

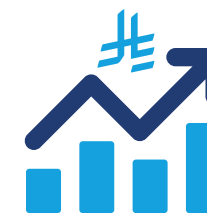


Avalon Pharma

Earnings Presentation

9M 2025

9M 25 HIGHLIGHTS



FINANCIAL HIGHLIGHTS

Revenue:
323Mn ₪ +25% YoY

EBITDA:
76Mn ₪ +39% YoY

Net Profit:
52Mn ₪ +50% YoY



OPERATIONAL CAPABILITY

96 Molecules in the pipeline

- 7 launched
- 5 Registered and for launching
- Operational capacity increased +21% YoY reaching 205 Mn units



STRATEGIC PARTNERSHIPS

- Signed a partnership agreement with Iraq's Safeer Al Dawaa for the distribution and marketing of Avalon's Respiratory line products.
- Signed a partnership agreement with Iraq's Pharmacare Scientific Bureau for the distribution and marketing of Avalon's dermatological and cosmetic line products.
- Signed a 7-year agreement with Adalvo Limited.
- Partnership agreement with United Pharmacy.
- Strategic distribution agreement with Oriental Beauty.



MARKET RANKING

8th National Rank - Among 540 Corporates.
+2 ranks YoY

Market Share of 3.1% - Highest in company's history.

Fastest-growing company among the top 20 corporates.

Avogain Ranked among the top 10 hair-loss treatment Brands worldwide

AVALON'S JOURNEY

AVALON'S JOURNEY

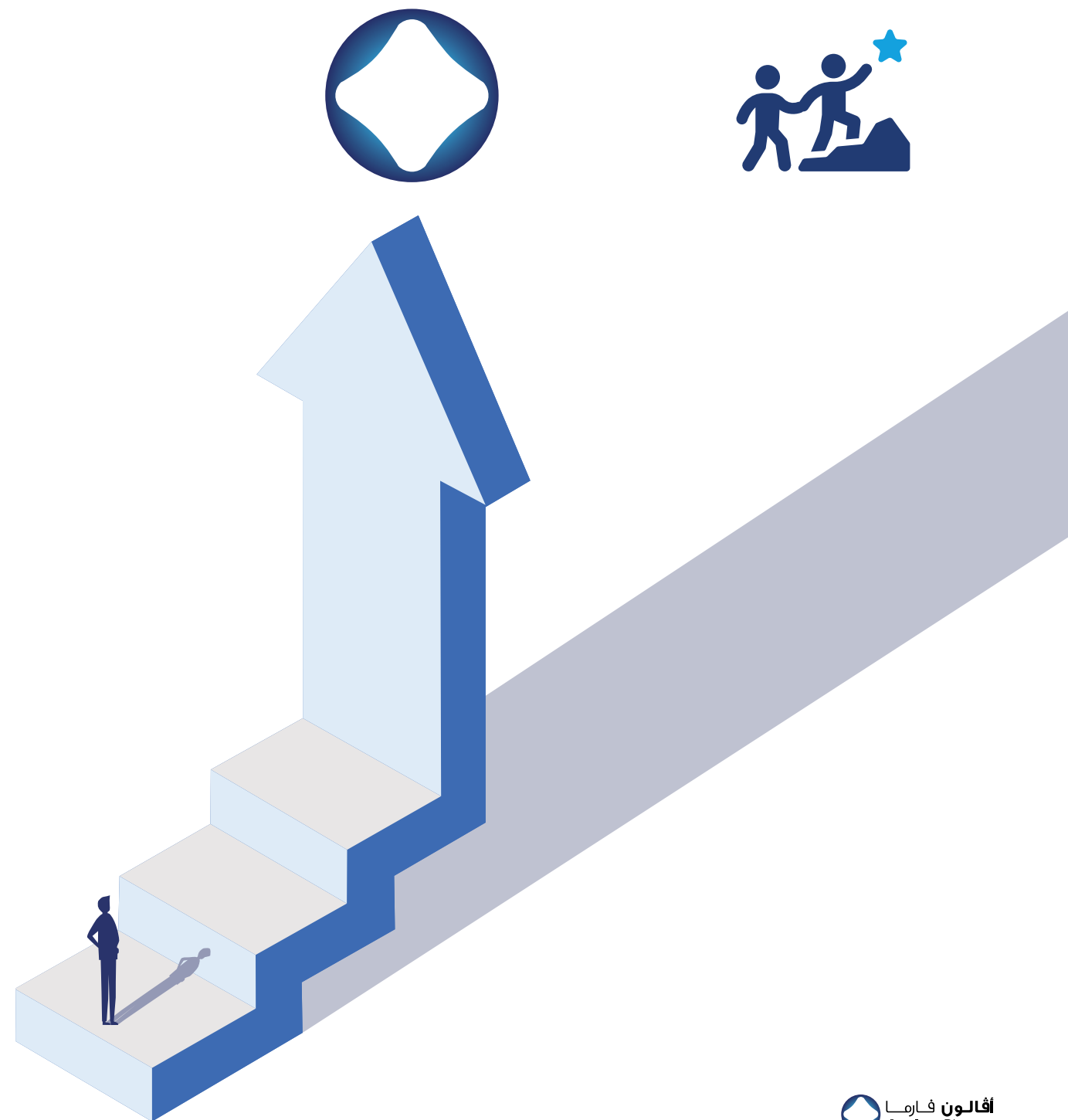
Rising Beyond: Avalon's Journey to the Top

2025

The Year Avalon Reached Its Highest Milestone Yet

In a fast-evolving Saudi healthcare landscape, Avalon stands as a story of consistent ambition and disciplined growth

From a local pharmaceutical company to a national leader, Avalon continues to redefine what success means in the Kingdom



NATIONAL RANK

Among **540 corporates**,
Avalon **reached the 8th**
national rank, its highest in
history.

We became the
fastest-growing company
among the top 20
corporates

IQVIA MAT & YTD AUG 2025



MAT Growth:

+37%

YTD Growth:

+41%

Two-Rank Advancement
within a Single Year

Highest Market Share Ever

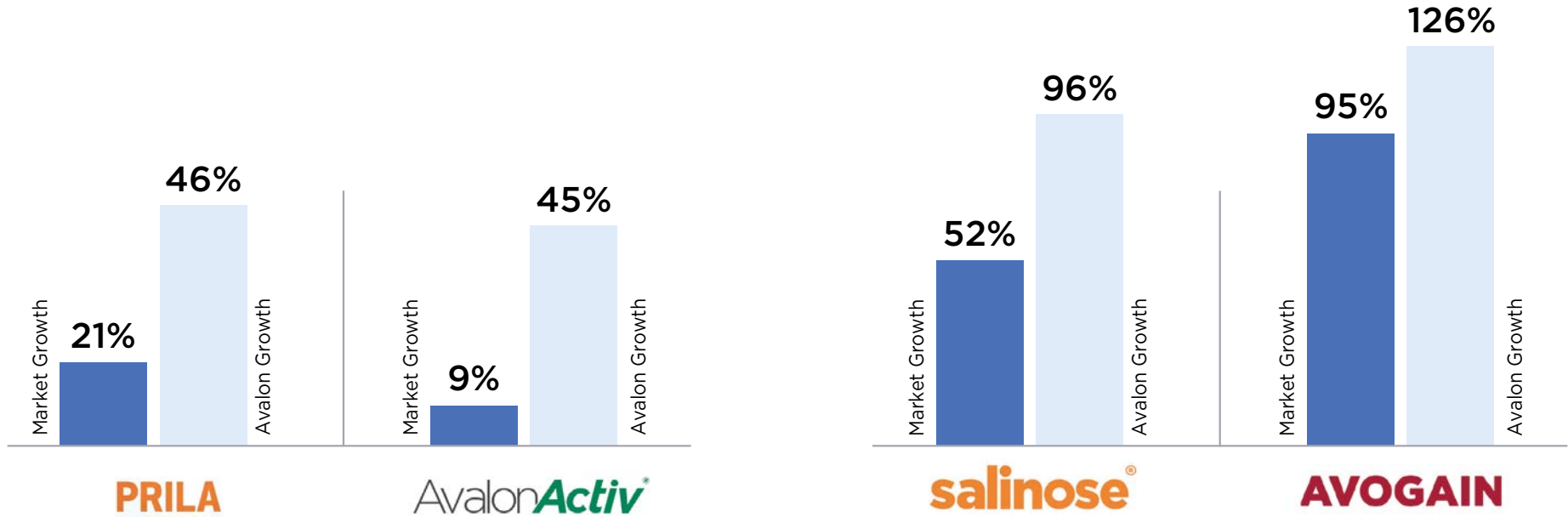
3.1%



MARKET GROWTH



Delivering Above Market Growth In All Core Segments



Avalon now holds the 1st Rank across 46 defined markets, driven by focus, agility, and a deep connection with healthcare professionals and consumers.

IQVIA YTD AUG 2025

GLOBAL FOOTPRINT



Avogain’s Global Footprint
as a Market Leader
in Hair Loss Treatment



Among the
Top 10
Hair Loss
Treatment
Brands
Worldwide



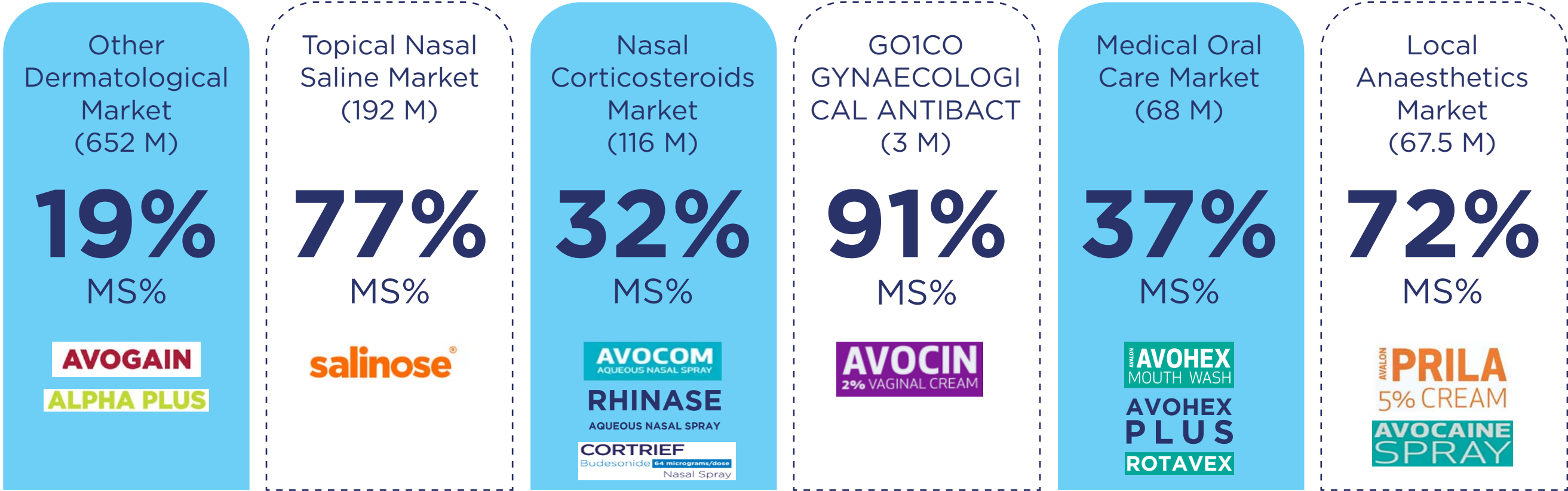
#1
Hair Loss
Treatment
Brand in the
Middle East
& Africa

AVOGAIN

Source: Euromonitor International

RANKINGS

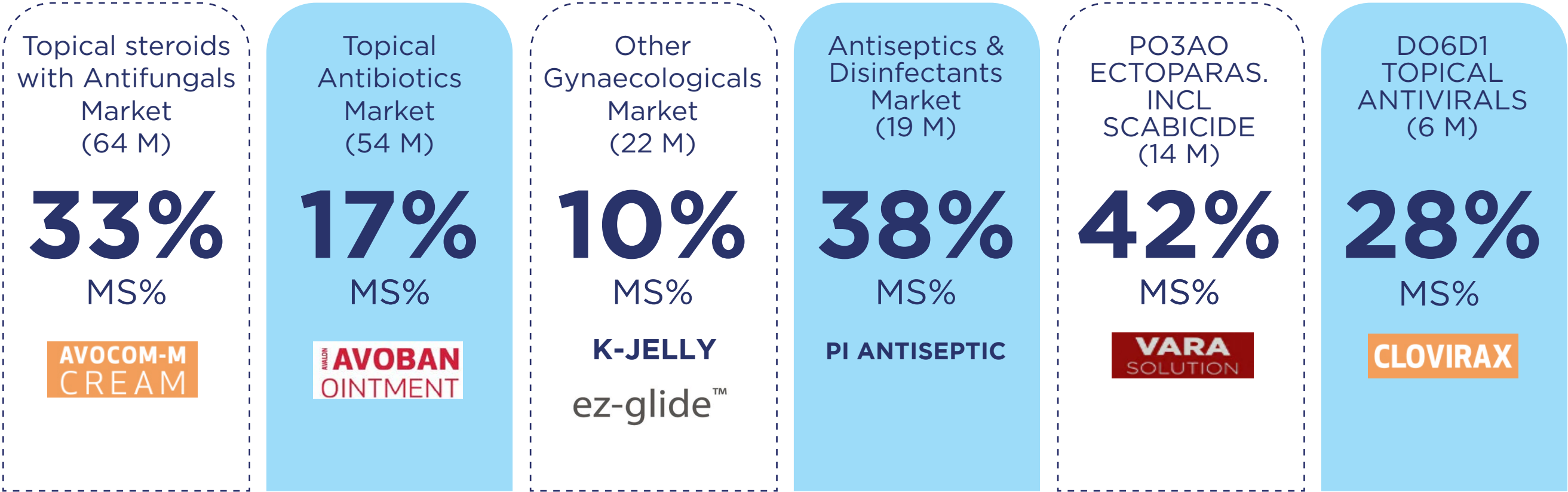
#1



IQVIA YTD AUG 2025

RANKINGS

#2



IQVIA YTD AUG 2025

RANKINGS

#3



Topical
Analgesics
Market
(226 M)

11%
MS%

Avalon**Activ**[®]
AvoTrene

Topical Scalp
Antifungals
Market
(52 M)

4%
MS%

AVORAL
SHAMPOO

IQVIA YTD AUG 2025

POWER BRANDS



Power Brands Gained
Grounds in Competitive Markets



IQVIA YTD AUG 2025

STRATEGY

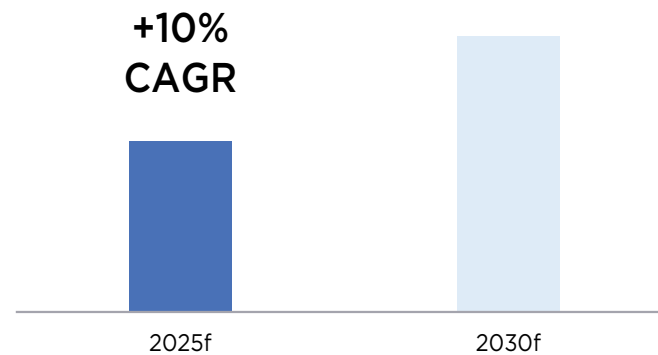
STRATEGY

New Strategy launched to achieve our growth ambitions (ACE 2030)



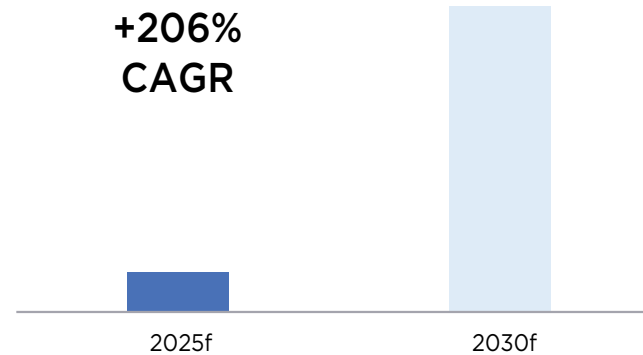
ACCELERATE

- Expand and strengthen product portfolio
- Strategic partnerships with key distributors and pharmacies
- Manufacturing optimization to defend cost leadership



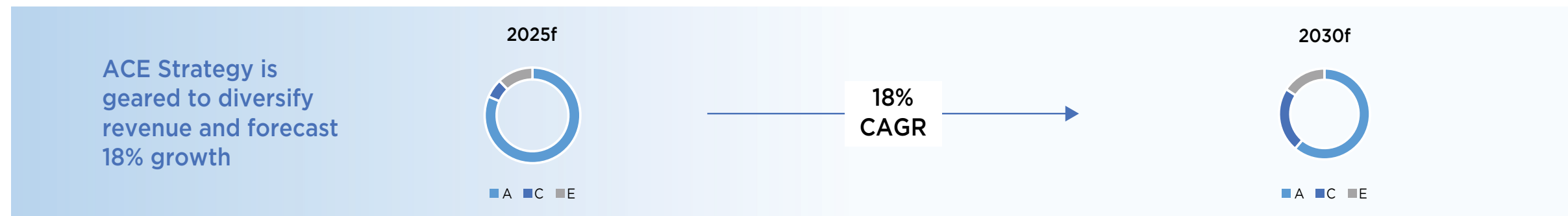
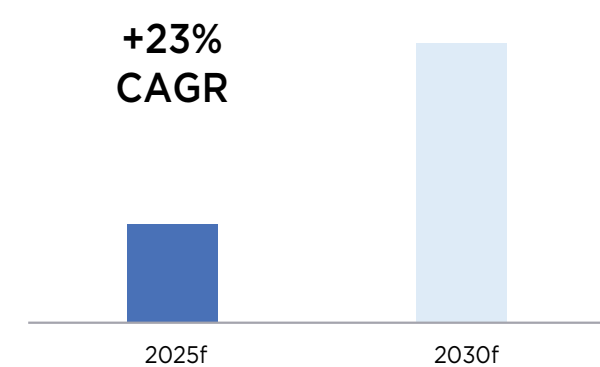
CATALYSE

- Introducing groundbreaking pharmaceutical molecules
- Developing specialized products.



EXPAND

- In new regions
- Partnerships
- Manufacturing



UNLOCKING SPECIALTY GROWTH



Opportunity



Specialty therapies in KSA especially oncology, ophthalmic and injectables are among the fastest growing, high-margin areas

General Line
(Current Facility)

26 Molecules



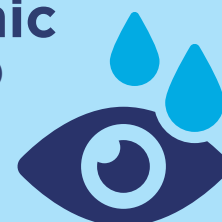
Injectables
(New Facility)

11 Molecules



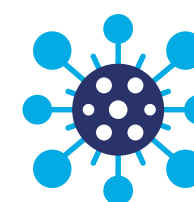
Ophthalmic
(New Facility)

8 Molecules



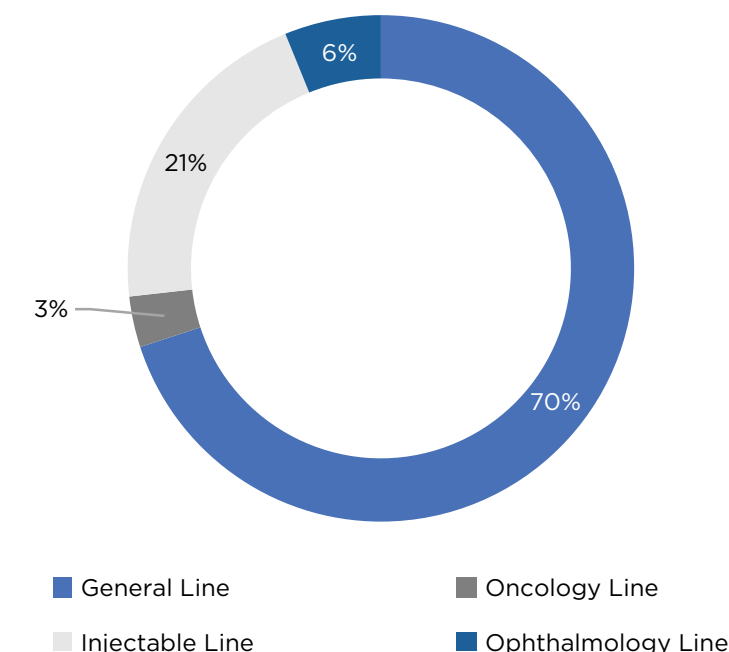
Oncology
(New Facility)

7 Molecules



Strategic Enablers Primary Activities

- **Inbound Logistics:** Implementing supply chain resilience & partnering with global API manufacturers.
- **Outbound Logistics:** Optimized domestic distribution network, visibility systems & regional regulatory corridors.
- **Marketing & Sales:** Specialized field force, partnerships, development of PSPs.
- **Operations:** licensing and supply partnerships, packaging lines upgrade and validation of sterility & protocols
- **Services:** Upgrading pharmacovigilance & safety monitoring, RWE generation.

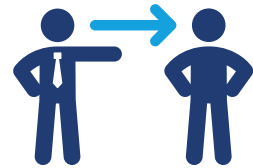


VALUE PROPOSITION

KEY COMPETENCIES



SUSTAINABLE OPERATION



We achieve sustainable operation by crafting a resilient strategy that prioritizes longer-term, transformative solutions.

COMMERCIAL EXCELLENCE



Our emphasis on commercial excellence centers around demand generation and ensuring customer satisfaction.

INNOVATIVE TALENTS



We strive to cultivate the right business model by harnessing the potential of internal and external talents, fostering continuous development of capabilities and skills.

STRATEGIC PARTNERSHIP



Our commitment to being the preferred strategic partner is affirmed by our agile approach, offering diverse collaboration models that align with the needs of our partners and the broader community.

GEOGRAPHICAL EXPANSION



We aim to expand strategically in the right markets, utilizing the appropriate business model and portfolio.

WHERE WE OPERATE



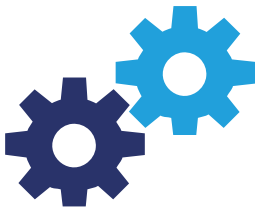
 **+300** Registered SKUS
in KSA

 **+600**
Staff

 **+20**
Export Countries



OPERATIONAL CAPABILITY



Specialised Manufacturing Facilities

- Avalon Pharma 1: Focused on producing pharmaceutical tablets, capsules, nasal sprays, creams, lotions, topical solutions, and cosmetic products.
- Avalon Pharma 2: Equipped with an advanced R&D centre and analytical development laboratory and advanced solid and liquid lines.
- Avalon Pharma 3: The largest producer of sanitizers in Saudi Arabia. Oral and hair care products are also manufactured in this facility.
- Avalon Pharma 4 (2026): A future facility designed to manufacture injectables, oncology, and ophthalmological products expanding Avalon’s capabilities into specialised healthcare solutions.

**+300
SKUS**

AVALON PHARMA
EXCELS IN
PRODUCING

76

MOLECULES
UNDER
DEVELOPMENT

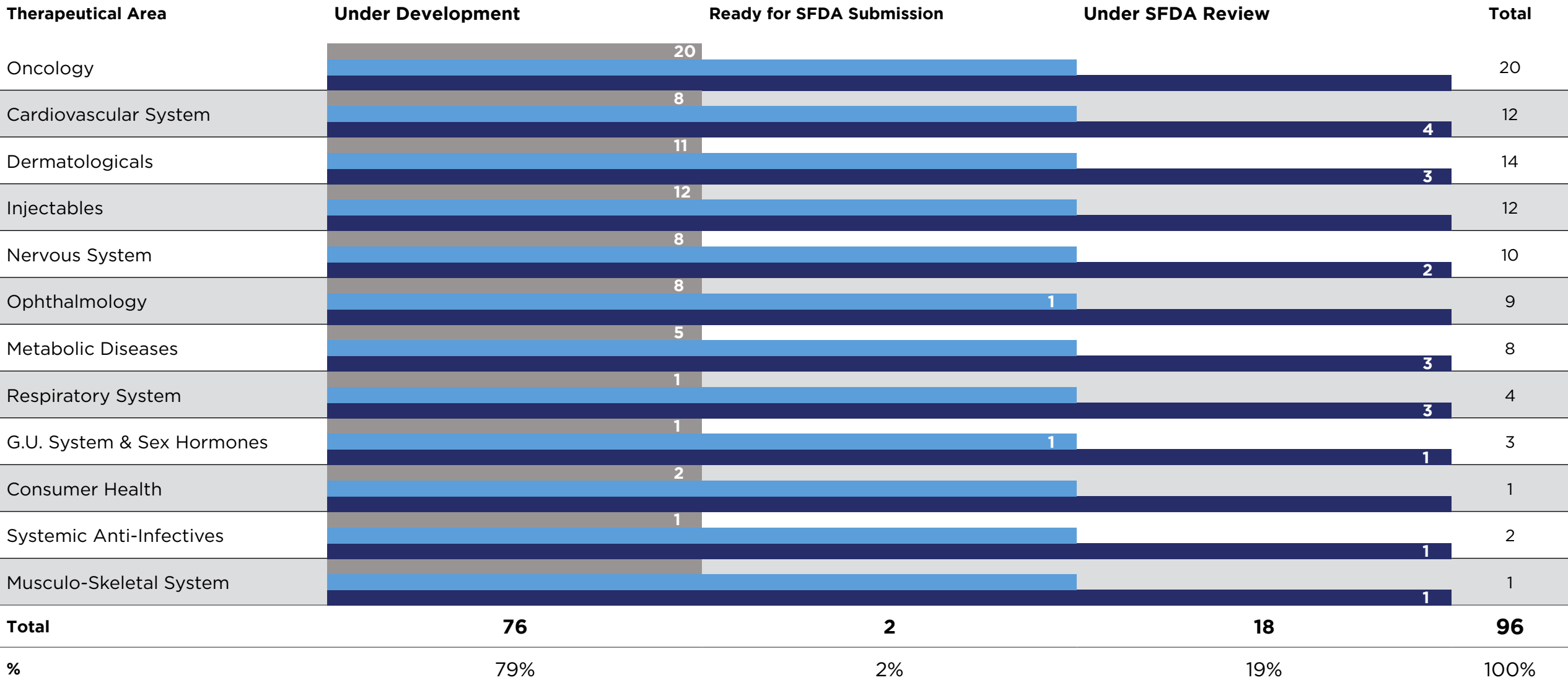
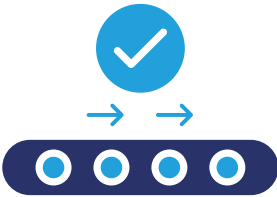
+200_{MN}

ANNUAL
OPERATIONAL
CAPACITY

Production Line	Full Year Capacity (in million pcs)	9M 25 Capacity (in million pcs)	9M 25 Production (in million pcs)	9M 25 Utilization %
Antiseptics	15	11.25	8.62	76.6%
Creams	45	33.75	24.41	72.3%
Pharma Liquids	18	13.5	10.13	75%
Solid Orals	127	95.25	78.05	81.9%
Total	205	153.75	121.21	78.8%

- (a) The commissioning of new facility (Solid Line) in Avalon 2 is still pending approval of the site variation process for 2 leading products which is expected to be completed by Q4 of 2025. Once approved, an additional capacity of 272m pieces will be available.
- (b) The commissioning of new facility (Pharma Line) in Avalon 2 is also ongoing, thereafter SFDA approval and site variation process shall be initiated, which is expected to be finalized by Q4 of 2026. Once approved, an additional capacity of 16.32m pieces will be available.

PIPELINE OVERVIEW



7 Launched
5 Registered but not yet launched

FINANCIALS

KEY FINANCIAL HIGHLIGHTS



Revenue:	323 M	+25% YoY
Gross Profit:	196 M	+27% YoY
EBITDA:	76 M	+39% YoY
Net Profit:	52 M	+50% YoY



Gross Profit Margin:	61 %	+1ppt YoY
EBITDA Margin:	24%	+2.4ppt YoY
Net Profit Margin:	16%	+2.7ppt YoY
ROE (TTM):	26%	+1.5ppt YoY



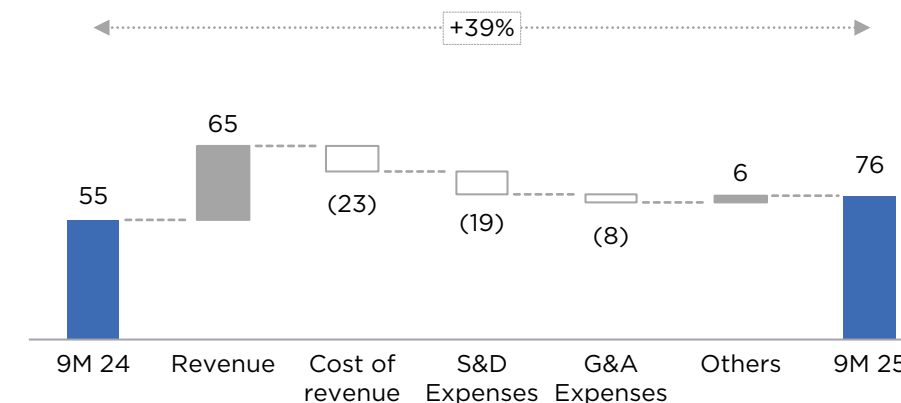
EPS (TTM):	4.86	+84 bps YoY
Current Ratio:	2.65x	+0.51x
D/E Ratio:	16.8%	-5.8ppt YoY
Working Capital:	286M	+16%YoY

PROFITABILITY TREND

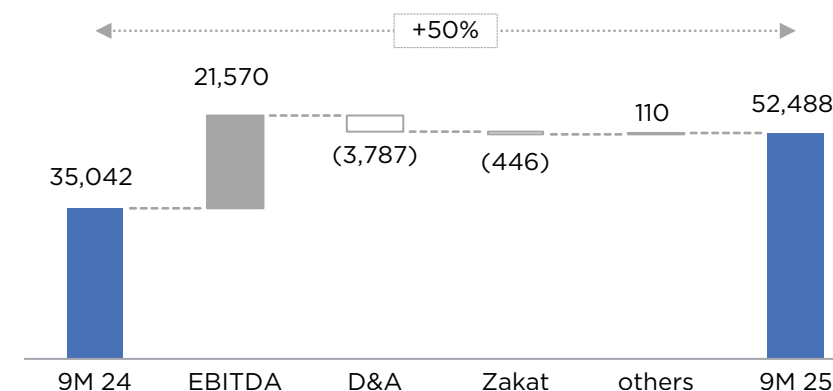


Income Statement Summary (﷼ Th)	9M 2025	9M 2024	%	Q3 2025	Q3 2024	%
Revenue	322,967	258,013	25%	107,950	81,061	33%
Cost of revenue	(126,594)	(103,732)	22%	(45,477)	(35,360)	29%
Gross profit	196,373	154,281	27%	62,474	45,701	37%
Gross profit margin	60.8%	59.8%	-	57.9%	56.4%	-
Selling and distribution expenses	(85,787)	(66,684)	29%	(32,035)	(21,177)	51%
General and administrative expenses	(48,032)	(40,520)	19%	(18,727)	(14,272)	31%
(Impairment)/reversal loss on trade receivable	(846)	(3,537)	-76%	(846)	(3,569)	-76%
Other income /(expenses)	(133)	255	-	148	253	-42%
Operating profit	61,577	43,794	41%	11,014	6,937	59%
EBITDA	76,368	54,798	39%	16,277	11,142	46%
EBITDA Margin	23.6%	21.2%	-	15%	13.7%	-
Finance costs	(3,767)	(3,877)	-3%	(1,195)	(1,444)	-17%
Profit before zakat	57,810	39,917	45%	9,819	5,493	79%
Zakat expenses	(5,321)	(4,875)	9%	(1,540)	(1,625)	-5%
Net Profit	52,488	35,042	50%	8,279	3,868	114%
Net Profit Margin	16.3%	13.6%	-	7.7%	4.8%	-

Movement in EBITDA (﷼ Mn)



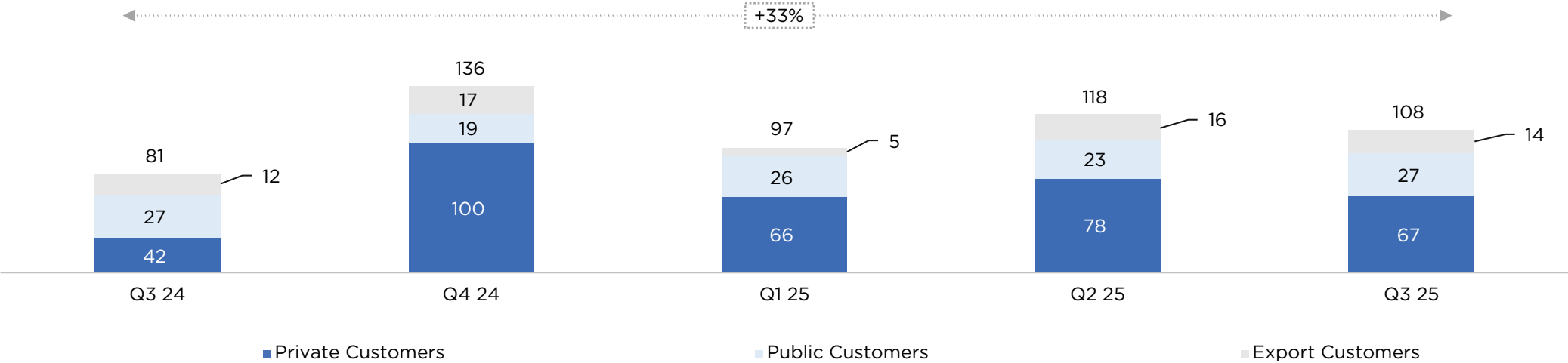
Movement in Net Profit (﷼ Th)



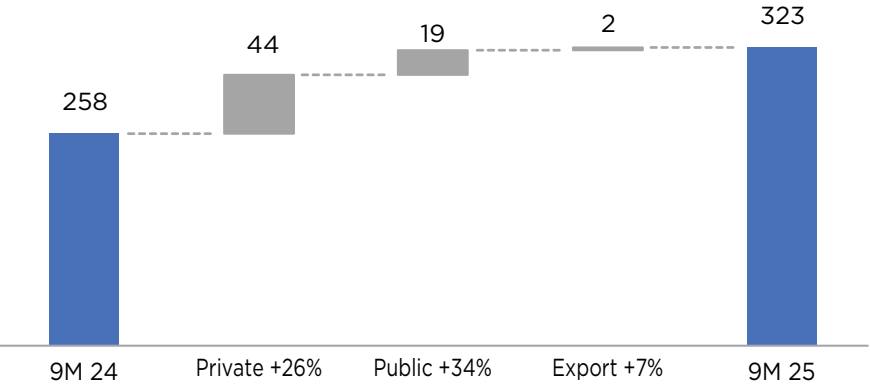
REVENUE



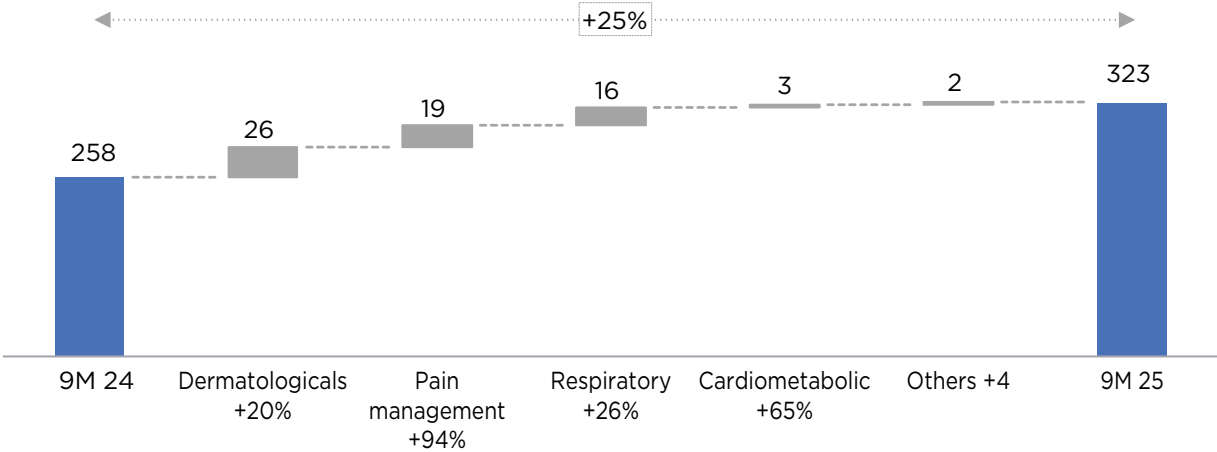
Total Revenue by Segment (١٠٠٠ Mn)



Total Revenue by Segment (١٠٠٠ Mn)



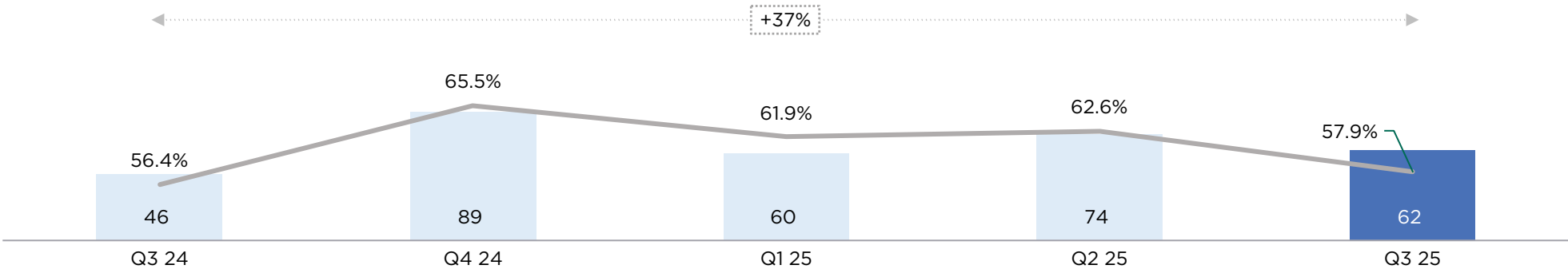
Revenue Contribution by Therapeutic Area (١٠٠٠ Mn)



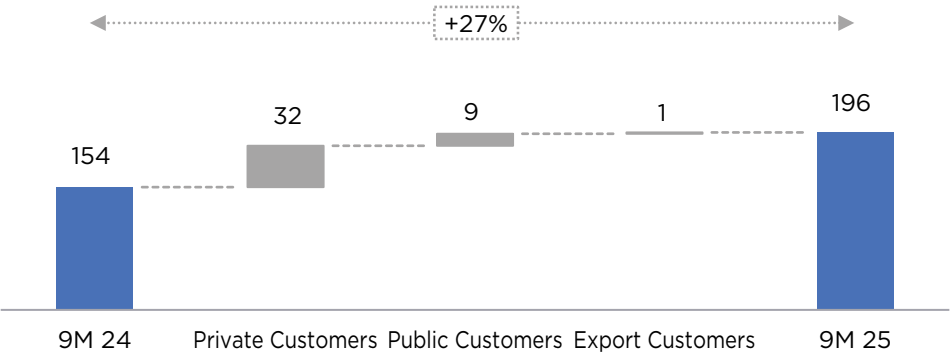
GROSS PROFIT



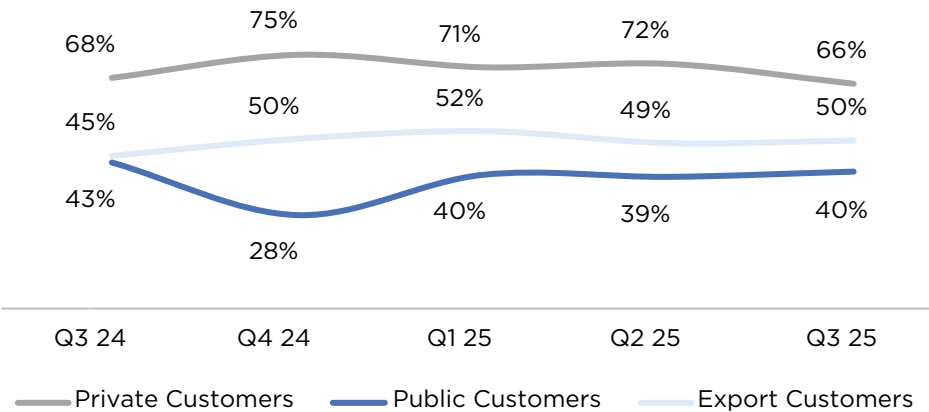
Gross Profit Trends & Margin



Gross Profit Drivers (Mn)



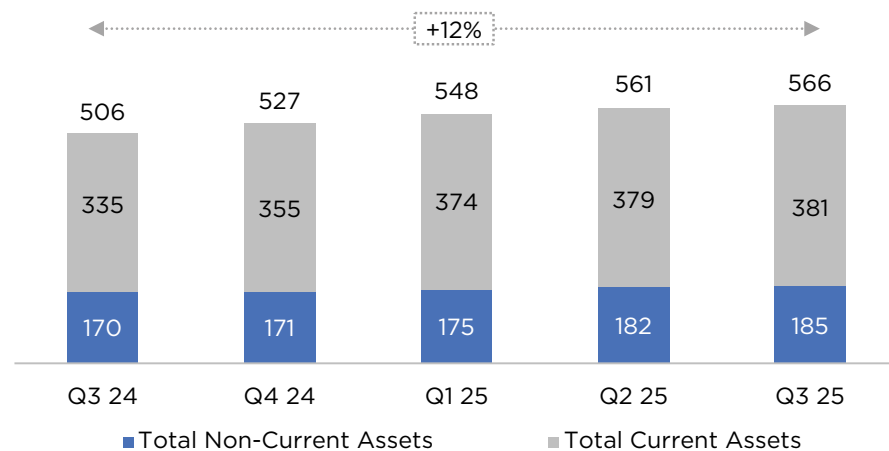
GP Margin by Segment (%)



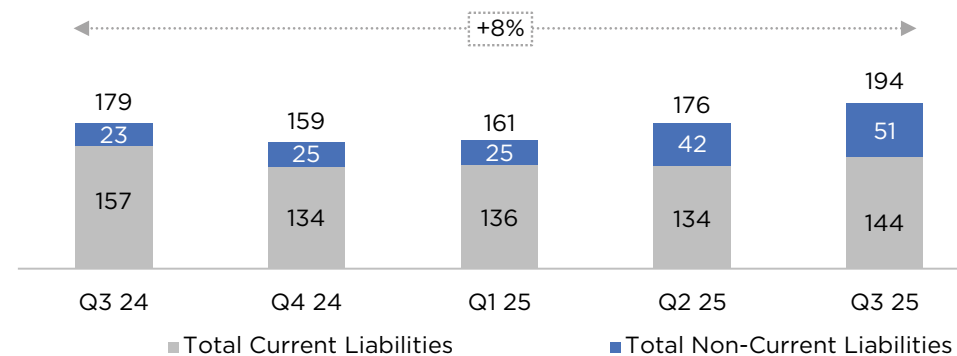
BALANCE SHEET & WORKING CAPITAL



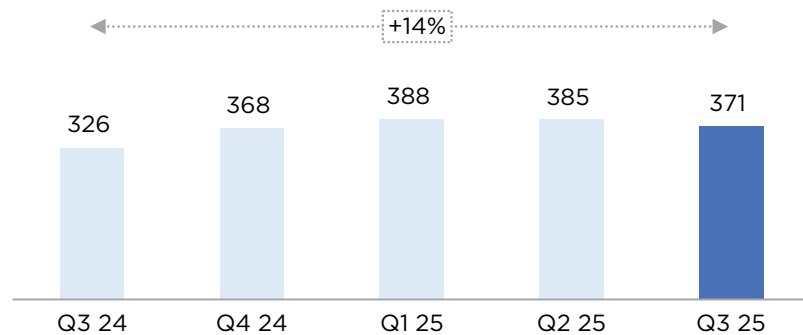
Total Assets Trends (ﷲ Mn)



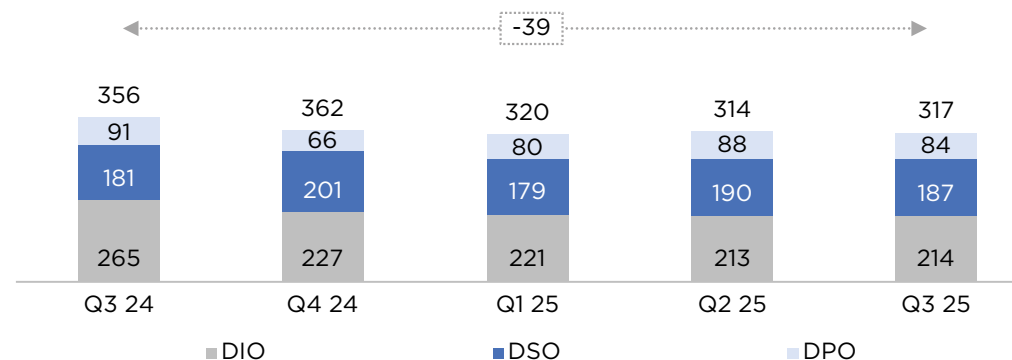
Total Liabilities Trends (ﷲ Mn)



Equity Trends (ﷲ Mn)



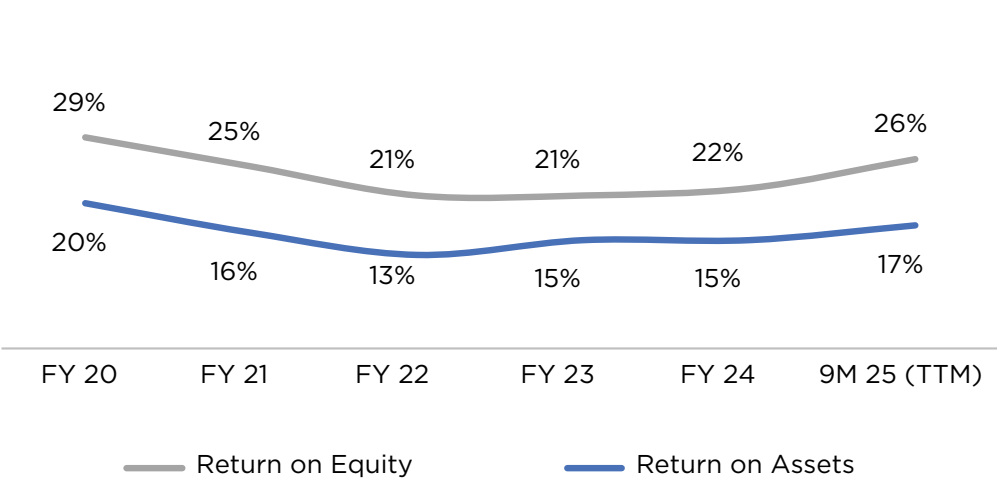
Cash Conversion Cycle Trends (Days)



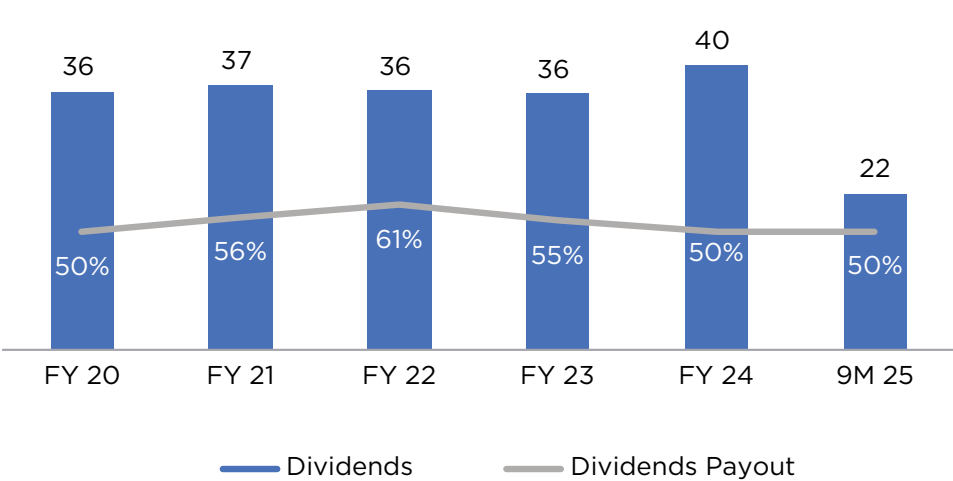
RETURNS & DIVIDENDS



ROE & ROA (TTM -%)



Dividends (₪ Mn)



*On May 15th 2025, the company paid ₪25,000,000 cash dividends ₪ 1.25 per share - for the second half of 2024 to the company's shareholders.

**On September 15th 2025, the company paid ₪ 22,000,000 cash dividends ₪ 1.10 per share for the first half of 2025 to the company's shareholders.

OUTLOOK AND GUIDANCE



Financial guidance: On track for 2025 targets

Economic Indicators	FY 2024 Actual Results	9M 25 Actual Results	FY 25 Guidance	FY 26-28 Guidance
Revenue Growth	16%	25%	16-18%	16-18% (CAGR)
EBITDA Margin	27%	24%	28-30%	28-30%
Net Profit Margin	20%	16%	20-25%	20-25%
Dividend (Semi Annual)	50%	SAR 2.35 Per Share (50% Payout)	50% Payout Ratio	50% Payout Ratio



 **Avalon** Pharma