



Earnings Presentation

October 2022



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Key Highlights

- ▶ SADAFCO's sales were SAR 694 Mln for Q2'2022/23, an increase of 31% vs same quarter last year
- ▶ Milk, Ice Cream and Tomato Products saw a healthy growth in sales of 28.2%, 25.0% & 27.9% respectively vs same quarter last year
- ▶ Gross Margin improved significantly to 32.2% vs. 30.5% same quarter last year
- ▶ Net Profit rose by 60.4% vs same quarter last year resulting in a significantly higher net profit margin of 12.4% vs 10.1% in the same quarter last year
- ▶ Market Share (MAT) for Aug'22 of Plain Milk, Ice Cream and Tomato Paste expanded by 2.0, 1.9 and 1.4 percentage points respectively on a YoY basis

New Product Launches



**Baboo IC Sticks
(Choco & Strawberry)**



**Growing Up Milk (GUM)
(Honey & Vanilla | 200ml)**



**IC Stick
Lemon Mint**

¹ Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream and Laban Fruit Drink

² Tomato Products include Tomato Paste and Ketchup

Recent Developments



- ▶ New Makkah Depot construction work is in progress and is expected to finish in the current Financial Year
- ▶ SADAFCO has signed a strategic agreement with Social Responsibility Association, the first licensed association specialized in CSR in the Makkah region
- ▶ Opened new sales depot in Al Kharj for sales growth

Business Highlights

Financial Highlights- SADAFECO

Sales

31.0%
YoY

Q2'2022/23:
SAR 694Mln

Q2'2021/22:
SAR 530Mln

Net Profit

60.4%
YoY

Q2'2022/23:
SAR 86Mln

Q2'2021/22:
SAR 54Mln

Total Assets

7.6%
YoY

Q2'2022/23:
SAR 2,403Mln

Q2'2021/22:
SAR 2,233Mln

SADAFECO's Market Share*



UHT Milk
61.3%



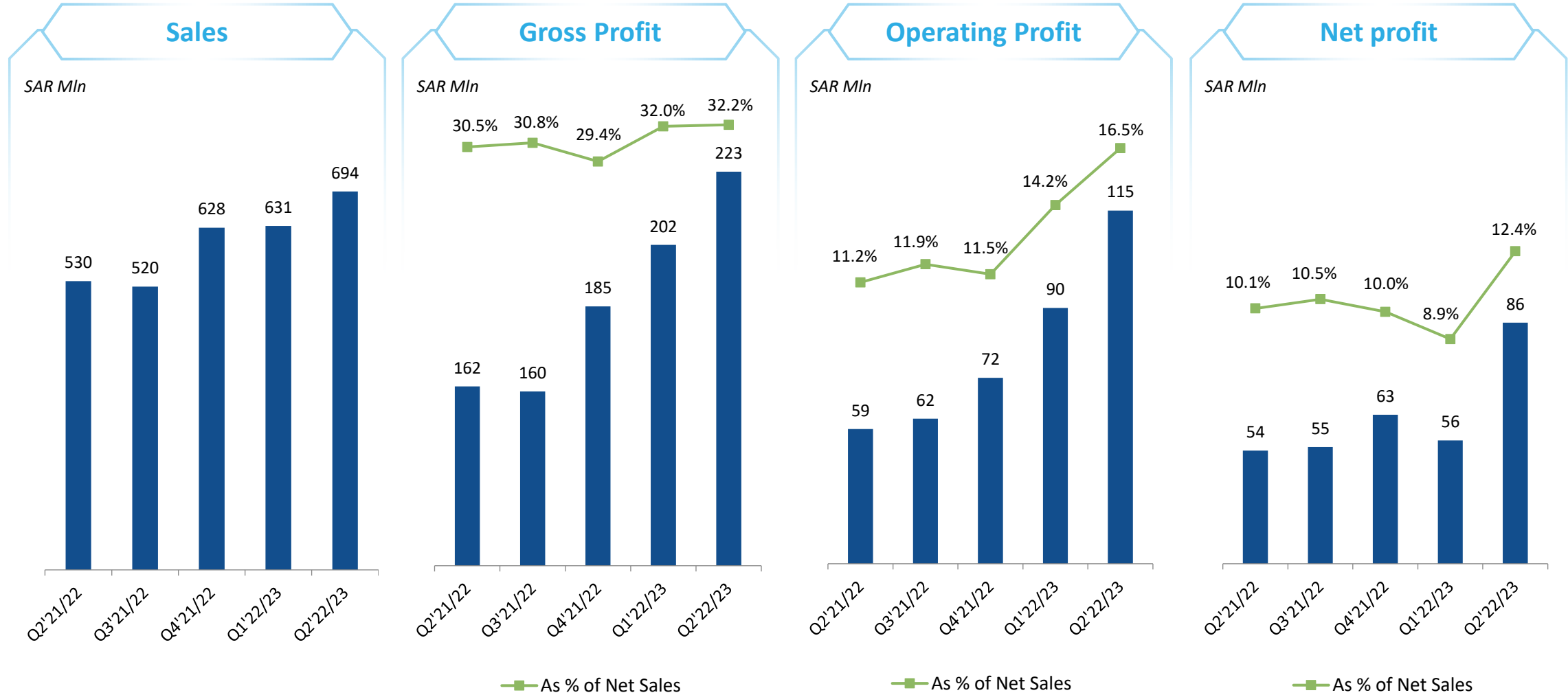
Tomato Paste
54.2%



Ice Cream
29.1%

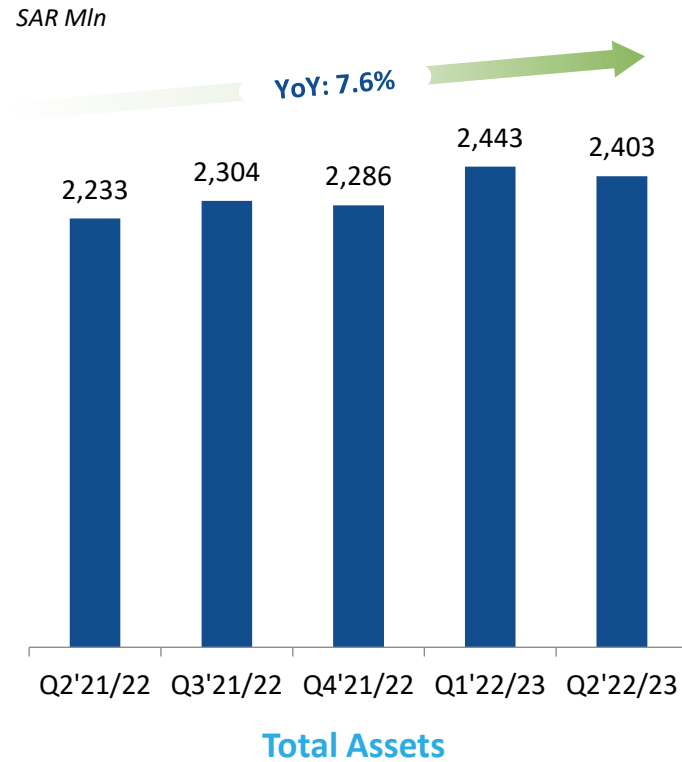
*MAT as of August' 22 (Source: Nielsen Retail Audit)

Sales & Profitability

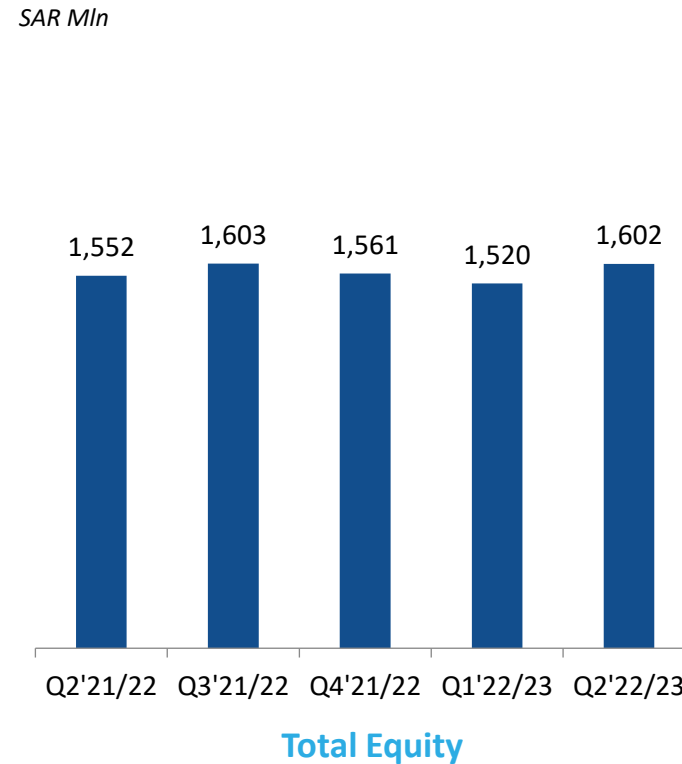


Balance Sheet

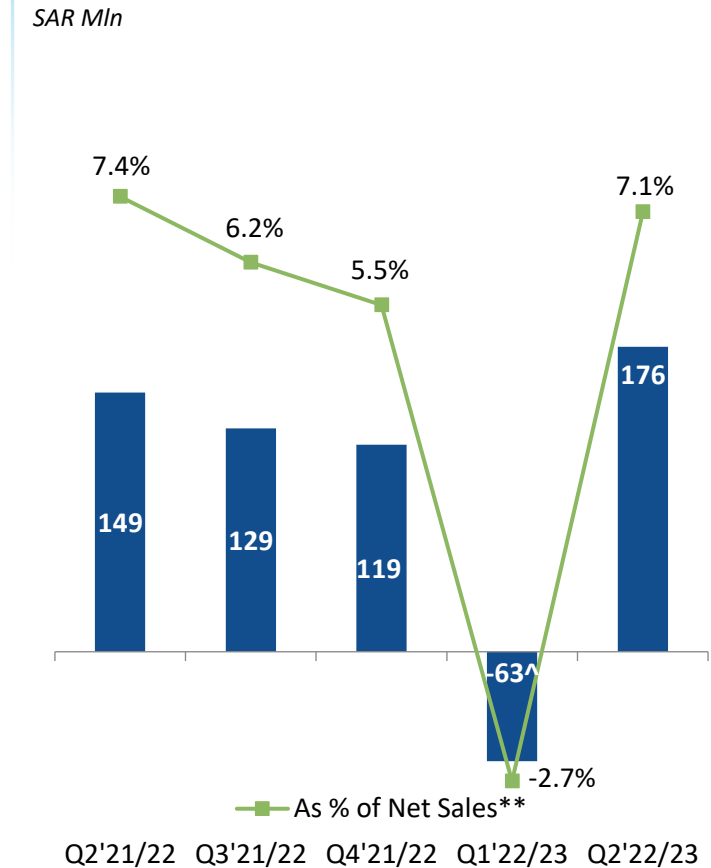
Steady Asset Base...



...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 & other current assets

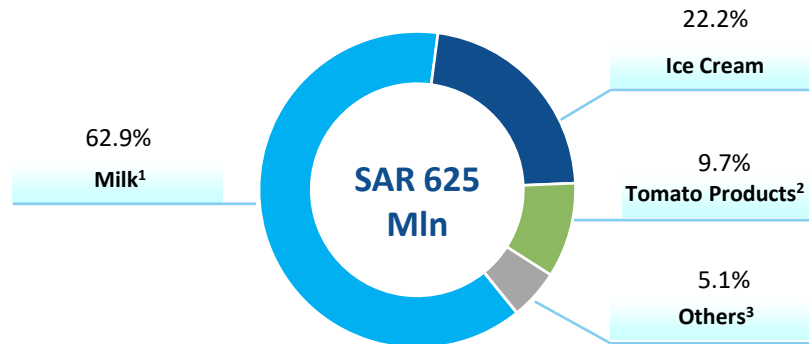
Current Liabilities: Account payables + Due to related parties + Accrued zakat + Dividend payable + Accruals & other current liabilities + Non-Controlling Interest Put Option

**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

Q2'22/23 Sales By Category*






¹ Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP, Cream and Laban Fruit Drink

² Tomato Products include Tomato Paste and Ketchup

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

*Note: SADAFCO Standalone figures

Key Category – Sales*

	Net Sales – Q2'22/23 (SAR Mln)	% y-o-y growth
 Milk ¹	394	28.2%
 Ice Cream	140	25.0%
 Tomato Products ²	61	27.9%

Distribution Format*

% of Net Sales Q2'22/23

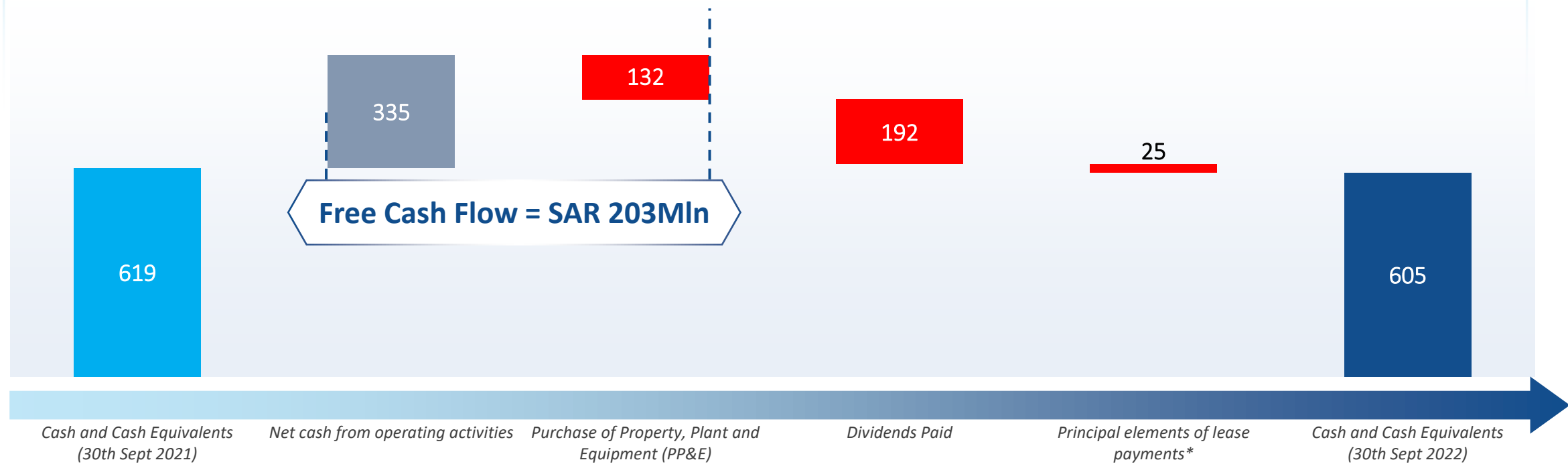


SADAFCO is strong in all channels. Going forward, there is going to be special focus on wholesale and e-commerce

Cash Flow Summary

SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 30th Sept 2022

SAR Mln



*Note: Includes Principal elements of lease payments, Effect of exchange rate fluctuations on cash and cash equivalents etc.

Product Universe



Ice Cream



UHT Milk

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



Tomato Products

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



Cheese Products

- Feta Cheese
- Processed Cheese – Triangles



Snacks (Crispy)



Other Products

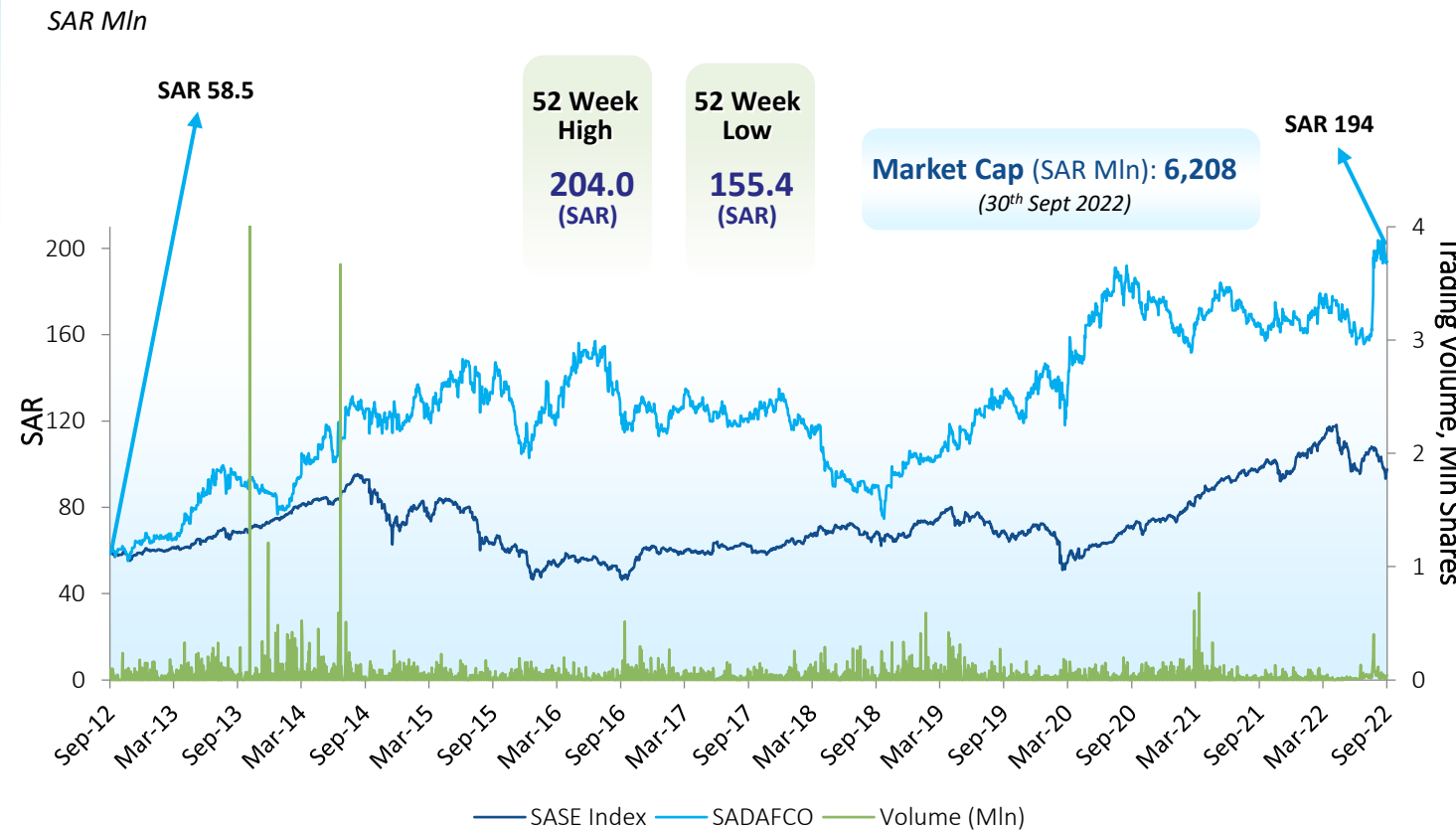
- French Fries
- Cream (Thick, Sterilized & Analogue)
- Soy Drink
- Treato (Drinkable Snacks)
- Mayonnaise

- Oat Milk



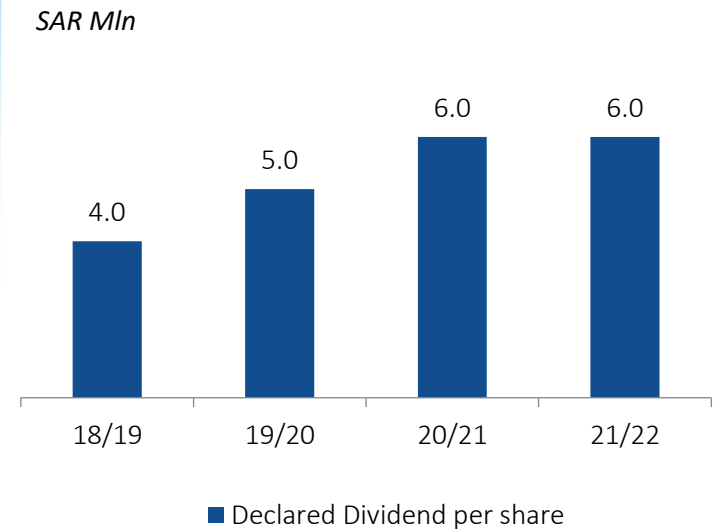
Shareholders' Returns

Share Price Performance



Source: Tadawul, Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 58.5 on 30th Sept 2012); Total shares outstanding (in thousands): 32,000

Consistent Dividends



**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 30th Sept 2022, assuming no reinvestment of dividends

Sustainability – Key Highlights

Social Responsibility



- SADAFCO has signed a strategic agreement with Social Responsibility Association, the first licensed association specialized in CSR in the Makkah Province
- By signing this agreement, SADAFCO aims to enhance its engagement and impact within the community

Energy Management



- 13 solar powered robots have been deployed to dry clean the 2,678 solar panels of the recently commenced rooftop solar power plant in Jeddah Central Warehouse (JCW). We now produce more power than we can use during peak daytime demand hours for our 40,000+ pallet, temperature controlled central distribution center.
- SADAFCO plans to study feasibility of a comprehensive solar generation project across multiple facilities and is in the process of signing an NDA with a potential partner to study, negotiate, and implement the project. Several potential partners are expected to be evaluated during the process.

Other Recent Developments

Diversity & Inclusion

SADAFCO has finalized the design and location of a new day care facility in Jeddah ice cream factory which employs a large female workforce. The construction is expected to start soon, and the facility is expected to be ready by the end of March 2023

Waste Management

SADAFCO installed a compactor in factory for creating Tetra Pak waste bales. Common waste materials like cardboards tetra pack, plastic, tins, etc. are all segregated and sold to recyclers. As of August 2022, SADAFCO has already achieved the results of recycling of up to 90% packaging waste out of Jeddah factory.

Going Forward...



Our market share remains robust with Milk, Tomato Paste and Ice cream at 61.3%, 54.2%, 29.1% respectively. Whilst inflationary pressures persist across the business world, we are cautiously optimistic regarding the decline of inflationary trend in the raw materials

We continue to delight our consumers through new offerings especially in the ice cream category. Five new SKUs were launched in dairy and ice cream categories during the quarter

Work on Makkah Depot project of SAR 27 Mln is in progress and is expected to finish in the current Financial Year

Our focus on ESG continues, we have achieved the following during the quarter:

- enhanced use of solar panels for generating electricity;*
- water saving initiatives along with recycling of water & packaging materials*

Trusted by Generations

