

## Jamjoom Pharma achieves highest ever quarterly sales at SAR 302 million reflecting a 23.9% increase YoY, Net Profit increases by 94%

- Overall revenue of SAR 302 million generated in Q1-23, a growth of 24% year-on-year from Q1-22.
- EBITDA margin increased to 33%, recording a SAR 16.9 million increase in Q1-23 compared to Q1-22 whilst Net Profit Margin reached SAR 84.4 million compared to SAR 43.5 million in Q1-22
- The Company is on track to begin operations of its two new facilities in H2-23.
- JP introduces anti-diabetics as a new therapeutic area through launch of its first brand, “Dapazin”.

**Jeddah, 2nd July 2023** – Jamjoom Pharma (JP), a MEA leader in branded generics pharmaceuticals, is pleased to announce its financial results for the first quarter of 2023. The company achieved remarkable growth and solid financial performance, further enhancing its position as a key player in the pharmaceutical industry.

### Financial Highlights

(SAR M)	Q1 2023	Q1 2022	Δ%		Q4 2022	Δ%
<b>Revenue</b>	302.0	243.8	23.9%		196.8	53.5%
<b>Gross Profit</b>	199.6	164.3	21.5%		125.4	59.2%
<b>Net Profit</b>	84.4	43.5	94.0%		31.8	165.4%
<b>Adjusted NP*</b>	84.4	72.5	16.4%		31.8	165.4%
<b>EBITDA</b>	100.3	83.4	20.3%		45.3	121.4%
<b>Free Cash Flow</b>	87.8	39.5	122.3%		29.9	193.6%

*\*Q1-22 Net Profit was adjusted by adding back the one-off exchange loss from the Egyptian Pound's Devaluation*

### Key Commentary on Financial Performance

1. **Robust Revenue Growth YoY and sequentially:** JP reported Q1-23 sales of SAR 302.0m growing by 23.9% compared to the same period last year (and 53.5% sequentially). This growth was driven by i.) strong demand for the company's high-quality branded generic products, ii.) price increases approved for some of JP's key products during the latter part of Q1-23 and iii.) better-than-expected growth of the overall market.

2. **Revenue Performance:** In Q1-23 JP achieved a 50.7% growth in the Gulf region market sales compared to Q1-22. In addition, total KSA sales reached SAR 204.0m, accounting for 67.5% of total revenue, which represented a growth of 26.7% compared to Q1-22. Q1-23 Revenue saw solid growth in most key therapeutic areas, extending the positive trend compared to Q1-22. This growth was especially evident in the CNS with a growth of 93.3% compared to Q1-22, general medicine grew by 73.2%, and dermatology sales witnessed a 49.2 % growth in Q1-23 vs. Q1-22. JP's highest/top performing brand for Q1 23 was "Hyfresh" whilst, the top-5 performing products contributed more than SAR 59 million, a 22% sales growth compared to Q1-22.
3. **Profitability and Margin Expansion:** The company demonstrated exceptional profitability and margin expansion, with net profit for Q1-23 amounting to SAR 84.4m, reflecting a 94.0% increase over Q1-22 (165.4% sequential increase) and a Net Profit margin of 28.0% for the period. JP achieved this impressive performance through effective cost management initiatives and improved operational efficiencies.
4. **Solid FCF Conversion:** JP witnessed another solid quarter of free cash conversion increasing sequentially from 66% in Q4-22 (and 47.4% in Q1-22) to 87.5% in the current period as the investment cycle into the two new facilities ended during FY22.
5. **New Facilities Update:** JP has started production of commercial batches of select products in the Egypt manufacturing facility and exhibit/test batches at the Jeddah Sterile facility, respectively. Commercial production is expected to commence in H2-23 in both plants which would add significant capacity increase to service the overwhelming demand for JP's products.
6. **JP ventures into new Therapeutic Area:** JP successfully launched its first "Anti-diabetic" product in Q1-23, "Dapazin" which is in line with the Company's strategy to capitalize on growth opportunities in new therapeutic areas.
7. **R&D Pipeline:** In addition to the 4 newly launched products in Q1-23, JP's 2023 pipeline consists of 22 additional new products across 9 brands which will further contribute to solid top and bottom-line growth.
8. **Financial Position:** The Company's financial position continued to be strong with zero debt. As at 31 March 2023, the Company had a cash balance of SAR 93.8 million, which represented an increase of 40.2% as compared to the same quarter last year.  
Significant changes in the Statement of Financial Position as at 31 March 2023 were noted as follows:
  - i. Non-current assets decreased slightly by 2.9% in Q1-23 driven mainly by the decrease in property, plant and equipment.
  - ii. Current assets increased by 15.2% in Q1-23 mainly due to an increase in trade receivables partially offset by the decrease in cash and cash equivalents.
  - iii. Current liabilities increased by 21.8% in Q1-23 mainly due to an increase in trade payables and zakat payable.
  - iv. Non-current liabilities increased by 5.1% in Q1-23 mainly due to an increase in the provision for employee benefits.
  - v. Shareholders' equity increased by 4.4% driven by the increase in retained earnings partially offset by a decrease in the foreign currency reserve.

**Tarek Hosni, CEO of Jamjoom Pharma, commented,** "Jamjoom Pharma's performance in the first quarter of 2023 serves as a testament to our drive and ability to deliver long-term shareholder value. We are committed to providing affordable healthcare solutions to the MEA region, while maintaining

the highest standards of quality. We are well positioned to succeed in the regional pharmaceutical space, as we continue to leverage our industry expertise, the adoption of innovative techniques, and the successful implementation of our strategy to drive sustainable growth."

#### Financial Guidance and Tracker

Item	Guidance for FY23	Actual (Q1-23)	Remarks
Revenue growth	15-17%	23.9%	Outperformed
EBITDA margin	c.30%	33.2%	Outperformed
CAPEX	4-6%	4.1%	Outperformed
Dividend (semi-annual)	50-60% payout ratio	-	Payout expected at H1-23 results

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#### About Jamjoom Pharmaceuticals Factory Company

Jamjoom Pharma established operations in 2000 and is one of the leading pharmaceutical manufacturers in the MEA Region. The Company's main business activities comprise developing, manufacturing, and distributing a wide range of generic pharmaceuticals, cosmetics, and consumer healthcare products. Its products are supplied and marketed in over 36 countries spanning across the GCC, Levant, North Africa, and other regions, the company is committed to providing high-quality products to its customers. Its extensive portfolio of offerings and its widespread distribution network make it a leading player in the industry.

#### Investor Enquiries

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