



Earnings Presentation

January 2023



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Key Highlights

- ▶ SADAFCO's sales were SAR 654 Mln for Q3'2022/23, an increase of 25.8% vs same quarter last year
- ▶ Milk, Ice Cream and Tomato Products saw a healthy growth in sales of 37.3%, 19.4% & 19.2% respectively vs same quarter last year
- ▶ Gross Profit for the quarter was up by more than 22.4% resulting in a Gross Margin of 30.0%
- ▶ Net Profit rose by 43.5% vs same quarter last year resulting in a significantly higher net profit margin of 12.0% vs 10.5% in the same quarter last year
- ▶ Market Share (MAT) for Nov'22 of Plain UHT Milk, Ice Cream and Tomato Paste expanded by 2.1, 1.7 and 0.9 percentage points respectively on a YoY basis (in November we achieved the highest market share of 31.2% in Ice Cream)

New Product Launches



**Saudia Vanilla Flavoured Milk
(200ml & 125ml)**

¹ Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

² Tomato Products include Tomato Paste and Ketchup

Recent Developments



SADAFCO has signed a strategic agreement on the Future of Industrial Strategies Initiative with Distinguished Initiatives Association in Social Responsibility to encourage students to work in the industrial fields

Business Highlights

Financial Highlights- SADAFCO

Sales

25.8%
YoY

Q3'2022/23:
SAR 654Mln

Q3'2021/22:
SAR 520Mln

Net Profit

43.5%
YoY

Q3'2022/23:
SAR 78Mln

Q3'2021/22:
SAR 55Mln

Total Assets

6.4%
YoY

Q3'2022/23:
SAR 2,451Mln

Q3'2021/22:
SAR 2,304Mln

SADAFCO's Market Share*



UHT Milk
61.5%



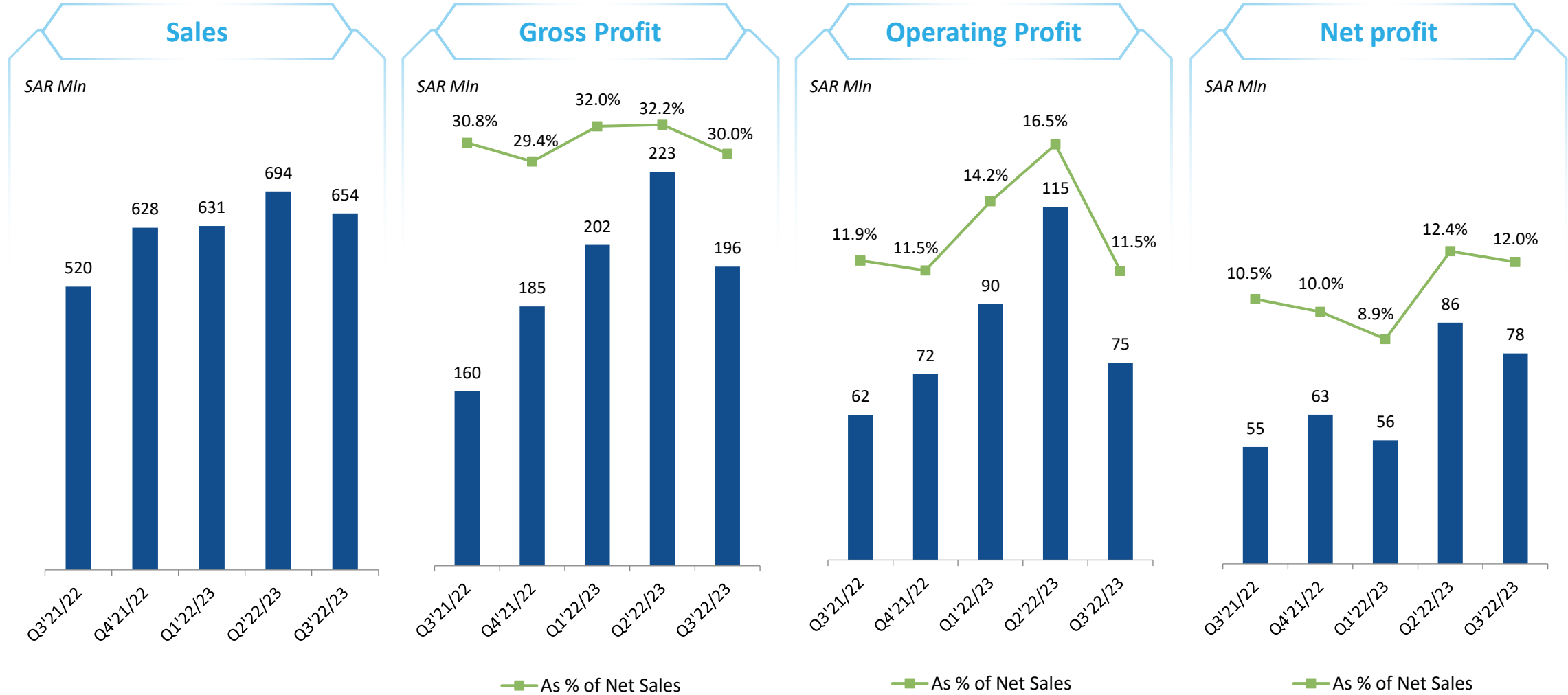
Tomato Paste
53.9%



Ice Cream
29.5%

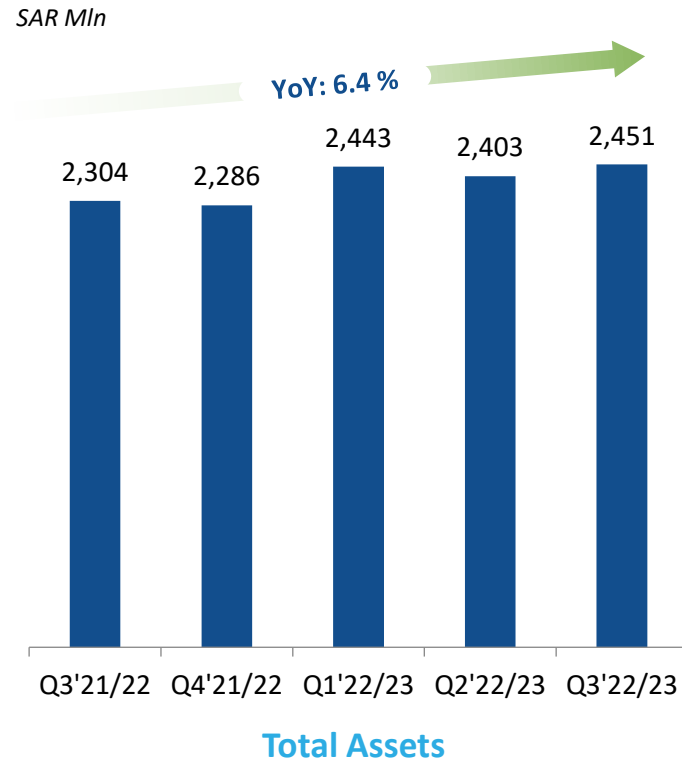
*MAT as of November' 22 (Source: Nielsen Retail Audit)

Sales & Profitability

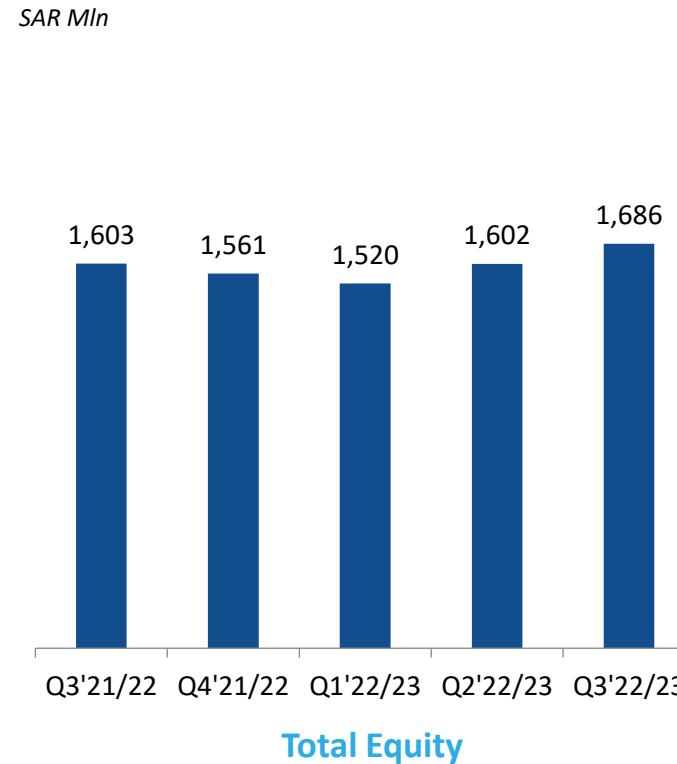


Balance Sheet

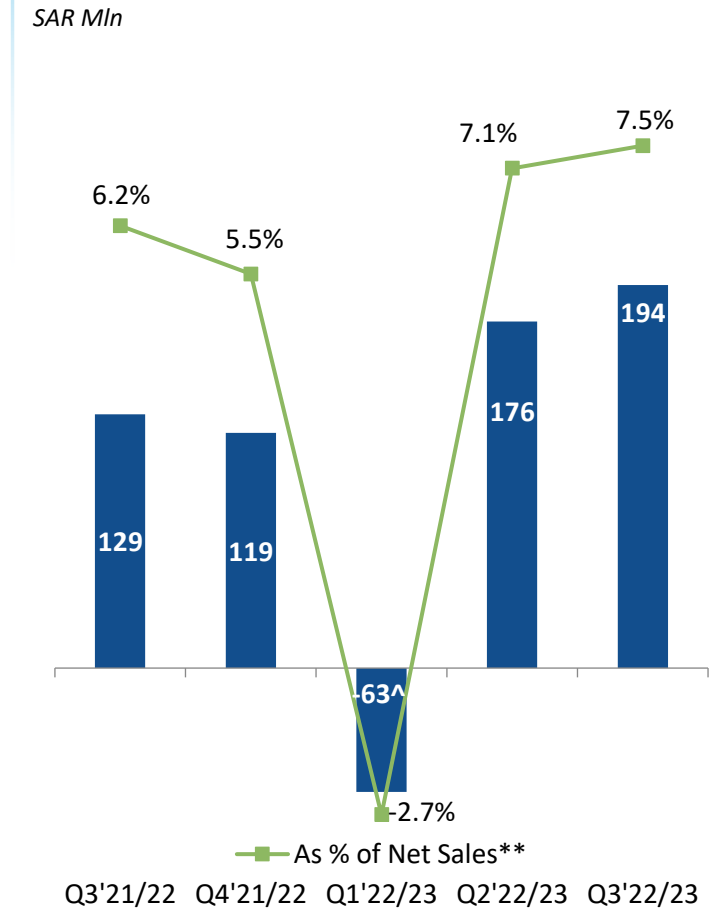
Steady Asset Base...



...build by internally generated Funds



Working Capital*



Note:

*Working Capital calculated as Current Assets net of Current Liabilities.

Current Assets: Account receivables + Inventories + Deposits, prepayments and other assets

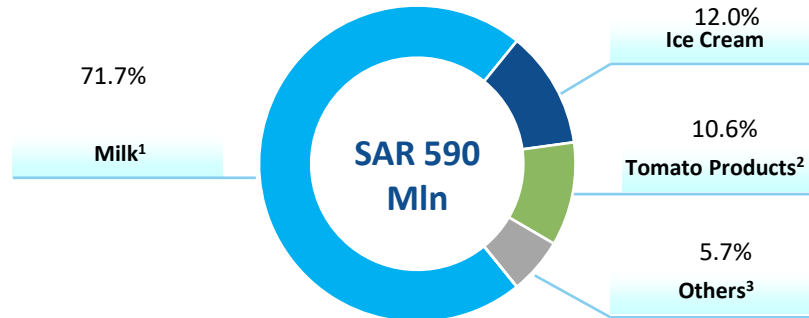
Current Liabilities: Account payables + Due to related parties + Accrued zakat + Dividend payable + Accruals & other current liabilities + Non-Controlling Interest Put Option

**Rolling 12-months net sales

[^]The negative Working Capital in Q1'22/23 was a result of higher Current Liabilities owing to Put Option, higher Trade payables, and higher Dividends payable

Sales Reporting

Q3'22/23 Sales By Category*






¹ Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

² Tomato Products include Tomato Paste and Ketchup

³ Others include Snacks, Cheese, French Fries, Mayonnaise, Drinks etc

*Note: SADAFCO Standalone figures

Key Category – Sales*

	Net Sales – Q3'22/23 (SAR Mln)	% y-o-y growth
 Milk ¹	423	37.3%
 Ice Cream	71	19.4%
 Tomato Products ²	62	19.2%

Distribution Format*

% of Net Sales Q3'22/23

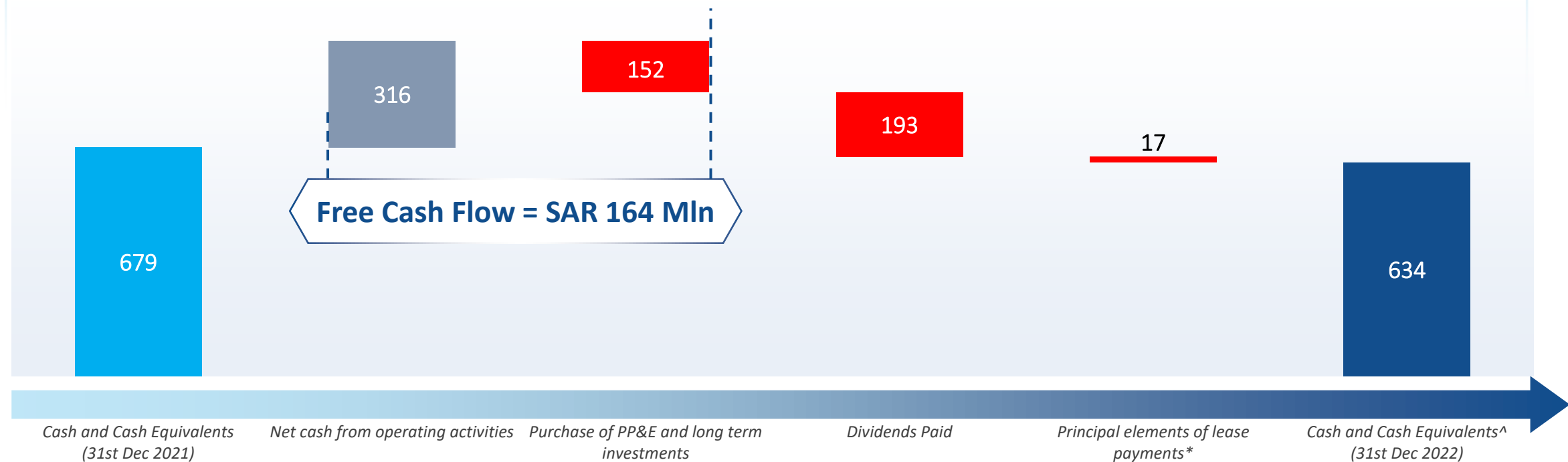


SADAFCO is strong in all channels. Going forward, there is going to be special focus on wholesale and e-commerce

Cash Flow Summary

SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 31st Dec 2022

SAR Mln



Note: *Includes Principal elements of lease payments, Effect of exchange rate fluctuations on Cash and Cash Equivalents etc.; ^ Cash and Cash Equivalents also include short term investments

Product Universe



Ice Cream



UHT Milk

- UHT Milk - Whole, Low Fat, Skimmed, Gold Milk , Functional Milk
- EVAP
- Date Milk
- Milk Powder
- Flavored Milk
- Growing Up Milk (GUM)



Tomato Products

- Tomato Paste
- Ketchup
- Organic Tomato Paste
- Fiery Ketchup



Cheese Products

- Feta Cheese
- Processed Cheese – Triangles



Snacks (Crispy)



Other Products

- French Fries
- Oat Milk
- Treato (Drinkable Snacks)
- Cream
- Soy Drink
- Mayonnaise



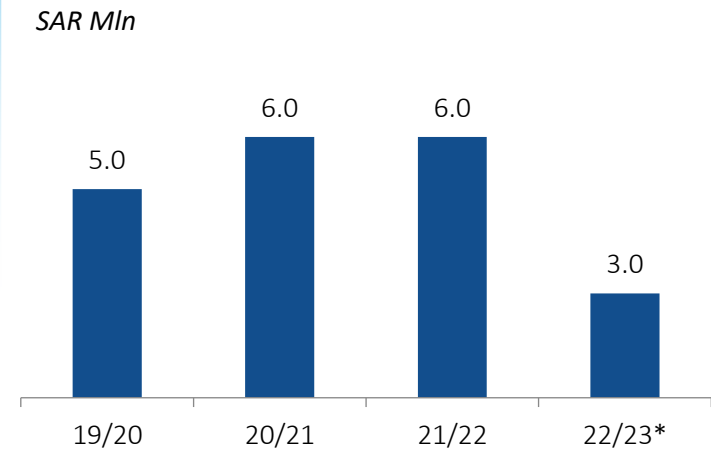
Shareholders' Returns

Share Price Performance



Source: Tadawul, Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 64.8 on 31st Dec 2012); Total shares outstanding (in thousands): 32,000

Consistent Dividends



■ Declared Dividend per share

Note: * Dividend for the first half of fiscal year ended on 31st March 2023

**Compounded
Annual Return[#]
of ~15%**

over the last 10 years

Note: [#]Annualized Return calculated as sum of share price appreciation/depreciation and dividends paid during the period ending 31st Dec 2022, assuming no reinvestment of dividends

Sustainability – Key Highlights

Water Management



- SADAFCO has successfully implemented a new process in the Jeddah Milk Factory where the water used during the UHT process is cooled and recirculated
- The practical idea implemented by the inhouse engineers will enable SADAFCO to save up to 48 million liters of valuable fresh water per year

Waste Management



- SADAFCO achieved 91% recycle rate at Jeddah factory and has also started making annual profits of about SAR300,000 per annum from the recycling activities at the Jeddah Factory
- SADAFCO implemented an organisation-wide digital signature solution in partnership with emdha Trust Service Provider to push paperless culture in the organisation

Other Recent Developments

Energy Management

SADAFCO is trying to identify a cost effective electric autonomous shuttle truck solution for the automated roll-on roll-off shuttle service between the Jeddah factory and the Jeddah central warehouse

Community Impact

SADAFCO intends to develop local partnerships with reliable sources to supply bulk tomato paste for the company's popular Saudia Tomato Paste to support the objective of local market development and procurement

Going Forward...

Our market shares remain robust with positive trending lines at: Milk 61.5%, Tomato Paste 53.9% and Ice Cream 29.5%, (in November'22 we achieved highest market share of 31.2% in Ice Cream)

We remain vigilant in managing the inflationary pressures in the global markets. Our financial position has enabled us to take advantage of the deflationary trend in the commodity market to manage higher profitability in the coming quarters

Our focus on ESG continues, we aim at:

- Initiating work on our war against salt initiative*
- Fully utilizing the Jeddah Central Warehouse (JCW) solar power*

Trusted by Generations

