



Quality For All

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

EARNINGS PRESS RELEASE 1H22

### Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. reports solid EBITDA growth of 69% y-o-y in 1H22, delivering bottom line expansion of more than 2-fold and generating healthy operating cash flows during the period.

August 15<sup>th</sup>, 2022 | 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 first half of 2022.

Total volumes (excluding toll manufacturing) grew by 36.3% y-o-y to 34.8 million units driven by growth across all four verticals in 1H22. Growth was primarily driven by the Group's private sales – which now leads the pack at a 58% contribution – as well as growing export volumes due to trade recovery.

Consolidated revenues grew by 32.3% to EGP 711.5 million in 1H22 driven by strong growth among the Group's core products as well as its recent launches. The Group's top-performing core products included Colona, Rametax, and Prototfix, which was complemented by robust revenues generated Recoxibright and Vaxato, Rameda's largest acquisitions to date.

Rameda's gross profit increased by 41.5% to EGP 344.7 million and yielded a GPM of 48.5%, reflecting a year-on-year margin increase of 3.1 percentage points in 1H22. Healthy expansion in GPM was driven by a 1.9 percentage point year-on-year decline in the cost of raw materials as a percentage of revenue during the period as GPM returned to normalized levels, with strong demand of antivirals in 1H21 inflating the cost of sales during the period due to its relatively higher associated raw material costs.

The Group's EBITDA grew by 69.2% y-o-y to EGP 209.4 million in 1H22 and yielded an EBITDA margin expansion of 6.4 percentage points year-on-year to 29.4% in 1H22.

Net profit after minority interest grew by 101.1% y-o-y to EGP 124.2 million, yielding an NPM of 17.5%, up 6 percentage points y-o-y in 1H22. Expansion in NPM was driven by growing operating profitability coupled with decreasing interest expenses during the period.

Core net income, calculated as net income before minority interest adjusted for FX gains/losses, ESOP, and expense provisions, recorded an increase of 103.5% y-o-y to EGP 126.5 million and yielded a y-o-y margin increase of 6.2 percentage points to 17.8% in 1H22. In 2Q22, core net income grew by 85.3% y-o-y to EGP 59.7 million, representing a core net income margin of 16.2% during the period.

### Summary Income Statement

EGP mn	2Q21	2Q22	YoY Change	1H21	1H22	YoY Change
Revenues	266.9	368.4	38.0%	537.8	711.5	32.3%
Gross Profit	127.6	171.5	34.5%	243.7	344.7	41.5%
GP Margin	47.8%	46.6%	-1.2 pp	45.3%	48.5%	+3.1 pp
EBITDA	60.0	98.6	64.3%	123.8	209.4	69.2%
EBITDA Margin	22.5%	26.8%	+4.3 pp	23.0%	29.4%	+6.4 pp
EBIT	52.3	82.7	58.3%	101.1	178.2	76.3%
EBIT Margin	19.6%	22.5%	+2.9 pp	18.8%	25.0%	+6.2 pp
Net Profit after Minority Interest	31.6	52.4	65.8%	61.8	124.2	101.1%
NP Margin	11.8%	14.2%	+2.4 pp	11.5%	17.5%	+6 pp
EPS	0.0322	0.0535	65.8%	0.0630	0.127	101.1%
Core Net Profit <sup>1</sup>	32.2	59.7	85.3%	62.2	126.5	103.5%
Core NP Margin	12.1%	16.2%	+4.1 pp	11.6%	17.8%	+6.2 pp

<sup>1</sup>Net income before minority interest adjusted for FX gains/losses, non-cash share-based expenses (ESOP), and provisions



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Volumes from private sales increased by 48.4% y-o-y to 20.1 million units in 1H22 primarily on the back of solid growth of a number of Rameda's top-selling products, coupled with the general post Covid-19 recovery in Egypt's pharmaceutical retail segment during the period. Consequently, private sales revenues increased by 36.0% y-o-y to EGP 495.4 million and contributed 70% of Rameda's consolidated revenues and 75% of revenue growth in 1H22.

Volumes sold from tenders grew by 1.7% y-o-y to 11.3 million units and generated EGP 105.7 million in revenues in 1H22. Contribution of tenders to total volumes (excluding toll sales) declined 9 percentage points y-o-y, which is in line with management's strategy to selectively participate in tenders that satisfy minimum profitability levels for the Group.

The Group's export revenues increased by 22.0% y-o-y to EGP 55.8 million on the back of a 275.0% y-o-y increase in volumes to 3.5 million units driven by strong sales to Rameda's largest export market, Iraq, coupled with a low base effect due to a COVID-19 associated lockdown in Iraq during the first quarter of 1H21.

Toll manufacturing revenues increased by 51.9% y-o-y to EGP 54.7 million in 1H22 driven by a two-fold year-on-year increase in volumes to 29.8 million units as Rameda continued securing of accretive contracts, which saw significantly increased utilization of the Group's liquid and penicillin lines in addition to its lyophilized production capabilities.

### Comments from our Management Team

"I am pleased to report that we concluded the first half of the year on a strong note as we delivered double-digit growth at Rameda's top and bottom lines while booking margin expansions across the board," **commented Dr. Amr Morsy, CEO of Rameda.** "Our performance for the period not only reflects the strength of our management and our robust operational capacities but also our ability to leverage a deep understanding of the Egyptian market, as well as the markets we export to, in order to identify attractive opportunities that allow us to generate solid results.

We successfully grew our top line by 32% year-on-year in 1H22, with stellar revenues generated from our core products as well as our recent additions to the Group's product portfolio. Colona maintained its position as the Group's top-seller for the second quarter in a row. Further, products from our antibiotic lines, namely, Rametax and Ramceftrax, were among the top 5-selling products during the period, with revenues from each up by 131% and 73% respectively in 1H22, due in part to the successful release of a new concentration under the former. Recent acquisitions have also borne fruit; 3 of our recently acquired products, Augram, Recoxibright and Vaxato, were among our top ten selling products in 1H22, collectively contributing 19.9% to total revenues. Regarding our most recent acquisitions, I am especially pleased with the performance of Vaxato, which contributed 4.1% and 16.6% to Group revenues and its absolute growth respectively during the same period. We believe that these results speak for themselves as a clear reflection of Rameda's ability to bring successful products to market.

Moreover, on the portfolio expansion front, I am pleased to announce that we completed 2 molecule acquisitions in 2Q22, bringing the total number of newly added products to 4 in 1H22. The acquisitions align with our unwavering focus on portfolio expansion through the purchase of existing products with an established market presence, the penetration of large and fast-growing areas in chronic indications, and the enhancement of our operating margins through the acquisition of profitable molecules. On this front, we acquired Apixaban, an anticoagulant sold under the name "Artixiban" in May 2022 which, according to IQVIA, saw its sales grow at a 2018-21 CAGR of 87%. More recently in June 2022, we acquired an anticonvulsant sold under the name "Lacovimp", which is primarily used to treat partial-onset seizures. Growing at a 2019-21 sales CAGR of 226% according to IQVIA, Lacovimp is the fastest-growing product within the local market for its corresponding API, far exceeding the 54% 2019-21 CAGR increase in overall market sales for the molecule during the same period. Both products are available in two concentrations. I would also like to highlight that the period saw us launch Selestoc, a nutraceutical and immunity booster, and Molnupiravir Rameda, the third addition to our antiviral portfolio.

I am optimistic about our performance for the second half of 2022, and confident that we can carry our strong momentum throughout the coming months to deliver consistent growth as we have done time and time again in the face of external challenges. We look forward to leveraging our team's deep market insight



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and technical know-how to expand our product offering, while reaping the benefits from our recently enhanced and optimized portfolio, to generate both short and long-term growth for Rameda,” concluded Dr. Morsy.

-Ends-

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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.