



Analysts & Investors Call 2020 Results

9 March 2021



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FY 2020 | OPERATIONAL HIGHLIGHTS

☐ COVID-19: Agthia's Resilience and Agility

- Protect topline
- Ensure product availability
- Preserve safety of our employees

☐ BoD / Managerial changes: Diverse, Proficient and in support of our growth agenda

- Election of Khalifa Al Suwaidi as Chairman of Board of Directors, heading 6 new board members
- Appointment of new CEO and CFO
- Various managerial changes to the International Business- IB (Executive Vice President for IB, Finance Director for KSA & IB, Sales Director for KSA)
- New appointments as we introduce new divisions specialized in marketing (growth & categories) and mergers & acquisitions

☐ Strategic review of our books: One-time hit in Q3 necessary to improve earnings quality

- Positioning Agthia for long-term sustainable growth necessitated a deep-dive assessments of our receivables and inventory portfolios



FY 2020 | OPERATIONAL HIGHLIGHTS (CON'T)

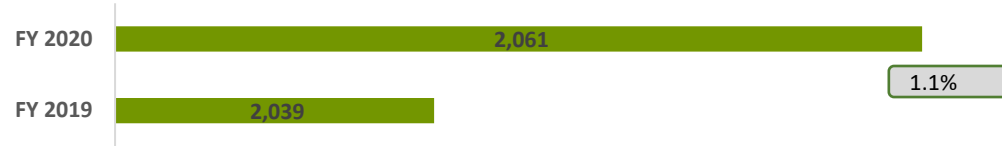
□ Delivering on our Growth Strategy: Expanding into new categories & markets

- **Acquiring Al Foah Company LLC**, the world's largest date processing and packaging company, to (i) diversify the breadth of our product offerings, (ii) enhance our competitive access to new markets and (iii) allow for cost and revenue synergies from integration of the combined platform enabling the expansion of footprint in value-added retail products and cross-market distribution
- **Acquiring Al Faysal Bakery & Sweets**, one of the prominent bakery players in Kuwait, to (i) upscale our operations in the Kuwaiti market, (ii) take advantage of distribution synergies and (iii) optimize costs through back-end integration
- Officially signing a UAE **distribution partnership agreement with VOSS** of Norway AS: As a premium lifestyle water brand, VOSS marks our long-term commitment to (i) excellence as we tap into the premium water segment and (ii) sustainability given it is 100 percent recyclable glass and High-Grade (BPA Free) plastic (PET) bottle
- In Q1 2021, we announced our plans to acquire a majority stake in **Nabil Foods**, one of the leading regional producers of frozen and chilled processed protein products. The transaction, once approved by shareholders and regulators, will (i) place Agthia at the forefront of a fast-growing industry, (ii) enable immediate access to new revenue streams via expanding product offerings and (ii) allow for cost and revenue synergies via footprint expansion in value-added retail products and cross-market distribution

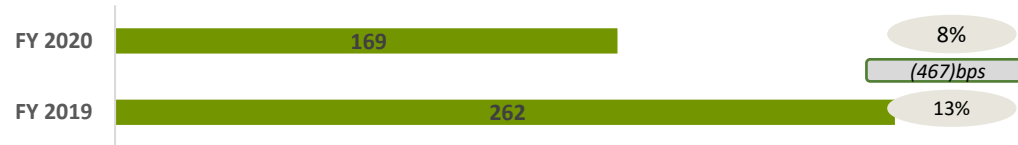


FY 2020 | FINANCIAL HIGHLIGHTS

Revenues (AED MN)



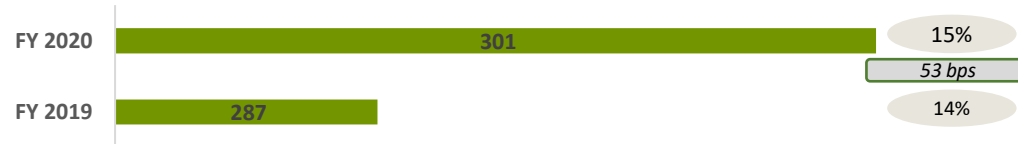
EBITDA (AED MN)



Net Profit (AED MN)



Operating Cash Flow (AED MN)



CAPEX (AED MN)



%sales

y/y

Revenues

- Sustainable leadership position across key categories
- Growth driven by continuous increase in 5-gallon, food categories and flour

Profitability

- Unfavourable sales mix
- Largely impacted by one-time provisions / impairments (KSA & other adjustments booked in Q3)

OCF / liquidity

- Robust liquidity position
- Focus on WC overhaul

CAPEX

- CAPEX spending lower versus last year on available capacity
- Mostly maintenance CAPEX



AGTHIA MARKET SHARES¹

Sustainable leadership across key categories

| Volume market share | MAT 2020 | Agthia's Current Rank |
|------------------------|----------|-----------------------|
| UAE- BW | 29.4% | 1 |
| KSA – Jeddah - BW | 9.0% | 4 |
| Kuwait - BW | 5.1% | 7 |
| Flour (B2C) | 30.2% | 2 |
| Feed | 41.0% | 1 |
| Capri Sun | 6.7% | 4 |
| Yoplait- Kids | 70.9% | 1 |
| Yoplait- Fruit | 13.5% | 2 |
| UAE-Tomato Paste | 29.1% | 1 |
| UAE- Frozen Vegetables | 10.9% | 2 |



GROUP SALES PERFORMANCE

Categories



- + 5-gallons HOD
- + Food
- + Agri
- Bottled Water
- Beverages

Geographies



- + UAE: 5 gallons, TP/FV, Trading items, Bakery & Flour
- + Egypt
- + Kuwait
- UAE: Bottled Water & Beverages
- KSA

Channels

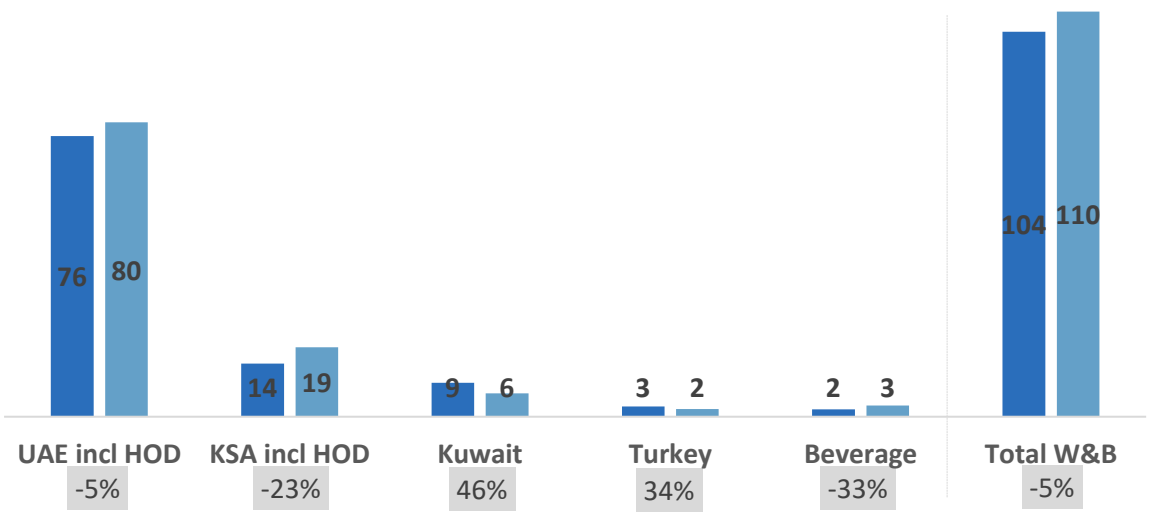


- + Retail (Modern & Traditional Trade)
- + E-commerce (+5x y/y)
- + CSD (Municipality)
- Retail (CVS)
- Food Service (HORECA)



WATER & BEVERAGE | GROWTH BY CATEGORY

Volume¹ by category (MN)



UAE - WATER

- **HOD:** higher demand from homes overcompensating drop in corporates channel
- **BW:** lower volume on restrained tourism and reduced demand from the food service channel

KSA

- Significant hit amidst lockdown restrictions, struggling food service channel, void religious tourism while reflecting on our adopted strategy of improving quality of credit sales

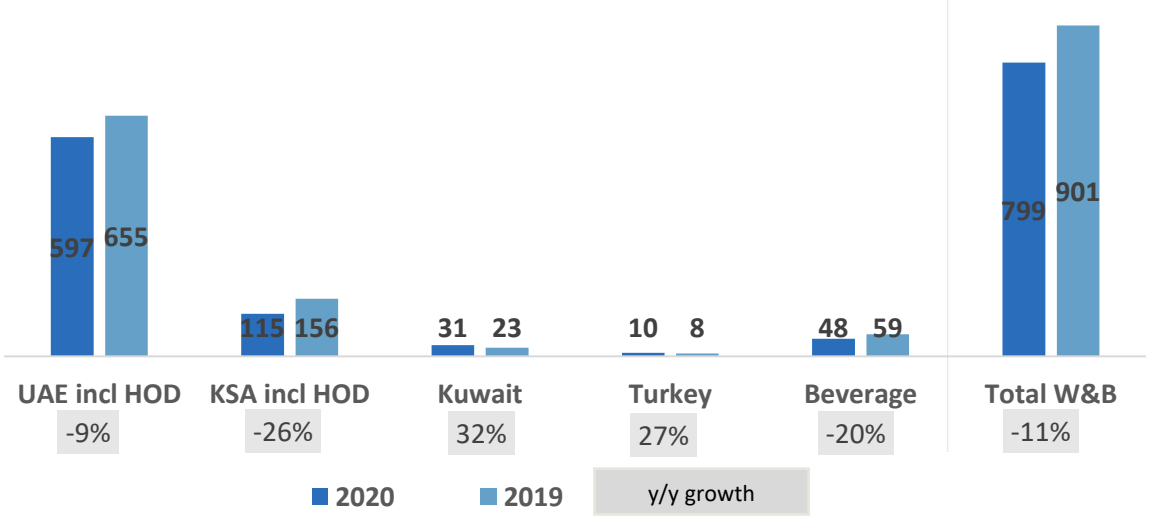
Kuwait

- Volumes up as we grow expanded our market share

Beverages

- Excise tax implementation impacting demand

Sales by category (AED MN)



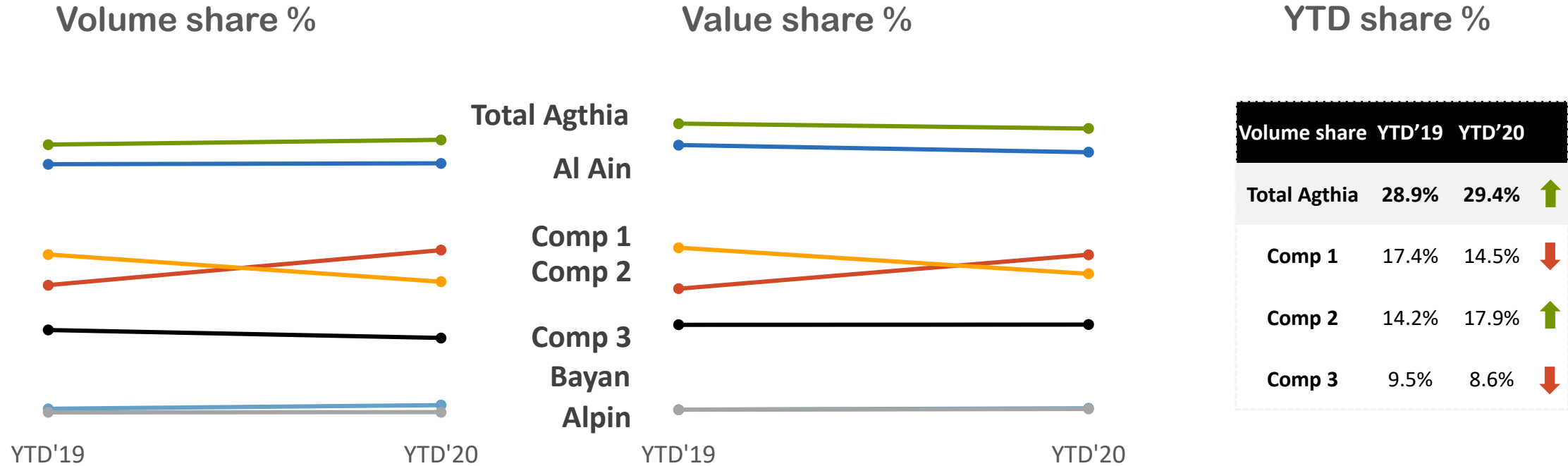
■ 2020 ■ 2019 ■ y/y growth

¹Volume in cases except for HOD in bottles



WATER | DIVE INTO UAE BOTTLED WATER

Retail channel analysis

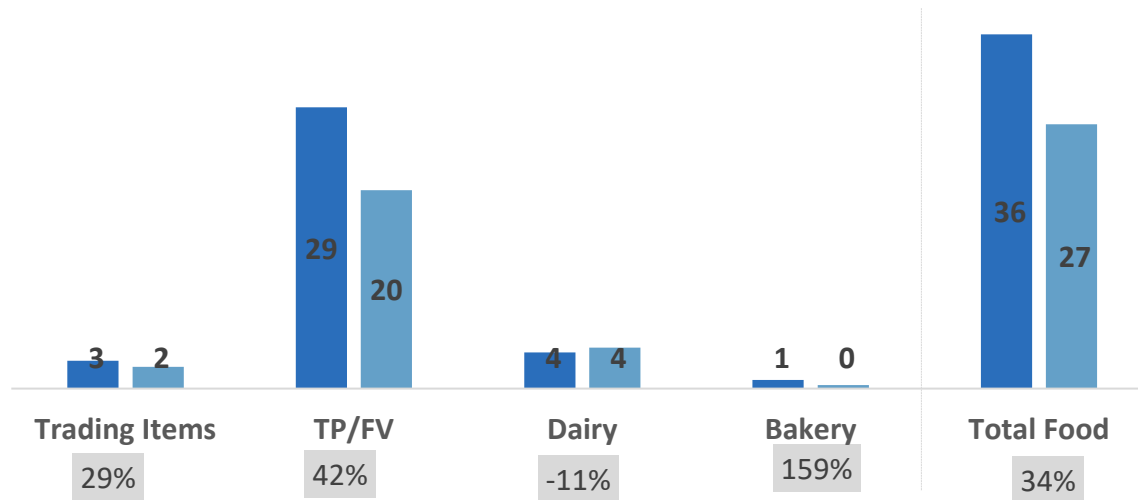


- **Defensive market share- total Agthia**, 29.4% volume and 26.2% value (YTD'20)
- **Al Ain Water** leadership position sustains at 27.0% volume and 24.1% value (YTD'20)
- Our water portfolio grew its volume market share by 49bps versus last year



FOOD | GROWTH BY CATEGORY

Volume¹ by category (MN)



Trading items (Community Support Division)

- Key driver of category sales on increased at-home consumption and e-commerce orders

Tomato Paste / Frozen Vegetables

- **Egypt:** boosted demand for consumer products
- **UAE:** increased at-home consumption + partnering with local authorities

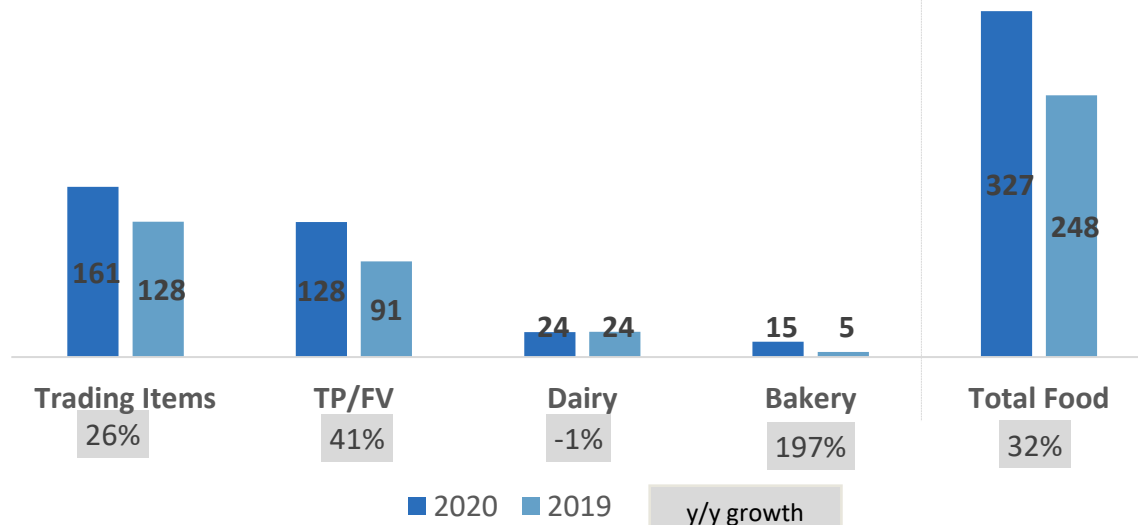
Dairy

- Sales impacted by closure of Eateries

Bakery

- Higher sales on partnership with local authorities

Sales by category (AED MN)



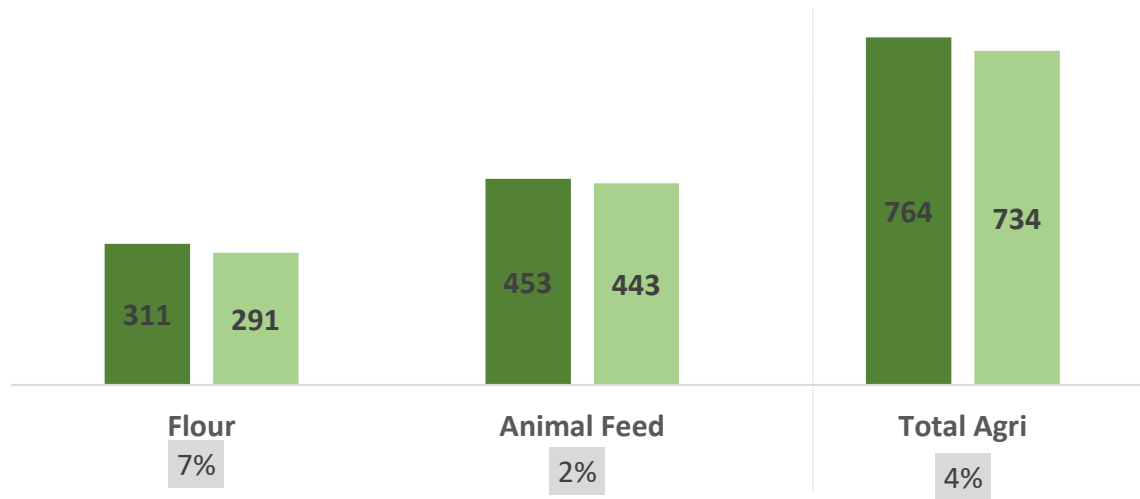
■ 2020 ■ 2019 ■ y/y growth

¹Volume in tons except for trading items in cases



AGRI | GROWTH BY CATEGORY

Volume¹ by category (MN)



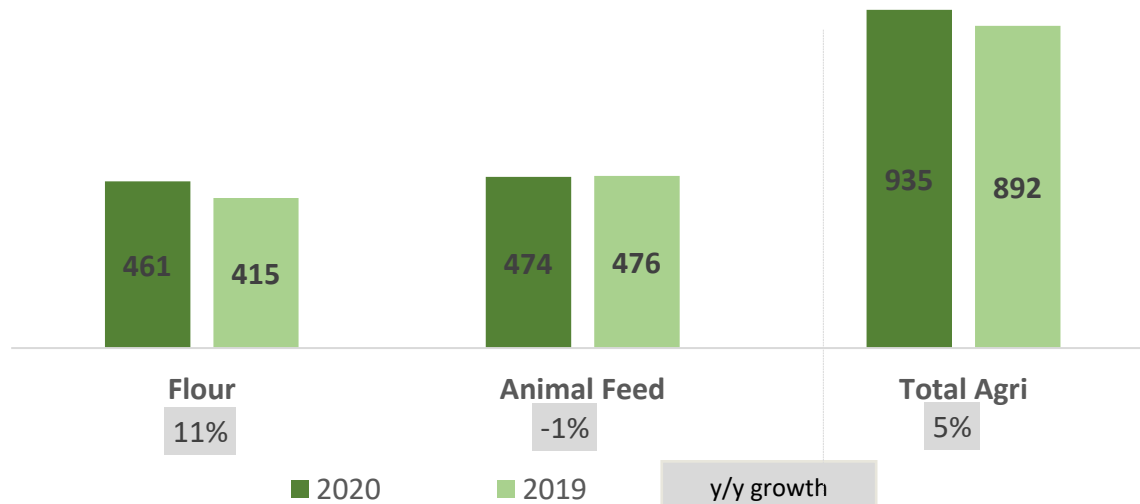
Flour

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

Animal Feed

- Flat sales despite drop in local demand amid new controls on subsidized channels

Sales by category (AED MN)



¹Volume in tons (including grains trading)





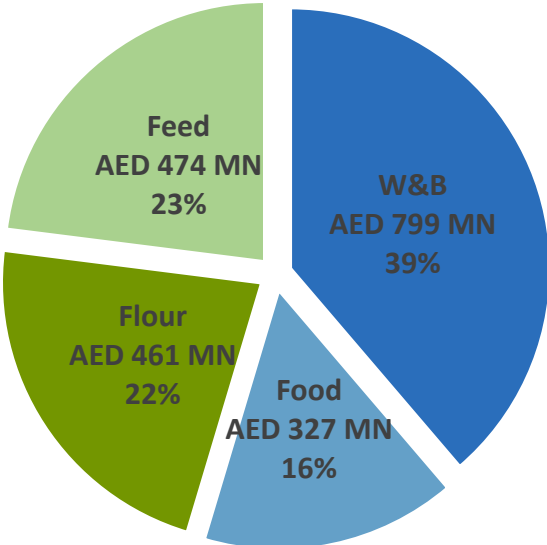
ملتزمون بحياة أكثر صحة
Committed to healthier living

Financial Performance

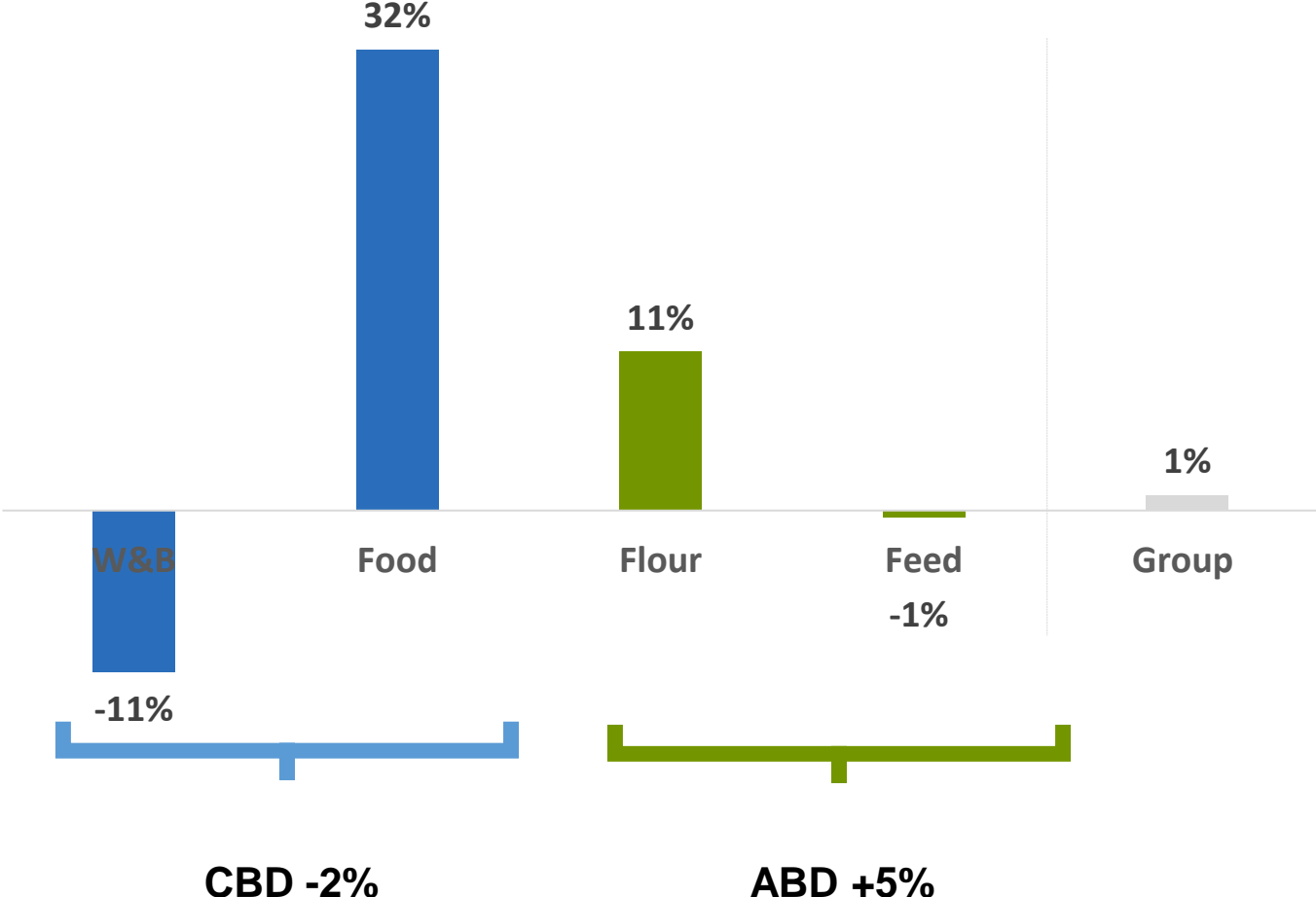


SEGMENTAL DIVISIONS

Group Revenues – AED 2.06 BN

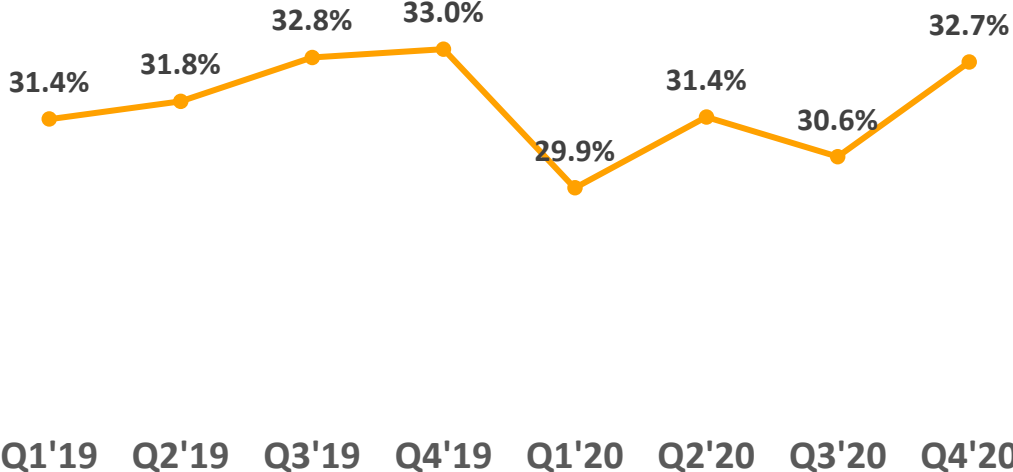


y/y growth by category



GROSS PROFIT MARGIN

Quarterly Gross Profit Margin %



Group GPM

- Enhanced overall group margins in Q4 2020 of 32.7% vs 29.9% in Q1 2020
- Q4 2020 margins consistent with last year Q4 2019

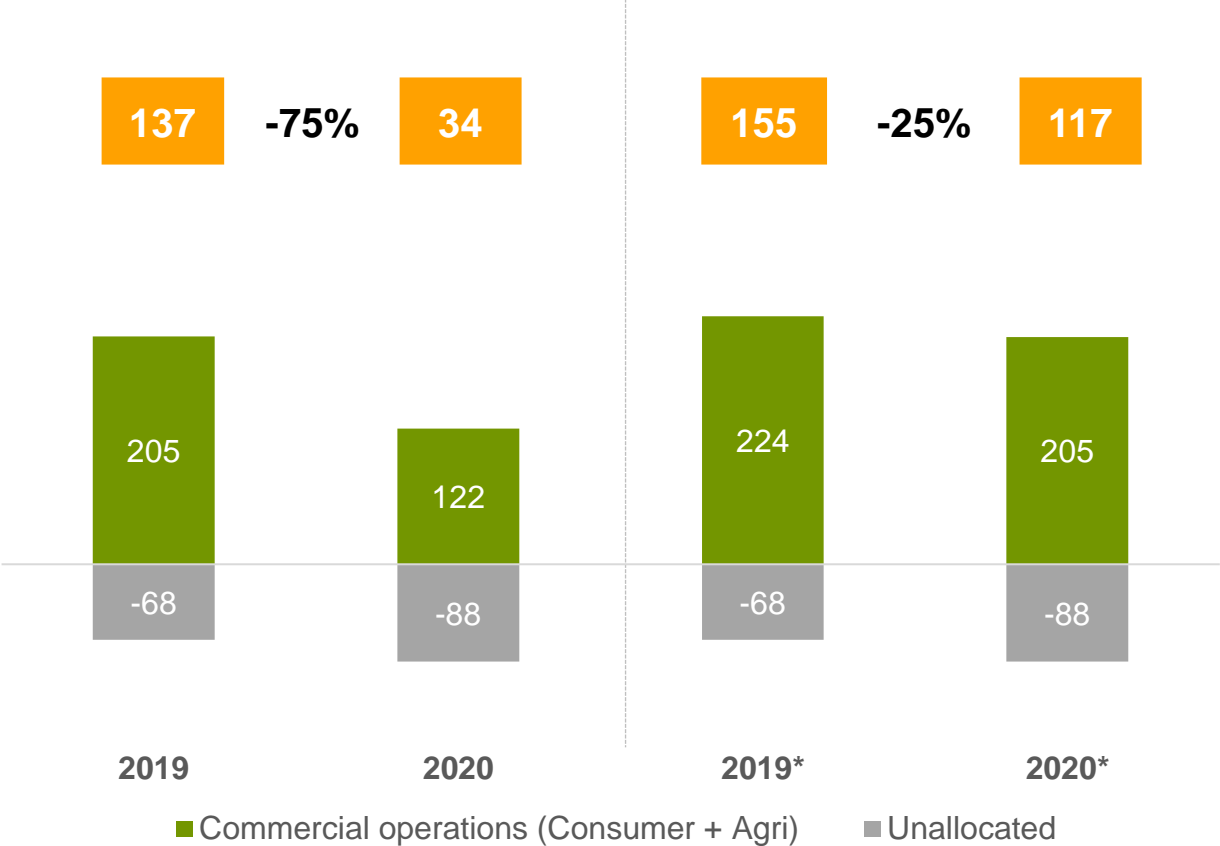
Drivers

- Operational efficiencies and cost optimization initiatives
- Improved water margin (up 79bps y-o-y) despite lower sales
- Compromised overall margins versus 2019 on unfavourable sales mix with higher contribution from the Food segment (29% of total consumer sales vs 22% in 2019)



GROUP NET PROFIT

Group net profits (AED M)



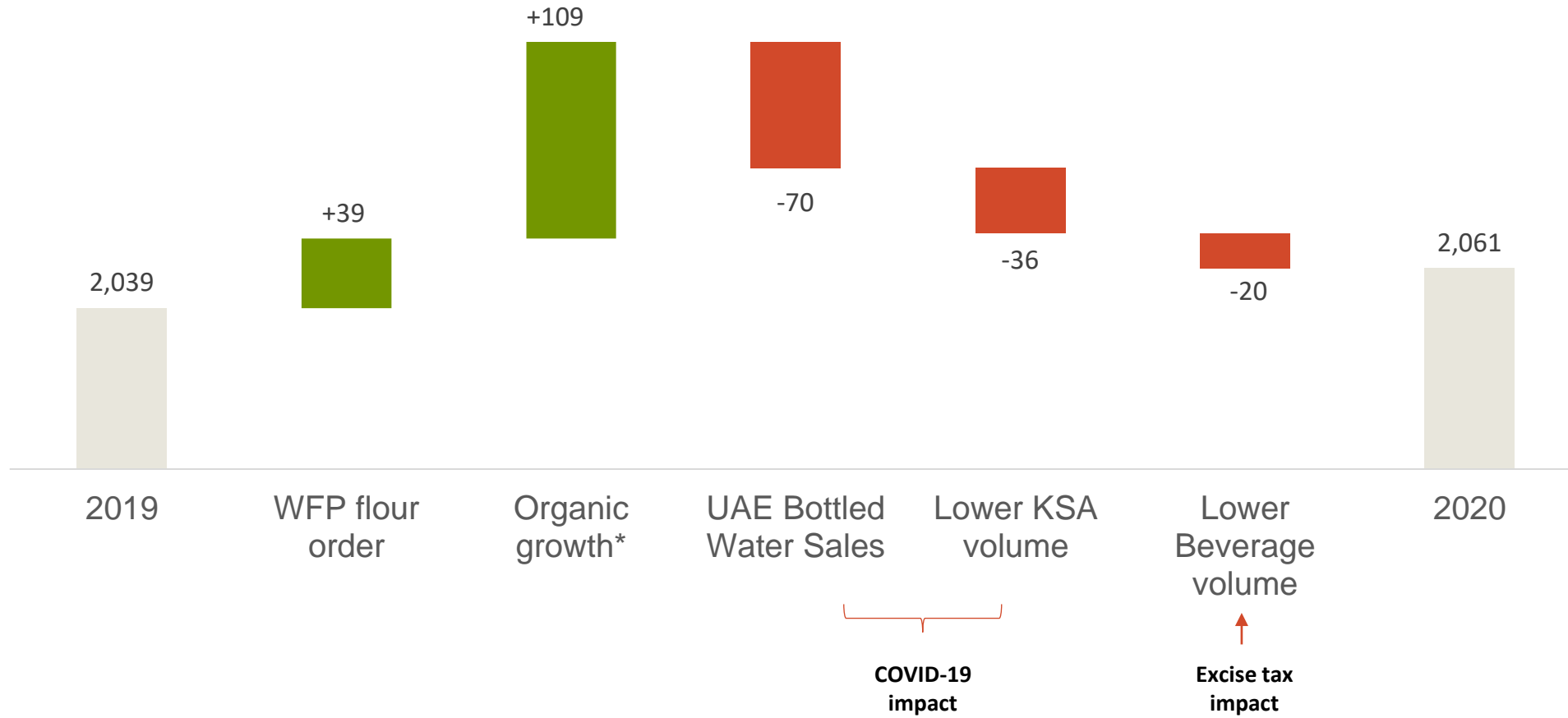
Excluding the one-offs, normalized group net profit would come in at AED 117 million, down 25% y/y in parallel with lower bottled water volume sales in UAE (food service) & KSA and beverages sales which were countered by cost optimization initiatives across board

*Excl one-offs: 2020 excluding Bad debt provisions and one-off impairments (CapriSun & CSD & inventory) & 2019 excluding Bad debt provisions and Turkey tax credit
 Unallocated = Head Office charges

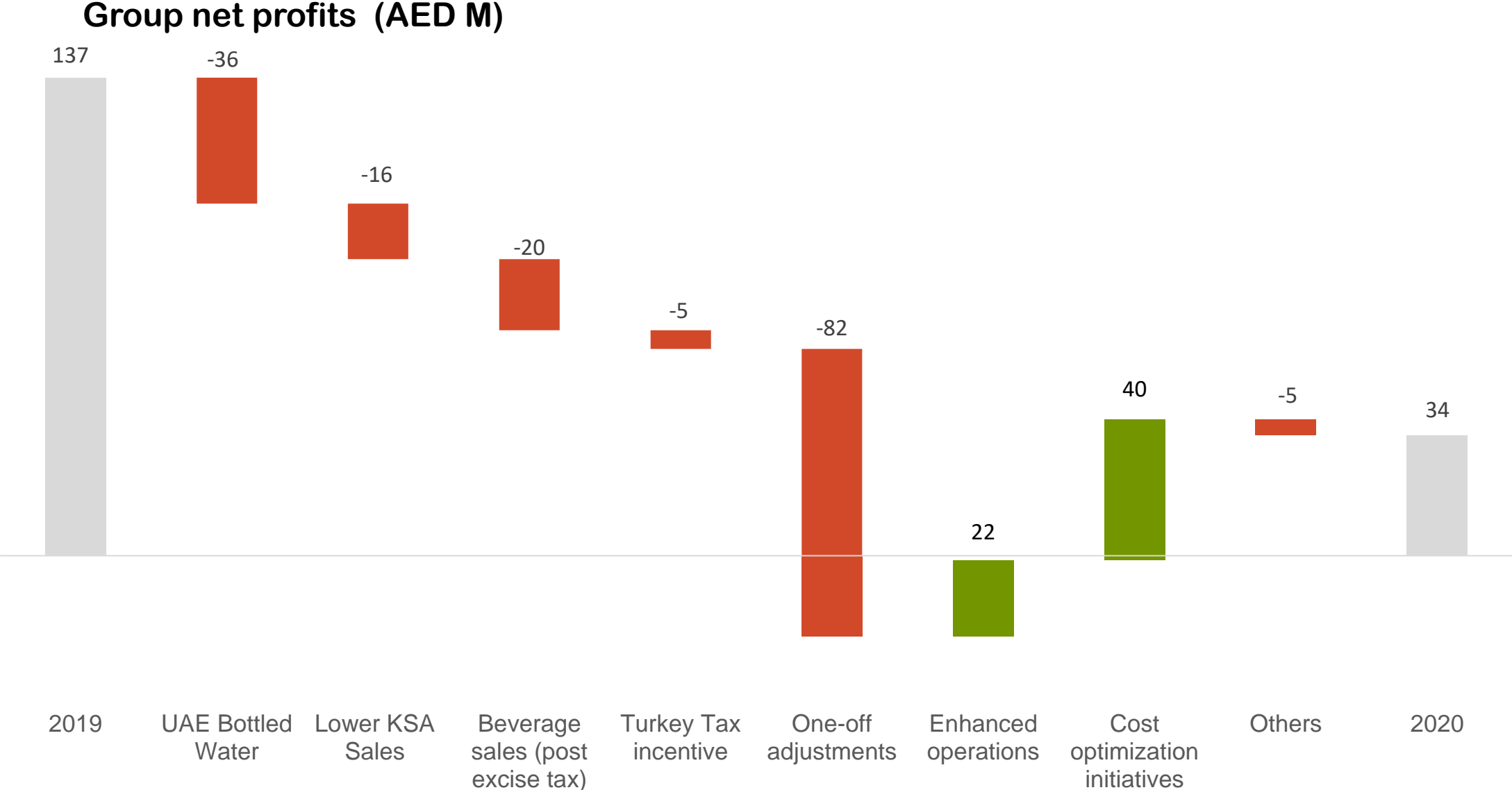


TOP LINE RECONCILIATION

Group revenues (AED M)

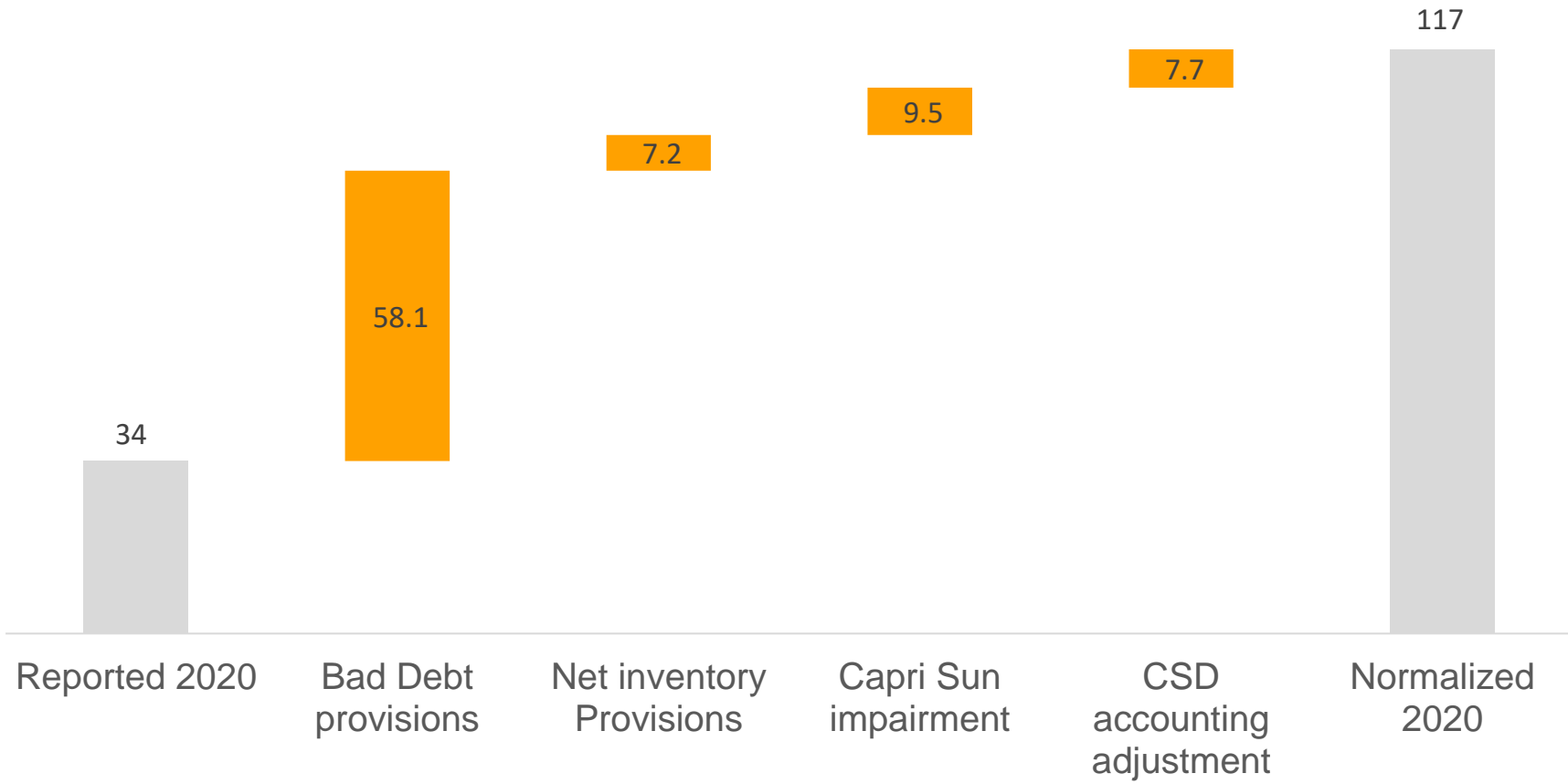


BOTTOM LINE RECONCILIATION



BOTTOM LINE NORMALIZATION

Normalized Group net profits (AED M)





Q&A

