



Vistin Pharma

Q2

# Presentation 2024

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23 August 2024



# Agenda

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## Highlights

# Second quarter 2024 results

### **MNOK 106 in revenue vs. MNOK 107 in Q2 2023**

- Currency neutral revenue slightly higher in the quarter compared to Q2'23 (+1%)
- MNOK 210 in revenue YTD 2024 compared to MNOK 208 YTD last year

### **Record high EBITDA of MNOK 27 vs. MNOK 20 in Q2 2023, an increase of 40%**

- EBITDA positively affected by product mix, favorable material cost prices and good cost control in quarter
- EBITDA YTD of MNOK 48 compared to MNOK 34 YTD 2023, an increase of 42%

### **Other**

- Manufacturing line 2 has been producing according to plan from April, after the unplanned maintenance/repair in first quarter
- Planned bi-annual maintenance stop successfully completed in second quarter
- Cash dividend of NOK 0.50 per share distributed in June 2024. Additional dividend of NOK 0.50 per share planned to be distributed in Q4
- Net profit positively affected with MNOK 2.5 in quarter by fair value of future FX cash flow hedging contracts (unrealized gain - no cash effect in quarter)



*Vistin has high focus on reducing local and global emissions, and programs are in place to consume responsibly and recycle where possible*





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# A pure play metformin company – supporting patients worldwide in a growing market



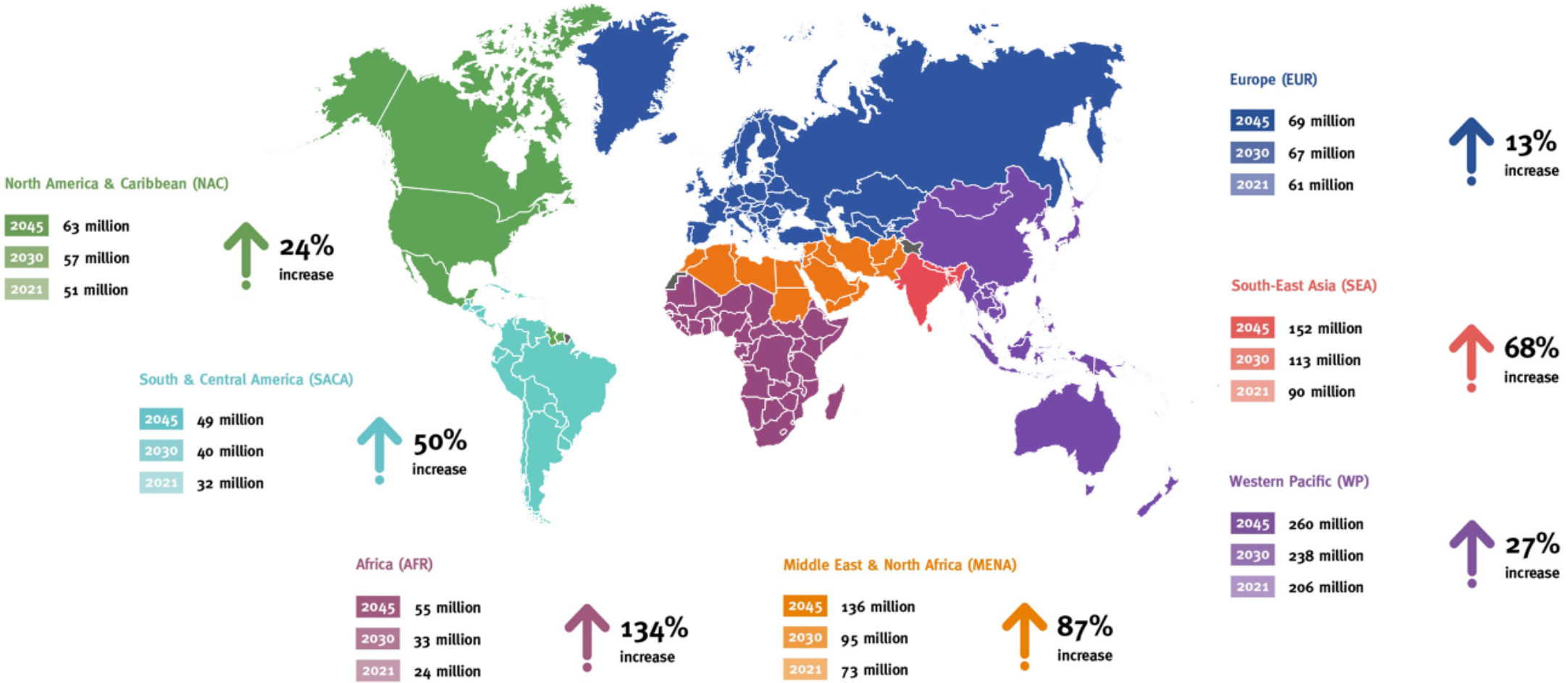
- Market demand for Metformin is expected to grow 4-6% annually
- Vistin's global market share will be approx. 10% when new capacity expansion is fully utilized



*Diabetes – A global  
emergency*



# Number of people with diabetes expected to increase by 50% from 2019-2045 to 750 million people



Number of people living with diabetes  
 Source International Diabetes Federation, IDF Diabetes Atlas, tenth edition, 2021



*Vistin Pharma produces about 10% of the world's demand of metformin and has a world-wide sales coverage*



# World sales map







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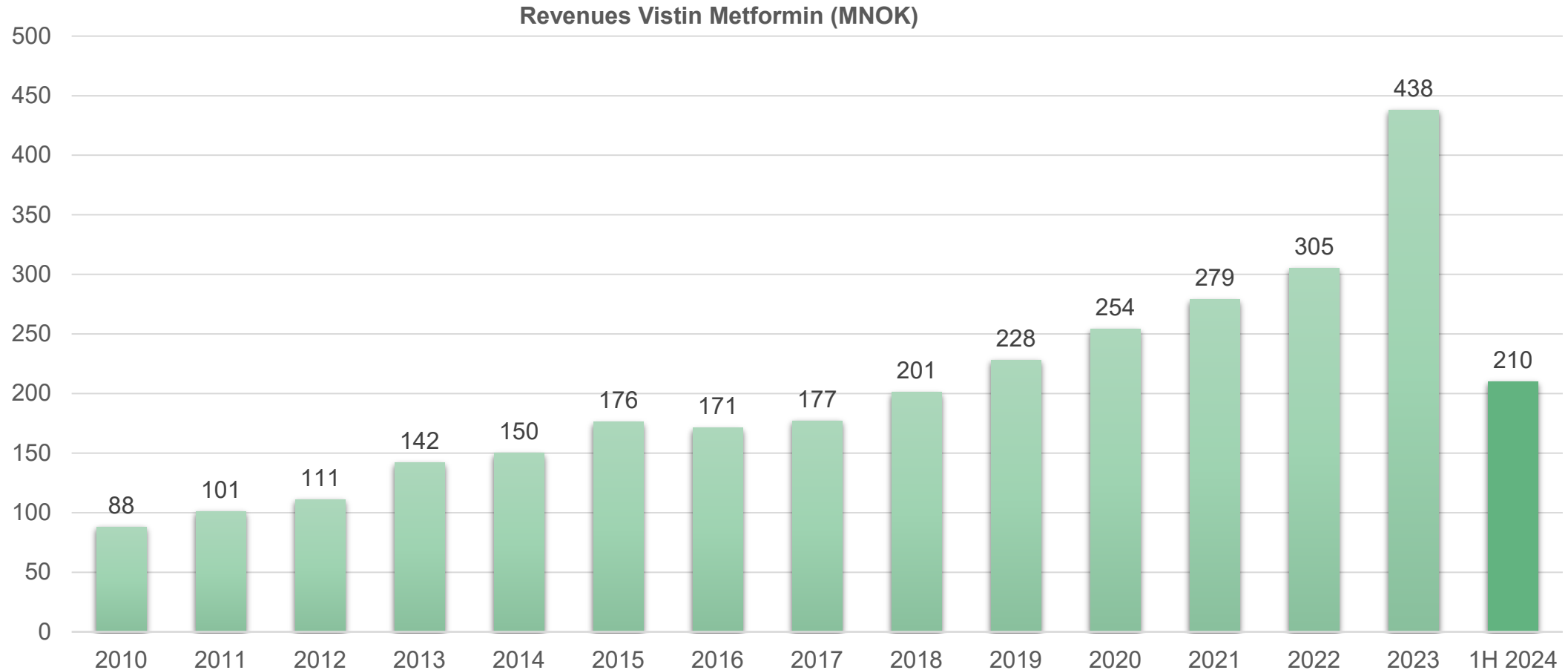
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# Long track of profitable growth



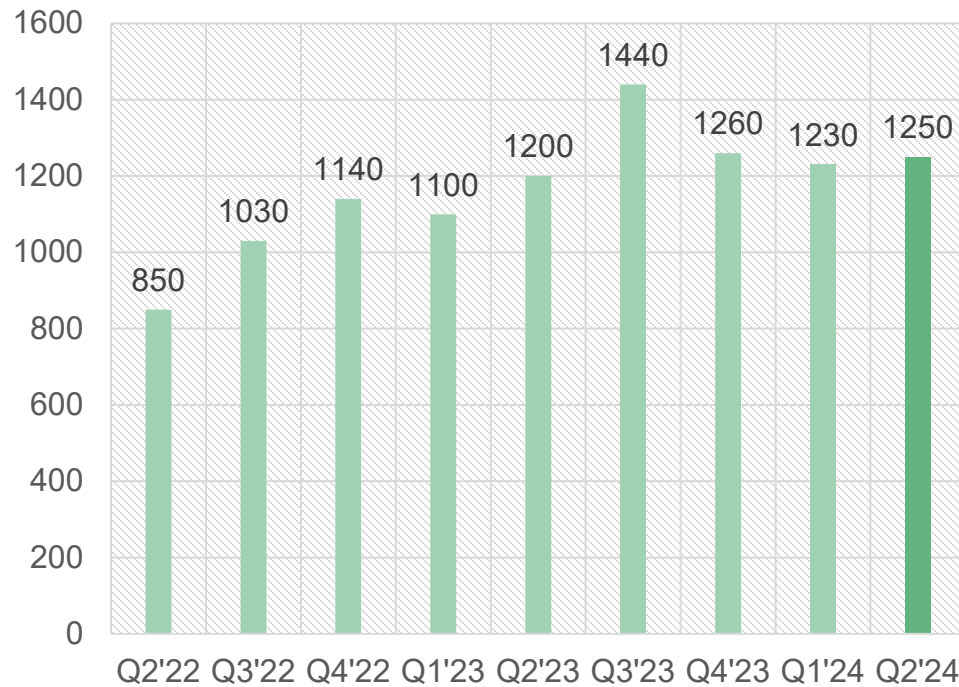
2022 includes a one-time positive liquidated damage compensation (MNOK ~12.5)



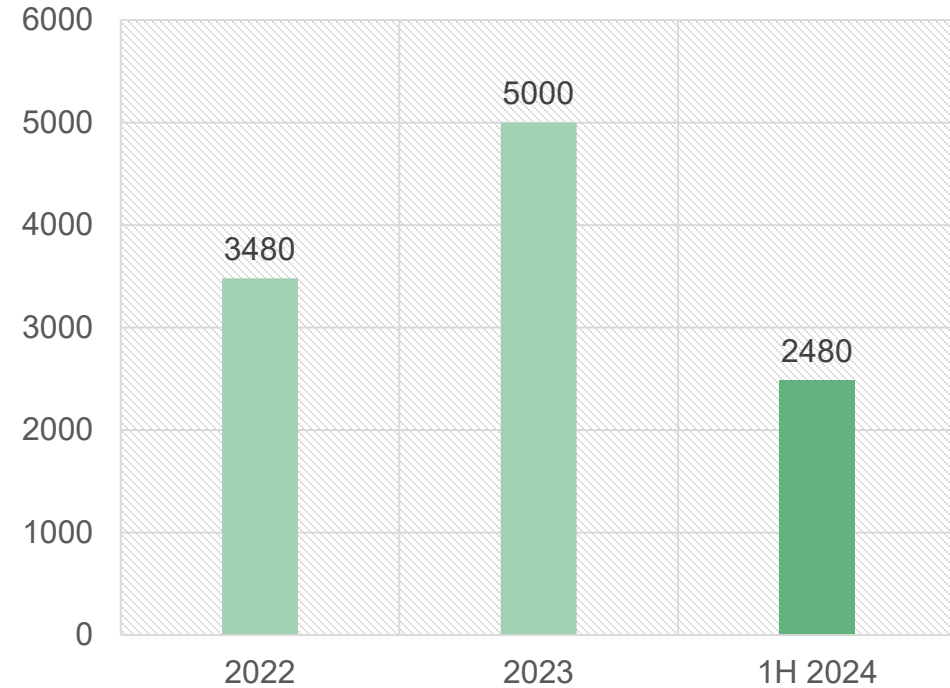
*Financial review*

# Sales volume increased by 4% compared to Q2'23, even with limited available volume in April due to production downtime in Q1

Quarterly sales volume metformin (HCl & DC)



Annual sales volume metformin (HCl & DC)

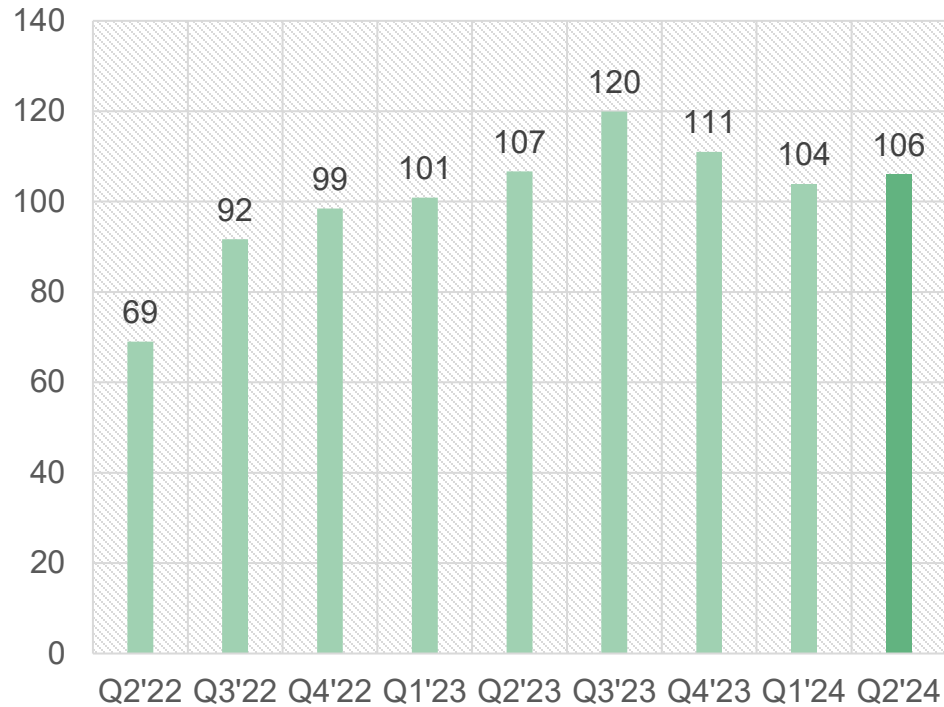


*Figures in Metric Tons (MT)*



*Financial review*

# Revenue increased compared to Q2'23 (currency neutral), partly offset by lower global metformin prices due to decreased raw material prices



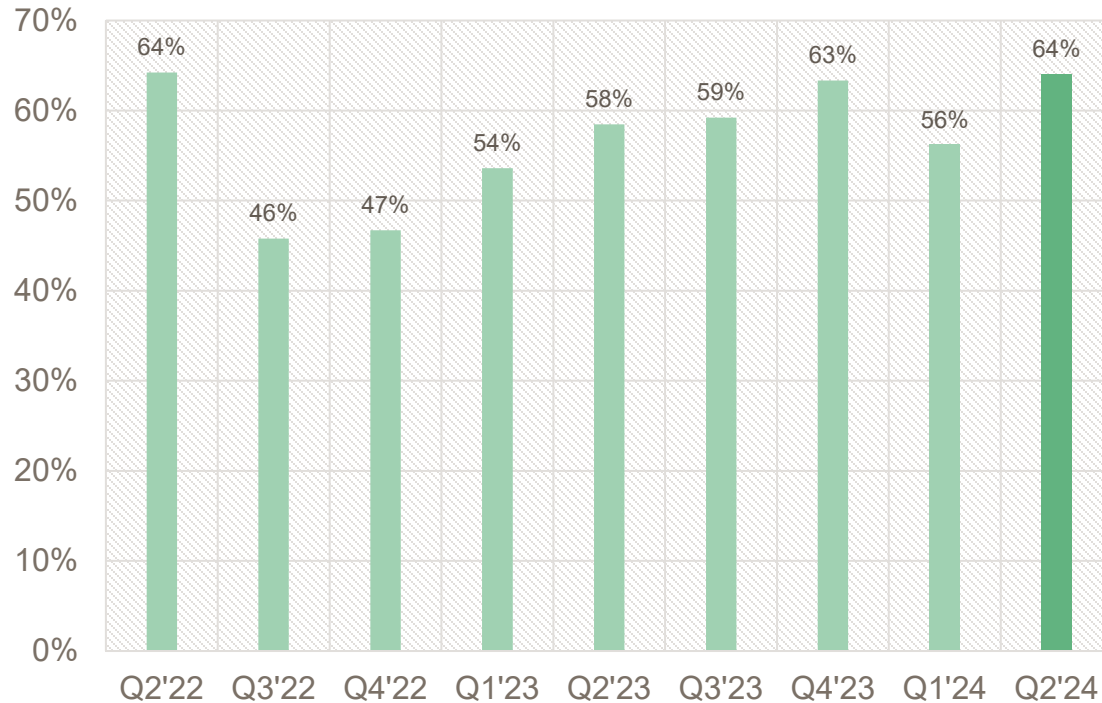
Figures in MNOK

- Revenue of MNOK 106 in Q2'24 vs 107 in Q2'23, adjusted for slightly stronger NOK compared to EUR/USD in 2023, revenue increased by 1%
- April affected by limited sales volume available due to unplanned production downtime in Q1 – May and June available sales volume was according to plan
- Global Metformin prices are lower past twelve months as raw material prices have decreased from high post pandemic levels





# Positive development in gross margin with stable production volumes and economies of scale in raw material purchasing



Q4 2022 adjusted for the one-time positive liquidated damage compensation (MNOK ~12.5)

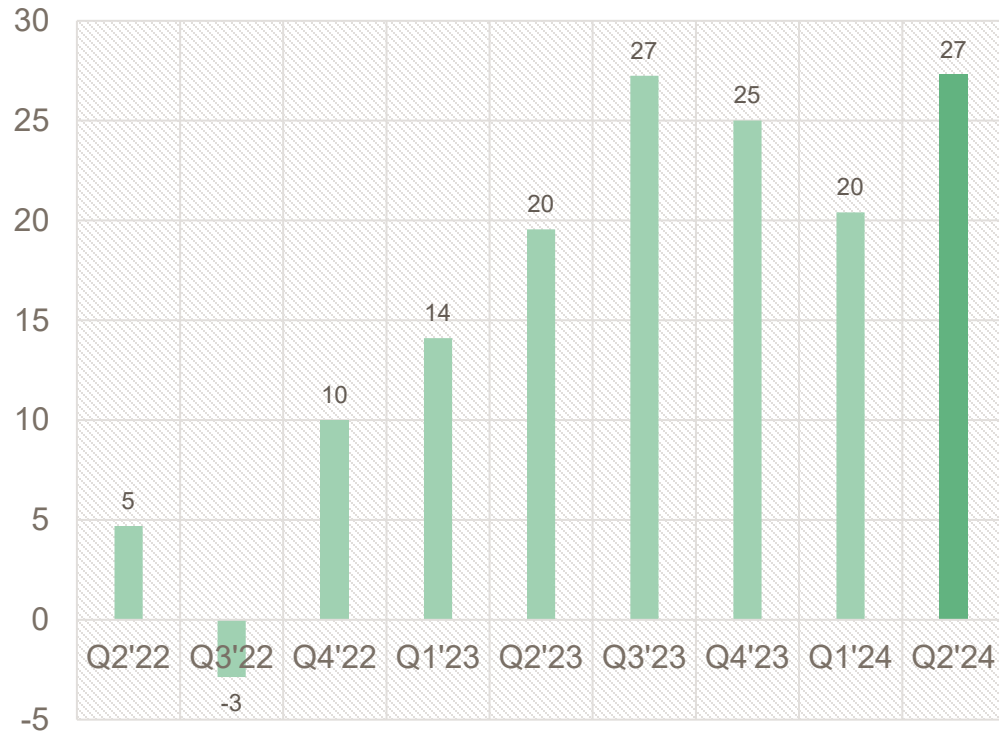
Gross margin (Total revenue – raw materials & freight costs)

- Positive development in gross margin due to stable production and favorable economies of scale in raw material purchasing
- Vistin's ambition for long-term gross margin is >60%



*Financial review*

# Record high EBITDA of MNOK 27.3 vs. MNOK 19.6 in Q2 2023, a 40% increase compared to same quarter last year



- EBITDA positively affected by product mix, favorable material cost prices and good cost control in quarter

*Figures in MNOK*



Financial review

# Key figures: income statement

(NOK 1 000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Total revenue and other income					
Total revenue and other income	<b>106 081</b>	106 729	<b>209 964</b>	207 669	438 328
EBITDA					
EBITDA	<b>27 337</b>	19 546	<b>47 778</b>	33 688	85 944
EBIT					
EBIT	<b>22 328</b>	15 313	<b>38 087</b>	25 255	68 597
Depreciation & amortisation	<b>-5 009</b>	-4 233	<b>-9 691</b>	-8 433	-17 347
Net finance income/(expense)	<b>2 239</b>	-6 214	<b>-3 704</b>	-19 977	-10 079
Profit/(loss) before tax	<b>24 567</b>	9 099	<b>34 383</b>	5 278	58 517
Profit/(loss) for the period	<b>19 162</b>	7 097	<b>26 819</b>	4 117	45 595



# Balance sheet

## Assets

	30.06.2024	30.06.2023	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	229 973	218 433	219 984
Financial Assets	11 433	-	-
Deferred tax assets	7 074	27 440	14 638
<b>Total non-current assets</b>	<b>248 480</b>	<b>245 873</b>	<b>234 622</b>
<b>Current assets</b>			
Inventory	68 787	80 579	80 171
Trade receivables	67 216	52 373	47 023
Other receivables	7 099	1 356	15 376
Cash & cash equivalents	11 389	2 920	26 204
<b>Total current assets</b>	<b>154 490</b>	<b>137 229</b>	<b>168 774</b>
<b>Total Assets</b>	<b>402 970</b>	<b>383 103</b>	<b>403 397</b>

- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Inventory consisting of approx. 70/30 raw materials and finished goods
- Reduced sea transportation through the Suez canal has significantly increased freight lead times. However, no impact on production in the first half of the year, due to safety stock of critical raw materials



# Balance sheet

## Equity and liabilities

	30.06.2024	30.06.2023	31.12.2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	44 345	44 345	44 345
Share premium	151 470	206 885	206 885
Retained earnings	98 360	26 372	71 540
<b>Total equity</b>	<b>294 175</b>	<b>277 602</b>	<b>322 770</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	1 764	2 489	2 287
Pension liabilities	8 372	13 199	8 864
<b>Total non-current liabilities</b>	<b>10 136</b>	<b>15 687</b>	<b>11 151</b>
<b>Current liabilities</b>			
Trade payables	13 443	33 940	18 916
Short term debt	45 835	-	-
Other current liabilities	39 380	55 873	50 558
<b>Total current liabilities</b>	<b>98 658</b>	<b>89 814</b>	<b>69 473</b>
<b>Total liabilities</b>	<b>108 795</b>	<b>105 501</b>	<b>80 624</b>
<b>Total Equity and Liabilities</b>	<b>402 970</b>	<b>383 103</b>	<b>403 397</b>

- Strong balance sheet with an equity ratio of 73%
- Net interest-bearing debt of MNOK 34.4 as of end June. Change from net cash as of end 2023 and to net debt driven by dividend payout in January and June (total NOK 1.25 per share) and the acquisition of 15% of the shares in CF Pharma
- Vistin has additional credit facilities available if needed

**Metformin HCl**

Metformin HCl



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## *Summary*

**All time high EBITDA of 27.3 MNOK in Q2'2024 with gross margin of 64%**

**Metformin market expected to continue to grow by 4-6% annually**

**Freight prices are expected to gradually increase during 2024 due to recent spike in freight rates**

**Sales prices and volume for remaining 2024 are booked**

**The long-term renewable energy supply agreement signed with Statkraft until 2032 provides predictable cost and secures 100% green hydropower long-term**

**Attractive Metformin growth potential to be realized when the remaining manufacturing capacity is fully available and utilized**

**Vistin is strategically well positioned as leading European clients prefer high quality supplies, near-shore production and an attractive ESG-profile**

**Vistin has an ambition to pay out 50 percent of net annual profit as dividend, to be balanced against the company's financial strength and capital requirements for future growth**

**After the purchase of 15% of CF Pharma in Q1, Vistin is exploring our various strategic options for further growth**





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# Double capacity double care metformin strategy

## Strategically positioned producer of two different metformin products: Metformin HCl and DC

- Enhance our capability to supply tailor-made products
- Improve COGS by investing in cost-efficient supply of raw materials, waste handling and LEAN
- Strategically well positioned as many European clients prefer high quality supplies, near-shore production and a leading ESG-profile

## Attractive growth potential with new production line installed in 2022

- Decided in April '20 to invest MNOK 100 to increase the annual production capacity up to 7000MT
- Sales volume increased by ~44% from 2022 to 2023
- Vistin is experiencing a strong demand for it's Metformin

## A premium producer in a competitive market

- Sales to reputable international pharmaceutical companies
- State-of-the-art, fully automated manufacturing plant in Kragerø, Norway
- Certified by all significant international regulatory bodies

## Metformin market expected to continue to grow by 4-6% annually

- Diabetes is one of the largest health crises of the 21st century
- Metformin is expected to maintain its position as the Gold Standard treatment for T2D in the foreseeable future
- The additional demand for metformin HCl is by industry experts forecasted to grow by approx. 21.000MT to 90.000MT by 2029



Appendix

# Top 20 share- holders as of end June 2024

NAME	SHAREHOLDING	% SHARE
INTERTRADE SHIPPING AS*	12 575 000	28,36 %
HOLMEN SPESIALFOND	3 842 055	8,66 %
PACTUM VEKST AS*	2 991 773	6,75 %
MP PENSJON PK	1 719 848	3,88 %
FERNCLIFF LISTED DAI AS*	1 234 280	2,78 %
STORKLEIVEN AS	751 000	1,69 %
AUGUST RINGVOLD AGENTUR AS	750 315	1,69 %
LUCELLUM AS	720 000	1,62 %
HENRIK MIDTTUN HAAVIE	670 580	1,51 %
IVAR LØGES STIFTELSE	550 000	1,24 %
SURFSIDE HOLDING AS	527 960	1,19 %
TOM RAGNAR PRESTEGÅRD STAAVI	526 324	1,19 %
CORTEX AS	508 989	1,15 %
SANDEN EQUITY AS	500 000	1,13 %
WEM INVEST AS	500 000	1,13 %
DNB BANK ASA	493 327	1,11 %
DELTA AS	410 000	0,92 %
GINKO AS	400 000	0,90 %
ØYSTEIN STRAY SPETALEN*	323 650	0,73 %
MELESIO INVEST AS	309 808	0,70 %
<b>Total 20 largest shareholders</b>	<b>30 304 909</b>	<b>68,34 %</b>
Other shareholders	14 039 683	31,66 %
<b>Total number of shareholders</b>	<b>44 344 592</b>	<b>100,00 %</b>

\*Board members of Vistin Pharma ASA



**Thank you  
for your attention**

[www.vistin.com](http://www.vistin.com)

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23 August 2024