

Agthia Group PJSC



*BAML MENA Conference
Dubai, 14 November 2016*



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Agthia Group PJSC and its management may make certain statements that constitute “forward-looking statements” with respect to the financial condition, results of operations and business of the Group. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “intends,” “plans,” “goals,” “believes,” “continues” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.” Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Agthia Group PJSC to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Examples of such statements include, but are not limited to, comments with respect to: 1. outlook for the markets for products; 2. expectations regarding future product pricing; 3. outlook for operations; 4. expectations regarding production capacity and volumes; 5. objectives; 6. strategies to achieve those objectives; 7. expected financial results; 8. sensitivity to changes in product prices; 9. sensitivity to key input prices; 10. sensitivity to changes in foreign exchange rates; 11. expectations regarding income tax rates; 12. expectations regarding compliance with environmental regulations; 13. expectations regarding contingent liabilities and guarantees; 14. expectations regarding the amount, timing and benefits of capital investments. Although Agthia Group PJSC believes it has a reasonable basis for making these forward-looking statements, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to: 1. assumptions in connection with the economic and financial conditions in the UAE, Middle East, and globally; 2. effects of competition and product pricing pressures; 3. effects of variations in the price and availability of manufacturing inputs; 4. various events which could disrupt operations, including natural events and ongoing relations with employees; 5. impact of changes to or non-compliance with environmental regulations; 6. impact of any product liability claims in excess of insurance coverage; 7. impact of future outcome of certain tax exposures; 8. effects of currency exposures and exchange rate fluctuations. The above list of important factors affecting forward-looking information is not exhaustive. Additional factors are noted elsewhere and reference should be made to the other risks discussed in filings with UAE securities regulatory authorities. Except as required by applicable law, Agthia Group PJSC does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise, or to publicly update or revise the above list of factors affecting this information.





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For Wholehearted Living

Agenda

| Highlights

| Financial Review

Growth continues despite the slowdown

GROWTH

Volume, Revenue, Profit	3Q16	9M16
Bottled Water (Cases)	+9%	+15%
Flour	flat	+4%
Animal Feed	-6%	+4%
Total Group Net Revenue	+3%	+11%
Total Group Net Profit	+1%	+12%

- Water and Dairy growing 21 and 29% respectively

BRAND HEALTH

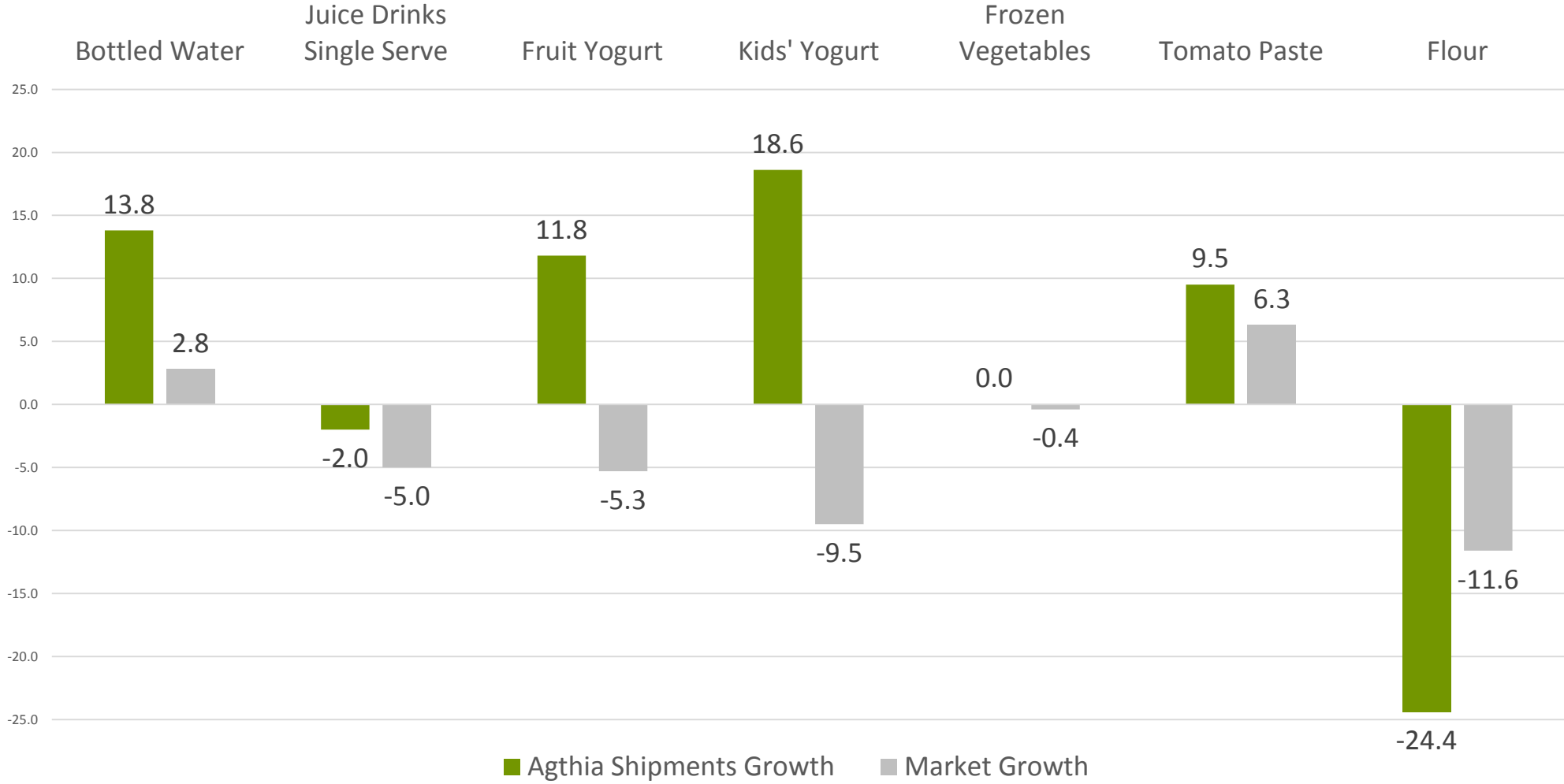
Brand Health (Value Shares) ¹	MAT'16	Vs MAT'15
- Bottled Water	20.2%	■
- Flour	30.7%	↑
- Juice Single Serve	9.7%	■
- Fruit Yogurt	10.8%	↑

- 22.2% Value and 25.3% Volume shares in latest reading
- Highest ever; 9 and 6 percentage points clear of runner up



Except in Flour, we are outperforming the category growth rates

Agthia Volume Shipments versus UAE Market (Volume) YTD Sep¹ Percent Growth vs Year Ago



¹ AC Nielsen, JJ YTD 2016 versus JJ YTD 2015



***Our biggest
launch ever...***

**BREAK
FREE**

INTRODUCING



SODIUM FREE

- ➔ Breakthrough sodium-free water
- ➔ The only one in the UAE
- ➔ Responds to consumer consciousness in health and wellness



AL AIN WATER.
KEEPS YOU MOVING.

Al Ain Fresh and a plethora of other new products were also launched in quarter three



- ➔ Introduced Al Ain Fresh to retail trade
- ➔ Up to 28 days shelf life using cold pasteurization technology
- ➔ Taste and nutritional values preserved intact
- ➔ Five flavours – Orange, Mint Lemonade, Carrot, Mango and Grapefruit

Other new products

- ➔ All Baking, Bread and Tanoor flours
- ➔ 5 Price fighter SKUs and 3 new products in Animal Feed
- ➔ Capri Sun Fruit Crush, a high-juice content with 100% juice, in schools in Dubai, Sharjah and the Northern Emirates



Water and Dairy are beating the odds contrary to Beverages

WATER

AED 488M
+27%

- ❑ Water continues to drive growth
- ❑ Alpin in the UAE continues gaining share
- ❑ Pipeline of new products
- ❑ Further penetration into GCC markets

BEVERAGE

AED 59M
-2%

- ❑ A declining market, challenging year for Capri Sun
- ❑ CS Fruit Crush with 100% fruit content in NE schools
- ❑ Al Ain Fresh in retail is additional momentum

DAIRY

AED 24M
+34%

- ❑ Market contraction continues
- ❑ We grow share owing to new variants and sizes
- ❑ PF maintains value share leadership



Flour and Animal Feed demonstrate resilience, quickly adapting to new environment

FLOUR

AED 324M
+2%

- ❑ Demonstrates resilience to non-subsidy environment
- ❑ Distribution and share gains in NE
- ❑ Low prices and subsidy defence actions put pressure on profitability

ANIMAL FEED

AED 520M
+1%

- ❑ Quick and effective response to new environment
- ❑ Product, customer and brand investment continue
- ❑ First “Agthia-owned” store opened

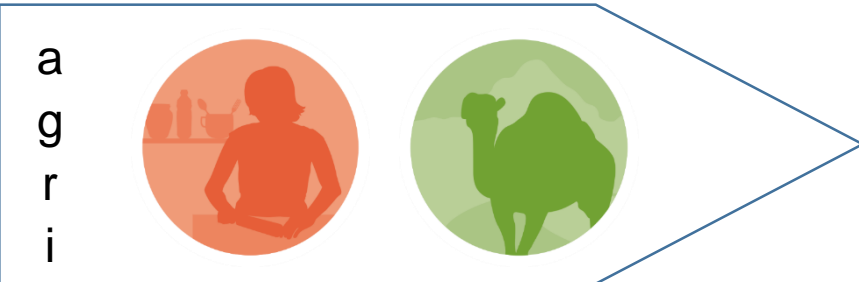
EMERGING

AED 108M
+31%

- ❑ 66% growth excluding Egypt
- ❑ Egypt lag behind due to devaluation and bad crop
- ❑ Frozen croissants in Bakery channel



Agthia is a consumer products company



Revenues

SOB

AED 679M

45%

- ➔ Used to be 17% 10 years ago
- ➔ Faster growth at higher gross margins
- ➔ Engine of growth towards \$1B revenue target by 2020

AED 844M

55%





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Soft 3rd quarter results pulled down by Animal Feed; Strong 9-month growth riding the momentum of first half

AED Millions – 9M16

	Current Year	Last Year	Change
Net Revenue	1,523	1,376	+11%
Net Profit	200	179	+12%
EBITDA	267	242	+10%

Gross Profit Margin % 34.3% 31.3% +301bps

OPEX % of NS 21.1% 18.3% +288bps

NP Margin % 13.2% 13.0% +13bps

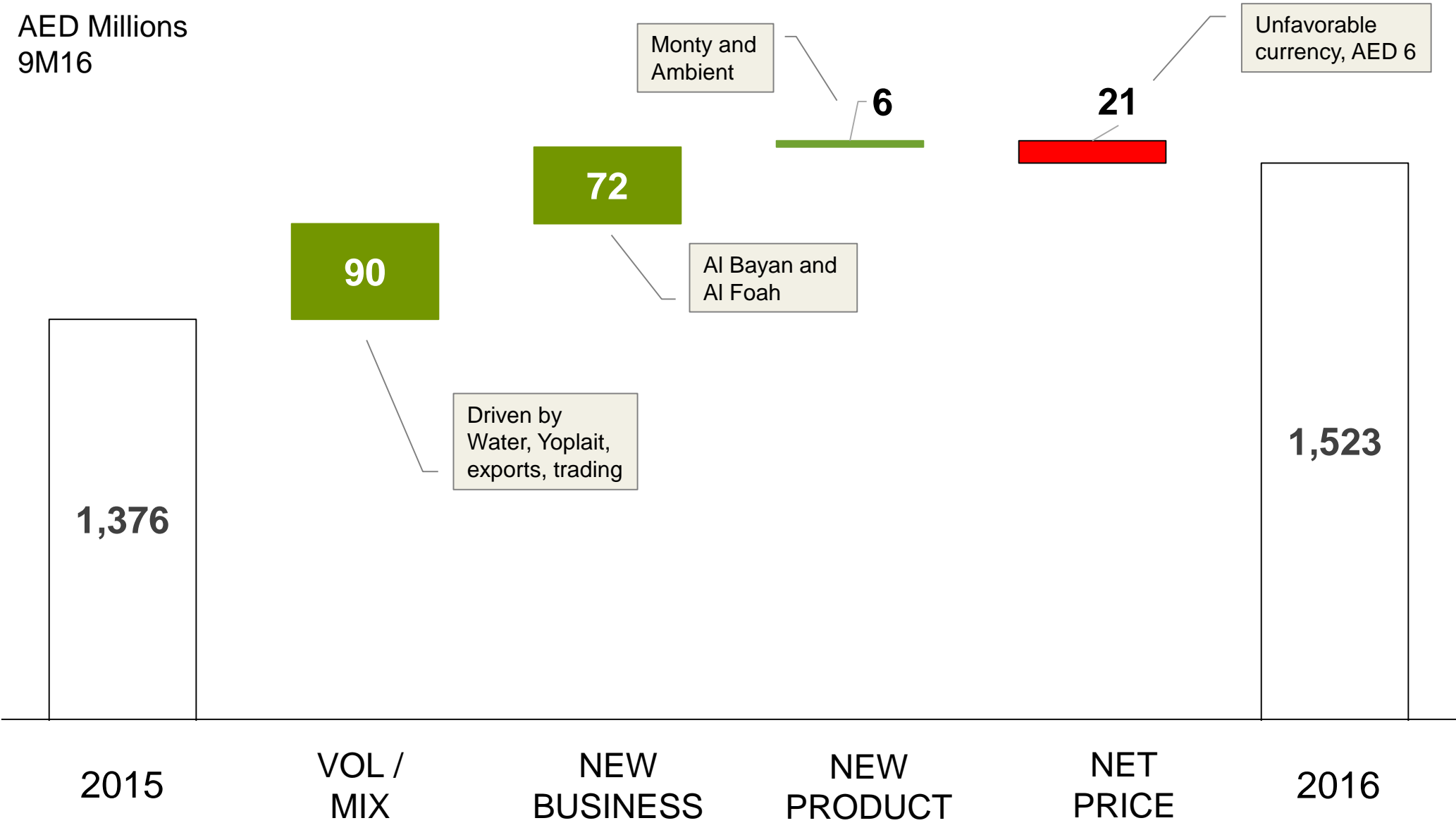
EBITDA Margin % 17.6% 17.6% -

Higher sales with better mix, lower raw material costs, cost savings

SG&A only excluding Al Bayan is 17.1%, +147 bps versus year ago.

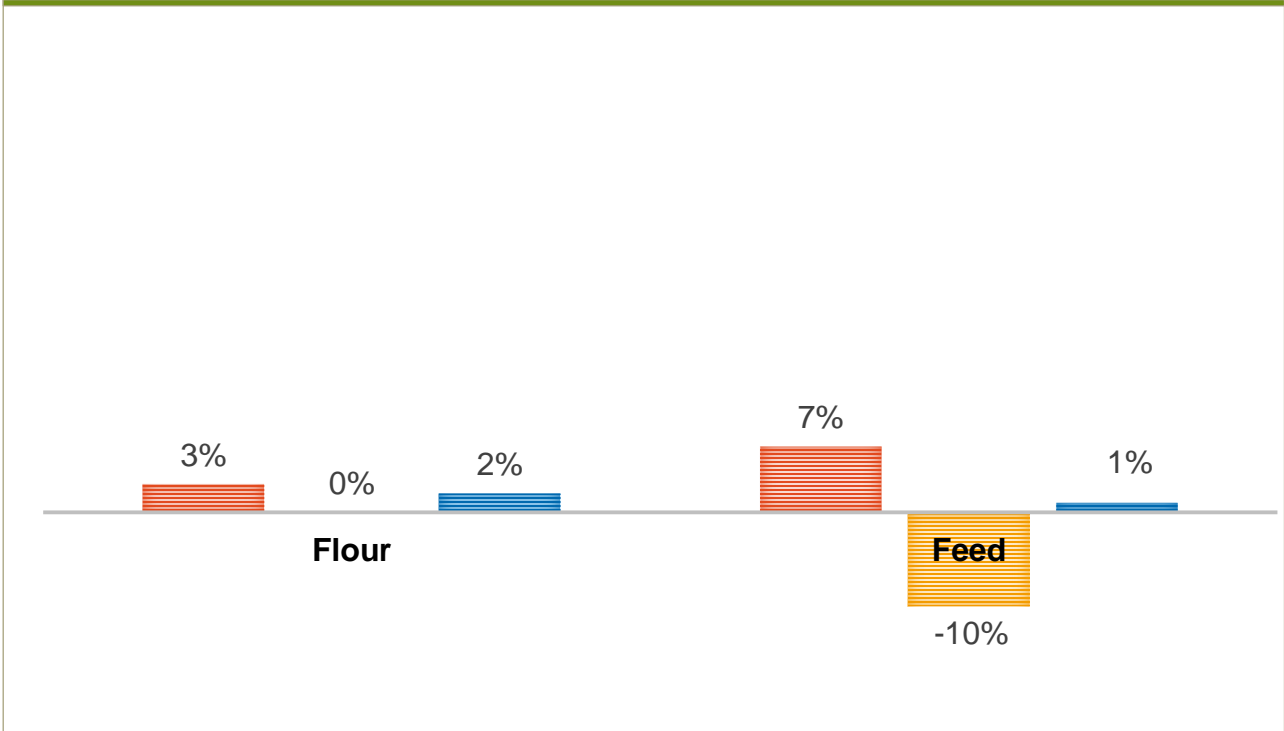
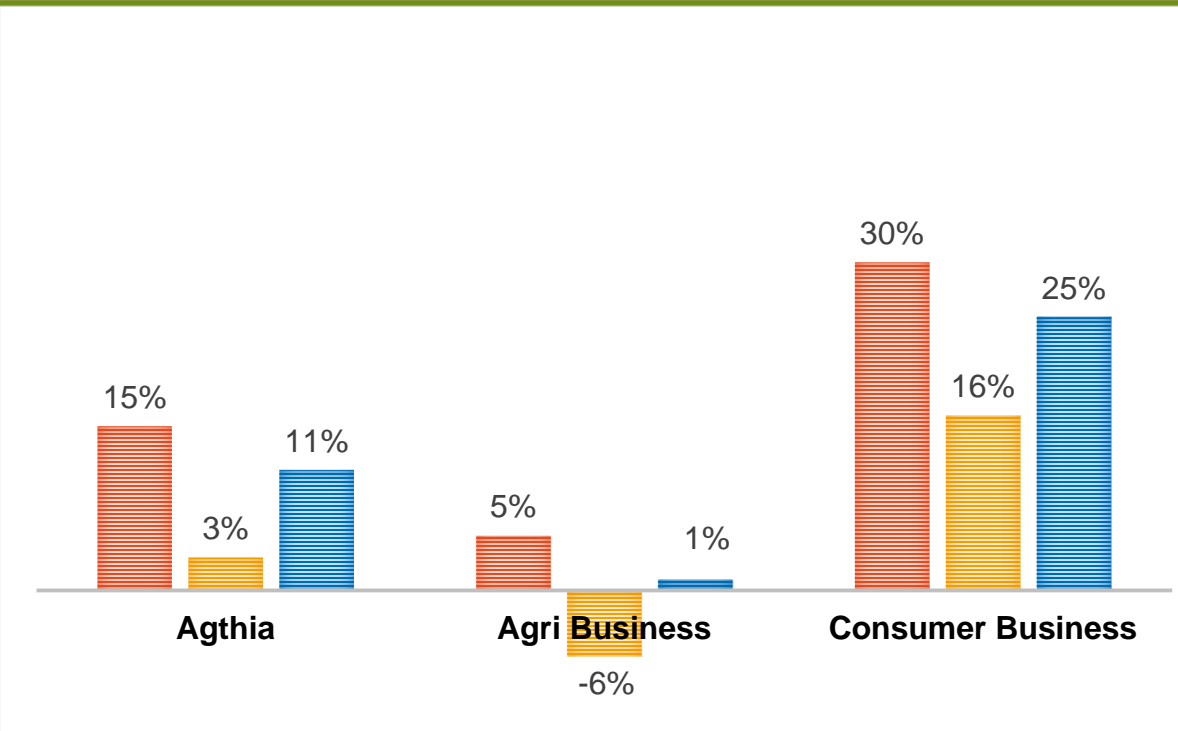


Higher volume and new businesses drive growth partially offset by negative price



Animal Feed drags the growth

Revenue Growth Versus Year Ago



H1 Actual Q3 Actual YTD Sep Actual



Balance Sheet and Financial Ratios

AED in Billions – As of
September 30th, 2016

2010-15 fiscal year, 2016 based on trailing twelve months

Total Assets
2.66

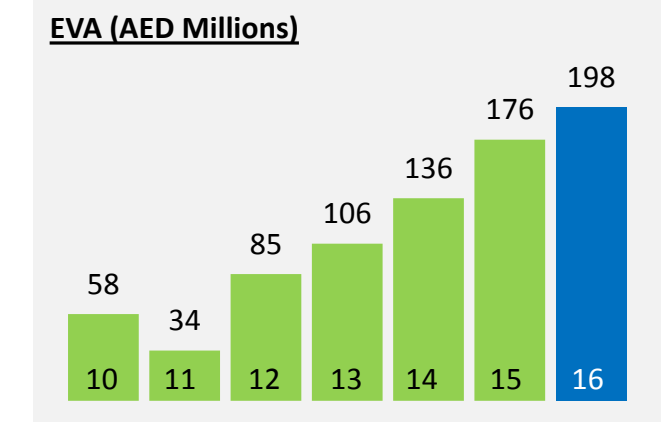
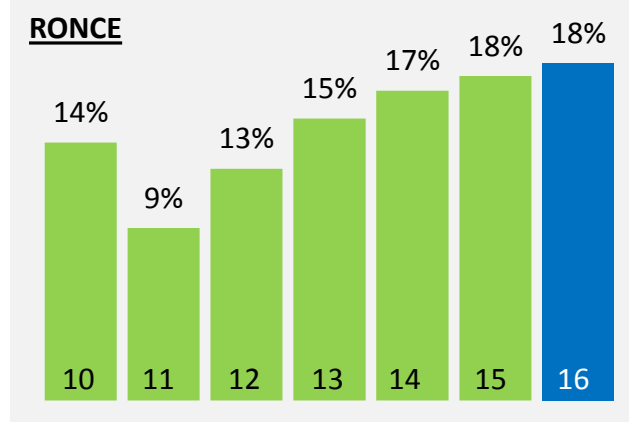
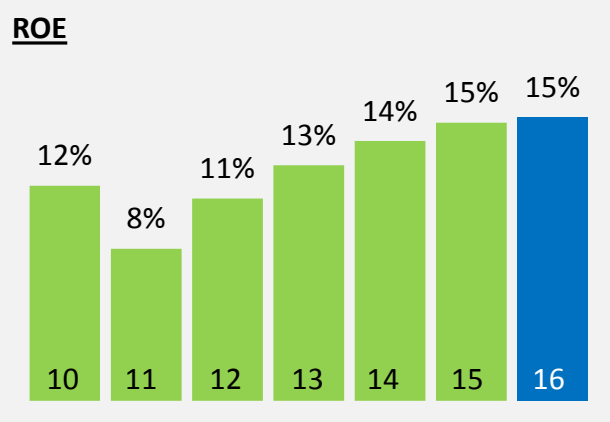
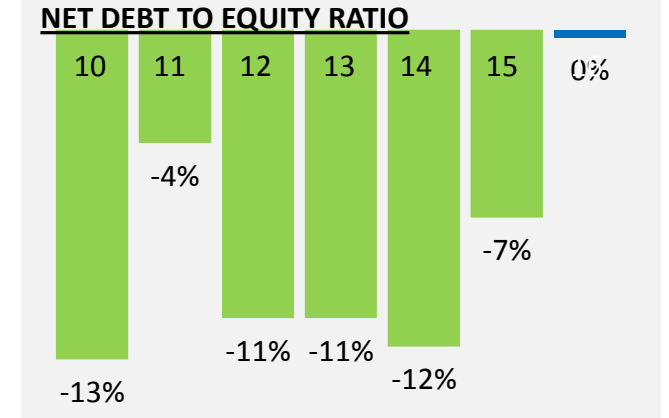
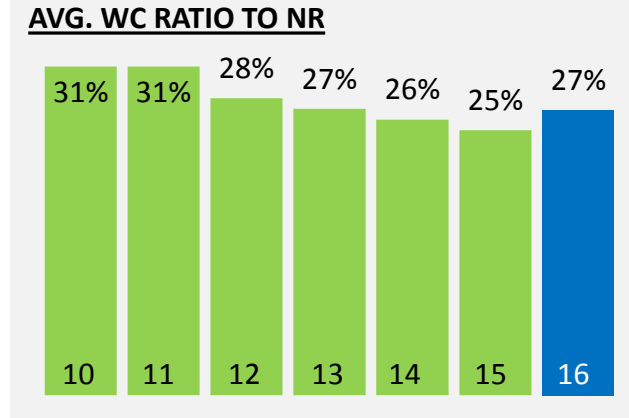
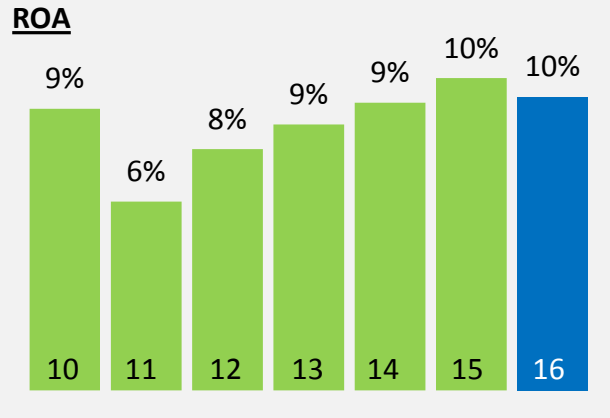
Total Equity
1.65

Cash & Bank
0.50

Borrowings
0.47

Net Cash
0.03

Average Working Capital
0.54



Total Year 2016 Outlook

□ Group revenues	7 – 8% Growth
□ Group net income	7 – 8% Growth
□ Average working capital	26-27% of Net Revenue
□ Capital expenditures	AED 150-180M

Excludes Saudi acquisition.



Saudi acquisition – Highlights

Water Market¹

- ❑ Around 8B liters in volume and AED 6B in value, projected to reach AED 11B in 2020
- ❑ Top four players control 42% of volume
- ❑ Led by Nestle (16%), followed by Fayha (11%), Safia (8%), Hana (7%)²
- ❑ Demand drivers: population growth, high water consumption per capita, increased urbanization, lack of drinkable tap water

Company

- ❑ Delta Water Factory Company, water arm of Delta Marketing Company
- ❑ Established in 1984, based in Jeddah
- ❑ Leading player in the Western Region with 9%¹ market share
- ❑ Three distinctive brands including Al Ain
- ❑ Annual water production capacity > 700M liters
- ❑ Annual bottling capacity > 400M bottles with 6 lines
- ❑ Financials:
 - ❑ Revenues > AED 150M
 - ❑ EBITDA ~ AED 25M
 - ❑ Multiple paid < 10x EBITDA



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Thank you.

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