
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2023

Commission File Number: 001-40851

Procaps Group, S.A.
(Translation of registrant's name in English)

**9 rue de Bitbourg, L-1273
Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B253360
Tel : +356 7995-6138
(Address of Principal Executive Offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

On May 15, 2023, Procaps Group, S.A. (the “Company”) conducted a conference call to provide an update to investors on the Company’s financial results for the year ended December 31, 2022.

A copy of the presentation is furnished as Exhibit 99.1 to this Report on Form 6-K and incorporated by reference herein.

Exhibit Index

Exhibit Number	Exhibit Title
99.1	Earnings Presentation of Procaps Group, S.A. dated May 15, 2023

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PROCAPS GROUP, S.A.

By: /s/ Ruben Minski
Name: Ruben Minski
Title: Chief Executive Officer

Dated: May 15, 2023

NASDAQ: PROC



4Q22 & 2022 Financial Results

May 15, 2023



DISCLAIMER

Forward-Looking Statements

This presentation includes "forward-looking statements." Forward-looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include projected financial information. Such forward-looking statements with respect to revenues, earnings, performance, strategies, synergies, prospects, and other aspects of the businesses of Procaps are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to: (1) whether the Company enters into a new definitive agreement with respect to an acquisition of, and if so, the inability to recognize the anticipated benefits of any such potential acquisition of Al Soar (Netherlands) BV ("Somar Holding"), Quimica y Farmacia S.A. de C.V. ("Quifa"), PDM Acondifarma S.A. de C.V. ("PDM"), Gelcaps Exportadora de Mexico S.A. de C.V. ("Gelcaps"), and Grupo Farmacéutico Somar S.A.P.I. de C.V. ("Somar"), and together with Somar Holding, Quifa, PDM and Gelcaps, collectively, "Grupo Somar") which may be affected by, among other things, competition, and the ability of the combined business to grow and manage growth profitably, or of any merger or acquisition contemplated by the Company; (2) the inability to successfully retain or recruit officers, key employees, or directors; (3) effects on Procaps' public securities' liquidity and trading; (4) the lack of a market for Procaps' securities; (5) changes in applicable laws or regulations; (6) the possibility that Procaps may be adversely affected by other economic, business, and/or competitive factors; (7) the Company's inability to achieve its cost saving goals and value creating initiatives, (8) our ability to remediate our disclosed material weaknesses within certain time frames, if at all and (9) other risks and uncertainties indicated from time to time in documents filed or to be filed with the Securities and Exchange Commission ("SEC") by Procaps. Accordingly, forward-looking statements, including any projections or analysis, should not be viewed as factual and should not be relied upon as an accurate prediction of future results. The forward-looking statements contained in this presentation are based on our current expectations and beliefs concerning future developments and their potential effects on Procaps. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the ability to recognize the anticipated benefits of any acquisitions contemplated or pursued by the Company, the impact of COVID-19 on Procaps' business, changes in applicable laws or regulations, the possibility that Procaps may be adversely affected by other economic, business, and/or competitive factors, and other risks and uncertainties, including those included under the header "Risk Factors" in Procaps' annual report on Form 20-F filed with the SEC, as well as Procaps' other filings with the SEC. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, you should not put undue reliance on these statements.

IFRS Financial Information

The financial information and data for Procaps contained in this presentation have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

Use of Non IFRS Financial Measures

This presentation includes non-IFRS financial measures, including EBITDA, Adjusted EBITDA, Contribution Margin and revenue on a constant currency basis. Management believes that these non-IFRS measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Procaps' financial condition and results of operations. Procaps believes that the use of these non-IFRS financial measures provide an additional tool for investors to use in evaluating ongoing operating results and trends. Management does not consider these non-IFRS measures in isolation or as an alternative to financial measures determined in accordance with IFRS. Other companies may calculate non-IFRS measures differently, and therefore the non-IFRS measures of Procaps included in this presentation may not be directly comparable to similarly titled measures of other companies.

Trademarks and Trade Names

Procaps owns or has rights to various trademarks, service marks and trade names that it uses in connection with the operation of its businesses. This presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products in this presentation is not intended to, and does not imply a relationship with Procaps, or an endorsement or sponsorship by or of Procaps. All rights to the trademarks, copyrights, logos and other intellectual property listed herein belong to their respective owners and Procaps' use thereof does not imply an affiliation with, or endorsement by the owners of such trademarks, copyrights, logos and other intellectual property. Solely for convenience, the trademarks, service marks and trade names referred to in this presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that Procaps will not assert, to the fullest extent under applicable law, its rights or the right of the applicable licensor to these trademarks, service marks and trade names.

No Offer or Solicitation

This presentation is for informational purposes only and is neither an offer to purchase, nor a solicitation of an offer to sell, subscribe for or buy any securities in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act and applicable regulations in Luxembourg.

No Investment or Legal Advice

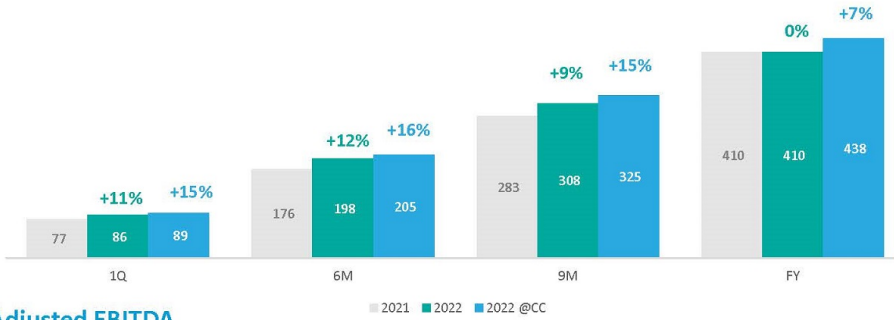
This presentation is not intended to form the basis of any investment decision by the recipient and does not constitute and should not be construed as investment advice and does not constitute investment, tax, or legal advice.



4Q22 & 2022 Highlights

Net Revenues

US\$ million



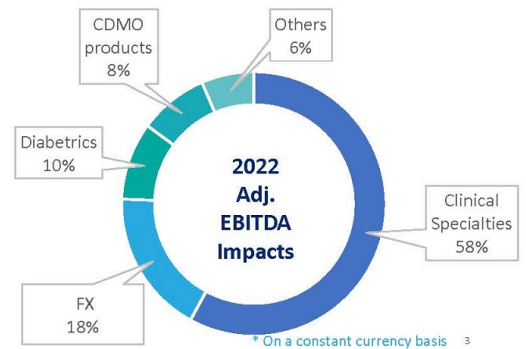
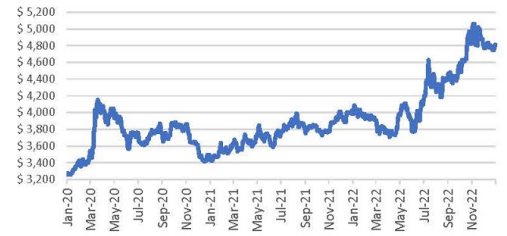
Adjusted EBITDA

US\$ million



4Q22 & 2022 Headwinds

COP/USD





4Q22 & 2022 Highlights



New Products

\$111M in net revenues from **new products**
27% Renewal rate
170+ products in **registration phase**



US Expansion

Commencing of **operations in West Palm Beach**
Growing pipeline of **RX product development**
Full **gummies production** in 2H23

Value Creation Initiatives

Multiple **Value-Creation initiatives** implemented and on track to achieve **up to \$15 million** of targeted recurring savings



Value Creation Initiatives on Track



SG&A Efficiencies

- *Promotion and salesforce expenses reduction*
- *Efficiencies capture in indirect expenses*



Corporate Expenses

- *IT services optimization*
- *T&E and infrastructure maintenance expenses reduction*



Process Streamline

- *Executed streamline of processes and teams*
- *Operations efficiencies: purchasing, production planning, best practices, efficiency gains*



R&D Optimization

- *Supplies and other materials not impacting projects development and launches schedule*



In-House R&D Capabilities Driving Attractive Growth Opportunities



27%
Renewal rate

140+
Launched products

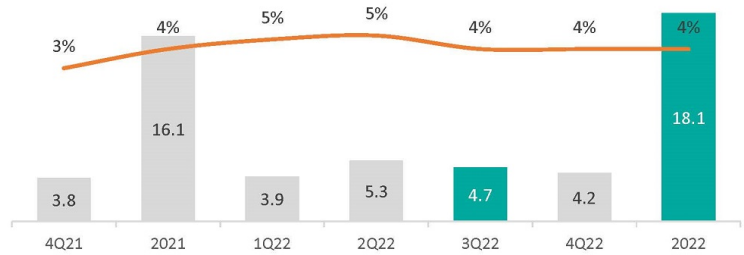
4%
of net revenues invested in
R&D



Relevant R&D Expenditure

~4-5% of Net Revenues invested annually in R&D

R&D Expenses (% of Net Revenues)





Guidance



Preliminary Results 1Q23

US\$ million	1Q23	1Q22
Net Revenues	\$82M - \$85M	\$86M
FX Impact on Net Revenues	\$7M	\$ -
Constant Net Revenues	\$89M - \$92M	-
Adjusted EBITDA	\$9.0M - \$9.3M	\$9M
Constant Adj. EBITDA	\$9.9M - \$10.2M	-

2023 Guidance

~+10%

Net Revenues
constant currency

\$90M - \$100M

Adjusted EBITDA
constant currency

We believe momentum will expand as we benefit significantly from the investments in capabilities, products and geographies, combined with our cost reduction plans



ESG



Social

- “Hilo Azul” initiative impacted over 2,800 patients and 25+ geographies
- Continuous work for gender equality with the launch of a program to boost female leadership in different functional areas and countries



Environmental

In 2022, we announced our plan to **develop our carbon neutrality strategy**. It comprises three main goals:

- Baseline carbon footprint calculation
- Identify greenhouse gas emissions mitigation opportunities
- Develop a strategy to become carbon neutral

During 2022, we advanced on our baseline, and we expect to move forward to the second phase this year



Net Revenue Performance by SBU

Consistent constant currency growth across most business segments



Growth was driven by:

- 4Q22 & 2022 affected by FX, and lower demand of Clinical Specialty portfolio
- Nextgel: increase in sales of existing products, portfolio expansion with key partners and R&D services
- Procaps Colombia: positive performance of Farma and VitalCare lines, offset by FX and Clinical Specialties
- CAN: growth from the roll out of new products and portfolio expansion in several therapeutic areas
- CASAND: growth from existing brands in key markets, and the rollout of new products
- Diabetrics: impacted by FX and overall market. Several measures are being taken to sustain margins going forward





4Q22 & 2022 Gross Profit & Contribution Margin



Gross Profit

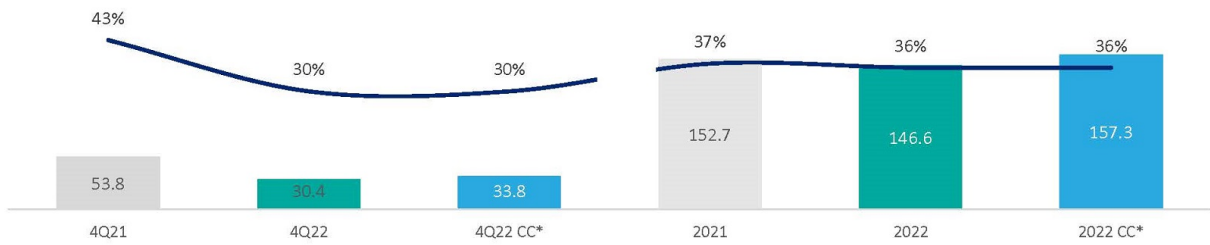
US\$ million



Contribution Margin

US\$ million

Contribution Margin (% of Net Revenues)



* On a constant currency basis

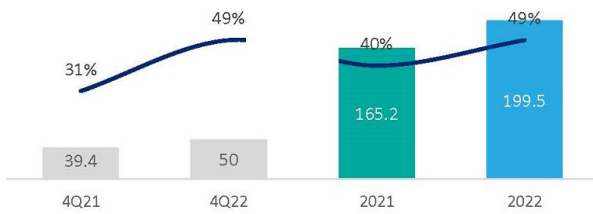


4Q22 & 2022 Operating Expenses & Adjusted EBITDA



Total SG&A Expenses

US\$ million



Total SG&A OPEX and Adjusted EBITDA

- Increase of \$11M in sales and marketing and \$24M in G&A, mainly impacted by:
 - Increase in legal and consulting fees related to M&A processes
 - Rymco impairment
 - Return of events and commercial efforts
 - Brand marketing efforts
 - Costs related to being a publicly listed company
 - Structuring the company for future growth

Adjusted EBITDA

US\$ million



* On a constant currency basis



Balance Sheet & Indebtdeness



US\$ Million	2021	2022
Cash and equivalents	72.1	43.0
Trade and other receivables	117.4	129.6
Inventories	79.4	96.8
Other current assets	29.1	28.0
Total current assets	298.1	297.4
Property, plants and equipments	112.8	113.0
Intangible assets	30.2	32.2
Other non-current assets	21.1	17.6
Total non-current assets	164.1	162.7
Total assets	462.1	460.2
Short term debt	74.6	257.5
Accounts payable	85.4	90.2
Other current liabilities	27.9	20.7
Total current liabilities	188.0	368.4
Long term debt	178.7	28.4
Warrant liability	23.1	10.9
Shares held in escrow	101.9	40.1
Other non-current liabilities	8.8	14.3
Total non-current liabilities	312.5	93.7
Total liabilities	500.5	462.1
Equity	(38.3)	(1.9)

Balance Sheet Changes

- Cash on hand impacted by CAPEX expansion, working capital increase and increased SG&A
- Inventories increased to offset supply crisis
- Debt reclassified to short-term to reflect breach of covenants, which was subsequently waived by lenders
- Shares held in escrow decreased in line with share price

Indebtdeness

US\$ Million	2021	2022	
Short term	74.6	257.5	90%
Long term	178.7	28.4	10%
Gross debt	253.4	285.9	
Cash and equivalents	72.1	43.0	
Net debt	181.3	242.9	
LTM Adj. EBITDA	99.7	70.1	
Net debt / Adj, EBITDA	1.8x	3.5x	



Closing Remarks



- 
- Execution of value creation initiatives
 - Revenues of +\$20M from new products launches in 2023
 - Continued rollout of our existing portfolio in new countries across every SBU
 - Healthy demand for RX and OTC portfolio
 - Partnership with local manufacturers in CASANO region to increase market penetration
 - Capital allocation in business expected to have more cash generation
 - Higher growth of CDMO services and products, focusing on highly regulated markets, with the launch of new products and the new gummy facility in US
 - Inorganic growth through the increase of profits to regain our leverage capacity and continue with inorganic initiatives



APPENDIX





Reconciliation of Adjusted EBITDA



	4Q22	4Q21	2022	2021
Net Income	10.4	27.6	42.5	(100.9)
Financial expenses	(19.4)	(0.6)	(37.9)	78.6
Income tax	(0.9)	7.4	10.2	13.7
D&A	4.5	1.8	16.8	15.1
EBITDA	(5.4)	36.1	31.6	6.6
Listing expense ¹	-	-	-	73.9
FX translation adjustments ²	3.8	1.7	16.0	4.0
Business transformation ³	0.0	0.7	0.3	0.7
Transaction expenses ⁴	4.0	2.2	11.4	9.4
Other expenses ⁵	8.1	1.1	10.8	5.0
Adjusted EBITDA	10.6	41.8	70.1	99.7
<i>Adjusted EBITDA margin</i>	<i>10.4%</i>	<i>33.1%</i>	<i>17.1%</i>	<i>24.3%</i>

(1) Listing expenses for the year ended December 31, 2021 include listing expense of \$73.9 million.

(2) FX translation adjustments represent the reversal of exchange losses we recorded due to foreign currency translation of monetary balances of certain of our subsidiaries from U.S. dollars into the functional currency of those subsidiaries as of December 31, 2022 and 2021.

(3) Business transformation initiatives consist of non-recurring expenses related to the launch of a new patient program platform for Diabetics (Zutrics) during the year ended December 31, 2022.

(4) Transactions expenses for the year ended December 31, 2022 primarily include: (i) consulting and legal fees and expenses incurred in connection with acquisitions and SPA termination in the amount of 12.3 million, (ii) incremental director and officer policy insurance costs in the amount of \$1.0 million in connection with the Business Combination, (iii) tail policy insurance costs incurred of \$0.5 million in connection with the Business Combination, and (iv) incremental audit fees of approximately \$0.3 million incurred in connection with the Business Combination.

(5) Other expenses include mainly a write off related to Rymco impairment charge of approximately \$6.0 million for the year ended December 31, 2022, and COVID-19 impact adjustments for the year ended December 31, 2022 primarily include expenses incurred for safety precautions.



Reconciliation of Contribution Margin



	US\$ million	4Q21	2021	4Q22	2022		US\$ million	4Q21	2021	4Q22	2022
Netigel	Net Revenues	36.926	120.826	30.4	125.064	CASAND	Net Revenues	15.673	53.956	19.0	66.330
	COGS	(16.794)	(55.867)	(18.7)	(60.394)		COGS	(1.551)	(9.932)	(2.444)	(9.230)
	Gross Profit	20.132	64.959	11.687	64.670		Gross Profit	14.122	44.024	16.511	57.099
	Gross margin %	54.5%	53.8%	38.5%	52%		Gross margin %	90.1%	81.6%	87.1%	86.1%
	Sales and marketing expenses	(3.816)	(13.528)	(2.909)	(12.227)		Sales and marketing expenses	(5.5)	(21.532)	(6.9)	(27.6)
Contribution margin	16.317	51.431	8.8	52.443	Contribution margin	8.631	22.492	9.6	29.5		
Contribution margin %	44.2%	42.6%	28.9%	42%	Contribution margin %	55.1%	41.7%	50.5%	44.4%		
Procaps Cal	Net Revenues	45.9	155.327	34.1	142.345	Diabetics	Net Revenues	8.3	28.695	5.2	20.713
	COGS	(11.893)	(66.291)	(19.961)	(68.841)		COGS	(2.9)	(14.702)	(4.0)	(12.239)
	Gross Profit	33.976	89.037	14.090	73.504		Gross Profit	5.392	13.993	1.208	8.475
	Gross margin %	74.1%	50.5%	41.4%	51.6%		Gross margin %	64.9%	48.8%	23.4%	40.9%
	Sales and marketing expenses	(15.761)	(37.106)	(6.806)	(28.755)		Sales and marketing expenses	(1.6)	(5.716)	(1.3)	(5.4)
Contribution margin	18.215	51.931	7.3	44.750	Contribution margin	3.805	8.277	(0.1)	3.1		
Contribution margin %	39.7%	33.4%	21.4%	31.4%	Contribution margin %	45.8%	28.8%	-2.2%	14.9%		
CAN	Net Revenues	19.761	50.937	12.921	55.467	Total	Net Revenues	126.5	409.742	101.5	409.920
	COGS	(3.705)	(13.217)	(4.162)	(19.647)		COGS	(36.9)	(160.009)	(49.2)	(170.351)
	Gross Profit	16.056	37.720	8.759	35.820		Gross Profit	89.678	249.733	52.255	239.569
	Gross margin %	81.3%	74.1%	67.8%	64.6%		Gross margin %	70.9%	60.9%	51.5%	58.4%
	Sales and marketing expenses	(7.383)	(19.184)	(3.530)	(19.000)		Sales and marketing expenses	(35.9)	(97.1)	(21.9)	(93.6)
Contribution margin	8.673	18.536	5.2	16.820	Contribution margin	53.8	152.7	30.4	146.0		
Contribution margin %	43.9%	36.4%	40.5%	30.3%	Contribution margin %	42.5%	37.3%	29.9%	35.6%		



Use of Constant Currency



As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of certain financial metrics and results on a constant currency basis in addition to the IFRS reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. Constant currency information is non-IFRS financial information that compares results between periods as if exchange rates had remained constant period-over-period. We use results on a constant currency basis as one measure to evaluate our performance. We currently present net revenue and contribution margin on a constant currency basis. We calculate constant currency by calculating nine month-end period for the nine months ended September 30, 2022 using prior-period (nine months ended September 30, 2021) foreign currency exchange rates. The functional foreign currencies for the primary regional markets where we operate, such as the Colombian Peso and the Brazilian Real, were adjusted on a constant currency basis at the exchange rates of COP \$3,697.10 per U.S. \$1.00 and R\$5.3317 per U.S. \$1.00, respectively, for the nine months ended September 30, 2021. We generally refer to such amounts calculated on a constant currency basis as excluding the impact of foreign exchange. These results should be considered in addition to, not as a substitute for, results reported in accordance with IFRS. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with IFRS.



Thank you

ir@procapsgroup.com
Investor.procapsgroup.com

NASDAQ: PROC
