

Earnings Release

Jamjoom Pharma reports net profit increase of 22% to SAR 357 million in FY 2024

FY 2024 Financial Highlights

- Revenue growth of 19.8% YoY to SAR 1,318.5 million
- Gross profit of SAR 820.5 million, with gross margin of 62.2%
- EBITDA¹ growth of 26.9% YoY to SAR 437.1 million, with EBITDA margin expanding by 1.9 ppts YoY to 33.2%
- Net profit increased 21.9% YoY to SAR 356.5 million
- Free cash flow² conversion reached 87.0%, with a net cash position of SAR 261.7 million as at 31 December 2024

Jeddah, February 25, 2025 – Jamjoom Pharmaceuticals Factory Co. (Ticker: 4015.SR) delivered another exceptional quarter of financial performance, sustaining robust growth and strong profitability throughout 2024. The Company achieved a remarkable 19.8% year-on-year increase in revenue, totaling SAR 1,318.5 million, a c.20% CAGR in the past three years. Gross profit reached SAR 820.5 million in FY 2024, reflecting a gross margin of 62.2% and a 16.6% rise from FY 2023. EBITDA experienced a substantial 26.9% year-on-year growth, recording SAR 437.1 million, with the EBITDA margin expanding by 1.9 percentage points to 33.2%. Net profit surged by 21.9% year-on-year, reaching SAR 356.5 million with a margin of 27.0%. Jamjoom Pharma recorded an impressive free cash flow conversion rate of 87.0%, culminating the period with a net cash position of SAR 261.7 million as of December 31, 2024.

Dr. Tarek Hosni, Chief Executive Officer of Jamjoom Pharma, commented on FY 2024 performance:

“Jamjoom Pharma delivered another year of strong performance in 2024, marked by solid financial results and continued progress on our strategic initiatives. We achieved 19.8% revenue growth, driven by consistent performance across our key markets and therapeutic areas. Our focus on operational efficiency contributed to a 33.2% EBITDA margin and a 27.0% net profit margin, demonstrating our ability to execute effectively while maintaining profitability.

Operationally, we expanded our manufacturing capabilities to support future growth. We scaled up production at our Egypt facility, launched in 2023, and commissioned a new sterile products facility in Jeddah. These capacity enhancements position us well to meet the increasing demand and support our near- and medium-term growth plans. Across our three facilities, we produced 175.2 million units.

Along with reaching the 7th rank overall³ in the total KSA pharma market (up from 12th in Sep 2020), we also strengthened our market position in the Gulf, Iraq, Egypt, and North Africa, aligning with our strategy to expand in key growth markets. With our new introductions in anti-diabetes, we position ourselves within the sizable cardio-metabolic space, which we view as a significant long-term opportunity.

¹ EBITDA = Operating profit less depreciation & amortization add share of profit from joint venture

² Free cash flow conversion = Free cash flow/EBITDA. Free cash flow is calculated as (EBITDA – CAPEX)

³ IQVIA Top KSA Corporates as of MAT September 2024

Looking ahead, we remain focused on executing our strategic priorities to drive sustainable growth and enhance shareholder value. I extend my gratitude to our team and stakeholders for their continued support and trust as we advance our vision of becoming the leading healthcare provider in the MEA region.”

Performance Highlights

Income Statement Summary

SAR (mn)	FY 2024	FY 2023	YOY Δ%	4Q 2024	4Q 2023	YOY Δ%
Revenue	1,318.5	1,100.8	20%	259.7	209.0	24%
Gross profit	820.5	703.8	17%	158.5	118.9	33%
Operating profit (EBIT)	381.1	313.3	22%	54.0	41.5	30%
Net profit for the period	356.5	292.4	22%	51.6	44.5	16%
EBITDA	437.1	344.3	27%	72.0	54.1	33%
FCF	380.1	298.6	27%	61.7	45.3	36%
EPS	5.1	4.2	22%	0.7	0.6	16%

Revenue Mix by Geographies

SAR (mn)	FY 2024	FY 2023	YOY Δ%	4Q 2024	4Q 2023	YOY Δ%
KSA	857.7	720.6	+19%	158.7	124.1	+28%
Gulf	181.7	139.9	+30%	47.0	26.9	+74%
Iraq	116.2	105.1	+11%	26.2	28.3	-7%
North Africa & other export countries	92.3	75.9	+22%	18.9	15.3	+23%
Egypt	70.6	59.2	+19%	9.0	14.3	-37%
Revenue	1,318.5	1,100.8	+20%	259.7	209.0	+24%

Revenue Mix by Therapeutic Areas

SAR (mn)	FY 2024	FY 2023	YOY Δ%	4Q 2024	4Q 2023	YOY Δ%
Ophthalmology	360.9	288.4	+25%	84.6	59.2	+43%
Dermatology	254.9	225.1	+13%	48.3	51.2	(6%)
General Medicine	212.4	185.6	+14%	38.0	37.2	+2%
Consumer Health	179.1	144.1	+24%	36.4	18.6	+96%
GIT	119.3	100.7	+18%	20.0	16.3	+22%
CVD	66.7	48.3	+38%	11.4	9.6	+19%
CNS	29.6	36.3	-19%	4.8	7.5	-36%
Anti-Diabetic	18.5	7.7	+140%	3.2	0.4	+685%
Pain & Inflammation	77.1	64.6	+19%	13.0	9.0	+45%
Revenue	1,318.5	1,100.8	+20%	259.7	209.0	+24%

Revenue Trends

In 2024, Jamjoom Pharma continued its robust growth trajectory, achieving SAR 1,318.5 million in revenue, reflecting a 19.8% YoY increase. This growth has been driven by strategic initiatives to expand our portfolio and enhance our market presence, moreover by focusing on expanding our core therapeutic categories ophthalmology and dermatology supported by consumer health.

Geographically, performance in key markets was exceptional, with revenues in Saudi Arabia increasing by 19.0% YoY, reaching SAR 857.7 million. This growth was supported by a strong performance in all key therapeutic areas, driven by improved market engagement through enhanced marketing strategies, in addition to promising growth in institutional (tender) sales of 26.4% YoY.

Out of our other key markets, Gulf showed a remarkable 29.8% YoY growth, with revenue rising from SAR 139.9 million in 2023 to SAR 181.7 million in 2024. North Africa & other export markets increased by 21.6% led by Morocco which grew 30.8%. Iraq also experienced a notable revenue increase of 10.5%, growing from SAR 105.1 million in 2023 to SAR 116.2 million in 2024. This growth was attributed to our portfolio optimization efforts, informed by market intelligence, strategic planning, and expanded distribution networks. Egypt market saw substantial growth, with revenue rising 19.2% from SAR 59.2 million in 2023 to SAR 70.6 million in 2024. This increase is attributable to an effective sales strategy tailored to the Egypt market supported by the ongoing ramp-up of the new facility, which reached 48.0% capacity utilization, with over 65.8% of sales coming from local production in the year.

Jamjoom Pharma's revenue growth across its therapeutic areas was robust, with significant contributions from Cardiovascular, Ophthalmology, Consumer Health, and Gastrointestinal segments during 2024. The cardiovascular segment alone has increased by 38.2% YoY. Our flagship TAs Ophthalmology and Dermatology recorded growth rates of 25.2% and 13.2%, respectively, together accounting for 46.7% of total revenue for 2024. Additionally, the Anti-Diabetic segment, launched in 2023, demonstrated significant performance, launching 2 new brands in 2024, with revenue rising from SAR 7.7 million in FY 2023 to SAR 18.5 million in FY 2024.

Overall, our strategic initiatives and adaptive market strategies have positioned Jamjoom Pharma for sustained growth, highlighting our strength as a leading contributor to the regional pharmaceutical industry.

Cost Trends and Margins

In FY 2024, the cost of revenue increased by 25.4% YoY, driven by our efforts to scale production in response to rising sales volumes. Direct production costs including raw materials and consumables were up by 22.6% YoY. Additionally, salaries and employee-related costs grew by 33.1% YoY, reflecting the hiring of new talent to support the business expansion and strategic growth direction of the Company, as well as the implementation of extra working shifts to enhance production capacity. Depreciation and amortization expenses rose by 56.5% YoY, primarily due to the full year impact of our new facility in Egypt and newly capitalized Jeddah sterile facility. Furthermore, other operational costs increased by 14.9% YoY, largely driven by routine expenses associated with our production activities.

In FY 2024, the gross profit margin decreased by 1.7 percentage points YoY, resulting in a margin of 62.2%. This decline was primarily attributed to changes in geographic and product mix. During this period, our total production reached 175.2 million units across our three facilities. Notably, our main facility in Jeddah produced 146.8 million units, reflecting a 3.2% increase compared to the previous year, additionally Egypt facility produced a total of 24.9 million units, and Jeddah sterile facility produced 3.5 million units in FY 2024.

The impact of rising production costs was more than offset by gains in operational efficiency. Our selling and distribution expenses experienced a modest increase of 10.6% YoY, reaching SAR 316.6 million in 2024. This efficiency is attributable to our effective sales strategy, enhanced operational efficiencies, cost optimization across our sales force and promotional activities and increased brand recognition, which are further bolstered by growing economies of scale. General and administrative expenses increased by 7.6% YoY, totaling SAR 71.1 million. This is mainly a result of the increase in salaries and employee related costs attributable to hiring new talent to support business expansion and align with the Company's strategic growth objectives. Additionally, research and development expenses increased by 1.8% YoY to SAR 34.0 million. This increase reflects the strategic shift in our R&D focus, aimed to identify and capitalize on growth opportunities through high-quality product launches.

EBITDA margin grew by 1.9 ppts YoY reaching 33.2% in FY 2024, with total EBITDA amounting to SAR 437.1 million. Finance costs for the period totaled SAR 23.9 million, a significant increase as compared to the prior period, attributable to the negative foreign exchange impact due to the devaluation of the Egyptian pound. However, robust operating profit performance, a 321.5% increase in the share of profit from the Algerian joint venture, net other operating income, and finance income, offset this negative impact. As a result, net profit grew by 21.9% YoY, reaching SAR 356.5 million in 2024.

Quarterly performance

In 4Q 2024, the Company recorded revenue of SAR 259.7 million, representing a 24.3% increase from SAR 209.0 million in 4Q 2023, primarily driven by volumetric growth. The cost of revenue for this period totaled at SAR 101.2 million, reflecting a 12.4% increase compared to the same quarter in the previous year. Gross profit for 4Q 2024 amounted to SAR 158.5 million, marking a 33.3% increase from SAR 118.9 million in 4Q 2023, indicating overall profitability improvements. The gross profit margin for 4Q 2024 increased by 4.1 ppts YoY, recording a 61.0% GP margin for the quarter.

Operating expenses showed varied performance in 4Q 2024. Selling and distribution expenses amounted to SAR 66.2 million, reflecting an increase of 15.1% from SAR 57.5 million in 4Q 2023. In contrast, general and administrative expenses rose to SAR 21.8 million, representing 8.4% of revenue, which is an increase of 4.0% compared to the previous year, primarily driven by higher employee-related costs. Research and development expenses for 4Q 2024 were SAR 9.3 million up 25.6% compared to 4Q 2023. As operations continue to ramp up, the joint venture in Algeria contributed SAR 7.7 million profit in 4Q 2024.

Net profit for 4Q 2024 was SAR 51.6 million, reflecting a 16.0% increase from SAR 44.5 million in 4Q 2023. However, the margin declined by 1.4 percentage points compared to the same quarter last year, reaching 19.9%. This decline was due to strategically lower sales in Q4 2024 in addition to one-time write-offs of SAR 5.1 million against legacy investments.

CAPEX and Cash Flows

Working capital rose by 28.2% YoY in FY 2024, reflecting a strategic inventory expansion to support anticipated future demand. The cash conversion cycle slightly increased by 8.5% recording a cycle of 252 days, compared to 232 days in the prior year. Operating cash flow reached SAR 263.3 million, marking a decrease of 11.0% from the same period last year, which highlights that the Company was able to maintain the strength of its core operations and its capacity to generate liquidity. At the end of 2024, we maintain a healthy net cash position of SAR 261.7 million.

Capital expenditure rose by 24.5% YoY to SAR 57.0 million in FY 2024, driven by the expansion of our oral solid dosage (OSD) line and improvements to our packaging capacity at the main facility in Jeddah. Capital spending accounted for 4.3% of our revenue for the period, aligning with our mid-term guidance range of 4-6%.

Balance Sheet Summary

SAR (mn)	Dec 2024	Dec 2023	YTD Δ%
Total Non-Current Assets	743.0	747.5	-1%
Total Current Assets	1,028.7	906.7	13%
Total Assets	1,771.6	1,654.2	7%
Total Equity	1,490.6	1,404.3	6%
Total Non-Current Liabilities	79.3	69.9	13%
Total Current Liabilities	201.8	180.0	12%
Total Liabilities	281.0	249.8	13%

Non-current assets have decreased by 0.6% to reach SAR 743.0 million compared to FY 2023, due to the depreciation of PPE and devaluation impact of the EGP offsetting capital expenditure incurred. Current assets grew 13.4% during FY 2024 compared with FY 2023. This growth is mainly driven by an increase in receivables and inventories, reflecting an increase in sales volume and our strategy to maintain high inventory levels to meet anticipated demand, respectively.

Shareholders' equity increased by 6.1% from FY 2023 to reach SAR 1,490.6 million, tracking net profit growth, offset by dividend payouts and foreign currency devaluation.

Current liabilities grew 12.1% from FY 2023 to reach SAR 201.8 million, driven by higher accruals and other current liabilities that reflected overall business growth.

Outlook and Guidance

We are pleased to have met all our targets set for FY 2024 and provide the following guidance for the years 2025-27:

	FY 2024 Guidance	FY 2024 Results	FY 2025-2027 Guidance
Revenue growth	15-18%	19.8%	12-15% (CAGR)
EBITDA margin	31-32.5%	33.2%	30-31.5%
CAPEX/Revenue	4-6%	4.7%	4-6%
Dividend (semi-annual)	50-60% payout ratio	FY24 dividend of SAR 3.1/share (including 2H24 payout in March, 60% payout for the year)	50-60% payout ratio

In the longer term the Company retains its strategic focus on the MEA region and targets expansion into selected high-potential markets in the coming years, in line with its vision to become the leading MEA organization by 2030 through consistently providing affordable, high-quality healthcare solutions.

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Additional Information

The Company will be hosting the FY 2024 earnings call on the 25th of February 2024 at 3pm KSA time to present and discuss the financial results with investors and analysts. Attendees can register for this call by reaching out to our IR department at the email provided below, who will assist you in registering.

The FY 2024 financial statements, earnings release, earnings presentation and financial data supplement will be made available on the website of Jamjoom Pharma at: investors.jamjoompharma.com

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