

Health Tech. for Integrated Health Solutions S.A.E

MARKETING/ BUSINESS PLAN TO ESTABLISH HEALTH TECH. BUSINESS IN EGYPT

November 2015

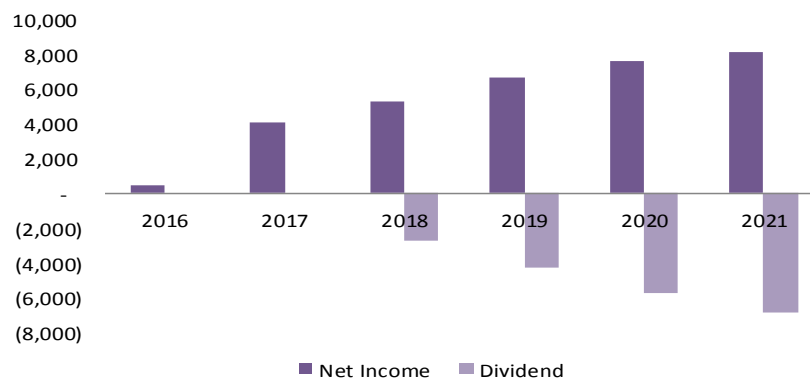
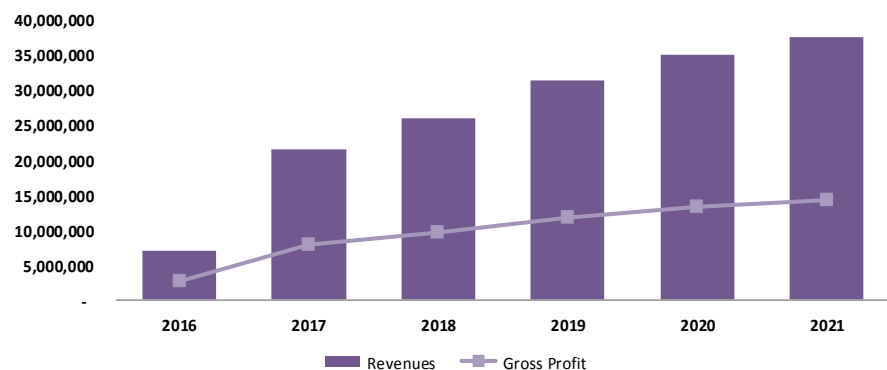
Amr Fathalla, CPA, ESAA
Partner
T +202-25744810 Ext. 113
F +202-25760915
E afathalla@gtegypt.org

Mahmoud Radwan
Senior Financial/Business Analyst
T +20 25744810
E mradwan@gtegypt.org

Executive Summary

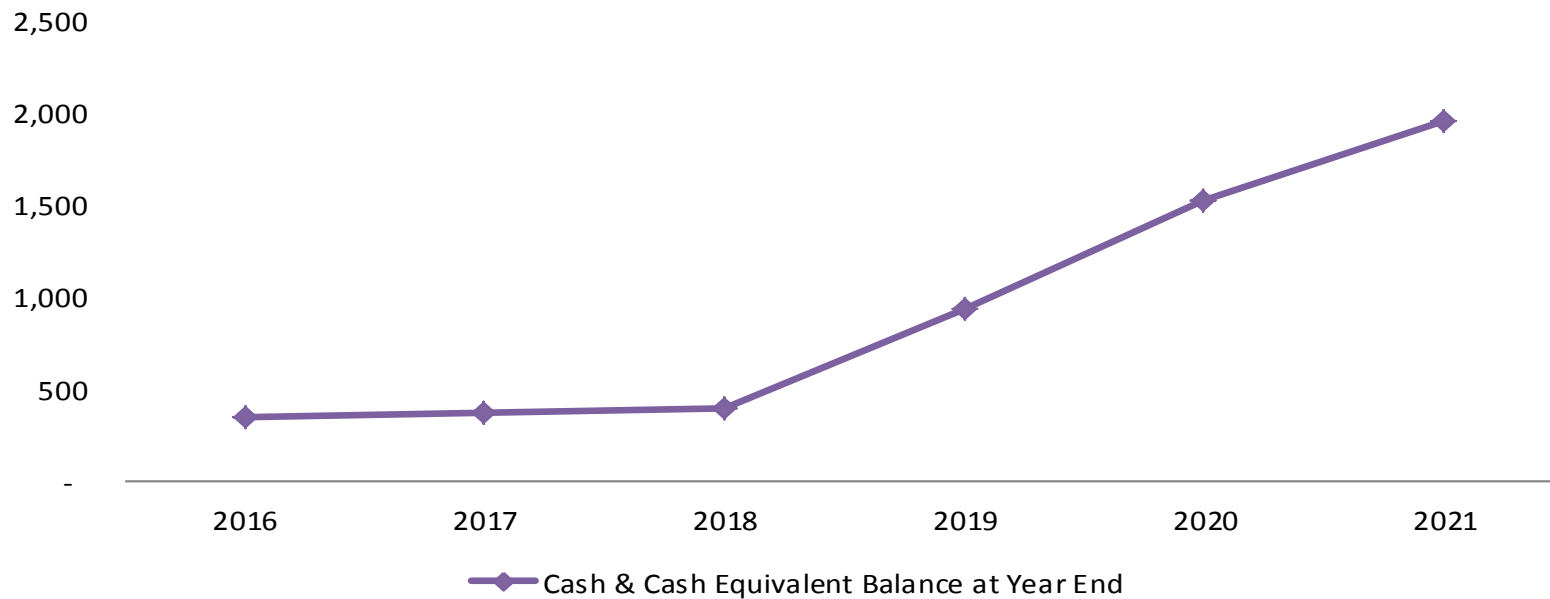
Results of Operation Summary						
	2016 E	2017 E	2018 E	2019 E	2020 E	2021 E
	EGP 000	EGP 000	EGP 000	EGP 000	EGP 000	EGP 000
Revenues	6,978	21,423	25,864	31,239	34,890	37,492
Gross Profit	2,722	7,987	9,706	11,796	13,235	14,287
Net Income	491	4,106	5,333	6,711	7,598	8,186
Gross Margin	39%	37%	38%	38%	38%	38%

Based on the assumptions used in forecasting the company's financial statements, the company is projected to achieve Net Income in 2017 amounted to EGP 4.1 million which is expected to steadily increase till it reaches EGP 8.2 million in 2021, with a constant CAGR by 12% .



Executive Summary

Based on the assumptions used in forecasting the company's financial statements, the graph shows the ending cash balance for each year starting from 2016 to 2021.



Financial Plan

Revenue Assumption

Health Tech.	
Selling Price Net	EGP
Selling Price	45.00
Less: 20% discount for Pharmacies	(9.00)
Net After Pharmacies discount	36.00
Less: 10% Sales Tax	(3.60)
Net Selling Price	32.40

Health Tech.		
COGS Per Pack	EGP	%
Direct Material Rate Per Pack	7.50	45%
Toll Manufacturing	2.50	15%
Distribution Expenses Rate	4.32	26%
Promotion Expense per pack	1.80	11%
Expired Expense per pack	0.72	4%
Total COGS Per Pack	16.84	100%

Health Tech.						
COGS	2016	2017	2018	2019	2020	2021
Revenues	3,996,216	6,177,254	7,412,705	8,895,246	9,784,771	10,274,010
Expected % Increase		20%	20%	20%	10%	5%
COGS	(2,076,552)	(3,209,884)	(3,851,861)	(4,622,234)	(5,084,457)	(5,338,680)
% of Revenues	52%	52%	52%	52%	52%	52%
Gross Profit	1,919,664	2,967,370	3,560,844	4,273,013	4,700,314	4,935,330
Gross Margin	48%	48%	48%	48%	48%	48%

COGS - Production	1,233,400	1,906,560	2,287,872	2,745,446	3,019,991	3,170,991
% of Revenues	31%	31%	31%	31%	31%	31%
COGS - Distribution	843,152	1,303,324	1,563,989	1,876,787	2,064,466	2,167,689
% of Revenues	21%	21%	21%	21%	21%	21%

Financial Plan

Orysa Bulk

Health Tech.						
Gross Profit	2016	2017	2018	2019	2020	2021
Revenues	1,200,000	1,560,000	2,028,000	2,636,400	3,427,320	4,455,516
Expected Increase in Revenues		30%	30%	30%	30%	30%
COGS	(624,000)	(811,200)	(1,054,560)	(1,370,928)	(1,782,206)	(2,316,868)
% of Revenues	52%	52%	52%	52%	52%	52%
Gross Profit	576,000	748,800	973,440	1,265,472	1,645,114	2,138,648
Gross Margin	48%	48%	48%	48%	48%	48%

The assumptions used in Sales of Orysa Bulk is based on a monthly sale of 10 ton. Sales price per ton is 10,000 EGP. The COGS is EGP 5,200.

Health Tech.	
COGS Per Ton	EGP
Direct Material Rate Per Ton	5,000
Transportation Rate Per Ton	200
Total COGS Per Pack	5,200

Financial Plan

Ricyplex

Health Tech.					
Total Revenues	September	October	November	December	Total
Selling Price	36	36	36	36	36
Total Quantity Sold	550	2,200	4,950	8,800	16,500
Total Revenues	19,800	79,200	178,200	316,800	594,000

Health Tech.					
Total Revenues	September	October	November	December	Total
COGS	13,401	53,603	120,607	214,412	402,023
COGS % Revenues	68%	68%	68%	68%	68%

Health Tech.						
Gross Profit	2016	2017	2018	2019	2020	2021
Revenues	594,000	4,561,920	5,474,304	6,569,165	7,226,081	7,587,385
Expected Increase in Revenues		20%	20%	20%	10%	5%
COGS	(402,023)	(3,087,533)	(3,705,039)	(4,446,047)	(4,890,652)	(5,135,185)
% of Revenues	68%	68%	68%	68%	68%	68%
Gross Profit	191,978	1,474,387	1,769,265	2,123,118	2,335,429	2,452,201
Gross Margin	32%	32%	32%	32%	32%	32%

COGS - Production	272,250	2,090,880	2,509,056	3,010,867	3,311,954	3,477,552
% of Revenues	46%	46%	46%	46%	46%	46%
COGS - Distribution	129,773	996,653	1,195,983	1,435,180	1,578,698	1,657,633
% of Revenues	22%	22%	22%	22%	22%	22%

The assumptions used in revenue forecasting is based on sales representative successful visit of an average 185 doctors. The expected purchase rate is only 20% of the number of prescription, for the use of only 4 Ricyplex pack per year.

Health Tech.	
Selling Price Net	EGP
Selling Price	50.00
Less: 20% discount for Pharmacies	(10.00)
Net After Pharmacies discount	40.00
Less: 10% Sales Tax	(4.00)
Net Selling Price	36.00

Health Tech.	
COGS Per Pack	EGP
Direct Material Rate Per Pack	14.00
Toll Manufacturing	2.50
Distribution Expenses Rate	4.80
Promotion Expense per pack	2.00
Expired Expense per pack	1.07
Total COGS Per Pack	24.37