



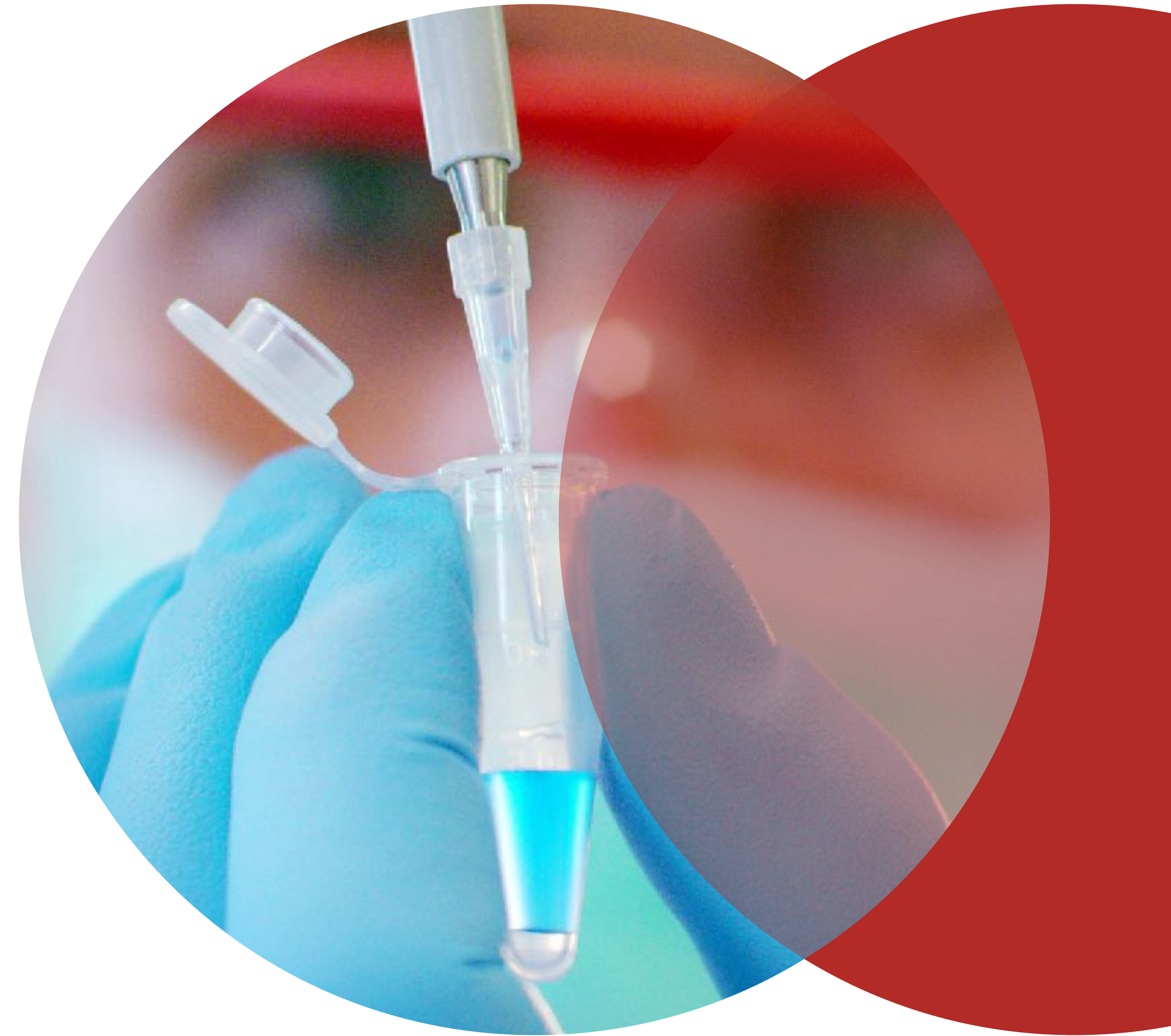
شركة ميزان القابضة  
MEZZAN HOLDING CO.

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

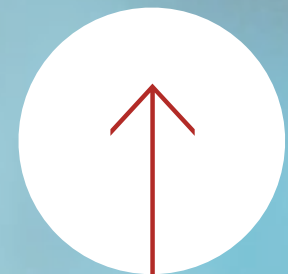




# Exclusive position in Pharma manufacturing sector

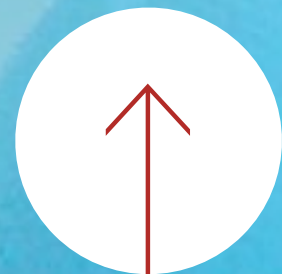
## Rationale

### Exclusivity



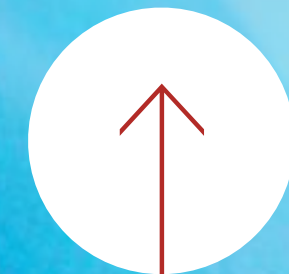
KSPICO is the only manufacturer of pharma products in Kuwait

### Strength



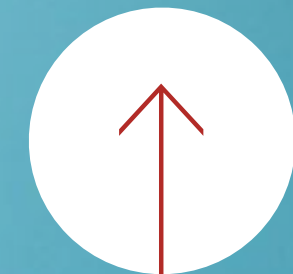
Reinforces our presence in healthcare, our relationship with MOH, and our sales in Kuwait, and the GCC

### 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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