



Earnings Presentation

FY 2023

2 April, 2024



FY 2023 Performance Highlights & Strategy

Jerome Cabannes, CEO



FY 2023 Performance Highlights

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

Key FY 2023 Developments

R&D and Operations	New product registrations Registered in FY23 91 SKUs	Manufacturing Production volume vs. FY22 +35%	Productivity Rebalanced facility utilization, improved manufacturing efficiency ▲
Market and Commercial	Private market share¹ Leading player in KSA 7.4%	Sales Improved client mix, sales growth across key channels ▲	Cash Conversion Cycle -8% vs. 4Q22 LTM 228 days
Financials	Revenue +16% vs. FY22 1,653 SAR mn	Gross Profit Margin +3.0 pts vs. FY22 42.8%	EBITDA Margin +12.0 pts vs. FY22 10.2%



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

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

Meeting 2023 Goals

2023 goals were broadly met, underpinned by SPIMACO's ongoing strategic transformation

Developments in 2023

Indicator	FY22	FY23	FY23 Expectations (vs FY22)	Status
Revenue	1,422 SAR mn (-2% YoY)	1,653 SAR mn (+16% YoY)	Increase by 19-21%	
Gross Profit Margin	39.9%	42.8%	Increase enabled by portfolio shift and cost optimization	✓
Selling & Marketing Cost Ratio ¹	26.0%	21.1%	Decline driven by top-line growth	✓
General & Administrative Cost Ratio ¹	17.8%	15.4%	Decline driven by top-line growth	✓
Research & Development Cost Ratio ¹	3.0%	3.2% ²	Increase up to 3.3%	✓
EBITDA Margin	-1.7%	10.2%	Improvement to 10-11%	✓
EPS	(1.38)	(0.11)	Gradual improvement	✓
Net Debt / LTM EBITDA	NA	4.9x	Increase due to additional leverage	✓



Source: Company estimates

¹ As a percentage of revenue.

² Including capitalized costs in the amount of SAR 10.8 million in FY23.

SPIMACO – the National Champion in the Saudi Pharma Industry

Strategy execution roadmap and strategic targets by 2027

Key Targets and Focus Areas

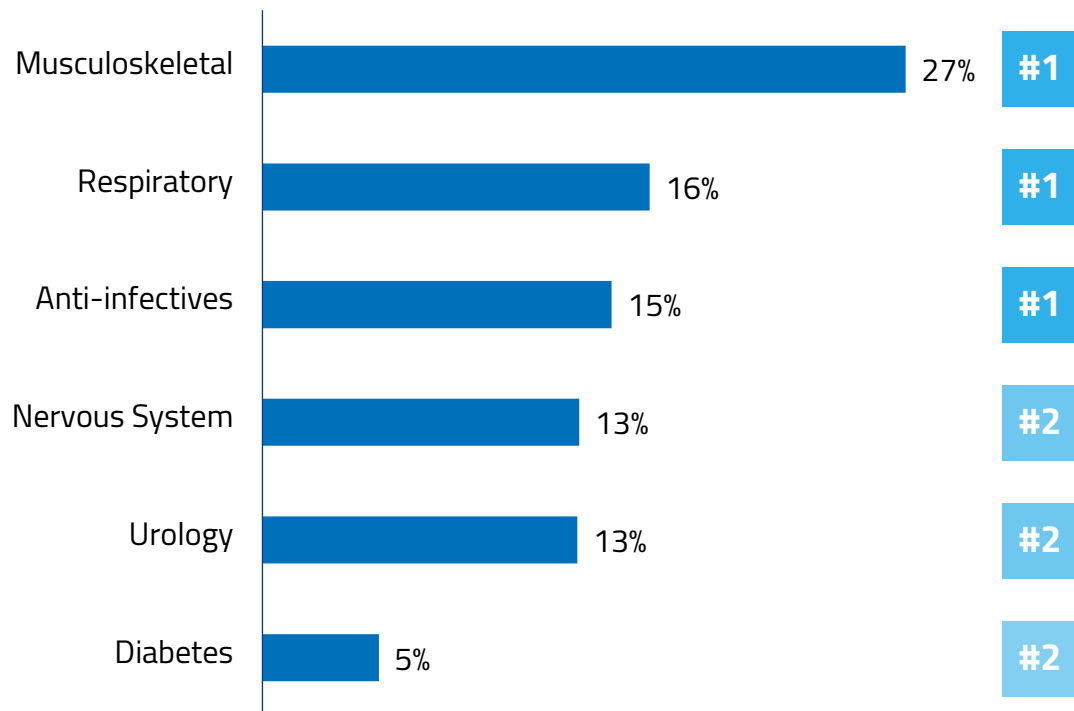


SPIMACO is KSA Private Market Leader

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

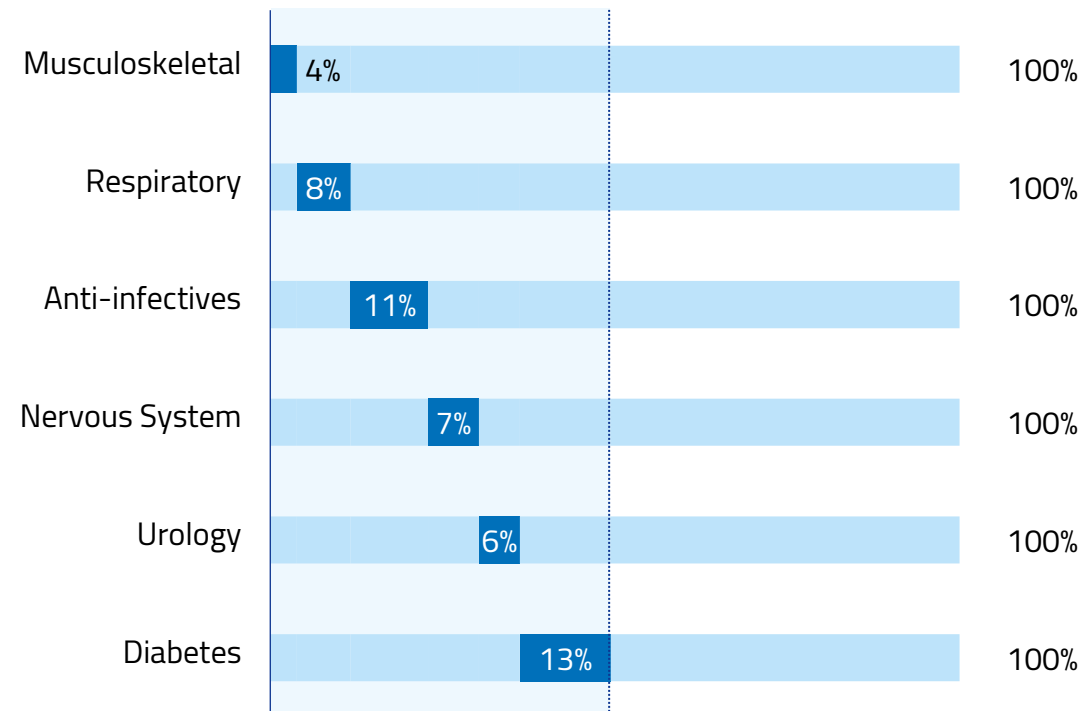
SPIMACO's Private Market Share and Rank¹

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



Therapeutic Area Share of Private Market¹

(Therapeutic Area Share of Private Market in %)



49% of
Private Market



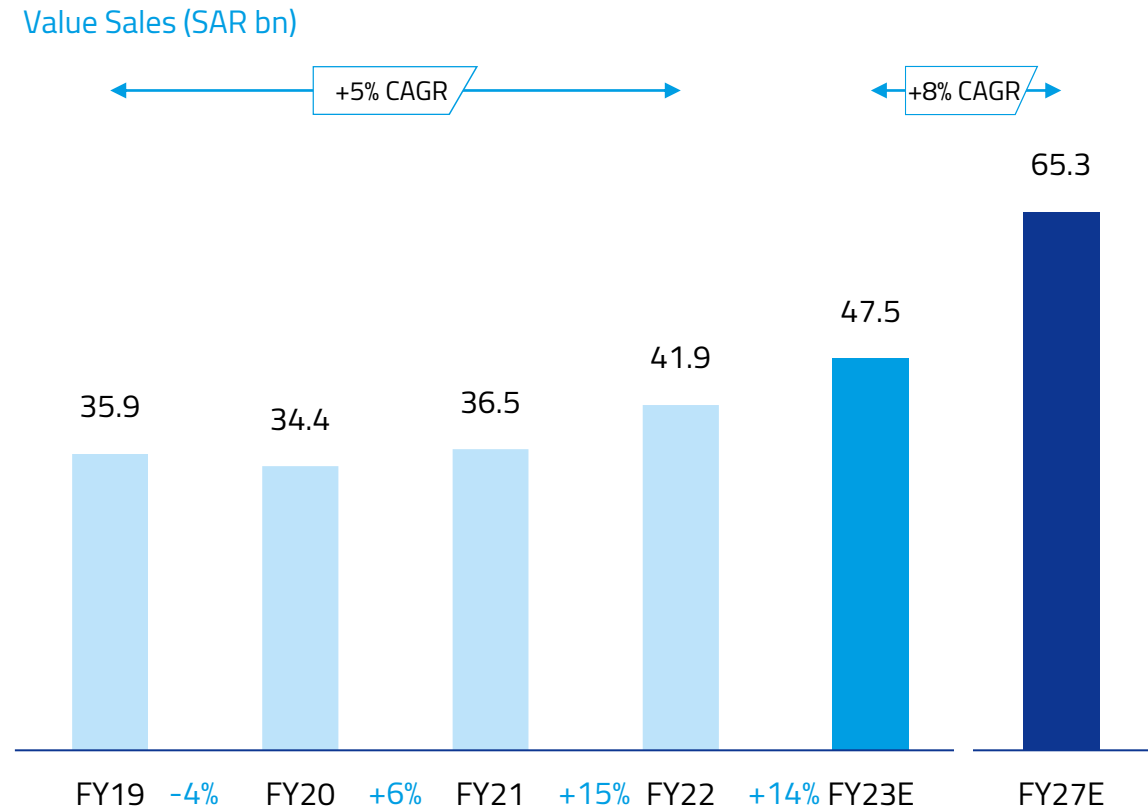
Source: IQVIA SCIM Molecule Quarterly Data Dec 2023

¹ Moving Annual Total, January 2023 – December 2023

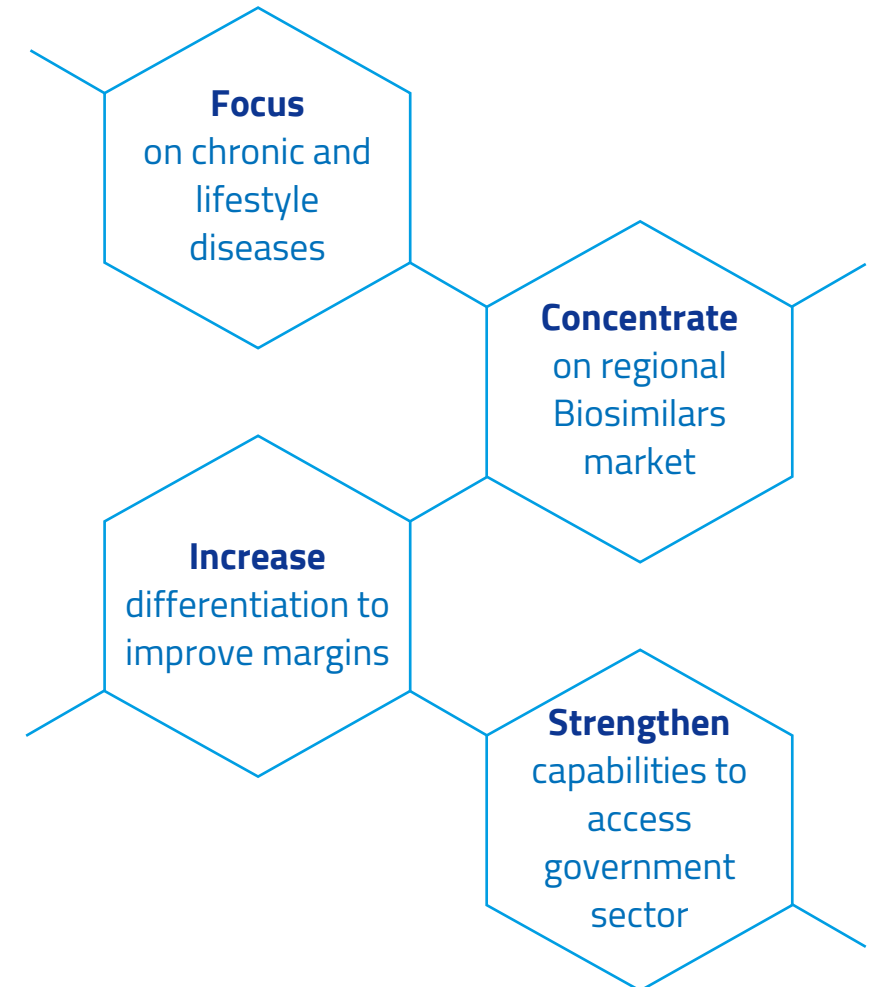
Saudi Arabia Market Opportunity

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

Gross Market Size



How Do We Play the Trends in KSA?



Source: IQVIA, SPIMACO calculations (March 2024)

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

Innovation: Biologics and Biosimilars

SPIMACO launched the first biosimilar in KSA and secured strategic partnerships with innovators to enhance its leadership

Endosa – First Biosimilar Manufactured in Saudi Arabia

- ◆ 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.



Strategic Partnerships (4Q23 – 1Q24)



FY 2023 Financial Performance

Atef Zouari, CFO



P&L Trends: 4Q and FY 2023

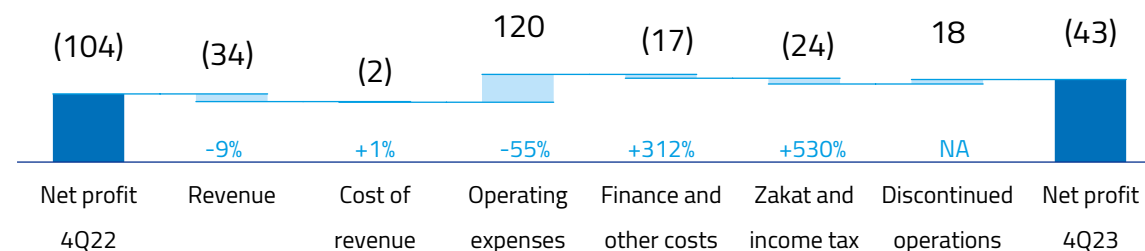
FY 2023 results driven by accelerated revenue growth outpacing costs expansion

P&L Highlights

SAR mn	4Q2023	4Q2022	Δ%	FY2023	FY2022	Δ%
Revenue	331	365	-9%	1,653	1,422	+16%
Cost of revenue	(229)	(227)	+1%	(945)	(855)	+11%
Gross profit	102	138	-26%	708	567	+25%
Total operating expenses	(100)	(220)	-55%	(619)	(681)	-9%
EBIT	1	(83)	NA	89	(114)	NA
EBITDA	19	(60)	NA	168	(26)	NA
Net profit / (loss)	(43)	(104)	-59%	(3)	(171)	-98%
Gross profit Margin	30.8%	37.8%	-7.0%	42.8%	39.9%	+3.0%
EBIT Margin	0.4%	-22.6%	+23.1%	5.4%	-8.0%	+13.5%
EBITDA Margin	5.6%	-16.5%	+22.1%	10.2%	-1.8%	+12.0%
Net Profit Margin	-13.0%	-28.6%	+15.6%	-0.2%	-12.0%	+11.9%

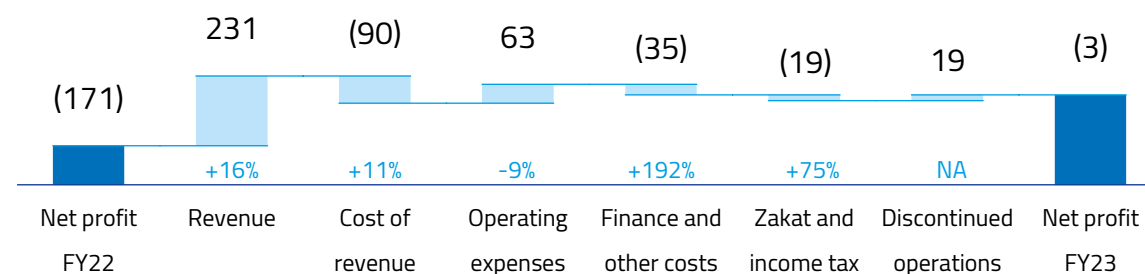
Net Profit Development (4Q23)

(SAR mn)



Net Profit Development (FY23)

(SAR mn)

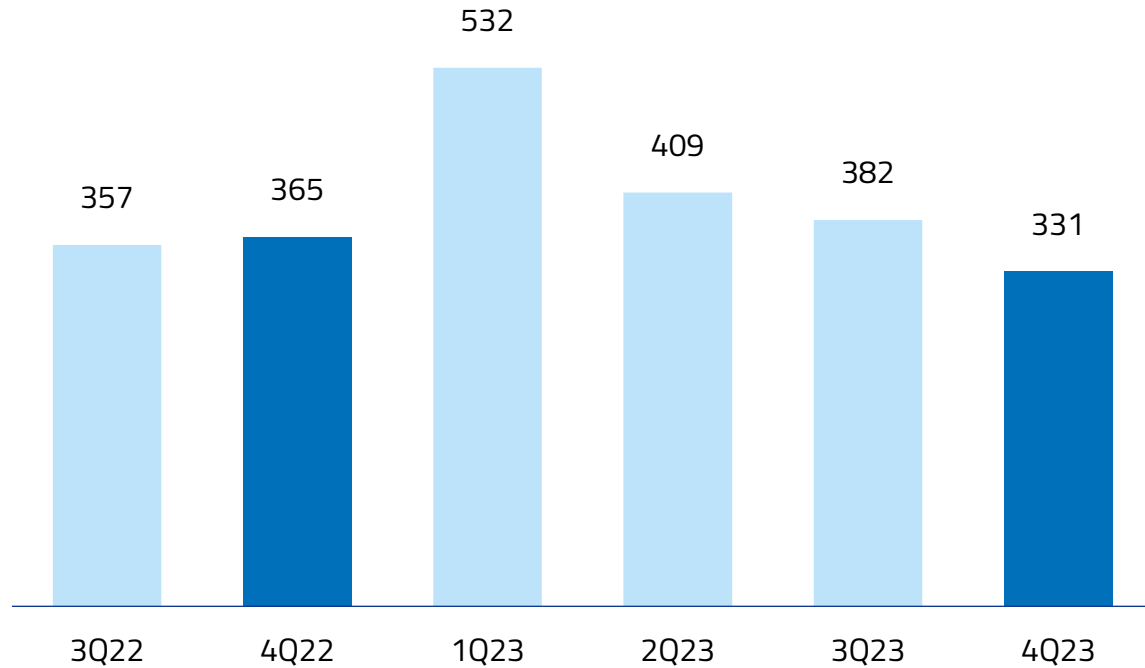


Revenue: Quarterly Development and Seasonality

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

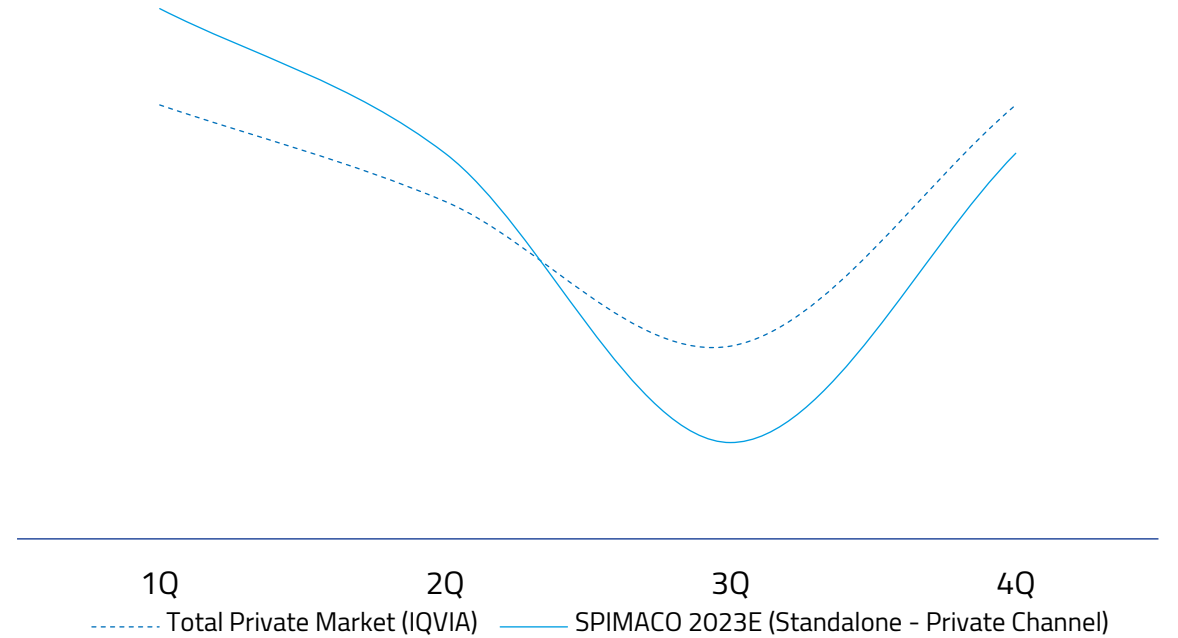
Revenue Development, Quarterly

(SAR mn)



Market Revenue Seasonality (2019-2022)

(% of annual Revenue)



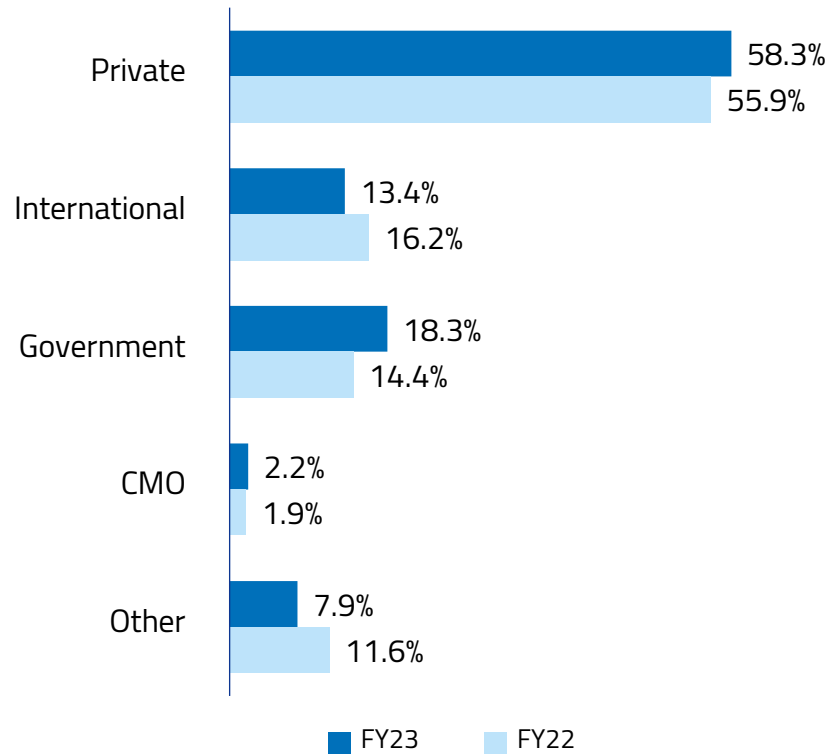
Source: Company financials, IQVIA Data

Revenue: Pharma Revenue¹ by Channel

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

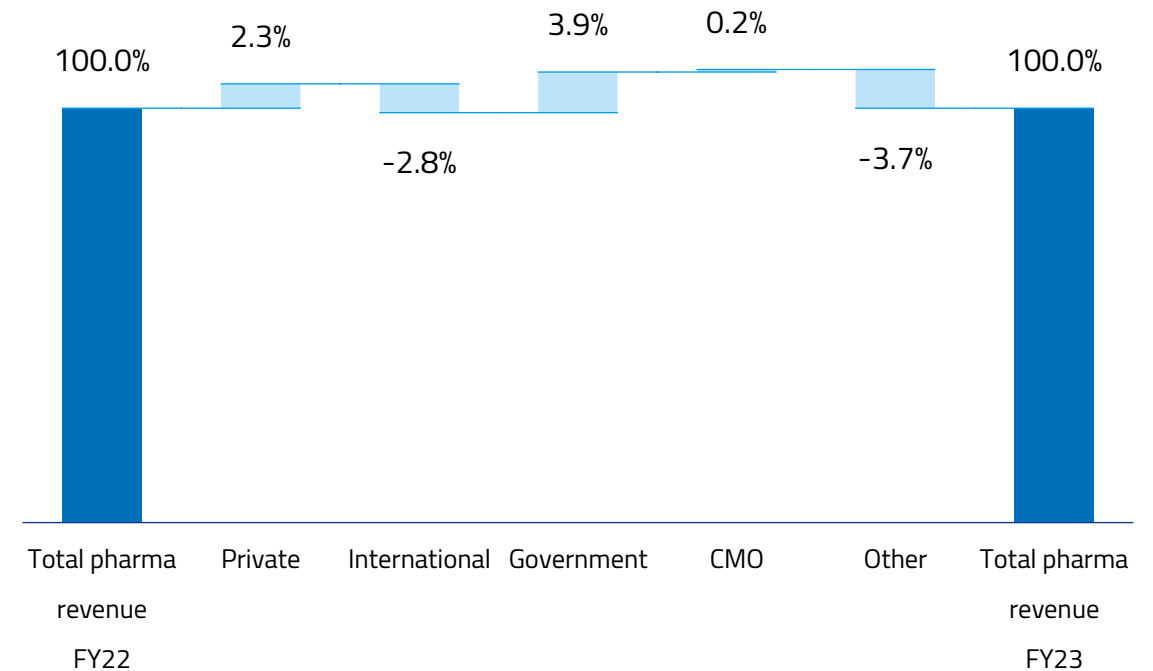
Revenue by Channel²

(%)



Revenue by Channel Development²

(SAR mn)



Source: Company financials, Management calculations

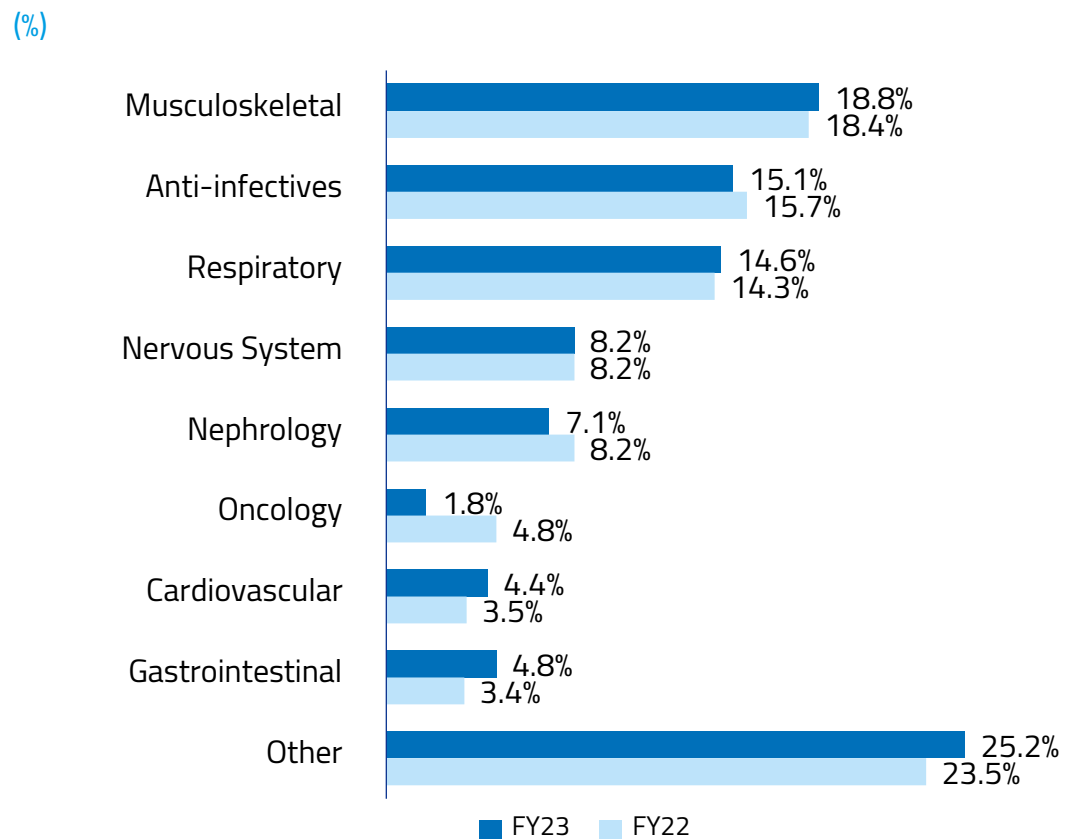
¹ Non-IFRS measure. Pharma revenue excludes other types of revenue such as revenue from hospital business, etc. Pharma revenue represents 83.4% of Total revenue in FY23 (86.4% in FY22).

² Based on Pharma revenue.

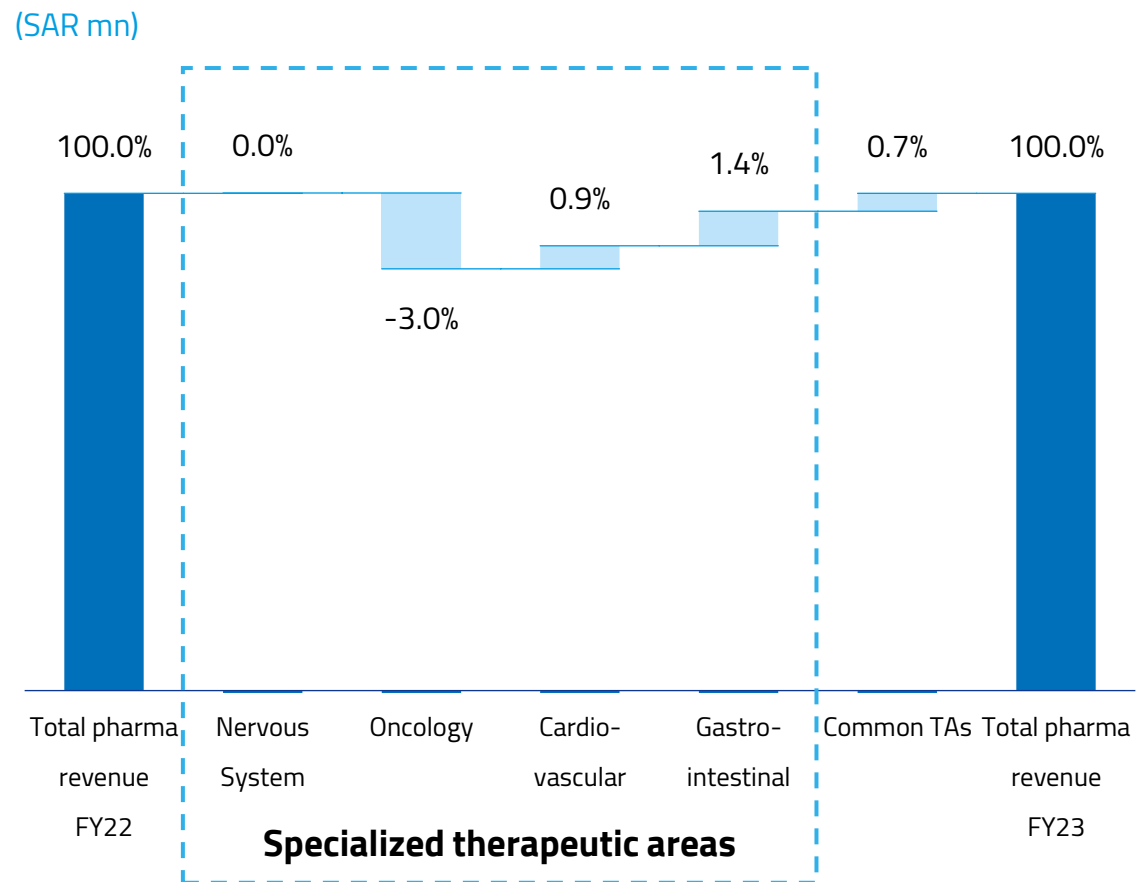
Revenue: Therapeutic Area Mix

SPIMACO's strategic approach remains concentrated on high-potential segments

Revenue by Therapeutic Area¹



Revenue by Therapeutic Area Development¹



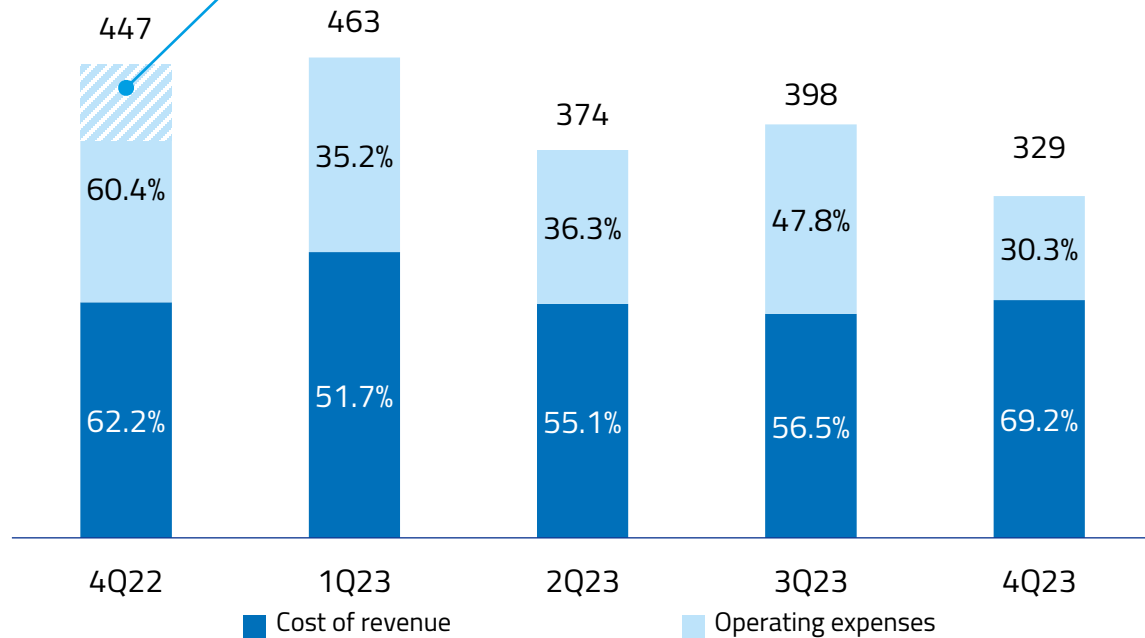
Cost of Revenue and Operating Costs Trends

2% year-on-year increase in total expenses in FY23 - lower than revenue growth - and supportive of higher margins

Total Expenses (Cost of Revenue + Operating Expenses)

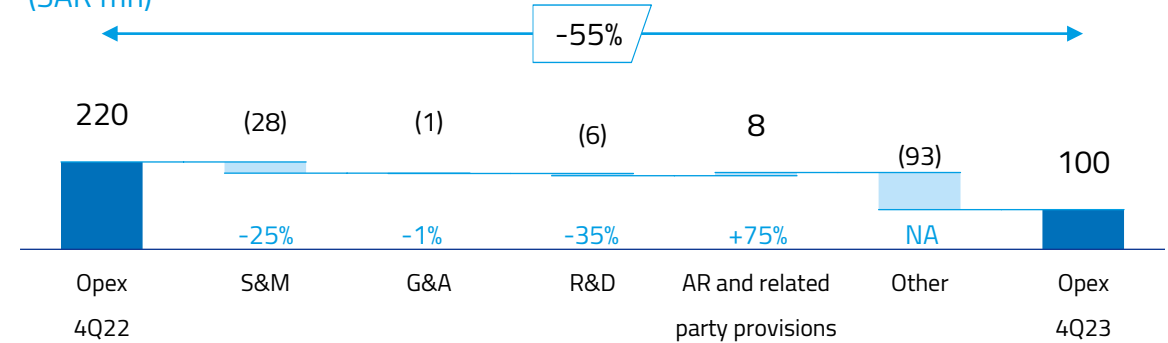
(SAR mn, % of Revenue)

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



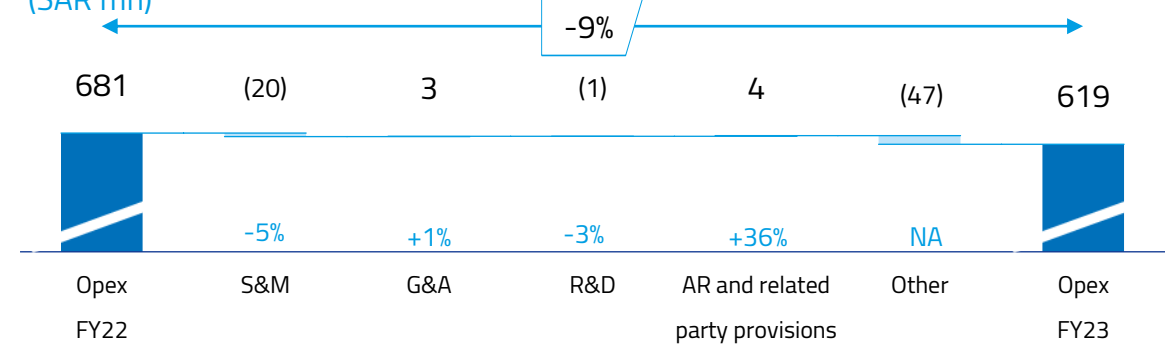
Operating Expenses Development (4Q23)

(SAR mn)



Operating Expenses Development (FY23)

(SAR mn)



Balance Sheet Trends

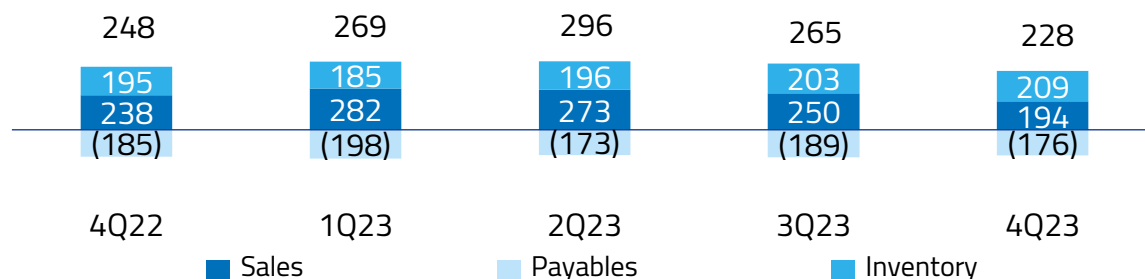
Balance Sheet remained solid in 4Q23, cash conversion cycle improving year-on-year

Balance Sheet Highlights

SAR mn	4Q 2023	4Q 2022	Δ%	3Q 2023	Δ%
Total Non-Current Assets	2,049	1,956	+5%	1,972	+4%
Total Current Assets	1,953	1,875	+4%	2,158	-10%
Total Assets	4,024	3,832	+5%	4,131	-3%
Total Equity	1,668	1,693	-1%	1,705	-2%
Total Non-Current Liabilities	951	790	+20%	1,049	-9%
Total Current Liabilities	1,400	1,349	+4%	1,377	+2%
Total Liabilities	2,356	2,139	+10%	2,426	-3%

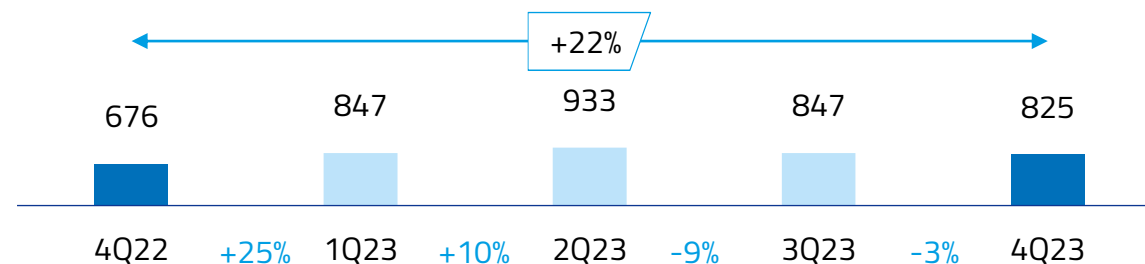
Cash Conversion Cycle Trends¹

(Days outstanding)



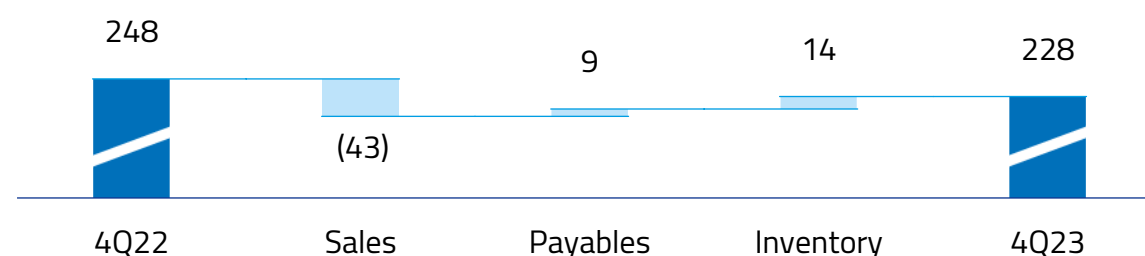
Net Debt¹

(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 - Time deposits

² Trailing for the previous 12 months

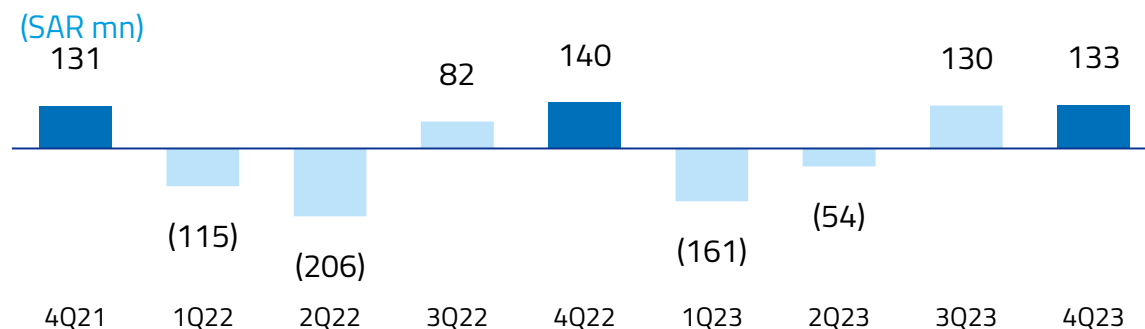
Cash Flow Trends

Cash position dynamics influenced by working capital development and capital expenditure

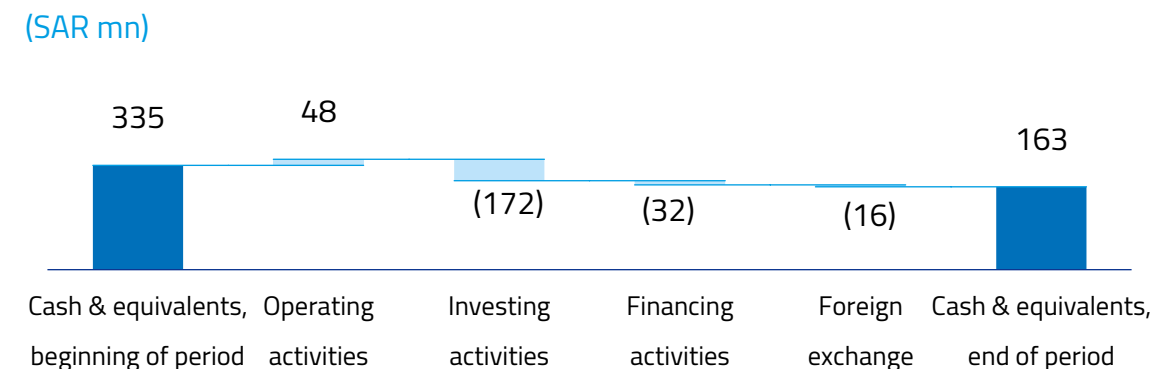
Cash Flow Highlights

SAR mn	FY2023	FY2022	Δ%
Profit before zakat, tax, disc. ops	43	(146)	NA
Net cash, operating activities	48	(99)	NA
Net cash, investing activities	(172)	485	NA
Net cash, financing activities	(32)	(341)	-91%
Net changes in cash	(156)	44	NA

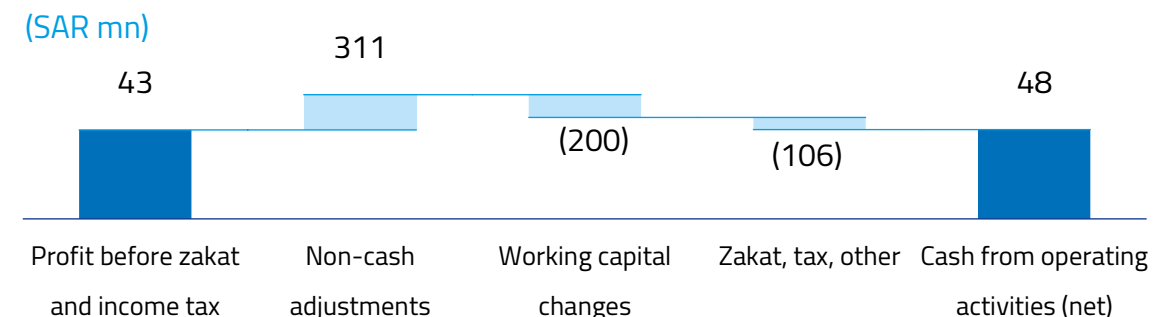
Net Cash From Operating Activities Quarterly Development



Cash Flow Dynamics (FY23)



Net Cash From Operating Activities Dynamics (FY23)



2024 Guidance

The transformation to continue paying off in 2024 with further improved sales mix and financial indicators

Expected Developments in 2024

Indicator	FY23	FY24 Expectations (vs FY23)
Revenue	1,653 SAR mn (+16% YoY)	Increase by 13-15%
Gross Profit Margin	42.8%	Increase enabled by further focus on efficiency and profitability
Selling & Marketing Cost Ratio ¹	21.1%	Decrease driven by top-line growth and cost control
General & Administrative Cost Ratio ¹	15.4%	Stable driven by further investments in IT
Research & Development Cost Ratio ¹	3.2% ²	Increase up to 3.4% (pre-capitalization)
EBITDA Margin	10.2%	Improvement to 12.5-13.5%



Source: Company estimates

¹ As a percentage of revenue.

² Including capitalized costs in the amount of SAR 10.8 million in FY23.

Q&A Session



Appendix

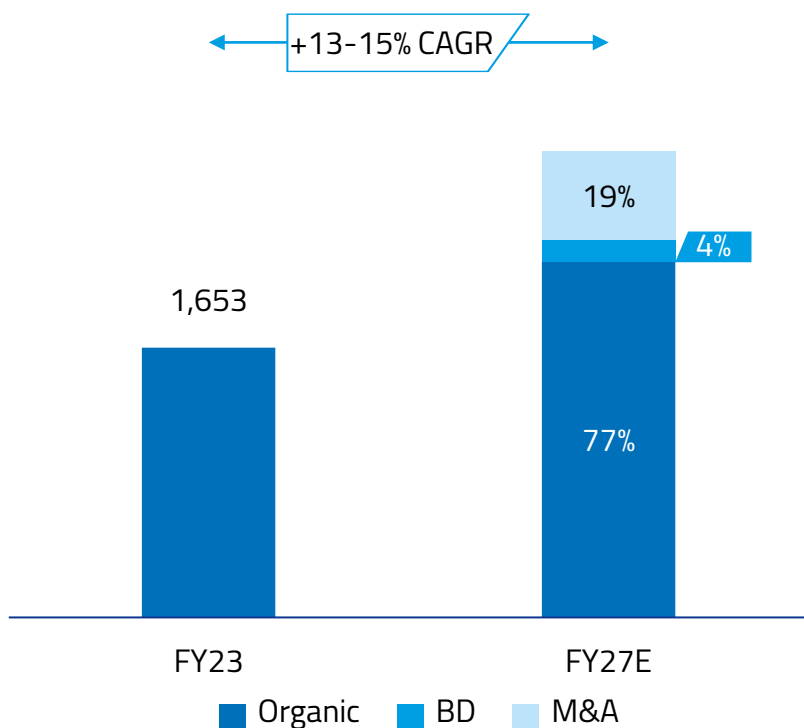


Expected Financial Developments Towards 2027

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

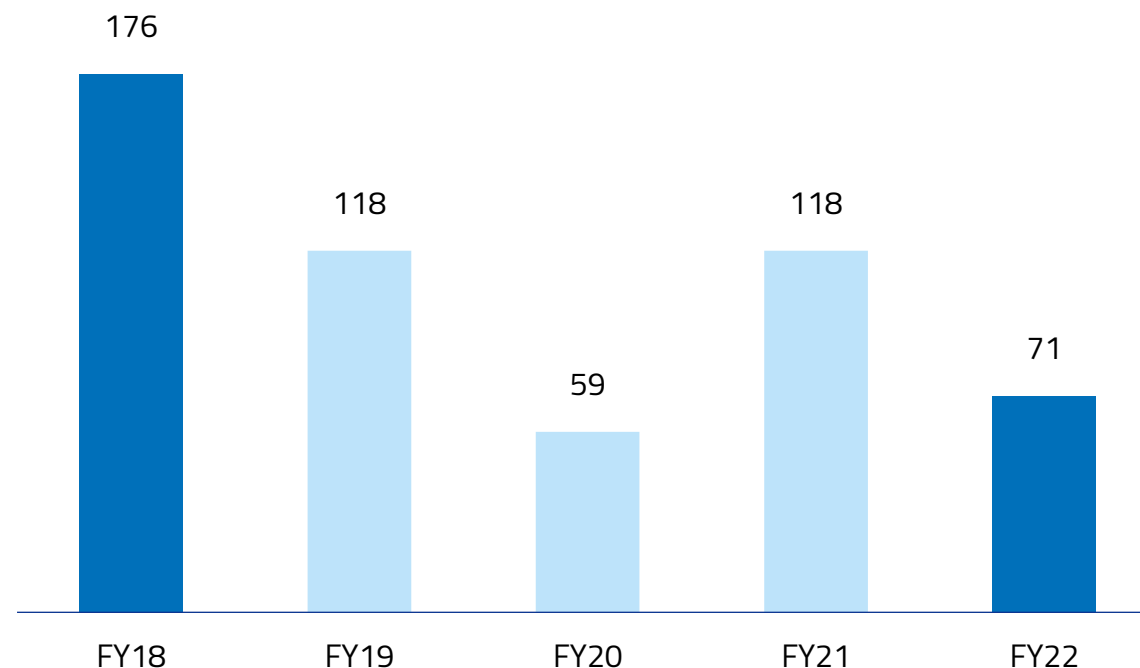
Build in-house R&D capabilities for new products with differentiated technologies

3. Value Chain Improvement

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

Dividends Paid to Shareholders

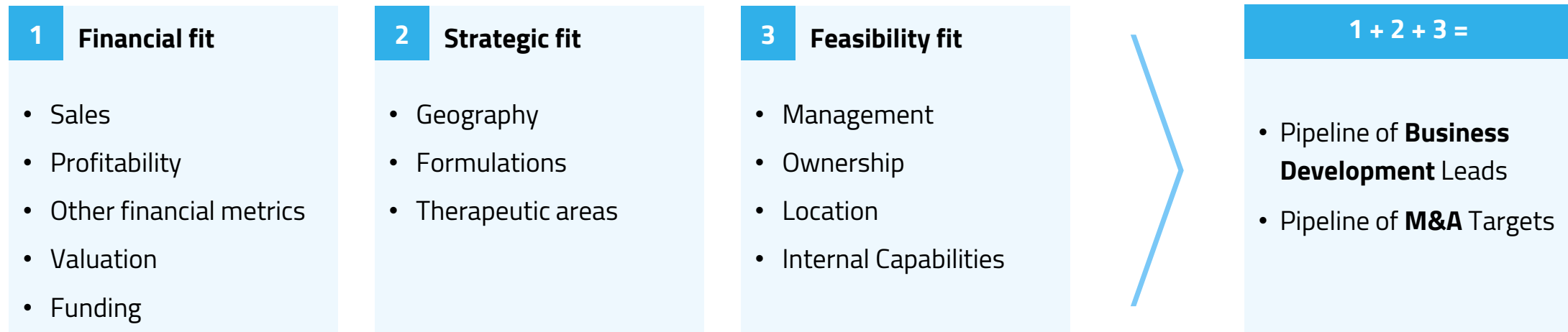
(SAR mn)



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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