



# Capital Markets Day Faes Farma

March 2024



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Faes Farma today

# Faes Farma at a glance

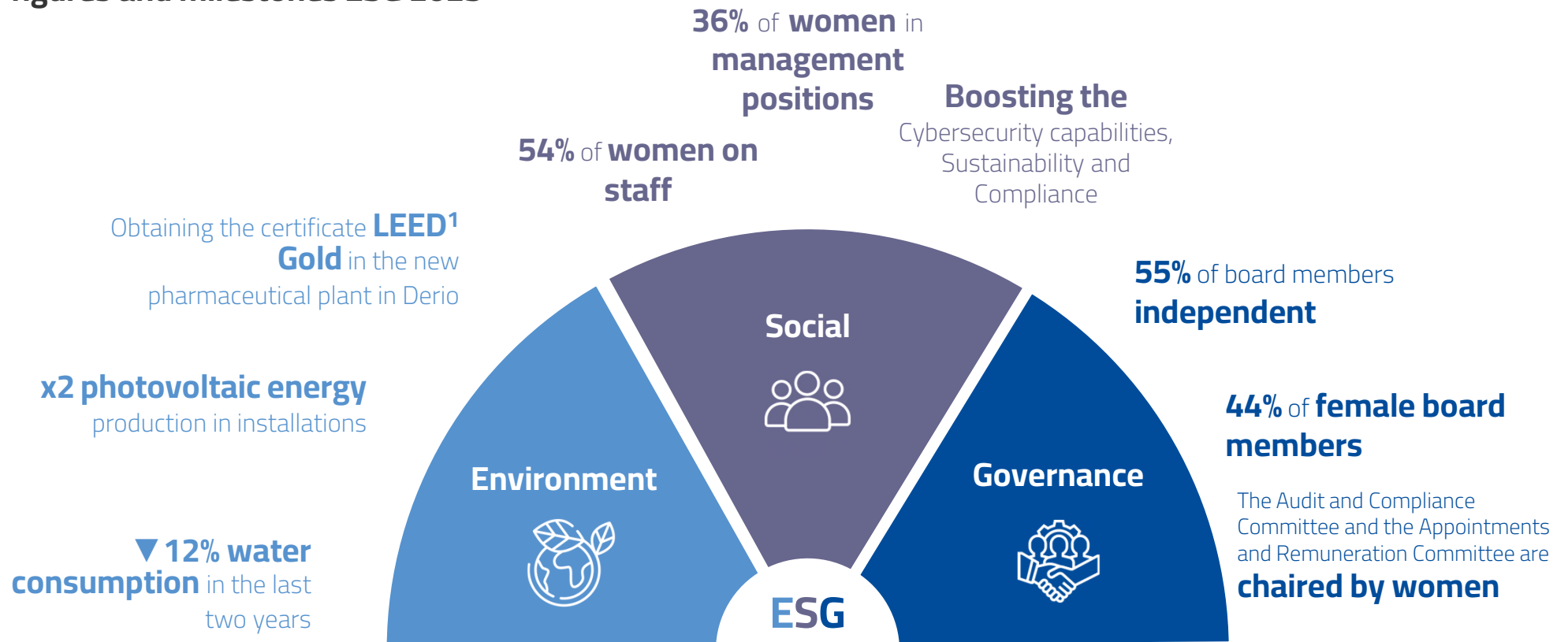
- Direct presence Iberia + subsidiaries
- Presence of Faes products via partners and exports



<b>Diversification</b>		<b>Profitability</b>	<b>Geographical footprint</b>	<b>Industrial footprint</b>	<b>Employment</b>
<b>~420M€</b>	<b>~53M€</b>	<b>~122M€</b>	Presence in <b>&gt;130 countries</b>	<b>8</b>	<b>~1800</b>
Pharma income	AH&N income	EBITDA		Production plants	employees

# Continuing to advance our ESG framework and governance

## Key figures and milestones ESG 2023



Notes: (1) Leader in Energy Efficiency and Sustainable Design.



2//

R&D&I as a strategic  
priority

# Prioritising the generation of future value through R&D&I

## Commitment to **future value generation**

**~110M€**

Invested in R&D&I in the last 5 years (2018 – 2023)<sup>1</sup>

**~25M€**

Invested in R&D&I in 2023<sup>1</sup>

**~100 FTEs**

Dedicated to R&D&I

## **Strong pipeline** of research and innovation

**4**

**Therapeutic areas**

**6**

Active projects in **Drug Discovery**, with new additions in 2024

**21**

Active projects in **Innovation**, with key launches in 2023

**12**

**Clinical trials** in the past two years, with ~1.700 participants

## **Top Quality External partnerships**

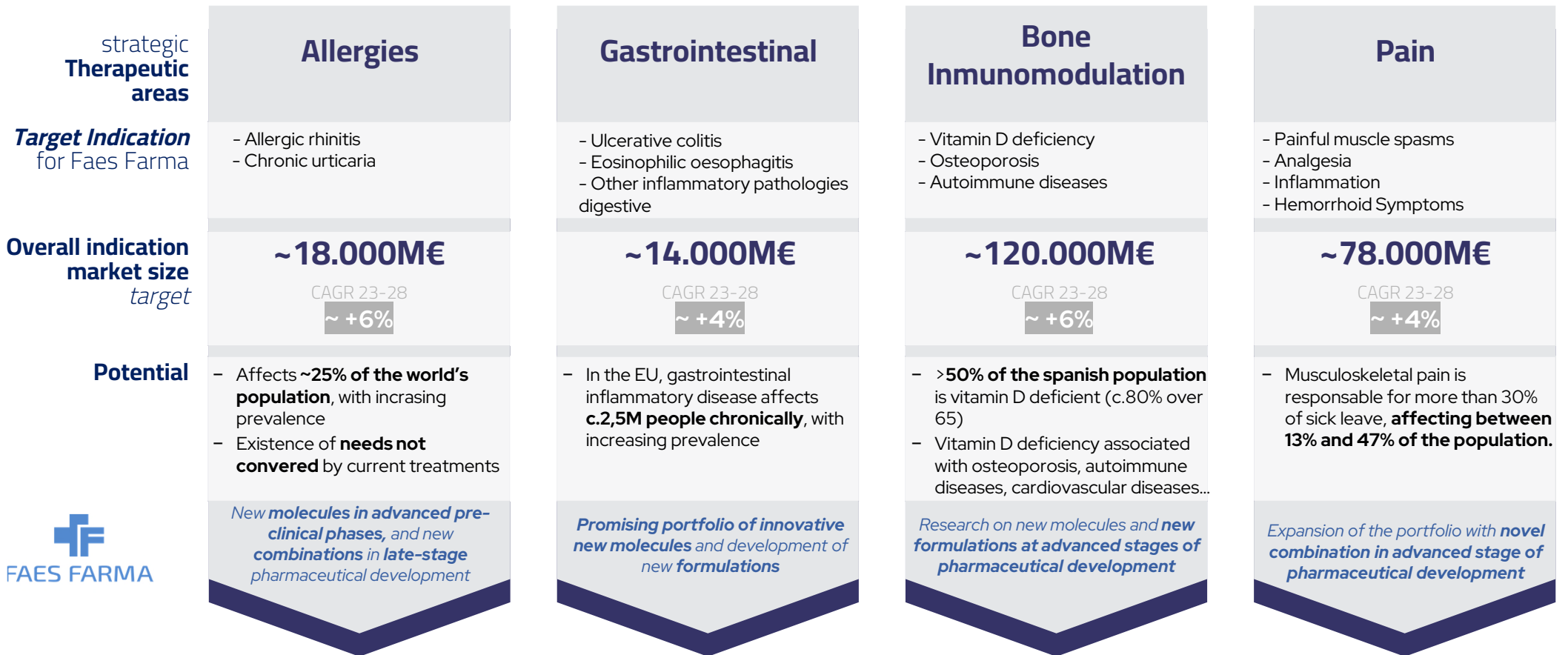
**Drug Discovery model**, which gives us Agility and allows us to reinforce our internal capabilities.

**>20 alliances**

With global academic research and development partners

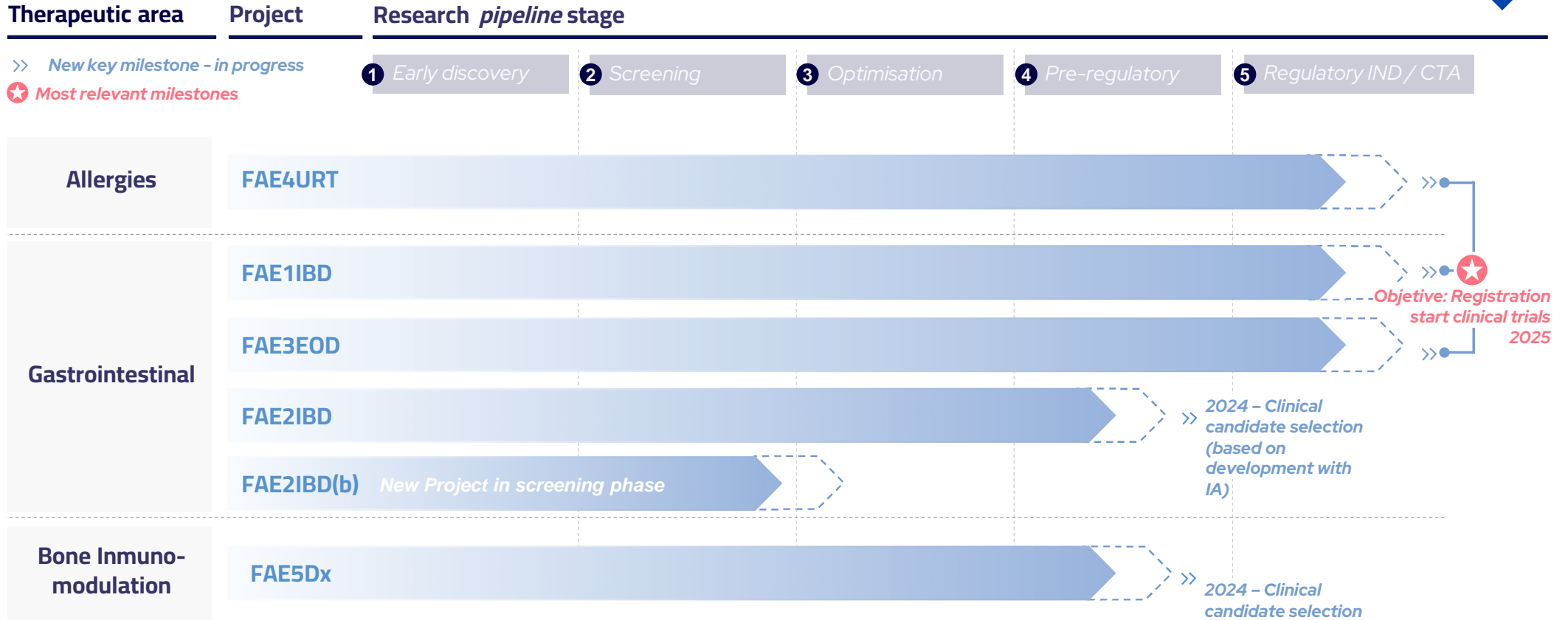
Active participation in **top-level Drug Discovery: events and forums** e.g. EFMC, SEQT, SDDN

# R&D&I focuses on 4 therapeutic areas with high growth potential

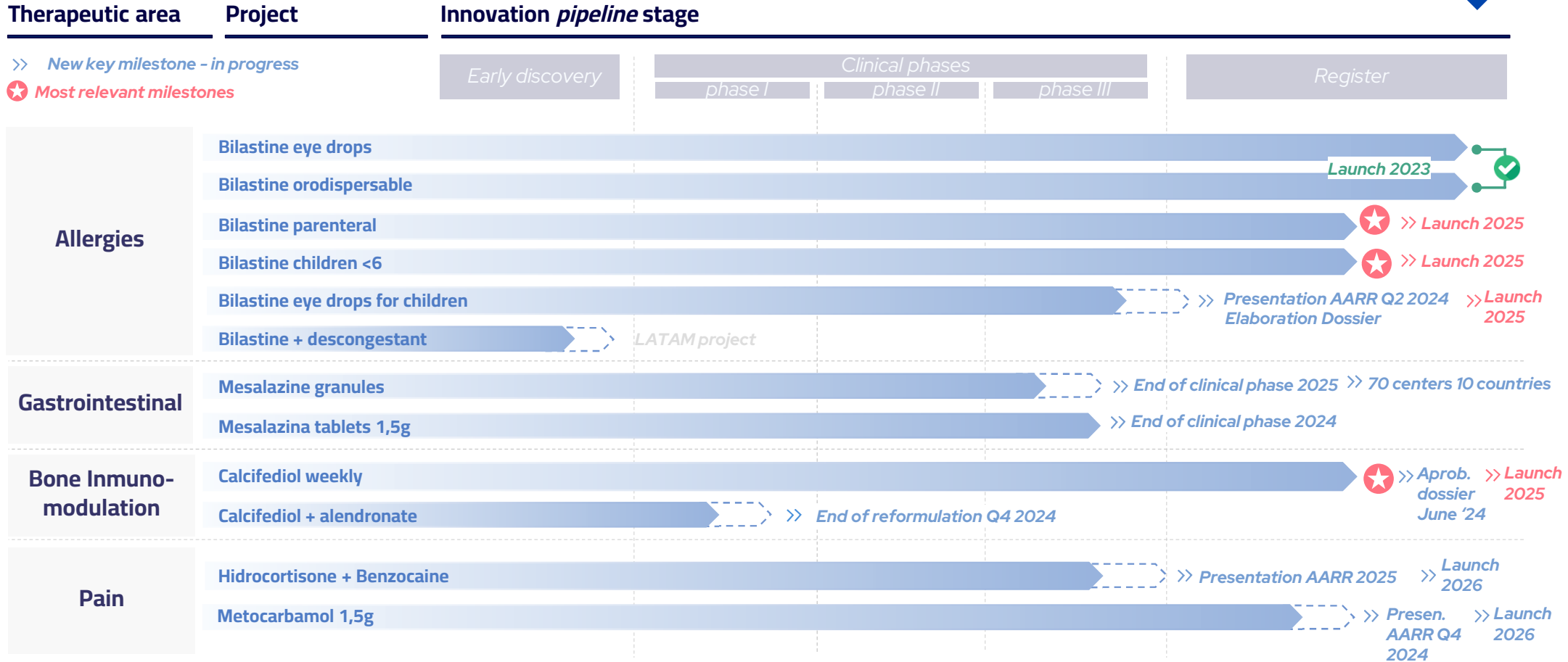




# We aim to build a research pipeline that will enable the entry of a new project in regulatory phase IND / CTA every 2 / 3 years



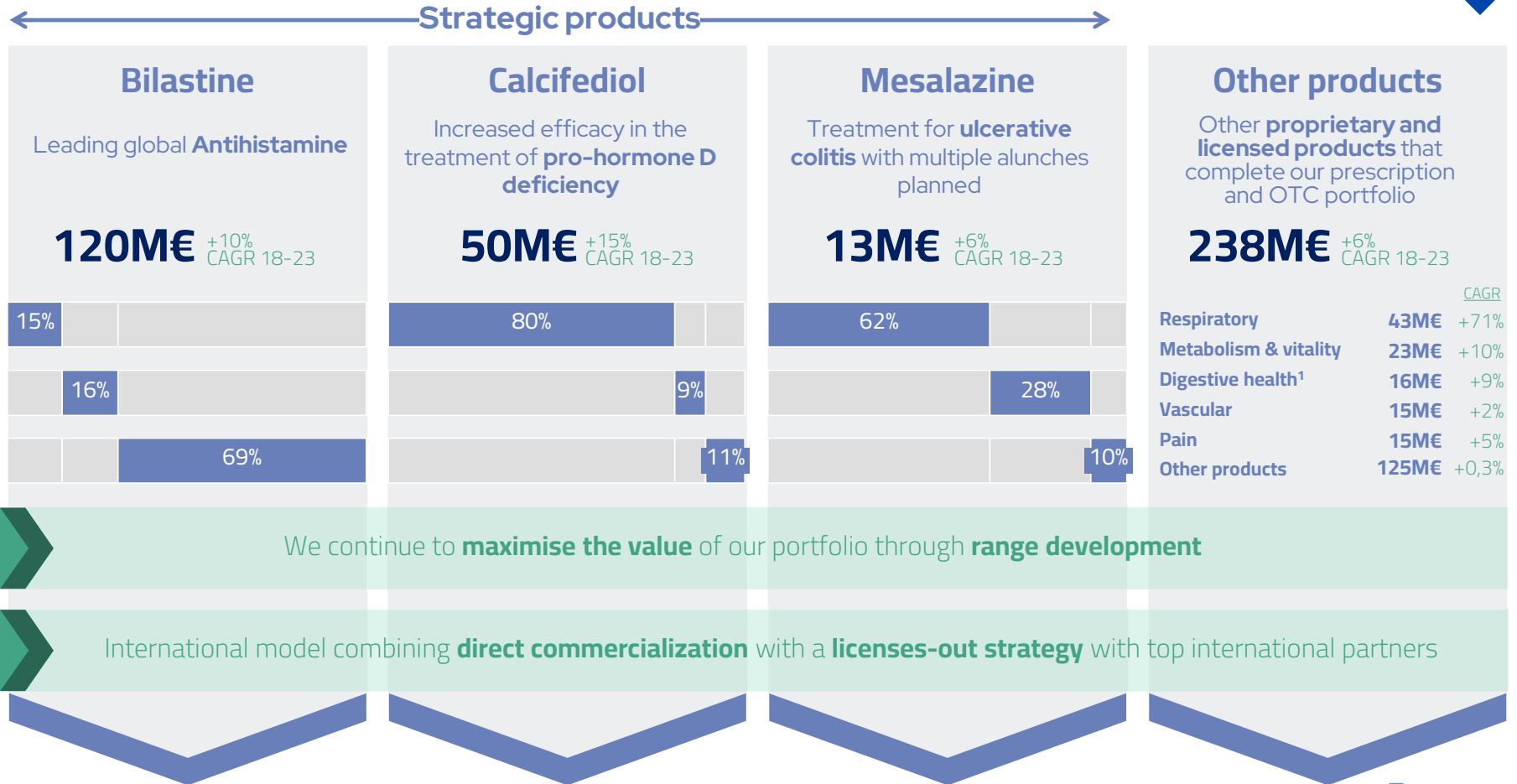
# Innovation pipeline: we have achieved our innovation milestones in 2023 and have new launches planned for 2025-2026





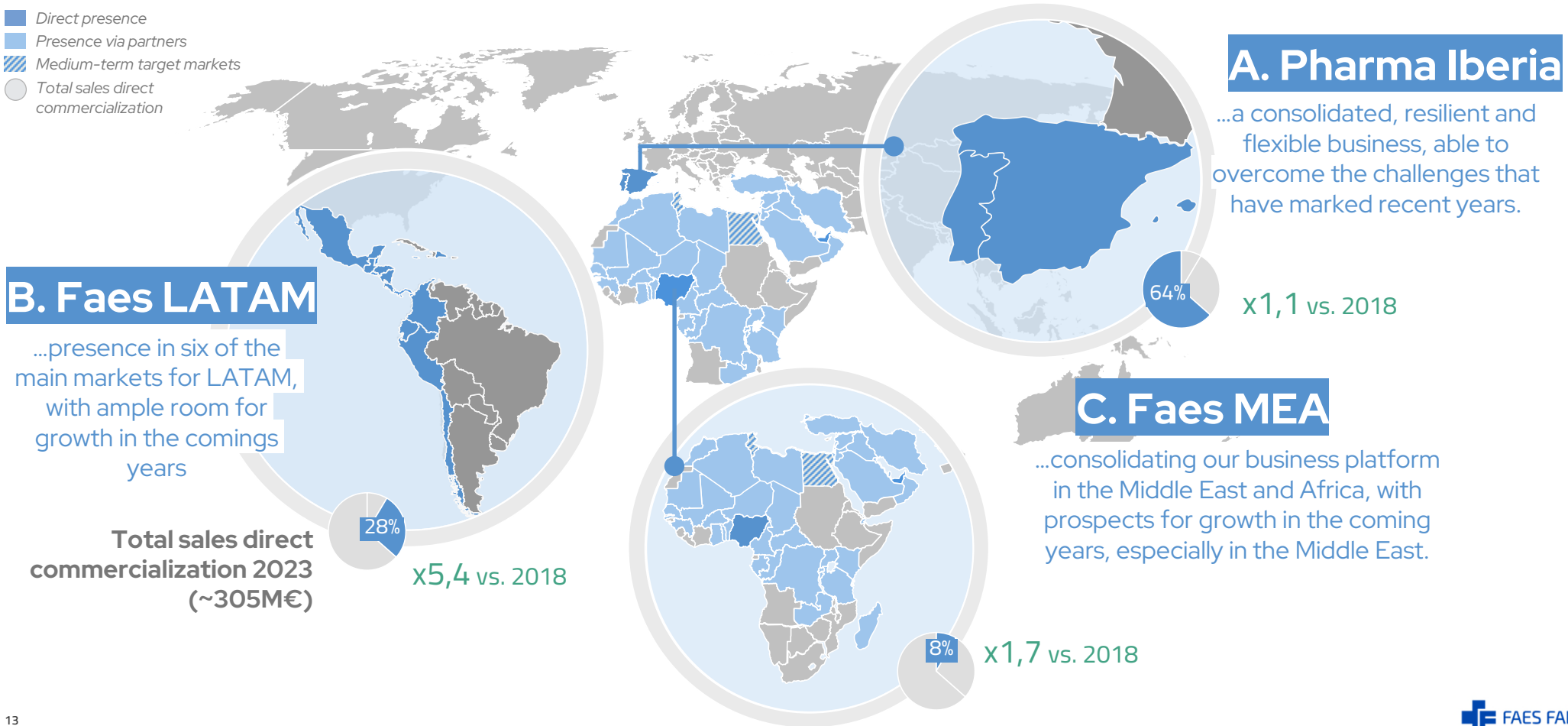
# 3// Our comercial strategy

# Consolidated product portfolio with further growth potential



# We continue to consolidate our direct sales areas

- Direct presence
- Presence via partners
- ▨ Medium-term target markets
- Total sales direct commercialization



Iberia	Direct commercialization
LATAM	
MEA	
Bilastine	Licenses-out
Calcifediol	
Mesalazine	

# Iberia, a consolidated, resilient and flexible business, capable of overcoming the challenges that have marked recent years

A consolidated business and of high contribution to the bottom line...



**162M€**

Income 2023



**32M€**

Income 2023

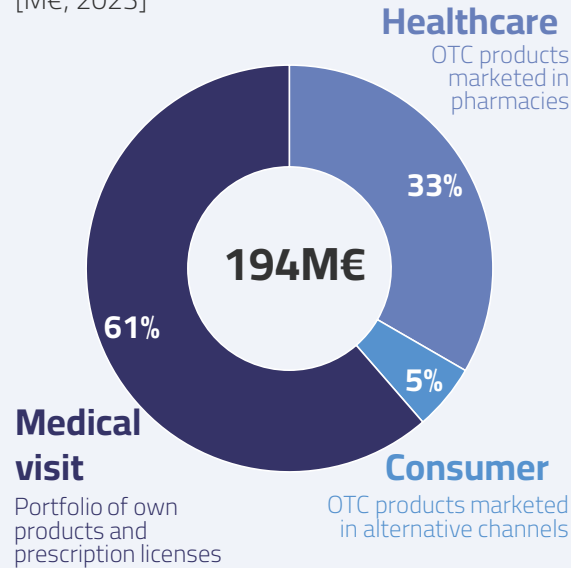
...accounting for the **~46% of the Group's pharmaceutical business**

**>25%** margin  
**EBITDA**  
(49M€)

...diversified into three strategic businesses



**Pharma Iberia: total income**  
[M€; 2023]

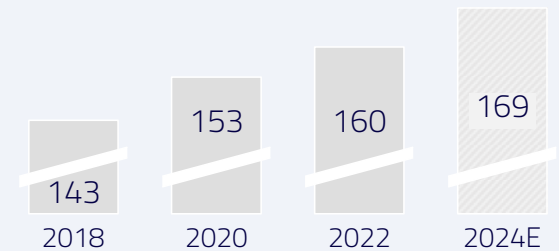


...and with a proven track record of **resilience** and **flexibility**



- ⬇️ End of patent bilastine and generic entry
- ⬇️ Acoxxel output (license-in)
- ⬇️ Ristaben & Ristfor output (license-in)
- ⬆️ Redefining the business model
- ⬆️ Volume growth bilastine
- ⬆️ Consolidation as leaders in Vitamin D
- ⬆️ Growth in respiratory (license)

**Pharma Spain: total income**  
[M€; 2018-2024E]



Iberia

LATAM

MEA

Bilastine

Calcifediol

Mesalazine

Direct commercialization

Licenses-out

# In LATAM, we improved our position in all our markets, with a growth path to the top 25 position



Iberia  
 LATAM  
 MEA  
 Bialistone  
 Calcifedol  
 Mesalazine  
 Direct commercialization  
 Licenses-out

# We continue to consolidate our commercial platform in MEA, with prospects for growth, especially in the Middle East

## Significant commercial presence

**~26M€**

income 2023  
(▲22% vs. 2022)

**>50**

partners

**~7M**

of units sold in 2023  
(▲11% vs. 2022)

**Position #28**

in French-speaking sub-Saharan Africa

## Strong growth prospects

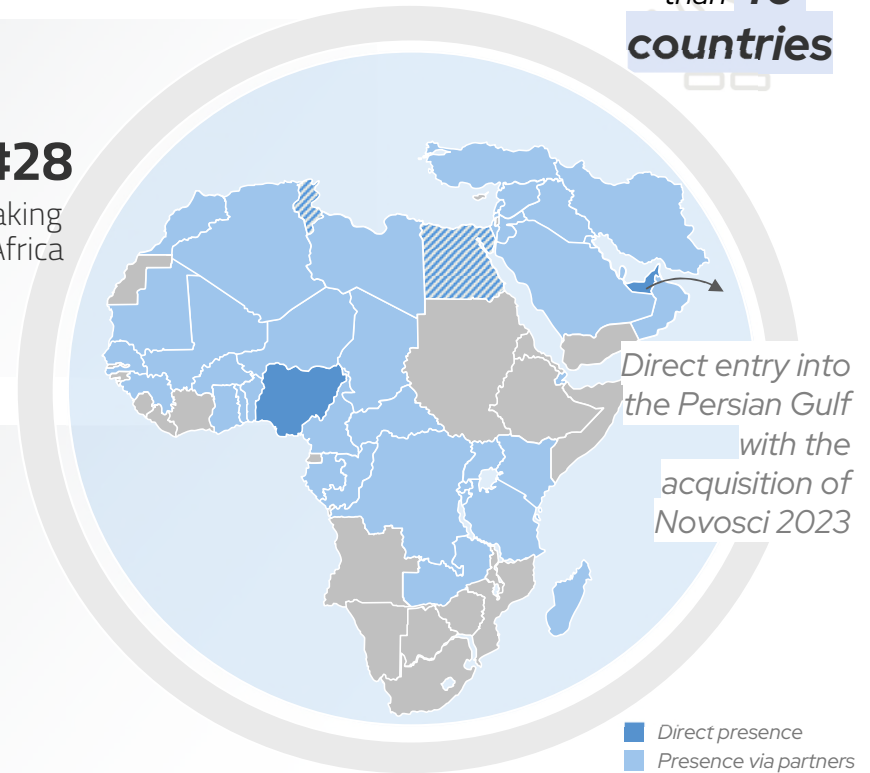


**Expansion in the Middle East**, extending the trade muscle in the Persian Gulf



**Strengthening** our position in **Sub-Saharan Africa**

Presence in more than **40 countries**



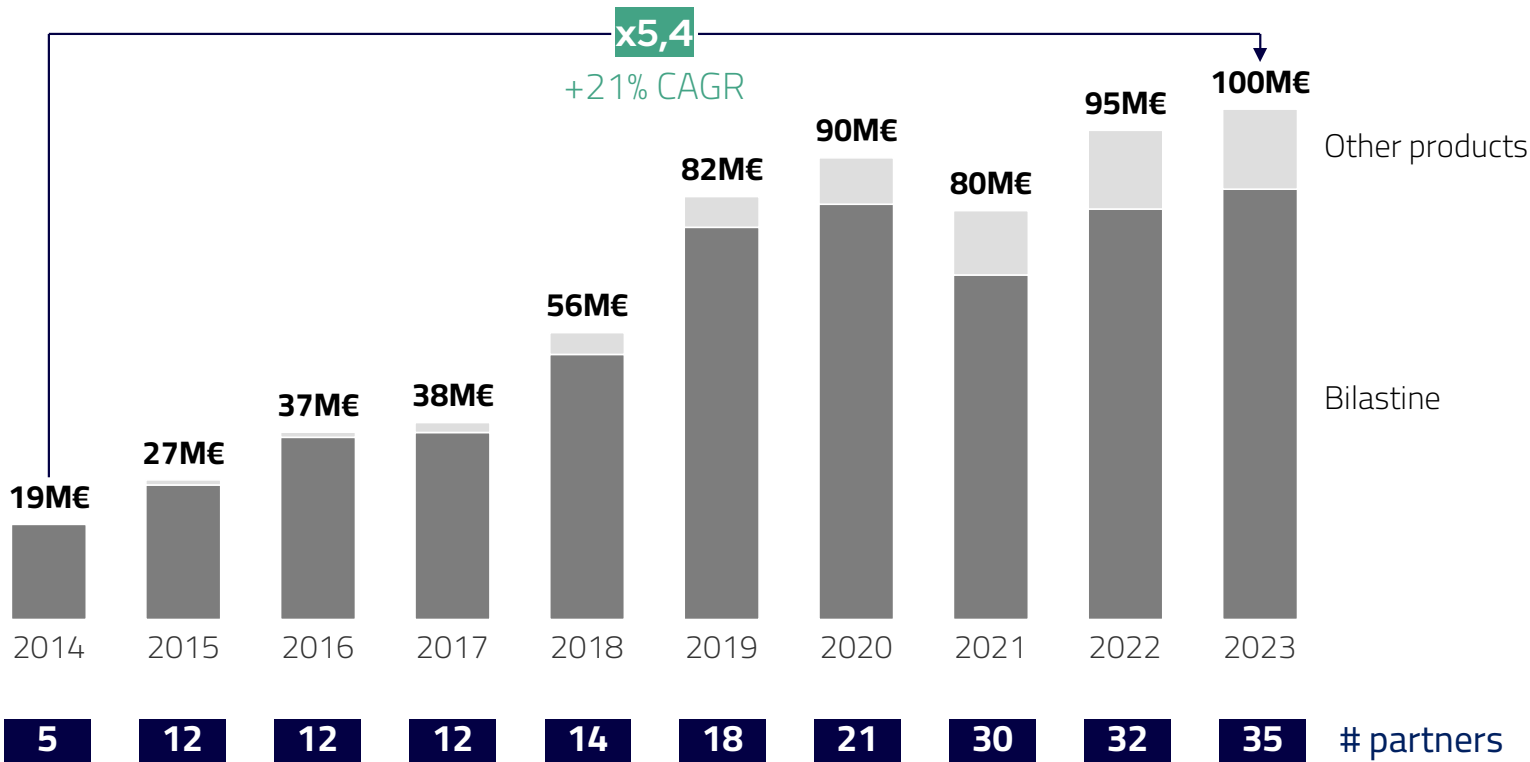
- Iberia
- LATAM
- MEA
- Bilastine
- Calcifediol
- Mesalazine
- Direct commercialization
- Licenses-out



# Maximising the value of our strategic products through a network global alliances with top-tier partners

## Revenue performance of the licensing-out business

[M€; 2014 - 2023]



**100M€**  
of income in 2023

**35 partners**  
globally (+3 in 2023)

**7 new agreements**  
signed in 2023

**10 agreements** in  
negotiation

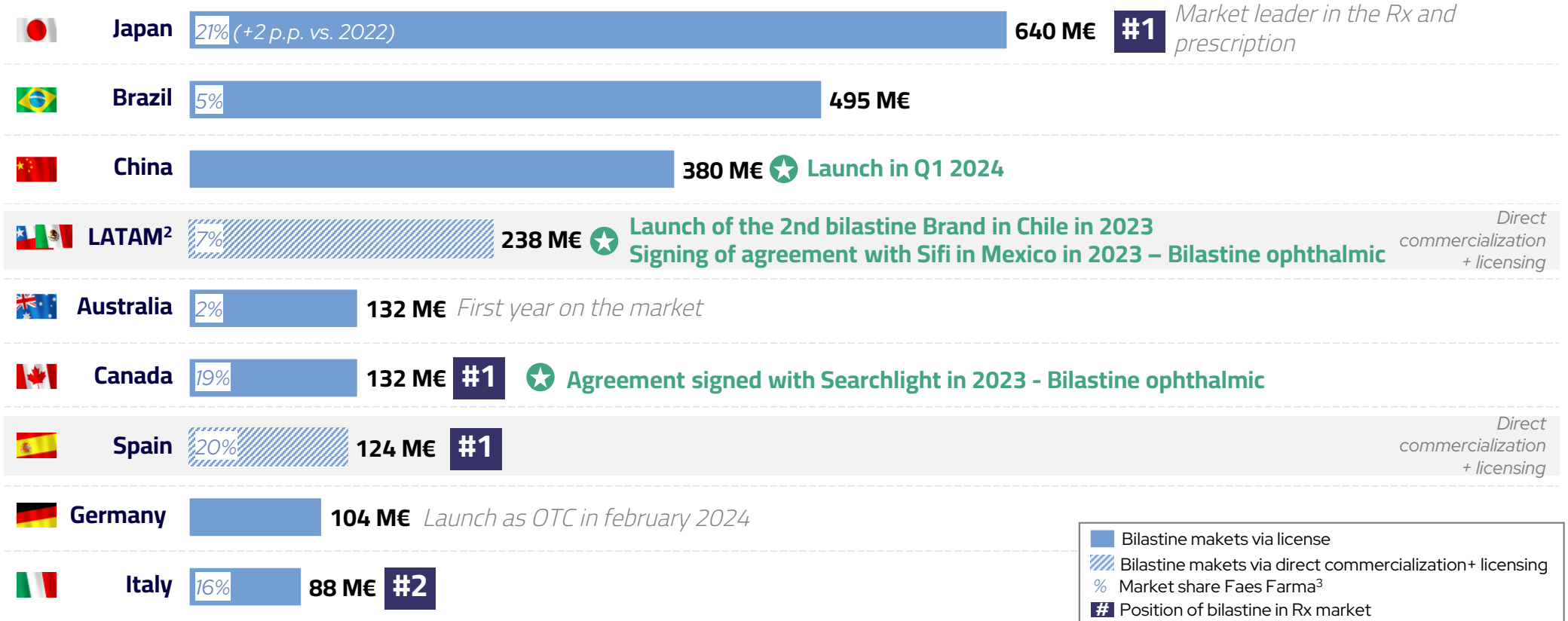
- Iberia
  - LATAM
  - MEA
  - Bilastine
  - Calcifediol
  - Mesalazine
- Direct commercialization
- Licenses-out

Our commercial strategy – Licensing-out business – Bilastine

# Bilastine, our leading antihistamine, which will continue to maintain its high value in the coming years

## Top antihistamine Markets Faes Farma and presence of bilastine<sup>1</sup> [R6A, 2023, M€, licensed-out market]

★ *Most relevant milestones*



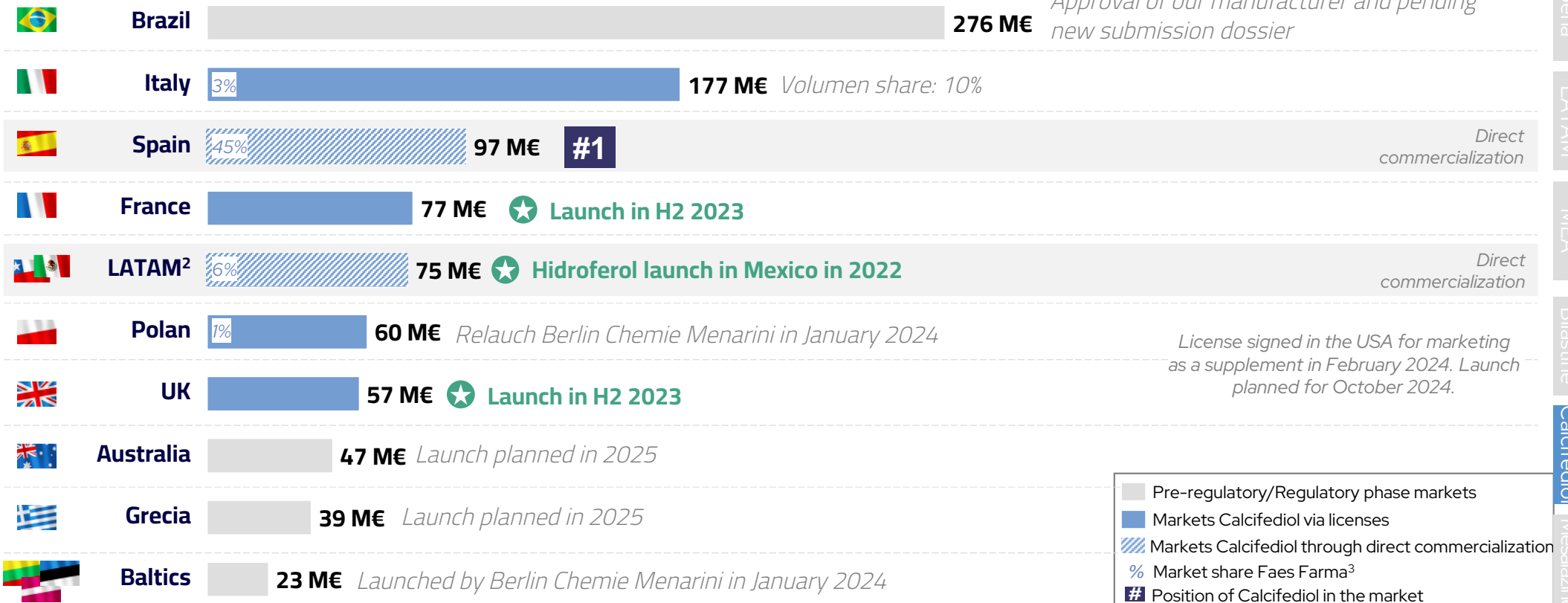
Iberia  
 LATAM  
 MEA  
 Bilastine  
 Calcifedol  
 Mesalazine  
 Direct commercialization  
 Licenses-out

Notes: (1) Global prescription and OTC market (solids and liquids), excluding USA, France, India and Russia; (2) Includes markets associated with FAES' 6 subsidiaries (Mexico, CAC-Centralamerica (and Dominican Republic), Chile, Colombia, Ecuador, Peru). Bilastine is marketed in all Faes markets; (3) Markets shares in value. Source: IQVIA.

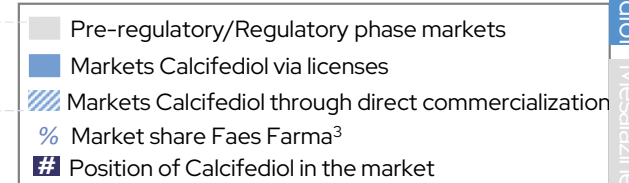
# Calcifediol, will continue to grow in current markets and through new launches

## Top Faes Farma Vitamin D Markets and presence of Calcifediol Faes<sup>1</sup> [2023, M€, licenses-out market]

★ Most relevant milestones



License signed in the USA for marketing as a supplement in February 2024. Launch planned for October 2024.

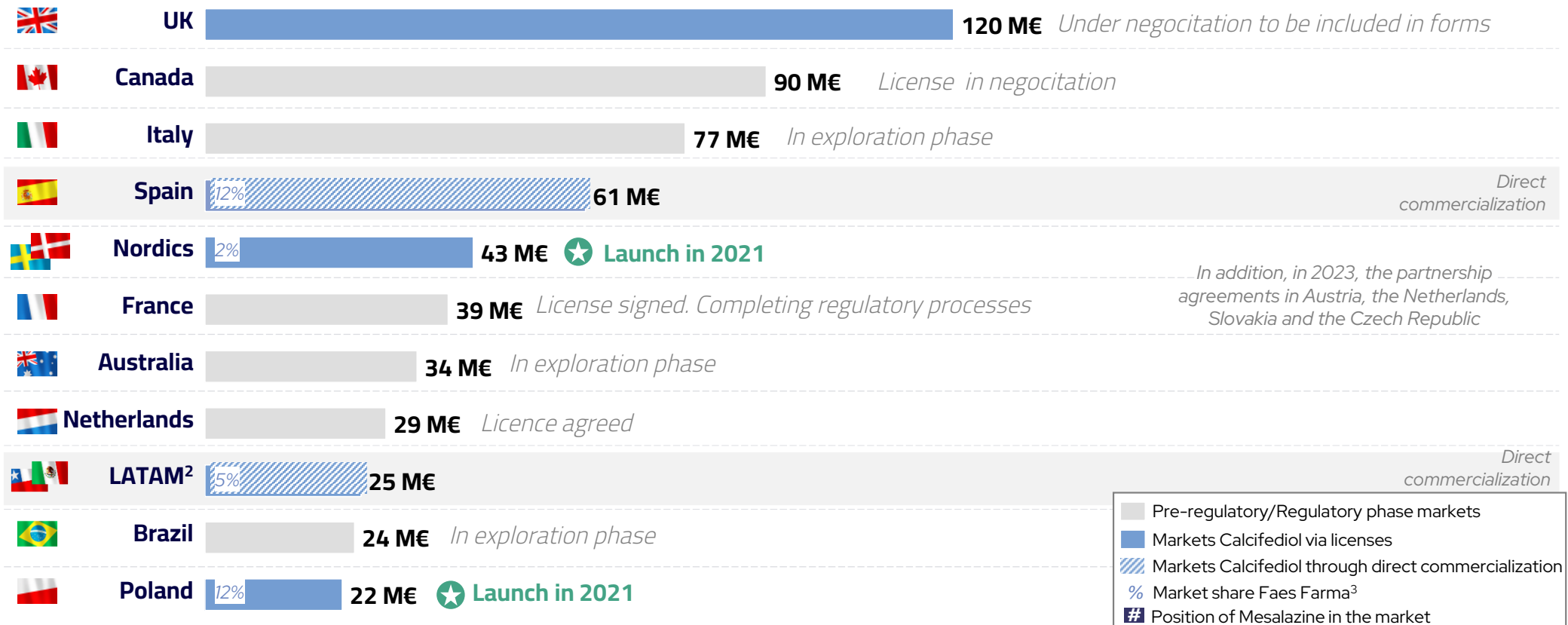


Notes: (1) Global prescription and OTC market (solids and liquids), excluding USA (where Calcifediol will be launched as a nutritional supplement in 2024), India and China, among others; (2) LATAM: considers the markets associated with the 6 FAES subsidiaries in Latin America (Mexico, CAC-Central America (and Dominican Republic), Chile, Colombia, Ecuador, Perú). Calcifediol is marketed in all Faes LATAM Markets; (3) Market share in value. Source: IQVIA.

# Mesalazine: further growth via new product launches as we develop the most complete range for this molecule

## Top Faes Farma Mesalazine Markets and presence of Faes<sup>1</sup> [2023, M€, licenses-out market]

★ Most relevant milestones



Iberia  
LATAM  
MEA  
Bilastina  
Calcifediol  
Mesalazine

Direct commercialization  
Licenses-out

Notes: (1) Global market for mesalazine prescription and OTC (solid, liquid and rectal), excluding USA, China, Korea e India; (2) LATAM: considers the Markets associated with the 6 FAES subsidiaries in LATAM (Mexico, CAC-Centroamerica y Republica Dominicana), Chile, Colombia, Ecuador, Peru). Mesalazine is in all Faes LATAM Markets; (3) Market share in value. Source: IQVIA.



4//

## Industrial projects

# Excellence and specialisation of our industrial footprint

## Faes Farma's industrial footprint [★new industrial expansion]

**Specialisation** by product and regional production

Cost **efficiency** and scale

Consolidated **know how** in high-value technologies

**Automation** of production logistics

### Pharmaceutical production

#### ★ Derio

New pharmaceutical manufacturing plant  
Focus on **strategic and high volumen products**

#### Lamiako

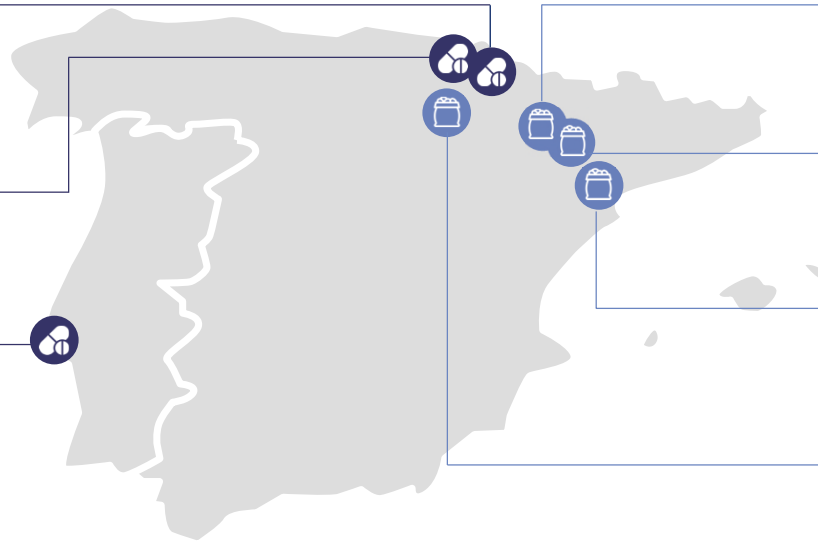
Manufacturing of **chemical products**.  
**R&D&I** centre and pilot plant

#### Portugal

Manufacturing **topical products and semisolids**

#### Global Farma (AV)

Plant located in Guatemala. Specialisation in short batches of **locally marketed products**.



### Animal H&N production

#### ISF ★

New production plant for **special feed for piglets**

#### Capselos

Manufacture of **microencapsulates** for *Food & Feed*, with different applications

#### Tecnovit

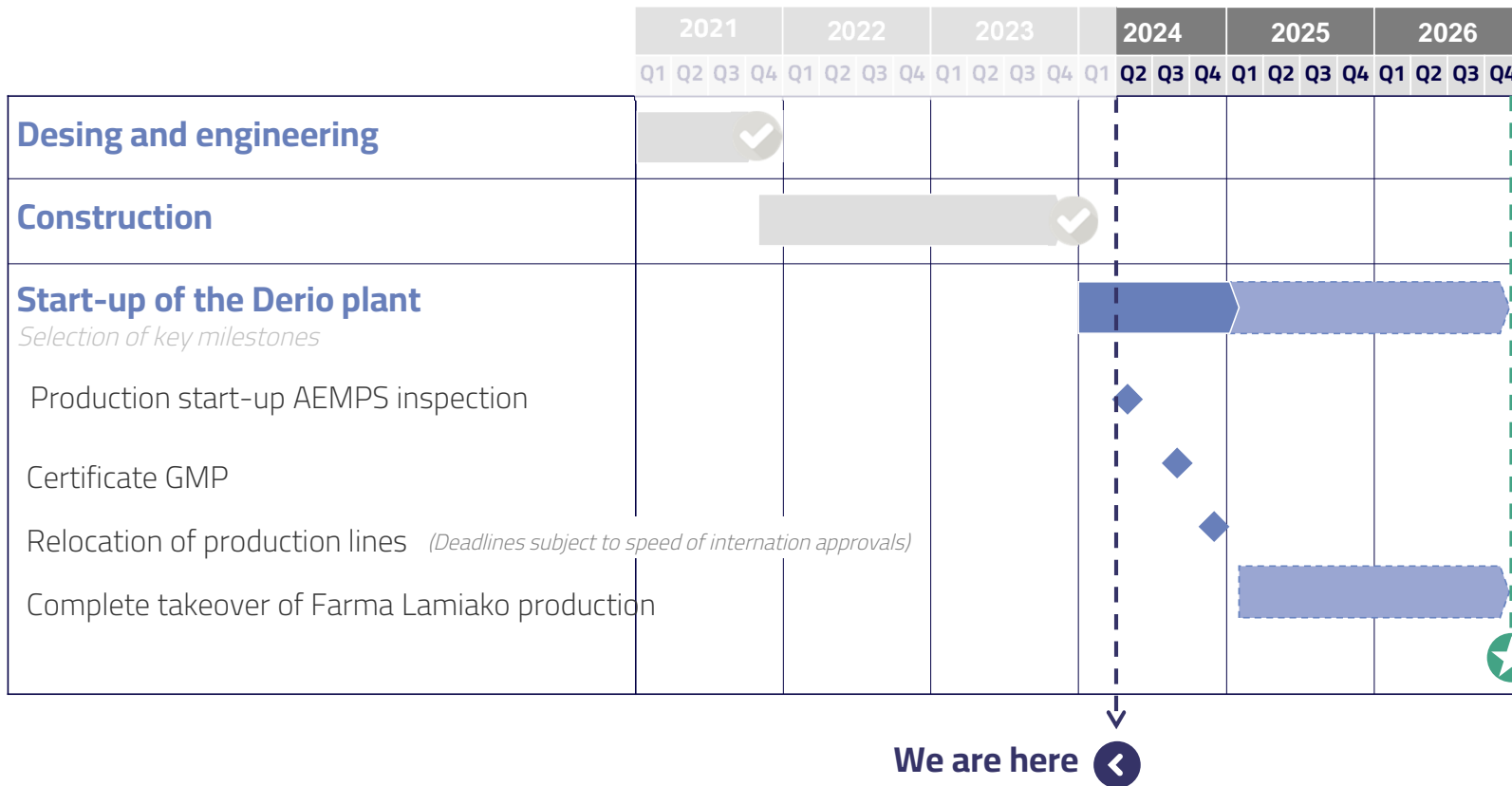
Manufactures of **multi-species** premixes, supplements, nucleus and additives.

#### Ingaso Farm

Manufacture of porcine nucleus and supplements. Leadership in **piglet nutrition**

# The new Derio plant will come into operation at the end of this year

## Derio plant: Timetable and key milestones [high-level vision]



After the process of relocation and production specialisation, we expect to absorb the complete finished godos production of Lamiako in Derio by 2026

- Closing 2026**
- ✓ Complete transfer of the Lamiako Pharma production plant
  - ✓ Specialised industrial footprint

# ...and will allow us to double our industrial capacity, to incorporate new technologies of added value and to strengthen our focus on operational excellence

## The new pharmaceutical plant will allow us to...

...double our **industrial capacity**

**~x2**

Industrial capacity

Posibility of entry into  
**CMO y CDMO**  
business

...to incorporate **new high-value technologies**

Manufacturing technologies for  
**strategic products**

Manufacturing technologies  
associated with **planned new launches**

...to strengthen our focus on the **operational excellence**

***Lean manufacturing***

**Renewal**  
of production lines

**New technologies**

**Digitisation**  
of the plant

Likewise, the new Derio Plant will allow us to **align ourselves with the latest ESG developments and requirements**



# AH&N: the new ISF plant will play a key role in consolidating our leading position in the market for early age animal specialty nutrition

**New ISF plant** – Special foods for the early ages

## Strengthening our positioning

- ✓ **Vertical diversification**
- ✓ Strengthening our **position in piglet nutrition**

## New technologies

- ✓ **Advanced** manufacturing **technologies**
- ✓ Meeting the highest **quality, sustainability** and **traceability** standards

## Synergies

- ✓ **Commercial** and **operational** synergies with the rest of AH&N's businesses.
- ✓ Great **opportunity for growth** in current markets and with current clients

## ISF construction process status



**~23M€**  
investment

**~120.000**  
tonnes of capacity

**October '24**  
Start up



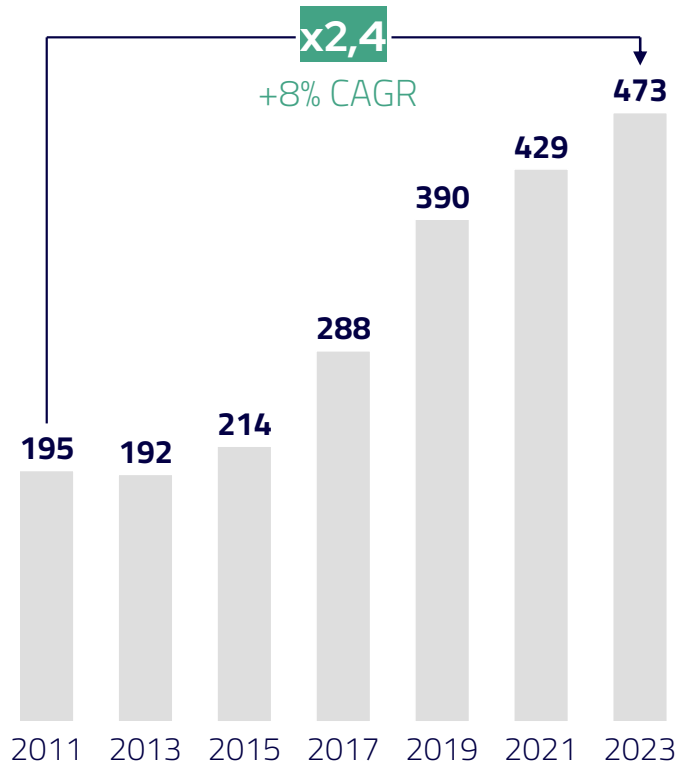
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## 2023 Results and 2024 commitments

# 2023 marks twelve years of profitable growth for our business

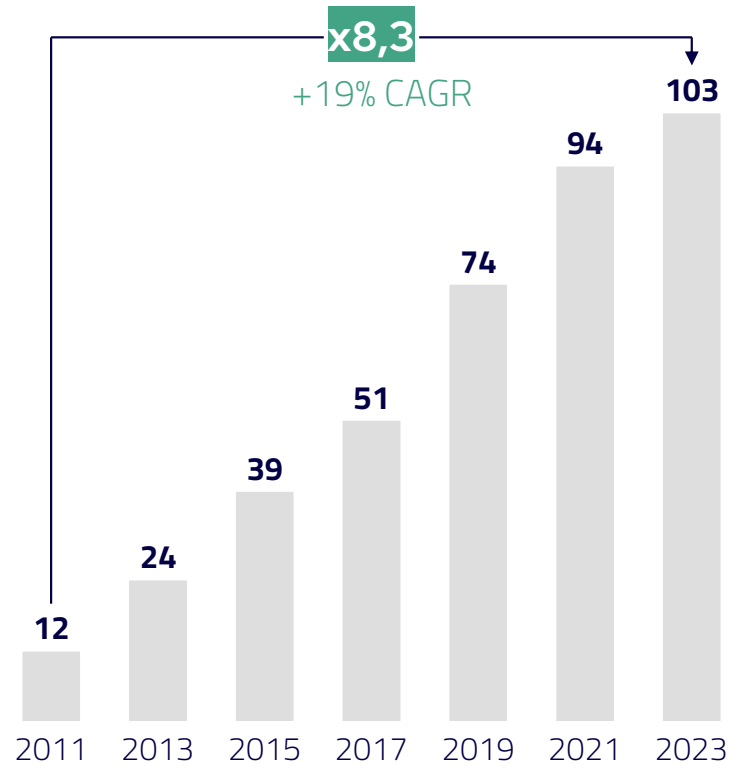
## Total income

[M€; 2011 - 2023]



## PBT

[M€; 2011 - 2023]



Despite the **great challenges** faced in 2022 - 2023...

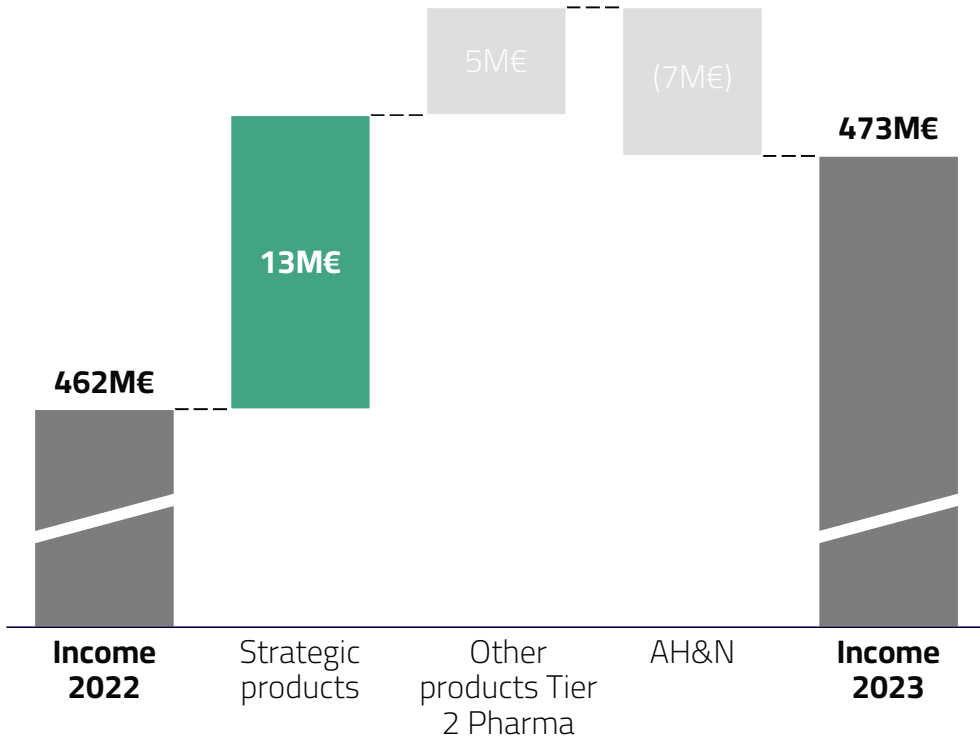
- End of **bilastine exclusivity** in Spain and Europe
- Devaluation of the **Yen**
- **Geopolitical** situation in some **LATAM** markets
- Ristaben & Ristfor end of license-in
- **AH&N industry situation**

...we continue to grow, and **2023 marks the twelfth year of profitable growth** for our business...

# ...driven mainly by our key growth drivers: the strategic products and international business

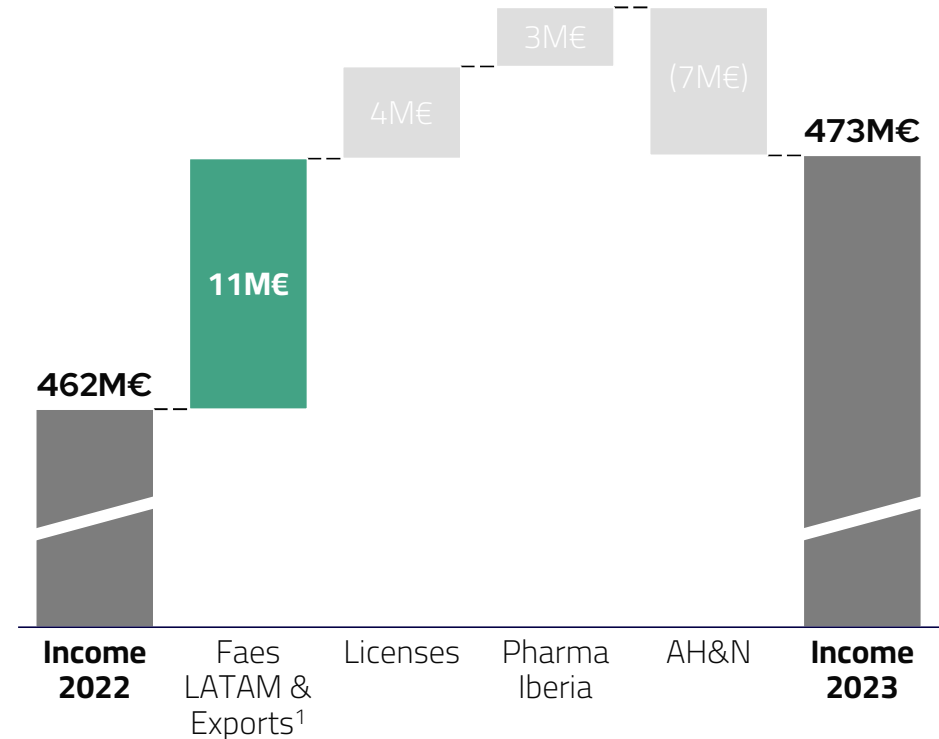
## Total income: Product evolution

[M€; 2022 vs. 2023]



## Total income: Business area evolution

[M€; 2022 vs. 2023]



Notas: (1) Faes LATAM & Exports includes the Group's subsidiary in Nigeria, as well as the Colpharma business; Pharma Iberia includes the Pharma business in Spain and Portugal.

# In 2024, even with some major challenges on the horizon, we will continue to grow especially driven by our international business expansion

## Guidance 2024

**Total income** → Growth vs 2023 **6-8%**

**EBITDA** → Growth vs 2023 **3-5%**

### Impacts + 2024

- Double-digit growth in **LATAM & MEA**
- Double-digit growth in our **Calcifediol** and **Mesalazine** licenses
- Mid-single-digit growth (above market) of the **Medical Visit, Healthcare and Consumer** businesses in Spain

### Impacts - 2024

- Increase in **personnel costs**, as a result of the new labour agreement
- **Devaluation of the Yen** (impact on Bilastine Licensing business)
- End of **Bilastine** exclusivity in **Canada** in October

### Other issues with an impact on the P&L 2024

- Increase in **overheads** due to the start-up of the industrial plant in Derio
- Increased **investments in R&D&I**

# We continue to invest in the growth of our business and to prioritise shareholder returns

## Capital Allocation Priorities aligned with our strategy

### 1 Organic investment in our business...

A stronger commitment to **R&D&i**

Strengthening our **industrial capacities**

Growing the business by strengthening the **commercial structure** in key geographies

### 2 ...prioritising the return of our shareholders...

Update of the **dividend policy**

**~50% pay-out:**

- Cash dividend: January 2024 – 0,039 €/share
- Cash dividend: June/July 2024 – 0,116<sup>1</sup> €/share

### 3 ...and exploring opportunities for inorganic growth

Searching for potential **M&A** to accompany the already successful **business growth** model



6//

Close and Q&A



**FAES FARMA**

Caring for tomorrow, today



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