



Earnings Presentation

9M 2023

6 November, 2023



9M 2023 Performance Highlights & Strategy

Jerome Cabannes, CEO



9M 2023 Performance Highlights

The company's forward-thinking realignment efforts have yielded benefits, as evident in 9M 2023 performance

Key 9M 2023 Developments

R&D and Operations	New product registrations Registered in 9M23 70 SKUs	Manufacturing Production volume vs. 9M22 +47%	Productivity Rebalanced facility utilization, improved manufacturing efficiency ▲
Market and Commercial	Private market share¹ flat vs. Dec-22 7.5%	Sales Improved client mix, sales growth across key channels ▲	Cash Conversion Cycle -11% vs. 3Q22 LTM 264 days
Financials	Revenue +25% vs. 9M22 1,322 SAR mn	Gross Profit Margin +5.3 pts vs. 9M22 45.9%	Net Profit vs. 67 SAR mn loss in 9M22 40 SAR mn



Source: IQVIA KSA Private Market Reflection Summary Data, September 2023, Company financials, Management calculations

¹ Moving Annual Total (MAT) for the period from October 2022 to September 2023 compared to MAT for the period from January 2022 to December 2022.

SPIMACO – the National Champion in the Saudi Pharma Industry

Strategy execution roadmap and strategic targets by 2027

Key Targets and Focus Areas

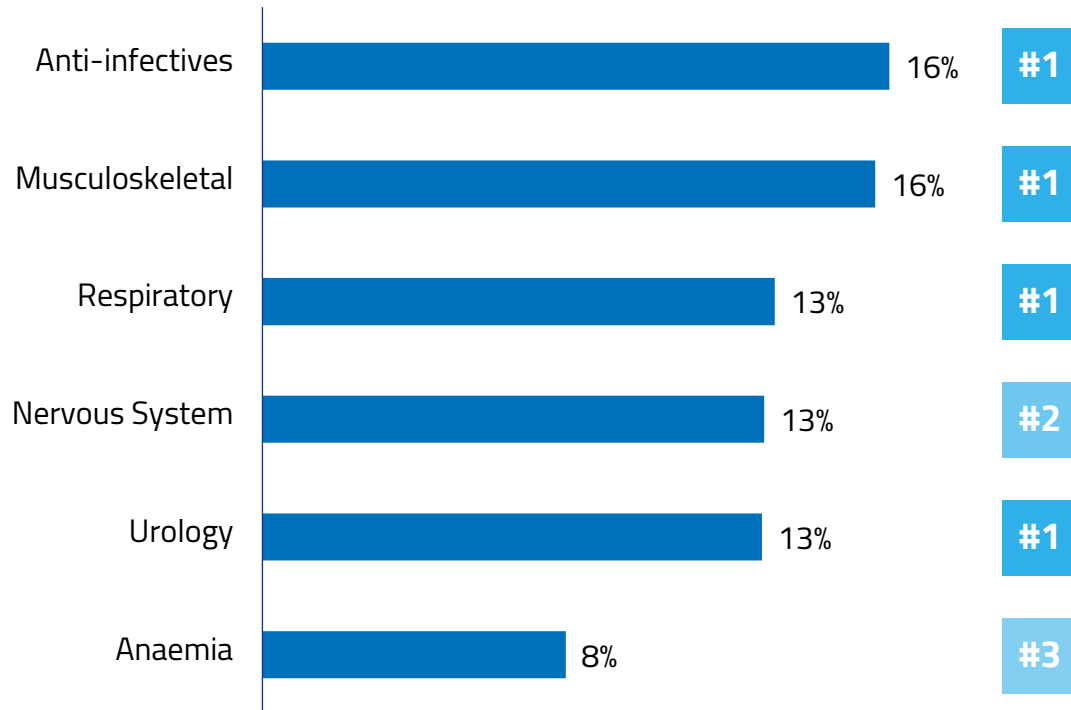


SPIMACO is KSA Private Market Leader

The company holds leading positions in key therapeutic areas, showcasing its dedication to healthcare advancement

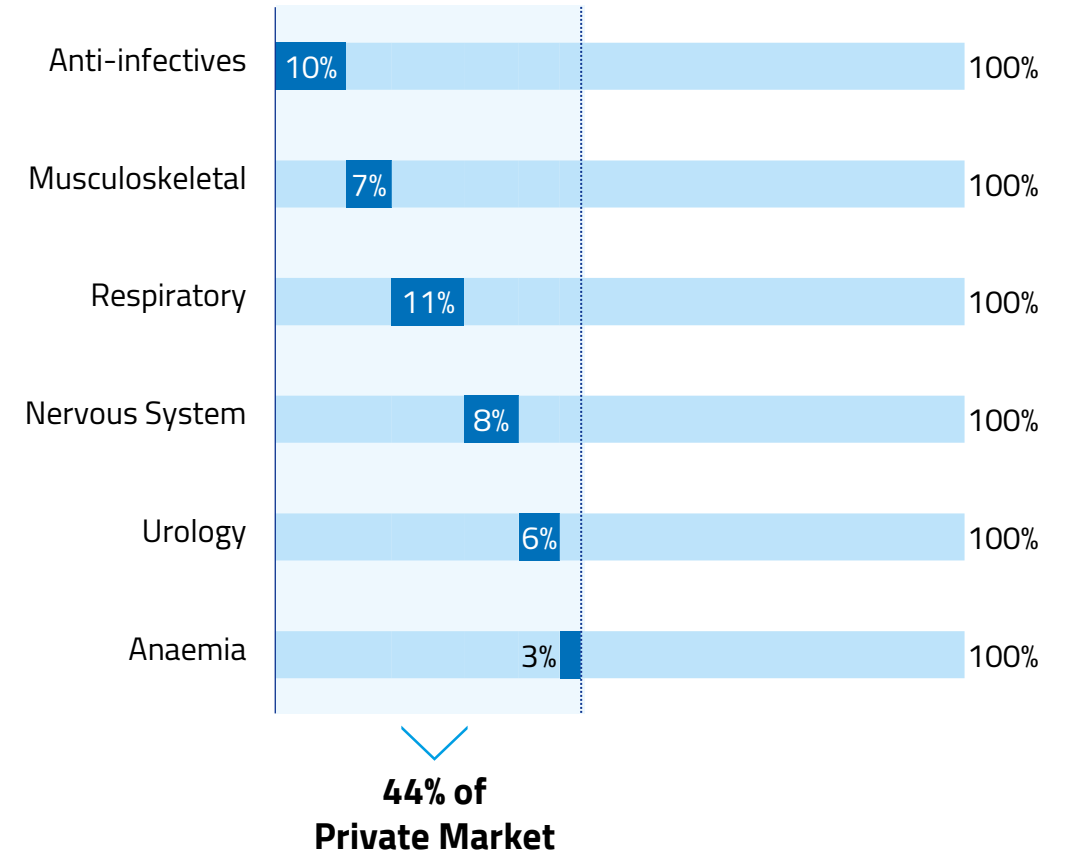
SPIMACO's Private Market Share and Rank¹

(Company's Private Market Share in %, Rank)



Therapeutic Area Share of Private Market¹

(Therapeutic Area Share of Private Market in %)



Source: IQVIA SCIM Molecule Quarterly Data Sep 2023

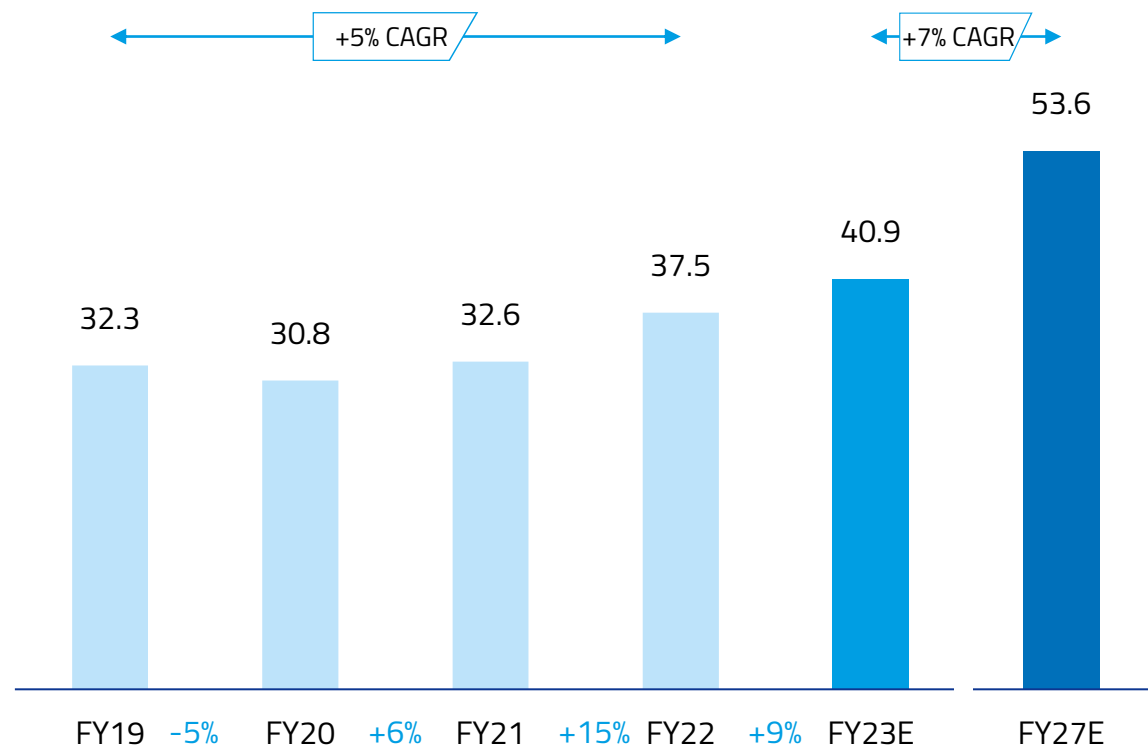
¹ Moving Annual Total, October 2022 – September 2023

Saudi Arabia Market Opportunity

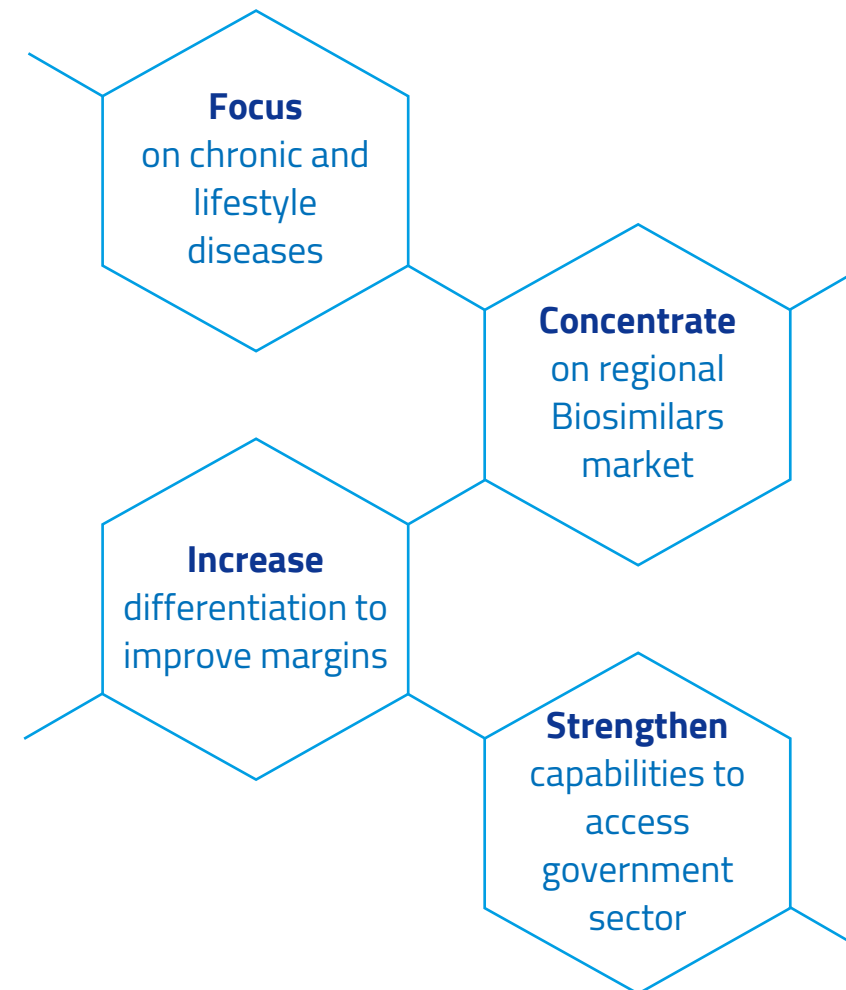
KSA market is supported by local demographics and therapeutic trends, government incentives and positive macro backdrop

Gross Market Size

Value Sales (SAR bn)



How Do We Play the Trends in KSA?



Source: IQVIA Market Prognosis 2023–27 (May 2023)

Local currency in USD converted to SAR at SAR 3.75 exchange rate

Innovation: Endosa (Enoxaparin Sodium)

First Biosimilar manufactured in Saudi Arabia officially launched in September 2023

About Endosa

Enoxaparin Sodium is a **life saving**, low molecular weight heparin to replace heparin in emergency and critical clinical settings.



Market

- ◆ **Fractioned Heparin market size** (annual¹): SAR ~230 million, 6.4 million units
- ◆ **Competitive landscape**: high concentration, 5 competing products²
- ◆ **Innovator product sales** (annual³): SAR 214 million
- ◆ The market is expected to **grow at 5% CAGR** over the next five years

Key Facts

- ◆ SPIMACO's first biosimilar, approved by the European Medical Agency and SFDA, showcases its innovation and technical expertise.
- ◆ Full tech transfer, including prefilled syringe technology.
- ◆ Highlights Company's innovation, technical, and regulatory affairs capabilities, advancing our localization goals.
- ◆ Work towards registration for export markets is underway.

9M 2023 Financial Performance

Michael Baum, CFO



P&L Trends: 3Q and 9M 2023

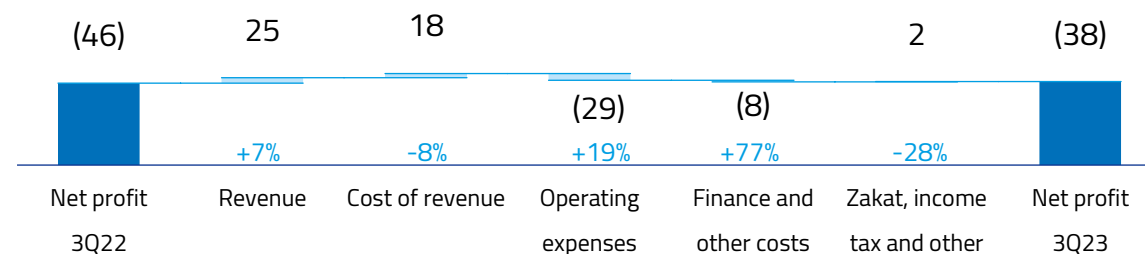
Profitability in 9M 2023 was supported by accelerated revenue growth outpacing costs expansion

P&L Highlights

SAR mn	3Q2023	3Q2022	Δ%	9M2023	9M2022	Δ%
Revenue	382	357	+7%	1,322	1,057	+25%
Cost of revenue	(216)	(234)	-8%	(716)	(628)	+14%
Gross profit	166	123	+35%	606	429	+41%
Total operating expenses	(183)	(153)	+19%	(518)	(461)	+12%
EBIT	(17)	(30)	-45%	88	(32)	NA
Adjusted ¹ EBIT	15	(30)	NA	119	(32)	NA
EBITDA	3	(9)	NA	149	35	+330%
Adjusted ¹ EBITDA	35	(9)	NA	181	35	+419%
Net profit / (loss)	(38)	(46)	-16%	40	(67)	NA
Adjusted ¹ net profit / (loss)	(7)	(46)	-84%	72	(67)	NA
Gross Profit Margin	43.5%	34.5%	+9.0%	45.9%	40.6%	+5.3%
Adjusted ¹ EBIT Margin	3.8%	-8.4%	+12.2%	9.0%	-3.0%	+12.0%
Adjusted ¹ EBITDA Margin	9.1%	-2.5%	+11.5%	13.7%	3.3%	+10.4%
Adjusted ¹ Net Profit Margin	-1.9%	-12.9%	+11.0%	5.4%	-6.3%	+11.8%

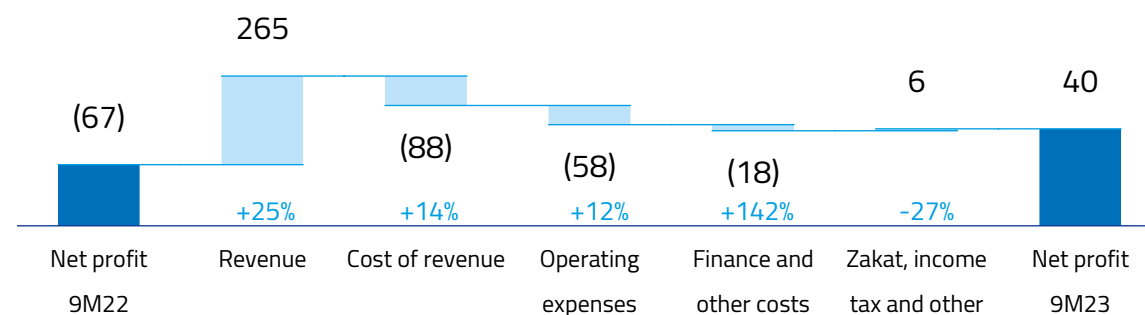
Net Profit Development (3Q23)

(SAR mn)



Net Profit Development (9M23)

(SAR mn)



Source: Company financials

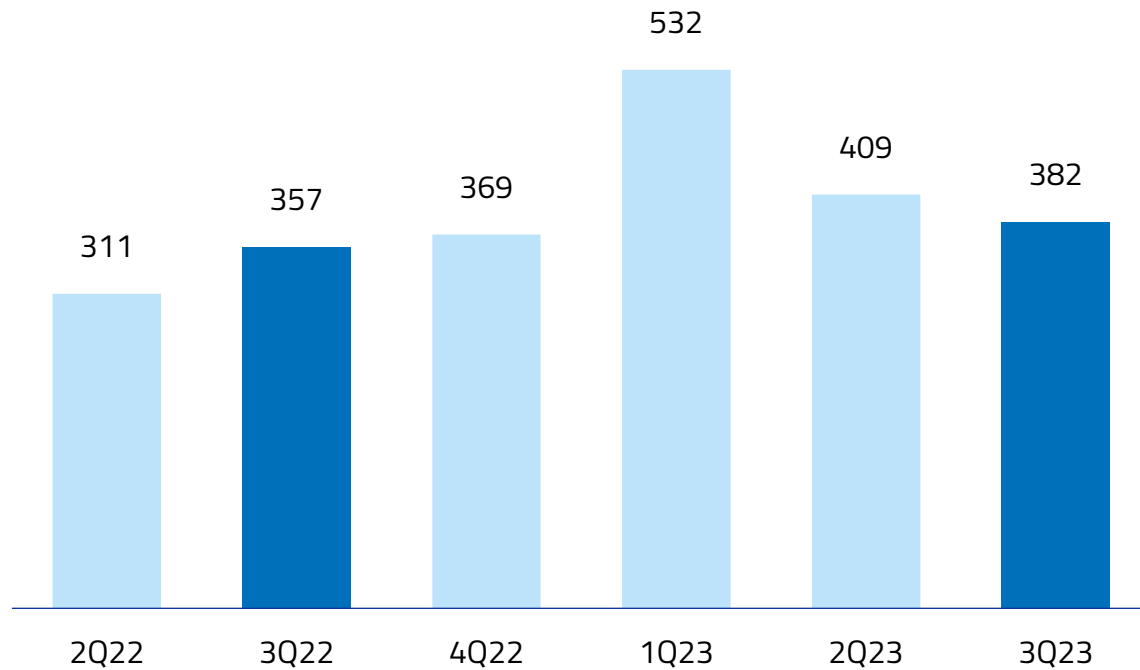
¹ Adjusted for SAR 31 million in 9M23 related to the labor dispute provisions included in Other operating expenses.

Revenue: Quarterly Development and Seasonality

9M 2023 revenue was supported by the ongoing structural transformation and influenced by seasonality

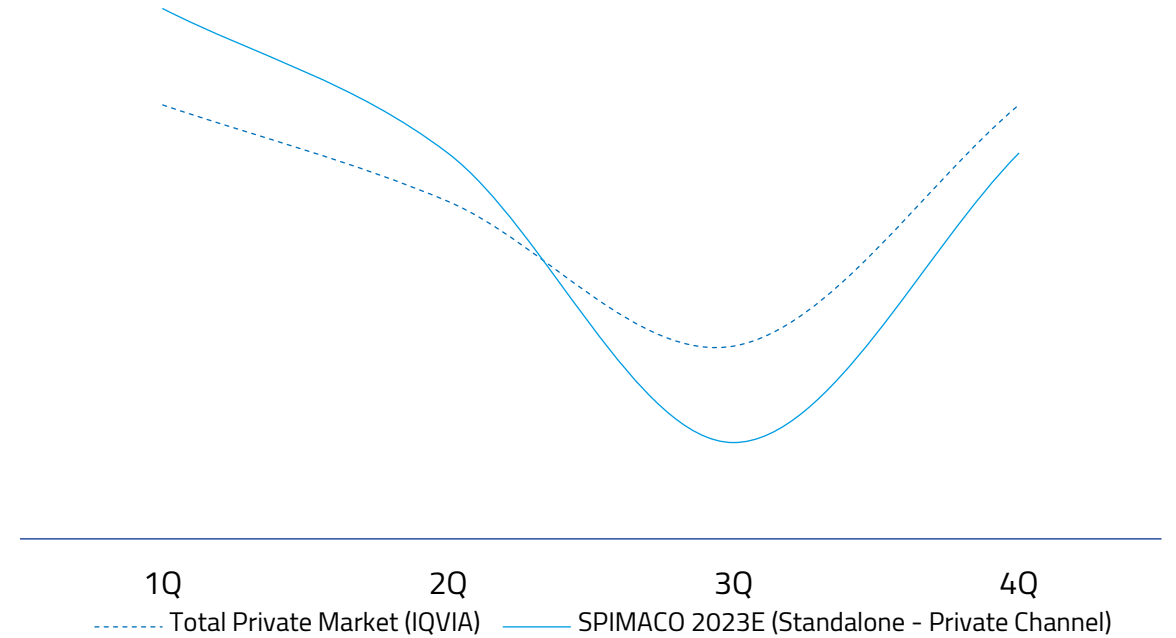
Revenue Development, Quarterly

(SAR mn)



Market Revenue Seasonality (2019-2022)

(% of annual Revenue)

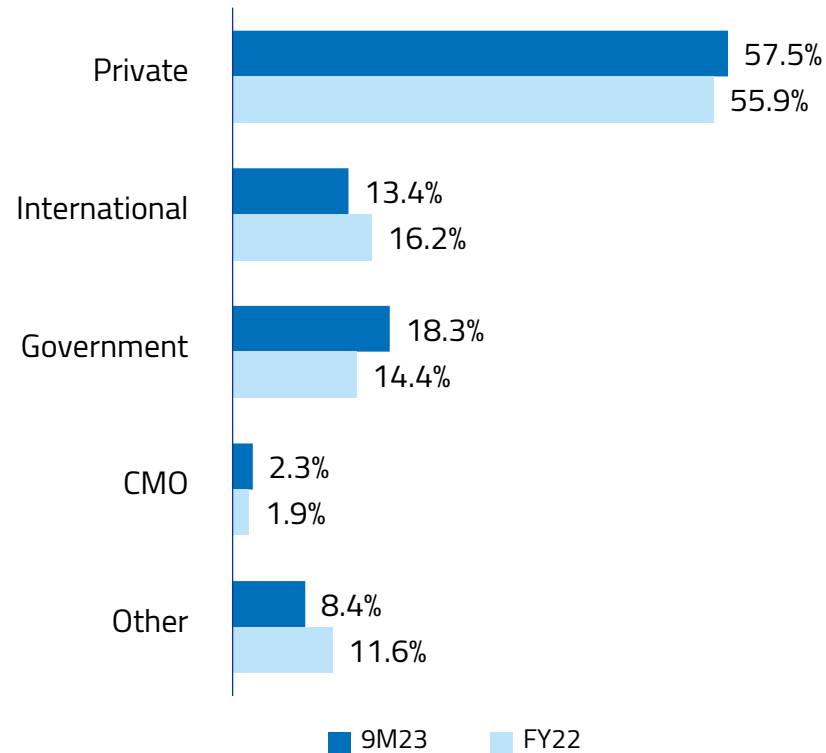


Revenue: Pharma Revenue¹ by Channel

Private and Government channels were the key contributors to pharma revenue in 9M 2023

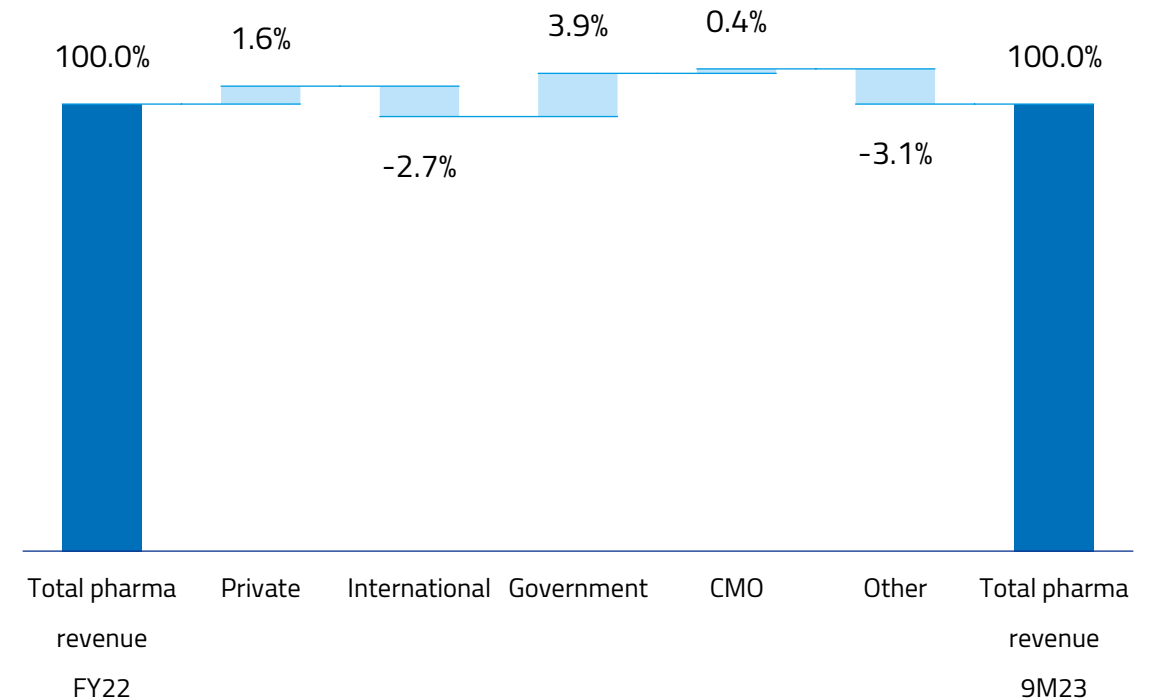
Revenue by Channel²

(%)



Revenue by Channel Development²

(SAR mn)



Source: Company financials, Management calculations

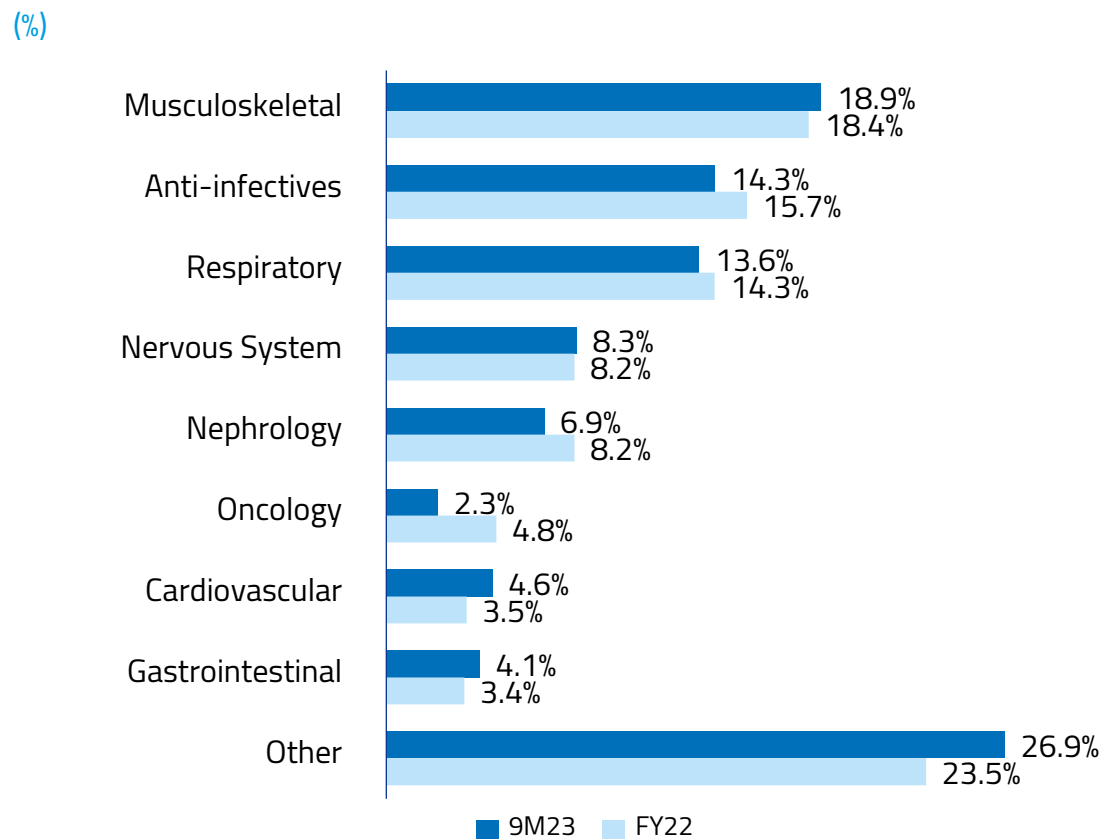
¹ Non-IFRS measure. Pharma revenue excludes other types of revenue such as revenue from hospital business, etc. Pharma revenue represents 84.0% of Total revenue in 9M23 (86.4% in FY22).

² Based on Pharma revenue.

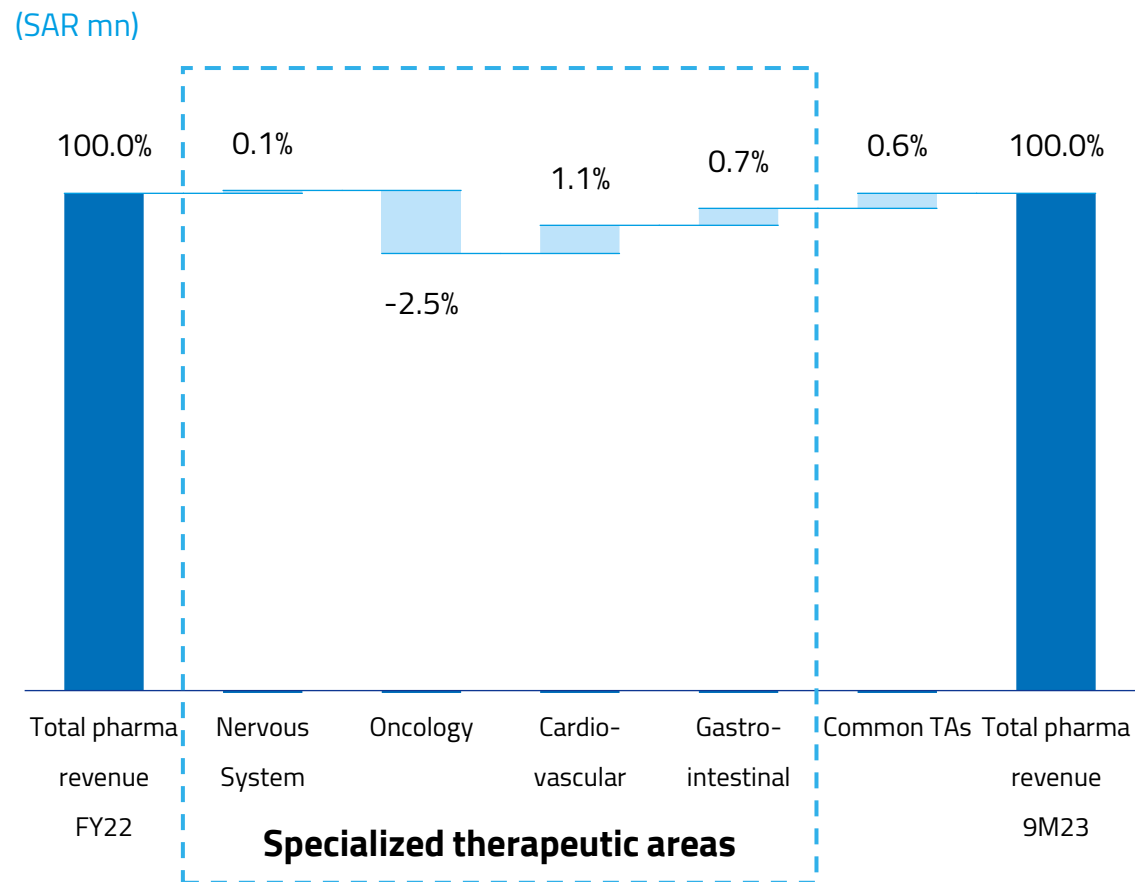
Revenue: Therapeutic Area Mix

Portfolio refocusing efforts resulted in more emphasis on key specialized therapeutic areas

Revenue by Therapeutic Area¹



Revenue by Therapeutic Area Development¹



Source: Company financials, Management calculations

¹ Based on Pharma revenue

Cost of Revenue and Operating Costs Trends

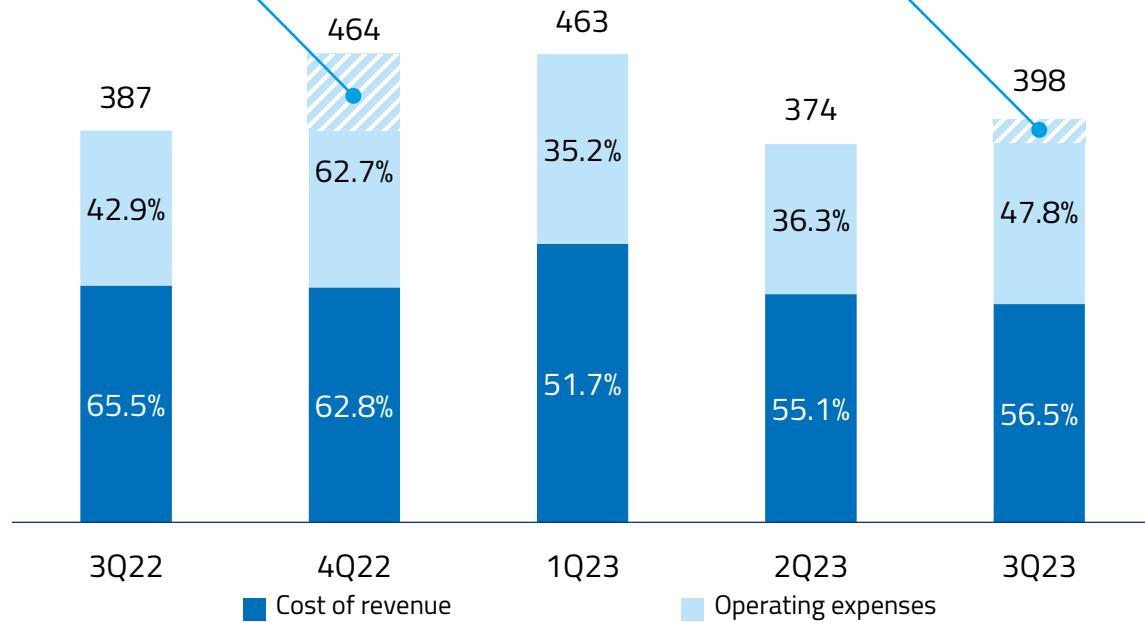
13% year-on-year increase in total expenses in 9M23 - lower than revenue growth - and supportive of higher margins

Total Expenses (Cost of Revenue + Operating Expenses)

(SAR mn, % of Revenue)

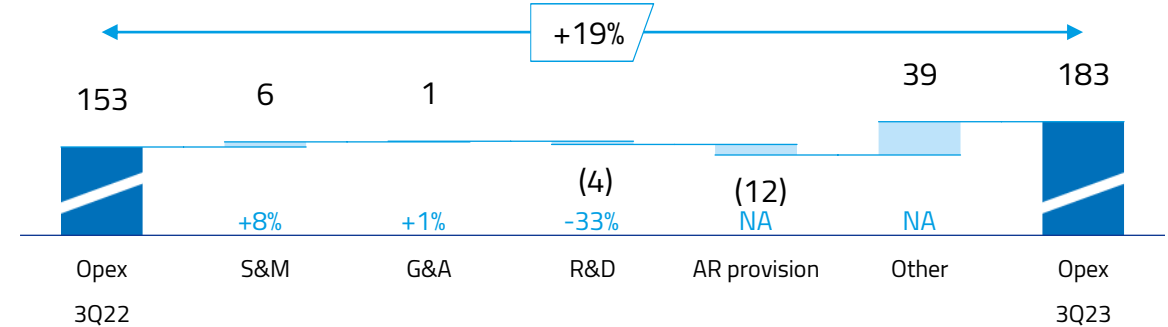
Higher operating expenses due to structural upgrade and transformation costs related to Strategy-2027

Charges, including provisions, related to the potential liabilities arising from the labor disputes initiated in the 3Q23



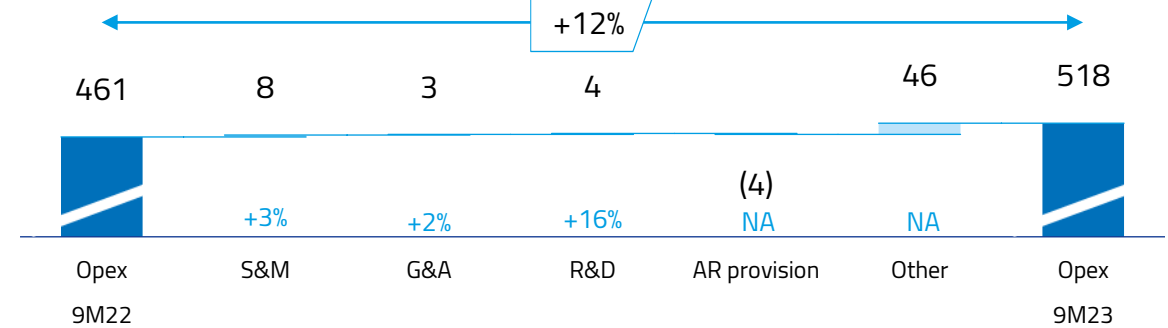
Operating Expenses Development (3Q23)

(SAR mn)



Operating Expenses Development (9M23)

(SAR mn)



Balance Sheet Trends

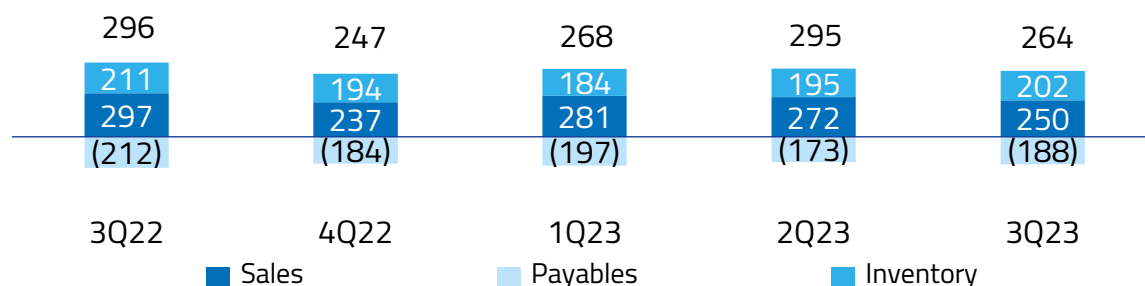
Balance Sheet remained solid in 3Q23, cash conversion cycle improving year-on-year

Balance Sheet Highlights

SAR mn	3Q 2023	4Q 2022	Δ%	3Q 2022	Δ%
Total Non-Current Assets	1,972	1,951	+1%	1,951	+1%
Total Current Assets	2,158	1,880	+15%	2,251	-4%
Total Assets	4,131	3,832	+8%	4,205	-2%
Total Equity	1,705	1,693	+1%	1,846	-8%
Total Non-Current Liabilities	1,049	790	+33%	793	+32%
Total Current Liabilities	1,377	1,349	+2%	1,565	-12%
Total Liabilities	2,426	2,139	+13%	2,358	+3%

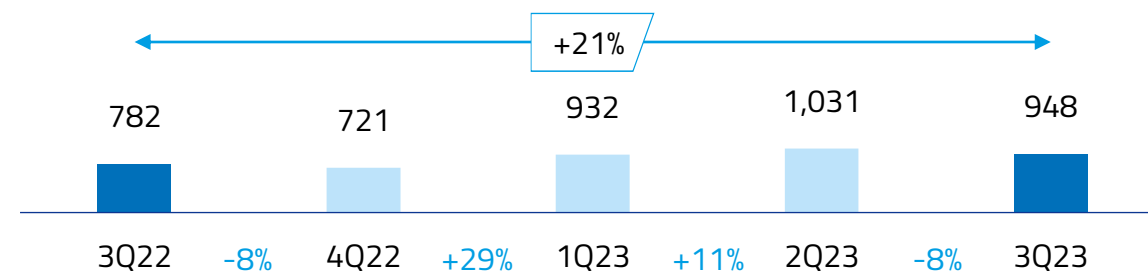
Cash Conversion Cycle Trends¹

(Days outstanding)



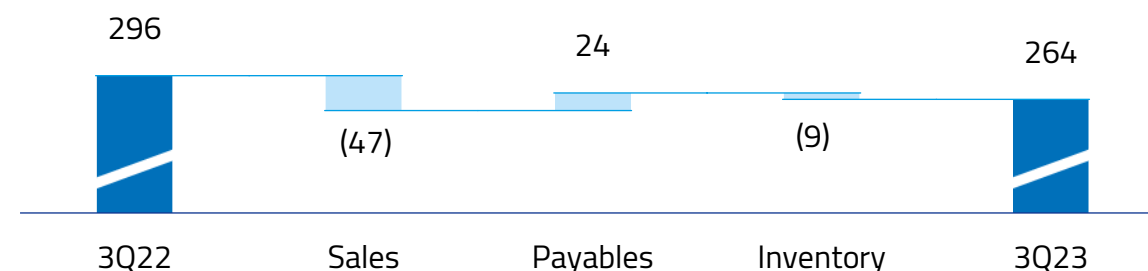
Net Debt¹

(SAR mn)



Cash Conversion Cycle Dynamics²

(Days outstanding)



Source: Company financials

¹ Long-term loans and borrowings + Short-term loans and borrowings - Cash and cash equivalents

² Trailing for the previous 12 months

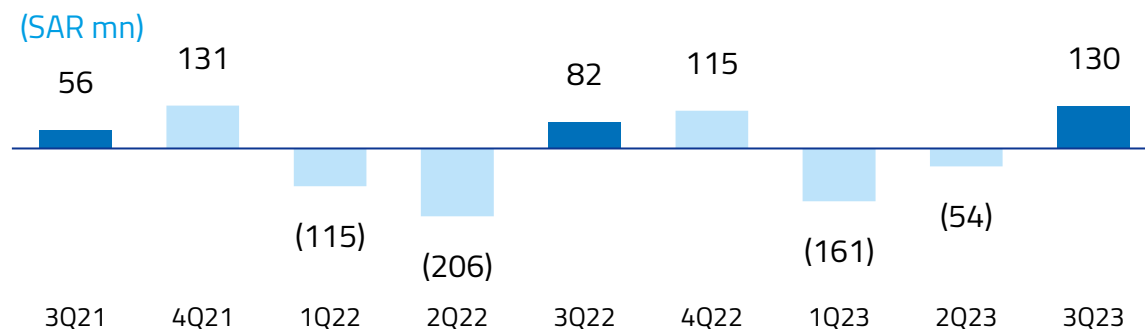
Cash Flow Trends

Cash position dynamics influenced by working capital development

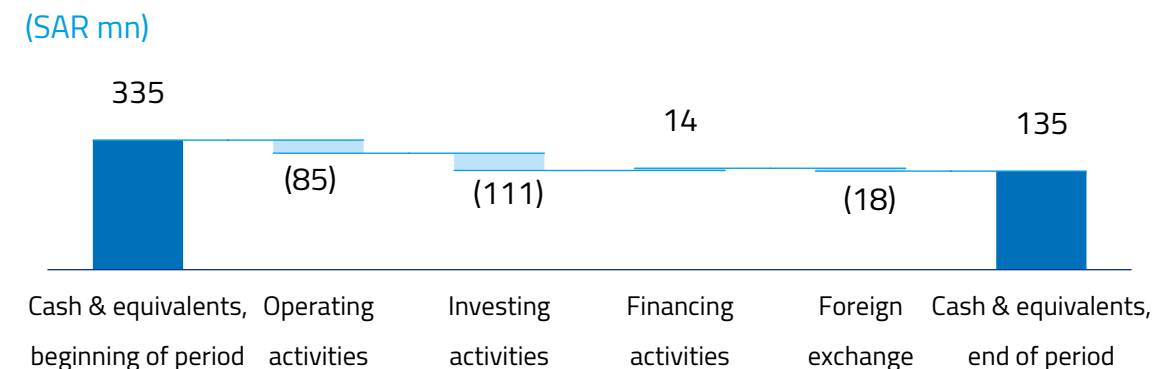
Cash Flow Highlights

SAR mn	9M2023	9M2022	Δ%
Profit before zakat	57	(45)	NA
Net cash, operating activities	(85)	(239)	-64%
Net cash, investing activities	(111)	500	NA
Net cash, financing activities	14	(163)	NA
Net changes in cash	(182)	98	NA

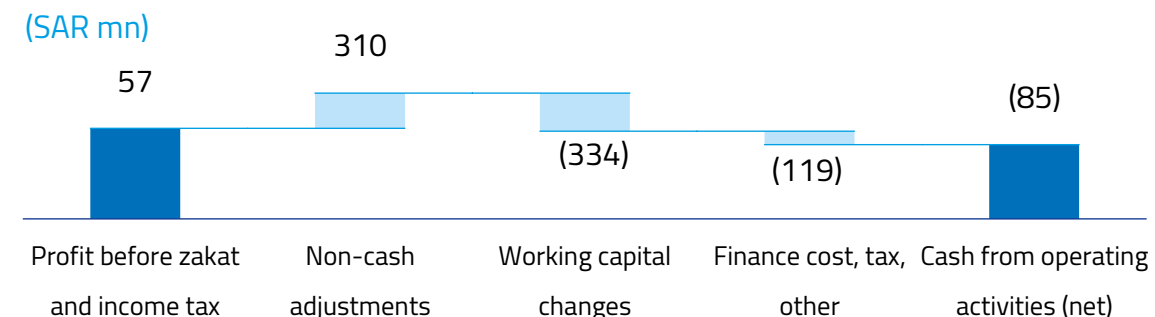
Net Cash From Operating Activities Quarterly Development



Cash Flow Dynamics (9M23)



Net Cash From Operating Activities Dynamics (9M23)



2023 Guidance

The guidance is maintained, affirming confidence in the projected course amid the unfolding strategic transformation

Expected Developments in 2023

Indicator	FY22	9M23	FY23 Expectations (vs FY22)
Revenue	1,426 SAR mn (-2% YoY)	1,322 SAR mn (+25% YoY)	Increase by 19-21%
Gross Profit Margin	39.7%	45.9%	Increase enabled by portfolio shift and cost optimization
Selling & Marketing Cost Ratio¹	26.2%	19.9%	Decline driven by top-line growth
General & Administrative Cost Ratio¹	18.6%	14.2%	Decline driven by top-line growth
Research & Development Cost Ratio¹	3.0%	3.0% ²	Increase up to 3.3%
EBITDA Margin	-2.5%	13.7% ³	Improvement to 10-11%
EPS	(1.38)	0.60 ³	Gradual improvement
Net Debt / LTM EBITDA	NA	8.6x ³	Increase due to additional leverage



Source: Company estimates

¹ As a percentage of revenue.

² Including capitalized costs in the amount of SAR 9 million in 9M23.

³ Adjusted for SAR 31 million in 9M23 related to the labor dispute provisions included in Other operating expenses.

Q&A Session



Appendix

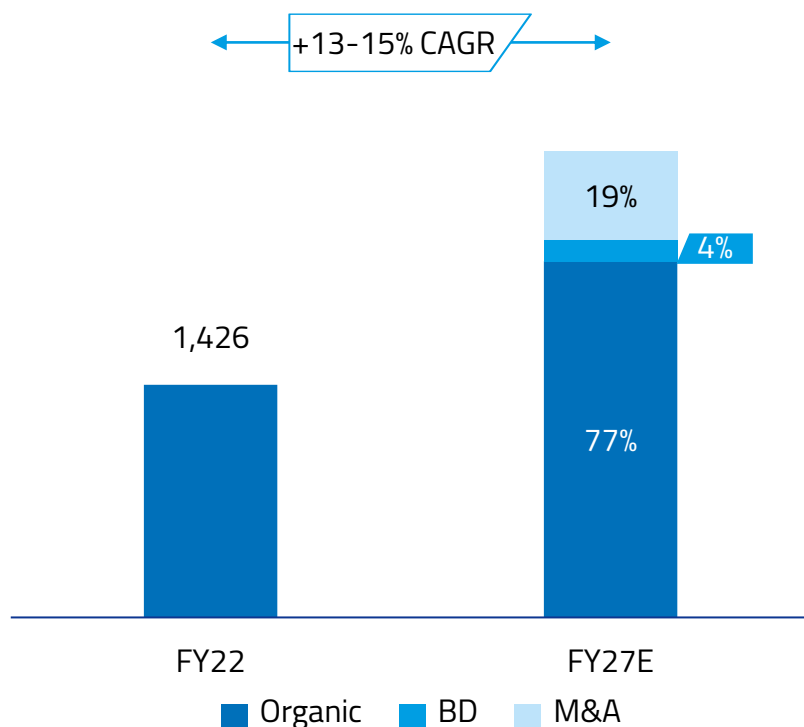


Expected Financial Developments Towards 2027

The revamped strategy execution has a direct impact on financial results improvement in the long-term

SPIMACO Revenue Trajectory

(SAR mn)



Expected Developments Towards 2027

Gross Margin	↗	Gradual increase enabled by portfolio shift and cost optimization
Selling & Marketing cost ratio	↘	Moderate decline driven by optimization and offset by more active marketing efforts
General & Administrative cost ratio	↘	Decline driven by top line growth and efficiency gains in backbone processes
Research & Development cost ratio	↗	Gradual increase to expand and diversify the pipeline
EBITDA Margin	↗	Gradual increase to reflect the positive portfolio adjustment, cost efficiencies, & accretive M&A effect targeting a range of 15-17%
EPS	↗	Gradual increase
Net Debt / EBITDA	→	Increase in medium-term due to rising leverage with subsequent decline as EBITDA generation increases

Capital Allocation Priorities

Capital allocation prioritized towards growth and expansion to leverage existing and create new opportunities

Strategic Capital Allocation Priorities

1. Corporate Development

Accelerate business expansion to grow above the market level and to secure the National Champion position

2. Science Upgrade

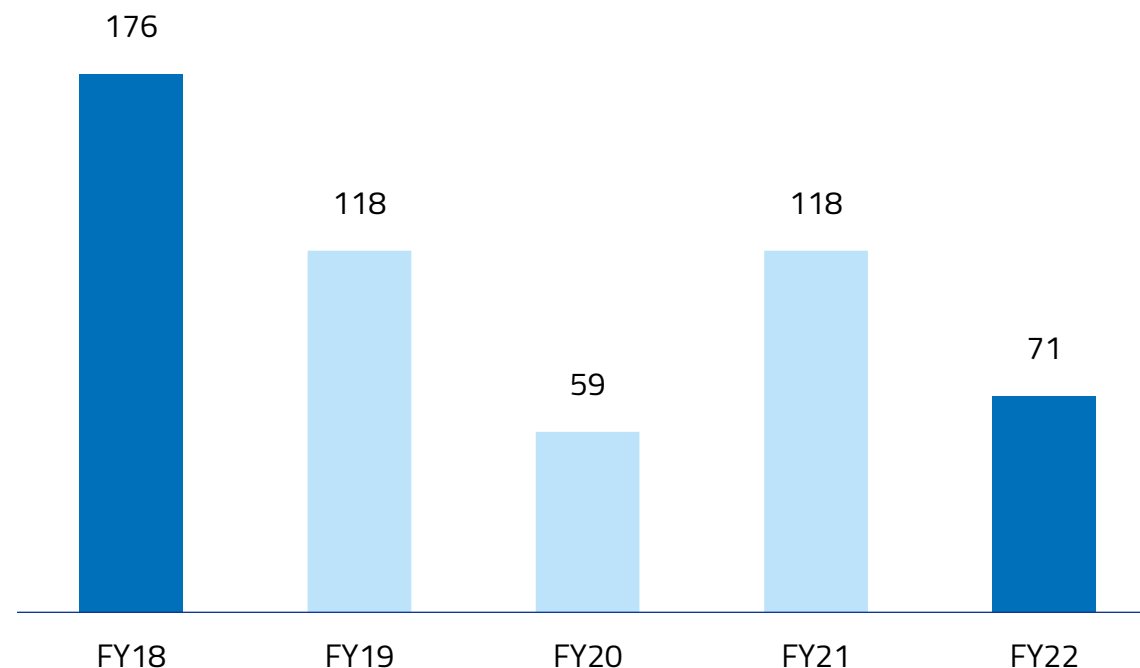
Build in-house R&D capabilities for new products with differentiated technologies

3. Value Chain Improvement

Improve SPIMACO's capabilities across the value chain to deliver the future high-value portfolio

Dividends Paid to Shareholders

(SAR mn)

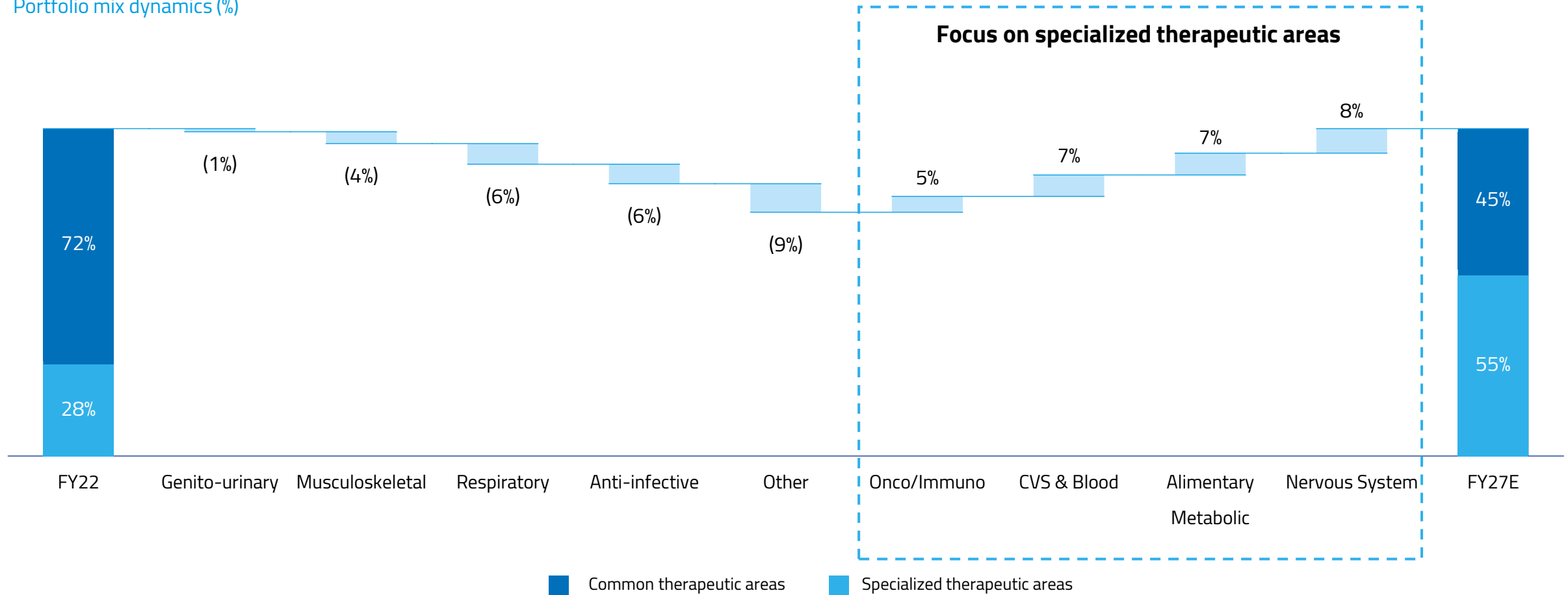


Processes - Focus on Speed and Value Creation

Future portfolio to be transformed and diversified towards specialized therapeutic areas

SPIMACO Formulation Mix Transformation

Portfolio mix dynamics (%)



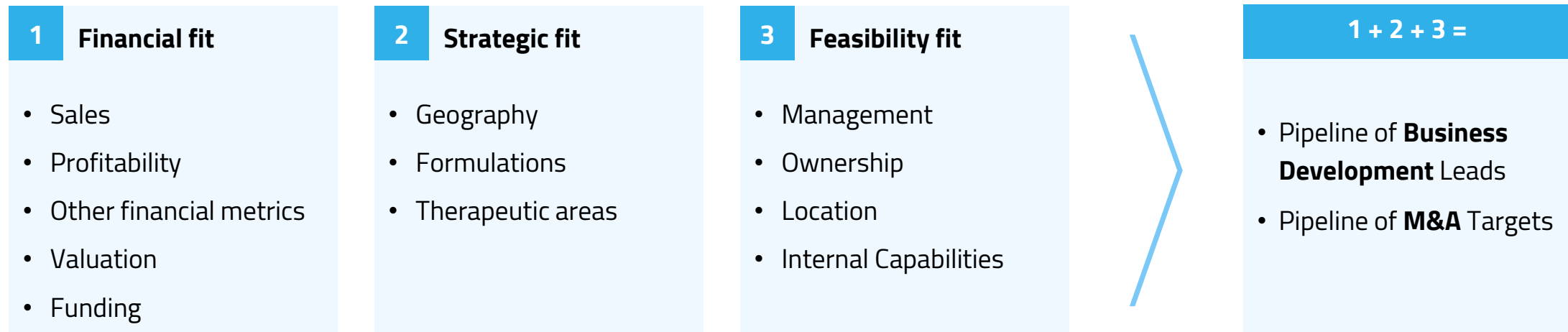
Source: Company estimates



Inorganic Opportunities Allow to Achieve Above-market Growth

SPIMACO follows a comprehensive M&A and BD framework to ensure quality and feasibility of the deals

M&A and Business Development Framework



Contacts

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