



Quality For All

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. finalizes acquisition of a portfolio of 11 fast-growing cardiometabolic products

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Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E., (RMDA.CA on the EGX), a leading Egyptian pharmaceutical company, announced that it has finalized the acquisition of a portfolio of 11 cardiometabolic products from a leading local pharmaceutical manufacturer in the Egyptian market. The transaction will see Rameda acquire three antidiabetic brands comprising 7 different concentrations, as well as one brand that is used in the treatment of high cholesterol, comprising 4 different concentrations. Moreover, all products within the portfolio are indicated for the treatment of chronic conditions, which is characterized by stable and recurring demand.

The acquisition allows Rameda to tap five fast-growing therapeutic areas with a total market value of EGP 2.2 billion that have generated a strong 3-year CAGR of 37% in LTM 1Q23 compared to the performance of the overall Egyptian pharma market, which delivered 11% during the same period. Additionally, Rameda will also benefit from the shift towards generics across these selected therapeutic areas, which were previously dominated by innovators. On this front, generics within these therapeutic areas have witnessed strong growth in market share terms, currently standing at 62% as of 1Q23 and growing at a 3-year CAGR of 67%, which is 3.6x higher than that of the innovators during the same period. The acquisition is in line with Rameda's disciplined acquisition criteria and is expected to be highly accretive, contributing positively to the company's earnings.

The portfolio has demonstrated a strong growth profile and booked EGP 107 million in ex-factory sales in FY2022, reflecting an annual increase of 97% compared to FY2021. The portfolio is anticipated to generate revenues of EGP 180-200 million on a full year basis for Rameda, with a solid GP Margin of c.70% for the same period.

Commenting on the acquisition, the Group's Chief Executive Officer, Dr. Amr Morsy, said: "This portfolio acquisition continues to reflect our commitment to delivering on one of our key strategic pillars, which aims to complement our organic growth with value-accretive molecule acquisitions across fast-growing therapeutic areas that will support Rameda's trajectory. Additionally, the acquisition is in line with our efforts to increase the contribution of chronic medication within Rameda's portfolio and will allow us to benefit from the shift towards generics, which dominate the market across these selected therapeutic areas as consumers become increasingly price sensitive due to the current inflationary environment. Overall, I am confident that this acquisition will yield positive results over the coming periods and will act as the cornerstone for our cardiometabolic portfolio, which we will be complementing with up to 7 new product launches in this area before the end of FY2023. These products are expected to play a significant role in enhancing Rameda's financial results going forward and accelerate our pivot towards products in fast-growing chronic therapeutic areas."

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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 its 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.