



Quality For All

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

EARNINGS PRESS RELEASE 9M21

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. records top-line growth of 27% y-o-y to EGP 852 mn in 9M21; Net profit after minority interest records stronger growth of 56% y-o-y to EGP 107 mn.

November 15th, 2021 | 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, announces today its consolidated results for the nine-month period ending 30 September 2021.

Volumes (excluding toll manufacturing) came in at 40.6 million units, down 3.6% y-o-y, driven primarily by a 23.5% decline in tender volumes, in alignment with Rameda’s previously communicated strategy to reduce the contributions from the segment going forward in order improve gross profitability. Meanwhile, toll manufacturing volumes increased by 40.2% y-o-y to 24.3 million units in the same period.

Meanwhile, consolidated revenues grew by an exceptional 26.7% y-o-y to EGP 852.5 million in 9M21 on the back of to the optimization of the Group’s portfolio towards higher-priced products, coupled with strong sales of its antiviral COVID-19 related drugs and its existing portfolio of antibiotics.

Gross profit grew by 22.8% y-o-y to EGP 389.4 million in 9M21, yielding a GPM of 45.7%, down by 1.5 percentage points y-o-y due to a significant increase in raw material costs driven by high API costs associated with the ramp-up in the production of the Group’s new COVID-19 related antiviral products as well as the recovery in the demand of the Group’s antibiotics portfolio, also associated with a higher API contribution.

The Group’s adjusted EBITDA¹ increased by 16.7% y-o-y to EGP 216.2 million in 9M21 yielding an EBITDA margin of 25.4%, down by 2.2 percentage points y-o-y, despite a fall in SG&A expenses as a percentage of revenues, following the fall in the Group’s GPM during the period.

Net Income after minority interest grew by 56.4% y-o-y to EGP 107.1 million, yielding an NPM of 12.6%, up 2.4 percentage points y-o-y in 9M21.

Summary Income Statement

EGP mn	3Q20	3Q21	YoY Change	9M20	9M21	YoY Change
Revenues	235.4	314.7	33.7%	672.9	852.5	26.7%
Gross Profit	112.5	145.7	29.5%	317.1	389.4	22.8%
<i>GP Margin</i>	47.8%	46.3%	-1.5 pp	47.1%	45.7%	-1.5 pp
Adjusted EBITDA¹	71.3	85.5	19.9%	185.3	216.2	16.7%
<i>Adj. EBITDA Margin</i>	30.3%	27.2%	-3.1 pp	27.5%	25.4%	-2.2 pp
EBIT	56.9	73.9	29.7%	144.1	181.8	26.2%
<i>EBIT Margin</i>	24.2%	23.5%	-0.7 pp	21.4%	21.3%	-0.1 pp
Net Profit after Minority Interest	24.9	45.3	82.0%	68.7	107.1	55.9%
<i>NP Margin</i>	10.6%	14.4%	+3.8 pp	10.2%	12.6%	+2.4 pp
EPS	0.0249	0.0453	82.0%	0.0687	0.1071	55.9%

¹ Adjusted for impairments, provisions, and universal healthcare tax



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Revenues generated from private sales increased by 25.9% y-o-y to EGP 587.2 million and contributed 69% of Rameda's consolidated revenues in 9M21 on the back of a 20.5% y-o-y increase in volumes during the same period to record 22.2 million units. Growth in private sales was driven by popular recent launches, including rising demand for the Group's antivirals and antibiotics, combined with the normalization in consumption levels and steady market growth a year after the onset of COVID-19.

Despite a 23.5% y-o-y decline in volumes sold from tenders, which came in at 16.7 million units in 9M21, in line with the Group's strategy to reduce the contribution of the vertical to Rameda's top line, revenues from tenders came in at EGP 149.8 million in 9M21, up by 2.9% y-o-y and came in second in terms of its contribution to the Group's total revenues at 18% during the period.

Revenues from exports grew by more than 2-fold at 106.9% y-o-y to come in at EGP 59.3 million in 9M21 on the back of the exceptional performance of the Group's antivirals in the Levant, as well as strong growth in exports to Yemen and Iraq. This came despite a 9.3% y-o-y decrease in export volumes to 1.7 million units during the same period, with the sale of antivirals typically associated with lower volumes and higher prices.

Toll manufacturing revenues recorded stellar growth of 74.9% y-o-y to EGP 56.2 million, driven by a 40.2% y-o-y increase in volumes sold from the vertical to record 24.3 million units in 9M21, with the vertical's positive performance driven by the increased utilization of Rameda's lyophilized production capacity during the period.

Comments from our Management Team

"Rameda has delivered yet another strong quarter, with high commercial momentum from our recent launches culminating in top-line growth of 27% year-on-year in 9M21, with the Group now ranking as one of the fastest in terms of its year-on-year growth by value within the private market in the trailing 12-month period at 37% compared to an average market growth of 7% according to IQVIA. Revenue growth was driven by an increase in sales across all segments, with double-digit growth at our private sales and toll manufacturing verticals, and triple-digit growth exports," **commented Dr. Amr Morsy, CEO of Rameda.** "It is important to highlight here that while we have shifted our focus away from our tenders vertical, which saw revenues grow by just 3% year-on-year in 9M21, Rameda succeeded in outgrowing the overall market, inclusive of public tender sales, by 11 percentage points at 29% according to IQVIA, making Rameda the 5th fastest growing pharmaceutical player among all local and international peers operating in the Egyptian market today.

"We have acquired and launched a total of 5 products year-to-date and are on schedule to launch 4 more products by year-end, in line with our previously communicated target pipeline for the year. We look forward to expanding our nutraceuticals portfolio, with 3 of the remaining scheduled launches for the year belonging to this lucrative sub-segment which, according to IQVIA, saw overall sales in Egypt grow at a 4-year CAGR of 21% to reach EGP 10.8 billion in 2020. With the spread of COVID-19 and its various strains, the MENA region's high prevalence of lifestyle diseases and the general increase in consumption of natural health and wellbeing products by more health-conscious consumers, we expect our growing portfolio of nutraceuticals to drive both short-and-long-term for Rameda, as illustrated by the success of Omnevora, a nutraceutical launched just last year to become our 8th highest-selling product.

"As we enter the final stretch of the year, I could not be more proud of the extraordinary effort, dedication and resolve shown by my fellow colleagues at Rameda to successfully maintain a steady supply of medicines to the patients who rely on them across the region during these uniquely challenging times, while never compromising on their commitment to the patient-centered and stringent quality standards that guide everything we do. Thanks to them, I am more confident than ever in Rameda's ability to continue this momentum to year-end and beyond," **concluded Dr. Morsy.**



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Investor Relations Contact:

Yasmine Negm
Rameda's Head of Institutional Investor
Relations & Corporate Governance
Email: yasmine.negm@rameda.com
Mobile: +20(0) 1228505050

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.