



Quality For All

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

EARNINGS PRESS RELEASE 1H24

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Ramedia) S.A.E. delivers top-line increase of 25% y-o-y to EGP 565 million and books net profits of EGP 63 million in 2Q24, representing a 26% y-o-y growth

August 13th, 2024 | Cairo, Egypt

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Ramedia) S.A.E. (the “Company”, and, together with its consolidated subsidiaries, “Ramedia” or the “Group”), RMDA.CA on the EGX, a leading Egyptian pharmaceutical company, announced today its consolidated results for the first half of 2024.

Ramedia’s revenues grew by 25.4% y-o-y to EGP 564.9 million primarily due to a 31.8% y-o-y increase in private sales revenue to EGP 439.2 million coupled with revenue growth across the Group’s export sales and toll manufacturing verticals in 2Q24. Solid revenue growth was driven by the recovery of the injectable antibiotics section, and to a lesser extent price increase approvals, as the group started to generate increased value from the positive impact of price increases across Ramedia’s product portfolio starting the end of May.

In the second quarter of 2024, Ramedia achieved a 30.2% year-on-year increase in gross profit, reaching EGP 270.8 million, with a margin improvement of 1.8 percentage points to 47.9%. This growth occurred despite challenges, including inflationary pressures caused by the devaluation of the local currency, and a strategic halt in production in anticipation of price hike approvals, which were progressively granted towards the end of May. This enhancement in gross profitability also positively impacted our EBITDA, which rose by 30.9% year-on-year to EGP 151.3 million, with the margin increasing by 1.1 percentage points to 26.8%.

At the net income level, Ramedia reported a 26% year-on-year increase to EGP 63.5 million. The net profit margin remained nearly flat, despite finance expenses almost doubling due to rising interest rates.

Summary Income Statement

EGP mn	2Q23	2Q24	YoY Change	1H23	1H24	YoY Change
Revenues	450.4	564.9	25.4%	842.4	1,021.1	21.2%
Gross Profit	208.0	270.8	30.2%	386.7	468.4	21.1%
GP Margin	46.2%	47.9%	+1.8 pp	45.9%	45.9%	-0 pp
EBITDA	115.6	151.3	30.9%	223.7	252.4	12.8%
EBITDA Margin	25.7%	26.8%	+1.1 pp	26.6%	24.7%	-1.8 pp
EBIT	98.7	131.0	32.8%	190.1	212.4	11.7%
EBIT Margin	21.9%	23.2%	+1.3 pp	22.6%	20.8%	-1.8 pp
Reported Net Income	50.4	63.5	26.0%	119.0	123.6	3.9%
NP Margin	11.2%	11.2%	+0.1 pp	14.1%	12.1%	-2 pp
EPS ¹	0.0499	0.0627	25.8%	0.1173	0.0797	-32.0%

¹ EPS before dividend distribution.



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Comments from Our Management Team

“As we close out the first six months of the year, I am delighted to report a solid set of results, showcasing Rameda’s commitment to growth and the resilience of its operations,” **commented Dr. Amr Morsy, CEO of Rameda.** “By pivoting strategically and leveraging our comprehensive knowledge of the pharmaceutical space coupled with Rameda’s dynamic business model and comprehensive product portfolio, the Group has continued to deliver on its targets and achieve success despite the challenges 2024 has so far presented. Our results for the period stand testament to our continued focus on identifying avenues of growth, unlocking value across our lines of business, and our team of professionals who continue to be driving the force of Rameda’s success amidst suboptimal market conditions.

“Rameda reported double-digit growth at its top and bottom lines despite unfavorable market conditions. The Group’s revenue expansion during the period was spurred by 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, as well as price increases progressively granted across our top products (This encompasses a total of 22 SKUs spread across key brands including Colona, Augram, Recoibright, Pentatrox, Protofix, Omnevara, Optaminess, Rametax, and Megafen) since the end of May and continue to be received. The average price increases secured range between 40% to 50%.

“Our proactive inventory management strategy ensures that the price adjustments for newly produced batches will be reflected in the company’s financials immediately. These price increases will not only ensure the continued production and supply of essential medications but also provide Rameda with the financial resources to strengthen cashflow, reduce debt, and invest in strategic growth initiatives We are confident that the upcoming quarters will witness stronger performance as we reap the benefits from product repricing as well as our decision to halt production in anticipation of said price approvals.

“This half, Rameda was able to deliver on its strategy of expanding its export market with the penetration of the Sudanese market which recorded EGP 33 million and represented 34% of total exports during the first half. This achievement marks a significant milestone, and the company remains committed to unlocking new export markets in line with its strategic plan.” concluded Dr. Morsy.

“It is worth noting that Rameda has demonstrated resilience in the face of significant inflationary and foreign exchange pressures throughout the first half of the year.” **added Mahmoud Fayek, COO of Rameda** “Absent price increases during the majority of the first half, the Group achieved revenue and EBITDA growth while absorbing these various challenges. This achievement is a testament to the strength of Rameda’s business model and its ability to adapt to a dynamic market environment. The full impact of the recently implemented price increases is expected to be realized in the second half, further enhancing the Group’s profitability.

“Looking ahead, management is focusing on maintaining the Group’s revenue growth trajectory, improving profitability levels, and delivering on Rameda’s communicated operational, strategic, and financial targets for the year. Moreover, we will remain steadfast in our efforts at navigating what is currently a challenging economic landscape and are confident that our strong track record and the proven resilience of our business model will allow us to deliver on our goals.”

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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.