



**rameda**

Quality For All

# Results Presentation

3Q/9M 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<sup>(1)</sup>

(1) Source: IQVIA

# Executive Summary | 3Q 2023 Highlights

## 3Q 2023 Financial Highlights

Revenues	Gross Profit	Net Operating Cash Flow	EBITDA	Net Income <sup>(1)</sup>	Core Net Income <sup>(2)</sup>	Net Debt
EGP <b>545.7</b> mn	EGP <b>265.1</b> mn	EGP <b>-93.8</b> mn	EGP <b>168.5</b> mn	EGP <b>78.0</b> mn	EGP <b>88.9</b> mn	EGP <b>762.5</b> mn
▲ 43% YoY	▲ 36% YoY 49% margin	vs EGP 148.6 mn in 3Q22	▲ 35% YoY 31% margin	▲ 8% YoY 11% margin	▲ 15% YoY 16% margin	▲ 60% YTD

## 3Q 2023 Operational Highlights

Total Sales Visits	Units Sold (excluding toll) <sup>(3)</sup>	Products Launched	Molecules Acquired	Average Unit Price (IQVIA)	Medical Reps & Merchandisers
<b>265</b> <sub>K</sub>	<b>28.0</b> <sub>mn</sub>	-	-	EGP <b>62.0</b>	<b>501</b>
vs. 206k in 3Q22	▼ 16% YoY			▲ 32% YoY	vs. 519 in 3Q22

(1) Reported net income.  
(2) Core net income before minority interest adjusted for ESOP expense, FX income/losses and unusual items.  
(3) Value reflects total volumes (including toll manufacturing and injectable antibiotic volumes). Excluding toll manufacturing and injectable antibiotics, volumes increased 70.4% y-o-y to 11.9 million units in 3Q23.

# Executive Summary | 9M 2023 Highlights

## 9M 2023 Financial Highlights

Revenues	Gross Profit	Net Operating Cash Flow	EBITDA	Net Income <sup>(1)</sup>	Core Net Income <sup>(2)</sup>	Net Debt
EGP <b>1,388.2</b> mn	EGP <b>651.8</b> mn	EGP <b>-93.8</b> mn	EGP <b>392.2</b> mn	EGP <b>197.0</b> mn	EGP <b>207.3</b> mn	EGP <b>762.5</b> mn
▲ 27% YoY	▲ 21% YoY 47% margin	vs EGP 134.1 mn in 9M22	▲ 17% YoY 28% margin	▼ 1% YoY 14% margin	▲ 3% YoY 3% margin	▲ 60% YoY

## 9M 2023 Operational Highlights

Total Sales Visits	Units Sold (excluding toll) <sup>(3)</sup>	Products Launched	Molecules Acquired	Average Unit Price (IQVIA)	Medical Reps & Merchandisers
<b>604</b> <sub>K</sub>	<b>84.7</b> mn	-	<b>4</b>	EGP <b>57.7</b>	<b>501</b>
vs. 568K in 9M22	▼ 14% YoY			▲ 36% YoY	vs. 519 in 9M22

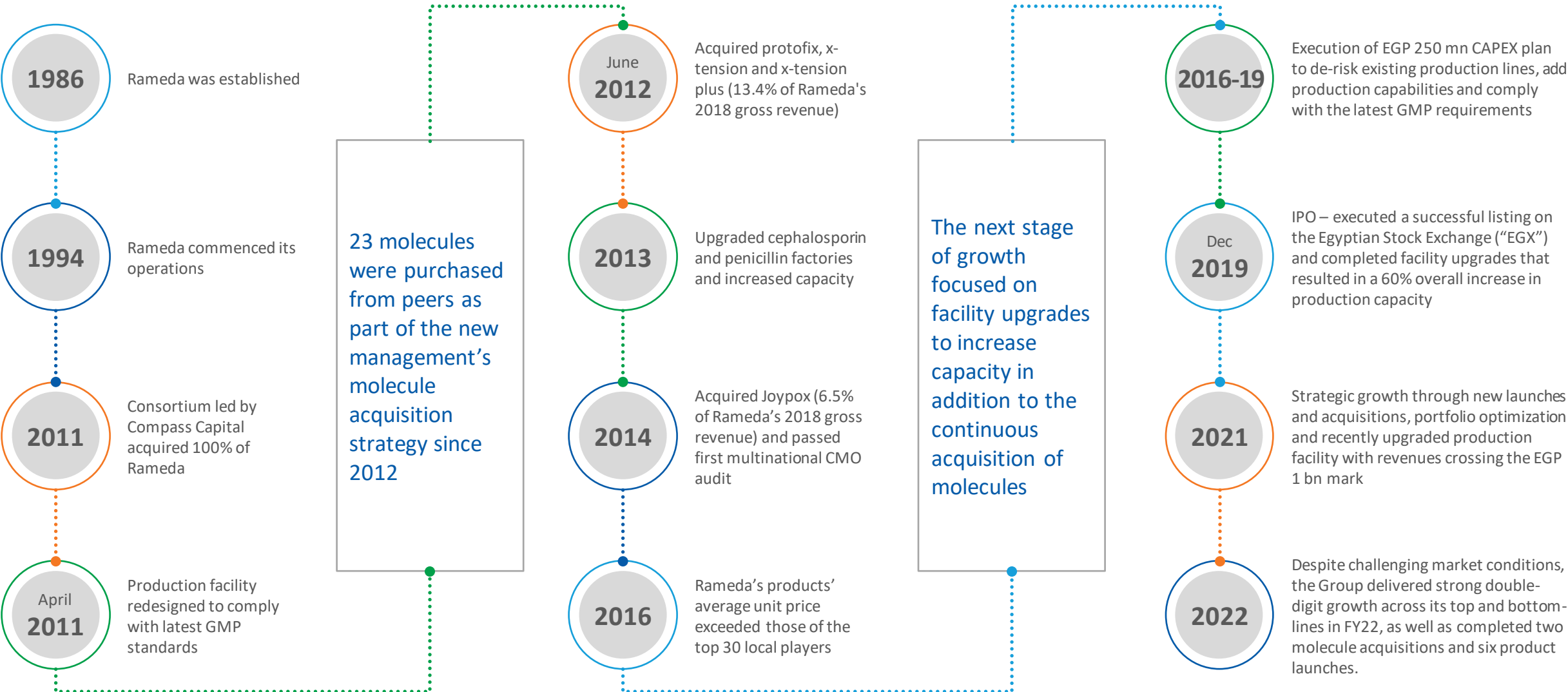
(1) Reported net income.  
(2) Core net income before minority interest adjusted for ESOP expense, FX income/losses and unusual items.  
(3) Value reflects total volumes (including toll manufacturing and injectable antibiotic volumes). Excluding toll manufacturing and injectable antibiotics, volumes increased 8.6% y-o-y to 31.8 million units in 9M23.



# 9M 2023 Market Positioning

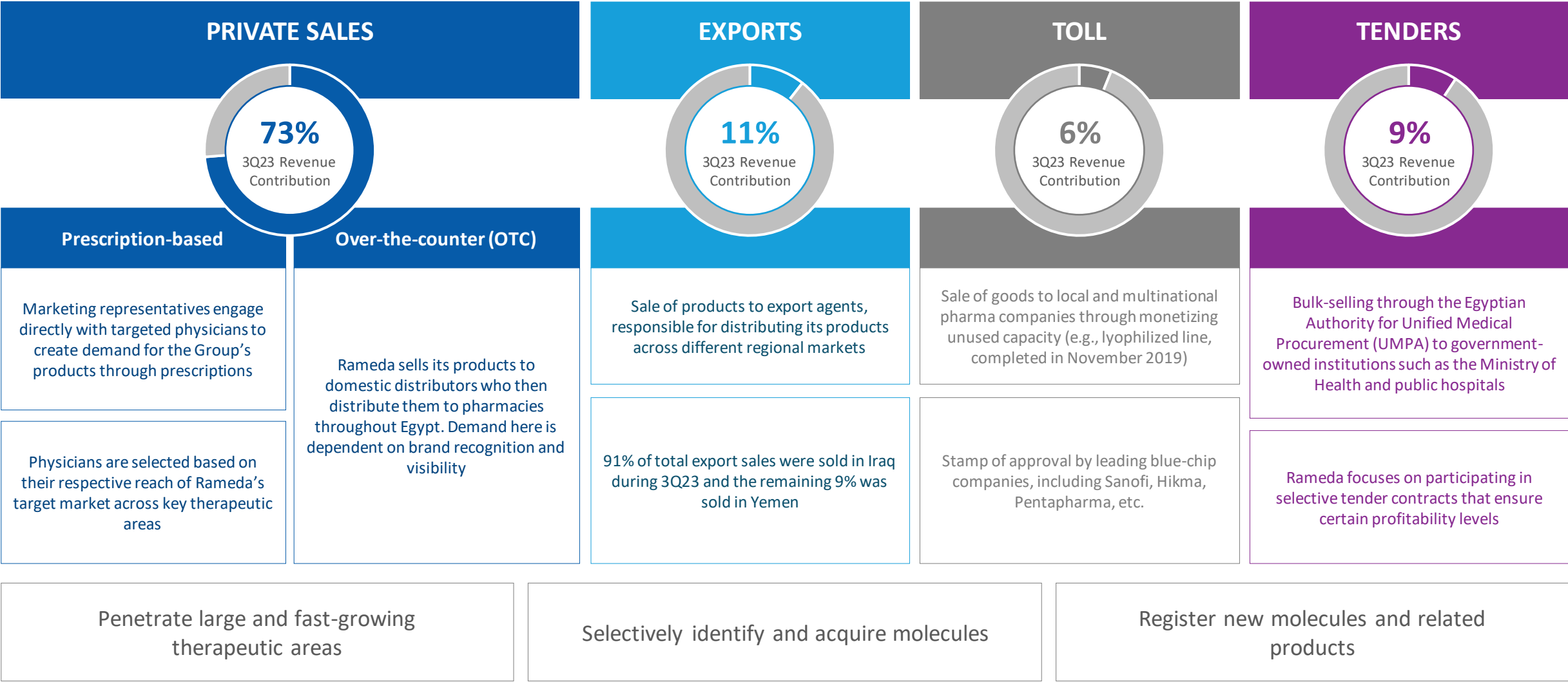


# Our Evolution





# 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

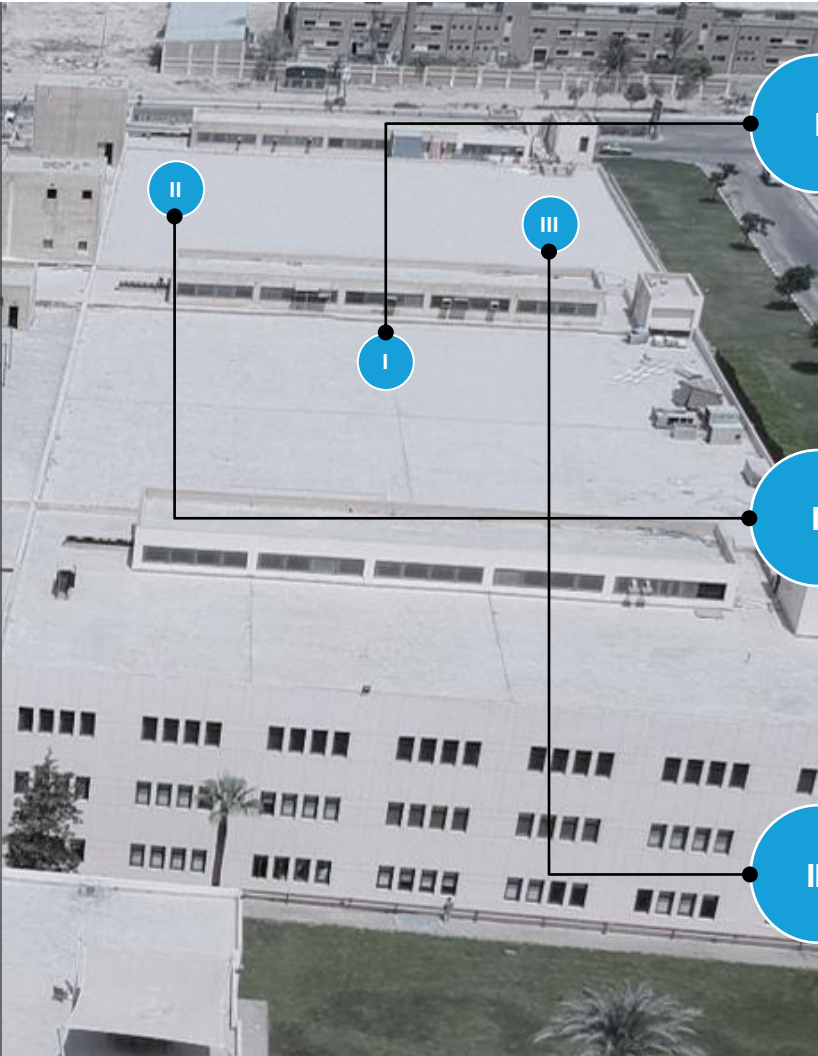
**Significant capacity to support growth**, with overall utilization at just 34% in 9M23, based on two long shifts and multi-product production lines

**Excess capacity used to toll manufacture** for leading blue-chip companies, with our recently installed lyophilized production lines operating at north of c.77% utilization

3  
Factories

20  
Production Lines

34%  
9M23 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



**3Q/9M 2023 IN REVIEW**



# Executive Summary

## Financial Highlights

The Group booked solid growth and improved profitability

Revenues grew by 43.0% y-o-y to EGP 545.7 million in 3Q23 on the back of solid growth across all Rameda's verticals, with growth primarily driven by the private sales vertical, contributing 55% of absolute revenue growth during the period, followed by export sales at a contribution of 25%.

Gross profit increased by 36.3% y-o-y to EGP 265.1 million but booked a margin contraction of 2.4 percentage points year-on-year to 48.6% in 3Q23. This was driven by a six-percentage point increase in the contribution of raw materials cost to COGS on the back of rising inflationary pressures in 3Q23.

EBITDA grew by 35.2% y-o-y to EGP 168.5 million but recorded a margin contraction of 1.8 percentage points year-on-year to 30.9% in 3Q23 as the decline at the gross profit level trickled down to EBITDA despite a 1.5 percentage point decline in the contribution of SG&A to revenue during the period.

Reported net income recorded a 7.7% y-o-y increase to EGP 78.0 million in 3Q23, however, booked a margin contraction of 4.7 percentage points to 14.3% reflecting the rise in Rameda's cost base coupled with the impact of a significant rise in net interest costs to EGP 41.8 million in 3Q23.

Adjusted for non-recurring expenses, core net income before minority interest increased by 15.1% y-o-y to EGP 88.9 million but booked a margin contraction of four percentage points year-on-year to 16.3% in 3Q23.

## Key Developments

Antibiotics witnessing recovery and Rameda continues to shift away from higher-risk distributors

The Group's antibiotics booked EGP 51 million in antibiotic sales in 3Q23 versus EGP 10 million in 1H23, signaling the beginnings of a recovery across the antibiotics portfolio. This is anticipated to continue in the upcoming periods and reflect positively on Rameda's performance.

Excluding toll manufacturing and injectable antibiotics, volumes booked an increase of 70.4% y-o-y to 11.9 million units in 3Q23, and revenues grew by 71.1% y-o-y to EGP 451.6 million during the period.

Top-line performance for the period continued to be driven by the positive impact of price increases across Rameda's portfolio, the success of Rameda's focus on generating increased value from other key therapeutic areas, as well the strong results from its recently acquired products.

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.86% of Group revenues in 9M23 witnessed an average price increase of c.45%.

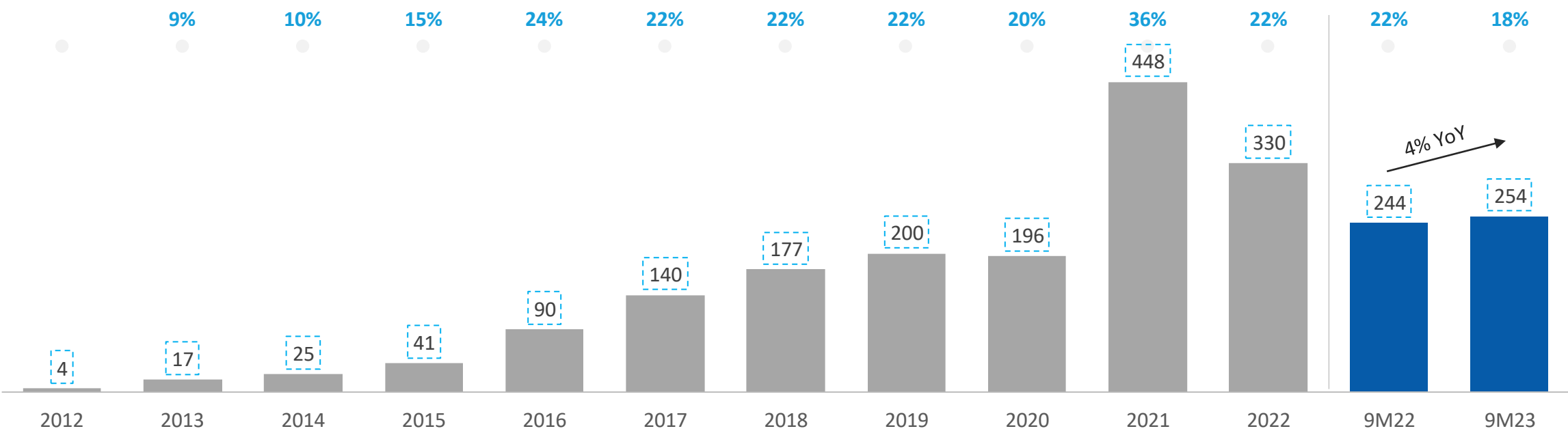
The Group has successfully shifted the majority of its sales to pharma distributors that pose a significantly lower risk to Rameda's operations and leaves the Group better positioned to maximize the value generated from its private sales vertical.

# Launches | Performance to Date

Revenues generated from launches since 2012 contributed 18% of Group revenues

Revenue generated by molecules by launch year | EGP mn

% - Percentage of Total Revenues



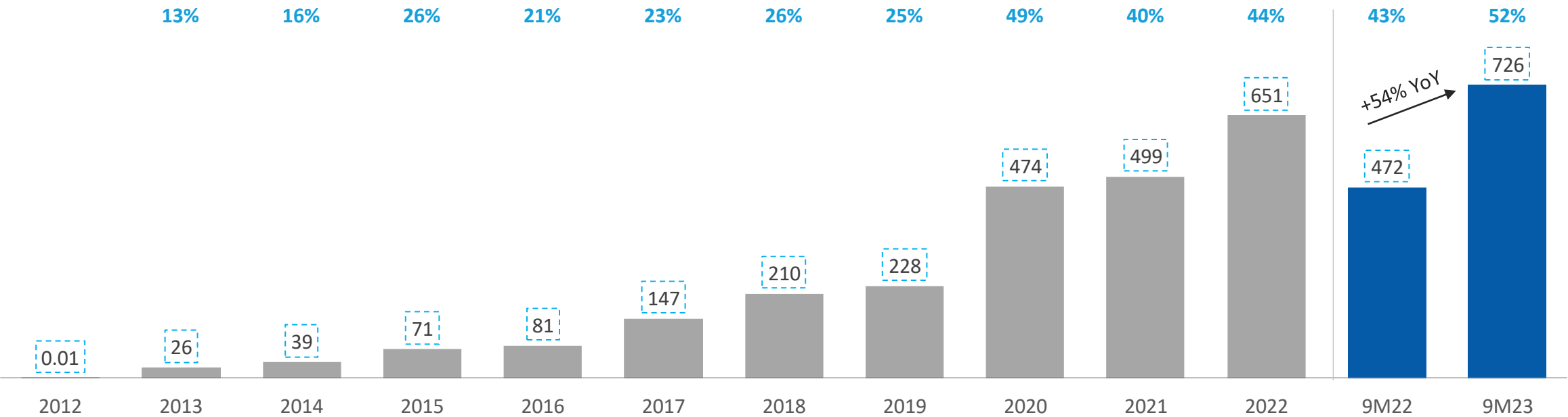
However, revenue from launches remained fairly flat in terms of growth due to the muted performance of antibiotic products launched in 2012 and 2013

# Acquisitions | Performance to Date

Meanwhile, revenues generated from acquisitions since 2012 contributed 52% of Group revenues and grew by 54% y-o-y in 9M23

Revenue generated by molecules by acquisition year | EGP mn

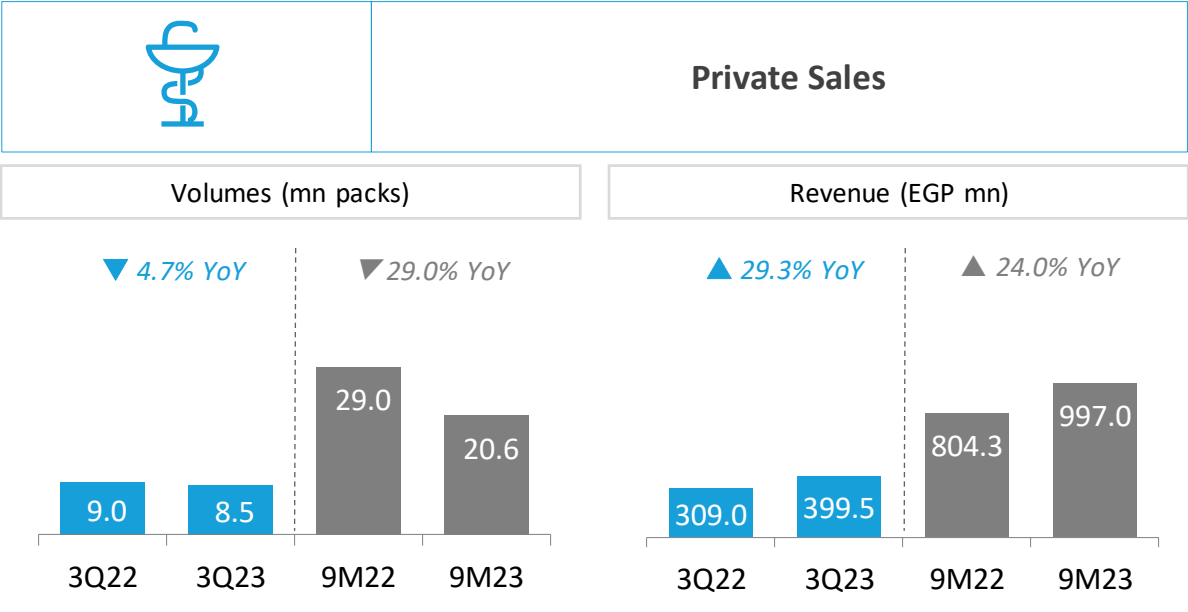
% - Percentage of Total Revenues



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



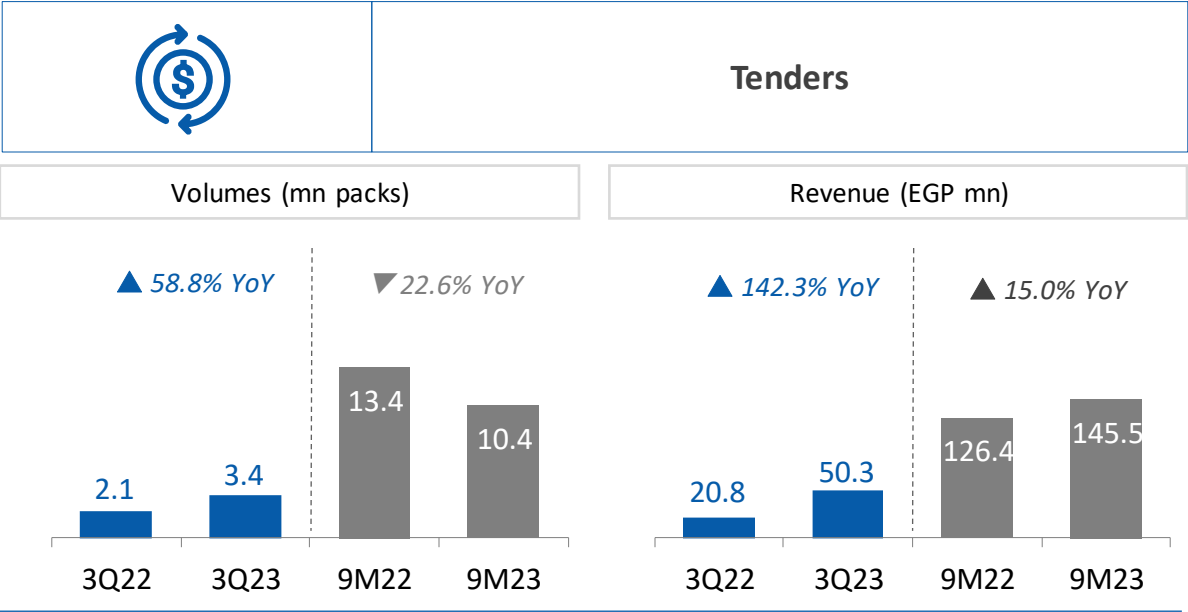
# Segmental Breakdown & Analysis | 3Q/9M 2023 (1 of 2)



**Private sales revenue** Private sales booked a revenue increase of 29.3% y-o-y to EGP 399.5 million in 3Q23 as the Group continued to generate increased value from the positive impact of price increases across Rameda’s products as well as benefit from the slow recovery of the antibiotics portfolio. On this front, injectable antibiotics booked sales of EGP 51 million in 3Q23 compared to EGP 10 million in 1H23. On a YTD basis, private sales revenue grew by 24.0% y-o-y to EGP 997.0 million in 9M23 despite a 29.0% y-o-y decline in volumes given the lower sales booked by the injectable antibiotics portfolio.

**Excluding injectable antibiotics**, private sales volumes increased 38.3% y-o-y to 6.7 million units and booked revenue growth of 47.6% y-o-y to EGP 348.6 million in 3Q23. In 9M23, private sales volumes increased 26.1% y-o-y to 18.8 million units and revenues grew 66.6% y-o-y to EGP 936.4 million in 9M23, excluding injectable antibiotics.

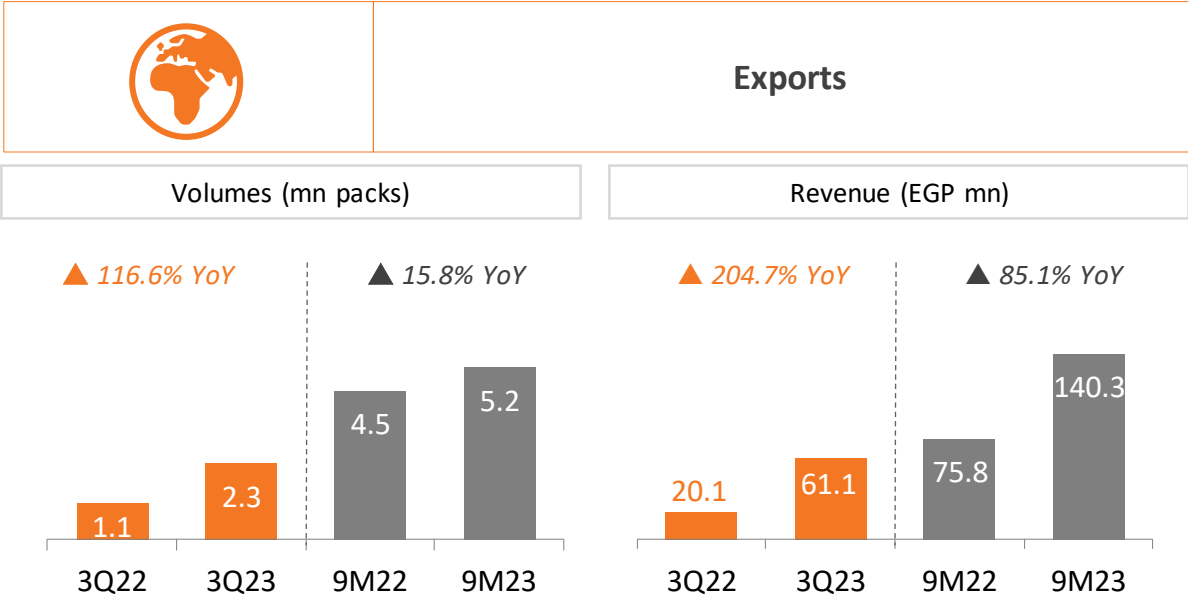
*Note: Please refer to the appendix for a detailed revenue and volume table by market route.*



**Tender volumes** booked growth of 58.8% y-o-y in 3Q23 on the back of an increase in demand from the UMPA for certain products with higher margins that Rameda was able to satisfy during the period. Consequently, revenue from tenders increased by a strong 142.3% y-o-y to EGP 50.3 million in 3Q23.

On a YTD basis, tender volumes declined by 22.6% y-o-y in 9M23, however, recorded revenue growth of 15.0% y-o-y to EGP 145.5 million during the nine-month period on the back of providing products to the UMPA at higher and more attractive price points given the various rounds of product repricing witnessed.

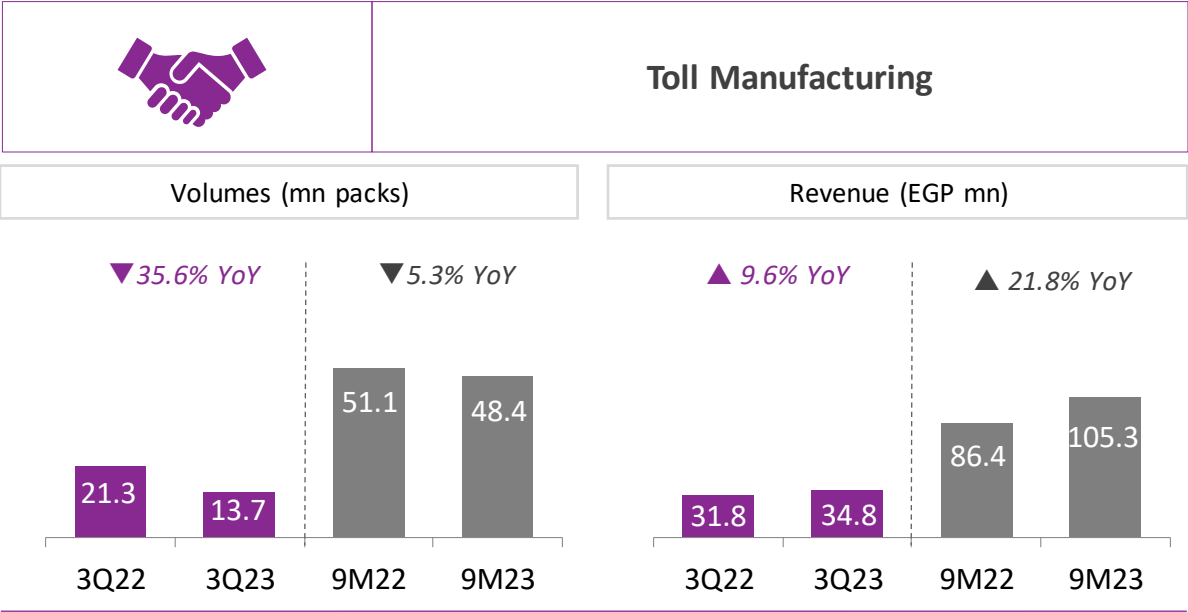
# Segmental Breakdown & Analysis | 3Q/9M 2023 (2 of 2)



Revenue from **exports** grew more than three-fold year-on-year to EGP 61.1 million in 3Q23 driven by strong export sales to Rameda’s largest export market, Iraq, during the quarter. The vertical’s performance was further fueled by the USD-denominated nature of export sales, ultimately having a favorable effect on performance given the currently depreciating state of Egypt’s local currency.

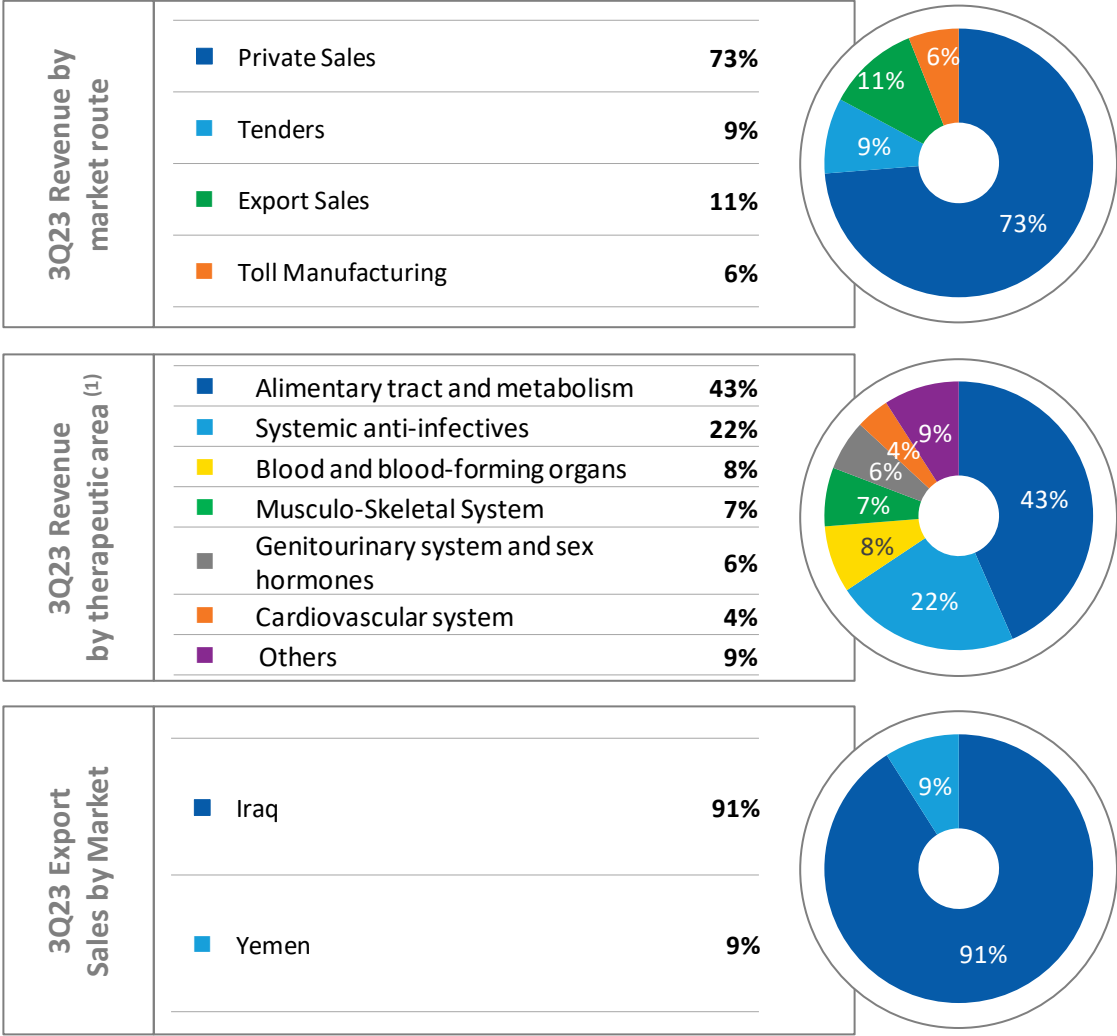
On a YTD basis, export revenue increased by a solid 85.1% y-o-y to EGP 140.3 million in 9M23, and it is worthy to note that, in USD terms, export sales booked USD 4.6 million in 9M23 compared to USD 4.2 million in the same period last year.

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



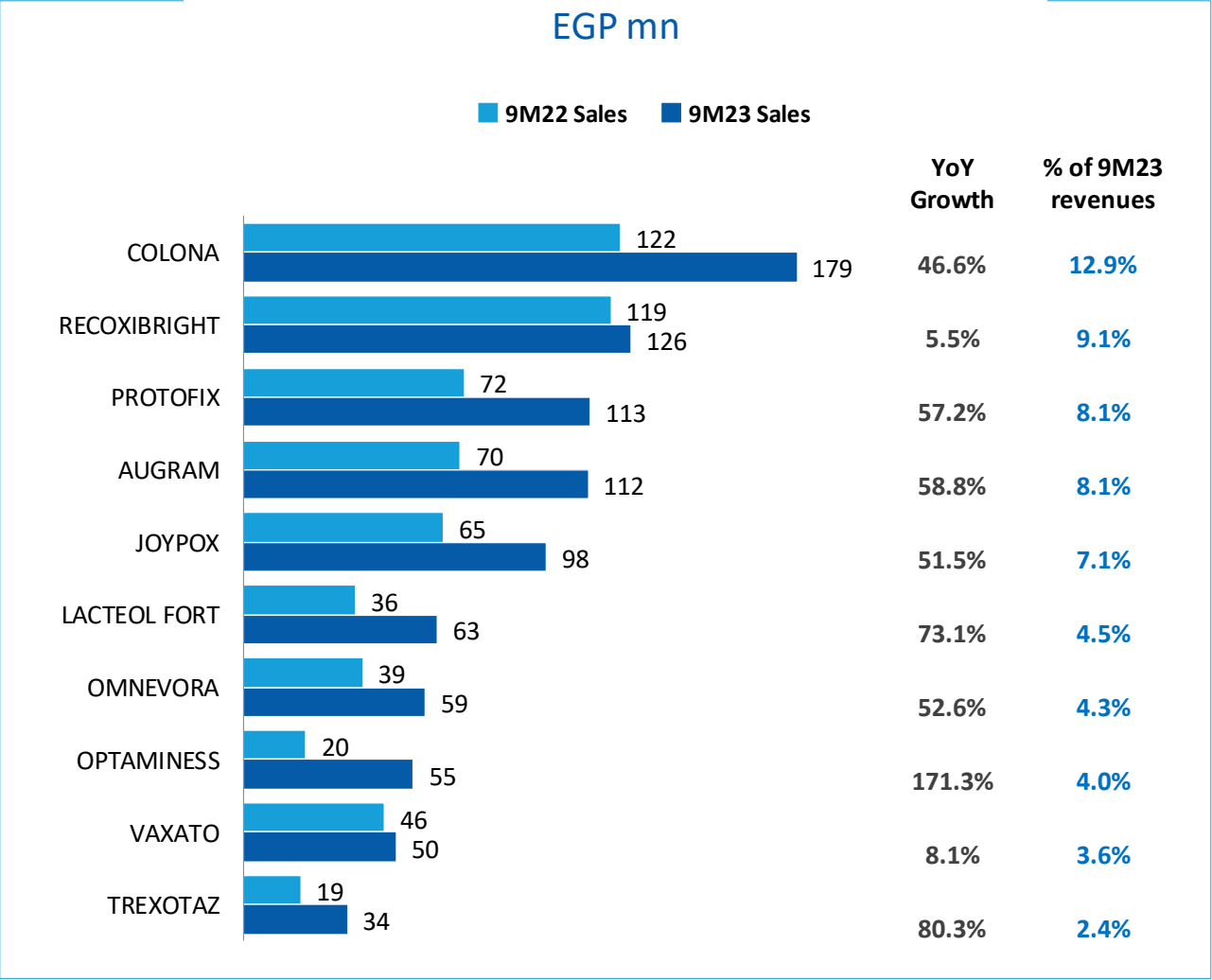
Despite a 35.6% y-o-y decline in **toll manufacturing** volumes, toll revenues booked a revenue increase of 9.6% y-o-y to EGP 34.8 million in 3Q23, primarily due to a c.25% increase in toll manufacturing prices. On a YTD basis, toll volumes declined by 5.3% y-o-y while revenues grew by 21.8% y-o-y to EGP 105.3 million in 9M23.

# Sales Breakdown & Analysis | 3Q/9M 2023



## Top 10 Products Sold<sup>(2)</sup> | 9M 2023

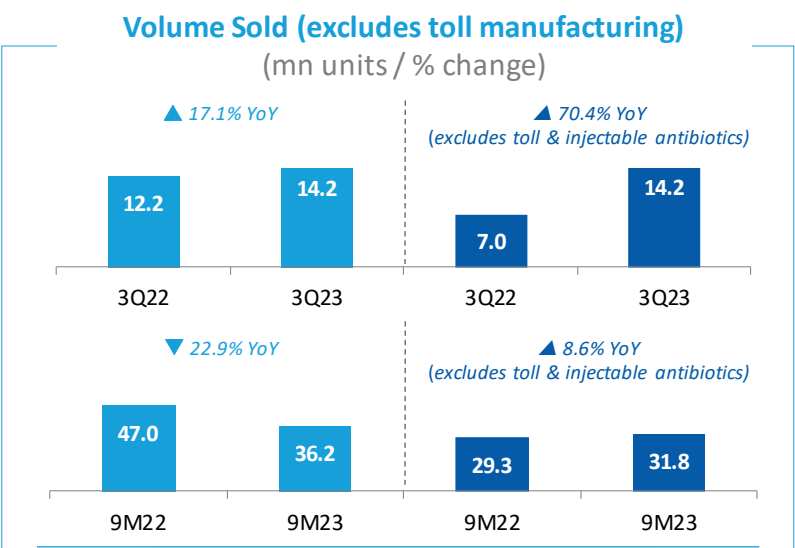
EGP mn



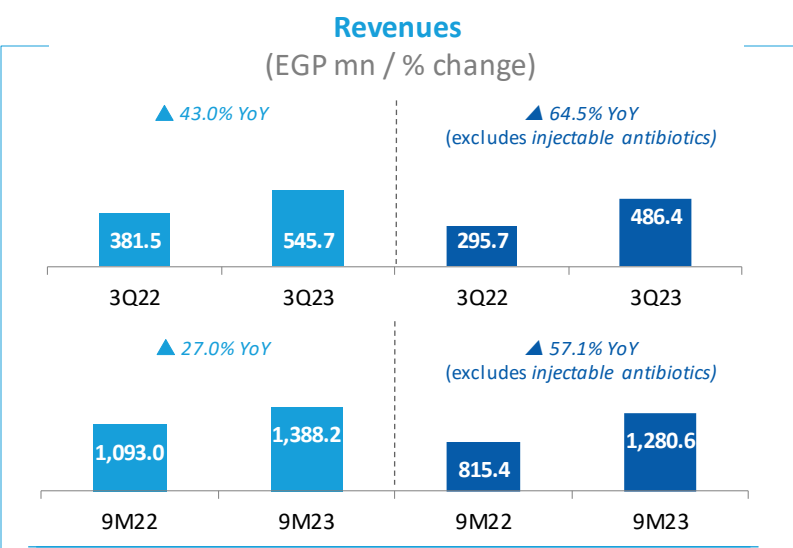
(1) Contribution by TA is calculated on revenues before toll revenue, discounts & incentives and sales returns.

(2) Source: IQVIA.

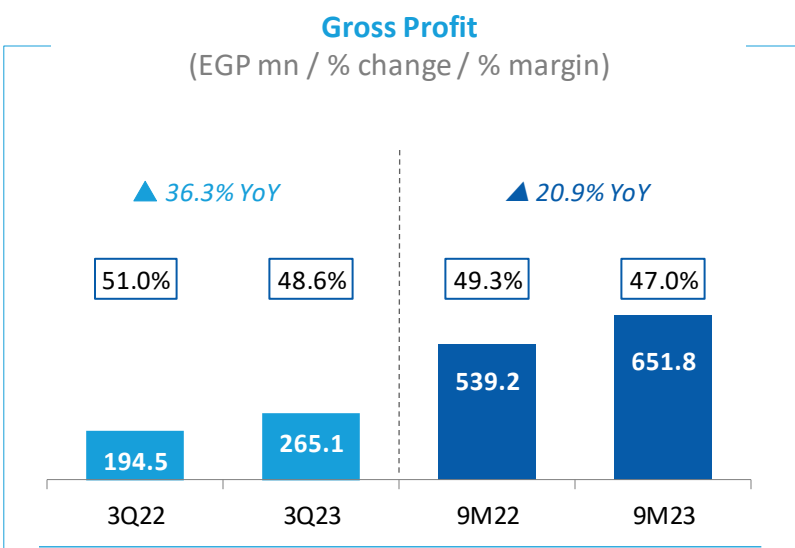
# Key Performance Indicators | 3Q/9M 2023 (1 of 2)



**Volumes grew by 17% y-o-y**  
(excluding toll manufacturing) to 14.2 million units primarily on the back of strong volume growth witnessed across the tenders and export sales verticals in 3Q23. On a YTD basis, volumes (excluding toll manufacturing) declined by 22.9% y-o-y to 36.2 million units primarily due to the 29.0% y-o-y decline in private sales volumes, reflecting the contraction in sales booked by the injectable antibiotics portfolio in 9M23.



**Revenues climbed 43% y-o-y**  
to EGP 545.7 million in 3Q23 on the back of solid growth across all Rameda's verticals, with growth primarily driven by the private sales vertical, contributing 55% of absolute revenue growth during the period, followed by export sales at a contribution of 25% in 3Q23. On a YTD basis, Rameda booked revenue growth of 27.0% y-o-y to EGP 1,388.2 million due to the strong results witnessed at the private sales vertical, which was driven by solid performances from Rameda's top ten selling products.

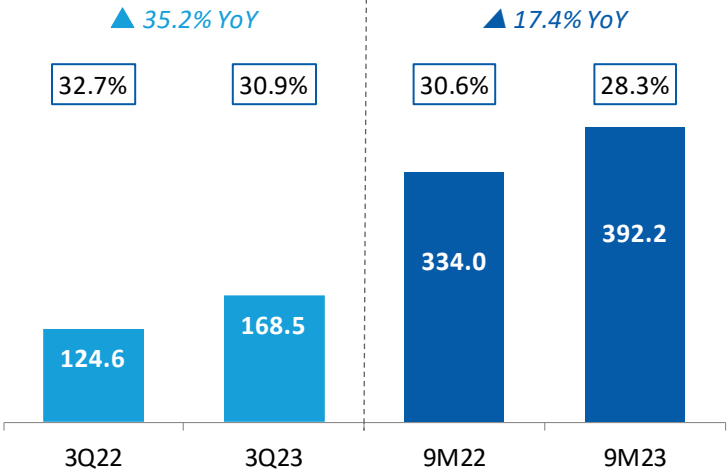


**Gross profit increased by 36% y-o-y**  
to EGP 265.1 million but booked a margin contraction of 2.4 percentage points year-on-year to 48.6% in 3Q23, reflecting the rising inflationary pressures on COGS during the period as well as the delayed positive impact of product repricing. On a YTD basis, gross profit grew 20.9% y-o-y to EGP 651.8 million but booked a margin contraction of 2.4 percentage points to 47.0% in 9M23.

# Key Performance Indicators | 3Q/9M 2023 (2 of 2)

## EBITDA

(EGP mn / % change / % margin)

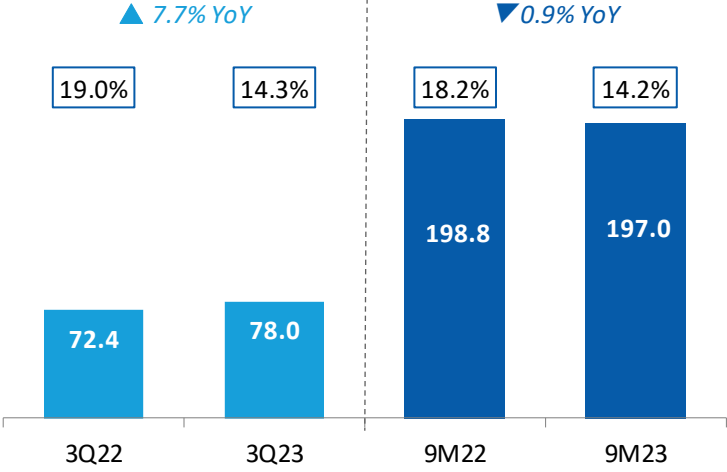


### EBITDA grew by 35% y-o-y

to EGP 168.5 million but recorded a margin contraction of 1.8 percentage points year-on-year to 30.9% in 3Q23, as the decline at the gross profit level trickled down to EBITDA. This came despite a 1.5 percentage point decline in the contribution of SG&A to revenue in 3Q23. On a YTD basis, EBITDA increased 17.4% y-o-y to EGP 392.2 million but booked a margin contraction of 2.3 percentage points in 9M23.

## Reported Net Income

(EGP mn / % change / % margin)

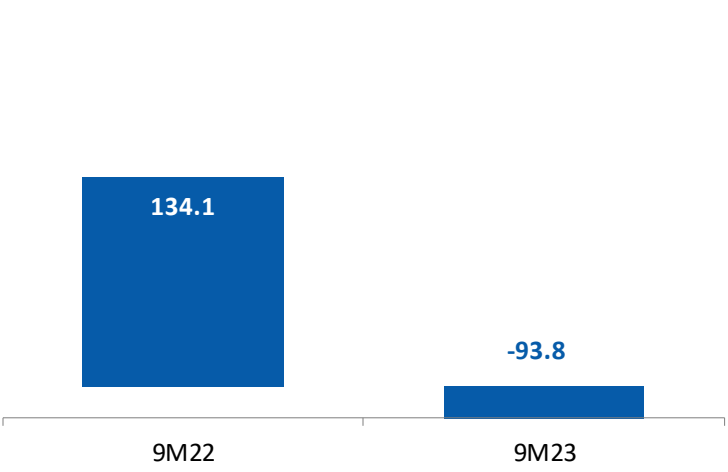


### Reported net income increased by 8% y-o-y

to EGP 78.0 million in 3Q23, however, booked a margin contraction of 4.7 percentage points to 14.3%, reflecting the rise in Rameda's cost base coupled with the impact of a significant increase in net interest costs to EGP 41.8 million in 3Q23. On a YTD basis, reported net income remained largely flat at EGP 197.0 million, however, its margin contracted four percentage points to 14.2% in 9M23.

## Net Operating Cashflow

(EGP mn / % change)

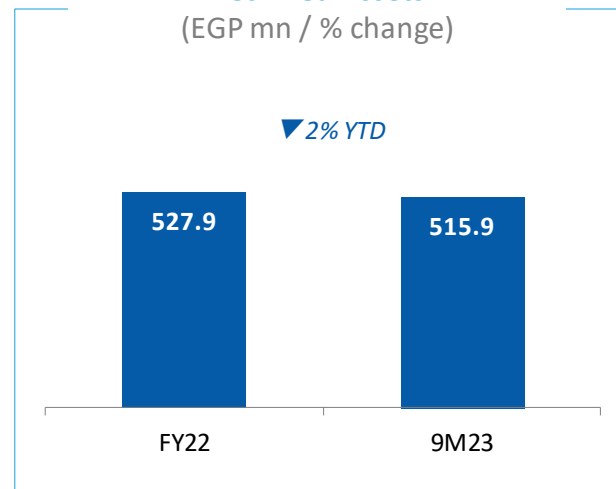


### The Group booked net operating outflows

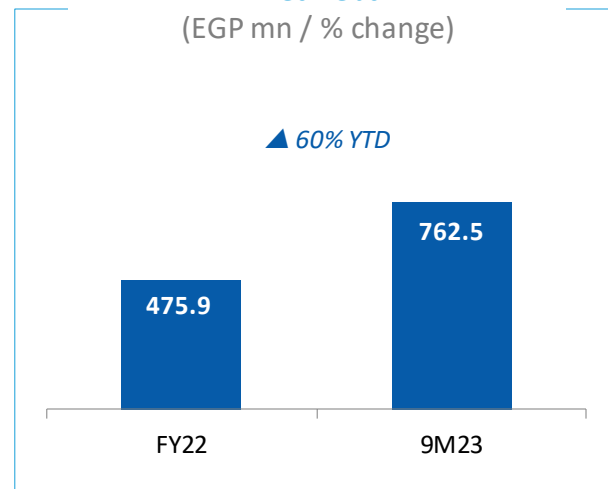
Rameda recorded gross cashflows from operating activities of EGP 86.7 million but booked net operating outflows of EGP 93.8 million in 9M23 compared to an inflow of EGP 134.1 million in the same period last year, primarily due to delayed payments from distributors. Additionally, net operating outflows were further driven by inflationary pressures, which caused an increase in Rameda's inventory.

# Balance Sheet Highlights | As of 30 Sep 2023

**Net Fixed Assets**  
(EGP mn / % change)



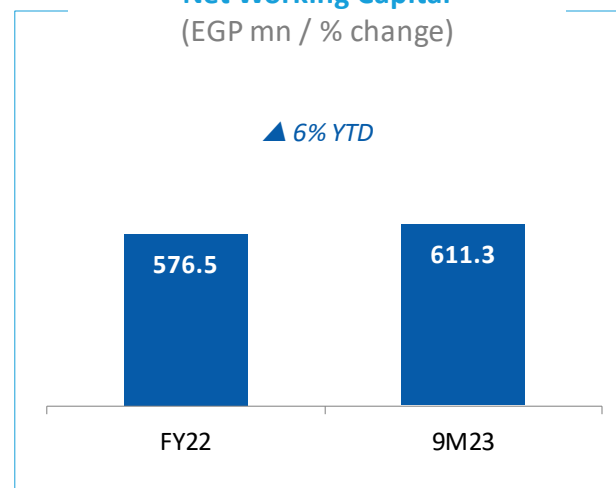
**Net Debt**  
(EGP mn / % change)



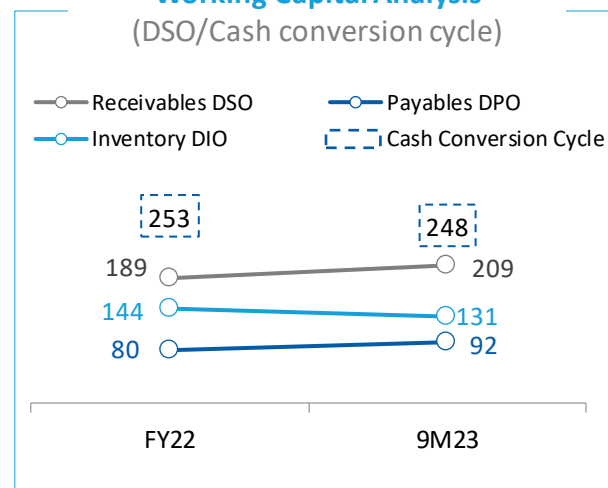
**Summary Balance Sheet (EGP mn)**

	31 Dec 22 Actual	30 Sep 23 Actual
Non-current assets	1,015	1,171
Current assets	1,758	2,099
<b>Total assets</b>	<b>2,773</b>	<b>3,270</b>
Non-current liabilities	68	67
Current liabilities	1,182	1,488
<b>Total Liabilities</b>	<b>1,250</b>	<b>1,554</b>
<b>Shareholder's Equity</b>	<b>1,519</b>	<b>1,706</b>
Minority Interest	5	10
<b>Liabilities &amp; Shareholders' Equity</b>	<b>2,773</b>	<b>3,270</b>

**Net Working Capital**  
(EGP mn / % change)



**Working Capital Analysis**  
(DSO/Cash conversion cycle)



## Net Fixed Assets

Came in at EGP 515.9 million as of 30 Sep 2023, down by 2.3% 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 762.5 million as of 30 Sep 2023, reflecting an increase of 60.2% 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 5 days YTD to 248 days as of 30 Sep 2023, driven by a 20-day increase in receivables DSO and a 12-day decline in inventories DIO, and a 13-day increase in payables DPO during the period.



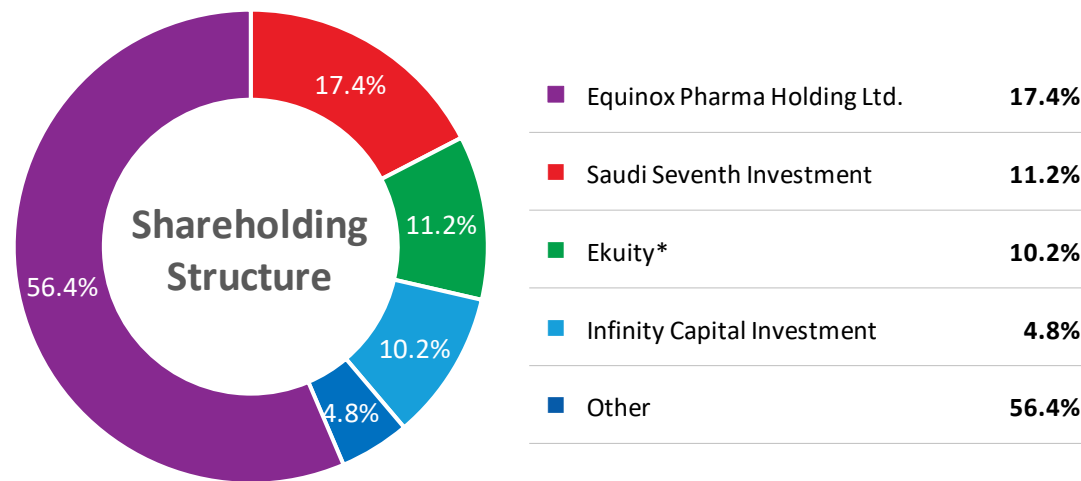
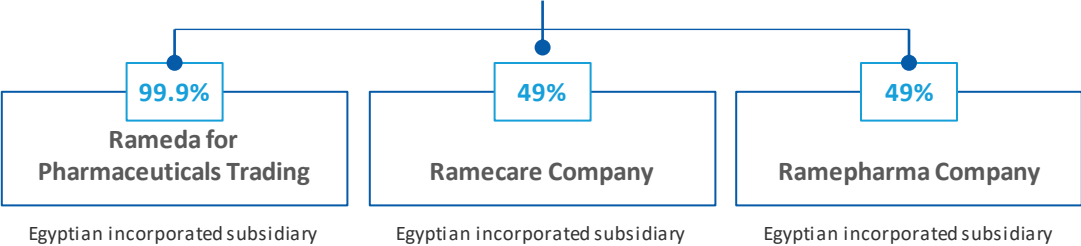
**STOCK INFORMATION**



# Corporate Structure and Share Performance

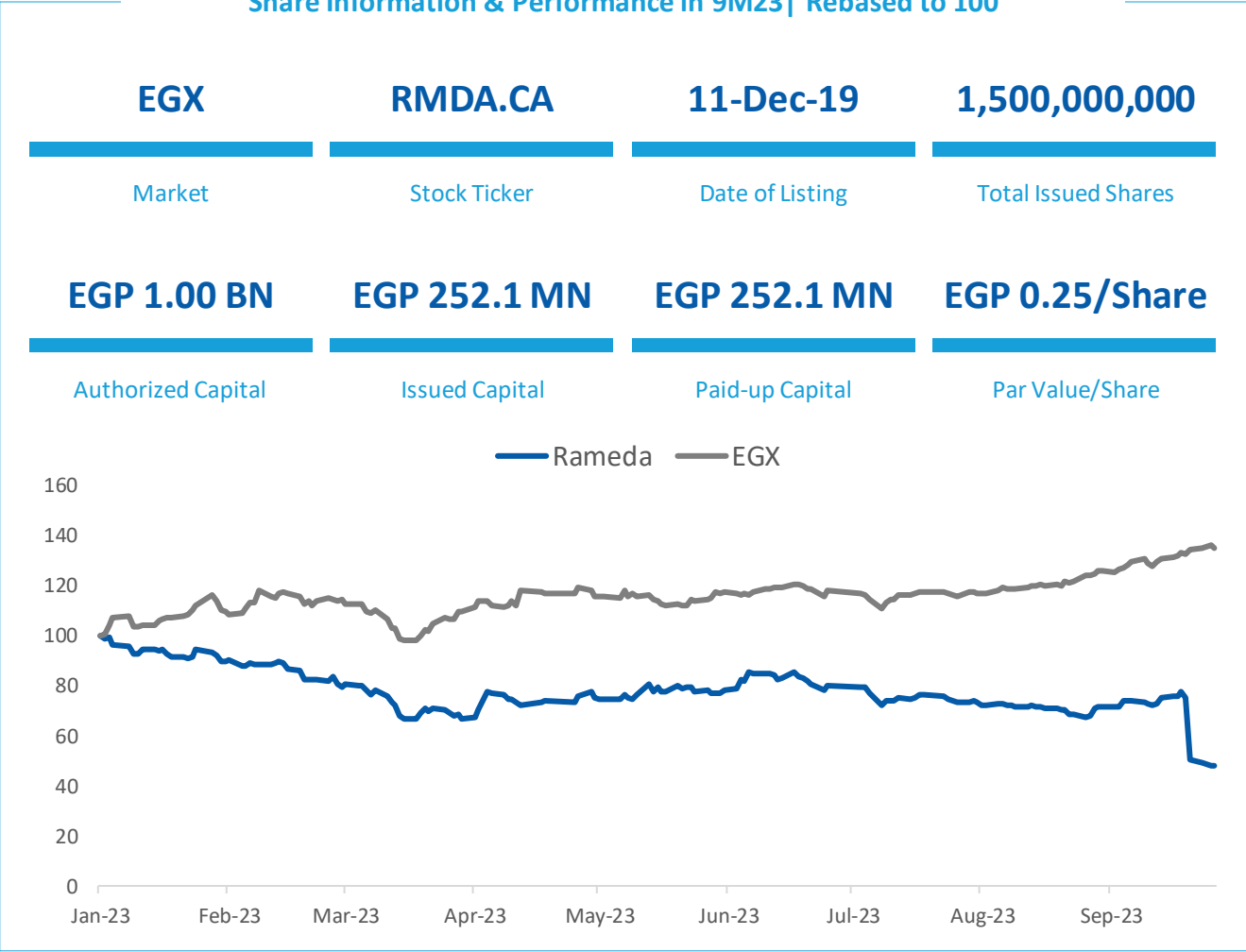
## Corporate Structure Overview

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



\* Subsidiary of Kuwaiti Investment Authority

## Share Information & Performance in 9M23 | Rebased to 100





## APPENDIX

# Revenue & Volume Sold

Revenue Analysis	3Q22	3Q23	% YoY	9M22	9M23	% YoY
<b>Private Sales</b>						
Volumes Sold – Exc. Injectable Antibiotics ('000)	4,857	6,718	38.3%	14,914	18,806	26.1%
Sales – Exc. Injectable Antibiotics (EGP mn)	236.2	348.6	47.6%	562.0	936.4	66.6%
Injectable Antibiotic Volumes ('000)	4,094	1,810	-55.8%	14,106	1,791	-87.3%
Injectable Antibiotic Sales (EGP mn)	72.8	50.9	-30.1%	242.3	60.6	-75.0%
Total Private Sales Volumes – Inc. Injectable Antibiotics ('000)	8,952	8,529	-4.7%	29,020	20,597	-29.0%
Total Private Sales Revenue – Inc. Injectable Antibiotics (EGP mn)	309.0	399.5	29.3%	804.3	997.0	24.0%
<b>Tenders</b>						
Volumes Sold ('000)	2,144.7	3,405.5	58.8%	13,436	10,399	-22.6%
Sales (EGP mn)	20.8	50.3	142.3%	126.4	145.5	15.0%
<b>Exports</b>						
Volumes Sold ('000)	1,060.3	2,296.9	116.6%	4,519	5,231	15.8%
Sales (EGP mn)	20.1	61.1	204.7%	75.8	140.3	85.1%
<b>Volume (excluding toll) ('000)</b>	<b>12,156.8</b>	<b>14,231.2</b>	<b>17.1%</b>	<b>46,976</b>	<b>36,227</b>	<b>-22.9%</b>
<b>Revenue (excluding toll) (EGP mn)</b>	<b>349.8</b>	<b>510.9</b>	<b>46.1%</b>	<b>1,006.6</b>	<b>1,282.9</b>	<b>27.4%</b>
<b>Toll Manufacturing</b>						
Volumes Sold ('000)	21,311.6	13,719.6	-35.6%	51,129	48,438	-5.3%
Sales (EGP mn)	31.8	34.8	9.6%	86.4	105.3	21.8%
<b>Total Revenue (EGP mn)</b>	<b>381.5</b>	<b>545.7</b>	<b>43.0%</b>	<b>1,093.0</b>	<b>1,388.2</b>	<b>27.0%</b>

# Capacity & Production

		Production   mn			Capacity   mn			Utilization   %	
		9M22	9M23	YoY Δ	9M22	9M23	YoY Δ	9M22	9M23
General Factory	Blow Fill Seal (Ampoules)	47.9	27.2	-43.3%	104.7	104.7	0.0%	45.8%	25.9%
	Lyophilized Injectables (Vials)	8.2	7.5	-9.6%	9.6	9.6	0.0%	85.8%	77.6%
	Eye & Ear Drops (Bottles)	8.2	8.1	-1.4%	13.0	13.0	0.0%	63.3%	62.4%
	General Tablets / Capsules (Blisters)	42.1	57.2	35.7%	123.6	123.6	0.0%	34.1%	46.3%
	Small-sized Sachets	5.2	7.0	35.3%	26.4	26.4	0.0%	19.6%	26.6%
	Large-sized Sachets	0.0	0.0	n/a	5.6	5.6	0.0%	0.0%	0.0%
	General Macro-Dosing Dry Mix (Bottles)	0.7	0.5	-22.1%	10.6	10.6	0.0%	6.6%	5.1%
	Liquids (Bottles)	15.1	15.8	4.6%	29.9	29.9	0.0%	50.5%	52.8%
Cephalosporin Factory	Cephalosporin Injectables (Vials)	32.0	10.2	-68.2%	56.7	56.7	0.0%	56.4%	17.9%
	Cephalosporin Macro Dosing Powder (Bottles)	0.3	0.8	165.7%	9.9	9.9	0.0%	3.1%	8.3%
Penicillin Factory	Penicillin Tablets / Capsules (Blisters)	9.0	5.6	-37.8%	26.7	26.7	0.0%	33.6%	20.9%
	Penicillin Macro Dosing Powder (Bottles)	4.1	4.5	10.4%	7.5	7.5	0.0%	54.6%	60.3%
Total		47.9	27.2	-43.3%	424.12	424.12	0.0%	40.8%	34.0%