



ملتزمون بحياة أكثر صحة
Committed to healthier living

Agthia Group PJSC

H1 2020

Analyst & Investor Earnings Call

Abu Dhabi, 29 July 2020

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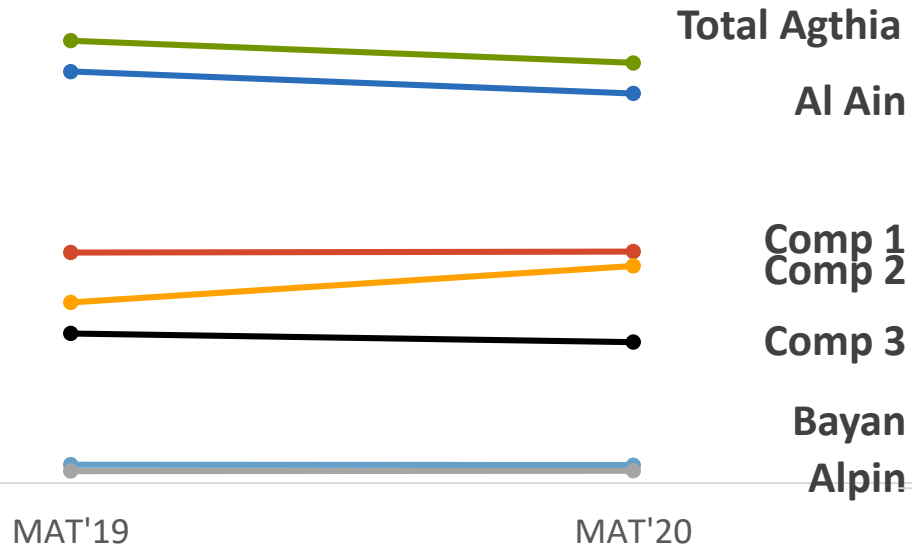
HIGHLIGHTS

- **COVID-19: Agthia's Resilience and Agility:**
 - ✓ Reprioritized our resource allocation to ensure business continuity and products availability
 - ✓ Accelerated our e-commerce presence and doubled number of delivery trucks
 - ✓ Sustained our leading market position across core categories despite headwinds
 - ✓ Al Ain Water, our flagship brand, ranked number one most chosen beverage brand in the UAE and number six most chosen FMCG brand as per Kantar's Brand Footprint Ranking 2020
- **Group Net Revenues** of AED 1.09 billion, 2.6% y-o-y growth:
 - ✓ **Flour** business (+29% y-o-y), on higher domestic demand, export sales and wheat trading
 - ✓ **Food** segment (+27% y-o-y), driven by Community Support Division and TP&FV
 - ✓ **HOD** revenues (+8% y-o-y), on increased volume from homes and retail channels
- **Group Net Profit** of AED 42mn- better agri-profitability & cost efficiencies marginally lessen the impact of unfavourable sales mix, lower bottled water volume in UAE and KSA, bad debt provisioning and additional costs related to COVID-19

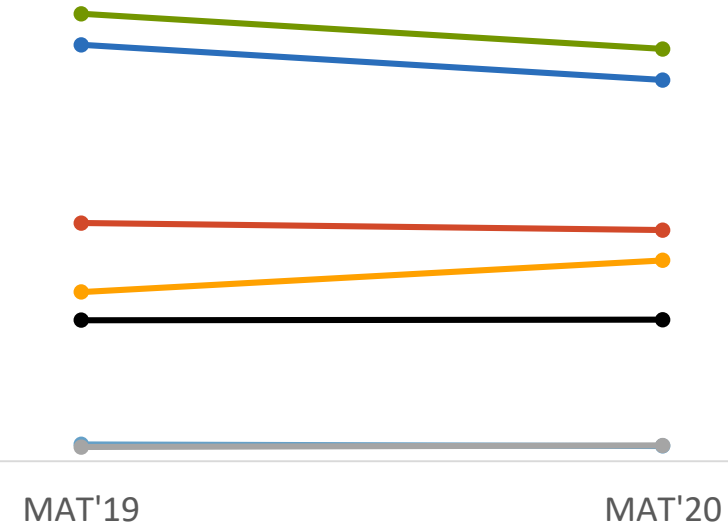


BOTTLED WATER MARKET SHARES¹

Volume share %



Value share %



- **Defensive market share- total Agthia**, 29.1% volume and 26.1% value (MAT'20)
- **Al Ain Water** leadership position sustains at 26.9% volume and 24.2% value (MAT'20)



WATER | SOLD VOLUMES

Sold volume	H1 2020	y/y
<i>HOD* (million bottles)</i>	13.4	+7%

Bottled Water (million cases)

UAE	24.7	-12.8%
KSA	4.7	-37.3%
Kuwait	4.5	+77.4%
Turkey	1.1	+4.6%
Total International Ops	10.3	-6.8%
Total Bottled Water	35.0	-11.1%

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

- Growth in **HOD** volume on higher demand from homes and retail channels overcompensating drop in corporates channel
- Lower **UAE bottled water** volume on restrained tourism and reduced demand from the food service channel
- Significant hit on **KSA** sales amidst lockdown restrictions, struggling food service channel, void religious tourism while reflecting on our adopted strategy of improving quality of credit sales
- **Kuwait** operations continue to perform well

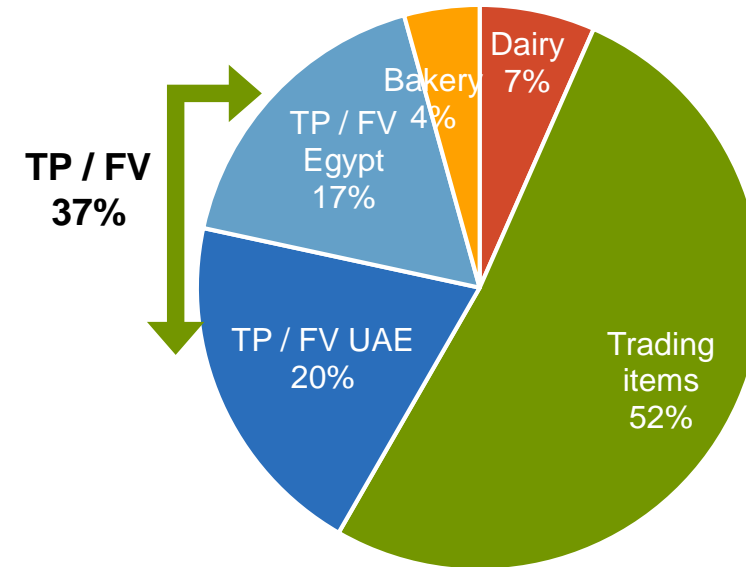


FOOD

Top-line growth drivers: Trading items (CSD) and TP/FV (UAE & Egypt)

AED M	H1 2020	H1 2019	y/y
Segment Revenues	172	136	+27%
Segment Profit	12.9	4.8	+165%

Revenue contribution as of H1 2020



- **Trading Items:** 52% of segment
 - Revenues +25% y/y
 - Net Profit +65% y/y
- **TP/FV incl. Egypt ops.:** 37% of segment
 - Revenues +32% y/y
 - Net Profit +30% y/y
 - **Egypt:** Rev. +20% y/y
- **Dairy:** 7% of segment
 - Sales impacted by closure of Eateries
- **Bakery:** 4% of segment
 - Higher sales on partnership with local authorities



Top-line growth and Enhanced overall profitability

Segment Revenues and Profits:

FLOUR

Revenue:
AED 265 million
Net Profit:
AED 34 million

- + Strong domestic volumes with expanded retail penetration
- + Expansion in exports (including an order to World Food Program)
- + Wheat trading

FEED

Revenue:
AED 241 million
Net Profit:
AED 34 million

- + Favourable mix
- Lower volume on lessened local demand amid new controls on subsidized channels
- Lower grain trading





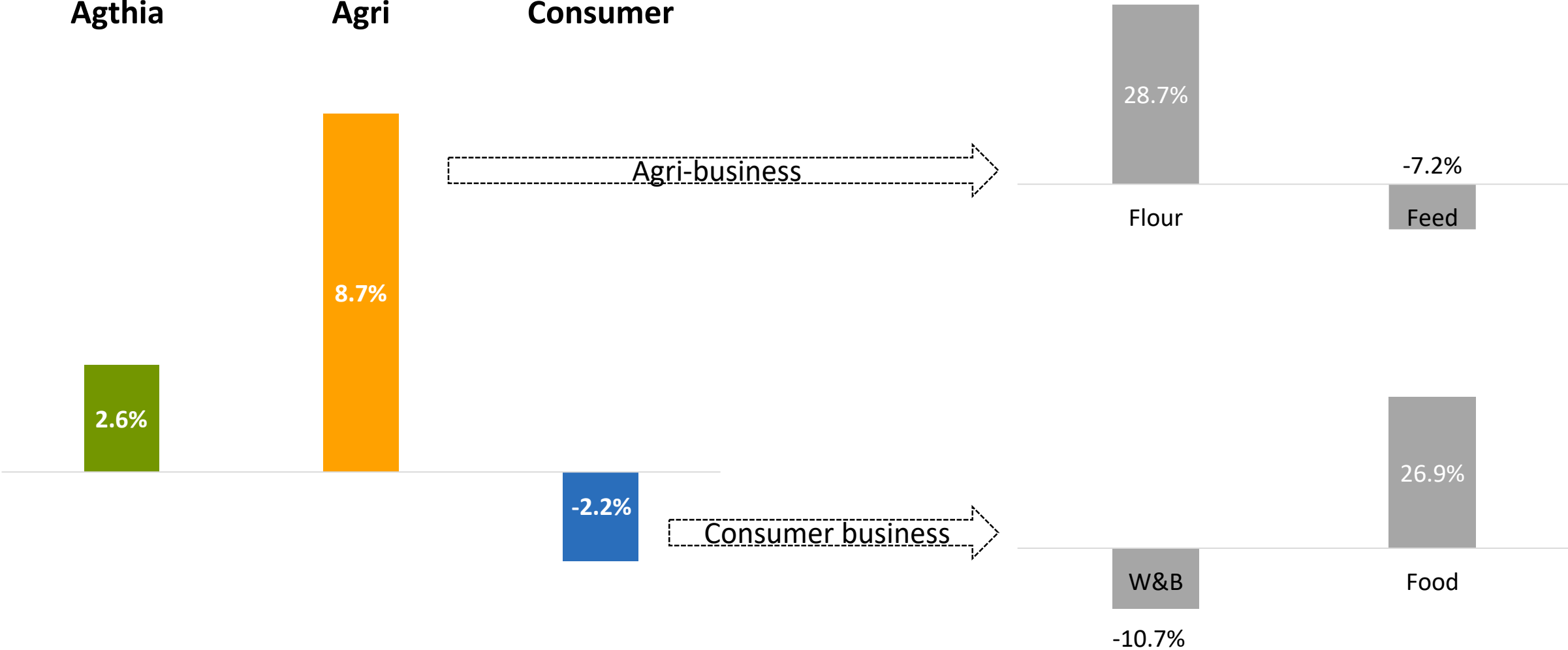
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FINANCIAL PERFORMANCE



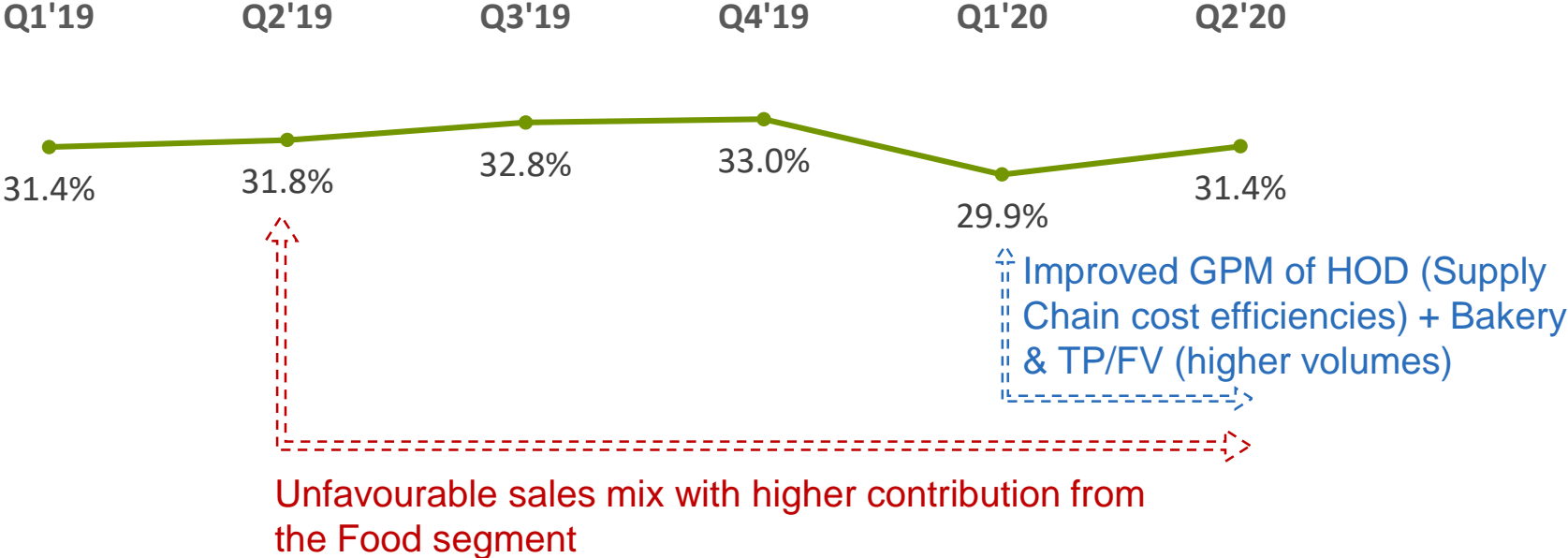
REVENUE Y-O-Y GROWTH

AED 1.09 B **■** Agthia
AED 506 M **■** Agri
AED 584 M **+** Consumer



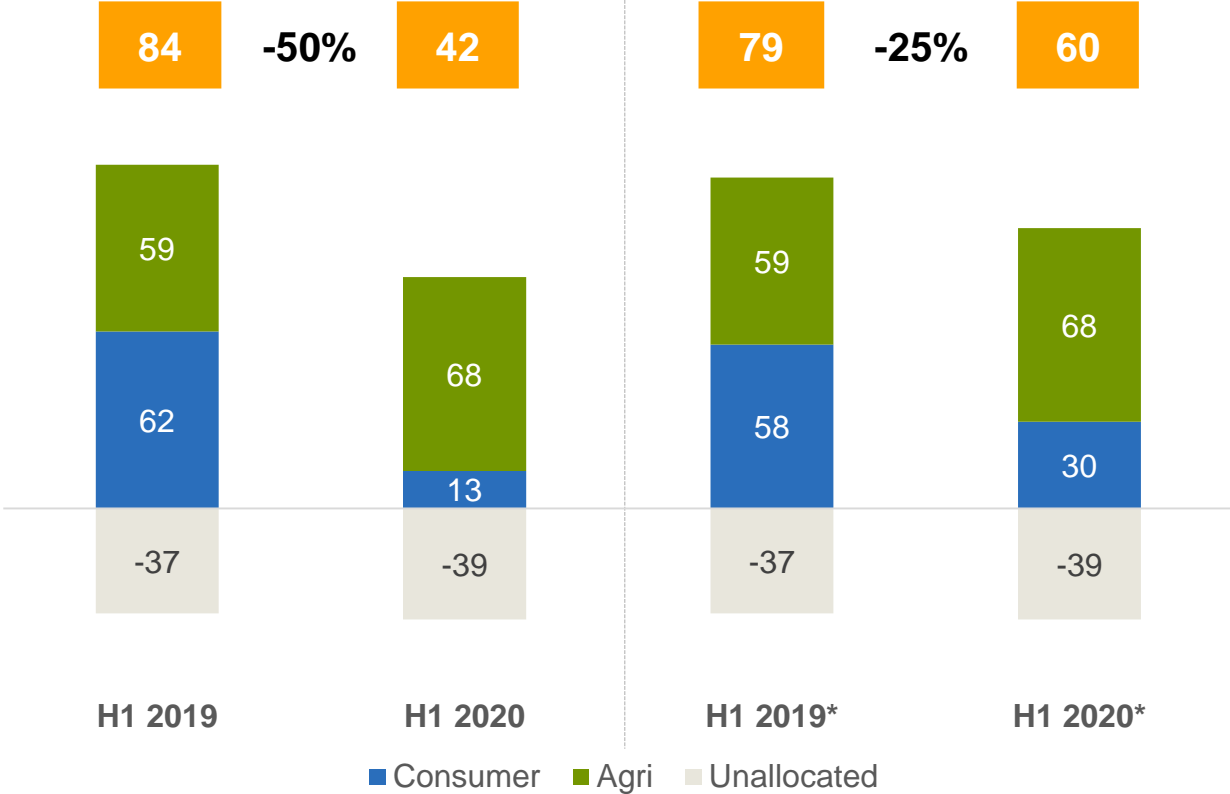
GROSS PROFIT MARGIN

Quarterly Gross Profit Margin, %



GROUP NET PROFIT

Group net profits (AED M)

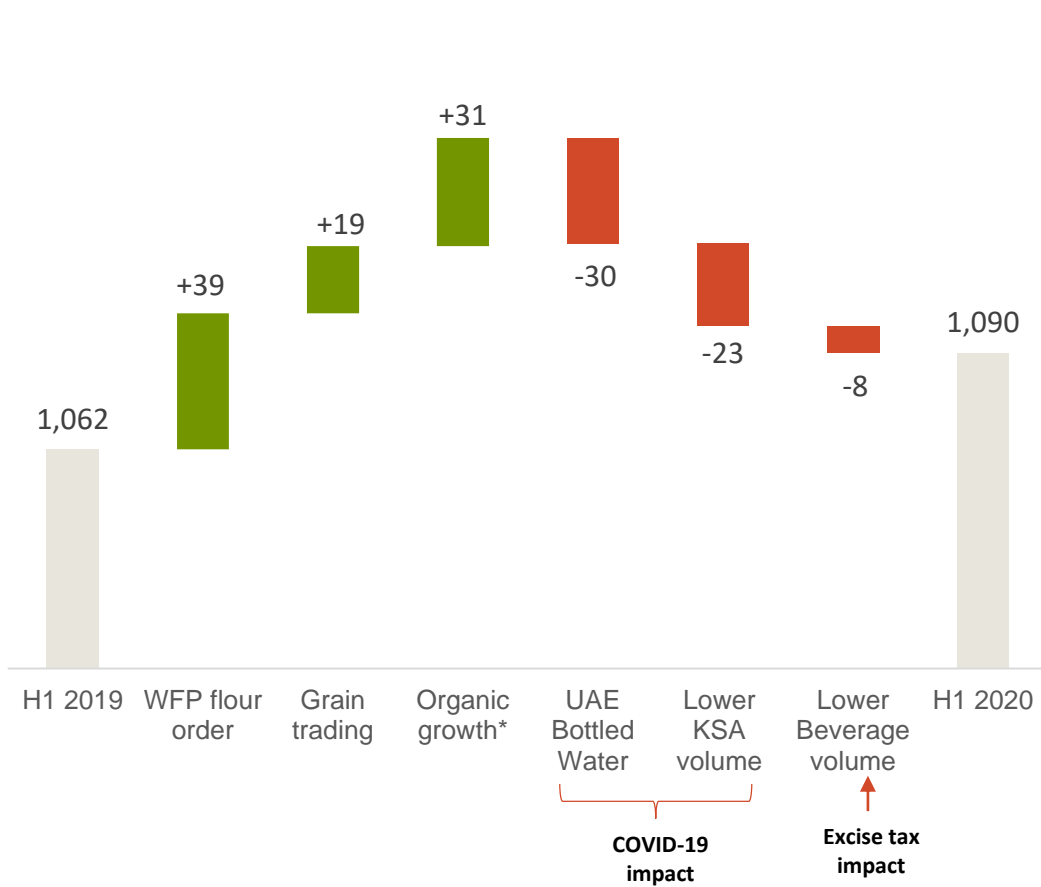


*Excluding one-offs: H1 2020 excluding Bad debt provision and H1 2019 excluding Turkey tax credit
 Unallocated = Head Office charges



TOP AND BOTTOM LINE RECONCILIATION

Group revenues (AED M)



Group net profits (AED M)





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Q&A

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