



Quality For All

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

EARNINGS PRESS RELEASE 4Q/FY23

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. delivers 4Q23 revenue growth of 37% y-o-y to EGP 534 million coupled with strong profitability margins and a core net income growth of 47% y-o-y to EGP 67 million

March 19th, 2023 | 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 quarter ending 31 December 2023.

Revenues grew by 37% y-o-y to EGP 534 million in 4Q23 on the back of solid growth across Rameda’s verticals, with growth primarily driven by the private sales vertical (+51% y-o-y), followed by domestic tender sales (+28% y-o-y) in 4Q23. On a full year basis, the Group’s revenues grew by 30% y-o-y to EGP 1,922.4 million in FY23, which was driven by solid performances from Rameda’s top ten selling products during the period.

The Group’s gross profit increased by 41% y-o-y to EGP 254.1 million and booked a margin expansion of 1.3 percentage points year-on-year to 47.6% in 4Q23, reflecting the positive impact of operational leverage. On a full year basis, gross profit grew 26% y-o-y to EGP 905.9 million but booked a margin contraction of 1.4 percentage points to 47.1% in FY23. This was due to a 36% increase in raw material costs, a 67% increase in spare parts, maintenance, & materials in FY23, and a 72% y-o-y increase in impairment costs to EGP 34.0 million – of which EGP 25.7 million accounted for a one-off impairment charge relating to the COVID-19 antiviral product portfolio.

EBITDA grew by 58% y-o-y to EGP 140.7 million, alongside a margin expansion of 3.5 percentage points year-on-year to 26.3% in 4Q23 on the back positive effect of portfolio repricing and cost optimizations. On a full year basis, EBITDA increased 26% y-o-y to EGP 532.9 million but booked a margin contraction of 0.8 percentage points, reflecting a trickle-down effect from a decrease in gross profit margin, [yet impact was more muted as cost optimization efforts resulted in SG&A as a present of revenues dropping by 1.2 percentage points from 24% in FY22 to 23% in FY23.](#)

Core Net Income, calculated as net income before minority interest adjusted for FX gains/losses, one-off impairments, and non-cash ESOP expenses, increased by 47% y-o-y to EGP 61.6 million and booked a margin expansion of 0.8 percentage points year-on-year to 11.5% in 4Q23. On a full year basis, core net income increased by 13% y-o-y to EGP 270.5 million, however, recorded a margin contraction of 2.0 percentage points to 14.1% in FY23.

Summary Income Statement

EGP mn	4Q22	4Q23	YoY Change	FY22	FY23	YoY Change
Revenues	390.9	534.2	36.7%	1,484.0	1,922.4	29.5%
Gross Profit	180.8	254.1	40.5%	720.0	905.9	25.8%
GP Margin	46.3%	47.6%	+1.3 pp	48.5%	47.1%	-1.4 pp
EBITDA	89.2	140.7	57.7%	423.2	532.9	25.9%
EBITDA Margin	22.8%	26.3%	+3.5 pp	28.5%	27.7%	-0.8 pp
EBIT	71.9	120.7	68.0%	357.7	460.0	28.6%
EBIT Margin	18.4%	22.6%	+4.2 pp	24.1%	23.9%	-0.2 pp
Core Net Income	41.8	61.6	47.5%	239.2	270.5	13.1%
CNP Margin	10.7%	11.5%	+0.8 pp	16.1%	14.1%	-2.0 pp
Reported Net Income	50.8	52.9	4.2%	245.7	244.86	-0.3%
NP Margin	13.0%	9.9%	-3.1 pp	16.6%	12.7%	-3.8 pp
EPS ¹	0.0515	0.0537	4.2%	0.1545	0.1643	6.3%

¹ EPS before dividend distribution.



Quality For All

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

EARNINGS PRESS RELEASE 4Q/FY23

Comments from Our Management Team

“2023 presented significant obstacles for various industries across Egypt, including rising inflation, supply chain disruptions, and foreign exchange limitations impacting raw material availability. Despite these headwinds, Rameda delivered a strong performance, achieving solid revenue growth in the high double-digits across all our business lines.” **commented Dr. Amr Morsy, CEO of Rameda.** “This success is a testament to our diversified portfolio's strength in driving sustainable growth. We strategically leverage our existing offerings in key therapeutic areas while maximizing value through continuous improvement. Additionally, acquired products in fast-growing therapeutic segments have made significant contributions. Further on this front, and in line with our efforts to further deliver on our portfolio optimization strategy and expand our product offering across fast-growing and chronic therapeutic areas, I am pleased to announce that the Group launched 2 products and acquired 11 products in FY23. The acquisition of the portfolio of 11 cardiometabolic products 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. Moreover, the Group's export sales vertical booked a revenue increase of 69% y-o-y to EGP 180.2 million in FY23 on the back of improved trading conditions. In USD terms, exports recorded 7% growth y-o-y to reach \$5.9 million.”

“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. Furthermore, The Group has been successful at optimizing its pharma distributor's network, significantly reducing its exposure to distributors that pose potential risks to Rameda's ability to maximize the value generated from its operations, which will continue to support our performance going forward. In the meantime, we will remain focused on driving Rameda's performance through lucrative product acquisitions and launches – especially those that operate under free-pricing frameworks – as well as driving growth across other fast-growing therapeutic areas.”

“Rameda delivered impressive profitability growth in Q4 2023. EBITDA surged by 58% year-over-year to EGP 141 million, with a healthy expansion of the EBITDA margin by 3.5 percentage points to 26.3%. This strong performance is attributed to a combination of successful cost optimization initiatives in SG&A expenses. Looking at the full year, EBITDA increased steadily by 26% to EGP 533 million. While the gross profit margin experienced a 1.4 percentage point contraction in FY23, effective cost optimization on SG&A expenses successfully mitigated this impact, resulting in a slight margin contraction of only 0.8 percentage points.” **commented Mahmoud Fayek, CFO & COO of Rameda.**

“Despite the turbulent market conditions across Egypt's landscape, I am optimistic of the road ahead. Our results this past quarter have witnessed significant improvement, with the Group delivering strong revenue growth as well as healthy margins and stands testament to the strength and resilience of the Group's operations. Over the coming periods, Rameda will be focused on further expanding the contribution of specialty products, assessing potentially lucrative acquisitions that would better position us to generate synergies and to diversify the Group's revenue streams with new product categories falling under the free-pricing regime, leaving us well-positioned to pursue and deliver on our sustainable growth objectives.” concluded Mr. Fayek.

-Ends-



Quality For All

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

EARNINGS PRESS RELEASE 4Q/FY23

Investor Relations Contact:

Khaled Daader

Head of Mergers and Acquisitions and Investor Relations

E-mail: khaled.daader@ramedata.com

Youseph Adel

Junior Mergers and Acquisitions and Investor Relations Analyst

Email : youssef.adel@ramedata.com

About Ramedata

Established in 1986, Ramedata (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. Ramedata 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.