

SPIMACO Delivers Net Profit of ₪ 75 Million in 1Q 2025, Up 90% vs 1Q 2024

- SPIMACO's revenue rose 2% to ₪ 485 million in 1Q 2025.
- The gross profit margin decreased to 47%, driven by the higher cost of revenue.
- SG&A expenses fell to 28.5% of revenue, down 3.3 percentage points.
- EBITDA margin expanded by 6.9 percentage points, reaching 24.2% in 1Q 2025.
- R&D expenses made up 2.7% of revenue in 1Q 2025.
- Net profit reached ₪ 75 million in 1Q 2025, increasing 90%.

Riyadh, 11 May 2025 – In the first quarter of 2025, SPIMACO reported revenue of ₪ 485 million, reflecting a 2% increase. The gross profit margin declined by 5.6 percentage points to 47.2%, impacted by an adjustment in the product mix. EBITDA rose 43% to ₪ 117 million, resulting in an EBITDA margin of 24.2%. Net profit for the period reached ₪ 75 million, marking a 90% increase compared to the same quarter last year.

Mr. Ahmed Aljedai, Managing Director, Vice Chairman of the Board of Directors of SPIMACO, commented:

"1Q 2025 marked a strong start to the year, with continued progress in optimizing operations and improving profitability. Growth was supported by a shift in the sales mix and opportunities across both the private and government sectors, while disciplined operating cost control and operational efficiency contributed to a solid increase in EBITDA.

As we look ahead, we remain focused on strengthening our core business, expanding our product portfolio, and pursuing new opportunities. During the quarter, we also made progress on strategic initiatives, signing new partnerships to enhance our vaccine and biologics portfolio, aligned with national healthcare priorities. These efforts, combined with our continued focus on efficiency and product innovation, position SPIMACO to sustain growth and create long-term value for stakeholders."

Earnings Release



Financial Review

Income Statement and Cash Flow Highlights

| ﷼ mn | 1Q 2025 | 1Q 2024 | Δ% |
|------------------------------------|--------------|--------------|-------------|
| Revenue | 485 | 476 | +2% |
| Cost of revenue | (256) | (225) | +14% |
| Gross profit | 229 | 251 | -9% |
| Selling & marketing expenses | (75) | (81) | -8% |
| General & administrative expenses | (63) | (70) | -10% |
| Research & development expenses | (13) | (17) | -26% |
| Other operating income / (expense) | 7 | (27) | NA |
| Total operating expenses | (144) | (195) | -26% |
| Operating profit | 84 | 56 | +51% |
| EBITDA¹ | 117 | 82 | +43% |
| Net profit for the period | 75 | 39 | +90% |
| | | | |
| Gross Profit Margin | 47.2% | 52.8% | -5.6 pts |
| Operating Profit Margin | 17.4% | 11.8% | +5.7 pts |
| EBITDA Margin | 24.2% | 17.3% | +6.9 pts |
| Net profit Margin | 15.5% | 8.3% | +7.2 pts |
| | | | |
| Net cash from operations | 18 | (62) | NA |
| Capital expenditure ² | 9 | (23) | NA |
| Free Cash Flow ³ | 25 | (86) | NA |

In 1Q 2025, SPIMACO's revenue increased by 2% vs 1Q 2024, to ﷼ 485 million, driven by stronger performance in the private sector.

The gross profit margin in 1Q 2025 declined by 5.6 percentage points to 47.2%, reflecting a 14% rise in the cost of revenue. This was mainly driven by a shift in the product mix. Additional pressure came from rising input and manufacturing costs, impacted by energy and labor inflation, and more competitive pricing on key contracts.

Selling and marketing expenses declined by 8% to ﷼ 75 million in 1Q 2025, accounting for 15.5% of revenue, down 1.6 percentage points compared to the same period last year. This improvement reflects the continued

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

benefits of strategic restructuring within the sales and commercial teams. Significant reductions across several cost categories outweighed an increase in advertising and promotional spending, highlighting more streamlined operations and reducing reliance on external services.

General and administrative expenses dropped by 10% to ₪ 63 million in 1Q 2025, accounting for 13.0% of revenue. The reduction was primarily driven by continued team optimization and tighter cost control, supported by streamlined administrative processes, lower discretionary spending, reduced utility and maintenance costs, and improvements in operational efficiency.

Research and development (R&D) expenses declined by 26% to ₪ 13 million in 1Q 2025, representing 2.7% of revenue. The company continued to invest in product innovation and maintain a highly qualified workforce, though the timing of research activities influenced quarterly spending, alongside a greater focus on product commercialization efforts.

Other income in 1Q 2025 amounted to ₪ 22 million, primarily due to gain from the sale of property of ₪ 18 million, as well as reduced loss from foreign exchange compared to 1Q 2024.

Total operating expenses and impairment charges decreased by 26% to ₪ 144 million in 1Q 2025. This resulted in a 43% increase in EBITDA to ₪ 117 million. The EBITDA margin increased by 6.9 percentage points to 24.2%.

Net finance costs and share of results of equity-accounted investee increased by 42% vs 1Q 2024, to ₪ 14 million in 1Q 2025, owing to increased loan-related finance costs, partially offset by share of results of equity-accounted investee. Zakat shifted from an expense of ₪ 7 million in 1Q 2024 to a net credit of ₪ 5 million, reflecting an adjustment in Zakat recognition during 1Q 2025.

SPIMACO posted a net profit of ₪ 75 million in 1Q 2025, compared to a net profit of ₪ 39 million in 1Q 2024, with the net profit margin improving by 7.2 percentage points to 15.5%.

Operating cash flow turned positive at ₪ 18 million in 1Q 2025, improving from a net outflow of ₪ 62 million in 1Q 2024. This improvement was driven by better working capital management, with lower prepaid expenses and reduced inventory levels partially offsetting the impact of higher trade receivables. Net capital expenditure amounted to a positive ₪ 9 million in 1Q 2025 driven by gains from the sale of assets.

Earnings Release



Revenue Trends

By Channel⁴

| | Channel contribution, % | | | Channel sales, ₪ million | |
|---|-------------------------|-------------|-----------|--------------------------|--------------|
| ₪ million | 1Q 2025 | FY 2024 | Δ ppts | 1Q 2025 | FY 2024 |
| Private | 64.3% | 59.3% | +5.0 ppts | 264 | 825 |
| Government | 20.4% | 17.0% | +3.4 ppts | 84 | 236 |
| International | 6.7% | 13.9% | -7.2 ppts | 28 | 193 |
| CMO | 7.0% | 5.0% | +2.0 ppts | 29 | 70 |
| Other | 1.6% | 4.9% | -3.3 ppts | 6 | 68 |
| Total pharmaceutical revenue⁵ | 100% | 100% | - | 410 | 1,392 |

In 1Q 2025, SPIMACO maintained a strong position in Saudi Arabia's private market, holding a 6.3%⁶ market share as of March 2025. Sales from the private channel reached ₪ 264 million, representing 64.3% of pharmaceutical revenue, up 5.0 percentage points from FY 2024.

Government channel sales accounted for 20.4% of pharmaceutical revenue in 1Q 2025, up 3.4 percentage points from FY 2024.

International sales accounted for 6.7% of pharmaceutical revenue, down 7.2 percentage points from FY 2024, reflecting adjustments in the sales mix across the countries where the company operates.

Revenue from contract manufacturing operations (CMO) rose to 7.0% of pharmaceutical revenue in 1Q 2025, compared to 5.0% in FY 2024.

Revenue from the Other channel, which includes non-SPIMACO products, cosmetics, and APIs, declined to 1.6%, down from 4.9% in FY 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 84.5% of Total revenue in 1Q 2025 (82.8% in FY 2024).

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

Earnings Release



Balance Sheet Highlights

| ﷲ mn | 1Q 2025 | 4Q 2024 | Δ% |
|--|--------------|--------------|------------|
| Total Non-Current Assets | 1,970 | 1,963 | +0% |
| Total Current Assets | 2,519 | 2,356 | +7% |
| Total Assets | 4,489 | 4,319 | +4% |
| Total Equity | 1,617 | 1,531 | +6% |
| Total Non-Current Liabilities | 1,103 | 778 | +42% |
| Total Current Liabilities | 1,769 | 2,010 | -12% |
| Total Liabilities | 2,872 | 2,788 | +3% |
| Cash, cash equivalents & short-term investment | 341 | 277 | +23% |
| Net Debt ⁷ | 1,213 | 1,224 | -1% |

Total assets as of 31 March 2025 increased by 4% to ﷲ 4,489 million from 2024 year-end level driven by assets under construction, higher trade and other receivables and an increase in cash, cash equivalents and short-term investment.

Total liabilities as of 31 March 2025 increased by 3% to ﷲ 2,872 million from the 2024 year-end level, which was mostly due to higher long-term borrowings and contract liabilities.

Receivables collection slowed in 1Q 2025, with days sales outstanding rising to 237 days (annualized⁸) from 199 days in 1Q 2024. However, this was offset by an extended payables period, which increased from 142 days to 179 days, and faster inventory turnover, with inventory days improving to 221 from 235 in 1Q 2024. As a result, the cash conversion cycle shortened to 280 days, down from 292 days in 1Q 2024.

As of 31 March 2025, the net debt stood at ﷲ 1,213 million, marking a 1% decrease from the 2024 year-end level. While there was a 4% growth in gross debt, cash, cash equivalents and short-term investment grew by 23%.

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

⁸ Annualized based on quarterly data. Cash Conversion Cycle = Days Inventory + Days Receivables - Days Payables, where: Days Inventory = 90 / (COGS / Avg. Inventory); Days Receivables = 90 / (Revenue / Avg. Accounts Receivable); Days Payables = 90 / (Purchases / Avg. Accounts Payable). Averages are based on beginning and ending balances for the period.

Earnings Release



Earnings Call

The company will hold the earnings call to discuss its 1Q 2025 financial results with analysts and investors on Monday, 19 May 2025, at 3:00 pm Riyadh time (1:00 pm London, 4:00 pm Dubai, 8:00 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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Earnings Release



Appendix

Balance Sheet

| ﷼ mn | 1Q 2025 | 4Q 2024 | Δ% |
|--|--------------|--------------|-------------|
| Property, plant & equipment | 1,554 | 1,574 | -1% |
| Assets under construction | 189 | 172 | +10% |
| Other non-current assets | 227 | 217 | +5% |
| Total Non-Current Assets | 1,970 | 1,963 | +0% |
| Inventories | 613 | 646 | -5% |
| Trade & other receivables | 1,348 | 1,175 | +15% |
| Cash & cash equivalents | 166 | 122 | +36% |
| Other current assets | 392 | 413 | -5% |
| Total Current Assets | 2,519 | 2,356 | +7% |
| Total Assets | 4,489 | 4,319 | +4% |
| Share capital | 1,200 | 1,200 | +0% |
| Treasury Shares | (20) | (20) | +0% |
| Retained earnings | (49) | (120) | -59% |
| Reserves | 329 | 319 | +3% |
| Equity attributable to Shareholders of the Parent | 1,459 | 1,378 | +6% |
| Non-controlling interest | 157 | 153 | +3% |
| Total Equity | 1,617 | 1,531 | +6% |
| Loans & borrowings | 795 | 462 | +72% |
| Employees' end of service benefit obligations | 208 | 222 | -6% |
| Other non-current liabilities | 100 | 93 | +7% |
| Total Non-Current Liabilities | 1,103 | 778 | +42% |
| Loans & borrowings | 759 | 1,039 | -27% |
| Trade payables & other liabilities | 577 | 568 | +2% |
| Dividends payable | 168 | 168 | -0% |
| Other current liabilities | 266 | 235 | +13% |
| Total Current Liabilities | 1,769 | 2,010 | -12% |
| Total Liabilities | 2,872 | 2,788 | +3% |

Earnings Release



Income Statement

| ١٠ mn | 1Q 2025 | 1Q 2024 | Δ% |
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| Revenue | 485 | 476 | +2% |
| Cost of revenue | (256) | (225) | +14% |
| Gross profit | 229 | 251 | -9% |
| Selling & marketing expenses | (75) | (81) | -8% |
| General & administrative expenses | (63) | (70) | -10% |
| Research & development expenses | (13) | (17) | -26% |
| Other operating expenses | 7 | (27) | NA |
| Total operating expenses | (144) | (195) | -26% |
| Operating profit | 84 | 56 | +51% |
| Depreciation & amortization | 25 | 21 | +19% |
| EBITDA | 117 | 82 | +43% |
| Total finance & other income / (cost), net | (14) | (10) | +42% |
| Profit before zakat, income tax & discontinued operations | 70 | 46 | +53% |
| Zakat & income tax | 5 | (7) | NA |
| Net profit for the period before discontinued operations | 75 | 39 | +90% |
| Net profit for the period | 75 | 39 | +90% |

Earnings Release



Cash Flow Statement

| ﷼ mn | 1Q 2025 | 1Q 2024 | Δ% |
|---|-------------|-------------|-------------|
| Profit before zakat & income tax | 70 | 46 | +53% |
| Adjustments | 89 | 97 | -8% |
| Net income before zakat & after adjustments | 159 | 143 | +11% |
| Working capital changes | (108) | (166) | -35% |
| Cash flows generated from / (used in) operating activities | 51 | (23) | NA |
| Finance costs paid | (14) | (14) | -3% |
| Zakat & income tax paid | (0) | (0) | -76% |
| Employees' end of service benefit obligations paid | (21) | (25) | -16% |
| Others | 3 | 1 | +3.5x |
| Net cash generated from / (used in) operating activities | 18 | (62) | NA |
| Net cash generated from / (used in) investing activities | (11) | (29) | -61% |
| Net cash (used in) / generated from financing activities | 38 | 150 | -75% |
| Net changes in cash & cash equivalents during the period | 45 | 59 | -25% |
| Cash & cash equivalents at the beginning of the period⁹ | 122 | 163 | -25% |
| Foreign exchange translation | (0) | 6 | NA |
| Cash & cash equivalents at the end of the period⁹ | 166 | 228 | -27% |

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⁹ Including cash from discontinued operations where applicable.