



1H 2023 Earnings Presentation

10th August 2023



Disclaimer

This presentation has been prepared solely for use as an investor presentation for Jamjoom Pharmaceuticals Factory Company (the “Company”). By attending or by reading this presentation, you agree to be bound by the following limitations. The information contained in this presentation is for background purposes only and does not purport to be comprehensive and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation to buy or subscribe to any securities in any jurisdiction, or a recommendation in respect of buying, holding or selling any securities.

No representation or warranty, express or implied, is made as to, and no reliance should be placed by any person for any purpose on the information contained in this presentation, fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. The information in this presentation is subject to change, update, revision, verification and amendment and such information may change materially. The Company is under no obligation to update or keep current the information contained in this presentation and any opinions expressed in it are subject to change without notice.

This presentation has not been approved by any competent regulatory authority. Neither this presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. The contents of this presentation are not to be construed as legal or financial. The distribution of this presentation may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein come should inform themselves about and observe any such restriction.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This presentation may include statements that are, or may be deemed to be, “forward-looking statements” with respect to the Company’s financial position, results of operations and business and certain of the Company’s plans, intentions, expectations, assumptions, goals and beliefs. The contents of this presentation have been prepared by and are the sole responsibility of the Company.

Agenda

1

Business & Strategy

2

Financial Performance

3

Closing Remarks and Q&A



Business & Strategy

Dr. Tarek Y Hosni, CEO



2nd Quarter/1st Half Performance Highlights

Revenue

SAR 298m - 2Q **+25% YoY**

SAR 600m - 1H **+25% YoY**

Capacity Utilization

67m units produced

in 1H-23 vs 47m in 1H-22 (+41%)

EBITDA

SAR 99m - 2Q **+53% YoY | 33% margin**

SAR 199m - 1H **+35% YoY | 33% margin**

New Brands

7 new brands

Contributing SAR 10m to 1H-23 revenues

Net Profit

SAR 86m - 2Q **+71% YoY | 29% margin**

SAR 171m - 1H **+82% YoY | 28% margin**

Free Cash Flow

SAR 180m in 1H-23

90% conversion¹

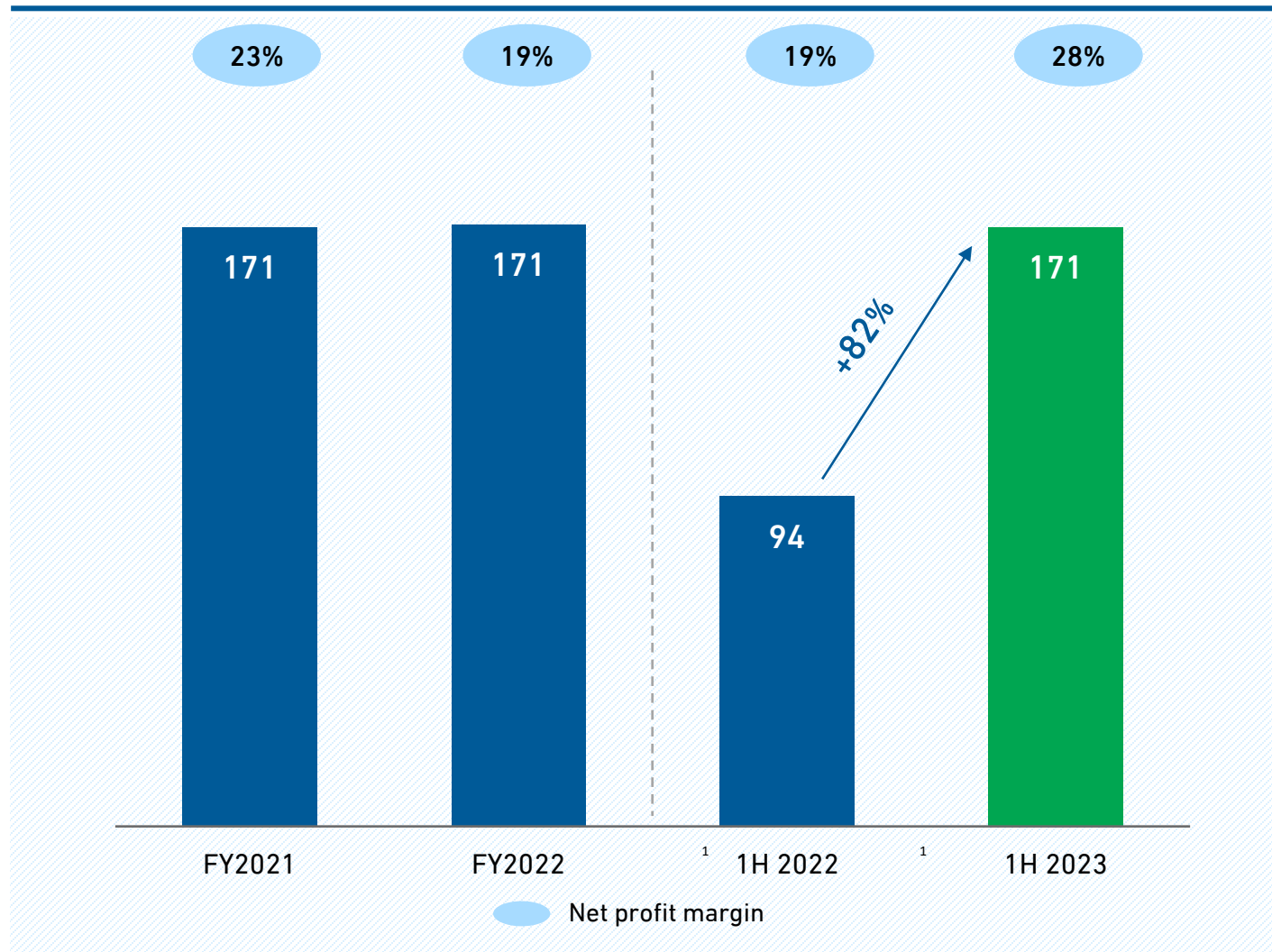
SAR 170m cash balance - June 2023

Jamjoom Pharma today and near-tomorrow



Comprehensive execution of our strategy demonstrated by our ability to deliver sustainable shareholder returns

Net Profit, SARm

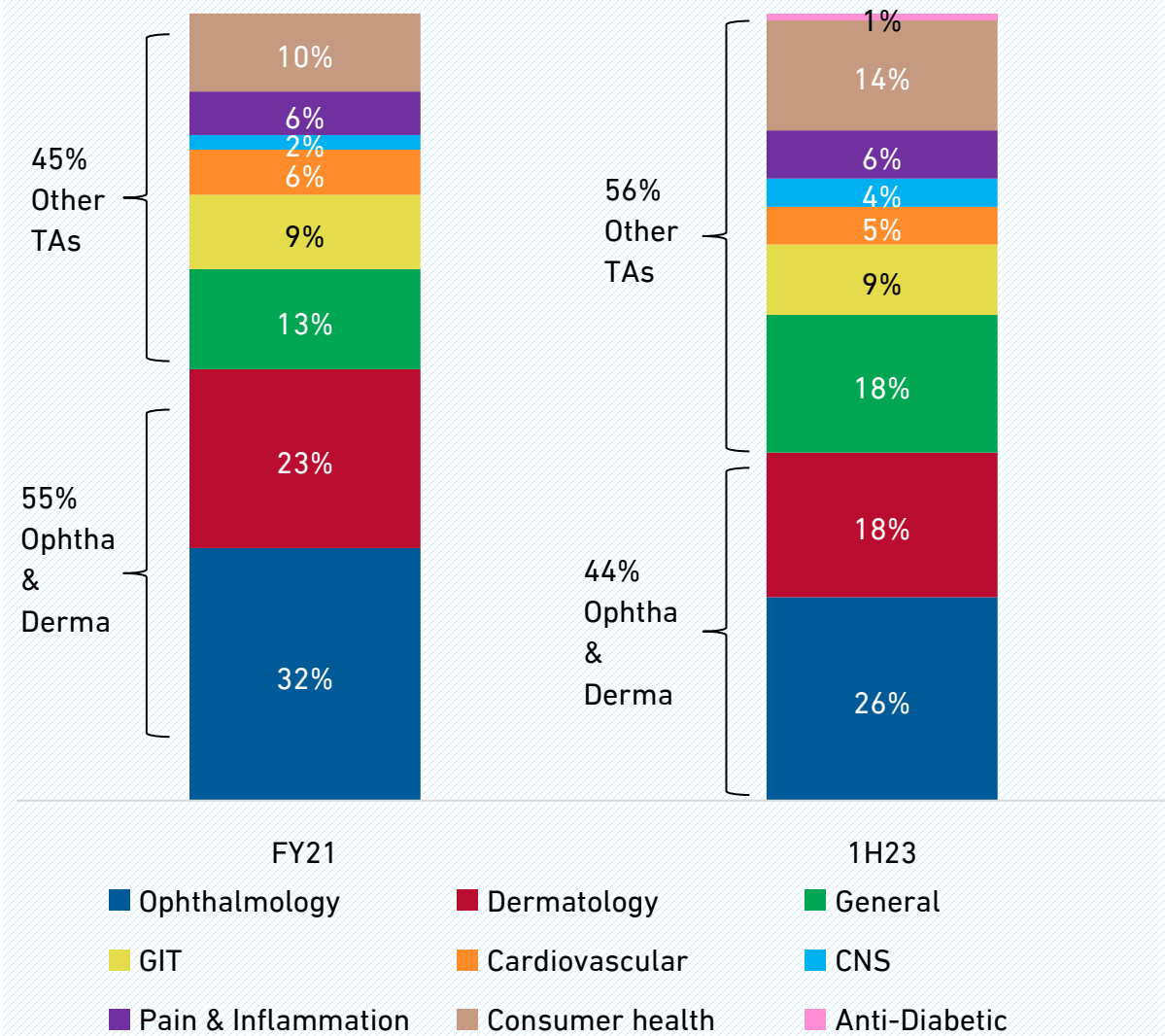


➤ Net profit margin at an industry-leading 28% in 1H23, as each of the last two full years' Net Profits matched in the first 6 months of 2023

➤ Price increases, tactical initiatives including cost-control and operational efficiencies contributed to margin expansion

Diversifying our product portfolio to reduce reliance on flagship TAs in-line with strategic direction...

Evolution of therapeutic areas since FY21

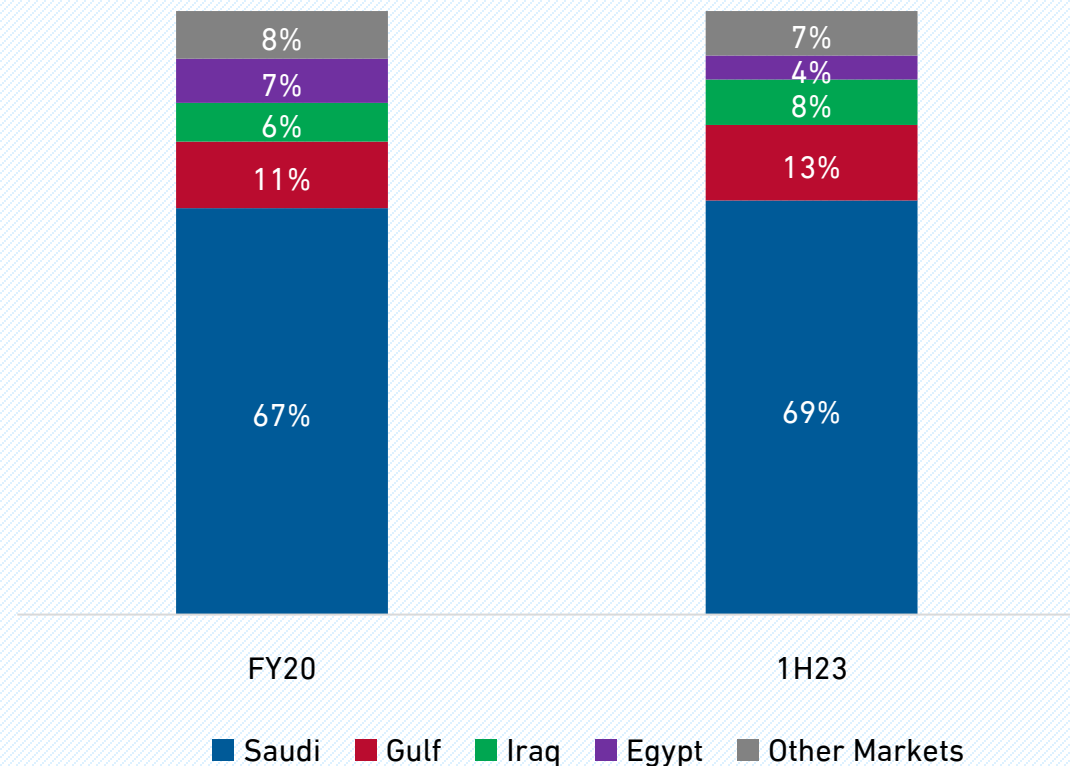


Commentary

- Efficient diversification through launch excellence, commercial efforts and speed-to-market
- Establishing a footprint through delivering high double-digit CAGR in other TAs
- Continued growth in flagship TAs (10.9% CAGR) to reinforce leadership status

... whilst selectively penetrating key markets by reproducing its “home market” performance regionally

Evolution of key market sales since FY20



Commentary

- Increasing footprint in key markets of Gulf and Iraq through localized teams and commercial efforts
- Impressive growth in Saudi market to improve market share and strengthen leading position
- Strategically reducing exposure to EGP fluctuation to minimize margin dilution from export sales

H1-23 Recap: Committed strategic direction lays the foundation for further growth

- **Strong 25% topline growth**, resulting from realization of JP's commercial strategy and securing price increases for JP's key products in KSA and internationally
- **Best-in-industry profitability** whilst remaining a zero-debt company
- JP remain the **3rd largest pharma manufacturer in Saudi Arabia¹**, gained 1 rank in Iraq to enter top 10 and gained 3 ranks in UAE with double than market growth
- **7 new Brands** launched in 1H 2023, incl. new **Anti-Diabetic** brands **Dapazin** and **Vildus** and a healthy product pipeline to follow during FY23
- **Achieving diversified, sustainable growth** across its key countries and therapeutic areas



Financial Performance

Mr. Muhammad Bin Khalid, Head of IR



1H 2023 Financial performance: Healthy growth, expanding margins and higher cash conversion

Summary Financials, SARm

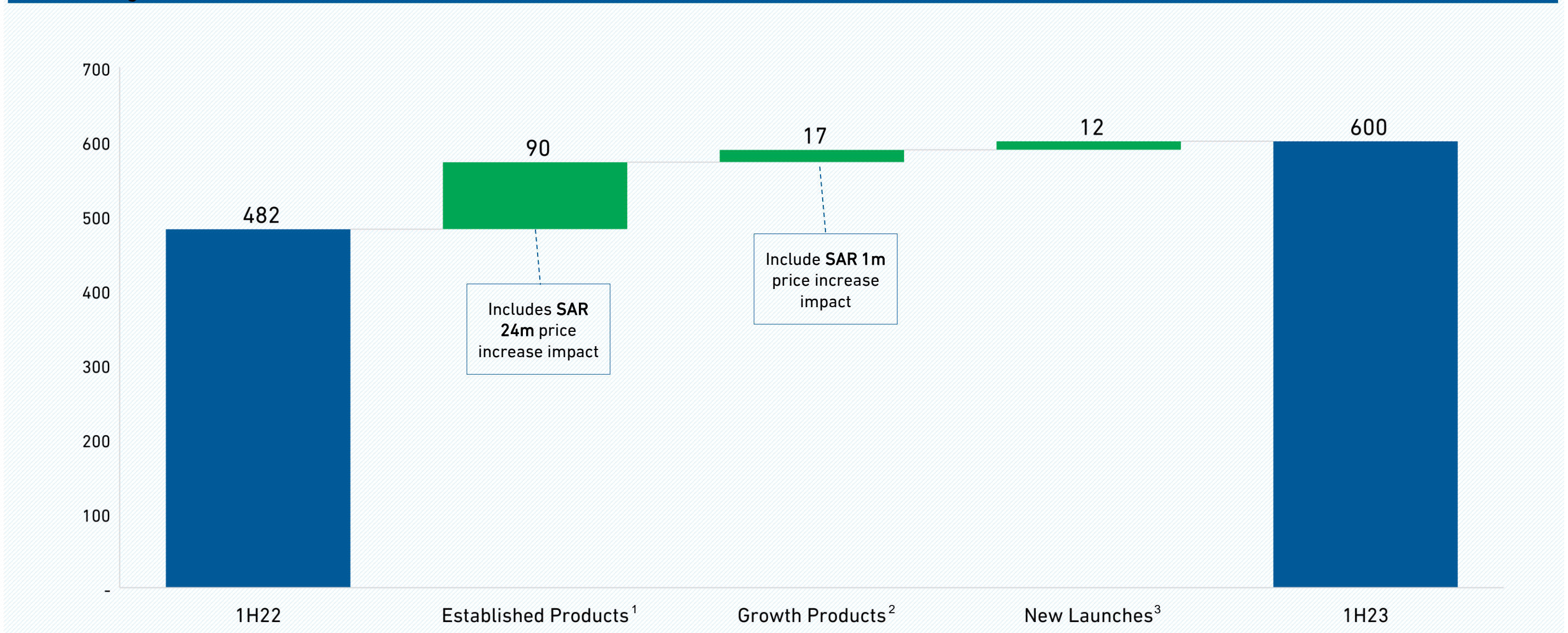
	FY21	FY22	1H22	1H23
A Revenue	736	917	482	600
Cost of revenue	(261)	(323)	(165)	(202)
B Gross profit	475	594	317	398
Gross margin %	65%	65%	66%	66%
Operating costs	(265)	(334)	(169)	(198)
Other income / (expenses)	3	(2)	(1)	(0)
Depreciation & amortization ¹	(24)	(25)	(12)	(13)
C Finance income / (charges)	(1)	(47)	(33)	(2)
Zakat and income tax	(17)	(15)	(8)	(14)
Net income	171	171	94	171
B Net margin %	23%	19%	19%	28%
EBITDA	214	260	148	199
B EBITDA margin %	29%	28%	31%	33%
CAPEX	(123)	(88)	(60)	(19)
FCF (EBITDA – CAPEX)	91	172	88	180
D FCF Conversion %	43%	66%	60%	90%

Commentary

- A** Revitalized strategic direction, portfolio & market optimization, operational efficiencies and price increases fueled revenue growth
- B** Despite increase in supply and operating costs, the Company managed to expand its already industry-leading levels of gross profit, net profit and EBITDA margins
- C** P&L Impact of EGP devaluation avoided in the H1-23 due to conversion of the loan granted to Egyptian subsidiary
- D** Healthy FCF conversion at 90% due on the back of completed investment cycles for the upcoming facilities with a SAR 170m cash balance at 1H-23

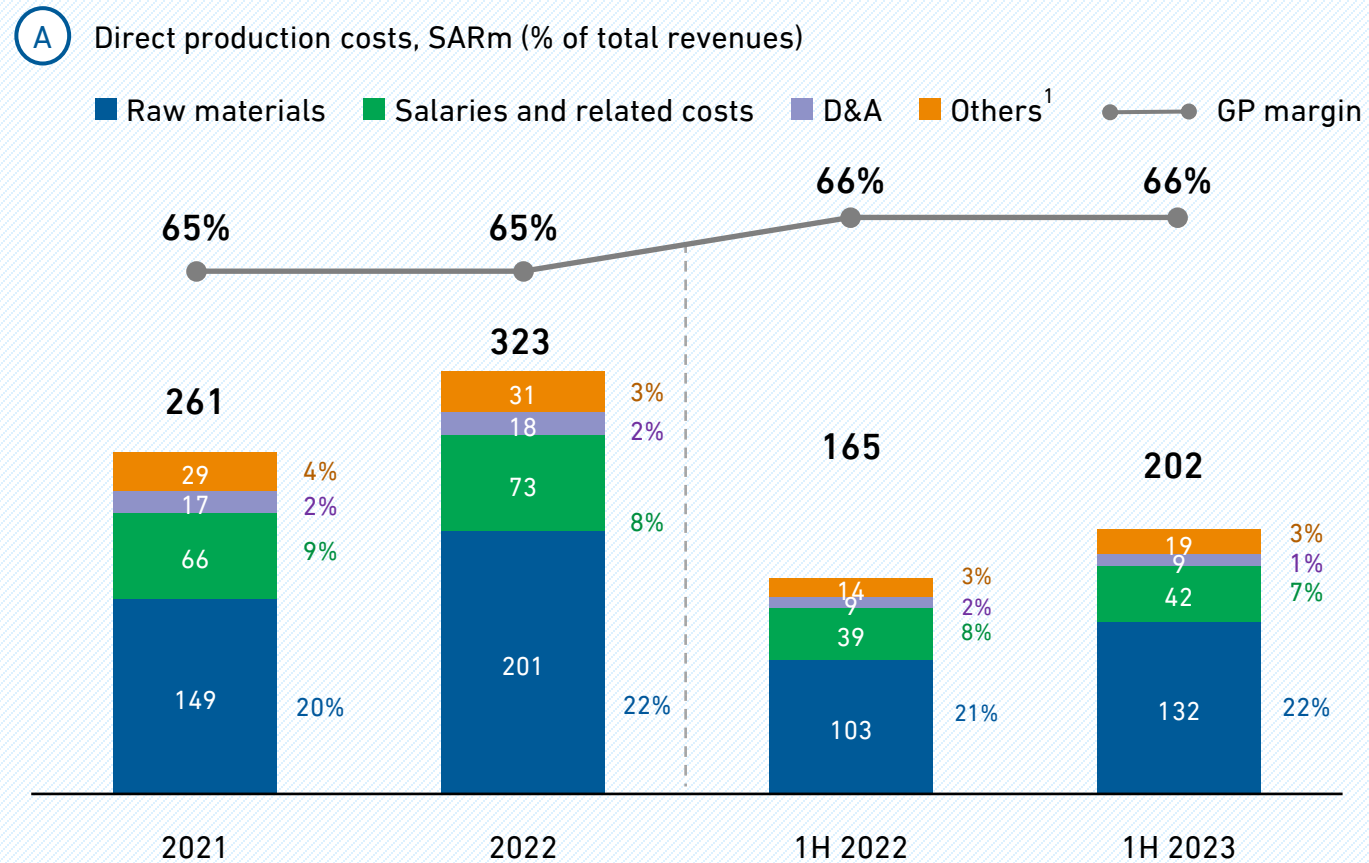
Healthy growth derived through a mix of established and growing products

Revenue bridge, SARm



Top line converted into industry-leading margins through efficient cost management...

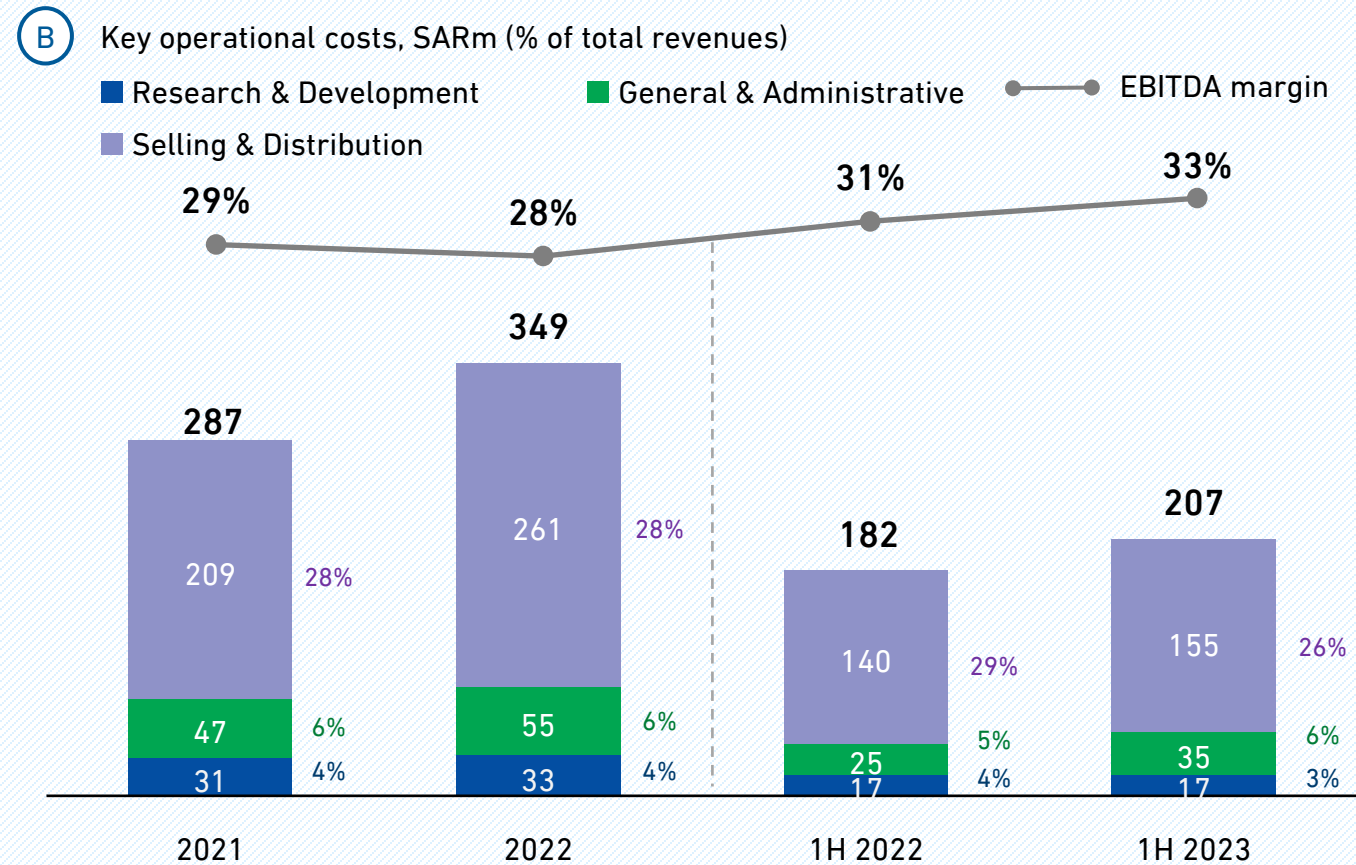
Cost of revenue breakdown, SARm



- **Increased scale of production** whilst maintaining consistent margins through appropriate product mix selection
- **Minimized revenue leakage** through operational efficiencies, continuous improvement and demand planning

...and controlled operating expenses

Operating expenses breakdown, SARm

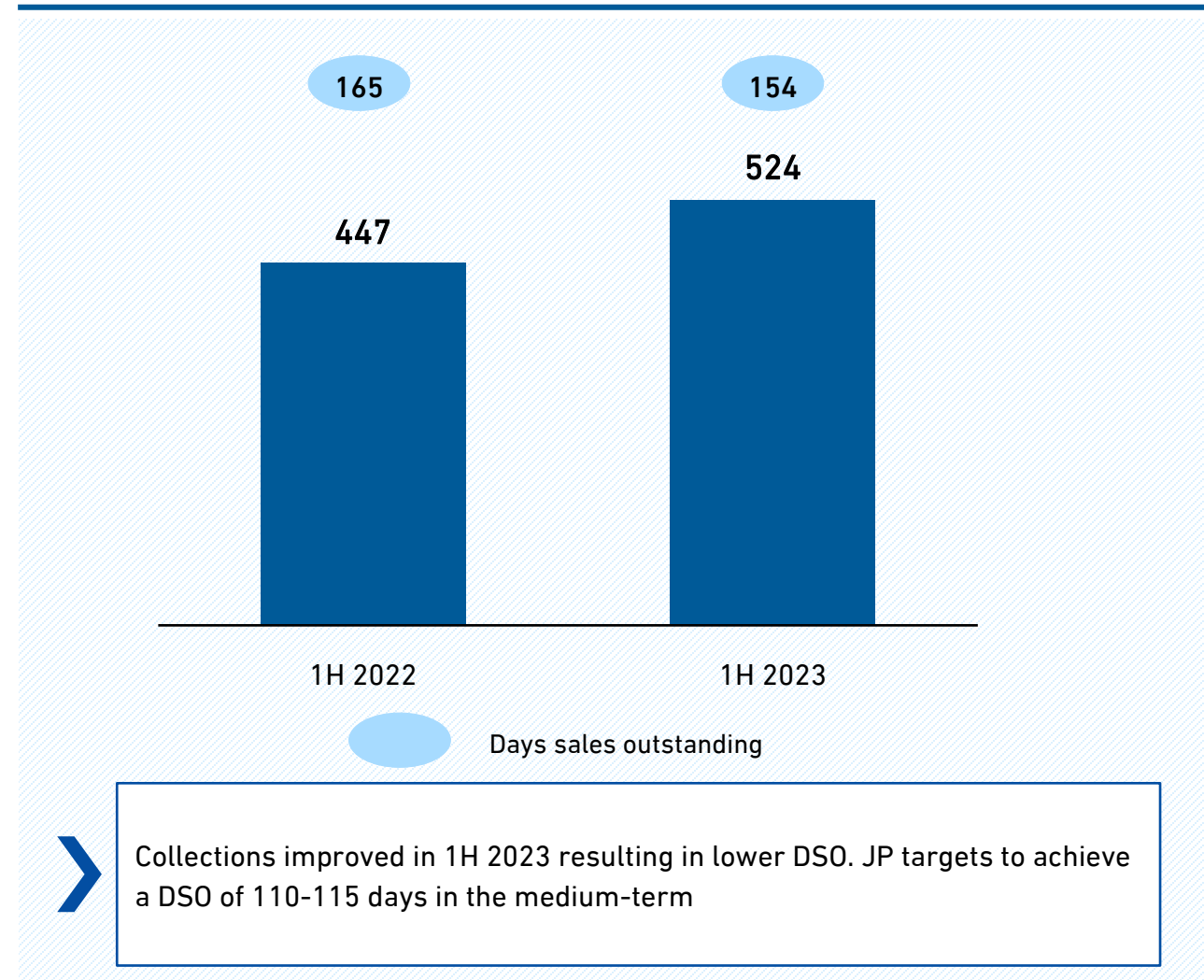


Key Takeaways

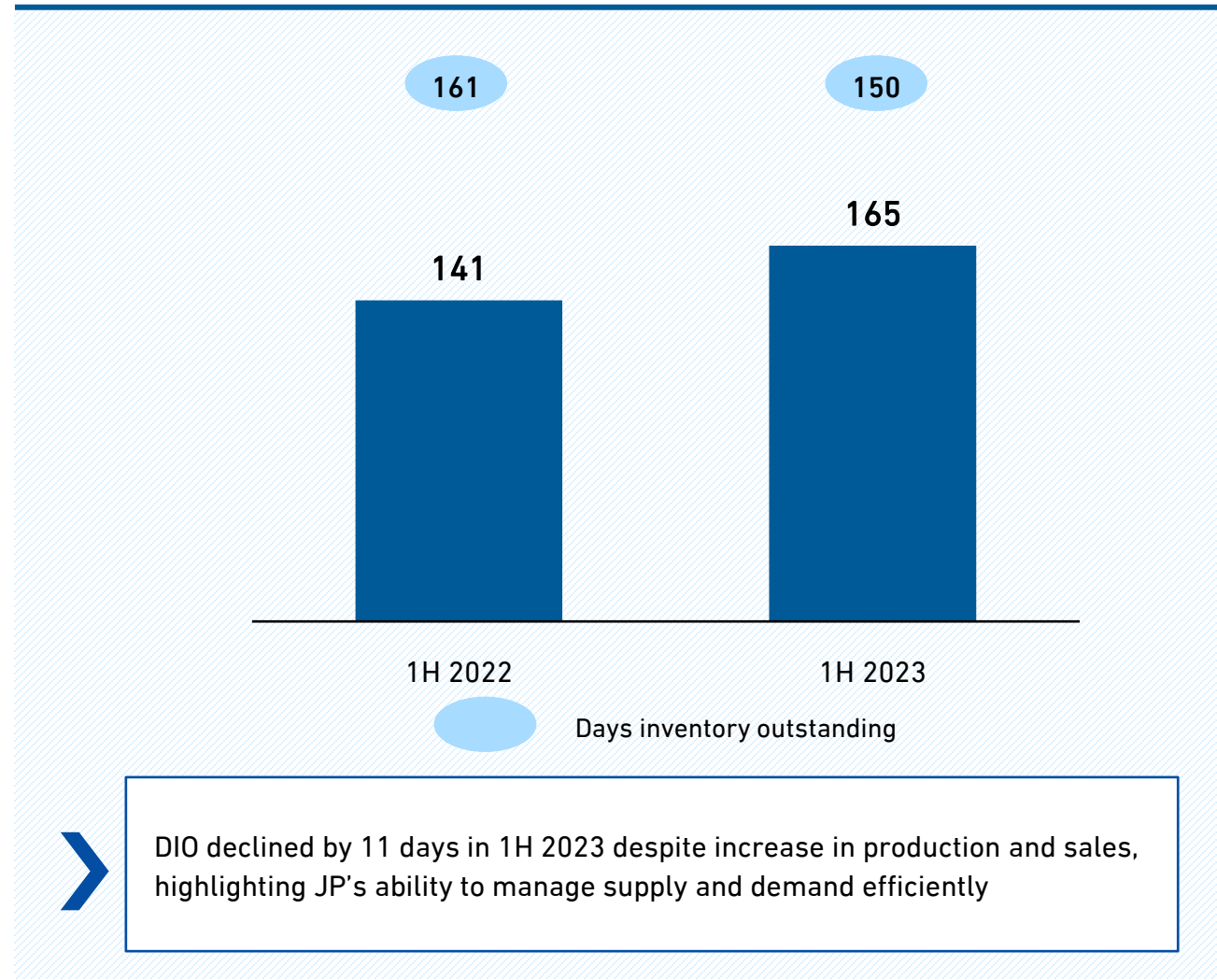
- **Expanded EBITDA margins** resulting from cost-control initiatives
- Elimination of distribution commission from related party contract **reduced S&D (%)**
- Investment in quality management staff as well as pre-operating expenses in Egypt led to **increase in G&A (%)**
- **Controlled R&D spending** despite accelerating speed to market

Improving working capital profile through close monitoring of receivables and inventory control

Trade receivables, SARm



Inventories, SARm





Closing Remarks

Dr. Tarek Hosni, CEO



Joint Venture update from Algeria

JP is a 49% shareholder in a Joint Venture in Algeria: “Jamjoom Algeria Lildawa SPA” in partnership with a reputable Algerian Pharmaceutical company, “Vitalcare”

Transaction Structure



Acquisition of a pharmaceutical manufacturing facility for c.USD 25.5m¹ (through equity and debt)

Date of Closure



26th July 2023

Operating status



Manufacturing operations ongoing, Sales to begin in the 4th Quarter of 2023

Current Product Portfolio



11 Brands across 4 therapeutic areas: CVD, CNS, General Medicine and Dermatology

About the facility



7,203 sqm total area with 3 manufacturing lines and a capacity of 10m units per annum².
The facility was completed in 1997

Environmental, Social and Governance considerations are at the heart of Jamjoom Pharma

Healthy Planet



- Continuous objective to minimize environmental impact of operations
- Strict compliance with all local environmental regulations
- Ongoing target of waste minimization with the objective to reduce waste by 20% in 2023 and by 50% by 2024

Supported Society



- Providing affordable, effective medication to improve the health of the communities Jamjoom Pharma serves
- Improving access to healthcare for all via participation in public sector tender processes
- Supporting the objectives of KSA Vision 2030 for 40% of pharma to be locally sourced

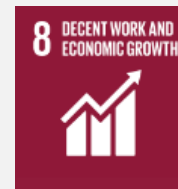


Conscious Business



- Comprehensive governance and board structure in line with best practice and an ethical culture
- Providing stable, high quality employment and training opportunities for almost 1,000 people in KSA via Jamjoom Academy
- Championing female employment and Saudization with c.60% female employees and c.46% Saudi employees

Jamjoom Pharma's ESG approach aligns with several United Nations Sustainable Development Goals:



Updated financial guidance amidst overachievement of set targets

Financial guidance

Revenue growth

- **2023 revenue guidance (revised): 17-19%** (15-17% previous guidance)
- **3-year revenue CAGR (2024-2026): 12-15%**

EBITDA margin

- **2023 (revised): c.31%** (c.30% previous guidance)
- **2024 onwards:** c.30% with scope for 100-150 basis point uplift on the back of continued market share capture and cost optimizations

Capex

- Capex is expected to reach **4 – 6% of net revenue in 2023 and 2024**

Dividend guidance

- Continuing to pay an annual dividend of **50 – 60% of Net Income¹**, subject to market conditions and strategic investment opportunities
- Company to target payment of dividend on a **semi-annual basis**

Q&A

Dr. Tarek Hosni
Chief Executive Officer



Mr. Muhammad Bin Khalid
Head of Investor Relations

