Ibnsina Pharma Releases 1Q25 Consolidated Results

Strong operational performance drove 61% and 85% growth in net revenue and net profit, respectively. These results reflect continued momentum, driven by disciplined execution and a sustainable growth strategy.

1Q25 Highlights

Gross Revenues
EGP 17.7 BN
+62.1% Q-o-Q

Gross Profit
EGP 1.4 BN
+83.2% Q-o-Q

EBITDA
EGP 861 MN
+111.2% Q-o-Q

Net Profit
EGP 182 MN
+85.3% Q-o-Q

New Business Lines Net Profit
EGP 43 MN
24% of Total NP

Net Debt / EBITDA
2.37
Vs 2.84 in 1Q24

Cairo, 15 May 2025

Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt's largest pharmaceutical distributor, released today its audited results for period ended 31 March 2025, net revenue recorded EGP 17 Bn for the period up 61.2% Q-On-Q.

Gross profit came in at EGP 1.4 Bn, up by 83.2% Q-On-Q yielding a gross profit margin of 8.4%.

Net profit came at EGP 181.9 million, up by 85.3% Q-On-Q yielding a net profit margin of 1.1%.

Key Financial and Operational Highlights:

- Ibnsina Pharma recorded EGP 17 Bn net revenues in 1Q25 up 61% vs last year
- Gross profit margin recorded 8.4% compared to 7.4% one year previously supported by extra margin
- Operational income recorded EGP 782 million, up 125% vs last year
- Net profit reached EGP 182 million, up 85% Q-on-Q
- OPEX Optimization initiatives continues to reap benefits where OPEX to sales ratio reaches 2.9% from 3.2% in 1Q24
- Clear Economies of scale benefits where EBITDA growth exceeded Gross Profit and Revenues growth.

Summary Income Statement

EGP MN	1Q25	1Q24	Change
Net Revenue	17,044,961,201	10,575,662,420	61.2%
Gross Profit	1,427,622,418	779,120,017	83.2%
GP Margin	*8.4%*	*7.4%*	
OPEX	(496,634,869)	(341,665,808)	45.4%
OPEX / Sales	*2.9 %*	*3.2 %*	
EBITDA	861,132,596	407,677,043	111.2%
EBITDA Margin	*5.1%*	*3.9%*	
Net Profit	181,880,957	98,143,427	85.3%
NP Margin	*1.1%*	*0.9%*	

Comments from our Co-CEOs

We are pleased to report that 2025 has begun with exceptional performance, building on the historic success we achieved in 2024—a year in which we delivered the highest profit in our company's history. Our first-quarter results reflect continued momentum, driven by our disciplined execution, sustainable growth strategy, and continuing focus on operational excellence.

Our success is rooted in a balanced and resilient business model, combining revenue diversification and strengthened partnerships with suppliers and customers. By seizing growth opportunities across our operations, we have enhanced both top-line growth and profitability, ensuring a healthy financial position even in a dynamic market environment.

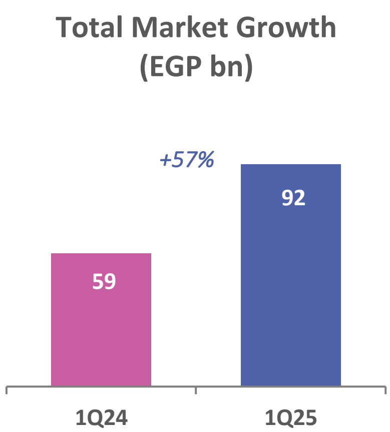
With this strong start, we are well-positioned to achieve new record levels in revenue and net profit in 2025. Our strategy—centered on prudent expansion, financial strength, and value-driven execution—focuses not only on market share growth, but is also fueled by the acceleration of pharmaceutical product re-pricing, which is expected to become more evident in 2025 and 2026. This approach will continue to guide us as we capitalize on emerging opportunities and deliver superior returns for our shareholders. Together, these factors are key drivers supporting our future growth.

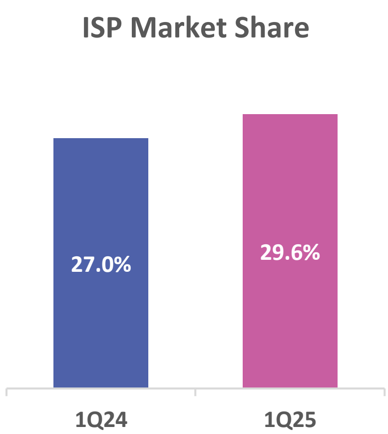
Due to the impact of drug re-pricing, we anticipate that our debt levels will increase during the first three quarters of 2025. This is primarily because the company is acquiring a portion of its inventory in cash from suppliers at the new, higher prices, which subsequently requires higher working capital as we sell and collect from customers. We expect this process to normalize by the end of the year, following several cycles of cash conversion, as the company aligns its purchase and sale prices at the higher levels.

Economies of scale continue to reflect positively in our financials, where EBITDA is growing faster than Gross profit and Net Revenues, although the high-interest rate environment hinders the full translation of our growth into higher net profit levels. The monetary easing cycle initiated in Egypt in April will provide additional momentum to our profitability growth.

The non-pharma distribution and medical promotion segments, continue to show strong performance and improve our profitability as part of our revenue diversification plan. Non-pharma distribution recorded revenues of EGP 924 million reflecting a growth of 55% Q-on-Q, while medical promotion commissions recorded EGP 43 million, showing a growth of 53% compared to last quarter.

We extend our gratitude to our dedicated team, partners, and shareholders for their unwavering support. Together, we are shaping a future of sustained growth and profitability.





Market Overview

According to IQVIA Egypt's total market registered sales of EGP 91.6 billion in 1Q25. Sales were up by 57%. Sales growth was driven by both increases in the average selling price (ASP) and increase of units sold which reflect that availability of medicine is improving.

Although the pharma market is pressured by interest rate rise, exchange rate devaluation and the associated inflationary and supply chain pressures; total market pharmaceutical sales are anticipated to continue recording strong growth in 2025 and 2026. Such expectations are supported by the continuous re-pricing of pharmaceutical products. The Egyptian Drug Authority is currently approving pharma manufacturer's requests for re-pricing after the devaluations waves which started early 2022 in order to prevent shortage on those items. The effect of re-pricing is expected to be reflected in the market gradually.

Ibnsina Pharma total market share recorded 29.6% in 1Q25 vs 27% in 1Q24 a 2.6 % market share gain as our financial stability and competitive advantage vs our competitors induced more clients to deal with us and more pharma suppliers to sign distribution and importation agreements with Ibnsina Pharma to join our portfolio.

Expectations of strong double-digit growth in 2025 around 25% is further backed by strong market fundamentals as demand is further bolstered by rapid population growth. Consumer demand is consequently a major driver of Egypt's economic growth, with relatively inelastic goods such as pharmaceuticals experiencing consistent demand growth. Egypt's per capita outlay on pharmaceuticals continues to lag behind regional peers, leaving significant room for further growth and attracting large investments from domestic and foreign pharma players.

Operational Review

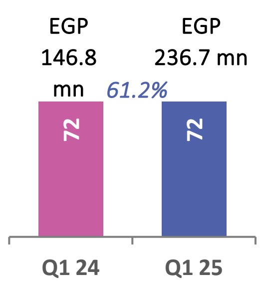
Ibnsina Pharma served 58,918 clients in different segments during 1Q25 where 31.4% of Ibnsina Pharma's client base was located in Cairo and Canal Zone, Egypt's most heavily populated metropolitan areas. The Delta and Upper Egypt were home to 29.0% and 25.1% of clients, respectively. Clients in Egypt's second-largest city, Alexandria, constituted 14.6% of Ibnsina Pharma's client base during the period. Ibnsina Pharma works to optimize the geographical distribution of its client base, aligning the network as far as possible with population density in Egypt's various regions.

Ibnsina Pharma operated 72 sites as of 1Q25, Revenue per site increased by 61.2% Q-on-Q to record EGP 236.7 million.

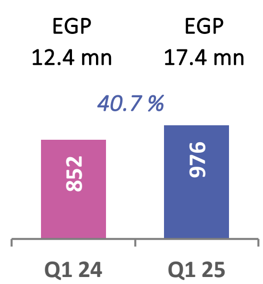
The number of vehicles in Ibnsina Pharma's delivery fleet stood at 976 vehicles at the close of 1Q25 Vs 852 vehicles one year previously. Revenues per vehicle increased by 40.7% Q-on-Q to reach EGP 17.4 million in 1Q25.

Revenue per employee increased by 41.6% during the period, addition of 1,112 personnel mainly to support the operational growth in ibnsina pharma and our early-stage businesses.

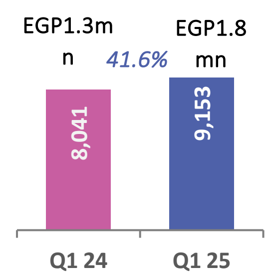
# of Sites (rev / Site)



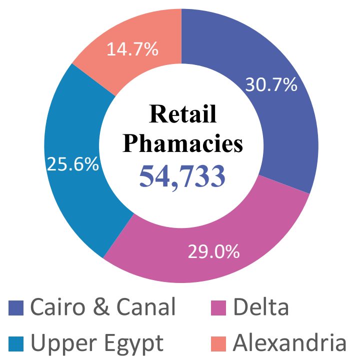
# of Vehicles (rev / Vehicle)



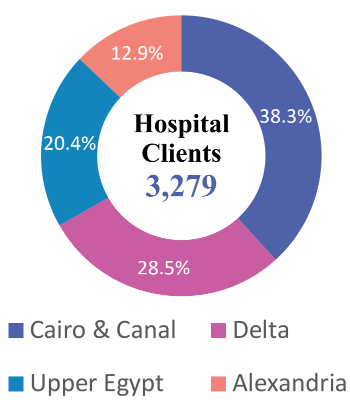
# of Employees (rev / Employee)



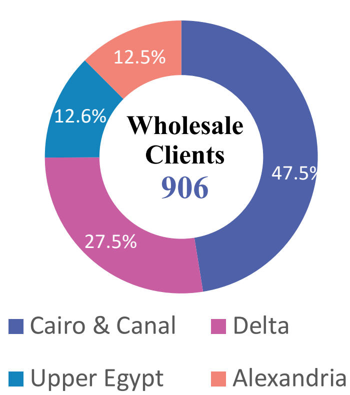
Retail Pharmacies by Geography (1Q25)



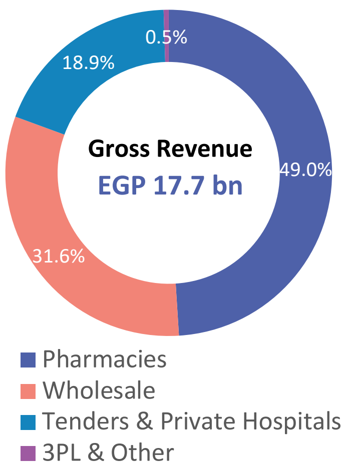
Hospital Clients by Geography (1Q25)



Wholesale Clients by Geography (1Q25)

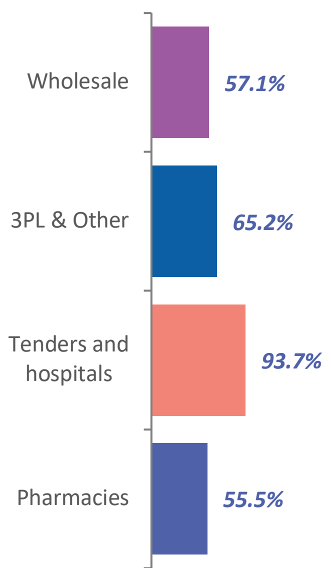


Revenue* by Business Line (1Q25)

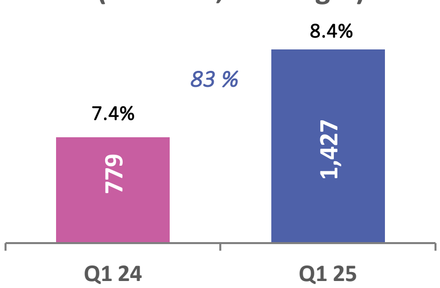


**** Revenues refer to gross sales prior to discounts***

Business Line Revenue Growth (1Q25)



Gross Profit Progression (EGP MN, % margin)

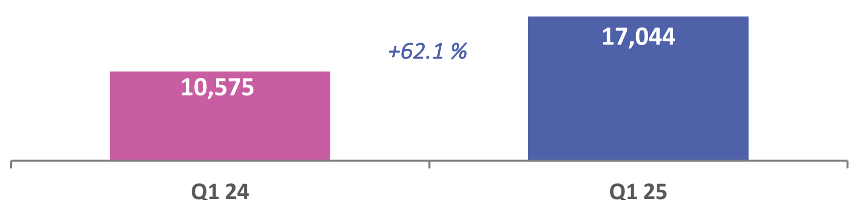


Financial Performance

Revenues

1Q25 saw Ibnsina Pharma's gross revenues climb by 62.1% Q-on-Q to register EGP 17.7 billion. The company's core retail business with pharmacies increased by 55.5% Q-on-Q to book EGP 8.7 billion for 1Q25. Retail sales generated 49% of the company's overall top line during 1Q25 vs 51% one year previously. The company's wholesale segment expanded by 57.1% Q-on-Q to book revenues of EGP 5.6 billion for 1Q25, contributing 31.6% of total revenues for the period against 32.6% for 1Q 24. Meanwhile, revenues from tenders and private hospitals expanded by 93.7% Q-on-Q to book EGP 3.3 billion in 1Q25 up from EGP 1.7 billion in 1Q24.

Net Revenue Progression (EGP BN)

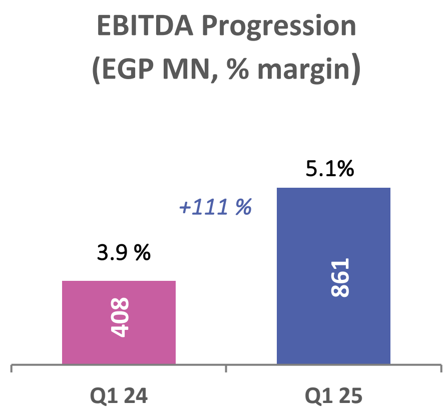


Gross Profit

Ibnsina Pharma booked a gross profit of EGP 1.4 billion for 1Q25, an increase of 83.2% from the EGP 779 million recorded in 1Q24. The gross profit margin recorded 8.4% compared to 7.4% one year previously supported by extra margin that was granted to pharma distributors during the pharma products' re-pricing process to support the sector. Additionally, Ibnisna Pharma is focusing on imported pharma products and cosmetics items with higher margin. Targeting cash segments implies more cash discounts, however; it allows liquidity in a high interest rate environment.

OPEX

Despite the devaluation effect and the associated inflation that reached 13.1% in march 2025 which impacted most of cost elements (consumables, packing, prints,) management adopt conservative policies that controlled OPEX growth driven by OPEX optimization initiatives in salaries, electricity, packing, transportation management system (TMS) and prints.



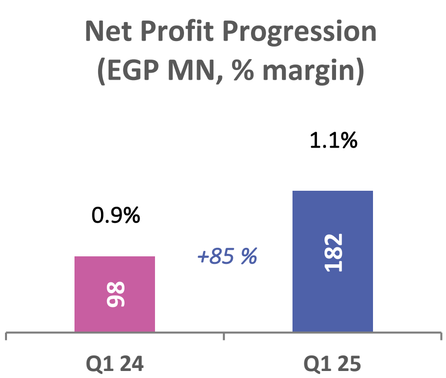
OPEX/Sales recorded 2.9% in 1Q25 Vs 3.2% in 1Q24. The company registered EGP 496 million in operational expenses (OPEX) for 1Q25, up from the EGP 342 million booked in 1Q24.

EBITDA

EBITDA booked EGP 861 million in 1Q25, an increase of 111.2% from the EGP 408 million recorded in 1Q24. Ibnsina Pharma saw its EBITDA margin increased to reach 5.1% in 1Q25 from 3.9% recorded in 1Q24. EBITDA growth shows a clear economy of scale, effectively spreading fixed operational and administrative costs across a wide revenue base.

Interest Expense

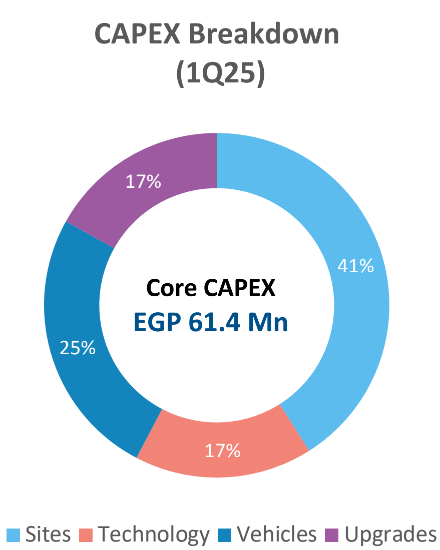
Interest expense booked EGP 611 million for 1Q25, up 85.2% Q-on-Q from the EGP 330 billion recorded in 1Q24. By march 2025, interest rates remained at 28.25%. The monetary easing cycle initiated in Egypt in April will provide additional momentum to our profitability growth.



Net Profit

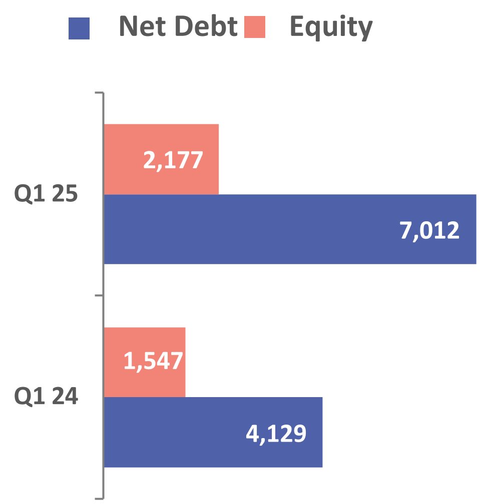
Net profit came at EGP 182 million in 1Q25, up by 85.3% Q-on-Q from the EGP 98 million posted in 1Q24. The period saw Ibnsina Pharma's net profit margin at 1.1% compared to 0.9% booked in 1Q24.

Key Balance Sheet Items



CAPEX

Ibnsina Pharma recorded core business CAPEX outlays of EGP 61.4 million in 1Q25. Investments during the period included EGP 25.2 million on distribution centers and sales offices to enhance customer accessibility.
EGP 10.4 million, allocated to upgrades, while EGP 15.6 million was allocated to vehicles. Ibnsina Pharma allocated EGP 10.2 million in CAPEX to technology projects as the company continued to implement its plans for technology investment.



Working Capital

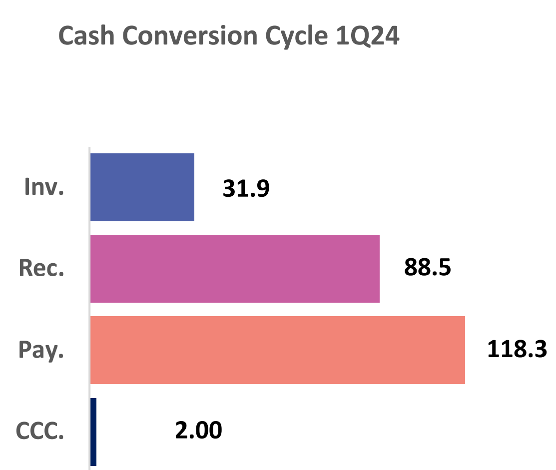
Ibnsina Pharma's cash conversion cycle (CCC) has been impacted by the re-pricing process, with new pharmaceutical purchases being made at higher prices. The CCC increased to 9.9 days in 1Q25 (from 2 days in 1Q24), driven by higher inventory days (DOH): 38.2 days in 1Q25 (up from 31.9 days in 1Q24) due to elevated purchase costs from drugs re-pricing and low base inventory in 1Q24 (caused by pre-devaluation market shortages before March 2024).Receivables DOH recorded 90.7 days in 1Q25 (vs. 88.5 days in 1Q24).Stable payables DOH: 119 days in 1Q25 (vs. 118.3 days in 1Q24).The CCC is expected to return to its normal range of 0–2 days by year-end.

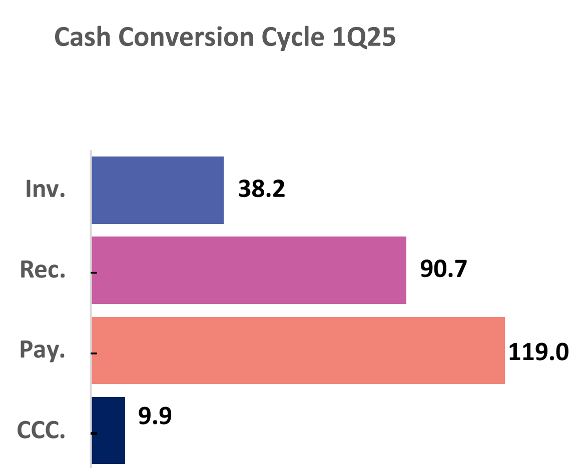
Leverage Ratios

The balance sheet showed strong indicators with a Debt ratio of 26% in 1Q25 vs 25% in 1Q24. TTM Net Debt to EBITDA recorded 2.37x vs 2.84x in 1Q24, while Debt service ratio recorded 1.07x compared to 0.85x in 1Q24.

Debt levels are normally affected by re-pricing process, this is primarily because the company is acquiring a portion of its inventory in cash from suppliers at the new, higher prices, which subsequently requires higher working capital as we sell and collect from customers. Average selling price per box increased from L.E 72 end of 1Q24 to L.E 104 in 1Q25 an increase of 44%.

We expect this process to normalize by the end of the year, following several cycles of cash conversion, as the company aligns its purchase and sale prices at the higher levels.





Income Statement

In EGP	1Q25	1Q24	YoY %
Gross Revenues	**17,722,085,501**	**10,929,815,422**	***62.1%***
Net Revenues	**17,044,961,201**	**10,575,662,420**	***61.2%***
Cost of Sales	(15,617,338,783)	(9,796,542,403)	59.4%
Gross Profit	**1,427,622,418**	**779,120,017**	***83.2%***
Gross Profit Margin	*8.38%*	*7.37%*	13.7%
Selling, General & Administrative Expenses	(496,634,869)	(341,665,808)	45.4%
Expected Credit losses in AR	(69,854,953)	(29,777,166)	134.6%
EBITDA	**861,132,596**	**407,677,043**	***111.2%***
EBITDA Margin	*5.1%*	*3.9%*	
Depreciation & Amortization	(79,077,601)	(60,310,524)	31.1%
EBIT	**782,054,995**	**347,366,519**	***125.1%***
EBIT Margin	*4.6%*	*3.3%*	
Other Revenues	2,945,352	4,270,899	(31.0 %)
Financing Income	6,133,543	47,951,449	
Foreign currency revaluation profit	6,294,251	47,693,714	(86.8 %)
Credit interest	130,899	37,359	250.4%
Financing Expenses	(611,216,963)	(330,048,093)	85.2%
Losses/ Gain from investment in associate		(308,650)	(100.0 %)
Net profit for the period before income taxes	**186,342,077**	**116,963,197**	***59.3%***
EBT Margin	*1.1%*	*1.1%*	
Current Income Taxes	(42,276,336)	(27,078,024)	56.1%
Deferred income taxes	37,815,216	8,258,254	357.9%
Net Profit	**181,880,957**	**98,143,427**	***85.3%***
Non-Controlling Share	137		
Parent Company Net income	**181,880,820**	**98,143,427**	***85.3%***
Net Profit Margin	*1.1%*	*0.9%*	

Balance Sheet

In EGP	FY24	1Q25
Non- Current assets		
Fixed Assets (net)	1,165,594,527	1,118,026,279
Projects Under Construction	175,676,817	210,774,276
Intangible assets (net)	217,876,443	218,372,710
Right of use assets (net)	1,390,052,940	1,343,160,348
Notes receivable - Long term	45,526,406	48,342,462
Deferred Taxes assets	266,549,011	228,733,795
Total Non-Current Assets	**3,261,276,144**	**3,167,409,870**
Current assets		
Inventory	7,906,662,320	6,575,091,571
Accounts and Notes receivable (net)	18,048,777,220	16,227,019,722
Suppliers advance payments	529,440,189	525,355,863
Debtors & Other Debit Balance (net)	1,267,562,140	1,089,525,095
Cash on hand and at banks	1,456,231,463	835,857,571
Assets Held for Sale	221,298,055	221,298,055
Total Current Assets	**29,429,971,387**	**25,474,147,877**
Total Assets	**32,691,247,531**	**28,641,557,747**
Shareholders equity		
Issued and paid - up capital	252,000,000	252,000,000
Share Premium (special reserve)	237,412,116	237,412,116
Legal Reserve	126,000,000	126,000,000
Legal reserve - Subsidiary	217,252	217,252
General Reserve	3,079,334	3,079,334
Treasury Stock Reserve	(171,643,212)	(171,643,212)
Retained Earnings	1,730,232,114	1,584,153,010
Total Equity of the Holding Company	**2,177,297,604**	**2,031,218,500**
Non- controlling interests	183	46
Total Equity	**2,177,297,787**	**2,031,218,546**
Liabilities		
Non-Current liabilities		
Loans - long term	26,598,155	47,455,053
Lease liabilities - Long term	1,145,073,900	1,135,795,423
Total non-current liabilities	**1,171,672,055**	**1,183,250,476**
Current liabilities		
Credit Facilities	6,825,920,335	4,379,311,131
Short Term loans	210,488,864	313,810,157
Suppliers and Notes Payable	21,388,686,805	19,921,015,867
Creditors & Other Credit Balances	380,943,176	349,019,979
Customers Advance Payments	14,934,408	15,371,145
Income Tax Payable	245,330,172	203,053,836
Lease Liabilities - short term	261,116,983	230,649,664
Expected claims provisions	14,856,946	14,856,946
Total Liabilities	**30,513,949,744**	**26,610,339,201**
Total Liabilities & Shareholders' Equity	**32,691,247,531**	**28,641,557,747**

Cash Flow

In EGP	1Q25	1Q 24
Cash flow from operating activities:		
Net profit for the year before taxes	186,342,077	116,963,197
Adjustments to reconcile net profit to cash flows from operation activities:		
Fixed assets Depreciation	37,248,749	33,756,647
Amortization of intangible assets	6,192,821	5,797,438
Amortization of Right of use assets	35,636,031	20,756,439
Expected credit losses in receivables	69,854,953	29,777,166
Losses/ Gain from investment in associate		308,650
Gain from sales of fixed assets	(93,571)	(207,600)
Financing Expenses	611,216,963	330,048,093
Net Operating profit before changes in working capital	**946,398,023**	**537,200,030**
Changes in working capital:		
Change in inventory	(1,331,570,749)	(1,306,106,248)
Change in accounts and notes receivable	(1,888,796,395)	(1,170,073,986)
Change in supplier advances payment	(4,084,326)	7,503,261
Change in debtors and other debt balances	(178,510,076)	(86,551,299)
Change in suppliers and notes payable	1,467,670,938	1,927,651,981
Change in customer advance payments	(436,737)	(1,410,585)
Change in creditors and other credit balances	(57,009,588)	8,553,006
Cash flow from operating activities	**(1,046,338,910)**	**(83,233,840)**
Payment for financing Expenses	(465,470,412)	(312,459,288)
Net cash flow (used in) from operating activities	**(1,511,809,322)**	**(395,693,128)**
Cash flow from investment activities:		
(Payments) to acquire fixed assets and projects under construction	(54,384,427)	(58,720,985)
(Payments) to acquire intangible assets	(1,059,012)	(422,287)
(Payments)in assets held for sale		(543,058)
Proceeds from selling fixed assets	120,919	1,398,245
Net cash flow (used in) investment activities	**(55,322,520)**	**(58,288,085)**
Cash flow from financing activities:		
Payment / proceeds from short and long term loans	(124,178,191)	(121,340,016)
Proceeds from credit facilities	2,446,609,204	443,503,813
Dividends paid	(3,464,500)	
Increase in "financing" lease liability	401,284	
Lease liabilities (Paid)	(131,862,063)	(56,676,201)
Net cash flow generated from financing activities	**2,187,505,734**	**265,487,596**
Net change in cash and cash equivalents during the period	**620,373,892**	**(188,493,617)**
Cash and cash equivalents at the beginning of the year	835,857,571	1,130,726,519
Cash and cash equivalents at the end of the period	**1,456,231,463**	**942,232,902**

Recent Developments

Non-Binding Memorandum of Understanding (MOU) with Investor for Potential Acquisition of Al Shorouk Hospital Building

Board of Directors of Ibnsina Pharma, in its meeting held on 14/05/2025 authorized the Managing Director to sign a non-binding Memorandum of Understanding (MoU) with an investor interested in acquiring the Al Shorouk Hospital building.

The Managing Director is also to appoint an independent property valuer to obtain a fair value report. It is noted that the MoU is non-binding and subject to the approval of the company’s Board of Directors, taking into account the fair value report, as well the completion of all necessary legal procedures. Likewise, he is also delegated among the company's assets available for sale for the purpose of selling.

Accordingly, the Managing Director has signed a non-binding memorandum of understanding with an interested investor to acquire the Shorouk Hospital building. This memorandum is conditional upon the approval of the company's Board of Directors and the completion of all necessary legal procedures. The CEO will also appoint an independent appraiser to obtain a fair value report.

Please be aware that the sale process may or may not take place, and shareholders should consider this when dealing with the stock. The company will notify the stock exchange of any developments related to this matter, in full compliance with listing and disclosure regulations.

About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is the largest pharmaceutical distribution company in Egypt. The Company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 58k customers including pharmacies, hospitals, retail outlets and wholesalers using a fleet of around 976 vehicles.

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 nationwide, Ibnsina Pharma's team of more than 9,100 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.

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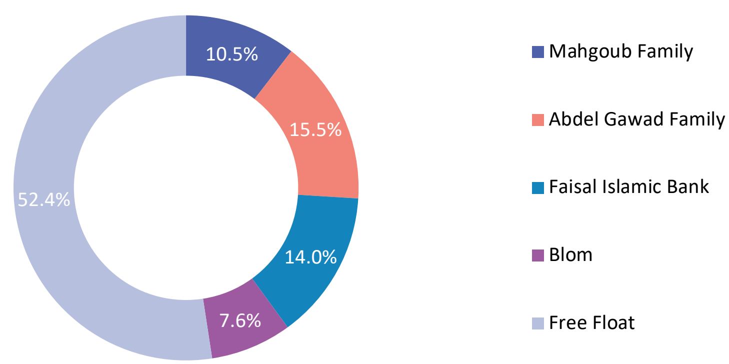
Shareholding Structure



Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.