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Jamjoom Pharma 1Q 2026 Earning Call Transcript**Mr. Abdullah Umer 0:18**

Good afternoon, everyone. Abdullah Umer here and on behalf of Al Jazeera Capital it is my pleasure to welcome you all to Jamjoom Pharma's Q1 2026 earnings call with us today. I am pleased to have the Jamjoom pharma management team on the call. We have with us the Chief Executive Officer, Dr Tarek Hosni, Chief Financial Officer, Mr. Anwer Mohiuddin, Associate Director of Finance and head of IR Mohammed bin Khalid, just few words on the format of call. The call would start with the 20-minute presentation from the management, which will be followed by a 40 minute Q&A session. I will now hand it over to Dr. Tarek Hosni to begin with the presentation.

Dr. Tarek Hosni - CEO 1:02

Thank you, Abdullah, Hello everyone, I am pleased to share with you our Q1 2026 results, another resilient and strong quarter, despite the headwinds that most of you are aware of. So, without further ado, let's move into the first slide to share the numbers. As some of you have seen in our announcements on first quarter results, the revenue is our strongest quarter year to date since inception of the company. So, for 481 million SAR representing 5% year on year growth and definitely very strong performance on some of our key drivers in the business, as I'm going to share with you a few slides. EBITDA and net profit have grown even at a faster and stronger pace than the revenue. Our EBITDA stands at 38.8% and grew 8% year on year, and the net profit at almost 35% 34.9 to be exact, and 7% growth year on year. Our free cash flow has as well, stood at the performance of 96% conversion, which is again our highest since its inception of the company, and it's over the last five years since I took over. So I am very pleased with this as well. Our number of products stood there steady, although we got some approvals from Saudi FDA, but not yet launched it. And we'll see more updates on this, on the second and third quarter results as we move on throughout the year, our units produced stands almost 14 to 15 million per month. So it's about 15% year on year growth. And will stand at a good build of our strategic stocks. Next slide, please. Yeah. So these are just some key highlights to bring some more flavor on the performance. So, as you would expect we were as a business and as a region, hit by a couple of things in the first quarter. Uncontrollable factors. As you would say, the first one is definitely the war that commenced later in February and impacted us in the in most of March, in some of our key markets, as I'm going to share with you. But more importantly, Saudi Arabia which is our key market that represents more than half of the business, the external market dynamics didn't stay as we forecasted it. As a matter of fact, the market in the first couple of months year to date February, the Saudi retail market, as per the IQVIA data, stood at -7% within the same data, Jamjoom pharma had a -2% compared to same period last year, so we performed better than the market. But definitely that's a market that we expected, that it will grow at least at 8-9% as I shared with you in the early year expectations but definitely the market showed us different direction at the first couple of months of the we haven't got much data, but we'll keep on updating you as we move on in with our earning results in the coming quarters Moving Annual Total in February, the retail market in Saudi stood at 8.6% that but that of the obviously included 10 months of last year, which is impacting it and we stood at Jamjoom pharma growth in the same data at 23% so almost three times the market growth which is as strong as we always perform. In another dynamic that we have seen within our internal business is the fact that in first quarter 2025 we have seen almost 150% growth, as some of you will remember, in our institutional and tender business in Q1 25 compared to Q1 24 so almost three times growing the revenue there in Q1 26 we stood at the same revenue of Q1 25 was a little bit improvement, which shows that we are definitely running at a higher rates, but the dynamics of the tender had changed it on us in terms of ordering and phasing which impacted our tender business as well in the first quarter. So, we didn't see, obviously, we didn't witness the same growth. Another key point that we keep on monitoring and watch is that when we first analyze the IQVIA data, we look at only Consumer Health driven products, because, you know, we have a vested interest in this. We have a strong portfolio on the consumer health when we analyze this, we see even more decline in terms of the growth compared to last year, which shows us that that the out of pocket spend or the consumer spending is getting more cautious and definitely less driven than what we have witnessed in that and in the last few years. So, no complaints The Saudi market had had a very good run for five years

We expect the business cycle to show some fluctuation but we're hoping and we aspire to a better performance for the overall market in the remainder 10 months of the year. Otherwise, definitely it will impact all players in the market, us included, when you look at our export market performance, a mix basically, Gulf markets have shown 9% growth, solid growth but majority of this happened in the first couple of months of the January and February definitely, we have seen the Gulf impacted during the months of March. Gulf and Levant due to the war and some of the dynamics that you are aware of Places in the Gulf like Bahrain, United Arab Emirates and Kuwait were the most impacted by the war and they got hit repeatedly. And the different unfavorable dynamics happened in this in these markets, Iraq as well, we have seen that because of the stricter regulations on both import and export us needing to get more approvals post in the domestic market in Saudi before we export to markets like Iraq, so that they ensure that we are not exporting on the cost of our products not available in the Inception market Saudi Arabia and as well, when the goods go there I mean stricter and later approval of releasing the goods or approving the goods to get into the market So that impacted on our sell in to the market in some ways. Egypt, on the other hand, although we did very well on the on the sell out to the customers, and the team has performed well but some of the facing issues in the market because of certain market dynamics, impacted us by 2% but no concern from our side there. The portfolio transformation Basically, when we look at as I'm going to show you in detail in the coming slide, you will see very strong growth on the cardiometabolic led by the type two Diabetic portfolio very pleased with this. It shows that the strategy is working in action and moving in the right direction. We got three registrations in the first quarter, so we expect this product to be launched and contributing to our growth as we move forward and definitely, we continue to have almost 60 products in our pipeline, in addition to whatever we get from our business development activities as licensing in products from outside, We signed an agreement on the on that front and some stronger products, both on the anti-infective front some specialty and some cardiometabolic or cardiovascular products, which again will definitely add value to our already strong and diversified portfolio in the coming quarters. From a manufacturing perspective, we continue to operate on a strong performance in the existing facility, or the inception, basically facility in Saudi Arabian Jeddah, 93% to 94% utilization as well the Jeddah trial facility. We're very pleased with how we are ramping up this facility. And we're almost reaching above 70% utilization, with strong growth year on year and Egypt, we are getting into 60% and we expect toward the end of the year we will get into 75% utilization. Move on please. Next slide, and here, as I was sharing with you, you can see the strong performance on the left-hand side of the slide, by therapy area. So 10% on the ophthalmology, which is a mature and the leading portfolio for us that continue to be a market leader in our key markets still showing 10% which as you can tell is above the market growth in many of our key markets 36% for the cardi metabolic as I told you driven mainly or primarily by the type two diabetic launches in the market of Saudi Arabia. Again, I am very pleased with this primary care which is a lump of a summary area or a cluster of therapy areas that you haven't seen before, but I spoke to you about which now represents for us, general medicine and pain and inflammation. So we'll lump all this together and get so almost full four or five therapy areas under primary care which is majority of our established product as we would say so that grew nicely as well by 9%. Consumer health were impacted really heavily in the first quarter again, on the sell to distributors, but our in market sales were as strong and robust as ever but the shipment or the sales to distributor were impacted by two products one is an iron product that we had strong demand but we didn't get the supply on time in the first quarter, but I think it's sorted as we speak and the second one is a key addition to our portfolio recent addition, which is a probiotic prolife that had fluctuating regulatory approaches whereby they wanted to move it from a pharma product into food and then back to pharma again, which really put us in a paralyzing situation for almost three months, not able to import the product and get the product into the market. This situation is resolved, I'm pleased to say by mid-March, and from this month onward hopefully we'll have it back. So that's basically on the consumer health. Dermatology again a mature portfolio you start to see some rationalization of some of the old products, some of the key strategic products there are still performing very strong and representing healthy growth. But more on the old products, we are witnessing this minor decline -6% if we look at this country by country on the right hand side of the slide the top graph you see that Saudi strong performance, 6% on results compared to the market that is declining by -7 as we spoke. Gulf plus 9% So these are our two really markets that represent big portion of the business above 75% then Iraq was impacted a little bit I don't want to repeat I shared this with you North Africa and other exports stronger performance plus 7% and Egypt as I said, because of the phasing that it's our ongoing and it's a plan that we have we had already in our sales minor change from last year, if you look at this on the bottom right hand side of the slide by strategic established and new product launches the contribution to our growth from where we landed last quarter or first quarter last year compared to first quarter this year. As you can see big portion is driven by us strategic driving plans 77% of this growth came from driving strategic brands So again very pleased with this. It shows that strategy in action is moving in the right direction. Established brands were as established as it could be So it was like a stable or it didn't deliver any growth but stayed more or less without showing a heavy decline and new product launches contributed 24% of such growth, so pleased that the strategy is really paying its dividend on the strategic plans transition and focus Next slide, please. That's a slide that I always share with you and update you with and we always benchmark when we start this January in 2021 How did our portfolio play versus where it is today and as you can see ophthalmology and dermatology remain the backbone of the company still representing 44% but down from 55% while the 11% transition has moved into positive and very strategic higher revenue and focused areas like cardiometabolic some

products on the primary care front. Consumer health as I shared with you was impacted by the supply issue and the regulatory paralysis on one of the products the decision making but we got it resolved by the second half of March. Moving forward, next slide, So again, an update on our key strategic initiatives or projects that we are busy running along with our day-to-day business. The first one you are becoming familiar with, which is the JV with PIF represented by LIFERA as commissioned by the government of Saudi Arabia to localize vaccines biological slash biosimilars Pleased to say that the shareholders agreement is almost in a place now and awaiting for us to co sign along with our partners there and we'll let you know about this in due course, we expect this to happen in the very short term, within a week or two from now. Manufacturing we continue to look for how we are going to fuel our growth that will happen year on year and based on this, we started to really look seriously at certain transactions that we need to perhaps look at to finalize our expansion plans along with our internal directions into this regard and you'll hear about this in a very short due course us completing a very strategic transaction on this front. Very pleased and I'm sure some of you have seen already the announcement we made today along with our earning results that we have finalized the agreement with Viatrix the global company represented by its regional representative by Viatrix Arabia to manufacture most of their established products in our facility in Saudi Arabia. Definitely to supply the market of Saudi very strategic alliance that I'm pleased with. I have my myself some emotional accounts with many of these products because I was handling it in my former capacity as original president for Pfizer and definitely high-quality products that we are very pleased to contribute to its national sufficiency in terms of supply basis in the coming years So a deal that will be followed perhaps by similar deals as we move on and will keep you posted. From a portfolio diversification point of view, we continue to explore licensing in opportunity, accusation opportunities, as well as strategic alliances with some of the players in the marketplace that are well known so that we can really continue to enrich the portfolio but more importantly, fuel our vertical growth as much as we did in the last few years fuel strongly our horizontal growth So, watch the space in this front because you might hear as well in the coming few quarters about our progress in this regard. As well, We definitely in markets like the Gulf and some other markets we are seeing a lot of serious directions by regulators and governments to see us localizing our brands there, again as a matter of national security for them and we are looking at this seriously in some of the key markets in the in the Gulf and other strategic markets for us how can we really enrich our local presence by certain deals that will show our seriousness in approaching these markets. Will continue to update you as we finalize some of these initiatives. With this I think I will move to Anwer to take you through the financial results.

Anwer Mohiuddin - CFO 22:18

Thank you. Dr Tarek, good afternoon everyone and thank you for joining us today. I would like to repeat what Dr Tarek said earlier that Jamjoom Pharma delivered a positive Q1 performance setting a solid foundation for a sustained growth momentum in 2026. This performance highlight the strength of our commercial execution and the growing contribution from our strategic initiatives especially during the challenging and economic geopolitical environment. As we move to the slide on the cost front in Q1 2026 we maintain a strong focus on operational discipline ensuring that cost growth remains low top line growth importantly, cost of revenue increased at a slower pace than the revenue reflecting ongoing efficiencies as well as the benefits of a favorable product and customer mix. Looking first at production cost these were broadly aligned with higher manufacturing activity required to support demand. Raw material and consumables increased as expected in line with the higher production volumes there is an employee related cost reflect the second phase of our enhanced employee Reward Program which is critical to retaining and motivating key talent. Depreciation and Amortization rules falling to capitalization of recently completed assets. Other operating costs, including utilities and maintenance remain broadly in line with the business activity moving to the right hand side of the slide total operating expenses increased modestly. R&D spending grew at normal pace reflecting continued investment in our pipeline and product readiness Selling & distribution expenses increased in line with the targeted commercial support behind our strategic brands, G&A expenses remain well controlled benefiting from discipline and overhead management. Finally, I would like to highlight it that cost per unit remained stable supported by operating efficiencies and continued shift towards higher value strategy brands. In summary, our focus on strategic brands high impact spending and cost discipline continue to translate into strong profitability, improve operating leverage. Let me move to the next slide. This slide highlight that tangible outcome of our operating discipline of margin expansion in Q1 2026 EBITDA margin increased to 38.8% up from 37.7% reflecting continued strength in execution across the business. This expression was driven by several reinforcing factors. First, we continue to set favorable shift towards high margin product, which improved All mix. Second, stronger volumes in retail channel delivered better operating leverage, allowing fixed cost to be absorbed more efficiently. And third, this was supported by discipline cost management across the organization despite ongoing inflationary pressure. Importantly, this performance was not given by of one offset effect in it reflects sustained momentum in our core operation consistent product mixed improvement and scale efficiencies from our expanding manufacturing and commercial footprint. As a result, we are now operating as a structurally higher margin level this

consistence of recovery and elevated margin profile reinforce our resilience our business and more model and our ability to execute effectively even in more challenging environment. Overall, this margin progression underscores that our strategy focused on mixed scale and discipline is translating into deliverable profitability improvement. We will now move to the cash conversion cycle, to the next slide. Lastly, let me touch on working capital, where our focus remains on supporting growth while maintaining strong liquidity and financial flexibility. As of quarter one 2026 the cash conversion cycle improved to 279 days down from the 285 days in Q1 2025 reflecting continued progress in managing the operating cycle. This improvement was primarily given by better inventory performance. Inventory days declined to 147 days from 179 days last year, reflecting enhanced inventory planning improved demand for forecasting and increased production output from both Egypt facility and Jeddah facility. At the same time receivable days increased 170 days from 151 days, reflecting a higher proportion of sales to the institutional customer which carry longer payment cycle. Payable days declined to 38 days from 45 days, driven by the normalization of supply credit terms and our continued effort to strengthen long-term strategic supplier relationship. As a result, working capital reached 886 million up 13.7% year on year, largely in line with revenue and business expansion. Particularly higher receivables linked to increase institutional sales. Despite this growth in investment, we closed the quarter with cash balance of 206 million as of March 31, 2026 even after the payment of 140 million dividend during this quarter. This solid cash position, together with free cash flow of 180 million generated in Q1 2026 gives us ample liquidity to fund ongoing growth initiatives while maintaining balance sheet strength. With this I would like to hand it over to Dr Tarek for his closing remarks and outlook.

Dr. Tarek Hosni - CEO 28:17

Thank you. Answer so basically we stay solid behind our guidance that we shared with you before on the revenue growth will stay solid on 10-12% although I showed you that the Saudi market is really did not show solid moves in the first couple of months. We are hoping that this will change and will continue to update you as we move on. On the EBITDA margin, we still solid on the higher end of the guidance at 35%. On the capex the 6- 9% the same and basically on the dividend front, the 50-60% of paid pay out of dividend on by annual basis subject to obviously business performance and needs. So with this, I will perhaps stop here and invite any questions from your sides.

Mr. Abdullah Umer 29:19

Thank you management, Dr Tarek and Mr. Answer for the detailed presentation, we will now commence with the Q&A session. You may raise your hand by pressing the hand icon button on your screen to speak with the management Or alternatively you may drop your question into Q&A chat box. With that being said, Please limit your question to two at a time so we can accommodate as many participants as possible. You are, however, more than welcome to join by the Q&A if you have any follow up questions, so without any further delay, Q&A session is now open. Our first questions come from the line of Mashal.

Ms. Mashal 30:02

Hi, Dr Tarek, thank you for the presentation. Just got question from my end. You just commented on Saudi performance and I've been seeing the regional top line Saudi printing around 6% year over year growth, and then the overall top line for the group on the almost 5% top line growth year over year and given that the first quarter is one of your best in terms of volume, how are we going to compensate and reach the guidance by the remainder nine months?

Dr. Tarek Hosni - CEO 30:42

Hi, Mashal. So I'm not sure about you, where you are heading with your question are you saying that if Saudi performed only at 5% how we are going to commit to the 10-12% as we move on?

Ms. Mashal 30:59

Maybe it's a two part question the first one is regarding Saudi I mean, ever since 2023 Saudi performance in terms of top line has been reporting very solid numbers except one quarter where it's reported decline due to delivery issues So that's the first one Where are we seeing Saudi going forward and then the second question, how are we meeting the guidance given that the top line of the group in the first quarter only reported 5% and you're guiding a graphs 10-12% for 2026 and 2027.

Dr. Tarek Hosni - CEO 31:31

I mean, it's basically you are done with 26 27% of your year, you are still left with the remainder, which is almost three quarter of the year, 74-73% so definitely the majority of the business is still ahead of us. We can compensate you, subject to couple of things, if that's what your question is about. And I think you can guess this yourself and the rest of the audience, first, the war doesn't continue because, of course, the impact of the war is really, at the moment, a little bit predictable on the Gulf area, unpredictable on Saudi and the rest of the of the region, but more importantly, the global economy as well, and Saudi market to go back, the external market to go back on the normal performance, because, as I explained already, I mean, we are operating within an overall market. And if the external market doesn't perform, we build our forecast based on the market growth, and if the overall market doesn't perform up to expectation, then it will be difficult for us to deliver on the on the commitments. However, I think definitely we are still committed to our guidance because of couple of things. First, we put our bets on the Saudi market, and the Saudi the overall market to come back into at least stabilized growth, maybe as not as much as we forecasted, but at least stabilize the low digit growth, and that will still enable us to commit to our numbers, and as well, definitely the very strong diversification that we have done in our business, whereby we have other markets now that can contribute into covering up for some of the growth if the Saudi market didn't do it. However, the second portion of this is really material and subject to if the war doesn't continue and we have a stabilized geopolitical situation within the region, that's why we didn't want to take the pessimistic scenario yet and to Tell that we don't have strong confidence in the remainder of the year. We actually do, but at the moment, it's too uncontrollable that we're not sure basically how they will evolve. Saudi market go back to low digit growth, at least, and the war stabilized.

Ms. Mashal 34:20

That's clear. So we're seeing that the growth will be substituted from other regions, rather than Saudi.

Dr. Tarek Hosni - CEO 34:29

we're going to see couple of things, because you know, I mean, Inshallah, anyways our formidable business and the strong foundation, we are not out of ammunition and options here, we can continue to have growth in Saudi as I told you. I think the mandate from my side is that we go back in the Saudi market into at least low digit growth the. If we do this, then we'll be able, even within the Saudi market, playing on both the institution and tender, as long as the retail to really outweigh our perhaps, performance in the institution and the retail in the coming nine months, stabilize, slash, grow our business in the in the retail and that will enable us to give our Saudi commitments. On the other hand, subject to the geopolitical situation the region, as I said, we have very strong potential that we are seeing in places like our other export markets, Egypt, that is back on strong performance Gulf as well, high potential in Gulf and Iraq to drive growth. So if things stabilize, I think we are still very bullish about how we can deliver on our commitments. But yeah, I mean, it's things stabilizing is really up in the air at the moment, as you would expect.

Ms. Mashal 36:02

Clear, thank you.

Mr. Abdullah Umer 36:05

Thank you Management. Our next questions come from the line of Maha.

Ms. Maha 36:17

I have two questions, one of them asked by Mashal and the other one, if I may, I saw your days receivable increasing 170 days, as the market now characterized by higher tenders. Is this going to be the new level for Jamjoom Pharma? going forward?

Dr. Tarek Hosni - CEO 36:51

Do you have another question, or that's your only question?

Ms. Maha 36:54

No, that's the question. Thank you.

Dr. Tarek Hosni - CEO 36:57

So basically, if you look at our, I always explain that or try to explain this. If you look at the way we conclude our financial year with no exception since 2022 you will come at the end of the year, and you will find our days receivable, standing at perhaps something within the 120 to 130 hardly reaching the 130 you come in the middle of the year, especially the first quarter, where people just paid their dues in the end of December, so that they close their financial year and enable us as well to close on the positive note they come on the first quarter, and we see a little bit of late payment from post-retail, mostly retail. Quite honestly, if you look at the same quarter last year at the end of the same quarter last year, you will find our days receivable at 150 plus. So not far from what you are seeing today obviously and you are spot on this our results today are complemented by the fact that people on the retail side or the distributors are telling us that, I mean we're not getting payment on time from key customers. So, we are seeing some issues in the Saudi market, which is causing basically the decline that I spoke about earlier on the or the relatively poor performance in the first couple of months of the year. We are seeing some liquidity issue and working capital issues in the market, whereby it's not as strong as we have seen in the previous years. We're hoping that this will get resolved over the coming months, and we'll go back on the on healthy days receivable, but it's not so much of a concern for us now, because we fluctuated between 150 160 165 normally at the end of first quarter in the previous years. So, it's not so much of a concern. But we'll keep updating you as we move on.

Mr. Abdullah Umer 39:24

Thank you management. Our next questions come from the line of Ibrahim.

Mr. Ibrahim 39:33

Thank you. Congrats, Dr Tarek Anwer and Muhammed for the great results. Few questions from my side. The first one, excuse my ignorance here. You've mentioned you're facing issue with importing consumer health products Just understand the business You don't manufacture it here locally you import repackage and resell it Or what's the business model here?

Dr. Tarek Hosni - CEO 40:01

Thank you, Ibrahim, and good to have you and welcome back. So listen, like any of our portfolio products, I mean, we have, majority of our products are made in house you're not wrong in assuming this, but some of our products will bring from outside, because, as I always shared with you, speed to market is key for us, but as well, our ability to manufacture certain products. The product I'm sharing with you, Ibrahim prolife, is a probiotic. So that's not a product where we have the expertise to manufacture, at least at the moment, maybe as a business grow, maybe, and as us as well, getting more sophisticated in maximizing our abilities from a manufacturing point of view, and know how point of view we can but at the moment, we bring you this product from South Korea and we sell it in The Saudi market. So, it wasn't difficult importation, but it was much of authorities telling us, this is a product that is first registered as a pharma product, but we might now move it into a food product. Okay? We said, "Fine. We'll wait until we get the new riches, the new change, and then we'll get the products from outside. And then that took us some time, and then they came back and said, no, as a matter of fact, we believe that we'll keep it as a pharmaceutical product. That wasted almost two and a half three months for us at the beginning of the year to be able to put the order for importing, because we're not sure, we have to get the final registration, we have to get how the product is going to be treated so that we can place the order. And because of this uncertainty, that was the delay, but now it's resolved, as I said, and we'll be able to move forward.

Mr. Ibrahim 41:53

Excellent, very insightful, as usual, is this also applied to some pharma or no? am referring to manufacturing capabilities

Dr. Tarek Hosni - CEO 42:10

For manufacturing majority of our products, as I told you. So, for example, look at some of our flagship therapy areas like ophthalmology, almost 95-96% if not more of our products are made in house but we have certain products that we found are more advanced, they are really going to be meeting critical demand in the market, and we cannot do it instantaneously so we got it from outside while we built the capability inside to manufacture it so we get some products from Italy some from other places but majority are made in house and hence and forth if you apply on majority of our portfolio but as I said, as we move forward, Ibrahim, so that it's a clear message to you and everyone around as we move forward, you are going to see more and more directions into sometimes getting more products from outside to meet our key intent, which is speed to market. If there is unmet need in the market, we're not going to wait until we build the capability inside. We'll get it from someone, but we'll mention in the contract that we will have the right in few years time to localize the product and get the tech transfer and the know how transition from your site so that will always be our approach because speed to market is the name of the game for us.

Mr. Ibrahim 43:41

Very clear. It's like licensing and supply agreements Second question from side, on the market overall private and public if there is any accelerated deliveries during certain month either March or due to the geopolitical situation in the private or in the public if there is any direction for certain restocking as it was the case during covid for certain period you've mentioned also certain constraints on exports How significant is this? Is it applied in certain areas? And also, if you look at the on the growth within the private market January was down only 1% February is down by 11% is this seasonality? You've mentioned also the consumer health softening other than the consumer health the other products. What are you seeing there? Is there anything concerning or market as usual and business as usual overall?

Dr. Tarek Hosni - CEO 44:53

Wow. Ibrahim, that's almost 10 questions in one? But after I have listened, I'll give it a try to go and then you remind me if I forget to handle any of your multiple questions. I think that the key portion of your question really, which is, I'm glad you asked it, because I'm sure it's in the minds of people and I would like to clear it once and for all. This is not covid, guys, this is completely the opposite of what we have seen in the covid. Why am I saying this first during the covid period? I mean, people were suffering from a pandemic that they knew that it would take some time and go little impact, or more impact on our region or our part of the world than the global impact that is expected everywhere. People are sitting in their homes working from homes, worried to get the disease infected or moving, moved to them but more importantly taking their health into their own hands and taking initiative to buy the likes of vitamins and the immune boosting products and stuff like this, so that they can really work on the prevention rather than waiting until the disease hit them and then it becomes a little bit more serious so that was all positive, in addition to the point you mentioned Ibrahim, which is authorities said, okay, because of the bans on imports and whatever we would like to we would like you to double down on your stocking at the distributor level. So, if your average is three to four, make it six to eight and hence and forth, this is completely the opposite what we are witnessing today. People are not sitting in their homes but perhaps they are pushed not to leave their homes because of the insecure situation and we have seen in this in the Gulf, mainly Bahrain, Kuwait and others, so they are forced to stay there but because of unpleasant situation, as opposed to a transit pandemic. But more importantly, people are uncertain about how the region will evolve, how each country will evolve economically, geopolitically and everything else, if this war is extended. So as I alluded to earlier in my introductory slides, we are seeing even softer way of consumers approaching medications, like multivitamins, the immune products and hence and forth. So they are cautious about where to spend their money and how to spend their money. So that shows the differences from the era of covid as well, before even the covid, as I told you, Jan and Feb we're seeing in our key market that represent 50% of the business issues with working capital and with liquidity. So this is all definitely adding into the issue that we are witnessing in the market, and then it was definitely over dramatized by the war at the end of Feb and the whole of March, unlike the covid period to your point, Ibrahim, authorities are not pushing us to overstock or to stock more products on the country, however, they are witnessing and that they are monitoring the situation as it evolves, and they are ensuring, and this is referring to your comment on my earlier remarks about stricter import and export ways, where we are seeing two parallel directions happening at the same time. Ibrahim, one from the Saudi authorities they don't want to create panic so they are not pushing for building stocks because that as well, learning from the covid period it didn't impact the market well because while people did this up to the end of 2020 they came in 2021 and had to this talk and the markets witnessed a period of uncertainty. So they are not pushing for this now but they are ensuring like with the likes of companies domestic players like us, that we are not exporting on the expense of supplying the domestic market in full so every order now, so before the war starts we were definitely exporting smoothly getting the right approval that we need in turn and then sending goods to the markets outside Saudi Arabia based on demand and agreements with our distributors there today, the regulators in Saudi said, Okay, you have to let us know about the products the quantities that you are going to send outside Saudi Arabia and then they will look at the same products in Saudi. Are we really satisfying? Do we have enough stocks in the markets or not? If not, they will block our order so that's a new regulation that we didn't have before, that is delaying our efforts to export products. On the other hand, when we succeed in exporting there. I mean, because of, again the war and prioritization from regulatory staff and the governments on many fronts, there are delays in accepting and releasing the goods and which is delaying us from claiming because we don't claim sales until the goods reach the end market and the distributor give us enough evidence that they have received it. So all this is contributing to the fluctuation in sales in a market like Iraq that I shared with you, the minus 2% that you have seen, and hopefully it doesn't get exacerbated in the in the coming months if the situation continues to evolve.

Mr. Abdullah Umer 51:28

Thank you Dr Tarek, we will now move towards the Q&A chat box as we have some of the question we have received so far. Saud is asking about your Q1 revenues out of 481 million revenues, how much percentage of the revenue comes from the public market and private markets? So, Saud is asking about your revenue composition between public and private markets during first quarter.

Dr. Tarek Hosni - CEO 52:10

As I said, we did well on posts we're up to our expectation on post size, as I said, the public and the tender market, if that's his focus of the question came at the same or slightly higher sales than Q1 25 but definitely we didn't witness the same growth that we have seen Q1 25 compared to Q1 24 that's definitely that's different dynamics on ordering and changing the tender process in Saudi Arabia, as I alluded to in previous calls So we expect that as we move on in the reminder of the year, the coming nine months, our institution and tender business will be even stronger as we do more deliveries, and hopefully we will show even more robust growth as we move on, as compared to the first quarter, which witnessed this one off analogy between Q1 24 and Q1 25 and Q1 26 by the way, Abdullah, if we finish within time, I would like to go back to Ibrahim as well, because he seemed like he had still burning points. So, let's, let's handle the others. And if we still have time I would like to go back to him.

Mr. Abdullah Umer 53:29

The second question posted in the chat box, if you can give some guidance about the seasonality in your business like why your first quarter always has the highest share of annual revenues if you can comment on that.

Dr. Tarek Hosni - CEO 53:45

I did comment on this repeatedly, but I'm more than pleased to comment on it again. As I said, we have two lines of activities from our teams going in barrel all the time, guys, the sales to our distributors. So from our plant or factories to our distributors, which we call shipments or the two market sales that you see in our official books because that's the key dynamic that we refer ourselves and our revenue and all the results to. So that happened at a more assertive front in the earlier part of the year, as I always explained, so that we guarantee that we have the goods and all the demands that we expect will be created subject to the growth we forecast for the year will be satisfied by goods sitting with the distributors and them able to supply because the last thing you want is that you plan 10-12% growth on your top line in your numbers this come to the distributor in the form of orders they cannot satisfy because they don't have enough stocks from the books So we do this in the first nine months of the year, mostly more on the two first quarters or the first semester of the year Third quarter is slightly less, and the fourth quarter is normally the lowest, having said that the other, the other barrel activity that is happening day in, day out, power in, power out in our business is the in market sales, whereby our distributor sells to the pharmacies and the accounts and the hospitals and the institution and the tender satisfying the money created and orders by these people. This doesn't have the same seasonality that you see this is almost more or less 25% of the business months or quarter on quarter. More or less. It doesn't see the same slight fluctuation, but we do the other one, the on the two market sales purposely, as I said, for two reasons, first, to ensure that whatever demand is created by our troops and the teams are going to be satisfied by products available on the shelves to be sold and the second thing is that we don't want the last quarter to become very strong so that it comes and hunts badly in the first quarter of the following year. We don't be we don't want people to channel stuff or to have a lot of goods at the end of the year to finish their financial year and then they come in the first quarter of the year and they don't order enough from us because of the channel stuffing in the previous year so we guarded against this too. It worked very well for us over the last few years, and I expected to continue to do so.

Mr. Abdullah Umer 56:53

Thank you, Dr Tarek, we will now move towards you can unmute yourself.

Yasser 57:04

Thank you management for the presentation. I have two questions from my side. My first question regarding the capex as a percentage of revenue stood at 1.3 versus the guidance from 6-9% so my question is, what are the expected capex spending in the second half and what project will it cover?

Dr. Tarek Hosni - CEO 57:34

this is business as usual for us. and it's again, similar trend to what we have seen previous years. So we will start slow on because capex don't forget, these are machinery either parts of machinery or full machinery or other stuff that is related to our manufacturing facility placing orders So the I mean, you have to satisfy few folds in order for us, really, to spend the money or commit to the money, you show your demand for the machinery but more importantly, the supplier show that they can provide the machinery on time for you so that you can place the order on that front and sometimes there is a fluctuation in this It doesn't happen really every quarter you close at the five 5-6% but it increases on the second half of the year normally. What is satisfying? It's basically, as I said, business as usual, whereby you get upgrade of existing machinery, New machineries will be mostly in the case of projects like Algeria, as you know are building an ophtha facility there from scratch And we keep on ordering machinery. We upgrade our existing plant in Jeddah as well, because we have a lot of missionaries that have reached its time, and it either gets replaced or it gets seriously upgraded with spare parts and whatever. And obviously, as business grows, we need faster machines we need better machines in term of our packaging, in terms of many other stuff so that's more or less business as usual for us in terms of the capex and today, as you are aware, we are playing with three and a half plants, Algeria being the half until it fully stand on its feet, compared to just one facility two three years ago. So obviously that, hence, we increased our Capex from four to 6% guidance in the previous guidance period into a 6-9% in anticipation of what we are going to spend post on the existing facility but as well on other business initiatives that we are doing at the moment and you will hear about it in due course but, we expect we will land on the perhaps not the higher end, perhaps not the 9% but definitely we will land something between 6-8% at the end of the year.

Yasser 1:00:33

Clear. My second question is regarding the gross margin improvement in this quarter comparing to the same quarter in previous year. So was it product mix or manufacturing efficiency or lower input cost?

Dr. Tarek Hosni - CEO 1:00:54

Good question Yasser, that's I alluded to this modestly during my presentation, but now that you are focused on it, I think that's really pleasing for me to keep on reassuring for you as loyal investors and analysts and that but the company you are really putting the trust in and making a reference For the pharma industry in Saudi namely Jamjoom Pharma is really they keep on delivering on their commitment and find ways even at the toughest times and that's us here in crystallizing this whereby even when we deliver less than expected growth because of the dynamics that we all discussed, because of our earlier initiatives that we have taken couple of years ago into segmenting our portfolio into strategic and established and making most of the focus of our teams to go on the strategic products that have the phenomena of high growth potential, high revenue and high margin because of this, you see the real strengths in driving the net profits and EBITDA even at a stronger pace than the top line, 5% on the top line, 8% on the EBITDA, 7% of the on the net profit and it's driven by our performance on the strategic products and we expect to continue to do this as we move forward most of our rep efforts most of our investment in the market in terms of promotional activity marketing activity will definitely go to a higher proportion behind this strategic products and the other product established ones that still are some of them are cash cow for us and very strong for us and important we find different means and ways to promote it and to sell it. So, this diversification and distinction of our portfolio that we started earlier in the journey couple of years ago is paying us very strong evidence in a tough time like this, whereby it's really boosting our performance in a very good way. And I'm very pleased with this.

Mr. Abdullah Umer 1:03:11

Thank you. Dr Tarek, we have another hand raised from Madhu. you can unmute yourself.

Madhu Appissa 1:03:21

Thank you, Abdullah, for the opportunity. Hi, Doctor Tarek, a couple of questions One is on the acquisitions. You mentioned in the press release that you have planned something and there is high possibility that it will be executed this year. Could you provide more details here? Are you like focusing on getting access to higher manufacturing capacity through this acquisition, or is it you know, access to a new therapeutic area? And, if you can comment on which geography, would it be? Would it be local or an overseas market? And a follow up related to acquisition, does your capex target include the amount that you have budgeted for this acquisition? So, this is question number one related to acquisition. Second, you talked about the challenges that you're facing in the Gulf, despite that you managed to achieve 9% growth, which is even more than the growth in KSA. So, the challenges that you're facing, is it only demand related, or is it related to logistics? And these challenges you faced in March and April but not in Jan and Feb and that is the reason you managed to achieve this 9% growth. These are my two questions for now.

Dr. Tarek Hosni - CEO 1:04:40

Thank you, Madhu, and welcome back. Here. We missed you last time or last couple of times. Good to hear you back. Thank you. Listen as usual. important questions the first one, I guess, let me start with the second one, because basically there is no April, and if results, so our results stands up until March and yes, Gulf has delivered, as I mentioned, stronger results Most of these 9% you are witnessing have happened in the months of Jan and Feb Imagine if the war didn't happen we would have had even a more marvelous performance over there but here come March and then you are really augmented by tons of headwinds and unfavorable situations. First, what's happening in Bahrain or what happened in Bahrain, Kuwait and UE, Dubai, mainly, and Abu Dhabi to a great extent as well. So that definitely impacted the people getting out of their houses, buying medication, or being in the mood even to conduct normal life. So Marsh really were impacted with this in these markets, in addition definitely to logistical issues in getting goods into some of these markets, I mentioned the stricter export and import as well that impacted this markets as well. We're hoping that this situation will become better as we move on, if the war really doesn't continue for long and people come to their senses finally we're hoping otherwise Yeah, we expect the Gulf area to become one of the most impacted area if the world the war continue to be the case Your first question, so I wasn't 100% I'm not sure what you are referring to a portion of our release about the manufacturing facility that we might be embarking on, on getting is that what you mean.

Mr. Muhammed Bin Khalid - Head of IR 1:07:03

Dr Tarek if you allow me, Madhu anything that we will disclose, you will know about it in detail so for now nothing is disclosed.

Dr. Tarek Hosni - CEO 1:07:13

So Madhu, although I cannot give you the details to the nitty gritty of your collections and the geography and whatever we continue really to have ongoing definitely initiatives into because, yeah, I think you lived with us the journey from the beginning the Madhu and I know that you are one of the loyal attendees In all our analysts and investors call and other fronts. I mean, this is a company that delivered between 22 to 25 almost like 20% gross year on year we more than doubled our top line So in order for us to do this, we have to continue to really look at how we are going to fuel this expansion from a manufacturing facility point of view, and we continue to look for possible ways and means challenging status in our existing facilities and ensuring that we get increasing efficiency increasing effectiveness do more with less and all the stuff that We have done before, but more importantly, looking at as well options that are available in the marketplace. How can we complement our existing facilities by other facilities Not every time we need to expand the facilities, we will go and buy a plant. Sometimes, if you find a facility that is really going to be satisfactory to adding value to your existing ones, but more importantly, as well, it can tackle other areas that you cannot do by just going internally and every time you need capacity you increase your own in your existing or you buy your own you build your own facility. More importantly, I think it adds to the learning, it adds to the experience It adds to looking at how other people and how other companies are doing things and tackling things which will complement and even further enrich, in a stronger way our ability and our team's ability. So we look forward to continue to look at this. Once we finalize something, we'll let you know, but yes, we continue to exhaust all

our options internally and externally to ensure that we'll continue to be able to meet the increasing demand on our products by our customers.

Mr. Abdullah Umer 1:09:39

Thank you, Dr Tarek, This marked the final question for our session to conclude our call. Unfortunately, we couldn't take many questions, but we have collected the question which have been posted in the chat box, and we will send them to the management so if they can get back on that so and on the behalf of now Al Jazeera, capital, we would like to extend our sincere thanks to Jamjoom Pharma management for their time and the presentation and to our guests for taking their time to join the call. I will now hand over the mic to Dr Tarek for any closing remarks he may have.

Dr. Tarek Hosni - CEO 1:10:14

Thank you, Abdullah, thank you for facilitating the call. Thank you all that in these it's always a pleasure to see you and chat with you. I'm sorry for people like Ibrahim and others who didn't get the chance to further extend the shots but I'm sorry about the limited time, but we can we can tackle this in other fronts. I just assure you that the resilience of Jamjoom Pharma will continue to be the case, and we'll always find ways and means together to really keep on getting the best out the evolving situation that we have. We hope that things will happen in a better manner for the sake of the region and the people involved. Inshallah, and we'll keep you posted. Thank you very much, and I wish you all a great rest of the day.

Mr. Abdullah Umer 1:11:01

Thank you. Thanks everyone. The meeting is now over, and you may exit the call. Thank you very much. Thank you. Bye.

-End-

User	Question
Mulhim	I saw that %5 is less than the guidance, why? you think it will grow in the upcoming quarter?

When will be seeing the financial effects coming from the new factories?

Are there plan to increase dividends?

Saud Almohammadi

Out of 1Q26 revenues of SAR 481mn, how much % of the sales come from the Public and Private markets?

Please explain quarterly seasonality in your revenues why 1st quarter always has the highest share of annual revenues?

How much % of the 1Q26 revenue comes from the new product launches in the last 2 years?

Noura

How Saudi Pharma market has performed in 1Q26 as per IQVIA in terms of volume and value?

How is the obesity drugs market is evolving in Saudi Arabia and has Jamjoom Pharma has any plans to enter this market through launch of Generic versions of Ozempic?

What kind of regulatory headwinds and supply challenges did Jamjoom Pharma's two consumer healthcare brands face in Q1 2026, and what was their contribution to the top-line in Q1 last year?

Mohammad Alsowaielm

Given your strong positioning in ophthalmology, how do you assess the potential impact if a new competitor started selling ophthalmology products next year?

Faisal AlSuliman

Were you budgeting for this high EBITDA margin when you set the guidance for the full year? do you think that you will over achieve the previously announced EBITDA margin guidance?

Masroor Zaidi-Lafana Holdings

Since the KSA market is slowing down, are you exploring to add any new geographical areas in addition to current list of areas?

What do you think are the key factors that are causing the decline in KSA market

Can you please share estimated revenue contribution from the manufacturing of Vitaris Brands and vaccines & biologics under Lifera JV

Can you please share your margins by Therapy area?

Rohan Patil

Could you please share the key trends observed in API prices during Q1 2026 compared to the same period last year and the previous quarter? Additionally, have you seen any notable price increases across your key APIs, particularly in light of higher oil prices and related feedstock costs?

Could you elaborate on the 20 'License and Supply' agreements—specifically, whether Jamjoom Pharma will act mainly as a distributor or also manufacture in-house,

and when these agreements are expected to contribute to revenues?

In terms of inorganic growth, which therapeutic areas and geographic markets is Jamjoom Pharma currently targeting? Any additional color on your strategic priorities would be helpful.

Leena Albassam

What is the managements direction towards the channel mix? and how is the pricing environment looking for 2026?

Madhu appissa

Acquisition?

-End-