



شركة ميزان القابضة
MEZZAN HOLDING CO.

August 7, 2019

Investor Briefing

Mezzan Holding's 67% Acquisition of KSPICO

- Transaction Overview
- Description of Target
- Strategic Rationale





67% | Majority

Mezzan Holding has acquired a 67% stake in Kuwait Saudi Pharmaceutical Industries Company KSCC (KSPICO), granting it majority Board seats and effective control.



● Purchased through debt

● Valuation at P/E of 15.6x (2018)

● KSPICO D/E < 20%



**Kuwait Saudi Pharmaceutical
Industries Company** K.S.C.
Closed

- The only licensed pharmaceutical manufacturing company in Kuwait
- Core businesses: manufacturing Large Volume Parenteral (LVP) Solutions (Oral solids, Oral liquids, Semi solids, Suppositories)
- Product portfolio: 120 products
- Sells to Government, SGH, & private sector in over 12 countries, including Kuwait and KSA (key markets), GCC and others
- Distributes Gulf-wide, one of the few regional companies that meets the GCC Health Institutions and Secretariat General of Health (KSA) standards



Exclusive position in Pharma manufacturing sector

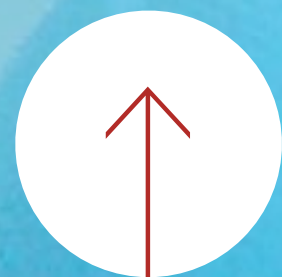
Rationale

Exclusivity



KSPICO is the only manufacturer of pharma products in Kuwait

Strength



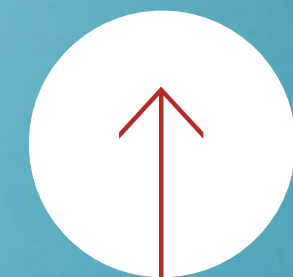
Reinforces our presence in healthcare, our relationship with MOH, and our sales in Kuwait, and the GCC

Synergy



Creates synergies warehousing, logistics, licensing and administrative

Growth



Preferential treatment in pricing Kuwait/GCC upwards 15% to 20%

Strength, growth and exclusivity

KSPICO Strengths

- ✓ Recently expanded capacities, especially in LVP
- ✓ LVP line enjoys c.80% market share in local market.
- ✓ Liquid Orals line c.20% market share in local market.
- ✓ Remaining portfolio <10%

Growth Opportunities

- ✓ Increase participation in local tenders (100+ KSPICO products registered but not active)
- ✓ Grow market share locally and regionally
- ✓ Expand licensing regionally
- ✓ Start contract manufacturing
- ✓ Improve utilization of manufacturing
- ✓ Land of 60,000 sqm of which 32,000 sqm is un-utilized (Production area has a size of 5,000 sqm meters only)
Value of land alone at c.KD18mn)
- ✓ Boost promotional activities on existing portfolio in Saudi and UAE private sectors

A new market leader is born in Kuwait's healthcare sector



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