

Ecully, September 6, 2023

**RESULTS AS OF JUNE 30, 2023**

**PCAS (Euronext Paris: PCA)**, a specialist in developing and producing complex molecules for life sciences and innovative technologies, has announced the publication of its consolidated results as of June 30, 2023, approved by today's Board of Directors.

<i>in millions of euros</i>	30 June 2022	30 June 2023
<b>Net sales</b>	<b>109.8</b>	<b>113.4</b>
<b>EBITDA (*)</b>	<b>-0.5</b>	<b>4.7</b>
<i>EBITDA margin</i>	<i>-0.5%</i>	<i>4.2%</i>
<b>Current operating income (*)</b>	<b>-15.3</b>	<b>-11.0</b>
<i>Pharmaceutical Synthesis</i>	<i>-18.7</i>	<i>-18.3</i>
<i>Fine Specialty Chemicals</i>	<i>3.4</i>	<i>7.4</i>
Other operating income and expenses	-14.7	47.4
<b>Operating income</b>	<b>-30.0</b>	<b>36.4</b>
Financial result	-1.2	-9.1
Taxes	-1.0	-1.9
<b>Net result</b>	<b>-32.2</b>	<b>24.4</b>

(\*) of which research tax credit (CIR): €2.1 million in 2023 and 2022

(\*\*) of which in 2023 a capital gain from the sale of PCAS Canada securities for €66.1 million as well a partial depreciation of accounts receivables for €15.6 million and in 2022 a depreciation of the Group's goodwill for €14.5 million

**Results**

The PCAS Group generated consolidated net sales of 113.4 million euros as of June 30, 2023, a 3.6 million euros increase compared to the same period of last year (+2.9% at constant exchange rates) :

- . the Pharmaceutical Synthesis business generated sales of €68.8m, a 2.0% increase compared to 2022 (a 1.7% increase at a constant exchange rate). Adjusted for Estetrol, this growth came to +35.3% (+35.0% at constant exchange rates), mainly as a result of a strong activity at the Turku and Aramon sites, as well as higher demand for R&D services. Sales also benefited from the price increases implemented during the course of 2022,

- . net sales of Specialty Fine Chemicals totaled €44.7 million, a 5.4% increase compared to 2022 (a 4.7% increase at constant exchange rates). Excluding sales of June 2022 of the Canadian subsidiary which was disposed at the beginning of June 2023, the increase is 11.0% (a 10.2% increase at constant exchange rates). Demand was generally good at the start of the year, with however a slowdown in the Lubricants business, offset by the dynamism of other activities and the effects of price increases implemented during the course of 2022.

PCAS Group EBITDA amounted to 4.7 million euros in the first half of 2023, compared to -0.5 million euros in the first half of 2022.

Current operating income for the first half of 2023 amounted to -11.0 million euros, compared to -15.3 million euros for the first half of 2022.

These results are affected by a level of activity still insufficient to cover fixed costs at several Pharmaceutical Synthesis sites.

Other operating income and expenses in the first half of 2023 include:

- . a capital gain of 66.1 million euros from the sale of the Group's Canadian subsidiary which was completed on June 1, 2023,
- . a partial depreciation of Mithra receivables for 15.6 million euros since the risk of a future default of Mithra cannot be totally excluded and that PCAS has had to start legal proceedings to obtain the payment of its receivables, being precised that there have been no major developments in this dispute in recent months.

As a reminder, other operating income and expenses included in 2022 a goodwill impairment for an amount of 14.5 million euros.

Financial expenses rose sharply as a result of the increase in PCAS Group debt before the impact of the disposal of the Canadian subsidiary, and the increase in the financial interests paid on the Seqens loan and current accounts in line with the overall trend in interest rates and the cost of Seqens Group debt.

The net result for the first half of 2023 shows a profit of 25.4 million euros compared to a loss of 32.2 million euros for the first half of 2022.

The Group's net debt (including Seqens net current accounts) totaled 195.1 million euros vs. 228.4 million euros as of December 31, 2022. This change is mainly due to the cash generated by the sale of the Group's Canadian subsidiary, partly offset by operating losses, financial expenses and capital expenditure in the first half of 2023.

## Outlook

In the context of the ongoing dispute with the customer Mithra, a temporary shutdown of activity has been implemented during the second quarter of 2023 at the production site concerned, some of which workshops being dedicated to the production of Estetrol. Due to this reduction of activity, PCAS decided during today's Board of Directors to launch a project to reorganize the site in order to increase its industrial capabilities and reposition it as a more flexible contract manufacturing activity for active pharmaceutical ingredients and intermediates, and thus ensure its future. This reorganization and repositioning project requires the launch of an employment protection plan (*Plan de sauvegarde de l'emploi*) subject to an ongoing information-consultation of the competent workers' councils. As part of this employment protection plan, PCAS would offer support and redeployment measures, including at other PCAS Group sites which are not concerned by the proposed reorganization. The resizing and repositioning of the site would have no impact on PCAS's commitments towards its customers, be it for existing or future projects which deployment will be pursued over the long run.

The disposal of the Group's Canadian subsidiary at the beginning of June 2023 enabled the Group to repay part of Seqens' current account liability for an amount of 79.4 million euros, and to reinforce PCAS Group shareholders' equity (7.2 million euros as of June 30, 2023 versus -17.7 million euros as of December 31, 2022).

As indicated in the press releases of March 30, April 24, and July 27, 2023, the return to positive results, previously announced for 2023, has been postponed.

PCAS Group will continue to benefit from the support of its majority shareholder Seqens (owning 76.66%) for the financing of its activities and its development.

## Filing of a simplified tender offer for PCAS shares and proposed share capital increase

PCAS has been informed of the intention of Seqens, which holds 76.66% of the share capital and 86.66% of the theoretical voting rights of PCAS, to file a simplified public tender offer (OPAS) for the PCAS shares not yet held by Seqens. If, after the OPAS, the necessary conditions are met, this offer will be followed by a squeeze-out. Today's Board of Directors also welcomed Seqens' intention to carry out, following the OPAS, a

share capital increase in PCAS for approximately 200 million euros (including share premium) with preferential subscription rights. This transaction would enable to significantly reduce PCAS indebtedness and strengthen its shareholders' equity.

A press release detailing the practical terms of these operations is also being issued today.



**NEXT FINANCIAL DISCLOSURE:**  
*Q3 2023 net sales - October 30, 2023*

#### **ABOUT PCAS**

PCAS specializes in the development and production of complex molecules for life sciences and innovative technologies. With about 11% of its net sales earmarked for R&D and a large international footprint, PCAS is the preferred industrial partner for market-leading major global groups. Boasting especially high standards, the company offers a growing range of proprietary products and solutions in leading-edge segments. PCAS generated net sales of €226.4 million in 2022 and employs nearly 1200 people in six countries.

To find out more about PCAS: [www.pcas.com](http://www.pcas.com)

---

**PCAS**

**NewCap**

Jean-Louis Martin / Eric Moissenot

Emmanuel Huynh / Louis-Victor Delouvrier  
NewCap

Financial communication and investor relation



Tel.: +33 1 69 79 60 00  
[www.pcas.com](http://www.pcas.com)

Tel.: +33 1 44 71 98 53  
[pcas@newcap.eu](mailto:pcas@newcap.eu)

## APPENDIX

### **Definition of EBITDA and reconciliation of EBITDA with Current Operating Income**

#### **Definition of EBITDA**

Defined as the current operating income plus amortization of tangible and intangible assets and net variations in provisions (including net allocations to provisions for inventories, excluding reversal of provisions on destroyed inventories recorded in consumed purchases and net provisions for employee benefits recorded in personal costs) and depreciation of goodwill.

EBITDA is not a measurement of performance defined by IFRS standards and should not be considered to be an alternative to operating profit from ordinary activities or net profits (as calculated in accordance with IFRS standards) to measure the operational performance of PCAS, to cash flow resulting from current operations, generated by investments or resulting from financial operations (as calculated in accordance with IFRS standards) to measure the capacity of PCAS to meet its cash flow requirements or to any other performance measurement defined by IFRS standards. PCAS considers that EBITDA is a measurement that is frequently indicated and widely used by investors and other interested parties as a measurement of the operational performance of PCAS and its debt service capacity insofar as it makes it possible to make a constant comparison of performance without taking into account amortization expenses, which may vary significantly depending on the accounting methods used (particularly in the event of acquisitions) or non-operational factors (such as historical cost). Consequently, this information is indicated in the present document to enable a more exhaustive and global analysis of operational performance in comparison with other companies and of PCAS' debt service capacity. Insofar as not all companies calculate the EBITDA in the same way, the presentation of EBITDA in the present document may not be comparable to the EBITDA communicated by other companies.

#### **Reconciliation of EBITDA with Current Operating Income**

<i>en millions d'euros</i>	<b>30 June 2022</b>	<b>30 June 2023</b>
<b>Current Operating Income</b>	<b>-15.3</b>	<b>-11.0</b>
+ Amortization of tangible and intangible assets	10.4	12.1
+ Net allocations to provisions for inventories (recorded in consumed purchases)	4.7	3.7
+ Net provisions for employee benefits (recorded in personnel costs)	-	-
+/- Net variation in other provisions	-0.3	-0.1
<b>EBITDA</b>	<b>-0.5</b>	<b>4.7</b>