



# Earnings Presentation

June 2023



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## Key Highlights

- ▶ Milk\*, Ice Cream and Tomato# Products saw a healthy growth<sup>1</sup> in sales of 16.4%, 15.0% & 9.3% respectively vs same quarter last year
- ▶ SADAFCO's sales<sup>2</sup> were SAR 668 Mln for Q4'2022/23, an increase of 6.4% vs same quarter last year (Mlekoma sales declined by 43% vs same quarter last year due to the normalization of Skimmed Milk Powder prices)
- ▶ Gross Profit<sup>2</sup> for the quarter was up by 9.1% resulting in a Gross Margin<sup>2</sup> of 30.1%
- ▶ Net Profit<sup>2</sup> rose by 42.9% vs same quarter last year resulting in a significantly higher Net Profit Margin<sup>2</sup> of 13.4% vs 10.0% in the same quarter last year
- ▶ Market Share (MAT) for Mar'23 of Plain UHT Milk and Ice Cream expanded by 3.3 and 1.8 percentage points respectively on a YoY basis

## New Product Launches



**IC Stick  
Pomegranate**



**IC Multipacks  
(Sensations Mini Classic  
and Mini Double)**



**Instant Milk Powder  
Pouch 2.25 Kg**

## Recent Developments



Work on Makkah Depot project of SAR 27 Mln is in progress and is expected to be operational in financial year 2023/24

\* Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

#Tomato Products include Tomato Paste and Ketchup

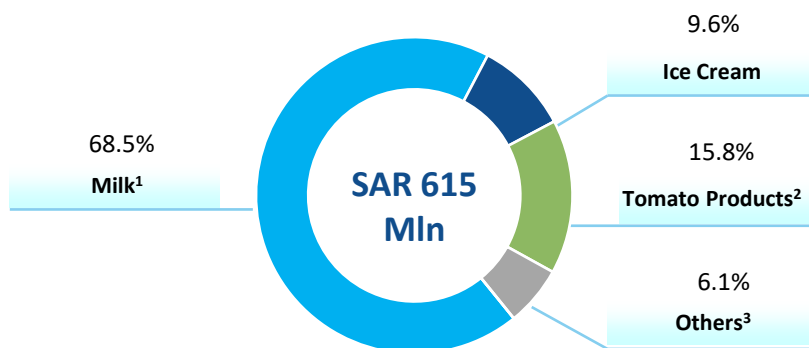
<sup>1</sup>Growth in product categories is calculated on standalone basis (excluding Subsidiaries)

<sup>2</sup>Consolidated Figures (including Subsidiaries)

# Q4 Sales Reporting



## Q4'22/23 Sales By Key Product\*



<sup>1</sup> Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

<sup>2</sup> Tomato Products include Tomato Paste and Ketchup

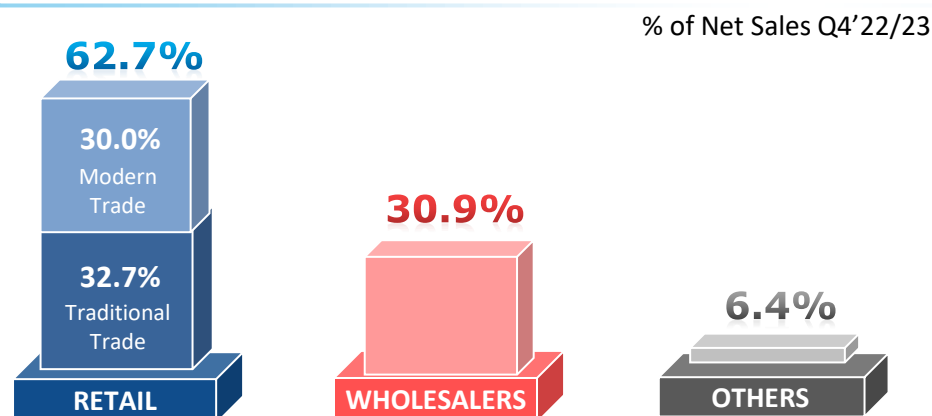
<sup>3</sup> Others include Snacks, Cheese, French Fries, Mayonnaise, Drinks etc

\*Note: SADAFCO Standalone figures

## Key Product – Sales\*

	Net Sales – Q4'22/23 (SAR Mln)	% y-o-y growth
Milk <sup>1</sup>	<b>422</b>	<b>16.4%</b>
Ice Cream	<b>59</b>	<b>15.0%</b>
Tomato Products <sup>2</sup>	<b>97</b>	<b>9.3%</b>

## Distribution Format\*

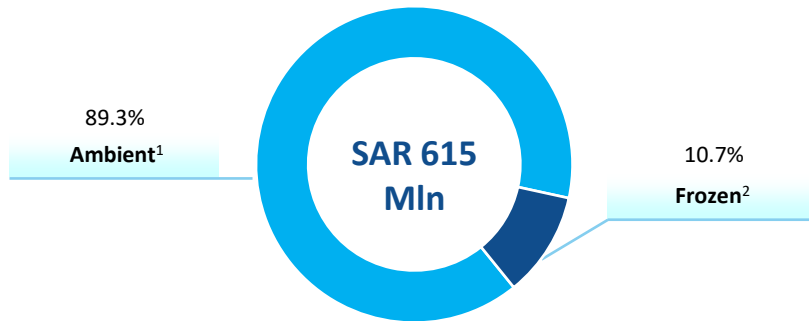


*SADAFCO is strong in all channels. Going forward, there is going to be special focus on Out Of Home and e-commerce*

## Q4 Sales Reporting (contd...)



### Q4'22/23 Sales By Category\*





<sup>1</sup> Frozen includes Ice Cream, Butter and French Fries

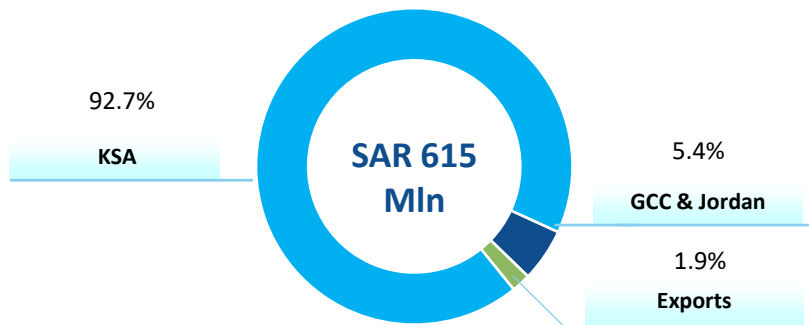
<sup>2</sup> Ambient includes all products except Frozen

\*Note: SADAFCO Standalone figures




### Key Category – Sales\*

	Net Sales – Q4'22/23 (SAR Mln)	% y-o-y growth
 Ambient	<b>549</b>	<b>15.1%</b>
 Frozen	<b>66</b>	<b>15.2%</b>

### Q4'22/23 Sales By Geography\*



### Key Category – Sales\*

	Net Sales – Q4'22/23 (SAR Mln)	% y-o-y growth
 KSA	<b>570</b>	<b>18.9%</b>
 GCC & Jordan	<b>33</b>	<b>-20.3%</b>
 Exports	<b>12</b>	<b>-10.3%</b>

\*Note: SADAFCO Standalone figures

## Financial Highlights - SADAFECO

### Sales

**22.0%**  
YoY

FY'2022/23:  
**SAR 2,648 Mln**  
  
FY'2021/22:  
**SAR 2,170 Mln**

### Net Profit

**48.5%**  
YoY

FY'2022/23:  
**SAR 310 Mln**  
  
FY'2021/22:  
**SAR 209 Mln**

### Total Assets

**8.6%**  
YoY

FY'2022/23:  
**SAR 2,484 Mln**  
  
FY'2021/22:  
**SAR 2,286 Mln**

## SADAFECO's Market Share\*



UHT Milk  
**62.6%**



Tomato Paste  
**54.4%**

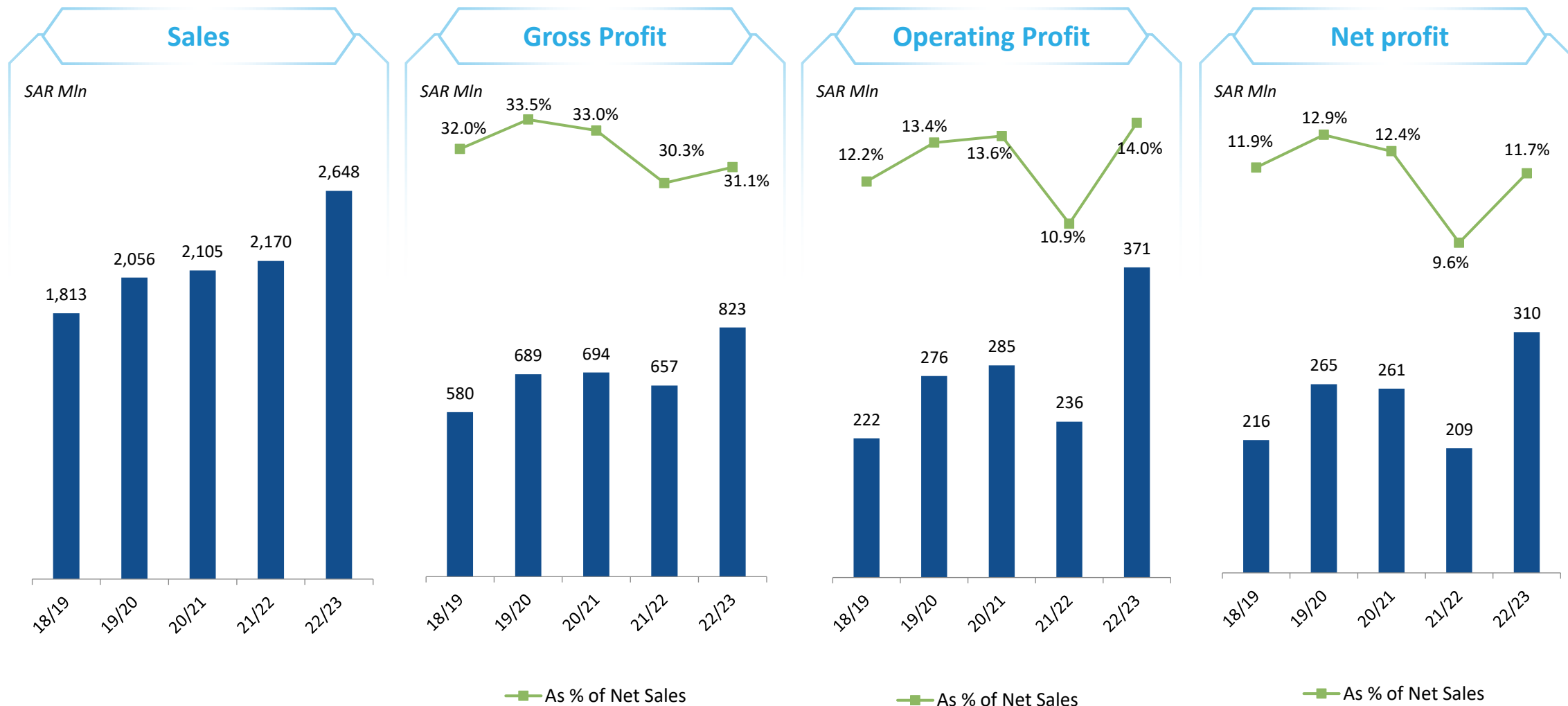


Ice Cream  
**30.2%**

\*MAT as of Mar' 23 (Source: Nielsen Retail Audit)  
FY refers to Financial Year 2022-23



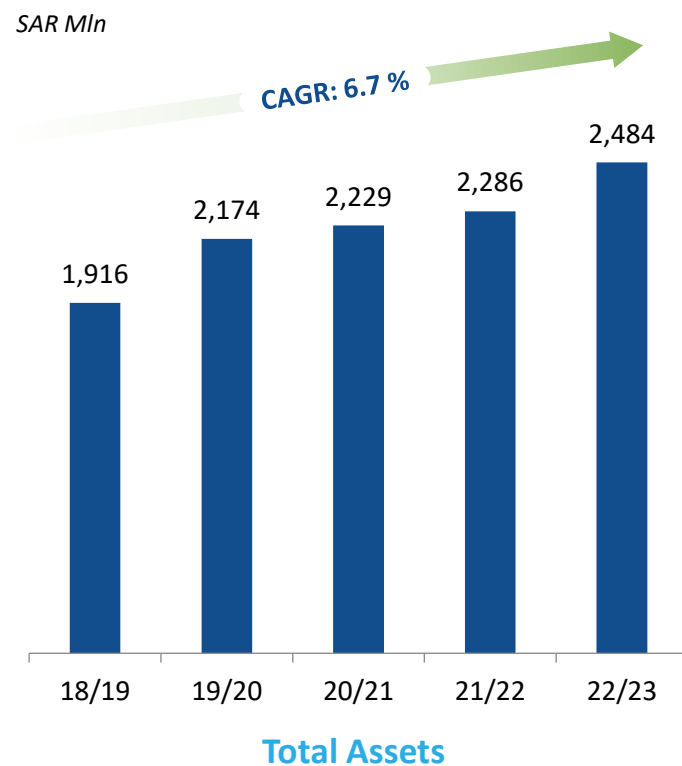
# FY Sales & Profitability



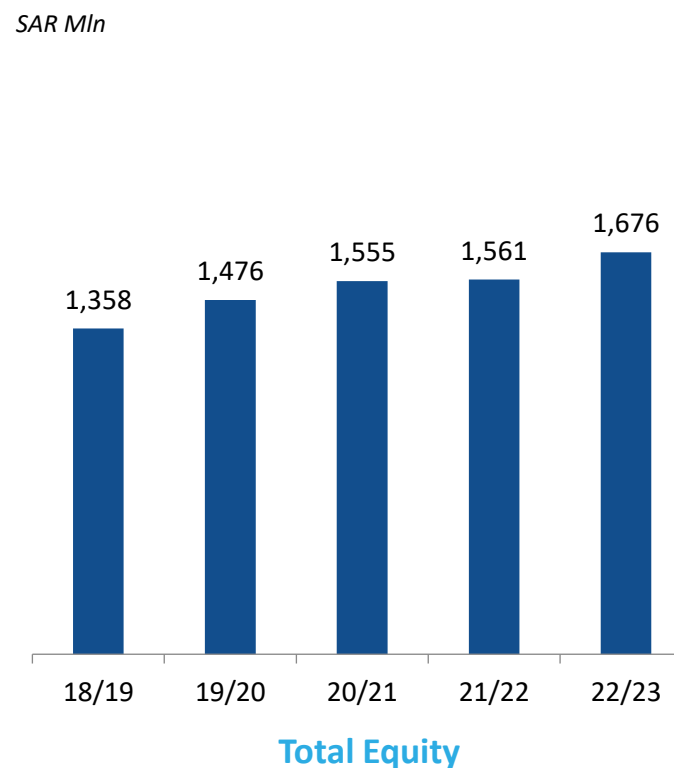
FY refers to Financial Year 2022-23

# FY Balance Sheet

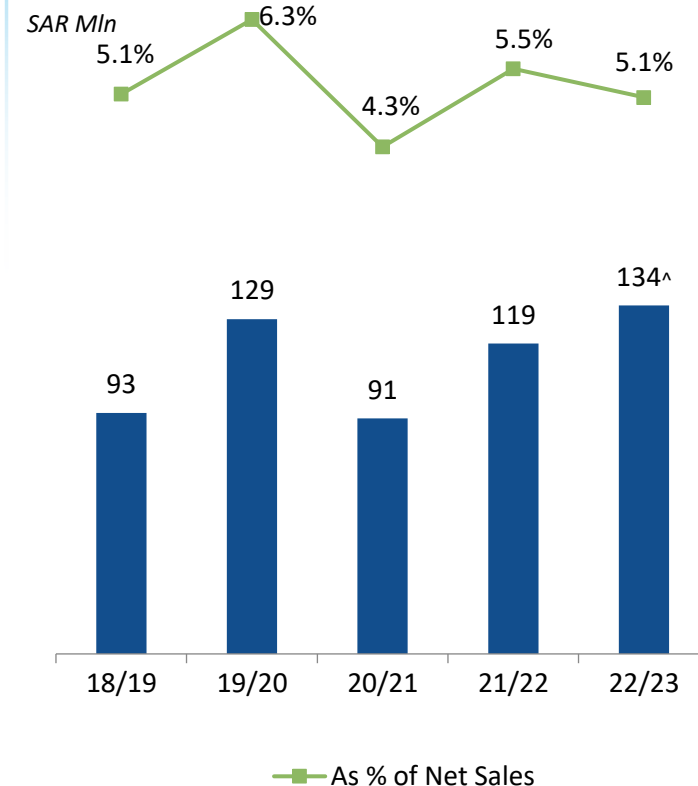
## Steady Asset Base...



## ...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

^22/23 Working Capital includes Non-Controlling Interest Put Option

FY refers to Financial Year 2022-23

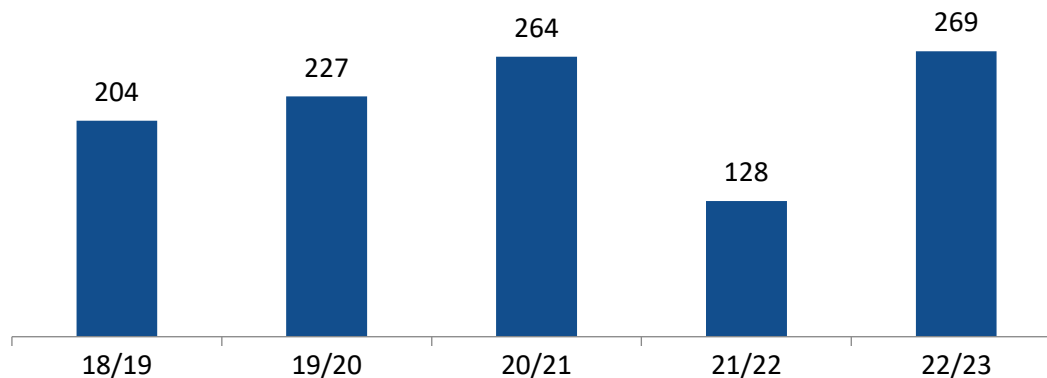


# FY Key Ratios



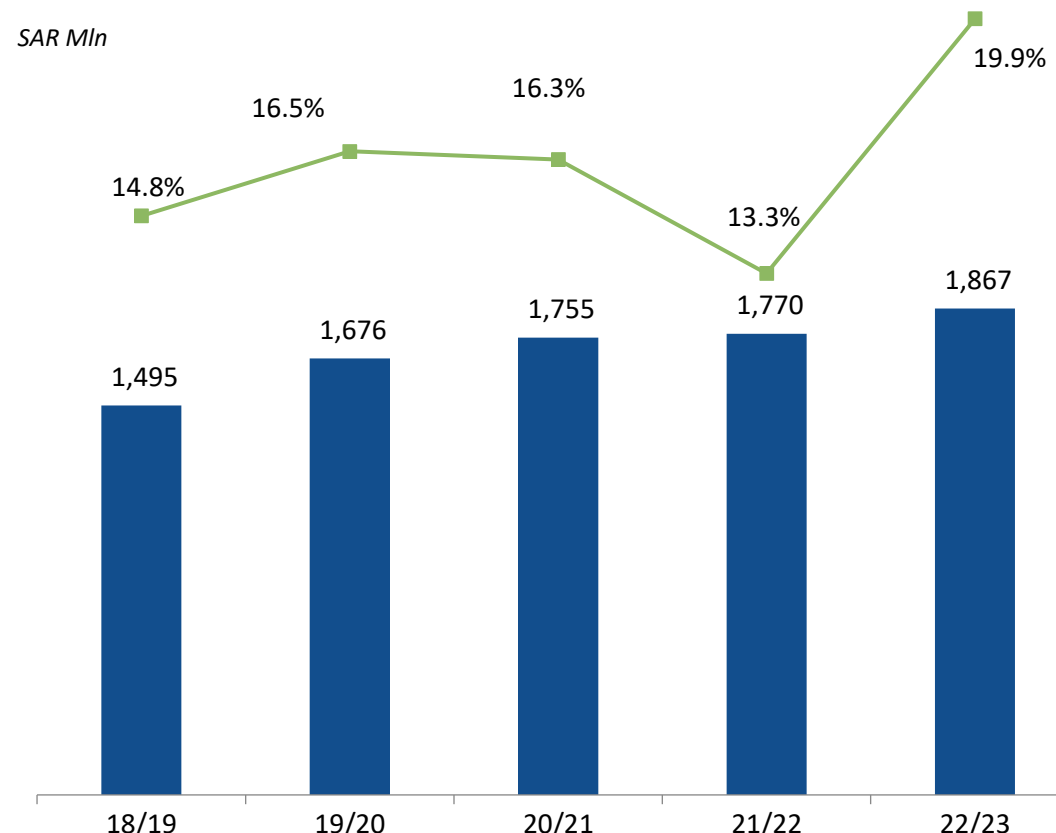
## Free Cash Flow\*

SAR Mln



## Capital Employed^

SAR Mln



—■ Return on Capital Employed

Note:

\*Free Cash Flow : Cash Flow from Operating + Cash Flow from Investing activities (excluding short term investments)

^Capital Employed: Total Assets – Current Liabilities

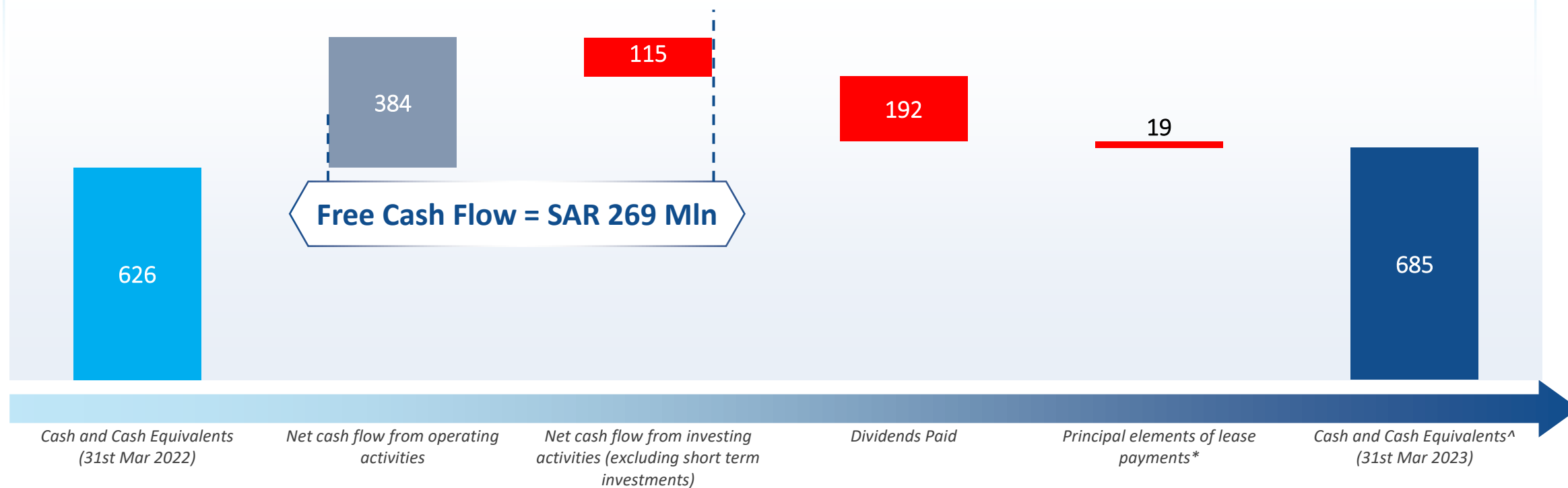
FY refers to Financial Year 2022-23

# FY Cash Flow Summary



## SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 31<sup>st</sup> Mar 2023

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 includes short term investments  
FY refers to Financial Year 2022-23



## Ice Cream

57  
SKUs



## UHT Milk

35  
SKUs

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



## Tomato Products

8  
SKUs

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



## Cheese Products

4  
SKUs

- Feta Cheese
- Processed Cheese – Triangles



## Snacks (Crispy)

10  
SKUs



## Other Products

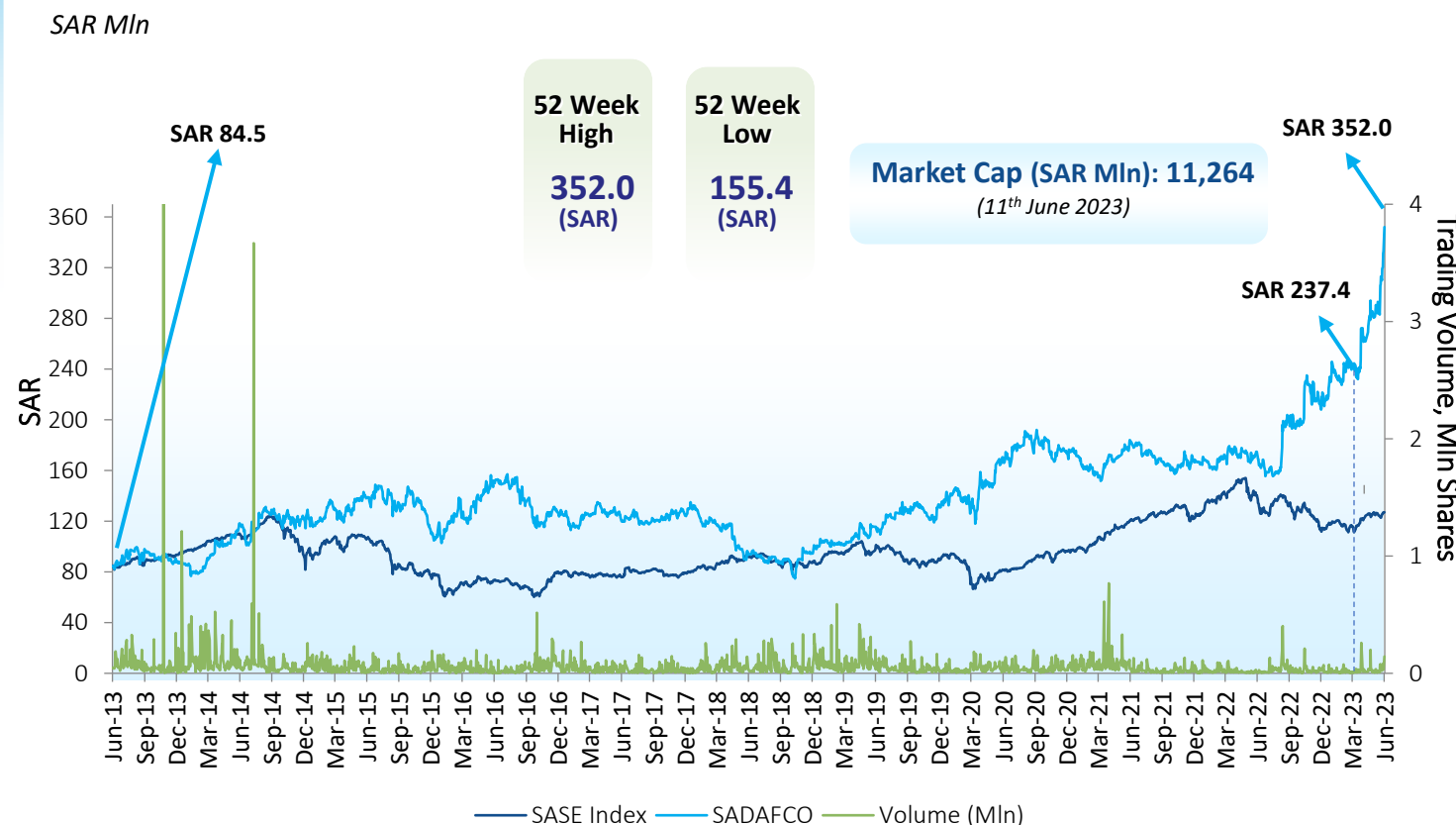
- French Fries
- Oat Milk
- Cream
- Soy Drink
- Mayonnaise



# Shareholders' Returns

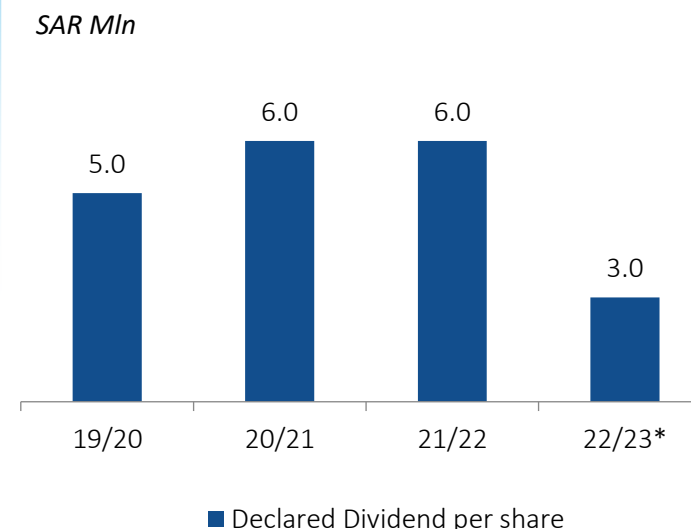


## Share Price Performance



Source: Tadawul, Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 84.5 on 11<sup>th</sup> June 2013); Total shares outstanding (in thousands): 32,000

## Consistent Dividends



Note: \* Dividend for the first half of fiscal year ended on 31<sup>st</sup> March 2023

**Compounded  
Annual Return<sup>#</sup>  
of ~16.7%**  
over the last 10 years

Note: <sup>#</sup>Annualized Return calculated as sum of share price appreciation/depreciation and dividends paid during the period ending 11<sup>th</sup> June 2023, assuming no reinvestment of dividends

## Q4 Sustainability – Key Highlights



### Energy Management



Signed Project Development Agreement (PDA) with Engie for generation of ~6.7MWp of solar power in 9 additional locations at SADAFCO. An additional 9 sites are planned to be added during 2023/24.

### Social Responsibility



Received ISO 26000:2010 conformance certificate for strategic integration of CSR policies into how the company operates.

### Other Recent Developments

#### Waste Management

Signed an MOU with National Center for Waste Management (MWAN) and is working with them to form a working team to address topic of waste management

#### Water Management

Engaged a consultancy firm to prepare a long-term plan for treatment of waste-water



*Despite the challenges faced over the past year, including inflationary pressures on key raw material prices and supply chain disruptions, our strong performance trend has continued. As these headwinds have subsided, we remain optimistic about the upcoming quarters, leveraging our robust financial position to effectively manage inventory levels and ensure profitability.*

*Our market shares as of March 31, 2023, continue to demonstrate dominance, with positive trending lines compared to the shares reported in January 2023: Milk at 62.6% (previously 61.5%), Tomato Paste at 54.4% (previously 53.9%), and Ice cream at 30.2% (previously 29.5%).*

*In our ongoing commitment to customer satisfaction, we have delighted consumers with new offerings in the dairy and ice cream category. Throughout the year, we successfully launched 17 new SKUs, showcasing our dedication to innovation and meeting evolving consumer preferences.*



Trusted by Generations

