



Quality For All

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

EARNINGS PRESS RELEASE 9M24

### Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. delivers top-line increase of 40% y-o-y to EGP 763 million and books net profit growth of 54% y-o-y, reaching EGP 120 million in 3Q24.

November 13<sup>th</sup>, 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 third quarter of 2024.

Revenues climbed 39.9% y-o-y to EGP 763.2 million due to a 57.4% y-o-y increase in private sales revenue coupled with revenue growth of 24.5% across the Group’s toll manufacturing vertical in 3Q24. During 9M24, Revenue grew by 28.5% to EGP 1,784.4 million on the back of a 41.6% increase in private sales revenue, alongside an 11.3% increase in toll manufacturing sales. Solid revenue growth from private sales was driven by price increase approvals that ranged from 40%-50% for products that contributed more than 90% of the groups top line, as the group started to generate increased value from the positive impact of price increases across Rameda’s product portfolio towards the end of May, as well as significant volume growth across private sales.

In the third quarter of 2024, gross profit increased 30.9% y-o-y to EGP 347.1 million, while, with gross profit margin decreasing by 3.1 percentage points year on year to 45.5% in 3Q24. This was due to a rise in the Company’s cost base, primarily raw materials, surging by 61.9% during 3Q24 and 42.4% during 9M24, while price increases were gradually applied through 3Q24. The full effect of margin improvement should be in 4Q24, given the full effect of repricing. On the other hand, gross profit increased by 25.1% to reach EGP 815.5 million during 9M24, with a 1.3 percentage points decrease in gross profit margin, reaching 45.7%. EBITDA grew by 45.2% y-o-y to EGP 244.5 million in 3Q24, with the EBITDA margin increasing by 1.2 percentage points to 32.0% in 3Q24, despite a 20.8% increase in the cost of salaries and social insurance, as a measure of successful cost saving due to their decrease in their percent of total revenue. EBITDA grew by 26.7% to reach EGP 496.9 million during 9M24 with a 0.4 percentage points decrease, reaching a 27.8% margin, the EBITDA margin remained flat despite the decrease in the gross profit margin level, on the back of effective cost saving measures.

Reported net income increased by 54.5% y-o-y to EGP 120.4 million and experienced a margin expansion of 1.5 ppts to 15.8% in 3Q24. During 9M24, the recorded net income came in at EGP 244.0 million, with a 23.9% increase y-o-y, with a 0.5 ppts decrease, reaching a 13.7% net income margin, despite the 52.5% increase in finance costs.

### Summary Income Statement

EGP mn	3Q23	3Q24	YoY Change	9M23	9M24	YoY Change
Revenues	545.7	763.2	39.9%	1,388.2	1,784.4	28.5%
Gross Profit	265.1	347.1	30.9%	651.8	815.5	25.1%
GP Margin	48.6%	45.5%	-3.1 pp	47.0%	45.7%	-1.3 pp
EBITDA	168.5	244.5	45.2%	392.2	497.0	26.7%
EBITDA Margin	30.9%	32.0%	+1.2 pp	28.3%	27.8%	-0.4 pp
EBIT	149.1	224.1	50.2%	339.3	436.4	28.6%
EBIT Margin	27.3%	29.4%	+2 pp	24.4%	24.5%	+0 pp
Reported Net Income	78.0	120.4	54.5%	197.0	244.0	23.9%
NP Margin	14.3%	15.8%	+1.5 pp	14.2%	13.7%	-0.5 pp
EPS <sup>1</sup>	0.0510	0.0772	51.5%	0.1282	0.1565	22.1%

<sup>1</sup> EPS before dividend distribution.



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### Comments from Our Management Team

“As we wrap up the first nine months of the year, I’m pleased to share a robust set of results that underscores Rameda’s unwavering commitment to growth and the strength of its operations” **commented Dr. Amr Morsy, CEO of Rameda.** “Despite challenging market conditions over the past nine months—including the March currency devaluation, delays in market repricing, and limited FX availability that constrained pharmaceutical production—our agile business model and diverse product portfolio, have enabled us not only to meet our targets but to achieve notable success in the face of 2024’s obstacles.

“Rameda reported double-digit growth at its top line, aligning with the Company’s expectations of the later half, as price increase approvals have set in gradually throughout 3Q24, with the full effect of these price adjustments entering full force during 4Q24, as we entered the quarter with products that contribute more than 90% of the company’s portfolio having been repriced, at an average 40%-50% increase. Additionally, some key products have received price increase approvals higher than the stated average to correct historical price distortions.”

“On the other hand, the Company is strategically focused on freely priced products, empowering us to swiftly adapt to market changes and enhance profitability. This approach not only keeps us agile amid delayed repricing but also protects us from cost pressures, positioning us for sustainable growth. In line with this strategy, I’m thrilled to announce our entry into the cosmeceutical market through Glow, Rameda’s new subsidiary dedicated to building an innovative portfolio in cosmetics, cosmeceuticals, dermatology, and related fields. We also recently marked one of our most successful brand launches to date with Ramelact, Egypt’s first lactase enzyme supplement for lactose intolerance. These ventures are vital components of Rameda’s strategy to expand our freely-priced product portfolio, providing additional resilience against inflationary pressures.” **concluded Dr. Morsy.**

“Rameda’s revenues booked an increase of 40% year-on-year to EGP 763 million in 3Q24 thanks to solid performance from the Company’s private sales and toll manufacturing verticals witnessed over the quarter.” **added Mahmoud Fayek, COO & CFO of Rameda** “At the private sales vertical, Rameda recorded a revenue increase of 57% year-on-year to EGP 629 million during the period on the back of price increase approvals that were applied weekly since the end of May, as well as significant growth in private sales volumes, growing 27% y-o-y. Furthermore, Utilization has improved from 2Q24, which stood at 25%, to 30% in 3Q24.”

“Regarding our working capital metrics, the Company’s cash conversion cycle improved by 36 days, supported by a 20-day reduction in receivables days on hand. This progress highlights our move toward cash-based transactions by selling directly to clients, effectively reducing credit risk with primary distributors.”

“We are also very excited to announce our largest acquisition to date in the newer-generation oral anti-diabetic market. The product currently holds the top position in unit sales, capturing a 9% market share within the newer generation oral anti-diabetics segment, a market valued at over EGP 6.7 billion and comprising 31.3 million units. The product itself outperformed its market, with a three-year CAGR of 60% in value and 42% in units, significantly outpacing its overall market growth.”

“In the first nine months of the year, we faced significant challenges from inflation and currency devaluation; however, we have now shielded these concerns, and we now expect to fully reap the rewards of the year’s price adjustments during the coming quarters, as they will reflect positively on profitability, margins, and sales volumes.” **Concluded Mr. Fayek**

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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.