

Strategic Review & Roadmap for 2026

Capitalizing on Growth, Driving Sustainable Profitability

Our Explosive Growth Presents a Clear Mandate: Optimize for Profitability and Mitigate Strategic Risks



The Situation: Unprecedented Growth

- Sales surged to 9.3M in 2025, driven by the successful launch of the pharmaceutical division.
- We have successfully refined our focus to high-value customers, increasing average order value.



The Complication: Emerging Pressures

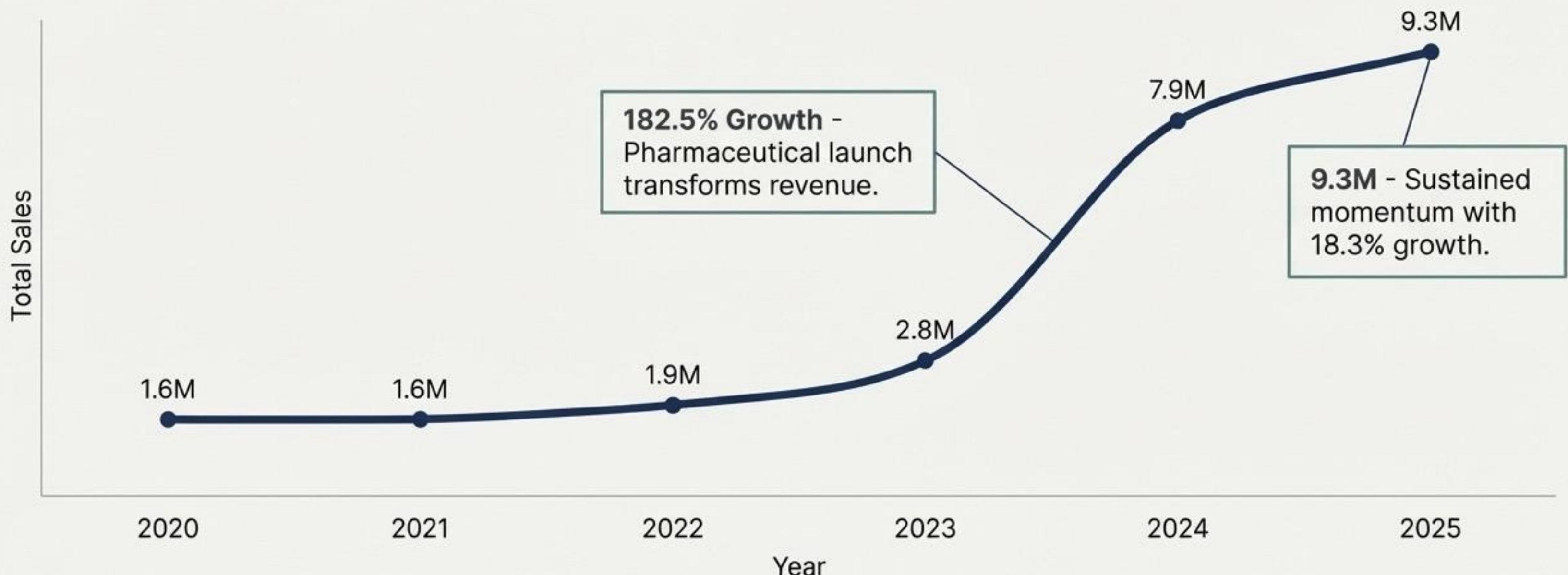
- Profitability is being squeezed as **expense growth** (45% in 2025) massively **outpaces profit growth** (16%).
- Significant **concentration risk** exists, with ~70% of business tied to just 5 customers and 5 suppliers.



The Resolution: A Focused 2026 Plan

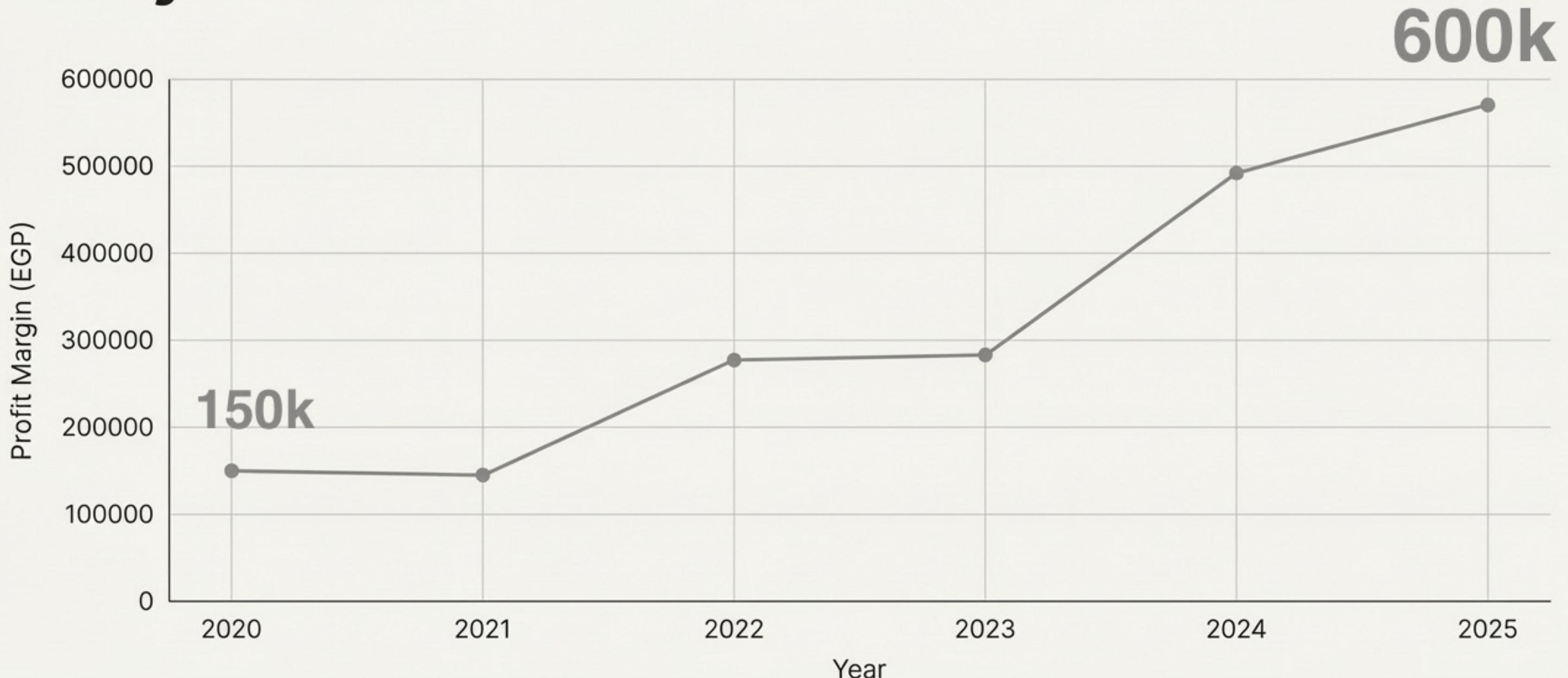
- A four-pillar strategy focusing on cost management, pharmaceutical expansion, consumables revitalization, and strategic diversification.

Sales Growth Has Accelerated Dramatically, Reaching 9.3M in 2025



Key Takeaway: The successful entry into pharmaceuticals created an inflection point, nearly tripling sales in a single year.

Our Growth Has Been Remarkable, But the Story Behind the Curve Is What Matters.

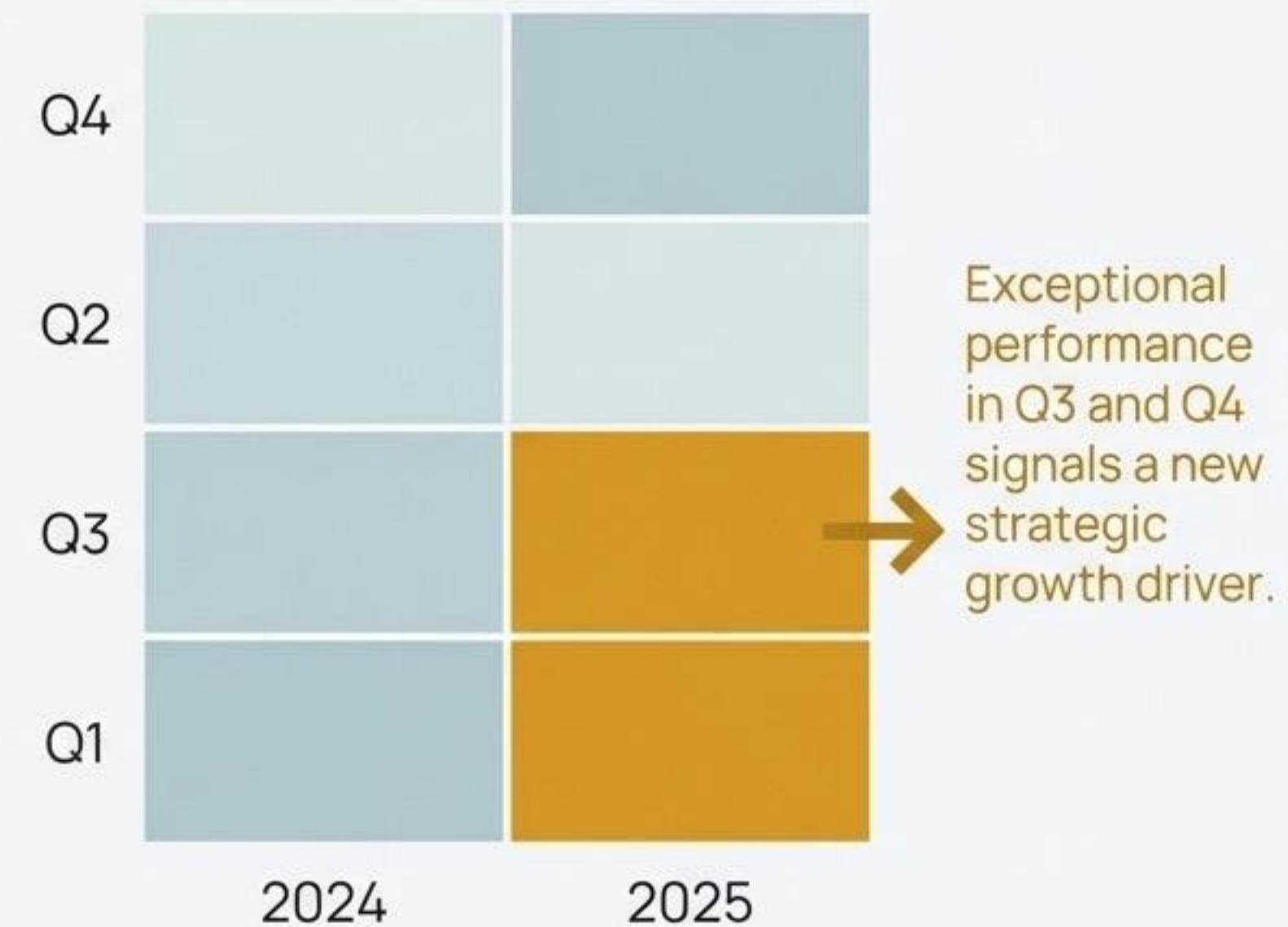


The Pharmaceutical Branch Has Become Our Growth Engine, While Consumables Have Stalled

Consumables Quarterly Revenue

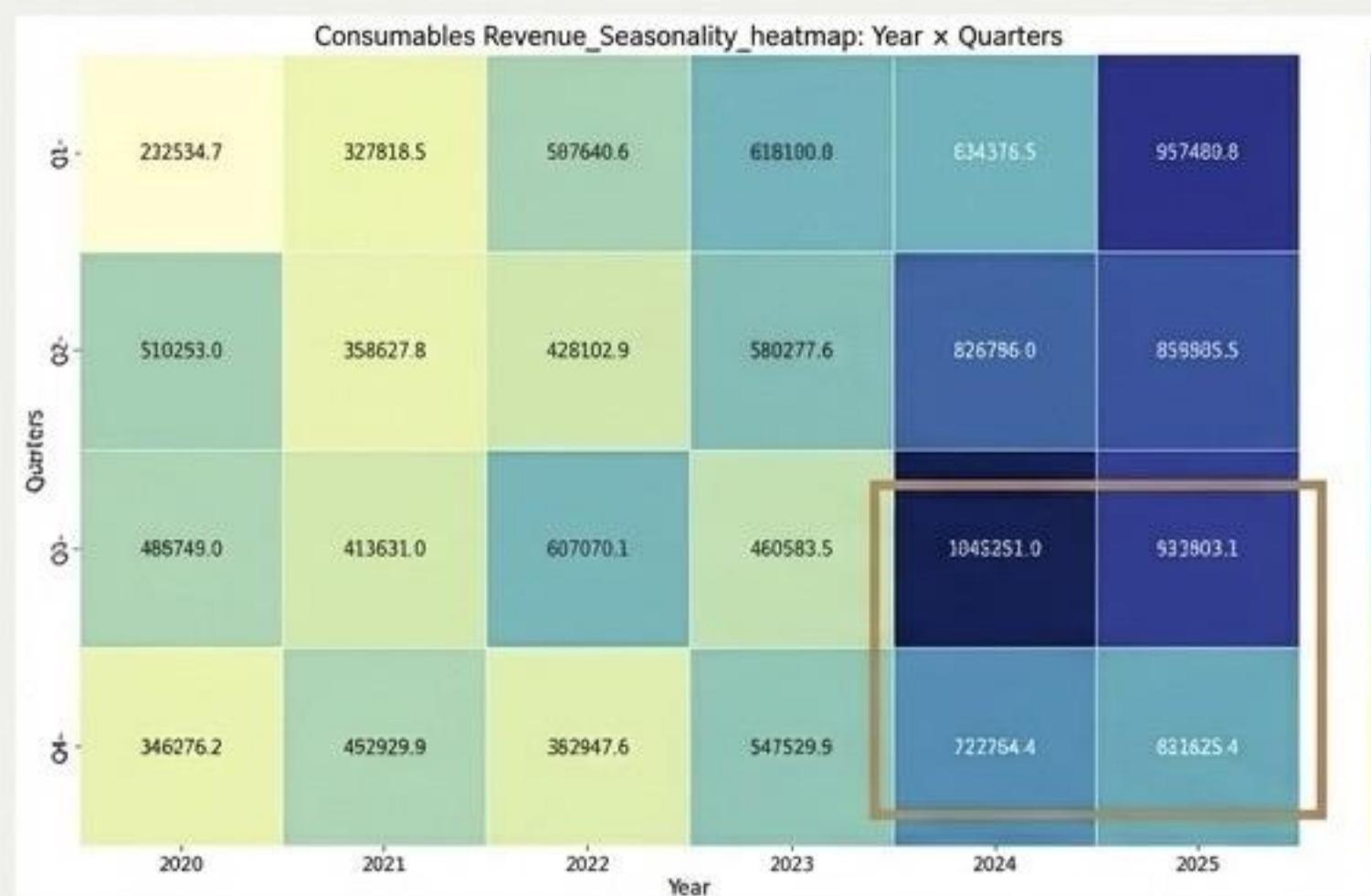


Total Quarterly Revenue (incl. Pharma)



The Pharmaceutical Branch Was the Engine of Growth in 2025, While Consumables Performance Remained Flat

Consumables: Stable but Stagnant Performance



Pharmaceuticals: Explosive Growth in H2 2025

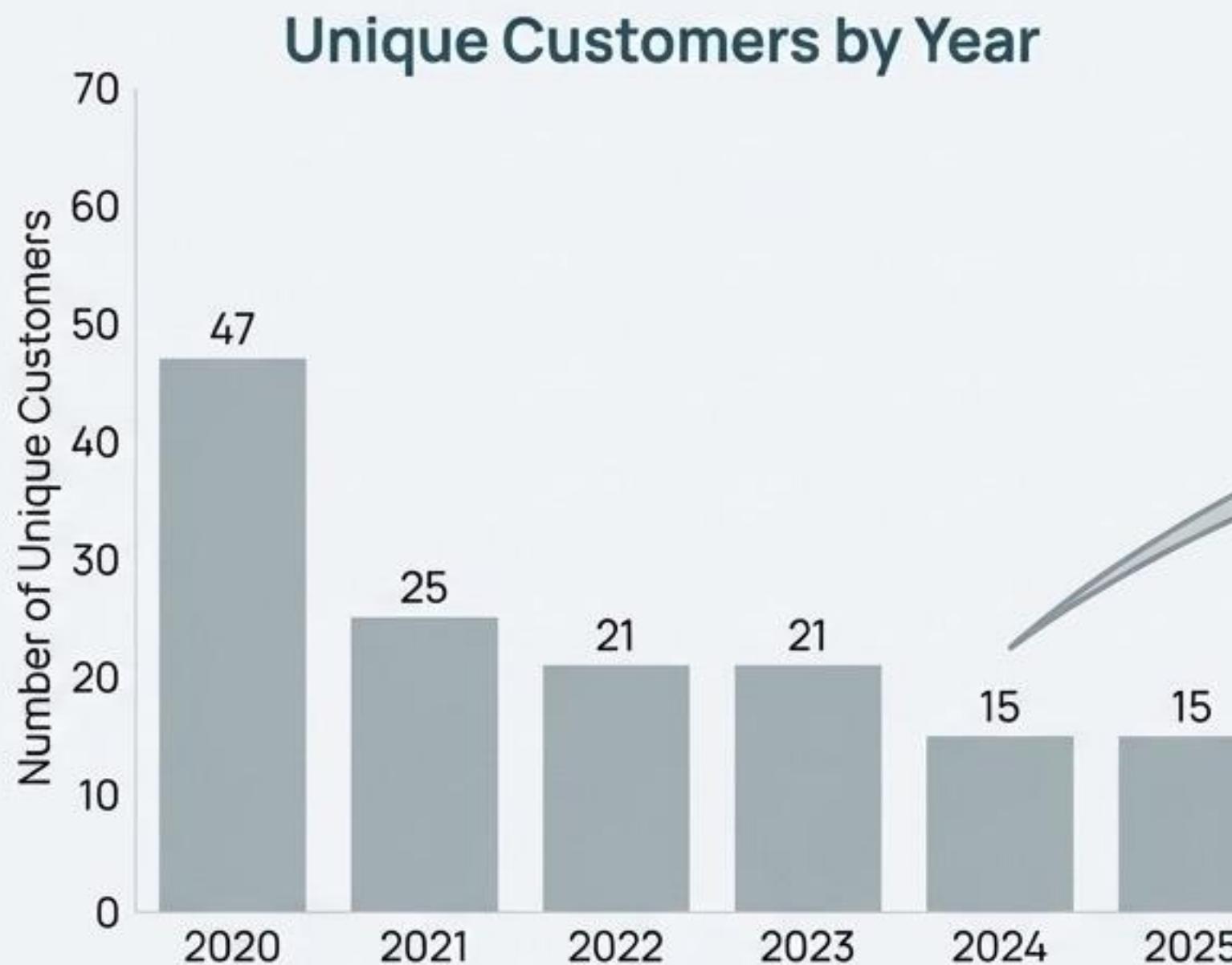


Insight: The exceptional performance of the pharmaceutical branch in its first full year has created a new strategic imperative for the business.

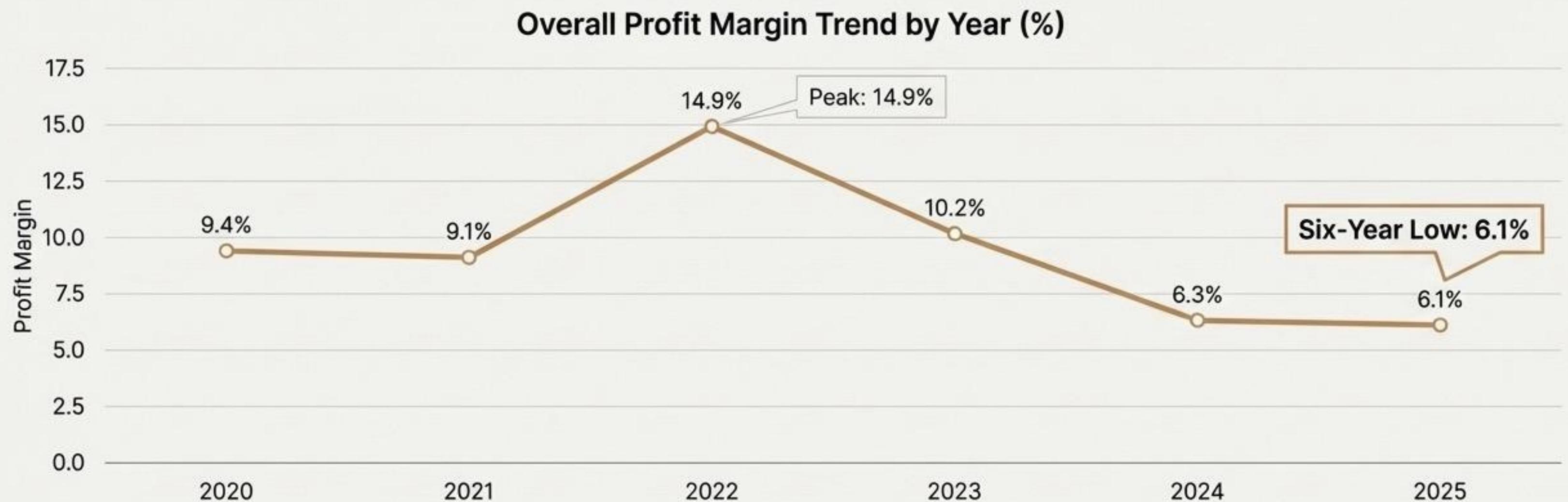
New branch adds over 5M in H2 alone.

Our Strategy to Focus on High-Value Customers is Working, Driving Average Order Value Up 8x

Insight: While the number of unique customers has stabilized at ~15, our AOV has skyrocketed from ~2.5k in 2020 to over 20k in 2025, improving operational efficiency.



Consequently, Overall Profit Margins Have Compressed to a Six-Year Low



Key Takeaway: The high-volume, lower-margin pharmaceutical strategy contributed to this trend, but it was exacerbated by uncontrolled expense growth, creating an urgent need for strategic intervention.

The Consequences of Rapid Growth: Strategic Challenges Now Threaten Sustainable Profitability



The Profit Squeeze



Concentration Risk

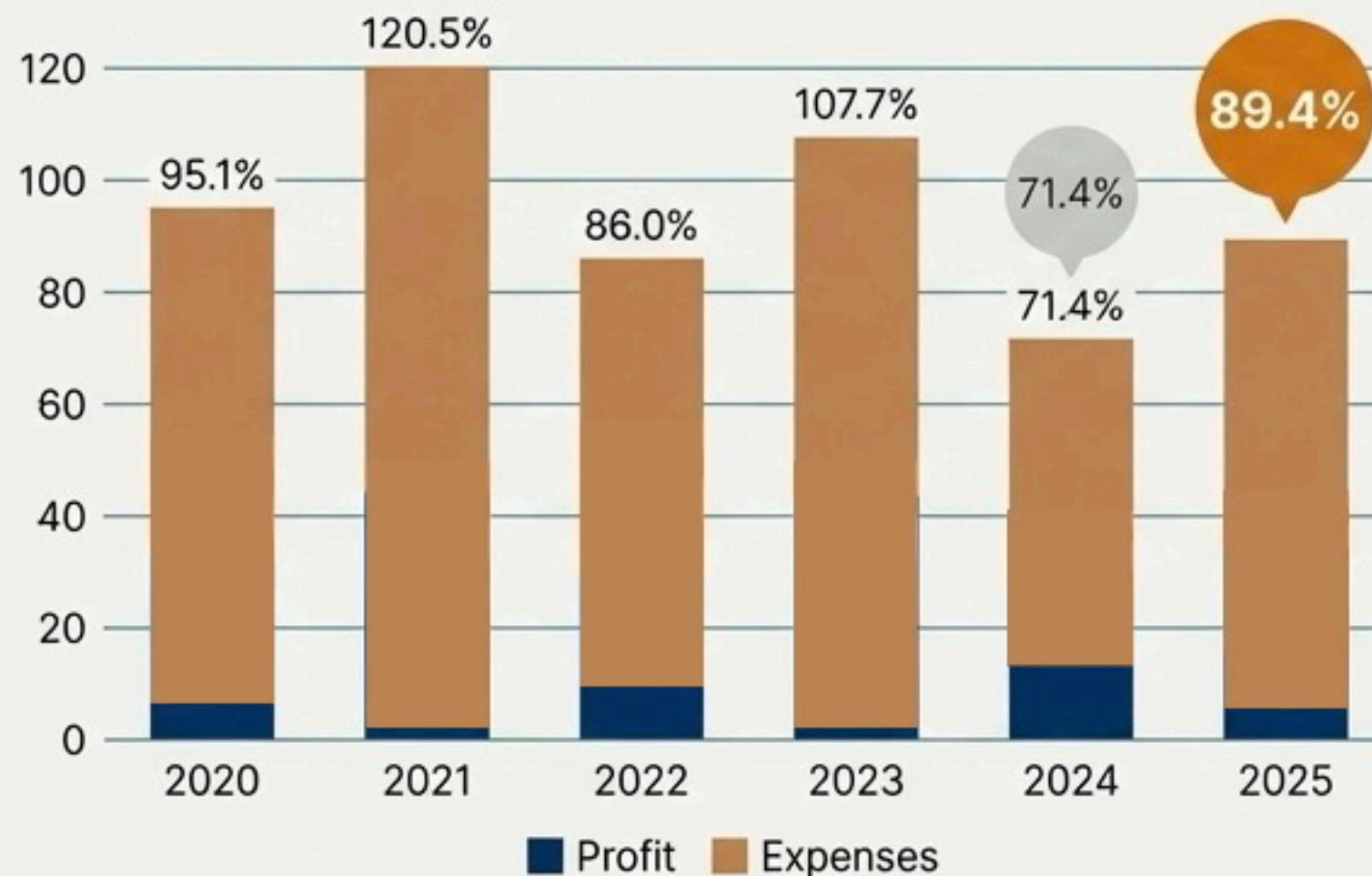


Diverging Branch
Performance

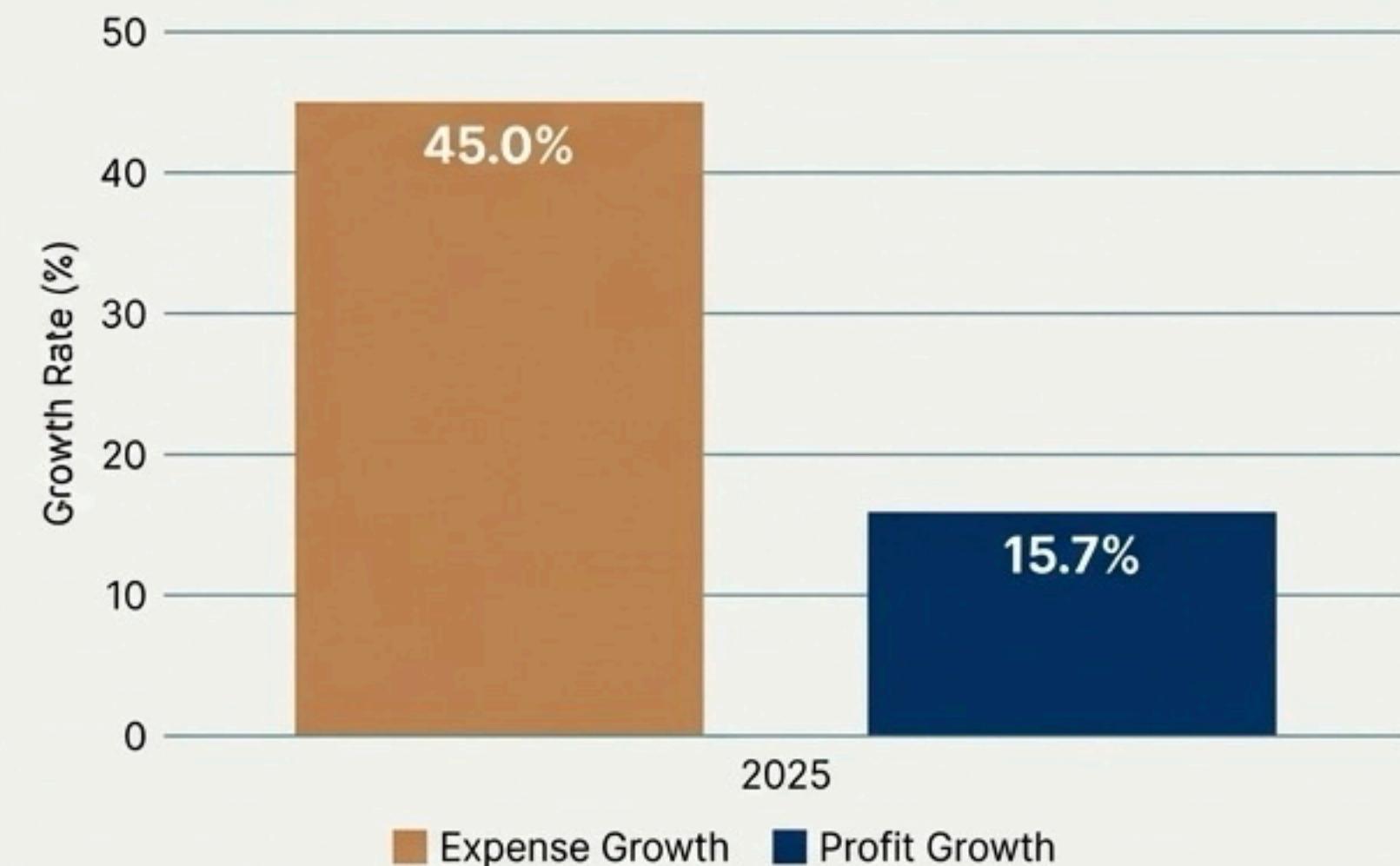
Our rapid scaling has introduced new complexities. The following section analyzes the three primary challenges we must address to secure long-term value: eroding profitability, high dependency on key partners, and the performance gap between our business units.

Spiraling Expenses Are Eroding Our Profits as Cost Growth Outpaces Profitability by Nearly 3x

The Expense Ratio Reached an Unsustainable 89.4% in 2025



In 2025, Expenses Grew 45% While Profits Grew Only 15.7%



Key Insight: Despite a 16% rise in gross profit, the 45% surge in expenses effectively erased these gains at the net profit level.

Soaring Salaries and Escalating Operational Costs are the Two Primary Drivers of Our Profit Erosion

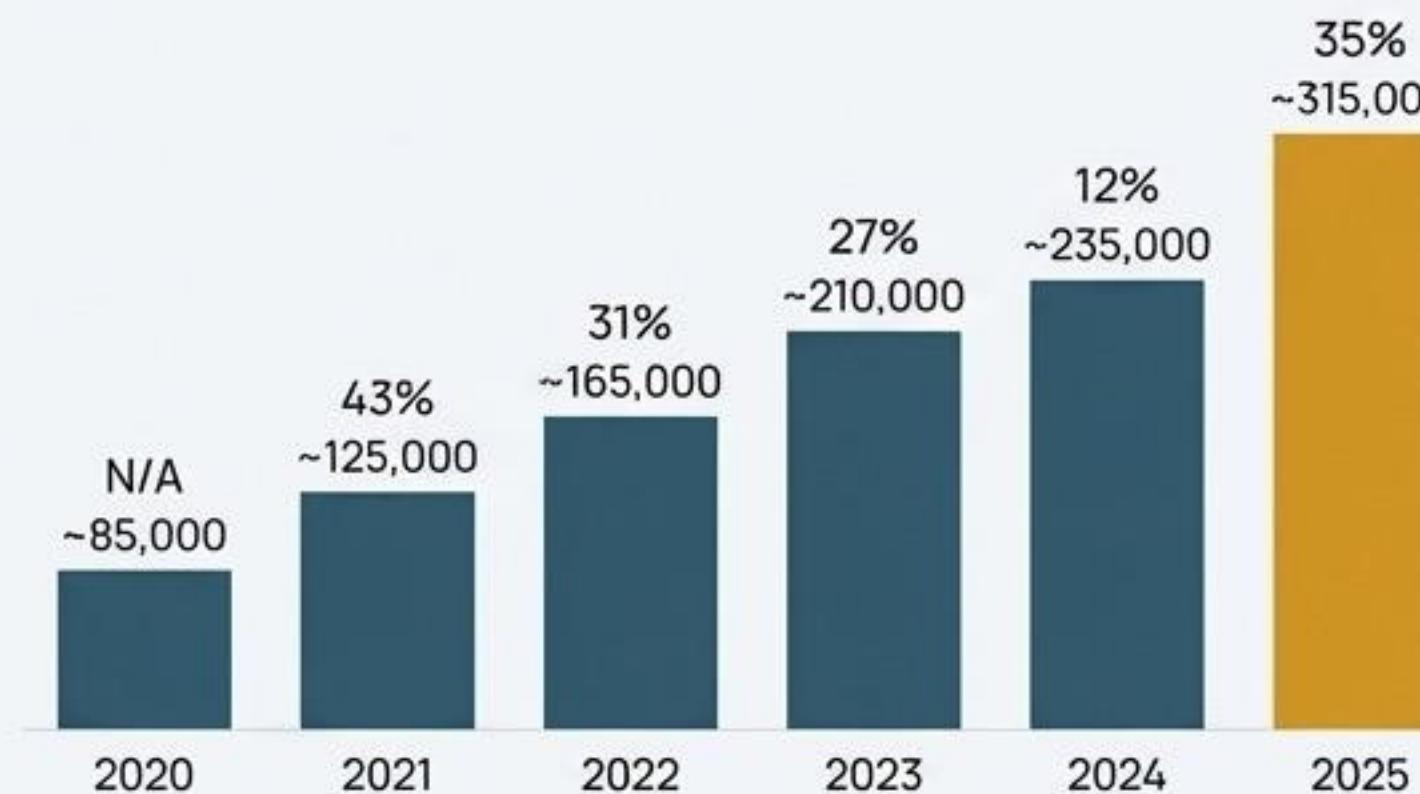
Salary Costs

+35% Growth in 2025

An increase of 80,000 EGP.



Salary Variation (2020-2025)



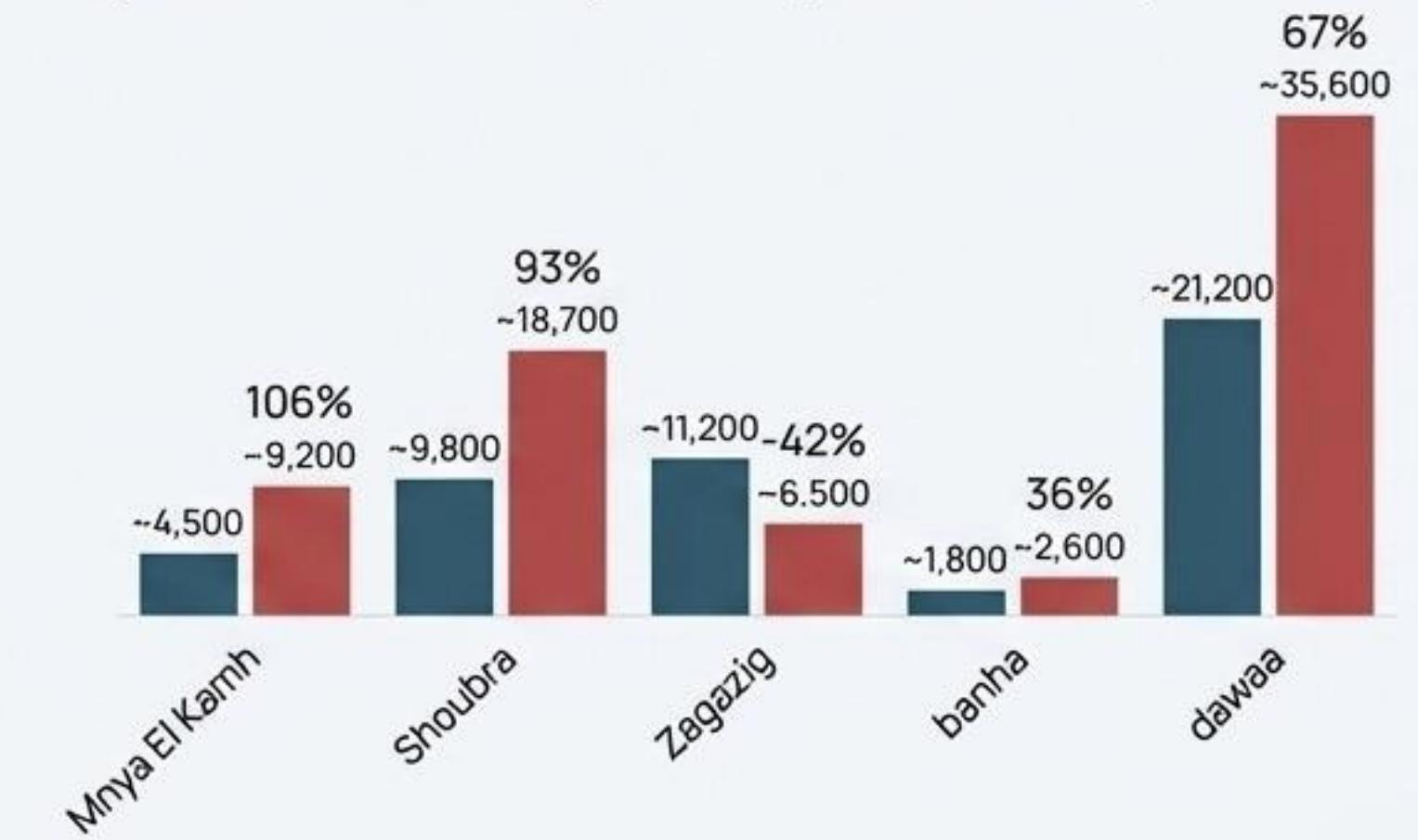
Operational Costs

Doubled in 2025

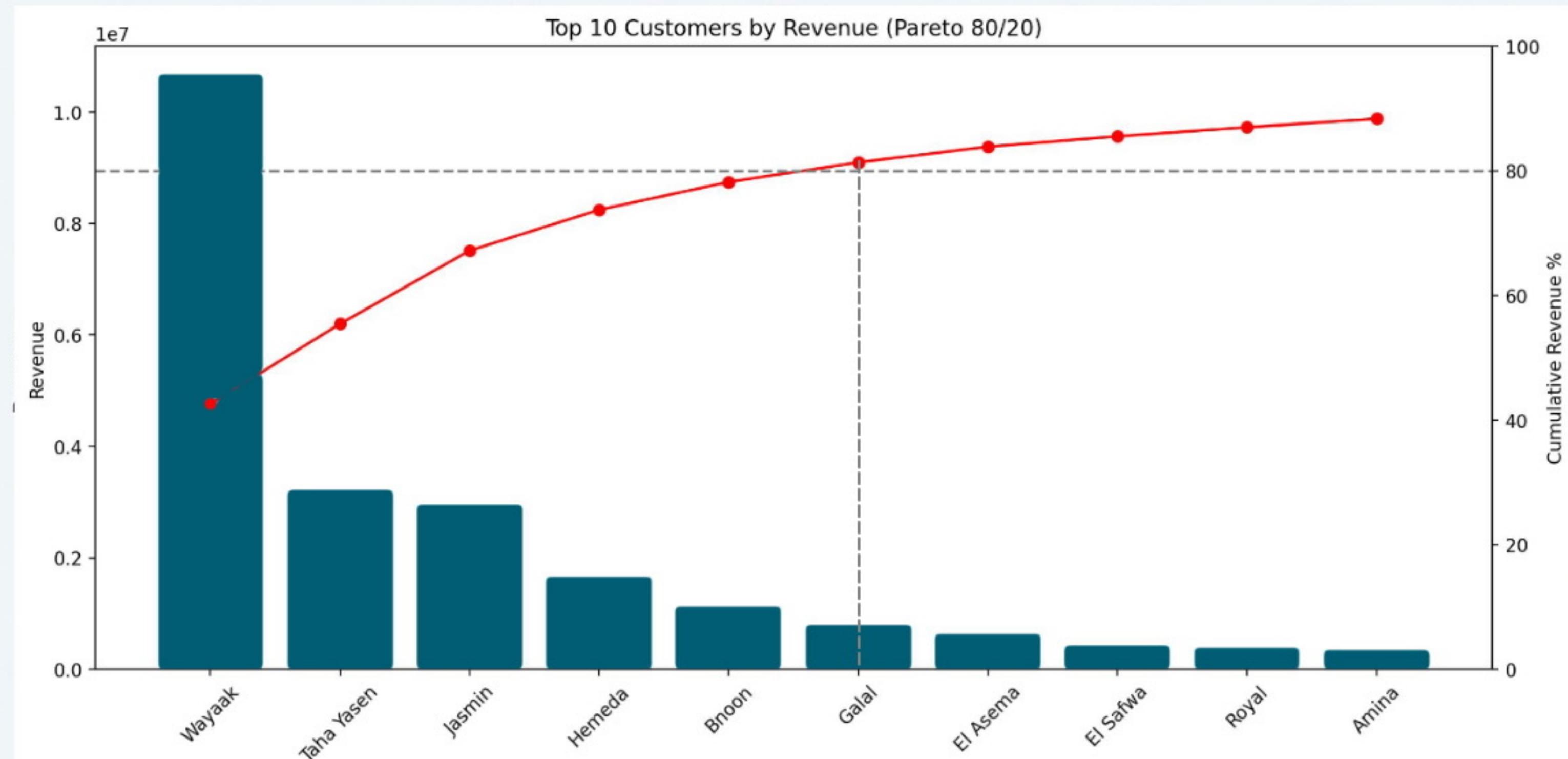
Costs to key destinations Dawaa and Shoubra rose 67% and 93% respectively.



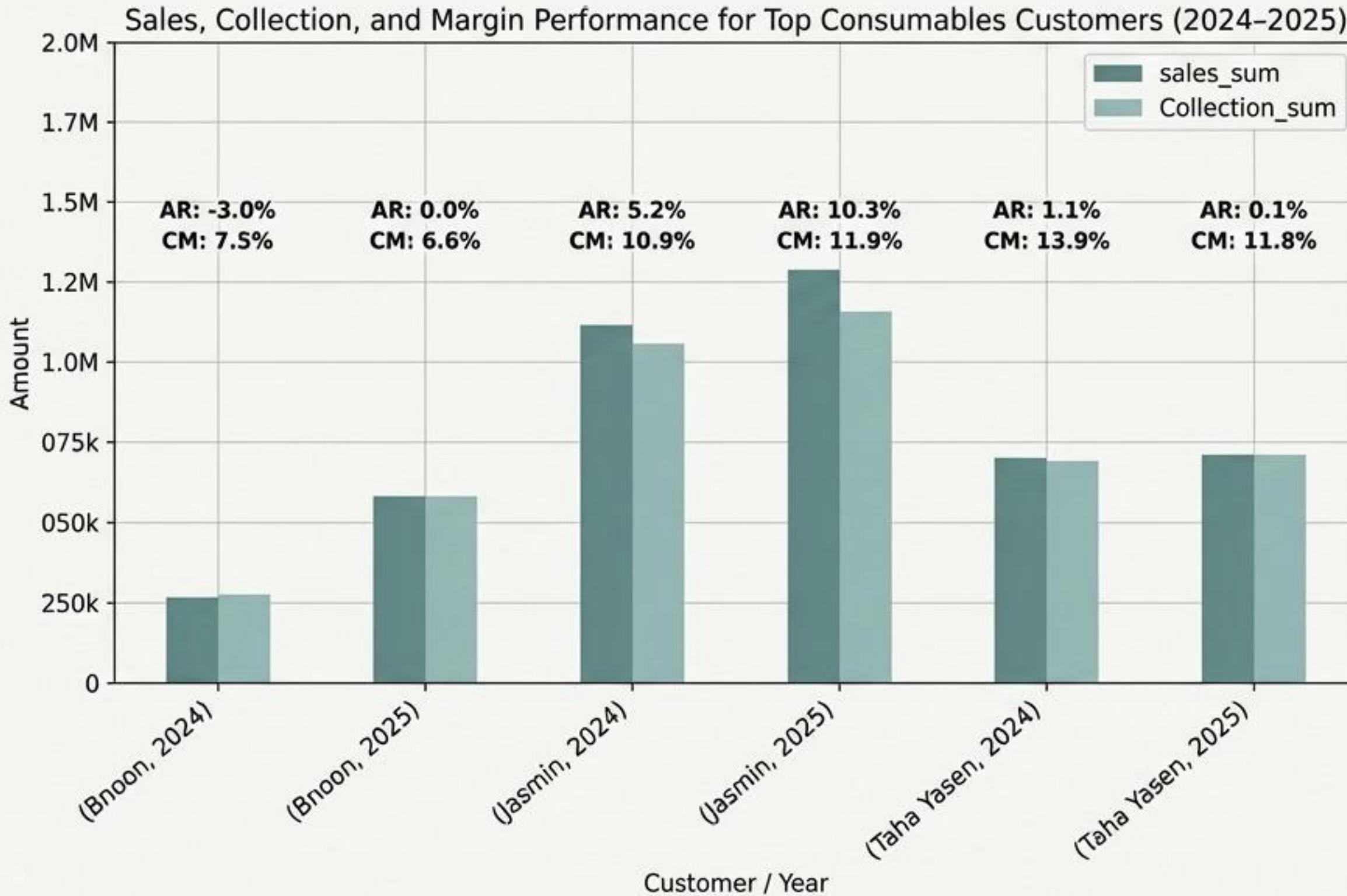
Operation Cost Comparison (2024 vs 2025)



This Success Has Created a Critical Concentration Risk: 80% of Revenue Comes from Just Six Customers

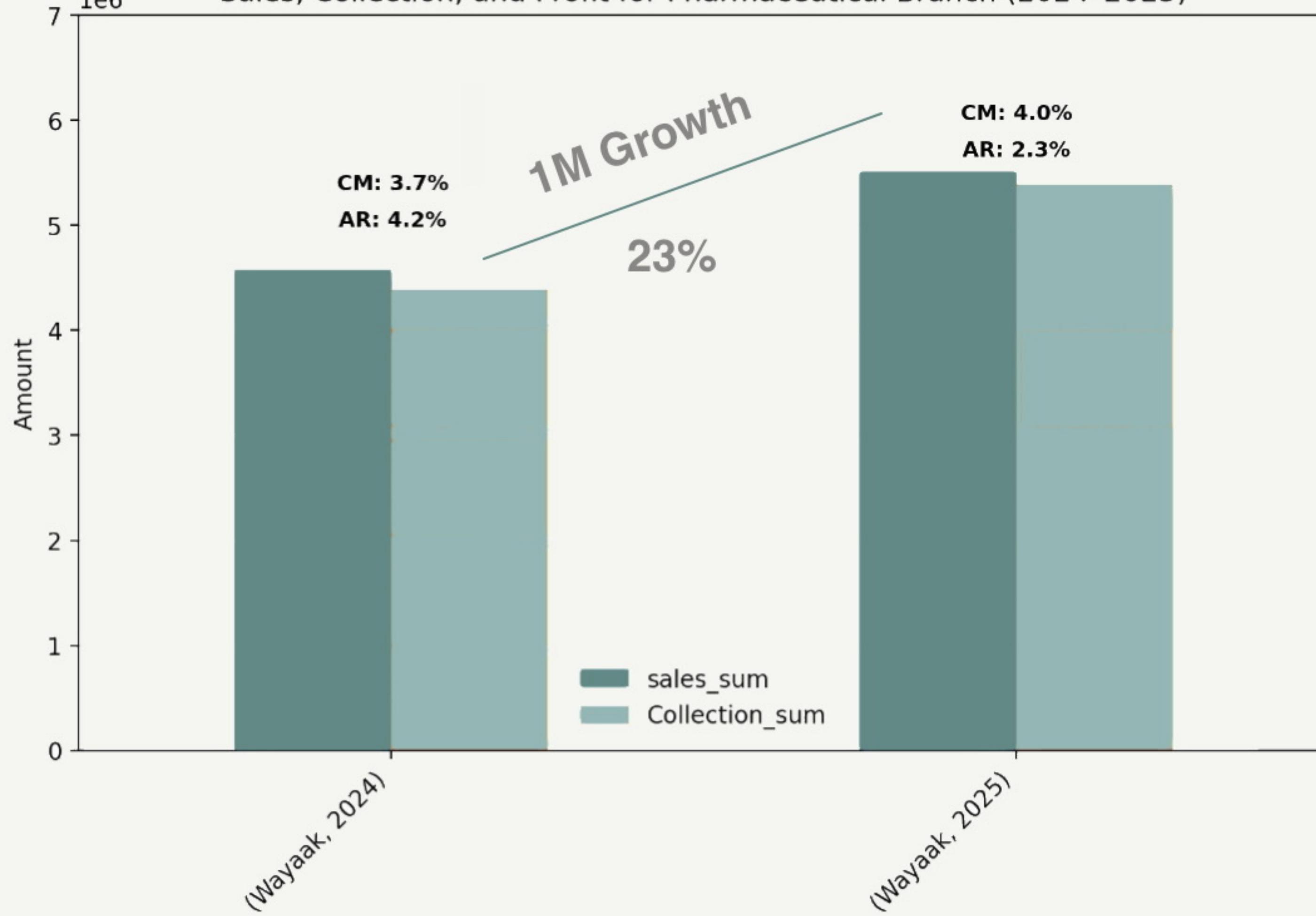


A Closer Look at Key Consumables Accounts Reveals Pockets of Concern



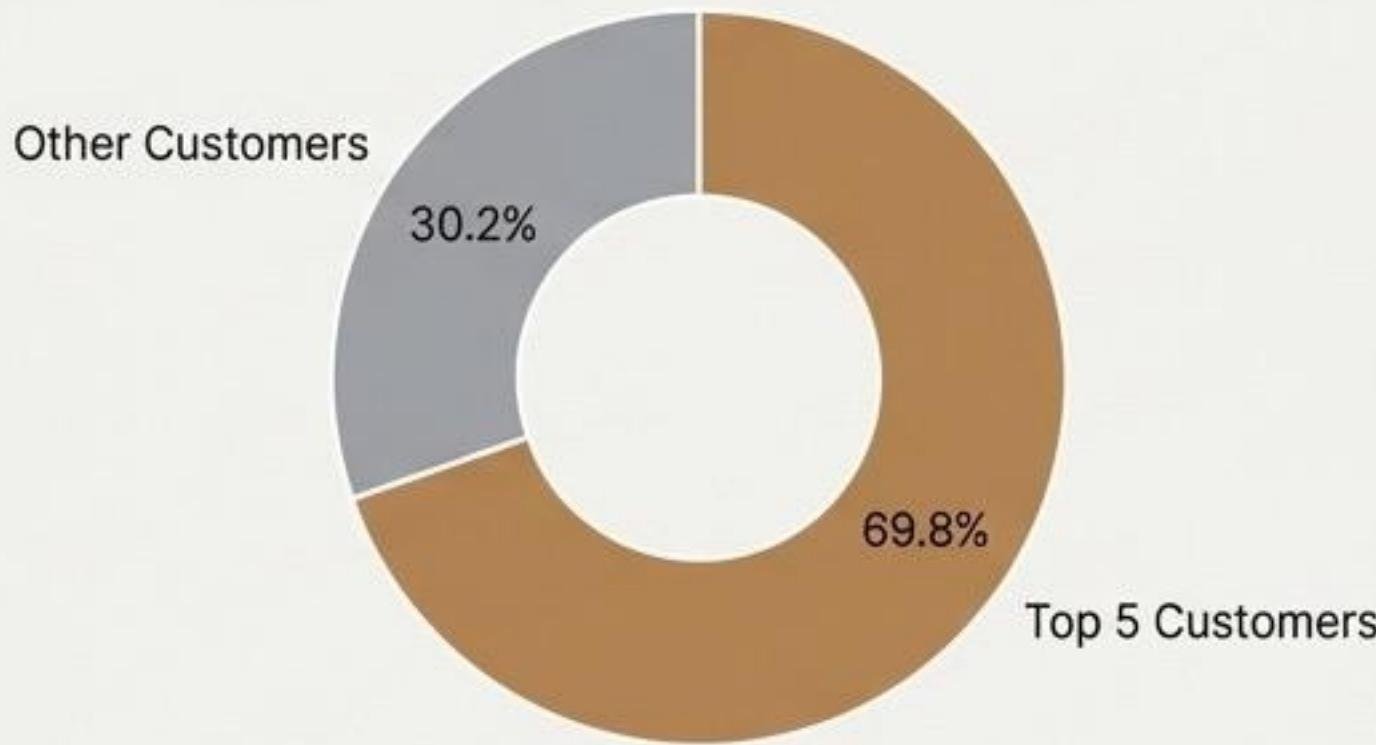
- **Jasmin:** Strong sales growth (+19%), but Accounts Receivable (AR) has **doubled from 5.2% to 10.3%**, posing a future cash flow risk.
- **Taha Yaseen:** Sales are stable, but Contribution Margin (CM) has **dropped by 2%** (from 13.9% to 11.8%), likely due to the loss of a key product line.
- **Bnoon:** Excellent sales growth (+100%), but this has come at the expense of profitability, with a **1% decrease in CM**.

Sales, Collection, and Profit for Pharmaceutical Branch (2024-2025)



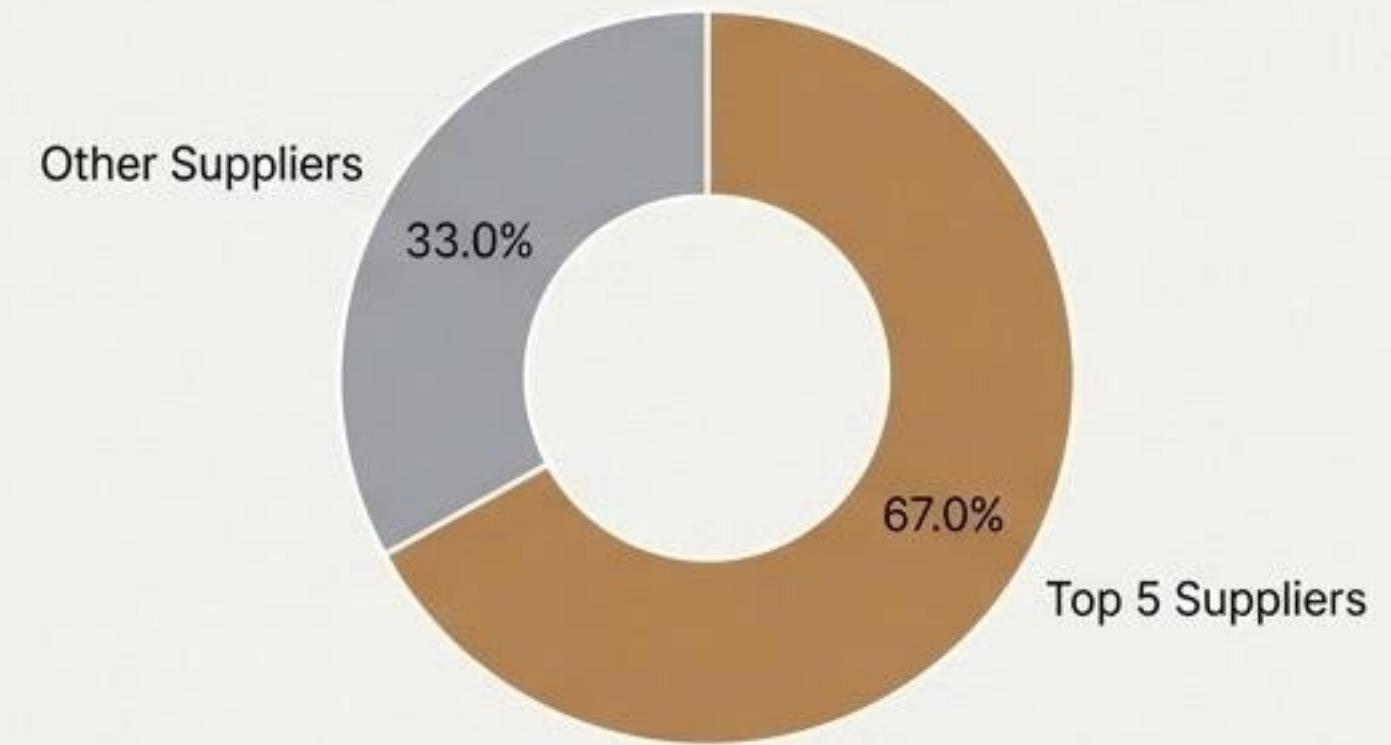
We Face Significant Risk from Over-Reliance on a Handful of Customers and Suppliers

Top 5 Customers Account for 69.8% of Total Sales



80% of sales come from just six customers.

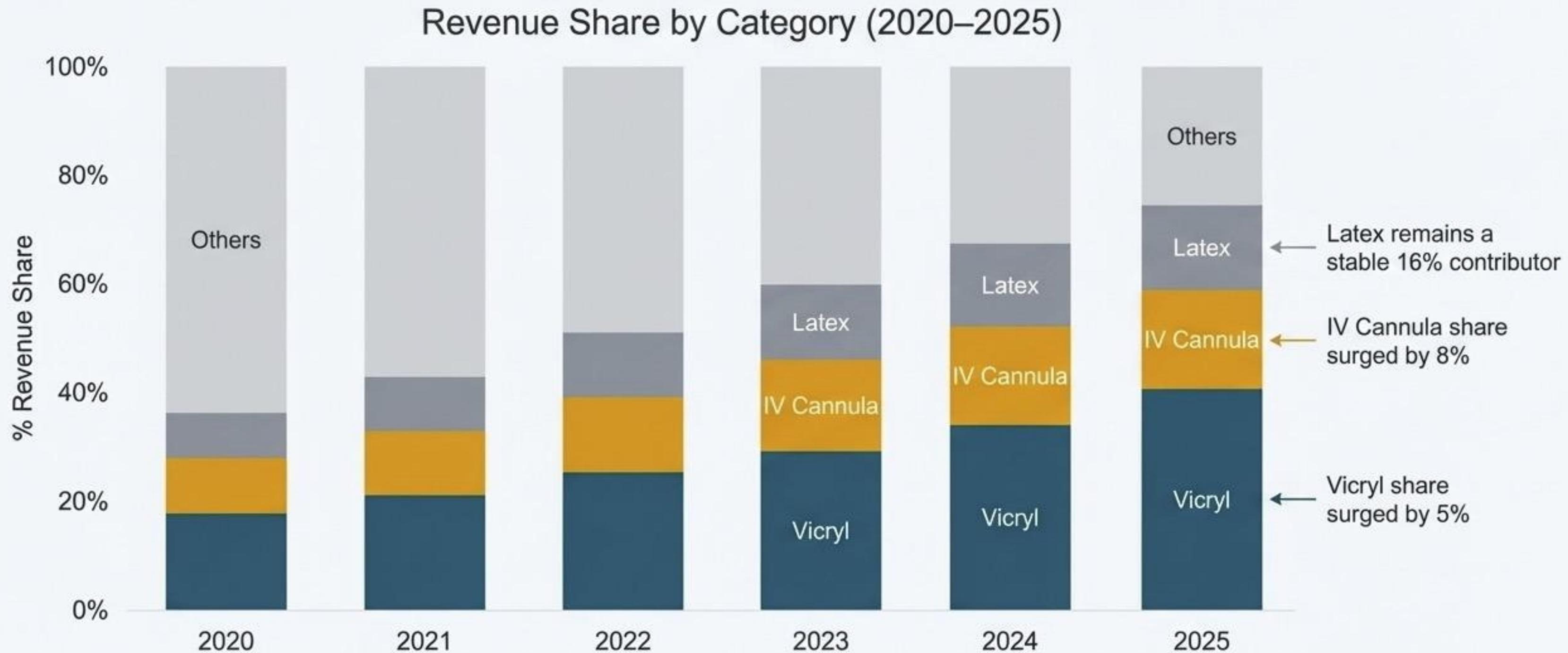
Top 5 Suppliers Account for 67% of COGS



Two suppliers, Safa and Kareem, represent over 55% of our total purchasing.

Key Insight: While deep partnerships are valuable, this level of concentration exposes the firm to significant disruption risk if a key relationship changes.

Within Consumables, We've Sharpened Our Focus on High-Value Categories



Our Top-Selling Consumables Categories Are Underperforming on Profitability

Total Sales 2025 by Category



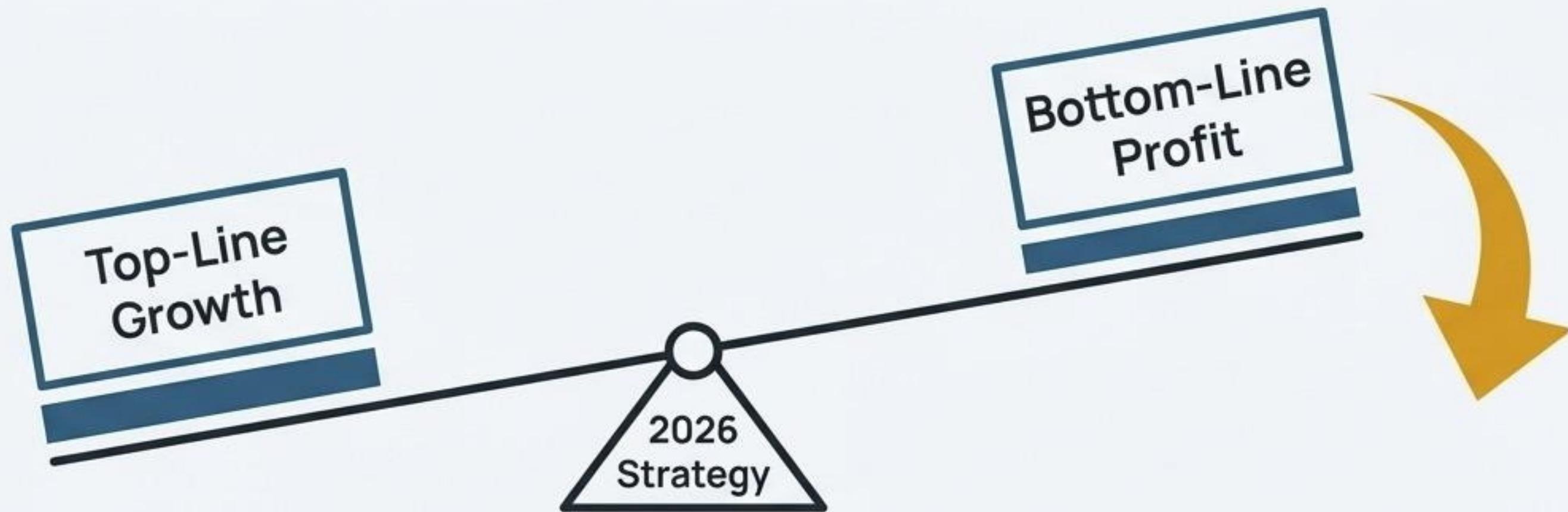
Total Profit 2025 by Category



A Growing Margin Gap

In 2025, our top three categories (Vicryl, Latex, IV Cannula) drove nearly 60% of consumables sales but delivered only 52% of the profit. This 8-point gap is a major opportunity for margin enhancement.

The Path Forward Requires a Deliberate Pivot from Growth-at-All-Costs to Smart, Profitable Growth



✓ WHAT'S WORKING

- Pharma Branch Momentum
- High-Value Customer Focus
- Core Product Strength

✗ WHAT'S NOT

- Stagnant Consumables Sales
- Unsustainable Expense Growth
- High Customer & Supplier Concentration

The Path Forward: A Four-Pillar Strategy for Sustainable and Profitable Growth in 2026



**Fortify the Core
& Optimize
Profitability**



**Double Down on
High-Growth
Pharmaceuticals**



**Reinvigorate the
Consumables
Branch**



**De-Risk the
Business
Through
Diversification**

Our 2026 plan is designed to directly address the challenges identified. It provides a clear, actionable roadmap to improve financial health, capitalize on momentum, and build a more resilient business.

Pillar 1: Fortify the Core & Optimize Profitability

Objective 1: Aggressively Manage Costs

Recommendation: Reduce the expense-to-profit ratio from **89%** to a target of **60%**.

Key Actions:

- Implement a strategic cost reduction program for operations, targeting inefficiencies in high-growth delivery zones.
- Freeze all salary increases until a Q1 2026 performance review is complete.

Objective 2: Maximize Margin from Top Categories

Recommendation: Ensure profit contribution percentage from top categories exceeds their sales percentage.

Key Actions:

- Immediately renegotiate purchasing deals with suppliers for Latex, Vicryl, and IV Cannula to improve cost structure.

Pillar 2: Double Down on High-Growth Pharmaceuticals

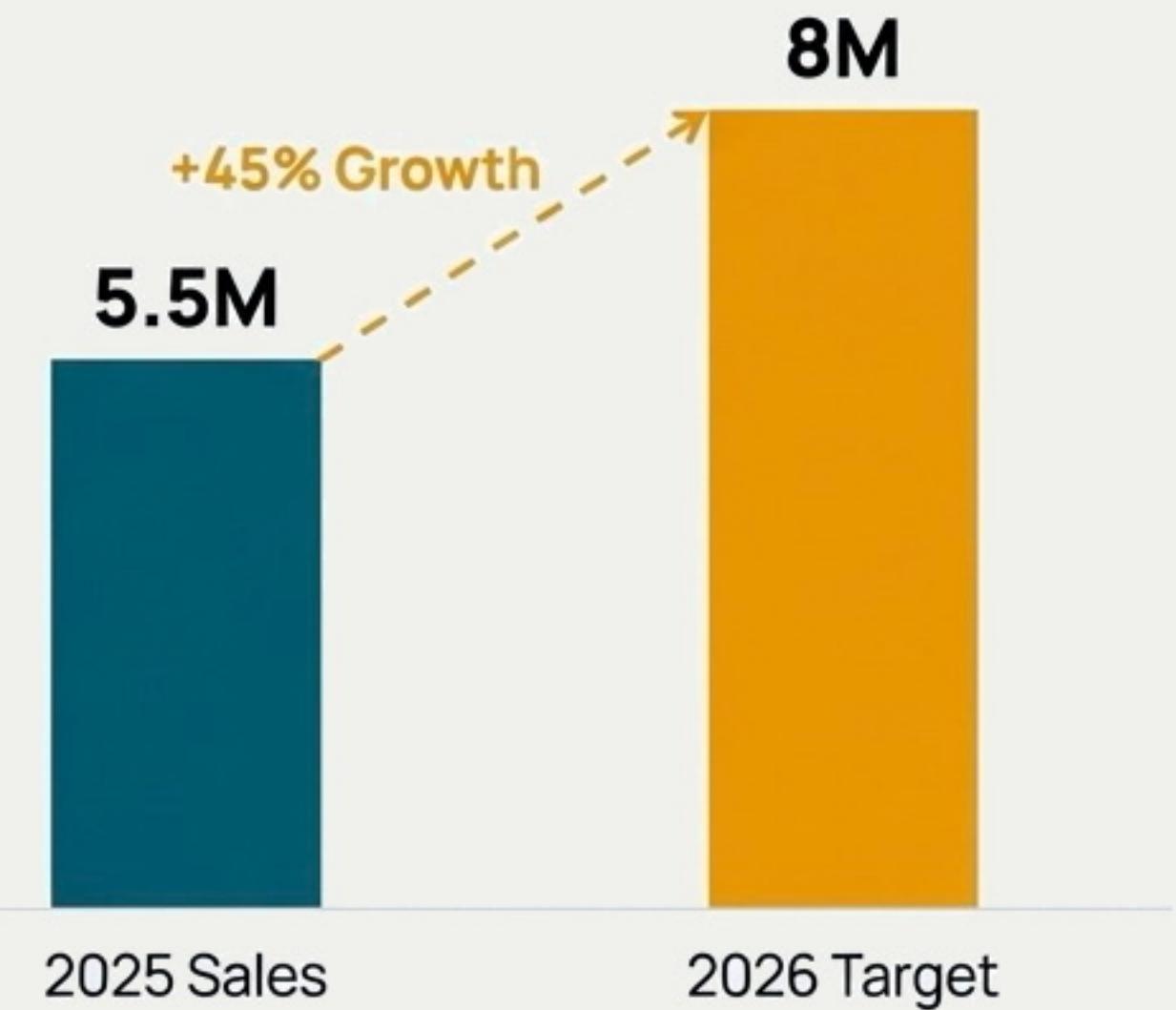
Primary Objective: Capitalize on Proven Success and Accelerate Momentum

Recommendation: Drive pharmaceutical branch sales to a target of **8 million** in 2026.

Key Actions:

- Maintain the current successful strategy of strong collection (target AR < 2.5%) and stable contribution margin (target CM ~4%).
- Increase the marketing budget allocated to Wayaak and other potential pharmaceutical clients to fuel expansion.

Pharma Sales Growth Target (M)



Pillar 3: Reinvigorate the Consumables Branch

Objective 1: Drive New Growth in a Mature Market

Recommendation: Achieve **4 million** in sales from the consumables branch in 2026.

Key Actions:

- Restructure the consumables sales team to improve focus and accountability.
- Invest in additional sales force capacity to expand market reach.

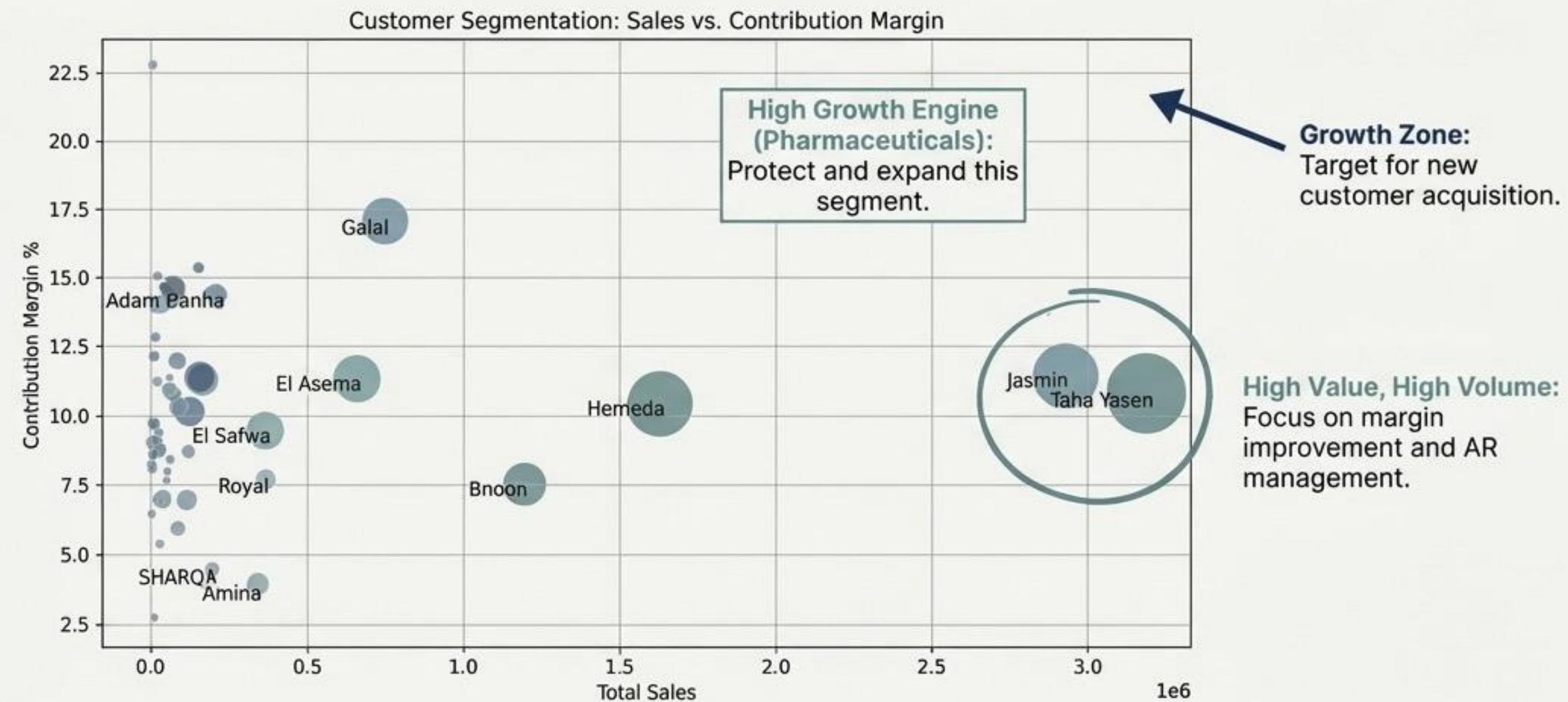
Objective 2: Improve Key Account Health and Profitability

Recommendation: Increase Contribution Margin for Taha Yaseen and Jasmin.

Key Actions:

- Conduct a deep analysis of Taha Yaseen's declining margin to identify and address root causes.
- Implement stricter credit control with Jasmin to reduce AR from 10% back to the 5% level.

Our Strategy Depends on Nurturing High-Value Customers While Expanding Our Base



Our data clearly shows who our most valuable customers are. The 2026 plan is designed to deepen these relationships while strategically filling gaps in our portfolio.

Pillar 4: De-Risk the Business Through Strategic Diversification

Objective 1: Broaden the Customer Base to Reduce Dependency

Recommendation: Mitigate customer concentration risk within 12 months.

Key Actions:

- Develop and execute a plan to acquire two new large accounts or four new smaller accounts in 2026.

Objective 2: Strengthen and Diversify the Supply Chain

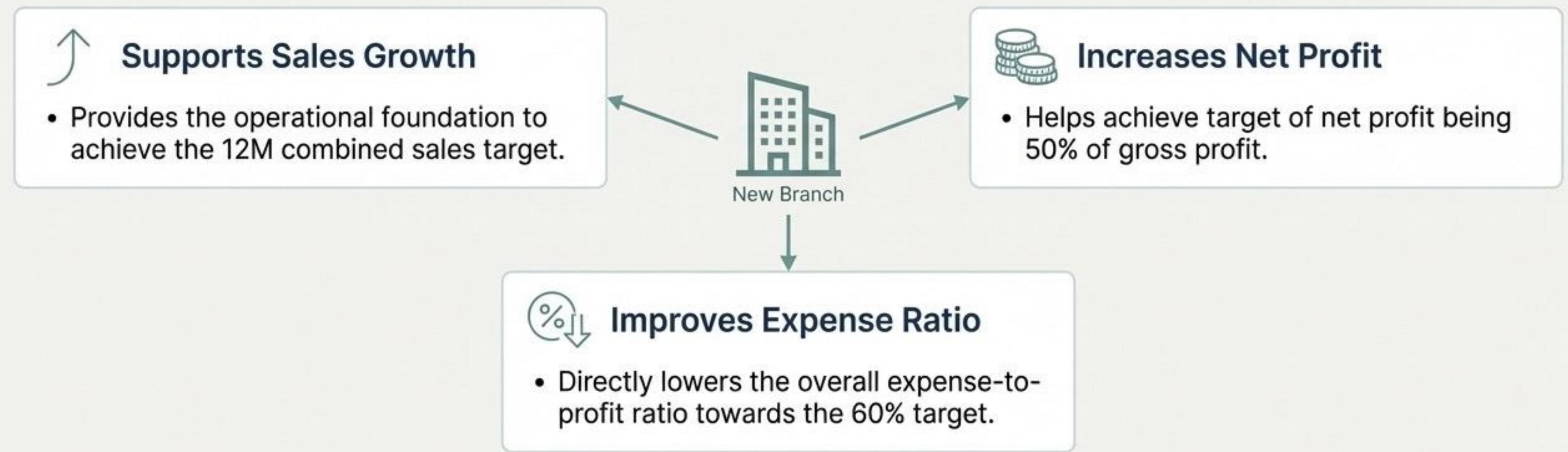
Recommendation: Reduce reliance on any single supplier.

Key Actions:

- Onboard one to two new qualified suppliers for key product categories to create redundancy and improve negotiating leverage.

A New Branch Launch Is a Key Enabler for Our Profitability Goals

A new branch can generate additional sales and gross profit without a proportional increase in fixed costs, specifically salaries.



Recommendation: Finalize the business case and operational plan for a new branch launch in H1 2026.

Measuring Success: Key Performance Indicators and Targets for 2026

Key Metric	2026 Target
Total Sales	12 Million (8M Pharma / 4M Consumables)
Expense-to-Profit Ratio	< 60%
Net Profit Ratio	50% of Gross Profit
Pharmaceutical Gross Margin %	6.5% - 7.0%
Customer Acquisition	2 New Large or 4 New Small Accounts
Supplier Diversification	1-2 New Qualified Suppliers
Consumables AR (Jasmin)	< 5%

A Focused Strategy to Convert Explosive Growth into Sustainable Value

We have successfully navigated a period of transformative growth. The challenges we now face—margin pressure and concentration risk—are a direct result of that success.

By executing this focused, data-driven plan, we will not only solve these issues but also build a more resilient, efficient, and profitable enterprise. The mandate for 2026 is clear: to mature our operations and ensure our bottom line grows as impressively as our top line.