



Quality For All

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

EARNINGS PRESS RELEASE 1Q24

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. records revenue growth of 16.4% y-o-y to EGP 456.2 million in 1Q24, Driven by Solid Performances from the Group's Private Sales and Exports Verticals

May 14th, 2024 | 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 three-month period ended 31 March 2024.

Despite a challenging environment, Rameda booked revenue growth of 16.4% y-o-y to EGP 456.2 million in 1Q24 on the back of a private sales and exports experiencing growth during the period despite FX shortages affecting raw material procurement and the deliberate reduction of stocks at distributors. The Group's top performing products in terms of their contribution to absolute growth in 1Q24 were Recoxibright, Vaxato, and Optaminess.

The group experienced a 15.9% y-o-y increase in private sales volumes to 6.8 million units in 1Q24, the vertical's revenues grew by 28.0% y-o-y to EGP 338.3 million during the period on the back of the strong recovery of Rameda's injectable antibiotic portfolio as well as strong performance for other key product such as Recoxibright, Vaxato and Optaminess.

Rameda's gross profit increased by 10.6% y-o-y to EGP 197.6 million in 1Q24, yielding a GPM contraction of 2.3 percentage points year-on-year to 43.3% primarily due to the impact of higher overhead costs allocation resulting from the deliberate reduction in production in anticipation of the price increases.

Due to the increase in S&M and G&A expenses as a percentage of revenues between 1Q23 and 1Q24, the decline in gross profitability further weighed down on the EBITDA level. Consequently, Rameda booked a year-on-year EBITDA decline of 6.6% to EGP 101.1 million, which yielded a margin contraction of 5.4 percentage points year-on-year to 22.2% in 1Q24.

Reported net income declined by 12.4% to EGP 60.1 million and recorded a margin contraction of 4.3 percentage points year-on-year to 13.2% in 1Q24. The contraction was driven primarily by lower utilization from the FX shortages and the impact of a depreciating currency on Rameda's cost base, coupled with a c.99% y-o-y increase in financing costs during the period due to rising interest rates.

Summary Income Statement

EGP mn	1Q23	1Q24	YoY Change
Revenues	392.0	456.2	16.4%
Gross Profit	178.8	197.6	10.6%
GP Margin	45.6%	43.3%	-2.3 pp
EBITDA	108.2	101.1	-6.6%
EBITDA Margin	27.6%	22.2%	-5.4 pp
EBIT	91.5	81.3	-11.1%
EBIT Margin	23.3%	17.8%	-5.5 pp
Reported Net Income	68.7	60.1	-12.4%
NP Margin	17.5%	13.2%	-4.3 pp
EPS ¹	0.045	0.038	-15.1%

¹ EPS before dividend distribution.



Quality For All

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

EARNINGS PRESS RELEASE 1Q24

Comments from Our Management Team

“I am pleased to share with you our first quarter results for 2024, which demonstrates the Group’s resilience in a challenging market environment,” **commented Dr. Amr Morsy, CEO of Rameda**, “As we kicked off the new year, we reaped the rewards of the Group’s portfolio optimization strategy and its focus on generating increased value from higher priced products, which has reflected positively on Rameda’s business verticals. We have continued to generate value from our portfolio, with the majority of our top ten selling products delivering double-digit growth during the period.”

“Rameda reported double-digit growth at its top line despite unfavorable market conditions, with major pharmaceutical manufacturers facing difficulties in securing a steady FX supply to meet their raw material needs, as well as the current inflationary environment. We estimate that this shortage in raw materials has impacted our sales in the first quarter by around EGP 80-100 million which we believe will boost our sales in the upcoming quarters as raw materials for these products have been secured and sales will recommence once the repricing has been obtained. Additionally, in anticipation of the price increases, we have decided to reduce our sales to the market. This strategic move allows us to replenish our stock levels at distributors with the new prices, achieving higher margins faster. The Group’s revenue expansion during the period was primarily driven by volume growth in the private segment driven by the recovery of our injectable antibiotic portfolio. This growth was supported by strategic price hikes witnessed over the course of 2023 and growth across select Rameda’s business verticals as we sought to increase the value generated by our portfolio whilst navigating a challenging landscape across our local market of Egypt.

“Moreover, Rameda was able to deliver on its strategy of expanding its export market with the penetration of the Sudanese market and signaling major success already, with more to come in the future. We look forward to receiving a large round of approvals for price hikes over the course of the year as we seek to maintain our growth trajectory and improve Rameda’s profitability amidst challenging market conditions. We are confident that the upcoming quarters will witness a stronger performance as we reap the benefits from product repricing as well as continued strong demand for our products, particularly in the private market.”

“Over the course of the year, we will continue pivoting strategically and identifying avenues for growth as we navigate what is expected to be a challenging year ahead in our home market of Egypt. The Group is regularly exploring lucrative product launches and acquisition opportunities, particularly those under free-pricing frameworks. We remain committed to delivering on the Group’s operational and financial targets and have our eyes set on further maximizing the value generated to our shareholders.” concluded Dr. Morsy.

-Ends-



Quality For All

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

EARNINGS PRESS RELEASE 1Q24

Investor Relations Contact:

Khaled Daader
Head of Mergers and Acquisitions and
Investor Relations
E-mail : khaled.daader@rameda.com

Youseph Adel
Junior IR and M&A Analyst
E-mail : youssef.adel@rameda.com

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.