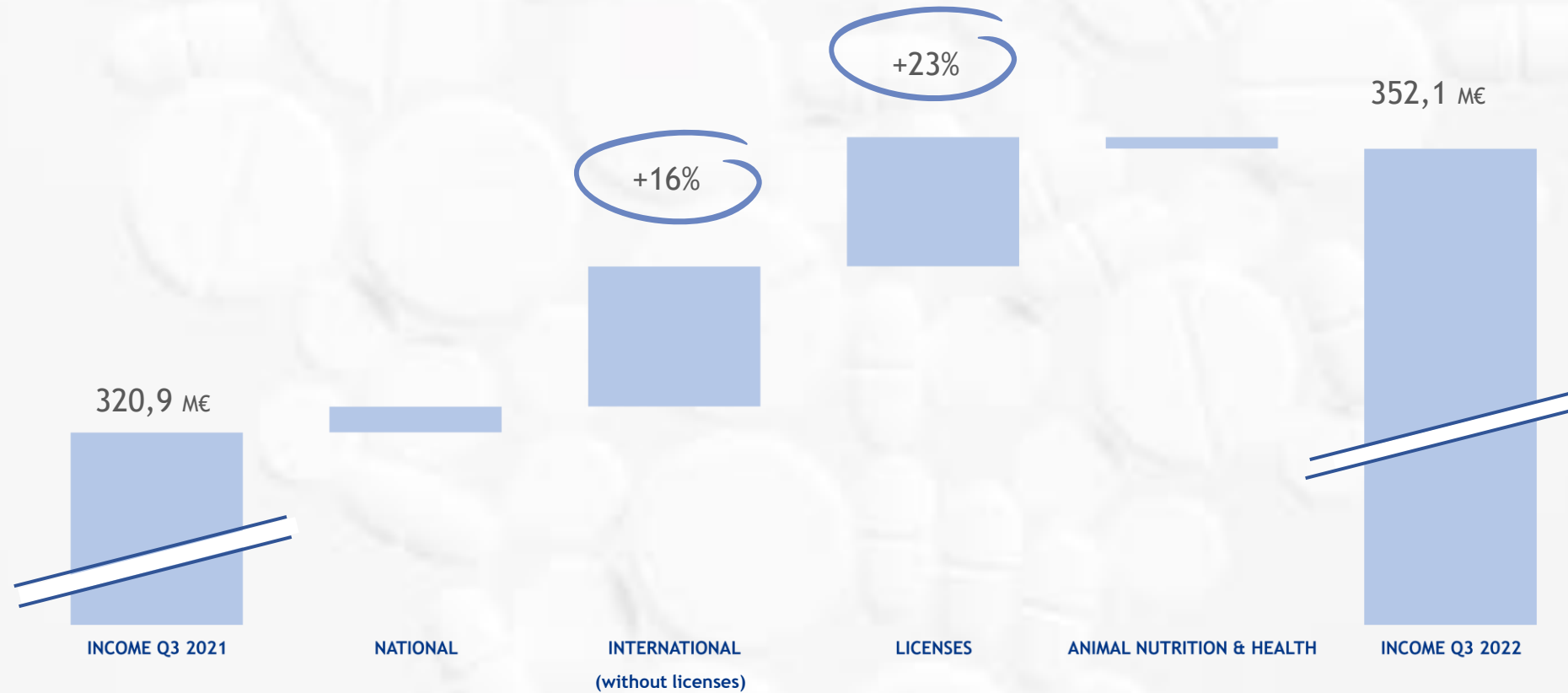
Total income by product line

Total income
National vs International



Revenue growth in strategic business areas

Contribution to revenue evolution by business area [Q3 2021 - Q3 2022, M€]



Growth of the top 3 molecules

Income Bilastine

+16,3%

85 M€

Income Calcifediol

+7,5%

30 M€

Income Mesalazine

+6,6%

11 M€

- Bilastine: Overall growth despite the impact in Europe from the patent expiries.
- Calcifediol: continued good growth in the markets where it is present.
- Mesalazine: good performance in licences.

Developments in Spain - a quarter impacted by expected effects

Total income (M€)			
	2021 Q3	2022 Q3	%var
Spain Pharma	118,6	121,5	3%
Medical Visit	78,9	78,3	-1%
Bilastine	13,6	10,6	
Calcifediol	23,2	25,0	
Mesalazine	5,4	5,2	
Rest	36,7	37,6	
Healthcare & Consumer	39,7	43,2	9%

The data in the table is rounded

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

Calcifediol growth continues at more moderate rates in Q3.

Significant growth in Respiratory line (+68%).

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

International- LATAM is the main engine of international growth

Total income (M€)			
	2021 Q3	2022 Q3	%var
International (without licenses)	96,3	111,7	16%
Subsidiaries LATAM	47,9	58,5	22%
Central America Dominican	16,3	19,6	
Colombia	15,5	16,9	
Chile	8,8	11,7	
Mexico	3,2	4,5	
Ecuador	2,4	3,8	
Peru	1,7	2,1	
Subsidiaries Europe	27,6	30,0	9%
Portugal	21,5	23,5	
Italy	6,0	6,5	
Exports & Africa	20,9	23,2	11%

Positive sales performance continues in all Latam subsidiaries.
Calcifediol imminent launch in Mexico.

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

Exports and Africa grow, consolidating the trajectory of recent years.

Licences

Bilastine: Strong growth in markets outside Europe
 Other products maintain growth levels

Total income (M€)

	2021 Q3	2022 Q3	%var
Licenses	61,3	75,6	23%
Bilastine	50,8	62,4	
Other products	10,5	13,2	

The data in the table is rounded

BILASTINE

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

Patent expiry in Europe in June.

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

Launched in Q3 in Australia, sixth largest allergy market.

OTHER PRODUCTS

Calcifediol: Regulatory progress in relevant projects such as Brazil, Australia and the UK.

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

Animal Nutrition and Health - sector continues to be impacted by the commodity crisis



Total income (M€)

	2021 Q3	2022 Q3	%var
Animal nutrition and health	44,6	43,3	-3%
Ingaso Farm	26,2	25,4	
Tecnovit	13,7	14,3	
Capselos	2,4	1,5	
LATAM Subsidiaries	2,2	2,0	

The data in the table is rounded

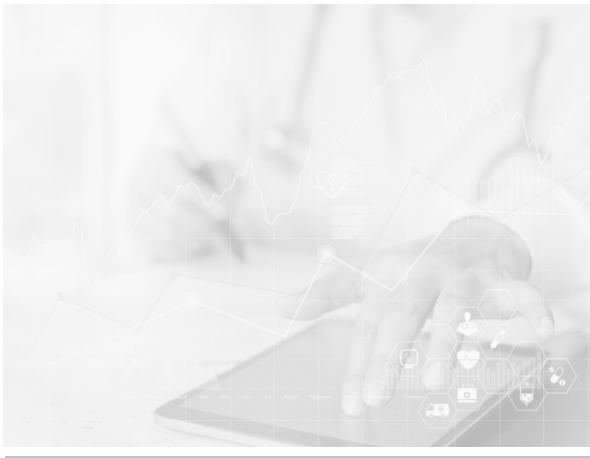
Overall negative market impact in summer.

Overall sales decline fully driven by international sales, mainly due to the loss of some customers.

The impact of inflation on costs is somewhat slowing.

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

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Income Statement

(Thousands €)	SEPTEMBER 2022	% of sales	SEPTEMBER 2021*	% of sales	% change 2022/2021
Total Income	352.029		320.876		9,7%
Ordinary income/sales	333.310		295.105		12,9%
Other operating income	18.719	5,6%	25.770	8,7%	-27,4%
Cost of sales	-119.371	35,8%	-105.497	35,7%	13,2%
Gross margin	232.658	69,8%	215.378	73,0%	8,0%
Personnel expenses	-66.047	19,8%	-61.238	20,8%	7,9%
Other operating expenses	-65.975	19,8%	-59.063	20,0%	11,7%
EBITDA	100.636	30,2%	95.077	32,2%	5,8%
Deprec. & impairment of fixed assets	-14.387	4,3%	-12.503	4,2%	15,1%
EBIT	86.249	25,9%	82.574	28,0%	4,5%
Financial profit loss	176	0,1%	-70	0,0%	-351,7%
Profit before tax	86.425	25,9%	82.504	28,0%	4,8%
Corporate tax	-12.391	3,7%	-11.872	4,0%	4,4%
Consolidated Profit	74.034	22,2%	70.633	23,9%	4,8%
Minority interests	-41	0%	28	0%	-248,7%
Profit to the Parent Company	73.993	22,2%	70.660	23,9%	4,7%

In 2021 Milestone from Hikma due to license signature in USA

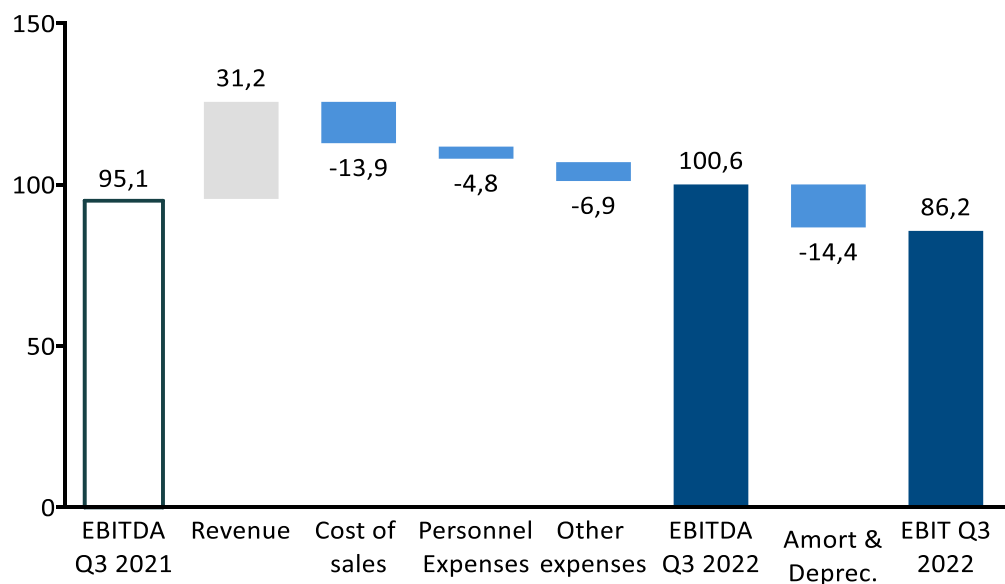
Inflation and rising commercial expenses

Full-period Global Farma amortisation

Exchange rate variances

EBITDA evolution

EBITDA movements Q3 22 accum. (M€)



The data in the graph is 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 for the rest of the year and in 2023.
- Increase in **other expenses** mainly driven by:
 - Transport and utility inflation
 - Commercial expenses increase due to investments in LATAM
 - Investments in R&D&I
- Despite the increase in costs, EBITDA until September reached 30.2% thanks to the good performance of revenues.

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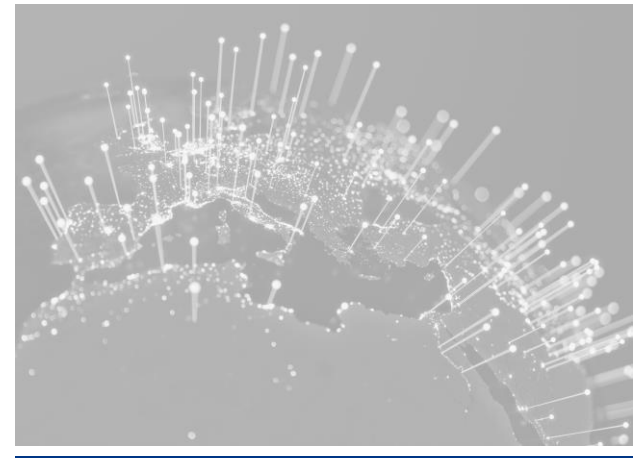
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Guidance for 2022 remains unchanged, continuing strong growth and creating shareholder value



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