



ملتزمون بحياة أكثر صحة
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Agthia Group PJSC
9M 2019
Analyst & Investor Earnings Call
Abu Dhabi, 4 November 2019

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KEY HIGHLIGHTS

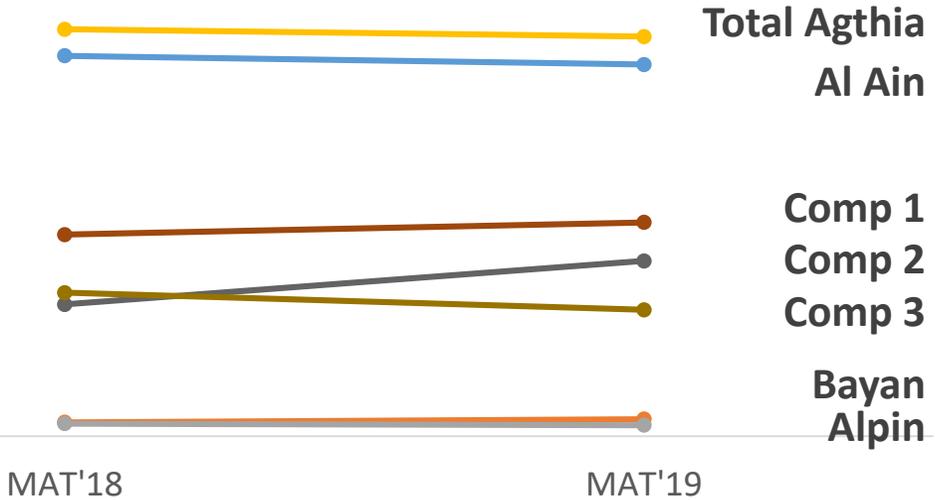
- **Revenue growth continues (+4.3% y-o-y)**; driven by Food, International Ops and Flour
 - **Food segment** (+26% y-o-y), lifted by Community Support Division and Egypt
 - **Saudi operations** (+42% y-o-y), given growing market share
 - **Flour Revenues** (+14% y-o-y), on wheat sales and higher domestic and exports sales
 - **HOD – UAE revenues** (+6% y-o-y), as customer base expands
- **Bottled Water** portfolio in the UAE retained market leadership position in both volume and value share
- **Group profit of AED 117m-** geographical expansion, higher agri-pricing and cost savings minimizing the impact of lower water pricing, flour subsidy withdrawal in Bakeries and higher grain costs



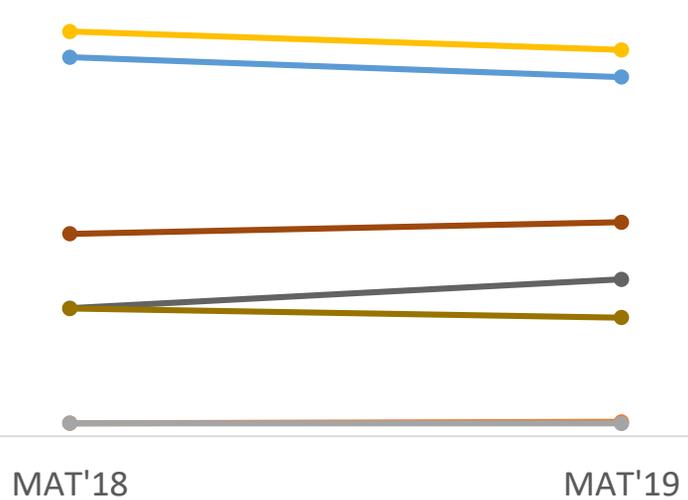
BOTTLED WATER MARKET SHARES¹

Number one in the UAE

Volume share %



Value share %



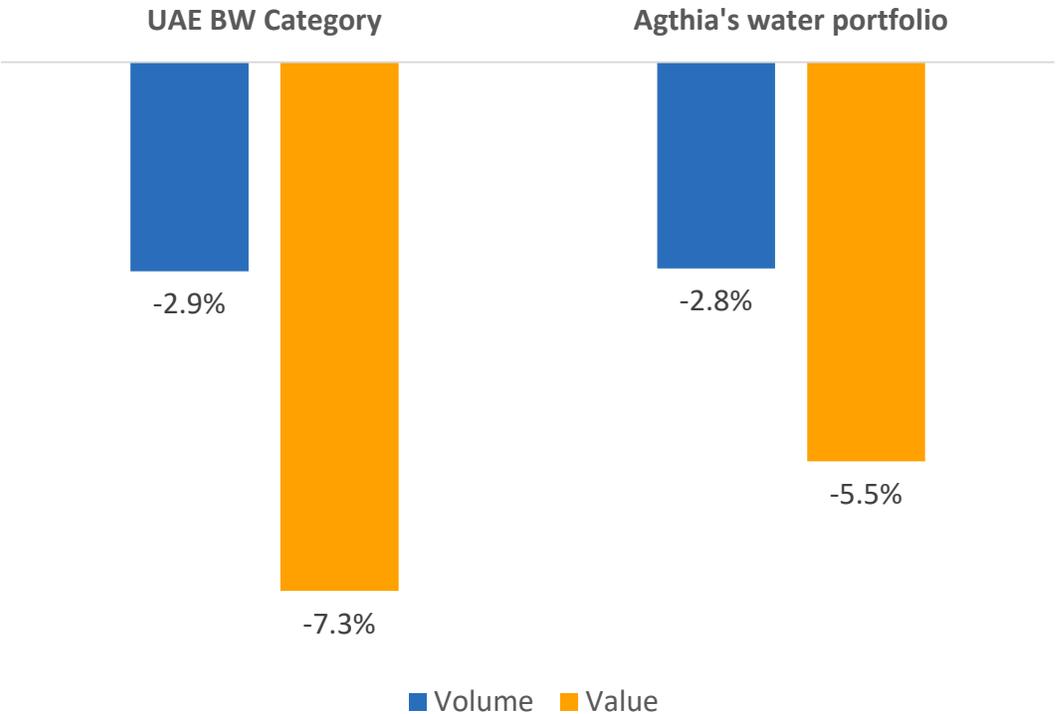
- **Defensive market share- total Agthia**, 30.3% volume and 27.6% value (MAT'19)
- **Al Ain Water** leadership position sustains at 28.2% volume and 25.6% value (MAT'19)



BOTTLED WATER CATEGORY IN UAE¹

UAE BW market slowdown exceeds Agthia's

MAT Growth 2019 vs 2018



- **Category:** value erosion on aggressive promotions across players
- **Agthia's Bottled Water Portfolio** mirrors overall category movement at a slower pace due to our efforts to preserve profitability



WATER | SHIPPED VOLUMES

International operations outperform

Shipped volume	9M 2019	y/y
<i>HOD* (million bottles)</i>	19.4	+7.9%
<i>Bottled Water (million cases)</i>		
UAE	41.2	-4.6%
KSA	11.9	+66.0%
Kuwait	4.2	nm
Turkey	1.3	-15.1%
Total International Ops	17.8	+89.5%
Total Bottled Water	59.1	+12.2%

**HOD including Al Bayan, Ice Crystal and 5 Gallon Al Ain*

- Growth in **HOD** shipped volume
- **UAE bottled water** volume slowdown gentler than overall category
- **Strong contribution from International operations:**
 - **KSA-** expanded distribution network
 - **Kuwait-** notable execution progress

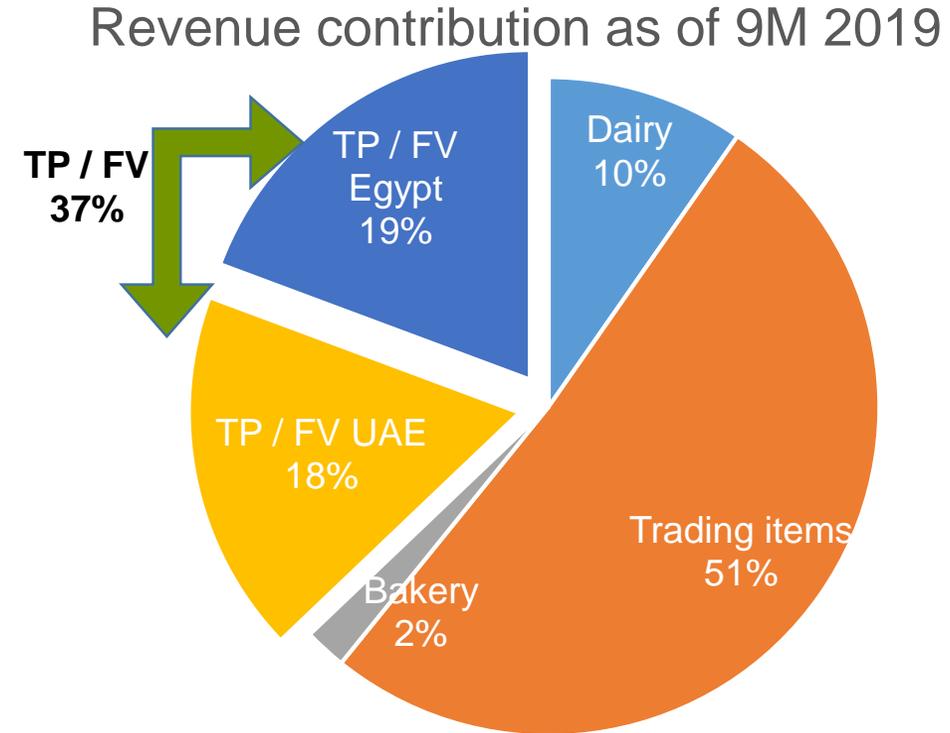


FOOD

Key top-line growth drivers: Trading items (CSD) and Egypt

AED M	9M 2019	9M 2018	y/y
Segment Revenues	186.6	147.8	26.2%
Segment Profit	4.5	3.5	30.4%

- **Trading Items:** 51% of segment
 - Revenues +68% y/y
- **TP/FV incl. Egypt ops.:** 37% of segment
 - Revenues +4% y/y
 - Net profits +32.5% y/y
 - **Egypt:** Rev. +10.5%
- **Dairy & Bakery:** 12% of segment
 - Lower incurred losses on cost optimization



AGRI

Flour price increase partly offset flour subsidy removal & higher commodity prices

Segment Revenues:

FLOUR
AED 300 million
+14.1%

- + Robust volumes with expanded domestic retail penetration & exports
- + Slightly higher pricing partially countering higher wheat costs and full subsidy removal in bakeries
- + Wheat trading
- Full subsidy withdrawal from Bakery channel
- Higher wheat costs

FEED
AED 372 million
-8.7%

- + Favourable mix- tilted towards subsidized channel
- Lower volume due to reduced demand from small-sized farms
- Lower grain trading





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FINANCIAL PERFORMANCE



GROUP REVENUE

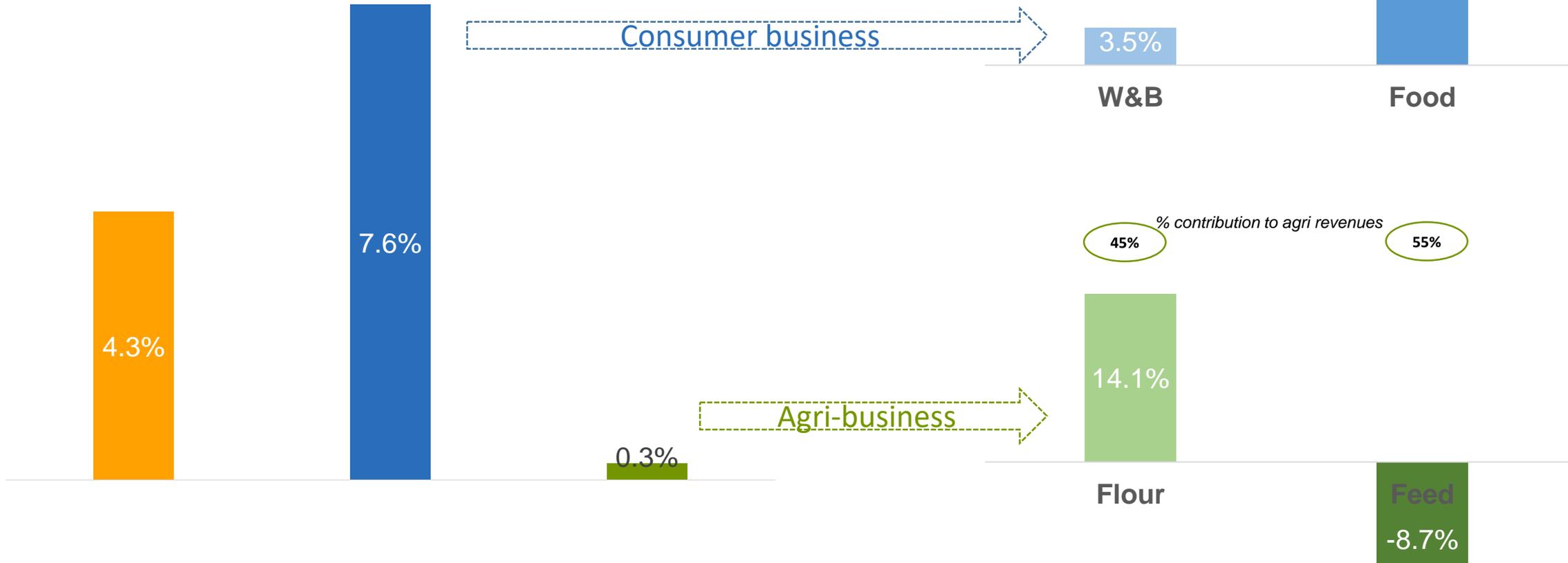
Top-line growth continues across categories

AED 1.49 B = AED 815 M + AED 670 M

Agthia

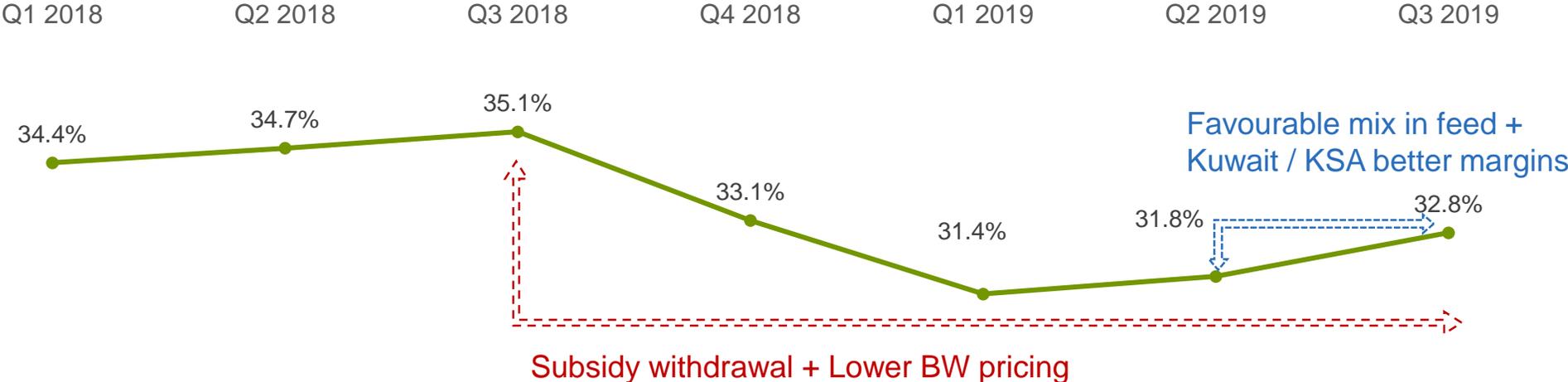
Consumer

Agri



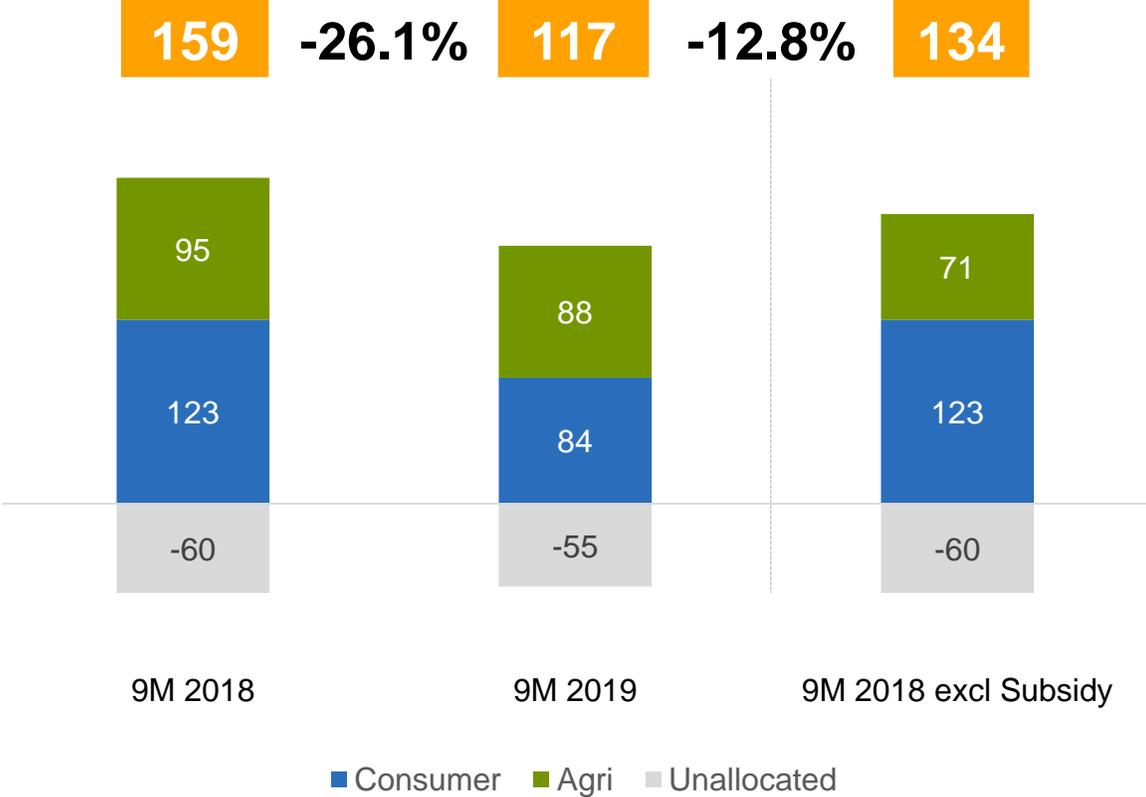
GROSS PROFIT MARGIN

Group Gross profit margins (%)



GROUP NET PROFIT

Group net profits (AED M)

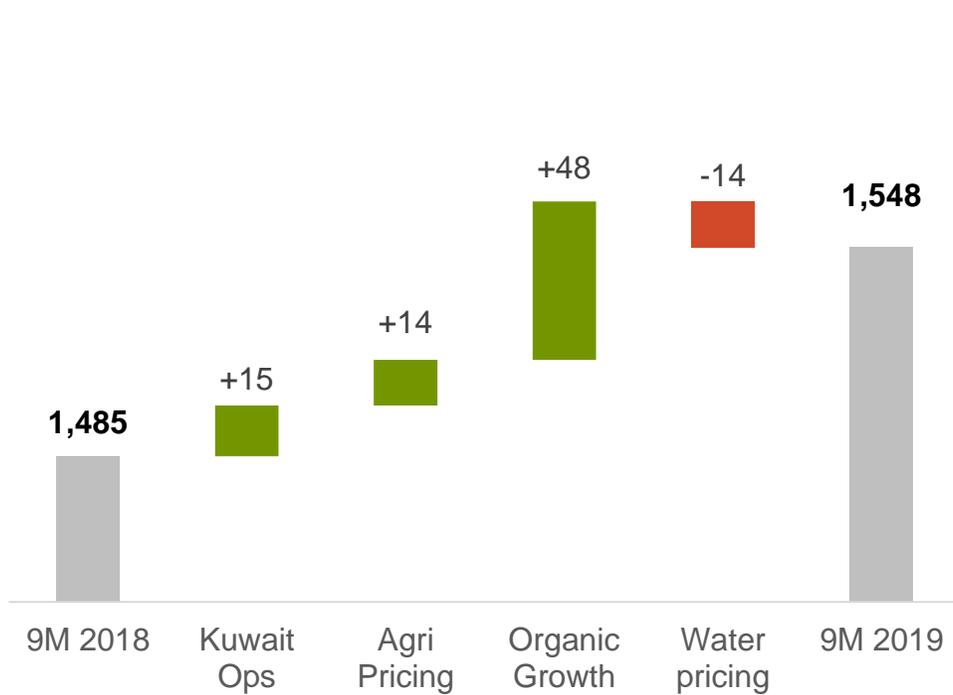


¹ Unallocated = Head Office charges

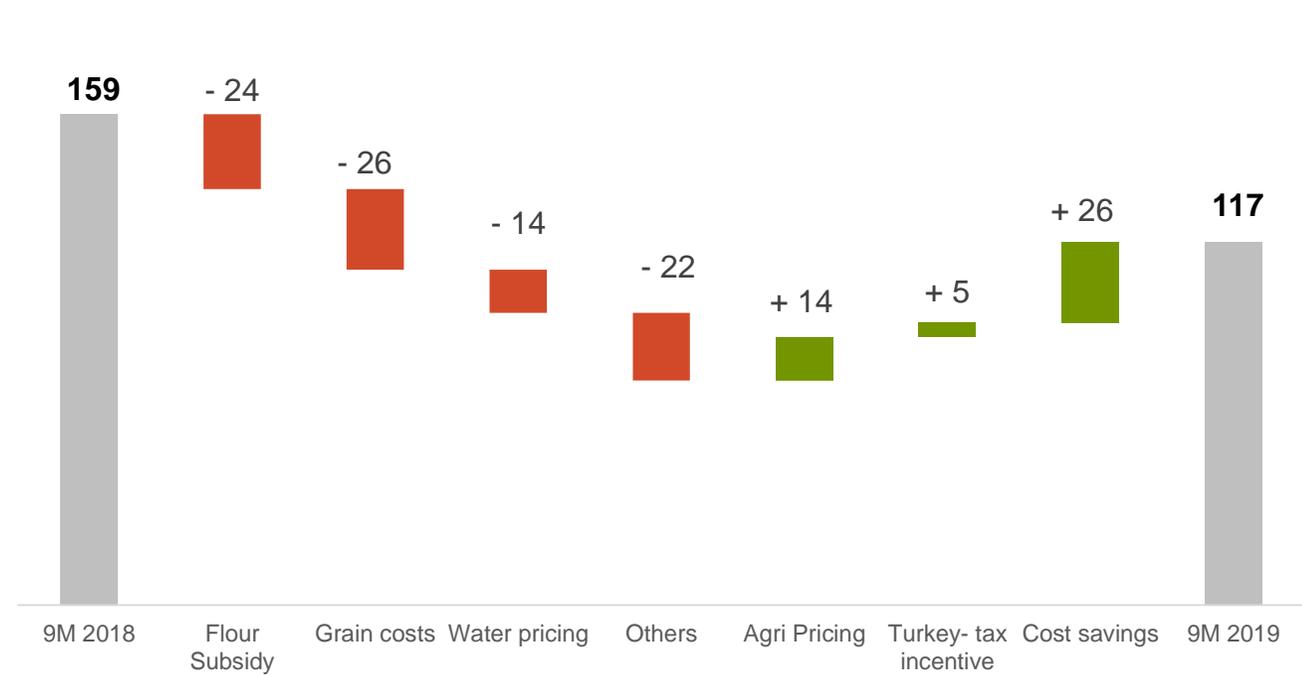


TOP AND BOTTOM LINE RECONCILIATION

Group revenues (AED M)



Group net profits (AED M)





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Q&A

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