

## Macro Group Pharmaceuticals Continues Its Strong Turnaround, More Than Doubles Adjusted EBITDA in FY24

Cairo, 26 February 2024 | Cairo, Egypt

Macro Group Pharmaceuticals (Macro Capital) S.A.E (“Macro” or the “Group”), a leading player in Egypt’s cosmeceuticals sector, continues its successful recovery, reporting strong operational and financial performance for the fiscal year ending 31 December 2024.

Despite a challenging macroeconomic environment, Macro maintained its strategic focus on **stabilization and growth**. **FY24 revenue reached EGP 520 million**, a marginal **1.1% decline** year-on-year, as distributor inventory levels normalized, setting the stage for renewed expansion in 2025. Sales volumes declined **10% Y-o-Y**, but a **stronger product mix** partially offset the impact, with the Group maintaining **stable pricing**. To reinforce financial transparency, Macro adopted **IFRS-15 standards**, reclassifying rebates and bonuses in FY23 and implementing return rights. **4Q24 revenue surged 22% quarter-on-quarter to EGP 201 million**, marking a clear turning point as the Group enters its next growth phase with **optimized core product coverage at 1.5 months** by year-end.

Operational efficiencies and disciplined cost management helped Macro **sustain a strong 62.1% gross margin**, delivering **EGP 323 million in gross profit**. **Adjusted EBITDA more than doubled year-on-year to EGP 32.3 million**, underscoring the Group’s ongoing recovery and improved profitability.

While **FY24 net loss stood at EGP 38 million**, excluding **one-time impairment losses and fair value adjustments**, the **normalized net loss was EGP 5.7 million**, reflecting continued financial improvements. **Sequential performance remained strong**, with **4Q24 net profit rising 24% quarter-on-quarter to EGP 28 million from EGP 23 million in 3Q24**.

Looking ahead, Macro remains focused on **sustainable growth, market expansion, and operational excellence**. With **EGP 172 million in shareholder loans reinforcing its financial position**, the Group is well-equipped to **capitalize on emerging opportunities** and sustain its recovery momentum, leveraging its strong market presence and industry expertise.

### Financial & Operational Highlights

|  |  |   |   |
|--|--|---|---|
| <p>EGP <b>520</b><br/>FY24 Revenue<sup>1</sup></p> <p>▼ 1.1% YoY</p>                                     | <p>EGP <b>323</b> mn<br/>FY24 gross Profit</p> <p>▼ 9.7% YoY / 62.1% Margin</p>  | <p>EGP <b>65</b> mn<br/>FY24 Adjusted EBITDA<sup>2</sup></p> <p>▲ 153% YoY / 12.4% Margin</p> | <p>EGP <b>(38)</b> mn<br/>FY24 Net loss</p> <p>Vs. EGP -273 mn / -7.3% margin</p> |
| <p>EGP <b>(5.7)</b> mn<br/>FY24 Normalized Net Loss<sup>2</sup></p> <p>Vs. EGP -57 mn / -1.1% margin</p> | <p>EGP <b>-0.07/-0.01</b><br/>FY24 EPS/Normalized EPS<sup>3</sup></p> <p>N/M</p> | <p><b>11.5</b> mn units<br/>FY24 Volume Sold</p> <p>▼ 10% YoY</p>                             |   |

<sup>1</sup> Revenue after deducting sales right of return provision & reclassification of rebate and bonus expenses

<sup>2</sup> Adjusted for impairment losses on financial assets & fair value change of financial assets

<sup>3</sup> Based on the weighted average number of shares outstanding

## Message from our Chairman

I am pleased to present Macro's financial and operational performance for the period ending December 31, 2024. Despite ongoing macroeconomic challenges—including inflation, currency devaluation, and past import restrictions—Macro has demonstrated resilience and a strong commitment to recovery and transformation.

FY24 marked a turning point for the Group as we continued executing our restructuring strategy, following a comprehensive review of revenue cycle management and supply chain controls. Under the leadership of our newly appointed management team, we more than doubled our Adjusted EBITDA and reduced our net loss to EGP 38 million, a significant improvement from the EGP 273 million loss in FY23. This was achieved through normalized stock levels, strategic cost optimization, and a renewed focus on top-line growth.

While revenue was temporarily impacted by volume reductions and liquidity constraints in Egypt's pharmaceutical distribution network, we saw strong momentum in 4Q24, with revenue growing 22% quarter-on-quarter. FY24 revenue declined marginally by 1.1% to EGP 520 million, but the success of our sales and marketing efforts in driving higher-value products positions us well for future growth. The proactive inventory management measures taken in 1Q24 have now yielded an optimal 1.5-month stock coverage, strengthening product availability and supply chain efficiency. Additionally, demand at the pharmacy level has improved, and our management team has implemented a clear pricing strategy for gradual price increases in 2025, supporting continued revenue expansion.

Our diversified distribution model remains a key pillar of Macro's strategy. In FY24, direct pharmacy sales accounted for 5% of revenue, while key accounts and wholesalers contributed 42% and 46%, respectively, ensuring a balanced mix between profitability and working capital management. Export revenue reached EGP 25 million, growing by 47% year-on-year, now representing 6% of total sales, reinforcing our commitment to expanding beyond the local market to mitigate currency risks and drive international growth.

Macro maintained strong profitability metrics, with gross profit reaching EGP 323 million, yielding a 62.1% margin. Adjusted EBITDA grew by 153% year-on-year to EGP 65 million, with a 12.4% margin, reflecting effective cost discipline and operational efficiencies. Selling and marketing expenses as a percentage of sales declined by 15 percentage points, while general and administrative expenses remained stable. These improvements contributed to a substantial reduction in net loss, underscoring the success of our ongoing financial restructuring.

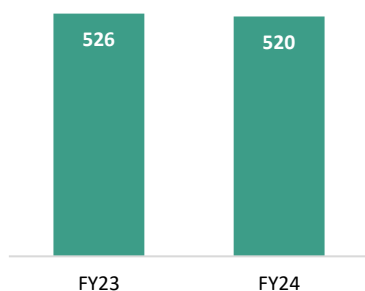
Looking ahead, our focus remains on scaling product volumes, increasing revenues, and further enhancing profitability. We are committed to leveraging our market leadership, driving innovation, and introducing advanced products that meet evolving consumer needs. Our robust marketing and distribution networks will be instrumental in capitalizing on growth opportunities, both locally and internationally.

We are optimistic about Macro's turnaround and confident in our strategic direction as we navigate the economic landscape. This confidence is reflected in the EGP 172 million in loans provided by our largest shareholder, reinforcing our financial position and providing the necessary support for our restructuring efforts and working capital needs. With a clear roadmap for the turnaround and a strengthened operational foundation, Macro is well-positioned for sustained recovery and long-term success.

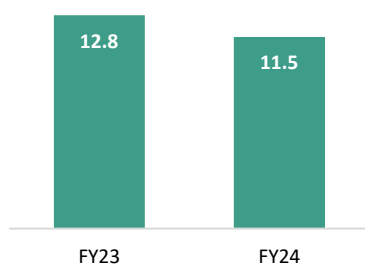
**Dr. Ahmed Elnayeb, Chairman of Macro Group**

## Consolidated Financial Review

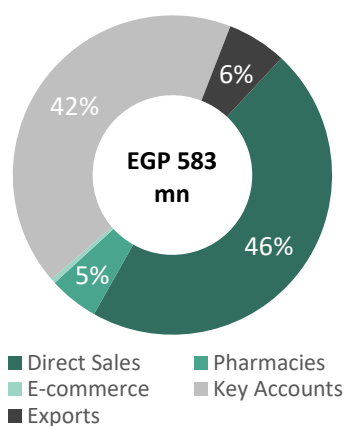
Revenue Progression  
(EGP mn)



Volume Progression  
(mn units)



FY24 Gross Revenues<sup>4</sup>  
By Sales Channel



### Revenues

Macro recorded consolidated revenues of EGP 520 million in FY24, down by 1.1% YoY, primarily due to 10% lower volumes sold and in-year adjustments for the right of return provisions and the reclassification of rebate and bonus expenses. This was slightly offset by better sales mix dynamics. The decrease in the quantity of products sold was primarily influenced by the destocking of products within the pharmaceutical distribution chain, and the one-off returns of obsolete Macro products held by distributors during the period. As of December 2024, core product stock levels stabilized at 1.5 months marking the end of proactive destocking efforts and paving the way for growth in 2025. On a sequential basis, 4Q24 sales were EGP 201 million, up by 22.4% Q-o-Q.

### Revenues by Sales Channel

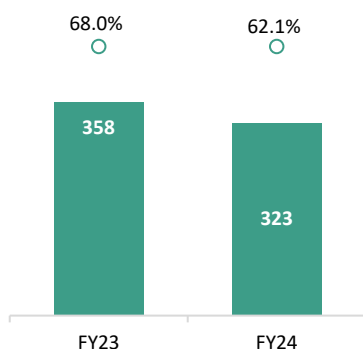
Macro Group sells its products through its direct distribution channels, consisting of sales to wholesalers, retailers and through e-commerce, in addition to its indirect distribution channels, comprising of key accounts and exports.

**Direct Distribution Channels.** Revenues from direct sales channels came in at EGP 304 million in FY24, down by 12% YoY and contributing 52% to total gross revenues. Wholesale revenues declined by 9% YoY, while direct pharmacy sales recorded EGP 27.9 million during the period, keeping the channel's overall contribution to gross revenue at 5%. Management continues to focus on increasing its presence within the direct pharmacy channel, with ongoing efforts to expand its reach within the large and medium size pharmacies. E-commerce revenue was EGP5.1 million in FY24, down 78% from last year and contributing 1% to overall gross revenue.

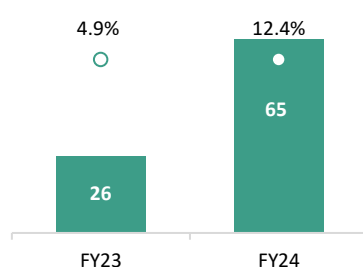
**Indirect Distribution Channels.** Indirect sales channel revenue contribution recorded 48% in FY24 with total revenue at EGP 279 million, up 55% YoY. This was primarily driven by a 56% Y-o-Y growth in key account sales to EGP 244 million, on the back of enhanced performance from our main distributors Ibn Sina and Pharma Overseas, during the period. Additionally, export revenue was EGP 34.6 million, up 47% YoY and contributing 6% to gross revenue in FY24. Management continues to focus their efforts on growing export presence and hedging against foreign currency risk through growing Macro's geographical presence through entering markets like Somalia, Bahrain and Libya and maintaining its current business in countries like Saudi Arabia where it managed to secure a second shipment.

<sup>4</sup> Gross Revenue is not adjusted for right of return provisions and the reclassification of rebate and bonus expenses

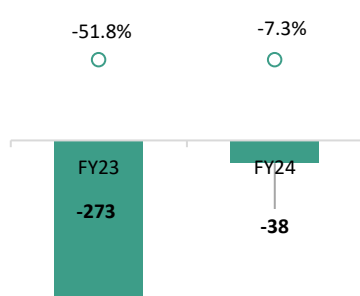
### Gross Profit and Margin Progression (EGP mn | %)



### EBITDA and Margin Progression (EGP mn | %)



### Net Profit and Margin Progression (EGP mn | %)



## Gross Profit

Gross profit stood at EGP 323 million in FY24, marking a 9.7% YoY decline, with margins falling by 5.9 pps to 62.1% during the period. The decline was primarily a result of a one-off COGS adjustment for inventory impairments that was applied in FY23, lowering the associated costs for the period. Unadjusted gross profit for FY23 amounted to EGP 296 million, yielding a margin of 56.2%. FY24 gross profit grew by 9.1% YoY compared to FY23 unadjusted gross profit.

## SG&A Expense

During FY24, selling and marketing expenses amounted to EGP 167 million, marking a 32.5% YoY decline. Macro is committed to improving optimization and efficiency by implementing various cost-saving measures, such as restructuring its marketing budget to ensure a reasonable return on investment

Additionally, general and administrative expenses totaled EGP 108 million, up by 5.2% YoY primarily due to the impact of inflationary pressures in Egypt and their effect on the company's overheads.

## Adjusted EBITDA

Adjusted EBITDA in FY24 came in at EGP 64.7 million, up by 153% from last year, which led to an adjusted EBITDA margin of 12.4%, compared to 4.9% in FY23. The sizable growth in the Company's EBITDA margin stemmed from lower S&M expenses to sales, stable operating margins and G&A to sales ratio for the period. This growth reflects management's commitment to cost optimization and increasing operational efficiencies, while underscoring the Group's ongoing recovery

## Net Profit

During FY24, Macro reported a net loss of EGP -38.0 million, a significant improvement compared to EGP -273 million last year. The improvement was primarily driven by a 71% Y-o-Y decline in impairment losses on financial assets, a 13% YoY decline in net finance costs and no provisions formed during the year. In addition to EGP 3.3 million in income from fair value change, related to the investment of the shareholder loan that was recorded in FY24. Normalized net loss, adjusted for impairment losses on financial assets and fair value change, amounted to EGP -5.7 million, also a significant improvement compared to EGP -57 million last year.

## Cash Conversion Cycle

MACRO's CCC recorded 306 days in FY24, reflecting a growth of 46 days YoY, driven primarily by a 94-day growth in receivables DSO, and a 61-day decline in payables DPO, that was partially offset by a 114-day decline in Inventories DIO.

DSO grew During FY24 because of seasonality skewed towards the end of the year with around 45% of sales recorded during 2H24, while the decline in DIO was primarily related to management's efforts to impair and sell off slow moving and obsolete inventories. Payables DPO declined as a result of settling supplier balances in order to maintain strong relationships with stakeholders.



Management is working to effectively 'reset' its working capital cycle through utilizing the EGP 172 million shareholder loan to secure key raw materials, maintaining its healthy 1.5-month stock coverage ratio on core products while continuing in their efforts to liquidate any slow-moving or near-expiry inventories.

### Total Debt

Total debt, which consists of shareholder loan (61% of total), bank overdrafts (27% of total) and short & long-term lease liabilities (12% of total), recorded EGP 280 million in FY24. The primary driver of year over year debt increase was the receipt of a shareholder loan amounting to EGP 172 million during the period. As cash and bank balances also declined over the period, net debt was EGP 218 million as of 31 December 2024, vs. EGP 118 million recorded as of 31 December 2023.

### Fixed Assets

Net fixed assets came in at EGP 46.5 million as of 31 December 2024, up 19% from last year. Meanwhile, CAPEX stood at EGP 12.3 million in FY24 against EGP 6.4 million booked last year, up 91% Y-o-Y. Additions during the year were for the purchase of a cream filling machine and BOV machine. CAPEX to sales was 2.4% during the period, reflecting management's commitment to meeting the year's targets.

**For further information, please contact:**

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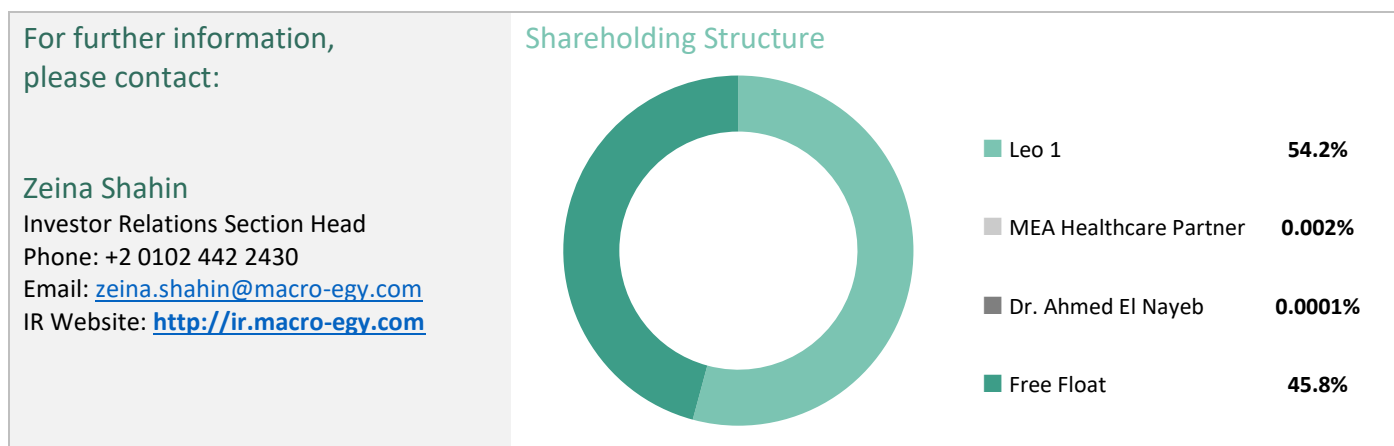
IR Website: <http://ir.macro-egy.com>

**About Macro Group Pharmaceuticals (Macro Capital) S.A.E.**

Established in 2005 as a joint partnership by Dr. Ahmed El Nayeb and his partner, Macro Group is one of the leaders in Egypt’s fast-growing Cosmeceuticals space, with a market share of 17% recorded in 2024 according to IQVIA<sup>1</sup>, based on the therapeutic areas in which it operates. The Company is principally engaged in the manufacture and sale of cosmeceutical and has recently ventured into nutraceutical products. While all of the Company’s products are available over-the-counter, Macro Group also utilizes a prescription-based sales strategy and generates demand through an incentivized medical salesforce of more than 367 employees who target physicians and pharmacies nationwide. The majority of Macro Group’s diverse portfolio of 171 marketed SKUs as of 31 December 2024 is manufactured in-house at its production facility in Badr City. The Company’s local-brand portfolio includes household names such as Orovex, Gold, Scaro, Topi-Gent and Frost. By developing its own branded products which are both cosmetic and may help achieve a therapeutic effect, the Company offers an attractive value proposition and benefits from an advantageous regulatory framework for cosmetics as well as the defensive attributes and demand profile of prescription-based pharmaceuticals.

For more information about Macro Group, please visit: [www.macro-egy.com](http://www.macro-egy.com).

<sup>1</sup> Source: IQVIA. While the total market reflects the cosmeceutical/nutraceutical space in which the company operates in, The IQVIA universe used for this data reflects Macro’s direct competitors, significantly increasing Macro’s market share from 2021.



**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 that 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 in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its 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.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

## Consolidated Income Statement

Macro Group Pharmaceuticals (Macro Capital) S.A.E - Consolidated statement of profit and loss for the three-month period ended 31 December 2024

| Consolidated Income Statement (EGP)   | FY-2023             | FY-2024            | % CHG Y-o-Y     |
|---------------------------------------|---------------------|--------------------|-----------------|
| Sales Revenue <sup>(1)</sup>          | 526,006,332         | 519,969,557        | -1.1%           |
| COGS                                  | (168,358,941)       | (196,850,049)      | 16.9%           |
| <b>Gross Profit</b>                   | <b>357,647,391</b>  | <b>323,119,508</b> | <b>-9.7%</b>    |
| <b>Gross profit margin</b>            | <b>68.0%</b>        | <b>62.1%</b>       | <b>-5.9 pps</b> |
| G&A Expenses                          | (102,892,833)       | (108,232,054)      | 5.2%            |
| S&M Expenses                          | (246,861,073)       | (166,585,427)      | -32.5%          |
| Other Income – Net                    | 465,418             | (588,369)          | -226.4%         |
| <b>Net Operating Profit</b>           | <b>8,358,903</b>    | <b>47,713,658</b>  | <b>470.8%</b>   |
| <b>Net operating profit margin</b>    | <b>1.6%</b>         | <b>9.2%</b>        | <b>7.6 pps</b>  |
| Add back: Depreciation Expense        | 17,233,648          | 16,946,458         | -1.7%           |
| <b>EBITDA</b>                         | <b>25,592,551</b>   | <b>64,660,116</b>  | <b>152.7%</b>   |
| <b>EBITDA margin</b>                  | <b>4.9%</b>         | <b>12.4%</b>       | <b>7.6 pps</b>  |
| Impairment Losses on Financial Assets | (122,850,368)       | (35,682,922)       | -71.0%          |
| Fair value change of financial asset  | 0                   | 3,294,173          |                 |
| Provisions                            | (89,038,569)        | 0                  | -100.0%         |
| Finance income/(cost)                 | (63,225,669)        | (54,880,640)       | -13.2%          |
| Employee Stock Ownership Plan (ESOP)  | (3,279,000)         | 0                  |                 |
| <b>EBT</b>                            | <b>-270,034,703</b> | <b>-39,555,731</b> | <b>-85.4%</b>   |
| Income Tax                            | (2,604,788)         | 1,511,758          | -158.0%         |
| <b>Net Profit</b>                     | <b>-272,639,491</b> | <b>-38,043,973</b> | <b>-86.0%</b>   |
| <b>Net Profit margin</b>              | <b>-51.8%</b>       | <b>-7.3%</b>       | <b>44.5 pps</b> |

<sup>1</sup> Figure presented is after deducting right of return provisions & reclassification of rebate and bonus expenses

## Consolidated Balance Sheet

Macro Group Pharmaceuticals (Macro Capital) S.A.E - Consolidated statement of financial position as of 31 December 2024

| Consolidated Balance Sheet (EGP)                   | Dec-23             | Dec-24             | % CHG Y-o-Y   |
|--|--------------------|--------------------|---------------|
| Inventories  | 141,563,256        | 103,064,012        | -27.2%        |
| Trade and notes receivables                        | 164,959,004        | 298,125,499        | 80.7%         |
| Prepayments & other debit balances                 | 41,908,894         | 50,746,961         | 21.1%         |
| Cash & cash equivalents                            | 75,309,682         | 62,337,763         | -17.2%        |
| <b>Total Current Assets</b>                        | <b>423,740,836</b> | <b>514,274,235</b> | <b>21.4%</b>  |
| PP&E   | 39,044,387         | 46,544,659         | 19.2%         |
| Right of use assets                                | 23,699,990         | 1,458,723          | -93.8%        |
| Intangible assets                                  | 1,926,451          | 27,475,176         | 1326.2%       |
| Goodwill   | 25,280,108         | 25,280,108         | 0.0%          |
| <b>Total Non-Current Assets</b>                    | <b>89,950,936</b>  | <b>100,758,666</b> | <b>12.0%</b>  |
| <b>Total Assets</b>                                | <b>513,691,772</b> | <b>615,032,901</b> | <b>19.7%</b>  |
| Trade and notes payable                            | 86,213,009         | 67,642,322         | -21.5%        |
| Accrued expenses & credit balances                 | 83,178,912         | 138,353,687        | 66.3%         |
| Short-term loans                                   | 165,832,406        | 107,989,591        | -34.9%        |
| Provisions   | 48,401,009         | 49,208,857         | 1.7%          |
| Dividends payable                                  | 5,136,250          | 431,645            | -91.6%        |
| Current income tax liability                       | 293,767            | 1,148,245          | 290.9%        |
| Short-term lease liability                         | 4,987,677          | 17,084,337         | 242.5%        |
| <b>Total Current Liabilities</b>                   | <b>394,043,030</b> | <b>381,858,684</b> | <b>-3.1%</b>  |
| Deferred tax liability                             | 2,415,576          | 0                  | n/a           |
| Long-term lease liabilities                        | 22,902,608         | 16,304,670         | -28.8%        |
| Loan from related party                            | 0                  | 138,767,475        | n/a           |
| <b>Total Non-Current Liabilities</b>               | <b>25,318,184</b>  | <b>155,072,145</b> | <b>512.5%</b> |
| <b>Total Liabilities</b>                           | <b>419,361,214</b> | <b>536,930,829</b> | <b>28.0%</b>  |
| Paid-in capital                                    | 114,041,291        | 114,041,291        | 0.0%          |
| Legal reserve                                      | 37,126,148         | 37,126,148         | 0.0%          |
| Treasury shares                                    | (29,970,000)       | 0                  | n/a           |
| Retained earnings                                  | (26,986,002)       | (73,239,401)       | 171.4%        |
| <b>Total Equity Attributable to Equity Holders</b> | <b>94,211,437</b>  | <b>77,928,038</b>  | <b>-17.3%</b> |
| Non-controlling interest                           | 119,121            | 174,034            | 46.1%         |
| <b>Total Equity</b>                                | <b>94,330,558</b>  | <b>78,102,072</b>  | <b>-17.2%</b> |
| <b>Total Liabilities &amp; Equity</b>              | <b>513,691,772</b> | <b>615,032,901</b> | <b>19.7%</b>  |