



Quality For All

## Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E

EARNINGS PRESS RELEASE 1Q22

### Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. reports robust performance in 1Q22, with double-digit top and bottom line growth of 27% and 138% y-o-y respectively

May 12<sup>th</sup>, 2022 | Cairo, Egypt

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. (the “Company”, and, together with its consolidated subsidiaries, “Rameda” or the “Group”), RMDA.CA on the EGX, a leading Egyptian pharmaceutical company, announces today its consolidated first quarter results for 2022.

Total volumes sold (excluding toll manufacturing) reported a double-digit growth of 23.4% y-o-y to 18.3 million units in 1Q22. Growth came on the back of strong volume growth within the Group’s private sales and export channels by 37.5% and 152.7% respectively in 1Q22, whereas tender volumes showed a minor decline of 1.2% y-o-y. Toll manufacturing volumes grew significantly in 1Q22, by 102.1% y-o-y to 14.5 million units on the back of an expanding third-party client base.

Consolidated revenues recorded EGP 343.1 million in 1Q22, climbing 26.7% y-o-y on the back of the Group’s growing portfolio of antibiotics, particularly Rametax and Ramceftrax, followed by strong sales of Colona, which became the top-selling product for the Group during the quarter, in addition to solid revenues already generated by its most recent acquisition, Vaxato.

Gross profit increased by 49.2% y-o-y to record EGP 173.2 million in 1Q22, yielding a GPM of 50.5%, up 7.6 percentage points y-o-y and 1.5 percentage points q-o-q. GPM growth was driven by the Group’s ongoing portfolio optimization strategy towards higher-margin products and overall cost optimization.

The Group’s EBITDA grew by 74% y-o-y to EGP 110.7 million in 1Q22, reflecting an EBITDA margin increase of 8.7 percentage points to 32.3%, in line with the 7.6 percentage-point growth in gross profit margin during the same period, and further helped enhanced by operational leverage.

Net Income after minority interest climbed 138.0% to EGP 71.8 million in 1Q22, yielding a net profit margin of 20.9%, up 9.8 percentage points y-o-y, with bottom line growth driven by increased operating profitability, in addition to declining interest expenses during the same period.

### Summary Income Statement

EGP mn	1Q21	1Q22	YoY Change
<b>Revenues</b>	<b>270.8</b>	<b>343.1</b>	<b>26.7%</b>
<b>Gross Profit</b>	<b>116.1</b>	<b>173.2</b>	<b>49.2%</b>
<i>GP Margin</i>	42.9%	50.5%	+7.6 pp
<b>EBITDA</b>	<b>63.7</b>	<b>110.7</b>	<b>73.7%</b>
<i>Adj. EBITDA Margin</i>	23.5%	32.3%	+8.7 pp
<b>EBIT</b>	<b>48.8</b>	<b>95.4</b>	<b>95.6%</b>
<i>EBIT Margin</i>	18.0%	27.8%	+9.8 pp
<b>Net Profit after Minority Interest</b>	<b>30.2</b>	<b>71.8</b>	<b>138.0%</b>
<i>NP Margin</i>	11.1%	20.9%	+9.8 pp
<b>EPS</b>	<b>0.0307</b>	<b>0.0732</b>	<b>138.0%</b>



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Revenues generated from private sales increased by 29.2% y-o-y to reach EGP 221.3 million in 1Q22, driven by strong sales of the Group's recent acquired and launched products coupled with the recovery in Egypt's overall pharmaceutical retail segment post-pandemic during 1Q22 compared to the same period one year previously.

Revenues from tenders recorded an increase of 20.6% y-o-y to come in at EGP 70.2 million in 1Q22. This came despite a 1.2% y-o-y decline in volumes in line with management's strategy to selectively participate in tenders that satisfy minimum profitability levels for the Group.

Revenues from exports recorded an increase of 16.1% y-o-y to EGP 26.4 million in 1Q22, driven by a 152.7% y-o-y increase in volumes sold on the back of sales to Iraq, with no sales from Ramedata's largest export market seen during the comparable period in 2021 due to an imposed COVID-19 associated lockdown.

Toll manufacturing revenues grew by 35.4% y-o-y to EGP 25.2 million in 1Q22, driven by a more than 2-fold increase in volumes sold as a result of the ongoing securing of contractual agreements, which saw increased utilization of the Group's liquid and penicillin lines in addition to its lyophilized production capabilities.

### Comments from our Management Team

"We are pleased to report yet another strong quarter for Ramedata, which saw us record stellar top line growth and strengthen our margins significantly on both the operational level and bottom-line. At a year-on-year growth of 30.5%, we outgrew the market in 1Q22 by a spread of 17.1%, according to IQVIA's latest estimates, underscoring Ramedata's ability to consistently outperform against a challenging and often unpredictable economic environment," **commented Dr. Amr Morsy, CEO of Ramedata.** "Our margins exhibited similar growth as a result of our ongoing cost reduction strategy, culminating into EBITDA margin and net profit margin expansions of 8.7 and 9.8 percentage points respectively.

"Ramedata has once again delivered double-digit growth across all of its business channels as a result of our ongoing portfolio expansion strategy, with revenues from products launched and acquired since our December 2019 listing contributing 25% to our overall top line during the quarter. We are pleased to report the ongoing success in Vaxato, our most recent acquisition, which at a contribution to revenues of 5.6% in 1Q22 was the 6th highest selling product for the quarter. Further, the launch of our latest concentration under Rametax in 2021 has seen combined revenues for the antibiotic grow by 92% year-on-year in 1Q22, making it the second-highest seller during the quarter at a contribution to revenues of 10.8%.

"We launched 2 new products during the first quarter of the year, with the first being our previously announced antiviral, Molnupiravir Ramedata. At a retail price of EGP 625 per box and generating a gross profit margin upwards of 70%, this latest addition to our portfolio of antivirals falls in line with our previously communicated strategy to enhance Ramedata's average selling prices and profitability. The quarter also saw us launch nutraceutical, Selestoc, a multivitamin and immunity booster. With the free pricing framework of nutraceutical products, we look forward to the continued launch of products under the segment to further enhance the Group's margins.

"The last few years has seen the Egyptian market face a number of internal disruptions and external shocks, and with every event, Ramedata has emerged on stronger footing and ideally positioned for accelerated growth. Our business model emphasizes the dynamic and integrated mitigation of business risk, and we have been proactive in optimizing our portfolio and expenses to maximize Group profitability while continuing to generate market-leading top line growth. We look forward to maintaining this superior growth trajectory while we deliver on both our short-and-long-term goals," **concluded Dr. Morsy.**



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### About Rameda

Established in 1986, Rameda (RMDA.CA on EGX) is a leading Egyptian pharmaceutical company led by a team of professionals with extensive multinational experience. The company develops and produces a wide range of branded generic pharmaceuticals, nutraceuticals, food supplements and veterinary products. Rameda combines global standards with local insights and a customer-centric approach. It has developed a broad portfolio of products across multiple therapeutic areas, by successfully leveraging its strong product portfolio with its accretive product acquisitions to become one of the fastest-growing pharmaceutical players in Egypt. The company produces its wide range of dosage forms at its three manufacturing facilities located at the industrial complex in Cairo's Sixth of October Industrial Zone.

### Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would", or, in each case, their negatives, or other similar expressions that are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal, or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations, and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.