Daily Bulletin

September 9, 2025

> *SPIMACO to launch new products, expand in Africa, Europe*
> *UCIC sinks to all-time low*

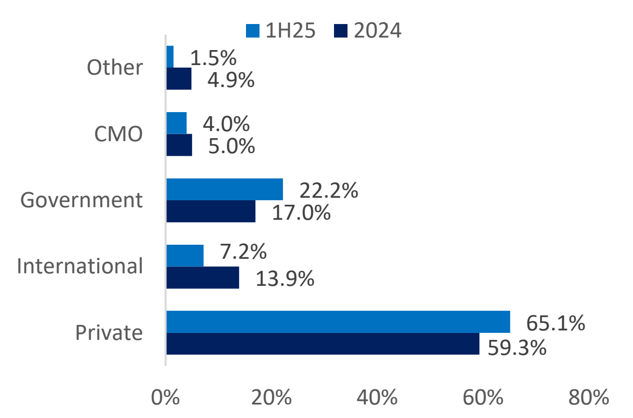
SPIMACO to launch new products, expand in Africa, Europe

Saudi Pharmaceutical Industries and Medical Appliances Corp. (SPIMACO) plans to register more than eight new drugs this year, while targeting the registration of more than 15 new pharmaceutical products by 2026. The company operates in 18 countries beyond KSA and planning expansion into African and European markets.

In July-25 SPIMACO launched its new plant specialized in the manufacture of oncology and high-potent drugs, at a total cost of SAR 272 mn. The plant has an annual production capacity above 275 mn therapeutic units. As per Ahmed Al-Jedaie, Vice Chairman and Managing Director of SPIMACO, the company's market share of cancer drugs will likely increase from <1% currently to ~10%. Furthermore, SPIMACO agreement with the AstraZeneca will increase prospects for registering and localizing new drugs in Saudi Arabia.

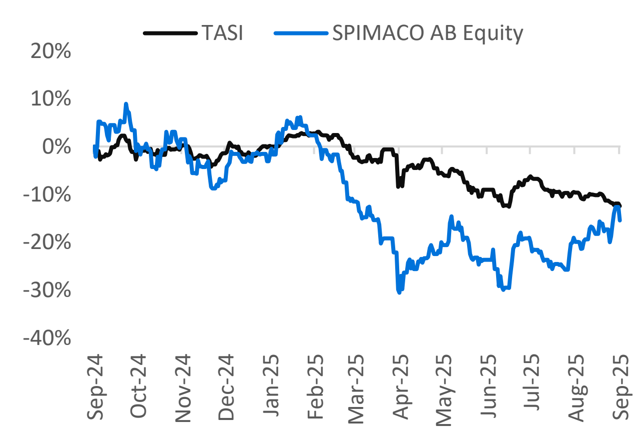
For 1H25 company announced a net income of SAR 111 mn up 93% YoY mainly due other income of SAR 25.5 mn compared to the loss of SAR 8.8 mn in 1H24. The profitability is further supported by 57% YoY decline in impairment loss on financial assets and decrease across operating expenses. The stock is currently trading at a 2025e P/E of 23.6x and has consensus TP of SAR 30.1/share providing a potential upside of 9.6%.

Pharma revenue by channel



Source: Earning Presentation, anbc research

Relative price performance



Source: Bloomberg, anbc research

UCIC reaches all-time low: Rise in raw material costs weigh heavily on 1H25 results

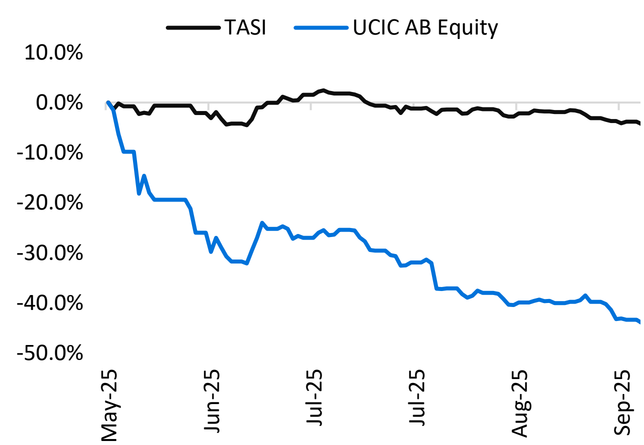
United Carton Industries Co. (UCIC) touched an all-time low of SAR 28/sh on 8th Sep-25, declining by 44% since its debut on TASI in May-25. The share price weakness can be attributed to lower profitability in 2Q25. Since the results announcement on 29th Jul-25, the stock has fallen by 18%.

In 1H25, the company reported a 3% YoY increase in sales volumes to 206k tons, which translated into a 2% YoY increase in revenue to SAR 685 mn. However, this topline growth did not translate into profitability, as raw material costs, primarily paper, rose sharply in both international and local markets. Consequently, gross margins contracted to 14% in 1H25, down from 20% in 1H24. The steepest margin pressure was seen in the corrugated segment, which accounts for ~85% of the company's revenue, where margins declined to 14% from 23% in the prior year. On the other hand, the duplex segment contributing ~7% to the revenue, managed to improve its margins significantly to 11% from 2% in 1H24.

The elevated cost of revenue led to a significant contraction in gross profit. This impact was partly cushioned by higher other income and lower net finance expenses, leading to a 57% YoY decline in net profit to SAR 27 mn. As a result, the net margins fell to 4% in 1H25 compared to 9% in the same period last year.

Looking ahead, UCIC plans to focus on market expansion both geographically and across product categories in its corrugated segment. For the folding carton segment, the company is targeting an increase in domestic market share from 8 to 10% in 2023 to 25% through organic initiatives and inorganic opportunities. At present, the stock is trading at a TTM PE of 12.6x.

Relative performance (27th May-25)



Source: Bloomberg, anbc research

UCIC's financials (SAR mn)

	1H25	1H24	YoY (%)
Revenue	684.8	670.7	2
COGS	(592.1)	(536.9)	10
Gross profit	**92.7**	**133.8**	(31)
Gross margin (%)	13.5	20.0	
Operating profit	**33.6**	**74.1**	(55)
Opt. margin (%)	4.9	11.0	
Net income	**26.7**	**62.7**	(57)
Net margin (%)	3.9	9.4	
EPS	***0.67***	***1.57***	(57)

Source: Company financials, anbc research

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