

SPIMACO Delivers Net Profit of ₪ 111 Million in 1H 2025, Up 93% vs 1H 2024

- SPIMACO's revenue rose 4% to ₪886 million in 1H 2025.
- The gross profit margin stood at 47.8% in 1H 2025.
- SG&A expenses accounted for 29.9% of revenue, down 2.8 percentage points year-on-year.
- EBITDA margin expanded by 7.6 percentage points, reaching 24.1% in 1H 2025.
- R&D expenses made up 3.2% of revenue in 1H 2025.
- Net profit reached ₪ 111 million in 1H 2025, up 93% year-on-year.

Riyadh, 3 August 2025 – SPIMACO's revenue reached ₪886 million in 1H 2025, up 4% year-on-year. Cost of revenue increased by 10% over the same period. As a result, gross profit declined by 1% year-on-year, with the gross profit margin standing at 47.8%. EBITDA totaled ₪213 million, representing a margin of 24.1%, while net profit rose to ₪ 111 million, up 93% compared to 1H 2024.

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

"I am pleased to share that SPIMACO delivered a solid financial performance in the first half of 2025, with revenue rising by 4% year-on-year to ₪886 million and net profit nearly doubling to ₪ 111 million, supported by continued growth in the private sector and progress across key operational areas. Profitability improved notably, driven by a 19% reduction in operating expenses, which contributed to a 7.6 percentage point expansion in the EBITDA margin to 24.1% and a 12.5% net profit margin. These gains reflect disciplined operating cost control and more efficient execution across the business.

As we look forward on the second half of the year, we remain focused on further strengthening our core business, expanding our product range, and exploring new opportunities. During the period, we advanced several strategic priorities, including new partnerships to support the development of our vaccine and biologics portfolio, in line with national healthcare objectives. Together with our ongoing efforts to improve efficiency and enhance product innovation, these steps help position SPIMACO for continued progress and long-term value creation."

Earnings Release



Financial Review

Income Statement and Cash Flow Highlights

﷼ mn	2Q 2025	2Q 2024	Δ%	1H 2025	1H 2024	Δ%
Revenue	401	373	+7%	886	849	+4%
Cost of revenue	(207)	(197)	+5%	(463)	(422)	+10%
Gross profit	194	176	+10%	423	427	-1%
Selling & marketing expenses	(67)	(70)	-5%	(142)	(152)	-6%
General & administrative expenses	(60)	(57)	+6%	(123)	(126)	-3%
Research & development expenses	(15)	(13)	+13%	(28)	(31)	-9%
Other operating income / (expense)	9	(5)	NA	16	(31)	NA
Total operating expenses	(133)	(145)	-8%	(277)	(340)	-19%
Operating profit	61	36	+97%	146	87	+67%
EBITDA¹	96	58	+66%	213	140	+52%
Net profit for the period	36	18	+99%	111	58	+93%
Gross Profit Margin	48.4%	47.2%	+1.2 pts	47.8%	50.3%	-2.5 pts
Operating Profit Margin	15.3%	8.4%	+6.9 pts	16.5%	10.3%	+6.2 pts
EBITDA Margin	24.0%	15.5%	+8.5 pts	24.1%	16.5%	+7.6 pts
Net profit Margin	9.0%	4.8%	+4.2 pts	12.5%	6.8%	+5.7 pts
Net cash from operations	92	(150)	NA	110	(212)	NA
Capital expenditure ²	1	(36)	NA	(8)	(59)	-86%
Free Cash Flow ³	93	(186)	NA	100	(272)	NA

In 1H 2025, SPIMACO's revenue rose by 4% year-on-year to ﷼886 million, supported by stronger performance in the private sector, which drove a 7% increase in second-quarter revenue and contributed to the overall result for the period.

The gross profit margin declined by 2.5 percentage points year-on-year to 47.8% in 1H 2025, reflecting a 10% increase in the cost of revenue. This was primarily driven by a shift in the product mix, alongside higher input and manufacturing costs related to energy and labor inflation. Additional pressure came from more competitive pricing on 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

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Selling and marketing expenses decreased by 6% year-on-year to ₪ 142 million in 1H 2025, representing 16.0% of revenue, down 1.8 percentage points from the same period last year. The reduction reflected the continued impact of the strategic restructuring of the sales and commercial teams, focused on improving operational efficiency and streamlining resource allocation. While advertising and promotional spending increased, this was more than offset by reductions across other cost categories, resulting in a net decline in total selling and marketing expenses.

General and administrative expenses remained broadly stable in 1H 2025, rising by 1% year-on-year to ₪ 123 million, or 13.9% of revenue. The limited increase was supported by targeted workforce restructuring and ongoing cost control efforts, including streamlined administrative processes, reduced discretionary spending, lower utility and maintenance costs, and further improved operational efficiency.

Research and development (R&D) expenses declined by 9% year-on-year to ₪ 28 million in 1H 2025, representing 3.2% of revenue. The company remained focused on product innovation, internal capability development, and retaining a highly skilled workforce. The decrease was driven by lower laboratory and clinical trial expenses, partially offset by increased spending on product registration and related activities.

Other income totaled ₪ 25 million in 1H 2025, mainly reflecting a ₪ 19 million gain from the sale of property and a ₪ 3 million foreign exchange gain. This compares to a net other expense of ₪ 9 million in 1H 2024, which was largely driven by a ₪ 14 million foreign exchange loss.

Total operating expenses and impairment charges declined by 19% year-on-year to ₪ 277 million in 1H 2025. As a result, EBITDA increased by 52% to ₪ 213 million, with the EBITDA margin improving by 7.6 percentage points to 24.1%.

Net finance costs decreased by 16.7% year-on-year to ₪ 28 million in 1H 2025. The decline was supported by improved contributions from associates and joint ventures, while the absence of dividend income and relatively stable loan-related finance costs limited further reduction. Zakat expenses totaled ₪ 7 million in 1H 2025, up 26% compared to the same period last year.

SPIMACO reported a net profit of ₪ 111 million in 1H 2025, up from ₪ 58 million in 1H 2024, with the net profit margin rising by 5.8 percentage points to 12.5%.

Operating cash flow totaled ₪ 110 million in 1H 2025, compared to a net outflow of ₪ 212 million in the same period last year. The improvement was primarily driven by more efficient working capital management. Net capital expenditures declined by 86% year-on-year to ₪ 8 million in 1H 2025.

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Revenue Trends

By Channel⁴

SAR million	Channel contribution, %			Channel sales, SAR million	
	1H 2025	FY 2024	Δ ppts	1H 2025	FY 2024
Private	65.1%	59.3%	5.9%	485	825
Government	22.2%	17.0%	5.3%	166	236
International	7.2%	13.9%	-6.7%	53	193
CMO	4.0%	5.0%	-1.0%	30	70
Other	1.5%	4.9%	-3.4%	11	68
Total pharmaceutical revenue⁵	100%	100%		745	1,392

In 1H 2025, SPIMACO maintained a strong position in Saudi Arabia's private market, holding a 6.4%⁶ market share as of June 2025. Sales from the private channel rose to SAR 485 million, accounting for 65.1% of pharmaceutical revenue, marking an increase of 5.9 percentage points from FY 2024.

Government channel sales accounted for 22.2% of pharmaceutical revenue in 1H 2025, up 5.3 percentage points from FY 2024.

International sales contributed 7.2% to the pharmaceutical revenue, down 6.7 percentage points from FY 2024, reflecting a shift in the sales mix across the company's operational markets.

Revenue from contract manufacturing operations (CMO) stood at 4.0% of pharmaceutical revenue in 1H 2025, down 1.0 percentage point from FY 2024.

Revenue from the Other channel, which includes non-SPIMACO products, cosmetics, and APIs, declined to 1.5%, 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 84.2% of Total revenue in 1H 2025 (82.8% in FY 2024).

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

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Balance Sheet Highlights

₪ mn	2Q 2025	4Q 2024	Δ%	1Q 2025	Δ%
Total Non-Current Assets	1,967	1,963	+0%	1,970	-0%
Total Current Assets	2,539	2,356	+8%	2,519	+1%
Total Assets	4,505	4,319	+4%	4,489	+0%
Total Equity	1,664	1,531	+9%	1,617	+3%
Total Non-Current Liabilities	1,075	778	+38%	1,103	-3%
Total Current Liabilities	1,766	2,010	-12%	1,769	-0%
Total Liabilities	2,841	2,788	+2%	2,872	-1%
Cash, cash equivalents & short-term investment	436	277	+57%	341	+28%
Net Debt ⁷	1,138	1,224	-7%	1,213	-6%

As of 30 June 2025, total assets increased by 4% from the 2024 year-end level to ₪4,505 million. The increase was primarily driven by assets under construction, higher trade and other receivables, and a significant rise 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 decline in other non-current assets.

As of 30 June 2025, total liabilities increased by 2% from the 2024 year-end level to ₪2,841 million. The increase was mainly driven by higher long-term borrowings and contract liabilities, partially offset by a reduction in lease liabilities.

Receivables collection moderated in 1H 2025, with days sales outstanding increasing to 245 days (annualized) from 227 days in the prior-year period. This was more than offset by improved supplier payment terms, as days payable outstanding extended significantly from 141 to 187 days. Although inventory days inched up slightly to 241 from 237, the overall working capital efficiency improved. As a result, the cash conversion cycle shortened to 299 days, compared to 324 days in 1H 2024.

As of 30 June 2025, net debt stood at ₪1,138 million, down 7% from the 2024 year-end level. This was despite a 5% increase in gross debt, as cash, cash equivalents, and short-term investments rose by 57%, strengthening the company's liquidity cushion.

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

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FY25 Outlook

The company is reiterating the previous guidance towards the following financial results for FY25 (year-on-year if not stated otherwise):

- Revenue growth of 7-10%.
- Stable gross profit margin.
- Lower selling & marketing costs as percentage of revenue.
- Stable general & administrative costs as percentage of revenue.
- Research & development costs up to 3.4% of revenue.
- An EBITDA margin of 20-21%.

Earnings Call

The company will hold the earnings call to discuss its 1H 2025 financial results with analysts and investors on Monday, 11 August 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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Appendix

Balance Sheet

₪mn	2Q 2025	4Q 2024	Δ%	1Q 2025	Δ%
Property, plant & equipment	1,573	1,574	-0%	1,554	+1%
Assets under construction	192	172	+11%	189	+1%
Other non-current assets	202	217	-7%	227	-11%
Total Non-Current Assets	1,967	1,963	+0%	1,970	-0%
Inventories	592	646	-8%	613	-3%
Trade & other receivables	1,240	1,175	+6%	1,348	-8%
Cash & cash equivalents	266	122	+118%	166	+60%
Other current assets	440	413	+7%	392	+12%
Total Current Assets	2,538	2,356	+8%	2,519	+1%
Total Assets	4,505	4,319	+4%	4,489	+0%
Share capital	1,200	1,200	+0%	1,200	+0%
Treasury Shares	(20)	(20)	+0%	(20)	+0%
Retained earnings	(17)	(120)	-86%	(49)	-66%
Reserves	341	319	+7%	329	+4%
Equity attributable to Shareholders of the Parent	1,504	1,378	+9%	1,459	+3%
Non-controlling interest	161	153	+5%	157	+2%
Total Equity	1,664	1,531	+9%	1,617	+3%
Loans & borrowings	772	462	+67%	795	-3%
Employees' end of service benefit obligations	201	222	-9%	208	-3%
Other non-current liabilities	102	93	+10%	100	+2%
Total Non-Current Liabilities	1,075	778	+38%	1,103	-3%
Loans & borrowings	802	1,039	-23%	759	+6%
Trade payables & other liabilities	538	568	-5%	577	-7%
Dividends payable	168	168	-0%	168	-0%
Other current liabilities	258	235	+10%	266	-3%
Total Current Liabilities	1,766	2,010	-12%	1,769	-0%
Total Liabilities	2,841	2,788	+2%	2,872	-1%

Earnings Release



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Research & development expenses	(15)	(13)	+13%	(28)	(31)	-9%
Other operating expenses	9	(5)	NA	16	(31)	NA
Total operating expenses	(133)	(145)	-5%	(277)	(340)	-19%
Operating profit	61	31	+97%	146	87	+67%
Depreciation & amortization	26	22	+18%	51	43	+19%
EBITDA	96	58	+66%	213	140	+52%
Total finance & other income / (cost), net	(13)	(14)	+4%	(28)	(24)	+16.7%
Profit before zakat, income tax	48	17	+177%	118	64	+87%
Zakat & income tax	(12)	1	NA	(7)	(6)	+26%
Net profit for the period	36	18	+99%	111	58	+93%

Earnings Release



Cash Flow Statement

﷼ mn	1H 2025	1H 2024	Δ%
Profit before zakat & income tax	119	64	+87%
Adjustments	129	246	-47%
Net Income before zakat & after adjustments	248	310	-20%
Working capital changes	(52)	(434)	-87%
Cash flows generated from / (used in) operating activities	196	(124)	NA
Finance costs paid	(32)	(23)	+68%
Zakat & income tax paid	(19)	(19)	-3%
Employees' end of service benefit obligations paid	(35)	(47)	-25%
Others	1,573	1,310	+20%
Net cash generated from / (used in) operating activities	110	(213)	NA
Net cash generated from / (used in) investing activities	(23)	(2)	+1104%
Net cash (used in) / generated from financing activities	58	368	-84.2%
Net changes in cash & cash equivalents during the period	145	154	-6%
Cash & cash equivalents at the beginning of the period⁸	122	163	-25%
Foreign exchange translation	(1)	(1)	+169%
Cash & cash equivalents at the end of the period⁸	266	316	-16%

Disclaimer

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⁸ Including cash from discontinued operations where applicable.