

JGL Group Reaches HRK 933m in Revenue

With a 17% increase in total revenue and 34% in operating profit (EBITDA) in 2019, JGL exhibited a record-breaking performance. The final, consolidated and unrevised financial statement for the previous year shows that **the JGL Group made HRK 933m in total revenue, with a profit before taxation of HRK 82m.** Operating revenue from the core business has seen a 15% increase, reaching HRK 729m, with a 30% increase in operating profit. Such growth in revenue and profitability has translated into an expansion of the workforce, and for the first time, the JGL Group exceeded 1,000 employees in 2019.

"I would like to thank all of our employees for their efforts and outstanding performance in the previous year. At times like these, when competitor pressure is increasing and the general macroeconomic situation is in decline, we've achieved double-digit growth with all of our key brands and in nearly all of our markets where we maintain our operations," says **Mislav Vučić, JGL' CEO.** In 2019, the company operated in 60 markets through B2C (Business to Customer) or B2B (Business to Business) operations.

In terms of individual markets, those fastest-growing are Belarus (+62%), Ukraine (+24%) and B2B (+46%). Russia, the company's biggest market, is also recording double-digit growth (+15%), as are other important JGL markets, such as Kazakhstan, Croatia, Bosnia and Herzegovina, Serbia and Slovenia.

"We are especially glad to see the wide base of our growth, with the B2B segment in the lead (+46%). It is followed by each of our biggest brands – Vizol S drops for dry eye with 37%, Meralys nasal sprays with a 29% increase in sales, and a double-digit growth rate for all of our other leading brands, such as Aqua Maris, Dramina and Aknekutan," Vučić adds.

In 2019, JGL obtained a total of 50 new marketing authorisations in the B2C segment, initiated registration processes for 47 products, and successfully launched 118 different products in 35 different markets. There were 15 active R&D projects, most of which were aimed at developing new own products, and 10 new partnership agreements were concluded.

"Thanks to our excellent financial and market results, and subsequently a significantly improved position in terms of net debt, which we have reduced to 2.8x EBITDA, as well as cash flow, we succeeded in refinancing our bonds at the end of the year, with a fixed interest rate of 1.75% over five years. We are proud of our achievement – the lowest corporate bond interest rate in the non-financial sector in the history of the Croatian capital market," he concludes.

The current very favourable financial position of the company enables us to continue investing, primarily in our employees. We rewarded them for their performance in 2019 with the maximum bonus available, and we believe the same will happen this year as well. We are also anticipating a new cycle of investments in our technological capacity and capabilities, as well as R&D, which puts JGL well above the European average for companies that invest in their development.

“After investing HRK 361m in the JGL Pharma Valley site in 2015, we are now entering the second phase of investments, headed by the Integra 2020 project. The aim of the project is to further satisfy the demand for our products and integrate R&D, manufacturing and quality processes in a one-stop-shop. The project envisions a 60% increase in the capacity of sterile production, the construction of a pilot plant, investing in development and quality labs, and expanding our storage facilities. With this new investment at Svilno, worth over HRK 250m, we are raising the bar of our development and technological competence and global competitiveness in select therapeutic segments. This is something I find extremely important for our further strides into the global health market,” says **Ivo Usmiani, president of JGL’s Board of Directors**, adding that Integra 2020 is ushering in a new, development-focused dimension of the future for JGL, on the road towards stable and sustainable growth.