



# Earnings Presentation

August 2022



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## Key Highlights

- ▶ SADAFCO's sales were SAR 631Mln for Q1'2022/23, an increase of 28.2% vs same quarter last year
- ▶ Gross Margin improved significantly to 32.0% vs. 30.6% same quarter last year
- ▶ MAT Jun'22 share for Plain UHT Milk and Ice Cream expanded by 0.5 and 2.1 percentage points respectively on a YoY basis
- ▶ SADAFCO issued and published its first Sustainability Report covering four key elements of ESG – Consumer, Resources, People & Governance

### New Product Launches



**Oat Milk  
1ltr**



**Sensation  
Disc Cones**



**Lemon Mint  
IC Stick**

### Recent Developments

- ▶ Final dividend of SAR 3 / share approved by AGM held on 28/06/22 (Full year SAR 6 / share)
- ▶ Solar PV system project in Jeddah Central Warehouse is completed and is active / generating power
- ▶ New Makkah Depot project Main Building work commenced

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

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

# Business Highlights

## Financial Highlights- SADAFECO

### Sales

**28.2%**  
YoY

Q1'2022/23:  
**SAR 631Mln**  
  
Q1'2021/22:  
**SAR 492Mln**

### Net Profit

**48.1%**  
YoY

Q1'2022/23:  
**SAR 56Mln**  
  
Q1'2021/22:  
**SAR 38Mln**

### Total Assets

**5.1%**  
YoY

Q1'2022/23:  
**SAR 2,443Mln**  
  
Q1'2021/22:  
**SAR 2,325Mln**

## SADAFECO's Market Share\*



UHT Milk  
**59.0%**



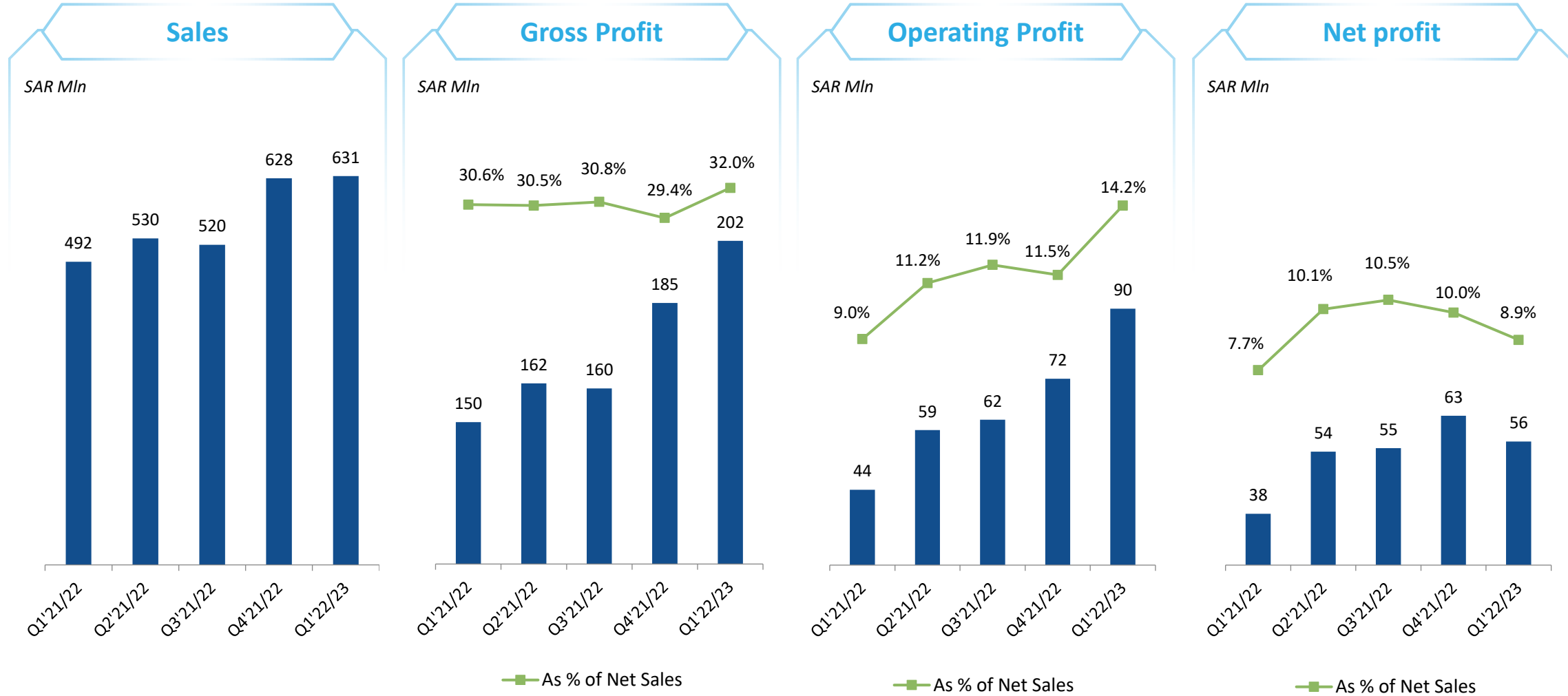
Tomato Paste  
**51.0%**



Ice Cream  
**28.8%**

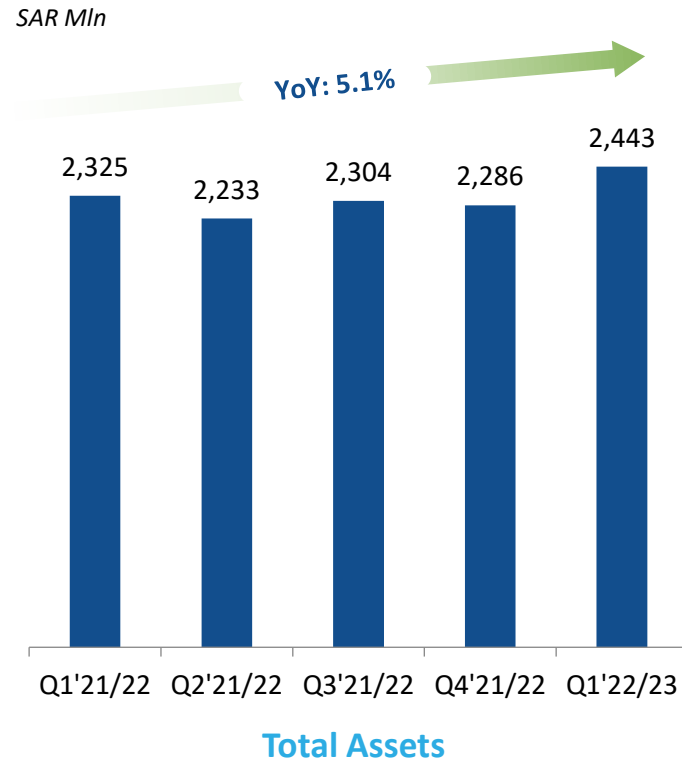
\*MAT as of June' 22 (Source: Nielsen Retail Audit)

# Sales & Profitability

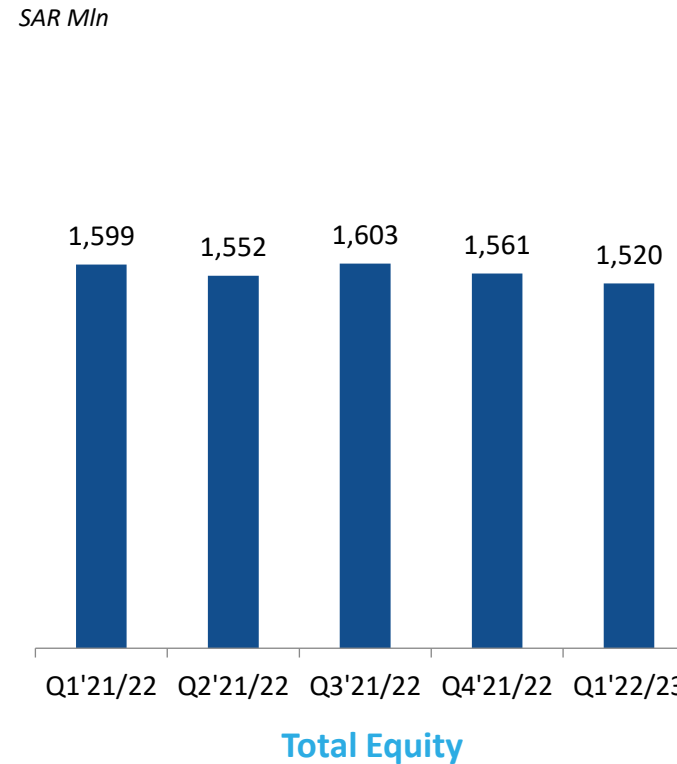


# Balance Sheet

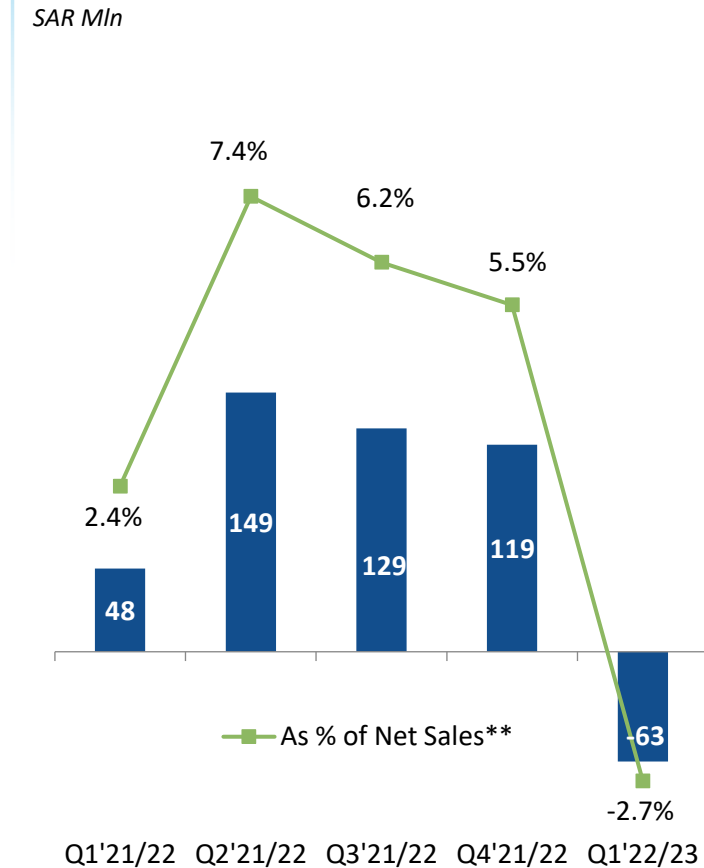
## Steady Asset Base...



## ...build by internally generated Funds



## Working Capital\*



Note:

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

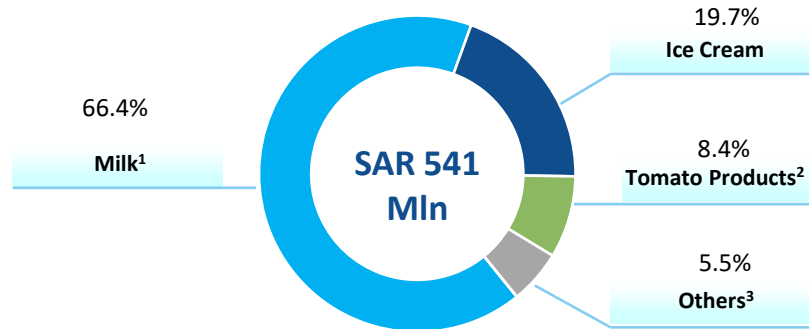
Current Assets: Account receivables + Inventories + Deposits, prepayments & other current assets

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

# Sales Reporting

## Q1'22/23 Sales By Category\*






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

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

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

\*Note: SADAFCO Standalone figures

## Key Category – Sales\*

	Net Sales – Q1'22/23 (SAR Mln)	% y-o-y growth
 Milk <sup>1</sup>	<b>359</b>	<b>27.8%</b>
 Ice Cream	<b>107</b>	<b>9.0%</b>
 Tomato Products <sup>2</sup>	<b>45</b>	<b>10.4%</b>

## Distribution Format\*

% of Net Sales Q1'22/23



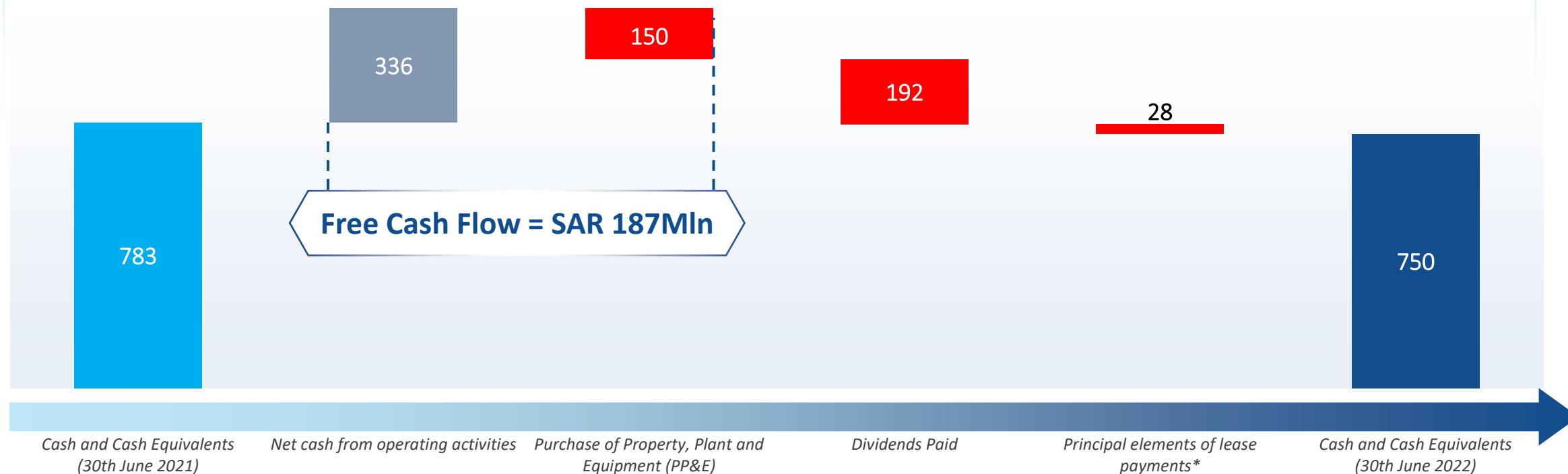
*Traditional Trade & Modern Trade are the leading channels... with Wholesale also contributing significantly*



# Cash Flow Summary

## SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 30<sup>th</sup> June 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



## Tomato Products

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



## Cheese Products

- Feta Cheese
- Processed Cheese – Triangles



## Snacks (Crispy)



## Other Products

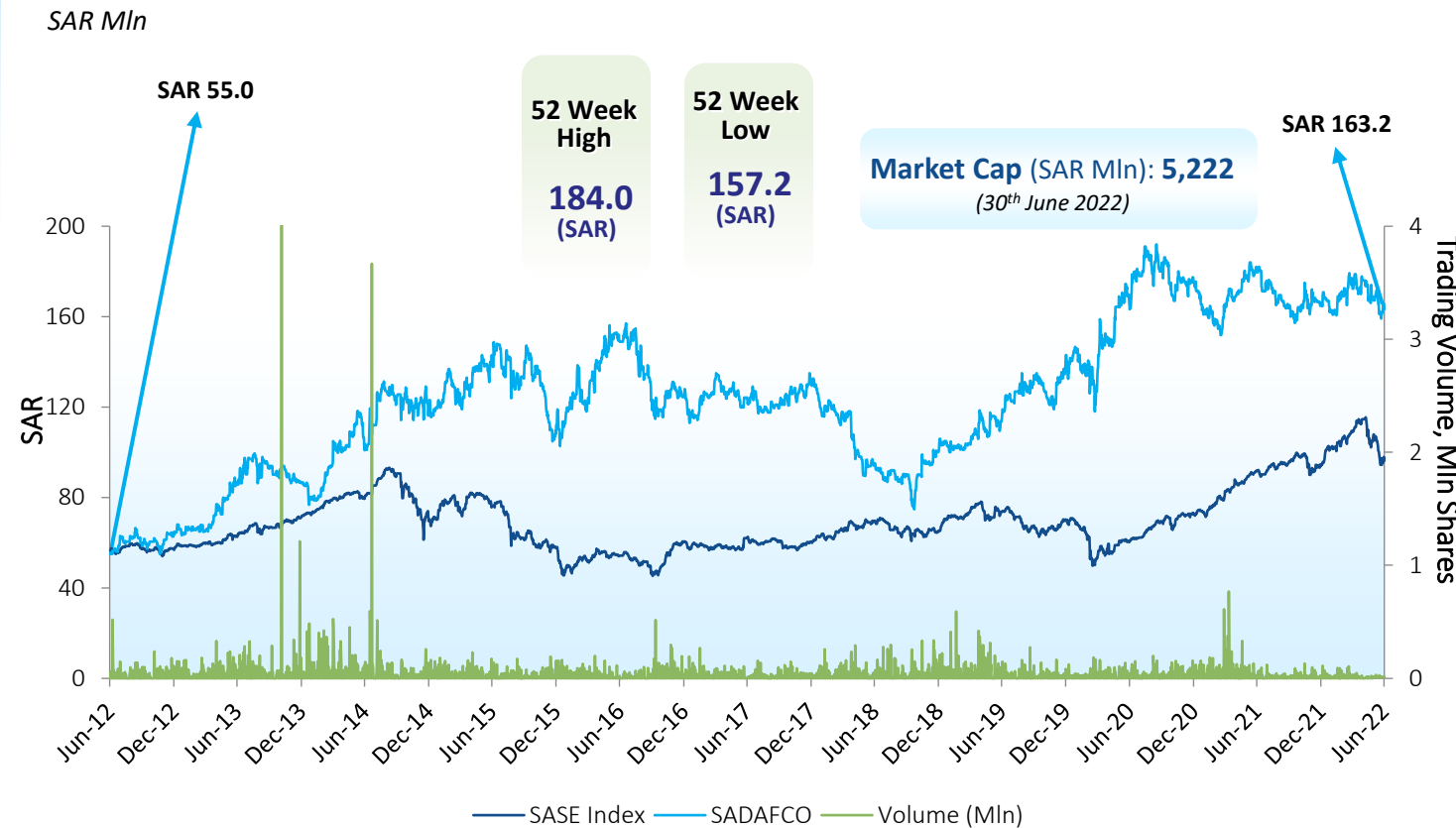
- French Fries
- Cream (Thick, Sterilized & Analogue)
- Soy Drink
- Treato (Drinkable Snacks)
- Mayonnaise

- Oat Milk



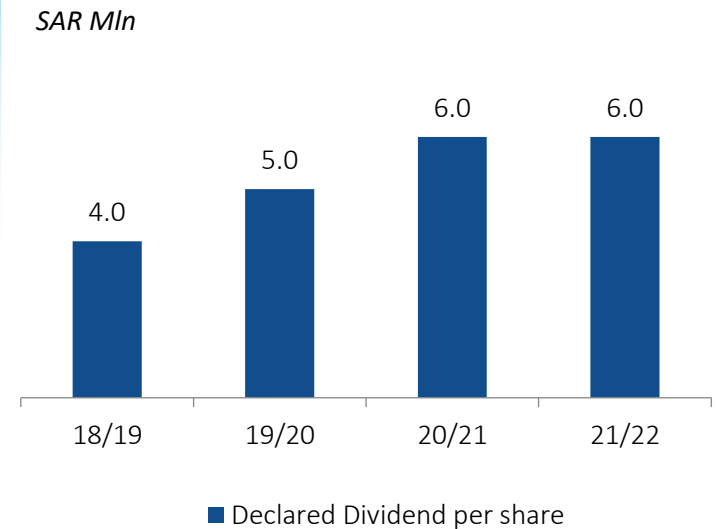
# Shareholders' Returns

## Share Price Performance



Source: Tadawul, Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 55.0 on 30<sup>th</sup> June 2012); Total shares outstanding (in thousands): 32,000

## Consistent Dividends



**Compounded**  
**Annual Return<sup>#</sup>**  
**of ~14.1%**  
*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 30<sup>th</sup> June 2022, assuming no reinvestment of dividends

# Sustainability – Key Highlights

## Water



- SADAFCO has constituted a **water steering committee** to assess solutions/ initiatives which manage water usage more efficiently
- SADAFCO is assessing the implementation of a **water recovery and recirculation** initiative which has a potential to recover **more than 48,000,000 liters per annum**

## Energy & Climate Change



- All forklifts operational in SADAFCO's warehouses are now electrically powered and there is a plan to **electrify 100% of the forklift fleet**
- **Solar power generation** successfully commenced at the rooftop solar plants of Jeddah Central Warehouse (JCW) and is being **100% utilized**

## Other Recent Developments



### Data Privacy

A **personal data protection policy** has been put in place in accordance with KSA's Personal Data Protection Law (PDPL)



### Consumer Delight

SADAFCO **simplified the consumer complaint process** and modified workflows to enhance the complaint resolution mechanism. A **dedicated consumer complaint coordinator** has been assigned for handling consumer complaints



# Nurturing generations with goodness and happiness

by providing nutritious, delicious, convenient and sustainable food and beverage solutions



## Mission

**Delighting Customers**  
with nutritious, delicious,  
sustainable and convenient  
products

Leading to  
**Acceleration of  
profitable growth**

**Adding value** to all  
stakeholder (especially  
environment)



Delighting consumers  
through **Culture**,  
Capabilities, Organisation



Consumer driven **profitable**,  
**sustainable & balanced** product  
portfolio



**Accelerate Profitable  
& Sustainable  
Growth**

**Strategic Growth Drivers: DELIGHTING CONSUMERS**

Operational & financial  
excellence at the basics  
(‘Continuous Excellence’)



Delighting consumers **whenever**,  
**wherever**, **however**



ESG

Culture

Purpose

# Going Forward...

*SADAFCO aims to deliver double digit net profit on a consistent basis through continuous focus on value generating activities driven by our mission to delight our consumer. We continue to generate significant cashflow from operations, and are comfortably placed with a healthy financial position*

*The new Ice Cream factory provides exciting opportunities for growth and new product launches to meet higher consumer demand. Work on Makkah Depot project of SAR 27 Mln has been initiated and is in process, it is expected to finish during the Financial Year 2022-23*

*The board approved a half year dividend of SAR 3 per share which is in addition to the final dividend announced in the Annual General Assembly meeting in June 2022*

Trusted by Generations

