



**rameda**

Quality For All

# Results Presentation

FY 2022





# 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 | 4Q 2022 Highlights

## 4Q 2022 Financial Highlights

| Revenues            | Gross Profit           | EBIT                    | Net Operating Cash Flow | EBITDA                  | Net Income <sup>(1)</sup> | Core Net Income <sup>(2)</sup> | Net Debt            |
|---------------------|------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------------------------------|---------------------|
| EGP <b>390.9</b> mn | EGP <b>180.8</b> mn    | EGP <b>71.9</b> mn      | EGP <b>29.3</b> mn      | EGP <b>89.2</b> mn      | EGP <b>54.1</b> mn        | EGP <b>46.2</b> mn             | EGP <b>475.9</b> mn |
| ▼ 1% YoY            | ▼ 4% YoY<br>46% margin | ▼ 32% YoY<br>18% margin | ▼ 88% YoY               | ▼ 24% YoY<br>23% margin | ▼ 26% YoY<br>14% margin   | ▼ 37% YoY<br>12% margin        | ▲ 32% YoY           |

## 4Q 2022 Operational Highlights

| Total Sales Visits      | Units Sold (excluding toll) | Products Launched | Molecules Acquired | Average Unit Price (IQVIA) | Medical Reps & Merchandisers |
|-------------------------|-----------------------------|-------------------|--------------------|----------------------------|------------------------------|
| <b>212</b> <sub>K</sub> | <b>11.5</b> <sub>mn</sub>   | <b>2</b>          | <b>-</b>           | EGP <b>42.6</b>            | <b>470</b>                   |
| vs. 364k in 4Q21        | ▼ 44% YoY                   |                   |                    | ▲ 12% YoY                  | vs. 538 in 4Q21              |

(1) Reported net income figure takes into account EGP 5.2 million in non-cash ESOP expenses. Excluding ESOP expenses, reported net income would record EGP 59.3 million in 4Q22.

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

# Executive Summary | FY 2022 Highlights

## FY 2022 Financial Highlights

| Revenues              | Gross Profit            | EBIT                    | Net Operating Cash Flow | EBITDA                  | Net Income <sup>(1)</sup> | Core Net Income <sup>(2)</sup> | Net Debt            |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------------------------------|---------------------|
| EGP <b>1,484.0</b> mn | EGP <b>720.0</b> mn     | EGP <b>357.7</b> mn     | EGP <b>29.3</b> mn      | EGP <b>423.2</b> mn     | EGP <b>252.9</b> mn       | EGP <b>246.3</b> mn            | EGP <b>475.9</b> mn |
| ▲ 19% YoY             | ▲ 25% YoY<br>49% margin | ▲ 31% YoY<br>24% margin | ▼ 88% YoY               | ▲ 32% YoY<br>29% margin | ▲ 40% YoY<br>17% margin   | ▲ 36% YoY<br>17% margin        | ▲ 32% YoY           |

## FY 2022 Operational Highlights

| Total Sales Visits | Units Sold (excluding toll) | Products Launched | Molecules Acquired | Average Unit Price (IQVIA) | Medical Reps & Merchandisers |
|--------------------|-----------------------------|-------------------|--------------------|----------------------------|------------------------------|
| <b>994</b> K       | <b>58.4</b> mn              | <b>6</b>          | <b>2</b>           | EGP <b>42.6</b>            | <b>470</b>                   |
| vs. 1,606K in FY21 | ▼ 4% YoY                    |                   |                    | ▲ 12% YoY                  | vs. 538 in FY21              |

(1) Reported net income figure takes into account EGP 17.8 million in non-cash ESOP expenses. Excluding ESOP expenses, reported net income would record EGP 270.7 million in FY22.

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

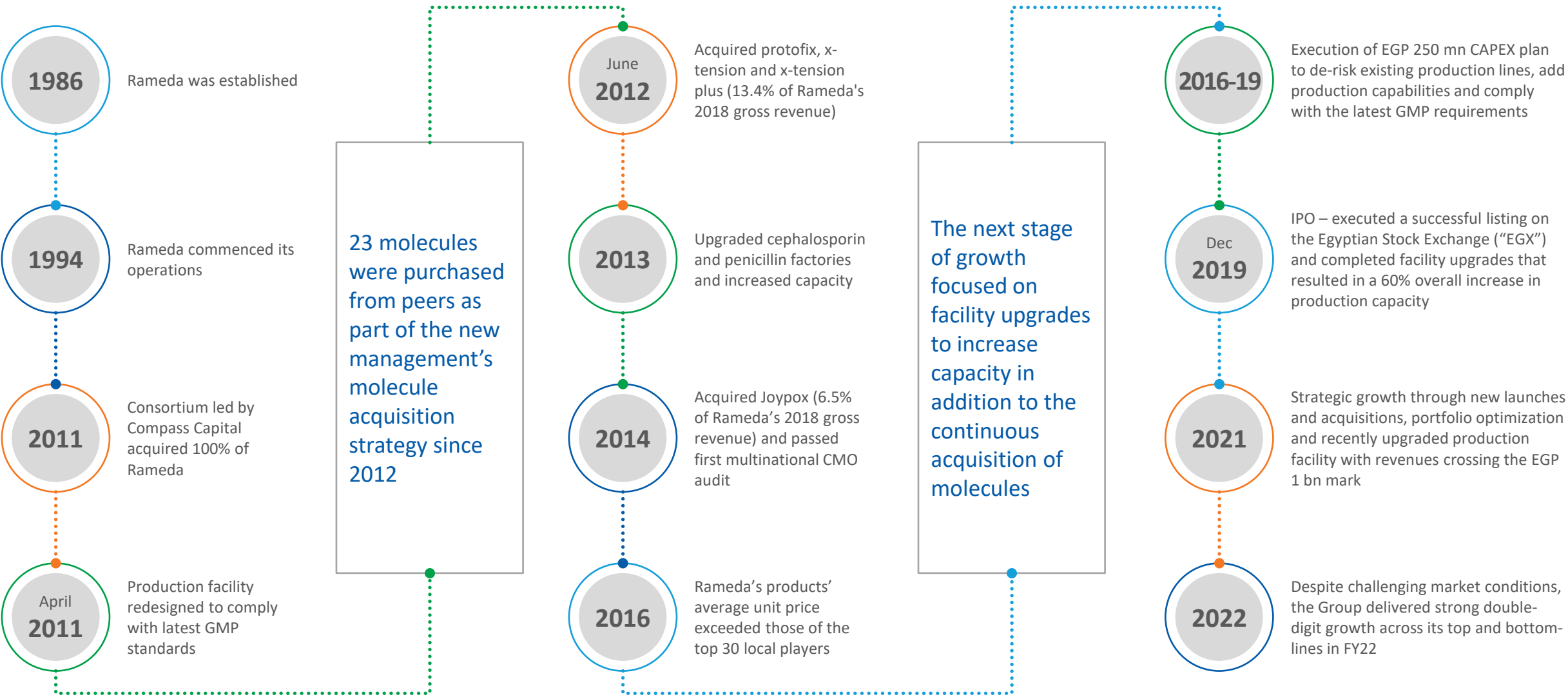
# FY 2022 Market Positioning



Source: IQVIA

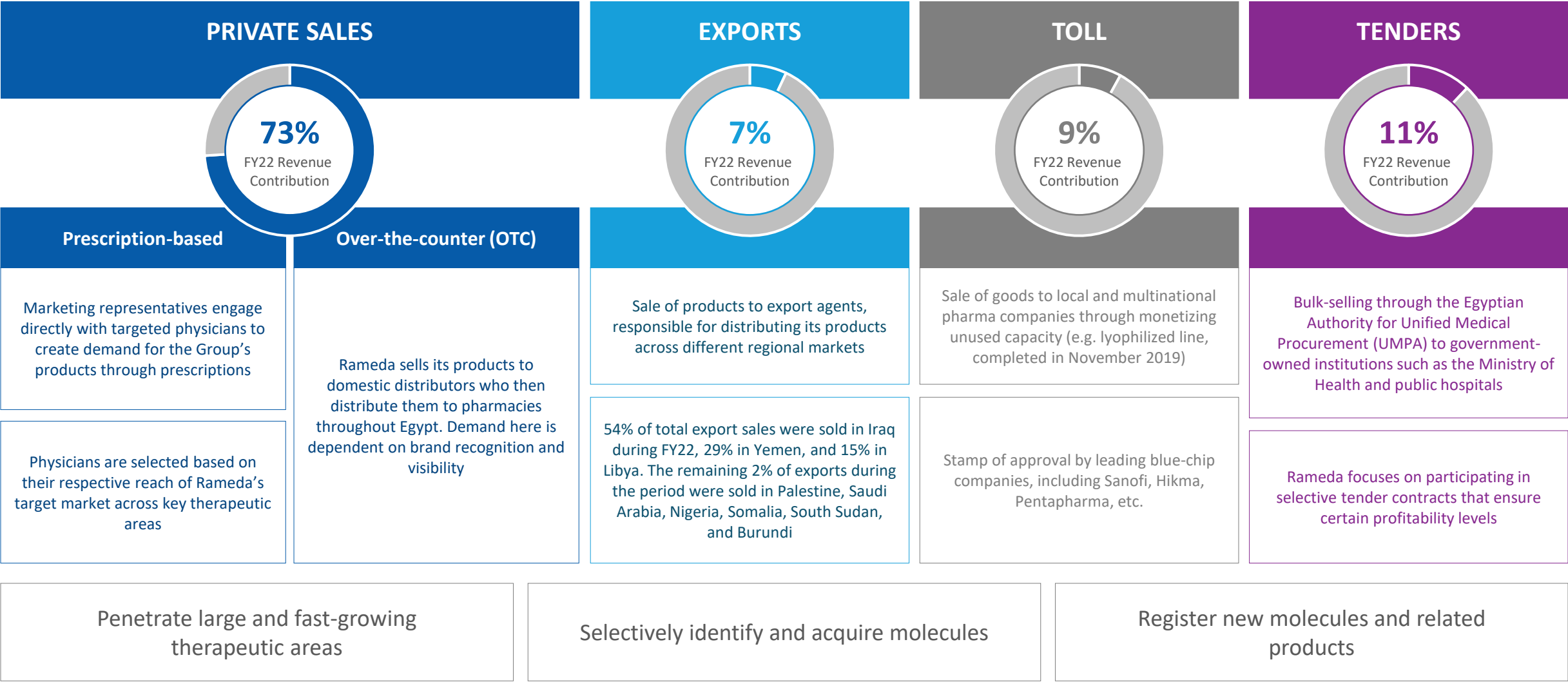


# Our Evolution





# Our Business Model



# Well-Invested Manufacturing Facility

**Well-invested infrastructure** with c. EGP 250 mn 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

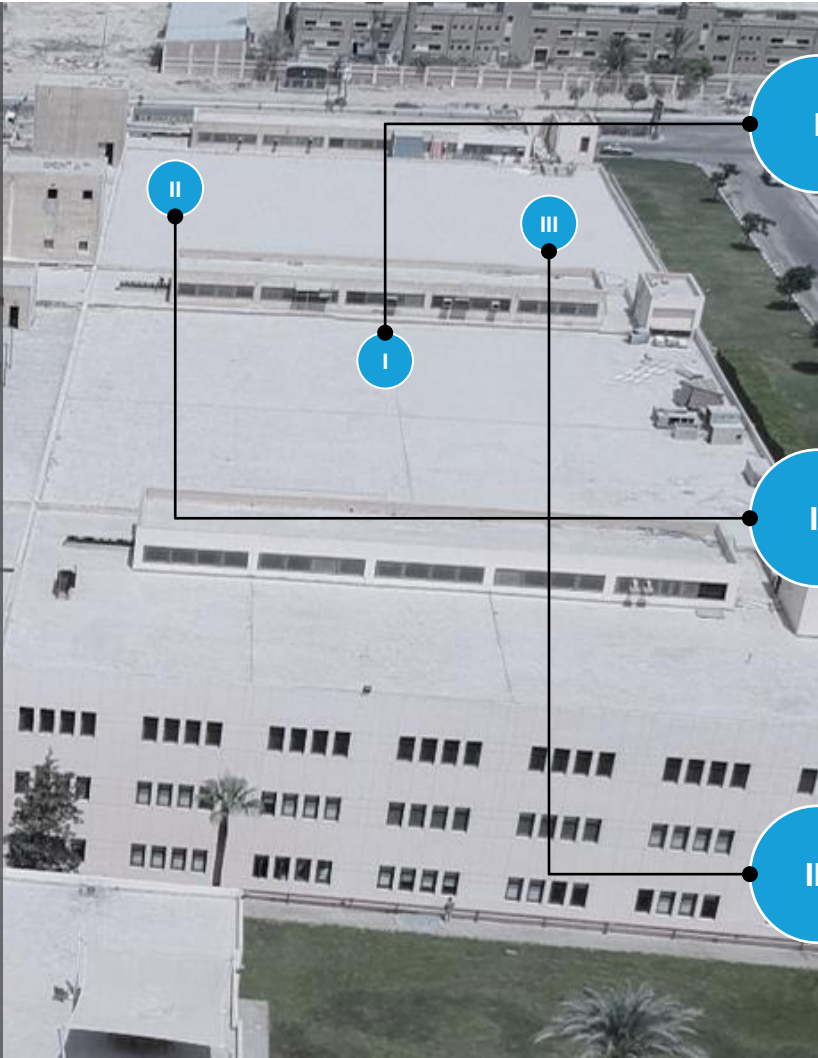
**Significant capacity to support growth**, with overall utilization at just 44% in FY22, based on two long shifts and multi-product production lines

**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

44%  
FY22 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   |



**FY22 IN REVIEW**



# Executive Summary

## Financial Highlights

The Group recorded double-digit top and bottom-line growth despite challenging market conditions in FY22

Rameda's top line grew by 19.1% YoY to EGP 1,484.0 million in FY22 driven by strong performances from the Group's private and export sales vertical. The private sales vertical continued to reap the rewards of the Group's portfolio optimization strategy and focus on maximizing the value generated from attractively priced products.

The Group's profitability improved in FY22, with GPM recording an expansion of 2.2 percentage points YoY to 48.5% due to a decline in raw material costs as a percentage of sales. This was achieved despite a rapidly depreciating currency coupled with a slower pace of repricing.

Improved gross profitability trickled down to EBITDA, which increased by 32.3% YoY to EGP 423.2 million and yielded a margin expansion of 2.9 percentage points YoY to 28.5% in FY22.

Reported net income booked an increase of 40.4% YoY to EGP 252.9 million and recorded a margin expansion of 2.6 percentage points YoY to 17.0% in FY22.

Adjusted for non-recurring expenses, core net income before minority interest increased by 36.3% YoY to EGP 246.3 million in FY22.

## Key Developments

Successfully Launched 6 Products and Acquired 2 Products in FY22

The Group continued to deliver on its portfolio optimization strategy which aims to generate value from attractively priced and higher margin products. On this front, nine out of Rameda's top 10 performing products delivered strong double-and-triple-digit growth and supported the Group's revenue performance at an average year-on-year revenue increase of 56.0%, with Recoxibright, Colona, and Rametax, leading the pack as the Group's top three selling products in FY22.

Rameda successfully launched 6 new products across its portfolio and executed 2 product acquisitions in FY22. Launches included Calnesia (nutraceutical), Selestoc (nutraceutical), Family Vit (nutraceutical), Paracetamol (analgesic), Guaiadesca (cough syrup) and Molnupiravir Rameda (antiviral). Acquisitions included Artixiban (anticoagulant) and Lacovimp (anticonvulsant).

The Group acquired exclusive rights for the distribution and marketing of "Physiomer", a natural decongestant nasal spray. The acquisition marks the Group's strategic entry point into the medical devices segment and further delivers on the Group's efforts to expand Rameda's portfolio with products that fall under free pricing frameworks.

Rameda received the approval for price hikes between 20-30% for products that represent 90% of the Group's revenues. Additionally, it is worthy to note that products representing 45% of Rameda's revenues (based on 2022 revenues) have witnessed two waves of repricing, resulting in a total price increase of 40-60% for those products.

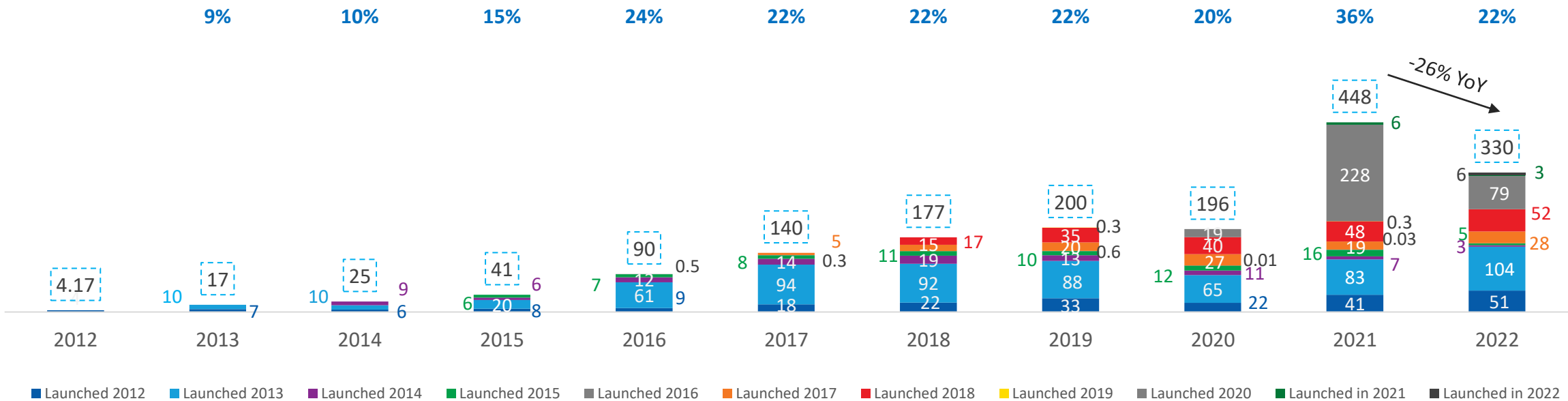
Rameda's export sales vertical delivered a strong performance and exported its products to 9 markets in FY22. The export vertical recorded volume sales growth of 114.9% YoY to 6.0 million units, which drove a 21.2% YoY increase in export revenue to EGP 106.5 million in FY22.

# Launches | Performance to Date

Revenues generated from launches since 2012 contributed 22% of Group revenues in FY22, down 26% YoY

Revenue generated by molecules by launch year | EGP mn

% - Percentage of Total Revenues



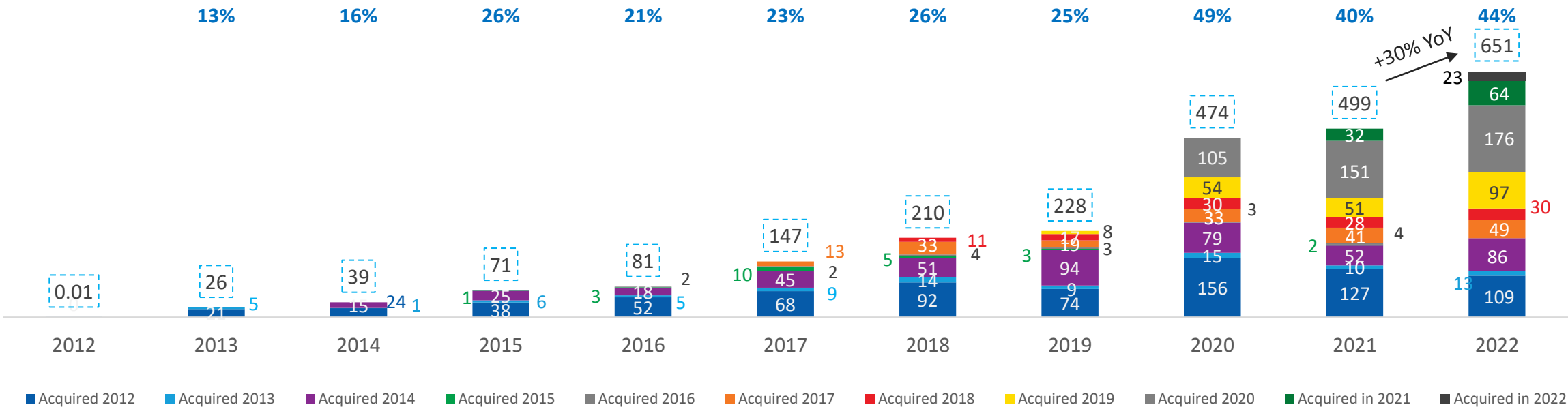
The decline in revenue from launches in FY22 was primarily due to the significant drop in revenue from the Group's antiviral portfolio, which contributed c.41% of organic revenues in FY21

# Acquisitions | Performance to Date

Meanwhile, revenues generated from acquisitions since 2012 contributed 44% of Group revenues in FY22, and increased by 30% YoY

Revenue generated by molecules by acquisition year | EGP mn

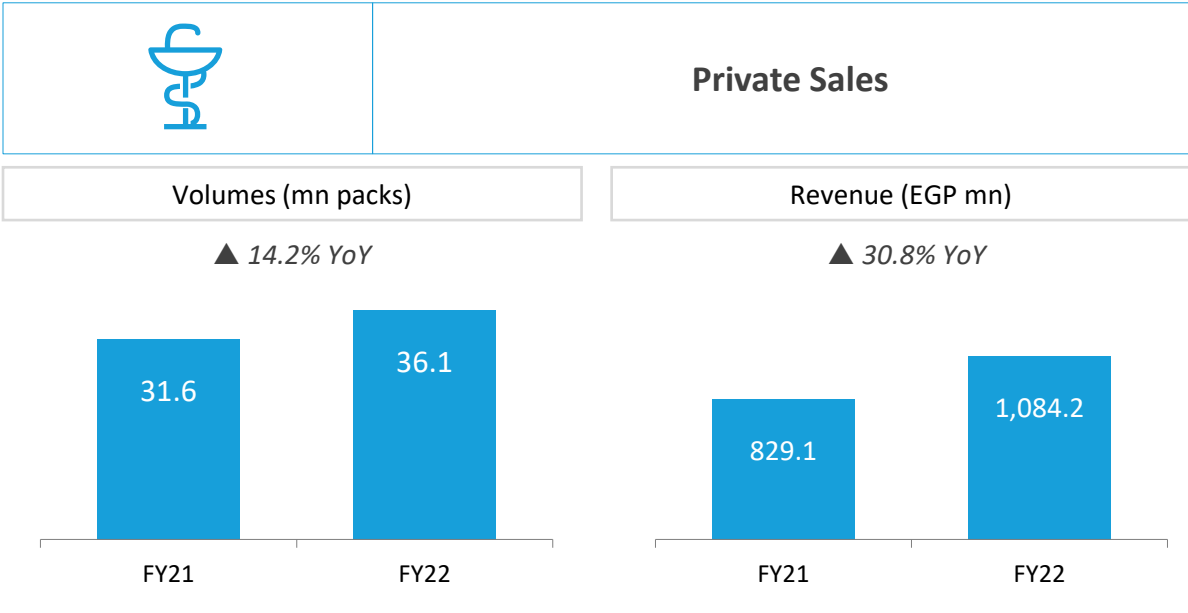
% - Percentage of Total Revenues



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

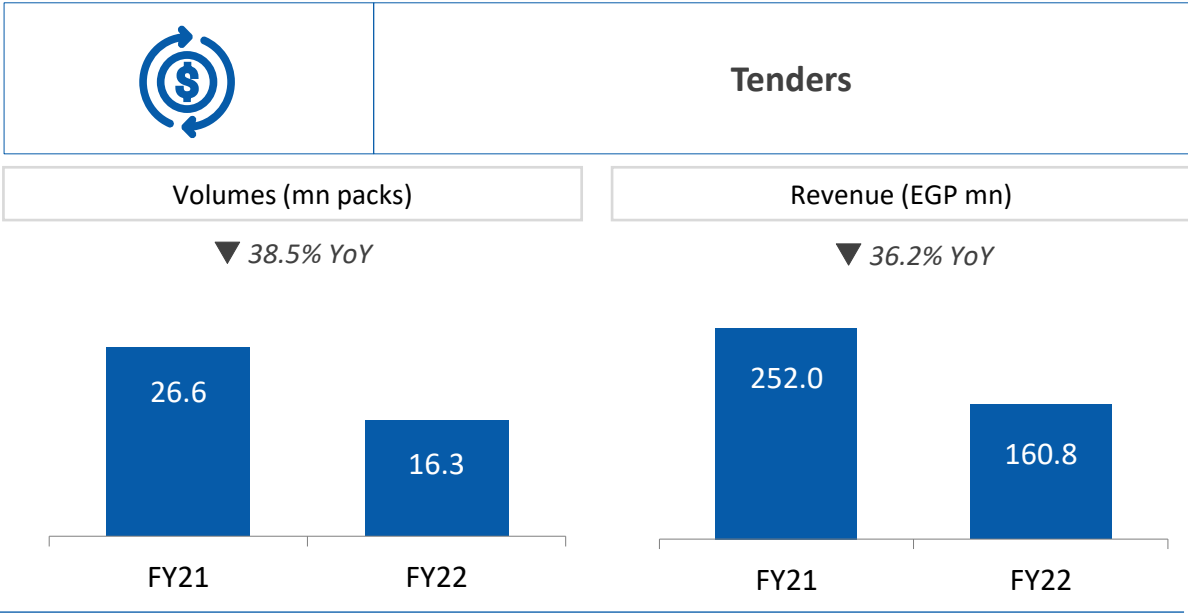


# Segmental Breakdown & Analysis | FY22 (1 of 2)



Volumes from **private sales** increased by 14.2% YoY to 36.1 million units on the back of a strong performance from Rameda’s core portfolio and was further supported by the general post Covid-19 recovery in Egypt’s pharmaceutical retail segment in FY22.

Consequently, revenue from private sales recorded an increase of 30.8% YoY to EGP 1,084.2 million in FY22.

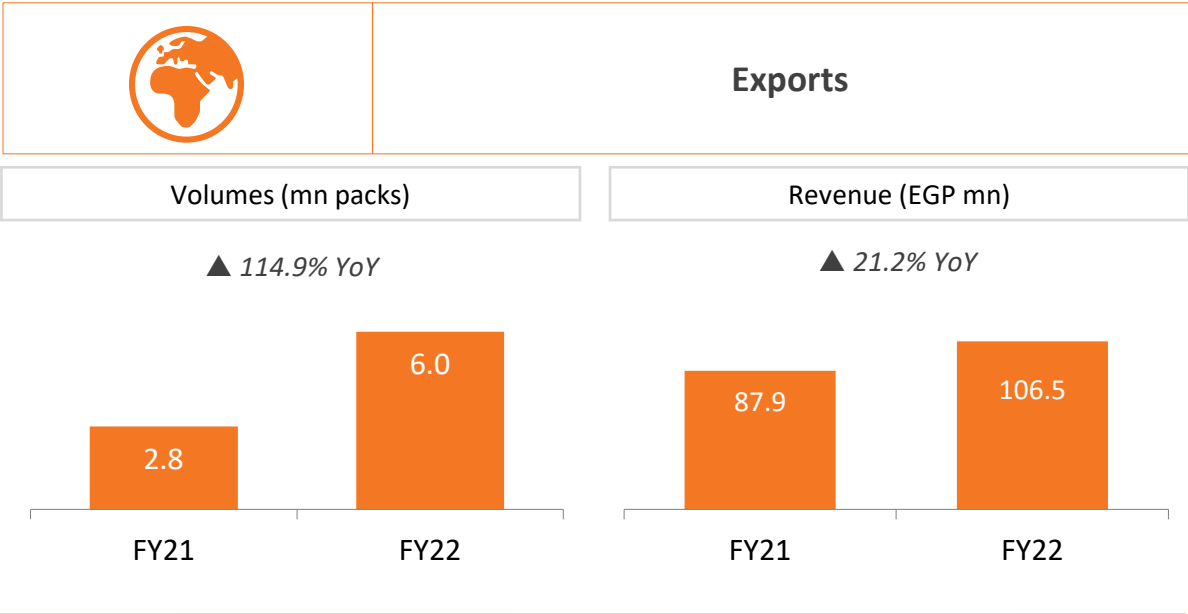


Volumes from **tenders** declined by 38.5% YoY to 16.3 million units in FY22. This performance is in line with management's strategy to reduce the contribution of tenders to Rameda’s revenues due to its lower relative profitability, driven by strong price competition within the sales channel.

Revenues from tenders booked a decline of 36.2% YoY to EGP 160.8 million in FY22, mirroring the decline in volumes during the year.

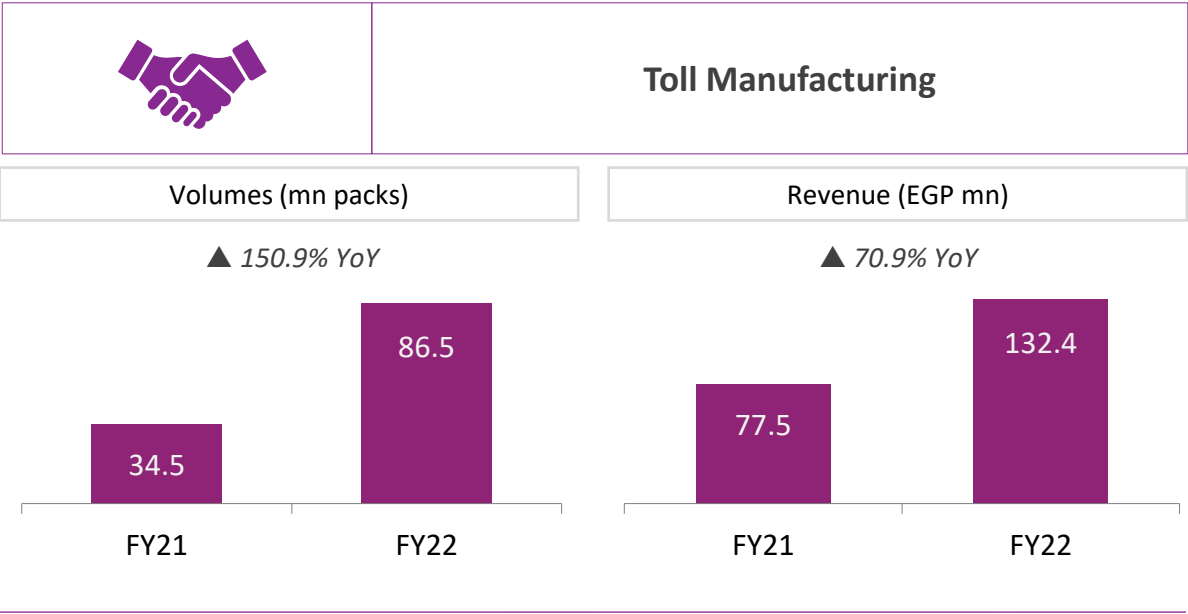
*Note: Please refer to the appendix for a detailed revenue and volume table by market route.*

# Segmental Breakdown & Analysis | FY22 (2 of 2)



Volumes from **exports** increased by 114.9% YoY to 6.0 million units in FY22. Growth in export volumes came on the back of strong sales to the Group’s largest export market, Iraq, which contributed over 50% of the vertical’s sales, followed by Yemen, and was further supported by a 153.1% YoY increase in export sales to Libya in FY22. Rameda’s export sales performance offset the loss of sales from antiviral products, which contributed 57% of export sales in 2021.

The increase in export volumes reflected positively on revenue performance, which booked a 21.2% YoY increase to EGP 106.5 million in FY22.

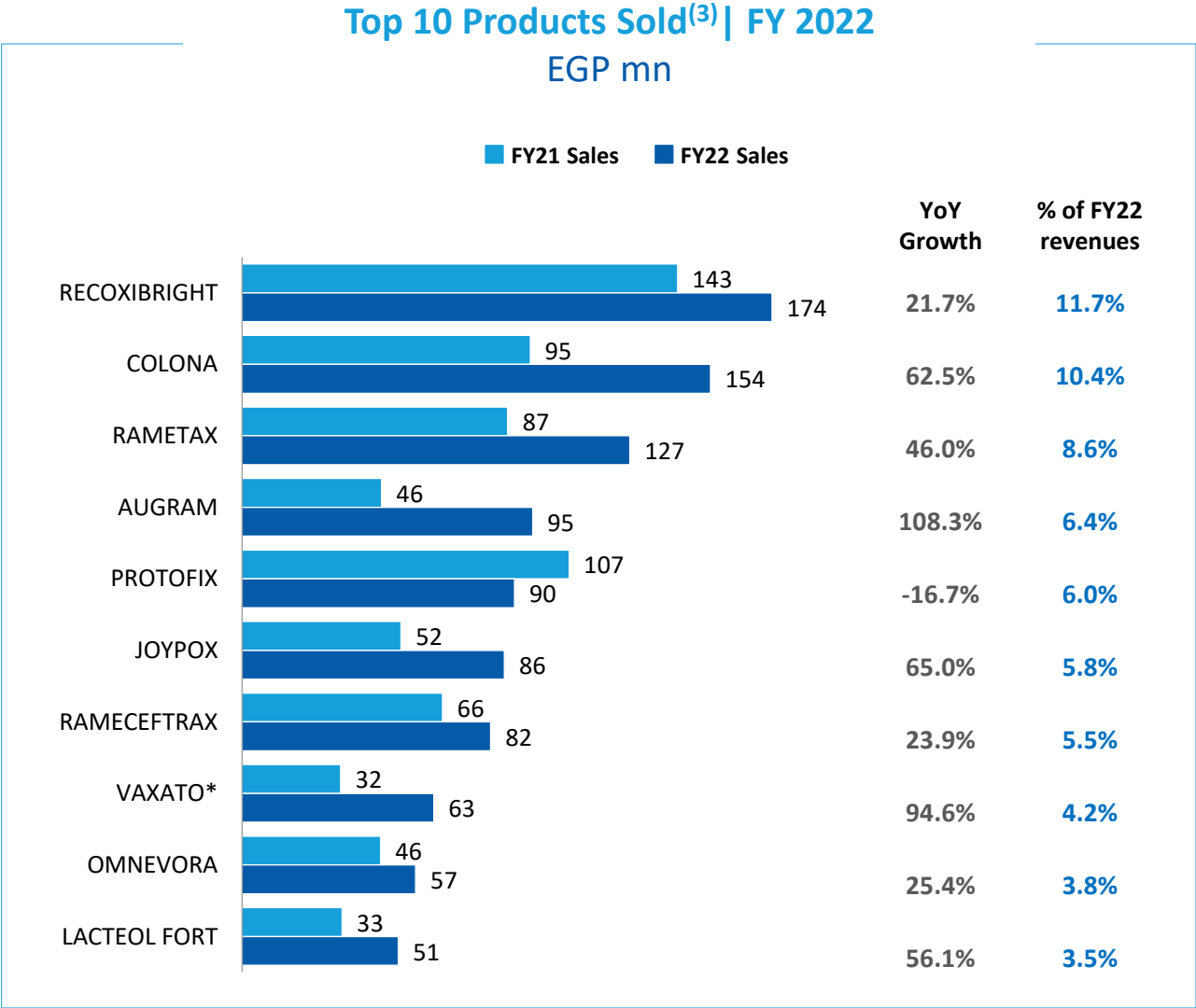
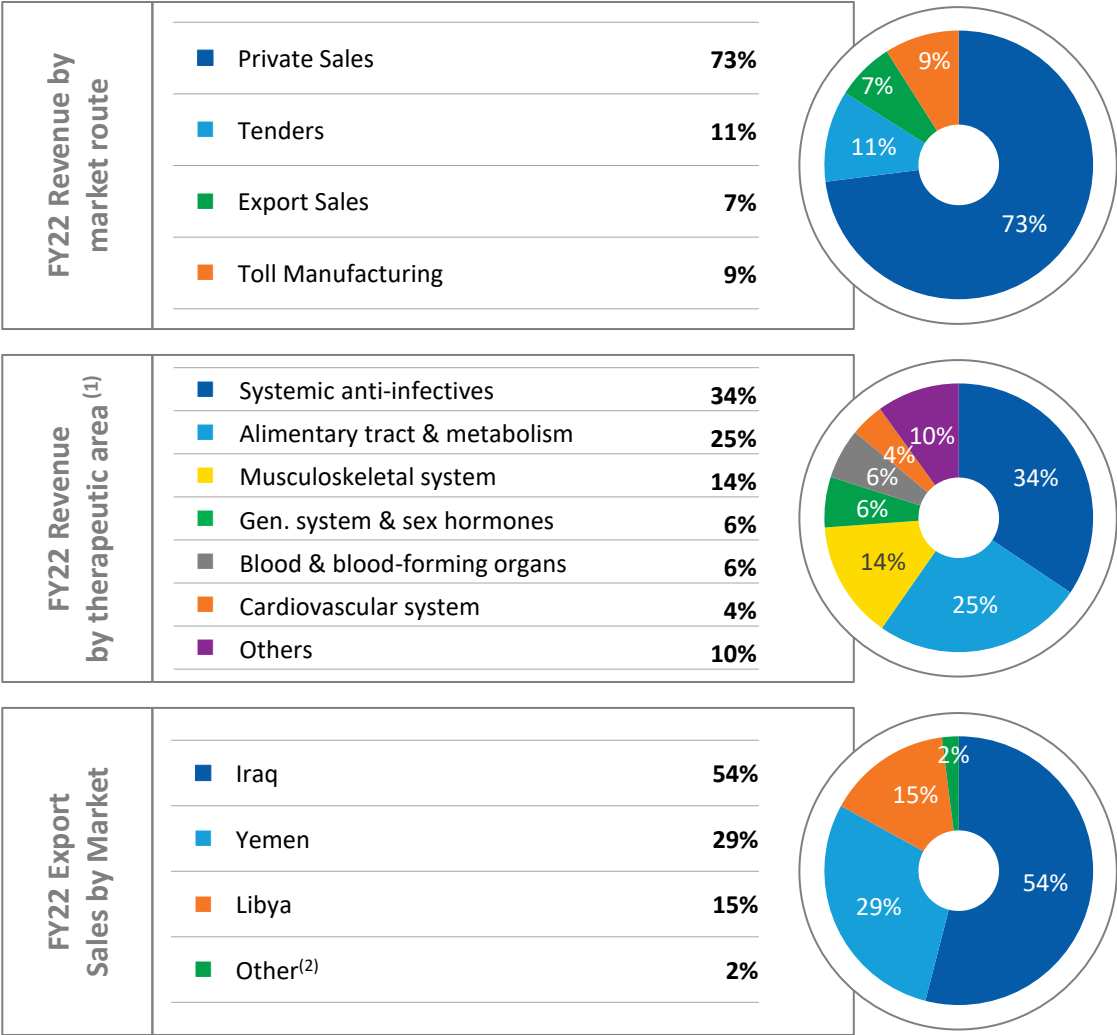


**Toll manufacturing** volumes grew by 150.9% YoY to 86.5 million units in FY22, driven by the securing of accretive contracts, which saw increased utilization of the Group’s liquid and penicillin lines in addition to its lyophilized production capabilities.

This performance drove a 70.9% YoY increase in revenue from toll manufacturing to EGP 132.4 million in FY22.

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

# Sales Breakdown & Analysis | FY22



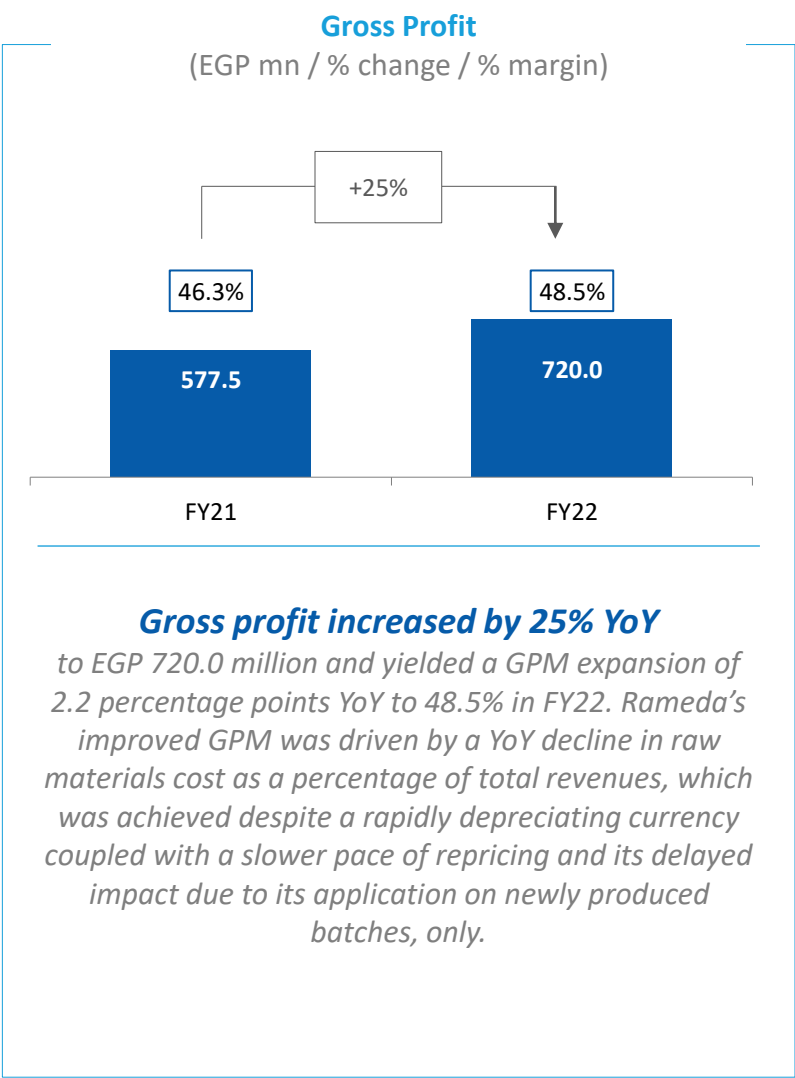
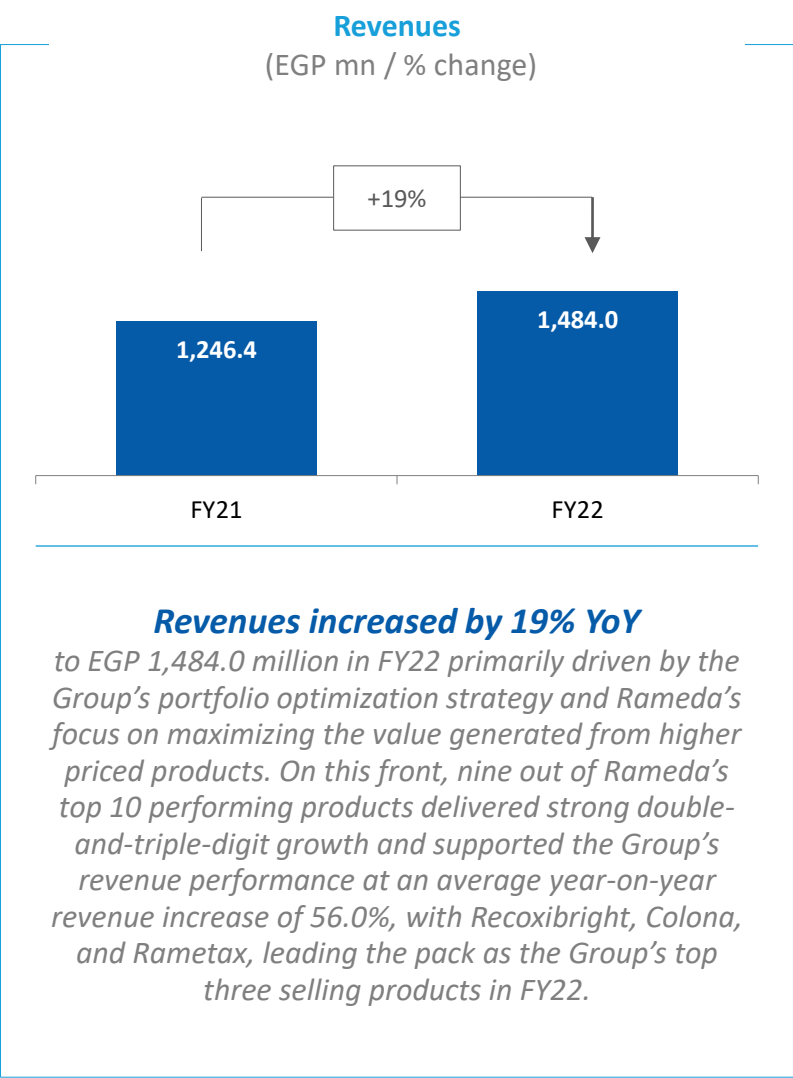
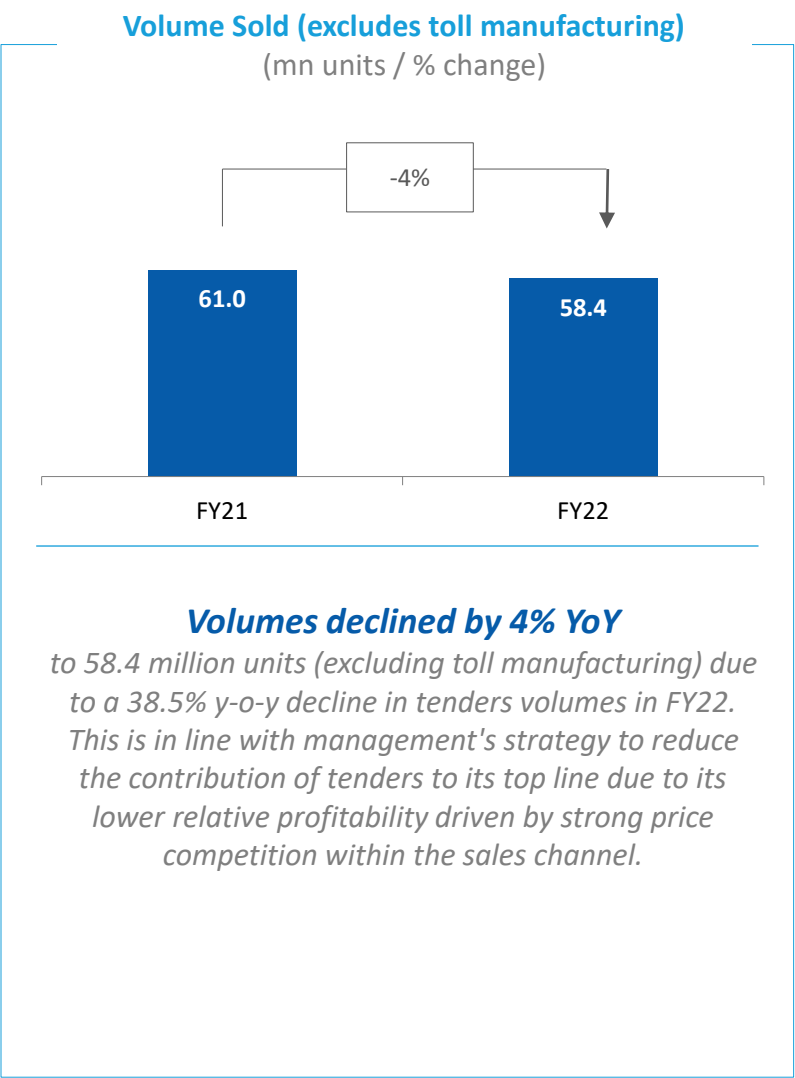
(1) Contribution by TA is calculated on revenues before toll revenue, discounts & incentives and sales returns.

(2) Refers to Palestine, Saudi Arabia, Nigeria, Somalia, South Sudan, and Burundi .

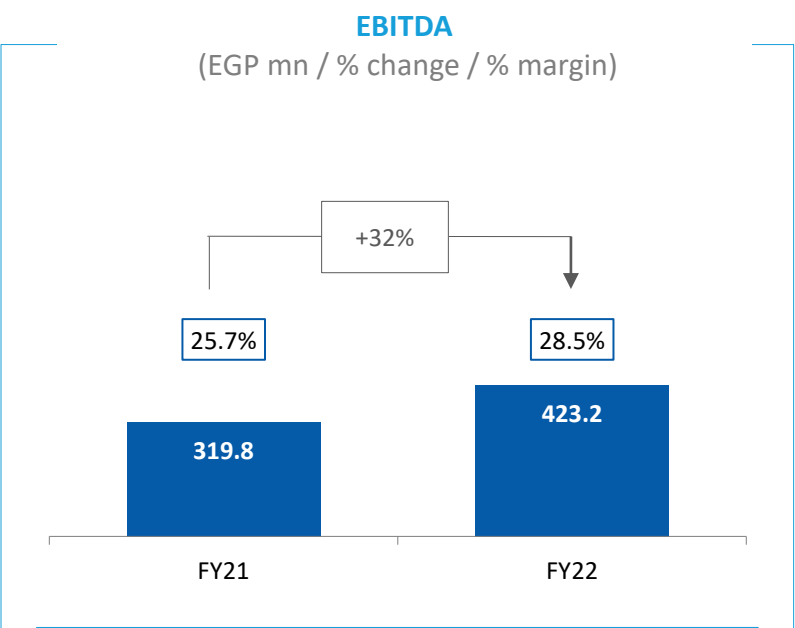
(3) Source: IQVIA

\* Vaxato only reported five months of revenues in 2021.

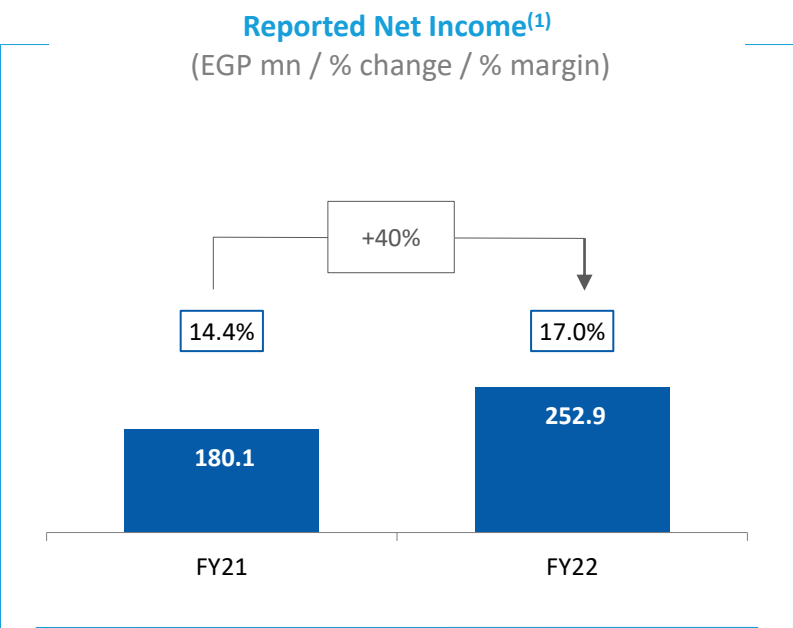
# Key Performance Indicators | FY22 (1 of 2)



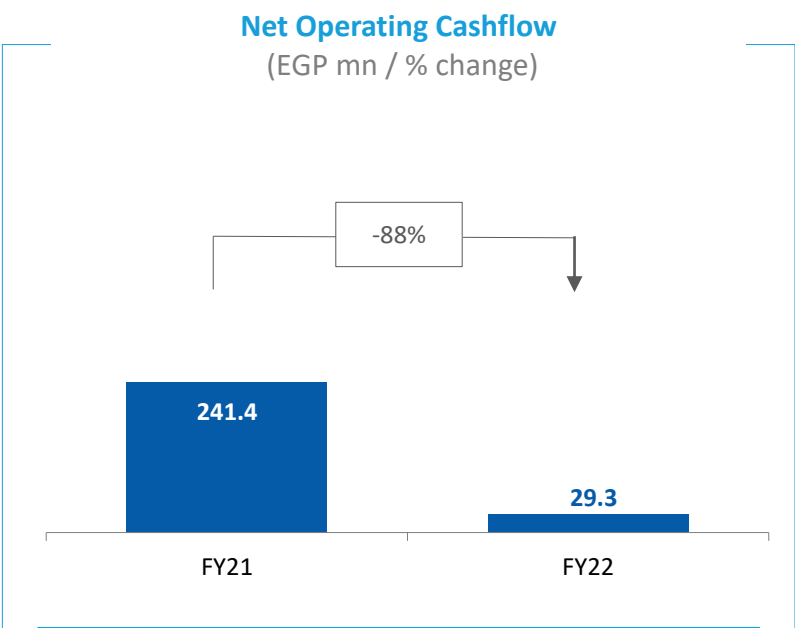
# Key Performance Indicators | FY22 (2 of 2)



**EBITDA increased by 32% YoY**  
to EGP 423.2 million and yielded an EBITDA margin expansion of 2.9 percentage points YoY to 28.5% as improved gross profitability trickled down to the EBITDA level in FY22.



**Reported net income grew by 40% YoY**  
to EGP 252.9 million and recorded a YoY margin expansion of 2.6 percentage points to 17.0% in FY22, which was driven by a decline in financing expenses and an overall improvement in operating profitability during the year.



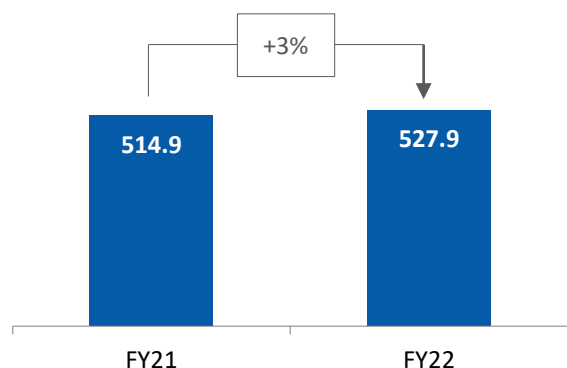
**Net operating cashflows declined 88% YoY**  
to EGP 29.3 million in FY22 due to inflationary pressures and the impact of the devaluation on the Group's inventory as well as increasing receivables during the period.

(1) Reported net income figure takes into account EGP 17.8 million in non-cash ESOP expenses. Excluding non-cash ESOP expenses, reported net income would record EGP 270.7 million in FY22.

# Balance Sheet Highlights | FY22

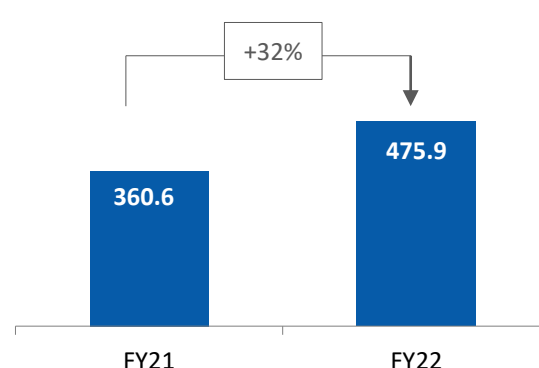
## Net Fixed Assets

(EGP mn / % change)



## Net Debt

(EGP mn / % change)

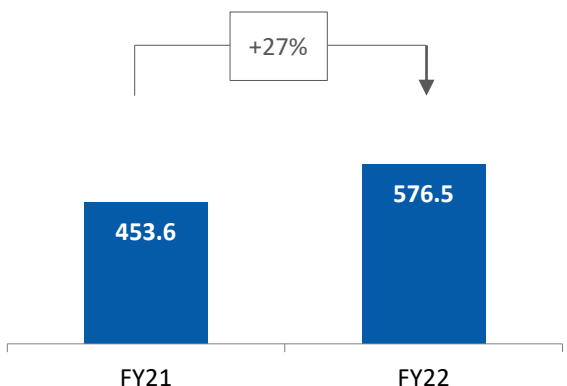


## Summary Balance Sheet (EGP mn)

|   | 31-Dec-21    | 31-Dec-22    |
|---|--------------|--------------|
| Non-current assets                            | 945          | 1,015        |
| Current assets                                | 1,476        | 1,758        |
| <b>Total assets</b>                           | <b>2,420</b> | <b>2,773</b> |
| Non-current liabilities                       | 53           | 68           |
| Current liabilities                           | 1,022        | 1,182        |
| <b>Total Liabilities</b>                      | <b>1,075</b> | <b>1,250</b> |
| <b>Shareholder's Equity</b>                   | <b>1,348</b> | <b>1,519</b> |
| Minority Interest                             | (3)          | 5            |
| <b>Liabilities &amp; Shareholders' Equity</b> | <b>2,420</b> | <b>2,773</b> |

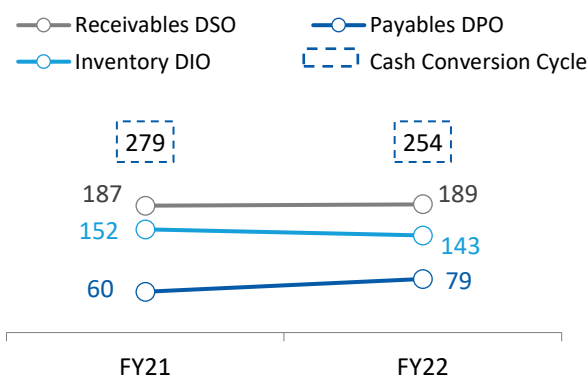
## Net Working Capital

(EGP mn / % change)



## Working Capital Analysis

(DSO/Cash conversion cycle)



## Net Fixed Assets

Came in at EGP 527.9 million as of 31 December 2022, up by 3% YoY, with CAPEX during the period accounting primarily for maintenance.

## Net Debt

Stood at EGP 475.9 million as of 31 December 2022, representing an increase of 32% YoY, driven by a 7.4% YoY increase in total debt and an 11.0% YoY decline in cash and bank balances during the period.

## Cash Conversion Cycle

Decreased by 25 days YoY to 254 days in FY22, driven by a 2-day increase in receivables DSO and a 9-day decrease in inventories DIO, combined with a 19-day increase in payables DPO during the same period.



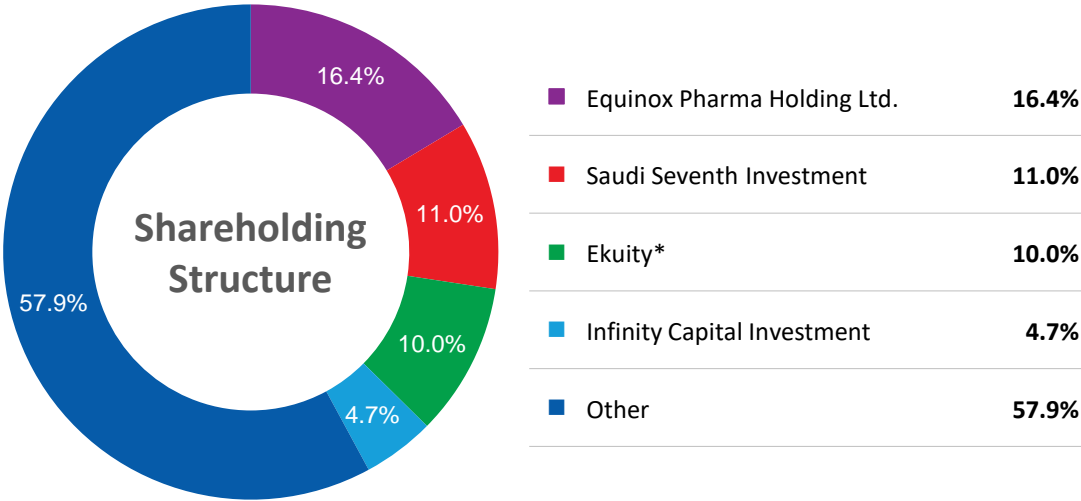
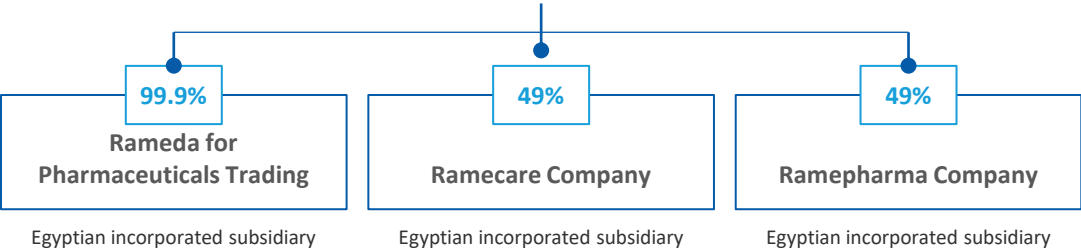
**STOCK INFORMATION**



# Corporate Structure and Share Performance

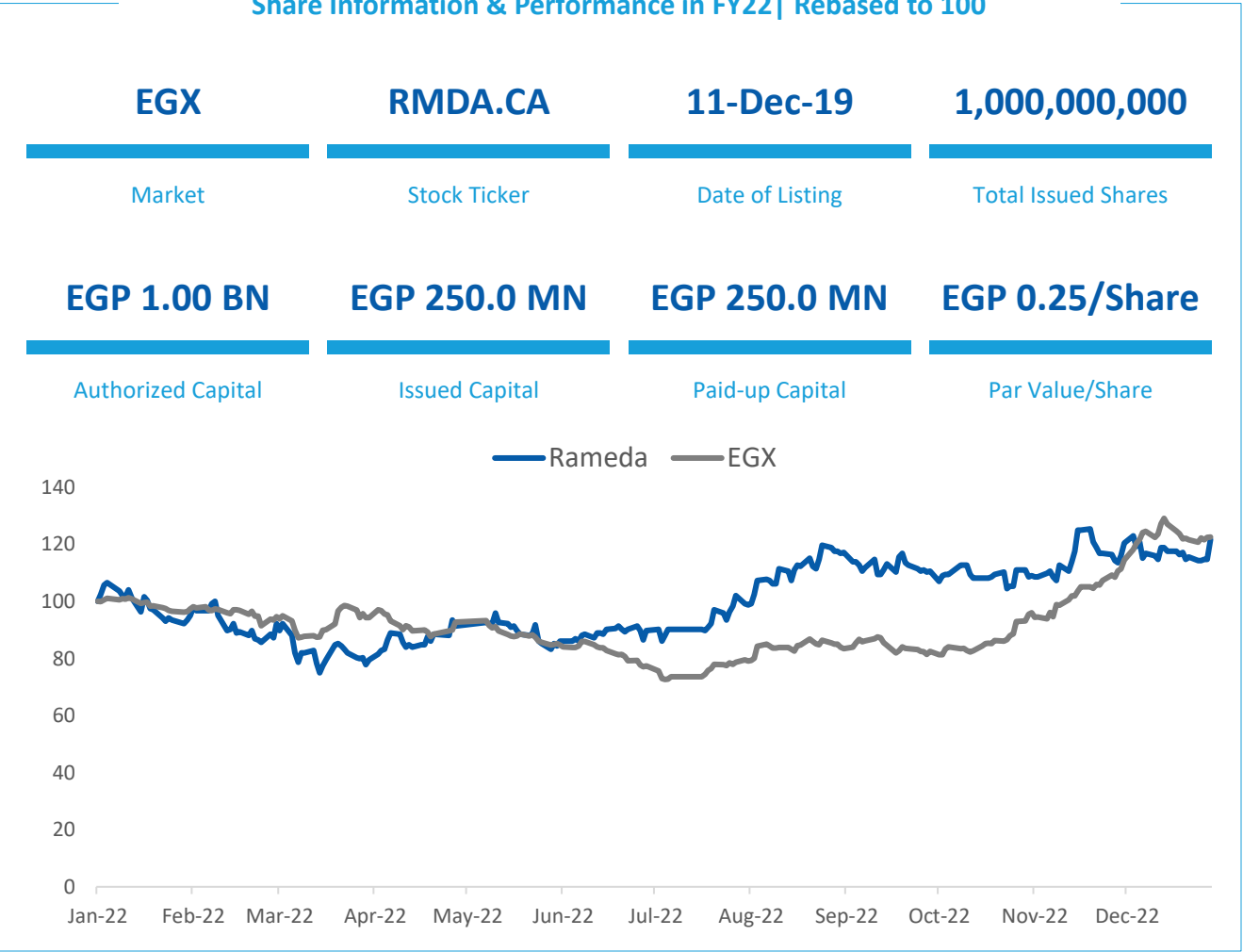
## Corporate Structure Overview

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



\* Subsidiary of Kuwaiti Investment Authority

## Share Information & Performance in FY22 | Rebased to 100





# APPENDIX

# Revenue & Volume Sold

| Revenue Analysis   | FY21   | FY22   | % YoY  |
|--|--------|--------|--------|
| Private Sales  |        |        |        |
| Volumes Sold ('000)                                      | 31,608 | 36,106 | 14.2%  |
| Sales (EGP mn)   | 829    | 1,084  | 30.8%  |
| Tenders  |        |        |        |
| Volumes Sold ('000)                                      | 26,566 | 16,328 | -38.5% |
| Sales (EGP mn)   | 252    | 161    | -36.2% |
| Exports  |        |        |        |
| Volumes Sold ('000)                                      | 2,796  | 6,009  | 114.9% |
| Sales (EGP mn)   | 88     | 107    | 21.2%  |
| Total Volume   Excluding toll manufacturing ('000 units) | 60,969 | 58,443 | -4.1%  |
| Toll Manufacturing                                       |        |        |        |
| Volumes Sold ('000 sheets)                               | 34,478 | 86,512 | 150.9% |
| Sales (EGP mn)   | 77     | 132    | 70.9%  |
| Total Revenue (EGP mn)                                   | 1,246  | 1,484  | 19.1%  |

# Capacity & Production

|                       |   | Production   mn |       |        | Capacity   mn |       |       | Utilization   % |       |
|-----------------------|---|-----------------|-------|--------|---------------|-------|-------|-----------------|-------|
|                       |   | FY21            | FY22  | YoY Δ  | FY21          | FY22  | YoY Δ | FY21            | FY22  |
| General Factory       | Blow Fill Seal (Ampoules)                   | 45.2            | 72.6  | 60.4%  | 139.6         | 139.6 | 0.0%  | 32.4%           | 52.0% |
|                       | Lyophilized Injectables (Vials)             | 6.9             | 10.8  | 56.0%  | 12.8          | 12.8  | 0.0%  | 54.2%           | 84.5% |
|                       | Eye & Ear Drops (Bottles)                   | 9.0             | 12.6  | 39.7%  | 17.3          | 17.3  | 0.0%  | 52.0%           | 72.7% |
|                       | General Tablets / Capsules (Blisters)       | 68.1            | 60.1  | -11.7% | 164.7         | 164.7 | 0.0%  | 41.3%           | 36.5% |
|                       | Small-sized Sachets                         | 9.1             | 8.7   | -5.2%  | 35.2          | 35.2  | 0.0%  | 26.0%           | 24.7% |
|                       | Large-sized Sachets                         | 0.0             | 0.0   | n/a    | 7.5           | 7.5   | 0.0%  | 0.0%            | 0.0%  |
|                       | General Macro-Dosing Dry Mix (Bottles)      | 1.4             | 1.1   | -22.1% | 14.1          | 14.1  | 0.0%  | 9.8%            | 7.7%  |
|                       | Liquids (Bottles)                           | 8.8             | 21.9  | 150.2% | 39.9          | 39.9  | 0.0%  | 22.0%           | 55.0% |
|                       |   |                 |       |        |               |       |       |                 |       |
| Cephalosporin Factory | Cephalosporin Injectables (Vials)           | 30.4            | 43.9  | 44.5%  | 75.6          | 75.6  | 0.0%  | 40.2%           | 58.1% |
|                       | Cephalosporin Macro Dosing Powder (Bottles) | 0.3             | 0.5   | 63.8%  | 13.2          | 13.2  | 0.0%  | 2.3%            | 3.8%  |
|                       |   |                 |       |        |               |       |       |                 |       |
| Penicillin Factory    | Penicillin Tablets / Capsules (Blisters)    | 6.3             | 10.4  | 65.1%  | 35.6          | 35.6  | 0.0%  | 17.7%           | 29.3% |
|                       | Penicillin Macro Dosing Powder (Bottles)    | 2.5             | 5.6   | 126.4% | 10.0          | 10.0  | 0.0%  | 24.9%           | 56.4% |
| Total                 |   | 188.0           | 248.2 | 32.0%  | 565.5         | 565.5 | 0.0%  | 33.3%           | 43.9% |