

# Agthia Group PJSC



*HSBC 10<sup>th</sup> Annual MENA/Turkey Investor Forum  
Dubai, 9-11 May 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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# Agenda

| Strategy Execution

| Q1'16 Performance

**However beautiful the strategy, you should occasionally look at the results.**

*Winston Churchill*

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- A man in athletic wear is running on a beach at sunset. The sky is dark with some clouds, and the ocean waves are visible in the background. The man is running from left to right, splashing water.
-  **Grow in core** 
  -  **Expand regionally** 
  -  **Improve performance of non-core** 
  -  **Align organization and infrastructure** 

# Continuing the growth momentum

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**Grow Core Categories**  
ahead of market growth



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**Drive Profit**  
ahead of revenue growth



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**Improve Performance**  
of non-core categories



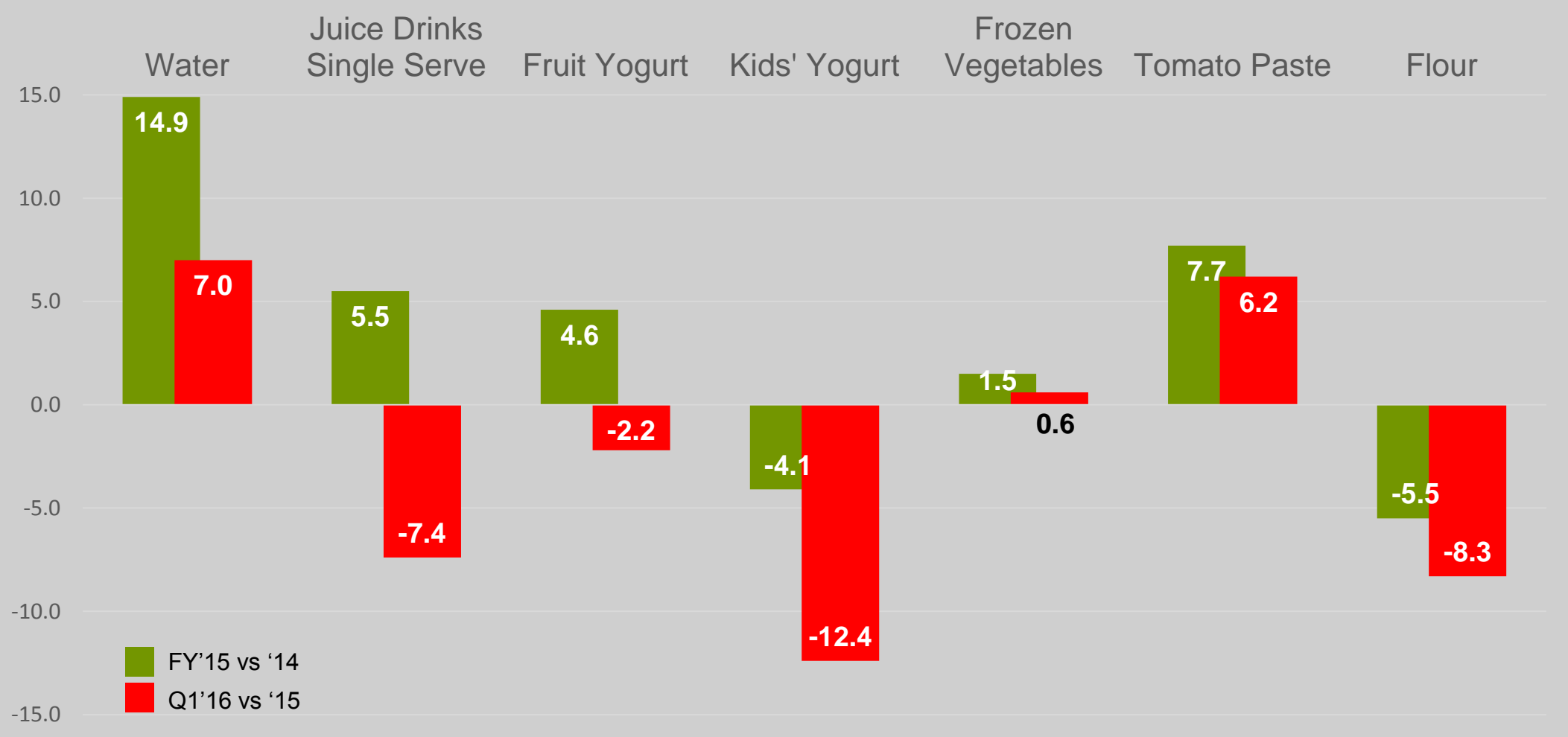
 **Challenging macro economic environment**

 **Maintaining positive outlook for the year**



# Market growth in values – sharp slow down

Percentage Market Growth in Value – Year-on-Year



# Continuing the growth momentum

## Grow Core Categories

ahead of market growth



## Drive Profit

ahead of revenue growth



## Improve Performance

of non-core categories



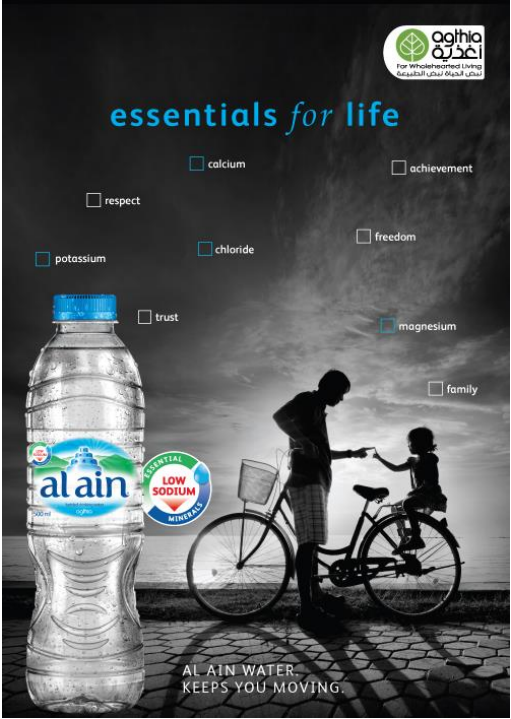
 **Challenging macro economic environment**

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# Investing in our brands and enhancing our portfolio

## Consumer Communication



➔ Responding to growing health conscious trend

## Portfolio Expansion



➔ Presenting to consumers authentic bakery taste experience





# Moving forward in our regional expansion program

## Saudi Arabia – Flour Distribution



## Kuwait Joint Venture – Al Ain Water Plant

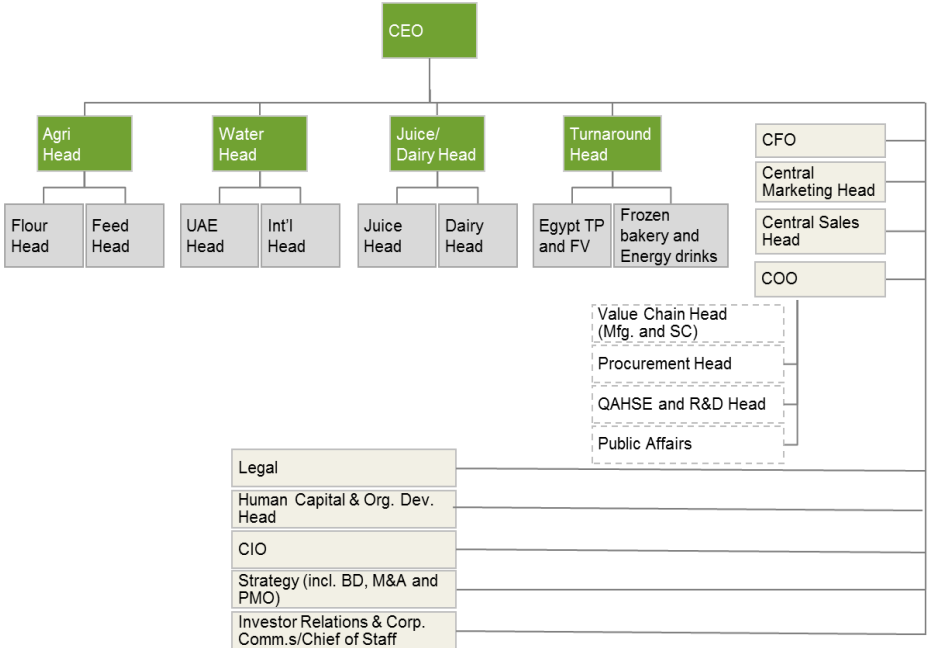


- ➔ Distribution of Flour in Saudi Arabia, of Water in Pakistan
- ➔ Joint venture for water bottling plant in Kuwait



# Tangible progress in organizational and infrastructure changes

## Reorganization



## Systems Infrastructure





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# Agenda

| Strategy Execution

| Q1'16 Performance

# Strong revenue and profit growth

Net Sales  
(AED million)

**486**

Net Sales  
Growth

**+12%**

Net Profit  
(AED million)

**68**

Net Profit  
Growth

**+14%**



# P&L

	JFM'16	JFM'15	Ch
Net Revenue (AEDm)	486	435	+12%
Net Profit (AEDm)	68	59	+14%
EBITDA (AEDm)	88	77	+15%
<i>Gross Profit Margin %</i>	<i>35.4%</i>	<i>31.5%</i>	<i>+400bps</i>
<i>SG&amp;A % of NS</i>	<i>22.0%</i>	<i>18.2%</i>	<i>+385bps</i>
<i>OOI % of NS</i>	<i>0.5%</i>	<i>0.4%</i>	<i>+14bps</i>
<i>NP Margin %</i>	<i>13.9%</i>	<i>13.6%</i>	<i>+28bps</i>
<i>EBITDA Margin %</i>	<i>18.1%</i>	<i>17.6%</i>	<i>+48bps</i>

- Volume growth in all core categories
- Al Bayan business – high gross margin and high OPEX
- Higher productivity, lower raw material prices, higher marketing expenses



# Balance Sheet

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## Key Metrics

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Balance Sheet

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Cash Flow

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Working Capital

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## Results

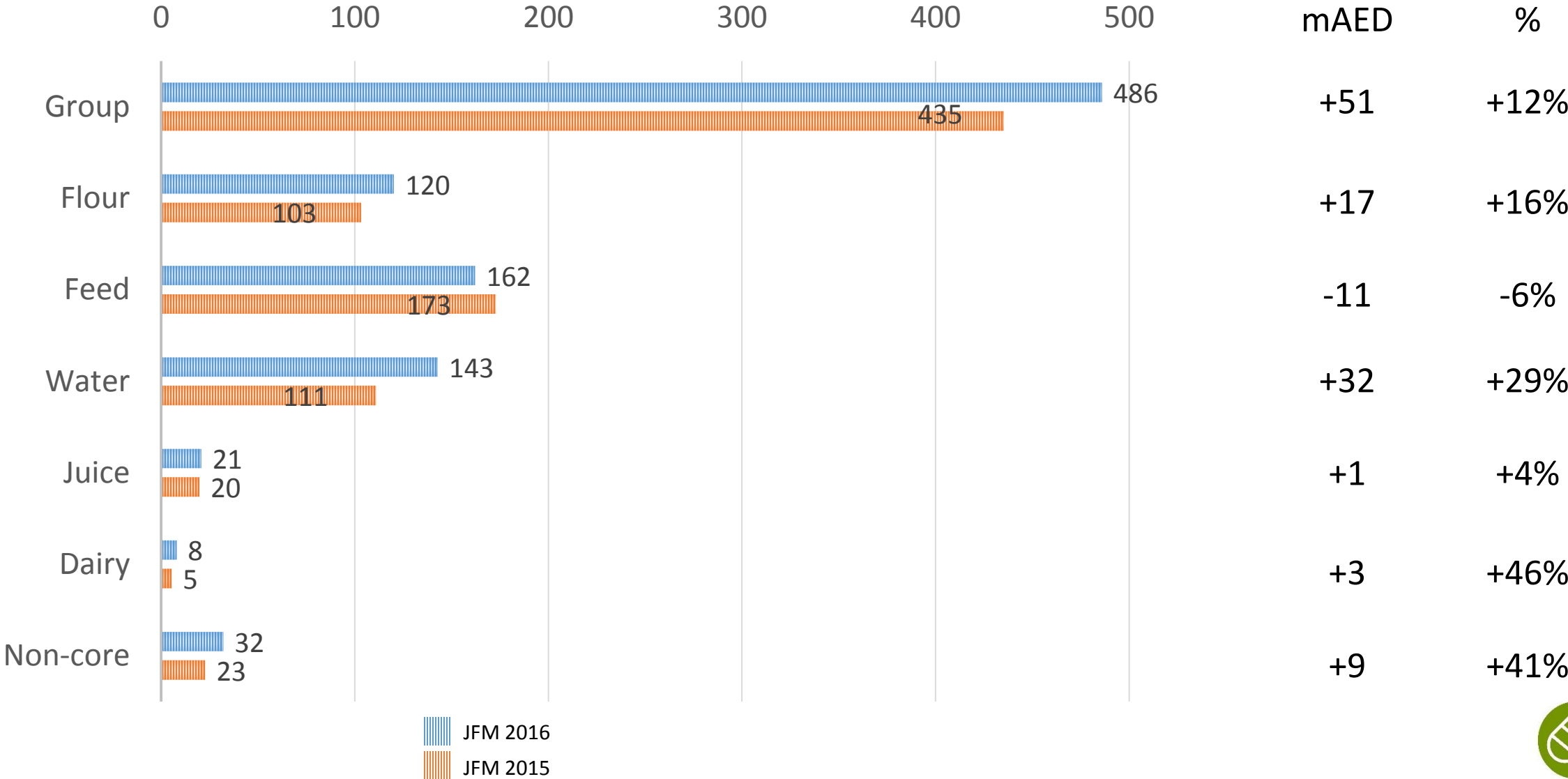
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- Strong and healthy with AED 2.5 billion and AED 1.5 billion total assets and total equity, respectively
- AED 106 million cash from operations
- Cash and cash equivalents and fixed deposits amounted to AED 619 million
- Sufficient bank credit lines available
- AED 480 million, AED 9 million higher vs year ago
- AED 20 million increase in receivables reflecting higher sales and higher share of retail customers in business



# Revenue by Segment

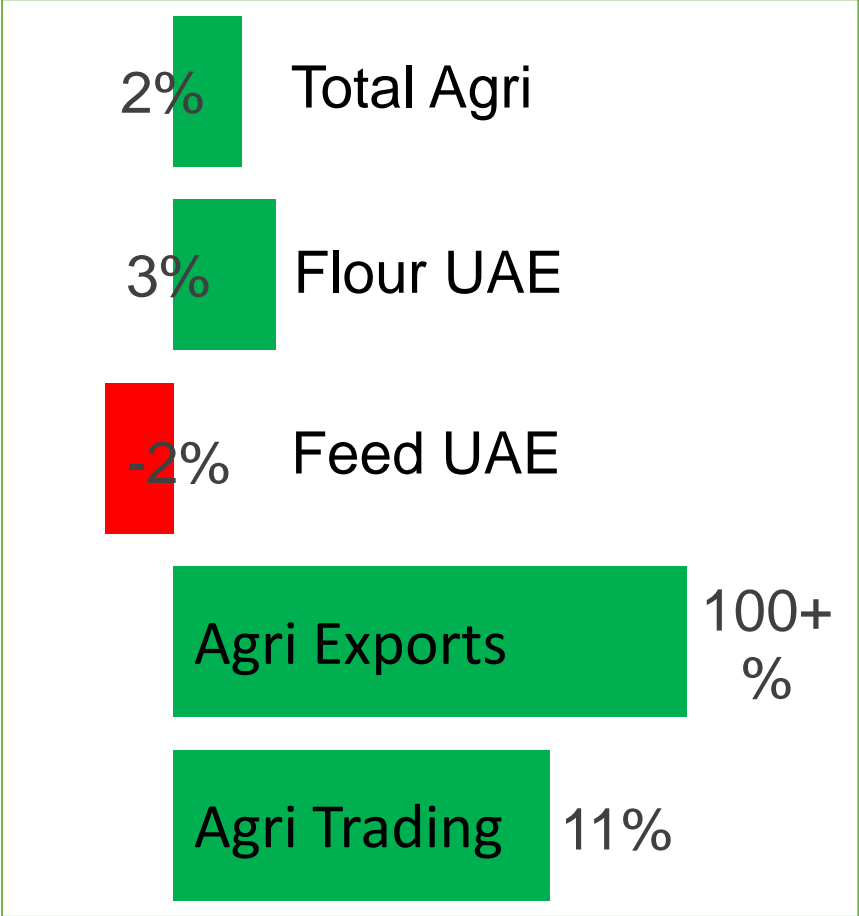
Change vs. Year Ago



# Revenue Growth by Geography

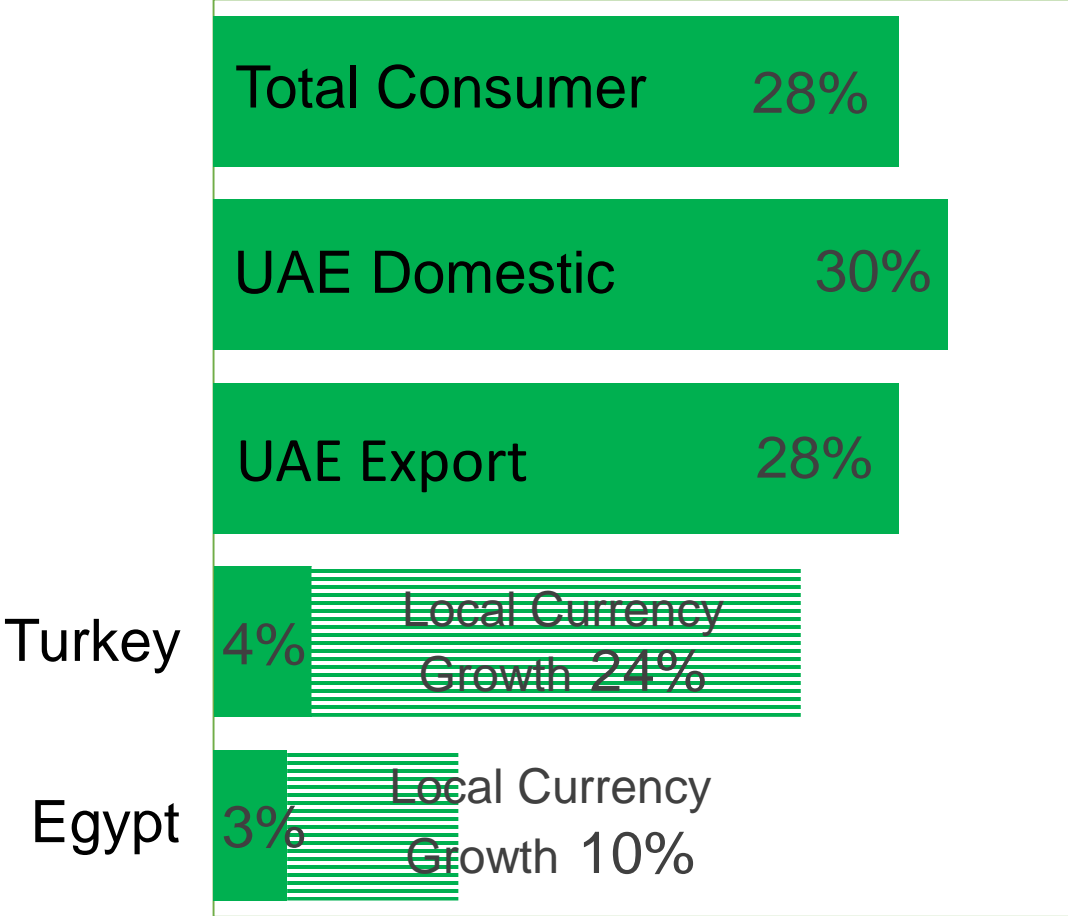
## Agri Business

Net Revenue Growth – Q1'16 vs Q1'15



## Consumer Business

Net Revenue Growth – Q1'16 vs Q1'15





# Major Capex Projects

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## Key Projects

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Al Ain Water, Hi-speed bottling line

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Dubai Distribution Center

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New Grain Silos

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Grand Mills Expansion – New Land in Port Zayed

## Progress

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- Completed. Increased capacity by more than 40% to app. 75 million cases per annum.
- Offices complete and staff moved in. Ambient warehouse will be completed in Jun'16 and cold stores completion is expected in Q4'16.
- In progress on track for completion by mid of 2017.
- Land allocation secured but negotiation with the Port Authority on terms and conditions is continuing.





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# Q&A

Agthia Group PJSC  
Investor Relations

[www.agthia.com/en-us/Investor-Centre](http://www.agthia.com/en-us/Investor-Centre)

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*Thank you.*

