



Quality For All

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

EARNINGS PRESS RELEASE 9M22

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. books top-line growth of 28.2% y-o-y to EGP 1.1 bn in 9M22; Net profit after minority interest grew 82.0% y-o-y to EGP 194.9 million and yielded a strong margin expansion to 17.8% in 9M22

November 15th, 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, announced today its consolidated results for the nine-month period ending 30 September 2022.

Total volumes (excluding toll manufacturing) increased by 15.6% y-o-y to 47.0 million units, driven mainly by growing volume sales at Rameda’s private sales vertical in 9M22 – which contributed the lion’s share of volume sales at 62% – and recorded a volume sales increase of 30.8% y-o-y in 9M22. The Group’s exports vertical further supported overall volume performance, recording a strong 160.8% y-o-y increase in volumes in 9M22.

The Group’s consolidated revenues increased by 28.2% y-o-y to EGP 1,093.0 million in 9M22, supported by strong results from its top 10 performing products during the period, including core products Colona and Rametax, as well solid performances from Augram and Vaxato. Rameda’s top line performance was further driven by its expanding international footprint boding well for its export sales vertical, where Rameda tapped a total of 9 markets in 9M22.

Rameda’s gross profit grew by 38.5% y-o-y to EGP 539.2 and yielded a GPM of 49.3% in 9M22, reflecting a y-o-y increase of 3.7 percentage points. Margin improvement was primarily driven by the 2.8 percentage point year-on-year decline in raw materials cost as a percentage of total revenues in 9M22. This was supported by strategic price hikes of key products during the period across the Group’s portfolio.

The Group’s EBITDA grew by 64.7% y-o-y to EGP 334.0 million in 9M22 and yielded a margin expansion of 6.8 percentage points y-o-y to 30.6% in 9M22.

Net profit after minority interest grew by 82.0% y-o-y to EGP 194.9 million, yielding an NPM of 17.8%, up 5.3 percentage points y-o-y in 9M22. Expansion in NPM was driven by growing operating profitability coupled with decreasing interest expenses during the period.

Core net income, calculated as net income before minority interest adjusted for FX gains/losses, non-cash ESOP expenses, recorded an increase of 88.1% y-o-y to EGP 200.6 million, yielding a 5.8 percentage point margin expansion to 18.3% in 9M22.

Summary Income Statement

| EGP mn | 3Q21 | 3Q22 | YoY Change | 9M21 | 9M22 | YoY Change |
|------------------------------------|--------|--------|------------|--------|---------|------------|
| Revenues | 314.7 | 381.5 | 21.2% | 852.5 | 1,093.0 | 28.2% |
| Gross Profit | 145.7 | 194.5 | 33.5% | 389.4 | 539.2 | 38.5% |
| GP Margin | 46.3% | 51.0% | +4.7 pp | 45.7% | 49.3% | +3.7 pp |
| EBITDA | 79.1 | 124.6 | 57.6% | 202.8 | 334.0 | 64.7% |
| EBITDA Margin | 25.1% | 32.7% | +7.5 pp | 23.8% | 30.6% | +6.8 pp |
| EBIT | 67.5 | 107.6 | 59.6% | 168.5 | 285.8 | 69.6% |
| EBIT Margin | 21.4% | 28.2% | +6.8 pp | 19.8% | 26.1% | +6.4 pp |
| Net Profit after Minority Interest | 45.3 | 70.7 | 56.0% | 107.1 | 194.90 | 82.0% |
| NP Margin | 14.4% | 18.5% | +4.1 pp | 12.6% | 17.8% | +5.3 pp |
| EPS | 0.0453 | 0.0724 | 59.7% | 0.1071 | 0.1962 | 83.3% |



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Volumes from private sales grew by 30.8% y-o-y to 29.0 million units in 9M22 primarily on the back of solid performances from Rameda's core and recently launched products, coupled with the general post Covid-19 recovery in Egypt's pharmaceutical retail segment during the period. Consequently, private sales revenues increased by 37.0% y-o-y to EGP 804.3 million and contributed 74% of Rameda's consolidated revenues and 82% of revenue growth in 9M22.

Volumes sold from tenders declined by 19.6% y-o-y to 13.4 million units in 9M22, which is in line with management's strategy to selectively participate in tenders that satisfy minimum profitability levels for the Group.

Rameda's export revenues grew by 27.8% y-o-y to EGP 75.8 million due to a volume increase of 160.8% y-o-y to 4.5 million units in 9M22 driven by strong sales from the Group's largest export market, Iraq, coupled with stellar export sales to Yemen as well as a low base effect associated with the COVID-19 lockdown in the first quarter of 9M21.

Toll manufacturing revenues increased by 53.9% y-o-y to EGP 86.4 million in 9M22 driven by a two-fold year-on-year increase in volumes to 51.1 million units as Rameda continued the securing of accretive contracts, which saw significantly increased utilization of the Group's liquid and penicillin lines in addition to its lyophilized production capabilities.

Comments from our Management Team

"As we inch closer towards the end of the 2022, I am pleased to report a solid set of results for the last nine months. The Group booked strong revenue and bottom-line growth coupled with healthy profitability margins, which I am confident will leave us well-positioned to close out the year on a strong note," **commented Dr. Amr Morsy, CEO of Rameda.** "Our solid performance for the period came on the back of strong performances across all of Rameda's verticals, especially at our private sales and export verticals, with both witnessing strong double-digit growth in 9M22.

Our solid performance for the period came on the back of strong performances across all of Rameda's verticals, especially at our private sales and export verticals, with both witnessing strong double-digit growth in 9M22. Our private sales vertical's top line has inched closer to the EGP 1-billion mark, recording a revenue increase of 37% year-on-year to EGP 804.3 million on the back of strong growth from both recently launched and core products. Our strong performance was also buoyed by our exports vertical, which recorded solid results in 9M22 on the back of a strong performance from our existing export markets despite the loss of sales from our antiviral portfolio, which represented the majority of our export sales last year. I am hopeful that as global market conditions improve and supply chain constraints continue to ease, we will be able to generate even greater value from the Group's existing markets and tap new ones going forward.

I am also pleased to report the successful launch of three products in 3Q22; Calnesia, a calcium supplement, Family Vit, a prenatal vitamin, and Paracetamol, bringing the total number of products launched during 9M22 to five, in line with our efforts to continuously expand our overall portfolio offering by penetrating fast-growing therapeutic areas to ultimately enhance our performance. Moreover, I am optimistic about the outlook for the Group's other recent acquisitions during the 9M22 period, including anticoagulant, Artixiban, and anticonvulsant, Lacovimp, both of which, according to the latest estimates from IQVIA, have witnessed strong performances in the market. I would also like to highlight that the Group is well-positioned to deliver on its goal of launching a total of 8-10 products by year-end 2022.

Moreover, I would like to highlight the Group's stellar profitability during the period, where we witnessed strong margin expansions across the board. In anticipation of rising inflationary pressures and the devaluation of the Egyptian pound, management was swift to respond and successfully received approvals for price hikes between c. 25%-40% across products representing 65% of Rameda's sales. These price hikes allowed us to continue delivering strong profitability margins and we will remain focused on applying for further price increases across Rameda's portfolio to hedge against the impact of the devaluation of the Egyptian pound going forward.



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Our success will continue to be driven by our deep know-how of Egypt's pharmaceutical space and well-established operational prowess, which have allowed us to successfully launch and acquire strategic products that have supported our growth even amid suboptimal market conditions. I am confident that the Group is well-positioned to maintain its strong growth trajectory going forward, continue to deliver on both its medium and long-term strategies, and end 2022 on a solid note.," concluded Dr. Morsy.

-Ends-

Investor Relations Contact:

Yasmine Negm
Rameda's Head of Investor Relations &
Strategic Communications
Email: yasmine.negm@rameda.com
Mobile: +20(0) 1228505050

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.



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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.