



For The Better • من أجل الأفضل

Analysts & Investors Call

H1'21 Results

10 August 2021



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H1 2021 | OPERATIONAL HIGHLIGHTS

□ Delivering on our Strategy pillars:

Growth	Efficiency	Capability
<ul style="list-style-type: none">Expanded into value-add categories via the consolidation of 3 companies: Al Foah dates in UAE (Jan 1st), Al Faysal Bakery in Kuwait (Jan 27th) & Nabil Foods in Jordan (April 1st)	<ul style="list-style-type: none">Recognized AED 25 MN in cost savings (12.5% of 5-years target)	<ul style="list-style-type: none">Accelerated our transformation via establishing a dedicated office focused on effectively integrating our new businesses
<ul style="list-style-type: none">Shifted the portfolio mix towards consumer business division which now constitutes 65% of total revenues	<ul style="list-style-type: none">Commenced with the synergy extraction via integration in back-office services (IT, HR, treasury) and expansion in products offering	<ul style="list-style-type: none">Progressed in Revenue Growth Management (revitalization of our UAE water business in Q2)
<ul style="list-style-type: none">Announced new acquisition: Ismailia Investments (Atyab) in Egypt to compliment our entry into processed protein industry	<ul style="list-style-type: none">Discontinued the Capri-Sun business on recurring losses post excise tax	<ul style="list-style-type: none">Responded with agility to changing consumer behaviour and market dynamics via increasing our e-commerce / direct to consumer presence

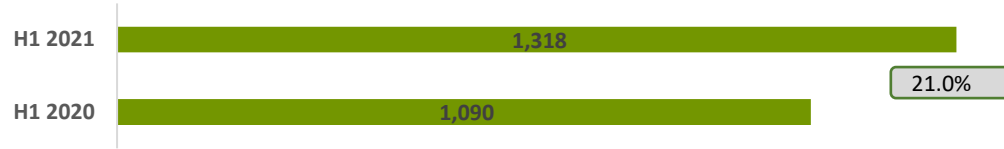
□ Semi-annual Dividends:

- In line with our interim dividend policy, the Board recommends 8.25 fils dividends for the first half of 2021, subject to shareholders and regulatory approvals

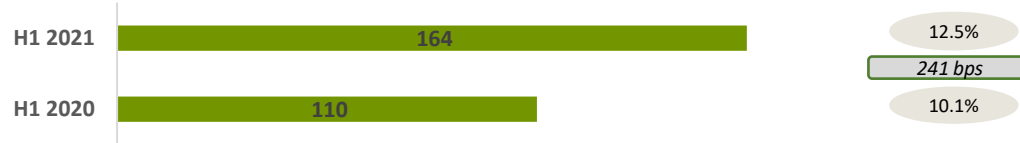


H1 2021 | FINANCIAL HIGHLIGHTS

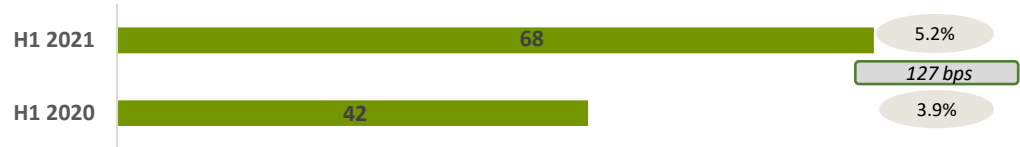
Revenues (AED MN)



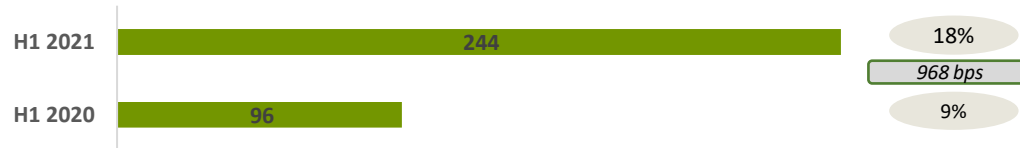
EBITDA (AED MN)



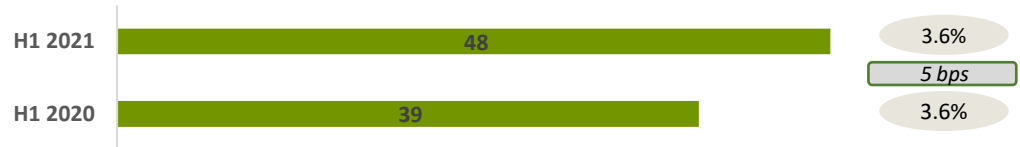
Net Profit (AED MN)



Operating Cash Flow (AED MN)



CAPEX (AED MN)



%sales

y/y

Revenues

- Sustainable leadership position across key categories
- Growth largely driven by the consolidation of Al Foah, Al Faysal & Nabil Foods

Profitability

- Jump supported by the consolidation of Al Foah, Al Faysal & Nabil
- Marginally impacted by higher grain costs and extra advisory fees borne to support our M&A strategy

OCF / liquidity

- Strong liquidity position
- Focus on WC overhaul with improved cash cycle

CAPEX

- Higher on the inclusion of CAPEX of new acquisitions
- Mostly maintenance CAPEX



GROUP SALES PERFORMANCE

Categories



- + 5-gallons HOD
- + Food
- + Int'l Bottled Water
- UAE Bottled Water
- Flour
- Beverages

Geographies



- + UAE: 5 gallons, Dairy
- + KSA
- + Kuwait
- + Turkey
- + Egypt
- UAE: Bottled Water & Beverages, Bakery, Flour

Channels

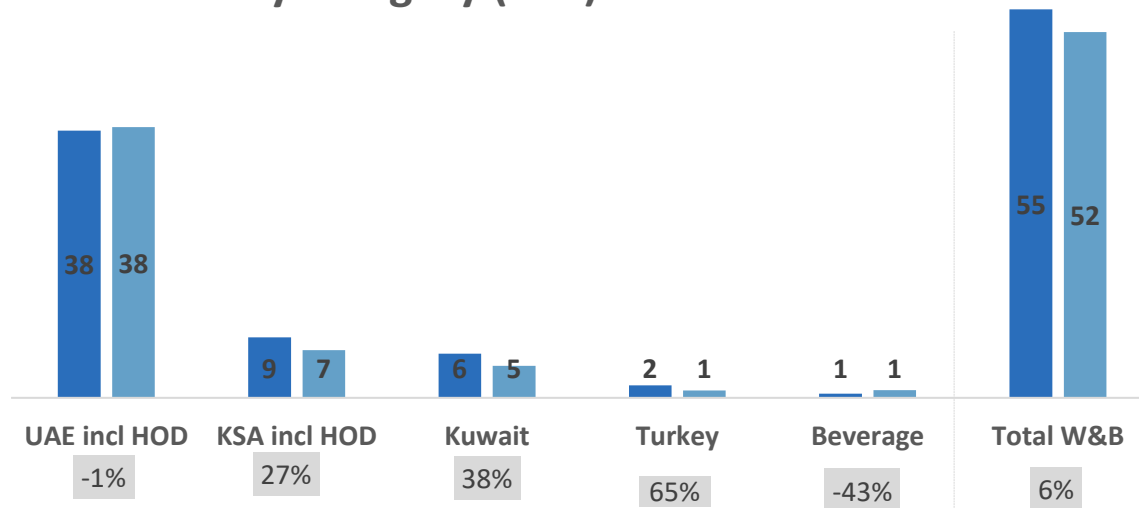


- + Food service (HORECA)
- + E-commerce
- Retail
- CSD (Municipality)



WATER & BEVERAGE | GROWTH BY CATEGORY

Volume¹ by category (MN)



UAE - WATER

- **HOD:** healthy growth on gaining new customers
- **BW:** lower volume impacted by lower sales in Q1 2021 which lagged a strong pre-COVID Q1 2020. In Q2 2021, higher sales versus Q2 2020 were driven by the recovery in the Food Service channel

KSA

- Jump in sales as we progressed in the turnaround of operations

Kuwait

- Volumes up as we continue growing our market share despite movement restrictions

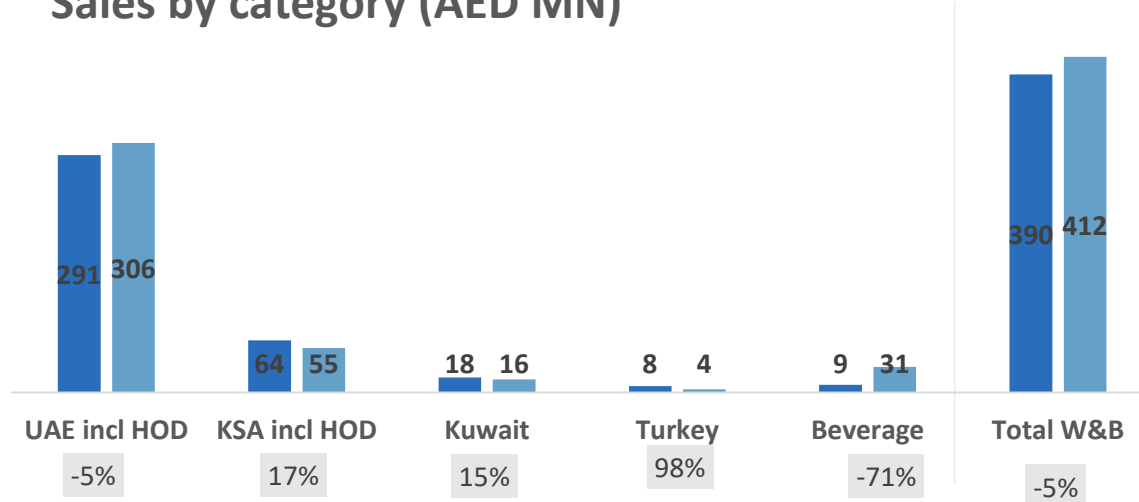
Turkey

- Robust growth backed by government's ease of restrictions and allowing social gatherings

Beverages

- H1 2021 sales exclude Capri-Sun post ending the license agreement

Sales by category (AED MN)



■ H1 2021 ■ H1 2020

y/y growth

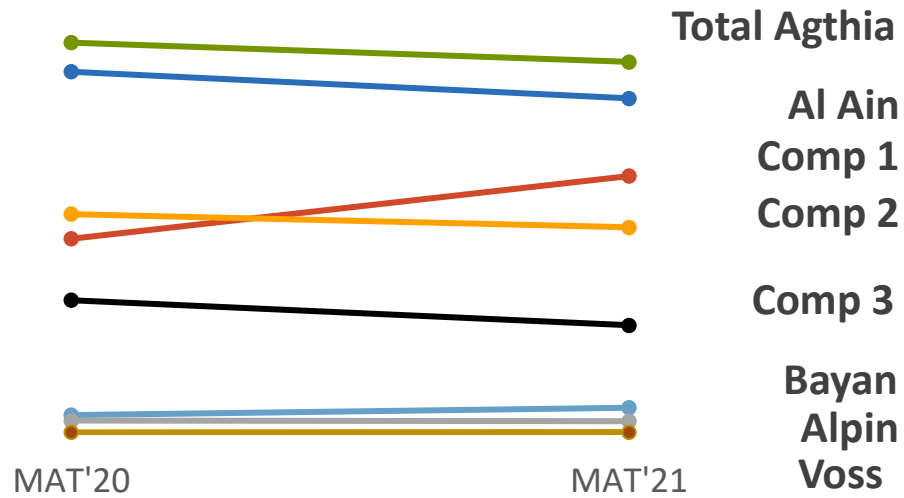
¹Volume in cases except for HOD in bottles



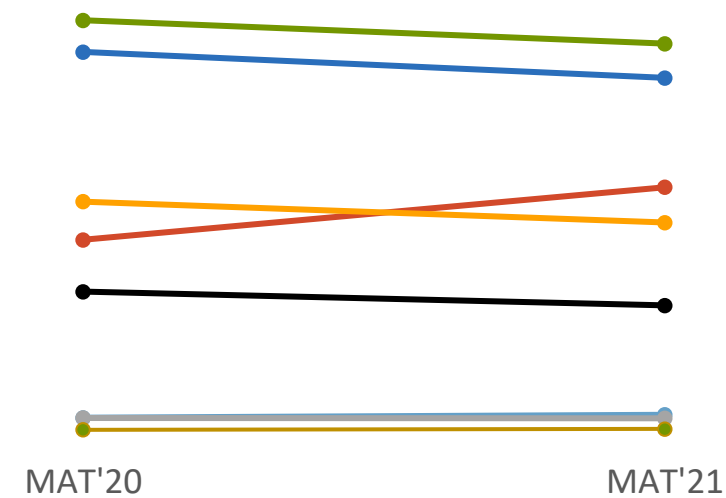
WATER | DIVE INTO UAE BOTTLED WATER

Retail channel analysis

Volume share %



Value share %

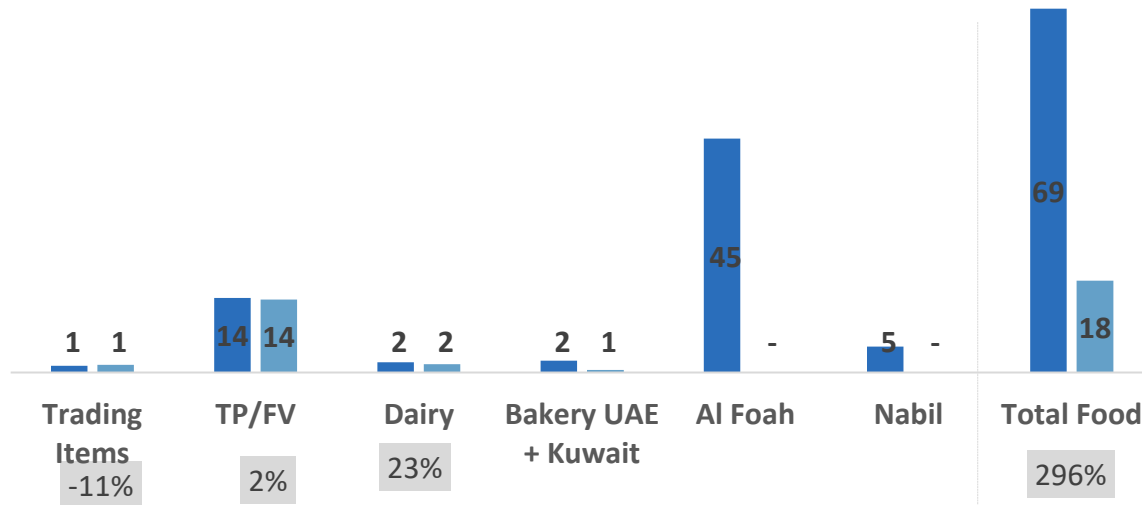


- **Defensive market share- total Agthia**, 27.4% volume and 24.7% value (MAT'21)
- **Al Ain Water** leadership position sustains at 24.7% volume and 22.5% value (MAT'21)

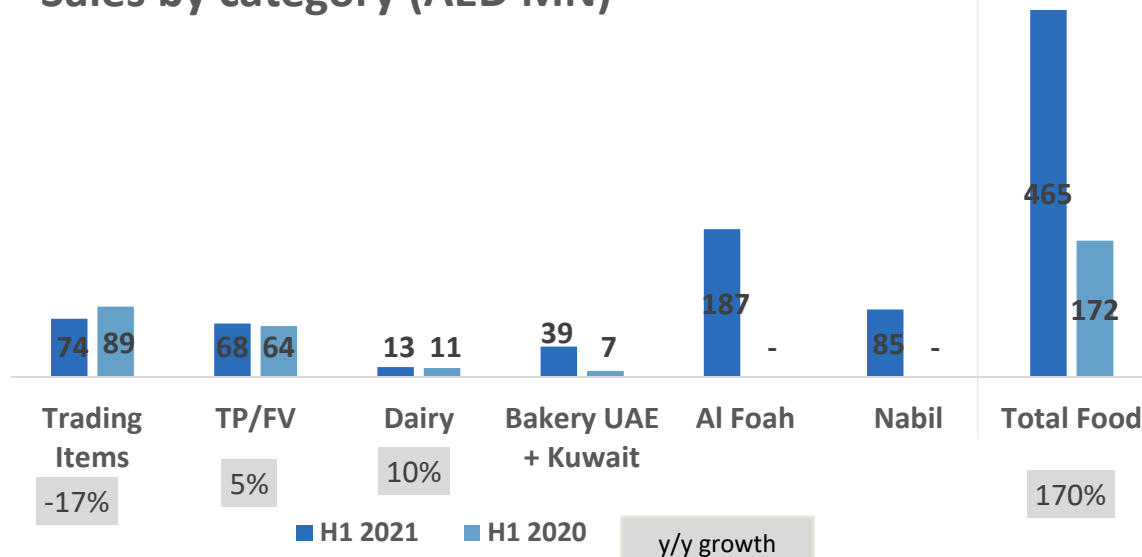


FOOD | GROWTH BY CATEGORY

Volume¹ by category (MN)



Sales by category (AED MN)



In H1 2021, we consolidated each of Al Foah, Al Faysal & Nabil Foods under the Food category.

Al Foah dates (Jan 1st 2021)

- Consolidation of Al Foah since Q1 2021 contributed AED 187mn to total Food segment top-line
- Impacted by Q2 seasonality and headwinds created by KSA oversupply

Nabil Foods (April 1st 2021)

- Consolidation of Nabil in Q2 2021 added AED 85mn to total Food segment top-line

Trading items (Community Support Division)

- Lower in comparison to consumer stocking last year

Tomato Paste / Frozen Vegetables

- Continued at-home consumption trend

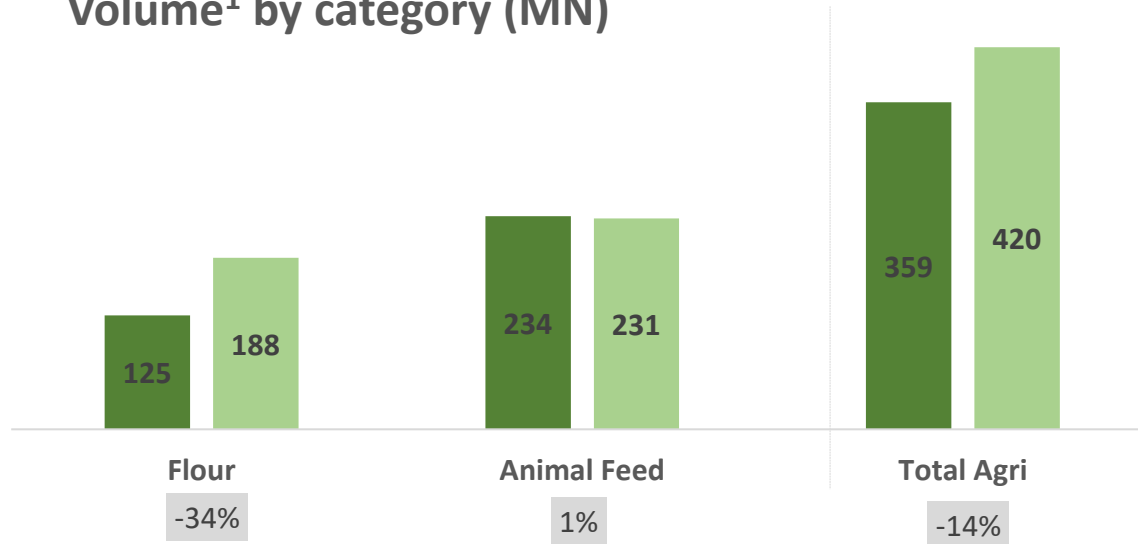
Bakery – including Al Faysal in Kuwait (Jan 27th 2021)

- Inclusion of Al Faysal Bakery post consolidation since Q1 2021
- Impacted by movement restrictions and closure of restaurants in Kuwait



AGRI | GROWTH BY CATEGORY

Volume¹ by category (MN)



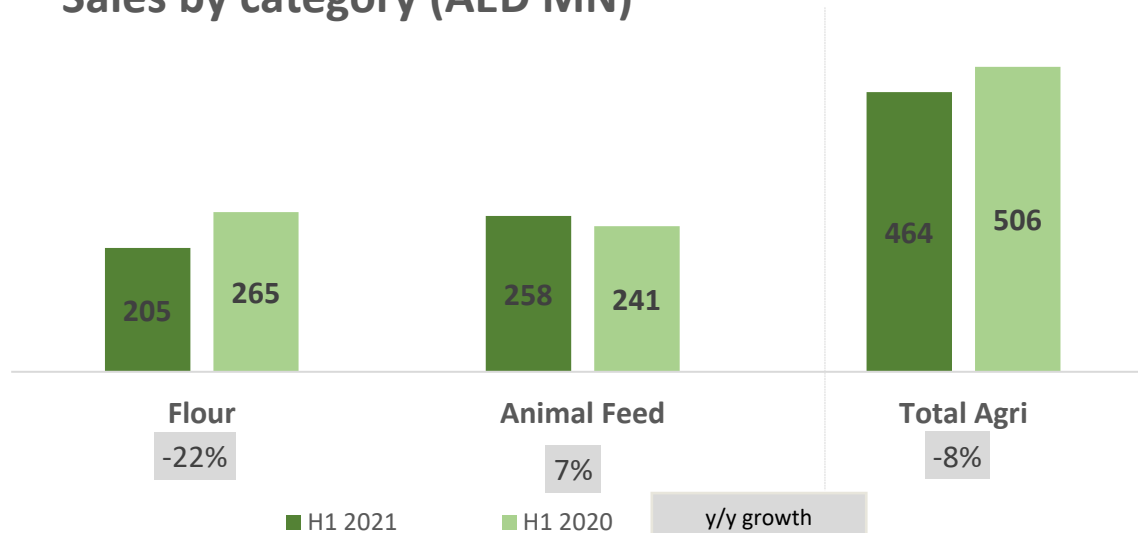
Flour

- Lagging last year sales which was driven by a one-time World Food Program order and wheat trading
- UAE domestic market sales in line with last year

Animal Feed

- Higher non-subsidized sales overcompensating for lower subsidized volume
- Lower profitability (-36% y/y) on the back of the upsurge in global grain prices

Sales by category (AED MN)



■ H1 2021

■ H1 2020

■ y/y growth



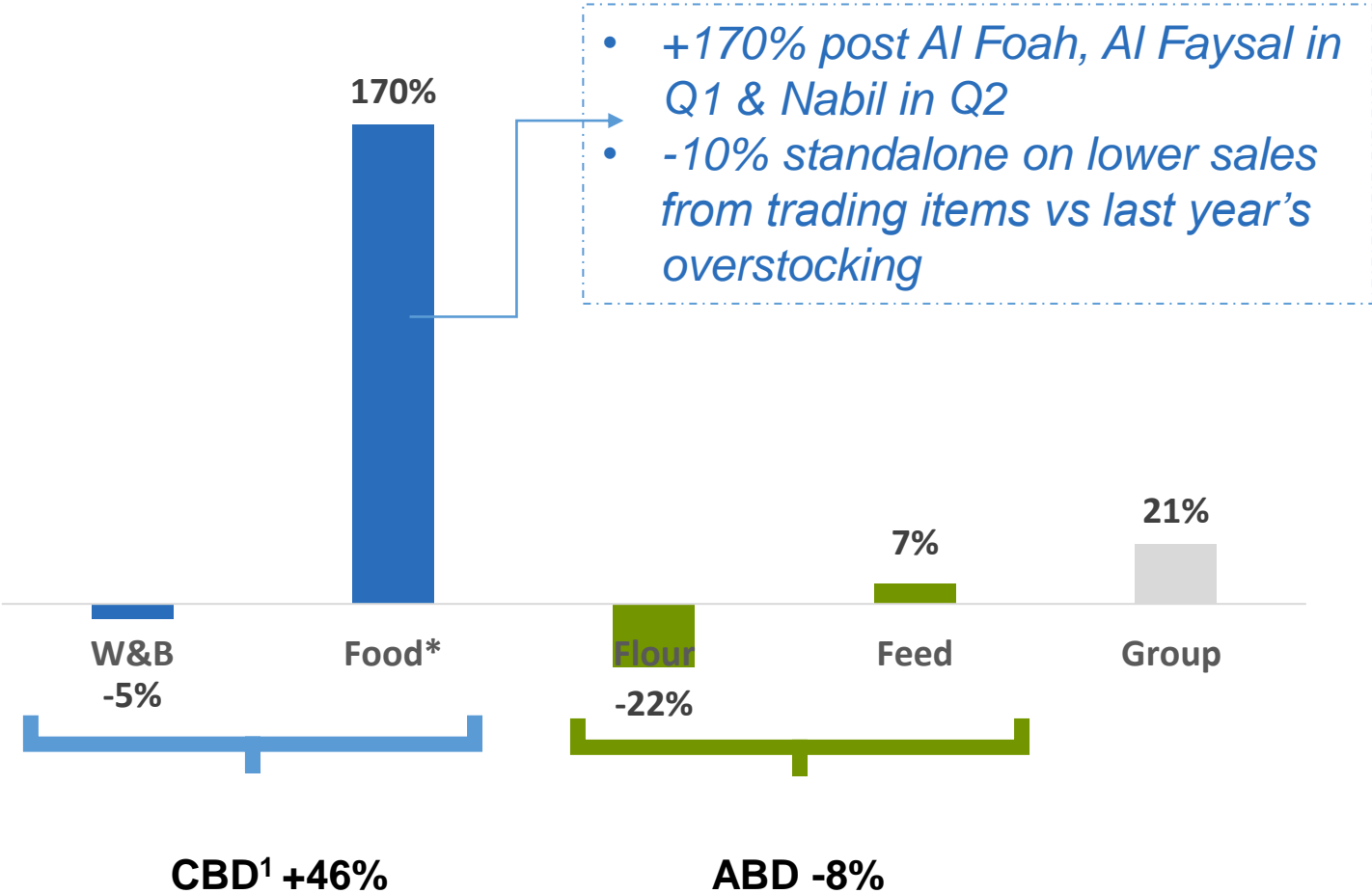
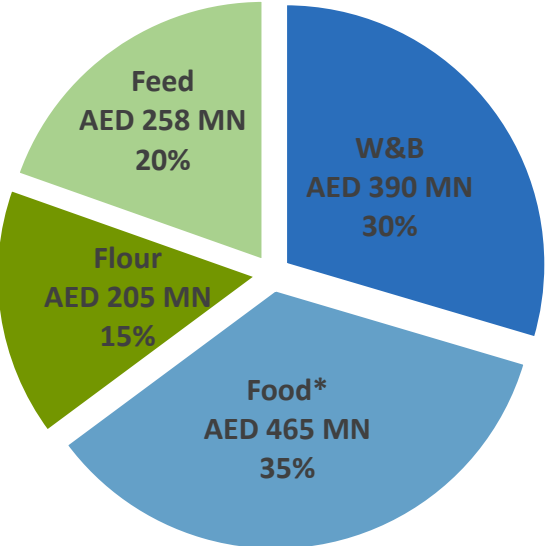


Financial Performance

SEGMENTAL DIVISIONS

H1 2021 Revenues¹ – AED 1.32 BN

y/y growth by category

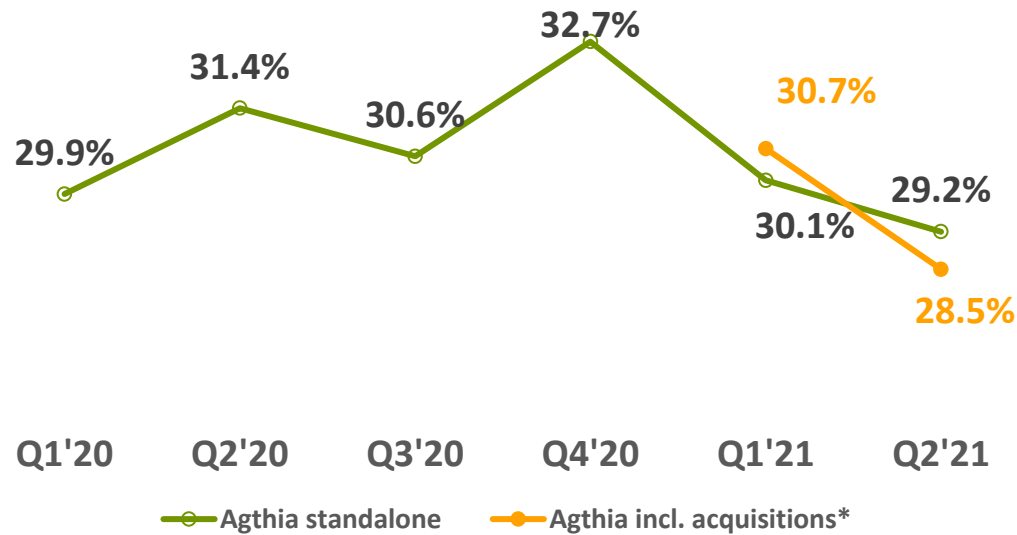


¹Post consolidation of Al Foah & Al Faysal Bakery in Q1 2021 and Nabil Foods in Q2 2021 – all included under Food segment



GROSS PROFIT MARGIN

Quarterly Gross Profit Margin %



Year on Year GPM:

- Lower overall group margins in Q2 2021 of 28.5% vs 31.4% in Q2 2020 on higher grain costs impacting agri GPM and higher contribution from the Food segment (53% of total consumer sales vs 32% in Q2 2020)

Mitigations

- Operational efficiencies and cost optimization initiatives
- Improved water & beverage category margin (up 54bps y-o-y) driven by 5-gallon and international water businesses (KSA, Kuwait & Turkey)
- Significant uplift in food category margin (up 300bps y-o-y) post consolidation of Al Foah, Al Faysal and Nabil businesses

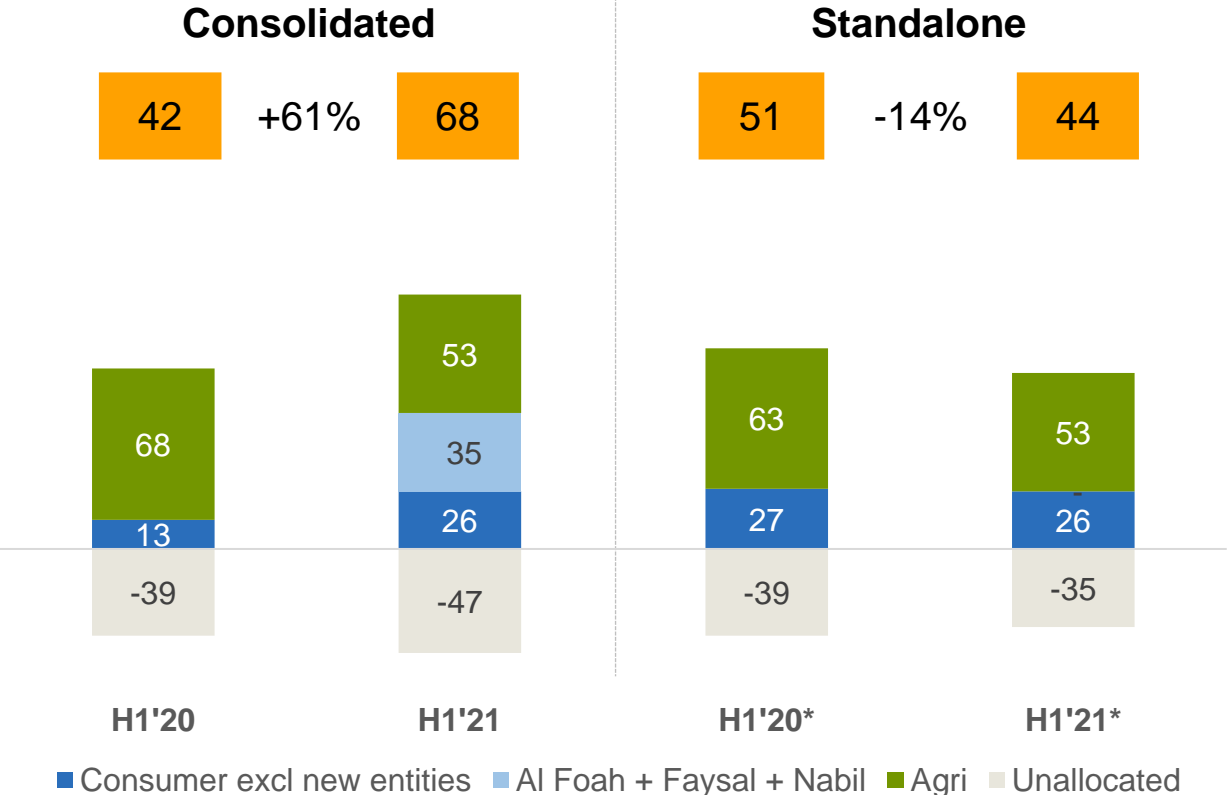
Quarter on Quarter GPM:

- Lower margins versus Q1 2021 on higher grain costs and seasonality impact on Al Foah volumes and profitability



GROUP NET PROFIT

Group net profits (AED MN)



Group net profit in H1 prevailed at ~AED 68 million, recording 61 percent y-o-y growth. The jump versus last year was supported by the consolidation of AI Foah, AI Faysal Bakery and Nabil Foods, collectively adding AED 35.4 million to the bottom-line more than offsetting higher grain costs and extra advisory fees borne to support our M&A strategy.

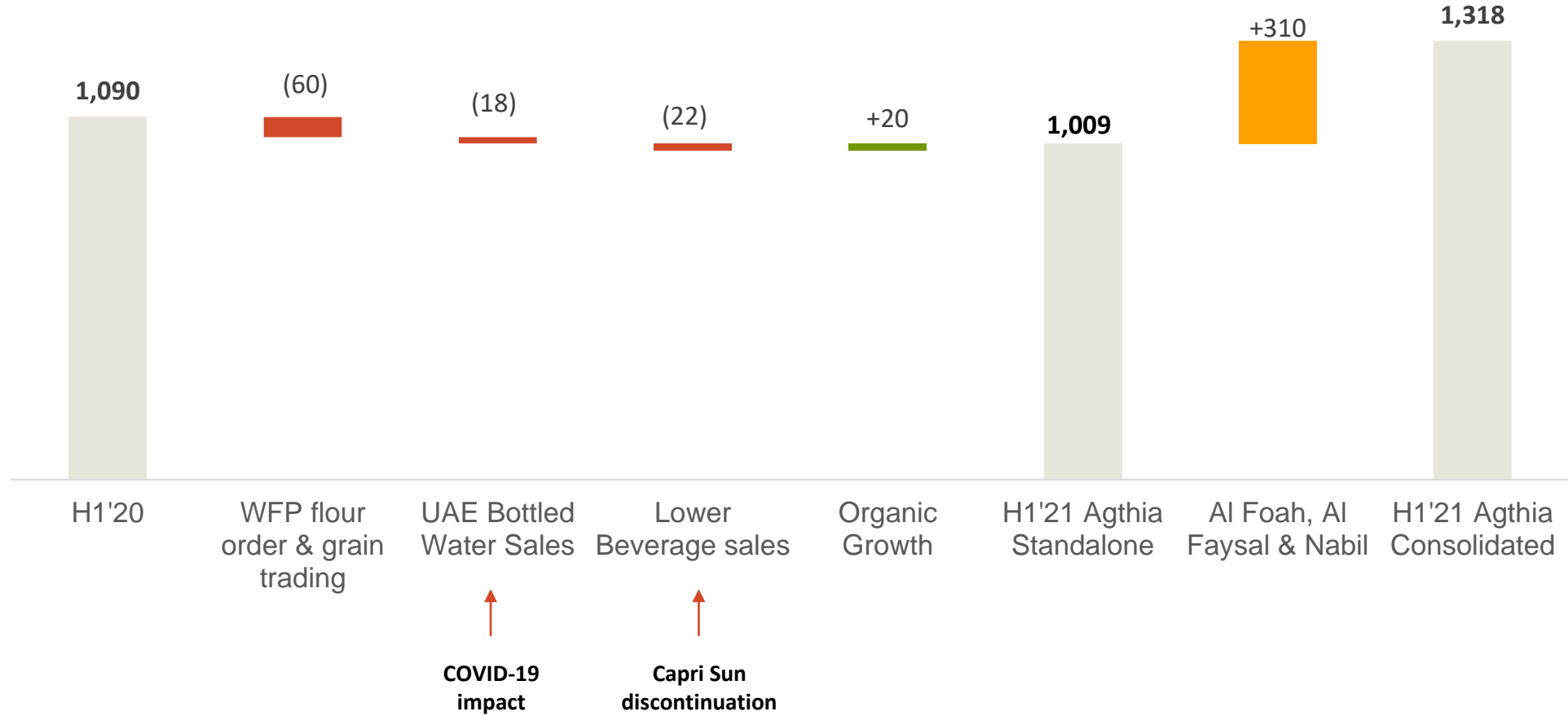
On a like-for-like basis, H1 2021 net profit of Agthia standalone was lower versus last year on higher grain costs and lower wheat trading

**2021 excluding acquisitions and associated advisory costs (AI Foah, AI Faysal & 80% Nabil), 2020 excluding WFP related profits and Bad debt provisions
Unallocated = Head Office charges*



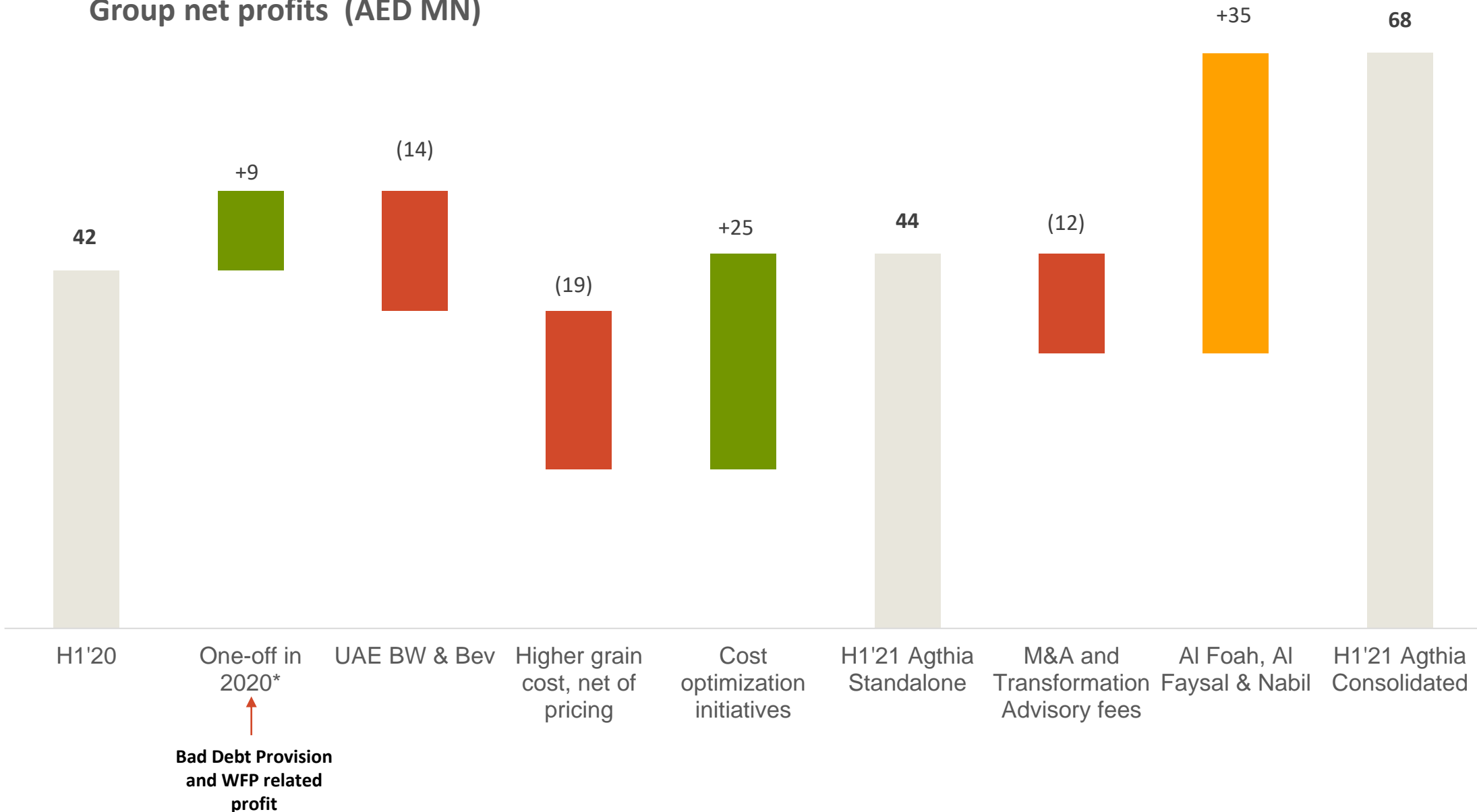
TOP LINE RECONCILIATION

Group revenues (AED MN)



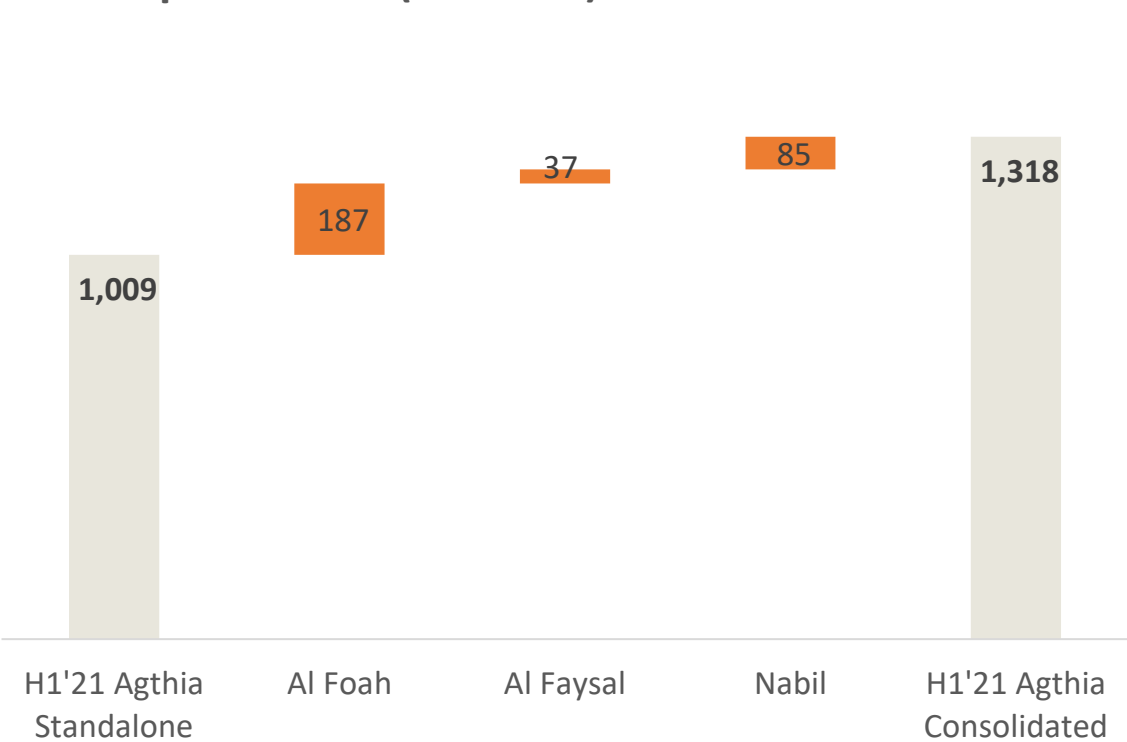
BOTTOM LINE RECONCILIATION

Group net profits (AED MN)

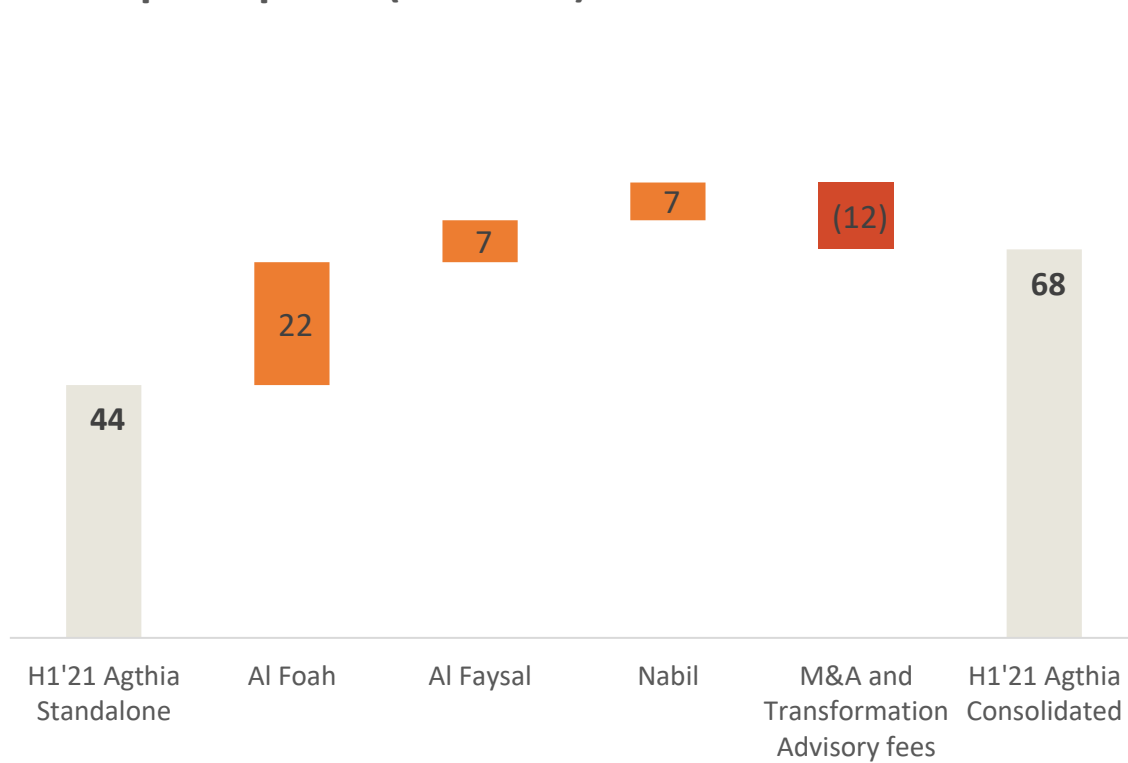


INORGANIC GROWTH

Group revenues (AED MN)



Group net profit (AED MN)



¹Post consolidation of Al Foah on Jan 1 2021, Al Faysal Bakery on Jan 27 2021 and Nabil Foods on April 1 2021
²80% of Nabil net profit



ROBUST BALANCE SHEET

CASH & BANK BALANCES	BORROWINGS	NET CASH POSITION	NET DEBT / TTM EBITDA
AED 917 MN	AED 831 MN	AED 86 MN	(0.4) x
<i>+18% vs. FY 2020</i>	<i>+55% vs. FY 2020</i>		

- Balance sheet remains robust with a net cash position even post the acquisitions of 3 new entities
- Higher borrowings versus last year mainly from raising new debt to fund Al Faysal and Nabil acquisitions





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Investor Relations Department

August 2021