



**rameda**

Quality For All

**Results  
Presentation**

Q1 2020

# Agenda

- I. Group Overview
- II. Q1 2020 In Review
- III. Stock Information
- IV. Appendix
  - I. Our People
  - II. COVID 19 | Our Response
  - III. Revenue & Volume Analysis



# 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 has surpassed its peers to become **the third fastest growing Egyptian pharmaceutical company today** in terms of 2014-19 Revenue CAGR





# 1Q20 Performance Highlights

## Q1 2020 Financial Highlights

**EGP 232.4 mn**  
Revenues  
▲ 22% y-o-y

**EGP 106.2 mn**  
Gross Profit  
▲ 36% y-o-y  
▲ 46% margin

**EGP 50.4 mn**  
EBIT  
▲ 39% y-o-y  
▲ 22% margin

**EGP 63.0 mn**  
Adjusted EBITDA<sup>(1)</sup>  
▲ 44% y-o-y  
▲ 27% margin

**EGP 23.9 mn**  
Net Income<sup>(2)</sup>  
▲ 196% y-o-y  
▲ 10% margin

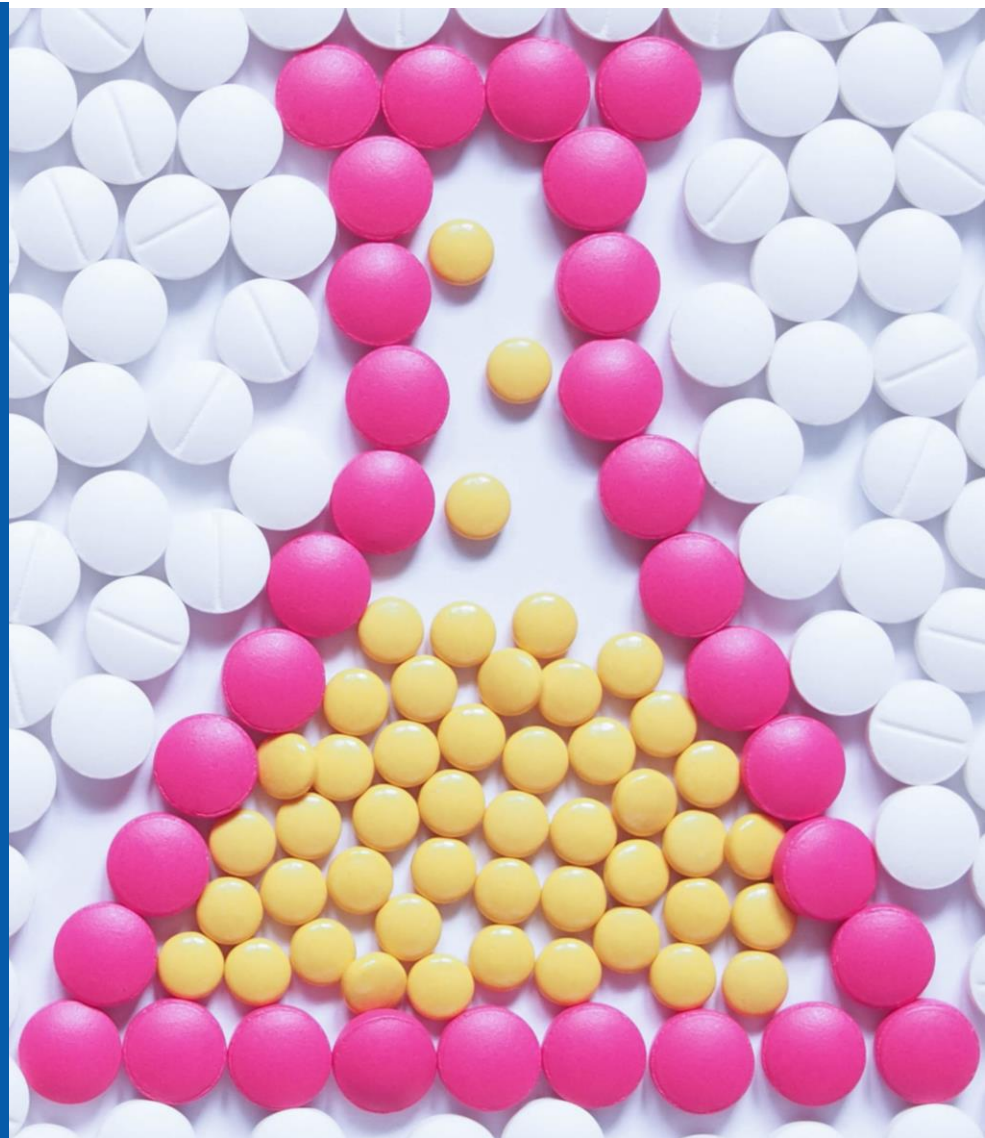
**EGP 193.9 mn**  
Net Debt  
▲ 107% YTD

## Q1 2020 Operational Highlights

**18.4 mn**  
Units Sold (excluding toll)  
▲ 10% y-o-y

**3**  
Molecules  
Acquired

**EGP 32.97**  
Average Unit  
Price<sup>(3)</sup> (private)  
▲ 9% y-o-y



(1) Adjusted for depreciation, impairments and provisions (2) After minority interest (3) IMS Data



# 1Q20 Market Positioning

## Market Positioning Q1 2020

### Evolution Index<sup>(1)</sup>

**128**

Total Market  
vs.77 in 1Q19

**109**

Private Market  
vs.104 in 1Q19

**112**

Defined Market  
vs.106 in 1Q19

### Market Share <sup>(1)</sup>

**1.34%**

Total Market  
vs.1.04% in 1Q19

**3%**

Defined Market  
vs.2.2% in 1Q19

### Market Ranking <sup>(1)</sup>

**18**

Total Market  
vs. 23 in 1Q19

**11**

Defined Market  
vs. 12 in 1Q19

### Growth Comparison

**39%**

'14-'19  
CAGR  
(vs. 22.5% for Egyptian market)

**3<sup>rd</sup>**

Ranked in  
Growth  
(among top 30 companies)

### Market Ranking <sup>(1)</sup>

**6<sup>th</sup>**

Ranked in Total  
Defined Market (Units)  
(without under license)



<sup>(1)</sup> Source: IMS Data



# Our Business Model

Exports

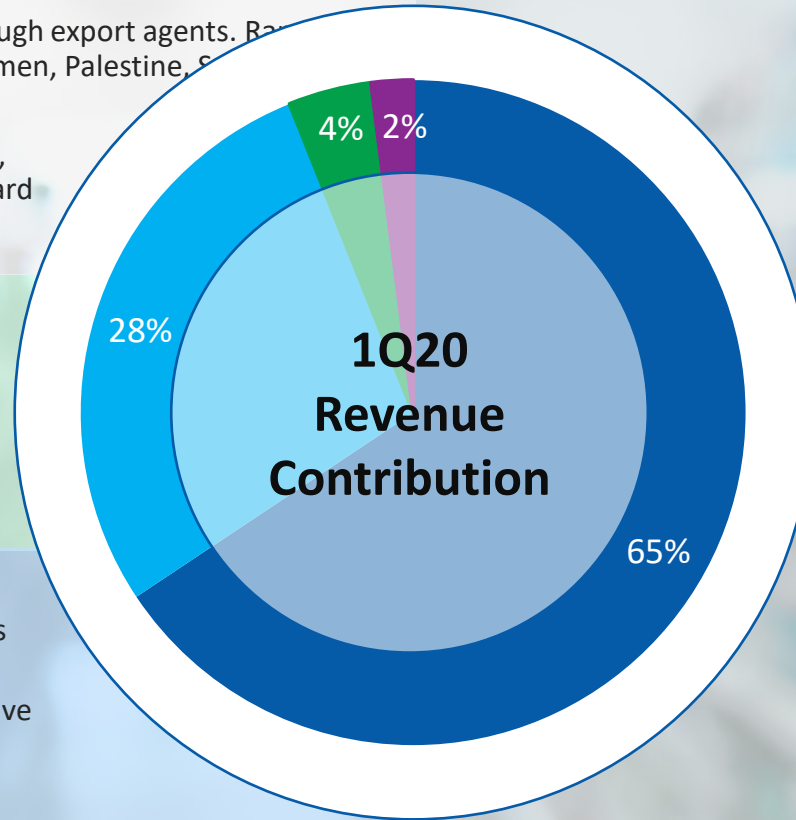
- Exports to different regional markets through export agents. Rameda's top export markets in 1Q20 included Iraq, Yemen, Palestine, Sudan, and Somalia
- Export sales revenue is USD denominated, acting as a partial natural hedge for the hard currency API costs and minimising FX risk

Toll

- Sale of goods to local and multinational pharma companies through **monetizing unused capacity** (e.g. lyophilized line, completed in November 2019).
- **Stamp of approval by leading blue-chip companies**, including Sanofi

Tenders

- Bulk-selling through tender processes, directly to government-owned institutions or indirectly through distributors.
- Rameda focuses on participating in selective tender contracts that ensure certain profitability levels



## Prescription-based

- **Marketing representatives engage directly with targeted physicians** to create demand for the Group's products through prescriptions
- Physicians are selected based on their respective reach of Rameda's target market across key therapeutic areas.

## Over-the-counter (OTC)

- Rameda sells its products to domestic distributors who then distribute its products to pharmacies throughout Egypt. Demand here is dependent on brand recognition and visibility

Direct Sales

Penetrate large and fast-growing therapeutic areas

Selectively identify and acquire molecules

Register new molecules and related products



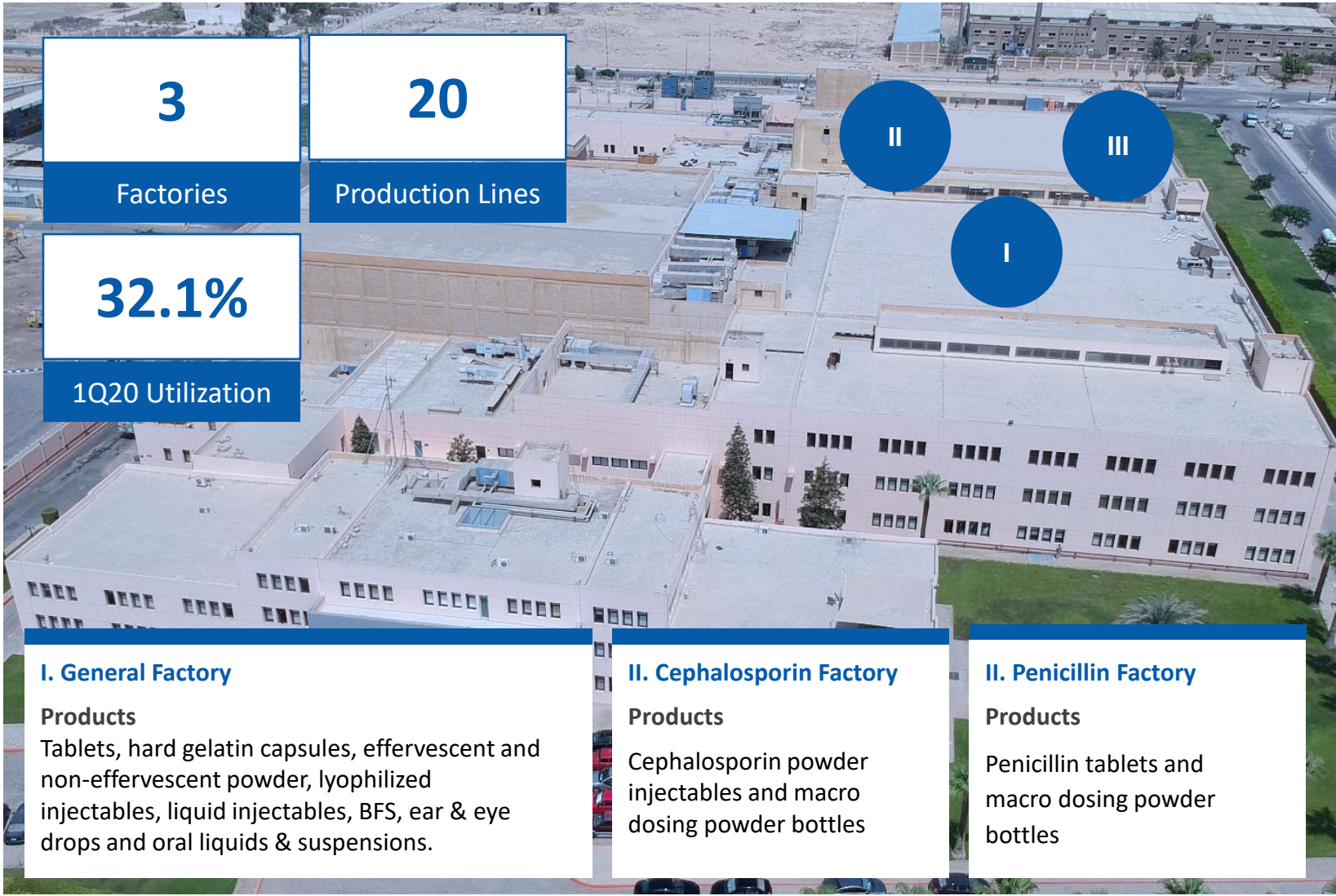
# Our Manufacturing Capabilities

**Well-invested infrastructure** with c. EGP250m spent between 2016 – 18 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 production capacity up by 63% year-on-year between 2018 and 2019

**Excess capacity used to toll manufacture** for leading blue-chip companies, including our new lyophilized production lines installed in year-end 2019







# Our Evolution

**1986**



Rameda was established

**1994**



Operations for Rameda Commenced

**2011**



Acquisition of 100% of Rameda by consortium led by Compass Capital

**April 2011**



Production facility redesigned to comply with latest GMP standards

23 molecules were purchased from peers as part of the new management's molecule acquisition strategy since 2012

**June 2012**



Acquisition of protofix, x-tension and x-tension plus (13.4% of Rameda's 2018 gross revenue)

**2013**



Upgraded cephalosporin and penicillin factories and increased capacity

**2014**



Acquired Joypox (6.5% of Rameda's 2018 gross revenue) & passed first multinational CMO audit

**2016**



Rameda's products' average unit price exceeded those of the top 30 local players

The next stage of growth focused on facility upgrades to increase capacity in addition to the continuous acquisition of molecules

**2016-19**



Execution of EGP 250 mn CAPEX plan to de-risk existing production lines, add production capabilities & comply with the latest GMP requirements

**Nov 2019**



Completion of facility upgrade - delivered 60% overall increase in production capacity

**Dec 2019**



IPO – executed a successful listing on the Egyptian Stock Exchange ("EGX")

**2020+**



Strategic growth through new launches, portfolio optimization and recently upgraded production facility



# Investment Case



Favorable environment underpinned by supporting demographic dynamics



Well-positioned to benefit from the growing generic pharmaceutical industry



Optimized portfolio of market-leading products in high growth underpenetrated therapeutic areas



Proven ability to identify, acquire and register new molecules & successful track record in launching new products



Newly renovated production facility resulting in increased capacity and growth potential



Experienced management team with a strong track record

**Q1 2020  
in Review**



# 1Q20 | Performance Overview

## COVID-19 – Related Highlights

### Our Response

- Social distancing and curfew hours due to COVID 19 has resulted in reduced shifts for specific non-critical lines
- Strong hygiene and disinfecting policy applied throughout manufacturing facilities and scientific offices for critical workers
- Critical workers also been required to adhere to strict social distancing policies
- Medical representatives, administrative staff and vulnerable employees were originally required to work from home. On May 3rd, 70% of the field force resumed work
- Management have started to use webinars and other tools to launch new products as of May 2020
- Hiring freeze until further notice

### API Supply Secured

- To date, Rameda has secured 90% of the needed APIs to fulfill expected production needs to the end of 3Q20
- Rameda is actively working on securing its required supply to year-end

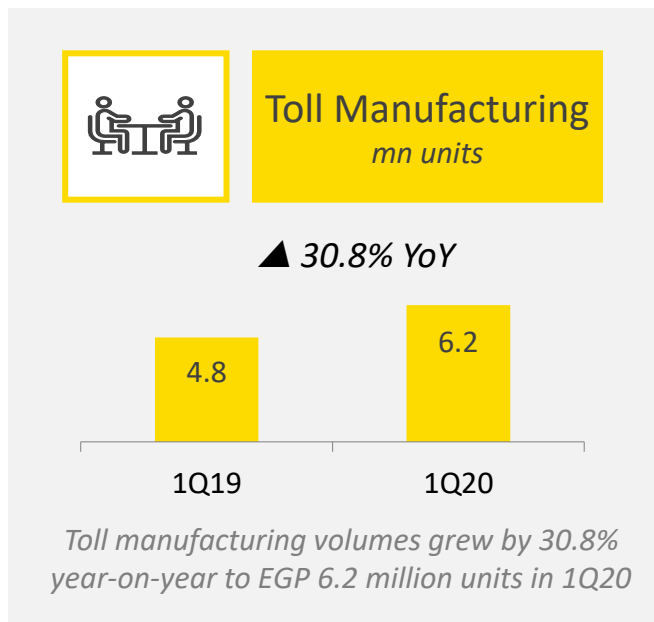
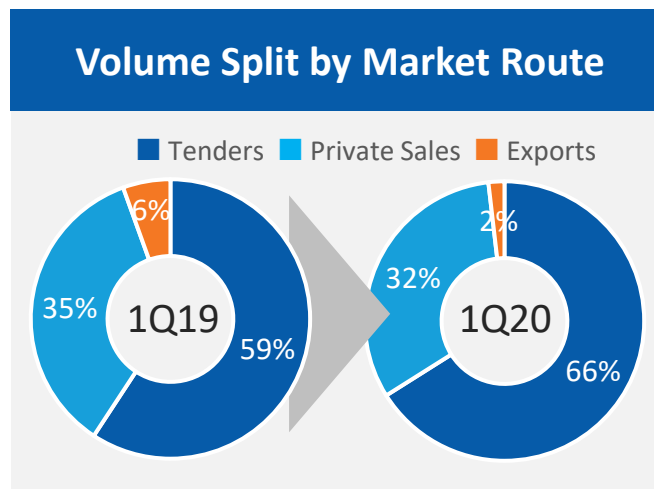
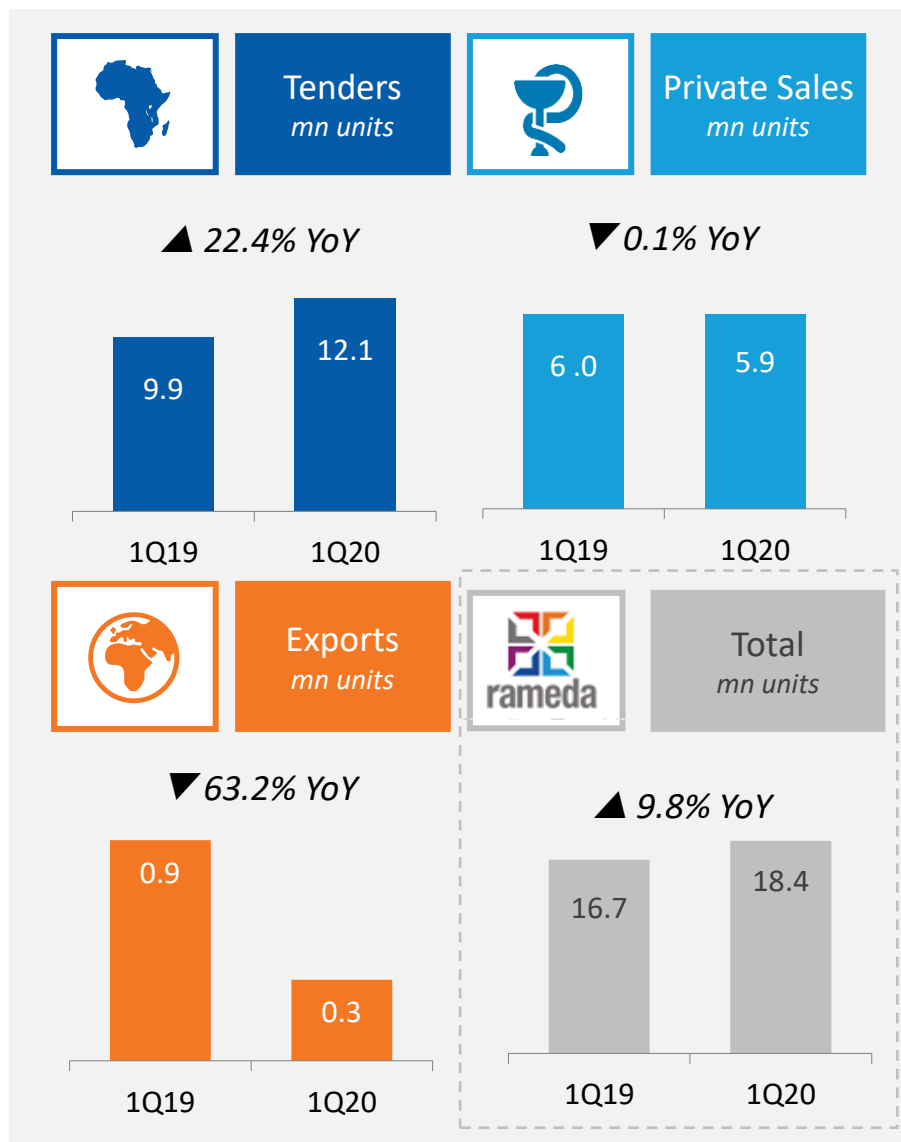
## Exceptional Growth

- Strong top and bottom-line growth upon the resumption of normalized operations after a year of expansions and upgrades disrupted production in 2019
- Revenue growth was primarily volume-driven, reflecting new launches during the second half of 2019
- Gross margin grew by 4.5 percentage points to 45.7% in 1Q20 on the back of increased economies of scale, the optimization of our portfolio towards higher-margin products and the appreciation of the EGP .

## Sizeable Acquisitions

- Acquisition of nonsteroidal anti-inflammatory analgesic molecule in March 2020.
- The transaction marks largest molecule acquisition to date for Rameda

# 1Q20 | Volume Breakdown & Analysis



- Despite the COVID-19 pandemic coming to a head in February, **total volume sold (excluding toll sales) in 1Q20 grew by 9.8% y-o-y to 18.4 million units**, up from 16.7 million units in 1Q19, with growth driven by the Group's Tenders segment, which grew by 22.4% YoY to 12.1 million units
- **New capacities and factory upgrades** over the last two years has seen Rameda's overall production capacity grow by 63% year-on-year by the end of 2019
- **Exports were negatively impacted by the pandemic** as most of Rameda's export markets closed their borders. On the other hand, Iraq revenues almost doubled due to sizeable orders which commenced in December 2019 being finalized by early 1Q20

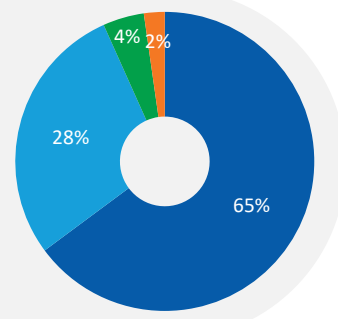
*Note: Volume for Toll Manufacturing segment is measured by the number of strips sold, while the remaining segments measure volume by number of packs sold*



# 1Q20 | Sales Breakdown & Analysis

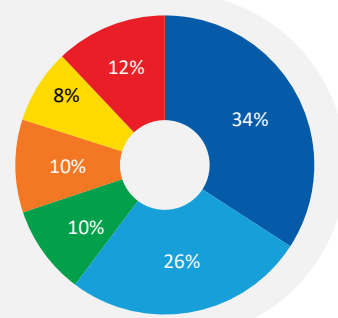
## 1Q20 Revenue by market route

Private sales	65%
Tenders	28%
Toll manufacturing	4%
Export sales	2%



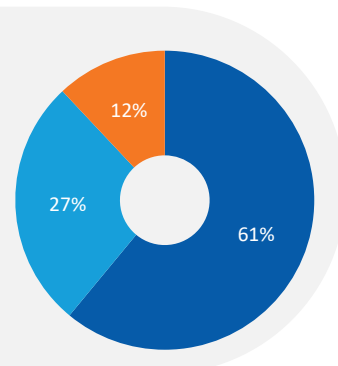
## 1Q20 Revenue by therapeutic area

Systemic Anti-Infectives	34%
Alimentary T & Metabolism	26%
Cardiovascular System	10%
G.U. System & Sex Hormones	10%
Antirheumatic system	8%
Toll & Others	12%



## 1Q20 Export Sales by Market

Iraq	61%
Yemen	27%
Other <sup>(1)</sup>	12%



## Top 10 Products Sold<sup>(2)</sup> | Q1 2020

Product	EGP mn	% of Revenue
PROTOFIX	25.9	11.7%
RECOXIBRIGHT	19.5	8.8%
AMOFLUXIN	18.4	8.3%
JOYPOX	17.4	7.8%
LACTEOL FORT	14.8	6.7%
COLONA	13.5	6.1%
X-TENSION PLUS	12.7	5.7%
RAMECEFTRAX	11.7	5.3%
RAMETAX	10.3	4.7%
PIMFAST	8.5	3.8%

- Private sales contributed the lion's share of revenue, at 65%, as well as the bulk of absolute revenue growth in 1Q20, at 68%. Revenues from tenders came in next to contribute 28% to revenues during the same period.
- Systemic anti-infectives contributed highest to revenues in 1Q20, at 34%. Alimentary tract and metabolism followed, at 26% of total revenues in 1Q20, while genitourinary system and nervous system contributed 10% each.
- Antirheumatic system, which was added to the group's portfolio in 1Q20, contributed 8%, while other therapeutic areas (including toll manufacturing) contributed the remaining 12% during the period.

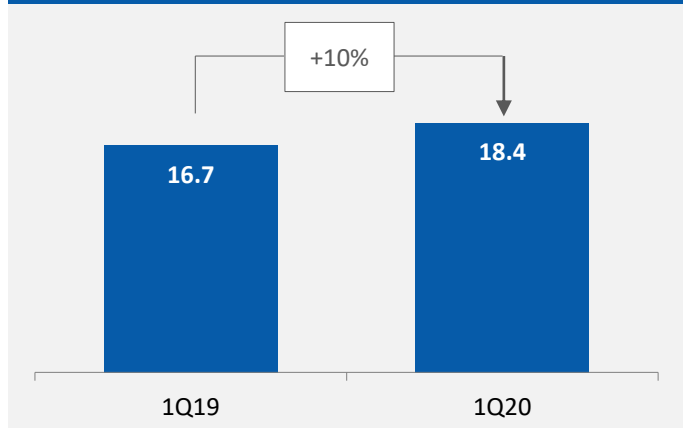
(1) Refers to Palestine, South Sudan and Somalia

(2) Source: IQVIA



# 1Q20 | Key Performance Indicators (1 of 2)

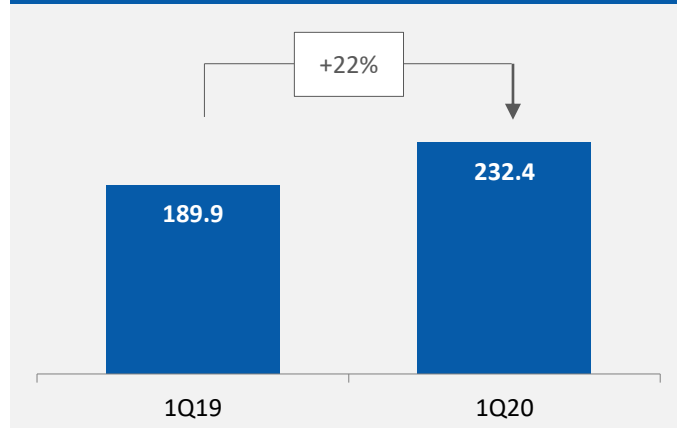
**Volume Sold (excludes toll manufacturing)**  
(mn units / % change)



### **Volumes have been normalized**

upon the November 2019 completion of our facility upgrade and expansion with Ramedda now able to fully utilize its facility once again with minimal disruption, resulting in 10% YoY volume growth to 18.4 million units (excludes toll manufacturing)

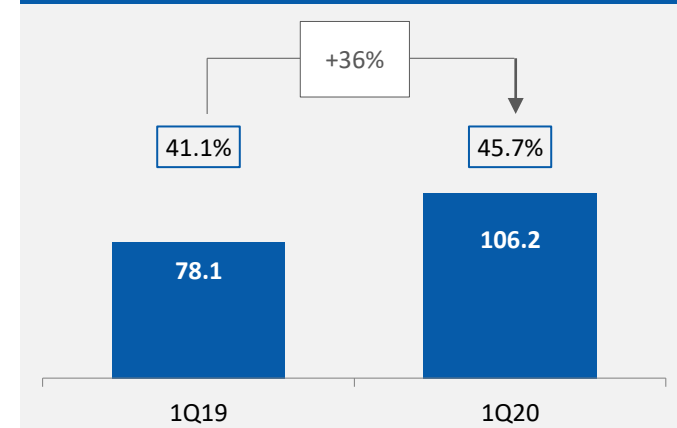
**Revenues**  
(EGP mn / % change)



### **Revenues grew by 22% YoY**

to EGP 232.4 million in 1Q20 on the back of double-digit revenue growth across all verticals, with the exception of export sales, which contracted due to the closure of borders across most of the Group's export markets on account of the pandemic

**Gross Profit**  
(EGP mn / % change / % margin)

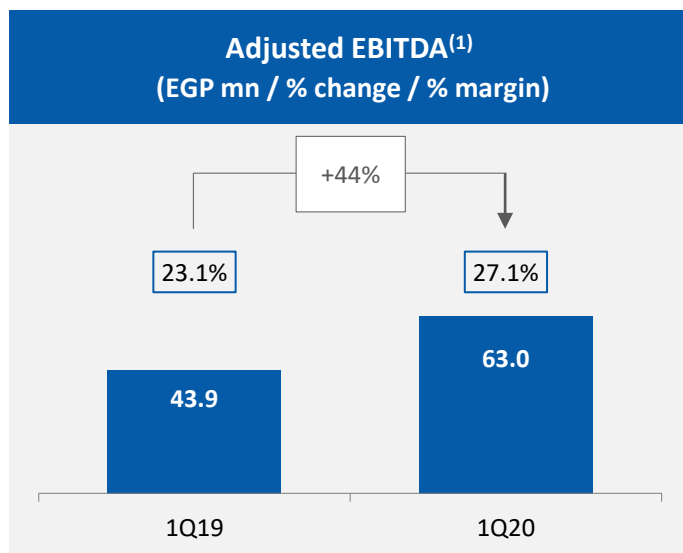


### **Gross profit grew by 36% YoY**

to EGP 106.2 million in 1Q20, reflecting gross margin growth of 4.5 percentage points during the period to 45.7% in 1Q20. Margin growth during the period was a result of lower unit production costs due to recovering volumes and an appreciation of the EGP, combined with the optimization of our portfolio towards higher-margin products

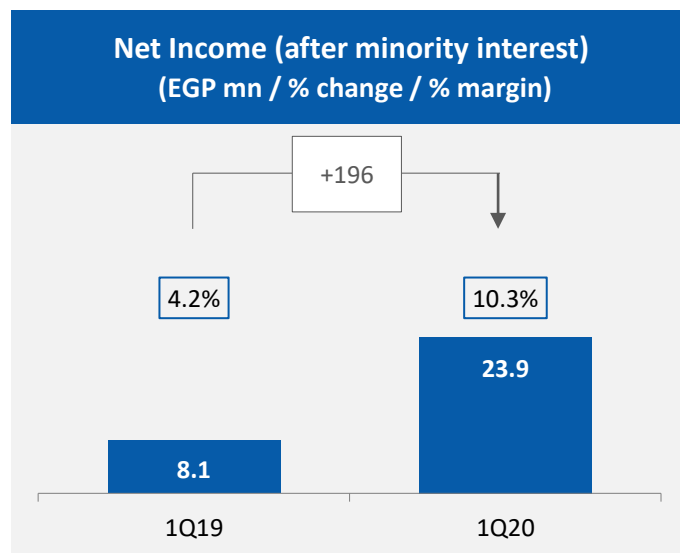


# 1Q20 | Key Performance Indicators (2 of 2)



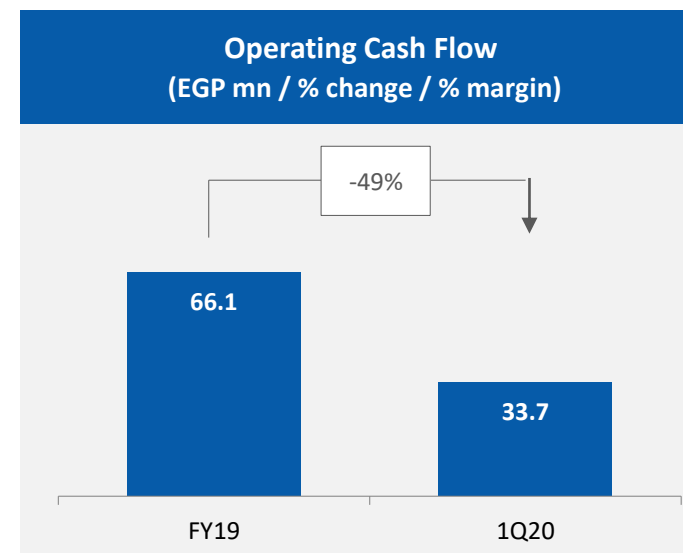
#### **EBITDA grew by 44% YoY**

to EGP 63.0 million in 1Q20, representing EBITDA margin expansion of 4.0 percentage points during the period to 27.1%. EBITDA growth follows the growth in gross profit, despite increased selling & marketing expenses as a percentage of revenue to 20.7% in 1Q20 from 17.6% in 1Q19



#### **Net profit almost tripled**

Net profit almost tripled to EGP 23.9 million in 1Q20, representing significant net profit margin expansion of 6.0 percentage points to 10.3% on the back of increased operating margins and enhanced treasury operations.



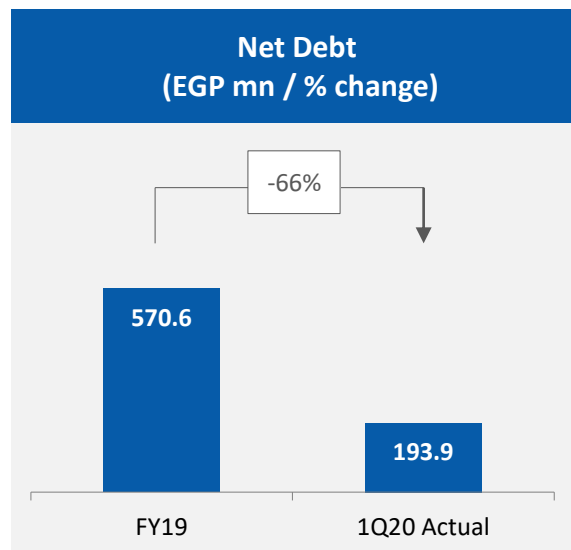
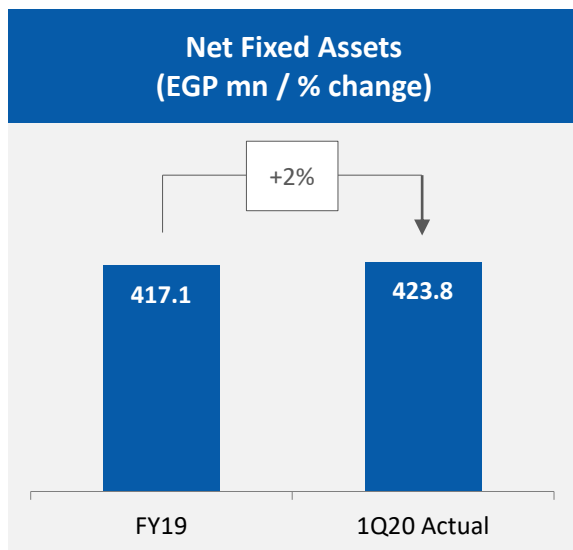
#### **The stocking up sufficient inventory**

to accommodate Ramedra's production needs to the end of 3Q20 caused the Group's operating cash flow to fall by 49% YoY in 1Q20, dampened by higher inventory levels and lower payables, as suppliers tightened their contract terms to preserve liquidity and Ramedra repaid the outstanding dues related to facilities' upgrade



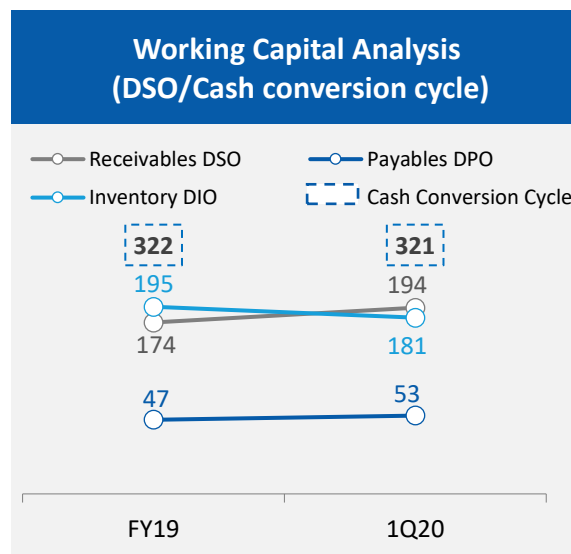
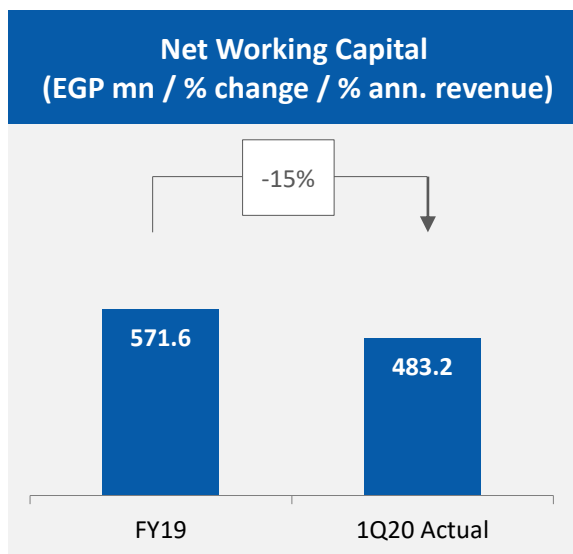


# 1Q20 | Balance Sheet Highlights



#### Net fixed assets

With our facility expansion and upgrades fully realized by the end of 2019, net fixed assets grew by 2% year-to-date to book EGP 423.8 million as at 31 March 2020, with minimal CAPEX spent during the period.



#### Net debt

Despite an increase in short-term credit facilities, net debt stood at EGP 193.9 million as at 31 March 2020, representing year-to-date contraction of 66%, driven by an increase in cash and bank balances upon the Group's December 2019 listing.

#### Working capital

Net working capital came in at EGP 483.2 million as at 31 March 2020, down 15% year-to-date. The corresponding cash conversion cycle came in at 321 days with the change in DSO balanced out by the change DIO and DPO mostly unchanged

# Stock Information

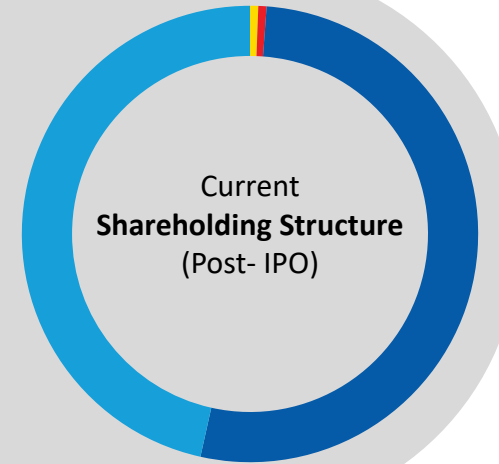
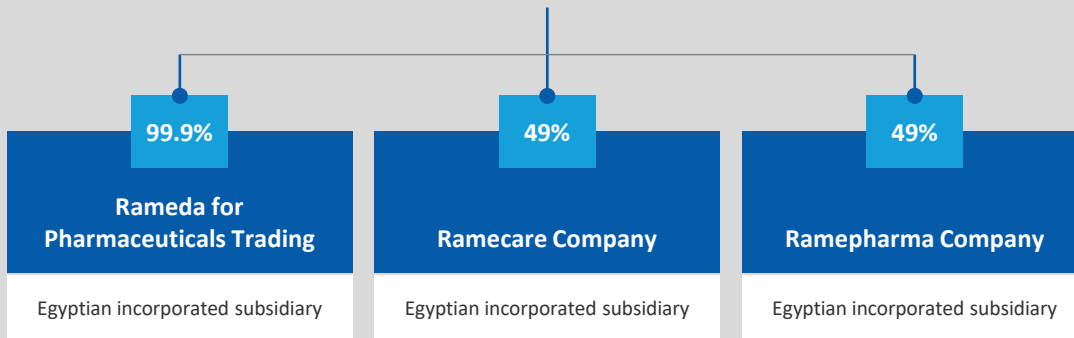




# Corporate Structure and Share Performance

## Corporate structure overview

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



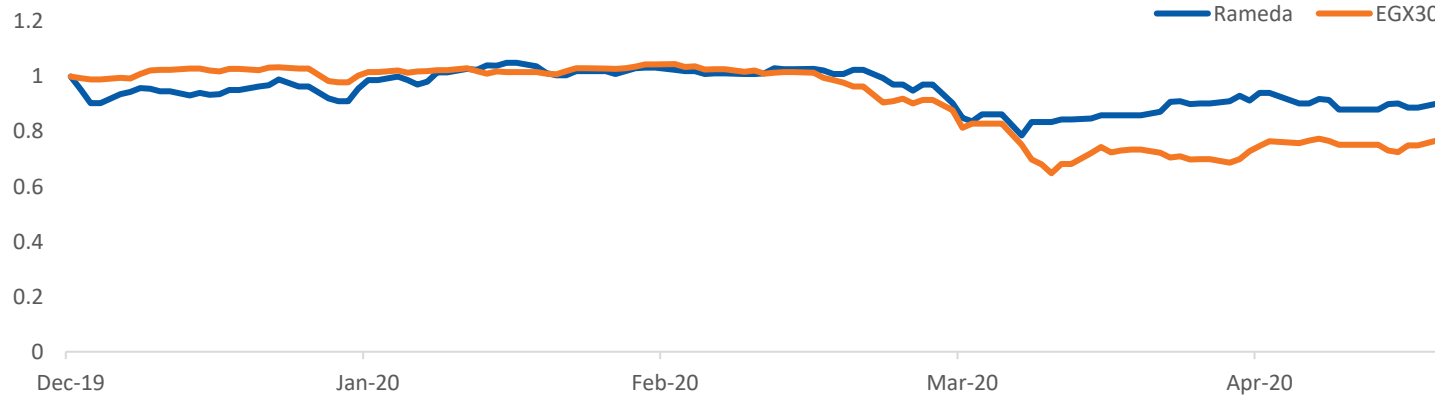
Greville Investing Ltd*	52.7%
Float	47.3%
Ayman Mamdouh Abbas	0.0006%
Shamel Aboul Fadl	0.0006%

\*Stabilization fund

Greville Investing Limited is the company through which the consortium of financial investors led by Compass Capital acquired the Company in 2011

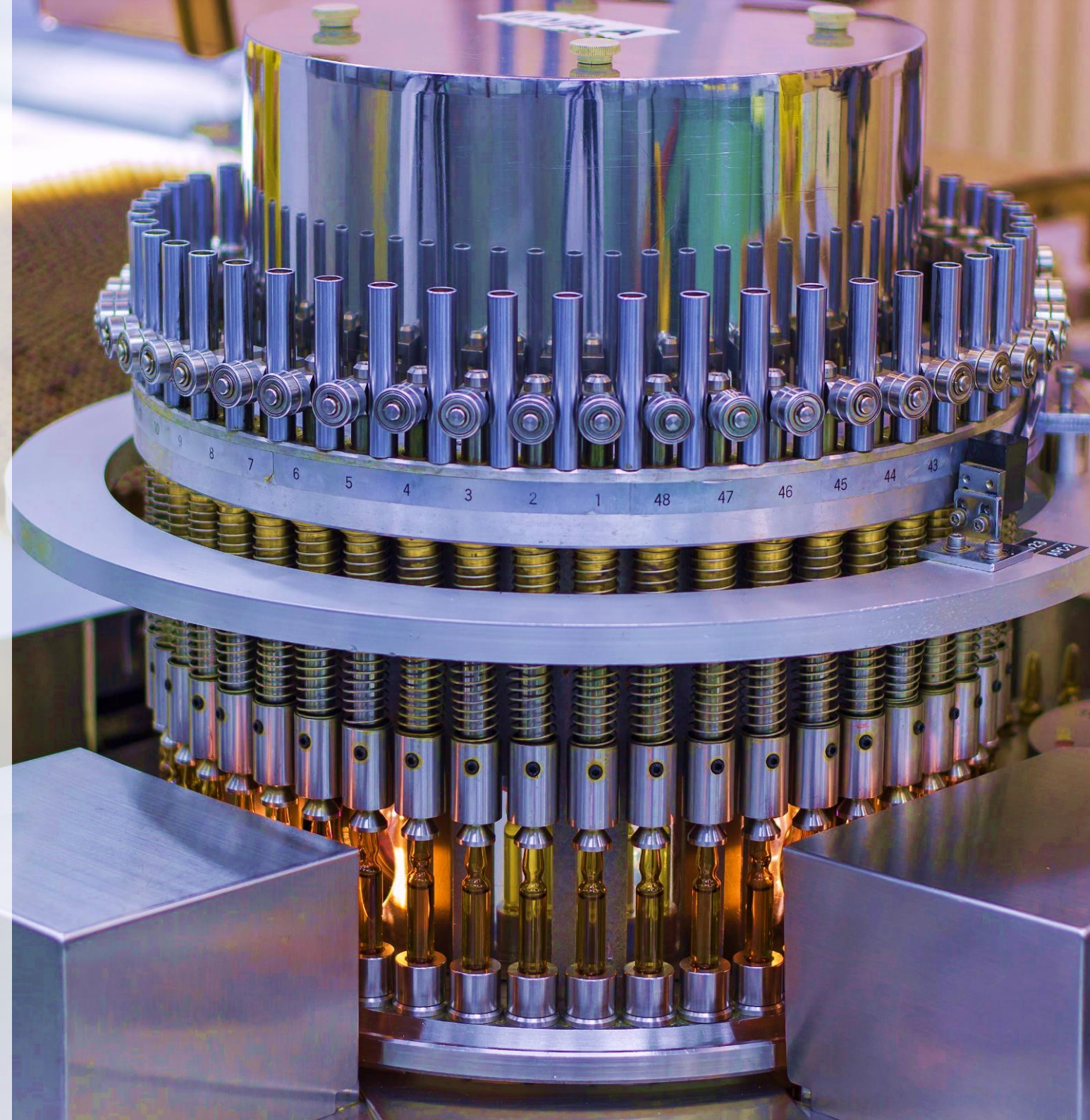
Dr Amr Morsy (CEO) and Mahmoud Fayek (CFO) indirectly own 1.97% and 0.12% in Rameda.

## Share Information & Performance (Dec '19-April '20) | Rebased to 100



Market	EGX
Stock Ticker	RMDA.CA
Date of Listing	11-Dec-19
Total Issued Shares	768,600,00
Authorized Capital	EGP 1.00 BN
Issued Capital	EGP 192.15 MN
Paid-up Capital	EGP 192.15 MN
Par Value/Share	EGP 0.25/Share

# Appendix





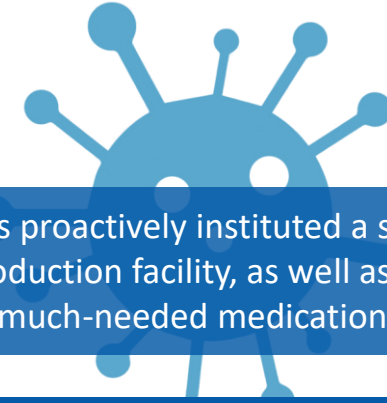
# Our People

We embrace a diverse workforce and inclusive culture, with the health, safety, professional development, work-life balance and equitable, respectful treatment of our employees among our highest priorities.

<h3>Investment In Growth</h3>	<p>In 2018, we launched the Rameda Learning and Development Academy (RLDA), an in-house teaching institution licensed by the Canadian Corporate Training Organization. Through the RLDA, we provide comprehensive professional learning and development programs in both classroom and lab settings</p>	Introductory Programs	Sales Management		<p><b>184</b> Aggregate Training Hours 1Q20</p>
Business & Marketing	Medical Management	Plant Management	Regulatory Affairs		
Medical Sales Rep	Executive Programs				
<h3>Workplace Diversity</h3>	<p>Flexible work schedules and part-time opportunities based on family needs</p>	<p>On-site nursery (daycare) to support return to work from maternity leave</p>			<p><b>49%</b> Female Workforce 1Q20</p>
<p>Maternal leave policy as per the Egyptian law</p>	<p>Effective career mapping for women to management and executive positions</p>				
<h3>Putting Safety First</h3>	<p>Rameda's proactive Health and Safety Management system meets the highest standards in occupational safety and health by outlining clear requirements for the policies, specifications and programs to guide its operations,</p>	<p>New procedures and sanitization practices have been implemented in light of COVID-19 to ensure the safety of our employees</p>			<p><b>0</b> Lost-time Injury Frequency Rate 1Q20</p>



# COVID-19 | Our Response



With the effect of COVID-19 currently pushing companies to transform how they operate, Rameda has proactively instituted a set of policies and procedures in the spirit of social distancing to protect our employees and critical workers in our production facility, as well as their families, while ensuring business continuity and the ability to provide our patients with their much-needed medication

## Employee Safety

As a responsible corporate citizen, the health and safety of our employees and patients remains our highest priority. Key safety measures include:

- Reduced shifts for non-critical lines to one shift per day, while critical lines operate within non-curfew hours.
- frequent sterilization of our manufacturing facilities and recently installed fever-screening devices, among others measures recommended by WHO and the CDC.
- Medical representatives, administrative staff and head office employees are required to work from home. (we ensure that each employee is technologically equipped to conduct their business as usual)
- Vulnerable employees, including those affected with chronic diseases such as diabetes, hypotension or hypertension, kidney disease, liver disease, heart disease, and tumors, are required to stay home.
- Other measures recommended by WHO and the CDC

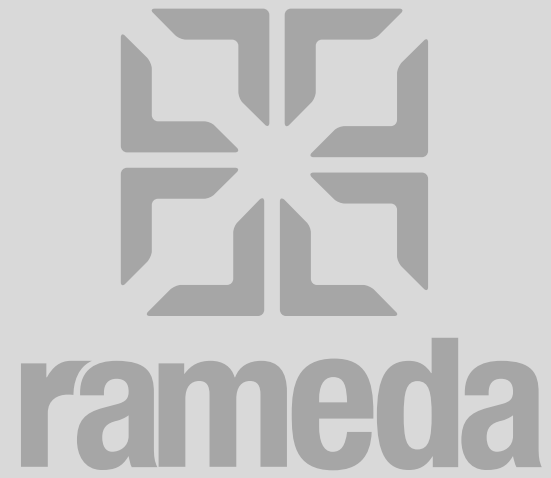
## Business Continuity

- We have secured enough APIs to fulfill our expected production needs until the end of 3Q 2020 and are actively working on extending our inventory further to meet expected demand for the full year of 2020.
- As a long-term contingency, our Procurement team is currently exploring measures to diversify our supply chain whilst closely monitoring conditions globally. due to the India's lockdown, we have substituted our India-sourced APIs for China.
- Export and Toll Manufacturing segments have been indirectly affected as a result of the epidemic, primarily due to shipping problems and border closures with toll manufacturing clients unable to secure their APIs. Despite this, toll manufacturing revenue grew by 30.8% YoY in 1Q20.
- Our Private Sales and Tenders verticals, the two highest contributors to our top line at 93% of revenue collectively in 1Q20, continue to see healthy demand growth on the back of growing demand for medication which address noncommunicable lifestyle diseases.



# 1Q20 | Revenue & Volume Analysis

Revenue Analysis	1Q19	1Q20	% YoY
<b>Private Sales</b>			
Volumes Sold ('000)	5,902	5,899	-0.1%
Sales (EGP mn)	121.7	150.7	23.9%
<b>Domestic Tenders</b>			
Volumes Sold ('000)	9,919	12,141	22.4%
Sales (EGP mn)	44.9	66.1	47.4%
<b>Exports</b>			
Volumes Sold ('000)	921	339	-63.2%
Sales (EGP mn)	15.8	5.2	-66.9%
<b>Total Volume (excluding toll manufacturing) ('000)</b>	<b>16,742</b>	<b>18,378</b>	<b>9.8%</b>
<b>Total Revenue (excluding toll manufacturing) (EGP mn)</b>	<b>182.3</b>	<b>222.1</b>	<b>21.8%</b>
<b>Toll Manufacturing</b>			
Volumes Sold ('000 sheets)	4,765	6,234	30.8%
Sales (EGP mn)	7.5	10.4	37.4%
<b>Total Revenue (EGP mn)</b>	<b>189.9</b>	<b>232.4</b>	<b>22.4%</b>



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**Thank You**