



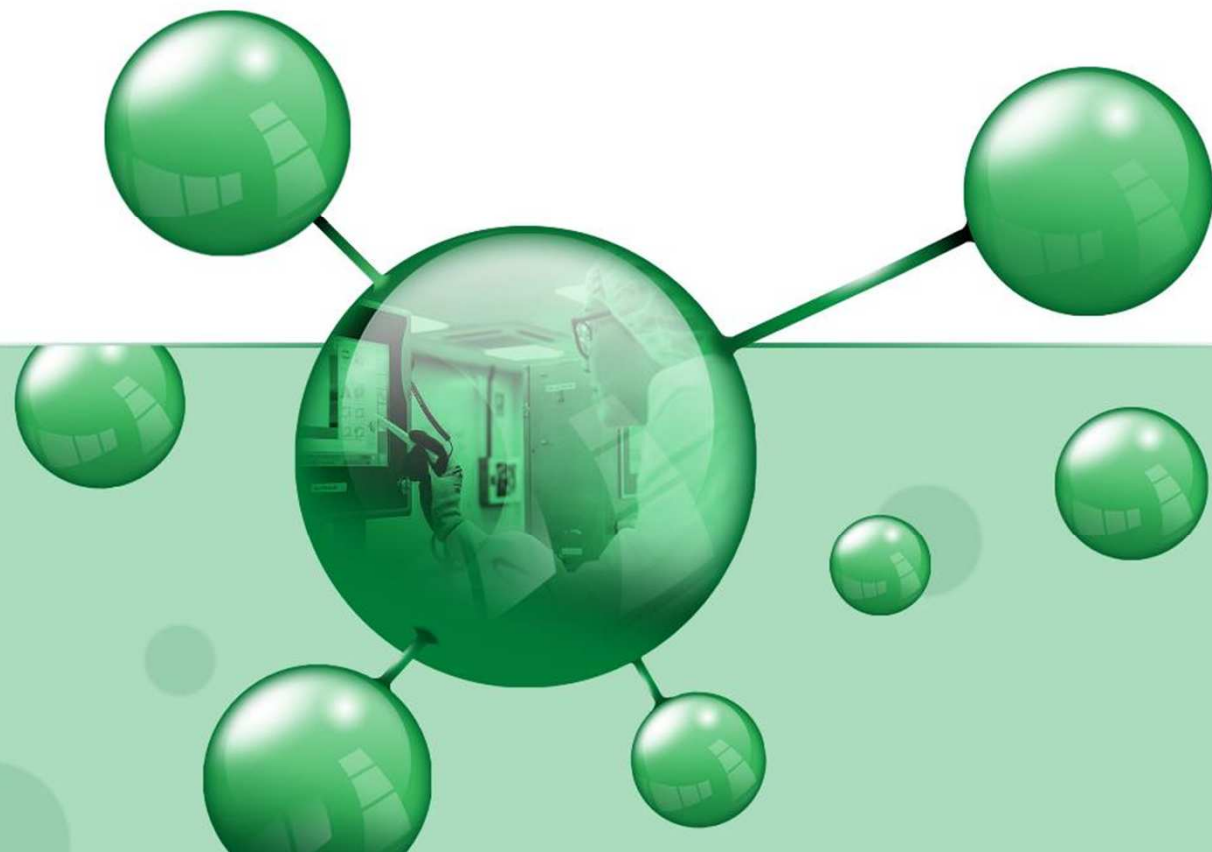
FIRST NINE MONTHS OF 2018 FINANCIAL
RESULTS
NOVEMBER 2018



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Operating results



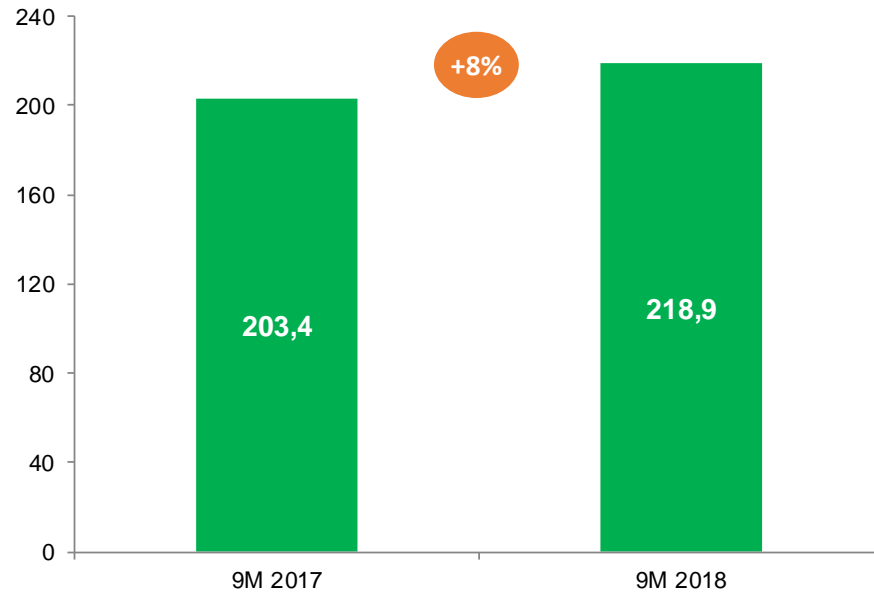


9M 2018 financial results - Highlights

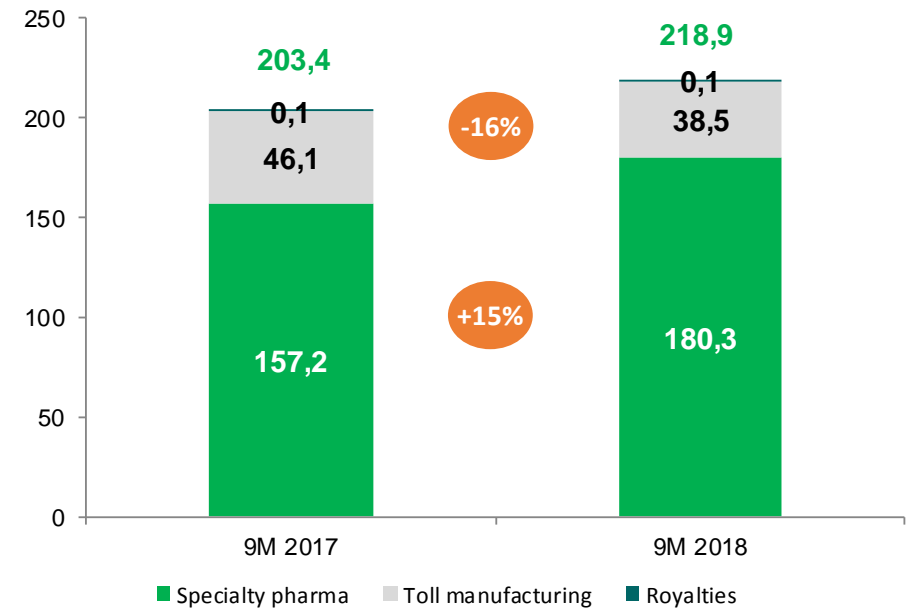
- **Operating revenue** increased by 8% to €218.9Mn in 9M 2018, driven by the strength the specialty pharmaceutical business, where sales rose 15%, strongly outperforming the market. Total revenue increased by 8% to €220.0Mn in 9M 2018.
- In 2019, ROVI expects a **high-single-digit growth rate for the operating revenue**.
- **ROVI is upgrading its operating revenue guidance for 2018**, from mid-single digit growth rate to high-single-digit growth rate. Guidance for Enoxaparin biosimilar sales remains unchanged, within a range of between €20Mn and €30Mn, and is expected to be towards the higher end of the range.
- ROVI launched its **enoxaparin biosimilar** in **Germany** in September 2017, in the **United Kingdom** in March 2018, in **Italy** in April 2018, in **Spain** in September 2018, in **France** in September 2018 (pursuant to an agreement with Biogaran), and in **Austria** and **Latvia** in October 2018.
- By 30th September 2018, the countries with the national registration approved of the low molecular weight heparin (biosimilar of Enoxaparin) are **Germany, France, UK, Italy, Spain, Portugal, Belgium, Finland, Norway, Sweden, Austria, Hungary, Slovenia, Estonia, Latvia, Slovakia, Bulgaria, Romania, Croatia, Czech Republic, Denmark, Poland and Ireland**.
- **Sales of the Enoxaparin biosimilar amounted to €16.7Mn** in 9M 2018.
- **Very good performance of Bemiparin**: 11% increase to €68.7Mn with a growth of 21% in Spain.
- Sales of **Hirobriz and Ulunar** increased by 9% to €11.4Mn; **Volutsa** increased sales by 25% to €8.2Mn; and **Neparvis**, launched in December 2016, reached sales of €9.3Mn in 9M 2018 (vs €2.8Mn in 9M 2017).
- In 9M 2018, EBITDA was affected by non-recurring expenses of €1.1Mn, linked to a substantial change to Frosst Ibérica employees working conditions.
- **EBITDA “pre-R&D”** (w/o R&D and non recurring expenses) increased by 13%, from €45.8Mn in 9M 2017 to €51.6Mn in 9M 2018, reflecting a 1.1 pp rise in the EBITDA margin to 23.6% in 9M 2018. Likewise, recognising the same amount of R&D expenses in 9M 2018 as in 9M 2017 and excluding the impact of the non recurring expenses in 9M 2018, EBITDA would have increased by 21% to €32.7Mn, reflecting a 1.7 pp rise in the EBITDA margin to 15.0% in 9M 2018.
- **Net profit “pre-R&D”** (w/o R&D and non recurring expenses) increased by 13%, from €35.5Mn in 9M 2017 to €40.1Mn in 9M 2018.

Growth driven by specialty pharma business...

Total operating revenue (€Mn)



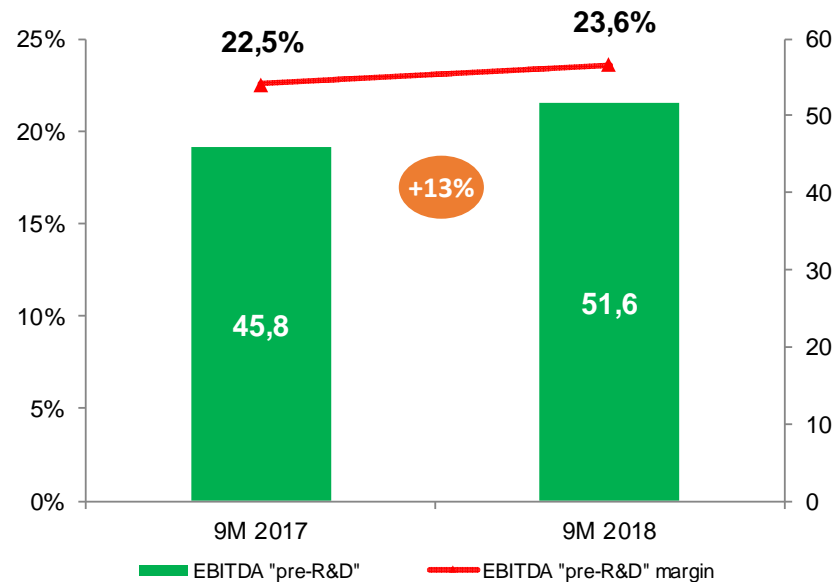
Operating revenue growth by category (€Mn)



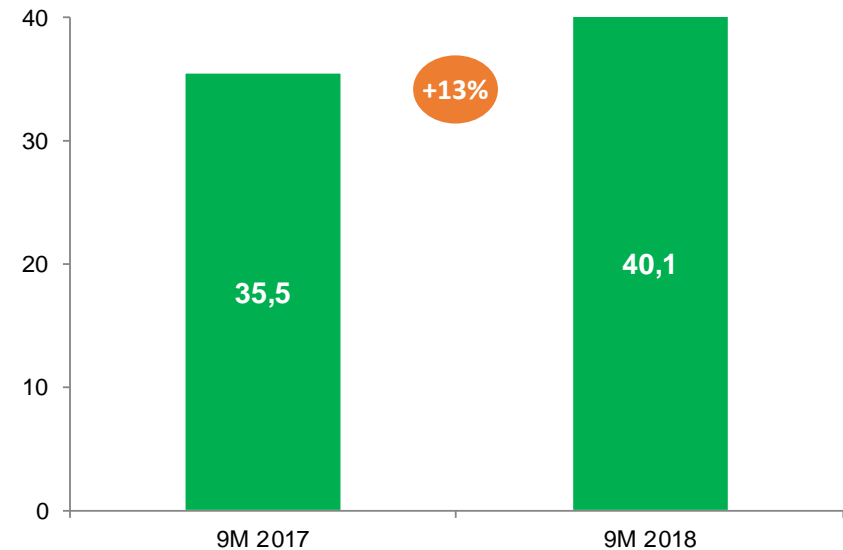
- **Operating revenue increased by 8%** to €218.9Mn in 9M 2018 driven by the strength of:
 - the specialty pharmaceutical business, where sales rose 15%
- ROVI forecasts that it will continue to grow at a higher rate than Spanish pharmaceutical market expenditure in the first nine months of 2018, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 3%.

...with high profitability

EBITDA (€Mn) and EBITDA “pre-R&D” (w/o R&D and non recurring expenses) margin (%)



Net profit “pre-R&D” (w/o R&D and non recurring expenses) (€Mn)



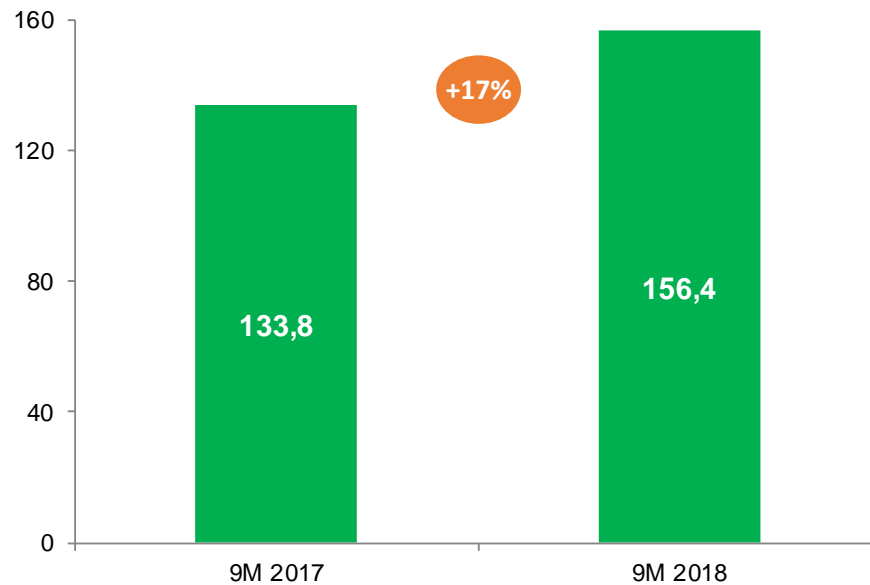
- In 9M 2018, EBITDA was affected by non-recurring expenses €1.1Mn, linked to a substantial change to Frosst Ibérica employees working conditions.
- **EBITDA “pre-R&D” (w/o R&D and non recurring expenses) increased by 13%**, from €45.8Mn in 9M 2017 to €51.6Mn in 9M 2018, reflecting a 1.1 percentage point rise in the EBITDA margin to 23.6% in 9M 2018.
- **Net profit “pre-R&D” (w/o R&D and non recurring expenses) increased by 13%**, from €35.5Mn in 9M 2017 to €40.1Mn in 9M 2018.

Note: EBITDA and Net profit “pre-R&D” calculated excluding R&D expenses in 9M 2018 and 9M 2017 and the impact of non recurring expenses in 9M 2018

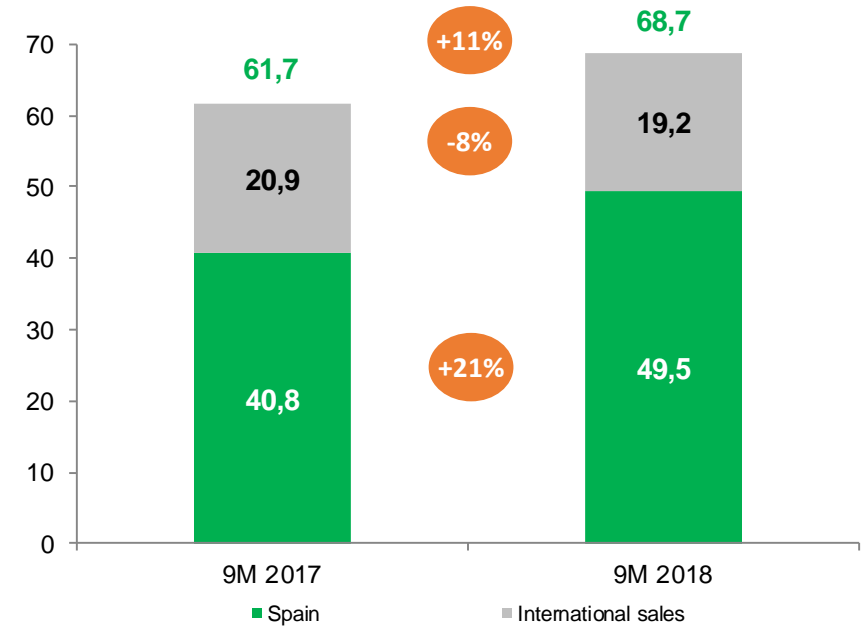


Bemiparin, leading the specialty pharmaceutical business

Prescription-based pharma products sales (€Mn)



Bemiparin sales (€Mn)



- Sales of **prescription-based pharmaceutical products increased by 17%** to €156.4Mn in 9M 2018.
 - **Bemiparin total sales increased by 11%** to €68.7Mn in 9M 2018:
 - **Sales in Spain increased 21%** to €49.5Mn.
 - **International sales decreased by 8%** to €19.2Mn.

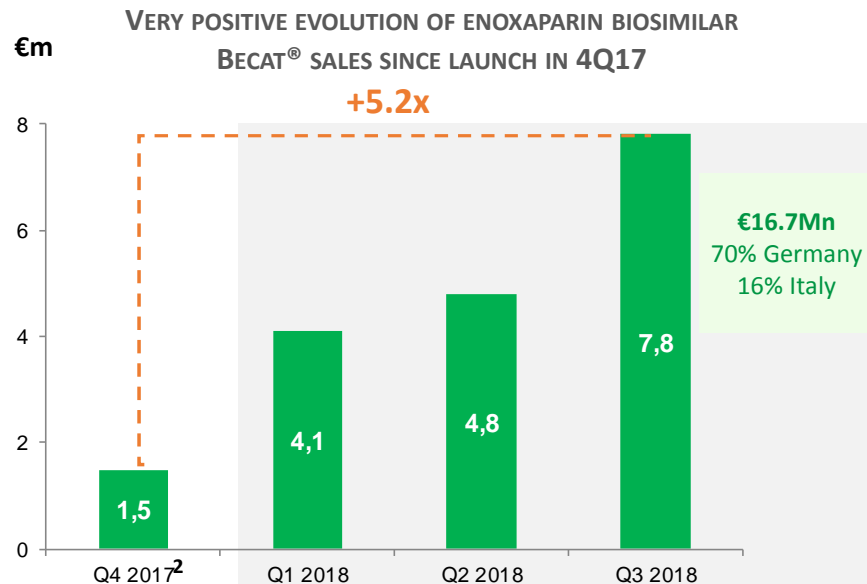


Strong growth potential of Enoxaparin Biosimilar Becat®

Strong Commercial Launch with a Clear Strategy

- ROVI launched enoxaparin biosimilar Becat® in **Germany** (first EU market) in September 2017, in **UK, Italy, Spain and France**¹ in 9M 2018 and in Austria and Latvia in October 2018.
- Enoxaparin biosimilar Becat® expected to **launch in key European markets** before Q1 2019 through recently established European sales offices.
- Newly-established European sales offices provide **pan-European infrastructure** that is **highly leverageable for further growth** of ROVI's heparin franchise and broader portfolio.

Enoxaparin Biosimilar Becat® Sales Ramp-up

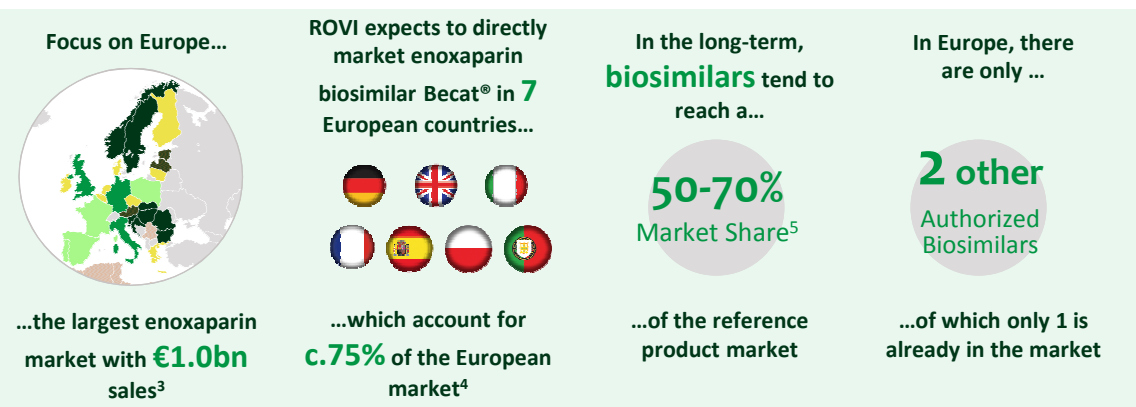


1. ROVI has started to sell Becat® in France through Biogaran and expects to sell it directly before the end of Q1 2019.
 2. Becat® 4Q 2017 sales include sales throughout September. As the product was launched that month, sales were negligible.
 3. Estimates based on Sanofi-Aventis reported 2017A sales.

Well-Established Network to Minimize Time-to-Market



Stage I of Commercial Strategy



Stage II of Commercial Strategy

Continue international expansion in other markets with strong growth potential through out-licensing agreements



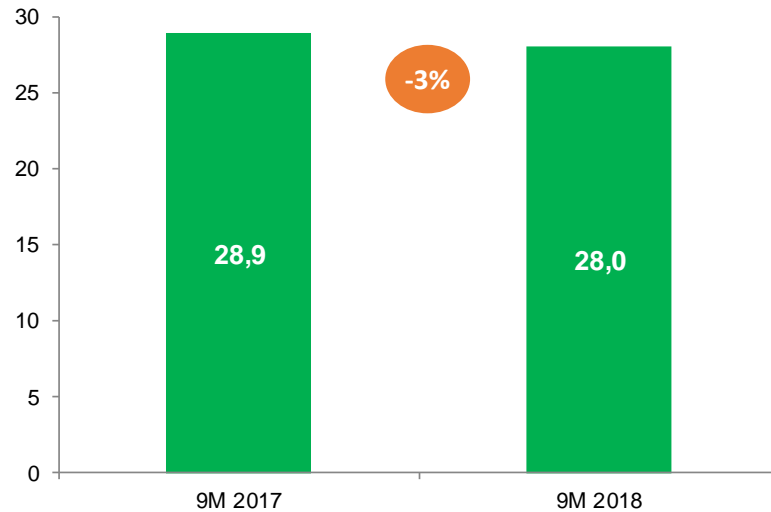
Already Signed Out-Licensed Agreements: **63 Countries**

ROVI signed a licensing agreement with Sandoz to distribute enoxaparin biosimilar Becat® in 14 countries/regions and with Hikma in 17 Middle East and North African countries.

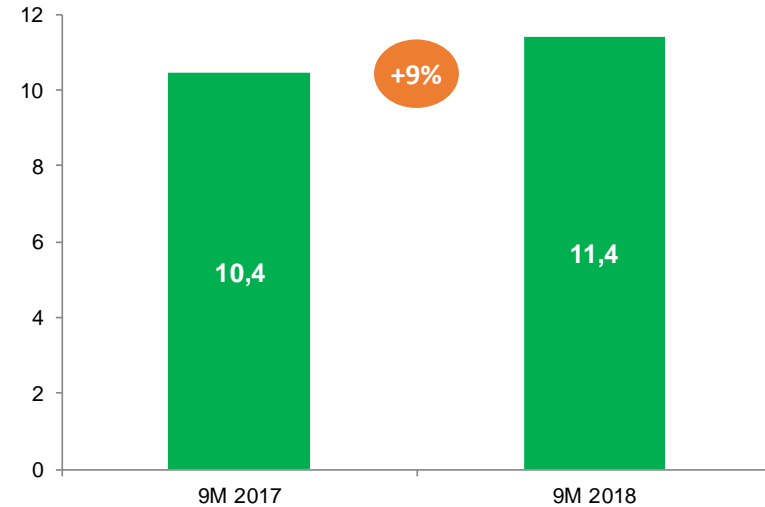
4. QuintilesIMS, 2015.
 5. Technavio 2016 biosimilars report.

Strong performance of the product portfolio (1/2)

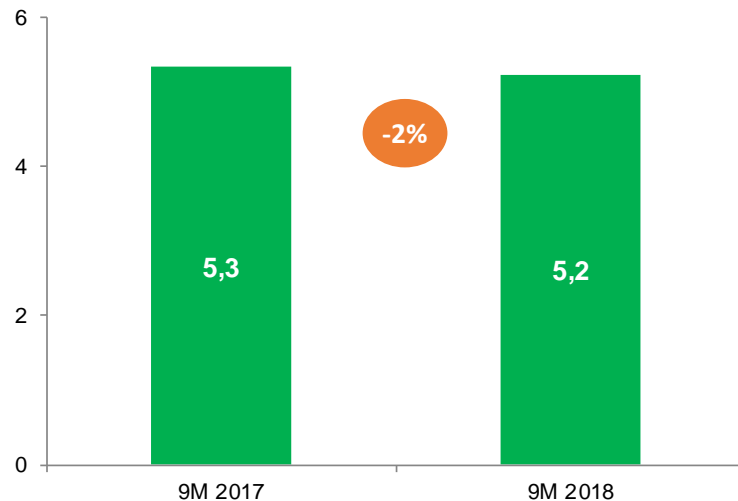
Absorcol, Vytorin and Orvatez sales (€Mn)



Hirobriz and Ulunar sales (€Mn)



Medicebran and Medikinet sales (€Mn)



- Sales of **Vytorin**[®], **Orvatez**[®] and **Absorcol**[®] **decreased by 3%** to €28.0Mn in 9M 2018. In 2Q 2018, the active principle ezetimibe went out of patent and the price of Absorcol[®] was reduced. Likewise, generics formulated with ezetimibe and simvastatin have recently been marketed, so the price of Vytorin[®] has been reduced to be competitive.
- Sales of **Hirobriz** and **Ulunar**, both products for patients with COPD, launched in Spain in Q4 2014 **increased by 9%** to €11.4Mn in 9M 2018.
- Sales of **Medicebran** and **Medikinet**, products launched in December 2013 and marketed on exclusivity basis by ROVI in Spain, decreased 2% to €5.2Mn in 9M 2018.

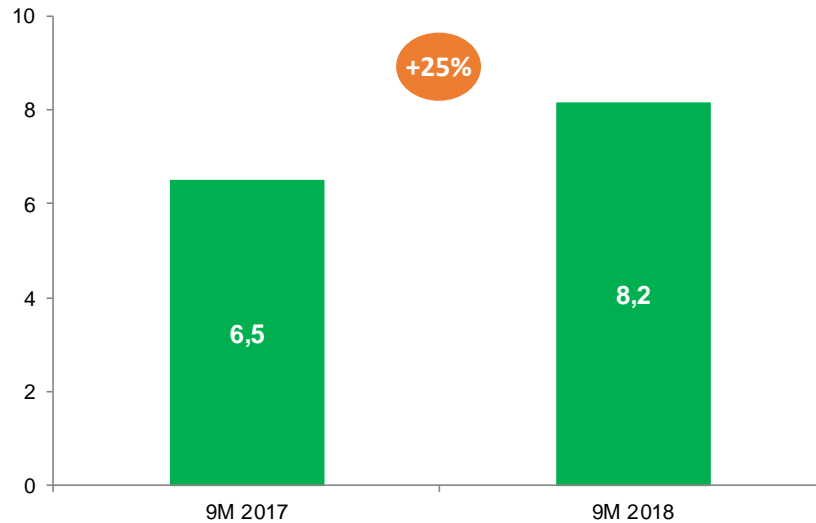
Vytorin, Orvatez and Absorcol, the first of the five licenses of MSD, are indicated for the treatment of hypercholesterolemia.

Hirobriz Breezhaler and Ulunar Breezhaler are both products from Novartis indicated for the treatment of COPD (Chronic Obstructive Pulmonary Disease).

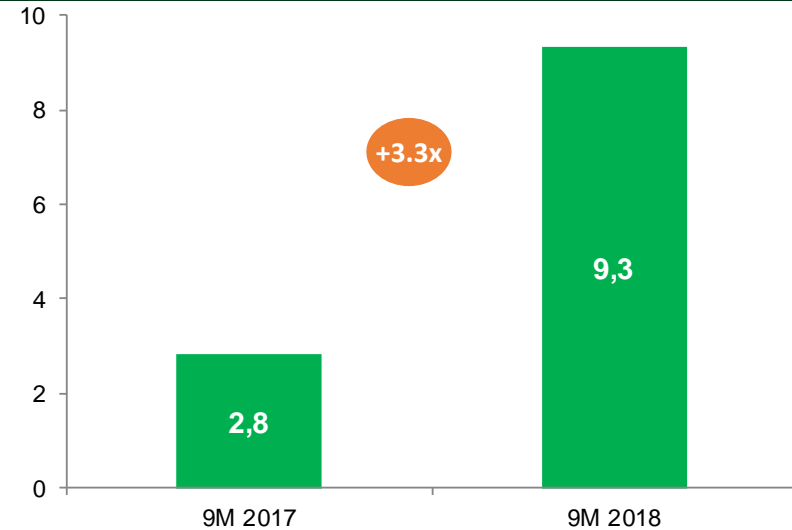
Medicebran and Medikinet are specialty products from Medice indicated for the treatment of ADHD in children and teenagers.

Strong performance of the product portfolio (2/2)

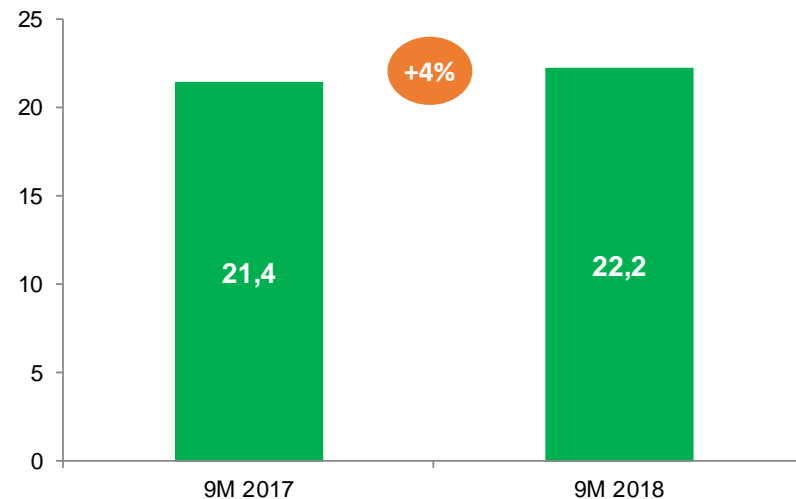
Volutsa sales (€Mn)



Neparvis sales (€Mn)



Contrast imaging agents sales (€Mn)

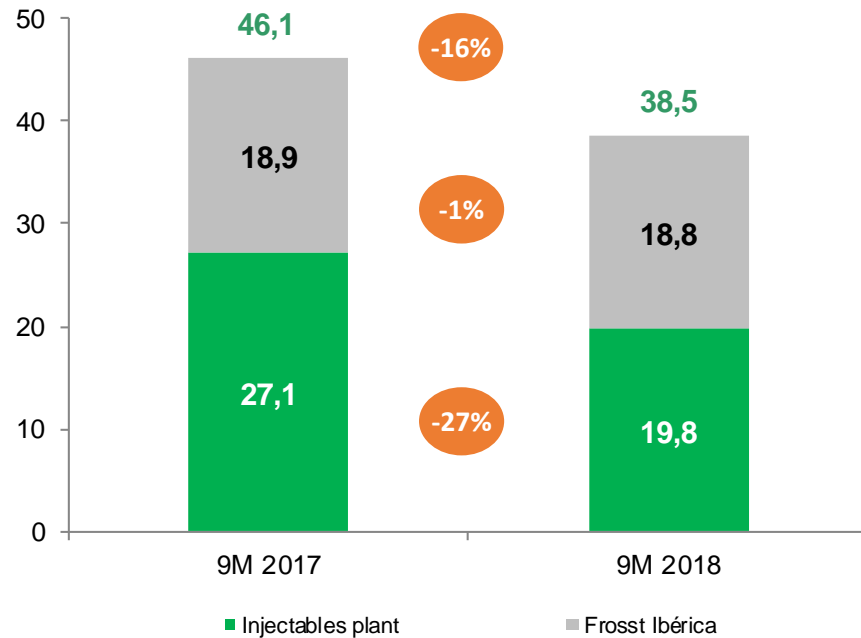


- Sales of **Volutsa**, launched in Spain in February 2015, **increased by 25%** to €8.2Mn in 9M 2018.
- Sales of **Neparvis**, a specialty product from Novartis launched in December 1Q 2017, **reached €9.3Mn** in 9M 2018, from €2.8Mn in 9M 2017.
- **Exxiv** sales decreased by 39% to €1.8Mn, mainly due to a deceleration of the COX-2 market.
- **Contrast imaging agents and other hospital products increased by 4%** to €22.2Mn in 9M 2018.

Volutsa is a specialty product from Astellas Pharma indicated for the treatment of moderate to severe storage symptoms and voiding symptoms associated with benign prostatic hyperplasia.
Neparvis is a specialty product from Novartis indicated for the treatment of adult patients with symptomatic chronic heart failure and reduced ejection fraction.
Exxiv is a selective COX-2 inhibitor from Merck Sharp & Dohme (MSD).

Value added toll manufacturing services

Toll manufacturing sales (€Mn)



- **Toll manufacturing sales** decreased by 16% to €38.5Mn in 9M 2018, compared to 9M 2017, mainly because of the reduction of the injectable business compared to 9M 2017, when exceptional high volumes were manufactured for some customers.
 - Frosst Ibérica plant sales decreased by 1% to €18.8Mn in 9M 2018 compared to 9M 2017.
- By the end of 2018, a mid-teen decline (from 10-20%) in toll manufacturing is expected.



ISM[®] Platform Opens Up New Avenues of Growth for ROVI

Overview

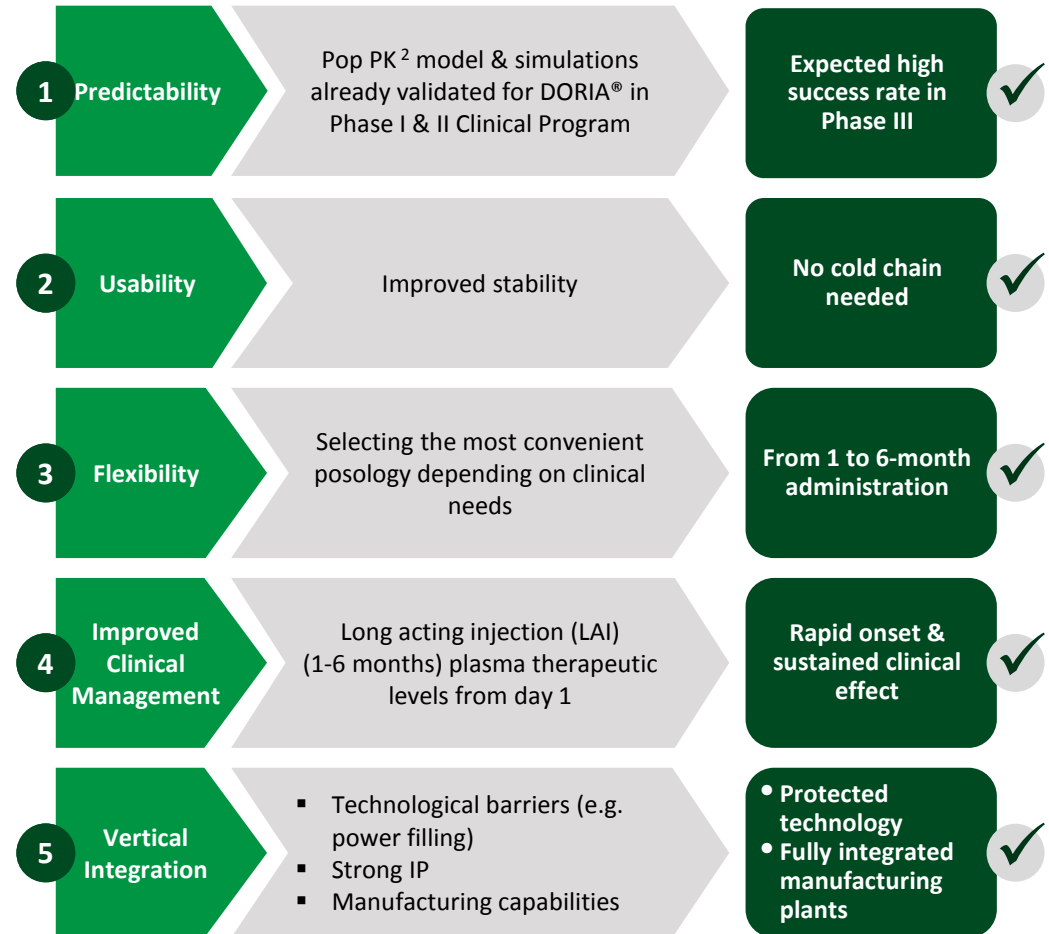
- Internally-developed and patented innovative drug-release technology, ISM^{®1}, which allows for the **sustained release of compounds administered by injection**
 - Based on **two separate syringes respectively containing (a) the drug and polymer** (solid state) and (b) **the solvent** (liquid state)
- Potential wide applicability of ISM[®] technology to new chronic therapeutic areas, including **psychiatry** and **oncology**
 - 505(b)(2) path of approval** for candidates leveraging ISM[®] technology

2 Candidates Currently in Clinical Trials

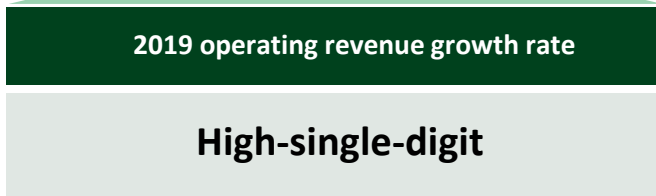
Product	Potential Indication	Current Situation				Key Milestones
		Pre-Clinical	I	II	III	
DORIA [®] Risperidone, monthly	Schizophrenia	[Progress bars showing stages Pre-Clinical, I, II, III]				Phase III started in H1 2017 (interim read out 9 May 2018)
Letrozole ISM [®] Long acting Letrozole	Breast Cancer	[Progress bars showing stages Pre-Clinical, I, II, III]				Phase I started in November 2017

- ★ Concentrated on improving posology for already approved compounds, which benefits risk / reward profile
- ★ Multiple FDA / GMP approved facilities to support the platform

Key Company Highlights of ISM[®] Platform



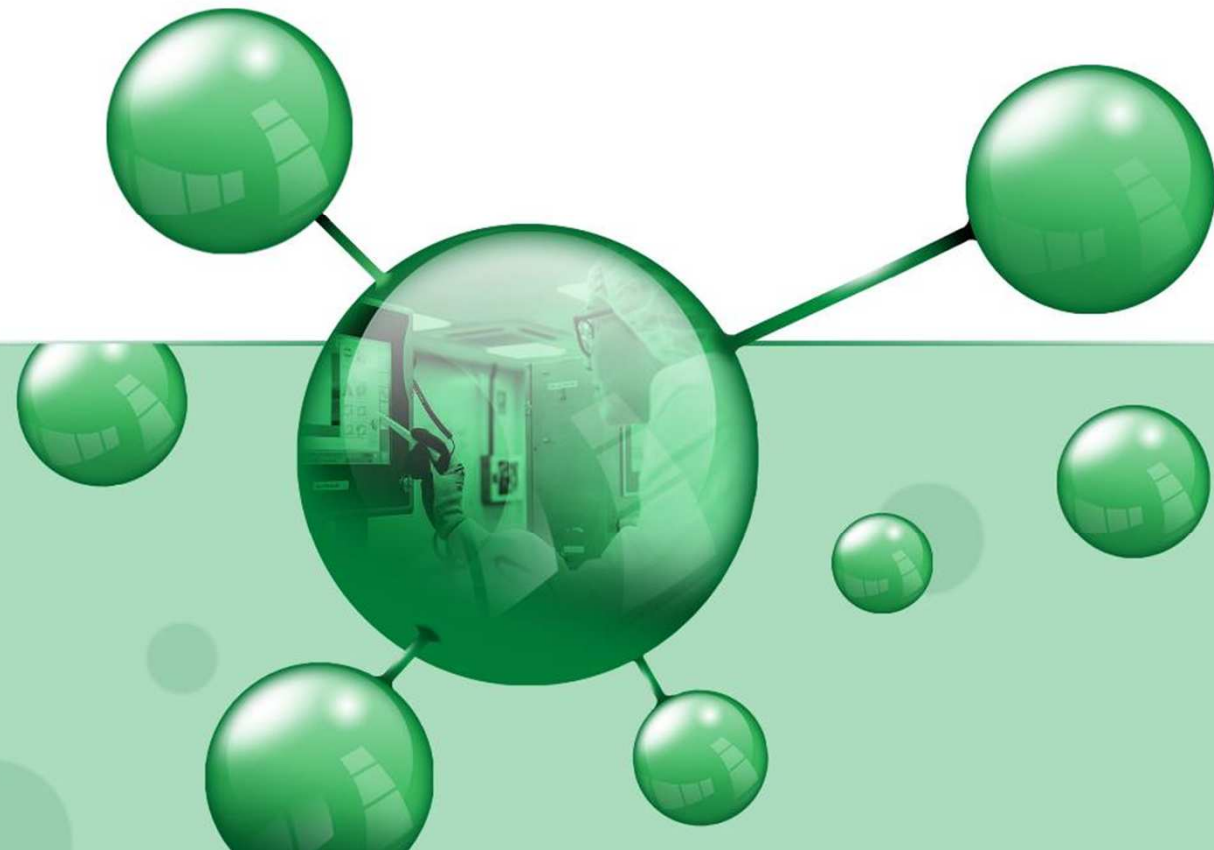
1. ISM[®] stands for *In Situ Microparticles*[®].
 2. PK stands for pharmacokinetic.



THE KEY GROWTH LEVERS IN 2019

Specialty Pharma Business	Toll Manufacturing Services
<ul style="list-style-type: none">✓ Bemiparin✓ Latest launches such as Neparvis, Orvatez, Volutsa and Ulunar✓ Existing portfolio of specialty pharmaceuticals✓ New in-licensed products to be launched✓ Biosimilar of Enoxaparin	<ul style="list-style-type: none">✓ Spare capacity in the injectable plants and in the oral compounds plant✓ New customers to be acquired

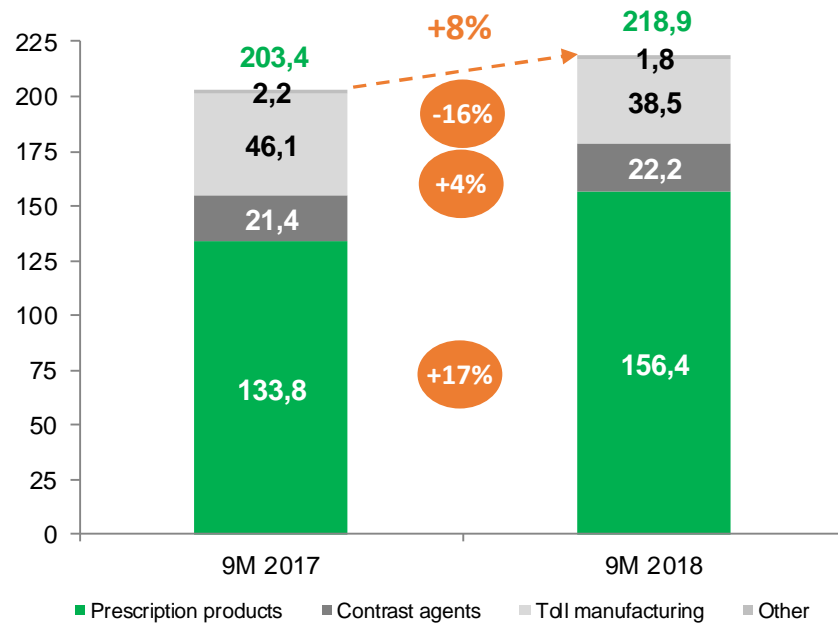
Financial results



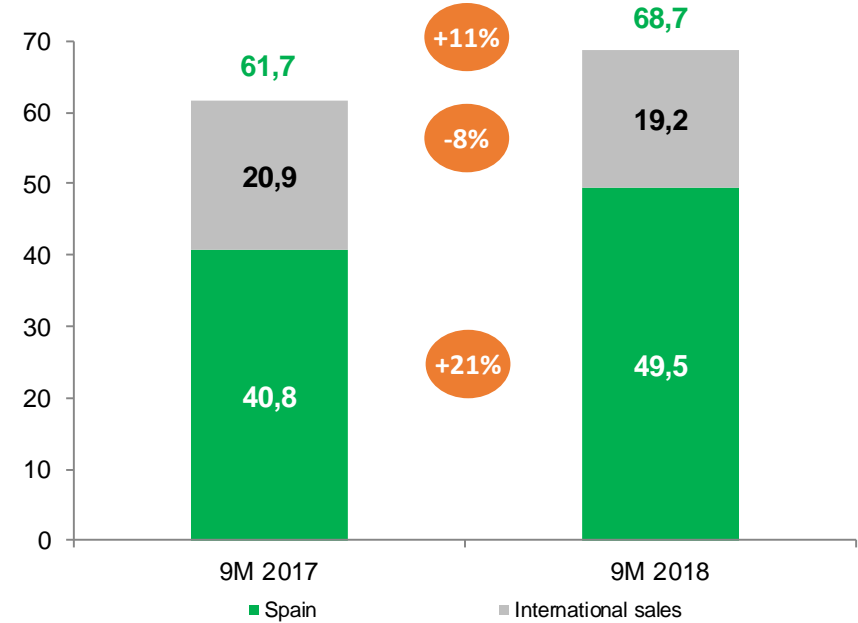


Good revenue level with outstanding Bemiparin growth

Total operating revenue (€Mn)



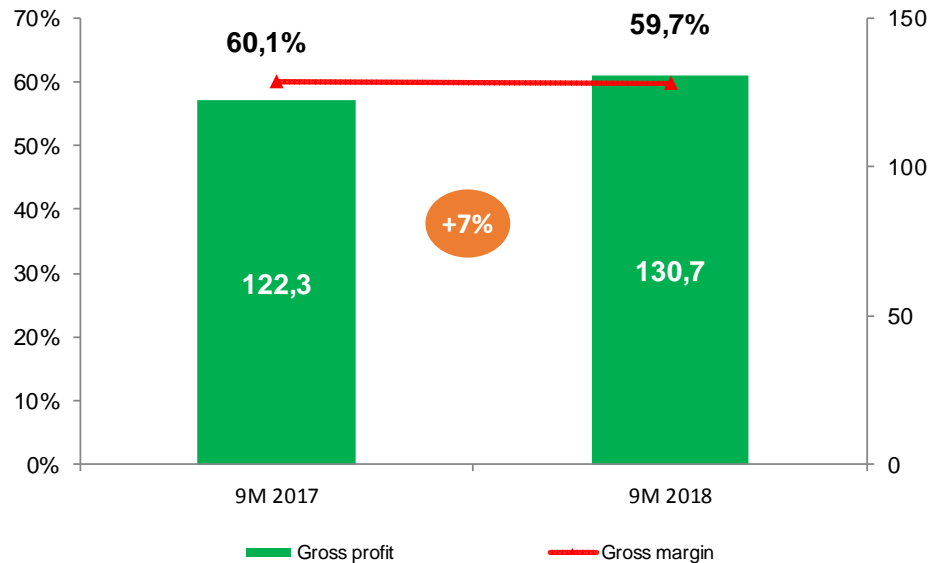
Bemiparin sales (€Mn)



- **Operating revenue** increased by 8% to €218.9Mn, achieved on:
 - 17% growth in prescription-based products;
 - 4% growth in contrast agents and other hospital products;
 - 16% reduction in toll manufacturing; and
 - OTC and other revenues decreased by 18% (including revenue from distribution licenses).
- **Bemiparin**, ROVI's flagship product internally developed, reached sales of €68.7Mn (**11% growth** vs 9M 2017). **Sales grew by 21% in the domestic market and decreased by 8% in the international market.**

Gross margin impacted by the decrease of injectable toll manufacturing sales

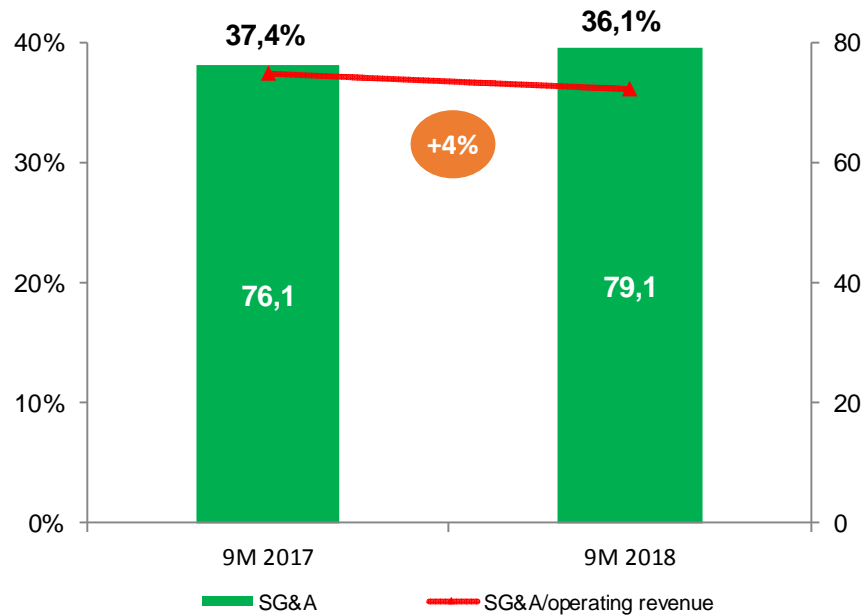
Gross profit (€Mn) and Gross margin (%)



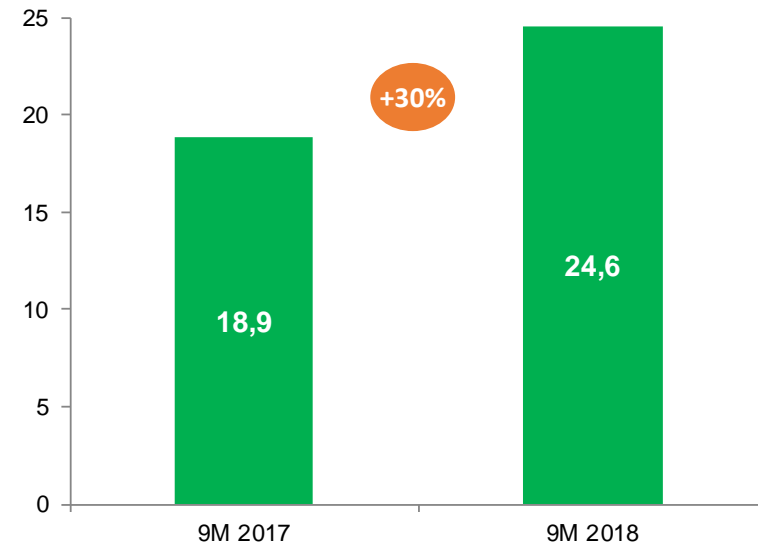
- **Gross profit increased by 7%** to €130.7Mn in 9M2018, the gross margin showing a decrease of 0.4 pp from 60.1% in 9M 2017 to 59.7%, mainly due to a drop in the injectable business, which added higher margins in 9M 2017.
- However, the good performance of the injectable business in Q3 2018 helped to recover, to a large extent, the margin decrease of 2.5 pp recorded in 1H 2018.
- Sales of the Enoxaparin biosimilar had a positive impact in 9M 2018; nevertheless some gross margin erosion is expected in the future, as the product will be launched in other markets.

Cost control along with commitment to R&D

SG&A expenses (€Mn)



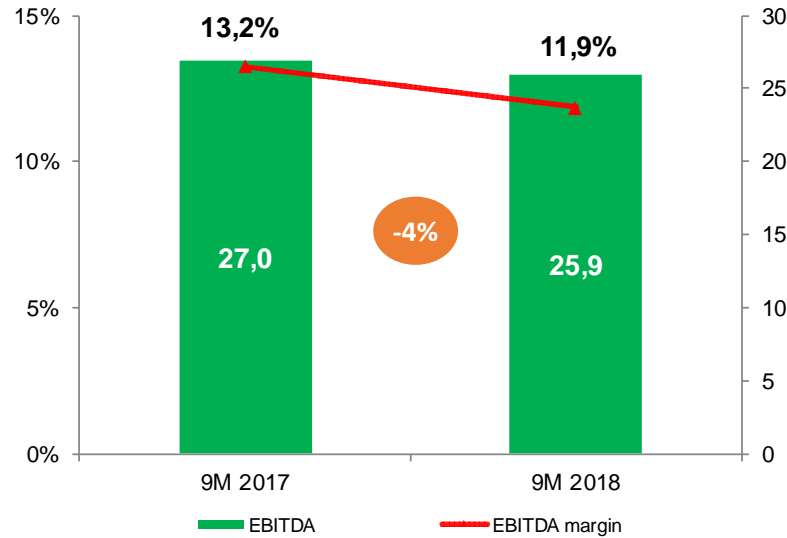
R&D expenses (€Mn)



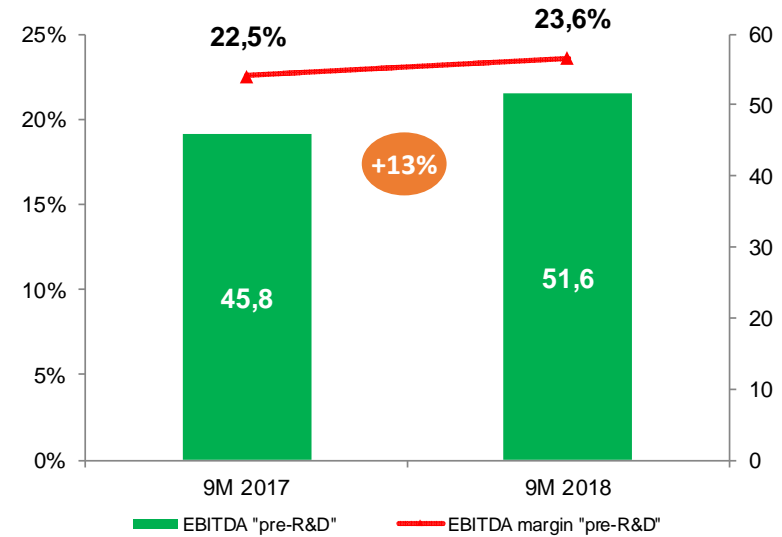
- **SG&A expenses rose 4%** to €79.1Mn in 9M 2018 mainly due to:
 - international subsidiaries expenses, which amounted to €4.1Mn compared to €1.0Mn in 9M 2017.
 - Excluding expenses related to international subsidiaries, SG&A would have decreased by 0.2% in 9M 2018.
- **R&D expenses increased 30%** to €24.6Mn in 9M 2018 mainly due to the development of the Risperidone-ISM[®] (Doria[®]) Phase III trial and the Letrozole-ISM[®] Phase I trial.

EBITDA

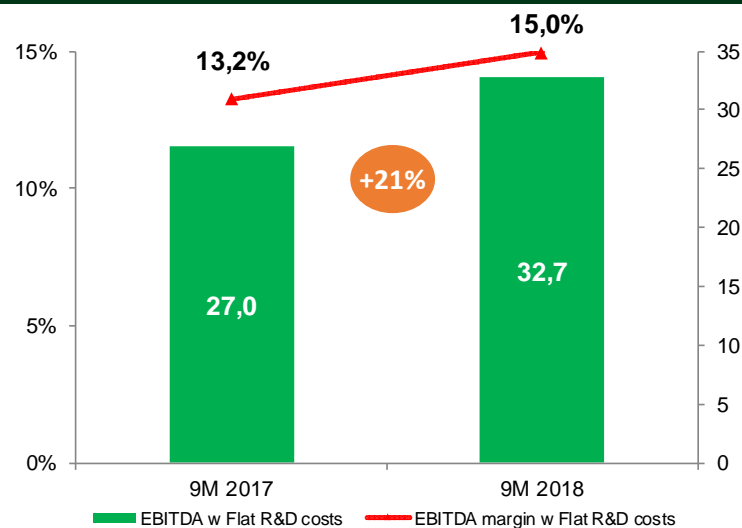
EBITDA (€Mn) and EBITDA margin (%)



EBITDA (€Mn) and EBITDA “pre-R&D” (w/o R&D and non recurring expenses) margin (%)



EBITDA (€Mn) and EBITDA margin (%) with flat R&D costs and w/o non recurring expenses

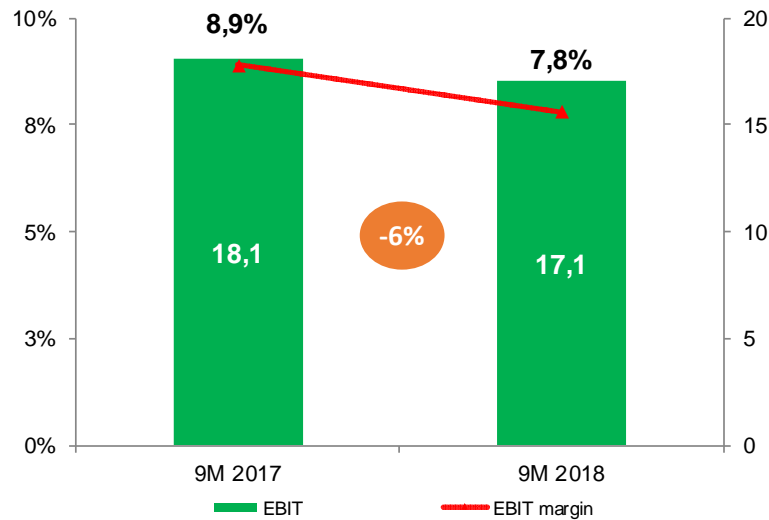


- In 9M 2018, EBITDA was affected by non-recurring expenses of €1.1Mn linked to a substantial change to Frosst Ibérica employees working conditions.
- **EBITDA** decreased to €25.9Mn in 9M 2018, reflecting a 1.4 pp fall in the EBITDA margin, which was down to 11.9% in 9M 2018 from 13.2% in 9M 2017.
- **EBITDA “pre-R&D”** (w/o R&D and non recurring expenses) increased by 13%, from €45.8Mn in 9M 2017 to €51.6Mn in 9M 2018, reflecting a 1.1 pp rise in the EBITDA margin to 23.6% in 9M 2018. Likewise,
 - recognising the same amount of R&D expenses in 9M 2018 as in 9M 2017 and excluding the impact of the non recurring expenses in 9M 2018, EBITDA would have increased by 21% to €32.7Mn, reflecting a 1.7 pp rise in the EBITDA margin to 15.0% in 9M 2018.

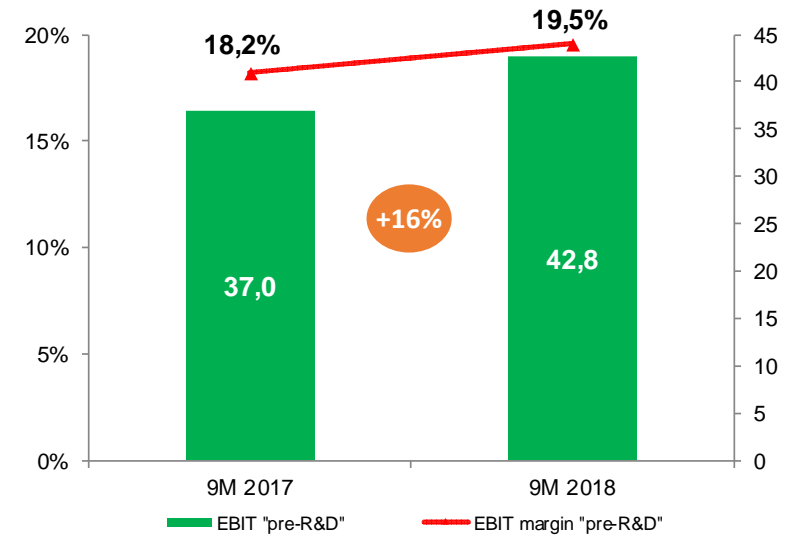
Note: EBITDA “pre-R&D” calculated excluding R&D expenses in 9M 2018 and 9M 2017 and the impact of non recurring expenses in 9M 2018

EBIT

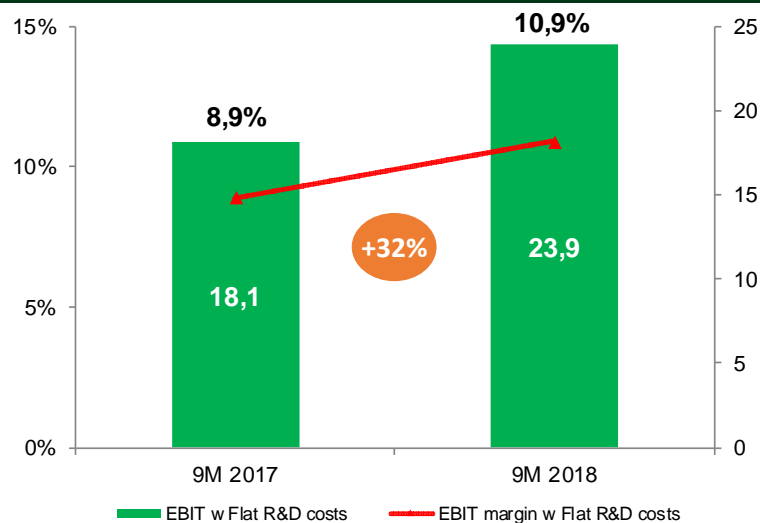
EBIT (€Mn) and EBIT margin (%)



EBIT (€Mn) and EBIT "pre-R&D" (w/o R&D and non recurring expenses) margin (%)



EBIT (€Mn) and EBIT margin (%) with flat R&D costs and w/o non recurring expenses

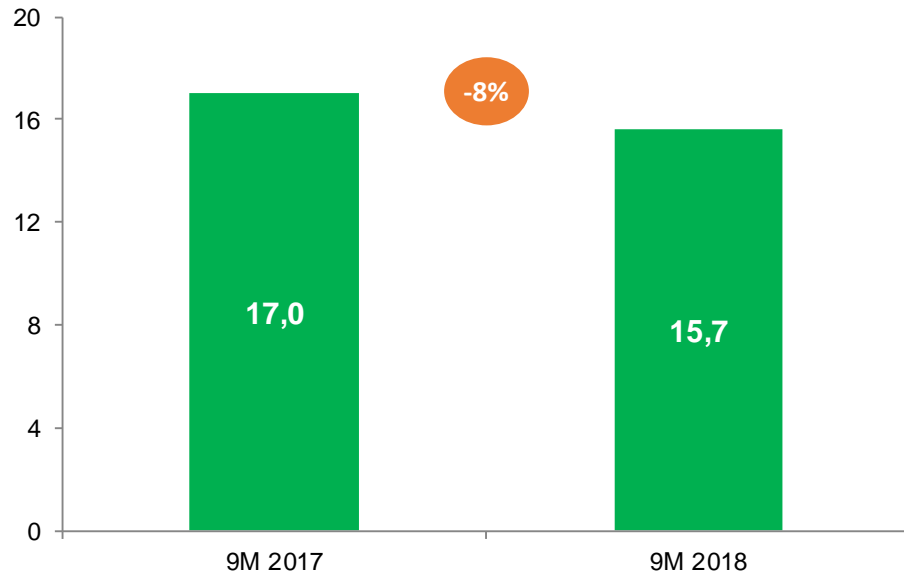


- **Depreciation and amortisation** expenses increased by 0.3% to €8.9Mn in 9M 2018.
- **EBIT** decreased to €17.1Mn in 9M 2018, reflecting a 1.1 pp fall in the EBIT margin, which was down to 7.8% in 9M 2018 from 8.9% in 9M 2017.
- **EBIT "pre-R&D"** (w/o R&D and non recurring expenses) increased by 16%, from €37.0Mn in 9M 2017 to €42.8Mn in 9M 2018, reflecting a 1.3 pp rise in the EBIT margin to 19.5% in 9M 2018. Likewise,
 - recognising the same amount of R&D expenses in 9M 2018 as in 9M 2017 and excluding the impact of the non recurring expenses in 9M 2018, EBIT would have increased by 32% to €23.9Mn, reflecting a 2.0 pp rise in the EBIT margin to 10.9% in 9M 2018.

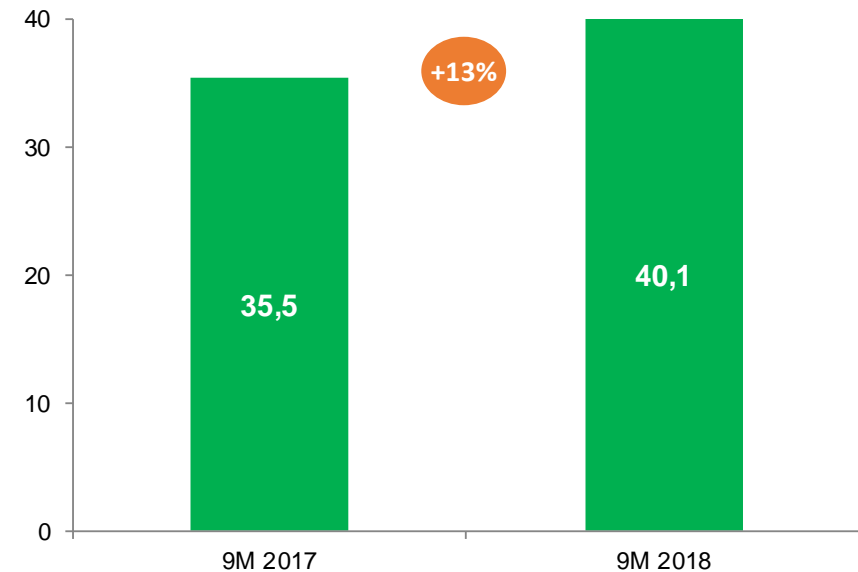
Note: EBIT "pre-R&D" calculated excluding R&D expenses in 9M 2018 and 9M 2017 and the impact of non recurring expenses in 9M 2018

Net profit

Net profit (€Mn)



Net profit “pre-R&D” (w/o R&D and non recurring expenses) (€Mn)

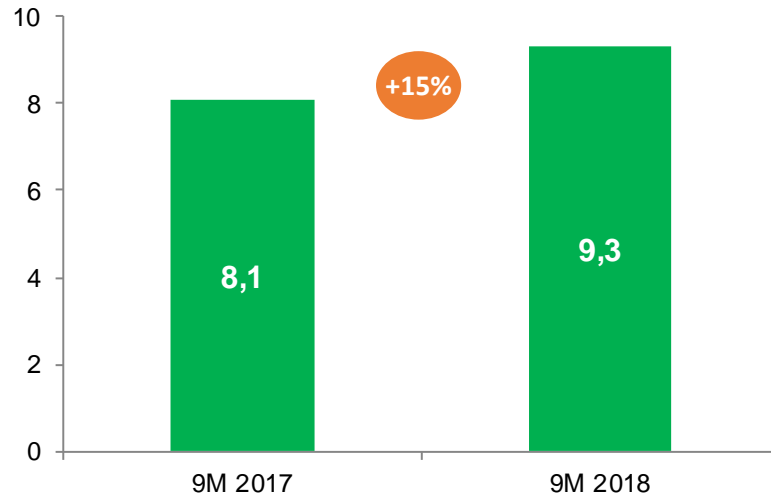


- **Net profit** decreased to €15.7Mn in 9M 2018, a 8% fall compared to 9M 2017.
- **Net profit “pre R&D”** (w/o R&D and non recurring expenses) increased by 13%, from €35.5Mn in 9M 2017 to €40.1Mn in 9M 2018. Likewise,
 - recognising the same amount of R&D expenses in 9M 2018 as in 9M 2017 and excluding the impact of the non recurring expenses in 9M 2018, net profit would have increased by 30% to €22.1Mn.
- **Effective tax rate of 4.7%** in 9M 2018 vs 2.3% in 9M 2017. This favourable effective tax rate is due to:
 - R&D deductions; and
 - negative tax bases from Frosst Ibérica, S.A., Rovi GmbH (the German franchise) and Rovi Biotech, S.R.L. (the Italian franchise).
- As of 30 September 2018, **negative tax bases amounted to €35.0Mn**, of which €1.0Mn will be used in 9M 2018.
- While the Risperidone-ISM[®] Phase III trial is ongoing, adding higher R&D expenses, ROVI expects a very beneficial effective tax rate to be applicable. Notwithstanding, when the R&D expenses are normalised after completion of the Phase III trial, the company expects the effective tax rate to be in mid-single-digit numbers in the following years.

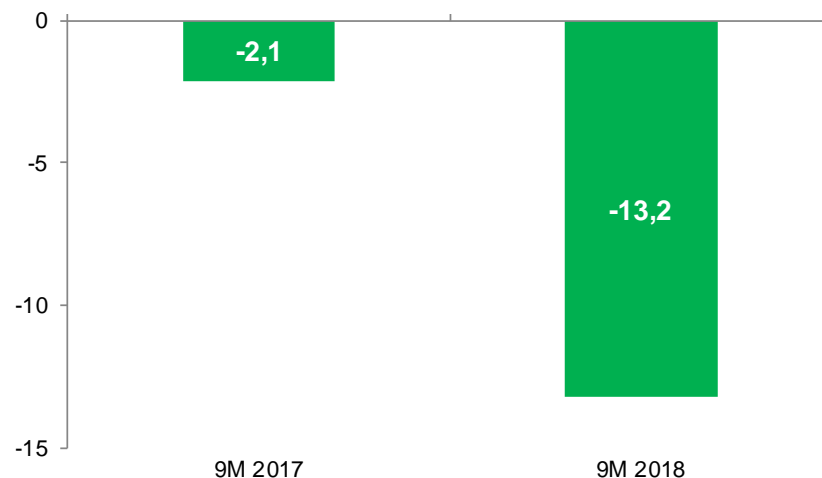
Note: Net profit “pre-R&D” calculated excluding R&D expenses in 9M 2018 and 9M 2017 and the impact of non recurring expenses in 9M 2018. Same effective tax rate as the reported net profit.

Capital expenditure and Free Cash Flow

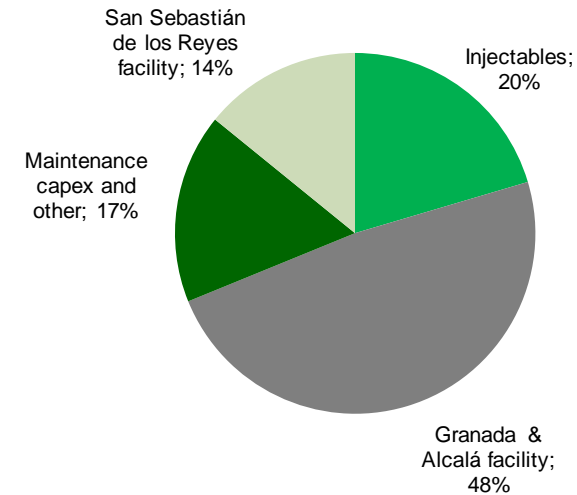
Capex evolution (€Mn)



Free Cash Flow (€Mn)



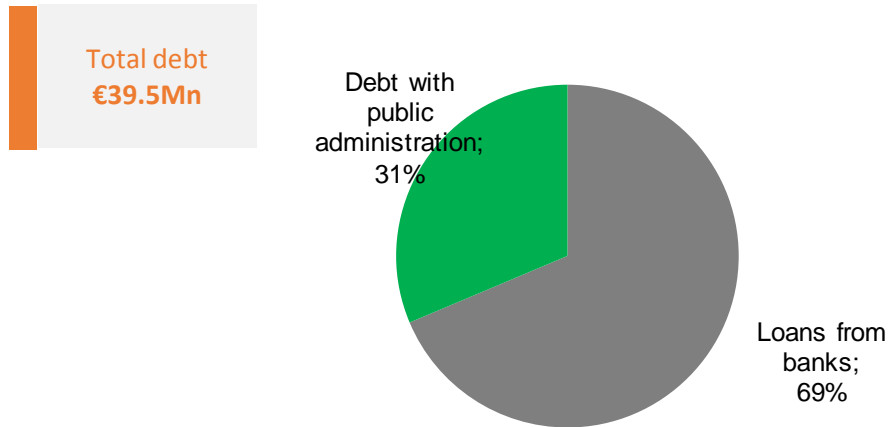
Capex breakdown (%)



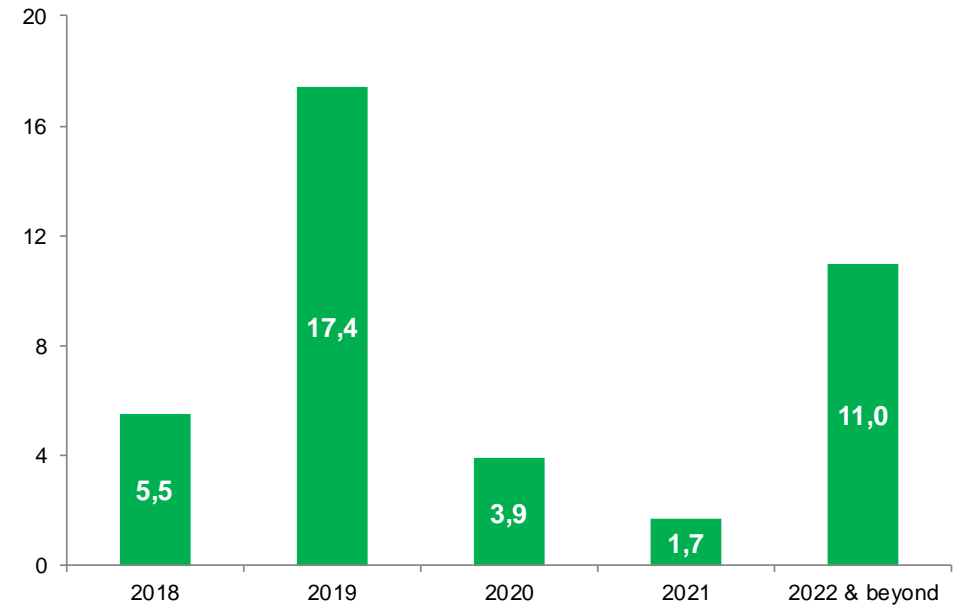
- €9.3Mn of **capex** invested in 9M 2018.
 - €1.9Mn of investment capex related to the injectable plant;
 - €2.2Mn of investment capex related to the Granada facility;
 - €2.3Mn of investment capex related to the Alcalá de Henares facility;
 - €1.3Mn of investment capex related to the San Sebastián de los Reyes facility;
 - €1.6Mn of maintenance capex and other capex.
- **FCF** decreased to €-13.2Mn mainly due to:
 - €27.1Mn increase in “inventories” in 9M 2018 vs €6.4Mn increase in 9M 2017;
 - €10.6Mn increase in “trade and other receivables” in 9M 2018 vs €5.7Mn decrease in 9M 2017;
 - €10.5Mn increase in “trade and other payables” in 9M 2018 vs €19.8Mn decrease in 9M 2017;
 - €1.5Mn of “prepaid expenses”, related to capital increase, registered in 9M 2018;
 - €1.2Mn increase in capex; and
 - €1Mn decrease in “profit before income tax” in 9M 2018 vs 9M 2017.

Financial debt

Debt breakdown by source (%)



Debt maturities by year (€Mn)



- **Debt with public administration** represented 31% of total debt, with 0% interest rate.
- **Gross cash position of €18.9Mn** as of 30 September 2018 vs €42.1Mn as of 31 December 2017.
- **Net debt of €20.6Mn** as of 30 September 2018 vs €1.1Mn as of 31 December 2017.
- ROVI paid a gross dividend of 0.1207 euros per share on 2017 earnings and it represented a 35% pay-out.



News-flow 2018/2019



Specialty Pharma	Sales of biosimilar of Enoxaparin
	Additional new in-licensing products to be launched
	Granting by the competent local authorities of the marketing authorisation of an Enoxaparin biosimilar in 3 EU countries (23 already granted)
Toll manufacturing	New contracts to be announced
ISM[®] technology platform	Doria[®] final Phase III data readout at the end of Q2 2019
	ISM-Letrozole[®] Phase I data readout at the end of Q2 2019

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