



Quality For All

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

EARNINGS PRESS RELEASE 1H21

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. recorded a revenue increase of 22.9% y-o-y to EGP 537.8 mn in 1H21; Net profit after minority interest grew by a solid 41.1% y-o-y to EGP 61.8 million for the period.

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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, announces today its consolidated results for the first half of 2021.

Volumes (excluding toll manufacturing) declined by 16.5% y-o-y to 25.6 million units in 1H21 on the back of a 37.3% y-o-y decrease in tender volumes – previously the Group’s largest contributing segment in 1H20 – in alignment with Rameda’s strategy to reduce contributions from tenders going forward to maximize the Group’s margins.

Despite a contraction in volumes, consolidated revenues grew by 22.9% y-o-y to EGP 537.8 million on the back of the increase in sales both domestically and abroad, of drugs used for the treatment of COVID-19 coupled with growing antibiotic sales in 1H21. Additionally, top line growth for the period was supported by a significant increase in export sales, due to eased restrictions, as well as Rameda’s optimized portfolio strategy towards higher priced products.

Rameda’s gross profit increased by 19.1% y-o-y to EGP 243.7 million in 1H21, yielding a GPM of 45.3%, down by 1.5 percentage points year-on-year due to higher API costs associated with the production of COVID-19 related antiviral medicines which was ramped-up during the period to support growing demand. It is worthy to note that API costs have declined in 2Q21 compared to 1Q21, driving a 4.9 percentage point increase q-o-q in Rameda’s GPM in 2Q21. This trend is anticipated to continue going forward and should reflect positively on the Group’s profitability.

The Group’s adjusted EBITDA grew by 14.7% y-o-y to EGP 130.7 million in 1H21, reflecting an EBITDA margin decline of 1.8 percentage points to 24.3%, in line with the 1.5 percentage-point fall in gross margins during the same period.

Net profit after minority interest grew by 41.1% y-o-y to EGP 61.8 million, yielding an NPM of 11.5%, up 1.5 percentage points y-o-y in 1H21. Bottom line growth was supported by an improved operating leverage.

Summary Income Statement

EGP mn	2Q20	2Q21	YoY Change	1H20	1H21	YoY Change
Revenues	205.0	266.9	30.2%	437.5	537.8	22.9%
Gross Profit	98.5	127.6	29.5%	204.7	243.7	19.1%
GP Margin	48.0%	47.8%	-0.2 pp	46.8%	45.3%	-1.5 pp
Adjusted EBITDA	50.6	64.8	28.1%	114.0	130.7	14.7%
Adj. EBITDA Margin	24.7%	24.3%	-0.4 pp	26.1%	24.3%	-1.8 pp
EBIT	36.7	57.0	55.4%	87.1	108.0	23.9%
EBIT Margin	17.9%	21.4%	+3.5 pp	19.9%	20.1%	+0.2 pp
Net Profit after Minority Interest	19.9	31.6	59.0%	43.8	61.8	41.1%
NP Margin	9.7%	11.8%	+2.1 pp	10.0%	11.5%	+1.5 pp
EPS	0.0259	0.0411	59.0%	0.0569	0.0804	41.1%



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Volumes sold at Rameda's private sales segment grew by 17.2% y-o-y to 12.8 million units in 1H21. This increase was driven by a recovery in the demand for the Group's antibiotic and antiviral medication, combined with the relaxation of social distancing restrictions compared to the same period last year. Consequently, private sales revenues increased by 25.0% y-o-y and contributed 65% of Rameda's consolidated revenues in 1H21.

The tenders line of business recorded a 37.3% y-o-y decline in volumes sold to 11.8 million units and generated EGP 109.3 million in revenues, reflecting a decline of 15.3% y-o-y in 1H21. The drop aligns with the Group's strategy to reduce tenders' contribution to Rameda's results in an effort to maximize its margins.

Rameda's export volume increased by 11.3% y-o-y to 0.9 million units and generated revenues of EGP 45.7 million, reflecting a near three-fold year-on-year increase in 1H21. The strong results came on the back of improved market conditions – which saw the lifting of the lockdown in Iraq – combined with growing regional demand for Rameda's new antiviral medication for the treatment of COVID-19.

Toll manufacturing volumes grew by 27.6% y-o-y to record 14.2 million units in 1H21, with the vertical's positive performance driven by Rameda's increased lyophilized production capacities during the period. Consequently, the toll manufacturing segment generated EGP 36.0 million in revenues, reflecting a strong 94.2% y-o-y increase in 1H21.

Comments from our Management Team

"I am very pleased with the Group's exceptional performance during the first half of 2021, as we added to our growth momentum from the first quarter of the year and continued to capitalize on the strong recovery in market conditions on the back of eased COVID-19 related restrictions since the end of 2020," **commented Dr. Amr Morsy, CEO of Rameda.** "Strong demand, both locally and abroad, of our recently launched products has enabled us to achieve the second highest growth across the market according to IQVIA's first half results, of 40% in 1H21, compared to the average market growth of 7% during the same period.

"Top-line growth was primarily led by the success of Rameda's COVID-19 related antiviral products, Anviziram and Remdesivir, which collectively generated EGP 80 million in sales and were among the top 10 products sold in 1H21. This was further boosted by a ramp-up in sales of the Group's existing range of antibiotic products, with Rametax and Rameceftrax both among the top ten products sold in 1H21. Our recently launched food supplement, Omnevara, ranked 9th in sales during the same period, while Recoxibright moved up by two places to become the highest contributor to total revenues during the period. It is important to note that products launched since the beginning of 2020 contributed 42% to 1H21 revenues.

"Our strong half-year results stand testament to our well-established ability to react quickly to changing market needs across the pharmaceutical space in order to identify and acquire lucrative products across high-growth therapeutic areas. In this light, we are especially pleased with our July 2021 acquisition of an anticoagulant molecule as part of our strategy to expand Rameda's product offering towards chronic diseases through the acquisition of a product with an established market presence. This milestone transaction, which marks the Group's largest acquisition to date, enables the company to benefit from a large and fast-growing therapeutic area.

"Looking ahead, we are excited about carrying our growth momentum forward into the second half of the year as we continue to capitalize on improving market conditions and the success of our recent acquisitions. The optimal external environment is anticipated to bode well for our growth strategy, as we aim to further build on and replicate our latest successful acquisition and launch new products that further expand and optimize our portfolio and unlock value for the Group and its shareholders," **concluded Dr. Morsy.**

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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.