

SPIMACO reports 65% YoY growth in EBITDA to ₪ 315 Million in 9M 2025

- SPIMACO's top-line remained broadly stable year-on-year, amounting to ₪ 1,301 million in 9M 2025.
- The gross profit margin stood at 48.1% in 9M 2025.
- SG&A expenses declined to 30.6% of revenue, down 3.9 percentage points year-on-year.
- EBITDA margin reached 24.2% in 9M 2025, an increase of 9.5 percentage points compared to the prior period.
- R&D expenses accounted for 3.2% of revenue in 9M 2025.
- Net profit rose 3.2x year-on-year to reach ₪ 155 million in 9M 2025.

Riyadh, 2 November 2025 – SPIMACO's revenue reached ₪ 1,301 million in 9M 2025, broadly in line with the prior year. This reflected a softer third quarter performance owing to seasonal effects that tempered the growth momentum seen in the first half. Cost of revenue increased by 3% over the same period, driven by a shift in the product mix. Consequently, gross profit declined 3% year-on-year, with the gross profit margin standing at 48.1%. EBITDA grew 65% year-on-year to ₪ 315 million, representing a margin of 24.2%, while net profit rose to ₪ 155 million, up 3.2x compared to 9M 2024.

Prof. Ahmed Aljedai, Managing Director, Vice Chairman of the Board of Directors of SPIMACO, commented: "SPIMACO's performance in the first nine months of 2025 reflects continued progress in optimizing our product portfolio and strengthening profitability. While sales volumes softened in the third quarter due to seasonal factors, disciplined cost management delivered an improved bottom-line performance. Additionally, the recently signed MoU with Adcan Pharmaceutical Industries and the seven-year technology transfer agreement with Boston Oncology Arabia demonstrate our commitment to advancing local and regional manufacturing capabilities and expanding access to specialized medicines. These strategic collaborations will strengthen SPIMACO's market leadership, diversify the product portfolio, and enhance long-term returns. We remain confident in our growth prospects and the opportunities ahead."

Earnings Release



Financial Review

Income Statement and Cash Flow Highlights

₪ mn	3Q 2025	3Q 2024	Δ%	9M 2025	9M 2024	Δ%
Revenue	415	447	-7%	1,301	1,297	+0%
Cost of revenue	(212)	(232)	-8%	(675)	(654)	+3%
Gross profit	203	216	-6%	626	643	-3%
Selling & marketing expenses	(70)	(75)	-6%	(212)	(226)	-6%
General & administrative expenses	(62)	(94)	-34%	(185)	(221)	-16%
Research & development expenses	(14)	(13)	+5%	(42)	(44)	-5%
Other operating income / (expense)	8	(12)	NA	24	(44)	NA
Total operating expenses	(138)	(194)	-29%	(415)	(534)	-22%
Operating profit	65	21	+3.0x	211	109	+94%
EBITDA¹	102	51	+2.0x	315	191	+65%
Net profit for the period	44	(9)	NA	155	48	+3.2x
Gross Profit Margin	48.9%	48.2%	+0.6 pts	48.1%	49.6%	-1.5 pts
Operating Profit Margin	15.6%	4.8%	+10.8 pts	16.2%	8.4%	+7.8 pts
EBITDA Margin	24.5%	11.3%	+13.2 pts	24.2%	14.7%	+9.5 pts
Net profit Margin	10.5%	-2.1%	+12.6 pts	11.9%	3.7%	+8.2 pts
Net cash from operations	80	(109)	NA	190	(322)	NA
Capital expenditure ²	(8)	(2)	+3.4x	(16)	(61)	-74%
Free Cash Flow ³	71	(116)	NA	171	(389)	NA

In the third quarter, SPIMACO's revenue declined by 7% year-on-year, primarily due to seasonal factors that resulted in softer sales volumes. This seasonal moderation tempered the strong growth recorded in the first half of the year, resulting in a broadly stable revenue performance for 9M 2025, with revenue amounting to ₪ 1,301 million.

The gross profit margin declined by 1.5 percentage points year-on-year to 48.1% in 9M 2025, reflecting a 3% increase in the cost of revenue. The rise in cost of revenue was primarily attributable to a shift in the product mix, coupled with elevated input and manufacturing expenses driven by energy and labour inflation. Additional upward pressure came from more competitive pricing dynamics across key contracts.

Note: Figures and percentages in this document may not precisely total due to rounding

¹ EBITDA = Profit before zakat and income tax + Interest + Depreciation and Amortization

² Net changes in property, plant, equipment, assets under construction and intangibles

³ Free Cash Flow = Net cash from operations - Net capital expenditure - Net changes in lease liabilities

Selling and marketing expenses decreased by 6% year-on-year to ₪ 212 million in 9M 2025, representing 16.3% of revenue, down 1.1 percentage points from the same period last year. The reduction reflects the ongoing impact of the strategic restructuring of the sales and commercial teams, aimed at improving operational efficiency and optimizing resource allocation. While spending on advertising and promotion increased to expand market presence, the rise in travel and training costs relates to capability-building efforts for the workforce. These increases were more than offset by reductions across other cost categories, resulting in a net decline in total selling and marketing expenses.

In the third quarter, general and administrative expenses declined significantly by 34% to ₪ 62 million. This reflected sustained cost-control initiatives and enhanced operational discipline. The reduction primarily reflected lower staff expenses following a restructuring of the workforce, more efficient administrative workflows, tighter control over discretionary items and reduced utility and maintenance spending. For 9M 2025, general and administrative expenses amounted to ₪ 185 million, marking a 16% year-on-year decrease.

Research and development (R&D) expenses declined by 5% year-on-year to ₪ 42 million in 9M 2025, representing 3.2% of revenue. The company continued to implement cost-control measures, with benefits seen in employee-related costs and lower laboratory and clinical trial spending as several programs advanced towards regulatory stages. These reductions were partially offset by higher product registration and associated support costs.

Other income (excluding impairment-related items) totaled ₪ 39 million in 9M 2025, primarily driven by a ₪ 29 million gain from the sale of property. This was supplemented by foreign exchange gains, government grant income, and other miscellaneous income streams. In comparison, SPIMACO recorded a net other expense of ₪ 3 million in 9M 2024, mainly due to ₪ 11 million foreign exchange loss.

Total operating expenses including impairment charges decreased by 22% year-on-year to ₪ 415 million in 9M 2025. This reduction translated into a 65% increase in EBITDA to ₪ 315 million, with the EBITDA margin expanding by 9.5 percentage points to 24.2%.

Net finance costs rose by 20% year-on-year to ₪ 64 million in 9M 2025, reflecting higher loan-related finance charges. Profits from associates and joint ventures increased to ₪ 22 million in 9M 2025, up 37% year-on-year. Zakat expense declined by 39% year-on-year to reach ₪ 14 million in 9M 2025.

Consequently, SPIMACO's net profit grew 3.2x year-on-year from ₪ 48 million in 9M 2024 to ₪ 155 million in 9M 2025, with the net profit margin increasing by 8.2 percentage points year-on-year to 11.9%.

Operating cash flow amounted to ₪ 190 million in 9M 2025, compared to a net outflow of ₪ 322 million in the same period last year. The improvement reflects enhanced working capital discipline, supported by stronger collection of receivables. Net capital expenditures declined by 74% year-on-year to ₪ 16 million in 9M 2025.

Earnings Release



Revenue Trends

By Channel⁴

	Channel contribution, %			Channel sales, ₪ million	
₪ million	9M 2025	9M 2024	Δ pts	9M 2025	9M 2024
Private	60.7%	61.1%	-0.4 pts	669	700
Government	24.7%	18.0%	+6.7 pts	272	206
International	8.3%	13.6%	-5.3 pts	92	156
CMO	4.4%	4.5%	-0.1 pts	49	51
Other	1.8%	2.9%	-1.1 pts	20	33
Total pharmaceutical revenue⁵	100%	100%	-	1,101	1,146

In 9M 2025, SPIMACO maintained a strong position in Saudi Arabia's private market, holding a 6.0%⁶ market share as of September 2025. Sales from the private channel amounted to ₪ 669 million, accounting for 60.7% of pharmaceutical revenue, marking an adjustment of 0.4 percentage points from 9M 2024.

Government channel sales accounted for 24.7% of pharmaceutical revenue in 9M 2025, up 6.7 percentage points from 9M 2024.

International sales contributed 8.3% to the pharmaceutical revenue, down 5.3 percentage points from 9M 2024, reflecting a shift in the sales mix across the company's operational markets.

Revenue from contract manufacturing operations (CMO) stood at 4.4% of pharmaceutical revenue in 9M 2025, down 0.1 percentage point from 9M 2024.

Revenue from the Other channel, which includes non-SPIMACO products, cosmetics, and APIs, declined to 1.8%, down 1.1 percentage points from 2.9% in 9M 2024.

⁴ Based on pharmaceutical revenue.

⁵ Non-IFRS measure. Pharmaceutical revenue excludes other types of revenue such as revenue from hospital business, distribution business, etc. Pharmaceutical revenue represents 84.6% of Total revenue in 9M 2025 (88.4% in 9M 2024).

⁶ IQVIA Moving Annual Total (MAT) for the period from October 2024 to September 2025.

Earnings Release



Balance Sheet Highlights

₪ mn	3Q 2025	4Q 2024	Δ%	2Q 2025	Δ%
Total Non-Current Assets	1,961	1,963	-0%	1,967	-0%
Total Current Assets	2,477	2,356	+5%	2,539	-2%
Total Assets	4,438	4,319	+3%	4,505	-2%
Total Equity	1,708	1,531	+12%	1,664	+3%
Total Non-Current Liabilities	994	778	+28%	1,075	-8%
Total Current Liabilities	1,735	2,010	-14%	1,766	-2%
Total Liabilities	2,729	2,788	-2%	2,841	-4%
Cash, cash equivalents & short-term investment	351	277	+27%	436	-20%
Net Debt ⁷	1,073	1,224	-12%	1,138	-6%

As of 30 September 2025, total assets amounted to ₪ 4,438 million, representing a 3% increase from the 2024 year-end level. This expansion reflects ongoing investments in assets under construction, higher trade and other receivables, and a substantial growth in cash, cash equivalents, and short-term investments. Total non-current assets remained broadly unchanged, as the growth in assets under construction was offset by a reduction in other non-current assets.

As of 30 September 2025, total liabilities reached ₪ 2,729 million, down 2% from the 2024 year-end level, due to repayment of loans.

Receivables collection improved modestly in 9M 2025, with days sales outstanding decreasing to 248 days (annualized) from 253 days a year earlier, indicating slightly faster collections. Inventory days rose to 256 days from 219 days, reflecting slower stock turnover. Supplier payment terms improved, with days payable outstanding extending to 180 days from 79 days, suggesting more favorable credit terms. Despite higher inventory days, the combined impact of faster receivables and longer payables improved overall working capital efficiency, shortening the cash conversion cycle to 324 days from 393 days in the prior-year period.

As of 30 September 2025, net debt stood at ₪ 1,073 million, down 12% from the 2024 year-end level. In addition to the 5% decrease in gross debt, short-term investments, and cash & cash equivalents rose by 27%, enhancing the company's liquidity profile.

⁷ Long-term loans and borrowings + Short-term loans and borrowings - Cash and cash equivalents - Short-term investment

Earnings Release



Earnings Call

The company will hold the earnings call to discuss its 9M 2025 financial results with analysts and investors on Thursday, 6 November 2025, at 3:00 pm Riyadh time (12:00 pm London, 4:00 pm Dubai, 7:00 am New York). For further details about the call, including dial-in details, please contact Investor Relations.

For more information, please contact us:

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Appendix

Balance Sheet

⧵ mn	3Q 2025	4Q 2024	Δ%	2Q 2025	Δ%
Property, plant & equipment	1,553	1,574	-1%	1,573	-1%
Assets under construction	198	172	+15%	192	+3%
Other non-current assets	210	217	-3%	202	+4%
Total Non-Current Assets	1,961	1,963	-0%	1,967	-0%
Inventories	636	646	-2%	592	+7%
Trade & other receivables	1,218	1,175	+4%	1,240	-2%
Cash & cash equivalents	184	122	+51%	266	-31%
Other current assets	439	413	+6%	440	-0%
Total Current Assets	2,477	2,356	+5%	2,539	-2%
Total Assets	4,438	4,319	+3%	4,505	-2%
Share capital	1,200	1,200	+0%	1,200	+0%
Treasury Shares	(20)	(20)	+0%	(20)	+0%
Retained earnings	25	(120)	NA	(17)	NA
Reserves	341	319	+7%	341	+0%
Equity attributable to Shareholders of the Parent	1,546	1,378	+12%	1,504	+3%
Non-controlling interest	162	153	+6%	161	+1%
Total Equity	1,708	1,531	+12%	1,664	+3%
Loans & borrowings	698	462	+51%	772	-10%
Employees' end of service benefit obligations	200	222	-10%	201	-1%
Other non-current liabilities	97	93	+4%	102	-5%
Total Non-Current Liabilities	994	778	+28%	1,075	-8%
Loans & borrowings	726	1,039	-30%	802	-9%
Trade payables & other liabilities	574	568	+1%	538	+7%
Dividends payable	168	168	-0%	168	-0%
Other current liabilities	268	235	+14%	258	+4%
Total Current Liabilities	1,735	2,010	-14%	1,766	-2%
Total Liabilities	2,729	2,788	-2%	2,841	-4%

Earnings Release



Income Statement

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Research & development expenses	(14)	(13)	+5%	(42)	(44)	-5%
Other operating expenses	8	(12)	NA	24	(44)	NA
Total operating expenses	(138)	(194)	-29%	(415)	(534)	-22%
Operating profit	65	21	+3.0x	211	109	+94%
Depreciation & amortization	31	23	+38%	82	66	+25%
EBITDA	102	51	+2.0x	315	191	+65%
Total finance & other income / (cost), net	(15)	(14)	+7%	(42)	(37)	+13%
Profit before zakat, income tax	50	8	+6.4x	169	71	+2.4x
Zakat & income tax	(7)	(17)	-62%	(14)	(23)	-39%
Net profit for the period	44	(9)	NA	155	48	+3.2x

Earnings Release



Cash Flow Statement

١٠ mn	9M 2025	9M 2024	Δ%
Profit before zakat & income tax	155	48	+3.2x
Adjustments	210	237	-11%
Net Income before zakat & after adjustments	365	286	+28%
Working capital changes	(64)	(450)	-86%
Cash flows generated from / (used in) operating activities	301	(164)	NA
Finance costs paid	(54)	(59)	-9%
Zakat & income tax paid	(19)	(19)	-2%
Employees' end of service benefit obligations paid	(43)	(86)	-50%
Others	5	7	-27%
Net cash generated from / (used in) operating activities	190	(322)	NA
Net cash used in investing activities	(27)	(44)	-38%
Net cash (used in) / generated from financing activities	(99)	441	NA
Net changes in cash & cash equivalents during the period	64	76	-16%
Cash & cash equivalents at the beginning of the period⁸	122	163	-25%
Foreign exchange translation	(1)	2	NA
Cash & cash equivalents at the end of the period⁸	184	241	-23%

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⁸ Including cash from discontinued operations where applicable.