

EQUITY - SPAIN

Sector: Pharmaceuticals

Closing price: EUR 2.99 (9 May 2025)

Report date: 12 May 2025 (9:00h)

3m Results 2025

Independent Equity Research

3m Results 2025

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Business description

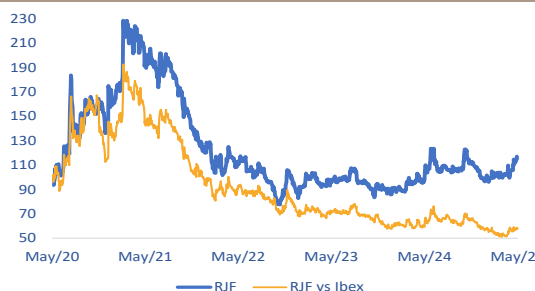
Laboratorio Reig Jofre (RJF) a pharmaceutical company headquartered in Barcelona (Spain) specialised in research, manufacturing, and marketing of pharmaceutical products (injectables and generic antibiotics) and food supplements at its development and logistics centres (Barcelona, Toledo and Malmö). With an international footprint (> 50% of revenue). Managed and controlled by the Reig family (63% of share capital).

Market Data

Market Cap (Mn EUR and USD)	241.9	272.6
EV (Mn EUR and USD) ⁽²⁾	304.2	342.8
Shares Outstanding (Mn)	80.9	
-12m (Max/Med/Mín EUR)	3.20 / 2.76 / 2.48	
Daily Avg volume (-12m Mn EUR)	0.07	
Rotation ⁽³⁾	7.7	
Factset / Bloomberg	RJF-ES / RJF SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Reig Jofre Investments	62.8
Kaizaharra Corp	10.1
Onchena	6.1
Treasury stock	1.0
Free Float	20.0

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	14.1	13.7	18.7	15.7
vs Ibex 35	-0.7	6.4	-3.3	-42.1
vs Ibex Small Cap Index	-3.0	1.5	3.3	-31.9
vs Eurostoxx 50	-0.7	14.0	12.9	-36.7
vs Sector benchmark ⁽⁴⁾	3.3	28.8	32.4	2.5

(3) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(4) Please refer to Appendix 1.

(5) Rotation is the % of the capitalisation traded - 12m.

(6) vs Stoxx Europe 600 Health Care.

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

1Q25 Results: Revenues and EBITDA "flat", in an insignificant quarter.

SLIGHT REVENUE GROWTH (+2% VS. 1Q 2024)... RJF closed 1Q25 with revenue of EUR 88.0Mn (vs. EUR 86.4Mn in 1Q24). This represents a moderation in its growth, in a first quarter of transition and operational optimization, focused on improving profitability and future global expansion. International sales (60% of the total) grew by +11%, driven mainly by Europe (+12%, following the trend of 2024). Domestic revenue (40% of the total) fell by 10%. CDMO (Contract Development and Manufacturing Organization) reached EUR 14Mn (-10% vs. 1Q24).

By business line, there was a slight drop in Pharma Technology (-2% vs. 1Q24) due to a 20% fall in antibiotic sales resulting from an internal production optimization process, partially offset by a 13% increase in non-antibiotic injectables. Specialty Pharma (+1.0% vs. 1Q24) was explained by dermatology sales (+33%), led by Ciclo-Tech sales in Spain and the first sales of Vincobiosis, launched in the quarter, while osteoarticular sales fell by 11%. In Consumer Healthcare (+9% vs. 1Q24), after a year of strategic changes in 2024, revenue resumed its growth path, with the proprietary brand Forté Pharma growing by 12%. It is relevant to note the 22% growth in Belgium and 10% in France, consolidating market shares.

RECURRING EBITDA FALLS 3.8% VS. 1Q24. RJF reported a flat gross margin (60.0% vs. 60.2% in 1Q24); however, the increase in personnel expenses (+8%) explains the 3.8% drop in recurring EBITDA (EUR 9.4Mn vs. EUR 9.8Mn in 1Q24). Net Debt (EUR 48.5Mn) represents a 7.1% increase in the quarter, reflecting the increased investment in the Toledo plant to increase productivity and antibiotic manufacturing capacity.

AN IMPROVEMENT IN TARGET MULTIPLES. The key for 2025 is to maintain high single-digit growth, with a focus on improving profitability levels. High barriers to entry and inelastic demand for its products offer, a priori, tailwinds to facilitate the fulfillment of expectations. The 2020 - 2024 figures are self-explanatory: revenue c.+50% (CAGR +10.2%), with EBITDA c.+65% (CAGR +13.6%) and an improvement in the EBITDA/Sales margin of +1.3 p.p. Aiming for truly higher multiples only comes from a faster and more significant margin improvement. The great challenge for RJF and its stock price.

Results table

	3m25	3m25 Real	3m25 Real
	Real	3m24	vs 3m24
EUR Mn			
Total Revenues	88.0	86.4	1.8%
Pharma Technologies	35.7	36.5	-2.2%
Speciality Pharma	29.8	29.3	1.7%
Consumer healthcare	22.5	20.6	9.0%
Recurrent EBITDA ⁽¹⁾	9.4	9.8	-3.8%
Rec. EBITDA/Revenues	10.7%	11.3%	-0.6 p.p.
EBITDA ⁽¹⁾	9.4	9.8	-4.4%
EBITDA/Revenues	10.7%	11.4%	-0.7 p.p.
EBIT	3.8	4.5	-15.1%
PBT	4.3	3.8	12.0%
NP	3.7	3.3	12.0%
	3m25	12m24	
Net Debt ⁽²⁾	48.5	45.3	7.1%

(1) Recurring EBITDA and Adjusted EBITDA exclude the impact of activations.

(2) Net Debt adjusted to exclude the impact of IFRS 16.

(1) Nota 3

Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	241.9	
+ Minority Interests	0.1	3m Results 2025
+ Provisions & Other L/T Liabilities	20.3	3m Results 2025
+ Net financial debt	48.5	3m Results 2025
- Financial Investments	6.6	3m Results 2025
+/- Others		3m Results 2025
Enterprise Value (EV)	304.2	

Appendix 2. Main peers (2025e)

		Generics and Injectables				Specialty Pharma				Cosumer Healthcare				Global Players			
		EUR Mn	Viatis	Teva	Sandoz	Average	Incyte Corporation	Eli Lilly	Novartis	Average	Herbalife	HAIN Celestial	Average	Abbvie	Sanofi	Pfizer	Average
Market data	Ticker (Factset)	VTRS-US	TEVA-US	SDZ-CH		INCY-US	LLY-US	NOVN-CH		HLF-US	HAIN-US		ABBV-US	SAN-FR	PFE-US		
	Country	USA	Israel	Switzerland		USA	USA	Switzerland		USA	USA		USA	France	USA		
	Market cap	9,134.5	18,658.4	17,913.7		10,131.6	617,809.0	205,588.0		608.3	126.5		289,793.1	114,067.1	112,410.7		
	Enterprise value (EV)	21,217.3	32,209.7	21,104.3		8,032.3	649,204.1	207,559.5		2,443.7	774.8		347,258.9	123,881.1	152,425.8		
Basic financial information	Total Revenues	12,249.9	15,222.3	9,594.2		4,187.2	52,971.2	47,862.4		4,391.3	1,410.6		53,126.7	46,048.7	55,538.0		
	Total Revenues growth	-6.2%	3.9%	-1.7%	-1.3%	11.3%	32.5%	0.9%	14.9%	-0.9%	-8.5%	-4.7%	6.3%	12.1%	-1.6%	5.6%	
	2y CAGR (2025e - 2027e)	1.6%	1.4%	5.5%	2.8%	9.8%	18.4%	2.4%	10.2%	5.5%	0.3%	2.9%	7.5%	6.4%	-1.2%	4.2%	
	EBITDA	3,589.5	4,335.4	2,016.8		1,003.5	23,241.9	19,451.8		564.3	117.4		25,187.1	14,020.7	21,388.6		
	EBITDA growth	-11.5%	11.3%	4.6%	1.5%	567.6%	39.3%	-4.0%	200.9%	11.2%	-2.9%	4.1%	13.5%	6.7%	2.6%	7.6%	
	2y CAGR (2025e - 2027e)	5.3%	5.9%	11.6%	7.6%	34.3%	26.0%	3.0%	21.1%	10.4%	4.9%	7.7%	9.3%	6.3%	-0.1%	5.1%	
	EBITDA/Revenues	29.3%	28.5%	21.0%	26.3%	24.0%	43.9%	40.6%	36.2%	12.9%	8.3%	10.6%	47.4%	30.4%	38.5%	38.8%	
	EBIT	3,274.7	3,942.8	1,738.5		1,235.9	21,539.6	18,643.0		433.3	68.3		24,832.2	12,472.0	19,349.8		
	EBIT growth	98.3%	33.5%	19.4%	50.4%	n.a.	42.4%	28.2%	35.3%	8.4%	-19.9%	-5.8%	68.3%	31.2%	32.3%	43.9%	
	2y CAGR (2025e - 2027e)	6.2%	6.8%	11.8%	8.3%	21.6%	27.3%	3.1%	17.3%	14.8%	4.3%	9.6%	11.1%	7.2%	-0.1%	6.1%	
	EBIT/Revenues	26.7%	25.9%	18.1%	23.6%	29.5%	40.7%	39.0%	36.4%	9.9%	4.8%	7.4%	46.7%	27.1%	34.8%	36.2%	
	Net Profit	2,372.3	2,630.6	838.1		1,032.4	17,455.0	14,989.7		176.1	16.3		19,328.2	9,829.8	15,243.6		
	Net Profit growth	521.5%	280.9%	n.a.	401.2%	n.a.	85.7%	33.1%	59.4%	-22.0%	124.5%	51.3%	413.9%	78.9%	114.2%	202.3%	
	2y CAGR (2025e - 2027e)	6.8%	10.4%	28.2%	15.1%	21.5%	29.4%	4.1%	18.3%	34.9%	16.7%	25.8%	12.4%	7.5%	1.6%	7.2%	
	CAPEX/Sales %	2.8%	3.1%	6.0%	4.0%	1.1%	9.0%	3.8%	4.6%	n.a.	2.3%	2.3%	1.7%	5.4%	4.3%	3.8%	
Multiples and Ratios	Free Cash Flow	1,738.5	934.5	461.7		860.8	10,393.0	13,563.9		n.a.	53.7		17,407.4	10,197.9	17,694.8		
	Net financial debt	11,240.5	11,598.4	2,772.3		(2,896.8)	22,807.6	12,803.4		n.a.	568.0		48,759.5	3,794.4	40,786.4		
	ND/EBITDA (x)	3.1	2.7	1.4	2.4	n.a.	1.0	0.7	0.8	n.a.	4.8	4.8	1.9	0.3	1.9	1.4	
	Pay-out	21.3%	0.0%	34.6%	18.6%	0.0%	29.9%	47.2%	25.7%	0.0%	n.a.	0.0%	52.9%	52.9%	56.2%	54.0%	
	P/E (x)	3.9	6.6	14.3	8.3	10.5	33.4	12.9	18.9	3.3	7.4	5.4	15.1	11.0	7.4	11.2	
	P/BV (x)	0.6	2.5	2.2	1.7	2.2	n.a.	4.7	3.5	n.a.	0.2	0.2	n.a.	1.4	1.4	1.4	
	EV/Revenues (x)	1.7	2.1	2.2	2.0	1.9	12.3	4.3	6.2	0.6	0.5	0.6	6.5	2.7	2.7	4.0	
	EV/EBITDA (x)	5.9	7.4	10.5	7.9	8.0	27.9	10.7	15.5	4.3	6.6	5.5	13.8	8.8	7.1	9.9	
	EV/EBIT (x)	6.5	8.2	12.1	8.9	6.5	30.1	11.1	15.9	5.6	11.3	8.5	14.0	9.9	7.9	10.6	
	ROE	15.2	37.5	15.2	22.6	21.4	75.9	36.2	44.5	n.a.	2.3	2.3	378.0	12.5	18.8	136.4	
	FCF Yield (%)	19.0	5.0	2.6	8.9	8.5	1.7	6.6	5.6	n.a.	42.4	42.4	6.0	8.9	15.7	10.2	
	DPS	0.42	0.00	0.67	0.37	0.00	5.80	3.50	3.10	0.00	n.a.	0.00	5.78	4.15	1.51	3.81	
	Dvd Yield	5.4%	0.0%	1.7%	2.4%	0.0%	0.9%	3.6%	1.5%	0.0%	n.a.	0.0%	3.5%	4.5%	7.7%	5.2%	

Note 1: Financial data, multiples and ratios based on market consensus (Factset).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
12-May-2025	n.a.	2.99	n.a.	n.a.	3m Results 2025	Alfredo Echevarría Otegui
28-Feb-2025	n.a.	2.69	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
31-Oct-2024	n.a.	2.97	n.a.	n.a.	9m Results 2024	Luis Esteban Arribas, CESGA
30-Jul-2024	n.a.	2.83	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	2.78	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	2.78	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui

