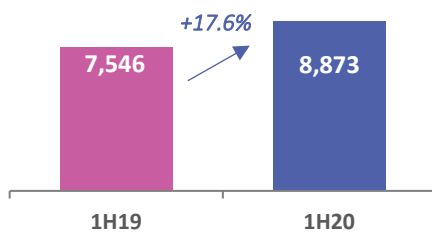


# Ibnsina Pharma Releases 1H20 Results

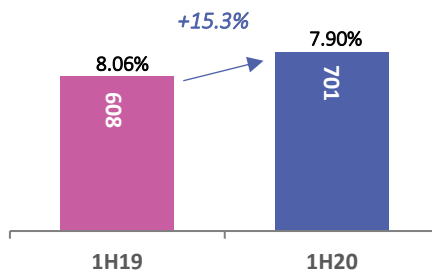
*Ibnsina Pharma maintains double-digit revenue growth despite COVID-related disruptions; top line climbs 17.6% year-on-year to EGP 8.9 billion, with a significant improvement in cash flow from operations*

Cairo, 13 August 2020

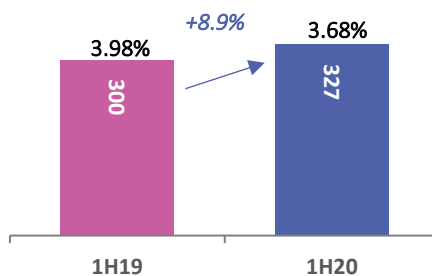
**Net Revenue Progression  
(EGP mn)**



**Gross Profit Progression  
(EGP mn, % margin)**



**EBITDA Progression  
(EGP mn, % margin)**



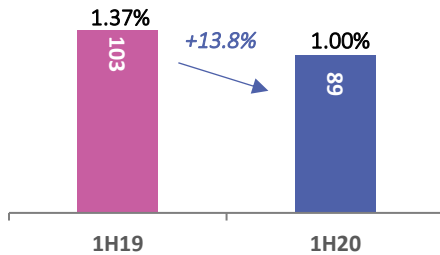
Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt’s fastest-growing and second-largest pharmaceutical distributor, released today its audited results for the six-month period ended 30 June 2020, booking net revenues of EGP 8.9 billion, up 17.6% year-on-year despite disruptions arising from the COVID-19 pandemic. Gross profit expanded by 15.3% year-on-year, reaching 701.2 million, while the gross profit margin recorded 7.90% for 1H2020, reflecting the growing top-line contribution from Ibnsina Pharma’s credit-intensive wholesale business, which utilizes cash discounts with customers.

“Halfway through an eventful and challenging year, Ibnsina Pharma and Egypt’s broader pharmaceutical market continue to successfully weather the impact of the COVID-19 pandemic,” **commented Omar Abdel Gawwad, Co-CEO of Ibnsina Pharma.** “Given the industry’s defensive nature and strong fundamentals profile, the sector has been less affected than other sorts of economic activity. Despite an intensification of lockdown measures during the months of April and May in particular, Ibnsina Pharma maintained double-digit top-line growth of 17.6% year-on-year, significantly outperforming the broader market and recording revenues of EGP 8.9 billion for the first half of 2020. The company’s strong position as Egypt’s fastest-growing pharmaceutical distributor has provided a significant measure of protection.”

Ibnsina’s EBITDA came in at EGP 326.9 million in 1H2020, up 8.9% year-on-year. Ibnsina Pharma’s EBITDA margin recorded 3.68% in 1H2020 against 3.98% one year previously as a result of the temporarily weak market growth in 1H20, which prevented the company from leveraging its advantages in economies of scale. The company booked a net profit of EGP 89.0 million during the period, representing a bottom-line decline of 13.8% year-on-year. This was driven by rising depreciation expenses stemming from an increase in fixed assets, as well as outlays of EGP 9 million in donations to support the Egyptian government’s efforts to stop the spread of COVID-19 and approximately EGP 7 million in COVID-related expenses. Ibnsina Pharma’s net profit margin recorded 1.00% in 1H2020 against 1.37% one year previously.

“June witnessed a significant rebound in market activity and we expect the second half of the year to see a further uptick in pharmaceutical sales following the removal of curfew measures and the reopening of public

**Net Profit Progression  
(EGP mn, % margin)**



and doctor’s clinics. This development will enable the company to overcome the temporary decline in growth as our ability to leverage economies of scale are better reflected in our results following an increase in operating expenses required to meet our growth targets during the first half of 2020,” **Omar continued**, “Management is familiar with the market’s patterns of recovery, having successfully withstood similar episodes of instability in 2011 and 2013. Our business model emphasizes the dynamic and integrated mitigation of business risk, and we have been proactive in defensively building our inventories. We have not experienced pharmaceutical shortages through the COVID-19 crisis, while our diversified and broad base of manufacturing partners typically maintain inventories sufficient for 3-6 months of demand, allowing the market to rest easy as regards the availability of active pharmaceutical ingredients.”

“Dominated by the COVID-19 crisis and the response to the pandemic, the first half of 2020 has thrown the importance of the healthcare sector into focus in Egypt and across the globe,” **said Mahmoud Abdel Gawwad, Co-CEO of Ibnsina Pharma**, “We expect ever greater attention to be paid to healthcare and pharmaceuticals over the coming months and years as Egypt works to develop its capabilities in this area and ensure availability of critical supplies. The company wholeheartedly supports the government of Egypt’s efforts to stop the spread of the virus which causes COVID-19 and to develop the country’s healthcare sector to the fullest extent.”

“With this in mind, we have not altered our commitment to the continuous and efficient development of our logistical and operational capacities through the adoption of digital technologies. With the launch of our Mobile App and Web Portal on the App Store and Google Play, we have brought Ibnsina Pharma even closer to its customers across Egypt while enhancing our own ability to anticipate and respond to dynamic demand patterns. We remain highly confident in the potential of Egypt’s pharmaceutical sector to continue generating significant value for stakeholders, as demonstrated by Ibnsina Pharma’s establishment of an investment company dedicated to opportunities in the space. Management continues to assess one or more potential acquisitions in the Egyptian pharmaceutical sector that will complement Ibnsina Pharma’s existing operations and yield superior returns to our shareholders through backward integration and the resulting synergies,” **Mahmoud concluded**.

*Ibnsina Pharma’s audited financial statements and full earnings release are available for download at [ir.ibnsina-pharma.com](http://ir.ibnsina-pharma.com)*

## About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is Egypt’s fastest-growing and second largest pharmaceutical distribution company. The Company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 42,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 760 vehicles completes an average of over 460,000 deliveries each month.

Ibnsina Pharma’s core services for suppliers include management of warehousing and logistics for pharmaceutical products as well as the development and execution of tailored marketing solutions targeting a nationwide database of customers. The Company also provides efficient and reliable order-taking and delivery services to customers and was the first in its industry to pioneer a telesales model. Operating across 62 sites in 23 cities nationwide, Ibnsina Pharma’s team of more than 6,00 employees is dedicated to improving people’s quality of life by ensuring their access to safe and high quality pharmaceutical products.

For more information about Ibnsina Pharma, please visit: [www.ibnsina-pharma.com](http://www.ibnsina-pharma.com).

For further information, please contact:

**Mohamed Shawky**

Investor Relations Manager

Email:

[mohamed.shawky@ibnsina-pharma.com](mailto:mohamed.shawky@ibnsina-pharma.com)

**Shareholding Structure**  
(Post IPO and Capital Increase)

