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For Wholehearted Living



Agthia Group PJSC ***1H'18 Analyst & Investor Earnings*** ***Conference Call***

Abu Dhabi, 7 August 2018





HIGHLIGHTS

- Group net revenues reached AED 1.01 billion, growing 0.8% L4L
- Group net profit reached AED 109 million, growing 6% L4L
- Food and animal feed continued strong growth
- Commercial production (of BW) started in Kuwait
- Profit turnaround – 3 out of 5 BUs in solid net profit; net loss halved



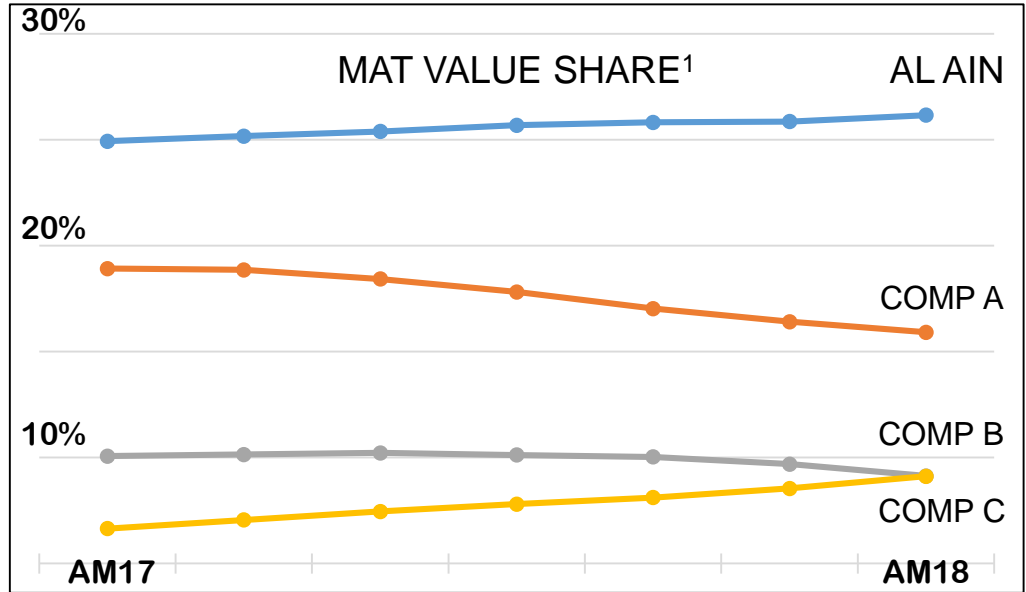
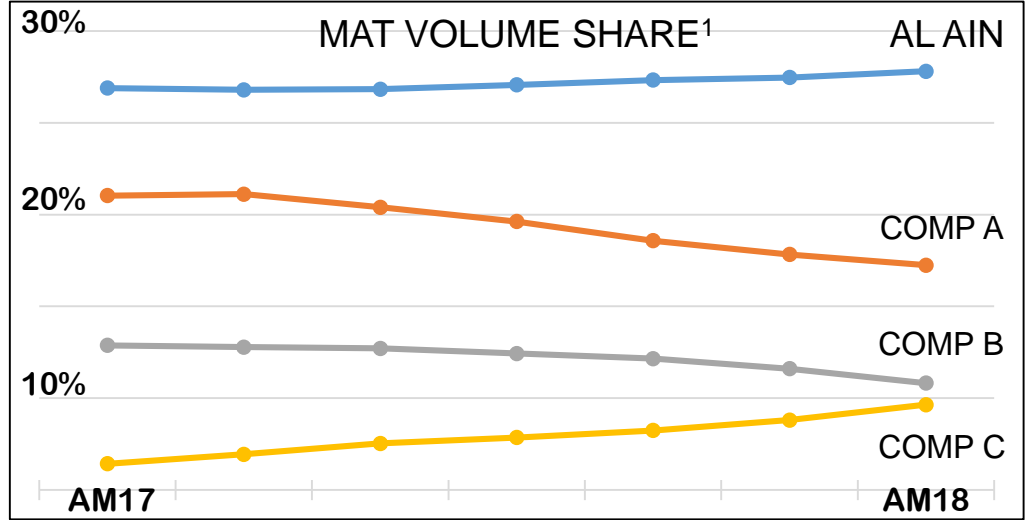
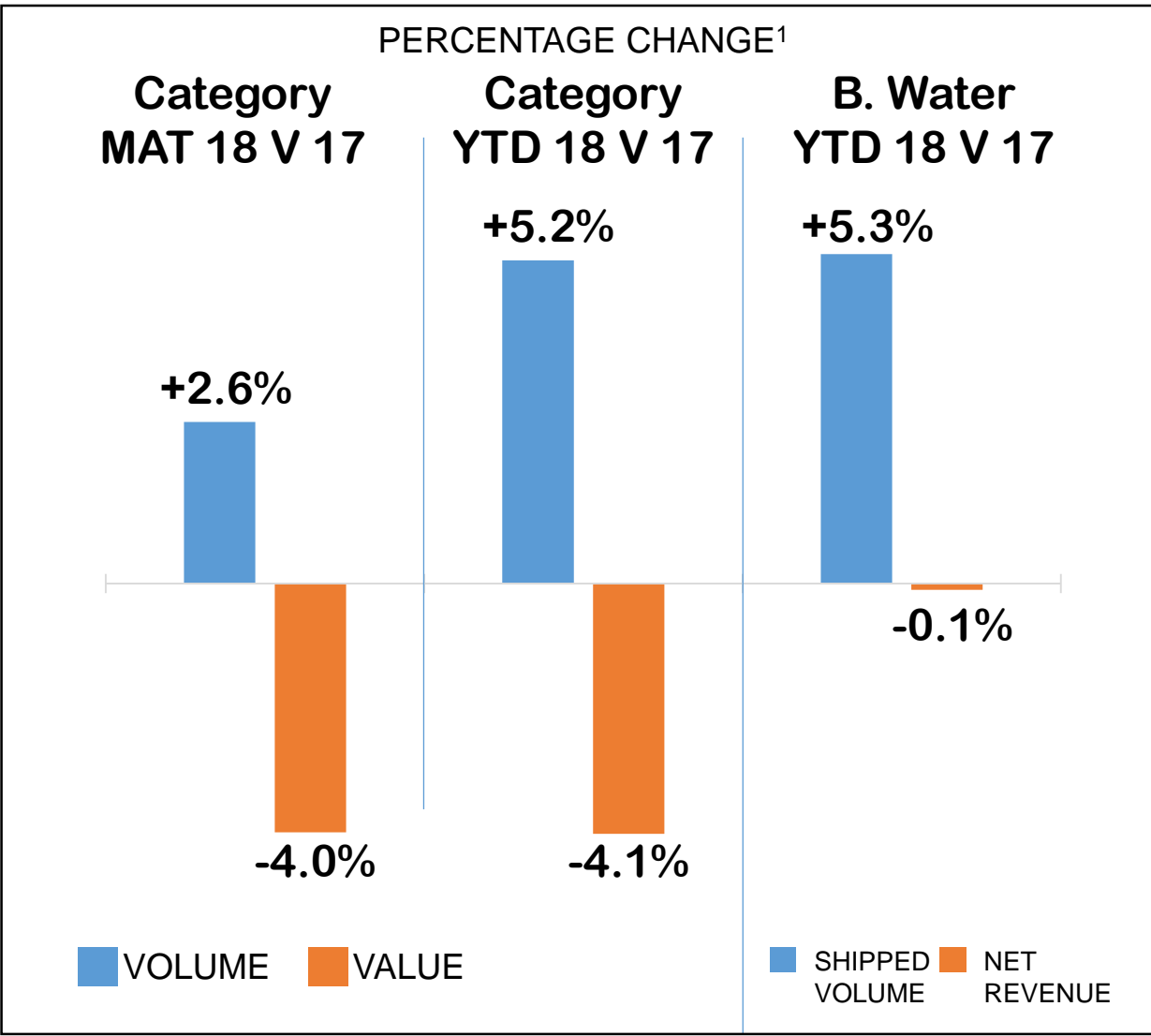
BOTTLED WATER MARKET SHARES

Al Ain Water's strong leadership continues

	Vol. Share % ¹		
Total Agthia	29.8		+135bps
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Total Al Ain	27.8		+85bps
Al Bayan	1.1		+20bps
Alpin	0.9		+30bps



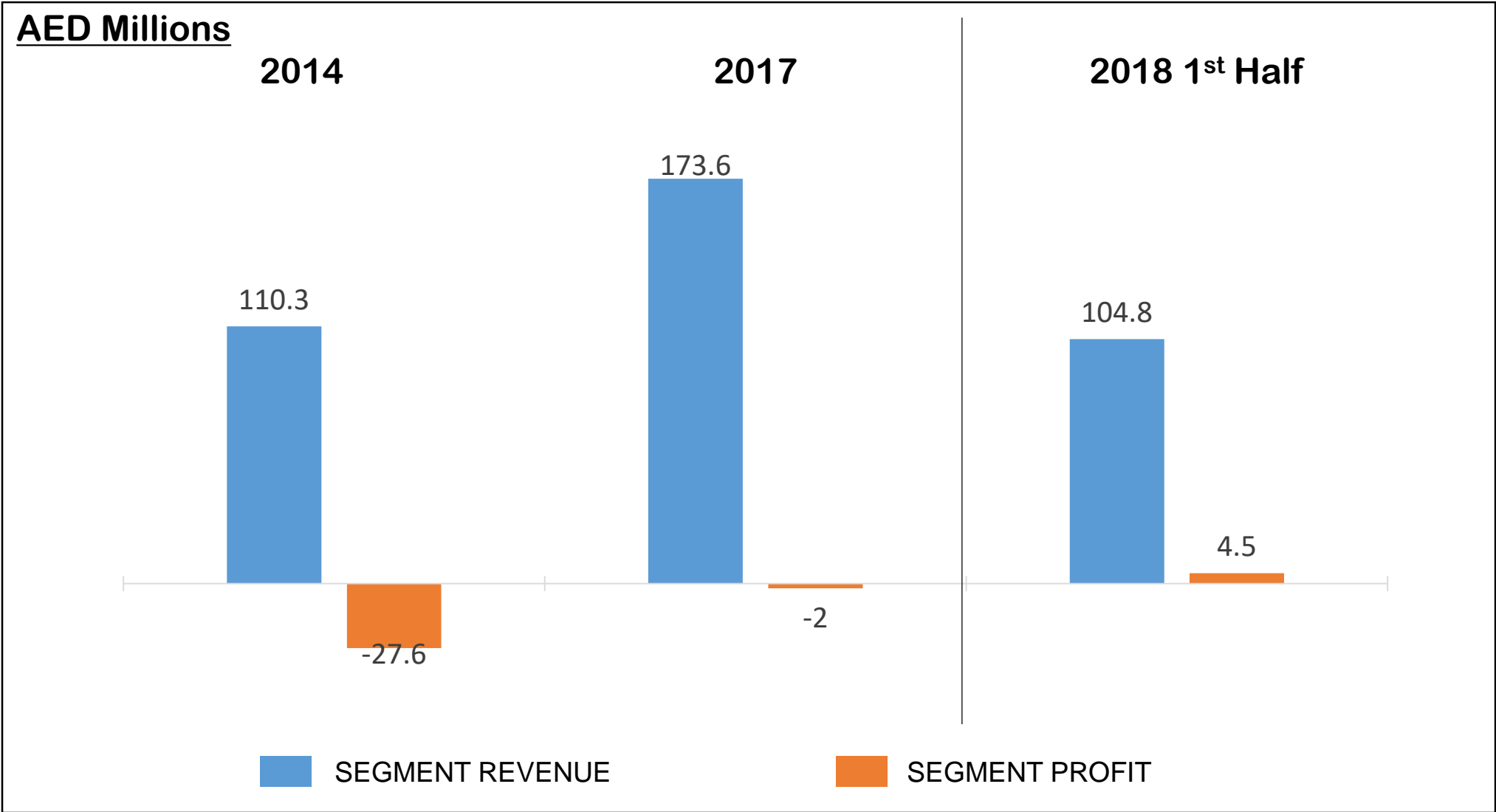
BOTTLED WATER – UAE DEEP DIVE



4 ¹ AC Nielsen latest retail audit readings. Value share growth calculated by Agthia taking out estimated impact of VAT in 2018 based on AC Nielsen reported numbers.

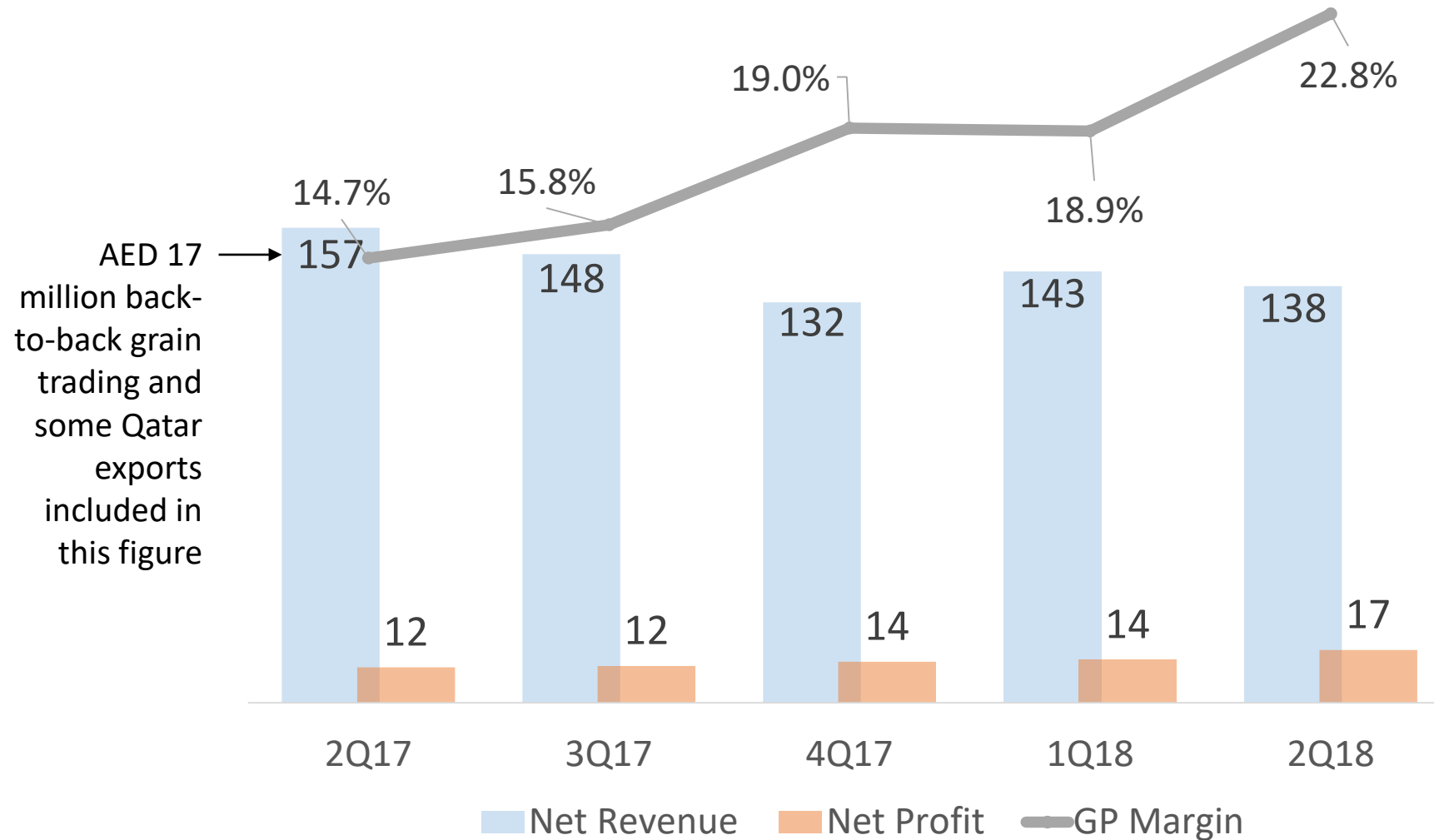


FOOD



ANIMAL FEED

Key business parameters stabilized in a mostly post-subsidy market



PROFIT TURNAROUND

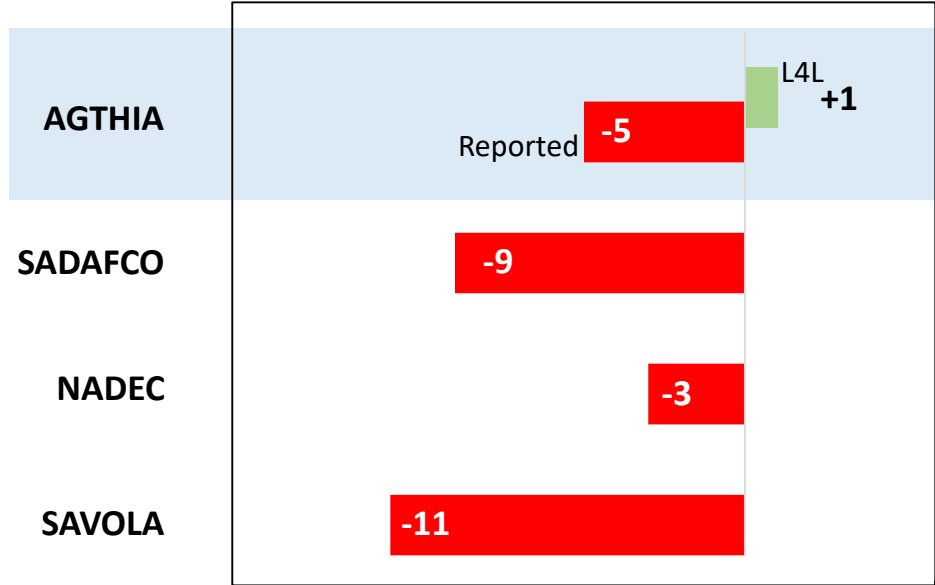
Outstanding loss reduction in 2 years

<u>AED Millions</u>	1H16	1H17	1H18
Bakery	(6.3)	(5.9)	(4.2)
Dairy	(5.5)	(2.5)	(2.8)
Turkey	(3.2)	(0.3)	0.2
Egypt	(0.7)	0.6	1.5
TP/FV	(0.2)	0.9	1.8
	(15.9)	(7.2)	(3.5)



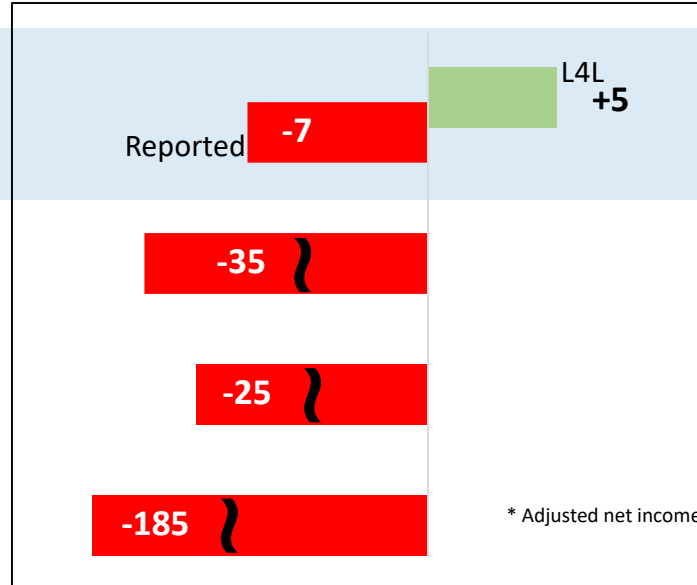
PEERS¹

REVENUE % Growth V. Year Ago



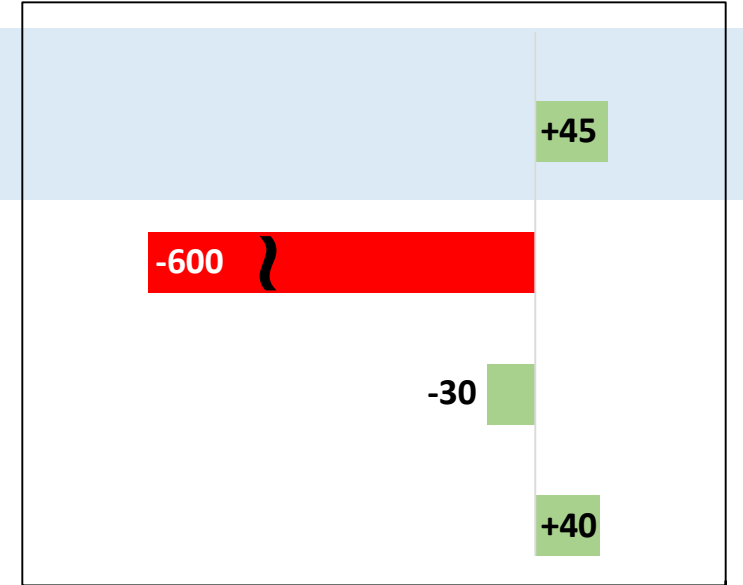
- Low consumer spending, declining category sizes
- Expat exodus (Saudi)
- VAT introduction, subsidy removal
- Weak volumes, Qatar exports
- **Almarai UAE sales down by -3%**

PROFIT % Growth V. Year Ago



- Lower volume
- Heavy discounting
- Margin pressure to stay competitive

GPM bps Change V. Year Ago



* Adjusted net income





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FINANCIAL PERFORMANCE



GROUP REVENUE & PROFIT

Both metrics posted growth on like-for-like basis

	<u>AED</u>	<u>1H18</u>	Reported <u>1H17</u>	Like-for-Like <u>1H17</u>
Net Revenues		1,008M	1,068M -5.6%	1,000M +0.8%
Net Profit		109M	118M -7.7%	103M +6%



GROUP REVENUES

L4L¹ Net Revenue
YTD June 2018 vs 17 Growth | Percent

B. Water (UAE)	Flat	Water (Non-UAE)	-10
5G Water (UAE)	+9	Beverages	-14
Food (UAE)	+13	Flour	-6
Food (Egypt)	+28		
Animal Feed	+5		
Net Revenues	AED729M +5%	AED278M -8%	

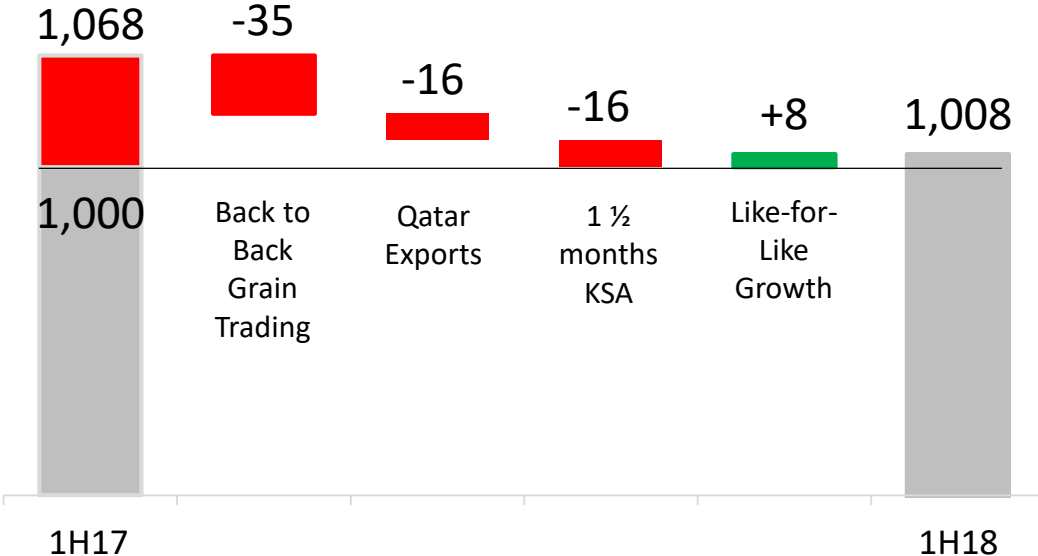
11 ¹ Excludes total AED 68 million from 1H17 net revenues pertaining to: 1) additional months of consolidation of the Delta Water acquisition 2) opportunistic back-to-back trading of grains 3) Qatar exports



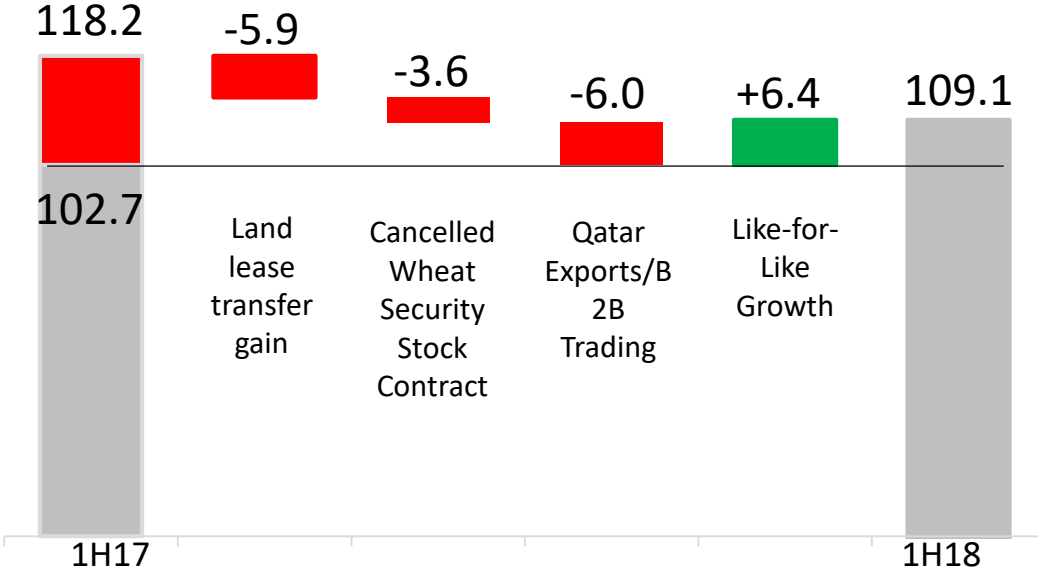
GROUP REVENUE & PROFIT

Reconciling items in growth

NET REVENUES | AED MILLIONS



NET PROFIT | AED MILLIONS



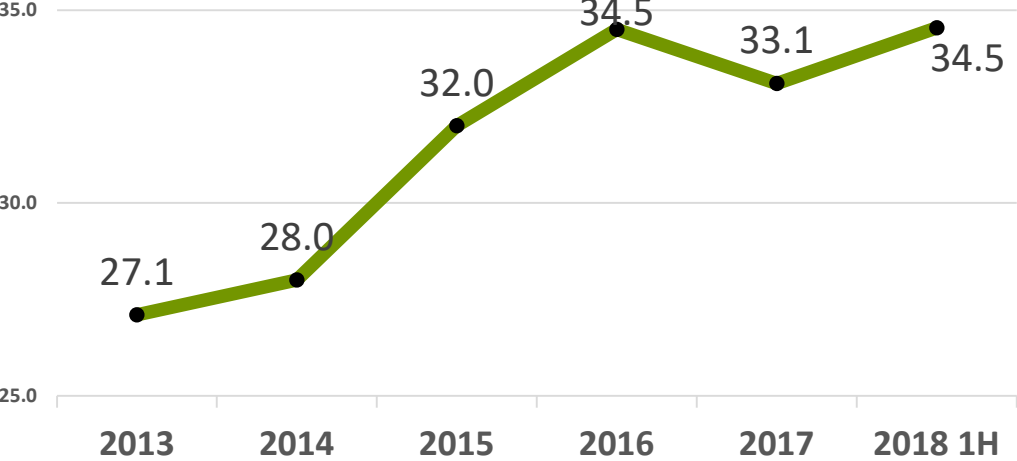
GROUP P&L

	2018 Actual	2017 Reported	Variance	2017 L4L	Variance
Revenue	1,008	1,068	-6%	1,000	1%
Gross profit	348	364	-4%	352	-1%
Operating expenses	239	250	-4%	252	-5%
Operating profit	109	115	-5%	100	9%
Financial expense/(income)	(0)	(4)	-92%	(4)	-92%
Net profit	109	118	-8%	103	6%

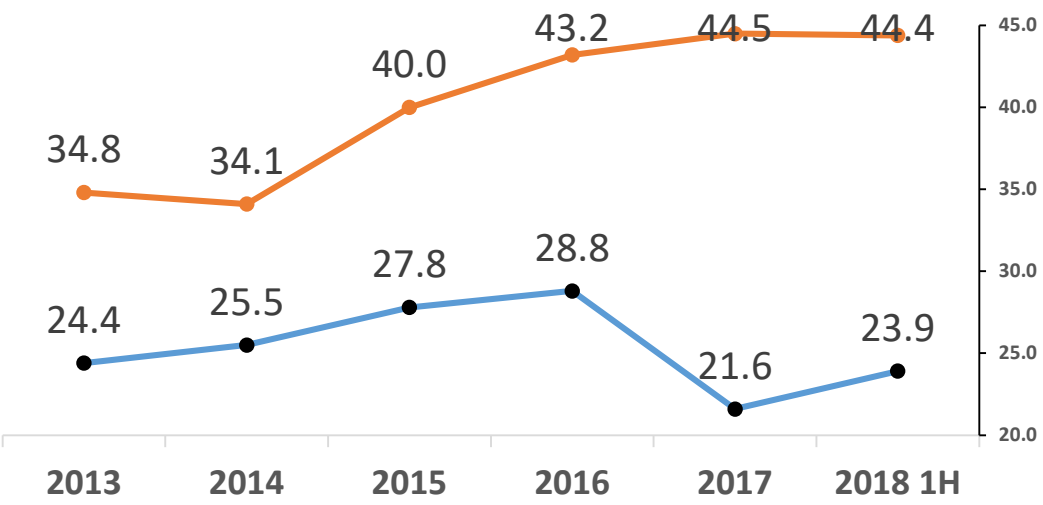


GROSS PROFIT MARGIN

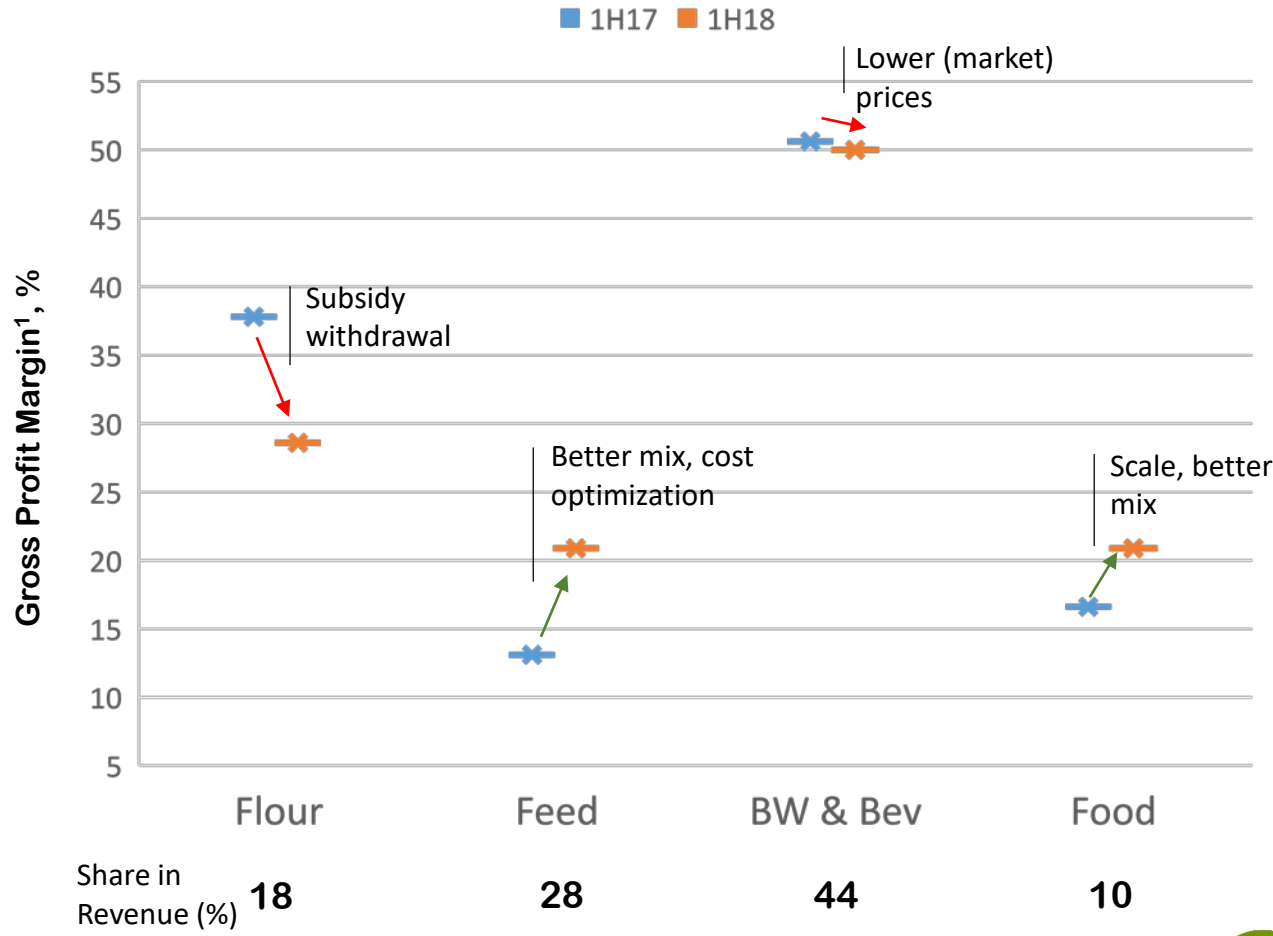
Group Gross Profit Margin, %



Division Gross Profit Margins¹, %



Segment Gross Profit Margins¹, %



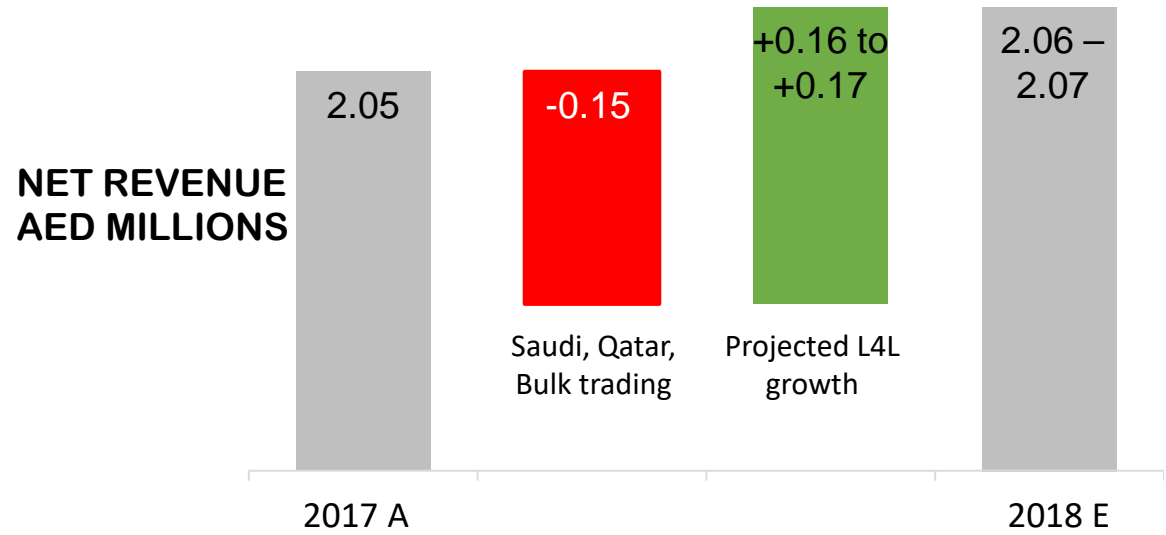
14 ¹ Before Head Office charges' allocation.



2018 GUIDELINE ESTIMATES

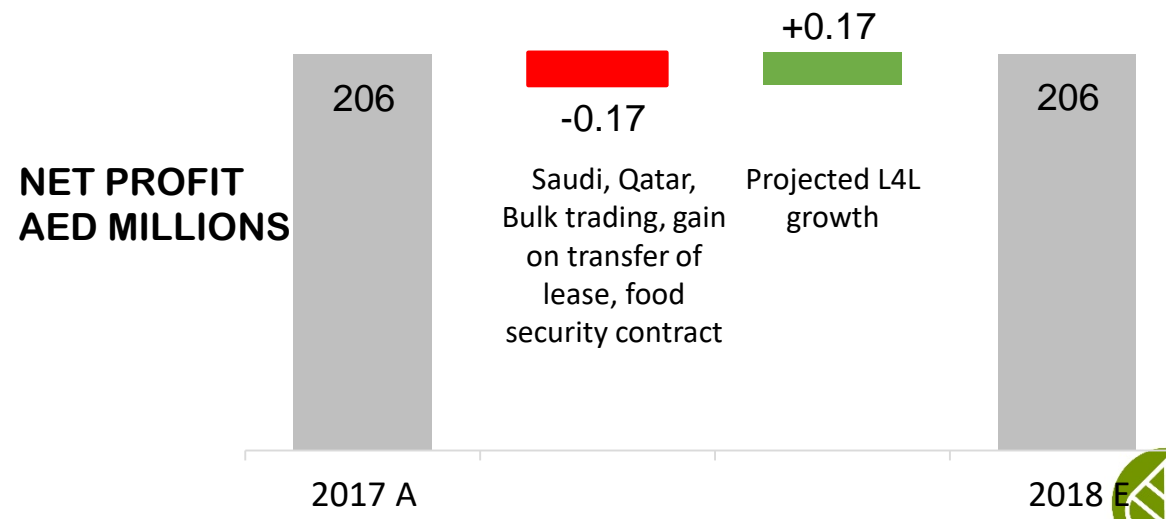
Strong like-for-like top line growth, flat bottom line

	GROUP (Vs. 2017)
Net Revenue (Base adjusted)	+ 0-1% + 7-9%
Net Profit (Base adjusted)	Flat + 8-9%



Segment Revenue Growth Guidelines

<p>Water & Bev's: (+) low single digit. Saudi (+) low single-digit over 12-month base.</p>	<p>Flour: Flat excluding trading in base. (-) mid single digit reported base.</p>	<p>Feed: (+) high single digit excluding trading in base. Flat reported base.</p>	<p>Food: (+) high teens</p>
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Q&A

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Abu Dhabi, 30 April 2018