



# INVESTORS PRESENTATION

H1 2023 / Q2 2023



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# KEY FINANCIAL HIGHLIGHTS

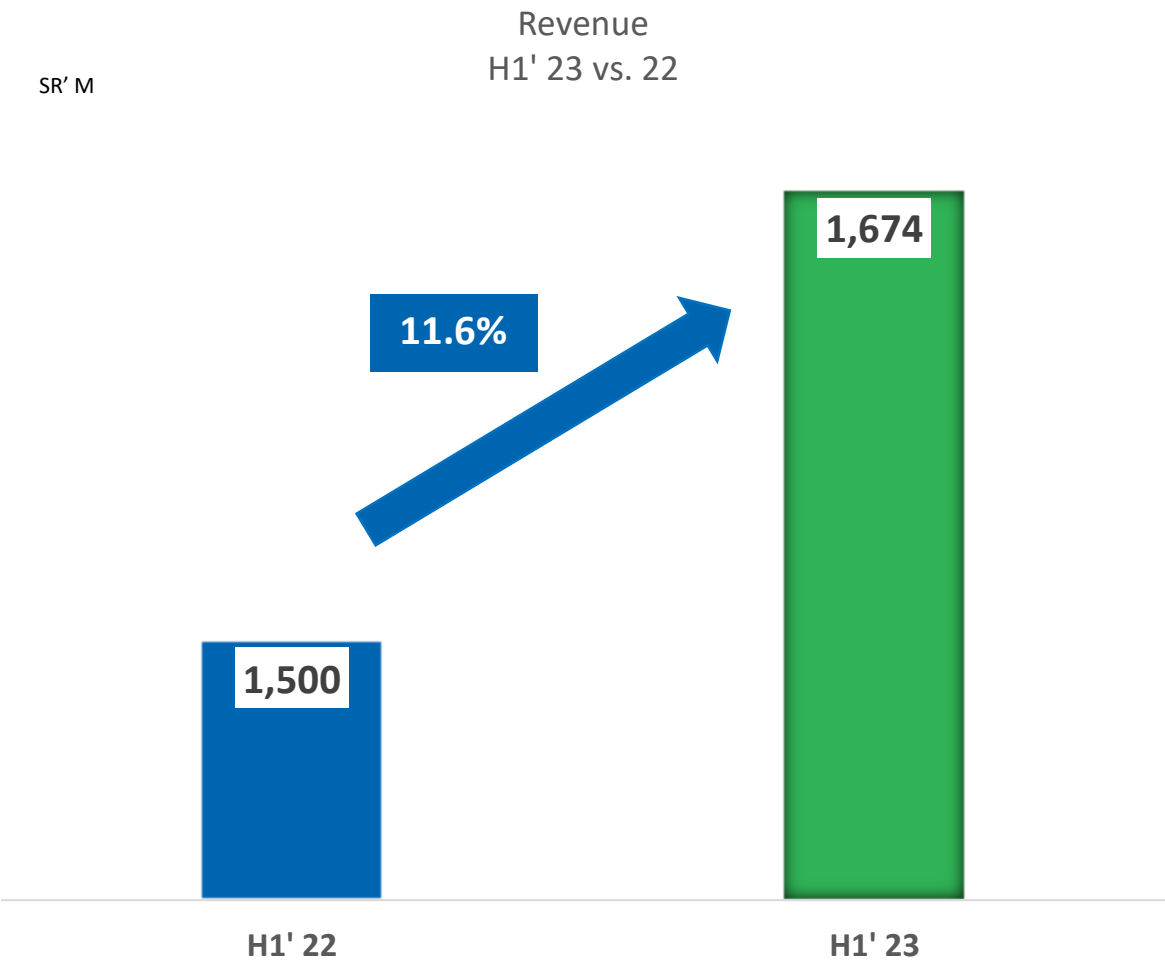




# KEY FINANCIAL & INVESTMENT HIGHLIGHTS H1 2023

	<b>SAR 1.67bn</b> H1 Sales	<b>11.6%</b> Growth	Continues to be 1 of the biggest Saudi food company engaged in importing, marketing, distribution and production of leading brands of frozen, chilled and dry food items.
	<b>SAR 291m</b> Gross Profit	<b>17.4%</b> Gross margin	Flexible and asset light business model. Diversified portfolio of products with significant presence in all trade channels.
	<b>SAR 167m</b> EBITDA	<b>10.0%</b> EBITDA margin	Integrated operating and logistics model, network of 12 warehouses, with 1,000+ vehicles
	<b>SAR 139m</b> Net profit	<b>8.3%</b> Net margin	Significant underlying growth drivers in the steadily growing KSA F&B sector (retail, wholesale, food service)
	<b>SAR 2.32</b> EPS	<b>SAR 153m</b> FCF	Strong and experienced management team to execute well-defined growth strategy

# FINANCIAL PERFORMANCE H1 2023 – REVENUE



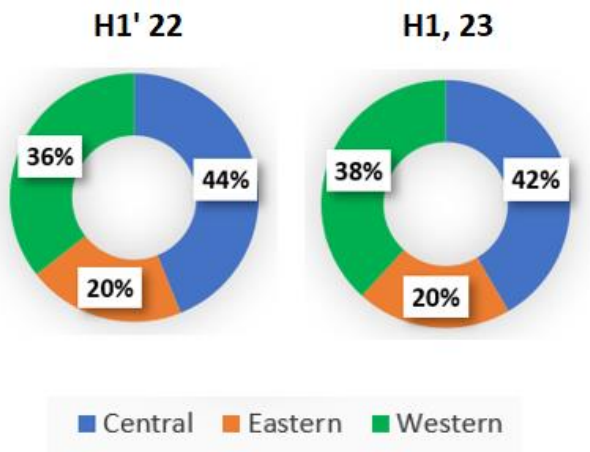
**Volume**  
↑ 18.3%

**Avg SP**  
↓ 5.7%

**Revenue Growth witnessed across all Regions and Categories:**

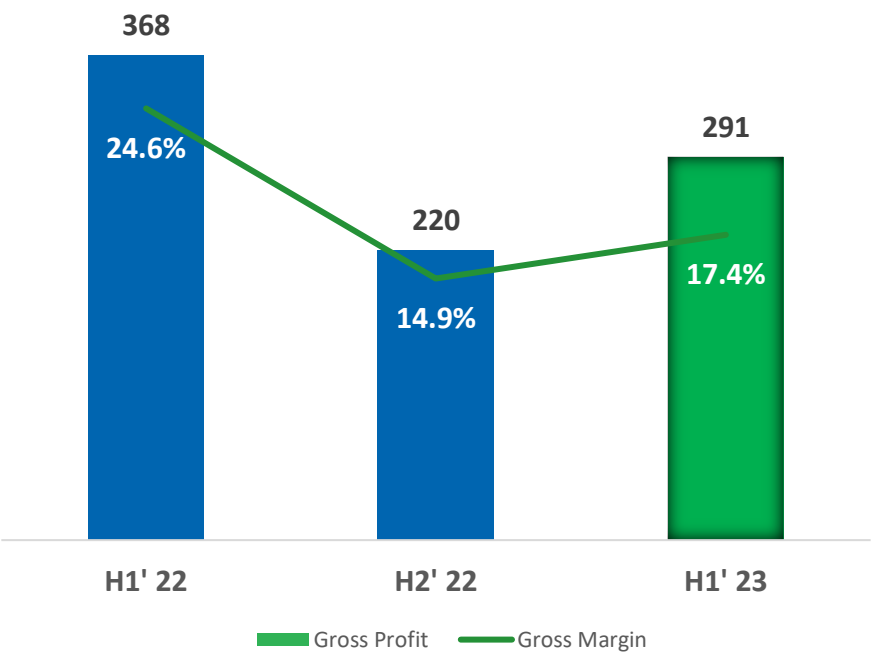
- West Region highest with 19.9%
- Dairy and Fruits & Vegetables Categories grew by 24.9% and 13.5% respectively.

## Revenue contribution by Region

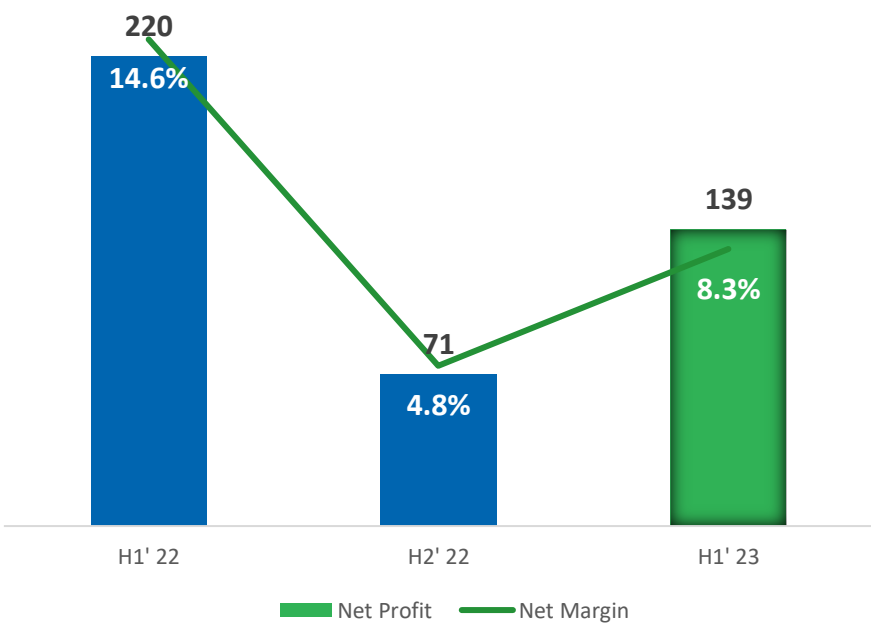


# FINANCIAL PERFORMANCE H1 2023 – PROFITABILITY

Gross Profit (SAR' M)



Net Profit (SAR' M)

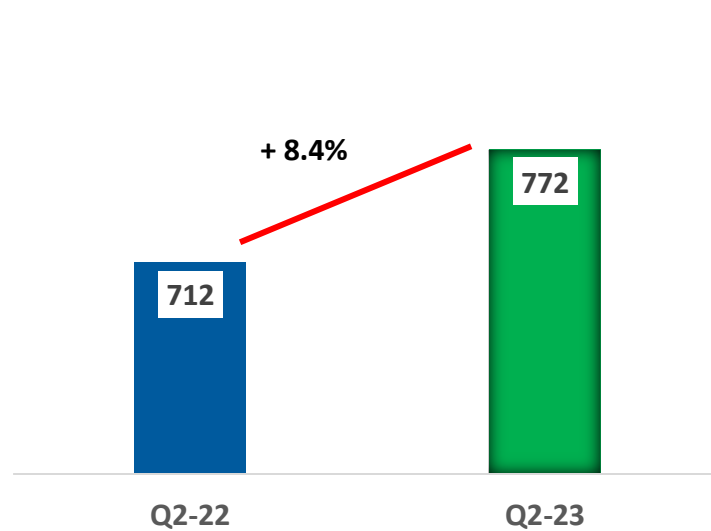


Commentary  
for H1 2023:

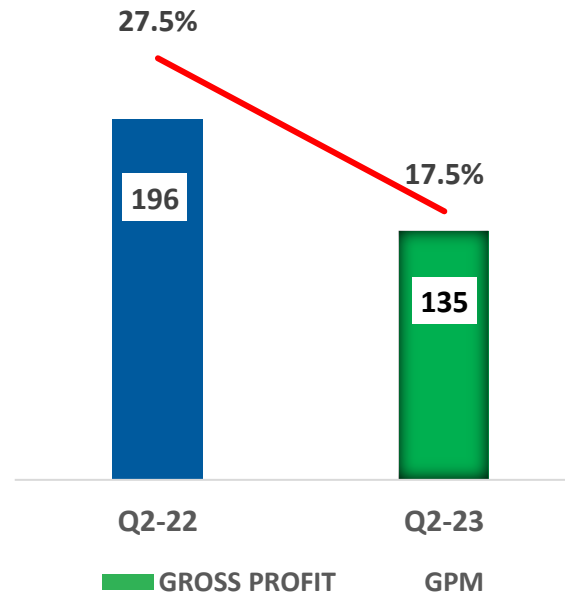
- ❖ Solid and stable gross margins due to revenue growth and improved sales mix. Decrease in gross margins Vs. H1' 22 due to lower selling prices and higher cost prices.
- ❖ Strong control on overheads as a result of ongoing cost cutting initiatives.

# FINANCIAL PERFORMANCE Q2 2023 – INCOME STATEMENT HIGHLIGHTS

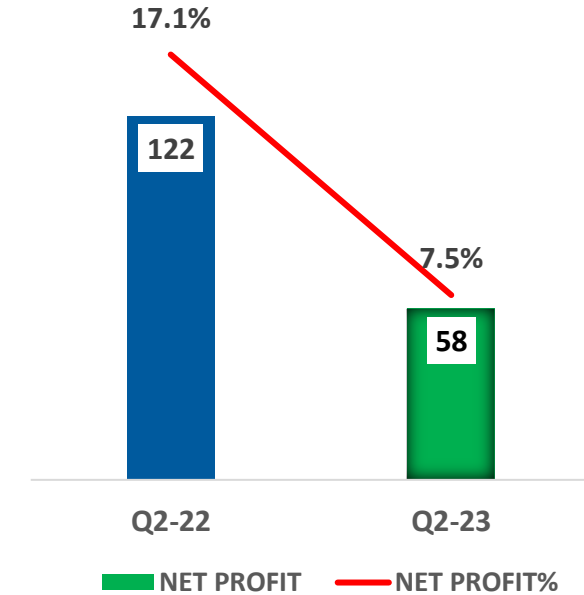
Sales (SAR' M)



Gross Profit (SAR' M)



Net Profit (SAR' M)

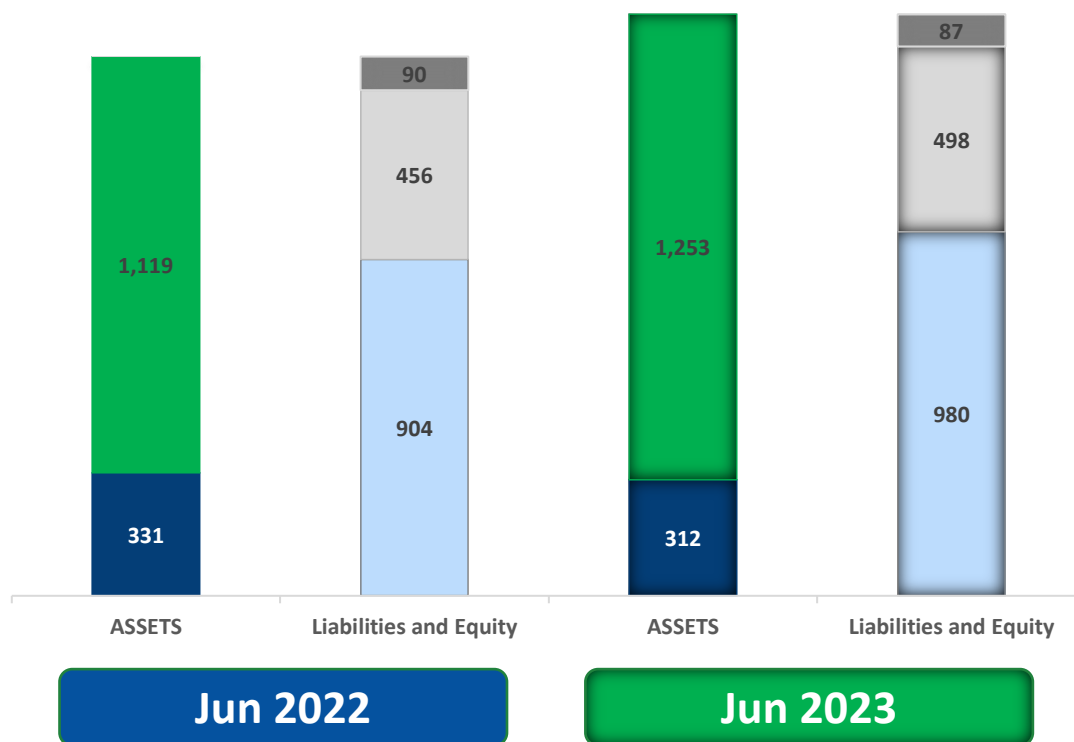


Commentary  
for Q2 2023:

- Steady increase in top line: sales growth mainly associated with volume growth in all categories and regions
- Stable gross margins, however decreased in gross margins due to higher cost prices Vs. Q2 2022.
- Stable overheads due to ongoing cost cutting initiatives.

# Prudent Financial Management

■ NON-CURRENT ASSETS ■ CURRENT ASSETS ■ Equity ■ Non-current Liabilities ■ Current Liabilities



Ratio			Jun 2023	Jun 2022
Profitability	Return on Equity	%	28%	49%
	Return on Assets	%	17.8%	30.3%
Activity	Trade receivables	Days of Sales	33.4	31.1
	Inventory	Days of COS	69.6	94.6
	Trade payables	Days of COS	63.2	69.3
Solvency	Debt to Equity*		0.04	0.05
	Debt Ratio**		0.37	0.38
Liquidity	NWC-to-Sales	%	16.6%	19.2%
	Current Ratio		2.5	2.5

- ❖ **Efficient working capital management:** CCC improved compared to Jun' 22 due to improved DIO
- ❖ **Asset light operations:** Avg annual capex for last 3 years SAR 22.2M
- ❖ **Low leverage position.** Company enjoys a low leverage position, period ending Jun' 23 with zero loans

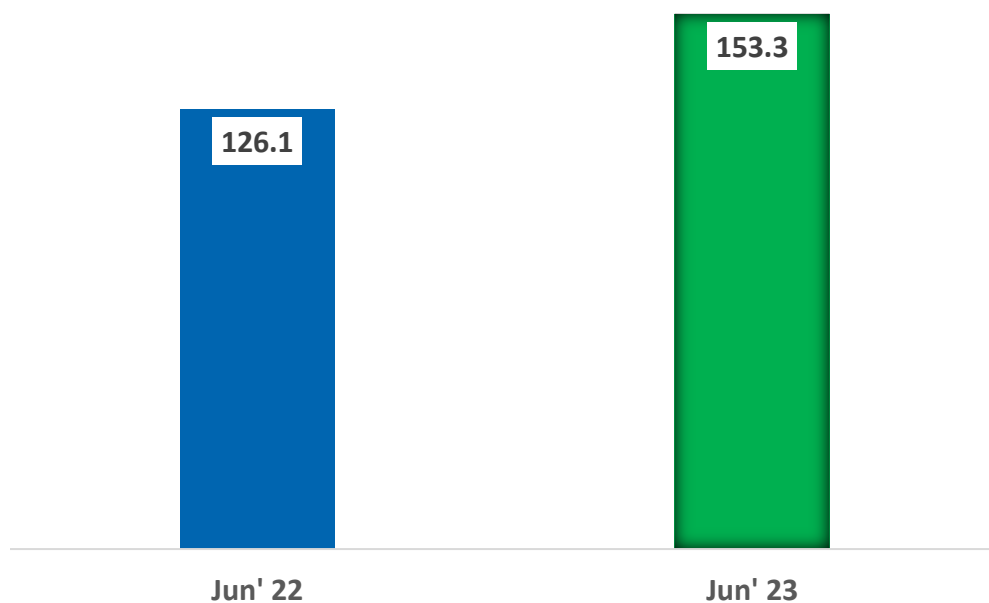
\*Debt to Equity: (total loans + Lease) / Equity

\*\*Debt Ratio: Total Liabilities / Total Assets

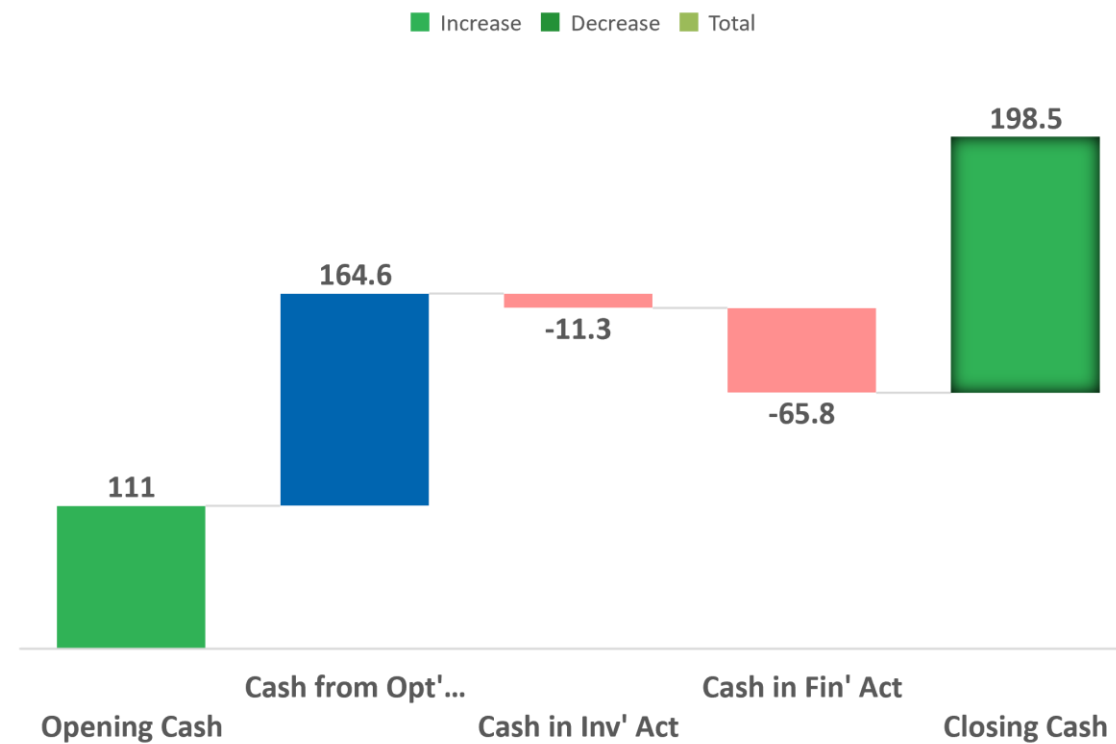


# CASH FLOW H1 2023

Free Cash Flow  
SR' M



Cash Flow Bridge - Jun'23  
SR' M



# MARKET OUTLOOK





# CURRENT GLOBAL MARKET ENVIRONMENT - 2023

## Economic Outlook

- 2023 Global GDP growth is projected to be 2.7% whereas KSA expected to grow overall by 2.9% and to be among top 5 growing economies (2024 GDP: Global 2.9% & KSA 3.6%). KSA non-oil GDP growth expected to be 5% in 2023.

## Inflation

- Global projected inflation to be 6.6% & 4.3% in 2023 and 2024 respectively. Headline inflation has fallen in most economies in recent months due to the downturn in energy prices.  
Despite a booming economic activity, inflation remains low in KSA and dropped to 2.3% in July' 23 Vs. 3.6% in 2022.

## Saudi Unemployment Rate

- Unemployment rate remains low at 5.1% (Saudis 8.5%) which decreased from a year ago by 0.9pp.

## Operating Environment

- F&B sector expected to grow by 5.1% CAGR from 2023 to 2027.

We continue to navigate this environment exercising prudence and leveraging our well-balanced business model and efficient operations to maintain and grow our strong position in the marketplace.

# KEY OPERATIONAL HIGHLIGHTS





# KEY OPERATIONAL HIGHLIGHTS H1 2023



## **Maximizing efficient utilization of assets:**

- Biggest frozen facility in the region with ~ 60k pallet position
- Owns fleet of ~ 600 trucks of divergent sizes dedicated for delivery and distribution services
- + 2K employees out of 80% are dedicated to manage and control the logistics and sales.
- Sales reach covering ~ 22K outlets



## **Maintaining well diversified range of products**

- AMF succeeded in the past decades to diversify the range of food categories to operate with.
- The company operated with 14 plus major categories cascaded down to 800 plus SKUs, from 40 plus countries, through 70 plus suppliers and partners across the globe.
- Sales evenly split across all trade channels; with special focus on online platforms to keep up with emerging trends.



## **Monitoring End consumer taste and preference changes**

- KSA is the most promising market in the region.
- The Saudi population is characterized as being young (65% below 30 years old).
- AMF is escorting new food trends through shifting the focus on a wide range of chicken parts and processed chicken assortment.
- AMF has recently launched a wide range of healthy / antioxidant fruits and vegetables. And many more to be launched in 2024 .
- Launching healthy ( with no additives ) Ready Meals: A range which goes in line with the new era where married couples and women are empowered
- In line, with the growing tourism sector; AMF has introduced a massive range of potato cuts to match all tastes and preferences as well as upper end red meat cuts with specific feed programs



## **Sustainability initiative:**

- Sustainability drive continues...planning to install +6K solar panels for additional 6 branches. This is be saving ~ 40K MT Co2 emission over life of the project (1666 MT/annum).

# NEW ENTRANTS

## Portfolio Diversification:

Some of the new categories/skus introduced recently:


- Dari (Broccoli)
- Dari (Spinach)
- Dari (Artichoke)
- Dari (Cranberry)
- 20 new premium meat cuts

## In Pipeline:

- New range of sea food products empowered by Dari
- Vast variety of ready to eat items.



# OUR RANKINGS IN TERMS OF MARKET SHARE (RETAIL)

Main Categories		Rankings
Red & White Meat	<ul style="list-style-type: none"> <li>Frozen Whole Chicken</li> <li>Chicken Franks</li> <li>Tenderize Breast</li> <li>Minced Meat</li> <li>Minced Chicken</li> </ul>	<ul style="list-style-type: none"> <li>DOUX # 2 (combined with Dari # 1)</li> <li>DOUX # 1</li> <li>Dari # 2</li> <li>Anaam Saudia # 1</li> <li>Dari # 2</li> </ul>
Frozen Fruits & Vegetables	<ul style="list-style-type: none"> <li>Fruits</li> </ul>	<ul style="list-style-type: none"> <li>Dari # 1</li> <li>Montana # 2</li> </ul>
	<ul style="list-style-type: none"> <li>Vegetables</li> </ul>	<ul style="list-style-type: none"> <li>Montana # 2 (combined with Dari # 1)</li> <li>Dari # 3</li> </ul>
	<ul style="list-style-type: none"> <li>Potato</li> </ul>	<ul style="list-style-type: none"> <li>Lamb Weston # 1</li> </ul>
Olives & oils	<ul style="list-style-type: none"> <li>Olives</li> </ul>	<ul style="list-style-type: none"> <li>Coopoliva # 1</li> </ul>
Dairy	<ul style="list-style-type: none"> <li>Mozzarella</li> <li>Labneh</li> <li>Cheese slices</li> </ul>	<ul style="list-style-type: none"> <li>President # 2 (combined with Dari # 1)</li> <li>President # 2</li> <li>President # 3</li> </ul>



# FUTURE GROWTH DRIVERS





# FUTURE OUTLOOK & GROWTH DRIVERS



## Organic Growth

- Revenue continues to improve due to growth across the board.
- Strategic focus on major cities in Western and Eastern Region that are witnessing high growth.
- Saudi Vision 2030 to increase number of pilgrims and tourist to 30M and 100M per annum, respectively.



## Portfolio Diversification

- Growing major categories from 13 to 18 and adding 15 new sub-categories.
- Focus on shifting to higher growth and higher margins categories.



## Channel Enhancement

- To grow further in Food Service especially in fine dine restaurants, keeping in mind the increasing consumer shift.
- Defending leadership position in Retail Channel in terms of market share across all products



## Meat Factory & Local Content

- Further investing in meat factory to increase the production capacity and portfolio.
- Focus to increase local content through expansion in manufacturing and partnering with local producers to distribute and co-pack the products.



## Third Party Logistics (3PL)

- Grow 3PL business as separate revenue stream by capitalizing existing fully integrated state of the art logistics network.



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للأغذية Foods

THANK YOU