



rameda

Quality For All

Results Presentation

1H 2023





AGENDA

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GROUP OVERVIEW

Rameda at a Glance

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents S.A.E. (“Rameda”) specializes in the manufacture and sale of a wide range of branded **generic pharmaceuticals, nutraceuticals, cosmeceuticals, food supplements, medical devices & veterinary products**



Through a **careful selection, acquisition and registration process**, Rameda’s growing portfolio of products is focused on Egypt’s **high growth therapeutic areas** associated with strong margins

The Group’s headquarters and state-of-the-art production facility, **consisting of 3 factories**, is located in 6th of October City in the Giza Governorate west of Cairo.

Rameda was **ranked 3rd amongst the top 10 pharmaceutical players in Egypt** in terms of its 2019-2022 revenue CAGR according to IQVIA, with overall sales up by a strong 23.9% during the period⁽¹⁾

(1) Source: IQVIA

Executive Summary | 2Q 2023 Highlights

2Q 2023 Financial Highlights

Revenues	Gross Profit	EBIT	Net Operating Cash Flow	EBITDA	Net Income ⁽¹⁾	Core Net Income ⁽²⁾	Net Debt
EGP 450.4 mn	EGP 208.0 mn	EGP 98.7 mn	EGP -2.3 mn	EGP 115.6 mn	EGP 50.4 mn	EGP 52.6 mn	EGP 662.4 mn
▲ 22% YoY	▲ 21% YoY 46% margin	▲ 19% YoY 22% margin	vs EGP 134.6 mn in 2Q22	▲ 17% YoY 23% margin	▼ 8% YoY 11% margin	▼ 14% YoY 12% margin	▲ 39% YTD

2Q 2023 Operational Highlights

Total Sales Visits	Units Sold (excluding toll) ⁽³⁾	Products Launched	Molecules Acquired	Average Unit Price (IQVIA)	Medical Reps & Merchandisers
276 _K	11.1 _{mn}	-	4	EGP 59.4	460
vs. 227k in 2Q22	▼ 33% YoY			▲ 51% YoY	vs. 456 in 2Q22

(1) Reported net income figure takes into account EGP 2.1 million in ESOP expenses. Excluding ESOP expenses, reported net income would record EGP 61.1 million in 2Q23.

(2) Core net income before minority interest adjusted for ESOP expense, FX income/losses and unusual items.

(3) Includes units sold from antibiotics. Excluding antibiotics, units sold (excluding toll manufacturing) would record a decline of c.4% YoY in 2Q23.

Executive Summary | 1H 2023 Highlights

1H 2023 Financial Highlights

Revenues	Gross Profit	EBIT	Net Operating Cash Flow	EBITDA	Net Income ⁽¹⁾	Core Net Income ⁽²⁾	Net Debt
EGP 842.4 mn	EGP 386.7 mn	EGP 190.1 mn	EGP -2.3 mn	EGP 223.7 mn	EGP 119.0 mn	EGP 117.6 mn	EGP 662.4 mn
▲ 18% YoY	▲ 12% YoY 46% margin	▲ 7% YoY 23% margin	vs EGP 127.7 mn in 1H22	▲ 7% YoY 27% margin	▼ 6% YoY 14% margin	▼ 8% YoY 14% margin	▲ 39% YoY

1H 2023 Operational Highlights

Total Sales Visits	Units Sold (excluding toll) ⁽³⁾	Products Launched	Molecules Acquired	Average Unit Price (IQVIA)	Medical Reps & Merchandisers
439 K	22.0 mn	-	4	EGP 55.5	460
vs. 396K in 1H22	▼ 37% YoY			▲ 38% YoY	vs. 456 in 1H22

(1) Reported net income figure takes into account EGP 6.5 million in ESOP expenses. Excluding ESOP expenses, reported net income would record EGP 125.6 million in 1H23.

(2) Core net income before minority interest adjusted for ESOP expense, FX income/losses and unusual items.

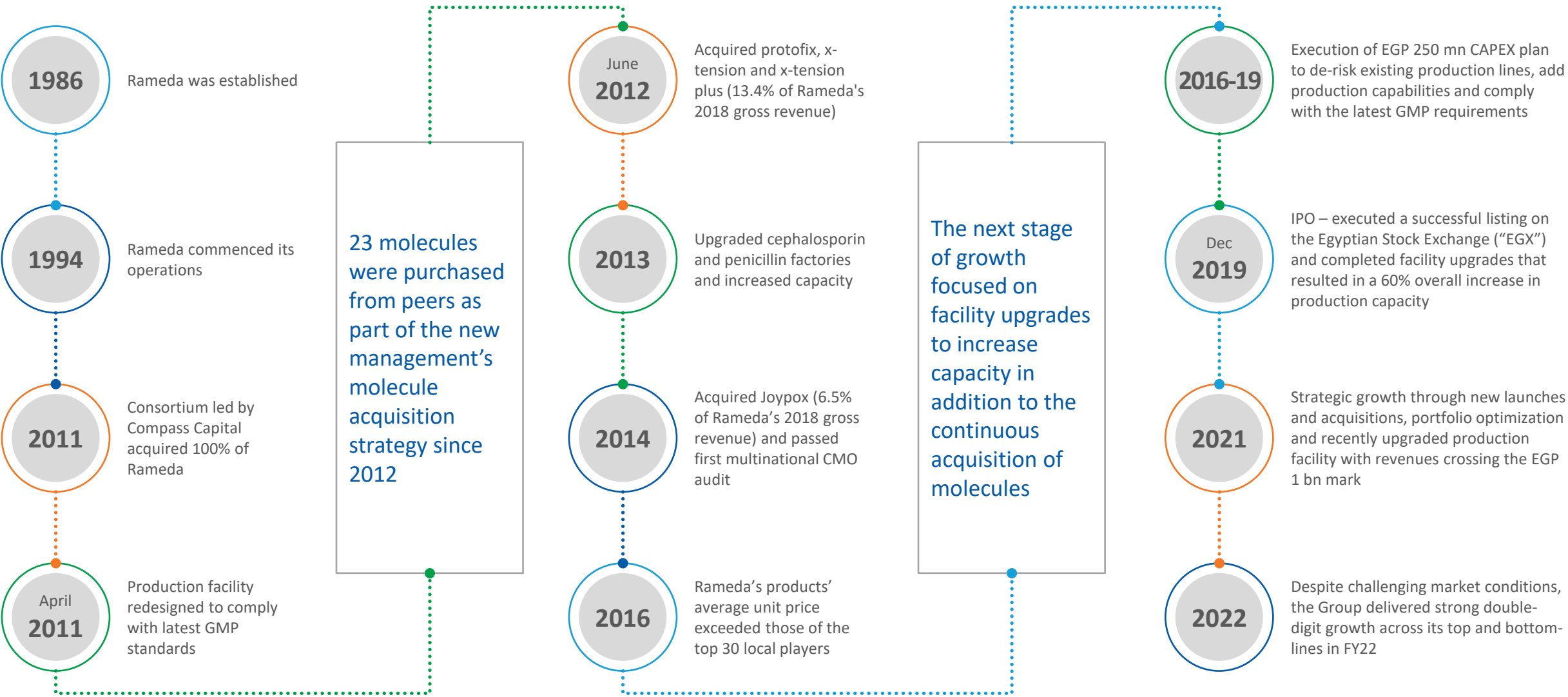
(3) Includes units sold from antibiotics. Excluding antibiotics, units sold (excluding toll manufacturing) would record a decline of c.12% YoY in 1H23.

1H 2023 Market Positioning

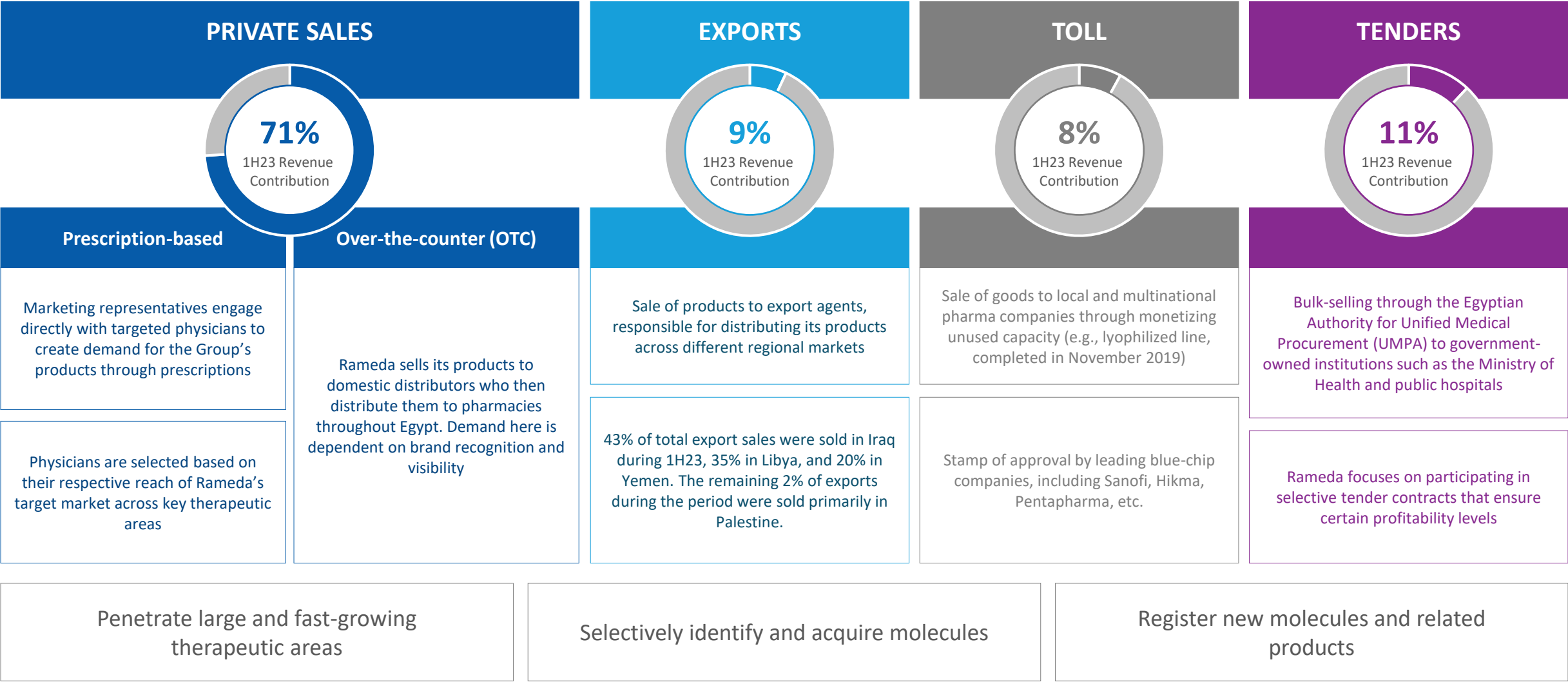


Source: IQVIA

Our Evolution



Our Business Model



Well-Invested Manufacturing Facility

Well-invested infrastructure with c. EGP 255 mn spent between 2019 – 22 to renovate and streamline production facility, and grow production capabilities and capacity

Diversified complex production capabilities allow Rameda to manufacture a wide range of products in a variety of dosage forms

Significant capacity to support growth, with overall utilization at just 34% in 1H23, based on two long shifts and multi-product production lines

Excess capacity used to toll manufacture for leading blue-chip companies, with our recently installed lyophilized production lines operating at north of c.80% utilization

3

Factories

20

Production Lines

34%

1H23 Utilization

I General Factory
Tablets, hard gelatin capsules, effervescent and non-effervescent powder, lyophilized injectables, liquid injectables, BFS, ear & eye drops and oral liquids & suspensions.

II Cephalosporin Factory
Cephalosporin powder injectables and macro dosing powder bottles.

III Penicillin Factory
Penicillin tablets and macro dosing powder bottles.

Investment Case

Attractive market with strong underlying growth trends			Disciplined acquisition strategy augmenting organic growth with selective acquisition of high-potential molecules or complementary businesses
Attractive Egyptian generic pricing framework supporting strong margins for generic manufacturers			An established well invested platform with significant available capacity to support future growth
Successful track record in launching new products to deliver growth			Multiple levers to support sustainable future growth
Deep pipeline of selectively developed molecules with significant sales potential across a range of attractive TAs			Experienced management with proven track record of operational excellence



1H23 IN REVIEW

Executive Summary

Financial Highlights

Solid top-line growth during the period but margins were hindered due to pressures on Rameda’s cost base in 1H23

Revenues climbed 18.4% YoY to EGP 842.4 million due to a 20.6% YoY increase in private sales revenue coupled with double-digit revenue growth across the Group’s export sales and toll manufacturing verticals in 1H23.

Robust revenue growth was achieved despite no sales booked by Rameda’s injectable antibiotics portfolio across its private sales vertical during the six-month period due to disruptions in the injectables antibiotics market. The rise in revenue was driven by growth in other key therapeutic areas in 1H23, which saw private sales volume and revenue (excluding injectables) grow by 36% YoY and 21% YoY in 1H23.

Rameda’s GPM recorded a contraction of 2.5 percentage points year-on-year to 45.9% primarily due to an increase in the contribution of salaries to COGS, which was driven by the current inflationary pressures in Egypt.

At the reported net income level, increasing financing costs due to rising interest rates further pressured profitability and resulted in an NPM contraction of 3.6 percentage points year-on-year to 14.1% during the six-month period.

Adjusted for non-recurring expenses, core net income before minority interest fell by 7.6% YoY to EGP 117.6 million and yielded a year-on-year margin contraction of 3.9 percentage points to 14.0% in 1H23.

Key Developments

Rameda completes largest acquisition to date

The Group successfully completed its largest acquisition to date and acquired a portfolio of 11 fast-growing cardiometabolic products in June 2023, all targeting the treatment of chronic conditions.

Moreover, the Group has reaped the rewards of its Physiomer acquisition, which was finalized in December 2022, with the product standing as the 9th highest selling product in 1H23 and generating EGP 29 million in sales during the period.

Revenue performance across the private sales vertical was fueled by solid results from Rameda’s top ten selling products, with the largest contributors to the Group’s absolute revenue growth in 1H23 including Joypox, Optaminess, Lacteol Fort, and Augram, booking robust double-digit growth figures.

Rameda has remained steadfast in delivering on its repricing strategy to continue generating increased value for the Group as it navigates challenging market conditions. Products reflecting c.88% of Group revenues in 1H23 witnessed an average price increase of c.47% during the six-month period.

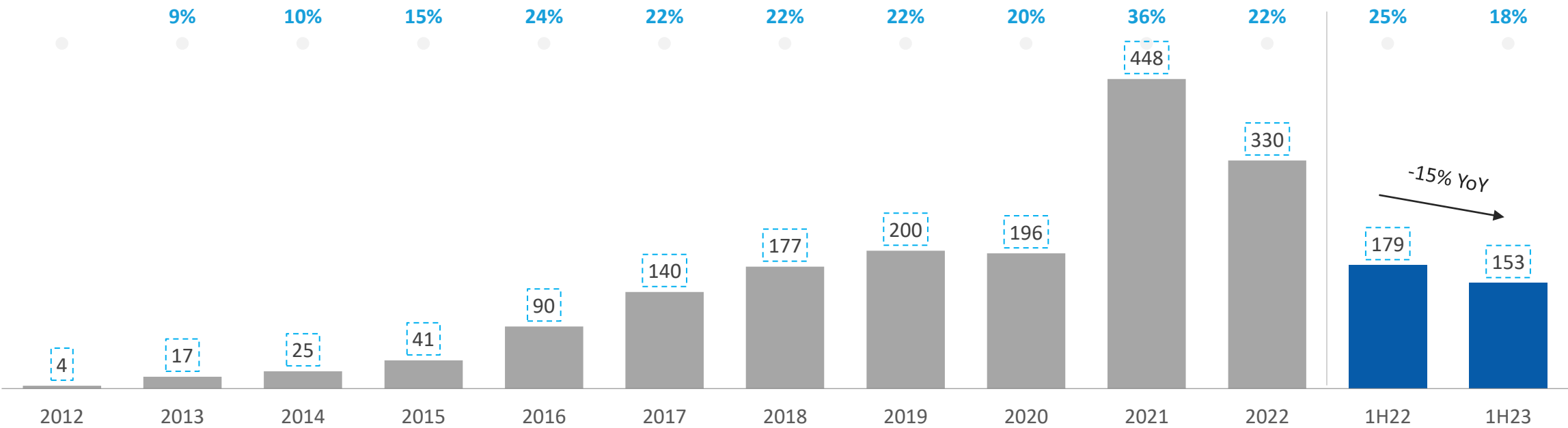
Given the current conditions surrounding key distributors, the past six months have seen the Group further diversify and optimize its distributor network as well as significantly reduce Rameda’s exposure to distributors that potentially pose a risk to the Group’s performance.

Launches | Performance to Date

Revenues generated from launches since 2012 contributed 18% of Group revenues, down 15% YoY in 1H23

Revenue generated by molecules by launch year | EGP mn

% - Percentage of Total Revenues



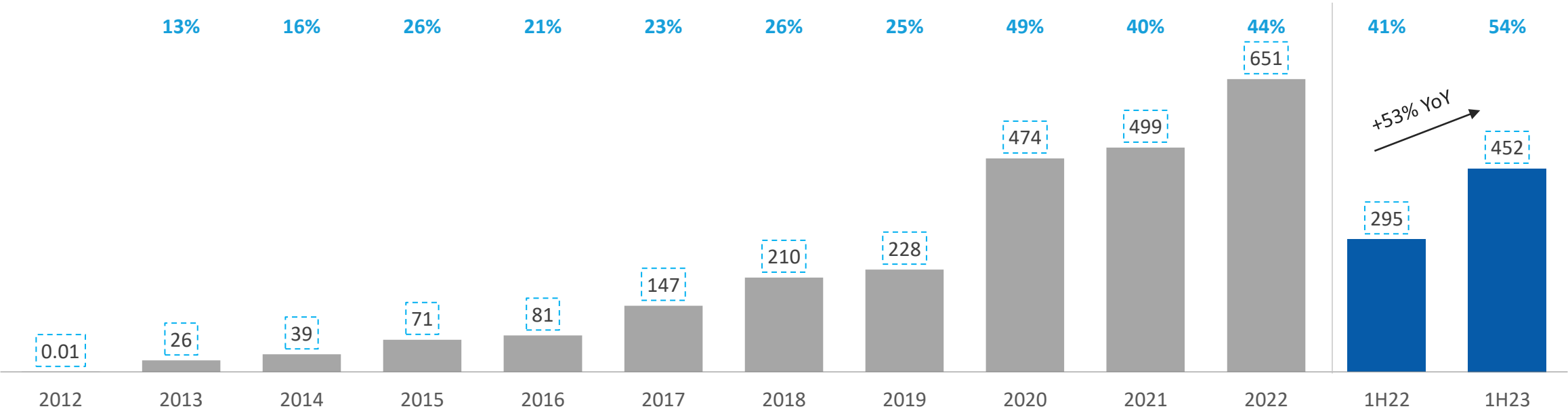
The decline in revenue from launches in 1H23 was primarily due to the significant drop in revenue from certain antiviral and antibiotic product launches in 2013 and 2020

Acquisitions | Performance to Date

Meanwhile, revenues generated from acquisitions since 2012 contributed 54% of Group revenues and grew by 53% YoY in 1H23

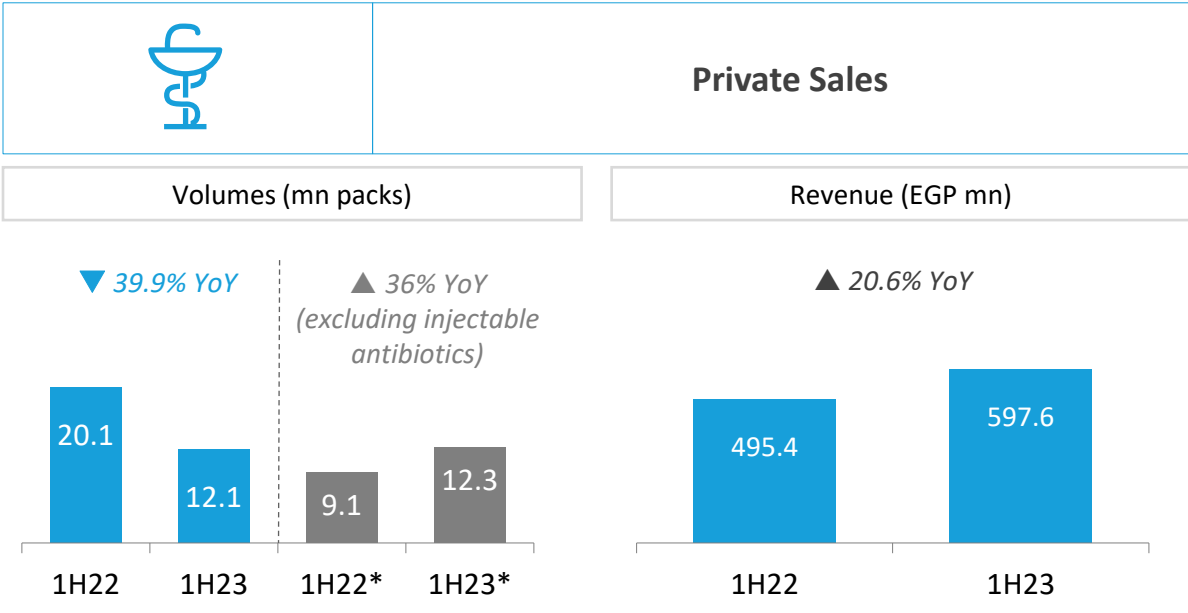
Revenue generated by molecules by acquisition year | EGP mn

% - Percentage of Total Revenues



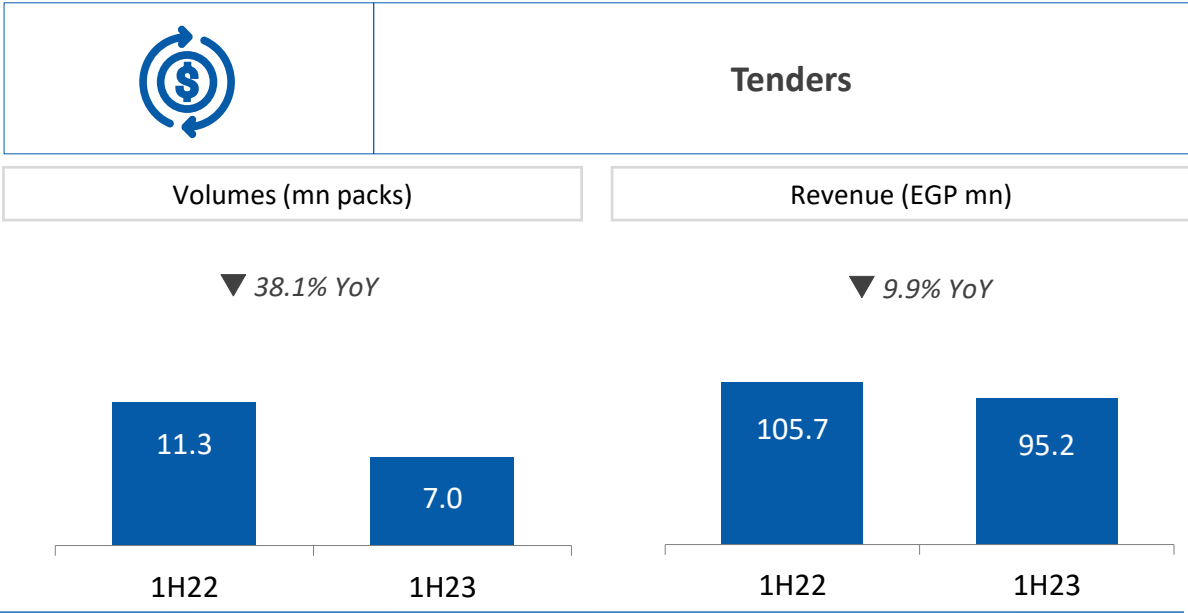
Growth in revenue from acquisitions reflects the Group’s successful strategy since its IPO in 2019 to increasingly execute value-accretive molecule acquisitions

Segmental Breakdown & Analysis | 1H23 (1 of 2)



Private sales revenue booked an increase of 20.6% YoY on the back of solid performances from the Group’s top ten selling products in 1H23 as Rameda reaped the rewards of an optimized pricing strategy coupled with increased value generated from other key therapeutic areas, which offset the 39.9% YoY decline in the vertical’s volumes during the period. Revenue growth came despite no sales recorded by the injectable antibiotics portfolio across the private sales vertical in 1H23, which accounted for c.31% of private sales revenue in 1H22.

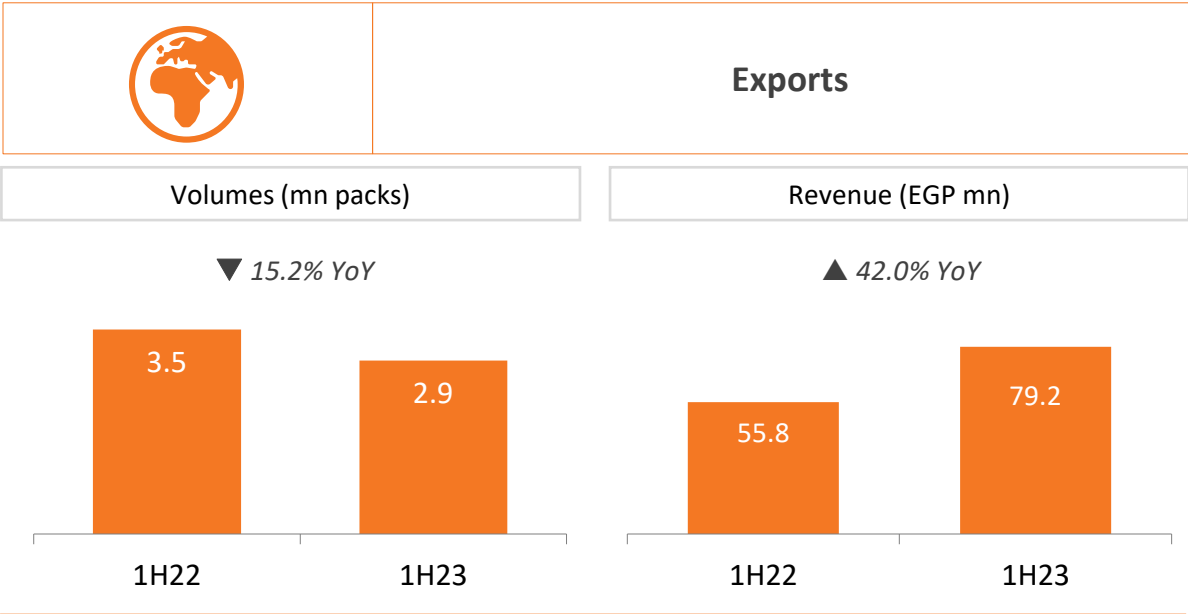
It is worthy to note that excluding injectable antibiotics, private sales recorded a volume increase of 36% and a revenue increase of 65% YoY in 1H23.



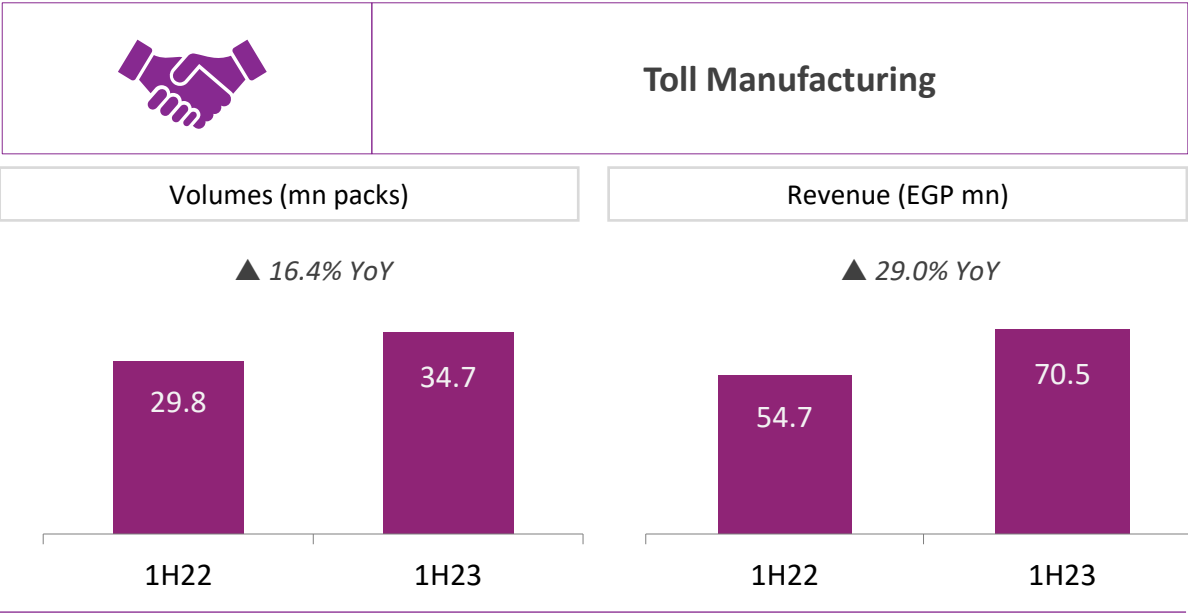
As management pressed on with its strategy aimed at reducing the contribution of **tenders** to the Group’s performance, tender volumes recorded a decline of 38.1% YoY to 7.0 million units and a revenue decrease of 9.9% YoY to EGP 95.2 million in 1H23.

Note: Please refer to the appendix for a detailed revenue and volume table by market route.
** Excludes injectable antibiotics*

Segmental Breakdown & Analysis | 1H23 (2 of 2)



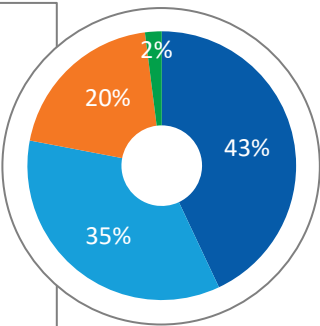
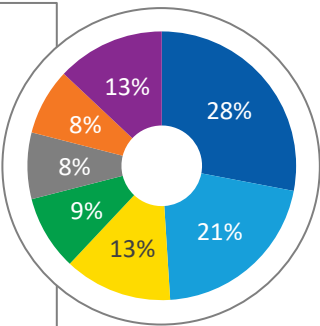
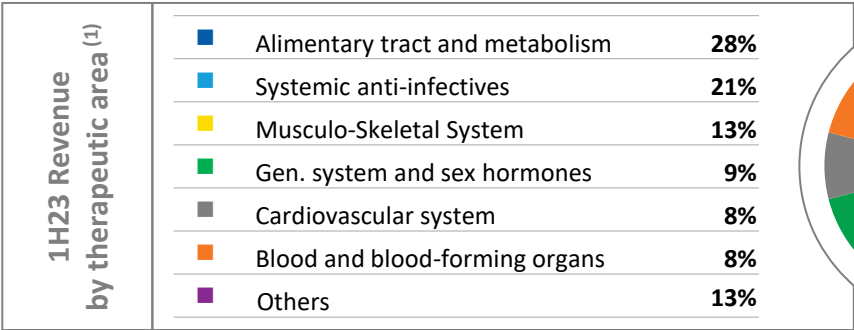
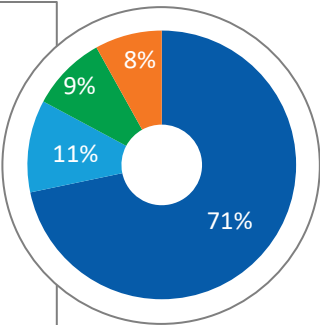
Despite a 15.2% YoY decline in volumes, revenue from **exports** grew by a strong 42.0% YoY to EGP 79.2 million on the back of strong export sales to Libya and Yemen in 1H23. Iraq remained the Group’s largest export market and contributed 43% of total exports, while Libya was the second highest contributor to export sales at 35%, and Yemen came in third at a contribution of 19.8% during the six-month period.



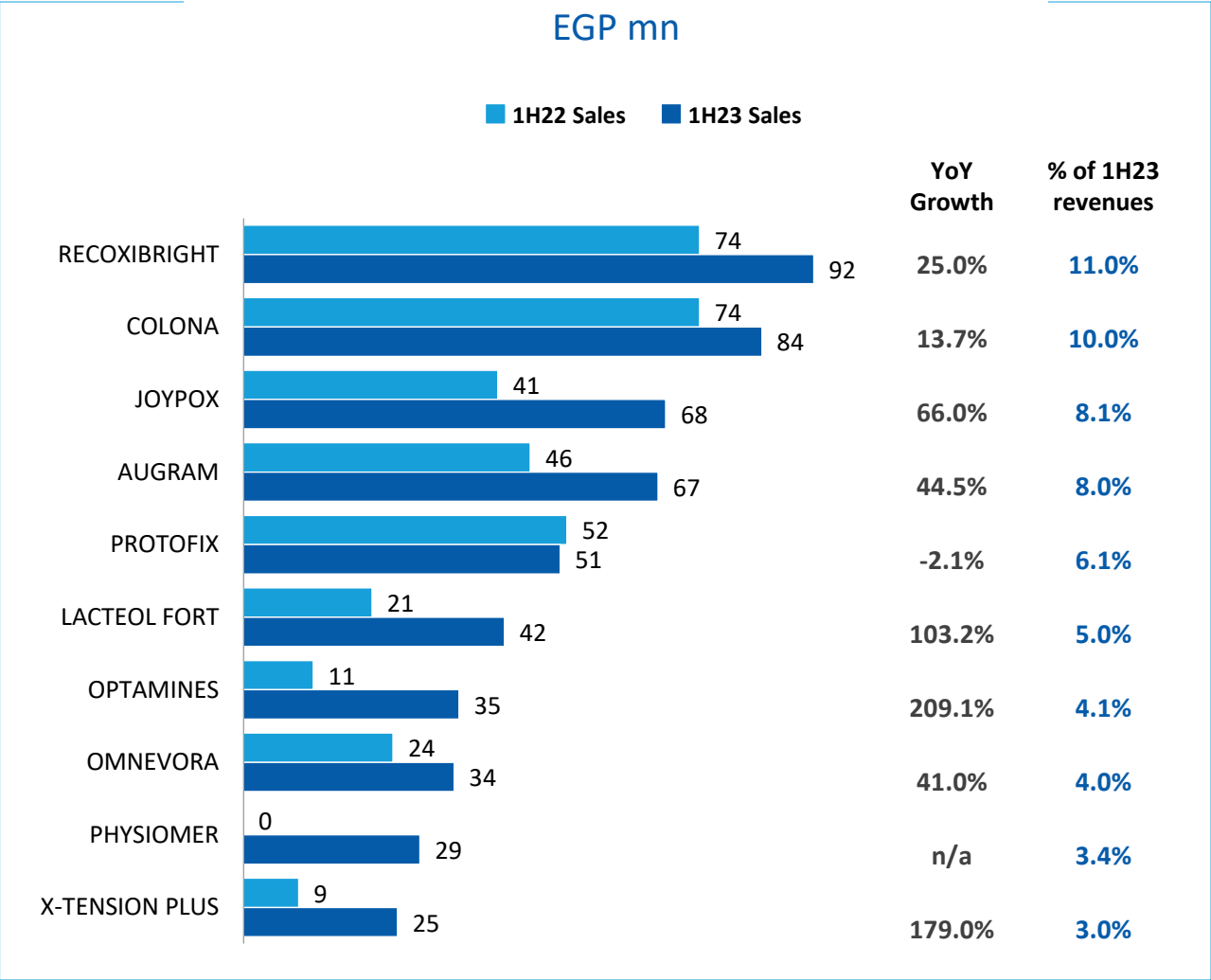
Toll manufacturing volumes increased by 16.4% YoY in 1H23 as Rameda witnessed increased utilization at its general tablets, small-sized sachets, and liquid lines, coupled with high utilization of its lyophilized production capabilities during the period. Consequently, the vertical’s revenue grew by 29.0% YoY to EGP 70.5 million in 1H23.

Note: Please refer to the appendix for a detailed revenue and volume table by market route.

Sales Breakdown & Analysis | 1H23

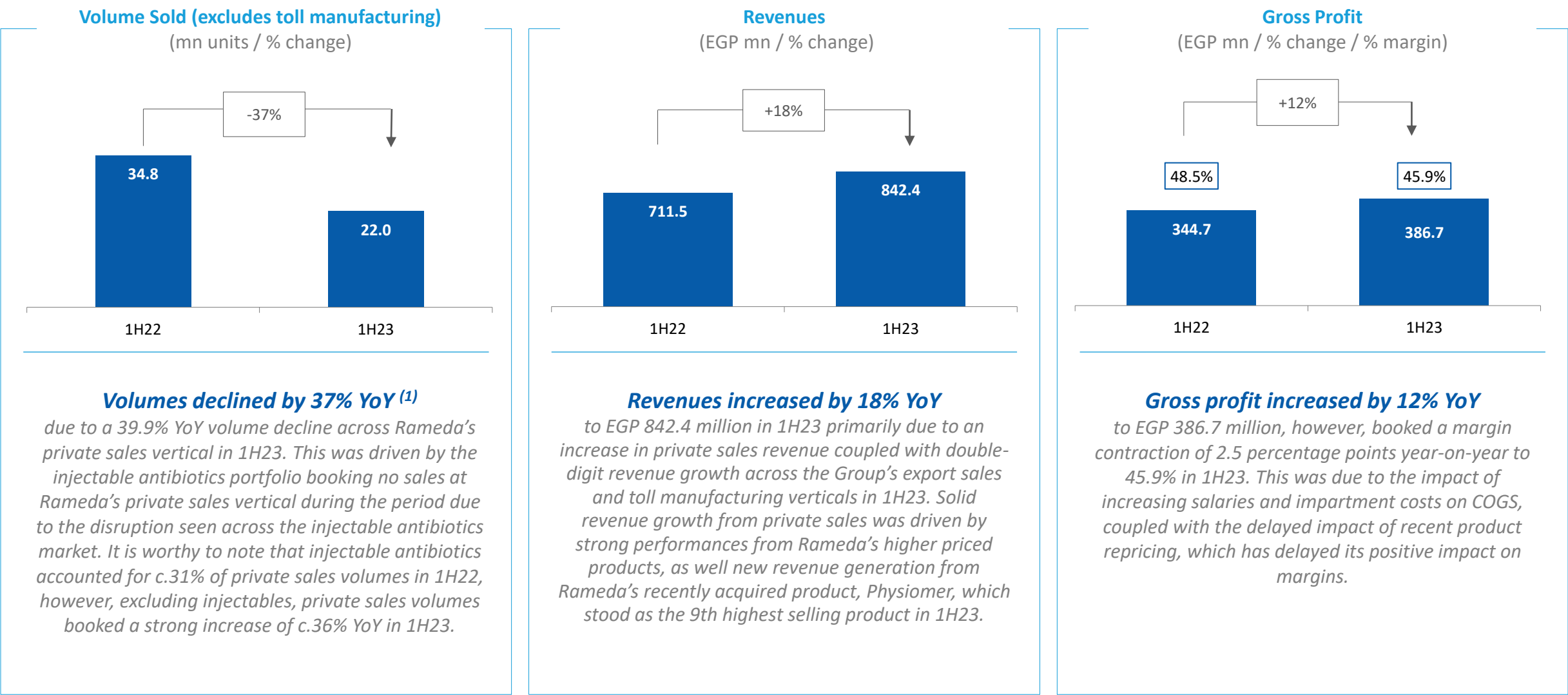


Top 10 Products Sold(3) | 1H 2023
EGP mn



(1) Contribution by TA is calculated on revenues before toll revenue, discounts & incentives and sales returns. (2) Refers to Palestine. (3) Source: IQVIA.

Key Performance Indicators | 1H23 (1 of 2)



Gross Profit

(EGP mn / % change / % margin)

344.7

1H22

386.7

1H23

+12%

48.5%

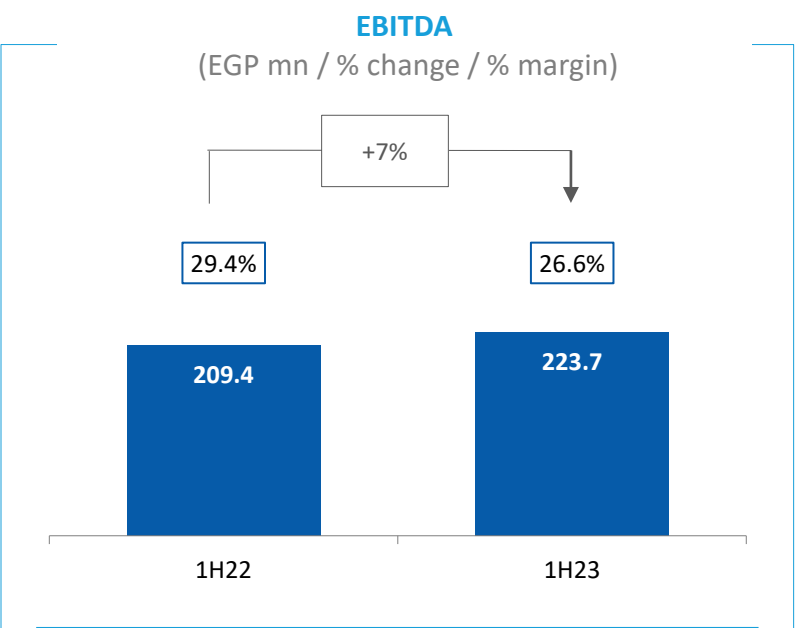
45.9%

Gross profit increased by 12% YoY

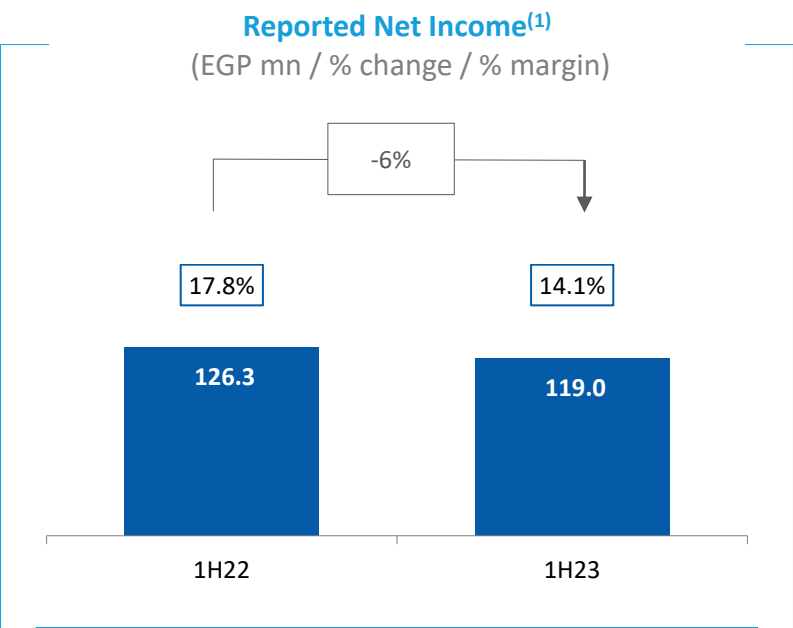
to EGP 386.7 million, however, booked a margin contraction of 2.5 percentage points year-on-year to 45.9% in 1H23. This was due to the impact of increasing salaries and impairment costs on COGS, coupled with the delayed impact of recent product repricing, which has delayed its positive impact on margins.

(1) Includes units sold from antibiotics. Excluding antibiotics, units sold (excluding toll manufacturing) would record a decline of c.12% YoY in 1H23.

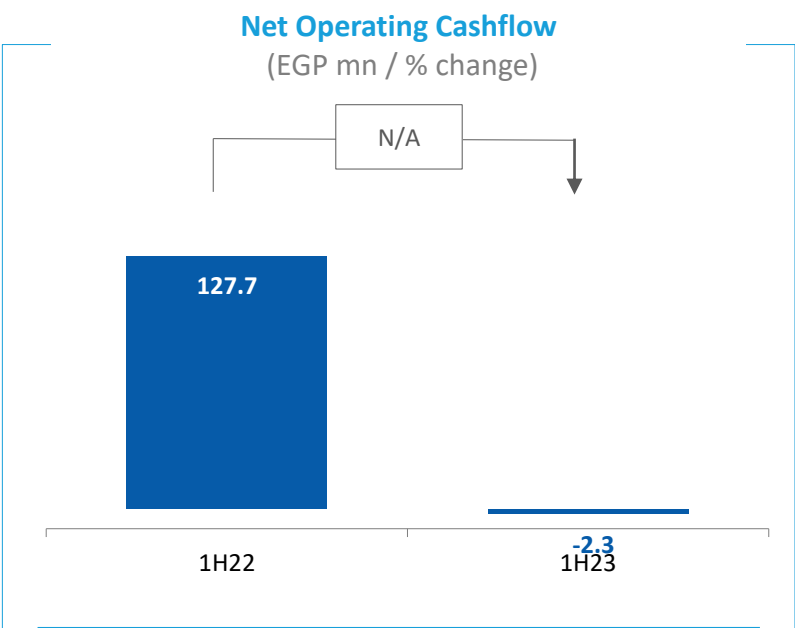
Key Performance Indicators | 1H23 (2 of 2)



EBITDA grew by 7% YoY
to EGP 223.7 million in 1H23, however, the decline in gross profitability, coupled with a 0.6 percentage point increase in G&A expenses as a percentage of revenue, resulted in an EBITDA margin decline of 2.9 percentage points to 26.6% during the six-month period.



Reported net income declined by 6% YoY
to EGP 119.0 million and booked a margin contraction of 3.6 percentage points year-on-year to 14.1% in 1H23 due to the increase in Rameda’s cost base coupled with increasing financing costs, which grew by c.74% YoY due to the impact of rising interest rates.



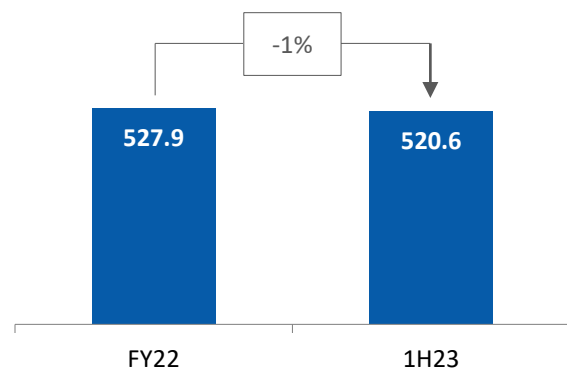
Net operating cashflows declined in 1H23
Rameda recorded net operating outflows of EGP 2.3 million compared to an inflow of EGP 127.7 million in the same period last year, primarily as a result of delayed payments from distributors. Additionally, the decline in operating cashflows was driven by inflationary pressures, which caused an increase in Rameda’s inventory.

(1) Reported net income figure takes into account EGP 6.5 million in ESOP expenses. Excluding ESOP expenses, reported net income would record EGP 125.6 million in 1H23

Balance Sheet Highlights | 1H23

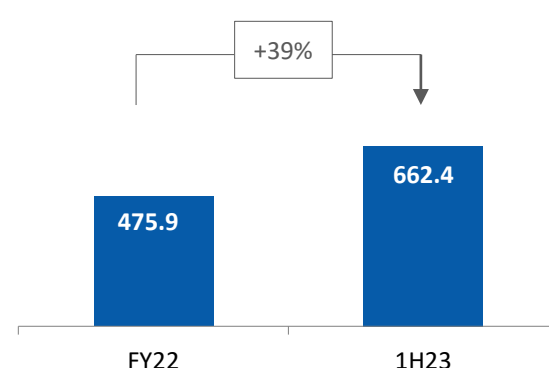
Net Fixed Assets

(EGP mn / % change)



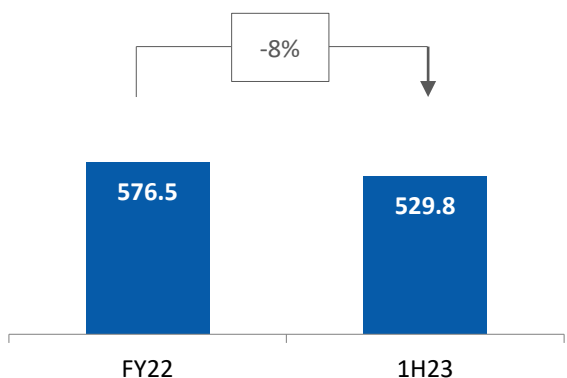
Net Debt

(EGP mn / % change)



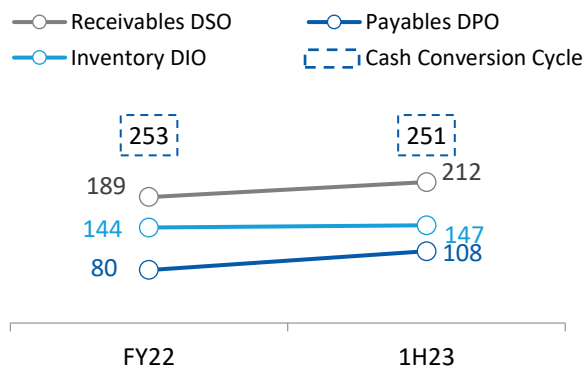
Net Working Capital

(EGP mn / % change)



Working Capital Analysis

(DSO/Cash conversion cycle)



Summary Balance Sheet (EGP mn)

	31-Dec-22	30-June-23
Non-current assets	1,015	1,173
Current assets	1,758	1,982
Total assets	2,773	3,155
Non-current liabilities	68	70
Current liabilities	1,182	1,452
Total Liabilities	1,250	1,522
Shareholder's Equity	1,519	1,625
Minority Interest	5	8
Liabilities & Shareholders' Equity	2,773	3,155

Net Fixed Assets

Came in at EGP 520.6 million as of 30 June 2023, down by 1.4% YTD, with CAPEX during the period accounting primarily for the addition of new machinery for Rameda's solids production lines at the general factory.

Net Debt

Stood at EGP 662.4 million as of 30 June 2023, reflecting an increase of 39.2% YTD due to the Group's acquisition of four new molecules in 2Q23 as well as the impact of delayed collections from distributors.

Cash Conversion Cycle

Contracted by 2 days YTD to 251 days as of 30 June 2023, driven by a 22-day increase in receivables DSO and a 3-day increase in inventories DIO, which was offset by a 28-day increase in payables DPO during the quarter.

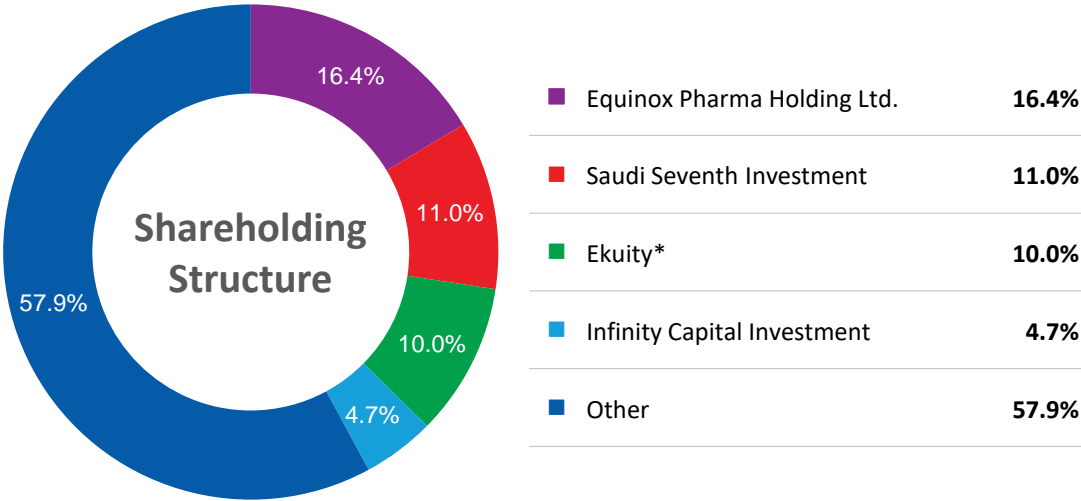
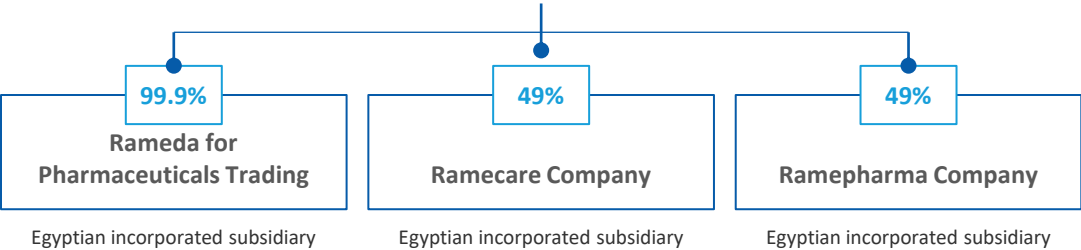


STOCK INFORMATION

Corporate Structure and Share Performance

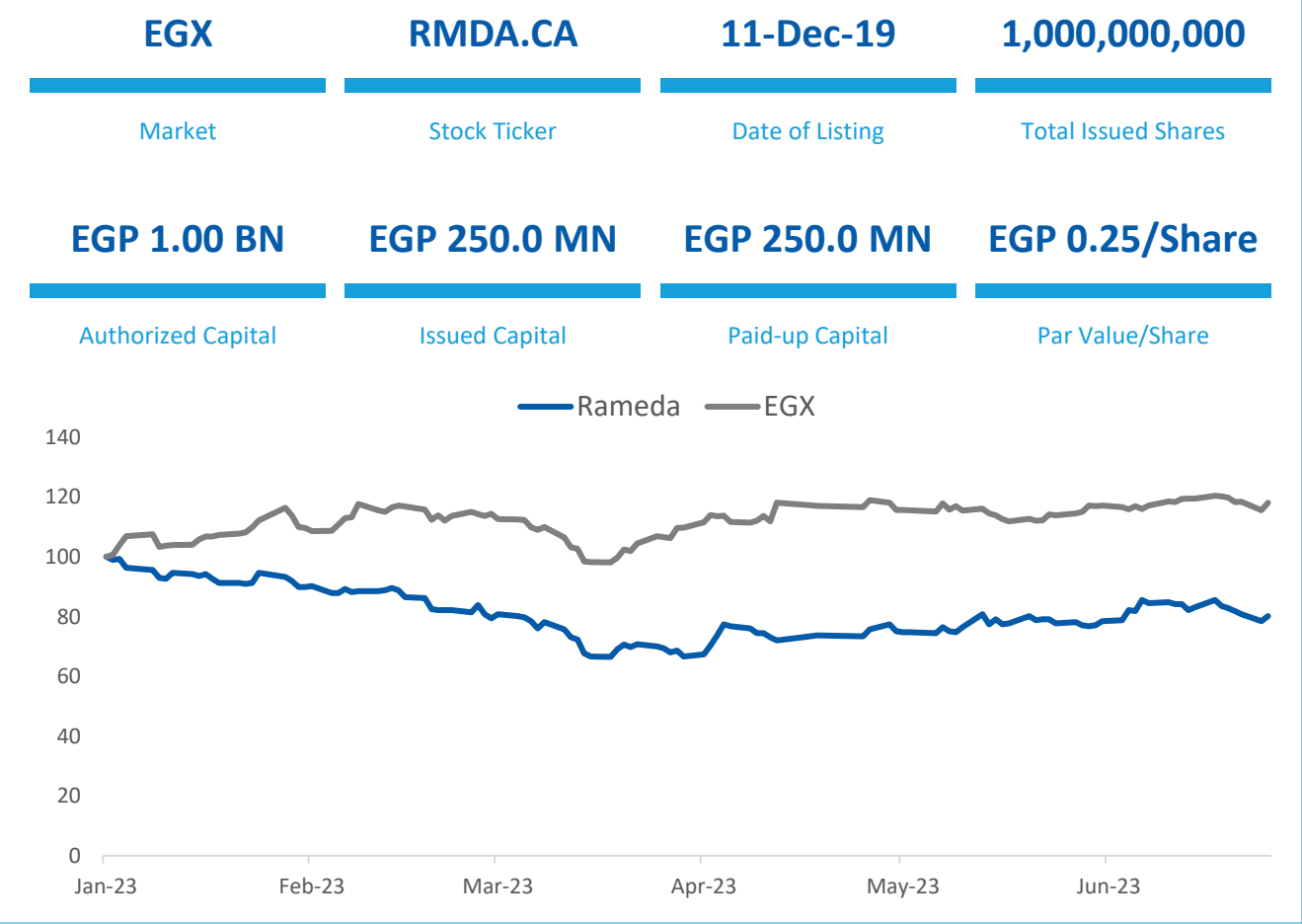
Corporate Structure Overview

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda)



* Subsidiary of Kuwaiti Investment Authority

Share Information & Performance in 1H23 | Rebased to 100





APPENDIX

Revenue & Volume Sold

Revenue Analysis	1H22	1H23	% YoY
Private Sales			
Volumes Sold ('000)	20,069	12,068	-39.9%
Sales (EGP mn)	495.4	597.6	20.6%
Tenders			
Volumes Sold ('000)	11,292	6,993	-38.1%
Sales (EGP mn)	105.7	95.2	-9.9%
Exports			
Volumes Sold ('000)	3,459	2,934	-15.2%
Sales (EGP mn)	55.8	79.2	42.0%
Total Volume Excluding toll manufacturing ('000 units)	34,819	21,996	-36.8%
Toll Manufacturing			
Volumes Sold ('000 sheets)	29,818	34,718	16.4%
Sales (EGP mn)	54.7	70.5	29.0%
Total Revenue (EGP mn)	711.5	842.4	18.4%

Capacity & Production

		Production mn			Capacity mn			Utilization %	
		1H22	1H23	YoY Δ	1H22	1H23	YoY Δ	1H22	1H23
General Factory	Blow Fill Seal (Ampoules)	27.1	20.5	-24.3%	69.8	69.8	0.0%	38.8%	29.3%
	Lyophilized Injectables (Vials)	5.5	4.9	-11.2%	6.4	6.4	0.0%	85.3%	75.7%
	Eye & Ear Drops (Bottles)	4.8	4.4	-9.2%	8.6	8.6	0.0%	55.6%	50.6%
	General Tablets / Capsules (Blisters)	26.8	34.1	27.3%	82.4	82.4	0.0%	32.6%	41.4%
	Small-sized Sachets	3.1	5.2	70.6%	17.6	17.6	0.0%	17.5%	29.8%
	Large-sized Sachets	0.0	0.0	n/a	3.7	3.7	0.0%	0.0%	0.0%
	General Macro-Dosing Dry Mix (Bottles)	0.4	0.4	13.0%	7.0	7.0	0.0%	5.4%	6.2%
	Liquids (Bottles)	10.0	11.5	14.8%	19.9	19.9	0.0%	50.3%	57.8%
Cephalosporin Factory	Cephalosporin Injectables (Vials)	18.8	7.1	-62.0%	37.8	37.8	0.0%	49.7%	18.9%
	Cephalosporin Macro Dosing Powder (Bottles)	0.2	0.6	241.1%	6.6	6.6	0.0%	2.8%	9.7%
Penicillin Factory	Penicillin Tablets / Capsules (Blisters)	7.0	3.1	-55.3%	17.8	17.8	0.0%	39.4%	17.6%
	Penicillin Macro Dosing Powder (Bottles)	2.4	2.7	13.0%	5.0	5.0	0.0%	48.6%	54.9%
Total		106.1	94.7	-10.7%	282.7	282.7	0.0%	37.5%	33.5%