



Investor Relations Presentation

FY 2022



MACRO
PHARMACEUTICALS





Agenda

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Company Overview

2

FY22 Financial & Operational Performance

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Company Overview

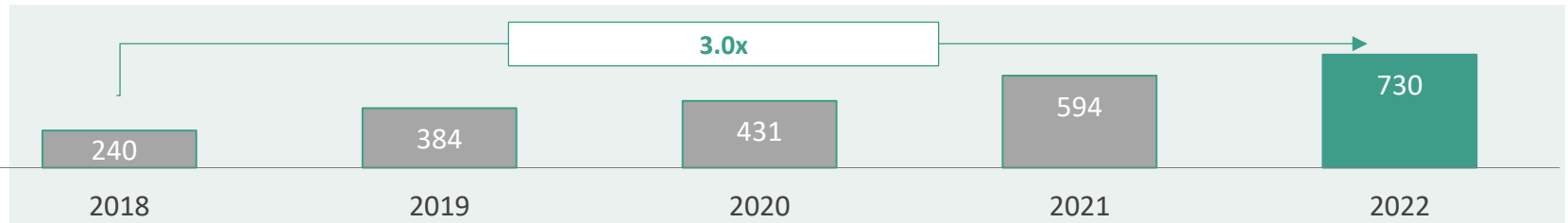
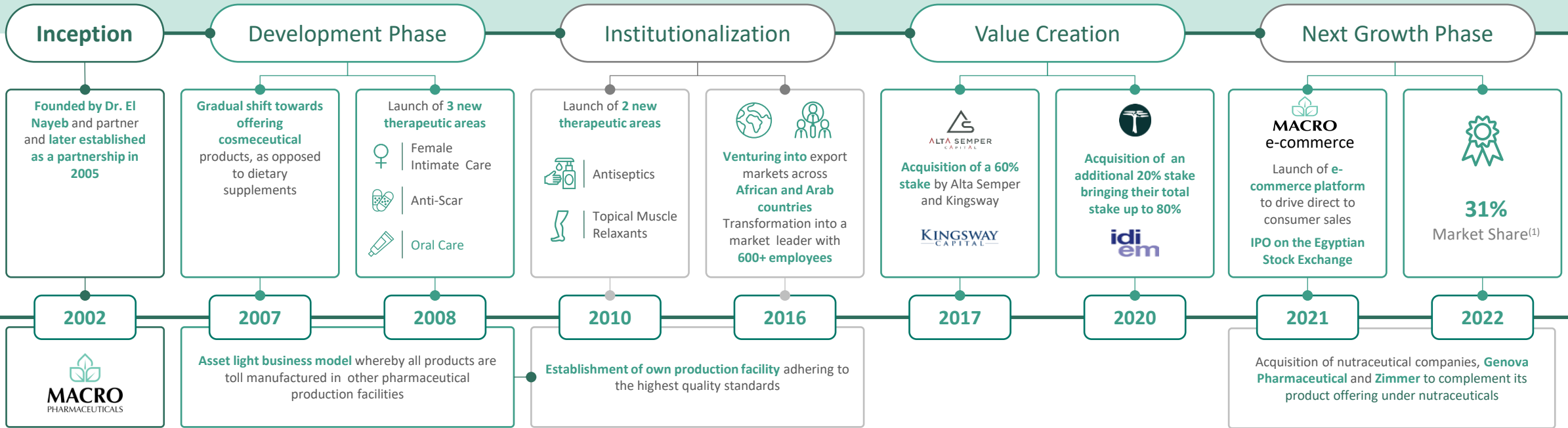




20 years' presence in Egypt's fast-growing cosmeceutical space



Key Corporate Milestones



Macro has witnessed double digit growth establishing its solid market position for a lucrative growth phase

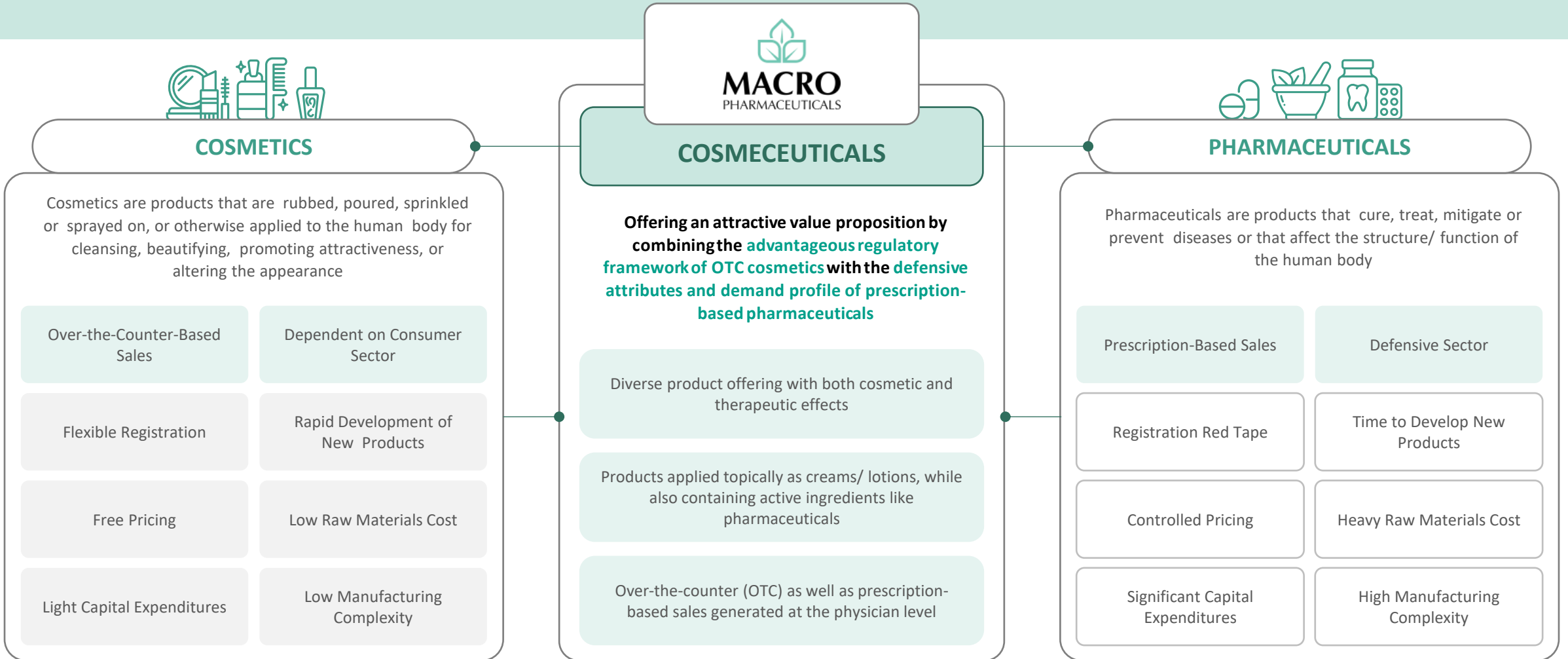
(1) Source: IQVIA - While the total market reflects the cosmeceutical/nutraceutical space in which the company operates in, The IQVIA universe used for this data reflects Macro's direct competitors, significantly increasing Macro's market share from 2021.



Bridging the Gap Between Cosmetics and Pharmaceuticals



Cosmeceuticals, cosmetic products with active ingredients, bridging the gap between over-the-counter cosmetics and prescription-based drugs





Leading player in Egypt's cosmeceuticals industry



Established in 2005, Macro Group is principally engaged in the **manufacture and sale of cosmeceutical and nutraceutical products**, with the latter having been added to the Group's product portfolio in December 2020.

Most of its products manufactured in-house at its well-invested production facility in Badr City, constructed in accordance with Good Manufacturing Practices ("GMP") and Good Laboratory Practices ("GLP"), and **with ample capacity for continued growth**.

The leading and one of the fastest-growing cosmeceutical companies in Egypt

31.4%

FY22 Market Share⁽¹⁾
1st Ranked in Egypt

Attractive portfolio of 149 SKUs across a variety of therapeutic areas

149 SKUs

Portfolio size as of 31 December 2022
30 SKUs launched in FY22

While all of Macro Group's products are available over-the-counter, the Group also utilizes a **prescription-based sales strategy and generates demand through an incentivized medical salesforce of 515 employees** as of 31 December 2022 who target physicians and pharmacies nationwide.

By developing its own branded products which are both cosmetic and therapeutic, the Group offers a unique value proposition and benefits from an **advantageous regulatory framework for OTC cosmetics** as well as the **defensive attributes and demand profile of prescription-based pharmaceuticals**.

24%

3-year Revenue CAGR
FY19-22

8 Therapeutic Areas

as of 31 December 2022
7 Cosmeceutical+
1 Nutraceutical

18.0 mn units

FY22 Volume Sold
▼ 3% YoY

EGP 730 mn

FY22 Revenues⁽²⁾
▲ 23% YoY

EGP 280 mn

FY22 Adjusted EBITDA⁽³⁾
▲ 10% YoY / 38.4% margin

EGP 174 mn

FY22 Net Profit
▲ 18% YoY / 23.8% margin

EGP 193 mn

FY22 Normalized Net Profit⁽³⁾
▲ 8% YoY / 26.5% margin

EGP 0.30/0.33

FY22 EPS/Normalized EPS⁽⁴⁾
▲ 22% YoY / ▲ 20% YoY

(1) Source: While the total market reflects the cosmeceutical/nutraceutical space in which the company operates in, the IQVIA universe used for this data reflect Macro's direct competitors. (2) Revenue includes other revenues associated with Dot Printing amounting to EGP 451k (3) Adjusted for IPO expenses (4) Calculated based on the weighted average number of shares outstanding, with 7,152,044 of treasury shares purchased by the Group between March and June of 2022



With strong barriers to entry



Pioneers in the Cosmeceuticals space

Facility built in 2010 with ample room for growth without CAPEX expenditure

Solid brand equity with consumers, physicians & pharmacies

Became the price setter in the industry

Highest ranking across the majority of TAs in which we operate

Highest market share in a highly fragmented market (3x closest competitor)

2005

Established

31.4%

FY22 Market Share⁽¹⁾



Established distribution network & capabilities

Defensive prescription-based sales model

Extensive sales force executing thousands of annual visits

Long-term relationships cultivated with doctors and pharmacies

Products distributed all over the country

500+

Medical Salesforce

508k+

FY22 Annual Visits



Extensive marketing budget & continuous innovation

Marketing budget allows for standalone seminars.

13 person R&D team formulate our products in-house

Strong regulatory relationships, enabling for the swift launch of new products

c.65 registered products ready to be launched

Solid cash position opens up opportunities for continuous organic and inorganic expansion

149 SKUs

Current Portfolio

35 SKUs

Near-term Pipeline

(1) While the total market reflects the cosmeceutical/nutraceutical space in which the company operates in, the IQVIA universe used for this data reflect Macro's direct competitors.



Operating across a variety of high-growth therapeutic areas



Macro Group boasts a highly attractive portfolio of market leading brands across its different subsegments

Therapeutic Areas	FY21 ⁽¹⁾ Market Positioning							
Market Share/Rank	31% 1 st	29% 1 st	50% 1 st	27% 2 nd	42% 1 st	74% 1 st	15% 2 nd	19% 2 nd
2-Year CAGR ⁽²⁾	Market 26% MACRO 16%	Market 1% MACRO 4%	Market 20% MACRO 1%	Market 2% MACRO 16%	Market 10% MACRO 6%	Market -25% MACRO 1%	Market 11% MACRO 42%	Market 12% MACRO n/a ⁽³⁾
FY21 Segment Contribution	42% % of FY22 Sales	14% % of FY22 Sales	14% % of FY22 Sales	10% % of FY22 Sales	10% % of FY22 Sales	3% % of FY22 Sales	6% % of FY22 Sales	0.5% % of FY22 Sales

(1) While the total market reflects the cosmeceutical/nutraceutical space in which the company operates in, the IQVIA universe used for this data reflect Macro's direct competitors. (2) FY20-FY22 CAGR (3) Nutraceuticals were launched in December 2020

Source: IQVIA



Supported by extensive & robust sales capabilities...



MACRO Advantage

Highly-incentivized salesforce

Different weights assigned to products to motivate sales of higher-margin products

GPS & integrated CRM system enable Macro effectively manage & monitor its salesforce

Salesforce divided by segment focus - premium vs. classic

An Innovative Market Research and Concept Development Approach, Closing the Customers, Doctors and Pharmacies Feedback Loop



Promotion Team Channels & Coverage

Prescription Sales

Macro's medical salesforce engages directly with targeted physicians.

	21k	Covered Physicians FY22
	515	Medical Salesforce FY22
	508k	Doctor Visits FY22

Over-the-counter Sales

Demand is created through brand recognition and product visibility in pharmacies

	55k	Covered Pharmacies FY22
DIRECT TO CONSUMER MARKETING STRATEGY		
MODERN TRADE CHANNELS		OUTDOOR BOOTH ACTIVATIONS
E-COMMERCE		 + Currently negotiating with large e-commerce platforms to sell Macro's premium products

(1) Management Estimate



...and an efficient distribution platform with wide coverage

The promotion team is complemented by its recently expanded and highly capable and incentivized distribution team, which provides market penetration and national-level coverage across all channels

Distribution Team Coverage

Macro Group enjoys wide geographical presence in Egypt's highly populated areas

Alexandria.....6k pharmacies
Cairo & Giza.....9k pharmacies
Delta.....15k pharmacies
Upper Egypt.....10k pharmacies

● Admin. Offices
 ● Distribution coverage

Channel

Distribution Channels						
Indirect Distribution		Direct Distribution				
Key Accounts	Exports	Wholesalers	Pharmacies	E-Commerce		
% of FY22 Sales		40%	4%	47%	7%	2%
Key Accounts			Large portfolio of wholesalers in Egypt 	Newly launched channel expected to drive growth going forward		



Well-Invested Production Facility with Capacity for Growth



Macro produces most of its portfolio at its modern, well-invested manufacturing facility with top-of-the line equipment and ample capacity for significant growth



3rd Industrial Zone in Badr City, Cairo

Key Machinery

Liquids	Creams	Soap
<i>Semi-automatic machines, preparation tanks, mono-block</i>	<i>Filing & packaging machines, preparation tanks</i>	<i>Soap machine, soap preparation</i>
<i>Macro utilizes best-in-class technologies and machinery sourced from renowned international vendors</i>		
3,540 sqm Total Area	10 Production Lines	85,000 Units Daily Capacity



Key Quality Certifications



9001:2015

Quality Management Systems



Environmental Management Systems⁽¹⁾



Cosmetics Good Manufacturing Practice⁽¹⁾



45001:2018

Occupational Health & Safety⁽¹⁾



18001:2007

Occupational Health & Safety⁽¹⁾

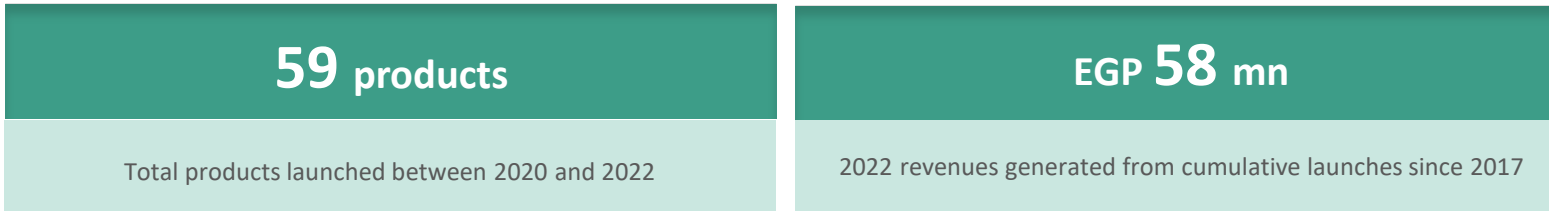
¹ (1) Certifications have expired and are undergoing renewal process subject to completing the required audit and meeting the relevant requirements



Solid track record in launching new products



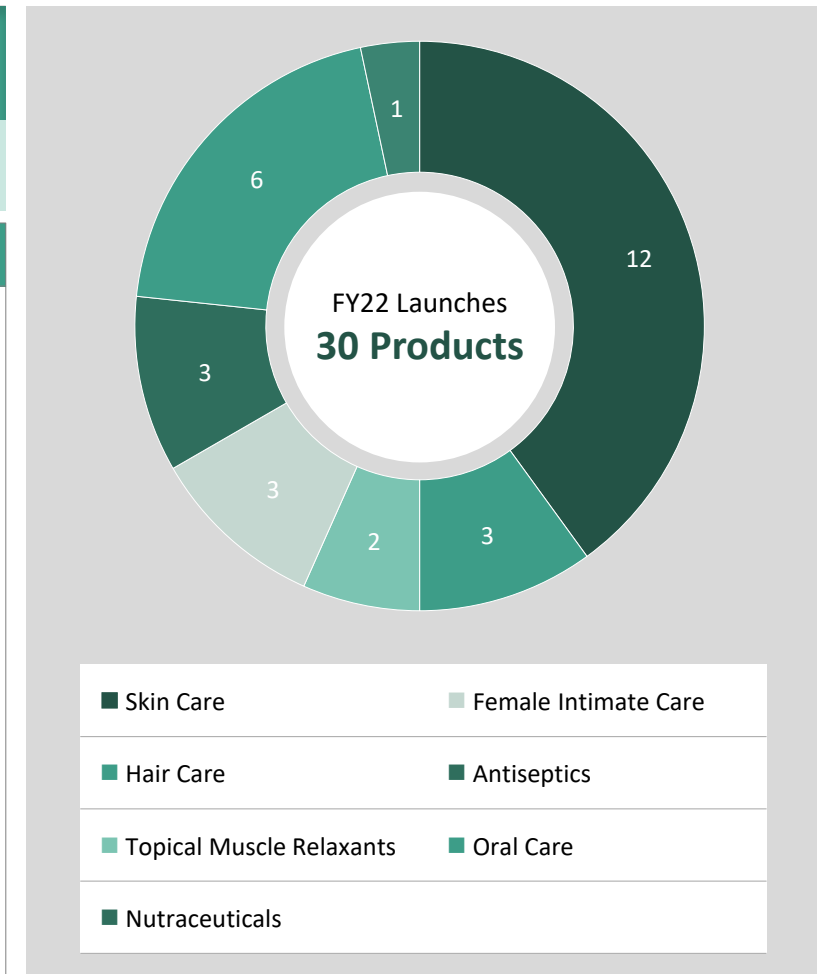
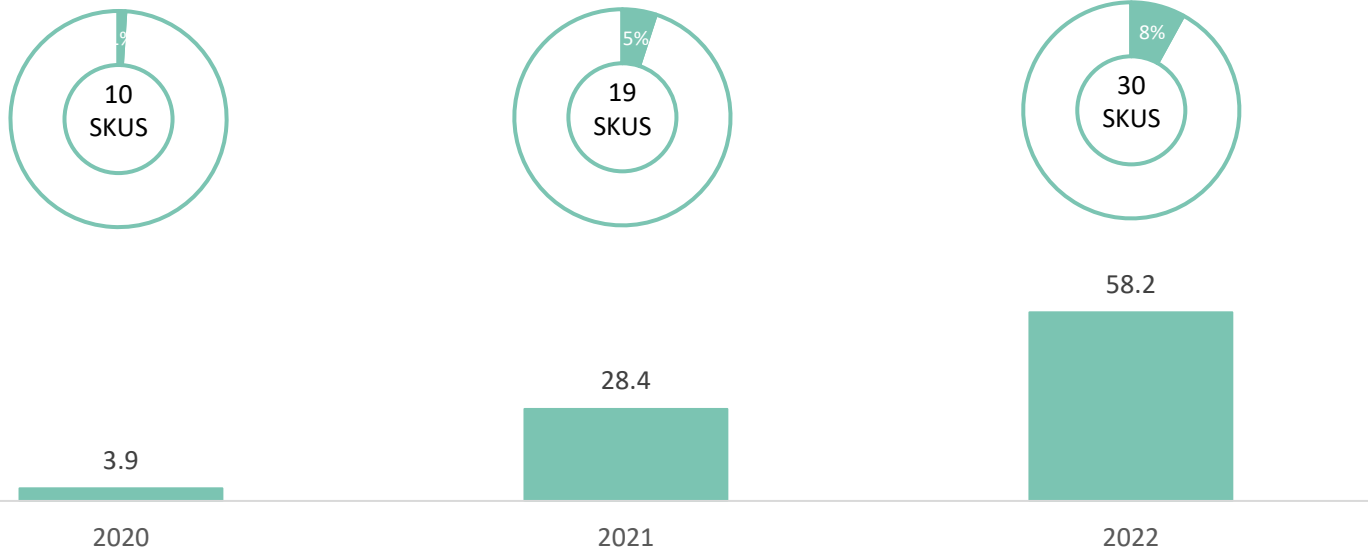
Macro Group has introduced 59 new products between 2020 and 2022, which cumulatively generated revenues of EGP 58 million by 2022, up by c.15-fold from 2020 and representing an 8% contribution to total revenues for the year



Revenues generated from New Launches

SKUs – No. Launches

■ Aggregate launches % of Total Sales





FY22 | Financial & Operational Performance





FY22 | Year in Review



Macro has recorded a robust growth in both its financial and operational performance, with revenues up by 23% YoY in FY22, driven by increasing average pricing, which trickled down to bottom-line expansion of 18% YoY

New Launches

A total of 30 products were launched by year-end, with 11 products launched in 4Q22, bringing the total number of SKUs under Macro's portfolio to 149 as of 31 December 2022. Key launches during 4Q22 included 5 premium skin care products under brands, Atrakta and Solodex, 1 new nutraceutical product under its flagship brand, Frost, and 2 female intimate care products.

Premium Brands

Macro's premium brands achieved revenues of EGP 43 mn in FY22, supported by 11 premium launches year-to-date, including 2 hair care products and 9 skin care products. New premium brand, Lucente, developed to complement Macro's existing portfolio of hair and skin care products, is set to be introduced in 2023 with around 16 launches planned under the brand in the near-term, including a comprehensive range of SPF & whitening creams.

Exports

A new export manager responsible for acquiring new contracts across the Middle East and Africa was recruited in order to reduce the Group's exposure to the recent currency devaluation. The initiative has already borne fruit, as export sales recorded EGP 30.5 million in FY22, up from EGP 6.8 million in the previous year.

Inorganic Expansion

As part of its growth strategy, Macro acquired a nutraceutical company, Zimmer, to complement its product offering and further penetrate the nutraceutical segment. As a result, a new nutraceutical product was launched during the fourth quarter of the year under flagship brand, Frost, which also falls in line with our hybrid marketing strategy.

EGP 729.6 mn

FY22 Revenue ⁽¹⁾

▲ 23% YoY

EGP 561.6 mn

FY22 Gross Profit

▲ 19% YoY
77.0% Margin

EGP 280.0 mn

FY22 Adjusted EBITDA⁽²⁾

▲ 10% YoY
38.4% Margin

EGP 173.9 mn

FY22 Net Profit

▲ 18% YoY
23.8% Margin

EGP 193.0 mn

FY22 Normalized Net Profit⁽²⁾

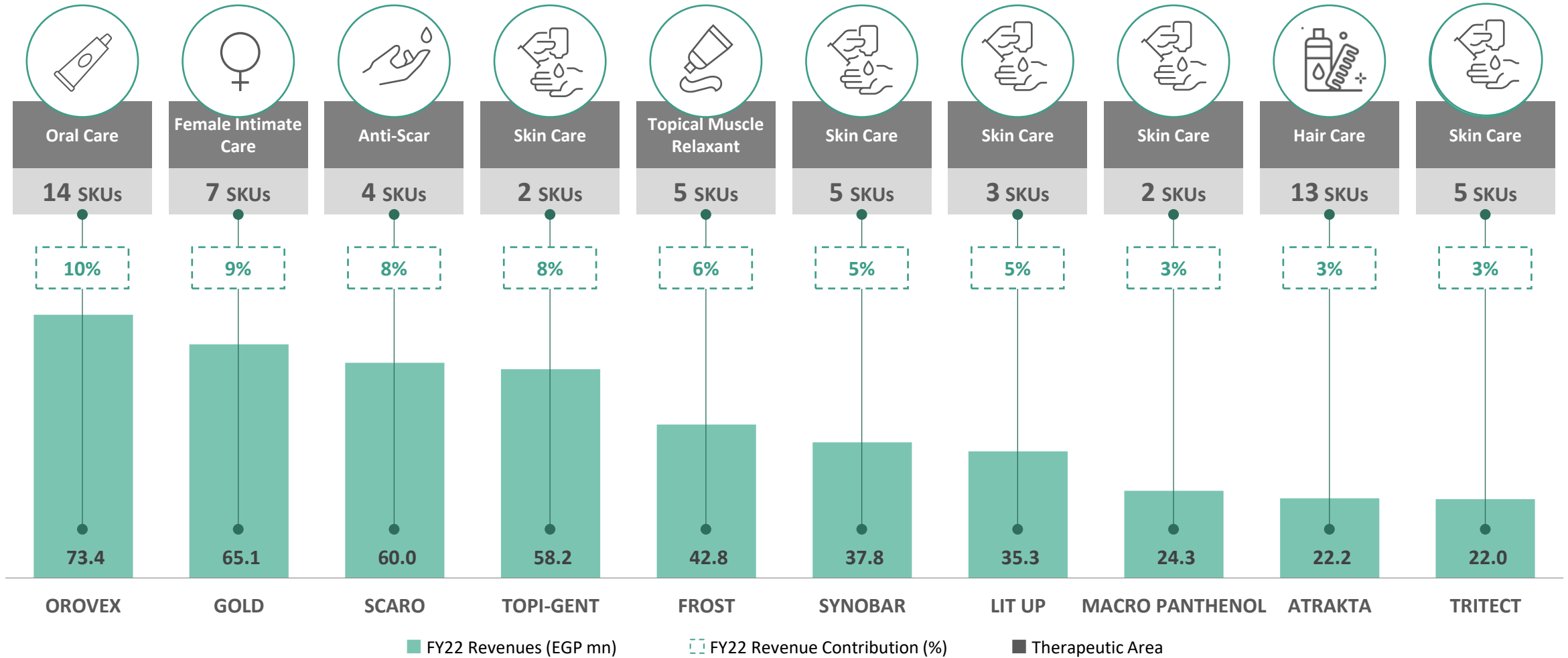
▲ 8% YoY
26.5% Margin

(1) Revenues include other revenues associated with Dot Printing amounting to EGP 451k

(2) Adjusted for IPO expenses



Top-Selling Brands in FY22



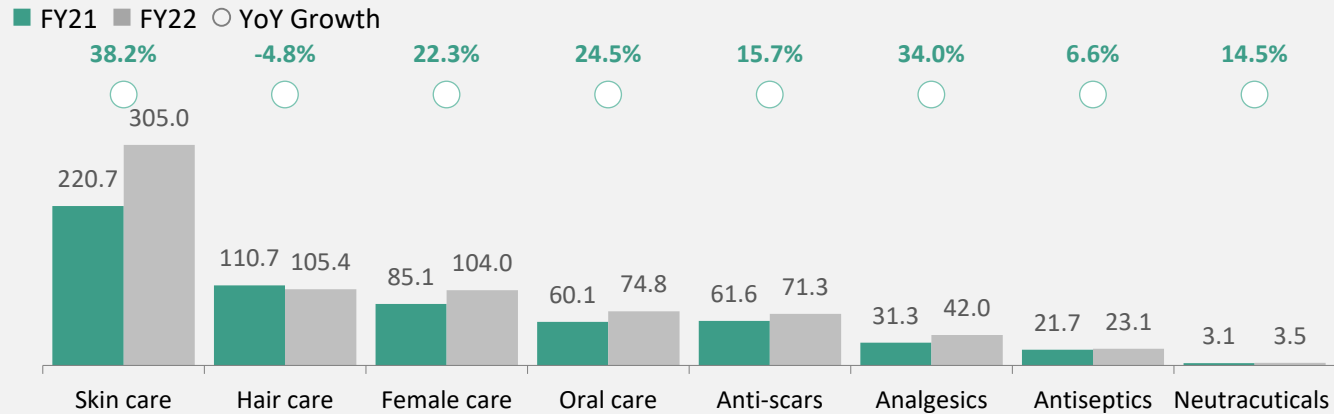
FY22 | Top-Selling Brands



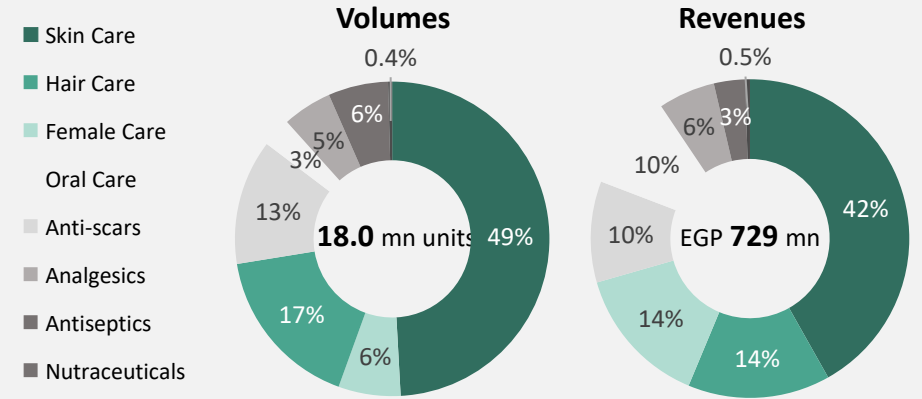
FY22 | Sales Breakdown & Analysis



Revenue Analysis by Therapeutic Area



Volumes & Revenues by Therapeutic Area | FY22



Key Therapeutic Areas

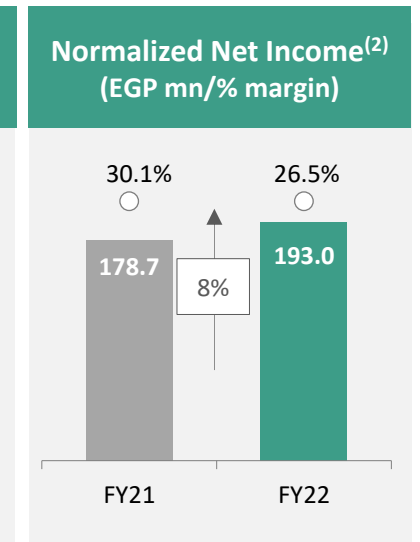
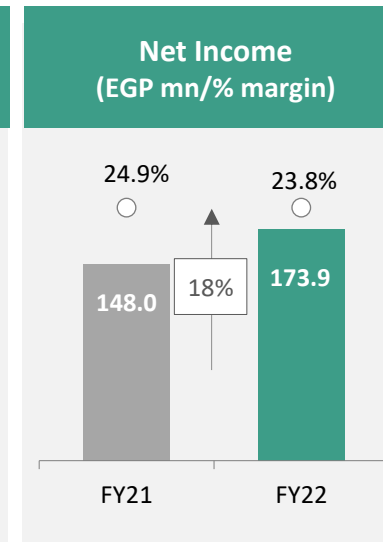
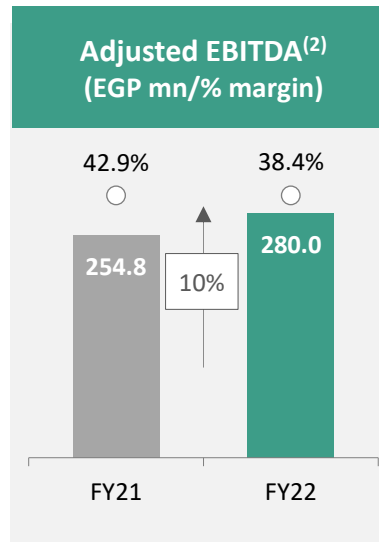
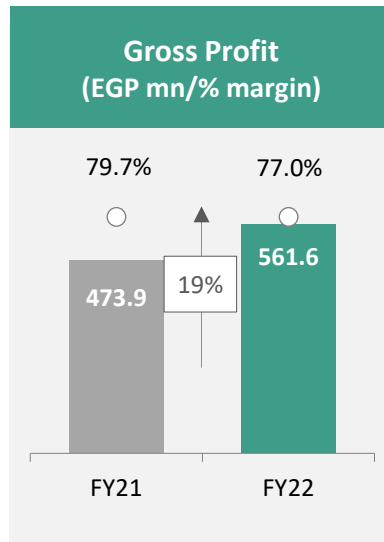
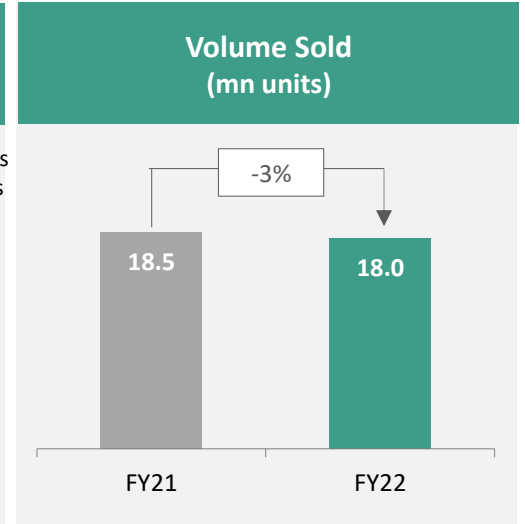
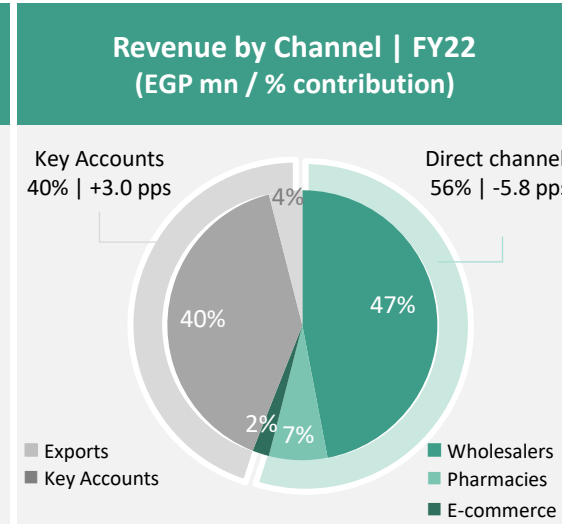
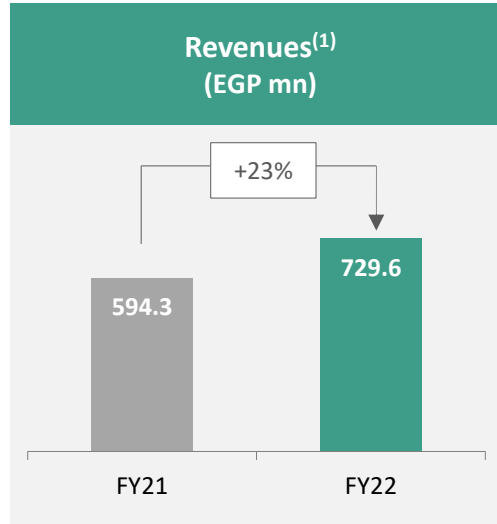
- Macro's accelerating top line in FY22 was driven by **double-digit revenues across almost all of its therapeutic areas**, with growth led by **Skin Care, Female Care and Oral Care** products at a combined contribution of **87% of absolute revenue growth during the period**.
- Skin Care maintained its position as the leading therapeutic area in terms of revenue and growth contribution**, with revenues up by 38% YoY to EGP 305 million in FY22, contributing 42% to total revenues and 62% to absolute revenue growth. Growth was driven by a ramp up in average pricing, which increased by 40% YoY, which was partially offset by a 1.3% decline in volumes sold. It is worth mentioning that 5 out of Macro's top 10 performing brands for the year were skin care brands, including Topi-gent, Synobar, Lit-up, Macro Panthenol and Tritect.
- Female Intimate Care was the second-highest driver of top-line growth in FY22**, contributing 14% to absolute revenue growth during the year at revenues of EGP 104 million, up 22% YoY. While volumes remained relatively unchanged between FY21 and FY22 as growth was driven by an increase in average pricing by 23% YoY backed by management's decision to implement price hikes on existing products, coupled with the introduction of new SKUs under its top-selling brand, Gold. 4Q22 saw Macro launch Gold Ph8, used for severe cases of infection and the only product of its kind in Egypt, bringing up the number of products under the Gold to 7.
- Oral Care was the third-largest contributor to absolute revenue growth during the period** with revenues up by 25% YoY to reach EGP 75 million in FY22. Revenue growth was driven primarily by a 22% YoY increase in average pricing, in line with the strategic decision to implement price hikes across key products. The launch of a successful marketing campaign during the year enabled Macro to preserve its sales volumes amid these price hikes, with volume sold up by 2% YoY during the same period.
- Hair care was the second-highest contributor to revenues during the year**, despite a 5% YoY decline in revenues under the therapeutic area during the period to record EGP 105 million. Hair care was most affected by declining purchasing power, coupled with a shift in consumer preferences towards ampoules and creams over hair oils, the latter directly affected the sales volumes of Vividol and Lindo. As a result, volumes were down by 23% YoY in FY22, which was partially cushioned by increased average prices. The planned introduction of new products which reflect changing consumer preferences is expected to bring about a recovery in volumes.



FY22 | Income Statement Highlights

FY22 Highlights

- **Macro's total revenues came in at EGP 729.6 million in FY22, up by 23% YoY** largely driven by an increase in average pricing of 26% YoY to reach EGP 40.6 per unit in FY22. With overall market headwinds and inflationary pressures significantly affecting day-to-day consumer expenditure, comprehensive marketing campaigns launched during the year saw the Group limit the decline in its overall volumes to 3% YoY to 18.0 million units.
- **Direct sales channels recorded revenues of EGP 405.6 million in FY22**, growing by 11% YoY and contributing 56% to total revenues mostly driven by increasing wholesale revenues of 24% YoY. Growth was further helped by the introduction of its e-commerce channel recording sales of EGP 11.2 million in FY22. **At revenues of EGP 323.5 mn in FY22, up by a remarkable 41% YoY, indirect distribution channels** contributed 44% of total revenues, attributed to a 32% YoY increase in revenues from key accounts, combined with a significant enhancement in export sales, which grew by more than four-fold during the same period as the Group further expanded its footprint across the Middle East and Africa to hedge against foreign currency risk.
- **Macro's gross profit came in at EGP 561.6 million in FY22, up by 19% YoY**, and reflecting a 2.8 pps YoY GPM decline to 77.0% on the back of increasing prices of raw materials during the year, driven by the recent rounds of currency devaluations.
- **Adjusted EBITDA grew by 10% YoY to record EGP 280.0 million in FY22**, with a corresponding EBITDA margin of 38.4%, down 4.5 pps YoY, owing to declining gross profit, coupled with increasing G&A and S&M expenses as a percentage of sales by 1.9 pps and 0.6 pps respectively.
- **Net Income recorded EGP 173.9 million in FY22, representing an increase of 18% YoY**, and a corresponding NPM of 23.8%, down 1.1 pps on the back of a one-off ESOP expense amounting to EGP 15.6 million recorded during the year. Normalized net income, which excludes one-off IPO and ESOP expenses, recorded EGP 193.0 million, up by 8% YoY and translating to a net profit margin of 26.5%, down by 3.6 pps YoY following the decline in EBITDA margins during the period.

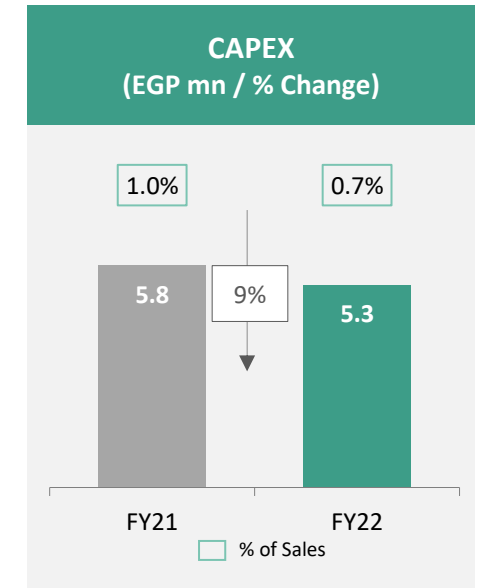
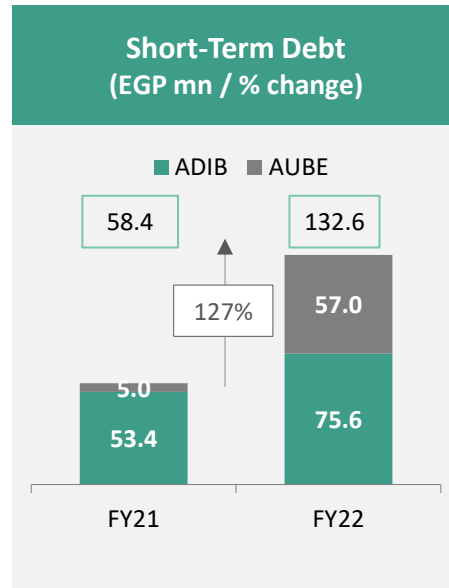
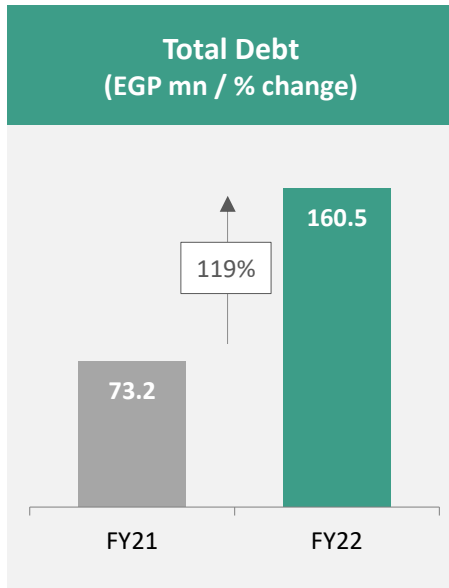
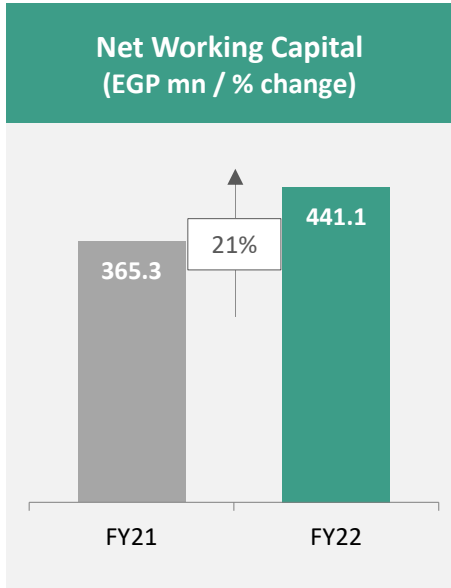


¹ Revenue includes other revenues associated with Dot Printing amounting to EGP 451k

² Adjusted for IPO & ESOP expenses



FY22 | Balance Sheet Highlights



Net Working Capital

- Net working capital grew by 21% YoY to come in at EGP 441.1 million in FY22, primarily driven by a 111% YoY increase in inventories driven by launches under Macro's premium line. Growth in net working capital was cushioned by 72.6% YoY increase in payables during the same period.

Total Debt

- Total debt, which consists of short-term loans (83% of total debt) and short & long-term lease liabilities (17% of total debt), stood at EGP 160.5 mn as of 31 December 2022, growing by more than 2-fold YoY, with short term debt used to finance the company's working capital requirements. It is worth noting that Macro reached a net cash position of EGP 26.2 million as of 31 December 2022.

Total Borrowing

- Total short-term borrowing reached EGP 132.6 million as of 31 December 2022, up 127% YoY driven by an increase in AUBE's short term loan by more than eleven-fold which was used to finance dividends and treasury buybacks.

Net Debt/EBITDA

- The Group's net debt/EBITDA ratio recorded negative 0.1x as of 31 December 2022, driven by a 210% increase in cash and cash equivalents resulting in a net cash balance of EGP 26.2 million during the year.

CAPEX

- CAPEX came in at EGP 5.3 mn in FY22, down by 9% YoY while accounting to 0.7% of total sales, in line with the Group's target of maintaining CAPEX at a maximum of 1% of sales.



FY22 | Working Capital Analysis



Cash Conversion Cycle (CCC)

- MACRO's CCC recorded 185 days in FY22, reflecting an increase of 40 days during the year, primarily driven by a 101-day increase in inventory DIO, which was partially offset by an increase in payable DPO by 55 days, coupled with a decline in receivables DSO by 7 days during the same period.

Inventories DIO

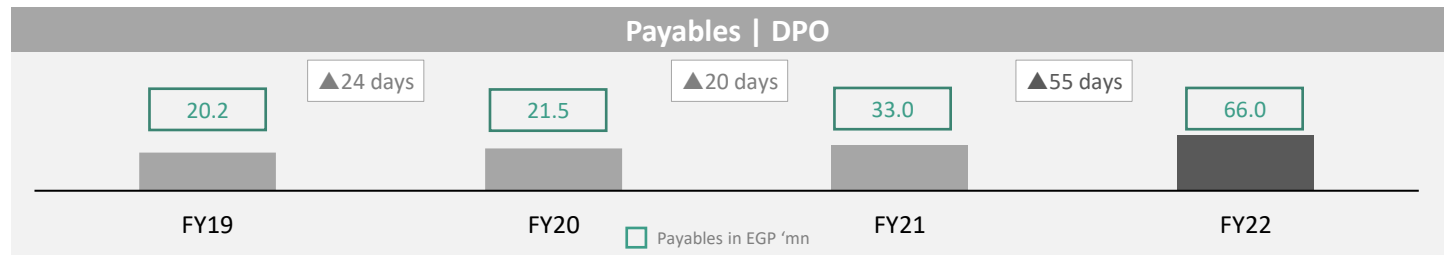
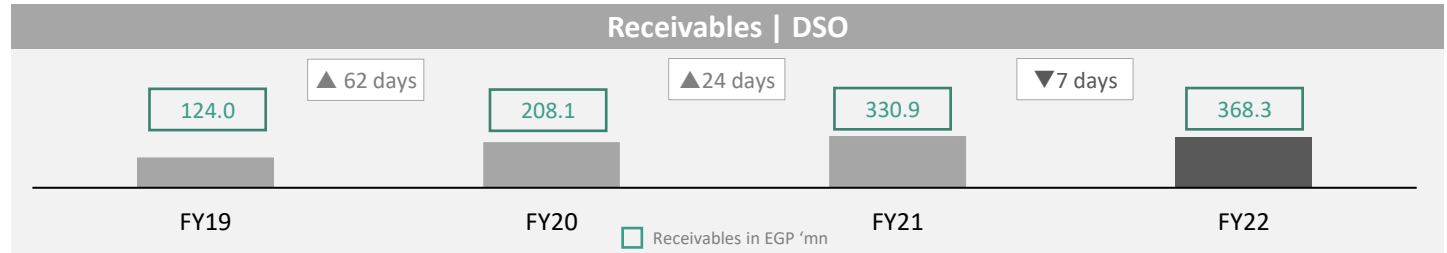
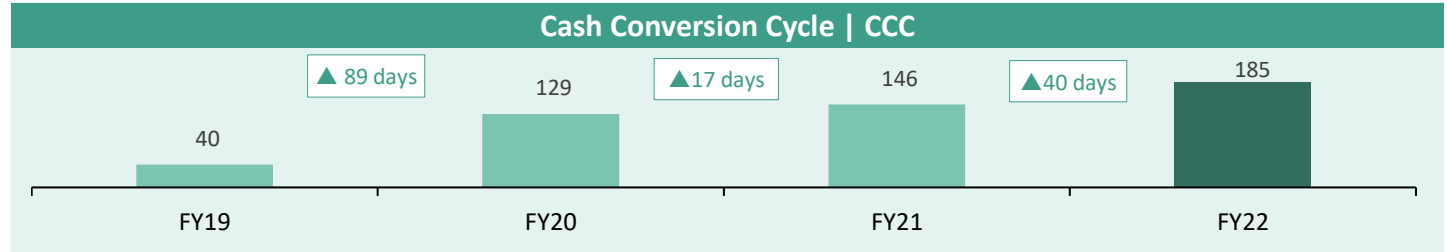
- Inventories DIO grew by 101 days YoY to record 297 days in FY22, largely driven by a surge in inventory levels to accommodate Macro's ongoing expansion of its premium lines, coupled with the hike in raw material prices on the back of the current inflationary and currency pressures.

Receivables DSO

- Receivables DSO recorded 201 days in FY22, down by 7 days YoY, attributed to Macro's strategic decision to increase the concentration of sales from key accounts, typically associated with shorter repayment periods, in order to improve liquidity.

Payables DPO

- Payables DPO grew by 55 days from FY21 to record 313 days in FY22, on the back of improved credit terms with Macro's suppliers to ultimately enhance the Group's overall cash flows.





Appendix





FY22 | Consolidated Income Statement



Consolidated Income Statement EGP	FY-2021 Actual	FY-2022 Actual	% CHG Y-o-Y
Sales Revenue	594,259,209	729,611,988	22.8%
COGS	(120,388,509)	(167,969,291)	39.5%
Gross Profit	473,870,700	561,642,697	18.5%
<i>Gross profit margin</i>	79.7%	77.0%	-2.8 pps
G&A Expenses	(70,884,656)	(101,015,060)	42.5%
S&M Expenses	(154,427,462)	(194,001,137)	25.6%
Other Income – Net	125,509	2,200,472	1653.2%
Impairment Losses on Financial Assets	(502,554)	(3,151,646)	527.1%
Net Operating Profit	248,181,537	265,675,326	7.0%
<i>Net operating profit margin</i>	41.8%	36.4%	-5.3 pps
Add back: Depreciation Expense	6,601,181	14,302,340	116.7%
EBITDA	254,782,718	279,977,666	9.9%
<i>EBITDA margin</i>	42.9%	38%	-4.5 pps
Provisions	(13,857,180)	(12,155,913)	-12.3%
Finance income/(cost)	(7,157,209)	(6,998,102)	-2.2%
Employees' Stock Ownership Plan (ESOP)	0	(15,618,788)	n/a
IPO Cost	(30,705,053)	(3,548,102)	-88.4%
EBT	196,462,095	227,354,421	15.7%
Income Tax	(48,494,508)	(53,475,420)	10.3%
Net Profit	147,967,587	173,879,001	17.5%
<i>Net Profit margin</i>	24.9%	23.8%	-1.1 pps



FY22 | Consolidated Balance Sheet



Consolidated Balance Sheet EGP	31-Dec-21	31-Dec-22	% CHG Y-o-Y
Inventories	65,616,582	138,732,545	111.4%
Trade and notes receivables	337,895,974	368,327,924	9.0%
Prepayments & other debit balances	12,230,850	38,694,998	216.4%
Due from Related Parties	0	0	n/a
Cash & cash equivalents	60,322,683	186,751,962	209.6%
Total Current Assets	476,066,089	732,507,429	53.9%
PP&E	40,723,171	39,780,295	
Right of Use Assets	13,607,968	25,126,285	84.6%
Intangible Assets	0	5,522,310	
Goodwill	46,698,420	46,698,420	0.0%
Total Non-Current Assets	101,029,559	117,127,310	15.9%
Total Assets	577,095,648	849,634,739	47.2%
Trade and notes payable	38,216,608	65,958,116	72.6%
Accrued expenses & credit balances	48,075,144	79,981,357	66.4%
Short-term loans	58,384,170	132,635,100	127.2%
Provisions	15,549,180	24,362,440	56.7%
Dividend payable	0	4,000,000	n/a
Current income tax liability	42,243,771	51,882,680	22.8%
Short-term lease liability	3,557,764	7,244,222	103.6%
Total Current Liabilities	206,026,637	366,063,915	77.7%
Deferred income tax liability	1,878,128	0	-100.0%
Long-term lease Liabilities	11,263,249	20,630,775	83.2%
Total Non-Current Liabilities	13,141,377	20,630,775	57.0%
Total Liabilities	219,168,014	386,694,690	76.4%
Paid-in capital	115,471,700	115,471,700	0.0%
Legal reserve	28,408,356	37,126,148	30.7%
Treasury Shares	0	(24,866,586)	
Retained earnings	213,983,181	335,101,245	56.6%
Total Equity Attributable to Equity Holders	357,863,237	462,832,507	29.3%
Non-controlling interest	64,397	107,542	
Total Equity	357,927,634	462,940,049	29.3%
Total Liabilities & Equity	577,095,648	849,634,739	47.2%



FY22 | Consolidated Cash Flow Statement



Consolidated Cash Flow Statement EGP	FY21	FY22	% CHG Y-o-Y
Cash flows from operating activities			
Profit for the year before income tax	196,462,095	227,354,421	15.7%
Adjustments for:			
Depreciation of property, plant and equipment	6,601,181	14,302,340	116.7%
Net interest expense	7,157,209	10,677,801	49.2%
Provisions formed	13,857,180	12,155,913	
Impairment of Financial Assets	636,052	3,151,646	395.5%
Operating profits before changes in WC	224,713,717	267,642,121	19.1%
Changes in working capital			
Inventory	(19,328,500)	(73,115,963)	278.3%
Trade and notes receivables	(131,351,414)	(33,583,597)	-74.4%
Prepayments and other debit balances	(645,401)	(26,464,148)	4000.4%
Trade and notes payable	16,690,808	27,741,508	66.2%
Accrued expenses and other credit balances	9,389,066	31,906,213	239.8%
Provisions used	0	(3,342,653)	
Net cash flows from operating activities	99,468,276	190,783,481	91.8%
Income tax paid	(42,947,897)	(45,714,639)	6.4%
Interest paid	(6,261,782)	(10,137,071)	61.9%
Net cash flow from operating activities	50,258,597	134,931,771	168%

(Continued)	FY21	FY22	% CHG Y-o-Y
Cash flows from investing activities			
Payments to purchase of PP&E	(5,814,560)	(5,303,884)	-8.8%
Payment for acquisition of available for sale investment	(1,497,500)	(3,500,000)	133.7%
Payment for acquisition of right of use assets	0	(2,855,307)	
Due from related parties	435,670	0	
Interest received	1,060,863	2,797,201	
Net cash flows from investing activities	(5,815,527)	(8,861,990)	52.4%
Cash flows from financing activities			
Proceeds from loans	7,246,210	286,334,410	3851.5%
Principal elements of lease payments	(4,576,000)	(9,024,846)	n/a
Repayments of loans	0	(212,083,480)	n/a
Payment for purchase of treasury shares	0	(24,866,586)	n/a
Dividends paid	(46,822,604)	(40,000,000)	-14.6%
Net cash flows from financing activities	(44,152,394)	359,498	-100.8%
Net Change in cash and cash equivalents	290,676	126,429,279	43394.9%
Cash balance at beginning of the period	60,032,007	60,322,683	0.5%
Cash and cash equivalents at end of period	60,322,683	186,751,962	209.6%