



# Business update H1 2024

July 2024



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# 1// Overview H1 2024

# Highlights

## BUSINESS PERFORMANCE

The positive trend from the start of the year continues in Q2, with revenue growth driven mainly by the good performance of Pharma in Spain and in international markets.

## FINANCIAL POSITION

Solid cash generation now we enter the final phase of the industrial investments in Pharma (Derio) and Farm (ISF) . The third quarter will see the impact of the dividend payment on 8 July.

## R&D&i

Approval of weekly calcifediol in 19 European countries.  
Approval of monthly calcifediol in Australia and Greece.  
Progress in innovation in mesalazine, both in higher strengths and in new formats.  
Final stage in the regulatory dossier for higher-dose methocarbamol tablets.  
New projects in product innovation in the strategic areas: pain, osteoporosis and allergy.

## ESG

We progress on implementing the requirements of the Corporate Sustainability Reporting Directive in preparation of the next Sustainability Report 2024.

# Key figures

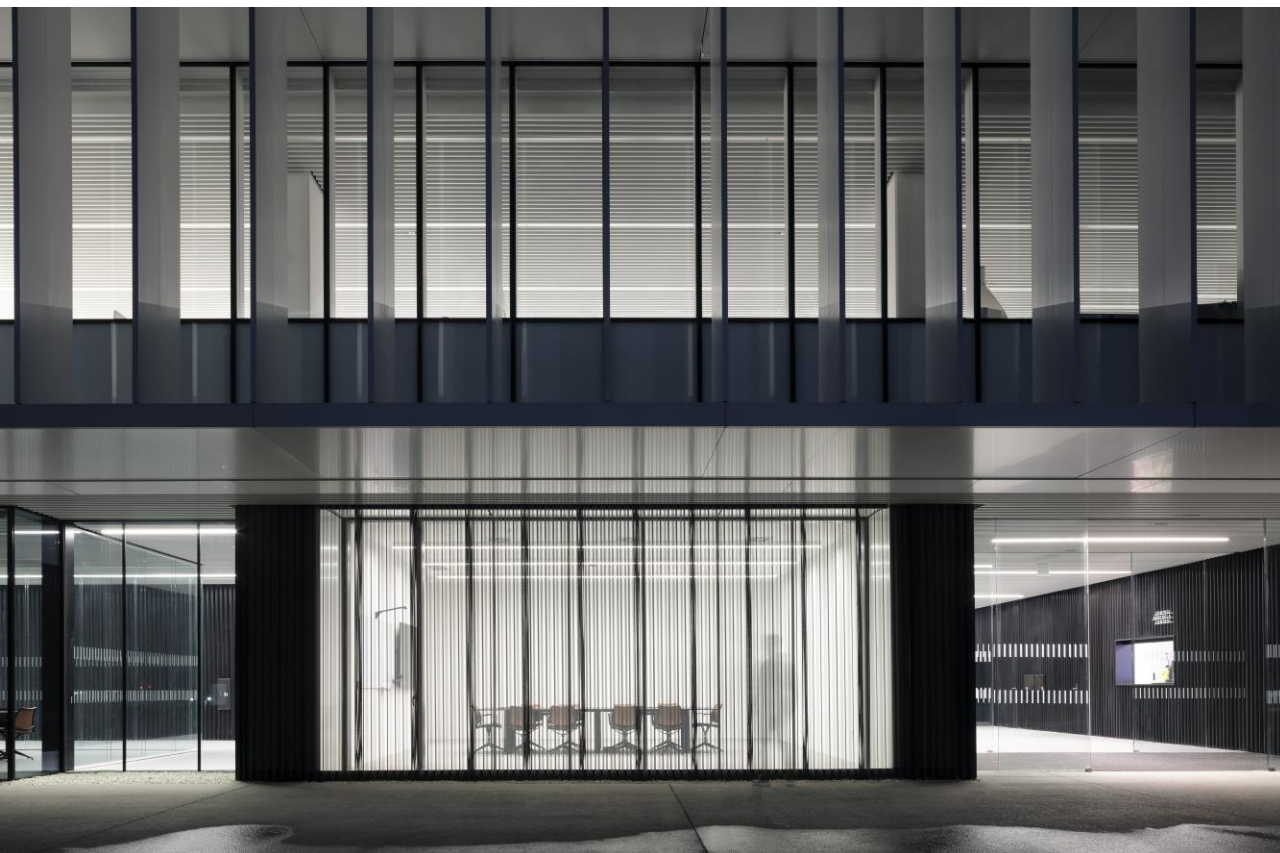
Total Income	273,6 M€ <b>+8%</b>	EBITDA*	78,5 M€ <b>+10%</b>
Income top 3 molecules	111,7 M€ <b>+7%</b>	EBIT**	68,4 M€ <b>+10%</b>
Total international income	157,9 M€ <b>+11%</b>	NET profit	58,3 M€ <b>10%</b>

Rounded data

\*Operating profit before depreciation, amortisation and impairment

\*\* Operating profit





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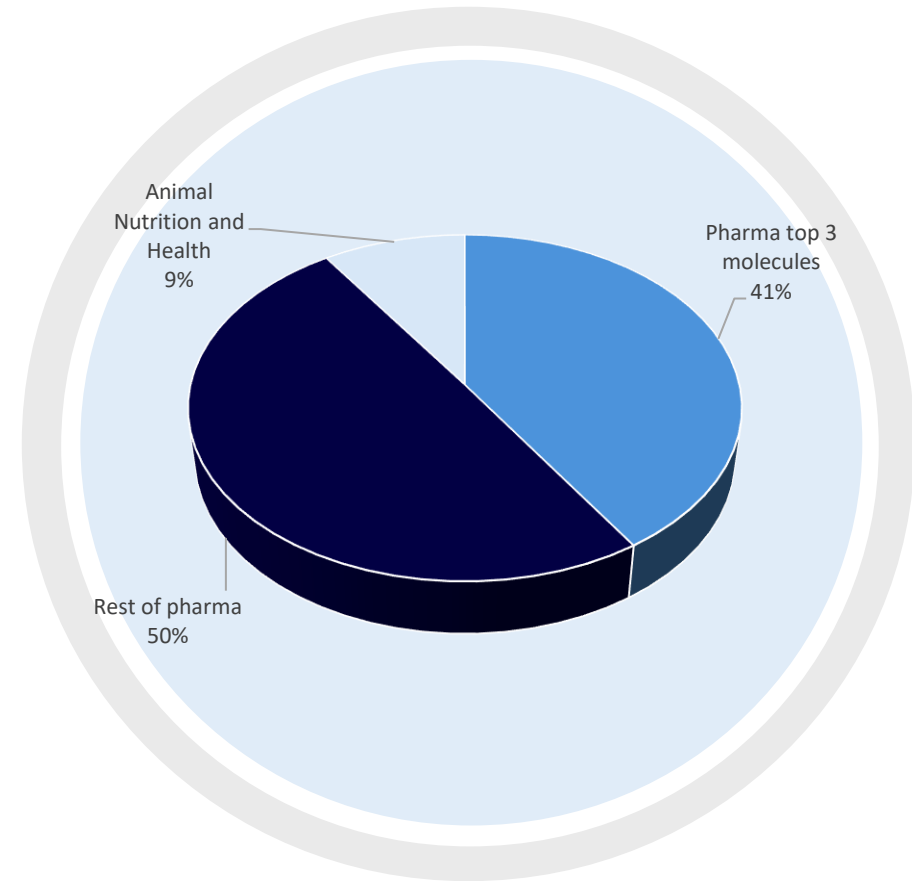
## Business update H1 2024

# Pharma portfolio continues to grow at a solid pace

Total income by portfolio line

	H1 2024	H1 2023	%
<b>Pharma</b>	<b>247,6</b>	<b>226,6</b>	<b>9%</b>
Pharma top 3 molecules	111,7	104,1	7%
Rest of Pharma	135,9	122,5	11%
<b>Animal Nutrition and Health</b>	<b>26,0</b>	<b>26,4</b>	<b>-2%</b>
<b>Total</b>	<b>273,6</b>	<b>253,0</b>	<b>8%</b>

Rounded data



# Evolution top 3 molecules

**BILASTINE** 74,2 M€  
+5%

Positive performance in international markets (+6%). Slight growth in Spain (+1%) despite price reductions by the authorities (at the end of 2023).

**CALCIFEDIOL** 29,7 M€  
+12%

Acceleration of sales growth driven by the performance in LATAM markets, especially in Mexico and Ecuador.

**MESALAZINE** 7,8 M  
+9%

The positive evolution in international markets continues, offsetting the slight decline in Spain.



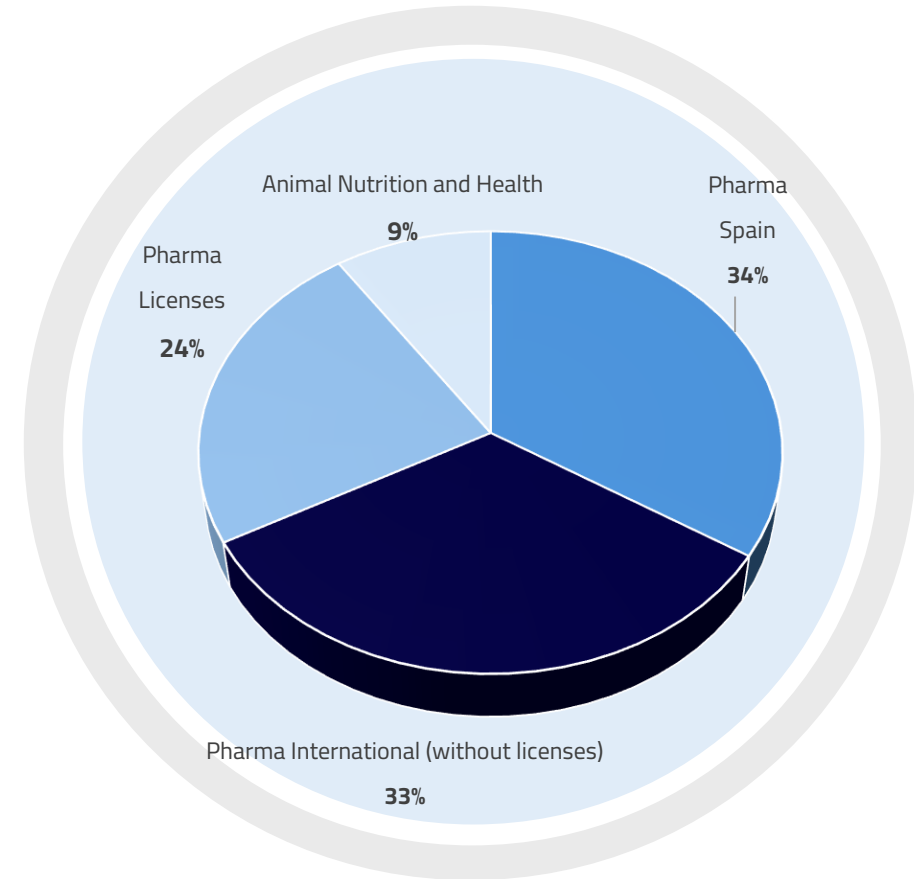
# Overall positive developments in Pharma geografies

## Total income by business areas

	H1 2024	H1 2023	%
<b>Pharma</b>	<b>247,6</b>	<b>226,6</b>	<b>9%</b>
Pharma Spain	92,9	85,5	9%
Pharma International (without licenses)	90,5	80,1	13%
Pharma Licenses	64,2	60,9	5%
<b>Animal Nutrition and Health</b>	<b>26,0</b>	<b>26,4</b>	<b>-2%</b>
<b>Total</b>	<b>273,6</b>	<b>253,0</b>	<b>8%</b>

## Total income by geography\*

	H1 2024	H1 2023	%
<b>National</b>	<b>115,7</b>	<b>110,4</b>	<b>5%</b>
<b>International</b>	<b>157,9</b>	<b>142,6</b>	<b>11%</b>
<b>Total</b>	<b>273,6</b>	<b>253,0</b>	<b>8%</b>



Rounded data

\* **National:** Income pharma Spain + NySA Spain + Licences out Spain  
**International:** Subsidiaries + exports + Licences out (outside Spain)

# Pharma Spain: Prescription sales leading the growth



INCOME PHARMA SPAIN			
	H1 2024	H1 2023	%Var
<b>Spain Pharma</b>	<b>92,9</b>	<b>85,5</b>	<b>9%</b>
<b>Prescription</b>	<b>59,8</b>	<b>54,4</b>	<b>10%</b>
Bilastine	10,3	10,2	
Calcifediol	21,9	20,9	
Mesalazine	3,4	3,5	
Other Products	24,3	19,8	
<b>Healthcare &amp; Consumer</b>	<b>33,1</b>	<b>31,1</b>	<b>6%</b>

Rounded data

## Highlights H1 2024

### PRESCRIPTION

The positive evolution from the first quarter continues.

The respiratory franchise continued to grow (+26%). Hidroferol grew by single digits and Bilaxten continued to compensate the price reductions with the growth from new formats.

### HEALTHCARE & CONSUMER

General growth across the portfolio, especially those related to respiratory and digestive pathologies.

# Pharma international (without licenses). Continued good performance especially in the new Middle East project



## INCOME INTERNATIONAL (without licenses)

	H1 2024	H1 2023	%var
<b>International (withour licenses)</b>	<b>90,5</b>	<b>80,1</b>	<b>13%</b>
<b>Subsidiaries LATAM</b>	<b>45,6</b>	<b>41,5</b>	<b>10%</b>
Central American Caribbean	14,0	12,8	
Colombia	10,4	9,1	
Chile	8,4	9,5	
Mexico	7,2	5,1	
Ecuador	4,2	3,4	
Peru	1,4	1,7	
<b>Subsidiaries Europe</b>	<b>22,1</b>	<b>21,3</b>	<b>4%</b>
Portugal	17,6	16,7	
Italy	4,5	4,6	
<b>Middle East- Africa</b>	<b>18,5</b>	<b>13,1</b>	<b>41%</b>
Direct export	15,2	12,3	
Gulf	2,9	0,3	
Nigeria	0,3	0,6	
<b>Export ROW*</b>	<b>4,3</b>	<b>4,2</b>	<b>3%</b>

\*Rest of the world

Rounded data

## Highlights H1 2024

### FAES LATAM

- Positive performance in **Mexico, CAC** and **Ecuador**, with growth in strategic products and the launch of two new licenses.
- Recovery in **Colombia** driven by the prescription channel (+20%) and the evolution of the exchange rate.
- **Chile** still suffers from the comparison with 2023 due to the end of a tender but the sales in the other channels is developing favorably.

### FAES EUROPA

- Growth in **Portugal** (+6.5%) in both prescription´s and healthcare´s main product lines.

### FAES MEA

- Good direct export performance stemming from progress in strategic product lines.
- **Gulf** reporting against 2 months of sales last year in Novosci (acquired in May 2023).
- **Nigeria** continues to be impacted by the devaluation of the Naira.

# Licenses. Continued growth trend in line with expectations



## INCOME LICENSES

	H1 2024	H1 2023	%var
<b>Licenses</b>	<b>64,2</b>	<b>60,9</b>	<b>5%</b>
<b>Bilastine</b>	<b>51,9</b>	<b>50,0</b>	<b>4%</b>
<b>Other products</b>	<b>12,3</b>	<b>10,9</b>	<b>13%</b>

Rounded data

## Highlights H1 2024

### BILASTINE

- A combination of projects maintaining a strong pace of growth (Asia Pacific +17%, Canada +27%) and other more mature areas (Brazil and Europe).
- In Japan, despite volume growth, the depreciation of the local currency impacted net sales performance (+12% units and -8% euros).
- Positive progress in Australia and in China in line with expectations.

### OTHER PRODUCTS

- Good performance of Mesalazine in Poland and Nordic countries and Citicoline in Italy.
- Calcifediol is adding new launches (several in Eastern Europe), approvals (Australia and Greece) and first good results in countries where commercialization has recently started (Lithuania, Poland, France, etc.).

# Farm Faes. Sector challenges are improving



INCOME FARM FAES			
	H1 2024	H1 2023	%var
<b>Animal nutrition and health</b>	<b>26,0</b>	<b>26,4</b>	<b>-2%</b>
Ingaso Farm	14,3	15,0	
Tecnovit y Cidosa	10,5	10,3	
Capselos	0,8	0,6	
Subsidiaries LATAM	0,5	0,5	

Rounded data

## Highlights H1 2024

- The decline in sales is slowing down and, although still influenced by the lack of piglets due to emerging diseases, sales are recovering
- The margin is improving, mainly because of the reduction in the cost of raw materials.
- Capselos shows an increase in revenues thanks to the new Feed & Food diversification strategy.
- The completion of the new ISF plant is scheduled for autumn, when the factory will become operational.



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**Results and outlook**

# Double-digit profit growth ahead of expectations because of expense phasing

Thousand €	H1 2024	H1 2023	%change
Ordinary income (sales)	261.151	236.205	10,6%
Other operating income	12.510	16.804	-25,5%
<b>Tota Income</b>	<b>273.661</b>	<b>253.009</b>	<b>8,2%</b>
Cost of sales	-83.308	-78.083	6,7%
<b>Gross margin</b>	<b>190.353</b>	<b>174.926</b>	<b>8,8%</b>
Personnel expenses	-55.522	-51.399	8,0%
Other operating expenses	-56.323	-52.119	8,1%
<b>EBITDA</b>	<b>78.508</b>	<b>71.408</b>	<b>10,0%</b>
Depreciation and impairment fixed assets	-10.074	-9.472	6,4%
<b>EBIT</b>	<b>68.434</b>	<b>61.936</b>	<b>10,5%</b>
Financial gain/losses	473	291	62,7%
<b>Profit before tax</b>	<b>68.907</b>	<b>62.227</b>	<b>10,7%</b>
Corporate tax	-10.608	-9.245	14,7%
<b>Net Profit</b>	<b>58.299</b>	<b>52.982</b>	<b>10,0%</b>
Profit to the Parent Company	58.356	53.000	10,1%

## Highlights H1 2024

- Margin growth slightly higher than revenues, due to the sales mix and improved product costs.
- In personnel costs, the effect of wage inflation in Spain is taken into account.
- Higher cost increases are expected in the second half of the year, mainly related to R&D&i, production and commercial activity.

# Increased cash generation after reaching the final phase of industrial investments

CASH FLOW	
	2024 H1
Profit before tax	68.907
Depreciation and amortisation	10.074
Change in working capital	-21.376
Other adjustments	-1.253
<b>Cash generated from operating activities (a)</b>	<b>56.352</b>
<b>Cash generated by investing activities (b)</b>	<b>-16.229</b>
<b>Cash flow from operating activities (a+b)</b>	<b>40.123</b>
<b>Cash used in financing (c)</b>	<b>-14.038</b>
<b>Cash flow generated during the period (a+b+c)</b>	<b>26.085</b>
<b>Cash at 31/12/2023</b>	<b>34.647</b>
<b>Cash at 30/06/2024</b>	<b>60.732</b>

## Highlights H1 2024

### FINANCIAL SITUATION

Positive financial situation and cash generation after the phase of heavy industrial investments. Cash dividend paid in July 2024 will impact Q3 cash.

### INVESTMENTS

The final phase of the construction and start-up of the Farma facilities in Derio and Farm in Huesca continues at a good pace. Due to this final phase, the volume of investment has been moderated.

### CURRENT ASSETS

As part of the final (validation) phase of the new pharmaceutical plant in Derio we see an impact on working capital from the production of the first batches.



# 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
- **Depreciation of the Yen** (impact on Bilastine Licensing business)
- Price reduction of **bilastine in Spain** at the end of 2023.

### 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**



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