



# The National Agricultural Development Company

Investors Presentation

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# Presenting Team



**Dr. Solaiman A. AlTwaijri**

Chief Executive Officer



**Hassan Aqrouq**

Vice President - Finance

# Agenda



**Outlook**



**Financial Performance**



**Appendix**



## Outlook

# NADEC was established in 1981 and has a rich history



## Dairy Business Growth

- Production of **1+ Mn liters daily**
- Launch of **2<sup>nd</sup> factory** for dairy products
- First expansion of **cheese production**

## Investment in Agriculture

- Investment in **3.2K hectare of farms in Sudan** for feed farming and production

## Expansion in Tomato

- Partnership with CEA player to produce **high quality tomatoes**

1981 - 1987

2006 - 2009

2019

2022+



1995 - 2007

2014 - 2017

2022

2023 - 2027

## NADEC Establishment and Projects Launch

- NADEC establishment with a **SAR 400 Mn capital**
- Launch of **agriculture projects** and **1<sup>st</sup> dairy factory**

## Portfolio Expansion

- Start of **intensive olives production**
- **First fresh juice production** to diversify portfolio

## Agreement with ENGIE

- **Power Purchase Agreement (PPA) with ENGIE**, a solar energy production company, **saving 124,000 barrels of fuel annually**

## Digitization

- **Digitization of processes**
- **Implementation of new ERP system**

# Today, NADEC is a leading dairy, juice and agri player



## Core Products



## Recognition

- #2 Most Chosen Food Brand in KSA (Kantar, 2022)
- #6 Most Influential Local Brand in KSA (IPSOS, 2022)
- Recognized by SFDA, amongst top 5 companies in KSA, for providing healthier food solutions in the region (e.g., reduction of sugar and salt)

## Coverage

### KSA

- 40,000 Retail Outlets
- 1,000+ Fleet
- >85% Households
- 3,000+ Frontline Force

## EXPORTS



Overall, NADEC aims to more than double its revenues and become a SAR 6.0 Bn company



SAR **2.6** Bn

2022



Dairy & Juice,  
Agriculture

2027



Total Food Company

SAR **6.0** Bn

# Moving forward, NADEC will transform into a total food company



## TARGET

### Total Food Company



01

Expand production, distribution and portfolio to solidify NADEC's position in **Dairy and Juice** and deliver sustainable profitable growth

02

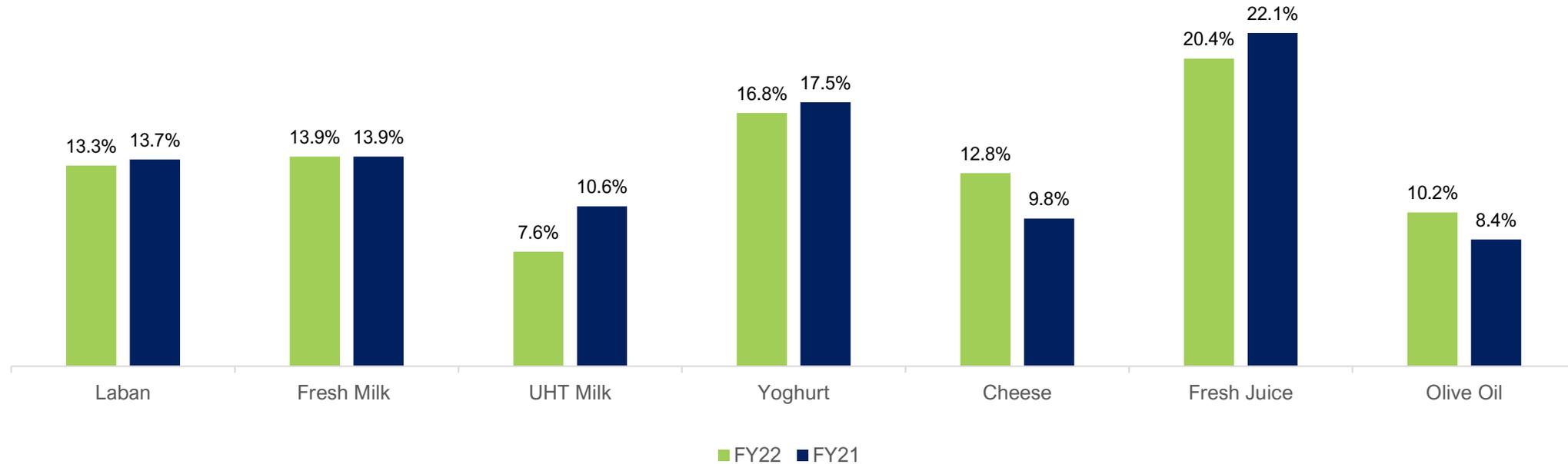
Work with local farmers to provide a **large basket of high-quality produce** to consumers

03

Enter the **Red Meat** sector to provide high-quality, ready-to-cook products to consumers



## Volume Share



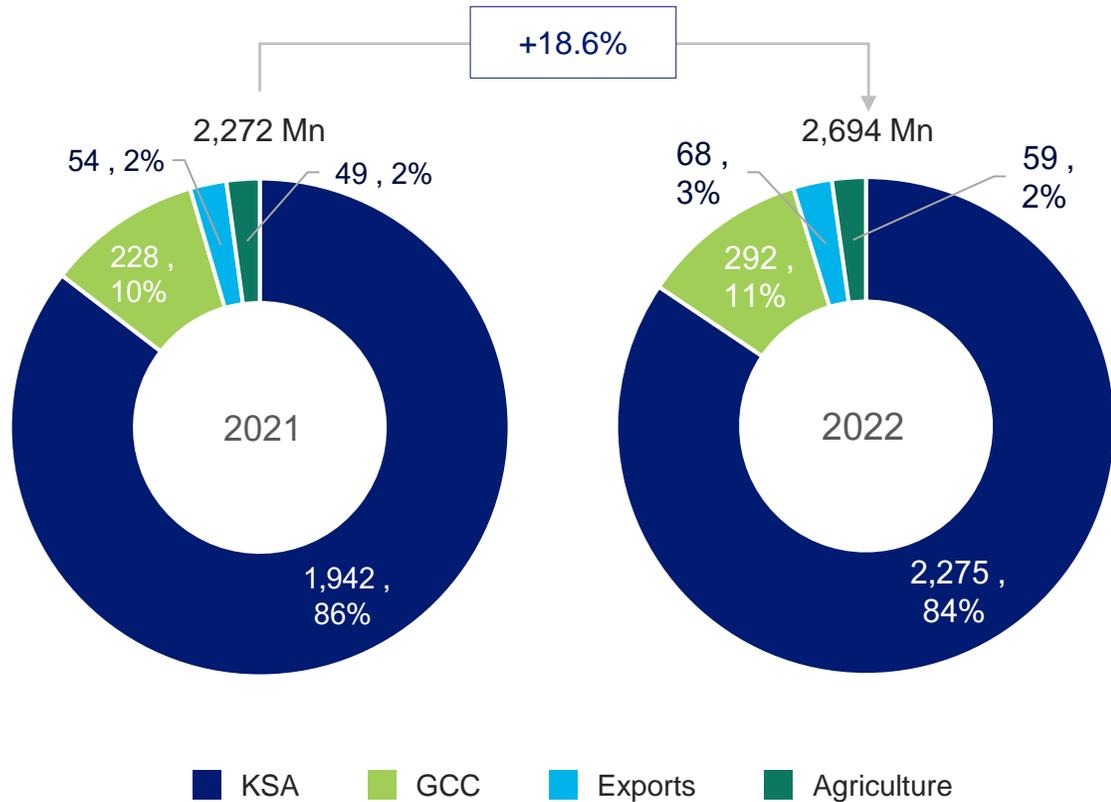


## Financial Performance

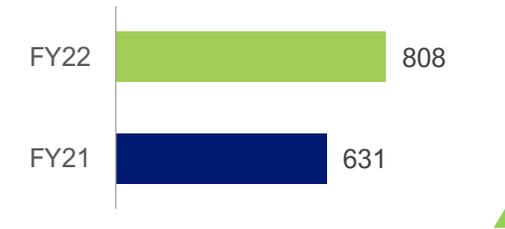
# Financial Highlights



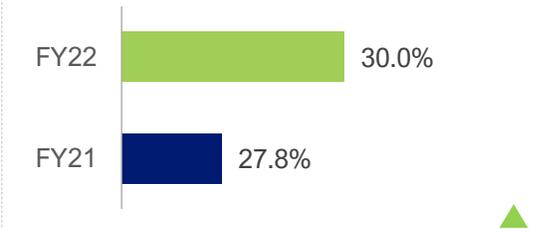
Revenue by Segments



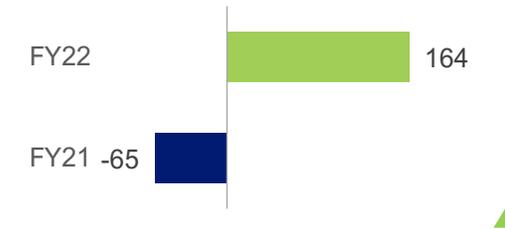
Gross Profit +28.1%



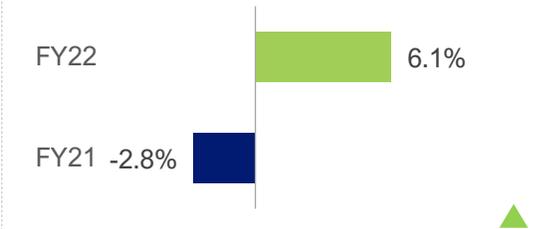
Gross Profit Margin



Operating Profit (NA)



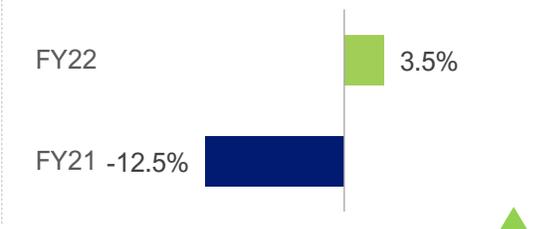
Operating Profit Margin



Net Income (NA)



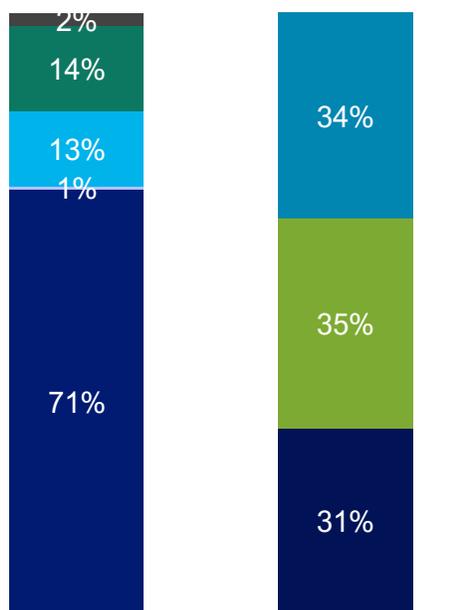
Net Income Margin



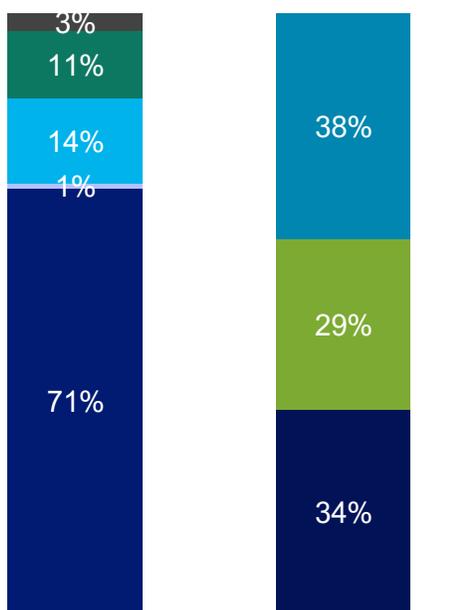
# Balance Sheet



**FY21**  
Total Assets: SAR 3,890 Mn



**FY22**  
Total Assets: SAR 3,822 Mn



Other-Current Assets    Cash & Cash Equivalents

Non-Current Assets    Inventories    Receivables & Prepayments  
Equity    Non-Current Liabilities    Current Liabilities

## ROE



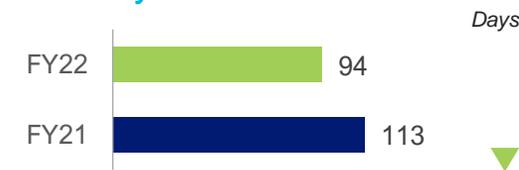
## ROCE



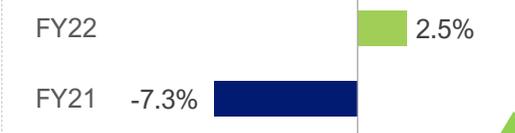
## Receivables, Prepayment and Others



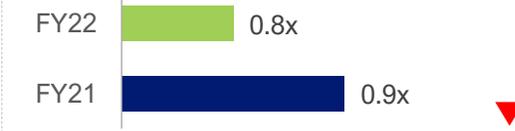
## Inventory



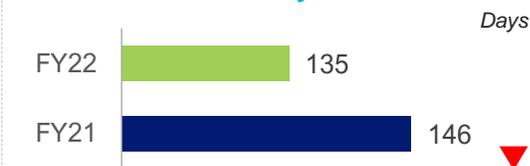
## ROA



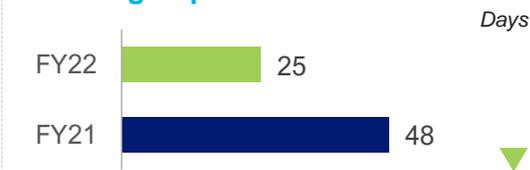
## Current Ratio



## Trade and Other Payables



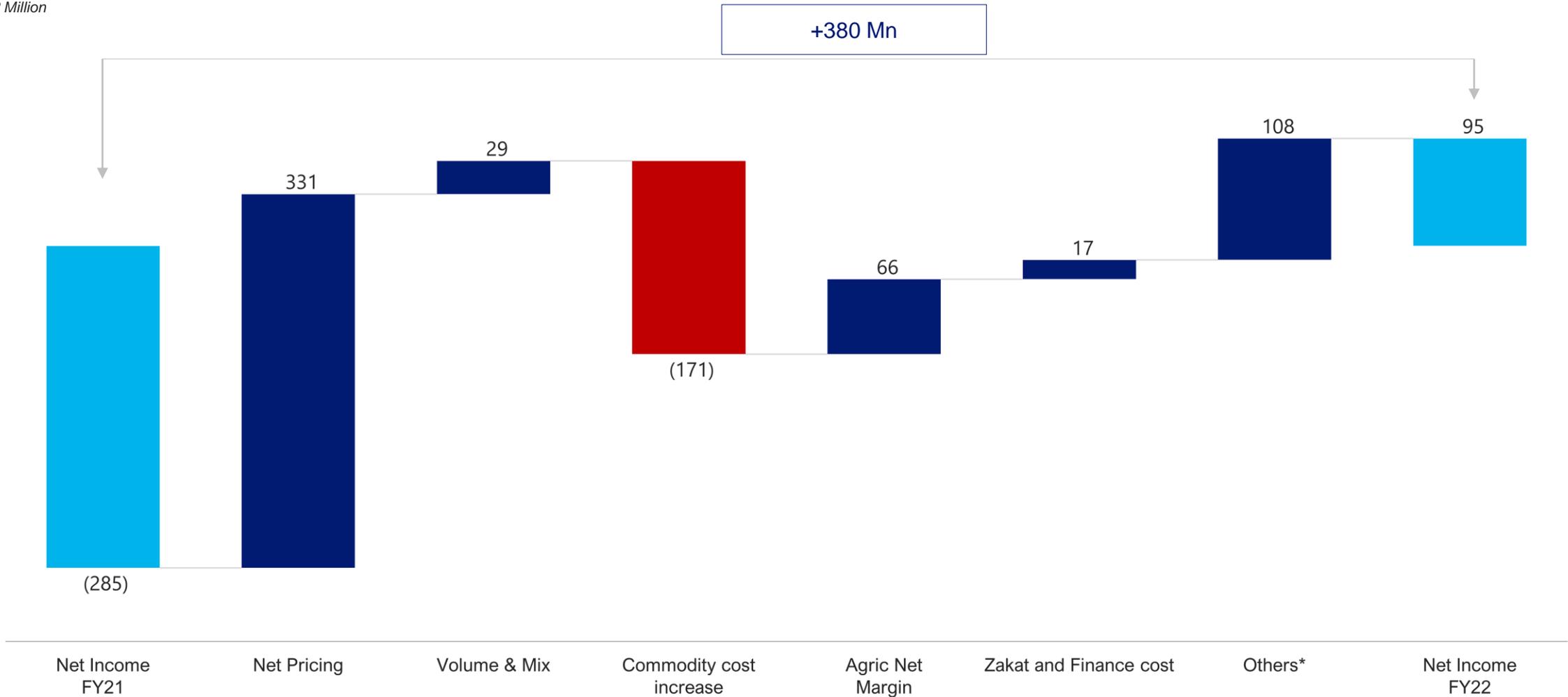
## Working Capital



# Net Income Bridge



SAR Million

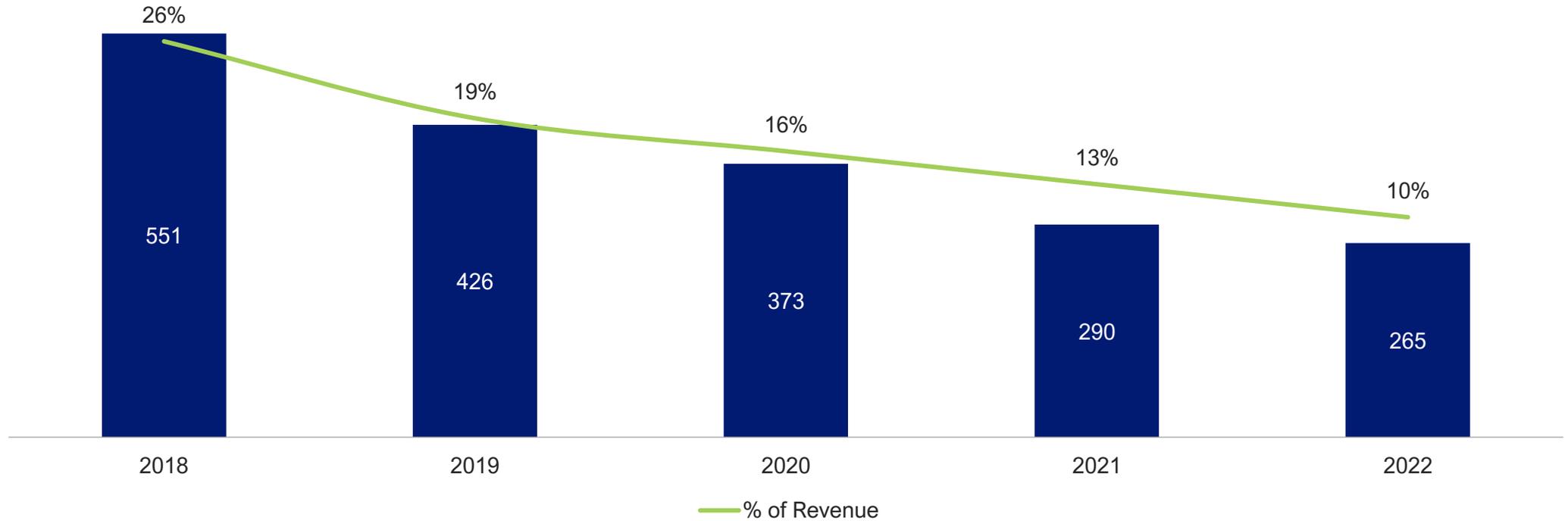


\*Others includes the one-off items i.e. Write off/ Impairment losses on Property, Plant and Equipment and Capital work in progress.

# Working Capital



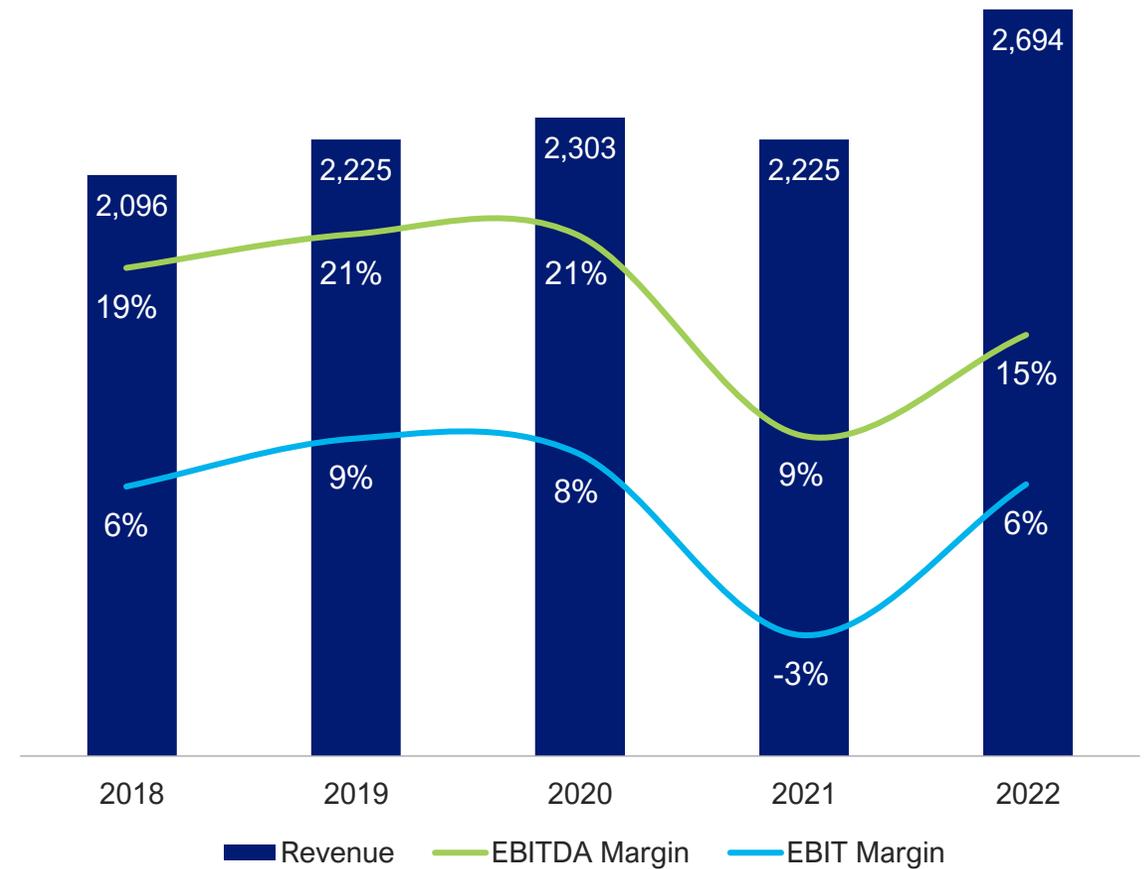
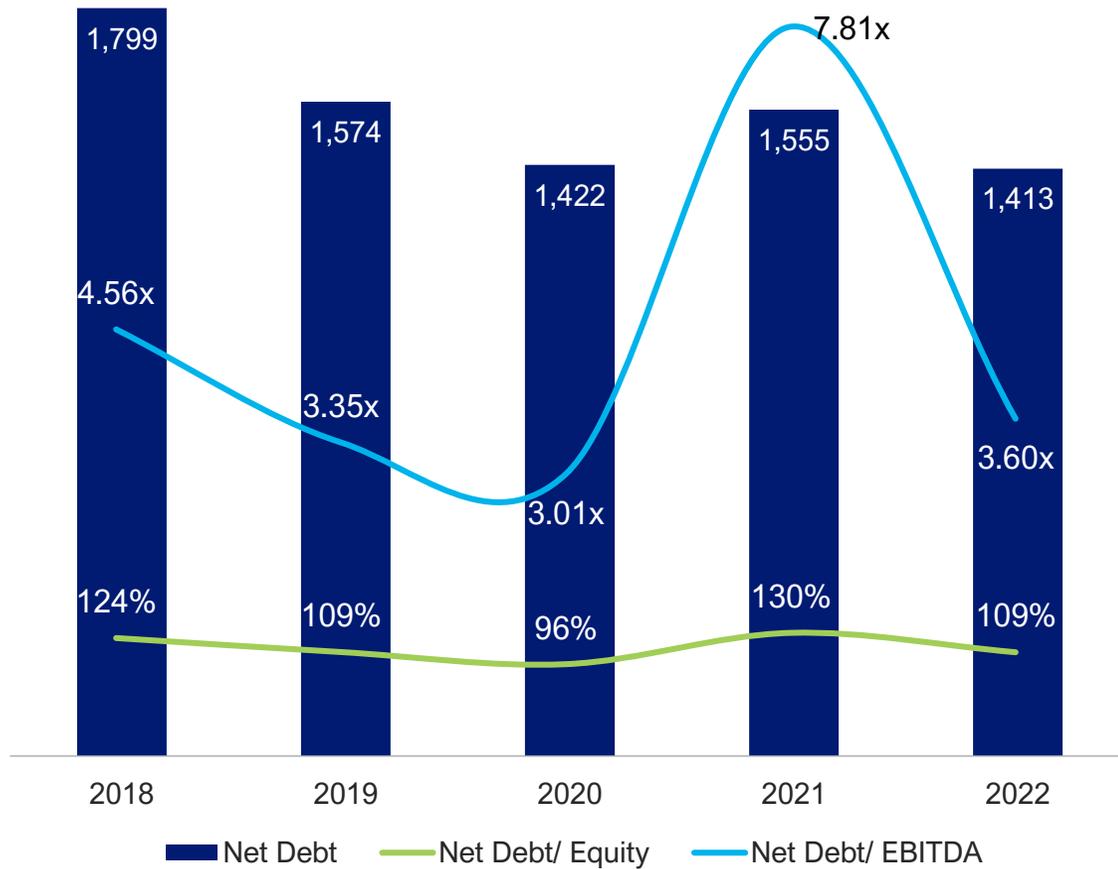
SAR Million



	2018	2019	2020	2021	2022
Days of Inventory outstanding (DIO)	154	145	124	103	100
Days of Sales outstanding (DSO)	76	71	70	91	58
Days of Payable outstanding (DPO)	(122)	(147)	(140)	(163)	(131)
<b>Working Capital (Days)</b>	<b>108</b>	<b>69</b>	<b>54</b>	<b>31</b>	<b>26</b>

# Net Debt and EBITDA/ EBIT Margins Trend

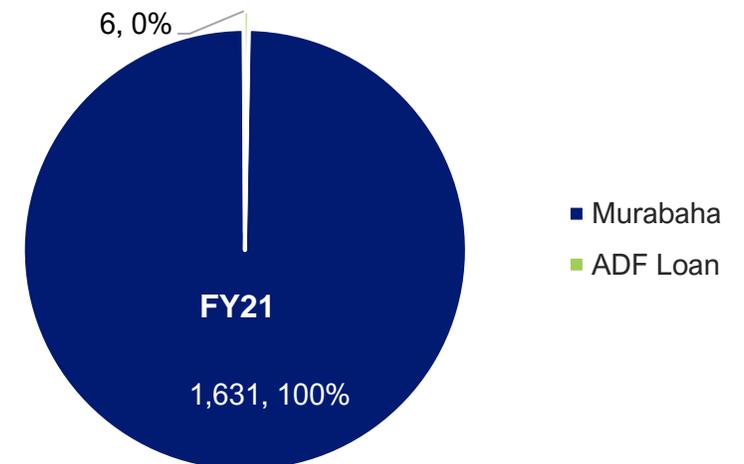
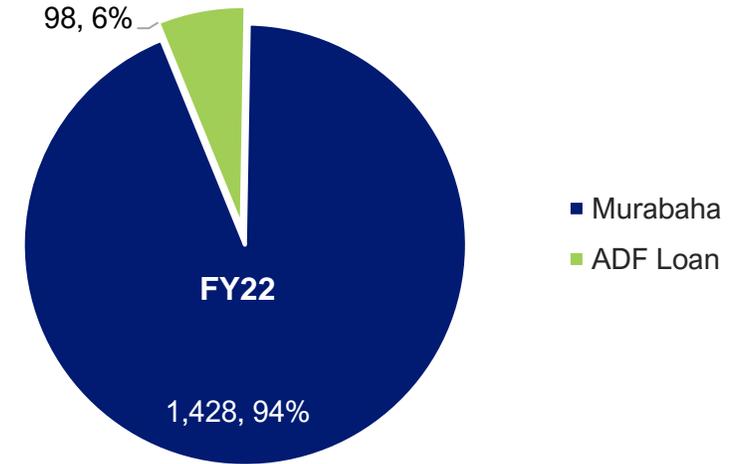
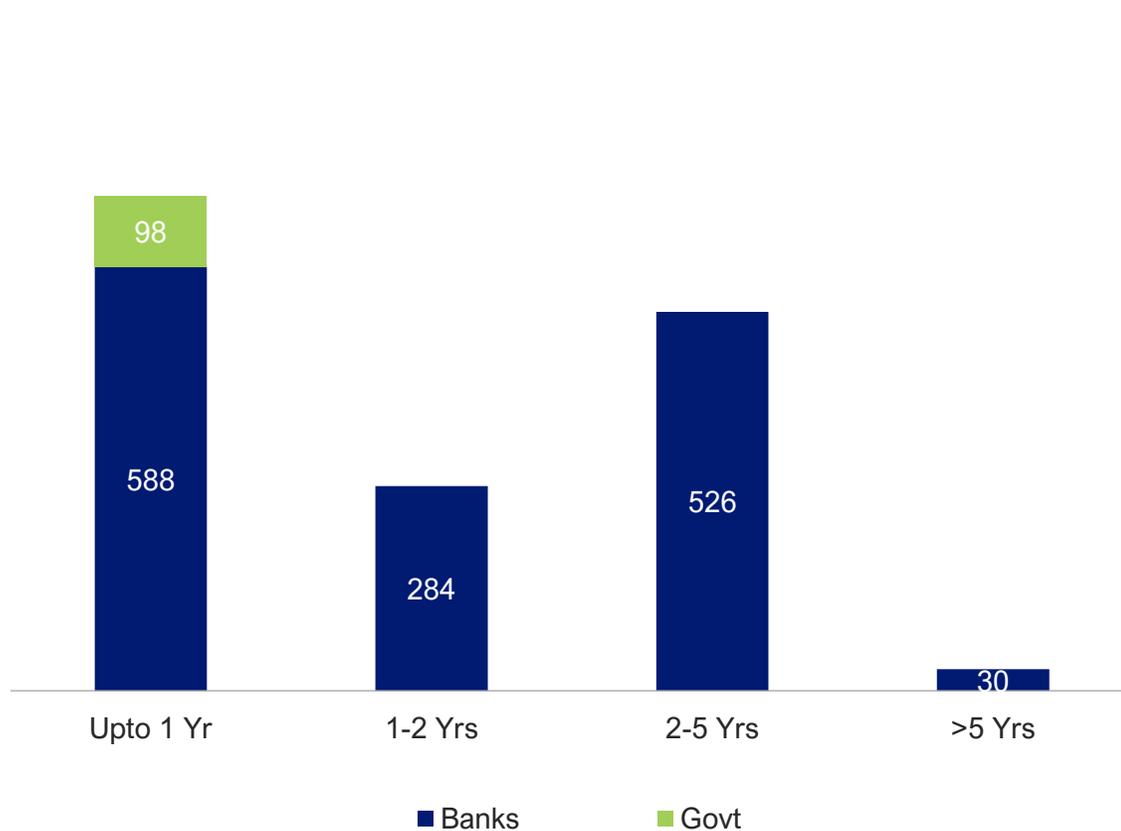
SAR Million



# Debt Maturity Profile – Average debt tenure at 2.5 Years



SAR Million





## Appendix

# Income Statement



SAR million

Income Statement	FY22	FY21
Revenue from Operations	2,694	2,272
Cost of Good Sold	1,886	1,641
<b>Gross Profit</b>	<b>808</b>	<b>631</b>
Selling General & Admin Exp.	632	637
Other Operating Expenses*	30	207
<b>EBITDA</b>	<b>375</b>	<b>50</b>
Depreciation	228	264
<b>Operating Profit</b>	<b>147</b>	<b>(213)</b>
Finance Cost	49	32
Share of Profit in JV	3	0
<b>PBT</b>	<b>101</b>	<b>(245)</b>
Zakat	6	40
<b>Net Income</b>	<b>95</b>	<b>(285)</b>

\*Other operating expenses includes Provision for Bad Debts; R&D Expenses; Other Operating expenses; Provision and Write-offs

# Summarized Balance Sheet



SAR million

<b>Balance Sheet</b>	<b>Dec 31, 2022</b>	<b>Dec 31, 2021</b>
Non-Current Assets	2,707	2,745
Current Assets	1,115	1,145
<b>Total Assets</b>	<b>3,822</b>	<b>3,890</b>
Non-Current Liabilities	1,090	1,364
Current Liabilities	1,437	1,330
<b>Total Liabilities</b>	<b>2,527</b>	<b>2,694</b>
<b>Shareholders' Equity</b>	<b>1,295</b>	<b>1,196</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>3,822</b>	<b>3,890</b>

# Cash Flow Statement



SAR million

Cash Flow Statement	Dec 31, 2022	Dec 31, 2021
Net Profit/ (Loss)	95	-285
Adjustment for Non-Cash and Non-operating Items	382	610
<b>Cash Operating Profit</b>	<b>477</b>	<b>325</b>
Changes in working capital	(1)	(41)
Zakat Paid	(1)	(1)
Employee Benefits Paid	-23	(28)
<b>Cash Flow from Operating Activities</b>	<b>452</b>	<b>256</b>
Acquisition of PPE, Intangible and Biological Assets	(304)	(362)
Proceeds from sale of PPE and Biological Assets	61	88
Investment in Equity	0	(51)
<b>Cash Flow from Investing Activities</b>	<b>(243)</b>	<b>(325)</b>
Proceeds from Loans and Borrowings	146	370
Repayment of Loans and Borrowings	(264)	(223)
Other Cashflow from financing activities	(59)	(65)
<b>Cash Flow from Financing Activities</b>	<b>(178)</b>	<b>82</b>
<b>Net Change in Cash and Cash Equivalent</b>	<b>31</b>	<b>13</b>



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**Thank  
you**  
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