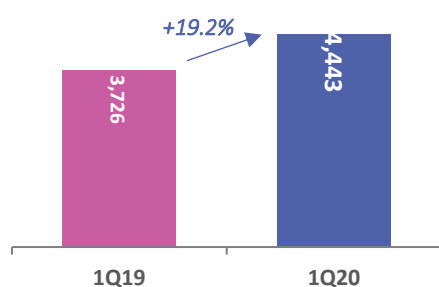


## Ibnsina Pharma Releases 1Q20 Results

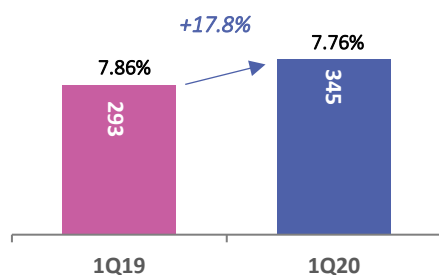
Despite COVID-related disruptions, Ibnsina Pharma opens 2020 maintaining double-digit growth in top and bottom lines; revenues expand 19.2% year-on-year to EGP 4.4 billion despite modest market growth; net profit climbs 19.8% year-on-year with a stable margin

Cairo, 9 June 2020

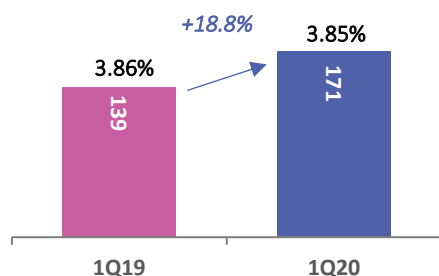
**Net Revenue Progression  
(EGP mn)**



**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 three-month period ended 31 March 2020, maintaining strong double-digit growth in both the top- and bottom-lines despite disruptions arising from the COVID-19 pandemic. Net revenue climbed by 19.2% year-on-year to close at EGP 4.4 billion for the first quarter.

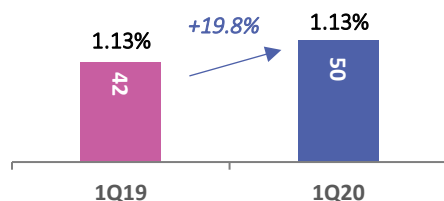
Gross profit came in at EGP 344.9 million, up by 17.8% year-on-year and yielding a gross profit margin of 7.76% against the 7.86% recorded one year previously. Gross profit rose during the period despite an increase in the share of total revenues generated by Ibnsina Pharma's wholesale business, which utilizes cash discounts with customers.

"While doing our utmost to assist the authorities in enhancing Egypt's healthcare capabilities and meeting the challenge posed by COVID-19, Ibnsina Pharma is in a strong position to leverage the growing centrality of healthcare as a target of public and private investment. Our heavy yet calibrated investment in logistics, business development and people has, over recent years, made Ibnsina into Egypt's fastest-growing distributor of pharmaceuticals and allowed us to build a commanding market position. This position is all the more valuable given the resilient and strongly defensive nature of Egypt's pharmaceutical market, which remains underpinned by strong demographic and epidemiological fundamentals conducive to long-term value creation," **commented Omar Abdel Gawad, Co-CEO of Ibnsina Pharma.**

Ibnsina Pharma continues to successfully leverage economies of scale and optimize its cost structure, as demonstrated by an increase in EBITDA of 18.8% year-on-year to EGP 171.1 million in 1Q20. The EBITDA margin was steady over the period, closing at 3.85%. Meanwhile, Ibnsina Pharma recorded a net profit of EGP 50.3 million in the first quarter of FY2020, an increase of 19.8% year-on-year. Rapid growth in the bottom-line reflects Ibnsina's advantageous market position as well as the resilience of Egyptian pharmaceutical demand. The company's net profit margin was stable at 1.13% between 1Q20 and 1Q19.

"Ibnsina Pharma closed the quarter with EGP 4.4 billion in revenues, an increase of 19.2% year-on-year which maintains the company's long record of double-digit growth. Although the first two months of the

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



corner witnessed a slowdown,” **Omar continued**, “a strong rebound was seen in mid-March as public awareness of the risks posed by COVID-19 spurred an increase in demand for a wide range of products, including vitamin C, other immunity-boosting vitamins, antibiotics, hand sanitizers and antifungal medicines. Medications targeting chronic diseases were also in strong demand as consumers sought to secure their demands in advance of anticipated curbs on movement. The quarter saw a decrease in the growth rate of pharmacy sales, which recorded 4.8% year-on-year, reflecting restrictions on consumer mobility following the imposition of curfews by the government as well as the temporary closure of a large number of private clinics and public hospitals’ outpatient clinics. Closures are expected to persist in 2Q20.”

“Despite COVID-related disruptions,” **said Mahmoud Abdel Gawwad, Co-CEO of Ibnsina Pharma**, “the company maintained a double-digit rate of bottom-line growth, with net profit climbing 19.8% year-on-year to record EGP 50.3 million and the net profit margin remaining stable at 1.13% for the quarter. This is testament both to Ibnsina’s efficient leveraging of economies of scale and its increasingly optimized operational processes. Ibnsina continued to implement its pre-COVID technology investments, with route optimization and digitalization efforts entering a pilot phase in time to help weather the disruption caused by COVID-19. Meanwhile, our full collaboration with Egypt’s Cabinet of ministers and its crisis management committee was key, enabling the company’s vehicles and employees to operate past curfew hours, ensuring that deliveries continued to be met efficiently. Beyond safeguarding our ability to supply essential products, we have placed top priority on further collaboration with the government in its efforts to contain the spread of the COVID-19 virus.”

“Although Ibnsina’s financial performance during the first quarter falls within previously budgeted ranges, uncertainty at the local and global levels make it difficult for management to offer full-year guidance at this time. Given that pharmaceutical manufacturers typically stock between three to six months of inventory, management is fairly confident as regards the availability of APIs and expects market performance to normalize during the second half of 2020, as occurred during previous periods of uncertainty in 2011 and 2013. Two further priorities for the company moving forward will be to ensure the health and safety of our valuable employees as they continue to provide vital services and to keep investors fully updated with quarterly developments at Ibnsina Pharma and in the wider market,” **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).

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## Shareholding Structure

(Post IPO and Capital Increase)

