



Q2 - 2023
Earnings Call


Pharma Market Updates
S1, 2023

Strategic & Financial Performance
S1, 2023

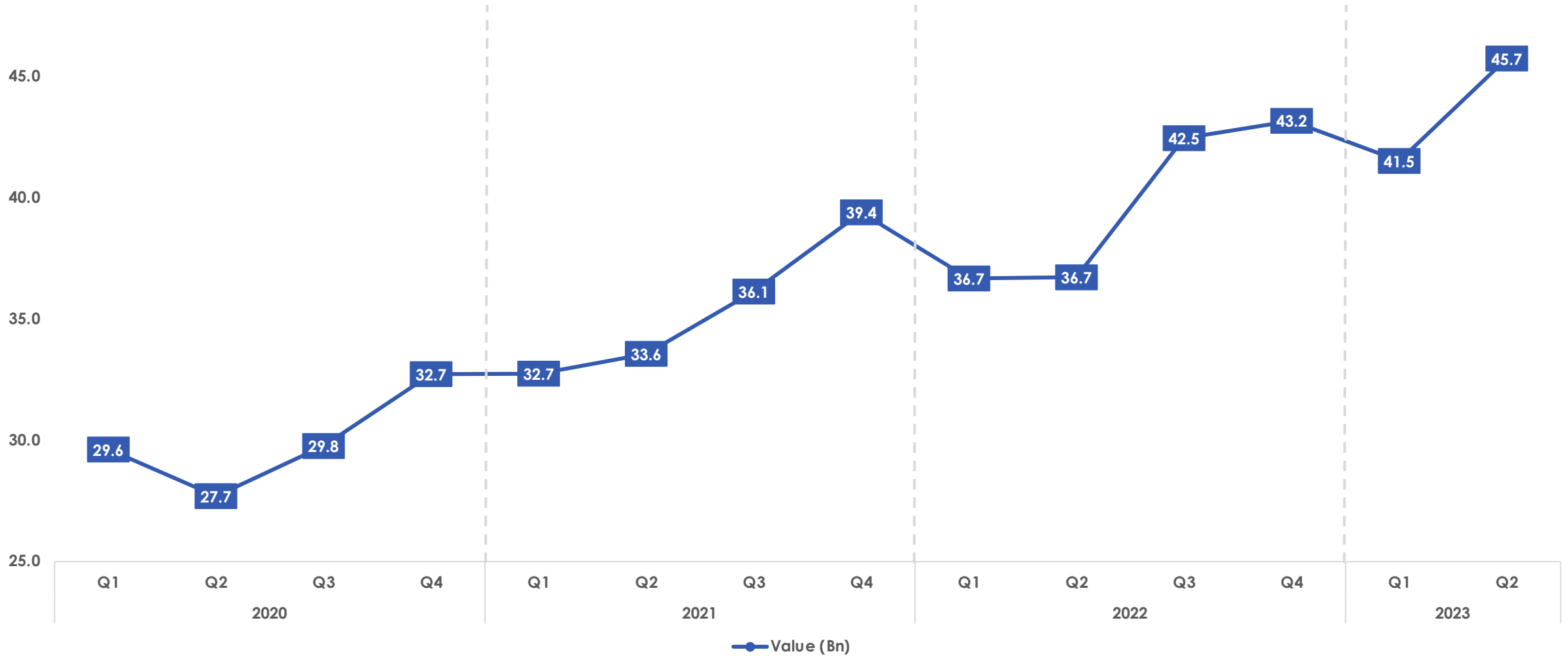
Total Pharma Market Growth: QoQ 20-21-22-23

Exchange Rate pressure EDA to increase Prices resulting in a double digit growth in market value

Market Value
S1 22 vs S1 23



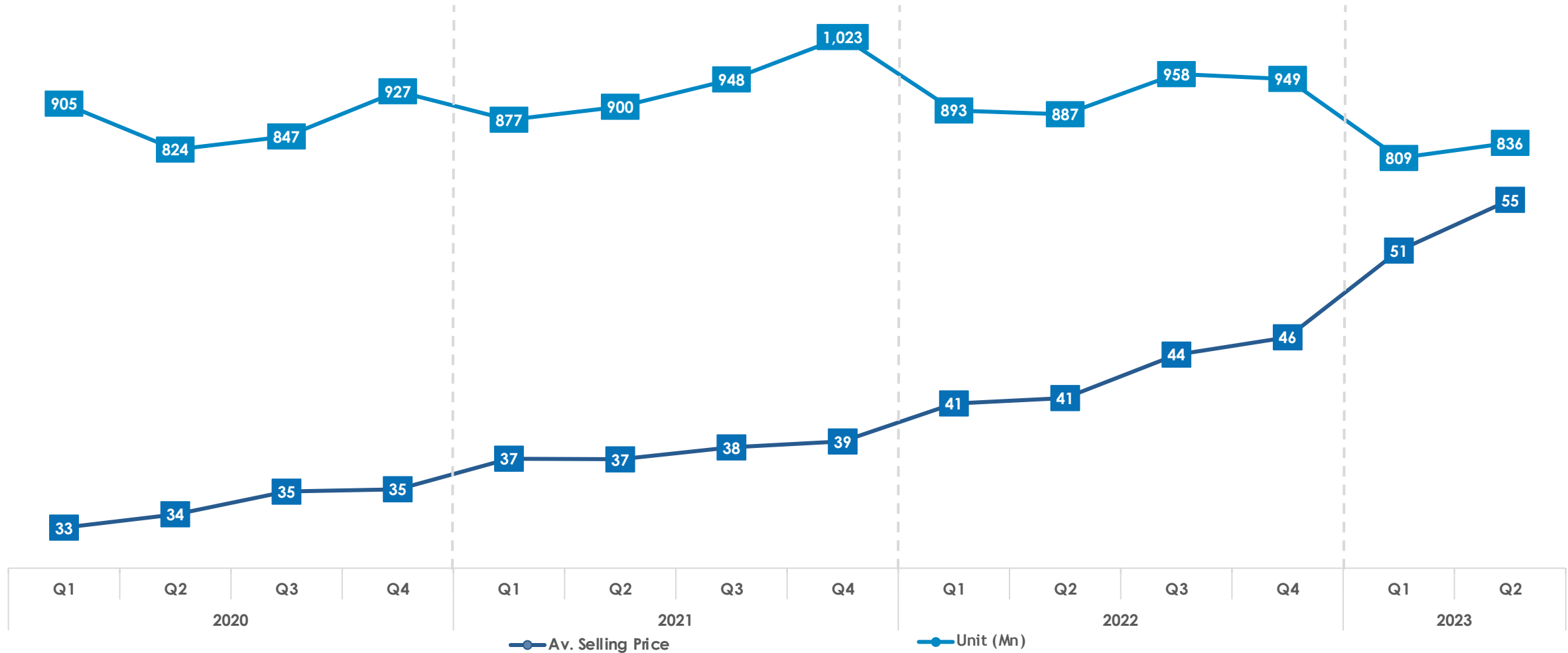
19%



Pharma Market: Growth Drivers

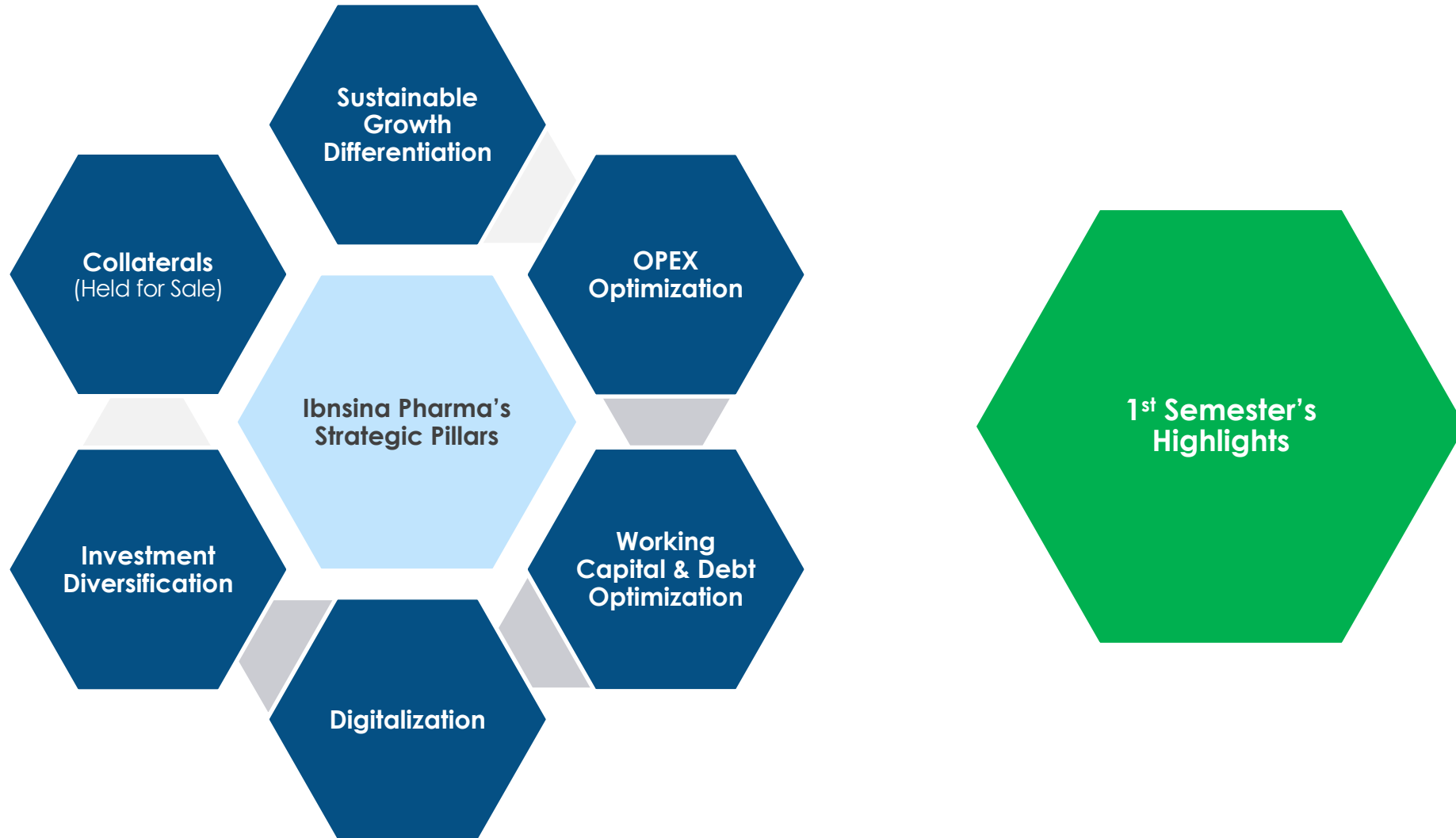
Growth leveraged by "Average Selling Price" growth compensating decline in "Units sold"

Units Sold	ASP
S1 22 vs S1 23	S1 22 vs S1 23
↓	↑
7.6%	29%



ISP Strategy 2023-2024: 1st Semester's Highlights

Key highlights on semester's results



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24%

Market leader position for all segments for S1



43%

Growth in Revenue (15bn)



54%

Growth in Gross Profit (1.2bn)



111%

Growth in EBITDA (631mn)



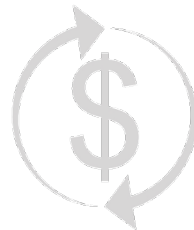
49%

Growth in Net Profit Despite Challenges (132mn)



100%

Growth financed by spontaneous (free) financing



0

Days of cash conversion



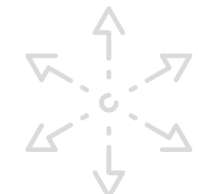
1.2bn

Change in "Net Cash Flow from Operating Activities"



100%

Complete roll-out of new ERP across all branches



3

New business lines on track supporting diversification with double sales growth in high margin lines

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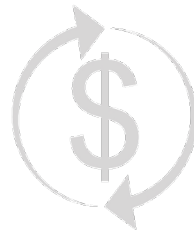
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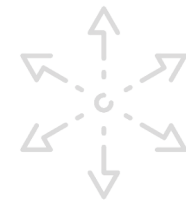
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2

New business lines supporting diversification with higher margins

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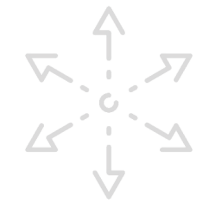
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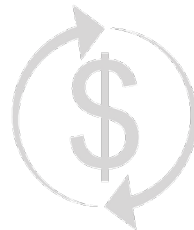
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Days of cash conversion



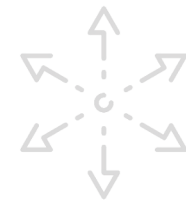
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Exponential Growth in Revenue (15bn)



54%

Record Growth in Gross Profit (1.2bn)



111%

Record Growth in EBITDA (631mn)



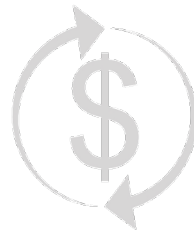
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Growth in Net Profit Despite Challenges (132mn)



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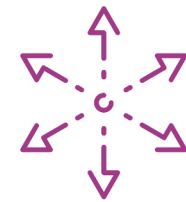
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Change in "Net Cash Flow from Operating Activities"



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Complete roll-out of new ERP across all branches

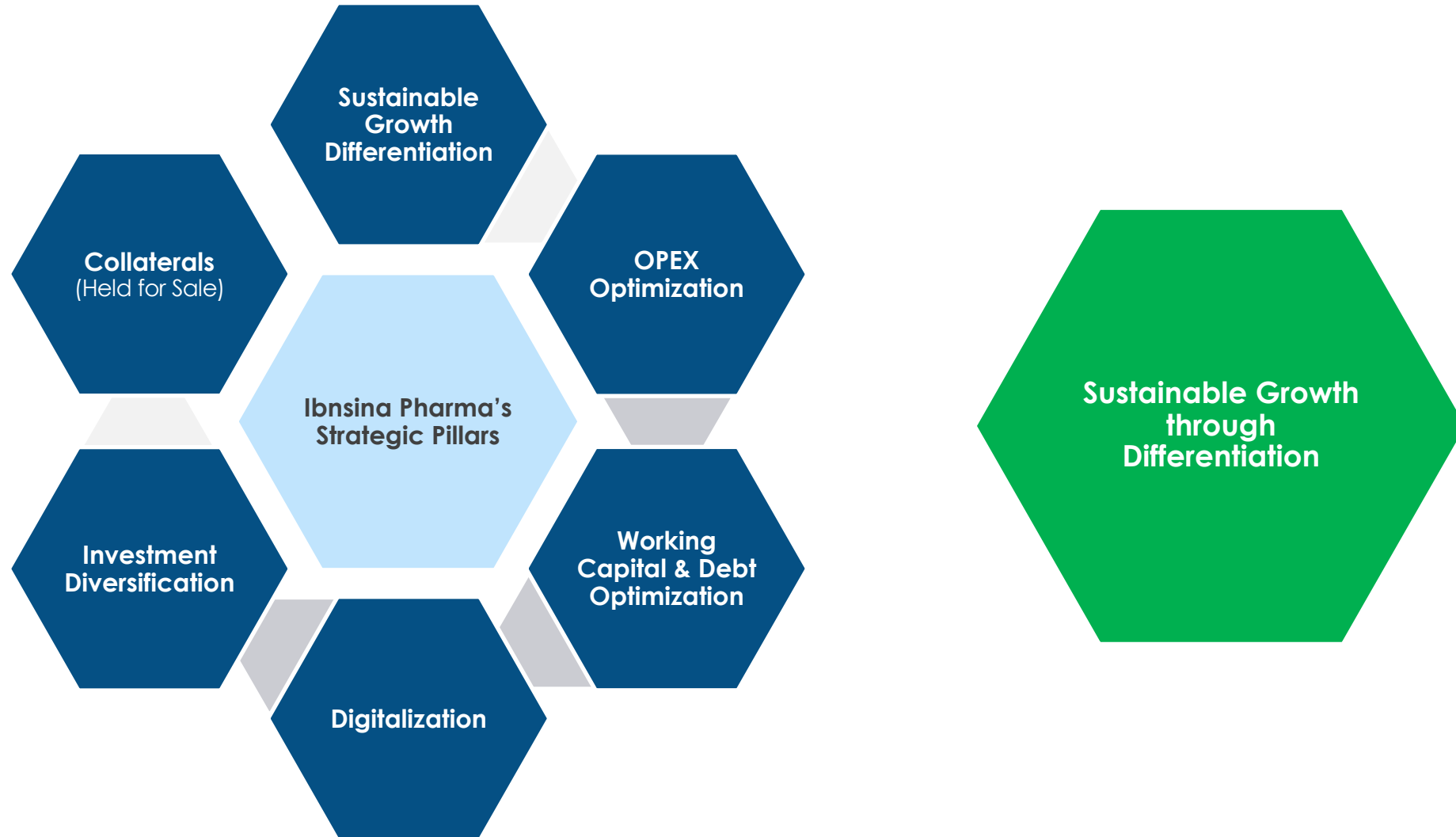


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New business lines supporting diversification with higher margins

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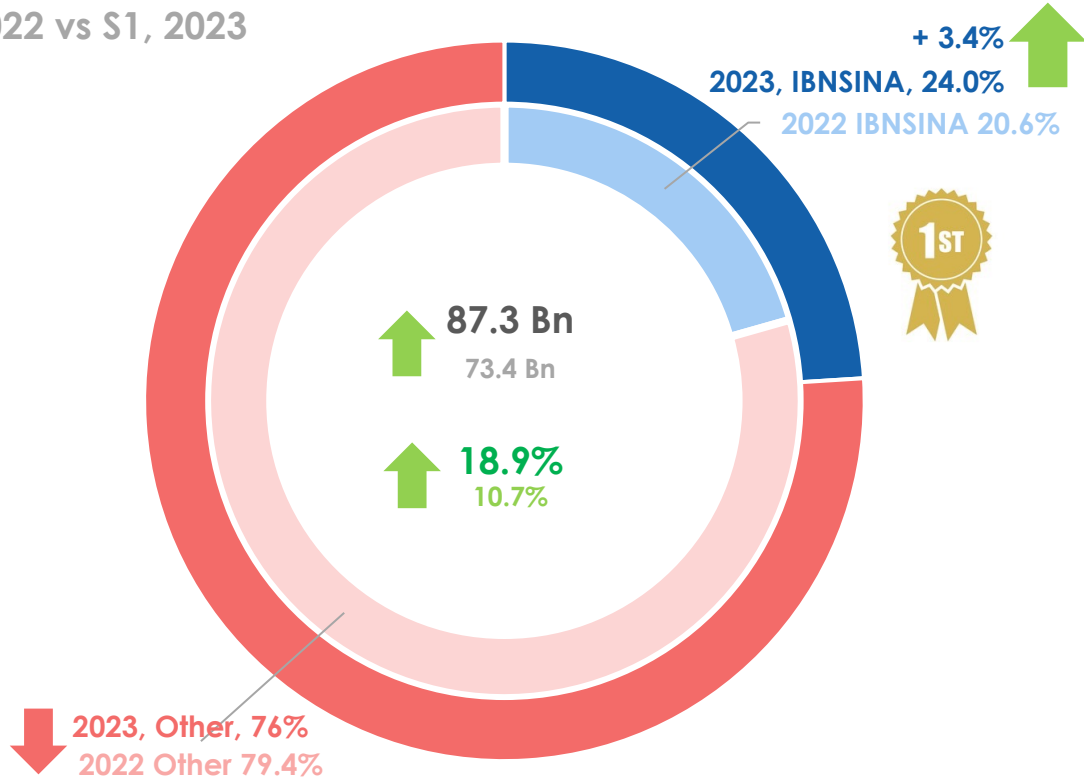
Market Share: Total Market Value Performance

Ibnsina Pharma continues its successful run in retaining leadership position among competitors despite challenges.

Market Structure – Q2 2023		
Pharmacies 51%	Hospitals 33%	Wholesale 16%

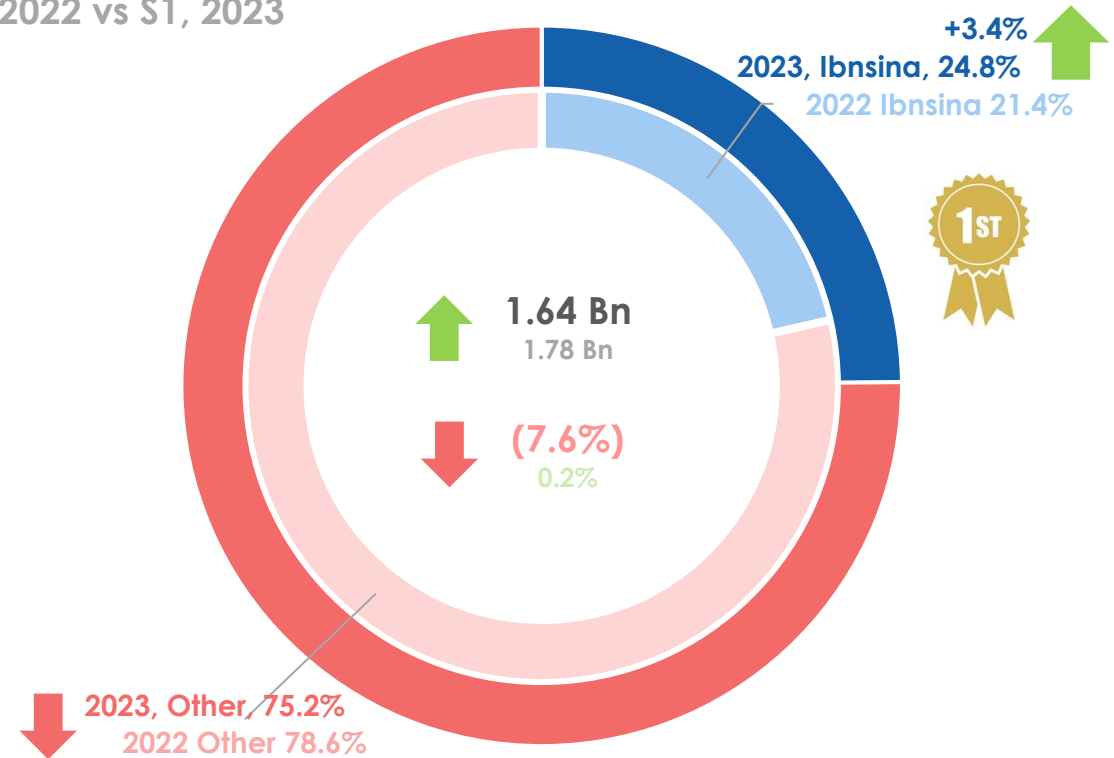
Market Share ISPH vs Market

S1, 2022 vs S1, 2023
Value



Market Share ISPH vs Market

S1, 2022 vs S1, 2023
Unit

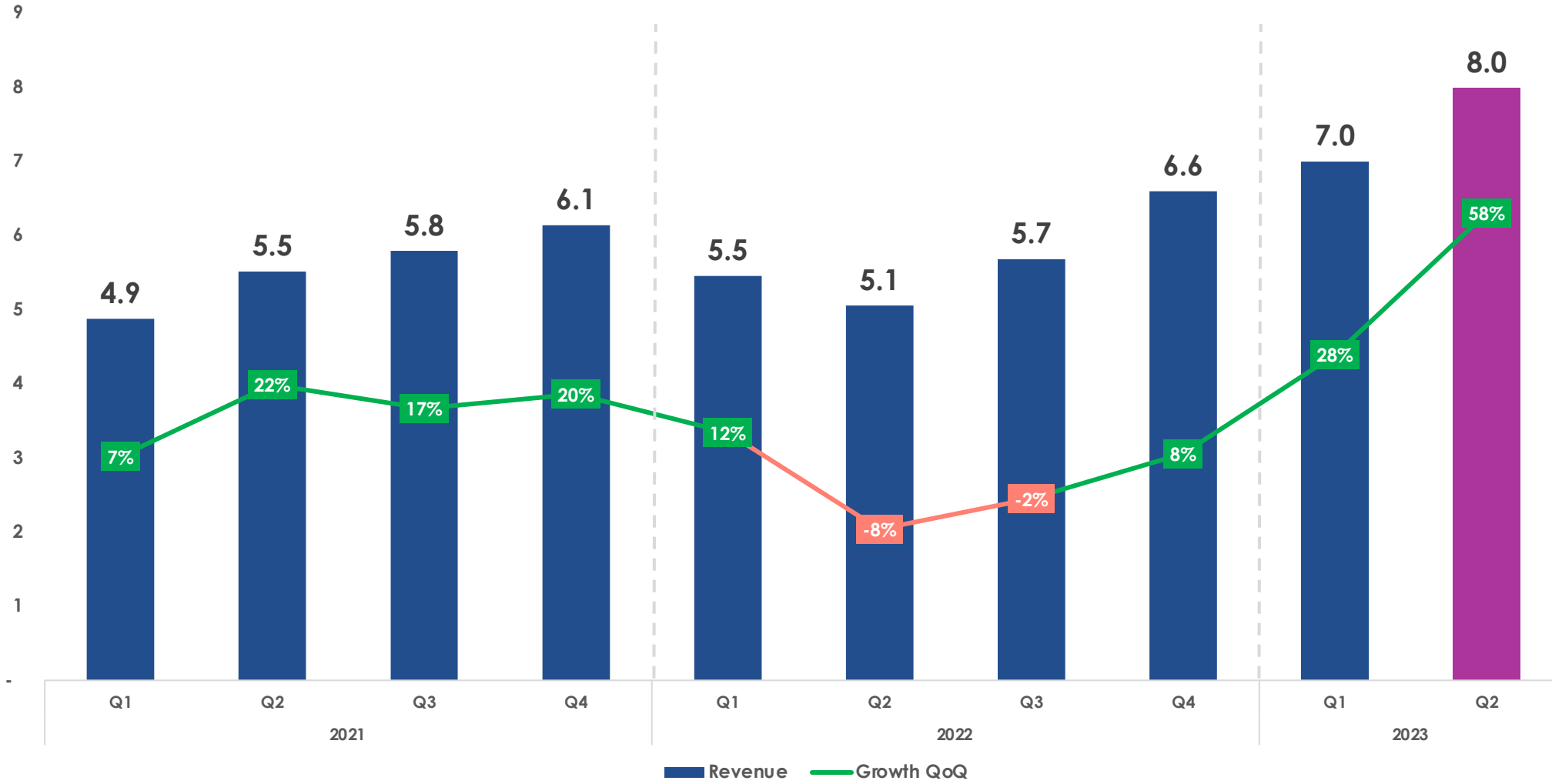


Revenue: Exceptional Growth

Ibnsina Pharma continues its exponential growth, crossing **15bn** mark for first time, S1 revenue; with staggering growth rate of **43%** against S2 2022.

Revenue Growth
 S1 22 vs S1 23

↑
43%




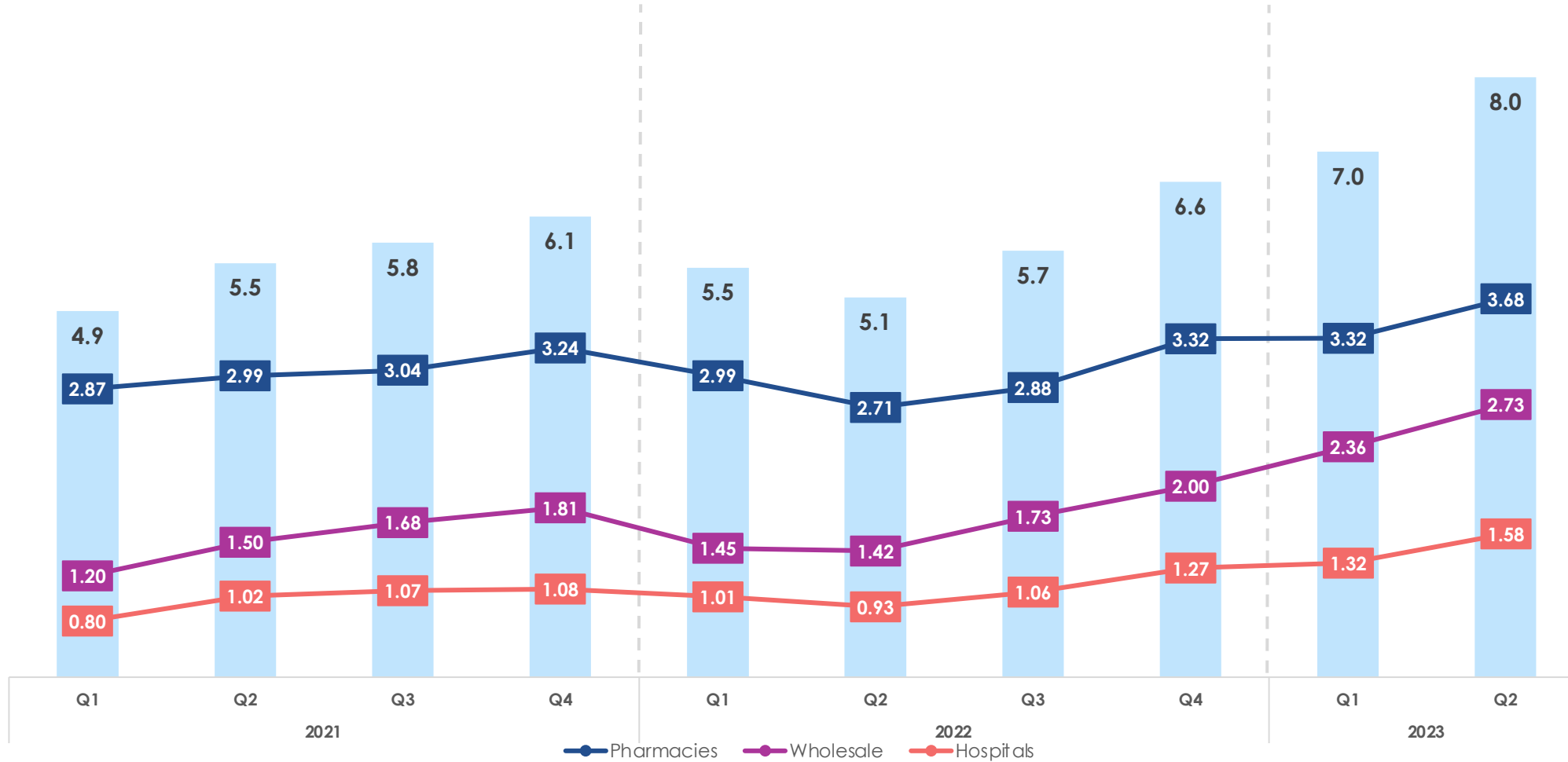
New Suppliers

Revenue Analysis: Growth Across All Business Units




Addressing customer segments individually, modifying internal capacity to cater segment's needs & potential

Revenue Growth
S1 22 vs S1 23

 **43%**



Segments SoS Growth

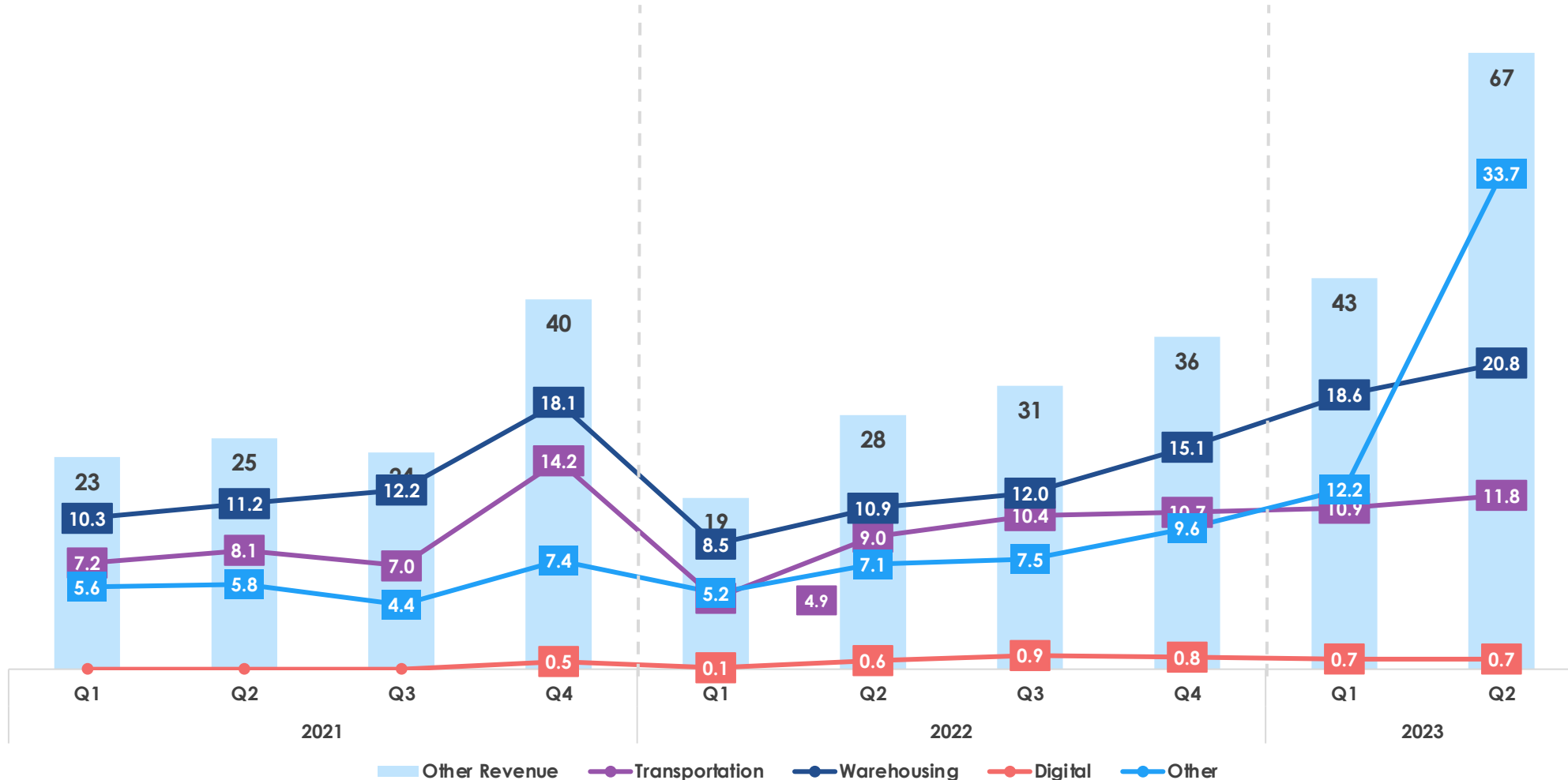
	Retail	23%
	Wholesale	77%
	Hospitals	49%

Revenue Analysis: Other Revenues

Ibnsina Pharma achieves exponential growth across all other business lines; further solidifying its financial position and sustainable business model.

Revenue Growth
S1 22 vs S1 23

↑ **137%**



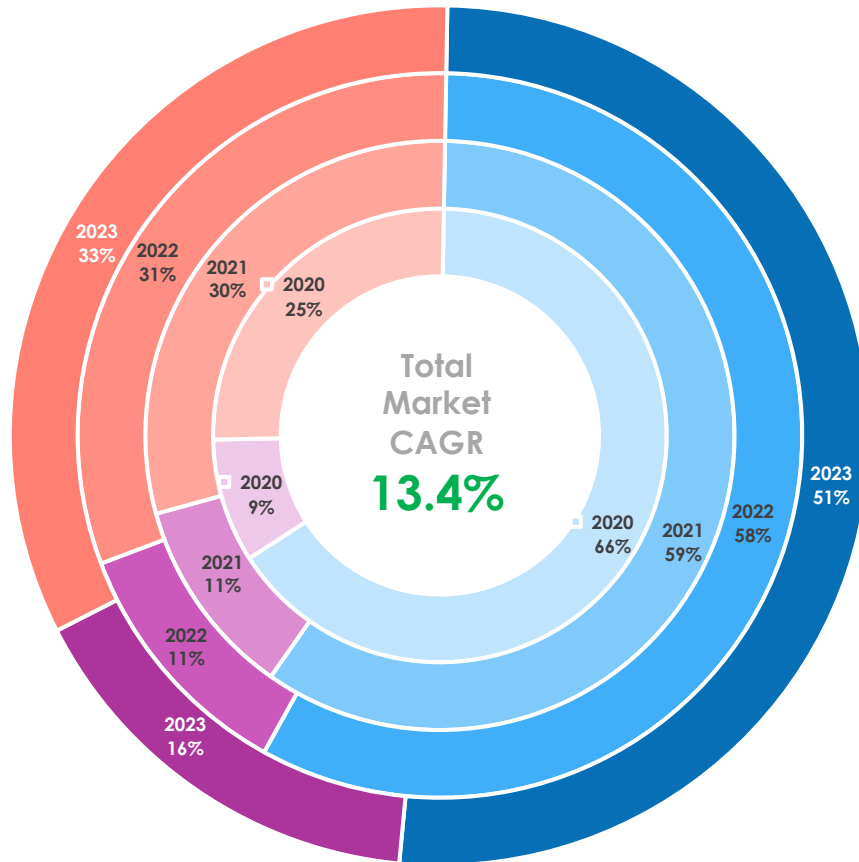
SoS Growth

- Warehousing** ↑ 103%
- Transportation** ↑ 65%
- Other** ↑ 273%
- Marketing Revenues** ↑ 103%

Market Anatomy: Segments Performance

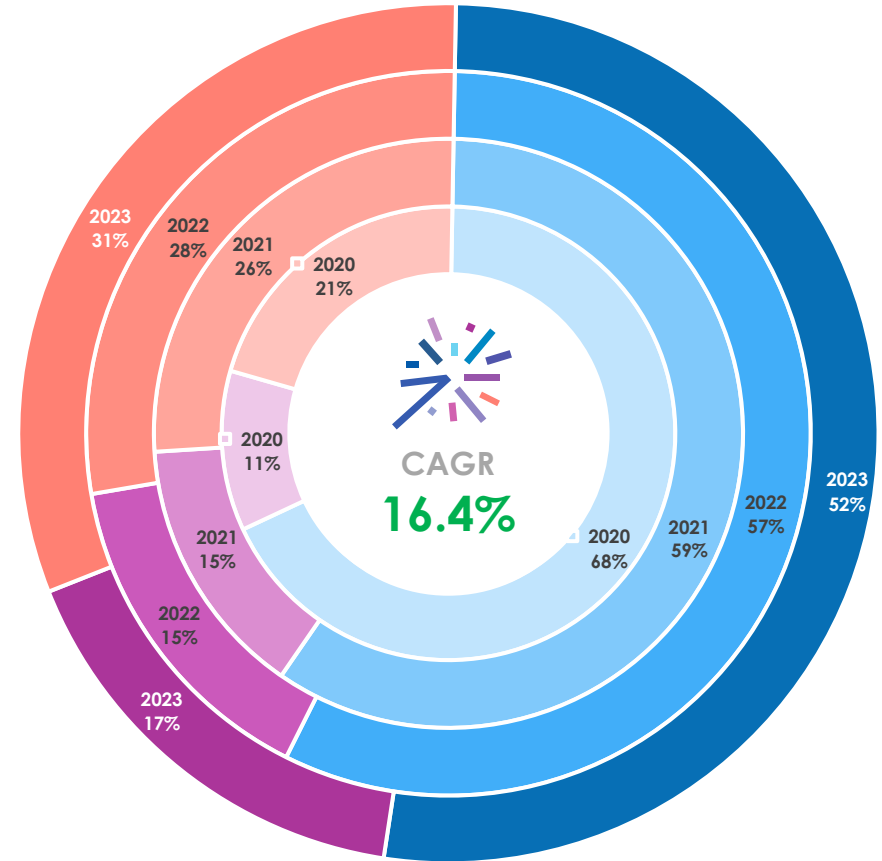
Ibnsina Pharma growth is in line with market dynamics, growing wholesale segment **92%** in Q2, 2023

Market Anatomy – Segments' Contribution
2020 – 2023 (\$1)



↑ Pharmacies CAGR: 6.9%
 ■ Hospitals CAGR: 20.5%
 ■ Wholesale CAGR: 35.4%

ISP Segment Contribution to Total Revenue
2020 – 2023 (\$1) - (Market Data)



↑ Pharmacies CAGR: 7.5%
 ■ Hospitals CAGR: 30.0%
 ■ Wholesale CAGR: 39.1%

Sustainable Growth: Gross Profit Optimization

Ibnsina Pharma breaks the 1bn barrier in GP for the first time in S1, 2023 with a growth rate of **8.1%**, driven by high **Cash Discount Taken** and low **Cash Discount Given!**

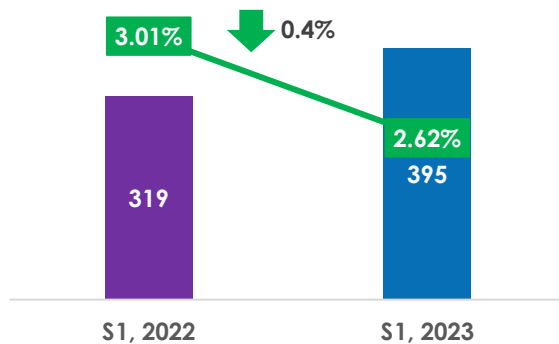
Gross Profit Growth
S1 22 vs S1 23

54%

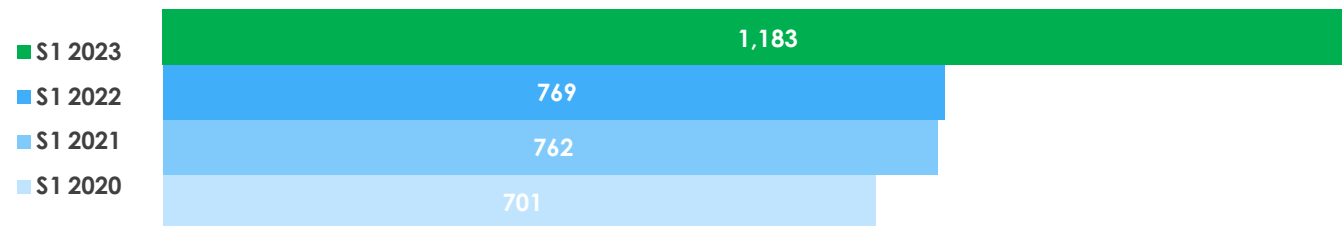
Gross Profit Optimization

(Semester 1, 2022 vs 2023)

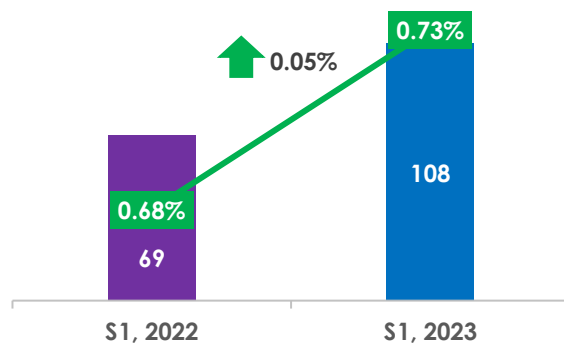
Cash Discount Given (Millions)



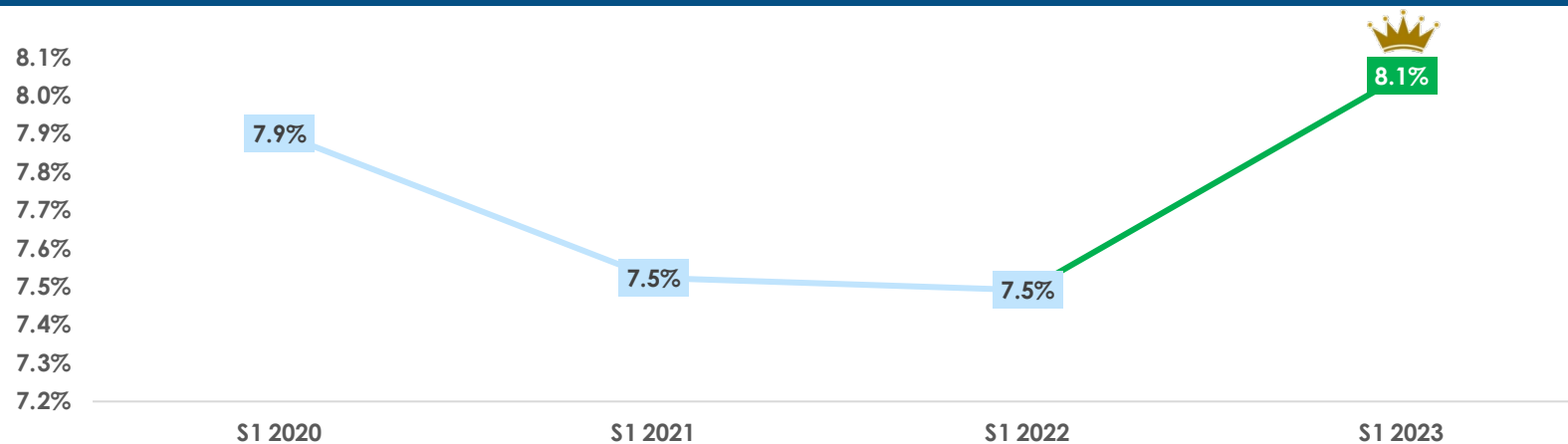
Gross Profit Value (Millions)



Cash Discount Taken (Millions)

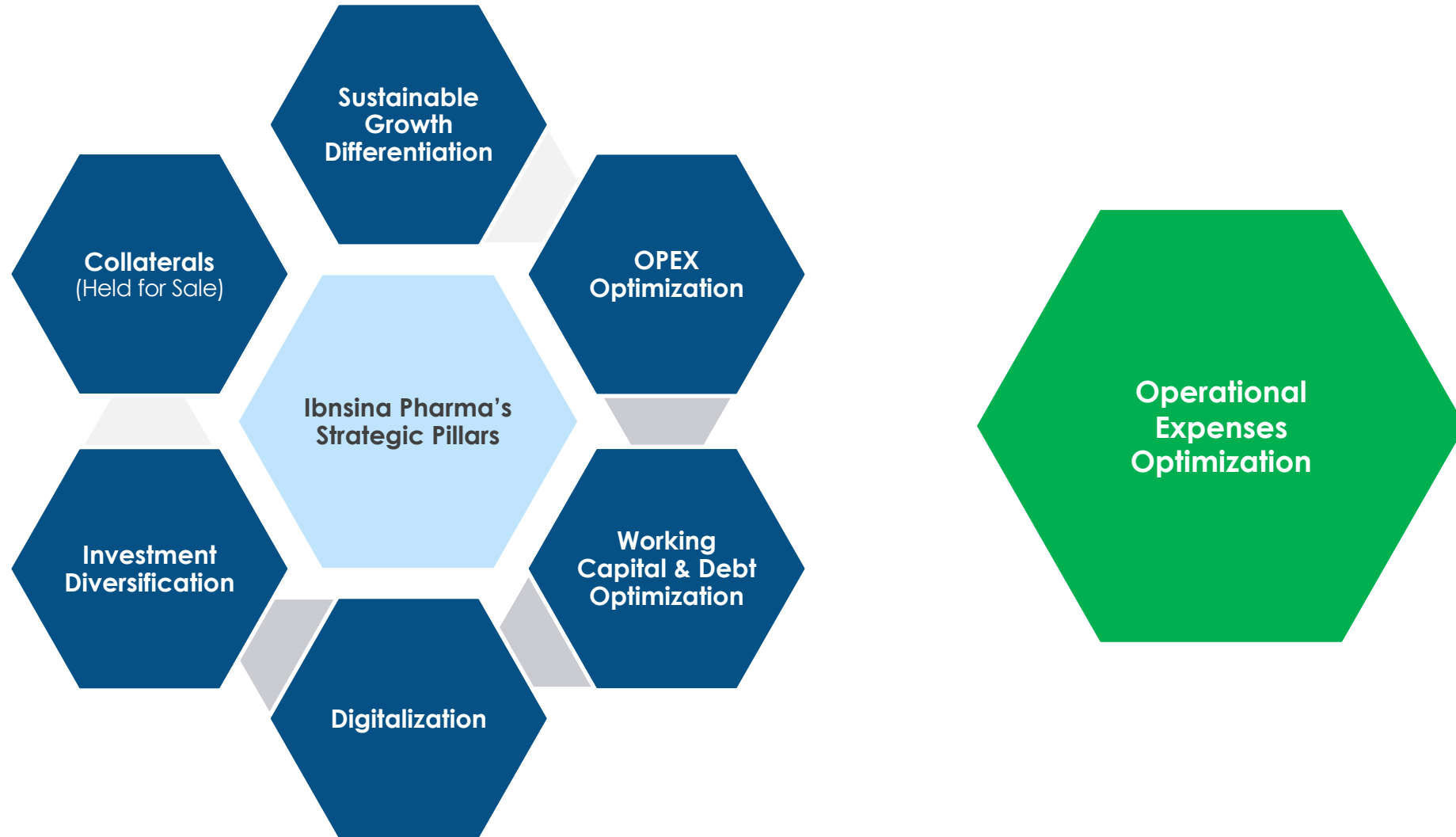


Gross Profit Trend (Millions)



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Operational Productivity: Optimization

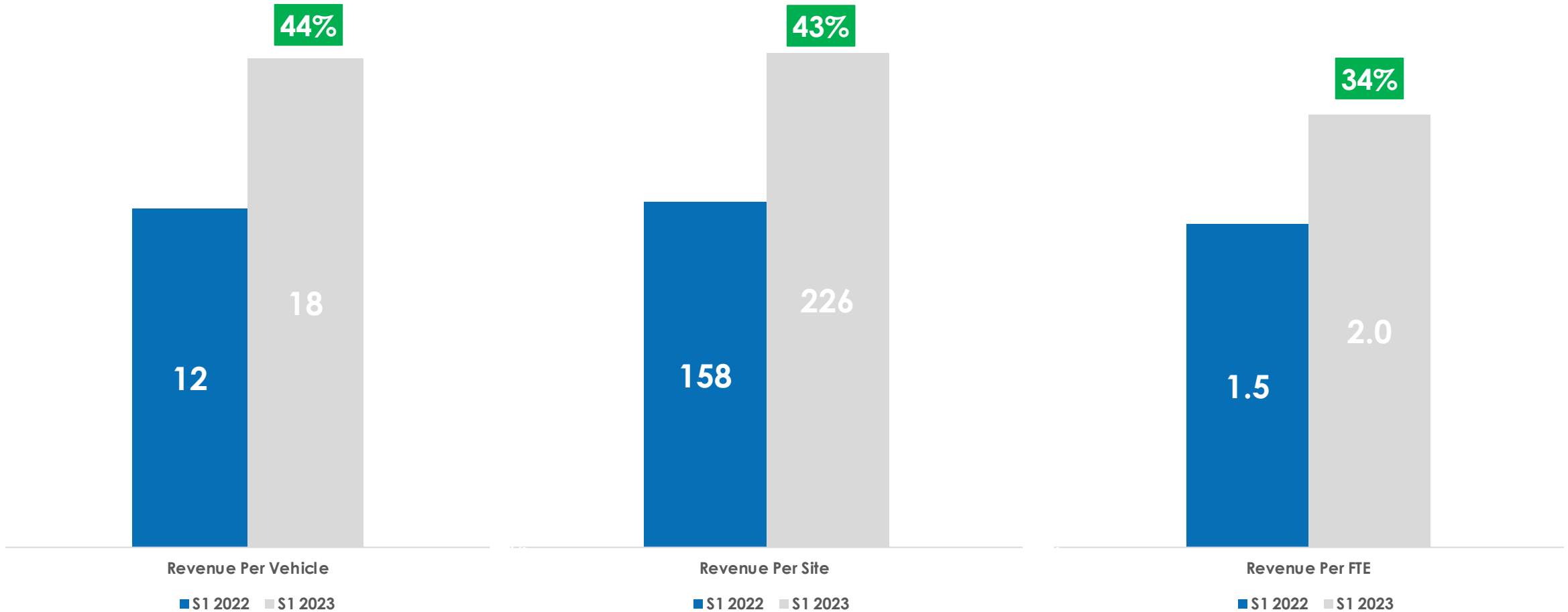
34%↑ Revenue/FTE – 43%↑ Revenue/Site - 44%↑ Revenue/Vehicle reflecting positively on EBITDA


7421


65


821

Optimization per FTE | Site | Vehicle



Opex Optimization: Optimization

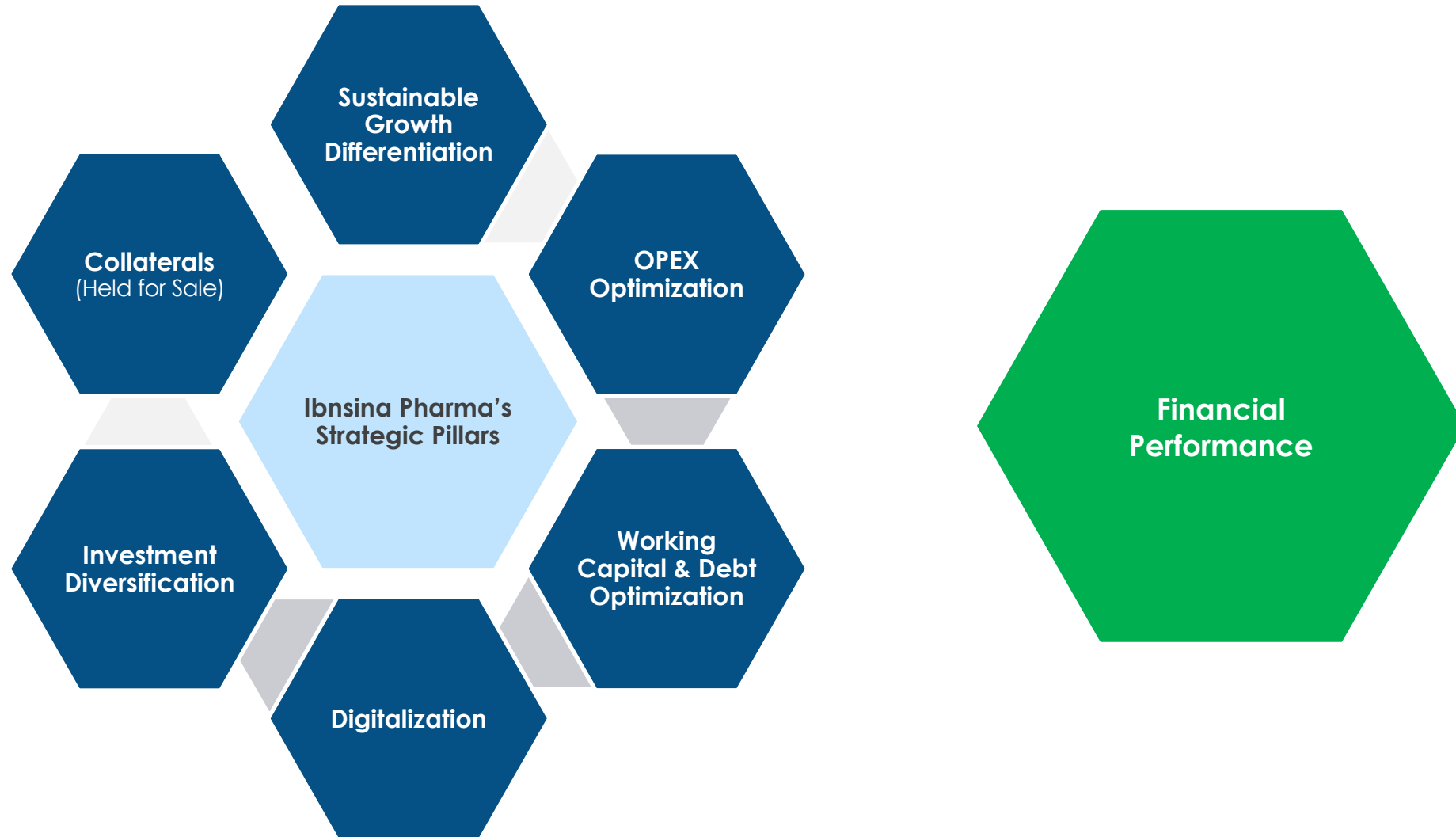
New lowest Opex from Sales recorded in Q2 2023 reflected on highest EBITDA margin reported in Q2 the past 3 years

OPEX vs EBITDA (% of Sales – QOQ – Stand alone Figures)



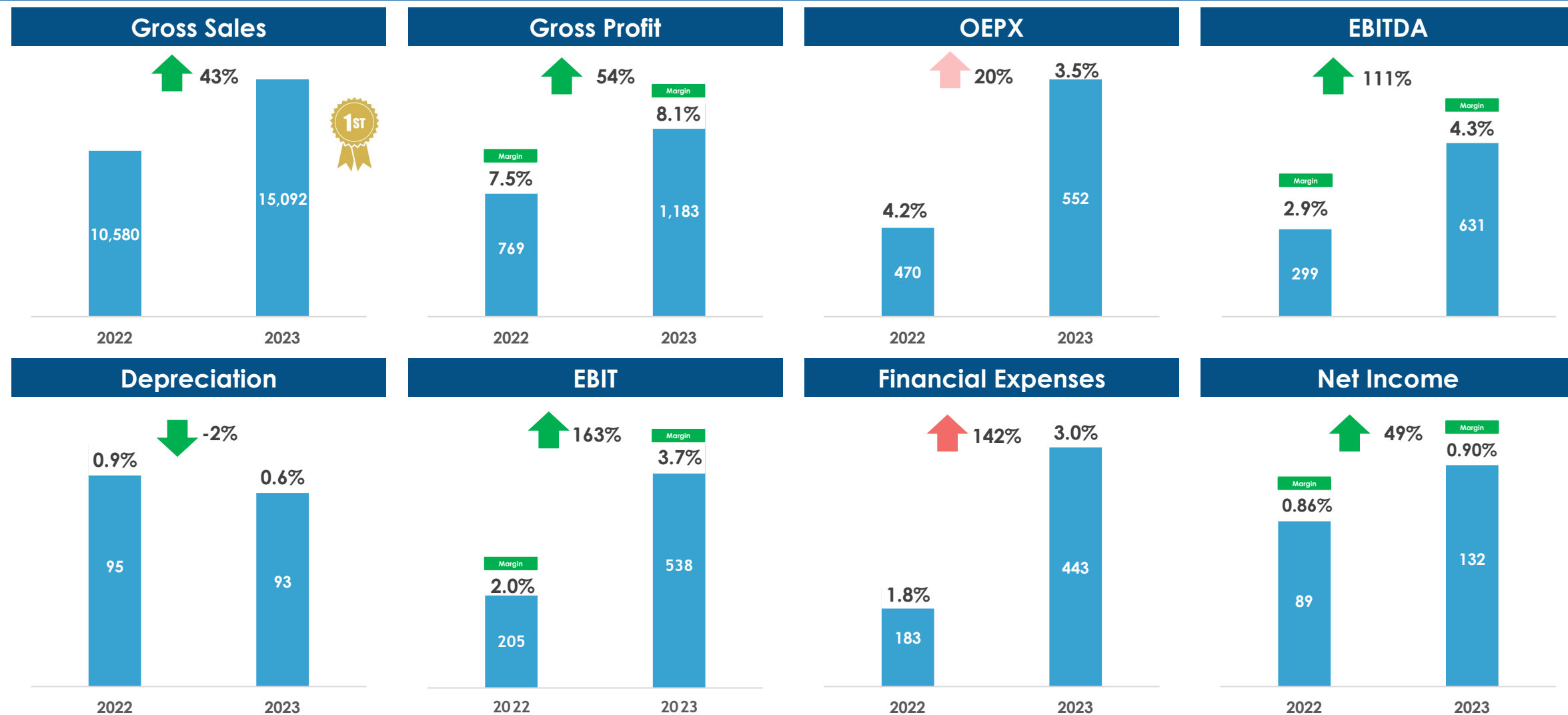
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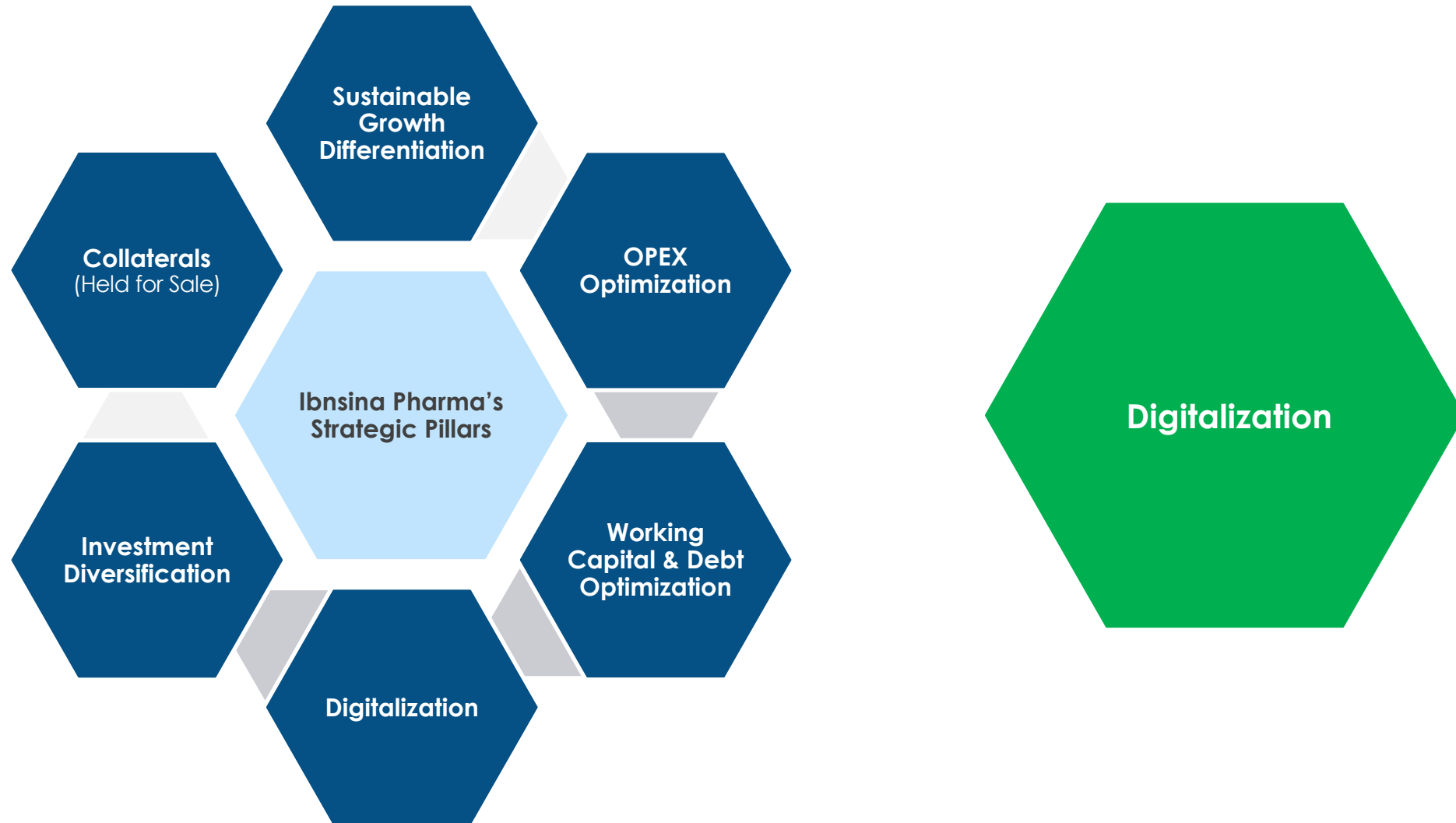
Income Statement: S1- 23 vs S1-22 (Actual)

22% growth in NP driven by “Revenues and “Margins” growth despite “Interest Rate” hike effect on Financial Expenses



ISPH Strategy 2023-2024: ISP Strategy

Investment Diversification



Digitalization: Digital Portfolio

Ibnsina builds digital capability to further secure sustainability, streamline processes, strengthen ties with customers and suppliers, through a variety of digital solutions

ISP's Digital Portfolio



Infor ERP



B2B App



Supplier Field Force App



Supplier Portal



TMS



Pharmacy Management System

New ERP Deployment

Digital Customer Self-Service Tool

Digital Supplier Self-Service Tool - Approvals

Digital Supplier Self-Service Tool - Reporting

Digital Distribution Management Solution

Pharmacy Inventory Management & Integration

100% completion

398mn Revenue

505mn Revenue

7.5mn Revenue

10 Active Branches

590 Registered Pharmacies

Live company-wide since Aug. 2023

30.8K | 48% G Active User

90 | 29% G Dealing Suppliers

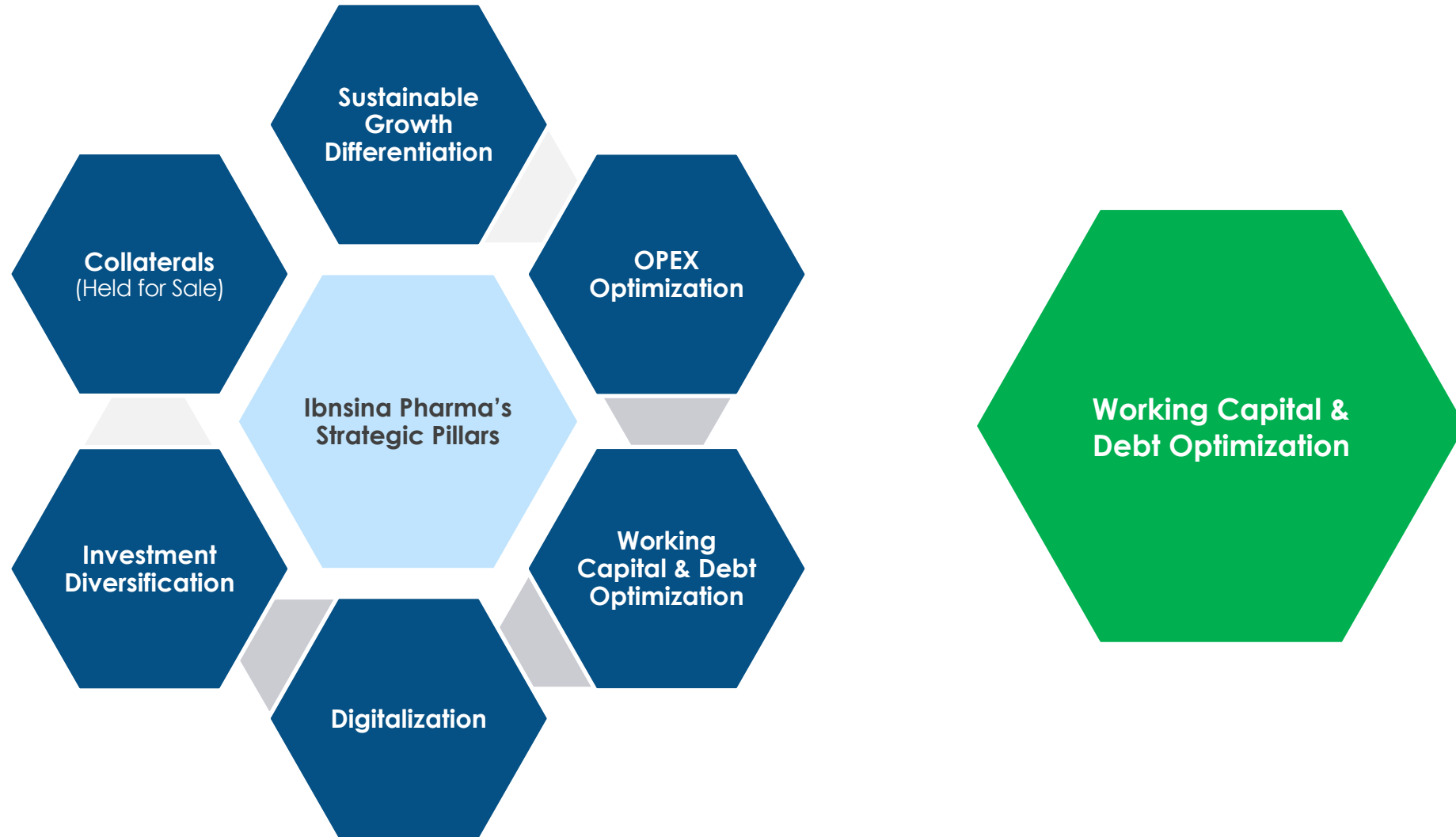
475 Dealing Suppliers

34.4K Covered Trips

22K | 76% G Dealing Customers

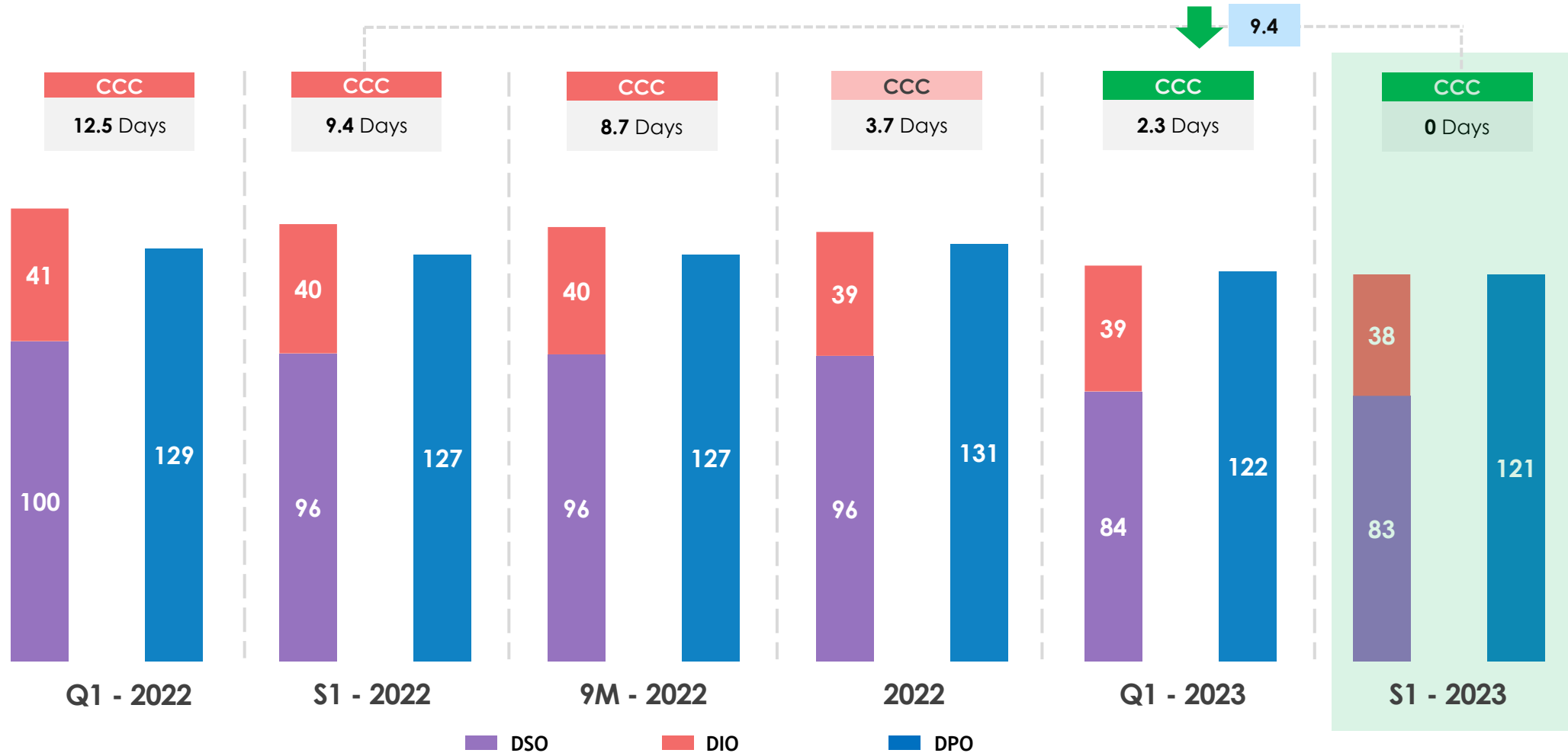
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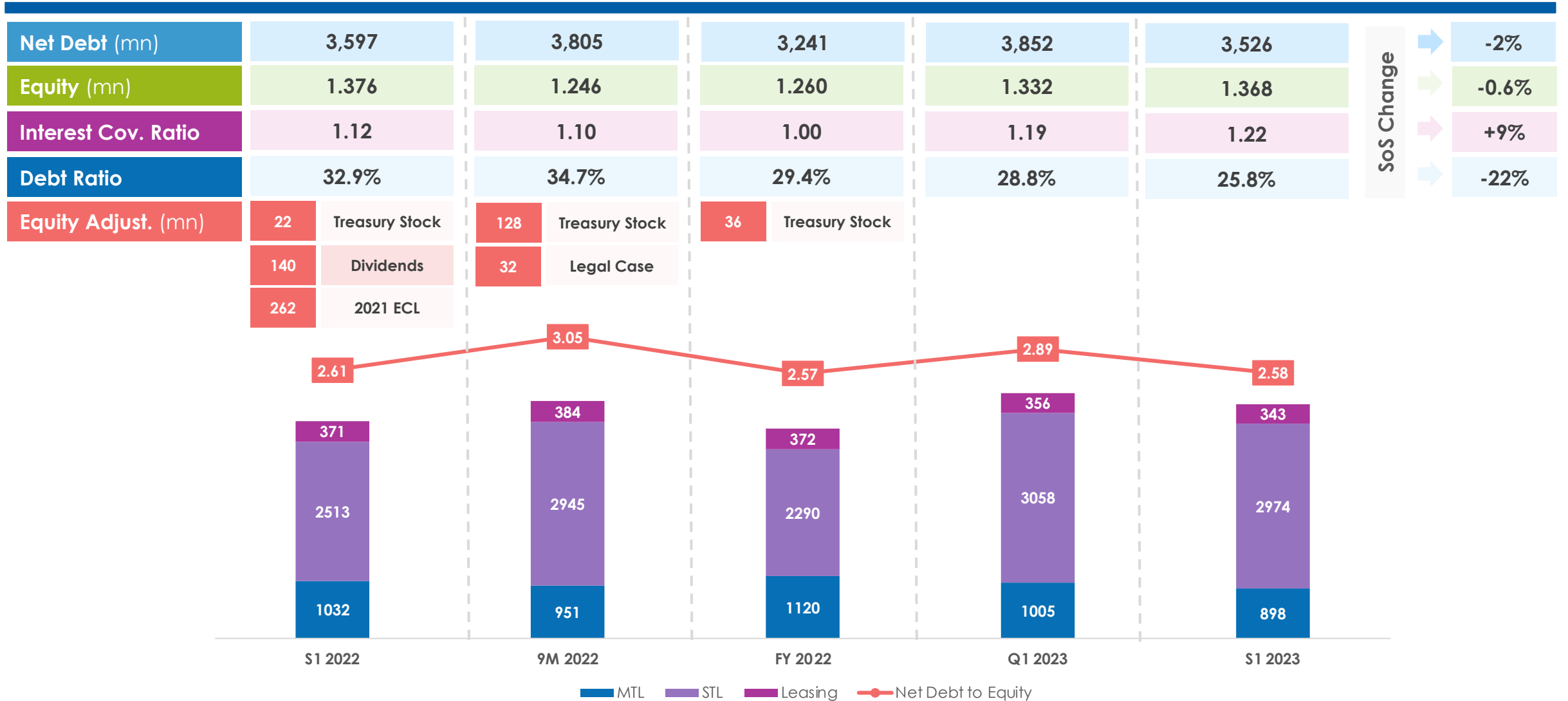
Working Capital Optimization: Exceptional Q1 Relative Performance

Achieving the lowest ever days of cash conversion at **"Zero"** in S1, 2023 with a reduction of **9.4 days** compared to S1, 2022.



Net Debt Optimization: Net debt decreased 2% YoY despite 43% Revenue Growth

Net Finance Bearing Debt to Equity at last 3 quarters levels despite recent Equity multiple adjustments & Revenue growth



Cash Flow Statement: S1, 2023 Financial Figures

300mn enhancement in cash flow from operations QoQ; leveraged by extended supplier payment

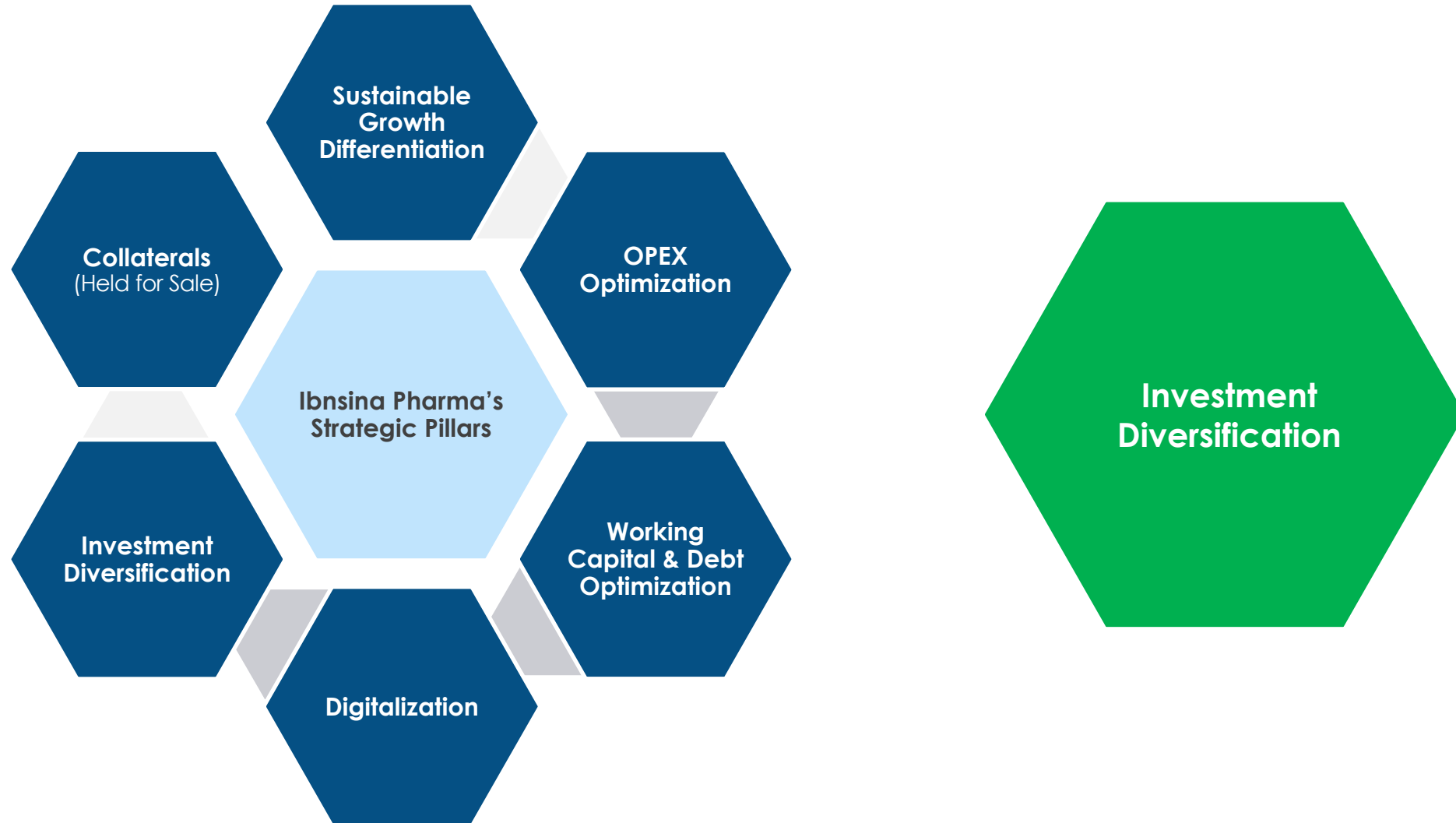
Cash Flow Statement

Description	H1 2023	H1 2022	FY 2022
Cash Flows from operating Activities			
Net profits for the year before tax	167,023,047	108,894,001	175,307,614
Adjustments to Reconcile net profit to Net cash flows generated from			
Fixed assets & other assets depreciation	59,361,156	60,479,768	119,684,709
Expected Credit Loss of accounts and notes receivable	39,919,294	41,471,574	65,529,994
Held for Sale gain	(447,527)		
Right of use Assets Amortization	33,551,221	34,031,275	68,489,624
Capital gain	(287,656)	2,758	(754,433)
Interest and financing expenses	442,562,860	182,827,649	477,087,007
Net operation profit before changes in working capital	741,682,395	427,707,024	866,166,009
Changes in working capital			
(Increase)Decrease in inventory	(1,218,982,711)	(140,305,264)	(270,299,393)
(Increase) Decrease in accounts and notes receivable	(1,873,229,086)	(52,050,280)	(85,198,318)
change in supplier in advance	(92,847,778)	(62,981,230)	(129,839,071)
change in customers advanced payment	4,338,993	9,331,228	(2,646,656)
(Increase) decrease in debtors and other debit balances	(157,522,006)	43,878,864	55,801,391
(Increase) in due from related parties	(7,276,743)		(72,023)
Decrease Increase in accounts and notes payable	2,866,219,229	(1,136,392,658)	558,675,390
Increase(Decrease) in creditors and other credit balances	54,567,939	(182,591,081)	(147,871,452)
Cash flow generated from operating activities	316,950,232	(1,093,403,397)	844,715,876.86
Finance cost paid	(417,007,284)	(169,009,421)	(481,520,271)
Provisions used	(318,769)		(1,257,476)
Net cash flows generated from operating activities	(100,375,821)	(1,262,412,818)	361,938,130

	H1 2023	H1 2022	FY 2022
Cash flows from investing activities			
Payment for purchase of fixed assets & projects under construction & other assets	(161,691,609)	(262,988,356)	(706,799,871)
Payment to acquire intangible assets	(1,569,646)	(6,840,088)	(26,184,044)
Collected from assets held for sale	30,449,976	9,550,000	47,997,682
Proceeds from assets held for sale			(601,863,669)
Proceeds from assets collected from selling of fixed assets	813,812	409,801	1,995,439
Net cash flows (used in) investing activities	(131,997,467)	(259,868,643)	(1,376,515,156)
Cash flows from financing activities			
Dividends paid	(22,927,727)	(140,400,000)	(140,000,000)
Increase (Decrease) in short and long term loans	(248,130,724)	624,565,780	712,389,564
(Decrease) Increase in credit facilities	684,369,928	945,030,118	721,629,353
collected from treasury stock sales		492,448	491,055
Leas Liability Paid	(33,685,988)	(34,038,496)	(21,531,093)
Treasury Stock		(22,133,397)	(185,735,156)
Net cash flows generated from financing activities	379,625,489	1,373,516,453	1,087,243,723
Net change in cash and cash equivalents during the year	147,252,201	(148,765,008)	72,666,697
Cash and cash equivalents at beginning of the year	541,210,495	468,543,798	468,543,798
Cash & Cash equivalents at end of the year	688,462,696	319,778,790	541,210,495

ISPH Strategy 2023-2024: ISP Strategy

Investment Diversification



Investment Diversification: New Business Lines

Ibnsina follows a strategic path to diversify portfolio; introducing 2 new business lines with great prospects and very high synergy with ISP's core business

Non-pharmaceutical Distribution

Overview on Business

Free Priced - Relatively Higher Distribution Margin - Lower Network Costs and CAPEX - Lower SLA - Shorter Collection Period & Lower Discounts

Contracted Suppliers: 28

L'ORÉAL

OMRON

reckitt®

Johnson & Johnson

Dymatize

Roche

High-level Financial Performance – S1, 2023

Revenue + 503mn

GPM + 11.5%

Medical Promotion (Scientific Office Outsourcing)

Overview on Business

Low investment business, managing outsourced medical promotion, multiple financial gains due to high synergy and positive impact on **ISP's Market Share**

Active Accounts

Pfizer

SANDOZ

HC: 86

Start Date: June 23

FY Forecast: 1.2bn

HC: 36

Start Date: Jan 23

FY Forecast: 185mn

SO S1 Commission

13mn



ibnsinapharma