



Agthia Group PJSC

Acquisitions Update Call

27 Jan 2021



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Agenda

- ❑ Summary of recent M&A activities
 - ❖ Overview of Al Foah
 - ❖ Overview of Al Faysal Bakery and Sweets Company
 - ❖ Overview of Nabil Foods
- ❑ Proforma LTM Sept.'20 financials
- ❑ Proforma LTM Sept.'20 margins
- ❑ Proforma Sept.'20 valuation

Recent M&A Activities


Delivering on our disciplined M&A approach

			
Announcement	October 2020	December 2020	January 2021
Categories	Dates & derivatives, confectionary	Bakery , snacking	Frozen & chilled processed Protein products
Footprint	International with strong focus on GCC & Asia	Kuwait mainly	Jordan 50%, GCC 33%, Other exports ² 17%
LTM Sep 20 Revenues	~ AED 479m	~ AED 90m	~ AED 366m
Profitability ¹	19% + EBITDA margin	20% + EBITDA margin	19%+ EBITDA margin
Rationale	Scale, Category (superfood), Brand	Brand, Market scale	New category, Brand, Scale
Value Creation	Synergies, premiumization, diversification	Synergies, capabilities, wider customer base	Synergies, diversification, route to market

1. Adjusted profitability based on latest available data

2. Other markets include Bahrain, Iraq, Kuwait, Lebanon and other

Overview of Al Foah

90% of Al Foah's products are exported to over 45 countries around the world 

Business Overview

- Al Foah Company was established in 2005 by the Abu Dhabi Government to **develop the date palm sector in the UAE**
- Al Foah's product **portfolio consists of a wide variety of locally and internationally sourced dates**, valued added dates (stuffed and chocolate coated) and dates based products (syrup, paste and date halwa)
- 90% of Al Foah's products are exported to over 45 countries** around the world in bulk or as retail products with India, Bangladesh, Oman, Indonesia and Malaysia being the largest export markets
- Al Foah has **2 dates processing factories** – Al Marfa and Al Saad. Al Foah **operates 8 receiving centres across the UAE** which can handle up to 60k truckloads of deliveries per season. UAE procures mostly from UAE small farmers, supporting the local economy.
- Al Foah has over **500 employees**.

Distributed brands



تاج التمر
DATE CROWN



زادينا



نونرا
nutra
تـمـور
DATES



تمور الظفرة
AL DHAFRA DATES



Saad
السااد

Key highlights

AED 479m
LTM Sep 2020 Net sales

AED 91m¹
Adj. LTM Sep 2020 EBITDA

19.0%
Adj. LTM EBITDA margin

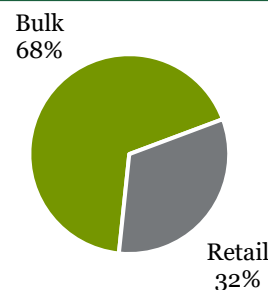
AED 164m
Adj. Sep 2020 Net cash

113,000 +
tons processed per season

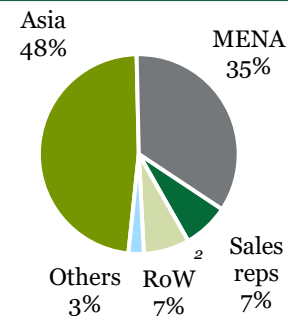
Exports to **45 international markets**

LTM Sep 20 revenue by segment

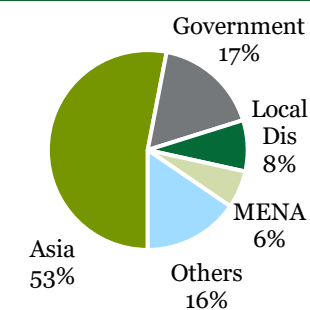
By category



Bulk by geography



Retail by geography



1. Adjustments to reported EBITDA include additional provisioning for inventory and employees' allowances, IFRS 16 adjustments and board remuneration

2. RoW = Rest of the World

Overview of Al Faysal Bakery and Sweets Company

Leading bakery and snacks company in Kuwait

Business Overview

- Al Faysal, established in 1991, is a **leading artisanal bakery based in Kuwait**
- The bakery is located in Sabhan Industrial Area with a built-up area of 3,500 sqm
- Bakes and distributes packaged croissants, fatayers / pastries, mini pizzas, rusk and cakes amongst other products**
- Market leader in the following product categories in Kuwait:** Pizza & Fatayer, Top 3 brands in Croissant, Rusk and Cakes
- Great coverage of **all key retail channels in Kuwait with over 4,700 customers** through its owned fleet of 70+ vehicles
- Exclusive distributor of bakery products to schools

Select clients

Traditional Trade
2,500+

COOP & Modern Trade
650+

Schools
600+

Key Clients



Key highlights

AED 90 m¹
LTM Sep 2020 Net sales

AED 21 m¹
LTM Sep 2020 EBITDA

23.7%
LTM Sep 2020 EBITDA margin

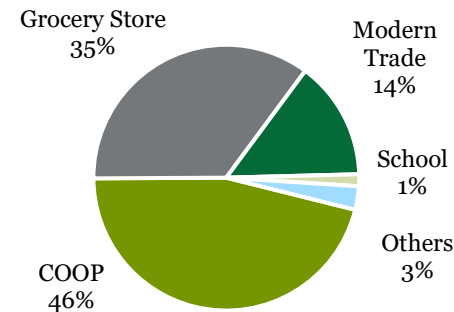
AED 3.9m
Adj. Sep 2020 Net debt

10.5m kg
Total Production Capacity

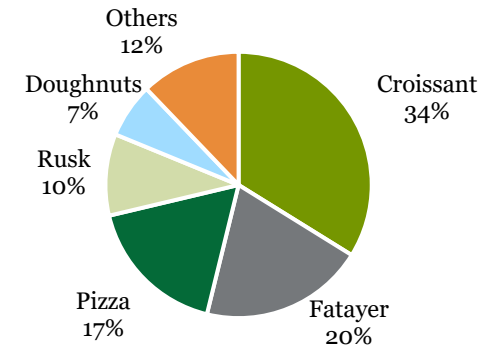
500+
Employees

YTD Jun 2020 revenue by segment

By channel



By product category



1. KWD / AED Exchange Rate: 11.9

Overview of Nabil Foods

Leading producer of frozen & chilled processed protein products in the MENA region

Business overview ⁶

- Founded in 1945 by Mr. Nabil Rassam, **Nabil Foods is a leading Jordan-based producer of frozen and chilled processed protein products** sold under the “Nabil” brand
- Nabil Foods has a **broad product portfolio** with more than 600 SKUs (100% Halal) of mostly chicken, beef and cold cuts processed products in its portfolio
- **Nabil brand is a market leader in Jordan** and has expanded successfully across geographies in the MENA region, particularly in KSA and UAE
- Nabil is the leading supplier of **internationally branded QSRs** in Jordan. Operates a processing facility located in Amman with a **total rated capacity of 43,000 tons per year ¹ across 10 production lines**
- Employs over **800 people**

Selected clients / distributors

Retail	QSR	HORECA

1. Represents capacity including recent investments and committed capex
2. EBITDA adjusted for shareholder expenses, bad debt provisions expenses and other non-recurring expenses
3. Based on 2019A as data for 2020 actuals is not available
4. Other markets include Bahrain, Iraq, Kuwait and Lebanon among others.
5. The acquisition is subject to SCA and shareholders approval

Key highlights

AED 366m
LTM Sep 20 Net sales

AED 70m ²
LTM Sep 2020 Adj. EBITDA

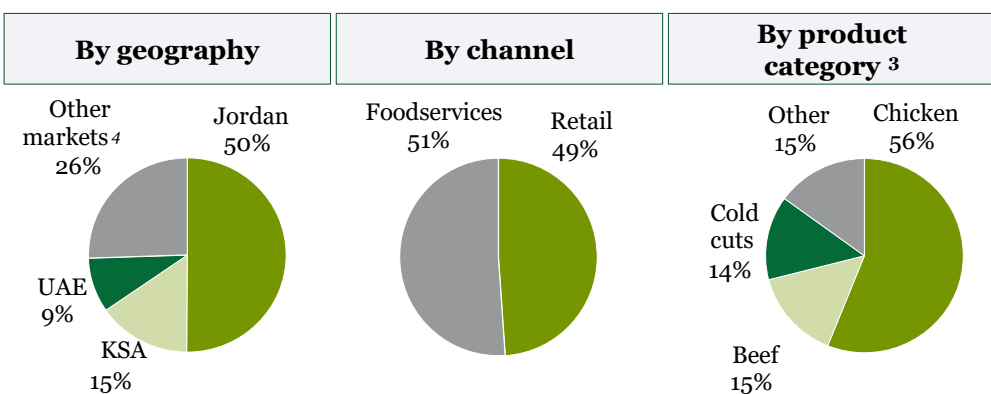
19.1% ²
LTM Sep 2020 Adj. EBITDA margin

AED 47m
30 Sep 2020 Adj. Net debt

11.8%
2016-20 Adj. EBITDA CAGR

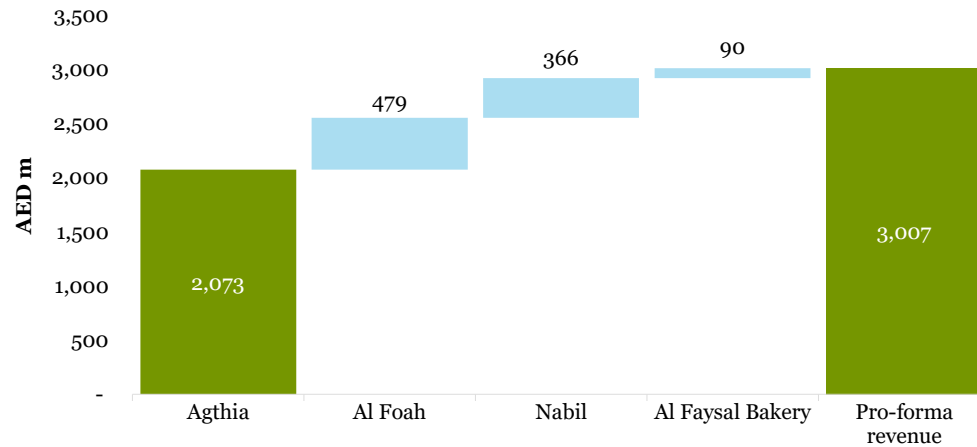
Exports to **14 international markets**

2020A revenue by segment

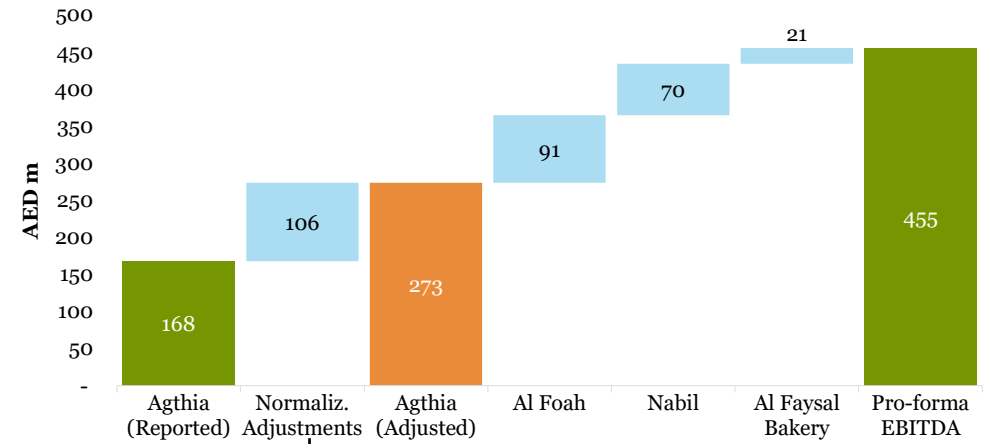


Agthia Group Proforma LTM September 20 financials

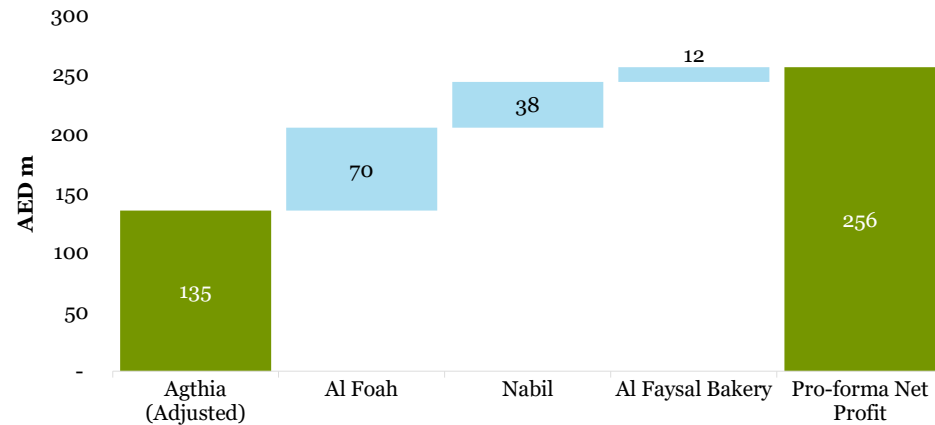
LTM Sep 20 revenue (AED m)



LTM Sep 20 EBITDA (AED m) ¹



LTM Sep 20 Net Profit (AED m)



Source: Management information

Normalization adjustments	AED m
One-off IFRS bad debt provisions ²	81
Capri Sun Inventory & Machinery Write-off ³	10
CSD accounting adjustment	8
Net inventory provisions	7
Total adjustments	106

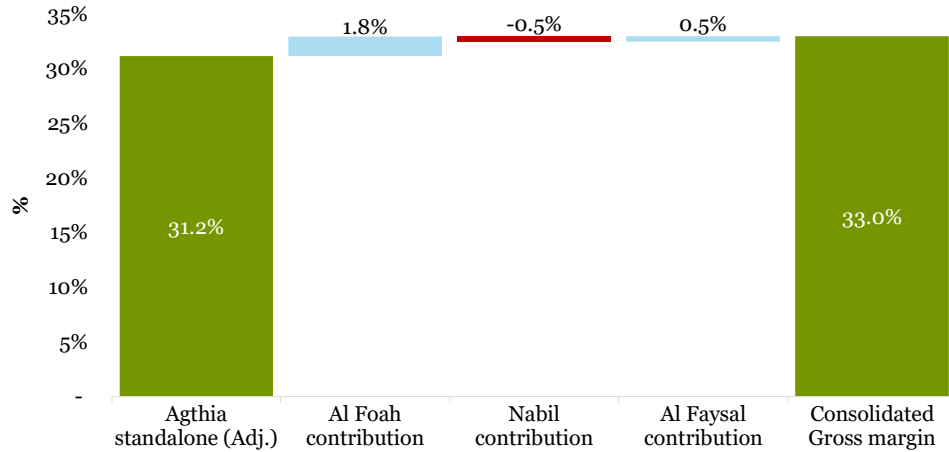
1. Al Foah and Nabil LTM Sep 2020 EBITDA and Net profit normalized for non-recurring items

2. Customer-wise evaluation in compliance with IFRS and Company policy, such customers (long overdue balances) were deemed impaired hence the need to be provided for

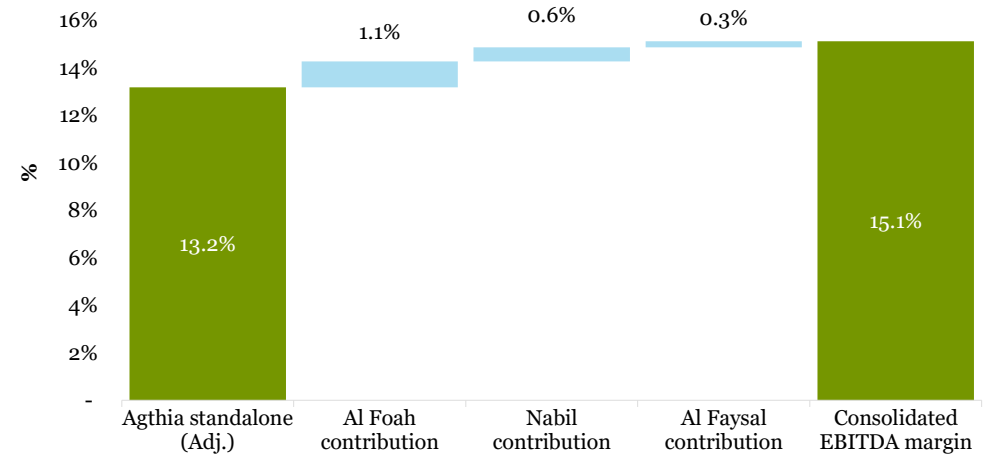
3. Write-offs related to the discontinuance of Capri Sun production

Agthia Group Proforma LTM September 2020 margins²

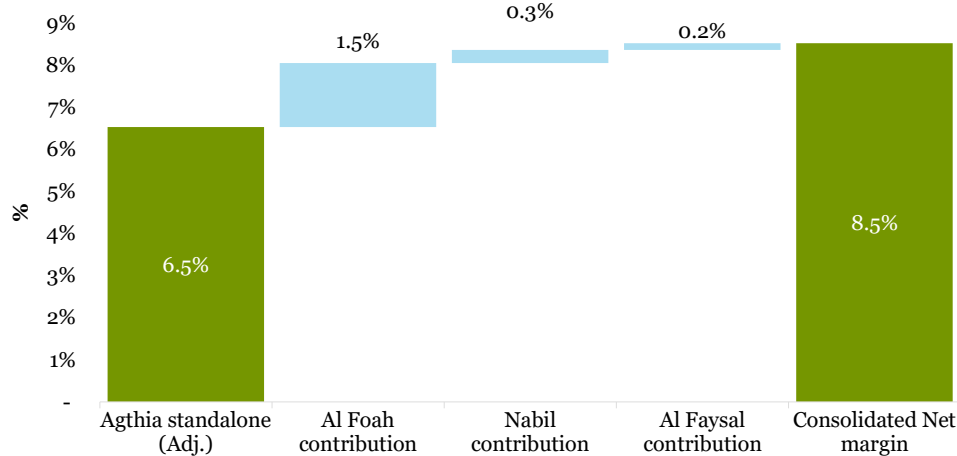
Consolidated LTM Sep 20 Gross margin



Consolidated LTM Sep 20 EBITDA margin



Consolidated LTM Sep 20 Net margin

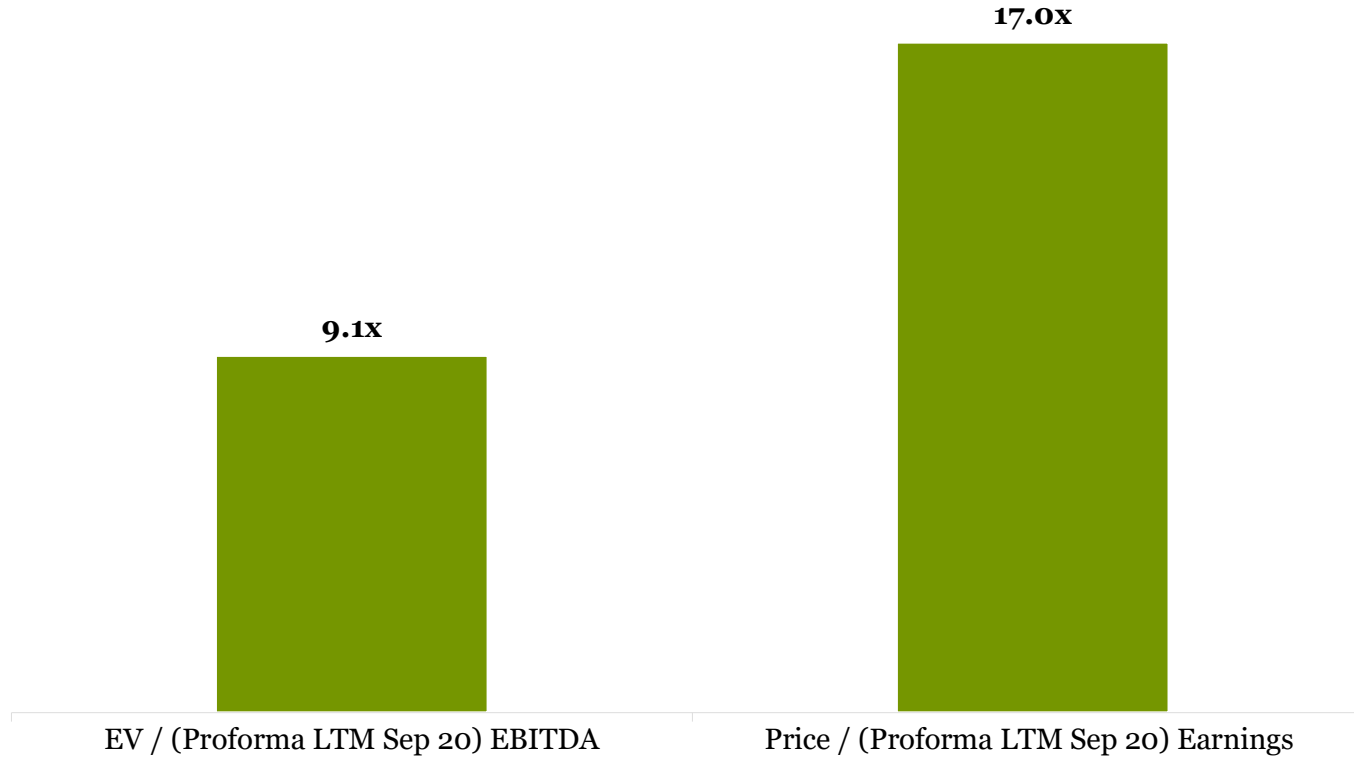


1. Al Foah and Nabil LTM Sep 2020 EBITDA and Net profit normalized for non-recurring items
2. The consolidated margins do not include any potential synergistic cost

Agthia Group Proforma September 20 valuation

Based on share price of AED 5.50 used for Nabil Food's transaction

Pro-forma LTM Sep 20 implied multiples



1. Total number of shares, 791.6m, calculated as 600m Agthia's shares as of 30 September 2020, 120m new shares issued for Al Foah's transaction and 71.6m new shares to be issued for the Nabil Foods' transaction (subject to SCA and shareholders approval)
2. Market capitalization calculated as AED 4.35bn (791.6m x AED 5.50) and Agthia Group's Enterprise Value as of 30 September 2020 calculated as AED 4.12bn
3. Total Proforma Agthia Group net cash as of 30 September 2020 = AED 230.8m = Agthia AED 117.5m, Al Foah AED 164.0m, Nabil AED (46.7m) and Al Faysal Bakery AED (3.9m)
4. The above net cash/debt balances have been adjusted based on due diligence findings
5. Adjusted Agthia's Group LTM September 2020 EBITDA of AED 455m and LTM September 2020 Net Profit of AED 256m

Q&A

