

Agthia Group PJSC

9 Months 2013 Financial Results

Conference Call – October 29, 2013



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# Business Developments

Highlights of 9 months 2013



# Good progress across all business units

## Highlights of 9 months 2013

- Continued robust performance for first nine months of 2013
  - sales growth – 15% yoy reaching AED 1.126 billion
  - profit growth – 31% yoy reaching AED 120.8 million
  - Q3 sales increased 6% yoy to AED 361.3 million
  - Q3 profit dropped 8% yoy to AED 33.8 million, due to one-off gain the previous year attributed to income from commodity derivatives and flour milling outsourcing in this quarter due to fumigation of factory and capacity upgrade. Excluding the impact of these one off items, net profit would have increased by 23%.
- Sustainable, organic growth for core businesses (flour & animal feed, water & beverages)
  - Strong volume growth
  - Product diversification
- Business developments
  - Self-raising flour & Chakki Atta (whole wheat flour) launched
  - Launched Alpin natural spring bottled water from Turkey in selective UAE outlets
  - Signed distribution agreement for the Monster brand of beverages
  - Expansion projects on track for 2014

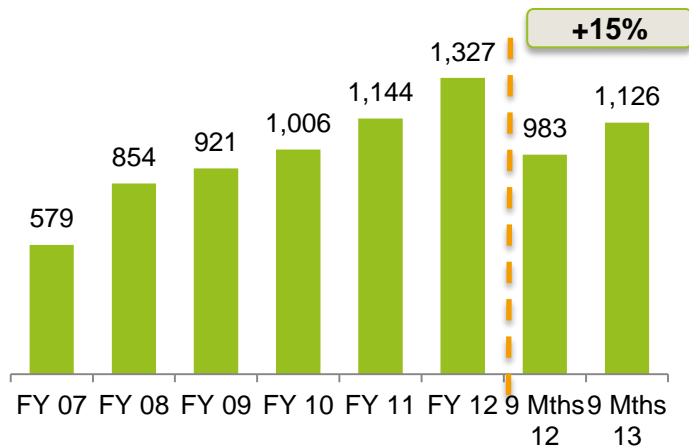
# Financial Performance

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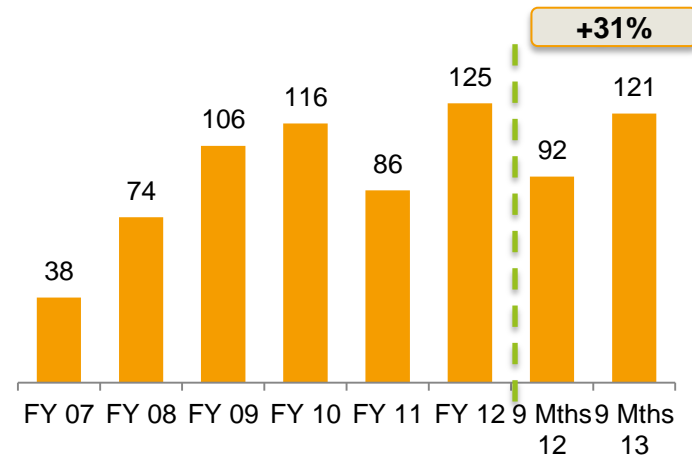
# Strong sales, higher margins underpin growth

## Group financial highlights – 9 months 2013

### Net sales (AED million)



### Net profit (AED million)

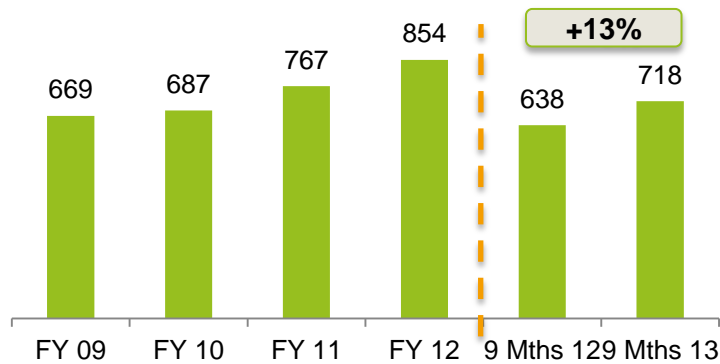


- Net profit growth ahead of sales growth
- SG&A stands at 16.3% of revenue, compared to last year 16.5%

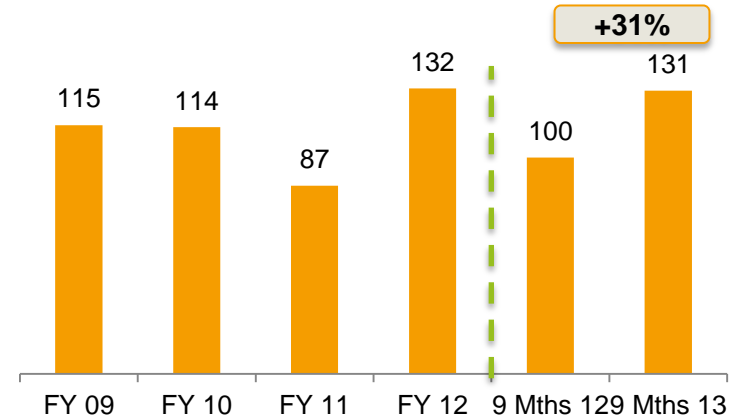
# ABD sales increase 13% yoy

## Agri Business Division (ABD) – 9 months 2013

### Net sales (AED million)



### Net profit (AED million)



VOLUMES (tons)	9 Mths 2012	9Mths 2013	% growth
Flour	184,242	191,837	4%
Animal Feed	340,047	396,437	17%

- Gross margin improvement 250 bps result of:
  - Cost saving initiatives
  - Competitive sourcing of grains
  - In-house production of previously outsourced feed
  - High flour prices in Northern Emirates

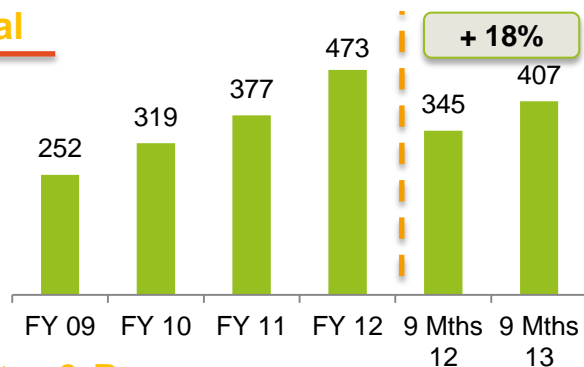
# Double digit sales growth across CBD

## Consumer Business Division (CBD) – 9 months 2013

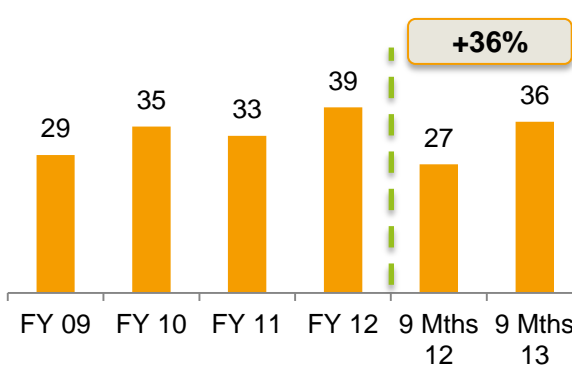


### Net sales (AED million)

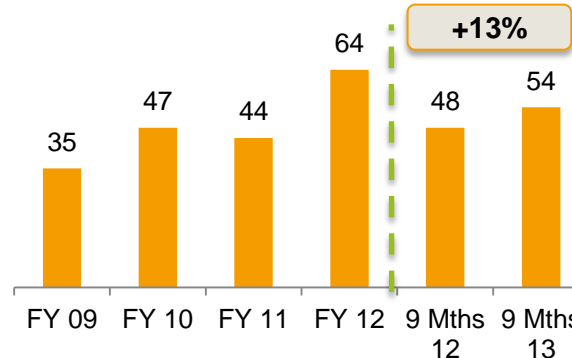
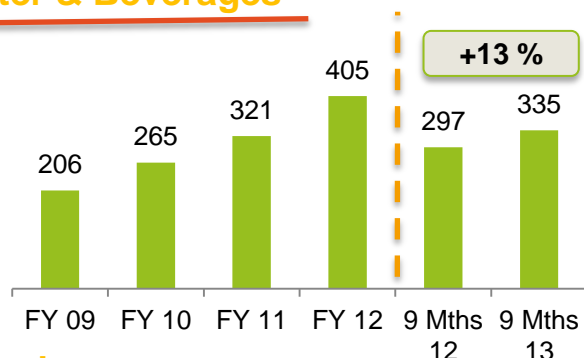
#### Total



### Net profit (AED million)



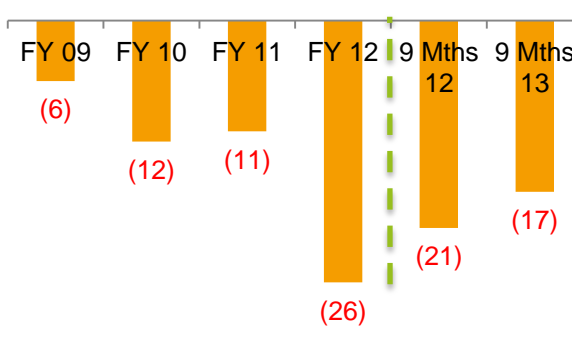
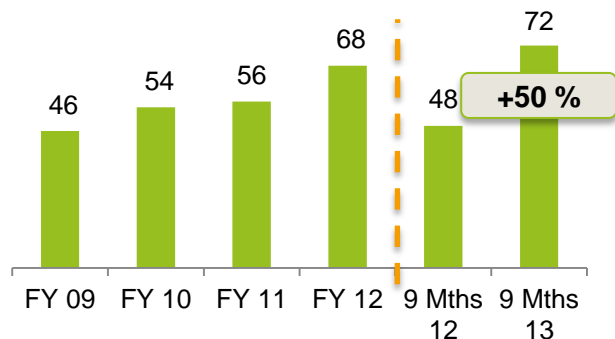
#### Water & Beverages



VOLUMES W&B- UAE	9 Mths 2012	9 Mths 2013	% growth
Bottled Water (cases)	20,750	24,043	16%
HOD (bottles)	2,822	3,533	25%
Beverages (cases)	1,838	1,826	-1%

VOLUMES (tons)	9 Mths 2012	9 Mths 2013	% growth
Tomato paste & concentrate	6,972	11,893	71%
Vegetables & Others	2,201	2,138	-3%
Dairy	589	1,495	154%

#### Food (Tomato & Chilli Paste- UAE & Egypt, Frozen Vegetable, Dairy, Others)





# Outlook

## 2013 Key Focus Areas

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# Outlook: sustainable growth via improved performance

## 2013 Key Focus Areas

- Continue to progress on strategy:
  - driving growth of core businesses and cost saving initiatives, consolidating & accelerating diversification initiatives in UAE, consolidating Egypt & Turkey operations and exports to GCC markets
- Improving performance of recently launched products
  - Yoplait - continues to gain market share
  - Alpin launched in selective outlets in the UAE; exports to other GCC countries during Q1 2014
  - Launch of Monster products planned for Q2 2014
- Production capacity expansion projects:
  - New flour milling capacity to be operational in Q1 2014
  - New high-speed water bottling line to commence production in Q2 2014
  - Frozen baked product launch now scheduled for Q2 2014
- Turkey
  - 5L & 10L water bottling line – Q4 2013
- Egypt
  - Optimize sales opportunities & aiming towards breakeven year in 2013

# Questions

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